



# ALI Cannex Protected Retirement Income and Planning (PRIP) Study

2024 REPORT:  
Chapter 4: Accumulation to Decumulation

November 19, 2024

Alliance for  
Lifetime  
Income

**CANNEX**  
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# ALI PRIP Background and Objectives

Protected Retirement Income and Planning (PRIP) examines the rapidly changing retirement income planning landscape, including shifts in consumer attitudes and behaviors toward retirement savings.

PRIP is the only research of its kind that surveys both consumers and financial professionals simultaneously. PRIP 2024 surveyed 2,516 consumers in the U.S. ages 45 to 75, an oversample of Peak 65 consumers, ages 61 to 65, for a total of 886 Peak 65 consumers.

PRIP 2024 also includes 508 financial professionals who conduct retirement planning for individual clients.

Peak 65 refers to a historic demographic moment when the U.S. will experience its greatest surge in the number of Americans to turn the traditional retirement age of 65 than at any time in history. 2024 marks the beginning of the "Peak 65 Zone" with more than 4.1 million Americans retiring each year through 2027. What used to be 10,000 over the past decade is now over 11,200 every day.

# Audiences



## Consumers

- **Total Sample (N=2516):** Ages 45 to 75, no investable asset criteria



## Peak 65

- **Peak 65 Sample (N=886):** Those ages 61 to 65 from the total sample along with an oversample of N=505 in this age category



## Investors

- **Investor Sample (N=567):** Those ages 45 to 72 with \$150k or more in assets and use a financial professional

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## Financial Professionals



- **Financial Professional Sample (N=508):** Separate sample of financial professionals, not part of the consumer sample

# What We Know From Previous Waves

This 2024 study is the fifth wave of the PRIP Study. This is what we know from previous waves:

- **Consumers want protection;** FPs tend to underestimate how much
- **Those who are protected** (with pension and/or annuity) **are more confident** in their financial future
- **People don't hate annuities.** A plurality of consumers are neutral, and a good proportion are positive
- **Developing a retirement income plan is hard.** Consumers need help with decumulation
- **Mind the gaps;** differences in opinions between FPs and consumers identify tensions and opportunities for FPs
- **Repeat these messages;** consistency matters and people forget

## Moving from accumulating assets for retirement to decumulation can be difficult for some retirees



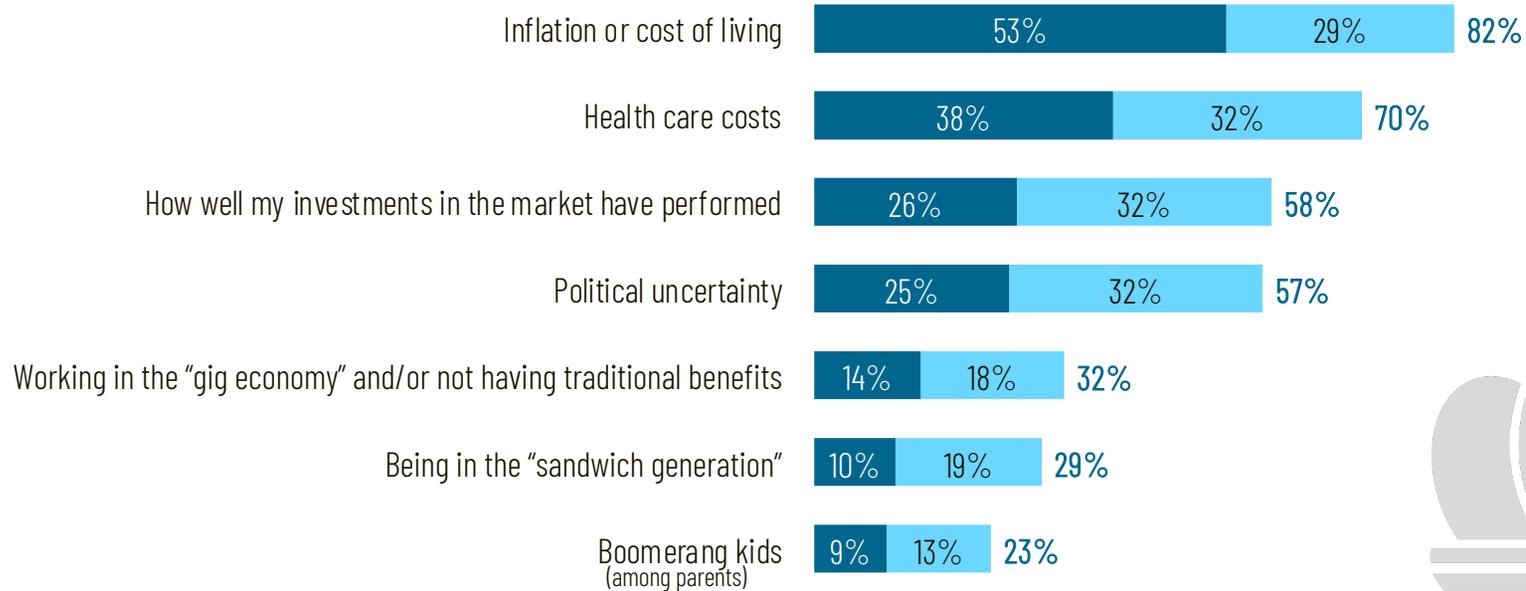
- **External Factors:** Inflation and health care costs are the top two things that negatively impact consumers' ability to save for retirement, and to manage while creating retirement income.
- **The Emotional Toll:** Nearly half of retired consumers say spending money they saved for retirement gives them anxiety and a third are spending money faster than they expected in retirement; those with fewer assets feel more anxiety.
- **Lack of Planning:** Only a third of consumers have a specific retirement income plan
- **Lack of Knowledge:** Consumers are more likely to believe an IRA provides protected income than annuities, and only six in 10 consider Social Security a form of protected income.
- **Heavy Reliance on Social Security:** Over a third of consumers ages 45 to 75 are claiming Social Security and the majority did not work with a financial professional when making this decision.

# Inflation and health care costs are the top two things that negatively impact consumers' ability to save for and while in retirement



## Consumers

### Negative Impact Each Area Would Have on Consumers Retirement/Saving for Retirement



■ Large Negative Impact ■ Moderate Negative Impact = Net Large/Mod

# Spending money in retirement gives nearly half anxiety; those with less than \$500k in assets are significantly more likely to feel anxious

Among Retired  
**Agreement with Statements**



**46% AGREE**

Spending the money I saved for retirement gives me **anxiety**

**55%** agree (among those with less than \$100k in assets)

**48%** agree (among those with \$100k - \$500k in assets)



**32% AGREE**

I am spending money **faster** in retirement than I thought I would



**48% AGREE**

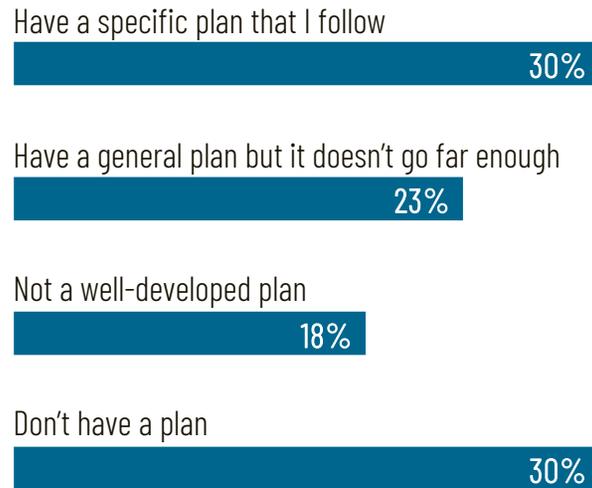
I am concerned about making complicated financial decisions when I get old due to possible decline in my thinking skills and abilities (**cognitive decline**)

# Only 32% of consumers have a specific retirement income plan



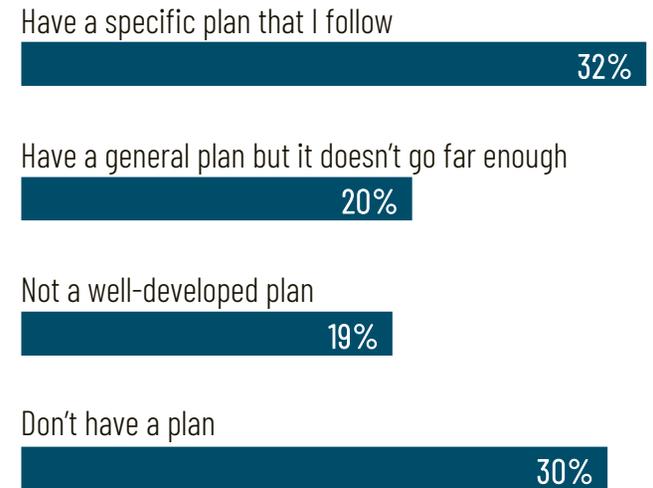
Among those still working

## Have a Retirement Savings Plan



Among all Consumers

## Have a Retirement Income Plan



41% of retired have a specific income plan

# Over a third of consumers ages 45 to 75 are claiming Social Security and the majority decided on their own to do so



Have already started claiming Social Security payments

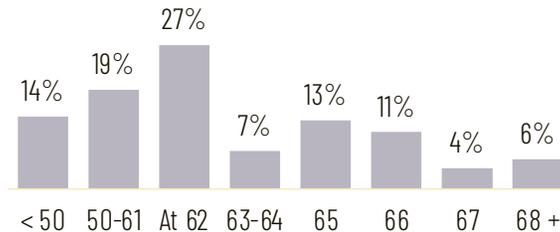
**37%**  
**YES**

53% SAID NO  
10% NOT ELIGIBLE



Average age started receiving Social Security benefits

**59.2**



Who helped most in decision to start claiming Social Security

**73%**  
**DECIDED ON OWN**

9%   
Financial Professional

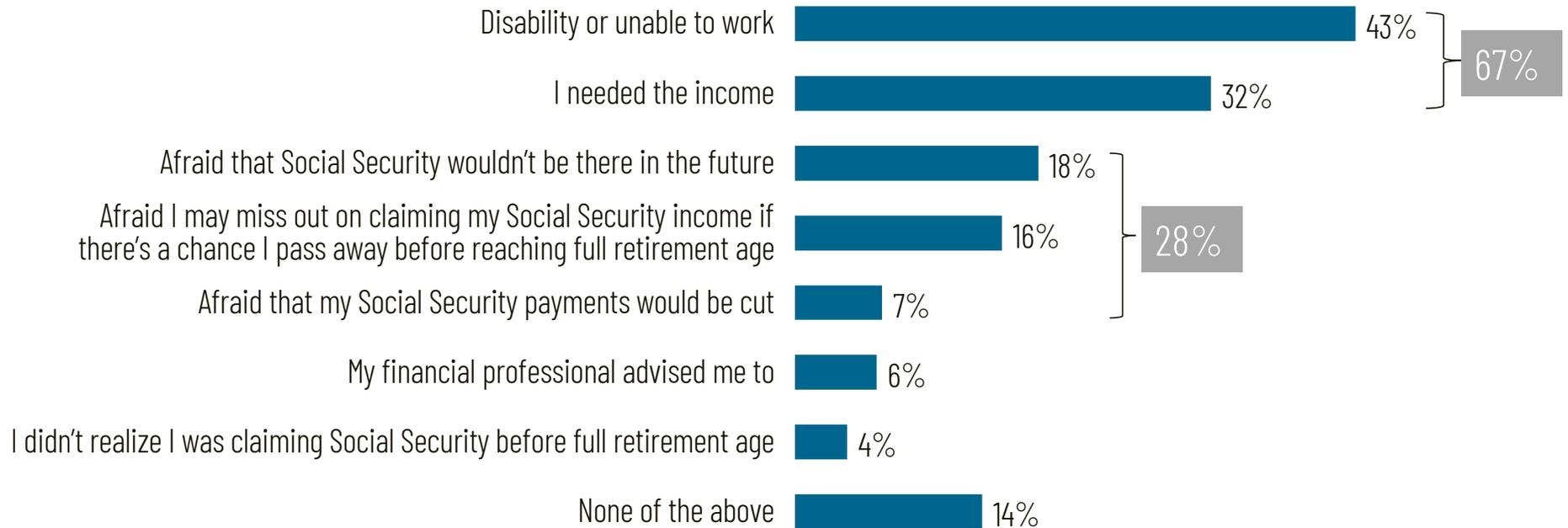
18%   
Recommendation by Friends/Family

# Among consumers who claimed Social Security before full retirement age, being disabled or needing the income top the reasons for doing so



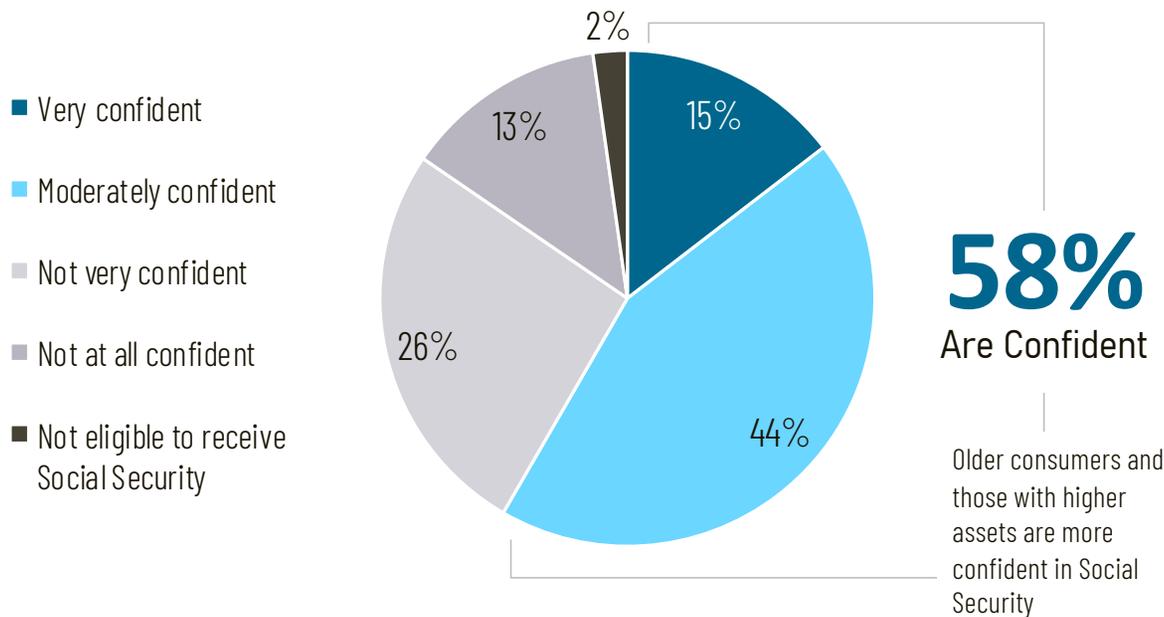
Among Consumers Who Claimed Social Security Before Age 66 or 67

## Reasons Started Claiming Social Security Before Full Retirement Age



Just over half of consumers are confident Social Security will provide income for the rest of their life; just six in 10 consider it to be protected income

 **Confidence that Social Security Will Be There in the Future and Continue Providing Income for the Rest of Their Life**



**60%  
YES**

Consider Social Security to be a form of protected income in retirement

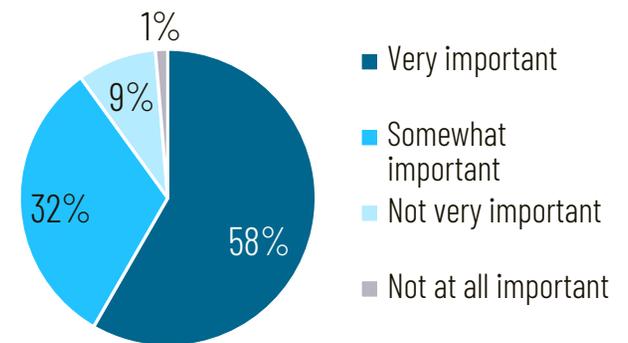
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**24% SAID NO  
16% NOT SURE**

90% of consumers eligible for Social Security benefits say they are **important** to retirement income needs

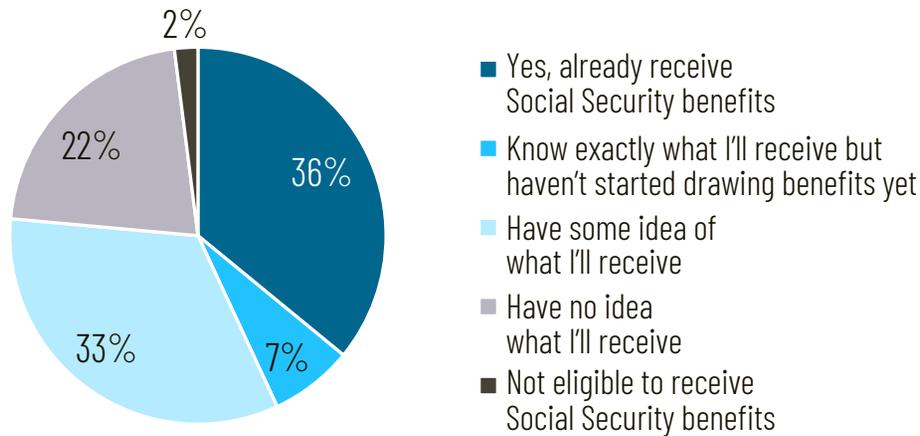


Importance of Social Security to Retirement Income Needs



## Most consumers eligible for Social Security benefits have at least some idea of the amount they'll receive

 Know how much money they'll receive each month from Social Security



# 44%

Have gone online to the Social Security website to review benefits in the past year

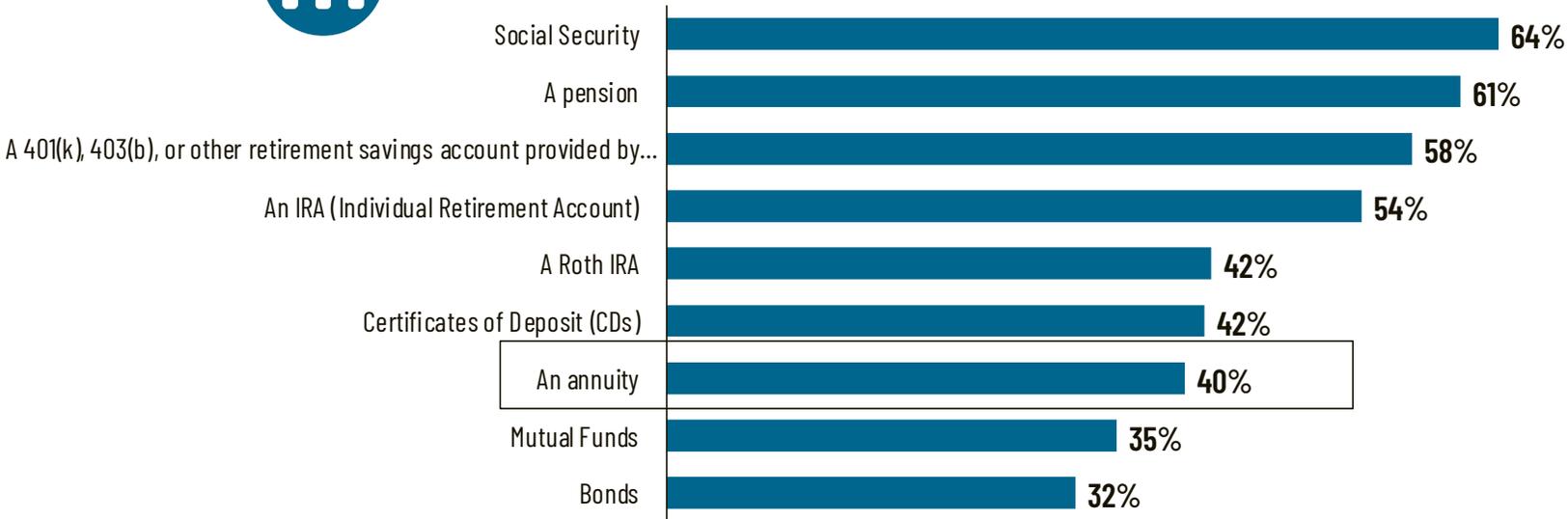
# Consumers are more likely to believe an IRA provides protected income than annuities, even when provided a definition of protection



## Consumers

Which of the following can provide protected income throughout your life?

Definition of protection: Designed to provide guaranteed income payments and/or protect you from losing money you initially invested.

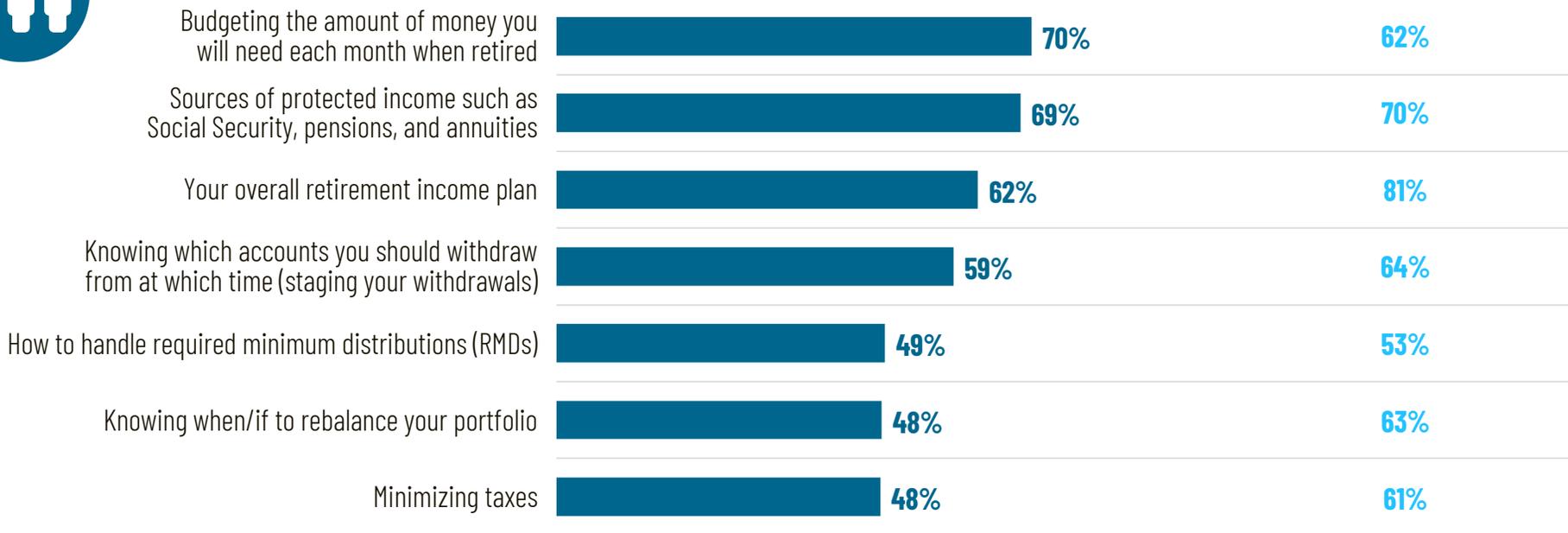


# When creating retirement income consumers are most confident about budgeting for retirement and sources of protected income; speaking with an advisor increases confidence



## % Very or Moderately Confident in Area in Creating Retirement Income

Among those with a Financial Professional  
Have Spoken to Financial Professional About

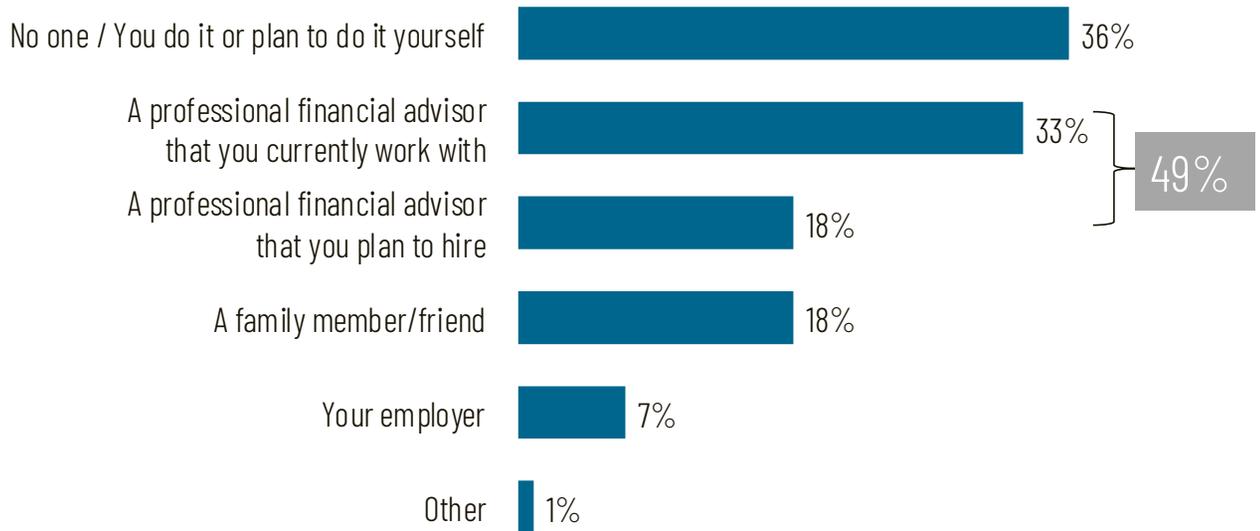


# Half of consumers with money saved in 401(k) or market investments do or plan to work with a financial professional in the process of decumulating



Among Consumers with Money Saved in a 401(k) or Market Investments

## Person Helping in the Process Transitioning Money into Retirement Income



## #1 Task They Think Is Most Difficult or Confusing

Prioritizing what to spend money on

<b>36%</b> Rank 1	<b>31%</b> Rank 2	<b>33%</b> Rank 3
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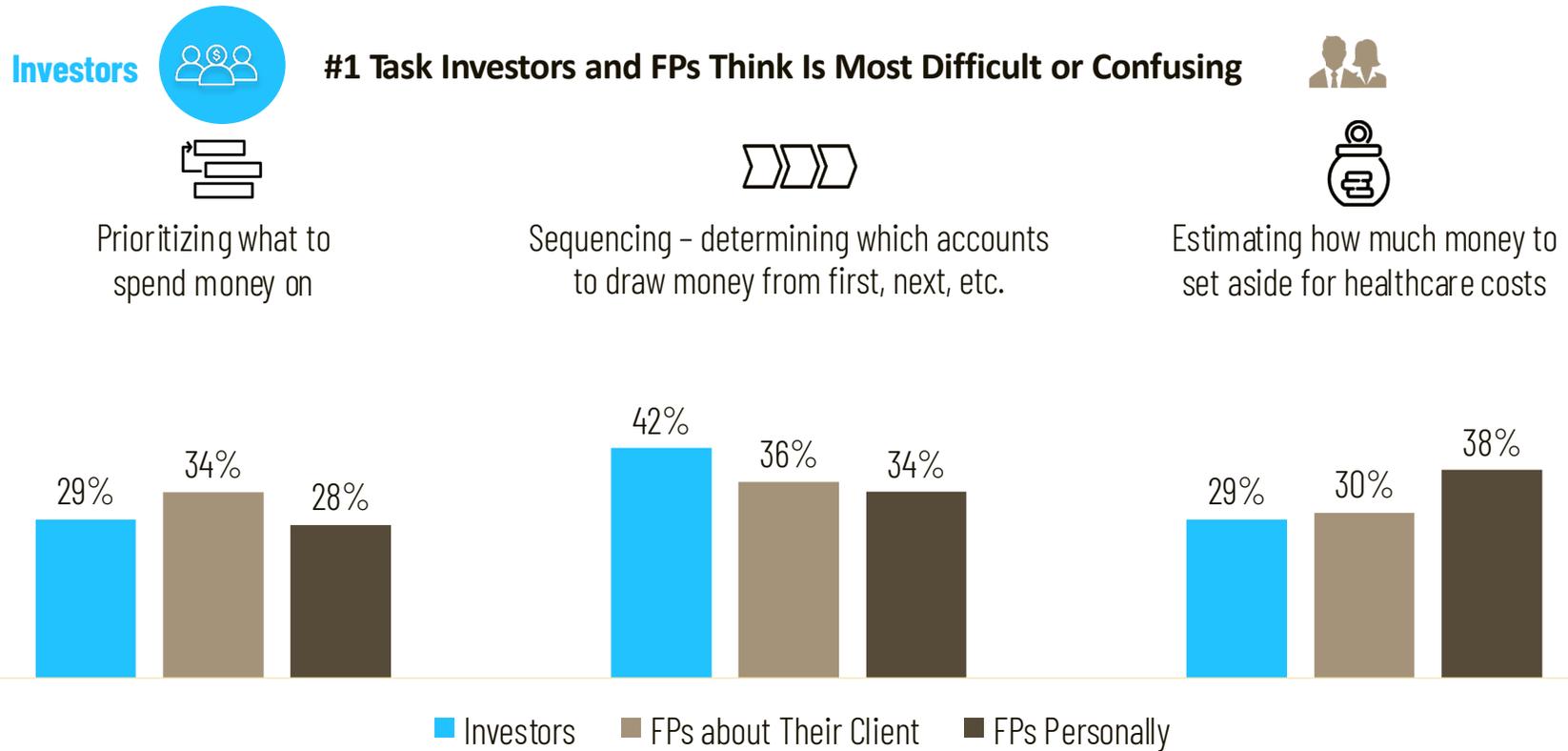
Estimating how much money to set aside for healthcare costs

<b>32%</b> Rank 1	<b>38%</b> Rank 2	<b>31%</b> Rank 3
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Sequencing – determining which accounts to draw money from first, next, etc.

<b>32%</b> Rank 1	<b>32%</b> Rank 2	<b>36%</b> Rank 3
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# For investors who have \$150K+ and work with a financial professional, sequencing is the most confusing aspect of transitioning to retirement



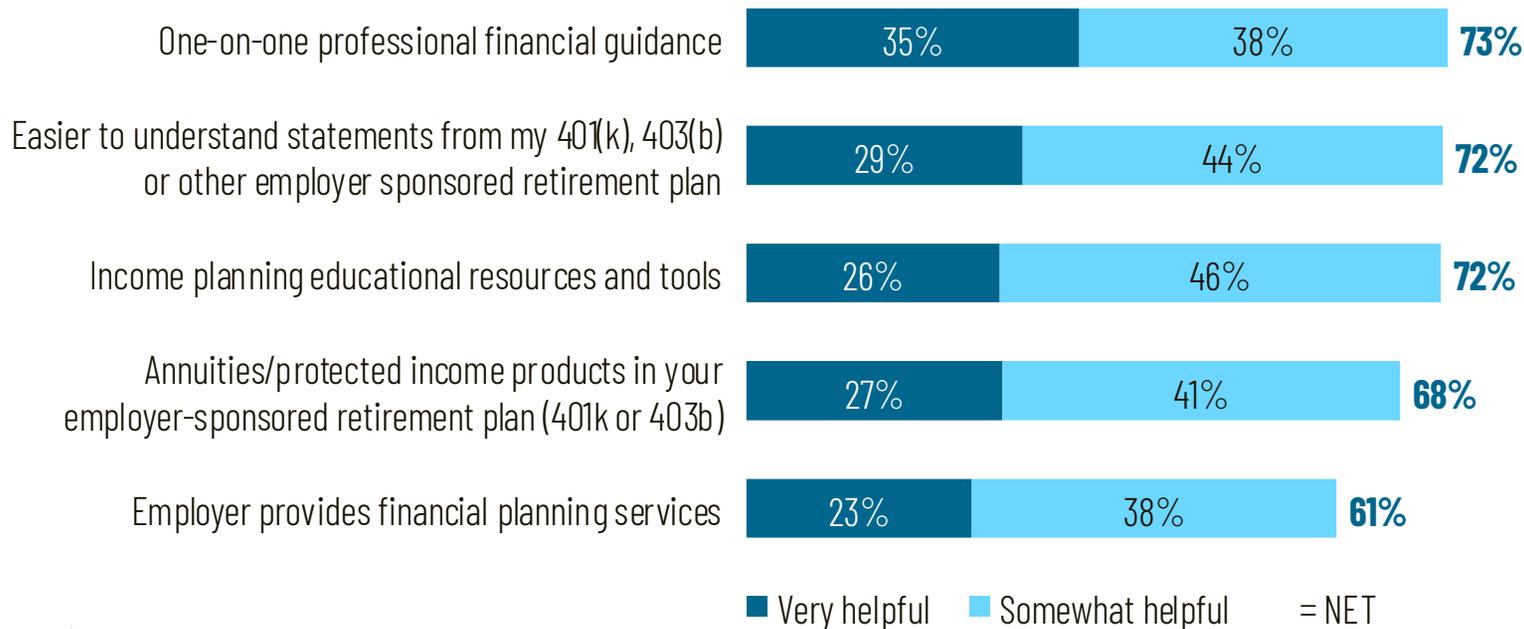
Base: Investors (n=518)  
 N29. When / As you transitioned into retirement what was the order you would rank the following activities  
 Base: FPs (N=508)  
 N29. Generally, how would your clients age 45 and over rank the following activities as they transition to retirement? Use #1 for the task you think your clients would say is most difficult or confusing, then #2 and #3.  
 N29FP. Next, how would you personally rank these activities during the transition to retirement?

# Non-retired consumers say professional guidance, more understandable statements, and income planning tools would help them the most in planning retirement income



Among Not Retired

## Helpfulness When It Comes to Planning Retirement Income



# APPENDIX

# Methodology



## CONSUMERS

- This online survey of consumers was conducted by [Artemis Strategy Group](#) February 15 to March 2, 2024. The 2,516 consumers are ages 45 to 75, of which 505 are an oversample of Peak 65 consumers ages 61 to 65, for a total of 886 Peak 65 consumers.
- Data is weighted to align with the population on age, income by gender, race/Hispanic ethnicity, region, work and retirement status, assets, and education. The oversample of ages 61 to 65 is weighted down to reflect their proportion in the population.



## Financial Professionals

- This online survey of financial professionals was conducted by [Artemis Strategy Group](#) February 12 to March 4, 2024. The 508 financial professionals are of these types:
  - **RIA:** Registered investment advisor (n=149)
  - **IBD:** Independent broker-dealer (n=132)
  - **Nat BD:** National wirehouse or full-service broker-dealers (n=105)
  - **Reg BD:** Regional broker-dealers (n=50)
  - **Ins BD:** Insurance broker-dealers (n=48)
  - Bank broker dealers are included in the total but not broken out separately due to the base of N=24 which is too small for analysis

Data is weighted on advisor type to match the proportions of the PRIP Spring 2021 study.

# Consumer Respondent Profile



## Gender

Male	<b>48%</b>
Female	<b>52%</b>
Other, non-binary/-conforming, prefer not to say	<b>&lt;1%</b>

## Age

Ages 45 to 54	<b>37%</b>
Ages 55 to 64	<b>36%</b>
Ages 65 to 75	<b>27%</b>

## Region

Northeast	<b>20%</b>
South	<b>35%</b>
Midwest	<b>22%</b>
West	<b>23%</b>

## Race/Ethnicity

White/Caucasian	<b>80%</b>
Black/African American	<b>13%</b>
Asian	<b>5%</b>
Amer. Indian / Alaska Native/ NH or PI	<b>2%</b>
Other	<b>2%</b>
Hispanic/Latin origin	<b>13%</b>

## Marital Status

Married	<b>54%</b>
Living with partner	<b>8%</b>
Single, never married	<b>17%</b>
Divorced or separated	<b>15%</b>
Widowed	<b>5%</b>

## Education

High school or less	<b>38%</b>
Some college/Assoc. degree	<b>32%</b>
College graduate	<b>18%</b>
Graduate school (any)	<b>12%</b>

## Current Employment Status

Employed (full or part-time)	<b>51%</b>
Unemployed	<b>7%</b>
Homemaker or other	<b>7%</b>
Retired, but working part-time	<b>3%</b>
Fully retired	<b>32%</b>

## Household Income for 2023

Less than \$50K	<b>32%</b>
\$50K < \$100K	<b>29%</b>
\$100K < \$250K	<b>36%</b>
\$250K or more	<b>2%</b>
Prefer not to say	<b>1%</b>

## Household's Total Investable Assets

<\$50K	<b>38%</b>
\$50K < \$100K	<b>13%</b>
\$100K < \$150K	<b>8%</b>
\$150K < \$500K	<b>18%</b>
\$500K < \$1M	<b>12%</b>
\$1M < \$2M	<b>7%</b>
\$2M or more	<b>4%</b>

## Work with a Financial Professional

Yes	<b>31%</b>
No	<b>67%</b>
Not sure	<b>2%</b>

# Investors Respondent Profile



## Gender

Male	<b>50%</b>
Female	<b>50%</b>
Other, non-binary/-conforming, prefer not to say	<b>0%</b>

## Age

Ages 45 to 54	<b>22%</b>
Ages 55 to 64	<b>41%</b>
Ages 65 to 75	<b>37%</b>

## Region

Northeast	<b>17%</b>
South	<b>38%</b>
Midwest	<b>21%</b>
West	<b>24%</b>

## Race/Ethnicity

White/Caucasian	<b>85%</b>
Black/African American	<b>8%</b>
Asian	<b>7%</b>
Amer. Indian / Alaska Native/ NH or PI	<b>3%</b>
Other	<b>1%</b>
Hispanic/Latin origin	<b>7%</b>

## Marital Status

Married	<b>73%</b>
Living with partner	<b>4%</b>
Single, never married	<b>12%</b>
Divorced or separated	<b>9%</b>
Widowed	<b>2%</b>

## Education

High school or less	<b>13%</b>
Some college/Assoc. degree	<b>30%</b>
College graduate	<b>34%</b>
Graduate school (any)	<b>23%</b>

## Current Employment Status

Employed (full or part-time)	<b>58%</b>
Unemployed	<b>3%</b>
Homemaker or other	<b>5%</b>
Retired, but working part-time	<b>4%</b>
Fully retired	<b>30%</b>

## Household Income for 2023

Less than \$50K	<b>6%</b>
\$50K < \$100K	<b>32%</b>
\$100K < \$250K	<b>56%</b>
\$250K or more	<b>5%</b>

## Household's Total Investable Assets

<\$100K	<b>0%</b>
\$100K < \$150K	<b>0%</b>
\$150K < \$500K	<b>47%</b>
\$500K < \$1M	<b>25%</b>
\$1M < \$2M	<b>19%</b>
\$2M < \$3M	<b>5%</b>
\$3M or more	<b>4%</b>

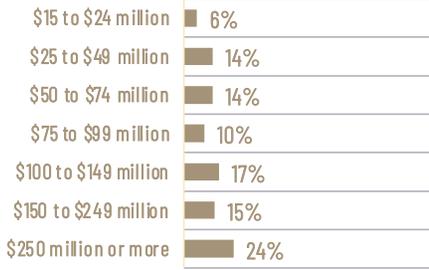
## Work with a Financial Professional

Yes	<b>100%</b>
No	<b>0%</b>
Not sure	<b>0%</b>



# Financial Professional Respondent Profile

## FP's Assets Under Management (AUM)

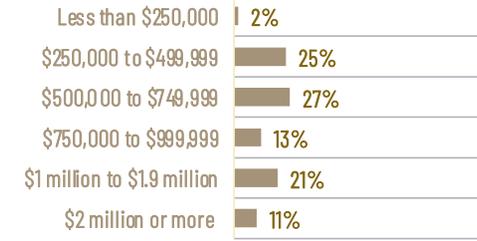


Mean: \$ 159.6 million - Median: \$125 million

## Percent of 2023 Cash Compensation of FP by Category

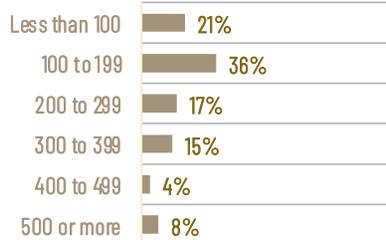


## Average HH Investable Asset Level of FP's Clients

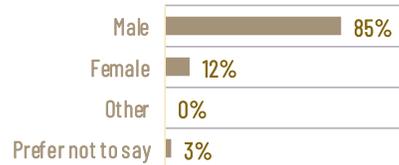


Mean: \$1.03M - Median: \$625,000

## Number of HHs FP Actively Serves (Est.)



## FP Gender



## Average HH Income of FP's Clients

