



A supplement to Prudential's Sixth Workplace Report on Retirement Planning

Women indicate strong need for guidance and support with respect to workplace retirement plans

Prudential's Sixth Workplace Report on Retirement Planning: **The New Economic Reality and the Workplace Retirement Plan** was conducted in October 2009.

The overall study aimed to:

1. Reveal how American workers feel about their retirement preparedness
2. Explore how workers perceive today's workplace retirement plans
3. Evaluate the reactions of workers to a new generation of workplace retirement plans

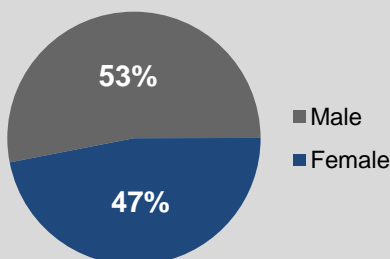
The study polled 1,010 American workers, which included 531 men and 479 women. The data in this supplemental publication focuses on gender differences revealed in the study.

All respondents met the following criteria:

- Age 21 – 64
- Currently employed and working full time
- Primary or joint decision-maker on household financial decisions
- Employer offers a 401(k), 403(b), or 457 defined contribution plan

The study has a margin of error of $\pm 3.1\%$ at the 95% confidence level.

GENDER



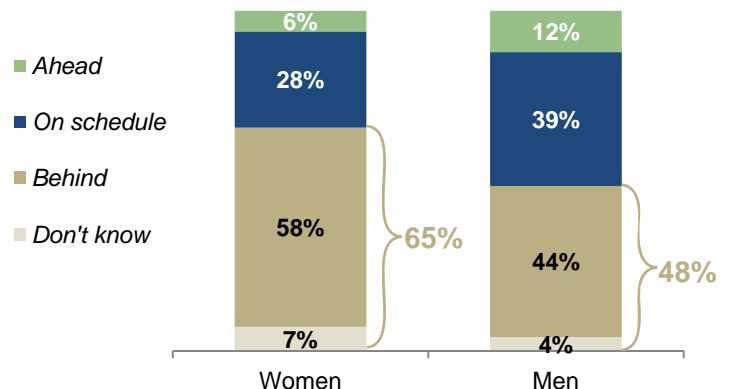
Women are less prepared and less confident than men when it comes to retirement

More than half of Americans struggle to meet their retirement savings goals, and the majority feel retirement plan decisions are complicated, so it comes as no surprise that 84% think it is time to re-evaluate how we plan and save for retirement, including the creation of new and improved workplace retirement plans.

Both women and men feel strongly about this (87% vs. 81%, respectively). It is somewhat more alarming coming from women, however, as they are more likely to feel "behind schedule" or not sure about their retirement savings progress (65% vs. 48%). Add that, on average, women live longer than men and earn less than men over their lifetimes, and their retirement savings dilemma becomes even more critical—leading to striking differences in confidence levels:

- 38% of women are not confident they'll be able to save enough money for a comfortable retirement, compared to just 22% of men.
- Women are more than twice as likely as men to lack confidence in their ability to make good decisions about their workplace retirement plan (32% vs. 14%).
- Only a quarter of women think they'll be able to retire on time, compared to a third of men.

PROGRESS IN RETIREMENT SAVINGS

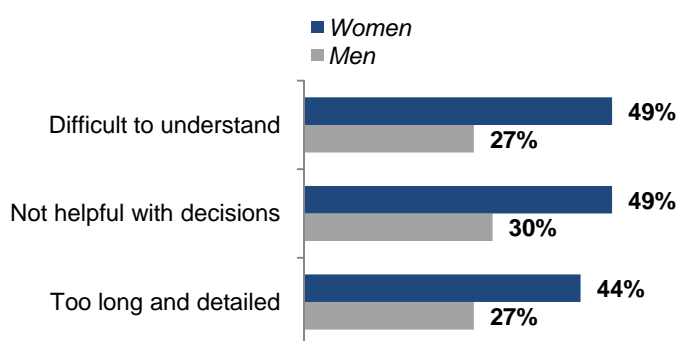


Retirement plan decisions are perceived as complicated by more women than men

There are many plan participants who find it difficult making retirement plan decisions. On average, seven in 10 say these decisions are complicated. While there are no significant differences by age and experience, there is a difference by gender—76% among women versus 66% men.

In fact, women are nearly twice as likely as men to find educational resources for defined contribution plans difficult to understand. This gap is significant because women are much more likely to rely on the information received from their employer to help make decisions about their workplace retirement plan (50% vs. 35% of men). These points have implications in considering how education is prepared and presented to the plan participant population.

IMPRESSION OF PLAN & EDUCATION MATERIALS



Women want an easier way to get involved

Workplace retirement plans often place hurdles to plan participation by requiring employees to actively enroll in the plan and make decisions about contribution rates and asset allocation. Various factors may interfere with decisions, such as procrastination and a more immediate focus on getting started on the job, as well as a lack of familiarity with investing and difficulty making choices.

Unfortunately, as the data show, women are often more confused than men about these decisions. As a result, women were more receptive to automatic features in workplace retirement plans. For example:

- 78% of women liked the idea of automatic enrollment, compared to 72% of men
- 74% of women thought a default savings rate was a good feature, versus 66% of men
- 90% of women were at least somewhat receptive to automatic asset allocation, versus 85% of men

Income guarantees are equally appealing to women and men

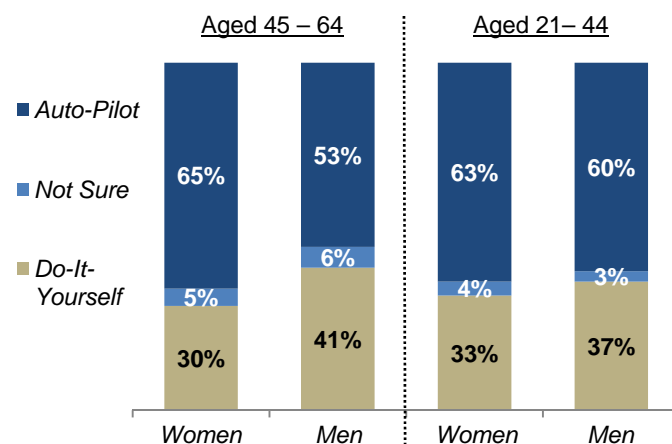
More than two-thirds of Americans reveal a need for help with the final critical step in retirement planning, which is generating guaranteed retirement income. When presented with an automatic approach in their workplace retirement plan to build a guaranteed, lifelong stream of income, interest was relatively high among both women and men (69% and 66%, respectively)—perhaps also a reminder that this issue remains a challenge for all Americans.

Women welcome fully automated plans as a better approach for retirement savings

The majority of American men and women see the benefit of each individual automatic feature: enrollment, initial contribution rate, contribution escalation, asset allocation, and guaranteed retirement income.

Yet women are more receptive at each point, and this pattern holds true in evaluating the collective value of the automatic features as well, particularly in the 45 to 64 age group. Women appear to be more willing to give up some control and to feel that being on “auto-pilot” would be better for them (65% vs. 53%, or +12 points), while men show more of a preference for a “do-it-yourself” approach.

PREFERRED WORKPLACE RETIREMENT PLAN DESIGN



The greater receptivity among women may reflect some of their concerns regarding progress in retirement savings, lower levels of confidence, a greater desire for simplicity, and a need for guidance. Even so, it is notable that both men and women report high favorable reactions, see this fully automated plan as a new approach to workplace retirement plans (85%), and agree it is an “improved” plan (65%).