

Top 4 guaranteed income trends

Fast facts you need to know

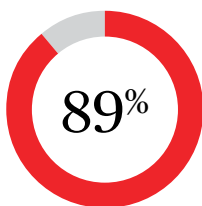
Research continues to show that the need and desire for in-plan guaranteed retirement income is rising. Let's look at four key trends.



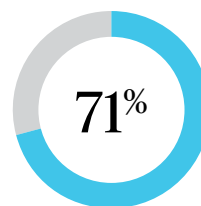
While it's hard for participants to plan for the unknowns of future inflation and their own longevity, in-plan income can provide the certainty of payments for life.

1. Searching for certainty

Market volatility and inflation have savers searching for certainty as they start to think about their future retirement income needs.



89% of those surveyed say having guaranteed retirement income would positively impact their current well-being now



71% of those surveyed would save more if their plan offered them a guaranteed retirement income solution

Source: 2023 BlackRock Read on Retirement.



Guaranteed income options provide steady payments without the need for participants to do complex withdrawal rate calculations that may not be sustainable.

2. Desire for solutions is growing

Workplace savers are seeking answers to one of retirement’s hardest questions — will their savings last — and showing increased interest in solutions that provide lifetime income.



The number of workplace savers surveyed that find the idea of “a well-diversified fund where you can opt in to have a portion automatically converted to guaranteed income as you near retirement” appealing grew from **84%** (2020) to **93%** (2023).

Topping workplace savers’ wishlists:



1 in 3:
Knowing the amount they can spend each year in retirement

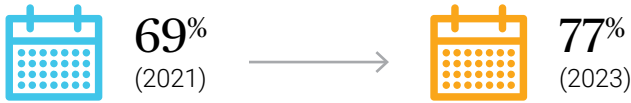


1 in 4:
Knowing how long their savings might last

Source: 2023 BlackRock Read on Retirement.

3. Looking for downside protection

Workplace savers surveyed who say it's important to select options they think will be less likely to lose money has risen over the past two years:



Source: 2023 BlackRock Read on Retirement.

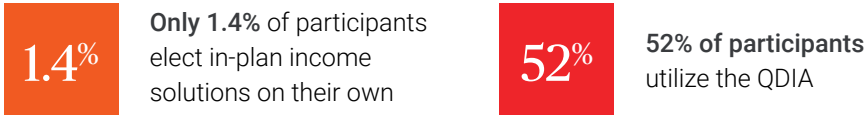
In-plan income options can protect savings against market downturns.

4. Automatic features

Auto features have driven positive outcomes for participants by “doing it for them.” Beyond enrollment and deferral increases, Lincoln found they’re potentially an effective tool for driving in-plan income adoption – especially when paired with personal support.

Lincoln’s research showed that for plans that offer in-plan income solutions today, 52% of participants age 50+ are invested in the Qualified Default Investment Alternative (QDIA). So if plans change their QDIA to an investment that includes an in-plan solution, they may see greater adoption because many participants stick with the default investment.

In-plan income as a default investment is a logical next step of the “do it for them” approach and may ease the financial stress of participants worried about retirement readiness.



Changing the QDIA to include guaranteed lifetime income can take the burden off of employees having to make complicated decisions about retirement income.

As you can see in this chart, the personal support of financial professionals, such as Lincoln retirement consultants (RCs), paired with in-plan income solutions maximizes retirement readiness in a way that auto features alone can't.

Outcomes	Auto features only	RC + in-plan income solution
Contribution rate	4%	10.1%
Asset balance at retirement	\$1.02M	\$1.57M
Expected monthly income	\$6,500	\$6,500
Guaranteed lifetime income	\$0	\$6,500/month
How long monthly income will last	Age 79	Lifetime

Source: Lincoln Financial Group 2023.



Participants want the certainty, confidence, and protection that in-plan guaranteed income can provide.

Contact your Lincoln representative to discuss how you can help them secure income for retirement.

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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