

**Workplace
Solutions**



Accelerating Women's Financial Well-Being

Yes WE Can.

State of Connecticut

Governor's Council on Women and Girls

Subcommittee on Economic Opportunity & Workforce Equity

December 10, 2019



Prudential Retirement

WOMEN TODAY CONTROL THE MAJORITY OF U.S. WEALTH

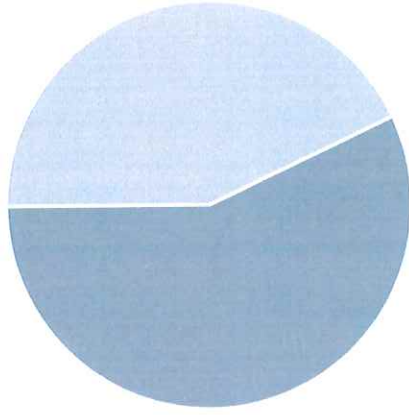
Women control the majority of personal wealth in the United States, and the percentage is growing.



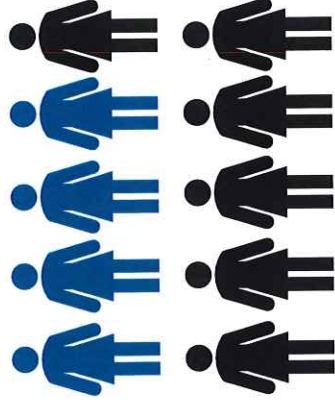
Source: BMO Wealth Institute, "[Financial Concerns of Women](#)," 2015.

MORE WOMEN ARE WORKING & OBTAINING COLLEGE DEGREES

More women are participating in U.S. labor force – and with higher education in hand.



57% of women are participating in the labor force



40% of women in the labor force had college degrees in 2016

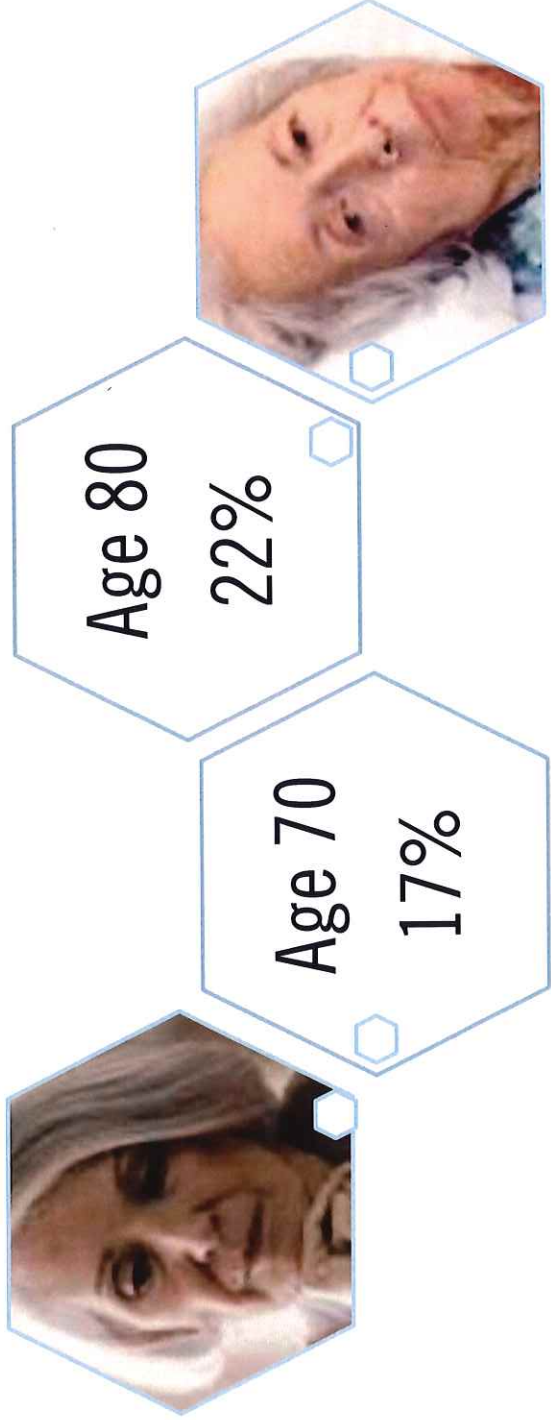
Sources: Bureau of Labor Statistics data including, ["Table 3: Employment Status of the Civilian Noninstitutional Population by Age, Sex, and Race,"](#) Current Population Survey (2019).



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MANY WOMEN ARE LIVING IN POVERTY LATER IN LIFE

A growing concern for Boomers and Generation Xers.



Source: EPI analysis of IPUMS-CPS,
NRI 2016



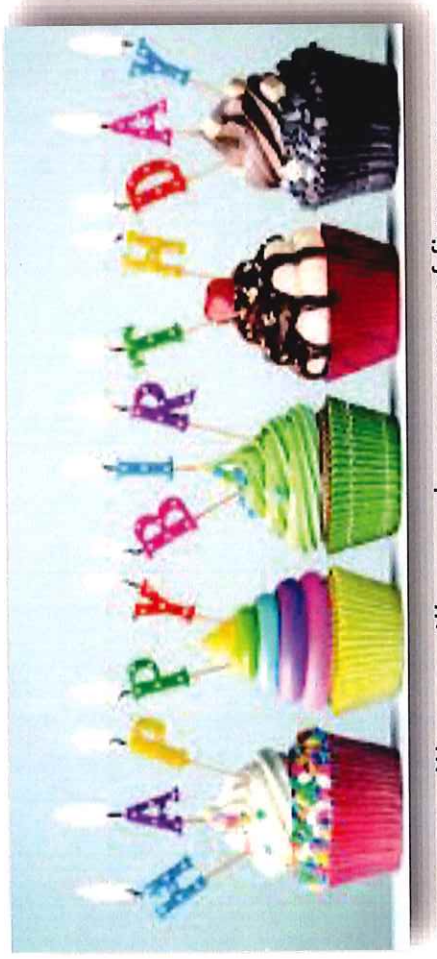
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LONGEVITY IS A CRITICAL FACTOR

“Longevity is a critical issue for women, probably one of the biggest reasons why women’s needs are so different than men’s in terms of financial saving and investing.”

ANNAMARIA LUSA RDI

- PhD, Academic Director
- Global Financial Literacy Excellence Center
- George Washington University



Women outlive men by an average of five years

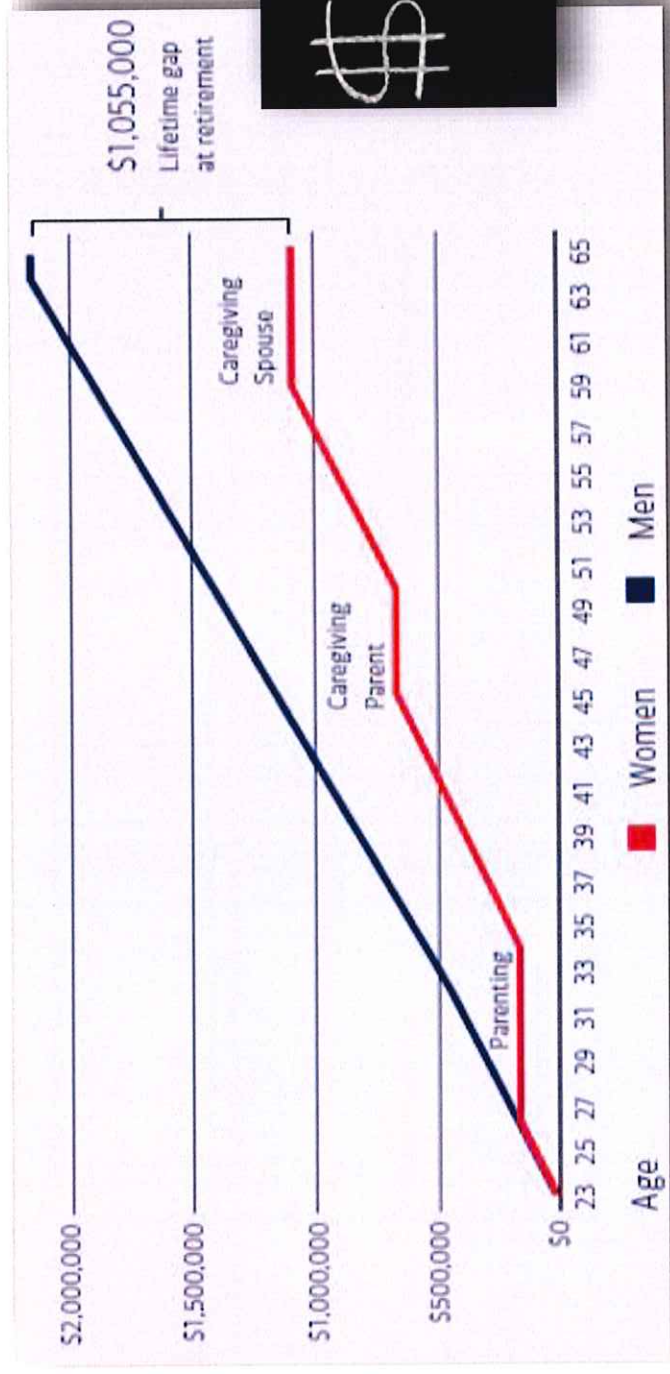
Source: Mortality in the United States, 2017, NCHS Data Brief No. 328, November 2018



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TIME OUT OF WORKPLACE IS A KEY DRIVER OF THE GAP

Time out of the workplace can impact a woman's lifetime earnings by up to \$1M.



Cumulative lifetime earnings for a woman who takes time off to care for children, parent and spouse vs. a man who doesn't

Source: "Women & Financial Wellness: Beyond the Bottom Line,"
Merrill Lynch in partnership with Age Wave, 2019



WOMEN NEED TO SAVE MORE FOR RETIREMENT THAN MEN

To achieve the same amount of retirement savings, women must save 25% more than men.



\$1.25

What a woman must save for every \$1
a man invests in retirement savings to
build an equivalent nest egg.

Source: NerdWallet 2017 data analysis

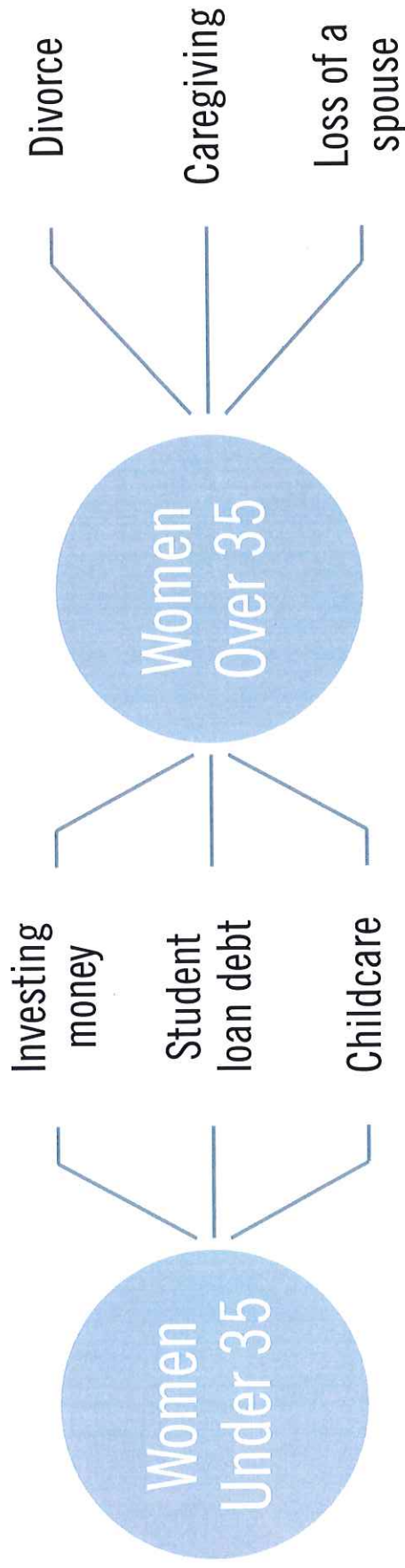
YET, MAJORITY ARE NOT PARTICIPATING IN RETIREMENT PLANS



Source: Bureau of labor statistics, Social Security Administration,
US Department of Labor, National Vital Statistic Report 2017

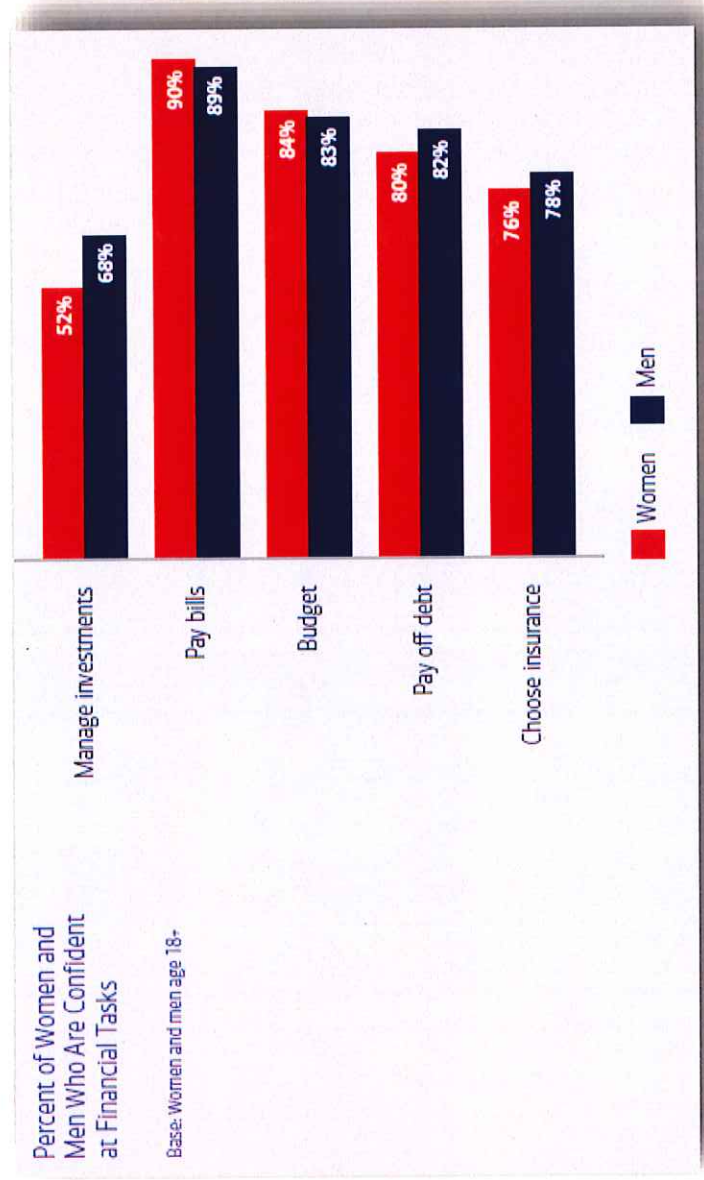
CALL FOR ACTION AROUND HIGH IMPACT OPPORTUNITIES

Critical interventions can make a huge impact on women's financial well-being.






INVESTING CONFIDENCE IS A KEY TO FINANCIAL SECURITY

Women are confident money managers, with one exception, managing investments.



S O L U T I O N S

-  Financial literacy
 - Investing
-  Investment solutions
 - Target Date Funds
 - Managed Accounts
-  Financial professional
 - Investment advisor

HELPING WOMEN MANAGE DEBT CAN UNLOCK POTENTIAL SAVING

Women hold almost 2/3 of the outstanding student loan debt in the U.S. – about \$929 billion.

COLLEGE GRADUATES WHO REPORT FINANCIAL DIFFICULTIES WHILE REPAYING STUDENT LOANS*



*“Financial difficulties” means the borrower was unable to afford all essential expenses some time in the past year.

Source: AAUW Analysis of the National Center for Education Statistics’ Baccalaureate and Beyond Longitudinal Study data

SOURCE: “Deeper in Debt, Women and Student Loans,” AAUW, May 2019

S O L U T I O N S



Financial Literacy

- Debt Management



Employer Contributions

- Student loan repayment



Financial Professional

- Refinancing & consolidation
- Debt & Credit Counselor



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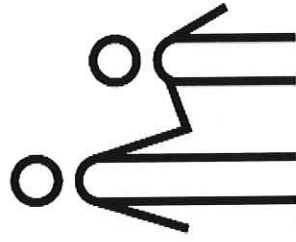
CHILDCARE BENEFITS CAN REDUCE MID-CAREER TRADE-OFFS

The cost of childcare adds tremendous financial pressure on women – and families.

More than

25%

of mothers quit entirely for child or family care



Significant time taken off for child or family care

39%

mothers

24%

fathers

S O L U T I O N S



Financial literacy

- Having a child



Employer contribution

- FSA Dependent care



Financial professional

- Childcare planning
- Debt management



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Source: The Key to Unlocking U.S. GDP Growth: Women, Beth Ann Bovino and Jason Gold, S&P Global, 2019

FINANCIAL ADVICE AT/AROUND DIVORCE CAN CHANGE A LIFE

Divorce can impact women's income and expenses disproportionately.

Divorce Can Hit Women's Income Twice as Hard

Income Decline Post-Divorce/Separation After Age 50

Women



Men



S O L U T I O N S



Financial Literacy

- Divorce
- Budgeting



Financial Professional

- Financial Advice
- Estate planning



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As of October 2017
Source: US Government, Accountability Office "The Nation's Retirement System"

CAREGIVER RESOURCES CAN KEEP WOMEN ON THE JOB, EARNING

Caregiving can impact earnings potential and add new expenses to manage.

PERCENTAGE OF THOSE CARETAKING FOR AN AGING OR DISABLED FAMILY MEMBER OR FRIEND

1 IN 6 WORKERS SERVE AS A CARETAKER. 66% OF THOSE ARE WOMEN.

34%
MEN

66%
WOMEN

Source: Cynkar and Mendes, National Alliance for Caregiving.

S O L U T I O N S



Financial Literacy

- Caregiving
- Loss of a loved one



Employer Contribution

- FSA Dependent Care



Professional Support

- Financial advice
- Employee Assistance Program – caregiving consultant



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Source: "Closing the retirement income gender gap," Prudential, 2019

INCOME SOLUTIONS ADD STABILITY AFTER LOSS OF LOVED ONE

Protecting and guaranteeing income after losing a spouse is critical.



Half of widows experience a household income decline of 50% or more after a spouse's death¹

S O L U T I O N S



Financial Literacy

- Survivor benefits
- Loss of a loved



Income solutions

- In-plan options
- Annuity



Financial Professional

- Estate planning
- Investment advice

Source: "Women & Financial Wellness: Beyond the Bottom Line,"
Merrill Lynch in partnership with Age Wave, 2019



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WORKERS LOOK TO EMPLOYERS FOR HELP, ACCESS TO SOLUTIONS

“My Employer” has emerged as the most trusted institution.



75%

trust “my employer”
to do what is right

Source: 2019 Edelman
Trust Barometer

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