



# New retirees who had 401(k)s are making retirement work

**Our national study\*, First Look: Assessing the New Retiree Experience,** suggests that new retirees, having retired in the past 1-5 years, experience greater satisfaction with retirement than workers 50 or older expect to enjoy.

- Many enter retirement with substantial household assets\*\* (\$1,303,000 average/\$473,000 median).
- Single households, particularly female headed, report significant challenges.



## New retirees are living on less.

- Living on an average of 66% of preretirement income.
- Those with a withdrawal plan draw a median of 4% of their balance.
- 85% say they don't have to spend as much in retirement to be satisfied.



## Many follow basic rules of thumb.

- 63% stick to a spending budget.
- 33% maintain an emergency fund.
- 52% have a financial advisor.



## Retirees are flexible, adapting to change.

- 89% adjust their lifestyle according to income.
- 78% reduce spending if spending exceeds their income.



## The “new retirement” includes employment.

- 21% are working.
- 14% are seeking work.
- 65% are fully retired.



## 89% of retirees are satisfied with retirement so far.

- 78% feel on track to meet their financial goals.
- 74% feel better off than their parents were at their age.

\*T. Rowe Price initiated First Look: Assessing the New Retiree Experience, a quantitative study, conducted independently by Brightwork Partners LLC. Interviewees included 1,030 working adults age 50 or over who are currently contributing to a 401(k) plan or are eligible to contribute and have a balance with their current employer's plan of \$1,000 or more; and 1,507 adults who have retired in the past one to five years and have a rollover IRA, or a balance remaining in a 401(k) plan. Interviewing was conducted between February 19 and March 3, 2014. Findings in both samples are subject to a margin of error of just under 3 percent.

\*\*Investable assets plus home equity less debt.