



## PRESS RELEASE

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### **Retirement in America: *AXA Equitable's Latest Survey of Consumers Also Polls Economists***

NEW YORK – AXA Equitable Life Insurance Company released today results from a new survey that polled consumers and economists on numerous topics, including predictions for the economy and how recent market volatility has affected retirement planning.

Results show conflicting views toward the prospect of economic recovery. In fact, nearly 1 in 4 consumers (24%), believe the economy will continue to be volatile with no clear pattern of improvement – double the percentage of economists (12%), who were asked the same question. Even more unsettling, 16 percent of economists and 11 percent of consumers believe that despite signs of recovery, we are likely headed back into a recession.

The latest survey highlights consumers' reluctance to engage in the stock market – just fewer than two in 10 of those polled (19%) are confident in their ability to invest in equities, yet 60% believe equities are necessary to achieve retirement goals. Even more economists (69%) think investing in equities is important to retirement planning but a staggering 80 percent of them believe Americans are uncertain in their ability to purchase equities.

“It’s no mystery that the recent market downturn has shattered consumer confidence in investing in equities,” said Christopher M. “Kip” Condron, chairman and chief executive officer of AXA Equitable. “This apprehension, combined with a movement to more conservative investments, could place significant pressure on Americans’ retirement plans in the near future.”

Responses to recent market volatility further highlight differences between consumers’ actions and economists’ estimations:

- 85% of consumers believe financial products that protect principal of investments and provide income that increases with inflation are important, as opposed to 67% of economists believing that they are important;
- Economists estimate that 25% of consumers are supporting relatives due to the market downturn while only 16% of consumers have begun to do so;
- And while 24 percent of economists believe consumers have switched advisors, in fact, only 11 percent of consumers stopped using or switched financial professionals.

Overall, consumers are much more pessimistic compared to economists in their outlook on specific economic indicators over the next year:

- More than 8 in 10 of consumers (83%) believe health care costs will rise, compared to 52 percent of economists;
- Nearly 3 in 4 consumers (73%) believe taxes will rise, compared to 55 percent of economists; and
- 34 percent of consumers believe the unemployment rate will rise, as opposed to only 6 percent of economists.

“The fact that historically middle-of-the-pack concerns, such as fear of inflation and investments losing value, are now top of mind for consumers suggests that they are increasingly aware about their retirement planning,” said Mr. Condrón. “And the large gaps between Americans and economists on specific financial indicators shows there is a disconnect between how the spending public feels and those that study the behavior of the economy.”

Additional findings include:

#### **New Top Financial Concerns**

- Having inadequate sources of guaranteed income remains the top concern, with 85 percent of consumers surveyed saying they are worried about it;
- Inflation and protecting principal join guaranteed income as top financial concerns;
- 84 percent of those polled worry, respectively, about investments losing principal and inflation.

#### **Golden Years Just Got A Little Shorter For Americans**

Recent market volatility has forced many to adjust retirement plans and expectations:

- More than four in 10 polled (42%) plan to delay retirement, on average, by six years. Their planned retirement age is now 68, ballooning from a previously planned age of 62;
- Almost three in 10 Americans (27%) plan to go back to work after retiring;
- Approximately two in 10 retirees (17%) have already gone back to work, up from 9 percent of those polled in February 2009.

#### **Advised Are More Confident And Did Better During Market Volatility Than Non-Advised**

Those with a financial professional are more likely than those without to:

- Feel investing in equities is important (67% with financial professionals vs. 54% without);
- Be at least somewhat confident about their ability to invest in equities (56% vs. 44%); and
- Have recouped at least some losses in the market (69% vs. 60%).

“Consumers are not abandoning their advisor relationships,” said Andrew McMahon, senior executive vice president for AXA Equitable and president of its financial protection and wealth management business. “In fact, advisory relationships are even more important to help bolster consumer confidence in being able to invest in equities wisely.”

## **About the Study**

The study, *Retirement in America: A Survey of Concerns and Expectations*, is part of AXA Equitable's ongoing commitment to understanding the financial concerns of consumers and how market volatility has impacted their retirement planning. New to the survey this year are questions gauging the public's response to recent economic events and how that compares to predictions from macroeconomists. The study polled 1,000 Americans between the ages of 25 and 70. The survey was conducted in December 2009, and respondents included financial decision-makers with household income of at least \$75,000 or investable assets between \$250,000 and \$999,999.

Margin of error for the research is +/- 3 percent, at a 95 percent confidence level. Where necessary, results are weighted to represent overall characteristics of the mass affluent American public. In some cases, comparisons are made to similar studies conducted in February 2009, October 2008 and April 2008.

Additionally, 101 working economists that focus on macro economics, and who feel comfortable making economic forecasts, were polled by a third-party independent research firm in December 2009 and January 2010.

Margin of error for the research is +/-10 percentage points at a 95 percent confidence level.

## **About AXA Equitable**

In business since 1859, AXA Equitable Life Insurance Company (NY, NY) is a leading financial protection company and one of the nation's premier providers of life insurance and annuity products, as well as investment products and services through its affiliates, including, AXA Advisors, LLC. The company's products and services are distributed to individuals and business owners through its retail distribution channel, AXA Advisors and to the financial services market through its wholesale distribution channel, AXA Distributors, LLC.

AXA Equitable, a subsidiary of AXA Financial Inc., is part of the global AXA Group, a worldwide leader in financial protection strategies and wealth management. "AXA Group" refers to AXA, a French holding company for an international group of insurance and financial services companies together with its direct and indirect consolidated subsidiaries. For more information, visit [www.axa-equitable.com](http://www.axa-equitable.com).

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# Retirement in America



A Survey of Financial Concerns and Expectations  
of Consumers and Economists

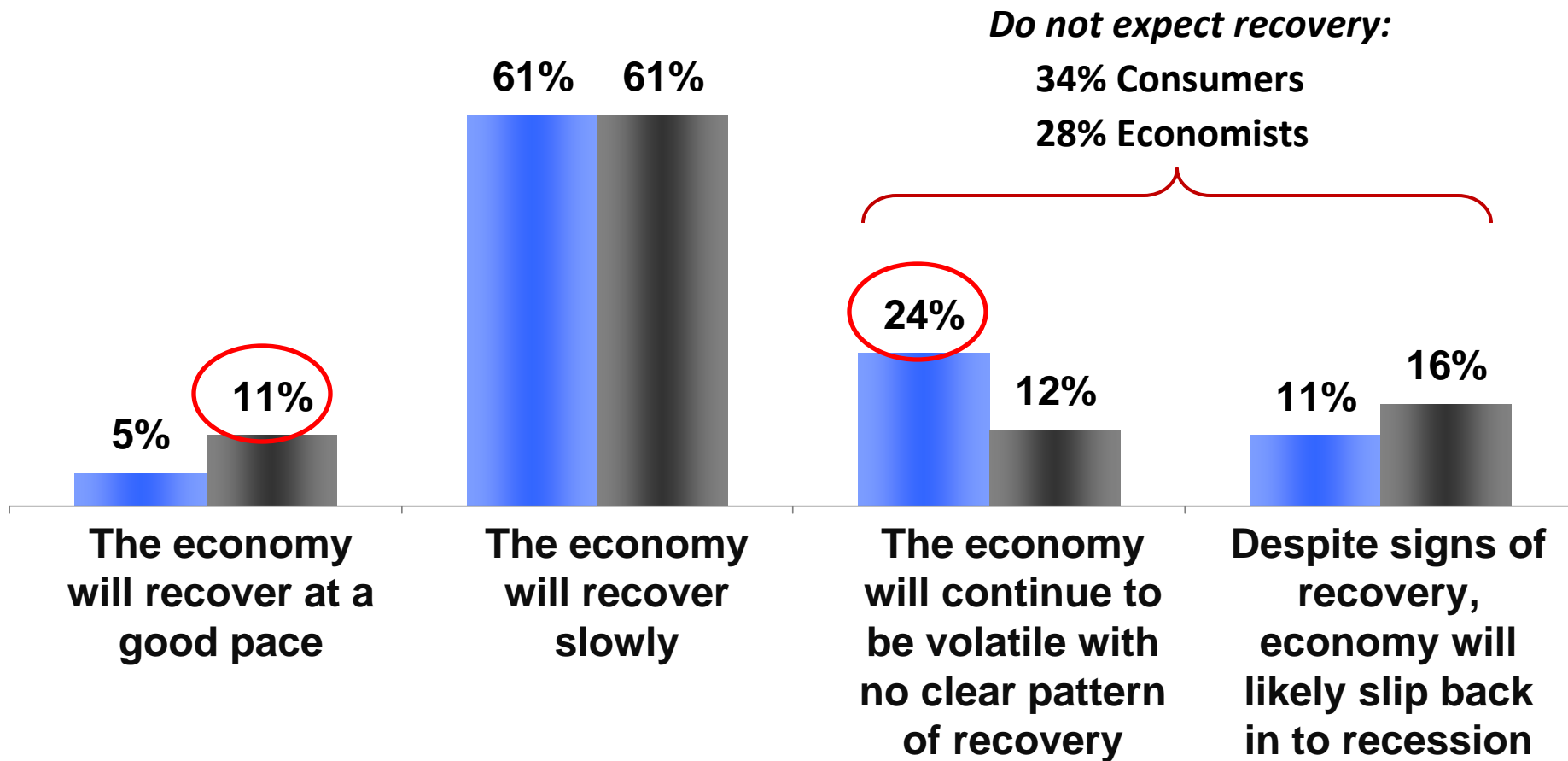
**Innovation, Research & Analytics**

February 24, 2010

# Consumers & economists show conflicting views toward the prospect of economic recovery, with consumers being somewhat more pessimistic.

## Expectations for the U.S. Economy

■ Consumers ■ Economists



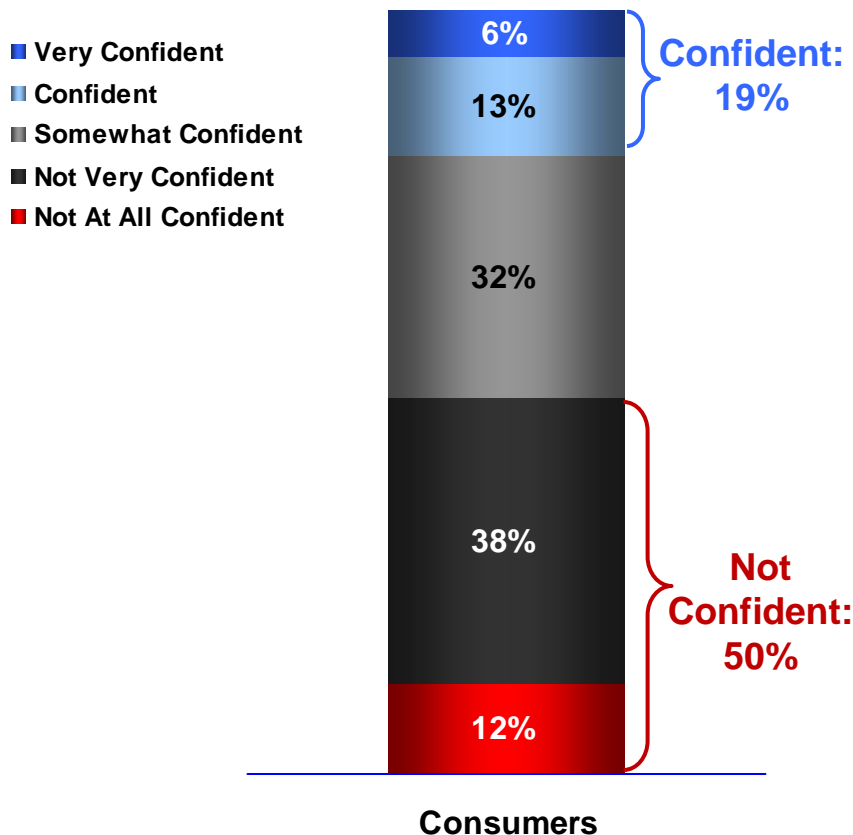
Q: Which of the following statements best describes your opinion of the U.S. economy at this time?

Base: Consumers = 1,000 / Economists = 101

○ = Significantly higher than comparative group at 95% confidence level

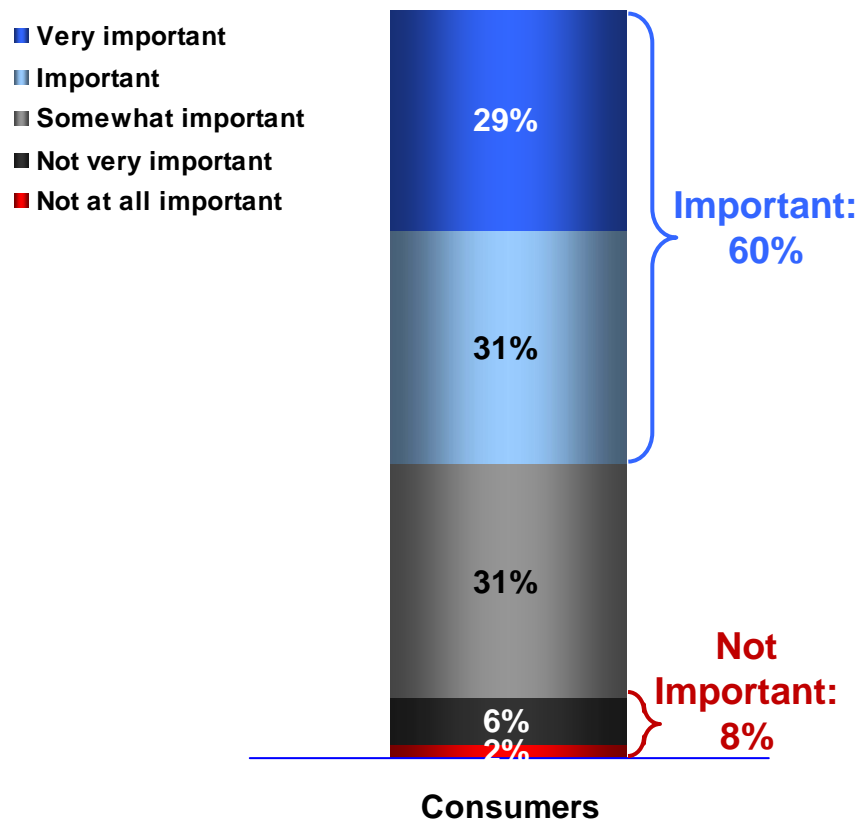
**Today, just fewer than 2 in 10 consumers are confident in their ability to invest in equities, although the majority (60%) believe it's important to achieve their retirement goals.**

### Confidence in Ability to Invest in Equities Among Consumers



Q: In light of the recent downturn, how confident are you in knowing when to invest in equities and when to remove your assets from equities?  
Base = 1,000

### Importance of Investing in Equities Among Consumers

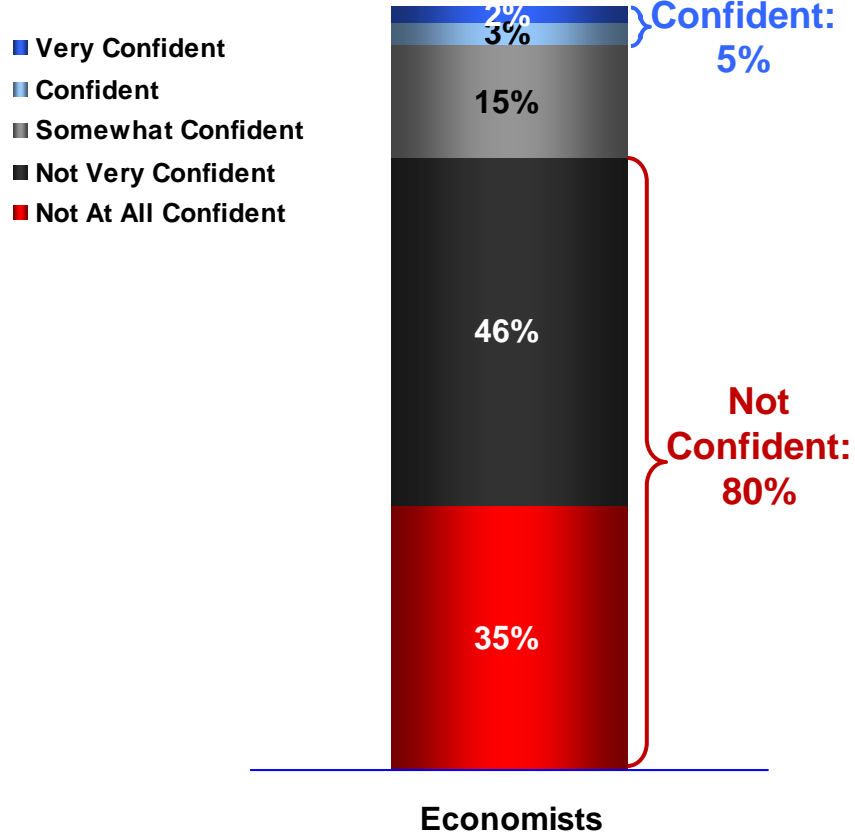


Q: How important do you think it is for you/for people to have investments in equities to realize their retirement goals?  
Base = 1,000

# Economists are even less confident in consumers' investing capabilities than consumers—69% agree that investing in equities is important, but a staggering 80% lack confidence in consumers' ability to invest.

## Confidence in Ability to Invest in Equities

Among Economists

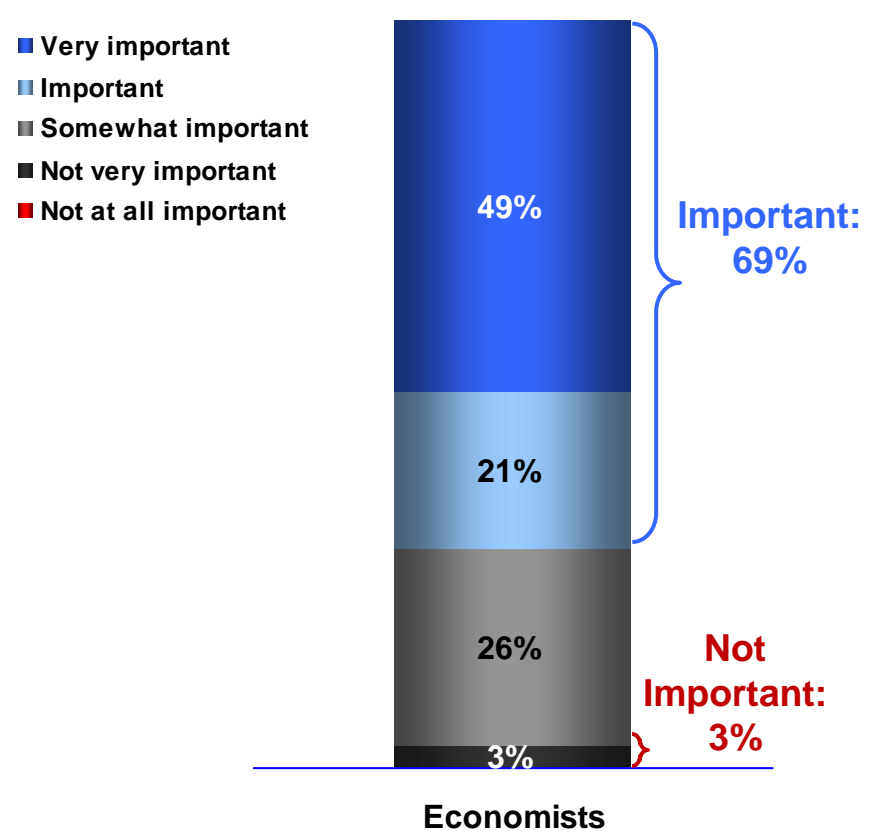


Q: In light of the recent downturn, how confident are you that most Americans know when to invest in equities and when to remove their assets from equities?

Base = 101

## Importance of Investing in Equities

Among Economists



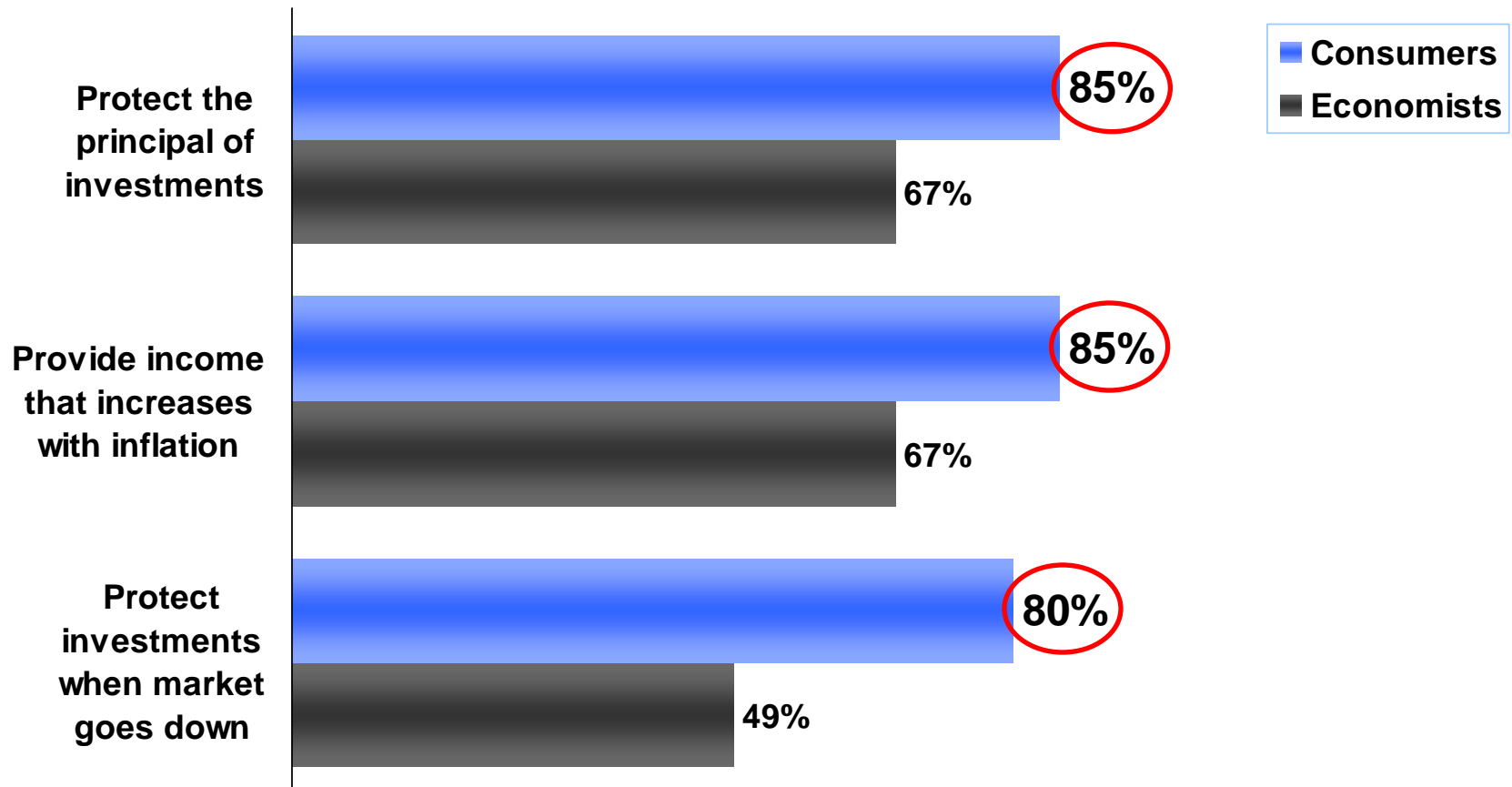
Q: How important do you think it is for people to have investments in equities to realize their retirement goals?

Base = 101

# Consumers place greater importance than economists on a retirement product's ability to protect their principal and keep pace with inflation.

## Qualities of Ideal Retirement Product

% Rated Extremely or Very Important



Q: In your opinion, how important is it for the ideal retirement product to address each of the following?

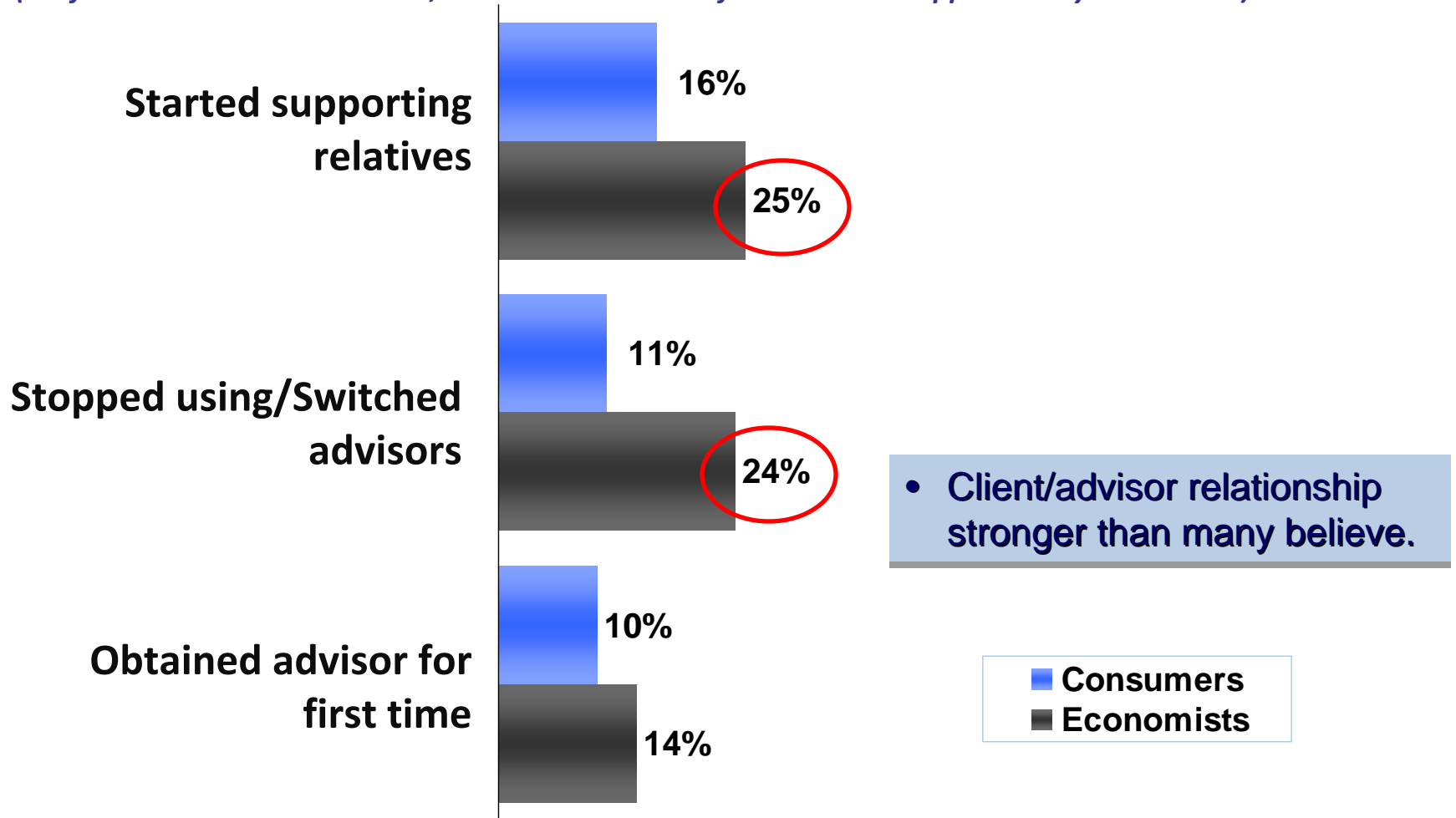
Base: Consumers = 1,000 / Economists = 101

○ = Significantly higher than comparative group at 95% confidence level

# Economists overestimate the percent of consumers that are supporting relatives or stopped/switched their advisors due to the market downturn.

## Actions in Past Year

(% of consumers who have done, and mean estimate of consumers as applicable by economists)



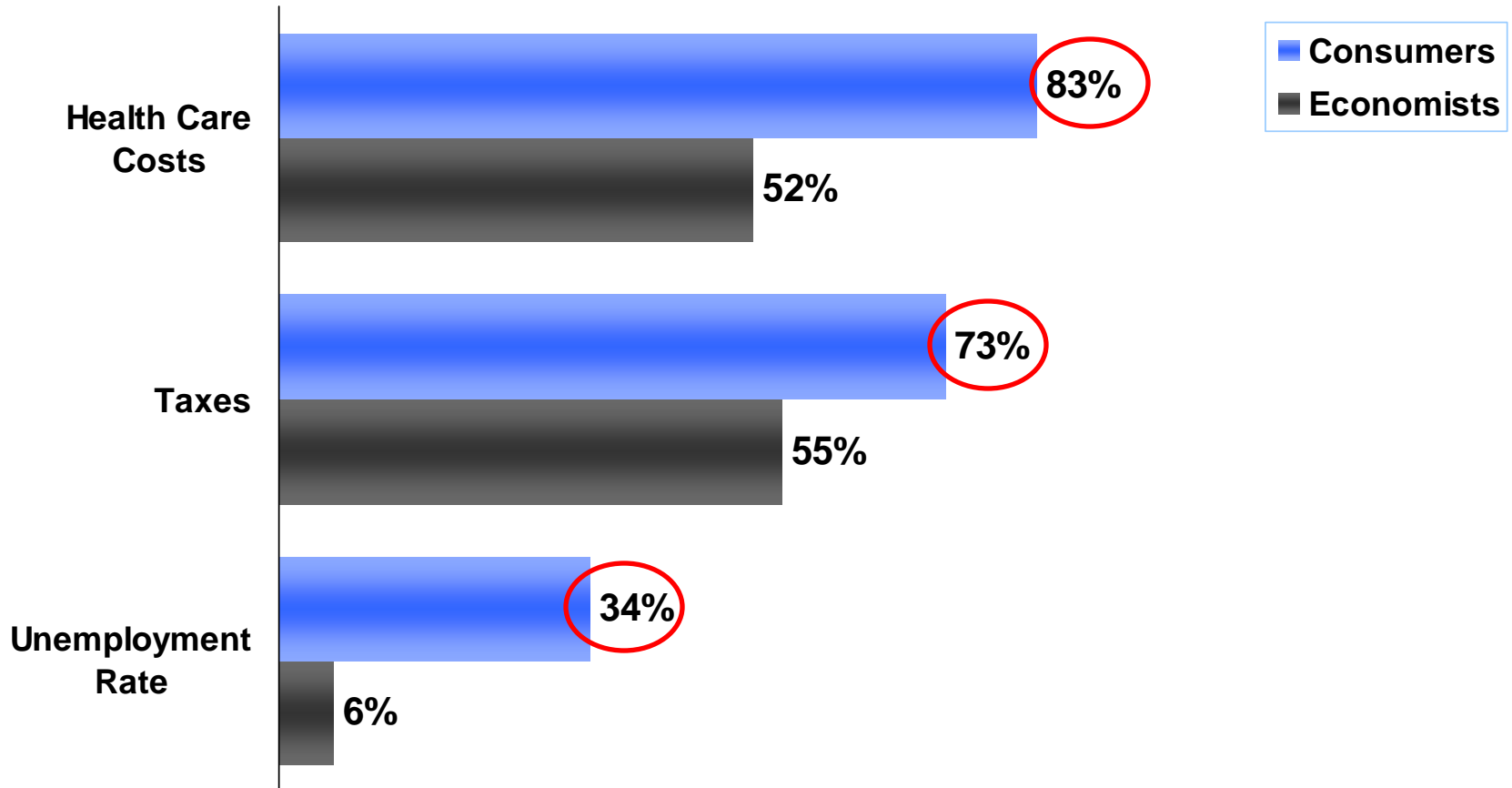
Q (Economists): What is your estimate of the percentage of Americans who have taken the following actions as a result of the recent market downturn?

Q (Consumers): Have your retirement plans changed in any of the following ways as a result of the recent market downturn?

○ = Significantly higher than comparative group at 95% confidence level

# Additionally consumers are more pessimistic compared to economists in their outlook on specific economic indicators over the next year.

## Will Increase in U.S. One Year From Now % Said A Lot or A Little Higher



Q: Compared to their current levels, how do you think each of the following will change in the U.S. in the next year?

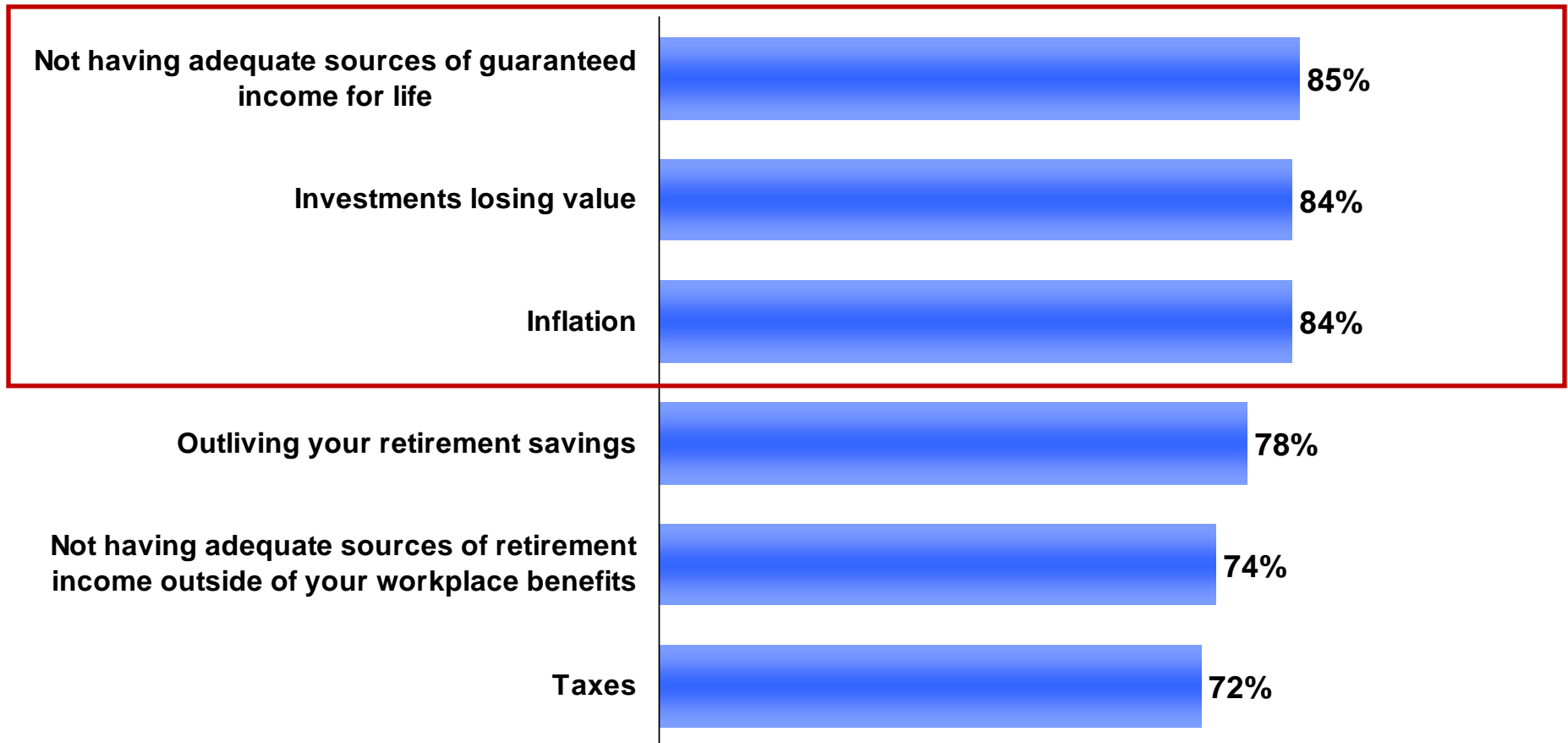
Base: Consumers = 1,000 / Economists = 101

○ = Significantly higher than comparative group at 95% confidence level

# Among consumers, inflation and investments losing value join guaranteed income as top financial concerns.

## Top Financial Concerns

% Worried

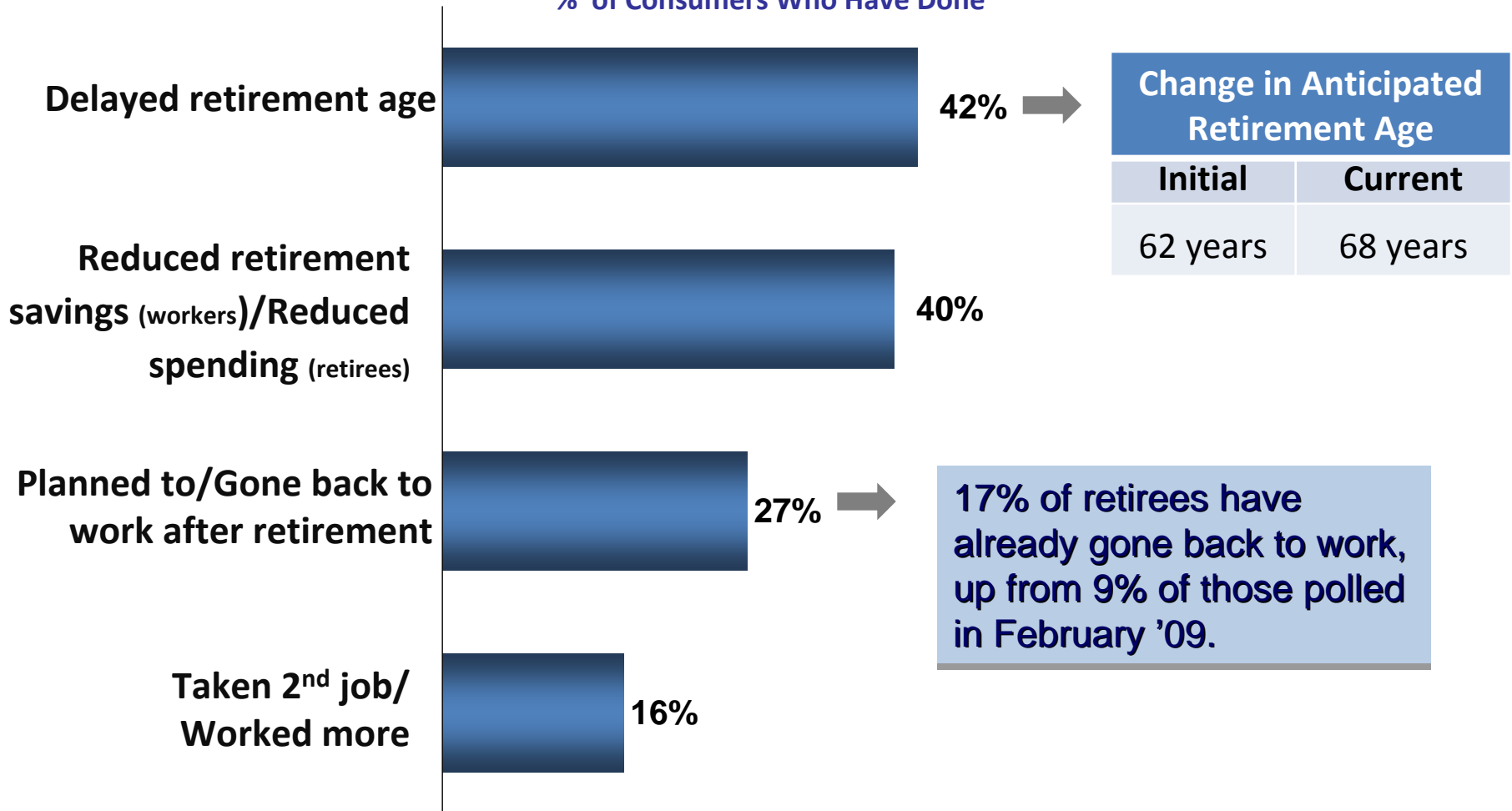


Q: What is your level of concern about each of the following affecting your retirement goals?

Base = 1,000

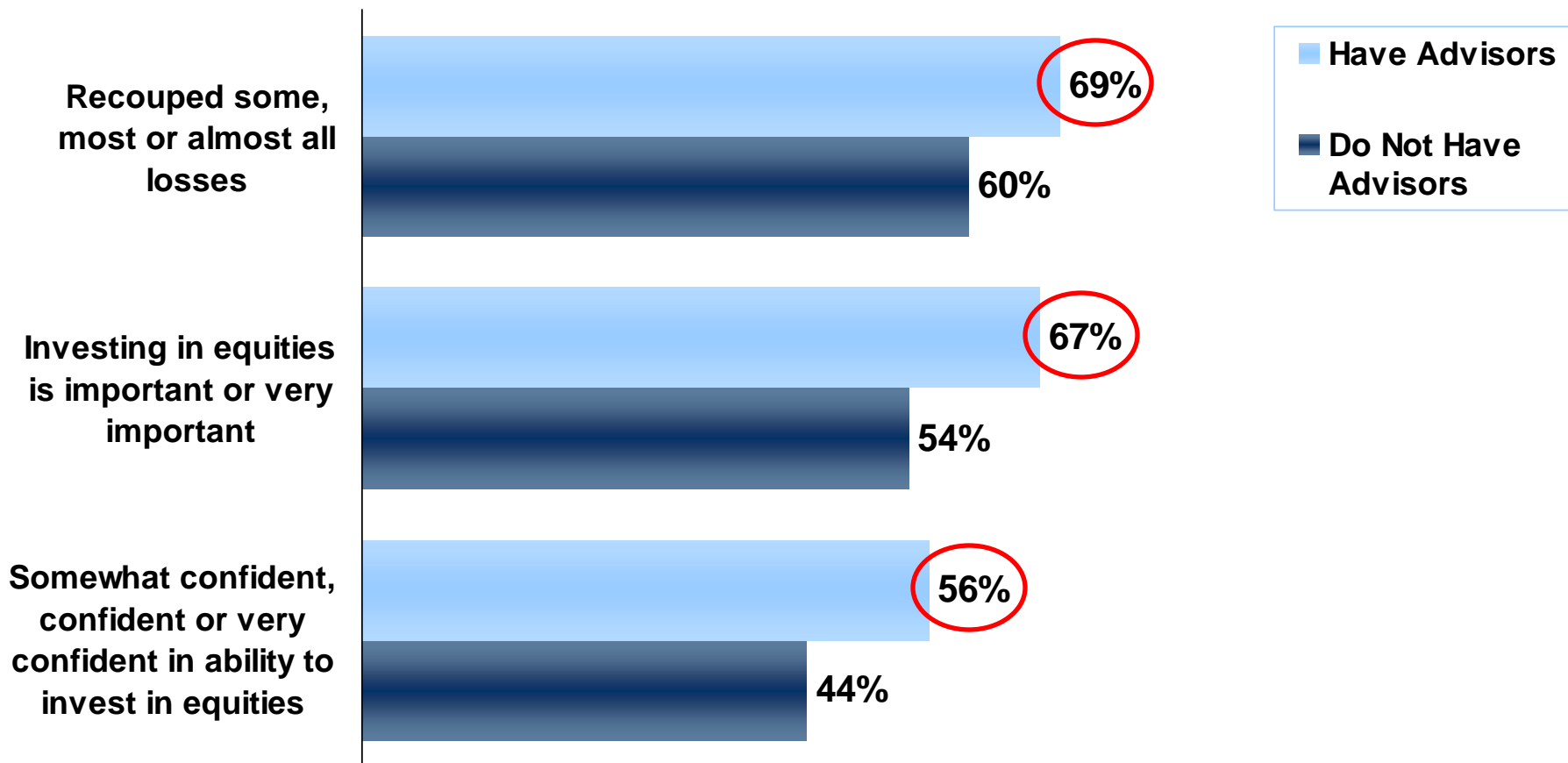
# Retirement's golden years just got a little shorter for Americans.

## Actions in the Past Year % of Consumers Who Have Done



# Consumers with financial advisors are more confident during the market volatility than non-advised.

## Comparison of Those With Advisors vs. Those Without Advisors



Q: At this point in time, approximately how much of your retirement savings and investments have you recovered since the market downturn, if any?

Q: How important do you think it is to have some investments in equities in order to realize your retirement goals/maintain your retirement lifestyle?

Q: In light of the recent market downturn, how confident are you in knowing when to invest in equities and when to remove your assets from equities?

Base: Have Advisor = 501 / Do Not Have Advisors = 499

○ = Significantly higher than comparative group at 95% confidence level