



TIAA 2016 Advice Matters Survey

Executive Summary



Sept. 29, 2016

BUILT TO PERFORM.

CREATED TO SERVE.

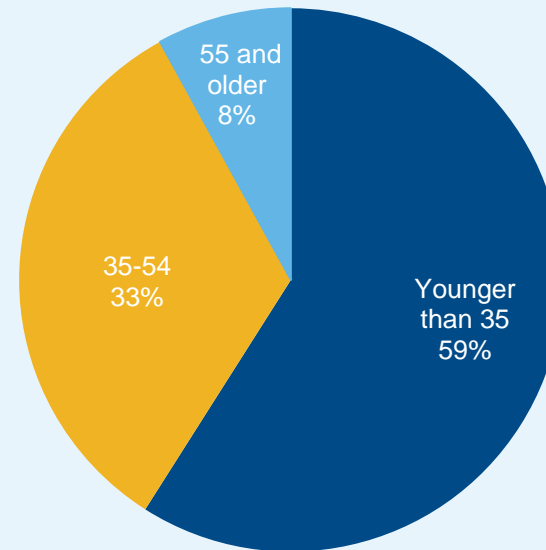
Americans recognize the benefit of getting financial advice early

Americans see the importance of seeking out professional financial advice early in their adult lives, according to the 2016 TIAA Advice Matters Survey. A majority (59 percent) of American adults say that a first meeting with a financial advisor should take place before age 35. That number is even higher for younger generations: Among Gen Y respondents, 80 percent of those surveyed believe in the importance of receiving financial advice before age 35.

And while just 48 percent of respondents have received professional financial advice overall, 77 percent of those who have report wishing they had done so sooner—underscoring the importance of starting early.

This desire for financial advice also may offer a golden opportunity to employers looking to recruit and retain top talent: 75 percent of respondents say they would be more likely to consider a job that offered no-cost financial advice as part of a benefits package.

At what age do you think you should first meet with a professional financial advisor?



The survey was conducted by KRC Research online among 1,000 adults, age 18 years and older living in the United States, from August 10 to August 15, 2016. The sample was proportionally obtained by demographics such as age, gender, region and income to ensure reliable and accurate representation of the national population age 18 and older.

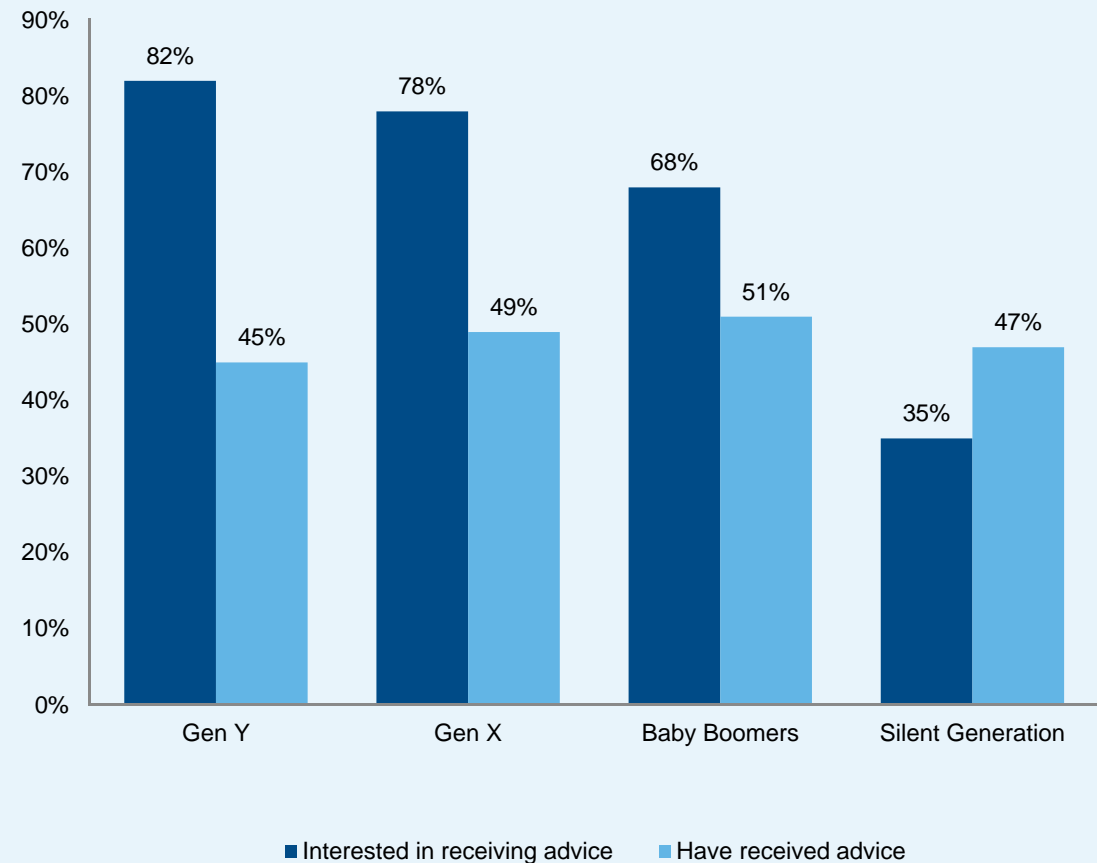
Disconnect between interest and action

Although less than half of Americans have received professional financial advice, most (71 percent) expressed interest in getting advice in the future.

This gap between interest and action is seen to an even larger extent among certain generational and income groups: 45 percent of Gen Y members have received advice, but 82 percent are interested, while 30 percent of respondents with an annual income of less than \$50,000 have received advice, though 61 percent are interested.

To some extent, this gap could be attributed to the common misconception that individuals need a certain amount of savings to meet with an advisor. Forty-nine percent of Americans believe they need more than \$50,000 in savings to justify a meeting with a financial advisor. More than half of those who have not met with an advisor (51 percent) say they do not have enough money to invest, with 35 percent citing it as the primary reason they haven't sought professional advice.

Have you ever received professional financial advice? How interested are you in receiving professional financial advice in the future?



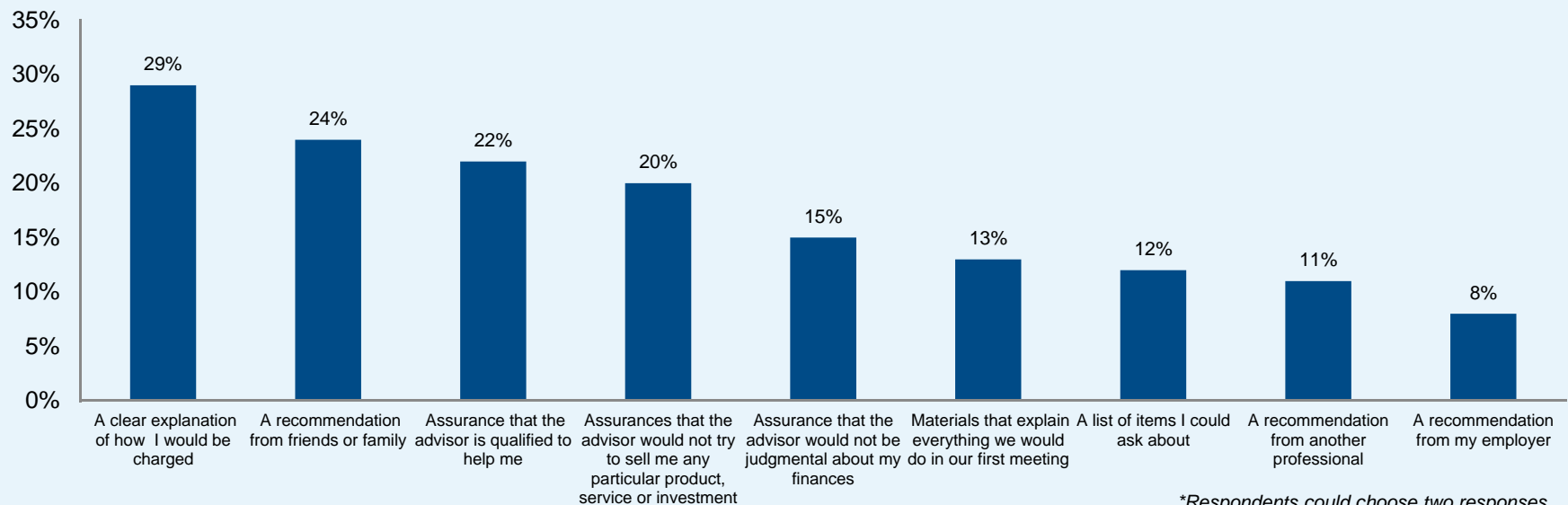
Motivating factors in seeking professional advice

To overcome some of the perceived barriers to seeking financial advice, respondents would be most interested in a clear explanation of how they'd be charged when receiving professional advice (29 percent), followed by family recommendations (24 percent) and assurance that the advisor is qualified to help (22 percent).

Though many individuals find online financial planning tools and resources to be useful, 90 percent of respondents see the value in a face-to-face meeting with a financial advisor. Another 85 percent would find advice designed specifically for their age group helpful, and 73 percent of women would find advice designed specifically for their gender helpful. Eighty-four percent would welcome the opportunity to work with a financial advisor affiliated with a company that offers both investments and banking services.

Eighty-nine percent of respondents say that a major life event—such as receiving an inheritance, birth of a child, loss of a loved one, or buying or selling a house—would prompt them to meet with a financial advisor in the future.

What would make you more likely to consider working with a professional financial advisor?*



*Respondents could choose two responses.

Boosting confidence with advice

Americans who have received financial advice are significantly more confident about their financial situation than those who have not (61 percent versus 37 percent). Overall, individuals who have sought advice are more likely to experience positive emotions about their finances than those who have not received advice.

Those with incomes of less than \$50,000 per year are less likely than those with incomes of more than \$100,000 per year to seek investment advice (30 percent compared to 49 percent), but they are more likely to be interested in creating a budget (34 percent versus 21 percent). Interest in advice on creating monthly income that cannot be outlived is consistent among individuals at all income levels, however, at 29 percent among all respondents.

Indicate your emotional state when it comes to your specific financial situation		
Americans Who Have:		
	Received Advice	Not Received Advice
Informed	64%	39%
Relieved	52%	30%
Calm	60%	35%
Confident	61%	37%
Optimistic	63%	41%

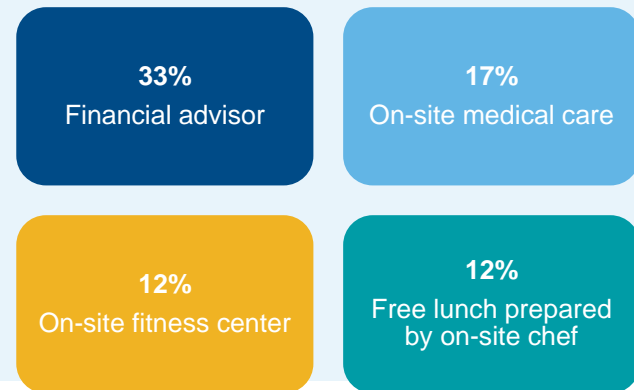
Turning to employers for support

While three-quarters of respondents say they would be more likely to consider a job that offered no-cost financial advice as part of a benefits package, the offering appears to be even more appealing to Gen Y survey respondents, with 87 percent saying they would be more likely to consider a position with this benefit.

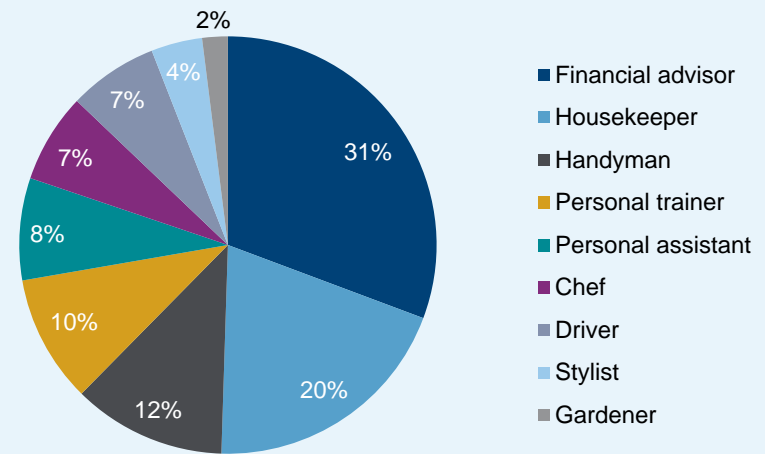
When given the option to select among free resources offered by employers, financial advice was the most popular choice: 33 percent say they would like access to a no-cost financial advisor. Financial advice also was the top choice for an out-of-office perk, with more respondents choosing a free financial advisor over a housekeeper or other services.

Overall, 48 percent of those who have met with a financial advisor did not choose one affiliated with their employers. However, there is room for employers to play a larger role in providing access to financial advice, especially for younger generations. While 64 percent of baby boomers who have received professional advice say they worked with a non-employer-affiliated advisor, only 27 percent of Gen Y respondents say the same.

Which would you prefer to have provided as an employee benefit at no cost to you?



Which of the following would you most prefer to have at no cost to you?



How parents prioritize financial advice

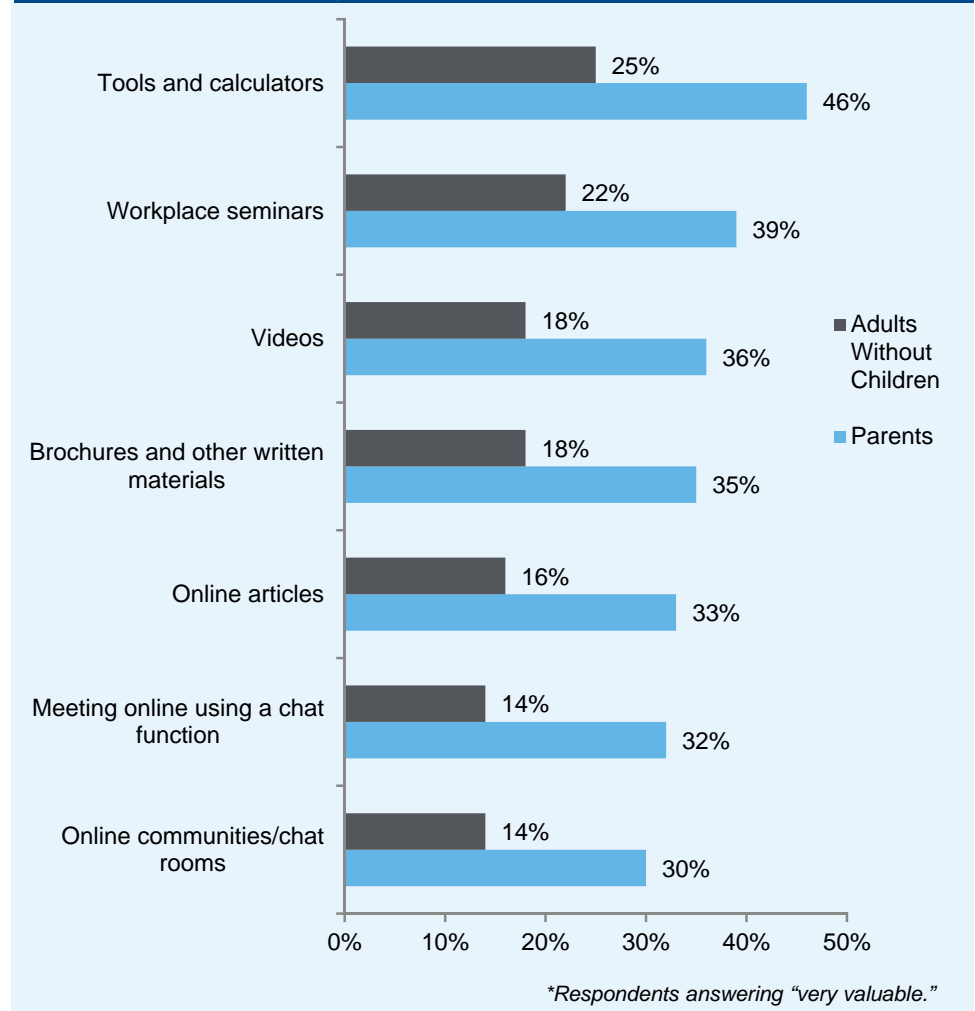
The survey results also revealed differences between parents and individuals without children. The survey results show that parents are more likely than people without children to be interested in financial advice (83 percent versus 63 percent).

Among those who have sought out advice, parents say they are more likely to have wanted advice about saving for education (36 percent compared to just 12 percent).

However, parents aren't putting the same value on advice regarding retirement as those without children: Only 34 percent of parents have sought retirement advice, compared to 50 percent of those without children.

Streamlined advice may be especially important for time-pressed parents, as 90 percent would like to work with an advisor whose company can handle both their investments and banking needs, compared to 80 percent of non-parents who would say the same.

How valuable do you see each of the following ways you could receive professional financial advice?*



We're here to help



An approach that's based on your needs. A plan that's easy to follow.

Developing a retirement income strategy and managing savings and investments can be overwhelming. TIAA financial consultants understand the unique needs of individuals at all life stages and what it takes to help them succeed by offering:

Personal support for all customers. It doesn't matter whether you have \$500 or \$5 million, we offer personal support for all.

Confidence in who you're working with.

- TIAA's financial consultants have, on average, 20 years of experience—nearly twice the industry average.
- TIAA was recently recognized as one of the most ethical companies in the world.

A simple approach to retirement investing.

Research shows TIAA's customers have the largest retirement account balances when they retire in the industry.

For more information, visit [TIAA.org](https://www.tiaa.org).

The survey was conducted by KRC Research online among 1,000 adults, age 18 years and older living in the United States, from August 10 to August 15, 2016. The sample was proportionally obtained by demographics such as age, gender, region and income to ensure reliable and accurate representation of the national population age 18 and older.



The TIAA group of companies does not provide legal or tax advice. Please consult your legal or tax advisor.

Investment, insurance and annuity products are not FDIC insured, are not bank guaranteed, are not bank deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.

TIAA-CREF Individual & Institutional Services, LLC and Teachers Personal Investors Services, Inc., members FINRA, distribute securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF), New York, NY. Advisory services are provided by Advice and Planning Services, a division of TIAA-CREF Individual & Institutional Services, LLC, a registered investment advisor.

TIAA-CREF products may be subject to market and other risk factors.

TIAA.org

© 2016 Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF), 730 Third Avenue, New York, NY 10017

C34168

BUILT TO PERFORM.

CREATED TO SERVE.



BUILT TO PERFORM.

CREATED TO SERVE.