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.

Chapter 1: Americans Change Retirement Savings Strategies is a study of 2,507 consumers ages 45 to 75, of which 546 are investors ages 45 to 72 who work with a financial advisor and have $150,000 or more in investable assets. They are referred to in the study as investors.

Additionally, the report includes 519 financial professionals who conduct retirement planning for individual clients and an oversample of Peak 65 consumers between 61 and 65.
Summary of Key Findings

Americans are at risk of running out of money in retirement.

- **51% of consumers** feel they do not have enough retirement savings to last their lifetime and **32% are not confident** they will have enough to **cover basic monthly expenses** throughout retirement.

- **16% of Americans ages 45 to 75** have retired and returned to work in some capacity.

- **53% say one of the three reasons they retired** were **circumstances beyond their control**, such as health-related concerns, job loss, mandatory age requirements and the impacts of COVID-19.

- **43% believe the 2022 market setback** represents a longer-term **change that negatively alters their retirement outlook**.
Americans have uncertainties around Social Security and Medicare.

- 54% of consumers are confident in the solvency of Social Security.
- Fewer than 2 in 10 are very confident. Despite this, 73% are counting on Social Security income in retirement.
- 40% say Social Security will be or is a critical part of their retirement income.
Top Findings

People are changing their approach to retirement as markets fluctuate.

- **32% of consumers** made changes to their investments in 2022.
- **51%** report uncertainty whether the 60/40 stock/bond portfolio allocation remains viable.
- **37% find the 4% rule is no longer valid** due to changes, such as inflation, longer lifespans and market volatility, and that the model should be replaced with other retirement income approaches.
Summary of Key Findings

The demand for protection and annuities continues to grow.

- Consumers want 80% of their retirement savings to be invested in safer investments.
- 97% say having guaranteed lifetime income in addition to Social Security in retirement is valuable.
Top Findings

Both consumers and financial professionals view annuities as an important solution that will help provide protected income for Peak 65ers and other investors alike.

- **93% of consumers who protected their portfolio** with an annuity in 2022 are satisfied with their investment choices for 2022 and 44% are extremely satisfied.

- Those who are **protected by a pension and/or an annuity** have a significantly more positive outlook on their retirement prospects.
Financial professionals underestimate how interested investors are in annuities.

- 73% of financial professionals say they raise the topic of protection with clients; only 33% of investors say the same.
- Nearly 50% of investors are extremely interested in owning an annuity. Only 19% of financial professionals believe their clients have this level of interest.
Summary of Key Findings

Consumers seek safer investments to fund their needs in retirement.

- 4 in 10 consumers have separate goals for retirement income “needs” and “wants.”
- Consumers want 80% of their retirement savings that will cover their needs in retirement to be invested in safer investments.
- As for “wants,” travel and relaxation top the “bucket list” of things to do in retirement.
How do consumers and investors feel about their finances after 2022?
Less than half of consumers believe their savings will last their lifetime

49% YES
Feel their retirement savings and sources of income will last for their lifetime

51% NO

Base: Total (N=2507)
Q8. Do you think your retirement savings and sources of income will last for your lifetime?
32% are not confident they will have enough to cover basic monthly expenses throughout retirement

Confidence They Will Have Income To Cover Basic Monthly Expenses Throughout Retirement

- Very confident: 23%
- Moderately confident: 45%
- Not very confident: 25%
- Not at all confident: 7%

Base: Total (N=2507)
Q9. How confident are you that you will have the income to cover your essential or basic monthly expenses throughout your retirement?
Most consumers are worried about the impact of inflation and possible recession on their retirement income

### Worries Over Market Impact on Retirement Savings/Income

<table>
<thead>
<tr>
<th>Concern</th>
<th>Extremely, Very or Somewhat Worried</th>
<th>CONSUMERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing inflation reducing my spending power in retirement</td>
<td>87%</td>
<td>25% 26% 36% 10% 3%</td>
</tr>
<tr>
<td>Recession driving the economy down and impacting retirement income</td>
<td>86%</td>
<td>25% 28% 33% 10% 4%</td>
</tr>
<tr>
<td>Increased interest rates on debt, mortgage, etc. impacting the potential to save for retirement</td>
<td>68%</td>
<td>21% 20% 27% 19% 13%</td>
</tr>
<tr>
<td>Increasing inflation reducing their ability to contribute to their retirement savings</td>
<td>74%</td>
<td>20% 24% 31% 17% 8%</td>
</tr>
<tr>
<td>Stock and bond market trends that reduce my potential retirement income</td>
<td>70%</td>
<td>16% 21% 33% 18% 11%</td>
</tr>
</tbody>
</table>

Base: Total (N=2507)  Q13. How worried are you about each of the following?
Fewer than 2 in 10 consumers are very confident about the solvency of Social Security and Medicare but 73% are counting on Social Security income in retirement.
Consumer/Investor
Investment Strategies
One third of consumers made investment changes in 2022; over 9 in 10 who protected their portfolio with an annuity in 2022 are satisfied

32% Made Changes to Investments in 2022
Multiple responses accepted

<table>
<thead>
<tr>
<th>Type of Change</th>
<th>% Satisfied</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET Made any investment change in 2022</td>
<td>83%</td>
<td>790</td>
</tr>
<tr>
<td>Shifted some of my portfolio to more conservative investments</td>
<td>86%</td>
<td>423</td>
</tr>
<tr>
<td>Protected part of my portfolio by investing in an annuity</td>
<td>93%</td>
<td>104</td>
</tr>
<tr>
<td>Other changes in my investments</td>
<td>83%</td>
<td>250</td>
</tr>
<tr>
<td>Made no changes</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Don’t have any investments</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Shifted some of my portfolio to more conservative investments</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Sold some investments to avoid losses</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Protected part of my portfolio by investing in an annuity</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Other changes in my investments</td>
<td>58%</td>
<td></td>
</tr>
<tr>
<td>Made no changes</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Don’t have any investments</td>
<td>17%</td>
<td></td>
</tr>
</tbody>
</table>

93% of consumers who protected their portfolio with an annuity in 2022 are satisfied with their 2022 investment choices and 44% are extremely satisfied.
Over half of investors made investment changes in 2022, and most are satisfied with their overall investment choices.

55% Made Changes to Investments in 2022
Multiple responses accepted

- 37% Shifted some of my portfolio to more conservative investments
- 8% Sold some investments to avoid losses
- 10% Protected part of my portfolio by investing in an annuity
- 14% Other changes in my investments
- 44% Made no changes

<table>
<thead>
<tr>
<th>Type of Change</th>
<th>% Satisfied</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET Made any investment change in 2022</td>
<td>91%</td>
<td>294</td>
</tr>
<tr>
<td>Shifted some of my portfolio to more conservative investments</td>
<td>91%</td>
<td>181</td>
</tr>
<tr>
<td>Sold some investments to avoid losses</td>
<td>94%</td>
<td>50</td>
</tr>
<tr>
<td>Protected part of portfolio by investing in an annuity</td>
<td>100%</td>
<td>58</td>
</tr>
<tr>
<td>Other changes in my investments</td>
<td>91%</td>
<td>76</td>
</tr>
</tbody>
</table>

100% of investors who protected their portfolio with an annuity in 2022 are satisfied with their investment choices in 2022.
More than half of consumers are confident the market will bounce back after 2022 setbacks

Effect of 2022 Market Setback on Outlook

- **57%** I'm confident the market will bounce back over the next year or two
- **43%** The nature of the market setback seems to represent a longer-term change that alters my retirement situation

- Those who work with a financial professional are more confident (63% vs. 54% who don't work with one)
- Males are more confident than females (62% vs. 52%)
- Those protected by a pension or annuity are more confident than those with no pension or annuity (65% vs. 51%) that the market will bounce back
Nearly 1 in 3 consumers say the 60/40 allocation rule is outdated and other asset classes should be implemented.

Q: In 2022 stocks and bonds experienced significant losses. Major asset management and investment banking companies have strongly different views on the classic 60% stock and 40% bond portfolio.

60% Stock 40% Bond Asset Allocation Viability

- The 60/40 model with stocks and bonds as the foundation **remains a viable approach**
- The 60/40 stock/bond structure is **outdated**, and **other asset classes should be implemented** as building blocks
- Don’t know **51%**
A third of consumers say the 4% rule is no longer valid and are open to new approaches

Q: The “4%” rule is based on the idea that an investor seeking a safe retirement income plan can safely withdraw 4% of their initial investment portfolio and increase this amount by the rate of inflation each year for 30 years.

Viability of 4% Rule

- **This 4% spending guideline is based on analysis of US historical data and is a viable approach** (24%)
- **The 4% rule is not valid due to changes such as inflation, longevity (people living longer) volatility, etc. Other retirement income approaches are more appropriate** (37%)
- **Don’t know** (39%)

Base: Total (N=2507)

[Q20] The “4%” rule is based on the idea that an investor seeking a safe retirement income plan can safely withdraw 4% of their initial investment portfolio and increase this amount by the rate of inflation each year for 30 years. Select the box which best reflects your point of view.
Consumer Retirement Outlook
Travel and relaxation top the “bucket list” of things to do in retirement.

**Top 3 Things on Bucket List**

*Multiple responses accepted*

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>54%</td>
</tr>
<tr>
<td>Relax</td>
<td>46%</td>
</tr>
<tr>
<td>Spend time with friends and family (other than grandkids)</td>
<td>38%</td>
</tr>
<tr>
<td>Focus on healthy living</td>
<td>34%</td>
</tr>
<tr>
<td>Spend time with grandkids</td>
<td>33%</td>
</tr>
<tr>
<td>Engage in hobbies</td>
<td>29%</td>
</tr>
<tr>
<td>Learn about new things, new skills, etc.</td>
<td>13%</td>
</tr>
<tr>
<td>Volunteer</td>
<td>11%</td>
</tr>
<tr>
<td>Seeing bands/concerts/specific events you would like to attend</td>
<td>6%</td>
</tr>
<tr>
<td>Specific achievements (hike the Appalachian Trail, go scuba diving, etc.)</td>
<td>5%</td>
</tr>
<tr>
<td>Different or new kinds of work</td>
<td>5%</td>
</tr>
<tr>
<td>Become more philanthropic</td>
<td>3%</td>
</tr>
<tr>
<td>I don't know</td>
<td>3%</td>
</tr>
</tbody>
</table>

Base: Total (N=2507)

Q34. What are the top three things on your “bucket list” of things to do in retirement?
Top 3 reasons for retiring: over 4 in 10 mention claiming Social Security or pension, and over half mention circumstances beyond their control

44% of consumers are retired currently or retired previously and have gone back to work

<table>
<thead>
<tr>
<th>Top 3 Reasons for Retiring When They Did</th>
<th>45% began claiming Social Security or reached age to claim pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>I began claiming my Social Security benefit</td>
<td>32%</td>
</tr>
<tr>
<td>I reached an age where I could claim one or more pension(s) from my employer(s)</td>
<td>18%</td>
</tr>
<tr>
<td>I was unhappy with circumstances at my employer</td>
<td>30%</td>
</tr>
<tr>
<td>I wanted to pursue hobbies, travel, or other activities instead of working</td>
<td>27%</td>
</tr>
<tr>
<td>I reached my goal retirement age</td>
<td>20%</td>
</tr>
<tr>
<td>I reached a monetary savings amount I had as a goal to retire</td>
<td>14%</td>
</tr>
<tr>
<td>I retired because my spouse wanted me to/spouse retired</td>
<td>14%</td>
</tr>
<tr>
<td>I was offered an attractive retirement package from my employer</td>
<td>10%</td>
</tr>
<tr>
<td>Health circumstances of myself or a loved one</td>
<td>38%</td>
</tr>
<tr>
<td>I lost my job</td>
<td>15%</td>
</tr>
<tr>
<td>I was forced or able to retire early due to economic downturns from COVID-19 crisis</td>
<td>6%</td>
</tr>
<tr>
<td>I was forced to retire due to my age</td>
<td>4%</td>
</tr>
<tr>
<td>Other reason(s)</td>
<td>22%</td>
</tr>
</tbody>
</table>

44% of consumers are retired currently or retired previously and have gone back to work

Top 3 Reasons for Retiring When They Did
Among retired (currently or previously) • Multiple responses accepted

023. Why did you retire when you did? Select your top reason, then the 2nd, and 3rd reason, if applicable.

Base: Consumers Currently or previously retired (N=1140)
Over two thirds of consumers who are not yet retired anticipate retiring because of claiming Social Security or pension eligibility. Only 25% anticipate a health reason or being forced to retire due to age.
Less than a third of non-retired consumers who are still working recognize a moderate or high risk of needing to retire early.
16% have retired and returned to work in some capacity
## What Was Learned from Time in Retirement

Among those currently or previously retired • Multiple responses accepted

<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I really enjoy(ed) not working</td>
<td>52%</td>
</tr>
<tr>
<td>Prices were/are rising more quickly than expected</td>
<td></td>
</tr>
<tr>
<td>I'm much more able to spend time doing things that are important to me</td>
<td>41%</td>
</tr>
<tr>
<td>I am more concerned about health issues (self or loved ones) than I thought I'd be</td>
<td>39%</td>
</tr>
<tr>
<td>I appreciate(d) the opportunity to connect with family and friends</td>
<td>36%</td>
</tr>
<tr>
<td>I miss(ed) working with people</td>
<td>29%</td>
</tr>
<tr>
<td>I can/could pursue my passions</td>
<td>27%</td>
</tr>
<tr>
<td>I find I am/was as busy as when working</td>
<td>23%</td>
</tr>
<tr>
<td>I find I have too much free time</td>
<td>20%</td>
</tr>
<tr>
<td>I'm not very comfortable with spending my savings</td>
<td>20%</td>
</tr>
<tr>
<td>I feel/felt lonely</td>
<td>17%</td>
</tr>
<tr>
<td>It's difficult to transition from accumulating assets to decumulating/spending assets</td>
<td>17%</td>
</tr>
<tr>
<td>I was/am spending money too fast</td>
<td>16%</td>
</tr>
<tr>
<td>I don't/didn't feel a sense of purpose once retired</td>
<td>15%</td>
</tr>
<tr>
<td>I miss(ed) a sense of community</td>
<td>13%</td>
</tr>
<tr>
<td>None of the above</td>
<td>2%</td>
</tr>
</tbody>
</table>

68% mention one or more financial concerns during retirement

Base: Consumers Currently or previously retired (N=1140)
Q42. Think about what you've learned from your time in retirement. Select all that apply to you.
How to Fund Retirement
Investors are more likely to be extremely interested in owning an annuity that guarantees income, than financial professionals perceive.

**Interest of Average Client in Purchasing Annuities that Provide Guaranteed Lifetime Income**

- **Not very** (1–2 rating): 14%
- **Somewhat** (3–5 rating): 67%
- **Extremely** (6–7 rating): 19%

**Interest in Owning an Annuity that Guarantees You (and Spouse/Partner) Regular Income for Rest of Life**

- **Not very** (1–2 rating): 12%
- **Somewhat** (3–5 rating): 24%
- **Extremely** (6–7 rating): 49%
- **Already own**: 15%

Investors have $150K+ in assets, work with a financial professional, and are ages 46 to 72.
43% of consumers ages 45 to 75 have protected income in the form of a pension or an annuity in 2023

The number of people with a pension is declining which impacts the proportion of consumers who are "protected." The current Peak 65 group (ages 61 to 65) is the first group with less than half who are protected with a pension or annuity.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Annuity</td>
<td>13%</td>
<td>13%</td>
<td>14%</td>
<td>13%</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>Pension</td>
<td>42%</td>
<td>42%</td>
<td>42%</td>
<td>42%</td>
<td>39%</td>
<td>38%</td>
</tr>
<tr>
<td>Protected</td>
<td>47%</td>
<td>47%</td>
<td>48%</td>
<td>48%</td>
<td>44%</td>
<td>43%</td>
</tr>
</tbody>
</table>
4 in 10 consumers have separate goals for retirement income “needs” and “wants”

Approach Followed When Evaluating Annual Target of Retirement Income Goals

- **Separate goals for essentials “needs” and…**: 40%
- **Single goal**: 23%
- **Something else**: 5%
- **Have not thought about it at this time**: 32%

(Base: Total N=2507)

Q29. When planning for retirement, how did you tend to think about your annual target retirement income goal?
Nearly half of consumers will spend down their savings gradually to maintain consistent lifestyle, underscoring the need for guaranteed income.

### Ways of Spending Retirement Savings

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I will spend as much of my savings as possible to enjoy a better lifestyle in my early retirement years</td>
<td>8%</td>
</tr>
<tr>
<td>I will spend my savings down gradually to maintain a consistent lifestyle for myself through my retirement years</td>
<td>46%</td>
</tr>
<tr>
<td>I will only spend the interest and earnings on my savings — I don't want to see my savings go down</td>
<td>15%</td>
</tr>
<tr>
<td>I do not plan to spend any of my savings at all — I want to preserve my nest egg for as long as possible</td>
<td>29%</td>
</tr>
<tr>
<td>I do not have any retirement savings</td>
<td>17%</td>
</tr>
</tbody>
</table>

*Base: Total (N=2507)*

Q33. How are you planning on spending your retirement savings (NOT RETIRED: once you retire / RETIRED: in retirement)? Please select the one option that fits best.
Consumers expect three quarters of their spending in retirement will be for “needs” and one quarter for “wants”
Consumers want 80% of their retirement savings that will cover their needs in retirement to be invested in safer investments.

Among those who can estimate percentage of needs in safer vs. riskier investments (N=1884):

Q31. What percentage of your savings in retirement meant for your “needs” [NOT RETIRED: would / RETIRED: do] you want to be invested in safer investments vs. riskier investments?

Safer: 76.9%
Average: 80%
Mean: 80%

Riskier: 23.1%
Average: 20%
Mean: 20%

26% Not Sure
Where do investors and financial professionals not align or disagree?
More than 90% of investors believe protection of one’s retirement assets is important compared to nearly 80% of financial professionals.

Importance of Protection When Working with Clients on Retirement Planning

- Not at all important: 4%
- Only somewhat important: 18%
- Moderately important: 41%
- Very important: 36%

Importance of Protection When Thinking About Your Retirement Planning

- Not at all important: 0%
- Only somewhat important: 7%
- Moderately or Very Important: 93%

Base: INVESTORS (N=546)

Q17. How important is protection to you when you think about your retirement planning? Use this definition of protection: designed to provide a guaranteed income payment or reduce asset loss.

Q20. How important is the concept of protection when you work with your clients on retirement planning? Use this definition of protection: designed to provide a guaranteed income payment or reduce asset loss.

Investors have $150K+ in assets, work with a financial professional, and are ages 45 to 72.
While financial professionals say they raise the topic of protection with their clients, investors say otherwise.

**WHO RAISES TOPIC OF PROTECTION?**

73% of financial professionals say they bring it up

33% of investors* say financial professional brings it up

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*Investors have $150K+ in assets, work with a financial professional, and are ages 45 to 72
Financial professionals align with clients on the idea that retirement plans should ensure one doesn’t outlive savings, but financial professionals identify a “license to spend” as being more important than investors do.

**What Clients Would Say Is the Most Important Attribute of a Retirement Savings Plan**

- A plan that ensures I don't outlive my retirement savings: 50%
- Provides the license to spend / Helps me understand how much I can safely spend in retirement: 22%
- Does not fall significantly during a market decline: 17%
- Provides an opportunity to achieve significant growth: 5%
- Has a large number of investment choices: 4%
- Low expenses: 2%

**Most Important Attributes of a Retirement Savings Plan**

- A plan that ensures I don't outlive my retirement savings: 51%
- Provides the license to spend / Helps me understand how much I can safely spend in retirement: 12%
- Does not fall significantly during a market decline: 14%
- Provides an opportunity to achieve significant growth: 9%
- Has a large number of investment choices: 8%
- Low expenses: 5%

*Investors have $150K+ in assets, work with a financial professional, and are ages 45 to 72.*
Financial professionals are more worried about the impact of inflation on retirement spending power and ability to contribute to savings than investors.

<table>
<thead>
<tr>
<th>Worries Over Market Impact on Retirement Savings/Income</th>
<th>% WORRIED</th>
<th>FINANCIAL PROFESSIONALS</th>
<th>% WORRIED</th>
<th>INVESTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing inflation reducing their spending power in retirement</td>
<td>89%</td>
<td>10% 30% 49% 10%</td>
<td>1%</td>
<td>79%</td>
</tr>
<tr>
<td>Stock and bond market trends that reduce their potential retirement income</td>
<td>76%</td>
<td>7% 21% 47% 23% 2%</td>
<td>76%</td>
<td>76%</td>
</tr>
<tr>
<td>Recession driving the economy down and impacting retirement income</td>
<td>72%</td>
<td>7% 23% 42% 25% 3%</td>
<td>83%</td>
<td>21% 23% 39% 15% 2%</td>
</tr>
<tr>
<td>Increasing inflation reducing their ability to contribute to their retirement savings</td>
<td>62%</td>
<td>5% 16% 42% 35% 3%</td>
<td>56%</td>
<td>12% 14% 27% 33% 11%</td>
</tr>
<tr>
<td>Increased interest rates on debt, mortgage, etc. impacting the potential to save for retirement</td>
<td>61%</td>
<td>4% 18% 39% 33% 6%</td>
<td>51%</td>
<td>12% 14% 25% 31% 19%</td>
</tr>
</tbody>
</table>

BASE: FINANCIAL PROFESSIONALS (N=519)
Q16. Thinking about your clients, how worried are you about …
BASE: INVESTORS (N=546)
Q13. How worried are you about each of the following?
Investors have $150K+ in assets, work with a financial professional, and are ages 45 to 72.
Financial professionals consistently overestimate how much they talk about specific risks with their clients

Multiple responses accepted

<table>
<thead>
<tr>
<th>FINANCIAL PROFESSIONALS</th>
<th>INVESTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risks Regularly Discussed with Retired Clients or Those Who Plan to Retire in 5 Years</strong></td>
<td><strong>Risks Regularly Discussed with Financial Professionals Among Currently Retired or Plan to in 5 Years</strong></td>
</tr>
<tr>
<td>Unplanned spending shocks</td>
<td>Unplanned spending shocks</td>
</tr>
<tr>
<td>Knowing what they really want in retirement</td>
<td>Knowing what they really want in retirement</td>
</tr>
<tr>
<td>Overspending</td>
<td>Overspending</td>
</tr>
<tr>
<td>Sequence of return risk</td>
<td>Sequence of return risk</td>
</tr>
<tr>
<td>Not creating or sticking to a retirement plan</td>
<td>Not creating or sticking to a retirement plan</td>
</tr>
<tr>
<td>Carrying too much debt into retirement</td>
<td>Carrying too much debt into retirement</td>
</tr>
<tr>
<td>Declining cognitive abilities</td>
<td>Declining cognitive abilities</td>
</tr>
<tr>
<td>Not spending enough and compromising retirement satisfaction</td>
<td>Not spending enough and compromising retirement satisfaction</td>
</tr>
<tr>
<td>None of the above</td>
<td>None of the above</td>
</tr>
</tbody>
</table>

**BASE: FINANCIAL PROFESSIONALS (N=519)**

**BASE: INVESTORS WHO HAVE A FINANCIAL PROFESSIONAL AND ARE RETIRED OR PREVIOUSLY RETIRED OR PLAN TO RETIRE IN 5 YEARS (N=334)**

Q2. Which of these risks do you regularly talk with your clients who are retired or plan to retire in 5 years about? Select all that apply.

Q4. Which of these risks do you regularly talk with your financial professional about? Select all that apply.
How do consumers and investors perceive annuities?
Less than 20% of consumers are extremely familiar with annuities

Base: Total (N=2507)
Q47. How familiar are you with annuities?

- Extremely familiar (6-7 rating): 17%
- Somewhat familiar (3-5 rating): 60%
- Not familiar (1-2 rating): 23%
Consumers are interested in guaranteed lifetime income; half are interested in an annuity

97% (3-7 rating) of Consumers find having Guaranteed Lifetime Income in Addition to Social Security in Retirement Valuable

3% - Not Valuable (1/2 rating)

Retirement Income

Interest in Owning Something that Guarantees a Certain Amount of Regular Income for the Rest of Their Life

Owning a “Financial Product”

- Extremely Interested (6-7 rating)
- Somewhat Interested (3-5 rating)
- Not Interested (1-2 rating)
- Already Own

Owning an “Annuity”

- Extremely Interested (6-7 rating)
- Somewhat Interested (3-5 rating)
- Not Interested (1-2 rating)
- Already Own

Base: Total (N=2507)

Q54. How valuable is it to you to have guaranteed lifetime income in addition to Social Security in retirement?

Q55. How interested are you in owning a financial product that guarantees you [MARRIED/PARTNER: and your spouse/partner] with a certain amount of regular income for the rest of your life?

Q56. How interested are you in owning an annuity that guarantees you [MARRIED/PARTNER: and your spouse/partner] with a certain amount of regular income for the rest of your life?
Half of consumers with an annuity purchased it for protection of assets or the ability to protect initial investment; one third for diversification.
Nearly half of consumers believe financial professionals have a responsibility to present guaranteed lifetime income products to their clients.

**Agreement with Statements**

- **46% AGREE**
  Financial professionals have a responsibility to present financial products that provide guaranteed lifetime income in retirement as an option to their clients.
  
  2022:  
  44% - Agree (6/7)  
  51% - Neutral  
  5% - Disagree (1/2)

- **48% AGREE**
  If your financial professional did not present all of the possible strategies for producing income in retirement to you, you would consider leaving that advisor.
  
  2022:  
  42% - Agree (6/7)  
  50% - Neutral (3/4/5)  
  9% - Disagree (1/2)
Only one quarter of consumers have a financial plan they follow; most have questions about retirement planning

<table>
<thead>
<tr>
<th>Familiarity/Knowledge – Retirement Planning</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consider myself an expert</td>
<td>5%</td>
</tr>
<tr>
<td>Know quite a bit but still have questions</td>
<td>38%</td>
</tr>
<tr>
<td>Have a basic understanding but not very comfortable</td>
<td>42%</td>
</tr>
<tr>
<td>Don't know much</td>
<td>15%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Have a Financial Plan</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have a specific financial plan that I follow</td>
<td>27%</td>
</tr>
<tr>
<td>Have a general financial plan, but it doesn't go far enough</td>
<td>22%</td>
</tr>
<tr>
<td>Have a set of goals or a direction in mind but it's not a well-developed plan</td>
<td>31%</td>
</tr>
<tr>
<td>Don't have any kind of plan</td>
<td>20%</td>
</tr>
</tbody>
</table>
Six out 10 investors discussed annuities with their financial professional. 50% of these financial professionals recommended annuities for their clients.
Five out of 10 consumers with a financial professional had a discussion about annuities

EVER DISCUSSED ANNUITIES WITH FINANCIAL PROFESSIONAL
Among those with FP

- Don’t know
- No
- Yes

THE RESULT OF THE CONVERSATION WITH THE FINANCIAL PROFESSIONAL
Among those with FP and have discussed annuities

- FP did not recommend annuities for me and I did not buy one
- FP did not recommend annuities for me but I did buy one
- FP did recommend annuities for me but I did not buy one
- FP did recommend annuities for me and I did buy one
- FP and I discussed an annuity that I own
- Other

BASE: CONSUMERS WITH A FINANCIAL PROFESSIONAL (N=869)
Q52. Has your financial professional ever discussed annuities with you?
BASE: CONSUMERS WITH A FINANCIAL PROFESSIONAL AND HAVE DISCUSSED ANNUITIES (N=480)
Q53. What was the result of the discussion with your professional about annuities? Select one
Only 21% of people ages 45 to 75 are aware that the SECURE Act allows employers to offer annuities in employer-sponsored retirement plans, and 77% think that employers should offer them.
Nearly two-thirds of investors express interest in buying an annuity as part of their retirement income plan; younger investors are most interested.

Interest in Purchasing an Annuity as Part of Retirement Income Plan

Already own
- 15%
Not very interested (1-2 rating)
- 20%
Somewhat interested (3-5 rating)
- 37%
Extremely interested (6-7 rating)
- 27%

Extremely Interested by Age

- 52% (45 to 54)
- 22% (55 to 64)
- 19% (65 to 75)

Investors have $150K or more in assets, are ages 45 to 72, and work with a financial professional.
Over a quarter of consumers ages 45 to 54 are interested in purchasing an annuity

Interest in Purchasing an Annuity as Part of Retirement Income Plan

- 8% Already own
- 25% Not very interested (1-2 rating)
- 49% Somewhat interested (3-5 rating)
- 19% Extremely interested (6-7 rating)

Extremely Interested by Age

- 26% 45 to 54
- 18% 55 to 64
- 9% 65 to 75

Base: Total (N=2507), Age 45-54 (N=717), Age 55-64 (N=1044), Age 65-75 (N=746)

Q51: How interested would you be in purchasing an annuity as part of your retirement income plan?
Consumers who are protected by a pension and/or an annuity have a significantly more positive outlook on their retirement prospects

<table>
<thead>
<tr>
<th></th>
<th>Protected</th>
<th>Not Protected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optimistic about financial preparation for retirement</td>
<td>75%</td>
<td>50%</td>
</tr>
<tr>
<td>Believe savings/income will last lifetime</td>
<td>67%</td>
<td>36%</td>
</tr>
<tr>
<td>Confident will have income to cover your essential or basic monthly expenses in retirement</td>
<td>82%</td>
<td>57%</td>
</tr>
<tr>
<td>Feel a positive emotion about retirement outlook</td>
<td>82%</td>
<td>57%</td>
</tr>
</tbody>
</table>

Base: Consumers Protected (Have Pension or Annuity) (n=1084), Not Protected (n=1423)

Q7. How optimistic or pessimistic are you about your financial preparation for your retirement years?
Q8. Do you think your retirement savings and sources of income will last for your lifetime?
Q9. How confident are you that you will have the income to cover your essential or basic monthly expenses throughout your retirement?
Q38. How do you feel about your retirement outlook?
Guaranteed income stream and portfolio diversification are top reasons investors who have an annuity first purchased an annuity

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create a guaranteed income stream that lasts my entire life</td>
<td>45%</td>
</tr>
<tr>
<td>To diversify my portfolio</td>
<td>43%</td>
</tr>
<tr>
<td>Provides good protection of my assets</td>
<td>38%</td>
</tr>
<tr>
<td>Ability to protect initial investment</td>
<td>38%</td>
</tr>
<tr>
<td>Reduces the effect of market volatility on my retirement income</td>
<td>33%</td>
</tr>
<tr>
<td>The annuity takes care of my needs so I don’t have to think about it</td>
<td>30%</td>
</tr>
<tr>
<td>Provides protection from declines in the market</td>
<td>27%</td>
</tr>
<tr>
<td>Taxes aren’t paid on assets or investment gains until they are withdrawn</td>
<td>27%</td>
</tr>
<tr>
<td>My financial advisor/insurance agent likes them/recommended this approach</td>
<td>26%</td>
</tr>
<tr>
<td>Efficient use of assets</td>
<td>16%</td>
</tr>
<tr>
<td>No annual contribution limits so you can make up ground on retirement savings</td>
<td>16%</td>
</tr>
<tr>
<td>Customizable legacy options for heirs</td>
<td>11%</td>
</tr>
<tr>
<td>Protects estate assets from public disclosure and taxation</td>
<td>10%</td>
</tr>
<tr>
<td>None of the above</td>
<td>4%</td>
</tr>
</tbody>
</table>

55% protect assets or protect initial investment

* Investors have $150K or more in assets, are ages 45 to 72, and work with a financial professional.
The top drawback of annuities according to investors: money is tied up

INVESTORS *

Drawbacks of Annuities
Multiple responses accepted

- Money is tied up: 40%
- Hidden or unexpected fees: 28%
- Might not live long enough to make it worthwhile: 28%
- Surrender (early withdrawal) charges if I no longer want the annuity: 28%
- Low returns: 27%
- High annual fees: 25%
- Company offering the annuity could fail: 25%
- Sales commissions for the financial professional: 24%
- Large amount required to open an annuity: 20%
- Annuities are complicated: 19%
- Renewal rate changes: 14%
- Current interest rates make it a bad time to buy: 11%
- Not sure: 16%
- None of the above: 5%

* Investors have $150K or more in assets, are ages 45 to 72, and work with a financial professional
The top drawback of annuities according to consumers: money is tied up

Drawbacks of Annuities
Multiple responses accepted

- Money is tied up: 32%
- Low returns: 25%
- Hidden or unexpected fees: 25%
- Might not live long enough to make it worthwhile: 23%
- High annual fees: 22%
- Surrender (early withdrawal) charges if I no longer want the annuity: 20%
- Large amount required to open an annuity: 19%
- Company offering the annuity could fail: 19%
- Sales commissions for the financial professional: 15%
- Annuities are complicated: 15%
- Current interest rates make it a bad time to buy: 13%
- Renewal rate changes: 12%
- Not sure: 31%
- None of the above: 3%
APPENDIX
Methodology

CONSUMERS

- This online survey of 2,507 Consumers includes 2,000 Consumers and an oversample of 507 respondents ages 61 to 65. The study was conducted by Artemis Strategy Group March 1 to 31, 2023. Respondents include people ages 45 to 75.

- 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.

INVESTORS

- Among the 2,507 Consumers surveyed, 546 are Investors who have $150K+ in investable assets, work with a financial professional, and are ages 45 to 72. This group represents ALI’s target audience.

- Data is weighted to align with the population on age, income by gender, race/Hispanic ethnicity, region, work and retirement status, assets, and education.
This online survey of 519 financial professionals was conducted by Artemis Strategy Group February 27 to March 7, 2023, and represents major segments of professionals: (Unweighted n’s)

- **RIA**: Registered investment advisor (n=136)
- **IBD**: Independent broker-dealer (n=136)
- **Nat BD**: National wirehouse or full-service broker-dealers (n=122)
- **Reg BD**: Regional broker-dealers (n=50)
- **Ins BD**: Insurance broker-dealers (n=51)

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.
One third of consumers work with a financial professional

32% Work With a Financial Professional
64% - Do not
4% - Not sure

Base: Total (N=2507)
Q10: Thinking of a financial professional as a licensed professional who provides advice and guidance on your investments, insurance, and your total financial picture, do you work with a financial professional now?
What we know about consumers ages 45 to 75

- A third are retired currently (fully or retired but working part-time) - 35%
- Half have investable assets less than $100K - 51%
- One-third use a financial professional - 32%
- 43% are protected (13% with an annuity, 38% with a pension) - 43%
- About half believe their savings and sources of income will last their lifetime - 49%
## Consumer Respondent Profile (n=2,507)

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male 48%</th>
<th>Female 52%</th>
<th>Other, non-binary/-conforming, prefer not to say &lt;1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>45-54 37%</td>
<td>55-64 36%</td>
<td>65-75 27%</td>
</tr>
<tr>
<td>Region</td>
<td>Northeast 20%</td>
<td>South 22%</td>
<td>Midwest 35%</td>
</tr>
<tr>
<td>Race/Ethnicity</td>
<td>White/Caucasian 80%</td>
<td>Black/African American 12%</td>
<td>Asian 5%</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Married 57%</td>
<td>Living with partner 6%</td>
<td>Single, never married 13%</td>
</tr>
<tr>
<td>Education</td>
<td>High school or less 38%</td>
<td>Some college/Assoc. degree 32%</td>
<td>College graduate 16%</td>
</tr>
<tr>
<td>Current Employment Status</td>
<td>Employed (full or part-time) 59%</td>
<td>Unemployed 2%</td>
<td>Homemaker or other 3%</td>
</tr>
<tr>
<td>Household Income for 2022</td>
<td>Less than $50K 32%</td>
<td>$50K &lt; $100K 29%</td>
<td>$100K &lt; $250K 36%</td>
</tr>
<tr>
<td>Household’s Total Investable Assets</td>
<td>&lt;$100K 51%</td>
<td>$100K &lt; $150K 11%</td>
<td>$150K &lt; $500K 15%</td>
</tr>
<tr>
<td>Works with a Financial Professional</td>
<td>Yes 32%</td>
<td>No or Uncertain 68%</td>
<td></td>
</tr>
</tbody>
</table>
**Investor Respondent Profile (n=546)**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male 50%</th>
<th>Female 50%</th>
<th>Other, non-binary/conforming, prefer not to say 0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>45-54: 21%</td>
<td>55-64: 42%</td>
<td>65-75: 37%</td>
</tr>
<tr>
<td>Region</td>
<td>Northeast: 19%</td>
<td>South: 30%</td>
<td>Midwest: 27%</td>
</tr>
<tr>
<td>Race/Ethnicity</td>
<td>White/Caucasian: 86%</td>
<td>Black/African American: 10%</td>
<td>Asian: 5%</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Married: 75%</td>
<td>Living with partner: 5%</td>
<td>Single, never married: 4%</td>
</tr>
<tr>
<td>Education</td>
<td>High school or less: 11%</td>
<td>Some college/Assoc. degree: 28%</td>
<td>College graduate: 26%</td>
</tr>
<tr>
<td>Current Employment Status</td>
<td>Employed (full or part-time): 59%</td>
<td>Unemployed: 2%</td>
<td>Homemaker or other: 3%</td>
</tr>
<tr>
<td>Household income for 2022</td>
<td>Less than $50K: 5%</td>
<td>$50K &lt; $100K: 28%</td>
<td>$100K &lt; $250K: 58%</td>
</tr>
<tr>
<td>Household’s Total Investable Assets</td>
<td>&lt;$100K: 0%</td>
<td>$100K &lt; $150K: 0%</td>
<td>$150K &lt; $500K: 27%</td>
</tr>
<tr>
<td>Work with a Financial Professional</td>
<td>Yes: 100%</td>
<td>No: 0%</td>
<td>Not sure: 0%</td>
</tr>
</tbody>
</table>
Financial Professional Respondent Profile (n=519)

FP’s Assets Under Management (AUM)

- $15 to $24 million: 6%
- $25 to $49 million: 12%
- $50 to $74 million: 13%
- $75 to $99 million: 14%
- $100 to $149 million: 19%
- $150 to $249 million: 15%
- $250 million or more: 20%

Mean: $149.4 million - Median: $125 million

Percent of 2021 Cash Compensation of FP by Category

- Fees from AUM: 54%
- Commissions from new sales: 18%
- Trailer fees: 8%
- Renewal commissions: 6%
- Salary: 5%
- Planning and consulting fees: 4%
- Other advisory fees: 2%
- Bonus: 2%
- Other: <1%

Average HH Investable Asset Level of FP’s Clients

- Less than $250,000: 5%
- $250,000 to $499,999: 32%
- $500,000 to $749,999: 28%
- $750,000 to $999,999: 17%
- $1 million to $1.9 million: 13%
- $2 million or more: 7%

Mean: $846,100 - Median: $625,000

FP’s Assets Under Management (AUM)

- $15 to $24 million: 6%
- $25 to $49 million: 12%
- $50 to $74 million: 13%
- $75 to $99 million: 14%
- $100 to $149 million: 19%
- $150 to $249 million: 15%
- $250 million or more: 20%

Mean: $149.4 million - Median: $125 million

Number of HHs FP Actively Serves (Est.)

- Less than 100: 21%
- 100 to 199: 31%
- 200 to 299: 21%
- 300 to 399: 15%
- 400 to 499: 6%
- 500 or more: 7%

FP Gender

- Male: 88%
- Female: 11%
- Other or Prefer not to say: <1%

FP Age

- Less than age 35: 7%
- Age 35 to 44: 18%
- Age 45 to 54: 30%
- Age 55 to 64: 30%
- Age 65 or older: 15%

Mean Age: 52 - Median Age: 53
ABOUT THE ALLIANCE FOR LIFETIME INCOME

A non-profit 501(c)(6) educational organization that creates awareness and educates Americans about the value and importance of having protected income in retirement.
THANK YOU!