Retirement Income Readiness Report

LIMRA
Navigate With Confidence

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Retirement Confidence Is Built, Not Assumed

How Americans Are Navigating Retirement Preparedness, Income Security, and Financial Uncertainty

Americans approaching retirement are navigating one of the most complex financial environments in decades. Rising healthcare costs, inflation, market uncertainty, and concerns about outliving savings are reshaping how consumers think about retirement preparedness and income security.

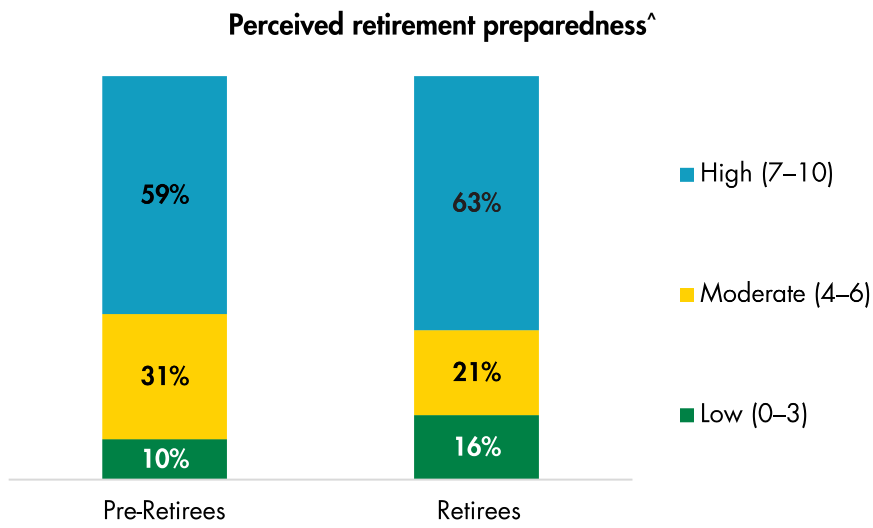
New LIMRA research reveals that while many Americans nearing or living in retirement feel reasonably prepared financially, confidence is uneven rather than universal. More importantly, that sense of preparedness is not driven by wealth alone. Analysis of pre-retirees and retirees participating in the *U.S. Consumer Sentiment (April 2026)* survey for the *Retirement Income Readiness Report* found that preparedness is built through a combination of financial capacity, planning behaviors, and confidence in reliable income sources.

The findings highlight a major shift in retirement psychology. Americans increasingly seek predictable retirement income and financial stability, yet many remain uncertain about how to create that security in a world where traditional pensions are disappearing and retirement responsibility has shifted to individuals.

The study also underscores the growing importance of planning and professional guidance. Individuals who actively engage in retirement planning, work with financial professionals, and take steps to understand protected lifetime income solutions are significantly more likely to feel prepared for retirement.

Ultimately, the research points to a broader evolution in retirement itself. Retirement is no longer simply about accumulating assets. Increasingly, it is about converting savings into sustainable income and long-term confidence.

Figure 1 — Most Pre-retirees and Retirees Report Moderate to High Retirement Preparedness, Though Significant Confidence Gaps Remain



Base: Pre-retirees (workers aged 45+ who plan to retire within 10 years) and retirees aged 45+.
^Pre-retirees' and retirees' self-reported score on a 0–10 scale measuring perceived financial preparedness for retirement. Retirees were asked to reflect on their preparedness.

The Evolving Retirement Landscape

For much of the twentieth century, retirement planning followed a relatively predictable path. Employer-sponsored pensions, Social Security, and shorter retirements provided many Americans with a stable and understandable framework for retirement income, while Medicare eased the burden of healthcare costs.

Today's retirement environment looks very different. Americans are living longer, the viability of Social Security and Medicare has been questioned, healthcare expenses continue to rise, and responsibility for retirement income planning has shifted heavily toward individuals. Defined contribution plans have largely replaced defined benefit pensions, leaving workers to navigate investment decisions, withdrawal strategies, longevity risk, and income management on their own.

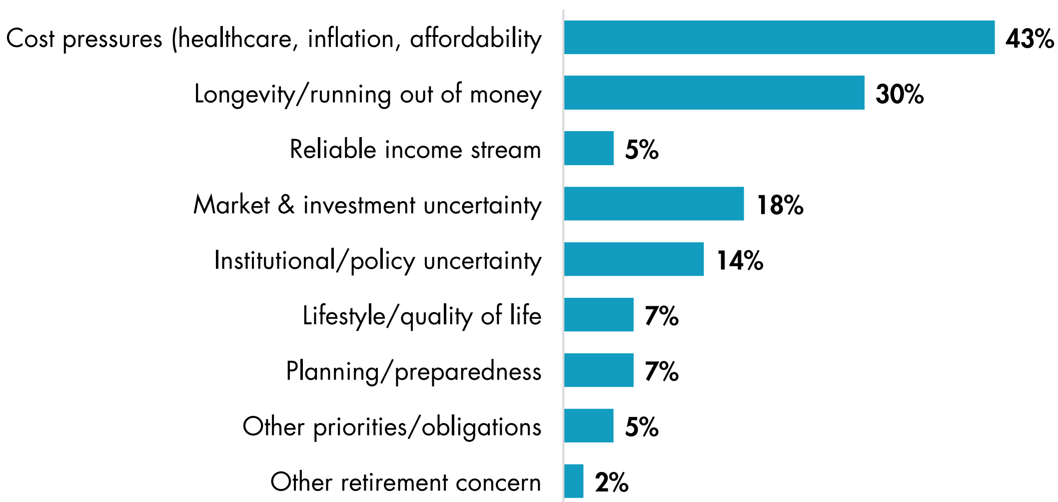
This shift has fundamentally changed how consumers think about retirement preparedness.

According to the research, concerns about the cost of living, healthcare expenses, inflation, and the possibility of running out of money dominate the minds of Americans approaching retirement. These concerns persist even among respondents who consider themselves highly prepared financially.

Figure 2 — Inflation and Healthcare Costs Dominate Retirement Concerns Among Americans Approaching Retirement

Pre-retiree top financial concerns/challenges preparing for retirement

Percent mentioning topic*



*This data is derived from an open-ended question, where unprompted responses were coded into themes.
Base: Pre-retirees (workers aged 45+ who plan to retire within 10 years).

The findings align with broader industry trends. Research from organizations such as the Employee Benefit Research Institute (EBRI) and the Transamerica Center for Retirement Studies has similarly found that Americans increasingly fear outliving their savings and feel uncertain about generating sustainable retirement income.

As described by Jason Fichtner, executive director of the LIMRA Retirement Income Institute, and former deputy commissioner of the Social Security Administration:

> When we ask pre-retirees what keeps them up at night, the answers are remarkably consistent: prices that won't stop rising, an unexpected health shock, and the fear of outliving their money. These aren't irrational worries — they're the central financial risks of a long retirement. The task in front of the industry and policymakers is to give people reliable tools to manage them, not just reassurance.

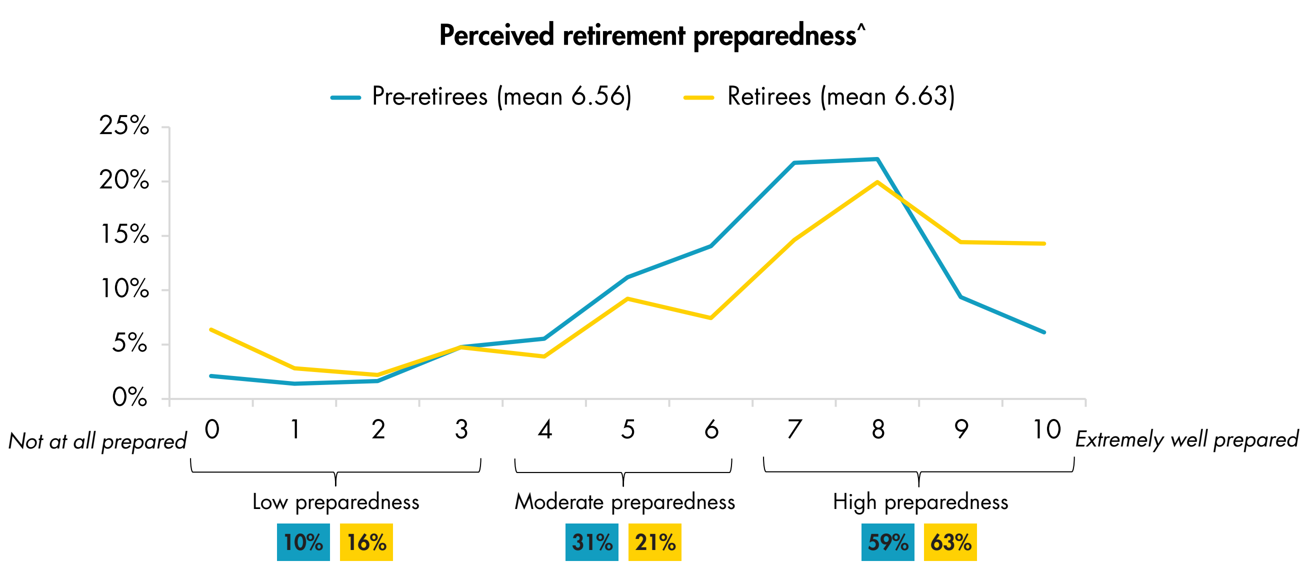
In many ways, the modern retirement challenge has evolved from simply saving for retirement to creating a reliable income throughout retirement.

Retirement Preparedness: More Positive — and More Uneven — Than Expected

Despite widespread economic uncertainty, most Americans approaching or living in retirement report feeling reasonably prepared financially.

A majority of both pre-retirees and retirees rated themselves highly prepared on a 0–10 preparedness scale. Nonetheless, Figure 3 illustrates the variation in confidence across consumers, where a meaningful minority do not share that confidence. Approximately 4 in 10 pre-retirees and slightly fewer retirees do not consider themselves to be or to have been highly prepared for retirement.

Figure 3 — Retirement Preparedness Exists on a Continuum, With Meaningful Differences in Confidence



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^Pre-retirees' and retirees' self-reported score on a 0–10 scale measuring perceived financial preparedness for retirement. Retirees were asked to reflect on their preparedness.

Importantly, preparedness is deeply influenced by personal experience and perspective. To capture both sides of the retirement transition, pre-retirees were asked how prepared they currently feel for retirement, while retirees were asked to reflect on how prepared they were when they retired. This distinction offers a unique view into how preparedness is perceived before and after retirement.

Pre-retirees tend to evaluate preparedness as an active process — something they are still building. Retirees, meanwhile, view preparedness more through the lens of lived outcomes and accumulated resources. Together, these perspectives help illustrate how retirement confidence evolves over time.

For workers approaching retirement, preparedness is shaped by multiple interconnected measures rather than any single factor alone, including:

- Accumulated assets
- Planning and engagement behaviors
- Confidence in future income stability

For retirees, preparedness becomes more heavily anchored in realized financial resources, while planning and protected income play supporting roles that reinforce stability over time.

The transition from "building preparedness" to "confirming preparedness" reflects the changing psychology of retirement itself.

The Emotional Side of Retirement

One of the study's most revealing findings is that retirement preparedness is emotional as well as financial. Even respondents who rated themselves extremely well-prepared expressed anxiety about inflation, healthcare costs, and the possibility of outliving their savings.

Consumers repeatedly referenced:

- Rising prices
- Uncertainty about future expenses
- Healthcare affordability
- Longevity risk

This reflects an important reality: Retirement confidence is not determined solely by a spreadsheet. It is also shaped by an individual's sense of uncertainty, control, predictability, and emotional comfort. Research in behavioral finance and retirement psychology shows that individuals place significant value on predictable income streams and financial certainty, particularly when facing market volatility, longevity risk, and unknown future expenses. Studies on retirement income decisions demonstrate that consumers often evaluate protected lifetime income not simply as a financial product, but as a source of stability and confidence. "For instance, women aren't asking whether they'll have 'enough' — they're asking whether it will last," says Suzanne Norman, a Fellow at the LIMRA

Retirement Income Institute and author of the research paper *A Widow's Walk to Financial Confidence*. "That distinction matters, and it's why protected income conversations need to start earlier, not just at the point of retirement."

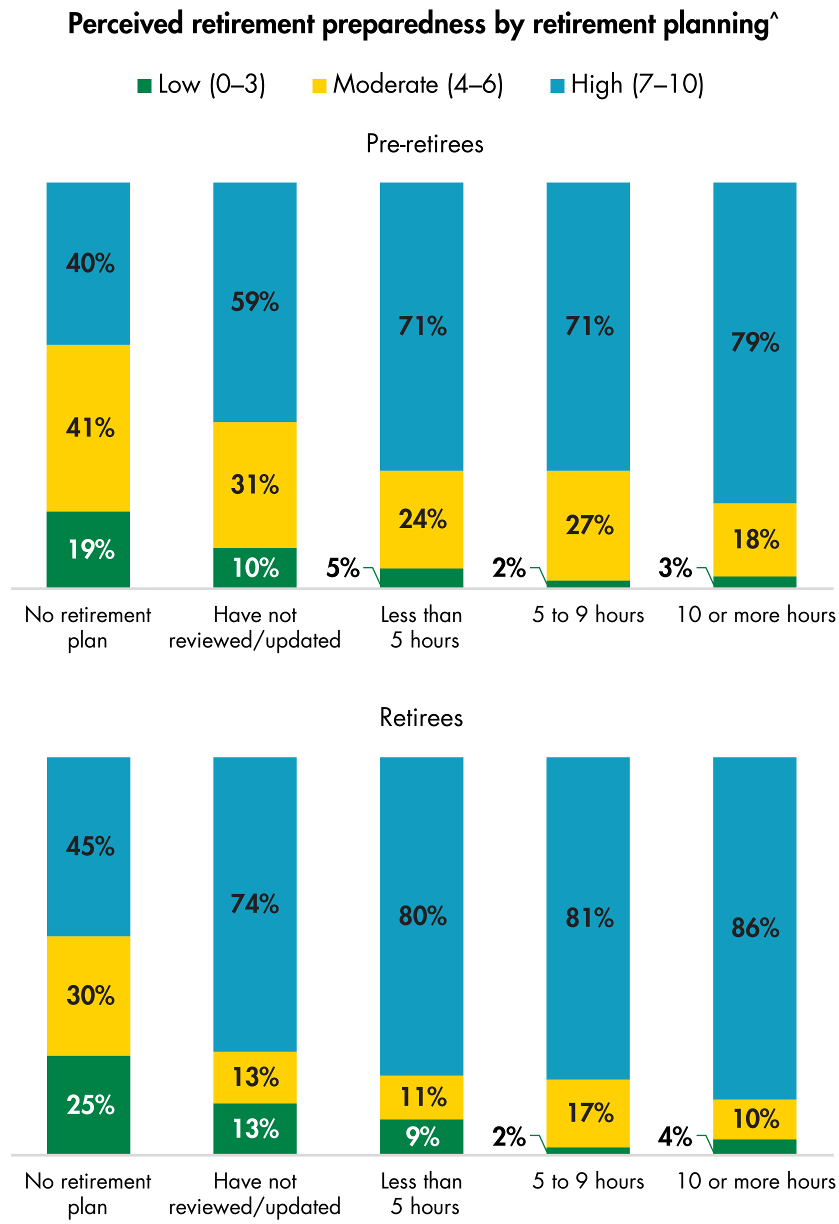
In retirement, consumers are not simply managing money. They are managing uncertainty. The ability to convert accumulated wealth into predictable, reliable income can play a critical role in helping individuals feel prepared, confident, and in control.

Preparedness Reflects Both Capacity and Engagement

While wealth remains the strongest driver of retirement preparedness, the findings suggest that planning behaviors contribute meaningfully to how consumers experience and evaluate their preparedness. Individuals with written retirement plans that manage income, expenses, and assets in retirement are significantly more likely to feel highly prepared for retirement than those without plans (Figure 4). Preparedness also increases as planning activity becomes more formal and more active. Planning remained a significant contributor to preparedness in LIMRA's analysis even after accounting for assets and other factors.

"Just over a third of pre-retirees and nearly half of retirees are without a written retirement plan," says Norman. "Retiring without a written plan is like going into the woods without a map or GPS. For financial professionals, making sure people know a plan can be as easy as doing a budget or spending plan to get clear on needs and wants. Eleanor Roosevelt said it best: 'It takes as much energy to wish as it does to plan.'"

Figure 4 — Consumers with Written Retirement Plans Report Significantly Higher Levels of Preparedness



Base: Pre-retirees (workers aged 45+ who plan to retire within 10 years) and retirees aged 45+.
^Self-reported score on a 0–10 scale measuring perceived financial preparedness for retirement.

The research also found the following:

- Consumers who actively learn about retirement income strategies feel more prepared.
- Individuals who work with financial professionals report significantly higher preparedness.
- Retirement engagement behaviors reinforce confidence even among people with similar asset levels.

These findings suggest that preparedness is not purely a function of wealth accumulation. Planning and learning about retirement income options helps consumers convert financial capacity into a stronger sense of readiness.

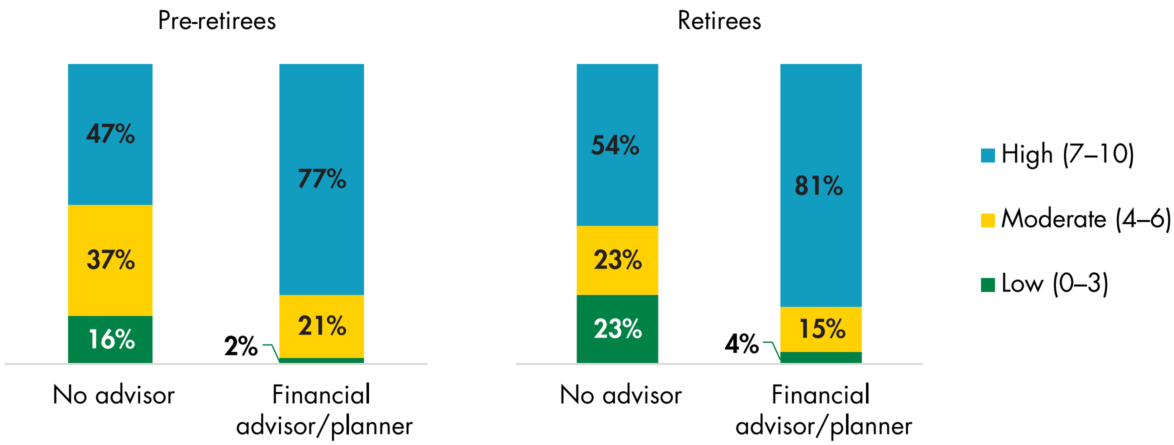
As Fichtner adds:

> A written plan and a trusted advisor are the closest things we have to a preparedness plan. The results of this survey show that having something on paper, and someone to consistently check in with separates the confident from the anxious. The survey results highlight the role a trusted financial professional can play in clients' financial security in retirement.

Financial professionals play an important role in that process. LIMRA's model identified advisor use as a meaningful contributor among pre-retirees even after accounting for other related factors, and survey respondents who work with financial advisors or planners were substantially more likely to report high retirement preparedness.

Figure 5 — Working with a Financial Professional Is Strongly Associated with Higher Retirement Confidence

Perceived retirement preparedness by working with a financial advisor or planner^



Base: Pre-retirees (workers aged 45+ who plan to retire within 10 years) and retirees aged 45+.
^Self-reported score on a 0–10 scale measuring perceived financial preparedness for retirement.

This finding supports growing evidence that financial professionals serve not only as investment managers, but also as "confidence accelerators" who help clients navigate increasingly complex retirement decisions.

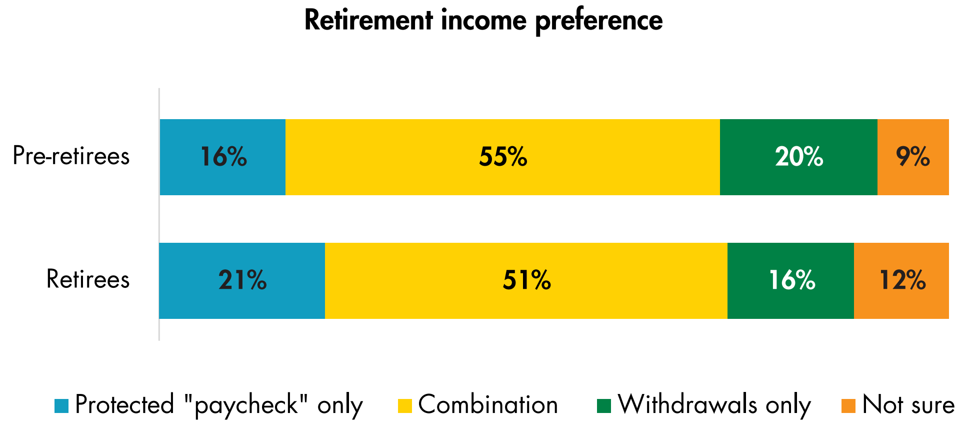
Jean Chatzky, a Fellow at the LIMRA Retirement Income Institute and founder and CEO of HerMoney, says, "It is clear that, as much as consumers would like to hope a plan will materialize and do the work for them, that is not the case. A plan (and therefore, often a planner) is the difference. Set your goals. Write them down. Connect the dots. And breathe a sigh of relief."

Americans Want Stability in Retirement Income

One of the strongest themes emerging from the research is the desire for stable and predictable retirement income.

Roughly 7 in 10 respondents expressed a preference for retirement income approaches that include protected lifetime income sources such as Social Security, pensions, or annuity products.

Figure 6 — Protected Lifetime Income Is Widely Valued



Base: Pre-retirees (workers aged 45+ who plan to retire within 10 years) and retirees aged 45+.

At the same time, the research uncovered substantial uncertainty about how retirement income works and how consumers can create reliable income streams.

Many consumers remain unsure of the following:

- Whether protected lifetime income will adequately cover basic living expenses
- How much of their retirement income should come from protected sources
- How to balance protected income with investment withdrawals

Importantly, the study found that protected lifetime income contributes most effectively to preparedness when it functions as part of a broader financial strategy rather than as a standalone solution.

Fichtner describes it this way:

> Protected income does its best work as one pillar of a three-legged stool. The retirees who feel most secure aren't the ones relying most heavily on Social Security — they're the ones who've balanced Social Security with other protected income, assets and a spending plan.

This is a clear source of vulnerability for pre-retirees. Workers who plan to rely primarily on Social Security report lower preparedness than those who expect to combine Social Security with additional protected income sources, savings and thoughtful planning.

Confidence increases when protected income:

- Covers essential living expenses
- Complements savings and investments
- Reduces uncertainty about future income stability

The findings reinforce a critical industry reality: Consumers want pension-like certainty in retirement, but increasingly must create that security for themselves.

The Pension Gap and the Rise of Individual Responsibility

The research also reflects broader structural changes occurring across the retirement system.

Today's workers are far less likely than previous generations to have access to traditional pensions. As a result, individuals must increasingly create their own retirement income frameworks through savings, investments, and financial products.

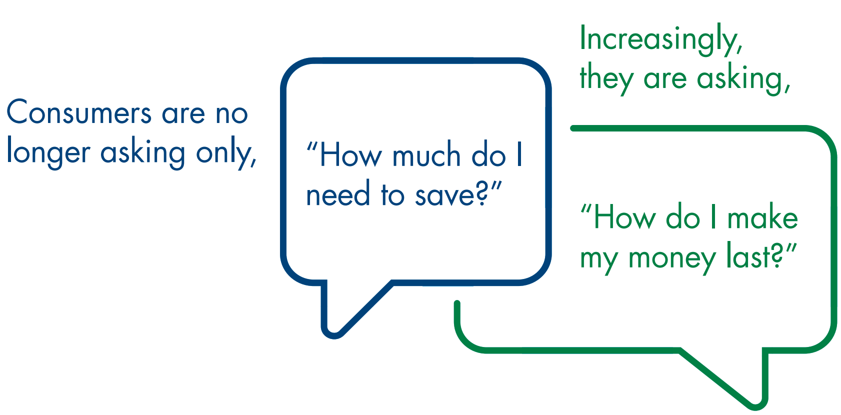
Michael Finke, Fellow at the LIMRA Retirement Income Institute, describes it this way:

> We all bear greater responsibility when planning for retirement in the defined contribution era. It isn't easy for most people to estimate how much they can safely spend from savings. Clearly, those who receive professional guidance and education feel far more prepared for retirement.

This shift helps explain several key findings in the study:

- Pre-retirees are less confident that protected income will cover basic expenses.
- Many expect to rely heavily on withdrawals from savings.
- Consumers show strong interest in learning more about protected income options.

The findings suggest that retirement planning is evolving from a wealth-accumulation exercise into an income-management challenge.

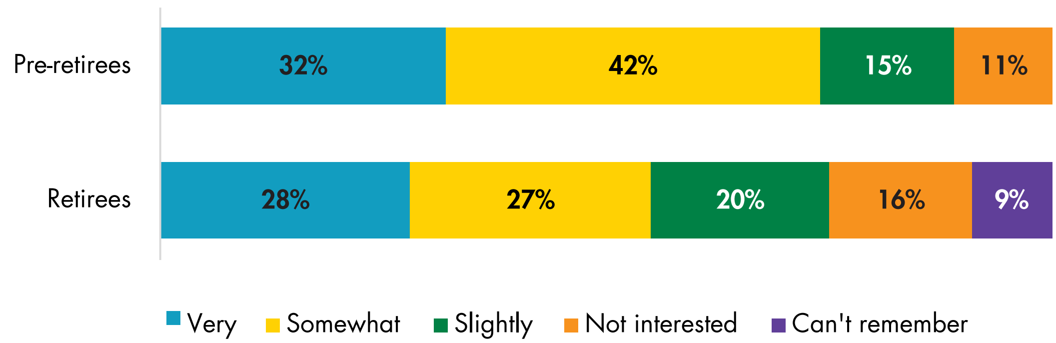


The Growing Importance of Retirement Education

A significant majority of pre-retirees expressed interest in learning more about ways to create protected lifetime income.

Figure 7 — Most Pre-Retirees Express Interest in Learning More About Protected Lifetime Income Solutions

Interest in learning (more) about lifetime income (prior to retirement)

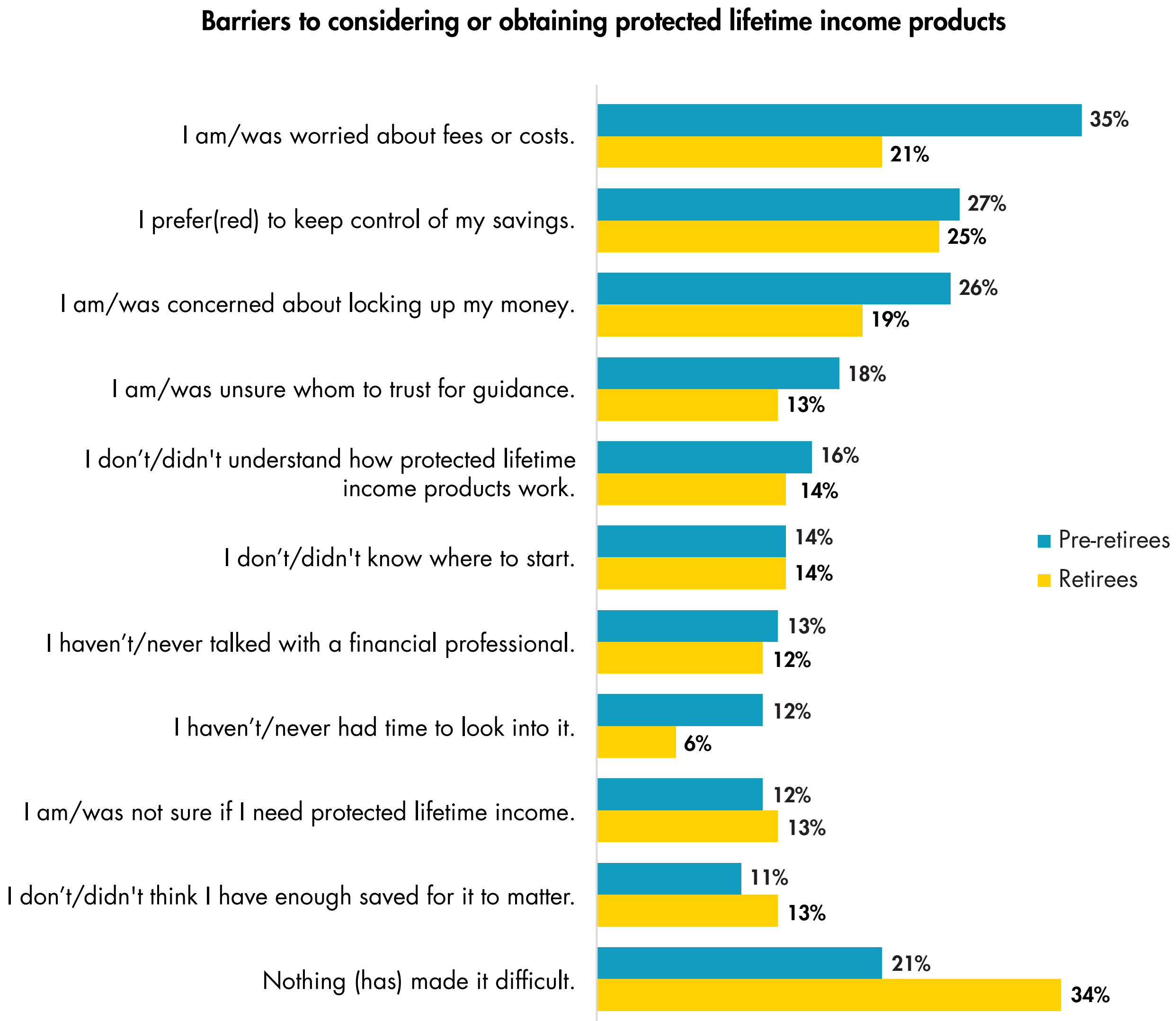


Base: Pre-retirees (workers aged 45+ who plan to retire within 10 years) and Retirees aged 45+.

However, many consumers also reported barriers to exploring retirement income solutions, including:

- Concerns about fees and costs
- Fear of losing control over or access to savings
- Uncertainty about whom to trust
- Confusion about how retirement income products work

Figure 8 — Knowledge Gaps and Perceived Complexity Remain Significant Barriers



Base: Pre-retirees (workers aged 45+ who plan to retire within 10 years) and retirees aged 45+.

These findings point to a major education opportunity for the retirement industry. Consumers are clearly seeking greater clarity around:

- Income planning
- Withdrawal strategies
- Longevity protection
- Retirement stability

The challenge for the industry is not simply product awareness. It is helping consumers understand how retirement income solutions fit into broader financial plans and long-term retirement goals, and how those solutions can be calibrated to investors' preferences and risk tolerance.

"The key to retirement preparedness is giving workers the ability to understand when they have enough to retire, and how to turn savings into income," says Finke.

Wade Pfau, a Fellow with the LIMRA Retirement Income Institute and author of the research paper *Protection as an Asset Class*, agrees: "Retirement income education should include helping people understand not only the available retirement income solutions, but also which solutions are most compatible with their own retirement income style."

Simplification, transparency, and education will likely play increasingly important roles in helping consumers navigate retirement decisions in the years ahead.

Retirement Confidence Is Built

Perhaps the study's most important conclusion is that retirement preparedness does not automatically follow from accumulating retirement assets.

Those who lack confidence are often missing one or more of these pillars.

Preparedness is built through:

- Financial discipline
- Active planning
- Learning and engagement
- Guidance
- Confidence in sustainable income

Consumers who feel most prepared tend to combine:

- Assets
- Planning behaviors
- Income stability

The findings offer an encouraging message for both consumers and the financial services industry. Retirement preparedness is not solely determined by wealth or market performance. Behaviors matter. Planning matters. Education matters.

Consumers who engage in retirement planning, seek guidance, and build strategies for reliable income can significantly improve both their financial preparedness and their confidence about the future.

Conclusion

The retirement landscape continues to evolve rapidly, shaped by longer lifespans, economic uncertainty, rising healthcare costs, and the decline of traditional pensions.

In this environment, retirement confidence increasingly depends on more than asset accumulation alone.

Americans are seeking clarity, stability, and confidence in how they will generate income throughout retirement. They want retirement income strategies that provide both flexibility and predictability. They want guidance. And they want reassurance that their savings can support them throughout increasingly long retirements.

LIMRA's research shows that feeling financially prepared for retirement is multidimensional. Wealth matters, but preparedness is strengthened through planning, engagement, and reliable income structures that reduce uncertainty and support long-term financial confidence.

Ultimately, retirement confidence is built — not assumed.

Methodology

To better understand the factors associated with perceived retirement preparedness among pre-retirees and retirees, LIMRA analyzed responses from participants in the *U.S. Consumer Sentiment: April 2026* survey, a general population study of 3,006 U.S. adults age 18+ weighted to represent the U.S. population. Pre-retirees rated how financially prepared they feel for retirement on a 0–10 scale, while retirees were asked to reflect on how financially prepared they were when they retired using the same scale. The sample for this analysis included:

- 486 pre-retirees (workers aged 45+ who plan to retire within the next 10 years)
- 804 retirees (aged 45+, including working retirees)

Generalized linear models (GLMs) were used to evaluate factors associated with perceived retirement preparedness, including demographic characteristics, financial resources, retirement planning behaviors, engagement with retirement income topics, protected lifetime income measures, and other retirement-related attitudes and experiences. Factors associated with preparedness were identified separately for pre-retirees and retirees, organized into three conceptual domains, and incorporated into final models for each group.

The final models explained approximately half of the variation in perceived retirement preparedness among both groups ($R^2 \approx .49$), demonstrating that a substantial portion of differences in preparedness can be explained by factors captured in the survey. Together, the findings suggest that perceived retirement preparedness reflects the combined influence of financial capacity, planning and engagement behaviors, and protected lifetime income rather than any single factor alone.

Advancing the financial services industry by empowering our members with

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