MIT AgeLab
Preparing for Longevity Advisory Network
Q1 2021 Issue Brief

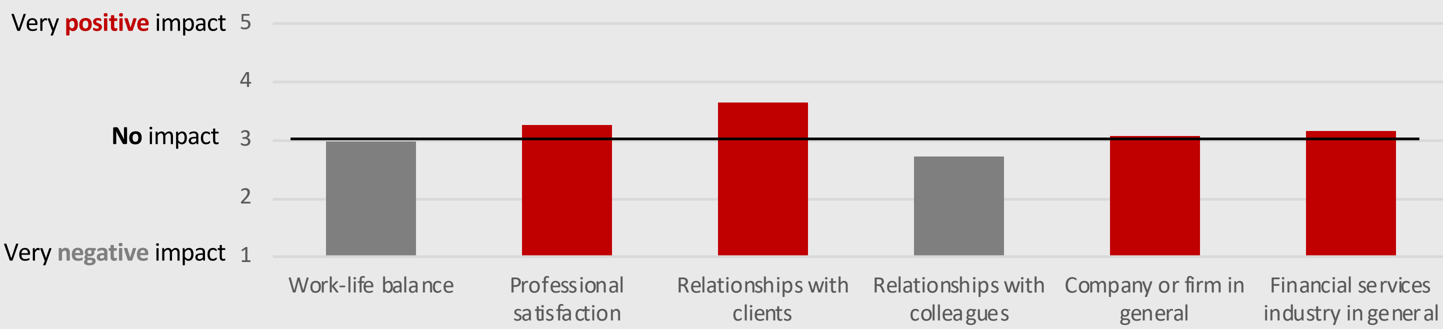
About PLAN The MIT AgeLab's Preparing for Longevity Advisory Network (PLAN) surveys financial and retirement planning professionals to better understand the future of advice in the global longevity economy. This brief report highlights financial professionals' perceptions of their industry and their capability to adapt to a fast-changing world. We also briefly examine advisors' communication strategies with clients and how they might be altered both presently and in the future by the COVID-19 pandemic.

Survey Participants Data in this brief includes 109 participants who completed the PLAN Q1 questionnaire between March 4th 2021 and April 1st 2021.

- 29 states represented
- 34% female, 66% male
- Ages ranging from 29 to 78, with an average of 55.

Impacts of COVID-19

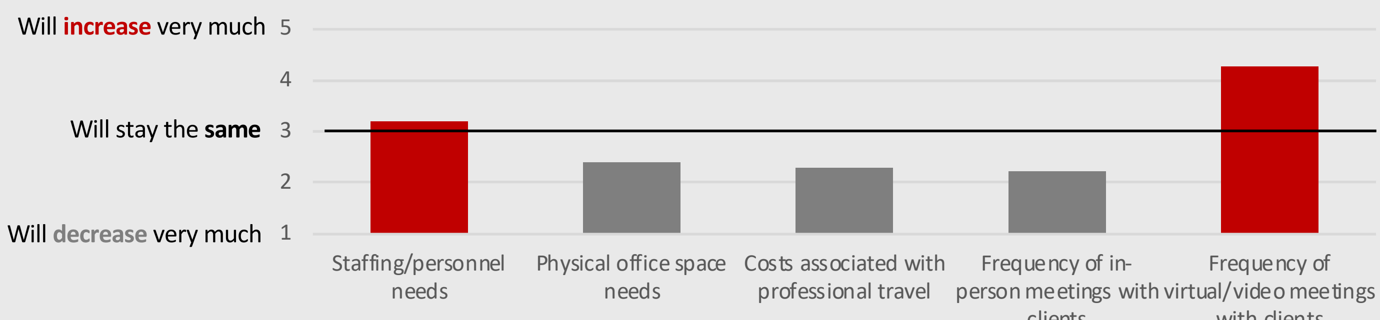
Perhaps a testament to successful adaptions within the workplace, financial professionals reported positive impacts of the COVID-19 pandemic on relationships with clients and professional satisfaction. The most negative reported impact was on relationships with colleagues. Financial professionals reported little impact of COVID-19 on their work-life balance, their company or firm in general, and the financial services industry in general. Notably, however, women ($M = 3.31$, $SD = 1.078$) reported that COVID-19 has had a more positive impact on their company or firm in general than men ($M = 2.96$, $SD = 0.992$), on average, $F(1, 102) = 2.849$, $p = .094$. Financial professionals under age 55 also reported more positive impacts on their work-life balance, their professional satisfaction, and their company or firm in general.



Graph depicts mean scores. N = 105 for all impacts except impact on relationships with clients, for which N = 97.

Anticipated near-term impacts of COVID-19

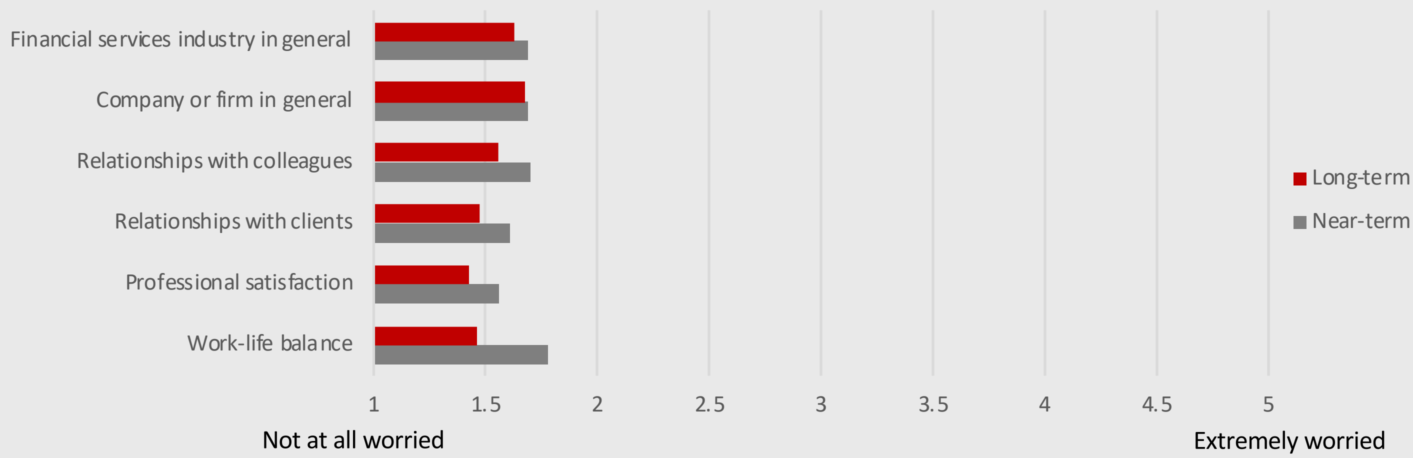
Frequency of virtual or video meetings with clients stood out as having a large anticipated increase within the next five years due to COVID-19. Men ($M = 4.42$, $SD = 0.752$) reported a greater increase in virtual meetings than women ($M = 3.97$, $SD = 0.933$), $F(1, 94) = 6.580$, $p = .012$). Financial professionals also expect that staffing and personnel needs will increase slightly. Physical office space needs, costs associated with professional travel, and frequency of in-person meetings with clients are expected to decrease. The decreases in these three domains were reported to an even greater extent by financial professionals under age 55.



Graph depicts mean scores. N = 104 for all impacts except those regarding clients, for which N = 96.

Worries about near and long-term impacts of COVID-19

Financial professionals had an optimistic outlook on the future. Generally speaking, respondents reported low levels of worry about the near and long-term impacts of the COVID-19 pandemic, with long-term worry levels consistently lower than all near-term worries. Notably, women were significantly less worried about both the near and long term impact of COVID-19 on their company or firm in general, as well as the long-term of COVID-19 on the financial services industry in general. Participants were also asked to rate where they currently stand in terms of their career and where they expect to stand five years from now on a scale from 0 to 10, with 0 being the worst possible and 10 being the best possible. On average, financial professionals scored higher five years out (M = 8.75, SD = 1.51) than currently (M = 7.37, SD = 1.78). Together, these findings suggest a positive outlook in regard to how the financial industry and respondents' own careers may progress in a post-COVID world.



Note: N = 105 for all near-term impacts except impact on relationships with clients, for which N = 97. N = 104 for all long-term impacts except impact on relationships with clients, for which N = 96.

Key takeaways

Despite the uncertainties associated with the COVID-19 pandemic, financial professionals who took this survey don't appear to be very worried about the future, especially in the longer term, and expect to be in a better place with their careers five years from now. Respondents tended to report neutral or positive impacts of COVID-19 on their profession. Men seem more worried than women about the impacts of COVID-19 on their company or the financial services industry. Some adaptations that financial professionals have made due to the pandemic, such as increased virtual communications, will likely continue to grow in use, perhaps particularly among younger financial professionals who are especially likely to use online communications in their personal lives.

Invite others to join plan!

agelab.mit.edu/plan

The context of how we live in retirement has changed, and a new approach to anticipating, planning and preparing for older age is accordingly needed. We invite financial advisors, retirement planners, and others in the retirement industry to join PLAN to contribute to the understanding of the future of advice and be among the first to learn key research take-aways.