

Retirement readiness may be at risk for people of color

Key findings from our Retirement Risk Readiness Study

Although they suggest feeling reasonably prepared for retirement, Americans who identify as people of color (POC) face a number of unique challenges as they develop their retirement strategy. At the same time, they also report limited retirement-focused investments and lack of progress toward achieving important retirement goals.

These findings indicate a potential misinterpretation of their financial situation that may put POC's retirement readiness at risk – and highlight the opportunity for financial professionals to provide valuable assistance.

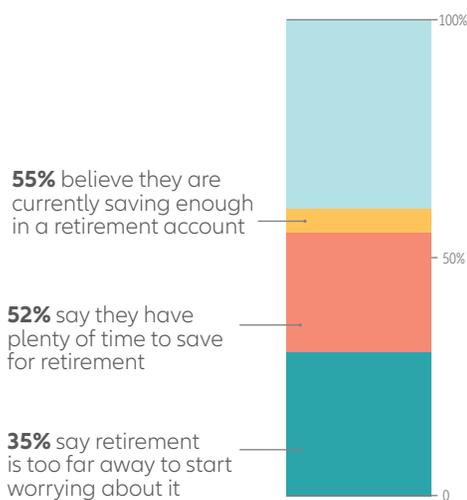
“The level of confidence POC have in their retirement readiness could be attributed to different cultural values that shape their decision making,” noted Cecilia Stanton Adams, chief diversity and inclusion officer, Allianz Life Insurance Company of North America (Allianz). “Oftentimes in communities of color, breadwinners are expected to balance support for multiple generations with their personal retirement goals. This complexity, among others, could be responsible for the disconnect we see between perception and reality, putting POC at higher risk for retirement insecurity.”

The Allianz Retirement Risk Readiness Study was conducted by Allianz Life Insurance Company of North America (Allianz) via an online survey in January 2020. The nationally representative sample included 1,000 individuals age 25+ in the contiguous U.S. with an annual household income of \$50k+ (single) / \$75k+ (married/partnered) OR investable assets of \$150k.

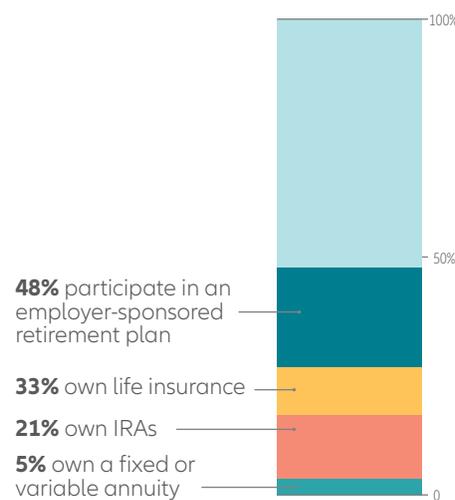
Among respondents, 84% identified as white and 17% identified as POC (8% Black, 6% Asian, 1% Native American/Alaskan, 2% other).

There is a disconnect between perception and reality in retirement preparedness

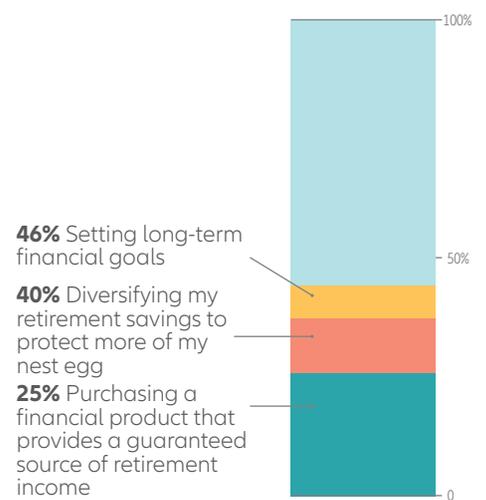
Many POC say they currently feel prepared:



However, less than half of POC respondents report ownership of investments and accounts that can help with retirement security, including:



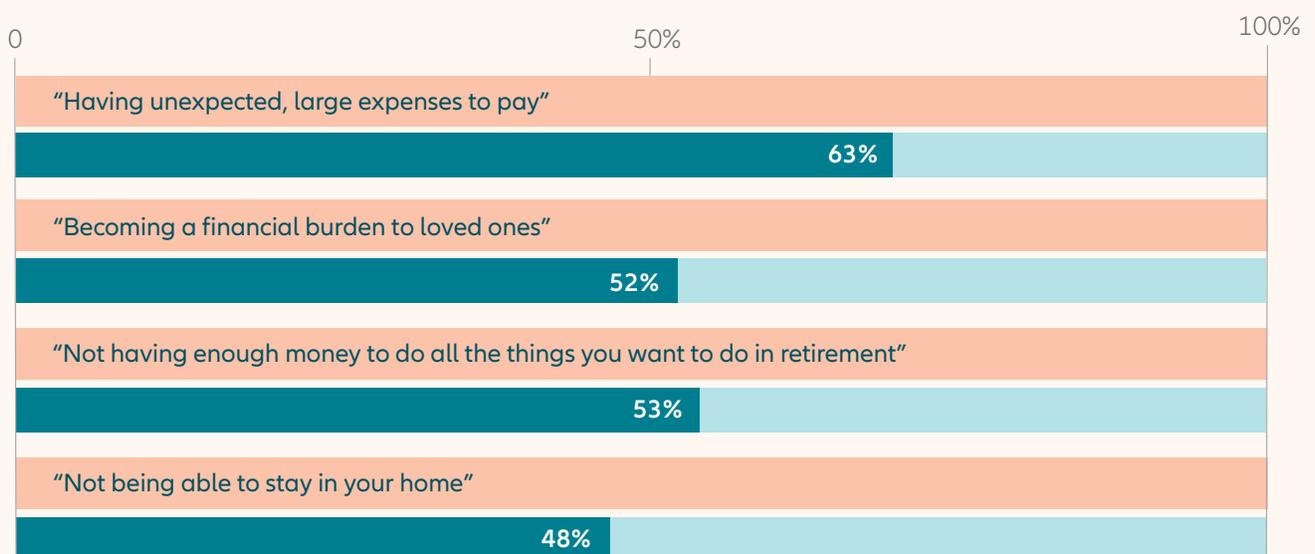
At the same time, less than half of POC report making progress toward achieving some of their personal retirement goals, including:



Working with a financial professional may help

POC who want to take more control of their finances may be struggling to find the right support from a financial professional. Less than one-third (32%) of POC indicated they are currently working with a financial professional.

Financial professionals can provide education, outreach, and support to build retirement strategies for POC that can mitigate some risk and help address the retirement issues that POC indicate they are most concerned about. **These include:**



Allianz Life Insurance Company of North America
Allianz Life Insurance Company of New York



Guarantees are backed by the financial strength and claims-paying ability of the issuing company. Variable annuity guarantees do not apply to the performance of the variable subaccounts, which will fluctuate with market conditions.

• Not FDIC insured • May lose value • No bank or credit union guarantee • Not a deposit • Not insured by any federal government agency or NCUA/NCUSIF

Products are issued by Allianz Life Insurance Company of North America, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297. www.allianzlife.com. In New York, products are issued by Allianz Life Insurance Company of New York, 1633 Broadway, 42nd Floor, New York, NY 10019-7585. www.allianzlife.com/new-york. Variable products are distributed by their affiliate, Allianz Life Financial Services, LLC, member FINRA, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297. www.allianzlife.com. Only Allianz Life Insurance Company of New York is authorized to offer annuities and life insurance in the state of New York.