Retirement is on everyone’s mind. Every day that passes brings each one of us closer to it. Yet few Americans are taking the steps necessary to ensure they can enjoy a financially secure retirement. LIMRA research reveals that less than half of Americans are saving systematically in a qualified plan. Looking at younger Americans — those aged 18 to 34 — only 4 in 10 are contributing to a retirement plan like a 401(k), and less than one third say retirement is a top priority for their savings.

This is truly disturbing because, unlike their parents and grandparents who may have enjoyed defined benefit plans, they will be the first generation to be responsible for funding their retirement solely through their savings.

Even with pre-retirees, our research shows that few are really going to be prepared for retirement. Less than half of pre-retirees are confident that they will be able to live their desired retirement lifestyle, and the majority have less than $100,000 in financial assets.

This is the challenge that faces industry leaders. How can we help Boomers manage their retirement and create the guaranteed income they will need? How do we teach younger generations to save systematically so they, too, can achieve the retirement lifestyle they desire?

LIMRA believes we need to take it up a notch to help our members address the fundamental issues undermining Americans’ financial security and capitalize on the vast retirement income market. To do so, we are deploying more resources toward retirement research, education, and services over the next five years.

The retirement income market will double by 2020, to reach $22 trillion. While we already offer a lot of solid research and knowledge that would be valuable as you develop and implement your strategic plans to capture a share of the market, we also recognize that LIMRA is not top of mind in the retirement space.

LIMRA has a long, distinguished history of providing our members the critical research and tools to help achieve their business goals in the life insurance market. While we will continue to strive to be the trusted source of industry knowledge in life insurance, we want you to look to us for your retirement needs as well.

To that end, we are increasing our outreach efforts to ensure that more retirement executives in our member companies are aware of all the great research and services we have. At LOMA, we have dedicated considerable resources to developing new education products. These programs are designed for the retirement space — to help those in the home office understand more about the issues people face in retirement and how our industry’s products help provide a secure future.

In addition, we felt it was our responsibility to bring together a group of senior leaders to talk about these concerns and work together to find ways to help Americans achieve a secure retirement. Therefore, we are forming the LIMRA-LOMA Retirement Advisory
Board. The Board is made up of a broad cross-section of the market and represents product manufacturers, distributors, and service providers. The goal is to promote industry access to resources and best practices that will lead to our members’ success.

At our first meeting later this year, we will explore what more the industry can do to raise awareness about the importance of retirement planning. We will invite senior regulators and legislators to participate in this meeting, to ensure they recognize the good ideas the industry brings and the value of engaging us, as we all strive to help Americans achieve retirement security.

If the industry is going to take advantage of the vast retirement opportunity, LIMRA needs to take a more active role in the debate. We believe our research should be used to help spur and shape the discussions across the country. We want to help our members better understand how they can reach consumers more effectively, motivating them to save systematically and plan for retirement.

I urge you to think of us not only in the life insurance space, but also to keep us top of mind for retirement. We are committed to being your trusted source of knowledge in hot areas.

Stay tuned — there is a lot more to come! ☀

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