The Impact of an Advisor

The counsel of a trusted advisor has long been thought to be a valued addition to the process of retirement planning—and, according to an analysis by the nonpartisan Employee Benefit Research Institute (EBRI), that guidance can, in fact, be beneficial.

Using data from the 2013 Retirement Confidence Survey (RCS) along with a modified version of the EBRI Retirement Security Projection Model® (RSPM), EBRI found that the savings targets set by those in the lowest-income quartile who had sought the input of a financial advisor were associated with a lower risk of running short of money in retirement by anywhere from 9 to nearly 13 percentage points, depending on family status and gender.

The analysis assessed the probability that respondent households would not run short of money in retirement if they did, in fact, accumulate the amount they said would be required in the 2013 RCS.

As for those who “guessed” at those retirement savings targets, the analysis also finds that for all four income quartiles, those who did so—as many Americans still do, according to the 2013 Retirement Confidence Survey—were less likely to choose an adequate target.


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