
NEWS RELEASE

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Not So Brady: Today's Blended Families Are a Financially Challenged Bunch *Allianz LoveFamilyMoney Study Uncovers Significant Hurdles to Financial Security, Highlights Steps for Success*

MINNEAPOLIS – Nov. 3, 2014 – The Brady Bunch painted an enviable picture when it came to the blended family – happy, well off (even affording a live-in maid) and facing only trivial life problems. The reality for today's blended family – especially when it comes to finances – is decidedly less idyllic. According to **LoveFamilyMoney**,* a new Allianz study looking at the American family and its finances, today's blended families paint a challenging picture of their financial well-being. The study found that blended families** average only \$158,600 in savings/investable assets, compared to \$264,300 for traditional families.** Moreover, a staggering 55% of blended families say they “currently live paycheck to paycheck” and nearly one-third (30%) cite one of their worst financial habits as “not saving any money” – versus 41% and 20%, respectively, for traditional families.

“The defining characteristic of blended families – which consist of parents who are married or living together with stepchildren and/or children from a previous relationship – is the financial baggage and commitments that they bring from their previous relationships,” said Katie Libbe, Allianz Life vice president of Consumer Insights. “Blended families are survivors, but they could be burdened by the past. While children can form warm bonds with the new people in their lives, the financial scenario can be challenging.”

Forty-three percent of blended families agree that, “My spouse/partner or I brought financial baggage to the relationship that's difficult to overcome.” Additionally, 33% agree that “the lack of adequate financial support from my ex or my spouse's ex is impacting my ability to save for retirement.” And while 60% of traditional families say that they are on track to achieve their financial goals, only 46% of blended families share that sentiment.

One Big Happy ... Group of Individuals

With the outward appearance of a well-integrated and united family front, blended households report to be very individualistic in their pursuit of needs and goals. Sixty-eight percent of those from blended families described their family structure and household dynamic as “focused on individual needs/goals.” This could result in blended families having multiple, and often competing, goals, further complicating their family financial situation. On top of that, 35% agree that “my spouse/significant other and I have different financial priorities that are difficult to navigate.” Moreover, 16% said that they feel *more disconnected* now than when they were growing up, compared to a mere 9% of traditional families.

“It’s possible that many in blended families are still picking up the pieces from a previously broken home. This is a burden that they may feel they must tackle on their own – and likely leads to this more individualistic mindset when it comes to goals/needs. As they’re learning to navigate new financial relationships, they are likely trying to avoid repeating mistakes of the past,” said Libbe.

Hope for the Burdened

Even though only 32% of blended families say that they have excellent or above-average knowledge when it comes to financial planning, in contrast with 44% of traditional families, Libbe said that there is hope – specifically with the younger generation. Despite the challenges they face, the study reflects that blended families are doing more than both traditional families and other modern families to teach their children about money. They’re talking openly with their kids about their financial situation and working with them to create budgets. Building on that positive behavior, Libbe outlined three additional tips to help create better financial harmony:

- **Develop strategies for saving and spending** – Partners/spouses might come to the spending/saving discussion from very different perspectives, but work together to decide where you can and can’t compromise. Consider developing mock scenarios and ask your partner things like whether he or she would rather pay down debt or purchase a new vehicle.
- **Determine roles and responsibilities** – Household expenses are often a main source of friction in relationships. Determine in advance who will pay the bills and how they’ll get

paid. As long as you both agree that the division of responsibility is fair, it might work well to maintain separate accounts.

- **Establish mutual financial goals** – And from there, develop a plan to help you achieve them. Reviewing wills and legacy planning strategies with an attorney is a good place to start. Feeling overwhelmed or can't agree? Consider consulting with a financial professional to discuss your financial goals – they can provide an objective opinion and help you track your progress.

Said Libbe, “The challenges faced by blended families are not insurmountable. And smart, pragmatic financial planning can go a long way toward making the blending of two households go more smoothly.”

About Allianz

Allianz has been providing financial services through its affiliates in the United States since 1896. We offer world-class expertise across a wide range of financial services, from active asset management to innovative solutions to help grow and protect income in retirement. As a leading global financial services company with more than 147,000 employees in 70 countries, we're proud to make a difference in the lives of our more than 83 million clients worldwide each day. To learn more about Allianz, visit us online at <http://www.allianzusa.com>.

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*The Allianz **LoveFamilyMoney** Study was conducted by The Futures Company via an online panel in January 2014 with more than 4,500 panel respondents ages 35-65 with a household income of \$50K+, and was commissioned by Allianz.

In the **LoveFamilyMoney study, Allianz identified seven distinct family structures, or cohorts, one being the traditional family – those married to someone of the opposite sex with at least one child under 21 living at home, who do not fall under one of the modern family cohorts below. The study also looked at six other modern family cohorts:

- **Multi-Generational Families** – Three or more generations living in the same household
- **Single-Parent Families** – One unmarried adult with at least one child under 18
- **Same-Sex Couple Families** – Married or unmarried couples living together with a member of the same gender
- **Blended Families** – Parents who are married or living together with a stepchild and/or child from a previous relationship
- **Older Parent with Young Children Families** – Parents age 40+ with at least one child under five in the household

- **Boomerang Families** – Parents with an adult child (21-35) who left and later returned to rejoin the family