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Consumer perceptions of financial professionals



GEN-to-**GEN**

Consumer perceptions of financial professionals

The importance of a good relationship between a client and their financial professional can't be understated. It requires trust, understanding, expertise, and working toward a mutual goal. In our latest installment of generational research – Gen-to-Gen – consumers share their thoughts on working with financial professionals for retirement and financial planning. Learn how long they're staying with their financial professional, how closely they choose to work together in retirement planning, and what keeps them coming back each year on page 2.



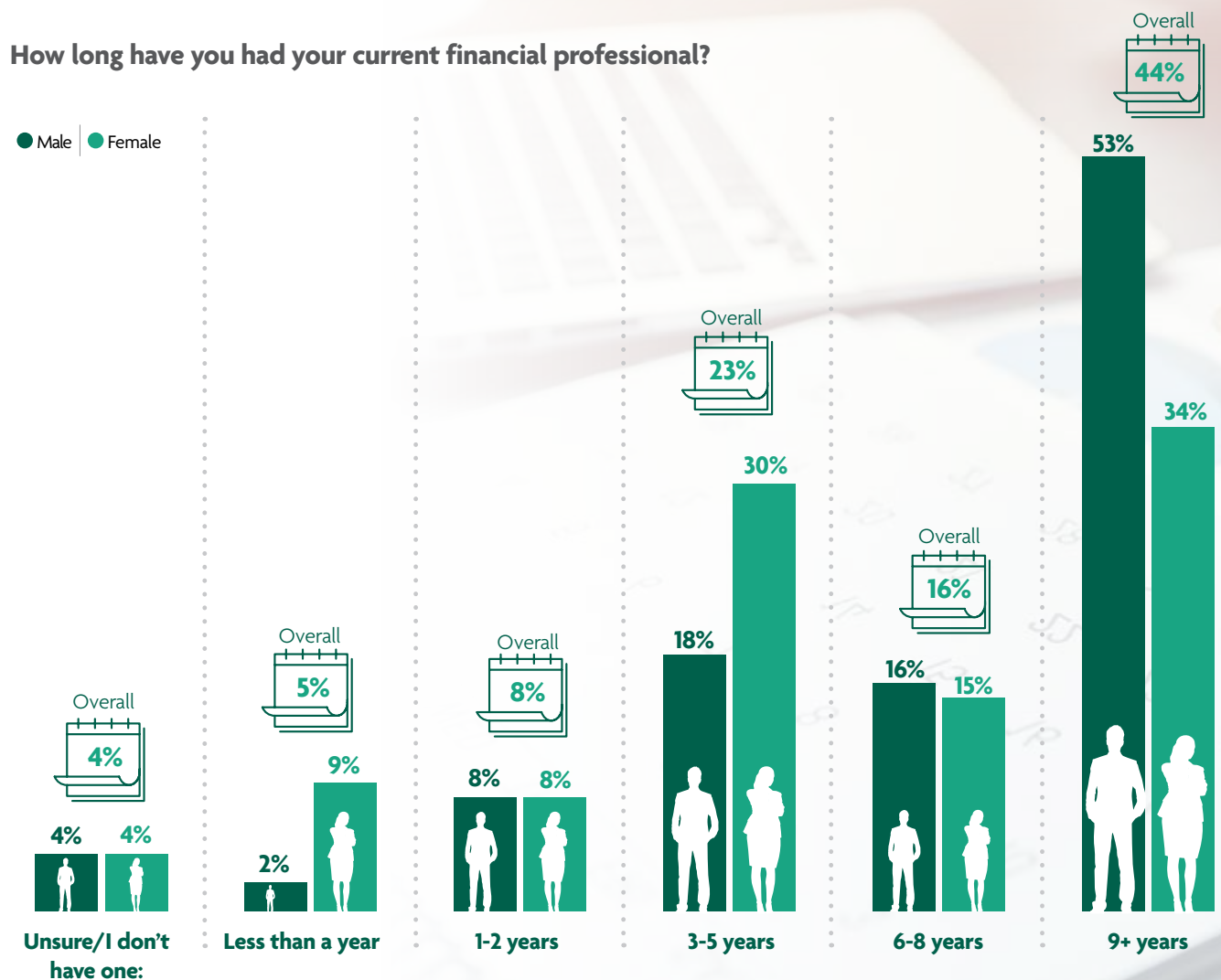
Longevity of the financial professional relationship

Key learning 1:

Clients seem to be in it for the long haul

The majority (**60%**) of respondents shared they've been with their current financial professional for at least six years, with **44%** of them maintaining that relationship for over nine years. Only **13%** of respondents have been with their current financial professional for two years or less. Taking a closer look, we see that more men (**53%**) have long-standing relationships with their financial professionals than women (**34%**).

How long have you had your current financial professional?



Factors in the financial professional relationship

🎵 Key learning 2:

Trust keeps them coming back

Clients may have various preferences when it comes to choosing a financial professional, but several characteristics rank as most important among the majority of consumers. Respondents rated the following touchpoints as highly or extremely important in maintaining their financial professional relationship.

How important do you feel each touchpoint is to maintain your relationship with that financial professional?



When protecting assets and helping clients achieve their retirement goals, it's no surprise that 'trust' comes out on top. Some of the most notable differences between how different demographics responded include:

- Women rated trust (**96%**) and expertise (**93%**) of higher importance than men did (**86% for both**).
- Only **80%** of Millennials rated 'caring about clients' financial well-being as high importance compared to **92%** of Baby Boomers, and **91%** of Gen Xers.
- Giving back to the community rated more important to Millennials (**50%**) than Gen Xers (**26%**) and Baby Boomers (**25%**).
- Regular communication rated more important to Gen Xers (**76%**) than Baby Boomers (**69%**) and Millennials (**65%**).

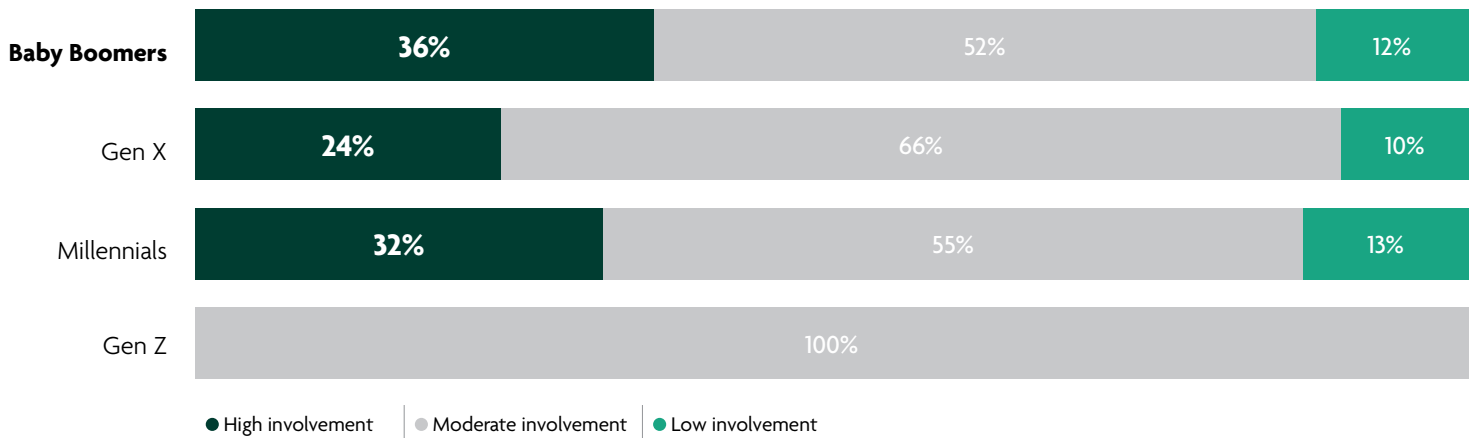
Financial professional involvement

Key learning 3:

Most financial professionals are ‘moderately involved’ in clients’ planning

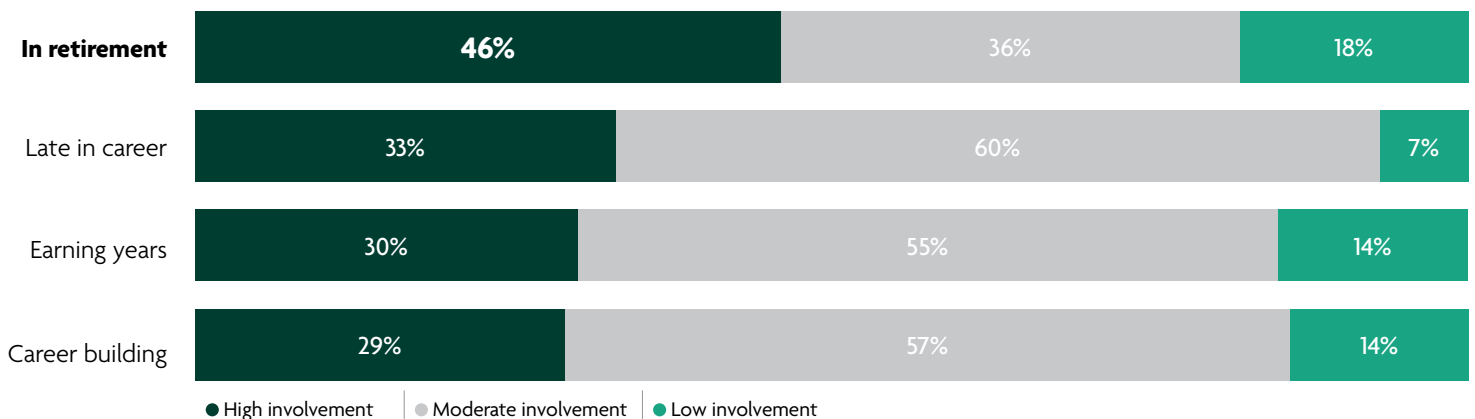
It might not be a surprise to anyone that Baby Boomers reported the largest percentage of high involvement (**36%**) with their financial professional, as they inch closer to retirement. Gen Xers indicated their financial professionals are mostly moderately involved, and reported less cases (**24%**) of ‘high involvement’ with their financial professionals than Millennials (**32%**).

How involved would you say your financial professional is?



Taking a closer look at their specific life stages, **46%** of those who are already retired indicated their financial professional was highly involved. However, **18%** of those in retirement indicated a low level of involvement from their financial professional.

How involved would you say your financial professional is?

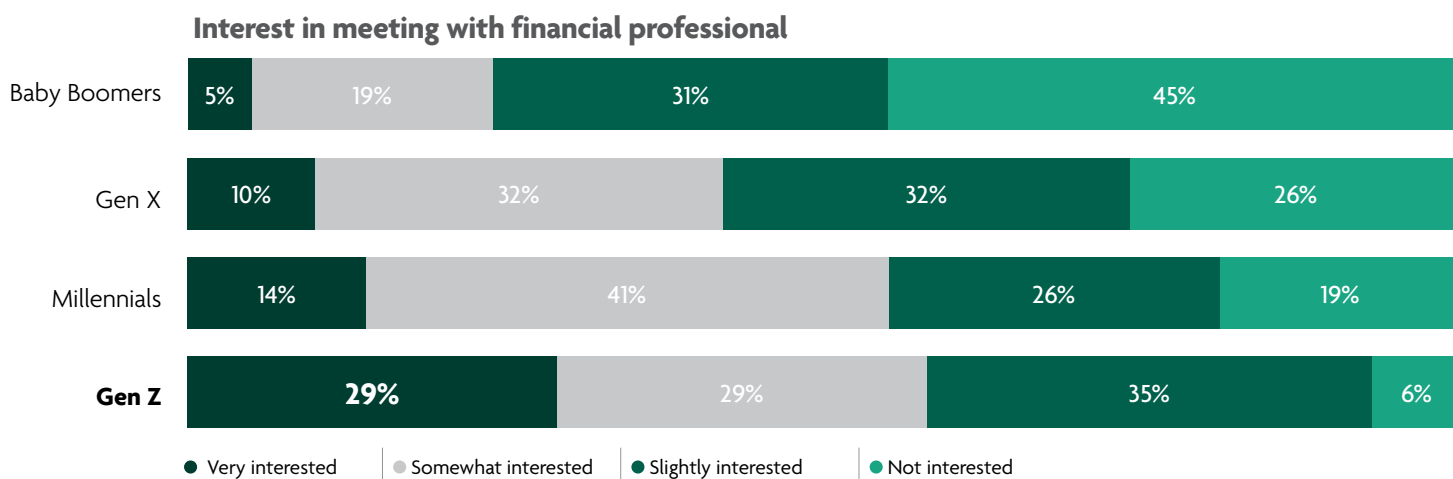


Interest in working with a financial professional

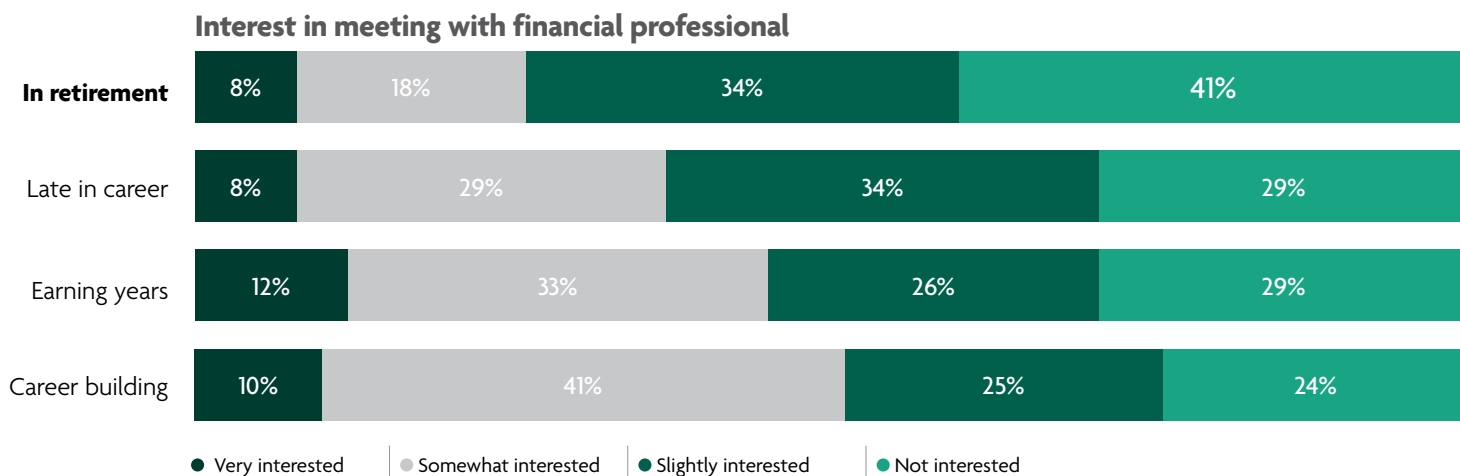
Key learning 4:

Younger generations showing interest in starting financial professional relationship

For those consumers not already working with a financial professional, we asked their interest in meeting with a financial professional and developing a relationship to help manage retirement planning. Each surveyed group reported having at least a slight interest. The two youngest generations showed the highest interest in working with a financial professional, with **almost 30% of Gen Zers indicating a very high level of interest.**



As for those already in retirement, **41%** indicated they were not interested, and **59%** showed at least slight interest in meeting with a financial professional.



Fixed index annuity (FIA) appeal

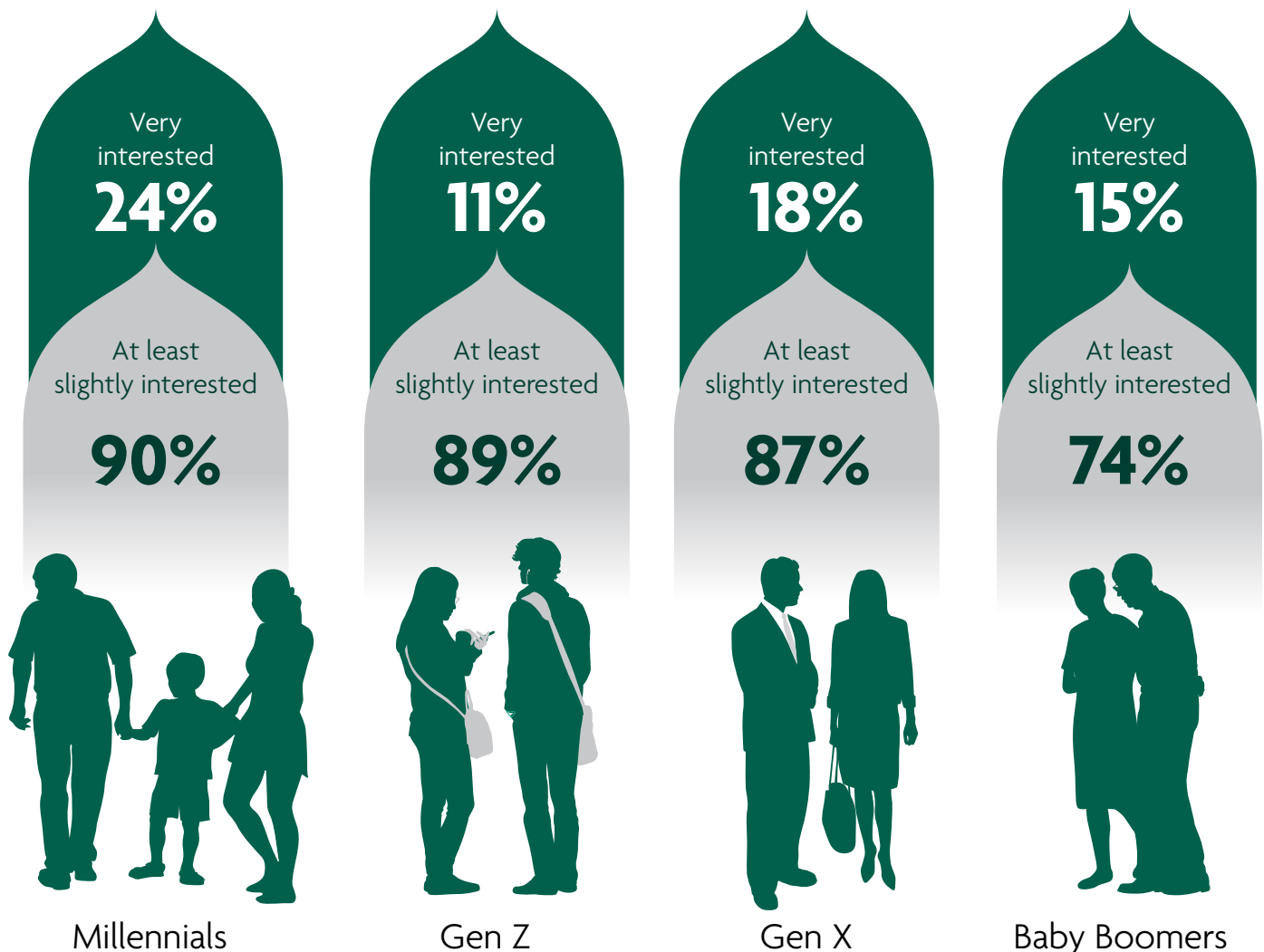
Key learning 5:

Millennials most interested in FIA benefits

Consumers were given a definition of a fixed index annuity and its benefits, and then asked their level of interest in that type of product. The three younger generations reported similar levels of interest, with Millennials taking the lead (**90%**), Gen Zers next (**89%**), and then Gen Xers (**87%**). Lastly, **74%** of Baby Boomers said they were at least slightly interested in an FIA-type product.

Description of fixed index annuity: Some retirement financial products allow you to contribute a set periodic amount or lump sum, and then your money grows tax deferred with an option to receive guaranteed payments throughout your retirement regardless of how the stock market does. It may not have as high of returns as a stock account, but you also are guaranteed not to lose money due to market losses.

How interested are you in this type of retirement financial product?



In uncertain times, consumers seem to value the knowledge and expertise a financial professional could bring to their retirement planning. They even show overwhelming interest in a fixed index annuity, which could help provide growth potential and protection, no matter the market conditions.

Talk to your financial professional with North American about how they can help support your retirement goals.



Methodology

For analysis purposes, when you see references to each generational group in the report, they have been grouped and categorized as such: Gen Z = Age 18-24, Millennials = Age 25-44, Gen X = Age 45-54, Baby Boomers = Age 55+

This survey was conducted online between June 12 and June 29, 2020, and included 1,203 adults, age 18 and above. Data was weighted by gender, race, ethnicity, and region to be representative of the national adult audience. Survey results have been rounded to nearest whole numbers. Some totals may not equal 100%.

Analysis is for educational purposes only. The experience of the participants of the 2020 North American Company for Life and Health Insurance[®] Generations Retirement Study may not be representative of the experience of all.

Fixed index annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Although fixed index annuities guarantee no loss of premium due to market downturns, deductions from your accumulation value for additional optional benefit riders or strategy fees associated with allocations to enhanced crediting methods could exceed interest credited to the accumulation value, which would result in loss of premium. They may not be appropriate for all clients. Interest credits to a fixed index annuity will not mirror the actual performance of the relevant index.

The term financial professional is not intended to imply engagement in an advisory business in which compensation is not related to sales. Financial professionals that are insurance licensed will be paid a commission on the sale of an insurance product.

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