

LIFE INSURERS PROVIDE SOLUTIONS TO DEMOGRAPHIC CHALLENGES

We are in the midst of the most transformative demographic wave in human history. Thanks to breakthroughs in medicine and advances in nutrition and education, people are living longer than ever before. But the advances also create challenges that life insurers are solving.

Providing Families Financial Security for Life

- 90 million American families depend on ACLI members' life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, dental and vision and other supplemental benefits.
- Life insurers provide \$21 trillion in life insurance coverage.¹
- Every day, life insurers pay \$1.9 billion to families and businesses.²
- Savings in permanent life insurance and annuities alone represent more than 14 percent of Americans' long-term savings in this country.³

Aging in America

- 10,000 Americans are turning 65 every day.⁴
- Between 2030 and 2050, about 5,000 Americans will turn 85 every day. Essentially, that means the population equal to a state like West Virginia will be turning 85 every year.⁵
- An individual younger than 35 could easily spend more years in retirement than their current age.⁶
- Thanks to advances in medicine and technology, if you're 65 years old, you have a 50 percent chance of living to 85. And you have a 70 percent chance of needing long-term care.⁷

Challenges Around the World

- Many countries are growing very slowly and don't have enough young workers to support their aging populations. In 1950, five of the 12 largest countries by population were in Europe. By 2050, none of the top 12 will be in Europe.⁸
- In Japan, for every baby born in 2075, there will be one person over age 100. At the same time, Japan will have only one worker for every retiree.⁹
- In 2050, there will be 1.5 billion people around the world over age 65, which is more than double today's over-65 population and a twelve-fold increase since 1950.¹⁰

Social Security

- Social Security itself says that absent changes by Congress, Social Security will pay only 77 percent of promised benefits starting in 2035.¹¹
- In 1935, there were 12 American workers for every retiree. Today, there are three workers for every retiree, and that ratio will soon decline to two-to-one.¹²
- Among elderly Social Security beneficiaries, 21 percent of married couples and about 44 percent of unmarried persons rely on Social Security for 90 percent or more of their income.¹³

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- ¹ ACLI calculations of 2017 National Association of Insurance Commissioners data
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 - ³ ACLI calculations of Federal Reserve and ACLI survey data
 - ⁴ Pew Research Center
 - ⁵ ACLI calculations of United Nations and U.S. Census data
 - ⁶ ACLI calculations of Social Security Administration and U.S. Census data
 - ⁷ ACLI calculations of U.S. Census and Health and Human Services data
 - ⁸ United Nations
 - ⁹ ACLI calculations of United Nations data
 - ¹⁰ United Nations
 - ¹¹ Social Security Trustees report
 - ¹² ACLI calculations of United Nations data
 - ¹³ Social Security Administration (see: <https://www.ssa.gov/news/press/factsheets/basicfact-alt.pdf>)