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Educators Focus on Financial Security, but Need Additional Resources to Meet their Goals

New study from Security Benefit finds that educators prefer to learn about managing their finances from financial advisors versus other methods

TOPEKA, KS, June 21, 2022 – According to a new study from Security Benefit, a leading provider of retirement planning products and solutions in the K-12 education market, more than half (52%) of all educators would prefer to learn about managing their finances from a financial professional as opposed to other methods. Coupled with other findings, the inaugural State of Educator Finances Survey underscores that the role of the financial advisor remains critical – especially with younger audiences – in helping educators prepare for retirement and other financial goals.

In-person/online courses (named by 36% of respondents), financial apps (33%), and friends and family (30%) were cited by educators as other favored ways to learn about how to manage finances, though none were nearly as preferred as financial advisors. The study, which focuses on the role of financial planning in educators' financial futures, was executed by Directions Research via a poll of 502 U.S. adults over the age of 25 who are teachers or administrators in K-12 education.

“There are more tools available than ever for educators to learn about how to manage their finances, but clearly there continues to be a preference for the professional advisor,” said David Byrnes, Head of Distribution at Security Benefit. “Our survey found that educators are passionate about pursuing and achieving financial security but sometimes lack the tools to do this and are looking to advisors to guide them through this critical process.”

Millennial educators want advisors to do more

Out of all generations surveyed, Millennials were found to be the most likely to currently work with a financial advisor. Fifty-eight percent of Millennial educators reported using an advisor, outpacing their Gen X (46%) and Baby Boomer (50%) counterparts. Millennials are eager to receive help in managing their finances, and nearly a quarter (23%) want someone to completely manage their finances, compared to just 15% of Gen X respondents.

Social media channels are popular for younger educators – 23% of Millennials noted social media was one of the top three ways that they most preferred to learn about managing finances, versus just 11% of older respondents. Data from the survey also shows that educators (of all ages) who use a financial advisor are almost twice as receptive to learning about managing finances from social media compared to their peers who do not use an advisor. This signals an opportunity for financial advisors to engage their educator clients via social media in addition to traditional channels.

Educators cite need for more financial planning resources

Respondents were asked to select from three options (financial security, mental health, or physical fitness) regarding where they needed the most help reaching their goals. Forty-five percent of respondents said they needed the most help achieving financial security – more than double the number who said they needed the most help hitting their mental health goals.

When asked to define what financial security meant to them, respondents predominantly cited having short- and long-term savings established. Specifically, educators rated saving for retirement and having an emergency savings fund as the top two areas that aligned with their perception of what financial security means. However, in a concerning detail, 61% percent of Baby Boomers indicated that saving for retirement is the area of financial education where they need the most help.

“While saving for retirement was rated as the most important element of financial security, it’s an area where even soon-to-be retirees express a strong need for assistance,” said Jim Kiley, Head of Eastern Sales at Security Benefit. “If advisors can reach educators earlier in their careers, they can help set them up for success in retirement.”

Millennials aim for an earlier retirement despite challenges

Baby Boomers have adjusted their retirement expectations as they grapple with their need for additional guidance in saving for retirement. Conversely, Millennials appear to be aiming for an earlier retirement. Seventy-eight percent of Millennials indicated they plan to retire by age 64, compared to only 20% of Baby Boomer respondents who said the same.

But while Millennials want to retire earlier, they realize that certain retirement income sources may not be as available to them as previous generations. Just 8% of Millennials expect social security to be their primary source of retirement income, opposed to 31% of Baby Boomers. And only 14% of Millennial educators expect to be able to rely on a pension compared to 30% of their older counterparts. Thus, it will be critical for younger generations to take an active approach to manage their finances with an advisor to meet their retirement timelines and expectations.

Methodology

This study was conducted online by [Directions Research](#). It was fielded from March 3-11, 2022 among 502 U.S. adults over the age of 25 who are educators or teachers in K-12 education.

Survey respondents were sourced from individuals who opt-in to take surveys and polls. Quality checks were used to ensure data integrity, but all sample surveys are subject to multiple sources of error, such as sampling error, coverage error, non-response bias, and measurement error.

About Security Benefit

Security Benefit Corporation (“Security Benefit”), through its subsidiary Security Benefit Life Insurance Company (SBL), a Kansas-based insurance company that has been in business for 130 years, is a leader in the U.S. retirement market. Security Benefit together with its affiliates offers products in a full range of retirement markets and wealth segments for employers and individuals and held \$46.9 billion¹ in assets under management as of December 31, 2021. Security Benefit, an Eldridge business, continues its mission of helping Americans **To and Through Retirement**[®]. Learn more at www.securitybenefit.com and follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

About Directions Research

[Directions Research](#) has been independently recognized as one of the nation’s leading business decision insight firms. Founded in 1988, Directions is a privately held firm based in Cincinnati, Ohio, with regional offices around the country, conducting work globally. It combines a highly experienced staff with a unique mix of innovative and proven approaches to answer pressing business issues. Directions is a member of the Insights Association and is committed to quality through all aspects of the research process.

¹ excludes \$4.9bn of funds withheld assets (includes \$3.2bn of in-force business as of January 1, 2021 and \$1.7bn of business written in 2021) and \$0.3bn of assets held pursuant to the overcollateralization requirements under the reinsurance transaction with SkyRidgeRe Limited.

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