MDRT

The Premier
Association of Financial
Professionals ®

Financial Planning Attitude Tracker

Based on:
MDRT Generational Financial Confidence Study 2010

Quick! **Before you read this report, answer these 4 questions:**

How would you rate your current personal financial situation?

☐ **1**(very bad) ☐ **2** ☐ **3** ☐ **4** ☐ **5**(very good)

How confident are you that you will meet your retirement goals?

☐ **1**(not at all) ☐ **2** ☐ **3** ☐ **4** ☐ **5**(very confident)

How do you think your financial situation will change five years from now?

☐ **1**(much worse) ☐ **2** ☐ **3** ☐ **4** ☐ **5**(much better)

What would you do with $25,000 in cash right now?

☐ Pay down debt ☐ Buy stocks/bonds ☐ Go on vacation ☐ Buy a fixed annuity ☐ Buy a new car
☐ Buy variable annuity ☐ Hide it under mattress ☐ Buy life insurance ☐ Don't know ☐ None/above

Now find your generation in the following pages
to learn how your peers feel and what MDRT experts suggest

Silent Generation

Born 1929-1945

Notable
Most common fears are medical expenses (43%) and outliving money (43%)

Your Peers Say

- **How would you rate your current personal financial situation (1-5)?**

- **How confident are you that you will meet your retirement goals (1-5)?**

- **How do you think your financial situation will change five years from now (1-5)?**

- **What would you do with $25,000 in cash right now?**

29%Pay down debt **34%Buy stocks/bonds** **11%**Go on vacation **14%**Buy a fixed annuity
4%Buy a new car **4%**Buy variable annuity **1%**Hide it under mattress
2%Buy life insurance **15%**Don't know **13%**None of above

You Might Consider

- Continue working if your health and interests allow. For example, **20%** of peer respondents are working at least part time.
- Protect your income, assets and independence with insurance products that cover critical illness, disability and long-term-care. For example, **34%** of peer respondents have long-term-care insurance.
- If you don't have a pension, consider products such as annuities to guarantee income to cover monthly basic living expenses.
- Enjoy and live within the lifestyle you have earned and create a plan to share your legacy with future generations.

*Less than 4%

Older Boomers

Born 1946-1956

Notable
Most likely generation to have IRA/401K (79%) and life insurance (67%)

Your Peers Say

- **How would you rate your current personal financial situation (1-5)?**

- **How confident are you that you will meet your retirement goals (1-5)?**

- **How do you think your financial situation will change five years from now (1-5)?**

- **What would you do with $25,000 in cash right now?**

41%Pay down debt **32%**Buy stocks/bonds **10%**Go on vacation **17%**Buy a fixed annuity
5%Buy a new car **6%**Buy variable annuity **2%**Hide it under mattress
2%Buy life insurance **8%**Don't know **11%**None of above

You Might Consider

- Maximize use of tax-deferred savings such as 401(k) or IRA. For example, **79%** of peer respondents are using these programs.
- Consider a relationship with a professional advisor you trust to help guide you during the most critical 10 years of your financial life – five years prior to and following retirement. For example, **51%** of peer respondents have a professional financial advisor.
- Protect your income, assets and independence with insurance products that cover critical illness, disability and long-term-care. For example, **34%** of peer respondents have long-term-care insurance.
- If you don't have a pension, consider products such as annuities to guarantee income to cover basic living expenses.
- Maintain lifestyle within your means while you anticipate the lifestyle you want during retirement.

*Less than 4%

Younger Boomers

Born 1957-1964

Notable
Most likely generation to report they were personally impacted by economy (51%)

Your Peers Say

- **How would you rate your current personal financial situation (1-5)?**

- **How confident are you that you will meet your retirement goals (1-5)?**

- **How do you think your financial situation will change five years from now (1-5)?**

- **What would you do with $25,000 in cash right now?**

56%Pay down debt **29%**Buy stocks/bonds **8%**Go on vacation **13%**Buy a fixed annuity
4%Buy a new car **5%**Buy variable annuity **4%**Hide it under mattress
4%Buy life insurance **9%**Don't know **8%**None of above

You Might Consider

- Maximize use of tax-deferred savings such as 401(k) or IRA. For example, **78%** of peer respondents are using these programs.
- Consider a relationship with a professional advisor you trust to help guide you through the final years of the accumulation phase of retirement savings. For example, only **33%** of peer respondents have a professional financial advisor.
- Protect your income, assets and independence with insurance products that cover critical illness, disability and long-term-care while the costs are relatively low.
- Research annuity products that can help guarantee consistent income during retirement.
- Live within current financial means and continue to save for retirement.

Generation X

Born 1965-1981

Notable
Most likely generation to be employed (87%)

Your Peers Say

- **How would you rate your current personal financial situation (1-5)?**

- **How confident are you that you will meet your retirement goals (1-5)?**

- **How do you think your financial situation will change five years from now (1-5)?**

- **What would you do with $25,000 in cash right now?**

64%Pay down debt **32%**Buy stocks/bonds **17%**Go on vacation **13%**Buy a fixed annuity
10%Buy a new car **4%**Buy variable annuity **3%**Hide it under mattress
3%Buy life insurance **5%**Don't know **7%**None of above

You Might Consider

- Contribute to your 401(k) to maximize the company match, or consider IRAs if no 401(k) is available. For example, **77%** of peer respondents are using these tools.
- **Take control of your benefits**. Since you'll likely switch jobs throughout your career, avoid divorcing yourself from your benefits by protecting your survivorship income with disability, life, critical and long-term-care products.
- Plan carefully and save for large family purchases. Determine how/if you will save for your children's college education expenses. For example, **15%** of peer respondents have 529 plans.
- **Save and invest early and consistently** to allow your money and interest to compound over time.

*Less than 4%

Generation Y

Born 1982-2001

Notable
Marriage is most common influence to create a financial plan (56%)

Your Peers Say

- **How would you rate your current personal financial situation (1-5)?**

- **How confident are you that you will meet your retirement goals (1-5)?**

- **How do you think your financial situation will change five years from now (1-5)?**

- **What would you do with $25,000 in cash right now?**

62%Pay down debt **35%**Buy stocks/bonds **26%**Go on vacation **15%**Buy a fixed annuity
14%Buy a new car **6%**Buy variable annuity **5%**Hide it under mattress
4%Buy life insurance **3%**Don't know **5%**None of above

You Might Consider

- Contribute to your 401(k) to maximize the company match, or consider IRAs if no 401(k) is available. For example, **only 50%** of peer respondents are using these tools currently.
- **Take control of your benefits.** Since you'll likely switch jobs throughout your career, avoid divorcing yourself from your benefits by protecting your survivorship income with disability, life, critical and long-term-care products.
- Budget everyday items and spend carefully on a house or other needs to avoid accumulating unnecessary debt.
- **Save and invest early and consistently** to allow your money and interest to compound over time.

*Less than 4%

MDRT Generational Confidence Study Methodology

- Conducted by Boomer Project, a generational consulting firm
- Online survey fielded in March 2010
- 1,820 surveys completed
- Adults age 18-75 in households with income over $50,000
- To qualify for study, respondents had to indicate they already had a retirement or financial plan, or could have one in the future
- The survey margin of error is +/- 2.3 percentage points at the 95 percent confidence level

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About Million Dollar Round Table

MDRT is The Premier Association of Financial Professionals. Founded in 1927, MDRT is an international, independent association of more than 31,500 members, or less than 1 percent, of the world's best life insurance and financial services professionals. With membership representing 491 companies in 80 nations and territories, MDRT members demonstrate exceptional professional knowledge, strict ethical conduct and outstanding client service. MDRT membership is recognized internationally as the standard of sales excellence in the life insurance and financial services industry.

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