North American Company for Life and Health Insurance | *Annuity*

Look who's not talking!

Consumers surprisingly mum on retirement planning

We need to talk.

All consumers do. Right now, many people are aware that they are unprepared for retirement and concerned about how they will fund retirement. In fact, just 10 percent give themselves an ‘A’ grade on retirement planning. 63 percent give themselves a ‘C’ or lower.

However, the “Sandwich” generations, Gen X-ers (ages 36-50) and Baby Boomers (ages 51-69), are not talking to each other about retirement planning and today’s retirees aren’t passing along realistic or practical advice to younger generations. This is despite the fact that there’s a growing dependence on younger generations to support their parents’ retirement.

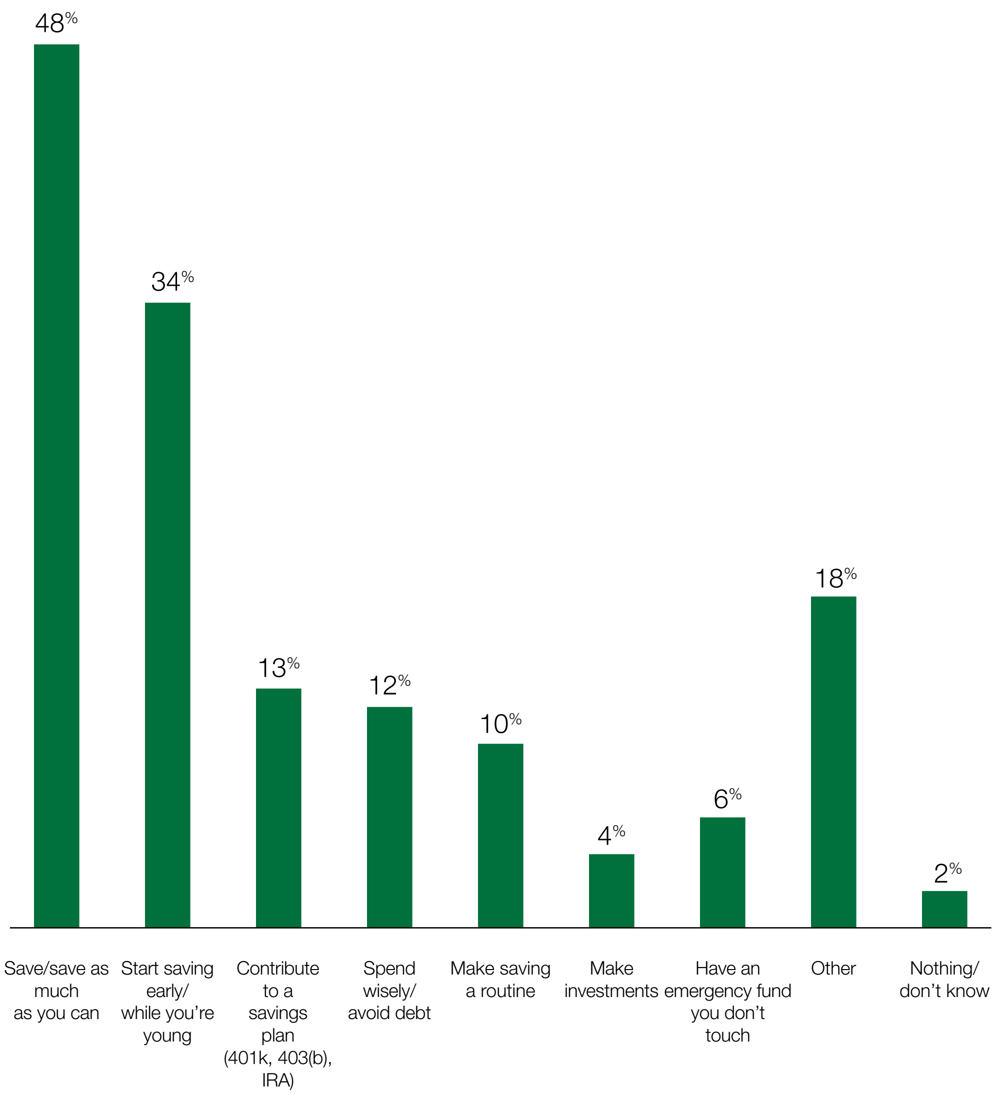
Whether money and savings are taboo topics or Baby Boomers are feeling guilt or embarrassment over their retirement savings habits, this lack of conversation between generations can have a big impact on the future of savings.

Key Learning 1:

Retirement advice is limited and vague

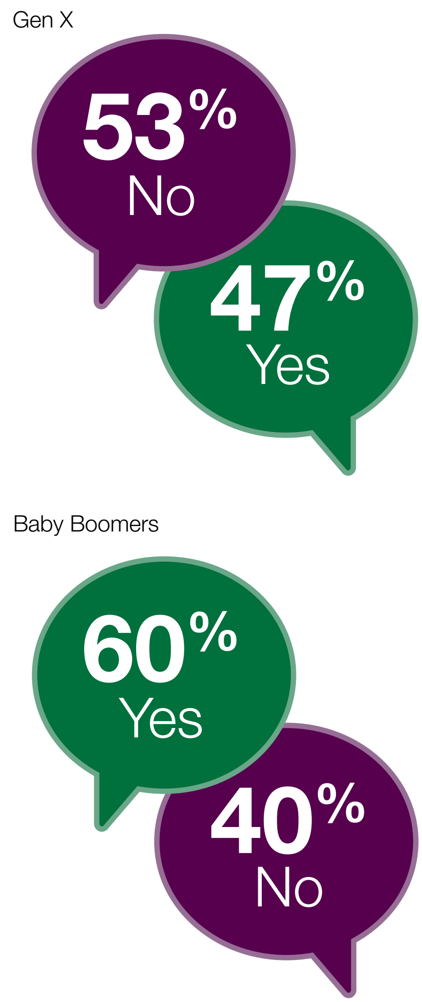
More than half of Gen-Xers and 40 percent of Baby Boomers polled have never given advice to their children about planning for retirement. And of the parents who gave their children retirement advice, most was vague guidance and platitudes about savings, and lacked specific recommendations about retirement plans, debt avoidance and responsible spending.

What is the top piece of advice you gave them?



Have you ever given your children advice about planning for retirement?

*parents only



Key Learning 2:

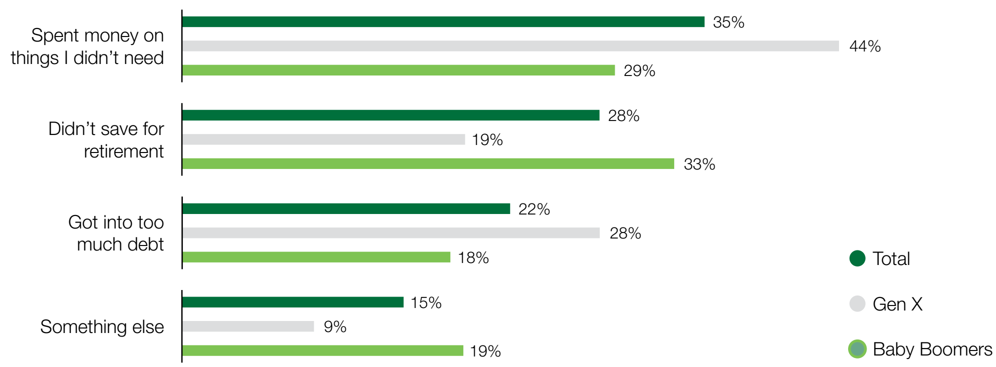
Gen X-ers are repeating Baby Boomers' retirement mistakes

Many consumers are not talking about retirement with their children and when they are, it's clear their advice is vague. Yet, part of helping the next generation succeed financially means allowing them to learn from the previous generations' mistakes.

Almost half (47 percent) of Baby Boomers confessed that spending money on things they didn't need and getting into too much debt was their biggest financial mistake they made when they were young, and another third (33 percent) say it was not saving for retirement. Yet, this is not the primary information or advice that they pass along to younger generations.

And with more Gen X-ers saying they regret spending (44 percent) and accumulating debt (22 percent) than previous generations, it looks as though this generation may be on course to repeat their parents' mistakes.

What's the biggest financial mistake you made when you were young?



What's the biggest financial mistake you made when you were young?

35% Spent money on things I didn't need

28% Didn't save for retirement

22% Got into too much debt

Key Learning 3:

Baby Boomers and Gen X-ers share similar financial fears

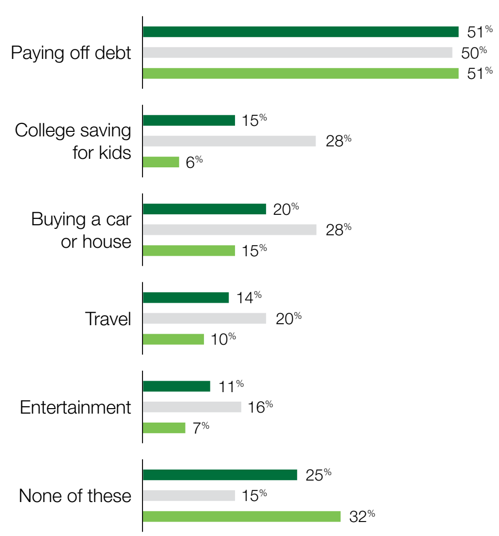
As they approach retirement, most Baby Boomers cite issues related to paying off other debt and expenses, as well as not making enough money, as barriers to saving more for their retirement. Gen X-ers have strikingly similar concerns in addition to prioritizing college savings for kids.

As the generation closest to retirement, Baby Boomers have real fears about having enough money or financial security in retirement.

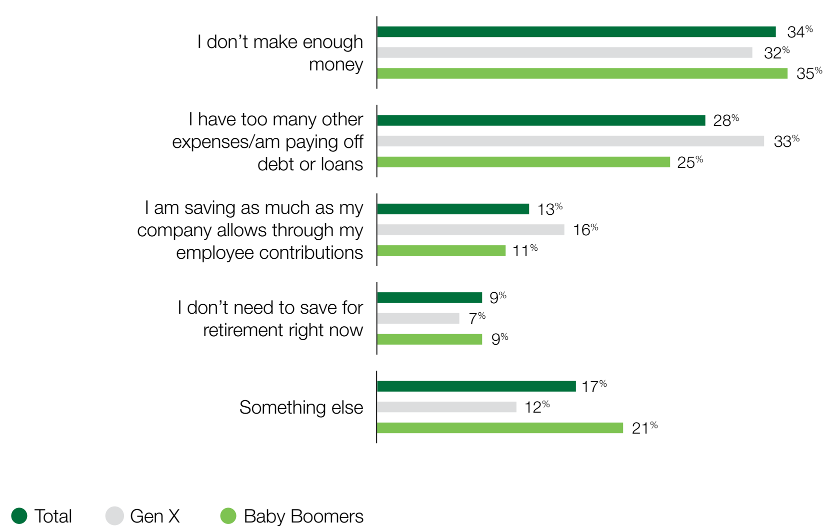
In fact, two-thirds (66 percent) of Baby Boomers admit they are concerned about outliving their retirement savings. Gen X-ers are even more fearful—77 percent report the same concern.

Ensuring your savings can last a lifetime starts with assessing your current retirement strategy, including benefits such as Social Security and any other income streams, as well as future financial needs. Adding a fixed index annuity to your portfolio can help protect your nest egg from market volatility and generate steady lifetime income.

Thinking about your budget, which of these do you prioritize over putting more toward your retirement?



Which of the following is the biggest impediment to you putting away more money for your retirement?



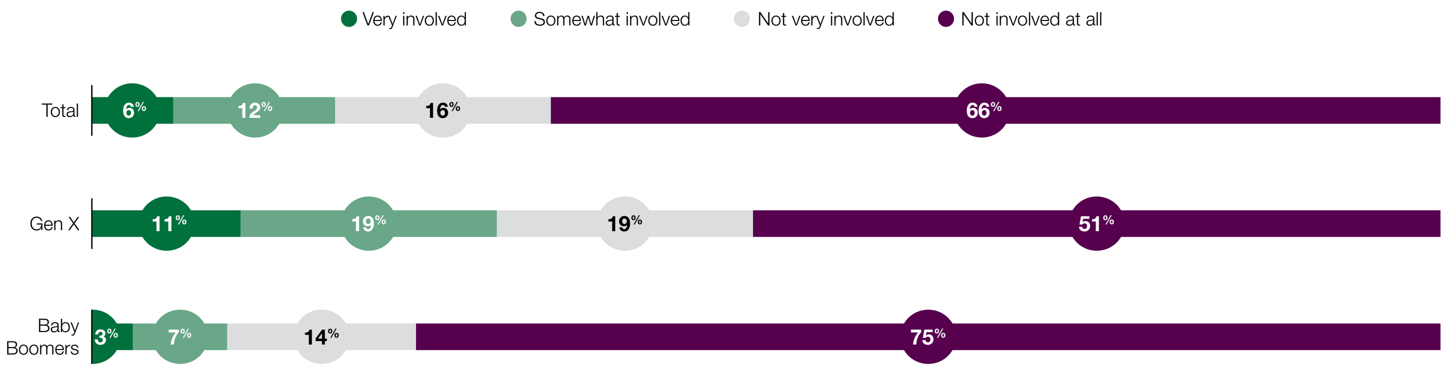
Key Learning 4:

Gen X-ers poised to be more involved in parents' planning

A third of Gen X-ers say they are involved in their parents' retirement planning—an increase from the previous generation, as three-quarters of Baby Boomers did not participate at all in their parents' retirement planning.

While participation appears to be growing with each succeeding generation, there is clearly room for improvement in communication about retirement planning. Awareness of parents' savings strategy and retirement plans can help consumers financially plan for possibly assisting them down the road and influence their own planning.

How involved are/were you in your parents' retirement planning?



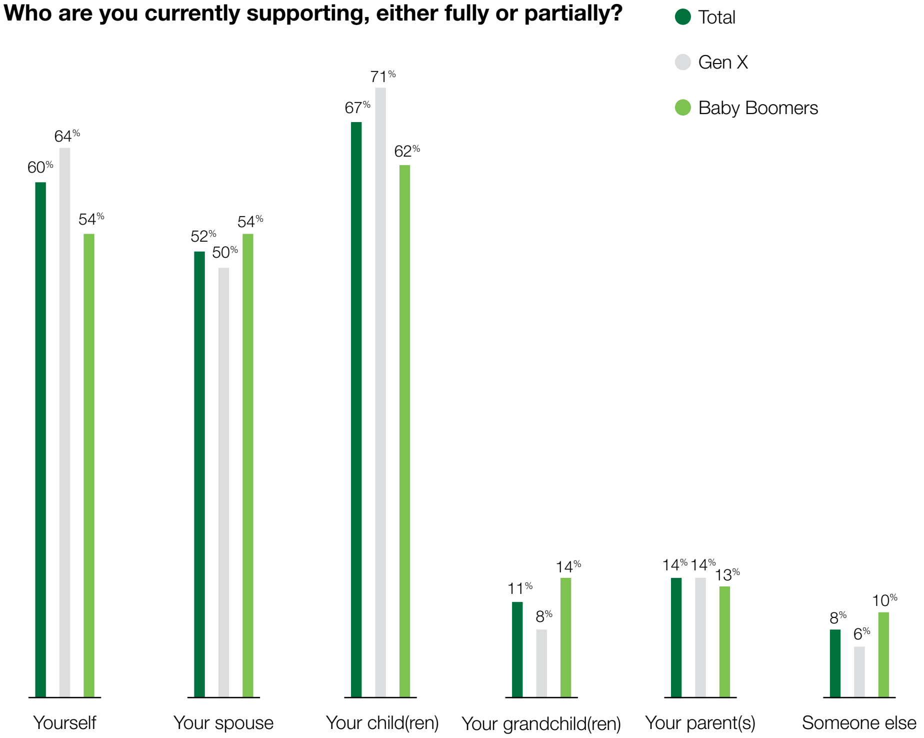
Key Learning 5:

Gen X-ers are getting squeezed—supporting their parents and their kids (and sometimes grandkids)

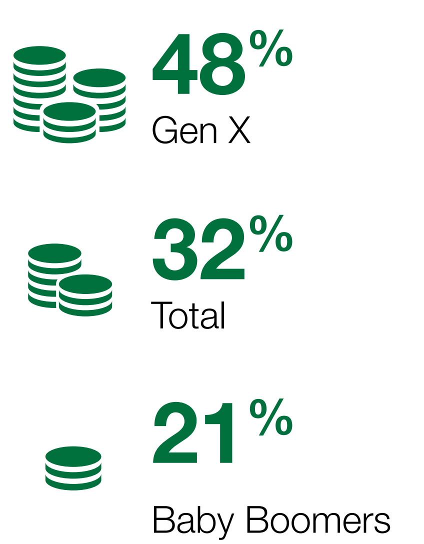
Today, an overwhelming amount of consumers are finding themselves at least partially supporting other generations in their family. Nearly a fifth of Gen X-ers are supporting their parents, while most Gen X-ers (71 percent) are also supporting their children.

This is having a big impact—nearly three in ten (28 percent) Gen X-ers have prioritized college savings for kids over putting more money to retirement savings. Given these financial obligations, it makes sense that a majority of Gen X-ers (73 percent) wish they were saving more.

Who are you currently supporting, either fully or partially?



Are you currently financially supporting someone other than yourself, such as family or friends? *indicating yes



Methodology

The online survey was fielded via Toluna's online respondent panel and platform from March 29-April 3, 2017. The sample included 600 United States adults between the ages of 36 and 69. Questions covered topics related to retirement, such as concerns, preparedness, confidence in Social Security and savings, and barriers to greater retirement savings. Data weighted by gender, race, ethnicity, and region to be representative of the national adult audience aged 36-69.

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Disclosure:

Analysis is for educational purposes only. The experience of the participants of the 2017 North American Company for Life and Health Insurance Baby Boomer and Generation X Retirement Study may not be representative of the experience of all. Fixed Index Annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Although Fixed Index Annuities guarantee no loss of premium due to market downturns, deductions from your Accumulation Value for additional optional benefit riders could under certain scenarios exceed interest credited to the Accumulation Value, which would result in loss of premium. They may not be appropriate for all clients.