

# **More workers want financial advice as pandemic sharpens desire for security**

As the need for financial advice increases, here are 4 considerations for helping workers feel more prepared for retirement in the future.

Three-fourths of current workers and retirees are concerned about how the ongoing pandemic will affect their retirement savings, according to the latest Principal Retirement Security Survey.

“COVID-19 and the resulting impacts have changed how many consumers think about their current and long-term financial security,” said Sri Reddy, senior vice president of retirement and income solutions at Principal.

Consumers say health and financial security are their two top priorities this year. They also expressed a need for advice as they navigate their financial plans. Workers and retirees both plan to make changes to help improve their financial health, such as:

Spending less (35 percent)

Saving more (29 percent)

Paying down debt (25 percent)

The percentage of respondents who work with financial professionals jumped several percentage points compared to pre-pandemic survey findings.

Financial professionals and those in the retirement industry may be able to offer valuable support to help individuals feel more prepared for retirement in several areas:

1. Help improve the retirement picture. More than 60 percent of workers do not feel prepared to imagine their life in retirement, and more than half say they do not know how they will spend their time after they retire.
2. Support development of a retirement savings plan. Nearly 50 percent of workers surveyed do not feel prepared to plan their retirement income or to make the most of their retirement. Only 14 percent feel very confident they'll have enough money saved to live comfortably.
3. Meet consumers where they are on their financial journey. Retirees and workers alike cite two common areas in which they need financial advice — investment selection (29 percent of workers and 30 percent of retirees) and how to manage retirement savings after they have retired (41 percent of workers and 30 percent of retirees). Retirees say the topics of Medicare and Medicaid plans are a top financial advice need (30 percent), while workers

cite needing help determining when to start receiving Social Security benefits (31 percent).

4. Increase education about guaranteed income. Retirees using guaranteed or anticipated income sources during the COVID-19 pandemic say it has enabled them to feel their basic expenses are covered (89 percent) and be less concerned during bouts of market volatility (56 percent).

Although many retirees are benefiting from guaranteed lifetime income sources, there continues to be a need to increase education and access to these solutions to help more Americans feel more secure about retirement, according to Principal.

By Alan Goforth