

Spending Decisions in Long Term Retirees

Summary

During the last decade a great deal of attention has been focused on assessing the financial capacity of Americans to retire. Some claim we are in a “retirement crisis” and that financial preparation for retirement has been, in general, inadequate. This study provides direct evidence on this issue and the longer-term consequences of a lack of planning.

To further build upon previous research and examine the longer term consequences of the lack of planning, focus groups and interviews were conducted in 2015 since the longer one is retired, the greater the likelihood of a financial shock occurring. These focus groups consisted of individuals who experienced a health crisis, widowhood or divorce. These interviews found a lack of long-term planning. However, the financial consequences they encountered generally seemed to be manageable.

While financial shocks occurred across all focus groups in retirement, most adjusted well to them.



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Link to full report:
<http://www.soa.org/Research/Research-Projects/Pension/2016-post-retirement-experience-15-years.aspx>



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