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Immediate Income #1 Need for Retirees, Survey Finds

Allianz study suggests don't withdraw more than 4-6% of savings if you want it to last 30 years

MINNEAPOLIS--(BUSINESS WIRE)--As the Boomer generation nears retirement, there is a growing sea change from the need to accumulate assets to having sufficient income to live an enjoyable post-working career life. This shift, underscored by a whopping 88% of those polled in a nationwide survey just completed, represents a doubling or tripling of a question posed less than five years ago.

Moreover, the just-completed polling found if you want to live at least 30 years in retirement, all things considered, you cannot withdraw more than 4 to 6% of your savings.

Allianz Income Management Services, based here, asked these and other related retirement questions last month to a nationwide field force of 106 insurance and annuity agents and brokers at its Income Summit in Houston, TX. Better than 58% completed the survey.

To no real surprise, as part of the retirement planning portfolio, immediate annuities were front and center. However, there were a number of glaring or missing ingredients, notably growth and flexibility, which 29% of the respondents emphasized as paramount. While there are right and wrong reasons to buy immediate annuities, 69% of those canvassed felt guaranteed income was the best reason to do so, trailed by safety (23%) and tax planning (8%).

The least understood element of retirement planning was the protection of assets, with 39% of the respondents echoing this position, followed by income planning (31%) and the length of time actually spent in retirement (26%). The undercurrents suggest a need by the broker community to better educate their clients, seek new products and rethink their business model.

"People are living longer, staying active and envision enjoying their golden years in a less-than-sedentary existence," offered Robert W. MacDonald, chief executive of Allianz Income Management Services. "Therefore, all the more reason to squirrel away a sufficient retirement portfolio that allows the retiree to draw income and not diminish its valuation. While this may appear admirable, those in the life and annuity field must take a leadership position to help bring this to fruition and not mere lip service. This is where the industry has to go. And, if it does not, others will assume the lead role."

About Allianz Income Management Services

Founded in August 2006, Allianz Income or AIMS, for short, was a new company formed by Allianz of North America to respond to retirement income needs of retiring baby boomers. Additional information may be found at www.allianzincome.com.

Contacts

Andrew Edson & Associates, Inc.

Andrew Edson, 516-850-3195

Andrew@EdsonPR.com

or

Allianz Income Management Services

Bob MacDonald, 612-670-6801

bobmacdonald@allianzincome.com

