Longer lifespans, the rising cost of living, and the likelihood of cognitive decline are putting pressure on retirement security. Key findings from our Retirement Risk Readiness Study

Increased longevity is resulting in retirements that can last 25 to 30 years or longer. But with the prospect of longer retirements comes the likelihood of increasing living costs. Healthcare costs, in particular, seem to be rising at a faster rate than other expenses, with no end in sight.

Even so, our Retirement Risk Readiness Study has revealed that a majority of people don’t have a good sense of what their retirement expenses will be. While it’s widely understood that inflation makes things more expensive over time, few of us seem to appreciate that rising costs can also bring more complexity.

It’s already challenging to establish and maintain reliable sources of retirement income. Worse, our ability to manage complex financial matters is likely to diminish as we age. If people don’t have a strategy for increasing income opportunity built into their retirement plan, the additional pressure of managing their increased expenses can pose a risk to their retirement security.

That’s why it’s crucial that Americans start to make the connection between aging and inflation risks, so they can plan ahead as much as possible and be better protected for the future.

People are worried about inflation, but they are not taking action to address its potential impact on their retirement security.

Yet few are taking action to address the impact of inflation. Only 24% are talking about it with their financial professional. Only 21% plan to use a financial product with increasing income potential to help address inflation.

People see the risk in rising healthcare costs, but they have a poor sense of what these costs are now or will be in the future.

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Guarantees are backed by the financial strength and claims-paying ability of the issuing company. Variable annuity guarantees do not apply to the performance of the variable subaccounts, which will fluctuate with market conditions. Increasing income potential is provided through either built-in or optional riders at an additional cost.


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