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Set It and Forget It? Forget It! Retirement Takes Work, 'Re-Set' Survey Finds

By **Steven A. Morelli** | InsuranceNewsNet

A study released today adds more clarity to what New Normal looks like for retirees – scary yet hopeful.

It was also clear in The SunAmerica Retirement Re-Set Study that Americans are understanding that retirement will require their active participation, both in planning for it and during it. Americans are coming to terms with working longer, living longer – and most important for the insurance industry, spending longer.

For insurance producers, here is the key takeaway from the study: “Financial peace of mind is now six times more important than accumulating wealth: 82 percent name it their key financial goal.”

“That’s a big shift,” said Mary Jane Fortin, CEO of American General Life Insurance Co., one of the companies in SunAmerica. “I think if you did this survey during the boom-boom years you’d find people just trying to accumulate as much as they can. In the past 10 years, there has been a re-set around what can people can do to protect their families and their assets. That speaks to the products and services we provide through our distributors and ultimately to the end consumer.”

The telephone survey, commissioned by SunAmerica Financial and conducted by Harris Interactive in April, compared the findings with a survey taken in 2001 and during the recession. The good news is people are feeling a little better since the worst of the recession. The bad news is they are still pretty anxious.

Positives	Before the recession	Low point of recession	Now
Hopeful	62%	50%	60%
Secure	62%	36%	44%
Negatives	Before the recession	Low point of recession	Now
Worried	28%	51%	39%
Angry	19%	43%	28%

Of course, the anxiety can also be good news for insurance producers because consumers are finally getting serious about taking control of their own retirement. But beyond the anxiety is a sense of adventure that the survey detected.

“They’re thinking about retirement as a new chapter in their lives, not a winding down,” Fortin said. “It’s a period of reinvention and exploring. As advisors, we should be asking what does that mean exactly and what are the financial expectations that go along with that.”

Here are other key findings from the survey, which was a collaboration between SunAmerica and Age Wave, a firm focused on issues in aging:

- A new outlook: Today, 54% view retirement as a new chapter in life, rather than a winding down—a significant increase over the 38% that held a similar view a decade ago.
- Retirement is being postponed: Pre-retirees say they now intend to delay retirement by five years—from 64 to 69—triggered in part by increasing longevity, as well as the recession and financial need.
- Retirement no longer means the end of work: Almost two-thirds say they would ideally like to remain productive and include some work in retirement to stay active and involved.
- Unexpected multi-generational family assistance has become the new retirement wild card: Pre-retirees must balance their retirement plans with the possibility of having to support aging relatives, adult children, grandchildren and siblings. Nearly half of Americans 55 and older expect to provide this support and, in a new twist on childcare, 70% of those believe their adult children will need financial assistance.

“People are recognizing it’s not just about taking care of their spouse and their children through college,” Fortin said. “All of the sudden people realize they need to be prepared to take care of their parents, their adult children, their children’s children and even siblings. The intergenerational aspect adds a whole new dimension to how we approach our planning and even our products and services.”

Another bit of good news from the survey is that Americans appear willing to do something about securing their retirement. Even though only half of Americans consistently from 2001 to 2011 felt financially informed, they now want to learn: 80 percent want to be advised on saving and investing for retirement at their workplace and 92 percent say financial management should be taught in high school.

More also want help. In 2001, only 40 percent of Americans 55 and older used professional financial advisors for retirement planning; now 49 percent have used them. And perhaps even more important, 68 percent found them very helpful and 72 percent of those who used them felt very financially prepared for retirement.

“The fact that we have a 20 percent increase in people using an advisor is significant and says a lot about what we do. People are recognizing that they can’t do it alone.” Fortin said. “And we need to reach the 51 percent who don’t have an advisor but probably recognize they need help.”

And how advisors can help is by being good listeners and effective communicators, according to the survey. It's even more important than accumulating assets.

"People are not looking for above-average returns," Fortin said "It's about how to take a rational approach to planning for retirement."

The SunAmerica Retirement Re-Set Study was a telephone survey conducted in April by Harris Interactive among 1,001 Americans 55 and older on the emotional mindset, attitudes and expectations of pre-retirees and retirees nationwide post-recession. SunAmerica is AIG's life insurance and retirement services division comprising American General, AGLA, VALIC, Western National, SunAmerica, Royal Alliance, SagePoint Financial and FSC Securities.

For more on the survey, visit www.retirementreset.com.

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