

## ABSTRACT

The year 2025 marks the peak of “Peak 65<sup>®</sup>,” when more Americans than ever before will turn 65. While Baby Boomers are currently at the forefront of this shift, Gen-X (ages 45–60) faces even greater retirement insecurity. Often called the “Forgotten Generation,” Gen-X has endured economic recessions, higher education and healthcare costs, declining access to pensions, and the dual pressures of supporting both children and aging parents. As a result, they are among the least financially prepared for retirement, with limited savings, lower confidence in their ability to generate lifetime income, and heavy reliance on Social Security at a time when the program faces structural shortfalls. Gen-X women in particular face compounded risks due to lower savings, longer life expectancies, and disproportionate caregiving burdens. This paper examines the unique challenges confronting Gen-X, including gaps in protected income, inadequate financial literacy, and shifting work and caregiving dynamics. It also explores policy solutions and tools—such as annuities, improved access to financial advice, and innovative income frameworks—that can help this generation achieve greater security. Without bold action, Gen-X and the generations following them risk entering retirement with unprecedented levels of financial vulnerability.

# RETIREMENT CHALLENGES FACING GEN-X IN THE PEAK 65<sup>®</sup> ERA

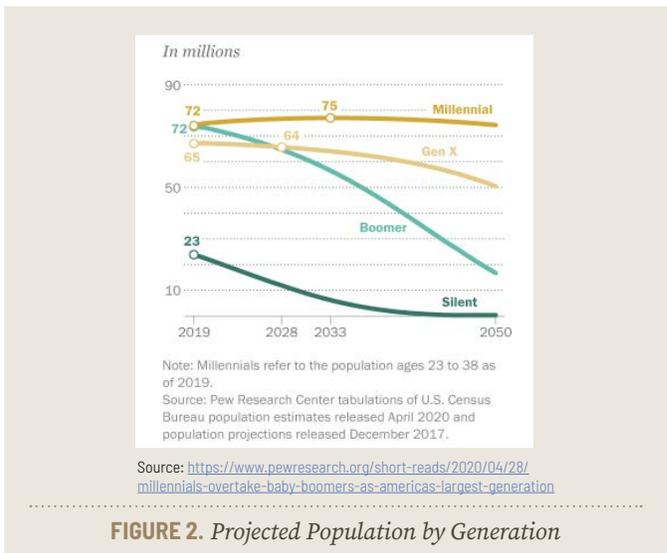
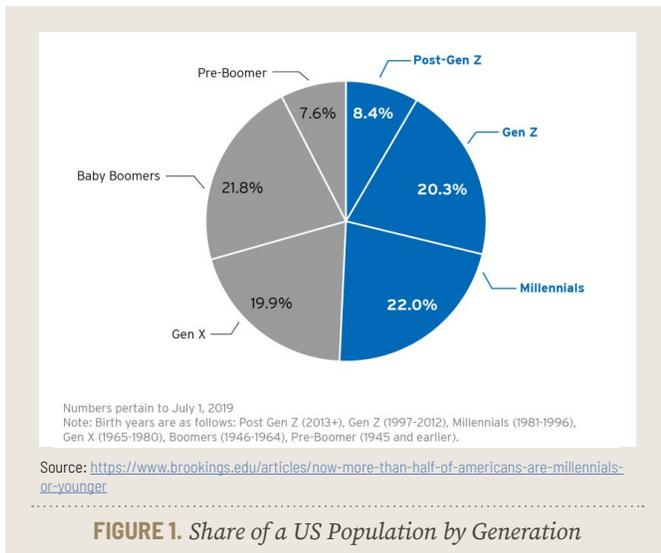
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## INTRODUCTION

The 2024 landmark Retirement Income Institute paper, “[The Peak 65<sup>®</sup> Zone is Here— Creating a new framework for America’s retirement security](#),” is a call to action for policymakers and the retirement industry ecosystem.<sup>1</sup> America is in the midst of a historic surge with more than 4.1 million Americans turning 65 each year through 2027. In fact, 2025 is the actual peak of Peak 65<sup>®</sup>. What used to be 10,000 people a day turning 65, is now an average 11,400 achieving this milestone every day in 2025. And a concerning trend continues for this group entering retirement— a significant portion lack sufficient protected income which puts them at risk of outliving their savings.<sup>2</sup> Unfortunately, the U.S. public and private sector retirement systems have become obsolete, as has the now-antiquated retirement planning approach of focusing solely on accumulating a lump sum of savings rather than the actual income people will need for a retirement that could last 20, 30 or more years.

The old metaphor of the three-legged stool of retirement planning— employer pensions, personal savings, and Social Security — no longer holds.<sup>3</sup> And coming up right behind this wave of retirees is Gen-X. (Figure 1) While Gen-X represents a smaller population compared to Baby Boomers and Millennials, they have an outsized problem— research shows that they may be the least prepared for a secure retirement.<sup>4</sup> Many factors

1. Fichtner, Jason. 2024. “The Peak 65<sup>®</sup> Zone is Here – Creating a new framework for America’s retirement security.” Retirement Income Institute #026-2024. Alliance for Lifetime Income. [https://www.protectedincome.org/wp-content/uploads/2024/01/Whitepaper\\_Fichtner.pdf](https://www.protectedincome.org/wp-content/uploads/2024/01/Whitepaper_Fichtner.pdf)
2. Shapiro, Robert J., Luke Stutgen. 2024. “The Peak Boomers Impact Study.” Retirement Income Institute, The Alliance for Lifetime Income. <https://www.protectedincome.org/peak65-economic-impact-forum/>
3. Social Security Administration. “Origins of the Three-Legged Stool Metaphor for Social Security” <https://www.ssa.gov/history/stool.html>
4. Bond, Tyler, Celia Ringland, Joelle Saad Lessler. 2023. “The Forgotten Generation: Generation X Approaches Retirement.” National Institute on Retirement Security. <https://www.nirsonline.org/reports/genx/>



contribute to this under preparedness. From adverse economic cycles and the financial pressures of supporting children at the same time as aging parents, to lower savings rates and increased costs for basic needs like healthcare and education, Gen-X has experienced these challenges during their peak working years unfortunately.<sup>5</sup> This paper builds on the prior Institute research paper and takes a closer look at the retirement income hurdles facing those who are between 45-60 years old, and outlines ways to help these Gen-Xers prepare for a secure retirement. Much of what is written here can also address the challenges facing an even larger demographic coming behind Baby Boomers and Gen-Xers—Millennials.<sup>6</sup> If we’re in the Peak 65 Zone now, we’ll soon be in the Peak Millennial Zone. (Figure 2)

## THE FORGOTTEN GENERATION

Gen-X is often referred to as the “Forgotten Generation” because they are overshadowed by the larger Baby Boomer and Millennial generations who receive more attention in the media and society for their impact on

culture and technology.<sup>7</sup> But events shaping Gen-X are anything but forgettable. Starting with their first generational year, powerful societal forces have been at play. In 1965, U.S. armed troops entered Vietnam which created a major fracture between civilians and the government. Over the course of the following 15 years, Americans experienced even more historical shifts. From winning the “space race,” a precursor to the start of the technology era and its radical impact on our global economy, to the assassinations of Reverend Martin Luther King and President Kennedy followed by a Presidential resignation, many conventional norms were broken. It should come as no surprise that Gen-X will experience retirement unlike prior generations.

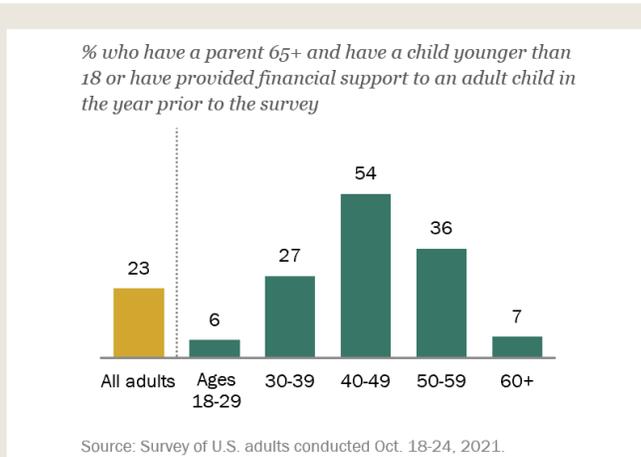
Gen-X has also faced economic instability, living through the Great Recession of 2008, COVID-19, high student loan borrowing costs, and frequent unstable job markets and recessions. They also make up the largest portion of the “Sandwich Generation,” simultaneously providing emotional and financial support for their children and elderly parents.<sup>8</sup> (Figure 3) Coupled with the shift from employer-sponsored defined-pension plans

5. Lei, Lianlian, Amanda N. Leggett, Donovan T. Maust. 2022. “A national profile of sandwich generation caregivers providing care to both older adults and children.” Journal of the American Geriatric Society. <https://agsjournals.onlinelibrary.wiley.com/doi/10.1111/jgs.18138>

6. Smialek, Jeanna. 2024. “It’s Me, Hi, I’m the Problem. I’m 33.” New York Times. <https://www.nytimes.com/2024/03/02/business/economy/33-year-olds-millennials.html>

7. Ratanjee, Vibhas. 2025. “The Forgotten Generation: Gen-X As Catalysts for Future Growth. Forbes. <https://www.forbes.com/sites/vibhasratanjee/2025/02/01/the-generation-you-forgot-gen-x-as-catalysts-for-future-growth/>

8. Menasce Horowitz, Juliana. 2022. “More than half of Americans in their 40s are ‘sandwiched’ between an aging parent and their own children.” Pew Research Center. <https://www.pewresearch.org/short-reads/2022/04/08/more-than-half-of-americans-in-their-40s-are-sandwiched-between-an-aging-parent-and-their-own-children/>



**FIGURE 3.** Adults in Their 40s are the Most Likely to be in the ‘Sandwich Generation’

to defined-contribution 401k type plans, Gen-X may be the least financially prepared generation for retirement.

## SOCIAL SECURITY FINANCES

The oldest Gen-Xer will turn 65 in 2030, with the majority having paid into Social Security over their working years and expecting to receive payments to supplement their retirement income. Many of these people may not know that Social Security was only designed to replace approximately 40% of a retiree’s pre-retirement income, with the rest coming from pensions (i.e. annuitized income), employer retirement savings plans (e.g., 401Ks), IRAs, and personal savings. And, as a rule of thumb, retirement assets should be able to provide roughly 70-

75% of pre-retirement income,<sup>9</sup> and some people may need an even higher replacement rate of 85%.<sup>10</sup> But it is important to stress that one-size does not fit all.<sup>11</sup> Some lower-income households may not require any additional annuitization beyond Social Security.<sup>12</sup> Meanwhile on the other end of the spectrum, for many middle- and high-income earners, some additional annuitization beyond Social Security benefits may be necessary to help mitigate risk and maintain their standard of living in retirement.

According to the Social Security Trustees, the combined trust funds face a financial shortfall of \$25.1 trillion in present value through 2099 and \$72.8 trillion over an infinite horizon.<sup>13</sup> Further, the combined Social Security trust funds will be depleted and unable to finance

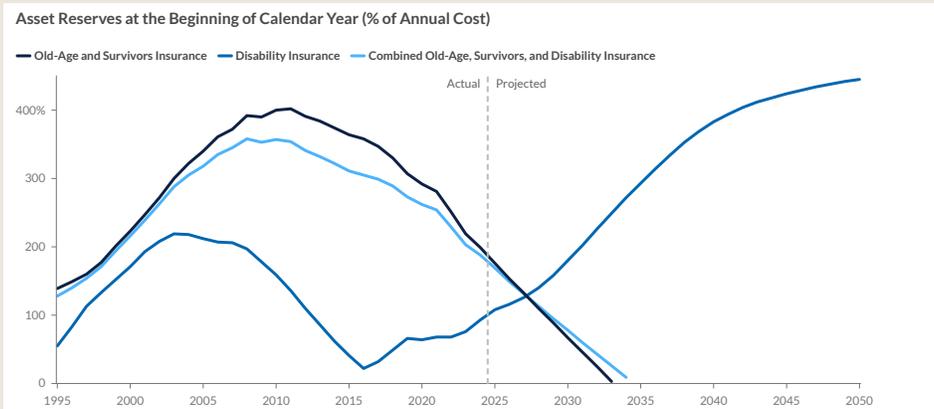
9. Munnell, Alicia H., Maurico Soto. 2005. “What Replacement Rates Do Households Actually Experience in Retirement?” Center for Retirement Research at Boston College. <https://crr.bc.edu/working-papers/what-replacement-rates-do-households-actually-experience-in-retirement/>

10. Securian Financial. “Understanding the benefits and drawbacks of the replacement ratio in retirement planning.” <https://www.securian.com/insights-tools/articles/retirement-income-replacement-ratio.html>

11. Kotlikoff, Laurence. 2018. “The 70% Replacement Rate in Retirement Is Rubbish.” Forbes. <https://www.forbes.com/sites/kotlikoff/2018/06/22/the-70-replacement-rate-in-retirement-is-rubbish/?sh=2715a0757917>

12. Stochak, Sarah. 2020. “Moving to a 70 Percent Income Replacement for Unemployment Insurance Benefits Will Disproportionately Hurt Low-Income Renters.” Urban Institute. <https://www.urban.org/urban-wire/moving-70-percent-income-replacement-unemployment-insurance-benefits-will-disproportionately-hurt-low-income-renters> Note: Many low-income retirees are not homeowners and continue to rent throughout retirement. An unrelated study by the Urban Institute on replacement rates of unemployment insurance during the Covid-19 pandemic found that a 70% replacement rate would leave many low-income workers unable to pay for basic living expenses such as rent. Hence, low-income households may need close a 100% replacement rate or more during retirement to maintain the living standards they had during working years.

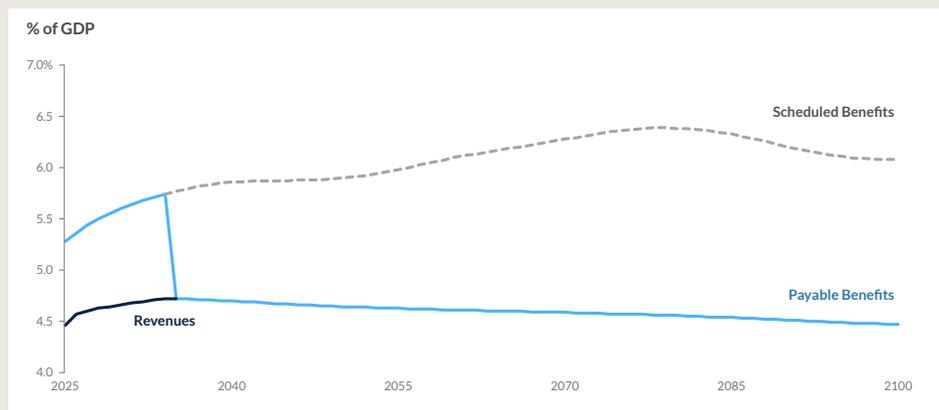
13. It is important to note that the Social Security program has two legally separate trust funds. The OASI and DI trust funds are legally separate because they are designed to serve different purposes and different populations. The Old-Age and Survivors Insurance (OASI) trust fund provides benefit payments to retired workers, their spouses, some children, and the survivors of deceased workers. The Disability Insurance (DI) trust fund provides benefits to disabled workers, their spouses, and children. Social Security paid out almost \$1.5 trillion in benefits during 2024, roughly 20% of the entire \$6.8 trillion 2024 federal spending. Of these benefits, roughly 89% were OASI benefits and 11% for DI benefits.



Source: <https://www.pgpf.org/article/social-security-faces-serious-financial-shortfalls-and-other-takeaways-from-the-trustees-report/>

**FIGURE 4.** Social Security Retirement Trust Fund Depletion

Note: Under law, a trust fund cannot incur a negative balance. The OASI Trust Fund will be depleted in 2033 while the DI Trust Fund will not be depleted within the 75-year long-range projection period. Combined, the trust funds would be depleted in 2034.



Source: <https://www.pgpf.org/article/budget-explainer-what-are-federal-trust-funds/>

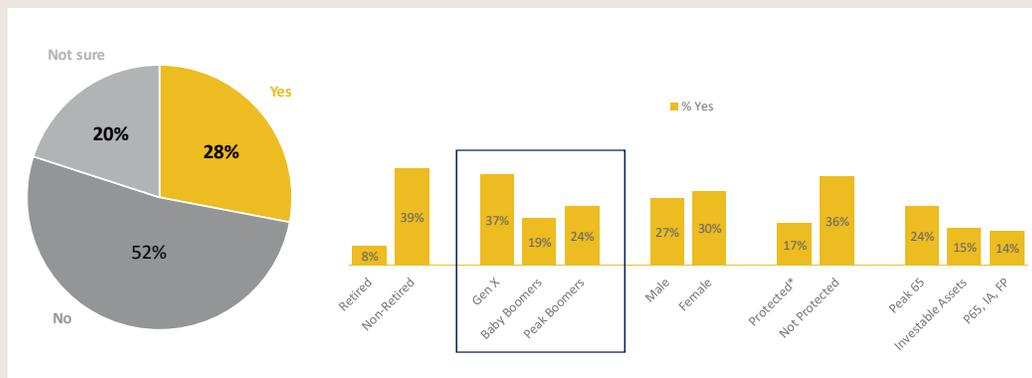
**FIGURE 5.** Social Security Benefits Could Be Cut Without Legislative Actions

Note: The Social Security trust funds are combined on a hypothetical basis, but actually operate separately. The Old-Age & Survivors Insurance Trust Fund is projected to be depleted in 2033 and lead to a 23 percent cut in benefits that year; the Disability Insurance Trust Fund is not projected to become depleted during the 75-year period ending in 2099.

full benefits in 2034<sup>14</sup> — now less than 10 years away. (Figure 4) Although the date of depletion for the combined trust funds varies somewhat from year to year based on economic conditions, for the last 20 years the Trustee reports have consistently estimated that the combined trust funds will be exhausted between 2037 and 2042.

The financial problems of the Social Security program are structural and will require structural changes to benefit levels, taxation, or a combination of the two. That said, trust fund depletion does not mean bankruptcy. Social Security does not have legal borrowing authority. When the trust funds are depleted, the program can only pay out in benefits what it receives in revenue. That

14. Social Security Administration. 2025. “The 2025 OASDI Trustees Report.” <https://www.ssa.gov/oact/tr/2025/>



Source: <https://www.protectedincome.org/alliance-research-prip-2025/>

**FIGURE 6.** Consumers Delaying Retirement Due to Financial Concerns

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

is a far cry from bankruptcy, which would imply that the program cannot pay benefits at all. However, unless Congress and the President act to reform Social Security, the program will only be able to pay approximately 79% of estimated benefits when the retirement (OASI) trust fund runs out of assets in 2033. If the assets of the OASI and DI trust funds are combined, the combined trust funds would be depleted in 2034, and program could pay out 83% of scheduled benefits.<sup>15</sup> (Figure 5)

Given the complexity and anticipated changes with this source of protected retirement income, seeking professional financial advice can be advantageous to making informed decisions. The Alliance for Lifetime Income’s 2024 Protected Retirement Income and Planning Study (PRIP) found that despite 84% of financial professionals saying their clients rely on them to decide how and when to claim Social Security, 76% of investors said they made the decision on their own and only 9% said their financial professional helped. This 75%

gap indicates a strong need for meaningful communication between clients and their advisors on the topic of social security.<sup>16</sup>

Another part of this process is deciding on the optimal time to retire. Corebridge Financial found that 4 out of 10 Gen-Xers say they will have to work until they’re between the ages of 65 and 69. And more than a quarter (27%) expect they will have to work until 70 or later before they retire.<sup>17</sup> And a significant portion of Gen-X workers are also now changing their plans for retirement, according to a survey by Prudential. Nearly half (47%) of working Gen-Xers now anticipate retiring later than originally planned, and 40% of the generation intends to work part-time even after retirement.<sup>18</sup> This is supported by findings in the Alliance’s 2025 PRIP study which found 37% of Gen-Xers plan to delay retiring due to financial concerns, significantly higher than Baby Boomers (19%).<sup>19</sup> (Figure 6)

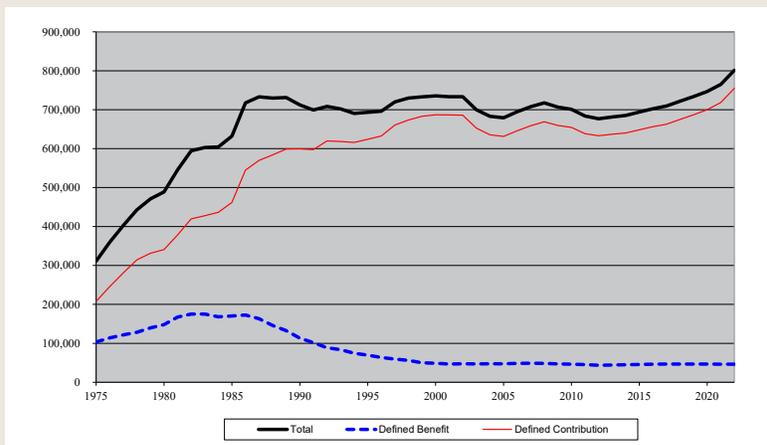
15. The two trust funds cannot legally be combined without a change in law.

16. Alliance for Lifetime Income. 2024. “Protected Retirement Income and Planning Study (PRIP).” <https://www.protectedincome.org/prip-2024/>

17. Corebridge Financial. 2023. “Don’t You Forget About Me- Getting the MTV generation (Gen-X) to and Through Retirement.” <https://www.corebridgefinancial.com/insights-education/genx>

18. Prudential. “Gen-X: Retirement Revisited.” 2023. <https://news.prudential.com/latest-news/prudential-news/prudential-news-details/2023/Generation-X-confronts-harsh-new-reality-of-retirement-unreadiness/default.aspx>

19. Alliance for Lifetime Income. 2025. “Protected Retirement Income and Planning Study (PRIP).” <https://www.protectedincome.org/alliance-research-prip-2025/>



Source: [https://www.dol.gov/sites/dolgov/files/ebsa/pdf\\_files/private-pension-plan-bulletin-historical-tables-and-graphs.pdf](https://www.dol.gov/sites/dolgov/files/ebsa/pdf_files/private-pension-plan-bulletin-historical-tables-and-graphs.pdf)

**FIGURE 7.** Number of Pension Plans by type of plan, 1975-2022e

NOTES: The methods used to develop the statistics in this report have changed over time. These changes are outlined in Appendices A through J. Excludes “one-participant plans.” Pension plan statistics are weighted to estimate the impact of delinquent filers. This may result in non-integer plan counts and associated statistics in the underlying data. For more information on the weighted estimates, refer to the “Weights” section in the User Guide of the Form 5500 Private Pension Research File.

SOURCE: Form 5500 filings with the U.S. Department of Labor.

## PROTECTED INCOME INSECURITY

For much of the last century, U.S. workers relied on a retirement system based on the economic contract between employers and employees known as a pension (i.e., a defined-benefit pension plan), “a regular payment made during a person’s retirement from an [employer’s] investment fund to which that person or their employer has contributed during their working life.”<sup>20</sup> The passage of Employee Retirement Income Security Act of 1974 (ERISA) and The Revenue Act of 1978 introduced seismic shifts in this relationship. Now, employers could offer an alternative to their traditional pension plans (e.g., a 401k plan) placing the retirement savings responsibility onto the worker. According to the Department of Labor, in 1983, when the first Gen-Xers turned 18, there were 602,848 retirement plans comprising 175,143 defined-benefit plans and 427,705 defined contribution plans covering approximately 69 million, 40 million, 29 million

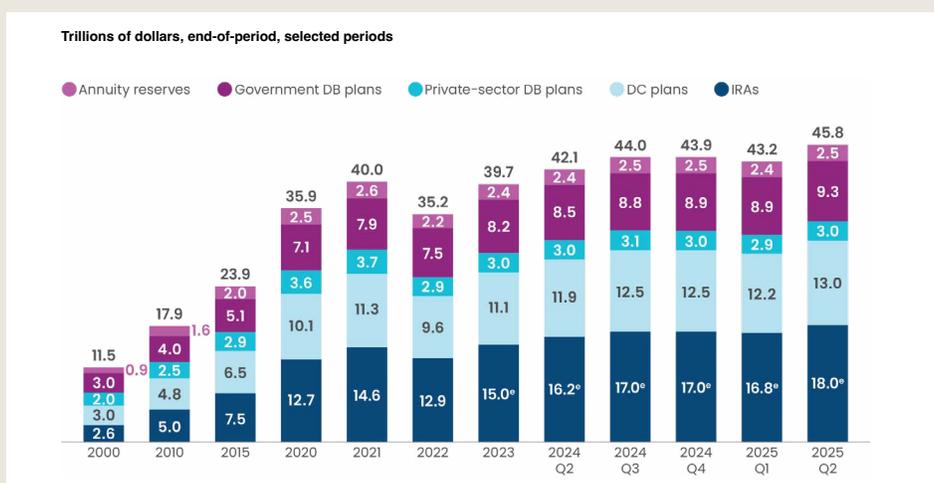
workers, respectively. In 2022, there were 801,371 retirement plans comprising 46,508 defined-benefit plans and 754,863 defined-contribution plans covering approximately 151 million, 30 million, 121 million workers, respectively. In 1983, defined-benefit plans represented 40 percent of all retirement plans. As of 2022, defined-benefit plans represented only 6 percent of all retirement plans.<sup>21</sup> (Figure 7) According to the most recent United States Census Bureau Survey of Income and Program Participation (SIPP), only 14% of Gen-Xers are covered by a defined benefit plan.<sup>22</sup> Employees often lack the financial skills to manage all the choices required in a defined contribution system (e.g., 401k)– how much to deduct from a paycheck, investment selections, and how to structure lifetime income at retirement– which are typically embedded in defined benefit (pension) plans. While Americans are also using other types of accounts to augment their savings like IRAs and annuities, 401ks and pension plans still represent the majority of the \$45.8 trillion in U.S. retirement accounts.<sup>23</sup> (Figure 8)

20. Seburn, Patrick W. 1991. “Evolution of Employer-Provided Defined Benefit Pensions.” U.S. Bureau of Labor Statistics. <https://www.bls.gov/opub/mlr/1991/12/art3full.pdf>

21. Department of Labor. “Private Pension Plan Bulletin Historical Tables and Graphs 1975-2022.” [https://www.dol.gov/sites/dolgov/files/ebsa/pdf\\_files/private-pension-plan-bulletin-historical-tables-and-graphs.pdf](https://www.dol.gov/sites/dolgov/files/ebsa/pdf_files/private-pension-plan-bulletin-historical-tables-and-graphs.pdf)

22. United States Census Bureau. 2022. “Survey of Income and Program Participation (SIPP).” <https://www.census.gov/programs-surveys/sipp.html>

23. Investment Company Institute. 2025. “Retirement Assets Total \$45.8 Trillion in Second Quarter 2025.” [https://www.ici.org/statistical-report/ret\\_25\\_q2](https://www.ici.org/statistical-report/ret_25_q2)



Source: [https://www.ici.org/statistical-report/ret\\_25\\_q2](https://www.ici.org/statistical-report/ret_25_q2)

**FIGURE 8.** US Total Retirement Market Assets

<sup>e</sup> Data are estimated.

Note: For definitions of plan categories, see Table 1 in “The US Retirement Market, Second Quarter 2025.” Components may not add to the total because of rounding.

Sources: Investment Company Institute, Federal Reserve Board, Department of Labor, National Association of Government Defined Contribution Administrators, American Council of Life Insurers, and Internal Revenue Service Statistics of Income Division

## MORE FINANCIAL BURDENS

Other financial hurdles have also impeded Gen-X from accumulating sufficient personal retirement savings. Looking back over their lifetimes, there have been:

- Eight U.S. recessions.<sup>24</sup>
- Six out of the 19 largest U.S. stock market corrections, 4 in the top 10.<sup>25</sup>
- College costs escalation and student loan borrowing costs.<sup>26</sup>
- A sandwich generation that financially supports both children and aging parents.<sup>27</sup>

Higher education costs also stand out when comparing Gen-X against other generations. Gen-X may carry a smaller percentage of student loan debt, but their balances are higher compared to Millennials and Gen Z and they had the highest reported delinquent student loan payments across all generations, owing a collective \$15.5 billion.<sup>28</sup> And a recent survey by The FINRA Foundation found that compared to Baby Boomers, Millennials and Gen Z, Gen-X was the most worried about student loan repayments. Their survey also noted that 18% of Gen-X student debt holders did not take out the loan for themselves but did so for a spouse, child, grandchild or someone else.<sup>29</sup> (Figure 9) This type of support is connected to another major Gen-X topic— being the “sandwich generation.” Anyone who provides care to

24. Federal Reserve Bank of St. Louis. 2025. “FRED.” <https://fred.stlouisfed.org/series/JHDUSRGDPBR>

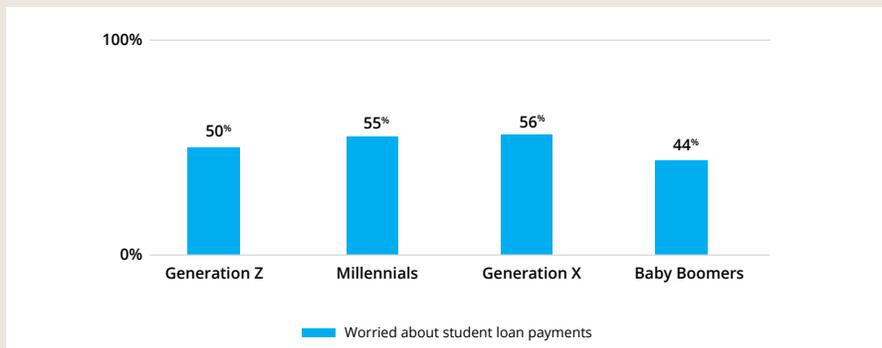
25. Fredlick, Emilia. 2025. “What We’ve Learned From 150 Years of Stock Market Crashes.” Morningstar. <https://www.morningstar.com/economy/what-weve-learned-150-years-stock-market-crashes>

26. Johnson Hess, Abigail. 2019. “Here’s How Much College Cost the Year You Were Born.” CNBC. <https://www.cnbc.com/2019/09/04/heres-how-much-college-cost-the-year-you-were-born.html#:>

27. Lei, Lianlian, Amanda N. Leggett, Donovan T. Maust. 2022. “A national profile of sandwich generation caregivers providing care to both older adults and children.” Journal of the American Geriatric Society. <https://agsjournals.onlinelibrary.wiley.com/doi/10.1111/jgs.18138>

28. Bareham, Hannah. 2023. “Which Generation Has the Most Student Loan Debt?” Bankrate.com. <https://www.bankrate.com/loans/student-loans/student-loan-debt-by-generation/#gen-x>

29. Ko, K. Jeremy, Olivia Valdes, Ph.D., Ritta McLaughlin, Gary R. Mottola. 2024. “How Gen-X Compares Financially to Other Generations: Doing Alright but Feeling Bad.” FINRA Investor Education Foundation. <https://www.finrafoundation.org/sites/finrafoundation/files/2024-10/how-gen-x-compares-financially-to-other-generations-oct2024.pdf>



Source: <https://www.finrafoundation.org/sites/finrafoundation/files/2024-10/how-gen-x-compares-financially-to-other-generations-oct2024.pdf>

**FIGURE 9.** Student Loan Strain by Generation

grandparents, parents, children, or grandchildren at the same time is considered to be part of the sandwich generation. But Gen-X, due to their ages, bears a disproportionately heavier financial and emotional burden.

## AN EXPENSIVE SANDWICH

A recent Journal of American Geriatrics Society study reported:

*“Of all adult child caregivers, 24.3% also cared for a minor child (i.e., sandwich generation caregivers), representing 2.5 million individuals. Sandwich generation caregivers provided similar care hours to older care recipients as non-sandwich caregivers (77.4 vs. 71.6 hours a month, though more of them worked for pay (69.4% vs. 53.9%). Both sandwich generation caregivers (21.0% vs. 11.1%) and their care recipients (30.1% vs. 20.9%) were more likely to be Medicaid enrollees than their non-sandwich caregiving counterparts. More sandwich generation caregivers reported substantial financial (23.5% vs. 12.2%) and emotional difficulties (44.1% vs. 32.2% than non-sandwich caregivers; they also reported higher caregiver role overload (score: 2.9 vs. 2.4). Their supportive services use was similarly low as non-sandwich caregivers except for seeking financial help (24.8% vs. 14.7%).”<sup>30</sup> (Figure 10)*

A 2023 survey by The Mather Institute reported that 83% of Gen-Xers had care responsibilities for either a child, parent, or both— 38% of Gen-Xers are raising at least one child under 18, 20% of Gen-Xers are financially supporting an adult child, 67% of Gen-Xers have at least one parent aged 65+. The survey also found that only 35% reported feeling prepared to meet their parents’ financial needs and just over half felt prepared to meet their children’s financial needs over the next five years.<sup>31</sup> (Figure 11) Historically, the primary caregivers have been women, however, a recent survey by New York Life discovered two interesting shifts: In 2020, 64% of self-reported caregivers were women and 36% were men. In 2023, 45% of self-reported caregivers were women and 55% were men. In 2020, 39% of self-reported caregivers were Millennials and 40% were Gen-Xers. In 2023, 66% of self-reported caregivers are Millennials and 23% are Gen-Xers.<sup>32</sup>

While these findings are a welcome shift for women, women continue to struggle more than men to meet this challenge. Women caregivers often feel less prepared to continue providing financial support long-term. Only 54% of women say they would be able to afford providing the same level of care for their loved ones for at least another year before adjusting their financial plan vs. 72% of men. In fact, 14% of women say they only

30. Lei, Lianlian, Amanda N. Leggett, Donovan T. Maust. 2022. “A National Profile of Sandwich Generation Caregivers Providing Care to Both Older Adults and Children.” Journal of American Geriatrics Society. <https://pmc.ncbi.nlm.nih.gov/articles/PMC10023280/#:~:text=Of%20all%20adult%20child%20caregivers,008>

31. The Mather Institute. 2024. “The Gen-Xperience- A Five-Year Journey into the Lives of Generation X- Year 1 report.” <https://information.matherinstitute.com/gen-xperience-year-1>

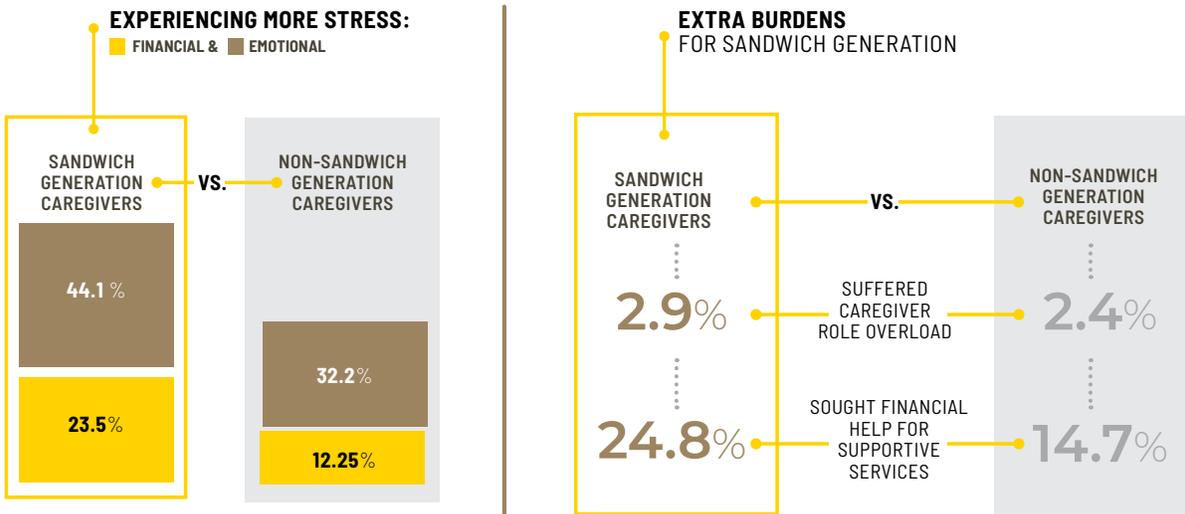
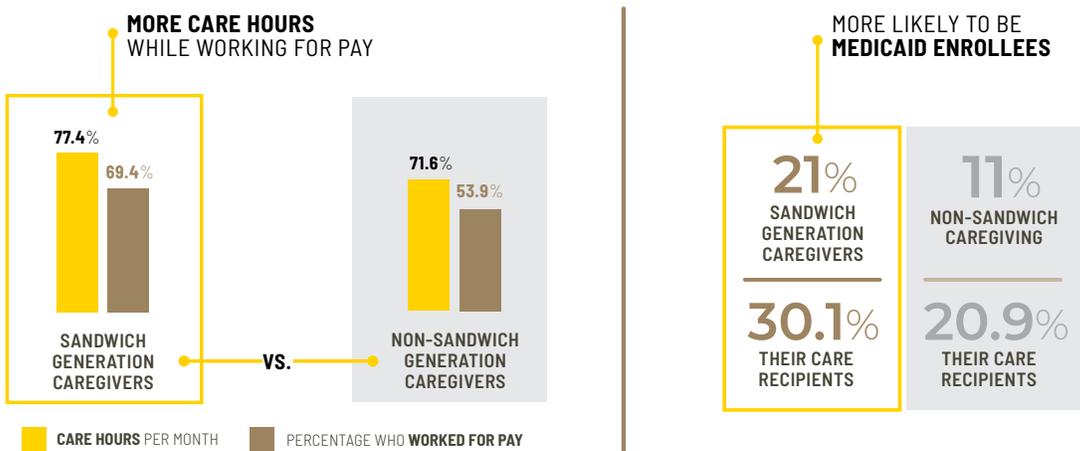
32. New York Life. 2023. “Wealth Watch.” <https://www.newyorklife.com/newsroom/2023/wealth-watch-survey-sandwich-generation-unable-to-meet-expenses-due-to-caregiving>

**OF ALL CAREGIVERS**

**24.3%**  
CARED FOR BOTH A  
MINOR CHILD AND AND  
ADULT CHILD.

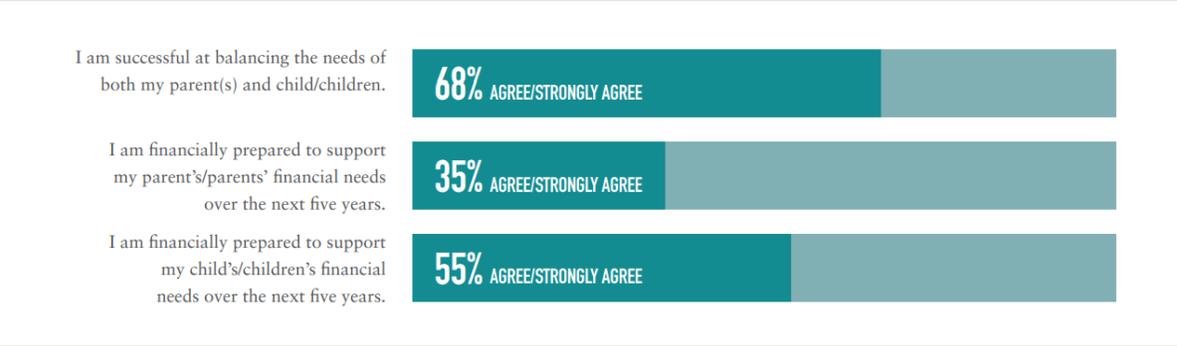
**THIS ADDS UP TO** →

**2.5 MILLION  
SANDWICH  
GENERATION  
CAREGIVERS**



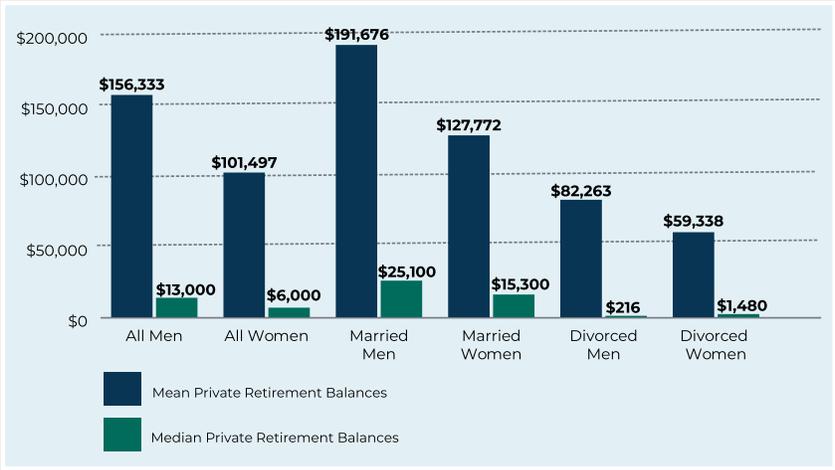
Source: <https://pmc.ncbi.nlm.nih.gov/articles/PMC10023280/#:~:text=0f%20all%20adult%20child%20caregivers,008>

**FIGURE 10.** A National Profile of Sandwich Generation Caregivers Providing Care to Both Older Adults and Children



Source: <https://information.matherinstitute.com/gen-xperience-year-1>

**FIGURE 11.** Gen-X Ability to Support Children and Aging Parents



Source: <https://www.nirsonline.org/reports/genx/>

**FIGURE 12.** Gen-X Women Have Significantly Lower Savings Than Men

will be able to provide, at most, 6 months more of care compared to 3% of men. Women are also more likely to say that caregiving has negatively impacted various aspects of their lives: 50% report mental health/stress vs. 39% for men, 49% report a loss of personal time vs. 37% for men, and 40% report a decrease in romantic life vs. 30% for men.<sup>33</sup>

**THE GEN XX FACTOR<sup>34</sup>**

Gen-X women also face two key challenges when it comes to retirement income planning. First, they have lower retirement savings vs. men. The National Institute Retirement Security reports that the average private retirement account balances for Gen-X men and women

33. Ibid.

34. Women have two XX chromosomes.

are \$156,333 and \$101,497, respectively. And the median retirement savings is \$6,000 for married Gen-X women, less than half that for married Gen-X men at \$13,000.<sup>35</sup> (Figure 12) Second, women statistically live longer than men, therefore needing more financial resources. Their longer life spans also correlate with higher health care costs. According to Milliman's 2024 Retiree Health Cost Index, a healthy 65-year-old female retiring in 2024 is projected to spend approximately \$320,000 out-of-pocket (OOP) on healthcare expenses during her retirement (assumed to have a lifespan of 90 years) vs \$281,000 for men. To cover these future healthcare expenses in today's dollars, she needs \$207,000 in savings in 2024 (vs \$188,000 for men).<sup>36</sup>

Women are also disproportionately impacted by Alzheimer's and Dementia. According to recent statistics from the Alzheimer's Association, in the United States, nearly two-thirds of the estimated 7.2 million people aged 65 and older living with Alzheimer's dementia in 2025 are women. This means that approximately 4.8 million women will be affected by Alzheimer's dementia in 2025.<sup>37</sup> They also report the following impacts on women as caregivers:

- More than three in five unpaid Alzheimer's caregivers are women. This affects multiple generations, as it is more common for wives to provide informal care for a husband than vice versa, and more than one-third of dementia caregivers are daughters.
- On average, female caregivers spend more time caregiving than male caregivers. In fact, there are 2.5 times more women than men who live with the person with dementia full-time.
- Because of caregiving duties, women are likely to experience adverse consequences in the workplace. Nearly 19% of women Alzheimer's caregivers had to quit work either to become a caregiver or because their caregiving duties became too burdensome.

- Women caregivers may experience higher levels of depression and impaired health than their male counterparts. Evidence suggests these differences arise because female caregivers tend to spend more time caregiving, to take on more caregiving tasks, and to care for someone with greater cognitive, functional and/or behavior problems.<sup>38</sup>

These financial and emotional costs indicate the need to include this category in retirement planning. The Alliance's 2025 PRIP study found that only 42% of women reported feeling confident that they have enough money to finance their lifestyle until 90 years or older vs. 53% of men. So the topic of caregiving and health costs can be very material when mapping out the longevity of assets. When people were asked if they discuss with their financial professional the possibility of needing physical care in retirement (potentially long-term care), 28% of Baby Boomers and 32% and Peak Boomers agreed, but even more Gen-Xers agreed (36%). Additionally, when asked if they had discussed the impact of caregiving for family/friends on their retirement 26% of Baby Boomers and 25% and Peak Boomers agreed, but again, more Gen-Xers agreed (33%). These can point financial professionals to areas of client need, interest, or both.<sup>39</sup>

Further, the 2025 PRIP found when consumers and financial professionals were asked how frequently the topic of needing physical care (potentially long-term care) in retirement came up in discussions, there was a 52 point gap – 96% FPs say they always or sometimes discuss this topic with their clients (46% always, 50% sometimes) while only 44% consumers say their financial professional discussed this topic with them. There was also a significant gap (59 points) about the topic of possible cognitive decline – 90% financial professionals say they always or sometimes discuss this topic with their clients (36% always, 54% sometimes) while only 31% of consumers say their FP discussed this topic with them.<sup>40</sup>

35. Bond, Tyler, Celia Ringland, Joelle Saad Lessler. 2023. "The Forgotten Generation: Generation X Approaches Retirement." National Institute on Retirement Security. <https://www.nirsonline.org/reports/genx/>

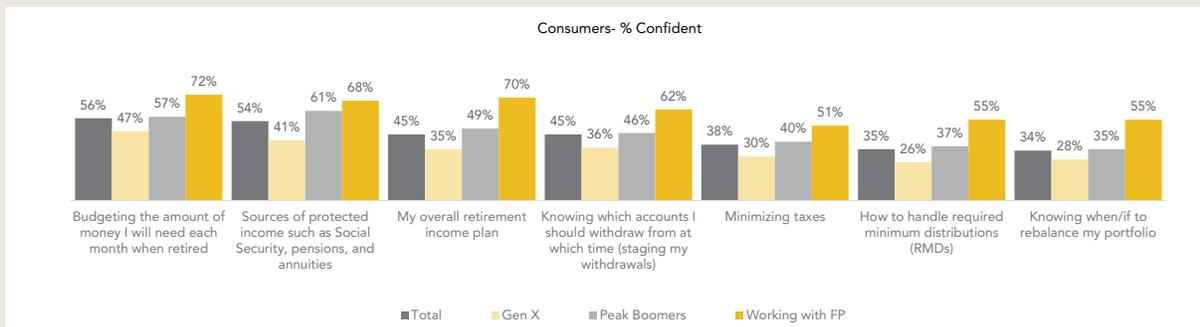
36. Schmidt, Robert, Eric Walters. 2024. "Milliman Retiree Health Cost Index." Milliman Inc. <https://www.milliman.com/en/insight/retiree-health-cost-index-2024>

37. Alzheimer's Association. <https://www.alz.org/>

38. Alzheimer's Association. "Women and Alzheimer's." <https://www.alz.org/alzheimers-dementia/what-is-alzheimers/women-and-alzheimers>

39. Alliance for Lifetime Income. 2025. "Protected Retirement Income and Planning Study (PRIP)." <https://www.protectedincome.org/alliance-research-prip-2025/>

40. Ibid.



Source: <https://www.protectedincome.org/alliance-research-prip-2025/>

**FIGURE 13.** Confidence in Creating Retirement Income

## RETIREMENT INCOME

Trust in the longevity of retirement savings and income sources also sees significant generational gaps—just 41% Gen-Xers feel confident their money will last a lifetime vs. 62% of Baby Boomers and 53% of Peak Boomers. Concerningly, Gen-X reports the least confidence when asked about the skills needed to create retirement income (ex. budgeting, withdrawing from retirement assets, etc.). And formal retirement income planning is still underutilized by savers with only 35% reporting that they follow a specific plan.<sup>41</sup> (Figure 13) Interestingly, three key areas *are* associated with increased confidence: annuity ownership (80% confidence), pension ownership (78% confidence), and working with a Financial Professional (70% confidence).<sup>42</sup>

To help address the income planning gap, the actuaries at Milliman created a free financial engine – [The Rise Score™](#). Actuaries are uniquely qualified to help with this work since retirement income calculations are considered one of the most difficult and complex in personal finance for a reason—no one knows how long they will live. By using 10 consumer inputs—current age, anticipated retirement age, gender, health

status, current savings and retirement amount(s), annual contribution amount to saving, asset allocation, income sources in retirement (social security, pension, annuity, other), estimated basic living expenses in retirement, and estimated medical expenses in retirement—people can generate a free report to help empower them to understand if they have projected income shortfalls and ways to make improvements.<sup>43</sup>

## THE ANNUITY PUZZLE

Economists have long called for more retirees to protect themselves from outliving their assets and be more financially secure in retirement by purchasing annuities. And despite growing industry recognition of their importance inside retirement portfolios that are truly diversified, just 6% of 55-year-olds plan to use annuities in retirement, compared to 11% of 65-year-olds and 20% of 75-year-olds. Yet, 71% of 55-year-olds say they are interested in annuities, which perhaps highlights a lack of real understanding of annuities themselves versus what they can solve for.<sup>44</sup> Findings from the 2025 PRIP study also support this — Gen-Xers are far more interested in purchasing an annuity compared to Baby Boomers (37% versus 21%). And when asked where they would invest a

41. Alliance for Lifetime Income. 2025. "Protected Retirement Income and Planning Study (PRIP)." <https://www.protectedincome.org/alliance-research-prip-2025/>

42. Ibid.

43. Norman, Suzanne. 2024. "How the Rise Score™ Seeks to Help Answer the Critical Question all Americans Will Face - Do I Have Enough Money Saved for Retirement?" Retirement Income Institute, Alliance for Lifetime Income. [https://www.protectedincome.org/wp-content/uploads/2024/06/IN-13-Norman\\_v3.pdf](https://www.protectedincome.org/wp-content/uploads/2024/06/IN-13-Norman_v3.pdf)

44. Prudential. 2024. "2024 Pulse of the American Retiree Survey: Midlife Retirement 'Crisis' or a 10-Year Opportunity?" <https://news.prudential.com/latest-news/prudential-news/prudential-news-details/2024/2024-Pulse-of-the-American-Retiree-Survey/default.aspx>

	CORRECT	INCORRECT	DON'T KNOW
Interest rate question	69%	14%	16%
Mortgage question	69%	9%	22%
Inflation question	58%	18%	23%
Risk question	41%	11%	47%
Probability question	35%	28%	36%
Compound debt question	29%	41%	30%
Bond price question	25%	33%	42%

Source: <https://www.finrafoundation.org/sites/finrafoundation/files/2025-07/NFCS-Report-Sixth-Edition-July-2025.pdf>

**FIGURE 14.** FINRA Foundation, 2025 Financial Capability in the United States Results

\$100,000 inheritance, 69% of Gen-Xers said they would select an annuity versus 58% of Baby Boomers.<sup>45</sup>

Some of this reluctance might come from the frequently reported inheritance expectation. According to Cerulli, nearly \$124 trillion in wealth will be transferred between now and 2048, with Gen-Xers projected to inherit the greatest portion of assets in the next 10 years— an estimated \$1.4 trillion.<sup>46</sup> However, a recent survey by Prudential found only 12% of Gen-Xers indicate that this money will be used for retirement. This same survey also challenged the perspective that Gen-Xers will tap into their home equity as a source of retirement income – only 16% planned to do so.<sup>47</sup>

Another contributor to the lack of annuity adoption may also be connected to be the lack of basic financial literacy in the U.S. The 6th Edition of FINRA Foundation’s National Financial Capability Study (NFCS) uses a series of questions covering fundamental concepts of economics and personal finance to assess respondent’s competency. Topics include interest rates and inflation, principles relating to risk and diversification, the relationship between bond prices and interest rates, the impact that a

shorter term can have on total interest payments over the life of a mortgage, compounding interest on a loan and understanding probabilities. But as the survey reports, “just under two in five respondents (19%) report participating in financial education at a school, college or workplace. And financial education appears to be associated with better performance on the financial literacy quiz questions. Among those who participated in financial education, more than half (58%) are able to answer at least four of the seven quiz questions correctly, compared to 44% among those who did not participate. And financial literacy is strongly correlated with behavior that is indicative of financial capability. Specifically, those with higher literacy are more likely to have an easier time making ends meet and to be spending less than their income. They are also more likely to have taken steps to plan for their financial future, such as setting aside emergency funds and calculating retirement savings needs. They are less likely to engage in expensive credit card behaviors and use non-bank borrowing methods. Financial literacy also correlates positively with financial well-being.”<sup>48</sup>

Although the correct response to some individual questions reaches 69%, only 4% of respondents are able to answer all seven questions correctly, and only 46% are

45. Alliance for Lifetime Income. 2025. “Protected Retirement Income and Planning Study (PRIP).”

<https://www.protectedincome.org/alliance-research-priv-2025/>

46. Cerulli. 2025. “Cerulli Edge- The Americas Asset and Wealth management Edition.”

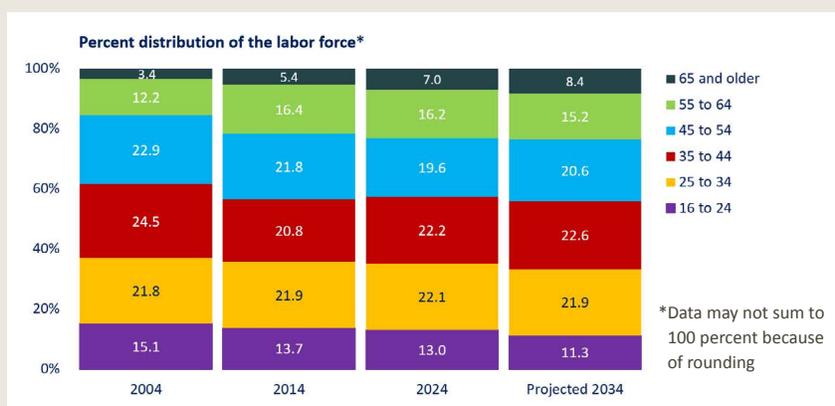
<https://www.cerulli.com/press-releases/generation-x-represents-the-most-immediate-opportunity-for-wealth-managers>

47. Prudential. 2023 “Generation X Confronts Harsh New Reality of Retirement: Unreadiness.”

<https://news.prudential.com/latest-news/prudential-news/prudential-news-details/2023/Generation-X-confronts-harsh-new-reality-of-retirement-unreadiness-06-07-2023/default.aspx>

48. FINRA Foundation. 2025. “Financial Capability in the United States Results.”

<https://www.finrafoundation.org/sites/finrafoundation/files/2025-07/NFCS-Report-Sixth-Edition-July-2025.pdf>



Source: [https://www.bls.gov/emp/images/lf\\_aging.png](https://www.bls.gov/emp/images/lf_aging.png)

**FIGURE 15.** Labor Force Share, by Age Group, 2004, 2014, 2024, and Projected 2034

able to answer at least four questions correctly, little changed from the last survey in 2021. (Figure 14)

To help bridge this education gap, the Alliance for Lifetime Income, an educational nonprofit organization, created a Retirement Income Virtual Assistant, “AskALI.” This generative AI tool was designed to use research and educational resources exclusively from the Alliance and Institute Fellows to reassure consumers of the objectivity, credibility, and independence of the information.

Lastly, any conversation about retirement income needs to leave room for the possibility that people may continue to work in retirement. The traditional paradigm of retirement is shifting as it relates to age and the concept of stopping paid work. A recent Federal Reserve survey found that 45% of employed older adults consider themselves to be retired, often in what economists refer to as “bridge jobs.”<sup>49</sup> This helps shed light on a recent Pew Research study showing 19% of adults ages 65 and older are employed today (11 million) compared to 11% in 1987, quadruple the size since the mid-1980s. And some 9% of adults ages 75 and older are employed today,

about twice the share who were working in 1987 (4%). Workers ages 75 and older are the fastest-growing age group in the workforce, quadrupling in size since 1964.<sup>50</sup> The U.S. Bureau of Labor Statistics also projects adults ages 65 and older will represent 8.7% of the labor force (those working and looking for work) in 2032, up from 7% in 2024. Older adults are projected to account for 57% of labor force growth over this period. The only other age group projected to increase its labor force participation rate is 55- to 64-year-olds.<sup>51</sup> (Figure 15) All of this is to say, when a retirement planning conversation happens, make sure to leave room for the possibility people may still be, want to, or need to, keep working.<sup>52</sup>

## POLICY CONSIDERATIONS

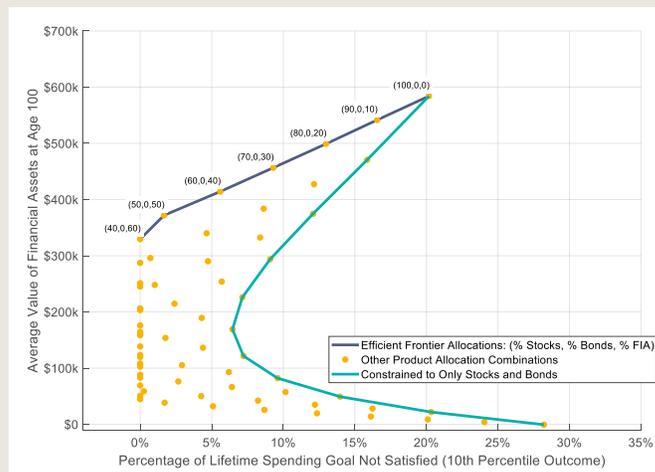
Without a doubt, Gen-Xers will have to rely on traditional defined-contribution retirement plans to generate income in retirement compared to past generations. Today, just 12% of Peak 65 Baby Boomers—who are the youngest of this cohort aged 61-65—have protected income from a private sector pension plan, and that

49. Board of Governors of the Federal Reserve System. 2024. “Survey of Household Economics and Decision Making.” <https://www.federalreserve.gov/consumerscommunities/shed.htm>

50. Fry, Richard, Dana Braga. 2023. “The Growth of the Older Workforce.” Pew Research Center. <https://www.pewresearch.org/social-trends/2023/12/14/the-growth-of-the-older-workforce/>

51. U.S. Bureau of Labor Statistics. 2025. “Employment Projections.” <https://www.bls.gov/emp/>

52. Leider, Richard, Suzanne Norman. 2024. “Peak 65® on Purpose - Why Having a Purpose Should Matter to Retirees and Financial Professionals.” Retirement Income Institute, Alliance for Lifetime Income. [https://www.protectedincome.org/wp-content/uploads/2024/09/IN-15-LeiderNorman\\_v3.pdf](https://www.protectedincome.org/wp-content/uploads/2024/09/IN-15-LeiderNorman_v3.pdf)



Source: [https://www.protectedincome.org/wp-content/uploads/2023/06/RP-20\\_Pfau\\_final.pdf](https://www.protectedincome.org/wp-content/uploads/2023/06/RP-20_Pfau_final.pdf)

**FIGURE 16. Efficient Frontier for Retirement Income**

number is estimated to drop precipitously for Gen-Xers.<sup>53</sup> Besides Social Security, this leaves annuities as the only other option that offers protected income that is guaranteed. We therefore expect annuities and protected income solutions to become even more important for Gen-Xers, especially since they save mainly through defined-contribution plans and will rely on those plans to create income in retirement.

## BROAD ACCESS TO EFFICIENT PROTECTED INCOME SOLUTIONS

To foster an environment that is favorable to focusing on the role protected income needs to play in the financial security of retirees, the government and employers need to work together.<sup>54</sup> The government could enact regulations to promote annuities and/or remove regu-

lations that are barriers to annuitization. Fortunately, bipartisan support led to the passage of both the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act),<sup>55</sup> and the Securing a Strong Retirement Act of 2022 (SECURE 2.0),<sup>56, 57</sup> both which greatly improved the environment for creating a new security framework focusing on the importance of protected income in retirement. The SECURE Act provided a provision that made it easier for a retirement plan sponsor to offer an annuity option in a defined-contribution plan. This helps employers to offer an annuity option, traditionally associated with defined-benefit pensions, within a defined-contribution retirement plan. Research demonstrates annuitization in defined-contribution plans improve retirement welfare.<sup>58</sup> SECURE 2.0 increased the amount that individuals can move into a qualified longevity annuity contract (QLAC).<sup>59</sup>

53. Shapiro, Robert J., Luke Stutgen. 2024. "The Peak Boomers Impact Study." Retirement Income Institute, The Alliance for Lifetime Income. <https://www.protectedincome.org/peak65-economic-impact-forum/>

54. Mitchell, Olivia S. 2020. "Building Better Retirement Systems in the Wake of the Global Pandemic." National Bureau of Economic Research Working Paper #27261. <https://www.nber.org/papers/w27261>

55. Simonetti, Bruce E. 2020. "President Trump Signs Secure Act into Law." Akin. <https://www.akingump.com/en/news-insights/president-trump-signs-secure-act-into-law.html>

56. CAPTRUST. 2022. "SECURE 2.0 Act Passes." <https://www.captrust.com/resources/secure-2-0-act-passes/>

57. Groom Law Group. 2022. "Summary of Provisions in the Securing a Strong Retirement Act (H.R. 2954)." <https://www.groom.com/resources/summary-of-provisions-in-the-securing-a-strong-retirement-act-h-r-2954/>

58. Blanchett, David, Michael Finke. 2022. "Welfare Improvements from Default Annuitization in Defined Contribution Plans." Retirement Income Institute, Alliance for Lifetime Income. [https://www.protectedincome.org/wp-content/uploads/2022/08/RP-12\\_Blanchett-Finke\\_v3.pdf](https://www.protectedincome.org/wp-content/uploads/2022/08/RP-12_Blanchett-Finke_v3.pdf)

59. Droblyen, Eric. 2020. "The SECURE Act of 2019 – An Analysis of Key 401(k) Changes." Employee Fiduciary. <https://www.employeefiduciary.com/blog/the-secure-act-of-2019-an-analysis-of-key-401k-changes> and 2025. "SECURE Act 2.0 – A Summary of the Major 401(k) Provisions." Employee Fiduciary <https://www.employeefiduciary.com/blog/secure-act-2-0-summary>

**WHAT TYPE OF ANNUITY FITS YOUR RETIREMENT INCOME PLAN?**

Now, let's dive into the details. While many annuity types have benefits in common, each has unique features—the most important are shown in the chart below.

Annuity Advantages	Fixed Annuity	Fixed Index Annuity	Registered Index-Linked Annuity	Variable Annuity
Option for guaranteed income for life	✓	✓	✓	✓
Tax-deferred growth until you withdraw your money <sup>5</sup>	✓	✓	✓	✓
Potential for market-like returns <sup>6</sup>		✓	✓	✓
A level of protection against market losses <sup>7</sup>	✓	✓	✓	
Beneficiary/family benefit (also called a death benefit)	✓	✓	✓	✓

<sup>5</sup> Qualified retirement plans like traditional IRAs also offer tax-deferral.

<sup>6</sup> These annuities do not directly participate in any stock market investments. They track the performance of a stock market index like the S&P 500.

<sup>7</sup> May offer a fixed return or principal protection of your original investment (principal). Protection does not apply to potential gains above and beyond your principal.

Source: [https://www.protectedincome.org/wp-content/uploads/2025/02/Annuities-Consumer-Guide\\_FINAL\\_121724.pdf](https://www.protectedincome.org/wp-content/uploads/2025/02/Annuities-Consumer-Guide_FINAL_121724.pdf)

**FIGURE 17. Annuity Types and Benefits**

The framing and discussion surrounding assets in a financial portfolio also needs to be a part of the new retirement security framework. Traditionally, financial assets are grouped into basic categories, such as equities, bonds, or cash. However, given the important role protected income will play in the financial security of millions of Americans, it's time to recognize how protected income products should be considered an assets class in retirement planning discussions.<sup>60</sup> (Figure 16)

**BRIDGE TO MAXIMUM SOCIAL SECURITY BENEFITS**

Providing adequate protected income for America's retirees, however, will depend on more than simply broad access to protected income options through employer-sponsored retirement plans. While there are many income needs that are shared by most retirees, the design of any one individual's income plan and the

protected income solutions it requires are highly personal and particular. This is true not only because we all have our own personal vision and understanding of what a full life in retirement means, but also because of the number of variables involved in a retirement income plan. Fortunately, there are multiple annuity options available that can be tailored to individual needs.<sup>61</sup> (Figure 17)

One of those variables that merits consideration is how an annuity can be used as part of an individual's Social Security claiming strategy, including the steps to maximize the program's benefits. If a person retires before their Social Security full retirement age, one option would be to purchase an annuity as a "bridge" between retiring and claiming Social Security. By using an annuity to provide protected income for a fixed number of years, the person could afford to file for Social Security later, either at their FRA (full retirement age) or at age 70 to maximize their monthly Social Security benefits.<sup>62, 63, 64</sup>

60. Pfau, Wade. 2023. "Protection as an Asset Class." Retirement Income Institute #020-2023, Alliance for Lifetime Income.

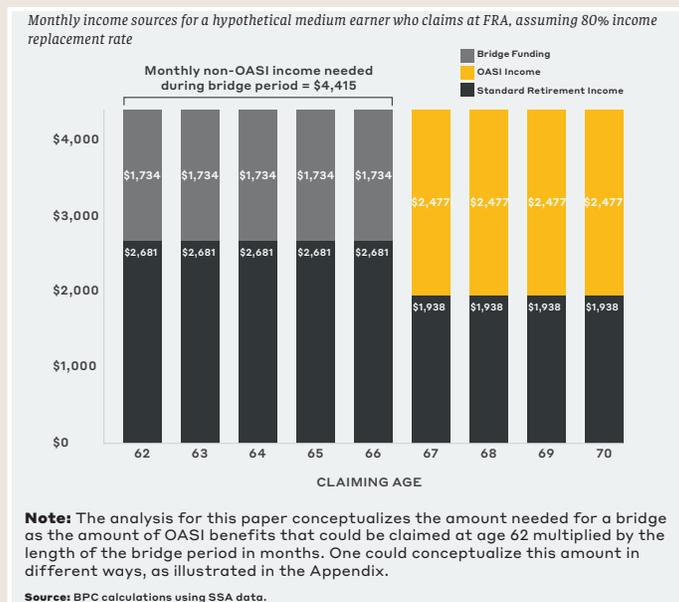
[https://www.protectedincome.org/wp-content/uploads/2023/06/RP-20\\_Pfau\\_final.pdf](https://www.protectedincome.org/wp-content/uploads/2023/06/RP-20_Pfau_final.pdf)

61. Alliance for Lifetime Income. 2024. "Annuities Explained." <https://www.protectedincome.org/annuities/how-an-annuity-works-signature-series/>

62. Pechter, Kerry. 2021. "Building a Bridge to Social Security." Retirement Income Journal. <https://retirementincomejournal.com/article/building-a-bridge-to-social-security/>

63. Munnell, Alicia H., Gal Wettstein, and Wenliang Hou. 2021. "How best to annuitize defined contribution assets?" Center for Retirement Research at Boston College Number 21-1. <https://retirementincomejournal.com/wp-content/uploads/2021/01/CRR-How-Best-to-Annuitize-DC-1-21.pdf>

64. Munnell, Alicia H., Gail Wettstein. 2021. "Would 401(k) Participants Use a Social Security "Bridge" Option?" Center for Retirement Research at Boston College. [https://crr.bc.edu/wp-content/uploads/2021/12/wp\\_2021-27.pdf](https://crr.bc.edu/wp-content/uploads/2021/12/wp_2021-27.pdf)



Source: <https://bipartisanpolicy.org/download/?file=/wp-content/uploads/2025/07/BPC-Social-Security-Bridge-Strategy-Report.pdf>

**FIGURE 18.** Visualizing an Annuity Bridge to Full Retirement Age

Another option is the use of longevity annuities, which help insure against the risk of outliving one’s assets by paying out a stream of income starting approximately 10 years after the annuity is purchased. A recent study by the Bipartisan Policy Center highlights how a bridge annuity strategy would improve retirement income.<sup>65</sup> (Figure 18)

## EMPLOYERS NEED TO DO MORE, INCLUDING MAKING PROFESSIONAL FINANCIAL ADVICE A WORKPLACE BENEFIT

Since many workers are asking their employers to help them save and plan for retirement, employers need to do more. A 2022 research study by Alight concludes: “Most of the provisions of the SECURE Act [1.0] have been met by employers with a yawn,” adding that “the interest in annuities has changed only marginally.”<sup>66</sup> Employers need

to take the lead and embrace the need for a new retirement security framework by offering protected income strategies in their retirement plans and offering professional advice as a workplace benefit to their workers.<sup>67</sup> This benefit need not be solely designed to help employees discuss retirement options. Employees are seeking professional financial advice on a wide variety of issues, including saving for emergencies, a home, education, and even help with basic financial literacy and developing a monthly budget. It is an important component of the new retirement security framework that employers take an active role in helping their workers save for events that occur during their working lives, as well as helping them to have a financially secure retirement.

Lastly, annuities can be very confusing to consumers.<sup>68</sup> (Figure 19) While recent research has found that over half of consumers only somewhat understand the various products they discuss with financial

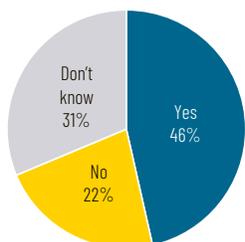
65. Sprick, Emerson. 2025. “Hedging the Risk of a Longer-than-Expected Life: The Value of a Social Security Bridge Strategy.” Bipartisan Policy Center. <https://bipartisanpolicy.org/report/social-security-bridge-strategy/>

66. Alight. 2022. “Hot Topics in Retirement and Financial Wellbeing.” [https://www.alight.com/getmedia/dc44af07-58e6-4919-8679-bb81f09f8682/2022\\_Hot\\_Topics\\_in\\_Retirement\\_and\\_Financial\\_Wellbeing\\_07064.pdf](https://www.alight.com/getmedia/dc44af07-58e6-4919-8679-bb81f09f8682/2022_Hot_Topics_in_Retirement_and_Financial_Wellbeing_07064.pdf)

67. Business Insider. 2025. “Financial Planning.” <https://www.businessinsider.com/personal-finance/you-may-be-missing-out-on-a-big-work-perk-financial-planning>

68. Alliance for Lifetime Income. 2024. “ALI Cannex Protected Retirement Income and Planning (PRIP) Study- Chapter 3 Financial Professionals and clients: Gaps and Alignments.” <https://www.protectedincome.org/wp-content/uploads/2022/08/2024-PRIP-Chapter-3-Report-October-1-2024.pdf>

Can Guaranteed Income from an Annuity Could Help Cover Basic Monthly Expenses?



Nearly one-third of investors don't know the answer to this question

Source: <https://www.protectedincome.org/wp-content/uploads/2022/08/2024-PRIP-Chapter-3-Report-October-1-2024.pdf>

**FIGURE 19. Consumer Annuity Knowledge Gap**

64% of all respondents said they would put money into an annuity vs. the stock market if they inherited \$100,000

**69%**  
of Gen-Xers  
would select  
the annuity

**58%**  
of Baby Boomers  
would select  
the annuity

Source: <https://www.protectedincome.org/prip-2024/>

**FIGURE 20. Investing an Inheritance**

professionals, the challenge is particularly acute when discussing annuities.<sup>69</sup> The same research found that 64% of consumers found annuities to be the most difficult financial product to understand because of how they are described. Fortunately, today there are numerous educational guides and materials publicly available and designed to address this difficulty—from simple language glossaries to recommended questions to ask a financial professional when considering an annuity.<sup>70, 71, 72, 73, 74, 75</sup> And when people are shown how an annuity works versus just a definition, two thirds of people chose an annuity over receiving \$100k as a lump sum.<sup>76</sup> (Figure 20) This indicates an education opportunity for financial professionals to better help clients understand their retirement income options.<sup>77</sup>

## CONCLUSION

The year 2025 is the peak of the “Peak 65® Zone,” the largest surge of retirement age Americans turning 65 in our nation’s history, and fewer employers offer a traditional defined-pension retirement plan that provides much needed protected income guaranteed throughout retirement. The challenges facing the Peak 65 generation are even greater for Gen-X, and will be magnified for Millennials, a larger demographic than either the Boomers or Gen-X.<sup>78</sup> If we’re in the Peak 65 Zone now, we’ll soon be in the Peak Millennial Zone.

The old retirement system no longer fits the needs of today’s American workforce. The result is that more

69. Alliance for Lifetime Income. “Annuities language discussion guide: Speaking in the language of your clients.”

<https://resources.protectedincome.org/pdf/Annuities-Language-Discussion-Guide-ALI-020921.pdf>

70. Alliance for Lifetime Income. “Alliance Guiding Principles.” <https://www.allianceforlifetimeincome.org/feature/alliance-principles/>

71. Alliance for Lifetime Income. “Annuities Language Glossary.” <https://www.protectedincome.org/retirement-tools/annuities-language-glossary/>

72. Alliance for Lifetime Income. “Will You Run Out of Money in Retirement?” 2018.

<https://www.protectedincome.org/annuities/outliving-your-income-expert-series/>

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Americans will be at risk of entering retirement with Social Security as their only means of protected income, leaving many exposed to financial insecurity. Additionally, younger generations are arguably more “at risk” given the financial problems facing both Social Security, Medicare and the nation’s increasing national debt (both in nominal terms and as a share of GDP). Now is the time to adopt a new retirement security framework.

The old metaphor of the three-legged stool of retirement planning no longer holds (employer pension, personal savings, and Social Security). Unless action is taken, many Gen-X retirees will lack sufficient, reliable, and protected retirement income that will last for the rest of their lives.

## ADDENDUM

### PRIP 2025 GEN-X KEY FINDINGS

- **Retirement savings and income sources will last for lifetime:**
  - Gen-X: 41% say yes
  - Peak 65: 53% say yes
  - Baby Boomers: 62% say yes
  - Among those working with an FP, this number rises to 73%
- **Delaying retirement due to financial concerns:**
  - 37% Gen-X
  - 24% Peak Boomers
  - 19% Baby Boomers
- **Gen-X has the lowest ownership of all financial products categories: 401k/403b, IRA, Pension, MF, ROTH, CDs, Annuity, Bonds.**
- **When broken down by generation, Gen-X relies on Social Security less than Baby Boomers do. Instead, Gen-X estimates employer-sponsored plans or other sources will account for more of their retirement income.**
- **Gen-X has spoken more about possible health issues than the older group.**
  - The possibility I’ll need physical care (potentially long-term care) in retirement:
    - 36% Gen-X
    - 32% Peak Boomers
    - 28% Baby Boomers
  - The impact of caregiving for family/friends on my retirement
    - 33% Gen-X
    - 26% Baby Boomers
    - 25% Peak Boomers
- **Gen-X is the least optimistic about the possibility of a full retirement:**
  - 60% Gen-X
  - 68% Peak Boomers
  - 71% Baby Boomers

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