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# ANNUITIES

Americans are living longer which means retirement planning is more essential and challenging than ever before. However, there are products that can provide a reliable, steady stream of income in retirement, helping individuals navigate changing market conditions. Annuities protect people from the risk of outliving savings and ensure lasting financial security — guarantees not available anywhere else in the marketplace.

## WHY IT MATTERS

- **America's population is aging.** 30.4 million Americans will turn 65 between 2024 and 2030.
- **Traditional pensions are declining.** Only 15% of all private industry employees had access to a defined benefit plan in 2024.
- **People are worried about outliving savings.** 81% of retirement savers report they are concerned about having enough savings to last through retirement. Market volatility only heightens that pressure.

## WHAT ANNUITIES ARE

- An annuity is either immediate or deferred and can be fixed, indexed, index-linked or variable.
- The company agrees to make a series of income payments to the consumer in exchange for a premium (or premiums) that they pay if the individual elects to do so. The annuity allows people to accumulate funds on a tax-deferred basis for later payout in the form of a guaranteed income that they cannot outlive.

**In 2024, life insurers paid out a record-breaking $110 billion in annuity benefits.**

## WHO DEPENDS ON ANNUITIES

- **Middle-income Americans** rely on access to guaranteed lifetime income. The median household annual income among annuity owners is $76,000.
- **For retirees with modest balances** — $250,000 or less — annuitizing a greater portion of savings can have the biggest impact on retirement outcomes.

**View a real story about the importance of the product:**

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