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**FIDELITY INVESTMENTS STUDY SHOWS FINANCIAL ADVISORS WANT HELP  
WITH IMPACT OF ALZHEIMER'S ON THEIR PRACTICES**

**Retiree Health Care Costs More Than Double  
When Alzheimer's-Associated Medical Expenses are Involved**

BOSTON, July 20, 2009 -- The vast majority (84%) of financial advisors in the U.S. have been touched by someone in their client base who suffers from Alzheimer's Disease and are looking for education and resources to help them assist these clients, according to new research by Fidelity Investments®.<sup>i</sup>

With the increasing prevalence of Alzheimer's in America, Fidelity Investments (Fidelity) surveyed more than 350 advisors from independent, wirehouse, insurance, regional, bank and registered investment advisor (RIA) firms to gauge their understanding of and preparedness for the disease in their practices.

The research shows that despite their experience with the disease, 96 percent of advisors do not feel fully prepared to assist clients with Alzheimer's. In addition, half of advisors say that in cases where they suspect a client is suffering from Alzheimer's, they do not feel comfortable raising the subject. Their reasons include: fear they may be incorrect about the symptoms, lack of knowledge about where to refer clients, or insufficient expertise in the financial and legal guidance necessary to best serve a client with Alzheimer's.

Fidelity also said that its latest estimate that a 65-year-old couple retiring in 2009 will need approximately \$240,000<sup>ii</sup> to cover medical expenses in retirement<sup>iii</sup> more than doubles to approximately \$495,000<sup>iv</sup> if one spouse were to develop a debilitating disease such as Alzheimer's. This increase is due to the significantly higher medical and custodial care costs associated with Alzheimer's. The \$495,000 estimate could be even higher under some circumstances, for example if the individual with Alzheimer's lives beyond average life expectancies or both spouses are diagnosed.

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“With an aging client base and more than 10 million Baby Boomers projected to develop Alzheimer's in their lifetime, if advisors haven't already been impacted by the disease in their practices, the odds are they soon will be,” said Gail Graham, executive vice president, Fidelity Investments. “It's encouraging that advisors are looking for education and resources to help them better prepare clients financially for the costs associated with illnesses such as Alzheimer's.”

### **Advisors Recognize Need to Balance Finances and Care Giving**

According to the Fidelity survey, six in 10 (59%) advisors say that as a standard practice they have put plans in place for all clients in the event they are diagnosed with a debilitating disease such as Alzheimer's. Alternatively, 41 percent of advisors choose to address the issue as the need arises.

Advisors also say that those clients who develop Alzheimer's are just as impacted by the day-to-day financial planning, legal and insurance issues as they are by the personal, emotional and psychological effects of the disease. In fact, the top issue that advisors believe most impacts clients who develop Alzheimer's is day-to-day care giving activities such as scheduling and paying caretakers.

Advisors reveal that the most frequent ways they would manage a client relationship when Alzheimer's is suspected is to “make sure that a spouse or other family member participates in decision making,” followed by “making certain all activities and decisions are confirmed and well documented.” The survey also finds that very few advisors say that they are willing to transition their clients with Alzheimer's elsewhere.

“The long-term relationships and trust that advisors build with their clients become more evident when a client is beset by an illness such as Alzheimer's,” said Graham. “Many advisors recognize the unique role they play with their clients and want to do what they can to help.”

### **Advisors Looking for Alzheimer's Resources**

According to the Fidelity survey, the top three resources advisors say would help them feel more prepared to assist clients impacted by Alzheimer's are: best practice guidelines, greater understanding of insurance and protection products, and legal advice to assist clients.

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Over the past three years, more than half (54%) of advisors say they have seen higher demand for insurance or protection products, such as long-term care insurance, which can provide financial support for clients suffering from Alzheimer's. To meet this growing demand, 80 percent of advisors say they handle demand for these types of products in-house, while only 20 percent refer this business to a third party.

Even with advisors' high exposure to Alzheimer's among their client bases, the Fidelity research finds that only 63 percent of advisors have liability insurance to cover client disputes or liability claims. This is despite the fact that more than one in 10 (13%) say they frequently disagree with actions or decisions made by an individual granted Power of Attorney for a client who suffers from Alzheimer's.

### Fidelity Offers Best Practices

To help better prepare their firms for assisting clients with Alzheimer's Disease, Fidelity offers several best practices advisors may want to consider. These include:

- **Train advisory firms' staff** on the symptoms of Alzheimer's. If anyone gets concerned about a client's ability for sound judgment, advisors may want to consider sharing these concerns with appropriate associates within the firm to ensure they are aware of the issue and take the necessary steps to help protect both the client and the firm.
- **Create a specialty** in the firm in serving clients with dementia-related diseases such as Alzheimer's. Depending upon the client, it may be appropriate for advisors to travel to clients' homes and assist them with financial planning matters, which could include helping to pay bills. Additionally, advisors could also direct clients to third-party resources that can assist with issues such as finding nursing homes or assisted-living centers.
- **Develop a relationship with the Alzheimer's Association.** When someone is diagnosed with the disease, the Alzheimer's Association is one of the first places for the patient and family to turn to for resources. It may be helpful to advisors if they are listed among the financial and legal planning resources the Association provides.

Fidelity also is making available a special kit developed by HBO to help advisors hold a screening of "The Alzheimer's Project" in their local community. The kit includes everything advisors would need for the screening, from DVDs of the documentary, to tips for hosting the event and moderating a discussion along with a glossary and list of further resources.

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The Alzheimer's Project is a presentation of HBO Documentary Films and the National Institute on Aging at the National Institutes of Health in association with the Alzheimer's Association®, the *Fidelity*® Charitable Gift Fund and the Geoffrey Beene Gives Back® Alzheimer's Initiative.

In addition, the Alzheimer's Project Research Fund (the Fund) was established by the *Fidelity*® Charitable Gift Fund to help facilitate contributions by individuals inspired to provide support for the work of eligible research scientists who appear in Momentum in Science, part of The Alzheimer's Project on HBO. Advisors can get more information about the Fund by visiting [www.charitablegift.org](http://www.charitablegift.org) or calling 866-235-6156.

### About Fidelity Investments

Fidelity Investments is one of the world's largest providers of financial services, with custodied assets of \$2.8 trillion, including managed assets of over \$1.3 trillion as of June 30, 2009. Fidelity offers investment management, retirement planning, brokerage, and human resources and benefits outsourcing services to over 20 million individuals and institutions as well as through 5,000 financial intermediary firms. The firm is the largest mutual fund company in the United States, the No. 1 provider of workplace retirement savings plans, the largest mutual fund supermarket and a leading online brokerage firm. For more information about Fidelity Investments, visit [www.fidelity.com](http://www.fidelity.com).

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<sup>1</sup> Fidelity Investments (Fidelity) commissioned a survey with financial advisors to gauge their understanding of and preparedness for Alzheimer's Disease in their practices. Harris Interactive, which is an independent company and not affiliated with Fidelity Investments, conducted the survey, without identifying Fidelity as the sponsor. The data were collected through an online survey conducted in April 2009, with completed

responses from 369 U.S. financial advisors representing various channels, including national and regional wirehouse brokers, independent brokers, registered investment (independent) advisors, and trust officers.

<sup>ii</sup> Fidelity Consulting Services 2009.

<sup>iii</sup> Assumes no employer-provided retiree health care coverage and life expectancies of 17 years for a male and 20 years for a female.

<sup>iv</sup> Analysis by Fidelity Consulting Service 2009. The estimate is for a couple retiring at age 65 in 2009 and assuming no employer-provided retiree health care coverage, life expectancies of 17 years for a male and 20 years for a female, and where one spouse develops a cognitive health issue such as Alzheimer's. The estimate includes core medical costs, additional medical costs incurred by an Alzheimer's diagnosis, and custodial care costs.