

## **Annuity Ownership Drives Retirement Savings Confidence, Athene Finds**

*Feeling on track towards goals jumps 26% among product holders*

**WEST DES MOINES, Iowa** – June 6, 2022: While nearly half of American adults saving for retirement (49%) feel that they are on track to reach their retirement savings goals, annuity ownership can truly differentiate their outlook for the better, according to a recent study from Athene, a leading provider of retirement savings products. In fact, among those saving for retirement, 75% of annuity owners reported feeling on track toward the same goals, marking a 26% increase in confidence over the general population.

The study, which polled U.S. adults on their retirement savings strategies, thoughts on current market conditions, and awareness and understanding of annuities, also found that over half of Americans (55%) are worried they will outlive their retirement savings.

“Planning for a secure retirement requires a personalized approach, so it is important for financial professionals and their clients to consider savings vehicles that can provide growth and protection for both present and future financial needs,” said Mike Downing, Executive Vice President, Chief Operating Officer, and Chief Actuary for Athene. “As market conditions fluctuate, so do one’s goals, strategies, and timelines between initial planning and retirement. Faced with these variables, annuities can help provide peace of mind by protecting savings and creating a lifetime income.”

### **Risk Aversion Rises Near Retirement**

While 18% of annuity owners saving for retirement say they are primarily relying on their annuity or annuities, the vehicles Americans at large are counting on vary. Americans saving for retirement indicated that they are primarily depending on employer-sponsored retirement plans, such as 401k or 403b plans (36%), Social Security (21%), and cash (20%).

However, over half of adults saving for retirement (58%) agreed that their retirement savings strategy will be more risk averse as they approach retirement. Inflation is top of mind with 71% of those saving for retirement reporting they have changed or have considered changing their retirement savings strategy to account for inflation. Market volatility is also a concern, as 62% indicated that their strategy would be negatively affected by a pullback or recession.

### **Myths Plague Understanding of Annuities**

Though one quarter of Americans (23%) do not know what an annuity is, the benefits of variable, fixed, and indexed annuities resonated with respondents. Guaranteed income (64%), favorable tax treatment (37%), and flexible features and benefits (37%) are the most important features that respondents seek in retirement savings products. Additionally, a majority of respondents would rather have their retirement savings paid out as a series of paychecks versus a lump sum (71% versus 29%).

However, misperceptions around annuities linger, according to the survey. When asked to identify which features they believe to be true of annuities, Americans fell short, as only 27% understand that annuities allow for tax free growth and only 22% recognize they offer protection in down markets.

### **Trusted Financial Professionals Influence Interest in Annuities**

The percentage of annuity holders jumps substantially for those who have never worked with a financial professional (6%) from those who do (40%). The influence financial

professionals have as trusted counselors and educators cannot be overstated, as over half of Americans who currently work with a financial professional and haven't considered purchasing annuities (58%) say a recommendation from their financial professional or another trusted source would make them more inclined to consider an annuity.

In addition to ownership, working with a financial professional can also bring greater awareness of what an annuity is. Thirty-six percent of adults who have never worked with a financial professional say they do not know what an annuity is, compared to the 8% of adults currently working with a financial professional who stated the same.

The top factors holding back those who are aware of annuities but have not considered purchasing one include lack of funds to purchase an annuity (39%), the costs and expenses associated with annuities (34%), and the perceived risks of annuities (22%). This group would be more inclined to own an annuity if they had greater knowledge and education about the products (37%), if lower upfront costs were involved (32%), and if a financial professional or trusted source recommended one (26%).

"As market volatility and inflation continue to rise, it's crucial for financial professionals and retirement savers alike to debunk the myths and truly understand the benefits and functionality of annuities," added Adam Politzer, Senior Vice President of Product Actuary at Athene. "Financial professionals and retirement savers need to know that the tax benefits, downside protection, and growth potential they seek in a retirement savings vehicle can all be found in an annuity."

To debunk the myths and learn more about Athene USA's suite of annuities, retirement savers can visit <https://www.athene.com/>. Financial professionals can also learn more about Athene's offerings at <https://www.athene.com/producer>.

### **Survey Methodology**

The survey was conducted for Athene by Wakefield Research among 1,000 nationally representative U.S. adults ages 18+, between January 28 and February 7, 2022, using an email invitation and an online survey. Data was weighted to ensure an accurate representation of U.S. adults ages 18+.

### **About Athene**

Athene, through its subsidiaries, is a leading financial services company specializing in retirement services with total assets of \$246.1 billion as of March 31, 2022, and operations in the United States, Bermuda, and Canada. Athene specializes in helping its customers achieve financial security and is a solutions provider to institutions. Founded in 2009, Athene is Driven to Do More for our policyholders, business partners, and the communities in which we work and live. For more information, please visit [www.athene.com](http://www.athene.com).

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