

- PRESS
- Press Releases

FPA, AARP Joint Research Reveals Enormous Social Security Knowledge Gap

Financial Planners One Avenue to Help Increase Consumer Awareness of Claiming Strategies

Boston, MA—Only **9%** of consumers believe they are very knowledgeable about how Social Security benefits are determined and just **1%** of Certified Financial Planner™ (CFP®) professionals say their clients are very knowledgeable about Social Security claiming, according to results of a **new joint survey** released today by the Financial Planning Association® (FPA®) and AARP. The survey results reveal a great deal about the enormous knowledge gap consumers, including clients of CFP® professionals, face as they determine how to claim Social Security benefits. Although most acknowledge they know little about Social Security claiming, the vast majority of consumers (**77%**) and CFP® professionals (**85%**) say that maximizing benefits is very important.

Via extensive questioning of consumers and planners, the survey found that although many consumers have some general knowledge about their benefits, CFP® professionals can play a valuable role to many future Social Security beneficiaries who could risk leaving thousands of dollars in benefits annually on the table and out of their pockets.

“For families and individuals looking to claim their Social Security benefits soon, this survey shows that far too many face a claiming knowledge gap potentially leaving thousands of dollars on the table,” said AARP President Jeannine English. “We hope that this survey encourages Americans to begin their long term financial planning as soon as possible. This important collaboration with FPA shows that anyone getting ready to claim Social Security may risk losing out if they don’t educate themselves with AARP’s **free tools**, with the help of a CFP® professional, or via other methods available.”

“For consumers to maximize their financial potential in retirement they need to consider Social Security and the important role it plays as one of the primary cornerstones of a sound retirement plan,” says FPA President Ed Gjertsen II, CFP®. “Social Security in retirement requires more than just retiring and collecting a monthly check from the government. There are many nuances to Social Security and ways to maximize benefits that, unfortunately, many consumers are not knowledgeable about – and it’s costing them. This collaboration with AARP sheds an important light on this reality and we look forward to working with AARP in the future on making America’s retirees more knowledgeable and secure.”

Details on key findings from the survey, *Social Security Planning in 2015 & Beyond: Perspectives of Future Beneficiaries and Financial Planners*, are below:

What Consumers Think They Know and What They Actually Know :

- Only **9%** of consumers believe they are very knowledgeable, with an additional **38%** who believe they are somewhat knowledgeable about how their benefits will be determined.
- Just **1%** of CFP® professionals believe their clients are very knowledgeable and **31%** say their clients are somewhat knowledgeable about claiming Social Security.
- Fewer than 4 in 10 consumers (**39%**) believe Social Security will make up at least half of their income even though **AARP research** shows that as Americans age, their reliance on Social Security increases significantly, with nearly 6 in 10 Americans relying on Social Security for at least half of their retirement income after they reach 80 years of age.
- More than 4 in 10 planners (**42%**) say Social Security is likely to be a major source of income in retirement for their clients.
- **83%** of consumers overestimated or underestimated the amount of money they would receive if they waited to become beneficiaries at their full retirement age, with **67%** underestimating and **16%** overestimating the impact on waiting until full retirement age to claim benefits.
- **80%** of those who have ever been married do not know the correct age at which they should claim their own benefits (age 70) if they want to maximize survivor benefits for their widow, with **69%** incorrectly believing they could maximize survivor benefits by claiming before age 70 and **11%** incorrectly believing they could maximize survivor benefits by claiming after age 70.
- **74%** of those who have ever been married don’t know that they need to have been married for a minimum of ten years to collect spousal benefits if divorced, with **39%** who incorrectly believe they can collect if

married less than ten years, **31%** who incorrectly believe they could never collect benefits from an ex-spouse's work record, and **4%** who believe they'd need to be married for 11 years or more.

- About 4 in 10 (**39%**) consumers didn't know that 62 is the age they can first claim early Social Security retirement benefits.
- Nearly three in 10 (**28%**) CFP® professionals recommend to clients that they wait to claim benefits until age 70, yet only **13%** of consumers plan to wait that long.

How CFP® professionals and More Education Can Help:

- Nearly half (**46%**) of CFP professionals recommend that their clients review their estimated Social Security retirement benefits at least once per year and nearly an equal amount (**45%**) say they should review their estimated benefits every couple of years.
- Consumers get their claiming information from numerous sources, including an equal amount of individuals who get their information from AARP or a financial professional (**16%**). Many also seek out a variety of sources including friends or family members (**46%**); the Social Security Administration (**45%**); newspaper articles (**33%**); financial magazines or books (**22%**); financial television shows (**17%**); and several other sources.

"Choosing when to claim Social Security is one of the most important financial decisions many Americans will make as they prepare for retirement," added AARP Chief Public Policy Officer Debra Whitman. "We found that far too many consumers don't understand the rules of the road, and this is a case where lack of knowledge can have a major impact for the rest of their lives."

For the joint research, AARP commissioned GfK Roper, a national survey research firm, to conduct a national survey of 1,215 adults ages 45-64 who do not yet receive Social Security benefits but are eligible to receive such benefits based on their own work history by age 62. The questionnaire was fielded between June 25 and July 9, 2015, using an online Knowledge Panel and had a margin of error of +/- 3.3%. FPA completed an online survey of 1,279 CFP® professionals who are members of FPA between June 22 and July 3, 2015. FPA estimates a margin of error of +/- 2.6%. The full results of the surveys may be found here: www.aarp.org/socialsecurityplanning.

###

About AARP: AARP is a nonprofit, nonpartisan organization, with a membership of nearly 38 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse. We advocate for individuals in the marketplace by selecting products and services of high quality and value to carry the AARP name as well as help our members obtain discounts on a wide range of products, travel, and services. A trusted source for lifestyle tips, news and educational information, AARP produces AARP The Magazine, the world's largest circulation magazine; AARP Bulletin; www.aarp.org; AARP TV & Radio; AARP Books; and AARP en Español, a Spanish-language website addressing the interests and needs of Hispanics. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates. The AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at www.aarp.org.

About the Financial Planning Association: Since 2000, the Financial Planning Association® (FPA®) has been the principal professional organization for CERTIFIED FINANCIAL PLANNER™ (CFP®) professionals, educators, financial services professionals and students who seek advancement in a growing, dynamic profession. More than 24,000 FPA members adhere to the highest standards of professional competence, ethical conduct and clear, complete disclosure to those they serve. Through a collaborative effort to provide members with One Connection™ to tools and resources for professional education, business success, advocacy and community, FPA has become an indispensable force in the advancement of today's CFP® professional. Learn more about FPA at OneFPA.org and follow on Twitter at twitter.com/fpassociation.

CONTACTS:

Josh Rosenblum/AARP, 202-434-2560, media@aarp.org, @AARPMedia
Ben Lewis/FPA, 303-867-7190, BLewis@OneFPA.org
