

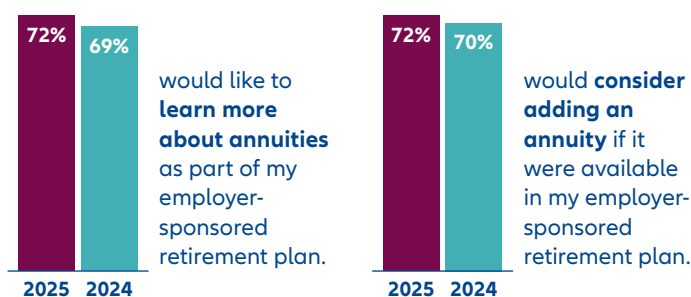
2026 State of Lifetime Income Report

Contents

	PAGE
The “mailbox money” model	2
Financial stressors	4
Addressing the decumulation challenge	6
A strong appetite for personalized advice	8
Connecting the dots	11
Let’s work to enhance participant outcomes, together	12

Stability never goes out of style

The numbers tell a consistent story: American workers are not just interested in retirement security; they want products that can help secure a portion of their employer-sponsored retirement plans.



Additionally, nearly 8 in 10 (78%) find it appealing that annuities offered through their employer’s plan might be cheaper than those bought on their own.

“At the end of the day, workers are looking for a practical way to turn a lifetime of savings into a lifetime of income, and having a portion of that guaranteed is a significant part of the equation.”

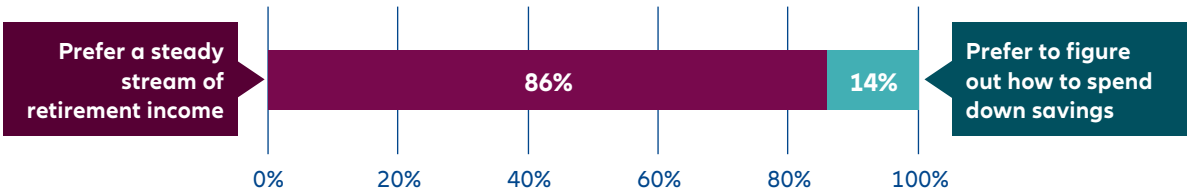
– Matt Gray, VP, Employer Markets, Allianz Life Insurance Company of North America

The “mailbox money” model

This demand is underpinned by a strong preference for income stability – what some have called “mailbox money,” a reliable stream of income that can mirror the regular cadence of a paycheck during working years.

Removing the guesswork from retirement income

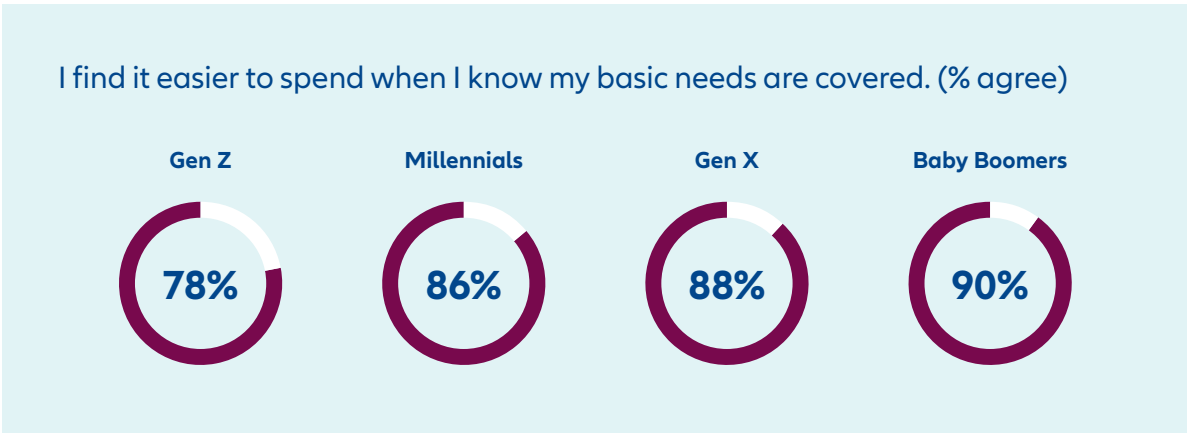
The vast majority of American workers would rather have a steady stream of retirement income than face the stress of “decumulation,” the guesswork of figuring out how much they can safely spend from their retirement savings to support themselves.



From retirement savings to retirement spending

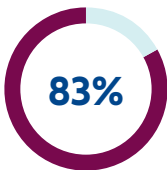
Notably, this predictability can also change how people approach spending in retirement. When individuals can cover essential expenses like food and housing with guaranteed income from a product like an annuity, it changes the math of retirement.

The vast majority of workers, especially Millennials, Gen Xers, and Baby Boomers, feel more comfortable spending their retirement savings when they know their basic needs are taken care of.



Strengthening Social Security’s foundation

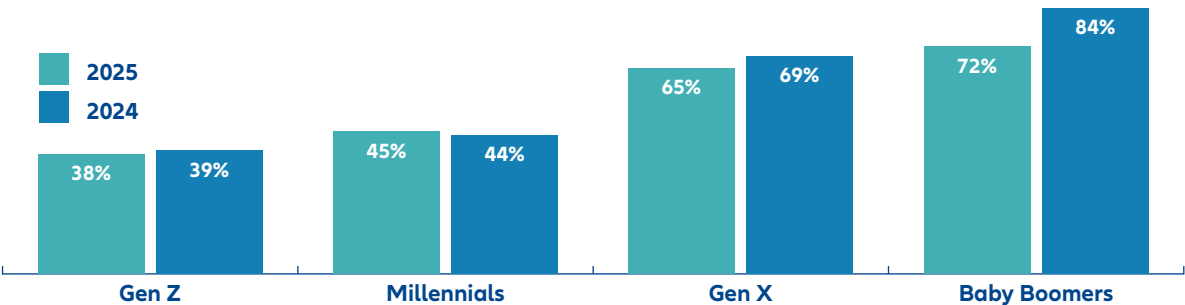
When annuities are presented as a steady stream of income that complements Social Security benefits, they generate more interest than when discussed on their own.



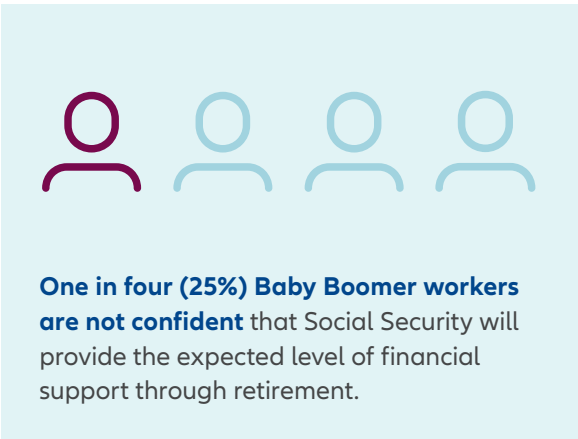
of workers **express interest in products that provide guaranteed income** to complement Social Security.

This highlights the appeal of having a predictable financial floor, providing retirees with the reassurance of regular income alongside federal benefits. This demand for supplemental sources of guaranteed income comes at a pivotal moment, as trust in traditional systems begins to waver.

Percentage of workers expecting to rely on Social Security in retirement, by generation



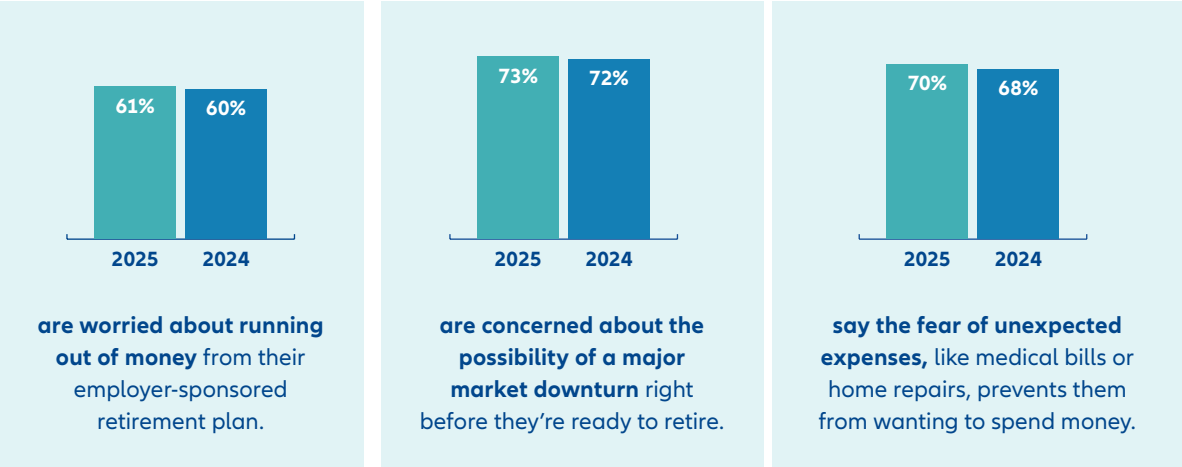
Even among older generations in which the majority of workers expect to rely on Social Security, not all are confident about the level of financial support that it will provide.



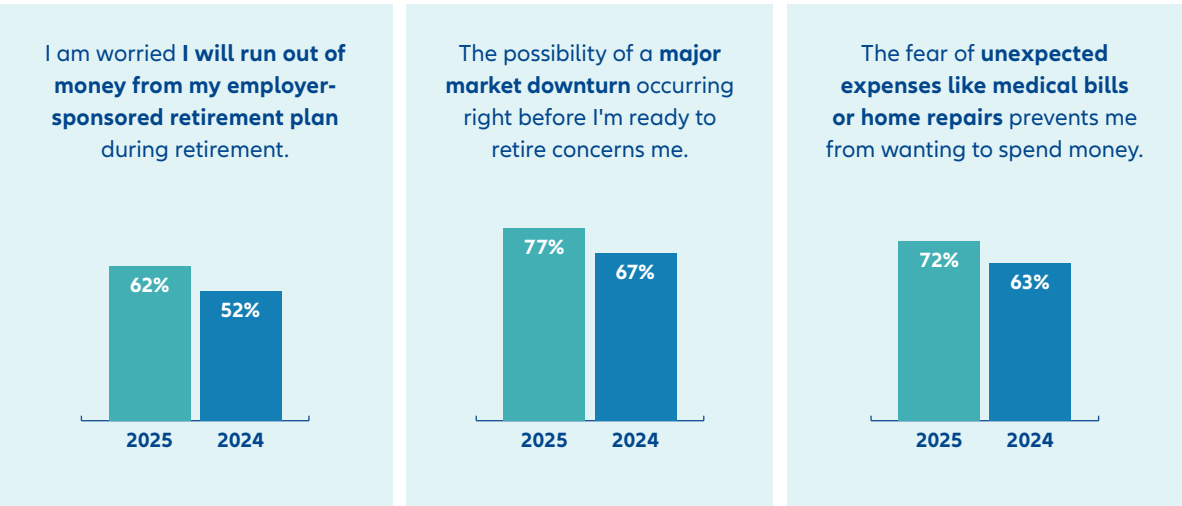
Financial stressors

Age-old worries, urgency with age

Between 2024 and 2025, financial stressors have remained relatively stable, with the majority of workers expressing concerns about longevity, market volatility, and unexpected expenses that could jeopardize their retirement plans.



Older workers, especially those at or near retirement age, are experiencing heightened pressure. Baby Boomers saw an approximate 10 percentage point increase for each of the following compared to 2024:



Retiring in a period of economic uncertainty can add a heavy layer of anxiety to an already complex transition. In addition to the challenge of generating a steady income to cover daily expenses, retirees may worry about the impact of a significant market downturn or the potential disruption caused by unexpected major expenses.

Top challenges to saving for retirement



Current cost of living



Credit card debt



Housing debt
(mortgage or rent)



Spending too much on things I don't need



I don't know how much to save/ what to invest in

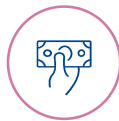
The most significant obstacle, cited by almost half of all workers (45%), is the current cost of living. This is followed by credit card debt (28%), housing debt (24%), and spending too much on things I don't need (19%). Interestingly, a lack of financial knowledge (17%) has emerged as one of the top five barriers to effective retirement planning. These challenges surpass concerns about medical debt (15%), caregiver-related financial responsibilities (15%), retirement plan withdrawals/loans (13%), personal student loan debt (12%), and student loan debt of a child/dependent (8%).

This situation creates a double-edged sword: Individuals face the immediate pressure of managing day-to-day survival while simultaneously grappling with the long-term anxiety of feeling unprepared or underprepared for their financial future.

Future risks to retirement income



Inflation reducing purchasing power



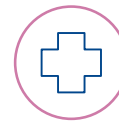
Major non-health-related expenses



Market downturns



Changes to Social Security/ Medicare



Health care or long term care expenses

Looking toward retirement, inflation remains a top perceived risk to future income, cited as a top two risk by 34% of workers, although its prominence has slightly decreased as other concerns have risen. Notably, fears of unexpected non-health-related expenses have increased since 2024 (ranked as a top-two risk by 34% of workers in 2025 vs. 30% in 2024).

These were more frequently cited as top-two risks compared to concerns about market downturns affecting retirement savings (31%), changes to Social Security and Medicare (30%), health care and long term care expenses (28%), living longer than anticipated and potentially running out of money in my plan (25%), and cognitive decline impacting my ability to manage my own finances (18%).

Addressing the decumulation challenge

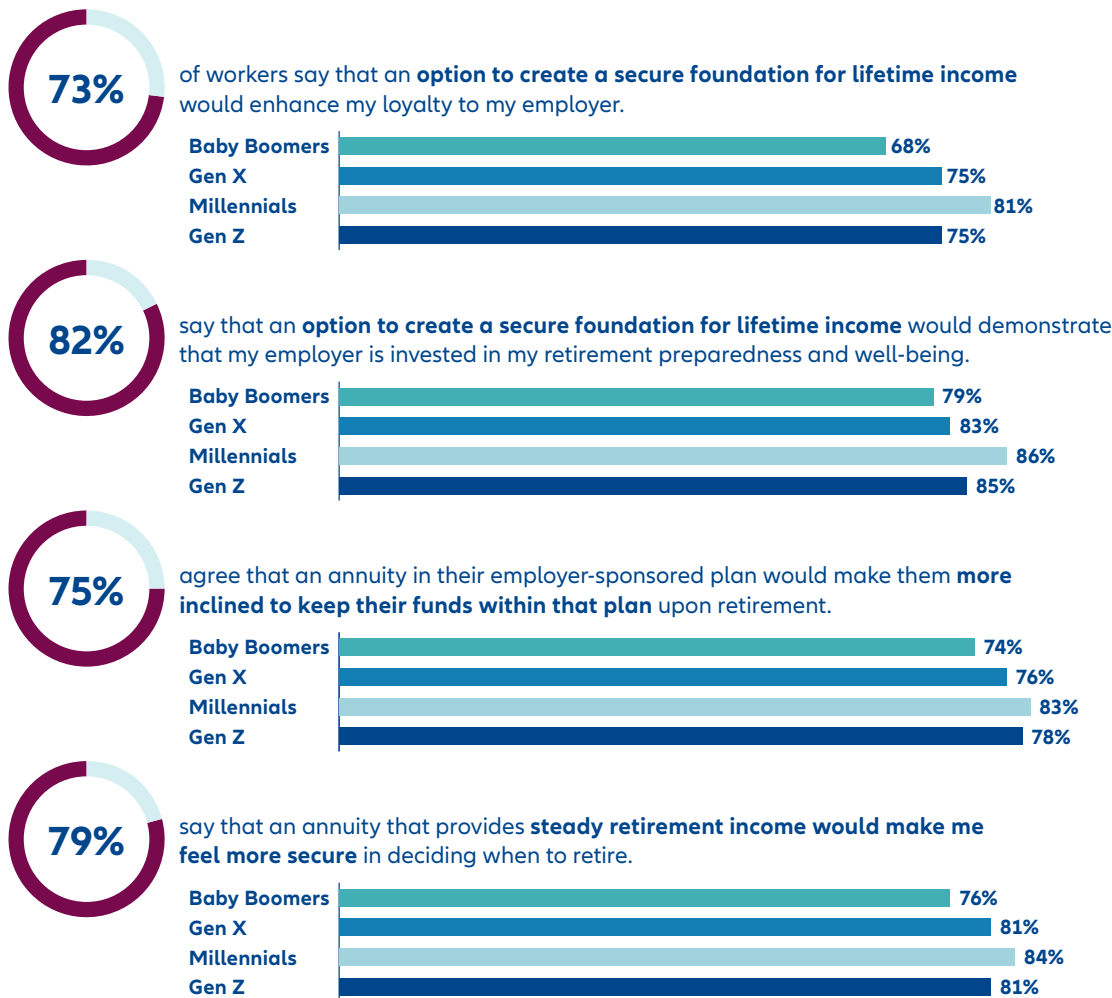
Uncertainty undermines confidence in retirement planning

While the industry has made it easier to save for retirement, it hasn't made the future any more predictable. This leaves individuals struggling to turn their market-dependent savings into reliable retirement income.



Unlocking business value with guaranteed lifetime income solutions

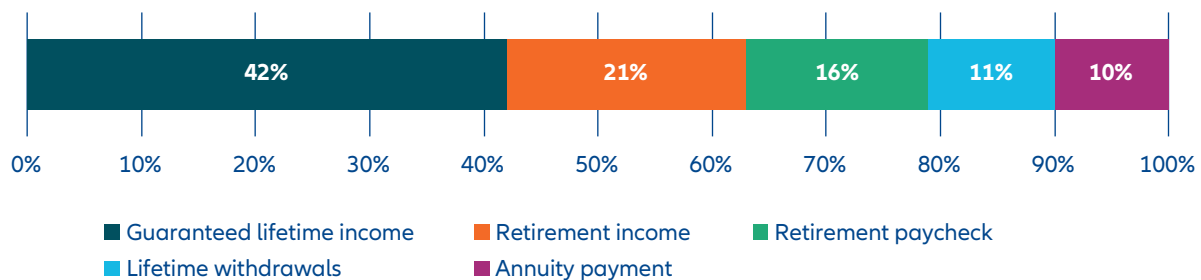
However, there is a silver lining. Not only can employers address this challenge, but there is also substantial business value in doing so.



Workers want it, but what do you call it?

The value proposition is clear: Workers are increasingly interested in a financial product that offers guaranteed income they cannot outlive. However, the industry has yet to reach a consensus on what to call these products. Among workers contributing to an employer-sponsored plan, “guaranteed lifetime income” is the leading favorite.

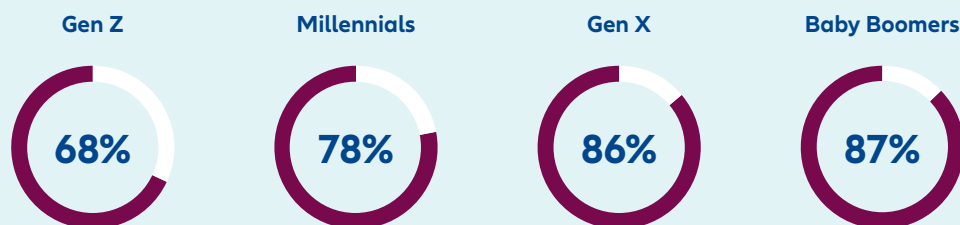
Preferred term to describe regular payments from an annuity (% ranked 1st)



The appeal of in-plan, incremental contributions

The concept of incorporating guaranteed lifetime income solutions as an option within a retirement plan is highly appealing to workers. Similar to last year, a significant 80% of workers favor contributing smaller amounts over time through payroll deductions, rather than making a one-time lump sum payment at retirement.

Percentage who prefer incremental contributions over a lump sum payment at retirement, by generation

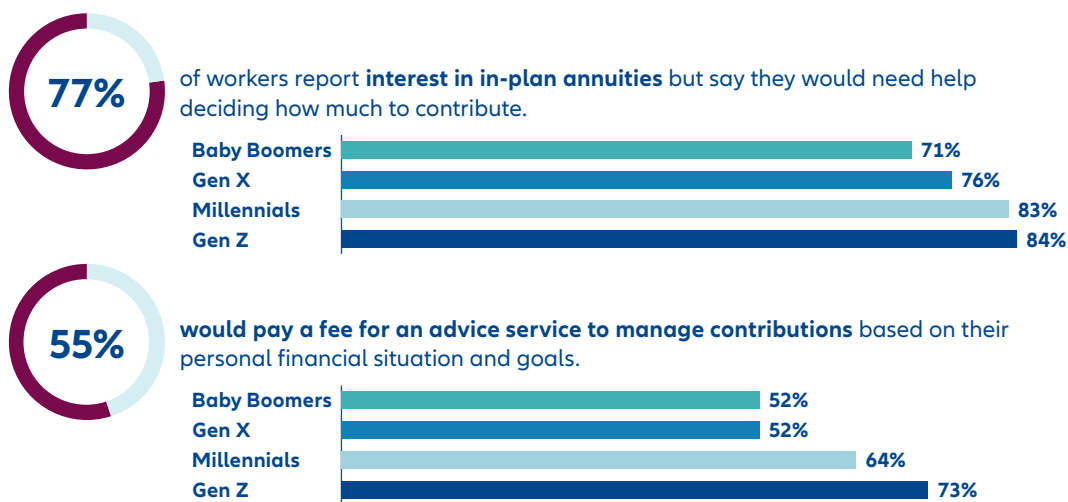


This preference is evident across all generations, with particularly strong support from Gen X and Baby Boomers. This aligns with the target demographics for these products, where contributions to the annuity through employer-sponsored retirement plans typically begin 10 to 15 years before retirement. This approach allows younger savers to remain invested in growth-oriented assets for a longer period, while older savers gradually transition into annuity contributions.

A strong appetite for personalized advice

While interest in guaranteed lifetime income solutions remains high, retirement savers need help figuring out how these solutions fit into their overall retirement picture.

Across generations, there's a shared concern about determining the right contribution amounts, with Millennials and Gen Z showing the greatest interest in advice services.



From another perspective, uncertainty about an annuity's suitability for an individual's situation is the second most common concern in employer-sponsored plans, after fees. This concern has been trending upward since 2024, along with liquidity worries.

Individuals prioritize the value an annuity can add to their personal financial situation over getting hung up on its inner workings. Notably, many modern in-plan annuities have been designed to address many of these other concerns.

2025 In-plan annuity concerns (most cited to least cited)

- 1. Fees and charges (39%)
- 2. Uncertain if right for my personal situation (30%)
- 3. Lack of liquidity/restricted access to funds (27%)
- 4. Financial stability of the insurance company (25%) ↓
- 5. Limited growth potential (24%)
- 6. Lack of retirement income flexibility (22%)
- 7. Complexity of the annuity (20%)
- 8. Negative impact on legacy value (15%)
- 9. Prefer to purchase outside of plan (12%)

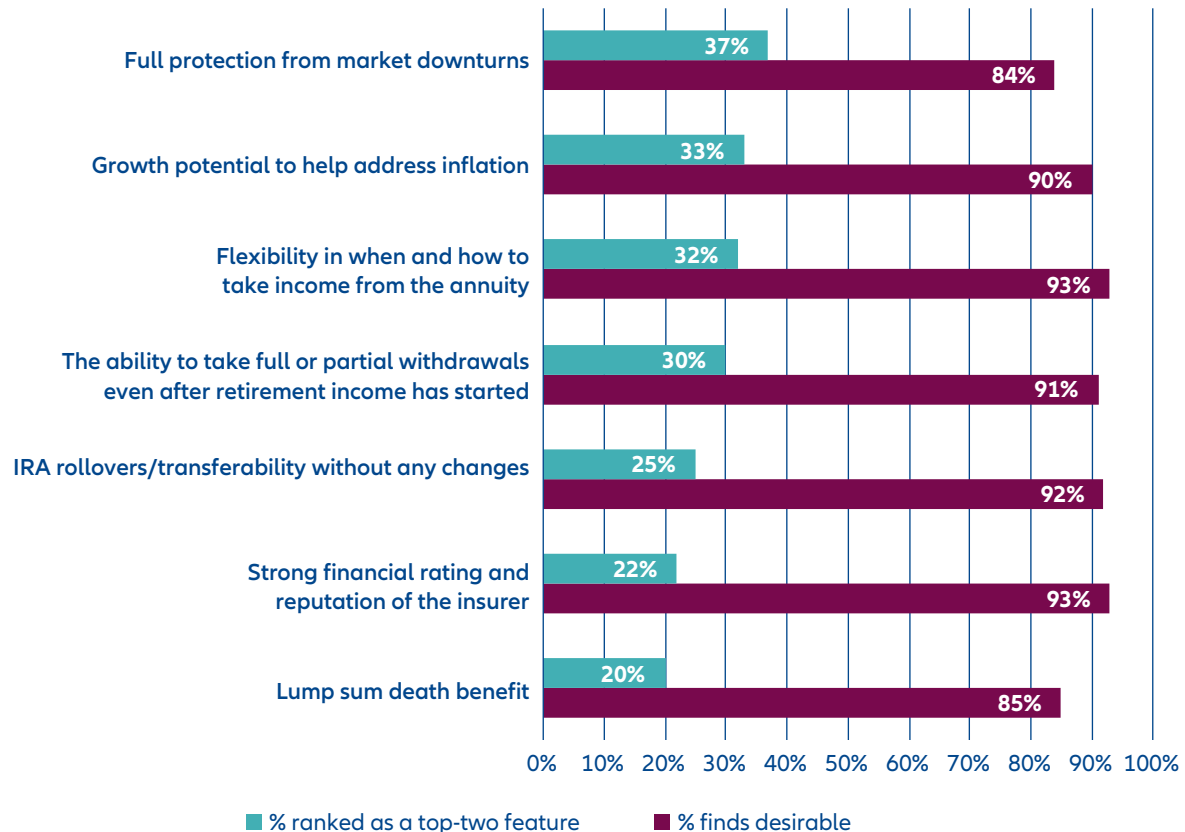
2024 In-plan annuity concerns (most cited to least cited)

- 1. Fees and charges (39%)
- 2. Financial stability of the insurance company (34%)
- 3. Uncertain if right for my personal situation (30%)
- 4. Lack of liquidity/restricted access to funds (24%)
- 5. Limited growth potential (22%)
- 6. Lack of retirement income flexibility (18%)
- 7. Complexity of the annuity (17%)
- 8. Negative impact on legacy value (11%)
- 9. Prefer to purchase outside of plan (10%)

Percentages of workers who ranked as a top-three concern. ↑/↓ indicate major percentage change.

What other features are participants looking for?

Personalization is key to tailoring guaranteed lifetime income to unique circumstances, but there are also several fundamental features that workers are looking for when it comes to a guaranteed lifetime income solution as part of their employer-sponsored plan.



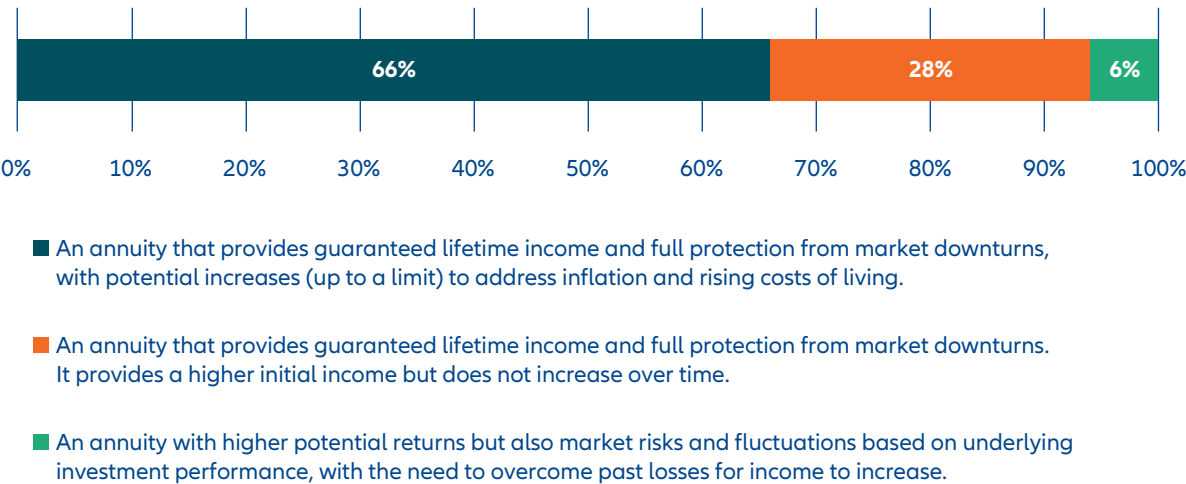
The chart above illustrates that a significant majority of workers considers each of these features desirable. However, when it comes to ranking these features, full protection from market downturns stands out, with nearly 40% of respondents identifying it as a top-two feature.

Close behind are growth potential, flexibility in when and how to take income, and the ability to take full or partial withdrawals, each of which is also highly regarded as a top-two feature.

Concept testing reinforces the importance of protection

Considering the preference for full protection from market downturns, it's unsurprising that the guaranteed lifetime income concepts that were appealing to workers prioritized this feature. The most attractive concept also highlighted growth potential over time, rather than higher starting income. Notably, these preferences are unchanged from 2024.

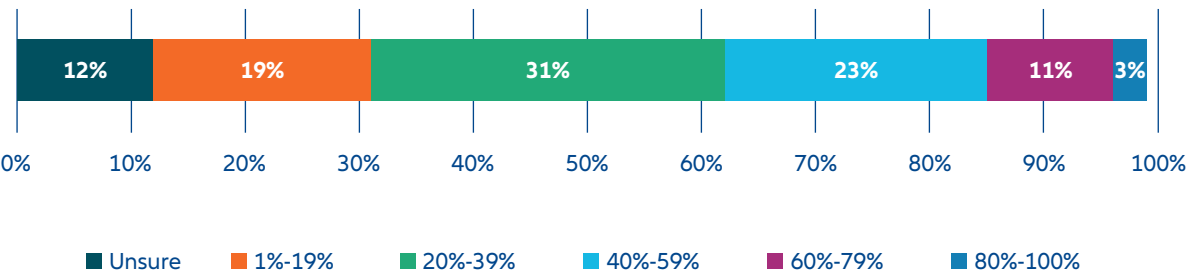
Which option is most attractive for an in-plan annuity?



Annuities viewed as one piece of the puzzle

To contextualize these preferences, most participants view guaranteed lifetime income products as a component of their employer-sponsored retirement plan. Only 3% of workers indicated they would allocate 80-100% of their retirement plan balance to an annuity.

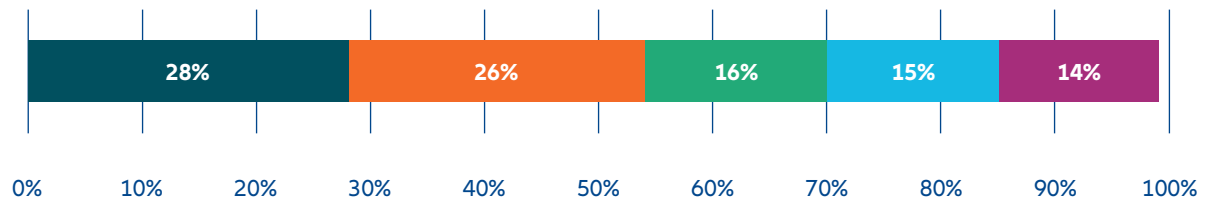
What percentage of your retirement plan portfolio would be appropriate to allocate to an in-plan annuity?



Connecting the dots

Integrating guaranteed lifetime income solutions into employer-sponsored plans is key to helping address many of the financial pressures faced by retirement savers. Although not a standalone fix, these offerings can be integral to a broader risk-management strategy designed to help employees achieve their retirement objectives.

How do you want your retirement income strategy to make you feel? (% ranked 1st)



- A sense of confidence, knowing that my retirement income will last throughout my lifetime.
- A sense of security, knowing that my basic needs are met.
- A sense of protection, knowing that a portion of my savings cannot be lost due to market downturns.
- A sense of freedom, with income that I can choose to spend how I want.
- A sense of control, knowing that I can adjust my plan according to changing life circumstances.

By utilizing insights into worker preferences, financial stressors, and favored product designs, advisors and plan sponsors can go beyond meeting demand. They can begin to address one of the most significant challenges confronting the U.S. defined contribution system: transforming accumulated savings into a dependable stream of lifetime income.

Let's work to enhance participant outcomes, together

At Allianz, our commitment goes beyond simply establishing a lifelong income stream for plan participants. Our fixed index annuity, designed specifically for employer-sponsored plans, is a dynamic solution that adjusts to the constant changes in life. Get in touch with our dedicated Employer Markets team to discover more about our innovative approach.



EMAIL retirement-income@allianzlife.com



CALL 866.604.7516, OPTION 2

About the Allianz Center for the Future of Retirement®

Addressing the complex challenges of retirement planning requires innovative thinking, grounded in data and insights. That's why Allianz launched the Center for the Future of Retirement® to serve as a central hub for our signature consumer research, actionable insights, and public-facing dialogue, all aimed at strengthening the resilience and future-readiness of retirement systems

→ **FOR VALUABLE INSIGHTS**, visit www.allianzlife.com/dcplanresearch.

Fixed index annuities are designed to meet long-term needs for retirement income. They provide guarantees against the loss of principal and credited interest as well as the reassurance of a death benefit for beneficiaries.

Allianz Life Insurance Company of North America (Allianz), its affiliated companies, and their representatives and employees do not give tax or legal advice, or advice related to Social Security or Medicare. Allianz does not provide financial planning services.

The Allianz Center for the Future of Retirement® produces insights and research as part of Allianz Life Insurance Company of North America.

Annuity guarantees are backed solely by the financial strength and claims-paying ability of the issuing insurance company.

Annuities are issued by Allianz Life Insurance Company of North America. 5701 Golden Hills Drive, Minneapolis, MN 55416-1297 | www.allianzlife.com | 800.950.1962

Product and feature availability may vary by state and retirement plan.

This content does not apply in the state of New York.

• Not FDIC insured • May lose value • No bank or credit union guarantee • Not a deposit • Not insured by any federal government agency or NCUA/NCUSIF

For institutional use only – not for use with the public.

(C64712-MVA)