

A woman's journey to retirement

October 12, 2022

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Today's agenda

Opportunities and challenges

- Women's economic power
- Roles and responsibilities
- Wage gap
- Live longer

Strategies to consider

- Identify goals and priorities
- Save and invest
- Account for longevity
- Prepare for the unexpected

Opportunities and challenges: **Economic power of women**

42%

U.S. households in which women are the sole or primary source of income.¹

2/3

The economic power of women is expected to continue to grow an estimated two-thirds of U.S. Wealth by 2030.²

Women now earn, control and inherit more money and assets than ever before.



Women **make up 47%** of U.S. Workforce³



Women **control 80%** of all consumer purchases³



Women are expected to **inherit 70%** of \$1 trillion of intergenerational wealth transfers³

Sources:

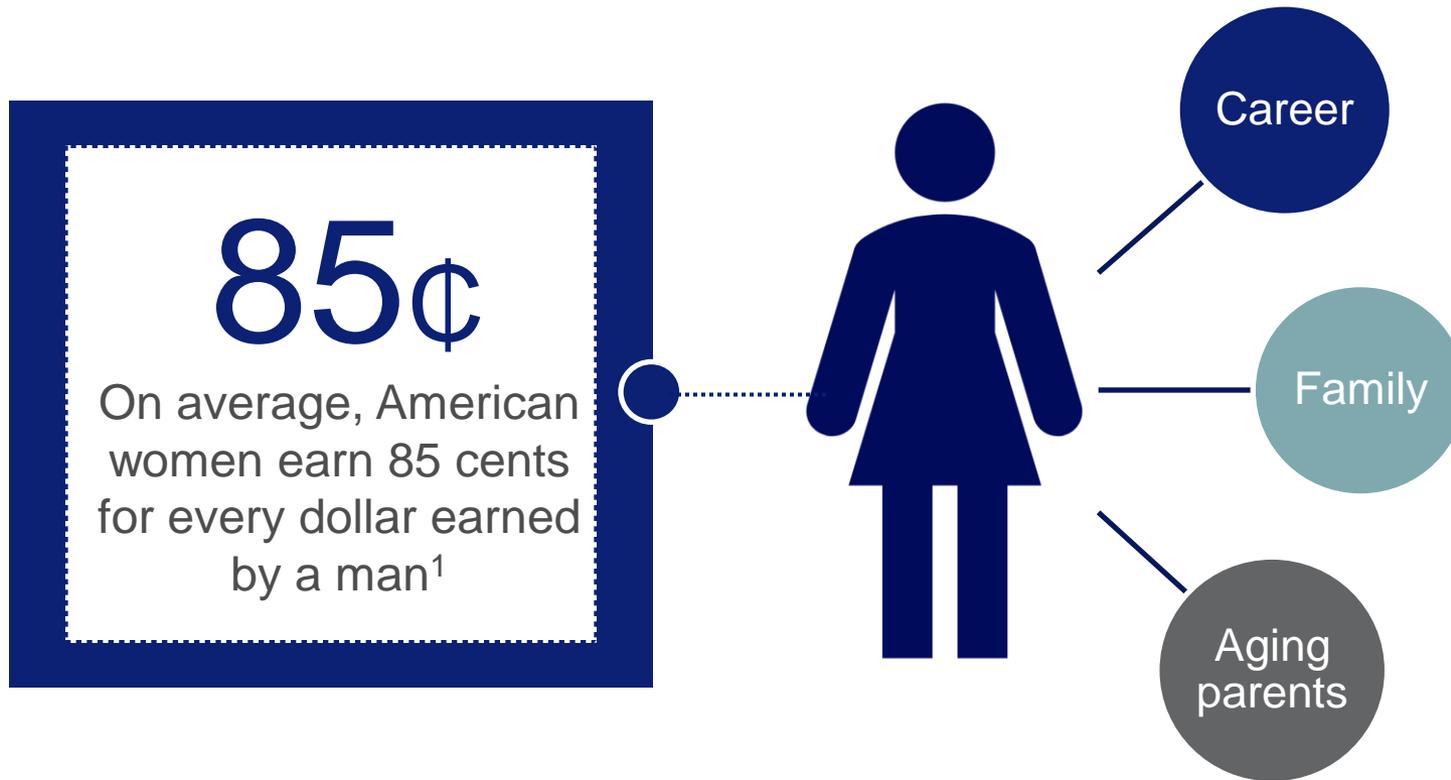
¹ "Breadwinning Mothers Continue To Be The U.S. Norm," Center for American Progress. 2019

² Mary Beth Franklin, "One place where the women wealth equation doesn't add up," Investment News, Nov. 20, 2017.

³ U.S. Department of Labor, "Women in the Labor Force" based on 2016 data.

⁴ U.S. Bank and U.S. Bancorp Investments, A woman's journey to retirement, 2018.

Opportunities and challenges: **Balancing roles and responsibilities**



¹ Nikki Graf, Anna Brown, Eileen Patten, "The narrowing, but persistent, gender gap in pay," Pew Research, Mar. 22, 2019, <https://www.pewresearch.org/fact-tank/2019/03/22/gender-pay-gap-facts/>

Opportunities and challenges:

COVID-19's disproportionate impact on women in the workplace

1 in 4

Women are contemplating downshifting their careers or leaving the workforce completely due to the changing environment caused by COVID-19.¹

15%

Women who were unemployed due to COVID-19 by April 2020 (up from 3.1% in February, compared with 13% unemployment among men).²



In September 2020 alone, 865,000 women over the age of 20 dropped out of the workforce – compared to 216,000 men.³

¹ Sarah Coury, Jess Huang, Ankur Kumar, Sara Prince, Alexis Krivkovich, and Lareina Yee. "McKinsey Study on Women in the Workplace," McKinsey & Company, September 30, 2020. https://wiw-report.s3.amazonaws.com/Women_in_the_Workplace_2020.pdf

² Gupta Haridasani., "Why Some Women Call This Recession a 'Shecession.'" New York Times, May 9, 2020. <https://www.nytimes.com/2020/05/09/us/unemployment-coronavirus-women.html>

³ Kathy Miller Perkins, "Women Leaving Work Due To COVID: How We Can We Stop the Exodus." Forbes, October 14, 2020. <https://www.forbes.com/sites/kathymillerperkins/2020/10/14/women-leaving-work-due-to-covid-how-we-can-we-stop-the-exodus/>

Opportunities and challenges: **Women live longer**

Upon turning age 65 today, a woman can expect to live, on average, until 86.6, while a 65 year old man can expect to live, on average, until 84.3¹

86.6



VS

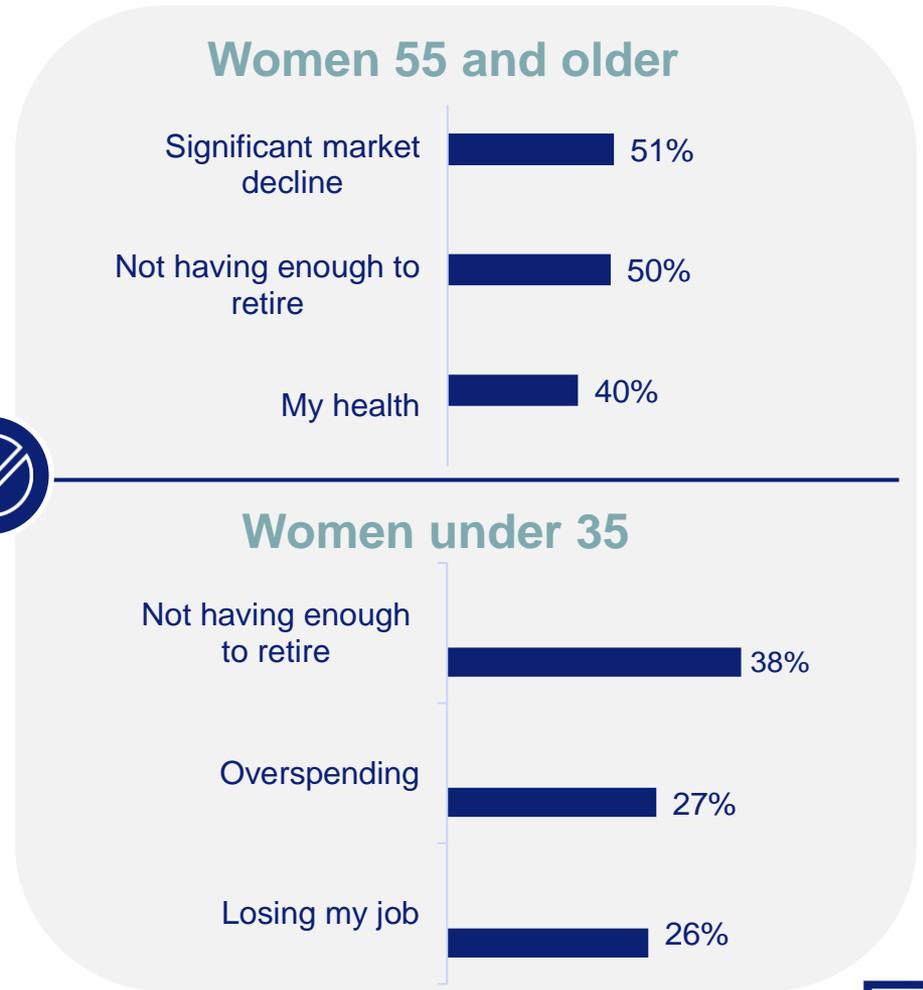
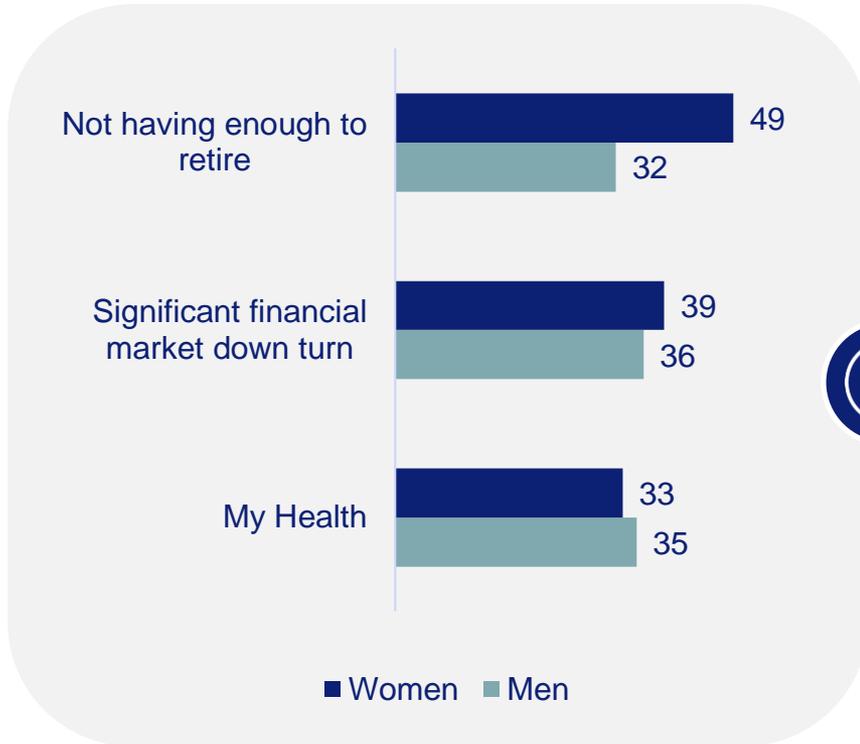
84.3



¹Source: Social Security Administration.

Opportunities and challenges:

Women worry more about retirement



Strategies to consider:

Identify goals and priorities

Look at your daily lifestyle.

- Assess current income and spending habits
- Identify near-term and long-term goals
- Take steps to work toward those goals

Think about retirement holistically.

- Consider your interests
- Who will you spend your retirement with?
- Where will you live?
- What funds will you need to support these goals and milestones?



Women are often more concerned with long-term financial goals and how financial decisions affect their families and communities.

Taking real steps: A planning checklist

With this checklist, you can take comprehensive steps toward your short- and long-term goals.

- Establish a budget
- Make catch-up contributions
- Build cash reserves
- Strategize education savings
- Leverage workplace retirement plans
- Be informed
- Run the numbers

Strategies to consider:

Save early and often

1

Start saving early

2

Take advantage of employer-sponsored benefits, most notably in 401(k) accounts

3

Take advantage of employer-offered match to your own contributions if available

4

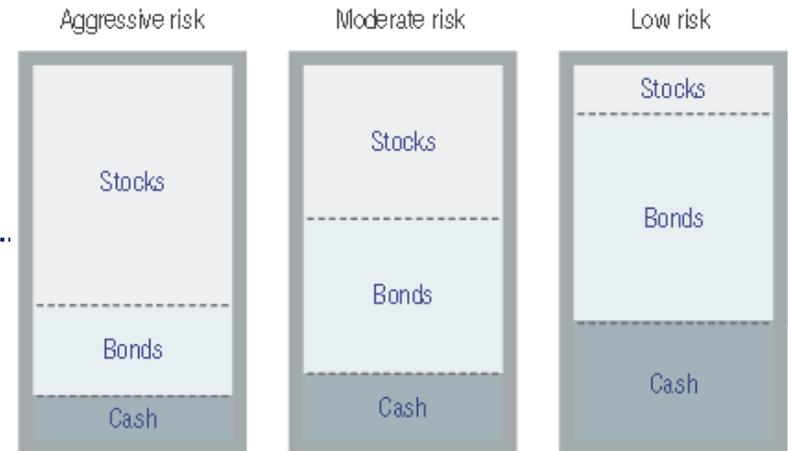
If self employed, leverage other tax-advantaged saving vehicles in addition to IRAs.

Strategies to consider: **Invest mindfully**

First, determine your risk tolerance.

Then, establish an investment plan with an **asset allocation strategy**.

Asset Allocation Strategy



As you near retirement, review allocations periodically to help ensure they reflect changing circumstances.

Strategies to consider:

Account for longevity: Health care costs

Realistically assess the potential of future health care costs.



\$280k

It is estimated that the average couple will need \$280,000 in today's dollars for medical expenses in retirement, excluding long-term care.¹



Eligibility for Medicare begins at age 65.



Medicare only covers about 62% of health care expenses.²



Medicare does not cover costs such as dental work, eyeglasses, expense of staying in a long-term care facility or ongoing health assistance at home.

Sources:

¹ How to plan for rising health care costs in retirement, Fidelity Viewpoints, April 18, 2018.

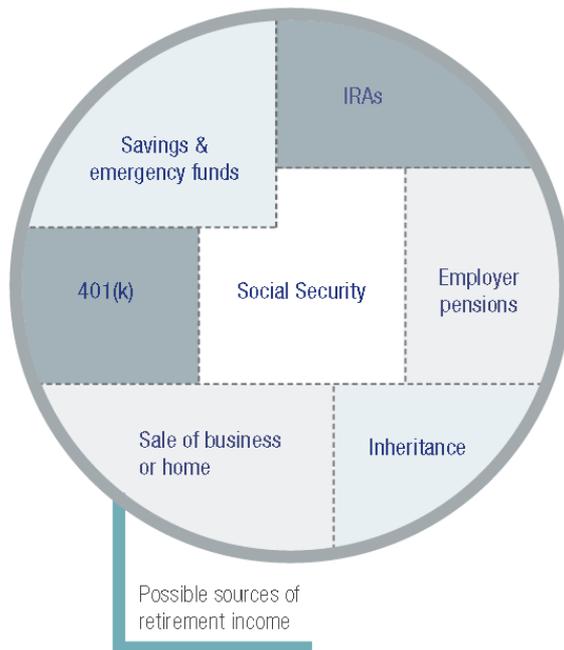
² Frontein, P. and VanDerhei, J., "Savings Medicare Beneficiaries Need for Health Expenses," Notes, Employee Benefit Research Institute, Jan. 31, 2017.



Strategies to consider:

Account for longevity: Reliable income stream

Determine how to generate reliable income that can help sustain your lifestyle in retirement.



If you're worried there may be gaps, consider:

- 1 Increasing your savings
- 2 Retiring later
- 3 Maintaining cash reserves that will provide readily available funds in an emergency

Strategies to consider:

Account for longevity: Social Security



Social Security is **not an automatic program**. You have to choose when to claim benefits.



Allow yourself time to review your options.



You can begin claiming benefits as early as age 62, or wait until your 70th birthday to begin.*



Disability, widowed, divorce and other qualifying events may lead to taking benefits early.

*Social Security defines “full retirement age” between the ages 66 and 67, depending on your birth year.

Strategies to consider:

Prepare for the unexpected: Protect your assets



It is important to protect not only what you've already accumulated, but your future earning potential as well.



Begin by assessing existing coverage (home, auto, umbrella, health, disability insurance, etc.).



Review your insurance policies once a year to ensure they still work for your circumstances.

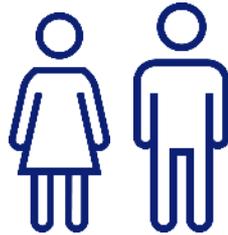


Strategies to consider:

Prepare for the unexpected: Estate planning

It is important to prepare for the possibility of:

- Untimely death
- Disability
- Illness
- Divorce



Keep your written wills and health care directives current.



Since these situations can have long-term financial consequences, get involved early in the decision making process.



Resist the urge to make major financial decisions after a sudden life change or loss.



Taking real steps: An organizational checklist

In the event of a major life change, having financial matters in order may alleviate a potentially stressful situation. Use this list as a guide to getting important paperwork organized.



Gather documents



Establish emergency fund



Organize professional contacts



Reassess overall financial plan



Update beneficiaries



Review insurance coverage annually



Update estate plan

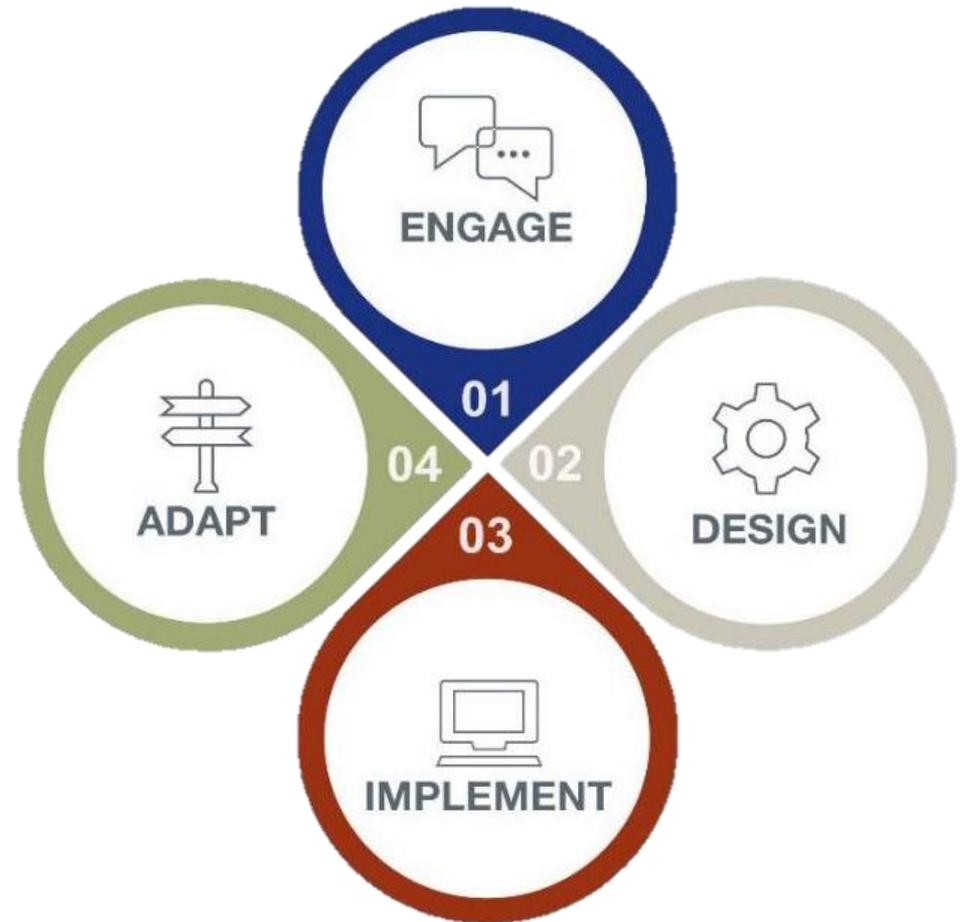
A wealth management approach focused on you

Our established wealth planning process utilizes four steps to ensure the focus is always on you.

Collaboratively, we'll **engage** you to uncover your specific goals, which informs how we **design** your personalized wealth plan.

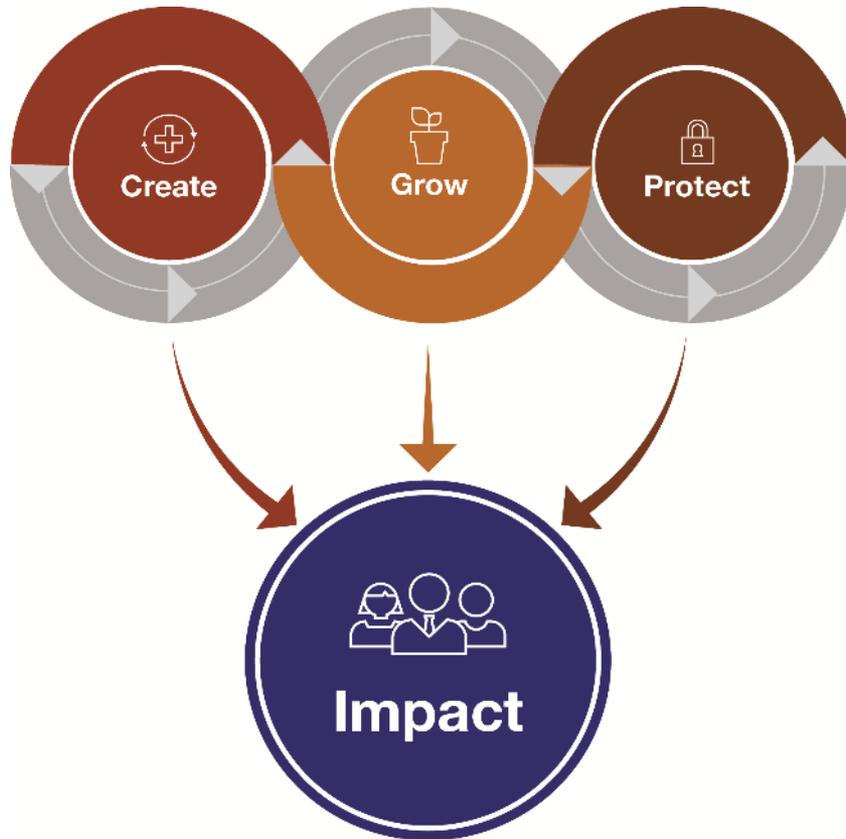
Based on your unique requirements, we'll **implement** strategies designed to help you create, grow and protect your wealth.

Together, we'll continually monitor and **adapt** your plan to help you work towards your evolving financial needs in the future.



*Based on our strategic approach to creating diversified portfolios, guidelines are in place concerning the construction of portfolios and how investments should be allocated to specific asset classes based on client goals, objectives and tolerance for risk. Not all recommended asset classes will be suitable for every portfolio. Diversification and asset allocation do not guarantee returns or protect against losses.

Wealth planning objectives for your goals



Your wealth plan is designed to help **bring clarity** to your financial life and provide confidence that you can work towards your goals

Learn more at: usbank.com/wealth-management/wealth-planning.htm

Discussion

Thank you!

Contact me for a free initial consultation

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