



WHY DISCOVERING YOUR CLIENT'S FINANCIAL PLANNING PERSONALITY MATTERS

When it comes to talking to clients about retirement income, it pays to know their financial planning personality type. A new Alliance quiz, informed by research from the Artemis Strategy Group, can help guide the conversation.

Who doesn't like online quizzes? A new Alliance quiz—"Financial Planning Personality Quiz"—pegs American adults as falling into one of five financial personalities. Each group has a different psychological profile when it comes to retirement planning and financial management. Sophisticated financial professionals know that it's important to read their clients, that Client X is different than Client Y. What if you had a cheat sheet with guidance on how best to reach them? That's what the quiz, with its accompanying materials for financial professionals, offers.

For consumers, the quiz results will give them clear directions to improve their financial picture, including an introduction to the benefits of protected lifetime income. For financial professionals, you can encourage your clients to take the quiz and share the

results. Once you know their personality type, you can better engage with them.

What's behind the quiz? Powerful new research by the Artemis Strategy Group that delves into differences by group: the nature of their retirement outlook, their personalities and decision-making styles, and their preparation and current circumstances.

Getting to know your clients via their quiz results will help answer the question, "What's the best way to talk to this person?" says Dave Richardson, a partner with the Artemis Strategy Group. The quiz goes beyond assessing a client's risk profile. It assesses what motivates them. Depending on the group a client falls into, you might need to use a different set of examples, a different way of presenting information to them, Richardson says.

EDUCATIONAL COMMENTARY

For financial professionals

Example: For a client who falls into the Ambitious Risk Taker group, the right advice might be to remind them to cover the basics, explaining “You can still achieve lots of growth in your portfolio, but this is what protected lifetime income would do,” says Anne Aldrich, an Artemis partner. For each group, a cheat sheet offers detailed message recommendations and financial planning discovery questions to help guide your conversation.

The general population splits evenly across all five groups, the researchers found. Those who were older with some savings (ages 45 to 54 with assets of \$75,000 or more, and ages 55 to 72 with \$150,000 or more) were con-

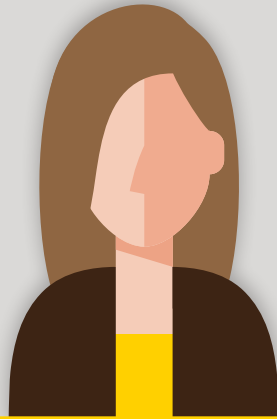
centrated in three of the groups: Ambitious Risk Takers, the Cautious Preparers, and Purposeful Planners. Of these folks, nearly half are already working with a financial professional and have a source of some pension income in their household, but they view it as a relatively minor contributor to their retirement income. That’s where you, as a financial professional, come in: helping clients understand how an income plan is a key part of a retirement plan, and how protected lifetime income provides assurance and security. How to reach them? By understanding what motivates them and where they fall on the financial knowledge spectrum.



EDUCATIONAL COMMENTARY

For financial professionals

CAUTIOUS PREPARERS: SHOW THEM HOW TO BROADEN THEIR OPTIONS



Cautious preparers have modest retirement expectations and are quite risk averse. They stand apart in their strong focus on security. Financial professionals can tap into their mindset by showing them how risk can be mitigated and by providing assurance that their retirement goals are on the right track and can be realized. More than other groups, they need encouragement. They may have an interest in annuities but low to moderate familiarity with how annuities work.

If the quiz labels a client as a cautious preparer, they'll get the "next steps" message to meet with their financial professional to broaden their retirement income plan options and discuss how an annuity's protected lifetime income can solidify their current plan and help secure essential costs in retirement.

AMBITIOUS RISK TAKERS: HELP THEM SEE THE POSSIBILITIES



You're most likely to find clients who fall into the ambitious risk taker profile. They're slightly younger and better educated on average. They want it all—a social, busy and very active retirement. They're typically in the middle of their accumulation phase, confident in their planning so far, but open to new ideas. To connect with them, financial professionals should acknowledge their aspirations, clarify the notion of protected lifetime income, and help them see the possibilities of annuities. Basically, you're challenging them to turn their successes into future comfort. Tying the risk discussion to portfolio management is one way to approach them.

PURPOSEFUL PLANNERS: ENCOURAGE THEM TO DO MORE



At the top of the retirement preparation pathway lie the purposeful planners. They've built up their financial resources and have some plans in hand, so they're significantly farther along and closer to retirement than folks in the other groups. Like ambitious risk takers, purposeful planners are confident and desire a well-rounded retirement life, but they're more careful. They don't want to leave their retirement to chance. Financial professionals can best reach them with balanced messaging: Acknowledge their sophistication and how far their hard work has brought them. They should be good partners in taking and applying your advice. For example, they would likely be receptive to the advice: "You can always do more." Purposeful planners show a good interest in annuities; it's a matter of finding the right buying moment.

EDUCATIONAL COMMENTARY

For financial professionals

HOPEFUL STRIVERS AND OPTIMISTIC DREAMERS: HELP THEM GAIN CONTROL AND BUCKLE DOWN



Hopeful strivers and optimistic dreamers are at the lowest end of the retirement preparation pathway. That doesn't mean financial professionals should ignore them. "A thorough understanding of all of the groups is important from a financial management perspective," says Aldrich. In many cases, the strivers and dreamers may be your existing clients' children, potential future clients, so it's important to understand where they're coming from.

The strivers are currently off course, discouraged, and have low retirement expectations. How can financial professionals reach them? By providing basic tools and advice around saving and investing to help them gain a sense of control. The dreamers, by contrast, are upbeat. Reaching them means emphasizing the link between financial preparation and the ability to pursue their dreams and creative endeavors. They need to buckle down a little more.

Who should take the quiz? Everyone! You could recommend that clients take the quiz at home and bring in the results to discuss with you. Or have them take it in your office and discuss it on the spot. It's quick and easy. "It's a conversation starter," says Richardson. If you're advising a couple, you can recommend that they take the quiz independently and compare the results. A cautious preparer might be married to an ambitious risk taker. And that can lead to an interesting conversation!

BEYOND THE QUIZ: ENCOURAGE CLIENTS TO EXPLORE.

The quiz is just a starting point for additional Alliance resources that can help you and your clients connect. The results page directs quiz takers to the Alliance's consumer website ProtectedIncome.org. That includes the Alliance's Check Off the Basics Guide as well as a checklist of questions for consumers to discuss with a financial professional to determine if an annuity could help their retirement outlook. There's also the Alliance RISE Score, which measures how retirement-income-ready they are. Add these resources and the financial planning personality quiz to your toolbox, and open the door to a deeper relationship with your clients.

RESOURCES

Send your clients to take the Financial Planning Personality Quiz < <https://www.protectedincome.org/retirement-tools/financial-planning-personality-quiz/>>.

Download this Financial Professionals guide to working with different financial planning personalities. < <https://resources.protectedincome.org/LinkTrack.aspx?u=/pdf/FP-Guides-Merged-ALI.pdf>>

Annuities are long-term investments designed for retirement purposes. The value of variable annuities is subject to market risk and will fluctuate. Product guarantees are subject to the claims-paying ability of the issuing insurance company. Earnings, when withdrawn, are subject to federal and/or state income tax, including a 10% tax penalty for withdrawals before age 59½. Some income guarantees offered with annuities take the form of optional riders and carry charges in addition to the fees and charges associated with annuity products.

There is no guarantee that any investment will achieve its objectives, generate positive returns, or avoid losses. Investments in annuity contracts may not be suitable for all investors.

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