Research conducted recently by Lincoln Financial Group revealed that 47% of Americans struggle to talk about finances with loved ones. Our goal is to change that. Because at Lincoln, we believe the more you talk, the better you can plan, protect and retire.

Read on to discover what we learned and how financial conversations can have a transformative impact on an individual's financial future.
The numbers are in, and there's room for improvement.

Our research shows that the more people talk, the better they feel about their future. Conversely, avoiding financial conversations can negatively impact Americans’ ability to make a financial plan and can ultimately reduce their financial confidence.

So what’s stopping them from talking?

The Challenge

47% of Americans struggle to talk about long-term financial planning with loved ones.
Many financial conversations involve difficult topics like death, unforeseen medical problems or having enough money for retirement. Avoidance can also stem from feelings of embarrassment or social taboos about sharing future goals and personal financial situations.

Talking about finances can be emotional. It’s overwhelming. The details behind finances are complicated. Without the right support or resources, people are less likely to start the conversation.

It’s awkward and uncomfortable. Many financial conversations involve difficult topics like death, unforeseen medical problems or having enough money for retirement. Avoidance can also stem from feelings of embarrassment or social taboos about sharing future goals and personal financial situations.

There’s no existing plan to speak of. It’s hard to talk about a plan for the future without having one in place. But taking the time to talk about and reflect on their current state, as well as their future goals, is an important first step toward building that plan.

We found three key reasons why people avoid discussing their financial plans:
Our research revealed not only the many emotional reasons people avoid financial conversations, but also that not having a conversation can lead to financial insecurity.

Surprisingly, 71% of younger respondents, aged 25–44, are having financial conversations while only 58% of people aged 45–64 are doing so. However, 45–64 is a crucial age period to plan for major financial expenses such as retirement or long-term care for older parents, so it’s important to have a conversation about keeping plans relevant.

More than half of parents expressed that they struggled to have financial conversations versus 37% of non-parents. While this may seem surprising, it could be that parenthood comes with a lot of responsibilities, particularly financial responsibilities, leading to difficulties approaching financial conversations.

Our research revealed not only the many emotional reasons people avoid financial conversations, but also that not having a conversation can lead to financial insecurity.

We also found that a person’s upbringing, age or life stage may contribute to their reluctance to have financial conversations:

1 in 2 people said their parents didn’t talk to them openly about their long-term financial plan. Yet 4 in 5 wish they had, saying that having these kinds of conversations would have helped them feel more secure in their ability to plan for the future. In comparison, those who grew up talking about a long-term financial plan with their families feel more comfortable talking about finances as adults.
The more you talk, the better you plan.

The Good News

The bottom line: Opening up about finances helps Americans feel more confident and prepared for the future.

86% vs. 35%
86% of people who have had a conversation currently have a financial plan compared to 35% who haven’t.

85% vs. 52%
85% of people who have had a conversation feel confident about their retirement plan and their long-term financial protection plan. Only 52% of those who haven’t feel the same.

55% vs. 17%
55% of people who have had a conversation feel they have saved enough to protect themselves and loved ones compared to 17% of those who haven’t.
As it turns out, having a financial conversation was easier than most respondents anticipated.

66% of those who had a conversation recalled it being easy, and less than 1% thought it was very difficult.

A significant number of people described these financial conversations as productive, positive and helpful.

As it turns out, having a financial conversation was easier than most respondents anticipated.
Moments that Matter

Sooner is better than later when it comes to financial conversations.

We found that financial outcomes improve not only if Americans have the conversation, but also when...

Financial conversations can play a crucial role in preparing for a stronger financial future, particularly when approaching significant life moments.

But we found that these conversations are not happening as often as you’d expect.
of those approaching marriage said they did not talk to their spouse/partner about each other’s financial situation before getting married/committing to a long-term relationship.

A quarter of people approaching retirement (aged 55–64) have not talked to their loved ones about a financial plan for retirement.

Almost one out of five respondents say they don’t know if their parents would be able to cover all the costs associated with an illness in their old age.
Those who *don't have conversations* about finances are *less likely to have a plan*, and among those respondents, *confidence is alarmingly low:*

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Statement</th>
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<tbody>
<tr>
<td>86%</td>
<td>do not feel they have saved enough for retirement.</td>
</tr>
<tr>
<td>51%</td>
<td>do not feel confident that loved ones would be covered for living expenses in the event they or their partner pass away.</td>
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<tr>
<td>55%</td>
<td>are not confident in their retirement.</td>
</tr>
<tr>
<td>88%</td>
<td>do not know or do not feel they have saved enough to protect themselves and their loved ones in the future.</td>
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*The earlier you start talking and planning, the more prepared you’ll feel during these financial moments.*
Taking Action

Planning for the future is something that you and your loved ones don’t have to do alone.

A financial advisor can be helpful before, during or after having a financial conversation with loved ones. **People who had a financial advisor were 74% more likely to have had a conversation about their finances with a loved one vs. those who didn’t.**

The **2nd most cited reason** for having this conversation with their loved ones was advice from their financial advisor, following the top reason, “it felt like it was something that just needed to be done.”

Further, respondents with a financial advisor were almost **twice as likely** to have a financial plan for the future in place. Having a financial advisor keeps you on track and prepared for critical life moments, like retirement.

- **86%** of people who had a financial advisor discuss retirement with their loved ones versus only **38%** of those without one.
- **87%** of those with an advisor feel confident about their retirement plans versus only **45%** of those without one.

When asked if they have saved enough for retirement, those with a financial advisor are **more than twice as likely** to say yes.

Financial advisors help keep conversations going and keep plans relevant. The goal is to have these talks frequently to ensure that as life changes, financial plans change with it.
We also found that leveraging certain financial products and solutions helped people feel more secure and ready for the future.

Annuities
91% of owners surveyed said that they were confident about their retirement plan and that they will retire when they want to.

Long-term care solutions
93% of owners feel confident about their financial protection plan for the future.

Disability insurance
82% of owners feel confident that they and their loved ones would have sufficient income to cover regular expenses if they couldn’t work for an extended period due to illness or disability.

Life insurance
84% of owners feel confident that their loved ones would be covered for living expenses if they passed away.

The first step to considering if these solutions are right for you and your loved ones is starting a financial conversation.
While many Americans understand the importance of having financial conversations, they still feel overwhelmed and uncomfortable about having them. Lincoln Financial Group sees how effective these conversations can be, and we're playing a key role in helping people start or continue them.

Lincoln Financial Group recently launched The (Un)Spoken Plan, a campaign to encourage and empower financial conversations between loved ones with the support they need to face the conversation.

Because we know, the more you talk, the better you plan.

Explore lfg.com/unspokenplan to learn more about The (Un)Spoken Plan, and get the tools and resources to have a financial conversation of your own.
Lincoln Financial Group and FCB NY, in collaboration with WINS, commissioned a proprietary brand survey to understand how Americans perceive the importance of financial conversations in their lives. 1,380 Americans were asked about their personal experience around financial conversations, from their opinions to the emotional and financial impact of having financial conversations, through a questionnaire sent out by third-party research agency Toluna. The survey was completed in August 2019. Based on the sample size, survey results have a margin of error of ±3% at a 95% confidence level.