

Annual Conference Attendees Weigh-In

Investor Confidence of Retirement-Minded Americans Waning

IN AN OPINION SURVEY, conducted via an electronic polling system, taken Monday, October 6 at NAVA's annual meeting in Philadelphia, Pennsylvania, insurance industry professionals had the chance to voice their thoughts on the state of the nation's economy and financial markets. The results, released one day later found that:

65%

Believe that investor confidence is either flat or falling

68%

Believe that variable annuity "living benefits," specific guarantees against downside market risk, will become more popular with consumers

99%

Believe that most retirement-minded Americans will take action to address the financial crisis, including: move money into "safer" investments, become more risk adverse, avoid equity based financial products, and even "stash their savings under their mattresses"

Respondents were split on whether or not the Troubled Asset Relief Program (TARP) will ultimately succeed in stabilizing the financial markets—50 percent believe it will, 46 percent believe it will not, and 4 percent had no opinion.

"A central objective of NAVA's Annual Meeting this year was to determine how to address deteriorating consumer confidence," said Cathy Weatherford, president and CEO of NAVA. "As such, it was interesting to learn how insurance professionals are addressing their own financial situations during these turbulent times. Rather than succumbing to fear and uncertainty, the

majority said they plan on maintaining their long-term retirement planning strategies rather than reduce their market exposure, indicating the confidence that the markets will eventually rebound."

When it came to their views on their personal retirement financial strategies, 77 percent of the respondents reported that they are electing to stay the course with their established long-term plans, rather than making significant near-term adjustments. However, respondents were mixed on their opinion of how the financial crisis will impact consumer confidence over the next 12 months, with 35 percent reporting it will rise, and slightly more (41 percent)

reporting that it will fall.

"It's important to remember that the 'stay the course' strategy may not be the right move for individuals nearing or already in retirement who do not have time to ride out the market. For many of these individuals, our members said that a variable annuity can be an excellent option. By offering valuable insurance guarantees to protect assets from market downturns, variable annuities can give Americans the confidence and peace of mind to stay invested in the market as long as they need to, knowing that their principal is protected regardless of market performance," added Weatherford. ■

More information on the NAVA Annual Meeting Opinion Survey can be obtained by contacting **Kathleen Driscoll McKee** at kmckee@navanet.org