Ninth Annual
Advisor Authority Study
Powered by the Nationwide Retirement Institute®
More than six in ten investors say their expectations for retirement have changed significantly in the last five years

<table>
<thead>
<tr>
<th>Retirement Attitudes and Behaviors</th>
<th>Somewhat agree</th>
<th>Strongly agree</th>
<th>Top 2 Box (NET)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I expect to face more challenges in retirement than my parents and grandparents did.</td>
<td>38%</td>
<td>25%</td>
<td>63%</td>
</tr>
<tr>
<td>The norm of retiring at 65 doesn’t apply to people like me.</td>
<td>34%</td>
<td>27%</td>
<td>61%</td>
</tr>
<tr>
<td>My expectations for retirement have changed significantly in the last five years.</td>
<td>40%</td>
<td>21%</td>
<td>61%</td>
</tr>
<tr>
<td>I expect to be less secure in retirement than my parents and grandparents were.</td>
<td>30%</td>
<td>20%</td>
<td>50%</td>
</tr>
<tr>
<td>My dreams for retirement have been delayed, altered or cancelled as a result of economic conditions seen in the last five years.</td>
<td>33%</td>
<td>16%</td>
<td>49%</td>
</tr>
</tbody>
</table>
Just 38% of investors believe in having a retirement savings goal, or a specific target (magic number) for retirement.

Belief in the Concept of a “Magic Number” in Retirement
(Among all qualified investors)

- Yes, I believe in having a specific savings target: 38%
- No, I believe other factors are more important than a fixed number: 50%
- I don't know: 12%
The top day-to-day expenses for non-retired investors aged 55+ or retired investors are all necessities—basic living expenses, necessary medication and other health related items and supplemental health insurance.

<table>
<thead>
<tr>
<th>Recurring Financial Commitments Planning to Maintain in Retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Among non-retired investors age 55+ OR retired investors)</td>
</tr>
</tbody>
</table>

- Basic living expenses (e.g., food and utilities) 83%
- Paying for necessary medication and other health related items 58%
- Supplemental health insurance 39%
- Transportation (e.g., car loans and maintenance or public transportation) 35%
- Paying off mortgage 27%
- Paying down credit card debt 24%
- Retirement living community or HOA dues 17%
- Rent 13%
- Supporting adult children 8%
- Caring for older relatives 5%
- Other 3%
Even though a third of investors seem confident, a similar third of investors worried about paying monthly bills in retirement.
To meet financial commitments, non-retired investors aged 55+ or retired investors are spending less on luxury goods, leisure, entertainment and vacations/trips.

### Priorities Adjusted to Meet Financial Commitments in Today’s Economic Environment

*(Among non-retired investors age 55+ OR retired investors)*

<table>
<thead>
<tr>
<th>Priority</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending less on luxury goods</td>
<td>47%</td>
</tr>
<tr>
<td>Spending less on leisure</td>
<td>44%</td>
</tr>
<tr>
<td>Spending less on entertainment</td>
<td>44%</td>
</tr>
<tr>
<td>Taking fewer trips or vacations</td>
<td>38%</td>
</tr>
<tr>
<td>Holding off on a large purchase or expenditure (e.g., new home, wedding, etc.)</td>
<td>23%</td>
</tr>
<tr>
<td>Drawing more funds from my retirement accounts</td>
<td>16%</td>
</tr>
<tr>
<td>Re-entering the workforce (i.e., part-time or full-time employment, gig work, etc.)</td>
<td>11%</td>
</tr>
<tr>
<td>Increasing credit card usage</td>
<td>7%</td>
</tr>
<tr>
<td>Liquidating assets</td>
<td>5%</td>
</tr>
<tr>
<td>Reducing financial support for adult children and elderly relatives</td>
<td>5%</td>
</tr>
<tr>
<td>Asking children for financial support</td>
<td>2%</td>
</tr>
<tr>
<td>Moving in with adult children</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>15%</td>
</tr>
</tbody>
</table>
Three in four investors are concerned about a US economic recession over the next 12 months, including 81% of those farthest from retirement (non-retired 18-54 year olds).

### Concern About US Economic Recession Over the Next 12 Months

(Among all qualified investors)

- **Top 2 Box (NET)**
  - Very concerned: 27%
  - Somewhat concerned: 48%
  - Total investors: 75%
  - Non-retired investors aged 18-54: 32%

- **Total investors**: 48%
- **Non-retired investors aged 18-54**: 50%

*This survey ran from January 8-23, 2024.*
Nearly one in three non-retired investors believe an economic recession poses the most immediate challenge to their retirement portfolio over the next 12 months.

**Most Immediate Challenge to Retirement Portfolio Over the Next 12 Months**

*(Among all non-retired investors)*

- Inflation: 50%
- Economic recession: 31%
- Cost of healthcare: 24%
- Unexpected / emergency expenses: 22%
- Taxes: 21%
- Market volatility: 21%
- Rising cost of living forcing retirement savings withdrawals: 21%
- Results of the 2024 U.S. federal (presidential and congressional) elections: 14%
- Losing my / their job / unemployment: 13%
- Geopolitical conflict / war: 10%
- Political gridlock in Washington: 9%
- New or amended Social Security legislation: 8%
- New or amended Medicare legislation: 5%

*This survey ran from January 8-23, 2024.*
Over half of non-retired investors expect interest rates to be increased 12 months from now

Interest Rates in 12 Months Compared to Now*  
(Among all qualified investors)

- 9% Increased aggressively (+1.25% and up)
- 20% Increased moderately (+0.75% to +1%)
- 24% Increased slightly (+0.25% to +0.5%)
- 16% No change on interest rates
- 21% Lowered slightly (-0.25% to -0.5%)
- 31% Lowered moderately (-0.75% to -1%)
- 8% Lowered aggressively (at least -1.25%)
- 53% Increased (NET)
- 31% Lowered (NET)

*This survey ran from January 8-23, 2024.
If they retired in the next 12 months, more than a quarter of all non-retired investors would likely be forced to return to the workforce at some point due to inadequate savings.

**Action That Would Be Taken If Retired in the Next 12 months**

(Among non-retired investors)

- I would continue working in some capacity to supplement my income out of necessity: 41%
- I would wait until full retirement age to begin collecting Social Security benefits: 28%
- I would likely be forced to return to the workforce at some point due to inadequate savings: 27%
- I would live frugally to fund my retirement goals: 25%
- I would take money out of retirement savings prematurely to afford the cost of living: 19%
- I would not need to supplement my income based on my retirement savings: 16%
- I would begin collecting Social Security benefits before my full retirement age: 16%
- None of these: 8%

*This survey ran from January 8-23, 2024.*
One in five non-retired investors are unsure if they will ever retire, and 19% claim that they will retire later than planned because of inflation.

<table>
<thead>
<tr>
<th>Statements on Working, Savings, and Retirement (Among non-retired investors)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am reducing spending on leisure, luxury goods and other nonessential expenses.</td>
</tr>
<tr>
<td>I am saving less for retirement because of inflation.</td>
</tr>
<tr>
<td>If there is a recession, I would delay my retirement plans so I could build up my savings.</td>
</tr>
<tr>
<td>I plan to work longer to fund dreams I have in retirement.</td>
</tr>
<tr>
<td>I will need to work longer to save up money for retirement in case Social Security runs out of money.</td>
</tr>
<tr>
<td>I am not sure if I will ever retire.</td>
</tr>
<tr>
<td>I will retire later than planned because of inflation.</td>
</tr>
<tr>
<td>I am taking on more debt to afford my living expenses.</td>
</tr>
<tr>
<td>I plan to work longer because I am caring for or supporting family member(s) (e.g., aging parents, adult children, etc.) I had not planned on supporting.</td>
</tr>
<tr>
<td>Increased economic uncertainty makes me want to pull my money out of the market.</td>
</tr>
<tr>
<td>If market volatility subsides, I would likely retire sooner.</td>
</tr>
<tr>
<td>I plan to work longer because most of my friends are.</td>
</tr>
<tr>
<td>I am taking money out of retirement savings early so I can afford the higher cost of living from inflation.</td>
</tr>
<tr>
<td>None of these</td>
</tr>
</tbody>
</table>
Nearly half of financial advisors say the rising cost of living has influenced their clients to rethink or redefine their retirement planning strategies.

**Factors That Influenced to Rethink or Redefine Retirement Planning Strategies**

*Among all qualified financial advisors*

- Rising cost of living: 48%
- Inflation: 45%
- Cost of healthcare: 42%
- Fear of running out of money in retirement: 38%
- Longer life expectancy: 38%
- Market volatility: 34%
- Taxes: 33%
- Long-term care costs: 32%
- Lack of confidence in Social Security: 28%
- Desire for a different type of lifestyle: 22%
- Responsibilities as a caregiver for children or aging relatives: 21%
- Desire to pursue personal passions or interests: 19%
- Windfalls (e.g., inheritance, lottery winnings, stock market, sale of assets): 17%
- None of these: -
Nearly 1 in 4 financial advisors say their clients are liquidating assets to meet financial commitments in today’s economic environment.

Ways Priorities Are Adjusted to Meet Financial Commitments in Today’s Economic Environment

(Among all qualified financial advisors)

- Spending less on luxury goods: 41%
- Spending less on leisure: 38%
- Drawing more funds from my retirement accounts: 34%
- Spending less on entertainment: 34%
- Taking fewer trips or vacations: 33%
- Holding off on a large purchase or expenditure: 33%
- Reducing financial support for adult children and elderly relatives: 25%
- Liquidating assets: 23%
- Re-entering the workforce: 19%
- Moving in with adult children: 16%
- Asking children for financial support: 15%
- Increasing credit card usage: 13%
- Other: 2%
Nearly half of advisors say planning to work in retirement is a strategy that their clients are using would be considered radically different from that of their parents or grandparents.

<table>
<thead>
<tr>
<th>Planning Strategies Used That Are Radically Different From Parents’/Grandparents’ Generation</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning to work in retirement</td>
<td>47%</td>
</tr>
<tr>
<td>Delaying retirement</td>
<td>46%</td>
</tr>
<tr>
<td>Phasing retirement</td>
<td>39%</td>
</tr>
<tr>
<td>Abandoning the 4% Rule</td>
<td>34%</td>
</tr>
<tr>
<td>Not counting on Social Security benefits as much as previously expected</td>
<td>31%</td>
</tr>
<tr>
<td>Starting a second act</td>
<td>29%</td>
</tr>
<tr>
<td>Abandoning the 70-80% Spending Rule</td>
<td>28%</td>
</tr>
<tr>
<td>Planning to receive less in Social Security benefits than previously expected</td>
<td>27%</td>
</tr>
<tr>
<td>Not planning to retire at all</td>
<td>19%</td>
</tr>
<tr>
<td>None of these</td>
<td>1%</td>
</tr>
</tbody>
</table>
To help their clients protect their assets against market risk, advisors who have a strategy to protect assets against market risks are using annuities, diversification and non-correlated assets and liquid alternatives, such as Mutual bonds or ETFs.

### Solutions to Help Clients Protect Their Assets Against Market Risk

(Among financial advisors who have a strategy to protect against market risks)

- **Diversification**: 63%
- **Liquid Alternatives (e.g., Mutual Funds or ETFs)**: 58%
- **Fixed Index Annuity (FIA)**: 57%
- **Fixed Annuity**: 54%
- **Registered Index-Linked Annuity (RILA)**: 48%
- **Diversification/Non-Correlated Assets (e.g., bonds, real estate, gold, art, etc.)**: 48%
- **In-Plan Principal Protection Guarantee [offered within a defined contribution retirement plan (401(k), 403(b), etc.)]**: 44%
- **Other**: 3%

### ANNUITY (NET)

- **Fixed Index Annuity (FIA)**: 57%
- **Fixed Annuity**: 54%
- **Registered Index-Linked Annuity (RILA)**: 48%
- **Diversification/Non-Correlated Assets (NET)**: 77%
- **Diversification**: 63%
- **Non-Correlated Assets**: 48%
About Advisor Authority Methodology
The research was conducted online within the U.S. by The Harris Poll on behalf of Nationwide from January 8-23, 2024, among 518 advisors and financial professionals and 2,346 investors ages 18+ with investable assets (IA) of $10K+. Advisors and financial professionals included 257 RIAs, 178 broker-dealers, 130 wirehouse and 42 other financial professionals. Among the investors, there were 601 Mass Affluent (IA of $100K-$499K), 518 Emerging High Net Worth (IA of $500K-$999K), 410 High Net Worth (IA of $1M-$4.99M) and 217 Ultra High Net Worth (IA of $5M+), as well as 600 investors with $10K to less than $100K investable assets (“Less affluent”). Investors included a subset of 391 “pre-retirees” age 55-65 who are not retired, and subsets of 346 single women and 726 married women.

Raw data from advisors were not weighted and are therefore only representative of the individuals who completed the survey. Investor data are weighted where necessary by education, age by gender, race/ethnicity, region, marital status, household size, employment, household income, investable assets, and propensity to be online to bring them in line with their actual proportions in the population. To ensure the investor sample was representative, the data were initially weighted separately for those with investable assets of $10K to less than $100K and those with $100K+ and then post-weighted/combined into a total investor group. Data for the subset of pre-retirees age 55-65 who are not retired were weighted separately as needed by education, age by gender, race/ethnicity, region, marital status, household size, employment, household income, investable assets and propensity to be online.

Respondents for this survey were selected from among those who have agreed to participate in our surveys. The sampling precision of Harris online polls is measured by using a Bayesian credible interval. For this study, the sample data is accurate to within +/- 2.8 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest. The sample data for the subset of pre-retirees age 55-65 who are not retired is accurate to within +/- 6.2 percentage points using a 95% confidence level. All sample surveys and polls, whether or not they use probability sampling, are subject to other multiple sources of error which are most often not possible to quantify or estimate, including, but not limited to coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments.
About Nationwide
Nationwide, a Fortune 100 company based in Columbus, Ohio, is one of the largest and strongest diversified insurance and financial services organizations in the United States. Nationwide is rated A+ by Standard & Poor’s. An industry leader in driving customer-focused innovation, Nationwide provides a full range of insurance and financial services products including auto, business, homeowners, farm and life insurance; public and private sector retirement plans, annuities and mutual funds; excess & surplus, specialty and surety; and pet, motorcycle and boat insurance.

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