
Not Much Interest in Income Products: Cogent

By Editor Test *Wed, Mar 3, 2010*

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Although the negative impact of the current recession on retirement savings has raised awareness of the need guaranteed retirement income, few Americans have a strong interest in retirement income products, according to Cogent Research.

“The vast majority of retirees and pre-retirees report being familiar but uninterested in these products to date (with only 15% owning and another 1% indicating they plan to own retirement income products),” the company said in the Winter 2010 issue its newsletter, [Cogent Thoughts](#).

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“Key barriers for providers to address include: the idea that they can manage their income without help, or that they are not worried about outliving their savings (the high net worth), or more the commonly discussed aversion to giving up any control of principal.”

Bond/CD laddering and variable annuities appear to have the most traction with consumers. There’s less interest in absolute return funds or target payout funds.

“Most retirees and pre-retirees cite brokerage firms, mutual fund firms and insurance companies equally as often as the ideal providers of these solutions (although insurance companies are preferred more by the more affluent),” the newsletter said.

“Building on strong existing relationships could be a winning strategy, with most citing ‘I already use and like them’ as the reason they would consider a provider for their retirement income needs.”

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