



THE
AMERICAN
COLLEGE
OF FINANCIAL SERVICES



RICP® FLASH SURVEY SERIES 2017

REACTIONS TO MARKET HIGHS AND ELECTION

The American College of Financial Services is the nation's largest non-profit educational institution devoted to financial services. The mission of The American College is to raise the level of professionalism in financial services by promoting ongoing education, ethical practices, and the pursuit of new knowledge for the benefit of society.

RICP® FLASH SURVEY SERIES 2017

REACTIONS TO MARKET HIGHS AND ELECTION

What are advisors doing with their retired clients in response to the all-time high markets?

Not surprisingly, many advisors, 53 percent, are telling their retired clients to stay the course. However, roughly 40% of the advisors surveyed were taking risk off the table for their retired clients by buying income annuities. Additionally, roughly 50% of advisors stated that they were rebalancing their retired client investment mix to lock in gains or reduce risk. Very few advisors, only 5 percent, were currently encouraging their retired clients to invest more heavily into the market.

Are retirement advisors more concerned about their client's retirement security following the recent election?

Roughly 53 percent of advisors said the recent election results increased their concern somewhat regarding the future retirement security of their retired clients, but 47 percent stated it had no impact or actually improved their outlook for their clients' retirement security.

Do advisors think markets will be more volatile this year due to the new administration coming into office?

Roughly 60 percent of advisors stated they expect more volatility in the market in 2017 due to a new administration coming into office. However, 40 percent don't expect the market to be any more volatile.

What are their clients concerned about following the election?

Advisors reported that many of their clients were concerned about future changes to Health Care, Social Security, and Medicare following the election. Additionally, many advisors noted a general level of concern and uncertainty from their clients as well as concern over potential market volatility in 2017.

WHO WAS SURVEYED?

The American College of Financial Services delivered an online survey over January 4-6, 2017, to client facing financial advisors holding the Retirement Income Certified Professional® (RICP®) designation. A total of 419 RICP® client facing advisors responded to the anonymous survey over the three days.

Contact:

The American College
of Financial Services

Professor Jamie Hopkins
Jamie.hopkins@theAmericanCollege.edu

Professor David Littell
David.littell@TheAmericanCollege.edu

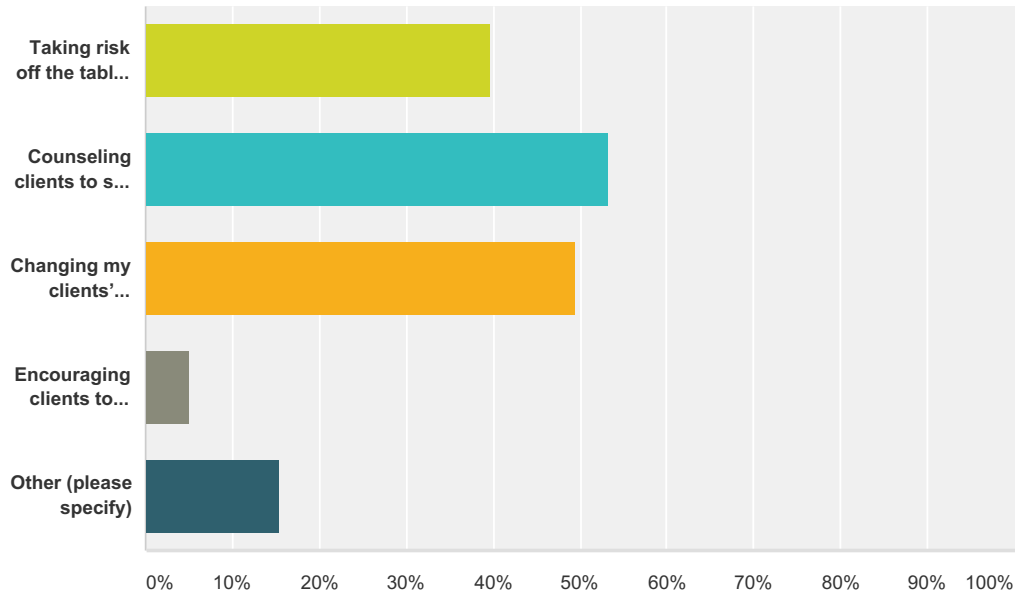
RICP® FLASH SURVEY SERIES 2017

Survey Takeaways:

- **Lock in Gains For Retired Clients:**
 - 40% of advisors plan to buy income annuities for retired clients
 - With all time market highs, it is a great time to lock in gains to generate additional lifetime income.
- **Will 2017 See Increased Market Volatility?**
 - 60 percent of advisors expect 2017 markets to be more volatile
 - With the expectation of increased market volatility, it's a good time to review retirement income plans to make sure they are equipped for market changes.
- **How To Deal With Increased Volatility:**
 - 77 percent of advisors stated that changes to retirement income plans due to increased market volatility will depend on individual client situations
 - Retirement income plans need to adjust to changing client risk tolerances and must be tailored to individual situations as there is no one size fits all retirement income plan.
- **Election Concerns:**
 - 68 percent of advisors reported that some of their clients are expressing increased concerns regarding their retirement security following the election
 - While a new administration brings uncertainty and increased public policy risk, it is a good time for clients and advisors to sit down and review the existing retirement plan.
- **Concerns About Health Care and Social Security Changes:**
 - 27 percent of advisors listed health care changes as the top concern of their retired clients following the recent election and 22 percent listed Social Security changes as the top client concern
 - While we will likely see health care and Social Security changes in the near future, these changes will likely not be directed at reducing current retiree benefits.
- **Clients Might Need More Attention:**
 - 22 percent of advisors saw increased client communications since the election
 - When large public policy changes and elections occur some clients are likely to need additional attention, planning, and reassurance that they are still on track for retirement.

Q1 With markets near all-time highs, what - if anything - are you doing differently to help your retired clients with their retirement income planning? (Check all that apply)

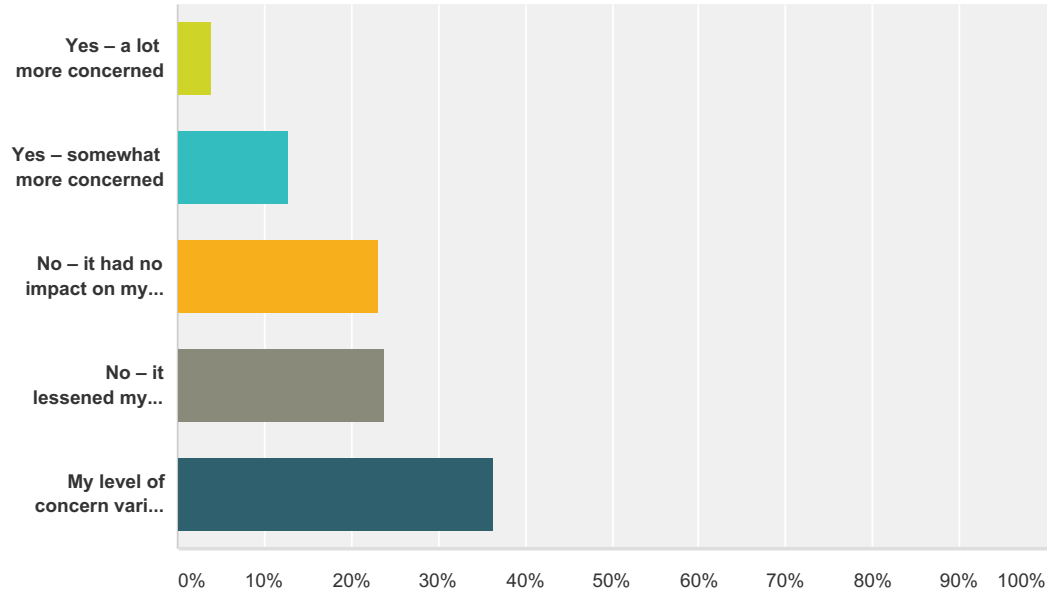
Answered: 419 Skipped: 0



Answer Choices	Responses
Taking risk off the table by buying income annuities	39.62% 166
Counseling clients to stay the course	53.22% 223
Changing my clients' investment mix to lock in gains and/or reduce risk	49.40% 207
Encouraging clients to invest more heavily in the market	5.01% 21
Other (please specify)	15.51% 65
Total Respondents: 419	

Q2 Are you more concerned about your clients' retirement security because of the election results?

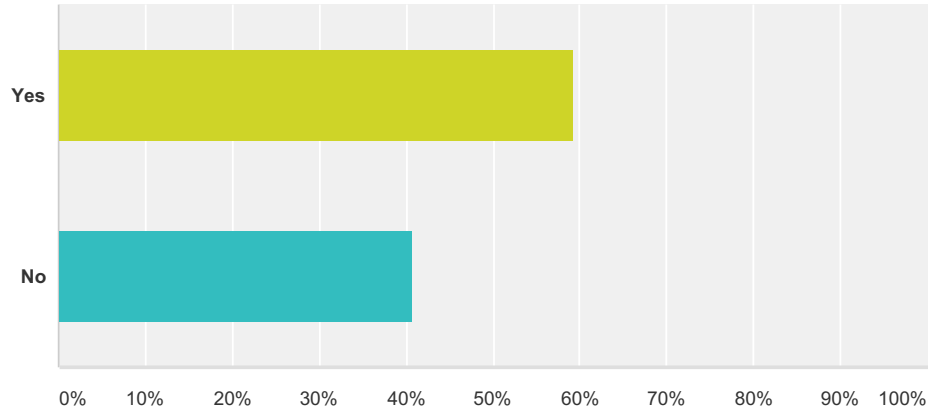
Answered: 419 Skipped: 0



Answer Choices	Responses
Yes - a lot more concerned	4.06% 17
Yes - somewhat more concerned	12.65% 53
No - it had no impact on my concern	23.15% 97
No - it lessened my concern	23.87% 100
My level of concern varies dependent upon the individual client	36.28% 152
Total	419

Q3 Do you think there will be more volatility in the market this year due to the new administration coming into office?

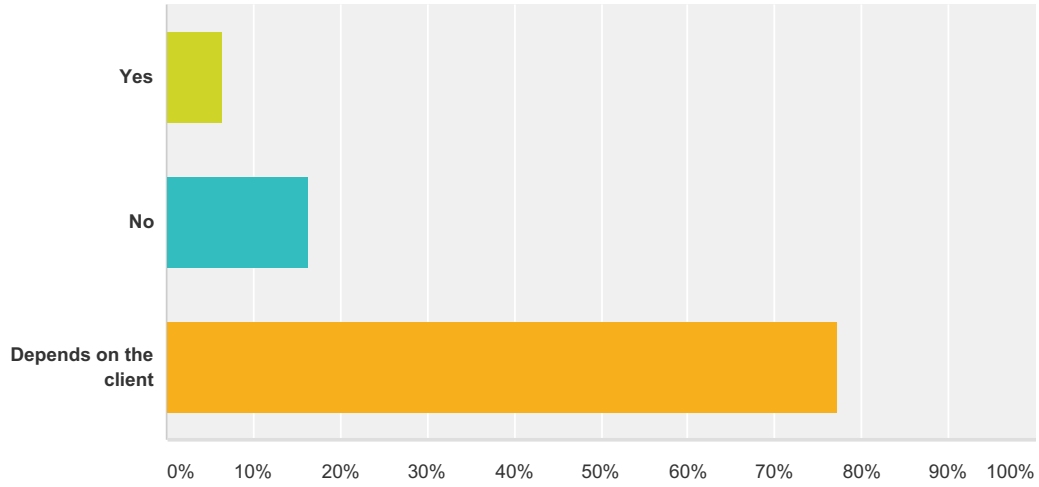
Answered: 417 Skipped: 2



Answer Choices	Responses	
Yes	59.23%	247
No	40.77%	170
Total		417

Q4 In response to expecting higher market volatility this year, are you planning to make meaningful changes to your clients' retirement income plans?

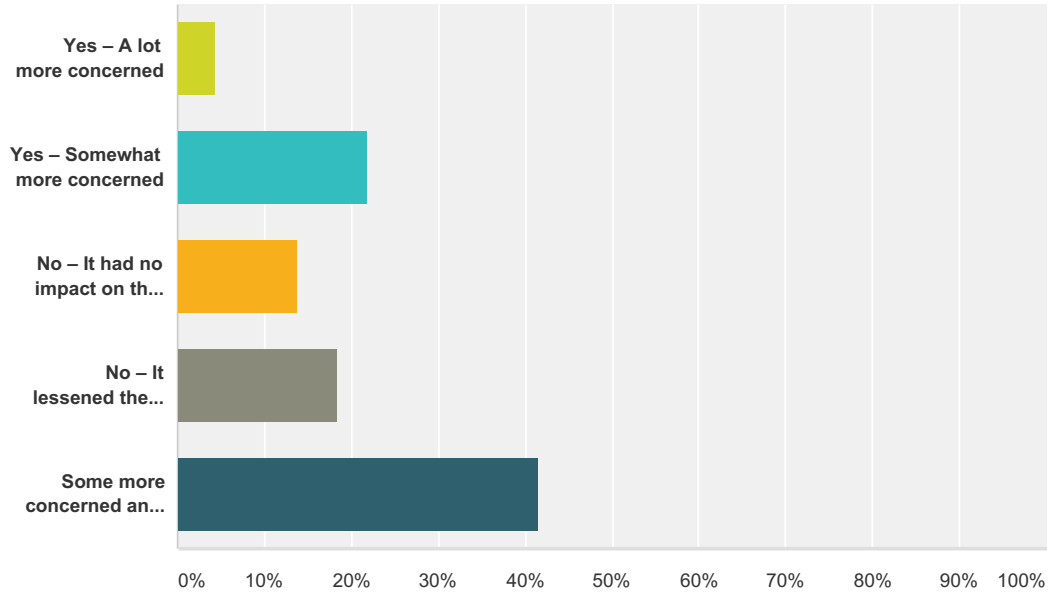
Answered: 246 Skipped: 173



Answer Choices	Responses	
Yes	6.50%	16
No	16.26%	40
Depends on the client	77.24%	190
Total		246

Q5 Are your clients more concerned about their retirement security because of the election results?

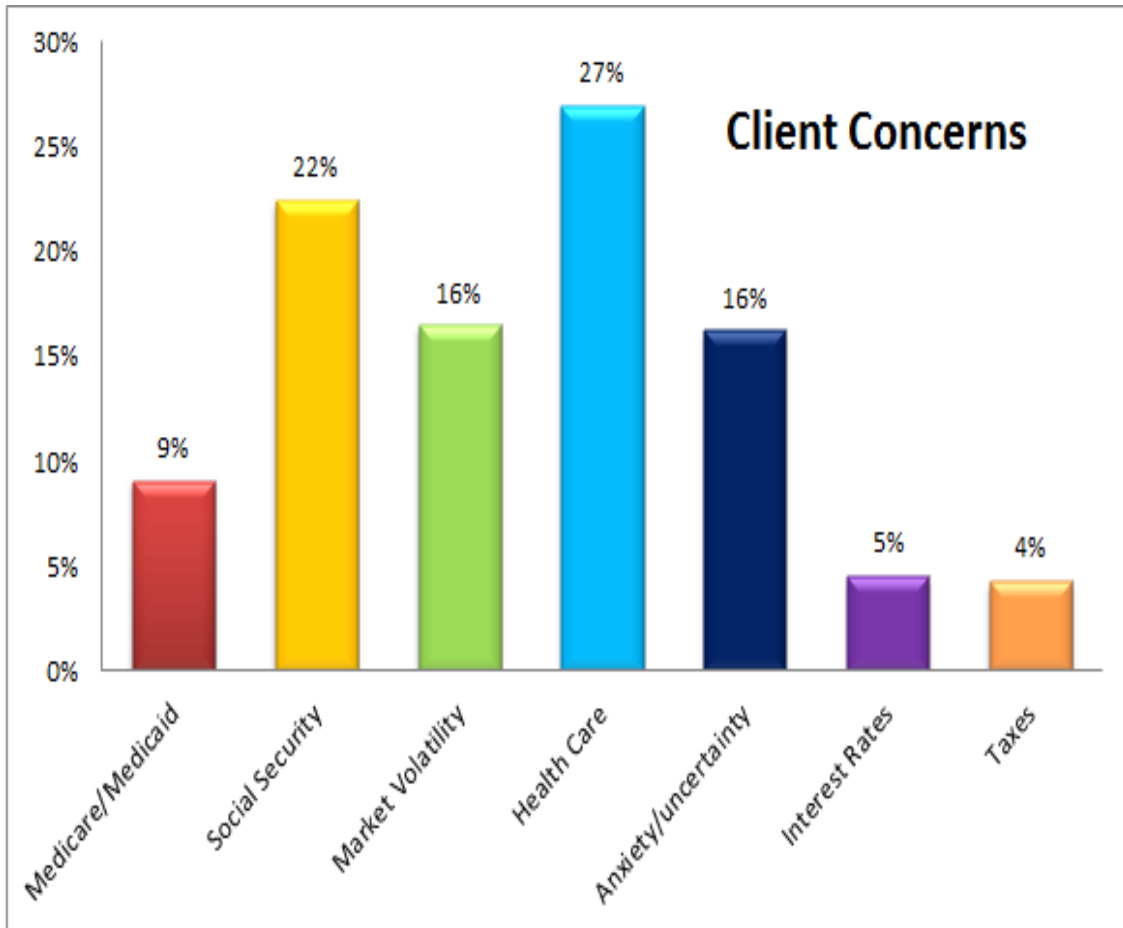
Answered: 412 Skipped: 7



Answer Choices	Responses	
Yes - A lot more concerned	4.37%	18
Yes - Somewhat more concerned	21.84%	90
No - It had no impact on their concern	13.83%	57
No - It lessened their concern	18.45%	76
Some more concerned and some less concerned	41.50%	171
Total		412

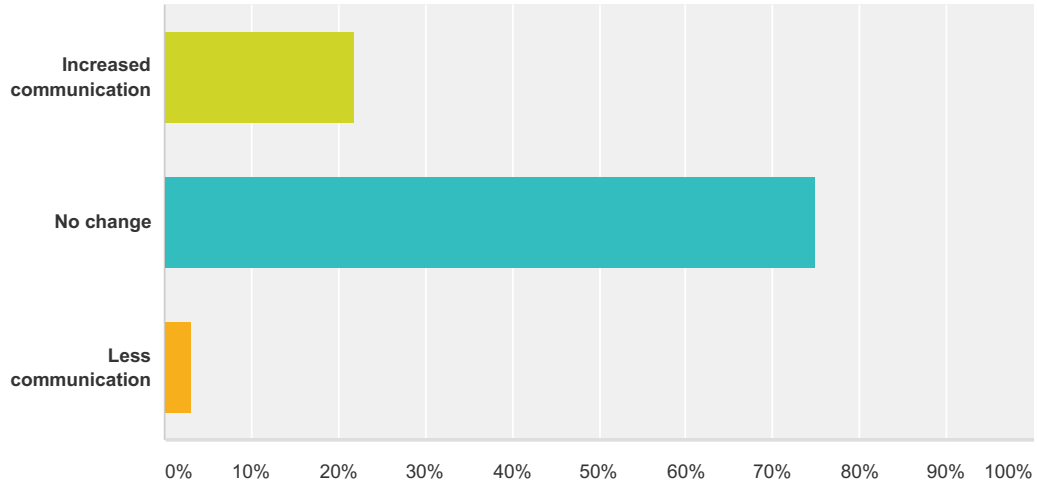
Q6 If your clients are more concerned since the election, what retirement income issues are they more concerned about (i.e., Social Security changes, Health Care reform, etc.)?

Answered: 250 Skipped: 169



Q7 Please select which best represents the frequency of communication you're getting from your clients following the election:

Answered: 412 Skipped: 7



Answer Choices	Responses
Increased communication	21.84% 90
No change	75.00% 309
Less communication	3.16% 13
Total	412