

## Older Americans Give Thumbs Up: Options for In-Plan Income Solutions and Retail Advice

### Consumer Wants Dovetail with Industry Acquisitions to Integrate Workplace and Retail Offerings

(Oct. 15, 2020, Rye, NY) – Older Americans are receptive to retirement solutions that combine in-plan income solutions and retail advice, which can address broader needs than currently within employer-sponsored retirement plans, according to a new report by [Hearts & Wallets](#), the research and benchmarking firm that specializes in how consumers save, invest and seek financial advice.

This new report, **What Older Americans Want From Workplace Investing: Ideas for Improving Advice & Income Products**, examines what older Americans want in workplace plans, current gaps, engagement levels and potential solutions. The report draws from the Hearts & Wallets Investor Quantitative™ Database, recognized as the largest single dataset with over 100 million data points on consumer buying patterns from 60,000 U.S. households, and the Explore Qualitative™ Database, which includes over 8,000 curated consumer stories on future trends.

#### Thumbs Up

Older consumers ages 55 to 74 are 10-percentage points more likely to recommend financial services relationships when their retail and workplace accounts are at the same firm than consumers in relationships with only retail accounts. Consumers in relationships with only employer-sponsored accounts are least likely to recommend with a gap of 20-percentage points vs. consumers with both types of accounts. This finding highlights potential consumer receptivity to leaving money in-plan and getting advice from retail providers.

#### Advice Needs Better Met in Retail

The urgency to get more than what is available through today's workplace service models is high and growing for older affluent Americans who say their biggest unmet needs for advice are in real estate, outlook for continued work and tax optimization, leading to a preference for rollover IRAs from former employer plans by a wide margin. Only 33% of consumers ages 55 to 74 who use workplace as their "go-to/primary" source "understand where my income during retirement will come from." At the same time, there is warming receptivity to leaving money in-plan with outright enthusiasm for pension-like solutions.

"The best solution is in-plan income combined with retail advice," Laura Varas, CEO and founder of Hearts & Wallets said. "Regulatory divisions, which lead to one-size-fits-all advice in the workplace, frustrate consumers, who want choices. Recent merger and acquisitions, such as Empower's purchase of Personal Capital and the integration of Edelman and Financial Engines, are a smart way to prepare for what will hopefully become more integrated solutions in the future."

-more-

## In-Plan Solutions and Retail Advice/2

### Current Failures of Workplace

Most consumers ages 55 and older are much less engaged with workplace resources than other sources of investing information and advice. Eligibility for employer-sponsored retirement plans is not the main barrier. Nearly half (43%) of investors ages 55 to 74 do not use “retirement planning resources provided through my employer” nor “would if they were offered.”

In the report, older affluent Americans identified six glaring complaints as the reasons current workplace resources aren’t working for them and six suggestions for employers and financial services companies to enhance workplace offerings.

### Housing: A New Safety Valve?

Navigating life after 55 has become more complex with the shift from pensions to individually funded retirement savings. The No. 1 consumer wish is to have their pensions back. Beyond that, older affluent consumers identified real estate, the outlook for continued work and tax optimization as important advice needs.

The research shows that lower housing expenses can be just as effective a confidence boost as having at least 25% of retirement income from a pension.

“Older Americans surfaced the need for more advice on real estate, and it turns out they were right about this having a positive impact on financial well-being,” Amber Katris, Hearts & Wallets Subject Matter Expert, said. “They want choices. And they are willing to pay more to get more. In-plan income will solve some shortcomings of retirement income plans, but other unmet needs in advice will need to be solved in the retail space for now.”

### Methodology

*What Older Americans Want From Workplace Investing: Ideas for Improving Advice & Income Products* explores what older Americans want in workplace plans, current gaps, engagement levels and potential solutions. The report draws from the Hearts & Wallets Investor Quantitative™ Database, recognized as the largest single dataset with over 100 million data points on consumer buying patterns from 60,000 U.S. households, and the Explore Qualitative™ Database, which includes over 8,000 curated consumer stories on future trends. The latest IQ™ Database survey wave was fielded in August 2020 and includes 5,920 U.S. households.

### About Hearts & Wallets

Hearts & Wallets is the research and benchmarking firm that specializes in how consumers save, invest and seek financial advice. Leading firms use Hearts & Wallets thought-leadership reports, software and benchmarking to make their saving, investing and advice solutions more consumer-centric. For more information visit [www.heartsandwallets.com](http://www.heartsandwallets.com).

### Media Contact

Lynn Walters [lynn@heartsandwallets.com](mailto:lynn@heartsandwallets.com)  
800-930-0966 ext. 704

### Hearts & Wallets, CEO & Founder

Laura Varas [laura@heartsandwallets.com](mailto:laura@heartsandwallets.com)  
800-930-0966 ext. 700

###