



Women and Wealth: The Next Chapter



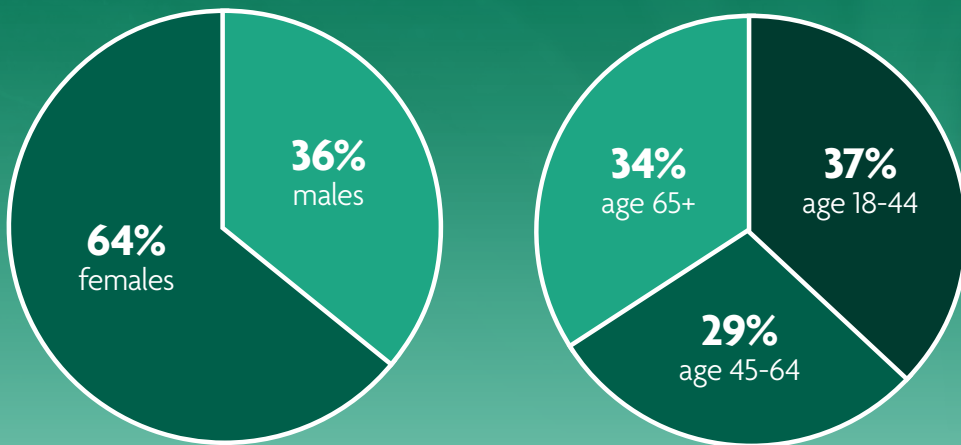
Financial future in focus

The statistics about women, wealth, and retirement preparedness paint a clear picture.

Now is an important time for consumers—especially female consumers—have clear strategies for providing income in retirement, navigating risks and pitfalls, and managing incoming wealth such as an inheritance.

To help foster conversations and connections that matter, **the Empowered study surveyed hundreds of female consumers and financial professionals** to find out what successful client/financial professional relationships look like, what challenges women face in planning for retirement, what financial planning resources they currently use, and much more.

A look at who we surveyed



Preparing for the next chapter

Preparation is key in many areas of your life. Just like when making important decisions about your health, car, or home, you may benefit from discussing these topics with a qualified professional guide, such as a financial professional.



Understanding the Great Wealth Transfer



Financial preparedness: Exposing the gap



5 key risks women face in retirement



Building confidence: How a financial professional can help



Retirement security: What women need to know



Understanding the **Great Wealth Transfer**

Market data and recent studies show an incredible wealth transfer taking place in which **women are estimated to control \$34 trillion in US assets by 2030.***



*Financial Advisor Magazine, "Massive Wealth Transfer Will Give Women \$34 Trillion By 2030," 2024.

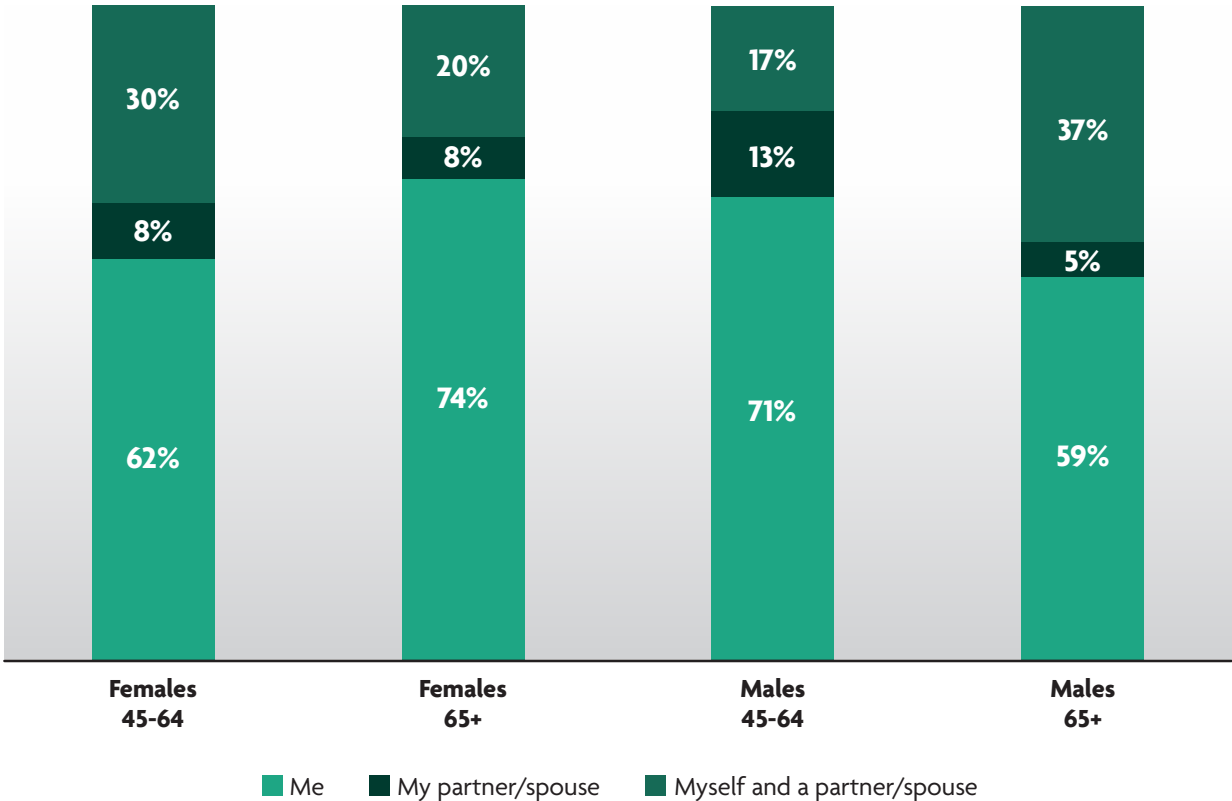
Noted reasons for this transfer of wealth:

- More women are enrolling and graduating from college than men in 2022: **39% of women had a bachelor's degree** vs 36% of men.¹
- Women are starting and leading businesses at unprecedented rates and closing the wage gap in many industries. From 2019 to 2023, **the number of women-owned businesses grew at nearly double the rate** of those owned by men.²
- Women on average live nearly **6 years longer** than men.³
- Women are now waiting longer for marriage and to have children⁴ **leaving more time for career development and greater wealth accumulation.**

Some women already are or will eventually become the financial planners of their household.

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 life⁵, due to singleness, divorce, widowhood, or simply by choice. Plus, as women age, they take on a greater share of responsibility for household finances.

We asked male and female consumers: Who is responsible for financial planning in your household?



1. U.S. Census Bureau, 2022.

2. The 2024 Impact of Women-Owned Business, Wells Fargo, 2024.

3. Medical News Today, "Why women in the U.S. now have a life expectancy nearly 6 years longer than men," 2023.

4. CNBC, "Recent widows need guidance with money issues," 2022.

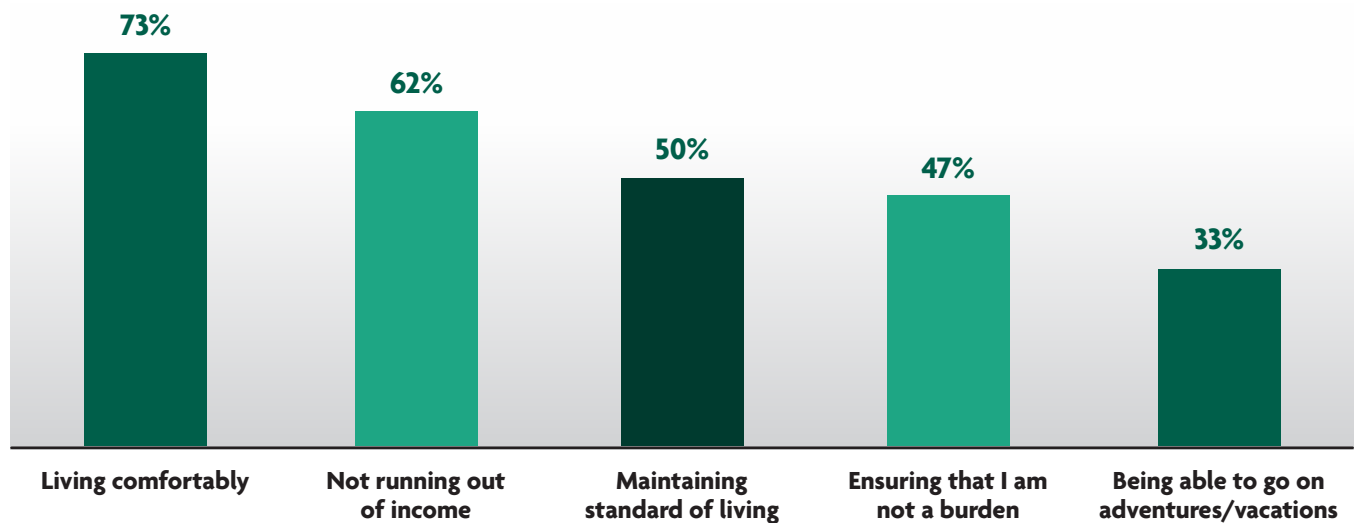
5. Barron's, "More Married Women Want to Take Bigger Part in Household Financial Planning. Survey Shows," 2020.



Financial preparedness: Exposing the gap

Women across all ages share similar retirement goals.

Respondents were asked to list their top three retirement goals.



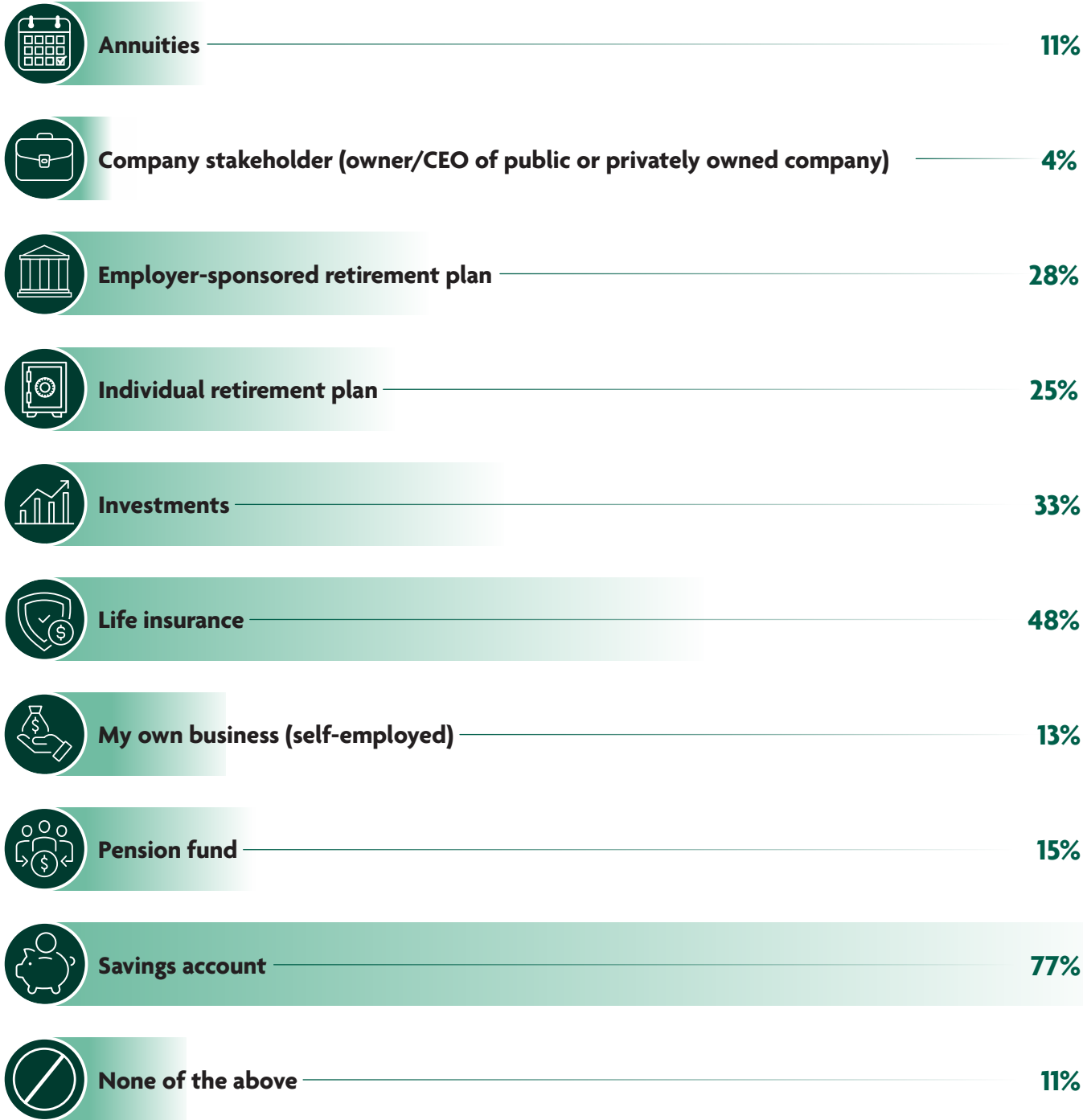
When it comes to retirement planning and preparedness, some women are falling behind. A **6-10 point gap** exists between female and male consumers when it comes to retirement funds and pensions. In addition, there is:

- An **8-point gap** in annuities
- A **5-point gap** in life insurance
- A **15-point gap** in total investments

The good news: Women are still taking some action, with many reporting having various savings and investment vehicles.

Self-reported savings and investments among women

It's important to discuss and document investments and future income streams with a financial professional. How do you compare to our survey respondents?





5 key risks women face in retirement

1. Longevity risk

80% of men die married but 80% of women die single, according to the Women's Institute for a Secure Retirement.

What you can do:

Consider financial products such as annuities that provide guaranteed income for life. This helps protect against the risk of outliving your savings.

2. Lower retirement savings

Women often earn less over their careers due to wage gaps and time taken out of the workforce to care for children or elderly family members. As a result, their retirement savings may be lower compared to men's.

What you can do:

Start planning and saving as early as possible. Consider working with a financial professional to develop a plan that includes setting aside more funds in tax-advantaged accounts such as IRAs or 401(k)s.

3. Healthcare costs

Women face higher healthcare costs in retirement due to their longer life expectancy. This includes the potential need for long-term care, which can be a significant financial burden.

What you can do:

Include healthcare and long-term care expenses in your retirement plan. Explore long-term care insurance and savings strategies specifically designed to cover potential medical costs.

4. Gray divorce

Late-in-life divorce can be especially challenging for women, who may find themselves managing their finances on their own for the first time. Divorce often leads to a significant reduction in retirement savings, as assets are divided.

What you can do:

If you are facing a gray divorce, seek professional financial advice early. Ensure that accounts are properly divided. You may want to reassess your financial goals after divorce to see if you're still on track for a secure retirement.

5. Lack of confidence in financial planning

According to our study, women aged 45-64 are 87% more likely than men aged 45-64 to **feel uncertain about their retirement needs**.

What you can do:

Take control of your financial future by increasing your financial literacy. Attend seminars, read financial books, and consult with professionals who can guide you through building a solid, personalized retirement plan.

Women tend to live longer than men, meaning they need to plan for a retirement that could last 20 to 30 years or more. This increases the risk of running out of savings.

Source: Women's Institute for a Secure Retirement, "Why Women Outlive Men but Save Less for Retirement," 2023.





Building confidence: How a financial professional can help

Partnering with a financial professional

47% of female consumers recognize financial advisors as a useful resource

to learn about retirement savings—more than any other resource, including friends or family, books, news or media, or their employer.

Here's what consumers shared about working with an advisor:

"Having a financial advisor for retirement planning has brought me peace of mind, knowing that **my future is being carefully considered and managed.**"

"It has made me feel happy and empowered and feeling like I can breathe and not have to worry about the future as much."

"Knowing that a professional is helping you plan for your retirement can provide **peace of mind and reduce stress.**"

"Working with a financial advisor has **made me feel more accountable.** I know I have someone to answer to and that pushes me to stay disciplined with my retirement savings."

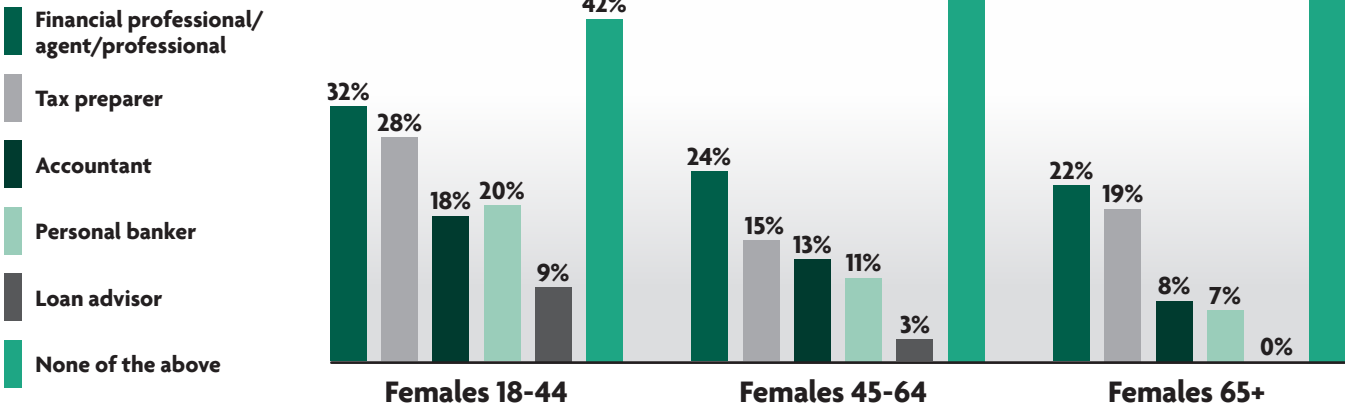
Advisor is used in this presentation in place of a Financial Professional who sells annuities and or life insurance.

The opinions and ideas expressed by individuals providing testimonials are their own. The testimonials are not indicative of future performance or success and may not be representative of the experience of other individuals. Agents/financial professionals are independent financial professionals contracted with North American who receives commissions on the sale of North American insurance products. The individuals, agents/financial professional were not compensated for their testimonials in this material.

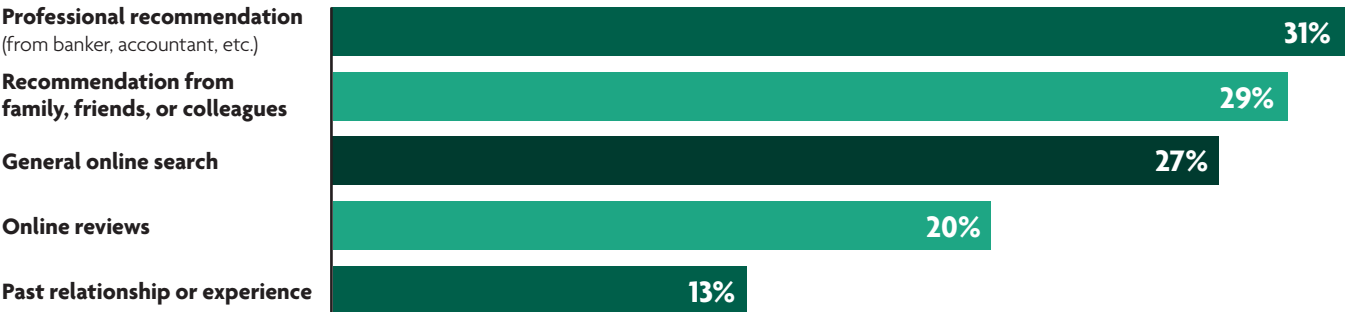
Specific guidance women are seeking from financial professionals:



Here are the professionals women are working with:



Among those who don't currently have a financial advisor, here are the top 5 places women are looking:





Retirement security: What women need to know

Start early, save more

Given the unique financial challenges women face, it's important to start saving as early as possible. **Aim to save 15% or more of your income annually** and take full advantage of employer 401(k) or 403(b) matches if available.

Consider your healthcare needs

Factor healthcare and long-term care costs into your retirement savings.

Women tend to have higher medical costs in retirement —planning early can prevent financial strain later in life.

Plan for a longer retirement

With longevity in mind, **ensure you have an adequate mix of savings, investments, and income sources**, such as Social Security and annuities, to cover a potentially lengthy retirement.

Prepare for the unexpected

Have a backup plan in case life takes an unpredictable turn. Keep retirement goals flexible, schedule family financial meetings, and ensure you have access to joint accounts.

Increase financial confidence

Take advantage of available resources, such as financial planning workshops, webinars, or online tools. **Consider partnering with a financial professional to get personalized advice tailored to your unique needs.**



For more information on women and wealth,
talk to your financial professional.



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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.

Source: Sammons Financial® Group Empowered Encore 2024 Study

Methodology

This Sammons Financial research study was conducted between January 2024 and March 2024. The online survey exercise comprised of 611 consumers and 478 financial professionals, both sampled from the general insurance market and Sammons Financial member company agents.

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