

Inertia and Inaction Threaten to Sabotage Retirement Success

New global survey exposes retirement un-readiness

LOS ANGELES – June 6, 2017 – Workers around the world share aspirations for an active retirement but relatively few are taking adequate steps in terms of safeguarding their health and preparing financially. These concerns are examined in-depth in ***Successful Retirement: Healthy Aging and Financial Security***, a new survey report released today by nonprofit Transamerica Center for Retirement Studies® (TCRS), in collaboration with Aegon Center for Longevity and Retirement and Instituto de Longevidade Mongeral Aegon.

What Is a Successful Retirement?

“Retirement has transformed into a stage of life in which people aspire to stay socially connected, participate in their communities, and remain economically active,” says Catherine Collinson, president of Transamerica Center for Retirement Studies and executive director of Aegon Center for Longevity and Retirement.

Globally, the top three retirement aspirations among survey respondents are traveling (62 percent), spending time with friends and family (57 percent), and pursuing new hobbies (48 percent). A noteworthy 26 percent of respondents globally mention some form of paid work as a retirement aspiration, a finding which is even higher in the U.S. (37 percent).

“Historically, retirement planning has almost exclusively focused on the finances without adequate consideration of health,” says Collinson. “A successful retirement, one in which we can fully realize our dreams, requires that we maintain good health and become financially secure. Unfortunately, many people are failing to prepare in ways that can increase their likelihood of success.”

Healthy Aging

Many people believe they are in excellent or good health today, but are they taking sufficient action to help ensure they can stay healthy as they age? Eighty-two percent of workers and retirees globally say their health in older age is a concern (89 percent U.S.). However, there is a major disconnect between their concerns about future health and current behaviors. The survey found that surprisingly few are taking adequate steps to safeguard their health, such as:

- Eating healthily (57 globally, 58 percent U.S.)
- Exercising regularly (50 percent globally, 56 percent U.S.)
- Avoiding harmful behaviors (57 percent globally, 55 percent U.S.)
- Thinking about long-term health when making lifestyle choices (43 percent globally, 48 percent U.S.)
- Practicing mindfulness, e.g., meditation and relaxation exercises (17 percent globally, 24 percent U.S.)

These findings are particularly concerning given the extent to which workers are planning to work beyond traditional retirement age. Globally, 18 percent of workers plan to work past age 70 or never retire; in the U.S. many more workers plan to do so (32 percent). The sobering reality is that among retirees surveyed, 39 percent

globally and 61 percent in the U.S. say they retired sooner than they had planned and frequently did so due to their own ill health (29 percent globally, 31 percent U.S.).

“It’s absolutely imperative that we protect our health so we can continue working as long as we want or need – and so that we can enjoy the best possible health in retirement,” says Collinson.

Financial Security

“Retirement systems around the world, specifically social security-type benefit programs, are facing funding shortfalls and undergoing strain. As a result, people are becoming increasingly responsible for their long-term financial security – and that requires saving and planning,” says Collinson.

Seventy-three percent of workers globally and 91 percent in the U.S. feel either very or somewhat personally responsible for making sure they have sufficient income in retirement. However, this awareness has not fully translated into action.

The survey finds 39 percent of workers globally are “habitual savers” who always make sure that they are saving for retirement. In the U.S. the percentage is higher at 57 percent. However, only 25 percent of workers globally and 34 percent in the U.S. feel that they are on track to achieve their retirement income needs.

“By taking proactive steps in terms of saving, planning, and taking care of their health, people are more likely to achieve their retirement aspirations. On a bright note, our research finds that people who are already taking positive steps are typically better prepared in multiple ways and exude more confidence about their long-term prospects. The societal challenge is to inspire and help more people to take their first step and start forming good habits,” said Collinson.

Successful Retirement: Healthy Aging and Financial Security contains in-depth analysis, country comparisons, case studies and recommendations. It is accompanied by stand-alone infographics and a U.S. country report. The report is from the 6th Annual Aegon Retirement Readiness Survey, which is based on interviews with 14,400 workers and 1,600 retired people in 15 countries: Australia, Brazil, Canada, China, France, Germany, Hungary, India, Japan, the Netherlands, Poland, Spain, Turkey, the United Kingdom, and the United States. Interviews were conducted online between February 6 and 18, 2017.

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