



# Let's Secure Financial Independence for People in Retirement

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**S**oon we will celebrate the nation's independence. While this is a time for celebration and fire works on the 4th of July, I want to take this time to reflect on financial independence – specifically in retirement. Some may say retirement is just a dream, that Social Security uncertainty and the decline of traditional employer sponsored pensions will make it impossible to retire. Others may add that the financial pressures of today make planning for the future challenging at best.

By creating and implementing a personal retirement plan, financial independence can be a reality. The life insurance industry is well suited to assist as it provides both the financial advice needed to help people create a personal retirement plan, as well as life insurance products – such as lifetime income annuities – designed to provide an income that retirees can never outlive. But in order for more people to take action, they need access and education about retirement planning and guaranteed lifetime income products for retirement, as well as a simplified process.

**Are pre-retirees considering purchasing guaranteed lifetime income?** Not as many as I would like. Consider that in New York:

- 1.4 million pre-retirees<sup>1</sup> (age 55 to 70) do not expect to receive enough income from Social Security and pensions to cover their basic living expenses in retirement

- only 565,100 (approximately 40%) express interest in converting a portion of their savings into guaranteed lifetime income in order to fill the gap

**To help change that statistic, the life insurance industry has 75,000 knowledgeable sales agents in New York.** They are meeting with the citizens of New York to understand individual needs, inform of suitable options and then set up personal retirement plans. Changes in legislation and regulation would be extremely helpful in simplifying the process for sales agents to do this important job.

**Another way is to expand access to retirement plans at the workplace.** Nearly 80% of full-time workers have access to a workplace retirement plan, and more than 80% of workers with access participate across the U.S. according to the ACLI<sup>2</sup>. Just think how many more part time employees or those who work for small businesses could participate if such plans were offered.

**Let's secure financial independence for more people in retirement.** We at the Life Insurance Council of New York and the life insurance industry are committed to working with our state government to do everything possible to make it easier for New Yorkers to secure this critically important protection. The life insurance industry

has the capacity and capability, as well as the range of products available, to meet the retirement planning needs of all New Yorkers if public policy could be simplified and better aligned with these industry capabilities. [IA]

*Thomas E. Workman is the President and Chief Executive Officer of the Life Insurance Council of New York, Inc. LICONY is the principal voice of the life insurance industry in New York. LICONY works to create and maintain a legislative, regulatory, and judicial environment that encourages its members to conduct and grow their life insurance businesses here in New York State. For stories about New Yorkers who have benefitted greatly from purchasing the products of life insurers, go to [www.licony.org](http://www.licony.org), click on "Published Articles" in the NEWSROOM box on the homepage.*

<sup>1</sup> LIMRA estimates for New York State (6.2 percent of total U.S. population in 2013). Estimates are derived from organization's Current Population Survey

<sup>2</sup> Bureau of Labor Statistics, U.S. Department of Labor, National Compensation Survey, March 2013. (Note: Data have been rounded. In March 2013, 78% of full-time workers have access to a workplace retirement plan, and 83% of civilian workers with access participate).



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