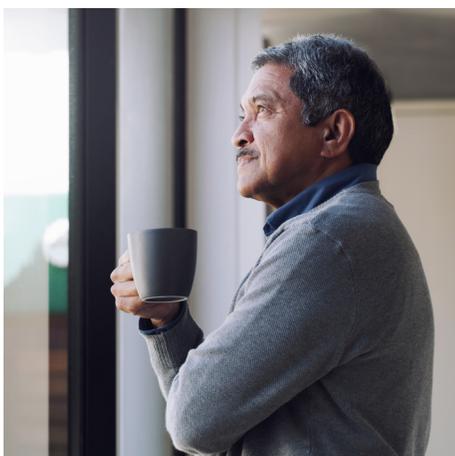


Edward Jones®



Longevity and the New Journey of Retirement



An Edward Jones and Age Wave Study



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Welcome Letter

To our clients, colleagues and communities:

Retirement today is no longer a destination; it's a new journey, a whole new chapter of life. With the gift of greater longevity, today's retirees have more opportunity than ever to make the most of their years, activities, contributions, and relationships.

Edward Jones and Age Wave initially joined forces in 2019 to explore people's hopes, dreams, and concerns in retirement. Together with The Harris Poll, we conducted a groundbreaking study of more than 9,000 people across North America to understand more deeply what it means to live well in retirement. Through a series of follow-up tracking studies conducted in 2020 and 2021, we took the pulse of how five generations, and retirees in particular, were faring amid the COVID-19 pandemic.

Through this work, we developed a new holistic framework with four interconnected pillars for living well in retirement: health, family, purpose, and finances. Our results generated unprecedented interest among the public, the media, and the financial services industry.

Our ongoing collaboration now includes this comprehensive new study, *Longevity and the New Journey of Retirement*, of more than 11,000 North American adults, largely pre-retirees and retirees, to explore how the journey of retirement unfolds, the patterns of people's experience in retirement, and the keys to thriving along the way. Here are just a few highlights among U.S. retirees:

- Today's retirees appreciate their longevity and they now count the ideal length of retirement at an average of 29 years.
- The majority now view retirement as "a new chapter of life," while only a quarter still think of it as the traditional "time for rest and relaxation."



A handwritten signature in black ink that reads "Ken Cella".

Ken Cella
Principal, Branch Development
Edward Jones



A handwritten signature in black ink that reads "Ken Dychtwald".

Ken Dychtwald, PhD
Co-Founder and CEO
Age Wave

- Work/retirement lines have blurred. There is no clear definition of when retirement starts, and 59% of retirees and pre-retirees say the ideal mix of work and leisure in retirement includes some work.
- The pandemic has made life difficult for all, but especially for today's new retirees as they make the transition, organize their time, and find new purpose in retirement.
- Retirees who are thriving today were well-prepared for entering this lifestage and made more focused preparations across all four pillars.
- Financial foresight is central to retirement preparation. Retirees on average began saving for retirement at age 38 but say they should have started nearly a decade earlier.

Edward Jones and its 19,000 financial advisors and branch teams work every day to help make a meaningful difference in the lives of our 7 million clients. This research helps us understand the needs and priorities of retirees and their families across generations. We integrate these insights into the ways our branch teams ask questions, converse with clients, and frame journeys that enable clients to reach goals many had not thought possible.

This study and report are guided by Age Wave's decades of experience investigating aging, longevity, and retirement, and we're openly sharing these findings with you.

We hope you enjoy reading the report. We'd love to hear your thoughts on these findings, so please email us at NewRetirement@edwardjones.com. *The report carries lessons for people of all ages*, and we wish you all the best as you navigate your own journey to and through the new retirement.

Introduction

During their working years, most people view retirement as a destination, a milestone in life they look forward to with excitement and perhaps a bit of trepidation. Once they reach the milestone, retirees discover retirement is far more than that. It's a new journey, a potentially lengthy new chapter of life full of challenges and opportunities. Ideally, they cross the retirement threshold with a sense of accomplishment and perhaps a sigh of relief, as well as with fresh energy and ambitions, especially if they have prepared adequately.

Today's retirees enjoy a growing array of opportunities to enjoy life and stay engaged. This is definitely not their parents' or grandparents' retirement. At the same time, they face some new challenges, especially around their health, their finances, and finding their new purpose. Retirement can be a positive and rewarding journey with support from the four pillars of the new retirement—family, health, purpose, and finances. Unfortunately, that's not the case for the many who find retirement a difficult and uncertain road.

The purpose of this study is to explore and better understand what it means to experience optimal well-being and thrive in retirement. Retirement is not a one-size-fits-all journey. There are many possible paths and countless variations in retirees' timing, experiences, priorities, dreams, and financial circumstances.

Retirement is not a one-size-fits-all journey



To make sense of the variety, we'll look at retirement from three fundamental and revealing perspectives.

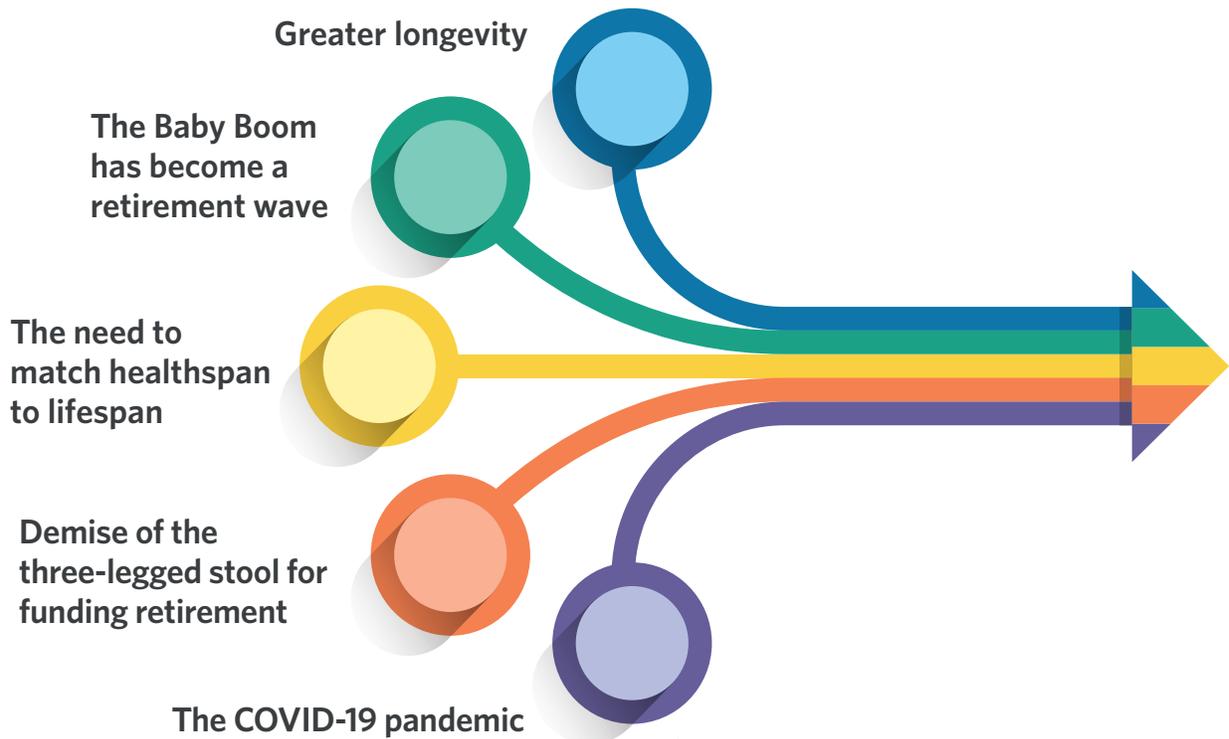
- **Stages of retirement:** We unpack the journey as it unfolds over time to see what changes along the way and what course corrections may be needed.
- **Types of retirees:** We explore four familiar but very different paths and patterns of experience in retirement.
- **Preparing for retirement:** We describe the common preparation actions people take and see how better preparation corresponds to higher quality of life in retirement.

Individually and collectively, these perspectives provide unprecedented breadth, depth, and insight into today's new journey of retirement. To understand the overall landscape, let's take a closer look at what makes nearly everything about retirement so "new."



Five Forces Are Shaping the New Journey

Five major forces are currently converging to reshape the new retirement and the lives of today's and tomorrow's retirees. Two are demographic, two are structural challenges for society, and the last is a troubling disruption—the COVID-19 pandemic.



1 Greater longevity

In the 20th century, life expectancy in the United States rose from 47 years to 79; in countries including Japan and Spain, it's even five or six years higher.¹ While the COVID-19 pandemic has pushed U.S. life expectancy down to about 77 years,² longevity may see dramatic increases in the decades ahead. Biomedical advances on the horizon and in labs hold the promise of overcoming some chronic diseases, rejuvenating parts of the body, and slowing the process of aging. By one estimate, over half of American children born today will live to celebrate their 100th birthday.³



Retirees say the ideal length of retirement is 29 years

It's not just the fact of longevity that's changing retirement. People's growing *awareness* of their potential longer life is changing their expectations, attitudes, and preparations for this extended lifestage. The retirees we surveyed say, on average, they expect to live to 89 and tell us the ideal length of retirement is 29 years.

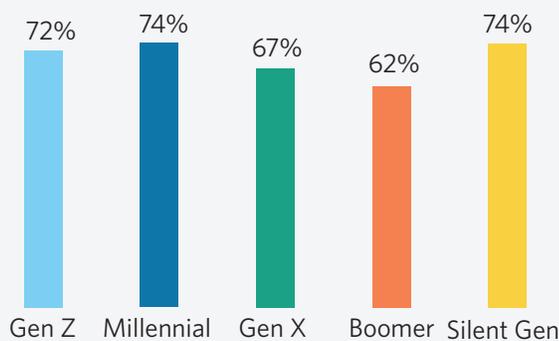
Over half of Americans born today may live to 100

Do You Want to Live to 100?

We asked Americans across five generations whether they want to live to 100. Nearly 70% of American adults say "yes"! But that eagerness varies by generation, with younger generations and the oldest most interested in extended longevity (Figure 1).

Figure 1

Want to live to 100



Base: U.S. adults by generation: Gen Z (18-24), Millennial (25-40), Gen X (41-56), Boomer (57-75), Silent Gen (76+)

The primary reasons people say "yes" are that they want to spend more years with family and friends (35%), they are enjoying life and want to continue doing so (23%), they are curious about the future (19%), and there is so much more they want to do (18%). Only 6% said they wanted to live longer because they are afraid of dying.

In the other camp, some people say they would not want the extra longevity if they were suffering with terrible health (32%), if they became a burden on their family (29%), if they had serious cognitive loss like Alzheimer's (20%), or if they no longer had purpose in life (14%). Only 5% say they wouldn't want the longevity if they were impoverished.

The real answer to our question seems to be, "Yes, but it depends on staying healthy, engaged, and purposeful."



The number of Americans age 65+ has almost **tripled** in the last 50 years

2 The Baby Boom has become a retirement wave

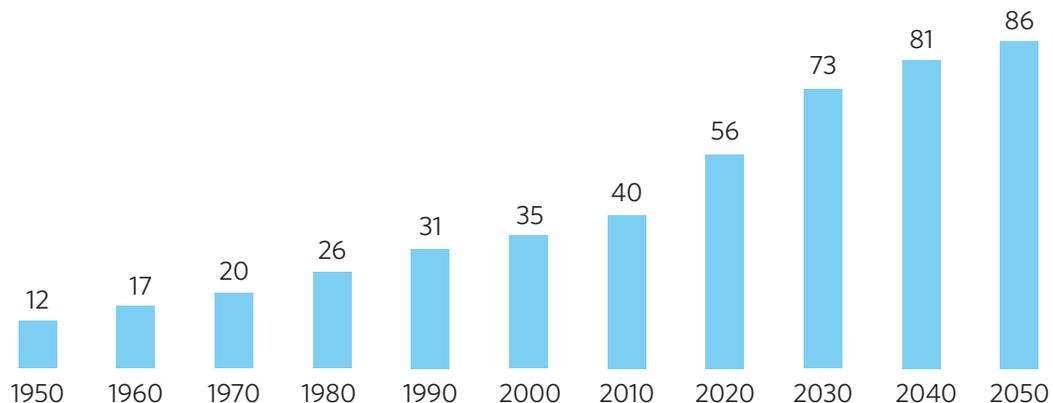
The Baby Boomer generation is swelling the ranks of retirees and changing the personality of retirement, and now Gen X is joining in. The number of Americans age 65+ has almost tripled in the last 50 years (from 20 million to 56 million) and is projected to reach 86 million by 2050 (Figure 2). In similar fashion, the proportion of Americans age 65+ rose from 10% in 1970 to 17% today and is projected to reach 22% by 2050.⁴ Adding together the forces of longevity and the retirement wave, we see many more people spending many more years in retirement. That makes retirement a far bigger and more important stage of life with far more social and marketplace gravitas than ever before.

How are today's new generations of retirees changing the personality of retirement?

As Baby Boomers become the majority of retirees, their attitudes prevail—more experimental and iconoclastic, less conservative and frugal than the previous generation of retirees. Women Baby Boomers have literally changed the mix in the workplace, on the home front, and now in retirement. Today's new retirees want a very different, more active and engaged retirement than their parents had.

Figure 2

U.S. population age 65+ (millions)



Source: U.S. Census Bureau

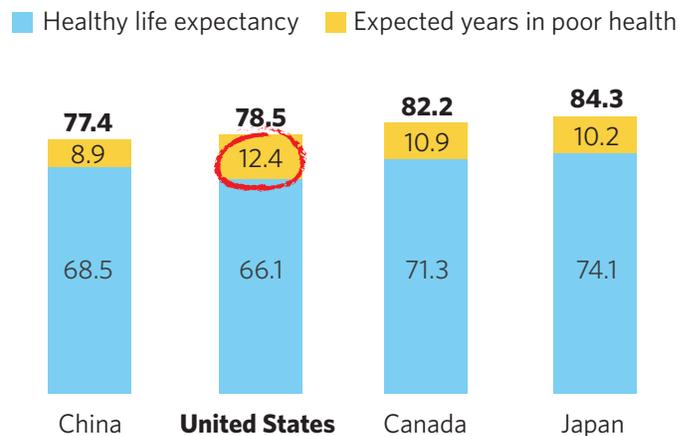
3 The need to match healthspan to lifespan

The difference between healthy life expectancy and total life expectancy in the U.S. is 12.4 years, and that's a large gap by global standards (Figure 3). The average American spends the last 12+ years of life with their activities at least partially—and often seriously—curtailed by illness, injury, or cognitive impairment. Among those 65+, 88% are managing at least one chronic condition and nearly two-thirds have two or more chronic conditions.⁵ Over the age of 85, one in three Americans has Alzheimer's or related dementias.⁶ As the ranks of older adults grow, more people need more medical care and personal assistance late in life. That can lower well-being of the individual, it can be a burden on family members assisting them, and it can be a major drain on finances, especially for long-term care.

Many retirees are caught off guard by the accumulating out-of-pocket healthcare costs they incur throughout retirement, and too few budget for or purchase long-term care insurance. The aggregate cost of late-life medical care is astronomical and growing. The average couple needs \$10,000 to \$12,000 a year for regular medical expenses.⁷ Add that up across a lengthy retirement, then factor in long-term care costs, and the couple needs an estimated \$445,000 to cover healthcare costs in retirement.⁸ It's no surprise that healthcare costs have become retirees'

Figure 3

Life expectancy by country (2019)



Source: World Health Organization, Global Health Observatory data repository, Life expectancy and healthy life expectancy data for 2019

number-one financial worry. Closing the gap between healthspan and lifespan is one of the greatest medical and social challenges we face, requiring progress against infectious disease and the chronic diseases associated with aging, including Alzheimer's and related dementias, as well as progress toward adopting more preventive health behaviors, starting with diet and exercise.



4 Demise of the three-legged stool for funding retirement



Previous generations of American retirees relied on a combination of employer pensions, Social Security, and their personal savings and investments. That so-called three-legged stool for funding

retirement has become wobbly, if not completely broken. While guaranteed pensions remain the norm in the public sector, most private-sector employers have replaced defined benefit pensions with 401(k) and other defined contribution plans relying heavily on employee contributions (Figure 4). Over the past decades, the number of Fortune 500 companies offering guaranteed pensions declined from over half to about 16%.⁹

Meantime, the long-term benefits structure of Social Security may be uncertain as the ratio of current workers contributing to current retirees receiving benefits continues to decline, predicted to reach a low of 2.3 workers per beneficiary in 2035, versus 16.5 in 1950.¹⁰ And while Social Security provides an important safety net, the average monthly benefit of around \$1,600 is far short of what it takes to live comfortably in retirement.

This places even more pressure on the third leg of

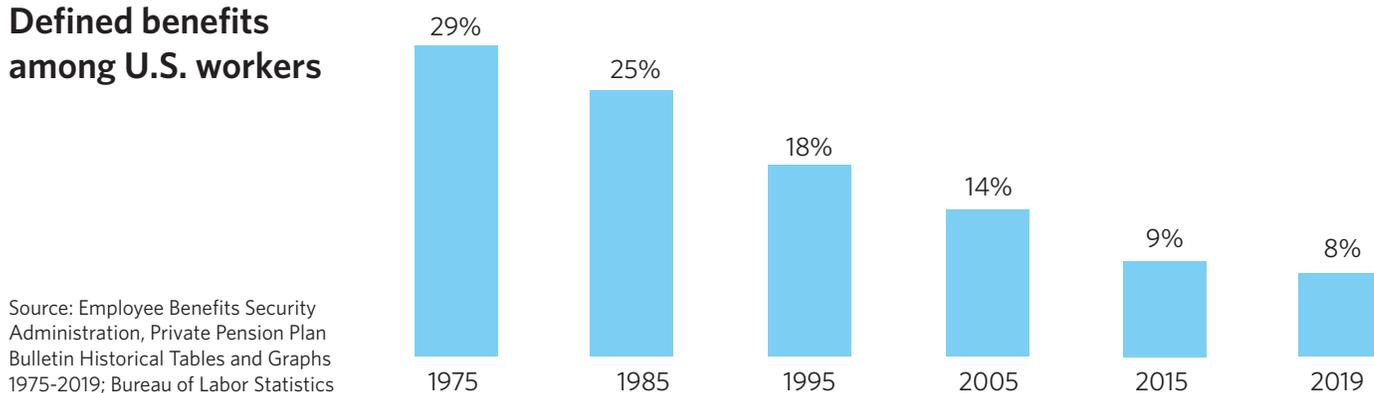
the stool, individual savings, and most Americans are falling short. Although the national savings rate has risen over the last decade,¹¹ it's still well shy of the recommended rate of at least 15%. In addition, most people do not maximize their retirement account contributions, too many make penalized early withdrawals, and 22% of Americans eligible for retirement plans don't contribute at all.¹² Fundamentally, people don't save enough for their lengthier lifespans, and most wait too long to start saving for retirement. Retirees started saving at an average age of 38, but in retrospect, they say they *should* have started saving nearly a decade earlier, at 29.

Age retirees **started** saving for retirement: **38**

Age they **wished they had started** saving: **29**

Figure 4

Defined benefits among U.S. workers



Source: Employee Benefits Security Administration, Private Pension Plan Bulletin Historical Tables and Graphs 1975-2019; Bureau of Labor Statistics

5 The COVID-19 pandemic

The fifth force shaping retirement today is the dramatic short-term and longer lasting impacts of COVID-19. Our tracking studies during the pandemic found that it disrupted the lives of all Americans across the four pillars of health, family, purpose, and finances. The good news is that people’s assessments of how they’re faring have risen since the initial shock of the pandemic, with finances the slowest to recover (Figure 5).

The pandemic has put everyone’s health at risk, especially that of older people with chronic conditions. However, retirees who have avoided or recovered from the virus, and who have not been isolated by the pandemic, have actually fared better than younger generations whose daily lives have been more severely disrupted. Retirees have the experience and resilience to weather the storm psychologically, as well as the safety nets of Social Security income, Medicare coverage, and, for many, home equity to partially protect their finances.

There are, however, challenges for older retirees. The pandemic has transformed our relationship with and reliance on technology to stay connected and informed, to obtain products, and to consume services, including telemedicine. This disadvantages older Americans on the wrong side of the “digital divide” between those with technology access and aptitude and those without. Among the Silent Gen (age 77+),

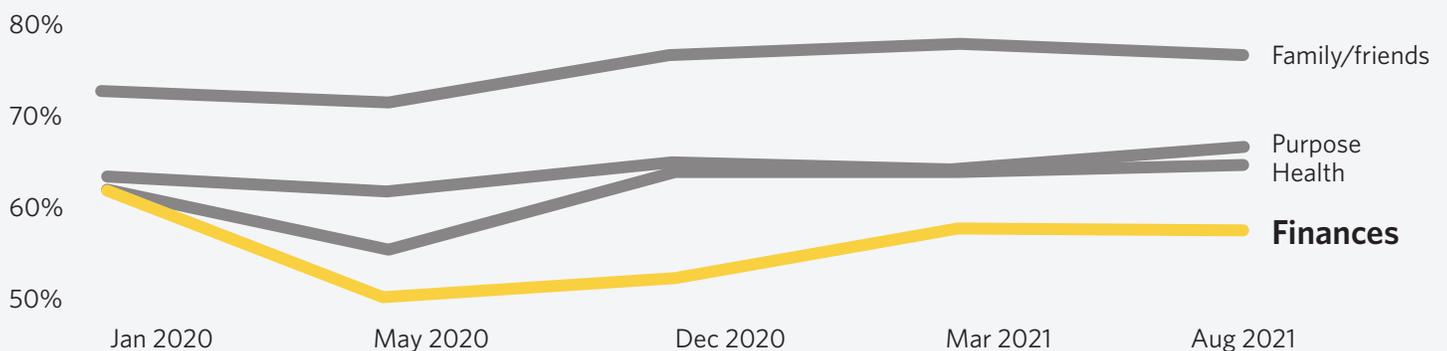


60% do not have a smartphone and 38% are without internet access.¹³ Younger retirees are facing some of their own special challenges, especially those who were forced into retirement during COVID. The pandemic has led nearly 70 million Americans to rethink the timing of their retirement, either postponing it for financial reasons or accelerating it because they have rethought their priorities and working has become less attractive.¹⁴

Many older Americans are on the wrong side of the “digital divide” without technology access or aptitude

Figure 5

Four pillars report card (% of Americans who give themselves an A or B)



Source: Edward Jones/Age Wave, The Four Pillars of the New Retirement Fall 2021 Update (Base: U.S. adults)

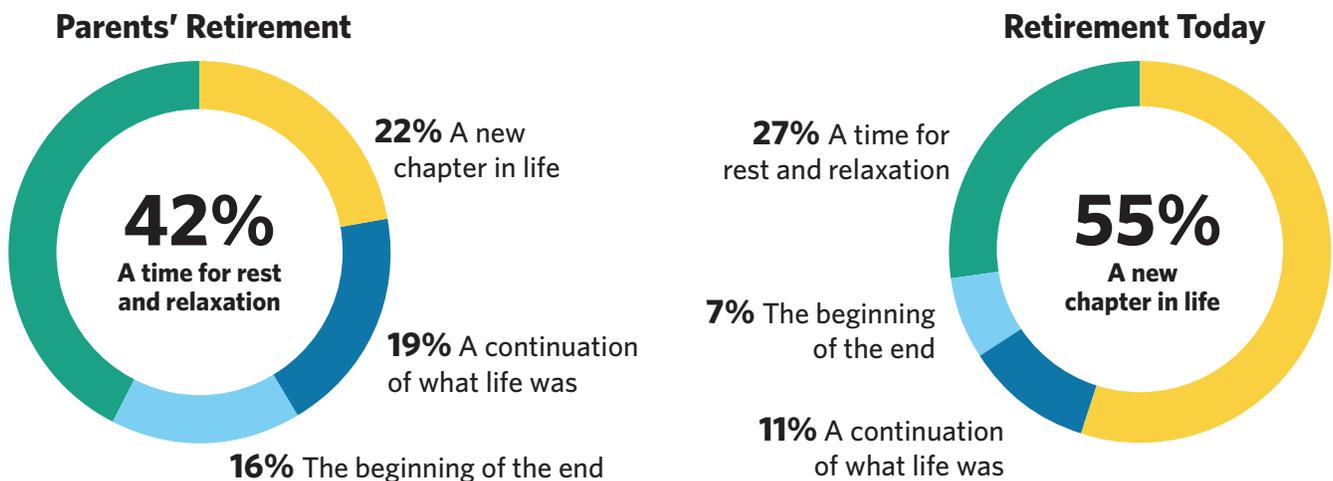
Retirement Is Now a New Chapter in Life



Retirement is now a longer and more important stage of life—and today’s retirees increasingly want to make the most of it. The expectations and hopes about retirement and its character have shifted. For the parents of today’s retirees and pre-retirees, the focus of retirement was mostly on “rest and relaxation.” Now the majority of retirees and pre-retirees view retirement as “a new chapter in life” (Figure 6).

Figure 6

What best describes your parents’ generation’s retirement vs. retirement today?



Base: U.S. retirees and pre-retirees age 45+

Blurred lines

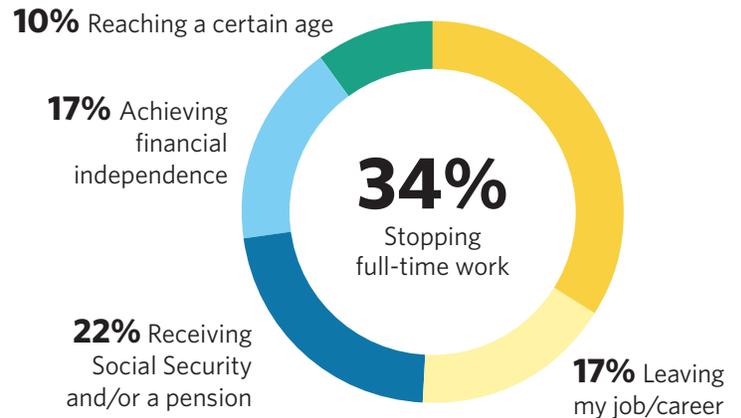
When does retirement actually begin? Being a “retiree” these days is mostly self-defined, and no longer tied to reaching a certain age. In fact, there is now no agreed-to milestone marking the start of retirement. About half of today’s retirees and pre-retirees say retirement formally begins when someone stops working full time or steps away from a primary job or career (Figure 7). For others, it’s when they start receiving benefits from pensions or Social Security. Interestingly, 17% of our respondents define it simply as when they achieve financial independence. Some retirees may consider themselves “semi-retired” as they continue to work part time, well beyond the end of their core career.

New retirement dreams

Recognizing the options and opportunities before them, today’s retirees are becoming more purposeful and ambitious. They are reengaging with life—not retreating—often in new and imaginative ways. Half say they are actually “reinventing themselves in their retirement,” particularly women (53% vs. 47% men), and nearly three-quarters (72%) of all retirees say they are “able to realize their hopes and dreams.” It appears that going forward, retirement activities will increasingly include work, be it part-time, cycling between work and leisure, or even working full time after retiring (Figure 8). We expect these trends to continue and possibly even grow.

Figure 7

Milestone that marks the start of retirement



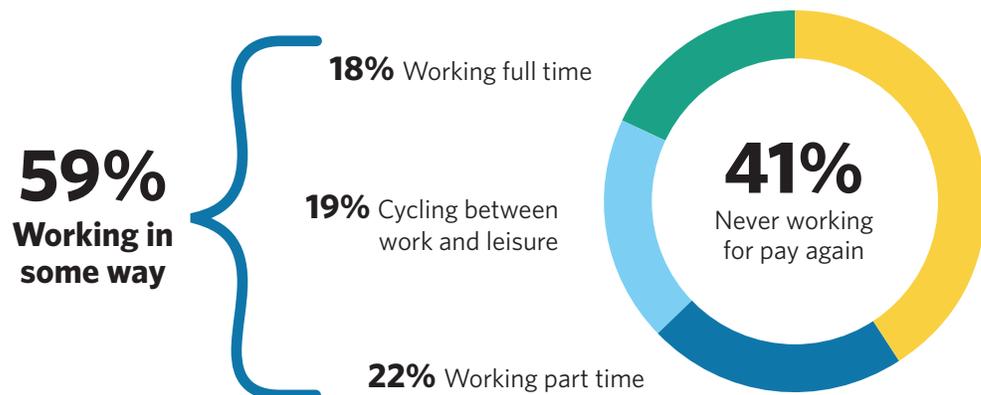
Base: U.S. retirees and pre-retirees age 45+



Half of retirees say they are “reinventing themselves in retirement”

Figure 8

Ideal approach to balancing work and leisure in retirement



Base: U.S. retirees and pre-retirees age 45+



90%
of retirees are
looking forward
to the years
ahead

A positive time in life, but not without worries

More than eight in ten of today’s retirees describe their quality of life and sense of well-being as good to excellent. Contrary to popular ageist stereotypes, emotionally, they say they feel happy, fulfilled, and liberated. Looking across the four pillars, 80% grade themselves with an “A” or “B” in family and friends relationships, 70% in sense of purpose, and 58% each in overall health and finances. Eighty-eight percent agree that “life has been very satisfying,” and 90% say they are “looking forward to the years ahead.”

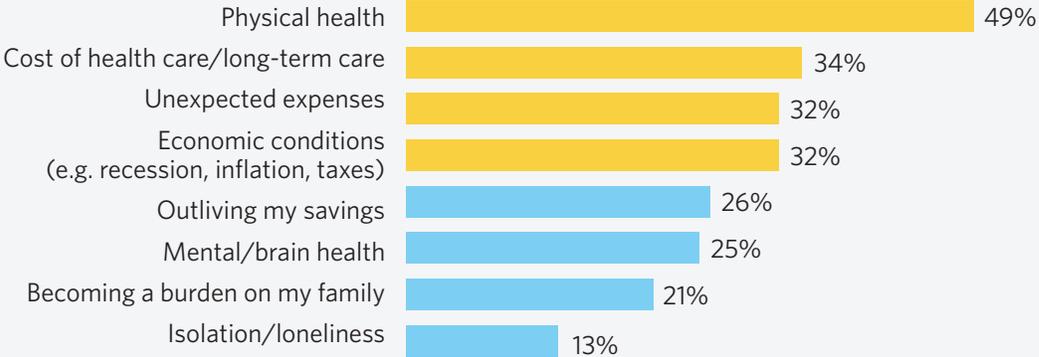
At the same time, retirees and pre-retirees have a variety of common worries about life in retirement, including physical and mental health, the cost of health care and long-term care, and the associated chances of being a burden on their family (Figure 9). There are many retirees who are struggling not only financially, but psychologically

and socially as well, as we’ll see later in this report. On the financial side, they are especially concerned about healthcare and long-term care costs, unexpected expenses, uncertain economic conditions, and simply outliving their money.

When asked what they’d like more of in life moving forward, more than two-thirds of retirees say more time with family, in particular with their grandchildren, and especially among women retirees. Forty-three percent of retirees say they look forward to more rest and relaxation, and a third say they definitely want more fun.

Figure 9

Worries in retirement



Base: U.S. retirees and pre-retirees age 45+, select top 3 responses

Four Stages of the New Journey



People enter retirement at different ages and under different circumstances with countless possible paths and paces. Our study now enables us to describe the overall journey, including how people's experiences, priorities, and attitudes tend to sequence and evolve. We've found that the new retirement journey unfolds in four distinct stages.



Anticipation
10-0 Years
Before Retirement

**Liberation/
Disorientation**
0-2 Years
After Retirement

Reinvention
3-14 Years
After Retirement

**Reflection/
Resolution**
15+ Years
After Retirement



Stage 1: Anticipation (< 10 years before retirement)

The first stage is the pre-retirement period when people are still primarily focused on their careers, raising a family, and perhaps caregiving aging parents. However, they are beginning to imagine and prepare for their coming life in retirement. Although they're not retired yet, we consider this the first stage of the retirement journey because actions taken here form the foundation and set the trajectory for retirement.

Stage 1 can start as many as 10 years before retirement, but like popcorn in the microwave, the pace of pre-retirees' preparations tends to pick up in the five years before. As the reality of retirement approaches, preparation becomes far more top of mind. Many are making preparations for life overall and specifically their finances in retirement. Some are also thinking about whether to downsize their homes or simplify their lives in advance of retiring. And some are exploring new interests and activities—such as volunteering, going back to school, or even becoming

The large majority of pre-retirees do not feel very prepared for retirement

an entrepreneur—in anticipation of how they'd most like to spend their time after their core career has ended.

Most pre-retirees say they are really looking forward to retirement. The majority (57%) view their upcoming retirement as “a new chapter of life.” They are optimistic and enthusiastic, anticipating that they'll feel happy, fulfilled, and liberated in retirement. At the same time, our study revealed that anxiety often increases as retirement approaches, especially if pre-retirees are uncertain about their financial and other preparations.



“I'm really looking forward to the freedom of retirement, but I hope that I can save enough money to make it a reality.”

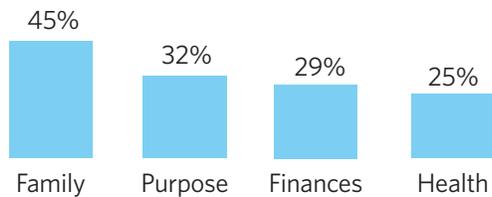
Stage 1: Anticipation

(< 10 years before retirement)

How prepared for retirement do pre-retirees feel? Looking across the four pillars of family, health, purpose, and finances, the large majority do not feel very prepared at all, especially when it comes to finances (only 29% feel very prepared) and health (only 25%). Overall, they are most confident in preparations connected to family (Figure 10).

Figure 10

Preparedness for retirement across the Four Pillars (% very prepared)



Base: U.S. pre-retirees age 45+

To prepare financially, a majority (52%) are contributing to retirement accounts, and only 29% are currently working with financial advisors. However, among those early in pre-retirement (6-10 years ahead), 24% who have never worked with financial advisors say they would like to. Pre-retirees' most common financial worries about retirement include healthcare costs and unexpected expenses in retirement and simply outliving their money. The expenses that most often catch retirees by surprise include major home repairs, dental care, and out-of-pocket medical and prescription costs.¹⁵

Reflecting the evolving work/retirement dynamic, three-fourths of today's pre-retirees say that the ideal approach to work and leisure in retirement includes some work. Their primary motivations for working are to stay mentally engaged and financially comfortable.



Stage 1: Key Questions to Consider

- How do I want to change my lifestyle in retirement? What do I want to keep doing and what do I want to stop doing? What income will be needed to support that lifestyle?
- How will I cover my healthcare costs in retirement, and should I consider buying long-term care insurance now?
- Do I need to catch up financially? If so, what expenses can I cut right now? Can I take advantage of catch-up contributions to my retirement accounts?
- What do I need to learn about life in retirement, and what activities should I be "test driving" in advance of retiring?
- Do my partner and I need to reconcile any differences in our plans, preferences, and timing for retirement?



Stage 2: Liberation/Disorientation (0-2 years after retirement)

Stage 2 is a transition period, a time for getting used to retirement and figuring out what it really means, typically lasting a couple of years. This stage has two names because for most it is a complicated double-edged sword.

While they often give a big sigh of relief at having crossed the threshold, many new retirees also feel disoriented, uncertain, and anxious about what the future holds, how well they'll adjust to being retired, how they'll spend their time without the routine of work lending structure and purpose to their lives, and how they're going to afford the potential decades of life in front of them.

A big part of the disorientation can be the shock of life without a paycheck for the first time in their adult lives. This is a new experience, and many haven't been taught or coached about how to spend down their resources most wisely. Some have regular pensions, but the large majority have to learn to "pay themselves" from retirement accounts and personal savings and investments. Most new retirees are still getting a handle

48% of Stage 2 retirees say they worry about outliving their money

on their financial situations. While 72% claim they feel financially prepared for retirement, only 30% say they are very prepared. Nearly half say they often worry about outliving their money.

At the same time, new retirees feel liberated, excited, and empowered by their new freedoms and their "time affluence." They feel a sense of freedom *from* the anxieties and time constraints of work and family responsibilities and freedom *to* pursue their hopes, dreams, and passions. Over the next 20 years, U.S. retirees will have a total of 3.9 trillion hours of free time to fill.¹⁶



"COVID has postponed our plans. Now we can't wait to get going in retirement."

Stage 2: Liberation/Disorientation

(0-2 years after retirement)

Although the first year or two of retirement has always been a time of mixed emotions, in the past, liberation outweighed disorientation for most. That seems to have changed, because the new retirees we surveyed have retired during the time of COVID and a highly volatile investment marketplace. And those who entered retirement with a backlog of hoped-for and even planned activities, especially for socializing and travel, have seen those plans postponed or constrained. As one new retiree told us, “It feels like my retirement hasn’t really started yet.”

The pandemic has made the transition to retirement feel more difficult for many new retirees. They find that it’s been challenging to organize their time, that they feel out of sync with their unretired partners and friends, and that they’re struggling to find new purpose (Figure 11). But most don’t know where to turn for guidance or useful connections. Orchestrating their respective retirement timing can be especially tricky for the growing number of dual-career couples.

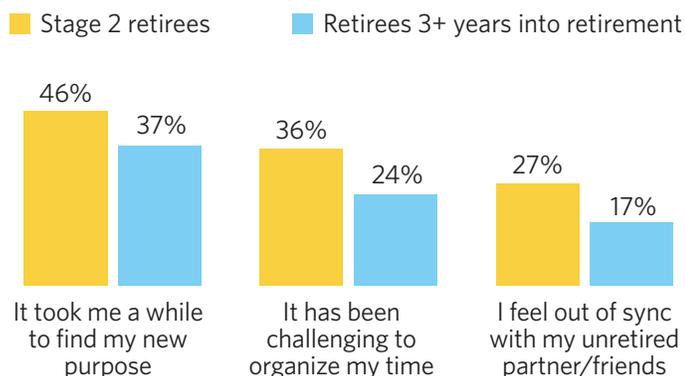
A majority of Stage 2 retirees (61%) say that their ideal approach to balancing work and leisure in retirement involves working in some capacity, and 16% of Stage 2 retirees have already returned to work. Twenty-five percent

think of themselves as “semi-retired.” At the same time, the pandemic spurred a “great resignation,” nearly doubling the rate of new retirements from 1.5 million Baby Boomer retirees in 2019 to 3.2 million in 2020.¹⁷ Those who retired before they had planned may enter Stage 2 with more anxiety and possibly great disadvantages (see “Pushed into Retirement” section on the next page).

“My best friends are not all retired. I can’t always do what I’d like with them, but they’re a constant reminder that I’m glad to be retired.”

Figure 11

Experiences in retirement



Base: U.S. retirees

Stage 2: Key Questions to Consider (if you haven’t considered them already)

- What am I really spending in retirement? Have my spending habits changed the way they need to?
- What expenses were not planned or accounted for, perhaps the support I’m providing to my children, or the caregiving assistance my parents or in-laws may need?
- Are there opportunities to work part time and generate additional income? How would that affect my other activities and lifestyle?
- Is retirement what I thought it was going to be? Are there new things I’d like to try doing? What kinds of volunteering or other activities will give me greater purpose?
- Is there an opportunity to downsize or relocate to be more financially comfortable? If so, are there advantages to doing it sooner rather than later?

Stage 2: Liberation/Disorientation

(0-2 years after retirement)

Pushed into Retirement

Two-thirds of Stage 2 respondents retired by choice when they wanted to. However, 19% retired earlier than planned due to illness or caregiving responsibilities, and 14% were forced to retire. Retiring prematurely reduces the years available for earning and saving, while forcing retirees to start tapping their accumulated savings earlier than planned. It also cuts short the timing of retirement preparation and sends many into retirement on an unfortunate trajectory.

Retirees who were not able to retire by choice generally describe themselves as less happy (64% vs. 83% who did retire by choice), less liberated (50% vs. 65%), and less fulfilled (52% vs. 73%) in retirement. Thirty-nine percent say the transition to retirement

has been difficult, and 36% say it has been challenging to organize their time. More than half acknowledge that it has taken them a while to find new purpose in retirement. They also report lower overall quality of life and are less likely to view retirement as “a new chapter in life.” They are less active in retirement, in many cases likely constrained by their lower incomes and shortened careers. All this underscores the importance of contingency plans in case of earlier-than-planned retirement.

Divorced (43%), never married (48%), Black (37%), Hispanic (36%), and LGBTQ+ (38%) retirees are all more likely to have retired out of necessity or forced to retire rather than retiring by choice.





Stage 3: Reinvention (3-14 years into retirement)

This is the heart of retirement, where retirees hit their stride while actively shaping their new post-work identities and lifestyles. They continue to explore what retirement means for them, who they want to be, and what they'd like to be doing in this new chapter of their lives. This is the stage where we see the greatest variety of activity and experience, so to examine this stage in full, we describe it here and explore four different retirement experiences in the next section of this report.

This penchant for exploration may stem from the fact that 80% of today's Stage 3 retirees are Baby Boomers, a generation that has, through its numbers and its attitudes, transformed each lifestage it has inhabited. Boomers are willing both to experiment and to question prevailing norms. Their demographic heft gave force to the causes of civil rights, women's rights, and gay rights. The workforce was transformed by the unprecedented

**80% of today's retirees
in the stage 3 are
Baby Boomers**

number of Boomer women, and as a corollary, so was the process of parenting. Now Boomers are transforming the timing, purpose, attitude, activities, and dreams of retirement.

Stage 3 retirees have ample opportunities—often more options than they anticipated—to discover new experiences while also enjoying old favorites. How do they spend their time? Two-thirds of our respondents say they regularly spend quality time with family and



“Retirement is better than I'd imagined. It's the best job I've ever had.”

Stage 3: Reinvention

(3-14 years into retirement)

friends, and a majority are taking steps to improve their health. Traveling and vacationing are also high on the agenda, and a third say they are engaged in creative projects or hobbies. Only 10% are currently working, but most have indicated that they may be plugging in and out of work from time to time (Figure 12).

It's no surprise that quality family time is at the top of the list—especially as everyone is emerging from the restraints of COVID-19. And our study reveals that, for many, family relationships tend to deepen along the journey of retirement. In Stage 3, 60% of retirees are partnered, 72% have children 18 or older, 60% grandchildren, and 15% great-grandchildren. Seventy percent list time with family as one of the top two things they want more of in retirement. Interestingly, women in Stage 3 more often list spending time with children and grandchildren (54% vs. 41% of men), while men more often list spending time with their spouses or partners (50% vs. 32% of women).

While most Stage 3 retirees seem to be holding their own financially, only 35% describe their finances as fully on track and in great shape. Many (57%) have taken action since retiring to be more financially comfortable and keep their worries at bay, most commonly downsizing their homes (15%) or moving to less expensive locations (15%).

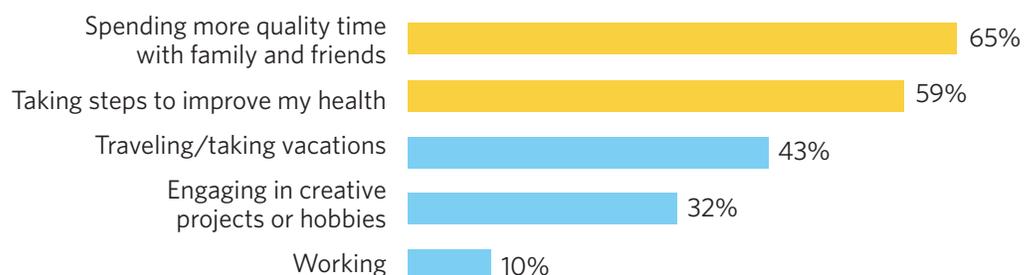
Stage 3: Key Questions to Consider (if you haven't considered them already)

- What have I put off doing and enjoying? If I can afford them, is now the time to do them?
- Am I doing everything I can to maintain and improve my health?
- Am I spending the right amount of time with my children and/or grandchildren? Am I staying socially active?
- What could I be doing to make more of a difference for others, or simply to stay busy and engaged?
- Am I prepared to meet the potential caregiving needs and costs for myself or my partner?



Figure 12

Favorite activities in retirement



Base: U.S. retirees 3-14 years in retirement



Stage 4: Reflection/Resolution (15+ years after retirement)

In this stage, established retirees have learned how to make the most of life in retirement. They have the wisdom, experience, and hindsight to appreciate this chapter in their life. Most feel relatively secure in their lives and their finances and have learned how to live within their means. Despite the greater risk COVID-19 presents to older people, Stage 4 retirees report that their lives, finances, and mental health have been least disrupted by the pandemic, compared to both younger retirees and younger generations. Half of our Stage 4 survey respondents are members of the Silent Generation, born in the shadow of the Great Depression or World War II, and have always been a more frugal and financially cautious generation than the Boomers who followed.

These retirees accept that they are in a later chapter of life, but they aren't just waiting to reach the end of the road. On the contrary, Stage 4 retirees continue to lead active, enjoyable, and satisfying lives. Half in this stage say they travel regularly, nearly one-third are engaged in creative projects or hobbies, and nearly one-quarter are volunteering. But they eventually downshift in favor of more rest and relaxation, and especially spending more time with family

72% of age 85+ women
are widowed vs. 36% of men

and friends. They also give increasing time to reflection and resolution, coming to terms with their lives and preparing the legacies they'd like to leave behind, including what life lessons they want to pass along to their loved ones.

At this stage, they have naturally experienced more loss in life, including personal and family health issues and the deaths of some family members and close friends—and they have had their resilience challenged. Many, especially women, become widowed, often after having served as a caregiver to their partner. Seventy-two percent of women age 85+ are widows, compared to only 36% of men.¹⁸ For many, social circles shrink, with the voids partially filled by stronger relationships with family or making new friends. Maintaining their health is far and away their greatest worry.



“This is when you look back and hope you’ve made a difference.”

Stage 4: Reflection/Resolution

(15+ years after retirement)

The health conditions and personal limitations associated with aging naturally accumulate for older retirees. Twenty-five percent of Americans age 75-84 and 46% of those over 85 have common disabilities around mobility, hearing, or cognition. Forty-four percent of those age 75-84 and 70% of those 85+ have limitations performing activities of daily living, ranging from bathing and dressing to making meals and managing their money. With age also comes an increasing need for assistance, most commonly provided by family members. One in five Americans age 85+ lives in an assisted living or long-term care community.¹⁹

However, even with some grief, sadness, and health issues in the mix, these experienced retirees report high levels of happiness and contentment and low levels of anxiety. The overwhelming majority (95%) look back on life with deep gratitude. Eighty-six percent say they have grown more resilient, and 87% still say they are “looking forward to the years ahead.”

86% of retirees in Stage 4 say they “have grown more resilient”

The large majority (78%) say they can live comfortably on the financial resources they have, in part because, compared to younger cohorts, more of them have the security of a regular pension as well as the safety nets of Social Security, Medicare, and mortgage-free home ownership.

The priorities of Stage 4 retirees can include giving back to their community and society, and 22% are volunteering. They also are focused on generativity,

Stage 4: Key Questions to Consider (if you haven't considered them already)

- Do my current living arrangements provide the right mix of independence, available care, and social connections? How will I avoid isolation and loneliness?
- Are my contingency plans and funds for long-term care adequate? Can I avoid becoming a burden on my loved ones?
- If I'll have money to bequeath, should I give some of it soon so I can see the benefits to others?
- Have I completed my basic legacy documents and kept them up to date? Have I discussed those documents and my end-of-life preferences with my family?
- What values am I modeling for my family (especially grandchildren)? How should I be documenting the values and life lessons that I want to pass down?



Stage 4: Reflection/Resolution

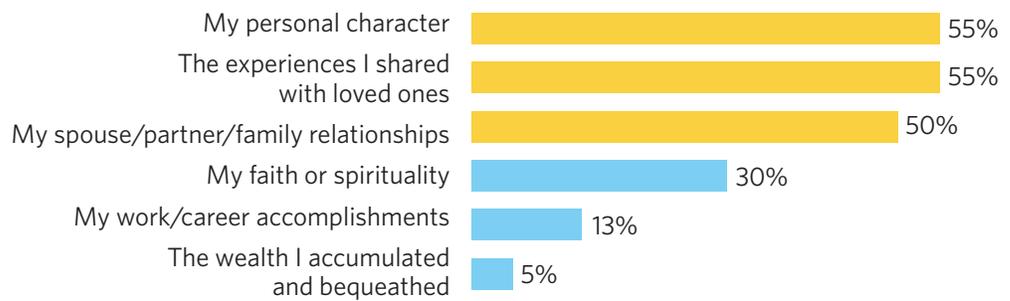
(15+ years after retirement)

sharing their wisdom, and guiding the next generations. Seventy-seven percent say they feel a responsibility to help future generations, or as the proverb has it, “to plant trees under whose shade they’ll never sit.” For those with children, grandchildren, and great-grandchildren, generativity includes the personal legacy they’ll leave their family (see Legacy Preparation section below).

As these retirees reflect back on life, more than half say they want to be remembered most of all for their “personal character” and the “experiences they shared with loved ones,” followed by their relationships with their spouse, partner, or family. Interestingly, they care least about being remembered for their working identities and the wealth they might have accumulated (Figure 13).

Figure 13

How retirees in Stage 4 would like to be remembered



Base: U.S. retirees 15+ years in retirement

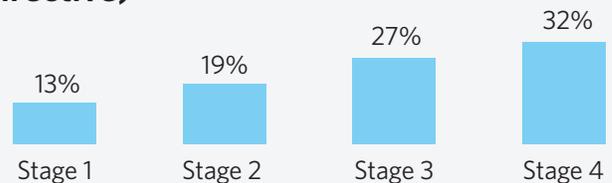
Legacy Preparation Is Vitally Important

Older and more experienced retirees have naturally done the most by way of formal legacy preparations, but surprisingly most still have catching up to do. While two-thirds of Stage 4 retirees have a will, less than half have a power of attorney or healthcare directive. Those are the three basic, most recommended documents, and even among retirees in Stage 4, only 32% have all three (Figure 14). Among all retirees, those who are divorced, never married, Black, and Hispanic are the least likely to have these important legacy items in place.

In addition, less than half of Stage 4 retirees say they have discussed their end-of-life and legacy arrangements with loved ones or made their funeral arrangements. Fewer still have determined the disposition of possessions of emotional or financial value.

Figure 14

Has all three essential legacy items (will, power of attorney, healthcare directive)



Base: U.S. retirees and pre-retirees age 45+

While retirees agree that memories, values, and life lessons are the most important things to pass on,²⁰ only 17% have created documents or resources for this purpose. Reflecting a growing legacy/inheritance trend toward giving while living, 24% of Stage 4 retirees have already passed on some financial assets or other important possessions.

Four Different Journey Paths



We found that survey respondents in the heart of retirement divide into four distinct groups, characterized by their attitudes and ambitions, their circumstances and retirement preparations, and their level of enjoyment of life in retirement. We have named these groups Purposeful Pathfinders, Relaxed Traditionalists, Challenged yet Hopefuls, and Regretful Strugglers. They represent different patterns of life in retirement, and they also reveal the way decisions and strategies for living throughout the pre-retirement years of life can lead to either desirable or undesirable outcomes downstream.



**Purposeful
Pathfinders**



**Relaxed
Traditionalists**



**Challenged
yet Hopefuls**



**Regretful
Strugglers**

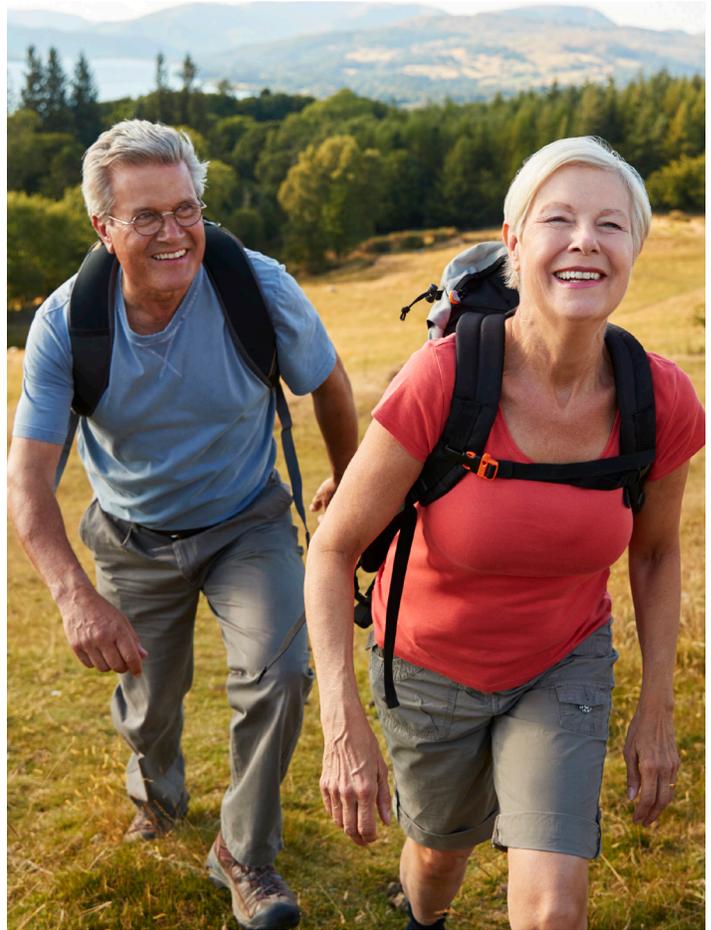
Purposeful Pathfinders

Purposeful Pathfinders is the group that enjoys the greatest well-being in retirement. They are leading active, engaged, happy, purposeful, productive, and contributory lives. Of all the groups, they are the best prepared for retirement, especially financially. They are focused on continued self-improvement, and, among all the groups, they most often say they are able to realize their hopes and dreams. They are thriving in retirement and doing very well across the four pillars of family, health, purpose, and finances. They are engaged in a wide variety of activities in retirement, including the highest rates of travel and vacations.

Purposeful Pathfinders are the most active, purposeful, and prepared for retirement

Purposeful Pathfinders retired when they chose to, and they had the easiest time transitioning into retirement. Their lives have been least disrupted by COVID. Nearly eight in ten say they are in great shape financially. They started saving for retirement earlier than any of the other groups, on average at age 34. Over the years, they have sought help and guidance in preparing for their retirement with over half currently working with financial advisors. Of all retirees, they have made the most legacy preparations with more than eight in ten having a will.

From a psychological point of view, Purposeful Pathfinders rate themselves the happiest, most fulfilled, and most liberated among all retirees. They look back on life very positively, most often saying life has been satisfying, they're grateful for the life they've lived, and they are looking forward to the years ahead.



Key Points: Purposeful Pathfinders

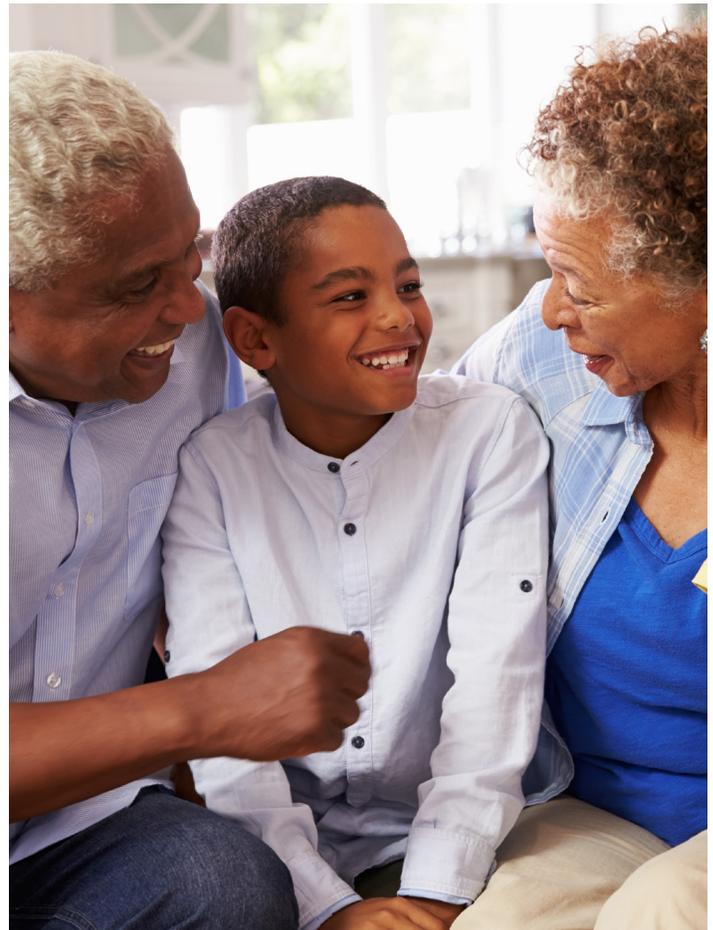
Proportion of Stage 3 retirees	23%
Age started saving for retirement	34
Made early withdrawals from their retirement accounts	15%
Currently work with a financial advisor	52%
Has a will	84%
Retired when they chose to	89%
Has spouse/partner	80%
Has college degree	50%
Wants to live to 100	65%

Relaxed Traditionalists

Relaxed Traditionalists are pursuing a more traditional retirement, focused on relaxing, enjoying life, and being free from obligations and past responsibilities. Life in retirement goes smoothly for them, as did the transition into retirement. Overall, they're comfortable and see little need to change. They are well-prepared across the four pillars, especially finances. Although they are far less interested in trying new things or reinventing themselves than Purposeful Pathfinders, they are delighted to be free of work headaches and pressures, and they have strong interest in travel/vacations and simply having fun.

Relaxed traditionalists have prepared well financially and are free to enjoy themselves

Relaxed Traditionalists rate themselves as happy and fulfilled, but somewhat less so than Purposeful Pathfinders. They, too, look back on life positively, especially in feeling that life has been satisfying and that they've grown wiser and more resilient. Relaxed Traditionalists retired when they chose to, and they are the most open to relocating, including to adult-living communities. They are almost as well-prepared financially as Purposeful Pathfinders, and nearly half say they are in great shape financially. They started saving for retirement at age 37 (just a few years later than Purposeful Pathfinders), and over half currently work with financial advisors. They have made some legacy preparations, and nearly three-quarters have a will.



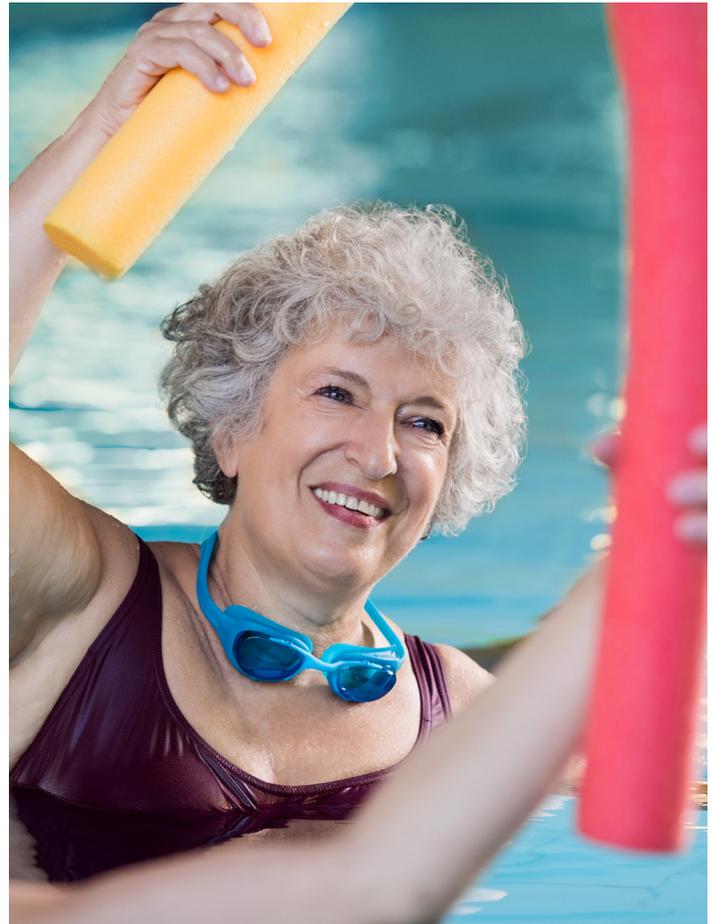
Key Points: Relaxed Traditionalists

Proportion of Stage 3 retirees	26%
Age started saving for retirement	37
Made early withdrawals from their retirement accounts	21%
Currently work with a financial advisor	52%
Has a will	73%
Retired when they chose to	81%
Has spouse/partner	76%
Has college degree	43%
Wants to live to 100	56%

Challenged yet Hopefuls

Similar to Purposeful Pathfinders, these women and men lead active lives and are focused on continual self-improvement, especially around their health. They enjoy engaging in a wide range of activities in retirement, with the most emphasis among the groups on spending quality time with family and friends.

However, their life in retirement is constrained, uncertain, and worrisome, largely because of their insufficient financial preparation. Finances are their weakness among the four pillars. Nearly three-quarters admit they have financial catching up to do, and half say they often worry about outliving their money. They started saving for retirement later than all the other groups, at age 45, and over half have made early withdrawals along the way. They have done comparatively little legacy preparation, and only half have a will. They may feel they're doing okay in the present, but the future trajectory is not promising, and they may well have to find ways to continue earning money or to spend far less in order to survive in their later years.



Challenged yet Hopefuls are trying to make the most of retirement despite financial uncertainty

Challenged yet Hopefuls, who are generally inclined to live for today, nonetheless rate themselves happy at present. Like Purposeful Pathfinders and Relaxed Traditionalists, they look back on life very positively. Among the groups, they most often say they have grown wiser and more resilient, they've done a lot to help others, and they feel responsible for future generations.

Key Points: Challenged yet Hopefuls

Proportion of Stage 3 retirees	20%
Age started saving for retirement	45
Made early withdrawals from their retirement accounts	54%
Currently work with a financial advisor	6%
Has a will	52%
Retired when they chose to	64%
Has spouse/partner	43%
Has college degree	22%
Wants to live to 100	67%

Regretful Strugglers

Regretful Strugglers are the largest of the four groups (31%). They are the least prepared for retirement and overall feel the least positive about life. Only 35% look on retirement as “a new chapter in life,” and 18% (the most among the groups) see retirement as “the beginning of the end.” Their struggles extend across the four pillars, including an inability to find purpose and serious problems with their finances. They engage in the smallest range of activities in retirement and are the most likely to be alone or socially isolated with only half (lowest among the groups) spending quality time with family and friends.

A majority of Regretful Strugglers say they cannot live comfortably on the resources they have accumulated. A third admit they’re in serious financial trouble, and 43% say they are financially worse off in retirement than they were during their working years—even with the support of Social Security and Medicare. They started saving for retirement at age 42, and nearly half have made early withdrawals along the way. Two-thirds say they often worry about outliving their money. They have done the least legacy preparation, and less than a third have a will.



With their lives constrained in many ways, Regretful Strugglers are **enjoying retirement least of all**

Many of them appear to have been struggling with unsatisfying lives and careers well before retiring. Although some may have been economically and educationally disadvantaged, without well-paying jobs and opportunities to save, many simply didn’t take the right steps along the way to ensure a comfortable retirement. Some have been set back by illness, caregiving, divorce, or widowhood, or were forced to retire, thus losing years of potential earning and saving. Regretful Strugglers rate themselves the least happy among the groups, as well as the most anxious, isolated, and disappointed with their lives. Looking back on life, 59% say they have many regrets, and 42% feel that life has dealt them a bad hand.

Key Points: Regretful Strugglers

Proportion of Stage 3 retirees	31%
Age started saving for retirement	42
Made early withdrawals from their retirement accounts	48%
Currently work with a financial advisor	8%
Has a will	30%
Retired when they chose to	46%
Has spouse/partner	43%
Has college degree	18%
Wants to live to 100	56%

Comparing the Different Journey Paths

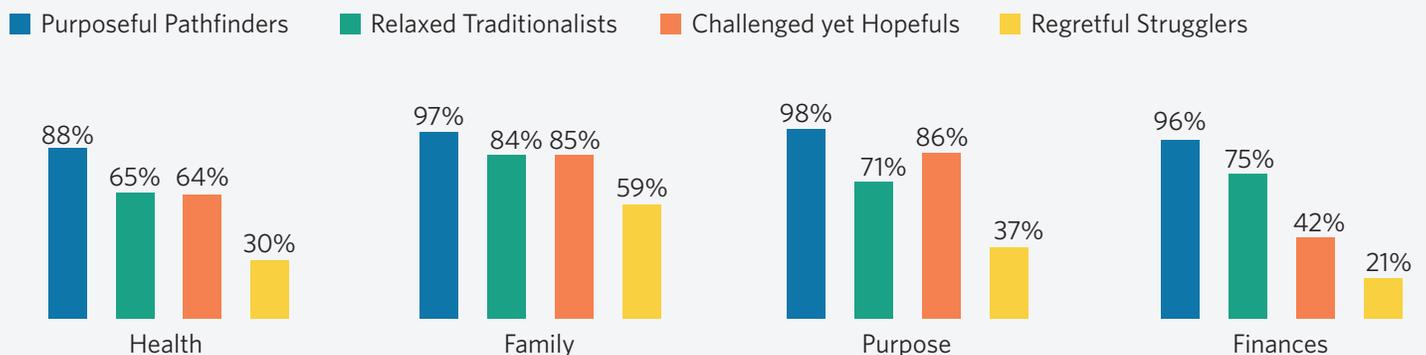
The four groups are taking very different paths along the journey of retirement. They represent divergent priorities, choices, circumstances, lifestyles, and levels of well-being. Purposeful Pathfinders are making the most of the new retirement and are best able to realize their dreams. Relaxed Traditionalists want to live comfortably on what's colloquially called Easy Street. Challenged yet Hopefuls are leading active and engaged lives, but their lack of financial foresight and discipline may lead to detours ahead. Regretful Strugglers are on a difficult journey along a rocky road.



We see the contrasts in how the groups grade themselves on the four pillars of life in retirement (Figure 15). Purposeful Pathfinders grade themselves highest across all four pillars, while Regretful Strugglers grade themselves lowest. Relaxed Traditionalists and Challenged yet Hopefuls grade themselves similarly in family and health. Challenged yet Hopefuls grade themselves a bit higher in purpose, while Relaxed Traditionalists are higher in finances by a significant margin.

Figure 15

How retirees grade their Four Pillars today (% A or B grade)



Base: U.S. retirees 3-14 years in retirement

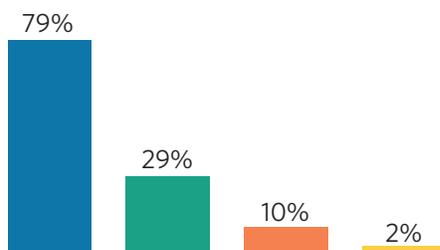


We also see major differences in how prepared the groups felt entering retirement. Over 70% of Purposeful Pathfinders felt very prepared in each pillar, and a majority of Challenged yet Hopefuls felt very prepared in relationships with family and friends. Beyond that, however, Relaxed Traditionalists, Challenged yet Hopefuls, and Regretful Strugglers did not feel very prepared. Even among Relaxed Traditionalists, who on average have prepared well financially, only 29% felt very prepared (Figure 16). Clearly, most pre-retirees have a lot to do to improve their retirement readiness

Figure 16

Felt financially very prepared for retirement

■ Purposeful Pathfinders ■ Relaxed Traditionalists
 ■ Challenged yet Hopefuls ■ Regretful Strugglers

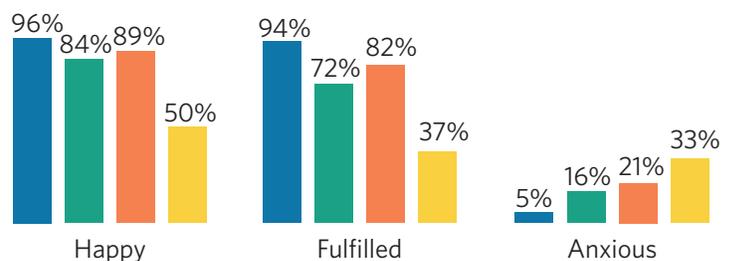


Base: U.S. retirees 3-14 years in retirement

Figure 17

How retirees feel about life

■ Purposeful Pathfinders ■ Relaxed Traditionalists
 ■ Challenged yet Hopefuls ■ Regretful Strugglers



Base: U.S. retirees 3-14 years in retirement, % of scores 7-10, on scale of 1-10 where 1 indicates “does not describe at all” and 10 indicates “describes very well”

and confidence. And there are lessons here for younger generations about the proven value of thorough preparation for retirement.

Finally, when we look at the emotional profiles of the groups, Purposeful Pathfinders are again the most positive—happy, fulfilled, liberated—and the least anxious. Challenged yet Hopefuls are also feeling good about life (for now, at least), while Relaxed Traditionalists are enjoying their hard-earned retirement freedoms. Regretful Strugglers are understandably the most anxious (Figure 17).

A photograph of a middle-aged couple smiling and embracing each other while kayaking on a river. They are wearing life jackets and sunglasses. The background shows a forested shoreline with rocks.

Preparing for the Journey

We have seen that the large majority of Americans enter retirement feeling less than thoroughly prepared. But what steps have today's retirees actually taken to prepare for their retirement? How many of them have taken the most common and important preparation actions across the four pillars? How does better preparation shape their experience of retirement? Most importantly, what lessons can pre-retirees learn from this?

Our survey included an inventory of actions retirees have taken to prepare for retirement, and we can see what average retirees have done. We can also compare that with the preparatory actions of people who feel that they're thriving in retirement. To represent them, we've zeroed in on retirees who say their overall quality of life is excellent or very good (rather than good, fair, or poor). While we cannot show cause and effect, the pattern of correlation is crystal clear: retirees who report better quality of life took more steps to prepare across all four pillars.

All pre-retirees can be developing financial strategies, improving their health, communicating with family, and entering retirement with purpose

Financial Foresight: The Gift That Keeps Giving

Preparing for retirement traditionally begins with finances, and we asked retirees about a range of potentially key preparation actions they'd taken. The most common was contributing to an individual retirement account, an action taken by over half. Reducing debt and putting investable assets to work were done by about a third. Twenty-four percent worked with financial advisors in preparation for retirement.

Retirees reporting high quality of life are more likely to have taken all of the listed actions, including 65% with retirement accounts, 45% reducing debt, 45% investing assets, and a third working with financial advisors. Their broader financial preparation has enabled them to have more sources of income in retirement, including both retirement accounts and personal savings and investments, in addition to Social Security.

The average retiree began saving for retirement at age 38, and 28% of those with retirement accounts have made early withdrawals. Those with high quality of life started earlier at 36, and only 21% made early withdrawals. They are also more likely than the average retiree to say that the smartest things they did in preparation include starting to save early, getting out of debt, maximizing their retirement contributions, and working with financial advisors.

Key Financial Preparation Actions

- Contribute to a retirement account (e.g., 401(k))
- Pay off a mortgage or other debts or loans
- Invest in stocks, bonds, or securities
- Develop a thorough financial plan for retirement
- Work with a financial advisor



Smart financial actions: Start saving early, reduce debt, maximize contributions, work with a financial advisor

Save Early and Consistently

The most fundamental part of retirement preparation—saving money to fund a secure and thriving life in retirement—should begin long before people become “pre-retirees.” As a general rule of thumb, experts recommend saving 15% of your earnings as soon as you’re regularly employed. Retirement may be a distant prospect and there are always things to spend on now, but saving early maximizes compounding, investment returns, and eventually retirement income.

Here is a very simplified example. Many people could put aside growing amounts as their earnings rise, but let’s assume they save just \$5,000 each year and get a 6.5% annual rate of return (and, very importantly, make no early withdrawals). If they started saving at age 45, they’ll have a bit over \$200,000 by age 65. But if they started at age 35, the nest egg more than doubles to \$460,000. And if they started at age 25, they would be closing in on a million dollars. That’s the magic of compounding (Figure 18).

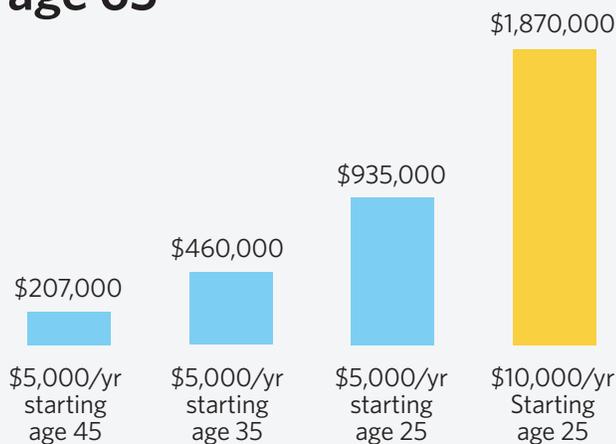


Meanwhile, doubling the investment starting at any stage doubles the eventual return. And if people anticipate their longevity and work a bit longer, say to age 70, their retirement funding can skyrocket. Financial foresight is a gift that keeps giving.

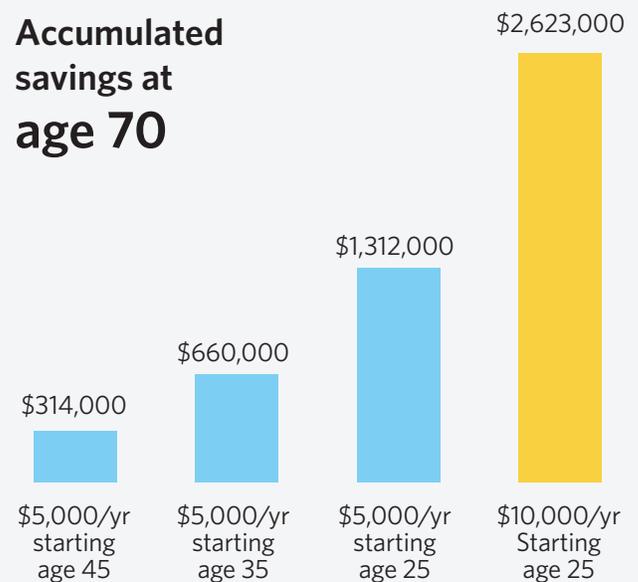
Figure 18

Financial foresight regarding retirement pays off

Accumulated savings at age 65



Accumulated savings at age 70



Source: Age Wave calculations

This example is for illustrative purposes only. It does not represent investments currently available, and systematic investing does not guarantee a profit or protect against loss. Figures do not include taxes, fees, commissions, or expenses, which would have a negative impact on investment results.

Healthy Habits: It's Never Too Late

It's no secret that a healthy lifestyle contributes to overall well-being, and this is especially true in retirement. Healthy eating, physical activity, and being a non-smoker are all key predictors of well-being in retirement.²¹ Healthy habits increase longevity and enable retirees to live active and fulfilling lives.

Three-quarters of retirees say they took some steps to improve their health in preparation for retirement. The most common actions are keeping up with everyday care needs (44%) and exercising more (42%). Once again, retirees reporting higher quality of life are more likely to have taken each of these actions, including over half who exercised more. And they are less likely (18%) to have experienced a significant illness or health issue than the average retiree (29%).

As with financial foresight, it's better to start healthy habits as young as possible. However, studies have shown that it's never too late to improve your health. Exercise starting at any age can increase longevity,²² and making healthy lifestyle changes, such as diet, can actually reverse certain chronic conditions.²³

Exercise starting at any age can increase wellness and longevity

Key Health Preparation Actions

- Tend to ongoing health and preventive care
- Exercise more
- Eat a healthier diet
- Reduce stress
- Challenge oneself mentally



Family Alignment: Open Communication Is Key

Family-related preparation for retirement is empowered by open communication. Yet only 43% of retirees say they had discussed retirement preparations with their partners or other family members or friends. Among those with high quality of life, the number jumps to 53%, which is still low.

Why is communication so important? Retirees who have discussed with partners their hopes, dreams, plans, and goals in retirement say they have generally agreed on the key questions. Those include when to retire, how much to save for retirement, how to draw down their savings in retirement, what steps to take to stay healthy, and, very importantly, how to spend their time, not only together but individually. Without some advance discussion, all of those can become points of surprise or contention in retirement.

In other family-related preparations, about a third of retirees planned family trips, and about a quarter widened their social networks or spent more time with grandkids in anticipation of enjoying more family time in retirement. Those with high quality of life were more likely to widen their social network, and they've also done more legacy preparation, including establishing a will and organizing their important records.

Key Family/Friends Preparation Actions

- Discuss retirement plans and goals
- Plan trips or vacations
- Spend time with or care for grandchildren
- Reconnect with old friends
- Make new friends

Only 43% of retirees say they'd **discussed retirement preparations** with their partners or family



Purposeful Engagement: Finding Your Passions and Interests

Without a career at work or children in the household, some retirees can struggle to find a sense of purpose in their daily lives. Maintaining a strong sense of purpose (reflected in having goals and feeling that life is meaningful) is vitally important. A sense of purpose not only brings ongoing pleasure, but it can also improve quality of life and increase healthy longevity.²⁴

People find their sense of purpose in such a variety of ways that no individual preparation actions stand out. The most common are exploring new activities, volunteering and giving back to one's community, and improving skills with technology, which helps retirees stay informed, connected, and entertained—and provides access to services including telemedicine. Since choices vary widely, the important thing is to be taking *some* actions to prepare for having purpose in retirement.

Retirees reporting higher quality of life are more likely to have taken each of the purpose preparation actions, including 40% who explored new pastimes, hobbies, or interests. More significantly, their sense of purpose is reflected in their active lifestyles in retirement. They are more likely than the average retiree to say they are spending quality time with family and friends, engaging in creative projects, and volunteering, mentoring, or helping others. And almost all (87%) say they are able to realize many of their hopes and dreams in retirement.

Key Purpose Preparation Actions

- Explore new pastimes, hobbies, or interests
- Learn how to be better with technology
- Engage in or deepen spiritual/religious practice
- Begin or expand volunteering
- Continue education and learning

Sense of purpose is reflected in active retirement lifestyles: **family time, creative activities, helping others**



Thriving in Retirement

We've seen the high correlation between these preparation actions and quality of life in retirement. We've also seen that most retirees hadn't taken many of these actions, even in financial preparation. We conclude that almost everyone with retirement ahead of them can be doing more to get ready—and more to improve their lives across the four pillars. All pre-retirees can be developing financial strategies, improving their health, communicating with family openly and constructively about retirement, and entering retirement knowing how and where to find a sense of purpose.

From our studies, we have learned that nearly all retirees believe all four pillars are important to consider when planning for an optimal retirement. Yet very few pre-retirees are thinking about retirement preparation in this holistic way (Figure 19).

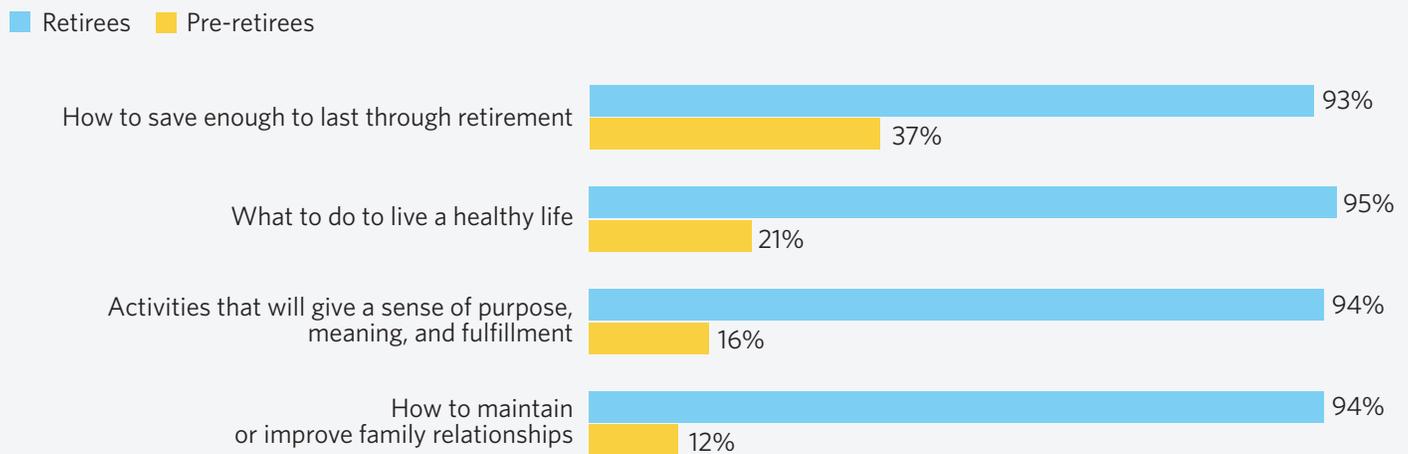
The preparation actions we've described don't end upon retiring. Rather, they carry over to become the

effective habits of successful retirees. We've seen through all of our recent research that the most successful retirees continue to attend to their health, including through diet and exercise. They stay socially engaged with family and friends. They maintain a clear sense of purpose by trying new things and finding additional ways to give back. And they continue to mindfully manage their finances and keep them on track.

As successful retirees migrate through the retirement stages, the focus on preparation turns into a willingness to make helpful adjustments from time to time. They are ready to make course corrections—from reducing expenses, to downsizing or relocating, to working part time—in order to be more financially comfortable and improve their lives overall in their retirement. They know the journey continues, and they make the most of it.

Figure 19

The retirement planning disconnect: what retirees say is important vs. what pre-retirees have thought a great deal about



Source: Edward Jones/Age Wave, The Four Pillars of the New Retirement: What a Difference a Year Makes (Base: U.S. retirees and pre-retirees age 50+ and planning to retire)

Summary: Lessons for Every Generation

There's a new retirement today. For most—but not all—Americans, it's an enjoyable journey. To understand the differences, and the keys to thriving in retirement, we've explored the new retirement from three revealing perspectives: 1) the four stages of the journey, 2) four different paths taken by retirees, and 3) common preparations for retirement.

These three perspectives enable us to triangulate. In fact, they point to and mutually confirm the key lessons about what it means and what it takes to make the most of longevity in the new retirement:

- As we've seen throughout our recent studies, the four pillars of family, health, purpose, and finances are all essential to well-being in retirement. Unfortunately, most Americans enter retirement far from fully prepared. But early, holistic planning can have big payoffs.
- Finances build the foundation for living comfortably and securely in retirement, and that requires financial foresight—starting to save early in life, maximizing savings, and staying the course by staying out of debt and avoiding early withdrawals from retirement accounts.
- One of the biggest disrupters to thriving in retirement is having to retire earlier than planned, and in retirement people must continue to anticipate what course corrections they'll need to make if health problems or caregiving responsibilities arise. Everyone should consider a contingency plan.
- The ultimate hallmarks of overall well-being in retirement are being active, engaged, connected, purposeful, and positive in life. Retirees also thrive by being generative—giving back to family, community and society, sharing their wisdom, and preparing to leave a lasting legacy.

People of all ages can anticipate and appreciate the joys and challenges, the twists and turns of the new journey of retirement. Equipped with knowledge and insight, they can prepare more comprehensively and navigate more nimbly to and through their retirement. They'll be better able to thrive and make the most of all the opportunities of the new retirement.



Retirees' Advice to Younger Generations

- "Plan for your life in retirement, including family, fun, and purpose—as well as your finances."
- "Save, save, and save. Start saving early and put away as much as you can. But if you haven't, know that it's never too late to start."
- "Find work that you enjoy and that you can even continue to do part time in retirement—if you need to, or if you'd like to."
- "Seek out mentors and advisors from all walks of life, people who have had life experiences ahead of you and can guide you."
- "Retirement is a new beginning and a big new phase of life, so plan for how you'll stay active and engaged with life."

About the Study

About Edward Jones

Edward Jones, a FORTUNE 500 firm headquartered in St. Louis, provides financial services in the U.S. and, through its affiliate, in Canada. Every aspect of the firm's business, from the investments its financial advisors offer to the location of its branch offices, caters to individual investors. The firm's nearly 19,000 financial advisors serve more than 7 million clients and care for \$1.6 trillion in assets under care. The Edward Jones website is at www.edwardjones.com, and its recruiting web site is www.careers.edwardjones.com. Member SIPC.

About Age Wave

Age Wave is the nation's foremost thought leader on population aging and its profound business, social, financial, healthcare, workforce, and cultural implications. Under the leadership of co-founders Ken Dychtwald, PhD, and Maddy Dychtwald, Age Wave has developed a unique understanding of new generations of maturing consumers and their expectations, attitudes, hopes, and fears regarding their longer lives. Since its inception in 1986, the firm has provided breakthrough research, compelling presentations, award-winning communications, education and training systems, and results-driven marketing and consulting initiatives to over half the Fortune 500. For more information, please visit www.agewave.com. (Age Wave is not affiliated with Edward Jones.)

About The Harris Poll

The Harris Poll is one of the longest running surveys in the U.S. tracking public opinion, motivations, and social sentiment since 1963 that is now part of Harris Insights & Analytics, a global consulting and market research firm that delivers social intelligence for transformational times. The firm works with clients in three primary areas: building twenty-first-century corporate reputation, crafting brand strategy and performance tracking, and earning organic media through public relations research. Their mission is to provide insights and advisory to help leaders make the best decisions possible. To learn more, please visit www.theharrispoll.com. (The Harris Poll is not affiliated with Edward Jones.)

Methodology

This report is based on a large-scale investigation to better understand how to live well through the new journey of retirement. The study was conducted by Edward Jones in partnership with Age Wave and The Harris Poll.

The study began with qualitative research consisting of a three-day online forum conducted September 28-30, 2021 (n=40) and six 90-minute online focus group discussions conducted October 5-7, 2021 (n=36). Both the online forum and online focus groups included adults age 45+ from the U.S. and Canada who were retired or within 10 years of retirement.

Nationally representative surveys of more than 11,000 people were conducted online in January and February 2022. The main survey included 5,956 U.S. adults and 1,003 Canadian adults age 45+ who were retired or within 10 years of retirement. Additional omnibus surveys included 4,014 U.S. adults age 18+. Results were weighted where necessary to bring them into line with their actual proportions in the population.

**For more
information,
please visit**

www.edwardjones.com/newretirement

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