



MDRT Study: Americans Seeking Guidance Amidst Uncertain Economy

More than half of Americans have a negative outlook on the economy in the coming year.

PARK RIDGE, Ill. (July 19, 2023) – American consumers’ continuous struggles with the state of the economy has resulted in strong opinions on topics like financial health, economic outlook and trust in financial advisors. In fact, according to a new MDRT survey, the majority of Americans (56%) have a negative outlook on the economy for the coming year, with 28% having a very negative outlook. With more than half of Americans anticipating continued economic turmoil, it’s more important than ever for financial advisors to ensure their clients feel supported and confident in their financial plans and goals.

Lack of Longevity in Financial Standing

As the market continues to fluctuate, consumers are becoming more stagnant in their financial standing. Only 24% of Americans say their financial situations have improved since last year, while 41% say it’s about the same as one year ago. The financial stagnation comes at a time when many Americans are already behind, with nearly half (48%) saying they only have enough savings to support themselves for three months or less, and only 33% reporting they can support themselves for at least six months.

Women are less likely to have enough savings to support themselves for longer periods of time, with 31% of women respondents reporting they only have enough savings to support themselves for less than one month, compared with 18% of men. In contrast, 26% of men can support themselves for longer than a year, while only 17% of women can do the same.

Advisors are Needed – and Trusted

While markets are uncertain, Americans are willing to place their trust in financial services professionals. Sixty-nine percent of Americans have at least some trust in financial advisors, with 27% of Americans having a lot of trust in them. With only 15% of Americans saying they have not that much or no trust at all in advisors, it’s a pivotal time for financial professionals to forge connections with consumers.

Americans are interested in investments and assets more related to their health, income and retirement security, and they can benefit from advisor’s expertise to help find the perfect fit. Eighty percent of Americans consider health insurance a worthwhile investment, and 75% consider life insurance worthwhile. Similarly, 68% of Americans consider retirement savings accounts to be worthwhile investments.

While the majority Americans are aware of the need for health, income and retirement security, many are in need of insights from advisors on less common investments. Less than half (44%) of Americans consider annuities to be worthwhile, falling short in comparison to life and health insurance. Additionally, 22% of Americans believe cryptocurrencies are worthwhile investments, 52% with robo-advisors considering them to be worthwhile, compared to 30% with a human advisor and 16% without an advisor.

Advisors can provide guidance to clients on whether less common investments, like annuities and cryptocurrencies, will be beneficial for their financial plans.

“In such an unstable time in the economy, it’s up to financial advisors to step up and provide clients with the necessary support and advice that consumers are seeking right now,” says MDRT First Vice President, Greg Gagne, ChFC. “Giving clients reassurance and insights into key financial and economic trends will help boost their confidence when crafting their individual financial plan.”

Financial Goals or Survival Skills?

To stay afloat amidst the unpredictable market, many Americans plan to focus their spending, financial goals and priorities around building their savings and ensuring they have the essentials. Forty-three percent of Americans’ main financial focus for the year will be saving for future goals, with 55% of 18-39-year-olds prioritizing savings, compared to 42% of 40-59-year-olds and 30% of Americans 60 and older. Similarly, 41% of Americans’ main financial focus will be essential needs, such as bills, gas, groceries, childcare, etc., with 30% of 18-39-year-olds, compared to 52% of Americans 60 and older.

As American consumers continue grappling with high-profile economic trends, financial advisors must be prepared to rethink financial plans with a focus on clients’ concerns and potential investment interests. By understanding clients’ situations and providing tailor-made advice, advisors can help consumers exceed their own expectations.

Survey Methodology

This survey was conducted by Opinium through a panel of individuals who have agreed to take part in surveys. Fieldwork was undertaken April 25 – May 2, 2023, with a representative sample of 2,000 U.S. consumers, weighted on age, gender, region, race, ethnicity, and education according to the 2020 U.S. Census.

About MDRT

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