

- 1 Introduction
- 2 Misconception #1
- 3 Misconception #2
- 4 Misconception #3
- 5 Recommendations
- 5 About Us

Insight Report:

Three Misconceptions Held by Middle-Income Americans About Professional Retirement Advice

Introduction

With the release of its *Middle-Income Retirement Preparedness Study*, the Bankers Life and Casualty Company Center for a Secure Retirement sought to understand the source of information and retirement guidance being received by middle-income Americans age 55 to 75.

To view the full report, visit centerforasecureretirement.com.

The study found that more than half of middle-income Americans near or in retirement do not receive professional retirement guidance of any kind. More than 80% of that group do not believe they need a professional advisor.

Analysis of these findings indicates several misconceptions and half-truths believed by many middle-income Americans that may be preventing them from receiving the type of professional retirement planning guidance they may need:

- Misconception #1: "I can do it all on my own."
- Misconception #2: "I'm not wealthy enough to work with an advisor."
- Misconception #3: "Professional advice is too expensive."

Top 3 Reasons for Not Working with a Professional Advisor

Middle-income Americans age 55 to 75 without a professional advisor



Source: Bankers Life and Casualty Company Center for a Secure Retirement, *Middle-Income Retirement Preparedness Study*, 2011.

Misconception #1: “I can do it all on my own.”

The most common reason for not working with professional advisors is that middle-income consumers feel they can create and manage their plan for retirement on their own.

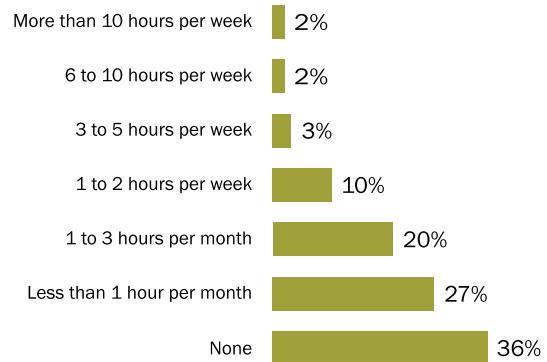
This may be true for some, but according to the study, most people working without an advisor fail to do any meaningful level of research and investigation.

Two out of three people surveyed without a professional advisor spend less than one hour per month on retirement planning, with more than one-third spending no time at all.

Meanwhile, those who work with a professional advisor indicate that they feel more confident about retirement preparedness.

Time Spent Researching or Investigating Retirement Planning Opportunities

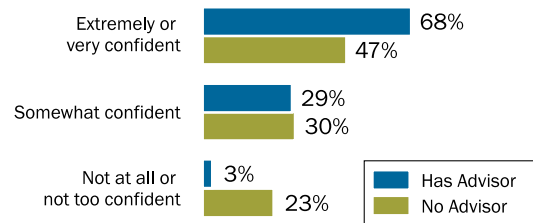
Middle-income Americans age 55 to 75 without a professional advisor



Source: Bankers Life and Casualty Company Center for a Secure Retirement, *Middle-Income Retirement Preparedness Study*, 2011.

Feel Better Prepared for Retirement Than Peers by Use of Professional Advisor

Middle-income Americans age 55 to 75



Source: Bankers Life and Casualty Company Center for a Secure Retirement, *Middle-Income Retirement Preparedness Study*, 2011.

Misconception #2: “I’m not wealthy enough to work with an advisor.”

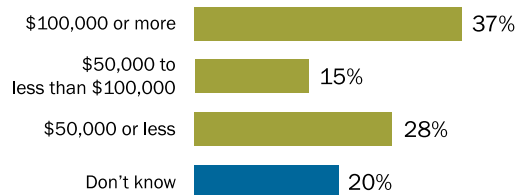
According to the study, two-fifths of middle-income Americans without an advisor do not think they have enough money for a professional advisor to want to meet with them. In reality, there is much confusion regarding the level of assets required to obtain professional advice.

On average, middle-income respondents think they need roughly \$250,000 in order to meet with a professional advisor.

However, 10 out of 10 national financial and insurance firms contacted by the Bankers Life and Casualty Company Center for a Secure Retirement indicated they would discuss retirement planning with anyone that has as little as approximately 1% (\$2,500) or less of the amount survey participants thought was necessary.¹

Perceived Minimum Assets Needed to Work with Professional Advisor

Middle-income Americans age 55 to 75
without a professional advisor



Source: Bankers Life and Casualty Company Center for a Secure Retirement, *Middle-Income Retirement Preparedness Study*, 2011.

Assets Needed to Work with a Professional Advisor: Perceived vs. Actual



* Or less

Source: Bankers Life and Casualty Company Center for a Secure Retirement, *Middle-Income Retirement Preparedness Study*, 2011.

Misconception #3:

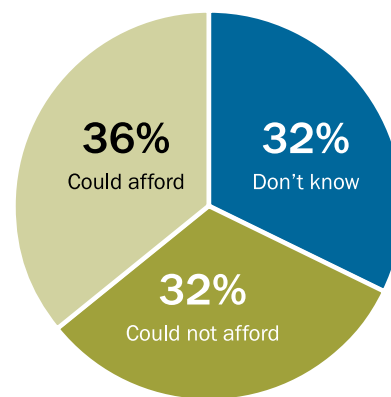
“Professional advice is too expensive.”

Among those near or in retirement, there is a widespread lack of understanding of the cost of professional retirement advice, with as many as one-third believing it is unaffordable.

The fact is that a great deal of professional retirement advice can be attained outside of a fee-based setting. Professional planning guidance is generally a component of packaged financial product sales, such as life insurance, supplemental health insurance or an annuity—none of which charge a fee as a separate element of the transaction.

Perceived Ability to Afford a Professional Advisor

Middle-income Americans age 55 to 75 without a professional advisor



Source: Bankers Life and Casualty Company Center for a Secure Retirement, *Middle-Income Retirement Preparedness Study*, 2011.

Recommendations for Middle-Income Americans

Consider seeking professional advice.

Retirement planning can be overwhelming, and many who do it alone are likely to do little to no investigation at all. You can ease some of your retirement concern by working with a professional advisor.

Know that professional advice is available for your income level.

Many products and services exist for people with virtually any level of income and assets. Ask about fees upfront so you can decide if professional guidance makes sense for your financial situation.

Be your own advocate.

Four out of five consumers who work with a retirement professional were proactive in finding their advisor. If you want to receive professional guidance on improving your financial security in retirement, reach out to an advisor for assistance.

Methodology

The *Middle-Income Retirement Preparedness Study* is sponsored by the Bankers Life and Casualty Company Center for a Secure Retirement and was conducted in August of 2010 by the independent research firm The Blackstone Group. Please visit centerforasecureretirement.com to view the full report.

About Us

Bankers Life and Casualty Company Center for a Secure Retirement is the company's research and consumer education organization. Its studies and consumer awareness campaigns provide insight and practical advice for how everyday Americans can achieve financial security during retirement.

Established in 1879 in Chicago, Bankers Life and Casualty Company focuses on the insurance needs of the retirement market. The nationwide company, a subsidiary of CNO Financial Group, Inc., offers a broad portfolio of life and health insurance retirement products designed especially for seniors.

Learn More

Bankers has more than 5,000 licensed professional agents in over 200 branch offices across the United States. Bankers agents meet with thousands of Americans each week for initial retirement reviews at no cost to clients. To learn more about Bankers Life and Casualty Company, visit bankers.com or call 1-800-621-3724.

To learn more about the Bankers Life and Casualty Company Center for a Secure Retirement, visit us online at centerforasecureretirement.com or e-mail us at CenterForASecureRetirement@bankers.com.

Endnotes

¹ Phone survey conducted by the Bankers Life and Casualty Company Center for a Secure Retirement of 10 national financial and insurance companies on October 15 and 18, 2010.