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Financial Advisors' Role in Influencing Social Security Claiming

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Abstract

For millions of Americans, financial advisors are a trusted source of financial and retirement preparation information. This includes providing advice and information on Social Security benefits, a critical component of most Americans' retirement finances. To gain greater insight into what financial advisors say to their clients about Social Security, an online survey of over 400 professional financial advisors was conducted in the Spring of 2011. The results reveal that a majority of advisors believe that they are responsible for educating their clients on the role Social Security will play in their retirement income. Moreover, advisors have the ability to influence their clients' decisions about when to claim their Social Security retirement benefits. Three-quarters advise the majority of their clients on when to claim. In addition, the study finds that the Social Security Administration (SSA) is the leading and preferred source of information and education for financial advisors and their clients. Over half of advisors say it is a *major* source of Social Security-related information, more than any other source. However, advisors are critical of the job SSA does in educating advisors and the public, and are interested in additional resources from the Agency. Financial advisors also indicate that the financial services companies they work with could improve their communication and education efforts as it relates to Social Security. The research findings uncover a need for improved methods of educating and disseminating information to financial advisors and the public on Social Security.

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Executive Summary

In 2009, there were an estimated 334,160 financial advisors operating in the United States.[1] Clearly, financial advisors are a major source of financial advice for American households. Further, they are the most impactful. An in-person meeting with a financial advisor can influence clients more than written material, friends, or television shows. A 2008 survey conducted by Mathew Greenwald & Associates found that 38% of American households had a professional financial advisor.[2] Further, as people get closer to their normal Social Security retirement age, their likelihood of having a financial advisor goes up significantly.

Surveys by Greenwald, Mitchell, Kapteyn and Schneider found that many Americans have low levels of knowledge about Social Security.[3] This can be quite costly. It is clear that many people claim benefits before it is financially optimal to do so. This leads many to have significantly reduced incomes at older ages. Second only to the Social Security Administration (SSA), financial advisors are largely considered a trustworthy resource; seven out of ten Americans call advisors a reliable source of retirement information. Yet, both advisors and Americans at large indicate that there is room for improvement when it comes to how the SSA and financial services companies educate the public. Nearly all Americans believe the SSA should educate people not only about how Social Security works, but about retirement preparation in general.[4] Financial advisors can be a valuable ally to the SSA as it works to improve Americans' understanding of this critical component of their retirement.

[1] Cerrulli Quantitative Update: Advisor Metrics 2010 (http://clients.cerulli.com/Files/pdf/2010-Cerulli_Quant_Update-Advisor_Metrics_Info-Packet.pdf)
[2] 2008 *MoneyTrack* Survey of Consumers by Mathew Greenwald & Associates (www.greenwaldresearch.com)
[3] Findings from the 2010 study "What Do People Know About Social Security" by Mathew Greenwald, Olivia Mitchell, Arie Kapteyn, & Lisa Schneider (http://www.rand.org/pubs/working_papers/WR792.html)
[4] Findings from the 2010 study "What Do People Know About Social Security" by Mathew Greenwald, Olivia Mitchell, Arie Kapteyn, & Lisa Schneider (http://www.rand.org/pubs/working_papers/WR792.html)

In an effort to help Americans make better decisions about when to claim Social Security benefits and therefore help them increase their incomes and financial security in old age, it is important to 1) assess the role financial advisors are now playing in helping educate their clients about Social Security, 2) understand what information sources they are using, and 3) get their viewpoints about what information they would like that would enable them to be more effective. To provide that information, an online survey of over 400 financial advisors was conducted in the Spring of 2010. Advisors represented a variety of channels, ranging from national investment firms (also referred to as wirehouses), such as Merrill Lynch or Morgan Stanley Smith Barney, to life insurance companies, like New York Life or Allstate, to independently owned, local financial services firms.

This study reveals an advisor population that is deeply engaged in educating their clients about Social Security, and is actively providing advice on the "best" age for clients to claim. In fact more than four out of five believe it is part of their job to educate their clients on the role Social Security will play in their retirement finances. Advisors express concern that many of their clients do not make good decisions about Social Security, with many suggesting their clients claim their benefits *too early*. They indicate a desire for improved resources from both the SSA and the financial services companies they work with. Overall, the results of this study provide insight into the state of professional financial advisors' views on Social Security, and can offer guidance on how to help them in their goal of advising their clients on how to use Social Security benefits in the most effective manner.

Introduction and Methodology

Financial advisors have the ability to provide financial information and education to millions of American households, and many focus on advising their clients on retirement preparation. As a critical component of many Americans retirement finances, the authors hypothesized (correctly as the survey indicates) that financial advisors provide their clients with a great deal of information on Social Security and advice on the optimal age to claim Social Security retirement benefits. This study sought to gauge the extent to which professional financial advisors discuss Social Security benefits with their clients, to provide insight into what topics are addressed in these conversations, and what viewpoints they share with their clients with regard to claiming benefits. The study goals were multi-faceted. The results can help the Social Security Administration (SSA) and interested parties better understand what information (or misinformation) is being disseminated to the American public through this channel – a common source of financial information and advice with the outreach and resources to potentially help educate many Americans. The data can shed light on where knowledge gaps exist among both advisors and their clients, and how to address them through improved and collaborative communications, educational materials, and instructive tools.

To accomplish this, the authors developed and fielded a 25-minute online questionnaire examining the prevalence of conversations about Social Security in general, and specifically about how, if at all, advisors help clients determine the best age to claim their retirement benefits. Among the topics were:

- Perceptions of their own understanding of Social Security, both overall and with key elements of the entitlement program;
- Sources of information related to Social Security, and resources provided by advisors' primary financial services company;
- Awareness of current resources available through the Social Security Administration, and interest in additional resources;
- Whether advisors believe that providing advice on Social Security is an important part of their practice;

- How frequently advisors discuss when to claim Social Security retirement benefits with their clients, as well various other aspects of the system; and
- When advisors think their clients *should* claim Social Security, and what factors they consider when making their recommendations.

Just over 400 professional financial advisors participated in the survey (n=406). Financial advisors were selected at random from lists provided by Financial Media Group (FMG), which maintains the industry's most comprehensive database of licensed life insurance professionals and FINRA and SEC licensed professionals in the United States. The advisors surveyed work for a variety of organizations ranging from:

- National investment companies, often called "wirehouses," such as Merrill Lynch, Morgan Stanley Smith Barney or UBS;
- Regional firms, such as LPL, Edward Jones or Raymond James;
- Independently owned and local firms;
- Banks, such as Chase or PNC;
- Insurance companies, such as New York Life or Northwestern Mutual.

These advisors vary in the target audiences that they serve and the financial products that they emphasize to clients. Some provide more retirement advice than others; some focus on investment vehicles, and others on life or annuity products; still others take a more holistic approach to their clients' financial planning. This survey included financial advisors in each of these channels and compared responses across these channels. Responses of advisors of different ages, levels of assets under management, and other characteristics were examined to help pinpoint how different types of educational programs and other interventions can best be targeted.

Independent research firm, Mathew Greenwald & Associates, was responsible for project management and data collection. Advisors were first contacted by telephone, and if they met the survey's criteria, were asked to supply an email address to participate in a 25-minute online survey. Data collection took place from March 25 to May 16, 2011. To qualify for survey participation, the professional financial advisors had to have at least three years of experience, and were required to derive at least $50,000 of their annual personal income from their work as a financial advisor. In addition, clients age 55 or older had to comprise at least 40% of advisors' client base, and advisors were required to regularly provide their client with advice on how much money to accumulate for retirement and how to manage their money once in retirement.

The questionnaire used appears in Appendix B, and summary results and a profile of respondents is presented in Appendix A.

Overview of Survey Results

Nearly nine out of ten professional financial advisors in this study (88%) believe that it is their role to educate their clients about how Social Security will factor into their retirement finances, and three out of four (76%) report that they discuss Social Security with a majority of their clients (41% discuss Social Security with 90% or more of their clientele). Advisors generally feel they are knowledgeable about how Social Security works (93% call themselves at least *somewhat* knowledgeable), and indicate that helping clients with Social Security decisions is an important part of their practice. The most common topic addressed with clients is the solvency of the Social Security system; two–thirds of advisors (66%) cover this topic with a majority of their clients. Most advisors tell their clients they can expect to receive at least a portion of their benefits, and only 1% tell clients to anticipate no benefits from Social Security. These financial advisors also talk to their clients about strategies to maximize their retirement benefit (62%), about the tax implications of earning above certain thresholds while collecting benefits (62%), and about the Retirement Earnings Test (57%). More than half (56%) help clients estimate their and their spouse's benefits, though fewer (46%) say they talk about how survivor benefits work.

Financial advisors are influencing their clients' decisions about when to claim their Social Security retirement benefits. Seventy-five percent of advisors report that they advise a majority of their clients (60% of their clientele or more) on when to claim; more specifically, two-thirds (66%) say they discuss the *best* age to claim. Advisors believe that clients *should* claim their benefits at a median age of 66 years old, which is the current Normal Retirement Age, though they believe most clients actually claim at 65. Only 8% of financial advisors feel that their clients tend to make good decisions about claiming, and 38% think that their clients claim too early. Many (38%) view the decision to delay claiming as a *gamble*, in which an individual trades off fewer years of claiming against a larger monthly benefit once they do claim, with uncertainty regarding life expectancies making the outcome risky. Others (41%) suggest that delaying claiming is more like *saving* money, in which forgoing benefits today leads to higher benefits in the future. Advisors say they take a variety of factors into account when recommending a claiming age, including the existence of other sources of lifetime guaranteed retirement income (93%), the client's health (92%), the client's desired lifestyle in retirement (91%) and the client's age (91%). Notably fewer consider the health and age of their client's spouse (80% each) when advising on the *optimal* claiming age. In addition, six out of ten advisors report using the break-even analysis when helping clients determine the *right* time to claim their Social Security benefits. This is notable, in that SSA no longer uses this approach because it is believed to bias individuals toward earlier claiming of benefits.[5]

The Social Security Administration (SSA) is a leading source of information for financial advisors and their clients. Over half of financial advisors call the Social Security Administration a *major* source of information about Social Security and another four in ten (37%) call it a *minor* source. By comparison, almost one-third of financial advisors (31%) describe their primary financial services company – the company they work for or do the most business with – as a *major* source of Social Security-related information, with an additional 51% calling their primary company a *minor* source. When providing advice on Social Security decisions, advisors are quick to point their clients toward SSA resources. Nine out of ten advisors (91%) say they refer their clients to their Social Security Statements, and another 78% review clients' statements themselves. Two-thirds of advisors refer clients to the SSA website, which most have a positive opinion on as a resource for clients. Although financial advisors seem reliant on SSA for education and information, they are simultaneously critical of the job that SSA is doing. Just 13% offer positive ratings for the job the SSA does in educating financial professionals and 24% *agree* that the SSA does a good job of educating the public on how Social Security works. Only 32% are aware that the SSA has a webpage designed especially for financial professionals.

Only a quarter of advisors surveyed (26%) *agree* that their primary financial services company does a good job providing materials to educate clients about Social Security. Although most (73%) feel financial services companies should have standard messages and materials to address Social Security literacy with their clients, advisors appear even more interested in receiving information directly from the source – from the SSA. Compared to other possible

[5] Brown, Jeffrey R., Arie Kapteyn, and Olivia S. Mitchell. 2011. "Framing Effects and Expected Social Security Claiming Behavior," NBER Working Paper 17018.

resources, such as trade or regulatory associations (65%) or non-profit or academic organizations (52%), more than four out of five advisors (84%) say they would be *extremely* or *very* interested receiving information from the SSA. Their primary companies are a close second, with 82% expressing an interest in materials from the companies they work with most often.

Financial advisors feel a responsibility to help their clients make informed decisions about Social Security. While their target audience may not be inclusive of all Americans, advisors reach, educate, and influence the retirement decisions of thousands of American households, and regularly work with clients to understand the critical role Social Security will play in their retirement finances. Financial advisors are uniquely positioned to inquire about and consider key factors, like health status and household assets, when helping clients select the *optimal* age to claim their Social Security benefits – and in many cases may suggest delayed claiming, working longer, or both. Taken together, the results suggest a need and demand for financial advisors to have better resources to use when educating clients on Social Security and advising them on the *best* age to claim their Social Security retirement benefits. Advisors are heavily reliant on materials from the SSA, even though they consider them to be sub-par, and they indicate that the financial services companies they work with could improve their education programs and materials as well.

Financial Advisors' Knowledge Base

Advisors' Perceived Knowledge of Social Security

Overall, financial advisors feel they are knowledgeable about Social Security and understand several key details of its benefits. Nearly all advisors (93%) say they are knowledgeable about how Social Security works, with 22% describing themselves as *very* knowledgeable and an additional 71% saying they are *somewhat* knowledgeable about how it works. Only 6% feel they are *not too* or *not at all* knowledgeable about how Social Security works. Life insurance agents (34%) are more likely than almost any other type of financial advisor to call themselves *very* knowledgeable about Social Security. Advisors with fewer assets under management (29% of those with AUM under $20 million) are also especially likely to feel they are *very* knowledgeable about how Social Security works (compared to 18% of those with greater AUM).

When it comes to specific elements of the system, virtually all (95%) suggest that they are knowledgeable about how Social Security retirement benefits change based on the age one chooses to claim them, including 44% who feel *very* knowledgeable, and 51% who consider themselves *somewhat* knowledgeable about this topic. More than eight out of ten indicate familiarity with how spousal benefits work, though notably fewer (24%) feel *very* knowledgeable. Only 19% of advisors describe themselves as *very* knowledgeable about the Retirement Earnings Test, though most feel at least *somewhat* knowledgeable about how benefits may be withheld if one claims before the normal retirement age and earns above a certain amount.

Figure 1. How Knowledgeable Advisors Feel about Social Security[6]

How knowledgeable do you feel about the following topic related to Social Security?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
How the Social Security system works						
Very knowledgeable	22%	12%	21%	18%	34%	23%
Somewhat knowledgeable	71	77	73	73	63	72
Not too knowledgeable	6	9	7	9	3	4
Not at all knowledgeable	*	1	--	--	--	--
Not sure	*	1	--	--	--	--
How Social Security retirement benefits change based on the age one chooses to claim them						
Very knowledgeable	44%	38%	46%	43%	42%	52%
Somewhat knowledgeable	51	57	48	50	53	47
Not too knowledgeable	4	4	3	7	5	1
Not at all knowledgeable	1	1	2	--	--	--
Not sure	--	--	--	--	--	--
How spousal benefits work						
Very knowledgeable	24%	14%	24%	18%	29%	30%
Somewhat knowledgeable	61	63	62	59	64	58
Not too knowledgeable	14	20	13	20	7	12
Not at all knowledgeable	1	2	1	2	1	--
Not sure	--	--	--	--	--	--
How the Retirement Earnings Test may impact benefits						
Very knowledgeable	19%	12%	20%	18%	22%	21%
Somewhat knowledgeable	51	48	56	27	55	57
Not too knowledgeable	24	29	18	48	21	17
Not at all knowledgeable	5	11	4	5	2	3
Not sure	1	--	2	2	--	2

Sources of Information

Financial advisors rely on a wide variety of sources for information on Social Security. Advisors' most common sources of information about Social Security are their own research (58% say this is a *major* source of information and 37% say this is a *minor* source) and the Social Security Administration itself (a *major* source for 56% and a *minor* source for 37%).

[6] Throughout the report, an asterisk (*) in Figures represents less than 0.5%, and a dash (--) signifies 0%.

Independent advisors and wirehouse brokers (63% each) are among the most likely to say the Social Security Administration is a *major* source of information.

The internet is also a popular source of information about Social Security, with 46% of advisors describing it as *major* resource for them and 44% calling it a *minor* source. Many advisors also rely on their primary companies for information about Social Security; three in ten (31%) call their primary company – the financial services company they work for or do the most business with – a *major* source of Social Security information, and 51% call it a *minor* source. Without a large financial services employer, it is not too surprising that independent financial advisors are particularly likely to turn to the internet for information about Social Security, as 59% saying it is a *major* source of information about the entitlement program.

Fewer, though still as many as three in four, cite other financial advisors and professionals (16% major, 60% minor), wholesalers (13%, 49%), print and broadcast media (12%, 59%), or other financial services companies (11%, 49%) are *major* or *minor* sources of information about Social Security. Finally, only 6% of advisors say non-profit or academic organizations are a *major* source of information about Social Security, with 35% saying it is a *minor* source of information.

Only one in four financial advisors (26%) *agree* that their primary financial services company does a good job providing materials to help educate clients about Social Security, though the demand is clearly there, as roughly three out of four advisors (73%) believe that financial services companies *should* have standard messages and materials about Social Security benefits. Bank reps (18%) and, as might be expected, independent financial advisors (14%) are among the least likely to agree that their primary company does a good job providing educational materials about Social Security.

Figure 2. Advisors' Sources of Information on Social Security

Is the following a major, minor or not a source of information about Social Security for you as a financial advisor?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
Your own research						
Major source	58%	48%	55%	68%	57%	69%
Minor source	37	47	37	32	36	29
Not a source	5	6	8	--	7	2
The Social Security Administration						
Major source	56%	63%	54%	48%	46%	63%
Minor source	37	32	36	39	48	31
Not a source	7	4	10	14	5	6
Internet						
Major source	46%	49%	38%	48%	37%	59%
Minor source	44	43	47	50	47	36
Not a source	10	8	14	2	15	6
Your primary company						
Major source	31%	33%	40%	16%	43%	13%
Minor source	51	59	43	64	43	54
Not a source	18	8	18	20	14	32
Other financial advisors						
Major source	16%	10%	13%	16%	20%	21%
Minor source	60	59	66	64	60	53
Not a source	24	31	21	20	20	26
Wholesalers						
Major source	13%	14%	19%	5%	12%	12%
Minor source	49	57	48	64	40	43
Not a source	38	29	33	32	48	44
Print and broadcast media						
Major source	12%	12%	10%	14%	19%	7%
Minor source	59	56	59	59	59	60
Not a source	29	32	31	27	22	33
Other financial services companies						
Major source	11%	14%	8%	5%	10%	13%
Minor source	49	42	47	55	53	51
Not a source	40	43	45	41	37	36
Non-profit or academic organizations						
Major source	6%	9%	3%	--	9%	7%
Minor source	35	32	33	39	35	38
Not a source	59	59	64	61	56	56

Figure 3. Feelings about Financial Services Companies' Materials

To what extent do you agree or disagree with the following statement?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
Financial services companies should have standard messages and materials about Social Security benefits						
Strongly agree (5)	32%	29%	30%	32%	38%	30%
4	41	44	43	43	37	39
3	21	19	25	11	22	21
2	4	6	1	7	2	4
Strongly disagree (1)	3	2	1	7	--	6
My primary company does a good job providing materials to help educate clients about Social Security						
Strongly agree (5)	6%	3%	3%	7%	12%	3%
4	20	30	23	11	22	11
3	36	38	41	36	33	34
2	26	22	23	25	24	37
Strongly disagree (1)	11	7	10	20	9	14

According to advisors, the most common tools provided by financial services companies to help their clients make informed decisions about Social Security – each offered by at least four in ten – are calculators to determine benefit amounts (45%), materials for advisors on how to educate their clients (44%), pamphlets or brochures for clients (42%), and calculators to determine the best age to claim benefits (41%). Fewer, but still about three in ten, say their primary company provides training on how to advise clients on Social security issues, through meetings or webinars (37%) or a webpage or website to educate clients (30%). Advisors who are themselves under the age of 40 (47%) are notably more likely than older advisors (34%) to say their primary company provides training on Social Security issues. Life insurance agents are the most likely of any advisor type to say their primary company provides these tools, which may contribute to their increased knowledge of how the system works overall.

Figure 4. Resources Provided by Primary Financial Services Company

Does your primary company provide you with the following to assist you in helping your clients make informed decisions about their Social Security benefits?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
Calculators or worksheets to determine benefit amounts						
Yes	45%	51%	45%	34%	63%	26%
No	38	23	38	43	27	61
Not sure	17	26	16	23	10	13
Materials for advisors on how to educate clients on Social Security issues						
Yes	44%	51%	47%	36%	59%	22%
No	38	24	38	39	26	61
Not sure	18	24	14	25	14	17
Pamphlets or brochures for dissemination to clients						
Yes	42%	44%	46%	30%	55%	27%
No	42	27	41	55	32	62
Not sure	17	29	13	16	13	11
Calculators or worksheets to determine the best age to claim benefits						
Yes	41%	36%	48%	36%	54%	27%
No	41	31	40	45	32	59
Not sure	18	33	12	18	14	14
Training on how to advise clients on Social security issues, through meetings or webinars						
Yes	37%	46%	26%	34%	55%	23%
No	45	31	54	45	31	64
Not sure	18	23	20	20	14	12
A webpage or website to educate clients						
Yes	30%	31%	32%	23%	43%	18%
No	52	49	48	55	40	70
Not sure	18	20	20	23	18	12

Awareness of and Interest in Social Security Administration Resources

A small minority of advisors agree that the Social Security Administration does a good job educating financial professionals about how Social Security works; just 13% rating it a 4 or 5 on a scale of 1 (strongly disagree) to 5 (strongly agree). In contrast, half (51%) suggest that the Agency does not do a good job educating financial professionals. Older advisors – 22% of those age 60 or older – are more inclined to suggest the SSA is doing well in its education efforts, compared to 10% of younger advisors.

Figure 5. Evaluation of SSA's Efforts to Educate Financial Advisors

To what extent do you agree or disagree with the following statement?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealers** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
The Social Security Administration does a good job educating financial professionals about how Social Security works						
Strongly agree (5)	3%	3%	2%	2%	2%	3%
4	10	6	10	18	14	8
3	36	41	25	25	44	40
2	33	32	36	36	27	32
Strongly disagree (1)	18	18	26	18	12	17

Although two out of three advisors (65%) report having visited the Social Security Administration's website, only about one out of three (32%) are aware that the SSA has a website especially for financial planners. The large majority of financial advisors who have been to Social Security's website have a positive opinion of it, with 6% rating it *excellent*, 36% rating it *very good*, and 45% rating it *good*. One out of ten financial advisors (11%) rate the website as *fair* and only 2% rate it as *poor*. Younger financial advisors – under age 40 (74%) – are substantially more likely to say they have visited the SSA website, compared to older advisors (62%), though they are far less likely to have a positive opinion of the site as a resource for financial professionals (39% of advisors under 60 call the SSA website *excellent* or *very good* versus 57% of those age 60 or older).

Figure 6. Awareness, Use and Evaluation of the SSA Website

	Total *(n=406)*	Wirehouse *(n=90)*	Regional Broker/Dealer *(n=91)*	Bank Reps *(n=44)*	Life Insurance Agents *(n=91)*	Ind. Financial Advisors *(n=90)*
Are you aware that Social Security has a website for financial planners?						
Yes	32%	32%	27%	34%	36%	31%
No	62	62	66	64	55	64
Not sure	6	6	7	2	9	4
In your capacity as a financial advisor, have you ever visited the Social Security website?						
Yes	65%	69%	64%	73%	60%	64%
No	32	29	33	25	34	36
Not sure	3	2	3	2	5	--
How would you rate the Social Security website as a source of information for you as a financial advisor?						
	(n=265)	*(n=62)*	*(n=58)*	*(n=32)*	*(n=55)*	*(n=58)*
Excellent (5)	6%	6%	10%	6%	2%	5%
Very good (4)	36	32	34	31	45	36
Good (3)	45	53	33	50	42	48
Fair (2)	11	6	19	13	9	10
Poor (1)	2	2	3	--	2	--

The most common reasons advisors visit the official Social Security website are to gather general information (28%) and to find information on benefits (26%). Seventeen percent each have gone to the website for an estimate of benefits or to research spousal benefits, while 10% have gone to the website to check on a specific issue or do research for their clients. Fewer than one in ten report having accessed the website to stay up-to-date on changes (7%), get contact or administrative information (6%), research disability or Medicare coverage (5%), or to research tax information (3%).

Figure 7. Reasons for Visiting the SSA Website

For what purpose(s) did you visit the Social Security website?	**Total** *(n=256)*	**Wirehouse** *(n=62)*	**Regional Broker/ Dealer** *(n=58)*	**Bank Reps** *(n=32)*	**Life Insurance Agents** *(n=55)*	**Ind. Financial Advisors** *(n=58)*
Gather general information/ educate/do research for myself	28%	35%	26%	31%	18%	29%
Check on benefit information/ eligibility/income limits/decide when to file	26%	31%	24%	16%	22%	31%
Use estimated benefit calculator/ estimate benefits	17%	16%	9%	22%	22%	17%
Research spousal benefits	17%	15%	14%	9%	20%	22%
Check on a specific issue/do research for a client/show client the site	10%	10%	14%	22%	5%	3%
Stay up-to-date with changes in systems/policy	7%	2%	10%	6%	9%	7%
Get contact/administrative information/forms	6%	5%	9%	16%	4%	2%
Research disability/Medicare coverage	5%	6%	5%	--	4%	5%
Research tax information	3%	2%	5%	6%	5%	--
Other	3%	2%	3%	--	5%	2%

Nearly all advisors (97%) say it would be useful if the Social Security Administration provided a webpage designed just for financial advisors to provide information and assistance on how to help their clients on Social Security-related questions and issues; this includes 74% who believe a dedicated website for advisors would be *very* useful.

Figure 8. Interest in SSA Developing a Website Designed for Financial Advisors

	Total (n=406)	Wirehouse (n=90)	Regional Broker/Dealer (n=91)	Bank Reps (n=44)	Life Insurance Agents (n=91)	Ind. Financial Advisors (n=90)
How useful would it be if the Social Security Administration provided a website or a section of its website designed just for financial advisors to provide information and assistance on how to help their clients on Social Security related questions and issues?						
Very useful	74%	79%	78%	64%	66%	79%
Somewhat useful	23	18	20	30	31	20
Not too useful	2	2	1	7	1	--
Not useful at all	*	--	--	--	1	--
Not sure	1	1	1	--	1	1

Overall, advisors are highly interested in receiving information about Social Security from a number of sources listed in the survey, but are most likely to be interested in receiving such information directly from the source. In fact, six in ten (59%) are *extremely* interested in receiving information about the program from the Social Security Administration, with another 25% rating their interest almost as high (a 4 on that scale). A close second, nearly as many would be highly interested in receiving information about Social Security from their primary financial services company (54% are *extremely* interested, with another 27% giving a rating of 4). Accordingly, six in ten (59%) call the Agency the source they are *most* likely to use, followed by 23% who feel they would be *most* inclined to use their primary company's resources. Younger financial advisors (27% of those under age 60) are significantly more likely to call their primary company their preferred resource for Social Security information (compared to just 15% of older advisors).

Financial services trade or regulatory associations are appealing sources of information about Social Security to about two out of three advisors overall, with 65% saying they would be *interested* in receiving information about Social Security from such organizations. Fewer, but still over half say they would be highly interested in receiving information about Social Security from non-profits or academic institutions; three in ten (31%) call themselves *extremely* interested in materials from these types of organizations and 22% provide the next highest rating. Lastly, three in ten (30%) indicate any interest in receiving information about Social Security from other government agencies.

Figure 9. Interest in Receiving Social Security-Related Information from SSA and Other Sources

How interested would you be in having the following groups or organizations provide you with information about Social Security to educate you and your clients?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
The Social Security Administration						
Extremely interested (5)	59%	57%	65%	52%	53%	64%
4	25	30	25	20	32	16
3	12	8	7	18	9	20
2	2	--	2	5	4	--
Not at all interested (1)	2	6	1	5	2	--
Your primary company						
Extremely interested (5)	54%	59%	58%	45%	60%	43%
4	27	26	33	30	26	23
3	11	8	7	16	9	18
2	4	1	--	9	3	8
Not at all interested (1)	4	7	2	--	1	8
Financial services trade or regulatory associations						
Extremely interested (5)	35%	23%	40%	25%	43%	39%
4	30	34	30	36	24	29
3	18	17	15	20	21	19
2	8	12	7	11	4	7
Not at all interested (1)	9	13	9	7	8	7
Non-profit or academic organizations						
Extremely interested (5)	31%	26%	25%	30%	36%	36%
4	22	18	26	18	20	24
3	25	28	25	25	21	26
2	10	12	10	16	7	7
Not at all interested (1)	13	17	13	11	16	8
Another government agency						
Extremely interested (5)	18%	14%	21%	16%	18%	19%
4	13	12	10	16	12	14
3	25	22	25	30	22	28
2	16	16	13	18	21	14
Not at all interested (1)	29	36	31	20	27	24

Figure 10. Source of Information Most Likely to Use for Social Security Information

Which of these would you be most likely to use as a source of information about Social Security?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
The Social Security Administration	59%	58%	54%	66%	46%	73%
Your primary company	23	26	32	16	26	12
Financial services, trade or regulatory associations	9	6	9	9	16	7
Non-profit or academic organizations	5	6	3	7	5	6
Another government agency	*	--	1	--	1	--
Other	3	6	1	2	4	2

Advisors express a high level of interest in each of five types of training or tools specified in the survey. The most popular of these tools are calculators and worksheets to either help determine the best age for clients to claim their benefits or to calculate their benefits at different ages, with 91% and 90% indicating a high level of interest in these tools on a 5-point scale. Just as many (89%) express high interest in general information for clients about how Social Security works. More than four out of five financial advisors would be highly interested in receiving tips on how to discuss Social Security with clients (85%) or training on how to talk to clients about their Social Security benefits (81%).

Figure 11. Interest in Receiving Different types of Materials from SSA

How interested would you be in receiving the following from the Social Security Administration?	Total (n=406)	Wirehouse (n=90)	Regional Broker/ Dealer (n=91)	Bank Reps (n=44)	Life Insurance Agents (n=91)	Ind. Financial Advisors (n=90)
Calculators or worksheets to help determine the best age for clients to claim their benefits						
Extremely interested (5)	71%	69%	75%	73%	65%	77%
4	20	20	21	14	24	17
3	6	7	3	11	5	4
2	2	2	--	2	3	1
Not at all interested (1)	1	2	1	--	2	1
Calculators or worksheets to use with clients to calculate their benefit amount at different ages						
Extremely interested (5)	70%	70%	71%	73%	60%	76%
4	20	20	21	9	29	16
3	7	8	7	11	7	3
2	2	--	--	5	2	3
Not at all interested (1)	2	2	1	2	2	2
General information for clients about how Social Security works						
Extremely interested (5)	65%	61%	70%	61%	63%	66%
4	25	24	21	20	27	28
3	9	10	9	16	8	6
2	1	1	--	--	1	1
Not at all interested (1)	1	3	--	2	1	--
Tips on how to address Social Security issues with clients						
Extremely interested (5)	59%	58%	67%	48%	53%	63%
4	26	29	24	27	31	19
3	10	8	4	18	8	14
2	4	2	2	7	8	2
Not at all interested (1)	2	3	2	--	1	1
Training for advisors on how to talk to clients about their Social Security benefits						
Extremely interested (5)	59%	59%	64%	48%	55%	66%
4	22	22	19	30	23	20
3	12	11	11	16	14	8
2	4	3	3	5	4	3
Not at all interested (1)	3	4	3	2	3	3

When asked to volunteer ideas for what the Social Security Administration should do to help advisors do a better job, the most common suggestions are to provide informational materials to keep them up-to-date (28%) or to provide training or continued education for advisors (22%). Fourteen percent recommend modifying the website, and roughly one in ten recommend providing calculators, spreadsheets, or other easy ways to determine when clients should take their benefits (9%), using language that is easier to understand (9%), and improving communication (8%). Another 8% would like the SSA to provide educational materials and seminars for clients.

Role of the Advisor in Educating Clients

Clients' Understanding of Social Security

Just one-quarter of financial advisors *agree* that the Social Security Administration does a good job of educating the public about how Social Security works (24%), while four out of ten disagree, indicating that they do not believe the Social Security Administration is doing enough to educate the public on the inner-workings of Social Security (40%). Advisors who are 60 or older (33%) are more likely to offer a positive rating for the job the SSA does, compared to younger financial advisors (21%). Perhaps as a result , only one in four advisors believe that their clients actually understand how Social Security works (26% agree with the statement "my clients understand how Social Security works").

Figure 12. Evaluation of SSA's Efforts to Educate the Public and Clients' Understanding of Social Security

To what extent do you agree or disagree with the following statement?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
The Social Security Administration does a good job educating the public about how Social Security works						
Strongly agree (5)	3%	3%	3%	5%	2%	3%
4	21	21	19	23	24	18
3	36	38	31	32	41	37
2	24	24	22	32	23	24
Strongly disagree (1)	16	13	25	9	10	18
My clients understand how Social Security works						
Strongly agree (5)	3%	2%	2%	5%	3%	4%
4	23	27	18	18	21	30
3	47	54	45	48	46	43
2	21	10	31	30	23	16
Strongly disagree (1)	5	7	4	--	7	7

Advisors' Responsibility to Help Clients with Social Security Decisions

The vast majority of financial advisors (88%) feel it is their job to help their clients make informed decisions about their Social Security benefits. Independent financial advisors (93%) are particularly likely to feel this way, especially compared to bank reps (80%). Further, most advisors feel that advising their clients on when to claim Social Security benefits or how Social Security works is an important part of their practice (62% disagree with the statement that these are <u>not</u> important parts of their practice). Wirehouse and regional broker dealers (68% each) tend to be among the most likely to suggest advising clients about when to claim Social Security is important to their practice, while life insurance agents (52%) are least likely to feel this way.

On average, advisors estimate that Social Security benefits will account for about 30% of their pre-retired clients' retirement income. Almost three-quarters (73%) suggest that, for their average client approaching retirement, Social Security will comprise less than 50% of their monthly income in retirement. Wirehouse advisors tend to report that Social Security benefits will account for just 25% of their clients' retirement income, notably lower than others, though not too surprising given that a sizable share of wirehouse brokers' near-retiree clientele has incomes of $150,000 or more. When asked specifically how strongly they agree or disagree with the statement, "For most of my clients who are close to retirement age, Social Security benefits will represent less than 20% of their income when they retire," about four out of ten (38%) agree. Wirehouse brokers are highly likely to agree with this statement (50%). Overall, just three in ten (29%) indicate that Social Security income will comprise more than 20% of their nearly retired clients' income in retirement. Advisors who manage greater asset levels overall (56%) are, not surprisingly, more likely to indicate that Social Security benefits will comprise less than 20% of their clients retirement income, compared to 33% of advisors with lower AUM.

Figure 13. Agreement with Statements about their Role in Educating Client about Social Security

To what extent do you agree or disagree with the following statement?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
Financial advisors should help their clients make informed decisions about their Social Security benefits						
Strongly agree (5)	55%	51%	57%	45%	53%	63%
4	33	38	33	34	31	30
3	10	9	9	14	13	6
2	2	2	1	7	3	1
Strongly disagree (1)	--	--	--	--	--	--
For most of my clients who are close to retiring age, Social Security benefits will represent less than 20% of their income when they retire						
Strongly agree (5)	12%	14%	11%	16%	8%	13%
4	26	36	22	32	25	19
3	33	28	32	25	33	42
2	22	17	29	20	25	18
Strongly disagree (1)	7	6	7	7	9	8
Advising my clients on when to claim Social Security benefits or how Social Security works is not an important part of my practice						
Strongly agree (5)	6%	3%	5%	5%	8%	8%
4	12	12	12	11	12	10
3	20	17	14	25	29	20
2	34	37	37	36	33	29
Strongly disagree (1)	28	31	31	23	19	33

Prevalence of Social Security Conversations

Three-quarters of advisors (76%) report that they discuss the role of Social Security in retirement finances with a majority of their clients approaching retirement (60% or more), including 41% who say they discuss Social Security with virtually all of their clients (90% to 100%). More so than other advisors, more than four out of five independent financial advisors (83%) and regional broker dealers (80%) report having these discussions with at least 60% of their clients. Interestingly, financial advisors with greater experience (34% with 20 or more years) are less likely to say they cover this topic with clients (compared to 50% of those with less than 10 years experience). Many advisors (who report discussing the role of Social Security with at least 10% of their clients) say that they are usually the ones to bring up this topic (47%), or that they and their clients are equally likely to start the discussion (41%). These advisors generally begin talking to their clients about the role of Social Security in their retirement finances at a median age of 55. When left up to the client to raise the issue, however, conversations about Social Security benefits start notably later, at a median age of 60. About half of these advisors (49%) say clients do not usually breach the topic until at least age 60, whereas only 36% of advisors who normally initiate the conversations themselves say they wait until the client is 60.

Figure 14. How Often Advisors Discuss Social Security and Retirement with Clients

With about what percent of your clients approaching retirement do you discuss the role of Social Security in their retirement finances?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
Virtually all of these clients (90%-100%)	41%	37%	47%	36%	32%	52%
A majority of these clients (60%-89%)	34	37	33	25	41	31
About half of these clients (40%-59%)	13	14	11	18	14	9
Some of these clients (10%-39%)	11	12	9	18	10	8
Very few of these clients (0%-9%)	1	--	--	2	3	--

Figure 15. How Conversations about Social Security are Initiated

When it comes to talking about Social Security with your clients, which of the following best describes how the conversation is started?	**Total** *(n=402)*	**Wirehouse** *(n=90)*	**Regional Brokers/Dealers** *(n=91)*	**Bank Reps** *(n=43)*	**Life Insurance Agents** *(n=88)*	**Independent Financial Advisors** *(n=90)*
You usually bring up the topic	47%	52%	46%	47%	45%	44%
Your clients usually bring it up	12	12	9	16	13	12
You and your clients bring it up about equally	41	36	45	37	42	43

As might be expected, two-thirds of advisors surveyed (66%) indicate that they talk to their clients about when to retire, that is, stop working completely in their primary occupation, including one-third who say they discuss this with virtually all of their clients (32% discuss it with at least 90% of their clients). Specific to Social Security, the most commonly discussed topic is the solvency of the Social Security system (66% discuss this with at least 60% of clients, including 38% who discuss it with at least 90% of their clientele). To help them address solvency, younger advisors under age 40 are more likely than their older counterparts to report using materials developed by SSA (41% versus 28%) and materials developed by their primary financial services company (28% versus 11%). Advisors over age 60, in contrast, are more likely to report using articles and other media sources when discussing Social Security solvency with their clients (43% versus 32% younger). In general, most advisors tell their clients they should plan to receive at least a portion of their scheduled benefit. One-third say they tell their clients to expect to receive 100% of their scheduled benefit (33%), and another quarter (24%) suggest clients should plan to expect 50% to 75% of their benefit. Only 1% tell their clients they will receive nothing from Social Security, though three out of ten (30%) say they do not offer their clients a perspective on the likelihood of receiving Social Security benefits. Independent financial advisors (41%) are particularly likely to say the overall message they share with clients is to expect 100% of their scheduled benefit. In addition, advisors who are themselves age 60 or older (47%) are more inclined than younger advisors (27%) to say they tell clients to expect the full scheduled benefit.

Figure 16. How Often Advisors Discuss Social Security Solvency with their Clients

	Total (n=402)	Wirehouse (n=90)	Regional Broker/ Dealer (n=91)	Bank Reps (n=43)	Life Insurance Agents (n=88)	Ind. Financial Advisors (n=90)
With what proportion of clients do you discuss the following specific issue related to Social Security? The solvency of Social Security or likelihood of it being there for them						
With virtually all clients (90%-100%)	38%	34%	46%	28%	36%	40%
60%-89%	28	26	22	30	31	32
40%-59%	20	23	18	19	22	18
10%-39%	10	10	10	16	9	9
With very few (0%-9%)	4	7	4	7	2	1
Which of the following comes closest to the overall message you share with clients when discussing Social Security benefits, given the financial state of the Social Security system?						
100% of their scheduled benefit	33%	32%	31%	23%	32%	41%
About 75% of their scheduled benefit	16	16	14	19	20	12
About 50% of their scheduled benefit	8	9	8	9	9	7
About 25% of their scheduled benefit	2	1	1	7	1	1
None (0%) of their scheduled benefit	1	--	4	2	1	--
Not sure	9	11	11	7	7	10
You do not offer a perspective	30	31	31	33	30	29

More than three out of five advisors (62%) report that they speak with a majority of their clients about strategies for ensuring clients receive the highest possible benefit from Social Security. This includes about one-quarter (24%) who indicate that they discuss such strategies with at least 90% of their clientele. At the same time, an identical share (62%) say that they also speak with most of their clients about how Social Security benefits may be taxed if income reaches a certain threshold after benefits have been claimed. Regional broker dealers and independent financial advisors are among the most likely to talk about both strategies to maximize benefits (31% and 30%) and about tax implications for higher earners (36% and 42%, respectively) with virtually all of their clients. More than half of advisors (57%) say they explain the Retirement Earnings Test (how a portion of their benefits may be withheld if they claim before their full Social Security retirement age and earn income above a certain amount) to at least 60% of their clientele. Bank reps (14%) are less likely than all others to report talking to 90% or more of their clients about the Retirement Earnings Test.

Many financial advisors also report helping clients to understand how to estimate their (and their spouse's) monthly retirement benefit (56%), including nearly three in ten each (27%) who discuss this with nearly all of their clients (at least 90%). By comparison, less than half of advisors surveyed (46%) indicate that they talk to a majority of their clients about how survivor benefits for spouses work with a majority of their clients; just one in five say they have discussed this with at least 90% of their clients (20%). Wirehouse brokers are least likely to report having discussed survivor benefits with nearly all of their clients (90% or more of their clients). Independent financial advisors (28%), life insurance agents (22%), and regional broker dealers (21%) are all more likely than wirehouse brokers (9%) to say they have made a point to have this talk with almost all of their clients.

Figure 17. How Often Advisors Address Various Aspects of Social Security with their Clients

With what proportion of clients do you discuss the following specific issue related to Social Security?	**Total** *(n=402)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=43)*	**Life Insurance Agents** *(n=88)*	**Ind. Financial Advisors** *(n=90)*
When to retire, that is, stop working completely in their primary occupation						
With virtually all clients (90%-100%)	32%	33%	37%	21%	30%	34%
60%-89%	34	38	35	40	27	33
40%-59%	20	16	18	19	24	22
10%-39%	9	9	4	19	11	8
With very few clients (0%-9%)	5	4	5	2	8	2
How their benefits may be taxed if they earn income above a certain amount after they claim benefits						
With virtually all clients (90%-100%)	31%	20%	36%	23%	30%	42%
60%-89%	31	39	30	19	35	26
40%-59%	21	16	21	33	20	22
10%-39%	11	19	10	12	9	8
With very few clients (0%-9%)	5	7	3	14	6	2
How a portion of their benefits may be withheld if they claim before their full Social Security retirement age and earn income above a certain amount, called the Retirement Earnings Test						
With virtually all clients (90%-100%)	29%	29%	30%	14%	31%	34%
60%-89%	28	26	31	33	31	23
40%-59%	20	17	27	19	16	21
10%-39%	16	18	10	21	19	14
With very few clients (0%-9%)	7	11	2	14	3	7
How to estimate their (and their spouse's) monthly retirement benefit						
With virtually all clients (90%-100%)	27%	26%	32%	21%	23%	31%
60%-89%	29	28	32	30	33	24
40%-59%	23	26	18	21	27	24
10%-39%	13	17	10	19	11	11
With very few clients (0%-9%)	7	4	9	9	6	9
Strategies for ensuring they receive as much money as possible in Social Security retirement benefits						
With virtually all clients (90%-100%)	24%	23%	31%	14%	18%	30%
60%-89%	38	41	35	35	47	30
40%-59%	21	16	20	26	18	27
10%-39%	12	13	9	16	13	11
With very few clients (0%-9%)	5	7	5	9	5	2
How survivor benefits for spouses work						
With virtually all clients (90%-100%)	20%	9%	21%	19%	22%	28%
60%-89%	26	29	25	21	35	18
40%-59%	27	36	27	21	19	27
10%-39%	19	18	14	21	20	23
With very few clients (0%-9%)	8	9	12	19	3	4

Financial Advisors as Information Brokers

In advising clients about the role of Social Security in their overall retirement finances, advisors rely heavily on Social Security Administration resources. More than nine out of ten financial advisors (91%) tell their clients to review their annual Social Security Statement, which provides estimates of the benefits individuals can expect to receive, and about eight in ten (78%) report they reviewed their clients' Social Security statements themselves. Regional broker dealers (84%) are more likely than bank reps (67%) to say they reviewed clients' personal Social Security Statements themselves. In addition to statements, two-thirds of advisors (66%) report that they refer clients to the Social Security Administration's website, even though just one-third feel it is a *very good* (29%) or *excellent* (5%) resource for clients. The largest share (46%) describe the website as a *good* resource for clients, while one in five feel it is *fair* or *poor* (21%). Regional broker dealers are especially likely to say they think the website is *fair* or *poor* (29%). Older advisors (49%) are much more likely to offer a positive evaluation of the SSA website, compared to those under age 60 (28%).

Figure 18. Evaluation of the SSA Website as a Resource for Clients

How would you rate the Social Security website as a source of information for your clients?	**Total** *(n=265)*	**Wirehouse** *(n=62)*	**Regional Broker/ Dealer** *(n=58)*	**Bank Reps** *(n=32)*	**Life Insurance Agents** *(n=55)*	**Ind. Financial Advisors** *(n=58)*
Excellent (5)	5%	5%	7%	3%	4%	3%
Very good (4)	29	31	21	22	38	29
Good (3)	46	40	43	56	47	47
Fair (2)	18	23	26	16	7	19
Poor (1)	3	2	3	3	4	2

Figure 19. Steps Taken When Addressing Social Security with Clients

In advising clients about the role of Social Security in their retirement finances, did you...?	**Total** *(n=402)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=43)*	**Life Insurance Agents** *(n=88)*	**Ind. Financial Advisors** *(n=90)*
Review their personal Social Security Statement yourself?						
Yes	78%	79%	84%	67%	74%	81%
No	20	19	16	30	24	17
Not sure	2	2	--	2	2	2
Ask them to review their annual Social Security Statement?						
Yes	91%	93%	89%	88%	91%	92%
No	8	6	11	7	8	8
Not sure	1	1	--	5	1	--
Use a worksheet, spreadsheet or calculator to help determine how much money they should accumulate for retirement?						
Yes	78%	74%	86%	74%	75%	79%
No	20	26	14	21	20	20
Not sure	2	--	--	5	5	1
Use a worksheet, spreadsheet or calculator to determine when they should claim their Social Security benefits?						
Yes	51%	54%	62%	44%	42%	50%
No	46	44	34	49	56	48
Not sure	3	1	4	7	2	2
Provide advice on when to claim their Social Security benefits?						
Yes	75%	78%	82%	67%	63%	82%
No	21	19	14	28	35	13
Not sure	3	3	3	5	2	4
Refer clients to the Social Security Administration's website?						
Yes	66%	71%	58%	72%	69%	62%
No	31	26	42	23	28	33
Not sure	3	3	--	5	2	4

More than three-quarters of advisors (78%) use a worksheet, spreadsheet, or calculator to help determine how much money clients should accumulate for retirement in general, though remarkably fewer (51%) report using this type of tool to help clients determine when they should claim their Social Security benefits. Regional broker dealers are also especially likely to report using a worksheet, spreadsheet, or calculator to determine when clients should claim their Social Security benefits (62% vs. 42% of life insurance agents).

Despite their relatively low assessment of the Social Security Administration's job in educating the public, materials developed by the SSA are used by a large number of advisors when addressing specific Social Security-related topics with clients. Advisors' secondary source of information and materials is generally their primary financial services company – the company they work for or do the most business with. With one exception, advisors rarely use information from the media, materials developed by non-profits or associations, and very few develop their own materials for clients.

This pattern is clearly evident when it comes to the resources advisors say they use when providing information to clients about how to estimate their (and their spouse's benefits). More than two-thirds of advisors who discuss Social Security with their clients (68%) provide or suggest that clients reference materials developed by the Social Security Administration if interested in this topic, while just 23% use materials developed by their primary company when helping clients estimate their benefits. In stark contrast, only 6% report using media resources to inform clients on this topic, 3% use materials developed by non-profits, and just 3% have created their own materials to share with clients. The same pattern exists when it comes to materials and information advisors provide to clients when it comes to explaining survivor benefits (67% use SSA materials, 20% use company materials), the Retirement Earnings test (58% use SSA materials, 22% use company materials), or how benefits may be taxed for higher income earners (53% use SSA materials, 26% use company materials).

Not too surprisingly, advisors are less likely to use SSA materials when talking to their clients about when to retire from their primary occupation. Just 37% use SSA resources to cover this topic with clients, while 36% use materials developed by their primary financial services company. Advisors are also less reliant on SSA materials when it comes to addressing strategies for ensuring their clients receive the highest possible benefit from Social Security. Just over four in ten (44%) use SSA materials to talk to clients about how to maximize their Social Security benefits, while over a quarter (26%) use materials from their primary company.

Resources used to explain the solvency of the Social Security system to clients differ. In this case, the largest share – one-third of advisors (34%) – suggest that they seek out information on this topic through articles or other information from the media. A very close second, another three in ten (31%) consult materials developed by the SSA. Half as many (15%) report using materials from their primary company to help cover the solvency issue with clients, and only 5% provide or suggest that clients get information from non-profits or associations.

Figure 20. Materials When Educating Clients on Social Security-Related Topics

What types of materials or information do you typically provide to clients or suggest that they obtain when it comes to the following aspect of Social Security?	**Total**	**Wirehouse**	**Regional Broker/ Dealer**	**Bank Reps**	**Life Insurance Agents**	**Ind. Financial Advisors**
How to estimate their (and their spouse's) monthly retirement benefit						
	(n=373)	*(n=86)*	*(n=83)*	*(n=39)*	*(n=83)*	*(n=82)*
Materials developed by SSA	68%	63%	72%	72%	65%	68%
Materials developed by your primary financial services company	23	23	27	18	28	15
Materials developed by your other financial services companies	14	14	10	21	13	16
Articles or other information from the media	6	3	2	15	8	4
Materials developed by you personally	3	2	4	8	1	4
Materials developed by non-profits or associations	3	3	--	3	2	5
Something else	10	10	10	10	7	12
How survivor benefits for spouses work						
	(n=368)	*(n=82)*	*(n=80)*	*(n=35)*	*(n=85)*	*(n=86)*
Materials developed by SSA	67%	67%	70%	69%	66%	64%
Materials developed by your primary financial services company	20	17	28	14	25	13
Materials developed by your other financial services companies	16	20	15	29	9	16
Articles or other information from the media	8	9	8	14	9	6
Materials developed by non-profits or associations	4	2	3	6	4	6
Materials developed by you personally	3	2	3	9	1	2
Something else	9	10	6	6	8	13

What Advisors Say About Claiming

How Advisors Help Clients Make the Claiming Decision

Three out of four financial advisors (75%) report that they advise their clients on when to claim their Social Security benefits. Among independent financial advisors and regional broker dealers (82% each), the share providing advice on when to claim exceeds eight out ten, while among bank reps (67%) and life agents (63%), the share is closer to two-thirds. More specifically, two-thirds of all advisors surveyed (66%) indicate that they advise clients on the *best* age to claim Social Security benefits. Advisors tend to believe clients *should* claim at a median age of 66. In fact, nearly four in ten (38%) feel that most their clients claim too early, while half (52%) feel their clients tend to claim at about the right time. Only 3% believe their clients claim their benefits too late. Advisors with at least 20 years of experience (64%) tend to think clients claim at the right time (compared to 46% of those with less experience). Conversely, those with less than 20 years experience are more likely to say clients claim too early (44% versus 29% with more experience). Despite what they may think clients *should* do, most advisors say their clients tend to actually claim their Social Security benefits at a median age of 65 (before the full retirement age for most of today's near-retirees).

Figure 21. Number of Advisors Who Provide Advice on When Clients Should Claim Social Security

In advising clients about the role of Social Security in their retirement finances, did you…?	**Total** *(n=402)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=43)*	**Life Insurance Agents** *(n=88)*	**Ind. Financial Advisors** *(n=90)*
Provide advice on when to claim their Social Security benefits?						
Yes	75%	78%	82%	67%	63%	82%
No	21	19	14	28	35	13
Not sure	3	3	3	5	2	4
With what proportion of clients do you discuss the following specific issue related to Social Security? The best age to claim Social Security benefits						
With virtually all clients (90%-100%)	31%	32%	40%	23%	26%	31%
60%-89%	35	33	35	35	32	38
40%-59%	20	19	14	26	28	18
10%-39%	10	10	9	9	11	11
With very few clients (0-9%)	3	6	2	7	2	2

Figure 22. Advisors' Opinion of When their Clients Claim Social Security

	Total *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
In general, do you feel that most of your clients claim their Social Security benefits…						
Too early	38%	46%	33%	41%	38%	36%
Too late	3	4	2	7	2	1
At about the right time	52	44	54	45	55	58
Not sure	7	6	11	7	4	6

When helping clients determine the *best* age to claim their Social Security retirement benefits, half of advisors (51%) use resources developed by the SSA, and three in ten (29%) use resources available through their primary financial services company. Far fewer use information provided by the media (12%) or consult materials developed by non-profits or associations (4%). Perhaps an indication of the quality of these resources, just 8% of financial advisors *strongly agree* that their clients tend to make *good* decisions about when to claim their Social Security benefits. In total, fewer than half (46%) indicate any agreement with the statement that most clients make good decisions about Social Security.

Figure 23. Materials Used When Determining the Best Age for a Client to Claim

What types of materials or information do you typically provide to clients or suggest that they obtain when it comes to the following aspect of Social Security?	**Total** *(n=388)*	**Wirehouse** *(n=85)*	**Regional Broker/ Dealer** *(n=89)*	**Bank Reps** *(n=40)*	**Life Insurance Agents** *(n=86)*	**Ind. Financial Advisors** *(n=88)*
Determining the best age to claim Social Security benefits						
Materials developed by SSA	51%	51%	48%	55%	55%	48%
Materials developed by your primary financial services company	29	35	35	33	35	11
Materials developed by your other financial services companies	17	16	22	20	9	17
Articles or other information from the media	12	11	10	20	14	10
Materials developed by you personally	9	11	7	10	3	14
Materials developed by non-profits or associations	4	2	1	10	6	5
Something else	12	7	15	8	8	22

Figure 24. Agreement that Clients Tend to Make "Good" Claiming Decisions

To what extent do you agree or disagree with the following statement?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
Most of my clients make good decisions about when to claim Social Security benefits						
Strongly agree (5)	8%	6%	5%	7%	8%	12%
4	39	47	38	27	37	38
3	41	34	42	48	43	43
2	11	13	10	18	9	7
Strongly disagree (1)	2	--	4	--	3	--

Methods and Strategies for Deciding When to Claim

Half of advisors (52%) suggest that the optimal age to claim Social Security benefits depends on too many factors to provide a general response about what clients *should* do. Nine out of ten believe that it is important to consider the client's age (91%) and health (92%) when suggesting an optimal claiming age. However, the factor advisors indicate is the most important to consider is the existence of other sources of guaranteed income in retirement (93% call this important). Advisors also place a high level of importance on their clients' current level of household assets (90%) and their desired lifestyle in retirement (91%).

More than four out of five advisors (86%) indicate that it is important to consider what the client's benefit amount is projected to be, and somewhat fewer (76%) think it is important to consider their clients' current tax liability when helping to determine the *best* age to claim Social Security retirement benefits. Fully eight out of ten advisors believe that, when advising a client on when to claim their Social Security benefits, it is important to consider not only the client's age and health, but also the client's spouse's age and health (80% rate each as an important consideration).

The vast majority of advisors believe it is important to take a client's employment plans into account when advising them on the *best* age to claim their Social Security retirement benefits. Eighty-eight percent of advisors suggest it is important to consider whether a client wishes to continue working. In fact, nearly six in ten advisors (57%) say they explain that claiming benefits and stopping work can be two totally separate events to a majority of their clients (at least 60%), and an even greater number – more than two-thirds (68%) – say they have recommended that clients work longer in order to receive a higher monthly benefit.

Figure 25. Importance of a Variety of Factors When Determining When a Client Should Claim

How important is it to consider the following factors when suggesting an age at which your client should claim their Social Security retirement benefits?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
The existence of other sources of guaranteed income in retirement						
Extremely important (5)	74%	74%	76%	77%	74%	72%
4	19	17	20	14	22	20
3	5	8	4	5	3	7
2	1	1	--	5	--	1
Not at all important (1)	*	--	--	--	1	--
Client's health						
Extremely important (5)	69%	70%	71%	64%	71%	67%
4	22	19	21	27	20	28
3	6	9	3	7	8	3
2	2	2	3	2	1	2
Not at all important (1)	*	--	1	--	--	--
Client's age						
Extremely important (5)	64%	64%	73%	50%	66%	60%
4	27	22	23	25	27	37
3	7	12	3	20	4	3
2	1	1	1	5	1	--
Not at all important (1)	*	--	--	--	1	--
Level of household assets						
Extremely important (5)	63%	67%	65%	59%	62%	61%
4	27	23	29	30	27	28
3	7	6	5	7	8	8
2	3	4	1	2	2	3
Not at all important (1)	*	--	--	2	1	--
Client's desired lifestyle in retirement						
Extremely important (5)	61%	61%	64%	59%	64%	56%
4	30	30	27	25	29	36
3	7	8	9	11	7	4
2	2	1	--	5	1	3
Not at all important (1)	*	--	--	--	--	1
Whether or not the client wishes to continue working						
Extremely important (5)	60%	63%	68%	48%	56%	57%
4	29	28	24	39	31	27
3	9	7	7	14	11	11
2	2	2	1	--	1	3
Not at all important (1)	1	--	--	--	1	2

Figure 25 (continued). Importance of a Variety of Factors When Determining When a Client Should Claim

How important is it to consider the following factors when suggesting an age at which your client should claim their Social Security retirement benefits?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
How much their monthly benefit will be						
Extremely important (5)	54%	54%	60%	48%	54%	51%
4	32	30	30	25	35	37
3	10	12	9	14	5	11
2	3	3	1	11	5	--
Not at all important (1)	*	--	--	2	--	1
Client's spouse's health						
Extremely important (5)	52%	48%	55%	55%	58%	48%
4	27	28	24	25	27	31
3	15	17	16	9	13	16
2	4	7	3	9	1	4
Not at all important (1)	1	1	1	2	--	1
What Social Security says is their "full retirement age"						
Extremely important (5)	50%	52%	545	41%	49%	49%
4	29	27	27	25	30	32
3	15	13	14	16	16	16
2	4	4	4	9	2	1
Not at all important (1)	3	3	--	9	2	2
Client's spouse's age						
Extremely important (5)	43%	41%	48%	30%	49%	40%
4	37	37	34	39	33	42
3	14	17	13	18	13	11
2	5	6	3	11	4	4
Not at all important (1)	1	--	1	2	--	2
Client's current tax liability						
Extremely important (5)	43%	37%	46%	43%	49%	40%
4	33	34	36	25	33	32
3	14	19	8	20	12	14
2	7	9	8	7	4	9
Not at all important (1)	2	1	2	5	1	4

Figure 26.Frequency of Discussing Retirement and Claiming as Separate Events

How often do you address the following with clients in order to help them determine when they should claim their Social Security benefits?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
Claiming benefits and stopping work can be two totally separate events						
With virtually all clients (90%-100%)	29%	29%	27%	25%	32%	31%
60%-89%	28	34	31	18	26	26
40%-59%	18	17	16	23	20	19
10%-39%	12	13	13	20	5	13
With very few clients (0%-9%)	12	7	12	14	16	11

Recommending Delayed Claiming

Despite discussions about how these events do not need to coincide, more advisors suggest claiming Social Security retirement benefits at the same time clients stop working than suggest clients delay. Three-quarters of the advisors surveyed (76%) say that they have recommended that a client claim their benefits at the same time that they stop working full-time. Financial advisors who are age 60 or older (85%) are more likely to report suggesting that clients stop working and claim benefits simultaneously (compared to 74% of younger advisors). By comparison, sixty percent of advisors – still a healthy majority – say that they have recommended that a client delay claiming their Social Security benefits after they stop working in order to receive a higher benefit. (This may be because “delaying” claiming for a higher benefit is typically equated with working longer).

Figure 27. Whether Advisors Ever Recommend Delaying Claiming

When advising clients on when to claim their Social Security benefits, have you ever recommended that a client…?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
Claim benefits at the same time that they stop working full-time						
Yes	76%	78%	80%	64%	64%	87%
No	16	16	10	27	24	10
Not sure	8	7	10	9	12	3
Delay claiming their Social Security benefit after they stop working full-time in order to receive a higher benefit						
Yes	60%	68%	58%	55%	53%	63%
No	33	26	29	41	41	36
Not sure	7	7	13	5	7	1
Claim their Social Security benefits as early as possible, even if they continue to work						
Yes	29%	22%	34%	34%	31%	24%
No	65	70	58	57	63	71
Not sure	7	8	8	9	7	4

Asked which of three possibilities best describes their perspective on the decision to delay claiming – as a *gamble*, as a way of buying *insurance*, or as a way to *save* money – advisors express dichotomous views. Four in ten (41%) feel that the decision to delay claiming Social Security benefits is like *saving* money because clients are giving up money today in order to receive a larger monthly income later in life. Nearly as many (38%), however, suggest that they view the decision to delay claiming as a *gamble* in that, if clients live beyond their life expectancy they will “win” the gamble and receive more in Social Security benefits. The remaining two in ten (21%) tend to believe that the decision to delay claiming is more like buying insurance because delaying will yield a higher monthly income guaranteed for life, which will provide greater protection against running out of money in old age. Interestingly, insurance agents are no more or less likely to select this option as the one that most closely represents their viewpoint.

Figure 28. Advisors' Viewpoints on the Claiming Decision

Which one of the following do you think is the best way of describing the decision to delay claiming to clients?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
The decision to delay claiming is like saving money. You give up income today in order to receive a larger monthly income later in life	41%	39%	40%	41%	35%	49%
The decision to delay claiming is a gamble. If you live longer than your life expectancy, you will "win" the gamble and get more in Social Security benefits	38	37	41	41	40	34
The decision to delay claiming is like buying insurance because delaying will yield a higher monthly income guaranteed for life. This provides greater protection against running out of money in old age	21	24	20	18	25	17

A majority of advisors indicate that, when advising clients on when they should claim their Social Security benefits, they discuss how Social Security provides a guaranteed stream of income for life (58% address this with 60% or more of their clients). Far fewer, though, explain the insurance value of benefits – that a larger Social Security benefits is a good way to insure against outliving their assets (39% mention this to 60% or more of their clients). About half (46%) emphasize that Social Security benefits are adjusted for inflation, while many other assets are not. Older financial advisors are more likely than their younger counterparts to say they highlight the inflation (31% versus 19%) and annuity (50% versus 32%) benefits of Social Security with a majority of their clients.

Figure 29. Messages about Social Security that Advisors Share with Clients

How often do you address the following with clients in order to help them determine when they should claim their Social Security benefits?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
Social Security provides a guaranteed stream of income for life						
With virtually all clients (90%-100%)	36%	34%	36%	30%	34%	42%
60%-89%	22	27	23	14	25	18
40%-59%	18	19	18	20	18	17
10%-39%	9	10	8	11	12	7
With very few clients (0%-9%)	15	10	15	25	11	17
Social Security benefits are adjusted for inflation, and many other assets are not						
With virtually all clients (90%-100%)	22%	24%	26%	23%	18%	19%
60%-89%	24	29	20	23	23	26
40%-59%	21	22	20	11	26	19
10%-39%	15	11	18	20	12	17
With very few clients (0%-9%)	18	13	16	23	21	20
A larger Social Security benefit is a good way to insure against outliving your assets						
With virtually all clients (90%-100%)	17%	19%	19%	16%	18%	16%
60%-89%	21	26	15	16	19	29
40%-59%	23	23	27	23	24	19
10%-39%	17	19	18	16	16	14
With very few clients (0%-9%)	21	13	21	30	23	22

Although reportedly abandoned by the Social Security Administration as a method of advising beneficiaries on when to claim their benefits, many financial advisors continue to use the "Break-Even Analysis" to advise their clients about when to claim (57% report using this technique with at least 40% of their clients). Furthermore, more than half (55%) rate this as an *excellent* or *very good* way to help clients determine when they should claim their Social Security benefits. SSA staff have expressed concern that the break-even age approach fails to discuss the protections Social Security benefits provided if the individual lives to an unexpectedly long age.

Figure 30. Use and Views of the Break-Even Analysis

How often do you use the Break-Even Analysis with your clients?	**Total** (n=406)	**Wirehouse** (n=90)	**Regional Broker/ Dealer** (n=91)	**Bank Reps** (n=44)	**Life Insurance Agents** (n=91)	**Ind. Financial Advisors** (n=90)
Virtually all clients (90%-100%)	9%	11%	11%	--	5%	13%
A majority of clients (60%-89%)	24	33	25	25	16	22
About half of clients (40%-59%)	23	18	20	25	27	27
Some clients (10%-39%)	21	18	21	27	27	13
Very few clients (0%-9%)	23	20	23	23	23	24

How would you rate the Break-Even Analysis as a way to help clients determine when they should claim their Social Security benefits?	**Total** (n=406)	**Wirehouse** (n=90)	**Regional Broker/ Dealer** (n=91)	**Bank Reps** (n=44)	**Life Insurance Agents** (n=91)	**Ind. Financial Advisors** (n=90)
Excellent	14%	18%	18%	9%	8%	16%
Very good	41	43	42	34	48	32
Good	34	31	30	45	32	38
Fair	9	7	5	9	10	14
Poor	2	1	5	2	2	--

Advisors in this survey were asked to consider five hypothetical scenarios and select one of three strategies that they would be most likely to suggest in each situation. In summary, the strategies offered as options were: *(1) People should claim Social Security retirement benefits as soon as they can, at age 62, even if they keep working; (*2) *People should claim Social Security benefits when they stop working full-time at some point after age 62;* and *(3) People should delay claiming Social Security benefits as long as they can, regardless of when they stop working.* Advisors were then asked to read brief descriptions of five 62-year olds' households.

Based on the strategies recommended in these hypothetical situations, a client's health appears to be a leading driver in the approach advisors' take to determining optimal Social Security claiming ages. For example, in one case where the hypothetical clients' health was *excellent*, 60% of advisors prefer the third strategy (delay as long as possible). However, when shown a similar hypothetical client in *poor* health, six in ten (60%) suggest the first approach to claiming (claim as soon as you can). The second factor that appears to be heavily influencing advisors' recommendations for claiming is the desired retirement age of the client. In examples, where the hypothetical client was in *average* or *excellent* health, but stated they wished to stop working at age 62 or "as soon as possible," far fewer advisors suggest delaying claiming for as long as possible (20% and 19%, respectively) and the largest number recommend the second strategy (stopping work and claiming at the same time). By comparison, in a scenario with a comparable client in *average* health who indicates that she plans to work until age 66, half of advisors (49%) suggest she delay as long as possible and 44% recommend that she retire and claim Social Security benefits at the same time. Taken together, clients' health and desire to continue working have a clear impact on what advisors suggest their clients do with regards to claiming Social Security retirement benefits. In addition, it should be noted that only 3% of advisors suggest clients claim as soon as possible in all five hypothetical scenarios. In only one of the scenarios – a man in excellent health with assets of $700,000 and a working wife who intends to work until age 66 – did a majority of advisors choose the strategy of delaying retirement.

Figure 31. Claiming Strategies Advisors Would Suggest in Hypothetical Situations

If the following type of person came to you at age 62 seeking advice about when to claim Social Security benefits, which strategy are you most likely to suggest?	**Total** *(n=406)*	**Wirehouse** *(n=90)*	**Regional Broker/ Dealer** *(n=91)*	**Bank Reps** *(n=44)*	**Life Insurance Agents** *(n=91)*	**Ind. Financial Advisors** *(n=90)*
A woman in poor health, earning $100,000 a year, with a retired husband who gets $2,000 a month from Social Security, and investable assets of $700,000						
Strategy 1 (Claim as soon as can)	60%	53%	60%	66%	62%	60%
Strategy 2 (Claim when stop working)	34	38	35	30	33	31
Strategy 3 (Delay as long as can)	7	9	4	5	5	9
A man who is in average health, earning $50,000 a year, with a wife earning $40,000 a year, who plans on working until age 62, and has investable assets of $800,000						
Strategy 1 (Claim as soon as can)	32%	32%	33%	36%	34%	27%
Strategy 2 (Claim when stop working)	48	47	49	52	46	46
Strategy 3 (Delay as long as can)	20	21	18	11	20	28
An unmarried woman in excellent health, earning $80,000 a year, who hopes to retire as soon as possible, and has investable assets of $700,000						
Strategy 1 (Claim as soon as can)	28%	27%	23%	45%	32%	23%
Strategy 2 (Claim when stop working)	52	56	54	36	49	58
Strategy 3 (Delay as long as can)	19	18	23	18	19	19
A woman who is in average health, earning $75,000 a year, with a husband earning $60,000 a year, who plans to work until age 66, and has investable assets of $700,000						
Strategy 1 (Claim as soon as can)	8%	9%	4%	14%	7%	8%
Strategy 2 (Claim when stop working)	44	43	47	45	46	38
Strategy 3 (Delay as long as can)	49	48	48	41	47	54
A man who is in excellent health, earning $75,000 a year, with a wife earning $60,000 a year, who plans to work until age 66, and has investable assets of $700,000						
Strategy 1 (Claim as soon as can)	6%	10%	2%	14%	5%	4%
Strategy 2 (Claim when stop working)	33	31	42	32	31	31
Strategy 3 (Delay as long as can)	60	59	56	55	64	64

Discussion and Conclusions

For many Americans, financial advisors constitute a principal source of information regarding Social Security and retirement, and in particular, the decision of when to claim Social Security benefits. Little is known, however, regarding the advice that financial advisors proffer, the criteria advisors use in forming this advice, and how the advice matches up with academic research regarding Social Security and retirement. This survey of over 400 financial advisors, working through a variety of organizations, was designed to gather information on advisors' own views of their knowledge level regarding Social Security claiming decisions, the principal sources they rely upon to buttress their knowledge, their views regarding educational resources available through the Social Security Administration (SSA) and the financial services companies they work with, and the priority they place upon advising clients on Social Security and retirement decisions.

The vast majority of financial advisors regard themselves as at least *somewhat* knowledge regarding the Social Security program, and similar numbers take a role in educating their clients regarding Social Security. However, much of the focus of advisor-client discussion has been on Social Security's solvency, an issue that is often in the news but which has relatively little practical influence on those near retirement, both because the program's projected insolvency is several decades away and because most reform plans designed to restore longer-term solvency exclude current and near-retirees from major changes to benefits. The survey results suggest it may be worthwhile to develop consistent messages and materials for financial advisors to use to address solvency with their clients, to help curb the distraction this topic causes, and re-focus conversations on the financial and personal factors that should be considered when making the Social Security claiming decision.

However, financial advisors do report speaking with their clients regarding more practical issues such as how the timing of retirement affects monthly and lifetime benefit amounts, how retirement benefits may be subject to income taxes, and how early retirees who continue to work may find their benefits reduced through the Retirement Earnings Test. More than half of advisors report helping clients and their spouses estimate their retirement benefits, a crucial step in helping individuals determine whether retirement is practical at a desired time. Spousal and survivor benefits are less frequently addressed, and some advisors fail to take a spouse's health and age into consideration when determining a client's optimal claiming age. It appears many advisors still approach Social Security claiming as an individual decision rather than a household decision.

Most advisors report providing specific advice regarding when to claim benefits, with most advisors telling clients to claim around the Normal Retirement Age, currently 66. This highlights how the so-called "framing effect" of the Normal Retirement Age can alter retirement behavior.[7] In other regards, however, financial advisors' treatment of the Social Security claiming decision fails to reflect the most recent research in the area. For instance, most advisors continue to rely upon the so-called "break-even age" approach to illustrating claiming decisions, in which an individual who chooses to delay claiming benefits is told the age he must survive to in order to "break even" and receive higher lifetime benefits. However, economists believe this viewpoint is flawed in that it ignores the insurance value of a higher Social Security benefit, which protects the individual from the risk of running out of money in old age. For this reason, the SSA no longer relies upon the "break-even age" approach and provides more information on the insurance value of delaying benefits. Furthermore, many advisors view the decision to delay benefit claiming as a "gamble," in which the client must hope that higher monthly benefits over a shorter retirement period outweigh what he could receive through lower benefits claimed at an earlier age. Again, there is evidence that conceptualizing the decision as a "gamble" is not conducive to optimal decisions about when to claim Social Security benefits. It seems advisors would benefit from new and more effective approaches to the claiming decision from both the SSA and the companies they work with.

Over time, the material produced by the SSA may come to be more widely understood and utilized by financial advisors. The SSA's changes to educational material have been made only in

[7] For instance, see Behaghel, Luc and Blau, David M., Framing Social Security Reform: Behavioral Responses to Changes in the Full Retirement Age. IZA Discussion Paper No. 5310.

recent years and financial advisors' current practices reflect approaches that the Social Security Administration has used for decades. This is particularly likely given the leading role that the Social Security Administration plays in providing information for financial advisors and their clients. Over half of financial advisors call the SSA a major source of information about Social Security, and nine out of ten advisors point their clients toward SSA as an additional source of information. Ninety-one percent of advisors say they discuss the Social Security Statement with their clients, and 78% review clients' statements themselves.

However, financial advisors also believe that the SSA could do a better job in providing financial advice, with just 13% offering positive ratings on SSA's material for educating financial advisors and only 24% agreeing that the SSA does a good job of educating the public. Only one-third of advisors are aware that the SSA has a webpage designed especially for financial professionals. Given the new educational material Social Security has produced, outreach to financial advisors could generate greater awareness of resources available both to financial advisors and their clients. This is especially important given that recent field experiments have shown that modest, low-cost provision of additional information on Social Security could have significant effects on benefit claiming and labor force participation decisions.[8] Advisors also believe that the financial services companies that they work for could do more to help. These companies are the second most relied upon source of information for financial advisors. Three-quarters believe these companies need standard messages and materials on Social Security issues for them to use with clients, and eight in ten express an interest in additional resources.

The overall results indicate that financial advisors have a basic understanding of the Social Security program and the issues involved when individuals make decisions with regard to claiming benefits and leaving the workforce. However, all parties – financial advisors, the financial services firms they work with, and the SSA – could improve their efforts to help near-

[8] Liebman, Jeffrey B. and Erzo F.P. Luttmer. Would People Behave Differently If They Better Understood Social Security? Evidence From A Field Experiment." National Bureau of Economic Research Working Paper 17287. August 2011

retirees understand a number of subtle, but important, issues that could influence their decisions regarding work, retirement and Social Security benefits.

Appendices

Appendix A: Profile of Respondents

Figure 32. Profile of Respondents

	Total *(n=406)*	Wirehouse *(n=90)*	Regional Broker/ Dealer *(n=91)*	Bank Reps *(n=44)*	Life Insurance Agents *(n=91)*	Ind. Financial Advisors *(n=90)*
Years of Experience						
3 to 4 years	6%	12%	3%	9%	2%	4%
5 to 9 years	24	30	25	36	10	24
10 to 19 years	36	43	44	34	25	31
20 years or more	34	14	27	20	63	40
Top Reported Designations and Credentials						
Series 7	70%	84%	82%	91%	34%	69%
Series 63	69%	58%	71%	77%	69%	73%
Series 65 or 66	67%	82%	73%	89%	36%	64%
Registered Investment Advisor	20%	10%	19%	23%	15%	33%
Certified Financial Planner (CFP)	18%	19%	22%	20%	3%	29%
Certified Life Underwriter (CLU)	12%	6%	7%	7%	26%	10%
Chartered Financial Consultant	10%	4%	4%	2%	22%	11%
Advisors' Pre-Tax Annual Income from Financial Advisor Work						
$50,000 to $74,999	18%	10%	19%	32%	24%	14%
$75,000 to $99,999	23	22	25	18	21	27
$100,000 to $124,999	16	16	20	16	16	11
$125,000 to $149,999	8	9	10	7	5	7
$150,000 to $199,999	14	13	11	9	19	14
$200,000 or more	21	30	15	18	14	27
Advisors' Age						
Under 30	2%	2%	4%	5%	--	2%
30 to 39	19	23	16	30	12	20
40 to 49	23	36	25	27	13	18
50 to 59	21	10	21	20	31	23
60 to 69	21	14	19	7	33	26
70 or older	4	3	4	--	5	4

Figure 33. Advisors and their Clientele

	Total (n=406)	Wirehouse (n=90)	Regional Broker/ Dealer (n=91)	Bank Reps (n=44)	Life Insurance Agents (n=91)	Ind. Financial Advisors (n=90)
Assets Under Management						
Less than $10 million	13%	2%	2%	9%	35%	16%
$10 to $19 million	16	4	13	14	23	24
$20 to $49 million	27	21	45	18	16	31
$50 to $99 million	20	28	25	27	9	17
$100 million or more	15	37	11	25	2	7
Number of Households Served						
Under 100	16%	21%	13%	11%	12%	21%
100 to 199	20	31	16	11	10	29
200 to 299	22	20	25	25	18	23
300 to 399	17	14	15	25	21	13
400 to 499	9	6	14	11	12	3
500 or more	15	8	15	16	27	10
Age of Clientele (mean percent in each age range)						
Under age 45	12%	10%	13%	11%	14%	11%
Ages 45 to 54	17	17	17	17	19	17
Ages 55 to 64	31	32	29	29	34	29
Ages 65 to 70	23	24	23	24	20	26
Age 70 or older	17	17	18	20	13	17
Annual Income of Clientele (mean percent in each income range)						
Under $35,000	7%	5%	6%	8%	10%	5%
$35,000 to $74,999	23	17	24	23	26	24
$75,000 to $99,999	26	25	28	26	25	27
$100,000 to $149,999	24	28	23	21	21	24
$150,000 or more	21	26	18	23	18	20

Appendix B: Questionnaire

Financial Advisors' Role in Influencing Clients' Social Security Decisions

Thank you for agreeing to participate in our survey about how financial advisors discuss retirement with their clients. Financial advisors who qualify and complete this survey will receive a $50 honorarium. This study is for research purposes only. We are not trying to sell anything and your answers will be completely confidential.

We are surveying a variety of financial professionals for this survey. For consistency, the questions refer broadly to "financial advisors," though we understand this may include life agents, accountants, and brokers as well. Please answer the questions to the best of your ability.

The survey should take about 15 minutes to complete. Your input is greatly appreciated!

1. First, are you currently working as a…?

   Financial advisor for a wirehouse or national firm, such as Morgan Stanley or JP Morgan 1
   Financial advisor for a regional broker dealer, such as Raymond James or Edward Jones 2
   Bank representative 3
   Life insurance agent 4
   Independent financial planner 5
   Other **[TERMINATE]** 6
   Prefer not to answer **[TERMINATE]** 7
   CPA or accountant 8

2. **[IF LIFE AGENT (Q1=4)]** Are you affiliated with a captive insurance company, such as New York Life or State Farm, where you sell primarily one company's products, or are you an independent agent or advisor?

   Captive agent or advisor 1
   Independent agent or advisor 2

3. What **[IF Q1=1:** wirehouse firm **/ IF Q1=2:** regional broker dealer **/ IF Q1=3:** bank **/ IF Q2=1:** life insurance company] do you work for?

4. What was your pre-tax personal income from your work as a financial advisor in 2010?

   Under $50,000 **[TERMINATE]** 1
   $50,000 to $74,999 2
   $75,000 to $99,999 3
   $100,000 to $124,999 4
   $125,000 to $149,999 5
   $150,000 to $199,999 6
   $200,000 or more 7
   Prefer not to answer **[TERMINATE]** 8

5. Approximately what proportion of your clients are…? (Percentages must total to 100%.)

a.	Under age 45	_________ %
b	Ages 45 to 54	_________ %
c.	Ages 55 to 64	_________ %
d.	Ages 65 to 70	_________ %
e.	Age 70 or older	_________ %

VIEWS OF SOCIAL SECURITY

6a. How knowledgeable do you feel about how the Social Security system works?

Very knowledgeable 4
Somewhat knowledgeable.. 3
Not too knowledgeable 2
Not at all knowledgeable 1
Not sure 5
Prefer not to answer 6

6b. How knowledgeable do you feel about the following topics related to Social Security? **[RANDOMIZE]**

		Very knowledge-able	Somewhat knowledge-able	Not too knowledge-able	Not at all knowledge-able	Not sure	Prefer not to answer
a.	How spousal benefits work	4	3	2	1	5	6
b.	How the Retirement Earnings Test may impact benefits	4	3	2	1	5	6
c.	How Social Security retirement benefits change based on the age one chooses to claim them	4	3	2	1	5	6

Throughout this survey, there will be some questions about "your primary company." By this, we mean the company that you work for or, if you are independent, the company whose products you sell most often.

7. Is the following a major, minor, or not a source of information about Social Security for you as a financial advisor? **[RANDOMIZE]**

		Major Source	Minor Source	Not a Source
a.	Your own research	1	2	3
b.	Other financial advisors/professionals	1	2	3
c.	Your primary company	1	2	3
d.	Other financial services companies	1	2	3
e.	The Social Security Administration	1	2	3
f.	Print and broadcast media	1	2	3
g.	Internet	1	2	3
h.	Non-profit or academic organizations	1	2	3
i.	Wholesalers	1	2	3

8. Does your primary company provide you with any of the following to assist you in helping your clients make informed decisions about their Social Security benefits? **[RANDOMIZE A-F]**

		Yes	No	Not sure
a.	Training on how to advise clients on Social Security issues, through meetings or webinars	1	2	3
b.	Materials for advisors on how to educate clients on Social Security issues	1	2	3
c.	Pamphlets or brochures for dissemination to clients	1	2	3
d.	Calculators or worksheets to determine benefit amounts	1	2	3
e.	Calculators or worksheets to determine the best age to claim benefits	1	2	3
f.	A webpage or website to educate clients	1	2	3
g.	Something else **(SPECIFY)**	1	2	3

9. To what extent do you agree or disagree with the following statements? **[RANDOMIZE]**

		Strongly Agree (5)	4	3	2	Strongly Disagree (1)
a.	For most of my clients who are close to retirement age, Social Security benefits will represent less than 20% of their income when they retired.	5	4	3	2	1
b.	Financial advisors should help their clients make informed decisions about their Social Security benefits.	5	4	3	2	1
c.	Financial services companies should have standard messages and materials about Social Security to use with clients.	5	4	3	2	1
d.	My clients understand how Social Security works.	5	4	3	2	1
e.	Advising my clients on when to claim Social Security benefits or how Social Security works is not an important part of my practice	5	4	3	2	1
f.	Most of my clients make good decisions about when to claim Social Security benefits.	5	4	3	2	1
g.	My primary company does a good job providing materials to help educate clients about Social Security.	5	4	3	2	1

10a. Are you aware that Social Security has a website for financial planners?

Yes 1
No 2
Not sure 3

10b. In your capacity as a financial advisor, have you ever visited the Social Security website?

Yes 1
No 2
Not sure 3

11. **[IF VISITED WEBSITE (Q10=1)]** For what purpose(s) did you visit the Social Security website?

12a. **[IF VISITED WEBSITE (Q10=1)]** How would you rate the Social Security website as a source of information <u>for you as a financial advisor</u>?

Excellent 5
Very good 4
Good 3
Fair 2
Poor 1

12b. **[IF VISITED WEBSITE (Q10=1)]** How would you rate the Social Security website as a source of information <u>for your clients</u>?

Excellent 5
Very good 4
Good 3
Fair 2
Poor 1

12c. How useful would it be if the Social Security Administration provided a website or a section of its website designed just for financial advisors to provide information and assistance on how to help their clients on Social Security related questions and issues?

Very useful 5
Somewhat useful 4
Not too useful 3
Not useful at all 2
Not sure 1

CONVERSATIONS ABOUT SOCIAL SECURITY

For the next series of questions, please focus on and respond based on your experiences with clients who are approaching retirement. By this, we mean clients who are roughly ages 55 to 70 and still working who may be thinking about stopping full-time work or any work in their primary occupation.

13. With about what percent of these clients do you discuss the role of Social Security in their retirement finances? **[ROTATE ORDER 1-5 AND 5-1]**

    Virtually all of these clients (90%-100%) 5
    A majority of these clients (60% -89%)....................................... 4
    About half of these clients (40-59%) 3
    Some of these clients (10%-39%) 2
    Very few of these clients (0%-9%) .... 1 **[SKIP TO Q20 INTRO]**

14. When it comes to talking about Social Security with your clients, which of the following best describes how the conversation is started?

    You usually bring up the topic 1
    Your clients usually bring it up.. 2
    You and your clients bring it up about equally 3

15a. **[IF CLIENTS ASK (Q14=2-3)]** At approximately what age do clients start asking you questions about Social Security?

    _____
    Not sure 999

15b. **[IF ADV ASK (Q14=1)]** Approximately how old are your clients when you start talking to them about Social Security?

    _____
    Not sure 999

16. With what proportion of clients do you discuss the following specific issues related to Social Security? **[RANDOMIZE]**

		With Virtually All Clients (90%-100%) (5)	(60%-89%) 4	(40%-59%) 3	(10%-39%) 2	With Very Few Clients (0-9%) (1)
a.	How to estimate their (and their spouse's) monthly retirement benefit	5	4	3	2	1
b.	The best age to claim Social Security benefits	5	4	3	2	1
c.	When to retire, that is, stop working completely in their primary occupation	5	4	3	2	1
d.	How survivor benefits for spouses work	5	4	3	2	1
e.	Strategies for ensuring they receive as much money as possible in Social Security retirement benefits	5	4	3	2	1

	With Virtually All Clients (90%-100%) (5)	(60%-89%) 4	(40%-59%) 3	(10%-39%) 2	With Very Few Clients (0-9%) (1)
f. The solvency of Social Security or the likelihood of it being there for them	5	4	3	2	1
g. How their benefits may be taxed if they earn income above a certain amount after they claim benefits	5	4	3	2	1
h. How a portion of their benefits may be withheld if they claim before their full Social Security retirement age and earn income above a certain amount, called the Retirement Earnings Test	5	4	3	2	1

[IF ALL Q16=1, SKIP TO Q18]

17. What types of materials or information do you typically provide to clients or suggest that they obtain when it comes to the following aspects of Social Security? *Please select all that apply on a given topic.* **[ONLY SHOW ITEMS WHERE Q16=2-5]**

	Materials developed by you personally	Materials developed by your primary financial services company	Materials developed by other financial services companies	Materials developed by SSA	Materials developed by non-profits or associations	Articles or other information from the media	Some-thing else
a. How to estimate their (and their spouses) monthly retirement benefit	1	2	3	4	5	6	7
b. Determining the best age to claim retirement benefits	1	2	3	4	5	6	7
c. When to retire, that is, stop working completely in their primary occupation	1	2	3	4	5	6	7
d. How survivor benefits for spouses work	1	2	3	4	5	6	7
e. Strategies for ensuring they receive as much money as possible from Social Security	1	2	3	4	5	6	7
f. The solvency of Social Security or the likelihood of it being there for them	1	2	3	4	5	6	7
g. How their benefits may be taxed if they earn income above a certain amount after they claim benefits	1	2	3	4	5	6	7

	Materials developed by you personally	Materials developed by your primary financial services company	Materials developed by other financial services companies	Materials developed by SSA	Materials developed by non-profits or associations	Articles or other information from the media	Some-thing else
h. How a portion of their benefits may be withheld if they claim before their full Social Security retirement age and earn income above a certain amount, called the Retirement Earnings Test	1	2	3	4	5	6	7

18. In advising clients about the role of Social Security in their retirement finances, which, if any, of the following actions do you take? **[RANDOMIZE]**

	Yes	No	Not sure
a. You review their personal Social Security Statement yourself	1	2	3
b. You ask them to review their annual Social Security Statement	1	2	3
c. You use a worksheet, spreadsheet or calculator to help determine how much money they should accumulate for retirement	1	2	3
d. You use a worksheet, spreadsheet or calculator to determine when they should claim their Social Security benefits	1	2	3
e. You provide advice on when to claim their Social Security benefits	1	2	3
f. You refer clients to the Social Security Administration's website	1	2	3

19. Which of the following comes closest to the overall message you share with clients when discussing Social Security benefits, given the financial state of the Social Security system? Do you tend to tell clients to expect to receive…? **[ROTATE ORDER 1-5 AND 5-1]**

100% of their scheduled benefit.. 5
About 75% of their scheduled benefit.. 4
About 50% of their scheduled benefit.. 3
About 25% of their scheduled benefit.. 2
None (0%) of their scheduled benefit... 1
Not sure 6
You do not offer a perspective 7

ADVICE ON CLAIMING AGE

Most Americans can claim Social Security benefits at any age starting at 62, regardless of when they stop working. The monthly benefit they can receive increases by about 7% each year until age 70, based just on age of claiming. The Social Security Statement shows individuals what their benefits would be at their "full retirement age" (usually 66-67), at age 62 (which yields a lower benefit), and at age 70 (which yields a higher benefit).

Claiming benefits and stopping work (retiring) do not have to coincide, though oftentimes they do. A person could claim and continue to work or could stop working and delay claiming until they are older.

20. In your opinion, at about what age do you think it is best for most of your clients to claim their Social Security benefits, on average?

___ ___
It depends 998
Not sure 999

21a. To the best of your knowledge, at about what age do most of your clients claim their Social Security benefits, on average?

___ ___
Not sure 999

21b. In general, do you feel that most of your clients claim their Social Security benefits….? **[ROTATE ORDER 1-2, 2-1]**

Too early 1
Too late 2
At about the right time 3
Not sure 4

22. When advising clients on when to claim their Social Security benefits, have you ever recommended that a client…

		Yes	**No**	**Not sure**
a.	Work longer to receive a higher Social Security benefit	1	2	3
b.	Delay claiming their Social Security benefit after they stop working full-time in order to receive a higher benefit	1	2	3
c.	Claim benefits at the same time that they stop working full-time	1	2	3
d.	Claim their Social Security benefits as early as possible, even if they continue to work	1	2	3

23. **[IF WOULD REC DELAY (Q22b=1)]** Under what circumstances would you recommend a client delay claiming their benefits after they stop working full-time?

24. As noted, most Americans can claim Social Security benefits at any age starting at 62, regardless of when they stop working. The monthly benefit they can receive increases by about 7% each year until age 70, based just on the age of claiming. There are different ways of describing the trade-offs of claiming earlier versus later.

    Which one of the following do you think is the best way of describing this decision to clients?

    [RANDOMIZE]
    The decision to delay claiming is a gamble. If you live longer than your life expectancy, you will "win" the gamble and get more in Social Security benefits 1
    The decision to delay claiming is like buying insurance because delaying will yield a higher monthly income guaranteed for life. This provides greater protection against running out of money in old age 2
    The decision to delay claiming is like saving money. You give up income today in order to receive a larger monthly income later in life. 3

25. Financial advisors have used different techniques to advise their clients about when they should claim Social Security benefits. One method is the break-even analysis. Following is a definition of this approach.

    Social Security benefits increase with claiming age, starting at age 62 and rising about 7% each year until age 70. The Break-Even Analysis calculates how long it will take for the higher benefits earned by delayed claiming to equal the same amount of total income from Social Security that would have been received as a result of earlier claiming.

    How would you rate the Break-Even Analysis as a way to help clients determine when they should claim their Social Security benefits?

    Excellent 5
    Very good 4
    Good 3
    Fair 2
    Poor 1

26. How often do you use the Break-Even Analysis with your clients?

    Virtually all clients (90%-100%) 5
    A majority of clients (60%-89%) 4
    About half of clients (40-59%) 3
    Some clients (10%-39%) 2
    Very few clients (0%-9%) 1

27. How often do you address the following with clients in order to help them determine when they (and their spouse) should claim their Social Security benefits? **[RANDOMIZE]**

		With Virtually All Clients (90%-100%) (5)	(60%-89%) 4	(40%-59%) 3	(10%-39%) 2	With Very Few Clients (0-9%) (1)
a.	A strategy of claiming earlier to allow a spouse to receive benefits, suspending the claim, and then claiming later for a higher benefit	5	4	3	2	1
b.	Claiming benefits and stopping work can be two totally separate events	5	4	3	2	1
c.	A larger Social Security benefit is a good way to insure against outliving your assets	5	4	3	2	1
d.	Social Security benefits are adjusted for inflation, and many other assets are not	5	4	3	2	1
e.	Social Security provides a guaranteed stream of income for life.	5	4	3	2	1

28. How important is it to consider the following factors when suggesting an age at which your client should claim their Social Security retirement benefits? **[RANDOMIZE] [ROTATE ORDER 1-5, 5-1]**

		Extremely Important (5)	4	3	2	Not At All Important (1)
a.	Client's age	5	4	3	2	1
b.	Client's spouse's age	5	4	3	2	1
c.	Client's health	5	4	3	2	1
d.	Client's spouse's health	5	4	3	2	1
e.	Level of household assets	5	4	3	2	1
f.	What Social Security says is their "full retirement age"	5	4	3	2	1
g.	The existence of other sources of guaranteed income in retirement	5	4	3	2	1
h.	Whether or not the client wishes to continue working	5	4	3	2	1
i.	Client's current tax liability	5	4	3	2	1
j.	How much their monthly benefit will be	5	4	3	2	1
k.	Client's desired lifestyle in retirement	5	4	3	2	1

HYPOTHETICAL CLIENT SITUATIONS

Three strategies have been suggested for when people should claim Social Security retirement benefits. These are:

Strategy 1: People should claim Social Security retirement benefits as soon as they can, at age 62, even if they keep working. By obtaining benefits people can get an extra flow of income which they can use to supplement their lifestyle or save to build up their accumulation for retirement.

Strategy 2: People should claim Social Security benefits when they stop working full-time at some point after age 62. This way, Social Security benefits can be used to replace some of the income that was earned from work, reducing the amount that must be withdrawn from accumulations to maintain the pre-retirement lifestyle.

Strategy 3: People should delay claiming Social Security benefits as long as they can, regardless of when they stop working. Because the older people are, the more they get in benefits. Even with the same earnings, delaying claiming ensures that they will receive a higher benefit each year for the rest of their lives.

29. If the following types of people came to you at age 62 seeking advice about when to claim Social Security benefits, which strategy are you most likely to suggest:

		Strategy 1	**Strategy 2**	**Strategy 3**
a.	A man who is in excellent health, earning $75,000 a year, with a wife earning $60,000 a year, who plans to work until age 66, and has investable assets of $700,000.	1	2	3
b.	A woman who is in average health, earning $75,000 a year, with a husband earning $60,000 a year, who plans to work until age 66, and has investable assets of $700,000.	1	2	3
c.	An unmarried woman in excellent health, earning $80,000 a year, who hopes to retire as soon as possible, and has investable assets of $300,000.	1	2	3
d.	A woman in poor health, earning $100,000 a year, with a retired husband who gets $2,000 a month from Social Security, and investable assets of $700,000.	1	2	3
e.	A man who is in average health, earning $50,000 a year, with a wife earning $40,000 a year, who plans on working until age 62, and has investable assets of $800,000.	1	2	3

INTEREST IN MATERIALS FROM SSA

30. To what extent do you agree or disagree with the following statements? **[RANDOMIZE]**

		Strongly Agree (5)	4	3	2	Strongly Disagree (1)
a.	The Social Security Administration does a good job educating the public about how Social Security works.	5	4	3	2	1
b.	The Social Security Administration does a good job educating financial professionals about how Social Security works.	5	4	3	2	1

31. How interested would you be in having the following groups or organizations provide you with information about Social Security to educate you and your clients? **[RANDOMIZE]**

32. Which of these would you be most likely to use as a source of information about Social Security? **[SHOW LIST OF ALL Q31≠1]**

		Extremely interested (5)	4	3	2	Not at all interested (1)	Most Likely to Use
a.	The Social Security Administration	5	4	3	2	1	1
b.	Your primary company	5	4	3	2	1	2
c.	Non-profit or academic organizations	5	4	3	2	1	3
d.	Financial services trade or regulatory associations	5	4	3	2	1	4
e.	Another government agency	5	4	3	2	1	5
f.	Other **(SPECIFY)**	5	4	3	2	1	6

33. How interested would you be in receiving the following from the Social Security Administration? **[RANDOMIZE]**

		Extremely interested (5)	4	3	2	Not at all interested (1)
a.	Calculators or worksheets to use with clients to calculate their benefit amount at different ages	5	4	3	2	1
b.	Calculators or worksheets to help determine the best age for clients to claim their benefits	5	4	3	2	1
c.	General information for clients about how Social Security works	5	4	3	2	1
d.	Training for advisors on how to talk to clients about their Social Security benefits	5	4	3	2	1
e.	Tips on how to address Social Security issues with clients	5	4	3	2	1

34. What should the Social Security Administration do to help advisors do a better job of serving their clients?

BACKGROUND INFORMATION

D1. Do you have any of the following designation or credentials? **[RANDOMIZE]**

Certified Public Accountant (CPA) 1
Certified Life Underwriter (CLU) 2
Chartered Financial Consultant (ChFC) 3
Certified Financial Planner (CFP).. 4
Daily Money Manager (DMM) 5
Certified Financial Gerontologist (CFG) 6
Notary Public... 7
Series 7 8
Chartered Financial Analyst (CFA).. 9
Registered Investment Advisor (RIA) 10
Series 63 11
Series 65 or 66 12
Certified Investment Management Analyst (CIMA) 13
Other **(SPECIFY)**... 14
None of these.. 15
Prefer not to answer 16

D2. What is the amount of your assets under management? Is it…?

Less than $10 million 1
$10 million to less than $20 million 2
$20 million to less than $50 million 3
$50 million to less than $75 million 4
$75 million to less than $100 million 5
$100 million to less than $150 million 6
$150 million or more 7
Not sure 8
Prefer not to answer 9

D3. Approximately how many households do you personally serve, including both active clients and inactive clients? Is it…?

Under 100 1
100 to 199 2
200 to 299 3
300 to 399 4
400 to 499 5
500 or more 6

D4. Thinking about your clients ages 55 to 70, approximately what proportion has annual household incomes of…? (Percentages must total to 100%.)

a.	Under $35,000	_________ %
b.	$35,000 to $74,999	_________ %
c.	$75,000 to $99,999	_________ %
d.	$100,000 to $150,000	_________ %
e.	$150,000 or more	_________ %

D5. Thinking about your average client approaching retirement, about what percent of their monthly income in retirement do you think will come from Social Security?

_________ %
Not sure 999

D6. In what year were you born?

__ ___ ___ ___
Prefer not to answer 999

Thank you!