



The Middle-Income Boomer Retirement Gap: Savings, Education and Advice

Key Findings

Middle-income Boomers are optimistic about retirement—but they have concerns about meeting their financial needs during their retirement years.

- Nearly all (94%) of non-retired middle-income Boomers expect to be able to retire someday.
- More non-retired middle-income Boomers expect to retire after age 65 (43%) than before age 65 (16%).
- Two-thirds (62%) of middle-income Boomers express some doubts that they will have enough money to live comfortably throughout retirement.

Middle-income Boomers may not be fully prepared for financial security in retirement.

- Eight in 10 (83%) middle-income Boomers have not received any specialized training or education on topics related to retirement financial security.
- More than half (54%) of middle-income Boomers report investable assets of less than \$100,000, with one-third (34%) reporting less than \$25,000.
- Only about one in 10 (13%) Boomers in this study reported investable assets of \$500,000 or more.
- Two-thirds of middle-income Boomers do not have a current last will and testament (63%), living will (64%) or health care power of attorney (65%).

Most middle-income Boomers do not have a financial professional to help plan their retirement.

- Six in 10 (59%) middle-income Boomers do not receive professional financial guidance of any kind.
- Two-thirds (66%) of middle-income Boomers who are not retired do not receive professional financial guidance.

Middle-income Boomers who do have a financial professional report high satisfaction and higher assets.

- More than one-quarter (26%) of middle-income Boomers who have a financial professional have investable assets of more than \$500,000, compared to less than one in 10 (5%) of those without a professional.

- About nine in 10 (87%) middle-income Boomers who have a financial professional are either very satisfied or completely satisfied with their professional.
- Three-quarters (75%) of middle-income Boomers who have worked with a financial professional for more than 10 years have greater than \$100,000 in assets.
- About half (48%) of middle-income Boomers with a financial professional are confident that they have enough savings to last throughout their retirement, compared to one-third (30%) of those without a financial professional.

There is a disconnect between middle-income Boomers and financial professionals. Neither appears to think they need the other.

- Four in 10 (39%) middle-income Boomers who aren't working with a financial professional prefer to make financial decisions on their own and think they do not need financial advice.
- Of middle-income Boomers who don't have a financial professional, nearly nine in 10 (85%) have not been contacted by one asking for their business in the past year, including nearly two-thirds (63%) who've never been contacted.
- While nearly half (45%) of middle-income Boomers who have a financial professional were referred, one-quarter (25%) sought out the professional themselves, either by going to the office (13%) or calling (12%).
- Four in 10 (40%) middle-income Boomers with a financial professional report they pay by a commission built in to the price of the product. However, this is the preferred payment method for only one in 10 (13%).

Methodology

This study from the Bankers Life Center for a Secure Retirement—*The Middle-Income Boomer Retirement Gap: Savings, Education and Advice*—was conducted in July 2014 by the independent research firm The Blackstone Group.

The internet-based survey consisted of a nationwide sample of 1,000 Americans between the ages 50 and 68 who have an annual household income between \$25,000 and \$100,000. Quotas were established based on the U.S. Census Current Population Survey data for age, gender and income to obtain a nationally representative sample. The margin of error is +/- 3.1 percentage points at the 95% confidence level.

For comparison, we asked select questions to a sample of 200 affluent Boomers, defined as those having investable assets over \$1,000,000.

About Us

The Bankers Life Center for a Secure Retirement is the company's research and consumer education program. Its studies and consumer awareness campaigns provide insight and practical advice to help everyday Americans achieve financial security in retirement.

Established in 1879 in Chicago, Bankers Life helps meet the insurance needs of middle-income retirees as part of the nationwide subsidiaries of CNO Financial Group, Inc. These companies offer a broad portfolio of life and health insurance designed especially for those near and in retirement.

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