
NEWS RELEASE

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Modern Families Are the Next Frontier for Financial Professionals

*Allianz **LoveFamilyMoney** Study reveals opportunities for financial professionals to help ease financial stress for today's modern families*

NEW YORK – September 22, 2014 – Despite the complex financial situations of today's modern families, a surprising number have never used a financial professional (57%) and many are using non-professional resources, such as family members, significant others, friends, or colleagues to help them plan for their financial future, according to the new **LoveFamilyMoney** study* of 4,500 Americans conducted by Allianz.

While many American families are feeling financially strained, the unique dynamics of modern families have created particular challenges that could benefit from the assistance of a financial professional. Yet, Allianz found that only a small portion (25%) of modern families are currently working with a professional despite the fact that 73% report experiencing a financial hardship of some kind as an adult. Compared with traditional families, many more modern families report that they have:

- unexpectedly lost a main source of income,
- declared bankruptcy,
- gone on short-term or needed long-term disability.

In addition, a common theme of not saving enough emerged among all of the modern families surveyed. Even though they report not using a financial professional, nearly a third (30%) of modern families would be interested in getting help from a financial professional to set up a plan for saving money.

“American family structures have evolved significantly in the past 40 years and the traditional family model – heterosexual couple living together with their children – represents less than 20% of households today versus more than 40% in 1970¹,” said John Carroll, head of U.S. Retail for Allianz

Global Investors. “Financial professionals need to embrace this change and understand how the structure of modern families and the issues they face affect their relationship with money and prospects of meeting their financial goals.”

Seeking Financial Security

The unique challenges facing modern families have caused them to feel considerably less financially secure than traditional families. Less than a third (30%) of modern families said that they felt financially secure compared to 41% of traditional families. Further, more than a quarter (26%) said that they did not feel secure versus 21% of traditional families.

Open to Guidance, Solutions

According to Carroll, what’s encouraging is that modern families do see the value in seeking professional guidance and are open to working with a financial professional. In fact, more than three quarters (77%) of modern families agree that working with a financial professional would relieve the pressure of trying to plan for their family’s financial future, and an overwhelming majority (84%) agree that a financial professional can help them achieve their financial goals. Among those who have never worked with a financial professional, nearly a third (32%) of modern families would consider working with a financial professional versus only 26% of traditional families.

As modern family structures replace the traditional family model as the norm in America, it’s important for financial professionals to be aware of what motivates the different types of families** and how they can best engage with them to forge a successful relationship. Modern families are most likely to see the value of professional help with planning and managing a retirement account, but on average they have less in retirement savings (\$196,800) than traditional families (\$251,100). Financial professionals have an opportunity to engage with modern families and encourage them to save more and help them increase their financial security in retirement.

“It’s undeniable that the changing American family structure will create new opportunities and challenges for financial professionals,” said Carroll. “Those financial professionals who take the time to understand and address the differing needs of the modern family will be more successful at forging meaningful relationships. It’s clear that an empathetic approach and true partnership with modern

families are critical to boosting their feelings of financial security and paving the way to a successful financial future.”

The Allianz **LoveFamilyMoney** Study was designed to seek insights into the unique financial needs of today’s families. The modern family types identified include same-sex couples, single-parent households, those with adult children returning home (boomerang families), multi-generational families, blended families, and families with older parents and young children. Survey participants were between 35 and 65 years old with household incomes of at least \$50,000.

Financial professionals interested in learning more about the Allianz **LoveFamilyMoney** Study should visit www.LoveFamilyMoney.com.

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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¹ U.S. Census Bureau, Annual Social and Economic Supplement: 1970-2012.

*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 types, or cohorts, including:

- **Traditional families**—Married couples of the opposite sex with at least one child under 21 living at home who do not meet the other modern family cohorts criteria
- **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 – with and without children

- **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