

THEY HAVE THE WILL. YOU CAN HELP THEM FIND THE WAY.

# 4 WAYS TO HELP BLACK AMERICANS GET READY FOR RETIREMENT

Resilience and optimism. These hallmark traits of Black Americans carry through to attitudes and feelings about planning for the future. Despite facing obstacles and setbacks, research tells us, they feel their lives are moving forward and they feel they can achieve their dreams. Now they need you to help them overcome their fears and develop a solid strategy to help achieve those dreams.



## HERE'S HOW YOU CAN HELP

### 1. Emotions may be standing in the way. Help them take control.

#### The point to make:

The best way to overcome this anxiety is to learn about ways to take control and take action. Encourage prospects to take the first step—even if retirement is decades away and they can start with only a few dollars here and there. **Remind them that it will all add up!**

### 2. Help them learn about investments and financial vehicles.

#### The point to make:

They don't need to learn everything there is to know about these things, but they will likely feel more in control when they understand the basics. Here are some key areas to help them focus on:

- **Investments:** They want to build wealth and maximize growth. You can review the basics of investing with them and encourage them to search online for more information.
- **Life insurance:** A foundation of life insurance can serve as a key first step to protecting the future of their families. It can also help them build a source of money they could use to supplement their retirement income.

**42%** feel high levels of economic anxiety.<sup>1</sup>

**53%** feel overwhelmed by all the ways to invest their money.<sup>1</sup>



**BLUEPRINTS**  
**TO BLACK WEALTH**

- **Annuities:** Annuities are designed for retirement and can create lifetime income that's guaranteed. They come in several varieties to fit different goals and styles.
- **Health insurance and long-term care options:** Since health issues can throw off retirement plans, considering how they'll pay for health insurance and long-term care costs is important. See if their employer offers long-term care insurance, and discuss how some life insurance policies offer an additional feature that can allow policyholders to access the death benefit if they become chronically or terminally ill. Be sure to discuss the costs, terms, and any limitations.

### 3. Help them break down goals.

#### The point to make:

To make progress, they need to tackle what's holding them back. One way to do that is to identify goals and assign a time to each one.

#### Identify specific goals

Urge them to be clear on exactly what they want to achieve. Help them include dollar amounts or ranges, and be sure to take notes. You will help them put their plan together later; these questions will help to get them thinking:

#### Timing

- In how many years would you like to retire?
- How much money will you need each year?
- Where will it come from?

#### Debt

- What debts do you need to pay off?
- How much do you owe?

#### Large purchases

- Are you planning to make any large purchases?
- How much will you need?

#### Caregiving

- Will you take care of anyone else financially?
- How much will you need to care for others?

#### Break goals down by time frame

Bucketing goals into time periods can help to clarify them and will later help you develop a plan with them. Suggest they use a timeline or 5-year increments if they'd like. Here's an example for someone with 15 years until they'd like to retire:



#### NOW; 0 – 3 Years

Save \$5,000 in emergency fund. Pay bills on or ahead of time.



#### LATER; 3 – 10 Years

Pay off student loans or other debt and pay off my home.



#### FAR LATER; 10 – 15 Years

Have enough to retire on and possibly start a new business.

**44%** have retirement savings accounts.<sup>2</sup>



#### 4. Explain your role in creating and helping them act on their plan.

##### The point to make:

Whether they're already feeling good about the future or would like to feel that way, having a written plan and a professional by their side to provide advice and support can make everything easier; you can help balance their needs for today with their plans for tomorrow.

Take a moment to explain your credentials, whether what you can provide is free or for a fee, and whether you earn a commission and, if so, how that works. It's important to establish trust, so being up front about any fees or costs is essential. Then explain how you can help them with:

- **Investment education**—Understanding types of investments and evaluating the level of risk they are comfortable with; then helping to choose investments—whether inside an employer-offered retirement plan or on their own.
- **Prioritizing**—Determining the best order in which to address each of their goals.
- **Financial products**—Understanding Social Security benefits when they retire, long-term care and health insurance options, and whether incorporating life insurance and/or an annuity makes sense for them.
- **Enacting their plan**—Getting any financial products or investments in place while incorporating tax strategies.

**GREATER THAN 65%**

of retirees with a written plan say they feel financially stable.<sup>3</sup>

## HELP PROSPECTS FEEL MORE CONFIDENT ABOUT RETIREMENT TODAY!

Despite feeling that they are just getting by with their finances, Black Americans are optimistic about the future.<sup>1</sup> They need your help to turn their optimism into action.

**You're their Rock. We're here to be yours.**



## BE ALERT FOR WAYS TO HELP THE NEXT GENERATION

**If prospects have a college-age child or one approaching high school graduation, be sure to mention this program:**

Prudential Financial, in partnership with the Student Freedom Initiative and Stackwell, is launching the Student Investment Program to help build generational wealth for Gen Z students of color. The program strives to help students from participating institutions increase investment in financial markets with the goal of better financial outcomes and financial wellness for future leaders in the community.

**Learn more at Student Investment Program: <https://studentfreedominitiative.org>**

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- NOT A DEPOSIT OR OTHER OBLIGATION OF, OR GUARANTEED BY, ANY BANK OR ITS AFFILIATES
- SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED

<sup>1</sup>2022 Kantar U.S. Monitor. Sample sizes: Black consumers n=1513; Non-Hispanic White n=7074; Hispanic n=1196; Other n=714; Total n=10497. Sample is representative of the U.S. adult population age 18+.

<sup>2</sup>Black Americans' lack of participation in the stock market likely to widen post-pandemic wealth gap, [cnn.com](https://www.cnn.com), accessed 12/30/22.

<sup>3</sup>Charles Schwab, 5 Ways Financial Planning Can Help, <https://www.schwab.com/learn/story/5-ways-financial-planning-can-help> January 2022.

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