

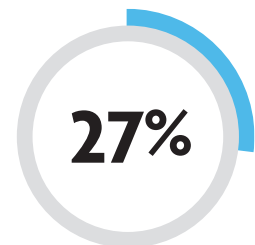
Lifetime income: Building confidence from uncertainty

Uncertainty is a key factor that detracts from peoples’ financial confidence throughout their working and retirement years. It’s difficult to know what to expect in retirement from a financial, emotional and health perspective, and many workers and retirees are worried about how they will make ends meet if they run out of income in retirement.

Employees need help creating and implementing a retirement plan that will help protect them from running out of income. They need access to investment menu options that can help provide growth potential when they are saving for retirement, and income that lasts a lifetime once they retire. You can improve your employees’ retirement readiness by offering and educating them on the benefits of a diversified income plan designed to create monthly income for life.

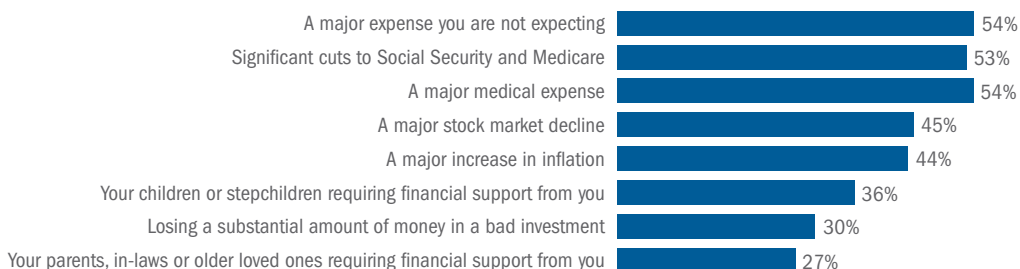
Factors undermining financial confidence

According to TIAA’s 2019 Lifetime Income Survey, more than half of Americans worry about unexpected expenses, significant cuts to Social Security and Medicare, or a major medical expense. A significant percentage are also concerned about the financial strains of potentially supporting adult children or parents.



Only 27 percent of workers are highly confident they will never run out of money in retirement.

Factors detracting the most from financial confidence

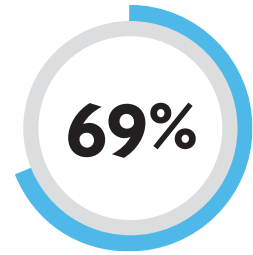


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These and other factors may also create financial stress for your employees and result in lost productivity. More than 70 percent of respondents would find it difficult to emotionally cope with a major investment loss (78%) or a large unexpected expense (71%). The good news is that financial education, planning and income guaranteed for life can help your employees address many of these challenges by reducing the uncertainty they face.

Monthly income for life provides more than just security

Monthly income streams that last throughout retirement let workers and retirees know with greater certainty how much they'll have each month to cover expenses and plan for their bills. It also allows people to enjoy their retirement savings rather than being overly cautious for fear of their savings running out. This helps explain why if given a choice between a lump sum at retirement and a monthly income payment for life, the majority would choose lifetime income.



Stock market uncertainty

69% of survey respondents say it's difficult to know how much income they will be able to get from money invested in the stock market.

Lifetime income or a lump sum at retirement?

Americans choose lifetime income



64%

\$2,700 per month
for life



36%

\$500,000 lump sum

Employees also value the many benefits that lifetime income offers. When asked about how they felt about guaranteed lifetime income, a majority agreed that it:



Generates a feeling of security (83%)

by being able to count on guaranteed monthly payments for life in retirement.



Facilitates planning (74%)

knowing that investing in something that guarantees monthly income for life in retirement makes it easier to know how much to save for retirement.



Offers protection (68%)

from stock market volatility and how it affects paying everyday expenses.

Lifetime income: Building confidence from uncertainty

Diversifying retirement income

Annuities—both fixed and variable—can provide the lifetime income that employees are looking for. A fixed in-plan annuity protects against longevity risk by providing guaranteed lifetime income and helps protect against market volatility. A variable in-plan annuity protects against longevity risk too, but it also offers the potential for growth and long-term performance.¹ This allows the in-plan variable annuity to hedge against rising costs and inflation—a financial confidence detractor for 44% of Americans—while offering the potential to provide increased income during favorable market periods. By providing different sources of income in retirement, a portfolio diversified with both fixed and variable annuities helps mitigate the factors that put retirement income at risk.

Working together, in-plan fixed and variable annuities can provide your employees with more confidence, better outcomes, the ability to retire on time, and income for life.

Meeting employees' retirement plan priorities

With so many benefits associated with lifetime income, it's not surprising that workers prioritize this as a goal for their retirement plans. Sixty-nine percent of workers say guaranteeing money every month to cover living expenses is one of the top two most important goals—45% say it's the most important goal—for their retirement plan.



* Note: Survey respondents were asked to rank the top two goals that are most important to them. Responses will not add up to 100%.

However, access is an issue. Only a quarter of workers said they have access to a retirement plan option that can provide monthly income that is guaranteed to be paid as long as they live.

Click here
to read more
about how
income
diversification
can help your
employees
pursue better
retirement
outcomes.

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Preparing your employees for a confident retirement

With only a small percent of Americans owning annuities or having access to a pension plan, your employees need help making sure they have monthly income in retirement that lasts a lifetime. They know they just can't replace their savings like they recharge their smartphone batteries or refill their car's gas tank.

You can help them by offering in-plan fixed and variable lifetime income options designed to work together to help mitigate the risks that can erode retirement savings. Access to lifetime income options can help reduce uncertainty about your employees' retirement security and build greater confidence.

Click here to learn more about how a diversified retirement income approach can help.



¹ Annuity account options are available through contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals, and offer a variety of income options, including lifetime income. Payments from the variable annuity accounts are not guaranteed and will rise or fall based on investment performance.

The 2019 TIAA Lifetime Income Survey was conducted by Greenwald & Associates in May and June 2019 via an online survey of 901 Americans between the ages of 25 and 73. Survey results have been weighted by education, gender, income and race.

Annuities are designed for retirement savings or for other long-term goals. They offer several payment options, including lifetime income. All guarantees, including lifetime income payments of fixed annuities, are based on the claims-paying ability of the issuer. This material is for informational or educational purposes only and does not constitute investment advice under ERISA. This material does not take into account any specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on the investor's own objectives and circumstances.

You should consider the investment objectives, risks, charges, and expenses carefully before investing. Please call 877-518-9161 or go to TIAA.org for current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

Diversification is a technique to help reduce risk. However, there is no guarantee that diversification will protect against a loss of income. No strategy can eliminate or anticipate all market risks, and losses can occur. Certain products may not be available to all entities or persons.

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