



What is the difference between a fixed and variable annuity?

Financial Planning

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Fixed annuities pay a fixed rate of return. When you receive payments, the monthly payout is a set amount and is guaranteed. Fixed annuities may be a good choice for:

- Conservative investors who value safety and stability.
- Those nearing retirement who want to shelter their assets from the volatility of the stock or bond market.

With variable annuities, you can invest in a variety of securities including stock and bond funds. Stock

market performance determines the annuity's value and the return you will get from the money you invest. The amount of risk you are willing to assume should influence the kind of funds you select.

You may want to consider a variable annuity if you are:

- Comfortable with fluctuations in the stock market and want your investments to keep pace with inflation over a long period of time.
- Young and want to prepare financially for retirement by reaping the gains in the stock or bond market over the long term.

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