

**Request for Proposals**  
**Study of Decisions Made Prior To and During Retirement**

**APPENDIX**

## Definition of Middle Income Family – Middle Mass and Middle Affluent Segments

All \$ In U.S. Dollar

<b>Middle Mass Segments Aged 65 to 74 Year-Olds</b>	<b>Married</b>	<b>Single Female</b>	<b>Single Male</b>
<b>Median Income</b>	\$45,000	\$18,000	\$25,000
<b>Income Range</b>	\$28,000 - \$81,000	\$11,000 - \$35,000	\$14,000 - \$51,000
<b>Est. Median Net Worth</b>	\$285,000	\$130,000	\$130,000
<b>Net Non-Financial Assets</b>	\$185,000	\$85,000	\$88,000
<b>Financial Assets</b>	\$100,000	\$45,000	\$42,000

<b>Middle Affluent Segments Aged 65 to 74 Year-Olds</b>	<b>Married</b>	<b>Single Female</b>	<b>Single Male</b>
<b>Median Income</b>	\$93,000	\$43,000	\$54,000
<b>Income Range</b>	\$81,000 - \$110,000	\$33,000 - \$48,000	\$46,000 - \$65,000
<b>Est. Median Net Worth</b>	\$1,100,000	\$480,000	\$490,000
<b>Net Non-Financial Assets</b>	\$690,000	\$320,000	\$340,000
<b>Financial Assets</b>	\$410,000	\$160,000	\$150,000

Please note that this analysis was completed using the 2004 Survey of Consumer Finances as the original data source. Additional clarification of the definition of the middle income family is provided in the Society of Actuaries report “Segmenting the Middle Market: Retirement Risks and Solutions Phase I Report” at the following website:

<http://www.soa.org/Files/Research/Projects/research-2009-segmenting-market.pdf>

## Sample Questions for the Focus Group

	<b>Financing</b>
1	What have they done to provide for income in retirement? Do they think they will have enough money to live comfortably through their retirement years? If no, why not?
2	How did they make their decision about claiming Social Security? If they claimed it at age 62, was that because they needed it or just because they were eligible? In other words, could they have waited until full retirement age or later? If married, did they coordinate their decision with their spouse's claiming age?
3	If they had a defined benefit plan, how did they make the decision about the timing and form of benefit they selected? If they had a lump sum option, did they take it and why and what did they do with it? If they had a partial lump sum option, would they have taken it? In retrospect, did they feel they made the right decision?
4	What did they do with the account balance in their employer's defined contribution plan? In retrospect, did they feel they made the right decision?
	<b>Decisions</b>
5	For those who retired involuntarily: What happened and how did they deal with it? What strategies were used to fill in any short-falls? Do they wish they would have done something differently? For those who retired voluntarily: How did they make their decision and what were their major considerations?
6	Were there gaps in their planning that caused them problems later? What did they do to fill in?
7	If they have worked in retirement or planned to – did their work match their expectations? What were the critical issues in making work happen? Are they satisfied? If they did not work, why didn't they? Did they resume working for pay at some point following their initial receipt of retirement benefits? Was that work related to their prior primary occupation? Was it full-time or part-time? What was the primary motivation for the subsequent work - financial necessity, boredom, self fulfillment?
8	Did they make any changes in their planned retirement age due to unexpected events such as job loss or ill health?
9	<p>What steps did they take when planning when to retire? This includes:</p> <ol style="list-style-type: none"> <li>1. Determining where their retirement income would come from</li> <li>2. Estimating how much income they could expect in retirement</li> <li>3. Estimating how long their income might last</li> <li>4. Checking retirement income calculators</li> <li>5. Working with a financial planner</li> <li>6. Talking to the pension people at work</li> <li>7. Determining where their health care coverage would come from</li> </ol>

	<p>8. Figuring out how they might scale back on expenses</p> <p>9. Looking into partial retirement/part-time work in retirement</p> <p>10. Paying off their mortgage or evaluating whether or not they should</p> <p>11. Planning what they would do with their new free time</p>
10	What was their planning horizon?
11	In making retirement decisions, did they rely on outside sources of advice? Who did they find most credible for that guidance?
12	Did they follow some organized process in making their decisions? How did it compare to other prior significant life choices, such as career, lifestyle, family status?
13	If married or in a relationship, did they coordinate their decision to retire with their partner? How did they decide who retired first and how much was enough for both partners?
14	Do they think they made the right decision about when to retire? If they had it to do over again, would they make the same decision about when to retire? If “no”, what would they do differently?
	<b>General</b>
15	What was the most difficult thing they had to do in their planning process and why was it so difficult? How did they resolve it?
16	What do they feel they did right? What would they rather have done differently?

## **Sample Report - Spending and Investing in Retirement: Is There a Strategy?**

The Society of Actuaries sample report “Spending and Investing in Retirement: Is There a Strategy?” can be located at the following website:

<http://www.soa.org/research/research-projects/pension/research-spending-and-investing-in-retirement-is-there-a-strategy.aspx>