

Developments in decumulation: The role of annuity products in financing retirement

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Abstract

Longer lifespans are generally seen as a positive outcome of economic growth. Yet life extension also means that more people face the risk of living too long -- that is, outliving their assets and means of support. A range of financial products exists currently or can be envisioned for the future that would be useful in helping to protect people against having to dramatically curtail consumption in old age. This paper reviews the usefulness of life annuities in providing protection against longevity risk.