# DRIVING BETTER RETIREMENT OUTCOMES

Americans are living longer, pensions are dying, and the pressure to make savings last has shifted to individuals. Life insurers help fill that gap. Annuities give people more choice, flexibility and certainty in retirement. New research from Mark Warshawsky, PhD, and Gaobo Pang, PhD, shows that **combining annuities and investments** consistently delivers stronger outcomes for retirees rather than relying on withdrawals alone.

## MORE BALANCED INCOME WITH ANNUITIES

By the time people reach retirement, they have spent a lifetime saving — and now face decisions about how to make those savings last. Traditionally, many have relied on a withdrawal-only strategy. While simple and flexible, it leaves retirees exposed to market downturns and the risk of running out of money. More savers are turning to annuities, which provide guaranteed lifetime income. Fully annuitizing assets delivers certainty but limits flexibility and reduces the ability to leave money to loved ones.

"All-or-nothing" approaches do not work best. Partial annuitization — converting some, but not all, savings into guaranteed income — offers a better balance. It allows retirees to combine **steady baseline income, liquidity and flexibility and potential for growth and legacy.**

**Partial annuitization** consistently outperforms pure strategies.

## A BETTER 4% RULE WITH ANNUITIES

Retirement now lasts decades — often 30 years or more. The 4% rule was built for a different reality. Longer retirements, taxes and required distributions can lead retirees to underspend early — yet still leave them vulnerable to running out of money later. By age 95, the 4% rule has a **24% failure rate.** It works best when **paired with guaranteed income.**

## OPTIMIZED SOCIAL SECURITY WITH ANNUITIES

Social Security is a critical safety net — but for many retirees, it is not enough on its own. Annuities are a powerful solution, adding more protection beyond government benefits.

Timing also matters. Delaying Social Security can **increase benefits by about 8% per year** up to age 70, resulting in a larger, inflation-protected income stream. This "bridging" approach — using savings to cover expenses while benefits grow — tends to improve outcomes for most retirees.

**Delaying Social Security** creates a larger, inflation-protected income stream.

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