



Middle-Income Retirement Preparedness Study

Key Findings

Nearly two-thirds of middle-income retirees and pre-retirees lack confidence in their retirement security.

- Almost two in three (63%) middle-income Americans age 55 to 75 are unsure if they have saved enough to live comfortably in retirement. Of this group, thirty-nine percent (39%) are only somewhat confident in the adequacy of their retirement savings and one-fourth (24%) are not too or not at all confident.
- Feeling financially stable due to guidance from professional advisors is the most frequently cited reason why people feel confident about the adequacy of their retirement savings.

Most middle-income Americans do not receive professional retirement advice of any kind.

- More than half (54%) of middle-income retirees and pre-retirees do not receive professional retirement guidance of any kind.
- In most cases, if they want to work with a professional advisor, middle-income retirees and pre-retirees have to initiate this contact. More than half (51%) of respondents have not been contacted by any kind of retirement professional in the past 12 months.
- Eighty-four percent (84%) of those surveyed who do work with a professional indicated they reached out to their advisor first, not the other way around.

Those without a professional advisor do not think they need one, but fail to plan for themselves.

- Of middle-income retirees and pre-retirees not working with a professional advisor, 84% do not think they need one. The three reasons most often given for this are I can do it myself (47%); I don't have enough assets (37%) and It's too expensive (23%).
- Of all middle-income retirees and pre-retirees surveyed, 30% spend no time at all researching or investigating retirement planning opportunities; two out of three (61%) spend less than one hour per month.
- Although those without an advisor enjoy planning, 63% spend less than one hour per month on retirement planning. Over one-third (36%) of those without an advisor spend no time at all doing this research.
- In the absence of a professional advisor, middle-income Americans age 55 to 75 turn to the Internet (50%) and to friends and family (38%) for guidance on retirement preparation.

Many middle-income American retirees and pre-retirees who do not seek professional retirement advice have misconceptions of its costs and accessibility.

- Many of those not working with a professional advisor feel it is too expensive; however, one-third (32%) do not know how much this service costs.
- Many of those not working with a professional advisor feel they do not have enough assets for a retirement professional to want to meet with them; however, one-fifth (20%) do not know the asset minimum needed.

Those who work with a professional advisor are more confident in their financial situation.

- Two in three (68%) middle-income retirees and pre-retirees who work with a professional advisor feel better prepared for retirement than their peers do.
- Only 14% of respondents working with an advisor do not think they have saved enough money to live comfortably in retirement, whereas one-third (34%) of those surveyed without a professional advisor have this concern.
- Most middle-income Americans age 55 to 75 who work with a professional advisor have just one advisor for all of their retirement planning needs.
- Seventy-six percent (76%) of those surveyed are extremely or very satisfied with their experience working with a professional advisor.

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.

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