

# Planning for your financial future: A guide for women



Not FDIC or NCUA/NCUSIF Insured

May Lose Value • No Bank or Credit Union Guarantee  
Not a Deposit • Not Insured by any Federal Government Agency

## Take action for tomorrow

Women today are experiencing specific challenges when it comes to saving, investing and preparing for their future.

To live out the life you envision for the years ahead, you'll want to understand these challenges and develop an action-oriented approach to help you get to where you want to go.

In addition to learning as much as you can on your own, it's important to work with a financial professional who can serve as a guide. A financial professional can help you navigate the obstacles you may encounter and put together a strategy to help you reach your goals—including the goal of a financially secure retirement.



## Action steps for a more secure future

Acknowledge the hurdles women face when preparing for the future	4
Consider the possibility of living a very long life	5
Define your goals and create a strategy to help reach them	6
Recognize that your goals and priorities may evolve as you get older	8
Start preparing for the retirement income you'll need	10
Think about the role Social Security will play in retirement	11
Make sure your essential expenses are covered in retirement	12
Become familiar with different types of income solutions	13
Seek out the guidance and expertise of a financial professional	14

# Acknowledge the hurdles women face when preparing for the future

As a woman, preparing well in advance for your financial future is imperative. Even though women now control about one-third of total household financial assets in the U.S.,<sup>1</sup> individually they still face a number of financial hurdles that are gender-specific.

## Women continue to earn less than men, which can make saving more difficult

- In the U.S., women who work full-time are paid an average of 83.7% as much as men. And the gaps are even larger for many women of color and women with disabilities.<sup>2</sup>
- Women’s lower earnings and greater share of part-time work also lead to smaller Social Security benefits in retirement—22% smaller on average.<sup>3</sup>

## Women live longer than men—and may need to save more

Life expectancy in years <sup>4</sup>		
Age	Male	Female
65	83	86
70	85	88
75	86	88

## Women pay more healthcare and long-term care costs than men

- Women generally have greater healthcare costs than men across their lifetime—particularly in their reproductive years when their average annual health spending is more than double men’s spending<sup>5</sup>
- Women spend 30% more time receiving in-home care<sup>6</sup>
- 76% of residents in assisted living are women<sup>6</sup>
- 70% of nursing home residents are women<sup>6</sup>

<sup>1</sup> Source: Ted Jenkin, cncb.com, “Women are gaining power when it comes money – here’s why that’s a big deal,” May 3, 2022.  
<sup>2</sup> Source: U.S. Department of Labor, “Equal Pay Day 2023” News Release, March 14, 2023.  
<sup>3</sup> Source: Social Security Administration, “Fact Sheet: Social Security is important to women,” January 2021.  
<sup>4</sup> Source: Alliance for Lifetime Income, “Strategies for women seeking a secure retirement,” based on data from the American Academy of Actuaries and Society of Actuaries, Actuaries Longevity Illustrator, June 2023.  
<sup>5</sup> Source: Center for American Progress, “The economic, educational, and health-related costs of being a woman,” March 30, 2022.  
<sup>6</sup> Source: Alliance for Lifetime Income, “Strategies for women seeking a secure retirement,” based on data from Milliman, June 2023.

# Consider the possibility of living a very long life

Women generally live longer than men. And living a long life has its advantages. According to a recent study conducted by Corebridge Financial, the majority of women say the top benefits of living a very long life include:

- Continued meaningful relationships with family and friends<sup>7</sup>
- More time to explore and have new experiences<sup>7</sup>

But many women clearly have concerns about living a very long life. When we asked women about the prospect of living to age 100. Here's what they told us:

## Top concerns of living a 100-year life<sup>8</sup>

- 65%** My quality of life
- 63%** Serious health problems
- 60%** Independence in later life
- 60%** Running out of money
- 55%** Being a burden on family

When it comes to living a 100-year life, serious health problems and quality of life are top concerns for women today.

**These late retirement worries highlight the importance of preparing early for a long retirement—so you can enjoy and celebrate your longevity, not fear it.**



**53% of women**  
say their goal is to  
live to age 100<sup>7</sup>

<sup>7</sup> Source: Corebridge Financial survey on longevity and retirement, May 2023.

<sup>8</sup> Source: Corebridge Financial survey on longevity and retirement, May 2023. Percentages shown reflect response totals for "Extremely concerned" and "Very concerned."

# Define your goals and create a strategy to help reach them

How do you envision your future? Not everyone has the same goals—and your goals may also differ depending on your life stage. Having your goals defined, and working with a trusted financial professional to take action toward them, can help put you on a path to success and help keep you focused during turbulent times.

## Retirement—a key goal at every age

No matter what your age, think about making retirement your first goal. This may seem counterintuitive if you are in your 20s or 30s, repaying college debt, starting a family, or saving for a house. But with today's longer life expectancies, you could be living in retirement for 30 years or more. The earlier you make this goal a priority, the more prepared you may be.

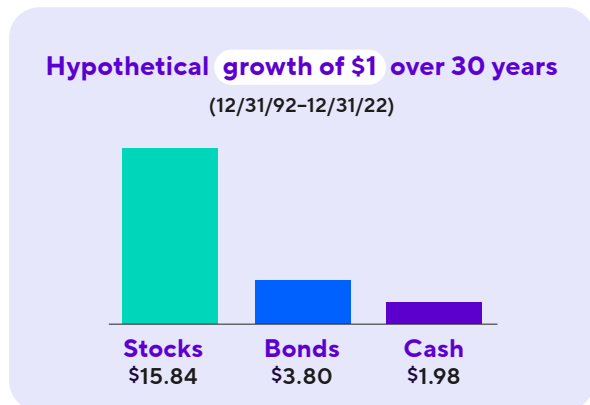
### Prioritize maximizing contributions to a 401(k), 403(b), IRA, or other tax-deferred retirement plan as your budget allows

At a minimum, you may want to consider contributing enough to a workplace retirement plan to qualify for any matching contributions. And then, you may want to consider increasing your contribution rate over time until you reach the maximum to help build your retirement savings.

Employer-sponsored plans, IRAs, and other types of retirement plans, if available to you, are generally meant for long-term retirement savings and investing. Other savings and investments may also be available. Talk to a financial professional about additional ways to save for your retirement.

### Consider the long-term growth potential of stocks

While stocks can drop in value over the short-term, they are one of the few investments that offer the long-term growth potential needed to help savers reach their retirement goals.



**Note: Past performance is not a guarantee of future results.** Stocks are represented by the S&P 500 Index; bonds by the Bloomberg U.S. Aggregate Bond Index; and cash by the FTSE Treasury Bill 3 Month Index. Stocks are subject to significant price fluctuations and therefore an investor may have a gain or loss in principal when shares are sold. Government Bonds and Treasury Bills are subject to interest rate risk but are backed by the full faith and credit of the U.S. government if held to maturity. This example does not take into account taxes, fees or expenses; if shown, the results would be lower. Indices are unmanaged and cannot be invested in directly. Source: Morningstar Direct, 2023.



## More goals to consider as you become financially established

- ➔ **Pay yourself first and establish your emergency savings.** Amassing a rainy-day fund may help you avoid going into debt if the unexpected occurs. Consider banking three to six months' worth of expenses in liquid assets.
- ➔ **Pay off credit card and/or student debt.** If you have credit card or student debt, you may want to prioritize the highest interest rate debt first, while staying current on all of your accounts.
- ➔ **Budget for a home purchase.** Start setting aside money for the down payment you'll need—and consider the total cost of ownership, including property taxes, potential homeowners' association fees, insurance, repairs, and the cost of mortgage insurance, if applicable.
- ➔ **Purchase life insurance.** If you have dependents or significant debt, consider speaking with a financial professional or insurance agent about life insurance. There are many different types of life insurance to choose from. A financial professional or insurance agent can help you assess your life insurance needs and determine a protection strategy that makes sense for you.
- ➔ **Buy disability insurance.** One in four 20-year-olds will become disabled before reaching retirement age.<sup>9</sup> With those odds, you may want to consider speaking with a financial professional to learn about what options are available for disability insurance.
- ➔ **Start a college fund.** If you have children or grandchildren, you may want to consider talking to a financial professional about opening a savings plan for their future expenses. Be sure to ask about 529 plans. With a 529 plan, contributions grow tax-deferred—and money can be withdrawn tax-free as long as it's used for qualified education expenses. Plans vary widely, so you'll want to research the available options.

<sup>9</sup> Source: Social Security Administration, June 2020.

# Recognize that your goals and priorities may evolve as you get older

As you get older, you may still be saving up for a house, paying off student or credit card debt, saving for a child's college education, or perhaps setting aside money for a vacation or new car. But the time available to save for retirement begins to shrink and retirement savings takes on an even greater level of importance.

## Retirement: fast approaching and still a top priority

As retirement nears, you'll likely be in your peak earning years. Given that, you may want to focus on maximizing your retirement savings.

50+

**Take advantage of catch-up contributions.** If you're age 50 or older, you can make annual catch-up contributions to IRA accounts and retirement plans, including 401(k) and 403(b) plans—allowing you to put away even more. For example, the 401(k) and 403(b) catch-up contribution for 2023 for individuals age 50+ is \$7,500.<sup>10</sup>

%

**Look for ways to supplement your workplace retirement savings.** If you've already taken advantage of a workplace retirement savings plan, such as a 401(k) or 403(b), talk to a financial professional about other savings and investment solutions that may complement your workplace retirement savings.



**Explore Health Savings Accounts (HSAs).** If you're eligible for an HSA, these tax-advantaged accounts could help you save and pay for medical expenses. HSA contributions are tax-deductible (or pre-tax if made through payroll deductions) and withdrawals are tax-free (if used for qualified medical expenses.) And, earnings from interest and investment gains are also tax-free.

## As you prepare for retirement, it's important to consider the long-term impact of inflation

The higher the rate of inflation, the more retirement savings you'll need to maintain your purchasing power. Of course, higher inflation may also motivate you to save even more.

**59% of women** say they are more motivated to take action to save and invest for their future because of inflation<sup>11</sup>



<sup>10</sup> Note: Special additional catch-up contribution may apply for 403(b) plans.

<sup>11</sup> Source: Corebridge Financial survey on longevity and retirement, May 2023.



## More priorities and actions to consider as you get older

- ➔ **Draft an up-to-date will.** Having a qualified attorney draft your will can help ensure that it complies with state law. Putting a will in place provides your heirs with an understanding of your wishes.
- ➔ **Consider a living will and healthcare power of attorney (healthcare POA).** A living will specifies what type of medical treatment you want at the end of life and a healthcare POA appoints someone to make those decisions on your behalf.
- ➔ **Consider a trust for estate planning.** You may also want to talk to a qualified attorney about creating a trust. This may help avoid probate and pass assets more efficiently and cost-effectively and could reduce estate taxes.
- ➔ **Look into long-term care insurance or life insurance with a chronic care rider.** A 65-year-old has almost a 70% chance of needing some type of long-term care services at some point. The average length of care for women is 3.7 years.<sup>12</sup>
- ➔ **Check in with your parents.** If you're unsure about your parents' financial situation and how they would choose to receive care if they need it, speak to them about their resources and wishes. They may even qualify for federal or state assistance.

<sup>12</sup> Source: LongTermCare.gov, "How much care will you need?", February 18, 2020.

# Start preparing for the retirement income you'll need

When retirement is on the horizon, the focus will begin to shift from saving for the future to generating retirement income. You'll want to meet with a financial professional to talk about actions you may need to take and income strategies you may want to consider.



**Nearly  
2 out of 3  
women  
say that securing  
lifetime income  
is a high priority<sup>13</sup>**

## Re-examine your risk tolerance and your retirement investments

As retirement approaches, people often begin to shift their portfolio from more aggressive investments to more conservative investments. But it can also be important to keep a portion of your portfolio invested for long-term growth potential to help provide for your later years. A financial professional can help you develop a portfolio allocation strategy that makes sense for you.

## Take an inventory of your retirement accounts

Identify where they are located and consider whether you want to consolidate multiple savings and brokerage accounts. Consolidating retirement accounts can make tracking Required Minimum Distributions (RMDs) easier. If you've lost track of an old retirement account, reach out to your former employer or check your state's unclaimed property registry.

## Calculate your income needs

A financial professional can help you estimate your expected expenses in retirement and assess your retirement income needs.

## Determine how to turn your savings into income

Talk to a financial professional about how you can turn your long-term savings and investments into an income stream, including the possibility of income that lasts for life. Also ask about which accounts to draw from first for tax efficiency, and the age triggers for RMDs that some accounts carry.

## Obtain updated Social Security benefit estimates—and pension estimates

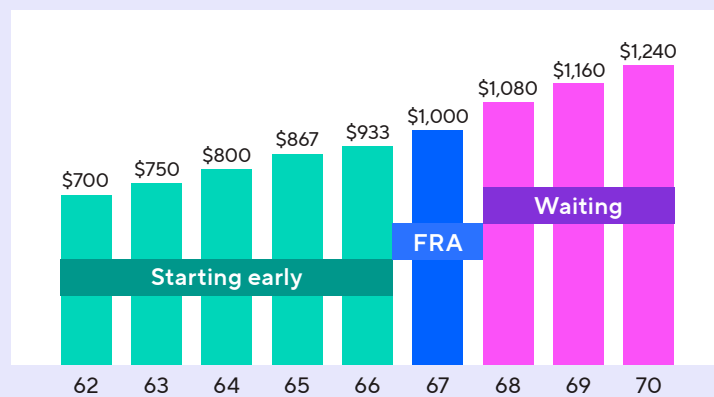
Visit [ssa.gov](https://ssa.gov) to learn more about your Social Security benefits. And if you're fortunate enough to have a pension, you can contact your employer's (or previous employer's) HR representative to obtain benefit estimates and payout options.

<sup>13</sup> Source: Corebridge Financial survey on longevity and retirement, May 2023. Percentage shown reflects response totals for "Highest priority" and "High priority."

# Think about the role Social Security will play in retirement

When it comes to your income in retirement, a major decision is when to begin taking Social Security benefits. For each year you defer benefits beyond your Full Retirement Age (FRA), your benefits will increase by 8%—until age 70. But, if you start collecting early—before your Full Retirement Age—your benefits will be reduced. Here's an example:<sup>14</sup>

If you start collecting early—**prior to your Full Retirement Age (FRA)** and you were born in 1960 or later, benefits will be reduced by up to 30%.<sup>15</sup>



If you wait and start collecting **after Full Retirement Age** and you were born in 1960 or later, benefits will be increased by up to 24%.<sup>16</sup>

If you're married, you may also want to consider the importance of coordinating the timing of your benefits with your spouse. For example, a lower-earning spouse may choose to start collecting at his/her Full Retirement Age, while the higher-earning spouse may choose to wait until age 70 to maximize his/her benefit amount. If the higher-earning spouse dies first, the lower-earning spouse will receive the deceased spouse's higher benefit for the rest of his/her life.

Keep in mind, Social Security benefits were only designed to replace a portion of a retiree's pre-retirement income—approximately 30% to 40% based on some industry estimates. They were never intended to be the only source of income when people retire.

**52% of women** are concerned  
Social Security benefits will not be enough to  
cover their living expenses in retirement<sup>17</sup>

<sup>14</sup> Source: ssa.gov, "Social Security Benefits - Effect of Early or Delayed Retirement on Retirement Benefits." This example assumes a \$1,000 benefit is available at Full Retirement Age (FRA) of age 67. Your Full Retirement Age may differ based on your year of birth. Amounts shown do not reflect any cost-of-living adjustments.

<sup>15</sup> Percentage reduction varies depending on your year of birth and Full Retirement Age. The reduction is 5/9 of one percent for each month before your Full Retirement Age, up to 36 months. If the number of months exceeds 36, then the benefit is reduced 5/12 of one percent per month in excess of 36.

<sup>16</sup> If you were born in 1943 or later, the delayed retirement credit is 8% each year.

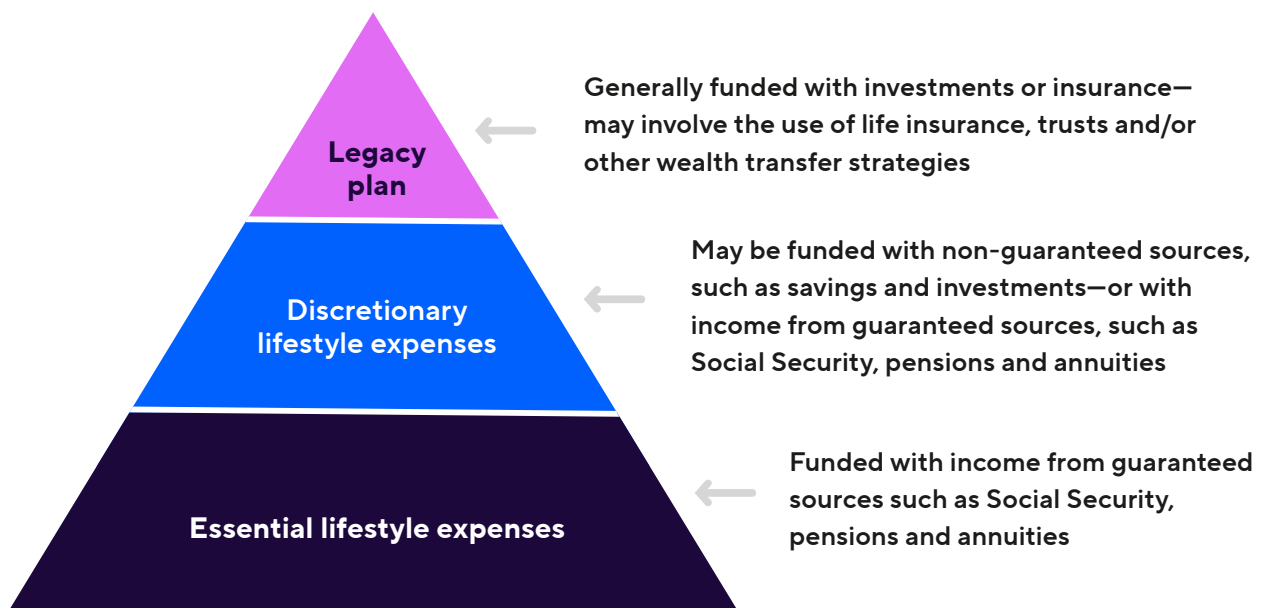
<sup>17</sup> Source: Corebridge Financial survey on longevity and retirement, May 2023. Percentage shown reflects response totals for "Extremely concerned" and "Very concerned."

# Make sure your essential expenses are covered in retirement

Our retirement needs pyramid may help you think about how to cover expenses by category. You may want to consider covering your essential lifestyle expenses (for example, your mortgage, utilities and groceries) with income from guaranteed sources, such as Social Security, pensions and annuities.

An annuity can provide you with a source of protected lifetime income beyond Social Security. Ask a financial professional about how adding an annuity to your retirement income strategy can help enhance your retirement income security.

## The retirement needs pyramid<sup>18</sup>



**3 in 4 women** would feel more confident about having the amount of money they'll need to live comfortably for as long as they live if they had a source of guaranteed monthly income beyond Social Security.<sup>19</sup>

<sup>18</sup> Source: Corebridge Financial

<sup>19</sup> Source: Corebridge Financial survey on longevity and retirement, May 2023.

# Become familiar with different types of income solutions

As you think about your finances and retirement, it's helpful to know about different types of savings and investment solutions. Before choosing any, however, it's important to understand which ones are appropriate for your goals and circumstances. A financial professional can help. Here's an overview of the key features of some savings and investment solutions typically used in retirement income planning, including annuities.

Key Features	CDs	Government Bonds	Municipal Bond Funds	Income-Oriented Mutual Funds	Annuities*
Tax advantages, may include tax deferral		●	●		●
Growth potential	●	●	●	●	●
Professional money management			●	●	●
Opportunity for a fixed rate of return	●	●	●		●
Beneficiary protection					●
Protected lifetime income					●
Liquidity	Interest rate penalty may apply	●	Sales charges may apply	Sales charges may apply	Withdrawal charges may apply

\*Annuity features can vary depending upon the type of annuity purchased. Standard or optional income protection features available with certain annuities may be subject to additional fees, withdrawal parameters, and other limitations. Ask a financial professional for complete details about the annuity you may be considering.

## Additional information

- CDs are FDIC insured and offer a fixed rate of return if held to maturity.
- Government bonds are backed by the full faith and credit of the U.S. government. Municipal bonds are bonds issued by states, cities, counties and other local government entities. Municipal bonds are backed by the full faith and credit of the issuer.
- Bond funds and mutual funds are subject to risk, including the possible loss of principal.
- Annuities are long-term insurance products designed for retirement. Early withdrawals may be subject to withdrawal charges. Withdrawals of taxable amounts are subject to ordinary income tax and, if taken prior to age 59½, an additional 10% federal tax may apply. Retirement accounts, such as IRAs, can be tax-deferred regardless of whether or not they are funded with an annuity. The purchase of an annuity within a retirement account does not provide additional tax-deferred treatment of earnings. However, annuities do provide other features and benefits. Guarantees are backed by the claims-paying ability of the issuing insurance company. An investment in a variable annuity is subject to risk, including the possible loss of principal.

# Seek out the guidance of a financial professional

One of the best ways to help prepare for your financial future is to work with a financial professional—if you're not already working with one today. A financial professional can provide objective advice and guidance that may help you avoid mistakes, reduce your financial stress, and help you stay on track to help reach your goals.

When working with a financial professional, it's important to make sure your goals and concerns are understood. Be sure to ask questions until you feel comfortable that you thoroughly understand the options being presented.



**Here are some questions to consider asking a prospective financial professional to help determine if they are a good fit for you.**

- Do you require clients to have a minimum in investable assets?
- How broad is the product suite you and your firm can offer?
- Will you explain why you believe a particular solution is appropriate for my portfolio?
- How often will we meet to review my portfolio?
- What is your compensation model? (Commission or fee-based?)
- Do you have any industry-related designations?
- Are you able to work with other professionals such as CPAs, estate attorneys, and tax accountants, or can you recommend any?

**Women who work with a financial professional are more confident about their finances<sup>20</sup>**

**56%** are confident in their ability to **manage day-to-day financial priorities**

**47%** are confident in their ability to **save for retirement**

**43%** are confident in their ability to **plan for a successful financial future**

**42%** are confident in their ability to **pay for unexpected expenses, such as a medical emergency**

<sup>20</sup> Source: Corebridge Financial survey on longevity and retirement, May 2023. Percentages shown reflect response totals for "Extremely confident" and "Very confident."

# You have the power to take control of your financial future

All it takes is a single step to begin moving your financial future forward—like reaching out to a financial professional. At Corebridge, we proudly partner with financial professionals and institutions to help make it possible for more people to take action in their financial lives for today and tomorrow.

**Action today can lead to great things tomorrow.  
Action is everything.**



This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. Please consult with a financial professional regarding your situation. For legal, accounting or tax advice consult the appropriate professional.

Life insurance and annuities are issued by **American General Life Insurance Company** (AGL), Houston, TX except in New York, where they are issued by **The United States Life Insurance Company in the City of New York** (US Life). Certain annuities are issued by **The Variable Annuity Life Insurance Company** (VALIC), Houston, TX. **Securities products are distributed by Corebridge Capital Services, Inc.** (CCS), member FINRA, 21650 Oxnard Street, Suite 750, Woodland Hills, CA 91367-4997, 1-800-445-7862. Issuing companies AGL, US Life and VALIC are responsible for financial obligations of insurance products. AGL does not solicit, issue or deliver policies or contracts in the state of New York. Products and services may not be available in all states and product features may vary by state. Please refer to the contract.

All companies above are wholly owned subsidiaries of Corebridge Financial, Inc. Corebridge Financial and Corebridge are marketing names used by these companies.

© 2023 Corebridge Financial, Inc. All rights reserved.

