



## Millennials and Gen Z Acknowledge the Need for Life Insurance

A recent study, *Life Insurance Needs of Younger Adults*<sup>1</sup>, conducted jointly by two nonprofit life insurance research and education associations, revealed some interesting results. The organizations, LIMRA and Life Happens, released their study on April 24, 2023, and found that nearly half of all Gen Z (those roughly between the ages of 18 and 26) and Millennials (those roughly between the ages of 27 and 42), numbering some 53 million people, recognized the need for life insurance and believed they did not have enough insurance coverage.

That awareness and recognition was triggered by the recent pandemic that raised their consciousness that anything could happen suddenly, without warning, and greatly impact life. That has created the realization that they need to protect their families. Another reason is that

the number of single-mother households has increased nearly 40% since 1980<sup>2</sup>. 59% of single mothers expressed an understanding that they need more life insurance coverage to protect their family, but only 38% indicated that they would buy more in 2023.

While there was recognition for the need for life insurance, there were still disparities in the actual purchase of life insurance. Several reasons were given for that disparity.

1. The need for education and advice. The survey found that less than 1 in 3 Gen Z and Millennial parents felt knowledgeable enough about life insurance. 40% of Gen Z parents and 29% of Millennial parents didn't purchase coverage because they didn't know how much coverage they needed or what type of life insurance policy to buy.
2. Other financial priorities and the high price of insurance. These two reasons are closely related to the first about education. There are many different types of life insurance products out there today. While each product is designed to provide a death benefit to protect the family, they all have differing structures and features. For example, some term life insurance products are designed to be automatically renewed every year with premiums increasing each year. Others term life insurance policies will have a level premium for some period of time, say 20 or 30 years. These term insurance products provide a death benefit for that limited period of time. Premiums for term vary by the length of the coverage period and typically are lower than policies offering lifetime benefits.

Other life insurance products known as permanent insurance, provide a death benefit as well as a savings element known as cash value, that can be used during a person's lifetime. The death benefit is generally designed to last a lifetime so long as a sufficient premium is paid. The premium for the permanent insurance products will be

higher than the term insurance products. In addition, the performance of some of these insurance products may not be guaranteed. Premiums and benefits may be influenced by the interest rate environment, or activity in the equity markets or other factors. Some policies provide guarantees and others do not. Some policies may provide benefits that may be accessible for chronic or terminal illness or for other reasons. And the list of differences goes on.

Finding an appropriate life insurance product with the benefits you need at a price you can afford, can be a daunting task. There's so much to understand and consider. As you can tell, it all boils down to knowledge and appropriate advice. Buying life insurance seems like it should be easy but it's not. There are many types of life insurance products with different designs and features. Depending upon your individual situation, you need to align the appropriate insurance product with your goals and objectives. That's why it is important to consult with a knowledgeable life insurance advisor, such as your Security Mutual Life insurance advisor.

A trusted life insurance professional can help make a complicated process much simpler.

### For More Information Contact:

**If you've been procrastinating about buying life insurance, perhaps because you don't feel knowledgeable about the subject or feel that it is too expensive, reach out to your Security Mutual Life insurance advisor today to obtain the information and advice you need to effectively protect your family and yourself.**



<sup>1</sup>LIMRA. "New Study Shows Interest in Life Insurance at All-Time High in 2023." [limra.com. https://www.limra.com/en/newsroom/news-releases/2023/new-study-shows-interest-in-life-insurance-at-all-time-high-in-2023/](https://www.limra.com/en/newsroom/news-releases/2023/new-study-shows-interest-in-life-insurance-at-all-time-high-in-2023/) (accessed April 28, 2023)

<sup>2</sup>Duffin, Erin. "Number of children living with a single mother or a single father in the U.S. from 1970 to 2022." [statista.com. https://www.statista.com/statistics/252847/number-of-children-living-with-a-single-mother-or-single-father/](https://www.statista.com/statistics/252847/number-of-children-living-with-a-single-mother-or-single-father/) (accessed April 28, 2023)

We encourage individuals to seek personalized advice from a qualified Security Mutual life insurance advisor regarding their personal needs, objectives and financial circumstances.

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