
A retirement boom as far as the eye can see

By Editor Test *Wed, Jun 5, 2013*

“Financial services firms should be looking at the retirement market not just for the immediate opportunity offered by Boomers but preparing for the possibility of long-term, sustained growth as Gen X and Y consumers prepare for retirement,” a LIMRA release said.

The so-called retirement income opportunity won’t begin to fade in 2050, when about half of the youngest Baby Boomers will have reached average life expectancy, according to LIMRA. That’s because the succeeding generation is just as large.

LIMRA cited U.S. Census Bureau data showing that the number of Americans reaching 65 years old each year will continue to grow beyond the Boomer generation. Even when the last Baby Boomer reaches 65, there should be no noticeable decline in the numbers. In 2013, 3.4 million individuals are projected to reach age 65; by 2023, 4.1 million Americans will reach 65; and 4.2 million by 2050.

There will be no post-Boomer dip because immediately following the Boomers are 78.4 million members of “Generation X” and “Gen Y” individuals, who are now between the ages of 30 and 48. After them, 11-29 year olds represent another 82 million individuals currently between the ages of 11 and 29 who will reach retirement in the next 35-55 years. (See chart on the RIJ home page this week.)

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LIMRA estimates that there will be nearly \$22 trillion in investible assets from Americans age 55 and older available for retirement income solutions by 2020. Younger generations—who probably won’t have a pension and likely to be solely responsible for their retirement savings—are likely to have more by the time they reach age 55.