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WHO HAS GUARANTEED LIFETIME INCOME? THE DEMOGRAPHICS OF ANNUITY USE IN 2019

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ABSTRACT

Annuities provide a guaranteed income for people as they age, without people having to manage their financial assets even if they have physical or cognitive declines. Yet, private annuity contracts are not widely used in the United States, especially among lower-income people. Recent policy proposals have focused on boosting the use of annuities, but there remain many demographic groups who rarely have annuities. Understanding these contemporary demographic patterns of who has an annuity is important to inform new strategies. This study uses the 2019 Survey of Consumer Finances to describe the demographics of households that have annuity income. We find overall annuity ownership is low—less than one in 20 people have an annuity. Ownership increases with age, but Black and Hispanic/Latino households are among the least likely to have an annuity even controlling for income, wealth, and education. Adjusting for sociodemographic factors, levels of wealth remain a key predictor of annuity ownership.

Keywords: annuities, retirement, financial assets, income

INTRODUCTION

Retirement annuities offer guaranteed lifetime income that allows people to avoid outliving their savings. Given the shift from defined benefit pensions to defined contribution retirement plans over the last four decades, most people are in a position where they have to manage retirement assets as they age. One solution is for people to convert retirement assets into annuity contracts, meaning they are guaranteed payment on a regular basis for the contract term, which could be their lifetime. However, the uptake of private annuity contracts is relatively low (De Cervens 2020).

Old-Age and Survivors Insurance (OASI) from the Social Security Administration is one example of an annuity-like payment that provides lifetime guaranteed income for eligible Americans. This is a form of social insurance, and people are eligible based on paying into the payroll tax (FICA) over their working years. But Social Security payments are usually not enough to replace people's earned income in their retirement years. As a result, people typically need other retirement income sources. Employer-based defined contribution plans (for example, 401(k) or 403(b) plans) have been on the rise. The SECURE (Setting Every Community Up for Retirement Enhancement) Act of 2019 made it more likely that defined contribution plans can offer annuity contracts for retirement income. However, the take-up of the annuity option depends on people's prior knowledge and experience. It is important to understand how people have historically used annuities to be able to inform strategies to provide more people with an opportunity to explore annuities as part of their retirement plan.

BACKGROUND

There are distinct dimensions of annuities, including differences in (1) the method of premium payment (single premium, fixed annual premium, or flexible premiums), (2) individual coverage or whether survivors are included, (3) the period for the start of payout payments (immediate versus deferred), and (4) the type of payout (life annuity with no refund, guaranteed minimum annuity, and periodic flexible withdrawals). Some older adults (age 62 and older) may use a Home Equity Conversion Mortgage to convert some of their home equity into a regular, annuitized payment to support their consumption in older age.[1]

The "annuity puzzle" refers to the fact that although in theory annuities optimize retirement income and provide guaranteed income to insure against the risk of outliving savings, very few people actually have them. Several reasons have been proposed to explain this paradox, including bequest motives, cognitive barriers to understanding and valuing annuities, high real or perceived costs, and a lack of marketing and promotion (Webb 2021).

The retirement annuity market has expanded beyond the traditional pension-style product. Some annuity contracts only insure the oldest ages, for example, starting at age 80. Other annuities combine long-term healthcare insurance so that people who need nursing home or assisted living can receive a larger benefit amount if needed. These products reflect the changing needs of an aging population (Friedberg and Webb 2021).

ANNUITY PERCEPTIONS AND TAKE-UP

One of the factors underlying low uptake of annuities is differences in levels of wealth. Annuities tend to be concentrated among persons with high levels of education, income, and wealth (Brown and Poterba 2006). There are deep disparities in retirement savings by race/ethnicity. Compared with white persons, Black and Hispanic/Latino people were less likely to have any retirement plan and had lower 401(k) balances in 2019 (Francis and Weller 2021). These differences have persisted over time (Lucas 2021). The average value of a home among whites was also nearly one-third larger than among homes owned by Black and Hispanic/Latino people (Neal and Young 2021).

One recent report finds that people preparing for retirement have a strong interest in guaranteed lifetime income (Finke and Fichtner 2021). Consumer research finds that people's preferences related to annuities vary depending on how the product is described (Shu et al. 2016). Behavioral research also shows that annuity decisions can be complex, and that people have difficulty valuing annuities depending on how they are presented to consumers. While some consumers may attempt to calculate the future value of an annuity, many simply guess; however, providing consumers with information about life expectancy and expected payouts can increase interest in annuities (Post 2023). Priming consumers to consider their longevity (i.e., the possibility of living to a very old age) instead of only their life expectancy can also increase interest in annuitization (Hurwitz, Mitchell, and Sade 2022). Another barrier to buying an annuity is people do not want to forgo the ability to pass on wealth to their heirs (Brown et al 2021). Yet, the guaranteed income from an annuity appears to help people worried about long-term financial planning and the risk of not having enough cash flow (Cameron and Tedds 2021).

One experimental study among Virginia nonstudent adults suggests that there are gender differences in risk aversion and financial literacy, and suggests that compared with men, women are more likely to choose annuities (Agnew et al. 2008). Another possible reason for this trend is perceptions and actual differences in life expectancy, which is higher among women (Lambregts and Schut 2020).

Perceptions that consumers have about annuity products also matter. For instance, Shu, Zeithammer, and Payne (2018) assess people's preferences via an online vignette study and find that perceptions of product fairness are more predictive of favoring annuities than demographic factors. They also find that people who are

1. Fixed or guaranteed income annuities generate income for the longer run and typically into retirement ages. Another class of annuities, such as variable annuities, are designed to preserve assets against the risk of inflation but are less useful in terms of a guaranteed stream of income payments (Poterba 1997). The focus of this study is on annuities designed to support the preservation of assets in the long run, rather than shorter-term investment products.

less risk-averse are more open to annuities. In contrast, Guillemette and Liu found that people who are more risk-averse are more likely to have household annuity income (2022). A survey of defined contribution plan participants collected in October, 2020, assessed people's preferences for annuitization. Nearly half the sample reported they prefer a mix of lifetime income and investments to only controlling their own investments or only having lifetime income. Moreover, the study found that the strongest predictor of having a preference to use a large sum of retirement savings to buy an immediate annuity (as opposed to a deferred-income annuity) was age (Finke and Fichtner 2021). Perceptions that the annuity will not pay itself out over the course of one's life may also hinder people from obtaining an annuity (Lambregts and Schut 2020).

Socioeconomic status matters for annuity ownership. Using survey data from Italy, Cappelleti et al (2013) find that higher income and wealth are associated with the propensity to annuitize. Financial literacy is also a factor associated with opting for an annuity. High levels of debt also hinder retirement savings (Lucas 2021) and may influence annuitization decisions. Another factor is pre-retirement income, which is directly associated with people's ability to save over their life course. Moreover, the decisions for how much to save become very different depending on the household and on whether retirees expect Social Security to cover a substantial amount of their retirement income (Biggs 2022).

Investor knowledge and confidence may also impact annuity decisions, as those who have low objective but high subjective investment knowledge (overconfident investors) are more likely to own annuities than those with low objective and low subjective knowledge (Korankye et al. 2023). Those who have high objective and low subjective knowledge (underconfident investors) are less likely.

Another important dimension of financial decisions includes people's cultural repertoires that underlie differences in the meaning of retirement and savings. These may differ among households of color. Recent research about cultural financial repertoires documents that perceptions of borrowing as well as saving are rather similar by race (Rucks-Ahidiana 2022). However, the time horizons for future financial planning differed, with Hispanic/Latino and Black respondents more focused on short-term planning compared with whites' long-term planning (Rucks-Ahidiana 2022). In addition, people of color report being more risk-averse than white persons. Financial literacy, access to liquidity, and debt are other factors influencing financial decisions and annuity uptake (Davis et al. 2021; Davis et al. 2022).

These studies provide a clear pattern of private-contract guaranteed lifetime income annuity ownership among only a relatively small number of households. Women, people of color, and lower-income/wealth households appear to be least likely to have annuities. As policymakers consider options for expanding access to annuities for more people's retirement savings- one of the goals of the SECURE Act- it is important to better understand the demography of annuity ownership. The Federal Reserve Board's Survey of Consumer Finances in 2019 provides a useful source of information on the question: Who owns an annuity today?

DATA

The Survey of Consumer Finances (SCF) is a cross-sectional survey representative of US households run by the Federal Reserve Board that takes place every three years. Respondents are asked a series of questions regarding ownership of annuities (see Table A1 in the Appendix for a complete listing). For this study, the key outcome is responding "yes" to the question: "Do you (or anyone in your family here) receive income from or have assets in an annuity? Please do not include job pensions". Using the 2019 data, we estimate the share of people who report having any annuity by demographic characteristics using this question. All estimates are shown using the population weights provided in the SCF which are designed to make the sample of households surveyed represent the US national population as of 2019.

DEMOGRAPHICS OF ANNUITY OWNERSHIP

Overall, just 4.7 percent of households report holding an annuity in the 2019 SCF data. Table 1 summarizes the demographics of people without any annuity and those with an annuity. These are simply the survey-weighted means or proportions, not controlling for other factors, but show a consistent pattern of annuity owners being better off financially. People who own annuities are different along several dimensions. For example, annuity owners (44%) are less likely to be single than non-annuity owners (37%). Blacks and Hispanics/Latinos are much less likely among annuity owners—people of color are three times more common among non-owners than annuity owners. We use age groups of 18-34, 35-54, 55-65, and 66 and older to approximate early earning years as well as pre-retirement and retirement ages. Annuity owners tend to be older—64 percent (two-thirds) are age 66 and older; only 23 percent of non-owners are age 66 and older.

Consistent with greater affluence, annuity owners are more likely to have college or graduate degrees and to have an income of $100,000 or more. Annuity owners are also more likely to have life insurance and to have owned a home. Most notably, 22 percent, nearly one-quarter of annuity owners, are in the top quartile of wealth, compared to just seven percent of non-annuity owners. In terms of average net wealth in 2019 dollars, non-annuity owners had $698,000, less than half the average net worth of annuity owners of $1.7 million.

Table 2 shows patterns of annuity ownership by income, and then among annuity owners, the value of any annuities (estimated cash value), any current annuity income, the ratio of annuity value to total net worth, and net worth in absolute terms. Overall households in the SCF data with an annuity reported an average cash value of around $190,000 and annual income of $10,300 (in 2018 from all annuities combined). Annuities make up about 18 percent of total net worth among annuity owners.

Unfortunately, we cannot observe many details of these annuities. Some of the annuities people report in the SCF may not involve lifetime income payments but may instead be designed as shorter-term asset preservation investments. Table 2 (total column) shows that 41% of annuities in the SCF were rolled over from other assets, and three-quarters were contracts that could be cashed in for some amount. About 39% of people who had annuities in the SCF in 2019 reported no annuity income in 2018. While some of these could be people who just purchased annuities in 2019, many of these are likely owners of deferred annuities with future payouts. In terms of the nature of the investments in these annuity contracts, about half are a mix of stocks and bonds, and one-quarter is in bonds and income-based investments.

Lower-income households are more likely to have an annuity (six percent compared to five percent overall), but this is in part due to annuity owners being older, retired, and well beyond peak earning years (the survey does not directly measure earnings in prior years). These lower-income annuity owners are also less likely to not be receiving annuity income—consistent with retirees. Conditional on having an annuity, the highest income group ($100,000 or more) has larger annuities and receives more income from annuities. However, lower-income groups tend to have more of their wealth invested in an annuity in the rare cases when younger people have an annuity.

Table 3 shows the same statistics by age group. The patterns here are predictable, with few younger people (under age 35) owning an annuity, rising to six percent for people ages 55-65 and 12 percent of those older than 65. The few younger people with annuities tend to have larger amounts in terms of cash value and income, although we caution this is a small number of observations in the data. Notably, these younger households also annuitize a greater share of their net wealth (but also have much less wealth). Rollover annuities are more common among people age 66 and older, likely due to annuitized payments from retirement savings or life insurance. There are no strong patterns in terms of the underlying assets in annuities by age, although most people report a mix of stocks and bonds at younger ages.

Altogether, these patterns are consistent with annuities being a strategy that a relatively small number of households use for a portion of their assets and income. Age is a primary driver of annuity ownership, and rolling over assets into an annuity is relatively common among older age groups with an annuity. Income is also associated with more annuity ownership, but it is not only higher-income households that hold annuities. Many annuity owners, especially those who are younger and have more income, own annuity contracts that are not making any payouts currently (but presumably will in the future).

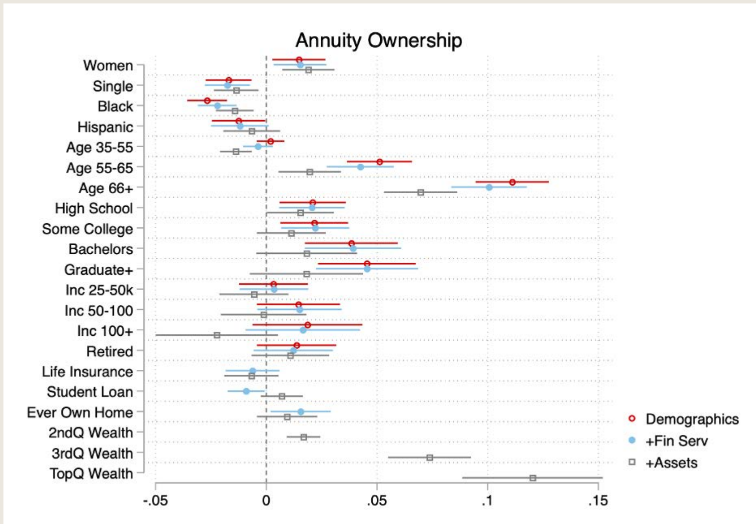

FIGURE 1. *OLS linear probability model estimating probability of having an annuity 2019*

Source: *Survey of Consumer Finances 2019*, Dependent variable: "Do you (or anyone in your family here) receive income from or have assets in an annuity? Please do not include job pensions." See Table 5 for estimates.

Notes: Coefficients that are in the omitted category are as follows: Age (18-34 years old), race (white), college education (< high school (HS)), net worth (1st net worth quartile), occupation (not retired), income (0-24.9k income). 95% confidence intervals are represented in the horizontal lines. Replicant weights as in Pence (2015). SEs bootstrapped with 200 replications.

FACTORS ASSOCIATED WITH ANNUITY OWNERSHIP

To better understand these patterns controlling for demographic and other factors, we next estimate conditional rates of owning an annuity based on household characteristics using an ordinary least squares (OLS) linear probability regression model. These estimates are displayed in Table 4. The base model (1) has demographic variables for gender (women) and race/ethnicity. The estimates in column (2) add age group, education level, income category, and work status. Column 3 adds measures of financial product use, including having any student loans, homeownership, and life insurance. The last set of estimates (Column 4) adds the net worth quartile.

The figure above (Fig 1) shows the estimated coefficients and 95% confidence internals from a linear probability model estimating the probability of owning an annuity adjusting for a range of variables (constants not shown). In addition to showing the impact of demographic characteristics alone (in red), Figure 1 also shows how the estimates change when adding controls for the use of other financial services (in light blue) and finally for overall wealth (in gray) . In Figure 1, controlling for a range of factors, women are slightly more likely to have an annuity. This may reflect women outliving men at older ages, or benefiting from survivor's payments on annuities owned as a couple. In the SCF, the respondent may be a head of household, which makes determining the gender of the annuity owner challenging. Controlling for single households may help address this issue, however, and being single reduces the estimate of annuity ownership by about two percentage points.

Black people and Hispanics/Latino people are less likely to have an annuity, although these estimates are much smaller once controlling for wealth levels. Age has a strong association with annuity ownership, even controlling for other characteristics. More education is associated with higher rates of annuity ownership, although this relationship is reduced and no longer statistically significant when controlling for wealth. Current income is not strongly associated with annuity ownership, although income tends to be associated with other characteristics like age, education, and wealth, making these estimates somewhat confounded. In terms of financial products, having owned a home or having life insurance are minimally associated with owning an annuity, especially after controlling for net wealth levels. In the end, wealth levels, especially above median wealth (third and top quartiles of wealth), are associated with much higher rates of annuity ownership. To a lesser extent, age and education levels also appear to be associated with higher rates of having an annuity. Income levels do not have a strong association with annuity ownership, however.

CONCLUSION

Annuity income remains both very common and very rare. It is common since the Social Security OASI benefit is widely available for most people who have a work history by age 62. Much less common are private annuity contracts that provide guaranteed income later in life. People who enter retirement with assets that do not offer guaranteed income may face challenges as they age. Furthermore, wide racial/ethnic and gender disparities in wealth and income among older adults may mean that lower rates of use of annuities could exacerbate gaps in well-being among seniors.

These estimates show that when holding variables in the model constant, older people (age 66 and older) are more likely to have an annuity. Importantly, even controlling for observable factors, Black persons are less likely to have an annuity compared with white persons. The coefficient for Hispanic/Latino persons is also negative, but not statistically significant at conventional levels. Households in the fourth quantile of net worth, our measure of wealth, were about 12 percentage points more likely to own an annuity. Annuity ownership is much more common at older ages when people leave the workforce, especially for people with higher levels of education and wealth.

This analysis shows a range of factors that are associated with annuity ownership, but also shows low rates of annuity use, as well as uneven ownership of annuities. Cognitive barriers, financial literacy barriers, and barriers related to intergenerational bequests may all be factors that could deter annuity ownership. This study cannot measure these issues, but they may be related to the demographic factors we include.

Future research should monitor annuity ownership given the changes brought on by the SECURE Act and related policies. To the extent that lower-wealth, lower-income, and people of color may benefit from the conversion of employer-based defined contribution retirement savings to annuitized guaranteed income, employers, policymakers, and the public may need to support greater access to information and counseling to help people become more familiar with annuities as an option.

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	No Annuities	Has Annuity	Total
Owns Annuity	0.00	1.00	0.047
	(0.00)	(0.00)	(0.21)
Women	0.27	0.28	0.27
	(0.44)	(0.45)	(0.44)
Single	0.44	0.37	0.44
	(0.50)	(0.48)	(0.50)
Black	0.17	0.050	0.17
	(0.38)	(0.22)	(0.37)
Hispanic/Latino	0.12	0.034	0.12
	(0.32)	(0.18)	(0.32)
Age 35-54	0.36	0.089	0.34
	(0.48)	(0.28)	(0.47)
Age 55-65	0.18	0.25	0.18
	(0.38)	(0.43)	(0.39)
Age 66+	0.23	0.64	0.25
	(0.42)	(0.48)	(0.43)
High School	0.25	0.21	0.24
	(0.43)	(0.41)	(0.43)
Some College	0.29	0.22	0.28
	(0.45)	(0.42)	(0.45)
Bachelors	0.21	0.27	0.21
	(0.41)	(0.44)	(0.41)
Graduate+	0.15	0.25	0.15
	(0.35)	(0.44)	(0.36)
Inc 25-50k	0.20	0.078	0.19
	(0.40)	(0.27)	(0.39)
Inc 50-100	0.23	0.18	0.23
	(0.42)	(0.38)	(0.42)
Inc 100+	0.25	0.32	0.26
	(0.44)	(0.47)	(0.44)
Retired	0.19	0.074	0.19
	(0.39)	(0.26)	(0.39)
Life Insurance	0.59	0.64	0.59
	(0.49)	(0.48)	(0.49)
Student Loan	0.22	0.072	0.21
	(0.41)	(0.26)	(0.41)
Ever Own Home	0.45	0.75	0.46
	(0.50)	(0.43)	(0.50)
2ndQ Wealth	0.35	0.19	0.34
	(0.48)	(0.39)	(0.47)
3rdQ Wealth	0.27	0.57	0.29
	(0.45)	(0.49)	(0.45)
TopQ Wealth	0.069	0.22	0.076
	(0.25)	(0.41)	(0.27)
Networth (000)	697.8	1747.2	746.8
	(5598.84)	(5801.15)	(5612.72)
Observations	27,527	1,358	28,885

TABLE 1. *Characteristics of Annuity Owners, 2019*

Source: *Survey of Consumer Finances 2019*, respondents aged 18 and older. Each row shows the percentage with each characteristic among annuity non-owners (first column), annuity owners (second column), and the full sample (third column). Statistics are computed using population weights to make the results nationally representative. Standard deviations appear in parentheses.

	<$25k	$25-50k	$50-100k	$100k+	Total
Owns Annuity	0.063	0.019	0.035	0.058	0.047
	(0.24)	(0.14)	(0.18)	(0.23)	(0.21)
Cash Value (000)	107.9	254.3	201.4	279.7	189.7
	(159.80)	(373.99)	(248.67)	(699.81)	(442.35)
2018 Annuity Income (000)	8.75	4.46	17.4	9.89	10.3
	(20.21)	(8.08)	(41.55)	(22.81)	(25.71)
Annuity/Networth	0.20	0.22	0.19	0.12	0.18
	(0.18)	(0.16)	(0.19)	(0.13)	(0.17)
Rollover Annuity	0.38	0.59	0.39	0.40	0.41
	(0.49)	(0.49)	(0.49)	(0.49)	(0.49)
Annuity can be Cashed in	0.77	0.70	0.72	0.76	0.75
	(0.42)	(0.46)	(0.45)	(0.43)	(0.43)
No Current Annuity Income	0.29	0.36	0.37	0.53	0.39
	(0.45)	(0.48)	(0.48)	(0.50)	(0.49)
All in Stocks	0.24	0.21	0.17	0.18	0.20
	(0.42)	(0.41)	(0.38)	(0.38)	(0.40)
All in Bonds	0.29	0.19	0.19	0.22	0.24
	(0.45)	(0.39)	(0.39)	(0.42)	(0.43)
Mix	0.45	0.51	0.49	0.52	0.48
	(0.50)	(0.50)	(0.50)	(0.50)	(0.50)
Other Investments	0.025	0.088	0.15	0.075	0.067
	(0.16)	(0.28)	(0.35)	(0.26)	(0.25)
Observations	28885				

TABLE 2. *Characteristics of Annuities Owned by Income Category, 2019*

Source: *Survey of Consumer Finances 2019*, respondents aged 18 and older. Each row shows the average of each annuity characteristic among owners of annuities by income category (first four columns) and the full sample (fifth column). Statistics are computed using population weights to make the results nationally representative. Standard deviations appear in parentheses.

	18-35	35-55	55-65	66+	Total
Owns Annuity	0.0036	0.012	0.064	0.12	0.047
	(0.06)	(0.11)	(0.24)	(0.33)	(0.21)
Cash Value (000)	344.2	168.7	200.7	185.3	189.7
	(491.64)	(293.49)	(651.11)	(346.66)	(442.35)
2018 Annuity Income (000)	5.29	4.42	13.4	10.0	10.3
	(6.17)	(9.72)	(39.29)	(20.10)	(25.71)
Annuity/Networth	0.41	0.19	0.18	0.17	0.18
	(0.08)	(0.24)	(0.19)	(0.15)	(0.17)
Rollover Annuity	0	0.16	0.38	0.46	0.41
	(0.00)	(0.37)	(0.49)	(0.50)	(0.49)
Annuity can be Cashed in	0.56	0.84	0.76	0.74	0.75
	(0.51)	(0.37)	(0.43)	(0.44)	(0.43)
No Current Annuity Income	0.56	0.57	0.51	0.30	0.39
	(0.51)	(0.50)	(0.50)	(0.46)	(0.49)
All in Stocks	0	0.13	0.20	0.22	0.20
	(0.00)	(0.33)	(0.40)	(0.42)	(0.40)
All in Bonds	0	0.25	0.31	0.23	0.24
	(0.00)	(0.43)	(0.46)	(0.42)	(0.43)
Mix	1.0	0.58	0.39	0.50	0.48
	(0.00)	(0.50)	(0.49)	(0.50)	(0.50)
Other Investments	0	0.049	0.11	0.054	0.067
	(0.00)	(0.22)	(0.32)	(0.23)	(0.25)
Observations	28885				

TABLE 3. *Characteristics of Annuities Owned by Age Category, 2019*

Source: *Survey of Consumer Finances 2019*, respondents aged 18 and older. Each row shows the average of each annuity characteristic among owners of annuities by age category (first four columns) and the full sample (fifth column). Statistics are computed using population weights to make the results nationally representative. Standard deviations appear in parentheses.

	(1)	(2)	(3)	(4)	(5)
Women	0.025***	0.014*	0.015*	0.015*	0.019**
	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
Single	-0.021***	-0.021***	-0.017**	-0.018***	-0.014**
	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
Black	-0.046***	-0.028***	-0.027***	-0.022***	-0.014**
	(0.005)	(0.005)	(0.005)	(0.004)	(0.004)
Hispanic/Latino	-0.047***	-0.015*	-0.013*	-0.012	-0.007
	(0.006)	(0.006)	(0.006)	(0.007)	(0.007)
Age 35-55		0.005	0.002	-0.004	-0.014***
		(0.003)	(0.003)	(0.003)	(0.004)
Age 55-65		0.055***	0.051***	0.042***	0.020**
		(0.007)	(0.007)	(0.008)	(0.007)
Age 66+		0.116***	0.111***	0.101***	0.070***
		(0.007)	(0.008)	(0.009)	(0.008)
High School		0.022**	0.021**	0.021**	0.015*
		(0.007)	(0.008)	(0.008)	(0.008)
Some College		0.023**	0.022**	0.022**	0.011
		(0.007)	(0.008)	(0.008)	(0.008)
Bachelors		0.043***	0.038***	0.039***	0.018
		(0.010)	(0.011)	(0.011)	(0.012)
Graduate+		0.050***	0.045***	0.045***	0.018
		(0.010)	(0.011)	(0.012)	(0.013)
Inc 25-50k			0.003	0.003	-0.006
			(0.008)	(0.008)	(0.008)
Inc 50-100			0.014	0.015	-0.001
			(0.010)	(0.010)	(0.010)
Inc 100+			0.019	0.017	-0.022
			(0.013)	(0.013)	(0.014)
Retired			0.014	0.012	0.011
			(0.009)	(0.009)	(0.009)
Life Insurance				-0.006	-0.007
				(0.006)	(0.006)
Student Loan				-0.009*	0.007
				(0.004)	(0.005)
Ever Own Home				0.015*	0.009
				(0.007)	(0.007)
2ndQ Wealth					0.017***
					(0.004)
3rdQ Wealth					0.074***
					(0.010)
TopQ Wealth					0.120***
					(0.016)
Mean	0.06				
StDev	0.24				

TABLE 4. *Likelihood of Annuity Ownership, 2019*

Source: *Survey of Consumer Finances 2019*, respondents aged 18 and older. Each column shows regression coefficients where the left-hand side variable is one if the individual owns an annuity and zero otherwise, and the right-hand side variables are showed in the table rows. Regressions are estimated using population weights to make the results nationally representative. Standard errors appear in parentheses.

APPENDIX

Topic	Survey Questions
Any Annuity	Do you (or anyone in your family here) receive income from or have assets in an annuity? Please do not include job pensions.
Annuity Details	1. Did you (or your family living here) purchase these annuities using or rolling over a payout or settlement from a past job pension? 2. Could you (or your family living here) cash in any of these annuities if you wanted to? That is, do you have any equity interest in any of the annuities? 3. How much would you receive if you cashed in these annuities? 4. How much income did you (or your family living here) receive in 2018 from these annuities that you could cash in? 5. Do you (or your family living here) (also) have annuities which you could not cash in? 6. How much income did you (or your family living here) receive in 2018 from all the annuities? 7. How is the money in these annuities invested? Is all of it in stocks, all of it in interest-earning assets, is it split between these, or something else?
IRA	Do you (or anyone in your family living here) have any Keoghs or IRAs? These may include accounts that you 'rolled over' into an IRA after leaving a previous job as well as Roth IRAs, or any other type of IRA or Keogh account that is not part of a retirement plan on a current or past job.
Life Insurance	Do you (or anyone in your family living here) have any life insurance? Please include individual and group policies, but not accident insurance.
Net Worth	Total net worth variable, based on the following formula based on assets minus debts. For detailed formula see: https://www.federalreserve.gov/econres/files/bulletin.macro.txt

APPENDIX TABLE A1. *SCF 2019 Focal Items*

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