



The importance of longevity literacy—and managing the risks—in retirement

We polled financial professionals and retirement investors to provide new information and uncover new insights on retirement planning opportunities related to longevity risk.


Security in Retirement

SERIES

in partnership with
CENTER for
RETIREMENT
RESEARCH
at BOSTON COLLEGE

See the survey stats:¹

NEARLY
1/3 (32%)




of investors surveyed may be under-predicting their potential longevity.

! RISK: Retirement savers may be vulnerable to outliving their assets.

>40%

of investors surveyed rely on the age of a parent at death to project their life expectancy.



! RISK: The vast majority of people are over or underpredicting their longevity.

INVESTORS AGE **55 to 59**

Are more likely to underpredict life expectancy than those age 60+.

In addition, those who consider themselves in poor health are more likely to under-predict their life expectancy.

! RISK: These factors make longevity a unique challenge to pre-retirement planning.

87 YEARS

Average life expectancy predicted by investors surveyed



90-93 YEARS

Life expectancy routinely predicted by most financial professionals who predict one

! RISK: One third of financial professionals surveyed report 25% or more of their clients would be at risk of outliving their assets if they live to age 90.

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Longer lives reinforce the need for reliable lifetime income.

Many investors are interested in guaranteed[†] income products to insure against longevity risk.



60% of investors surveyed believe it is valuable for retirees to pay for essential expenses with income that is guaranteed for life.[†]



>80% of investors surveyed viewed a financial product that provided a lifetime income stream at least somewhat valuable.



55% of investors surveyed are interested in an annuity that provides guaranteed lifetime income. This far outpaces the current ownership rates of annuities. Many economists believe insuring against longevity risk by purchasing an annuity is an optimal but underused approach.²



59% of financial professionals surveyed, who recommend annuities that provide guaranteed lifetime income say less than half the clients they suggest them to purchase one.

Learn more at jackson.com/researchcenter or call your financial professional.

What are annuities?

Annuities are long-term, tax-deferred vehicles designed for retirement. Variable annuities involve investment risks and may lose value. Earnings are taxable as ordinary income when distributed. Individuals may be subject to a 10% additional tax for withdrawals before age 59½ unless an exception to the tax is met. Add-on living benefits are available for an extra charge in addition to the ongoing fees and expenses of the variable annuity and may be subject to conditions and limitations.

[†] Guarantees are backed by the claims-paying ability of the issuing insurance company.

[†] There is no guarantee that a variable annuity will provide sufficient supplemental retirement income.

¹ Jackson's study on addressing longevity risk, conducted in partnership with Greenwald & Associates and the Center for Retirement Research at Boston College, surveyed 1,009 investors between 55 and 84 years of age and at least shared financial decision-making responsibilities in their household. Of the respondents, 109 had assets of between \$100,000 and \$199,999, and 900 had assets of at least \$200,000. Additionally, 400 financial professionals with three or more years of experience at a firm with at least 75 clients and \$30 million in assets under management were surveyed. Surveys were conducted online from June 12 to July 7, 2023.

² Hallie Davis et. al., Global Financial Literacy Excellence Center, "Examining the Barrier to Annuity Ownership for Older Americans," October 6, 2021.

Greenwald & Associates and the Center for Retirement Research at Boston College are not affiliated with Jackson National Life Distributors LLC.