

ARE THERE SUPERHEROES IN YOUR CLIENT BASE?

Moms make the impossible look easy. They inspire. They sacrifice. They nurture, protect, and support. They fearlessly multitask and try to do it all—and they have unique financial-planning challenges. This Mother’s Day could be an opportunity for you to offer these superheroes specialized guidance.

It’s been a tough few years. Just ask any mom who has had to balance helping their kids manage online schooling while simultaneously handling other responsibilities including, for many, a work-from-home job. It’s no surprise that any mom’s attention to finances may have wavered.

Gina, Sara, Janet, and Becky are all superhero moms experiencing different life situations and, therefore, unique financial-planning challenges.¹ If they remind you of some of your clients, you may feel inspired to reach out and recommend a financial checkup. Let’s look at each of their scenarios and consider some strategies that may benefit them.

Meet Gina, a Mom in the Workforce

Gina is a head of human resources for a large regional company and works outside of the home. Like most working moms, she must split her focus between her family, her career, and the pressures of everything in between. She has contributed pretax money to her employer’s retirement plan for years and always takes advantage of the employer match, but now she’s looking for additional ways to save for retirement. Some possibilities she could consider are:

- **A Roth IRA**—This can provide Gina with future tax-free retirement income. Remember, if her income is over the limit for direct contributions to a Roth IRA, a backdoor Roth IRA or Roth IRA annuity can be a viable option.
- **A Lifetime Income Projection Review**—All 401(k) administrators are required to provide a lifetime income illustration at least once annually. Gina’s financial professional can use this document to help determine if she will need additional sources of lifetime retirement income.
- **A Longevity Annuity Option**—If Gina’s employer’s retirement plan includes this option, a portion of her portfolio could be allocated to a deferred income annuity to help provide a lifetime income stream.

Add More Value: Women in the workforce are often high achievers at both work and home. And while they can be great at multitasking, they sometimes need guidance in taking care of themselves. One way you can help is to identify ways these women can allocate money for occasional expenditures that focus on their own wants and needs.

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Meet Sara, a Homemaker

Sara is a homemaker who stepped out of the workforce 10 years ago to care for her two children. As Social Security retirement benefits are based on one's highest 35 years of income, this likely will reduce her benefit. Sara and her husband also went from two retirement contributions to one, potentially leaving them short. Some possibilities she could consider are:

- **A Spousal IRA**—This option allows Sara's husband to contribute a portion of his earned income to an IRA account opened in her name. This would enable Sara to start saving for retirement without having to return to work outside of the home.
- **A Deferred Income Annuity**—To further strengthen Sara's retirement planning, this financial product can be used to offer her a lifetime income payment. If additional guaranteed lifetime income is important, a deferred income annuity offers a way to save now to create a specific payment amount in the future.
- **Life Insurance**—Even though her spouse has a life insurance policy, Sara also may want to consider purchasing a policy in case something unexpected happens to her. If her spouse needed to keep working, the insurance payout could help cover the expenses of hiring various people to take over Sara's many responsibilities (childcare, tutoring, housekeeping, cooking, etc.).

Add More Value: It's especially important for financial professionals to encourage clients who are homemakers to stay closely involved in the family's financial matters. If the working spouse were to pass away, they would need to know details about any accounts that are held as well as any online passwords.

Meet Janet, a Single Mom

Janet is nearing her retirement date and also is a mom of two teens. She has had a successful nursing career, expects to receive Social Security retirement benefits, and will have access to a pension. However, her essential expenses will exceed what both of those income benefits can provide. Some possibilities she might consider are:

- **Additional Lifetime Income**—A fixed or deferred annuity with an income benefit for an additional cost can provide Janet with lifetime income through guaranteed withdrawals. This ensures Janet will have an additional stable source of income in her retirement years.
- **Long-Term-Care Insurance**—This type of insurance may be a good idea. If Janet stays single and has only her income to count on, a long-term-care policy could help provide financial support should she become ill and unable to work in the future.
- **Life Insurance**—There are several types of life insurance policies Janet could consider to secure her family's financial wellbeing after she passes. A life insurance policy would help ensure that her debts are paid and that her children still have money to help with college and other expenses.

Add More Value: A single mom who remains single will have to plan for retirement without the benefit of a second salary earned by a partner. As such, she may need guidance in deciding how much of her finances she should use to help her children versus how much she should contribute to securing her retirement. When this is the case, a gentle reminder about the importance of making herself a priority might be in order.

Meet Becky, a Sandwich-Generation Mom

Becky is a middle manager for a tech company. She and her spouse are feeling the financial squeeze of partially supporting one of their adult children, a “boomerang kid” living with the family again while he searches for a new job, and her 87-year-old mom, who sometimes needs physical assistance and help managing her finances. Becky is sandwiched physically and financially between the two. Some possibilities she might consider are:

- **Making Sure Her Savings Are on Track**—Becky can reach out to her financial professional for a review of her budget and retirement contributions. The extra help could make it easier for her to stick to her retirement plan and pay herself first despite current challenges.
- **A Lifetime Income Projection Review**—Just like Gina, Becky could benefit from understanding her lifetime income illustration provided by her 401(k) administrator. It’s critical that she stay informed about how much lifetime income she’s projected to have so she can adjust her plans accordingly.
- **A Review of Her Asset Location Strategy**—Becky also should understand how her future income will be taxed and consider asking her financial professional whether it would be wise to move any tax-inefficient investments into tax-efficient accounts. This would give her money the potential to grow tax-deferred.

Add More Value: Another way to add value for your sandwich-generation moms is to help them find resources to lighten their loads. There are many community-based services available for the elderly, such as transportation to medical appointments, discounted food services, and in-home medical care to name a few. Making this kind of information (pamphlets, online links, phone numbers, etc.) available to your sandwich-generation moms could be a wonderful way to deepen your relationship with these clients.

Moms Are Counting on Your Experience and Expertise

Although there is no one-size-fits-all solution, individualized planning can help your supermom clients continue to inspire and elevate their families—while caring for their own financial well-being. This Mother’s Day and throughout May, consider reaching out to the moms on your client list to let them know you’re aware of the unique financial challenges they may be experiencing, and offer to provide actionable strategies.

Actions You Can Take Right Now

- Identify the superhero moms on your client list.
- Create a calendar reminder to offer your clients Mother’s Day financial checkups in May.
- Create specific recommendations based on the “mom groups” your clients fall into.

Additional Resources and Links

[Social Security Benefits](#)

[Making a Statement! Plan Administrators’ New Illustration Requirement](#)

[Understanding Asset Allocation](#)

[Retirement Planning for Women](#)

For more information about retirement planning,
please contact our Retirement Strategies Group at
RSG@PacificLife.com or (800) 722-2333, ext. 3939.

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¹The women mentioned in this blog are purely hypothetical.

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