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Third Annual Guaranteed Lifetime Income Study Reveals Growing Consumer Concern About Maintaining Standard of Living in Retirement

Recognition of Need to Take More Investment Risk, Anxious About Investment Loss

Majority of Consumers Say Advisors Have Responsibility to Present Guaranteed Lifetime Income Products as Option to Clients

WASHINGTON, DC, March 8, 2017 – The number of Americans who said they were extremely or very concerned about their ability to live comfortably throughout retirement jumped to 37% in December 2016 up from 30% in 2015. The number of respondents concerned about maintaining their standard of living in retirement rose to 34% up from 25%, according to a new survey of 1,105 retirees and pre-retirees with more than \$100,000 in household assets conducted in December 2016.

The 3rd Annual *Guaranteed Lifetime Income Study* conducted by leading market research firm Greenwald & Associates and CANEX, an independent provider of pricing and product comparison analytics to the financial services industry, shows that respondents who are very concerned about earning as much as possible on investments to meet their retirement goals rose to 40%, up from 27% in 2015.

The survey also found that 81% of consumers think those over age 50 must have a strategy in place to protect against significant investment loss. In addition, more than half say they would opt for an investment that offered a lower but certain return over a higher return with a greater possibility of loss.

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Only about one in five said they are highly knowledgeable about what investments to buy in order to achieve their goals and how to protect themselves from drops in the market.

“The study reveals high levels of uncertainty post-election, particularly among pre-retirees with lower savings levels, and a focus on maximizing returns in the low interest rate environment,” said study director Doug Kincaid of Greenwald & Associates, who shares further perspective on the Guaranteed Lifetime Income survey results on the Greenwald Research [website](#). “It shows that consumers recognize the value of guaranteed income and expect advisors to discuss income strategies with them.”

Reflecting mixed messages about guaranteed retirement income, 9 out of 10 respondents believe financial advisors should be presenting multiple retirement income strategies, and around 60% say advisors have a responsibility to present products that provide guaranteed lifetime income. Despite the interest in retirement income strategies, a third of those working with an advisor have never discussed these strategies and only about 3 in 10 have discussed annuity products as part of a strategy.

The survey highlights consumer concerns about the cost of guaranteed lifetime income products and the perception that they can get better returns with other types of investments. In the context of an investment portfolio, only a quarter strongly agree that guaranteed lifetime income products can help diversify a portfolio.

“The data shows when it comes to their investment portfolios, consumers are focused on risk assets including equities, but at the same time want to ensure that in retirement they will have the income they need to meet their needs,” said Gary Baker, President of CANNEX USA. “The lack of familiarity about specific products underscores the importance of providing advisors and their clients options to meet both needs.”

While ownership of annuities that offer guaranteed lifetime income is low among the respondents, when framed as strategies – such as using the products in conjunction with Social Security to cover essential expenses – more than half see the products as desirable. When advisors discuss retirement income strategies with their clients, clients are three times as likely to purchase a product that guarantees lifetime income.

The study also finds that women, those in poorer health, and those with between \$250,000 and \$500,000 in assets see the greatest value in products that offer guaranteed lifetime income.

Supporting materials for the 3rd Annual *Guaranteed Lifetime Income Study* are available at www.greenwaldresearch.com/health-wealth-blog/.

About Greenwald & Associates

Greenwald & Associates is a market research firm that has focused on research on retirement. The firm has partnered with the Employee Benefit Research Institute since 1991 to conduct annual Retirement Confidence Surveys of Americans and has conducted the Risk and Process of Retirement Survey for the Society of Actuaries biennially since 2001. Founded in 1985, Greenwald & Associates has conducted research for well over 100 of the nation's largest financial services companies. For more information on the firm, visit <http://www.greenwaldresearch.com>.

About CANNEX

CANNEX Financial Exchanges Ltd. supports the exchange of pricing information for annuity and bank products in North America. The firm provides financial institutions with the ability to evaluate and compare various guarantees associated with retirement savings and retirement income products. In the U.S., this includes the evaluation of annuity guarantees (Income Annuities, Variable Annuities, Indexed Annuities, and Fixed Rate Annuities) and consulting services supporting the optimization and allocation of retirement income portfolios. For more information about CANNEX, visit www.cannex.com.

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