
Honorable Mention

By Editorial Staff *Thu, Jul 30, 2020*

Net worth of \$655k = Happiness, Schwab survey suggests; Athene to hold earnings call August 5; RIAs can now access Pacific Life fee-only annuities on the Orion platform; Fed to maintain target fed funds rate of zero to 0.25%; SEC charges VALIC Financial Advisors.

Net worth of \$655k = Happiness, Schwab survey suggests

More than half (57%) of Americans say that they or a close family member have been financially impacted by COVID-19, according to Charles Schwab's 2020 Modern Wealth Survey. But the survey also revealed positive changes in Americans' financial behaviors.

According to the survey:

- 36% of Americans say they are more likely to have savings to cover emergency expenses
- 40% say they are more likely to be saving more today than before the pandemic outbreak in the U.S.
- 24% say they are now more likely to have a financial plan; around 30% still express some apprehension about investing
- Roughly 20% say they are more likely to invest in the stock market (19%) or start investing (22%) during this time

Americans report that their overall happiness depends much more on the quality of their personal relationships than on the amount of money they have. Still, only one quarter feel highly confident about reaching their financial goals—down from one-third when surveyed in January 2020.

Schwab's 2020 Modern Wealth Survey is comprised of data gathered from 1,000 respondents in January 2020 before the widespread COVID-19 outbreak in the U.S., and again in June 2020.

When asked in June "what it takes to be financially comfortable now," Americans, on average, named a net worth of \$655,000. say it takes much less than it did in January. That was down nearly 30% from the January 2020 survey, when their comfort level stood at an average of \$934,000.

The bar for the level of assets that Americans think it takes to be considered wealthy has been lowered as well. Today they feel that an average of \$2.0 million in net worth equates to

wealth, down 23% from an average of \$2.6 million in January.

In the midst of the COVID-19 pandemic, 30% of survey respondents say they or a family member have experienced a salary-cut or reduced work hours, and 25% say either they or a family member have been furloughed or laid off. Millennials are the most affected of all generations, with 41% stating that they or a family member have experienced one of these issues.

Regarding financial stress (on a scale of 0 to 100), the survey showed that Americans are almost 15% more financially stressed today than they were at the end of 2019. Americans also expect their financial stress levels to stay somewhat elevated even after the pandemic passes.

In both the January and in June surveys, Millennials were the most financially stressed generation and Baby Boomers were the least financially stressed.

Logica Research conducted both waves of the Schwab survey, in which 1,000 Americans aged 21 to 75 were polled. Quotas were set to make each wave of the survey demographically representative. The margin of error for the total survey sample is three percentage points.

Athene to hold earnings call August 5

Athene Holding Ltd., the \$142 billion owner of life insurers and a Bermuda-based reinsurer, will release financial results for the second quarter 2020 on Wednesday, August 5, 2020, before the opening of trading on the New York Stock Exchange.

The news release, financial supplement, and earnings presentation will be available on the **ir.athene.com** website. Management will host a conference call to review Athene's financial results on the same day at 10:00 a.m. ET.

Conference Call Details

Live conference call: Toll-free at (866) 901-0811 (domestic) or (346) 354-0810 (international). Conference call replay available through August 19, 2020 at (800) 585-8367 (domestic) or (404) 537-3406 (international)

Conference ID number: 4259196

Live and archived webcast available at ir.athene.com

Athene, through its subsidiaries, issues, reinsures and acquires retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs. The products offered by Athene include:

- Retail fixed, fixed indexed, and index-linked annuity products
- Reinsurance arrangements with third-party annuity providers
- Institutional products, such as funding agreements and the assumption of pension risk transfer obligations

Athene had total assets of \$142.2 billion as of March 31, 2020. Its principal subsidiaries include Athene Annuity & Life Assurance Company, a Delaware-domiciled insurance company, Athene Annuity and Life Company, an Iowa-domiciled insurance company, Athene Annuity & Life Assurance Company of New York, a New York-domiciled insurance company and Athene Life Re Ltd., a Bermuda-domiciled reinsurer.

RIAs can now access Pacific Life fee-only annuities on the Orion platform

Pacific Life's commission-free variable annuity and fixed indexed annuity are now integrated with the Orion Advisor Solutions platform and available for purchase by registered investment advisors for their clients, the insurer announced this week.

Orion is a "tech-enabled fiduciary process" or platform that enables "financial advisors to prospect, plan, and invest" within a single platform, according to a release.

The Orion integration will allow financial advisers to monitor and bill on their clients' tax-advantaged retirement-income solutions. RIAs can manage a client's portfolio of both taxable and tax-advantaged assets within a single workstation. This feature allows advisers to combine investments and insurance products more easily.

To support its outreach to RIAs, Pacific Life has added a dedicated RIA channel team, and "continues to add new custodians and insurance licensing companies to make it as simple as possible for financial advisors to include critical guaranteed income in their clients' portfolios."

Fed to maintain target fed funds rate of zero to 0.25%

The Federal Reserve issued the following statement this week:

The Federal Reserve is committed to using its full range of tools to support the U.S. economy in this challenging time, thereby promoting its maximum employment and price

stability goals.

The coronavirus outbreak is causing tremendous human and economic hardship across the United States and around the world. Following sharp declines, economic activity and employment have picked up somewhat in recent months but remain well below their levels at the beginning of the year.

Weaker demand and significantly lower oil prices are holding down consumer price inflation. Overall financial conditions have improved in recent months, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses.

The path of the economy will depend significantly on the course of the virus. The ongoing public health crisis will weigh heavily on economic activity, employment, and inflation in the near term, and poses considerable risks to the economic outlook over the medium term.

In light of these developments, the Committee decided to maintain the target range for the federal funds rate at 0 to 1/4 percent. The Committee expects to maintain this target range until it is confident that the economy has weathered recent events and is on track to achieve its maximum employment and price stability goals.

The Committee will continue to monitor the implications of incoming information for the economic outlook, including information related to public health, as well as global developments and muted inflation pressures, and will use its tools and act as appropriate to support the economy.

In determining the timing and size of future adjustments to the stance of monetary policy, the Committee will assess realized and expected economic conditions relative to its maximum employment objective and its symmetric 2 percent inflation objective.

This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments.

To support the flow of credit to households and businesses, over coming months the Federal Reserve will increase its holdings of Treasury securities and agency residential and commercial mortgage-backed securities at least at the current pace to sustain smooth market functioning, thereby fostering effective transmission of monetary policy to broader financial conditions.

In addition, the Open Market Desk will continue to offer large-scale overnight and term repurchase agreement operations. The Committee will closely monitor developments and is prepared to adjust its plans as appropriate.

Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; Michelle W. Bowman; Lael Brainard; Richard H. Clarida; Patrick Harker; Robert S. Kaplan; Neel Kashkari; Loretta J. Mester; and Randal K. Quarles.

SEC charges VALIC financial advisers

The Securities and Exchange Commission has charged Houston-based VALIC Financial Advisors Inc. (VFA) in a pair of actions for failing to disclose practices that generated millions of dollars in fees and other financial benefits for VFA. Teachers and other investors were affected, the SEC said.

In the first action, the SEC found that VFA failed to disclose that its parent company paid a for-profit entity owned by Florida K-12 teachers' unions to promote VFA and its parent company services to teachers.

In the second action, the SEC found that VFA failed to disclose conflicts of interest regarding its receipt of millions of dollars of financial benefits that directly resulted from advisory client mutual fund investments that were generally more expensive for clients than other mutual fund investment options available to clients.

"VFA agreed to pay approximately \$40 million to settle the charges in these two actions. In the first action, VFA agreed to cap advisory fees for all Florida K-12 teachers who currently participate (and, in some cases, those who prospectively participate) in its advisory product in Florida's 403(b) and 457(b) retirement programs. This will result in significant savings for thousands of teachers," an SEC release said.

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