



Securing Women's Financial Futures

How Life Insurance Might Solve Women's Estate Planning Issues

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Women are receiving increased recognition for the critical roles they serve in society. This acknowledgment leads to a greater awareness of women's financial challenges and the financial industry's solutions to those challenges. Because women face lower lifetime earnings, longer life expectancies, and unique challenges, careful planning for retirement and ensuring financial security for their families becomes even more critical.

Unique Planning Challenges Facing Women

Earnings Power

According to a U.S. Department of Labor report, even though women make up roughly 51% of the workforce today, they still only earn about 82.3% compared to their male counterparts' earnings. Women's lower earning potential makes saving for retirement more difficult. A 2024 Prudential survey found that women have saved only one-third of what men have, with women saving an average of \$50,000 and men saving \$157,000.

Family Dynamics

Women aren't only concerned about their financial futures, they are often responsible for caring for multiple generations of family members. When combined with reduced earning power, this increases the need for financial planning support. Women may find they have a serious need to provide financial support for their families, but few resources to fulfill the need.

The 2024 Insurance Barometer Study conducted by LIMRA and Life Happens revealed that 44% of women feel comfortable that their financial planning will achieve their goals. Men, on the other hand, were more confident in their plans. 64% of men surveyed (20% more than women) think they are on track to meet their goals.

In fact, in addition to caring for children, 75% of in-home care providers for older adults are women — most often daughters — according to the American Association for Long-Term Care Insurance. And these older family members frequently are financially dependent on their female caregivers. A woman may find herself supporting herself, a spouse or partner, her children, and her aging parents. It is crucial to plan for the continued care of these dependent family members, should she become unable to continue her role.

Longevity

Don't overlook longevity. In a brief from 2022, the Centers for Disease Control and Prevention reported the difference in life expectancy for women and men was 5.74 years. This means for women who are either married to or partnered with a man, there is a greater likelihood that the woman will be widowed later in her life. And for all women, regardless of relationships status, living longer means a higher chance of needing extended care later in life. The costs of care for those additional years could substantially deplete the assets women intend to leave their families.

One Life Insurance Policy Can Address All Three Concerns

Along with working with a team of tax and legal professionals to create and implement financial plans, life insurance offers tax-advantaged protection for families while also providing income for retirement or long term care benefits. For example:

- A life insurance death benefit can provide liquidity to care for multiple generations of dependent family members.
- Policies that build cash value allow women to use the accumulated funds for additional retirement income as the caregiving responsibilities decline.
- Some policies offer long term care benefits to provide funds for extended care if the need arises.



Bottom Line

Compared to their male counterparts, women are earning less, caring for more people and living longer, and these challenges can seem daunting to those facing them daily. But with proper planning and risk mitigation, women can ensure they have provided for both their futures and the care of those around them.

By understanding the unique and intensely personal challenges and goals of women, and the lasting impact they have on their family's success, financial professionals can help to craft estate plans to meet those targeted needs. This level of planning involves a committed team of professionals working to address all concerns. Once implemented, planning is indeed power — power created by the knowledge that a woman's future goals will be met, and she and her family will have the resources they need to live long, full lives.

Contact your financial professional today to discuss the role life insurance can play in your estate planning.



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