



Jane Jones's Financial Wake-Up Call: Overcoming a Retirement Savings Shortfall

Many women are facing a retirement savings shortfall that could jeopardize their financial future if left unaddressed.

At 52, Jane Jones, despite working hard throughout her career, realizes she's unprepared for retirement and may need to delay it. Identifying and addressing her unique financial needs has become her top priority as she works toward achieving greater financial security in retirement. And she's not alone. **According to a recent study, nearly 20% of women are taking the primary role in the retirement planning process.**¹

Why "Save More" Isn't Enough

Concerned about her future, Jane discusses her financial life with her brother, Jack, an engineer. While he means well, his advice to "just save more" doesn't take into consideration the unique retirement planning hurdles that Jane, and many other women, face.

For instance, Jane's career in the publishing industry is fulfilling but not without its financial obstacles.

From the outset, Jane earned only 74 cents for every dollar her male colleagues made, a stark reminder of the pay disparity that persists even among college-educated women.²

This wage gap has made it difficult for Jane to adequately fund her retirement account. Even with her promotion to a

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Case Study

Jane Jones

Age: 52

Financial Motivations:

"I wanted to take control of my financial future, ensuring I wouldn't be a burden on my daughter. My goal was to find a solution that would provide stable and guaranteed income in retirement."

Goals:

- ▶ Ensure consistent and guaranteed income
- ▶ Plan for healthcare costs
- ▶ Maximize savings
- ▶ Reduce tax liability

Concerns:

- ▶ Inflation
- ▶ Having enough saved for retirement
- ▶ Future healthcare costs
- ▶ Earning potential



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six-figure salary, her annual pay raises have been minimal, which also limits her retirement savings potential.

Navigating the Challenges of a Late Start

Jane’s late start in saving for retirement, compounded by student debt and uncertainty about financial products and investing, meant she didn’t begin contributing to her employer-sponsored retirement plan until age 35.

Due to her delayed saving start date, Jane has missed out on years of compounding that could have helped grow her retirement nest egg. She needs a plan to overcome this retirement savings shortfall.

Career Breaks: The Hidden Cost of Caring

After the birth of her daughter, Jane took five years out of the workforce. While that time was invaluable, it caused her to postpone retirement contributions. It also hindered career advancement. Later, she took two more years off to care for her ailing father. Not only did these breaks negatively impact her ability to save for retirement, but her divorce later in life did as well.

A divorce among couples aged 50+, referred to as “gray divorce,” is more financially devastating to women than men, often leading to a 23–40% drop in their household income, and Jane was no exception.³

Even though Jane is in a new relationship now, she has determined that whether she remarries or not, she will retain control in managing her finances and retirement strategies.

The Power of Professional Guidance

Research shows “a variety of challenges can impact women’s retirement savings growth, including income disparities, caregiving responsibilities, longer life expectancies and retiring earlier than planned. Each of these obstacles can impact women’s ability to save and, when taken together, can have cumulative effects.”⁴

Despite Jane’s hesitation about sharing her financial struggles, she is seeking out professional guidance. In a recent study, 57% of women listed financial professionals as the preferred source of education and help.¹

A “Women Only” retirement planning event led Jane to a financial advisor who aligns with her values. In their first meeting, he shared his personal story, establishing a judgement-free environment and listening to her challenges and aspirations.

Together, they addressed critical questions to improve her retirement readiness:⁵

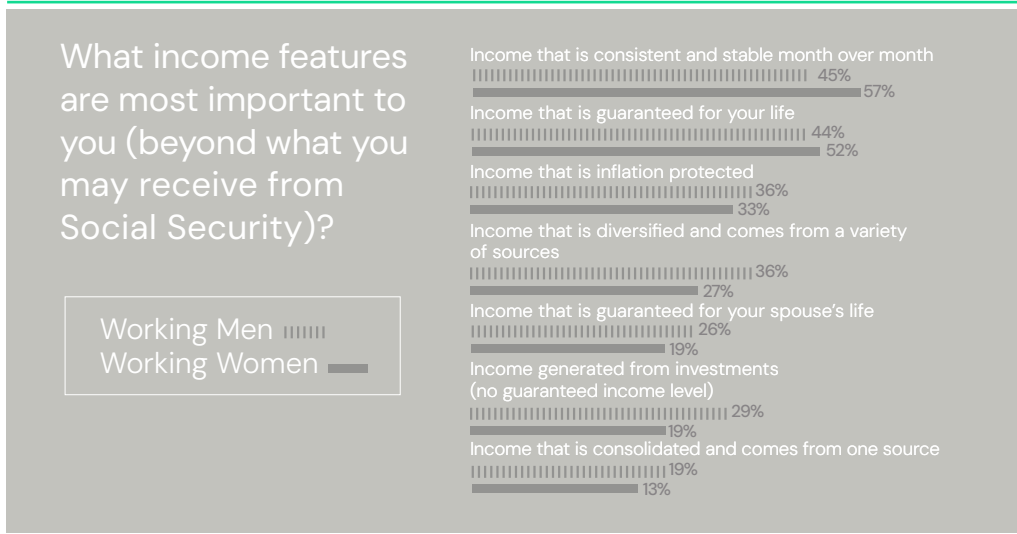
- How might your earnings affect your retirement?
- What’s an appropriate amount of risk at this stage in your life?
- How long should you plan to work?
- How reliant will your retirement income be on Social Security?
- How are you planning for healthcare costs?

Jane and her financial professional worked together to identify strategies that would address her unique circumstances and set her on a path to greater financial security.

One need Jane emphasized was consistent and guaranteed income in retirement. **Research shows “consistent and stable income” is important to 57% of women. While “income that is guaranteed for life” is important to 52%.⁴**

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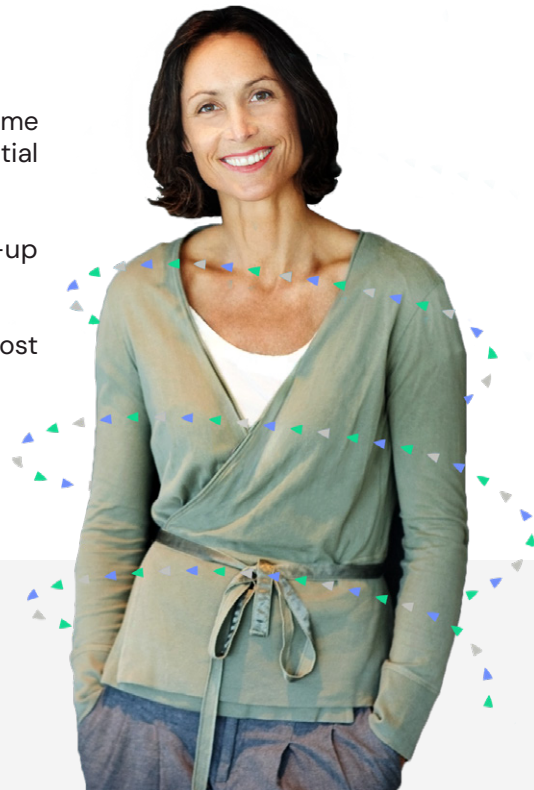
Source: <https://www.gsam.com/content/dam/gsam/pdfs/common/en/public/articles/2024/am-retirement-survey-gender-report-2024-final.pdf>

Knowing that women typically live longer — those who reach age 65 are expected to live another 19.7 years⁶ — Jane is determined to avoid burdening her daughter with the responsibility of her future care. To address this, she and her financial professional discuss long-term care options, that aren't “use it or lose it,” to help cover potential healthcare costs down the road.*

Key Decisions Specific to Jane’s Situation:

- Contribute to a fixed indexed annuity that offers guaranteed** increasing income for life, a bonus to recoup financial loss due to divorce, and coverage for potential care costs in the future
- Execute a Roth conversion and maximize contributions, including catch-up contributions at age 50+, to build a tax-free* income stream for retirement
- Improve skills to negotiate salary increases, bonuses and promotions to boost earning and savings potential

With her financial professional’s holistic approach, educational resources, and support, Jane now feels more empowered by her improved financial outlook.





Women report that a personalized financial plan is one of the top ways to lower their stress in managing retirement savings.

Stress Less, Plan More: Achieving Greater Financial Confidence

By putting a personalized financial road map in place, Jane shifts from financial uncertainty to confidence.

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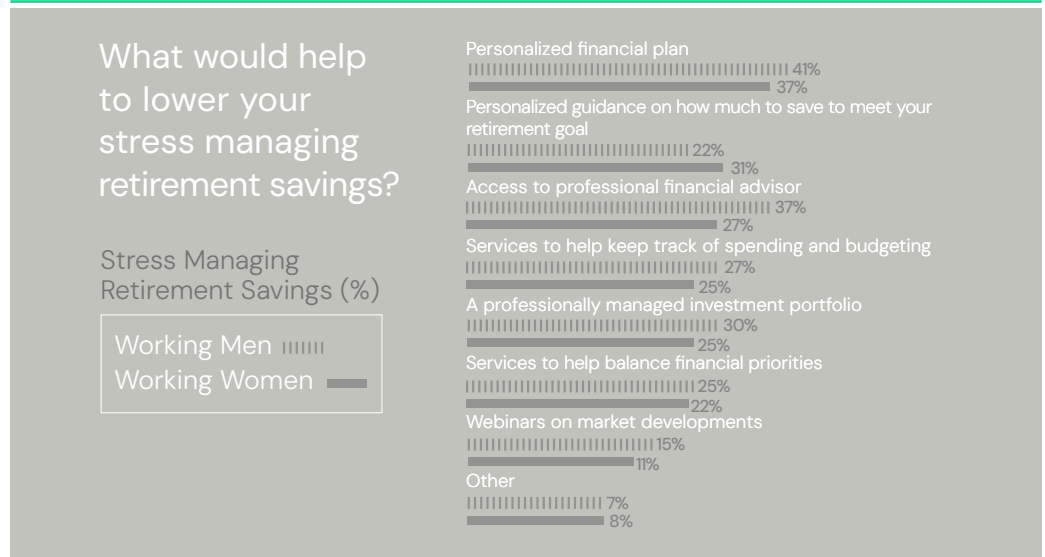


Image: Goldman Sachs, <https://www.gsam.com/content/dam/gsam/pdfs/common/en/public/articles/2024/am-retirement-survey-gender-report-2024-final.pdf>

She is so pleased with her experience that she tells others in her life about it — from her brother to her daughter and son-in-law to her women’s book club.

Taking Charge of Your Financial Future

As this case study highlights, women face unique challenges in planning for retirement. If you’re concerned about a retirement savings shortfall, know that you’re not alone.

With the guidance of a financial professional, women can help mitigate risk and achieve greater financial security in retirement.

► Discuss your situation with your financial professional to explore savings options, growth strategies, and retirement income products designed to help you accomplish your financial goals.

¹ New Study Highlights How Women Can Control Their Financial Well-Being (forbes.com)

² <https://www.bestcolleges.com/blog/addressing-the-gender-pay-gap/>

³ <https://www.cnbc.com/2024/03/23/why-gray-divorce-is-a-significant-financial-risk-for-women.html#>

⁴ <https://www.gsam.com/content/dam/gsam/pdfs/common/en/public/articles/2024/am-retirement-survey-gender-report-2024-final.pdf>

⁵ <https://www.morningstar.com/specials/5-steps-women-can-take-to-stave-off-a-retirement-shortfall>

⁶ <https://www.statista.com/statistics/266656/us-female-life-expectancy-at-the-age-of-65-years-since-1960/>

* Not intended to provide tax or health care advice. See your financial professional for how these strategies might apply to your unique situation.

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