



Retirees and Retirement Amid COVID-19

20th Annual Transamerica Retirement Survey of Retirees

TRANSAMERICA **CENTER**
FOR RETIREMENT STUDIES®

September 2020

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About the Authors

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With two decades of retirement services experience, Catherine has become a nationally recognized voice on retirement trends for the industry. She has testified before Congress on matters related to employer-sponsored retirement plans among small business, which featured the need to raise awareness of the [Saver's Credit](#) among those who would benefit most from the important tax credit.

In 2018, Catherine was named an [Influencer in Aging](#) by PBS' [Next Avenue](#). In 2016, she was honored with a Hero Award from the [Women's Institute for a Secure Retirement](#) (WISER) for her tireless efforts in helping improve retirement security among women. Catherine serves on the Advisory Board of the [Milken Institute's Center for the Future of Aging](#). She co-hosts the [ClearPath: Your Roadmap to Health & Wealth](#) radio show on Baltimore's WYPR, an NPR news station.

Catherine is employed by Transamerica Corporation. Since joining the organization in 1995, she has held a number of positions with responsibilities including the incorporation of Transamerica Center for Retirement Studies as a nonprofit private foundation in 2007 and its expansion into Transamerica Institute in 2013, as well as the creation of the Aegon Center for Longevity and Retirement in 2015.

[Patti Rowey](#) serves as vice president of Transamerica Institute. She is retirement and market trends expert and helps manage and execute all research initiatives, including the Annual Transamerica Retirement Survey. Patti has more than 20 years of retirement services experience, specializing in market research covering a broad range of stakeholders, including retirement plan participants and sponsors, financial advisors, and retirees. She is employed by Transamerica Corporation.

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About Transamerica Center for Retirement Studies®

- Transamerica Center for Retirement Studies® (TCRS) is a division of Transamerica Institute® (The Institute), a nonprofit, private foundation. TCRS is dedicated to educating the public on emerging trends surrounding retirement security in the United States. Its research emphasizes employer-sponsored retirement plans, including companies and their employees, retirees, and the implications of legislative and regulatory changes. For more information about TCRS, please visit to www.transamericacenter.org.
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About the Survey

- Since 1998, Transamerica Center for Retirement Studies® (TCRS) has conducted a national survey of U.S. business employers and workers regarding their attitudes toward retirement. The overall goals for the study are to illuminate emerging trends, promote awareness, and help educate the public. It has grown to be one of the longest running and largest national surveys of its kind. This survey is the third time TCRS has conducted research among retirees; the first time was in 2015.
- The Harris Poll was commissioned to conduct the Transamerica Retirement Survey of Retirees for TCRS. TCRS is not affiliated with The Harris Poll.
- The Harris Poll has been tracking public opinion, motivations and social sentiments in the U.S. since 1963. It is now part of Harris Insights & Analytics, a global consulting and market research firm that delivers social intelligence for transformational times. Its mission is to provide insights and advisory to help leaders make the best decisions possible. To learn more, please visit www.theharrispoll.com.

Methodology: 20th Annual Transamerica Retirement Survey of Retirees

- The analysis contained in this report was prepared internally by the research team at Transamerica Center for Retirement Studies® (TCRS).
- A 27-minute, online survey was conducted between November 13 - December 4, 2019 among a nationally representative sample of 2,040 retirees. Retirees met the following criteria:
 - U.S. residents, age 50 or older
 - Consider themselves to be fully (N=1,841) or semi-retired (N=199)
 - Worked for a for-profit company employing one or more people for the majority of their career
- Data were weighted as follows:
 - Census data were referenced for education, age by gender, race/ethnicity, region, and household income. Results were weighted where necessary to bring them into line with the population of U.S. residents age 50+ who are retired or semi-retired.
 - The weighting also adjusts for attitudinal and behavioral differences between those who are online versus those who are not, those who join online panels versus those who do not, and those who respond to surveys versus those who do not.
- Percentages are rounded to the nearest whole percent. Percentages revised to total to 100% in charts when necessary.

Methodology: June 2020 Supplemental Survey

- A supplemental online survey was conducted between June 18 - 22, 2020 by The Harris Poll on behalf of TCRS among a nationally representative sample of 2,001 U.S. adults.
- The data in the report are shown for a subsample of 411 adults who self-identify as being retired and age 50+.
- Data were weighted as follows:
 - Census data were referenced for education, age by gender, race/ethnicity, region, household income, education, employment, marital status, and size of household where necessary to align them with their actual proportions in the population of U.S. residents age 50+ who are retired.
 - The weighting also adjusts for attitudinal and behavioral differences between those who are online versus those who are not, those who join online panels versus those who do not, and those who respond to surveys versus those who do not.
- Percentages are rounded to the nearest whole percent. Percentages revised to total to 100% in charts when necessary.

Acknowledgements

Kelly Allsup

Kent Callahan

Sean Cassidy

Heidi Cho

Wonjoon Cho

Catherine Collinson

Andrew Cook

Phil Eckman

Steve Eichmann

Kristin Elia

Lard Frieese

Sheri Gebe

Michelle Gosney

David Hopewell

Elizabeth Jackson

David Krane

Emily Lauder

Bryan Mayaen

Liz Miklya

Jaclyn Mora

Mark Mullin

Jay Orlandi

Kerry Paredes

Maurice Perkins

Jamie Poston

Julie Quinlan

David Schulz

Laura Scully

Frank Sottosanti

Ashlee Vogt

Patti Vogt Rowey

Mihaela Vincze

Holly Waters

Steven Weinberg

Christopher Wells

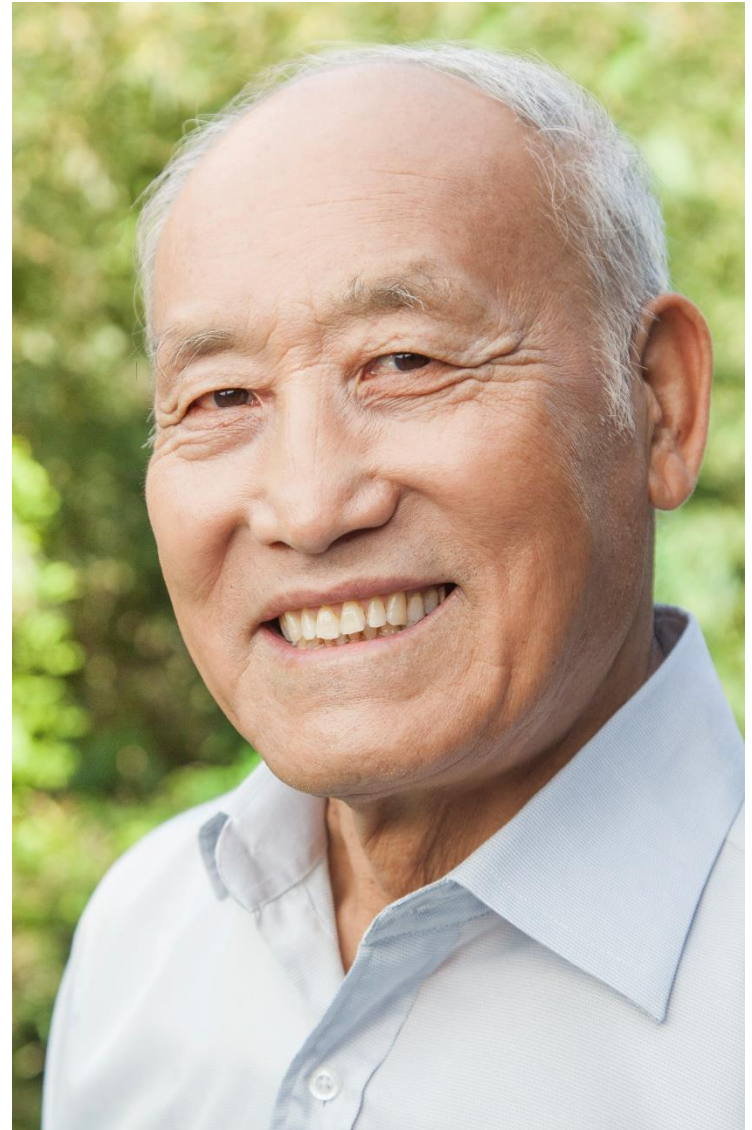
Hank Williams

Retirees and Retirement Amid COVID-19

Key Highlights

Retirees are vulnerable. Many live on fixed incomes, experience declines in health, lack resources to afford long-term care, and fear they may outlive their savings. The coronavirus pandemic has only exacerbated risks to their health and their financial well-being.

Retirees and Retirement Amid COVID-19 is based on findings from the [20th Annual Transamerica Retirement Survey](#), one of the largest and longest running surveys of its kind, which comprises a survey conducted in late 2019 and comparisons from a supplemental survey in June 2020. The June survey was conducted as states were beginning to reopen after widespread stay-at-home orders and large segments of the U.S. economy had temporarily closed in March through May due to the pandemic. The report examines retirees' finances, their lives and living arrangements, what prompted them to retire, and their preparations during their working years. It identifies issues and opportunities, and offers actionable insights for current and future retirees.



Key Highlights

How Retirees Are Faring Amid the Pandemic

Amid the pandemic, most retirees indicate their retirement confidence has stayed the same, although it should be noted that relatively few were “very confident” before the pandemic. Looking more closely at their financial situations, there are indicators that many may be unable to withstand or recover from a major financial setback. Some are indeed at risk of running out of savings.

- **Retirement Confidence Largely Unchanged Amid Pandemic.** Three in four retirees (75 percent) say their confidence in their ability to maintain a comfortable lifestyle throughout retirement in light of the pandemic has stayed the same. Fifteen percent of retirees say their confidence has declined in light of the pandemic, four percent say their confidence has improved, and six percent don’t know.
- **Three in Four Retirees Are Confident About Retirement.** Amid the pandemic, 76 percent of retirees are confident that they will be able to maintain a comfortable lifestyle throughout retirement, with 29 percent being “very confident” and 47 percent being “somewhat confident.” Eighteen percent are “not too confident,” while six percent of retirees are “not at all confident” that they will be able to maintain a comfortable lifestyle throughout retirement.
- **Retirees Would Rely on Savings if Finances Are Impacted by COVID-19.** When asked what sources of funds they have used or would use if their finances have been or would be negatively impacted by the pandemic, retirees’ most frequently cited source is savings (56 percent). Other sources include: credit cards (18 percent), withdrawal from a retirement account such as a 401k, 403(b), or IRA (18 percent), and CARES Act stimulus money (18 percent). Retirees are less likely to cite reliance on a significant other’s or spouse’s income (9 percent), loans from family and friends (5 percent), home equity loans from a bank (4 percent) and unemployment benefits (3 percent).
- **Many Retirees Cite Paying Off Debt as a Financial Priority.** Amid the COVID-19 recession, retirees most frequently cite paying off some form of debt (45 percent), including paying off credit card debt, mortgage, other consumer debt, and/or student loans. One in three retirees cite “building emergency savings” as a current financial priority. Other priorities include “just getting by to cover basic living expenses” (23 percent) and “paying healthcare expenses” (21 percent).
- **Few Retirees Have a Written Retirement Strategy.** Fifty-eight percent of retirees amid the pandemic have a *current* financial strategy for retirement – but only 18 percent have it in writing, while 40 percent have a plan that is not written. Many retirees amid the pandemic (42 percent) do not have a financial strategy for retirement.

Key Highlights

How Retirees Are Faring Amid the Pandemic (cont.)

- **Almost Half Never Discuss Their Financial Situation With Others.** Amid the pandemic, only nine percent of retirees frequently discuss retirement savings with their family and friends. Forty-five percent occasionally do so, while 46 percent never do so.
- **Plans for Receiving Long-Term Care.** When asked what their plans are for receiving long-term care should their health decline and they need help with daily activities and/or nursing care, retirees most often cite a reliance on family and friends (41 percent). Fewer retirees plan to move into an assisted living community and/or nursing home (19 percent). An alarming one in five retirees haven't thought about their plans for receiving long-term care (19 percent) or don't have any plans for such care (21 percent).
- **Retirees Should Consider Legal Documentation.** When asked about the types of legal documents they have set forth in writing, a last will and testament is the most often cited during the pandemic (53 percent), followed by power of attorney for healthcare or medical proxy (32 percent), and advance directive or living will (30 percent). Amid the pandemic, 30 percent have none of these documents in place.
- **Most Retirees Have a Positive Outlook on Life.** Retirees are far more likely to cite positive attitudes and experiences than negative. Amid the pandemic, most retirees agree that they are generally happy (91 percent), have a close relationship with their families and/or friends (91 percent), and are confident in their ability to manage their finances (90 percent). In contrast, relatively few retirees cite negative attitudes and such as feeling anxious and depressed (24 percent), having trouble making ends meet (21 percent), and feeling isolated and lonely (20 percent).
- **Retirees Are Taking Care of Their Health – But Can Do More.** Amid the pandemic, the most often-cited health-related activities among retirees included: seeking medical attention when needed (69 percent), getting routine physicals and recommended health screenings (66 percent), getting plenty of rest (62 percent), maintaining a positive outlook (60 percent), and avoiding harmful substances (58 percent). More retirees can be eating healthily (53 percent), exercising regularly (52 percent), and practicing mindfulness and meditation (15 percent) when possible.

Key Highlights

Before the Pandemic: Retirees' Financial Vulnerabilities

- **Few “Strongly Agree” They Have Built a Large Enough Nest Egg.** Before the pandemic, fewer than half of retirees (47 percent) agree that they have built a large enough retirement nest egg, of whom only 15 percent “strongly agree” and 32 percent “somewhat agree.” Seventeen percent “somewhat disagree” and 30 percent “strongly disagree.” Six percent of retirees are “not sure.”
- **Retirees Cite Diverse Sources of Income.** Nearly all retirees (95 percent) expect Social Security to be a source of income over the course of their retirement. The other most frequently cited sources of retirement income include other savings and investments (40 percent), 401(k)/403(b)/IRAs (35 percent), and company-funded pension plans (30 percent). Relatively few retirees cite home equity (9 percent), inheritance (6 percent), or paid work (3 percent) as sources of income.
- **Social Security Is the *Primary* Source of Income for Most Retirees.** Sixty-nine percent of retirees indicate that Social Security will be their *primary* source of income over the course of their retirement. Eighteen percent cite retirement accounts and personal savings, including a 401(k) or similar accounts/IRAs (7 percent), and other savings and investments (11 percent). One in 10 retirees cite a company-funded pension plan as their primary source of income.
- **Nine in 10 Retirees Are Currently Receiving Social Security.** The vast majority of retirees (91 percent) are currently receiving income from Social Security benefits. Among them, the median age they started receiving benefits was 62 – the earliest age that most workers can claim Social Security, albeit at a permanently reduced amount of benefit. Depending on their year of birth, the age at which workers are eligible to receive “full” benefits is between 65 and 67. The survey finds 32 percent of retirees started receiving benefits between age 65 and 69. Only three percent started receiving benefits at age 70 or older, with age 70 being when people are eligible to receive maximum monthly benefits.
- **Retirees Have a Variety of Savings and Investments.** Retirees currently have a wide variety of savings and investments, including checking accounts (77 percent), savings accounts (62 percent), and equity in their primary residence (47 percent). Retirees are less likely to have retirement accounts such as IRAs (35 percent), annuities (18 percent), and/or 401(k), 403(b), or similar plans (18 percent). Twelve percent have no savings and investments.
- **Many Retirees Have Limited Household Savings.** Given the number of years they will be spending in retirement, retirees have limited household savings. Retirees have \$45,000 (estimated median) in household savings (excluding home equity). Twenty-one percent have savings of less than \$50,000, while 16 percent do not have any savings. Thirty-three percent of retirees have savings of \$100,000 or more. Retirees have \$78,000 (estimated median) in home equity. Thirty-nine percent have home equity of \$100,000 or more. Twenty-four percent do not have any home equity.

Key Highlights

Before the Pandemic: Retirees' Financial Vulnerabilities (cont.)

- **Many Retirees Have Limited Household Income.** Prior to the pandemic, retirees reported an annual household income of \$29,000 (estimated median). Twenty-seven percent reported having an income of less than \$25,000.
- **Retirees' Household Debt.** Many retirees are still paying off household debt. Forty-six percent have non-mortgage debt (e.g., credit card debt, car loans, student loans, medical debt, etc.), including 32 percent who have between \$1 and \$10,000 and 14 percent with \$10,000 or more. Among those who have non-mortgage debt, the estimated median is \$3,000. Twenty-three percent of retirees have mortgage debt (including any equity loans or lines of credit), including 17 percent who have between \$1 and \$100,000 and six percent with \$100,000 or more. Among those with mortgage debt, the estimated median is \$42,000.
- **Many May Be Overlooking Important Factors in Their Strategies.** Among retirees who have a financial strategy for retirement, 82 percent have factored in Social Security and Medicare benefits and 67 percent have factored in basic living expenses. Fewer than half have considered other factors, such as total retirement savings and income needs (48 percent) and a plan to help ensure their saving last their lifetimes (44 percent).
- **Approximately One in Three Use a Professional Financial Advisor.** Only 31 percent of retirees use a professional financial advisor to help manage their retirement savings/investments.
- **Financial Advisors Primarily Assist Retirees With Investments.** Among those who use a professional financial advisor, retirees predominantly have them make retirement investment recommendations (80 percent). Relatively fewer use their advisors to calculate retirement income needs (31 percent), develop strategies for spending down savings (23 percent), general financial planning (21 percent), or tax planning and preparation (23 percent). Even fewer receive advice related to planning for long-term care needs and healthcare expenses.
- **Retirees Have a Variety of Insurance Coverage.** The three most commonly held types of insurance among retirees are major medical insurance (80 percent), prescription drug coverage insurance (75 percent), and homeowner's/renter's insurance (70 percent). Other types of insurance coverage include: life insurance (48 percent), dental insurance (37 percent), vision insurance (36 percent), and Medigap/Medicare supplemental insurance (35 percent). Notably, only 11 percent of retirees have long-term care insurance.

Key Highlights

Before the Pandemic: Retirees' Financial Vulnerabilities (cont.)

- **Most Retirees Have Health Insurance Through Medicare.** Among retirees with major medical insurance, Medicare is by far the most common provider of insurance: 58 percent are the primary insured on a Medicare plan, and 13 percent are on Medicare through their spouse/partner. Medicare Advantage plans are the next most commonly cited provider of major medical with 38 percent being the primary insured on a Medicare Advantage plan and seven percent being covered through their spouse/partner. Far fewer retirees have major medical insurance through a prior employer, traditional insurance market, Medicaid, VA benefits, or other sources.
- **Spouse/Partner's Retirement Savings.** Among retirees who are married or living with their partner, 58 percent indicate that their spouse/partner saves or has saved in a retirement plan of his or her own.
- **Familiarity With Spouse/Partner's Retirement Plan and Savings.** The majority of retirees who are married or living with their partner (88 percent) are familiar with their spouse/partner's retirement plan and savings (58 percent "very familiar" and 30 percent "somewhat familiar"). Six percent are "not too familiar" and six percent are "not at all familiar" with their spouse's/partner's retirement plan and savings.
- **Most Retirees Do Not Have Financial Dependents.** Sixty-three percent of retirees do not support anyone financially. Among those who are married or living with their spouse/partner, 27 percent of retirees financially support their spouse/partner. Eight percent of retirees support their children, while four percent support their grandchildren.
- **Only One in 10 Receive Financial Support.** Eleven percent of retirees receive some form of financial support in retirement, including six percent from their children and four percent from a government agency other than Social Security. The vast majority of retirees (88 percent) are not receiving financial support.
- **Few Are "Very Confident" in Ability to Afford Long-Term Care.** Fewer than half of retirees (46 percent) are confident they will be able to afford long-term care, if needed, including 11 percent who are "very confident" and 35 percent who are "somewhat confident." Fifty-four percent of retirees are "not too confident" (29 percent) or "not at all confident" (25 percent) in their ability to afford long-term care.

While the survey findings highlight the many ways in which retirees are financially vulnerable, it also reveals action steps that retirees can be taking to help mitigate risks and improve their outcomes. These steps include careful planning, seeking professional advice, if needed, and having an open dialogue with family and close friends.

Key Highlights

Life and Living Arrangements in Retirement

Most retirees are enjoying life in retirement. Prior to the pandemic, they were spending their time on a wide variety of activities and, for the most part, maintaining their standard of living. Many are taking steps to protect their health (although they can do even more). Some are even planning to live to age 100 or older. Nevertheless, retirees also have some well-founded retirement fears.

- **Most Aspects of Life Have Stayed the Same Since Retiring.** Retirees report aspects of their life – standard of living, financial situation, happiness, enjoyment of life, and general health – have mostly stayed the same since entering retirement. Approximately four in 10 retirees say their enjoyment of life (40 percent) and happiness (38 percent) have improved since entering retirement. Approximately three in 10 retirees indicate their financial situation (32 percent) and general health (31 percent) has declined in retirement.
- **Retirees Are Spending Their Time on a Variety of Activities.** Before the pandemic, when asked how they are spending their time in retirement, retirees cite a wide variety of activities, including spending more time with family and friends (61 percent), pursuing hobbies (42 percent), and traveling (37 percent). Twenty percent are doing volunteer work and 15 percent are taking care of their grandchildren. Just three percent of retirees are doing some form of paid work such as pursuing an encore career (2 percent), continuing to work in the same field (1 percent), and/or starting a business (<1 percent).
- **More Than One in Four Retirees Are or Have Been Caregivers.** Since retiring, 28 percent of retirees are currently or have dedicated a significant amount of their time serving as a caregiver to a family member or friend who needs help taking care of themselves. Among them, nine percent are currently caregiving and 19 percent have done so in the past.
- **Greatest Retirement Fears Include Financial and Health Issues.** When asked about their greatest retirement fears, retirees most frequently cite declining health that requires long-term care (44 percent) and a reduction in or elimination of Social Security (41 percent). Losing their independence (36 percent) and outliving their savings and investments (32 percent) are also often cited retirement fears.
- **Many Retirees Are “Not Sure” to What Age They Plan to Live.** It is a bit of an uncomfortable question to ask people how long they plan to live; however, it is an important question for financial planning. When asked what age they are planning live to, more than half of retirees (53 percent) responded that they are “not sure,” which is a reasonable answer given the nature of the question. Among retirees who provided a specific age, the median age they are planning to live to is 90. Fourteen percent of retirees plan to live to age 100 or older.

Key Highlights

Life and Living Arrangements in Retirement (cont.)

- **Retirees Want to Remain in Their Own Home.** The vast majority of retirees (90 percent) indicate remaining in their own home as they get older is important to them, including 69 percent indicating it is “very important” and 21 percent “somewhat important.” Only seven percent indicate that it is not important, including five percent indicating “not too important” and two percent “not at all important.”
- **The Majority of Retirees Own Their Homes.** Three in four retirees (75 percent) own their homes, while 22 percent rent and two percent live with relatives or friends. Seventy-three percent of retirees currently live in a single family home, while 19 percent live in a multi-unit apartment or condo. Only four percent live in a retirement community.
- **Almost Four in 10 Retirees Have Moved Since Retiring.** Since entering retirement, almost four in 10 retirees (38 percent) have moved to a new home, while 62 percent have stayed in the home that they lived in before retiring. Among those who moved, frequently cited reasons for doing so include moving closer to family and friends (32 percent), reduced expenses (29 percent), downsizing into a smaller home (29 percent), having started a new chapter in life (22 percent), and moving to a better climate (22 percent). Of note, nine percent of retirees moved into an aging-friendly home.
- **Retirees Cite a Variety of Criteria in Choosing Where to Live.** When choosing where to live in retirement, retirees’ top three criteria are proximity to family and friends (61 percent), affordable cost of living (55 percent), and access to excellent healthcare and hospitals (46 percent). Other frequently cited criteria include: low crime rate (35 percent), good weather (33 percent), and leisure and recreational activities (25 percent).
- **Most Retirees Live With Spouse/Partner or Alone.** While 53 percent of retirees currently live with their spouse/partner, more than a third (35 percent) live alone. Ten percent live in the same household with their children, four percent with their grandchildren, and four percent with other relatives. Among retirees who currently live with others who are not their spouse/partner, 54 percent indicate that the other person(s) moved into their residence, while 18 percent of retirees moved into the other person’s residence, and 28 percent indicate that they and the other person(s) all moved into a different residence.

Retirees are doing well, albeit with legitimate health- and financial-related fears. Some of their fears may be beyond their control to solve, while others could be mitigated by proactively taking steps to address them.

Key Highlights

When and How Retirement Happened

Retirement is highly personal. People retire at different ages and for different reasons. For some, retirement is the culmination of careful planning and preparation. For many others, retirement happens as a result of unforeseen circumstances such as health issues or job loss. The survey findings illustrate the array of circumstances in which people retire, whether they are continuing to work in retirement, and how they transitioned into retirement.

- **More Than Half Retired Before Age 65.** Ninety-four percent of retirees are fully retired and six percent consider themselves semi-retired. Among those who are fully retired, the median age at which they retired is 63. More than half of the fully retired (54 percent) retired before age 65. Seventeen percent retired at age 65. Twenty-five percent retired after age 65, including 11 percent who retired between ages 66 and 69, 12 percent who retired in their 70s, and two percent who fully retired at age 80 or older. Four percent of the fully retired say they do not expect to ever stop working.
- **Reasons for Working in Retirement Include Health and Financial.** Among retirees who retired after age 65 or plan to do so, their rationales for doing so are nearly evenly split between financial-related reasons (67 percent) and healthy aging-related reasons (66 percent). The five most often cited specific reasons are: wanting the income (56 percent), being active (51 percent), enjoying what they do (44 percent), keeping their brain alert (41 percent), and having a sense of purpose (29 percent).
- **Nearly Two in Five Retirees Immediately Stopped Working.** When asked how their transition into retirement is happening or happened, nearly two in five (39 percent) immediately stopped work when they reached a specific age (33 percent) or amount of money (6 percent). Nineteen percent transitioned into retirement either by working in a different capacity that is less demanding or brings more personal satisfaction (10 percent) or working reduced hours with more leisure time to enjoy life (9 percent). Twenty percent continued to work in retirement as long as possible until they could no longer work anymore.
- **The Majority Retired Sooner Than Planned.** The majority of retirees (58 percent) retired sooner than they had planned. Approximately one in three retirees (36 percent) indicate they retired when they had planned to do so. Six percent retired later than planned.

Key Highlights

When and How Retirement Happened (cont.)

- **Reasons for Retiring Sooner Than Planned: Work and Ill-Health.** Among the 58 percent of retirees who retired *sooner* than planned, about half (51 percent) cite employment-related reasons, including job loss (23 percent), organizational changes at their place of employment (15 percent), unhappiness with their job (13 percent), and/or took a retirement incentive or buyout (9 percent). Forty-eight percent cite health and/or family-related reasons, including their own ill health (32 percent), family responsibilities (11 percent), and/or their spouse/partner retired (8 percent). Only nine percent of retirees retired *sooner* than planned because of financial ability, including having saved enough and could afford to retire (8 percent) and/or they received a financial windfall (1 percent).
- **Reasons for Retiring Later Than Planned: Financial and Health.** Among the small proportion (6 percent) of retirees who retired *later* than planned, 62 percent cite financial-related reasons. The most frequently cited financial reason is needing the income (42 percent), followed by hadn't saved enough for retirement (21 percent), Social Security less than expected (16 percent), and general anxieties about their financial situation (14 percent). Sixty-five percent of retirees who retired *later* than planned cite healthy aging-related reasons, including enjoying their work (49 percent), staying active (49 percent), and keeping their brain alert (37 percent). Twenty-five percent indicate that their employer requested that they stay longer. Seven percent indicate their spouse/partner retired sooner than planned.

Retirees' circumstances regarding when and how they retired exemplify common risks: employment issues, ill-health, and financial need. Especially now, amid the pandemic, their experience offers a cautionary tale for those currently in the workforce on the importance of maintaining good health, financial planning, and competitive job skills. Retirees' experiences also underscore the need for careful planning including contingency plans if forced into retirement sooner than expected.

Key Highlights

Looking Back on Financial Preparations for Retirement

In addition to shedding light on retirees' current financial situation, the survey findings yield insights into their retirement preparations during their working years, including what they did well and what they could have done differently. These lessons learned can be very helpful for future generations of retirees in their own planning efforts.

- **Retirees Started Saving at Age 40 – And Some Never Saved.** Thirty percent of retirees started saving before the age of 40, while 39 percent started saving in their forties or older. An alarming 31 percent of retirees indicate they did not save for retirement. Among retirees who saved for retirement, they first started saving at age 40 (median).
- **Nearly Two-Thirds Participated in Workplace Retirement Plans.** For the majority of their working careers, 63 percent of retirees participated in one or more forms of employer-sponsored retirement benefits, including 47 percent who participated in a 401(k) or similar plan and 36 percent who participated in a company-funded defined benefit plan. However, a large minority of retirees (37 percent) worked for employers that did not offer any retirement benefits.
- **Six in 10 Retirees Saved for Retirement Outside of Work.** The majority of retirees (59 percent) saved for retirement outside of work.
- **Only One in 10 Had a Written Strategy Before Retiring.** Fifty-four percent of retirees had a financial strategy for retirement *before* they retired. However, among them only 12 percent had a written plan, while 42 percent had a plan but it was not written down. Forty-six percent did not have a retirement strategy.
- **Three in 10 Used a Financial Advisor Before Retiring.** Before retiring, three in 10 retirees (31 percent) used a professional financial advisor to help them manage their retirement savings or investments.
- **Two-Thirds Say Their Employers Did “Nothing” to Help Transition.** Nearly two-thirds of retirees (64 percent) say their most recent employers did “nothing” to help pre-retirees transition into retirement and 20 percent are “not sure” what their employers did. Among the few whose employers helped pre-retirees, the most frequently cited offerings are seminars and education about transitioning into retirement (6 percent), financial counseling about retirement (5 percent), the ability to reduce work hours and shift from full- to part-time (4 percent), accommodating flexible work schedules and arrangements (4 percent), and encourage succession planning, training and mentoring (4 percent).

Key Highlights

Looking Back on Financial Preparations for Retirement (cont.)

- **Retirees' Insights on How They Could Have Better Prepared.** When looking back on their retirement preparations, more than three in four retirees (78 percent) agree they wish they would have saved more and on a consistent basis. About two-thirds did as much as they could to prepare for retirement (68 percent). Almost as many retirees wish they had been more knowledgeable about retirement saving and investing (66 percent). Many retirees agree they waited too long to concern themselves with saving and investing for retirement (53 percent) and that debt interfered with their ability to save for retirement (48 percent).

Most retirees saved for retirement during their working years and most participated in employer-sponsored retirement plans – although it should be noted that some were never offered benefits and some never saved. Among those who did save for retirement, many may not have saved enough to achieve a level of retirement income that will support them throughout their lifetimes. In retrospect, most retirees could have been more proactive about saving, investing, and planning when they were in the workforce. Nonetheless, some retirees could have done everything right and still find themselves unprepared because the underlying assumptions have changed (e.g., life expectancies, housing and healthcare costs, government benefits).

Recommendations for Retirees

1. **Set forth a written financial plan to help ensure that your savings last your lifetime.** Factor in living expenses, debt repayment, savings and investments, sources of guaranteed retirement income, healthcare needs, insurance protections, investment returns, inflation, taxes, the possible need for long-term care, and a potential legacy. Seek professional advice, if needed.
2. **Keep saving as much as you can.** Whether semi-retired or fully retired, strive to live within your means and set aside additional savings.
3. **Pay off debt and avoid taking on new debt,** especially high-interest rate credit card or consumer debt. For those with mortgage debt, determine the optimal approach for paying it off, considering your overall financial situation, the terms of the loan, and the amount owed.
4. **Consider an encore career, part-time work, or volunteer engagements** to bring additional income and/or opportunities to stay active and involved.
5. **Get savvy about Social Security.** Learn how Social Security claiming strategies can help maximize long-term benefits.
6. **Plan and budget for home modifications that will enable you to age in place.** If modifications are cost prohibitive or infeasible, consider other alternatives such as moving to a different home or a retirement community.
7. **Confront the possibility of needing long-term care.** Learn about types of available care, associated costs, and possible eligibility for support services. Research and obtain long-term care insurance, if appropriate for your situation.
8. **Identify and enlist a trusted loved one(s).** Have frank conversations about your wishes and concerns, and build a common understanding about the potential need for financial and/or caregiving support.
9. **Put your affairs in order and establish legal documents, as needed,** including a financial power of attorney, a power of attorney for healthcare or medical proxy, a HIPAA waiver, an advance directive or living will, a last will and testament, funeral and burial arrangements, and/or a trust.
10. **Don't become a victim of elder fraud.** Be hypervigilant, learn about scams and how to avoid them, protect your identity, and safeguard your assets. Be cautious of scams related to the coronavirus.
11. **Maintain social connections** by staying involved with family, friends, and community. During pandemic restrictions, reach out by phone, social media, virtual gatherings and other engagements that can help safeguard your health.
12. **Take good care of your health** to promote well-being and enjoyment of life – and potentially reduce healthcare-related costs.

Recommendations for Policymakers

1. **Address Social Security and Medicare funding issues.** The sooner reforms are implemented to the programs, the more time people will have to make adjustments to their financial plans for retirement.
2. **Consider adjusting the Social Security benefit formula** to address the abnormally low Average Wage Index for 2020 due to COVID-19. Without an adjustment, this abnormality will lower benefits for all workers turning age 60 in 2020.
3. **Support family caregivers** by providing Social Security credits to those who have to forego employment in order to provide care. Establish medical training programs for caregivers.
4. **Protect retirees from elder financial** exploitation and fraud by continuing current funding levels to the Consumer Financial Protection Bureau, and creating a forum for federal, state, and local agencies to work together and share resources.
5. **Engage leaders from across sectors and disciplines to collaborate, innovate and implement financially viable delivery models for long-term care.**
6. **Ensure accessible and affordable health care** options are available to all retirees.
7. **Identify and implement reforms to help retirees with out-of-pocket medical and drug costs.**
8. **Support lifelong learning initiatives** to help retirees who are interested in learning new skills to continue working in retirement.
9. **Create new incentives and remove disincentives for employers to hire and retain age 50+ employees, offer phased retirement programs, and create opportunities for encore careers.**
10. **Preserve and enhance existing tax and other incentives for workers to save for retirement.**

Retirees and Retirement Amid COVID-19

Detailed Findings

How Retirees Are Faring Amid the Pandemic

My Retirement Confidence During COVID-19 Has Changed Because...

I have been able to save more during the coronavirus, because I am self distancing, so no place to go spend money.

Age 75, Female

Somewhat confident – Stayed the same

I am already retired for the past 15 years and doing well.

Age 76, Male

Very confident – Stayed the same

I have saved and invested my entire life. I have enough resources to live comfortably for another 50 years.

Age 60, Male

Very confident – Stayed the same

For now, I am getting by, but it will be more difficult if my spouse doesn't return to the job she was previously working at due to the virus.

Age 68, Male

Not too confident – Stayed the same

I have faith that the economy will recover once states reopen.

Age 67, Female

Somewhat confident – Stayed the same

My investments have dropped but now recovering, both me and my wife now on Social Security

Age 64, Male

Somewhat confident – Stayed the same

I am currently retired but work part time. I am currently laid off from my part time employment, however I do hope to return when conditions improve.

Age 70, Female

Somewhat confident - Declined

I have plenty to live on and according to my financial advisor, I have enough to live on comfortably for the rest of my life no matter how many years that might be.

Age 69, Female

Very confident – Stayed the same

RETIREE BASE: JUNE 2020 SUPPLEMENTAL SURVEY - ALL QUALIFIED RESPONDENTS

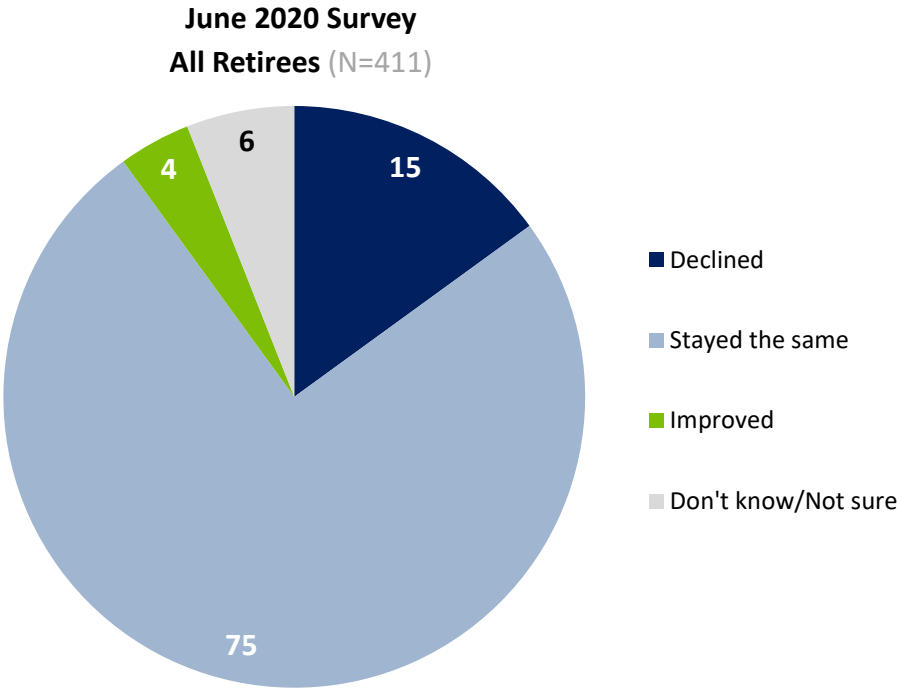
Q8810. How has your confidence in your ability to maintain a comfortable lifestyle throughout your retirement changed in light of the coronavirus pandemic?

Q8805. Why are you [Q8810] that you will be able to fully retire with a lifestyle you consider comfortable?

Retirement Confidence Largely Unchanged Amid Pandemic

Three in four retirees (75 percent) say their confidence in their ability to maintain a comfortable lifestyle throughout retirement in light of the pandemic has stayed the same. Fifteen percent of retirees say their confidence has declined in light of the pandemic, four percent say their confidence has improved, and six percent don't know.

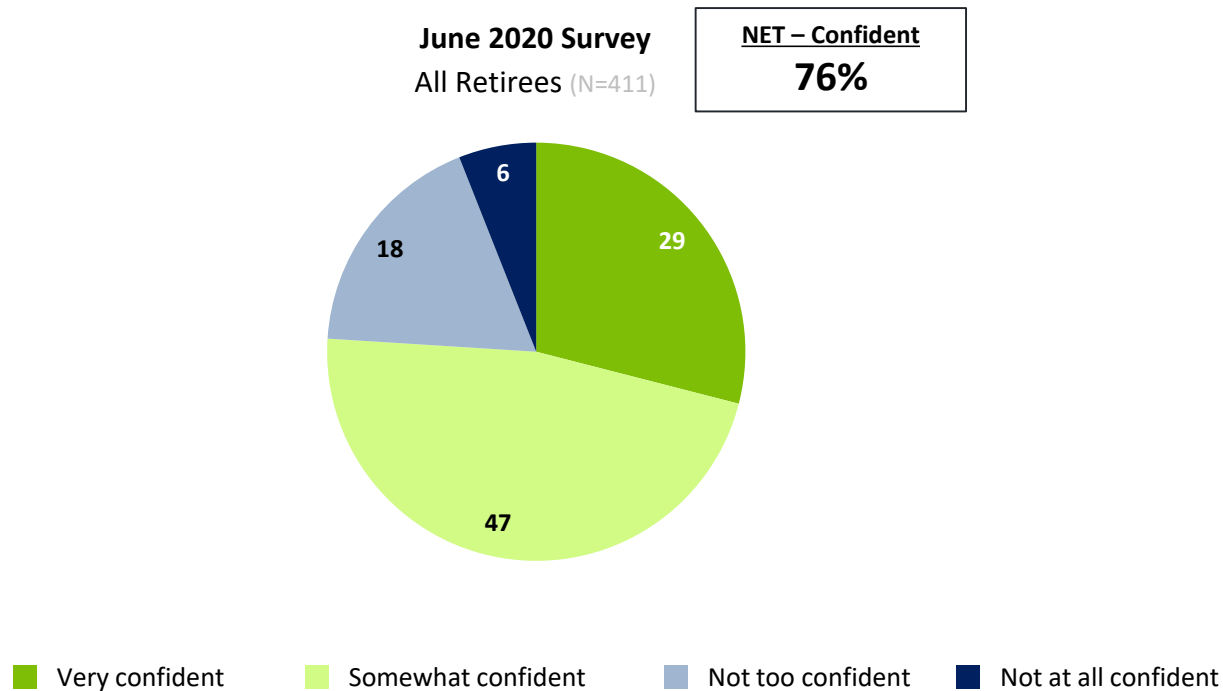
How has your confidence in your ability to maintain a comfortable lifestyle in retirement changed in light of the coronavirus pandemic? (%)



Three in Four Retirees Are Confident About Retirement

Amid the pandemic, 76 percent of retirees are confident that they will be able to maintain a comfortable lifestyle throughout retirement, with 29 percent being “very confident” and 47 percent being “somewhat confident.” Eighteen percent are “not too confident,” while six percent of retirees are “not at all confident” that they will be able to maintain a comfortable lifestyle throughout retirement.

How confident are you that you will be able to maintain a lifestyle you consider comfortable throughout your retirement? (%)

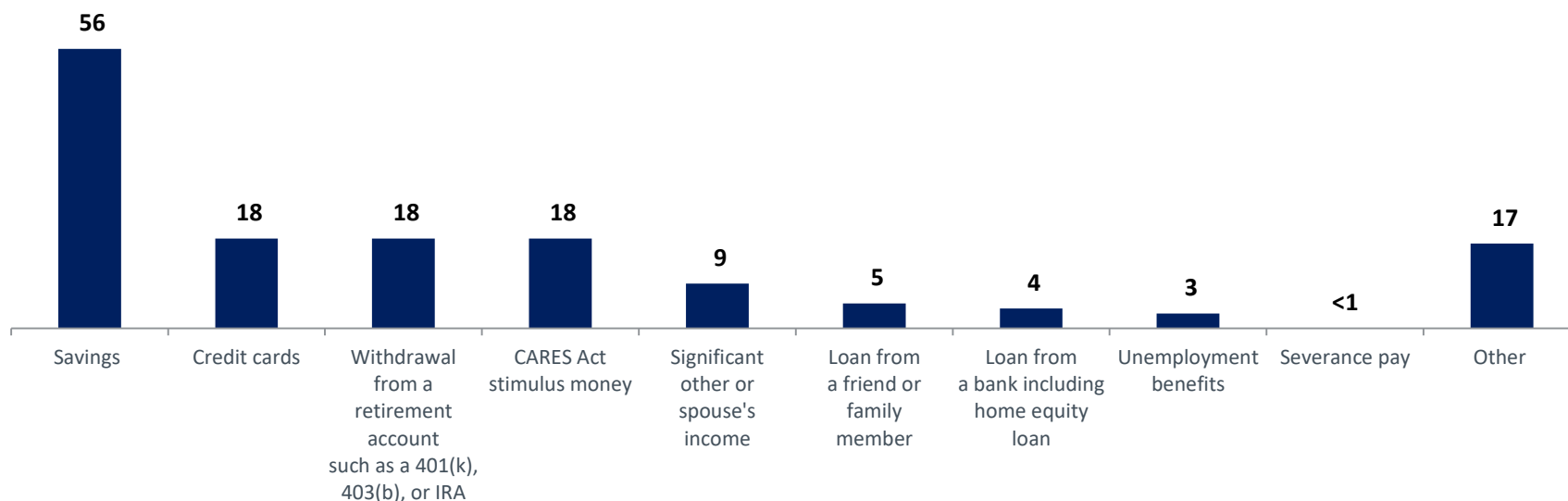


Retirees Would Rely on Savings if Finances Are Impacted by COVID-19

When asked what sources of funds they have used or would use if their finances have been or would be negatively impacted by the pandemic, retirees' most frequently cited source is savings (56 percent). Other sources include: credit cards (18 percent), withdrawal from a retirement account such as a 401k, 403(b), or IRA (18 percent), and CARES Act stimulus money (18 percent). Retirees are less likely to cite reliance on a significant other's or spouse's income (9 percent), loans from family and friends (5 percent), home equity loans from a bank (4 percent) or unemployment benefits (3 percent).

Which of the following sources of funds have you used/do you think you would rely on if your finances are negatively impacted by the coronavirus pandemic? Select all. (%)

June 2020 Survey
All Retirees (N=411)

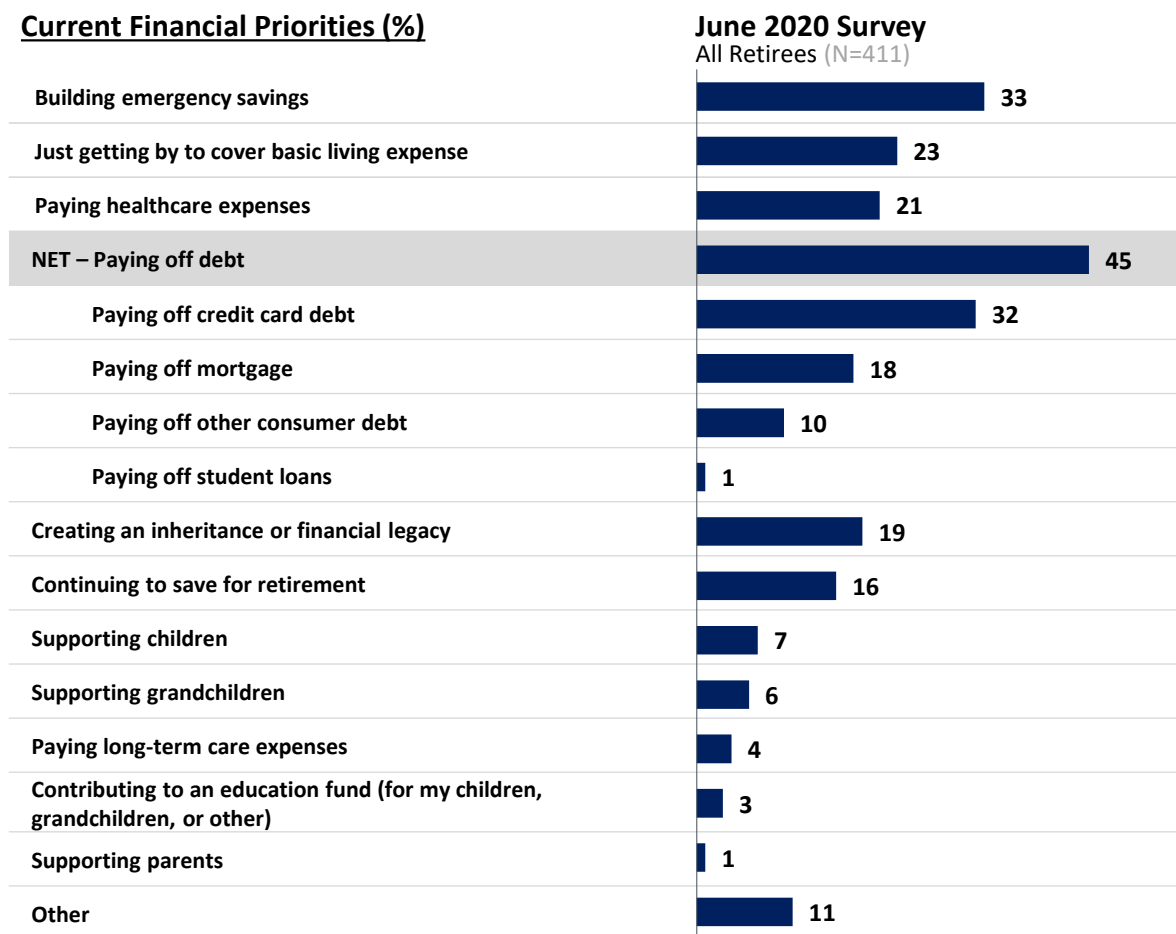


RETIREE BASE: JUNE 2020 SUPPLEMENTAL SURVEY - ALL QUALIFIED RESPONDENTS

Q8830. Which of the following sources of funds have you used/do you think you would rely on if your finances are negatively impacted by the coronavirus pandemic? Select all.

Many Retirees Cite Paying Off Debt as a Financial Priority

Amid the COVID-19 recession, retirees most frequently cite paying off some form of debt (45 percent), including paying off credit card debt, mortgage, other consumer debt, and/or student loans. One in three retirees cite “building emergency savings” as a current financial priority. Other priorities include “just getting by to cover basic living expenses” (23 percent) and “paying healthcare expenses” (21 percent).

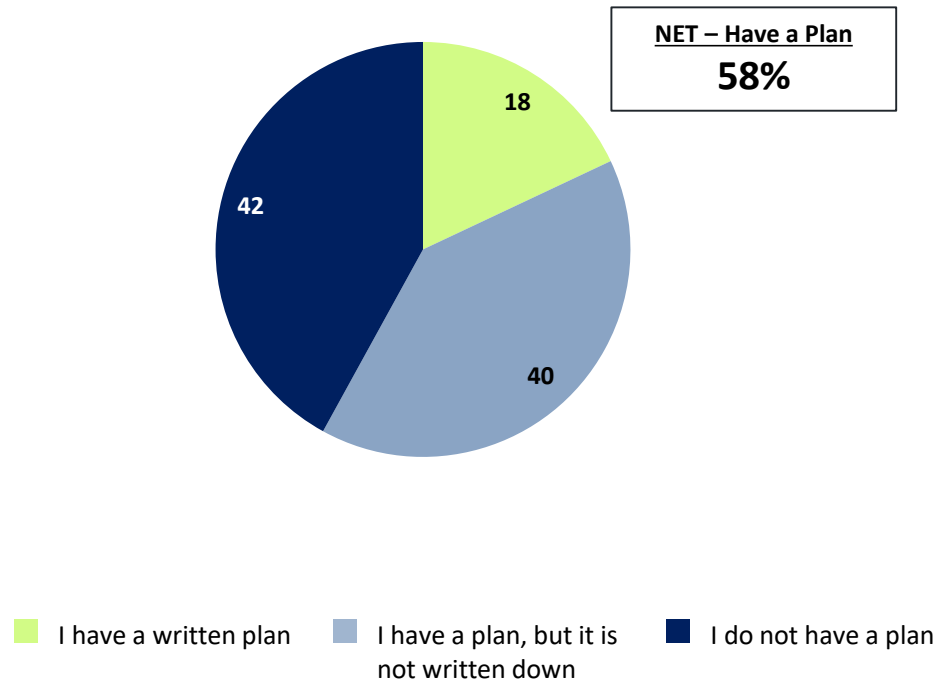


Few Retirees Have a Written Retirement Strategy

Fifty-eight percent of retirees amid the pandemic have a *current* financial strategy for retirement – but only 18 percent have it in writing, while 40 percent have a plan that is not written. Many retirees amid the pandemic (42 percent) do not have a financial strategy for retirement.

Current Financial Strategy for Retirement (%)

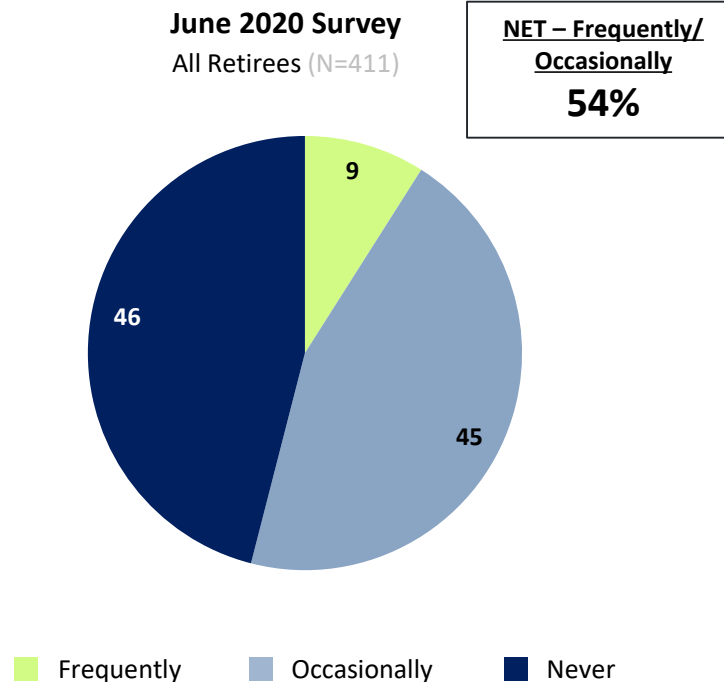
June 2020 Survey
All Retirees (N=411)



Almost Half Never Discuss Their Financial Situation With Others

Amid the pandemic, only nine percent of retirees frequently discuss retirement savings with their family and friends. Forty-five percent occasionally do so, while 46 percent never do so.

Frequency of Retirement Discussion with Family and Friends (%)



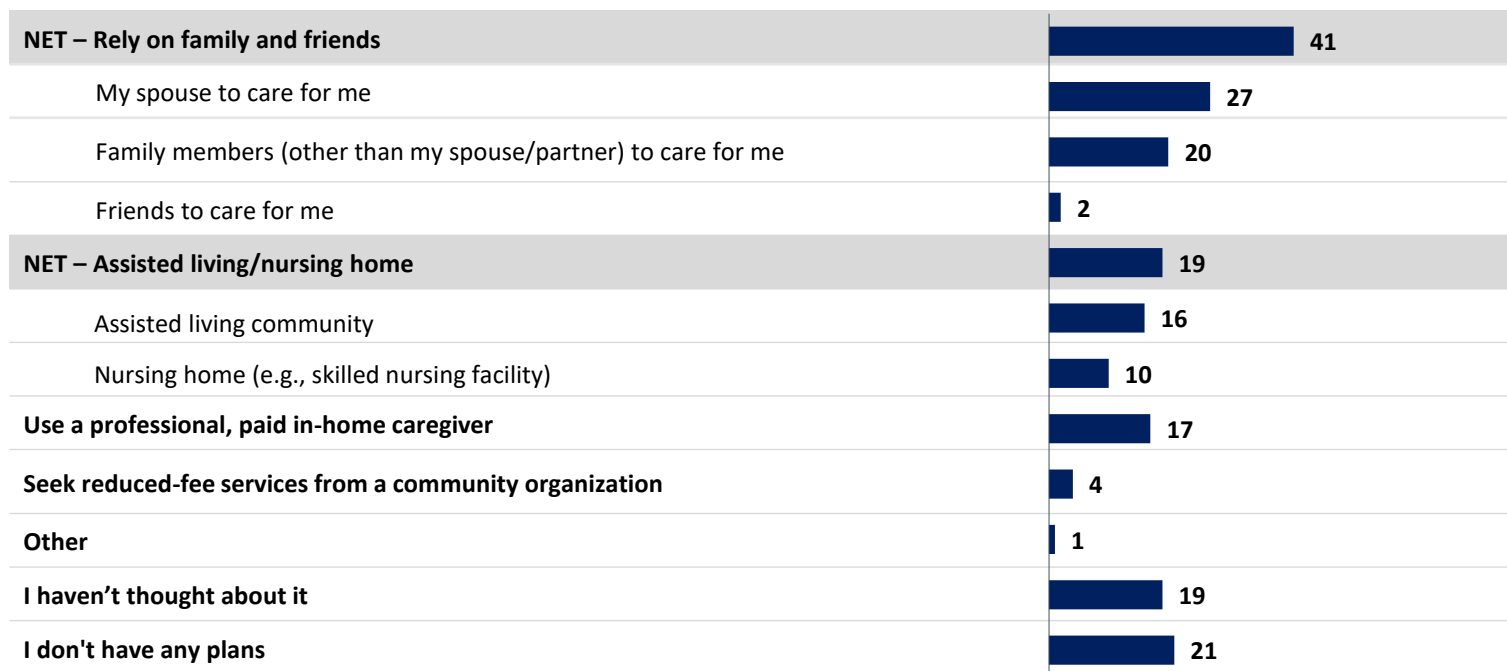
Plans for Receiving Long-Term Care

When asked what their plans are for receiving long-term care should their health decline and they need help with daily activities and/or nursing care, retirees most often cite a reliance on family and friends (41 percent). Fewer retirees plan to move into an assisted living community and/or nursing home (19 percent). An alarming one in five retirees haven't thought about their plans for receiving long-term care (19 percent) or don't have any plans for such care (21 percent).

Plans for Long-Term Care Assistance (%)

June 2020 Survey

All Retirees (N=411)



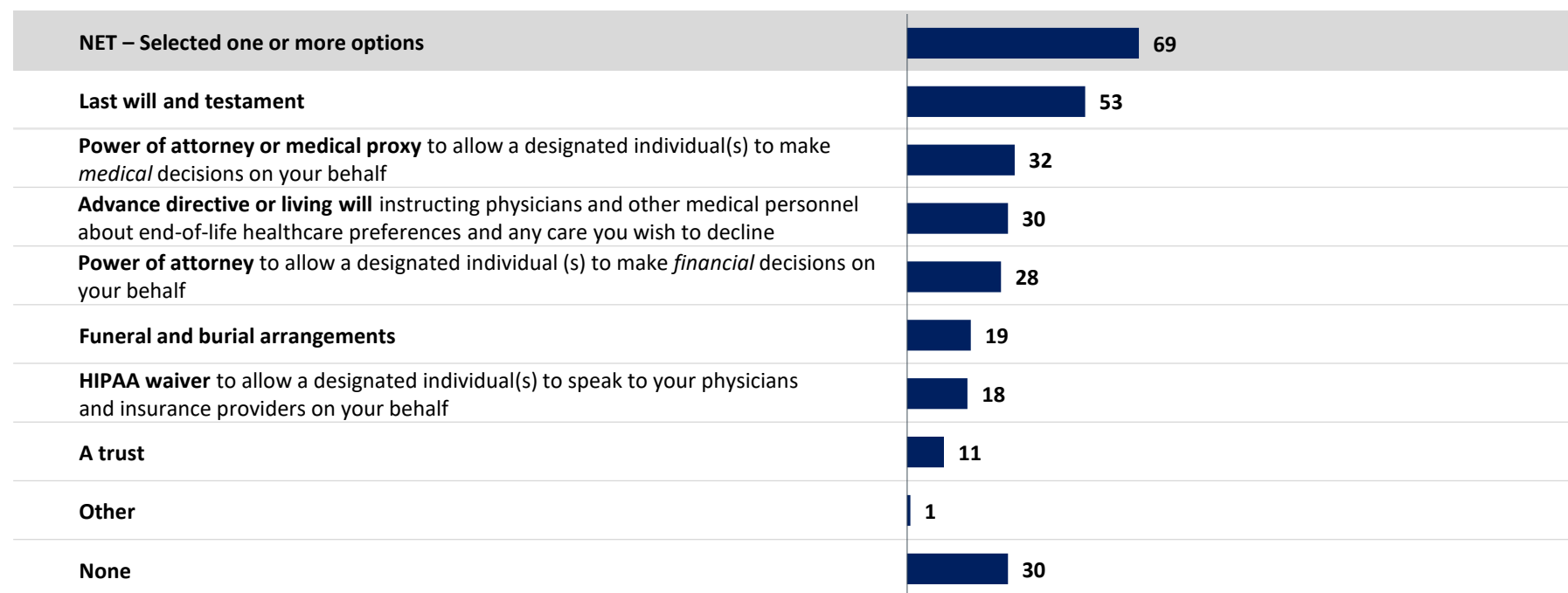
Retirees Should Consider Legal Documentation

When asked about the types of legal documents they have set forth in writing, a last will and testament is the most often cited during the pandemic (53 percent), followed by power of attorney for healthcare or medical proxy (32 percent), and advance directive or living will (30 percent). Amid the pandemic, 30 percent have none of these documents in place.

Types of Legal Documentation in Place (%)

June 2020 Survey

All Retirees (N=411)



Most Retirees Have a Positive Outlook on Life

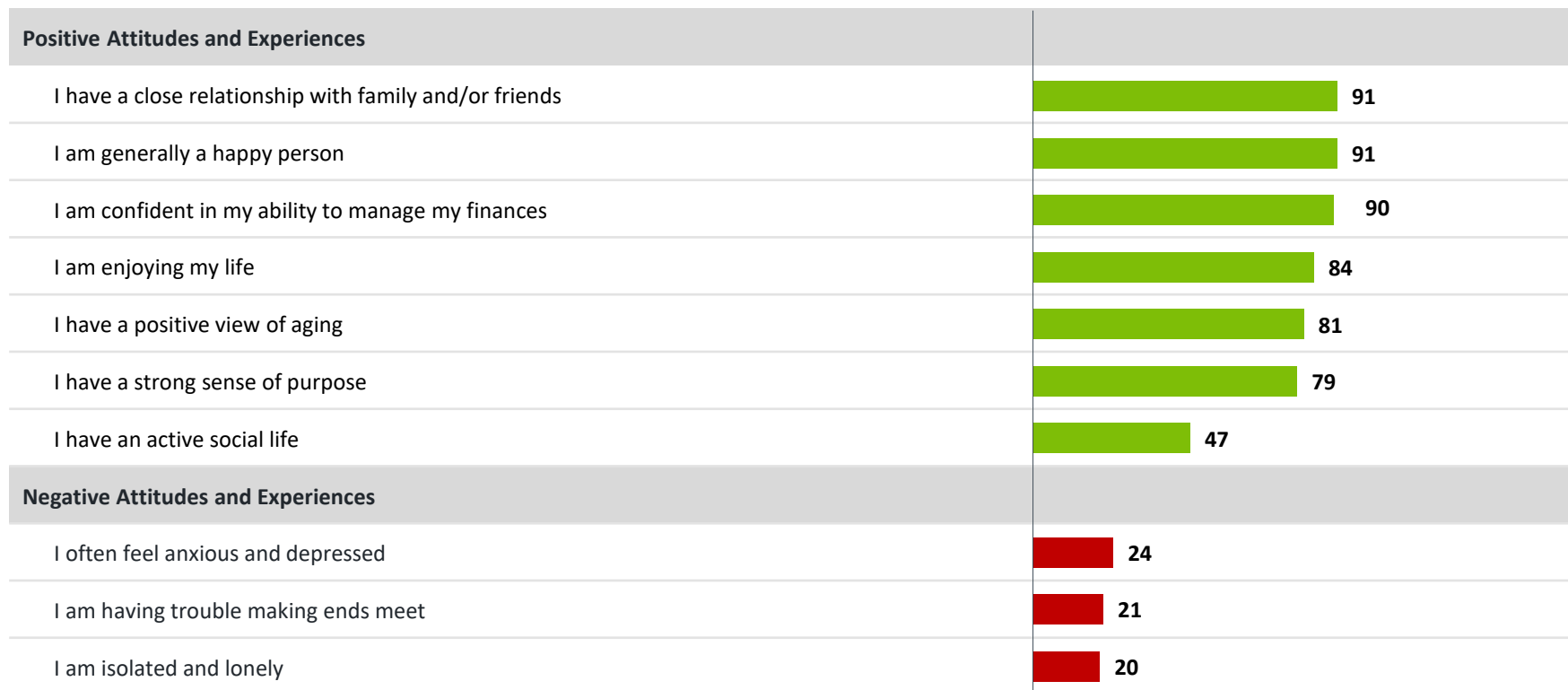
Retirees are far more likely to cite positive attitudes and experiences than negative. Amid the pandemic, most retirees agree that they are generally happy (91 percent), have a close relationship with their families and/or friends (91 percent), and are confident in their ability to manage their finances (90 percent). In contrast, relatively few retirees cite negative attitudes and such as feeling anxious and depressed (24 percent), having trouble making ends meet (21 percent), and feeling isolated and lonely (20 percent).

Attitudes and Experiences

NET – Strongly/Somewhat Agree (%)

June 2020 Survey

All Retirees (N=411)



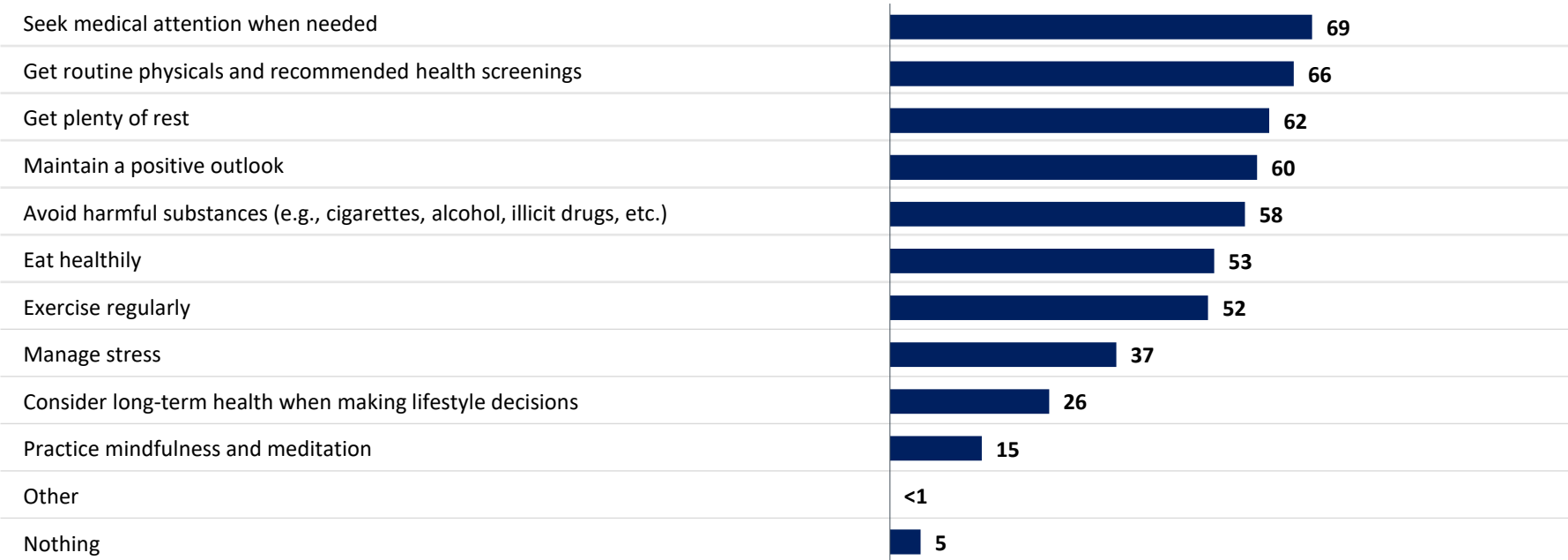
Retirees Are Taking Care of Their Health – But Can Do More

Amid the pandemic, the most often-cited health-related activities among retirees included: seeking medical attention when needed (69 percent), getting routine physicals and recommended health screenings (66 percent), getting plenty of rest (62 percent), maintaining a positive outlook (60 percent), and avoiding harmful substances (58 percent). More retirees can be eating healthily (53 percent), exercising regularly (52 percent), and practicing mindfulness and meditation (15 percent) when possible.

Health-Related Activities That Retirees Do on a Consistent Basis (%)

June 2020 Survey

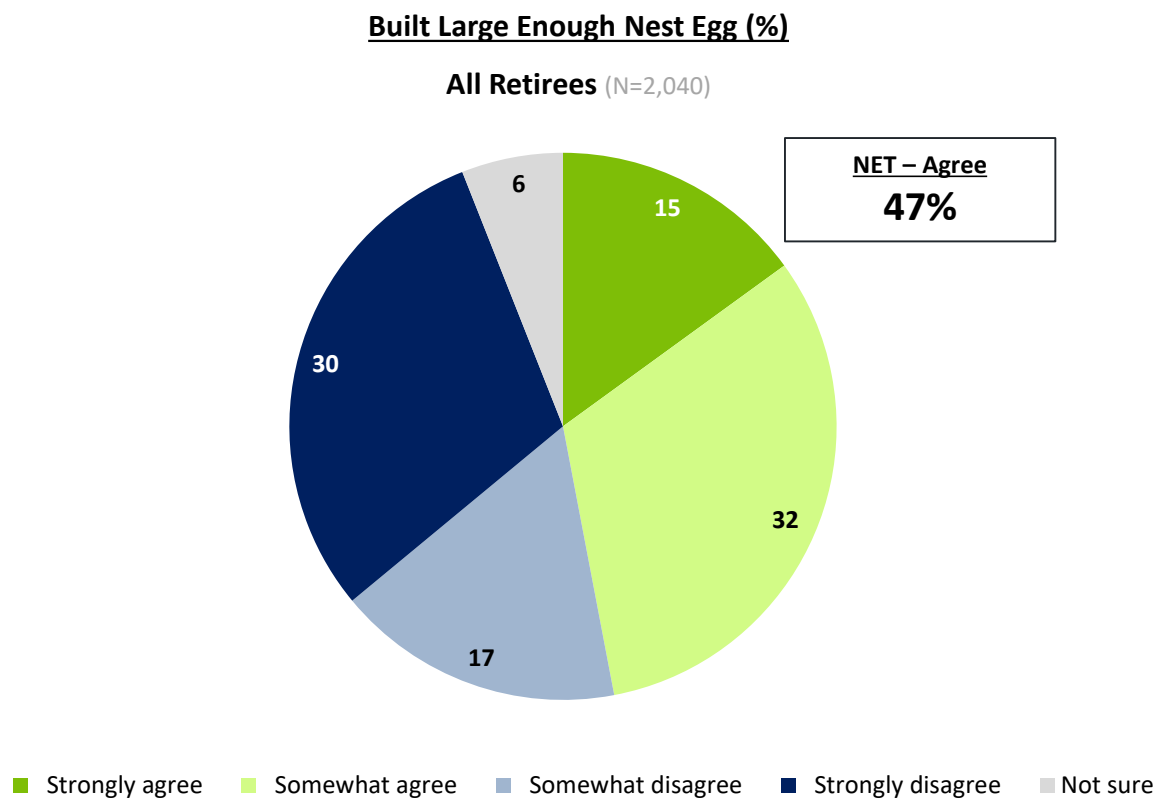
All Retirees (N=411)



Before the Pandemic: Retirees' Financial Vulnerabilities

Few “Strongly Agree” They Have Built a Large Enough Nest Egg

Before the pandemic, fewer than half of retirees (47 percent) agree that they have built a large enough retirement nest egg, of whom only 15 percent “strongly agree” and 32 percent “somewhat agree.” Seventeen percent “somewhat disagree” and 30 percent “strongly disagree.” Six percent of retirees are “not sure.”

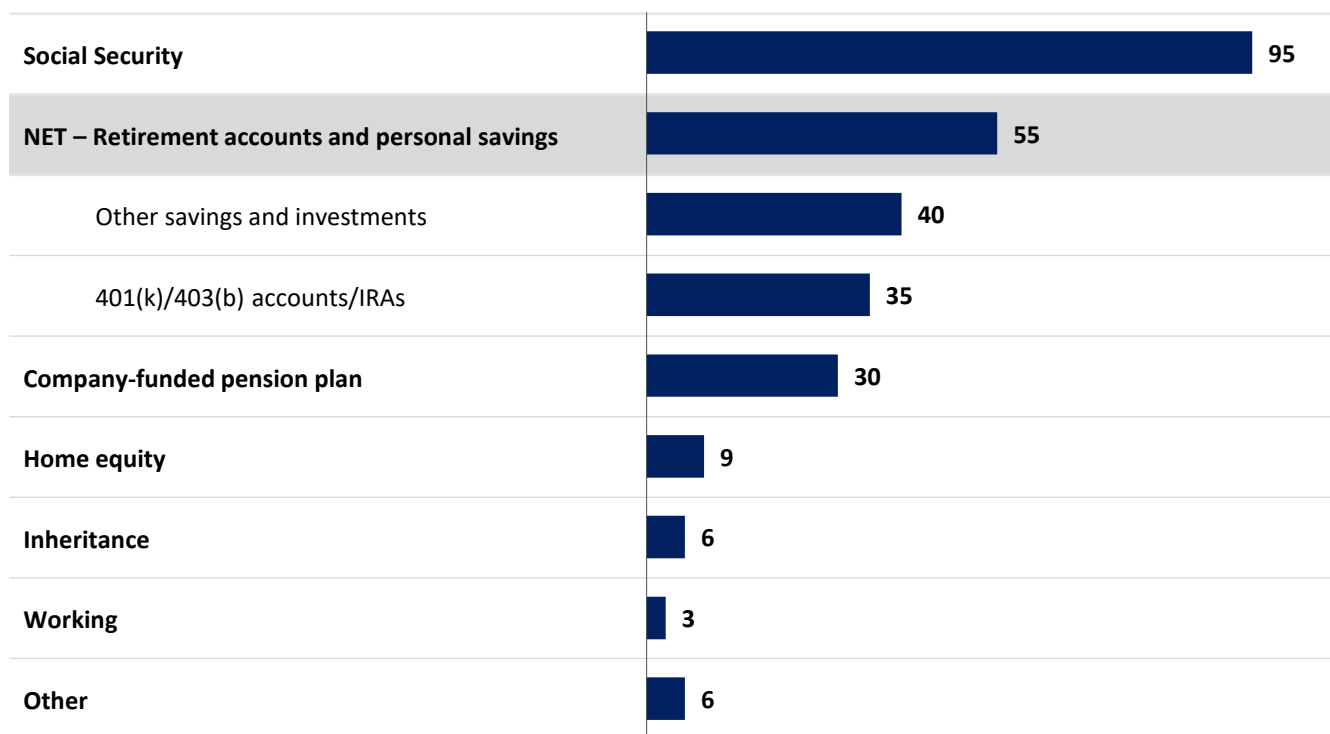


Retirees Cite Diverse Sources of Income

Nearly all retirees (95 percent) expect Social Security to be a source of income over the course of their retirement. The other most frequently cited sources of retirement income include other savings and investments (40 percent), 401(k)/403(b)/IRAs (35 percent), and company-funded pension plans (30 percent). Relatively few retirees cite home equity (9 percent), inheritance (6 percent), or paid work (3 percent) as sources of income.

Current Sources of Retirement Income (%)

All Retirees (N=2,040)

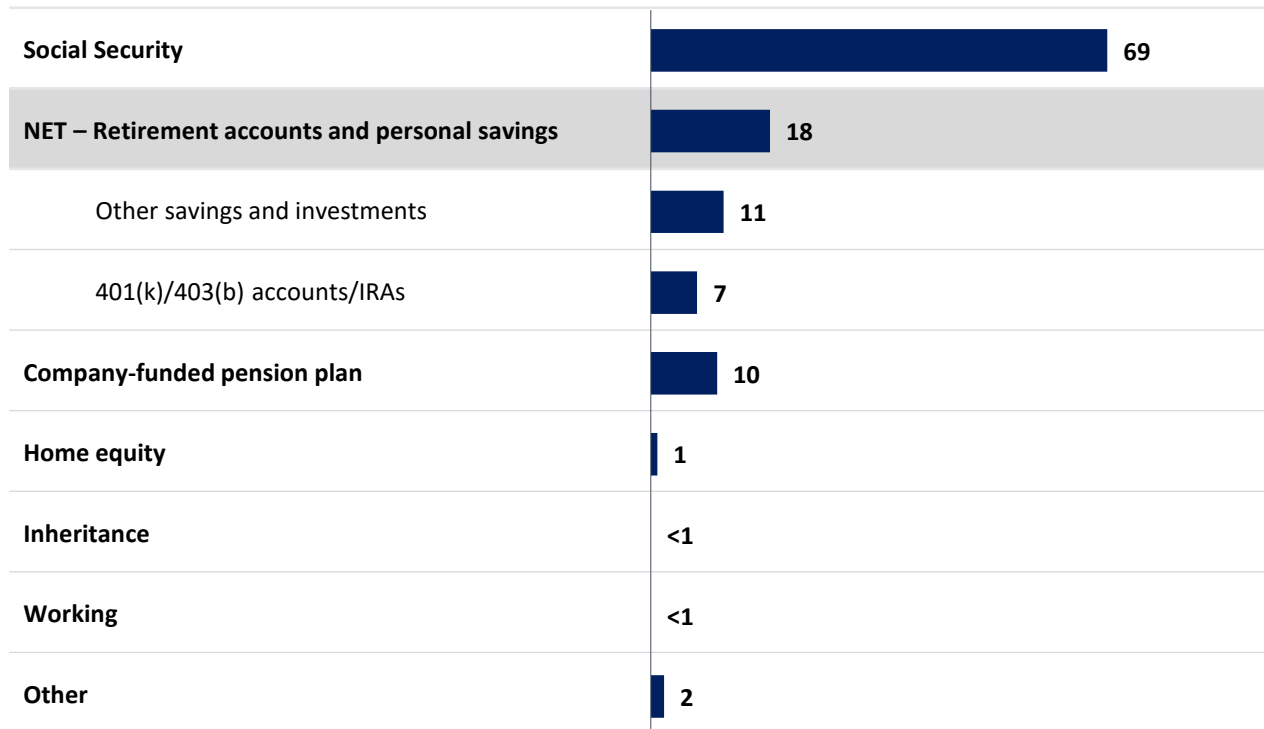


Social Security Is the *Primary* Source of Income for Most Retirees

Sixty-nine percent of retirees indicate that Social Security will be their *primary* source of income over the course of their retirement. Eighteen percent cite retirement accounts and personal savings, including a 401(k) or similar accounts/IRAs (7 percent), and other savings and investments (11 percent). One in 10 retirees cite a company-funded pension plan as their primary source of income.

Primary Source of Income for Duration of Retirement (%)

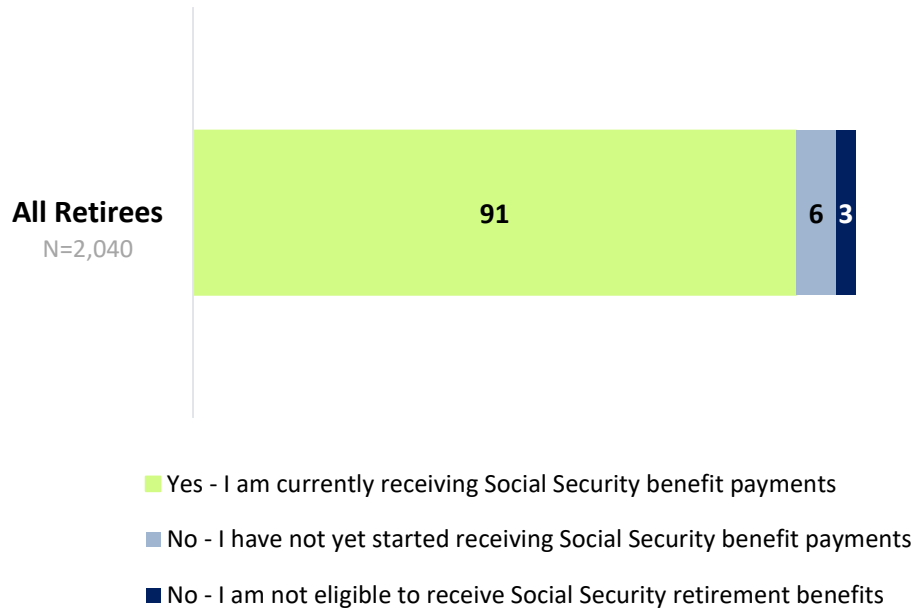
All Retirees (N=2,040)



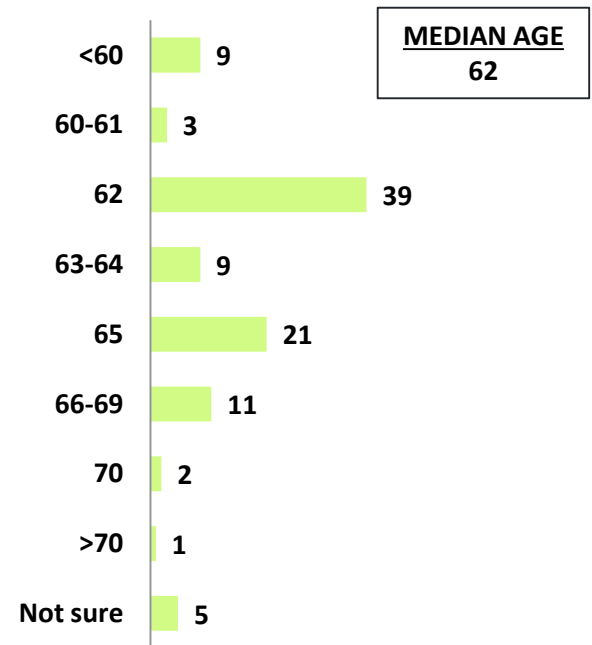
Nine in 10 Retirees Are Currently Receiving Social Security

The vast majority of retirees (91 percent) are currently receiving income from Social Security benefits. Among them, the median age they started receiving benefits was 62 – the earliest age that most workers can claim Social Security, albeit at a permanently reduced amount of benefit. Depending on their year of birth, the age at which workers are eligible to receive “full” benefits is between 65 and 67. The survey finds 32 percent of retirees started receiving benefits between age 65 and 69. Only three percent started receiving benefits at age 70 or older, with age 70 being when people are eligible to receive maximum monthly benefits.

Currently Receiving Social Security Benefits (%)



Among Those Receiving Social Security Benefits, Age at Which They Started Receiving (%) (N=1,739)

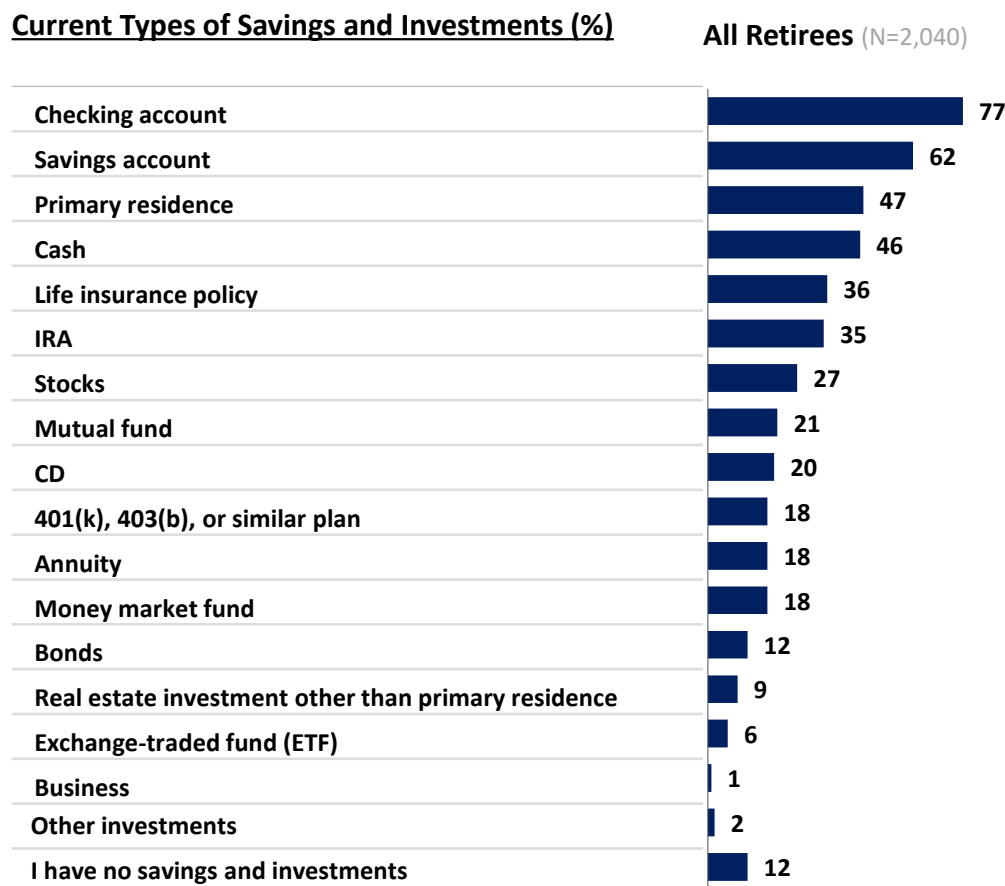


*Some people are eligible to receive Social Security earlier than 62 due to disability or death of a spouse.

RETIREE BASE: 20TH ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS
Q1540. Are you currently receiving income from Social Security benefits?
RETIREE BASE: 20TH ANNUAL SURVEY - RECEIVING SOCIAL SECURITY BENEFIT PAYMENTS
Q1555. At what age did you start receiving income from Social Security benefits?

Retirees Have a Variety of Savings and Investments

Retirees currently have a wide variety of savings and investments, including checking accounts (77 percent), savings accounts (62 percent), and equity in their primary residence (47 percent). Retirees are less likely to have retirement accounts such as IRAs (35 percent), annuities (18 percent), and/or 401(k), 403(b), or similar plans (18 percent). Twelve percent have no savings and investments.



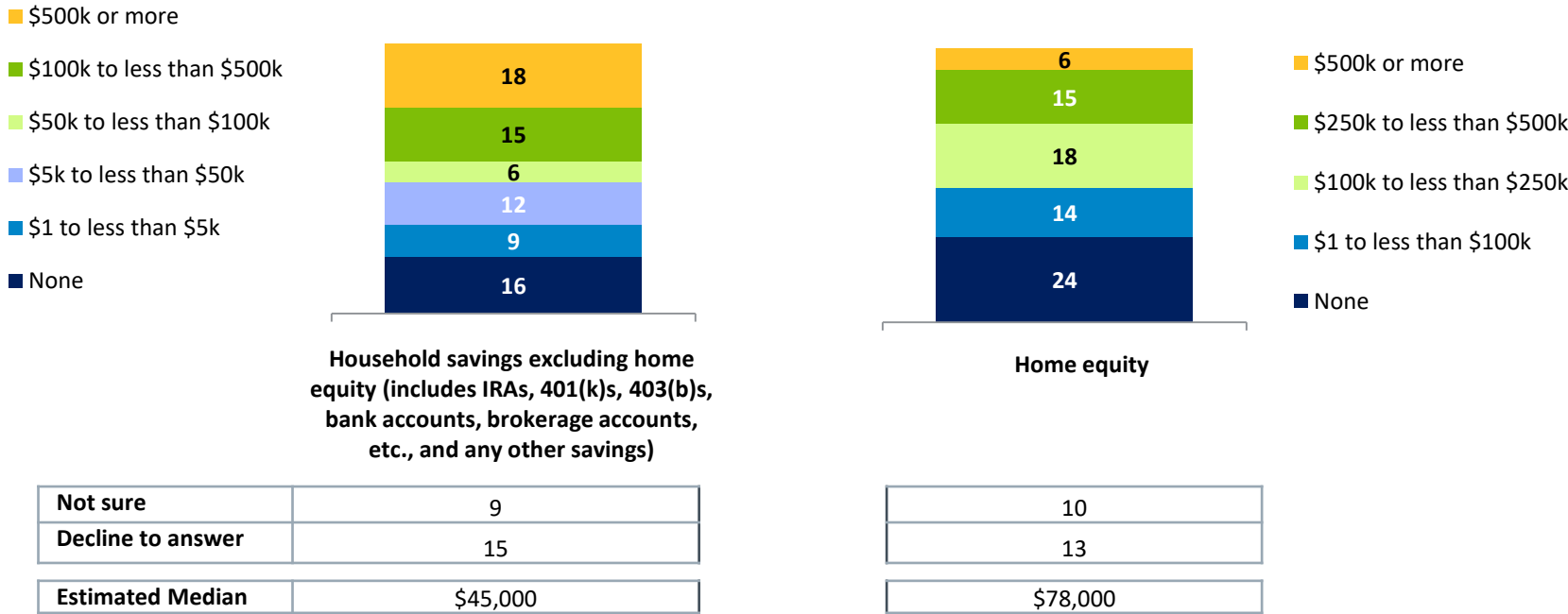
Many Retirees Have Limited Household Savings

Given the number of years they will be spending in retirement, retirees have limited household savings.

Retirees have \$45,000 (estimated median) in household savings (excluding home equity). Twenty-one percent have savings of less than \$50,000, while 16 percent do not have any savings. Thirty-three percent of retirees have savings of \$100,000 or more.

Retirees have \$78,000 (estimated median) in home equity. Thirty-nine percent have home equity of \$100,000 or more. Twenty-four percent do not have any home equity.

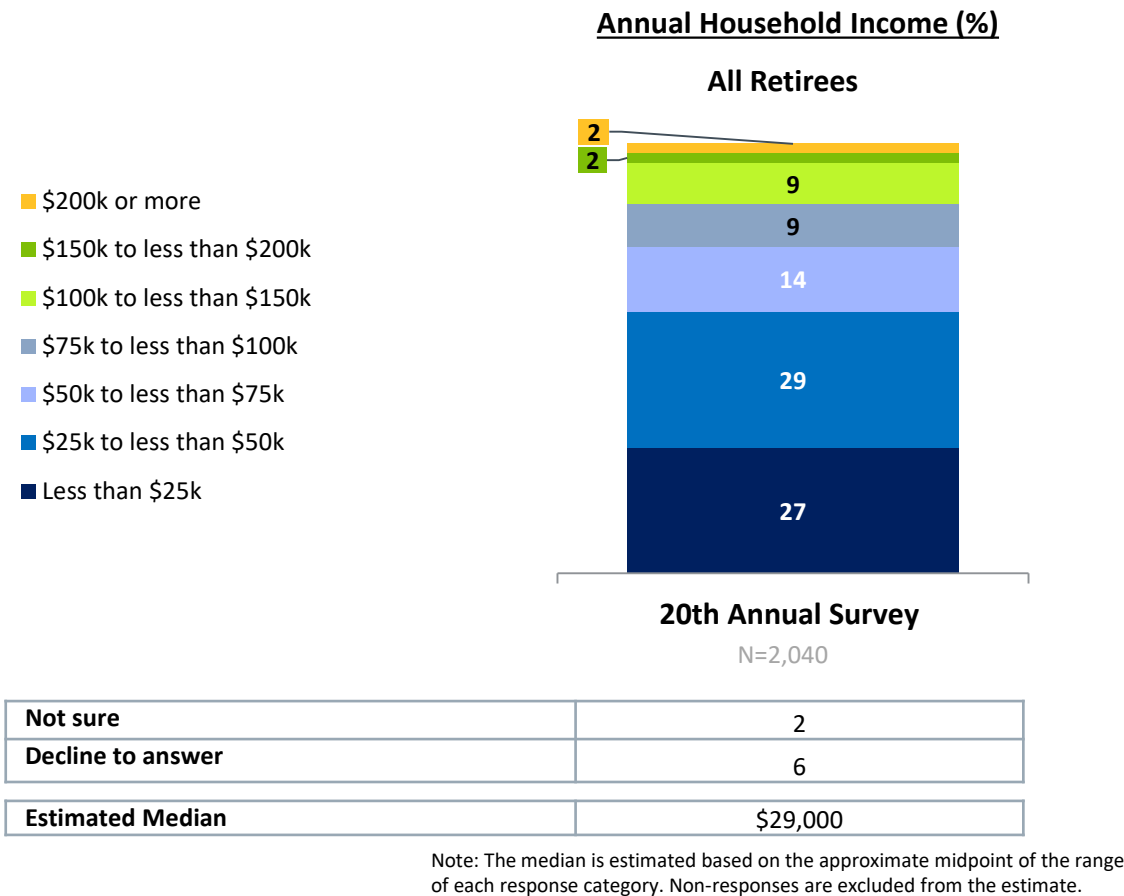
Household Savings (%)
All Retirees (N=2,040)



Note: The median is estimated based on the approximate midpoint of the range of each response category. Non-responses are excluded from the estimate.

Many Retirees Have Limited Household Income

Prior to the pandemic, retirees reported an annual household income of \$29,000 (estimated median). Twenty-seven percent reported having an income of less than \$25,000.



Retirees' Household Debt

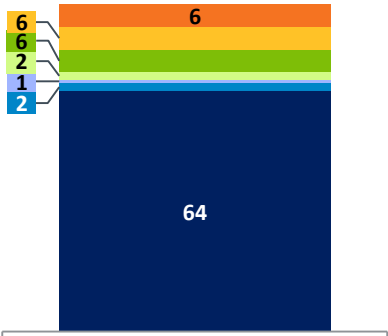
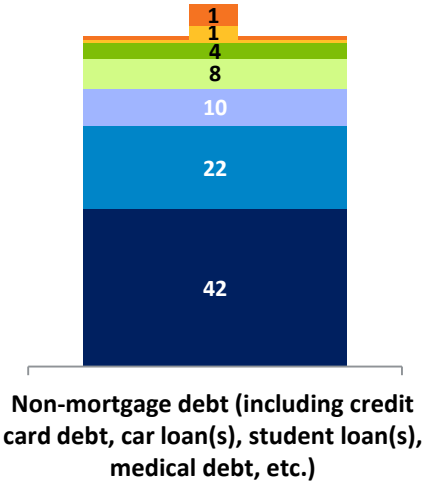
Many retirees are still paying off household debt.

Forty-six percent have non-mortgage debt (e.g., credit card debt, car loans, student loans, medical debt, etc.), including 32 percent who have between \$1 and \$10,000 and 14 percent with \$10,000 or more. Among those who have non-mortgage debt, the estimated median is \$3,000.

Twenty-three percent of retirees have mortgage debt (including any equity loans or lines of credit), including 17 percent who have between \$1 and \$100,000 and six percent with \$100,000 or more. Among those with mortgage debt, the estimated median is \$42,000.

Household Debt (%)
All Retirees (N=2,040)

- \$100k or more
- \$50k to less than \$100k
- \$25k to less than \$50k
- \$10k to less than \$25k
- \$5k to less than \$10k
- \$1 to less than \$5k
- None



Not sure	4
Decline to answer	8
Estimated Median (excluding "none" responses)	\$3,000

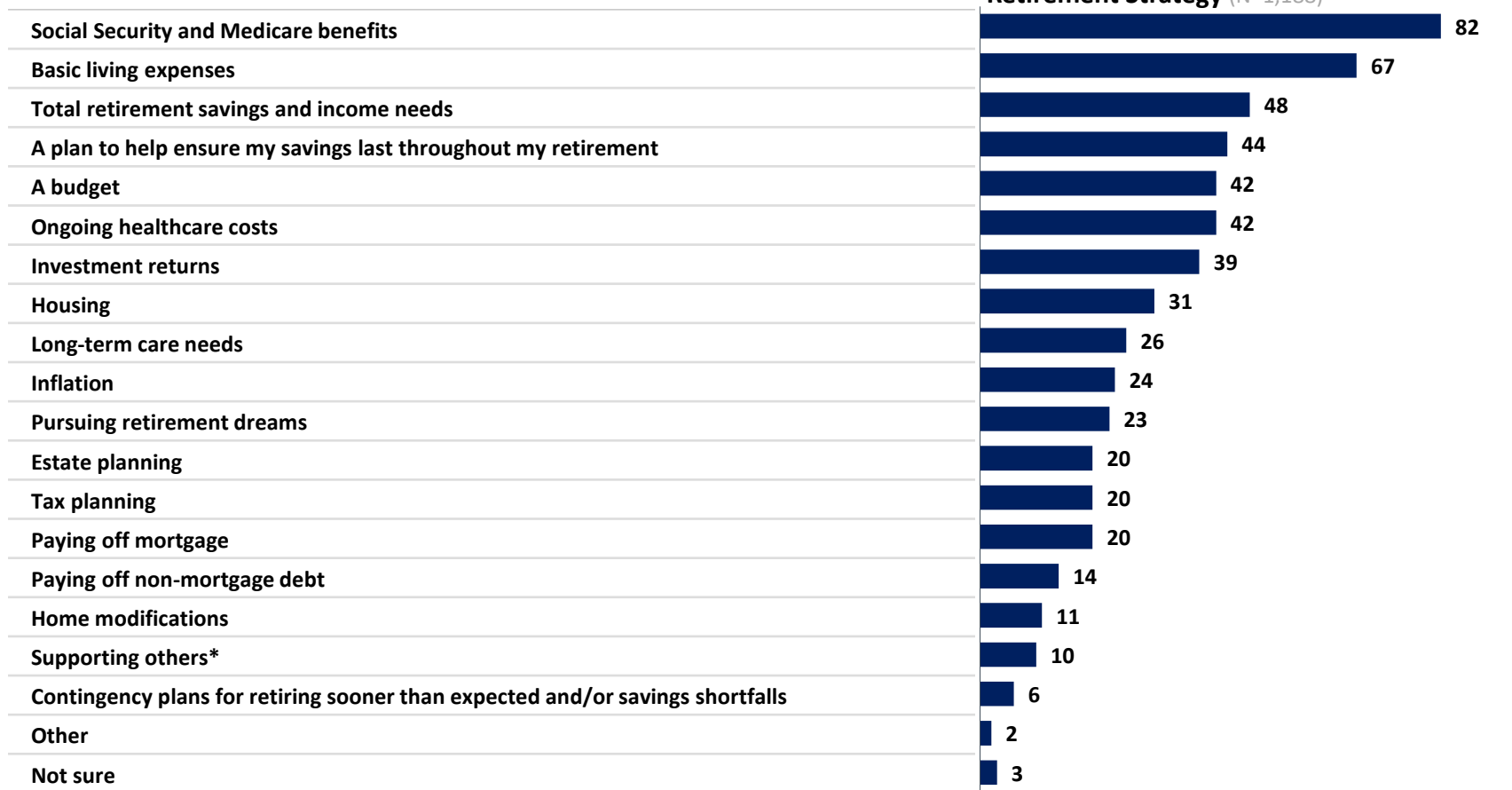
4
9
\$42,000

Note: The median is estimated based on the approximate midpoint of the range of each response category. Non-responses are excluded from the estimate.

Many May Be Overlooking Important Factors in Their Strategies

Among retirees who have a financial strategy for retirement, 82 percent have factored in Social Security and Medicare benefits and 67 percent have factored in basic living expenses. Fewer than half have considered other factors, such as total retirement savings and income needs (48 percent) and a plan to help ensure their savings last their lifetimes (44 percent).

Components of **Current** Financial Strategy for Retirement (%)



*Note: "Excluding my spouse/parent" among those with a spouse/partner.

RETIREE BASE: 20TH ANNUAL SURVEY - HAVE FINANCIAL STRATEGY FOR RETIREMENT

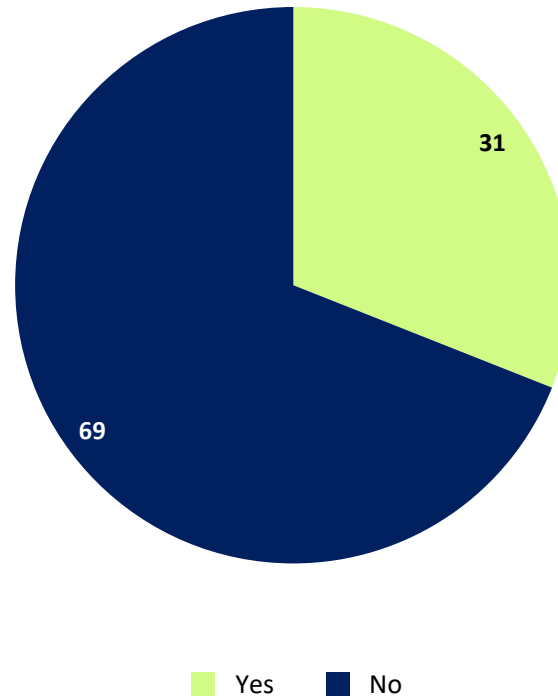
Q1511. Which of the following did you factor into your current financial strategy for retirement? Select all.

Approximately One in Three Use a Professional Financial Advisor

Only 31 percent of retirees use a professional financial advisor to help manage their retirement savings/investments.

Currently Use a Professional Financial Advisor to Help Manage Retirement Savings or Investments (%)

All Retirees (N=2,040)

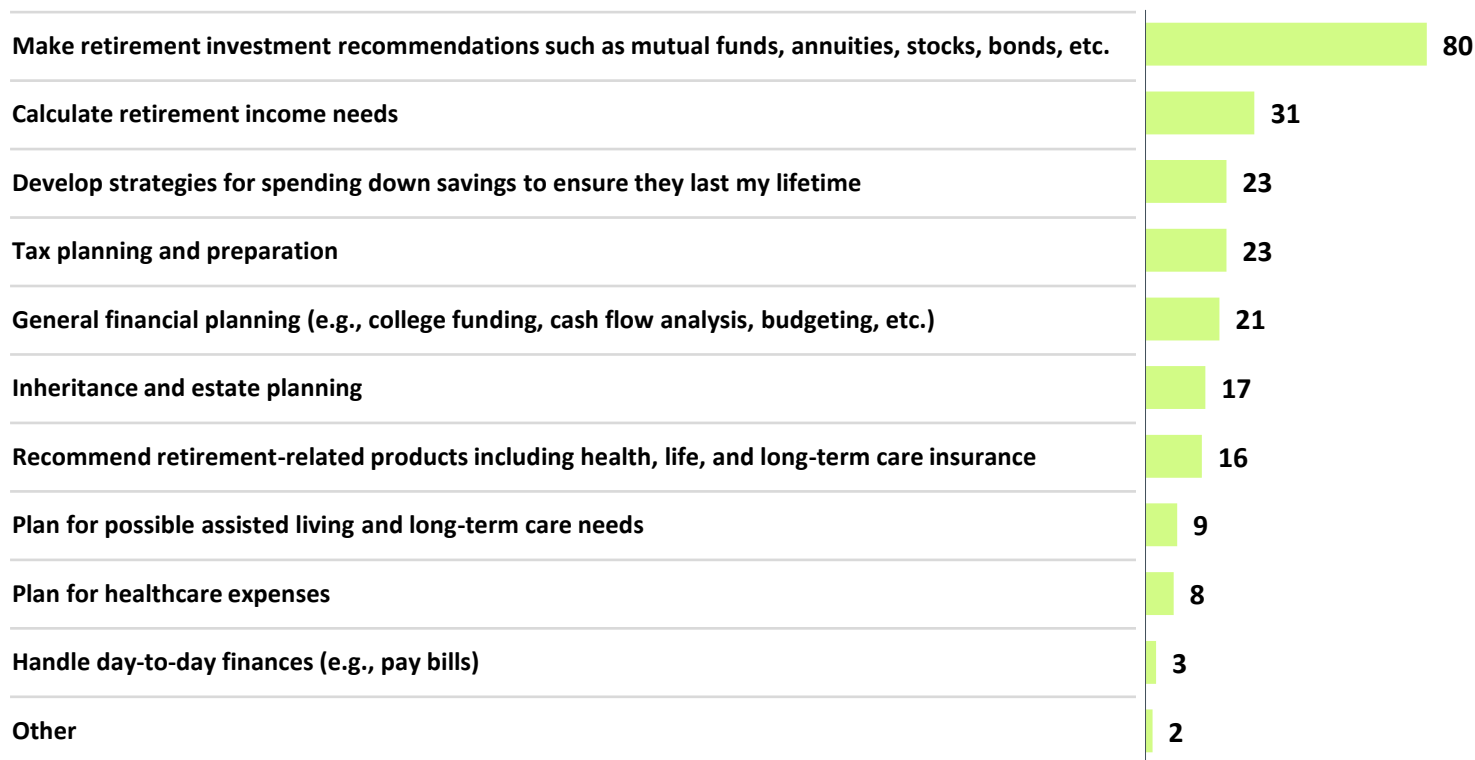


Financial Advisors Primarily Assist Retirees With Investments

Among those who use a professional financial advisor, retirees predominantly have them make retirement investment recommendations (80 percent). Relatively fewer use their advisors to calculate retirement income needs (31 percent), develop strategies for spending down savings (23 percent), general financial planning (21 percent), or tax planning and preparation (23 percent). Even fewer receive advice related to planning for long-term care needs and healthcare expenses.

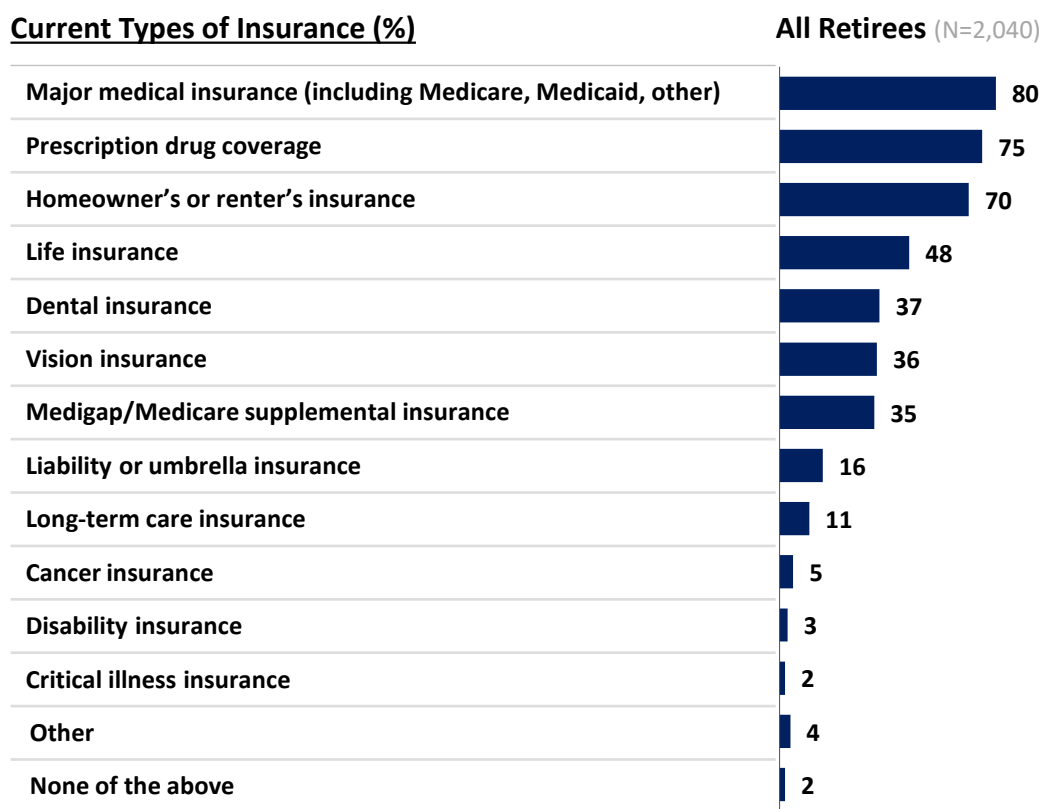
Types of Services Financial Advisor Performs (%)

Among Retirees Who Use a Professional Financial Advisor (N=666)



Retirees Have a Variety of Insurance Coverage

The three most commonly held types of insurance among retirees are major medical insurance (80 percent), prescription drug coverage insurance (75 percent), and homeowner's/renter's insurance (70 percent). Other types of insurance coverage include: life insurance (48 percent), dental insurance (37 percent), vision insurance (36 percent), and Medigap/Medicare supplemental insurance (35 percent). Notably, only 11 percent of retirees have long-term care insurance.



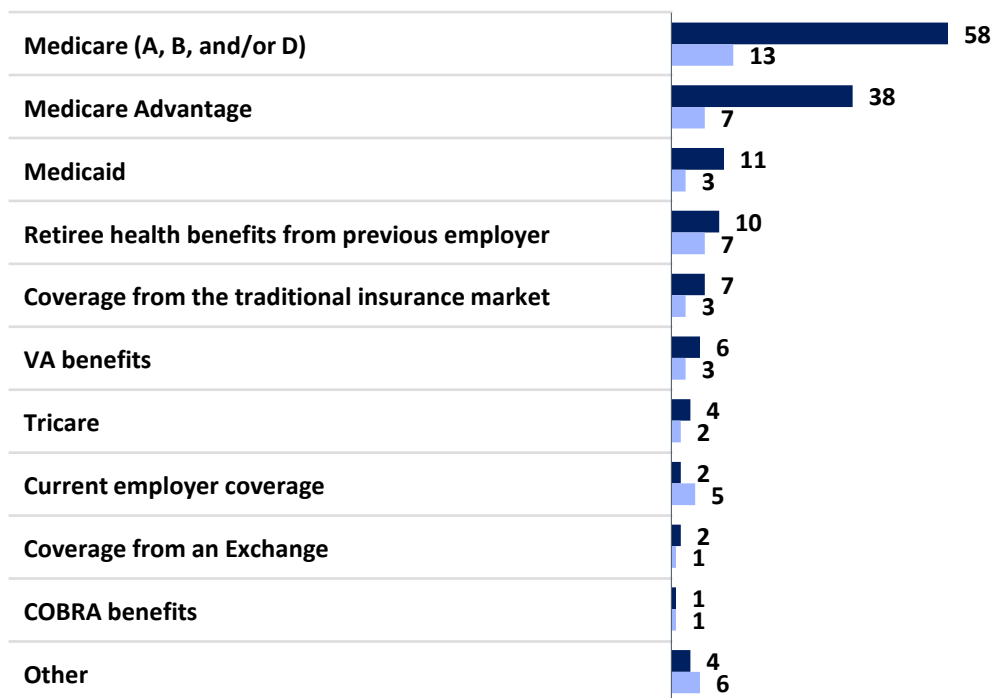
Most Retirees Have Health Insurance Through Medicare

Among retirees with major medical insurance, Medicare is by far the most common provider of insurance: 58 percent are the primary insured on a Medicare plan, and 13 percent are on Medicare through their spouse/partner. Medicare Advantage plans are the next most commonly cited provider of major medical with 38 percent being the primary insured on a Medicare Advantage plan and seven percent being covered through their spouse/partner. Far fewer retirees have major medical insurance through a prior employer, traditional insurance market, Medicaid, VA benefits, or other sources.

Major Medical Insurance Provider (%)

Among Retirees Who Have Major Medical Insurance (N=1,635; Married/Partner N=931)

- I am the primary insured
- My spouse/partner is the primary insured

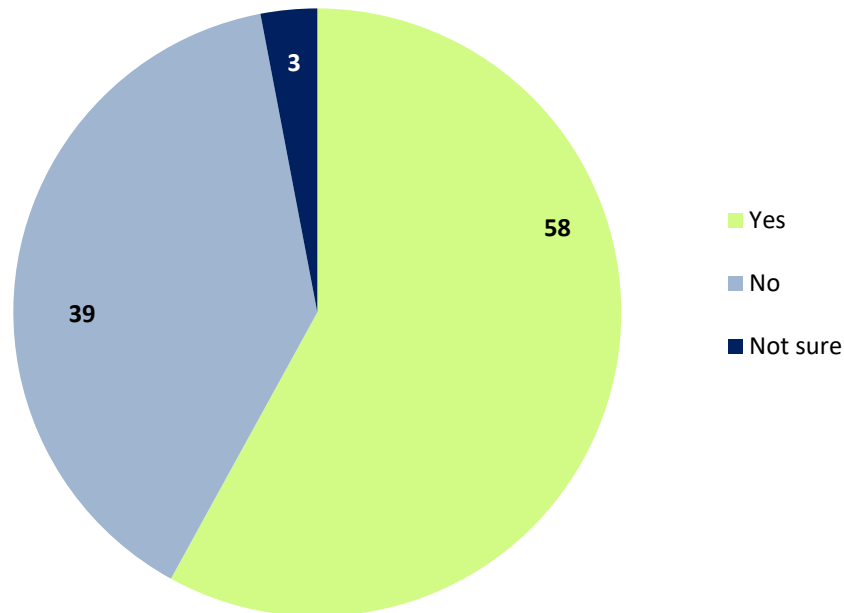


Spouse/Partner's Retirement Savings

Among retirees who are married or living with their partner, 58 percent indicate that their spouse/partner saves or has saved in a retirement plan of his or her own.

Spouse/Partner Saves in a Retirement Plan (%)

Retirees Who Are Married or Living with Partner (N=1,142)

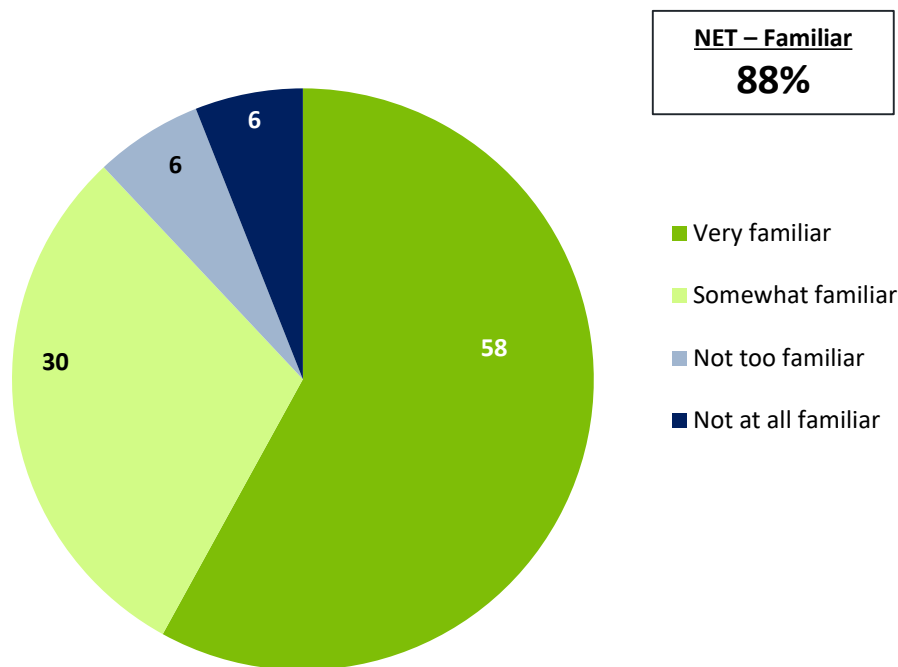


Familiarity With Spouse/Partner's Retirement Plan and Savings

The majority of retirees who are married or living with their partner (88 percent) are familiar with their spouse/partner's retirement plan and savings (58 percent "very familiar" and 30 percent "somewhat familiar"). Six percent are "not too familiar" and six percent are "not at all familiar" with their spouse's/partner's retirement plan and savings.

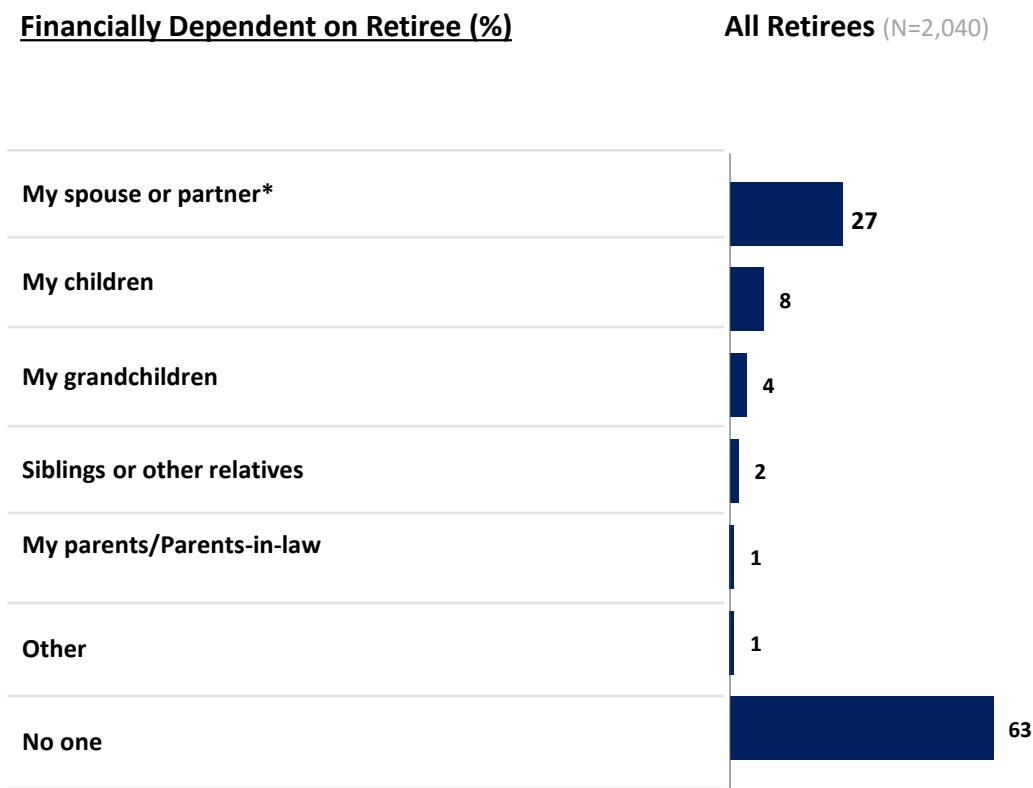
Familiarity with Spouse/Partner's Retirement Plan and Savings (%)

Retirees Who Are Married or Living with Partner (N=1,142)



Most Retirees Do Not Have Financial Dependents

Sixty-three percent of retirees do not support anyone financially. Among those who are married or living with their spouse/partner, 27 percent of retirees financially support their spouse/partner. Eight percent of retirees support their children, while four percent support their grandchildren.



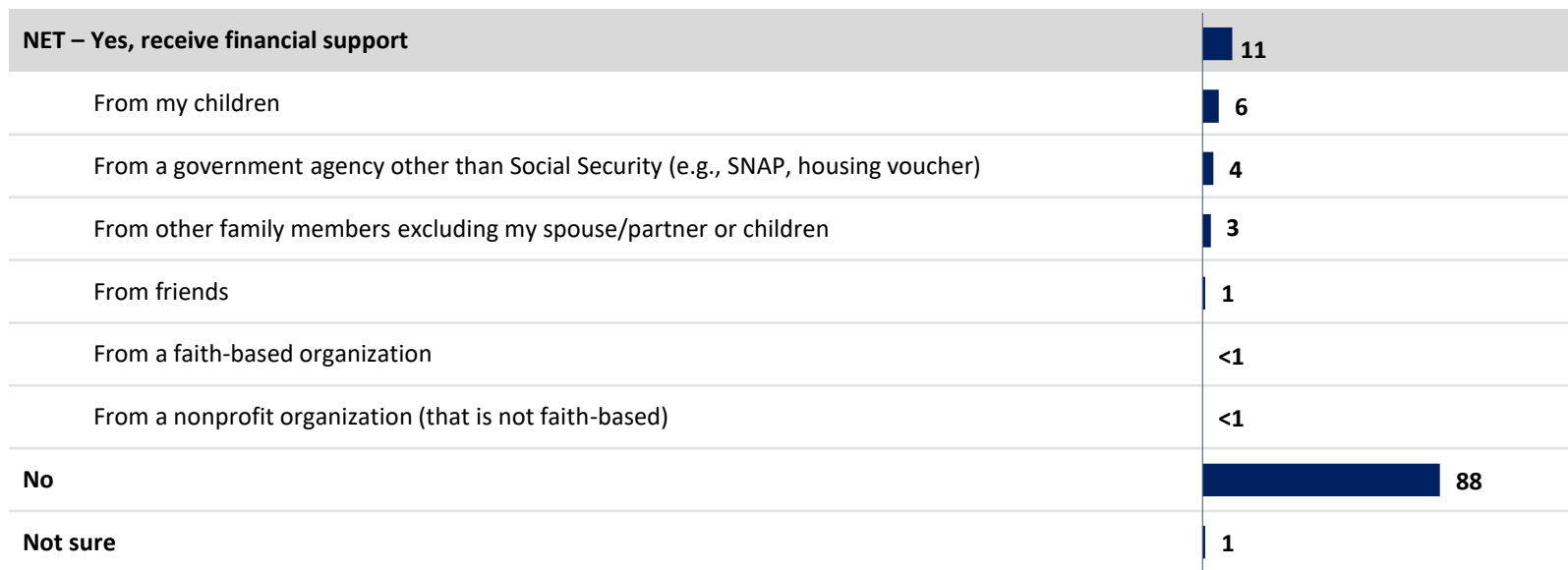
**Note: Only asked among retirees who have a spouse or partner.*

Only One in 10 Receive Financial Support

Eleven percent of retirees receive some form of financial support in retirement, including six percent from their children and four percent from a government agency other than Social Security. The vast majority of retirees (88 percent) are not receiving financial support.

Do You Receive Financial Support from Your Family (Other Than Your Spouse/Partner) or Others in Retirement? (%)

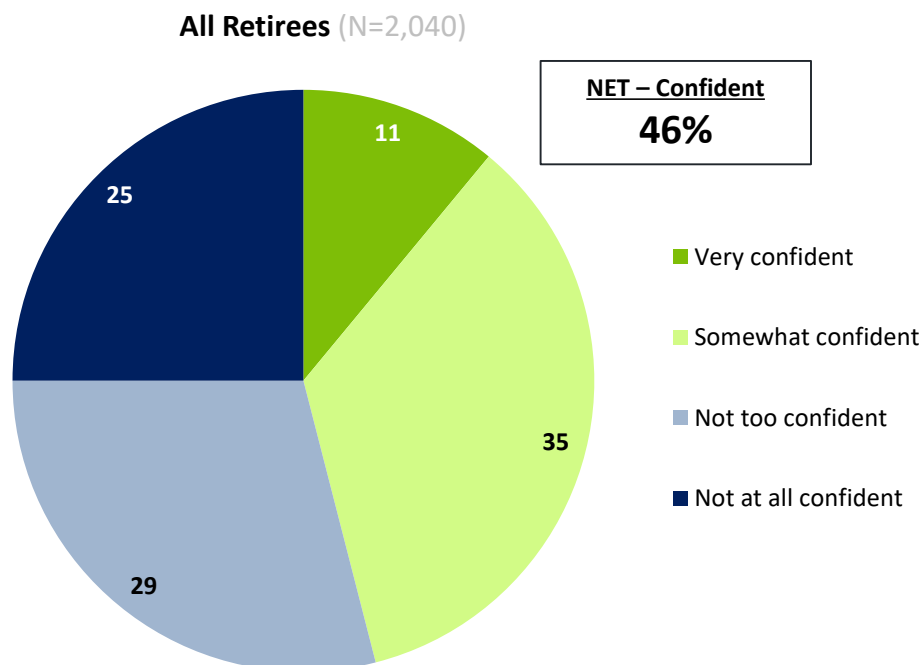
All Retirees (N=2,040)



Few Are “Very Confident” in Ability to Afford Long-Term Care

Fewer than half of retirees (46 percent) are confident they will be able to afford long-term care, if needed, including 11 percent who are “very confident” and 35 percent who are “somewhat confident.” Fifty-four percent of retirees are “not too confident” (29 percent) or “not at all confident” (25 percent) in their ability to afford long-term care.

Confidence in Ability to Afford Long-Term Care (e.g., an assisted living community; skilled nursing facility, paid in-home caregiver) (%)



Life and Living Arrangements in Retirement

Most Aspects of Life Have Stayed the Same Since Retiring

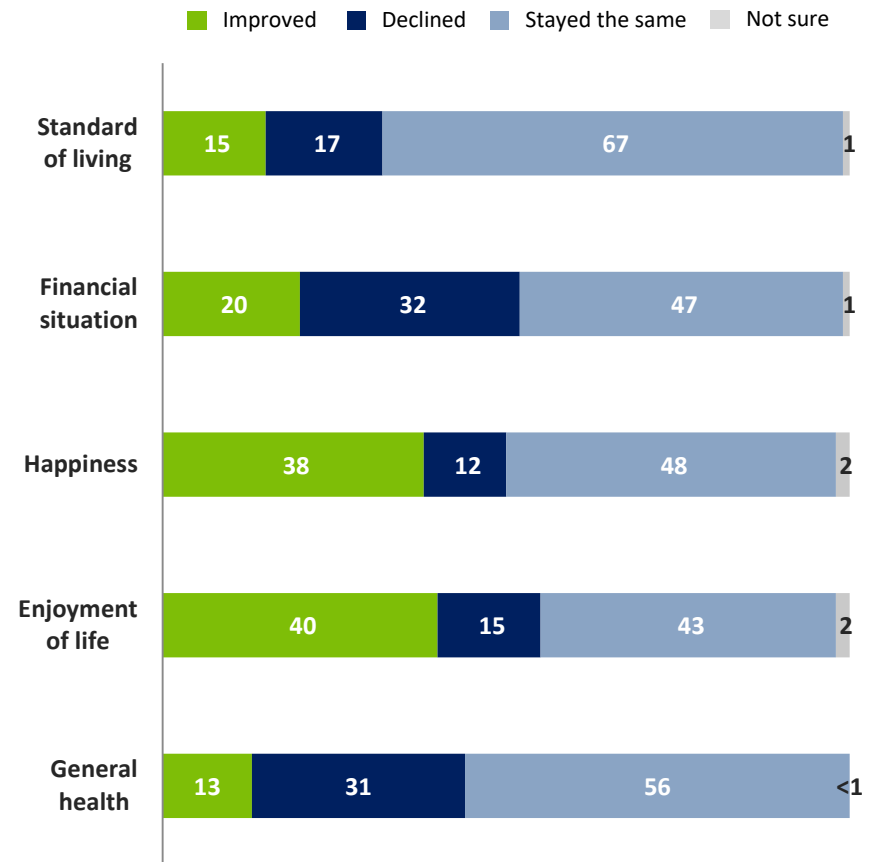
Retirees report aspects of their life – standard of living, financial situation, happiness, enjoyment of life, and general health – have mostly stayed the same since entering retirement.

Approximately four in 10 retirees say their enjoyment of life (40 percent) and happiness (38 percent) have improved since entering retirement.

Approximately three in 10 retirees indicate their financial situation (32 percent) and general health (31 percent) has declined in retirement.

Since entering retirement/semi-retirement, have the following aspects of your life improved, declined, or stayed the same? (%)

All Retirees (N=2,040)

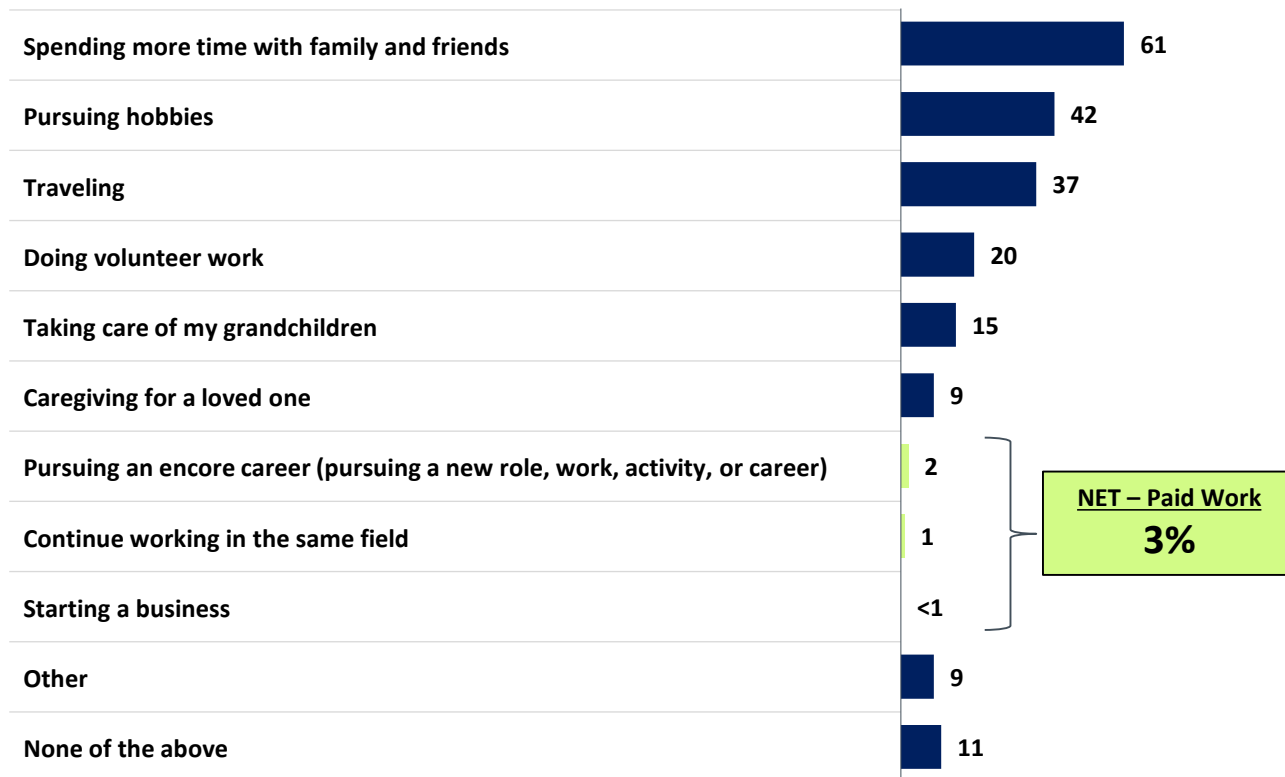


Retirees Are Spending Their Time on a Variety of Activities

Before the pandemic, when asked how they are spending their time in retirement, retirees cite a wide variety of activities, including spending more time with family and friends (61 percent), pursuing hobbies (42 percent), and traveling (37 percent). Twenty percent are doing volunteer work and 15 percent are taking care of their grandchildren. Just three percent of retirees are doing some form of paid work such as pursuing an encore career (2 percent), continuing to work in the same field (1 percent), and/or starting a business (<1 percent).

How Retirees Are Spending Their Time (%)

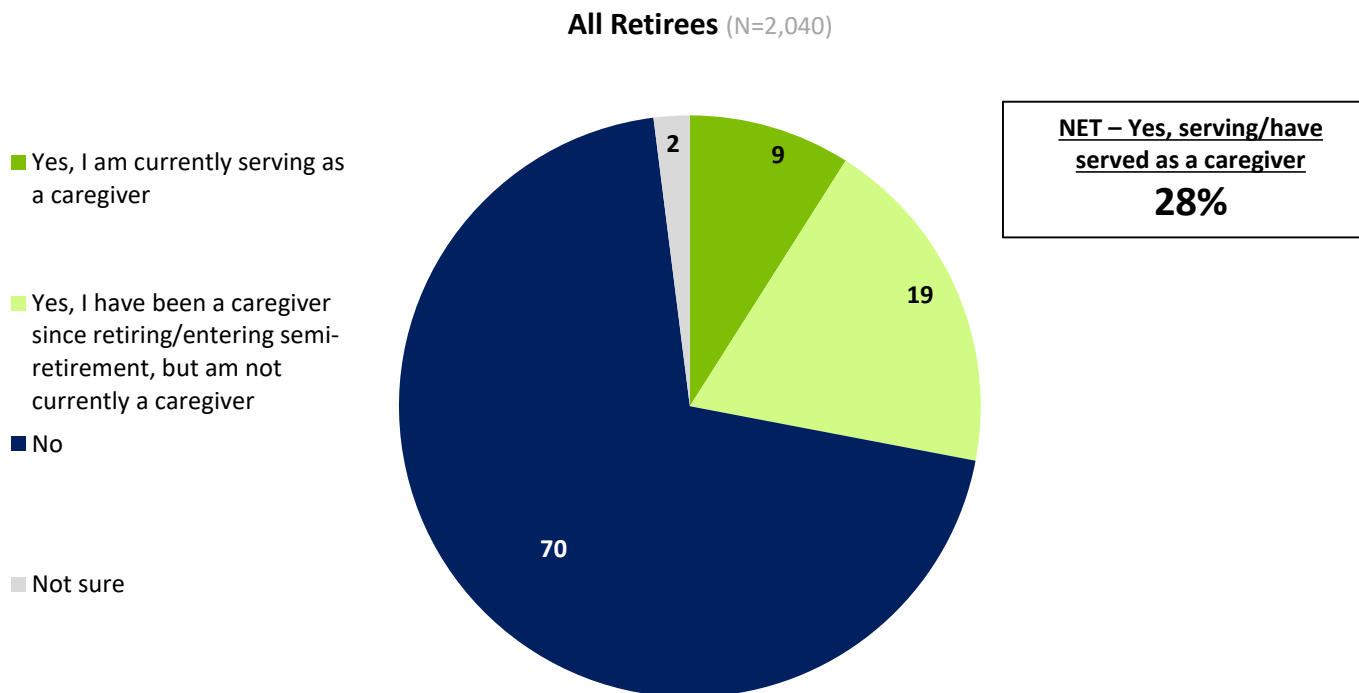
All Retirees (N=2,040)



More Than One in Four Retirees Are or Have Been Caregivers

Since retiring, 28 percent of retirees are currently or have dedicated a significant amount of their time serving as a caregiver to a family member or friend who needs help taking care of themselves. Among them, nine percent are currently caregiving and 19 percent have done so in the past.

Dedicated a Significant Amount of Time in Retirement Serving as Caregiver to a Family Member or Friend Who Needs Help Taking Care of Themselves (%)



RETIREE BASE: 20TH ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

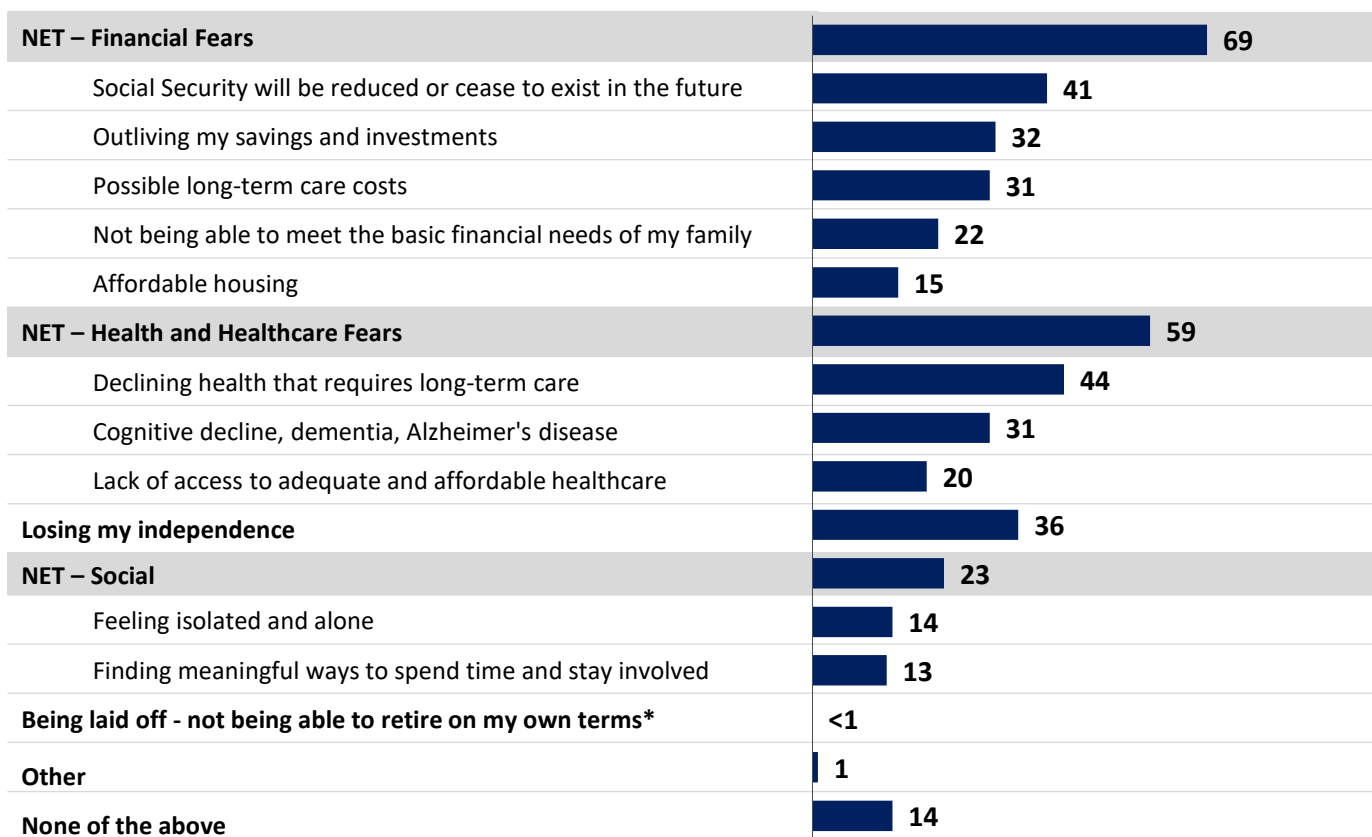
Q2755. Since retiring/entering semi-retirement, have you dedicated a significant amount of time serving as a caregiver to a family member or friend who need help taking care of themselves? Examples of caregiving include: feeding, bathing, dressing, providing medication, assisting with medical appointments, providing transportation, running errands, financial and household administration, etc.

Greatest Retirement Fears Include Financial and Health Issues

When asked about their greatest retirement fears, retirees most frequently cite declining health that requires long-term care (44 percent) and a reduction in or elimination of Social Security (41 percent). Losing their independence (36 percent) and outliving their savings and investments (32 percent) are also often cited retirement fears.

Greatest Fears About Retirement (%)

All Retirees (N=2,040)



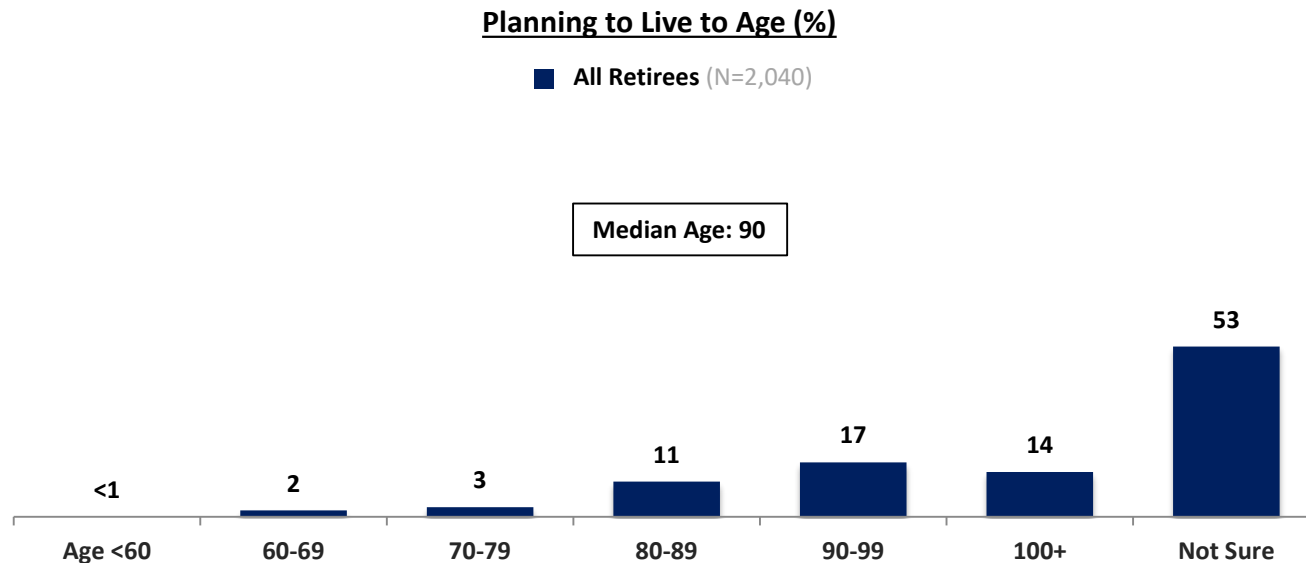
*Note: Only asked among retirees who are semi-retired

RETIREE BASE: 20TH ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q1421. Since entering retirement/semi-retirement, what are your greatest fears? Select all.

Many Retirees Are “Not Sure” to What Age They Plan to Live

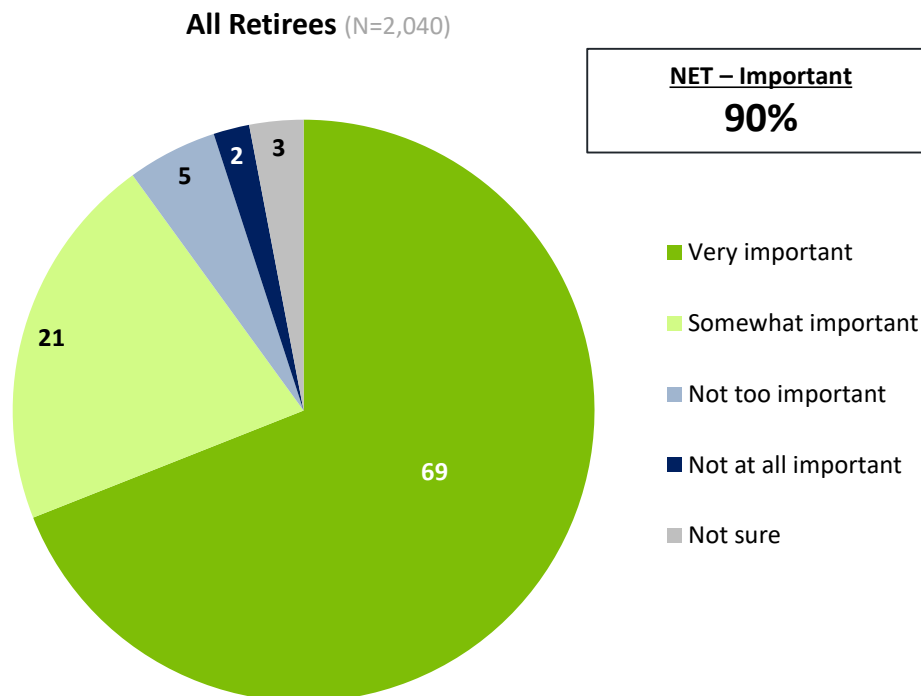
It is a bit of an uncomfortable question to ask people how long they plan to live; however, it is an important question for financial planning. When asked what age they are planning live to, more than half of retirees (53 percent) responded that they are “not sure,” which is a reasonable answer given the nature of the question. Among retirees who provided a specific age, the median age they are planning to live to is 90. Fourteen percent of retirees plan to live to age 100 or older.



Retirees Want to Remain in Their Own Home

The vast majority of retirees (90 percent) indicate remaining in their own home as they get older is important to them, including 69 percent indicating it is “very important” and 21 percent “somewhat important.” Only seven percent indicate that it is not important, including five percent indicating “not too important” and two percent “not at all important.”

How Important Is It to You to Remain in Your Own Home as You Get Older? (%)



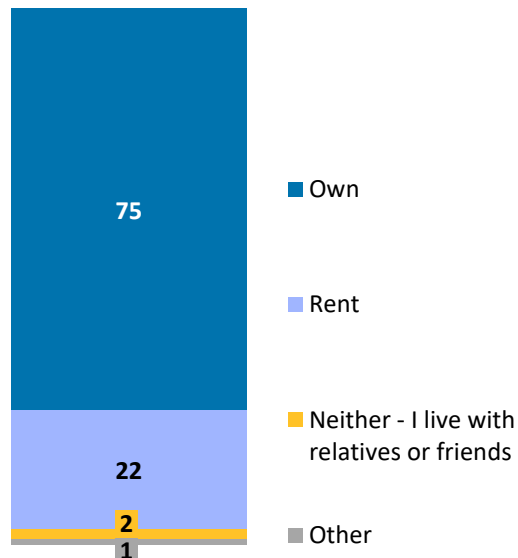
The Majority of Retirees Own Their Homes

Three in four retirees (75 percent) own their homes, while 22 percent rent and two percent live with relatives or friends.

Seventy-three percent of retirees currently live in a single family home, while 19 percent live in a multi-unit apartment or condo. Only four percent live in a retirement community.

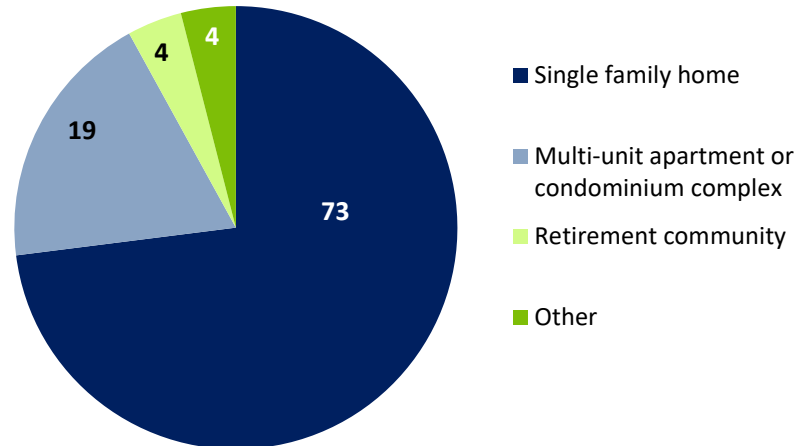
Own vs. Rent Home (%)

All Retirees (N=2,040)



Type of Home Living in During Retirement (%)

All Retirees (N=2,040)



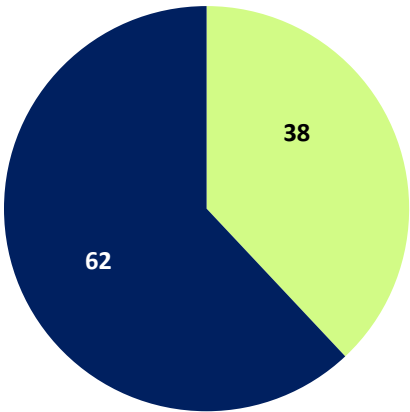
Almost Four in 10 Retirees Have Moved Since Retiring

Since entering retirement, almost four in 10 retirees (38 percent) have moved to a new home, while 62 percent have stayed in the home that they lived in before retiring. Among those who moved, frequently cited reasons for doing so include moving closer to family and friends (32 percent), reduced expenses (29 percent), downsizing into a smaller home (29 percent), having started a new chapter in life (22 percent), and moving to a better climate (22 percent). Of note, nine percent of retirees moved into an aging-friendly home.

Living Arrangements in Retirement (%)

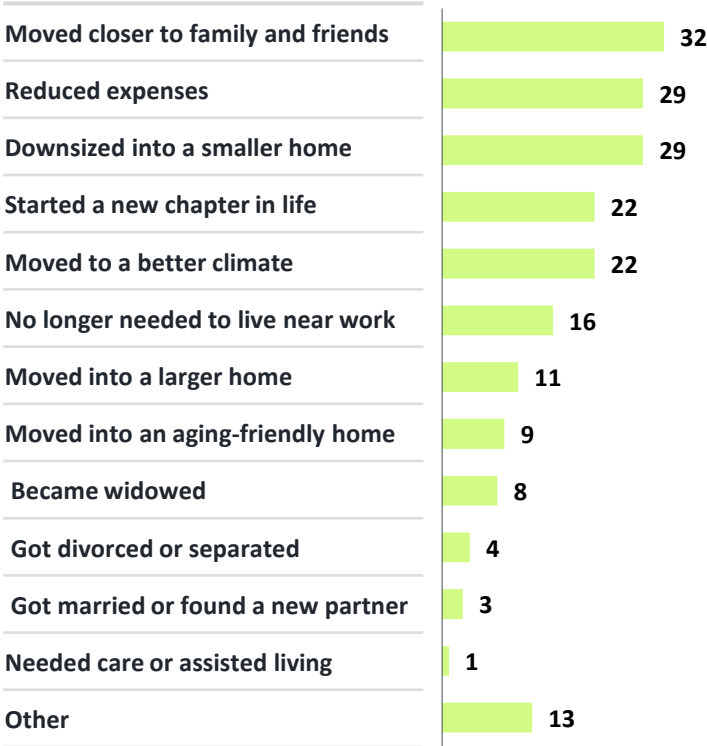
All Retirees (N=2,040)

- Moved to a new home
- Stayed in the home I lived in before retiring



Reasons for Moving (%)

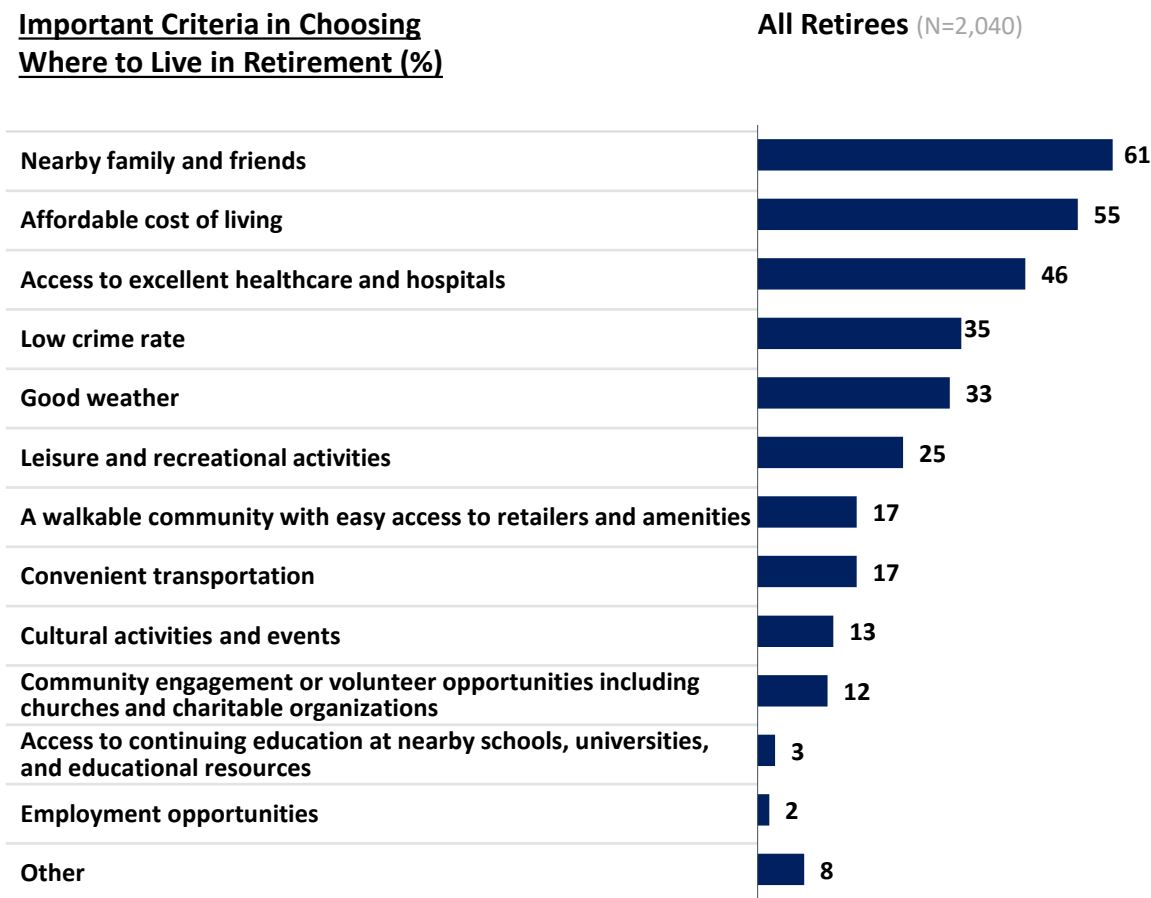
Among Retirees Who Moved (N=765)



RETIREE BASE: 20TH ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS
Q2705. How have your living arrangements changed since entering retirement?
RETIREE BASE: 20TH ANNUAL SURVEY - MOVED TO A NEW HOME
Q2708. What were your reasons for moving? Please select all that apply?

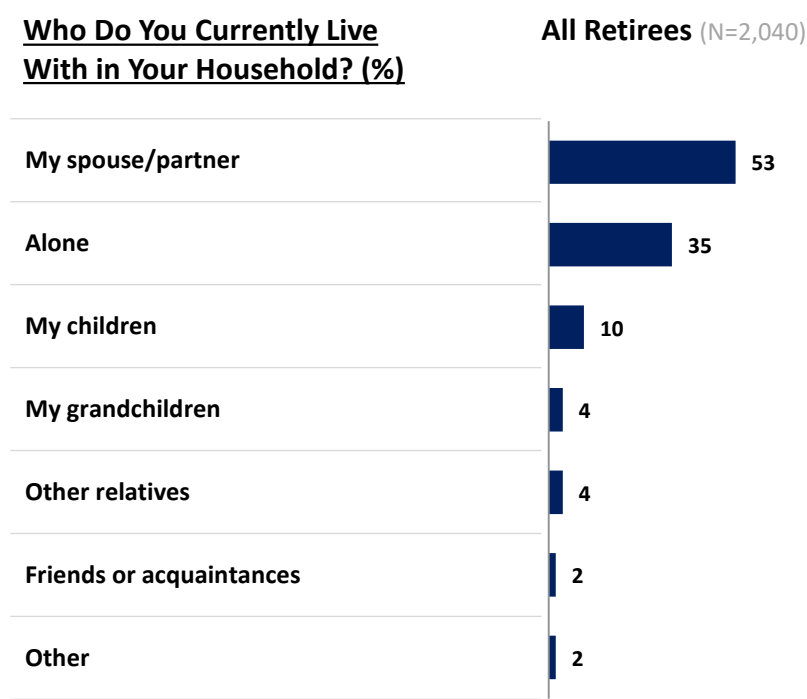
Retirees Cite a Variety of Criteria in Choosing Where to Live

When choosing where to live in retirement, retirees' top three criteria are proximity to family and friends (61 percent), affordable cost of living (55 percent), and access to excellent healthcare and hospitals (46 percent). Other frequently cited criteria include: low crime rate (35 percent), good weather (33 percent), and leisure and recreational activities (25 percent).



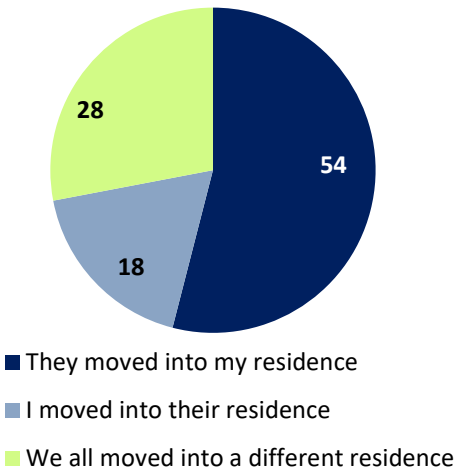
Most Retirees Live With Spouse/Partner or Alone

While 53 percent of retirees currently live with their spouse/partner, more than a third (35 percent) live alone. Ten percent live in the same household with their children, four percent with their grandchildren, and four percent with other relatives. Among retirees who currently live with others who are not their spouse/partner, 54 percent indicate that the other person(s) moved into their residence, while 18 percent of retirees moved into the other person’s residence, and 28 percent indicate that they and the other person(s) all moved into a different residence.



Did You Move Into Their Residence or Did They Move Into Your Residence? (%)

Among Retirees Who Are Currently Living With Others (Excluding Spouse or Partner) (N=404)



RETIREE BASE: 20TH ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS
Q2715. Who do you currently live with in your household? Select all.
RETIREE BASE: 20TH ANNUAL SURVEY - CURRENTLY LIVING WITH OTHERS WHO ARE NOT SPOUSE/PARTNER
Q2717. You mentioned you are currently living with others who are not a spouse or partner in your household. Did you move into their residence or did they move into your residence?

When and How Retirement Happened

What Prompted You to Decide That it Was Time to Retire?

Job loss, compounded by the need for parental caregiving - it just didn't make sense to pursue a new professional position at that time.

Age 59, Male, Retired at 57

I was under a lot of stress from the last job and decided that if I had waited until I was 65 to retire, I would probably have a heart attack and/or stroke before then.

Age 77, Female, Retired at 62

It was time!

Age 79, Male, Retired at 65

My husband had already been retired for six years. The timing was good for my workplace so I was able to retire in my terms.

Age 63, Female, Retired at 60

I had planned the age in advance.

Age 63, Female, Retired at 63

I would have kept working if there had not been major changes at the company I was with. My income and hours were cut drastically. My family and I decided to relocate to a different state where the cost of living is much lower.

Age 72, Female, Retired at 65

I was prepared for retirement both financially and psychologically. It was time.

Age 69, Male, Retired at 62

I was unhappy with changes at my place of employment and after meeting with my financial planner (and being able to have medical coverage under COBRA until I was of age to go on Medicare), I was sure that I could retire and maintain my standard of living.

Age 66, Male, Retired at 63

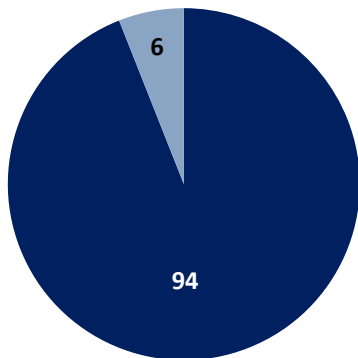
More Than Half Retired Before Age 65

Ninety-four percent of retirees are fully retired and six percent consider themselves semi-retired. Among those who are fully retired, the median age at which they retired is 63. More than half of the fully retired (54 percent) retired before age 65. Seventeen percent retired at age 65. Twenty-five percent retired after age 65, including 11 percent who retired between ages 66 and 69, 12 percent who retired in their 70s, and two percent who fully retired at age 80 or older. Four percent of the fully retired say they do not expect to ever stop working.

Do You Consider Yourself to Be... (%)

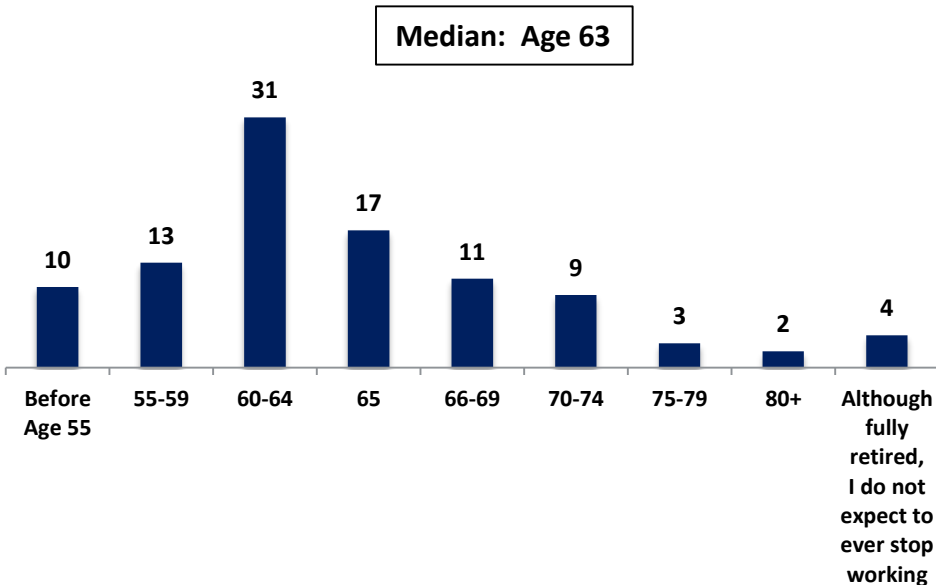
All Retirees (N=2,040)

■ Fully retired ■ Semi-retired



Age Considered Self to Be Fully Retired or No Longer Working (%)

Among Those Self-Identified as Being Fully Retired (N=1,841)



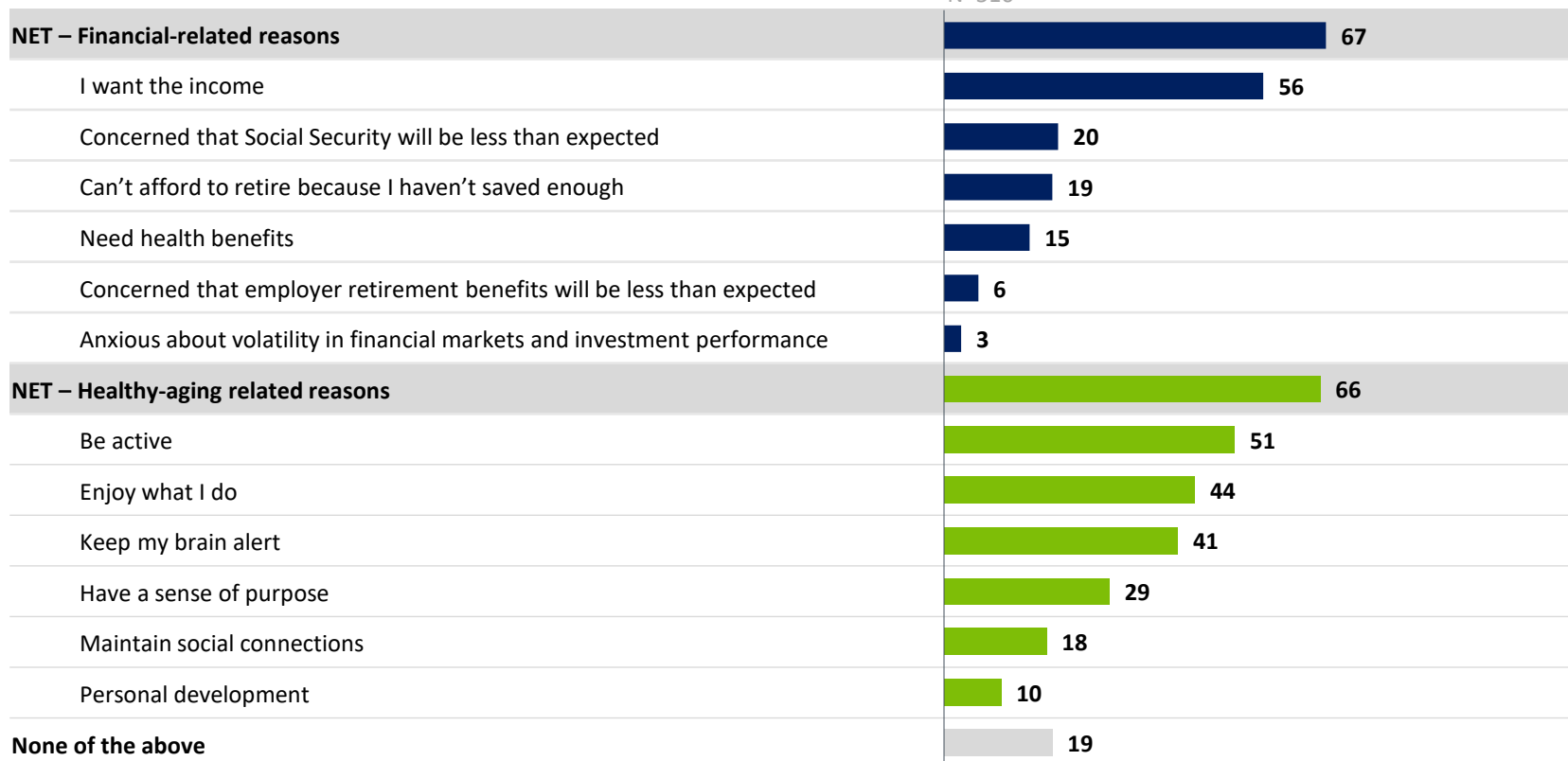
RETIREE BASE: 20TH ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS
Q1601A. Do you consider yourself to be...
RETIREE BASE: 20TH ANNUAL SURVEY - FULLY RETIRED RESPONDENT
Q915. At what age did you consider yourself fully retired or no longer working?

Reasons for Working in Retirement Include Health and Financial

Among retirees who retired after age 65 or plan to do so, their rationales for doing so are nearly evenly split between financial-related reasons (67 percent) and healthy aging-related reasons (66 percent). The five most often cited specific reasons are: wanting the income (56 percent), being active (51 percent), enjoying what they do (44 percent), keeping their brain alert (41 percent), and having a sense of purpose (29 percent).

Reasons for Working in Retirement or Past Age 65 (%)

Among Those Who Have or Plan to Retire After Age 65 N=510



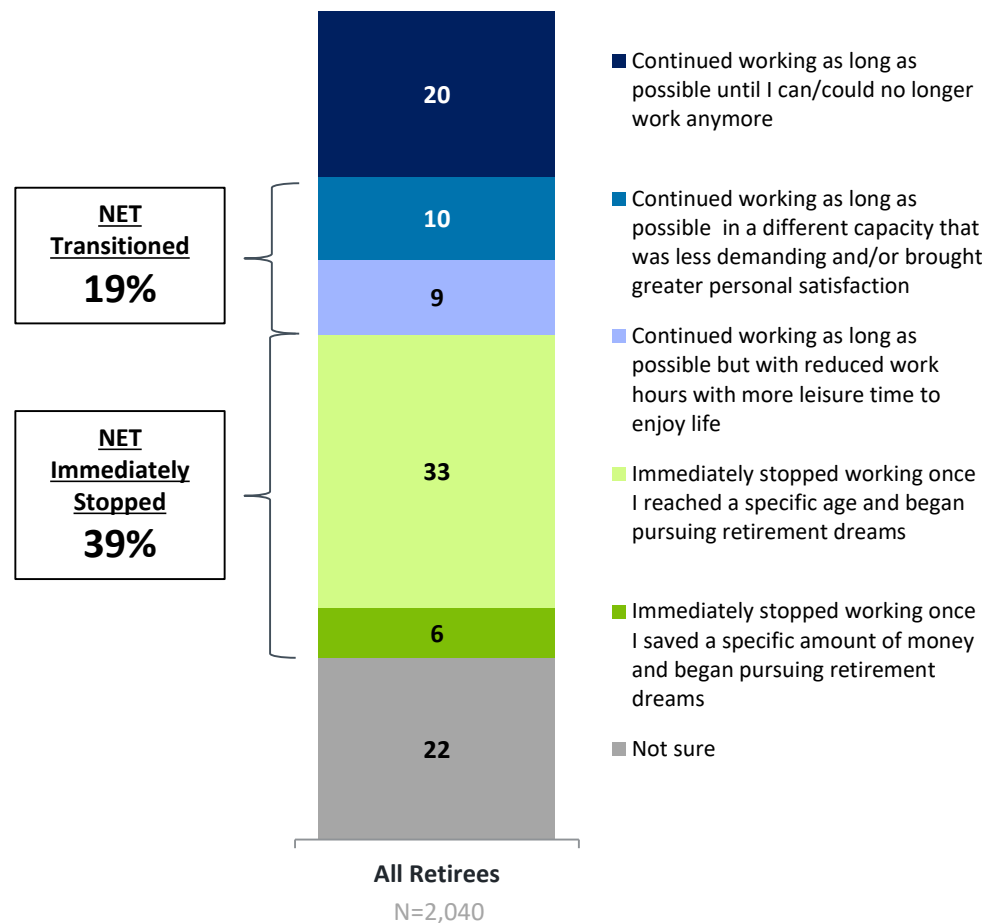
Nearly Two in Five Retirees Immediately Stopped Working

When asked how their transition into retirement is happening or happened, nearly two in five (39 percent) immediately stopped work when they reached a specific age (33 percent) or amount of money (6 percent).

Nineteen percent transitioned into retirement either by working in a different capacity that is less demanding or brings more personal satisfaction (10 percent) or working reduced hours with more leisure time to enjoy life (9 percent).

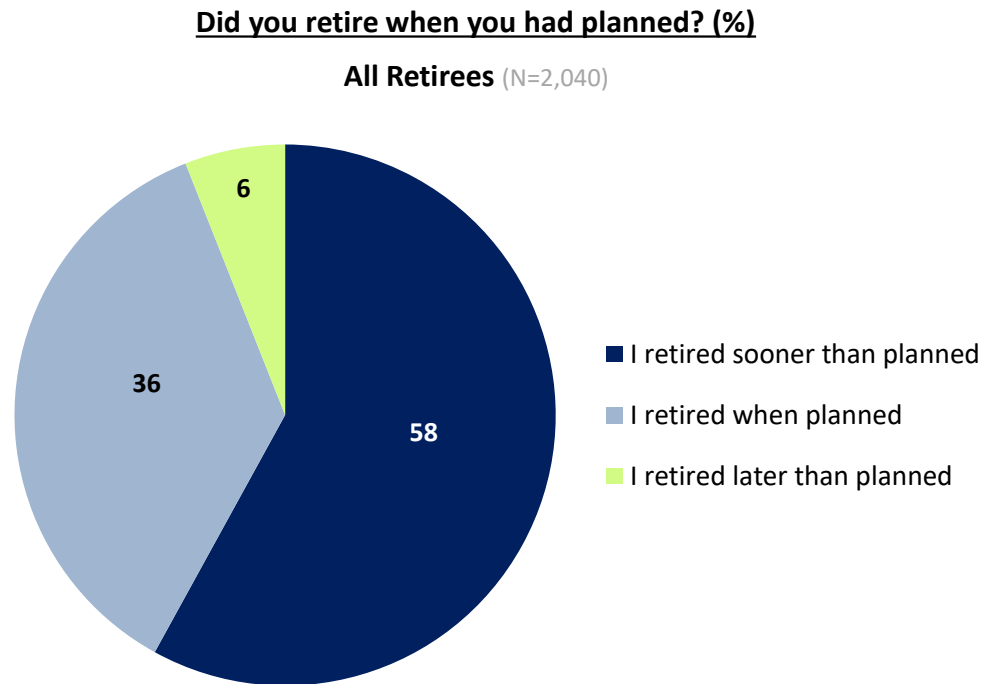
Twenty percent continued to work in retirement as long as possible until they could no longer work anymore.

How did your transition into retirement take place? (%)



The Majority Retired Sooner Than Planned

The majority of retirees (58 percent) retired sooner than they had planned. Approximately one in three retirees (36 percent) indicate they retired when they had planned to do so. Six percent retired later than planned.



Reasons for Retiring Sooner Than Planned: Work and Ill-Health

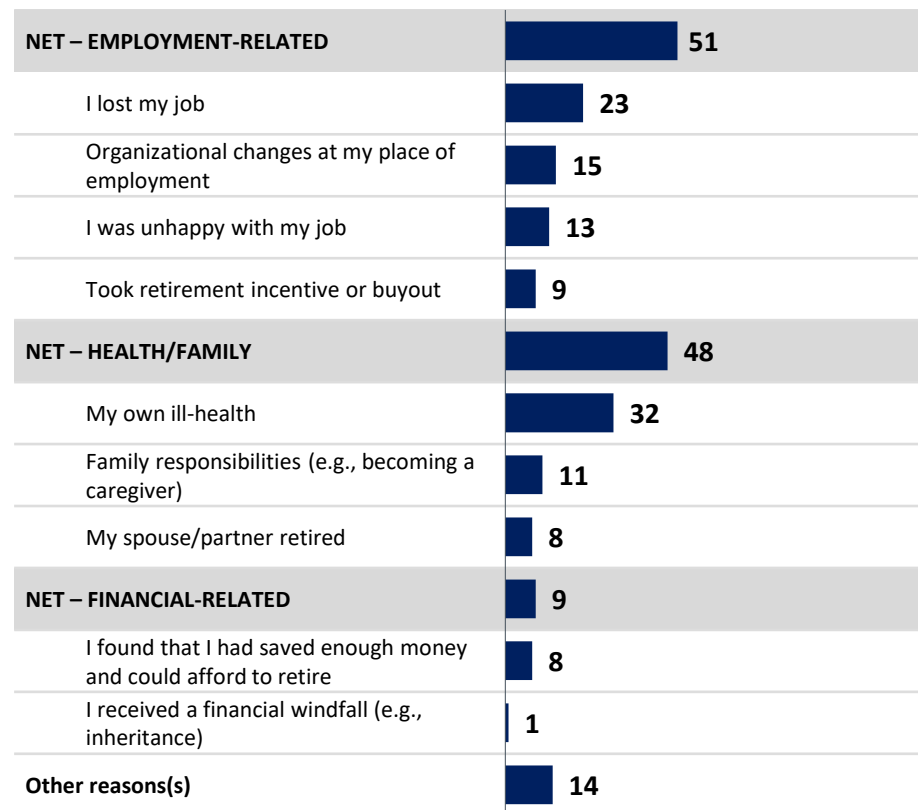
Among the 58 percent of retirees who retired *sooner* than planned, about half (51 percent) cite employment-related reasons, including job loss (23 percent), organizational changes at their place of employment (15 percent), unhappiness with their job (13 percent), and/or took a retirement incentive or buyout (9 percent).

Forty-eight percent cite health and/or family-related reasons, including their own ill health (32 percent), family responsibilities (11 percent), and/or their spouse/partner retired (8 percent).

Only nine percent of retirees retired *sooner* than planned because of financial ability, including having saved enough and could afford to retire (8 percent) and/or they received a financial windfall (1 percent).

Reasons for Retiring Sooner Than Planned (%)

Among Retirees Who Retired
Sooner Than Planned (N=1,293)



Reasons for Retiring *Later* Than Planned: Financial and Health

Among the small proportion (6 percent) of retirees who retired *later* than planned, 62 percent cite financial-related reasons. The most frequently cited financial reason is needing the income (42 percent), followed by hadn't saved enough for retirement (21 percent), Social Security less than expected (16 percent), and general anxieties about their financial situation (14 percent).

Sixty-five percent of retirees who retired *later* than planned cite healthy aging-related reasons, including enjoying their work (49 percent), staying active (49 percent), and keeping their brain alert (37 percent).

Twenty-five percent indicate that their employer requested that they stay longer. Seven percent indicate their spouse/partner retired sooner than planned.

Reasons For Retiring Later Than Planned (%)

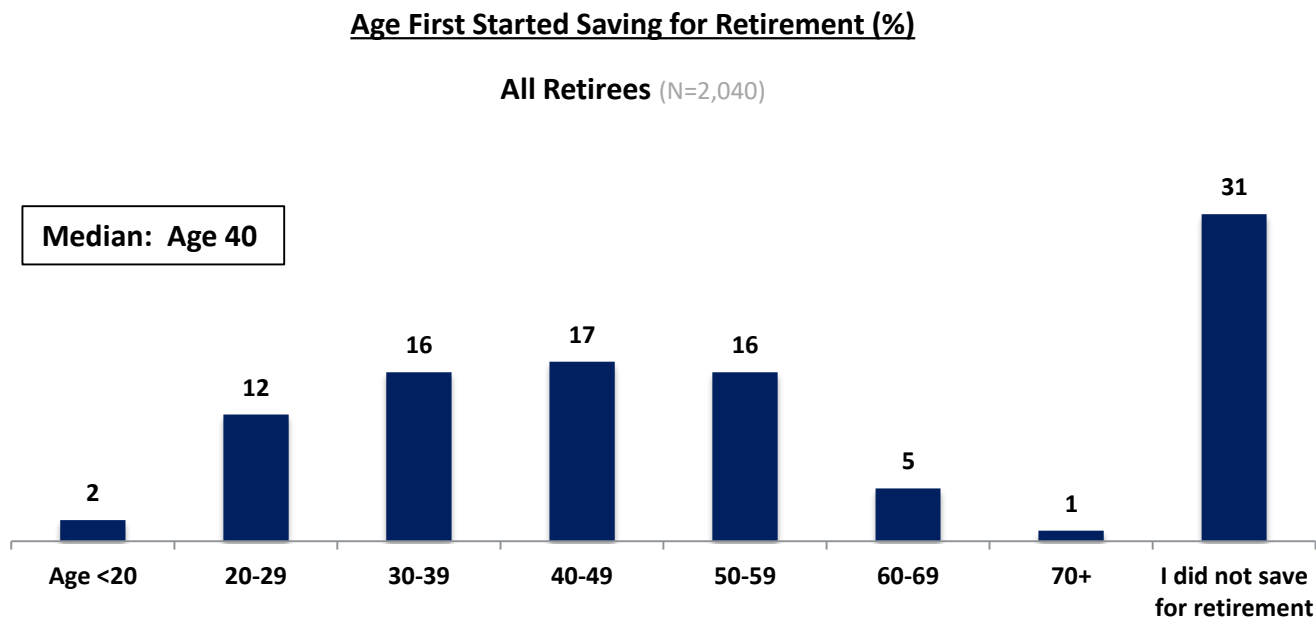
Among Retirees Who
Retired **Later** Than
Planned* (N=114)

NET – HEALTHY-AGING RELATED	65
Staying active	49
Enjoying my work	49
Keeping my brain alert	37
NET – FINANCIAL-RELATED	62
Needing the income	42
I hadn't saved enough for retirement	21
Social Security less than expected	16
General anxieties about my financial situation	14
Needing employee health benefits	9
Employer benefits less than expected	5
Recovering from a major financial setback	3
Making up for time out of the workforce	2
My employer requested that I stay longer	25
My spouse/partner retired sooner than planned	7
Other reasons(s)	12

Looking Back on Financial Preparations for Retirement

Retirees Started Saving at Age 40 – And Some Never Saved

Thirty percent of retirees started saving before the age of 40, while 39 percent started saving in their forties or older. An alarming 31 percent of retirees indicate they did not save for retirement. Among retirees who saved for retirement, they first started saving at age 40 (median).

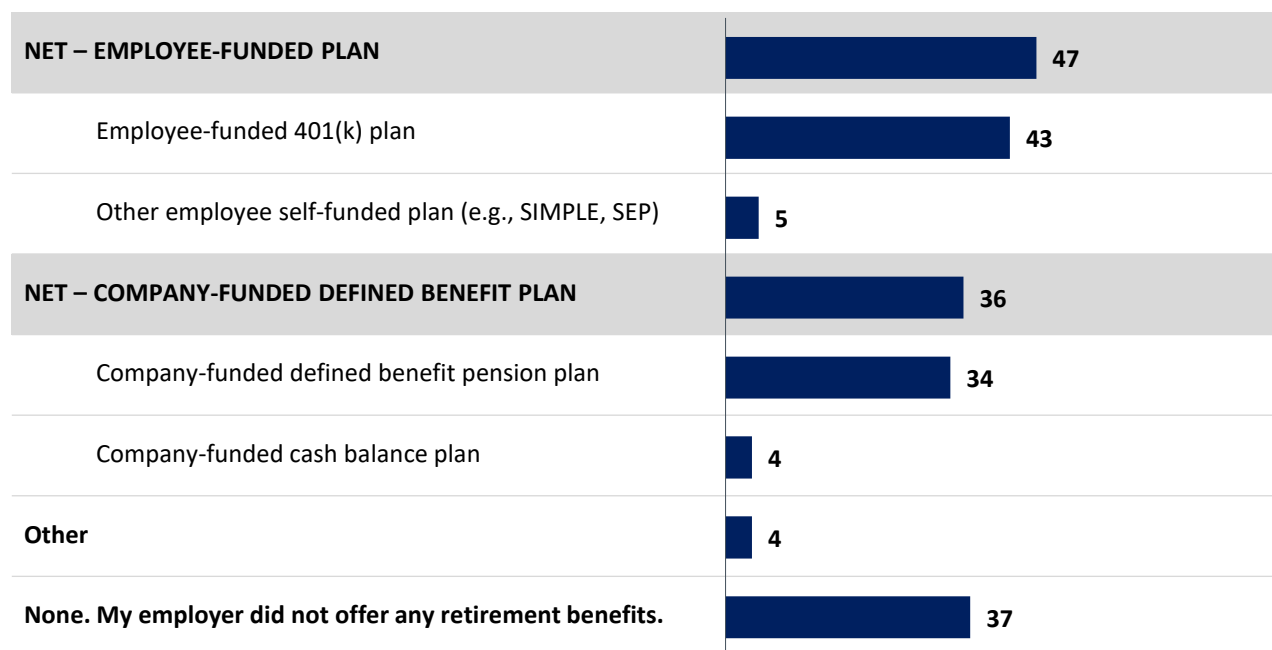


Nearly Two-Thirds Participated in Workplace Retirement Plans

For the majority of their working careers, 63 percent of retirees participated in one or more forms of employer-sponsored retirement benefits, including 47 percent who participated in a 401(k) or similar plan and 36 percent who participated in a company-funded defined benefit plan. However, a large minority of retirees (37 percent) worked for employers that did not offer any retirement benefits.

Participation in Retirement Benefits for the Majority of Working Career (%)

All Retirees (N=2,040)



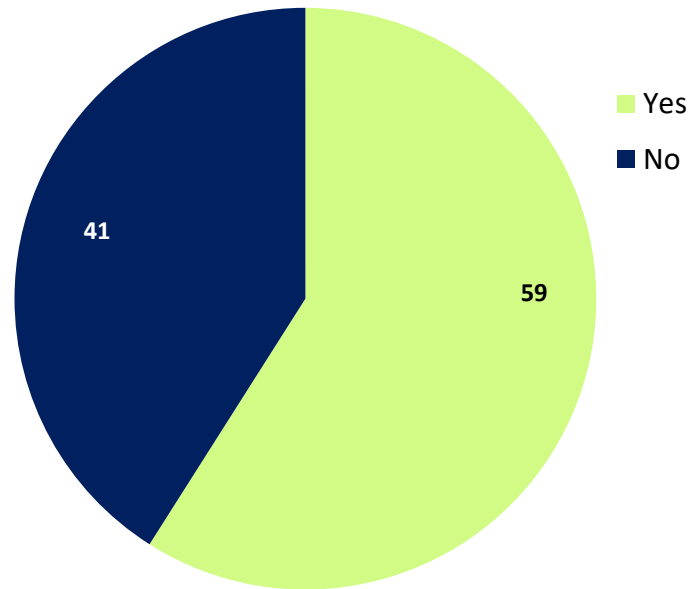
**NET – Had Any
Retirement Benefits
63%**

Six in 10 Retirees Saved for Retirement Outside of Work

The majority of retirees (59 percent) saved for retirement outside of work.

Saved for Retirement Outside of Work (%)

All Retirees (N=2,040)

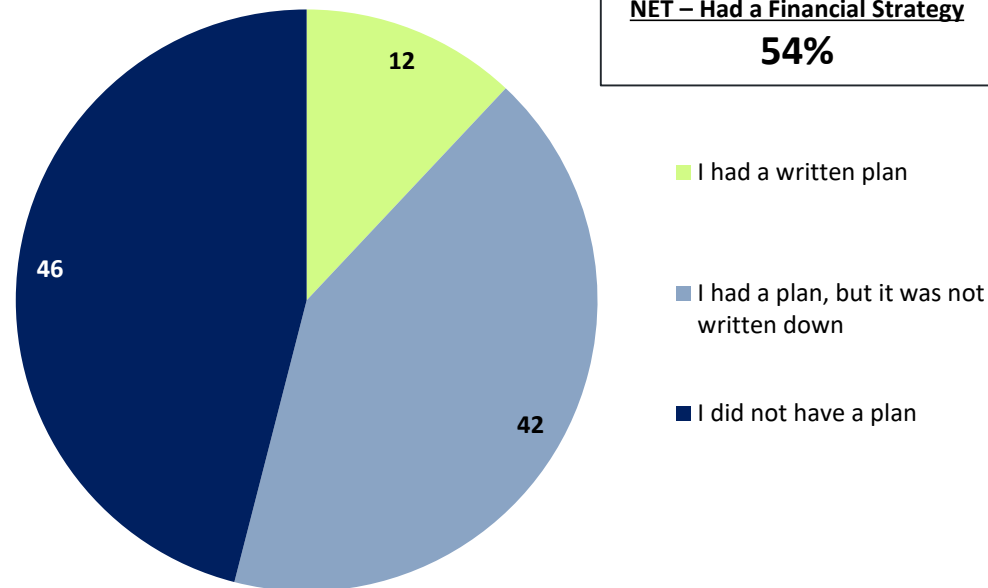


Only One in 10 Had a Written Strategy Before Retiring

Fifty-four percent of retirees had a financial strategy for retirement *before* they retired. However, among them only 12 percent had a written plan, while 42 percent had a plan but it was not written down. Forty-six percent did not have a retirement strategy.

Financial Strategy for Retirement **Before Retiring** (%)

All Retirees (N=2,040)

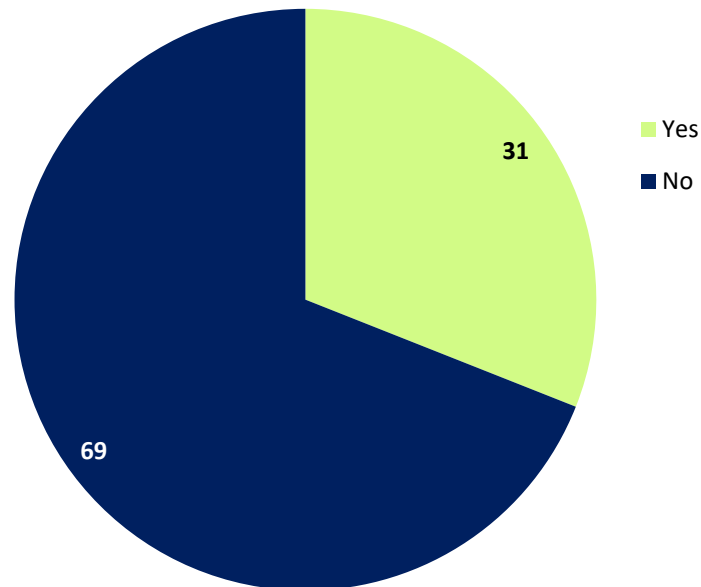


Three in 10 Used a Financial Advisor Before Retiring

Before retiring, three in 10 retirees (31 percent) used a professional financial advisor to help them manage their retirement savings or investments.

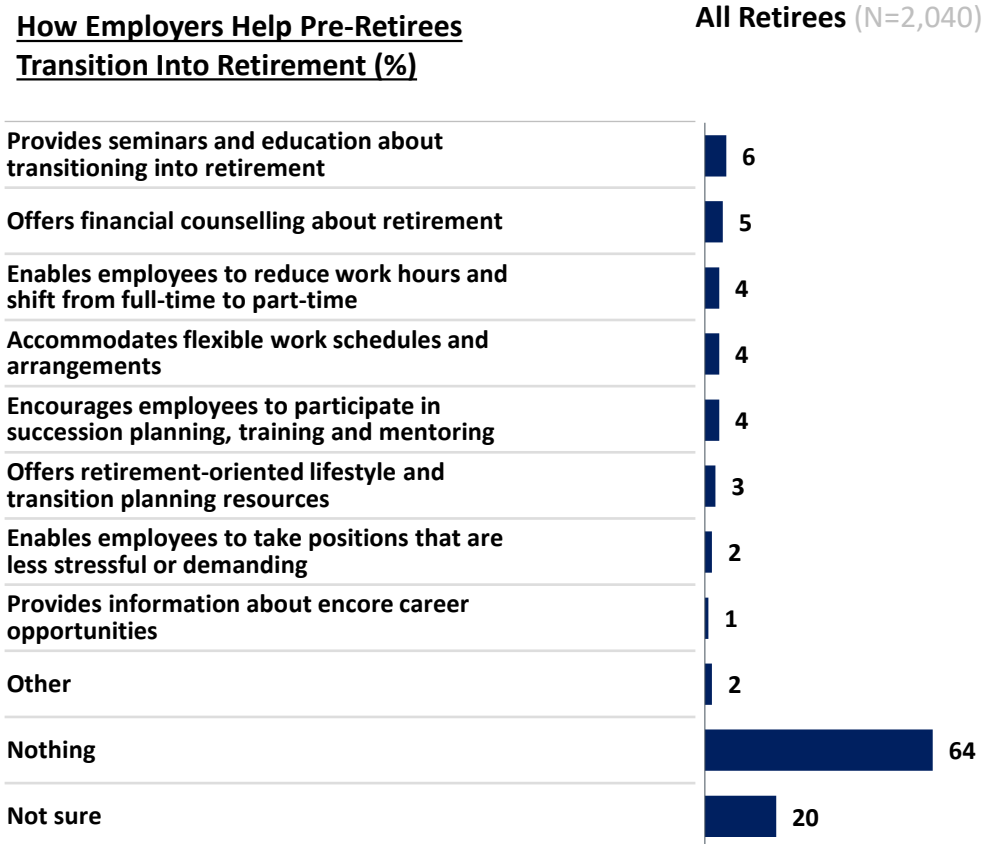
Before Retiring, Did You Use a Professional Financial Advisor to Help Manage Your Retirement Savings or Investments? (%)

All Retirees (N=2,040)



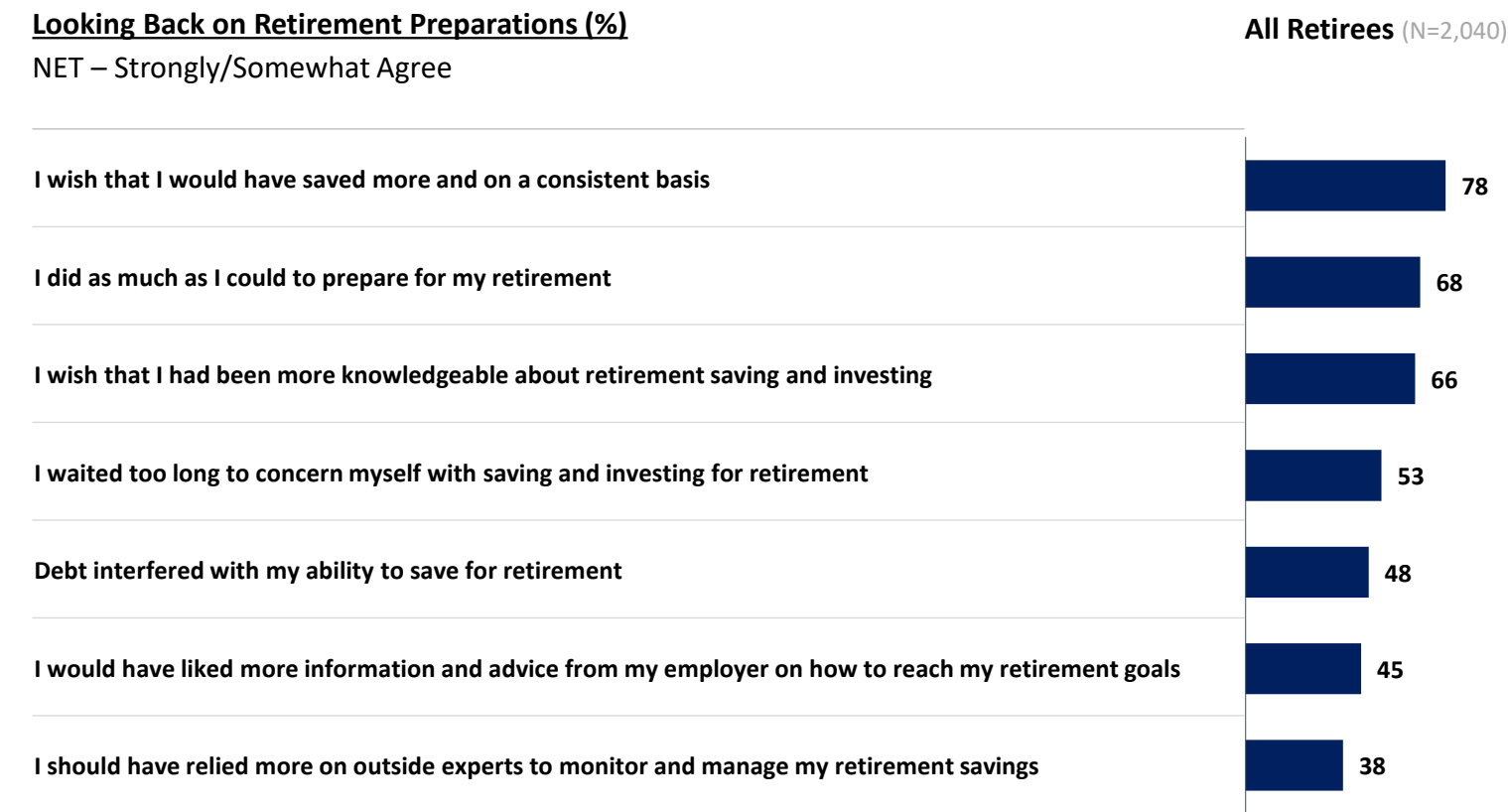
Two-Thirds Say Their Employers Did “Nothing” to Help Transition

Nearly two-thirds of retirees (64 percent) say their most recent employers did “nothing” to help pre-retirees transition into retirement and 20 percent are “not sure” what their employers did. Among the few whose employers helped pre-retirees, the most frequently cited offerings are seminars and education about transitioning into retirement (6 percent), financial counseling about retirement (5 percent), the ability to reduce work hours and shift from full- to part-time (4 percent), accommodating flexible work schedules and arrangements (4 percent), and encourage succession planning, training and mentoring (4 percent).



Retirees’ Insights on How They Could Have Better Prepared

When looking back on their retirement preparations, more than three in four retirees (78 percent) agree they wish they would have saved more and on a consistent basis. About two-thirds did as much as they could to prepare for retirement (68 percent). Almost as many retirees wish they had been more knowledgeable about retirement saving and investing (66 percent). Many retirees agree they waited too long to concern themselves with saving and investing for retirement (53 percent) and that debt interfered with their ability to save for retirement (48 percent).



Appendix: A Demographic Portrait of Retirees

A Portrait of Retirees

Characteristics		20 th Annual All Retirees (%) N=2,040	June 2020 All Retirees (%) N=411
Gender	Male	41	43
	Female	57	57
	Transgender	1	<1
	Other	<1	n/a
	Decline to answer	<1	n/a
Marital Status	Married/ Living with partner	54	56
	Divorced/Separated/Widowed	40	38
	Never married	6	6
Level of Education	Less Than High School Diploma	2	7
	High School Diploma	52	45
	Some College or Trade School	25	26
	College Graduate or More	21	22
Annual Household Income	Less than \$25,000	27	28
	\$25,000 to \$49,999	29	30
	\$50,000 to \$99,999	23	26
	\$100,000+	13	15
	Not sure	2	n/a
	Decline to Answer	6	1
	Estimated Median	\$29,000	\$37,000
General Health (Self-Described)	Excellent	11	9
	Good	62	66
	Fair	23	21
	Poor	4	4
Sexuality	LGBT	3	3
	Did not identify as LGBT	95	95
	Decline to Answer	2	2
Race*	White	83	88
	Black/African American	6	5
	Asian/Pacific Islander	3	2
	Hispanic	6	6
	Native America/Alaskan Native	<1	1
	Other Race	<1	3
	Decline to Answer	2	1
Receiving Long-Term Care Assistance	Yes	2	n/a
	No	97	n/a
	Not sure	1	n/a

*The June 2020 supplemental survey shows Hispanic status separate from race categorization.

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