

## **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**

- 75 million American families depend on ACLI members' life insurance, annuities, retirement plans, long-term care insurance, disability income insurance and reinsurance products.<sup>1</sup>
- Life insurers provide \$20 trillion in life insurance coverage.<sup>2</sup>
- Every day, life insurers pay \$1.7 billion to families and businesses.<sup>3</sup>
- Savings in permanent life insurance and annuities alone represent more than 16 percent of Americans' long-term savings in this country.<sup>4</sup>

### **Aging in America**

- 10,000 Americans are turning 65 every day.<sup>5</sup>
- 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.<sup>6</sup>
- An individual younger than 35 could easily spend more years in retirement than their current age.<sup>7</sup>
- 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.<sup>8</sup>

### **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.<sup>9</sup>
- 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.<sup>10</sup>
- 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.<sup>11</sup>

### **Social Security and Individual Savings**

- Social Security itself says that absent changes by Congress, Social Security will pay only 77 percent of promised benefits starting in 2034.<sup>12</sup>
- 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.<sup>13</sup>
- Half of the pre-retiree population – people between the ages of 50 and 64 – have only enough in savings to last 16 months.<sup>14</sup>
- Among elderly Social Security beneficiaries, 23 percent of married couples and about 43 percent of unmarried persons rely on Social Security for 90 percent or more of their income.<sup>15</sup>

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- <sup>1</sup> Taking into account additional products including dental, vision and other supplemental benefits, ACLI members provide financial protection to 90 million American families.
  - <sup>2</sup> ACLI calculations of 2017 National Association of Insurance Commissioners data
  - <sup>3</sup> ACLI calculations of National Association of Insurance Commissioners data
  - <sup>4</sup> ACLI calculations of Federal Reserve and ACLI survey data
  - <sup>5</sup> Pew Research Center
  - <sup>6</sup> ACLI calculations of United Nations and U.S. Census data
  - <sup>7</sup> ACLI calculations of Social Security Administration and U.S. Census data
  - <sup>8</sup> ACLI calculations of U.S. Census and Health and Human Services data
  - <sup>9</sup> United Nations
  - <sup>10</sup> ACLI calculations of United Nations data
  - <sup>11</sup> United Nations
  - <sup>12</sup> Social Security Trustees report
  - <sup>13</sup> ACLI calculations of United Nations data
  - <sup>14</sup> ACLI calculations of Strategic Business Insights' MacroMonitor Household Survey (2016-17)
  - <sup>15</sup> Social Security Administration (see: <https://www.ssa.gov/news/press/factsheets/basicfact-alt.pdf>)