

Financial Professionals Look to Annuities to Protect Clients, as Industry Shifts Retirement Investing Strategies

The Alliance for Lifetime Income and CANNEX Release *2023 Protected Retirement Income and Planning Study Series; Chapter 2: Financial Professionals Change Approaches to Planning and Investment Allocations*

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WASHINGTON – [The Alliance for Lifetime Income \(ALI\)](#), the nonprofit consumer organization that educates Americans on ways to protect their retirement, released the first wave of its multi-part [2023 Protected Retirement Income and Planning \(PRIP\) study](#) today.

PRIP is the only research of its kind that surveys both consumers and advisors simultaneously.

In its fourth year, the annual study examines the rapidly changing retirement planning landscape, its effects on advisors and their clients, sentiments around traditional investment strategies and retirement security, shifts in retirement planning strategies and the emerging role of annuities in portfolio allocations.

According to the second chapter from the *2023 PRIP, Financial Professionals Change Approaches to Planning and Investment Allocations*, an overwhelming 97% of advisors notice one or more modifications in their practice due to [Peak 65](#), a historic demographic event when the largest number of Americans ever will reach 65.

“As we hit Peak 65 next year, it’s encouraging to see more advisors go beyond simply managing retirement assets to protecting their clients’ retirement portfolios with annuities,” said Jean Statler, CEO of the Alliance for Lifetime Income. “The retirement savings crisis is about to become a retirement income crisis, so advisors must do everything they can to help clients be better prepared – especially those close to retirement.”

Other key findings from the study include the following:

- **Advisors report several changes in their practice and approach to retirement planning for clients.**
 - 8 out of 10 advisors changed their retirement planning approach in the last year.
 - Though over half believe the 60/40 stock/bond model remains a viable approach, 43% say other asset classes should be added.
 - 52% say the topic of “retirement income” has increased in conversations with clients.

- Close to half say the 4% rule is no longer valid because of changes, like inflation, market volatility, and longevity.
- 4 out of 10 who changed their retirement planning approach in the past year put more into annuities.
- **Advisors see the value of protection.**
 - 78% of advisors say protection is important when working with clients on retirement planning; however, even higher, more than 9 out of 10 clients believe protection of one's retirement assets is important.
 - Advisors rate the importance of retirement income protection higher (81%) than asset growth protection (66%).
 - A majority (54%) believe their clients could spend more money if they added the protection of an annuity to the retirement income plan.
- **Both clients and advisors benefit when annuities are part of a portfolio.**
 - 70% of advisors cite positive changes in client relationships after an annuity sale, with less stress about market fluctuations topping the list.
 - Among consumers who protected their portfolio with an annuity in 2022, 93% are satisfied with their investment choices and 100% of investors who protected their portfolio with an annuity in 2022 are satisfied.
- **Despite growing demand for annuities, there are still disconnects between advisors and consumers/investors.**
 - Though 73% of advisors say they raise the topic of protection with clients, only 33% of investors agree.
 - While nearly half of investors say they are extremely interested in owning an annuity, only 19% of advisors believe their clients have this level of interest.

“Volatile markets, retirement portfolios that lost significant value in the past year, high inflation and the Peak 65 phenomenon all create a perfect storm of retirement insecurity for Americans, especially for those close to retirement or recently retired,” said Jason Fichtner, senior fellow and head of the Alliance’s Retirement Income Institute.

Fichtner, who is also the Chief Economist at the Bipartisan Policy Center, says, “A variety of protected income solutions that can help solve this problem already exist, but advisors and the financial industry must act now to help their clients avoid this cliff.”

As part of the 2023 *PRIP*, ALI also released *Chapter 1: Americans Change Retirement Savings Strategies*, which examines shifts in consumer attitudes and behaviors toward retirement savings.

Following the release of these first two installments today and further analysis of the study data, ALI will publish additional chapters of the 2023 *PRIP* in the coming weeks. The sections include, *Retirement Outlooks among Women Compared to Men* and *Growing Health-related Concerns in Retirement among Peak 65ers*.

The 2023 *PRIP* was conducted among 2,507 American 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. The study includes 519 financial professionals who conduct retirement planning for individual clients and an oversample of Peak 65 consumers between 61 and 65.

For more information on the 2023 *PRIP*, visit protectedincome.org/prip.

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ABOUT THE SURVEY

The 2023 *Protected Retirement Income and Planning* study was created by the Alliance for Lifetime Income and CANNEX. It was conducted online by Artemis Strategy Group in February and March 2023 among 2,507 American Consumers, of which 546 are investors ages 45 to 72 who work with a financial professional and have \$150,000 or more in investable assets. The study includes 519 financial professionals who conduct retirement planning for individual clients and an oversample of Peak 65 consumers between 61 and 65.

ABOUT THE ALLIANCE FOR LIFETIME INCOME

The Alliance for Lifetime Income is a non-profit 501(c)(6) educational organization based in Washington, D.C., that creates awareness and educates Americans about the value and importance of having protected lifetime income in retirement. Our vision is for a country where no American has to face the prospect of running out of money in retirement. The Alliance provides consumers and financial professionals with educational resources, interactive tools, and actionable research and insights to use in building retirement income strategies and plans. We believe annuities – one of only three sources of protected lifetime income – can be an important part of the solution for retirement security in America.

ABOUT CANNEX

CANNEX Financial Exchanges Ltd. supports the exchange of pricing and data for annuities and bank products including term deposits and guaranteed interest contracts (GICs). The firm's data gives financial institutions the ability to evaluate and compare various guarantees associated with savings and retirement products. For more information about CANNEX, visit www.cannex.com.