

For Immediate Release

Center for a Secure Retirement Study: COVID -19 Pandemic Uncovers the Importance of Retirement Financial Planning

A lack of familiarity with planning tools contributes to financial worries among young Americans

CHICAGO, July 15, 2020 – Despite retirement worries amid the COVID-19 pandemic, familiarity with common retirement planning tools remains low. According to the latest research from the Center for a Secure Retirement® and Bankers Life, a national life and health insurance brand that focuses on the insurance needs of Americans who are near or in retirement, only about half of those surveyed said they have familiarity with long-term care insurance (54%), annuities (48%), or Medicare Advantage insurance (47%).

Additionally, four in five (81%) Americans are worried about their retirement, amplifying a reported lack of familiarity with common retirement tools that could help them reach their retirement goals. The new study by the Center for a Secure Retirement surveyed 2,050 U.S. adults ages 18 and older about their expectations for retirement amid the COVID-19 pandemic.

“In times of uncertainty, it’s important that working Americans have a basic understanding of the various retirement planning options at their disposal,” said Scott Goldberg, president of the consumer division at CNO Financial Group. “A moment of upheaval like that experienced amid COVID-19 – particularly felt by those reliant on employer-sponsored plans like a 401(K) – represents an opportunity to educate the next-generations of retirees about their options to ensure their financial security in retirement isn’t upended and that they have peace of mind.”

The data also suggests declining faith in Social Security among younger adults: of those ages 55 and older, more than three-quarters (79%) said they expect Social Security benefits to be part of their retirement funding plan, while barely one-third (36%) of those younger than 55 said the same. For the Baby Boomer-generation (people ages 56 to 74), 83% expect to rely at least partly on Social Security.

Retirement anxieties aggravated by uncertainty

More than half (54%) of working adults say their retirement planning has taken a hit amid the COVID-19 pandemic, with losing money in the stock market (36%) and being forced to prioritize short-term savings (36%) marked as areas of top concern for those whose retirement has been impacted. Those further from retirement have been hit harder, with nearly two-thirds (63%) of those age 35 to 44 reporting an impact on their future retirement due to the pandemic, compared to just one-third (35%) of those 65 and older.

Additional such findings include:

- As Americans get older, they become increasingly familiar with Medicare products – 90% of those age 65 or older expressed familiarity with the national health insurance program, while only 66% of those ages 35 to 44 said the same.
- Long-term care insurance and annuities are less familiar to respondents across age groups: only 40% of those ages 18 to 34 said they were familiar with annuities as a retirement savings vehicle, compared to 51% of those ages 55 to 64. Long-term care insurance was familiar to 60% of those ages 35 to 44, and 58% of those ages 45 to 54 and 52% of those 55 to 64.

“As the survey shows, there is a pervasive feeling of uncertainty among pre-retirees amid the experience of the COVID-19 pandemic, with many concerned about not having enough money for retirement,” said Goldberg. “Pre-retirees accustomed to parking their funds in market-sensitive savings tools like 401(K) plans, may want to explore lesser-known offerings. It is important to understand how a diversified portfolio can help diminish the risk of financial loss in a volatile market and help with reaching long term financial goals.”

About the Survey

This survey was conducted online within the United States by The Harris Poll on behalf of Center for a Secure Retirement from May 29 - June 2, 2020 among 2,050 U.S. adults ages 18 and older, of whom 1,810 do not work/do not have family who work in a sensitive industry. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated.

About Bankers Life

Bankers Life focuses on the insurance needs of middle-income Americans who are near or in retirement. The Bankers Life brand is a part of CNO Financial Group, Inc. (NYSE: CNO), whose companies provide insurance solutions that help protect the health and retirement needs of working Americans and retirees. There are approximately 4,200 career agents across approximately 260 U.S. sales offices. To learn more, visit [BankersLife.com](https://www.BankersLife.com).

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