2025 Protected Retirement Income and Planning Study (PRIP)

Chapter 3: MIND THE GAPS

Alliance for Lifetime Income
by LIMRA

Chapter Three

PROTECTED RETIREMENT INCOME AND PLANNING (PRIP) STUDY, *now in its seventh year, is the only annual nationwide study that surveys consumers and financial advisors simultaneously and with several parallel questions.*

This year's surveys were conducted by IPSOS, one of the largest market research and polling companies globally.

Chapter three highlights the following findings:

- Communication gaps persist between Financial Professionals and Clients, especially when it comes to topics about future physical and cognitive health.
- Consumers and Financial Professionals agree when it comes to the #1 retirement planning challenge, with both citing "estimating healthcare costs" as the top issue.
- Consumers who work with a Financial Professional are significantly more confident they will have enough income to cover their essential expenses in retirement, versus those who don't.
- The majority of Financial Professionals have a favorable view of annuities. However, consumers are still unsure or neutral.

Gaps on Health Issues Between Financial Professionals and Clients/Consumers

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Financial Professionals and Clients Are Often Not on The Same Page

96%

of Financial Professionals say they **discuss "physical health-related issues" with their Clients**

ONLY

44%

of Clients report having that conversation.

These disparities are a greater than

2:1

RATIO

88%

of Financial Professionals say they **discuss "the potential for cognitive decline with their Clients**

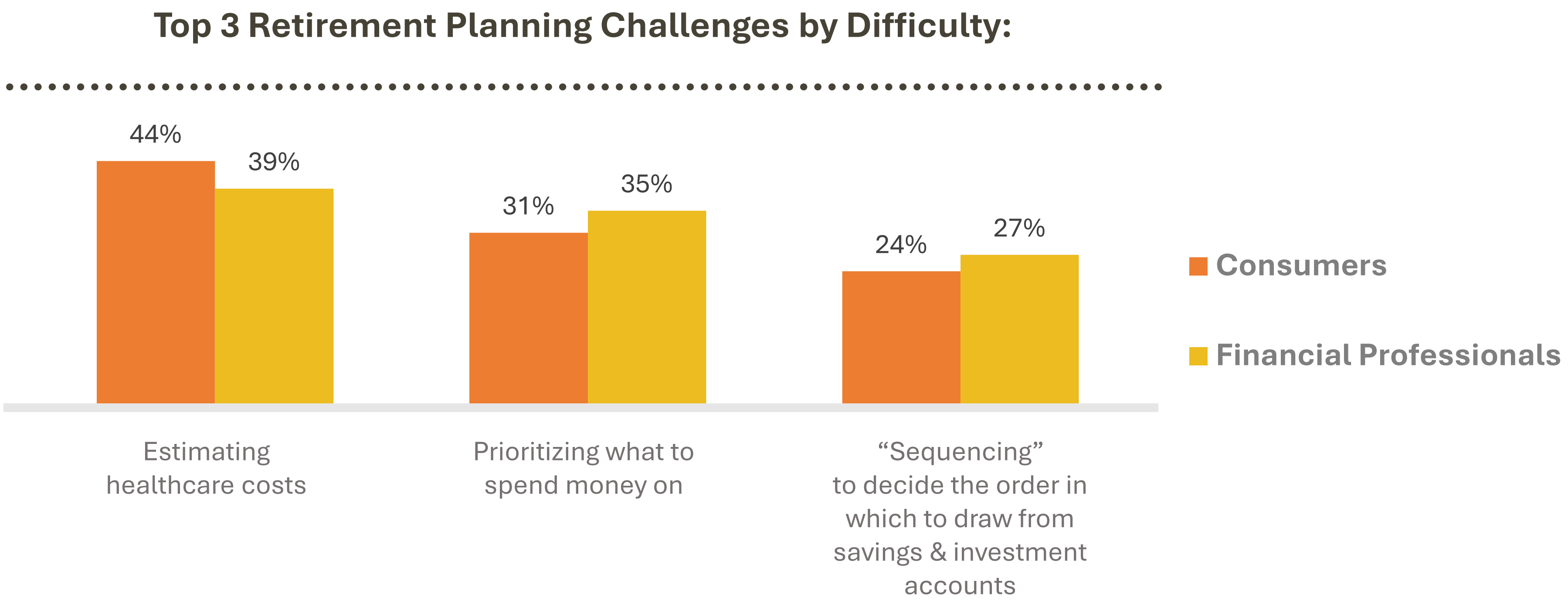
ONLY

31%

of Clients report having that conversation.

Consumers and Financial Professionals Do Agree on Healthcare Cost Issues

Both consumers and financial professionals say estimating how much money to set aside for healthcare costs is the single most challenging task when planning for retirement.



“These communications gaps around healthcare costs can undermine financial security. While an FP may come armed with projections, models, and risk tables, clear, simple language matters more to clients than charts and models.”

Jean Chatzky

Education Fellow,
ALI Retirement Income Institute by LIMRA,
and CEO of HerMoney

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Financial Professionals and Clients Share Optimism and Concerns

67% **of Financial Professionals are confident** that their Clients will have the income to cover their essential expenses in retirement

ONLY
58%
of all Consumers share that confidence.

WHILE
78%
of Consumers who work with a Financial Professionals share that confidence.

FINANCIAL PROFESSIONALS SAY
66%
of their new clients are on the right track for retirement with their savings

WHILE
61%
of Clients feel the same way.

Financial Professionals and consumers in close agreement on **level of confidence they have in retirement planning tasks:**

FINANCIAL PROFESSIONALS		CONSUMERS
45%	Developing a retirement income plan successfully	45%
36%	Minimizing taxes in retirement	38%
33%	Knowing when to balance their portfolio	34%

The Gaps Between Financial Professionals and Consumers/Clients

Social Security Uncertainty

Consumers are **more pessimistic** about the **stability of Social Security** compared to Financial Professionals.

CONSUMERS BELIEVE

49%

of their total retirement income will come from Social Security

FINANCIAL PROFESSIONALS SAY ONLY

23%

of consumers' retirement income will actually come from the program

These disparities are nearly a

2:1

RATIO

CONFIDENCE IN SOCIAL SECURITY

52%

of Consumers say they have **less confidence in Social Security than five years ago**

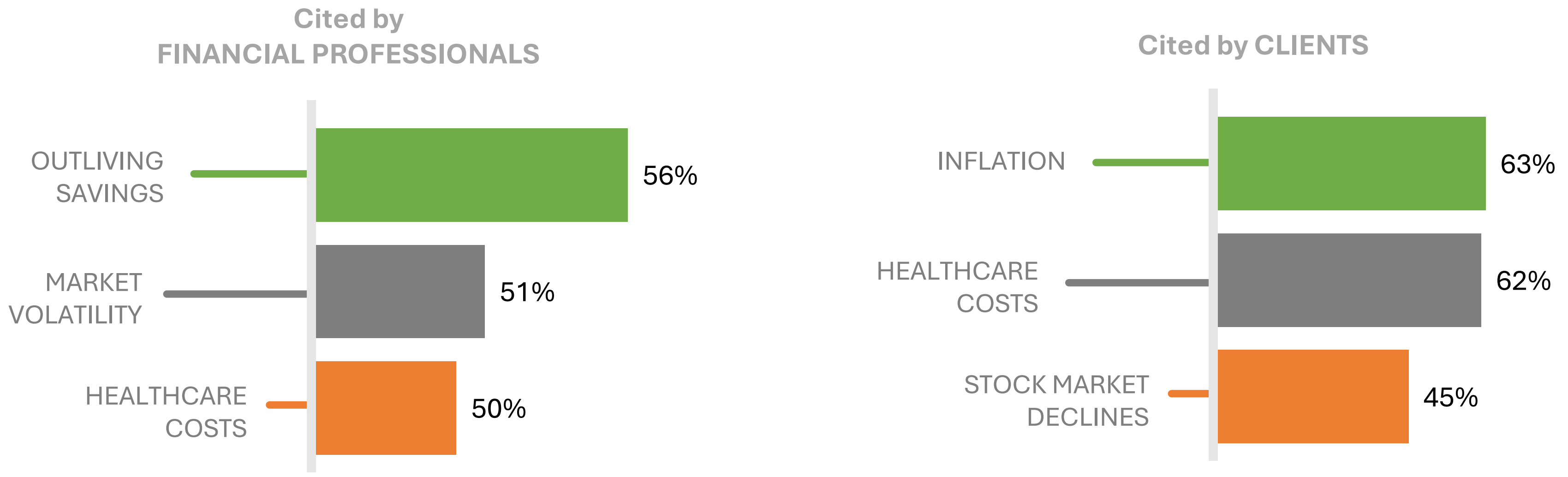
26%

of Financial Professionals **have lost confidence in the program over the same period**

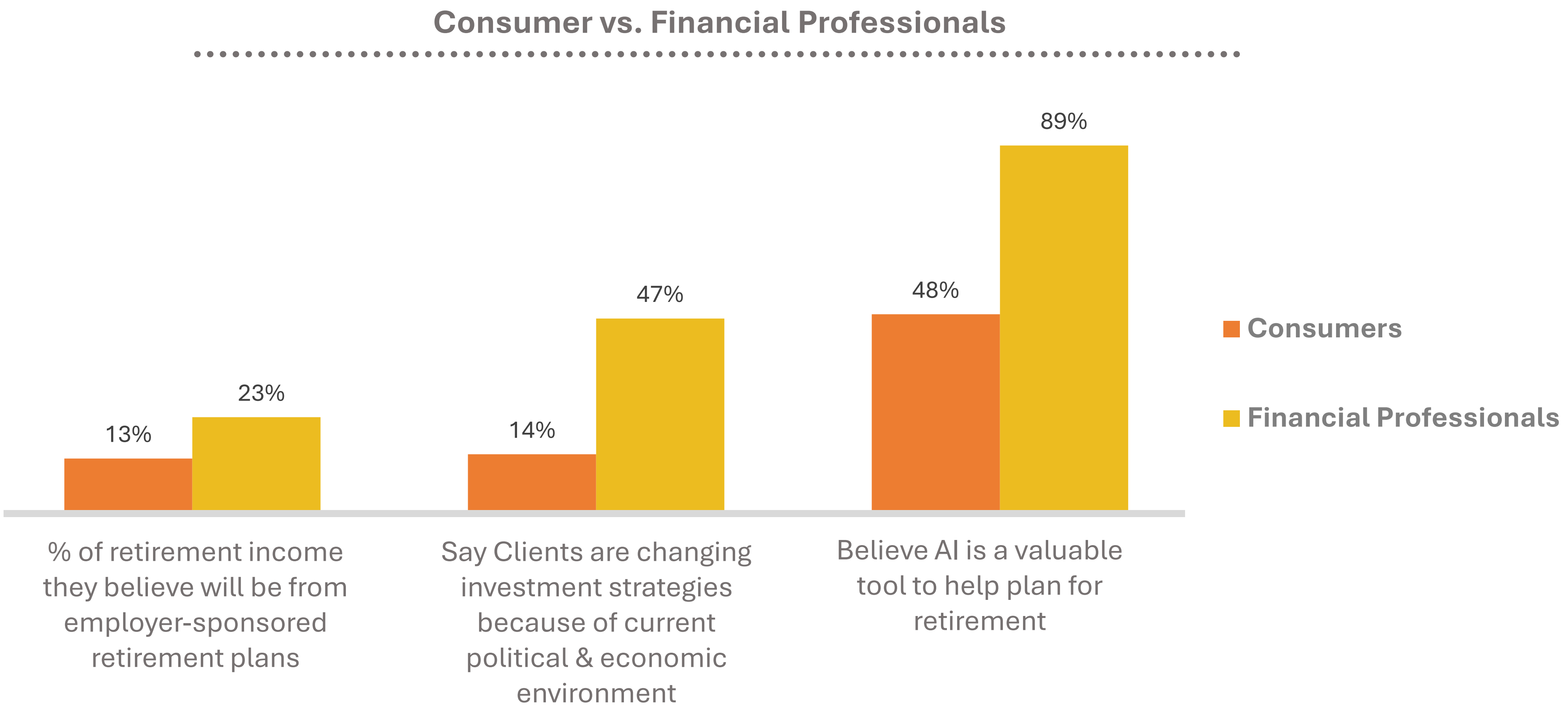
Differing Top Retirement Concerns

When asked to name their **top 3**, most Consumers cite **inflation as their top worry**. Financial Professionals, however, **don't think inflation is among their clients' top concerns**.

Clients' Top Retirement Concerns



Consumers and Financial Professionals are Not On The Same Page

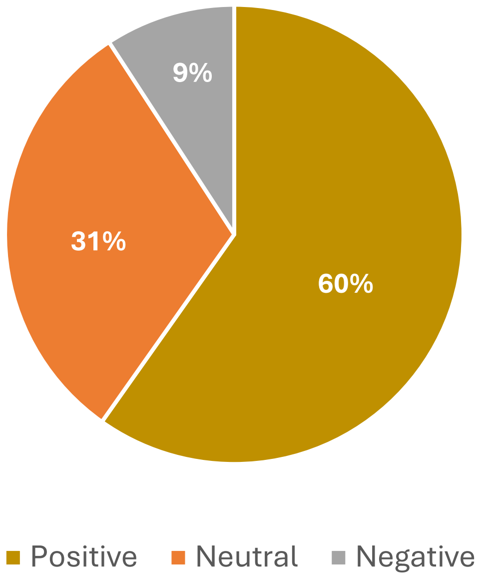


Annuities PERCEPTION Gap

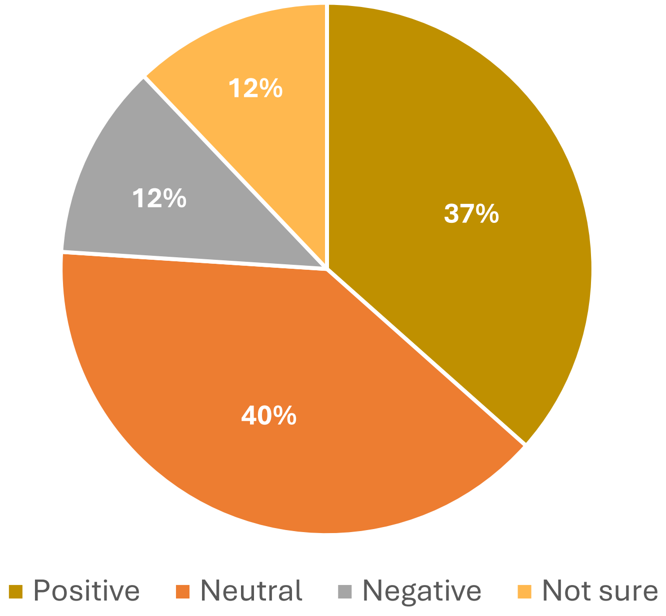
Majority of **Financial Advisors (60%) have a positive perception** about annuities. While **37% of Clients have a positive perception** about annuities, over **half (52%) are either neutral or not sure**.

Question: What is your overall perception of annuities?

Financial Professionals



Clients

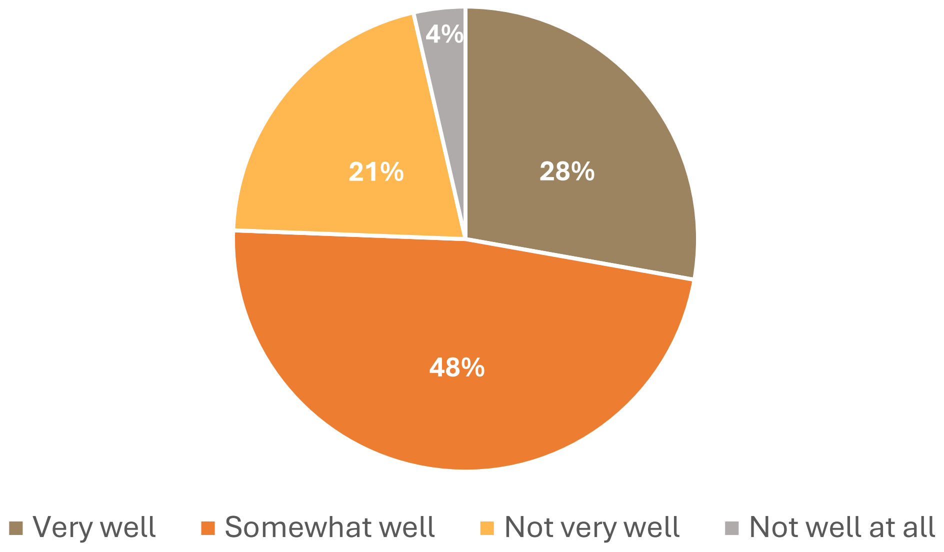


Annuities KNOWLEDGE Gap

Financial Professionals **overestimate consumer knowledge** of annuities: **28%** believe their clients **understand annuities 'very well',** but only **14%** of clients say they **understand annuities 'very well'**.

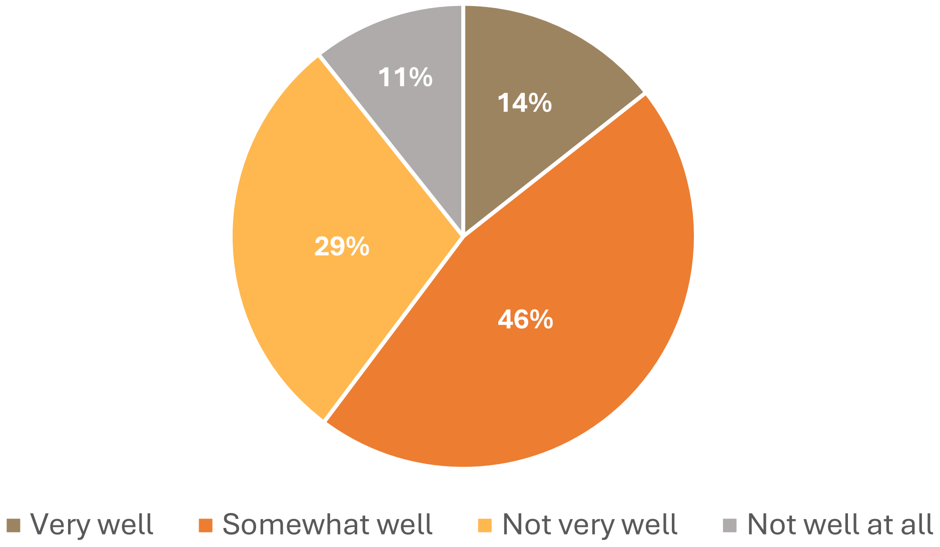
Financial Professionals

How well do your clients understand annuities?



Clients

How well do you understand annuities?



“With the oldest Gen-Xers now approaching retirement age, most of whom don’t have a pension, Financial Professionals need to help their Clients better understand the critical role annuities can play in filling that protected lifetime income gap left by the disappearing pension.”

Bryan Hodgens
Senior Vice President and Head of Research, LIMRA

Methodology

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

ABOUT THE ALLIANCE

The Alliance for Lifetime Income by LIMRA is the consumer and advisor educational arm of LIMRA. Its mission is to raise awareness of and educate Americans about the value and importance of having protected income in retirement. The Alliance provides consumers and financial professionals with unique educational resources and interactive tools that help build retirement income strategies.

Visit the Alliance at www.protectedincome.org.

ABOUT LIMRA

Serving the industry since 1916, LIMRA offers industry knowledge, insights, connections, and solutions to help more than 700 member organizations navigate change with confidence.

Visit LIMRA at www.limra.com.

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