

# Post-Retirement Needs and Risks: What Do We Really Know?

## PRESENTER

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Actuarial Club of Hartford and Springfield  
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# Agenda

- Background
- Risk Survey and Public Attitude Research
  - Managing Risks
  - Shocks and Unexpected Expenses
  - Income and Spending
  - Influence of Parents Retirement
- Other Major Projects
  - Consumer and Advisor Education
  - Diverse Risks in Retirement Essays
  - Long-Term Care Papers
- Conclusions
- Appendices
  - Methodology
  - Overview of Research

# Background



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# Context

- Personal responsibility for and complexity of retirement security increasing
- Changing US retirement systems – More employer sponsored savings (DC) and fewer traditional pension plans (DB); less employer sponsored retiree health; many DB plans frozen
- Longer periods of retirement; definition of “retirement” changing
- Financial literacy is a big problem
- Many Boomers are not well prepared
- Planning horizons are too short and many people don’t plan
- As population ages, needs of the very old become more important to the nation and economic stability of government
- Uncertainty about future changes in tax policy, Social Security and Medicare

# Committee on Post-Retirement Needs and Risks

- 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
  - Focus on middle income market age 50 and older
  - Housing value is largest financial asset for many
  - Many lack adequate assets to maintain living standard
  - Decisions will require trade-offs on living standards
- Balance focus on understanding public action, solutions
- Focus on multiple-stakeholders

# Risk Survey and Public Attitude Research Series



# Public Attitude Research

- Society of Actuaries Committee on Post-Retirement Needs and Risks (CPRNR) has conducted research on public knowledge and attitudes since 2001
- 2015: 8<sup>th</sup> risk survey; 3<sup>rd</sup> set of focus groups; 1<sup>st</sup> set of in-depth interviews
- First time for: specific look at long-term retirees and attempt to look back at how retirees are doing vs. looking at what they plan to do
- Each survey combines “core items” with special subjects: reports published on special subjects

# Content of Risk Surveys

- Major repeating topics: what people see as top risks, how we retire, how risks are managed
- Special 2015 topics include
  - Shocks and Unexpected Expenses (including healthcare and long-term care)
  - Spending Patterns & Debt
  - Living Longer & Impact on Planning (including delaying retirement & longevity)

Note: Complete list of special topics in Appendix

# 2015 Risk Research

- Three part approach
  - Survey
  - Focus groups – long-term retirees
  - Interviews – caregivers of long-term retirees who have had major problems and would not be represented in survey pool or focus groups
- U.S. only for survey, U.S. and Canada for focus groups and interviews

Caution: in interpreting results, particularly in area of shocks: remember that people who have experienced major health declines generally are not part of survey or focus groups – consider interview results

# Big Picture: What We Learned

- Findings from surveys, focus groups and interviews (including prior years)
  - Top risks – inflation, health and long-term care
  - Pre-retirees more concerned than retirees
  - Major methods of risk management – reduce spending, pay off debt
  - Gaps in knowledge persist
  - Planning horizons are too short
- Pre-retiree expectations differ from retiree experience in some areas
- Lot of consistency over time and between longer term retirees and shorter term retirees, but longer term retirees seem more self assured
- Lot of similarity between U.S. and Canada, except for health care issues (based on 2015 only)

# Big Picture: What We Learned

- Required Minimum Distribution (RMD) is most common method of asset draw down
  - Retirees do not want to take more than the RMD
  - RMD is not viewed as a draw down of the assets
  - Retirees usually spend the RMDs
- Planning process based on near-term expected cash flows
- Housing often biggest asset and underutilized in planning
- Women more concerned than men
- Planning for long-term care needs or diminished mental capacity is not being considered

# Managing Risks in Retirement

(Core continuing topic for surveys)



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There is very little formal financial risk management by retirees.

- Few have long-term care insurance
- Few buy annuities to provide guaranteed lifetime income
- Few have thought out asset allocation plan
- Few conduct formal planning

**Basic approach is to adjust to events:**

**Few plan for big expenses**

# Managing Risks in Retirement

*I've thought about it for myself and my wife. It can be disastrously expensive, but then when you looked a little bit at maybe even buying the insurance for that, it's not cheap either. It's a rock and a hard place.*

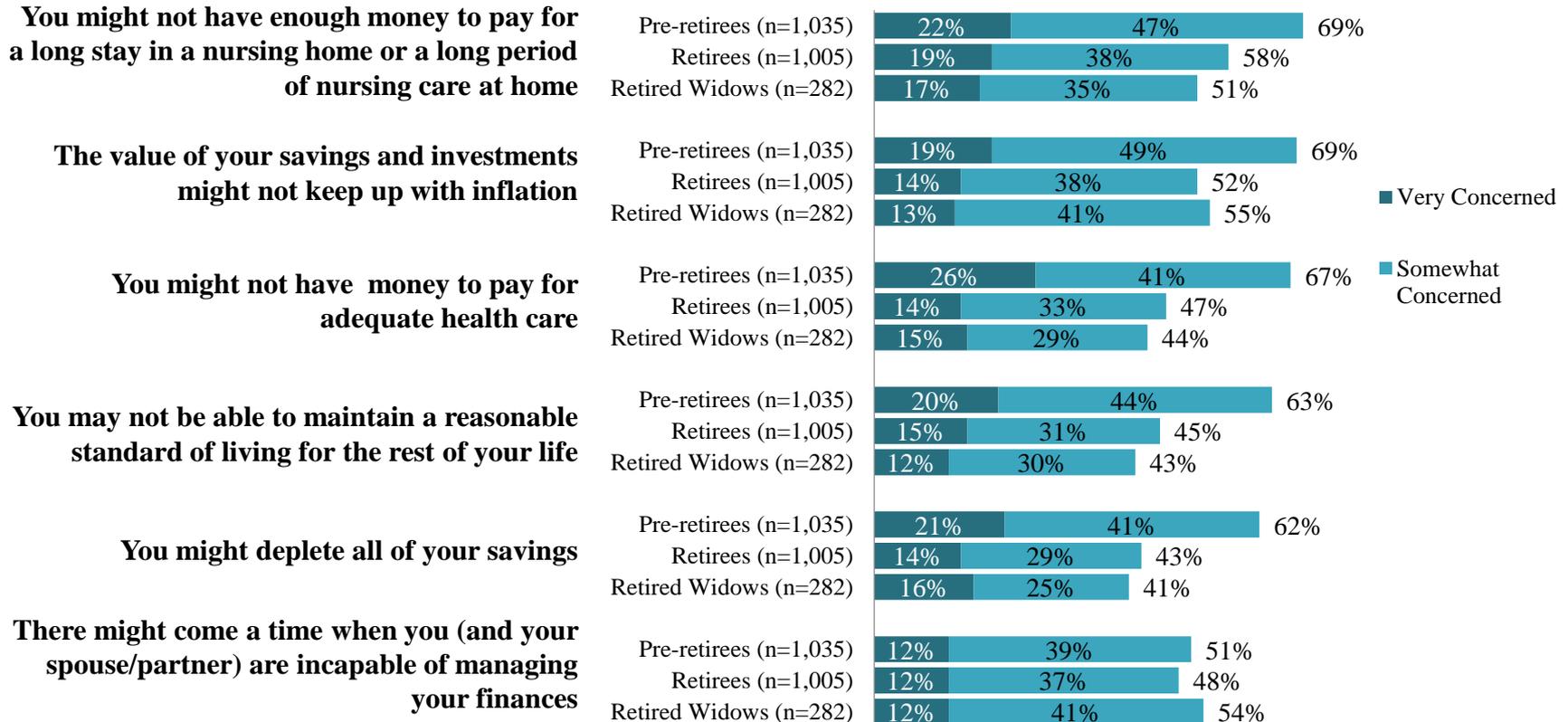
*Male, Health Decline Group in Dallas*

*It's not a structured thing, but you have an idea. You know what you got to spend and you put your money in those places and you work towards that goal. And if you don't use it, then you got to build something else that you can use.*

*Female, Health Decline Group in Baltimore*

# Not having enough money to pay for long-term care and inflation are the top concerns.

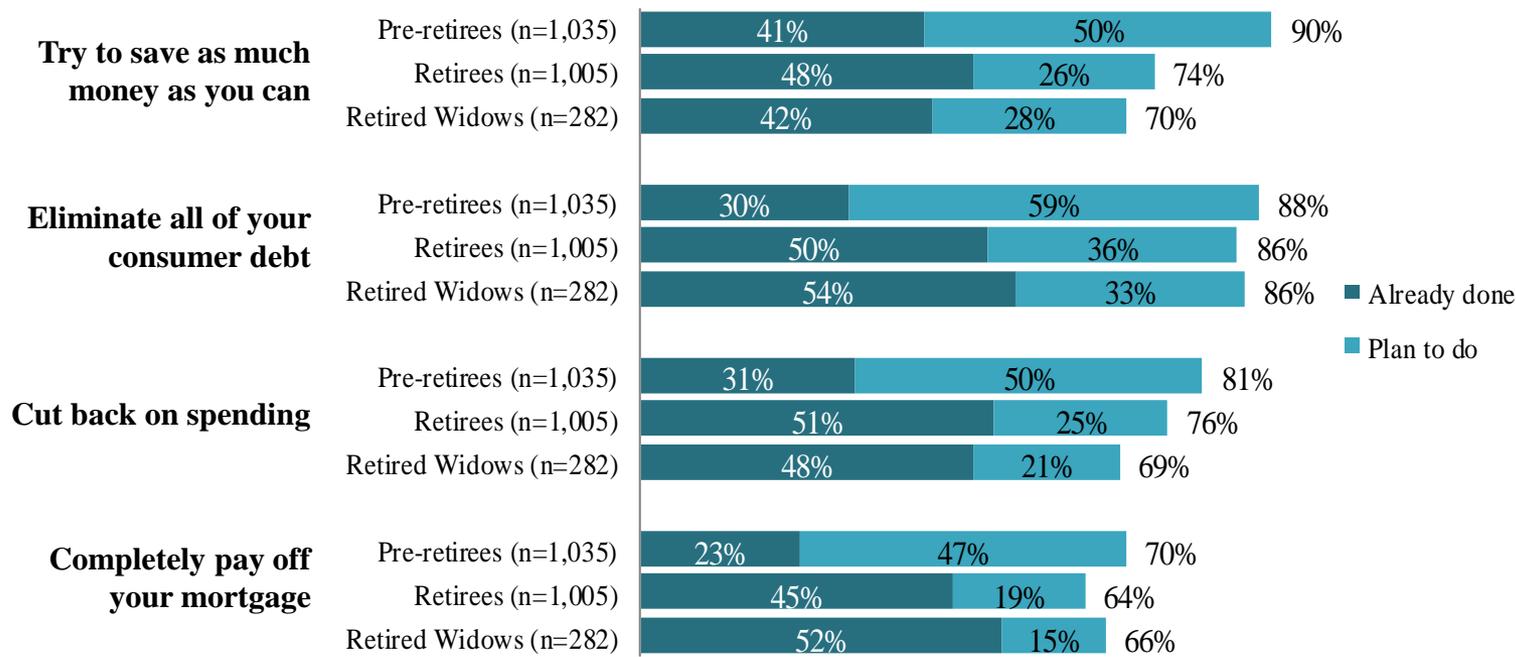
## Concerns in Retirement



How concerned are you about each of the following (**WORKER ADD: in retirement**)?

# Trying to save as much money as possible and eliminating consumer debt are top risk management strategies.

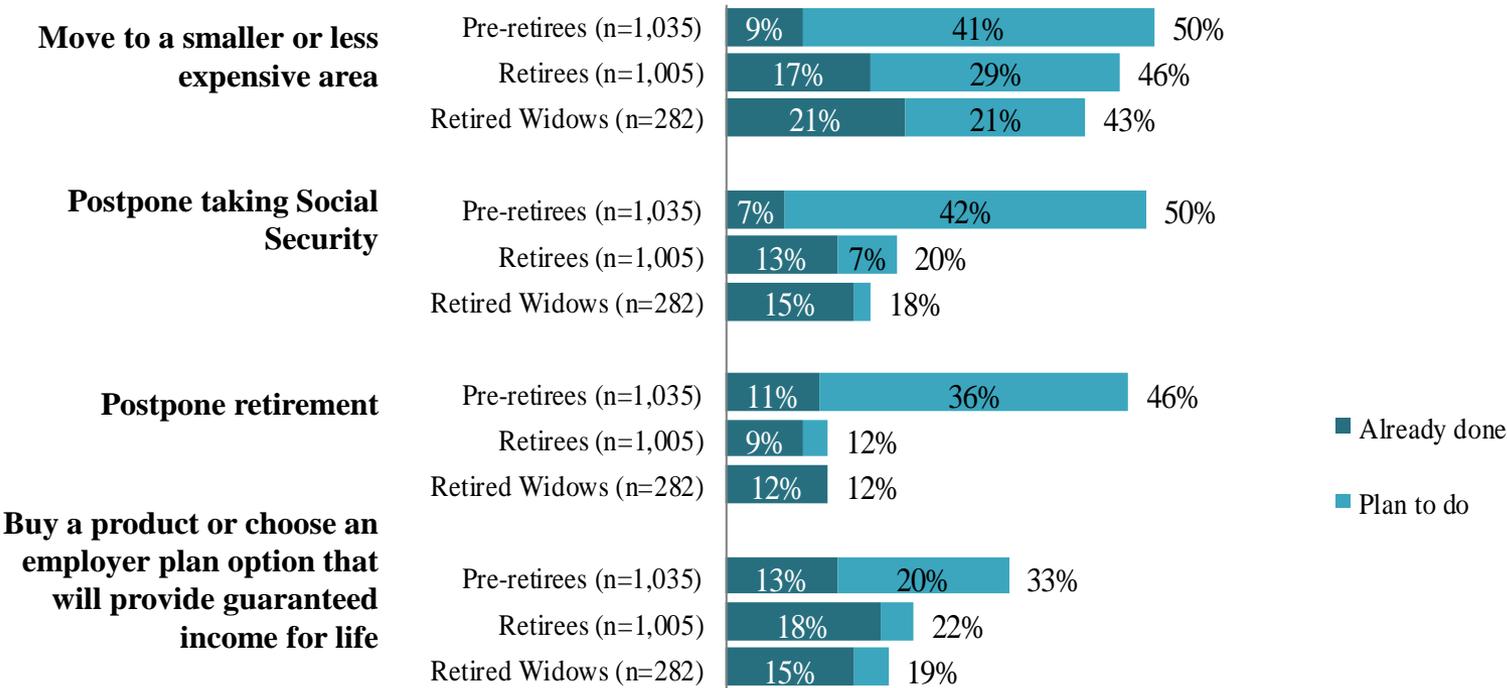
*Risk Management Strategies*



*Below is a list of things that some people do to protect themselves financially (**WORKER**: after they retire/**RETIREE**: as they get older). For each, please indicate whether you (and your spouse/partner) have done that, plan to do that in the future, or have no plans to do that.*

# Few plan to use lifetime income annuity options or products to manage retirement risk.

*Risk Management Strategies Continued*



*Below is a list of things that some people do to protect themselves financially (**WORKER:** after they retire/**RETIREE:** as they get older). For each, please indicate whether you (and your spouse/partner) have done that, plan to do that in the future, or have no plans to do that.*

# What We Learned

- Same top concerns (order changes) year by year: long-term care, inflation, health care costs
- Basic approach is to adjust to events...three primary strategies...reduce spending, eliminate debt, save as much as possible
- Pre-retirees more anxious about risks than retirees, and shorter-term retirees more anxious than longer-term
- 2015 research on shocks – new insights on what works over the long term and what doesn't
- Retirees know how to do short-term budgeting, but many struggle with (or ignore) long-term budgeting and planning

# Shocks and Unexpected Expenses in Retirement



# Shocks and Unexpected Expenses

- New area of focus (2015)
- Rationale:
  - Retirees often plan to deal with things as they happen
  - Asset amounts are often constrained
- Big questions for CPRNR
  - What are people experiencing?
  - How do they deal with shocks and unexpected expenses?
  - What types of shocks are creating huge problems?
  - Are there strategies to deal with them more effectively?

# Shocks and Unexpected Expenses in Retirement

- There are a number of unexpected expenses in retirement including:
  - Health care cost (in US, if no Medicare supplement insurance)
  - Cost of long-term care
  - Dental care
  - Inflation
  - Interest rates and market returns
  - Fraud/theft
  - Home repair
  - Family support
  - Widowhood
  - Divorce
- Most unexpected expenses are manageable, though they can occasionally be significant

# Shocks and Unexpected Expenses in Retirement

- The most devastating expenses in retirement are long-term care and divorce
- Most retirees absorb and adapt to unexpected costs
- Some reduce spending to try to restore asset levels
- Loss of health and significant problems of children tend to have a much greater impact on retirees than the loss of asset level caused by unexpected expenses
- Many unexpected expenses can be planned for, but people often don't plan for predictable large expenses

# Shocks and Unexpected Expenses in Retirement

*I've had – our house upkeep, furnace, driveway. In the last month, I have spent \$2,500 on one expense, \$3,600 on another expense. That's in one month. A couple of years ago, my roof went and my furnace went. Everything.*

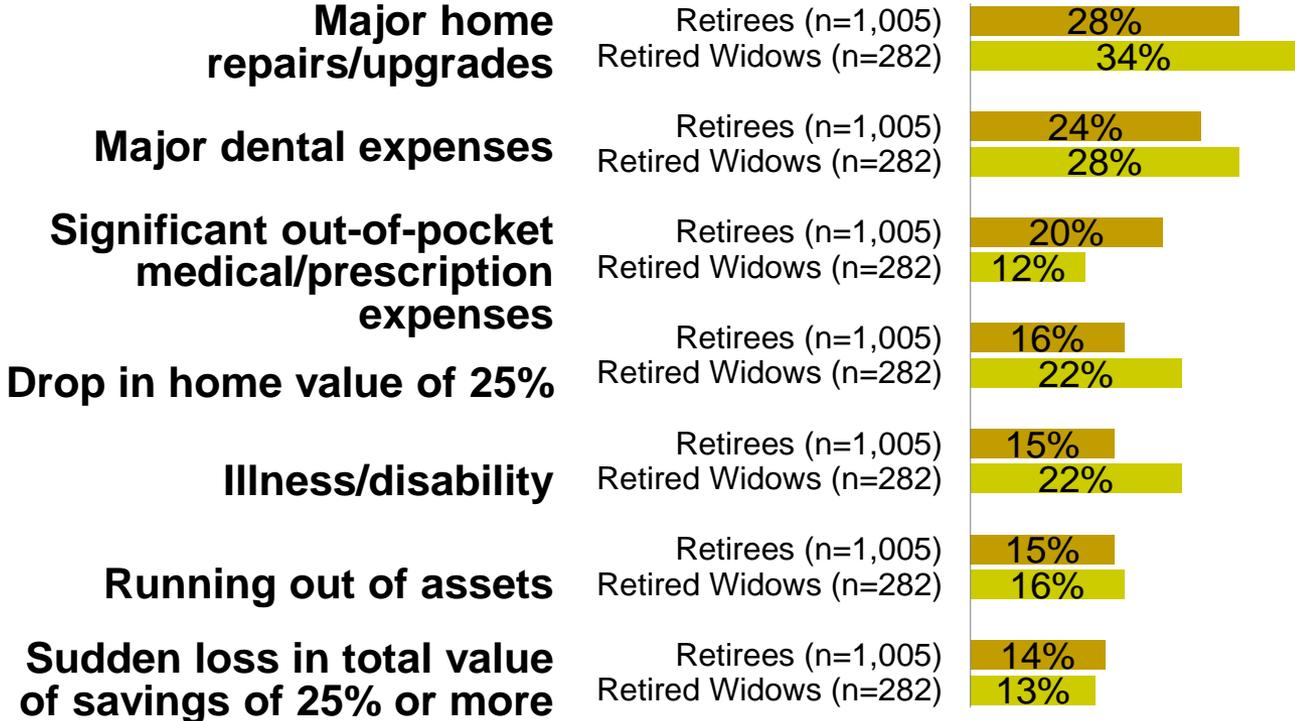
*Female, Marital Change Group in Chicago*

*I had a very expensive dental bill that I had not planned. I've paid already \$3,000 and I've just begun.*

*Female, Health Decline Group in Baltimore*

The most common shocks in retirement are major home repairs/upgrades, major dental expenses, and out-of-pocket medical expenses.

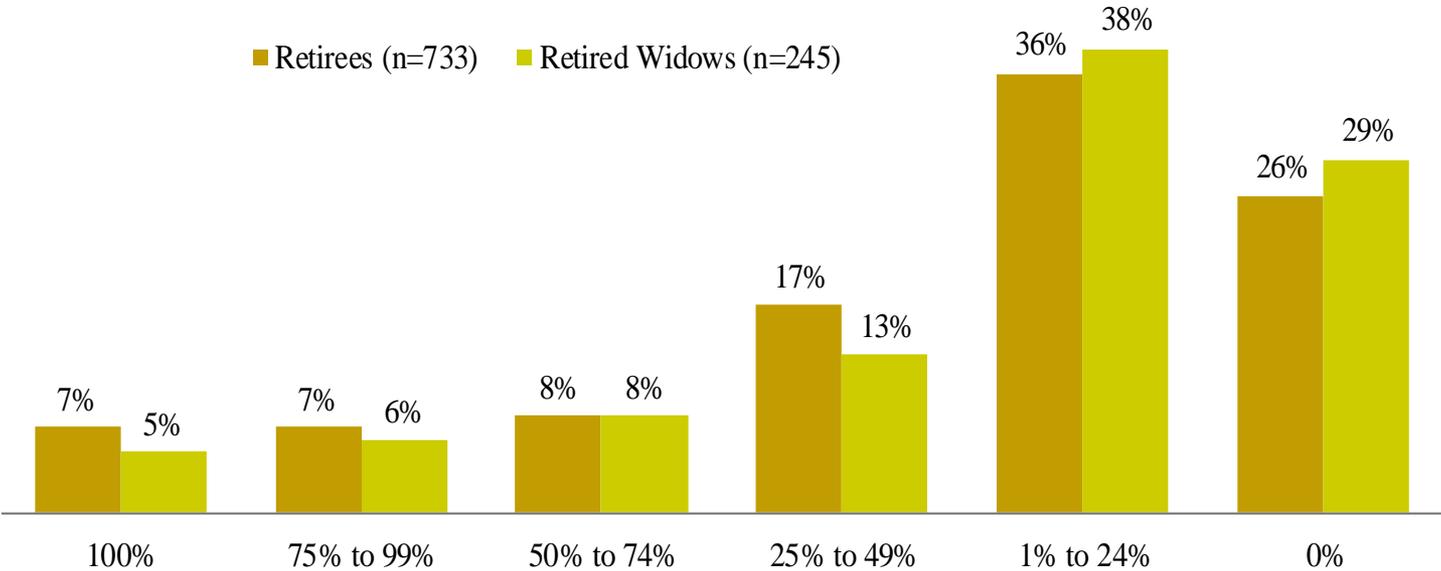
*Shocks in Retirement*



*And have you (or your spouse/partner) experienced any of the following during retirement?*

More than 1 in 3 experiencing shocks had reductions in assets of 25% or more as a result of the shocks they experienced in retirement.

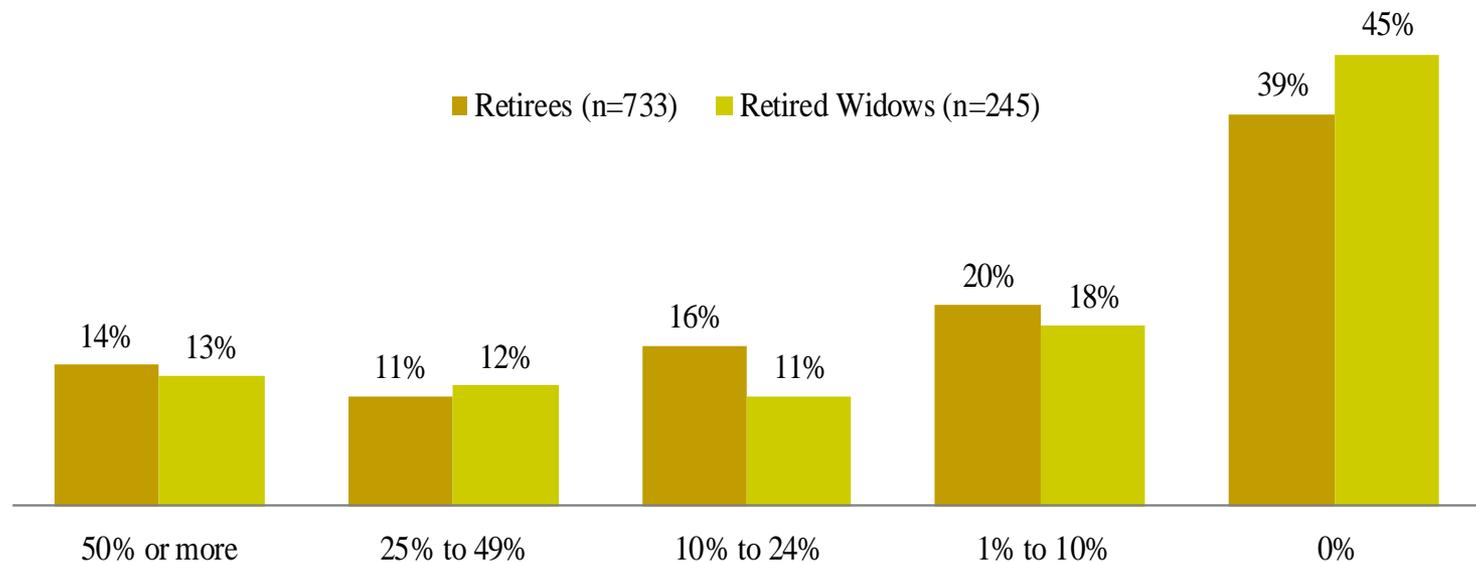
*Effect of Shocks on Assets*



*By approximately how much, if at all, did these events reduce your level of assets? Please consider the combined effect of these events. (Filter: experienced shocks in retirement)*

More than 1 in 10 with shocks had to reduce their spending by 50% or more as a result of the shocks they experienced.

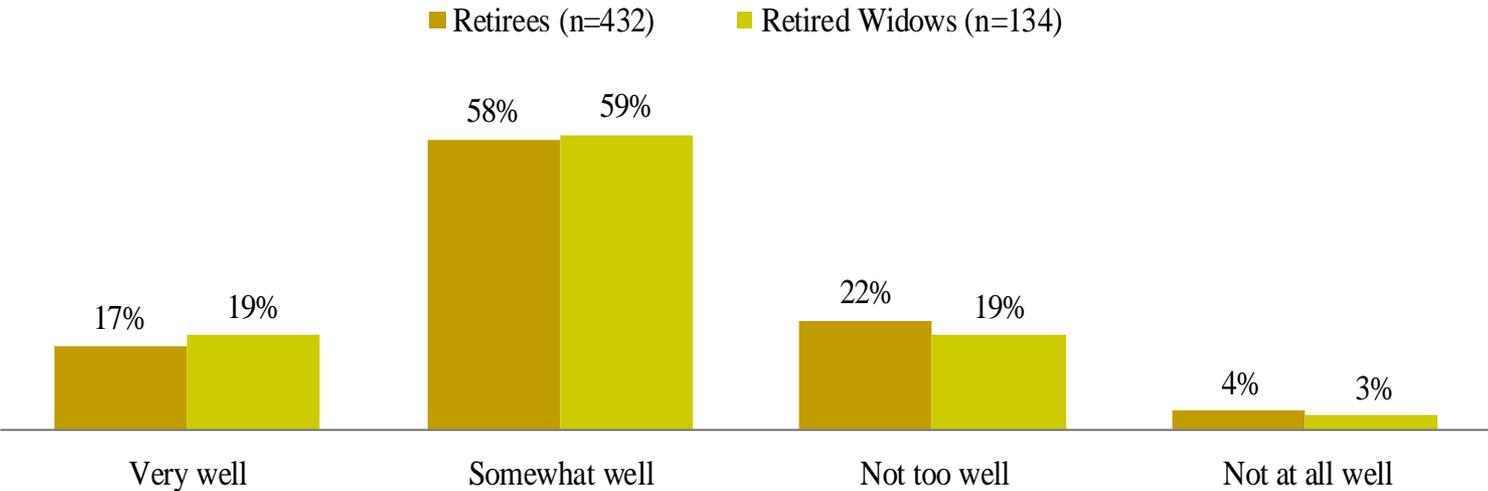
Effect of Shocks on Spending



*By approximately how much, if at all, did these events reduce the amount of money you (and your spouse/partner) are able to spend each month? Please consider the combined effect of these events. (Filter: experienced shocks in retirement)*

# About 3 in 4 retirees feel they have been able to manage within their new financial constraints at least somewhat well

*Ability to Manage within New Constraints*



*How well have you been able to manage within these new financial constraints? (Filter: reduced spending due to shocks)*

# What We Learned

- Retirees in survey are doing better than some of us expected, but three in ten have been severely impacted by shocks
- 2015 vs. 2013 focus groups – long-term retirees seemed more confident and less anxious than short-term retirees
- Some areas of “unexpected expense” are quite predictable – but timing is not and 60% of those experiencing shocks think nothing could have been done to lessen the financial impact
- Two very difficult areas – divorce and major long-term care events
- Health coverage protects retirees from health shocks – but only if they have Medicare supplement. Canadians are protected.
- Retirees are often very resilient, with 75% reporting they have managed the impact of shocks well or very well

# Income and Spending in Retirement



# Control of spending is a major financial planning tool (Repeated finding)

- Main effort is to maintain or grow asset level
- Many cut back spending significantly
- Most adjust spending after a major expense to make up the difference
- Many spend Required Minimum Distribution (RMD)
- Reduction of spending from “wants” to “needs”

# Income and Spending in Retirement

*I can tell you, in my case, keeping it the same, because I know where the income comes from. I'm assured of that income. I know where it is coming from. I know the kind of lifestyle my wife and I like to live. That income matches our lifestyle, and I would be really happy if it stays kind of constant like that.*

*Male, Lower Asset Group in Baltimore*

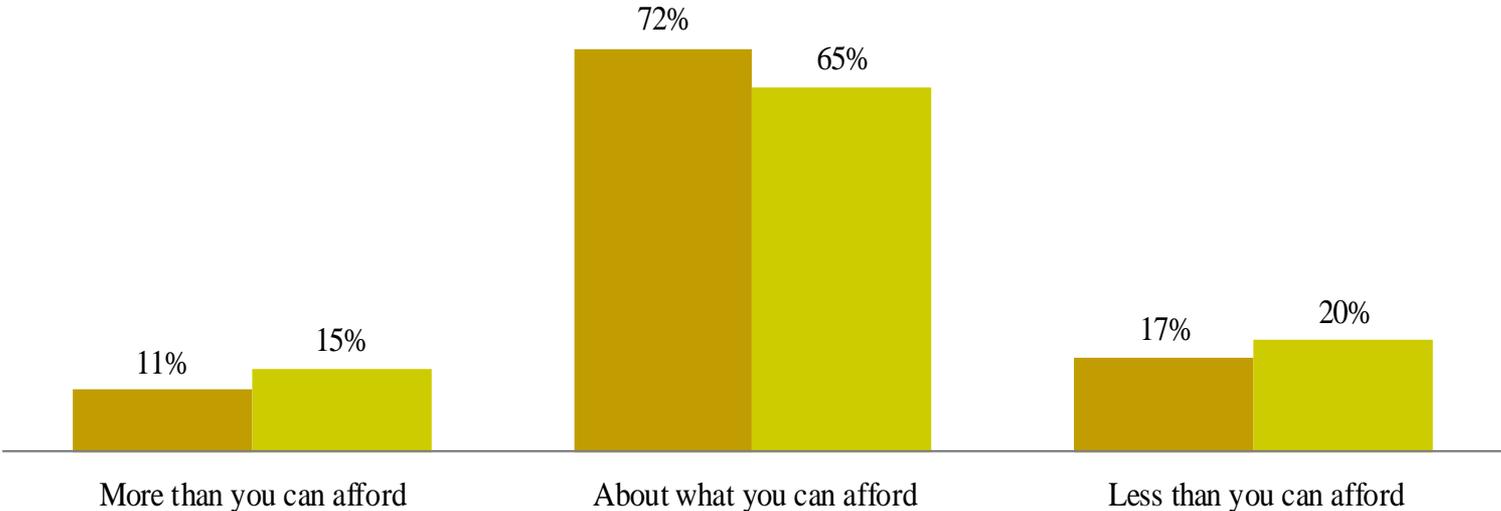
*Of course raise it, because it just seems to keep going down and these emergencies keep coming up and nothing to really help boost them up. The only thing I really have of any value is if I was forced to sell my home. That's about it. I really have nothing now.*

*Female, Health Decline Group in Baltimore*

# The majority of retirees and retired widows spend about what they can afford.

*Level of Spending in Retirement*

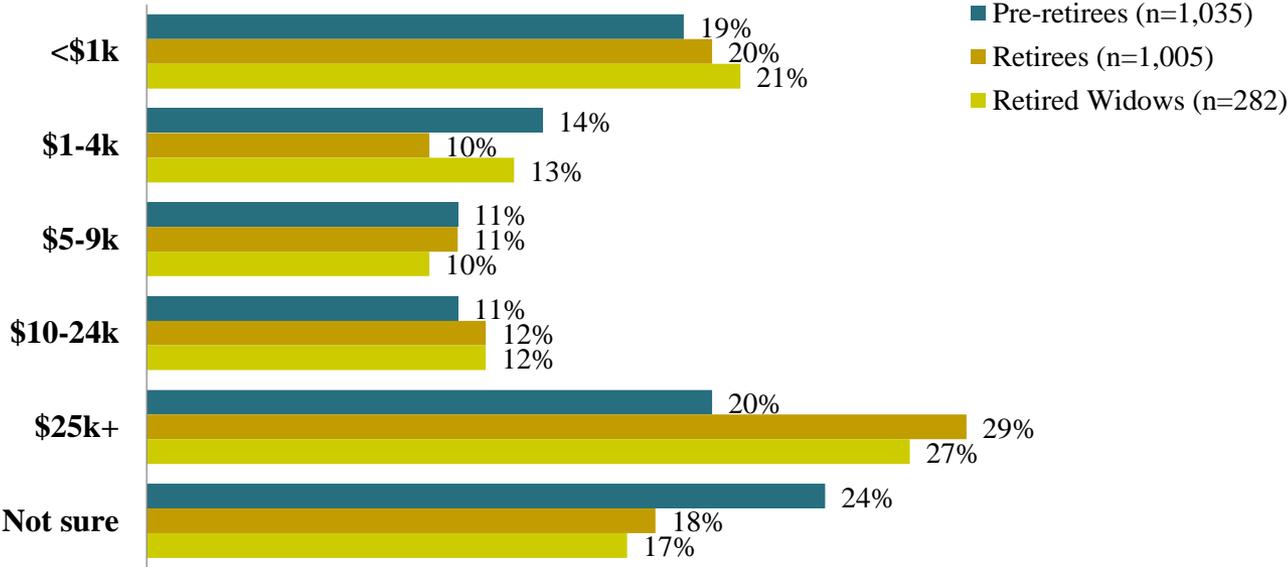
■ Retirees (n=1,005) ■ Retired Widows (n=282)



*At the end of the year, do you generally find you (and your spouse/partner) have spent...*

About a fifth would be unable to spend more than \$1,000 in an emergency without jeopardizing their retirement security.

*Maximum Amount Could Spend in an Emergency*



*Suppose something unexpected were to happen to you (or your spouse/partner) (IF WORKER: in retirement) that forced you to dip into your savings and investments to pay for it. What is the maximum amount you could afford to spend on the event, without jeopardizing your retirement security?*

# What We Learned

- Regular spending managed carefully by many retirees
- Retirees try to live from regular income and spend RMD
- Retirees carefully manage regular expenses – short term cash flow; but do not expect, or budget for, items such as dental and home repairs
- Retirees seek to not withdraw more than RMD – focus on preserving assets; withdrawing RMD often not viewed as drawing down assets
- Often reduce spending if needed, to preserve assets

# Influence of Parents Retirement

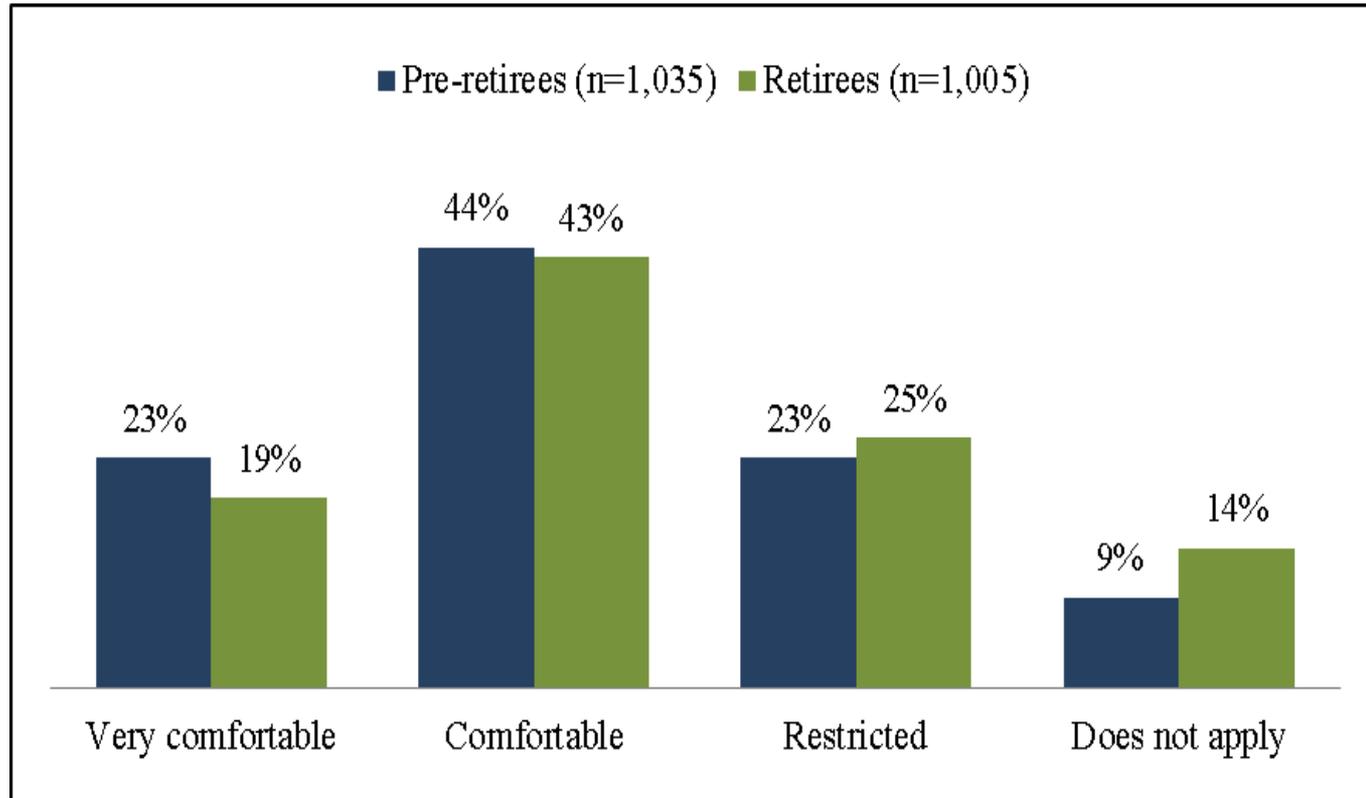


# How Did Parents Experience Effect Children?

- Most have positive view of parent's financial position in retirement
- More likely to indicate parents experienced shocks and unexpected expenses than they have themselves
- Most are optimistic their parents can adjust to shocks
- Many more concerned about their own financial security in retirement due to parents experiences

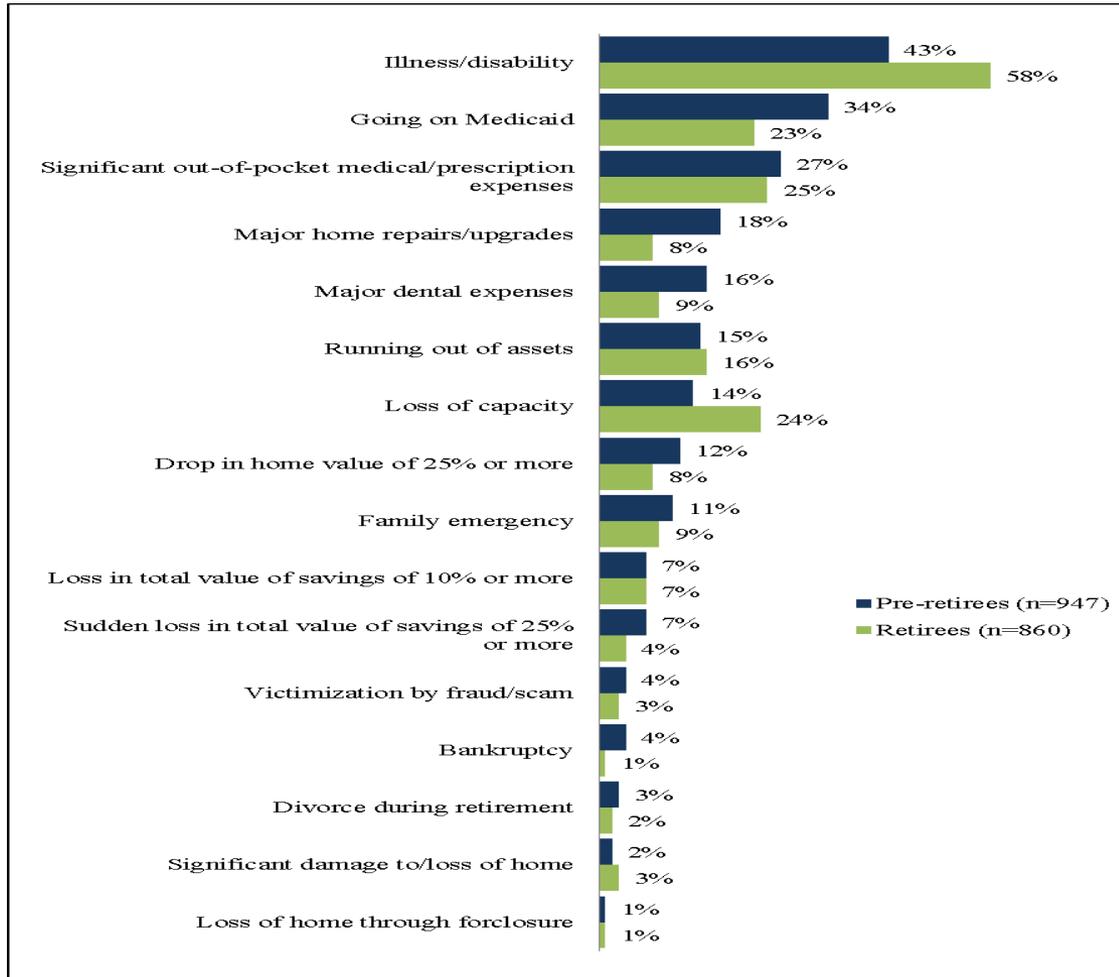
# Most view parent's financial circumstances in retirement as comfortable or better.

## Level Parent's Lifestyle Was Restricted



*How would you describe your parents' financial circumstances in retirement?*

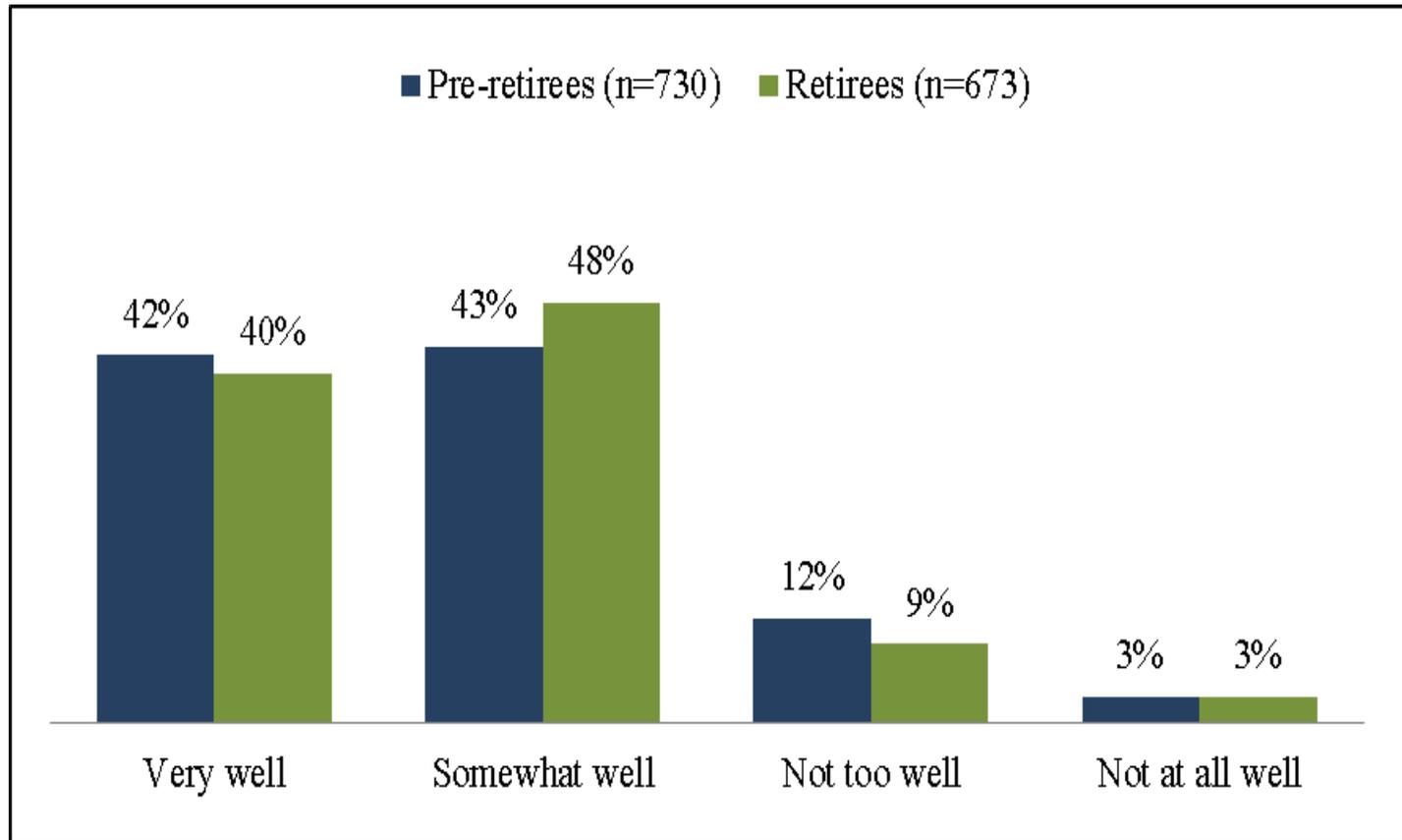
# Significant shocks parents experienced are illness/disability, Medicaid, loss of capacity.



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

# Most believe parents adjust well to shocks.

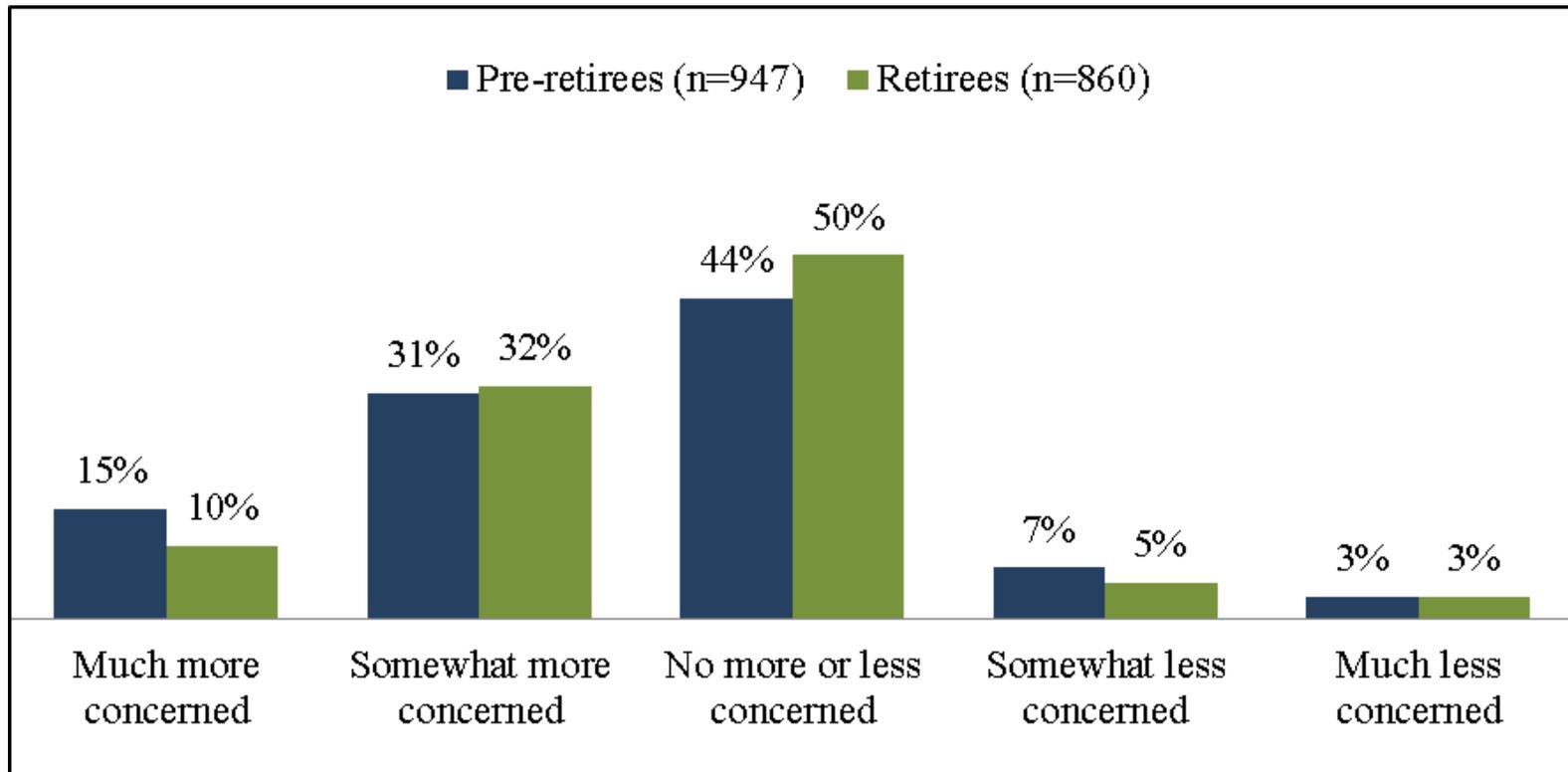
*Parents Adjustment to Financial Shocks*



*Overall, how well do you think your parents adjusted financially to these events during retirement?*

# More express concern for their retirement based on experiences of parents.

Level of Concern for Own Retirement



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

# Other Major Projects



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# Consumer and Advisor Education



# Consumer and Advisor Education: Retirement Decision Issue Briefs for Individuals

- What we learned: people do not even know what questions should be considered
- 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?**

# Consumer and Advisor Education: Lump Sum or Monthly Pension: Which to Take?

- Discusses the choices, the considerations and provides a summary of pros and cons
- “Best” decision depends on an individual’s situation and priorities
- The decision involves trade-offs – experts do not always agree on “best” course of action
- Written objectively to explain the issues but not favor a particular or combination of financial products
- Example of middle income couple’s thought process using multiple scenarios is provided

# Consumer and Advisor Education: Age Wise Longevity Infographics

- Developing series of infographics to explain concepts on longevity and aid people in planning for their own expected lifespans
- Released first infographic on longevity risk using the SOA's longevity calculator
- Provides various messages
  - You might live longer than expected
  - Your actual lifespan is variable
  - Lifestyle decisions will effect your odds
  - Partners may outlive each other by many years



**Age Wise** is a series of infographics to help individuals understand how life expectancy and the decisions they make impact their plans for a happy, healthy and well-funded retirement.



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## You may live much longer than you think.

Many people base their planning on what their grandparents or parents experienced, but **individual life expectancies have improved dramatically over the past century**. Current trends suggest that...



1 out of 3 males



1 out of 2 females

who are in their mid-50s today **will live to be 90**

Will your **retirement income plan** be enough?

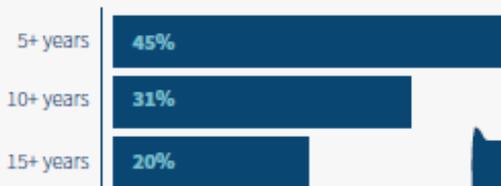
## It's not just luck or genes.

Some **factors** that influence how long you live may be **beyond your control**. Others depend upon the **choices you make** every day. A successful retirement plan will address both.

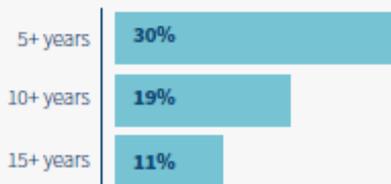
## Couples should consider their combined planning timeline.

For a couple who are 65 today...

Odds a wife outlives her husband by...



Odds a husband outlives his wife by ...



Personal Health & Safety Habits



Medical Knowledge & Access to It



Social Connections



Genes / Gender



Compliance with Medical Advice



Prenatal & Childhood Conditions



Education



Health & Safety of Your Neighborhood

# Diverse Risks in Retirement Essays



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# Diverse Risks in Retirement Essays Collection

- Call for essays was conducted in late 2015
- Key areas were linked to the DC environment:
  - Defined contribution plan risk management strategies
  - Decumulation strategies for retirement
  - Long-term care financing
- Eighteen essays are being published in the Pension Section News and on the SOA Committee website
- Awards were granted for six essays
- Presented as series of three sessions at 2016 SOA Annual Meeting

Note: Complete list of essays in Appendix

# Long-Term Care Papers



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

- What we learned:
  - Long-term care is very important to retirement security
  - Caregivers also have retirement security issues
  - A major long term care event requiring care provided by marketplace provider can devastate many families
- Explored the impact of long-term care needs and expense on retirement security from a variety of aspects
- Twelve papers were published in the monograph
- Awards were granted to five of the papers
- Caregiving also was topic in 2015 Risk Survey

Note: Complete list of papers in Appendix

# Conclusions



# Concluding Thoughts: What is Often Working Well

- Adapting to retirement financial shocks
- Adjustments of spending to preserve assets
- Use parental retirement experience to recognize risks and plan for those events
- Retirees planning for routine annual spending needs
- Limiting the draw down of assets in retirement

# Concluding Thoughts: Areas for Improvement

- Planning by pre-retirees for retirement needs and income sources
- Planning for the impact of death on the surviving spouse/partner
- Planning for longevity
- Planning to work during retirement to supplement income
- Planning to postpone retirement to accumulate greater assets
- Budgeting for unexpected, yet predictable, shocks
- Avoiding debt and its impact on one's ability to save for retirement
- Using insurance products to mitigate risks in retirement

# Opportunities for Actuaries

- Joining in SOA committee work
- Sharing SOA research with your clients/employer and using it in your work
- Introducing retirement concepts to interested education and community groups
- Sharing expertise with other professionals servicing the employee and retiree population
- Assisting clients and human resource professionals to understand the issues and develop employee programs that build long-term retirement security

# How to Find SOA Research Reports and More Information

- All of the reports discussed are available on the Society of Actuaries website at:
  - <http://www.soa.org/research/research-projects/pension/research-post-retirement-needs-and-risks.aspx>
- 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)

# Appendices

## Methodology

### Overview of Research



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# Methodology



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# Risk Survey Series

- Society of Actuaries Post Retirement Risk Surveys:
  - Every two years in U.S. since 2001
  - On-line in 2013 and 2015, telephone survey previously
  - CIA conducted similar Canadian survey in 2010 – on-line
- Core repeated questions
  - Importance of various risks
  - How we retire
  - How we manage risks
- Issues of special focus in each survey
  - Shocks – 2015 survey
  - Women – 2005, 2009, 2013
  - Phases of Retirement – 2007, 2013
  - Personal Risk Management – 2013
  - Working in Retirement – 2005 and 2011
  - Longevity – 2005, 2011, and 2015
  - Impact of Economic Conditions/Decline – 2009 and 2011
  - Health and Long-term Care – 2007
  - Debt and Spending – 2015

# Methodology

## Online Survey

SY

- Sample size: 2,233 total (1,035 pre-retirees, 1,005 retirees, 193 oversample of retired widows)
- Ages 45 to 80; U.S. only
- Conducted online for first time in 2013

## Focus Groups

FG

- 12 focus groups with people retired 15+ years
- Chicago, IL; Baltimore, MD; Dallas, TX; Kitchener, ON; Edmonton, AB
- Half of groups were male; half were female
- Participants had assets between \$50,000 and \$350,000<sup>1</sup>
- No participant had household defined benefit guaranteed lifetime income exceeding \$2,000 per month

<sup>1</sup>U.S. and Canadian dollar figures are treated as equal

Note: Additional information can be found in the Appendix

# Methodology

## IDI

### In-depth Interviews

- The in-depth interviews were conducted to better understand the impact long-term care has on finances of long-term retirees
- 15 in-depth interviews: 10 American and 5 Canadian participants
- All participants served in financial management role for a parent or spouse in need of long-term care
- 5 men and 10 women interviewed

# Additional Information on 2015 Focus Group Methodology

- 12 groups
  - Chicago
    - Females - Widowed or Divorced since Retirement (\$50,000 to \$500,000 in Assets)
    - Females - Significant Health Decline since Retirement (\$50,000 to \$250,000 in Assets)
  - Baltimore
    - Females - Significant Health Decline since Retirement (\$50,000 to \$150,000 in Assets)
    - Males - No Significant Health Decline or Marital Change since Retirement (\$50,000 to \$150,000 in Assets)
  - Dallas
    - Males - Significant Health Decline since Retirement (\$50,000 to \$250,000 in Assets)
    - Females - No Significant Health Decline or Marital Change since Retirement (\$50,000 to \$250,000 in Assets)
    - Males - No Significant Health Decline or Marital Change since Retirement (\$150,000 to \$350,000 in Assets)
  - Kitchener
    - Females - Widowed or Divorced since Retirement (\$1,000 to \$250,000 in Assets)
    - Males - At least half Widowed or Divorced since Retirement (\$50,000 to \$350,000 in Assets)
    - Males - Health Decline since Retirement (\$50,000 to \$350,000 in Assets)
  - Edmonton
    - Males - No Significant Health Decline or Marital Change since Retirement (\$50,000 to \$350,000 in Assets)
    - Females - Health Decline since Retirement (\$50,000 to \$250,000 in Assets)

# Overview of Research



# Listing of Selected Committee Projects

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

# Summary of Survey and Focus Group Projects

Project	Description and methodology	Comments
Retirement risk survey series (conducted with Mathew Greenwald & Associates and EBRI)	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.	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
Approaching the Underserved Middle Market: Insights from Planners (2012)	A report of two focus group sessions with financial planners who are active in some part of the middle market.	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.

# Summary of Survey and Focus Group 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.</p> <p>Some of the questions from the first survey were repeated.</p> <p>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 and Focus Group Projects (continued)

Project	Description and methodology	Comments
Segmenting the Middle Market: Retirement Risks and Solutions (2009 and 2012 publication dates)	There are three reports in these series – the first offers middle market segmentation using the 2004 Survey of Consumer Finances data. The second focuses on pathways to solutions for the identified segments. 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.	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.
Retirement Plan Preferences Survey (2004)	This report focuses on whether people prefer DB or DC plans. The survey was a telephone interview survey.	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.

# 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 now in its third edition
Retirement Decision Briefs (2012, 2015)	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 2016
Understanding Life Spans Infographics	Infographic to help public understand longevity	2016, first in a series

# 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.
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; 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
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.
Efficient frontiers for retirement income (project underway and should be completed in 2015)	Four phase project providing efficient frontiers designed for use by plan sponsors	Projected jointly sponsored by the SOA and Stanford Longevity Center; Wade Pfau is on project team

# 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

# Summary of Essays, Paper Calls and Monographs

Project	Description and methodology	Comments
Diverse Risks in Retirement Essay Collection (2016)	Collection of 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
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

# 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