

ALI Cannex Protected Retirement Income and Planning (PRIP) Report

September 2022

ALI Protected Retirement Income and Planning (PRIP): Background and Objectives

- This is a study among consumers ages 45-75. It is a corollary to a study of financial professionals focused on retirement planning approaches and the role of annuities.
- The primary focus of these two studies is to identify how a range of protected retirement solutions fit with approaches to retirement planning, and how often consumers and financial professionals consider or use annuities in addressing different income approaches and needs.

The purpose of this work is to help educate consumers and financial professionals about the need for protected retirement income and the merits of annuities

Methodology



Consumers

- This online survey of 2,025 consumers was conducted by Artemis Strategy Group April 28 to May 31, 2022. 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
- 35% of the sample is retired (either fully retired or retired, but working part-time)



Financial Professionals

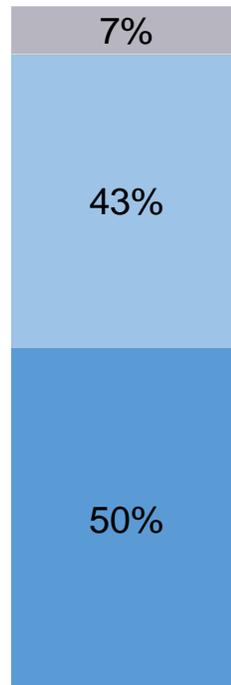
- This online survey of 514 financial professionals was conducted by Artemis Strategy Group April 27 to May 18, 2022, and represents major segments of financial professionals:
 - Registered investment advisor (n=153)
 - Independent broker-dealer (n=160)
 - National wirehouse or full-service broker-dealers (n=91)
 - Regional broker-dealers (n=51)
 - Insurance broker-dealers (n=48)

Half of consumers are more interested in protecting retirement income since the start of the pandemic.

Interest in Protecting Retirement Income Since the Start of the Pandemic

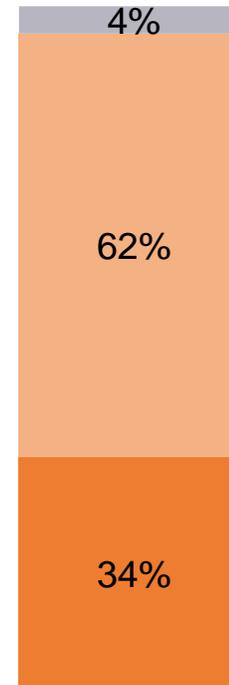
- Less interested in protecting retirement income
- Just as interested in protecting retirement income
- More interested in protecting retirement income

Consumers 



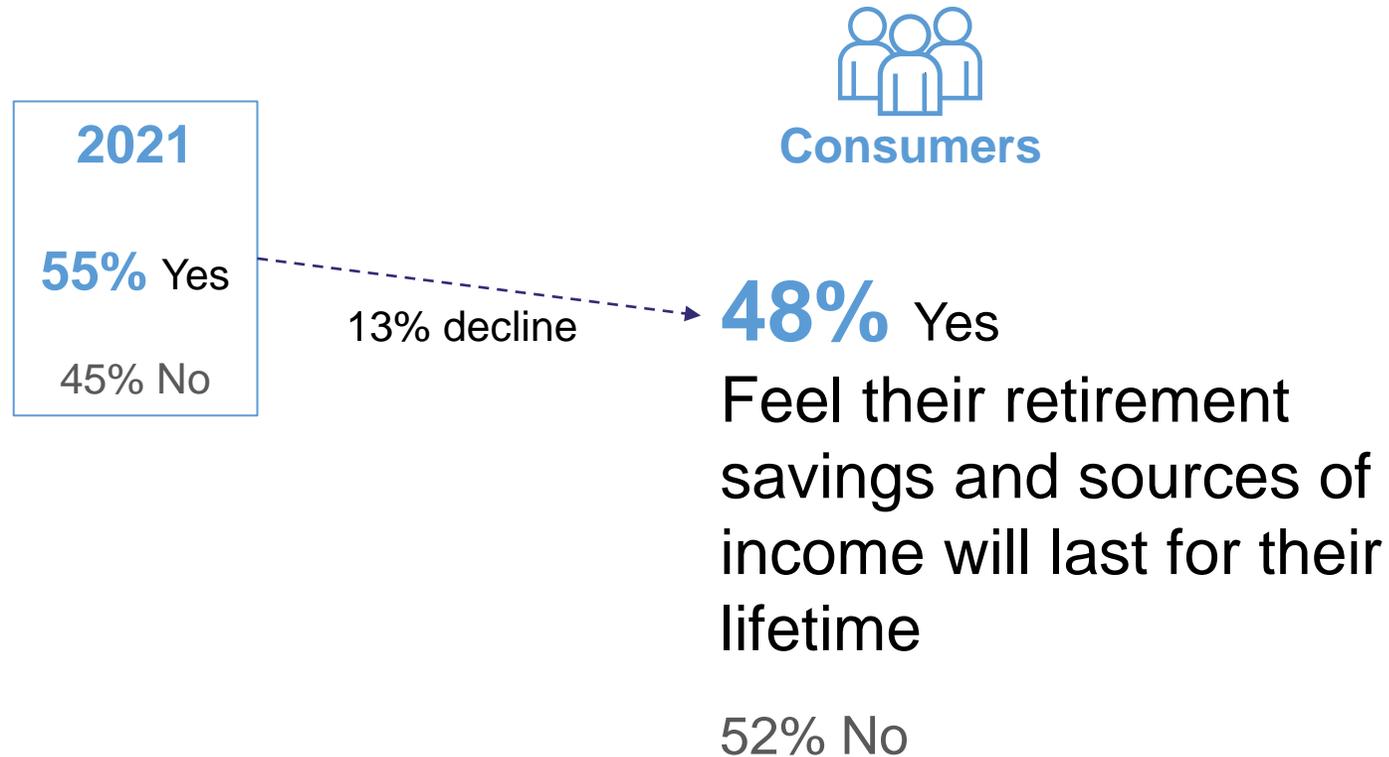
Consumers

Financial Professionals 



Financial Professionals

Just under half of consumers believe their savings will last their lifetime.

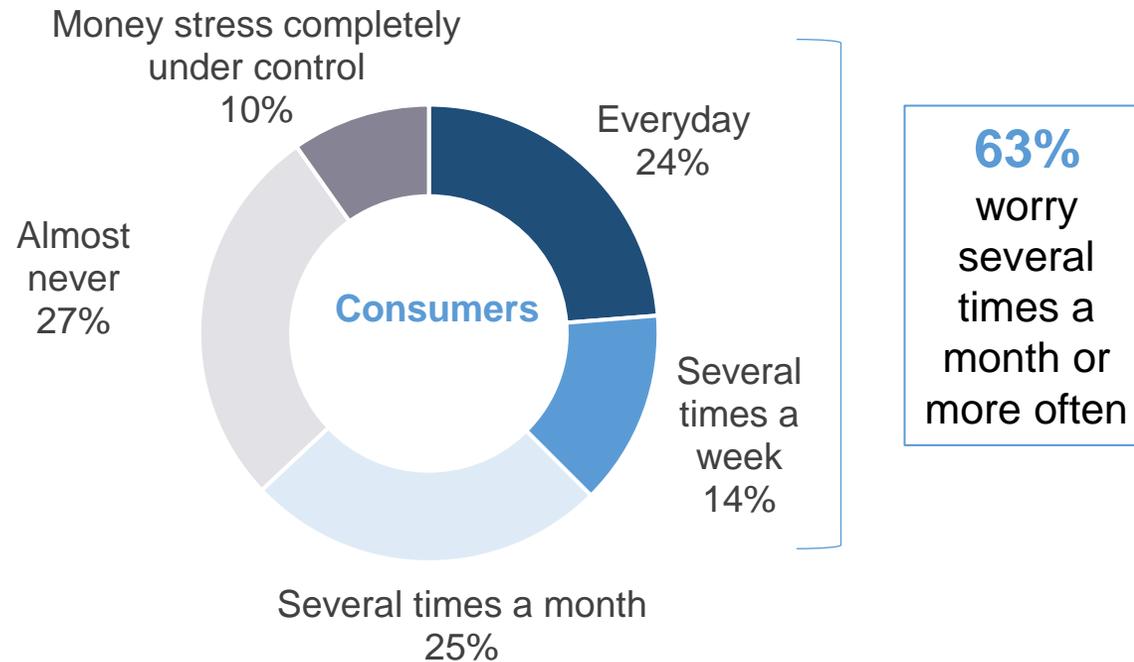


74% of those with an annuity believe their retirement savings and sources of income will last for their lifetime while only 43% of those without an annuity believe their savings and sources of income will last.

Nearly two-thirds of consumers worry about their finances several times a month or more; one-quarter worry about their finances every day.



Frequency Consumers Worry About Their Finances

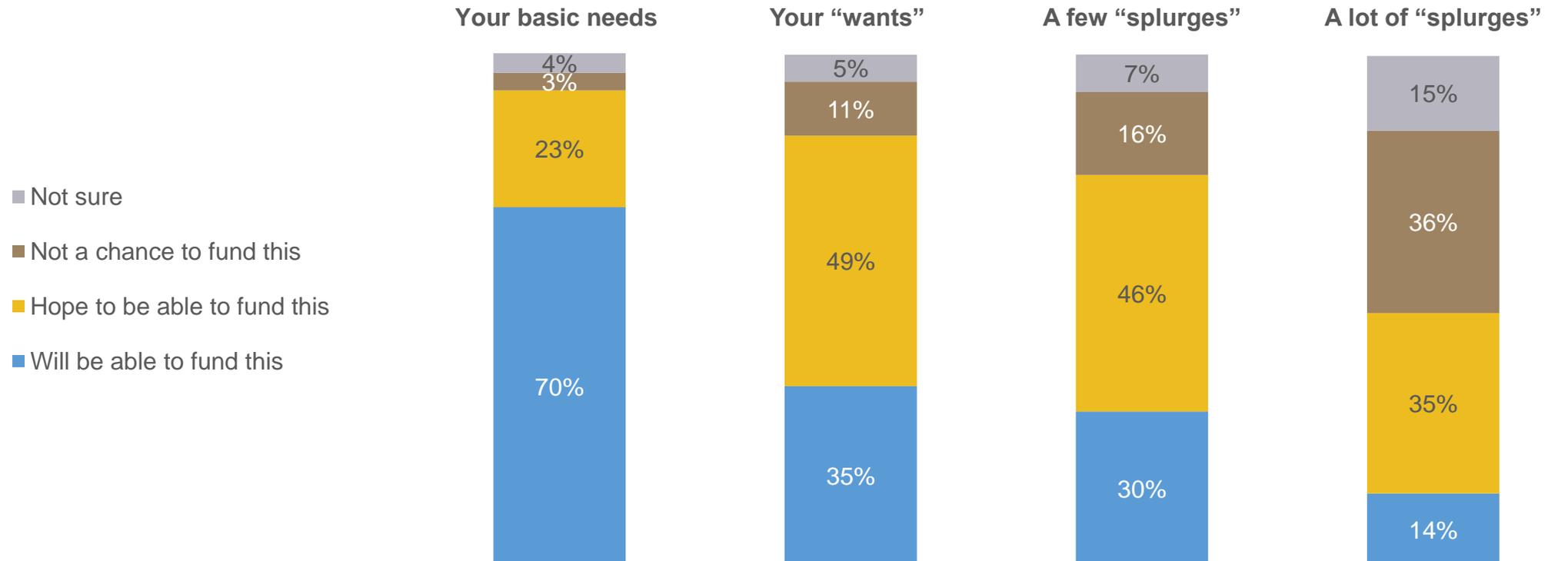


Seven in 10 say they will be able to fund their basic needs in retirement; only a third will be able to fund their “wants.”



Consumers

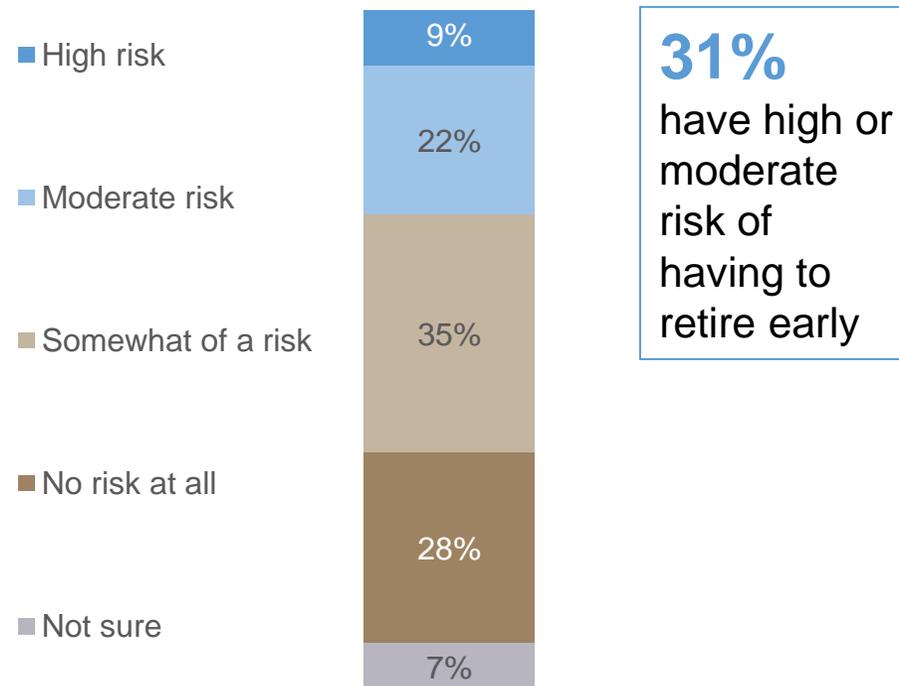
Likelihood to Be Able to Fund in Retirement



Nearly a third of those not yet retired believe they have a high or moderate risk they will be forced to retire early for a reason beyond their control.



Amount of Risk that They May Need to Retire Early
Among not retired and still working



Nearly one-quarter of consumers don't have any kind of financial plan and another quarter have goals or a direction in mind, but not a well-developed financial plan.



Have a Financial Plan

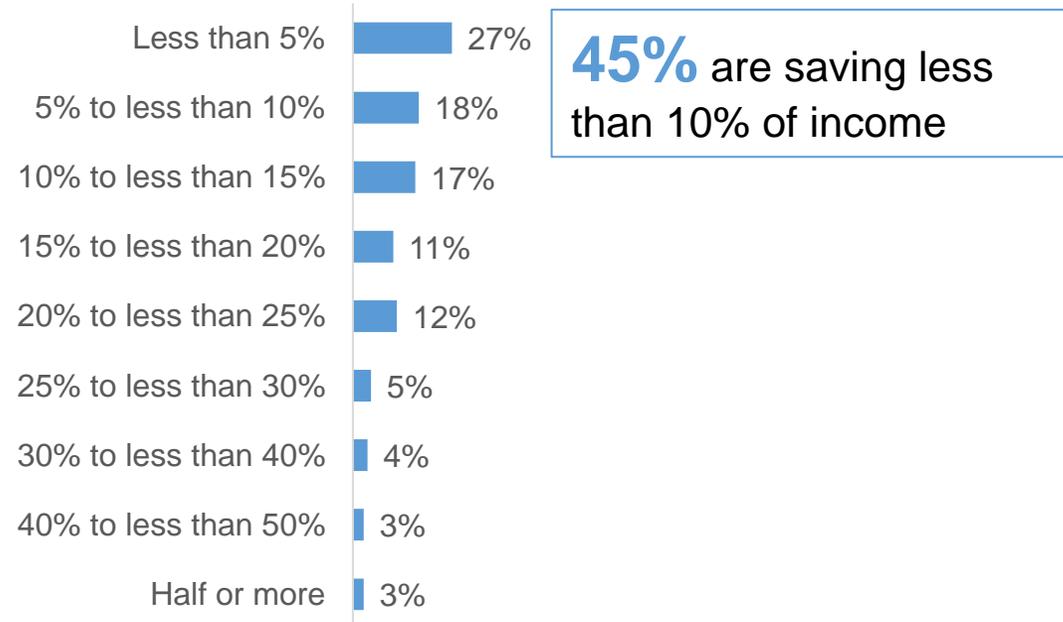


Consumers

Nearly half of non-retired consumers are saving less than 10% of their income annually for retirement.



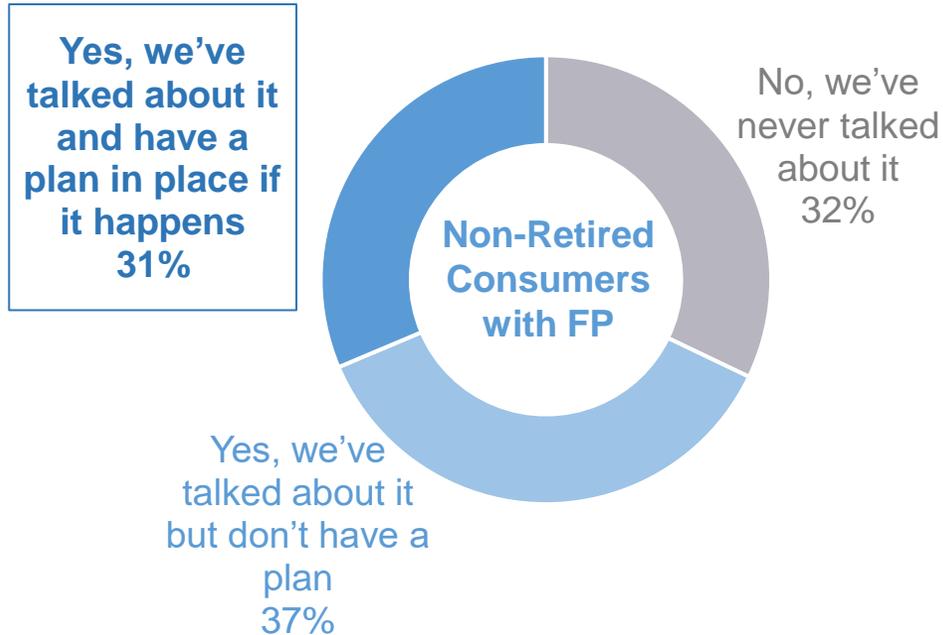
Percentage of Income Saving/Investing for Retirement
Among not retired



Only three out of 10 who are not retired and have a financial professional have talked with their FP and have a plan in place if they need to retire early.

- Had Discussion on What They Would Do Financially If They Had to Retire Early Due to Circumstance Beyond Their Control

Among not retired who have a financial professional



Just over half with an FP would give them an “A” for how much they listen and understand needs.



Among those with a financial professional

Grade Given to Financial Professional on How Much They Really Listen and Understand Needs

A 54%

B 35%

C 10%

D 2%

F 0%

Over four out of 10 consumers believe financial professionals have a responsibility to present guaranteed lifetime income products to their clients.

Agreement with Statements



44% AGREE

Financial professionals have a responsibility to present financial products that provide guaranteed lifetime income in retirement as an option to their clients

51% - Neutral
5% - Disagree

Among those who have a financial professional



42% AGREE

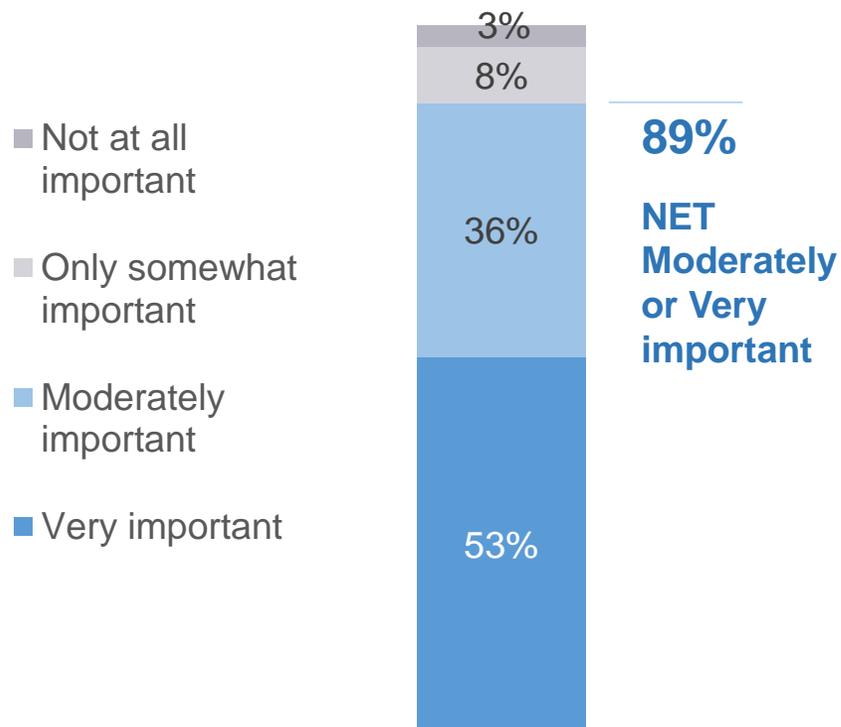
If your financial professional did not present all of the possible strategies for producing income in retirement to you, you would consider leaving that advisor

50% - Neutral
9% - Disagree

Consumers rate protection as more important in the context of retirement planning than financial professionals (89% vs. 73%).

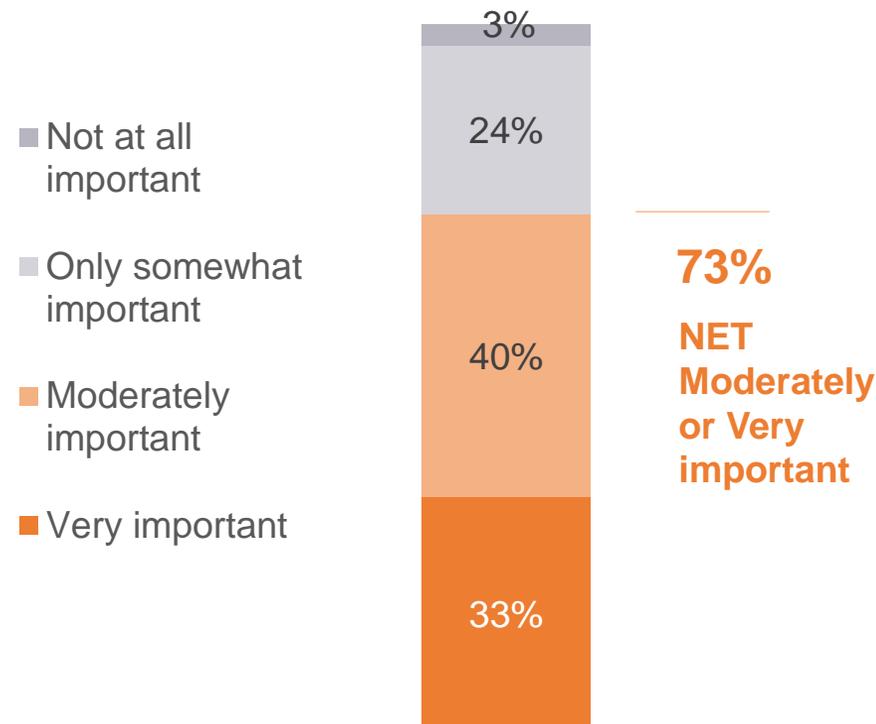
Consumers

Importance of Protection When Thinking About Your Retirement Planning



Financial Professionals

Importance of Protection When Working with Clients on Retirement Planning



Protection = designed to provide a guaranteed income payment or reduce asset loss

Consumers who work with a financial professional are more likely to think their retirement savings and sources of income will last throughout their lifetime.



Among those who work with a financial professional

73% Yes

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

27% No

69% have a pension or annuity



Consumers

Among those who do not work with a financial professional

36% Yes

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

64% No

32% have a pension or annuity