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## **Guaranteed Lifetime Income Study 2020 (GLIS)**

### **Why Retirement Income Planning Matters:**

#### **Advisors, Consumers Did Not See Coronavirus Crash Coming**

#### **Sixth Annual Greenwald & Associates & CANNEX Guaranteed Lifetime Income Study:**

**Few clients & fewer advisors saw market decline as very likely in 2020**

**Consumers have greater interest in guaranteed lifetime income during downturns/volatility**

**Clients want advisors to present guaranteed income options**

**Expected impact of SECURE Act on annuity market**

Washington, DC – June 9, 2020: Despite growing attention to the coronavirus in the run up to the March stock market crash, the sixth annual Guaranteed Lifetime Income Study (GLIS) by Greenwald & Associates and CANNEX, finds that few clients or advisors believed a market downturn was very likely in 2020. Similar to findings from previous periods of market volatility, the study shows higher client interest in guaranteed lifetime income compared to 2019.

These are among the Top 10 Findings of the GLIS surveys of 1,000 Americans between the ages of 55 and 75, with at least \$100,000 in investable assets, and 302 financial advisors with at least \$15 million in assets under management. The research, fielded mid-February in the days before the market crash, provides comprehensive insights into client and advisor perceptions of guaranteed lifetime income products and their role in the retirement planning process.

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The study shows 11% of clients considered a market downturn was very or extremely likely in 2020, although 29% considered a downturn at least somewhat likely. A third (35%) of surveyed clients considered a downturn very or extremely likely within 5 years. Surprisingly, even fewer advisors were anticipating a downturn in 2020, with only 6% saying it was very or extremely likely and 17% at least somewhat likely. The majority of advisors considered a market downturn very or extremely likely (60%) within five years.

“Following a 10-year bull market, the research shows clients largely optimistic about the outlook for the market in the days before the collapse and confident they would be able to weather a downturn,” said study director, Doug Kincaid of Greenwald & Associates. “Although it will take some time to evaluate the impact of the crisis on retirement plans, the research findings underscore the importance of having a solid retirement planning process that takes into account unforeseen events.”

Over the last six years, GLIS studies have shown that guaranteed lifetime income generally becomes more attractive during market downturns and volatility. This year is no different. There was increased interest in guaranteed lifetime income in 2020 with 71% of clients stating it was a highly valuable addition to Social Security, up from 67% a year ago.

“A black swan event, COVID-19, has upended lives, the economy, and financial markets in ways that are likely to drive demand for guaranteed lifetime income in retirement,” said Tamiko Toland, head of Annuity Research at CANNEX. “The research demonstrates the critical role advisors play in communicating the value of these products in retirement plans, but also that they generally underestimate clients’ interest in guaranteed lifetime income.”

In fact, only 14% of advisors believe their average client is highly interested in guaranteed lifetime income, while 42% of consumers say they are highly interested or already own a GLI product. Three in five clients say advisors have a responsibility to present guaranteed lifetime income products as part of a retirement income strategy. Eight in ten believe advisors should present two or three options for producing income in retirement.

The research also sheds light on advisor perceptions of the SECURE Act. Three in ten advisors believe the increased availability of annuities in 401(k) plans will increase the number of annuities they sell and 35% believe it will increase client receptivity to annuities. Importantly, it highlights consumers' and advisors' belief that estimates of monthly retirement income, mandated by the Act, are more helpful for retirement planning than savings goals or estimates of retirement expenses.

Additional supporting charts and data on the 2020 Guaranteed Lifetime Income Study are available at [www.greenwaldresearch.com/glis](http://www.greenwaldresearch.com/glis) or <http://www.cannex.com/index.php/2020-gli-study-u-s>.

### **About Greenwald & Associates**

Greenwald & Associates is a market research firm that specializes in subjects related to health and wealth. Greenwald & Associates conducts both custom proprietary work as well as thought-leadership public release studies, such as the Guaranteed Lifetime Income Study and the Retirement Confidence Survey. 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 [www.greenwaldresearch.com](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](http://www.cannex.com).

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