
Up to \$4.7 trillion may be “in motion”: Cerulli

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There are some 26 million households led by people ages 55 to 69, with an average of \$181,000 in retirement assets per household.

There are approximately \$11.5 trillion of investable asset dollars in “retirement income” households and this number is expected to reach \$13.7 trillion by 2015, according to Cerulli Associates. Of the \$11.5 trillion, 41% (\$4.715 trillion) is in retirement accounts, which defines the addressable opportunity for asset managers.

Cerulli defines retirement income households as those that are on the cusp of retirement or newly retired, with occupants between ages 55 and 69. Cerulli estimates that there were 26 million households in this group in 2010. (That works out to an average of \$181,346 per household.)

These findings are from *The State of the Rollover and Retirement Income Markets: Sizing, Segmentation, and Addressability 2011*, currently available for purchase from Cerulli.

Why ages 55 to 69? A window of opportunity opens at 55 and closes at 70. Before age 55, savings isn’t an acute focus, according to Cerulli. Once consumers reach their 70s, they have generally established a retirement income plan and will stick with it. Those assets are relatively locked up and are not entirely addressable by financial services firms.

“However, the ages between 55 and less than 70 appear particularly ripe for the advice, guidance, and products that support retirement income strategies,” said Tom Modestino, head of Cerulli’s retirement practice.

Also, 55 to 59-year-olds are the “most populated” in terms of households and maintain the highest percentage of retirement accounts at 46% of investable assets. Just over a third of this group’s investable assets are in direct-held mutual funds, stocks, and bonds, Cerulli has found.

“Knowing the size and location of investor assets does not necessarily translate into money in motion toward retirement income solutions, but it’s a strong gauge,” said Alessandra Hobler, analyst in Cerulli’s retirement practice.