

Women, Money, and Power® financial strategies

Financially smart, financially strong



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WHICH STEP, WHICH DIRECTION?

My name is Joyce. I've been divorced for a little over three years and have two grown children. I share a condo with my dog, Sam, and enjoy spending time outside.

My daughter was married last spring and is expecting my first grandbaby. My son is moving back home this fall and plans to attend an area technical institute.

My father died last year and my mother recently suffered a series of small medical setbacks.

For the past 12 years, I've worked as a tech for a small veterinary clinic, earning a modest but comfortable salary. Over the years, I've steadily contributed to my 401(k) plan.

When I was married, my husband handled all the household finances and investments. I was responsible for paying the bills and keeping the checkbook.

I closely watch my spending, faithfully pay my bills, and carry little debt. By all outward appearances, I should be well on track to retire at age 65.

But I'm not so sure.

Earlier this year, I checked out a library book on finance and investing. But I struggled with the concepts and how they applied to my situation. I also enrolled in a community education class on retirement planning, but didn't really know what questions to ask.

I still worry about the possibility of someday ending up a homeless "bag lady." I know I need to take steps to plan for my future.

I'm just not sure what those steps are, and in what direction to take them.

You're not alone ...

If you're like many of today's emerging financially empowered women, you can relate to Joyce's situation and concerns.

On one hand, you have much to celebrate. Women have made impressive social strides over the past few generations. Compared to women before you, you're more educated, earn a significantly higher income, and assume a more powerful role in the workplace. Almost half (41%) of women surveyed consider themselves to be the CFO of their household.¹ What a remarkable achievement!

On the other hand, despite all of this tremendous progress, 28% of women surveyed in 2023 said they feel very or somewhat financially insecure.¹ These feelings of financial insecurity increase in single women, with 54% of each group reporting some feelings of financial insecurity. You too may feel this way.

Allianz Women, Money, and Power® will help you take steps to move forward.

→ **Compared to women before you, you're more educated, earn a significantly higher income, and assume a more powerful role in the workplace.**

¹The Allianz Women, Money, and Power® financial strategies study, 2023.

Your evolving role in society and the economy

Your role in society, the economy, and at home has advanced to the point where an increasing amount of financial decision-making falls on your shoulders. Unlike your counterparts in past generations, today you find yourself in the middle of a societal and economic shift. **Consider the following facts:**

- 70% of **college-educated** women participated in the labor force.¹
- **Earnings** for women with college degrees have increased by 41% since 1979.²
- Women are the **sole or main breadwinners** in 34% of U.S. households.³

While you're forging new roles, society has been slow to keep pace with your new reality.

LINGERING TRADITIONAL VALUES

For generations, women typically weren't educated on matters of investing and finance – at home or in school. Parents were reluctant to share family finances or spend time teaching their daughters to be financially independent. Instead of advising them to be knowledgeable and financially “well-prepared,” parents encouraged their daughters to “marry well.” And few school counselors encouraged young women to pursue careers in insurance and finance.

Today, women are breaking through the final barrier to gender equality – financial empowerment. Yet at times, many industries

still fail to recognize women as distinct and valuable customers for financial products and services. Leaf through any of your favorite women's magazines. You'll notice an almost complete lack of articles on money and investing, or ads for insurance and financial products.

HE SAID, SHE SAID

General findings from the surveys indicate men and women view financial matters from radically different perspectives. Women are inclined to take a more holistic approach to planning their financial future. Men are more likely to make quick decisions based on “hot” tips. Women generally feel burdened with the worries that go along with increasing responsibilities that require greater financial decisions. Men tend to see themselves as more analytical and open to taking greater financial risks. And while women perceive arguments about money as issues of power and control, men are more likely to attribute them to a lack of trust. Yet on the whole, financial professionals address the financial needs of women the same way they handle the needs of men.

As society moves from a model where – in relationships – men are the primary finance and investing decision-maker, to a new reality where decisions are made jointly, partners often struggle with emerging misunderstandings, miscommunications, and conflicts. It's no secret that money is the major cause of disharmony in relationships today.

Financially empowered women have become **valuable customers** for financial products.

¹ “Women now outnumber men in the U.S. college-educated labor force,” Pew Research Center, September 26, 2022.

² “Highlights of women's earnings 1979-2020,” U.S. Bureau of Labor Statistics, 2021.

³ The Allianz Women, Money, and Power® financial strategies study, 2023.

It is important for women to become educated and confident to pass on valuable information, resources, and lessons to the next generation. In a 2023 study commissioned by Allianz Life Insurance Company of North America (Allianz), women agree that among the best advice to give to daughters and granddaughters is to start planning early (79%) and not to depend on others for financial security (72%).¹

LIFE EVENTS

Did you know that a large percentage of all women will be solely responsible for their finances at some point in their lives? Are you prepared for that possibility?

At each stage of life comes events that can shape your financial needs and concerns, and impact your ability to plan for and achieve long-term financial goals. It's during these life-defining events that it's critical to take control of your financial future. Can you relate to any of them?

- **College/career planning** – as you get started in your profession, change jobs, go back to college, move up the career ladder, or plan for your child's education, you want to make sure that you're covered financially for unexpected expenditures.
- **Family** – whether you're moving in together with your partner, getting married, or having your first child, changes in your family status mean changes in your financial security needs.

- **House and home** – whether you're buying your first home or downsizing to a condominium, you need appropriate financial strategies to help you purchase and protect the things you hold valuable.
- **Starting a business** – becoming self-employed or starting a business is a big step that brings new challenges and responsibilities. Financial security forms the basis for your business success.
- **Starting over** – if you become divorced, widowed, or find yourself in an "empty nest," changes to your family dynamics may involve additional challenges you didn't originally plan for, and your financial plans can change unexpectedly.
- **Retirement** – if you want to maintain your standard of living during retirement, you have to plan carefully. Social Security may not be enough. Making the right financial decisions now can have an enormous impact on the dynamics of your future.
- **Caregiving** – women tend to be primary caregivers and are at an even greater risk of experiencing financial setbacks. It is important to consider the potential setbacks of caregiving as a part of your financial strategy.

→ **Lingering traditional values, lagging societal response, differences between genders, life stages, and events all serve as challenges to today's financially empowered woman. Have you considered and prepared for the possibilities?**

Key life events are critical times to consider Allianz Women, Money, and Power® financial strategies to help **take control** of your financial future.

¹The Allianz Women, Money, and Power® financial strategies study, 2023.



The Sandwich Generation

Planning ahead can reduce the stress of caring for two generations of family.

With today's increasing longevity, a growing number of middle-aged women face the challenge of serving as caregivers to aging parents while still raising children at home. Known as the "Sandwich Generation," these women find themselves squeezed between two generations of family members who need their attention and care. The circumstances can create high levels of stress and negatively influence the ability to institute long-term financial goals.

If you find yourself in this situation, you can help lessen its emotional and financial impact by planning ahead:

- Set financial goals and reevaluate them frequently.
- Manage your debt.

- Create a retirement strategy.
- Save for your children's college expenses early on, and discuss with them the level of financial support they can expect to receive from you.
- Sit down with your parents and ask them about their plans and strategies for the future. This also may be a good time to talk to them about the legacy they want to leave after they're gone.

The knowledge, experience, and support of a financial professional can ease this process and help Sandwich Generation women overcome their financial obstacles.

Your emerging role as a financially empowered woman

Despite all the challenges you face, you continue to revolutionize your role with money and power. As you pioneer new relationships with money, you're venturing into unknown territory and may be asking yourself:

- Exactly what role should I assume?
- How much control should I assume over my financial life?
- Should I plan to be solely responsible for all of my finances?
- Should I seek more information or work with someone who has financial training and experience?
- Should I share financial responsibilities with my partner or family?
- How should I communicate about money?
- What are the advantages and disadvantages of my decisions?

Allianz Women, Money, and Power® found that women have been responding to these questions by assuming one of five distinct financial personas. Each of these behavior types is characterized by unique attitudes and behaviors toward money and power. Read through them and see which one best describes you.

FINANCIAL DREAMER

Intimidated by money and investing, you feel helpless and hope that someone else will help you take care of your financial problems. If in a relationship, you usually defer all financial matters to your partner; you have the most to gain by consulting with a financial professional.

FINANCIAL AVOIDER

You feel overwhelmed by all the financial choices available to you. A lack of financial knowledge keeps you from taking the necessary steps to resolve your financial problems. You know you would

benefit by seeking the help of a financial professional. You just have trouble taking that first step.

FINANCIAL INITIATOR

You're self-assured, empowered, and optimistic. You're quite clear about your financial goals, and typically know how to achieve them. You take the initiative to work with a financial professional for advice and guidance.

FINANCIAL COLLABORATOR

When in a relationship, you're healthy, happy, and cooperative. You provide family financial comfort and stability. You and your partner share equally in financial decisions and actions, including working with a financial professional.

Each financial persona is marked by a set of **unique attitudes** regarding money.

FINANCIAL ANALYZER

You have a good understanding of household finances and take initiative in thoroughly researching investment opportunities and tracking financial results. You're a comparison shopper, an avid saver, and rarely purchase something you can't afford. Chances are, you've worked with a financial professional in the past.

→ **Knowing your particular behavior type will allow your financial professional to better understand you, and in turn, better understand your decisions and personal approach to planning for your financial future.**

Reasons why women need a financial strategy

Women typically outlive men.

- Women are likely to be caregivers to parents and children
- The wage gap still exists
- Women often lack confidence when it comes to financial strategies

As a result:

- Women may be underinsured and should consider life insurance for death benefit protection
- Products like annuities can help provide stability and guaranteed income for life

Annuities, as part of your overall portfolio, can also help with your living expenses, as well as uncontrollable expenses such as medicine, insurance premiums, food, real estate taxes, and more.

Annuities can help you meet your long-term retirement goals by offering tax-deferred growth potential, a death benefit for beneficiaries during the accumulation phase, a guaranteed stream of income during retirement, and income benefits that are either built in or available as optional income riders that may have an additional cost.

Annuity guarantees are backed by the financial strength and claims-paying ability of the issuing insurance company. You should carefully consider the features, benefits, limitations, risks, and fees that may be associated with an annuity. Ask your financial professional if an annuity is appropriate for you based on your financial situation and objectives.

Tips for preparing to meet with your financial professional

- Review the five distinct roles financially empowered women are creating today, and note which one you most closely identify with.
- Write down your three biggest concerns regarding your financial future.
- If you're caring for aging parents or anticipate you may need to someday, consider involving them.
- If you're in a relationship and share finance and investing decisions, invite your partner along.
- Finally, ask your financial professional about any factors you may have overlooked that may be relevant and important to address.

Women say they're **more confident** when they work with a financial professional.

Taking the first step forward

Your financial goals and objectives will vary depending on what stage of life you're in. Whether you're starting a new job, getting married, buying a home, starting a business, or approaching retirement, there's an important point to keep in mind: It's never too early – or too late – to start taking control of your financial security.

KNOWLEDGE IS POWER

Many women have felt that lack of sufficient knowledge has been a large barrier to getting more involved in managing savings and investments. If you want to learn more, the experience and expertise of a financial professional is invaluable. Consider our study's findings about women who work with a financial professional:

- 91% would recommend having a financial professional to other women¹
- 87% felt they earn a better return on their money¹
- 89% felt more confident and prepared for their financial future¹
- 82% were able to set financial goals and determine a way to achieve them¹
- 85% felt more independent and self-sufficient¹

¹The Allianz Women, Money, and Power® financial strategies study, 2023.



The Allianz Women, Money, and Power® Studies

Methodology

Allianz Life Insurance Company of North America (Allianz) commissioned an online survey in August 2023 that consisted of a nationally representative sample of women age 18+ in the contiguous United States, selected from the online segment of Ipsos's I-Say and Ampario panel, and balanced to be representative of the general population based upon region, gender, age, and household income data from the U.S. Census Bureau.

Since 2006, Allianz has been examining the attitudes and behaviors of women toward money, finance, and investing within a variety of life stages and with varying family dynamics.

Allianz Life Insurance Company of North America and Allianz Life Insurance Company of New York (Allianz Life of New York) are affiliated companies.

For more information about Allianz Women, Money, and Power® financial strategies or studies, please visit www.allianzlife.com or www.allianzlife.com/new-york.



TAKE CONTROL OF YOUR FUTURE. To learn more about overcoming your financial challenges and achieving your financial goals, contact your financial professional today.

True to our promises so you can be true to yours®

As leading providers of annuities and life insurance, Allianz Life Insurance Company of North America (Allianz) and its subsidiary, Allianz Life Insurance Company of New York (Allianz Life of NY), base each decision on a philosophy of being true: **True to our strength** as a key part of a leading global financial organization. **True to our passion** for making wise investment decisions. **True to building a culture** where everyone feels welcomed, included, and valued. And **true to the people we serve**, each and every day.

Through a line of innovative products and a network of trusted financial professionals, Allianz and Allianz Life of NY together help people as they seek to achieve their financial and retirement goals. Founded in 1896, Allianz, together with Allianz Life of NY, is proud to play a vital role in the success of our global parent, Allianz SE, one of the world's largest financial services companies.

While we pride ourselves on our financial strength, we're made of much more than our balance sheet. We believe in making a difference with our clients by being true to our commitments and keeping our promises. People rely on Allianz and Allianz Life of NY today and count on us for tomorrow – when they need us most.

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