

FILLING THE NEED FOR RETIREMENT PLANNING

by [Steve Brown](#)

A new survey from Consumer Federation of America shows nearly 90% of adults in the US fear telemarketing calls they receive from companies they haven't done business with before might be scams. Further, more than 75% think it's difficult for most consumers to tell if a sales call is legitimate. Studies also show consumers have a hard time discerning fact from fiction when it comes to retirement. A new poll from Schwab found that while respondents now earn an average of \$115,000, they think they only need to bring in about \$66,000 a year after they stop working to live the same life they have now.

This obvious disconnect highlights just how much consumers lack and need sound retirement advice. Community banks could find new customers perhaps, by increasing efforts to help small business owners and other consumers with retirement planning. In fact, a recent Deloitte report finds many consumers, even those who might be considered more lucrative in terms of investable assets, are not being actively engaged by financial services providers. A full 60% of those surveyed said they have not had interactions in the past 2Ys with any financial institution about their retirement savings or income needs. About 50% of those aged 56 to 64Ys old, who arguably need this advice the most, said no one had contacted them. Among the 45 and younger population, 75% hadn't been contacted.

Given so many baby boomers and a recovering economy, retirement is something community banks should be discussing with every customer who walks in the door. To understand what small business owners are planning to do with their business, surface new opportunities and protect existing ones, an open discussion about retirement can make good sense.

To begin, educate your customers. Don't assume they are aware or familiar with the products available to help them with their retirement nest egg, or have the experience to know what to do if they are thinking about selling their business. You are the primary financial connection and they need your help, so it provides an opportunity for you and your team.

To see how woefully ignorant people are about financial products, consider the Deloitte survey found 48% of respondents (regardless of age and income level) didn't know anything about target date mutual funds and another 12% said they had heard of them but didn't understand how they work. Further, nearly 40% don't know anything about annuities or understand how they work and 25% don't get the point that having insurance can also augment retirement savings and income.

Banks are in the business of advice. But when it comes to retirement planning, the data shows there is room to improve. Get the word out by holding retirement planning seminars, workshops, lectures and webinars. These are all ways to start and continue the dialogue with small business owners, expand relationships and capture new customers.

The facts also show many business owners have a go-it-alone mentality when it comes to retirement, so you'll likely need to reiterate the importance of getting professional financial help to get this moving. Stay focused, talk about it a lot in your branches and as you interact with customers and avoid a pushy sales approach to maximize opportunity and you are well on your way.

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BANK NEWS

Social OK

The SEC said it will allow companies to use social media to announce market-moving information, as long as they inform investors in advance about the channels they will use & follow existing rules that apply to company websites.

Mobility

The latest report from comScore finds banks with the most online and mobile traffic based on millions of unique visitors as of Feb. 2013 were: Bank of America (31.5mm); JPMorgan Chase (28.3); Wells Fargo (22.2); Capital One (15.4); American Express (15.3); Citibank (11.8); Discover (7.8); HSBC (6.5); US Bank (5.5); and PNC (4.8).

Significant Rule

Regulators have clarified (required under Dodd Frank) which entities would be considered to be "predominantly engaged" in financial activities and therefore subject to Financial Stability Oversight Council (FSOC) oversight. Entities would fall under the definition if either (i) the annual gross revenues derived by the company and all of its subsidiaries from financial activities, as well as from the ownership or control of an insured depository institution, represent 85% or more of the consolidated annual gross revenues of the company; or (ii) the consolidated assets of the company and all of its subsidiaries related to financial activities, as well as related to the ownership or control of an insured depository institution, represent 85% or more of the consolidated assets. This is important because FSOC is considering how to deal with mutual fund companies related to money market mutual funds, as well as looking at insurance companies, non-bank entities and others.

Home Lending

Wells Fargo was the largest mortgage lender in the country last year, according to data from Inside Mortgage Finance, controlling 28.8% of all home loans issued nationwide. That compares to JPMorgan, Bank of America and Citigroup at just above 10% and about 4.2% and 4.0%, respectively.

Office Space

Research by Herman Miller finds office cubicles are used about 33% of the time during the typical workday and offices can be empty 80% of the time.

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