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Seniors will be Hit Hard by Recession, according to PolicyAppraisal.com

With wealth tied to stock market, seniors must leverage options such as secondary market for life insurance

Atlanta, Georgia – A recession will have a disproportionately negative impact on seniors, according to executives at PolicyAppraisal.com, a consulting firm that appraises life insurance policies for the financial advisors of senior clients who are considering sale into the secondary market. The company recently reviewed the historical impact of the last recession in 2007 on seniors and other demographic groups and found that households headed by adults aged 55-64 experienced a decline in median wealth of about $72,000. Now's the time for seniors to look for opportunities to hedge against the threats of a recession, the company stated. PolicyAppraisal.com uses custom algorithms to enable financial advisors and life insurance agents to determine the current market value of life insurance policies.

“Some of this is just simple arithmetic,” said Wm. Scott Page, head of PolicyAppraisal.com. “Seniors had more wealth and therefore they had more to lose during the last recession. However, the numbers don't lie because seniors also have less time to catch up.”

If there's a dramatic dip in the economy, seniors will be hurting, according to the company which sees a direct correlation as to why a recession will hit them harder. PolicyAppraisal.com offers a financial option for seniors that want to leverage the value of their existing life insurance policies to bridge the income gap created by a downturn or other economic factor. Seniors have historically allowed large amounts of life insurance coverage to lapse in response to financial distress – policies that could have been appraised for potential sale instead.

Using its proprietary software known as Value Finder™, PolicyAppraisal.com’s team uses analytics to quickly identify if a policy can be sold on the secondary market. Value Finder streamlines the appraisal process to provide a quick “yes” or “no” answer regarding the viability of a life settlement. Today, financial advisors are bogged down when trying to get simple answers from the traditional life settlement process.

The company reviewed several studies of the Great Recession and found that seniors are at higher risk because much of their wealth is held in stock market holdings and other savings which they're using to generate current and future income. While younger adults have most of their wealth in their homes, seniors are more dependent on the market.

The company also noted that about 30% of current money managers were not around during the last recession. Page is skeptical of whether the current crop of money managers, many under the age of 35, understand the implications of a recession and are adequately preparing their clients for a downturn.

“We're sounding the alarm because we are already seeing the inflation crunch hit seniors, and a recession will be significantly worse,” said Page. “Now's the time for seniors to make a full review of their assets and their spending to have a complete understanding of how their current life insurance policy fits within their long-term goals.”

The potential sale of a life insurance policy on the secondary market could be the perfect solution for seniors who are worried about how they're going to live through and recover from an economic downturn. More information is available by visiting PolicyAppraisal.com or calling (800) 286-3738.

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