

Empowered



# Women and retirement

Embracing responsibility as financial decision-makers



# Empowered women, empowered households

Whether single, married, widowed, or divorced, women today seek ways to empower themselves and each other. This is especially true for finances and retirement planning. Women are taking ownership of money matters, asking tough questions, and making the choices that are best for their situations.

They're also navigating an industry that just a few decades ago was almost exclusively run by – and dealt primarily with – men. This shift leaves a lot to be explored as women and men approach, think about, and manage money differently.

To best support you, the insurance and financial services industry must work to embrace the new reality and get to know women as the financial powerhouses, decision-makers, business owners, executives and empowered consumers they are.

## Women are financial powerhouses

In two-parent households, 63% of mothers work outside the home – with a majority of that group working full time<sup>1</sup>. According to a 2017 study, 41% of mothers are primary household breadwinners – which has more than doubled since 1967<sup>1</sup>.

## Women are financial decision-makers

Women are the majority in the U.S. and already control about \$10 trillion, or one third, of the country's wealth<sup>2</sup>. That number is expected to climb to \$30 trillion by the year 2030!

## Vast majority of women likely to manage all household finances

Between their growing influence in the U.S. workforce, and living longer on average than their male counterparts, eight out of ten women will be solely responsible for their household's financial well-being at some point in their life<sup>3</sup>, due to singleness, divorce, widowhood, or simply by choice.

## We all have a responsibility

The statistics paint a clear picture. And now more than ever, it's important for women to embrace financial responsibility and be empowered consumers. Because women play an undeniably important role in the financial health of the household and economy, any effort to better understand and serve them would obviously be time very well spent. It's in that context that North American embarked on a research project to better understand women and their finances. Very simply, we call it Empowered. For the study we talked to hundreds of women (and men, too, as a benchmark) to learn more about how they handle money matters, their thoughts on retirement, and if/how, they like to work with financial professionals. We also talked to agents and advisors to get their perspective, identify any gaps in their understanding of the consumer, and help both sides come to a place of common understanding.

**Read on to learn more about financial empowerment – particularly for women or the women in your life – and see what the latest research on women and retirement has to say.**



# The here and now

Before looking to the future, it is important to know your present. Before women look ahead to retirement, it is important they understand their current financial reality to plan and adjust accordingly.



## To plan or not to plan

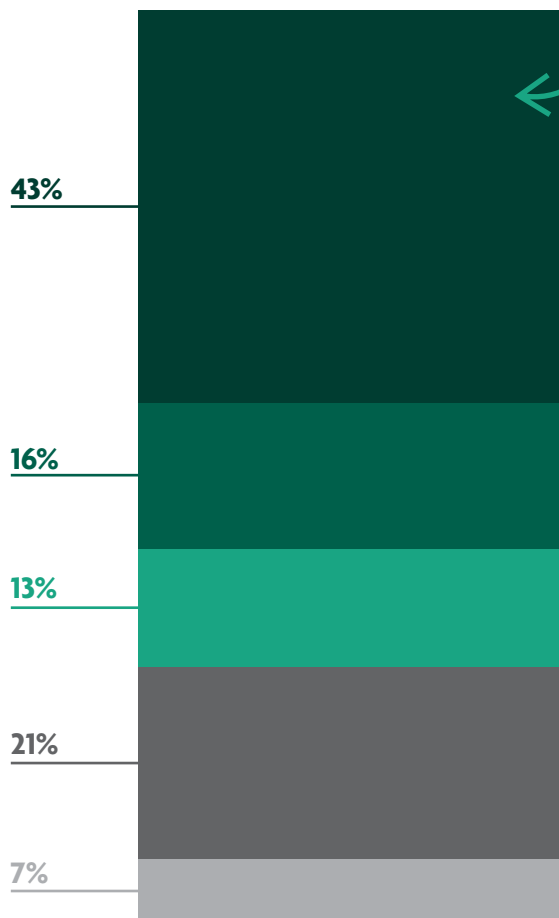
The time for retirement comes for nearly everyone, whether unexpected or carefully planned. More than 40% of female consumers have a retirement plan in place. Perhaps you know them – prepared and empowered – and maybe you are one of them. Another 16% of women are somewhere in the process of planning, while interestingly up to 44% claim to have no plan at all.

### Have you started planning for retirement?

- Currently have a retirement plan
- In the process of planning
- Will start planning shortly
- Have not started planning
- Unsure/Prefer not to specify







**66%** of men reported currently having a retirement plan.



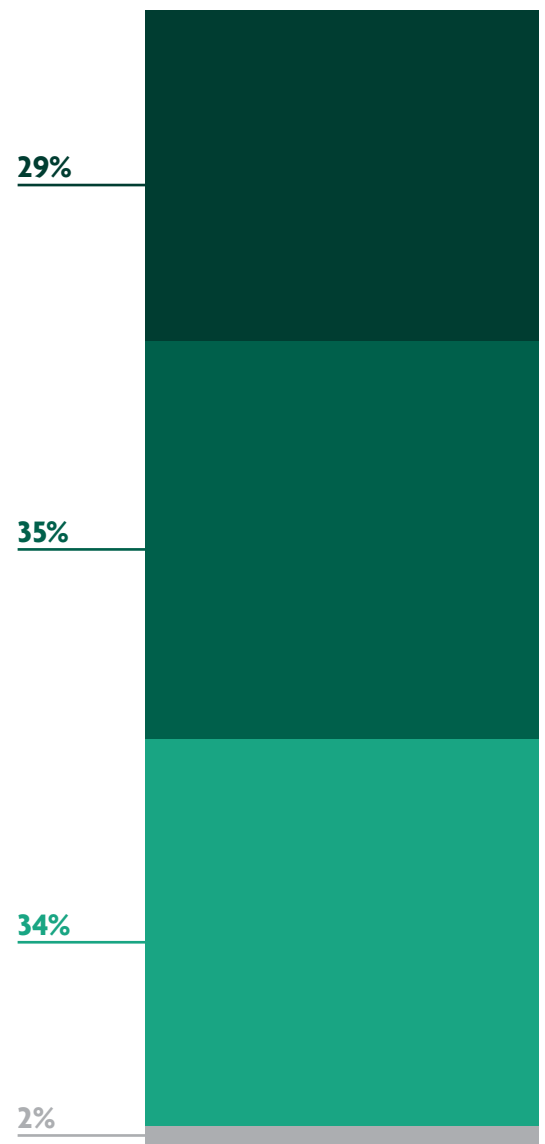
# Confidence is lacking

Thirty-five percent of women felt moderately confident with their current retirement plan, and another 29% were very confident. If 90% of women will be solely responsible for their household finances at some point in their life<sup>4</sup>, the one-out-of-three women who have low confidence in their current retirement plan may have some room to grow.

## How confident do you feel with your current retirement plan?

-  Strong
-  Moderate
-  Low
-  Unsure/Prefer not to specify

Confidence ratings (strong, moderate and low):  
Scale: 0 - not confident at all, 10 - extremely confident.  
Strong (9 or 10 ratings), moderate (7 or 8 ratings), low (0-6 ratings)



## How can confidence be boosted? Here's what they said:



"I wish I **had help** when I was younger to know how much I should've been **saving**."



"**Calculator** to estimate what I should be **saving**."



"How to be **investing** my money to maximize my return with **low risk**."



"Better **understanding** of the added **costs of retirement**."

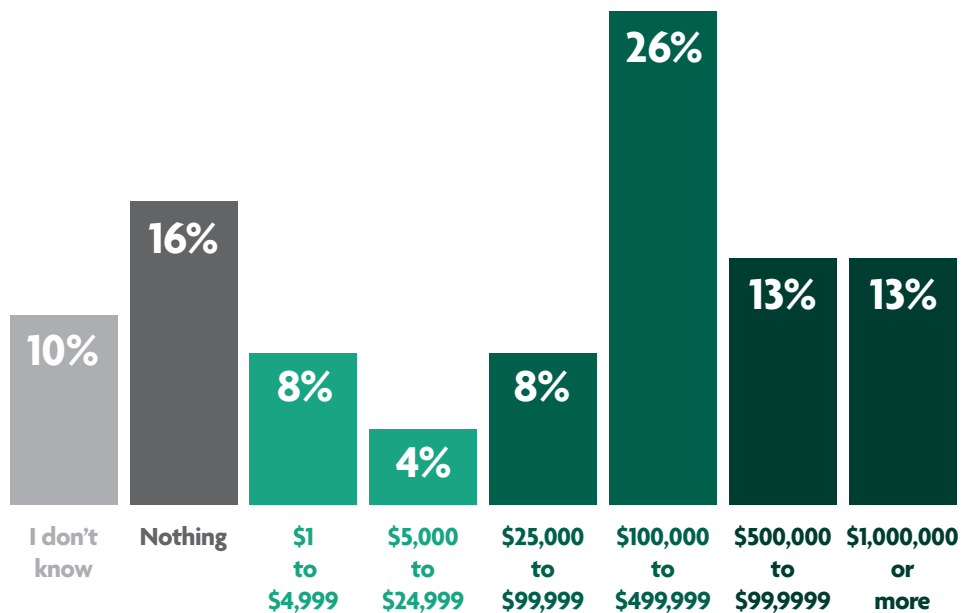


"I wish that I had talked to an **advisor** and set up some sort of **plan**."

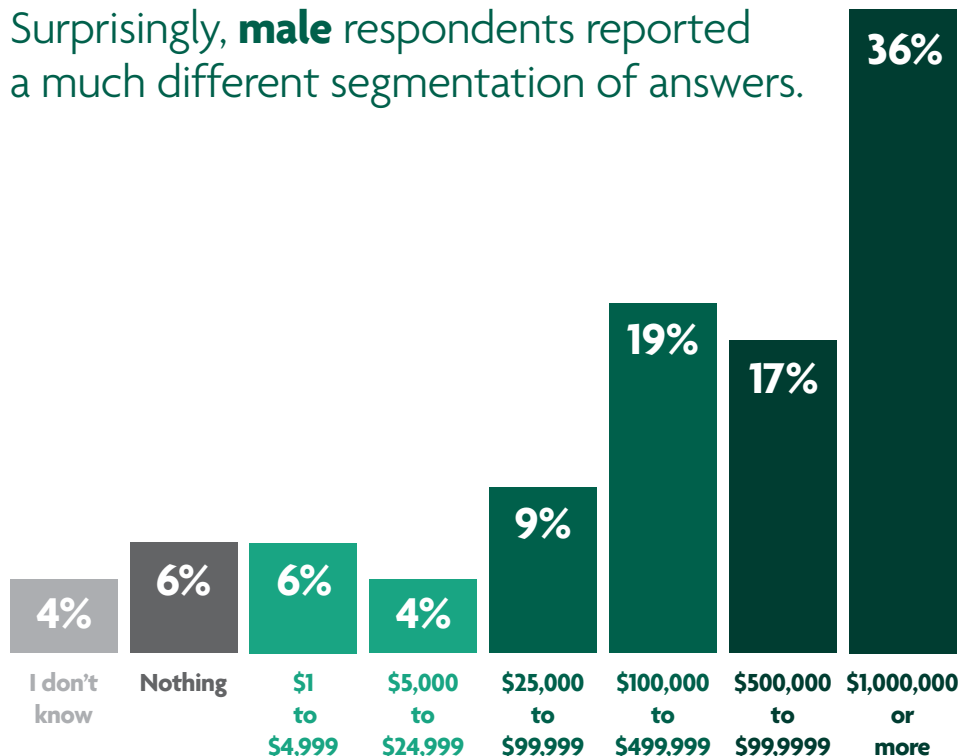
# By the numbers

When it comes to how much money households currently have saved for retirement, the women in our study were all across the board. Approximately 25% had \$500,000 or more currently saved. Another 26% fell into the \$100,000 to \$499,999 group with the remainder distributed among the lower amounts. An additional 26% of respondents said they have nothing saved or just don't know.

## How much money does your household currently have saved for retirement?



Surprisingly, **male** respondents reported a much different segmentation of answers.

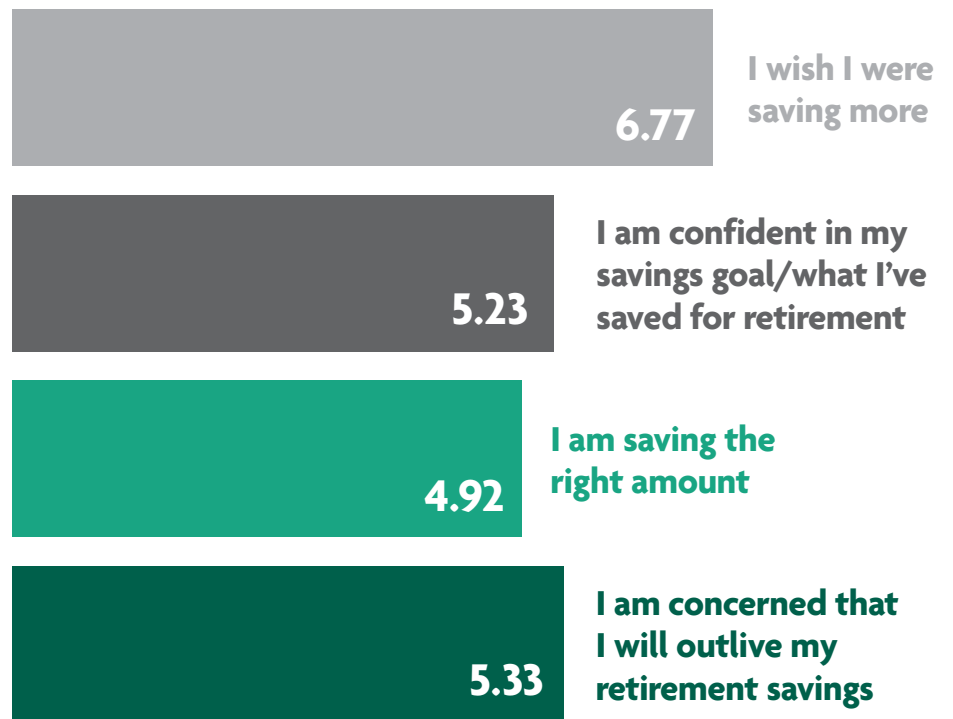




# I wish, I wish

The variability of responses continued when asked to rate levels of agreement with statements about their retirement savings. The highest-rated response showed a desire to increase savings in order to be more ready for retirement.

## Consumers were asked how much they agree with the following statements about their retirement goals



Confidence ratings (strong, moderate and low):

Scale: 0 - not confident at all, 10 - extremely confident.

# Brace for impact

Women provided many different reasons or roadblocks that have impacted how much money they set aside for retirement. The top five most common responses show competing priorities as well as simply a lack of knowledge or key information.



**I don't make enough money.**



**I have too many expenses and/or am paying off debt.**



**I am saving as much as my company allows.**



**I don't know how much I'm going to need for retirement.**



**I don't know how much to set aside for retirement.**



# Asking for help

We asked respondents what resources they use to learn about retirement savings and the retirement process. A majority of the respondents mention a specific person or relationship like a financial professional or their own partner. Interestingly over 20% of women use their employer to learn about retirement.

While some workplaces can have helpful information, a good practice is to have a resource outside of work who is familiar with your retirement goals and assets. A financial professional might be able to recommend additional products and services to address needs your employer-based solutions don't necessarily aim to address. That way, if you change jobs or eventually retire from there, an outside financial professional can help implement your plan.

## What resources do you use to learn about retirement savings?



**37%**

**My financial advisor**



**26%**

**Online resources**



**25%**

**My partner**



**24%**

**Friends or family**



**21%**

**Employer**



**15%**

**Previous experience**



**13%**

**News or media sources**



**11%**

**Friends or family who work in financial services**



**8%**

**Books**



Consumers\* were asked how strongly they agree with a series of questions relating to their knowledge and awareness of the retirement process:

\*with or without an advisor



I feel as though I am aware of retirement saving options available to me.



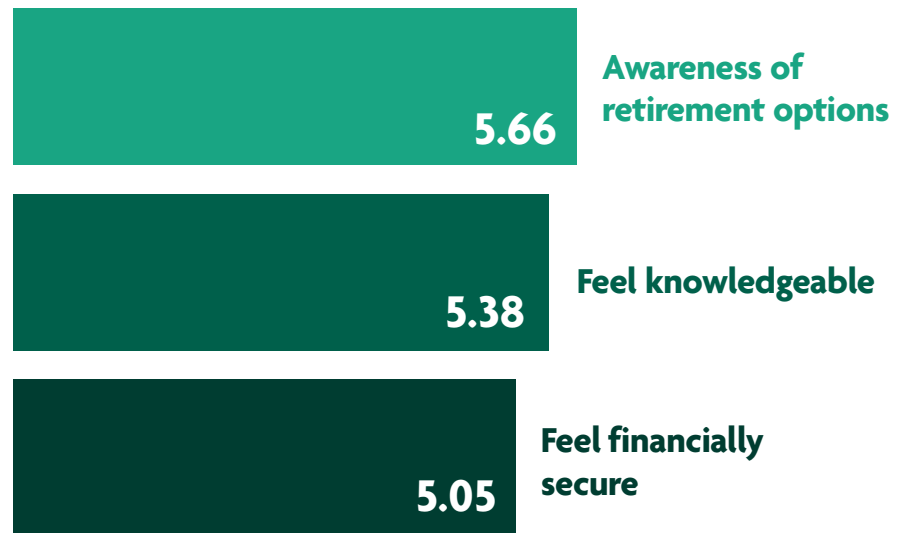
I feel as though I am knowledgeable about the retirement process.



I feel financially secure.

## Lacking in knowledge but not responsibility

Your ability to confidently prepare for retirement depends largely on what you understand about the retirement process, your future income needs, and the options available to you. Overall, the Empowered survey results showed women feel less financially secure and less knowledgeable about the retirement process than men. With a growing probability that women will be the primary manager of household wealth, this poses a dilemma.

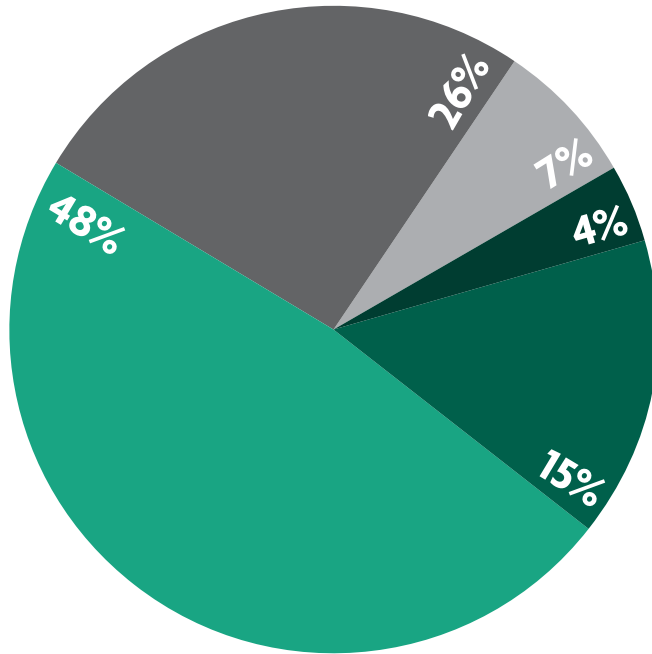


Confidence ratings (strong, moderate, and low):  
Scale: 0 - not confident at all, 10 - extremely confident.

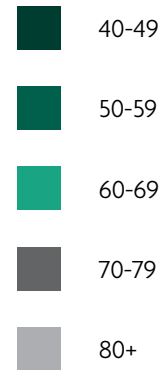


# Looking ahead

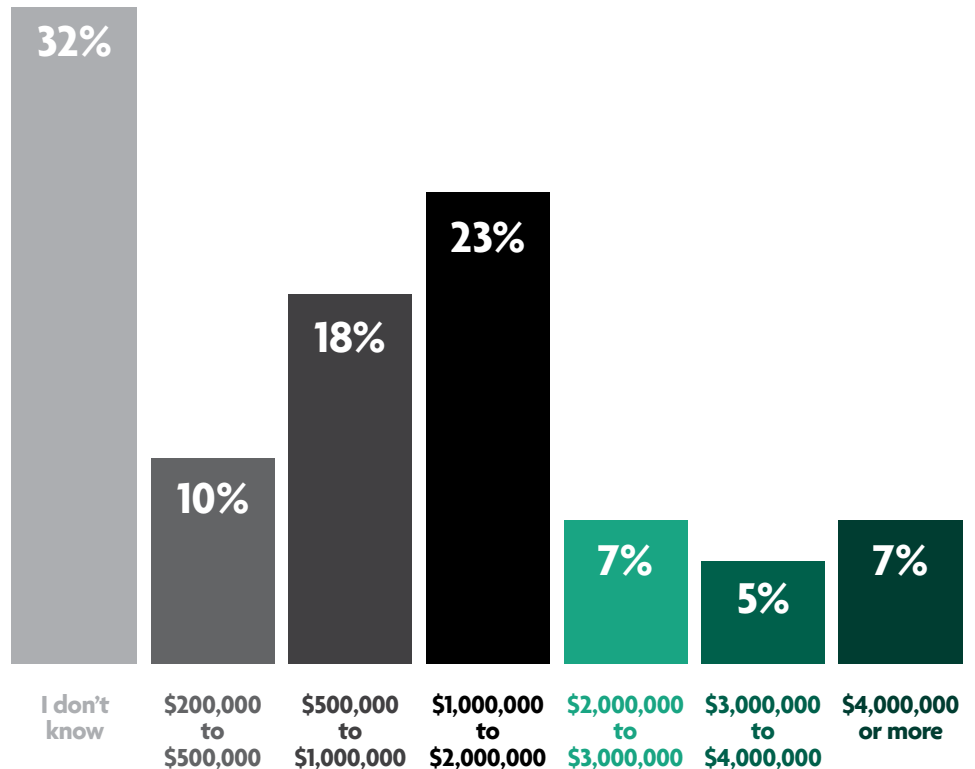
Looking ahead toward the horizon of retirement, women differ widely among themselves on key retirement factors such as what age they anticipate retiring, how much money they believe is needed for retirement, and how likely they are to continue working into retirement.



## At what age do you anticipate retiring?



## How much money do you think you need for retirement?



Did you know?

Only 13% of men said they don't know

# How likely are you to continue working in retirement?

- Extremely likely
- Somewhat likely
- Neutral
- Somewhat unlikely
- Not likely at all

30%

27%

14%

9%

21%





West Des Moines, IA 50266  
NorthAmericanCompany.com

## Methodology

The general consumer study was conducted Jan.-Feb. 2021, and included 622 total respondents, both men and women, age 40 and above. The agent study was conducted Jan.-Feb. 2021, and included 339 contracted agents including both men and women.

Analysis is for educational purposes only. The experience of the participants of the 2021 Study may not be representative of the experience of all.

Neither the company, nor any agents acting on its behalf, should be viewed as providing legal, tax or investment advice.

Sammons Financial® is the marketing name for Sammons® Financial Group, Inc.'s member companies, including North American Company for Life and Health Insurance®. Annuities and life insurance are issued by, and product guarantees are solely the responsibility of, North American Company for Life and Health Insurance.

The term financial professional is not intended to imply engagement in an advisory business in which compensation is not related to sales. Financial professionals that are insurance licensed will be paid a commission on the sale of an insurance product.

1. <https://www.americanprogress.org/issues/women/reports/2019/05/10/469739/breadwinning-mothers-continue-u-s-norm/>
2. <https://www.mckinsey.com/industries/financial-services/our-insights/women-as-the-next-wave-of-growth-in-us-wealth-management#>
3. <https://www.barrons.com/articles/more-married-women-want-to-take-bigger-part-in-household-financial-planning-survey-shows-51593864001>
4. Five Reasons Women are Taking the Lead in Financial Planning, by Daniel M. Choi. Aug. 8, 2017. Forbes.