



ARE YOUR
CLIENTS FACING
A RETIREMENT
INCOME CRISIS?

CUNA MUTUAL GROUP



There's a retirement income crisis looming over millions of people, some of whom are likely your clients. Ready for some sobering stats regarding working Americans?

80% have less than one year's income saved in retirement accounts¹

21% have \$0 saved for retirement or emergencies²

\$0.00 is the median retirement account balance³

40% say "too many expenses" is the No. 1 reason they aren't saving³

Every day around 10,000 baby boomers turn 65, and they're reaching retirement in **worse financial shape** than the previous generation. That financial situation hasn't happened since Harry Truman was president.³

One reason is that pre-retirees simply haven't thought about what their retirement expenses could be. About two-thirds of pre-retirees have not calculated their expected retirement expenses. And one-half of current retirees did not determine expenses before retirement.⁴

Who Is at Risk? What Can Be Done?

Currently in America, only 38% of households have an annuity or pension. That means retirement is at risk for approximately 63 million American households.⁴ How many of those people are your clients?

Of the people who have saved, many have focused primarily on accumulating retirement assets. What they have not considered is the need for retirement income.

About 74% of Americans with **a protected lifetime income** are confident their retirement savings will last their entire lives. That confidence drops to only 33% for those with no annuity or pension.⁴

And as you might expect, the number of people with protected lifetime income drops as age drops:

58% of retirees have a protected lifetime income (32% for those not retired)⁴

50% of those 55+ have protected lifetime income⁴

25% of 25- to 34-year-olds have a protected lifetime income⁴



How Does Protected Lifetime Income Work with Social Security?

Current retirees are really the final generation to benefit from pensions. In contrast, 75% of younger baby boomers and later generations lack ANY source of protected lifetime income (other than Social Security).⁴

Speaking of Social Security, which replaces only about 40% of pre-retirement earnings for the average worker, here's how dependent some retirees are on it.⁴



**Retirees with
\$150,000+
in assets:⁴**

Those **WITH** protected income receive 25% of their income from Social Security

Those **WITHOUT** need Social Security for 33% of their income



**Retirees with less
than \$150,000+
in assets:⁴**

Those **WITH** protected income receive 40% of their income from Social Security

Those **WITHOUT** need Social Security for 80% of their income

How Can Advisors Help?

Although the life expectancy for Americans has slightly dipped for three consecutive years, the average man can expect to live until 76, while women are slightly higher than 81.⁵

Having a protected retirement income, a lifetime income clients can't outlive, may provide long-term advantages and peace of mind. Financial advisors may want to consider a type of retirement planning their clients may not fully understand: annuities.

Annuities are a strategy that can help provide protected income for life. Most retirees rely on their defined contribution savings to pay for expenses. An annuity to accompany their savings/investments could provide an additional source of guaranteed income. These fixed payments over a period of time may reduce the risk of running out of money.⁴

Your clients could get confused by the number and types of annuities available, so they may look to you for help figuring out the details and options in today's market.

Learn more about how CUNA Mutual Group can help. Visit [cmannuities.com](https://www.cmannuities.com), contact your wholesaler, or call the CUNA Mutual Annuity Solutions Desk at **877.345.GROW (4769)**.



SOURCES

¹National Institute on Retirement Security, *New Report Finds Nation's Retirement Crisis Persists Despite Economic Recovery*, September 2018

²Bankrate, *Bankrate's Financial Security Index*, March 2019

³Forbes, *The Retirement Crisis Is Much Worse Than You Think*, March 2019

⁴Alliance For Lifetime Income, *Tens of Millions of Americans Lack Protected Lifetime Income for Retirement; New Research Reveals Looming Retirement Income Crisis*, October 2018

⁵Smithsonian, *U.S. Life Expectancy Drops for Third Year in a Row, Reflecting Rising Drug Overdoses, Suicides*, December 2018

IMPORTANT DISCLOSURES

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