



Voices of Experience 2016

Insights on Life in Retirement



BUILT TO PERFORM.

CREATED TO SERVE.



**“You don’t retire from a job.
You retire to your passion!”**

— Retired TIAA participant

Introducing Voices of Experience 2016

Over three decades ago, TIAA (then TIAA-CREF) conducted a landmark study of more than 1,500 retired participants to learn about their lives. The 1982 Voices of Experience survey examined not just retirees' finances but their health, relationships, activities, and feelings about retirement.

Based on the conversations we have with our customers every day, we know that much has changed for retirees since we completed that research. The burden of saving for retirement has increasingly shifted from employers to individuals. Healthcare costs have gone up. People are living longer. And advances in technology have provided a wealth of information—but can also make it difficult to know how to find the best way forward among so many options.

To get a broad view of how retirees are responding to these changes, we conducted the Voices of Experience study again. We found that our customers are retiring earlier, planning better and are more satisfied than ever with their retirements. But there are still areas where they have concerns and would like help.

TIAA is making this research publicly available to contribute to the national dialogue on retirees' financial and emotional health and to advance the conversation about how the industry can help to ensure the security of today's retirees and generations of retirees to come.

But the survey is called Voices of Experience for a reason. Retirees have a wealth of wisdom that we have asked them to share, in their own words. You'll find these "voices" throughout the report. In many cases, interviewees expressed a desire to share what they've learned with successive generations. We're delighted to have created a platform for retirees to let others benefit from their experience.

— Roger W. Ferguson, Jr.



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“Retirement to me is about giving back, and I’m doing that in my volunteering as a mentor.”

— Retired TIAA participant



“I am now 94 years old. I continue to play the piano nearly every day and participate in an art organization. I also play violin/fiddle in a folk group, I still occasionally accompany a trumpet player, and also play the hymns and other music at my church. I also host a group of Scrabble players each week in my home and host an art critique group each month.”

— Retired TIAA participant

Executive summary

What does life in retirement look like for our customers?

That was the sweeping question TIAA set out to answer with the 2016 Voices of Experience survey. When do nonprofit employees retire, and why? How do they spend their time in retirement? How do they pay their bills? What makes them happy in retirement, and what makes them stressed?

In addition to understanding retirement today, we wanted to understand how it has changed. By repeating some of the questions from the 1982 Voices of Experience survey, we were able to compare responses from retirees across a 30-year timespan. This set of longitudinal data over 30 years is unique in the industry. Additionally, the survey data is supplemented by interviews with TIAA retirees.

Who should read Voices of Experience?

The Voices of Experience data offers insights for anyone with an interest in retirement.

People who are approaching the end of their careers can look to the findings about how to find happiness in retirement and the lessons they can apply to their own lives.

Employers will benefit from a deeper understanding of how employees plan for retirement and may be able to help them more effectively.

Policymakers will find it helpful to understand the changes in the retirement landscape and their impact on individuals.

Together, we can all work to help ensure that people can enter retirement prepared for its challenges and ready to embrace its joys.

Key findings

Overall, we discovered four key findings from the survey:



1. Survey respondents are **satisfied and engaged** in their retirement, with overall satisfaction holding steady since 1982 and intense satisfaction on the rise.



2. Participants are **planning better and retiring earlier**. More than half of respondents (54 percent) retired before age 65, compared to just 39 percent in 1982.



3. Survey respondents recognize the importance of **managing their finances** with income they can't outlive: 70 percent of respondents have an annuity, and 92 percent of those who purchased an annuity are satisfied with that decision.



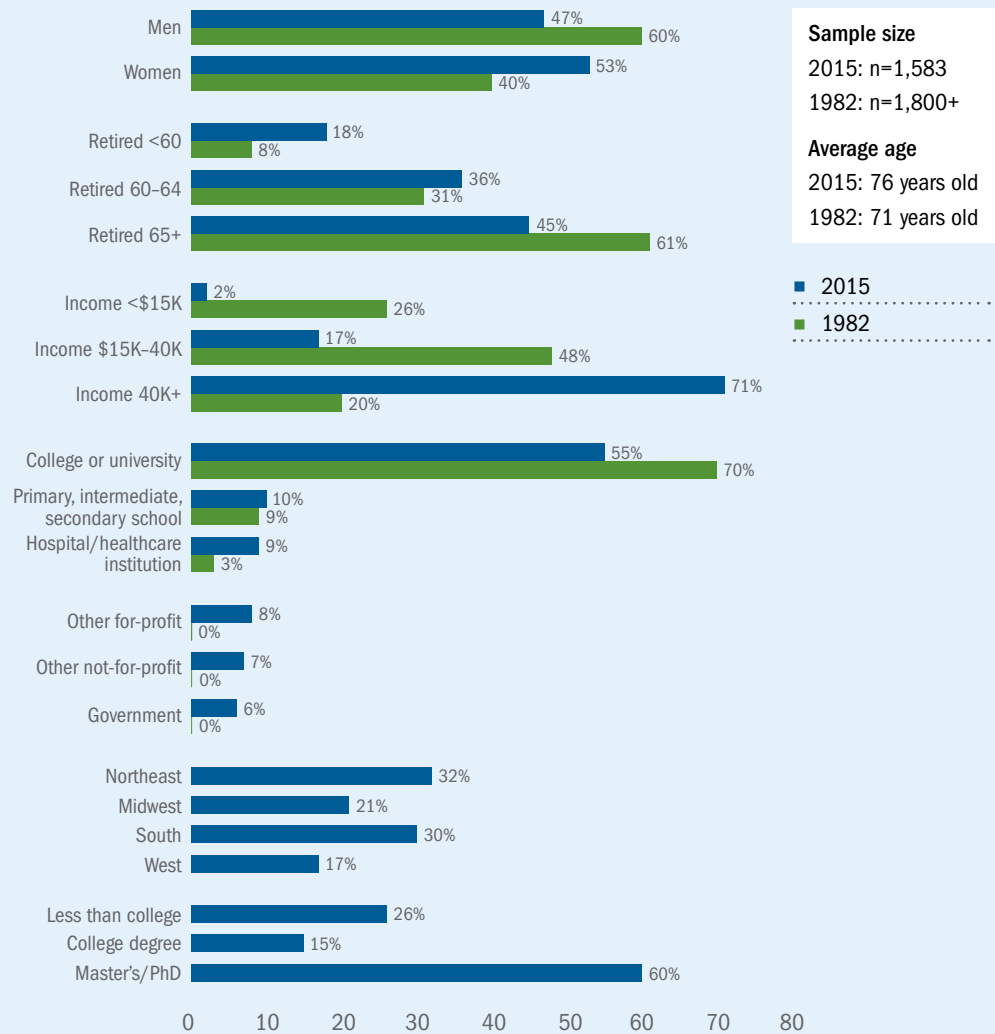
4. The survey found that **health and aging** are major emotional concerns as respondents worry about becoming a burden.



Methodology

The 2016 Voices of Experience survey was conducted by GfK Custom Research North America among a total of 1,583 TIAA retirees between May 28 and August 27, 2015. To qualify, all respondents had to indicate that they are retired. Respondents were mailed the survey questionnaire and had the option to return the survey by mail or to complete the survey online. Respondents completed 104 surveys online and 1,479 by mail. The sample was provided by TIAA, and data were weighted by gender, age, region, engagement, and industry sector.

Survey respondent demographics



What advice would retirees give to others?

“Expect a period of missing the activities and interaction with people at work.”

“Start planning earlier, take advantage of all resources available and remember that you cannot control everything. Allow for unexpected events with contingency plans.”

“Know your precise monthly retirement income. Be realistic about the lifestyle that income will support, and begin to ease into it 18 months before retirement.”

“Learn a musical instrument or get involved in hobbies to be ready for a change in lifestyle from an 8 to 5 job.”

“Try to ease into retirement. I consulted half-time for one year and quarter-time for another year.”

“We must keep inventing our lives as we age. The life I imagined when I first retired is no longer possible after 20 years, so I have changed my priorities.”

Exploring retirement's new frontiers

TIAA's retirees are having the best possible response to the new adventure of retirement.

This is a defining moment for the U.S. retirement system and the millions of Americans preparing for or living in retirement. In 30 years, nearly everything about retirement has changed.

Pensions have largely vanished, leaving individuals bearing the burden of their own retirement savings. Healthcare costs have shot up. People are living longer—giving them more time to enjoy retirement, but also stretching their savings.

The life stage that was once considered “retirement” is being rewritten. A typical retirement may now stretch on for decades. As a result, what we think of as traditional retirement has largely changed and is no longer viewed as a familiar destination at the end of a clearly defined journey. Instead, it is uncharted territory—perhaps a little frightening, but a little exhilarating as well.

The TIAA 2016 Voices of Experience survey shows that TIAA's retirees are having the best possible response to the new adventure of retirement. Rather than waiting passively for retirement to happen to them, they are actively engaged and planning for what comes next. Many began saving early in their careers—but even those who didn't have found it is never too late to start.

The following sections tackle four aspects of the survey's findings.

- First, in “**Section 1: Happy and engaged,**” we look at satisfaction in retirement: what brings people joy, how they made the transition into retirement and how these factors have changed since our original Voices of Experience survey in 1982.
Fact: 73 percent of survey respondents found the transition to retirement easy.
- In “**Section 2: Planning better, retiring earlier,**” we examine the trend toward earlier retirement among the respondents, including the ages at which they had expected to retire, the reasons they retired when they did and what kind of planning they had done in advance.
Fact: Among the retirees in the 2016 survey, more than half (54 percent) retired before age 65, compared to 39 percent of those surveyed in 1982.
- “**Section 3: Retirement finances**” examines how respondents generate income, their financial priorities and the ways in which those priorities change as retirement goes on.
Fact: 70 percent of respondents have an annuity, and 92 percent of those are happy with that decision.

- Finally, “**Section 4: Retired life**” looks at all of the lifestyle elements of retirement: how retirees spend their time, how retirement affects their relationships, where they live, how they maintain their health and what concerns them most about aging.
Fact: 95 percent of respondents said their relationship with their spouse/partner improved or remained the same in retirement.

The survey data tells a lot about what life looks like in retirement today. But in many cases, interviewees expressed a desire to share what they’ve learned with successive generations. We’re delighted to have created a platform for retirees to let others benefit from their experience.

Longer retirements with greater responsibility



Americans can expect to spend more time in retirement. The average life expectancy of a 65-year old increased by 18 percent between 1980 and 2013—from 16.4 to 19.3 years.ⁱ



Americans should consider the possibility they may live to 90 or even past the century mark. The number of centenarians more than doubled between 1980 and 2013 (32,194 to 67,347).ⁱⁱ



Over the past 20 years, access to defined benefit plans has dropped sharply for private-sector workers. The same is true for higher education employees at private institutions: In 2015, only 16 percent of employees at private junior colleges, universities and colleges had access to a defined benefit plan.ⁱⁱⁱ



Retiree healthcare costs have jumped dramatically: Medicare Part B (medical insurance) monthly premiums increased by more than 800 percent between 1982 and 2015—from \$12.20 to \$104.90.^{iv}



The average healthy 65-year-old man today will need an estimated \$124,000 to handle future medical expenses. And because women tend to live longer than men, the average healthy 65-year-old woman will need an estimated \$140,000.^v



Over the past decade, the average deductible workers must pay for medical care before their insurance kicks in has more than tripled from \$303 in 2006 to \$1,077 in 2015—seven times faster than wages have risen.^{vi}

i. National Center for Health Statistics, Health, United States, 2014: With Special Feature on Adults Aged 55–64, Hyattsville, MD, 2015.

ii. Administration on Aging, http://www.aoa.acl.gov/Aging_Statistics/Profile/2014/3.aspx

iii. Bureau of Labor Statistics, National Compensation Survey, March 2015.

iv. Patricia A. Davis, Medicare: Part B Premiums, Congressional Research Service, September 29, 2015.

v. EBRI: https://www.ebri.org/pdf/notespdf/EBRI_Notes_10_Oct15_HlthSvgs_DB-DC.pdf

vi. The Los Angeles Times 9/22/15 quoting Kaiser Family Foundation and the Health Research & Educational Trust <http://www.latimes.com/nation/la-na-healthcare-costs-20150922-story.html>



Daghild Rick | Participant since 1986



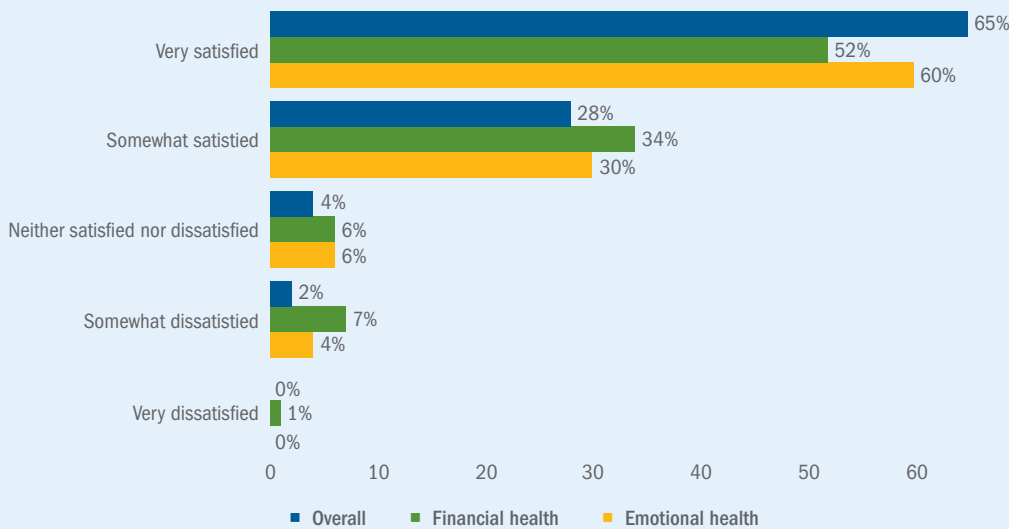
Section 1

Happy and engaged

Despite changes to the retirement landscape, survey respondents' near-universal satisfaction with retirement has held steady at over 90 percent since 1982. Furthermore, the percentage of those very satisfied with their retirement has grown from just over half (51 percent) in 1982 to nearly two-thirds (65 percent) today. Additionally, nearly half of TIAA retirees believe that their life in retirement exceeds what they had initially envisioned.

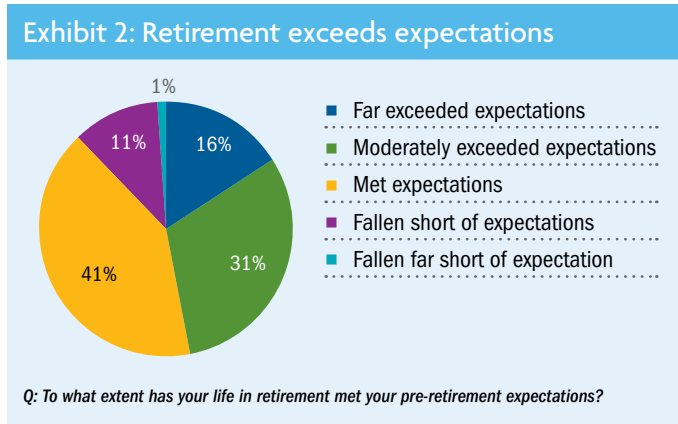


Exhibit 1: Strong satisfaction in retirement



Q: How satisfied are you with your retirement? Please check your level of satisfaction in each of the following three categories.

Additionally, nearly half of TIAA retirees believe that their life in retirement exceeds what they envisioned.



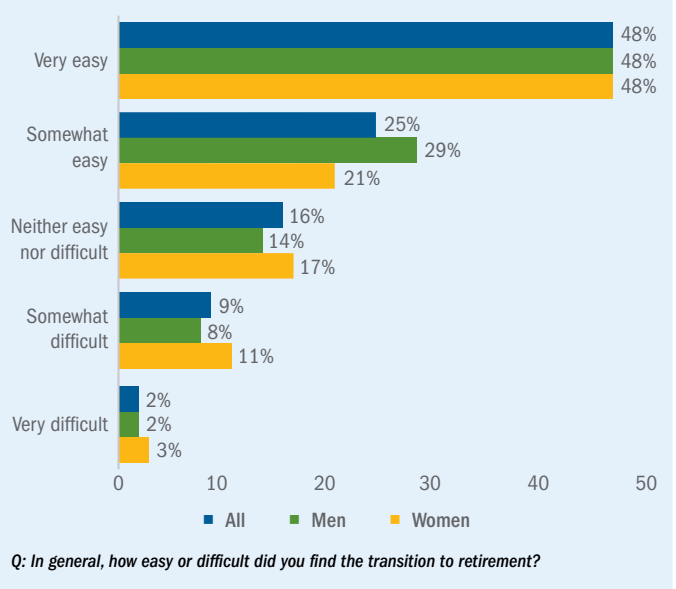
It appears that retired life grows on individuals, as satisfaction goes up as retirement goes on. Sixty-eight percent of those who retired over a decade ago are very satisfied with their retirement, compared to 56 percent of those who retired less than five years ago.

More surprising factors may be in play as well: 72 percent of those who are older than their spouse are very satisfied in retirement, compared to 61 percent of those who are younger.

Beginning retirement

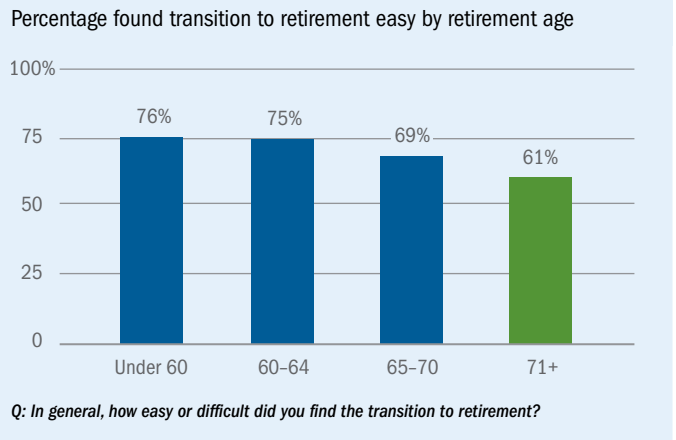
The transition into retirement comes with a lot of changes, some of which may be difficult—such as paying bills without an employer’s paycheck or finding ways to fill the day without work. Yet nearly three-quarters of TIAA retirees said they found the transition to retirement easy, with men more likely to find the transition easy compared to women (77 percent vs. 69 percent).

Exhibit 3: Gliding smoothly into retirement



The survey also found the younger that people are when they retire, the easier they find the transition to be. Seventy-six percent of respondents who retired before age 65 say the transition was easy, while 69 percent of respondents who retired between the ages of 65 and 70 say the same. The figure drops to 61 percent among respondents who retired at age 71 or older.

Exhibit 4: Earlier retirement, easier transition





Stephen Jordan | Participant since 1984



Dave Hinds | Participant since 2011

What makes retirees happy?

Of course, everyone has their own definition of happiness. But the Voices of Experience research shows that three things are most highly correlated with intense satisfaction: early planning, a positive attitude and lots of activities.

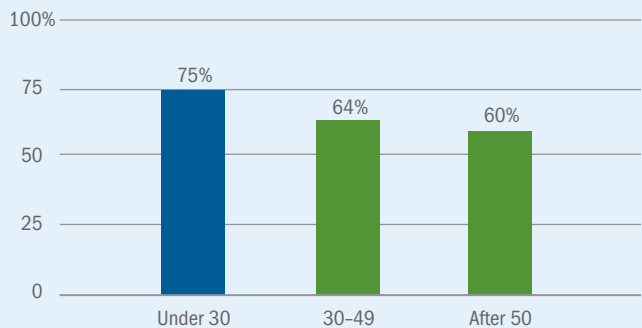
All of these findings are crucial for individuals planning their own retirement. They are also useful for employers, who can help employees prepare throughout their careers for their eventual retirement, and help those employees approaching retirement begin to envision what it will be like and plan accordingly.

Early planning: It's hardly surprising that of the survey respondents who started preparing financially for retirement before age 30, 75 percent indicated that they are very satisfied in retirement. What is more unexpected is that the

majority (60 percent) of those who began planning after age 50 also indicated that they are very satisfied. Although it is better to plan early, those who haven't may find it reassuring to know that it's never too late to start. (For more on financial planning, see "Section 3: Retirement finances," page 21.)

Exhibit 5: Early planners, happy retirees

Percentage very satisfied by age starting to plan financially for retirement



Q: How satisfied are you with your retirement? Please check your level of satisfaction in each of the following three categories.

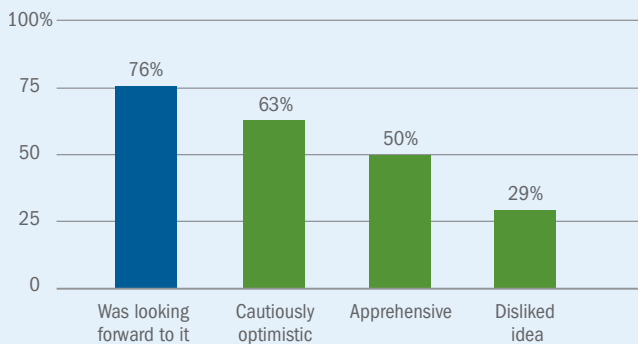
Q: At what age did you begin planning financially for your retirement?

A positive attitude: Perception may drive reality in retirement. Those who look forward to retirement are more likely to feel very satisfied when they get there. Of the respondents who said that they had been looking forward to retirement, 76 percent reported that they were very satisfied once they were actually in retirement. However, of the survey respondents who said that they had disliked the idea of retirement, only 29 percent reported that they were very satisfied once they retired.

Lots of activities: A strong theme emerging from interviews with TIAA retirees was the need to discover activities in retirement to fill the void left by work. Staying busy and engaged during retirement is key to a satisfying retirement. Seventy-six percent of today's retirees who are engaged in 10 or more activities report being very satisfied with their retirement, while only 52 percent of those who are engaged in 1–4 activities say the same. (For more on retirees' activities, see "Section 4: Retired life," page 26.)

Exhibit 6: Staying on the sunny side

Percentage very satisfied by outlook toward retirement

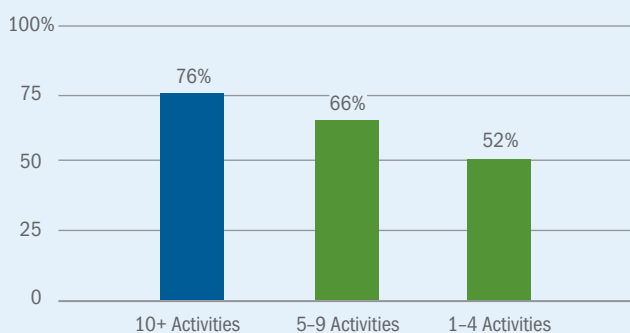


Q: How satisfied are you with your retirement?

Q: As best as you can recall, how did you feel about the prospect of your retiring just before you actually did retire?

Exhibit 7: Keeping busy

Percentage very satisfied by number of activities



Q: How satisfied are you with your retirement? Please check your level of satisfaction in each of the following three categories.

Q: How do you spend your time in retirement?

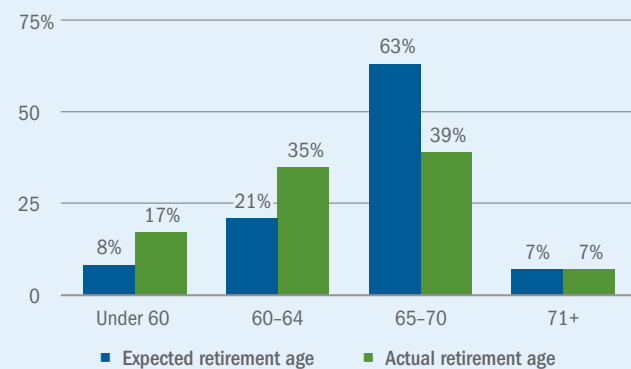


Section 2

Planning better, retiring earlier

Today's retirees are enjoying longer retirements not just because they are living longer, but because many of them are also retiring earlier: The number of survey respondents who retired before age 65 jumped from 39 percent in 1982 to 54 percent in our new survey. Moreover, people are retiring earlier than they expected to. Forty-two percent said that they retired before they had imagined they would. Similarly, 70 percent of today's retirees had expected to work until age 65 or older, but only 45 percent actually did.

Exhibit 8: Expectations vs. reality



Q: When you turned 50, at what age did you expect you might retire?

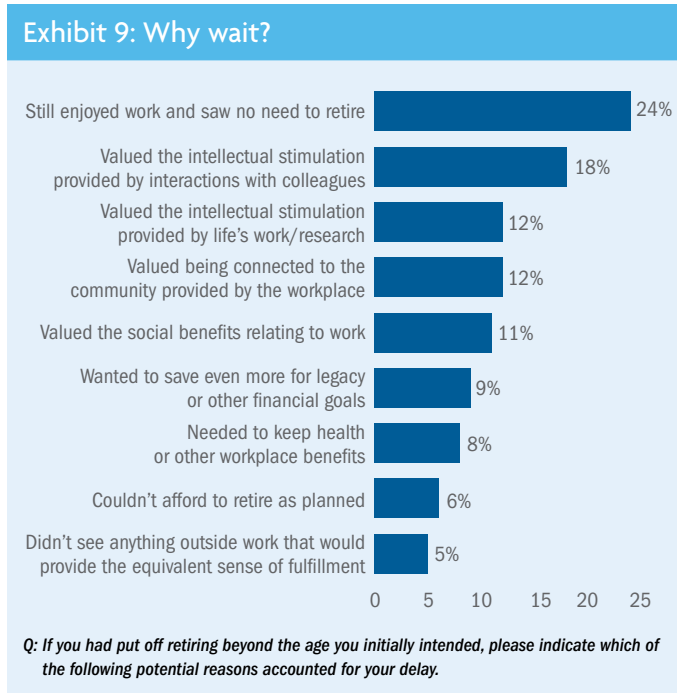
Q: At what age did you actually retire?

Phillip Bennett | Participant since 1999



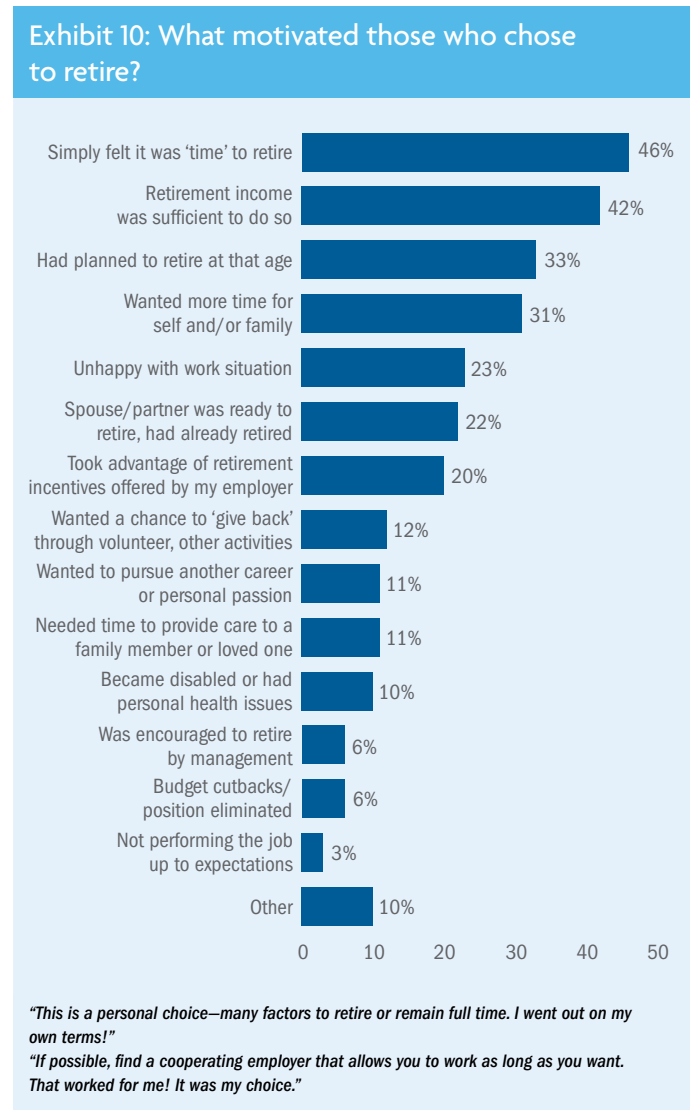
Enjoying work

Among the group who ended up retiring later than planned, the most popular reasons were related to the enjoyment and stimulation that work provided. Only 6 percent said they delayed because they couldn't afford to retire.



The choice is theirs

Also on the rise is the number of retirees who retired by choice—from 67 percent in 1982 to 76 percent in 2016. The most popular reason for retiring was simply the feeling that it was “time” (cited by 46 percent of respondents, with 19 percent saying that was the most important reason).



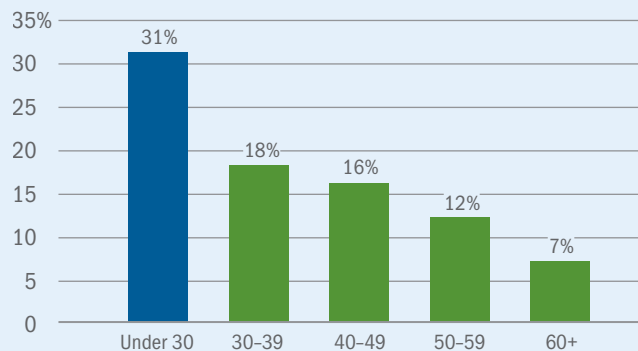
And it appears that for most, the time was right. More than 60 percent say if they had to do it all over again, they would retire at the same age. Among those who wish they had retired sooner, 71 percent said it would be more for personal reasons, and 11 percent said it would be more for financial reasons.

Early retirement requires early planning

TIAA participants' robust approach to planning is likely to have contributed to their ability to retire early and happily. Of the respondents who retired before the age of 60, 31 percent say that they started planning before they were 30.

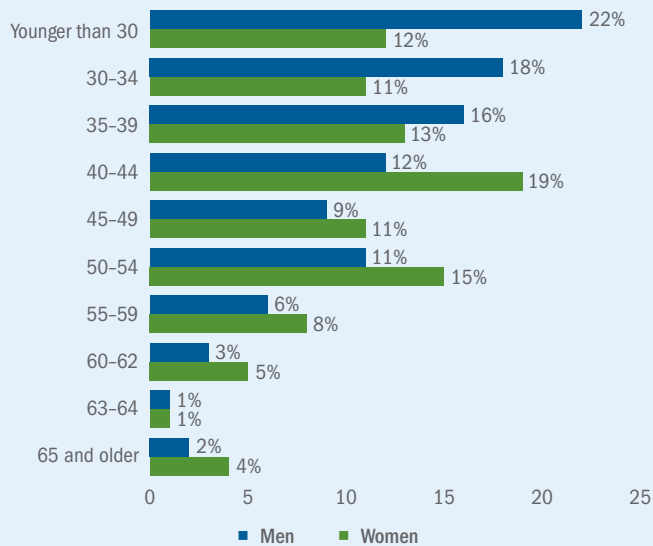
Exhibit 11: Planning early, retiring early

Percentage retired before age 60 by age started planning for retirement



Q7: At what age did you actually retire (first retirement if more than one)?
 Q43: At what age did you begin planning financially for your retirement?

Exhibit 12: When men and women started planning



Q: At what age did you begin planning financially for your retirement?

“Do not wait until you have enough retirement money to live in luxury. Retirement itself is a luxury.”

— Retired TIAA participant

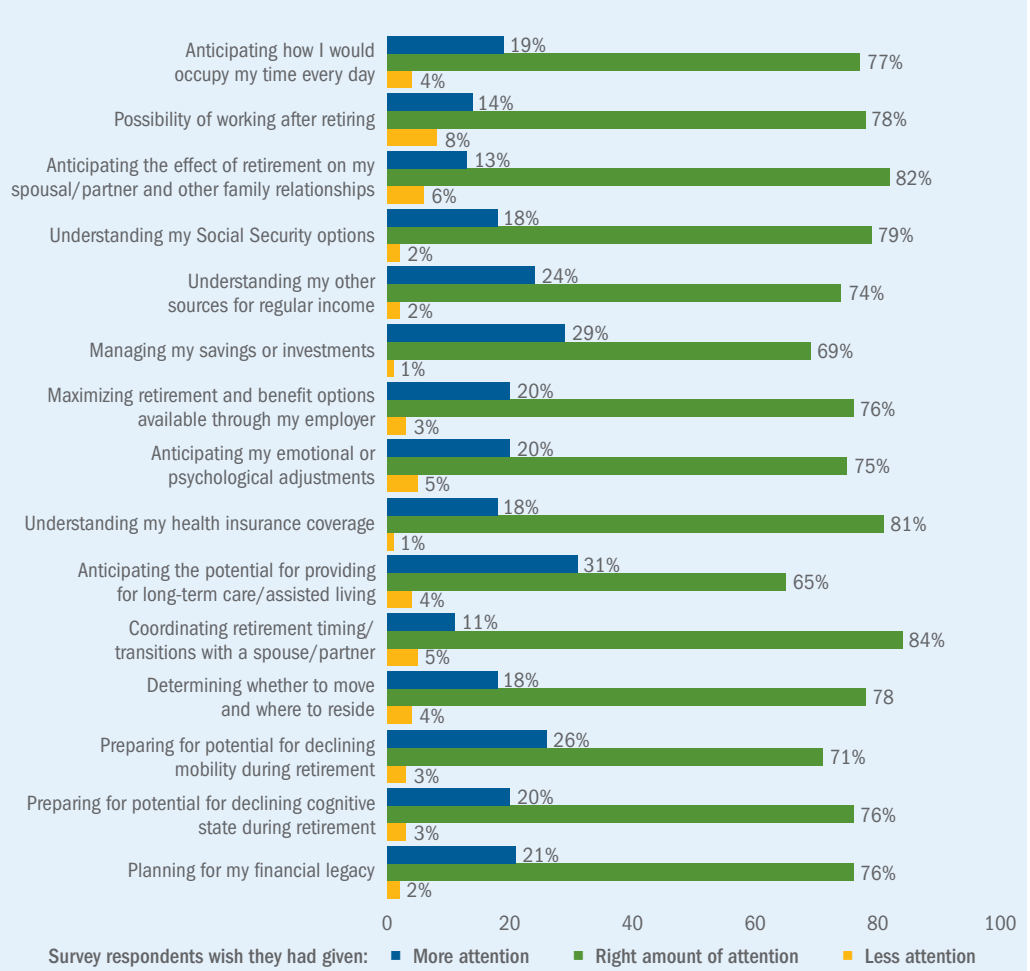
“Make sure to consult with advisors, financial planners, attorneys and any other professional who may help with the planning. There is nothing like feeling financially secure to enjoy retirement.”

— Retired TIAA participant

Happy with planning

Eighty-two percent of today’s TIAA retirees feel satisfied with the preparations they made for retirement, including 37 percent who feel very satisfied. The number of those who feel very satisfied with their retirement preparations has remained largely unchanged since 1982, when 36 percent reported feeling very satisfied.

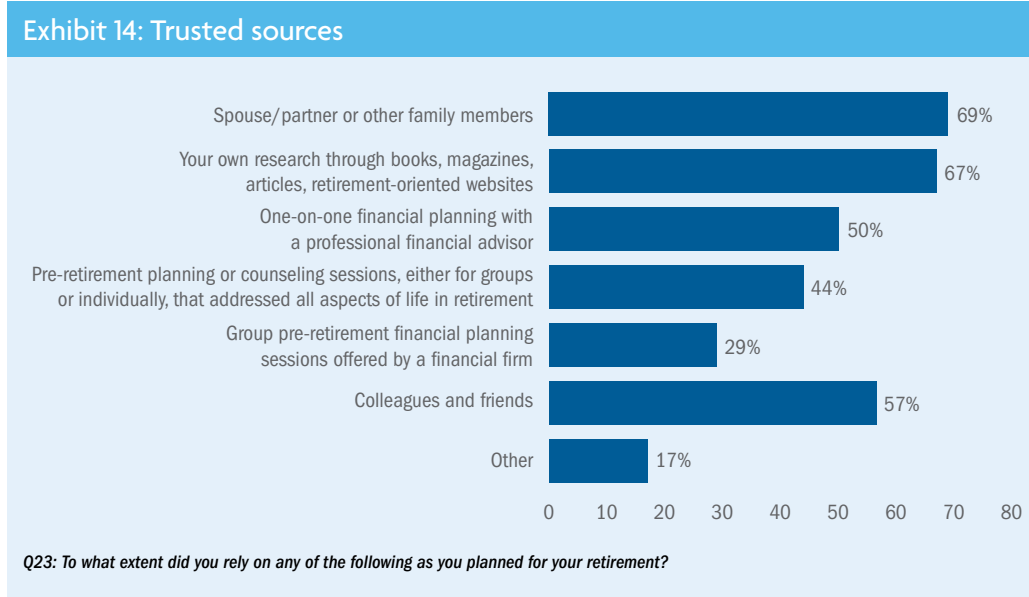
Exhibit 13: The right amount of planning



*Totals may not equal 100 due to rounding

Q: Based on your experiences in retirement, how might you have prepared for retirement any differently?

Retirees consulted a wide range of resources in their planning and surprisingly, many relied on friends and family rather than professional resources. This may signal an opportunity for employers to make their retirees and their current employees more aware of the resources available to them, especially financial advice. 53 percent of those who relied on a financial advisor said they were satisfied with their retirement planning, compared to 32 percent who had not relied on a financial advisor.



Not so reluctant?



As baby boomers age into the traditional retirement years, campuses seem to be getting grayer. In higher education, this has led to a longstanding narrative that academic institutions employ a high number of people over the age of 65, with many tenured faculty becoming “reluctant retirees.”

The Voices of Experience survey shows, however, that this common perception may no longer reflect reality. Although only 22 percent of tenured university professors in the survey had expected to retire early, nearly half (49 percent) retired before age 65, compared to 54 percent of retirees overall.

Forty-two percent retired between 65 and 70, 6 percent between 71 and 74, and only 3 percent after 75. Eighty-six percent of professors retired by choice, and 73 percent would retire at the same age if they could do it over.

Over many years working with colleges and universities, TIAA has identified a number of tactics that these institutions can use to ease employees toward retirement: financial planning, continuing involvement on campus, retention of benefits, and mentoring opportunities, to name a few. But one powerful motivator may be the fact that the retirees who came before them are happy in their life after work—and they can be too.



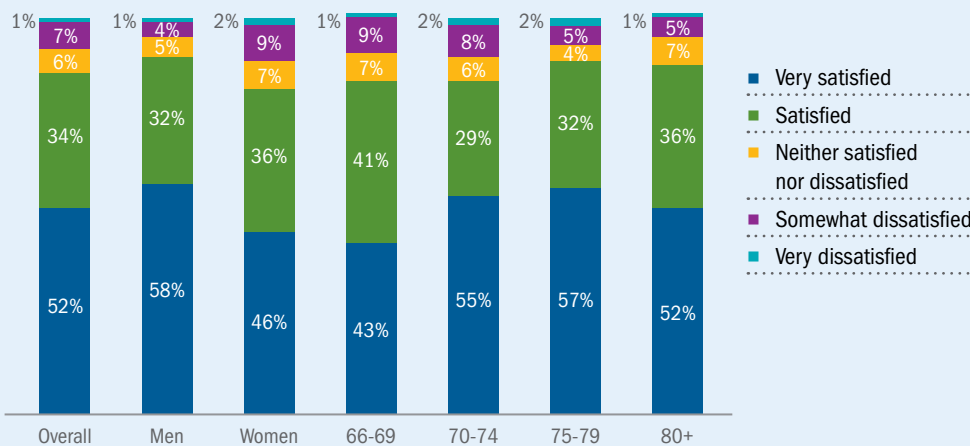


Section 3

Retirement finances

The amount of planning that retirees have done has reaped rewards: The vast majority (86 percent) is satisfied with their current financial health, with more than half (52 percent) reporting that they are “very satisfied.” That number holds steady throughout retirement, with the percentage of respondents reporting themselves very satisfied actually increasing from ages 66-69 through 75-79, before dropping off slightly after age 80.

Exhibit 15: Who is satisfied with financial health?



Q: How satisfied are you with your retirement? – Your financial health

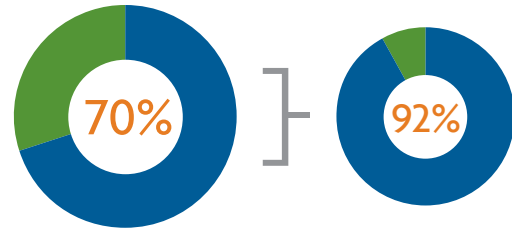
Income options

Retirees are clearly aware of the changing demographic trend toward longer retirements: More than half (55 percent) of survey respondents said that when they retired, they expected that their savings would need to last for 20 years or more.

Most experts recommend managing this longevity risk with a steady source of income. This may be one reason that 70 percent of survey respondents have an annuity as a source of retirement income, and a powerful 92 percent say they are satisfied with their decision to annuitize.

Exhibit 16: Annuity insights

Most have an annuity and are satisfied with that decision



Have a fixed/variable annuity Satisfied with decision to annuitize

*Q49: If you have a fixed or variable annuity, how satisfied are you with your decision to annuitize a portion of your retirement savings?
(Asked among those who receive retirement income from a fixed or variable annuity)*

“We have set up an annuity that will continue after our death for our children, and then their children will become the beneficiaries.”

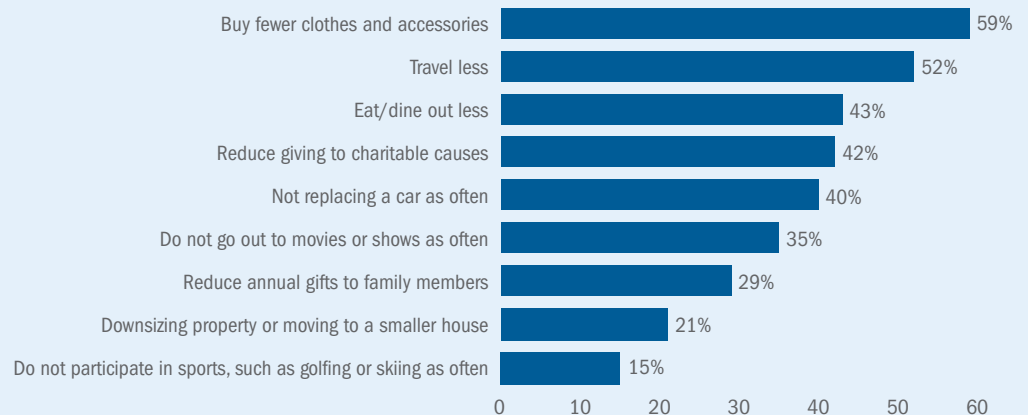
— *Retired TIAA participant*

Making changes

Another positive benefit of survey respondents’ extensive planning is the fact that they have had to make minimal changes to their lifestyles in retirement. Contrary to the popular perception that most people will need to pinch pennies after they retire, a majority (54 percent) of those surveyed said they have not needed to make any financial adjustments to their lifestyle, and another 20 percent said they have only made minor changes.

Those who said they did have to make financial adjustments focused most on buying fewer clothes and accessories (59 percent), travelling less (52 percent) and eating or dining out less frequently (43 percent).

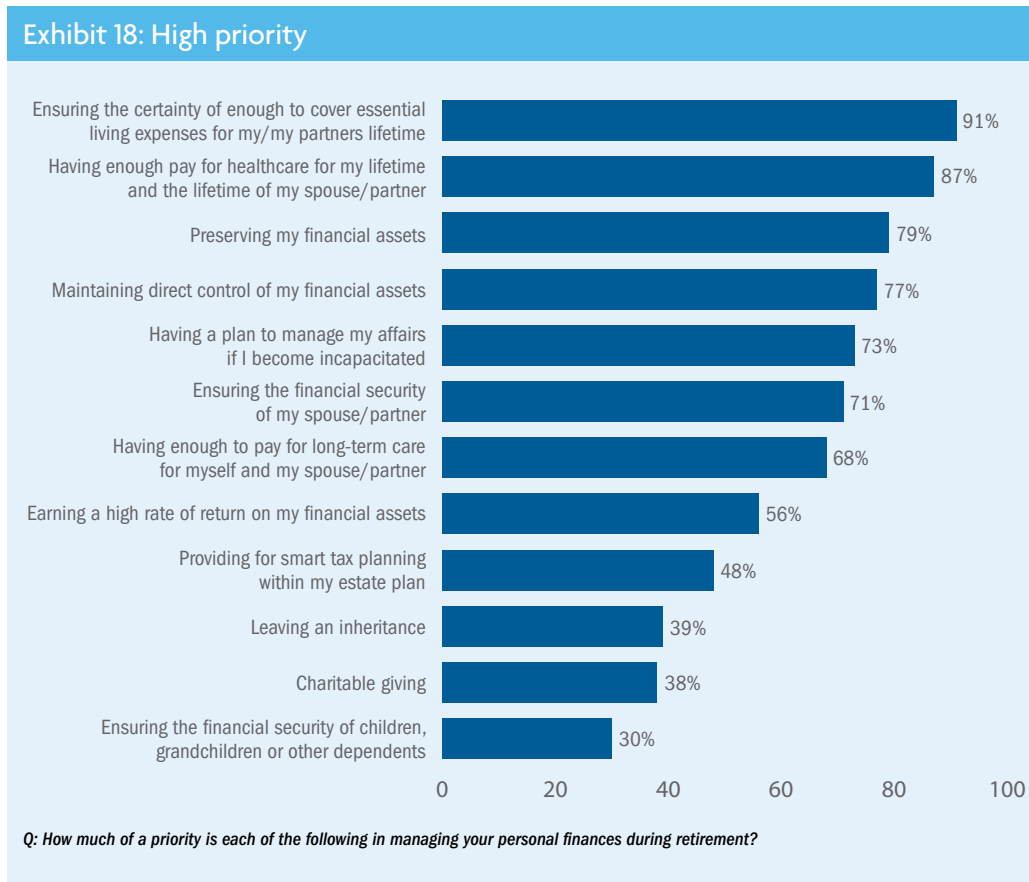
Exhibit 17: Lifestyle changes



Q42: What adjustments have you made? Asked among those who have had to make adjustments to lifestyle because of increased cost of living.

Financial priorities

Retirees' satisfaction with their financial health may stem from the fact that they have their priorities in order. When asked to rank various items as a high or low priority, survey respondents were most likely to focus on covering essential living expenses for their lifetime (91 percent ranked it as a high priority) and paying for healthcare for themselves and their partner (87 percent).



“I had a list of things I would do in retirement, like take piano lessons, learn a language. But I’ve found I’m very busy every day—every day is full! I love being able to do whatever I want whenever I want with no obligations.”

— Retired TIAA participant



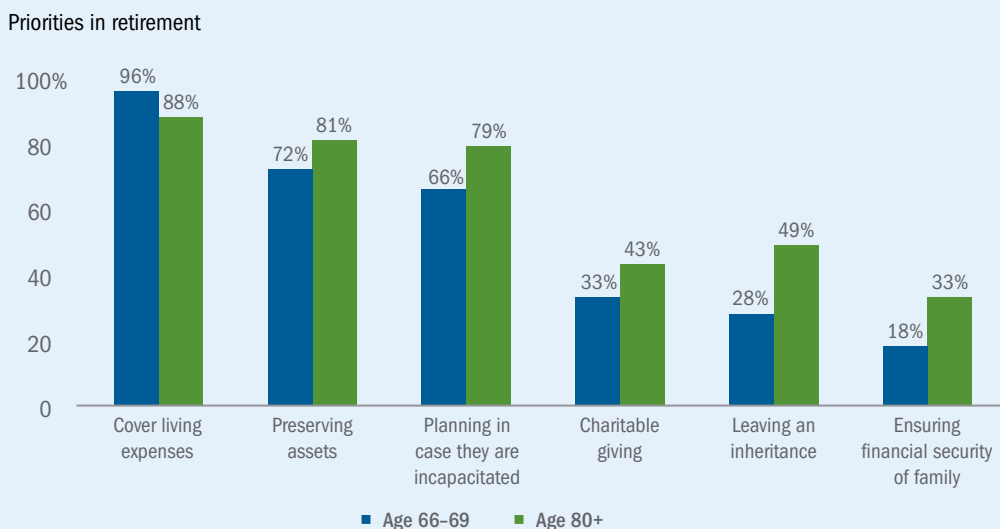
Jane Hale | Participant since 1985

“I want to have contributed to things that are lasting.”

— Retired TIAA participant

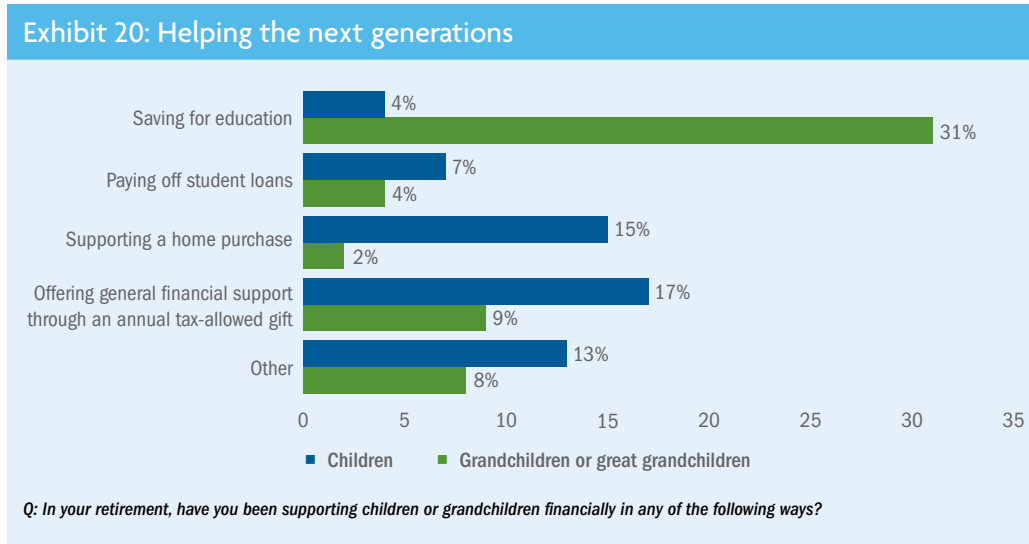
As retirement goes on, these items remain important for retirees, but other issues come to the fore as well. In particular, retirees seem to focus more on issues that benefit others, such as charitable giving and leaving a legacy. It may be that as they better understand their own income needs, they become more comfortable thinking about what they can do for others.

Exhibit 19: Thinking of others



Q45: How much of a priority is each of the following in managing your personal finances during retirement?

At various ages, however, retirees are already doing quite a lot for others: 43 percent of retirees offer some form of financial support to their children, and the same number are doing so for grandchildren or great-grandchildren.



How plan sponsors can make a difference for their retiring employees



The journey through retirement is often marked by steady decreases in social support, cognitive functioning, and potentially income for those who did not plan appropriately. Those nearing retirement can be forgiven for not wanting to dwell on the details. But waiting too long to plan for what may come in retirement is also unwise. Things can happen quite suddenly, like a fall that breaks a hip or a disease that strikes a spouse. Plan sponsors can and should help employees confront this reality and plan accordingly.

On the financial front, employers should speak forthrightly about the specific, long-term financial risks that employees face during retirement. Health savings accounts, long-term care insurance and annuities to create guaranteed streams of income are all important elements of a retirement plan.

Plan sponsors can also provide interactive planning tools and calculators to help employees better understand how to invest for their goals. If employees know what they face ahead, learn the factors that affect their retirement savings, and have the right set of tools, they can make informed decisions about their overall financial well-being and make the most out of retirement.



Section 4

Retired life

Finances are an important consideration for retirees—but they are far from the only priority. Relationships, activities, health, and aging occupy a great deal of attention.

Activities, in particular, appear to be central to a happy retirement. Among retirees who participate in 10 or more activities, 76 percent said they are “very satisfied” with their life in retirement. Only 52 percent of those who are engaged in 1–4 activities say the same.

After decades of work, many people seem to value solitary time for hobbies: The most commonly reported activity was spending time alone for personal interests (75 percent of respondents). However, it was followed closely by spending time with family (74 percent) and socializing with friends (64 percent).

All of these activities were more common among women than men, as were volunteering, caregiving and participating in religious activity. By contrast, men were more likely to pursue favorite sports and work full time or part time.

One important trend to note is the rate at which activities decline between early retirement and later retirement. At first, retirees keep up a steady pace of activity, with 43 percent rating the pace of their retirement as either a 4 or a 5 on a scale of 1 to 5, with 5 being very busy. This pace keeps up steadily from age 65 to 79, dropping off only after age 80. Given the importance of activities to satisfaction in retirement, retirees should give careful thought to how they can stay active as they become either less able or less interested in their previous pursuits.

Stephen Jordan | Participant since 1984



Exhibit 21: So much to do

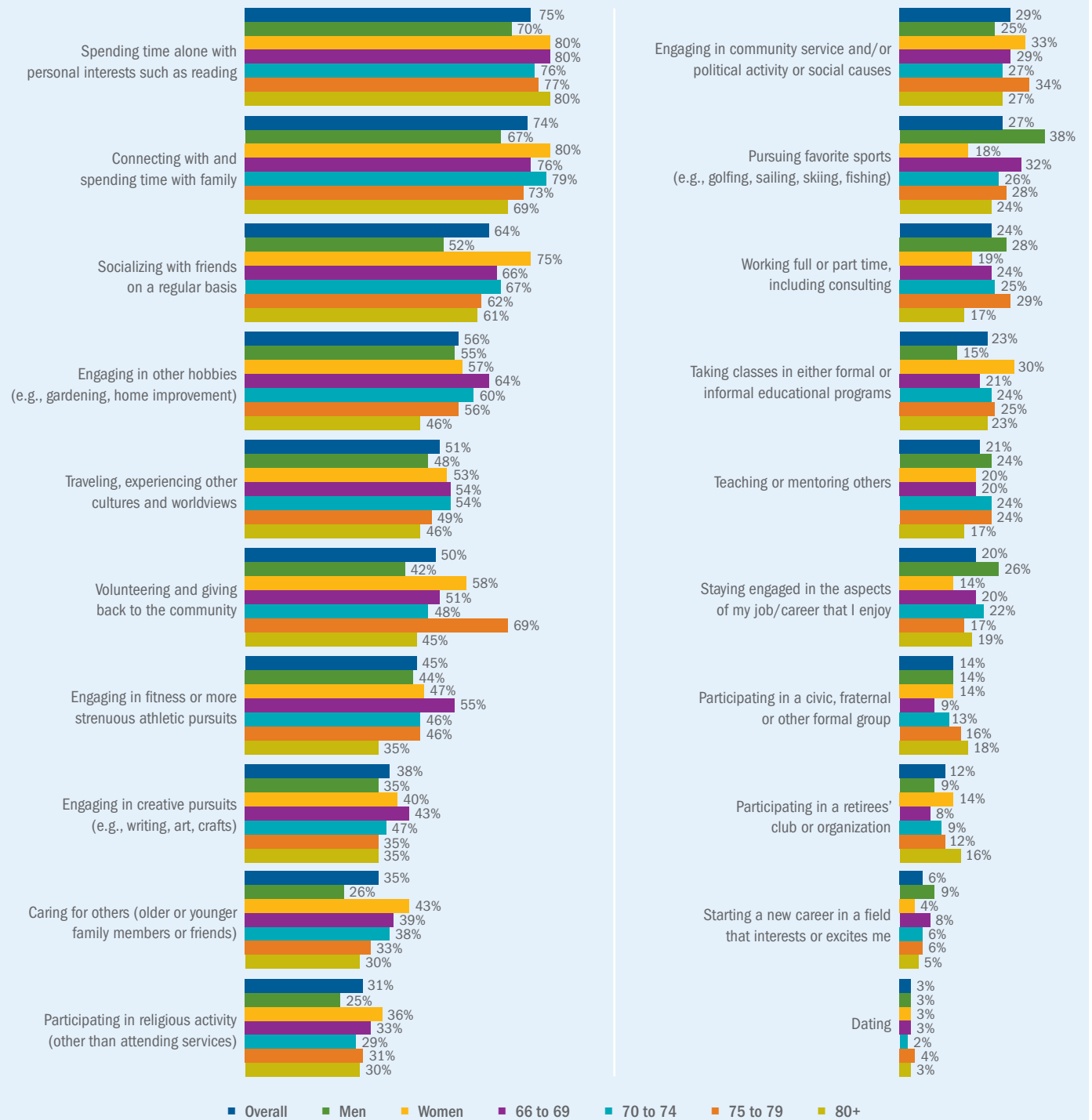
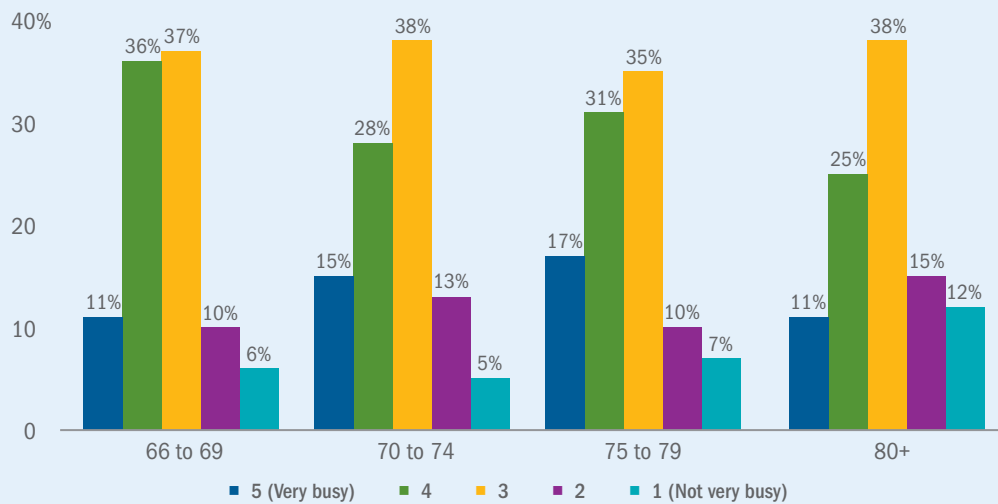


Exhibit 22: Keeping busy

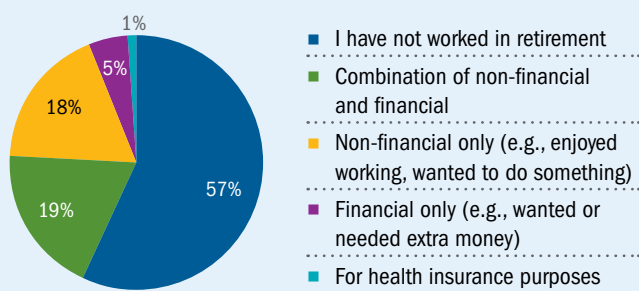


Q: How would you describe the overall pace of your life in retirement currently?

Working in retirement

Only 17 percent of retirees are devoting time every week to paid work, with the majority putting in 8 hours per week or less. By contrast, 65 percent devote time weekly to volunteer or charitable activities, while 51 percent spend time on caregiving for family members.

Exhibit 23: Why work?



Q28: If you are working or have worked since retiring, what was your main reason for doing so?

Home sweet home



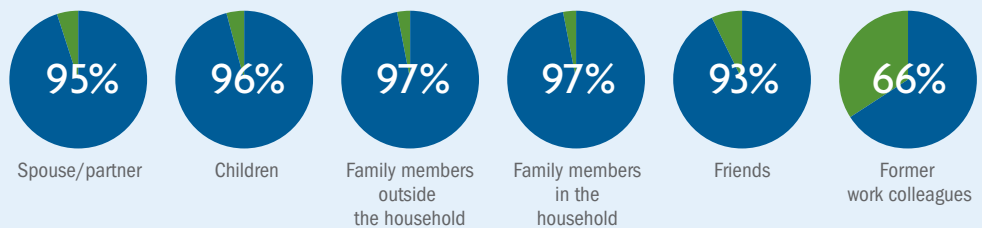
Just over half (54 percent) of retirees have stayed in their homes, indicating that they have not moved just before retiring or since they retired. However, that number differs significantly by age: 68 percent of retirees aged 66 to 69 are still in their homes, compared to 40 percent of those aged 80 or over. Those who have moved have done so for a variety of reasons, with the most popular being to find a home with a more suitable size or layout (17 percent), to be closer to family (16 percent) and to reduce personal maintenance tasks (11 percent).

Getting closer

Retirement can be a time of exciting change but may also bring up feelings of anxiety. This affects not only retirees but their family, friends and former colleagues.

Contrary to the stereotype of spouses who get on each other's nerves when they are home together all day, survey respondents overwhelmingly report that their relationships with a spouse or partner stayed the same or grew stronger in retirement (95 percent). The same was true of relationships with children (96 percent), family members both inside and outside the household (97 percent), and friends (93 percent). Unsurprisingly, relationships with former work colleagues were more likely to taper off, with only 66 percent reporting that they remained the same or grew stronger after retirement.

Exhibit 24: Relationships improve or stay the same



Q: How has retirement affected your relationships, in general, with each of the following people?

In relationships as in finances, planning matters. Seventy-eight percent of retirees reported that they shared a vision of retirement with their partner, including 83 percent of men and 73 percent of women. Those who had made the effort to agree on what retirement would be like reaped the benefits later:

85%

of those who had an easy transition to retirement shared a vision with their spouse, compared to 53 percent of those who had a difficult transition.

92%

of those who shared a vision are satisfied with retirement, compared to 82 percent of those who had a different vision.

50%

of those with a shared vision of retirement say their relationship with their spouse/partner has improved, compared to only 35 percent of those with a different vision of retirement.

“I have come to realize how essential social relationships are, and how important it is to pursue and develop relationships with people.”

— Retired TIAA participant

Retiree health

Health can play an important part in the quality of a person's retirement, and healthcare costs can have a significant impact on retirement savings.

Luckily, for the most part, retirees report good health, with 57 percent saying their health was “excellent” or “very good” relative to others their age, and another 36 percent saying it was “good.” Those numbers hold fairly steady from age 65 through 79, dropping off after age 80.

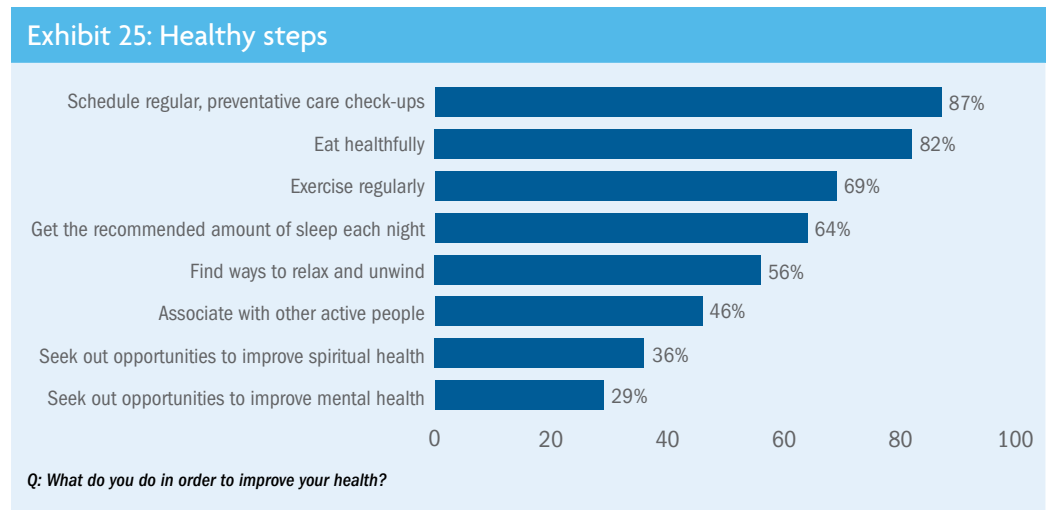
Preparing for health expenses in retirement



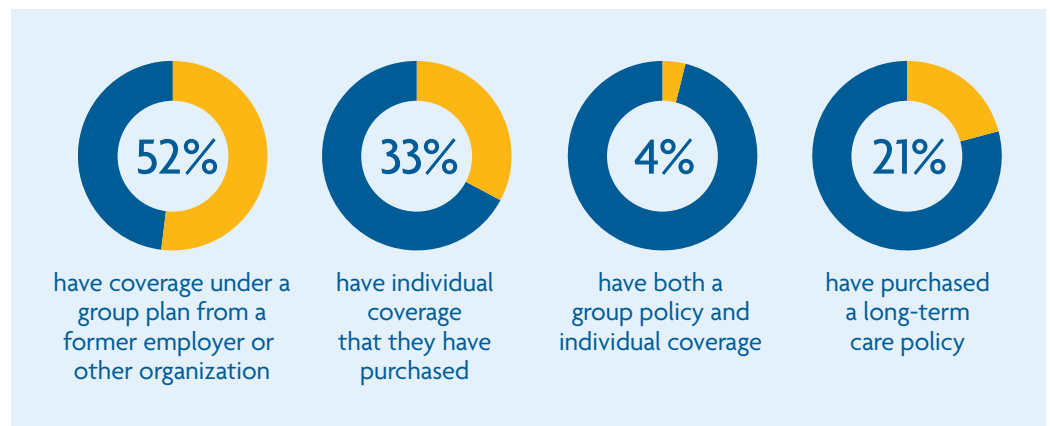
Healthcare expenses can overwhelm even the best-laid retirement plans. These costs have increased at a record pace during the last several years, and many believe they will continue to rise. In earlier generations, retirees often received healthcare packages as part of their pension plans. But these benefits are far less common today, and many retirees are now forced to cover all costs not paid by Medicare.

There are a number of ways that individuals can plan for and help defray retirement healthcare costs. A financial advisor can help retirees figure out how much they may need to meet the annual costs for things like prescriptions, insurance premiums, dental, hearing and vision coverage, and any other costs associated with healthcare. Retirees should also plan for long-term care in case essential daily activities like eating, bathing and dressing become difficult. Lastly, retirement healthcare savings plans (RHSPs) allow people to save money prior to retirement in a tax-deferred account to use for healthcare costs.

Retirees manage their health in two ways: physically and financially. The majority take steps to keep themselves in good health, such as preventative care check-ups (87 percent), a healthy diet (82 percent) and exercise (69 percent).



From a financial perspective, 90 percent of retirees have one or more forms of health insurance coverage aside from Medicare.



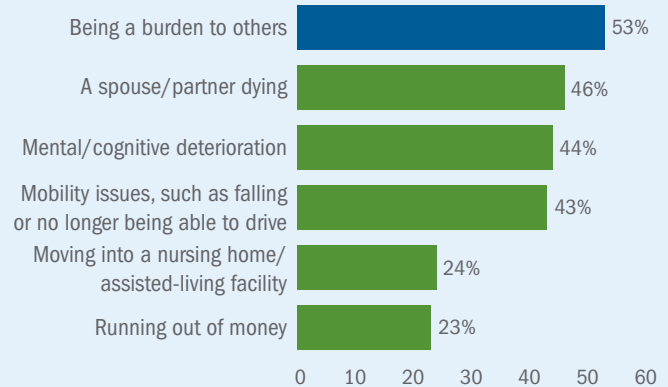


Retirees' fears

Although the overall findings of the Voices of Experience survey paint a very positive picture of life in retirement, respondents do have some concerns around aging. These concerns seem to indicate that respondents have planned for what they can—for example, fewer than one-quarter are concerned about running out of money. But they do worry about ways that they might experience loss: of a spouse/partner, of their own cognitive ability, or of their mobility.

While women and men are equally concerned about being a burden to others, women are twice as likely to say that their biggest concern in retirement is running out of money (29 percent vs. 15 percent) and they are more concerned about being lonely (19 percent vs. 11 percent).

Exhibit 26: Causes for concern



Q: In general, how easy or difficult did you find the transition to retirement?

How men and women retire differently



Women face a number of unique challenges before and during retirement. Longer life expectancies, lower average wages and more time out of the workforce due to caregiving can undermine their savings. While our overall findings from the survey apply to both men and women, there are some interesting gender differences to note.

- Men tend to start planning for retirement earlier than women. Overall, 22 percent of men stated that they began planning before the age of 30, versus only 12 percent of women.
- When it comes to retirement preparations, more men reported being very satisfied compared to women (42 percent vs. 33 percent).
- When asked what they would have done differently to prepare for retirement, women pointed to a number of financial factors, including understanding Social Security options (21 percent vs. 16 percent of men), understanding other sources of income (29 percent vs. 18 percent of men), managing savings and investments (32 percent vs. 26 percent of men) and maximizing employer retirement and benefit options (26 percent vs. 14 percent of men).
- Men were slightly more likely to find the transition to retirement easy compared to women (77 percent vs. 69 percent).
- More men (58 percent) were very satisfied with their financial health than women (46 percent).
- Fifty percent of men ranked ensuring the financial security of a spouse/partner as a top priority in retirement, versus only 14 percent of women.
- In terms of activities in retirement, women were more likely than men to spend time alone for personal

interests (80 percent vs. 70 percent), spend time with family (80 percent vs. 67 percent) and socialize with friends (75 percent vs. 52 percent).

- Women were also more likely than men to volunteer (58 percent vs. 42 percent), care for family members (43 percent vs. 26 percent) and participate in religious activity (36 percent vs. 25 percent).
- Men, however, were more likely to pursue favorite sports (38 percent versus 18 percent of women) and work full-time or part-time (28 percent versus 19 percent).
- Although women and men were equally concerned about being a burden to others, women were twice as likely to say that their biggest concern in retirement was running out of money (29 percent vs. 15 percent of men) and were more concerned about being lonely (19 percent vs. 11 percent).

Employers and the financial services industry have a responsibility to create innovative programs that give women renewed confidence in their ability to save for a secure financial future. At TIAA, the majority of our customers are women—professors, K-12 teachers, administrators in higher education and healthcare, curators and others. We feel a huge responsibility to help them get ready for a comfortable retirement. We regularly invite women to workshops where they can get information from a professional that can help bolster their financial well-being, but also exchange ideas with one another. We also have created an [online community](#) where women can share financial tips with each other and check in with experts for help.



**“I was excited for retirement.
Twelve years later, I am
still excited, feel healthy,
and have big plans!”**

— *Retired TIAA participant*



**“There is nothing like
feeling financially secure
to enjoy retirement.”**

— Retired TIAA participant

Conclusions

The 2016 Voices of Experience study offers a compelling look at the experiences and attitudes of nonprofit retirees today and how they have evolved over the past 30 years—a period of unprecedented societal change. The research shows that many retirees continue to approach retirement with excitement and optimism—and go on to enjoy fulfilling and financially secure lives in retirement.

The survey also underscores the critical importance of financial planning for retirement. With many people retiring earlier than they had originally expected, retirees will need to plan for a comfortable life that will last 20 or 30 years—or even more—after leaving the workforce. They will need to incorporate steady income streams, such as annuities, into their retirement planning.

These lessons can help future retirees aim for a retirement as satisfying as those enjoyed by our survey respondents. To plan for a successful retirement, individuals can seek out reliable financial advice and information, and make a point to begin planning for retirement early in life, preferably before age 30.

And while it's up to individuals to take the right steps to plan for retirement, they need the help of their employers to guide them with the right advice, guidance, education and investment options. Individuals need a trusted retirement partner that has a proven track record. Overall, only a collective effort will bring people the retirement outcomes they need and deserve.



“I now live a more deliberate, thoughtful life. I can begin to relax a bit now, and my physical, mental, and emotional health are much better. I am finally me.”

— *Retired TIAA participant*

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