



## **Women Lead Men In Longevity And Generosity**

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It is widely known among advisors that women make up a large segment of their current and future retired clients. A lot of that has to do with women's greater overall longevity. This longevity causes many wives to outlive their husbands, leaving widows to manage the couple's remaining assets.

What may be less widely known is that women who are retired are often pretty generous, even more so than retired men. This is according to a Merrill Lynch study conducted in partnership with aging researchers at AgeWave.

This generosity may have impact for insurance and financial advisors, for instance by influencing planning and product decisions made by retired female clients. This in turn would drive the guidance and recommendations that advisors provide.

Retirees are generous overall

Both genders do tend to be generous with their assets and volunteer time. In fact, retirees lead the nation in giving, the researchers said. They noted that retirees in general have more free time and savings than younger adults. This point comes up repeatedly throughout the survey report, which provides an extensive look at giving trends during the retirement years.

However, retired women are the ones to watch. They are more likely to donate to, and volunteer with, charitable causes than are men, the study found.

For instance, 81 percent of retired women say they donate to charity. This compares with 71 percent of retired men who say they make charitable donations. Where volunteering is concerned, the percentages are closer—29 percent of the women versus 22 percent of the men report that they volunteer—but retired women are still in the lead.

Some of the data suggests that retired women may have a greater predisposition towards giving than retired men.

For instance, 83 percent of the women said "helping people in need" brings greater happiness at this time in life than "spending money on myself" (17 percent). By comparison, among retired men, a more modest 68 percent claimed greater happiness from helping the needy while 32 percent found more happiness when spending money on themselves.

Even motivations for giving differ noticeably. Both genders said they believe their giving is motivated by gratitude, faith and passion. However, 58 percent of the women named gratitude as their top motivator compared to 49 percent of the men. Concerning faith, 51 percent of the women named this as a motivator compared to 44 percent of the men.

### The inheritance divide

Another gender divide occurs around the issue of leaving an inheritance at life's end. This is a topic of strong interest to advisors in the retirement market.

While a financial inheritance can be an important part of one's legacy, the researchers said, "today's retirees are two times more likely to say it is very important to them to pass on 'values and life lessons' versus 'financial assets or real estate.'"

Perhaps even more surprisingly, they said, younger generations are two and one-half times more likely to say that receiving values and life lessons is more important than receiving financial assets.

Another surprise is that giving while still living has many proponents among all retired people. In fact, 77 percent of retirees "now prefer to give money to family throughout their retirement years."

That trend is especially prevalent among retired women. Specifically, "retired women are even more likely than retired men to say they prefer to give money to family members while still alive, rather than passing it on as an inheritance (81 percent versus 73 percent)," according to the report.

If that trend proves to be widespread in the key planning demographics of life insurance and financial planning professionals, that could impact the types of services, products and guidance that the professionals offer.

Advisors might, for instance, start recommending intriguing and innovative ways to give while still alive. Some already do some of this, though not instead of end-of-life and estate planning service, but rather alongside of it. Now a natural extension of charitable giving services, the emergent services could expand into general giving services, using life insurance and annuities in novel ways.

The study points out one of the key planning implications for retirees who adopt a giving-while-living approach to asset transfer. "Retirees must carefully balance generosity toward family with their own financial needs in retirement," the researchers wrote. "Giving too much without accounting for future needs may jeopardize their retirement financial security — and ultimately require them to rely on support from their family."

The study surveyed nearly 3,700 adults, age 25 and older. The researchers said this was a nationally representative group by age, gender, ethnicity, income, and geography.

The section of the report that deals with women retirees gives some statistical context for exploring the gender differences. Women outlive men by six years on average, based on 2014 data from the Centers for Disease Control, the researchers said. In addition, based on 2015 statistics from the U.S. Census Bureau, there are almost twice as many women as men at ages 85 and older. Based on 2014 data from the U.S. Administration on Aging, “women are three times more likely than men to be widowed in later life.”

Bottom line: “Women are increasingly the ones to control inheritance and giving decisions, both to family and charitable causes.”

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