



Nationwide®

December 2023

# Nationwide Peak Retirement Survey Insights Report



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is on your side

1000 Yard Street

# SURVEY METHODOLOGY



## Audiences

### **Main Sample: Retirement Age Americans**

*US residents, age 60 to 65, representative by:*

- Gender
- US region
- Educational attainment
- Household income
- Race/ethnicity

### **Oversamples: Diverse Cuts**

*Oversamples to achieve n=200 each of Black, Hispanic, and Asian qualifying respondents*



## Sample Size

**N=1,000**

**N=200/group**



## Methodology

**15-Minute  
Online Survey**



## Timing

**Survey Fielded  
November 2<sup>nd</sup> – 29<sup>th</sup>,  
2023**

# KEY FINDINGS

1

## Retirement: Expectation vs. Reality

Retirement age workers' expectations for retirement often do not match the reality of current retirees. On average, current workers want to retire at age 67 – but retirees report leaving the workforce an average of seven years earlier, at age 60. Retirees also report basic living expenses taking up more than half (53%) of their budgets, but workers expect these expenses to be just 42% on average.

2

## The current macroeconomic and government policy environments top retirement age Americans' list of concerns

When it comes to their retirement finances, inflation is the number one concern (90%) of Americans age 60 to 65. This is followed closely by worries about cuts to Social Security (84%) and Medicare or Medicaid (83%). Just 41% expect Social Security to exist in its current form for the full length of their retirement, and they report cuts to program benefits would have a serious impact on their financial stability.

3

## Many current retirees are considering returning to the workforce

One in 3 (33%) current retirees say they are planning or actively considering returning to work again. For many, this is a necessity – the top reason cited for returning to work is fear of running out of money (45%). Others, however, are looking to add structure (28%) and opportunities for socialization (31%) back to their daily routines. Current retirees aren't alone in these desires; many retirement age Americans, whether retired or still working, worry about finding meaning and fulfillment (39%) and being bored (36%) in retirement.

4

## Workers have the power to set themselves up for financial success in retirement

While inflation and government policy are out of most Americans' control, retirement age Americans say the actions that most improved their financial readiness for retirement are surprisingly simple. More than 8-in-10 say taking the following actions while working improved their readiness for retirement: working with a financial professional to make a plan (86%); starting to save before age 30 (83%); using your plan's auto-increase contribution option (81%); and maxing out retirement contributions (80%).

# Retirement Landscape

# Retirement age Americans retire an average of seven years earlier than planned

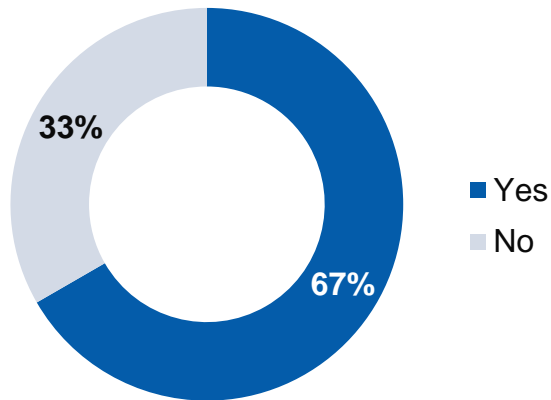
Not Currently Retired 

**67** Average age of planned retirement

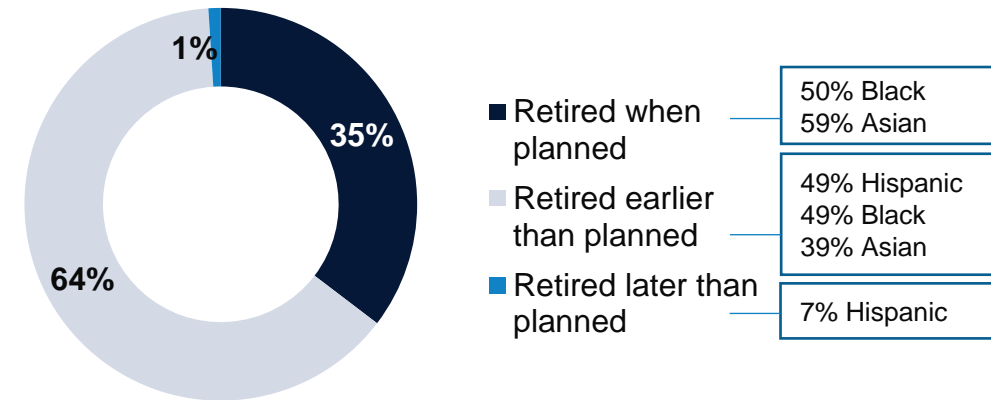
**60** Average age of retirement

 Currently Retired

**Currently on Track to Retire as Planned**  
(Shown: % Select)



**Actual Retirement Age Compared to Planned Age**  
(Shown: % Select)



Q1. Are you currently on track to retire when you planned to? Q2A. At what age do you plan to retire? Base Size: Not Currently Retired (n=496) Q3. Did you retire when you planned to? Q2B. At what age did you retire? Base Size: Retirees (n=432)

# Retirees are less financially comfortable in retirement than expected

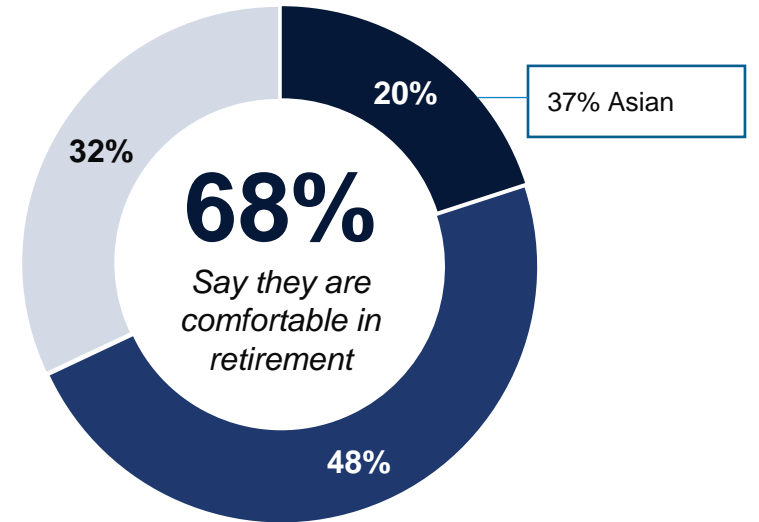
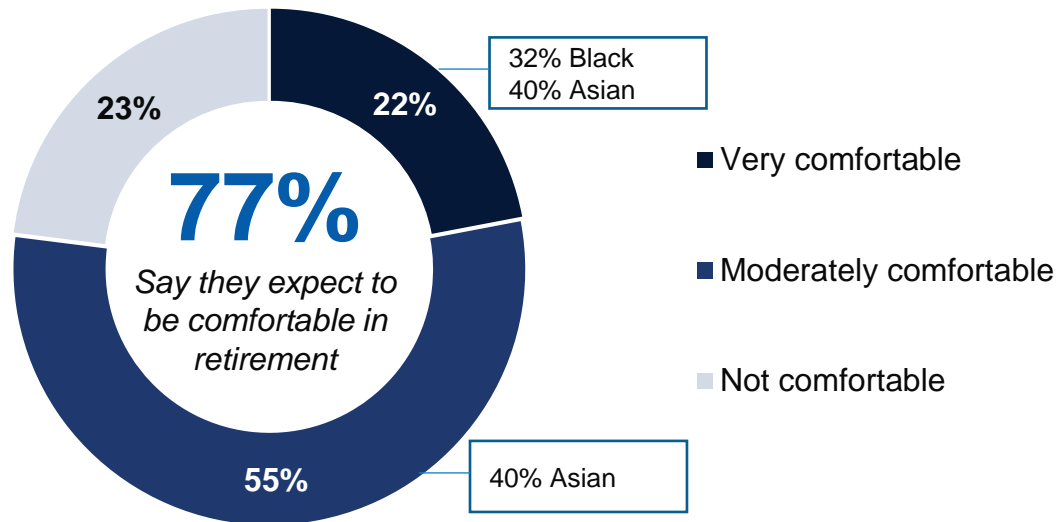
Almost a third, 32%, of retirees report not being financially comfortable.

Not Currently Retired 

 Currently Retired

## Financial Comfort / Financial Comfort in Retirement

(Shown: % Select, Top 2 Box, Middle Box, Bottom 2 Box)



- Very comfortable
- Moderately comfortable
- Not comfortable

Q7A. How financially comfortable do you expect to be in retirement? Base Size: Not Currently Retired (n=496) Q7B. How financially comfortable would you say you are in retirement? Base Size: Retirees (n=432) Shown: Very Comfortable (Extremely comfortable + Very comfortable), Moderately Comfortable, Not Comfortable (Not too comfortable + Not comfortable at all)

# Covering basic living expenses in retirement is more expensive than current workers think

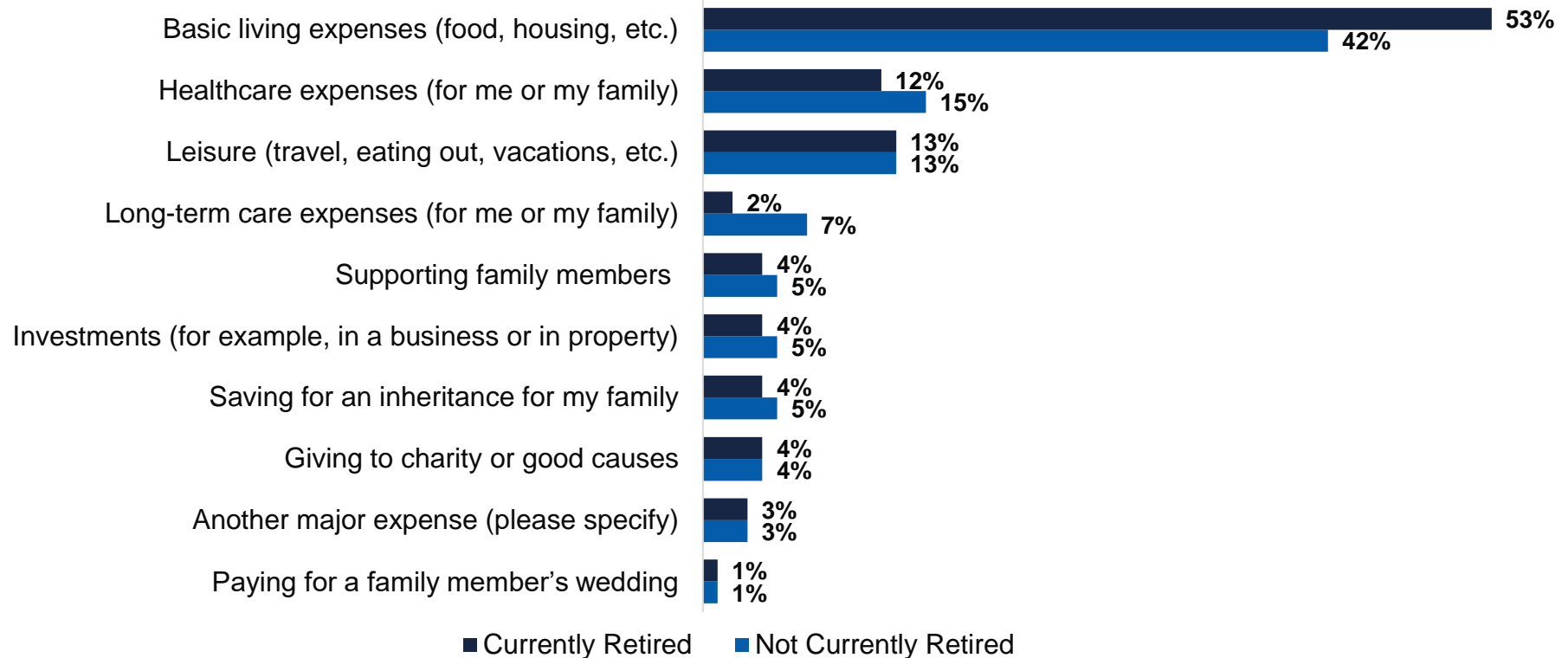
Current retirees report spending over half their retirement income on living expenses, with just 13% leftover for leisure.

Not Currently Retired 

 Currently Retired

## Distribution of Expenses by Percent of Retirement Income

(Shown: % Selected – Among Not Currently Retired: Expected distribution, Among Currently Retired: Actual distribution)



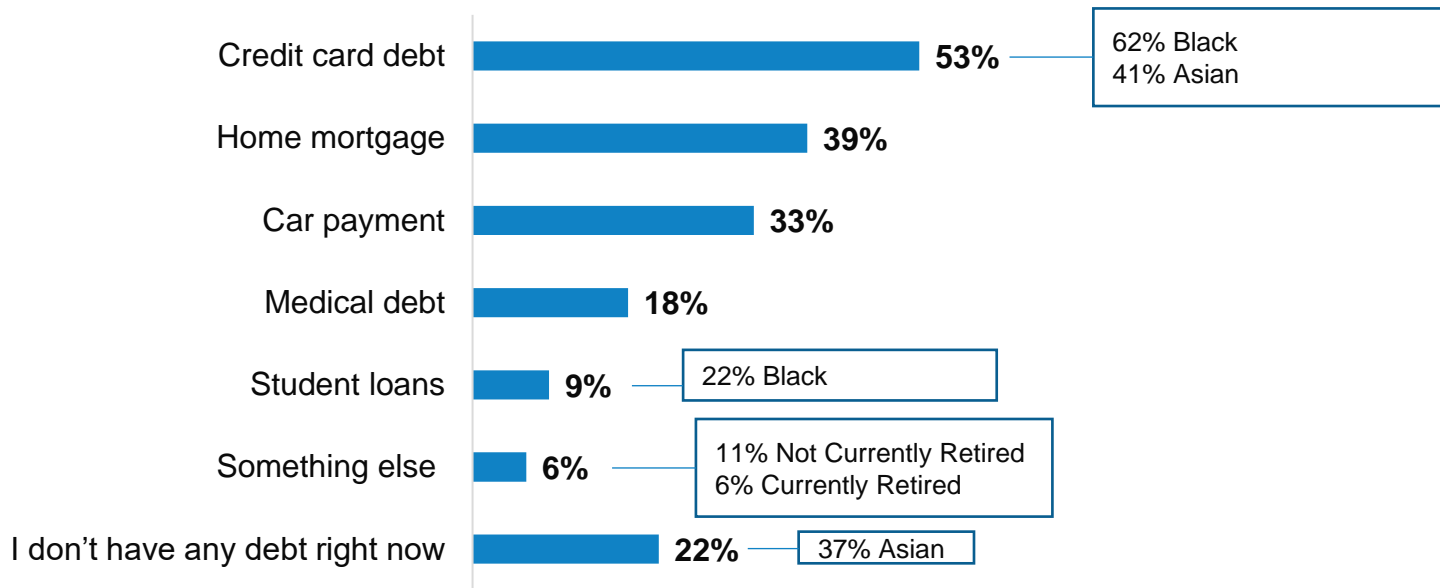
Q6A: What percent of your income during retirement do you expect to spend on each of the following types of expenses? Base Size: Not Currently Retired (n=496) Q6B: What percent of your income do you spend on each of the following types of expenses? Base Size: Retirees (n=432)

# Retirement age Americans carry about \$70,000 in debt on average, with credit card debt, home mortgages, and car payments the most common types

Total



**Type of Current Debt**  
(Shown: % Select)



**Average Amount of Current Debt**  
(Shown: Mean of Open-End Response)

**\$70,200**





# Most retirement age Americans are taking steps to reduce their debts

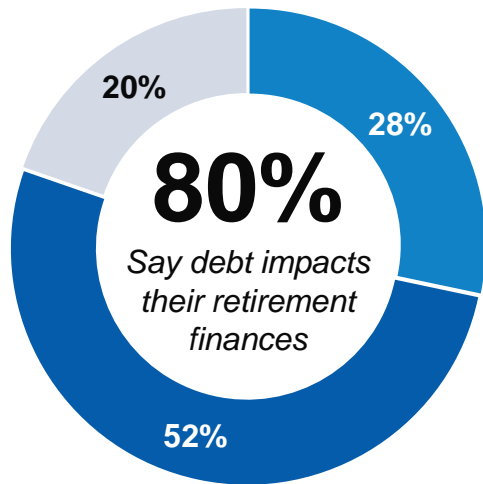
8 in 10 say their debt impacts their retirement finances.

Total



## Impact of Debt on Retirement Finances

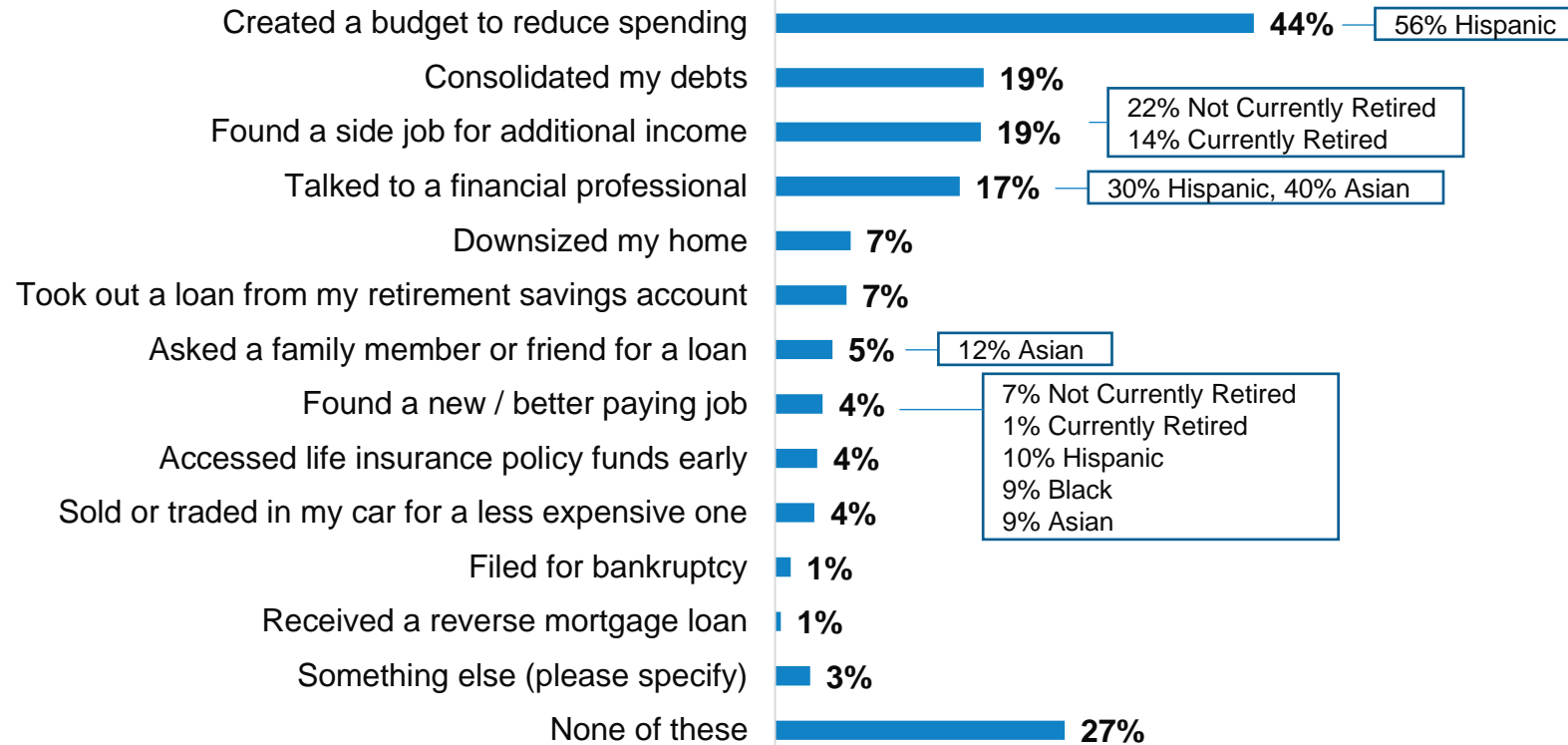
(Shown: % Select)



■ A lot ■ A little ■ None at all

## Actions Taken to Reduce Debt

(Shown: % Select)

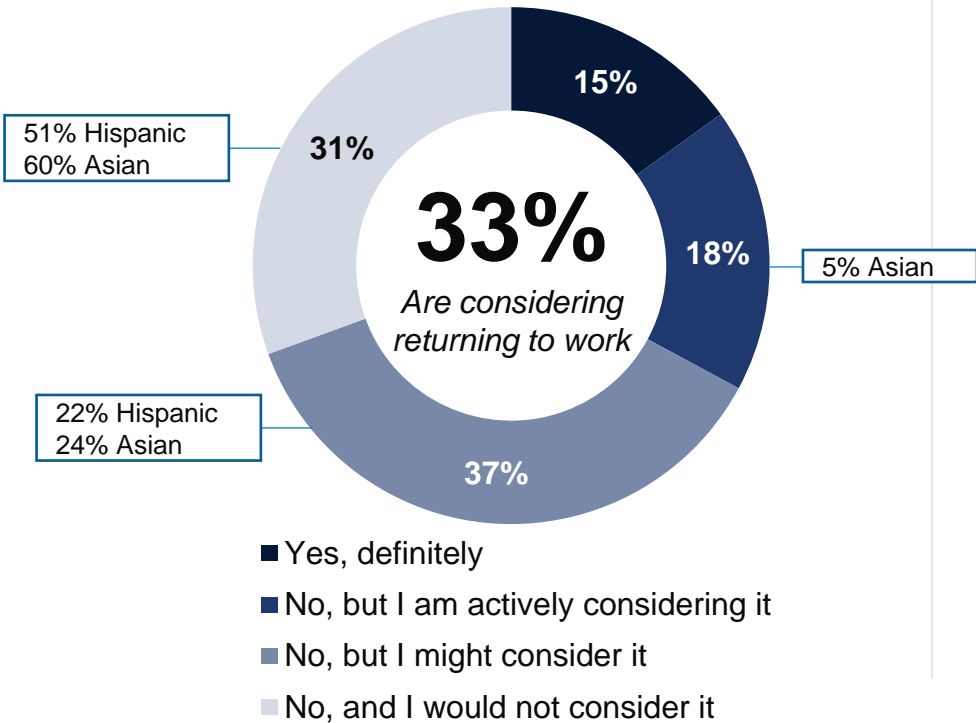


# One in three current retirees are considering returning to work

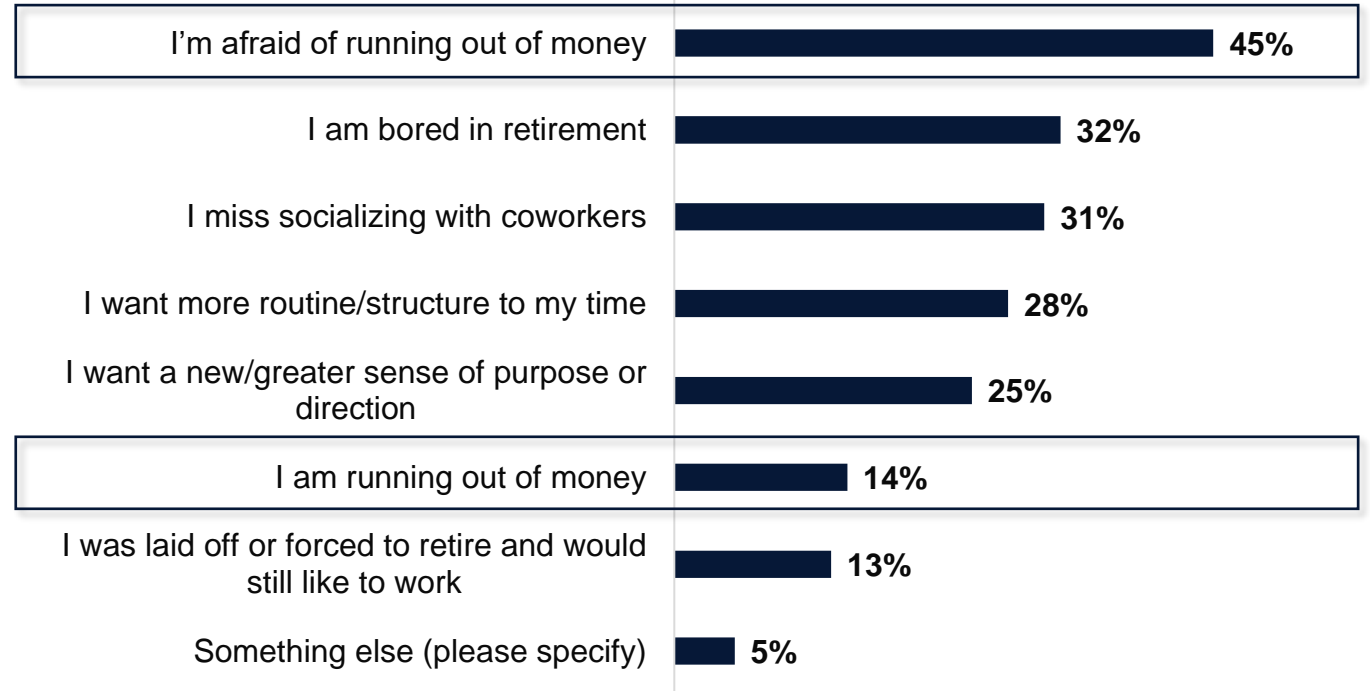
The top reasons for starting work again are fears of running out of money, alleviating boredom, and finding structure or opportunities for socialization.



**Plan to Start Working Again**  
(Shown: % Select – Among Currently Retired)



**Reasons for Considering Returning to Work**  
(Shown: % Select – Among Considering Returning)



Q4B. Some people retire and then after a while start working again, whether part-time or in a full-time second career. Do you have plans to start working again? Base Size: Retirees (n=432)

Q5B. Why are you planning or considering returning to work? Base Size: Retirees who are considering coming back to work (n=300)

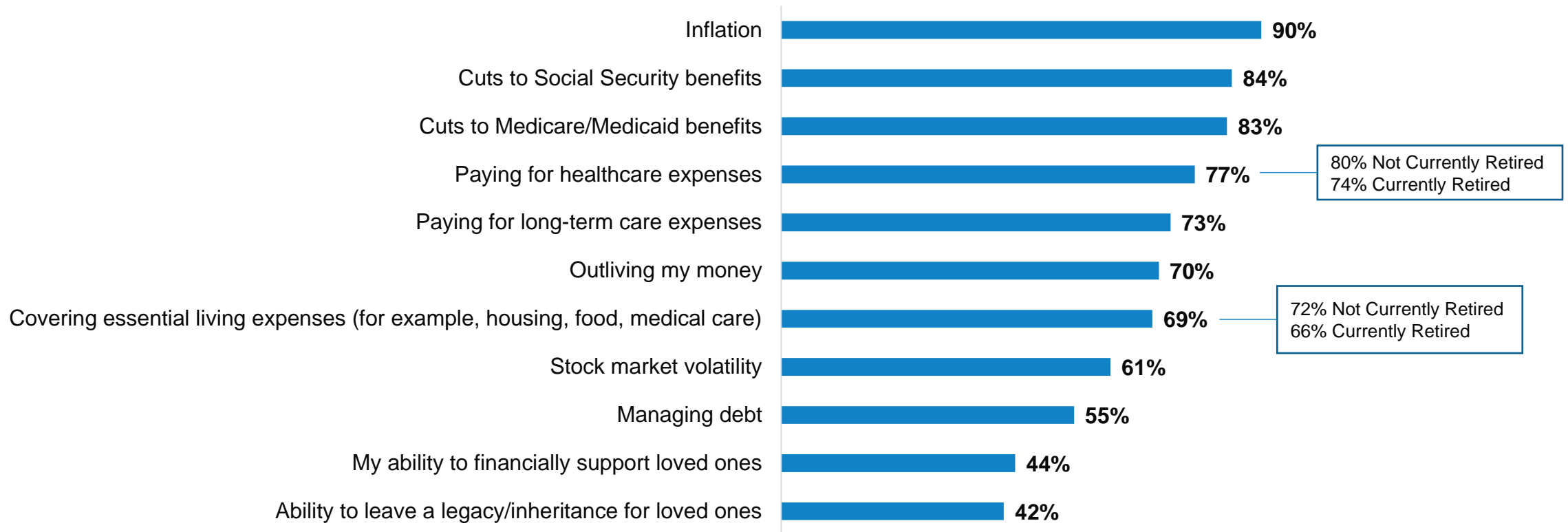
# Concern is highest about inflation and government benefit cuts

Total



## Retirement Finances Concerns

(Shown: T3B "Concerned")

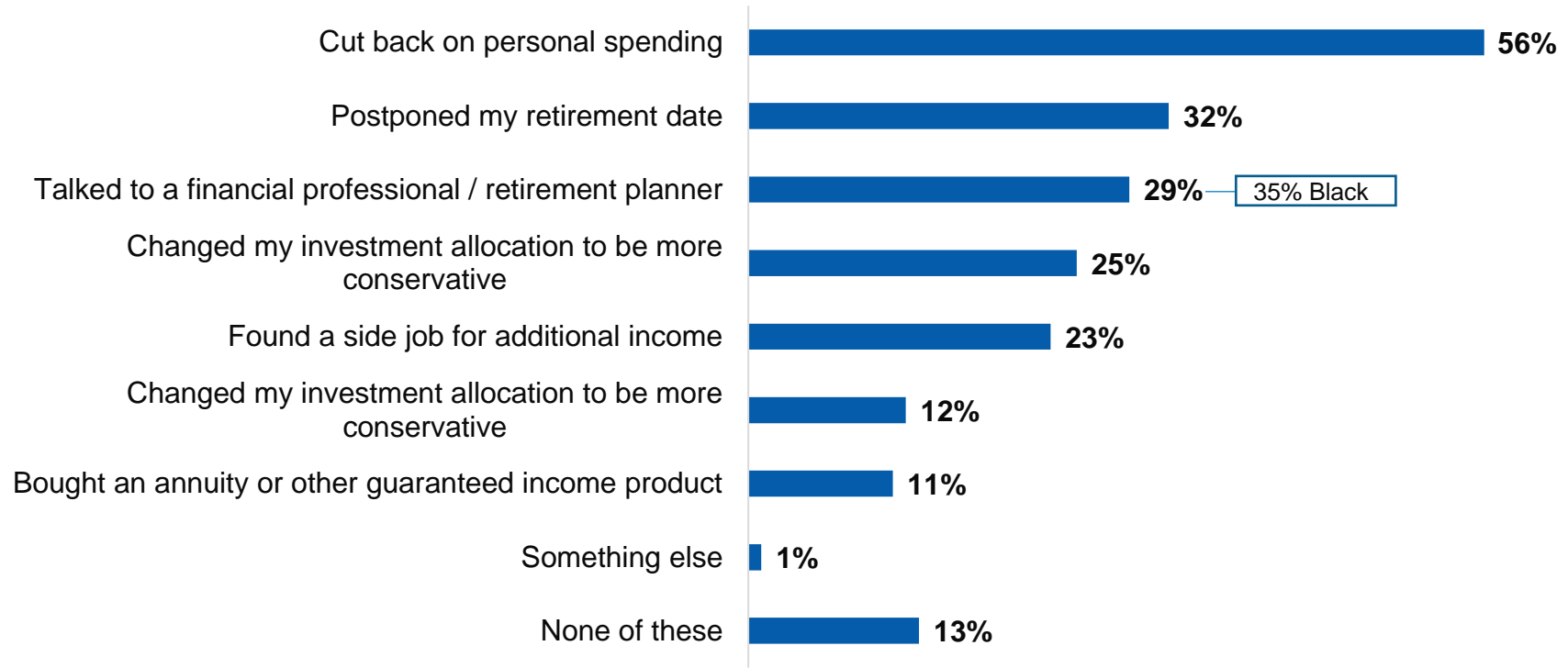


# A third of those still working have postponed their retirement date to protect their retirement investments against market volatility

Not Currently Retired 

## Actions to Protect Retirement Investments

(Shown: % Select – Among Not Currently Retired)



Q17: Have you taken any of the following actions in the past two years to protect your retirement investments against market volatility? Base Sizes: Not Currently Retired (n=496)

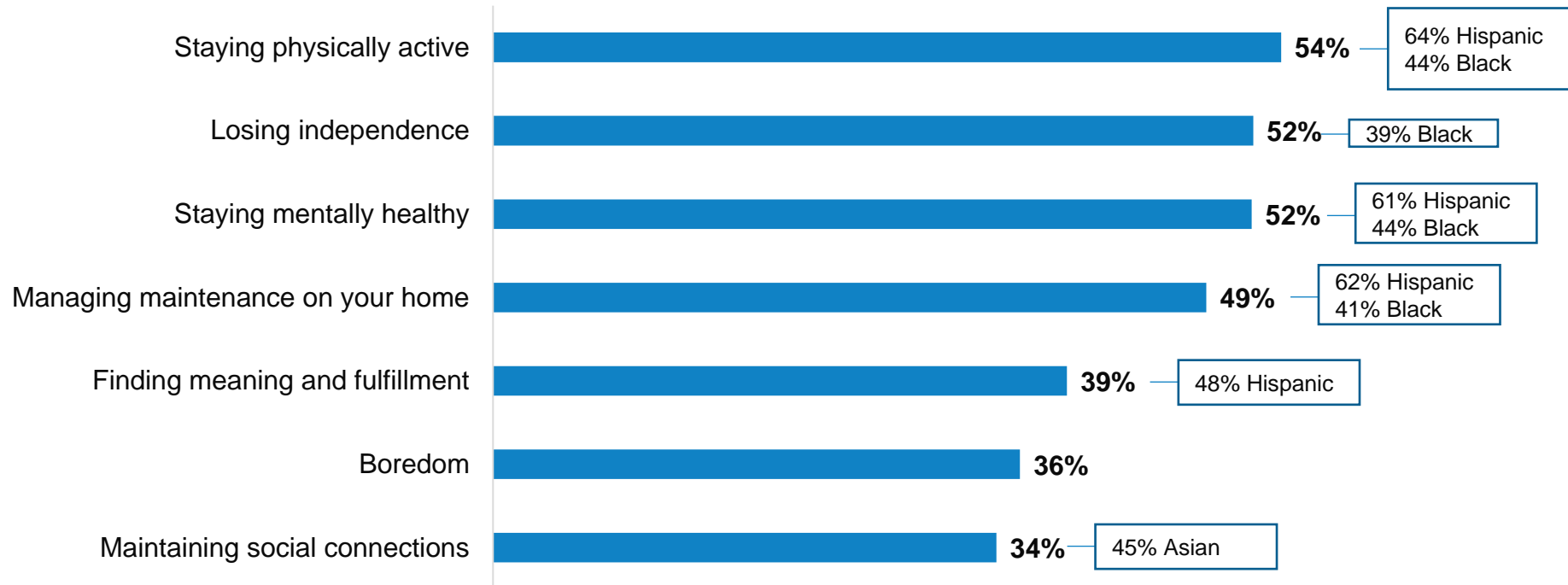
# Beyond finances, retirement age Americans are most concerned about staying physically and mentally healthy and independent

Almost half are concerned about managing home maintenance, and more than 1 in 3 worry about finding meaning, maintaining social connections, and alleviating boredom during retirement.

Total



## Concerns During Retirement (Shown: T3B 'Worried')



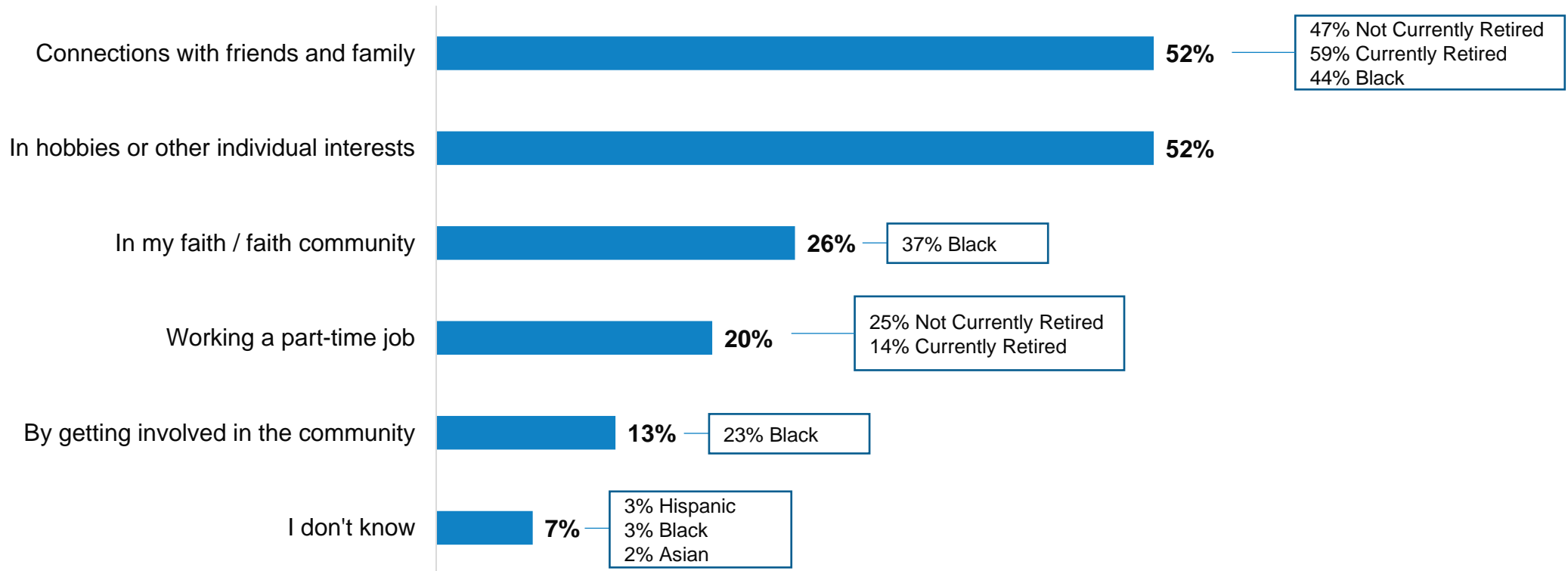
# Connections with loved ones and hobbies are top sources of meaning in retirement

Total



## Sources of Meaning in Retirement

(Shown: % Select)





# Preparing for Retirement

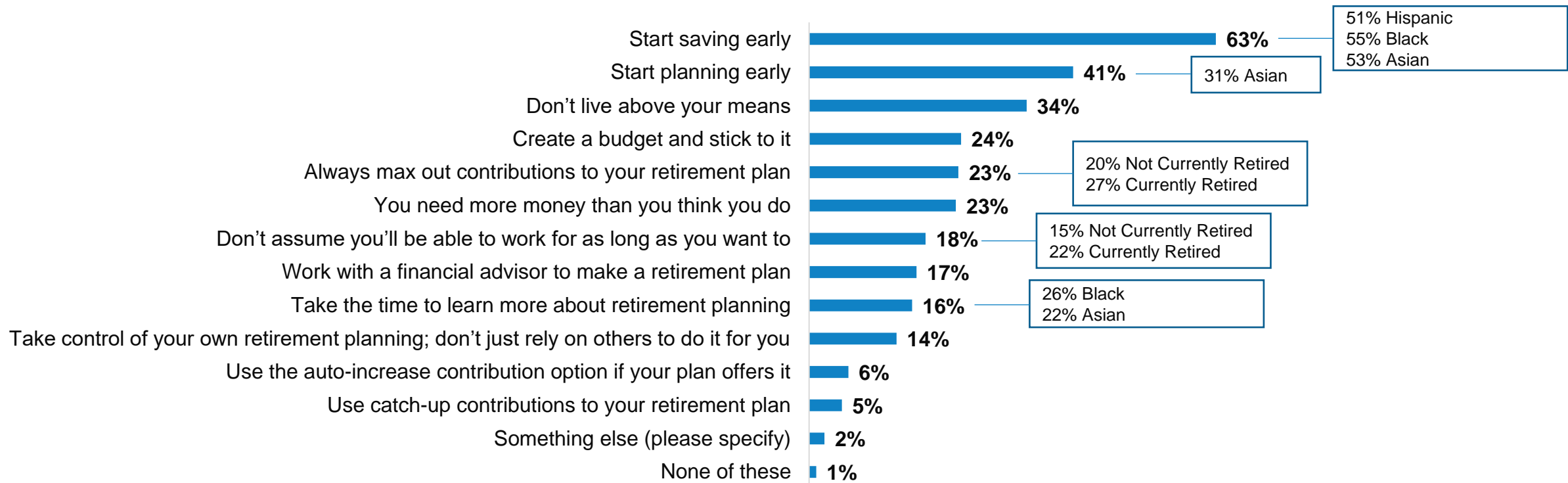
# Saving and planning early, and not living above your means are key for younger Americans preparing for retirement

Total



## Advice to Younger Self on Planning for Retirement

(Shown: % Select)



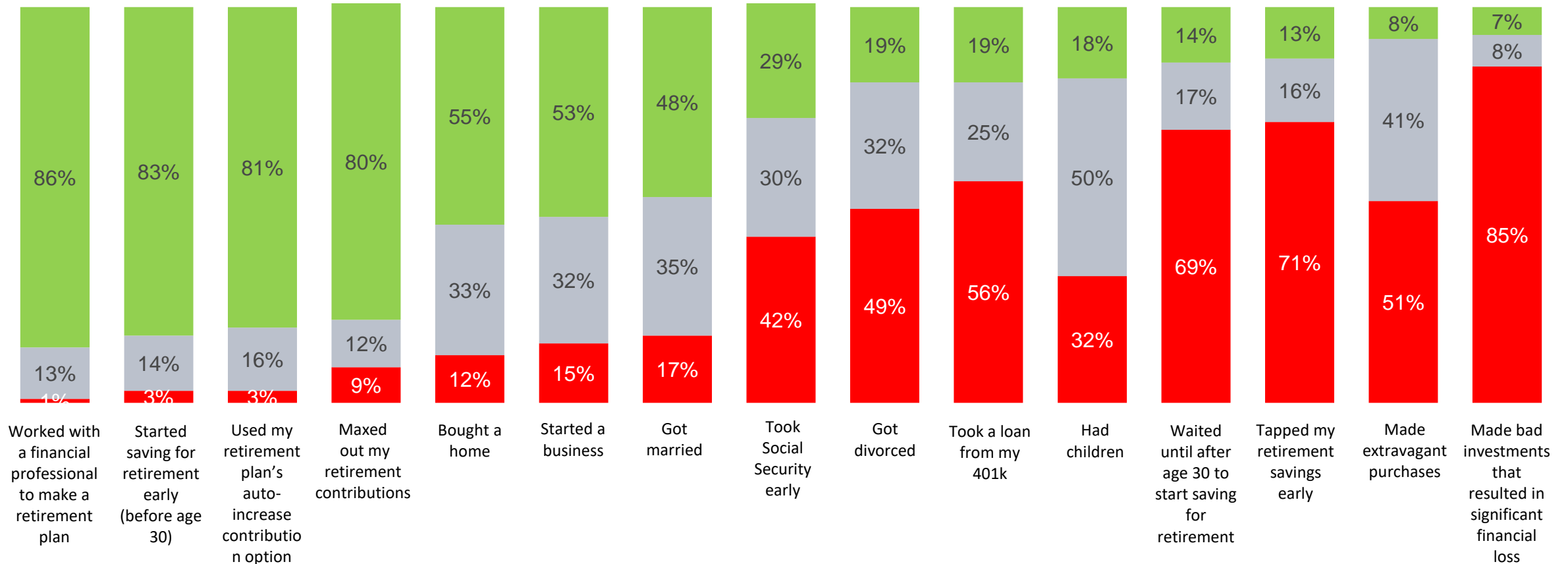


# Working with a financial advisor, saving early, using auto-increase options, and maxing out retirement contributions most impact retirement readiness

## Impact of Life Events on Financial Readiness for Retirement

(Shown: % Select – Among those who have done each life event)

■ Harmed ■ Made no difference ■ Improved



Q19: How do you believe each of the following past actions or life events impacted your financial readiness for retirement? Total Sample – Among respondents reporting each life event. Base sizes vary for each item.

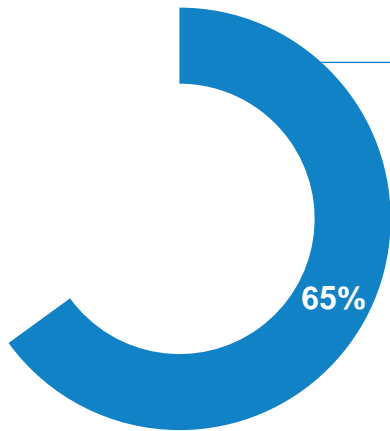
# Retirement age Americans understand the importance of budgeting and monitoring their investments, but less than half work with a financial advisor or have a written plan

Total

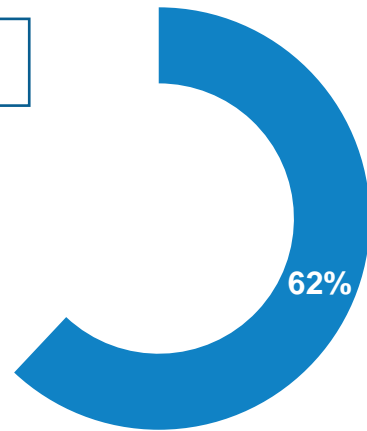


## Managing Retirement Finances

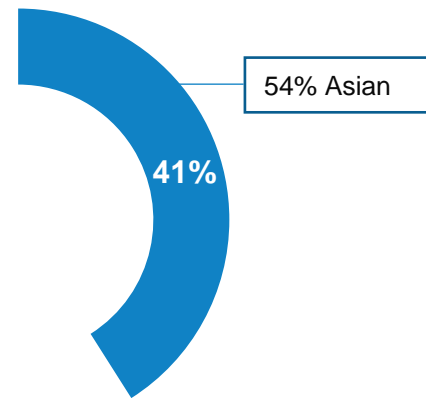
(Shown: % Select 'Yes')



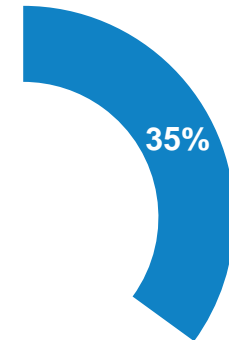
Create a budget and stick to it



Monitor my investments closely



Work with a financial advisor or retirement planner



Create/maintain a long-term written financial plan

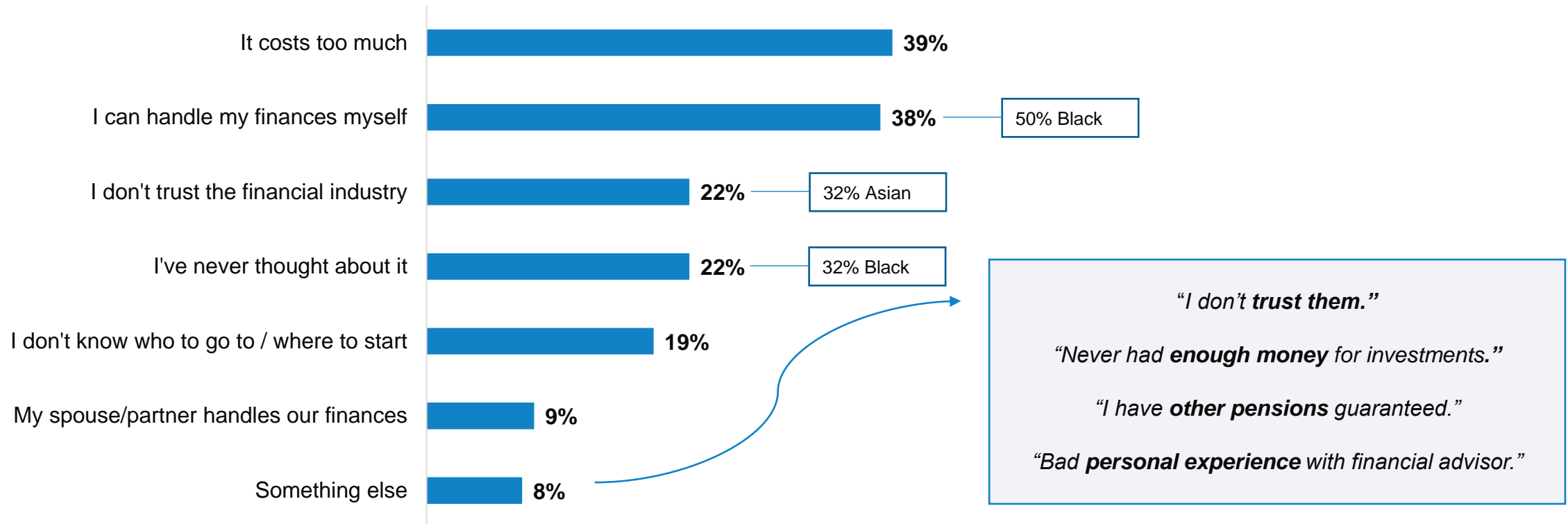
# Perceived high cost is the top barrier to working with an advisor

Total

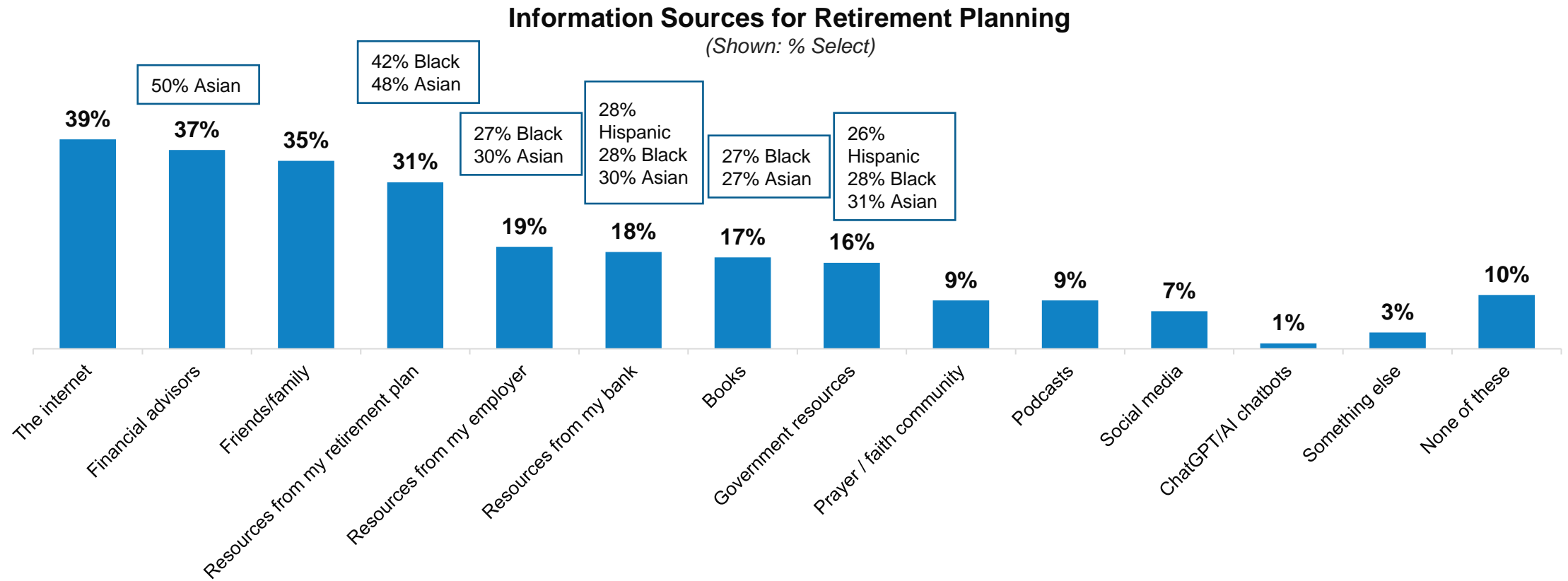


## Reasons for Not Working with a Financial Advisor

(Shown: % Select, Among – Those not currently working with an advisor)



# Retirement age Americans are most likely to look to the internet, their peers, and resources from their retirement plan for information about retirement planning

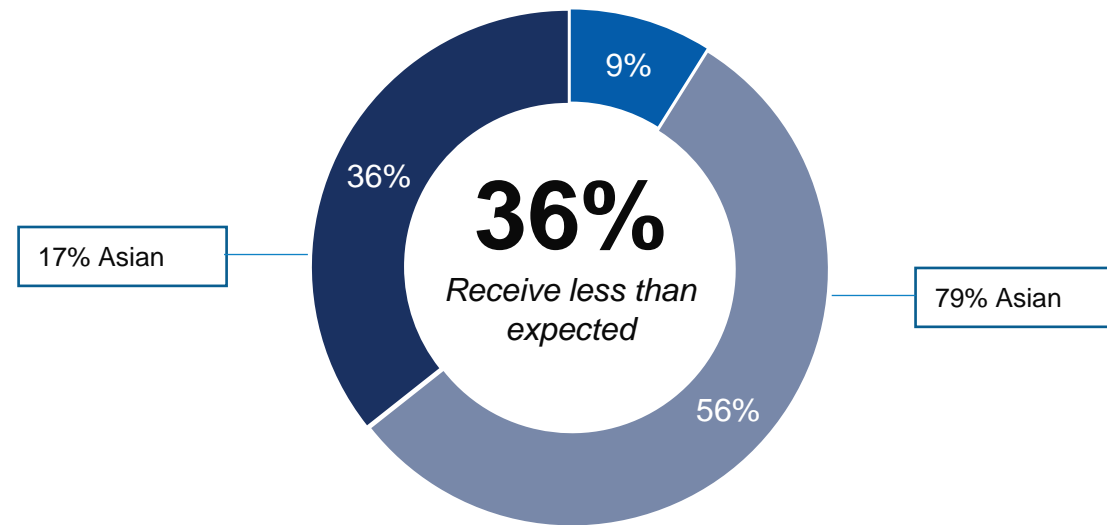


# Social Security & Retirement Planning



# More than 1 in 3 retirees receive less in Social Security benefits each month than they expected to when working

Monthly Social Security Benefits vs. Pre-Retirement Expectation  
(Shown % Select)



- I receive more than expected
- I receive about what I expected
- I receive less than expected

# Potential cuts to Social Security benefits would have a substantial impact on retirees' finances

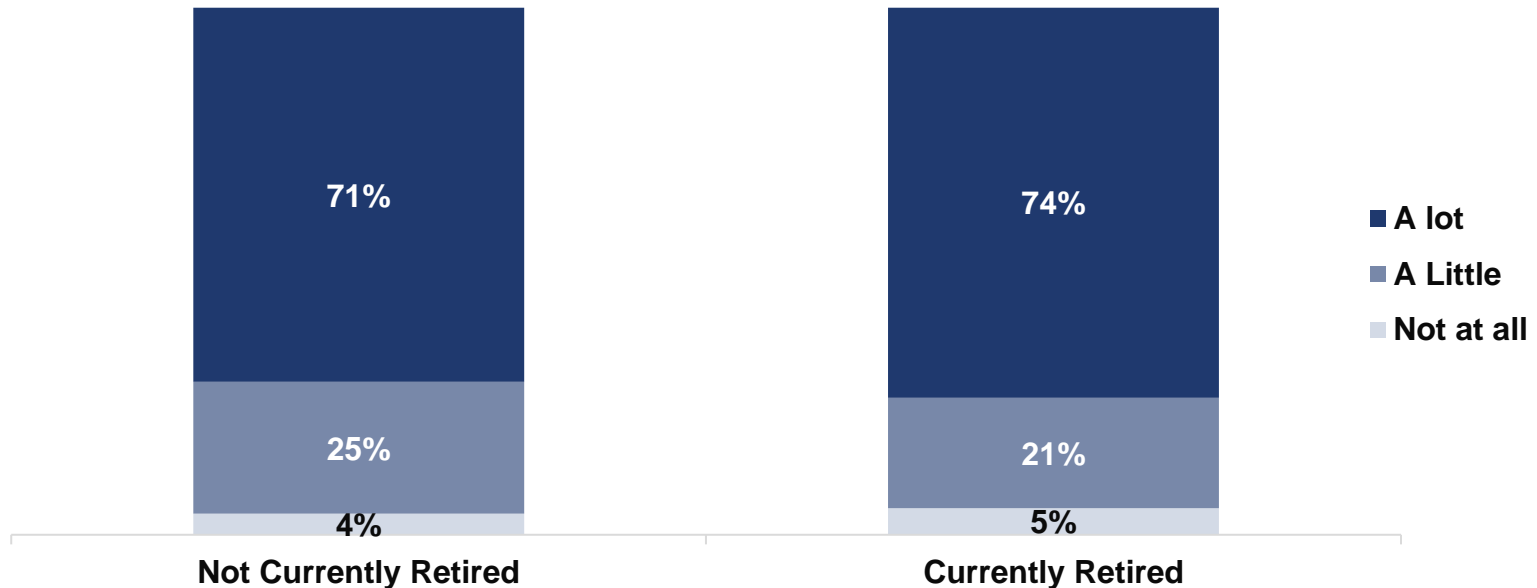
As of this year, the Social Security Administration reported that that in the absence of changes from Congress, beginning in 2033 the program will not be able to pay retirees their full amount of promised monthly benefits. If Congress does not act to fix the program, **all beneficiaries will receive an across-the-board benefit cut of roughly 23%**.

Not Currently Retired 

 Currently Retired

### Impact of a 23% Cut to Social Security Benefits on Financial Stability

(Shown: % Select)



Q16: As of this year, the Social Security Administration reported that that in the absence of changes from Congress, beginning in 2033 the program will not be able to pay retirees their full amount of promised monthly benefits. If Congress does not act to fix the program, all beneficiaries will receive an across-the-board benefit cut of roughly 23%. How much would a 23% cut to Social Security benefits impact your financial stability in retirement? Base Sizes: Retirees (n=432) Not Currently Retired (n=496)

# Uncertainty is high around the future of Social Security

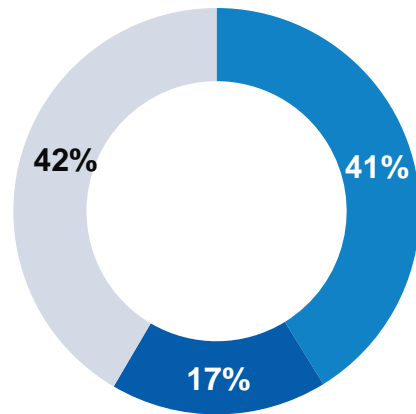
Just 41% expect the program to exist in its current form for the full length of their retirement.

Total



## Expect Social Security to Exist in Its Current Form Throughout Retirement

(Shown: % Select)

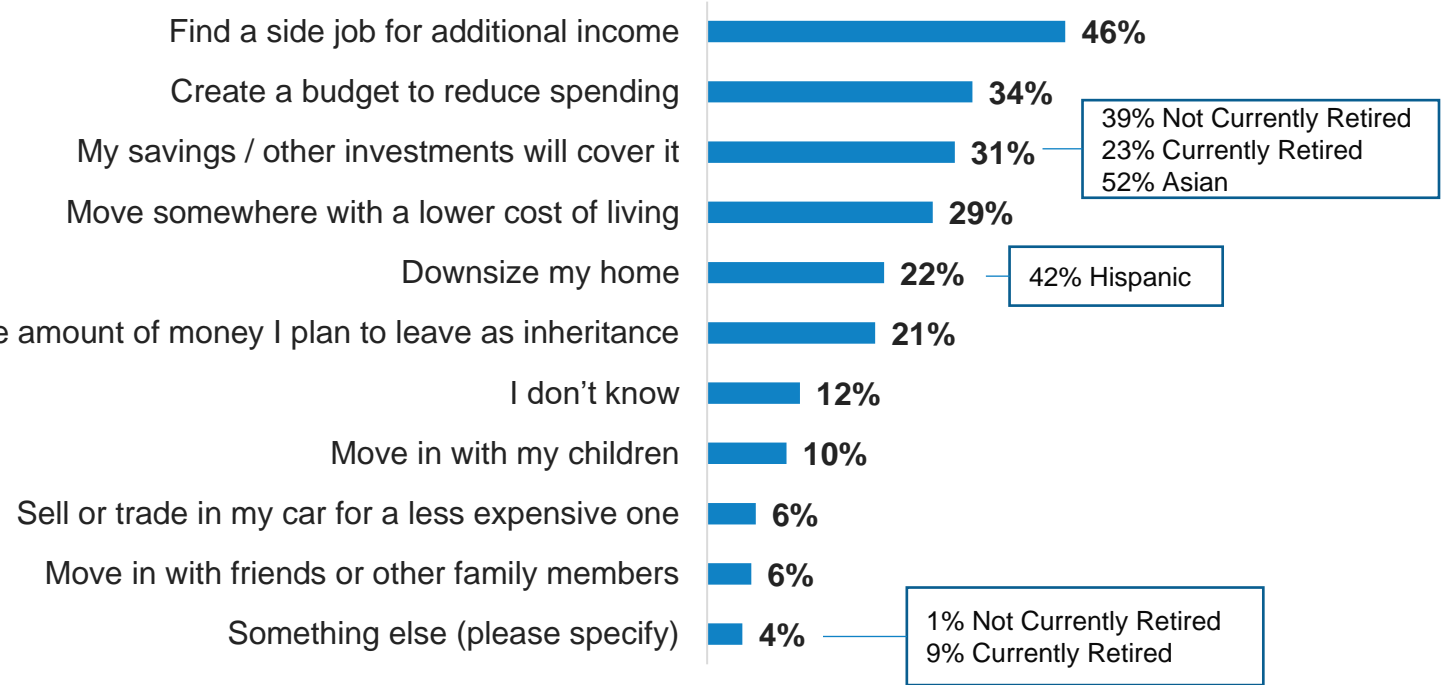


■ Yes ■ No ■ Unsure

52% Black

## How to Compensate for Reduced Social Security Benefits

(Shown: % Select – Among those who do not think it will exist)







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# Appendix: Additional Data

# Top retirement finance worries cover the broader macroeconomic environment, the ability to enjoy retirement, paying for healthcare, and covering basic living expenses

Total



## Retirement Finance Concerns

(Shown: Categorized verbatim responses)

### Economy/Inflation Concerns

- Inflation/cost of living
- Stock market performance

*“Inflation and rental cost, groceries, and gasoline”*

*“Stock market volatility, economic recession”*

### Ability to Enjoy Retirement

- Anxiety about earning enough money
- Enough to travel

*“I do not have enough to travel as much as I would like”*

*“Having enough money to enjoy life”*

### Healthcare Concerns

- Healthcare/Emergency bills
- Maintaining good health
- Health Insurance

*“Incurring unexpected bills”*

*“I worry my health will make it challenging”*

### Covering Basic Expenses

- Living beyond means
- Lack of education savings for children

*“I am most worried about having enough money to live on”*

*“Burning through my savings too quickly”*

# Starting to save earlier and budgeting better early on are top of mind when reflecting on how they would plan for retirement differently

Total



## Looking Back, How would you have planned differently for Retirement

(Shown: Open-End Responses)

### Saving / Budgeting Mentions

- Started saving sooner
- Actively saved more money
- Cut expenses

*"I would have reduced unnecessary expenses"*

*"I would have saved more aggressively"*

### Investment Mentions

- Started investing sooner
- Diversified their portfolios
- Acquired properties

*"I would have invested earlier rather than save"*

*"I would have diversified my investments"*

### Retirement Contribution

- Contributed extra to 401K
- Joined investment account sooner

*"Started earlier and max out contributions on 401k"*

*"I would contribute the maximum on retirement accounts"*

### Schooling / Employment

- Work longer / retire late
- Completed college

*"Waited to retire a little bit longer"*

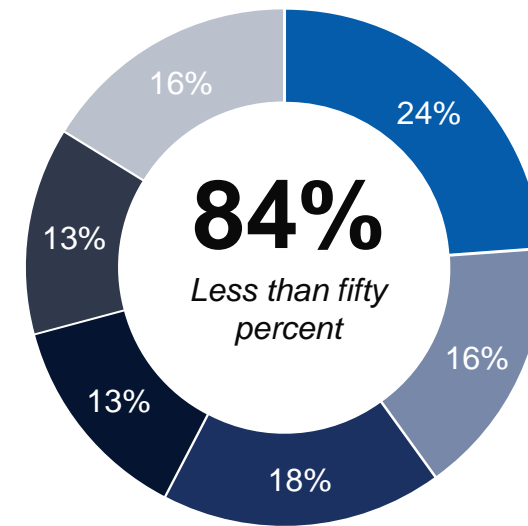
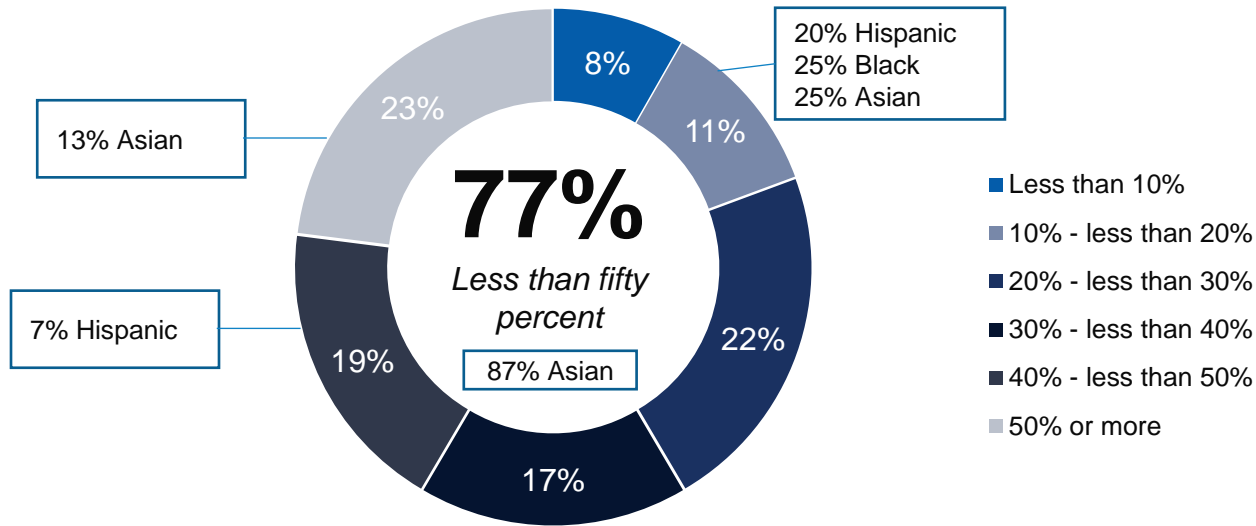
*"Finished college for a better job"*

# Social Security benefits replace less than half of pre-retirement income – a quarter of retirees say it covers less than 10% of their previous income

Not Currently Retired 

Percentage of income replaced or expected to be replaced by Social Security benefits  
(Shown % Select)

 Currently Retired

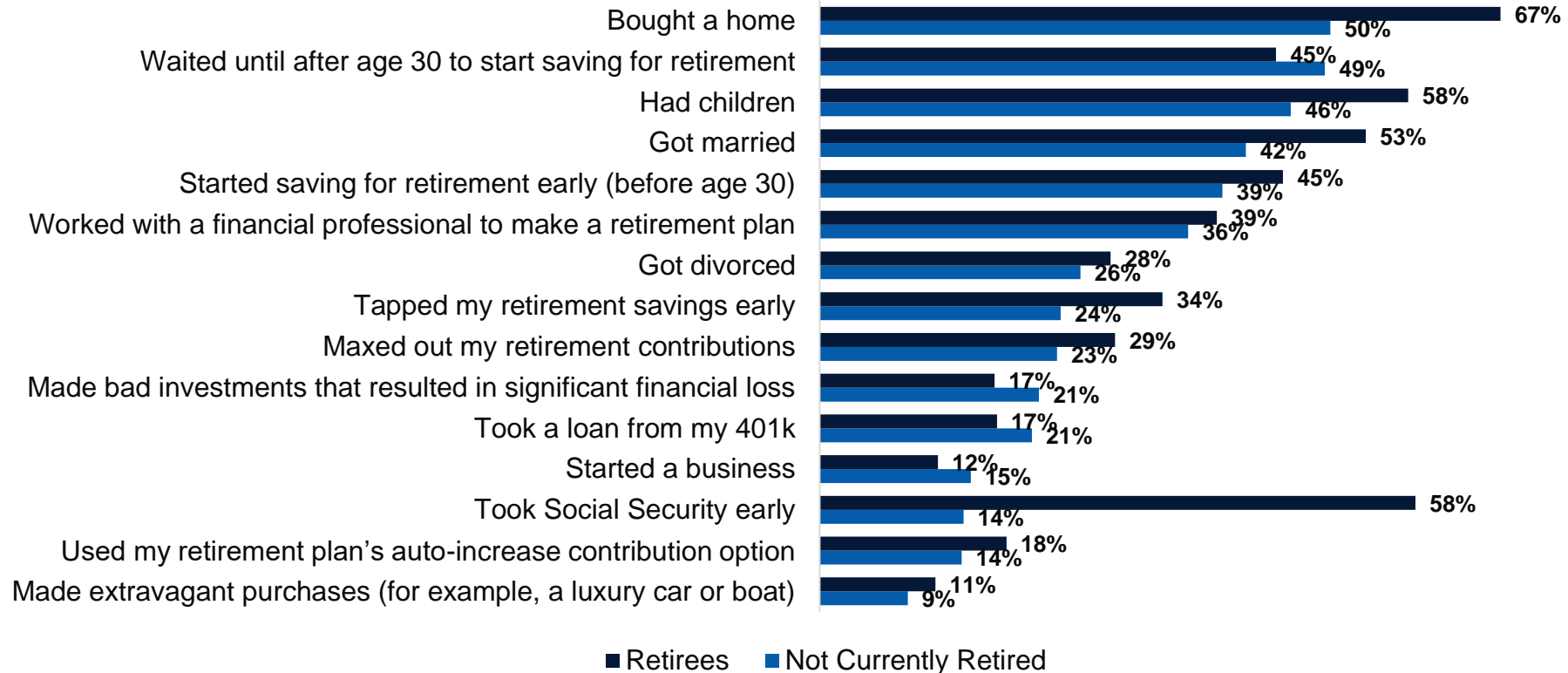


# Nearly two thirds of Retirees took out Social Security early, before the allocated age of 62

Not Currently Retired 

 Currently Retired

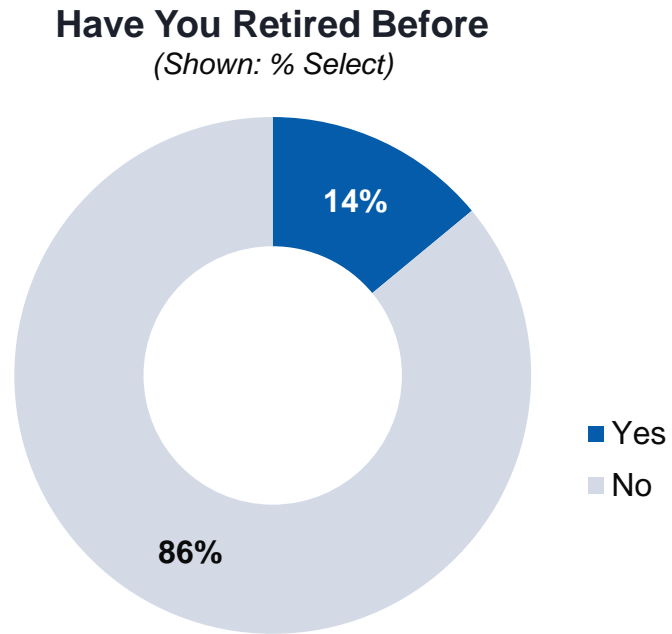
**Actions or life events taken pre-retirement**  
(Shown: % Select)



Q18: Thinking about your working or pre-retirement years, which of the following actions or life events have you done? Base Sizes: Retirees (n=432) Not Currently Retired (n=496)

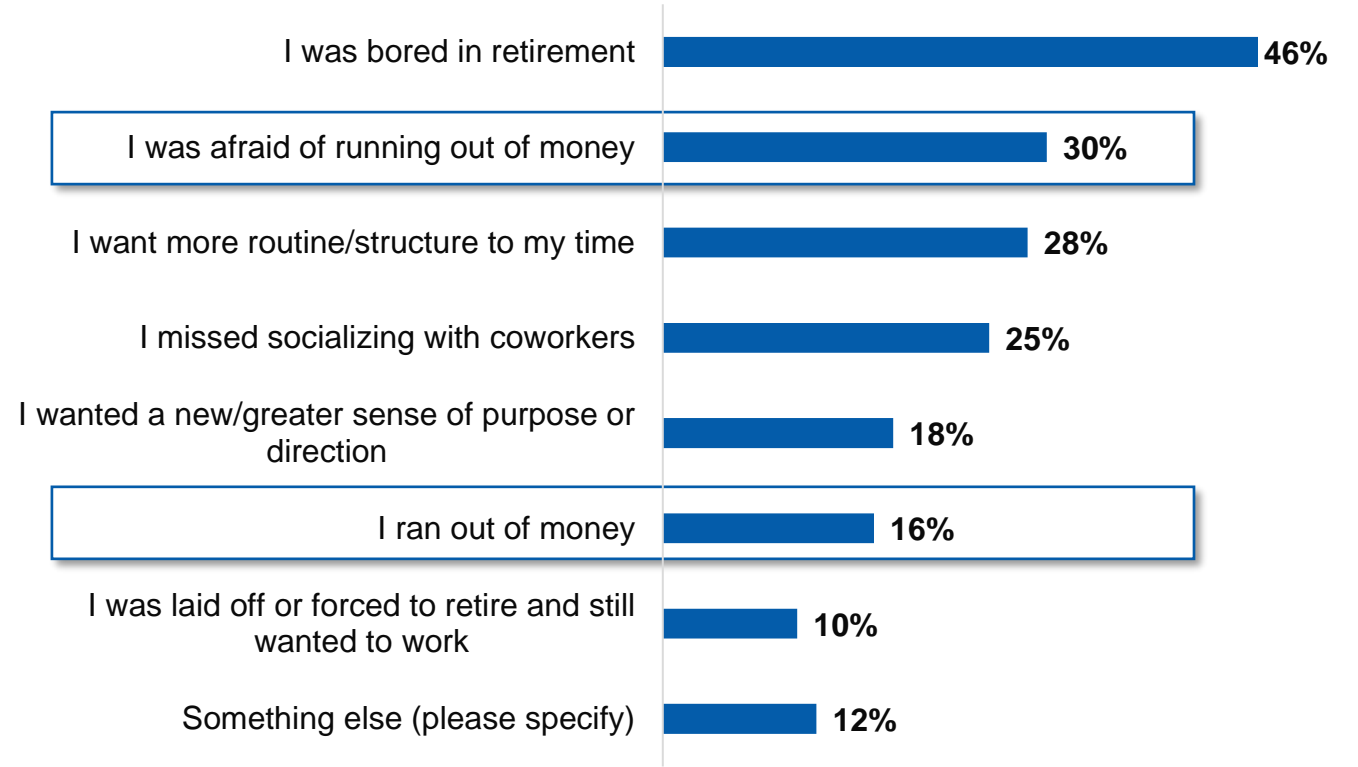
# Among those who have retired before, a third returned to work because they were afraid to run out of money

Not Currently Retired 



### Reasons for Returning to Work After Retirement

(Shown: % Select, Among those who returned to work)



Q4A: Some people retire and then after a while start working again, whether part-time or in a full-time second career. Have you ever retired before? Base Size: Not Currently Retired (n=496)

Q5A: Why did you return to work after retiring? Base Size: Not Currently Retired who Retired Before (n=67\*) *Small sample size. Directional findings only.*

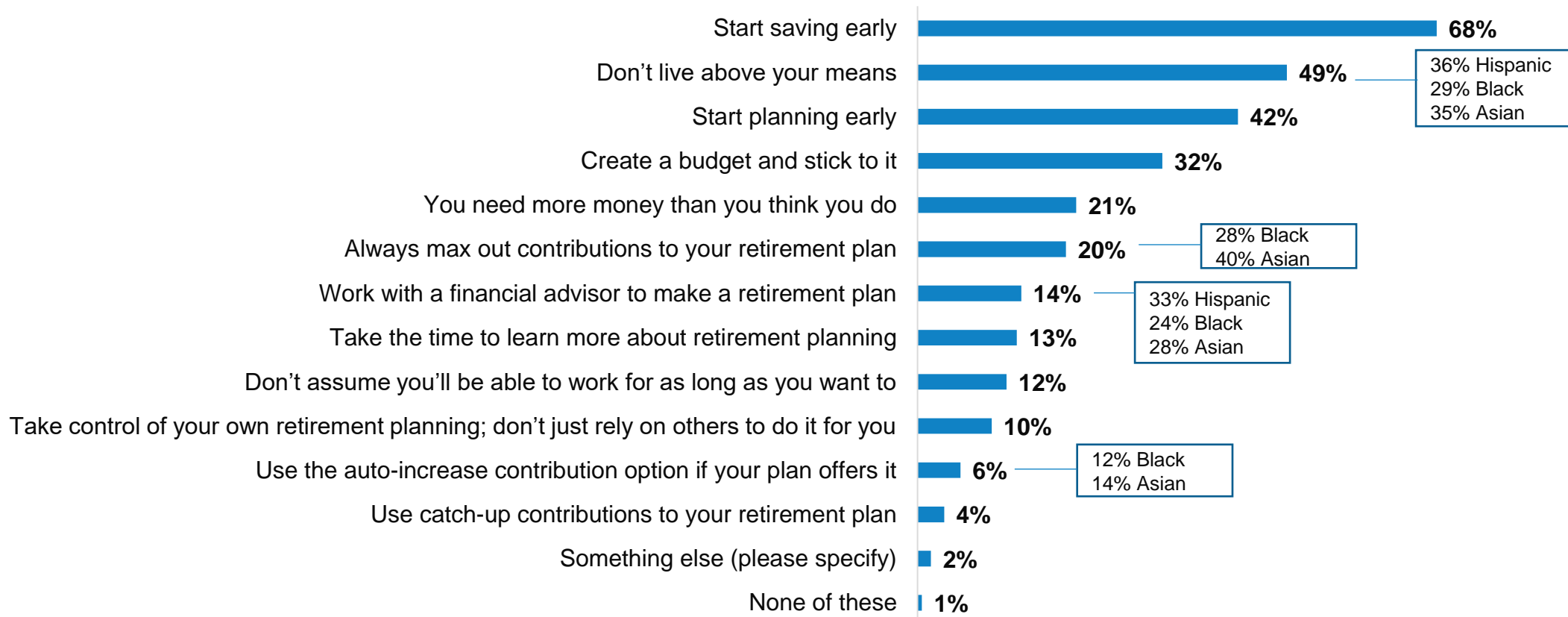
# Similar to what they would tell their former self, saving early and not living above their means is top advice for their children to save for retirement

Total



## Advice for Their Children for Retirement Planning

(Shown: % Select)



# Profile of Retirees Considering Reentering the Workforce

Overall, those who are planning to go back to work after retirement and those who are not are largely similar across demographics.

	Actively Considering	Not Actively Considering
<b>Gender</b>		
Men	44%	42%
Women	56%	58%
<b>Region</b>		
Northeast	20%	21%
Midwest	20%	20%
South	40%	42%
West	20%	17%
<b>Education</b>		
<b>Non College</b>	<b>63%</b>	<b>60%</b>
<b>College +</b>	<b>37%</b>	<b>40%</b>
High school graduate (12)	26%	28%
Technical or vocational school	8%	7%
Some college	30%	23%
College graduate	21%	28%
Graduate or professional school	15%	12%
<b>Race/Ethnicity</b>		
White	70%	81%
Hispanic	12%	7%
Black	7%	7%
Asian	5%	3%
Other	6%	2%

	Actively Considering	Not Actively Considering
<b>Income</b>		
<b>Under \$75k</b>	<b>65%</b>	<b>67%</b>
<b>Over \$75k</b>	<b>34%</b>	<b>32%</b>
Under \$25,000	12%	11%
\$25,000 to \$49,999	25%	30%
\$50,000 to \$74,999	28%	26%
\$75,000 to \$99,999	13%	16%
\$100,000 to \$149,999	13%	10%
\$150,000 to \$199,999	4%	5%
\$200,000 or more	4%	1%
Prefer not to answer	0%	1%
<b>Urban environment</b>		
Urban, or a downtown area	21%	17%
Suburban, on the outskirts of an urban area	49%	53%
Rural, or a country area	30%	30%
<b>Retirement plan</b>		
401(k) plan	36%	38%
403(b)	6%	6%
457 plan	0%	2%
401(a) plan	1%	0%
Individual Retirement Account (IRA)	38%	52%
Pension	54%	48%
Something else (please specify)	13%	12%



# Profile of Retirees Returning to Work: “Have to” vs. “Want to”

When it comes to returning to the workforce after having retired, women, those without college degrees, lower income earners, and people without pensions are more likely to feel they have to do so to support themselves.

	Have to	Want to
<b>Gender</b>		
Men	39%	48%
Women	61%	52%
<b>Region</b>		
Northeast	24%	19%
Midwest	20%	19%
South	41%	47%
West	15%	15%
<b>Education</b>		
<b>Non College</b>	<b>67%</b>	<b>58%</b>
<b>College +</b>	<b>33%</b>	<b>42%</b>
High school graduate (12)	31%	26%
Technical or vocational school	6%	7%
Some college	29%	24%
College graduate	26%	26%
Graduate or professional school	7%	16%
<b>Race/Ethnicity</b>		
White	80%	76%
Hispanic	6%	11%
Black	5%	6%
Asian	4%	4%
Other	4%	3%

	Have to	Want to
<b>Income</b>		
<b>Under \$75k</b>	<b>78%</b>	<b>57%</b>
<b>Over \$75k</b>	<b>20%</b>	<b>43%</b>
Under \$25,000	16%	5%
\$25,000 to \$49,999	37%	21%
\$50,000 to \$74,999	25%	31%
\$75,000 to \$99,999	12%	18%
\$100,000 to \$149,999	5%	17%
\$150,000 to \$199,999	1%	6%
\$200,000 or more	2%	2%
Prefer not to answer	1%	1%
<b>Urban environment</b>		
Urban, or a downtown area	21%	16%
Suburban, on the outskirts of an urban area	48%	57%
Rural, or a country area	31%	27%
<b>Retirement plan</b>		
401(k) plan	28%	37%
403(b)	2%	7%
457 plan	2%	1%
401(a) plan	0%	1%
Individual Retirement Account (IRA)	43%	52%
Pension	46%	63%
Something else (please specify)	16%	9%

# Pension holders are happier, healthier, and more comfortable in retirement

*Those who currently have a pension are more set up for success in retirement. They are more likely to retire when planned, be more financially comfortable in retirement, and less concerned about outliving their money. They also report higher levels of overall happiness and physical/mental well-being.*

	<b><u>Pension</u></b>	<b><u>No Pension</u></b>
Those with a Pension are more likely to be on track to retire when planned	<b>78%</b>	<b>59%</b>
Retirees with a Pension are more financially comfortable in retirement	<b>74%</b>	<b>63%</b>
Workers with a Pension expect to be more financially comfortable in retirement	82%	74%
Those <u>without</u> a Pension are more concerned about outliving their money	64%	74%
Those with a Pension are more likely to have taken Social Security early	<b>42%</b>	<b>28%</b>
Those with a Pension are more likely to have started saving for retirement before age 30	48%	39%
Those <u>without</u> a Pension are more likely to have been harmed by taking Social Security early	<b>34%</b>	<b>48%</b>
Those with a Pension are happier and healthier on average:		
Overall happiness (Excellent/Good)	82%	76%
Physical health (Excellent/Good)	77%	72%
Mental health (Excellent/Good)	89%	82%
Emotional health (Excellent/Good)	84%	78%

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