

Smarter Bear has noticed an increasing number of financial advisors loudly promoting "**always**" and "**never**" advice. We see this on Instagram, TikTok, Facebook, as well as in traditional media like radio and TV through paid programs/advertising.

Here are some examples of what we are hearing and seeing, and the Smarter Bear response:

Claim Source	The Always/Never Claim	Smarter Bear says:
Financial advisors or content creators seeking attention and clicks	<ul style="list-style-type: none"> <li>• <b>Always</b> wait until you are 70 to claim Social Security.</li> </ul> <p>Or the other extreme:</p> <ul style="list-style-type: none"> <li>• <b>Never</b> wait to claim Social Security beyond age 62. The argument is based mostly on the assertion that anyone who waits is ignoring the opportunity cost.</li> </ul>	<p>When to claim Social Security depends on personal circumstances. And the projection must include opportunity cost. There is no right answer for everyone and every couple.</p> <p>Factors that influence claiming strategy include:</p> <ul style="list-style-type: none"> <li>• Marital status</li> <li>• Employment status and plans</li> <li>• Earning histories</li> <li>• Health and family health history</li> <li>• Financial assets in taxable accounts and qualified plans</li> <li>• Risk tolerance and expected rate of return on invested assets</li> <li>• Confidence in Social Security's future</li> </ul> <p>Social Security provides inflation-adjusted longevity insurance and deserves personalized consideration.</p>
“Fee-based” Financial advisors earning commissions on insurance products.	<p><b>Always</b> buy permanent life insurance as a tax-favored investment. (Whole life, Universal Life, Variable Life, Variable Universal Life, Guaranteed Universal Life, Survivorship Insurance, Final Expense Insurance)</p>	<p>For the vast majority of people who have others (spouse, children, parents) dependent on their income, they should protect against their unexpected, premature death with a low-cost, level-premium term policy. When the need to protect the dependents ends, the policy can be allowed to lapse.</p> <p>There are some specific cases where a permanent life insurance policy can be appropriate:</p> <ul style="list-style-type: none"> <li>• Partners in a business may each need protection against the premature death of another partner and the need to fund the payout to the deceased's estate without liquidating the business.</li> <li>• Very wealthy people may wish to shield some of their wealth from estate taxes upon death.</li> </ul> <p>We highly recommend seeking expert advice from someone not financially involved in the transaction before purchasing a life insurance policy.</p>

Claim Source	The Always/Never Claim	Smarter Bear says:
<p>“Fee-based” Financial advisors earning commissions on insurance products.</p>	<p><b>Always</b> buy an annuity as an investment and to create a lifetime income stream. The products will never decline in value and you can’t outlive you money.</p>	<p>They often pitch annuities as a great, tax-advantaged investment vehicle - which is rarely, if ever, true. Annuities are often complex, illiquid, and expensive.</p> <p>At retirement, there may be a need for the maximum guaranteed lifetime income stream from a fixed pool of money. Insurance companies take advantage of a large pool of buyers who will die at different ages to offer a larger income stream than an individual can obtain by investing to meet their individual maximum potential life expectancy.</p> <p>When needed, retirees can compare rates of return from highly rated companies offering low-cost, no-commission immediate annuities. Buying a Single Premium Immediate Annuity means purchasing a lifetime income stream without the complexity and high fees of investment-oriented annuity products.</p> <p>As above, we highly recommend seeking expert advice from someone not financially involved in the transaction before purchasing an annuity.</p>
<p>Financial advisors or content creators seeking attention and clicks</p>	<p><b>Always</b> do Roth conversions or <b>Never</b> do Roth conversions.</p>	<p>Roth conversions can be a valuable technique to take advantage of differences in tax rates over time.</p> <ul style="list-style-type: none"> <li>• This can be for the traditional IRA account owner who expects higher income in retirement due to Social Security, investment income, and Required Minimum Distributions.</li> <li>• Or it could take advantage of a temporarily reduced income and tax bracket due to illness or job loss.</li> <li>• The tax arbitrage can also occur between the current account owner's tax bracket and the expected tax bracket of the account beneficiary, who will be subject to the 10-year rule, potentially requiring them to withdraw all account assets at the same time as their peak earning years.</li> </ul>