

New EBRI Research Finds Guaranteed Income Streams May Help Retirees Preserve Assets Later in Retirement

Study finds retirees with defined benefit pension income experienced slower asset drawdown and greater financial stability during retirement

For immediate release: May 15, 2026

Contact: Ron Dresner, dresner@ebri.org

Washington, D.C. — New research published today by the Employee Benefit Research Institute (EBRI) finds that many retirees do not draw down their assets in a smooth or predictable way over retirement, and that access to guaranteed income streams, such as defined benefit pension income, may play an important role in helping retirees preserve assets and manage financial shocks later in life.

The new research report, “Asset Decumulation Over Retirement and the Role of Guaranteed Income Streams,” examines how household net nonhousing assets change over retirement using longitudinal data from the 1992–2022 Health and Retirement Study.

Key findings in the new research report include:

- **Median Assets:** From 1–2 to 21–22 years postretirement, median household net nonhousing assets fell by 43%, 30% and 42% for low-, middle- and high-asset retired households, respectively. The middle- and high-asset groups exhibited a smoother decline than the low-asset group.
- **Share of Assets Remaining — Retention and Accumulation:** All asset groups saw significant retention — and even accumulation — of assets by 21–22 years after retirement. Thirty-seven percent of the low-asset group preserved at least 80% of their asset value, with 33% retaining 100% or more of their retirement assets. The middle- and high-asset groups saw even higher levels of preservation, with 48% and 42%, respectively, having 80% or more of their starting assets remaining at 21–22 years postretirement. Furthermore, 43% of the middle-asset group and 31% of the high-asset group had 100% or more of their assets at the end of the sample period.
- **Share of Assets Remaining — Decumulation and Accumulation:** All asset groups also experienced a significant degree of decumulation, with the low-asset group experiencing the most. While 40% of middle-asset and 43% of high-asset retirees had less than 50% of their starting assets left by 21–22 years after retirement, 54% of the low-asset group did. With a median of \$34,089 in assets 1–2 years after retirement, more than half of this group had about \$17,000 or less remaining by 21–22 years into retirement.
- **Median Assets by Receipt of Defined Benefit Pension Income:** Both the low- and middle-asset groups’ median assets fell less sharply by 21–22 years postretirement if at least one person in the household had defined benefit pension income. Median assets for low-asset retirees without consistent income flows fell by 89% at 21–22 years postretirement, compared with 29% for those with defined benefit income.
- **Receipt of Defined Benefit Income:** The receipt of defined benefit income during retirement was associated with slower asset drawdown and greater financial stability throughout retirement. These differences were especially pronounced in households with low preretirement assets, where the absence of pension income was associated with almost complete asset depletion in late retirement.
- **The Need for Predictable Income in Retirement:** Future retirees will not have the same access to guaranteed income streams from defined benefit plans as the cohort studied here. This means they will face greater exposure to longevity risk and late-life financial shocks, particularly among those with limited nonhousing wealth. Retirement income strategies that convert a portion of accumulated assets into predictable income — such as immediate

annuities, deferred income annuities, qualified longevity annuity contracts and guaranteed lifetime withdrawal benefit features — may need to play a larger role in supporting consumption and reducing the likelihood of asset depletion in later retirement.

“This research shows that retirement asset drawdown is far more complex than a simple spend-down pattern,” said Leslie Muller, Ph.D., senior research associate at EBRI. “For many households, especially those with limited assets, the presence of predictable lifetime income appears to be closely associated with greater financial stability and a stronger ability to preserve assets for unexpected expenses later in retirement. As more retirees rely on defined contribution plans rather than traditional pensions, understanding how savings can be converted into sustainable income will become increasingly important for employers, plan providers, policymakers and retirees themselves.”

The report finds that retirees entering retirement with less than \$200,000 in net nonhousing assets experienced declines in asset values similar to those who started retirement with higher levels of assets. However, because this group began retirement with median assets of only \$34,000, even a similar decline may leave them with a very limited financial cushion. This makes these households more vulnerable to late-life shocks, such as medical expenses or widowhood. In contrast, retirees who start retirement with higher levels of assets are likely better positioned to weather unexpected expenses more comfortably.

The analysis also finds that approximately one-third of retirees still have 100% or more of their initial assets remaining by their mid-80s. Although outliving one’s savings is often viewed as the primary concern in retirement, it is also important for retirees to use their resources in ways that support consumption, security, autonomy and intended bequests. High or rising asset balances may be concerning if they reflect unnecessary underspending, inefficient self-insurance, or the use of tax-advantaged accounts primarily for wealth transfer rather than retirement support.

The report also notes that the cohort examined in the study benefited from relatively high rates of defined benefit pension income across all asset groups — a characteristic that is unlikely to persist for future retirees. Although Social Security provides most retirees with a stable stream of lifetime income, it may not be sufficient on its own to sustain consumption or support a comfortable standard of living, particularly for retirees with limited assets. As the retirement system continues to shift away from traditional pensions and toward defined contribution-based savings, many future retirees may enter retirement without an additional stable, lifetime source of income to supplement Social Security.

Overall, the findings reinforce the importance of evaluating retirement preparedness not only by asset balances at retirement, but also by the availability of reliable income streams and the evolution of assets over the full retirement period. As retirement spans lengthen and reliance on defined contribution plans continues to grow, understanding how households translate accumulated savings into sustainable retirement income has become central to policy discussions surrounding retirement security.

The Employee Benefit Research Institute is a nonprofit, independent, unbiased research organization that provides authoritative, objective information on critical issues related to employee benefit programs in the United States. For more information, visit www.ebri.org.

#

Media Note: To receive the complete research report, email Ron Dresner at dresner@ebri.org.