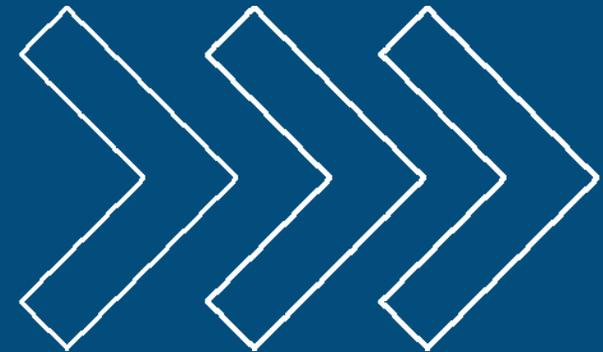


# New Insights from 2017 Society of Actuaries Research on Post-Retirement Risk



## Agenda:

- Background
- Results
  - Late in Life Qualitative Research
  - Retirement Concerns & Preparations
  - Financial Wellness Among Retirees & Pre-Retirees
  - Housing Decisions for Retirement
  - Planning for Future Long-term Care Needs
- Other Major Projects
  - Retirement Decision Briefs for Individuals
  - Retirement Literacy Guides
  - Financial Wellness Essays
  - Retirement Adequacy Paper
- Conclusions
- Appendix

# BACKGROUND



## Background: Post-Retirement Needs and Risks Committee

- Society of Actuaries post-retirement risk research: nearly 20 years of work
  - Members from many disciplines of retirement expertise
- Overall program goal: Understand and improve post-retirement risk management
- Risk and Process of Retirement Survey conducted biennially since 2001
- 2017 Late in Life research focuses on those ages 85 and over – Major special project in 2017
- Builds on earlier work – 2013 focus groups with people retired less than 10 years and 2015 focus groups with people retired 15 years or more
- Findings now cover pre-retirement and full retirement periods

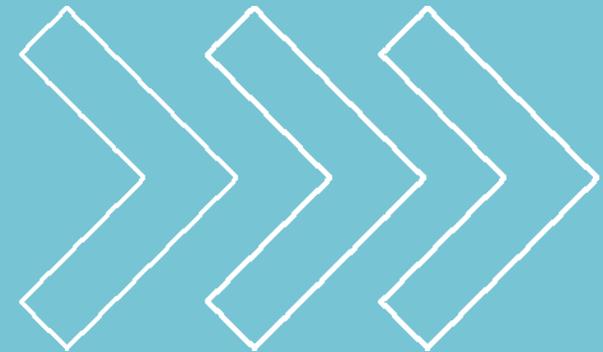
# Background: Prior Findings and Current Environment

- Generally consistent results over the long-term – both with regard to risk concerns and risk management strategies.
- Pre-retirees more concerned than retirees about risks.
- Major differences in situation by income level. Debt can be problematic.
- Retirees are resilient and many deal with the situation in a way satisfactory to them.
- Consumers often plan for shorter term cash flows and not for the long-term.
- Consumers do not plan well for risks in retirement and often focus on dealing with risks as they happen. But they also try to retain assets and minimize spend down.
- Works out well for some, but multiple shocks are more different. Some experience shocks that set them back financially – divorce, major long-term care, children needing longer help.
- Consumers do not plan well for major long-term care and assisted living.
- Health status is extremely important in what people are able to do; by age 80 many have limitations.

## **Key to Late in Life Research:**

What are the consequences of earlier retirement planning and decisions later in life both in terms of financial and emotional wellness?

# LATE IN LIFE QUALITATIVE RESEARCH



## IDI Big Picture: What We Learned

1. Most adapt to their financial circumstances and are resilient
  - Most are comfortable with frugality – expenses lower
2. Successful month-to-month balancing of income and assets
  - Small level of assets provide ample cushion
  - Most shocks seem less impactful than in the 15+ years retirees focus groups
  - Health expenses covered well with Medicare plus Supplement
3. Health and vitality vary tremendously
  - As does activity level and need for socializing
4. Importance of family support critical as health declines
  - More discussion about family role often needed
5. Cost of assisted living and major long-term care are major challenges
  - Little planning
  - More easily paid for in Canada than U.S.

Most adapt to their financial circumstance and are resilient.

*We have everything we need. Everything is paid for. Our house is paid for. The cars are paid for. Our kids are okay. —*

*Elderly, over-\$50K asset male, Baltimore*

*I get a pension and it's satisfactory. Mostly [I can afford everything I need]. I don't need that much because I live here with my children. I'm very satisfied with what I have here. —*

*Elderly, under-\$50K-asset female, Chicago*

Most are comfortable with frugality.

### Some have childhood memories of parents living through the Great Depression

*I've been somewhat frugal, yes. Because when you're a child in the Depression days, my parents were very frugal. I saw how it happened for them that they were all right when they did retire.*

*Elderly, over-\$50K asset female, Vancouver*

*[Concerns] No, because we were always frugal. I don't expect to buy a Lamborghini.*

*Elderly, under-\$50K-asset female, Baltimore*

Most successfully manage cash flow.

**Most have very short-term focus that they maintain indefinitely.**

*I have a checking account. When I have excess money, I'll put it in the checking account, so sometimes I have to fall back on that, right?*

*Dyad (parent-child interview), elderly parent, over-\$50K-asset female, Baltimore*

*I looked at it today and saw I've got \$3,000 in there. Wow! And I paid all my bills. I don't budget, I just see it, and as soon as I get the check, I pay it.*

*Elderly, under-\$50K-asset female, Chicago*

Small level of assets provide ample cushion.

*Some of it's going to go to funeral expenses and then whatever we have. . . we've probably got \$20,000 or \$25,000. It's a little more than it was five years ago. It went up because she doesn't take out of it.*

*Elderly, over-\$50K-asset female, Los Angeles*

*I think she has \$20,000 invested that she doesn't really touch. So the pension stuff, she doesn't have \$20,000 saved from that. She just makes that much from the pension, but she doesn't have that saved because she buys this and that, and she helps out with whatever around the house.*

*Dyad, adult child, under-\$50K-asset female, Vancouver*

*She's got Medicare and an HMO through Kaiser. Luckily she's been healthy, so we really haven't run into a lot of medical expenses. She had a back problem and she had an MRI and this and that. But all that, financially, we were able to take care of with no problem.*

*Adult child, over-\$50K-asset female, Los Angeles*

*I think they [government insurance] could pay more for the meds. I find that the really expensive meds you need you have to pay for. The ones that are cheap anyway, yes, you get that on Pharmacare. But the really expensive ones you pay for. I don't think that's very fair.*

*Elderly, under-\$50K-asset female, Vancouver*

Health and vitality vary tremendously.

**Leads to great variation in how the elderly live.**

*The Doctor told me, “I want you to do me one favor. On the days that you golf now, I only want you to walk on the course. No walking before you golf.” I used to walk an hour before I golfed, and then I would go out and walk 18 holes on top of it.*

*Elderly, over-\$50K asset male, Chicago*

*I had to buy a van to transport her back and forth to day care because she could no longer sit herself in the car. I bought a used ambulance . . . That was strictly out-of-pocket. —Dyad, elderly parent, over-\$50K-asset male, Baltimore*

*Elderly, under-\$50K-asset male, Baltimore*

**IDI** Family support more important as physical health and mental capability declines.

**Healthy often maintain financial and social independence but some require assistance with money management.**

*That is the last thing I ever want to do is ask my children for money. If we go out for dinner, they pay for my dinner and I reciprocate. My son has a dog, and if he goes out of town, I take care of the dog. My daughter has two dogs, and I'll take care of them.*

*Elderly, under-\$50K-asset male, Chicago*

*Usually it's me. But he has a card, right? If he needs to withdraw money, my sister, she can take him to the bank during the weekdays, right? Because I opened his account all information, you know, I kept that information. —*

*Adult child, under-\$50K-asset male, Toronto*

Cost of long-term care is the major challenge – less so in Canada.

*If I needed long-term care, I really don't know what I would do. I have wonderful children, and I know that they would help me out if needed. —*

*Elderly, under-\$50K-asset female, Chicago*

*I think it is going to be more of the ones that the government would subsidize her with. The public ones. That is what we are looking at. I don't know the specific numbers, but I think with her pension going into that, we would have to subsidize maybe \$1,000 a month. So from her \$40,000.*

*Adult child, over-\$50K-asset male, Toronto*

**Many don't grasp the challenge full-fledged care needs**

*[Response to long-term care question] I would probably go to Senior Citizens of the State of Maryland. They have a program for seniors, and they will offer you help—people cleaning the house, fixing the meals for you two days a week.*

*Elderly, over-\$50K-asset male, Baltimore*

*They certainly didn't plan for it. I would just say it just happened.*

*Adult child, over-\$50K-asset female, Chicago*

## IDI Key Findings – Later in Life 85+ Interviews

- Standard of living sustainable for most in the short run.
- Most have successfully negotiated short-term cash flow.
- Longevity has been managed, as long as health is sustained and paid long-term care is not needed.
- However, assisted living/long-term care is a looming financial threat, but it is unclear whether there is a readily available good solution.
- Planning to address this threat is inadequate, especially in U.S.
- Families play a growing role when there are limitations.
- 85+ interview findings are compatible with focus group findings – 15 years plus retirees.
  - Resilience found in both retiree groups.
  - Both retiree groups have cut expenses, often tend to be frugal, accept giving up some spending.
- Unclear to what extent lack of formal planning hurts people.

# RETIREMENT CONCERNS & PREPARATIONS

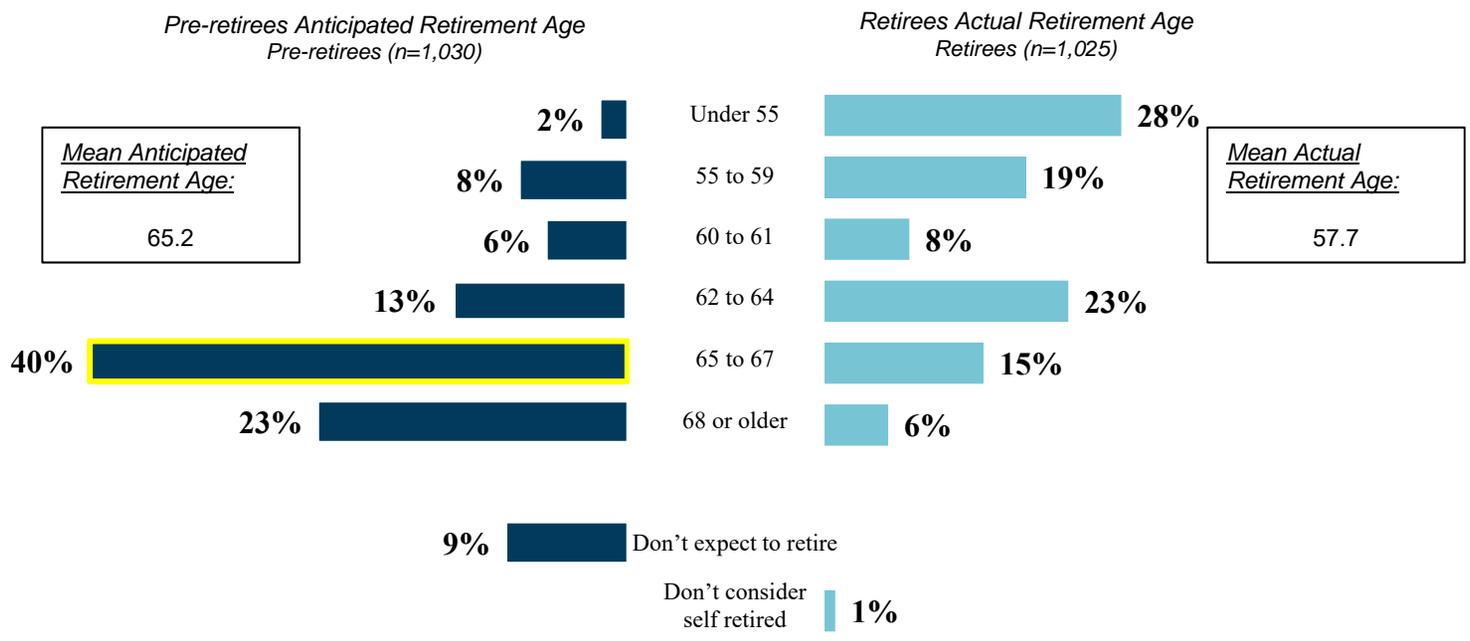


## Background: Risk Concerns and Management

- These issues are core of risk survey – have been repeatedly studied
- Survey offers quantitative data – focus groups and interviews help us to understand more about rationale and thinking
- Findings tend to be generally consistent over time
- Risk management does not fit expectations of retirement professionals
- Not discussed here, but retirees prefer to minimize asset spend down
- Results are quite different by income group – will be explored in special topic reports

**SY** Current retirees retired earlier than future retirees plan to do. Other research indicates that reasons for early retirement include declining health status and challenges arising in the workplace.

*Anticipated vs. Actual Retirement Age*

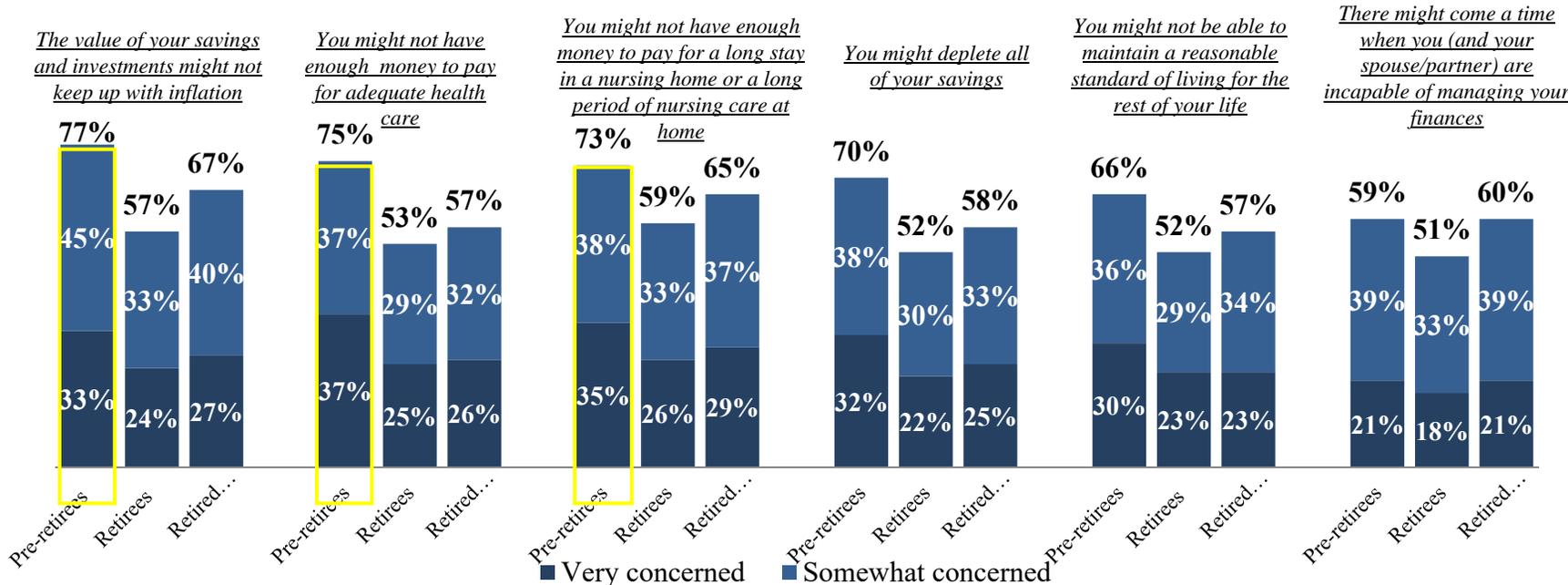




## Risk Concerns: Inflation, health care costs and long-term care costs are key concerns

### Concerns in Retirement

Pre-retirees (n=1,025), Retirees (n=1,030), Retired Widows (n=421)

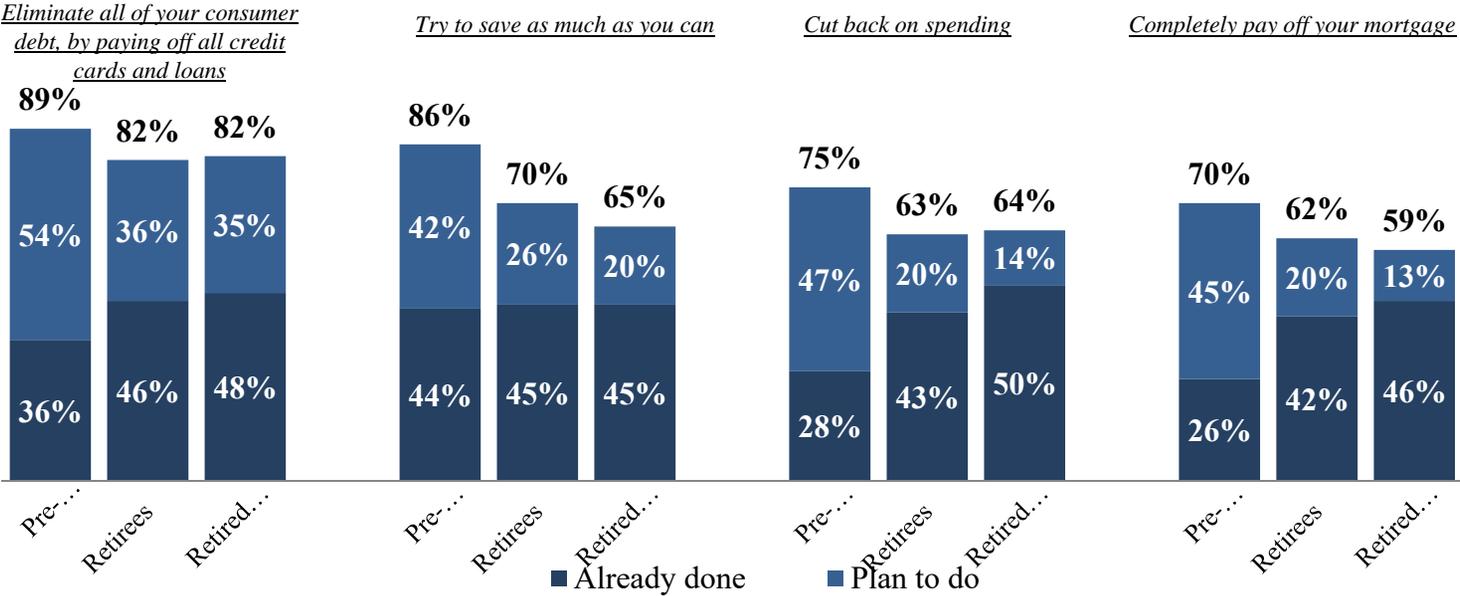


How concerned are you about each of the following (during retirement)?



Managing Risks: Eliminating consumer debt, saving as much as possible, and cutting back expenses are the most common actions pre-retirees and retirees have taken to protect themselves financially in retirement.

*Actions Taken for Financial Protection*  
 Pre-retirees (n=1,030), Retirees (n=1,025), Retired Widows (n=421)



*Have you already done the following, plan to do it in the future, or have no plans to do it to protect yourself financially (after you retire/as you get older)?*

## SY Observations

- Risk concerns increased since 2015, particularly among pre-retirees.
- Same top concerns (order changes) year by year: long-term care, inflation, health care costs
  - Concerns show some misunderstanding around health and long-term care risk protection.
  - But few individuals have long-term care insurance.
- Few buy annuities with guaranteed lifetime income.
- Few do formal long-term planning.
- Basic approach is to adjust to events. Three primary strategies: reduce spending, eliminate debt, save as much as possible
- Pre-retirees more anxious about almost all risks than retirees, and shorter-term retirees more anxious than longer-term.
  - The ability to adapt is important, but might not extend to next generation.

# FINANCIAL WELLNESS AMONG RETIREES & PRE-RETIREEES

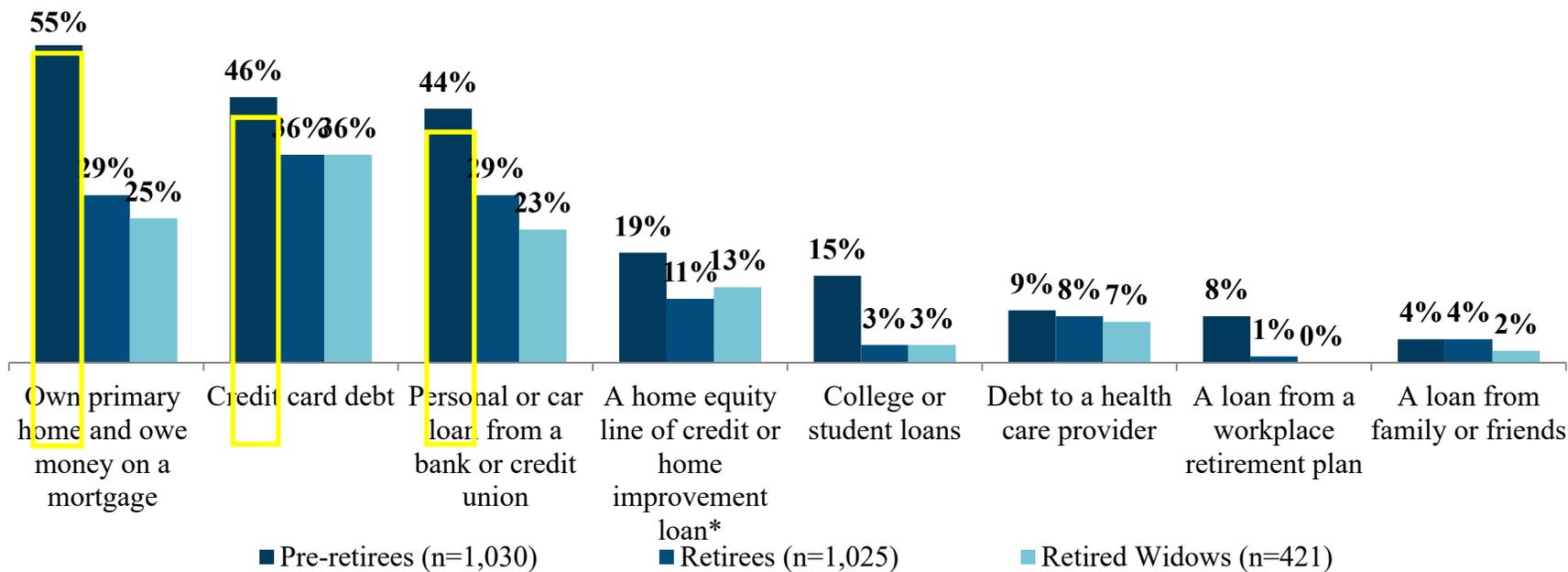


## SY New Context for Retirement Planning

- Growing recognition of financial wellness as essential to retirement planning.
- People who can't manage regular month by month expenses will not be able to do retirement planning well.
- Key issues include spending and debt.
- Retirement planning being woven into broader picture by many employers.
- High interest charges on some forms of credit and low returns on fixed income investments make this particularly important.
- First time this topic explored in risk survey series

**SY** A significant proportion of pre-retirees have mortgage and credit card debt and a personal or car loan.

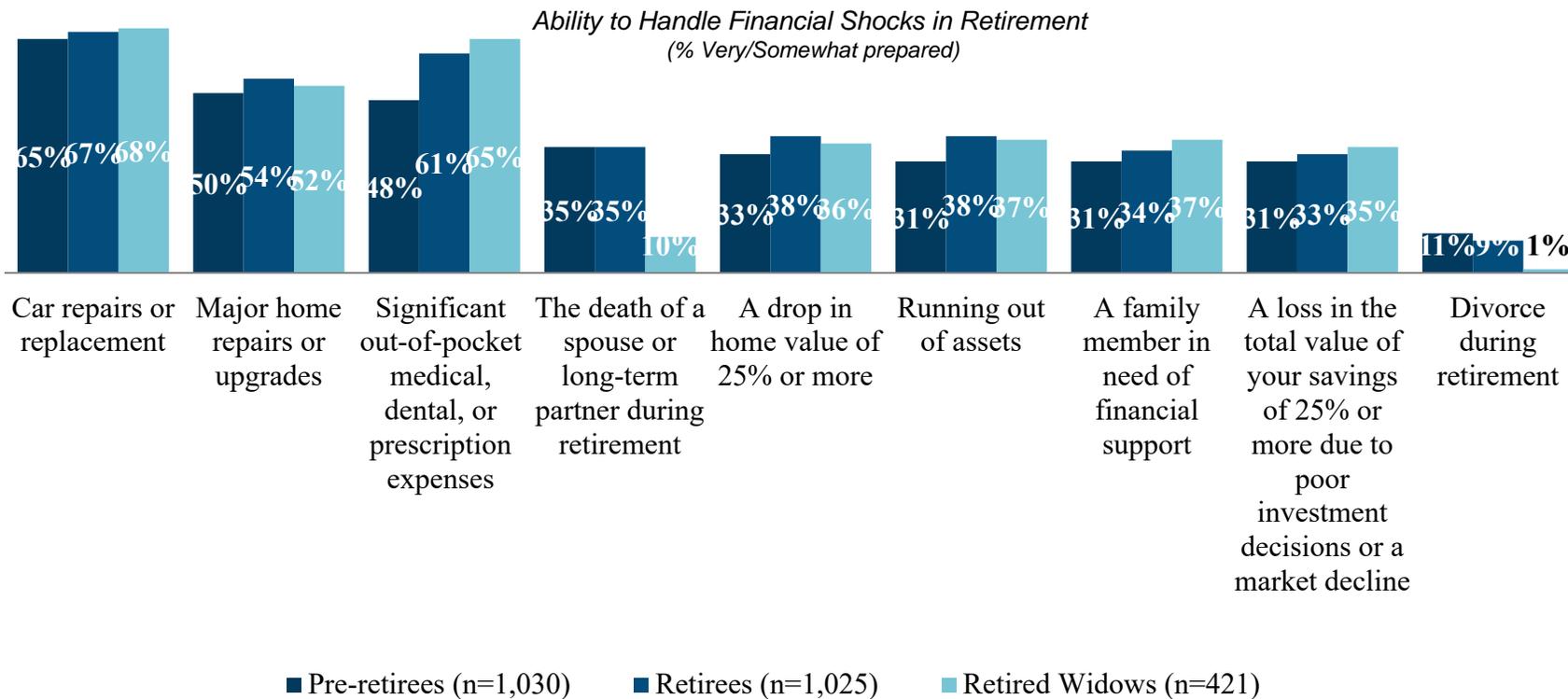
Types of Debt Owned



Do you (and/or your spouse/partner) currently have any of the following non-mortgage debt/Do you currently own your primary home, rent, or have some other primary living arrangement  
 \*Asked among homeowners with equity

**SY**

Many feel vulnerable to financial shocks that may occur in retirement.



*How well prepared are you financially to handle the following (during retirement)?*

## Observations

- The experiences of retirees do not always fit well with the survey responses – need to think about the interviews and past focus groups as well as the risk survey.
- Americans do not have strong feelings of financial security.
- Debt is clearly a factor and problem for many families at all ages.
- There is clear evidence of a lack of long term planning, but it is not so clear that many people do not manage reasonably well without it.
- Many have not taken key steps including creating financial planning documents and a will instrumental for financial security.
- Pre-retirees more concerned than retirees about risks and financial shocks in retirement, but do not take steps that could protect them.
- Pre-retirees say they have a high level of interest in financial education, which has some potential to enhance financial security, but often people do not take opportunities offered to them.
- Retirees have done better than researchers expected, but certain shocks create major problems – major long-term care event, divorce in retirement, children needing ongoing help – multiple shocks are also a problem.

# HOUSING DECISIONS FOR RETIREMENT



## SY Housing Issues and Importance

- Housing is the biggest item of retirement spending on average.
- Housing is a very important lifestyle issue.
- For many retired households – housing assets are larger than financial assets.
- Huge variations in housing cost by geographic area
- Big decisions around housing in retirement
  - Stay or move
  - Modify for limitations or replace with appropriate housing
  - Pay off mortgage, use reverse mortgage
  - Seek senior housing

## SY Housing Issues and Importance (continued)

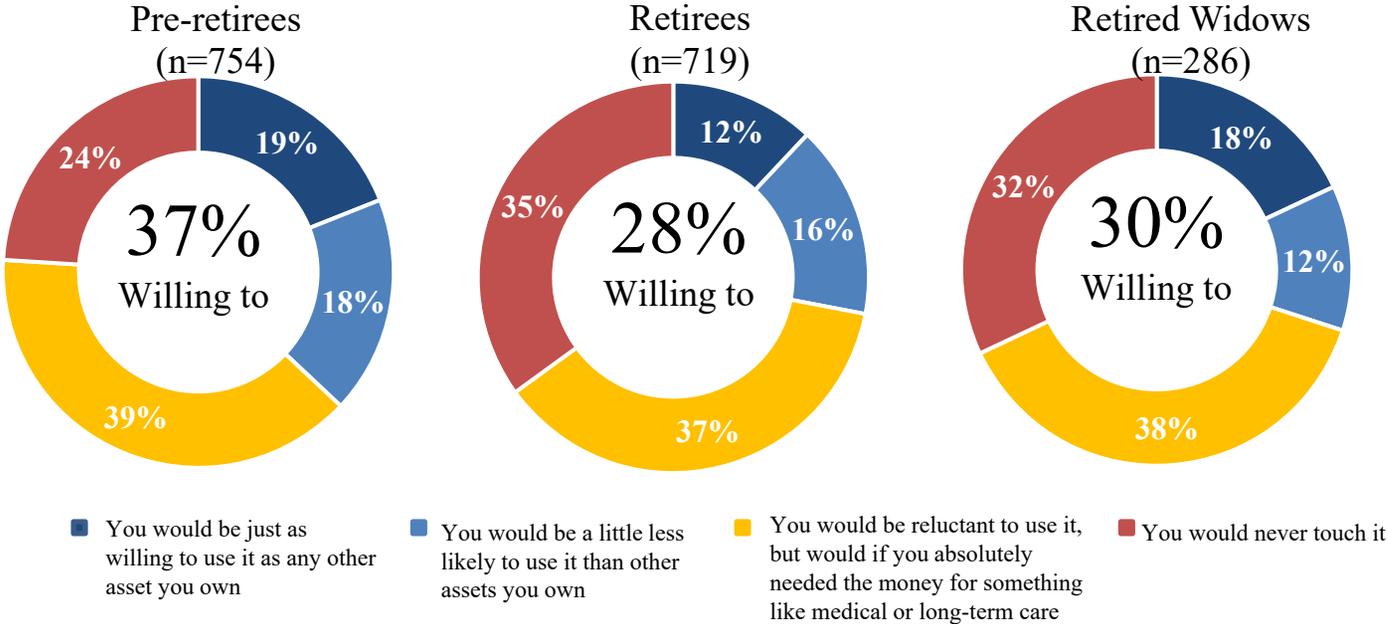
### Housing and Retirement Finance

- Housing tends to not be seen as a financial management issue.
- People think of housing separate from financial management to the extent they can.
- It is only when finances force them that most will pull money out of their home by selling it.
- People are very reluctant to use home equity, they are especially negative on reverse mortgages.
- However, three in ten are willing to use home equity to help fund their retirement.



Respondents are divided on selling their primary home to fund retirement, with pre-retirees expressing a little more willingness than retirees.

*Willingness to Use Home to Fund Retirement  
(Asked among those who have built home equity)*

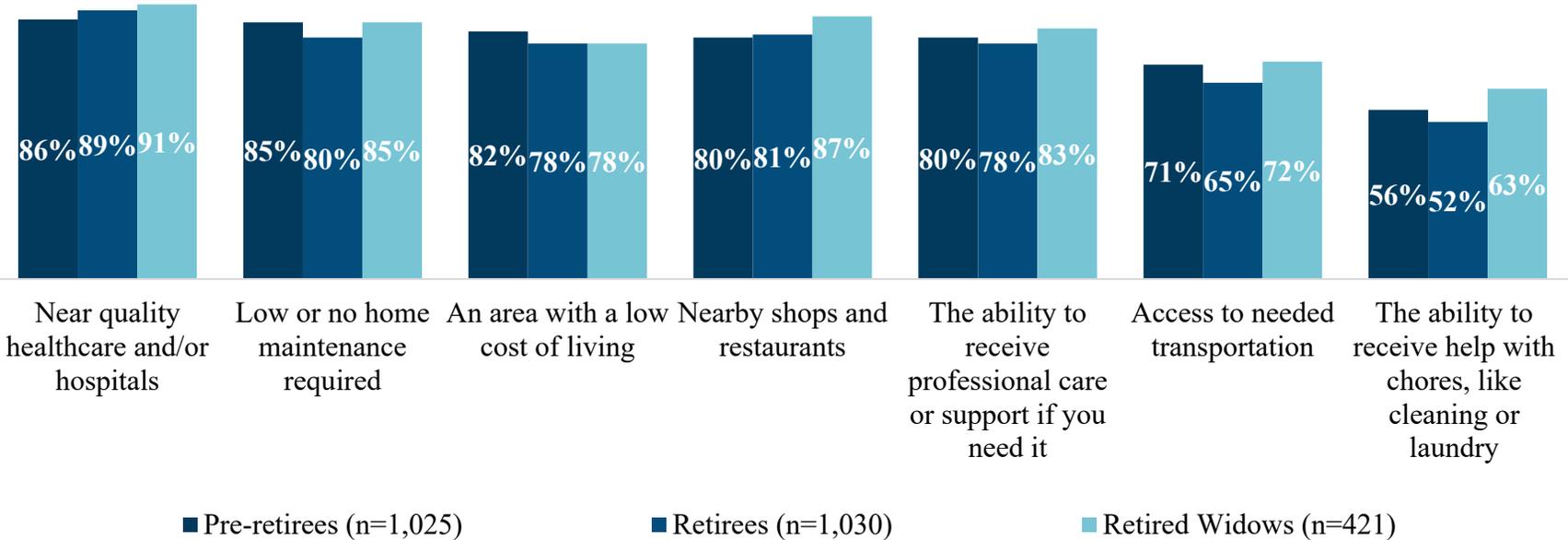


*Which best describes how you feel about selling your primary home to fund your retirement?*

**SY**

The most valued housing attributes are easy access to needed services and low maintenance.

*Important Attributes in Deciding Where to Live in Retirement – Access to Services  
(%Very/Somewhat important)*



*Thinking about where you plan to live throughout your retirement, how important is it that the home and/or location you choose offer the following?*

## SY Observations

- Most pre-retirees have a relatively modest amount of home equity, but enough to make a lifestyle difference in many cases.
- There is a strong desire to stay in the home and not use home equity.
- However, three in ten retirees are open to selling the home to fund retirement.
- There is a very strong desire to stay out of a nursing home.
- There is some potential for reverse mortgages and other new forms of home equity lines of credit to help retirees stay in their homes.
- It seems inevitable that more retirees will need to consider using home equity to fund retirement in the future.
- We do not know how many retirees have already simplified their housing arrangements.

# PLANNING FOR FUTURE LONG-TERM CARE NEEDS



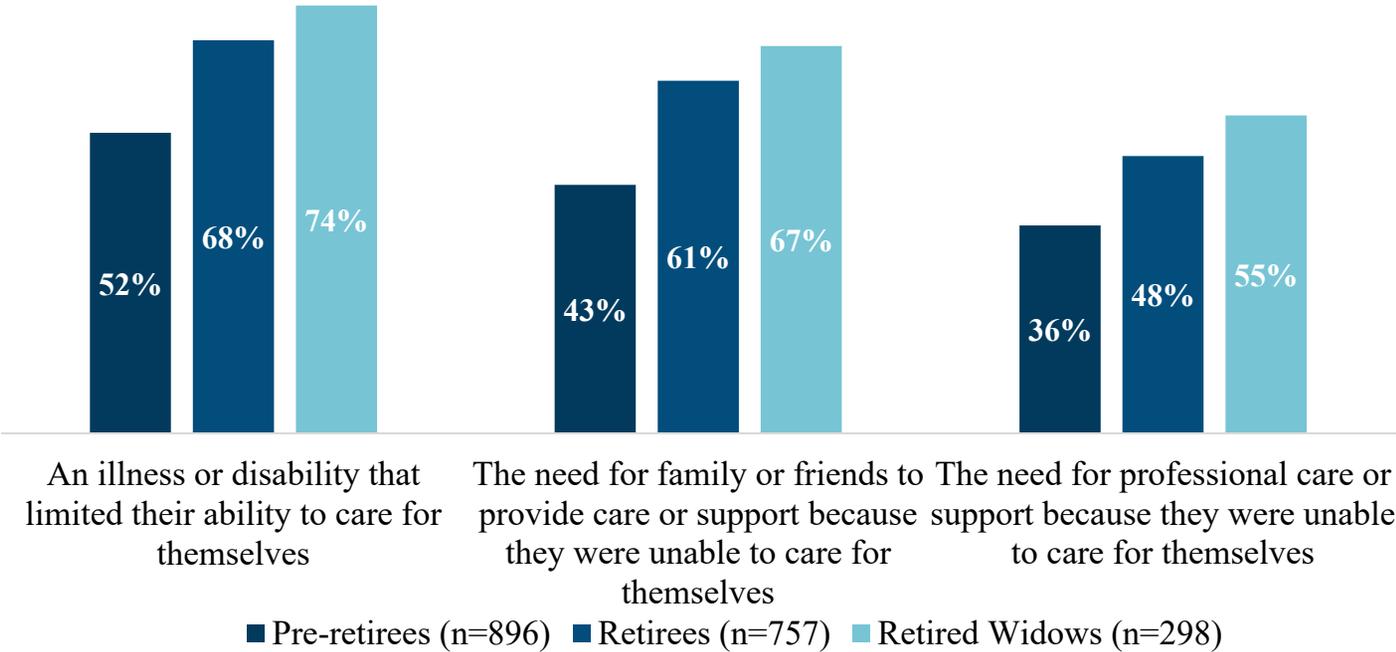
## SY Long-term Care is a Major Challenge for Retirees

- Many American households with modest assets manage reasonably in retirement, but run out of assets if there is a major long-term care event.
- Planning that does not include long-term care leaves people vulnerable.
- While a majority need at least some long-term care, only a minority will have a major long-term care event.
- Only about 10% of Americans have long-term care insurance.
- Without such insurance, few middle income Americans can pay for assisted living and nursing home care.
- Availability of family caregivers makes a huge difference.
- For those without assets and with low income, Medicaid is often the solution.
- As age increases, an increasing percentage of people have limitations.



By the time they reach retirement, most people have had at least one parent require long-term care.

*Parents' Care Experiences in Retirement*  
 (% Yes)  
 (Asked among those whose parents lived to retirement)

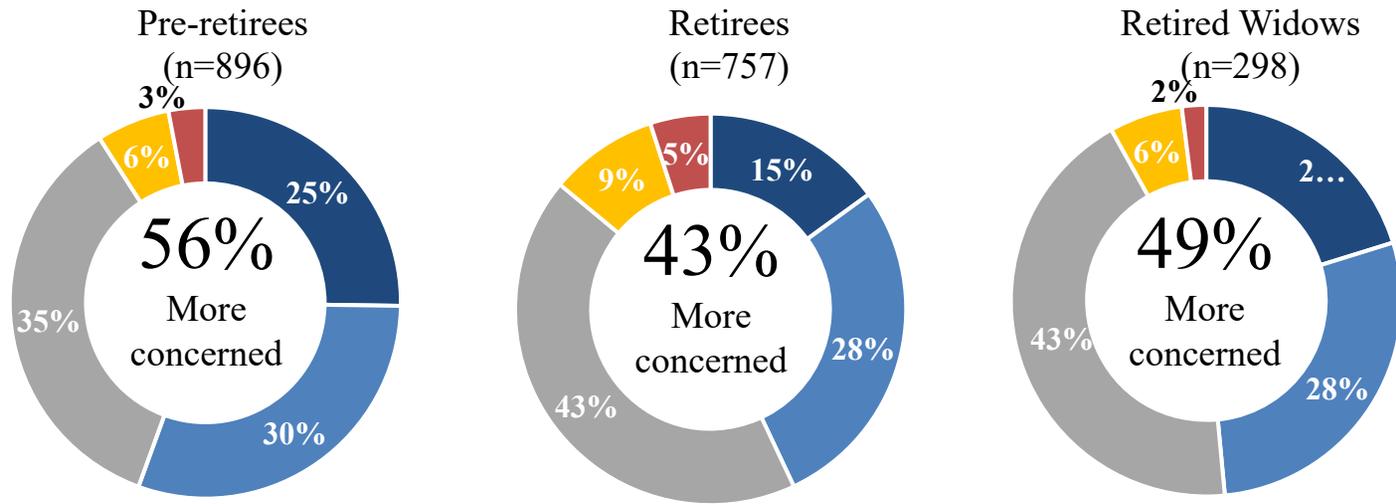


*To the best of your knowledge, did either of your parents experience any of the following during retirement?*



More than half of pre-retirees and four in ten retirees state their parents' experiences in retirement increased their concerns about financial security in retirement.

*Level of Financial Concern Based on Parents' Experiences  
(Asked among those whose parents lived to retirement)*



■ Much more concerned ■ Somewhat more concerned ■ No more or less concerned ■ Somewhat less concerned ■ Much less concerned

*On the whole, do you think your parents' experiences have made you more or less concerned about -  
Your financial security in retirement?*

## SY Observations

- The failure to protect financially against long-term care risk is one of the most important shortcomings of Americans' financial planning.
- There is personal awareness of the impact of needing major long-term care, but many people do not think it will happen to them.
- A misunderstanding of Medicare and Medicaid coverage is a significant contributor to a lack of financial planning.
- The lack of long-term planning, identified in this research, is a more important reason.
- Several steps could help including a better long-term care financing system, public policy advances, more product development and education efforts at the work place.
  - But the long-term care insurance industry has had challenges.

# Other Major Projects



## Retirement Decision Briefs for Individuals

- What we learned: people do not even know what questions should be considered
- Issue briefs provide guidance for major retirement decisions
- Written in manner for individuals to understand and use as a resource for making retirement decisions
- Updates began in 2017 and will continue through 2018
- Complete list of briefs included in Appendix

**Briefs are available on website for distribution to individuals**

## Retirement Literacy Guide Collection

- Series of guides for individuals considering retirement issues are being developed jointly with Financial Finesse
- Focus on retirement literacy issues including:
  - Non-financial issues
  - Retirement planning throughout a career
  - Cost of retirement
  - Managing risks
- Two guides and one podcast are published on the SOA PRNR website
  - Retirement Health and Happiness
  - Retirement Planning from Start to Finish
- Third guide on costs in retirement is expected in 2018

## Financial Wellness Essays Collection

- Call for essays was conducted in 2016
- Wide range of financial wellness topics including:
  - Retirement wellness
  - Employer issues
  - Measuring success in a program
  - Individuals as risk managers
  - Using technology to build solutions
- Fourteen essays and three podcasts are published on the SOA PRNR website
- Awards were granted for six essays
- Complete list of essays included in Appendix

**Improving Retirement Outcomes essays collection coming in 2018**

## Retirement Adequacy Paper

- Research report prepared in 2017 providing insight into why various research on the retirement adequacy of Americans provides divergent conclusions
- Report summarizes current research on retirement adequacy
- Report clarifies differences in stakeholder perspective, research objectives, empirical methodology, and model assumptions

# CONCLUSIONS



# Key Conclusions From Our Work

- Risk concerns have increased since 2015
  - Types of concerns are consistent.
- Finances and care needs change when limitations emerge
  - Families become very important once there are major limitations.
    - Spouses help first, then children
    - Help extends to many areas of care
    - Unanswered questions about blended families
  - Long-term care is a major risk facing retirees, but many people do not have a plan.
    - Financial management structure that works well until a major long-term care event will no longer work for cost of assisted living or nursing home

## Key Conclusions From Our Work (Continued)

- Financial wellness is a major concern among working age population.
  - Retirees overall probably in better shape
  - But debt is a potential problem at all ages
- Future may require more use of housing assets to help finance retirement.
  - Growing recognition of this issue, but most people want to stay in their homes
  - More work is needed to integrate thinking about housing into planning
- Risk management in retirement is same as in prior year surveys and focus groups.
- There are common threads between research findings relating to early and late in retirement.

# Concluding Thoughts on Areas for Improvement in Retirement Planning

- Planning by pre-retirees for retirement needs and income sources
  - Avoiding debt and its impact on one's ability to save for retirement
  - Paying down debt before retirement to reduce fixed expenses
- Planning as a family when making retirement decisions
  - Considering the impact of death on the surviving spouse/partner
  - Considering family members need to help elderly parents and relatives
- Planning for longevity
  - Planning for the older ages when choosing pension and Social Security benefits and taking withdrawals from retirement savings
- Planning to increase lifetime earnings
  - Work during retirement to supplement income
  - Postpone retirement to accumulate greater assets
  - Postpone Social Security claiming to increase income in later ages
- Budgeting for unexpected, yet predictable, shocks
- Using insurance products to mitigate risks in retirement

# How to Find SOA Research Reports and More Information

- All of the reports discussed are available on the Society of Actuaries website at:
  - <https://www.soa.org/research/topics/research-post-retirement-needs-and-risks/>
- For more information about SOA Research – contact SOA Research Actuary Steve Siegel at
  - 847-706-3578
  - [ssiegel@soa.org](mailto:ssiegel@soa.org)
- For information about the Post-Retirement Needs and Risks Committee contact
  - Anna Rappaport, Chairman at [anna@annarappaport.com](mailto:anna@annarappaport.com) or
  - Carol Bogosian at [cbogosian@aol.com](mailto:cbogosian@aol.com)

# APPENDIX



## Late in Life Study Methodology

### Qualitative phase - In-depth Interviews (IDI)

- 62 In-depth Interviews
  - 36 in U.S. – Baltimore and Chicago
  - 26 in Canada – Toronto and Vancouver
- Subjects over age 85 with 1/3 over 90
- Represented by mix of elderly themselves, children and dyads
- Under \$400K in assets, with half under \$50K
- Mix of married/unmarried, gender
- Mix of living arrangements – own, rent, live with children, community settings
- No pension income over \$2,500

Surveys of retirees age 85 and older and of adult children of elderly retirees were conducted in 2017 – a report is due in 2018

## SY Retirement Risk Survey Methodology

- Sample size:
  - 2,258 total (1,030 pre-retirees, 1,025 retirees, 421 oversample of retired widows)
- Ages 45 to 80
- Conducted online for first time in 2013
- Includes all income levels
- U.S. only

## Listing of Selected Committee Projects

- Survey, Focus Group and In-Depth Interview Projects
- Public Education Projects
- Research Reports
- Research Related to Lifetime Income Including Plan Sponsor Guidance
- Retirement Planning Software Research
- Consumer and Advisor Education
- Essays, Paper Calls and Monographs

## Summary of Survey, Focus Group and In-Depth Interview Projects

Project	Description and methodology	Comments
Retirement risk survey series (conducted with Mathew Greenwald & Associates)	<p>Survey of public to learn about what they know about post retirement risks – telephone survey from 2001 to 2011; on-line survey starting in 2013. Sample set to represent the middle income American population.</p> <p>Last survey in 2017</p>	Includes a mixture of repeated questions and special issues; special issues may be covered in more than one survey but after skipping a period. One similar survey conducted in Canada (2010). Special issues are reflected in issue based reports which combine survey results with other topics on the research.
Focus groups on risk related topics	Focus groups with shorter term retirees (2013) and longer term retirees (2015) to understand risk management and retirement decisions	2015 focus groups were supplemented by 15 in-depth interviews of care-givers to compensate for lack of availability of people needing major care for the groups

## Summary of Survey, Focus Group and In-Depth Interview Projects (continued)

Project	Description and methodology	Comments
Research on Individuals Age 85 and over	<p>Consists of In-Depth Interviews and two Surveys, one of individuals age 85 and over conducted by telephone, and on-line survey of children of individuals over age 85.</p> <p>In some cases interviews were conducted with adult children, or of children only.</p> <p>Interviews done in US and Canada, and surveys in US only.</p> <p>Report of interviews had been released and survey report is underdevelopment.</p>	<p>This is an extension of the work previously done with retirees at different stages. Questions in the two surveys overlap and overlap with the risk survey.</p> <p>This study together with the prior focus groups helps us to understand what happens throughout retirement.</p>
Approaching the Underserved Middle Market: Insights from Planners (2012)	<p>A report of two focus group sessions with financial planners who are active in some part of the middle market.</p>	<p>This project was cosponsored by INFRE and the Financial Planning Association. The discussion sessions were held at an FPA meeting and the attendees were invited based on experience.</p>

## Summary of Survey, Focus Group and In-Depth Interview Projects (continued)

Project	Description and methodology	Comments
<p>Research on use of retirement assets</p> <p>2008 – Will Assets Last a Lifetime?</p> <p>2009 – What a Difference a Year Makes</p> <p>2011 – The Financial Recovery for Retirees Continues</p>	<p>A series of three surveys conducted using an Internet panel to learn how retirees are investing their assets and how they made their decisions.</p> <p>The first survey was done in 2008, the second in 2009, and the third in 2011. This enabled the Committee to see how retirees had responded to the economic turmoil during the period.</p>	<p>The SOA partnered with LIMRA and INFRE for these three surveys.</p> <p>The individuals surveyed in 2009 and 2011 were a subset of the individuals surveyed in 2008. Some of the questions from the first survey were repeated. The survey selection criteria for this survey included a minimum amount of invested assets.</p>
<p>Spending and Investing in Retirement: Is There a Difference (2006)</p>	<p>A focus group study. The members of the focus group were retirees who had assets to invest and the purpose was to understand their decision making.</p>	<p>The SOA partnered with LIMRA on this project. This project laid a foundation for the surveys on investment of retirement assets described above.</p>
<p>Canadian and Risk Survey Comparison</p>	<p>A report comparing the 2009 SOA risk survey with a 2010 Canadian risk survey.</p>	<p>Questions in the two surveys are very similar, but the SOA survey was a telephone survey and the Canadian survey used an Internet panel.</p>

## Summary of Survey, Focus Group and In-Depth Interview Projects (continued)

Project	Description and methodology	Comments
Segmenting the Middle Market: Retirement Risks and Solutions (2009 and 2012 publication dates)	<p>There are three reports in these series – the first offers middle market segmentation using the 2004 Survey of Consumer Finances data.</p> <p>The second focuses on pathways to solutions for the identified segments.</p> <p>The third is an update of the first using 2010 SCF data. The update showed reductions in assets between 2004 and 2010, but did not change conclusions.</p>	<p>The SOA contracted with Milliman, Inc. for this research. Segments are identified for mass middle and mass affluent Americans at ages 55-64 and 65-74. This report demonstrated that non-financial assets, primarily housing, are much greater than financial assets for all of the segments.</p>
Retirement Plan Preferences Survey (2004)	<p>This report focuses on whether people prefer DB or DC plans. The survey was a telephone interview survey.</p>	<p>The SOA partnered with the American Academy of Actuaries for this project. It turned out that people seemed to prefer the type of plan they had.</p>

# Summary of Public Education Projects

Project	Description and methodology	Comments
Managing Post-Retirement Risks (Risk Chart)	Document identifying 15 key risks and their characteristics, and giving general strategies for managing them. This document is a foundation for much of the work of the Committee	Document is suitable for professionals and thoughtful individuals. Holistic thinking is encouraged. This report is in its third edition, and work is underway to update in 3018
Retirement Decision Briefs (2012, 2016, 2017)	A series of 12 decision briefs on specific areas of retirement decision making targeted at people close to the time of retirement or in retirement. Briefs present issues, questions, and considerations. While briefs are set up issue by issue, they encourage holistic thinking	Builds on Managing Post-Retirement Risks. Group working on briefs believed that many of the issues are often overlooked. Designed for thoughtful individuals and professionals; an additional decision brief on lump sums is being prepared, and decision briefs are to be updated in 2017 - 2018
Understanding Effect of Living Longer Life Spans Infographics	Infographics to help public understand longevity	2016-2017 first four in a series published; fifth is under development

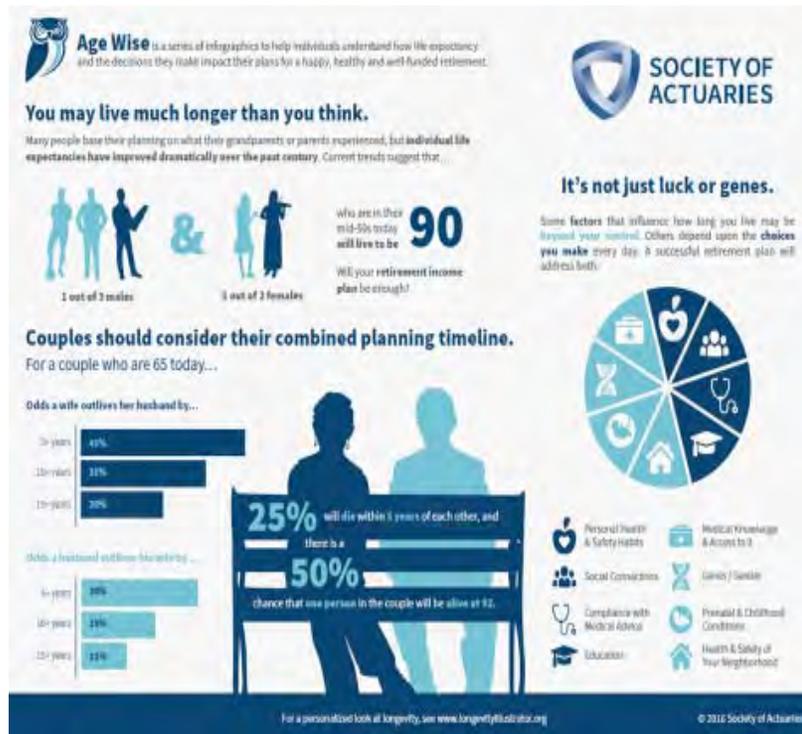
# Public Education Projects

## Retirement Decision Issue Briefs for Individuals

- Issue briefs provide guidance for major retirement decisions
- Twelve issue briefs written in everyday language
  - Big Question: When Should I Retire?
  - When Retirement Comes Too Soon
  - Women Take the Wheel: Destination Retirement
  - Deciding When to Claim Social Security
  - Designing a Monthly Paycheck for Retirement
  - Treating Asset Allocation Like a Roadmap
  - Securing Health Insurance for the Retirement Journey
  - Taking the Long-Term Care Journey
  - Where to Live in Retirement
  - Estate Planning: Preparing for End of Life
  - Finding Trustworthy Financial Advice for Retirement and Avoiding Pitfalls
  - Lump Sum or Monthly Pension: Which to Take?

# Public Education Projects

## Longevity Infographic



# Summary of Research Reports

Project	Description and methodology	Comments
Models of Financial Advice for Retirement Plans: Considerations for Plan Sponsors (2015)	A paper that provides an overview of the market for financial advice, and identifies options for plan sponsors to be used if they wish to offer advice to employees in connection with their retirement plans. Includes considerations in choosing an approach	Intended audience is plan sponsors as well as people interested in employer sponsored arrangements. Lead author is Michael Finke of Texas Tech, a very well know individual in advice community.
Investment and Retirement Advice – a Guide for Employers	A paper that provides key issues for employers in considering a program of investment and/or retirement advice	Intended audience is plan sponsors. Guide deals with business issues and not legal issues.
Middle Market Retirement: Approaches for Retirees and Near Retirees (2013)	A paper that summarizes a number of conceptual approaches to planning for the middle market and fits them to the issues identified in the segments defined in “Segmenting the Middle Market”	

## Summary of Research Reports (continued)

Project	Description and methodology	Comments
Running Out of Money (2012)	A roundtable of experts who discussed the outlook for running out of money, issues, and possible solutions. Abstracts of submitted materials are included in the report. Provides a broad overview of issues and unifies many of the topics discussed by the Committee	The SOA partnered with WISER and the Urban Institute for this project. Major concerns identified and discussed include health and long-term care risk, the need for better advice for the middle market, and concerns about lifetime income.
Thinking about misperceptions studies: Public Misperceptions about Retirement Security (2005) Public Misperceptions about Retirement Security: Closing the Gap (2007)	Two research reports were published: The first report provides a unified discussion of a number of misperceptions looking at a range of research. The second report focuses on ideas for addressing the challenges raised by the misperceptions.	Joint projects between the SOA, LIMRA and Mathew Greenwald & Associates. The misperceptions identified in this 2005 paper are still a problem in 2013.
Perspective on SOA Post-Retirement Risk Paper Research and What it Tells About the Implications of Long Life (2014)	Paper reviewing the first fifteen years of research by the committee with findings organized by topic	Published as part of the 2014 Living to 100 Monograph; authored by Anna Rappaport

# Summary of Research Related to Lifetime Income Including Plan Sponsor Guidance

Project	Description and methodology	Comments
The Next Evolution in Defined Contribution Retirement Plan Design – A Guide for DC Plan Sponsors in Implementing Retirement Income Programs (2013)	Study that provides the business case and a plan for implementation of income programs in DC plans; study includes modeling of a variety of income approaches	Projected jointly sponsored by the SOA and Stanford Longevity Center.  Wade Pfau did modelling for this paper; Steve Vernon led project
Foundations in Research for Regulatory Guidance on the Design and Operation of Retirement Income Solutions in DC Plans (2014)	Study that provides a framework for development of safe harbors and other regulatory guidance to remove barriers to offering income to DC participants	Projected jointly sponsored by the SOA and Stanford Longevity Center. Steve Vernon did project
Efficient frontiers for retirement income (project completed in 2016)	Four phase project providing efficient frontiers designed for use by plan sponsors of DC plans	Projected jointly sponsored by the SOA and Stanford Longevity Center; Wade Pfau is on project team; Steve Vernon led project
Efficient frontiers for retirement income – individual/retail market (project completed in 2017)	Multi-phase project extending conceptual approach to retail market and including work on reverse mortgages	Same team as prior project
More analysis of the SSRMD strategy	Additional analysis of the strategy which seems suitable for defaults	Project starting in early 2018

# Summary of Retirement Planning Software Research

Project	Description and methodology	Comments
Research reports: Retirement Planning Software (2003) Retirement Planning Software and Post-Retirement Risks (2009)	Two studies were conducted to understand how retirement planning software handles post-retirement risks. Both looked at samples of software, and found significant gaps in what was reviewed, and relatively little changed between the first and the second study.	LIMRA and INFRE were partners for the first project, and the Actuarial Foundation was a partner for the second project. Both projects used outside researchers
Project on Tools and Software underway in 2018		Plan is for consumer guide on things to think about in choosing tools

## Summary of Essays, Paper Calls and Monographs

Project	Description and methodology	Comments
Securing Future Retirement Essay Collection (2018)	Collection of essays on solutions	Report coming mid-2018; prize-winners to be announced
Financial Wellness Essay Collection (2017)	Collection of 14 essays on various financial wellness topics	Multi-disciplinary group of authors; some focus on what employers can do and some focus on the individual
Diverse Risks in Retirement Essay Collection (2016)	Collection of 18 essays exploring the diverse risks associated with defined contribution plan risk management and decumulation strategies and long-term care financing.	Multi-disciplinary group of authors
Managing the Impact of Long-Term Care Needs and Expense on Retirement Security Monograph (2014)	Monograph providing a broad range of papers on long term care and retirement, includes policy	Multi-disciplinary group of authors
Retirement Security in the New Economy (2011)	Monograph providing a broad range of papers focusing on holistic approaches, paradigm shifts, and new ideas. Papers vary between those that focus on a single topic and those that focus on the bigger picture	Multi-disciplinary group of authors

## Summary of Essays, Paper Calls and Monographs (continued)

Project	Description and methodology	Comments
Housing in Retirement (2009)	Monograph providing papers on financial and life-style issues related to housing and success in retirement	Multi-disciplinary group of authors
Managing Retirement Assets (2004)	Monograph providing a series of papers on the payout period	Multi-disciplinary group of authors
Retirement Implications of Family and Demographic Change (2002)	Monograph providing focus on family issues and also on phased retirement	Papers include perspectives from several different countries

## Financial Wellness Essay Collection

- Calculating ROI: Measuring the Benefits of Workplace Financial Wellness by Gregory Ward
- Fighting Procrastination for Financial Wellness: Harness the Power of Inertia by Tianyang Wang
- What Makes a Workplace Financial Wellness Program Successful? By Julie Stich
- Using Sound Actuarial Principles to Enhance Financial Well-Being by Ken Steiner
- My Financial Wellness Solution: The 401(k) as a Lifetime Financial Wellness Solution by J.M. “Jack” Towarnicky
- Financial Well-Being as a Technology Solution by Scot Marcotte and John Larson
- A Framework for Multilayered Post-Retirement Financial Planning Strategy: Critical Assessments of Individual Needs and Available Resources by Joonghee Huh
- Time to Ditch the Three-Legged Stool Analogy for Retirement and Replace it With a Two-Picture Analogy: A Mailbox and a Piggy Bank by Barry Kozak
- Save and Grow: Considerations for Future Financial Freedom by Ramandeep Nagi
- Don't Forget the Role of Families in Lifetime Financial Security by Anna Rappaport
- Practical Issues in Financial and Life Management for the Late-in-Life Population by Anna Rappaport and Sally Haas
- Personal Risk Manager: Driver of Resilience by Max. J. Rudolph
- Practical Insights Into Financial Wellness by Zenaida Samaniego
- Retirement Readiness and the Value of Future Social Security Benefits by John A. Turner

## Collection: Diverse Risks in Retirement - List of Essays

- Big Picture of Risk Management in a DC World
  - Retirement: Choosing Between Bismarck and Copernicus by Krzysztof Ostaszewski
  - Thinking About the Future of Retirement by Anna M. Rappaport
  - Designing and Communicating Retirement Plans for “Humans” by Steve Vernon
  - Women and Retirement Risk: What Should Plan Sponsors, Planners, Software Developers and Product Developers Know? by Anna M. Rappaport
  - Diverse Risks and Considerations in Retirement by Zenaida Samaniego
  - How the American Retirement Savings System Magnifies Wealth Inequality by Karl Polzer
- Decumulation Strategies for Retirement: Individual, Advisor and Plan Sponsor Roles
  - Multiple Objective Asset Allocation for Retirees Using Simulation by Kailan Shang and Lingyan Jiang
  - Decisions Misaligned with Priorities: The Non-Annuitization of Retirement Savings by Paul J. Yakoboski
  - Dealing With Multiple Post-Retirement Risks in the Middle Market by Charles S. Yanikoski
  - Decumulation Strategy for Retirees: Which Assets to Liquidate by Charles S. Yanikoski
  - A Portfolio Approach to Retirement Income Security by Steve Vernon
  - Decumulation for a New Generation by Elizabeth Bauer
- Important Issues in Risk Management: Public Policy and Longevity Risk, Long-term Care, and Retirement Ages
  - The “Feel Free” Retirement Spending Strategy by R. Evan Inglis
  - Longevity Insurance Benefits for Social Security by John A. Turner
  - News Flash: Retirement Takes Over Long-Term Care by John Cutler
  - A Better Public-Private Approach to Resolving LTSS Financing Dilemma – Catastrophic Shared Stop-Loss: Adapting Life Insurance to Meet Long-Term Care Needs by Morris Tenenbaum
  - Oh No! Not Another Government Program by Mark Shemtob
  - Enhanced Risk Sharing Savings Accounts by Martin Bauer

## Monograph: Managing the Impact of Long-Term Care Needs and Expense on Retirement Security - List of Papers

- Big Picture
  - The Impact of Long-Term Care Costs on Retirement Wealth Needs
  - How American Society Will Address Long-Term Care Risk, Financing and Retirement
- Caregiving, Family, Health
  - Improving Retirement by Integrating Family, Friends, Housing and Support: Lessons Learned from Personal Experience
  - The 65 Plus Age Wave and the Caregiving Conundrum: The Often Forgotten Piece of the Long-Term Care Puzzle
  - Long-Term Benefits May Reduce End-of-Life Medical Care Costs
- Insurance
  - An Overview of the U.S. LTC Insurance Market (Past and Present): The Economic Need for LTC Insurance, the History of LTC regulation & Taxation and the Development of LTC Product Design Features
  - Home Equity and At-Need Annuities – A Dynamic Long-Term Care Funding Duo
- International
  - Can Long-Term Care Protection in Other Developed Countries Provide Guidance for the United States?
- Ideas for the Future
  - Financing Future LTSS and Along Life through More Flexible 401(k)s and IRAs
  - The American Long-Term Care Insurance Program (ALTCIP)
  - Home Equity: A Strategic Resource for Long-Term Services and Supports
  - An Affordable Long-Term Care Solution Through Risk Sharing