



From generation to generation

Boomers to Millennials: Key financial and retirement preparedness trends among the Sandwich generations



| *Annuity*

Boomers to Millennials:

Key financial and retirement preparedness trends among the Sandwich generations

When it comes to financial and retirement preparedness, there continue to be clear trends from generation to generation. The trends cover a range of perceptions, preferences and, most importantly, actual preparedness.

What North American has discovered about the Sandwich generations (baby boomers, Generation X, millennials) demands closer examination as the challenge of preparing for retirement continues to grow with each passing year. Whether it's the unclear future of Social Security or the financial pressure felt from supporting parents or relatives, each subsequently younger generation could be feeling more pinched.



All in the family

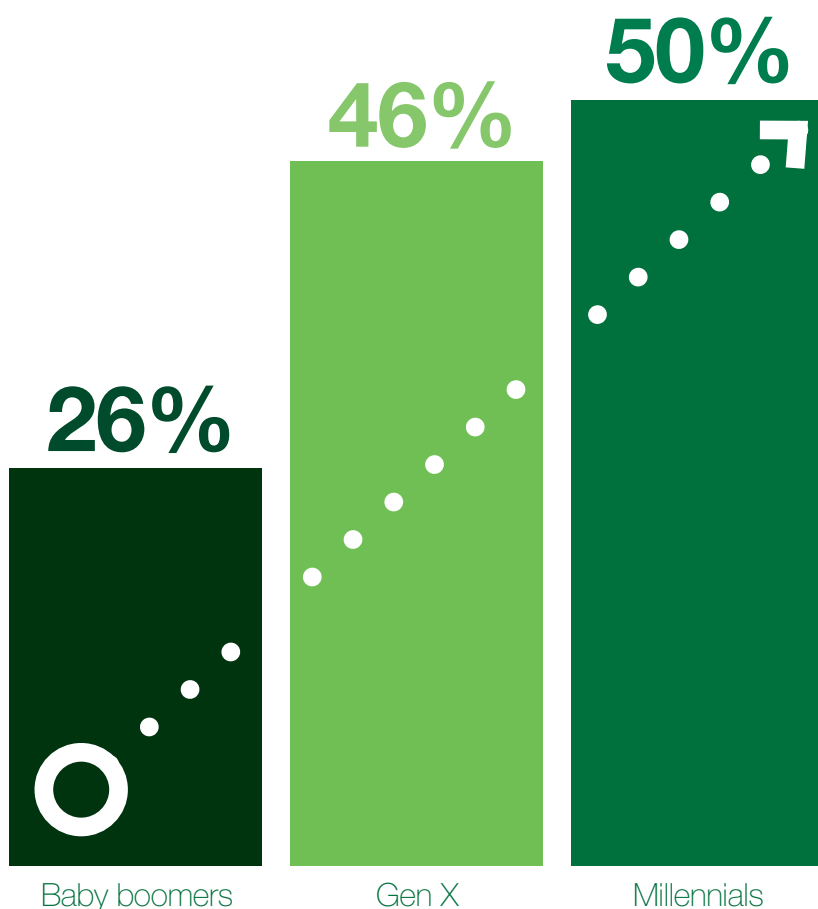
Our Sandwich generation research shows boomers, Gen X, and millennials are all facing the very real possibility of financially supporting both their aging parents and young or adult children. The expectation that these generations have in supporting others is growing, too

The financial impact this could have on their retirement is not lost on the groups either, as the trend shows an increasing concern of how much impact the squeeze may have on their own retirement savings.

Support of others

Growing Support of others

Are you currently financially supporting someone other than yourself, such as family or friends? **Indicating yes*



Who are the “others”?

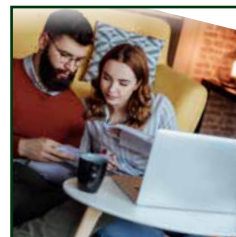
child(ren) +18



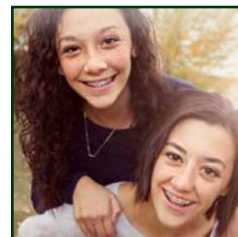
grandchild(ren)



Spouse



child(ren) <18 years old



parent(s)/partner's parents



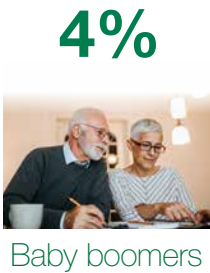
Other relatives or a non-relative



Support of others *(continued)*

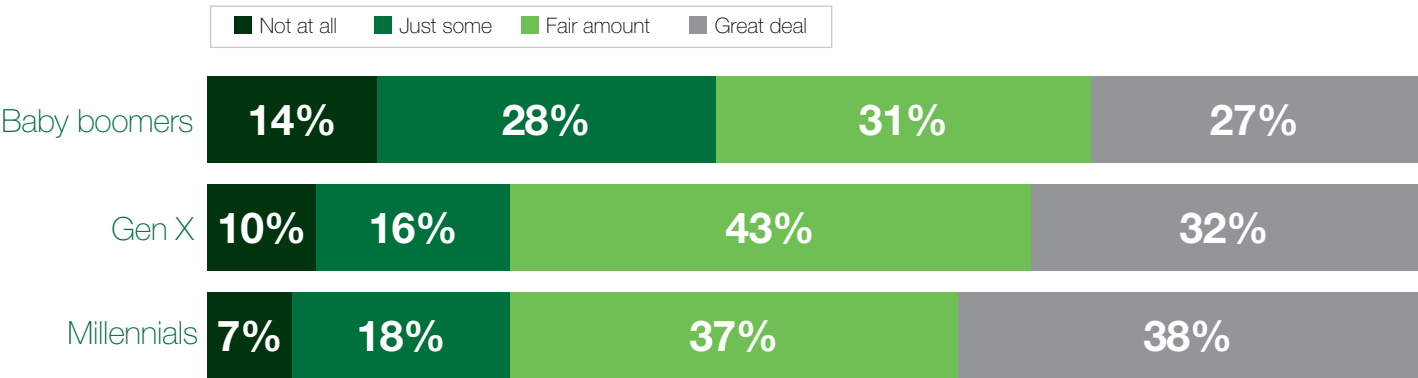
Expectation to support

Do you expect to financially support either your parents, or your partner's parents, in the future? **Indicating yes*



Supporting others impacts retirement savings

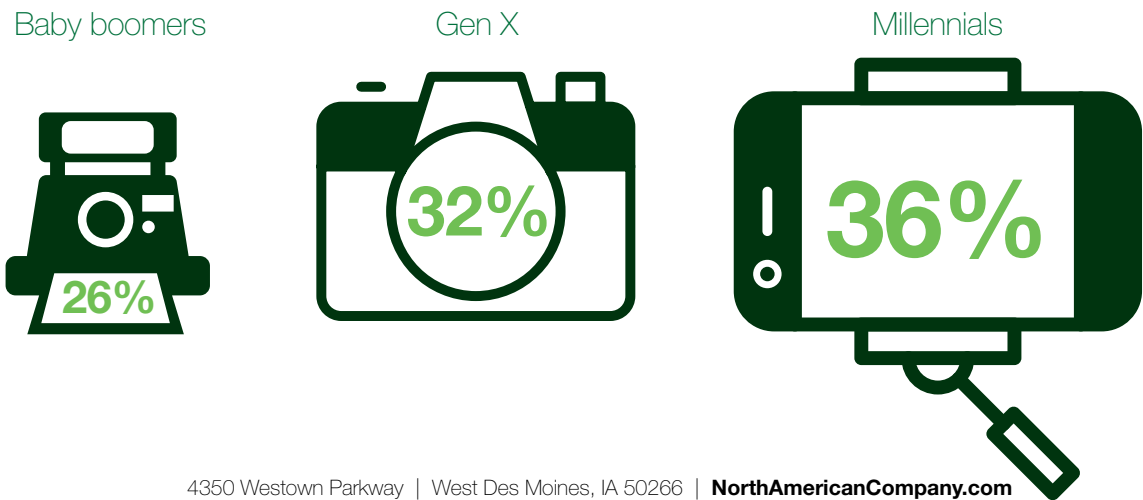
How much does your financial support for that individual/ individuals impact what you save for your own retirement?



Expectation of an inheritance

Despite the growing concerns around financial pressures, the expectation of receiving an inheritance from the previous generation remains surprisingly high among all three groups.

Have you/are you expecting to receive an inheritance from your parents/grandparents? **Indicating yes*



Sage advice

One positive trend emerging from our research shows the younger generations are receiving retirement planning advice from their parents. This can be helpful as the older generations may have valuable experiences they can share with their children to help them avoid the same financial pitfalls.

Have you ever received advice about planning for retirement from your parents?

53%

32%



Baby boomers

42%



Gen X



Millennials

Another positive trend is the increased involvement consumers are having in their own parents' retirement planning. While the numbers are still largely showing little to no involvement, each successive generation is more involved than the last.

How involved are/were you in your parents' retirement planning?

Very to somewhat involved Not very involved to not involved at all

Baby boomers

11% 89%

Gen X

28% 73%

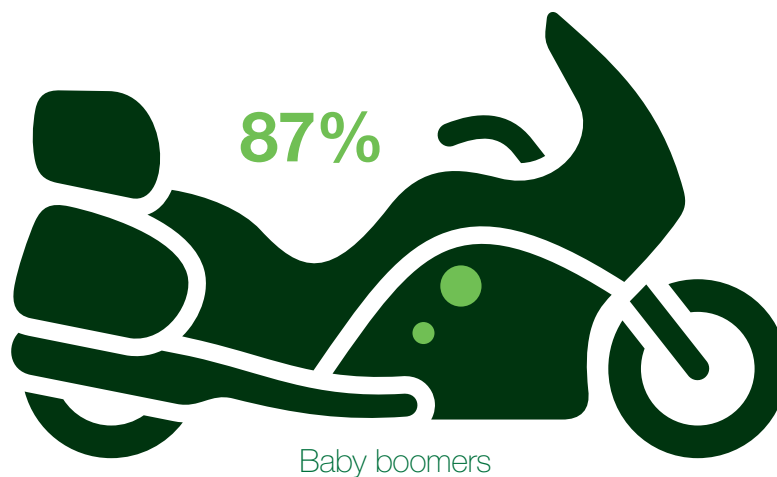
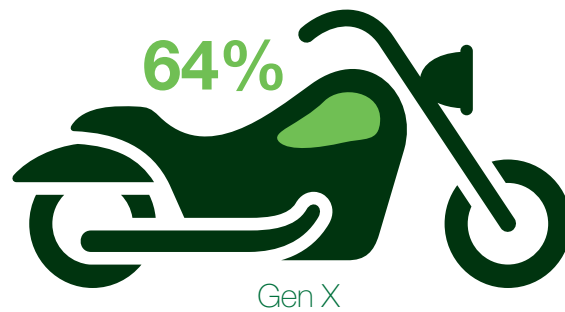
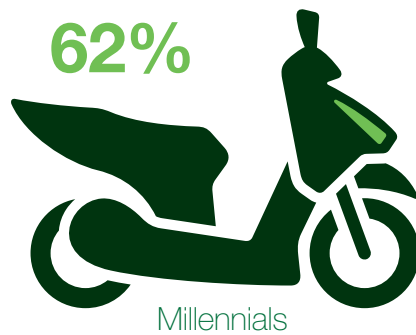
Millennials

39% 60%

Social insecurity

In light of the numerous reports about the future of Social Security, it is likely not surprising that the younger the generation, the less confidence they have in receiving Social Security in retirement.

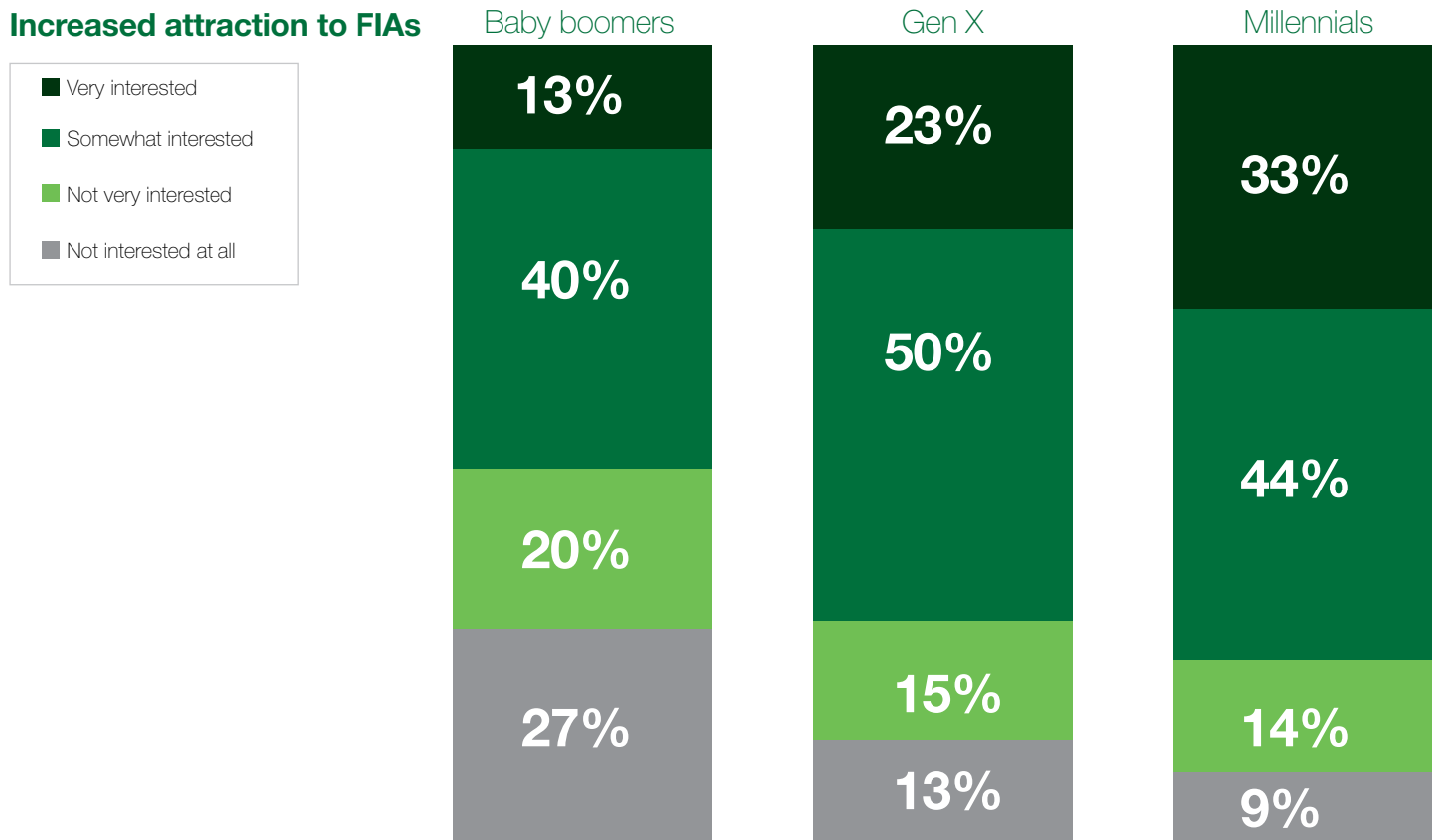
How confident are you that you will receive Social Security during your retirement?



Retirement product increasing in interest

Here's one trend that presents a clear opportunity. During a time when many people are looking for help in securing their retirement future, fixed index annuities are increasingly attractive. While the product name may not be mainstream yet, the benefits a fixed index annuity can provide may be opening the eyes of younger generations.

Increased attraction to FIAs



Have a conversation with your financial professional about your retirement preparedness.



Methodology

This survey was conducted online between May 16 and May 23, 2018, and included 1,093 adults, age 18 and above. Data was weighted by gender, race, ethnicity, and region to be representative of the national adult audience.

Survey results have been rounded to nearest whole numbers. Some totals may not equal 100%.

Analysis is for educational purposes only. The experience of the participants of the 2018 North American Company for Life and Health Insurance® Sandwich Generations Retirement Study may not be representative of the experience of all. Fixed Index Annuities are not a direct investment in the stock market. They are long term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indexes, without the risk of loss of premium due to market downturns or fluctuation. Although Fixed Index Annuities guarantee no loss of premium due to market downturns, deductions from your Accumulation Value for additional optional benefit riders could under certain scenarios exceed interest credited to the Accumulation Value, which would result in loss of premium. They may not be appropriate for all clients.