

# **Aging**

## **Project 2030**

### **BABY BOOMER MARKET RESEARCH REPORT**

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### **INTRODUCTION**

Himle Horner was retained by the Minnesota Department of Human Services to conduct research and propose recommendations in preparation for a public awareness campaign that would encourage a shared understanding of the long-term care needs and costs of the future.

DHS determined that the focus of the research and recommendations should be Minnesotans between ages 35 and 51, the so-called "baby boom" generation. DHS sought information on three critical questions regarding this population segment:

1. What is the profile of the target audience?
2. What messages are most compelling to this audience?
3. What communications vehicles are most effective in reaching the audience?

To answer these questions, Himle Horner conducted or directed research on four levels:

1. A random sample telephone survey was conducted of 500 Minnesotans in the target age segment. The interviews were conducted between June 8 and 14. The results of the survey are projectable to their respective universes within a range of plus or minus 4.4 percent in 95 out of 100 cases.
2. Four focus groups were conducted in three Minnesota communities: Mankato on June 19; two groups in the Twin Cities on June 24; and St. Cloud on June 26. Three groups were selected through random telephone calls with the only qualifier being age (35-51). The fourth group (Twin Cities) also was selected through random calling. Participants in this group were qualified by age and direct experience in providing or seeking care for an older relative. Participants in all focus groups generally reflected the state's gender and income profile within the designated age range and were ethnically and racially diverse. Participants were paid an honorarium of \$50.
3. An audit was conducted of those who influence the retirement planning decisions of people age 35-51. An audit is conducted through in-depth, one-on-one interviews that follow a discussion guideline but allow for individual variation and emphasis. Those interviewed include financial planners, representatives of the insurance and financial services industries, public policy experts and senior citizen and consumer advocates. Most of the audit interviews were conducted between June 9 and 20.
4. Literature and programs in other states were reviewed.

### **KEY FINDINGS**

Following are the key findings and recommendations of the combined research and individual summaries of the survey, audit and focus groups.

## **A. ATTITUDES TOWARD RETIREMENT**

1. Most Minnesotans in the target group are confident that their retirement will be comfortable.

Three-fourths of those surveyed said they will be able to "maintain a comfortable lifestyle during retirement." This optimism generally was reflected throughout the survey. For example, many Minnesotans look forward to a long life (the typical respondent to the survey expects to live to almost 84 years old; 22 percent anticipate living beyond age 90), yet 68 percent of the respondents said that in their last years of life they expect to be living in their current home or in another home, but still living independently. Only 1 percent said they would be in a nursing home in the years immediately preceding their expected age.

2. In spite of their optimism, the target population has significant underlying concerns about the quality of their lives in retirement.

Half of the surveyed population is concerned that they will outlive their retirement savings. More than four of 10 (41 percent) are concerned that they will have to go back to work to make ends meet in retirement. These underlying fears were especially prominent in the focus groups. Many participants--even those who were saving or investing in retirement programs--said they were worried about cost of retirement or outliving their savings.

## **B. RETIREMENT PLANNING**

1. Retirement planning for most Minnesotans age 35-51 equates to financial investments or saving.

Contributing to an employer-sponsored retirement program such as a 401(k) constitutes the bulk of retirement planning for many Minnesotans in the target age group. While the survey suggests that Minnesotans are willing to consider retirement planning beyond saving and investing (64 percent disagree with the statement, "other than saving for retirement, there's not much else I can do to prepare for my retirement years") the qualitative research is somewhat contradictory. Consistently in the focus groups, participants at the beginning of the discussion agreed that beyond saving and investing, there weren't many other decisions or plans that would be relevant 15 to 30 years in the future. The audits reflected the same short-sightedness: "(People) don't consider the nuts and bolts of retirement until they are there," said an academic economist in a statement typical of those audited.

2. Planning often is passive.

According to an insurance agent who was part of the audit, "Of the boomers that want to save, the majority do it through company plans because it's convenient. That's not going to be enough." This passivity is even more apparent in planning on non-financial retirement issues. Although the survey suggests that a majority of 35-51-year-olds is open to thinking about retirement issues beyond finances, the focus groups point out the challenge in converting this sentiment to reality. Participants in the focus groups almost to a person begin the discussions with the stated belief that non-financial retirement planning isn't of much value. An hour into the focus group, most are surprised to find that retirement information about non-financial issues may be relevant and practical. The positive spin on this finding is that people in the target age group may be open to non-financial retirement planning issues if information can capture their attention.

3. Day-to-day concerns overwhelm retirement planning for many in the 35-51 age group.

Many Minnesotans in the target population segment feel they are unable to invest much time, energy or financial resources into retirement planning. The realities of day-to-day living--meeting routine expenses, for example--make it difficult for them to focus on their needs 15 to 30 years into the future, in their opinion.

4. Retirement planning, especially on non-financial issues, lacks urgency.

Many Minnesotans in the 35-51 age group either don't feel a sense of urgency about retirement planning or don't feel it is as important as other matters that occupy their time, attention and resources. For example, in spite of the generally available data on the high cost of retirement, the erosion of public programs and private pensions, and the low savings rate, an overwhelming majority of those surveyed -- 75 percent -- believes they will be able to maintain a comfortable lifestyle in retirement. The prevailing attitude in the focus groups was one of "things will work themselves out," especially on issues of where and how they would live in retirement, the community and social support systems they will have, etc.

5. Retirement planning is further hampered by misconceptions.

Both the quantitative and qualitative data reflect the misconceptions many people have about their retirement. Financial advisors report many misconceptions about retirement resources. A financial planner, echoing the comments of many others, said, "Often times I'll sit down with a couple who have been putting money aside and when we project out what those dollars will be worth 10, 15 years from now in context with the approximately 20 years they'll live after retirement, there is a lot of shock at the discrepancy." Focus group participants consistently under-estimated the typical cost of nursing home care for the elderly. These and other misconceptions were common throughout the research.

6. Many in the target population rationalize postponing retirement planning.

Two themes explaining retirement planning procrastination are consistently reflected in the qualitative research:

- First, many Minnesotans simply don't have a context for gathering information about retirement. They tend to think of retirement planning in very specific terms: How much money will I need, where will I live, etc.? As a consequence, the target age group believes that life is too unpredictable to make decisions (beyond saving and investing) about the future. They perceive that decisions made today won't survive economic swings, public policy changes or their own preferences.
- Second, many in the segmented population are simply overwhelmed by the financial implications of retirement planning. The notion of accumulating \$1 million or more to assure a comfortable retirement, as advertisements and news media suggest, was perceived by many in the focus groups to be more of a barrier than a goal. That is, if resources needed for financial security in retirement aren't achievable, other issues are irrelevant.

### **C. NURSING HOMES/LONG-TERM CARE**

1. An understanding of private long-term care insurance is very shallow.

Some of the greatest misconceptions revealed in the research have to do with long-term care insurance and paying for nursing home costs. According to the survey, 44 percent of Minnesota 35-51-year-olds believe they have private or employer-sponsored nursing home insurance; 24 percent are uncertain if they have such coverage or didn't answer. More than half -- 56 percent -- said that if they need nursing home care when they are elderly, it will be paid for by the government (26 percent), individual savings (24 percent), private insurance (18 percent) or employer-sponsored insurance (14 percent).

The value of long-term care insurance was widely dismissed by focus group participants. The two strongest and most consistent objections were the lack of a guaranteed return (that is, long-term care coverage wasn't viewed as insurance, but as a downpayment; if nursing home care isn't needed, all or part of the premiums should be returned) and the uncertainty over whether the insurance company would still be in business when the policy was needed. Yet, the focus group participants did not apply these objections to other types of insurance.

2. The target population is resistant to the idea of nursing home care for themselves.

According to the survey, Minnesotans in the 35-51 age group are divided over whether they will need extended nursing home care in their older years. By a margin of 51-43, most believe nursing home care will not be likely. Even more striking is the finding that only 1 percent of survey respondents believe they will be in a nursing home for their last years of life. By contrast, most see their last years being spent in their current home (24 percent) or another home, but still living independently (44 percent). These same attitudes prevailed in the focus groups. Nursing homes are an unacceptable, unattractive option for many. Instead, people in the target age group are much more open to exploring alternatives, including assisted living arrangements.

### **D. INFORMATION SOURCES**

1. The target group wants information, but many need assistance in acting on the information.

According to respondents to the survey, simplicity and credibility make information about retirement issues useful. Employers also are a significant information source, especially on issues related to financial planning and insurance. Most of those participating in the focus groups believe their peers are passive receivers of information. Echoing the survey, participants in the focus groups said that information must be convenient. In addition, the targeted population wants to be given choices and assurances that they control decisions. Even with that, however, information may or may not lead to action. They need to understand how information and resulting actions are

relevant even though retirement may be many years in the future.

2. Many in the target group are cynical about government and government information.

Although government as an information source ranked fairly high in the survey, it did not fare nearly as well in the focus groups. Many participants were extremely cynical about government, including state government, and very skeptical of the value of information provided by government agencies. In particular, many participants were dismissive of information from government that was not endorsed or even supported by a third party. The most credible information from government would come from a state agency and would carry multiple sponsors, including government, a business group or a major employer, a senior citizen advocacy organization, etc.

3. Friends and relatives are important and trusted sources of information.

Both the survey and the focus groups underscore the importance of friends and relatives as information sources on issues related to retirement and future planning. According to the survey, 74 percent find friends and relatives to be useful sources of information, ranking second only to financial planners and insurance agents (although, as the focus groups made clear, planners and agents are valued if there is a relationship already established). Friends and relatives are valued because the source is trusted and the information likely is based on experience.

## **MESSAGE RECOMMENDATIONS**

Communicate issues that have immediate application.

Respondents were most interested and enthused about information that had immediate application, but also affected their retirement years. The information should be practical, simple, "hands-on." Among examples are the following:

- Housing choices for today and tomorrow: Information that helps soon-to-be empty nesters make decisions on remodeling their current house or buying a new home with retirement living in mind.
- Talking to your parents...and your kids: Information on how to talk to your parents and your children about living preferences during retirement; include sample questions, a list of what parents and children need to know about each other, etc.
- Lifetime friends: Building support networks in your 40s that can sustain you in your 80s.

### **Redefine retirement planning.**

Retirement planning often is too narrowly defined as financial planning, an issue that overwhelms and intimidates many people. Instead of tackling retirement planning in manageable pieces, they put off all action. A better approach is to encourage quality of life planning--taking small steps now that can enhance a high quality of life in retirement. Issues include help in thinking through how people will spend their increased leisure time, what community support systems will be important in retirement that could be developed now, etc. Financial planning is critical, but it may take many small steps to get there. Along the way, people can take practical actions and begin to believe that the larger issues of retirement planning are achievable. For many people, retirement planning is defined as impossible. Communication should focus on positive steps--things that can be done now.

### **Reinforce control and choices.**

Many people in the target population want control and choices as they think about the future. Information needs to empower them to make choices. For example, encouraging people age 35-51 to consider private long-term care insurance might best be accomplished by suggesting five key questions to help evaluate a policy.

### **Surround people with information.**

No single communication channel can carry the entire message. People in the target population obtain different reinforcements from different communication vehicles. Substantive information is important, reinforcing the need for in-depth materials (e.g., brochures, news stories, etc.). Employers are important communication vehicles, especially for issues that have a logical tie to the work site (e.g., seminars on voluntary benefits, financial planning, etc.). At the same time, peer approval is important (e.g., many in the target group need assurances from friends, relatives or trusted advisers that their actions are appropriate).

### **Multiple endorsers lend credibility.**

Information should have the endorsement of multiple parties, including state government, employers, insurance and health organizations, senior and consumer advocates, etc. Shared endorsements have significantly greater credibility than any single entity.

## **AUDIENCE RECOMMENDATIONS**

A public education campaign will be most effective if it is targeted at four audiences:

### **General population in the 35-51 age group.**

"Umbrella" messages--general messages applicable to most people in the targeted age group--need to be delivered to the entire population segment for two reasons:

First, the research suggests that the need for information isn't limited to a single sub-group within the 35-51 group. It may be most cost-effective to develop some communication vehicles that reach the broad audience.

Second, peer endorsement is important to the 35-51 age group. Messages gain credibility if they are shown to apply to a broad range of people within the target population.

### **Key Influencers**

Employers, financial planners and insurance agents are especially credible information sources on retirement issues for the target population. Yet, these groups largely have ignored the broader retirement issues, focusing more narrowly on financial planning. Communication needs to be directed to them to enlist their participation as communication channels.

### **The Vulnerable Populations**

Among the 35-51 age group, the survey found that the most dramatic differences in attitudes are driven by economic status (much more so than gender, geography or age). For example, 75 percent of all survey respondents said they will be able to maintain a comfortable lifestyle in retirement. The age and gender subsets all were within 4 points of 75 percent. However, for those whose household income was less than \$35,000, only 53 percent thought they would be able to maintain a comfortable retirement lifestyle. Among those earning less than \$25,000, only 33 percent agreed--contrasted with 87 percent of those whose household income was greater than \$50,000. Similar disparities show up in other survey points. Members of the lower income groups also were the people in the focus groups most focused on day-to-day pressures and most overwhelmed by retirement planning. They also are most likely to see government as the payer of nursing home costs. In summary, the need for a public awareness campaign targeted to this audience is most urgent and, if successful, has the greatest potential financial impact for the state.

### **The Soon-To-Be-Empty-Nesters**

The vulnerable populations have the greatest potential payback for an education campaign, but also are among the most difficult to reach and influence. By contrast, the members of the target population most open to the messages are those approaching empty-nester status. Even though they still are 15 to 20 years away from retirement, they are most likely to be receptive to broad retirement messages.

## **COMMUNICATION STRATEGIES AND TACTICS**

### **A. INTRODUCTION**

The Minnesota Department of Human Services has determined that Minnesotans in the 35-51 year old age group need to be educated on the broader issues associated with retirement (i.e., lifestyle choices, nursing home care, living arrangements, social issues).

The research supports both the need and the potential for such a public education campaign. Minnesotans in the target age group are not focused on retirement needs beyond financial planning. However, they are amenable to certain messages.

A collaborative approach to a public education campaign, one which focuses on building coalitions with key stakeholder groups and emphasizes positive outcomes associated with taking a broad-based approach to planning for retirement is most likely to motivate targeted audiences.

"Scare tactics" are most likely to be ineffective. According to Harvard Business Review, "Many social-marketing campaigns unnecessarily oversell the morbid consequences of not adopting the recommended behavior. Some of them employ a heavy-handed tone in an attempt to change underlying attitudes, when simply providing information and support would be more effective."

The research conducted on behalf of DHS draws a similar conclusion. Information that is personalized and obviously relevant to the audiences and is delivered through multiple credible channels is much more likely to be effective.

## **B. STRATEGIES**

- Partner DHS with professional, community, and social organizations that serve the targeted audiences.
- Educate target audiences on the broader aspects of retirement planning -- beyond financial preparation.
- Utilize a variety of communications vehicles to reinforce messages for the target audience.
- Pursue an integrated approach, through both traditional and non-traditional means, to produce optimum results.

## **C. TARGET AUDIENCES**

- General population in the 35-51 age group.
- Key influencers [employers, financial planners and insurance agents].
- Vulnerable populations [low income, minority and immigrant populations].
- Soon-to-be-empty-nesters.

## **D. SUMMARY OF TACTICS**

The following are suggested tactics for reaching the identified target audiences. While these tactics are segmented, many of these are effective at reaching more than one target audience.

### **1. General Public**

Research indicates that "umbrella" messages applicable to most people in the targeted age group--35-51--work best.

#### **Recommended Tactics:**

Create a strong theme, one that captures the essence of the campaign and can be incorporated into tactics and collateral material. Himle Horner recommends the following theme:

#### **"Beyond the Numbers"**

with a tagline "Independence, Choice, Security and Planning." The tagline reflects words that through our research, were found to resonate and impact the target audience. Mock-ups of potential graphics incorporating this concept can be found in the appendix.

- Create a news conference to launch the campaign. DHS has accumulated significant, newsworthy research on Minnesotans' perceptions and realities about retirement. The news conference would release the research findings of and introduce the "Beyond the Numbers" campaign. A press kit would be developed for media distribution. Media in Greater Minnesota would be mailed a press kit.
- Leverage the Twin Cities news conference by arranging for a credible spokesperson to reach the news media in Greater Minnesota. For example, North Dakota's Insurance Commissioner conducted a statewide media tour promoting the tax benefit of purchasing long-term care insurance. Similar exposure to Greater Minnesota media would strengthen the reach of the campaign.
- Create "Beyond the Numbers" forums in various Minnesota communities. DHS would co-sponsor the forums with representatives from county social services, the business community, financial planners, insurance agents,

local banks, a health care network/provider, and organizations that work with nursing home care. Media relations would be conducted to both leverage the retirement issue and publicize the forum. Forum partners would be asked to remain on a voluntary task force, which would meet quarterly, to determine opportunities to extend the message of "Beyond the Numbers" retirement planning in their region. Ideas and solutions developed by each task force could eventually be shared in other parts of the state.

- Involve employers directly in delivering the key messages of "Beyond the Numbers."

Maintain ongoing aggressive media relations to sustain and leverage the program beyond the launch:

- Make extensive use of radio, particularly by packaging "actualities" (radio actualities are pre-recorded news stories distributed via phone lines to radio stations statewide; the radio stations incorporate the stories into their news broadcasts in much the same way that newspapers use press releases).
- Develop targeted pitches. For example, coordinate with a single Twin Cities TV station to develop a significant piece on retirement for the heavily-promoted November "sweeps" month; aggressively pursue feature and talk radio opportunities on stations like WCCO and MPR; draft and place an article on the increasing importance of the employer in retirement planning, or the tax benefit of purchasing long-term care insurance, for the business forum column of the Minneapolis Star Tribune Monday marketplace section; work with newspapers to develop and place other significant articles on retirement planning and quality of life issues; etc.
- Create a toll-free number for ordering additional information. The toll-free number would be incorporated into all appropriate collateral material developed for the "Beyond the Numbers" campaign.
- Create collateral material such as a brochure, which describes "Beyond the Numbers" and promotes the toll-free number and Internet home page. Collateral materials would be interactive--allowing for two-way communication--and distributed through partner organizations, financial planners, insurance agents, information booths at community festivals and events, community forums, and mailed to inquiries made through the Internet home page and/or toll-free number.
- Create a program on the advantages of broadening retirement planning "Beyond the Numbers" for insurance agents and financial services organizations that market retirement products to employers. Agents would be provided with a value added door opener to discuss the benefit of broad-based retirement planning, along with "leave behind" collateral material.
- Partner with financial institutions (i.e., banks, credit unions), such as the Minnesota Bankers Association, Independent Bankers of Minnesota, etc., to reach banks throughout the state. Distribute materials for their customers, either by mail or placed in the lobby, on the "Beyond the Numbers" campaign.

#### **Additional Opportunities:**

Create a stand-alone "Beyond the Numbers" Internet home page, or incorporate with the upcoming DHS home page, aimed at providing retirement information to the public. The site would be interactive, linked to other financial planning and retirement sites, provide resource information, incorporate easily downloadable presentation materials for influencers, and feature relevant and timely information.

Partner with a television and/or radio station to create and distribute public service announcements.

## **2. Vulnerable Population**

Members of this group are focused on day-to-day pressures and overwhelmed by the thought of retirement. A "step-by-step" approach, which shows the various financial aspects of retirement as attainable and emphasizes family support systems, is needed to reach this group. In addition, community and social service organizations play a vital role in reaching this population.

#### **Recommended Tactics:**

- Public libraries continue to be a credible source of community information. Partner with organizations such as the Minnesota Library Association to have collateral material placed in libraries statewide and explore opportunities to host community seminars on the "step by step" approach to retirement planning.
- Create strategic partnerships with labor unions, county social service agencies and community organizations that will help deliver the message to hard-to-reach audiences. Many organizations have health and welfare programs already established and would be very amenable to providing their communities with important and credible information.
- Create platforms based on community events to reach vulnerable audiences with key messages. In other words, go directly to the target audiences through events that have high impact within the community (i.e., distribute an educational piece at community festivals and events, host information booths, etc.). In addition, hosting an information booth at local shopping malls is also an effective way to disseminate collateral material

and reach this audience.

- Partner with ethnic and community churches that serve the targeted audience. Churches are trusted sources of information and often times host seminars on health and financial issues for members.
- Create opportunities to reach this targeted audience through their employers, emphasizing messages that go beyond financial planning to other things they can do to prepare themselves for retirement. Potential communications vehicles include conducting workplace retirement planning seminars, drafting articles for inclusion in company newsletters, payroll stuffers, etc.
- Work closely with ethnic and community newspapers and cable outlets to communicate with audiences that sometimes are hard-to-reach. Target publications include the following:

#### **African-American Media**

St. Paul Recorder

Minneapolis Spokesman

Greater Southside News

Insight News

St. Paul Insight News

#### **Asian American Media**

Kev Koom Siab, hosted by Fong Lee (KTCA TV)

Asian American Press

Asian Pages

#### **Chicano-Latino Media**

La Prensa (weekly newspaper)

St. Paul Voice -- La Voz (newspaper)

Visiones De La Raza

Estilio Tejano, hosted by Gabriel Rios (cable access)

No Esta Gente (newspaper)

Univision (national cable--huge local audience)

#### **Native American Media**

Healthy Nations News (cable access)

Native American Press

Indian Education newsletter, via metro area public schools.

News From Indian Country

The Circle (metro)

### **Additional Opportunities:**

- Create and distribute a "Campaign in a Box"--that is, informational and educational materials that can be given to community-based organizations for their use on an on-going basis. For example, use the "Campaign in a Box" as a follow-up to a speech, encouraging the organization to adopt the issue and spread the information to their entire service area, not just their members.
- Develop a "speakers bureau," promoting presentations by credible community spokespeople to appropriate organizations (i.e., churches, community/civic groups) that serve the vulnerable audience. Create a simple "leave-behind" piece that shows the possibilities associated with a "step-by-step" approach to retirement planning.
- Develop an advertising/PSA campaign that targets this audience, especially on TV entertainment programs.

### **3. Influencers**

Employers, financial planners and insurance agents are especially credible information sources on retirement issues for the broader population. However, these groups have focused primarily on the financial aspect of retirement. Recent research indicates the fastest growing segment of employee benefits are voluntary benefits. This rapid growth is attributed to the significant advantages voluntary benefits provide both employers and employees; low cost, credibility, convenience and portability.

### **Recommended Tactics:**

- Research indicates that insurance agents are among the most trusted sources of retirement information. Partner with insurance trade associations and insurance companies (i.e., American Family, ReliaStar Financial Corp., Lutheran Brotherhood) to create an information packet for "small-town" agents to use when advising current and potential customers.
- Identify appropriate speaking opportunities for a credible spokesperson to discuss the whole package of retirement -- "Beyond the Numbers," to relevant trade organizations (financial planners, insurance groups, unions, business groups, bank executives, etc.).
- Create a communications vehicle to provide regular updates featuring credible, timely information (i.e. statistics, studies, surveys). The communications vehicle would be interactive and provide an opportunity for suggestions and feedback.
- Partner with organizations and develop collateral for distribution to their members. Products would be available for organization members to order, such as retirement resources, completed newsletter stories, and an opportunity to host a seminar for employees at their company. Potential partners could include:
  - Business Organizations (i.e., Minnesota Chamber of Commerce, local chambers of commerce, Human Resource Professionals),
  - Financial Planning Organizations (i.e., The Institute of Certified Financial Planners),
  - Insurance Organizations ( i.e., Independent Insurance Agents of Minnesota, Minnesota Benefit Association).

### **Additional Opportunity:**

Create a seminar series on the necessity for broader retirement planning for organizations that conduct financial based retirement programs (i.e., Piper Jaffray, ReliaStar Financial Corp., Lutheran Brotherhood, Dain Bosworth, etc.). The lunches would take place at each company's individual location to ensure ease.

### **4. Empty Nesters**

Members of this population are the most receptive of the targeted audience to messages on the broader issue of retirement. Even though they may be 15 to 20 years away, this group is more apt to be seriously considering retirement planning.

### **Recommended Tactics:**

- Educate insurance companies that market retirement products to this audience (i.e., Lutheran Brotherhood, ReliaStar Financial Corp.) and provide agents with a door opener, and collateral materials on broader retirement issues.
- Create "Quality of Life" retirement seminars. DHS, financial planners and insurance brokers would collaboratively sponsor informational seminars on the broader issue of retirement -- information on the financial aspects of retirement, insurance needs, and lifestyle/quality of life issues. To ensure credibility, independent products would not be marketed. Seminars would be held on a regional basis throughout the state, developing partnerships with local financial planners and insurance agents when available. Attendees would receive

collateral materials with information on retirement planning, important issues to consider, and resources for more information.

- Develop a "speakers bureau," promoting presentations by credible spokespeople to appropriate civic organizations (i.e., Lions Clubs, Rotary's, Optimist Clubs). Collateral materials would be distributed to attendees.

**E. Budget**

Following is a one-year budget for implementing the proposed program at a "core" level or a more aggressive level.

Core Tactics	Cost
Implementation Fees	\$84,000-108,000
Forum Set-Up (hotels, meals, planning)	\$10,000-12,000
Invitation development/printing	\$4,000-6,000
Follow-up calls to invite list	\$4,000-5,000
Toll-Free Phone Number	\$1,500-2,000
<b>Collateral Materials</b> Design/Production	\$5,000-7,000
Printing (Qty. 100,000)	\$7,000-9,000
Miscellaneous Expenses	\$8,000-10,000
Total:	\$123,500-159,000
<b>Program Including Additional Opportunities</b>	Cost
Implementation Fees	\$96,000-120,000
Forum Set-Up (hotels, meals, planning)	\$10,000-12,000
Invitation development/printing	\$4,000-6,000
Follow-up calls to invite list	\$4,000-5,000
Toll-Free Phone Number	\$1,500-2,000
<b>Collateral Materials</b> Design/Production	\$5,000-7,000
Printing (Qty. 100,000)	\$7,000-9,000

Internet Home Page Development	\$15,000-18,000
Annual Maintenance	\$4,000-5,000
Create and place public service announcements for television and radio.	\$25,000-30,000
Miscellaneous Expenses	\$12,000-15,000
<b>Total:</b>	<b>\$183,500-229,000</b>

## **PUBLIC OPINION SURVEY**

### **1. EXECUTIVE SUMMARY**

#### **Methodology:**

- Random sample of 500 Minnesotans between the ages of 35 and 51 years old.
- Average interview time of 14 minutes.
- Telephone interviews completed between June 8 and 14, 1997.
- Results projectable to their respective universes within 4.4 percent in 95 out of 100 cases.

#### **Demographic Profiles:**

Sixty-four percent were in the 35-44 year age range.

- Thirty-four percent were in the 45-51 year age range.
- Eighty percent reported having children.
- Forty percent had children under 18 years old.
- Twenty-two percent had children over 18 years old.
- Eighteen percent had children in both age categories.

Thirty-eight percent had graduated from college.

- Twenty-nine percent had post-secondary educational experience, short of college graduation.
- Thirty-three percent had graduated from high school or had less education.

Sixty-nine percent were currently married.

- Nineteen percent were single.
- Eleven percent were widowed or divorced.

The median yearly household income was \$46,550.00.

- Twenty-six percent reported household incomes below \$35,000.00.
- Thirty-seven percent posed household income levels above \$50,000.00.

Men and women were equally represented in the sample.

Forty-five percent of the sample resided in the Metropolitan Area Suburbs.

- Twenty percent resided in non-Metropolitan Areas north of Highway 12.
- Twenty-one percent resided in non-Metropolitan Areas south of Highway 12.
- Fourteen percent lived in Minneapolis and Saint Paul.

### **Concerns about Retirement:**

"Money" was the top concern about retirement, posted by 53%.

- "Social security" plagued 18 percent.
- "Health" was mentioned by 12 percent, while "health care" was posted by 5 percent.

Forty-eight percent felt "retirement will be a well-deserved reward for my years of hard work."

- Thirty-one percent said "I don't want to ever completely retire."
- Seventeen percent stated "I never think about retirement."

Seventy-five percent thought "they will be able to maintain a comfortable lifestyle during retirement."

- Only 12 percent disagreed.

Various numbers rated each of the following as either a "very important concern" or a "somewhat important concern."

- "I will end up in a nursing home, by 55 percent.
- "I will outlive my retirement savings," by 50 percent.
- "I won't be able to do the things I want to do in retirement because of poor health," by 47 percent.
- "I will have to go back to work to make ends meet," rated by 41 percent.
- "I will have to depend on my children or other family members for financial support," by 20 percent.

### **Retirement Planning:**

- By 70-25 percent, respondents disagreed with the statement, "Retirement is too far off to make plans about things like where I will live."
- By 64-35 percent, respondents disagreed with the statement, "Other than saving for retirement, there's not much else I can do to prepare for my retirement years."
- By 48-46 percent, interviewees agreed with the statement, "I should be spending more time developing hobbies and interests now that I will enjoy during retirement."
- By 50-46 percent, interviewees agreed with, "I worry more about my parents or other older relatives than I do about my own retirement."

### **Anticipated Lifespan:**

The typical respondent expected to live until the age of 83.8 years old.

- Twenty-four percent expected to live to an age between 50 and 79 years old.
- Twenty-two percent thought they would live to be over 90 years old.

Forty-four percent anticipated living in the years just prior to their expected oldest age "in another home, but still living independently."

- Twenty-four percent saw themselves "in housing designed especially for seniors."
- Twenty-four percent thought they would be "living in the same home they are now."
- Only 1 percent saw a "nursing home" in the future, while five percent expected to "live with their child or other family member."

### **Nursing Home Care:**

Thirty-eight percent felt it was "somewhat likely" they would need nursing home care for an extended period of time when they were elderly.

- Only 5 percent felt it was "very likely."
- Fifty-one percent saw it as either "not too likely" or "not at all likely."

Twenty-six percent said their nursing home care would be paid by "a government program that pays for health services."

- Twenty-four percent believed "their own savings" would pay for it.
- Eighteen percent pointed to "private insurance."
- Fourteen percent counted on "their employer's health insurance."
- Only 4 percent would rely upon "their children or other family members."

**Private Insurance or Government Medical Care Programs:**

Forty-four percent believe they are covered by an employer or private insurance policy that would pay some or all of the cost of a nursing home, in the event of sickness or disability.

- Thirty-two percent were not covered.
- Twenty-four percent were unsure about their coverage.

Thirty-nine percent said it was a benefit of their job as the major reason cited for purchasing or enrolling in this type of coverage.

- "Just in case/Contingency" ranked next, at 24 percent.
- "Peace of mind" was mentioned by 20 percent.
- "Planning for the future" was posted by 15 percent.

Among those not covered, a key message would be "demonstrated low cost or cost saving," suggested by 14 percent.

"Actual cost figures of long-term care," was deemed helpful by 10 percent.

Only 36 percent felt people their age would be willing to pay more taxes to expand medical care coverage, including nursing home care, for elderly today and in the future.

But, only 44 percent of this group would be willing to pay higher taxes if the trade-off were less spending on other areas, such as education.

**Information Sources:**

A list of possible information sources varied in their degree of usefulness for retirement planning:

- "Financial planner or insurance agent" was considered "very useful" by 30 percent.
- "Organizations for seniors, such as AARP" was similarly rated by 30 percent.
- "Workplace, such as Human Resources Department," by 22 percent.
- "Friends or relatives" was rated "very useful" by 21 percent.
- "Government agencies or publications" was rated highly by 16 percent.
- "Newspaper and television reports" was similarly rated by only 9 percent.
- "Useful information" provided "simple, straightforward answers," according to 35 percent.
- Twenty-four percent felt it had to be "most credible."
- Sixteen percent felt it must "have my interests in mind."
- Fourteen percent urged "real-life examples."

**2. SURVEY QUESTIONNAIRE AND RESPONSES**

Hello, I'm \_\_\_\_\_ of Decision Resources, Ltd., a national survey research company located in Minneapolis, Minnesota. We are conducting a short survey of residents in your area and would like to ask you a few questions about your attitudes and opinions. Before we begin, I want to assure you that all of your responses will be held strictly confidential; only summaries of the entire sample will be reported. (DO NOT PAUSE)

A. First, were you or any members of your household born between the years of 1946 and 1962?

ASK TO SPEAK TO THE MALE OR FEMALE WITHIN THE AGE GROUP GIVEN YOUR CURRENT GENDER BALANCE.

IF "NO:" I'm sorry, but this survey requires respondents in that age group. Thank you for your time, though. Good-bye.

I'd like to ask you a few questions about the future....

1. What is the one thing about retirement that concerns you the most?

DON'T KNOW, 9%; MONEY, 53%; HEALTH, 12%; SOCIAL SECURITY, 18 %; HEALTH INSURANCE, 5%; NOTHING TO DO, 3%.

2. Which of the following statements most closely describes your attitude toward retirement? (ROTATE)

A) Retirement will be a well-deserved reward for my years of hard work 48%

B) I don't want to ever completely retire 31%

C) I never think about retirement 17%

None (volunteered) 4%

Don't know/refused 0%

3. Do you think you will be able to maintain a comfortable lifestyle during retirement?

YES 75%

NO 12%

DON'T KNOW REFUSED 12%

I would like to read you a list of concerns many people have about retirement. For each of the following, please tell me if it is a very important concern for you, somewhat important, not too important, or not at all important concern for you. If you have no opinion, just say so....

		VIM	SIM	NTI	NAA	DKR
4.	I will have to go back to work to make ends meet.	14%	27%	27%	30%	2%
5.	I will have to depend on my children or other family members for financial support.	7%	13%	21%	57%	2%
6.	I won't be able to do the things I want to do in retirement because of poor health.	5%	32%	19%	31%	3%
7.	I will outlive my retirement savings.	18%	32%	19%	26%	5%
8.	I will end up in a nursing home.	20%	35%	16%	24%	5%

I would like to now ask you some questions about retirement planning. For each statement, tell me if you strongly agree, somewhat agree, somewhat disagree, or strong

disagree with it. If you have no opinion, just say so....

		STA	SMA	SMD	STD	DKR
9.	Other than saving for retirement, there's not much else I can do to prepare for my retirement years	10%	25%	30%	34%	1%
10.	Retirement is too far off to make plans about things like where I will live.	8%	17%	34%	6%	4%
11.	I should be spending more time developing hobbies and interests now that I will enjoy during retirement.	18%	30%	25%	21%	6%
12.	I worry more about my parents or other older relatives than I do about my own retirement.	22%	28%	24%	22%	3%

**Moving on....**

13. How long do you think you will live?

Please give me a specific age.

DON'T KNOW 5%

50 TO 69 5%

70 TO 79 24%

80 TO 89 44%

90 TO 99 16%

OVER 100 6%

I would like you to consider what your living arrangement might be in the two or three years leading up to this age.

14. Which statement is most likely to reflect your living arrangement?

- A) I will be living in the same home I am in now.
- B) I will be living in another home, but will still be living independently.
- C) I will be living in housing that is designed especially for seniors.
- D) I will be living in a nursing home.
- E) I will be living with my child or other family member.

STATEMENT A 24%

STATEMENT B 44%

STATEMENT C 24%

STATEMENT D 1%

STATEMENT E 5%

NONE (VOL.) 1%

DON'T KNOW/REFUSED 2%

15. How likely do you think it is that you will need nursing home care for an extended period of time when you are elderly -- is it very likely, somewhat likely, not too likely or not at all likely?

VERY LIKELY 5%

SOMEWHAT LIKELY 38%

NOT TOO LIKELY 36%

NOT AT ALL LIKELY 15%

DON'T KNOW/REFUSED 5%

16. If you need nursing home care when you are elderly, how do you think that care most likely will be paid for?

A) Private insurance.

B) My employer's health insurance.

C) My own savings.

D) A government program that pays for health services.

E) My children or other family members.

STATEMENT A 18%

STATEMENT B 14%

STATEMENT C 24%

STATEMENT D 26%

STATEMENT E 4%

NONE (VOL.) 2%

SOMETHING ELSE (VOL.) 3%

DON'T KNOW/REFUSED 9%

17. Are you covered by an employer or private insurance policy that will pay some or all of the cost of a nursing home should you become disabled or sick?

YES 44%

NO 32%

DON'T KNOW/REFUSED 24%

IF "YES," ASK:

18. What is the most important reason you purchased or enrolled in the insurance policy?

DON'T KNOW, 3%; PEACE OF MIND, 20%; JUST IN CASE, 24%; PLAN FOR FUTURE, 15%; COMES WITH JOB, 39%

IF "NO," ASK:

19. Is there one message which might cause you to purchase an insurance policy to cover all or some of the cost of long-term care or ongoing care, such as a nursing home?

(IF "YES," ASK:) What would that be?

DON'T KNOW, 71%; FIND OUT HOW EXPENSIVE THIS CARE IS, 10%; IF IT'S PROVIDED AT A LOW COST, 14%; NEED MORE INFORMATION, 4%.

20. Do you think people your age would be willing to pay more in taxes to expand medical care, including nursing home care, for the elderly both today and in the future?

YES 36%

NO 55%

DON'T KNOW/REFUSED 9%

IF "YES," ASK:

21. Would you be willing to pay higher taxes if it meant that less would be spent on another area, such as education?

YES 44%

NO 43%

DON'T KNOW/REFUSED.....13%

I would like you to consider the information you receive about retirement. Now for each of the following, please tell me whether you would find their answers and advice on retirement very useful, somewhat useful, not too useful, or not at all useful.

		VUS	SUS	NTU	NAA	DKR
22.	Friends or relatives?	21%	53%	14%	10%	2%
23.	Your financial planner or insurance agent?	30%	48%	8%	11%	3%

24.	Newspapers and television reports?	9%	50%	26%	14%	1%
25.	My workplace, such as the Human Resources department?	22%	40%	13%	18%	7%
26.	Organizations for senior citizens, such as AARP?	30%	41%	7%	9%	13%
27.	Government agencies or publications?	16%	53%	13%	13%	5%

28. Thinking about the sources of information about retirement you find most useful, which of the following makes them most useful to you?

- A) They provide simple, straightforward answers.
- B) They are most credible.
- C) They use real-life examples.
- D) They have my interests in mind.

STATEMENT A 35%

STATEMENT B 24%

STATEMENT C 14%

STATEMENT D 16%

NONE (VOL.) 3%

SOMETHING ELSE (VOL.) 3%

DON'T KNOW/REFUSED 5%

Now just a few more questions for demographic purposes....

29. What is your age, please?

35-44 64%

45-51 34%

REFUSED 2%

30. Do you have any children under 18 years old? (WAIT FOR RESPONSE) Do you have children over 18 years old?

NO 20%

UNDER 18 40%

OVER 18 22%

BOTH 18%

DON'T KNOW/REFUSED 0%

31. What is the last grade of school you completed?

LESS THAN HIGH SCHOOL 4%

HIGH SCHOOL GRAD 29%

VO-TECH 10%

SOME COLLEGE 19%

COLLEGE GRADUATE 31%

POST GRADUATE 7%

REFUSED 0%

32. What is your current marital status?

SINGLE 19%

MARRIED 69%

DIVORCED 9%

WIDOWED 2%

REFUSED 1%

33. Is your pre-tax yearly household income above or below \$35,000?

(IF "BELOW," ASK:) Is it below \$25,000?

(IF "ABOVE," ASK:) Is it above \$50,000?

UNDER \$25,000 10%

\$25,000-\$35,000 16%

\$35,001-\$50,000 22%

OVER \$50,000 37%

DON'T KNOW 3%

REFUSED 11%

34. Gender (DO NOT ASK)

Male 50%

Female 50%

### 35. Area of State (FROM LIST)

MPLS/ST. PAUL 14%

REST OF METRO 45%

NORTH OF 12 20%

SOUTH OF 12 21%

### **AUDIT REPORT**

An audit was conducted with 25 individuals that people age 35-51 would see as credible in discussing issues related to their own retirement planning. Audit participants included certified financial planners, representatives from retirement and long-term care insurance industries, senior citizen and consumer advocacy groups and public policy officials.

The audit was conducted through one-on-one telephone interviews, most lasting 30 to 60 minutes.

The first objective of the audit was to gain information from these influencers on the issues and communications vehicles they believe would be most effective and persuasive in reaching people age 35-51 on matters related to their living arrangements and their potential long-term care.

The second objective was to identify the issues and communications vehicles that might be most effective in reaching the influencers themselves. Specifically, what would motivate influencers to place greater emphasis on lifestyle issues, including long-term care needs in retirement, as they provide counsel to people age 35-51 (Within some of the direct quotes from audit participants, those age 35-51 are referred to as baby boomers or boomers).

Seven main themes emerged from the discussions:

- Those age 35-51 generally begin serious planning for their retirement when they face the "empty nest" syndrome, although they have already started saving through mechanisms such as employer sponsored 401(k) plans.
- Planning for retirement is equated to financial planning. Little thought is given to planning issues related to lifestyle or care.
- Those in their late 30s and early 40s put current financial demands ahead of planning for their retirement.
- People age 35-51 do not see themselves ending up in a nursing home. Denial is a common sentiment.
- Those age 45-51 generally feel the government will take care of them. People age 35-44 are more skeptical, although there is a perception vs. reality gap at all levels as far as what the government will pay for.
- Messages that would motivate people age 35-51 to begin long-term care planning are dependent on age. For those over 45, themes of independence and protecting their spouse are key. For those age 35-44, the most effective message is protection of ones assets, relative to what they have now and what they will accumulate over the long term.
- Employers and employer-sponsored events such as forums are viewed as credible communications vehicles/messengers.

### **Retirement Planning Issues**

According to those audited, serious planning for retirement generally begins in the mid-40s, once children are independent (Although this starting point is being pushed back as more people are having children later in life.) At that age, they begin evaluating whether they have been saving enough money and begin to face reality and deal with issues on what type of lifestyle is feasible for them. While some have done some sort of retirement savings, usually through an employer-sponsored 401(k), their focus has been on their children and on other financial obligations and perceived needs.

"Generally, the younger boomers are at their peak spending years with a mortgage payment, daycare costs and saving for their children's education. Many are also dealing with the financial costs of caring for their aging parents. Putting sufficient amounts of money aside for retirement is not feasible."--Insurance industry executive

While many of those audited agreed that those age 35-44 often have financial obligations, there was consensus that this age group has a different attitude in general about saving, compared to those over age 45.

"While the consumption phase of the 80s has passed, this group still tends to spend beyond its means, using credit to keep up with the Jones's. There is more of a tendency to use credit to go on fancier trips, buy even a fancier car, etc. Many feel their parents will leave them a nest egg, and that they still have enough working years left to begin a savings program."--Financial planner

On the other hand, those audited said that many of those fifty and older had been touched by the Depression and understood the importance of long-term planning.

Family obligations and attitudinal issues about saving aside, those audited felt that those age 35-51 did not have a realistic grasp on how much money it takes to save for a comfortable retirement.

"There is a large perception versus reality gap with the boomers as far as how much they have to save versus how much it will cost them to live the lifestyle they are envisioning. Generally speaking, the concept that you're doing fine if you're putting money away in a 401(k) is untrue."--Financial planner

"Often times I'll sit down with a couple who have been putting money aside and when we project out what those dollars will be worth 10, 15 years from now in context with the approximately 20 years they'll live after retirement, there is a lot of shock at the discrepancy."--Financial planner

"Of the boomers that want to save, the majority do it through company plans because it's convenient. That's not going to be enough."--Insurance agent

### **Shortsightedness of Retirement Planning**

For those under 45, retirement planning is not one of their day-to-day urgent issues. As they age, and their kids leave for college or the workforce it does become more of a pressing issue. According to those audited, the concept of retirement planning among this audience is narrowly focused, limited mainly to the financial issues. Once they are focused on the planning, the main concern is having enough money for retirement.

Lifestyle issues such as where they might live, how they can be healthy in their older years, the potential for nursing home or other long-term care needs are not top of mind concerns relative to retirement planning. In fact, according to those audited, most of the target audience do not associate lifestyle issues with retirement planning. Those age 35-51 see themselves as remaining independent for the rest of their lives. Should they need care, the perception is that family members will take care of them. Long-term lifestyle issues are often not dealt with until the very end of retirement. Those involved in retirement planning generally agreed that planning for lifestyle issues becomes serious three to five years prior to retirement.

"They don't consider the nuts and bolts of retirement until they are there."--Academic economist

The majority of those audited felt this was due to attitude. According to a March 9, 1997 New York Times article on baby boomer attitudes, advertising executive Jerry Della Femina wrote that "baby boomers represent the only generation that's convinced it's not going to die."

"There is a huge amount of denial among boomers that they themselves will become disabled, very ill and consequently will need some sort of long-term care or live in a nursing home. Nursing homes and long-term care issues aside, most believe they will remain independent."--Insurance agent

"Even though it's a hot issue in the media and with many employers, baby boomers just don't want to think about it."--Academic economist

"When planning anything, it is much easier to deal with the positive rather than potential negatives. When these boomers plan their retirements, they don't think the bad things will happen to them. It's much more fun to plan for retirement trips to the Greek Isles or to China as opposed to planning how they would deal with incontinence."--Public policy official

"Baby boomers value their freedom, to do what they want to do. They don't relate to sickness. This is a youth oriented society. It is hard for people to age gracefully. Old age is repulsive to a lot of people. Therefore, they avoid the thought and the part of retirement planning that goes along with that."--Insurance industry executive

"When my dad was 65 I begged him to get long-term care insurance. I even offered to buy it. He would have nothing to do with it. He didn't think it would happen to him. Three years later he had a catastrophic illness. Now he has to sell the cabin, the house and everything else he has to afford the nursing home care he needs. He basically has nothing left."--Long-term care insurance agent

In addition to attitude, many of those audited felt that basic lack of knowledge about long-term care issues played a role in the targeted audiences' lack of long-term planning. This perception is validated by the National Council on Aging 1997 Long-Term Care survey which cited a wide variety of misconceptions about fundamental long-term care issues. For example, "73 percent of those surveyed incorrectly believe that Medicare is the primary funding source for most older persons' long-term care costs. Only 31 percent know that four in ten long-term care recipients are under age 65. More than half of respondents mistakenly believe that most long-term care is received in nursing homes and that family and friends provide a minority of overall long-term, care assistance."

There are those age 35-51 that do plan for lifestyle issues. More likely than not, these are people who have experienced first hand through their parents or other relatives the tragedies that can occur through improper or lack of planning. Many of the audit respondents also felt that the higher an individual's education and income, the more likely he or she was to have a well rounded retirement plan.

According to the National Council on the Aging 1997 Long-Term Care Survey, those who do consider long-term care insurance are motivated by the fear that "when the time comes, the cost of long-term care will deplete their resources and they lack the confidence that safety nets such as Medicaid, Medicare and Social Security will be able to cover the expense."

### **The Role of Government**

All experts audited agreed that there is confusion about Medicare and Medicaid and what actually is covered by these and other government programs.

"Seniors today believe the government will never let them down. Younger boomers are more skeptical -- they keep hearing that there won't be enough younger people to pay for the population bulge of the aging boomers."-- Insurance agent

"Not only do they not understand what the programs do, they keep hearing that there will not be enough younger people to pay for them."--Marketing manager for national insurance agency

"The 'Minnesota Nice' attitude runs deep. They believe that the government wouldn't throw them out on the street if they become destitute."--Public policy official

"Those that do understand what Medicare is aren't able to take it another step further, for example, understanding skilled care versus custodial care. Custodial care is what most people end up needing, and it is not covered by Medicare."--Public policy official

### **Effective Messages**

Messages that would motivate the target audience to begin long-range retirement planning are influenced by the age of the recipient. For those over 45, themes of independence and protecting their spouse are key. For those age 35-44, the most effective message is protection of one's assets, relative to what they have now and what they will accumulate over the long-term.

As those over age 45 near retirement, concerns about controlling their own destiny and making their own choices -- all related to remaining independent -- are paramount.

"Protection of assets could be effective for this age group also, but what they are really concerned about is leaving their spouse destitute or being a burden to their children. The independence message works well, because it implies that they are in control of where they want to live and are making their own decisions. The message also relates to not having to be dependent (e.g., a burden) on someone and having that other person making the decisions."-- Insurance industry marketing executive

Scare tactics do not work with this audience.

"Showing people the spreadsheets of the one or two million dollars they need to save -- and what that translates into a monthly dollar figure -- scares them. Rather than motivate, it paralyzes people, making them think the situation is helpless, so they think 'why bother.'"--Financial planner

"Trying to scare people with stories of destitution or institutional nursing homes doesn't work because in their own minds, they do not see themselves ending up that way."--LTC insurance agent

There was consensus that there is not an effective message that would convince those age 35-44 that they need to purchase long-term care insurance. They have more pressing short term financial needs and see themselves as remaining independent for the rest of their lives. However, most felt that a broader message educating them on the choices and options that if made now, would have payoffs for them in the future, would be effective. Studies have shown that the DHS's target audience has a quest for learning. According to American Demographics magazine, boomers are going back to school in record numbers. "Almost 50 percent of Americans age 35-54 were enrolled in some form of adult education in 1995 as compared to 17 percent in 1984."

The NCA 1997 Long-Term Care survey validated the point that education is critical. According to the survey, the need for more information is the single biggest barrier to purchasing long-term care insurance.

"Providing boomers with reliable, factual information on why it is important to think both long-term and broadly regarding retirement issues is important. It is important to lay the groundwork relative to education on these issues, so when the need does present itself, you don't need to start from square one."--Financial planner

"Lutheran Brotherhood has recognized the importance of retirement planning beyond the financial side of things. We have paid consultants on staff that can work with clients on a variety of issues such as health, or other long-term lifestyle issues. We approach boomers with the message that there are more choices and options available to them and here's a convenient, easy and personalized way to get that info. They thrive on that."--Insurance agent

### **Effective Communications Vehicles and Approaches**

Breaking through the clutter to the 35-51 year-old audience targeted by marketers and advertisers as frequently is tough. Audit participants felt that the most credible communications vehicles for those baby boomers are employers and third party sources such as advocate groups (AARP) and media that used unbiased sources, such as the National Council on Aging, as opposed to quoting an insurance agent.

Those audited provided examples of such approaches. Effective approaches that came up repeatedly included the following:

#### **Third Party Approaches**

The Florida Commission on Aging with Dignity, a private organization, sponsored a series of forums that were successful and well attended. The goal was to get a message out and raise awareness around the spectrum of retirement issues, but they were positioned as an opportunity for the Commission to gather information.

One of the hurdles the commission overcame was how to get the boomers to listen with the large number of "experts" and the enormous amounts of information that already was out there. The commission developed a series of seminars with a McDonald's "here's-your-life-plan-for-it-right-now" approach. Advertised through churches and non-profit organizations, and through donated advertising in the mainstream media, the forums were a success as measured by attendance.

The commission found that the more interactive the forums were, the better. When it was just a presentation, even by a popular expert, there was only a fair reception. A popular format was to enable the audience to ask questions of a panel of experts. This reinforces the premise that boomers related better to options and choice.

Information dumping, even at a seminar or an employer-sponsored event attended by choice is not by itself sufficient. Experts agreed that because choice and options are important to the 35-51 year-old audience, there should be another step. The Florida Commission develop a "baby boomers survival kit" for retirement planning that has been very successful. Distributed free of charge to seminar participants and those targeted by the Commission, the survival kit is available for a charge to others who call to request it.

Whether employer-sponsored or sponsored by another entity, audit respondents felt a seminar targeted toward those in their late thirties and early forties and their parents would be an effective approach in helping boomers

relate to retirement issues that until now, were irrelevant to them.

"Working through the issues and seeing your own parents as a case-in-point, whether positive or negative would impact boomers more than any other means."--LTC insurance agent

On another note, audit participants who sell long-term care, financial or insurance products find statistics, studies and facts from credible third party sources effective vehicles for translating the potential need into terms to which their clients can relate.

## **Employer**

Audit respondents believe employers are credible information sources to this target audience and that the employer approach is extremely effective as a communications vehicle.

The 1994 Retirement Confidence Tracking Study, conducted by EBRI/Greenwald demonstrated that employer education has an important role in encouraging saving for retirement. One-third of the employees whose employers actively encouraged retirement savings by educating employees through seminars and handouts, claimed to contribute more to their plans.

A 1996 Ernst & Young study found that 70 percent of net personal saving during the past 15 years has occurred within employer-based retirement plans.

"Employers are viewed as a credible source of information. Boomers are receptive to employee-sponsored seminars and forums. Convenience is another reason these types of seminars are successful."--Financial planner

Insurance people who were permitted to come into the workplace and talk to employees substantially increased their closing rate, according to a study conducted by Computer Sciences Corp.

## **Government**

Another effective approach cited by many was the program currently underway in North Dakota. In North Dakota, 25 percent of those over age 65 have purchased long-term care insurance (versus four to five percent nationally and one percent in Minnesota). According to audit participants, the program's success is based on three factors:

- North Dakota has offered a state income tax credit of \$100. Financially, the number is not a big deal, but the message is huge "Don't depend on the state for your long-term care needs. We are not going to provide it for you."
- The state government has played a very active role in supporting long-term care insurance. The state insurance commissioner has been active and aggressive in securing speaking engagements with senior groups throughout the state.
- North Dakota has a strong and committed agent sales force. According to one audit participant, "In Minnesota, there isn't a commitment by the state and therefore there isn't support for the agents in delivering a strong message."

## **Choice**

Audit respondents said that no matter what the approach, choice and options are key with boomers. As one respondent said, "Boomers want you to give them the options and also the tools to make up their own minds. Choice is highly valued."

## **FOCUS GROUPS**

### **1. EXECUTIVE SUMMARY**

#### **Focus Group Participants:**

- 19 Men/22 Women
- Ages 35-51 (29 between 35 and 44; 12 between 45 and 51)
- Household income: 4 less than \$20,000; 22 between \$20,000 and \$49,000; 12 between \$50,000 and

\$74,000; 3 between \$75,000 and \$99,000.

**Forum Locations:** Mankato, Twin Cities (two groups) and St. Cloud

### **How Do People 35-51 View Retirement Planning?**

Planning for retirement is not a priority for most people 35-51. While the financial implications of retirement are a concern for many, focus group participants indicated they have not prepared themselves for retirement beyond making contributions to a company sponsored 401(k) program.

In addition, focus group participants have given little or no thought to lifestyle issues affecting their retirement, including the potential for nursing home or long-term care needs. Focus group participants can be characterized by the "theory of invincibility," meaning they have convinced themselves that they will probably never have to go to a nursing home or need long-term care. Moreover, they believe that they will either remain independent throughout their retirement, regardless of age, or rely on family to take care of them should they become ill or require care. Generally, the focus group participants have not engaged in active planning for retirement for one or a combination of the following reasons:

- They are consumed by day-to-day activities and expenses. Managing the activities and costs of the present leaves little time or money for investing in the future.
- Retirement is too far off to worry about or to make practical choices. The latter sentiment was especially strong. The unpredictability of everything from the economy to tax laws is cited by many as the reason for not planning for retirement.
- Retirement planning is too overwhelming. The notion of accumulating \$1 million or more -- as several advertising and media messages convey -- is beyond the reach of most focus group participants. Because retirement planning is perceived as financial and the finances are perceived as unrealistic, little planning occurs.

Overall, participants are open to discussing the issue of long-term care, but do not see it as a priority.

### **In Terms Both of Planning For Retirement and Receiving Information, How Do People 35-51 See Themselves?**

In general, focus group participants classify themselves as "strugglers," with a desire to become better planners. However, the reality for most of the participants is the perception that life's unpredictability makes it difficult for them to be forward thinkers. Instead, day to day issues such as saving for their children's education, home repairs, and personal needs take priority and prevents retirement planning.

As for decision making styles, participants felt that people 35-51 were generally receivers of information. Receivers are open to information but won't actively seek it. They accept information that is relevant, convenient, and easy to use. Information may or may not lead to a decision (See Chart).

### **When Do People 35-51 Begin Planning For Retirement?**

While focus group participants may participate in company sponsored retirement plans, and in some cases invest other resources, most perceive that retirement planning begins when their children have or will leave home. Most of the participants see this as an orderly transition from one phase of their lives to the next, driven in large part by the equating of "retirement planning" with saving and investing.

### **Who Do People 35-51 Trust For Information on Retirement Planning?**

#### **Employer**

Focus group participants feel that employers are trustworthy sources of information on retirement planning in large part because they have managed other insurance and financial needs (health and life insurance, and retirement/401(k)). Employers also provide efficient access to information and resources. Another important aspect of receiving retirement information in the workplace is the opportunity to associate with people that receive the same information so they can compare notes as what is good and bad about the information.

#### **Friends/Family**

Focus group participants place a very high level of trust in family members and close friends. One of the

primary cited reasons is the simple fact that they are not trying to sell a product. Rather, the participants said they feel the advice is legitimate with their best interest in mind.

### **News media**

Focus group participants find the media credible, as long as the sources of information vary, rather than relying on one source or article for all of their information.

### **Insurance Agent/Financial Planners**

Insurance agents and financial planners are credible sources of information on retirement issues if a relationship already exists. Maintaining and developing relationships is important in small/rural communities.

### **Internet**

Modern technology allows for more in depth research on complex issues, such as retirement, with more ease. The availability of the Internet for home use has increased the opportunity for the consumer to receive information.

### **Government**

Government, especially state government, can be a source of factual information, but it cannot be a sole source. Many of the participants mistrust information from government. However, information that is co-sponsored by government or complements other messages could be effective.

## **What Are the Best Messages to Educate People 35-51?**

Messages should focus on educating people 35-51 on the realities that may face them in retirement and should concentrate on providing information, not on selling a product. For younger people, the messages should educate them on the benefit of thinking about living and care arrangements, not try to sell them a long-term insurance policy. As they get older and become more serious about retirement planning they will have an existing base of knowledge regarding long-term care issues and may be more likely to take specific actions.

Focus group participants generally began the discussions by dismissing the notion that non-financial decisions or planning for retirement would be relevant. The more they discussed non-financial retirement issues, however, the more relevant and important their issues became.

## **MANKATO FOCUS GROUP SUMMARY**

**JUNE 19, 1997**

### **Focus Group Participants:**

- 5 Men/6 Women
- Ages 35-51 (7 between 35 and 44; 4 between 45 and 51)
- Household income: 1 less than \$20,000; 6 between \$20,000 and \$49,000; 2 between \$50,000 and \$74,000; 2 between \$75,000 and \$99,000.

### **How Do People 35-51 View Retirement Planning?**

The participants of this focus group had a narrow view of retirement planning. Most have participated in company sponsored retirement programs such as 401(k), but have done very little beyond that. The same is true in terms of planning for retirement lifestyle issues. Only two participants had thought about where they might live and almost all of the participants felt that they would not require nursing home or long-term care during their retirement.

Rather, participants predicted they would either remain independent throughout their retirement, regardless of age, or rely on family to take care of them should they become ill or require care.

Overall, participants are open to discussing the issue of long-term care, but do not see it as a priority. They are focused more on simply "surviving the day-to-day" than being concerned with planning for retirement.

### **In Terms of Planning For Retirement and Receiving Information, How Do People 35-51 See Themselves?**

Participants classified people in their age group as "strugglers," more concerned about making it through the challenges of today to think about planning for retirement. Because life is so unpredictable, participants felt that it would be difficult to think too far in advance. Instead, day-to-day issues such as saving for their children's education, home repairs, and personal needs are a priority.

As for decision making styles, participants felt that people 35-51 were generally receivers of information. Receivers are open to information but won't actively seek it. They accept information that is relevant, convenient, and easy to use.

### **When Do People 35-51 Begin Planning For Retirement?**

While focus group participants may participate in company sponsored retirement plans, and in some cases invest other resources, they most often do not get serious about retirement planning until their kids have finished college and/or left home for good.

### **Who Do People 35-51 Trust For Information on Retirement Planning?**

Insurance Agent/Financial Planner

- Focus group participants trust insurance agents and financial planners with whom they have an existing relationship or received a referral from a trusted source. Maintaining and developing relationships is important in small/rural communities.
- Employer
- Focus group participants feel that employers are trustworthy for receiving information on retirement planning in large part because they have managed other insurance and financial needs (health and life insurance, and retirement/401(k)). Employers also provide efficient access to information and resources. Another important aspect of receiving retirement information in the workplace is the opportunity to associate with people that receive the same information so they can compare notes as what is good and bad about the information.
- News media
- Focus group participants find the media credible, as long as the sources of information vary, rather than relying on one source or article for all of their information.
- Friends/Family
- Family and friends ranked high as a credible and trusted resource.

### **What Are the Best Messages to Educate People 35-51?**

Messages should focus on educating people 35-51 on the realities that may face them in retirement and should be focused on providing information, not selling a product:

#### **Show a Realistic View of Retirement**

What are the potential concerns facing people 35-51 in retirement? Using realistic estimates and case studies, show the real outcomes of not planning properly for retirement. Carefully use facts and figures that can easily be related to personal situations.

#### **Outline Available Options**

Without trying to sell a product, show people 35-51 what options are available to them in retirement. In addition, show them which decisions they can make now so that they can be better prepared for the future, and what are some of the things they should be thinking about.

### **Step by Step; A Gradual Approach Makes Retirement Seem Less Ominous**

Planning for retirement can be discouraging because of the large sums of money that have been reported as

needed for retirement. Many people feel overwhelmed by the idea of trying to save that much. Show them how contributing to retirement plans step by step, little by little -- can remove the overwhelming aspect and make planning for retirement less ominous (i.e. affect of compounding interest, the impact of starting earlier).

### **Who is the Best Messenger?**

Participants felt that their employer would be the most credible source for receiving messages on retirement, nursing home and long-term care because they also handle health and life insurance issues.

### **Who Should This Information Come From?**

Participants would trust information on retirement planning if it came from one of the following:

- Private sector business (i.e. insurance companies)
- Organizations such as AARP

Participants had a strong distrust of information provided from the state or federal government

### **What is the Best Vehicle to Reach People?**

Focus group participants indicated that third party sources, such as newspapers and magazines were a credible vehicle to reach people. In addition, brochures -- as long as they were visual and captured the readers attention by breaking through the daily clutter of direct mail -- could be credible. Focus group participants also said that television could be an effective vehicle because of broad reach.

## **TWIN CITIES FOCUS GROUP SUMMARY/EARLY SESSION**

**JUNE 24, 1997**

### **Focus Group Participants:**

5 Men/5 Women

Ages 35-51 (8 between 35 and 44; 2 between 45 and 51)

**Household income: 4 between \$20,000 and \$49,000; 6 between \$50,000 and \$74,000.**

How Do People 35-51 View Retirement Planning?

Participants of this focus group have thought about the basic financial aspects of retirement, and for the most part have participated in an employer sponsored program. However, they view lifestyle issues associated with retirement, such as nursing home care and where they will live, as irrelevant. One participant said, "How can think about something if you don't know what it is like in the future." This was a common theme for the rest of the group. The notion that retirement was, "We have a lot of time left in our lives to plan, so there is no urgency to deal with issues that are 30 years down the road."

This group, however, was astute as to the average costs associated with nursing home care and the reality they may someday have to be placed in one. Instead of receiving nursing home care, participants see themselves as living independently until they can no longer take care of themselves. Then they may spend their last remaining years in nursing home care. They would prefer this outcome rather than burden family members.

Similar to the Mankato group, participants are too busy living day-to-day to give retirement planning serious thought.

### **In Terms of Planning For Retirement and Receiving Information, How Do People 35-51 See Themselves?**

As for retirement planning, participants classified people 35-51 as strugglers -- more concerned about making it through today to think about planning for retirement. Especially because of the unpredictability of life.

While the majority of participants classified people 35-51 as receivers of information, more participants ranked them

as analytical than in other focus groups. Receivers are open to information, but don't actively seek it. Analytical people seek out information about topics they feel are important, they weigh in their options, then make a considered decision.

### **When Do People 35-51 Begin Planning For Retirement?**

Serious planning for retirement begins when kids are out of the house. One participant echoed a common theme, "We will not have enough resources until then."

### **Who Do People 35-51 Trust For Information on Retirement Planning?**

Friends

Employer/union

News media

### **What Are the Best Messages to Educate People 35-51?**

Messages should focus on educating people 35-51 on the realities that may face them in retirement and should be focused on providing information, not selling a product:

#### **Pitfalls of Not Planning for Long-Term Care**

Focus group participants said that an effective message would paint a realistic picture of retirement by using credible statistics that show such things as the disparity of starting to save and plan today, rather than waiting for 10 years from now. Other statistics would forecast the financial need for retirement to maintain various lifestyle levels.

#### **Paint Nursing Homes and Assisted Care in a Positive Light**

Appeals to a persons self esteem ("I don't want to be dependent on my dependents").

#### **When is the Right Time to Plan?**

Messages must focus on "empty nesters" and others in their upper 40s who may be at a stage in life where they are thinking seriously about retirement. Younger audiences will not be interested in this information.

#### **Have Visual Appeal**

People receive large amounts of mail each day that gets cast aside without ever being read. The print piece needs to have a visual and factual component that breaks through the clutter.

#### **Involve an Incentive to Find Out More Information**

Providing something for free, such as a video or information kit, would entice people to conduct further research on the issue.

### **Who is Best the Messenger?**

- Participants said they trusted their employer to provide information on the subject and make it easier to participate. Choice remains important; participants would prefer to have options available so they can make the decision for themselves.
- Credible third party (i.e. Consumer Reports)

### **Who Should this Information Come From?**

- Coalition of organizations
- Private businesses

- State and federal government
- Organizations such as AARP

#### **What is Best Vehicle to Reach People With this Information?**

- Brochures/print

Must be relevant, convenient, easy to read, visible and capture the readers attention -- as to break through the daily clutter of direct mail.

### **TWIN CITIES FOCUS GROUP SUMMARY/LATE SESSION**

**JUNE 24, 1997**

#### **Focus Group Participants:**

- 4 Men/6 Women
- Ages 35-51 (6 between 35 and 44; 4 between 45 and 51)
- Household income: 1 less than \$20,000; 6 between \$20,000 and \$49,000;
- 3 between \$50,000 and \$74,000.
- Participants in this group had specific experience with providing or seeking care for an older relative.

#### **How Do People 35-51 View Retirement Planning?**

Participants in this group were more analytical in their retirement planning in part because they each had experience in providing care for an elderly person, which in many cases was a family member. As one participant said, "You learn from things that happen around you." All of the participants of this focus group have at least thought about financial aspect of retirement, through personal savings and/or employer sponsored 401(k) programs.

Even with the personal experience in care giving, this group thought about lifestyle planning on only a limited basis. In terms of the lifestyle aspect of planning for their own retirement, none of the participants felt they would ever end up in a nursing home. Rather, they could be treated in an assisted care or home health care program that combined some independence with receiving medical attention. Even more surprising, each said that government would pay for these costs.

In addition, they wanted to be responsible for making their own decisions regarding nursing home and long-term care, as opposed to leaving that responsibility to their children.

Overall, participants are open to discussing the issue of long-term care, but do not see it as an urgent issue. Unlike the two previous focus groups, this group of participants did not seem as thoroughly consumed with living day-to-day.

#### **In Terms of Planning For Retirement and Receiving Information, How Do People 35-51 See Themselves?**

Focus group participants classified people 35-51 as a cross between deniers and strugglers. While their outlook for the future may be clouded by immediate financial and day-to-day concerns, often people 35-51 see retirement as too far down the road to worry about today.

As for receiving information, participants classified people 35-51 primarily as receivers; open to information but not actively seeking it. They accept information that is relevant, convenient and easy to use.

#### **When Do People 35-51 Begin Planning For Retirement?**

When they reach their mid to upper 40s and the kids are out of the house.

#### **Who Do People 35-51 Trust For Information on Retirement Planning?**

- Family (most trustworthy)
- Friends

- Employer

### **What Are the Best Messages to Educate People 35-51?**

Messages should focus on educating people 35-51 on the realities that may face them in retirement and should be focused on providing information, not selling a product:

- Show "Retirement Beyond the Finances."

There are many more things to consider than just having enough money to retire.

- How to talk about the issue/do's and don'ts.

Provide a useful guideline for discussing the issue of retirement planning.

- Planning ahead can protect your assets.

Many people do not realize what could actually happen to assets they worked so hard to save for retirement.

- Provide information how simple saving can be if done at an early age.

The law of compounding interest and the benefit of starting to plan for retirement at an earlier age is a powerful message.

- Paint a realistic picture of their retirement.

Uses credible statistics that show such things as the disparity of starting to save and plan today, rather than waiting for 10 years from now. Other statistics would forecast the financial need for retirement to maintain various lifestyle levels.

### **Who is Best the Messenger?**

- Employer
- A credible, influential and reliable source that can "make people start to think." They get people involved when they are younger and provide added convenience.
- Government is also credible.

Who Should This Information Come From?

- Coalition of organizations
- Private businesses (insurance companies)
- State and federal government
- Organizations such as AARP
- Hospitals/health care organizations

### **What is Best Vehicle to Reach People With This Information?**

- Brochures/print
- Must be visible and capture the readers attention as to break through the daily clutter of direct mail.
- Informational materials placed in hospitals and doctors' offices.

## **ST. CLOUD FOCUS GROUP SUMMARY**

**JUNE 26, 1997**

### **Focus Group Participants:**

- 5 Men/5 Women
- Ages 35-51 (8 between 35 and 44; 2 between 45 and 51)
- Household income: 2 less than \$20,000; 6 between \$20,000 and \$49,000; 1 between \$50,000 and \$74,000; 1 between \$75,000 and \$99,000.

### **How Do People 35-51 View Retirement Planning?**

The participants of this focus group had a better understanding of financial and lifestyle issues than the others three focus groups. All but two participants, at a minimum, participated in company sponsored 401(k) programs.

The group did not see themselves ever requiring nursing home care. In fact, they were adamantly opposed to the idea of ever receiving nursing home care -- citing quality of life, dignity, personal experiences and the ability to make their own decisions as reasons. More so than other groups, personal experiences with nursing home care (i.e. family members) played a large role in shaping their perceptions. Rather, they would remain independent and receive assistance once their health failed. In a worse case scenario, participants from this group projected they would live with family members if they were unable to continue living independently.

### **In Terms of Planning For Retirement and Receiving Information, How Do People 35-51 See Themselves?**

Participants classified people in their age group as strugglers, trying to keep up with the changing economic times (i.e. cost of living outpacing wages). As with the other focus groups, day to day issues such as saving for their children's education, home repairs, and personal needs remain a priority.

As for decision making styles, participants classified people in their age group as receivers; open to information but not actively seeking it. They accept information that is relevant, convenient and easy to use.

### **When Do People 35-51 Begin Planning For Retirement?**

While focus group participants may participate in company sponsored retirement plans, and in some cases invest other resources, they most often believed that they would not get serious about retirement planning until their kids have finished college and left home for good.

### **Who Do People 35-51 Trust For Information on Retirement Planning?**

- Friends
- Participants trusted friends because "I know what I am getting into." Friends are not interested in selling them anything, which is an important issue to this group.
- Employer
- Focus group participants feel that employers are trustworthy sources of information on retirement planning in large part because they have managed other insurance and financial needs (health and life insurance, and retirement/401(k)). Employers also provide efficient access to information and resources.
- Internet
- This source was not mentioned in any of the other three focus groups.

### **What Are the Best Messages to Educate People 35-51?**

Messages should be constant and all encompassing. Likened to seat belt campaign of the past, the "messages should be all around us, at grocery stores, on the news and in the newspapers."

- Show the Real Impact of Retirement Decisions

Financial issues are not the only piece of retirement. Lifestyle issues play a huge role in planning for retirement. Issues such as nursing home and long-term care, support network, and where you are going to live. Participants thought it important to portray the truisms of retirement as a credible and powerful message about what issues people in this age group ought to be paying attention to.

- Educate, not Sell

Without trying to sell a product, show people 35-51 what options are available to them in retirement. In addition, show them which decisions they can make now so that they can be better prepared for the future, and what are some of the things they should be thinking about.

- Tax Incentive

Providing an incentive, such as a tax deduction, would entice people to purchase long-term care insurance. Participants said they would not look at as a waste of taxpayer money because they would rather pay \$100 per year for a tax deduction than \$36,000 per year for nursing home care. With an incentive, people 35-51 feel they "get something for something."

- Retirement Planning as a Quality of Life Issue

Participants viewed the issue have having a support network in their retirement as important. Compared to the AT&T ad of reaching out and touching someone, participants were concerned about being alone.

### **Who is the Best Messenger?**

Participants felt that their employer would be the most credible source for receiving messages on retirement, nursing home and long-term care. Employers have done a good job of handling health and life insurance issues. In addition, the workplace provided an opportunity to associate with people who are receiving the same information and compare concerns regarding the programs positive and negative aspects.

### **Who Should This Information Come From?**

Participants would trust information on retirement planning if it came from one of the following:

- Local Government
- Coalition of organizations
- Private businesses (insurance companies)
- State and federal government
- Organizations such as AARP
- Hospitals/health care organizations

Incidentally, participants did trust information provided by the state or federal government. However, felt local government involvement would have the greatest impact.

### **What is the Best Vehicle to Reach People?**

- Sustained communications initiative
- Credible third party sources, such as newspapers and magazines
- Television (PSAs)

## **FOCUS GROUP WORKSHEET**

### **DESCRIPTORS OF PEOPLE 35-51**

Participants in the focus groups were asked to describe their peers according to their planning and decision making styles. Following are the descriptions provided and a summary of responses.

#### **INDIVIDUAL PLANNING STYLES**

Following are four descriptions of people. Which best describes the approach to planning for retirement taken by most of your peers?

**Planners:** They have a take charge attitude about preparing for retirement. They save and invest regularly and stay current on information.

**Strugglers:** They are overwhelmed by day-to-day financial pressures and have a difficult time setting money aside for the future.

**Deniers:** Classified as the "What-Me-Worry?" group, they feel as though retirement is too far off to worry about. In the end, financial security in retirement will take care of itself.

**Impulsives:** They spend first and think later. This group makes compulsive spending decisions and rarely have enough money left to invest or save for long-term goals.

## **DECISION MAKING STYLES**



## Significant Findings from the 1998 Minnesota State Fair

### Project 2030 Retirement Survey

- 43% of all respondents listed Health as their main retirement concern.

36% listed Money with the same percent choosing Health Insurance.

(20% listed Social Security)

46% of respondents under 35 years of age listed Money as their main retirement concern, followed by 29% listing Health.

47% of baby boomer respondents chose Money as their main retirement concern, followed by 39% listing Health.

48% of respondents 52 years of age and older listed Health as their main retirement concern, followed by 43% listing Health Insurance.

More women than men listed Money as their main retirement concern (38% of women, 31% of men).

For those respondents who listed Health as a major retirement concern, 49% have written a will or health power of attorney, 57% have thought about how to be active and involved on a daily basis, and 38% have discussed future planning issues with family and friends.

- 50% of all respondents chose "Retirement will be a well-deserved reward for my years of hard work" as the statement that most closely describes their attitude towards retirement.

42% chose "I don't want to ever completely retire." More men chose this as their attitude towards retirement than women (46% of men, 37% of women).

52% of respondents under the age of 35 chose "well-deserved reward."

Equal proportions of baby boomer respondents chose "well-deserved reward" and "don't want to ever completely retire" (44% and 45% respectively).

53% of respondents age 52 and older chose "well-deserved reward."

- Two-thirds of all respondents have set up a private savings or pension plan. This is the most common retirement planning step to be taken by all age groups.

Half of all respondents have thought about how to be active and involved on a daily basis.

The respondents most likely to have thought about this are age 52 or older (57% of this age group), followed by baby boomer respondents (51% of this age group).

#### **42% of all respondents have written a will or health power of attorney.**

The older respondents are more likely to have written a will or health power of attorney (53% of this age group). Only 8% of young respondents have done so.

#### **35% of all respondents have discussed future planning issues with family or close friends.**

Equal proportions of baby boomer and older respondents have done this (37-38%).

#### **11% of all respondents have purchased long-term care insurance.**

The older respondents are more likely to have purchased long-term care insurance (14% of this age group).

The older group of respondents (those 52 years of age and older) were more likely to have taken the above

retirement planning steps. Baby boomers were more likely to have set up a savings/pension plan.

- 79% of all respondents believe that their quality of life in retirement will be better than their parents' generation.

More men believe this to be true than women (85% of men, 77% of women).

Older respondents (52+) are more likely to believe this to be true than the other age groups (87% of those 52 years of age and older, 67% of baby boomers, and 64% of those under 35 years of age).

### **State Fair Retirement Survey:**

With increasing age

- individuals take an increased number of retirement planning steps. (Significant differences exist between the baby boomers and the older age group.) All age groups cited having set up a private savings or pension plan as the most frequent retirement planning step taken.
- individuals become more concerned about their health during retirement and the availability of health care (as inferred from a cited concern about health insurance). These two concerns surpass money as the main retirement concerns for the older age group. This differs from the other age groups that cited money as their main retirement concern.
- comes increased optimism about retirement. Individuals in the older age group were much more likely to believe that their quality of life during retirement would be better than their parents' generation. This finding could probably be explained by the cohort effect. Their parents likely spent at least part of their working years in the Depression. This would greatly impact their standard of living during retirement.

Gender differences

- More women than men are concerned about money during retirement.
- This finding possibly explains the finding that more men than women believe that their quality of life during retirement would be better than their parents' generation.

### **Comparison of Himle Horner Survey and State Fair Retirement Survey:**

Both surveys found that the main retirement concern for baby boomers is money. Health was listed in both surveys as one of the other major concerns.

Both surveys found that the baby boomers saw retirement as a well-deserved reward for years of hard work.