



# Providing Relevant Retiree Income Solutions

Our research shows that household spending in retirement decreases annually instead of staying flat. We also find that retirees are spending less on nondiscretionary expenses.



# 2%

ANNUAL DECLINE  
IN SPENDING

Retirees adjust their nondiscretionary<sup>1</sup> spending to match their guaranteed income<sup>2</sup> in retirement.

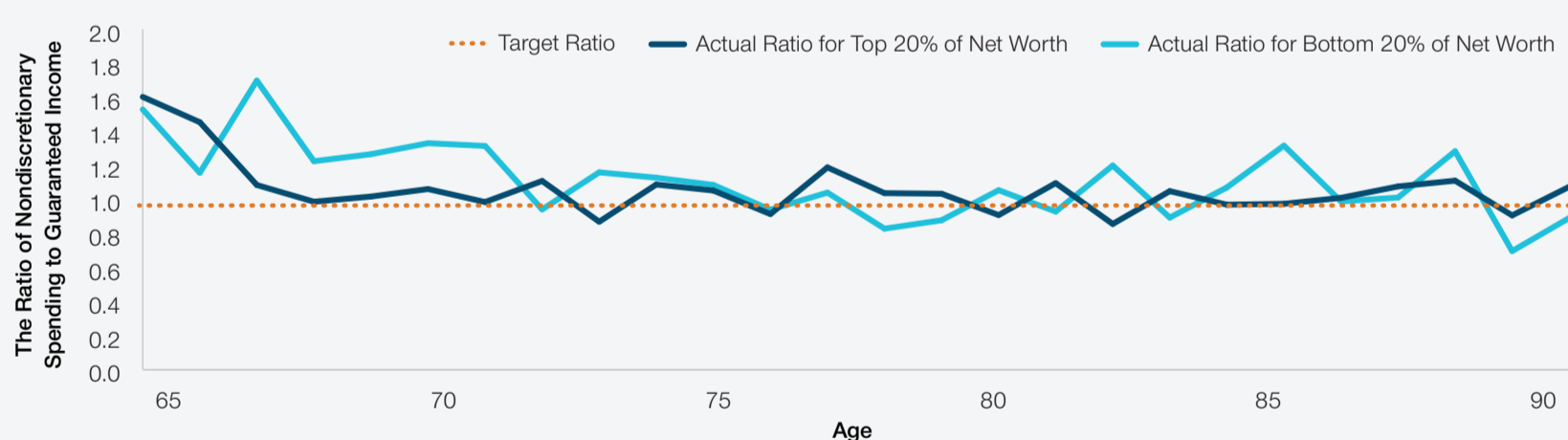


Our research shows that those with more assets can more easily modify their spending habits to restrict their essential spending to their guaranteed income.



People with less wealth struggle to cut their essential spending and may need to dip into their savings.

## High-Net-Worth Retirees Can More Easily Align Nondiscretionary Spending to Guaranteed Income



## What does this mean for financial professionals and plan sponsors?



### Financial professionals should:

- Consider their clients' personal preferences and financial flexibility when formulating their financial plans.
- Regularly revisit their clients' retirement income plans, particularly for higher-net-worth clients.



### Employers and plan sponsors should:

- Consider offering a variety of solutions.
- If possible, consider professional guidance to help their workers make informed choices about retirement income needs.

<sup>1</sup> e.g., Housing costs, utilities, groceries    <sup>2</sup> e.g., Estimated Social Security benefits or a pension

Source: Health and Retirement Study (HRS) and Consumption and Activities Mail Survey (CAMS), public use dataset. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI.

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