



WOMEN IN THE RECESSIONARY WORKPLACE.

The 2010 Benefit Landscape Bulletin

The year 2009 proved to be a watershed year for a majority of Americans. The economic collapse and subsequent recession forced many people to take a hard look at their financial situation and, in some cases, make dramatic changes to their saving and spending habits.

New research from The Hartford shows that women, in particular, were left in the wake of the economic crisis feeling anxious about their personal finances, their employer-sponsored benefits, and retirement.

The 2010 edition of the Benefit Landscape Bulletin will focus on women in the workforce and their perspectives on the economy, benefits, and personal finances.¹

Gender, education, age and income — each has an impact on participation.

Women represent nearly half the U.S. labor force (approximately 49.8 percent).² Yet their participation rate in employer-sponsored benefit programs is consistently lower than that of their male counterparts.

Why? It appears that a person's age and level of benefit understanding contribute to her reluctance to enroll in certain programs.

Younger females (age 18 to 29) had the lowest participation rates for Short-term Disability (STD), Long-term Disability (LTD), and Life insurance among all age groups surveyed, and they reported the lowest level of understanding

for each of those benefits. (Men overall tended to have higher participation in income protection benefits, such

as STD, LTD, and Life insurance; whereas women tended to enroll more often in health-related coverage, such as health care, dental, and vision.)

Also, the level of education and average household income appeared to be a factor. The Benefit Landscape Study showed that respondents who earned \$75K or more per year were more likely to participate in STD, LTD, and Life insurance, when offered by their employer.

Unfortunately, this lack of education on benefit basics could put women at risk of financial hardship if they experience a disabling event.

Consider the findings from this year's Benefit Landscape Study: 67 percent of all female respondents said that they would experience significant changes to their current lifestyle if part of their family's income was lost.

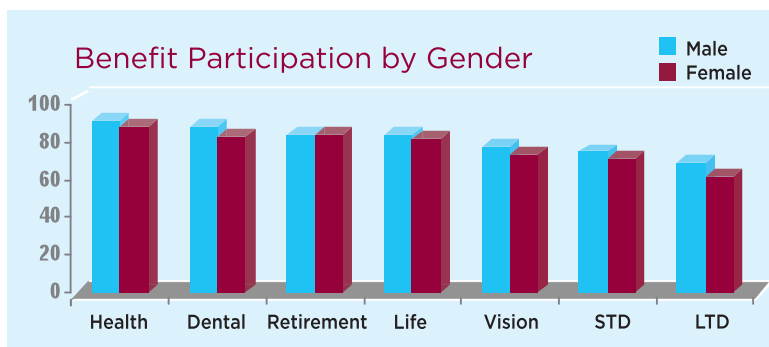
The economic crisis has changed much of the American financial landscape, and now more than ever, the importance of income protection through benefit programs is a message that employers should help their employees understand.

Personal finances and personal perspective.

A majority of all respondents to the Benefit Landscape Study reported that they are meeting expenses with

little or no money left over for anything beyond paying the bills; the results between the 2009 and 2010 studies are nearly identical, showing little change in employees' personal financial situations. Working adults continue to struggle to make ends meet, despite reports stating that the country is

beginning to emerge from the economic turmoil of the past year.



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GROUP BENEFITS



Notably, 35 percent of women surveyed reported struggling more financially than men (26 percent) across all generations. As a group, women had a more pessimistic view of their financial situations than their male counterparts, with only 16 percent of female respondents saying that they live comfortably (compared to 23 percent for males). Boomer women were almost 10 percent more likely to report their current financial situation as “not enough to meet expenses/just meeting expenses with nothing left over.”

Some of this concern could be based in part on the earning discrepancy between men and women. On average, women earned 80 percent of what men earned in 2009, with women age 35 and older earning approximately 75 percent as much as their male counterparts.³

Women were also more likely to state that a loss of income would mean significant lifestyle changes for themselves and their families, with 67 percent citing a substantial change, compared to 55 percent for men. Nearly three-quarters (70 percent) of younger Boomer females estimated complete or substantial changes to lifestyle would be necessary if a portion of their family income was lost.

Generations Defined

Older Boomers: Born between 1946 & 1954 \ Younger Boomers: Born between 1955 & 1964 \ Gen X: Born between 1965 & 1979 \ Gen Y: Born between 1980 & 1992

Generation	Gen Y		Gen X		Younger Boomer		Older Boomer	
	M	F	M	F	M	F	M	F
Complete Lifestyle Change	18%	31%	24%	36%	28%	45%	23%	41%
Difference Between Male & Female	+13%		+12%		+17%		+18%	

Male (M); Female (F)

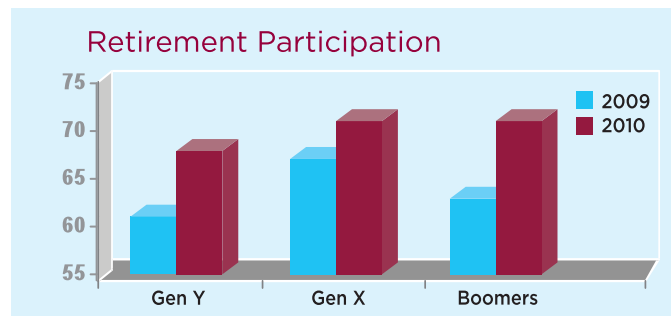
The overall portrait of an individual most likely to state that a loss of income would require significant lifestyle changes is:

- Women (67 percent).
- Single/divorced/widowed with children (67 percent).
- Low-income households (68 percent).
- High school education or less (70 percent).

The recession's silver lining.

The silver lining to the recession may be the rise in awareness of certain benefits among employees. This is particularly true of retirement plans; survey respondents among all generational cohorts reported increased participation in their employer-sponsored 401(k), 403(b), and 457 plans.

Expertise without equal.
Benefits without burden.



The recession brought about an apparent sea change in the way Americans viewed their personal finances. Savings became far more important, and so many people, despite reports of insufficient funds, found enough to contribute to an employer-sponsored retirement plan. This shift in perception is especially noticeable among younger workers: Reported participation among Gen Y increased 7 percent in one year.

Women as a group experienced a similar wake-up call. Their self-reported understanding of employer-sponsored retirement plans increased from 58 percent in 2009 to 69 percent in 2010.

As their understanding of the benefit increased, so too did their reported participation level. Participation in 401(k) programs among all women surveyed went from 61 percent in 2009 to 70 percent in 2010.

When broken out by generational cohort, there was a consistent difference of 10 percent or more between what female survey respondents reported was offered through their employers and their participation rate in a retirement plan.

401(k)	Gen Y	Gen X	Younger Boomer	Older Boomer
Offered by Employer	85%	86%	77%	88%
Offered and Participated	70%	68%	69%	78%

So, while the year-over-year trend is encouraging, more should be done through benefit education to close the gap between what is offered to employees and their participation in benefits.

Disparate approaches to making ends meet.

In addition to fostering a new appreciation for saving money, the recession also had an effect on the way Americans spent money and what they did during the year to make ends meet. The Hartford's study reveals fundamental differences between men and women in these areas.

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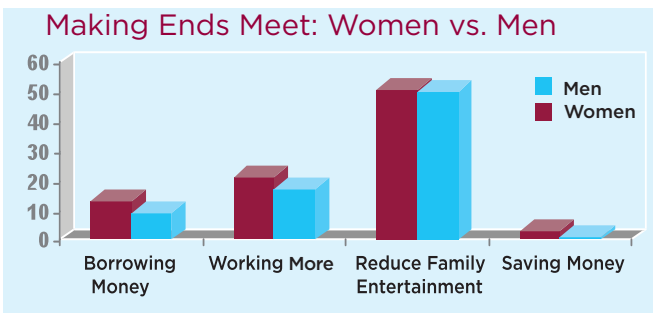
GROUP BENEFITS



Nearly twice as many women than men said they borrowed money from family or friends; 13 percent of women reported borrowing from others as opposed to only 9 percent of men.

Likewise, more women (21 percent) than men (17 percent) reported increasing their work hours and taking on an additional job in order to make ends meet. Three percent of women agreed to the statement that they are saving more money or living more frugally, as compared to one percent of all male respondents.

The one area of agreement was discretionary spending on family entertainment and/or vacations. Half of all male respondents and half of all female respondents ranked the reduction of expenditures on vacations and other family entertainment as the number one action taken to curb some of the consumption that helped fuel the recession.



Women report more stress.

Stress in the workplace is nothing new; everyone has experienced some level of stress from time to time throughout his/her working life. But during the recession, when uncertainty over jobs loomed large for many workers, the amount and intensity of individual workers' stress seemed to go up.

Here again women as a group reported higher levels of stress than did men, according to results from The Hartford's Benefit Landscape Study. In general, women were 10 percent more likely than men to

report feeling very or extremely stressed. This difference was particularly pronounced when survey results were broken out by generation.

Younger women (Gen Y) were 20 percent more likely to report higher levels of stress than their male counterparts, and the responses by older Boomer women were 11 percent higher than the men in their age cohort. Older women were more worried about being laid off than other age groups.

When asked if and in what way stress was affecting their work environment, Gen Y females reported work issues at significantly higher rates than Boomer and Gen X females (more than 50 percent of Gen Y females ranked work issues in their top three concerns causing them stress, behind personal finances and overall economy). More than one-third of female respondents stated that their stress levels made them less patient with co-workers.

Empowerment through targeted education.

Findings from The Hartford's 2010 Benefit Landscape Study provide insight into a segment of the American workforce hit hard by the economic downturn. Today's female employees are struggling to make ends meet while saving for retirement and juggling the demands of work and home life. They have reported higher levels of stress and a greater concern for their financial future than have their male counterparts.

Women have emerged as a growing force in the American workplace, and their understanding of benefits packages is vital to their ability to secure a future for themselves and their families.

Education targeted at this segment of the employee population could help alleviate some of the worry women are experiencing in the wake of the recession. The more they know about and understand their benefits, the more empowered they would be to make decisions regarding their personal finances, including the protection of their current income and the accumulation of future assets for retirement.

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¹ All statistics not cited are results of The Hartford's 2010 Benefit Landscape Study.

² Bureau of Labor Statistics, U.S. Department of Labor, The Employment Situation, June 2010.

³ U.S. Department of Labor, U.S. Bureau of Labor Statistics, Highlights of Women's Earnings in 2009, June 2010.