
Selling to Seniors Is Different, New Study Shows

By Editor Test Mon, Jun 15, 2009

If given enough time to deliberate, seniors are no more risk-averse or conservative than young adults, according to research by Advantage Compendium's Jack Marrion.

Insurance brokers, financial advisors, and registered reps who sell annuities to older people may benefit from a new white paper, "Helping Seniors Make Wise Decisions About Annuities," from Advantage Compendium Ltd., a St. Louis-based research and consulting firm.

"Seniors process information differently and also react differently to the same information when compared with younger adults," said Jack Marrion, president of Advantage Compendium. His study reviews the academic literature on the cognitive abilities of older Americans.

Among the research findings that Marrion compiles:

- Seniors tend to block out negative emotions, and disproportionately forget negative information.
- Older people may have greater processing resources in the morning, so presenting information early in the day may reduce age-related processing differences.
- When seniors are given more time to study and remember new data, they perform as well as young adults.
- The *socio-emotional selectivity theory* states that, as people age, their motivation changes from learning new things to maintaining a positive emotional state.
- If given enough time to deliberate, seniors are no more risk-averse or conservative than young adults.

Further highlights are available at advantagecompendium.com. "My hope is this research will help the annuity industry in producing products, sales materials, disclosures, and agent training that puts seniors in the position to make the best possible decision when it comes to buying an annuity," Marrion said in a release.

The paper also includes:

- Six reasons why bad financial decisions happen.
- Two steps that can help every senior make better decisions.
- A Data Sorting Presentation that helps consumers make decisions.
- An Annuity Disclosure template designed to prevent after-sale complaints.

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Advantage Compendium Ltd. provides annuity-related research and consulting services to insurance companies and financial firms. Marrion can be reached by phone at 314-255-6531 or by e-mail at indexannuity@mail.com.

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