

# 2021 PROTECTED RETIREMENT INCOME AND PLANNING STUDY

## TOP 6 INVESTOR & FINANCIAL PROFESSIONAL INSIGHTS

12.2021

**01**

### **Hypothetical Investor Retirement Income Portfolios Favor Annuities over Bonds**

When investors designed a \$1 million portfolio, they allocated approximately 20% (\$200,000) to dividend paying stocks, 14% (approximately \$145,000) to real estate and 13% (\$136,000) to annuities. Bank CDs (11%) and bonds (10%) round out the top five asset category choices.

**02**

### **Financial Professionals Reimagine the “40” in Traditional 60/40 Portfolios**

When financial professionals were asked to build their ultimate \$1 million retirement income portfolio for an average client, they would allocate just 20% of the assets to bonds, while putting 18% into annuities.

**03**

### **Nearly All Investors Show Interest in Annuities for Income Needs**

An overwhelming majority of investors (85%) are interested in owning an annuity that guarantees lifetime income, or already own one. Of investors who are interested in owning an annuity with lifetime income, 49% are extremely interested.

**04**

### **Financial Professionals Continue to Underestimate Investor Interest in Annuities**

Financial professionals believe just 18% of their clients are extremely interested in annuities with lifetime income, indicating that there is a significant gap in what investors want and what advisors think they want.

**05**

### **Buzz on Crypto and SPACs Doesn't Translate to Investment for Retirement**

In investor's hypothetical portfolios, “trending” investment opportunities such as SPACs and cryptocurrency fell to the bottom of their list, with only 3-4% of assets allocated to each.

**06**

### **Investors Suffer from Behavioral Blind Spots**

When presented with an investment opportunity, many investors fall victim to behavioral biases such as familiarity bias (81%), emotional gap (81%) and herd mentality (66%).

Surveys of 2,004 investors ages 45-75 and 505 financial professionals, spanning registered investment advisors to national wirehouses, conducted in August and September.