



## Risks, Rewards, Realities of Modern Retirement

*a Retirement Redefined Segmentation*

# About the Study



## Purpose

To understand the risks, rewards, and realities of modern retirement

## Method

Online survey with **retirees** aged 55+ across the U.S.  
Sample source:  
Dynata's sample

## Sample

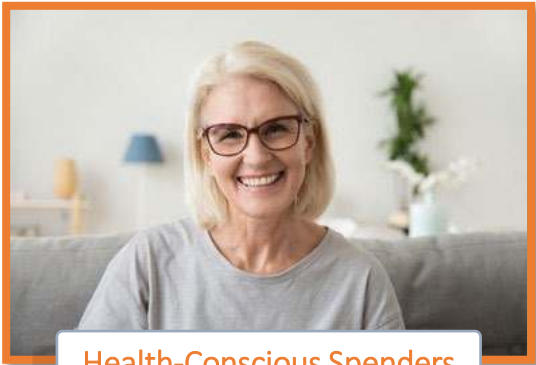
1,000 completed interviews using Dynata's online panel

## Fielding

The survey fielded from May 5<sup>th</sup> through May 19<sup>th</sup>, 2021



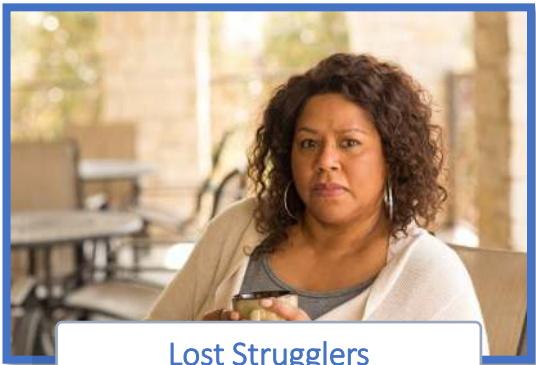
# Retiree Segments



Health-Conscious Spenders



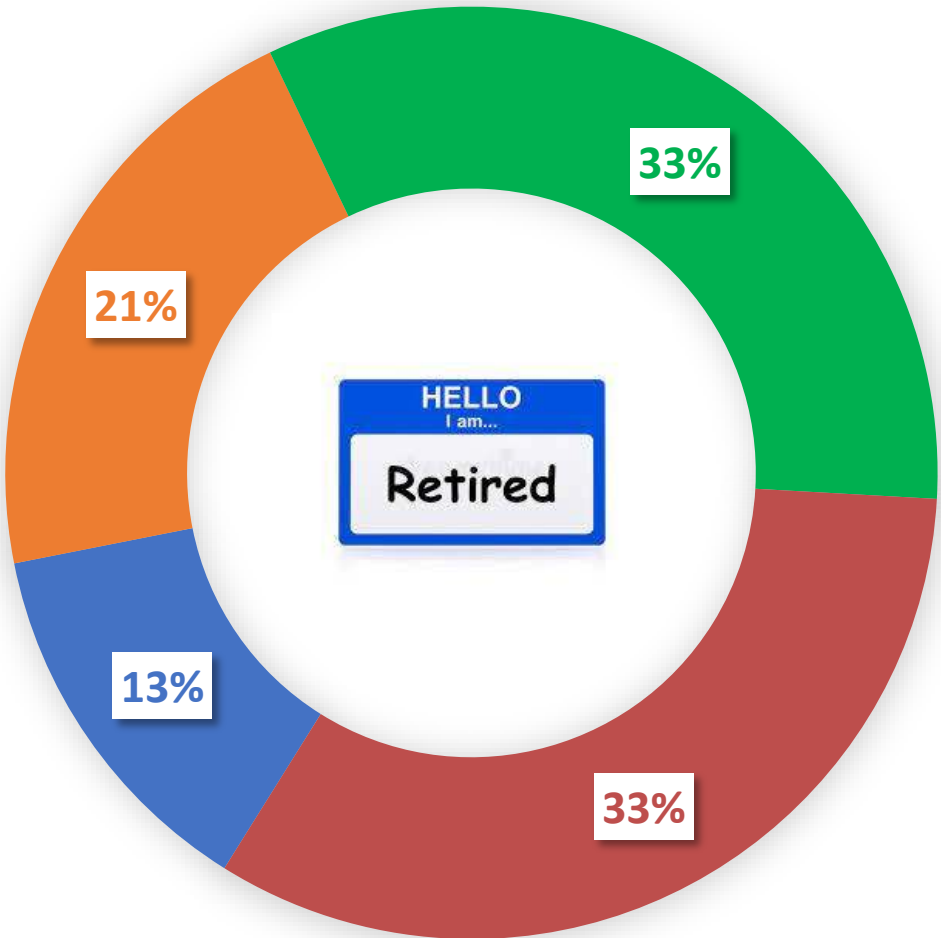
Optimistic Planners



Lost Strugglers



Spontaneous Freedom-Seekers







*"I feel great and want to keep feeling great as long as I can."*

CURRENT AGE	67 years
AGE STARTING SAVING	33 years
RETIREMENT AGE	59.9 years
RETIREMENT SAVINGS	\$567K

Active Positive Motivated Youngest

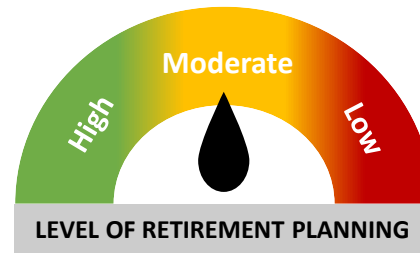
Liberal Lower education Lower income

## Health-Conscious Spender

# Kathy

### About

Kathy is an energetic and upbeat person. She is married and enjoys shopping, dining out, and traveling. Kathy prioritizes a healthy lifestyle and attends exercise classes at a gym regularly. She feels age is just a number and plans to stay active and able for as long as possible. Kathy is spending through her retirement savings faster than expected and delivers groceries as a way to earn extra money.



### Goals

- Stay healthy and active
- Pursue hobbies
- Build income
- Travel



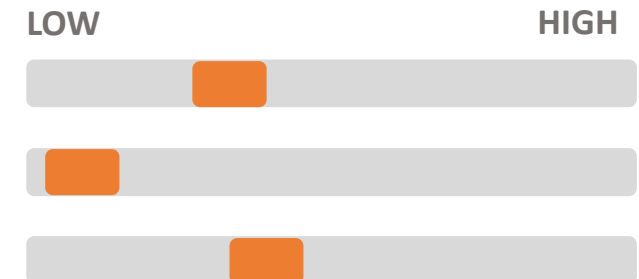
### Needs

- Financial advisory
- Assistance selecting health plan
- Affordable health care options
- Long-term care education
- Final expense/estate planning

### Financial Preparedness for Retirement

### Understanding of health care options

### Understanding of long-term care options





*"I've prepared for this. I'm enjoying retirement and try to give back as much as I can."*

**CURRENT AGE** 72 years  
**AGE STARTED SAVING** 31 years  
**RETIREMENT AGE** 60.9 years  
**RETIREMENT SAVINGS** \$1M

Analytical

Organized

Generous

Conservative

Highest education

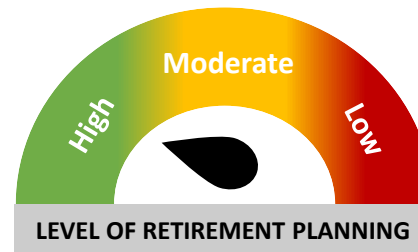
Highest income

## Optimistic Planner

# Thomas

### About

Thomas is a numbers guy. He has always taken ownership of his finances and actively planned for retirement with the help of his long-time financial advisor. Thomas and his wife have set aside inheritance funds for each of their children and grandchildren and know their retirement savings will exceed their needs. He tries to keep his mind and body sharp by golfing regularly and volunteering as a statistics tutor.



### Goals

- Maintain wealth
- Protect family
- Enjoy leisure
- Stay healthy



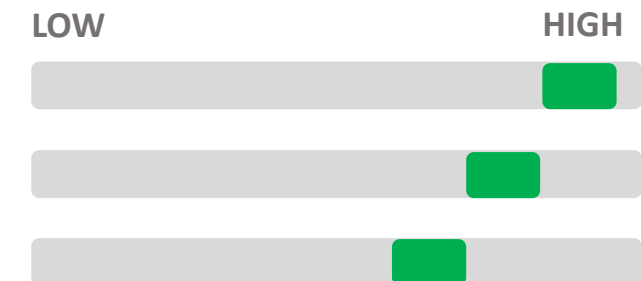
### Needs

- Wealth management
- Tax and estate planning
- International health coverage
- Long-term care education

Financial Preparedness for Retirement

Understanding of health care options

Understanding of long-term care options





## Lost Struggler

# Joyce

### About

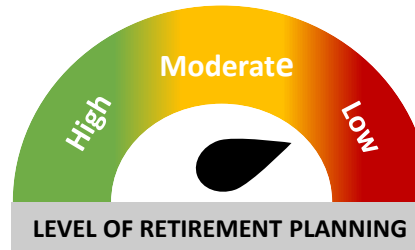
Joyce prides herself on hard work and independence. She misses her “work life” and isn’t quite sure who she is as a retiree. Joyce deals with a variety of health issues that limit her ability to stay as active as she’d like. She knows the stress of taking care of aging parents and hates the idea of being a burden on her own children in the future. Joyce faces financial hardship, has little discretionary income, and does not have a history of retirement planning. She worries she won’t be able to support herself throughout retirement and is considering going back to work part-time.

*“I’m surprised at how hard of an adjustment this has been. I miss the old me.”*

CURRENT AGE	70 years
AGE STARTED SAVING	32 years
RETIREMENT AGE	60.5 years
RETIREMENT SAVINGS	\$503K

Independent    Anxious    Pessimistic

Divorced    Lowest Retirement Savings



### Goals

- Build income and savings
- Improve health
- Spend time with family
- Find purpose



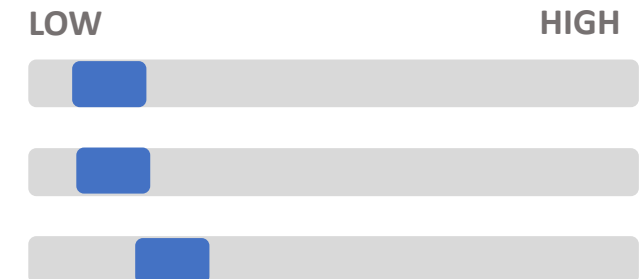
### Needs

- Financial advisory
- Emotional support
- Affordable health care options
- Long-term care education

Financial Preparedness for Retirement

Understanding of health care options

Understanding of long-term care options





*"I'm grateful for the career I've had but do not miss working!"*

**CURRENT AGE** 74 years  
**AGE STARTED SAVING** 34 years  
**RETIREMENT AGE** 61.5 years  
**RETIREMENT SAVINGS** \$705K

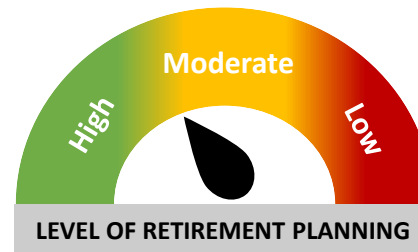
Relaxed Fun-loving Hands-off  
Single Adventurous

## Spontaneous Freedom-Seeker

# Scott

### About

Scott savors the freedom of retirement and despite some financial limitations has no intention of ever working again. Scott now realizes that he could have started saving for retirement earlier, but he isn't one to worry – life's too short, and he'd rather focus on his upcoming fishing trip with the guys than strategize how to grow his nest egg. Scott doesn't want to get bogged down in details and is happy to let someone else manage his finances and health care for him.



### Goals

- Enjoy retirement
- Stay fit and active
- Stay independent



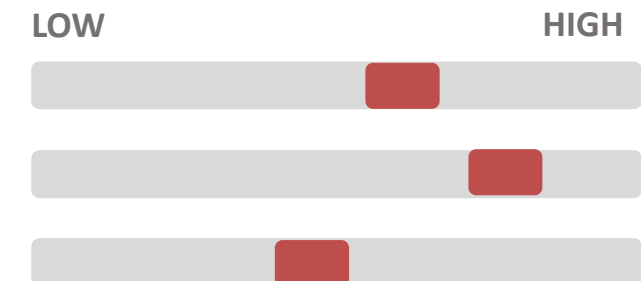
### Needs

- Financial management
- Concierge-level services
- Strong Rx coverage
- Long-term care education

Financial Preparedness for Retirement

Understanding of health care options

Understanding of long-term care options





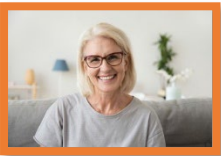
# Retirement Attitudes

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# Meaning of Retirement

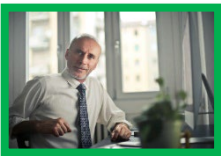
**Lost Strugglers** have the most negative viewpoint on retirement.



## Health-Conscious Spenders

MORE LIKELY to define retirement as...

More time for hobbies	39%
Time to indulge myself	27%
Increased concern and attention to health	26%
Need to work part-time	5%



## Optimistic Planners

MORE LIKELY to define retirement as...

Time of leisure	62%
More time with family	50%
More time for hobbies	46%
More opportunity for socialization	18%



## Lost Strugglers

MORE LIKELY to define retirement as...

Chance to use hobbies and creativity to earn money	15%
Less interaction with other people	14%
End of my productive years	10%
Boredom	8%
Financial hardship	9%



## Spontaneous Freedom-Seekers

MORE LIKELY to define retirement as...

Time of leisure	65%
Fewer obligations	40%
Time to stop working completely	37%
Time to indulge myself	32%

# Feelings About Retirement

Across segments, retirees most strongly agree it is important to *keep the mind and body active* and to *make sure their estate is in order*. Agreement with other retirement statements varies



## HEALTH-CONSCIOUS SPENDER

- Engages in specific hobbies
- Plans to travel
- Sometimes feels lack of control over direction life is headed



## OPTIMISTIC PLANNER

- Plans carefully for the future
- Feels best days are ahead
- Engages in specific hobbies
- Actively worked toward saving for retirement, stayed/ahead of schedule
- Understands money needed for retirement



## LOST STRUGGLER

- Job was important to identity
- Expects to outlive retirement savings
- Didn't spend much time thinking about retirement ahead
- Anxious about health
- Feels lack of control over life



LUKEWARM ATTITUDES  
TOWARDS NEARLY ALL  
RETIREMENT ATTRIBUTES

## SPONTANEOUS FREEDOM-SEEKER

- Retirement age was self determined
- Has a strong social network



# Retirement Concerns

Across retirees, *staying healthy enough to enjoy retirement* is the top overall concern. Other concerns vary somewhat by segment.



! MOST CONCERNS



HEALTH-CONSCIOUS  
SPENDERS



HEALTH CARE COSTS • HAVING ENOUGH MONEY  
TO DO WHAT I WANT • CHOOSING AMONG  
HEALTH CARE OPTIONS

41%  
FEEL THEY HAVE SAVED  
LESS THAN WHAT  
THEY'LL NEED

FEWEST CONCERNS

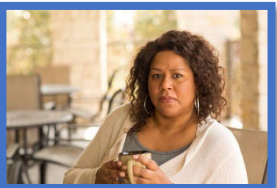


OPTIMISTIC  
PLANNERS



TAXES • STAYING ENGAGED WITH FAMILY &  
FRIENDS • LEAVING SOMETHING TO FAMILY

55%  
FEEL THEY HAVE SAVED  
MORE THAN WHAT  
THEY'LL NEED



LOST  
STRUGGLERS



OUTLIVING RETIREMENT SAVINGS

38%  
FEEL THEY HAVE SAVED  
LESS THAN WHAT  
THEY'LL NEED



SPONTANEOUS  
FREEDOM-SEEKERS



NOT BEING ABLE TO CARE FOR SELF LONG-TERM  
• BEING BORED

41%  
FEEL THEY HAVE SAVED  
ABOUT WHAT THEY  
WILL NEED



# Financial Planning

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# Retirement Stats (Averages)



**Optimistic Planners** are best positioned, financially, for retirement.



**HEALTH-CONSCIOUS  
SPENDERS**



**OPTIMISTIC  
PLANNERS**



**LOST  
STRUGGLERS**



**SPONTANEOUS  
FREEDOM-SEEKERS**

*Age started saving for retirement*

**33**

**31**

**32**

**34**

*Age of retirement*

**59.9**

**60.9**

**60.5**

**61.5**

*Retirement Savings*

**\$567K**

**\$1M**

**\$503K**

**\$705K**

*Annual HH income at Retirement*

**\$77K**

**\$104K**

**\$75K**

**\$82K**

*Have no significant debt*

**46%**

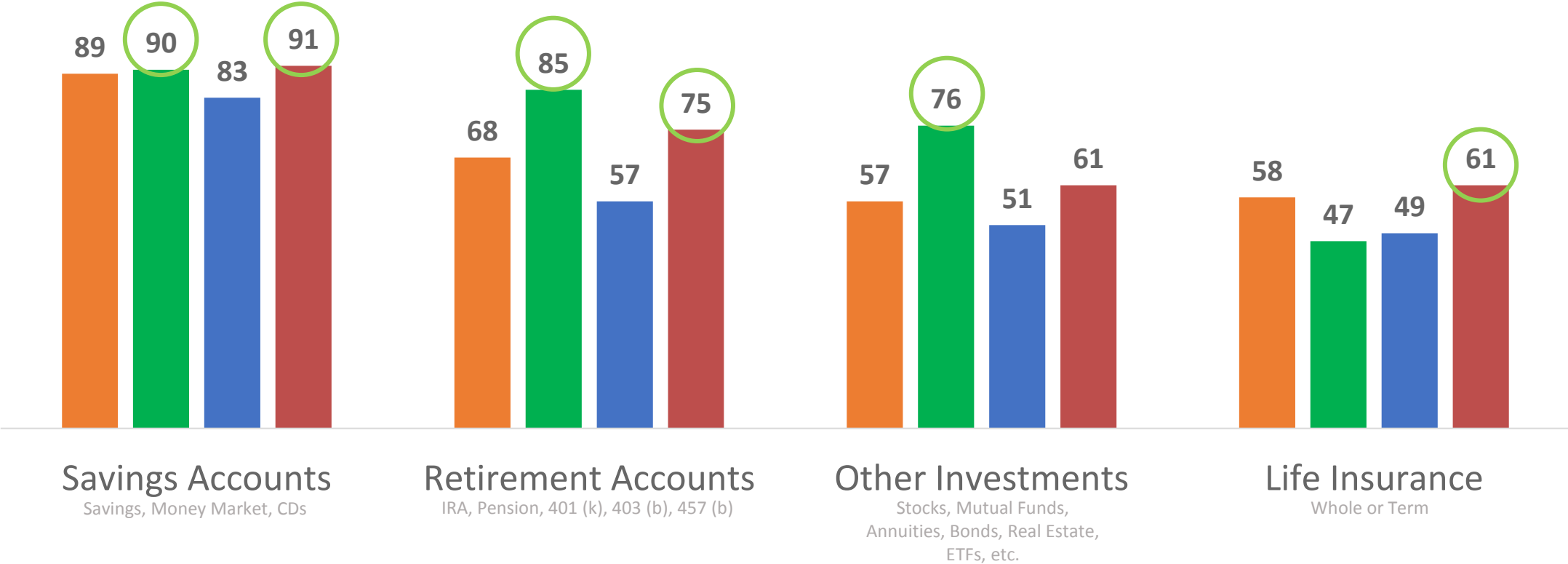
**62%**

**47%**

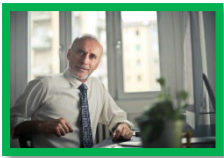
**57%**

# Products Owned (%)

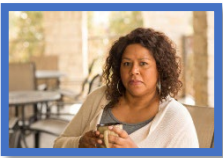
**Optimistic Planners** and **Spontaneous Freedom-Seekers** are most likely to own financial products.



**HEALTH-CONSCIOUS  
SPENDERS**



**OPTIMISTIC  
PLANNERS**



**LOST  
STRUGGLERS**



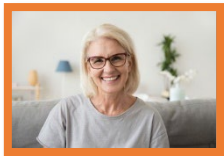
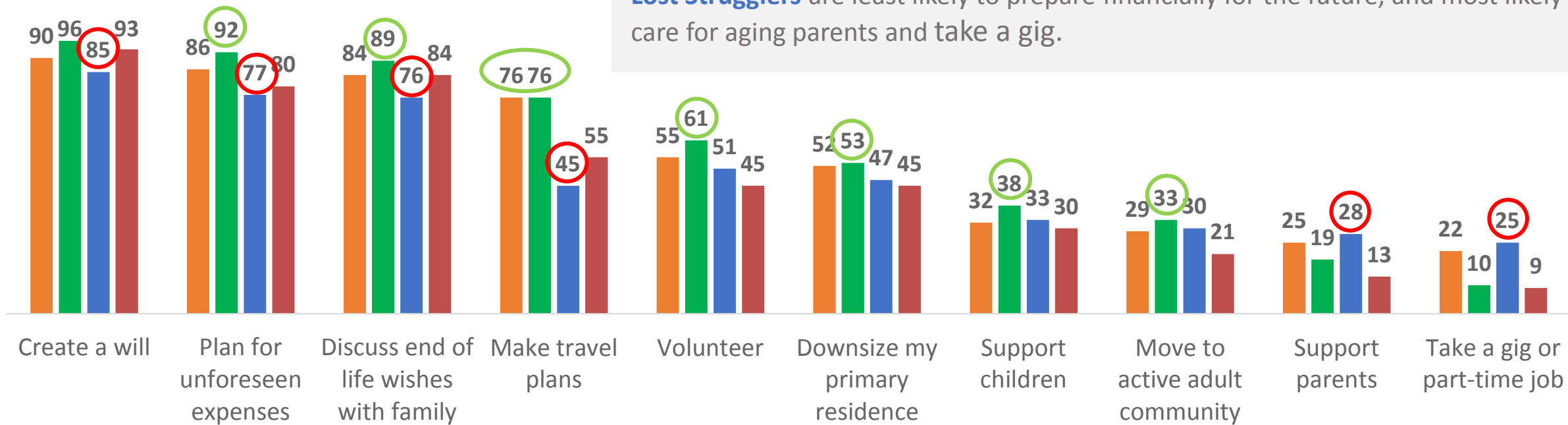
**SPONTANEOUS  
FREEDOM-SEEKERS**

# Financial Actions Taken or Planned (%)

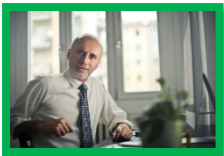


**Optimistic Planners** take many financial actions to prepare for the future.

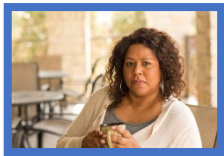
**Lost Strugglers** are least likely to prepare financially for the future, and most likely to care for aging parents and take a gig.



HEALTH-CONSCIOUS SPENDERS



OPTIMISTIC PLANNERS



LOST STRUGGLERS



SPONTANEOUS FREEDOM-SEEKERS

# Financial Focus



**Optimistic Planners** are most likely to work with an advisor and have a retirement strategy. **Spontaneous Freedom-Seekers** are *least* likely to have a strategy.



HEALTH-CONSCIOUS SPENDERS



OPTIMISTIC PLANNERS



LOST STRUGGLERS



SPONTANEOUS FREEDOM-SEEKERS

*Work with Financial Advisor*



*Pay a lot of attention to investments*

51%

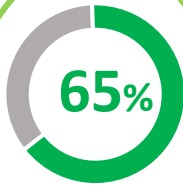
*Have a strategy for spending retirement savings*

57%

*Spending retirement savings faster / slower / as expected*

+      -      =

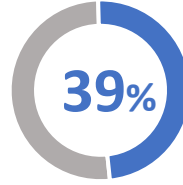
19% / 37% / 43%  
+      -      =



54%

85%

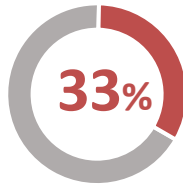
4% / 47% / 49%  
+      -      =



40%

51%

20% / 24% / 56%  
+      -      =



43%

19%

8% / 44% / 48%  
+      -      =



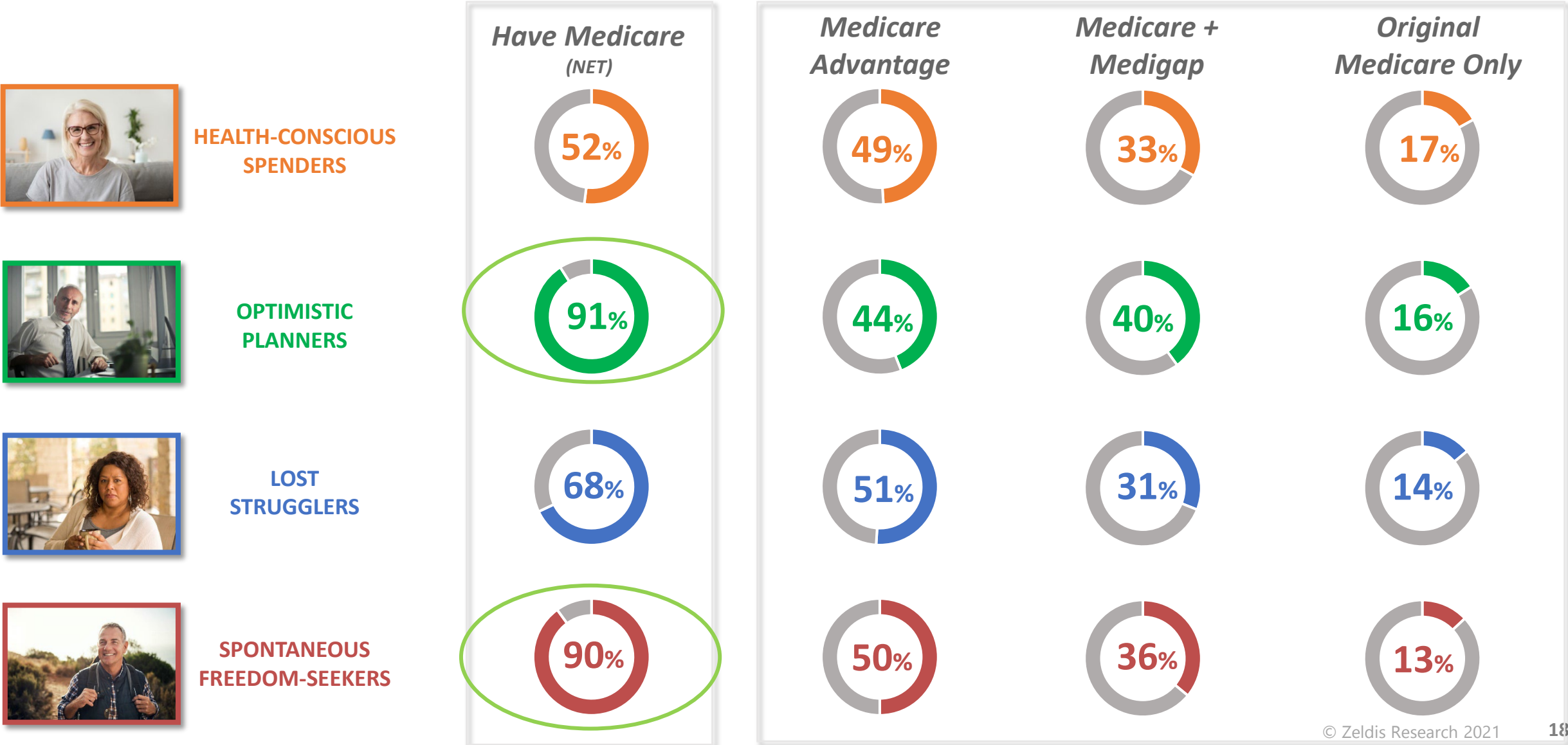


# Medicare

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# Medicare Ownership

Optimistic Planners and Spontaneous Freedom-Seekers are most likely to have Medicare.

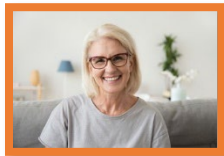


# Medicare Misconceptions

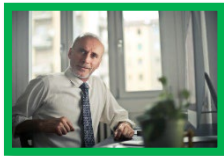


Lost Strugglers are the most misinformed about Medicare.

## TRUE/FALSE QUIZ (% ANSWERED INCORRECTLY)



HEALTH-CONCIOUS SPENDERS



OPTIMISTIC PLANNERS



LOST STRUGGLERS



SPONTANEOUS FREEDOM-SEEKERS

Medicare includes hearing and vision coverage (FALSE)\_

28%

24%

28%

25%

Medicare includes LTC coverage (FALSE)\_\_\_\_\_

17%

9%

17%

11%

Medicare offers family plans (FALSE)\_\_\_\_\_

9%

10%

16%

10%

It is important to include Medicare costs when planning for retirement (TRUE)\_\_\_\_\_

9%

7%

19%

8%

Once a person enrolls in Medicare, the coverage and costs will not change (FALSE)\_\_\_\_\_

6%

6%

14%

10%

# Medicare Misconceptions

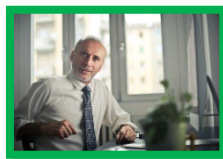


**Lost Strugglers** are least likely to correctly identify the parts of Medicare.

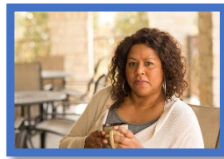
## IDENTIFYING THE PARTS OF MEDICARE (% MISIDENTIFIED)



HEALTH-CONSCIOUS  
SPENDERS



OPTIMISTIC  
PLANNERS



LOST  
STRUGGLERS



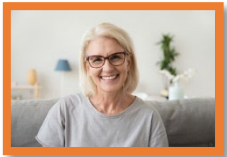
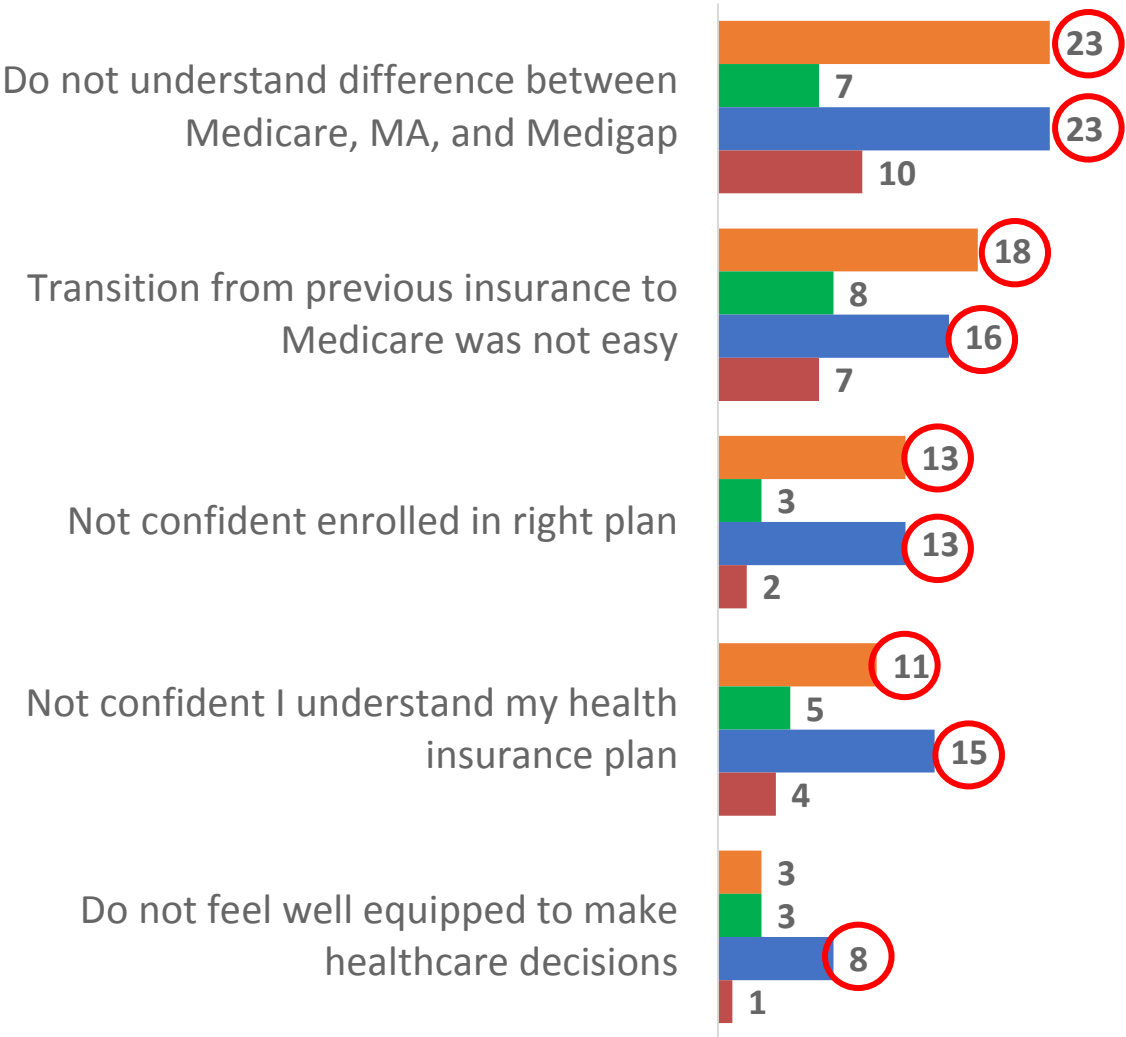
SPONTANEOUS  
FREEDOM-SEEKERS

Part A = Hospital Coverage_____	59%	57%	64%	60%
Part B = Medical Coverage_____	70%	68%	75%	71%
Part C = Medicare Advantage_____	37%	33%	42%	39%
Part D = Prescription Coverage_____	32%	17%	36%	22%

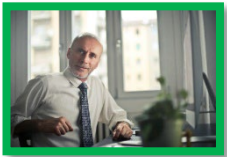


# Medicare Concerns

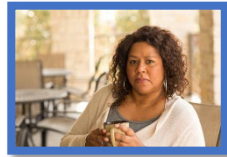
**Health-Conscious Spenders** and **Lost Strugglers** lack confidence and knowledge towards Medicare and health insurance plans.



**HEALTH-CONSCIOUS SPENDERS**



**OPTIMISTIC PLANNERS**



**LOST STRUGGLERS**



**SPONTANEOUS FREEDOM-SEEKERS**

# Medicare Shopping



**Optimistic Planners** are most likely to research and shop multiple Medicare plans.  
**Spontaneous Freedom-Seekers** are *least* likely to research/shop.

**Lost Strugglers** are most likely to switch Medicare plans at the next open enrollment.



## Age 64-65

Start exploring Medicare plan options  
(little variation by segment)

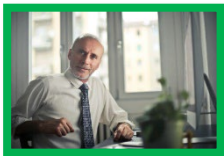


**Medicare.gov,  
Health insurance  
companies, Brokers**

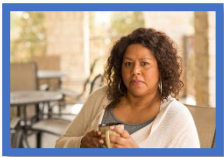
Top information sources  
(little variation by segment)



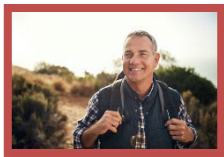
**HEALTH-CONSCIOUS  
SPENDERS**



**OPTIMISTIC  
PLANNERS**



**LOST  
STRUGGLERS**



**SPONTANEOUS  
FREEDOM-SEEKERS**

*Research/shop  
multiple plans*

**36%**

*May switch  
plans*

**13%**

**37%**

**7%**

**30%**

**24%**

**25%**

**9%**

# Top Reasons for Selecting Medicare Plan (%)



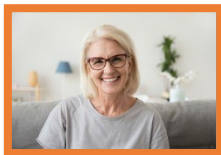
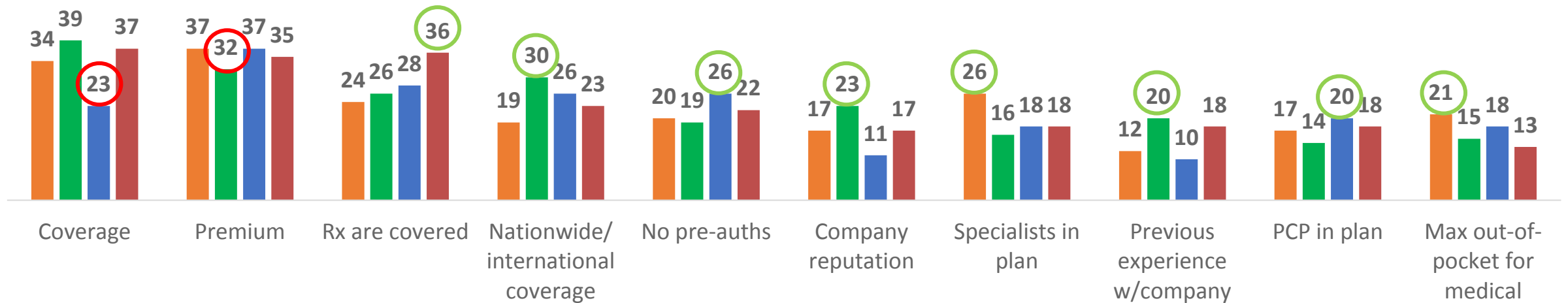
Certain criteria are more important to certain retiree segments:

**Health-Conscious Spenders** = specialists in plan, max-out of pocket for medical

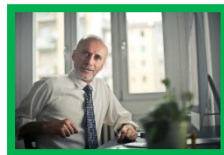
**Optimistic Planners** = nationwide/international coverage, company reputation, previous experience (least focused on premium)

**Lost Strugglers** = no pre-authorizations, PCP in plan (least focused on coverage)

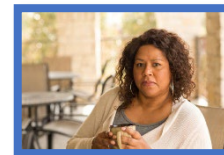
**Spontaneous Freedom-Seekers** = prescriptions are covered, previous experience with company



**HEALTH-CONSCIOUS  
SPENDERS**



**OPTIMISTIC  
PLANNERS**



**LOST  
STRUGGLERS**



**SPONTANEOUS  
FREEDOM-SEEKERS**



# Long-Term Care

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# LTC Familiarity and Ownership

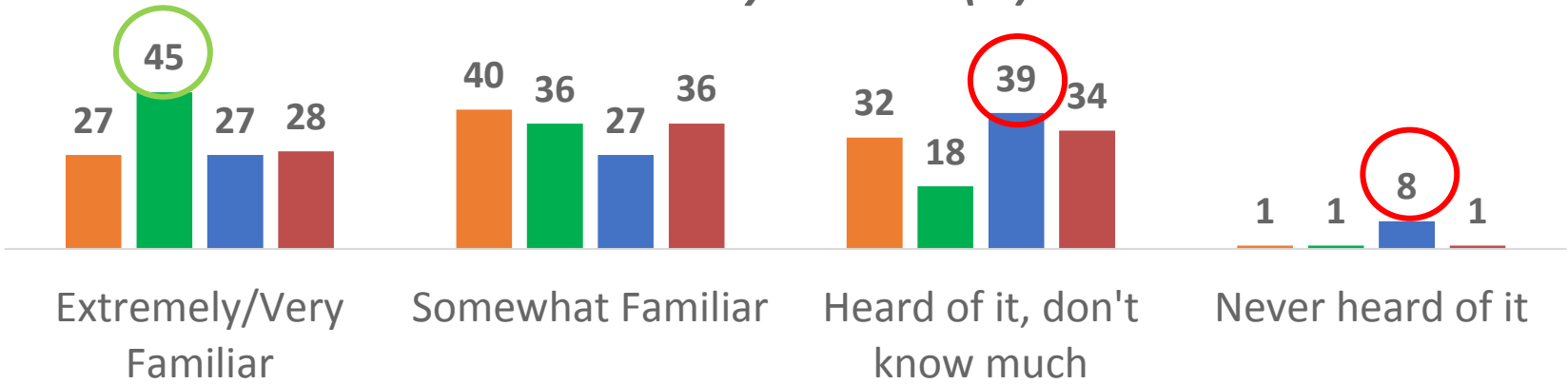


**Optimistic Planners** are most familiar with LTC products and most likely to own LTC insurance.

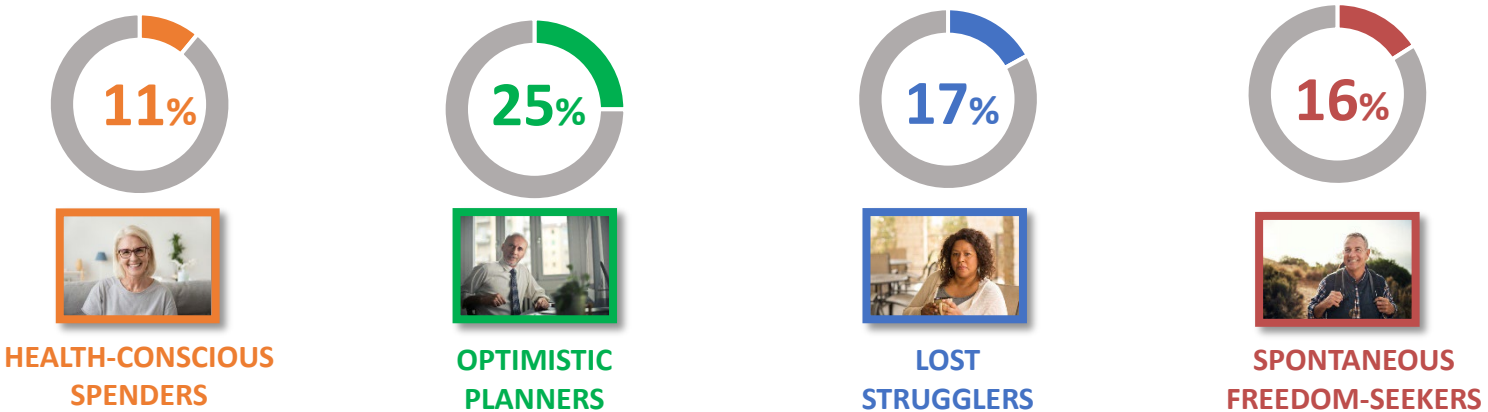
**Health-Conscious Spenders** are familiar with LTC products, but are least likely to own LTC insurance.

**Lost Strugglers** have the lowest familiarity, but second highest ownership rate.

Familiarity with LTC (%)



Own LTC Insurance



# LTC Quiz (% ANSWERED INCORRECTLY)

All retirees lack LTC knowledge, especially **Lost Strugglers**. **Spontaneous Freedom-Seekers** are most knowledgeable.



HEALTH-CONCIOUS  
SPENDERS



OPTIMISTIC  
PLANNERS



LOST  
STRUGGLERS



SPONTANEOUS  
FREEDOM-SEEKERS

Which is closest to the average annual cost for a private room in a nursing home facility?\*

- a. \$60,000    ☒ c. \$100,000  
b. \$80,000    d. \$120,000

76%

76%

86%

75%

Which is closest to the average annual cost of a home health aide to provide long-term care in your home?\*

- ☒ a. \$50,000    c. \$90,000  
b. \$70,000    d. \$110,000

58%

61%

58%

48%

When someone needs long term care, which is closest to the average length of time someone needs care?\*

- a. <1 year    ☒ c. 3.5 years  
b. 2 years    d. 5 years

66%

61%

67%

61%

When you buy LTC insurance, which is usually true?

- a. Annual cost stays the same as long as you own the policy  
☒ b. Annual premiums can increase at any point, for any reason

40%

37%

47%

42%

When you buy LTC insurance, which is usually true?

- ☒ a. If you do not ever need to use the coverage, you lose all of the money paid into the policy  
b. If you do not ever need to use the coverage, all or part of the premium you paid is returned

25%

26%

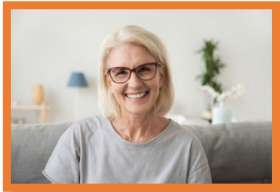
30%

21%

# Barriers to Purchasing LTC



For most, **cost** is the key barrier to purchasing LTC products. Other barriers that stand out for each segment include:



HEALTH CONSCIOUS  
SPENDERS

=

OTHER FINANCIAL NEEDS TAKE PRIORITY • DON'T KNOW WHAT TYPE OF  
COVERAGE IS AVAILABLE • DON'T KNOW WHO TO SPEAK TO ABOUT LTC

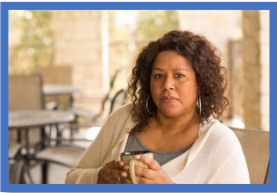
COST IS LESS OF A BARRIER



OPTIMISTIC  
PLANNERS

=

WILL USE SAVINGS TO FUND LONG-TERM CARE IF NEEDED • ADVISOR  
HAS NOT MENTIONED LTC



LOST  
STRUGGLERS

=

LTC IS TOO DEPRESSING TO THINK ABOUT



SPONTANEOUS  
FREEDOM-SEEKERS

=

N/A

# Perceived Benefits of LTC



All retirees list *peace of mind, not burdening children, maintaining assets*, and *ensuring needed care* among the top benefits of LTC products. Beyond that, most segments see some additional, unique benefits:

SEE THE MOST BENEFIT



HEALTH CONSCIOUS  
SPENDERS



DO NOT HAVE CHILDREN OR SPOUSE TO CARE FOR ME IF NEEDED

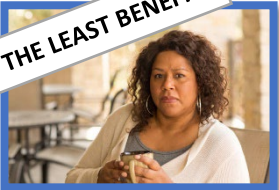


OPTIMISTIC  
PLANNERS



CONTROL WHERE I RECEIVE CARE • MAINTAIN ASSETS TO PASS ON TO BENEFICIARIES • OBTAIN ADVANTAGEOUS PRICING BY PURCHASING AT YOUNGER AGE

SEE THE LEAST BENEFIT



LOST  
STRUGGLERS



No unique benefits perceived to LTC



SPONTANEOUS  
FREEDOM-SEEKERS



MAINTAIN DIGNITY AND CONTROL OF MY OWN CARE



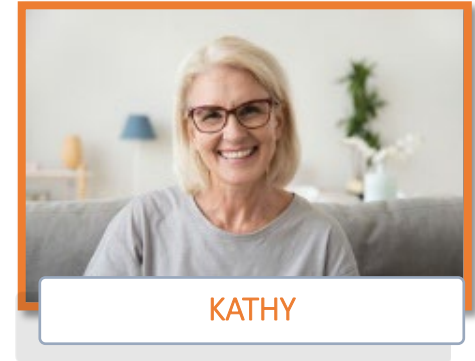
# Messaging Strategy

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# Messaging Strategy for Health-Conscious Spenders



- *Liberal values (if they align with your brand)*
- *Retirement as a time of activity and fun*
- *Healthy habits*
- *Maximizing retirement savings - saving money, earning extra income*
- *Appeal to her personality with cheerful, positive messaging*
- *Value of Financial Advisor to support and educate*
- *Medicare and health care education and assistance*
- *Affordable health care out-of-pocket costs, availability of specialty providers*
- *LTC education (what kind of coverage is available, who to talk to)*



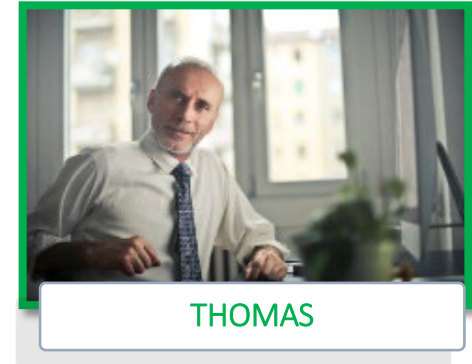
KATHY



# Messaging Strategy for Optimistic Planners



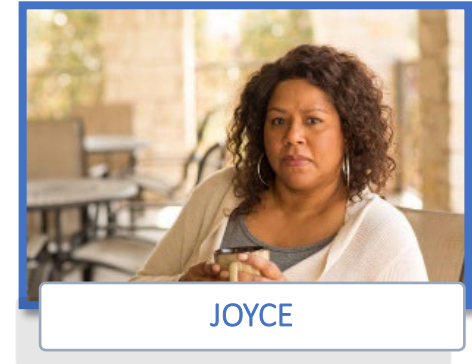
- *Conservative values (if they align with your brand)*
- *Retirement as a time to spend time with family and give back*
- *Wealth management, including investments and tax and inheritance planning*
- *Financial Advisors as a trusted partner*
- *Appeal to his analytical side with facts and figures*
- *Strong brand reputation*
- *International/nationwide health coverage*
- *LTC education (how much self-funding can really cost you)*



# Messaging Strategy for Lost Strugglers



- *Recognition that retirement can be challenging, stressful*
- *Managing mental and physical health*
- *Caregiving to aging parents*
- *Growing retirement savings and income*
- *Reassure her with messages of support, assistance, solutions*
- *Value of Financial Advisor to help build savings*
- *Medicare and health care educational support – support with plan shopping*
- *Easy health coverage (no pre-auths), no need to switch PCP*
- *LTC education (benefits of purchasing)*



JOYCE

# Messaging Strategy for Spontaneous Freedom-Seekers



- *Freedom, flexibility*
- *Retirement as a time to enjoy the rewards of your working years*
- *Appeal to his easy-going, relaxed nature with messaging that communicates a lack of time and work (on his part)*
- *Value of retirement and investments – making his money work for him*
- *Value of Financial Advisors – to do the work for him*
- *Value of health insurance brokers – to make the choice for him*
- *Prescription coverage*
- *LTC education (to maintain your dignity and independence)*



# Appendix

*-- Detailed Product Ownership --*

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# Detailed Product Ownership

**Optimistic Planners** and **Spontaneous Freedom-Seekers** are most likely to own financial products.



	HEALTH-CONSCIOUS SPENDERS	OPTIMISTIC PLANNERS	LOST STRUGGLERS	SPONTANEOUS FREEDOM-SEEKERS
<u>Savings Accounts (Net)</u>	<u>89%</u>	<u>90%</u>	<u>83%</u>	<u>91%</u>
Savings	83%	80%	70%	83%
Money Market	27%	46%	23%	37%
CDs	17%	30%	20%	30%
<u>Retirement Accounts (Net)</u>	<u>68%</u>	<u>85%</u>	<u>57%</u>	<u>75%</u>
IRA	47%	68%	39%	56%
Pension	40%	43%	27%	46%
401 (k)	21%	25%	15%	19%
403 (b)	4%	4%	8%	5%
457 (b)	1%	2%	2%	1%
<u>Other Investments (Net)</u>	<u>57%</u>	<u>76%</u>	<u>51%</u>	<u>61%</u>
Stocks	29%	49%	28%	37%
Mutual Funds	29%	44%	23%	37%
Annuities	17%	31%	19%	25%
Bonds	13%	24%	12%	17%
Real Estate	9%	13%	6%	14%
ETFs	8%	16%	9%	7%
Alternative Investments	1%	1%	--	1%
<u>Life Insurance (Net)</u>	<u>58%</u>	<u>47%</u>	<u>49%</u>	<u>61%</u>
Permanent or whole life	34%	31%	32%	43%
Term life	24%	16%	17%	18%