



**2023 LIMRA  
ANNUAL  
CONFERENCE**

Forging the Future

**The Evolving Retirement  
Landscape:  
The Consumer View**



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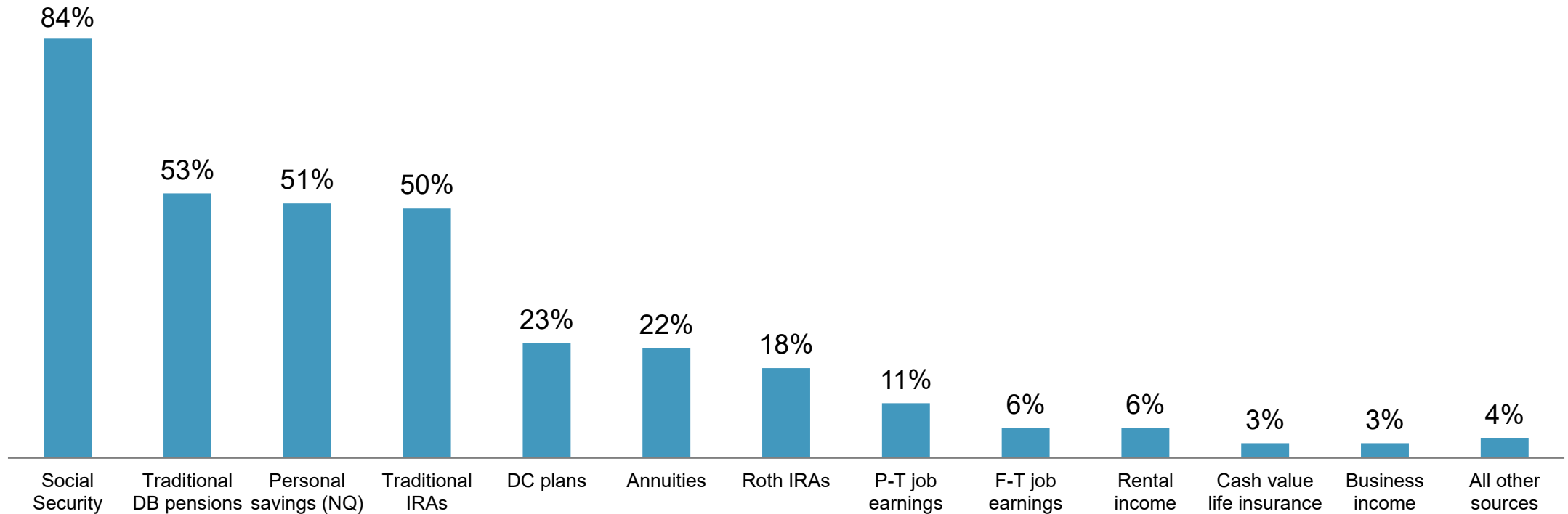
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# Retiree Experiences

# Sources of Retirement Income

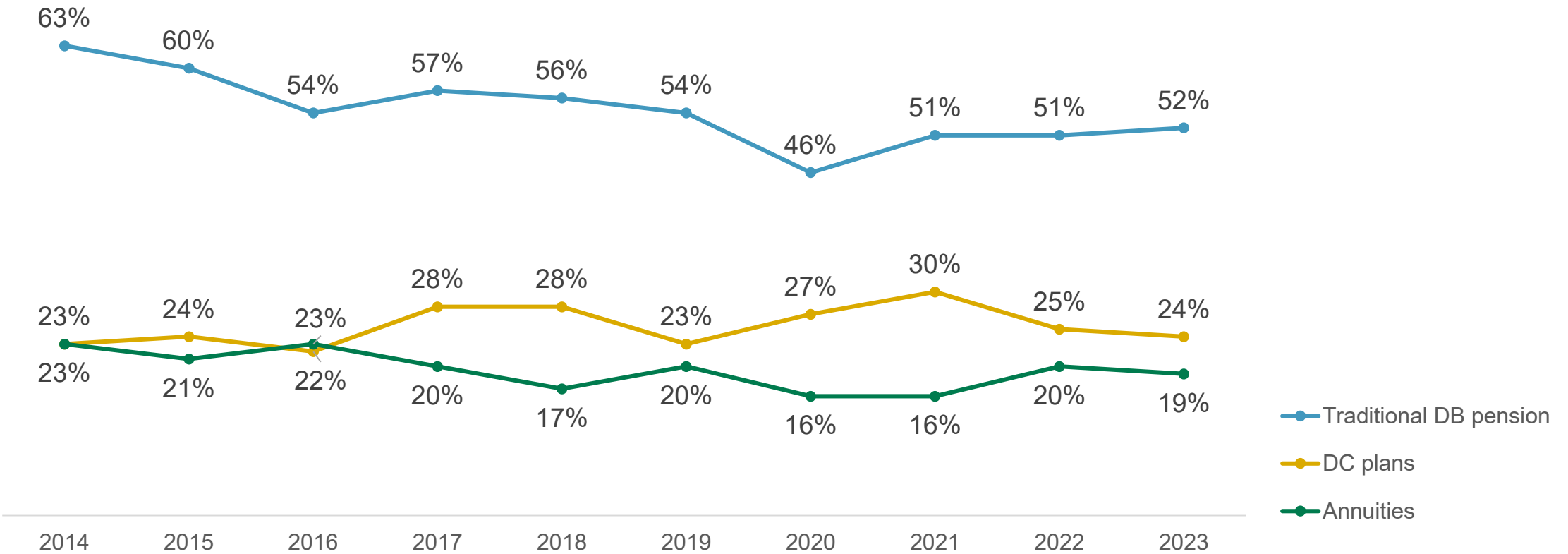
## Retirees: Household's current income sources



Source: 2023 LIMRA Retirement Investors Survey: Based on 2,831 retirees. Multiple responses allowed.

# Sources of Retirement Income — 10-Year Trend

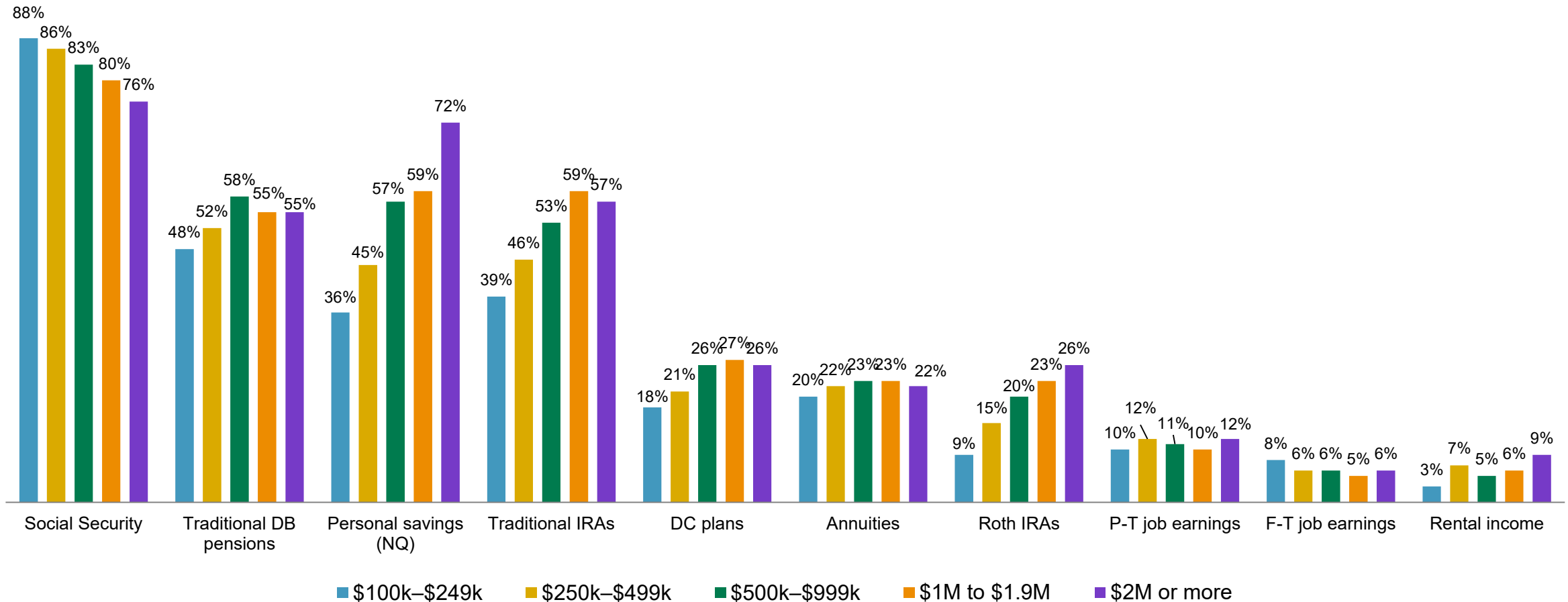
Household retirement income sources, by year



Source: 2023 LIMRA Retirement Investors Survey: Based on retirees aged 40 to 75, with at least \$100,000 in household investable assets.

# Sources of Retirement Income

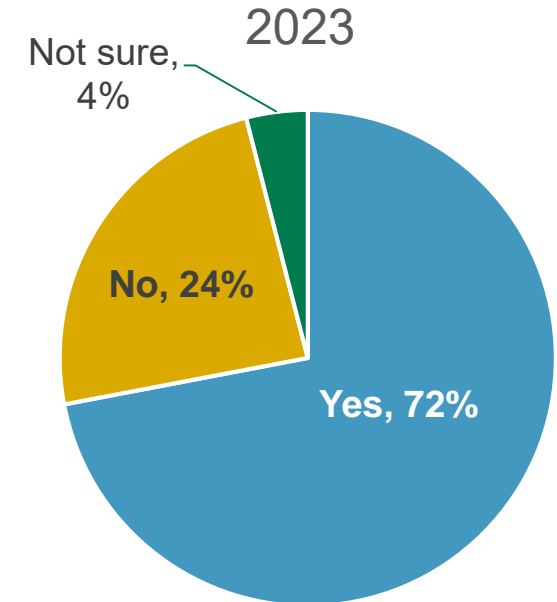
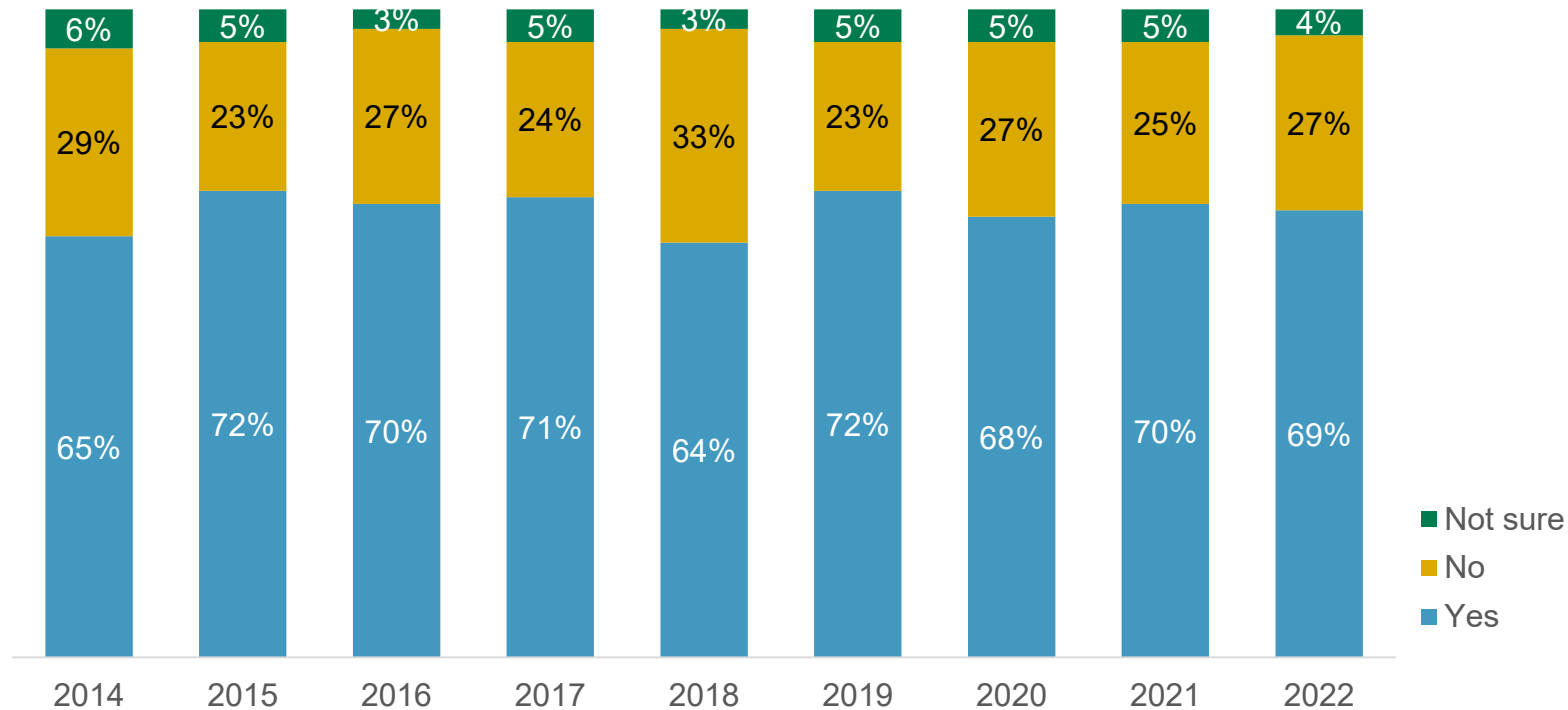
Retirees: Household's current income sources, by HH investable assets



Source: 2023 LIMRA Retirement Investors Survey. Based on 2,831 retirees. Multiple responses allowed. Not shown: income received from cash value life insurance, business income, and other sources.

# Covering Basic Living Expenses With GLI Sources

Household receives enough income from lifetime-guaranteed income sources to cover household's basic living expenses?



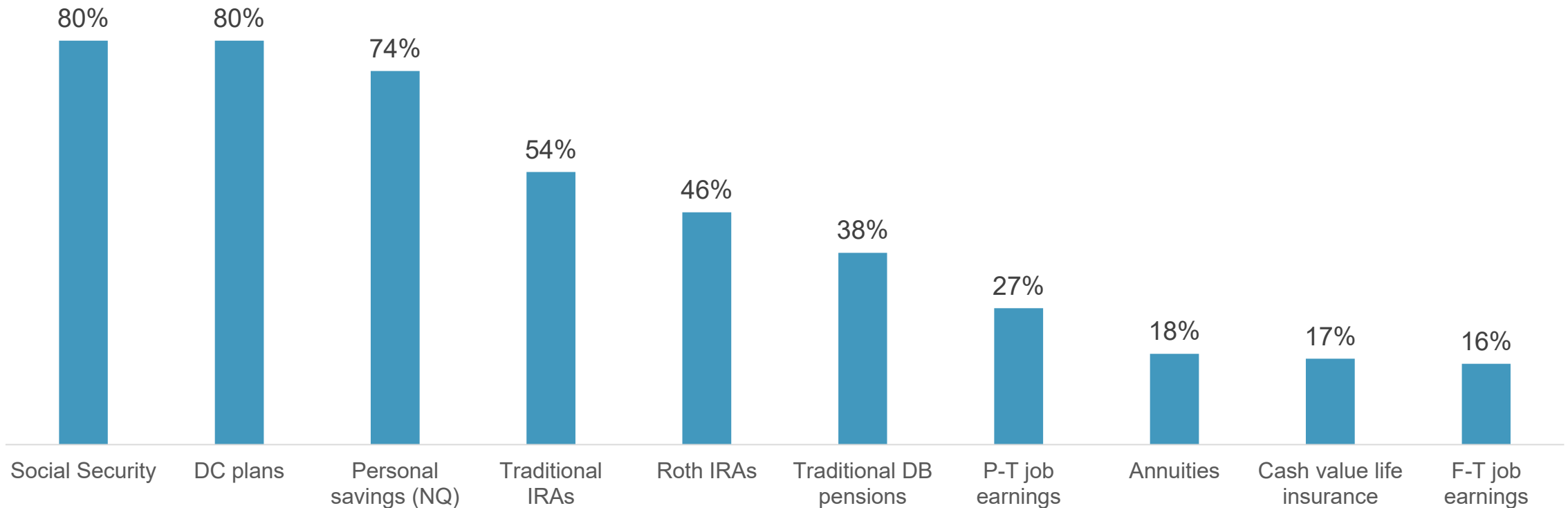
Source: 2023 LIMRA Retirement Investors Survey: Based on 2,570 retirees who receive any combination of Social Security, DB pension, or annuity income. Full question wording: "Does your household receive enough income from [Social Security/traditional pension plans/defined benefit pension plans/lifetime-guaranteed annuities] to cover your household's basic living expenses so that you do not need to use your savings to pay for those expenses?"; bracketed text display based on sources the respondent indicated his/her household received. "GLI" = guaranteed lifetime income.

# Workers' Retirement Expectations



# Expected Sources of Retirement Income

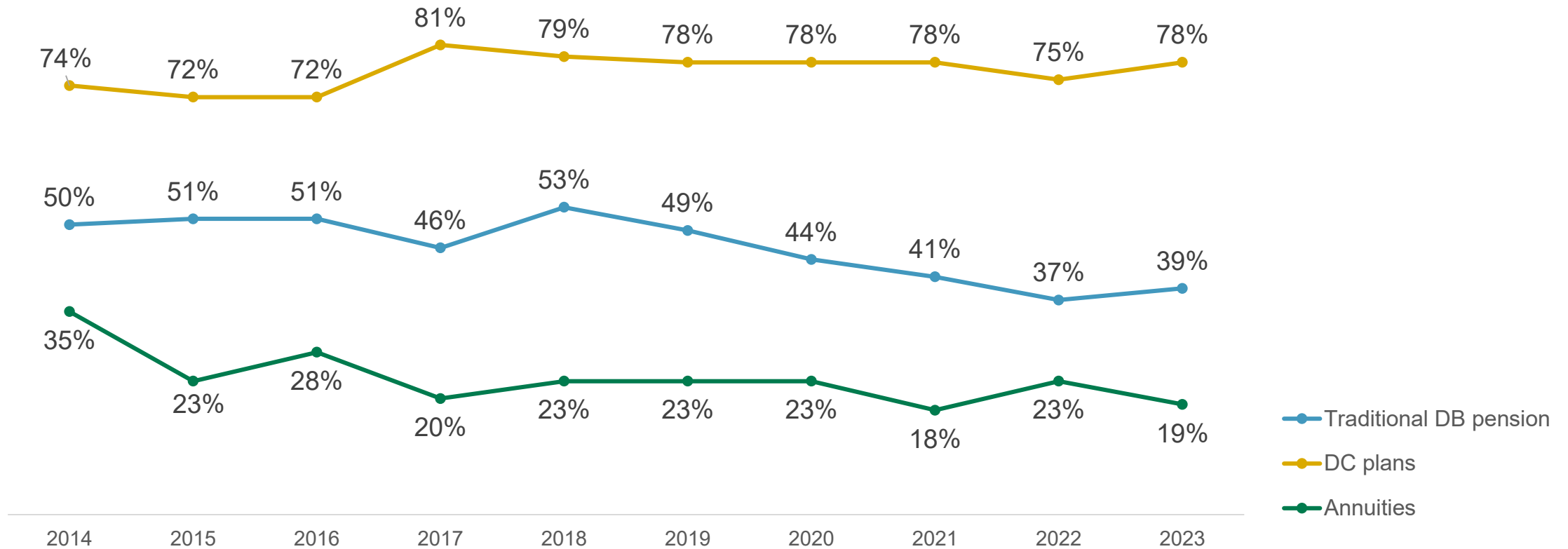
Workers: Household's expected retirement income sources



Source: 2023 LIMRA Retirement Investors Survey. Based on 1,566 workers who plan to retire. Multiple responses allowed. Not shown: "Other" sources = 1%.

# Expected Sources of Retirement Income

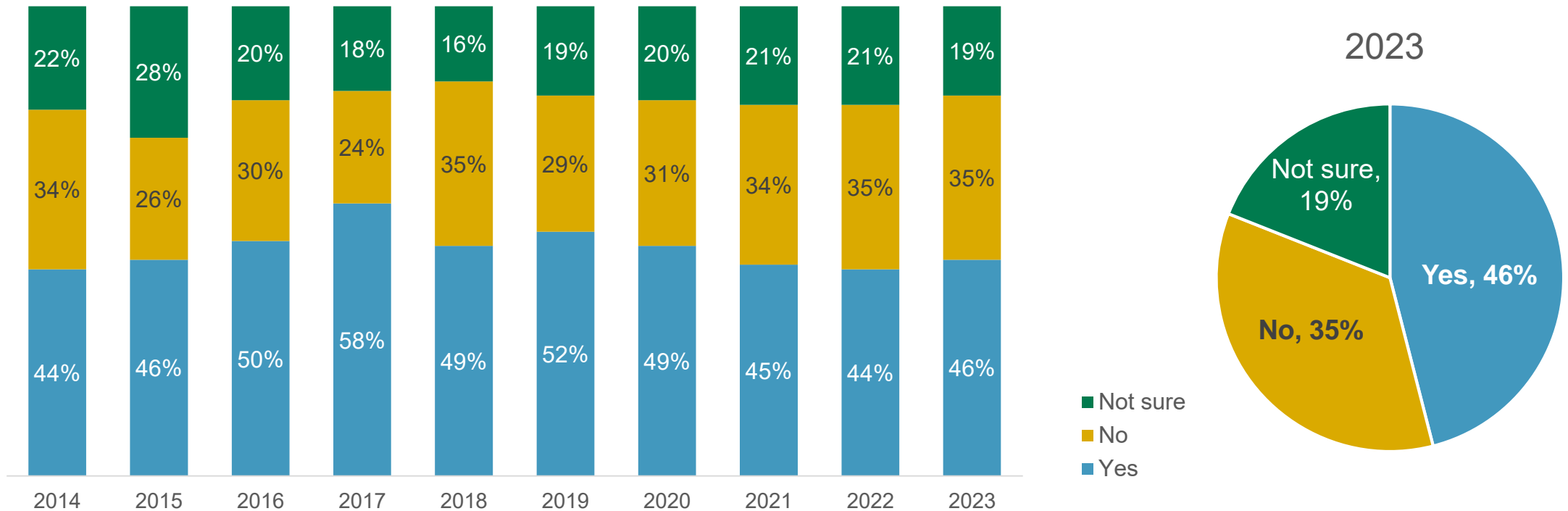
Household retirement income sources, by year



Source: 2023 LIMRA Retirement Investors Survey: Based on non-retired workers aged 50 to 75, with at least \$100,000 in household investable assets, who plan to retire within 10 years.

# Covering Basic Living Expenses With GLI Sources

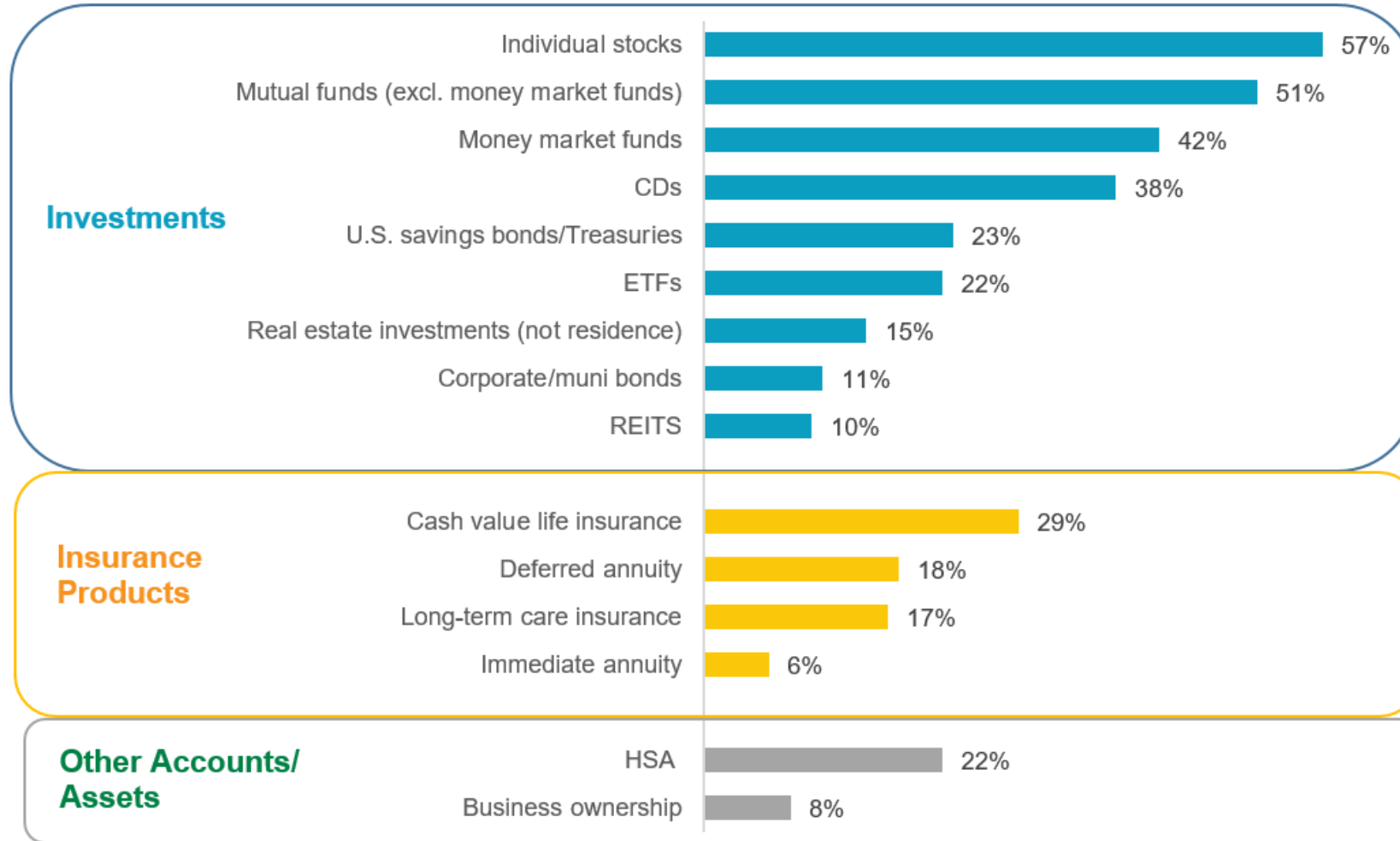
Household anticipates receiving enough income from lifetime-guaranteed income sources to cover household's basic living expenses?



Source: 2023 LIMRA Retirement Investors Survey: Based on non-retired workers ages 50 to 75, with at least \$100,000 in household investable assets, who plan to retire within 10 years. "GLI" = guaranteed lifetime income.

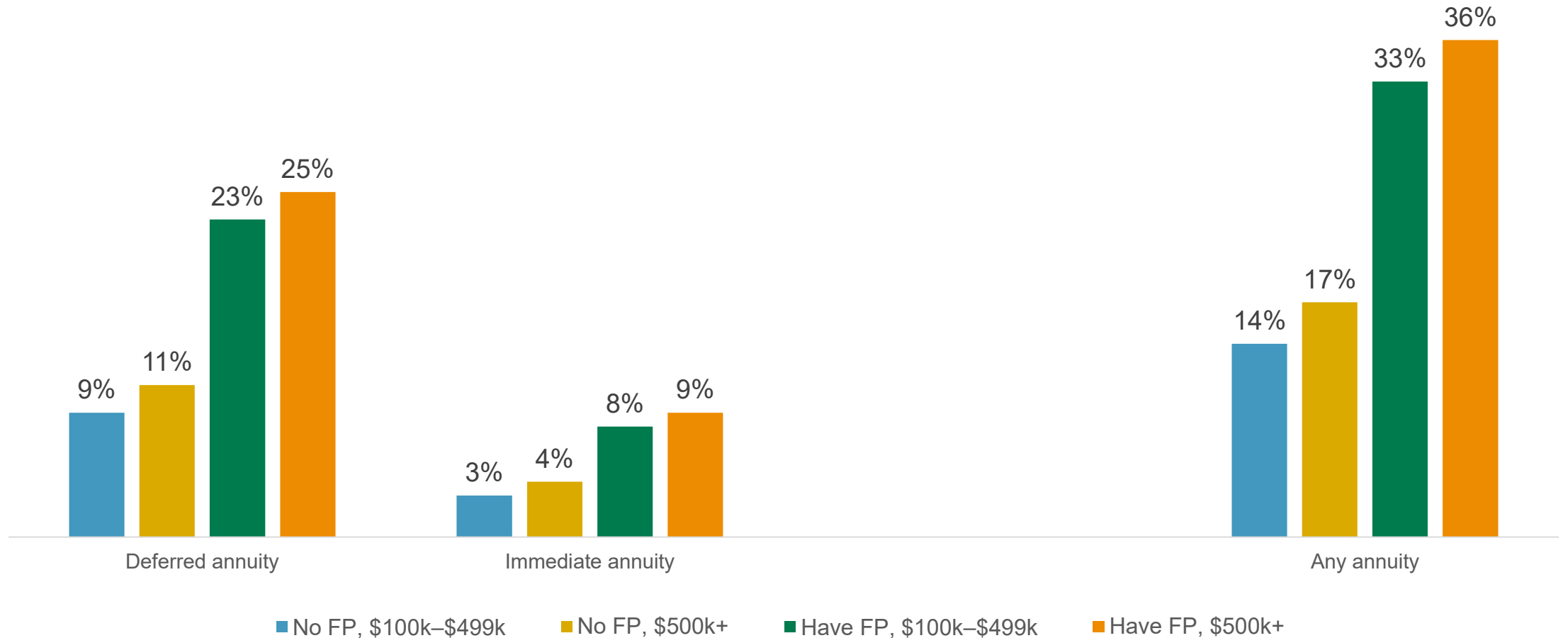
# Product and Account Ownership

# Household Ownership of Investments, Financial Products, and Other Assets



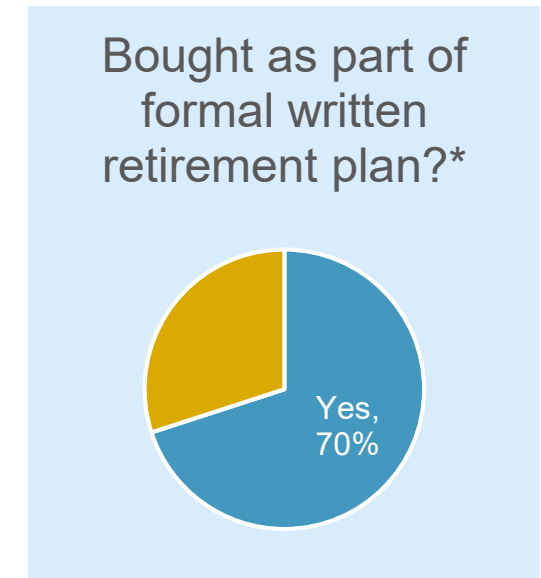
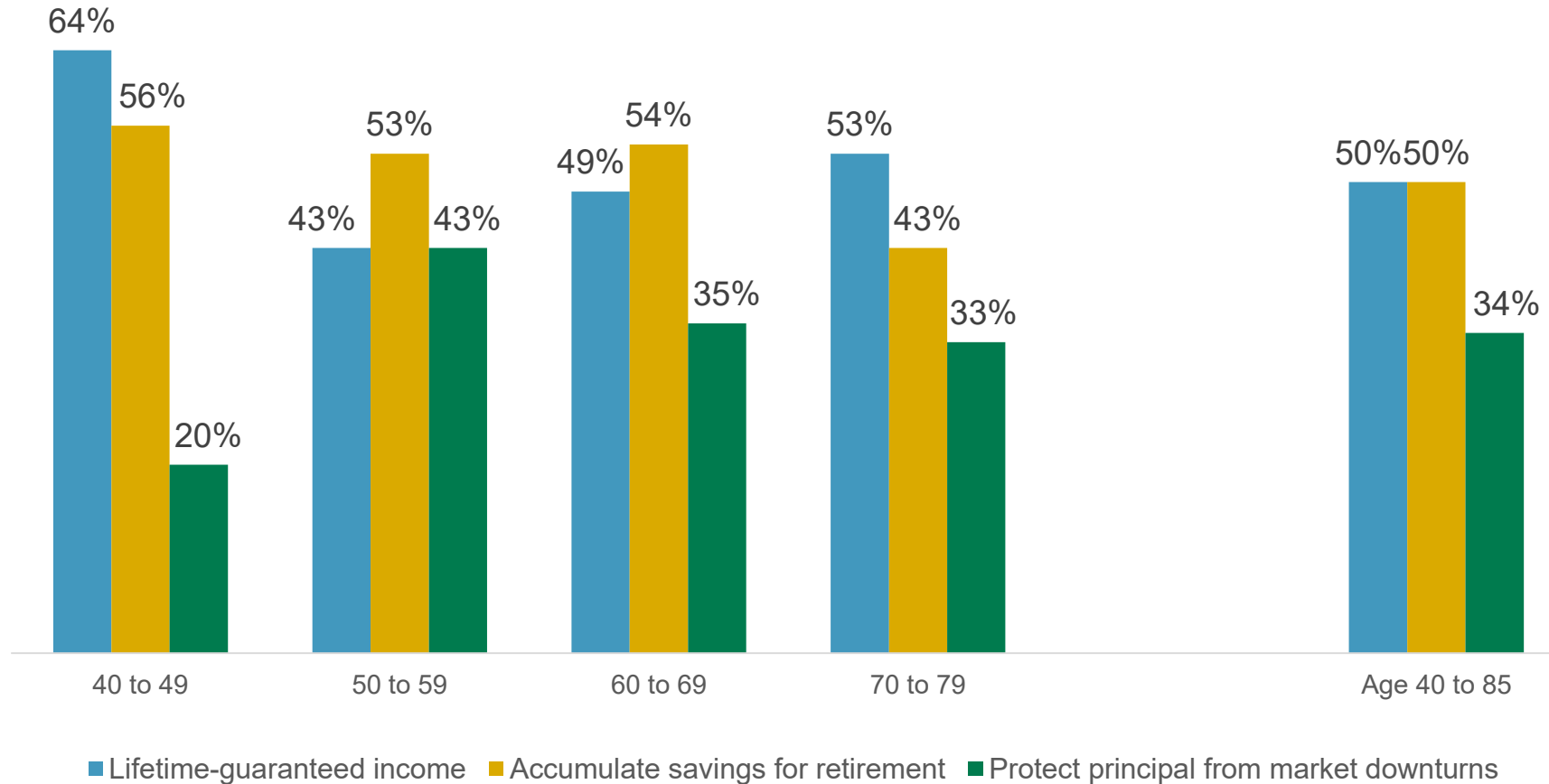
Source: 2023 LIMRA Retirement Investors Survey: Based on 2,831 retirees and 1,669 non-retired workers. "CDs" = certificates of deposit, "ETFs" = exchange-traded funds, "REITS" = real estate investment trusts, and "HSA" = health savings account.

# Household Ownership of Annuities, by FP Use and Wealth



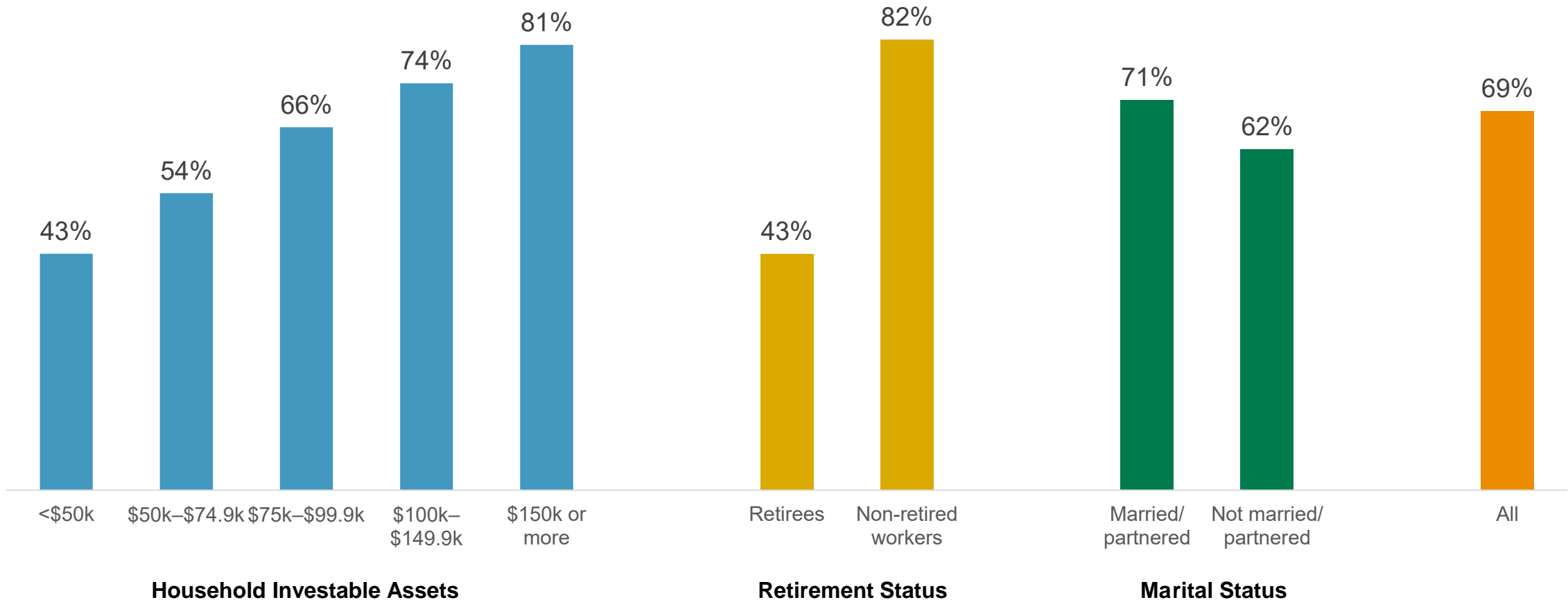
Source: 2023 LIMRA Retirement Investors Survey. Based on 2,831 retirees and 1,669 non-retired workers. "FP" = financial professional.

# Main Reasons for Buying Deferred Annuity, by Age



Source: 2023 LIMRA Retirement Investors Survey. Based on 893 investors who own deferred annuities. If the household owned multiple contracts, respondents answered for the most recently purchased annuity. Multiple responses allowed. Age 80 to 85 results not shown due to low sample size (n=55). \*Based on 313 deferred annuity owners who have a formal written plan for managing income, expenses, and assets in retirement.

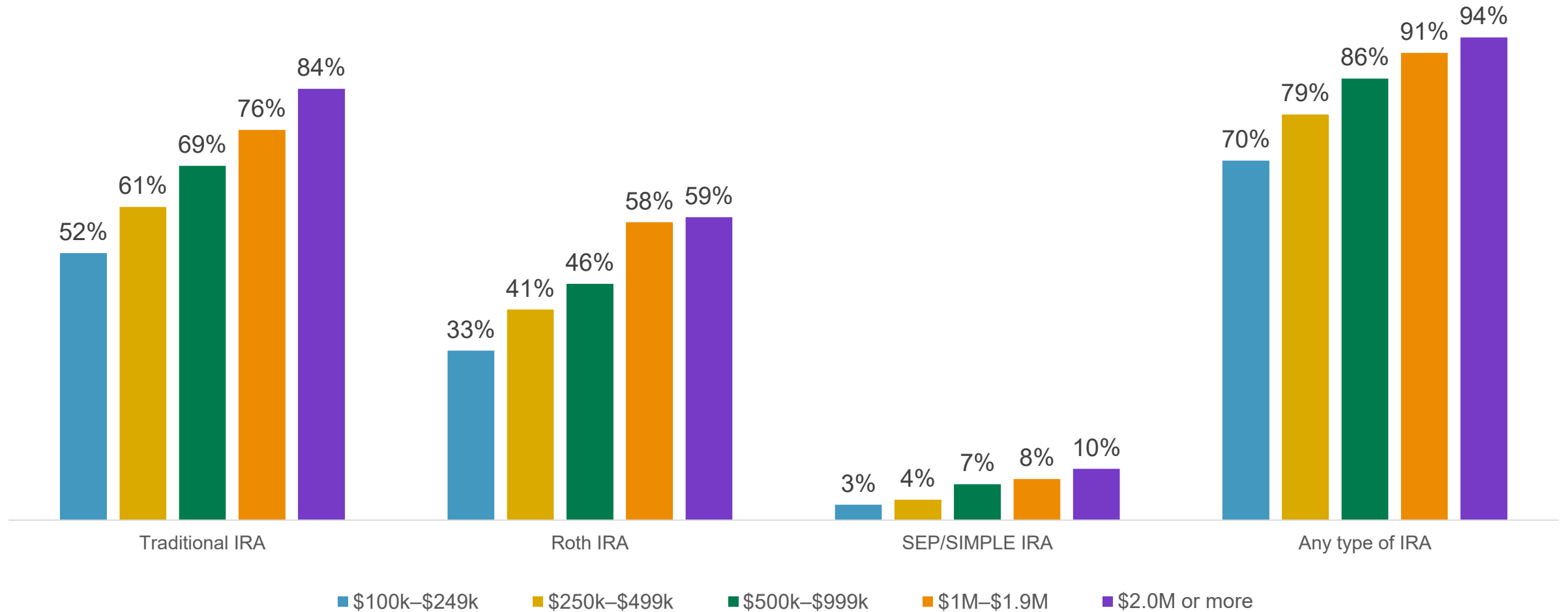
# Household's DC Plan Ownership, by Investor Characteristics



Source: 2023 LIMRA Retirement Investors Survey: Based on 2,831 retirees and 1,669 non-retired workers. Full question wording: "Does your household have assets in any 401(k), 403(b), 457, SEP, SIMPLE plan or other workplace retirement savings plans from any current or former employer(s)?"



# Household's IRA Ownership, by Asset Segment



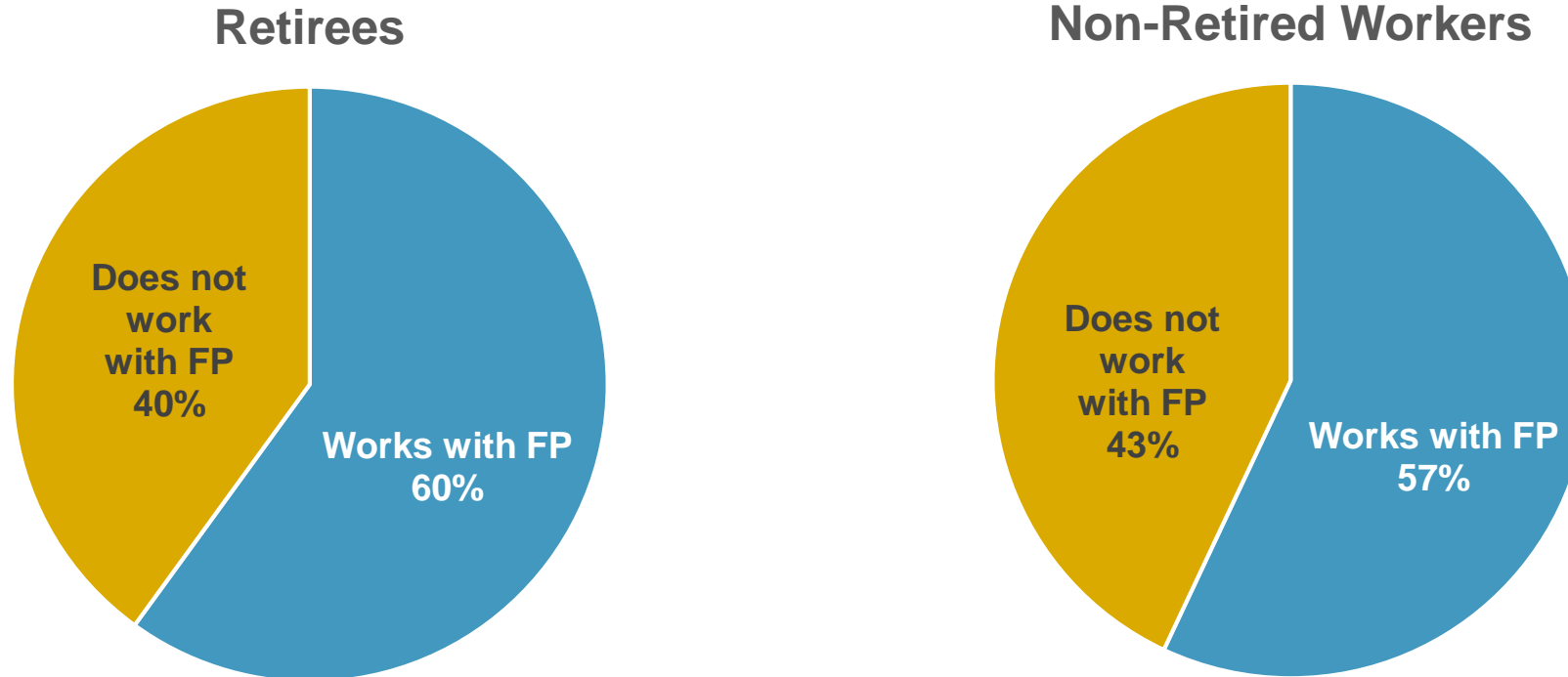
Source: 2023 LIMRA Retirement Investors Survey: Based on 2,831 retirees and 1,669 non-retired workers.



# Financial Professionals

# Household Works With One or More Financial Professionals

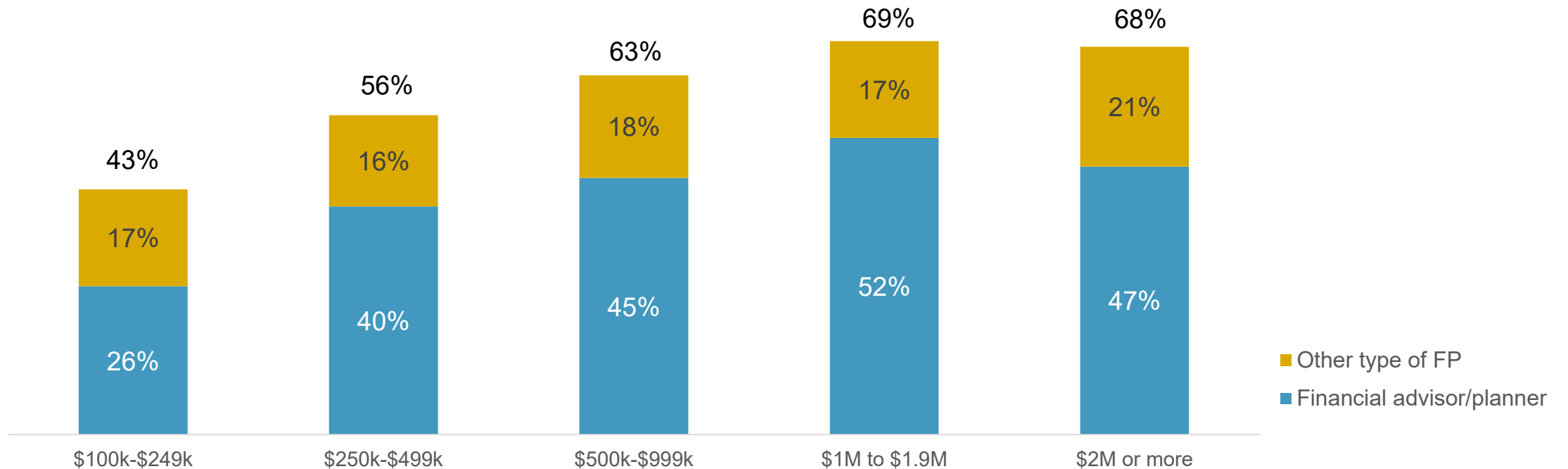
Household typically works with paid professional to help make financial or investment decisions



Source: 2023 LIMRA Retirement Investors Survey: Based on 2,159 retirees and 1,669 non-retired workers.

# Type of Financial Professional

Household typically works with paid professional to make at least some of household's financial or investment decisions, by HH Investable assets



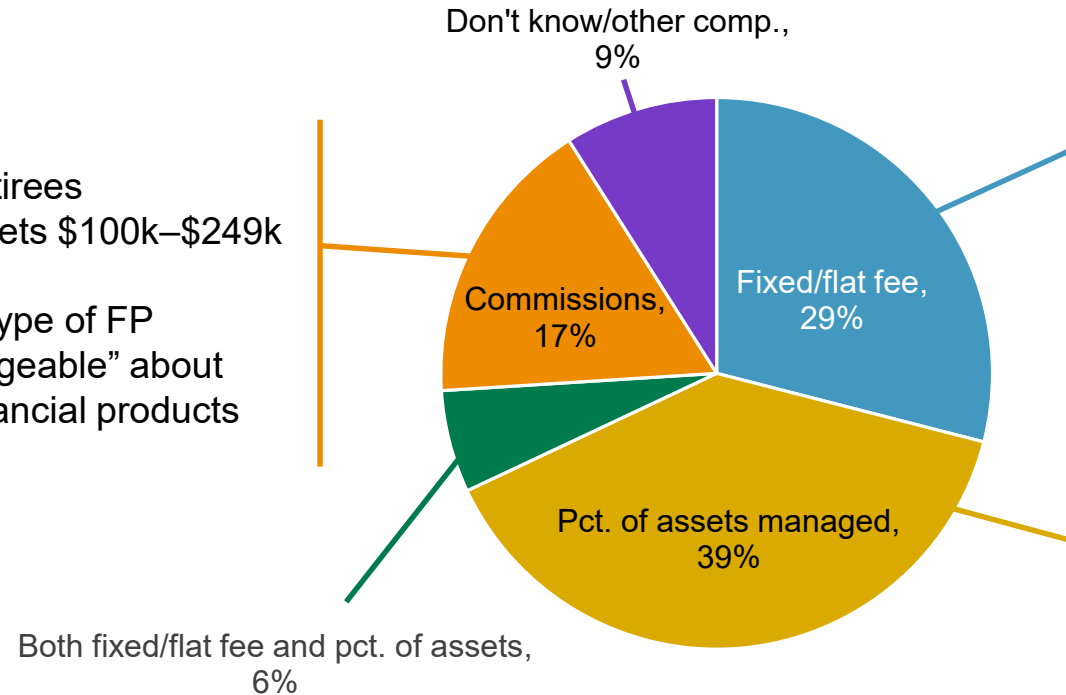
Source: 2023 LIMRA Retirement Investors Survey: Based on 2,831 retirees and 1,669 non-retired workers. "Other type of FP" refers to investment brokers, insurance agents, lawyers/attorneys, accountants, mutual fund representatives, bankers, or other professionals. Investors who indicated that their FP type was oneself or a family member were excluded from FP-related analyses based on 2023 data.

# Advisor Compensation Method

## Financial professional compensation method

### Highest among:

- Older investors/retirees
- HH investable assets \$100k–\$249k
- Lower HH income
- Works with other type of FP
- Not “very knowledgeable” about investments or financial products
- No FWP



### Highest among:

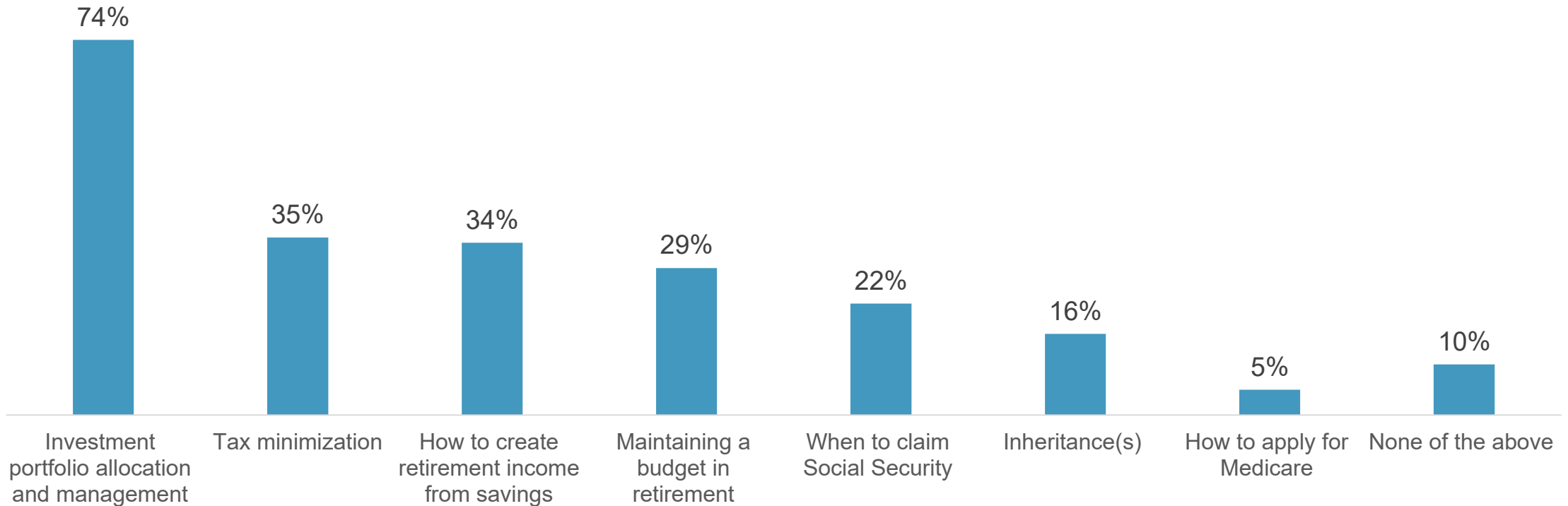
- Younger investors/workers
- Married/partnered investors
- Lower HH investable assets
- “Very knowledgeable” about investments or financial products
- Have FWP

### Highest among:

- Older investors/retirees
- Higher HH investable assets
- Higher HH income
- Work with financial advisor/planner
- College degree or higher educational attainment

# Topics Recently Discussed

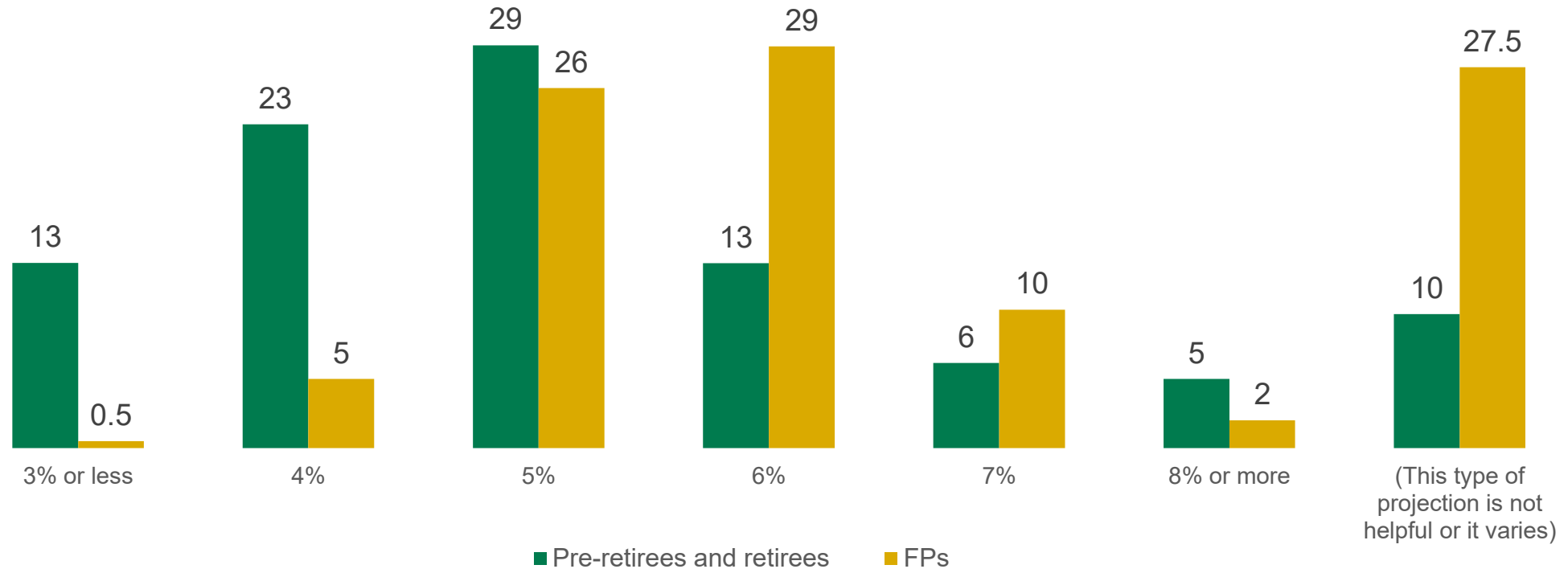
Topics discussed with financial professional in past two years



Source: 2023 LIMRA Retirement Investors Survey: Based on 1,691 retirees and 890 non-retired workers who work with FPs. Multiple responses (except for “None of these topics”) allowed.

# Comparison of Investment Return Projections

## Annual Investment Return Projections



There appears to be a disconnect between financial planner annual investment return projections and those of investors. While many FPs choose not to project, those who do project considerably higher rates of return than do pre-retirees and retirees. Overly conservative assessments of annual returns may discourage people from investing.

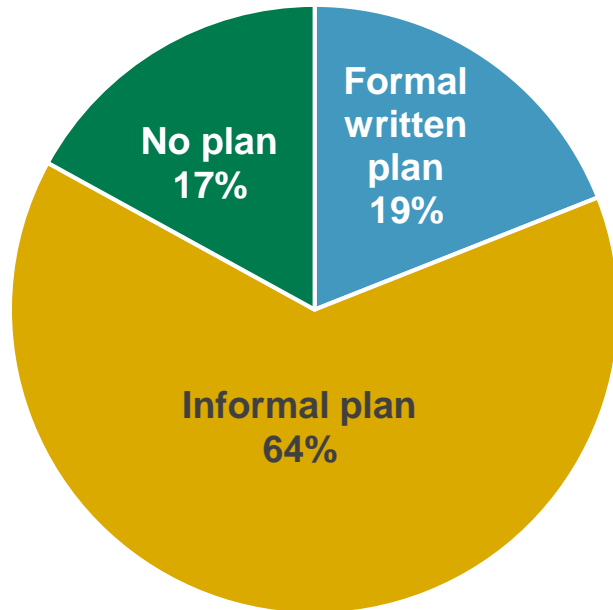
# Retirement Planning and Plans



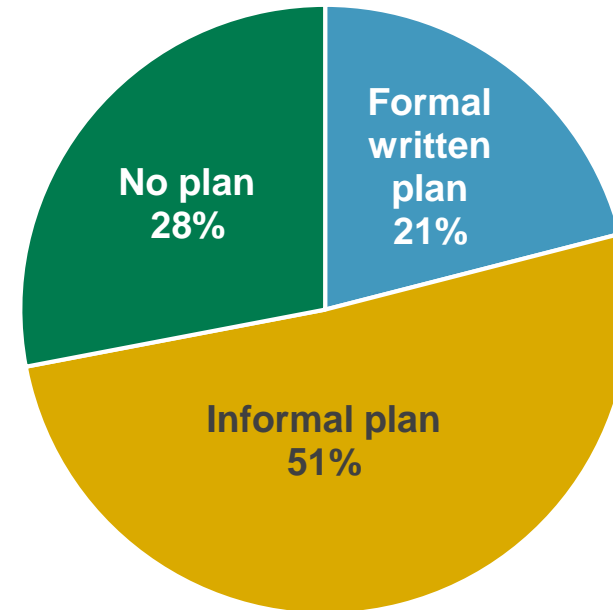
# Household Has Retirement Plan

Household has plan for managing income, expenses, and assets during retirement

Retirees

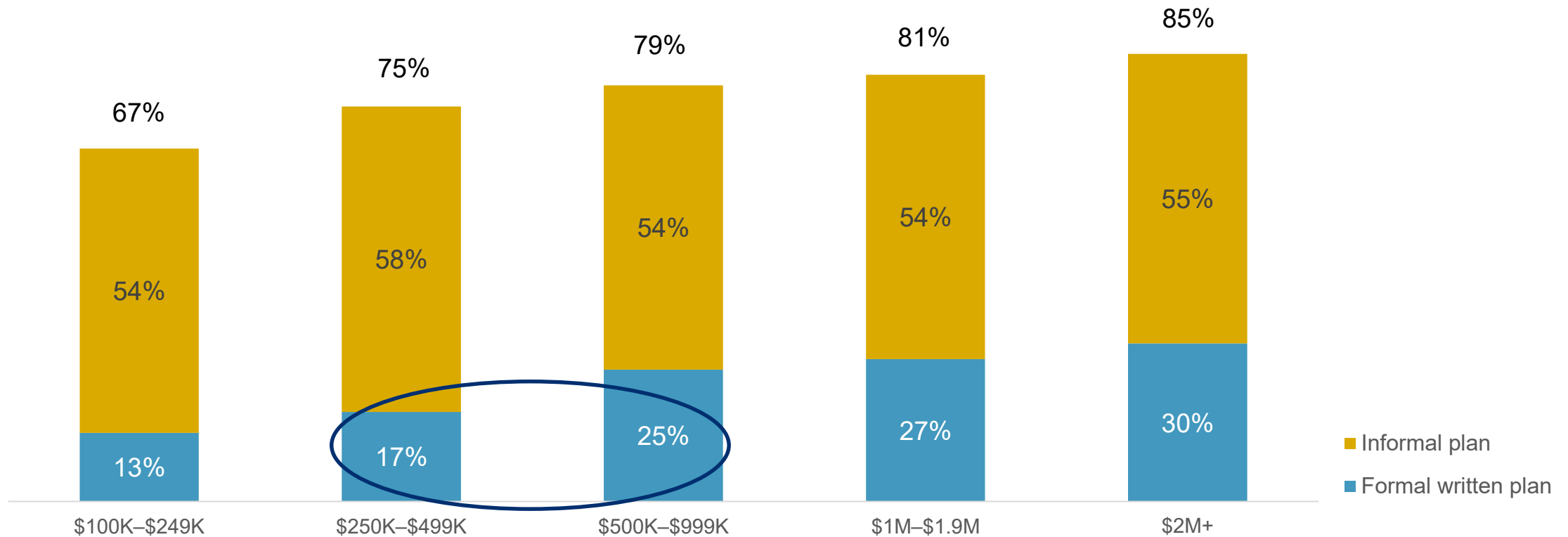


Non-Retired Workers



# Household Has Retirement Plan, by Wealth Segment

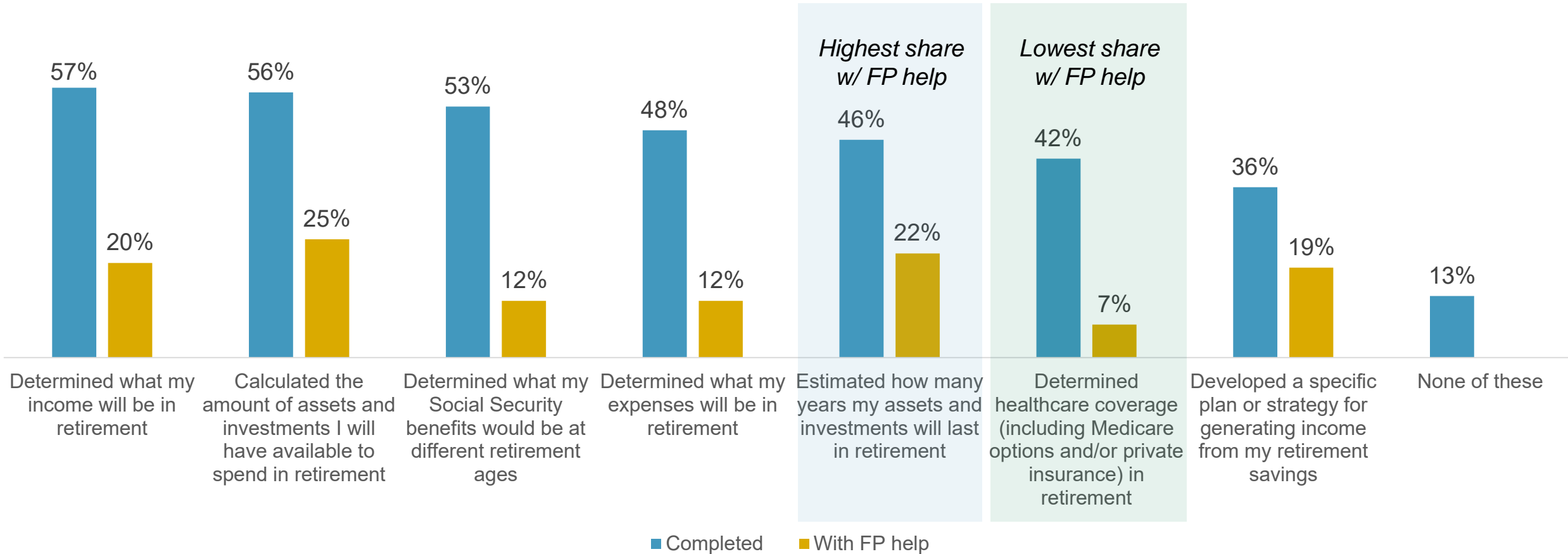
Household has plan for managing income, assets, and expenses during retirement



Source: 2023 LIMRA Retirement Investors Survey Based on 2,381 retirees and 1,669 non-retired workers.

# Planning Activities Completed

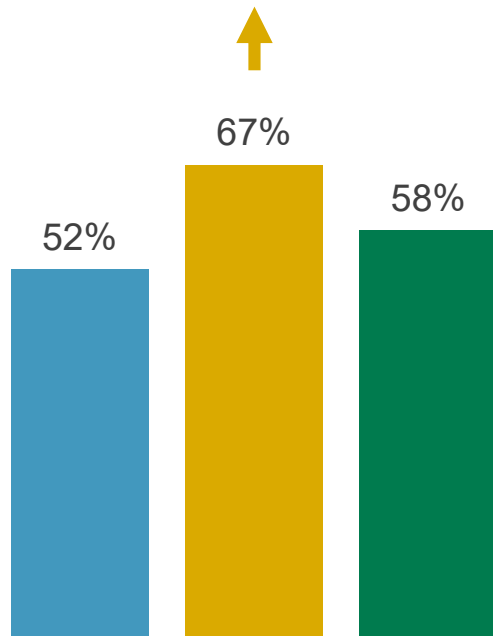
## Planning Activities completed



Source: 2023 LIMRA Retirement Investors Survey Based on 2,831 retirees and 1,669 non-retired workers. Multiple responses (except for "None of these") allowed. "Lowest share w/FP help" = 17% of those completing this activity were helped by an FP; "Highest share w/FP help" = 48% of those completing this activity were helped by an FP.

# Financial Decision-Making

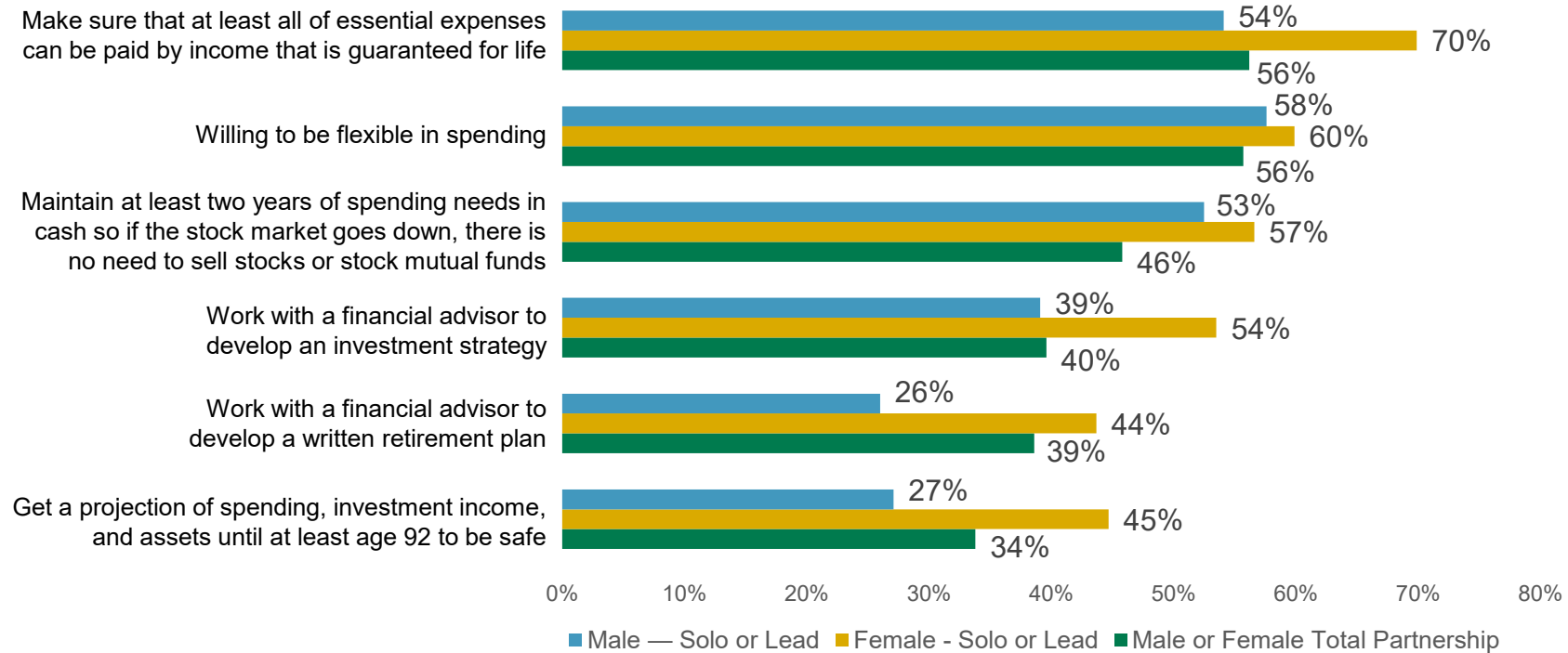
Percentage Working With a Financial Professional by Financial Decision-Making Style



■ Male — Solo or Lead  
 ■ Female — Solo or Lead  
 ■ Male or Female Total Partnership

Female solo or leads are also most likely to be working with a financial professional.

Value of Retirement Planning Steps by Financial Decision-Making Style



They also see greater value in GLI, working with a financial professional to develop an investment strategy and a written retirement plan, as well as making projections to at least age 92.

# Retirement Management Philosophy

## Retirement Spending Philosophy by Financial Decision-Making Style

Statement One: In order to help people who retire spend what they can afford to and not run low on money, it is important to have a long-range plan and project asset levels into the future.



Statement Two: There is too much uncertainty for long range projections. The best way to make sure retirees spend what they can afford...is...to spend carefully and not take too much money out of their investments in any year during their retirement.



- Male - Solo or Lead
- Female - Solo or Lead
- Male or Female Total Partnership

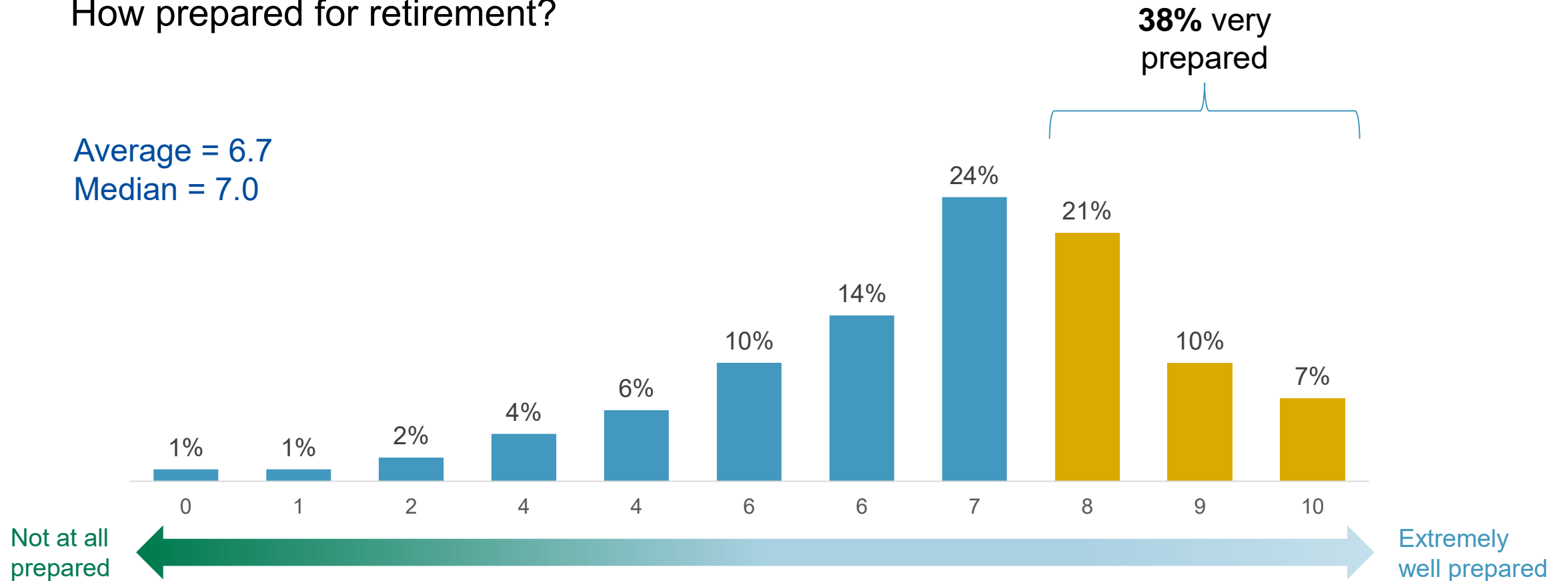
Female solo or leads more likely to identify with a philosophy of long-range planning and projection, compared to one of careful spending and constant investment management.

# Attitudes and Outcomes

# How Prepared for Retirement: Pre-Retirees

How prepared for retirement?

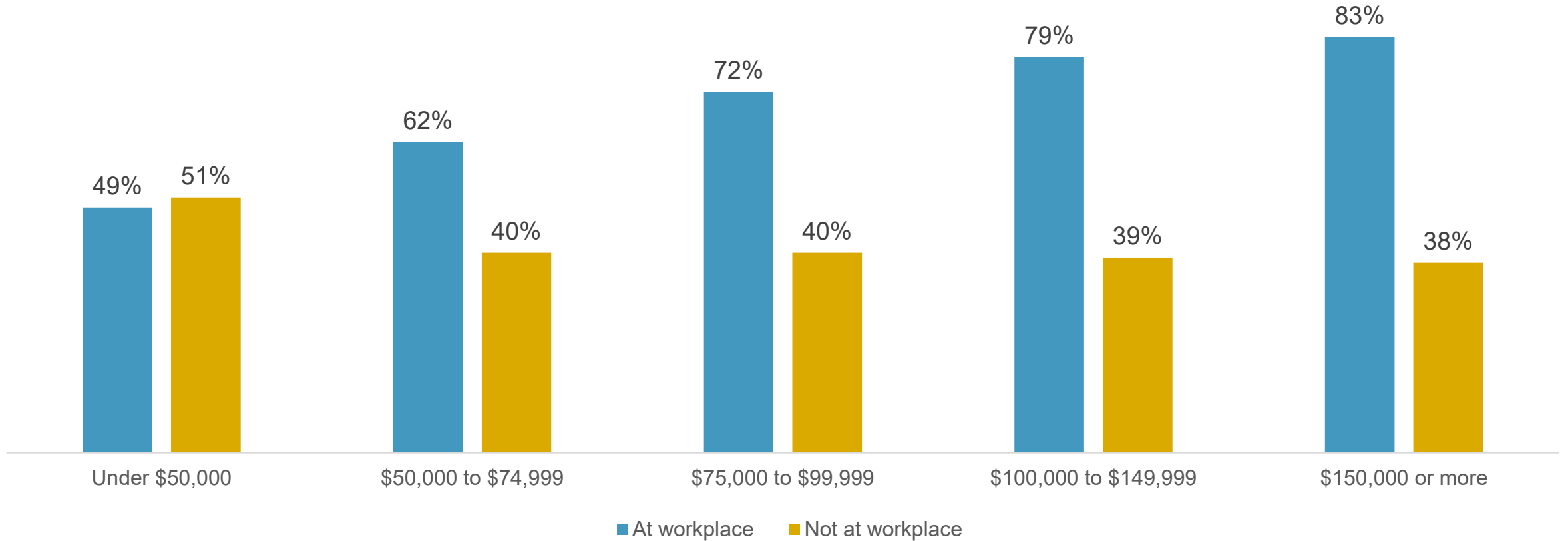
Average = 6.7  
Median = 7.0



Source: 2023 LIMRA Retirement Investors Survey; Based on 1,556 workers who plan to retire.

# Saving for Retirement

Currently saving for retirement, by household income

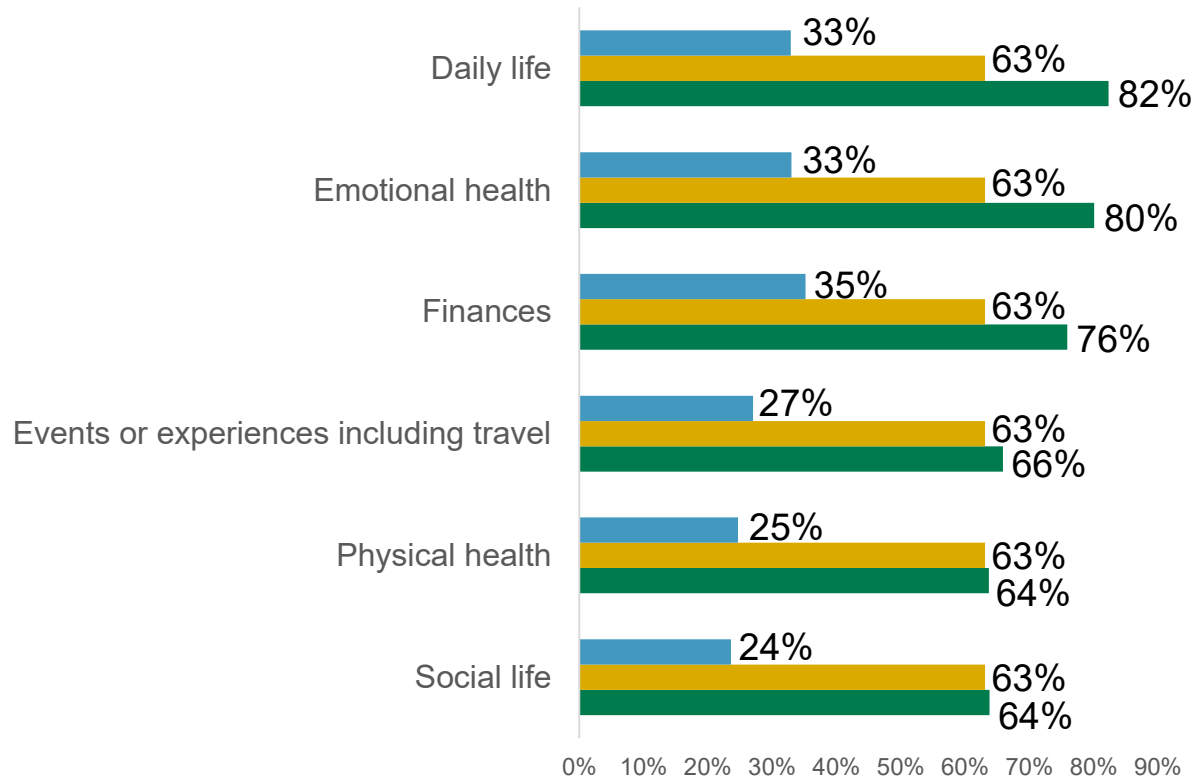


Source: 2023 LIMRA Retirement Investors Survey; Based on 1,669 non-retired workers. Multiple responses allowed.



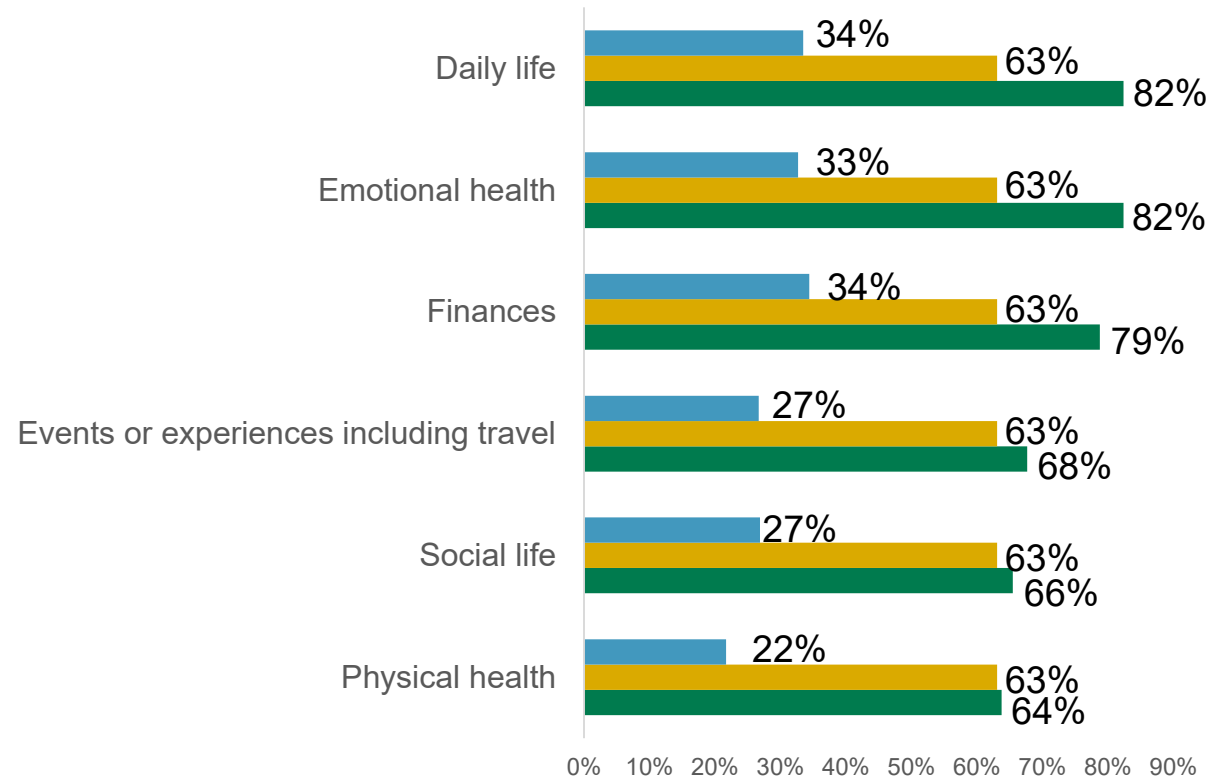
# Retirement Outcomes by Life Orientation

Experiences in Retirement Matching Expectations  
(% Top 2 Box)



■ Low Optimism ■ Moderate Optimism ■ High Optimism

Satisfaction With Aspects of Retirement  
(% Top 2 Box)



■ Low Optimism ■ Moderate Optimism ■ High Optimism

People with an optimistic orientation tend to have met expectations about retirement and a higher level of satisfaction across six dimensions of life in retirement.

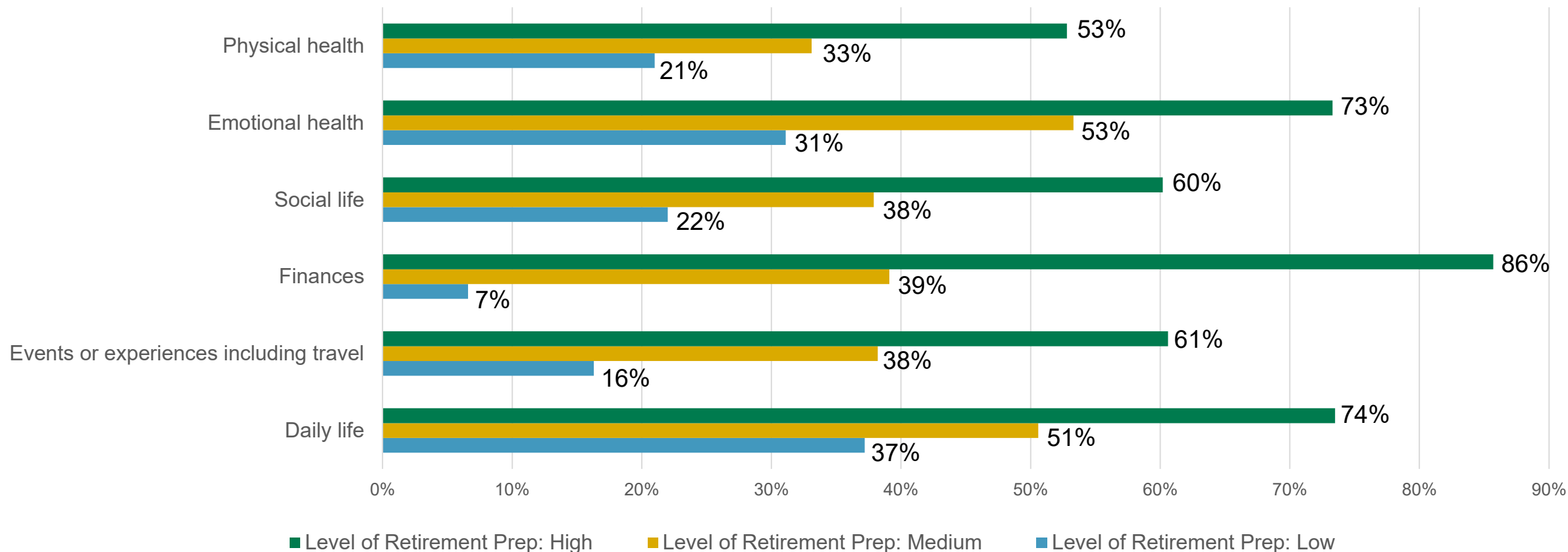
Source: 2023 Jackson Customer Research "Longevity Risk" studies



# Retirement Outcomes by Retirement Prep Level

## Is Retirement Prep Worth It?

*% Who are very/extremely satisfied with key aspects of retirement*



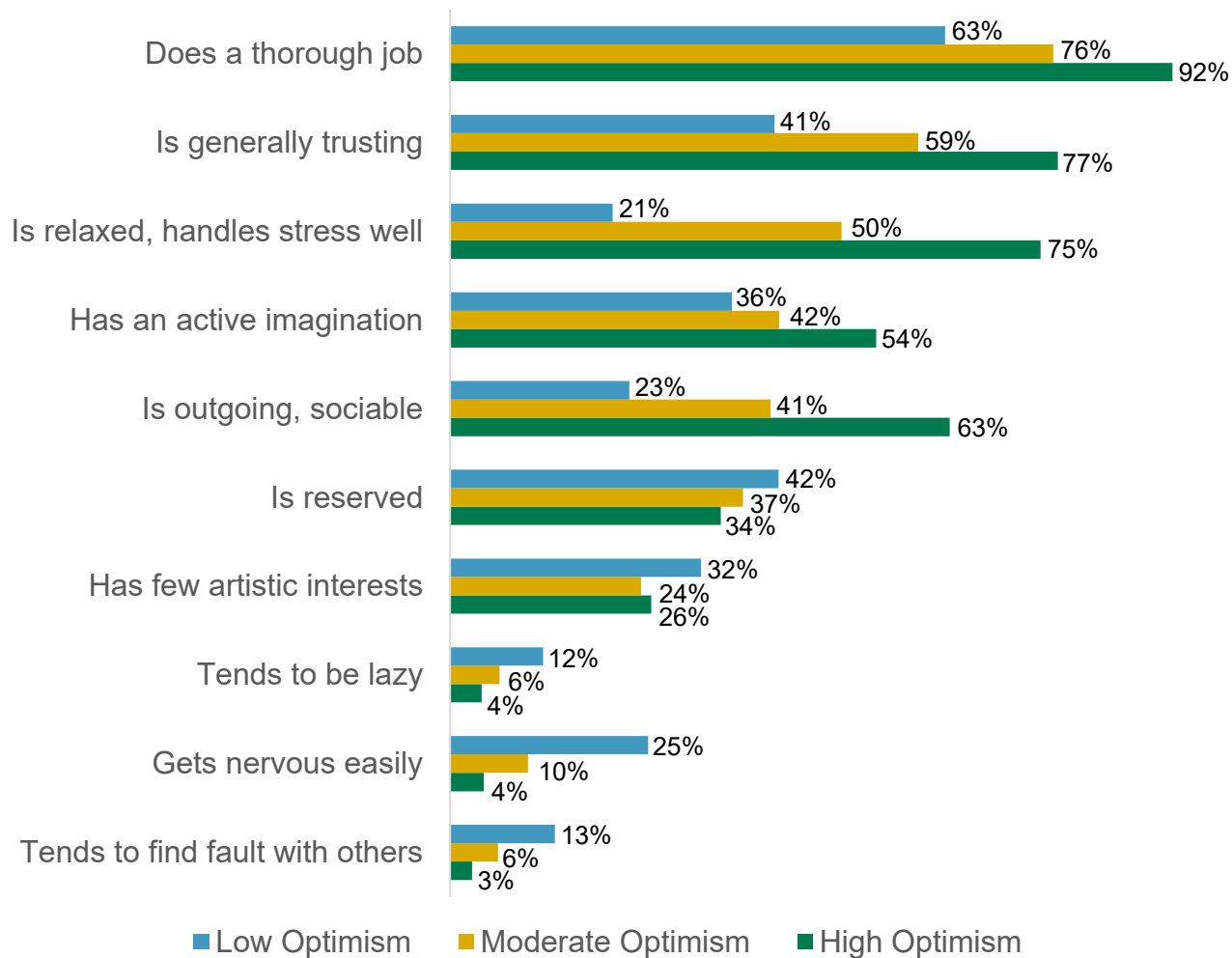
People who indicate a high level of retirement preparedness tend to be more satisfied in retirement. Interestingly, while preparedness is focused on financial dimensions, the benefits accrue across all aspects of retired life.

Source: 2023 Jackson Customer Research "Longevity Risk" studies



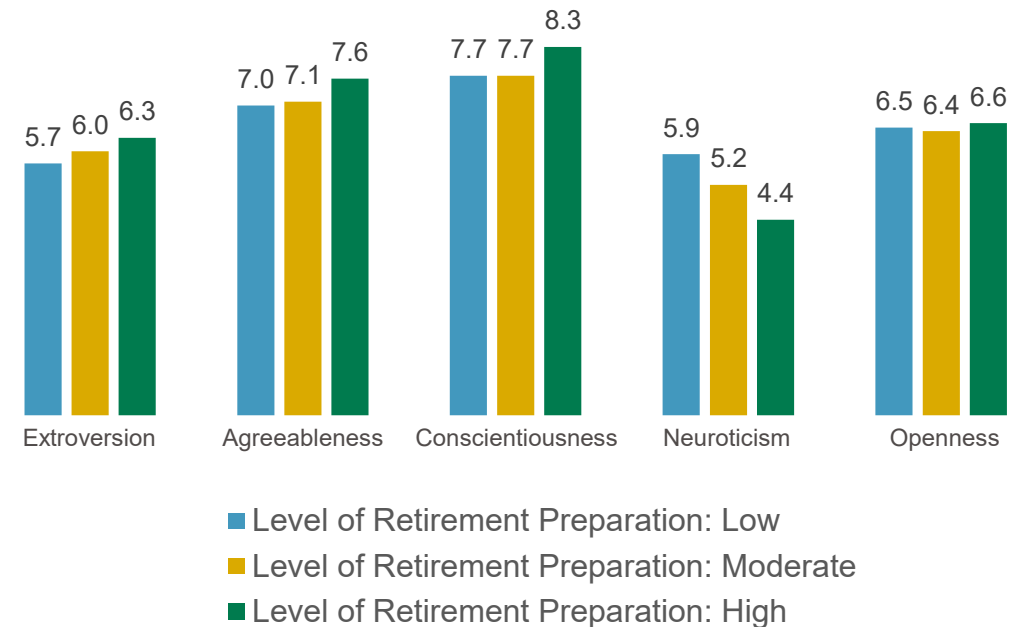
# Life Orientation, Retirement Prep, and the Big 5

## Big 5 Personality Traits by Life Outlook



Looking at personality traits can provide insight into potential retirement outcomes and which people may need a little extra help in achieving a positive outcome.

## The Big 5 Personality Traits & Level of Retirement Preparation

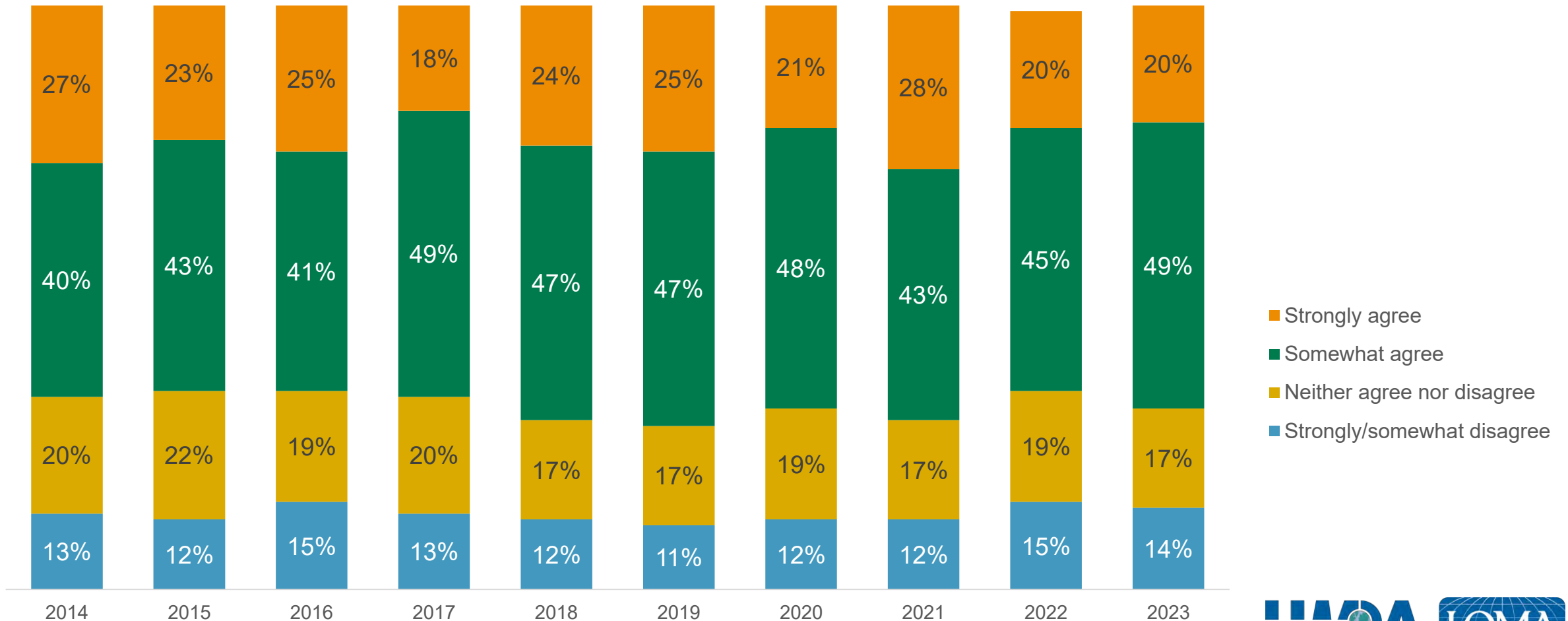


Source: 2023 Jackson Customer Research "Longevity Risk" studies



# Confident Will Live Desired Retirement Lifestyle, 10-Year Trend

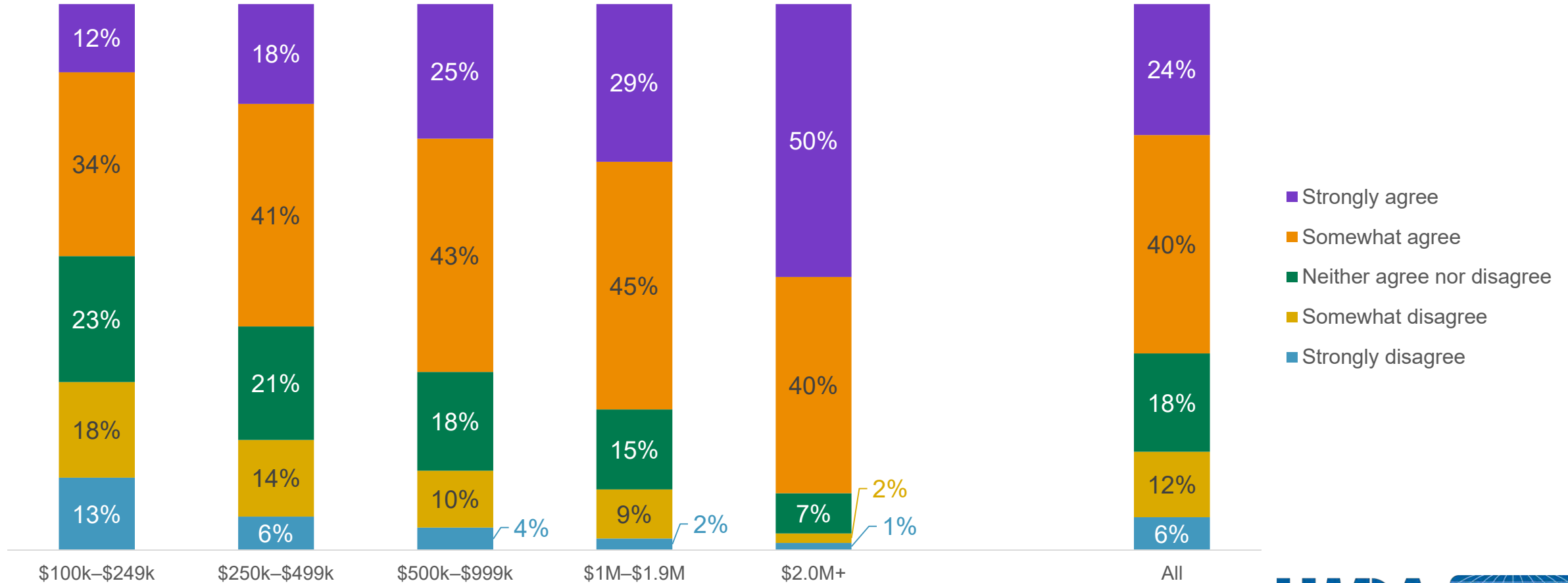
Agreement with statement: "I am confident that I will be able to live the retirement lifestyle I want."



Source: Based on retirees and non-retired workers ages 40 to 75, with at least \$100,000 in household investable assets.

# Confident Savings Won't Run Out, by Asset Segment

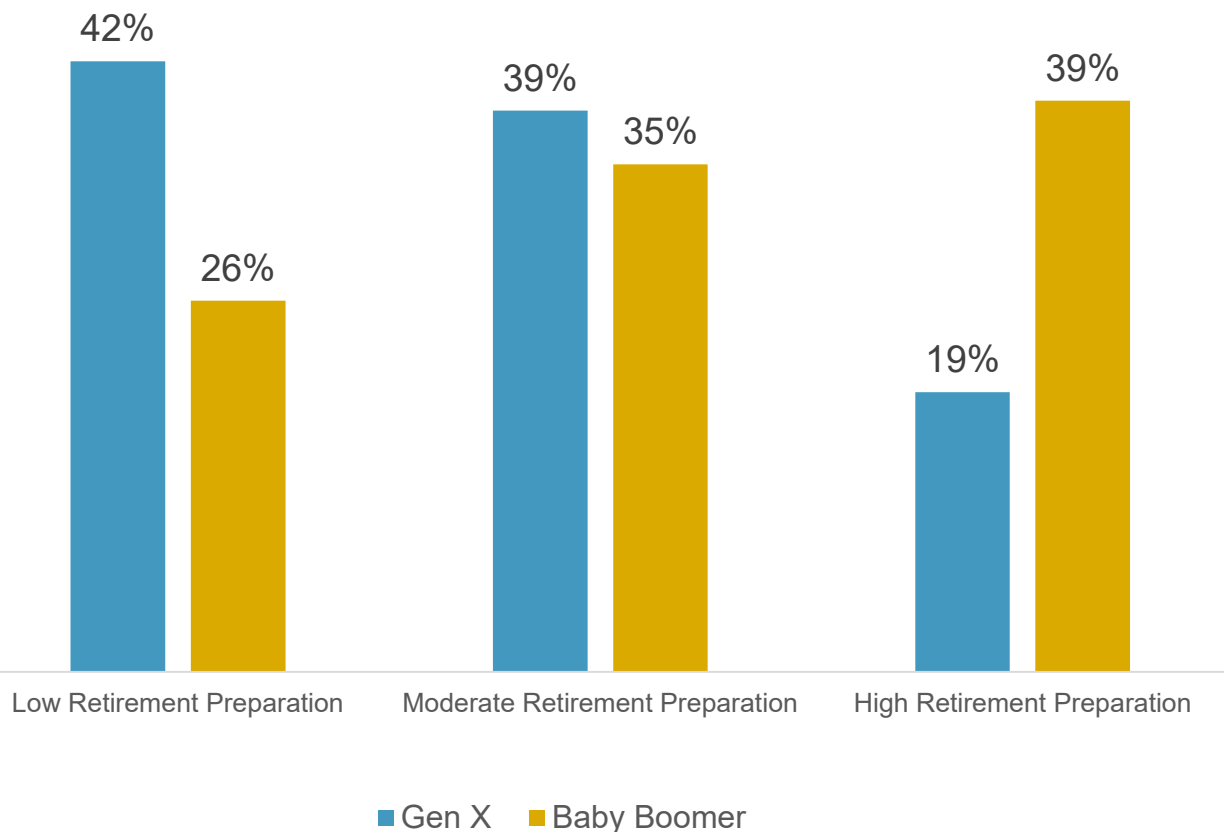
Agreement with statement: "I am confident that my savings and investments won't run out if I live to be 90 years old."



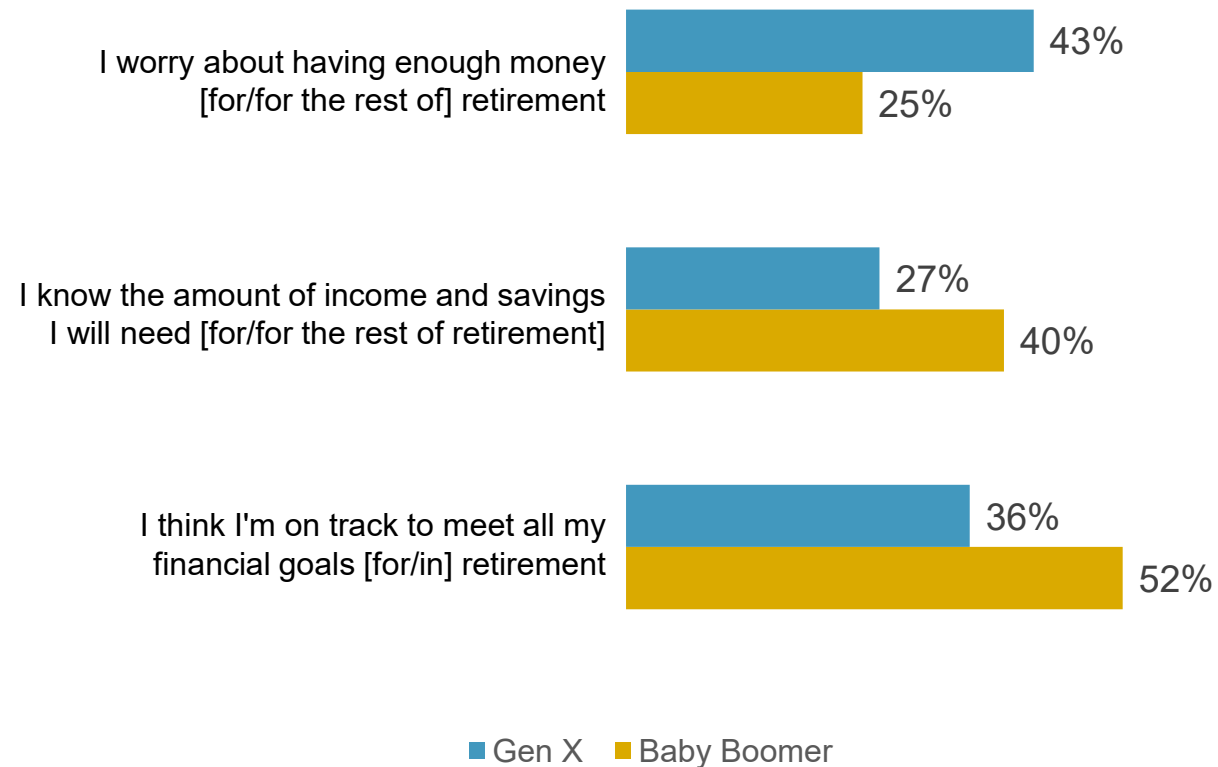
Source: 2023 LIMRA Retirement Investors Survey: Based on 2,831 retirees and 1,669 non-retired workers.

# Retirement Preparation

## Retirement Preparation by Generation



## Retirement Preparation Items (% Top 2 Box Agreement)



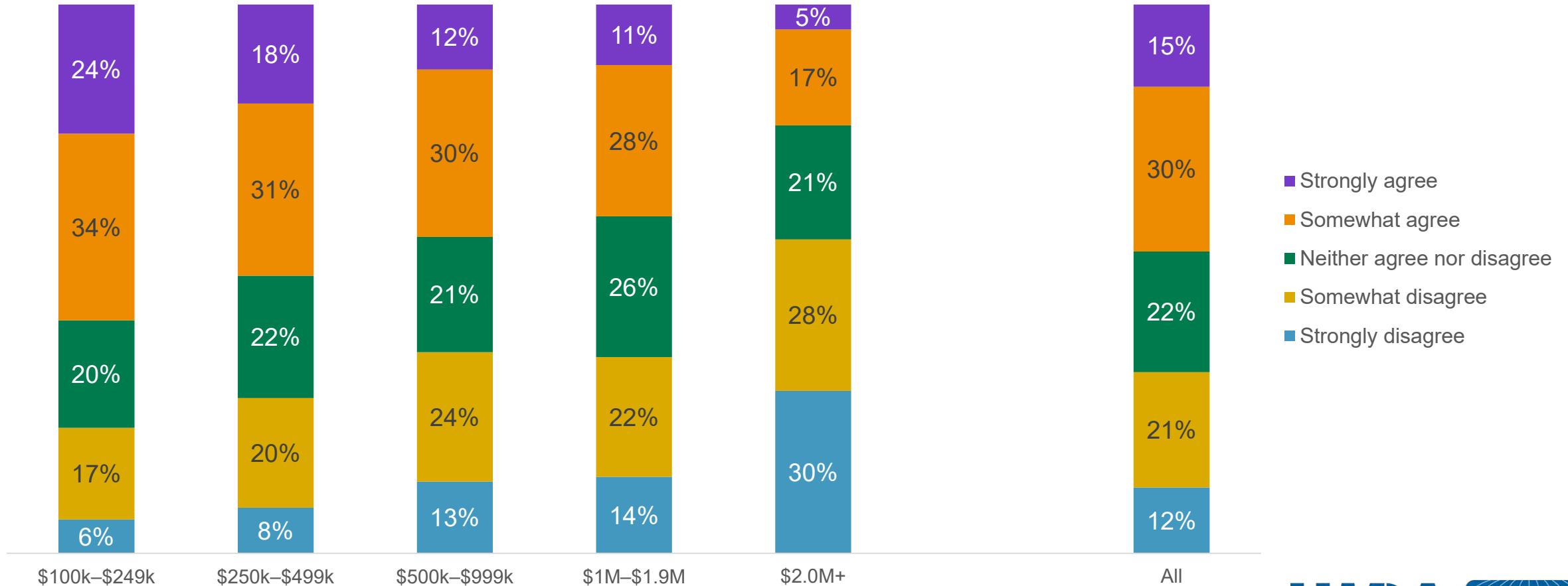
The oldest of Gen X are within 10 years of retirement yet exhibit lower levels of preparedness.

Source: 2023 Jackson Customer Research "Longevity Risk" studies



# Concern About Impact of Inflation, by Assets Segment

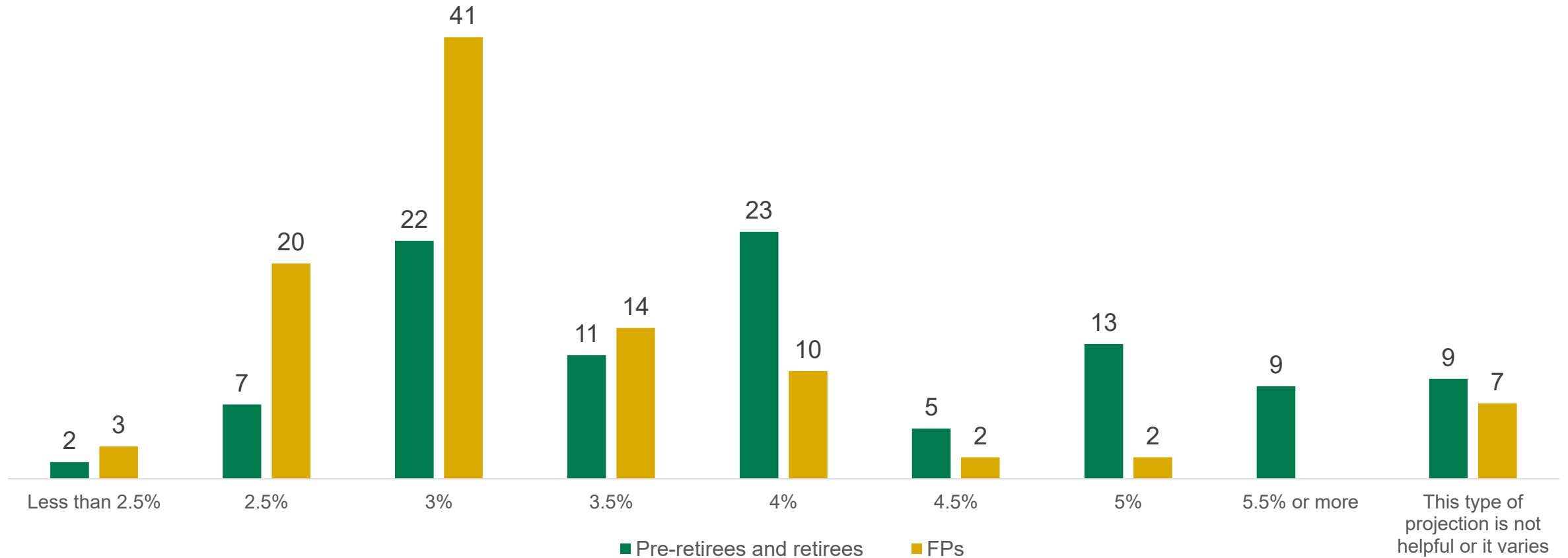
Agreement with statement: “High inflation is making it difficult for me to afford to do the things I want to do.”



Source: 2023 LIMRA Retirement Investors Survey: Based on 2,831 retirees and 1,669 non-retired workers.

# Comparison of Inflation Rate Projections

## Annual Inflation Rate Projections



Similar to what was observed regarding annual inflation rate projections, pre-retirees and retirees combined are more negative in their projections of inflation than FPs, with 50% projecting rates of 4% of higher, compared to only 14% of FPs.

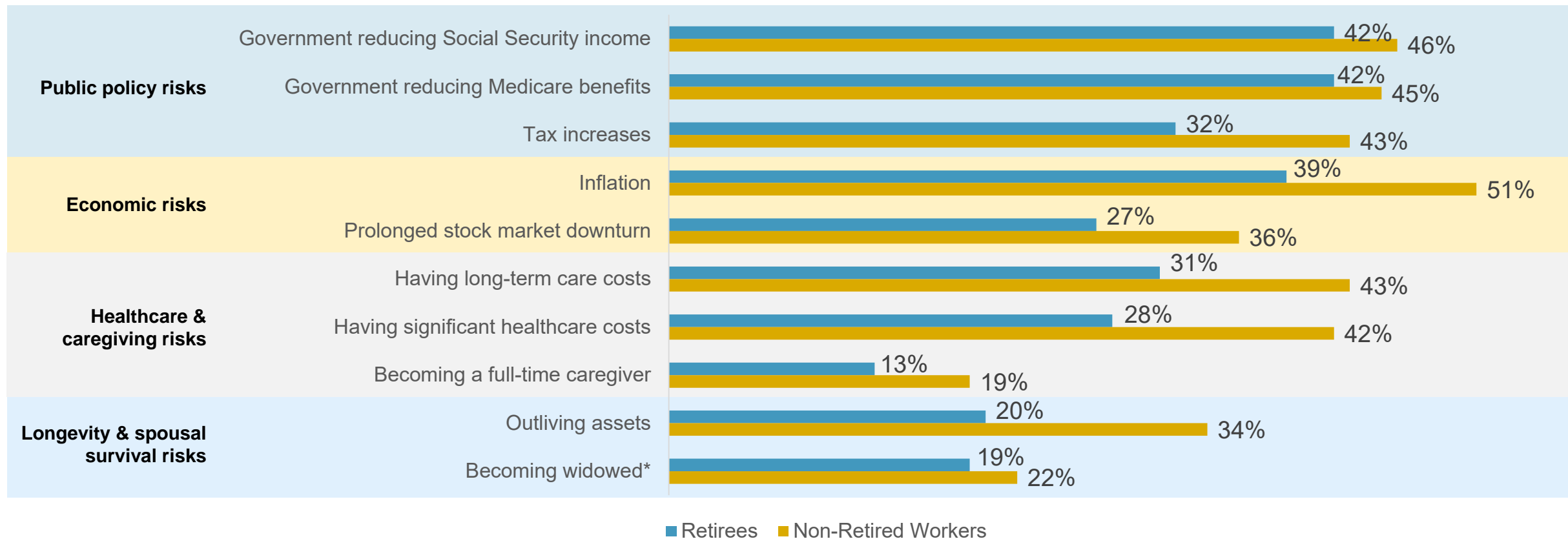
Source: 2023 Jackson Customer Research "Longevity Risk" studies





# Retirement Risks

## Highly Concerned About Impact on Living Standard in Retirement

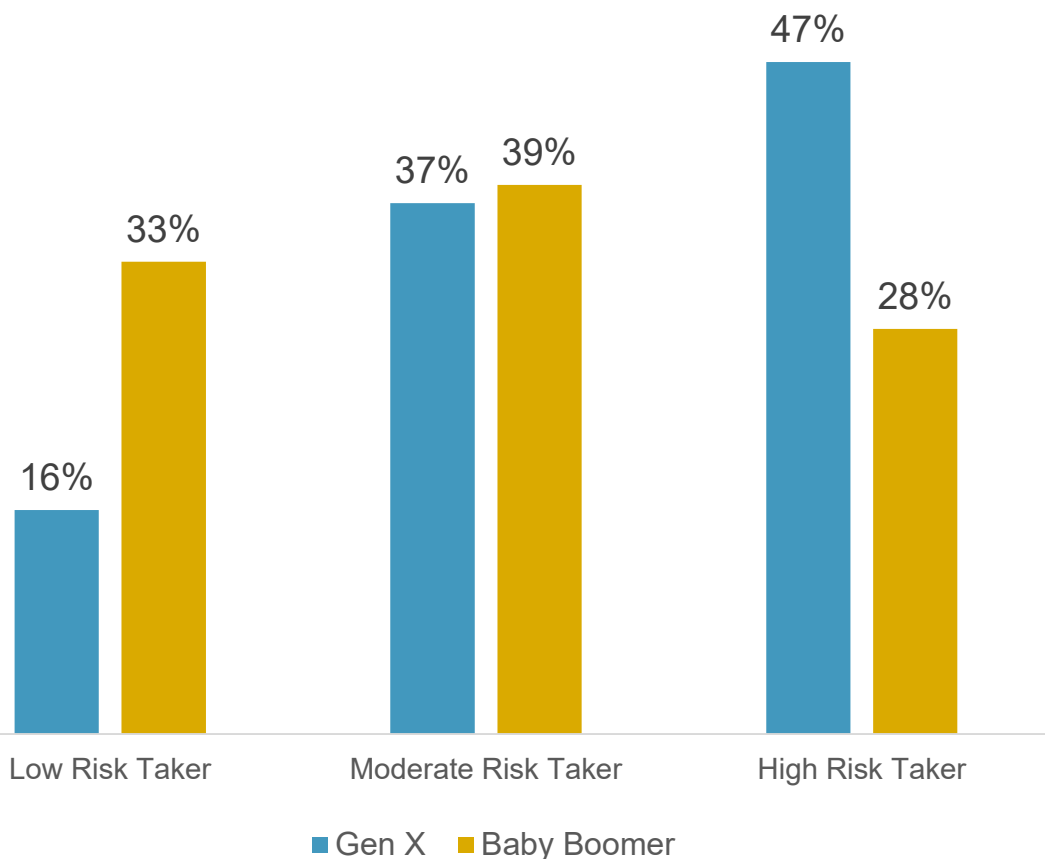


Source: 2023 LIMRA Retirement Investors Survey. \*Results based on all respondents. Among married/partnered investors, 27 percent were concerned, compared with only 5 percent of non-married/partnered investors.

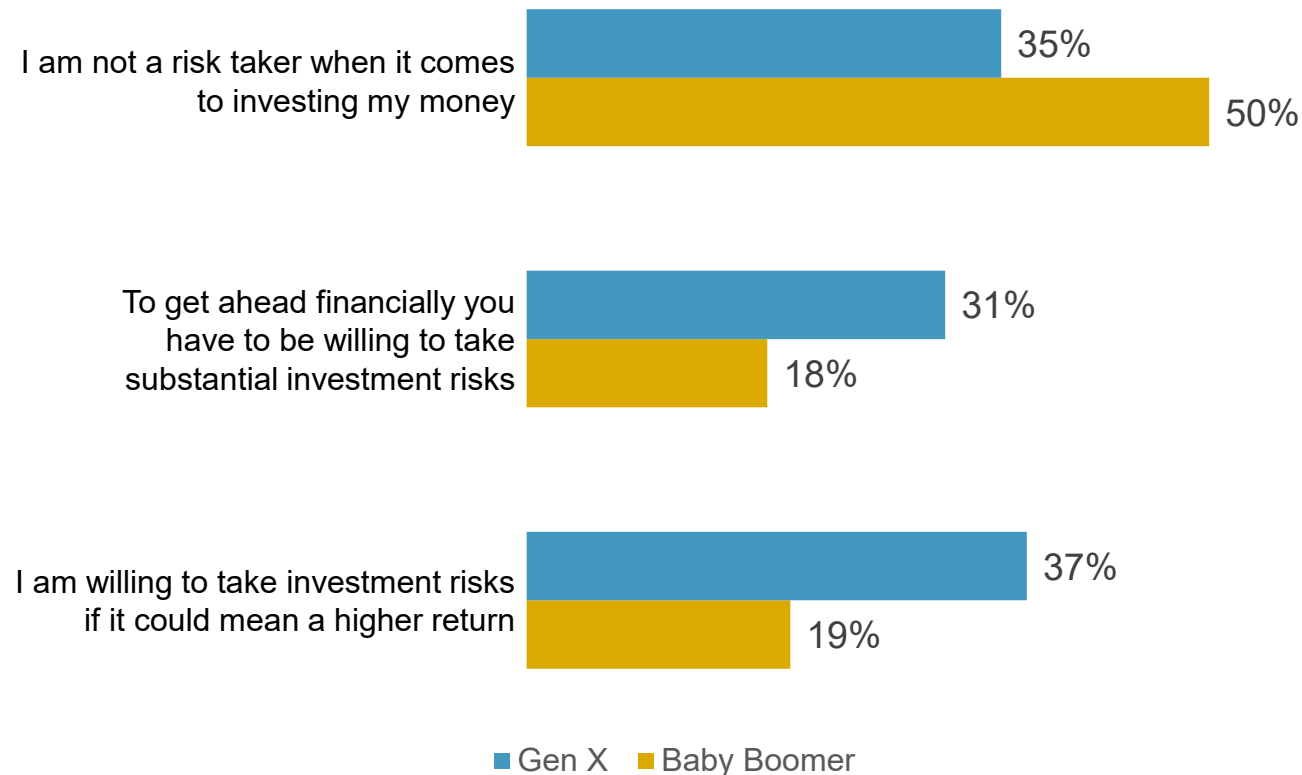
Based on 2,831 retirees and 1,669 non-retired workers. Investors were asked to indicate their level of concern about the impact of each risk on their retirement living standards, using an 11-point scale, ranging from 0 (“no concern”) to 10 (“significant concern”). Percentages refer to the proportion of investors who answered 8, 9, or 10 on this 11-point scale.

# Risk Taker

### Risk Taker by Generation



### Risk Taker Items (% Top 2 Box Agreement)



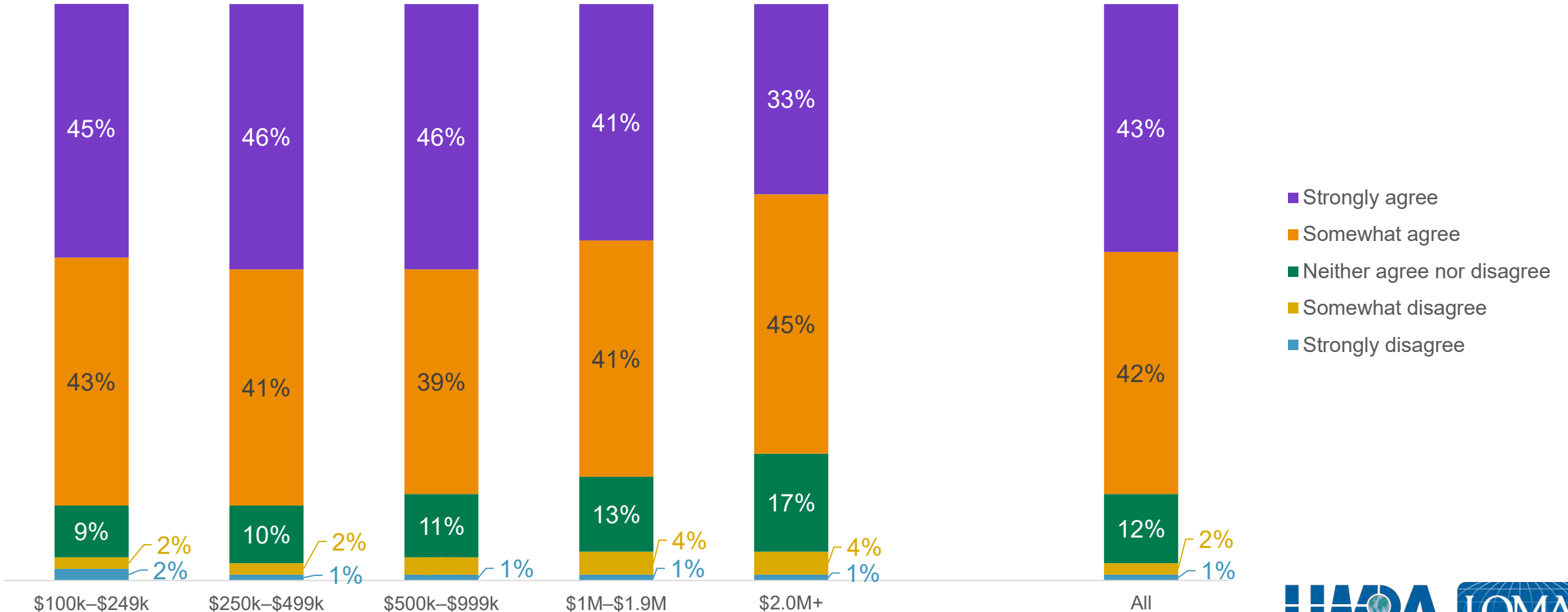
The oldest of Gen X are within 10 years of retirement yet exhibit lower levels of preparedness. However, they are more willing to accept risk as a tradeoff for higher returns.

Source: 2023 Jackson Customer Research "Longevity Risk" studies



# Value of Lifetime-Guaranteed Income, by Asset Segment

Agreement with statement: “Having lifetime-guaranteed income gives people peace of mind in retirement.”



Source: 2023 Retirement Investors Survey: Based on 2,831 retirees and 1,669 non-retired workers.

# Key Take Aways

- Retirees are relying on guaranteed income sources to fund retirement and feel they get enough income to cover their basic household expenses.
- Workers will be more reliant on DC plans and personal savings and anticipate having less income from guaranteed income sources to cover basic living expenses.
- Households that work with a FP and have a formal written plan are more confident and better prepared for retirement. Females are more likely to value GLI and working with a FP.
- People with a high level of retirement preparedness tend to be more satisfied in retirement.
- Economic risks (inflation and stock market returns) are more concerning to pre-retirees and Gen X than Baby Boomers.

# Research Methodology

LIMRA's Retirement Investors survey tracks the perceptions, attitudes, behaviors, and financial condition of retirees and non-retired workers age 40 to 85 in the United States. LIMRA has conducted a version of this survey annually since 2012.

In July and August 2023, LIMRA engaged an online panel to survey individuals who a) are primary or shared financial decision makers in their households, b) are aged 40 to 85, and c) have \$100,000 or more in household investable assets (which include assets in IRAs and workplace retirement savings plans, but exclude real property such as the value of respondent's residence). The survey, fielded by Dynata, generated 4,500 responses: 2,831 retirees and 1,669 non-retired workers.

Results were weighted to be representative of American households in terms of age, household investable assets, and retirement status. Weighting targets were drawn from the 2019 Survey of Consumer Finances, adjusting for the increase in financial assets between 2019 and 2023.

Please note that while the weighting procedure ensures that the results are representative of American investors meeting the sampling criteria in terms of these three factors, other sources of bias and error exist in survey research. For example, some consumers do not participate in online panels, creating selection bias in survey samples. Also, while results based on the full sample have a margin of error of +/- 2% at the 95% confidence level, results based on subsets will have wider margins of error.

# Sample Sizes for 10-Year Trending Analyses

	Retirees	All Non-Retired Workers	Pre-Retirees (subset of workers)	Total
2014	436	564	253	1,000
2015	793	875	373	1,668
2016	620	1,096	536	1,716
2017	603	872	369	1,475
2018	1,021	1,162	512	2,183
2019	529	1,099	626	1,628
2020	708	1,124	518	1,832
2021	823	1,241	799	2,064
2022	1,786	1,813	892	3,599
2023	2,240	1,154	1,086	3,394

Source: 2023 Retirement Investors Survey: Note: All respondents were aged 40 to 75, with at least \$100,000 in household investable assets. "Pre-retirees" are workers who are aged 50 to 75 and who plan to retire within 10 years.

# Sources:

## 1. Jackson Customer Research “Longevity Risk studies;”

Phase 1 involved 20 in-depth interviews in February and March of 2023

- Three interviews were conducted with financial psychologists to explore how people interact with risk in general and how we process issues related to longevity in a financial context
- Six interviews were conducted with financial professionals who had more than five years of experience, were in a client-facing role, and had demonstrated experience in retirement planning
- 11 interviews were conducted with retirement investors who each participated in household financial decision-making, had experience working with a financial advisor, and had a minimum level of investable assets based on their life stage

Phase 2 of the study involved online surveys in June and July of 2023

1,009 individuals residing in the U.S. with the following characteristics:

- Surveys completed from June 13 through June 22, 2023
- Respondents were between 55 and 84 years of age
- Participates in, leads, or makes household financial decisions
- Of the respondents, 109 had assets of between \$100,000 and \$199,999, and 900 had assets of \$200,000 or more
- An oversample also was conducted of 207 consumers ages 85 and above

400 financial professionals residing in the U.S. with the following characteristics:

- Surveys completed from June 12 through July 7, 2023
- Three or more years of experience at a firm
- A minimum \$30 million in assets under management



# Sources:

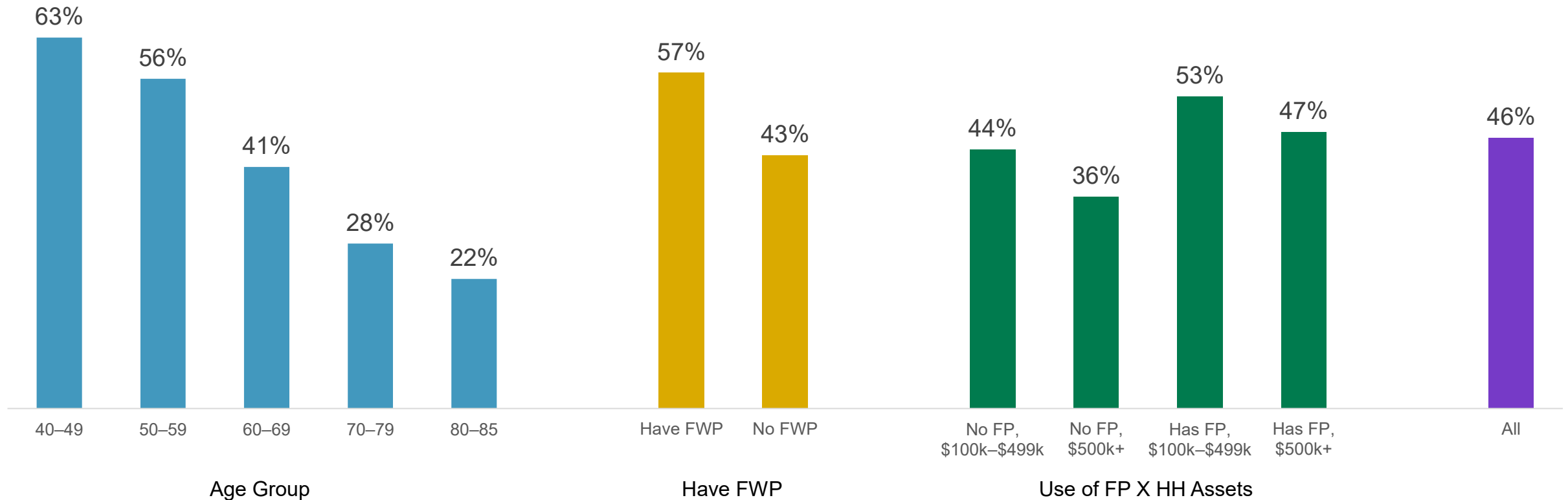
## 2. Jackson Customer Research “Psychographics of Successful Retirement Outcomes study;” online survey fielded from June 8 to 23, 2023:

- a. 1,001 pre-retired individuals residing in the U.S. with the following characteristics
  - Aged 43-70
  - Participates in, leads, or makes household financial decisions
  - Employed full or part-time
    - Homemaker but only if the spouse is working
    - A member of the household may be retired
  - Maximum of 250 that plan to rely 100% on social security as a retirement income source
  - Investable assets up to \$2,000,000
    - Maximum of 35% who have investable assets <\$100,000
  
- b. 1,003 retired individuals residing in the U.S. with the following characteristics
  - Aged 65 or older
  - Participates in, leads, or makes household financial decisions
  - Retired 3 years or more
    - Maximum 10% with less than 5 years
    - Note: Spouse may still be working part-time
  - Maximum of 100 that rely 100% on social security as a retirement income source
  - Investable assets up to \$2,000,000
    - Maximum of 35% who have investable assets <\$50,000



# Willingness to Annuitize, by Investor Characteristics

Would consider converting a portion of assets or an additional portion of assets into a lifetime-guaranteed annuity in retirement



Source: 2023 Retirement Investors Survey: Based on 2,831 retirees and 1,669 non-retired workers.

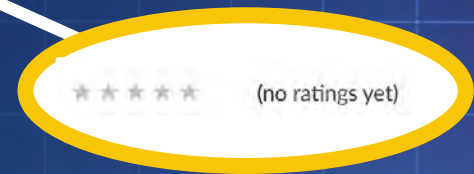
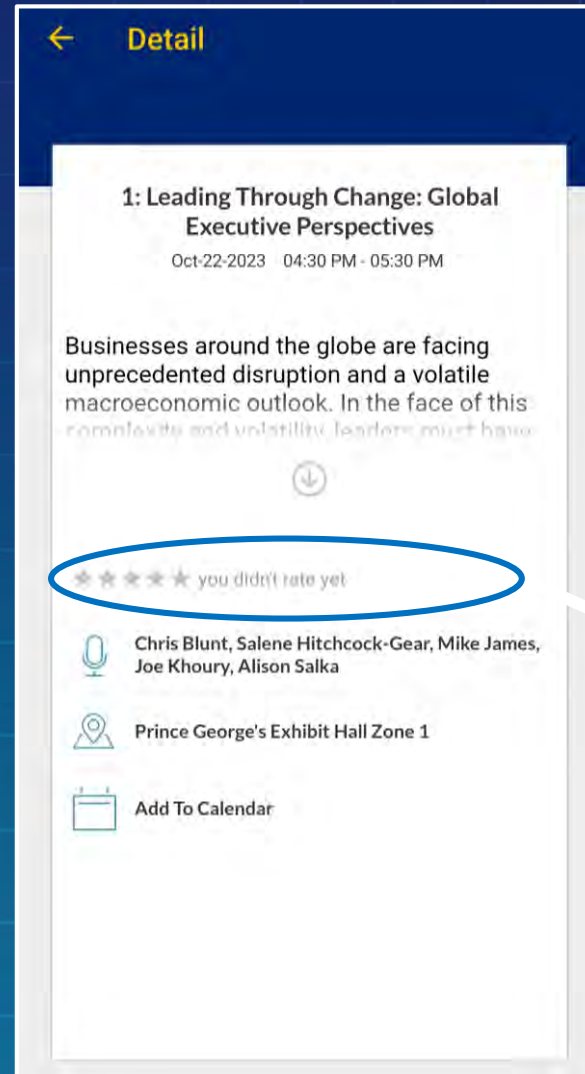
Full question wording: "As you may know, annuities can provide an income stream that is guaranteed by an insurance company to last for your life (or the combination of your life and your spouse's life) in exchange for a premium. In the case of some annuities, individuals may no longer have access to the assets invested in that annuity, only the right to receive income for life, or for a specified period. Would you be interested in converting a portion (or an additional portion) of your assets into a lifetime-guaranteed annuity in retirement?"

# Please Provide Your Feedback on the Conference App

## OPTION 1



## OPTION 2



# Thank You



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