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Annuity Owners Report Product Satisfaction, Positive Buying Experience

**New NAFA survey finds risk mitigation the top reason cited
for buying a fixed annuity**

WASHINGTON (March 15, 2024) — In a time of so much economic and financial uncertainty, 92% of fixed rate annuity owners and 100% of fixed indexed annuity owners agree that it is important their annuity cannot lose value for as long as they own the product, according to NAFA's newly published [Survey of Fixed Annuity Owners](#).

Safety was also cited as the top reason for purchase by both fixed rate (27%) and fixed indexed annuity (32%) owners.

The study also found that fixed annuity owners believe annuity professionals are working to deliver thorough product education to ensure consumers understand their product purchases and are buying a product in their best interest at the point of sale. Nearly nine in 10 owners (87% of fixed rate annuity owners and 89% of fixed indexed annuity owners) say their annuity professional explained their annuity well, and 90% believe their annuity professional had their best interests in mind when recommending the product. Ultimately, more than three-quarters of fixed annuity owners are glad they bought their annuity.

“Despite the mischaracterization of fixed annuity products and purchases by a variety of stakeholders, including the Department of Labor and The White House, Main Street consumers are flocking to these products because of the unique benefits they offer in helping everyday retirement savers secure their financial future,” said Chuck DiVencenzo, CEO of NAFA. “Fixed annuities can play a valuable role in helping individuals hedge against longevity, sequence of returns risk and market risk while diversifying their portfolios.”

Surveys frequently indicate that running out of money in retirement is at the top of consumers' retirement concerns. Annuities are uniquely positioned to help Americans create a predictable stream of lifetime income they cannot outlive, no matter how many years they live in retirement. Four in 10 fixed annuity owners (42% of fixed rate annuity owners and 40% of fixed indexed annuity owners) expect to withdraw from their annuity in a series of payments for the rest of their

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lives, with nearly another three in 10 (29% of fixed rate annuity owners and 27% of fixed indexed annuity owners) expecting to withdraw a series of payments over a specified number of years.

With pension access dwindling, an uncertain future for Social Security and inadequate personal savings, the need for a solution to bridge potential income gaps in retirement is growing.

“With the largest number of Americans in history turning age 65 this year, hardworking Americans from coast to coast are looking for a way to cover essential expenses in retirement without worry,” said DiVencenzo. “They are more than willing to trade a bit of upside potential for the downside protection fixed annuities provide, creating a peace of mind they cannot achieve with any other savings vehicle.”

The survey further revealed that approximately six in 10 fixed annuities (57% of fixed rate annuities and 63% of fixed indexed annuities) are valued at less than \$200,000, and that fixed annuities make up approximately one-third (34%) of owners’ investable assets. Licensed financial professionals must continue efforts to educate everyday Americans on when and how to properly position a portion of their nest egg in a fixed annuity for a more secure retirement savings plan.

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Survey Methodology

This report presents the results of an online survey conducted by Greenwald Research on behalf of NAFA. Information for this study was gathered through a 12-minute online survey of 404 Americans December 6-19, 2023. All respondents: were age 50 or older; worked with at least one financial professional either currently or at some point in the past; have at least \$100,000 in investable assets; own a fixed rate annuity (FRA) and/or fixed index annuity (FIA); and play a substantial role in making household financial decisions.

About Greenwald Research

Greenwald Research is a leading independent custom research firm and consulting partner to the health and wealth industries that applies creative quantitative and qualitative methods to produce knowledge that helps companies stay competitive and navigate industry change. By leveraging deep subject matter expertise and a trusted consultative approach, Greenwald offers comprehensive services for weaving rich research stories that answer strategic business questions.

About NAFA

NAFA, the National Association for Fixed Annuities, is the premier trade association exclusively dedicated to fixed annuities. Our mission is to promote the awareness and understanding of fixed annuities. We educate annuity salespeople, regulators, legislators, journalists, and industry personnel about the value of fixed annuities and their benefits to consumers. NAFA’s membership represents every aspect of the fixed annuity marketplace covering fixed annuities sold by independent agents, advisors and brokers. NAFA was founded in 1998. For more information, visit www.nafa.com.