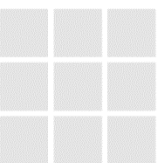




# First Look: Assessing the New Retiree Experience

## **SURVEY HIGHLIGHTS**



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# DEMOGRAPHIC AND FINANCIAL PROFILES

# Age

How old are you?

	Workers	Retirees
Average age	57	65
Median age	56	66



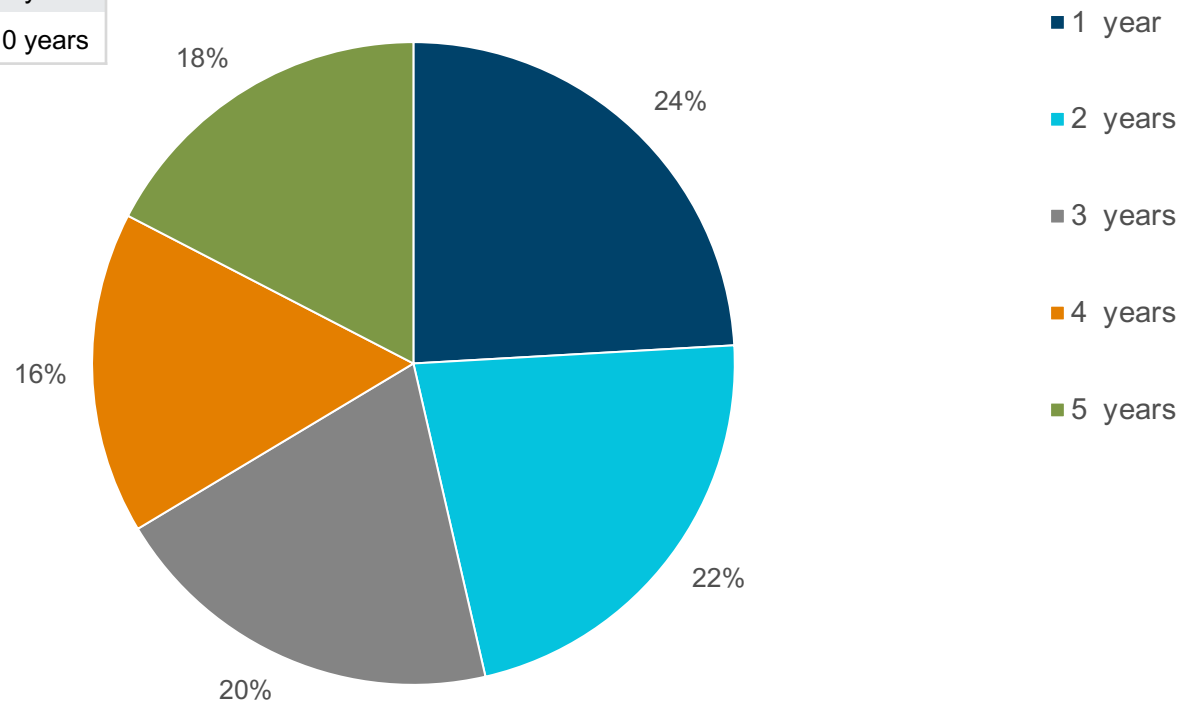
Q. 2

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# How Long Ago Retired

About how long ago did you retire:

Base: Retirees	
Average	2.8 years
Median	3.0 years



Q. 8  
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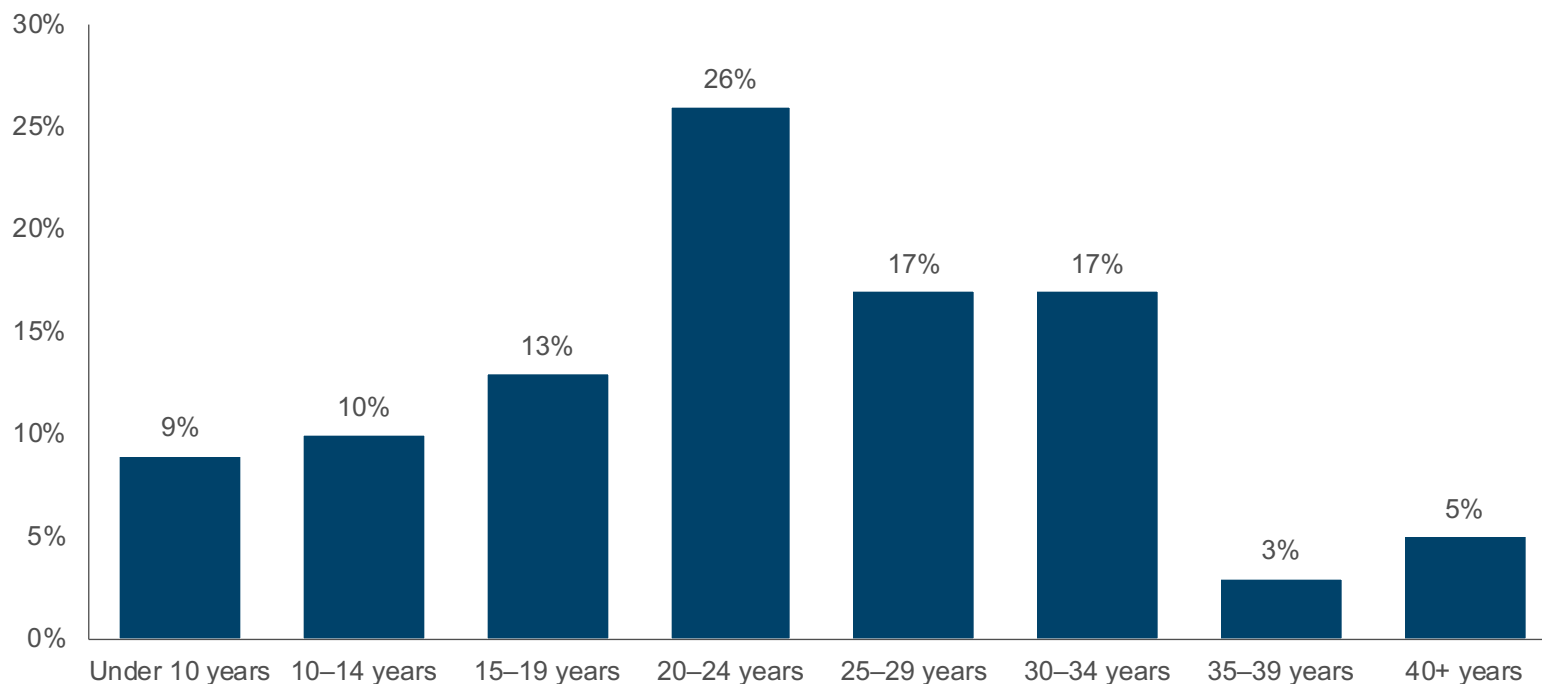
# Years Expect Income to Support Retirement

About how many more years do you expect your income sources in retirement will have to support you or a surviving spouse?

**Base: Retirees**

**Average 21 years**

**Average age of retirees 65**



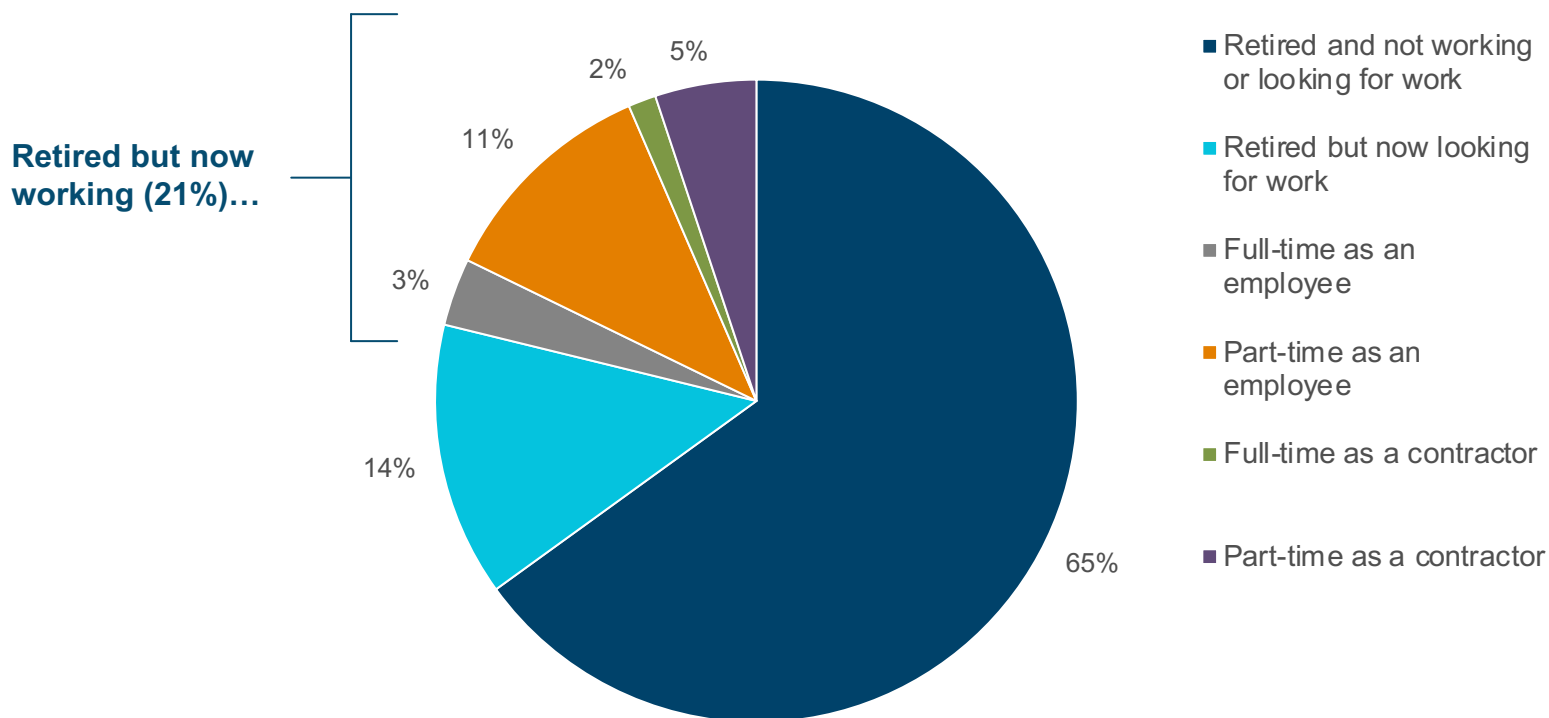
Q. 55

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# Work Status

## BASE: RETIREES

Bearing in mind that some people retire and then go back to work, which one of the following phrases best describes your work situation?



Q. 1

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# Household Income Including Social Security

Including Social Security (if any) but not counting any income earned by other adults in your household, what was your personal income from all sources before taxes in 2013?

Including Social Security (if any) what was the income earned by other adults in your household from all sources before taxes in 2013?

	Workers %	Retirees %
Less than \$25,000	3	13
\$25,000 to < \$50,000	11	32
\$50,000 to < \$75,000	15	15
\$75,000 to < \$100,000	19	13
\$100,000 to < \$125,000	16	9
\$125,000 to < \$150,000	12	7
\$150,000 to < \$175,000	6	4
\$175,000 to < \$200,000	6	2
\$200,000 to < \$225,000	4	1
\$225,000 to < \$250,000	3	1
\$250,000 to < \$300,000	5	2
\$300,000 or more	3	2
Average \$ in thousands	\$118	\$77
Median \$ in thousands	\$100	\$58

Q. 76, 77

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# Household Investable Assets Plus Home Equity Less Debt

	Workers %	Retirees %
None or negative amount	8	4
Any to under \$50,000	9	10
\$50,000 to <\$100,000	6	5
\$100,000 to < \$250,000	14	15
\$250,000 to < \$500,000	15	18
\$500,000 to < \$750,000	12	9
\$750,000 to < \$1.0M	8	7
\$1.0M to < \$1.5M	11	12
\$1.5M to < \$2.5M	9	10
\$2.5M+	9	9
Average \$ in thousands	\$990	\$1,303
Median \$ in thousands	\$465	\$473

Q. 58, 66, 68

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# Market Value and Asset Allocation

## MEAN VALUES UNLESS OTHERWISE INDICATED

Please indicate the current market value of these assets held by you or by other members of your household.

Of this total, please indicate the percentage held in...

	Workers %	Retirees %	Allocation%	
			Workers	Retirees
<b>Self</b>	\$545	\$602		
<b>Other member of household</b>	211	316		
<b>Total Household (mean)</b>	<b>\$756</b>	<b>\$917</b>		
<b>Total Household (median)</b>	\$335	\$337		
<b>Stock including employer stock or stock mutual funds excluding asset allocation funds</b>	\$343	\$388	47	38
<b>Bond or bond mutual funds excluding asset allocation funds</b>	146	187	18	17
<b>Money market mutual funds or checking and savings accounts</b>	169	219	23	31
<b>Asset allocation funds</b>	98	123	13	13
<b>Total Household</b>	<b>\$756</b>	<b>\$917</b>	<b>100</b>	<b>100</b>

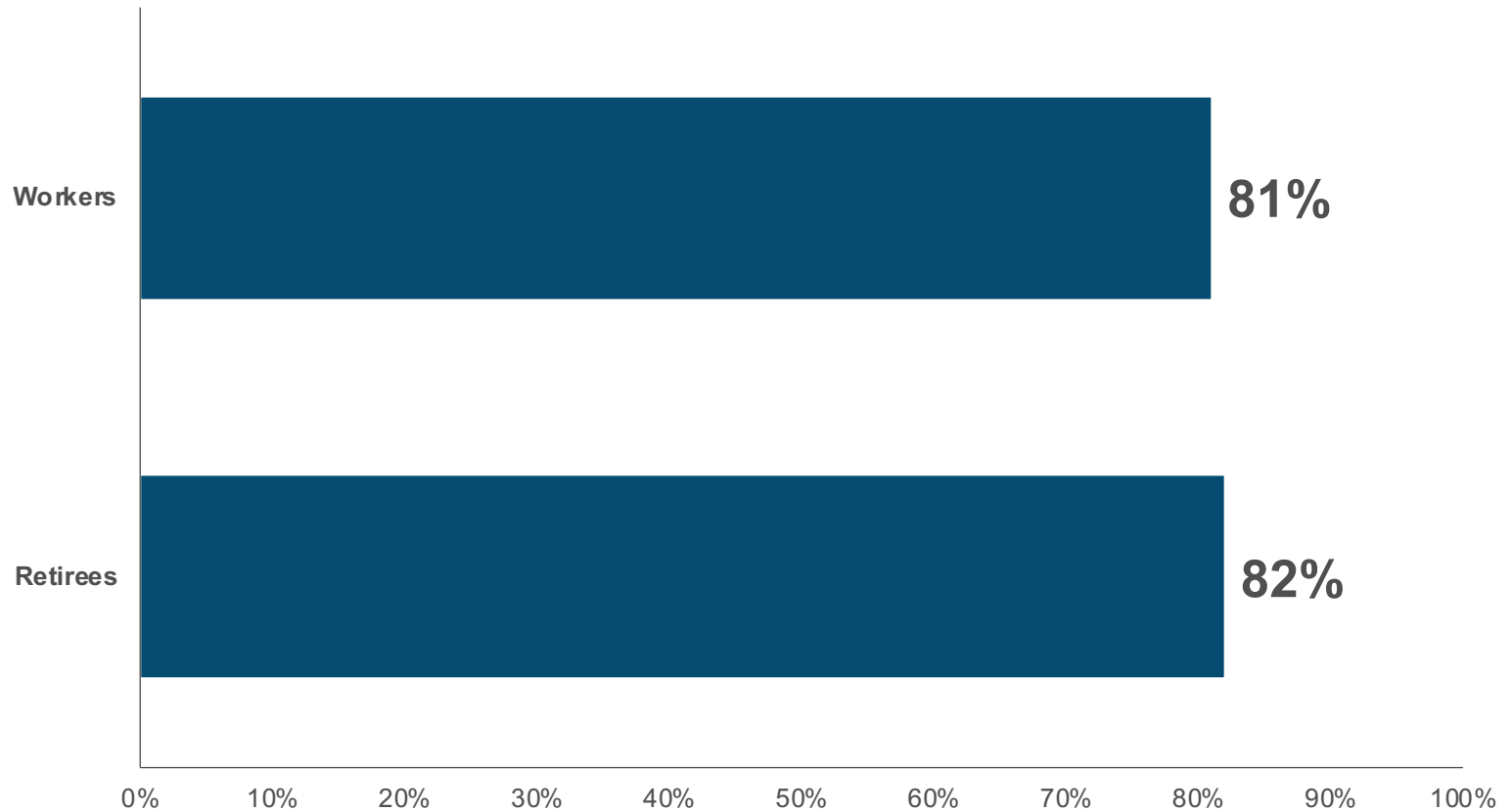
Q. 58–62

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# Own Real Estate

Apart from real estate you may own through a business, do you own your own home, a second home or any other real estate?



Q. 65  
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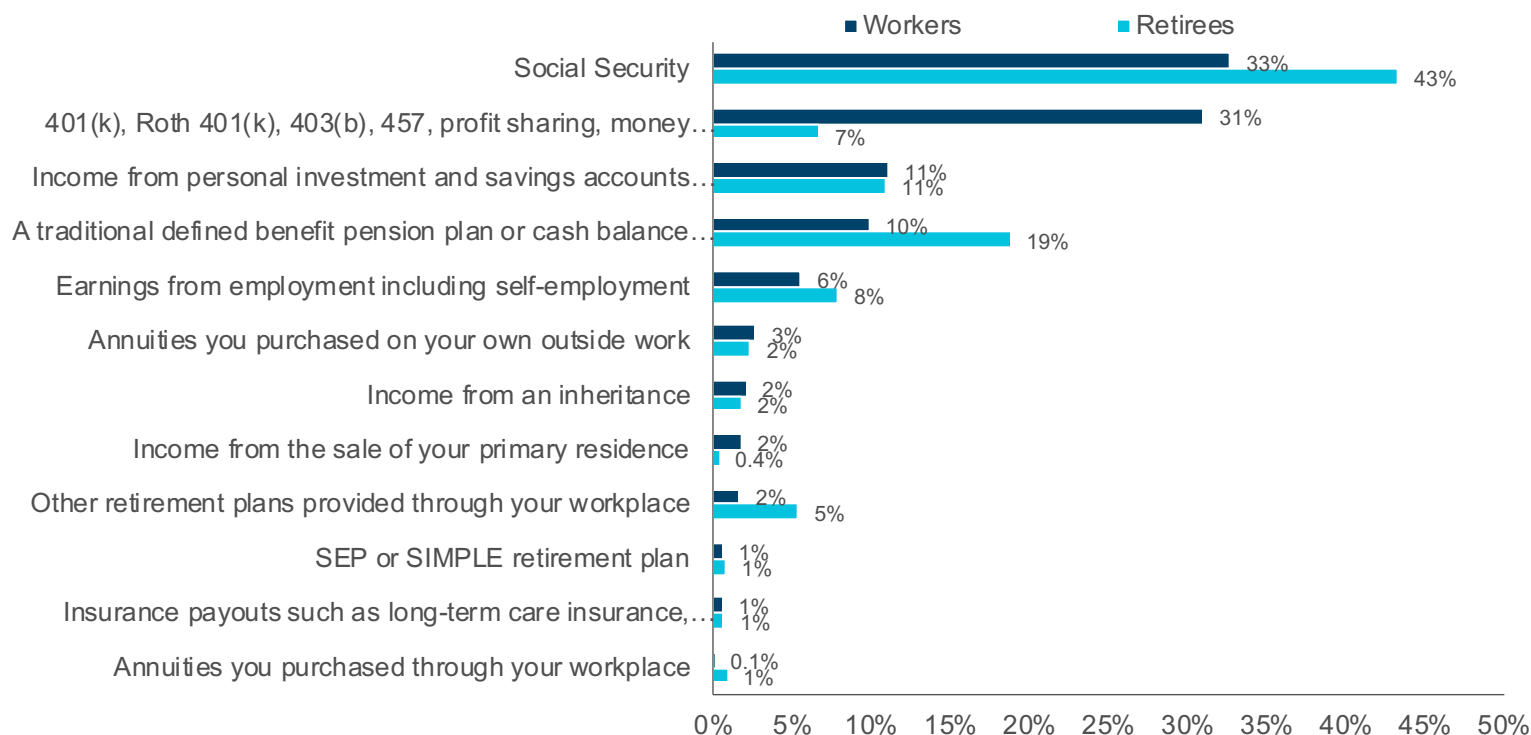


# **EXPECTED AND ACTUAL SOURCES OF RETIREMENT INCOME**

# Sources of Retirement Income (Mean%)

Approximately what percentage of your household income do you expect this source to provide in retirement?

Approximately what percentage of your household income does this provide?



Including none, items sum to 100%

\* TDDCRP: Tax-deferred defined contribution retirement plan

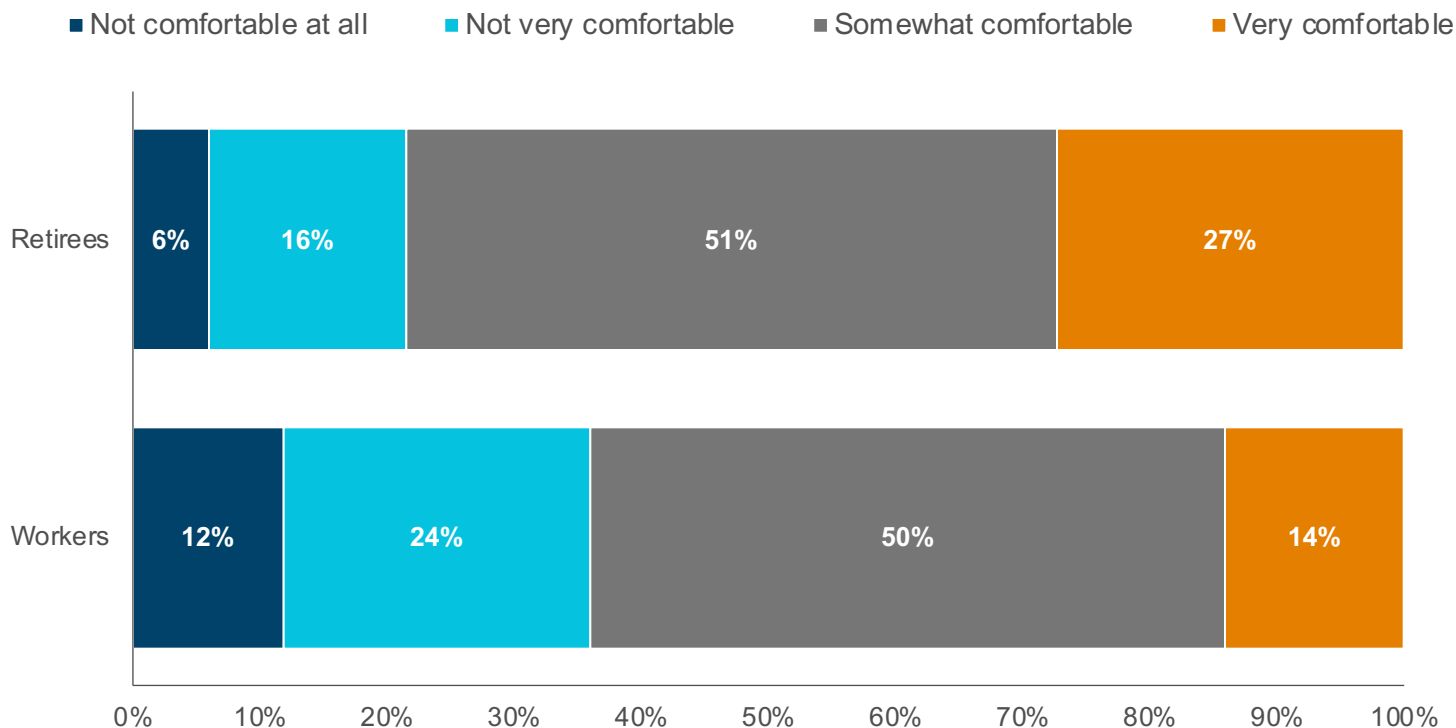
Q. 35, 47

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# On Track to Meet Financial Goals

All things considered, how comfortable are you that you are on track to meet your financial goals?



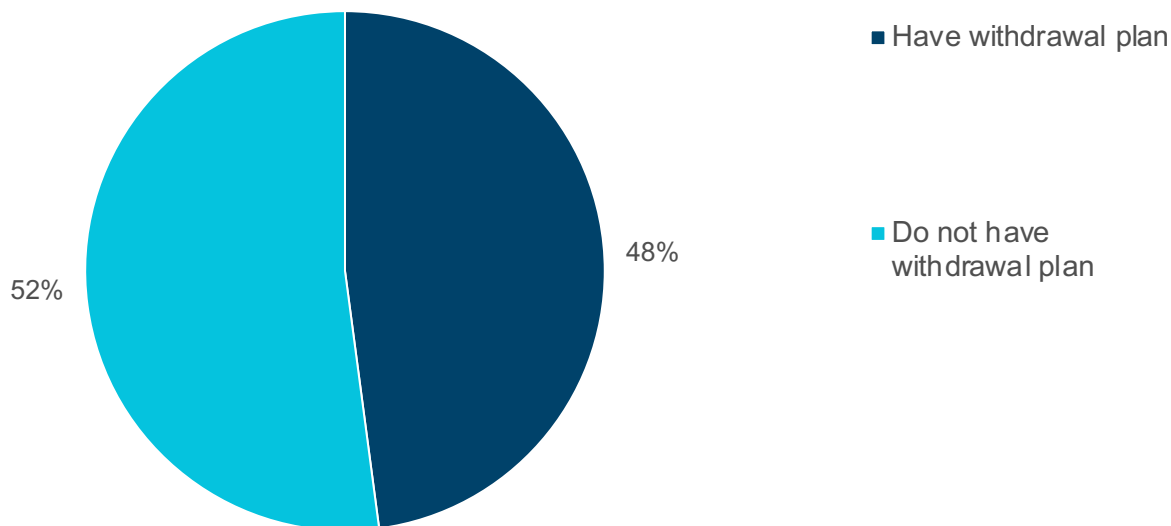
Q. 30

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# Withdrawal Plan

## BASE: RETIREES

Thinking about your investable assets—that's your stocks, stock mutual funds, bonds, bond mutual funds, asset allocation funds including target date funds, money market mutual funds and other cash equivalents whether held in a 401(k), an Individual Retirement Account or outside the workplace savings system and any savings and checking accounts you may have—do you have a withdrawal plan under which you withdraw and use as income a certain portion of these assets each year?



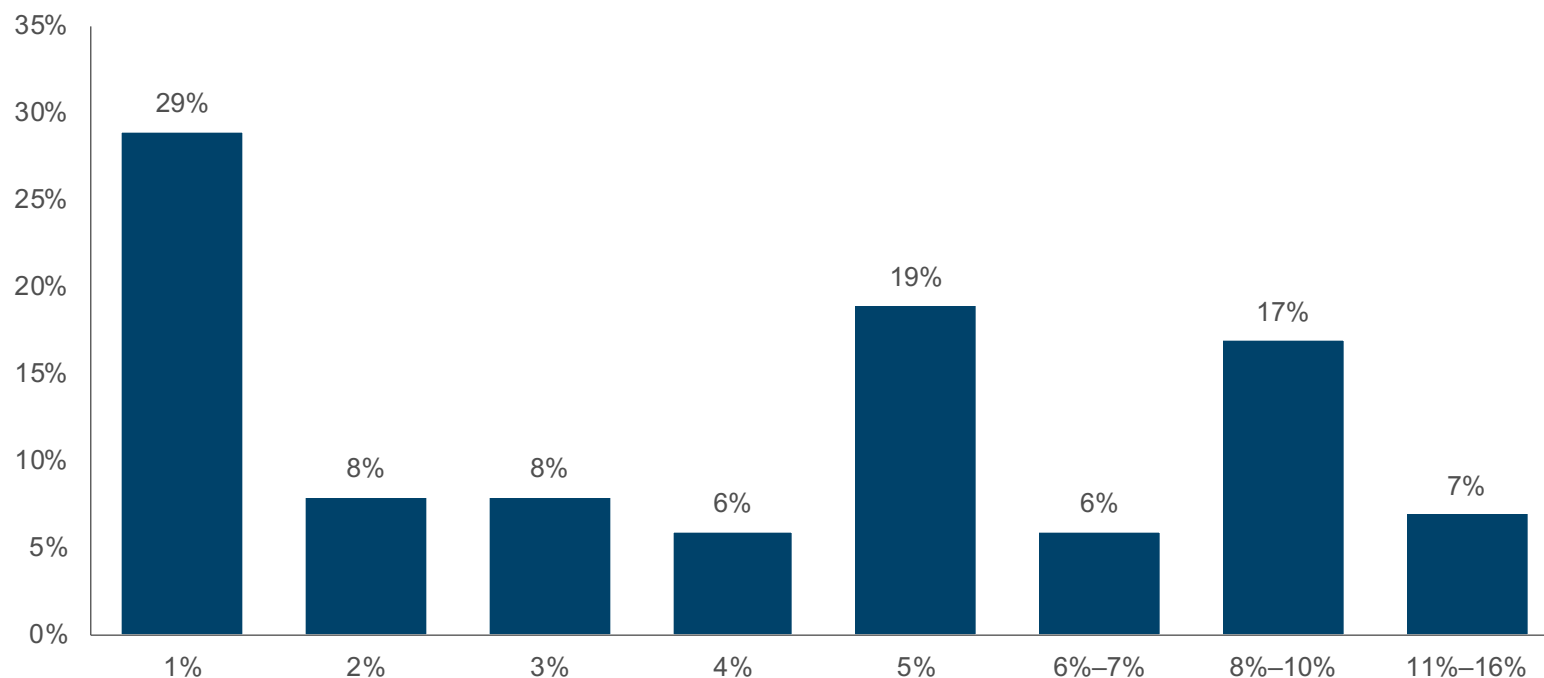
Q. 51

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# Percentage of Investable Assets Withdrawn

About what percentage of your investable assets did you withdraw in the past 12 months?

Base: Retirees who have a withdrawal plan (48%)	
Average	4.9%
Median	4.0%



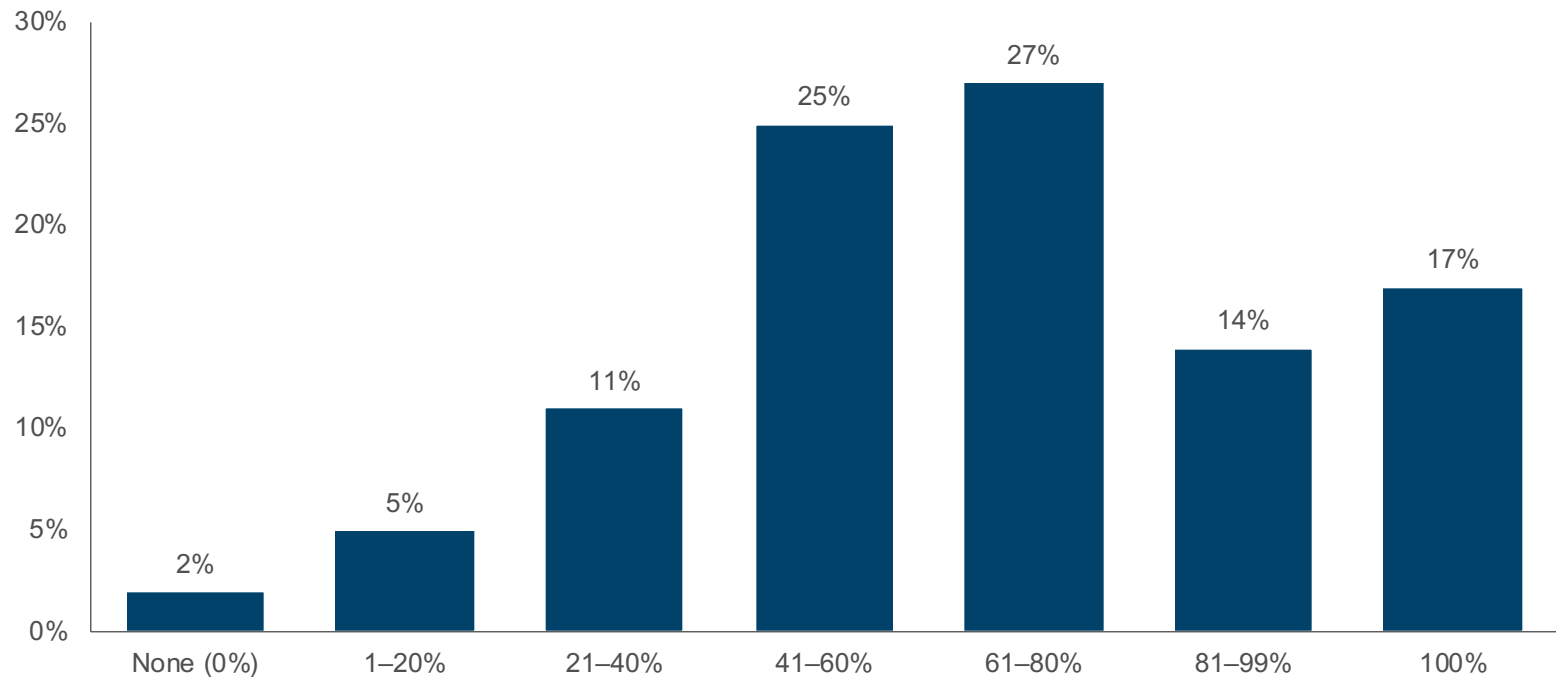
Q. 52 and cross tabs



# Retirees' Proportion of Annual Income Replaced

About what proportion of the annual income this household had before you retired does this household have today?

Base: Retirees	
Average	66%



Q. 48

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# Asset Allocation in Retirement

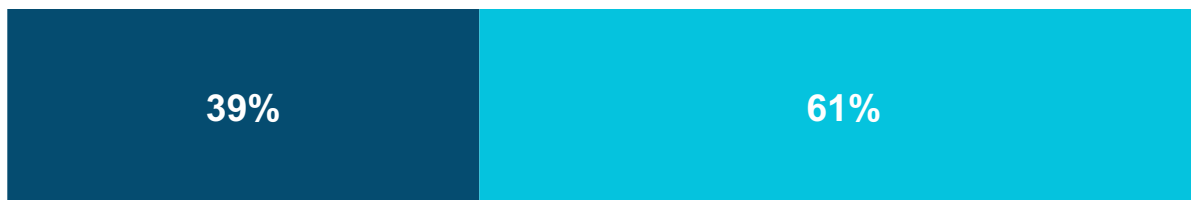
When it comes to asset allocation in retirement, with which statement do you agree more:

- With many years to live in retirement, keeping upside market potential is essential to make sure I don't run out of money
- Minimizing risk and producing income is more important than keeping upside market potential

**Workers**



**Retirees**





# MANAGING SPENDING

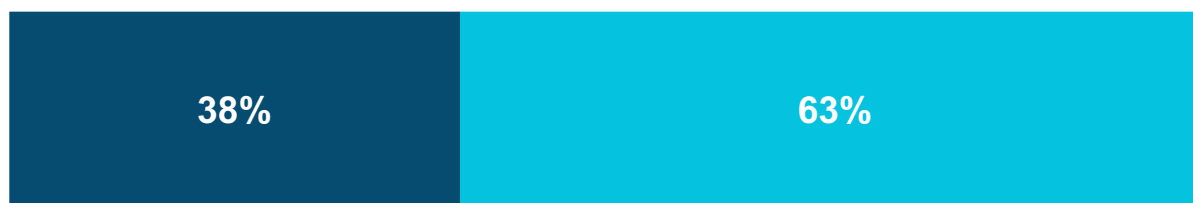


# Retirement Spending Strategies

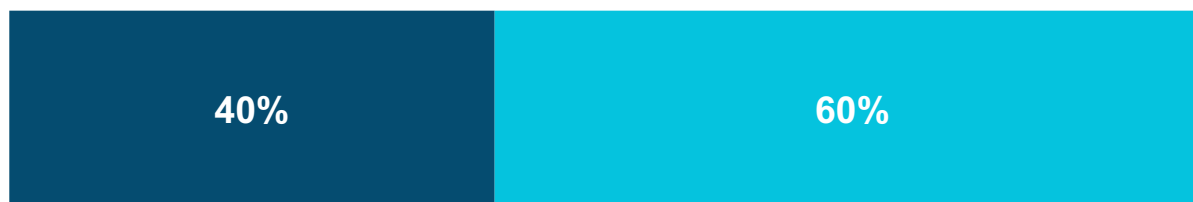
In retirement, which would you rather do?

- Maintain the same level of spending year after year in retirement, even if such spending diminishes the value of your portfolio
- Adjust your spending up and down depending on the market to maintain the value of your portfolio

**Workers**



**Retirees**

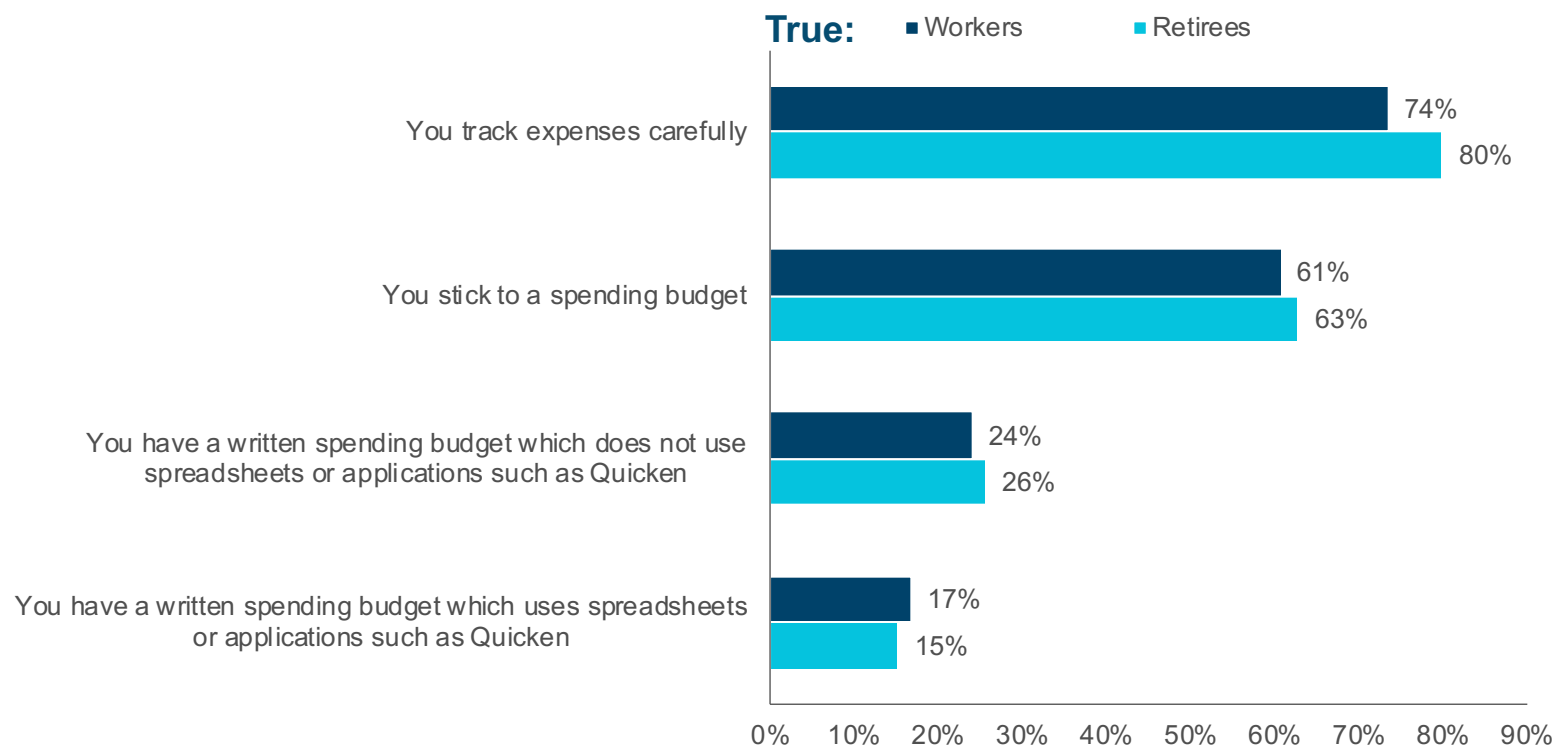


Q.26

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# Managing Spending

When it comes to managing spending, which of the following statements are true for you?



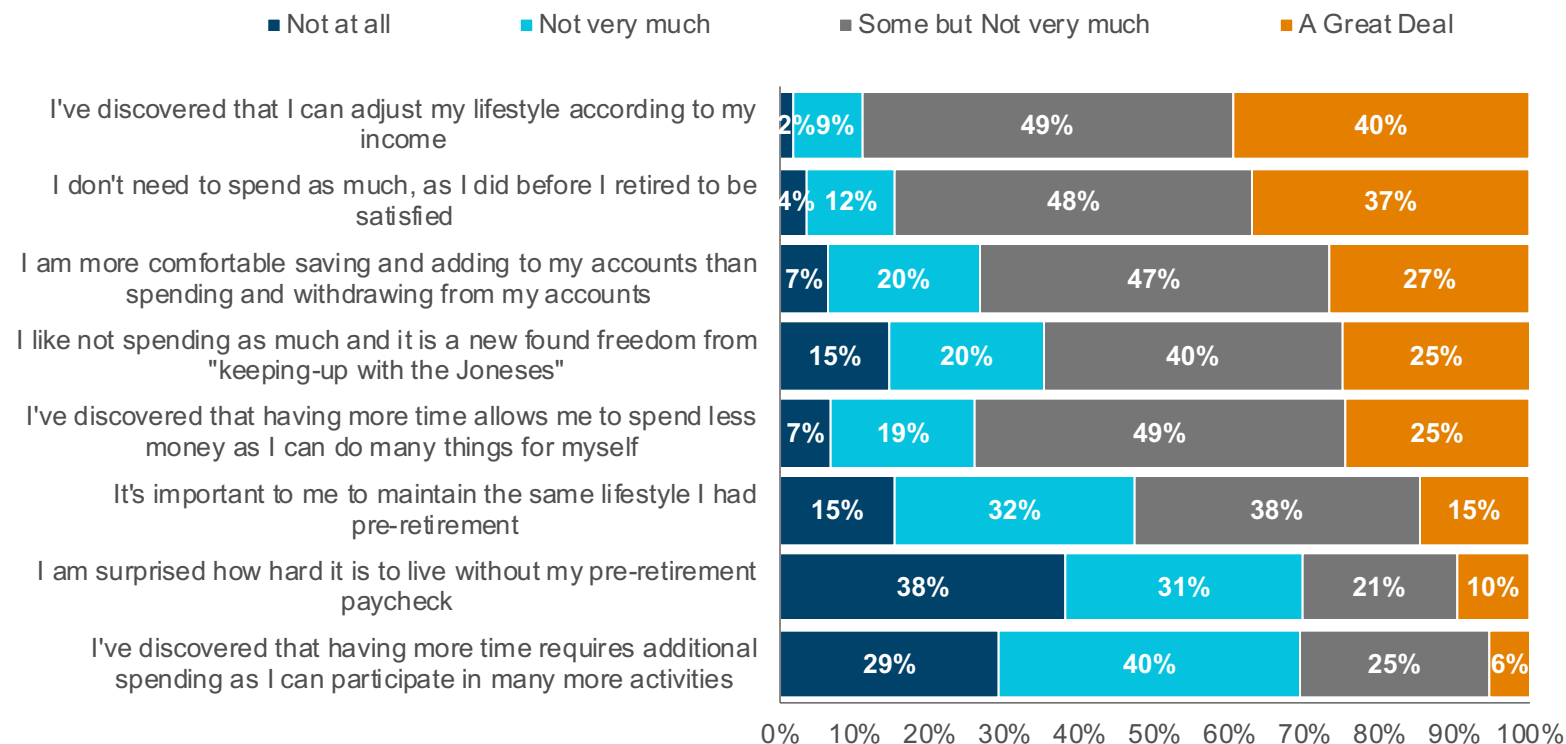
Q.12

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# Which Statements Describes You

## BASE: RETIREES

Please indicate the extent to which each of the statements below describes you.



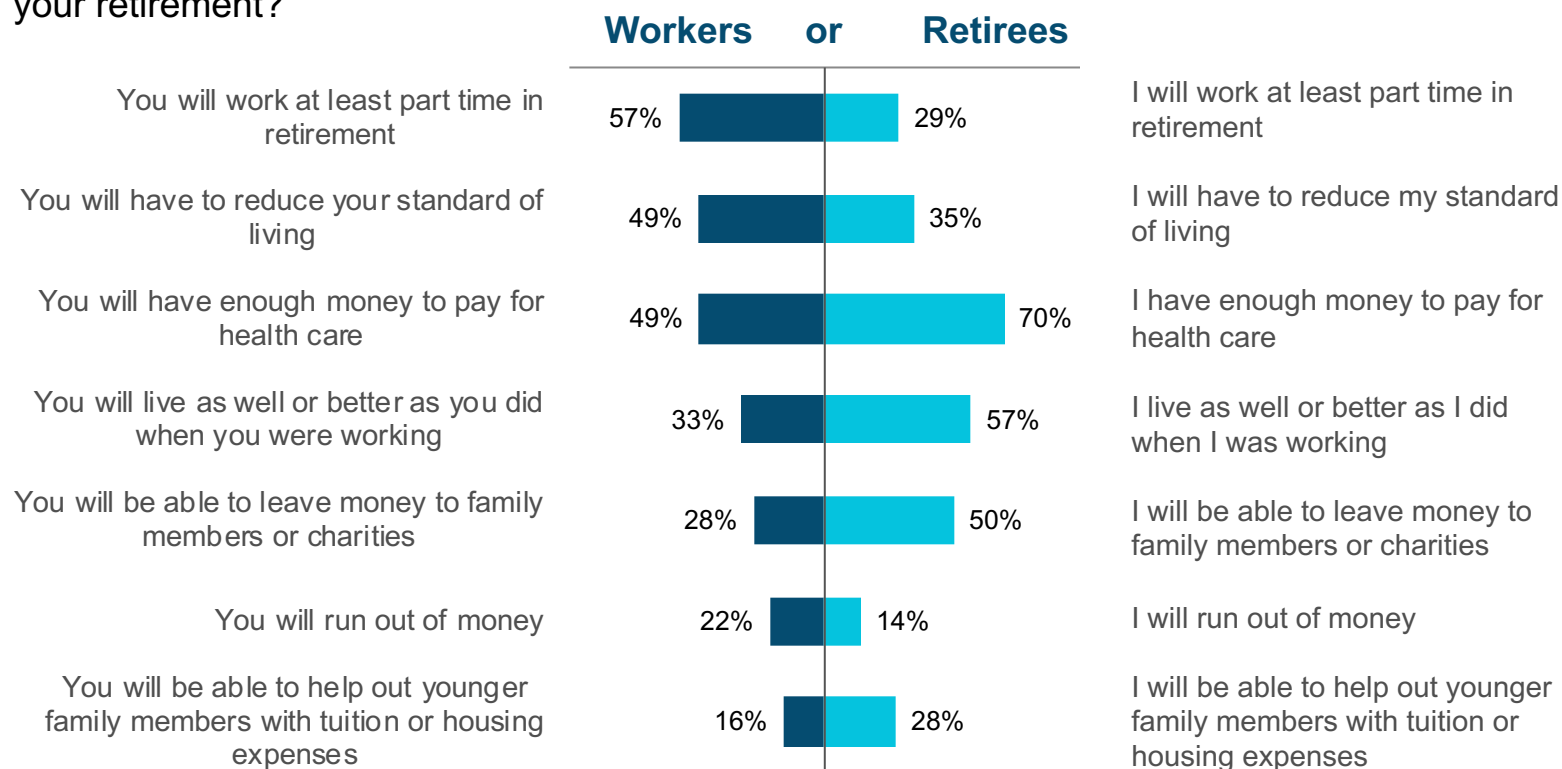
Q. 49

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# True of My Retirement

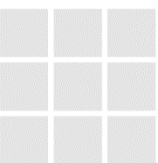
Given the retirement savings you have in place right now and the rate at which you are adding to those savings, which of the statements below do you expect will be true for you in retirement?

Given your savings, income and expenditures, which of the following statements are true of your retirement?



Q.40, 50

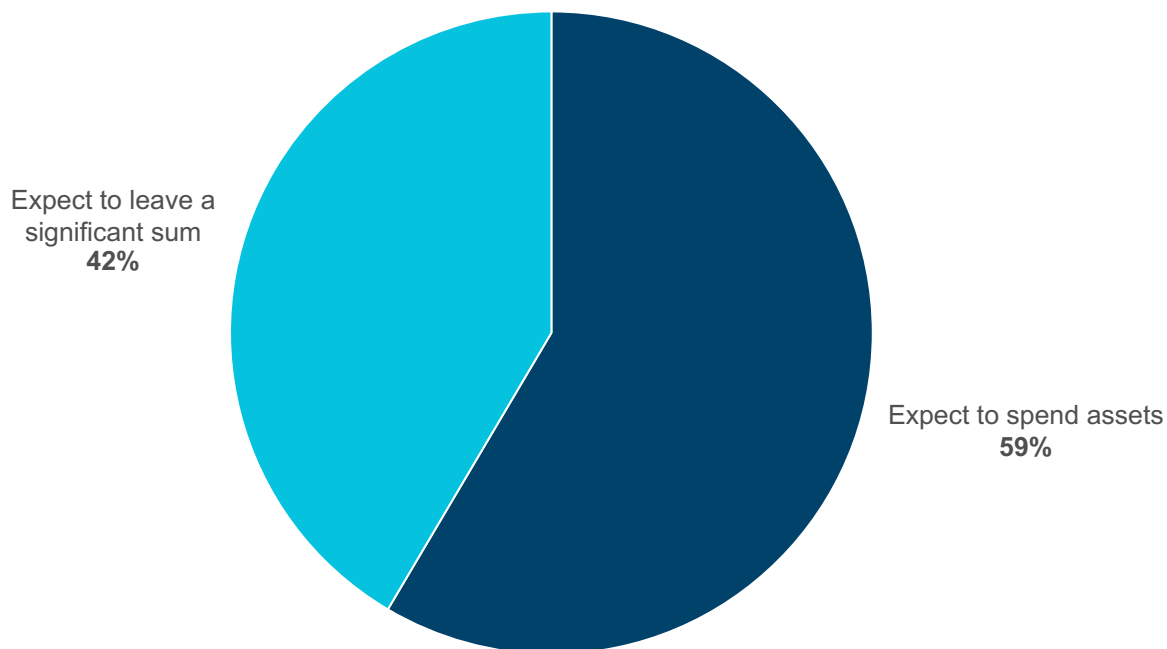
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# Expect to Spend Assets or Leave to Heirs

## BASE: RETIREES

Do you expect to spend down all or most of your assets to live on in retirement, or do you expect to leave a significant sum to your heirs?





# Sources of Funds for Emergency

If you suddenly faced an emergency that required more cash than you had on hand, to which of the following sources of funds would you turn?



Q.15

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# Special Emergency Fund Account

## BASE: HAVE AN EMERGENCY FUND

About how long do you think you could meet your routine household expenses from this special emergency fund account?

	Workers %	Retirees %
1–3 months	18	11
4–6 months	32	28
7–9 months	7	3
10–12 months	16	28
13–24 months	15	15
25–36 months	4	6
37–60 months	5	7
61–120 months	2	2
Over 120 months	1	1
Median # of months	6	12

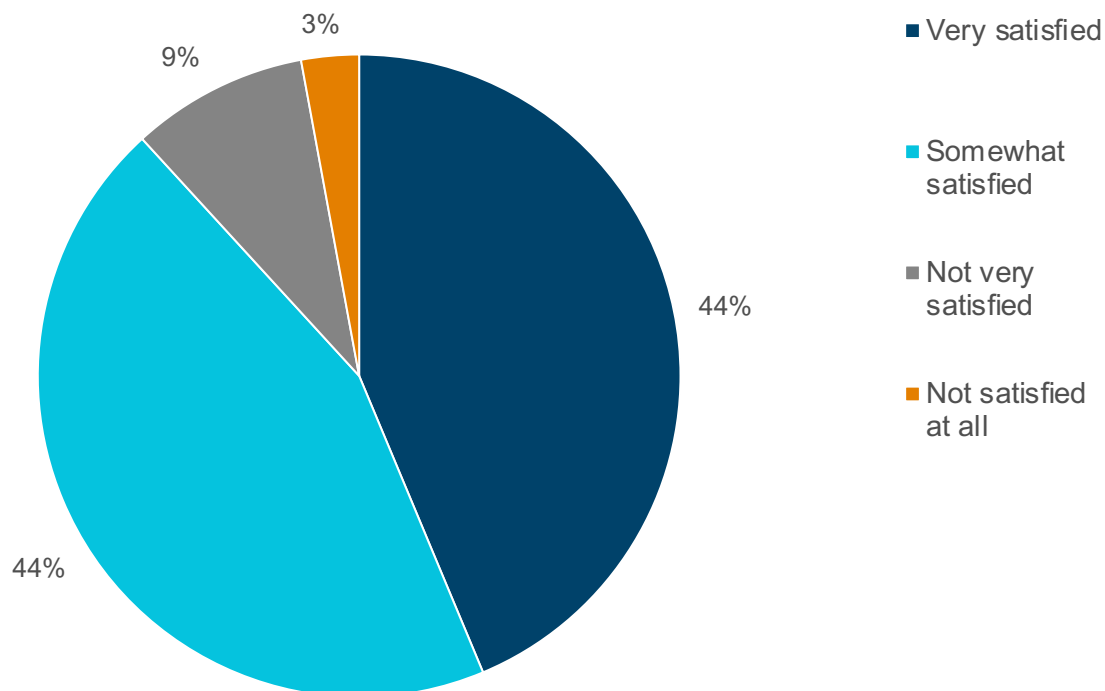


# **SATISFACTION AND FINANCIAL WELL-BEING**

# Satisfaction in Retirement

## BASE: RETIREES

All things considered, how satisfied would you say you are with your retirement so far:



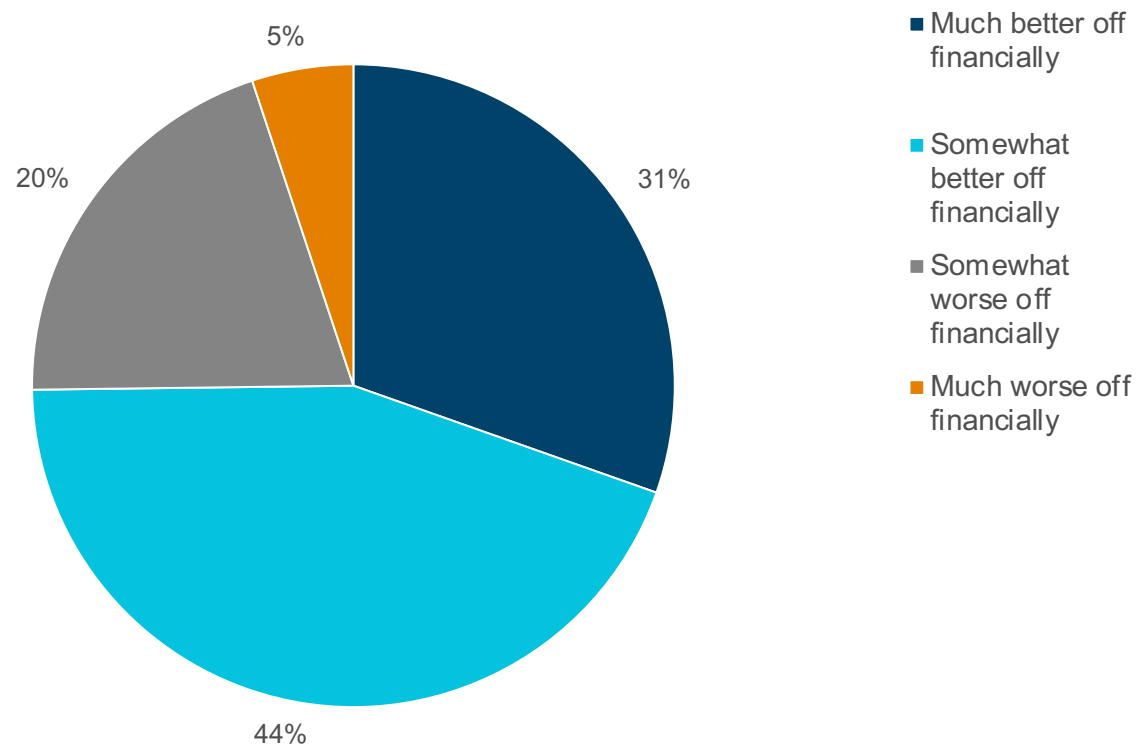
Q.44

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# Financial Well Being Compared to Parents

## BASE: RETIREES

Compared to how your parents lived when they were the age you are now, would you say you are:



Q.45

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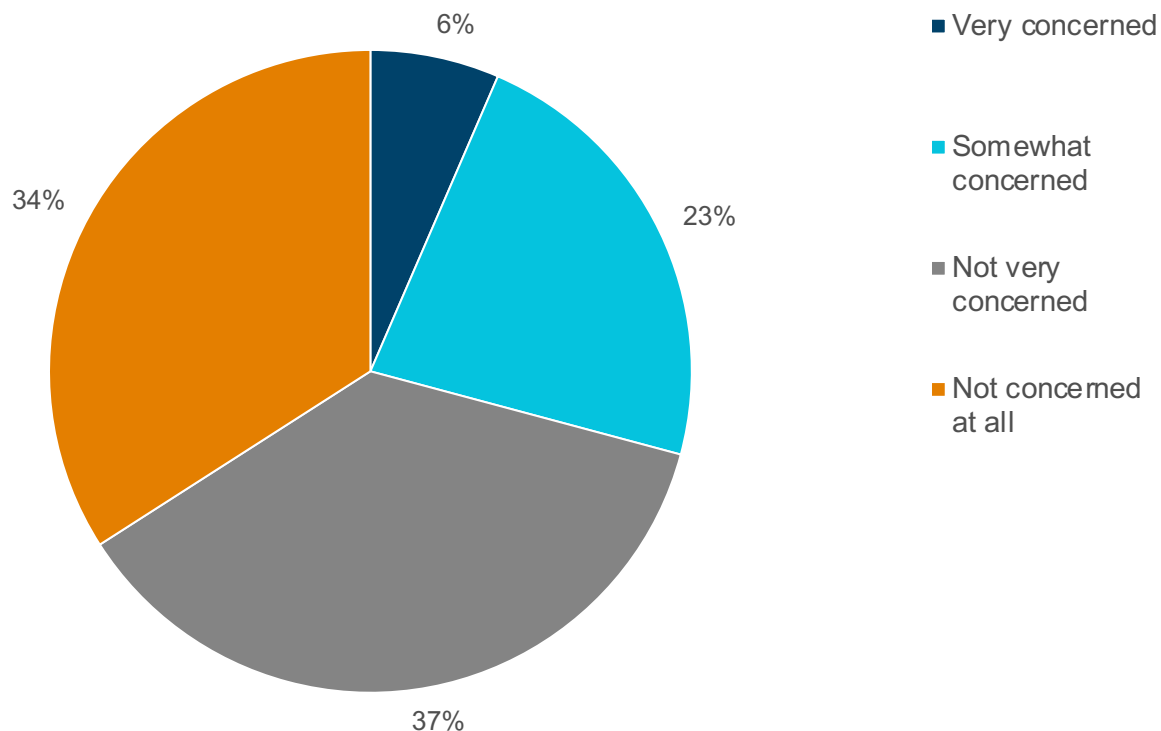


# **WORKERS' SAVINGS AND EXPECTATIONS**

# Workers' Perceived Job Security

## BASE: WORKERS

How concerned are you that you may lose your job in the next 12 months?



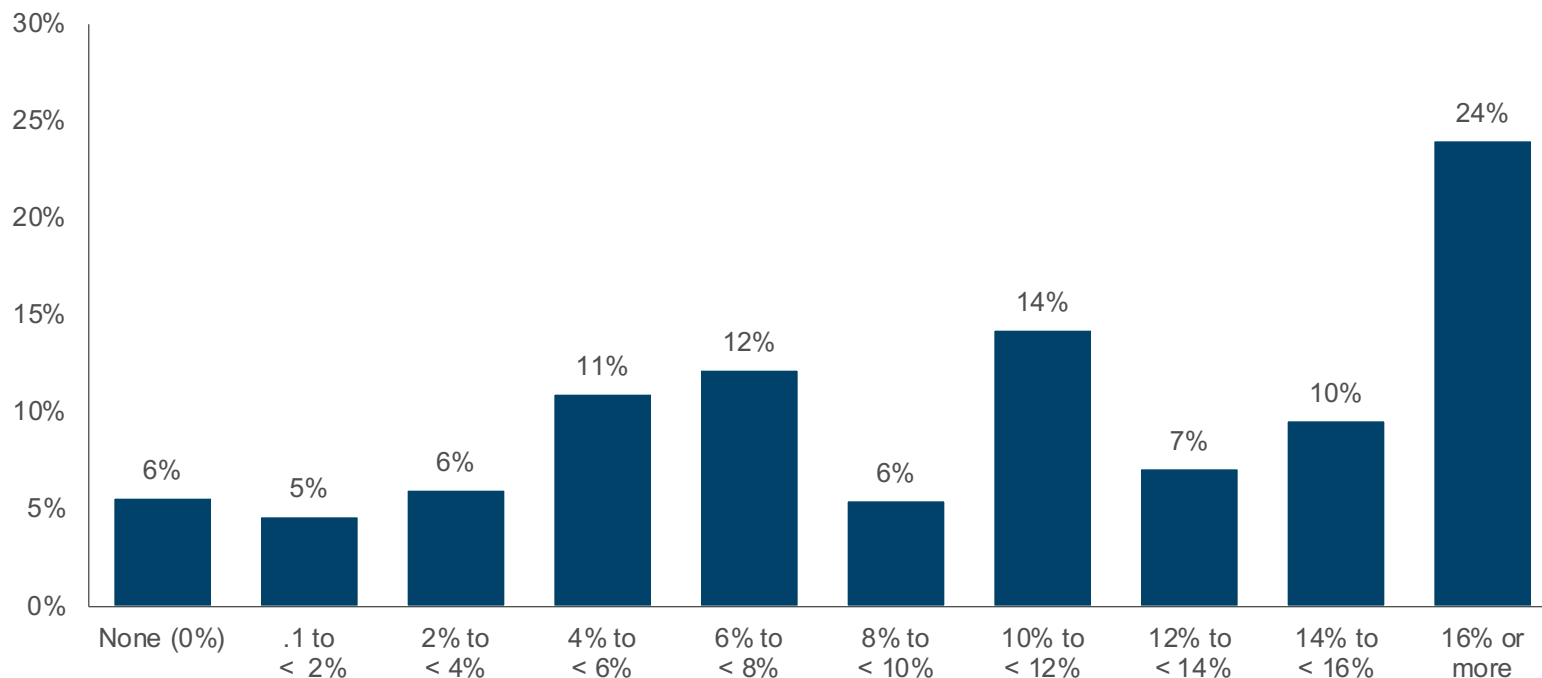
Q.31

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# Workers' Personal Deferral Rate

Not counting any contributions your employer may make to your retirement account over the next 12 months, how much money, if any, do you expect to put into this account?

Base: Workers	
Median	10%
Average (ex outliers):	11%



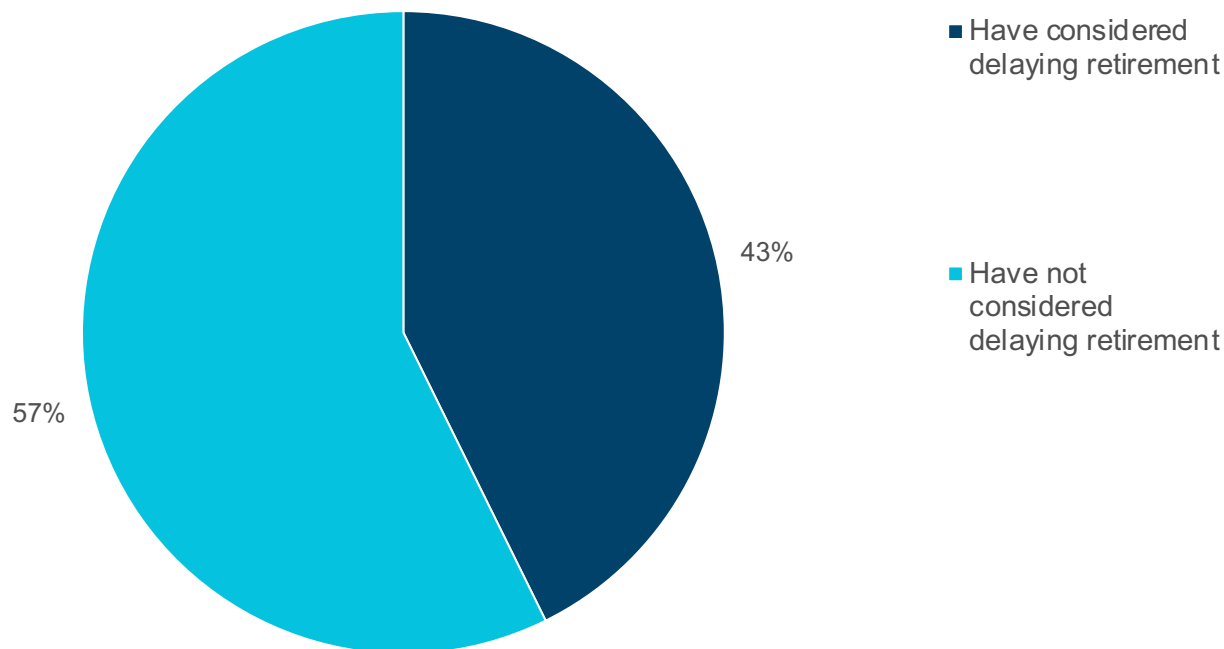
Q. 38/ Personal income  
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# Workers Considering Delaying Retirement

## BASE: WORKERS

In the past 12 months have you considered delaying your retirement beyond your original target age, or haven't you?



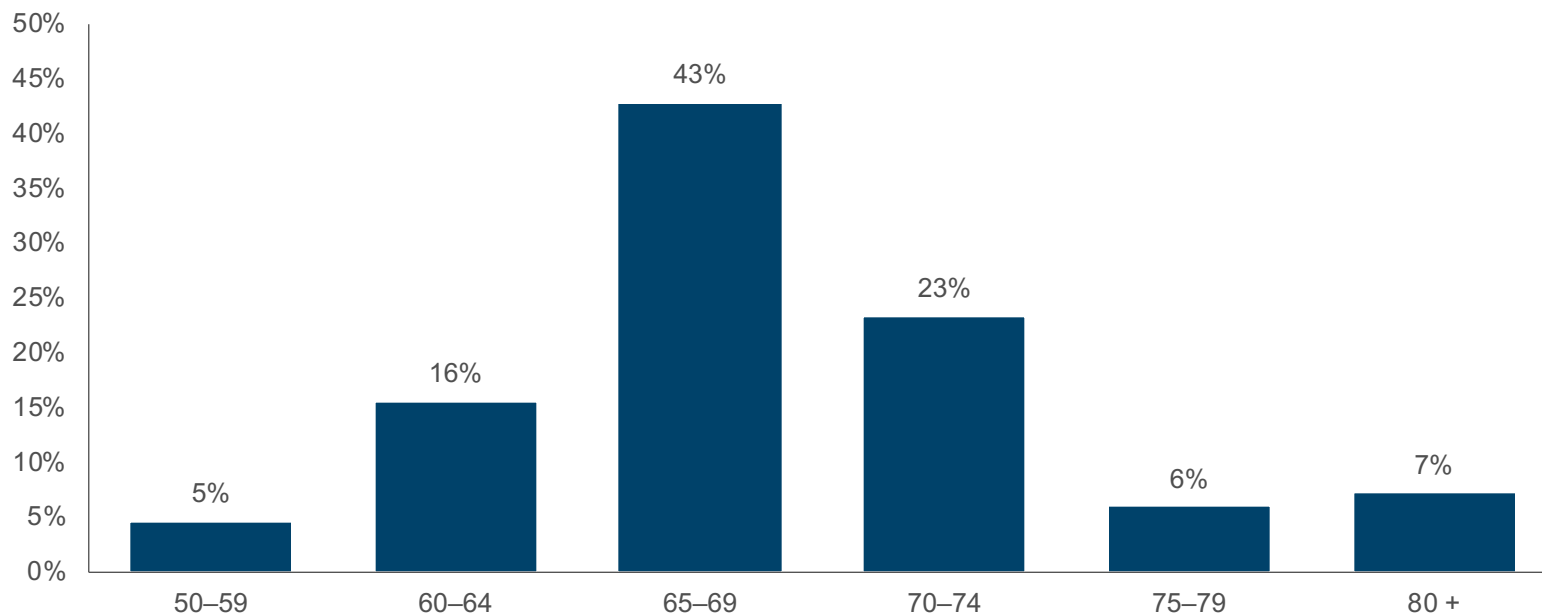
Q.32

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# Workers' Expected Retirement Age

At what age do you expect to retire?

Base: Workers	
Median	67 years old
Average	68 years old



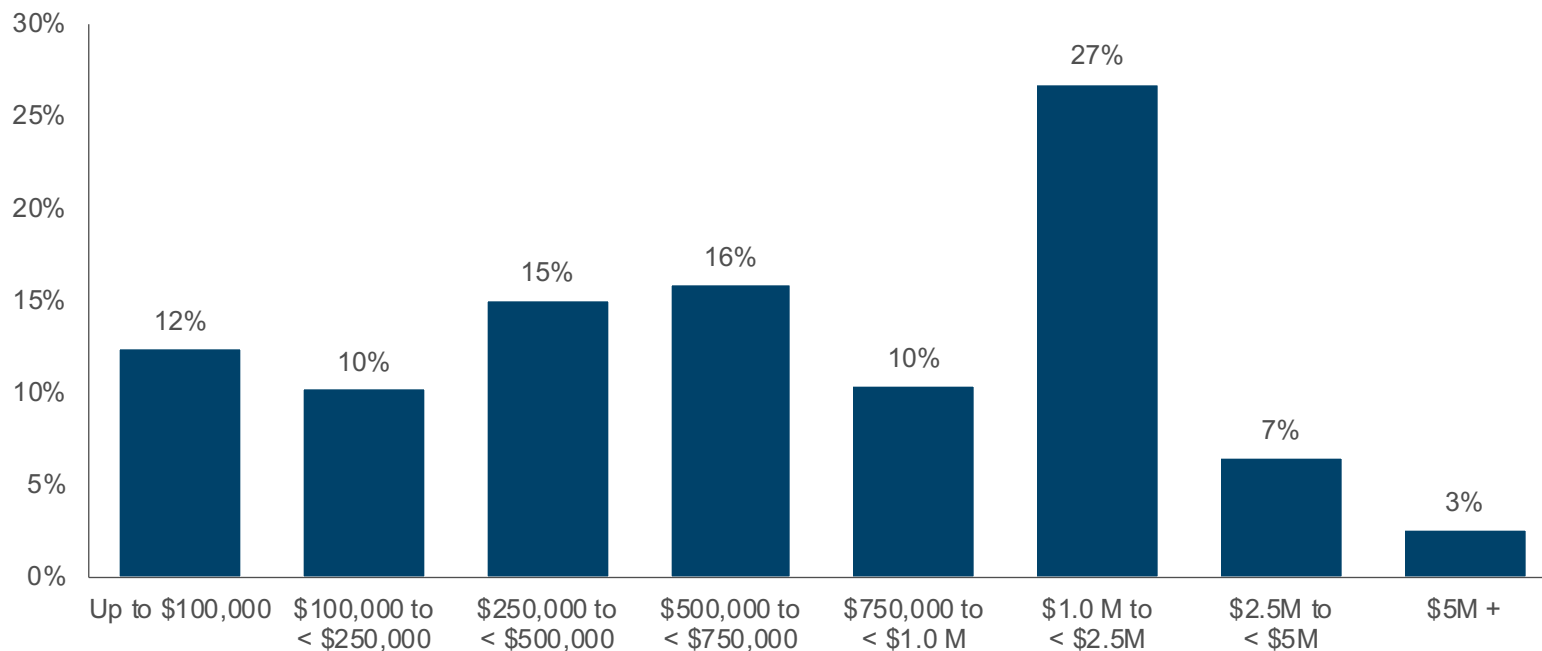
Q. 33

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# Workers' Minimum Retirement Nest Egg

In today's dollars, what's the bare minimum dollar figure you'd like to have saved before you retire?

<b>Median</b>	\$693 Thousand
<b>Average</b>	\$1.3 Million

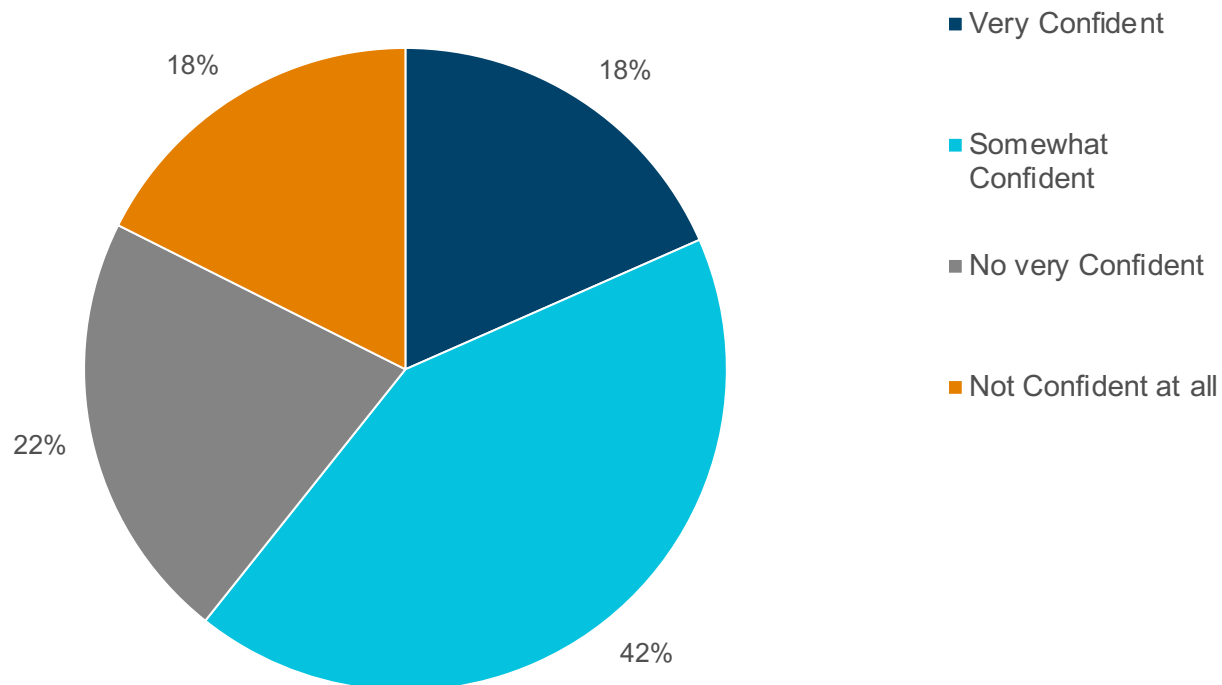


Q. 36  
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# Confidence They Will Hit that Number

## BASE: WORKERS

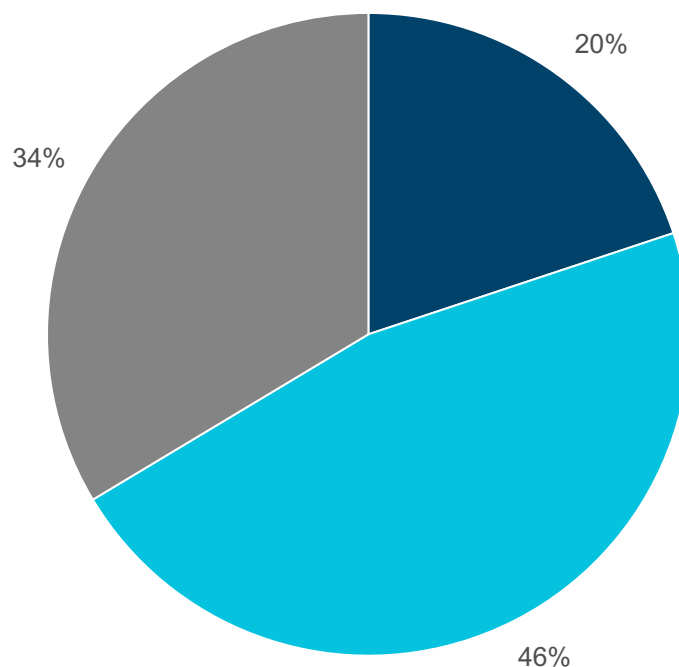
How confident are you that you will hit that number?



# Social Security Choices

## BASE: WORKERS

If you had to say right now, which one of the following choices would you make about Social Security when you retire:



- Begin taking Social Security as soon as I become eligible (currently age 62), even if my monthly benefit payments are lower as a result
- Wait to take Social Security until full retirement age, which is currently 66
- Wait to take Social Security until I'm eligible for the maximum monthly benefit amount at age 70

Q 41

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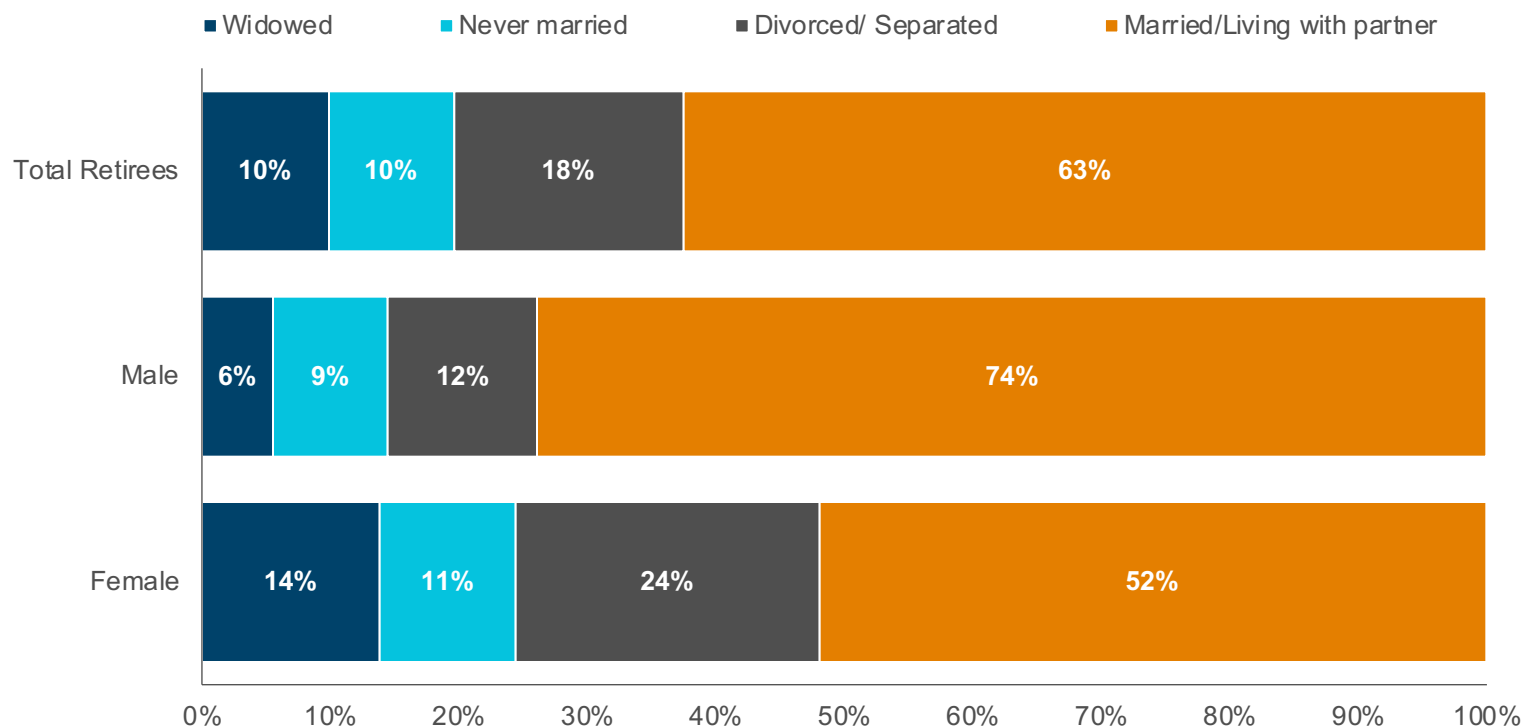


**WHO ISN'T DOING AS WELL?**

# Total Retirees: Marital Status

## BASE: RETIREES

What is your marital status?



Q. 73

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# Retirees By Marital Status

## BASE: RETIREES

Investable Assets Plus Home Equity Less Debt

	Total Retirees %	Married or Partnered %	Not Married or Partnered %
Negative amount	3	3	3
None	1	0	2
Any to under \$5,000	2	2	3
\$5,000 to <\$50,000	8	6	11
\$50,000 to <\$500,000	38	30	52
\$500,000 to <\$2.5M	38	47	24
\$2.5M to <\$10M	8	11	4
\$10M +	1	2	1
Average (\$ in thousands)	\$1,303	\$1,671	\$686
Median (\$ in thousands)	\$473	\$731	\$248

Q. 58, 66, 68

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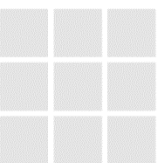
# Gauging Retired Singles' Satisfaction

All things considered, how satisfied would you say you are with your retirement so far:

	Total Retirees %	Married Yes	Live in No
<b>Total Actual</b>	1507	1016	491
<b>Net: Satisfied</b>	88%	90%	85%
<b>Very satisfied (4x)</b>	44%	48%	37%
<b>Somewhat satisfied (3x)</b>	45%	43%	48%
<b>Not very satisfied (2x)</b>	9%	7%	12%
<b>Not satisfied at all (1x)</b>	3%	3%	4%
<b>Net: Not satisfied</b>	12%	10%	15%

Q. 58, 66, 68

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# Gauging Retired Singles' Financial Well-Being

	Married	Single
Looking for work	11%	19%
Are surprised how hard it is to live without a pre-retirement paycheck*	27%	36%
Agree with the statement "I will run out of money"	11%	19%

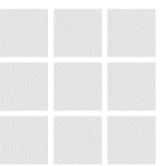
\*Indicated this describes them "A Great Deal" or "Some but Not Very Much"

Q. 58, 66, 68

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# METHODOLOGY



# T. Rowe Price Retirement Spending Study—Methodology

- Representative national survey of:
  - 1,030 working adults 50+ years old currently contributing to a 401(k) plan or eligible to contribute and have balance of \$1,000+.
  - 1,507 adults retired in the last 1 to 5 years and deriving income from a rollover IRA or left-in-plan 401k.
- Conducted online February 19th through March 3rd, 2014, by Brightwork Partners



**THANK YOU**