

The New American Family

The MetLife Study of Family Structure and Financial Well-Being



America's families are changing, and as their characteristics and composition are in flux, so is the national character. Such change has implications from the national policy level down to the household and family level. The strength of families is very important to the American economy and is a major factor in consumer spending. Families are also a significant social support system — between spouses and partners, but also between parents and children, and sometimes between other family members. As the family changes, will these financial and social consequences be affected as well?

The MetLife Mature Market Institute, in partnership with the Society of Actuaries (SOA) Committee on Post Retirement Needs and Risks, examined the circumstances surrounding these structural changes, particularly in connection with its potential impact on financial well-being. This study builds on the Institute's prior research on family relationships and the SOA's research on 15 major retirement risks in Managing Post-Retirement Risks and its ongoing Risks and Process of Retirement Survey series. The risk issues are examined in the context of the effects of different family structures on the risks inherent in today's economic conditions, particularly on financial security, family dynamics, and retirement.

This study is based on a nationally representative survey of adults aged 45 to 80 who were categorized into six family structures. Couples include those who are married in a first marriage, those who are married in a second marriage, and domestic partners. Non-couples include divorced/separated, widowed, and single individuals. The presence of children was also examined for each of the family structures. While the study found similarities in retirement risk among all of the respondents, there are concerns and risks specific to each of the various family types.

48%

Just under half of households in 2010 were husband-wife families.



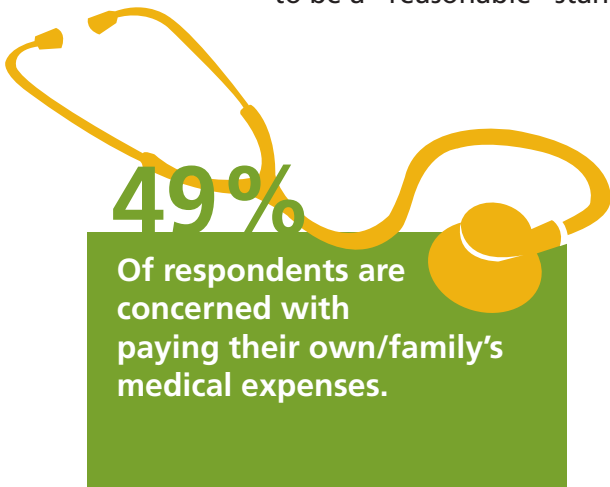
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Key Findings

A primary goal of the study was to identify differences in risk perceptions and management across different family types. There were no particular differences found between first marriages and second marriages, although they were found between single persons and couples. It should be noted, however, that there are differences in the actual planning issues faced by each family type and how they should address these issues.

- > Retirement security remains a major concern for a large percentage of Americans across all family types, particularly concerns about being able to maintain what they consider to be a “reasonable” standard of living for the rest of their lives.



- > Health care and long-term care are also top concerns among respondents, as are concerns related to changes in taxes and government programs such as Social Security and Medicare.
- > Despite common perceptions about Americans delaying retirement and seeking a longer work life, a significant percentage recognize the possibility that they will be unable to work as long as they had planned, or will be unable to find part-time work to provide supplemental income during retirement.

- > Most respondents have children and grandchildren. This creates both a financial burden (half of those with adult children have provided them some financial assistance) and a potential source of support (one-fourth of respondents expect children to help retired parents in need).

- > Half of respondents have calculated how much monthly income — in addition to Social Security — they will need in retirement. On average, they estimate they will need an additional \$3,136.

- > On average, couples are better off financially than non-couples. First marriage couples are better off financially than second marriage couples. Dual earners provide a significant financial advantage.

- > More couples than non-couples have taken action to lower their debt, have met with a financial advisor, and have invested for their retirement.

- > Half of couples and fewer non-couples have a clear idea of what they hope to experience in retirement. More couples than non-couples feel that they have planned well enough that they can face problems when they arise.

48%

Have calculated how much monthly income they will need in retirement.



- > The results did not show any clear differences between first marriages and blended families in the roles of parents and children supporting each other, but there appears to be relatively little planning for such support in either type of family.
- > Financial security concerns are greater among non-couples, and demographic trends point to increasing percentages of such families in the country.
- > When presented with a series of 15 defined retirement risks, respondents who are single, never married are the most concerned about many of them.
- > More single women believe it's harder for them to save for retirement than respondents who are married or have a blended family.



34%

Of couples surveyed have achieved or are on track to achieve their retirement savings goals.

Profiles of Family Types

	Average Age*	Employed	Average Number of Children	College-Educated	Average Household Income	Average Household Assets	Home Ownership
First Marriage with Children	59.5	39%	2.5	50%	\$69K	\$236K	88%
First Marriage without Children	58.2	42%	n/a	57%	\$67K	\$224K	85%
Second Marriage with Children	59.3	40%	3.7	44%	\$65K	\$189K	84%
Domestic Partners with Children	55.2	53%	3.7	51%	\$57K	\$148K	60%
Divorced/Separated with Children	58.5	40%	2.6	45%	\$39K	\$102K	57%
Divorced/Separated without Children	58.4	35%	n/a	50%	\$31K	\$104K	51%
Widowed with Children	66.2	26%	2.7	43%	\$34K	\$117K	71%
Widowed without Children	62.4	26%	n/a	52%	\$39K	\$178K	71%
Single with/without Children	54.6	46%	2.1	44%	\$32K	\$110K	43%

* Sample: Adult age 45-80.

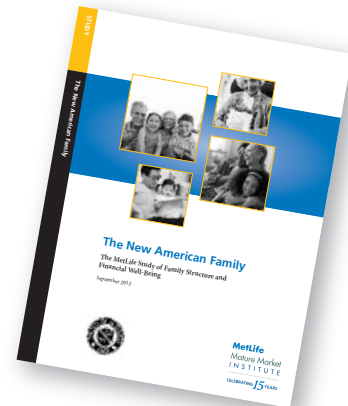
Methodology

The New American Family was conducted by GfK Custom Research North America between February 8 and February 19, 2012. The nationally representative online survey included 2,522 adults age 45 to 80 who were grouped into one of the following family structures: first marriage, second marriage, domestic partners, divorced/separated, widowed, and single, never married.

For More Information

The New American Family: The MetLife Study of Family Structure and Financial Well-Being may be downloaded from

www.MatureMarketInstitute.com.



The MetLife Mature Market Institute®

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Society of Actuaries Committee on Post-Retirement Needs and Risks

The Society of Actuaries is an educational and research organization for actuaries. The Society of Actuaries would like to acknowledge the work of its Committee on Post-Retirement Needs and Risks for its role in this research. The committee's mission is to initiate and coordinate the development of educational materials, continuing education programs and research related to risks and needs during the post-retirement period. Individuals interested in learning more about the committee's activities are encouraged to contact the Society of Actuaries at 847-706-3500 for more information. Additional information and research reports may be found at www.soa.org.

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