

Forty Percent of Adult Children Question If Mom Is Financially Prepared for the Future, Says New Lincoln Financial Group Data

RADNOR, Pa. (BUSINESS WIRE), May 04, 2021 - As the country prepares to celebrate Mother's Day, 40% of adult children question if their mother is financially prepared for the future. Yet, only 28% have had a conversation about her financial preparedness in the past year, according to a new Mother's Day poll from Lincoln Financial Group (NYSE: LNC) and CivicScience. The poll also revealed that one-third of adults said their mom was the family member who taught them the most about finances.

"As a mother, I recognize we have a tendency to put the needs of our children and our loved ones ahead of ourselves," said Kathy Kavanaugh, senior vice president, Lincoln Financial Distribution Marketing. "We're so busy juggling work, kids, activities and life in general that financial planning may not always be at the top of the priority list. However, it's important to ensure that a mother's best intentions don't come at the expense of her own financial security. One of the best ways you can show Mom how much you love her is to talk openly about her finances and the future."

While Mom may have known best growing up, it is possible she could use a little help herself now when it comes to issues like retirement, longevity and planning for the unexpected. Whether people are planning an in-person visit or a phone call to say Happy Mother's Day, the holiday offers a unique touchpoint to discuss Mom's financial wellness. Lincoln Financial recommends five questions that can help adult children better understand if Mom is on the right track to positive financial outcomes:

1. **Have you thought about how you will spend your time in retirement?** If she has not already hit this milestone, her answer is an excellent starting point for a deeper discussion. Taking the time to envision her ideal retirement is a good step to help your mother work towards a savings goal and ensure her savings will last. Whether Mom has been contributing toward her employer-sponsored retirement plan or another investment vehicle, she should have a clear understanding of the cost of her basic living expenses – as well as how to support the lifestyle she envisions with the savings she will have at retirement. Retirement tools and calculators can help with the planning process. It is never too late to make adjustments or make catch-up contributions.
2. **What would happen if you became seriously ill or injured and could no longer work?** Without the right protections in place, an accident or illness can derail retirement savings, disrupt Mom's ability to provide for her loved ones or drive her into additional debt. Insurance coverages offered at the workplace like disability, accident and critical illness can serve as paycheck protection and help bridge the gap on expenses not covered by general medical insurance. If these are not an option for Mom, she should have a strong emergency savings fund to cover her basic expenses for at least several months.
3. **Do you have enough life insurance at this point in time?** Only 51% of mothers with children under the age of 18 have life insurance, according to a recent report from LIMRA and Life Happens. A life insurance policy can serve as the financial foundation of a portfolio, helping to provide desirable financial protection in the event of a loved one's death. But as part of a larger financial plan, life insurance benefits can also offer advantages that help meet goals at every stage of life, including: funding a child's education costs; strengthening retirement savings; creating additional cash flow; and helping to protect wealth for future generations.
4. **If you needed long-term care, how would you pay for it?** Long-term care events happen to a family, not just a person. As people live longer and healthcare expenses continue to rise, the need for long-term care planning becomes more of a "when" than an "if" situation. Different solutions can help provide a cushion. Understanding the various policies and choosing the best fit for Mom's needs can help achieve a desired financial outcome during retirement.
5. **Do you have enough money to last your lifetime?** Women especially are living longer and face greater risks to outliving their savings. An annuity is a financial product designed for retirement that can provide Mom with guaranteed monthly income that is protected and can last for as long as she lives. There are different types of annuities to choose from based on your mother's individual needs, preferences and income planning goals.

"Understandably, not everyone feels comfortable discussing their finances with family, so also consider suggesting Mom meet with a financial professional who can provide a holistic view of her finances and a plan to meet her unique needs and objectives," said Kavanaugh. "There's no better way to give back to Mom on Mother's Day than to demonstrate you

care about her financial security.”

About the Mother’s Day Poll (Lincoln Financial and CivicScience)

Responses were gathered from 4/20/2021 – 4/27/2021 using the CivicScience market intelligence platform. The number of responses varied by question, with response counts ranging from 1,470 to 1,921. Data are weighted to represent the total U.S. adult population. If this study were a random survey, the margin of error would be within +/-4 percentage points at a confidence level of 95%.

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LCN-3572540-043021