2025 Protected Retirement Income and Planning Study (PRIP)

Chapter 1

Alliance for Lifetime Income

Ipsos

Introduction

Chapter One of the **2025 PROTECTED RETIREMENT INCOME AND PLANNING (PRIP) STUDY**, the only annual, nationwide survey of both consumers and financial advisors, finds that financial market volatility, persistent inflation, and increased concerns about the viability of Social Security are having pronounced effects on the attitudes and behaviors of consumers and financial advisors alike.

The first chapter of the Alliance for Lifetime Income's 2025 PRIP Study, which was conducted by Ipsos, highlights critical insights on the state of retirement and retirement security, as millions of Americans reach the traditional retirement age of 65, a historic milestone known as Peak 65®.

30% of consumers ages 61 to 65 are considering delaying retirement

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58% of consumers ages 45 to 75 are concerned their Social Security benefits will be reduced.

65% of financial advisors are changing their retirement investment advice to clients, with 50% saying they are putting more client investments into annuities, which ranks as the most popular change in investment strategy.

Methodology

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Methodology

Field Dates	• April 10-24, 2025
Markets/Language	• United States (English)
Description	• A 20-minute study designed for public release focused on key retirement issues facing people ages 45 to 75. A corollary study is currently being conducted among Financial Professionals. The sample will include both those with and without assets. • This sample was weighted by age, gender, and region to be representative of the national census demographics. This ensures this sample reflects the 45–75-year-old population in the United States right now. Base sizes under n=100 cannot be publicly released.

Audiences	• General Public. n=3,502 total respondents across the United States, representative based on age, gender, and geography. This includes 2 oversample groups:
	    • Peak 65 (61-65): n=500
	    • Investable Asset (aged 45-75 with at least $150k in investable assets and who use a Financial Planning Professional): n=500
	• Financial Professionals n=500 across the United States.

Key Objectives Covered	• Provide greater understanding of existing views of retirement in the U.S., and retirement readiness • Allow ALI to construct messaging supported by methodologically sound research methods and quantitative data • Illuminate the headwinds Americans and Financial Professionals encounter when planning for retirement, enabling ALI to tell the stories that resonate most with Americans • Leverage Ipsos' public opinion and polling expertise to ensure the methodological rigor necessary to pass media vetting standards and pave the way for media pickup

Delays in retirement, high anxiety, and Social Security fears

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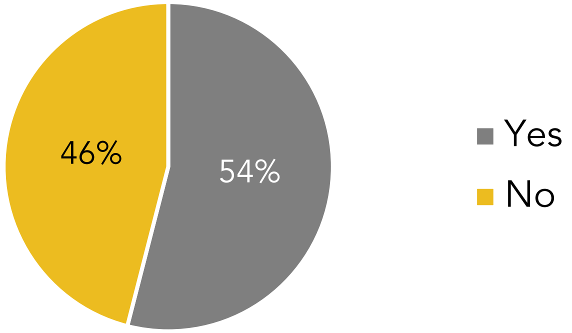
Retirement is a growing source of worry as more than half (54%) of Baby Boomers and Gen-Xers are fearful of outliving their savings in retirement – up from 48% in last year's survey – and an overwhelming 95% of pre-retirees saying protection is important to their retirement plans.

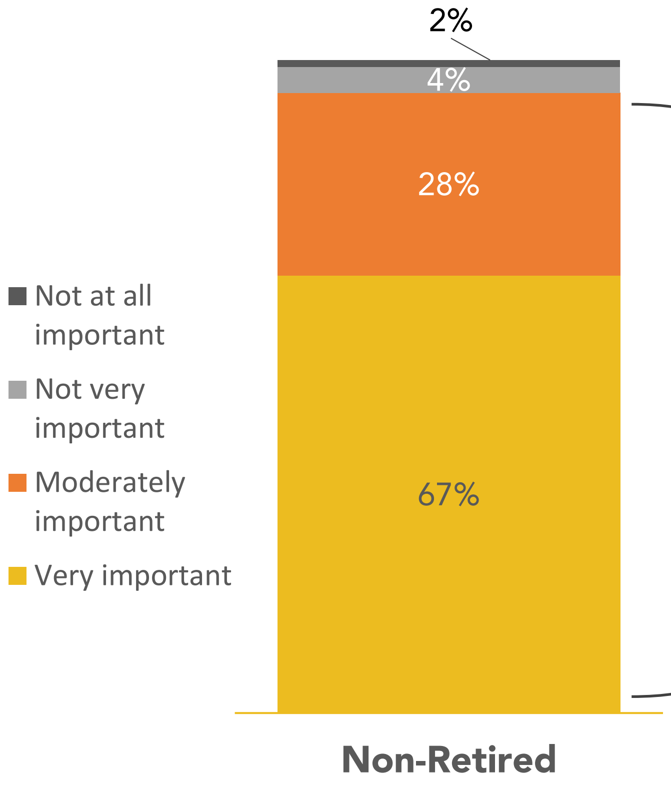
Fearful of Outliving Savings in Retirement
Asked All



+6% from 2024

This number significantly decreases to 38% for those Peak 65, Working with FP, and have Investable Assets over $150k.

Importance of Protection in Retirement Planning
Asked All



95%
of pre-retirees say protection is important in their retirement plans

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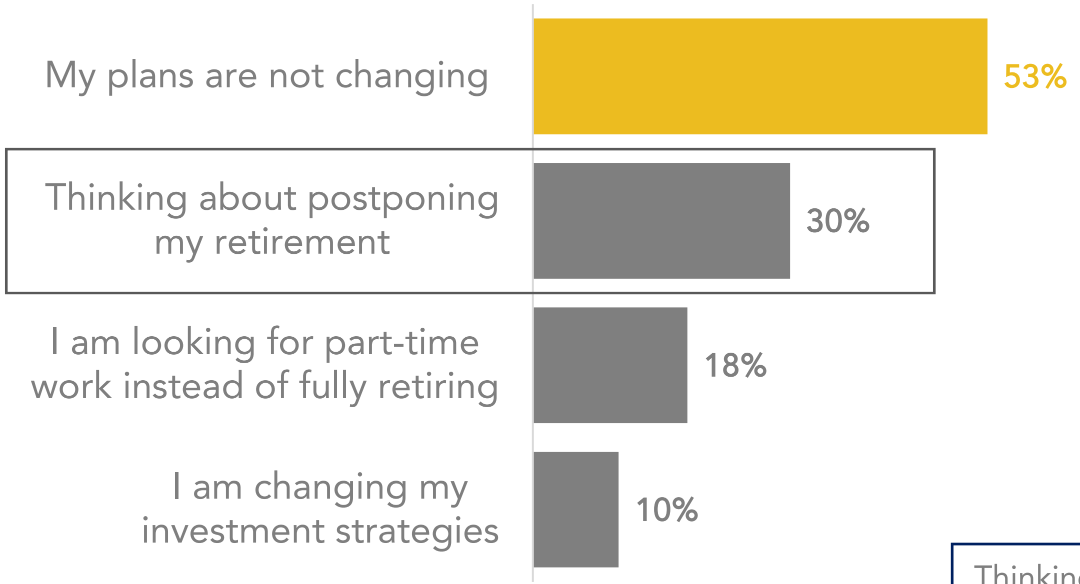
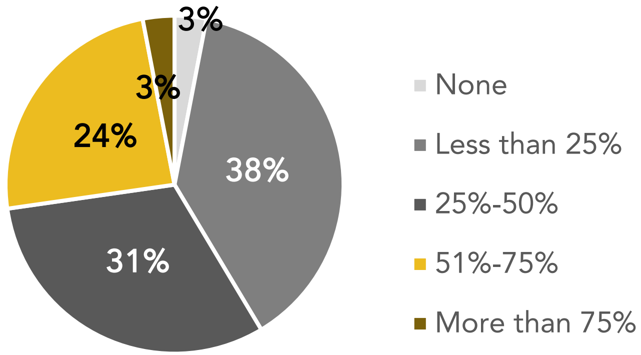
FEAR. Are you fearful of outliving your savings in retirement? Asked to all n= 3,502
PROTECTION_IMP. How important is protection to you when you think about your retirement planning? Asked to all n= 3,502

Those worries are causing many to re-evaluate their retirement plans – 30% of non-retired consumers ages 61 to 65, known as Peak 65 consumers, are contemplating postponing retirement, while financial advisors say 28% of their clients have already delayed retirement.

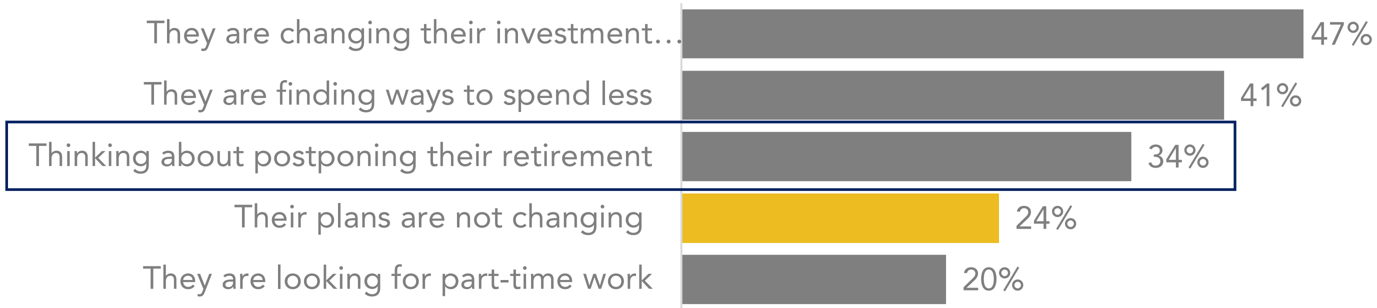
How Retirement Plans are Changing due to Current Political and Economic Environment in the U.S. Right Now
Among Non-Retired Peak Boomers



Clients Have Delayed Retiring Due to Financial Concerns
Among Financial Professionals



How Clients' Retirement Plans are Changing due to Current Political and Economic Environment in the U.S. Right Now, Among Financial Professionals



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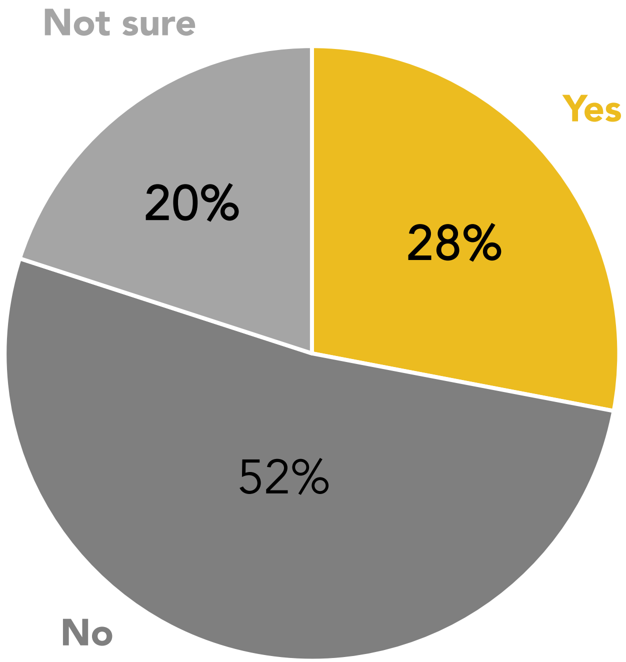
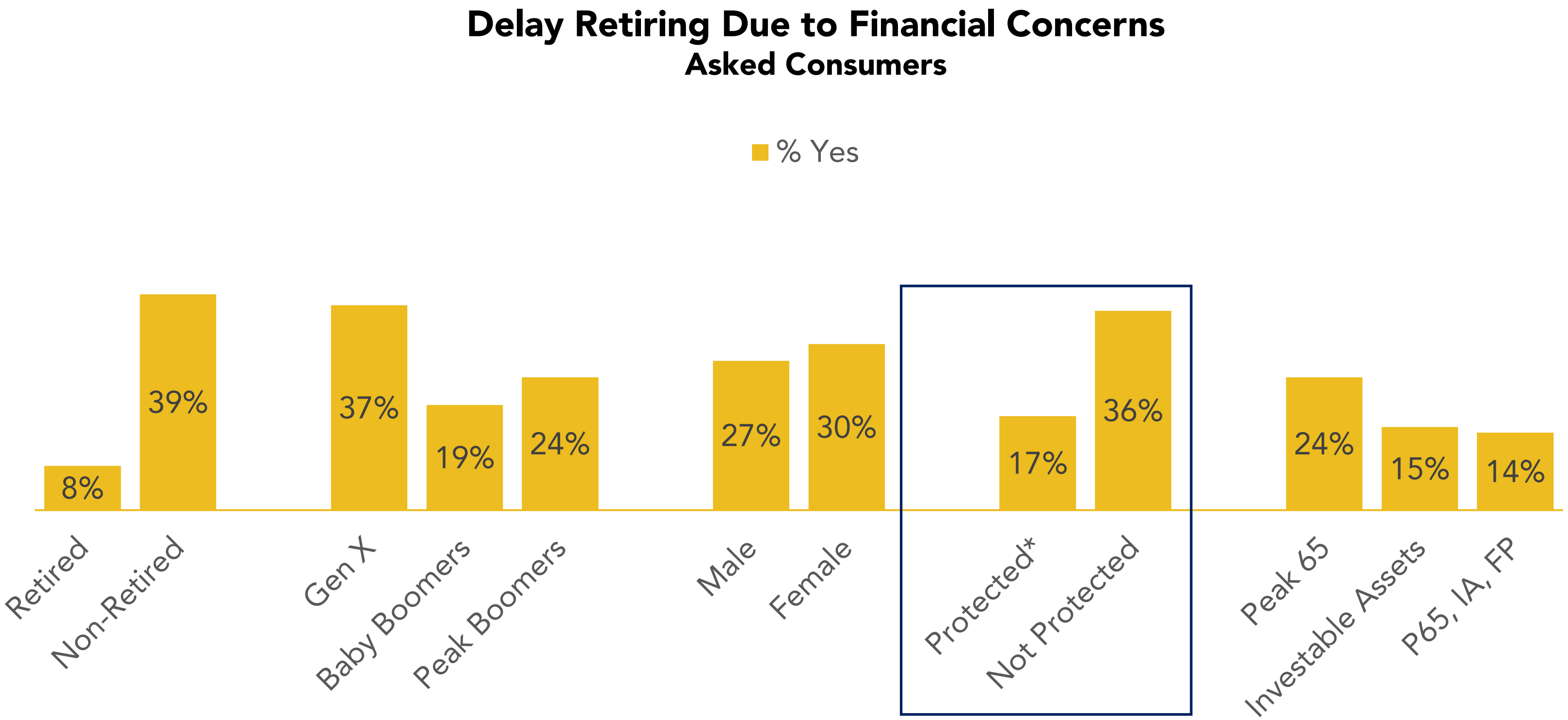
POLITICIMPACT2. How are your /your client's retirement plans changing due to the current political and economic uncertainty in the United States right now? Select all that apply.
DELAY. To the best of your knowledge, what percentage of your clients have delayed retiring due to concerns about their financial situation? Asked all n=500

With more than a quarter (28%) of total consumers ages 45 to 75 contemplating postponing retirement because of financial concerns, financial protection is a safe harbor - those without a pension or annuity are twice as likely (36%) to delay retirement than those with either source of protected income (17%).





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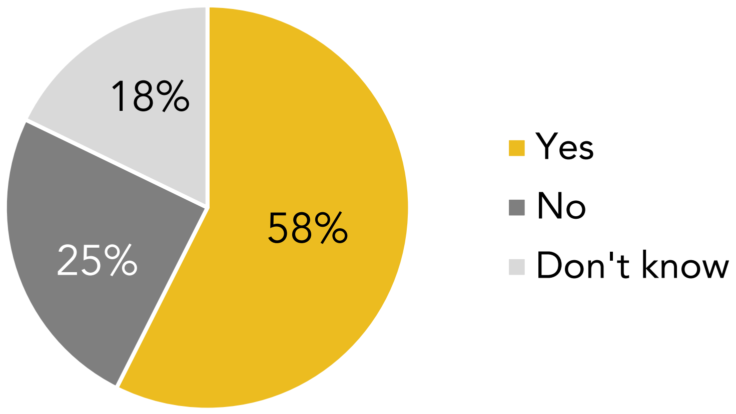
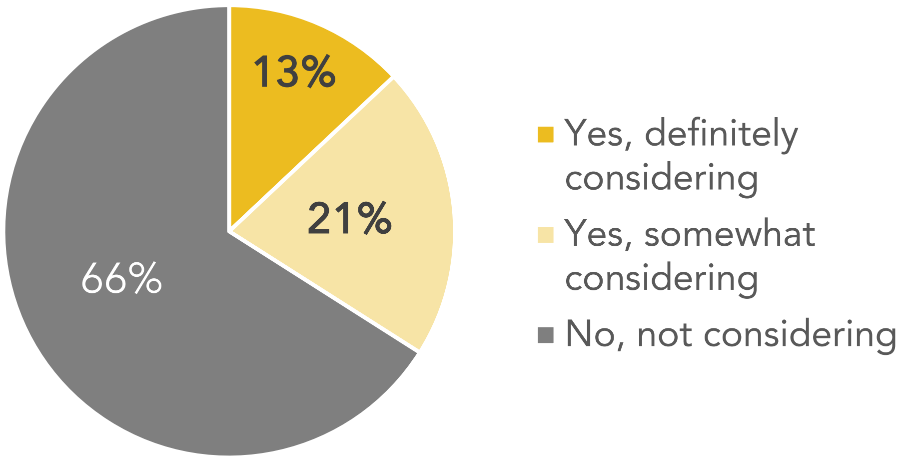
Note: Our definition of "Protected" throughout this report is owning an annuity and/or a pension.
DELAY. [SHOW IF RETIRED "Did you delay" SHOW IF NOT RETIRED "Do you think you will delay"] retiring due to concerns about your financial situation? Asked to all n= 3,502

The future of Social Security adds to the stress as 58% of consumers ages 45 to 75 are concerned that Social Security benefits will be reduced based on recent actions taken by the administration. 13% are "definitely" considering claiming Social Security earlier than originally planned, while 21% are "somewhat" considering doing so.

Concerned that Social Security Benefits Will be Reduced In Light of Recent News
Asked Consumers



Consideration of Claiming Social Security Earlier than Planned in Light of Recent News
Asked to Consumers not Currently Claiming Social Security



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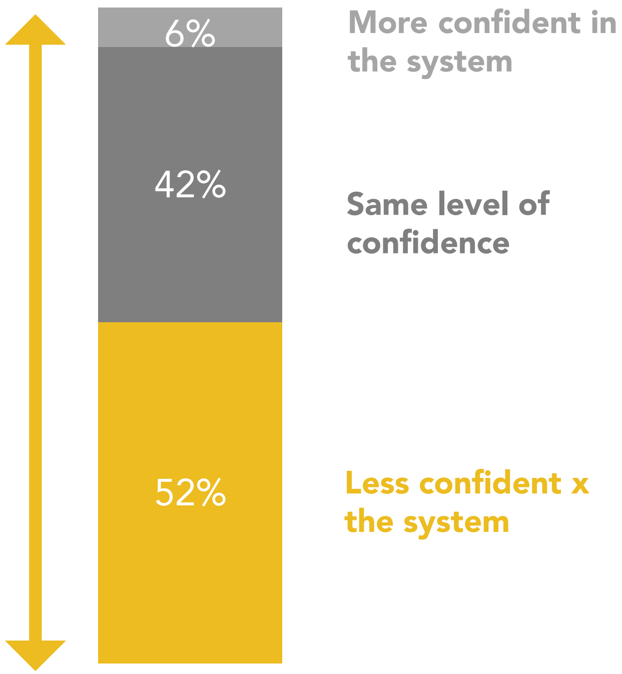
RETCLAIM. In light of recent news surrounding potential changes to the Social Security program, are you considering claiming Social Security benefits earlier than originally planned? Asked to those not Claiming Social Security benefits n=2,121
RETCLAIM2. In light of recent news surrounding potential changes to the Social Security program, are you concerned that Social Security benefits will be reduced? Asked to all n=3,502

And confidence in Social Security is waning as 52% of consumers ages 45 to 75 report less confidence in the program compared to five years ago.

Confidence in the Financial Viability of the Social Security System Compared to 5 years ago

Asked Consumers



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SS_FUTURE. Compared to 5 years ago, how confident are you in the financial viability of the Social Security system? Asked to all n=3,502

All of these concerns are casting a shadow on retirement. 47% of retirees indicate that spending money in retirement gives them anxiety, while 33% said they are spending money faster in retirement than anticipated.

Among Retired Consumers:

47%

of Retired respondents agree spending money in retirement gives them anxiety. This number is significantly higher in females, those who are not Protected, and those in the Peak Boomer group.

33%

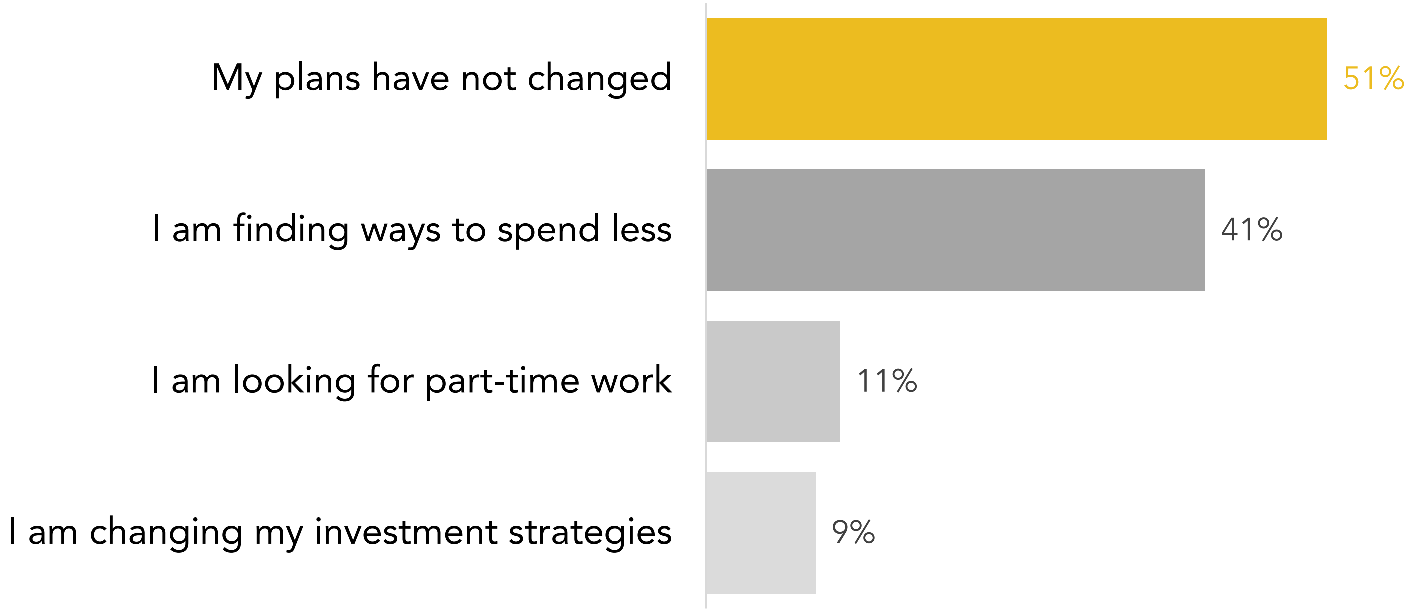
of Retired respondents are spending money faster in retirement than anticipated. Among this group, this percentage significantly increases to 41% for those who are not Protected.

N31. Do you agree or disagree with each of the following? Select one per row. Asked to All n=3,502 AND Asked to only Retired n=1,212

Indeed, the shifting landscape of the US is resulting in modified retirement planning as 41% of retirees are looking for ways to spend less, and 11% of them are looking for part-time work to supplement their income.

How Retirement Plans are Changing due to Current Political and Economic Environment in the U.S. Right Now

Asked Retired



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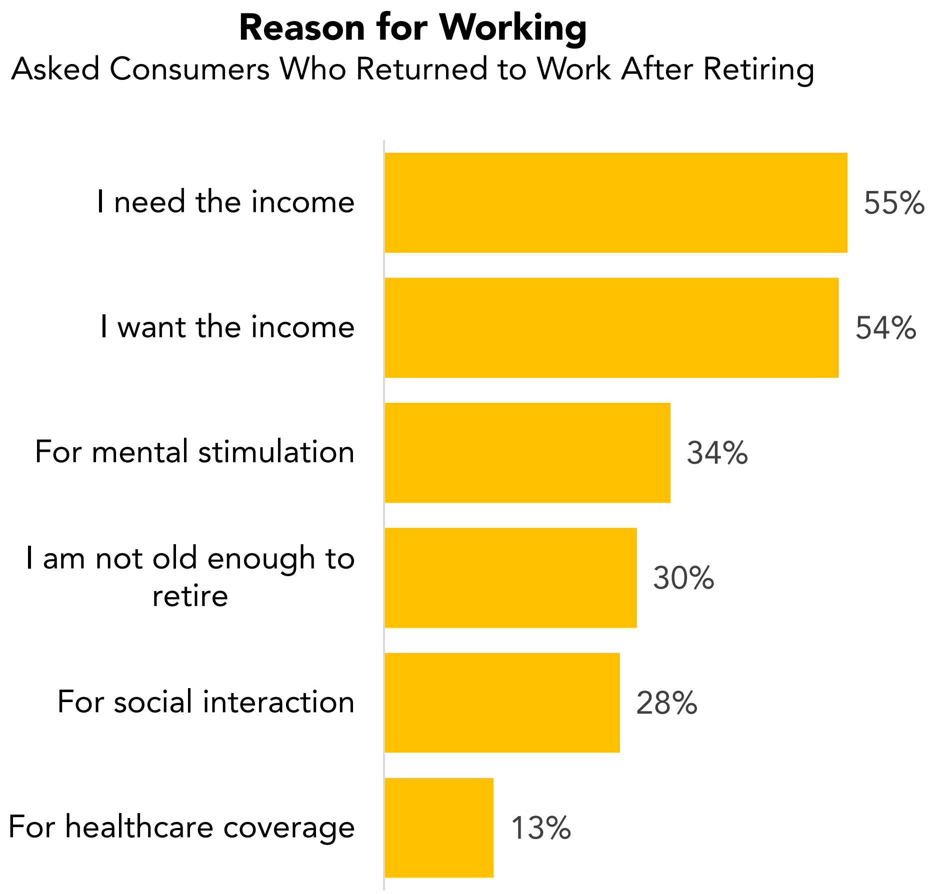
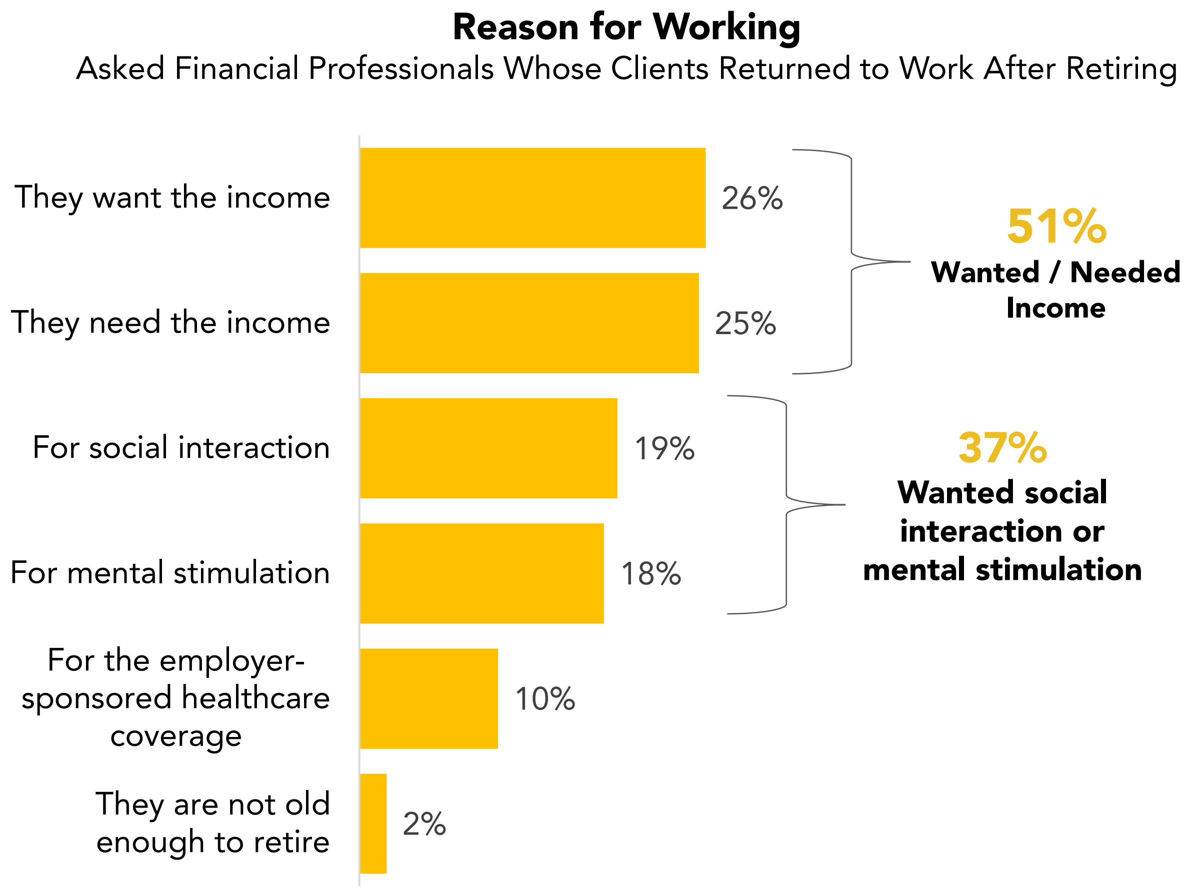
POLITICIMPACT1. How have your retirement plans changed due to the current political and economic environment in the United States right now? Select all that apply. Asked Retired n=1212

According to Financial Professionals, 51% of their clients who've started working again after they retired did so because they wanted or needed the money, while 37% did it for social interaction or mental stimulation.





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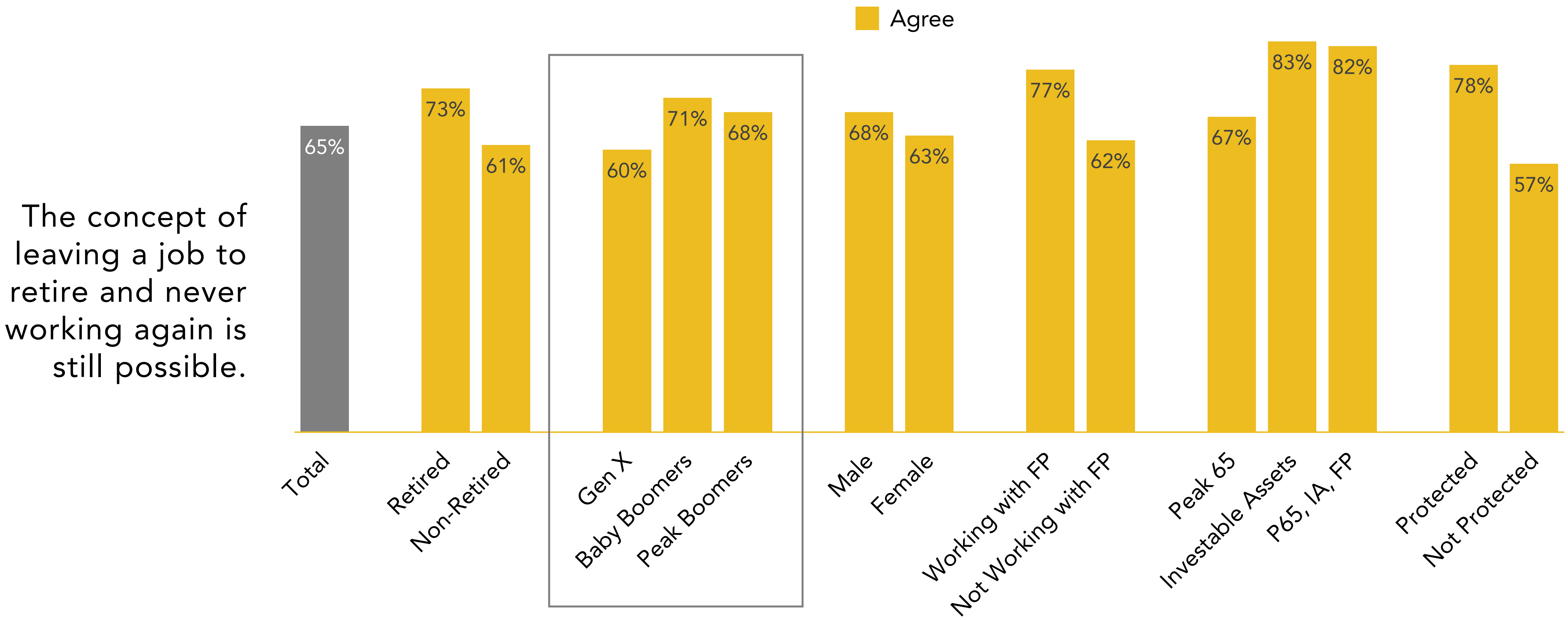
N16. Which of the following describe the reasons you are working or looking for work now? Select all that apply. Asked Consumers who went back to work after retiring n=487
N16. Which of the following best describes the primary reason any of your clients have retired but gone back to work? Select one. [SINGLE-SELECT]. Asked if clients have gone back to work after retiring n=400

Despite the challenges there is still some optimism as more than half (60%) of Generation X consumers believe retiring and never returning to work is still possible, while 68% of Peak 65 consumers feel the same.

Statement Agreement
Asked Consumers



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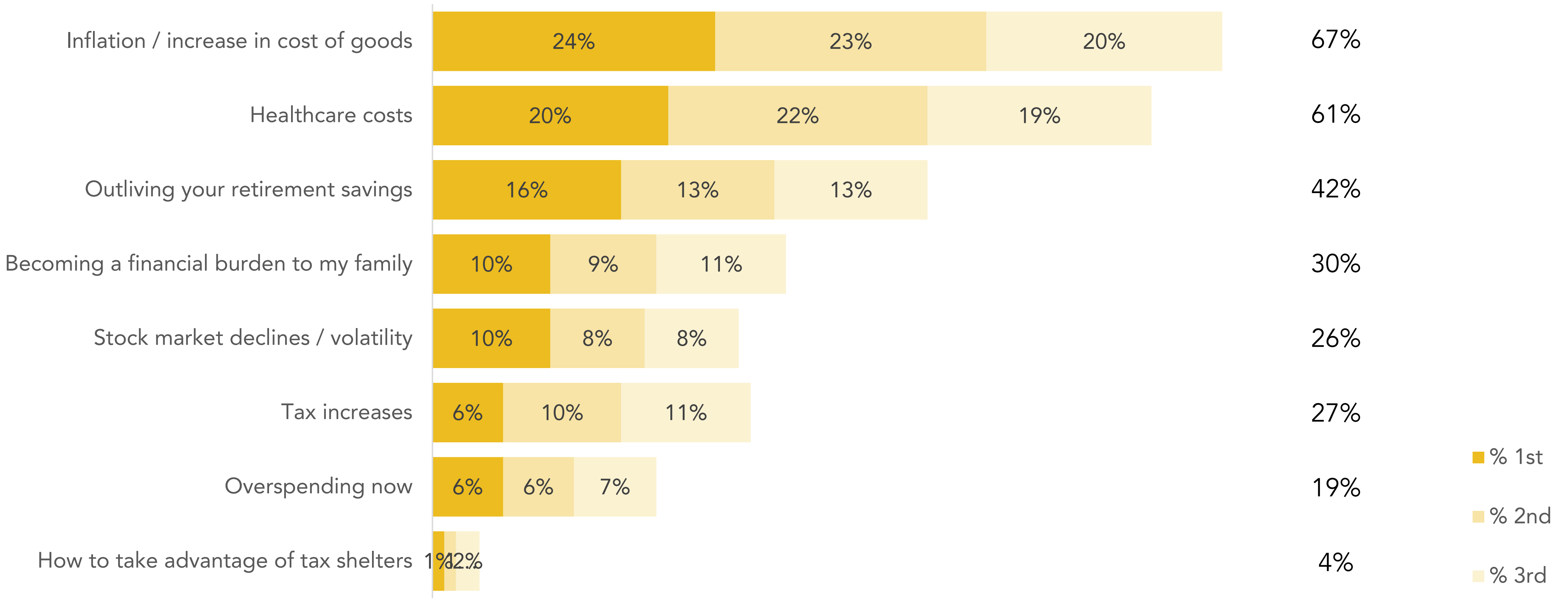
N31. Do you agree or disagree with each of the following? Select one per row. Asked to All n=3,502

Inflation and healthcare costs top economic concerns

Inflation (67%) and healthcare costs (60%) are overwhelmingly the top concerns of consumers ages 45 to 75 when asked to identify the top financial concerns in retirement. Outliving their savings ranks third (42%).

Financial Concerns in Retirement
Consumers- % Ranking 1st, 2nd or 3rd

% Ranked 1,2, or 3



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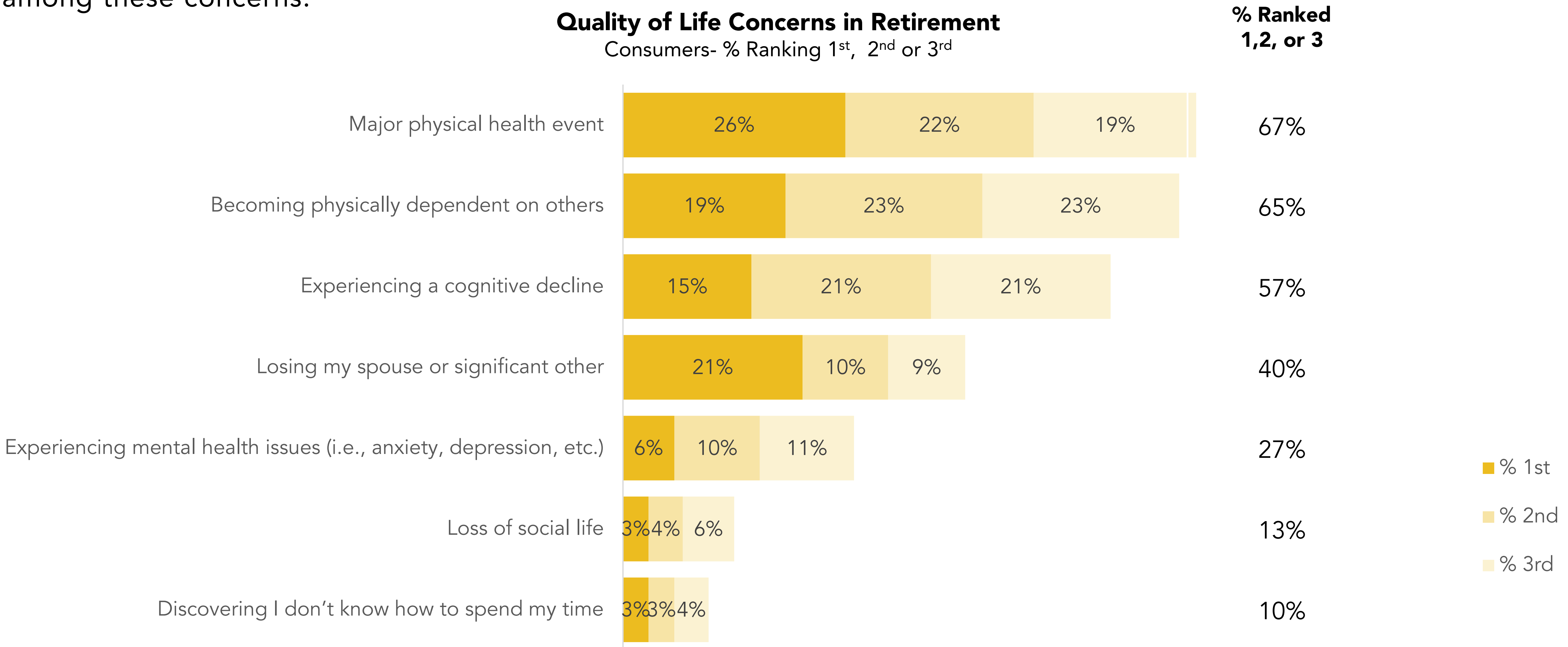
CONCERNFIN. When thinking about retirement, which worries you the most from a financial perspective? Please rank your top three. [INSERT 1,2,3 DRAG AND DROP RANK]FP_CHARACTER_DESCRIBE. Now thinking about the specific financial professional you are currently working with, how well do these characteristics describe them? Asked to All n=3,502

Health issues rank highest when asked to identify quality of life concerns in retirement. A major physical health event (67%), becoming physically dependent on others (65%), and experiencing cognitive decline (57%) are chief among these concerns.

Quality of Life Concerns in Retirement

Consumers- % Ranking 1st, 2nd or 3rd



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CONCERNLIFE. When thinking about retirement, which worries you the most from a quality of life perspective? Please rank your top three. [INSERT 1,2,3 DRAG AND DROP RANK] Asked to All n=3,502

Investors turn to annuities for stability in uncertain times

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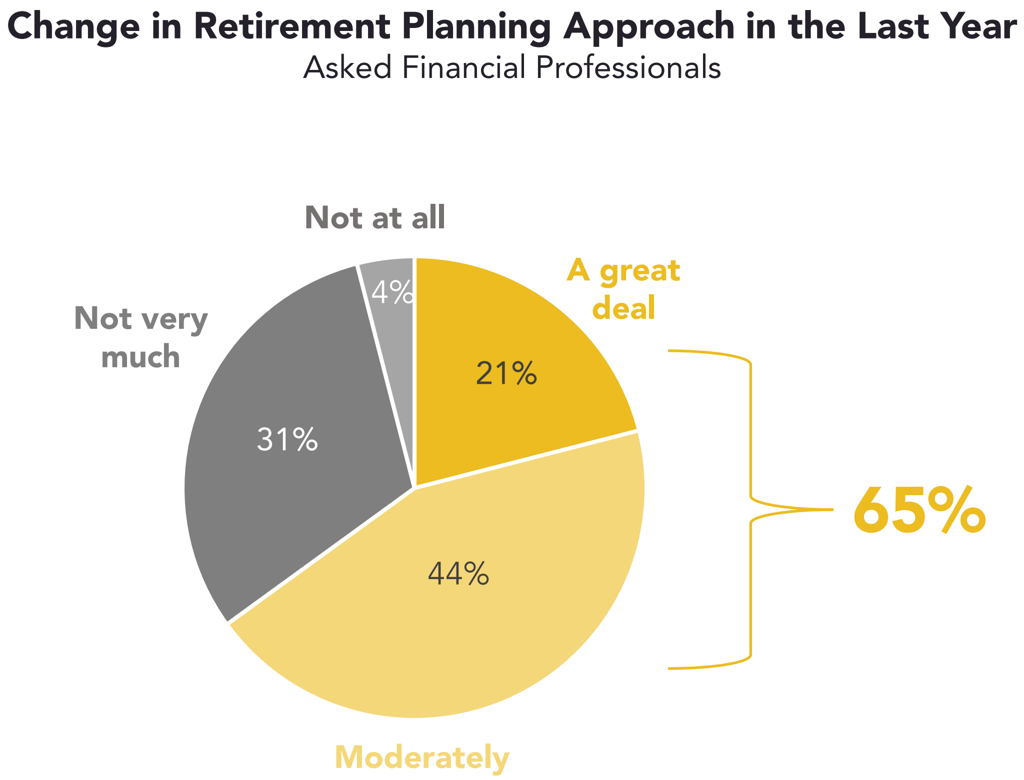
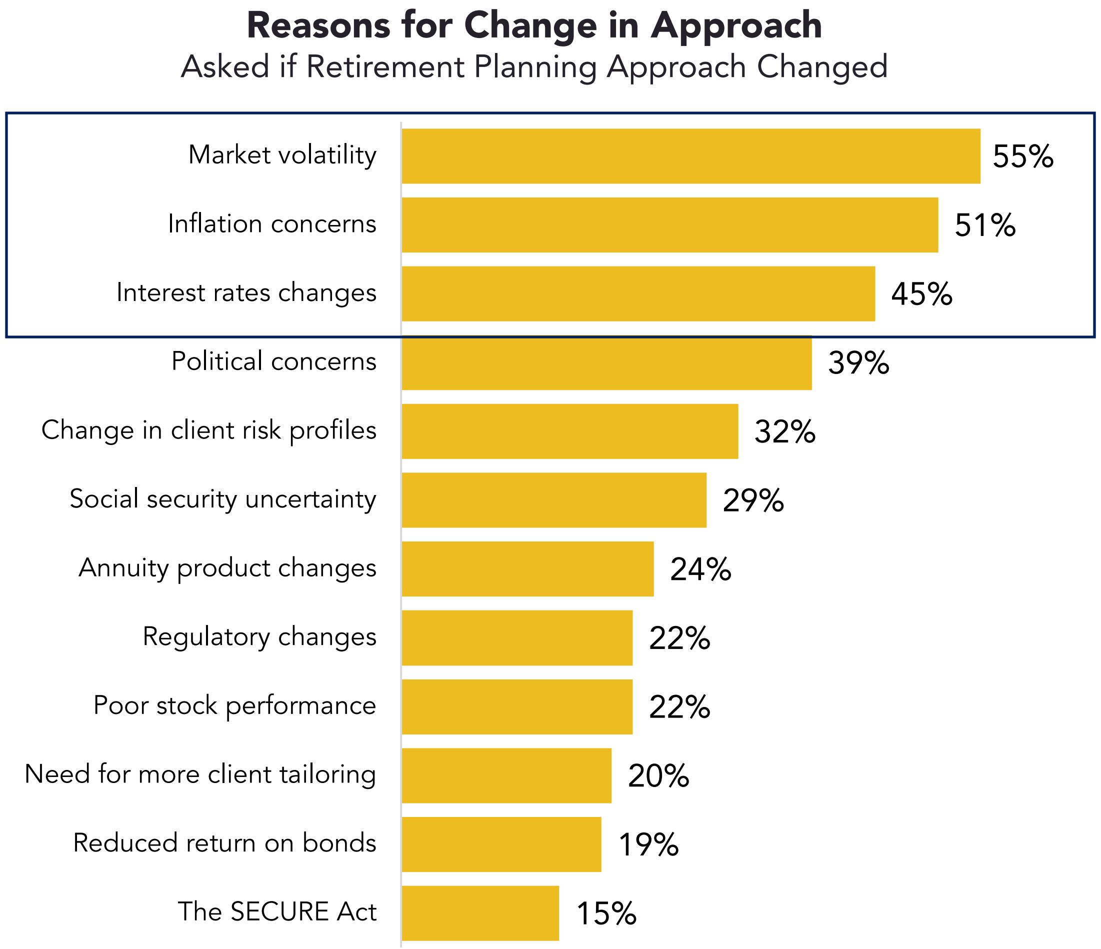
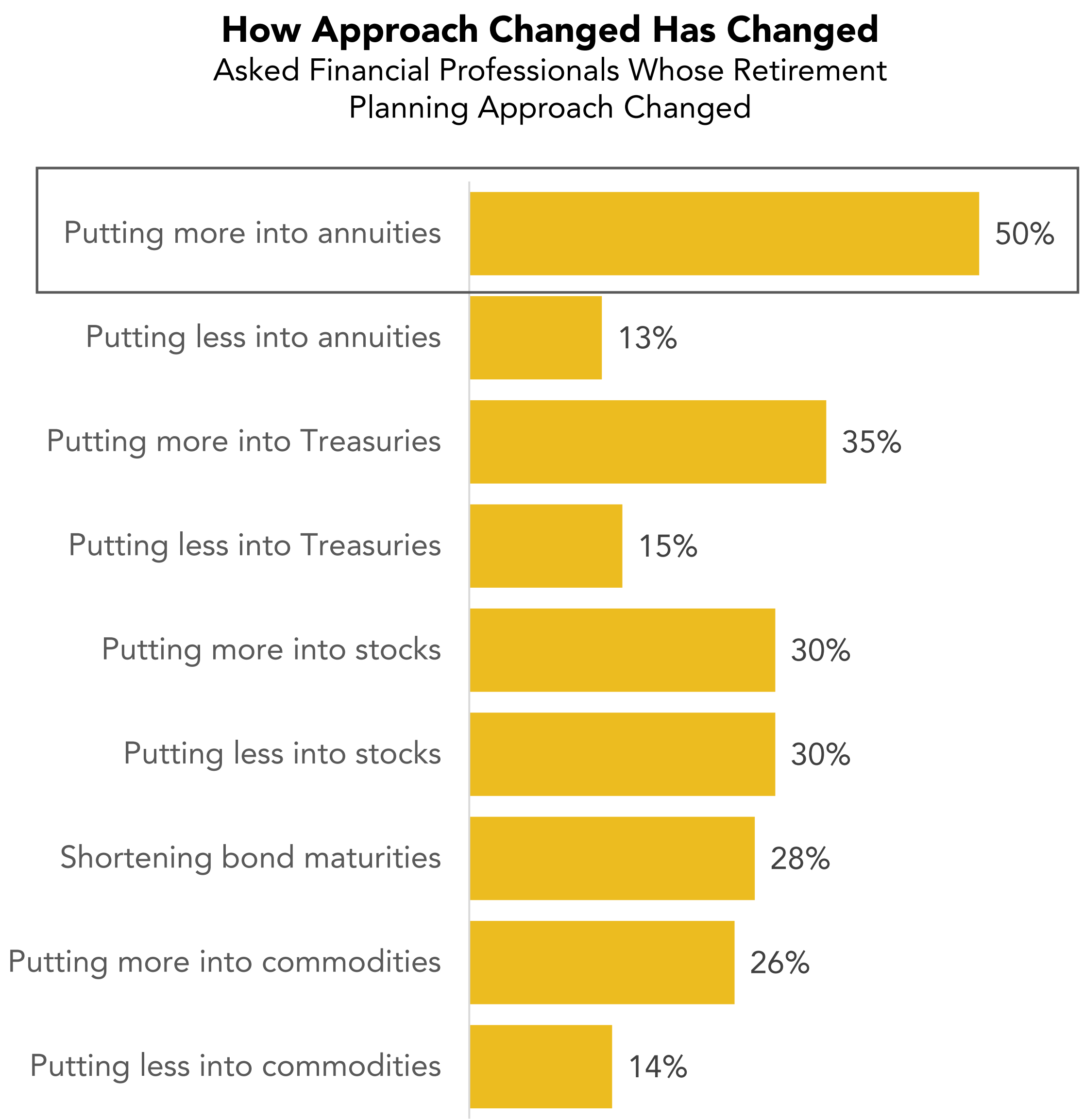
Turbulent retirement waters have financial professionals changing course. 65% of FPs indicate that they changed their retirement planning approach over the past year to address client concerns about market volatility, inflation and rising interest rates.





RPCHANGE. How much has your retirement planning approach changed in the last year? Asked all n=500
WHYRPCHANGE. Which of these reasons influenced the change in your approach in the last year? Select all that apply. Asked if retirement planning approach changed n=482

In addition, 50% of financial professionals said they are putting more client investments into annuities, which ranks as the most popular change in investment strategy. Fewer financial professionals indicate they are putting more into treasuries, and equities are a mixed bag with some indicating more emphasis on stocks, and the same proportion indicating less.



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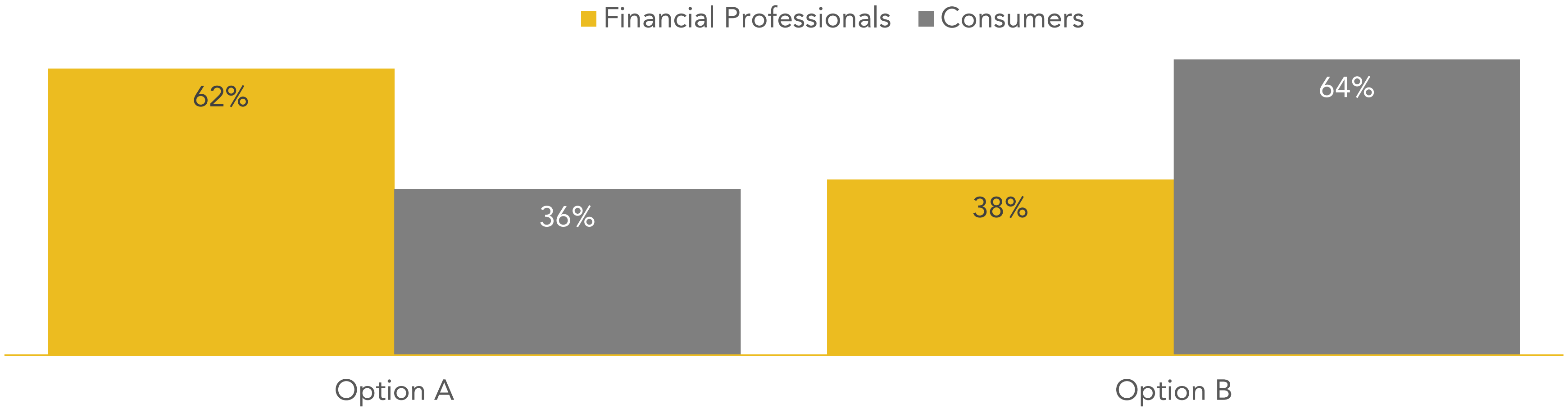
WAYSCHANGE. How are you changing your approach to retirement planning now? Select all that apply. Asked if retirement planning approach changed n=482

In the event of $100,000 windfall, 64% of consumers ages 45 to 75 said they would put the money into an annuity versus the stock market, while 62% of advisers said they would recommend investing in the stock market.

If you / your client just inherited $100,000 today (not part of your/ their current retirement savings/investments), and asked you to choose between the following options to invest for their retirement, which would you advise them to do?

Asked All



Option A: Put your $100,000 in market-based investments (e.g., stocks, bonds, mutual funds, etc.)

- Potential for growth and higher returns, but also the risk of losing money during stock market downturns.
- Ability to make withdrawals anytime.

Option B: Purchase an annuity with protected lifetime income

- A guaranteed stream of monthly income for life, regardless of stock market conditions.
- Limited access to make withdrawals for the first 5-10 years following purchase, with penalties for early withdrawals.

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INHERIT. Asked all n=500

Confidence in retirement correlates with financial planning

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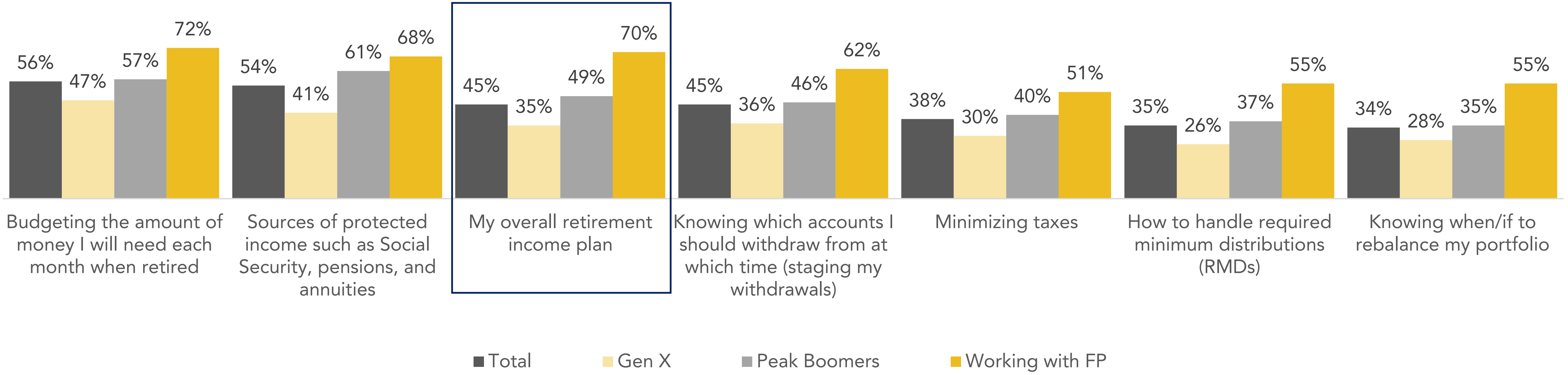
Just 35% of Generation X consumers and 49% of Peak 65 consumers are confident about being able to create a retirement income plan, while 70% of consumers ages 45 to 75 working with a financial advisor are confident.

Confidence in Creating Retirement Income
Consumers- % Confident



Those who work with an FP are significantly more likely to be confident in the financial tasks of creating their retirement income. Gen X lacks confidence when compared to other generations.

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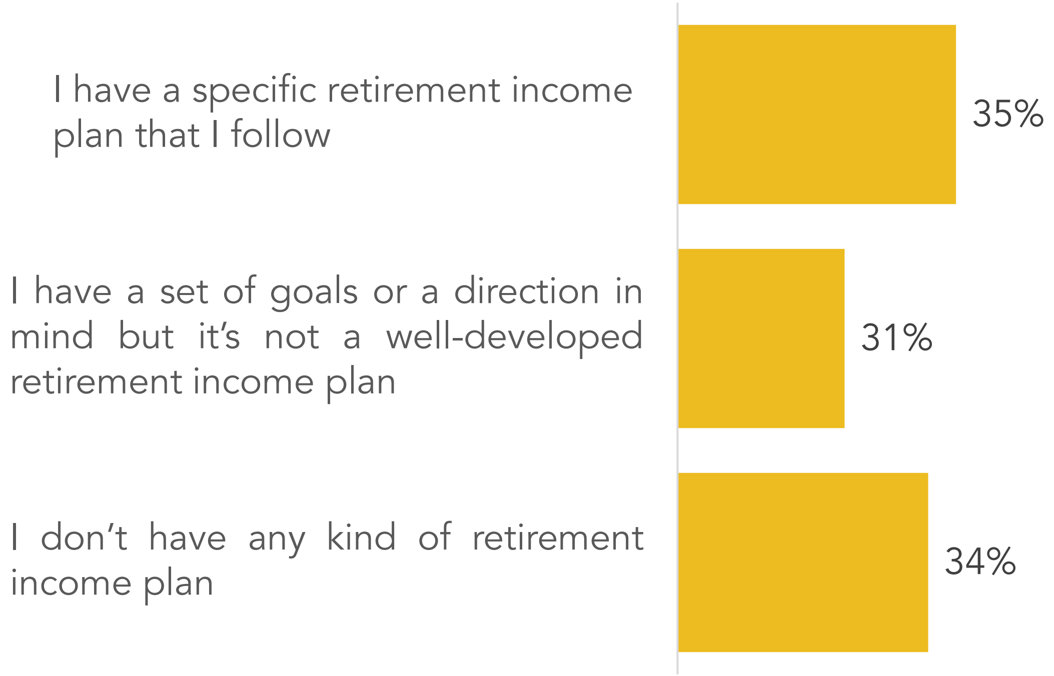
N26. Do you feel confident about each of the following when it comes to creating your retirement income? Select one per row. Asked to all n= 3,502

One-third (35%) of consumers ages 45 to 75 have a detailed retirement plan, while 31% say they have a set of goals or a direction in mind but lack a detailed plan, and 34% say they don't have any kind of plan.

Retirement Income Plan
Asked to All



"A retirement income plan is how you'll create the actual stream of income you'll need each month/year in retirement to replace the paycheck you receive from working. Retirement income sources could include Social Security, pension, annuities, rental income, and withdrawing money out of retirement accounts like 401(k), 403(b), IRAs, CDs, etc."

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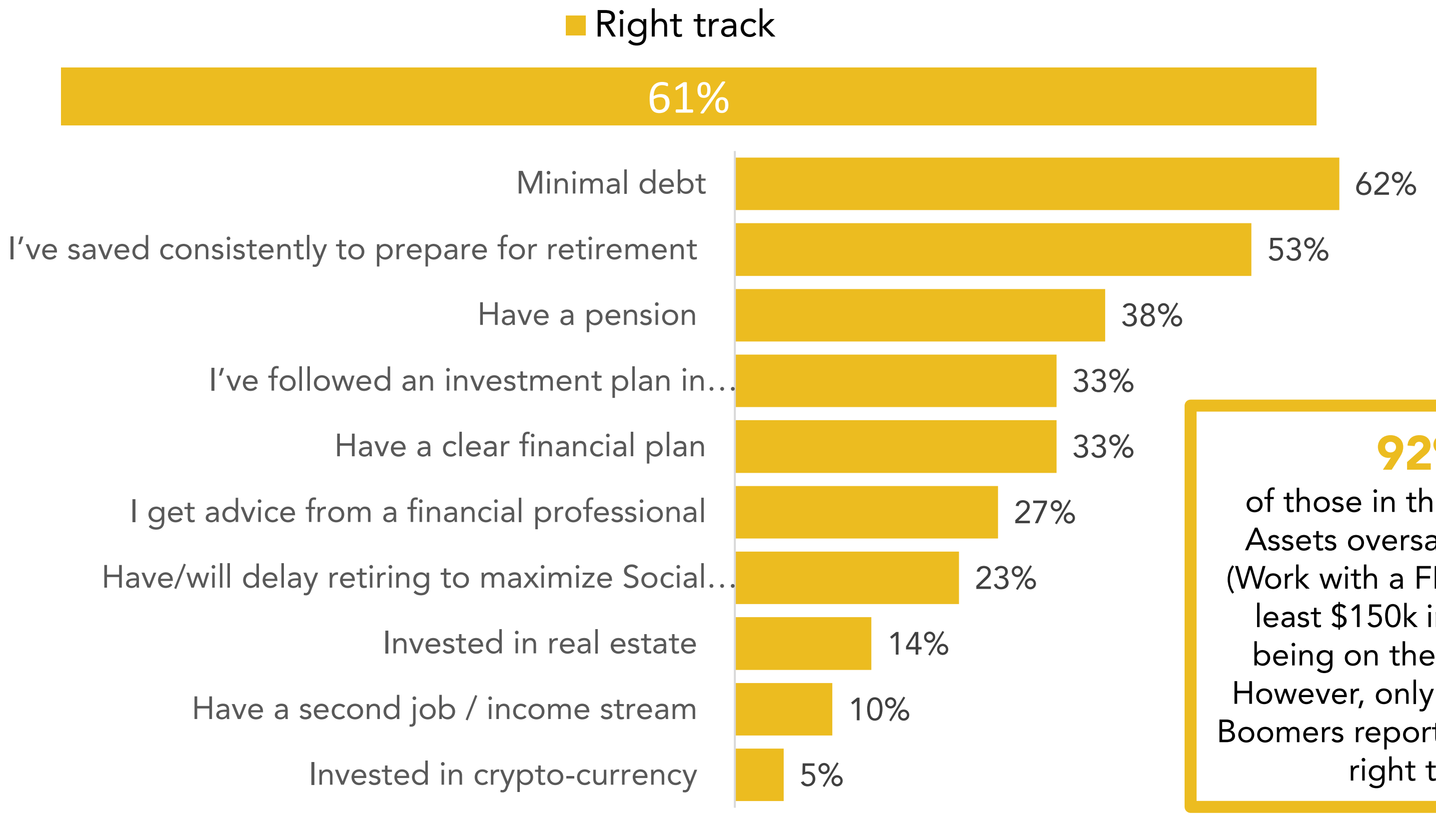
N25. Do you have a retirement income plan? Asked to all n= 3,502

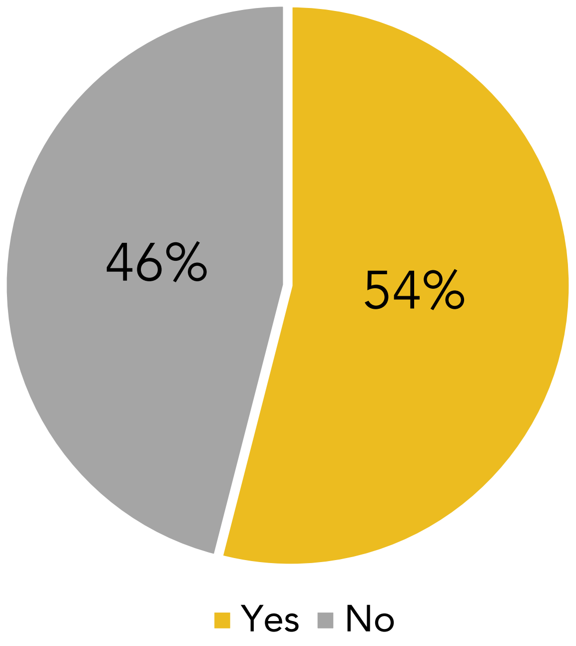
61% of consumers ages 45 to 75 believe they are on the right track for a financially secure retirement, but 54% are also fearful of outliving their savings.

Track for Financially Secure Retirement
Asked Consumers



92%
of those in the Investable Assets oversample group (Work with a FP and have at least $150k in IA) report being on the right track. However, only 61% of Peak Boomers report being on the right track.

Fearful of outliving savings in retirement
Asked All



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CONS_TRACK. Would you say you are on the [right track] or the [wrong track] for a financially secure retirement? Asked all n=3,502
WHYRIGHT. Which best describes your reasons for saying you are on the right track for retirement? Select all that apply. Asked those who report being on the right track n= 2,133
FEAR. Are you fearful of outliving your savings in retirement? Asked to all n= 3,502

Implications

- The current environment has investors and financial professionals uncertain and anxious about retirement.
- A plurality of retired individuals have already shifted their retirement plans, either finding ways to spend less or looking for work.
- Few consumers have a detailed retirement plan that they follow, putting retirement at enhanced risk.
- In this environment, the data shows that retirement planning is shifting, with greater emphasis on asset protection.

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About the Study

The Alliance's 2025 PRIP research, which was conducted by IPSOS, is the only study of its kind that surveys consumers and financial professionals with similar questions simultaneously. The study surveyed 3,502 consumers aged 45-75, weighted by age, gender, and region to be representative of the national census demographics, with a corollary study of 500 financial professionals.

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About The Alliance for Lifetime Income

The Alliance for Lifetime Income (ALI) is a non-profit 501(c)(6) consumer education organization based in Washington, D.C., that educates Americans about the value and importance of having protected income in retirement. Our vision is for a country where no American has to face the prospect of running out of money in retirement. The Alliance provides consumers and financial professionals with unique educational resources, live retirement planning webcast shows, and interactive tools to use in building retirement income strategies and plans. We believe annuities – one of only three sources of protected lifetime income – can be an important part of the solution for retirement security in America. The Alliance's Retirement Income Institute houses the leading retirement scholars and experts who create evidence-based research and analysis, with practical ideas and actions to help protect retirees.

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