



# 2025 Insurance Barometer Study

Report 1: Educating With Intent

**LIMRA**  
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# 2025 Insurance Barometer Study

## REPORT 1: Educating With Intent

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## Overview

LIMRA and Life Happens have collaborated on the annual Insurance Barometer Study since 2011 in an effort to provide our members with actionable insights derived from the attitudes and behaviors of American adults with regards to life insurance and other financial products and services. What barriers do consumers face when making life insurance purchase decisions? What can life insurers do to better educate and serve all Americans who are interested in protecting their families? Are there important demographic differences when it comes to the life insurance marketplace? In January 2025, LIMRA and Life Happens engaged an online panel to survey adult consumers who are financial decision-makers in their households. The survey generated 5,283 responses.

While it is not possible to paint entire population segments with the broad brush of consumer survey data, the Barometer Study aims to provide some directional guidance to better understand a wide range of diverse demographic groups. The study has traditionally used generational views as the basis for reporting but also provides some analyses on racial and ethnic groups as well.

The 2025 Insurance Barometer Study takes a close look at the consumer marketplace and delves into how much people really understand about life insurance and where and how they seek information when they want to learn about it.

These findings will be published in 2025:

- **Report 2: Life Insurance in the (Dis)information Age**
- **2025 Insurance Barometer Technical Supplement**



## Key Findings

- Overall, self-reported life insurance ownership has remained stable with 51 percent of our sample reporting they own at least one policy, unchanged from 2024.
- Among life insurance owners, 19 percent say they do not have enough coverage.
- Non-owners who say that they need life insurance represent 30 percent of all respondents, which represents little change since 2022.
- The percentage of Americans with a self-reported life insurance need-gap (40 percent) rose sharply in 2020 and remained elevated during and in the years immediately following the COVID-19 pandemic, though it may be slowly returning to pre-pandemic levels.
- Fewer women (48 percent) than men (54 percent) say they have life insurance. This fluctuating gender gap has persisted over the 15 years of the Insurance Barometer Study.
- The self-reported life insurance ownership rate among Baby Boomers leads all generations (56 percent), but Gen X (51 percent) and Millennial (49 percent) self-reported ownership is likely poised to match Boomers within a few years.
- The majority of Gen Z has now aged into the Barometer Study sample, and they are showing interest in life insurance. Self-reported ownership is at 42 percent for the 18–28 portion of the generation, up from 36 percent in 2024.
- Year over year, Black and Hispanic Americans report a higher need for life insurance protection than other groups.
- Millennials express a higher level of financial concern on all 15 of the specific financial matters asked about in this study when compared to Gen X. This difference is statistically significant across all 15 categories. Just three years ago, in 2022, Gen X was “most concerned” on 14 of the 15 categories.
- Gen Z expresses a higher level of financial concern than Millennials across five of the same 15 financially related matters.
- The perceived cost is cited as the top barrier to purchasing life insurance. Year after year, the majority of consumers greatly overestimate its cost, and it continues to be a challenge for the industry to address.
- Despite reframing and personalizing the cost of life insurance question in the 2025 Barometer survey, about half (49 percent) said their life insurance cost estimate for coverage for themselves was based on “gut feeling” or a “wild guess.”
- Over a quarter of the two younger generations in the study (Gen Z, Millennials) cite “lack of knowledge about life insurance products” as a reason that they do not own it.
- Sixty-two percent of Americans say they use social media when seeking information on financial or insurance products.

## What Consumers Know and Think

The Insurance Barometer Study has been reporting on Americans' attitudes and behaviors regarding life insurance for 15 years and some of the findings have not changed in that time. In fact, if you search back through LIMRA's decades of research, you'd find the typical consumer simply does not understand life insurance: its true cost, how it is underwritten, the variety of types that are available, and where to purchase a policy, etc.

While the quote to the right could certainly be from a recent consumer focus group, it is from a 1969 LIMRA study that interviewed widowed beneficiaries. The women were confused, unaware, and generally disappointed in the "insurance men" with whom they dealt.

*"I feel there should be more education on life insurance. I found that most people are not aware of how important [life] insurance is and at what price it can be bought by young people."*

How much has changed in the 55 years since that quote? Most Americans carry powerful computers in their pockets. Information is abundant and easy to obtain. At the same time, life insurance policies have become more complicated, other saving and investment options are widely available, and some of the available information can be untrustworthy or incorrect.

Life insurance marketers and social media professionals must somehow pierce the glut of content to attract attention, hold interest, and arm shoppers with enough confidence and knowledge to take the next steps to purchase the best policy for their needs.

**Table 1 – Self-Reported Life Insurance Knowledge**

Male	Female	Gen Z	Millennials	Gen X	Boomers	Total
34%	23%	32%	36%	25%	22%	29%

*Percent stating "very" or "extremely" knowledgeable.*

Each reader will react differently to these self-reported findings, and every reaction will be at least partially correct. There are certainly consumers who know more about life insurance than they realize just as there are others who believe they know a lot more about it than they do.

Does a significant percentage of men really know more about life insurance than women? Does the experience of Gen X inform them about their lack of information when compared to younger generations? The most important takeaway is what the industry can do to help those who want to better understand what life insurance encompasses, and the breadth of life insurance products available to protect their families.

One place to start is with the perception of cost.

**41 percent** of Americans state that they are only somewhat or not at all knowledgeable about life insurance.

## The Price Is Wrong

Year after year, one of the strongest Barometer Study findings is how much the majority of Americans overestimate the cost of life insurance. It is clear, if a person hasn't spent time shopping for a policy, they have no idea how much it will likely cost them in premium.

For years, the Barometer survey would ask respondents to estimate the annual premium for a \$250,000 20-year level term life insurance policy for a healthy, non-smoking 30-year-old male. Consistently, over half would estimate more than three times its actual cost, and three quarters of Americans would overestimate to some degree.

In 2024, LIMRA and Life Happens began asking respondents how they came up with their cost estimates and found that 54 percent said it was based on a "wild guess" or a "gut feeling." These findings make for attention-grabbing headlines, but we wanted to know if people would be better at estimating what the cost would be for their own 20-year level term policy.

To do this, we had each respondent self-assess their health on a 0–10 scale. Using that self-rating along with their gender and age, a matrix was developed using publicly available pricing models. For simplicity's sake, this report will focus on those most likely to be shopping for life insurance, which are often the same consumers being targeted by marketing and advertising: healthy young adults.

**Table 2 – Life Insurance Cost Estimates of Younger Adults**

Age	Estimate of annual premium (median) for a \$250,000 20-year level term policy		How many times higher is the estimate than the accepted range of the median cost?	
	Male	Female	Male	Female
<31	\$2,000	\$2,000	10.42	11.9
31–35	\$1,486	\$1,000	7.28	5.56
36–40	\$500	\$500	1.98	2.19

Table 2 suggests that adults 18-30 overestimate the annual cost of a typical term life insurance policy for *themselves* about 10 to 12 times more than its true cost. Those slightly older between 31 and 35 are closer to reality, overestimating about five to seven times the true cost. Not only are many making "wild guesses," they are doing so with little to no understanding of the product.

A 2025 LIMRA study<sup>1</sup> that focused on young adults found that many have difficulty understanding the different premiums for life, health, automobile, or homeowner/rental insurance.

That assumption is understandable, but it is likely hindering policy sales. Many younger adults have strong concerns about the economy and their own financial well-being, so while they may maintain the idea that life insurance is something they would like to own, if they think it costs 10 times more than it actually does, they are not taking any steps towards that purchase.

<sup>1</sup> *Opportunities in Underserved Markets: Young Consumers' Life Insurance Expectations and Experiences*, LIMRA, 2025.

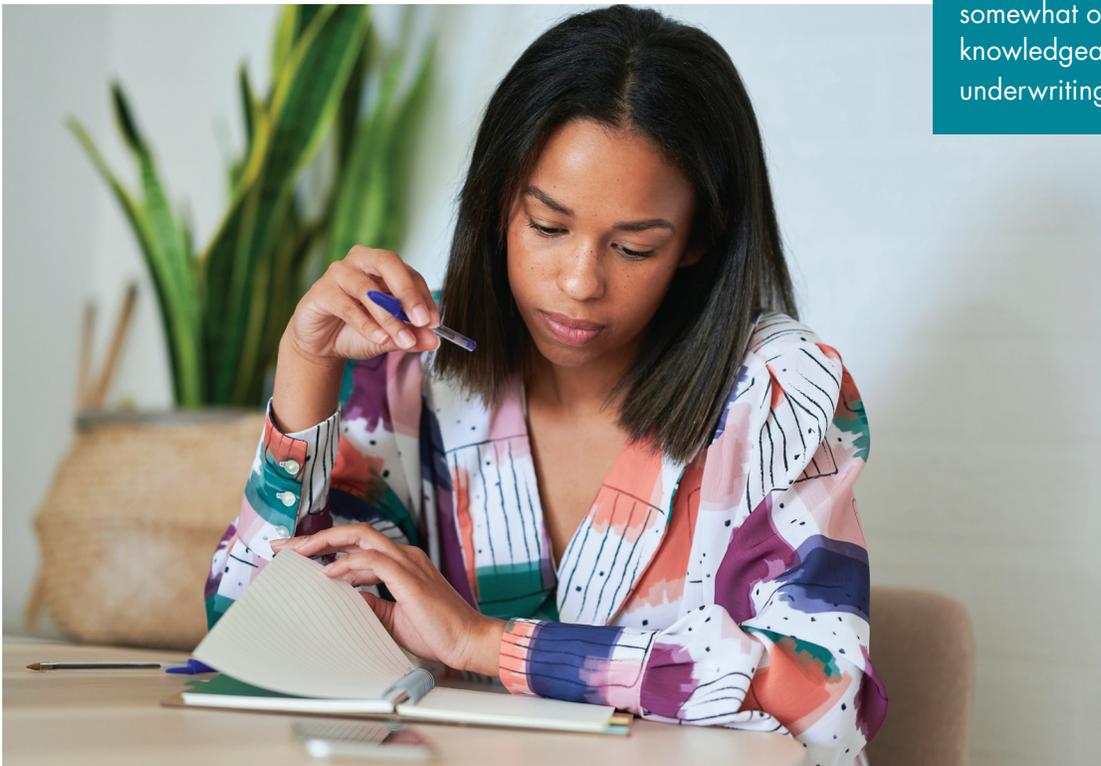
This remains one of the biggest challenges to overcome for not just life insurance marketers, social media managers, and educators, but for the industry as a whole. It is difficult to convey the true cost many types of life insurance without underwriting, not to mention there may be certain regulations which limit pricing demonstrations on certain platforms.

Furthermore, there appears to be an amount of “too good to be true” thinking as well. If a young, healthy woman thinks an average term life insurance policy would cost her \$1,800 a year, will she trust the same policy and company upon learning it would cost her one-tenth of that?

**Table 3 – Self Reported Underwriting (Any Kind) Knowledge**

Male	Female	Gen Z	Millennials	Gen X	Boomers	Total
18%	10%	22%	23%	9%	6%	14%

**70 percent** of Americans state that they are only somewhat or not at all knowledgeable about underwriting.

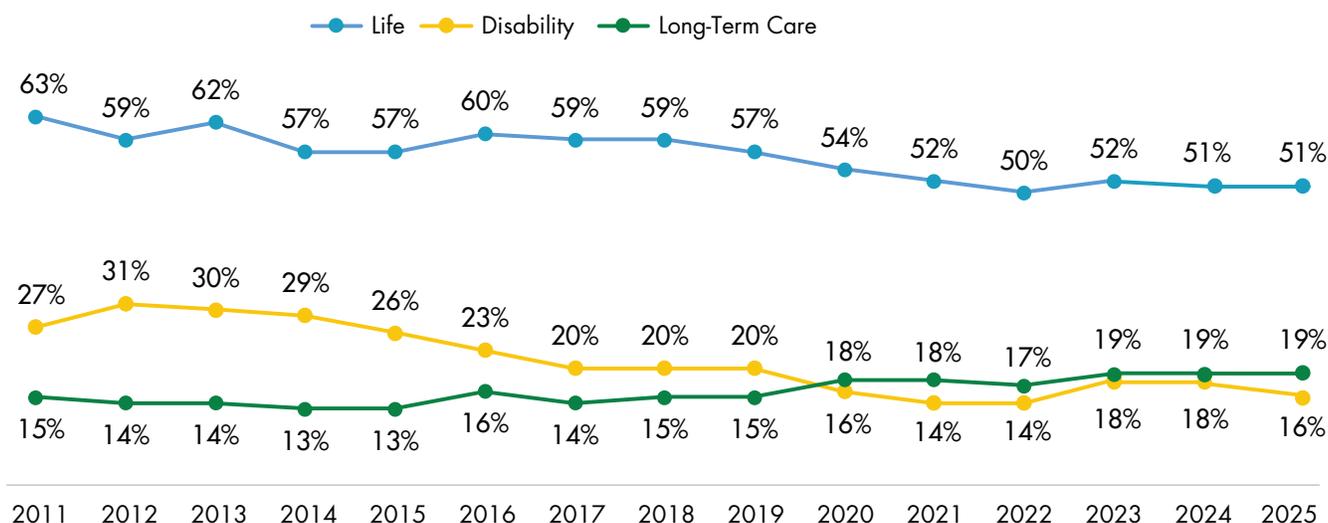


## Life Insurance Ownership Trends

The Insurance Barometer Study tracks the types of insurance products **consumers say they have**, which helps the industry see trends over time. This is important information, but as discussed above, readers should understand that in addition to cost and underwriting, many consumers are not very knowledgeable about insurance products — although all respondents are involved in their households' financial decision-making.

Figure 1 shows that consumers reported similar levels of life insurance ownership between 2011 and 2018. Market penetration fluctuated each year, but the trend line reflects generally stable market conditions. Starting in 2019, the trend line indicates a slow decline in the proportion of respondents who say they have life insurance coverage. While year-to-year fluctuations do not reflect significant changes, the consistent trend until 2021 suggests a smaller percentage of Americans say they own life insurance.

**Figure 1 – Estimated Market Penetration by Product,\* 2011 – 2025**



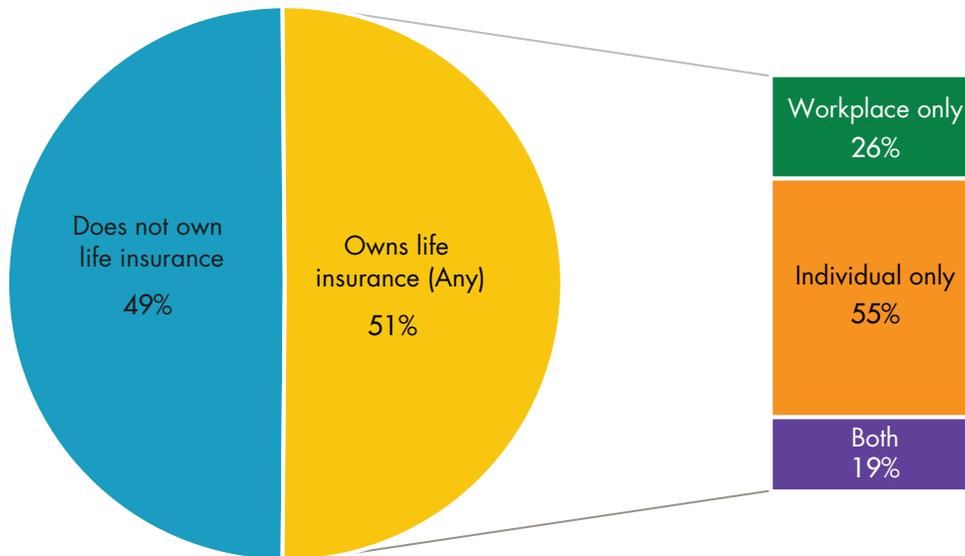
\* Disability income coverage refers to the retail market; it does not include workplace coverage.

Despite best efforts, survey respondents are sometimes confused about individual disability and long-term care insurances (LTCIs) and therefore may suggest that they are owners when they are not. LIMRA product research estimates that a much smaller percentage of Americans have LTCI and individual disability insurance, demonstrating a lack of product understanding.

## Life Insurance Ownership by Source

In 2025, just over half (51 percent) of Insurance Barometer respondents say they have some type of life insurance coverage. **Of insureds**, 55 percent indicate they have only individual coverage (i.e., purchased in the retail market), 26 percent say they exclusively have workplace coverage (i.e., obtained as a benefit of employment), and 19 percent indicate they have both sources of coverage (Figure 2). These data are almost identical to the 2024 Barometer findings.

**Figure 2 – Life Insurance Ownership by Type, 2025**



A consumer perception survey of the general population will never be the most accurate source for these data. For example, other LIMRA research shows that more Americans own workplace life insurance than is self-reported here. In fact, a combination of industry data and LIMRA research suggests that the percentage of Americans who have life insurance through their employer or union nearer to 40 percent,<sup>2</sup> rather than the 23 percent (overall) who say so here. Some reasons for this discrepancy may be:

- Awareness of life insurance as a workplace benefit has lessened over the last decade.
- More remote workers have led to fewer in-person benefits fairs.
- More passive enrollment of employer-paid life insurance.

Awareness has been diminishing since at least 2010, when consumer data matched known industry data. Group life insurance writers should implement workflows with human resource professionals to increase knowledge about the policies provided through the employer. Perhaps an active enrollment period every few years or a mandatory beneficiary update every year would not only increase awareness but possibly open the door for a deeper conversation about individual coverage.

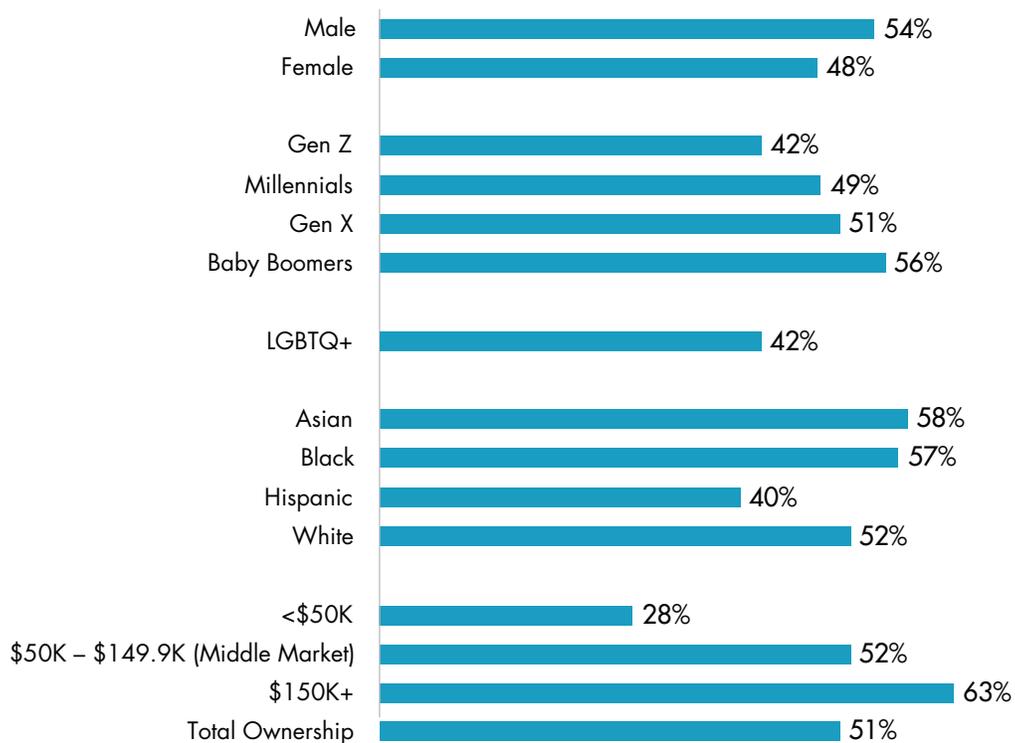
<sup>2</sup> U.S. Life Insurance Ownership Study (unpublished), LIMRA, 2025.

## Life Insurance Ownership by Market Segment

The incidence of having life insurance coverage varies across market segments. Figure 3 illustrates the likelihood of having coverage among different demographics. The data show that life insurance coverage is significantly more common in these market segments:

- Men
- Older generations
- Incomes of \$150,000 or more

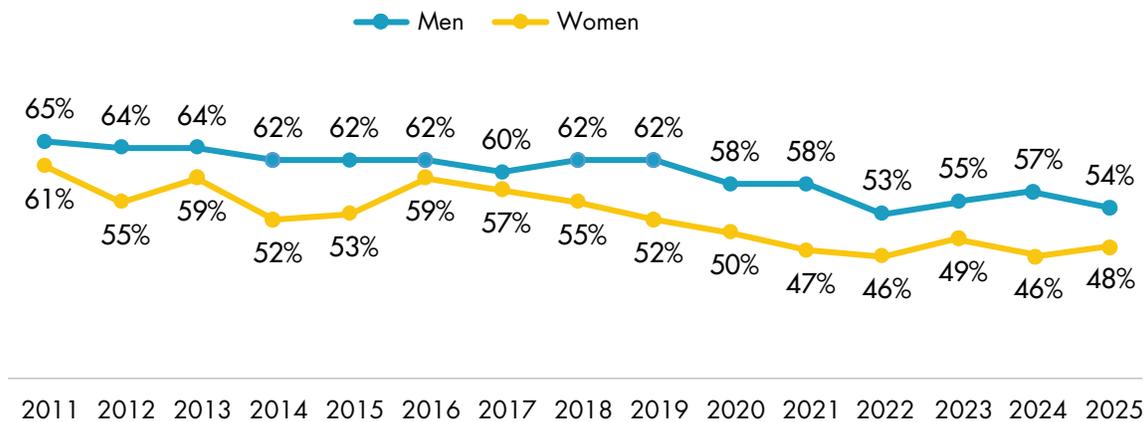
**Figure 3 – Life insurance Ownership by Demographic Segment, 2025**



**Gender Gap** — Over the duration of the Barometer Study, women are less likely than men to say they have life insurance coverage (Figure 4). In 2024, the 11-point gender gap matched the largest reported gap over the 15-year history of the Barometer Study. The data suggest that the gap has closed to 6 percentage points (54 percent for men, 48 percent for women).

As with any consumer study, certain metrics will fluctuate year to year, but in 2023–24, women’s participation in the workforce had expanded significantly.<sup>3</sup> If the percentage of working women continues to increase, we may see a continued closing of the gap between genders with regards to overall life insurance ownership.

**Figure 4 – Life Insurance Ownership by Gender, 2011 – 2025**



**Generational Impact** — The likelihood of having life insurance is higher among older generations. Significant changes in reported ownership occur between each age group. Ownership among Baby Boomers currently leads the industry’s market penetration rate. Yet, as Baby Boomers continue to age beyond the Barometer Study’s age cutoff of 75, this rate is expected to decline.

As the younger generations mature and reach life-stage milestones, their participation in the life insurance market will increase. With new and evolving distribution and marketing methodologies available, it is imperative that life insurers adapt and continue efforts to reach Millennials and Gen Z. Interestingly, Millennial self-reported ownership is within 2 percentage points of Gen X, as the younger generation is hitting significant life milestones that often precede life insurance purchases.

**Race & Ethnicity** — The likelihood of having life insurance is highest among respondents who identify as Asian or Black (58 and 57 percent respectively). Non-Hispanic white Americans report 52 percent ownership while all races identifying as Hispanic report a much lower level of ownership (40 percent) in 2025. The Hispanic market seems to continue to lag behind the other demographics the Barometer Study tracks; in 2021, 51 percent of Hispanic respondents said they had life insurance — that number dropped to 41 percent in 2022. Since the COVID-19 pandemic, Hispanic ownership has remained significantly lower than non-Hispanic Asian, Black, and white ownership.

*(For more insight on race/ethnicity, please see the 2025 Life Insurance Barometer Technical Supplement.)*

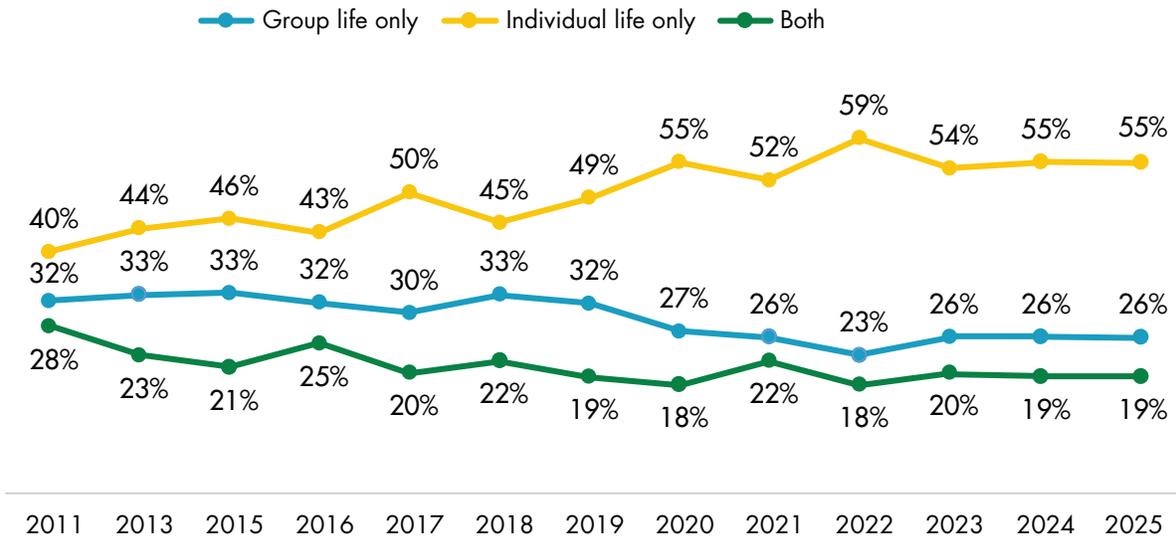
<sup>3</sup> *Employment rate of women in the United States from 1990 to 2024*, statista, 2025.

## Overlapping Coverage Sources

In general, consumers who have individual life insurance and workplace coverage usually have the best financial security. They tend to have higher levels of coverage, and they are less vulnerable to losing coverage due to a change in employment status.

After a reported rise in overlapping coverage in 2021, the likelihood of insureds having both individual and workplace coverage has hovered just under 2 in 5 since the height of the pandemic (Figure 5). Again, there seems to be a lack of awareness with regards to employees with employer-paid life insurance, so the reality is likely that there are more workplace owners than these data suggest.

**Figure 5 – Overlapping Coverage Among Insured, 2011 – 2025**



The proportion of insureds with both individual and workplace life insurance has not changed significantly since 2016, when 1 in 4 insureds had overlapping coverage.

The likelihood that insureds have only individual life coverage has dipped since a post-pandemic high in 2022. While the 15-year trend is up overall, some pandemic sales may have resulted in surrendered policies after only two or three years.

Additionally, as reported life insurance ownership has dropped over the last several years, we know from the life insurance need-gap analysis that many owners have a self-stated need for more coverage.

## The Life Insurance Need-Gap

The Insurance Barometer Study generates several important market metrics for the industry. It represents the total level of self-reported life insurance need among all American adults aged 18 – 75. Tracking this metric annually enables the industry to assess business opportunities in the present-day market and evaluate those opportunities relative to prior years.

To identify respondents who need life insurance we include the non-owners who say they need coverage, as well as life insurance owners who say they need more coverage. Table 4 reveals that 40 percent of American adults say they need life insurance or need to obtain more life insurance coverage. This represents a 2-percentage point improvement over 2024, but the overall need is still elevated since before the COVID-19 pandemic.

Blending estimated U.S. adult population data<sup>4</sup> with the survey results suggests the total life insurance need-gap now encompasses about 100 million adults.

- Life insurance owners who want more coverage represent 1 in 10 respondents, nearly the same level as the last two years. This indicates more business value exists within the industry’s current policyholder base.
- Non-owners who say they need life insurance represent 30 percent of all respondents, a 7-point rise from 2019. This indicates the industry’s overall market opportunity has maintained its potential for growth from pre-pandemic (early 2020) times.

**Table 4 – The Life Insurance Need-Gap, 2023 – 2025\***

Segment Definition	Percent of All Adults With a Life Insurance Need-Gap			
	2019	2023	2024	2025
Insureds who need more coverage	12%	11%	11%	10%
Non-owners with need	23%	30%	30%	30%
Total need-gap	35%	41%	42%	40%

\* Owner + non-owners may not equal total due to rounding.

- The need-gap percentage among owners has dipped a bit but still represents 25 million adults who acknowledge a need for more life insurance coverage.
- The need-gap among non-owners has not fluctuated in recent years, but it remains elevated since before the COVID-19 pandemic. The overarching goal of the Insurance Barometer Study is to arm the industry with insights to best reach and help these tens of millions of Americans find the right coverage to protect themselves and their families.

<sup>4</sup> Total U.S. Resident Population by Age, Sex, and Series, U.S. Census Bureau, Population Division, Demographic Analysis, December 2020 release.

## Life Insurance Need-Gap Segments

It is essential for the industry to understand the personal characteristics of consumers who live with a life insurance need-gap. This information is critical in the creation of marketing and distribution. However, understanding all consumers with a need-gap is not a simple task because they represent a wide diversity in the American population. Thus, need-gap segments are not niche markets; each group of owners and non-owners represents a mass market with millions of consumers.

Demographic characteristics are useful for understanding the diverse types of people who live with a life insurance need-gap. Table 5 illustrates the relative level of life insurance need across four important demographic characteristics: gender, generation, race/ethnicity, and household income.

The data below suggest the life insurance need is highest among the following consumer segments:

- Households earning under \$50,000 per year
- Those identifying as Hispanic or Black Americans
- All generations younger than Baby Boomers (ages 18 to 60)
- Women

The following analysis estimates the size of each need-gap segment, so the industry can evaluate market opportunities within diverse groups.

**Table 5 – Life Insurance Need and Market Sizing by Demographic Segment and Ownership\***

Demographic Group	Percent With Need			Number With Need (in millions)		
	Owners	Non-owners	Total	Owners	Non-owners	Total
<b>GENDER</b>						
Male	9%	28%	37%	11	34	45
Female	11%	32%	43%	13	39	52
<b>GENERATION</b>						
Gen Z	7%	39%	46%	3	18	22
Millennials	8%	36%	44%	6	26	32
Gen X	12%	30%	42%	8	19	27
Baby Boomers	10%	17%	27%	5	9	15
<b>RACE/ETHNICITY</b>						
Black	13%	34%	47%	4	11	15
Hispanic	9%	41%	50%	4	17	20
White	9%	26%	35%	15	44	59
Asian	12%	26%	38%	2	4	6
<b>HOUSEHOLD INCOME</b>						
Under \$50K	8%	46%	55%	7	30	37
\$50–\$149K	11%	31%	42%	16	33	49
\$150K or more	8%	19%	27%	4	10	14

\*Owner + non-owners may not equal total due to rounding.

**Gender and Generations** — The overall need for life insurance is higher among women (43 percent) than among men (37 percent), with a greater difference found among non-owners. In other words, women present a significant opportunity for the industry. Women have reported lower rates of ownership for every year of the Barometer Study as well as a higher level of need. An average of 42 percent of the younger three generations have a life insurance need-gap.

**Race and Ethnicity** — Respondents identifying as Hispanic or Black expressed the highest need for life insurance. This suggests present-day interest from 20 million Hispanic and 15 million Black consumers. While Black Americans do own more policies per capita than other racial and ethnic groups, those who own express more need for more coverage than others. The Asian need-gap is closer to that of white Americans than of Black or Hispanic Americans.

**Household Income** — Life insurance need is highest among respondents with households making under \$50,000 per year, indicating interest from 37 million Americans in this group. This is often a challenging segment to serve, given their limited financial resources.

Among respondents earning \$50,000 to \$149,999 per year, 42 percent say they need/need more life insurance. The high level of need combined with the large number of households suggests interest from 49 million middle-income consumers. Need is less pronounced within the mass affluent (over \$150,000 per year) segment but still represents 14 million potential life insurance buyers.



## The Need-Gap Over Time

In the years the Insurance Barometer Study was conducted prior to the COVID-19 pandemic, the life insurance need-gap averaged 34 percent, with a maximum of 36 percent in 2015. Once the pandemic occurred, the gap rose to 41 percent and has remained around that level for five years now (Figure 6).

**Figure 6 – The Life Insurance Need-Gap, 2011 – 2025**



There appears to be a causal relationship between the pandemic and the elevated need-gap, but it has persisted now for years after the official end of the pandemic. The dip in 2025 may signal a return to pre-pandemic levels, but policy ownership has not increased to a point where that would account for a lower number of Americans needing life insurance.

As more Gen Z members reach life stages when life insurance purchase becomes likely, it is possible that they are recognizing the need, but do not think they can afford it, given the fact that 71 percent overestimate the typical price by three times or more. At the same time, many Gen Xers may be shifting their financial focus to other investment or savings products as they approach retirement.

As noted previously, incorrect assumptions on life insurance cost have certainly kept some younger purchasers from buying a policy, while over a quarter of Gen Z and Millennials state they are not sure how much or what type of coverage to get (Figure 7). A large part of the need-gap can be attributed to the lack of knowledge this report highlights. Many younger Americans state a need for life insurance, but too many may be intimidated by the education and purchase process.

Societal changes and economic conditions also surely play a role in at least delaying life insurance purchases. Americans are getting married later... and less often. Furthermore, the average age at which women have their first child has increased to 27.5, up from 25.5 in 2011 and about 21.5 in 1970.<sup>5</sup>

The birth of a first child is very often a driver for life insurance purchase. Millennials and Gen Z report an awareness of life insurance and protection products but are likely delaying purchase until they begin families. Inflationary concerns, increases in cost of living, and unstable economic factors also play a role in lack of coverage, especially when perceived cost is the major barrier.

<sup>5</sup> [Here's how the average childbirth age has changed over time](#), Northwell Health, 2024.

## Reasons for Not Having (More) Life Insurance

Those consumers who do not have life insurance yet state they need it, as well as those who do not have as much coverage as they want, were asked about their reasons for this gap. Figure 7 illustrates the top reasons for living with a need-gap, which are the same for uninsureds and underinsureds:

1. They perceive it as too expensive.
2. They say they have other financial priorities.
3. They are not sure how much they need/what type to buy.
4. They haven't gotten around to it.

The information is helpful to understand how often industry professionals will encounter different barriers and adjust sales tactics to address the objections up front.

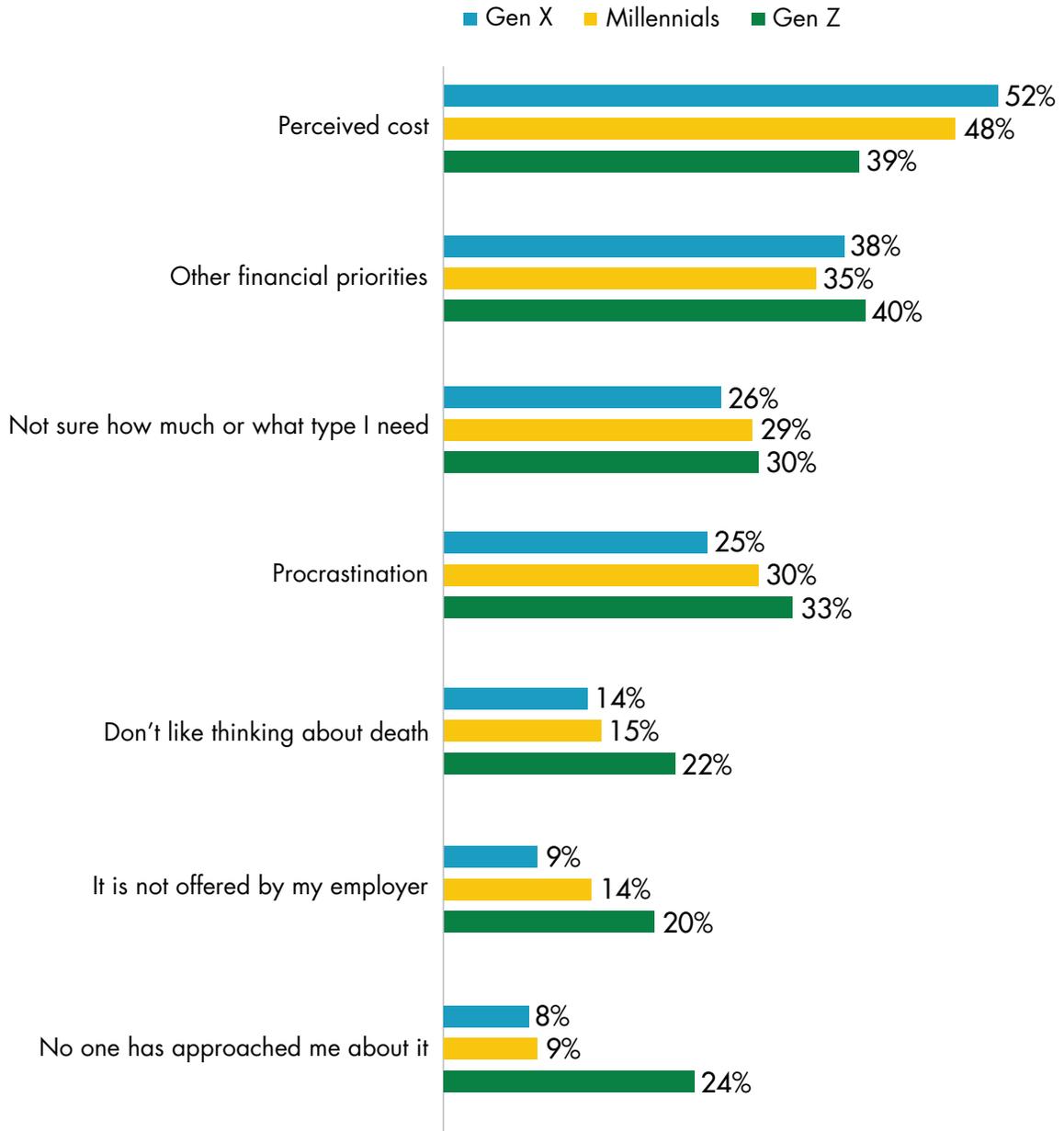
"Other financial priorities" is a valid reason that will always be a top contender and must be accepted and recognized by financial professionals and agents who should be willing to discuss it with potential policyholders.

It may be wise to delve into this issue rather than ignore it. If a consumer can't afford the policy they want, they may assume coverage is out of reach entirely. However, highlighting that there are options to start with a smaller in-budget policy and growing coverage over time can be a viable tactic. Exploring term-to-perm policies is an example, and perhaps a place where product design can continue to innovate.

When looking at reasons not to own/own more through the generational lens, it is interesting that Gen Z does not cite expense as often as older generations, but the majority overestimate the true cost of life insurance. In recent years, Gen Z's top reason was that they "haven't gotten around to it" but as older Gen Zs are approaching 30, it appears fewer are citing procrastination as a reason not to own/own more.



**Figure 7 – Reasons for Not Having (More) Life Insurance by Generation,\* 2025**



\*Among those with life insurance need-gap.

## Addressing the Need-Gap

For many consumers, the self-reported need for life insurance is merely aspirational; they recognize the need and will agree that they should purchase a policy but face a multitude of barriers — real or perceived. There are millions of Americans who can afford protective life insurance and have not yet begun the process to purchase.

Awareness remains elevated — initiated by the pandemic five years ago, which appears to have had a long-lasting effect on the populace. Regardless of the reason for the life insurance need-gap, the message that life insurance can be an affordable and stable product in an uncertain economy should resonate across all demographics.

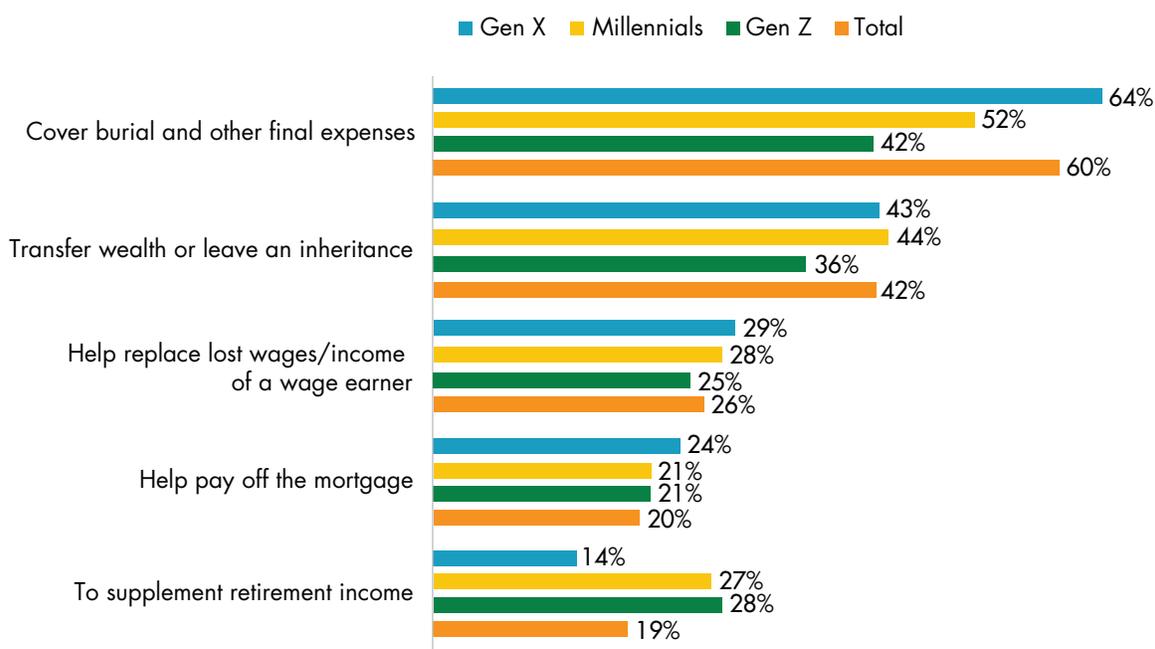
## Reasons to Own

While this question is asked each year, the Barometer Study doesn't always publish "reasons to own" figures (Figure 8 and 9) but every so often these serve as a good reminder of what is important to consumers. Final expense and burial policies are popular ways for families to financially provide for the inevitable. The data suggest that as people age (Gen X), they view life insurance through this lens more and more. As they start and grow families, wealth transfer is another strong reason to own life insurance.

Final expense and pre-need policies provide many families peace of mind, and these may be the only type of life insurance some consumers can afford. However, perhaps certain sectors of the industry would benefit from spending more time with policy shoppers and owners to determine if a different type of coverage would provide greater protection and security — while still being affordable.

Interestingly, over a quarter of the younger two generations say that they view life insurance as a way to supplement retirement income. If younger adults view life insurance through that lens and understand some of the positive tax and protection aspects of those policies, it appears as though it resonates.

**Figure 8 — Reasons to Own Life Insurance by Generations, 2025**

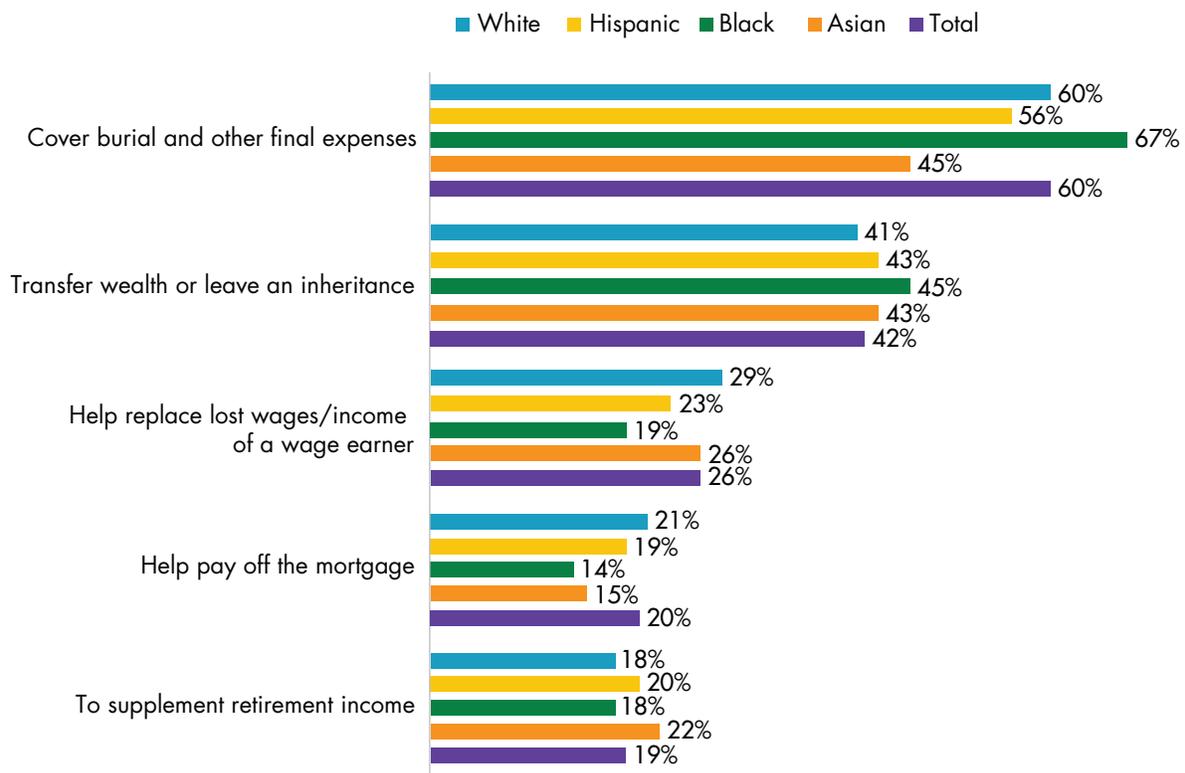


There are also some different perceptions of life insurance across race and ethnicity (Figure 9). Black Americans have long been outsized purchasers of final expense policies and that continues in 2025. This disparity accounts for the demographic reporting high rates of life insurance ownership.

Asians, however, are far less likely to hold this same perception and are more apt to view the product as something to help supplement retirement income. While it would not be prudent to approach prospects with these preconceived notions based on race or ethnicity, it is important to be aware of these differences and viewpoints when it comes to family financial protection.

Among the owners that responded to this question, it is likely there is a lack of knowledge about the different types of policies available from financial professionals and licensed agents. It is in their best interest to reach out to owners every so often to assess current needs, beneficiaries, and protection goals, as these often change as policyowners age.

**Figure 9 – Reasons to Own Life Insurance by Race and Ethnicity, 2025**



Financial security is important for everyone, and ultimately the basis of a life insurance policy. The term means different things to different people, and their age, wealth, and life stage certainly have a strong bearing on those differences.

## Perceptions and Misconceptions

In addition to perceived affordability, the Barometer Study explores other perceptions and misconceptions of Americans. Table 6 includes both owners and non-owners of life insurance. A quarter of Americans think that life insurance is a product that only covers final expenses. Almost a third are unaware of living benefits and policies with cash value. Similar numbers distrust the amounts of coverage recommended to them and perhaps most alarming, nearly a quarter perceive they are being discriminated against by life insurance companies.

Black Americans, Hispanics, and Gen Z are the most likely to agree with that last statement, which likely relates to historic discrimination. The industry has made huge inroads in underserved communities in the last few decades, but the data here suggest there is still work to be done.

**Table 6 – Life Insurance Perceptions and Misconceptions**

Negatives (The Lower the Better)	Asian Only	Black Only	Hispanic Only	White Only	Gen Z	Millennials	Gen X	Total
Life insurance is only for final expenses	22%	28%	31%	22%	30%	32%	20%	24%
I can't personally benefit from life insurance	28%	28%	32%	32%	34%	29%	30%	31%
The amount that is often recommended to me is too high and I don't need that much	27%	30%	30%	28%	37%	31%	24%	29%
Life insurance companies discriminate against people like me	18%	30%	28%	21%	32%	29%	20%	23%

Positives (The Higher the Better)	Asian Only	Black Only	Hispanic Only	White Only	Gen Z	Millennials	Gen X	Total
Life insurance companies prefer I live a long and healthy life	61%	55%	57%	62%	52%	61%	61%	60%
Certain types of life insurance provide the benefit of some income in retirement	64%	55%	52%	52%	49%	55%	50%	54%
Life insurance companies prioritize fairness and equality in their practices	31%	38%	40%	31%	43%	43%	27%	33%

It is interesting to note that only 6 in 10 respondents think that “life insurance companies prefer [policyholders] live a long and healthy life.” This, again, speaks to a lack of understanding as to what life insurance actually is and provides.

The final two concepts in Table 6 above are related to those previously discussed but certainly provide marketers and financial professionals points to highlight on social media, in advertising, and in conversations.

# Financial Concerns

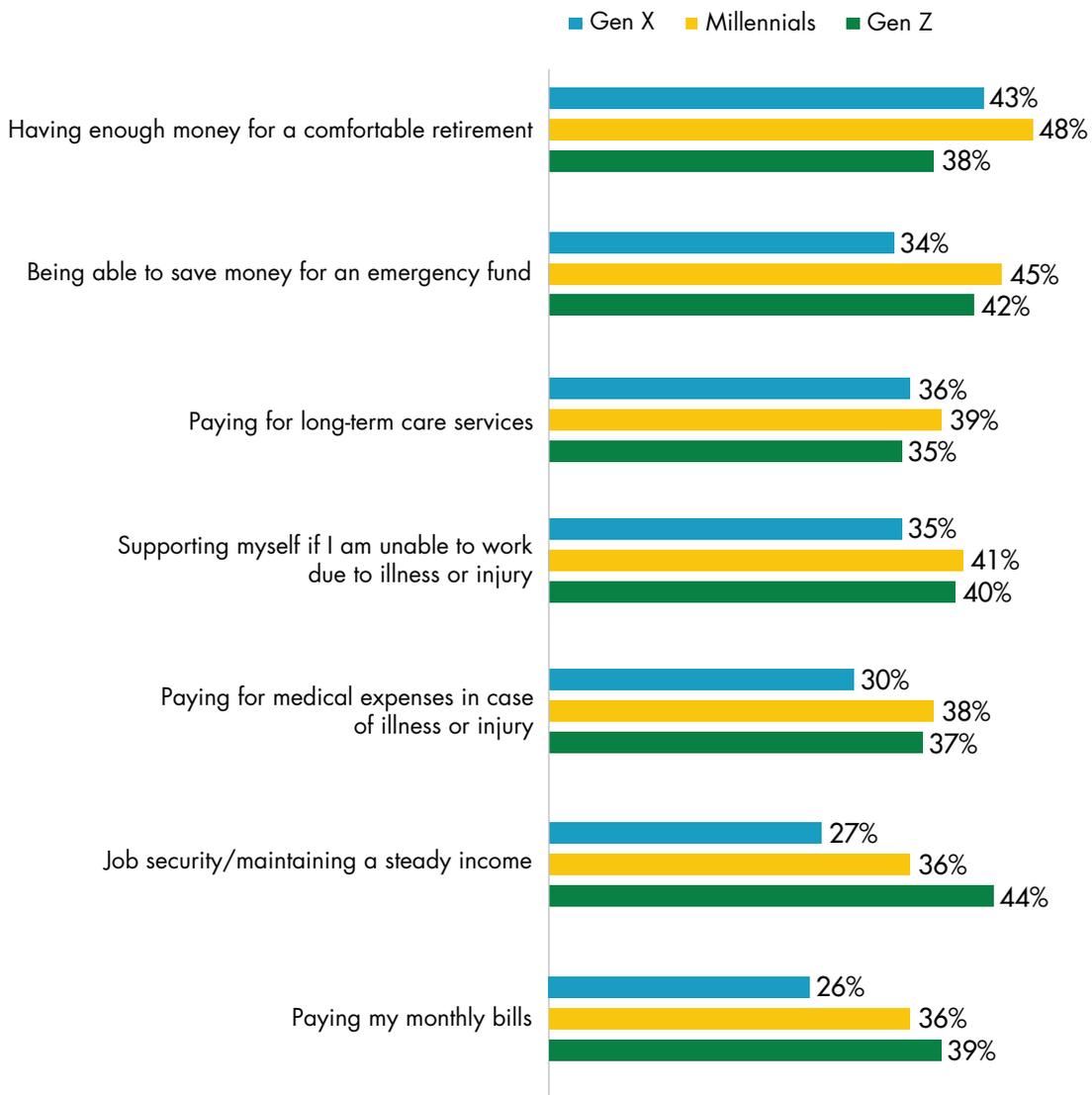
*(These data were collected in the first two weeks of January 2025.)*

Because of the large life insurance need-gap, there is a significant opportunity for more Americans to obtain coverage. One way to gauge how a policy might fit into a household’s budget is through an understanding of the most pressing financial concerns (Figure 10).

With the pandemic now in the rear-view mirror for many, the focus has turned towards the economy and global politics. There is an ever-increasing political lens through which much of the world is viewed, and our industry must be cognizant of any volatility that may be giving consumers pause.

**Figure 10 – Financial Concerns by Generation, 2025**

*Percent saying “extremely” or “very” concerned.*



## Financial Concerns by Generation

Understanding the varying levels of financial stress for different generations is important for aiding and educating prospective life insurance buyers. Millennials report the highest level of concern across all 15 categories (36 percent) but Gen Z is statistically similar (35 percent). It's important to note that Boomers are, on average, express far less concern (14 percent). Any conversation with a young adult must keep these vastly different concern levels in mind when discussing costs and investments.

When looking at all 15 concerns listed in the survey, Millennials report the highest levels across 10 of the 15 categories, with Gen Z topping the other five. This almost certainly correlates to their life stages. At ages 29 to 44, Millennials are reaching and realizing their career and family solidification years. This is also often when people begin seriously thinking about retirement funding.

Just three years ago, in 2022, Gen X was "most concerned" about 14 of the 15 categories but no longer top any concern category. A generational shift is clearly underway.

On average, older Americans express lower financial concerns. For 43 percent of Gen X consumers (ages 45 – 60) retirement funding is still a top concern. This represents a 5-point drop from 2024 but is still somewhat alarming considering older Xers are within four or five years of traditional retirement age.

Retirement and health considerations loom large for the older segment of Gen X; concerns over disability-related expenses, long-term care, and emergency savings are important. This suggests that marketers of individual disability and long-term care insurance products can leverage this information, and life marketers can acknowledge the concern for emergency savings as a reason to consider permanent products with cash build-up features.



## Financial Security and Life Insurance

Financial insecurity, largely caused by the financial concerns above, pervades all demographic groups. Only 6 in 10 Americans say they are at least somewhat financially secure. With uncertain economic and market conditions in 2025, this is a metric that can change rapidly.

Only one quarter of adults say they would be financially secure — that is, would not be financially impacted — if a primary wage earner were to pass away for more than two years.

**Table 7 — How Long Until Financial Impact if a Primary Wage Earner Were to Pass Away**

1 month or less	27%
6 months	20%
1 year	12%
2+ years	26%
Don't know	15%

In past Insurance Barometer Studies, it's been suggested that those who own a life insurance policy feel more secure than those who don't.

It is, however, difficult to discern whether the feeling of security comes from owning a policy, or from being financially secure.

**47%** would feel a financial impact in less than six months



However, when asked what a family's financial dependents would rely on if a primary wage earner were to pass away unexpectedly, 52 percent of the total sample say life insurance — matching those who say they own it. This is second only to savings accounts (58 percent).

## What We Can Do

It's easy to say "educate, educate, educate," but so much of LIMRA's consumer research points to that as the most important piece of closing the need-gap. Obtaining life insurance can be confusing, daunting, and deeply personal. If one is only barely aware of its benefits, there is a good chance that person also overestimates its price by several factors.

About 91 percent of Americans own a smartphone.<sup>6</sup> Millions of dollars have been spent on online ecosystems to assist with financial planning, family protection, and direct-to-consumer sales. Younger generations spend much of their time online on social media apps.

So, it is unsurprising that 62 percent of Americans say they use social media when seeking information on financial or insurance products, and in the 2024 Insurance Barometer Study, it was found that Gen Z used it over 50 percent of the time versus traditional company websites.

Infiltrating this space in an impactful way is difficult, as "cutting through the noise" is becoming increasingly difficult for legacy companies where social media posts must comply with brand standards and legal parameters.

Social media and online influencers will be the focus of the second report in the 2025 Insurance Barometer Study series.

This year is proving to be a tumultuous one with regard to economic conditions. A large percentage of American workers now have retirement savings in 401(k) plans that are tied to the market, and many more have invested in cryptocurrency, day trading, and other relatively new ways of hoping to grow personal funds.

In the midst of this, a message that would likely resonate (even with the youngest adults) is that life insurance can provide one of the most stable ways to preserve generational wealth. Many products now offer living benefits and cash value, as well as tax savings.

Life insurance has been around for close to two centuries and has adapted to many societal changes in that time. Marketers, agents, educators, and anyone else involved with promoting the products and policies should be aware of demographic differences and work cohesively to bridge the ownership and need gaps.

This is also why Life Happens has spent the past 30 years educating consumers including — importantly — up-and-coming generations as they move into their life insurance buying years.

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<sup>6</sup> *Mobile Fact Sheet*, Pew Research Center, 2024.

## Methodology

The Insurance Barometer Study is an annual study that tracks the perceptions, attitudes, and behaviors of adults aged 18 – 75 in the United States who are at least partly responsible for financial decision-making in their households.

The findings are available in two publications in 2025.

In January 2025, LIMRA and Life Happens engaged an online panel to survey adult consumers who are financial decision-makers in their households. The survey generated 5,283 responses.

Models used in the sample development include a propensity model to adjust for sample selection error and weighting models to adjust for sample response error. In addition, please note:

- Some consumers do not participate in online panels, creating selection bias in survey samples. A propensity-score adjustment corrects for selection biases inherent in internet panels.
- The response sample has a weighting adjustment along age, gender, race, ethnicity, region, and income dimensions. The weight helps the demographic characteristics of the sample to align with the population.
- The margin of error in this study is +/- 3 percentage points.
- Respondents self-identified as Hispanic may also be members of any race (e.g., white, Black, Asian) whereas self-identified white, Black, and Asian respondents are of that race only.
- Respondents include retired and unemployed adults.
- Several survey-question-response choices were collapsed in 2023, rendering trending and comparisons to previous years difficult beyond two years.

**Table 8 – U.S. Population and Survey Sample by Generation**

Generation	Ages in 2025	U.S. Population Size (in millions)	Sample Size (weighted)	Percent of Sample
Gen Z (1997–2012)	18 to 28	43.1*	706	14%
Millennials (1981–1996)	29 to 44	72.2	1,639	31%
Generation X (1965–1980)	45 to 60	65.8	1,562	29%
Baby Boomers (1946–1964)	45 to 60	65.8	1,562	29%
<b>Total</b>	18 to 75	247	5,283	100%

\*Full generation not eligible for survey.

Source: *Resident population in the United States in 2024, by generation*, statista, 2024.

## Related Research

- *2024 Insurance Barometer Series*, LIMRA and Life Happens.
- *2023 Insurance Barometer Series*, LIMRA and Life Happens.
- Life Happens has a wide range of consumer-education information on [lifehappens.org](https://lifehappens.org).



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