

Farmers Develops Financial Blueprint Tool to Help Consumers Break Through Financial Security Gridlock

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Two major trends have converged to create financial-security gridlock for America's middle class -- a steadily declining savings rate and a steep drop in the number of middle-class Americans who own life insurance. Personal savings rates have declined from 8.3% to 2.3% over the last ten years(1). At the same time, ownership of life insurance by the middle class has declined 15%(2). These trends, coupled with the steadily decreasing amount of leisure time American families share, have created "financial gridlock" for some families.

Americans need to plan for the future but have less time and resources to do it. To ease some of the pressure, Farmers Insurance Group has designed a new time-saving service called Farmers Financial Blueprint that provides detailed, actionable suggestions to help bridge many of the common financial gaps experienced by middle-class Americans. These personalized "blueprints" can be generated by a Farmers agent in just minutes by entering basic financial information.

The Financial Blueprint system is built on the idea that similar people have similar challenges, but these sets of challenges change over time. After studying eight market segments and analyzing common issues based on census data, calculation tools and expert opinion, Farmers developed eight basic "blueprint" profiles: newlyweds, young married renters, new parents, school-aged families, older families, single-parent families, affluent families and empty nesters. Each Financial Blueprint incorporates suggestions for all aspects of financial security, from health insurance to retirement planning.

"It's difficult for people to see the next life stage beyond their current one, let alone two or three life stages ahead," said Mike Keller, Vice President of Marketing at Farmers Insurance. "Income increases over time, yet most planning systems don't recognize this fact. People need to adjust their finances over time, including goals and desires," said Keller. The Farmers Financial Blueprint takes into account all of these variables and provides suggestions ranked by importance, from "Critical" to "Important-Current" and "Important-future."

For example, a Farmers Financial Blueprint for New Parents (with a child under five) might include critical suggestions like, "Enroll in a group disability plan at work or buy disability income with a five-year benefit" or "Buy term life for survivor income and college costs in the event of the unexpected." Important-Future suggestions might include, "Increase savings for college."

"Farmers Financial Blueprint provides simple solutions to specific financial situations faced in each stage of life. This 'blueprint' can be easily redone each time a family transitions from one life stage to another. It's a service designed to save families time and be secure about their future," Keller said.

For more information visit www.farmers.com.

Farmers Insurance Group of Companies includes the nation's third-largest home and auto insurers. Headquartered in Los Angeles and doing business in 41 states, the Farmers Insurance Group of Companies provides home, auto, business, life insurance and financial services to more than 10 million households through 17,000 exclusive and independent agents and district managers.

(1) Bureau of Economic Analysis, National Income and Accounts Table 2.1, 1991-2001

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SOURCE: Farmers Insurance Group

CONTACT: Mary Flynn of Farmers Insurance Group, +1-323-932-3662

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