JACKSON®

Security in Retirement

SERIES

in partnership with

CENTER for RETIREMENT RESEARCH at BOSTON COLLEGE

Managing the unexpected

Highlights from our Security in Retirement Series: Healthcare Risk white paper[1]

Longer lifespans are changing how many financial professionals and investors approach retirement planning. Learn how to manage healthcare risks, close planning gaps and bring greater clarity to the future.

ONLY **27%** of investors believe they'll need long-term care at some point[2]

The facts about long-term care: expectations versus reality

The reality is that about 70% of people will likely need long-term care at some point.[3] This represents a 43 percentage point gap that can lead to under-preparation and put investors at significant financial risk in retirement.

79% OF INVESTORS SURVEYED think medical advances in the next 10 years further enforce the need for financial planning[4]

Sticker shock: retirees face rising healthcare costs

The price of medical care has increased by more than 120% since 2000.[5] This can be attributed, in part, to people living longer. Longer lifespans can mean more chronic conditions to manage and increasingly complex care needs.

To put it simply: when people live longer, they need more money to maintain their desired lifestyles. So how do the investors surveyed plan to cover these costs? By cutting back on restaurants, vacation spending, other entertainment costs and leaving a smaller inheritance to their children.[6]

65% of those surveyed WORK WITH A FINANCIAL PROFESSIONAL and are less worried about retirement than investors who don't[7]

Less worry, more wellness: the impact of collaborating with a financial expert

Investors who work with a financial professional are far-less concerned about tackling long-term care expenses than those who plan on their own. With expert guidance, **investors reported feeling more financially secure and having more investable assets—more than $1.2 million, compared to $917,791.**[8]

Securing your future: navigating healthcare costs with confidence

By identifying known risks, investors can then decide on the benefits of insuring against them. Whether it's contingency planning or just anticipating higher healthcare costs, it could be time to get creative. Annuities can help manage healthcare risk as part of a broader retirement strategy, though they may not be right for every investor.

What are annuities?
Annuities are long-term, tax-deferred vehicles designed for retirement. Variable annuities and registered index-linked 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.

To download the white paper or to find out more information, click here.

[1] Jackson's study on healthcare risk, conducted in partnership with Greenwald & Associates and the Center for Retirement Research at Boston College, surveyed 508 retirement investors between 48 and 78 years of age and at least shared financial decision-making responsibilities in their household. Of the respondents, 105 had investable assets from $100,000 to $199,999, and 403 had assets of $200,000 or more. Surveys were conducted online from July 12-August 2.
[2] Emerging Stories: Security in Retirement: Healthcare Risk Retirement Investors Survey. Quantitative Research – Q3 2024. Conducted by Greenwald Research.
[3] Customer Research. Security in Retirement: Healthcare Risk Retirement Investors Survey. Quantitative Research – Q3 2024.
[4] Emerging Stories: Security in Retirement: Healthcare Risk Retirement Investors Survey. Quantitative Research – Q3 2024. Conducted by Greenwald Research.
[5] Kutika Amin, et al., Peterson-KFF Health System Tracker, "Health Cost and Affordability Policy Issues and Trends to Watch in 2024
[6] Emerging Stories: Security in Retirement: Healthcare Risk Retirement Investors Survey. Quantitative Research – Q3 2024. Conducted by Greenwald Research.
[7] Ibid.
[8] Ibid.

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