

Sixth Annual

Advisor Authority Study

Powered by the Nationwide Retirement Institute®

Investor/Advisor Alignment Check:

Pandemic and Presidential Elections Drive Volatility and Demand for Protection

Key Findings

November 2020



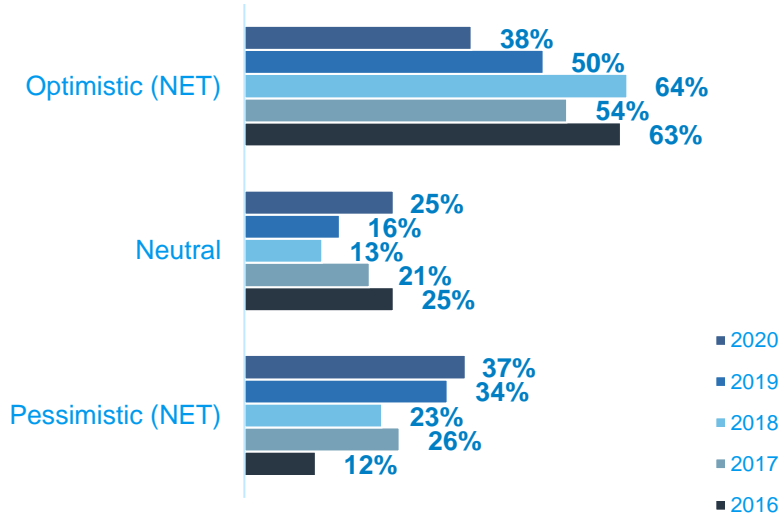
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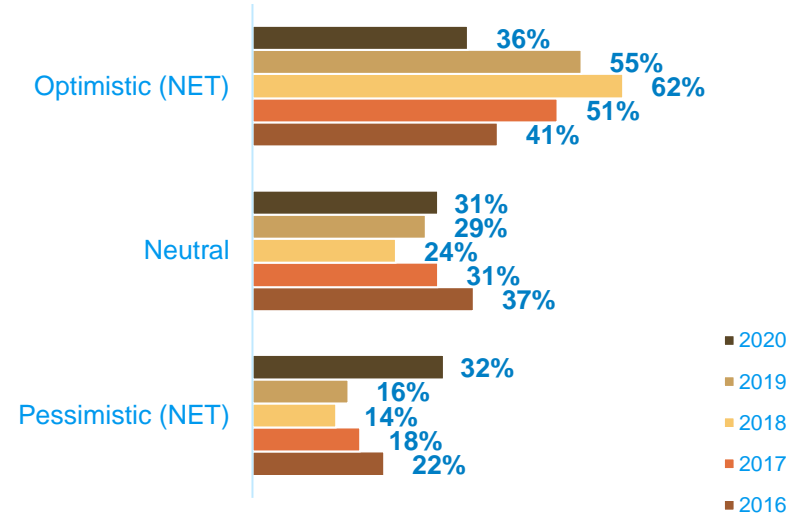
**Advisor
Authority**

Financial Outlook and Optimism Down in 2020: Investors, advisors and financial professionals are recalibrating their financial outlook—and their optimism continues to decline for a second year in a row.

All Advisors and Financial Professionals



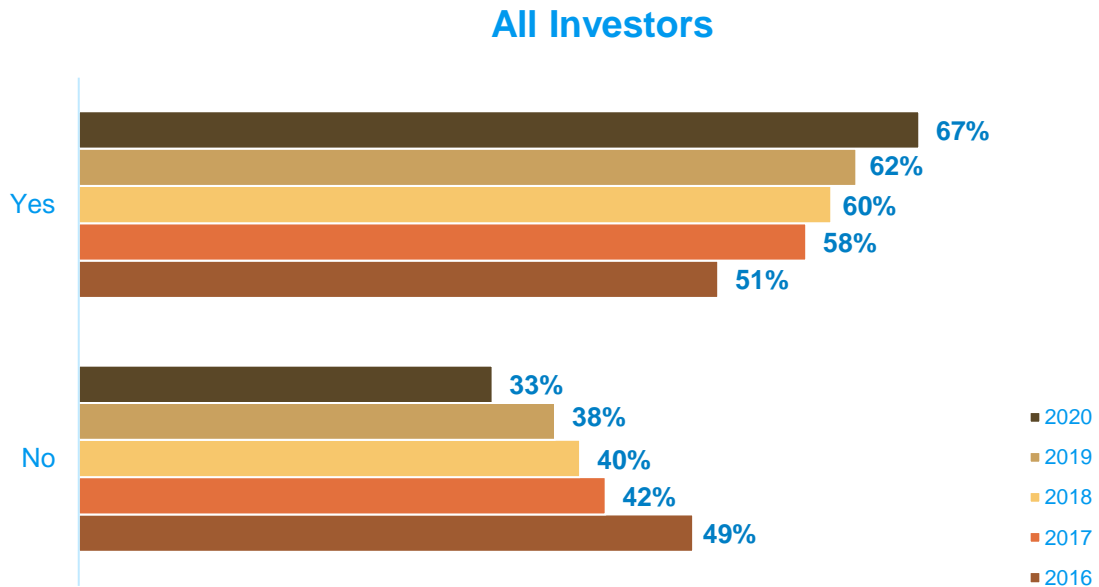
All Investors



BASE: Qualified Advisors and Financial Professionals 2020 (n=1,768); Qualified Investors 2020 (n=817)
 Q1065. How would you describe your financial outlook for 2020?



Working with an Advisor or Financial Professional is on the Rise: In the face of rising uncertainty and ongoing volatility, the number of investors who say they have an advisor or financial professional increased sixteen percentage points in five years, to 67% in 2020 from 51% in 2016.

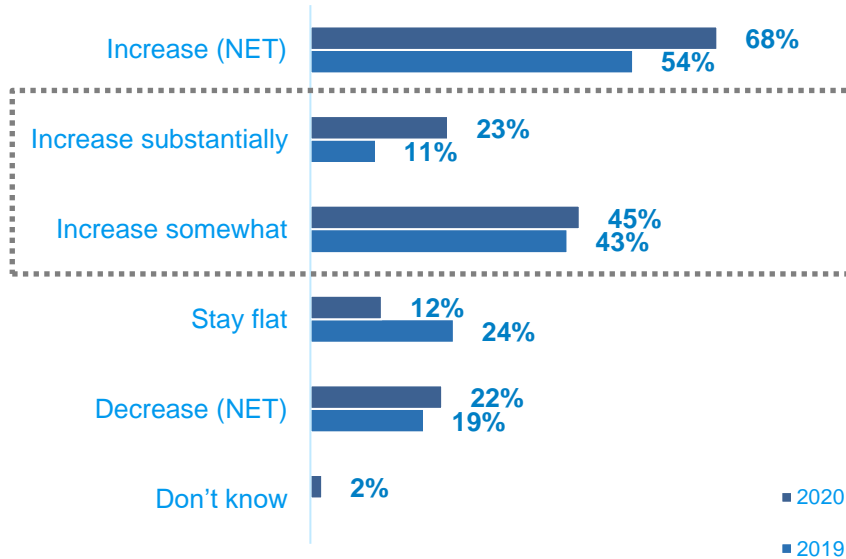


BASE: Qualified Investors 2020 (n=817)
Q800 Do you have a financial advisor?

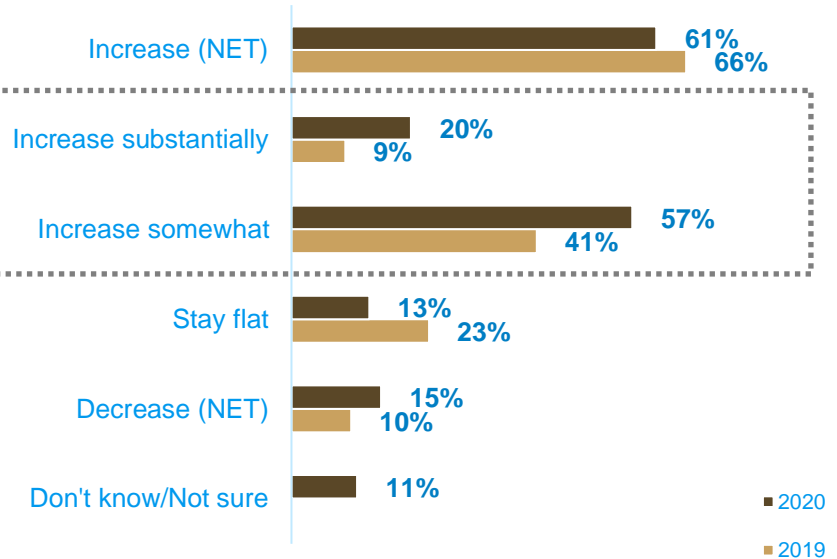


Expectations for Volatility Remains High: This year, investors, advisors and financial professionals alike continue to expect volatility to remain high. Notably, those who anticipate volatility will increase substantially have more than doubled this year.

All Advisors And Financial Professionals



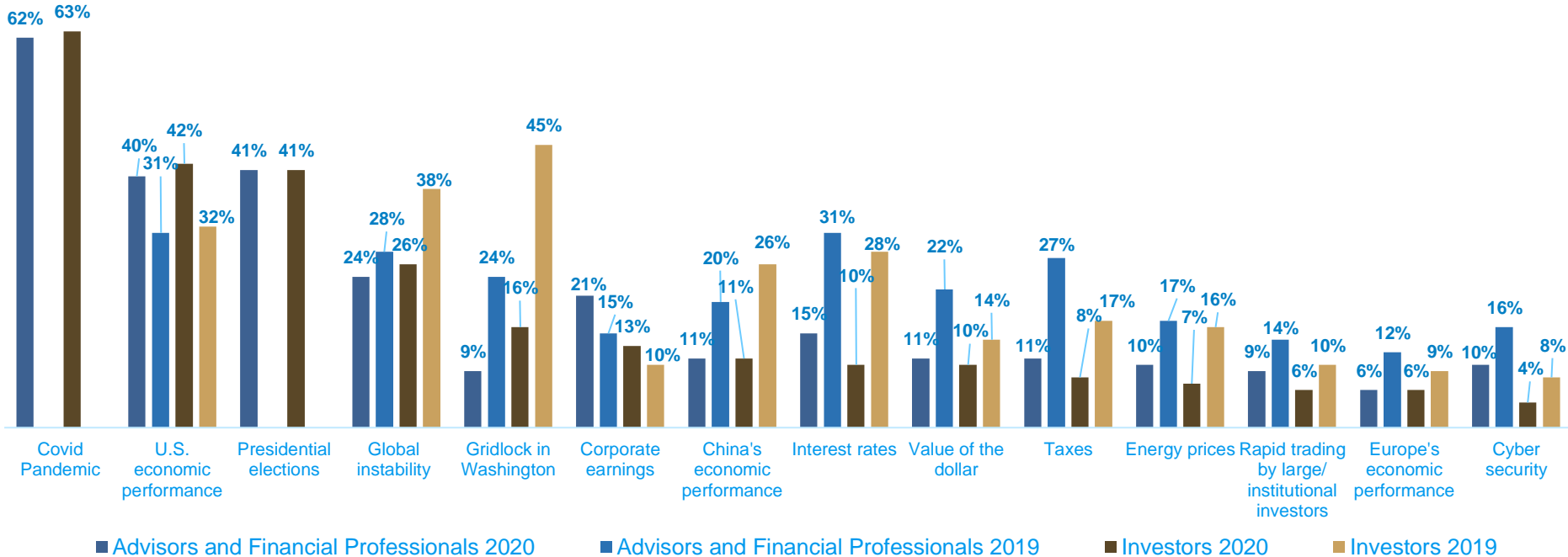
All Investors



BASE: Qualified Advisors and Financial Professionals 2020 (n= 1,768); Qualified Investors 2020 (n=817)
Q1230. To what degree do you anticipate market volatility will fluctuate over the next 12 months? It will...



Pandemic and Presidential Elections among Top Factors Driving Volatility: Placing downward pressure on the economy and the job market, the COVID-19 pandemic is considered the number-one driver of volatility over the next 12 months. Investors, advisors and financial professionals also agree U.S. economic performance and presidential elections top this list.



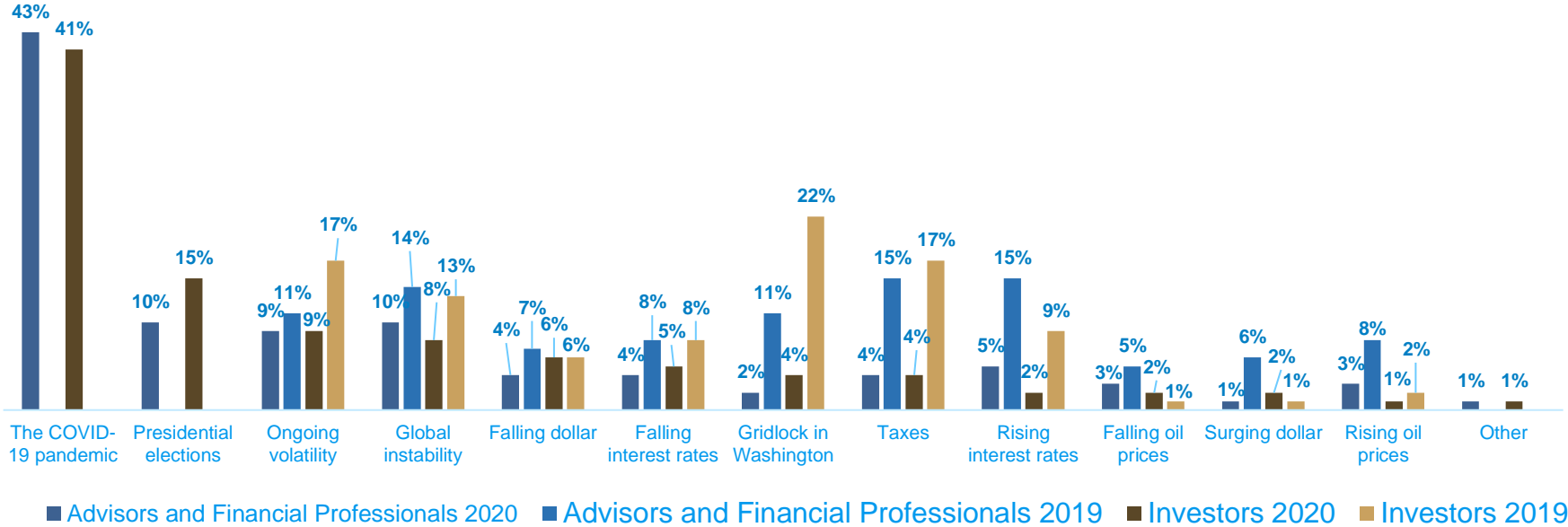
NOTE: "Other" responses are not shown

BASE: Qualified Advisors and Financial Professionals 2020 (n=1,768); Qualified Investors 2020 (n=817)

Q1235. What factors do you think are most likely to cause market volatility over the next 12 months? Please select up to three.



Pandemic and Presidential Elections also Adversely Impacting Portfolios: Investors, advisors and financial professionals agree, the COVID-19 pandemic, presidential elections, ongoing volatility and global instability and are also taking a toll on portfolios.



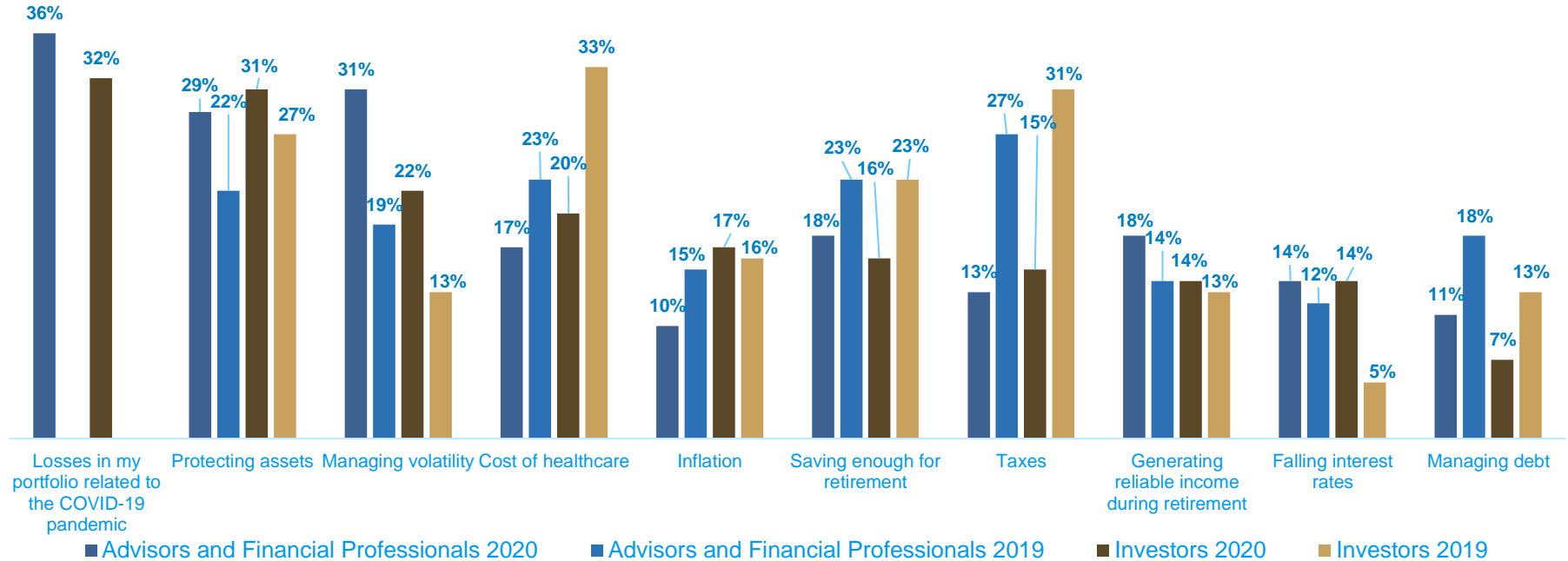
BASE: Qualified Advisors and Financial Professionals 2020 (n=1,768); Qualified Investors 2020 (n=817)

Q845. Over the next 12 months, which macro issue do you believe will most adversely impact your portfolio? Please select one.

Q850. Over the next 12 months, which macro issue do you believe will most adversely impact your client? Please select one.



Portfolio Losses among Top Financial Concerns: Investors, advisors and financial professionals agree, the number-one financial concern over the next 12 months is portfolio losses due to the impact of the COVID-19 pandemic, followed by protecting assets and managing volatility. Many leading concerns declined considerably compared to prior years, including cost of healthcare, taxes and saving enough for retirement.



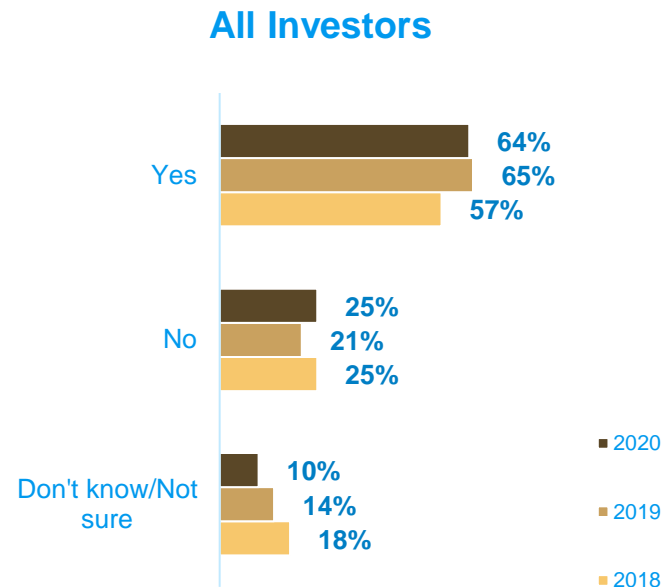
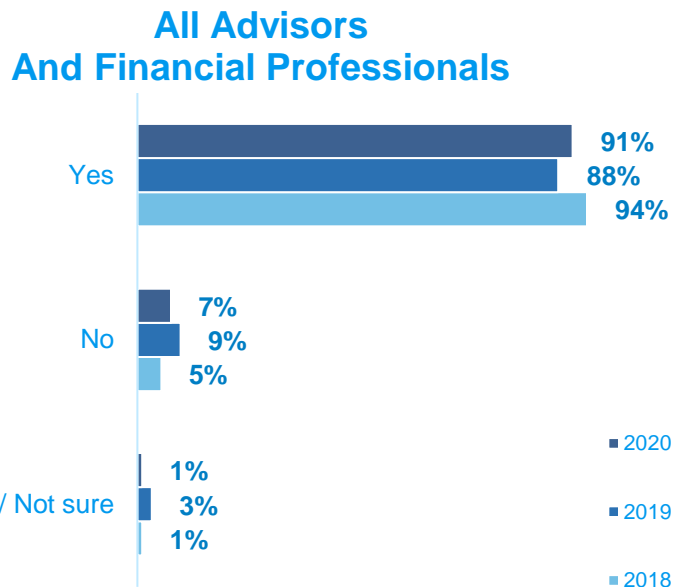
BASE: Qualified Advisors and Financial Professionals 2020 (n=1,768); Qualified Investors 2020 (n=817);

Q810. In the next 12 months, what are your biggest financial concern? Please select up to three.

Q815. What do you think will be your clients' three biggest concerns over the next 12 months? Please select up to three.



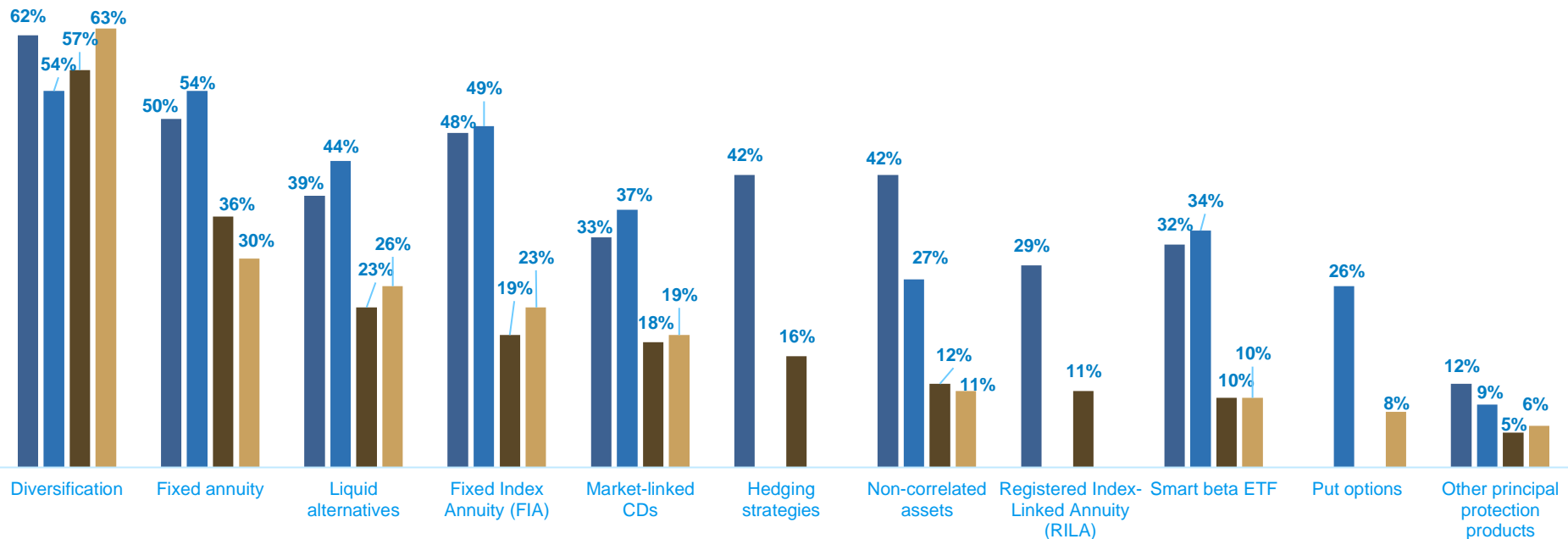
Strategy to Protect Against Market Risk: While expectations for volatility are high, and protecting portfolios against losses far outranks other financial concerns, investors are far less likely than advisors and financial professionals to have a strategy to protect assets against market risk.



BASE: Qualified Advisors and Financial Professionals 2020 (n=1,768); Qualified Investors 2020 (n=817);
Q8010. Do you currently have a strategy in place to help your clients/ you protect their/ your assets against market risk?



Solutions to Protect Assets: While diversification is the most prevalent solution, advisors and financial professionals are more likely than investors to use a diverse range of risk management solutions and annuities.



■ Advisors and Financial Professionals 2020 ■ Advisors and Financial Professionals 2019 ■ Investors 2020 ■ Investors 2019

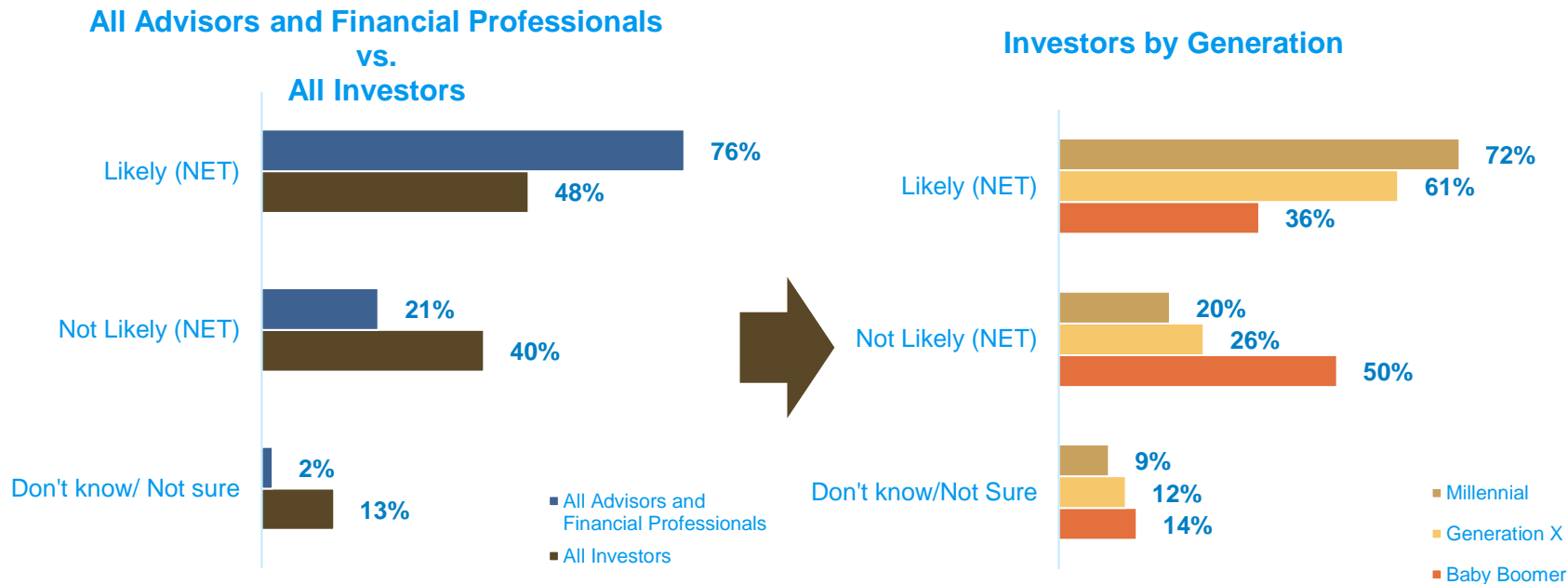
NOTE: "Other" responses are not shown

BASE: Investors/Advisors and Financial Professionals that have a strategy to protect assets against market risk 2020 (n=547); (n=1,613)

Q8015. Which of the following solutions do you use to help your clients/you protect their/your assets against market risk. Please select all that apply.



High Adoption of Annuities to Protect Against Market Loss: With rising concerns about volatility and protecting portfolios, the likelihood of adopting annuities to protect against market loss is high among advisors and financial professionals—as well as younger investors.

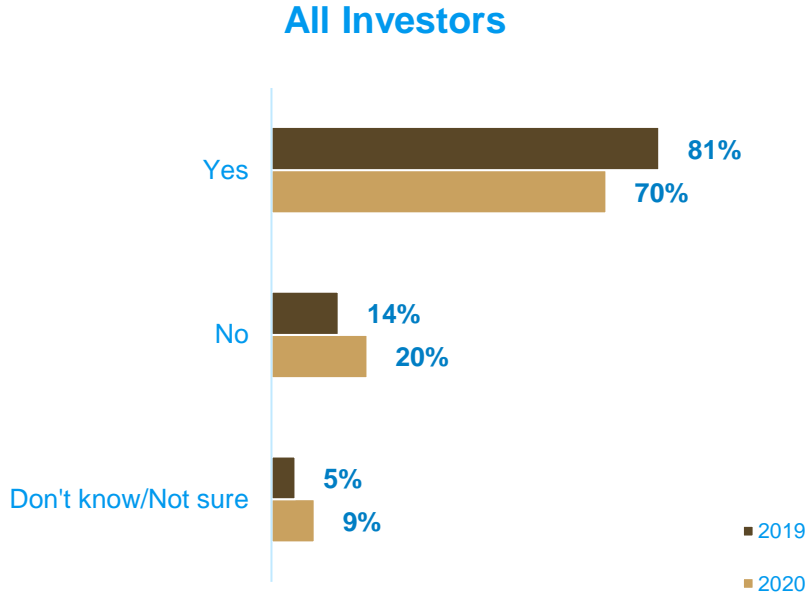
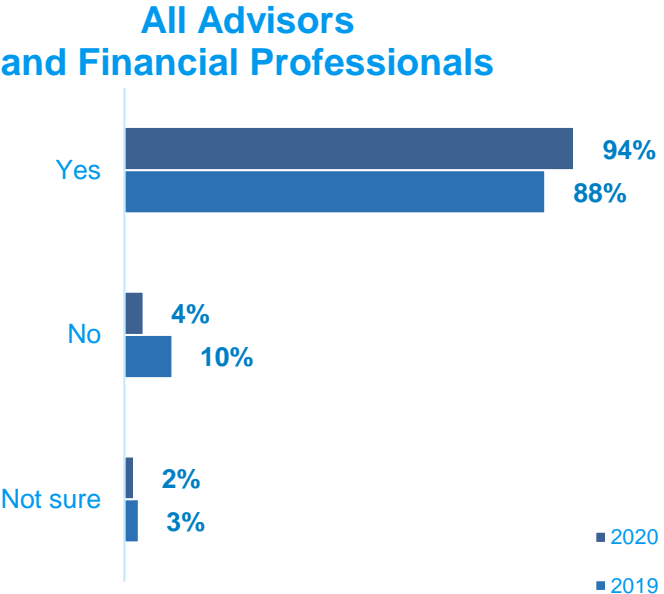


BASE: Qualified Advisors and Financial Professionals 2020 (n=1,768); Qualified Investors 2020 (n= 817); Millennial Investors 2020 (n=119); Generation X Investors 2020 (n=161); Baby Boomer Investors 2020 (n=433)

Q8218. How likely are you to choose an annuity to protect against market loss as part of your clients'/your holistic financial plans in the next 12 months?



Strategy to Protect Against Outliving Savings: With the reality that retirement could last 30 years or more, investors, advisors and financial professionals alike are increasing their focus on having a strategy to protect against outliving savings.

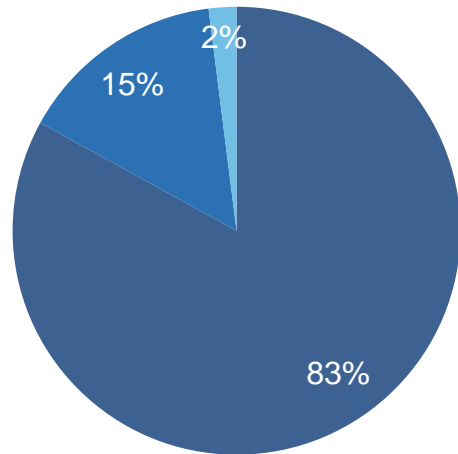


BASE: Qualified Advisors and Financial Professionals 2020 (n= 1,768); Qualified Investors 2020 (n=817)
 Q8006b_1. Do you currently have a strategy in place to do the following? 1. Protect your clients/yourself against outliving their/your savings



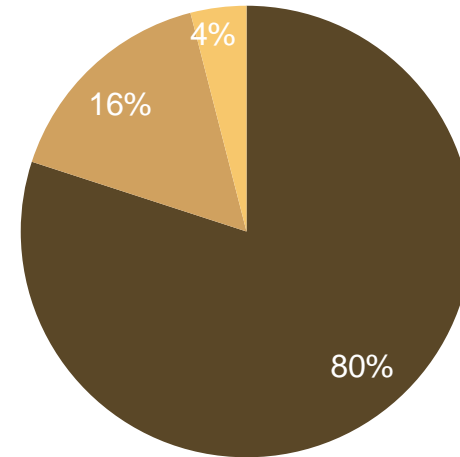
Strategy to Generate Guaranteed Income in Retirement: The retirement income challenge is real—and growing. The vast majority of investors, advisors and financial professionals are prioritizing a strategy to generate guaranteed income in retirement.

All Advisors and Financial Professionals



■ Yes ■ No ■ Don't know/Not sure

All Investors



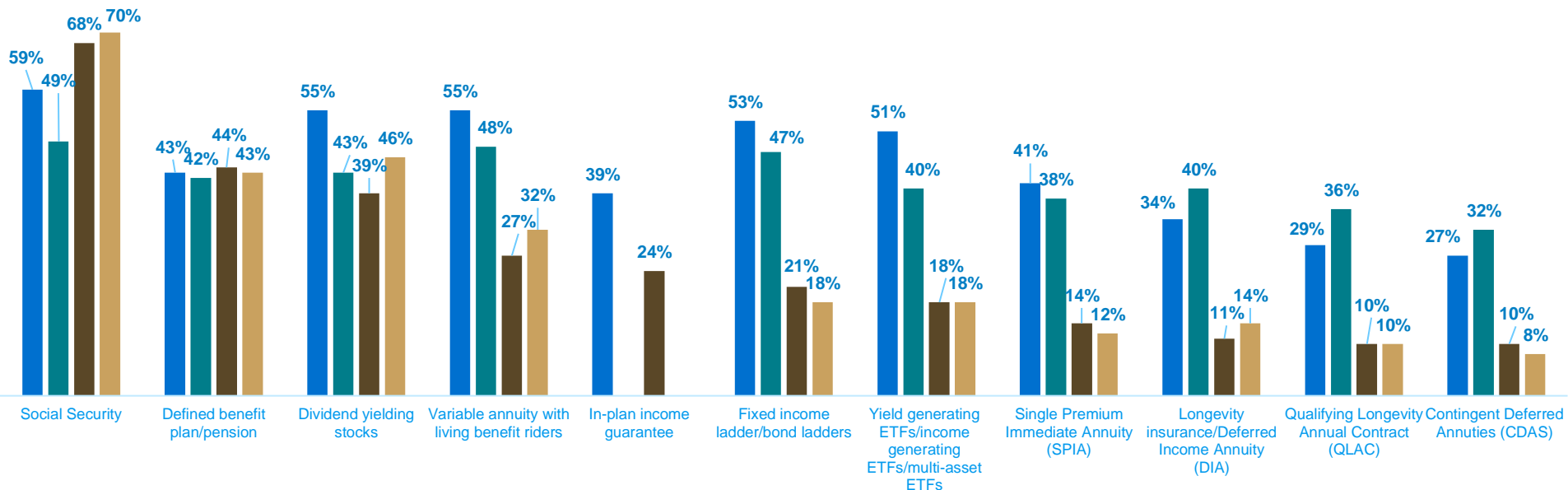
■ Yes ■ No ■ Don't know/Not sure

BASE: Qualified Advisors and Financial Professionals 2020 (n= 1,768); Qualified Investors 2020 (n=817)

Q8006b_2. Do you currently have a strategy in place to do the following? 2. Generate guaranteed income in retirement for your clients/yourself



Solutions to Protect Against Outliving Savings: While Social Security is the most prevalent solution, advisors and financial professionals are more likely than investors to use a more diverse range of solutions and annuities.



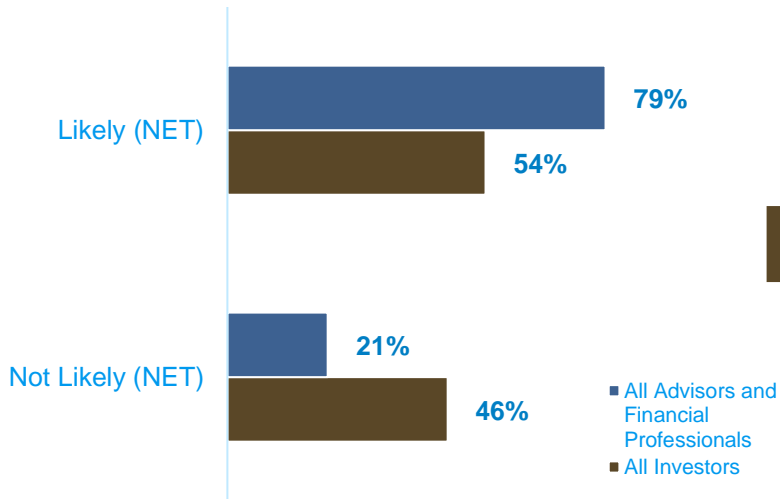
■ Advisors and Financial Professionals 2020 ■ Advisors and Financial Professionals 2019 ■ Investors 2020 ■ Investors 2019

BASE: Advisors and Financial Professionals/Investors that have a strategy in place to protect against outliving savings 2020 (n=685); (n=1,666) Q8007. Which of the following solutions do you use to help your clients/you protect their/your assets against outliving savings. Please select all that apply.

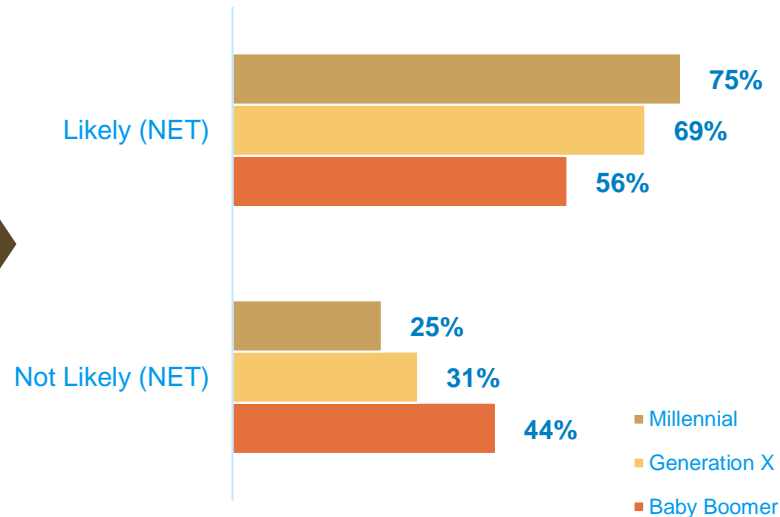


High Adoption of Annuities to Protect Against Outliving Savings: As more Americans become singularly responsible for funding their own retirement, the likelihood of adopting annuities to protect against outliving savings is high among advisors and financial professionals—as well as younger investors.

All Advisors and Financial Professionals vs All Investors



Investors by Generation



BASE: Qualified Advisors and Financial Professionals 2020 (n=1,768); Qualified Investors 2020 (n= 817); Millennial Investors 2020 (n=119); Generation X Investors 2020 (n=161); Baby Boomer Investors 2020 (n=433)

Q8130. How likely are you to choose an annuity to protect against outliving savings as part of your clients'/your holistic financial plans in the next 12 months?



Nationwide's sixth annual *Advisor Authority* study powered by the Nationwide Retirement Institute explores critical issues confronting advisors, financial professionals and individual investors—and the innovative techniques that they need to succeed in today's complex market. This is the third in a series of ongoing releases from the sixth annual study.

About *Advisor Authority*: Methodology

The sixth annual *Advisor Authority* Survey was conducted online within the United States by The Harris Poll on behalf of Nationwide from May 27 – June 25, 2020 among 1,768 financial advisors and financial professionals and 817 investors, ages 18+. Among the 1,768 advisors and financial professionals, there were 758 RIAs, 642 Registered Reps, 500 Wirehouse and 165 other financial professionals. Among the 1,765 advisors, there were 43 Generation Z (18 – 23), 759 Millennials (Ages 24 – 39), 679 Generation X (Ages 40 – 55), 277 Boomers (Ages 56 – 74) and 10 Matures (Ages 75+). Investors are weighted where necessary by age by gender, race/ethnicity, region, education, income, marital status, household size, investable assets and propensity to be online to bring them in line with their actual proportions in the population. Respondents for this survey were selected from among those who have agreed to participate in Harris Poll surveys. Because the sample is based on those who were invited to participate in the Harris Poll online research panel, no estimates of theoretical sampling error can be calculated.

About The Harris Poll

The Harris Poll is one of the longest running surveys in the U.S. tracking public opinion, motivations and social sentiment since 1963 that is now part of Harris Insights & Analytics, a global consulting and market research firm that delivers social intelligence for transformational times. We work with clients in three primary areas; building twenty-first-century corporate reputation, crafting brand strategy and performance tracking, and earning organic media through public relations research. Our mission is to provide insights and advisory to help leaders make the best decisions possible. To learn more, please visit www.theharrispoll.com.

About Nationwide

Nationwide, a Fortune 100 company based in Columbus, Ohio, is one of the largest and strongest diversified insurance and financial services organizations in the United States. Nationwide is rated A+ by both A.M. Best and Standard & Poor's. An industry leader in driving customer-focused innovation, Nationwide provides a full range of insurance and financial services products including auto, business, homeowners, farm and life insurance; public and private sector retirement plans, annuities and mutual funds; excess & surplus, specialty and surety; pet, motorcycle and boat insurance. For more information, visit www.nationwide.com. Follow us on [Facebook](#) and [Twitter](#).

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