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## The New Reality for Financial Professionals

*Allianz Life study finds large majority of Americans believe working with a financial professional would be beneficial, yet most do not do so. How can financial professionals close the gap?*

### Key findings:

- **88% say working with a financial professional would be helpful to ensure they can financially support all the things they want to do in life. But only 44% are currently working with a financial professional.**
- **57% say they would prefer a financial professional who proposes solutions, but ultimately they make most of their own financial decisions.**
- **33% would be more likely to work with a professional who is “understanding of my beliefs and values, and is open and knowledgeable about how these may impact my finances.”**
- **30% would be more likely to work with a professional who is “empathic towards my financial struggles and meets me where I am at financially.”**
- **34% would be more likely to work with a professional who “knows me as a person.”**

**MINNEAPOLIS – Dec. 7, 2023** – Even as American consumers navigate a new retirement reality characterized by market volatility, inflation and recurrent financial crises, the majority of Americans are not employing the guidance of a financial professional to create their strategy, according to the Annual Retirement Study\* from Allianz Life Insurance Company of North America ([Allianz Life](#)).

The study also found that Americans are looking for a financial professional who acts as a partner – not only offering professional advice, but also providing holistic guidance based on a personal understanding of their values and priorities.

The good news for financial professionals is that 88% of Americans say that working with a financial professional would help to ensure they can financially support all the things they want to do in life. There is also very high interest from those not working with a financial professional, but who are open to one, to talk to them about various financial worries, such as how to take distributions from retirement savings for their retirement income (78%), and not having enough money to do all the things they want to do in retirement (75%).

But only 44% of Americans are currently working with a financial professional. That's trending down from 48% in 2022 and 49% in 2021. While the decline in financial professional use cuts across all generations, Millennials saw the steepest drop, falling 10 points in just one year (46% in 2022 to 36% in 2023).

Notably, more Millennials believe working with a financial professional would be helpful than other demographic groups. While 92% of millennials say working with a financial professional would help ensure that they can financially support all the things they want to do in life, 90% of Gen Xers and 81% of Boomers said the same.

### **What do you want to talk about?**

Even among people working with a financial professional, some aren't discussing certain important subjects, including longevity and health care costs. The reasons are various:

- 28% are using other resources to find solutions and 14% are worried the financial professional will just try to sell them something.
- 15% were not aware their financial professional could help them with it, 17% only talk to their financial professional about things the professional brings up, and 20% don't meet regularly enough to talk about these things.
- 23% haven't prioritized finding a solution, 16% feel they may be judged or are too embarrassed, and 10% say professional help is too expensive.

"Financial professionals need to listen to what consumers are saying in this data," says Kelly LaVigne, Vice President of Consumer Insights, Allianz Life. "In the past, playing to your strengths in terms of product selection may have been a winning strategy, but financial professionals need to be clear that they are open to collaboration and solutions outside of what they usually offer. It's about meeting clients where they are, mentally and emotionally, and finding out what keeps them up at night."

### **Consumers want collaboration, but also want to retain control**

Most Americans who are currently or interested in working with a financial professional say they would prefer to collaborate on their strategy and don't want to give up control.

- 57% say they would prefer a financial professional to propose solutions, but they are ultimately making most or all of their financial decisions
- 25% say they are more likely to work with a professional who views their relationship as a partnership or consultation, where they drive the direction of the services provided

"Even though the subject of personal financial planning may feel overwhelming to many Americans, fewer are willing to completely turn it over to someone else than might have been the case in the past," says LaVigne. "People are looking for a true partner, first and foremost."

That also means people want a financial professional who can go beyond just crunching the numbers – they want someone whose advice is based on a deep understanding of them as people. Many Americans say they are more likely to work with a financial professional who is empathic and personal:

- Understanding of my beliefs/values, and is open and knowledgeable about how these may impact my finances (33%).
- Empathic towards my financial struggles and meets me where I am at financially (30%).
- Makes recommendations that reflect my actual life and desires, not some "financial ideal" (39%).
- Knows me as a person (i.e., what bothers me, my particular worries or values) (34%).

“Consumers’ desire for financial advice is as strong as it’s ever been, but financial professionals need to think more broadly about their role,” says LaVigne. “To successfully serve the next generation of clients, financial professionals need to focus on collaboration, flexibility and truly understanding their clients’ values, priorities and concerns.”

**For more information on how financial professionals can respond to the new retirement reality, listen to [“Rebuilding Retirement,” a new podcast series from Allianz Life.](#)**

*Allianz Life conducted the 2023 Annual Retirement Study online survey in February and March 2023 with a nationally representative sample of 1,000 individuals age 25+ in the contiguous U.S. with an annual household income of \$50k+ (single) / \$75k+ (married/partnered) OR investable assets of \$150k.*

*Allianz Life Insurance Company of North America does not provide financial planning services*

### **About Allianz Life Insurance Company of North America**

[Allianz Life Insurance Company of North America](#), one of the Ethisphere World’s Most Ethical Companies®, has been keeping its promises since 1896 by helping Americans achieve their retirement income and protection goals with a variety of annuity and life insurance products. In 2022, Allianz Life provided additional value to its policyholders via distributions of more than \$7.7 billion. As a leading provider of fixed index annuities, registered index-linked annuities and fixed index universal life insurance, Allianz Life is part of Allianz SE, a global leader in the financial services industry with approximately 150,000 employees in more than 70 countries. Allianz Life is a proud sponsor of Allianz Field® in St. Paul, Minnesota, home of Major League Soccer’s Minnesota United.

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