

# Single Mothers and Their Families At Risk



Facts from LIMRA

**Life Insurance Awareness Month, September 2011**

## **Single Mother Households Are An Important Demographic:**

- According to the U.S. Census Bureau, there are about 10 million single mothers with children under the age of 18 living in the U.S. .
- Most single mothers are not teenagers. In fact, U.S. Census Bureau data indicate that 8 in 10 single mothers are at least 25 years old. Further, more than half of all single mothers have been previously married, with nearly all of these marriages ending in divorce. And, while many do earn low incomes, a fourth earn incomes of at least \$50,000 annually placing them solidly in the middle class.

## **Single Mothers Own Life Insurance But Not Enough:**

- Two-thirds of working single mothers own life insurance – 37 percent own individual life insurance, and 46 percent are covered by group life insurance. This is higher than the ownership level for all women (57 percent) in the total population.
- However, of those who are insured, only a third of single mothers felt that their families would be able to cover expenses for a significant length of time should they die.
- Among those single mothers who earned incomes of \$50,000 or more, close to 9 in 10 own type of life insurance, with almost half owning individual life insurance.
- The reasons single mothers give for not owning life insurance clearly indicate the budget constraints that two-thirds of uninsured single mothers face.

## **How Advisors Can Better Engage Single Mothers:**

- Convey the costs of life insurance to all. Many single mothers believe that the costs are too high for them to afford. In reality this may not be the case - often people overestimate these costs.
- Offer to review the policy coverages of their clients and prospects. These policy reviews may result in single mothers buying additional coverage, or purchasing new policies with affordable premiums.
- Proactively offer financial planning to their clients. This can help customers prioritize their financial goals and manage their income (and debt) to achieve their most important goals. Single mothers may particularly appreciate this since even simple plans can bring some peace of mind.
- Be sensitive to the fact that single mothers are incredibly busy, and may not always be able to find someone to take care of their children.

*All facts are from LIMRA's report: Flying Solo Single Mothers Protecting Their Families (2011).*

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