TIAA-CREF institute

RESEARCH DIAOGUE

Issue no. 93

SEPTEMBER 2008

THE ROLE OF RETIREMENT PERSONALITY TYPE IN MOTIVATING WOMEN TO PLAN FOR RETIREMENT

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EXECUTIVE SUMMARY

This two phase study examined how to motivate women to save for retirement. The quantitative first phase validated findings regarding the existence of distinct personality types among women regarding retirement saving. Differences exist among the personality types regarding risk tolerance and retirement planning actions. The research also confirmed that many women are reluctant to take investment risks. Many women need to be educated about the components of risk, the impact of time, and the risk-return relationship. Women need to understand how investing too conservatively can result in failure to meet financial goals.

In addition, women who voluntarily participate in financial education seminars may be primarily Planners and Savers. But other personality types who seem to be less likely to attend are in greater need of the information and motivation provided by such seminars. While it may be unrealistic to expect to attract such women to financial education seminars, the need to reach out to reluctant participants is paramount.

In the second phase, focus groups were conducted with the five retirement personality types to identify messages that might motivate them to invest for retirement. Focus groups revealed more similarities than differences across personality types; there may actually be greater differences between married and single women. Married women tended to depend on their husbands to handle financial planning while many single women either longed for someone to do the planning for them or recognized it was their responsibility but face many obstacles.

Women share similar obstacles that interfere with retirement planning, primarily, a lack of time, a lack of interest in finances, lack of knowledge, and fear of making poor choices and losing money. Women identified the time and costs of raising children as impediments to retirement planning, and they believe they will have time to start retirement planning once their children leave home. Uncertainty as to where to invest and who to trust seems widespread. Attending a financial seminar with men can be intimidating. Women prefer to learn from and work with female financial advisors.

Among positive motivators identified by the focus groups, participants suggested that supportive friends are important. Negative motivators include divorce, death of a spouse, health problems, and observing friends or relatives who are struggling financially in retirement. Women, regardless of personality type, commented, "We live in this illusion that others are going to take care of us."

INTRODUCTION

Due to the size of the 78 million baby boom cohort and their long life expectancy, boomers' financial preparation for retirement is a concern for researchers, educators and policy makers. Some factors contributing to the worry about retirement adequacy include the shift from defined benefit to defined contribution retirement plans, concern over the ability of Social Security to pay inflation-indexed benefits, the nation's low savings rate, record levels of consumer and housing debt, and the growing number of employees who lack a retirement plan at work.

Although most boomers feel confident they will have a comfortable retirement, for many, that confidence is unfounded.[1] The Retirement Confidence Survey (RCS)[2] is an annual assessment of the attitudes and financial practices of workers and retirees regarding saving, retirement preparation, and financial security. The RCS has consistently found that Americans believe they are saving adequately to maintain their current level of living in retirement yet the numbers suggest otherwise.

Since women live longer than men, often have meager or no pension benefits, are more likely to live in poverty after age 65, and are more risk-averse than men, there is a need to motivate women to invest for retirement. According to the Retirement Confidence Survey, many women don't know how to prepare, and feel they don't have the resources to invest. The Women's Retirement Confidence Survey[3] revealed large gender differences in attitudes toward retirement and saving. Nearly two thirds of the respondents reported that they plan to work throughout their retirement. There is a need to understand differing personality types and the affect on retirement planning behavior. What would motivate women to plan for retirement?

This study examines baby boomer women's attitudes toward retirement and preparation actions; it was conducted in two phases, the first quantitative and the second qualitative. Although the attitudes and actions may reflect decisions made in conjunction with a spouse or partner, the responses come directly from the women.

The results of this study will be valuable to financial education and planning professionals in developing more effective programs to motivate women to plan and invest for retirement. The findings can serve as the basis for developing a social marketing campaign to motivate boomer women and younger cohorts to plan early and invest assertively for retirement.

BACKGROUND

According to the Retirement Confidence Survey (RCS), women are consistently less confident than men about financial security in retirement, about their retirement preparations, and about having sufficient resources to pay for long term care. In addition, women score lower than men in retirement preparation actions including saving

1 Employee Benefits Research Institute. (2007, July 26). 'Gender gap' shrinking in retirement plan coverage. Fast Facts from EBRI, FFE #59. Fore, D. (2003, September). Do we have a retirement crisis in America? *Research Dialogue*, 77. Munnell, A. H., Webb, A., & Golub-Sass, F. (2007, August). Is there really a retirement savings crisis? An NNRI analysis. Center for Retirement Research IB#7-11.

2 Employee Benefits Research Institute. (2007). Gender comparisons among workers. *2007 Retirement Confidence Survey*.

3 Employee Benefit Research Institute. (1999, November). *1999 Women's Retirement Confidence Survey*.

for retirement, calculating their retirement needs, and being on track in planning and saving. According to the RCS, the top two motivators to save for retirement are observing the financial struggles of someone who did not prepare adequately and recognizing that time is running out.

RETIREMENT PERSONALITY TYPES

The RCS includes a Retirement Personality Profiler (RPP) that separates respondents into five "Retirement Personality Types" (RPT) based on their financial attitudes as well as their retirement savings attitudes and practices.

The RCS defined the five retirement planning types as follows:

- *Planners* are disciplined savers who are willing to take risks and have estimated how much they need to invest for retirement; 81% say they are saving for that goal. They tend to be middle-aged, professionals, in high-income households, and college graduates.
- *Savers* are not risk takers but 61% are saving for retirement. Savers are middle to higher income; a high proportion are divorced or separated and about half have dependent children.
- *Strugglers* believe retirement planning takes too much time and feel that if they just save some money each month they will be comfortable and that Social Security will provide. They report frequent financial setbacks; only 40% are saving for retirement. They are middle-aged, middle-class, typically not college graduates and are raising children.
- *Impulsives* believe a comfortable retirement is possible with some planning. They are impulse purchasers who report occasional financial setbacks. Many expect to work in retirement; only about half are saving for that goal. They are young, married, raising children and working full-time in dual-income households.
- *Deniers* feel it is pointless to plan for retirement because it is too far away and/or planning takes too much time and effort. Only 40% report retirement savings; they expect to rely on Social Security. Reluctant to take financial risks, Deniers tend to be older and low income (EBRI, 1998).

RISK TOLERANCE

Research on gender differences in investing reveals that women are more risk averse than men.[4] Yet, risk aversion is hazardous when the result is failure to accumulate sufficient resources.

SURVEY RESEARCH

The specific objectives of phase one were:

1. To determine the Retirement Personality Types (RPT) of a sample of baby boomer women.
2. To assess retirement preparation using the Retirement Readiness Rating (RRR).
3. To measure the risk tolerance of baby boomer women.
4. To measure the extent to which demographics, RPT, and risk tolerance predict RRR.
5. To examine the relationships among risk tolerance, RPT, and retirement preparation behavior.

This study tested whether RPT correlates with a respondent's actions and confidence in financial planning for retirement (RRR). It was hypothesized that Planners would be most likely to be investing for retirement and thus score highest on RRR. Deniers were expected to score lowest on RRR.

4 Balkin, D. B. (2004). Gender effects on employee participation and investment behavior with 401(k) retirement plans. TIAA-CREF Institute.

This exploratory study used a convenience sample of employed baby boomer women living in northern Utah and southeast Idaho. The geographic area was limited in order for the women to be available for follow-up focus groups. Subjects were recruited through employers, women's organizations and advertising. Participants were encouraged to recruit other women. Towards the end of the recruitment process, to attract more Deniers, respondents were offered incentives to recruit women who they perceived might be reluctant to participate in a study on finances. Recruitment efforts were continued until sufficient numbers of each Retirement Personality Type were secured in order to conduct focus groups with each RPT.

The *dependent* variable was retirement preparation actions as measured by the Retirement Readiness Rating (RRR) scale. The RRR measures preparation for and confidence about retirement. The independent (causal) variables included the Retirement Personality Profiler,[5] the 13-item Risk-tolerance Assessment Index,[6] and demographic characteristics. The Retirement Personality Profiler determines the RPT.

SURVEY RESULTS

The 207 respondents range in age from 40 to 59 with an average of 50.5. Most participants are married, employed full time, and well-educated. Household income varies from less than $25,000 to over $125,000 with a median category of $50,000-74,999. Most of the women are married (71.8%); 14.4% are currently divorced. Two-thirds are employed full-time, 20.8% work part-time. They are highly educated with 91.3% reporting some college education. The racial/ethnic identification of the respondents reflects the area population; 98.1% were white, non-Hispanic.

RETIREMENT PERSONALITY TYPE

According to the RCS, 31% of American women are Planners, 14% are Savers, 24% are Strugglers, 18% are Impulsives, and 12% are Deniers. This study found similar proportions of Planners (33.3%; n=68) but more Savers (22.9%; n=46) and Impulsives (25.9%; n=50) than the 1999 RCS reports. Reflecting the difficulty in recruiting Deniers, there were only eight women in this RPT (4.0%). Strugglers were also underrepresented compared with national figures with 28 respondents (13.9%). It was not surprising that Deniers were underrepresented since this study relied on volunteers. Deniers likely declined to participate in a study on finances which might make them feel inadequate or uncomfortable.

Planners and Impulsives were most likely to be married; Deniers were least likely to be married. Planners and Savers clustered in the $35,000-$125,000 household income categories; Strugglers and Impulsives reported incomes of $35,000-$75,000. Consistent with the RCS, Planners and Savers were most highly educated; Strugglers and Impulsives were less educated. The few Deniers were spread across the income and educational range with one or two in each income category. There were no significant differences in age among RPTs which was not unexpected since the study was limited to the nineteen year span of the baby boom (born 1946-1964).

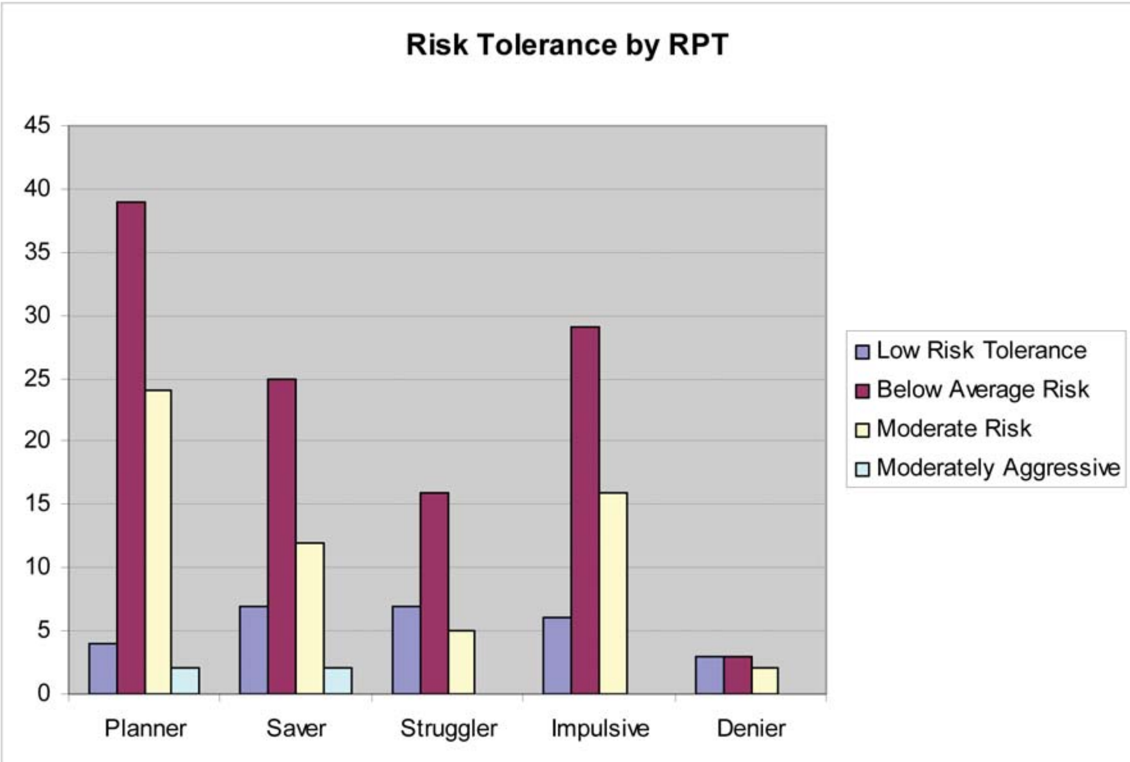
RISK TOLERANCE

Respondents were clustered at the low end of the risk tolerance spectrum; only four scored above average (Figure 1.) Planners scored highest on risk tolerance (M=25.8) followed by Savers (M=24.4) and Impulsives (M=24.2). Strugglers (M=22.6) and Deniers (M=22.5) had similar below average risk tolerance scores.

5 Employee Benefit Research Institute. (2000). *The Retirement Personality Profiler*. http://www.ebri.org/surveys/rcs/2000/profiler.htm

6 Grable, J., & Lytton, R. H. (1999). Financial risk tolerance revisited: The development of a risk assessment instrument. *Financial Services Review*, 8 (3), 163-181.

Figure 1
Risk Tolerance by Retirement personality Type



RETIREMENT READINESS RATING

The Retirement Readiness Rating (RRR) was the dependent variable. While RRR scores could range from 0 to 25, the actual range was from seven to 25 with a mean of 16.4. Responses were transformed for analysis into five categories ranging from very poor (0-5) to very good (21-25). The RCS reported that women scored lower than men on the RRR with the following percent of women in each category: very poor 0-5 (10%), poor 6-10 (20%), adequate 11-15 (34%), good 16-20 (28%), or very good 21-25 (7%).[7]

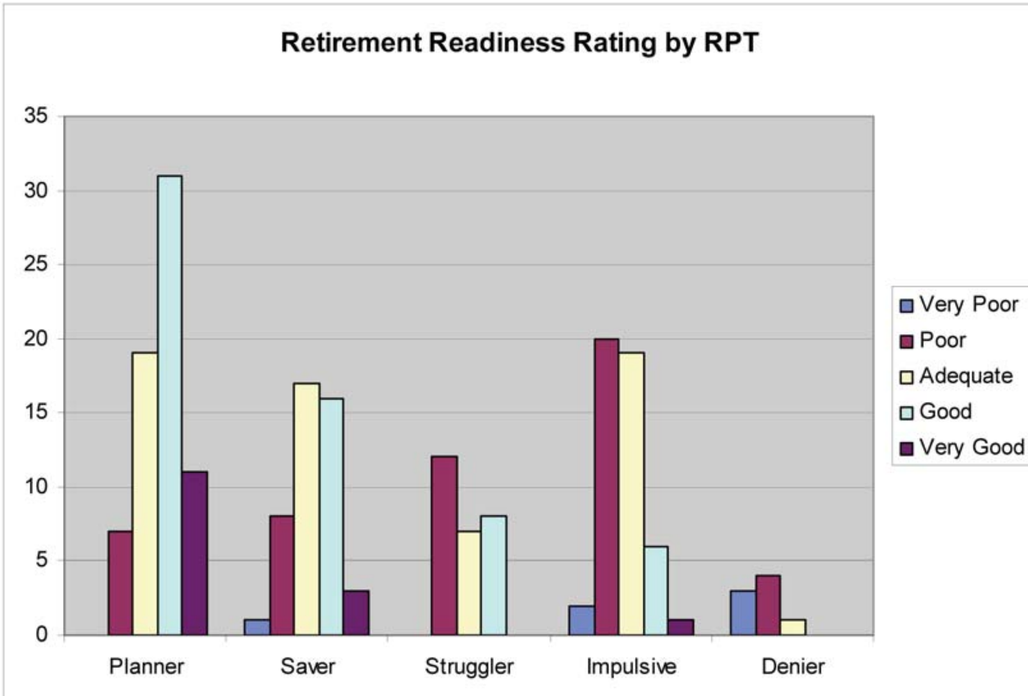
The percentage of respondents scoring adequate, good, and very good on RRR is similar to the RCS results.[8] Notably, 32% of the female RCS respondents and 29.1% of these boomer women scored poor or very poor in retirement readiness. The RCS is not restricted to boomers but includes adults of all ages. As retirement nears, older women should score higher on RRR than younger women.

It was anticipated that RPT would be correlated with RRR with Planners scoring highest and Deniers scoring lowest. Results of the Chi-square test confirmed this expectation. Planners scored significantly higher in RRR than all other groups followed by Savers, Strugglers, Impulsives and Deniers. Results support the validity of the RPT instrument (Figure 2.)

7 Employee Benefit Research Institute (1999). *EBRI Issues Brief: The 1999 Retirement Confidence Survey*. American Savings Education Council & Mathew Greenwald & Associates.

8 Employee Benefit Research Institute. (2000). Gender comparisons among workers. *2000 Retirement Confidence Survey*. http://www.ebri.org/pdf/surveys/rcs/2000/fact3-gendercomparisons.pdf

Figure 2
Retirement Readiness Rating by retirement Personality Type



Estimating how much money one will need in retirement is an essential part of retirement planning. According to the RCS, there is a strong correlation between estimating how much one will need for retirement and reporting larger saving balances. In this study, 76.8% of the Planners had estimated how much money they will need, followed by 58.7% of Savers, 46.2% of Impulsives, 42.9% of Strugglers, and 12.5% of Deniers. While the number of Deniers in this study is very small, they clearly stand out on this variable. The lowest education group (high school or less) was the least prepared for retirement as measured by RRR while respondents with graduate or professional degrees scored highest.

Regression analysis was used to determine the extent to which demographics, RPT, and risk tolerance predict RRR. Almost 40% of the variation in RRR can be explained by RPT and risk tolerance. When the demographic variables were added, only income significantly improved prediction of RRR. As income increases, RRR increases.

DISCUSSION OF SURVEY RESULTS

Results of the survey provide evidence of the validity and reliability of the Retirement Personality Profiler and the five Retirement Personality Types. Significant differences exist among the five types with regard to risk tolerance and retirement planning actions. The survey also confirms the conclusion of the Women's Retirement Confidence Survey and other studies that many women are reluctant to take investment risks. Unfortunately, a common approach used by web sites and financial advisors is to recommend investment asset allocation based on the results of a risk tolerance quiz. The problem with this approach is that many clients need to be educated about the many components of risk, the impact of time, and the risk-return relationship. Most importantly, women need to understand how investing too conservatively can result in failure to meet financial goals.

Women need to be educated about the importance of taking prudent investment risks through a diversified portfolio that includes a substantial allocation to domestic and international stocks. Fortunately, the new diversified target date retirement (TDR) mutual funds are suitable for many investors who lack interest in making asset allocation decisions, rebalancing their portfolio, and who may buy and sell at the wrong times in response to emotion. TDRs avoid the problem of risk aversion and investing too conservatively by providing a diversified portfolio where the only decision is selecting an estimated retirement year. Since many workers fail to revisit their initial retirement plan asset allocation and TDR funds only became available recently, their ownership by baby boomers may be limited.

Women who voluntarily participate in financial education seminars may be primarily Planners and Savers. While Impulsives, Strugglers, and Deniers need the information and motivation provided by the seminars, they may be least likely to attend. One of the key finding of this study was the difficulty in attracting Deniers to participate in the research. Their aversion to financial seminars makes it difficult to provide financial education. If, according to the RCS, Deniers constitute 12% of women, extra efforts are needed to reach these women.

Educational program evaluations that report that participants took action as a result of the intervention may suggest success but perhaps only Planners and Savers attended. While it may be unrealistic to expect to attract Deniers to financial education and planning seminars, educators and advisors should be attuned to the need to reach out to reluctant participants. Deniers have the most need and also the most to gain from automatic methods of retirement savings like auto enrollment and escalation of savings in 401(k) retirement plans. Effectively reaching reluctant clients, the Deniers, Strugglers and Impulsives, will require the application of psychological principles. Recent developments in economic psychology show promise in reaching reluctant groups.

FOCUS GROUP RESEARCH

The second phase of the study involved focus groups with the five RPTs to determine what would (or does) motivate women to plan for retirement. The purpose of the focus groups was to identify social marketing messages that might motivate women to plan earlier and to invest more aggressively for financial security in later life. Social marketing uses marketing strategies to design programs to influence behavior to improve individual well-being as well as societal welfare.[9] Focus groups were chosen as the most effective method to encourage discussion among the women in order to identify potential messages. Previous research with women[10] demonstrated the efficacy of focus groups as a means to generate strategies to encourage women to adopt positive financial behaviors.

Focus group participants were a subset of women who completed the survey. The last page of the survey included an invitation to provide contact information for possible focus group participation. Participants did not know that they had been categorized into RPTs by their responses to the written survey. In order to avoid influencing responses, subjects were not informed about why they were selected to participate in a focus group or that participants in each group were from the same RPT. Women from each RPT were expected to have differing attitudes toward retirement planning.

It was challenging to entice Strugglers and Deniers to participate in the survey and the focus groups. Perhaps they do not want to think about their financial situation. But Strugglers and Deniers were particularly crucial to this study because of the need to know how to encourage women who lack the motivation to invest, who fear the process, or feel it is hopeless to plan. Thus, modest financial incentives were offered to women who had completed the survey and provided contact information to encourage them to recruit other women whom they considered to be reluctant to discuss financial topics.

Two focus groups were held with each of the following RPTs: Planners, Savers, Impulsives, and Strugglers. Due to the small number of Deniers, only one focus group was conducted. Each group consisted of five to seven women of

9 Andreasen, A. R. (1995). *Marketing Social Change*. San Francisco: Jossey-Bass.

10 Lown, J. M. (2000). What motivates women to plan for their financial future? Findings from focus groups. In C. Hayhoe (Ed.) *Proceedings of Association for Financial Counseling and Planning Education*, 3-9; and Lown, J. M. (2004). Women's preferences for learning about financial planning. *Journal of Personal Finance*, 3(4), 49-58.

the same Retirement Personality Type. The groups were held in an informal setting with refreshments. Sessions lasted about an hour and a half; participants were paid $25. Women in each focus group were asked the same set of questions. Subjects were queried about obstacles and difficulties that women face when planning for retirement. They were asked to suggest how to convince women of the importance of preparing for their financial future. Focus group content was analyzed separately by two researchers to identify common themes that appeared across multiple RPTs and themes that were specific to each RPT.

FOCUS GROUP RESULTS

The content analysis revealed many similarities in attitudes, experiences and advice. However, some obvious differences were apparent as Planners and Savers share a more positive outlook about taking control of their finances while Strugglers, Impulsives, and Deniers tend to be more negative or fatalistic. Planners and Savers are optimistic while the other three types perceived more obstacles to achieving a secure retirement.

DIFFERENCES AMONG RPTS

While obvious differences were apparent between the Planners and Deniers, the focus groups did not elicit strong distinctions among the five RPTs. Instead, the focus groups revealed two categories. The Planners and Savers share many characteristics and attitudes. They feel positively about the actions they have taken and confident that they are capable of learning about financial planning and making good decisions. In contrast, the Strugglers, Impulsives, and Deniers expressed concerns and fears about money and investing. Women in these three RPTs are fearful, anxious, and prefer to avoid financial topics. Strugglers and Impulsives responded with expressions of inadequacy while Deniers avoid thinking about money. They feel they don't have enough information and don't know who they can trust for advice. Risk aversion and fear of losing money dominated their relationships with money and investing.

SIMILARITIES AMONG RPTS

When asked about their vision of retirement compared to that of their parents, women from all five groups cited positive and negative examples that influenced them. Participants in each focus group shared stories of parents or in-laws who were good role models and others whose example they want to avoid. The experiences of their parents' generation influenced how they want to plan for their future. Adult daughters of single mothers who achieved a comfortable retirement derived inspiration from their mothers, expressing the attitude that if she could do it, so can I.

Future health costs are a concern for women in all five RPTs. Lack of time to learn and plan were universal themes as well.

Another obstacle for many married women in all RPTs is their tendency to abdicate financial planning to their husbands. Not being part of the process can leave a woman vulnerable in the event of divorce, premature death, desertion, or disability of the spouse. Regardless of RPT, life events can derail planning efforts.

When asked to describe obstacles that prevent them from investing for retirement, the responses were similar across RPTs. Women mentioned that personal financial choices, such as putting their children first, are the biggest obstacle. Lacking knowledge about compound interest, a lot of the Strugglers, Impulsives, and Deniers say they will plan for retirement after their children leave home. Many women want to help their children pay for post-secondary education and thus postpone their own retirement planning. The biggest obstacles are perceived lack of time, complicated and confusing jargon, not understanding investments and compound interest, and depending on a husband to plan for retirement. Insufficient income was an obstacle for some of the women.

The topic of employee benefits arose in most focus groups. While the women recognized that an employer sponsored retirement plan was a critical benefit, many of them felt they did not know enough to make wise investment decisions. Most have never reviewed or changed their initial choices. Some women expressed a desire for a consultation to review these choices and make changes. Thus, the initial benefit sign up period is a critical time to educate employees about how to make wise choices for their retirement plans.

In sum, many women feel that they don't have the knowledge that they need to plan for their future and are intimidated by financial planning. Planners and Savers are taking action to learn about finances and take advantage of the time value of money, while Strugglers, Impulsives, and Deniers tend to feel overwhelmed by more immediate time and money demands.

LIMITATIONS

The focus group format required restricting the sample to women living in a limited geographic region. Respondents were very homogeneous, well-educated, and moderately affluent. Women of other ethnic groups and backgrounds may be very different from these white, middle-class women. A further limitation was the small number of Deniers who participated; however, the difficulty in attracting Deniers partially confirms their RPT. Despite the small sample and geographic restriction, these women are very similar to the respondents to the Retirement Confidence Surveys.

DISCUSSION AND RECOMMENDATIONS

The goal of this study was to identify social marketing messages to motivate baby boomer women to plan for retirement. While it was expected that the five RPTs would be motivated by different messages, focus groups revealed more similarities than differences among the women. There may be more differences between married and single women than among the RPTs. The married women in this study tended to depend on their husbands to handle financial planning while many single women either longed for someone to do the planning for them or recognized it was their responsibility but face many obstacles.

Strugglers, Impulsives, and Deniers wanted information on basic budgeting and money management; long term financial planning for the future was a low priority. Financial planning messages targeted to these three RPTs might miss the mark because their concerns are more basic. Some of the women are living paycheck to paycheck and have little money to invest. Targeting these three RPT groups with messages about retirement investing via automatic deposits might be the most effective approach. According to the Planners and Savers, compound interest illustrations motivated them and thus could be effective with women who have not been exposed to the impact of these numbers.

Women in all RPTs share similar obstacles that interfere with retirement planning. Overall, the main obstacles were a lack of time and interest in finances, lack of knowledge, and fear of making poor choices and losing money. Uncertainty as to where to invest and who to trust was widespread. Women identified the time and costs of raising children as impediments to retirement planning. Attending a financial seminar with men can be intimidating. They prefer to learn from female educators and work with female financial advisors.

MOTIVATIONAL MESSAGES AND STRATEGIES

These focus group participants identified two distinct types of motivators: positive and negative. Among the positive motivators, participants suggested that supportive friends are important. Negative motivators include divorce, death of a spouse, health problems, or observing friends or relatives who are struggling financially in retirement. Unfortunately, negative events are typically unexpected and can create a plethora of financial problems. Women, regardless of personality type, commented, "We live in this illusion that others are going to take care of us." For some women, the reality of being fully responsible for retirement income and planning comes unexpectedly. While boomer women have a lot more opportunities and independence compared to their mothers, culturally, long range financial planning is often left to the husband.

Different messages are needed to appeal to Planners/Savers when compared to Strugglers, Impulsives and Deniers. The messages to Planners/Savers might be: you are capable; you can do it with a little help. The other three RPTs might respond to a combination of messages: Put your trust in us; we can help you reach your goals, and you don't need a lot of money to get started. Successful social marketing messages need to address and overcome fears, anxiety, and avoidance among Strugglers, Impulsives, and Deniers.

Women from each group shared stories of parents who were good role models and were enjoying a comfortable retirement as well as others who were dependent on Social Security. Showing both good and poor parental role models in social marketing campaigns could attract the attention of women across RPTs.

Parents who experienced the Depression were reluctant to talk about finances with their children. In contrast, these boomer women who were parents said they discuss finances with their children but also worry that their children are not managing their money well. Many women fear they are setting a poor example for their children. Based on this concern among mothers, social marketing campaigns could capitalize on the theme of intergenerational communication about money and planning today to avoid being a burden in the future.

Time is a major obstacle that cuts two ways. Universally the women feel time poor. Many don't want to devote time to learning about finances. Planners and Savers are willing to take time to learn about investing and retirement planning because they enjoy these topics. Strugglers, Impulsives and Deniers claim lack of time, money, interest and aptitude. Further, these three RPTs believe they will have time to start retirement planning once their children leave home. A social marketing campaign could use time value of money examples to illustrate the benefits of investing early. Some women said they would not participate in a retirement plan at work if they expected to work in the job for only a few years. It is essential to educate women about the time value of money so they recognize the opportunity cost of declining to participate in a workplace retirement plan. Women who are familiar with this concept identified it as one of their most powerful motivators.

Added to the paucity of time are lack of knowledge and the fear of making mistakes. Scandals in the financial services industry discourage trust. A common concern was lack of trust in financial professionals; many women said that they don't know whom to trust and fear they don't know enough to protect themselves. The desire to learn about finances from and to work with female financial planners, especially those who charge an hourly fee rather than a commission, suggests there is a large potential market for female professionals.

Recommendations:

- Tailor examples to modest incomes; examples of large sums of money are discouraging.
- Women want simple financial literature and straight forward investments.
- Provide workshops taught by women and geared to women.
- Keep educational messages simple and understandable; avoid financial jargon.
- Public service announcements (social marketing messages) are needed to counteract glamorous commercials for credit.
- Add visuals and explanations to retirement plan statements.
- Emphasize that by planning today for the future, you are giving your family a gift.

FUTURE RESEARCH

Future studies should conduct focus groups with more diverse groups of women segmented by age and ethnicity. With the leading edge of baby boomers signing up for Social Security benefits, attention should be shifted to younger women.

Although this study did not measure locus of control, the results suggest that the Planners and Savers may have an internal locus of control while Strugglers, Impulsives, and Deniers exhibit an external locus of control, suggesting fertile opportunities for future research. Different social marketing themes are likely to appeal to internal versus external locus of control persons.

THE SOCIAL MARKETING POTENTIAL

These women are bombarded daily with powerful advertising messages telling them that, using the credit that they deserve, they can have it all today. Counter messages about the benefits of delaying gratification and investing for the future are needed. While the financial services industry advertises its services, the promotional messages in support of saving and investing are overwhelmed by a tidal wave of credit offers.

While many women face multiple obstacles to financial security in retirement beyond motivation, this exploratory focus group study suggests various approaches to motivate women to invest for the future. In a society that glorifies consumption, it will take a massive social marketing campaign to shift the focus from immediate gratification to future financial security.

ABOUT THE AUTHOR

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ACKNOWLEDGEMENTS

The author extends appreciation to the TIAA-CREF Institute for funding this research and to research assistants Megan Henrie Rowley and Camille Jensen Pedersen for their able assistance. Statistical consultant Roxane Pfister was very helpful in guiding the data analysis.