For most Americans, it’s difficult not to associate February with love — especially with Valentine’s Day falling right in the middle of the month. And where there’s Valentine’s Day, there’s never a shortage of timeless romantic songs. Classics like “You’re Still the One” and “I Will Always Love You” extol the virtues of eternal devotion. What’s not to love about that?

While each of these ballads puts their unique spin on the topic, both reinforce a consistent theme that resonates with so many people: All of us want to spend as much time as possible with our loved ones. The good news is that more Americans are getting to do just that since we’re living longer today than ever before. According to recent LIMRA data, the average life expectancy for men is now 82 and for women it’s slightly higher at 85 years old.

But living longer — just like love — comes with its own set of challenges. One of the biggest is making sure individuals have enough replacement income to enjoy their longer retirement years, so they don’t end up outliving their money. Financial advisors understand the importance of protecting their clients from longevity risk. However, when it comes to retirement planning, Americans aren’t taking enough action. A recent Voya survey found that 63% of men and women admit they don’t spend enough time thinking about their financial future. This underscores the value a financial advisor can bring to the table. Therefore, just like those classic love songs we hear every Valentine’s Day, it’s important that advisors aren’t worried about sounding like a “broken record” with their clients. They need to reinforce the benefits of creating a holistic plan and suggest solutions to address the growing retirement income challenge.

This is especially true for those clients who may be a “little off key” when thinking about their financial future. To help frame this important conversation, advisors can look to the lessons of some popular love songs to get them back in tune.

“How Long Will I Love You?” – No one knows for sure, that’s why a holistic plan is so important for your clients

In Ellie Goulding’s popular love song, “How Long Will I Love You,” she talks about loving her significant other until there are no longer stars in the sky. That’s a long time, which means it’s going to take a holistic financial plan to get there. Most advisors are very proficient at helping their clients manage their assets, but working Americans today are asking for more.

According to the Voya Retire Ready Index study, more than 7-in-10 working Americans who were surveyed said it was very or extremely important to protect their family’s finances with sufficient insurance. Additionally, 78% of respondents said it was very or extremely important to have investment options in their portfolio that build a guaranteed stream of income in retirement. What’s the takeaway? Individuals are interested in solutions that can help protect their loved ones to and through retirement — such as life insurance and annuity products.

Therefore, it’s not only important — but prudent — for advisors to consider the benefits of these solutions when developing a holistic financial plan. Not only does it protect against longevity risk, but it also reinforces the spirit of what’s happening in the current regulatory environment.

The Department of Labor’s fiduciary rule, which is scheduled to take effect April 10, 2017, has put a national spotlight on making sure advisors act in their client’s best interests. So, as this landscape continues to evolve, consumer demand for holistic advice will likely increase. Advisors
looking to grow their business will need to look beyond asset management — to such solutions as life insurance and annuity products — to provide the comprehensive financial planning working Americans need.

“Your Love Keeps Lifting Me Higher and Higher” – Everyone likes upside potential, that’s where indexed products can help

Jackie Wilson understood 50 years ago in his 1967 hit song, “Your Love Keeps Lifting Me Higher and Higher,” how love has the power to bring out the very best in people. Unfortunately, many of us have also experienced the pain of heartbeat when a relationship does not work out as planned.

The same parallel can be drawn when considering your client’s mindset as they think about their financial future. Everyone gets excited about the prospect of growing their nest egg to enjoy a longer retirement. But sometimes no matter how carefully we plan, our expectations fall short. This happened to millions of Americans when their accounts significantly dropped during the recession period that began in 2008 — leaving many hesitant to get back into the market.

But just like finding true love, individuals cannot be afraid to take chances, or else they risk missing out on new opportunities. This is where indexed products — such as fixed indexed annuities or indexed universal life insurance — can be a beneficial part of your client’s portfolio. Given their inherent features, fixed indexed annuities offer indexed-based growth potential (tied to the performance of the S&P 500, for example) but with a floor, so that an individual’s original premium and any cash value accumulation are protected from unpredictable market downturns. Indexed universal life insurance has a similar feature, but instead downside risk is protected through a minimum interest guarantee. Either way, it’s a win-win for your more conservative and risk-adverse clients.

Additionally, these solutions have income features that enable Americans to help fund their longer retirements. For example, income riders are often available on annuity contracts, and the benefits are two-fold: They can provide a monthly stream of guaranteed income that your clients cannot outlive. On the insurance side, in addition to providing their loved ones with death benefit protection, indexed universal life insurance also has what is known as a “cash value” component. This allows your client to later tap into a portion of their premium — which grows protected over time — to help supplement their retirement income. If each of us had the same guarantees when starting a new relationship, we might have avoided some unnecessary stress and heartache.

“Time After Time” – Clients often don’t understand life insurance and have misinformation about annuity products, education is the answer

Cyndi Lauper promised in her famous 1984 hit, “Time After Time,” to always be there to support her romantic interest. As a financial advisor, it’s important you remain equally committed to educating your clients on the importance you always be there to support her romantic interest. As a financial advisor, it’s important you remain equally committed to educating your clients on the importance of owning life insurance. Just like someone trying to look their best on a first date, annuities sometimes need help from advisors to create the right impression. Admittedly, there were a few “bad apples” in the past that unfortunately still causes misinformation about the value of annuities. But just like someone you dated back in high school, most annuity solutions today have evolved. For starters, many clients don’t understand their positive characteristics. They offer tax-deferred growth, and depending on the type of annuity, they can protect your client’s savings from loss and offer a guaranteed stream of retirement income for life.

Plus, with the number of corporate pension plans dropping nearly 75% since 1985, according to research from the SPARK Institute — there’s no denying Americans have a growing need for dependable income solutions and are looking for options. Considering most have a favorable opinion of traditional pension plans, and annuities offer similar features, they could be good solutions for many of your clients.

Plus, annuities help protect against longevity risk. Therefore, it’s important advisors continue to educate their clients on these benefits and help debunk false misconceptions. After all, many of us have given a former boyfriend or girlfriend another chance; perhaps it’s time to convince your clients to take a second look at annuities. It could be the “perfect match” and help them enjoy retirement with their loved ones well into their 70s, 80s and 90s.

So whether it’s Valentine’s Day or another opportunity throughout the year, take the time to show your clients how much you care about their financial needs. Most likely, these topics are already on their mind. Your ability to help them will show how committed you are to building that long relationship that so many people desire. Plus, like any great love song — it will be music to their ears.

2) Insights into Retirement Planning Behavior, Voya Financial, December 2016. Voya’s survey was conducted by ORC International from Oct. 6 – 9, 2016. A randomly selected sample of 1,004 men and women (18 years and older) nationwide was interviewed by phone.
3) Voya Rate Ready Index, published 2013. Based on findings from two online consumer surveys of workers and retirees completed in July 2014 by Greenwald & Associates, Inc.
4) Callan Periodic Table of Investment Returns; analysis of annual returns for key indices ranked in order of performance (1996-2015), 2016 Callan Associates, Inc.
5) LIMRA’s 2016 Insurance Barometer Study was fielded in January 2016 using an online panel, which surveyed 2,074 U.S. adults age 18-75; published April 2016.
6) 2016 SPARK Institute Marketplace Update (page 7); published annually.