

**2020  
RETIREMENT  
RESET STUDY  
WAVE 3**

07.2020

A June survey details how the COVID-19 pandemic is affecting the retirement planning behaviors and attitudes of Americans who are approaching retirement or currently retired.

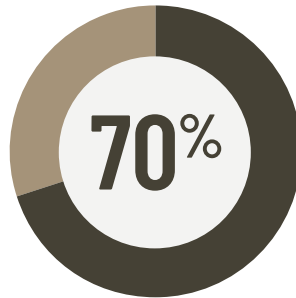
Survey of 1,260 U.S. adults age 56 to 75, with \$100K investable assets, conducted June 18-22.

# 70% OF OLDER WORKING AMERICANS SAY PANDEMIC HAS MADE THEM MORE PESSIMISTIC ABOUT THEIR RETIREMENT PLANS

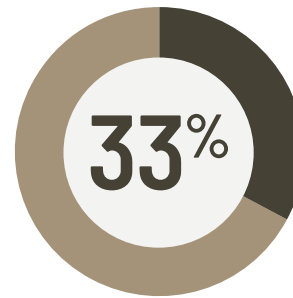
THIS LATEST RETIREMENT RESET STUDY WAS CONDUCTED DURING A PERIOD WHEN THE U.S. EXPERIENCED REOPENING CHALLENGES DUE TO A RESURGENCE OF COVID-19 CASES – THE UNEMPLOYMENT RATE ROSE SIGNIFICANTLY AND STOCK MARKETS CONTINUED TO EXHIBIT NOTABLE VOLATILITY.

## ONE IN FIVE PRE-RETIREEES HAVE DECIDED TO RETIRE LATER THAN ORIGINALLY PLANNED

The third Retirement Reset study conducted by the Alliance reveals a deepening crisis of confidence overtaking Americans approaching retirement. **A majority of respondents (56%) report they are now rethinking some aspect of their retirement plan**, such as how much money they'll need or when they plan to retire.



70% of older working Americans say pandemic has made them more pessimistic about their retirement plans

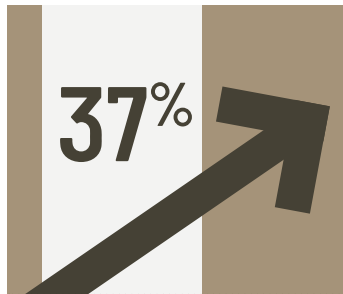


Only a third (33%) are very confident they will have the income they need to cover all their expenses in retirement

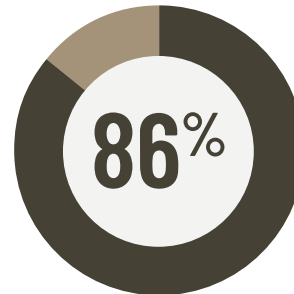
*The findings can't be ignored — they illustrate the depth of the retirement income crisis facing the United States.*

**AMERICANS, IN SEARCH OF A SOLUTION, TAKE A FRESH LOOK AT PROTECTED INCOME FROM ANNUITIES**

Nearly **one quarter (22%)** say the economic situation has prompted them to consider the benefits of protected income that an annuity or pension provide. Financial professionals are taking note. **One in four respondents (23%)** indicate that their advisor has introduced new products and services to consider as a result of the COVID-19 crisis.



Increase since April in those considering the benefits provided by an annuity or pension



**Annuities' benefits now widely recognized**  
86% say they know annuities provide steady monthly income that can help cover one's basic monthly expenses in retirement

**A LOOK BACK AT THE COVID-19 RETIREMENT RESET TRACKER**

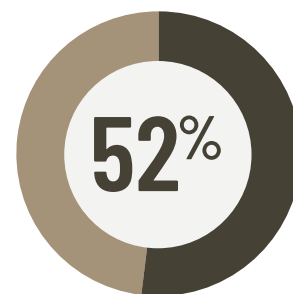
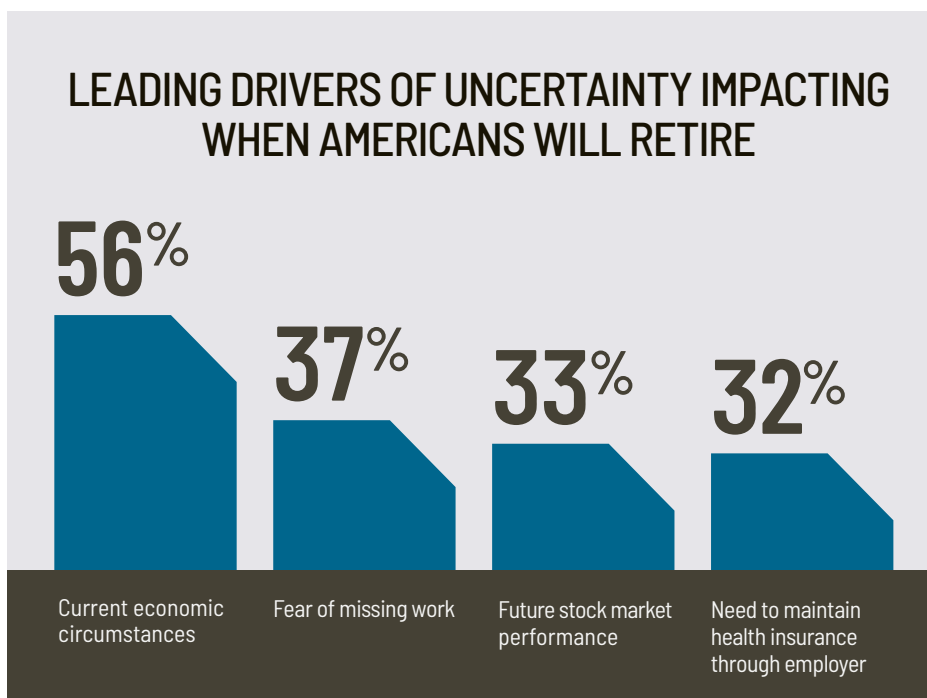
	March 2020	April 2020	June 2020
	<b>Wave 1</b> 3/6-3/16	<b>Wave 2</b> 4/13-4/20	<b>Wave 3</b> 6/18-6/22
COVID cases in U.S.*	<b>4,226</b>	<b>776,093</b>	<b>2,302,302</b>
COVID deaths in U.S.*	<b>100</b>	<b>41,404</b>	<b>119,510</b>
DOW*	<b>20,188</b>	<b>23,650</b>	<b>26,025</b>
Unemployment claims*	<b>3 million</b>	<b>19 million</b>	<b>33 million</b> (as of 6/20/20)
Events in the news	Fed cuts rates and NYC shuts down	Coronavirus dominates the news	Reopening challenges and racial protests
Retirement Reset tracker findings	A Lesson for Americans Thinking About Retirement: It Isn't Always Your Decision	Dramatic Shift in Risk Tolerance Is Driving Long-Term Changes in Retirement Investing Behavior	70% of Older Working Americans Say Pandemic Has Made Them More Pessimistic About Their Retirement Plans

As the pandemic grows, more Americans are considering a retirement reset

\* Number reported at end of survey fielding.

### ECONOMIC UNCERTAINTY IS THE PRIMARY DRIVER OF DOUBT ABOUT RETIREMENT PLANS

Among those who are concerned about the current economy and investing environment since the start of the COVID-19 pandemic, **60% of respondents are worried about future unpredictability** as the crisis is taking a widespread emotional toll and eroding confidence.



52% of those who are employed expressed some uncertainty about their employment situation for the next year



About one in ten (12%) of those with an employer-sponsored retirement plan have recently had their contributions cut or eliminated

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*The pandemic and resulting economic uncertainty are leading the vast majority of the country’s pre-retirees to reconsider their retirement plans.”*

— JEAN STATLER, CEO, ALLIANCE FOR LIFETIME INCOME

## MACROECONOMIC IMPLICATIONS OF THE RETIREMENT RESET

The ongoing “retirement reset” has significant macroeconomic implications for the country. The findings show that, for **eight in ten (79%) respondents, discretionary spending is important to quality of life in retirement**; however, seven in ten (70%) expressed some doubt that they will have the money to fund all of their discretionary spending in retirement.

There has been a shift in importance away from clothing, dining out, travel and entertainment to more basic expenses such as internet, groceries and healthcare.



Seven in ten doubt they will have the money to fund all of their discretionary spending in retirement.

## BIG SHIFTS IN PRE-RETIREEES' MOST IMPORTANT EXPENSES SINCE THE START OF THE PANDEMIC

( + )

Largest gains in importance

1. Internet
2. Groceries
3. Healthcare Costs

( - )

Largest decrease in importance

1. Purchase Clothing
2. Dining Out
3. Travel
4. Entertainment

For full survey report go to: [ProtectedIncome.org](https://ProtectedIncome.org)