

LGBTQ+ Consumers Aim High With Retirement Savings Goals, Says New Lincoln Financial Study

RADNOR, Pa. (BUSINESS WIRE), June 28, 2021 - LGBTQ+ Americans have big goals when it comes to retirement. According to Lincoln Financial Group's (NYSE:LNC) 2021 Retirement Power® Study, LGBTQ+ respondents feel they should save a higher median amount of their annual salary for retirement — 20% — when compared to the broader population at 15%. LGBTQ+ respondents are also more likely to have increased their retirement plan contribution rate in the last year (31% of LGBTQ+ consumers took this action vs. 23% of the broader population) and almost half (45%) of LGBTQ+ consumers said they followed the performance of their investments more closely last year.

“Our research shows that LGBTQ+ consumers are actively engaged in retirement planning and in managing their finances overall,” said Jamie Ohl, executive vice president, president of Workplace Solutions, Operations and Brand for Lincoln Financial Group. “And despite the market volatility and uncertainties all Americans have faced this past year, this community has not put their financial futures on hold, instead focusing on long-term goals to achieve the retirement they envision.”

Solutions for Retirement Uncertainties

However, despite an enhanced focus on retirement planning, Lincoln Financial's research found financial concerns still exist for LGBTQ+ consumers, who were more likely than the general population to report worrying they would never be able to retire (53% vs. 39%). That sentiment may be driven by the LGBTQ+ survey respondents' focus on saving a higher percentage of their annual salary than the broader population to achieve this milestone. It could also suggest a need for better understanding of the steps needed to feel more confident about achieving financial security, as well as encourage employers to play a more active role.

For example, one of the provisions of the SECURE Act made it easier for plan sponsors to provide a retirement plan design that can generate guaranteed income for plan participants in retirement. As a result, employer-sponsored retirement plans can become more than an accumulation vehicle — they can provide a stream of income in retirement, so that participants have the potential to receive income regularly for the rest of their lives. According to Lincoln's study, LGBTQ+ savers are more likely to say they are interested in an in-plan income solution (54% vs. 46% of the broader population).

“Retirement savers are focused on protecting their savings from market volatility and ensuring that they will not outlive those savings,” said Ohl. “In-plan protected income products can serve as a powerful protection tool during periods of volatility, while still benefitting savers when the market goes up. Meeting with a financial professional can also enable LGBTQ+ consumers — and all savers — to better understand solutions like these and what might be the right fit for one's situation, helping to alleviate some of the stress many may feel in financial planning.”

Higher Stress Levels Ultimately Hit Wallets

The LGBTQ+ community expressed feeling significant stress over the last six months, even more so than the broader population (47% vs. 36%). According to our findings, the LGBTQ+ community is also more likely to say stress impacts their ability to manage or improve their personal finances (69% vs. 60%).

To help manage financial stress created by the pandemic, Ohl recommends all savers start with an accurate snapshot of where they are now. A good place to start is with a financial wellness program, which many employers offer to their employees. With these tools, savers can create a personalized action plan and improve their financial well-being — whether they are creating a budget, building an emergency fund or paying down debt — and achieve their goals.

“We know that the events of this last year have impacted everyone, and our research shows us how those events are changing Americans' views on their financial situations,” said Ohl. “By better understanding our customers and the communities we serve, we can focus on driving innovation in our customer experience, products and service, to ensure we are helping more people achieve financial security.”

About Lincoln Financial Group

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