



# COVID-19 Retirement Reset Tracker Report

Alliance for  
Lifetime  
Income

May 2020

# Objectives

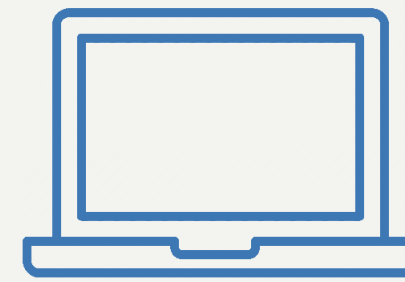
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**This study focuses on issues facing Americans approaching or in retirement amid the COVID-19 pandemic. This is the second in a series of COVID-19 Retirement Reset Trackers conducted by the Alliance for Lifetime Income.**

# COVID-19 Retirement Reset Tracker Methodology



**Participants**  
N=1,231



**Online Quantitative Study**  
National sample  
Ages 56 to 75



**Field Dates**  
April 13 to 20, 2020

## Specifications

1. U.S. adults age 56 to 75
2. Employed (full or part-time, or temporarily laid off/unemployed due to COVID-19) or Retired (fully or retired, but working part-time)
3. Respondents have \$100,000 or more in investable assets
4. Questions adjusted for people in retirement

Survey conducted by [Artemis Strategy Group](#)

# Retirement Decisions Amid Unprecedented Volatility

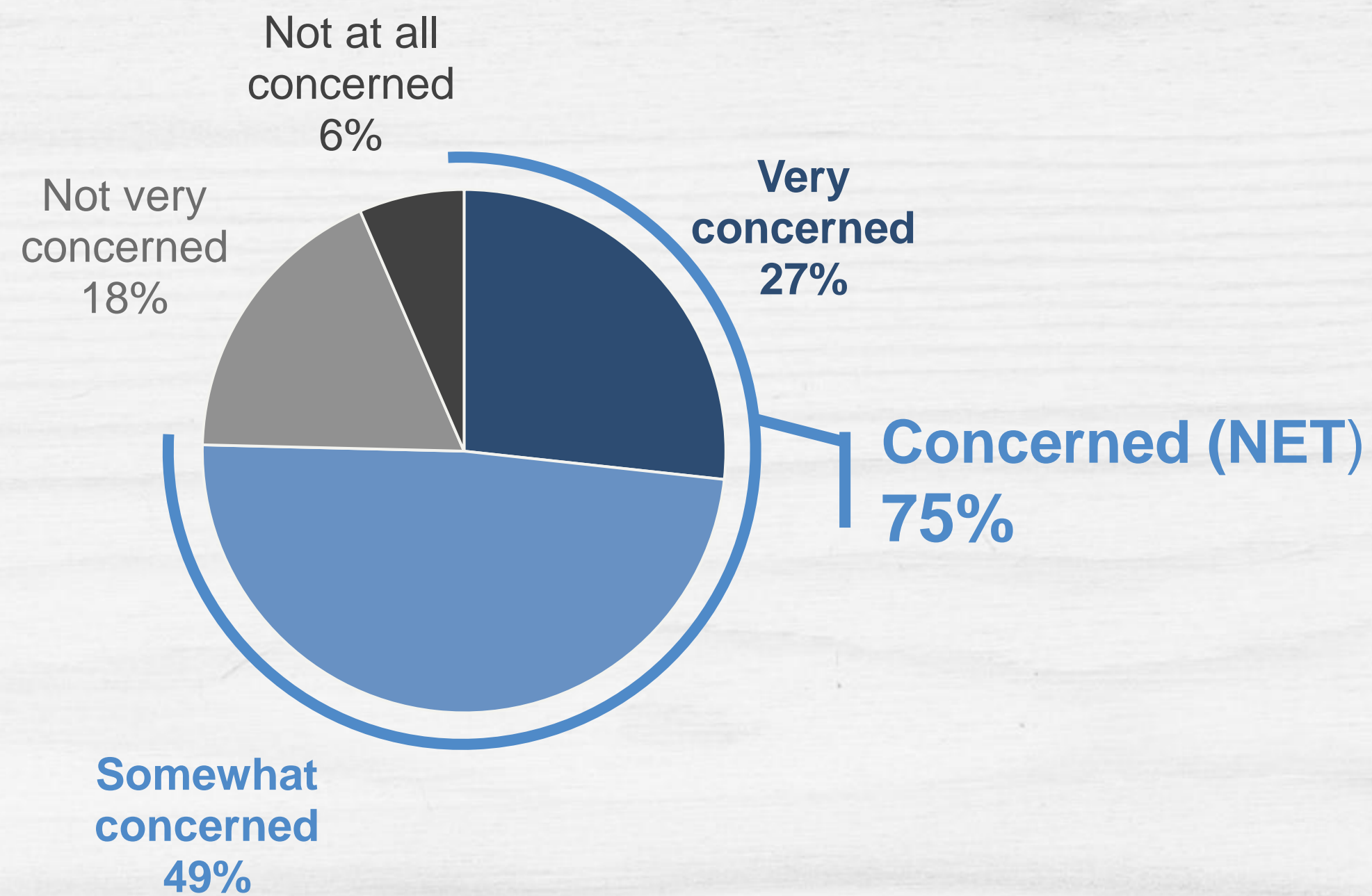
**Americans nearing or in retirement are grappling with the economic fallout and market volatility amid the Coronavirus outbreak**

- This unique audience conveys heavy concern about the economy and investing environment
- The crisis is taking a widespread emotional toll and eroding confidence
- The economic fallout has created uncertainty for some about when to retire
- Shift in risk tolerance is driving long-term changes in retirement investing behavior

# There is widespread concern about the economy and investing environment.

Three out of four are concerned about the economic and investing environment as a result of the pandemic.

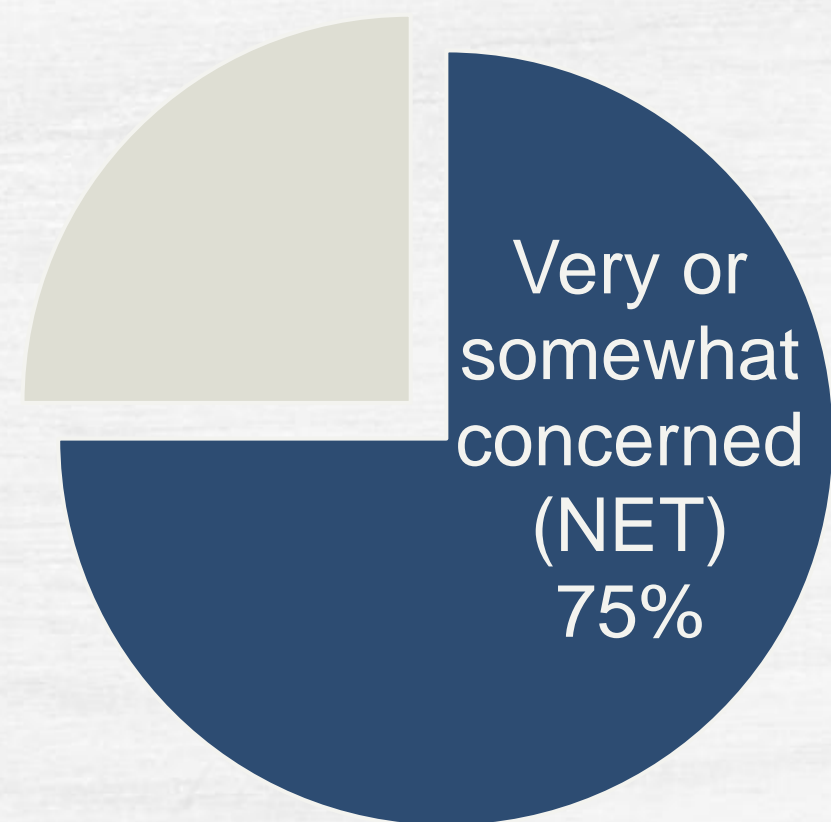
## Effect of Current Economy and Investing Environment from COVID-19 on Retirement Investments



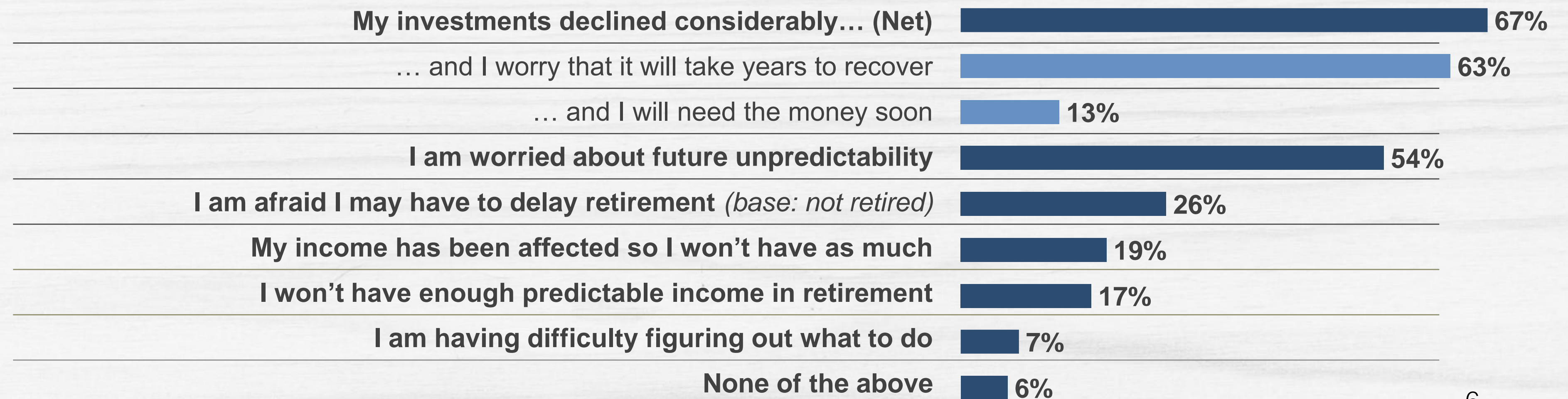
# Top concerns are declining investments and future unpredictability.

Among the three-quarters who are at least somewhat concerned, 63% say their investments have declined considerably and they worry it will take years to recover, and 54% are worried about future unpredictability.

## Effect of Current Economy and Investing Environment from COVID-19 on Retirement Investments

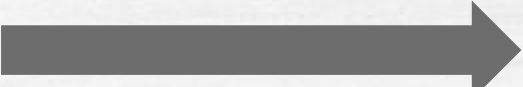
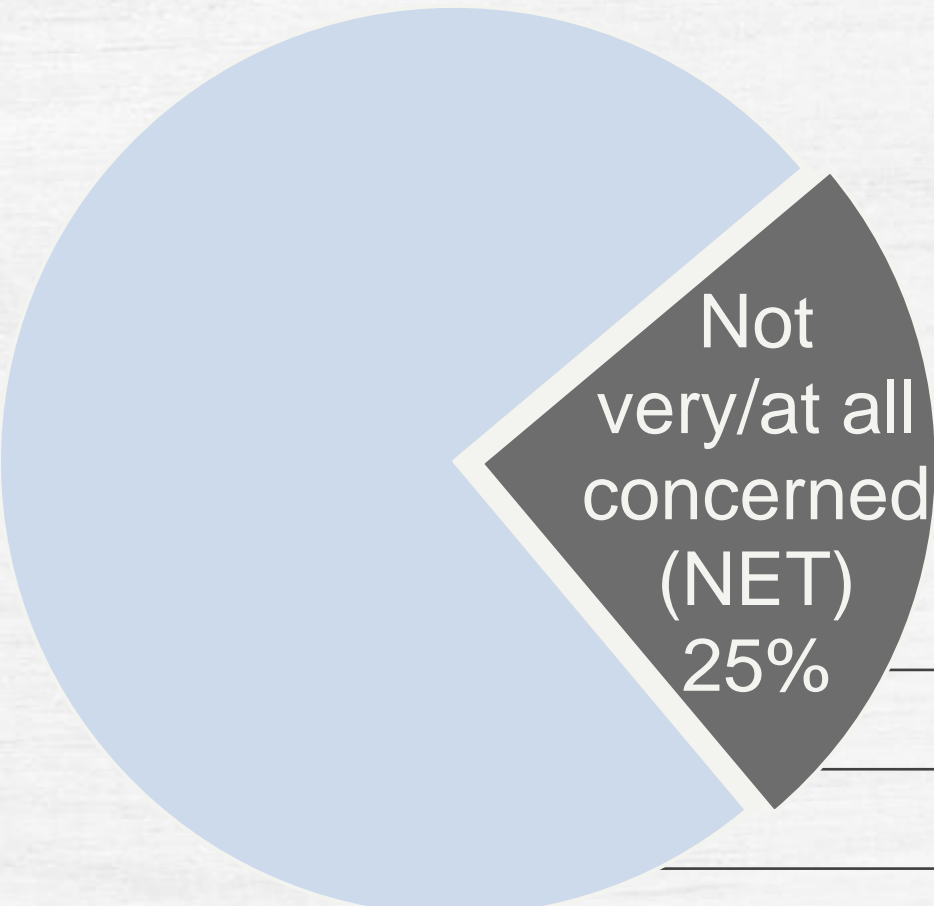


### Reason(s) for concern *Among those somewhat or very concerned*

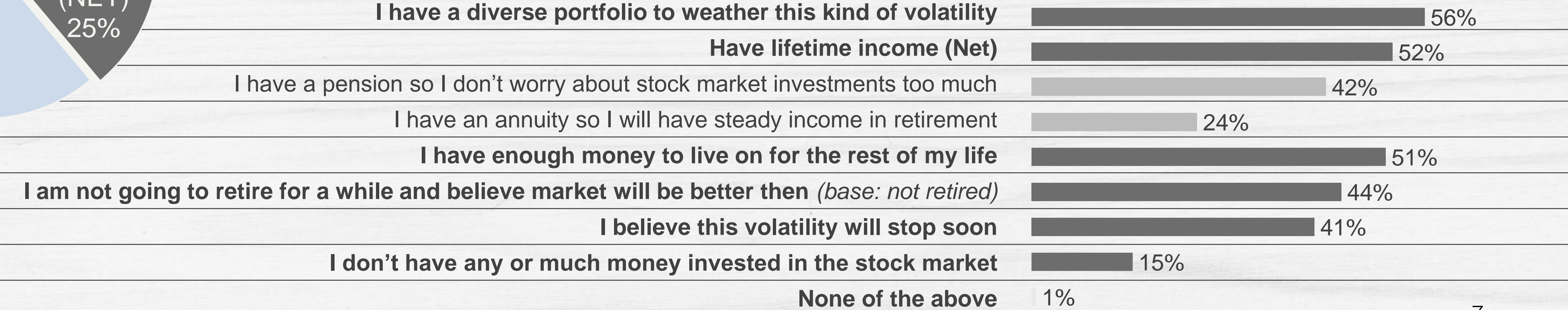


Having a diverse portfolio and a source of lifetime protected income are top factors that alleviate worry among the one in four who are not concerned.

**Effect of Current Economy and Investing Environment from COVID-19 on Retirement Thinking**



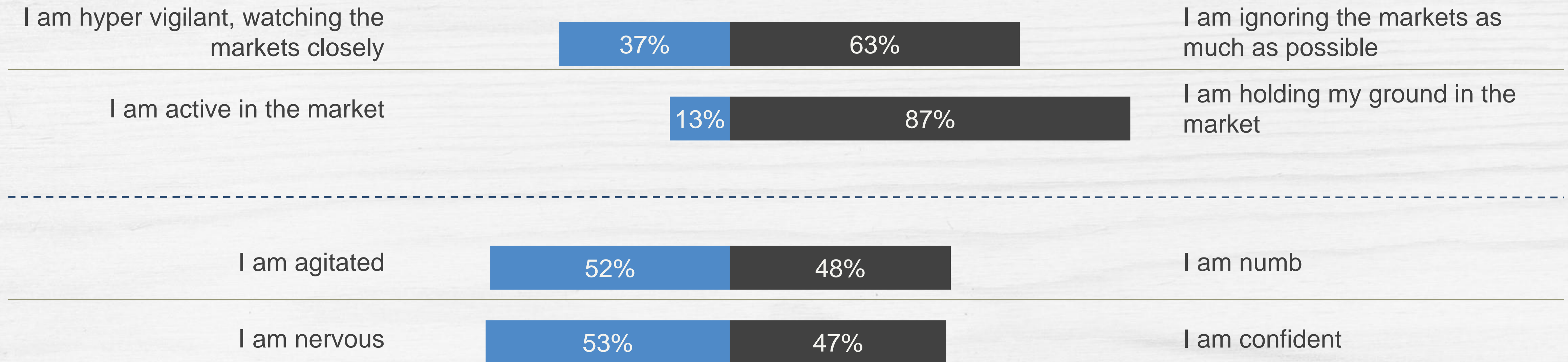
**Reason(s) for not being very concerned**  
*Among those not very or at all concerned*



While most are attempting to ignore the markets and hold their ground, emotions are more evenly split in response to the volatile investing environment.

Those who are hyper vigilant and watching the markets very closely are much more likely to feel nervous and agitated than those who are ignoring the markets.

### Best Description of Emotional Response to Current Investment Environment

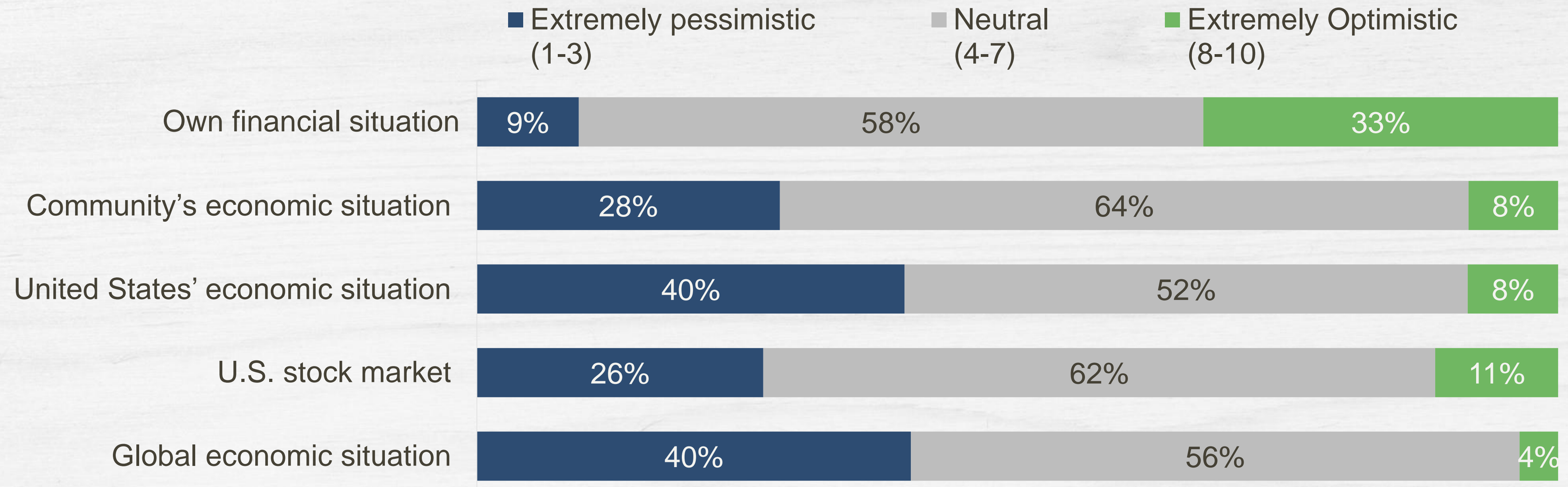




Pessimism is highest at the global and national levels and reduces as one gets closer to home.

### Feeling about the Following Through the Rest of 2020

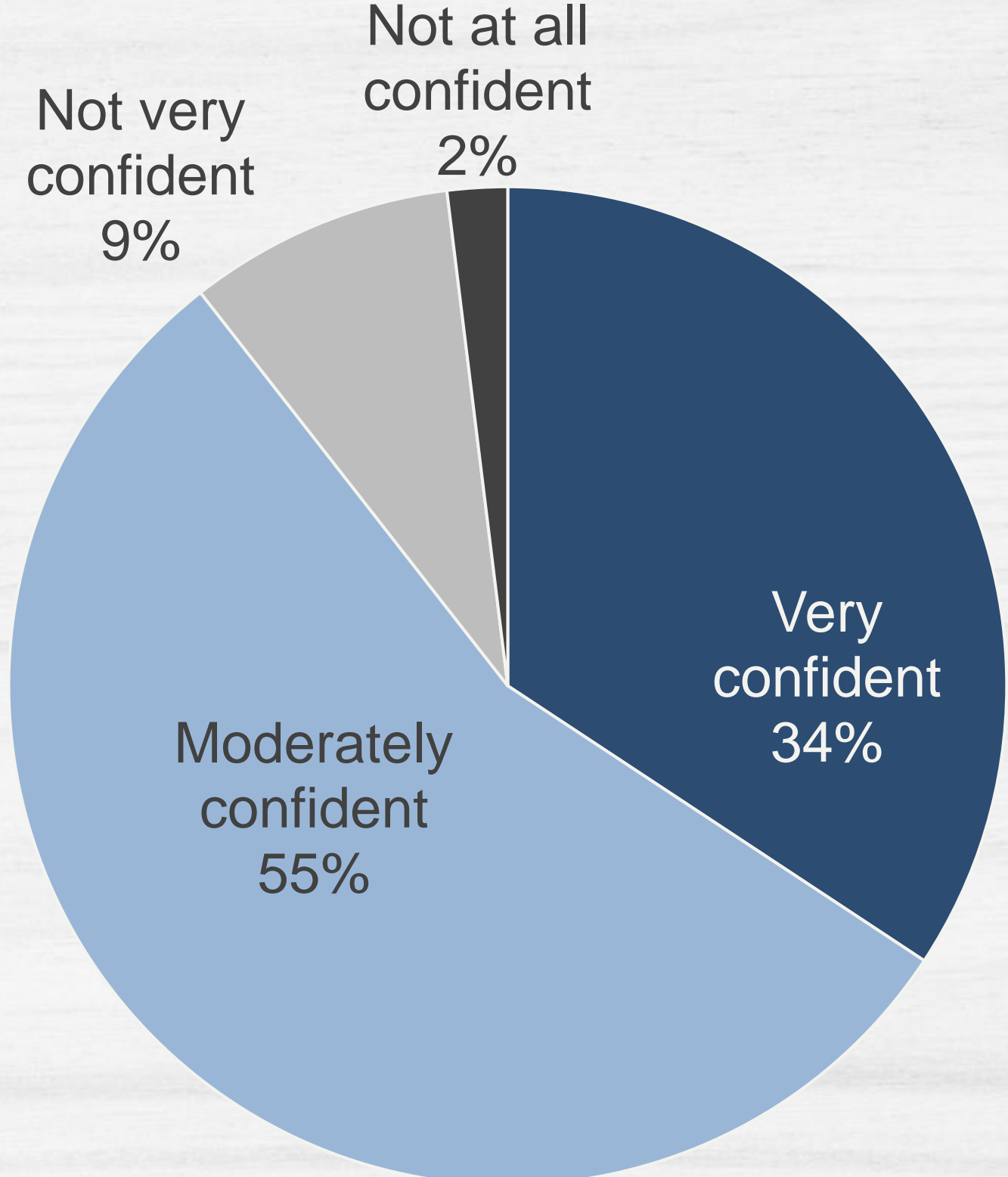
On a scale of 1 - 10



Only one-third are very confident they will have the income to cover all of their expenses in retirement.

Confidence is higher among those already retired.

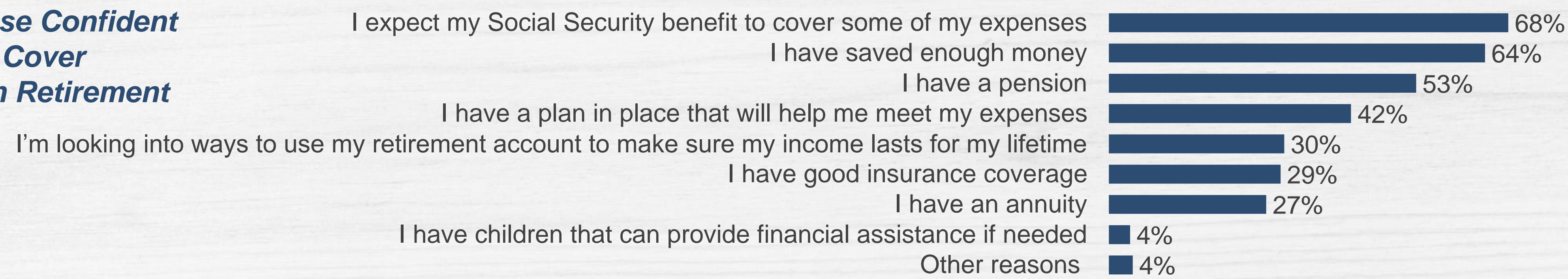
**Confidence Will Have the Income to Cover Expenses Throughout Retirement**



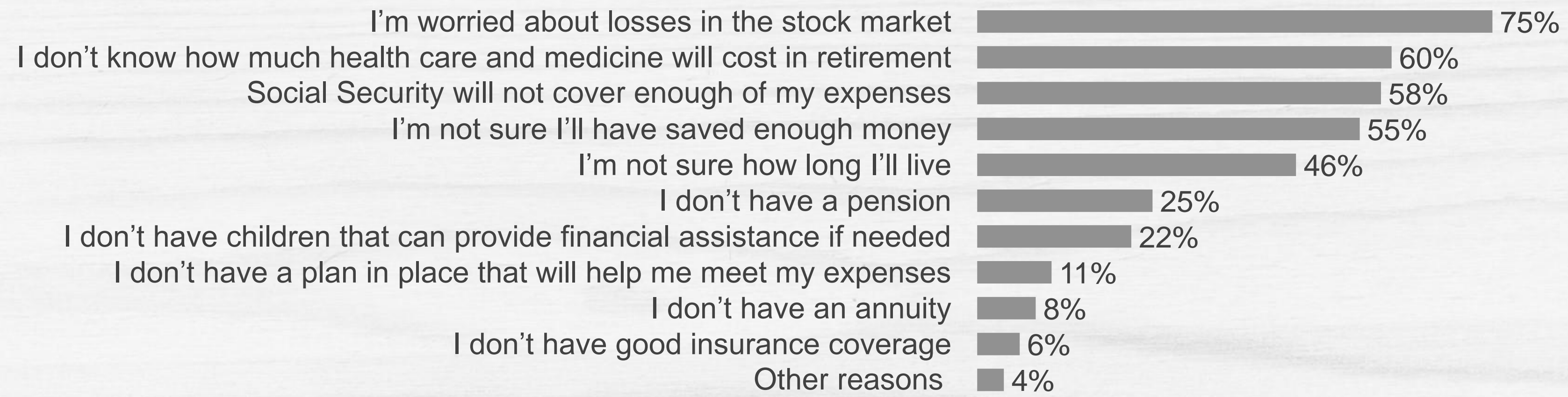
Confidence is driven by reliance on Social Security, total savings and pension access, whereas lack of confidence is most driven by stock market losses and uncertainty of healthcare costs in retirement.

## Reasons for Confidence Rating

### *Among Those Confident Income will Cover Expenses in Retirement*

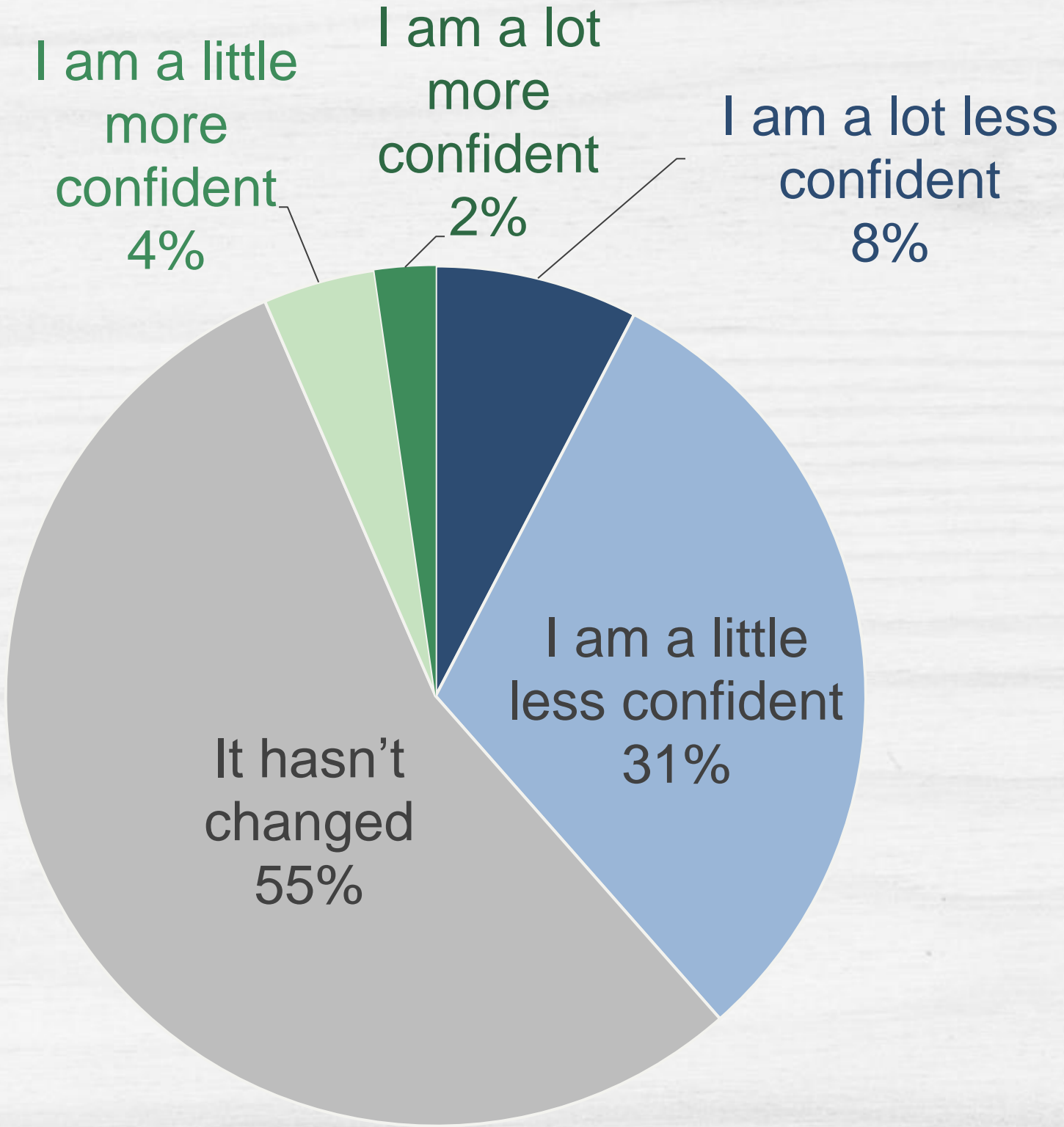


### *Among Those NOT Very or at All Confident Income will Cover Expenses in Retirement*



# The two market corrections in as many decades have eroded confidence about having enough income to cover expenses in retirement.

## Extent Two Market Corrections\* in as Many Decades Affects Confidence about Having Income to Cover Expenses Throughout Retirement

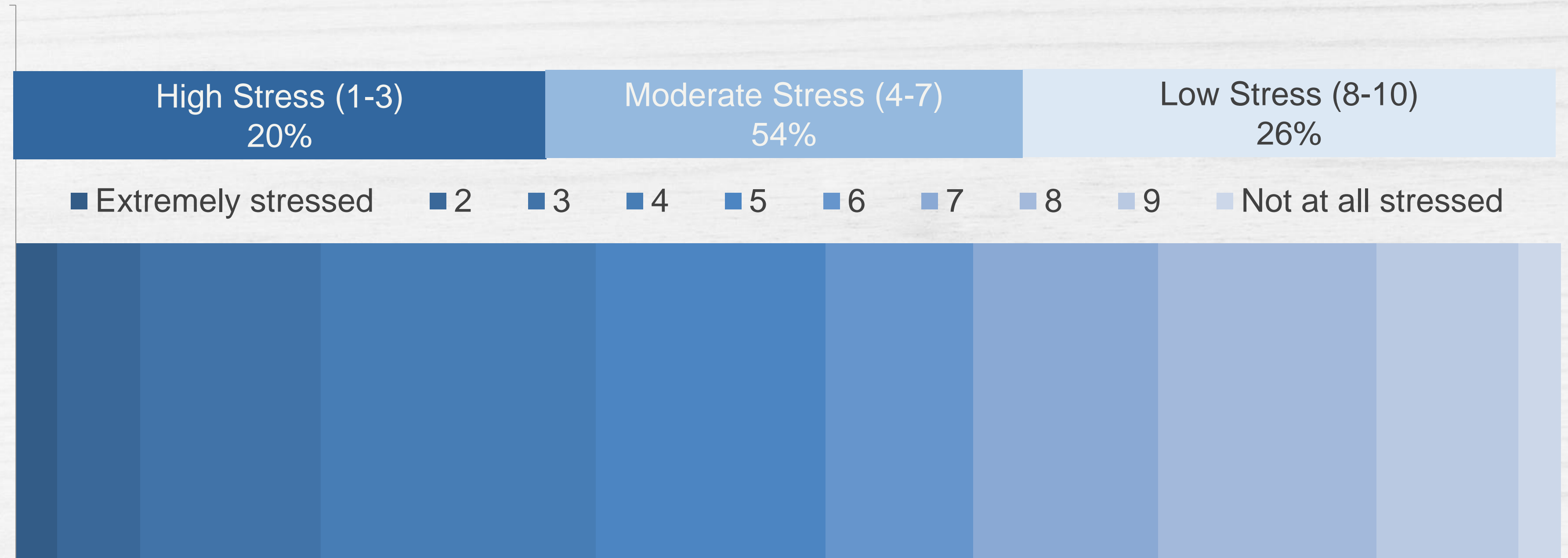


(\*2008 as the result of the financial crisis and more recently as the result of the COVID-19 pandemic)

Three-quarters feel at least moderate stress and two in ten are feeling highly stressed since the start of the crisis.



**Stress Level Since the Start of the COVID-19 Crisis**  
*(on scale of 1 – 10)*



*“We are bored to tears sheltering in place.”*

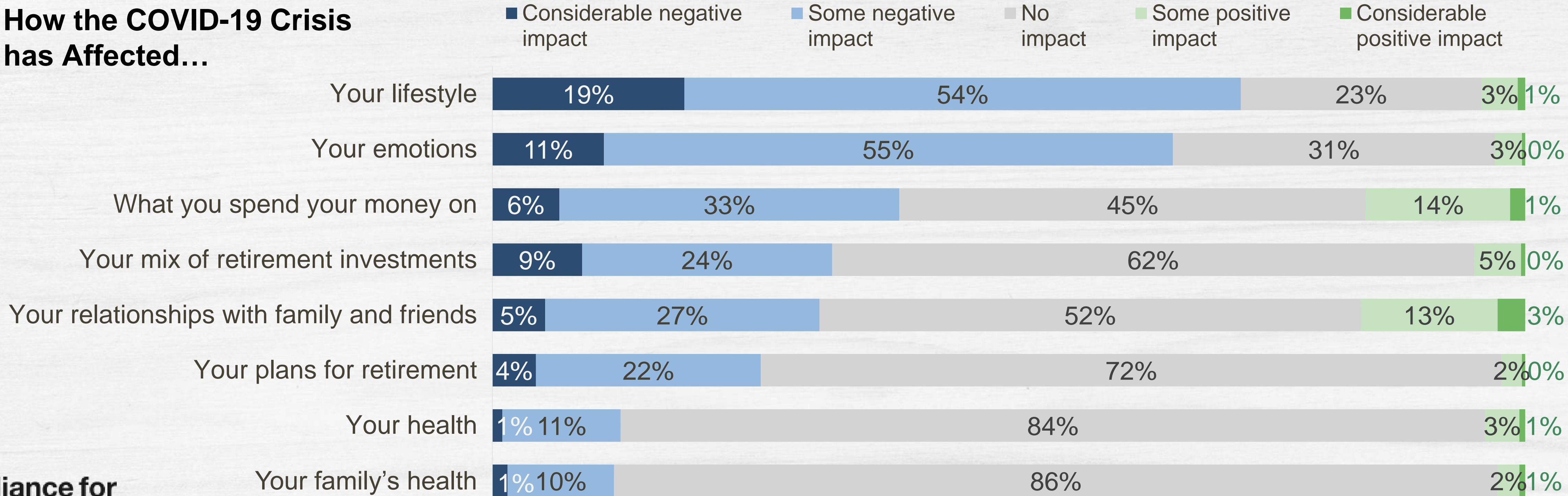
*“Makes me uncertain, nervous, unsettled, depressed.”*

# The COVID-19 Crisis has a widespread emotional toll.

The negative impact far outweighs any positive impact across people's lives.

Most have not had an impact on their health or their family's health: only 11% have a family member or close friend or who has been diagnosed with COVID-19.

## How the COVID-19 Crisis has Affected...

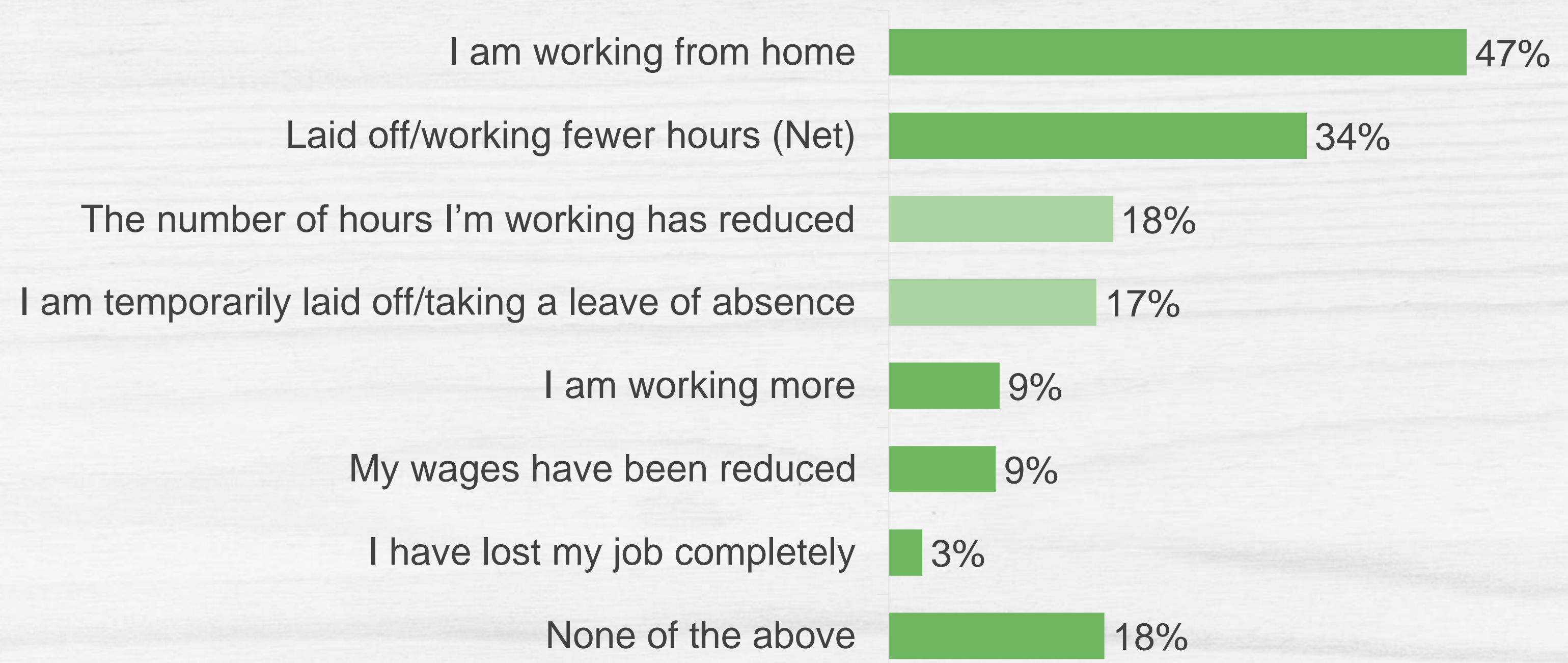


# The pandemic has shifted how people work.

Among those in the workforce, nearly half are working from home and one-third are either working reduced hours or are temporarily laid off.

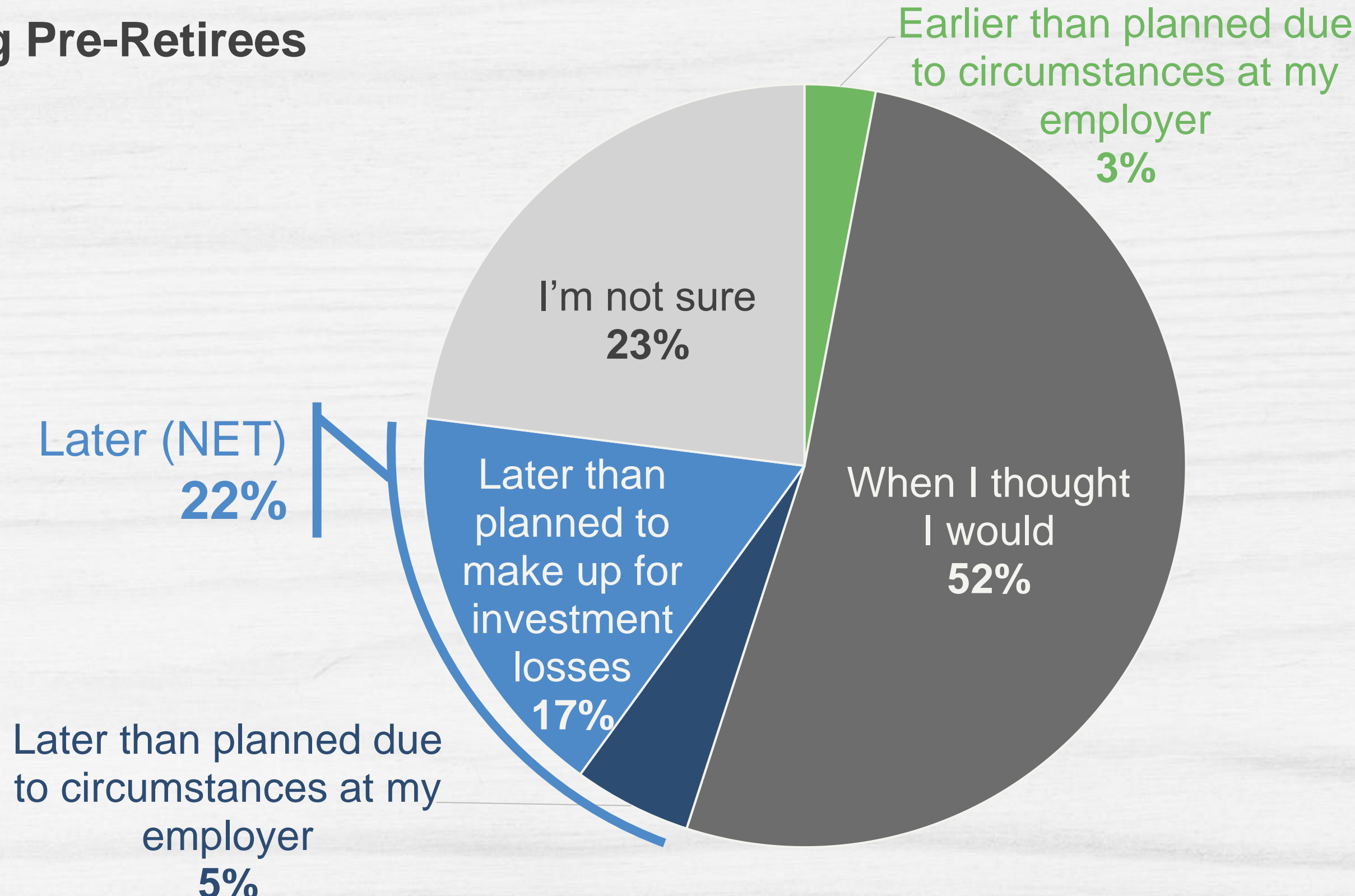


## Ways Job has Changed Since COVID-19 Became Prevalent in the U.S. *Among those working or laid off/on leave*



Over two in ten pre-retirees have shifted their retirement plans to retire later than originally planned.

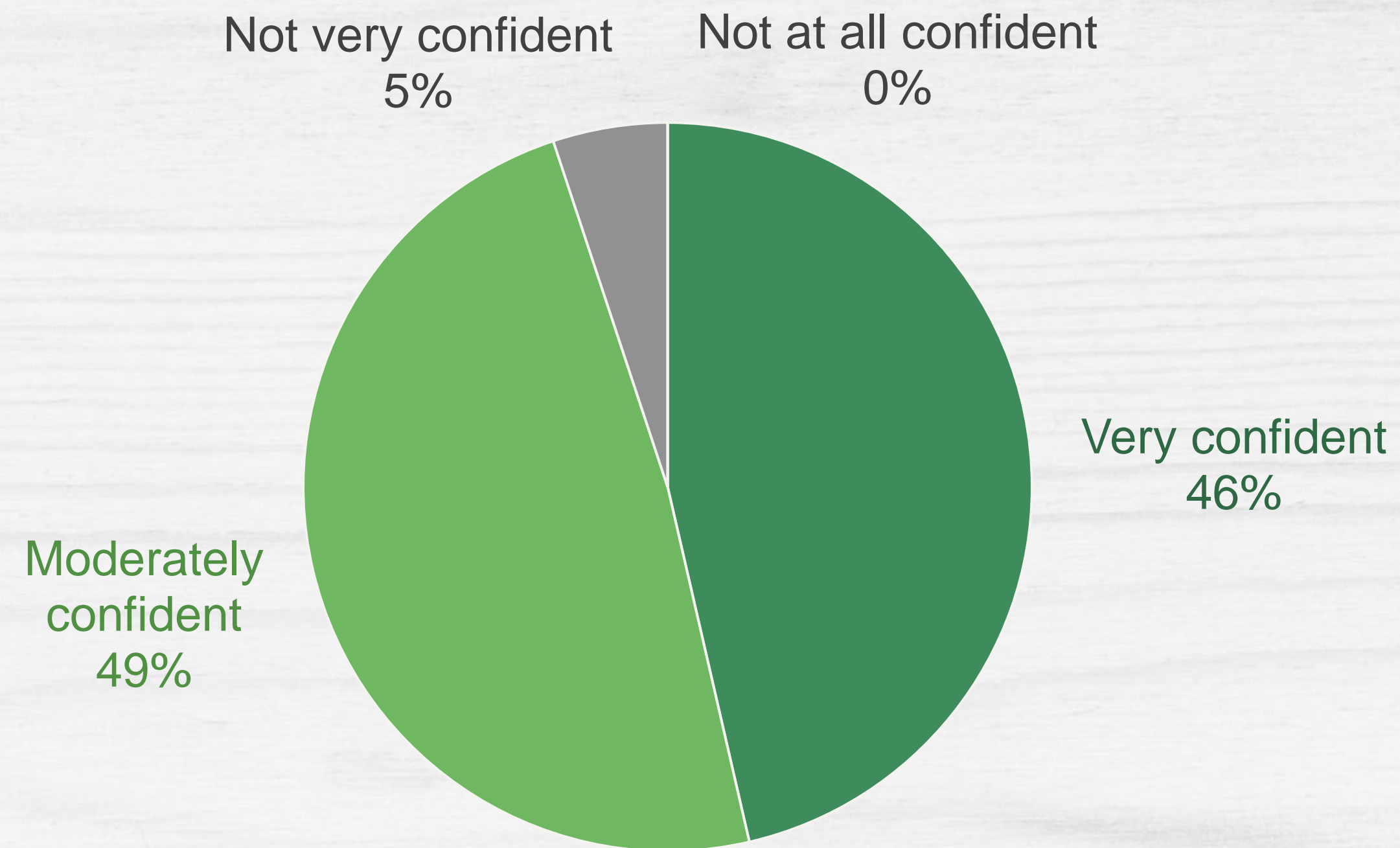
**Effect of Current Economic Circumstances on Retirement Timing Among Pre-Retirees**





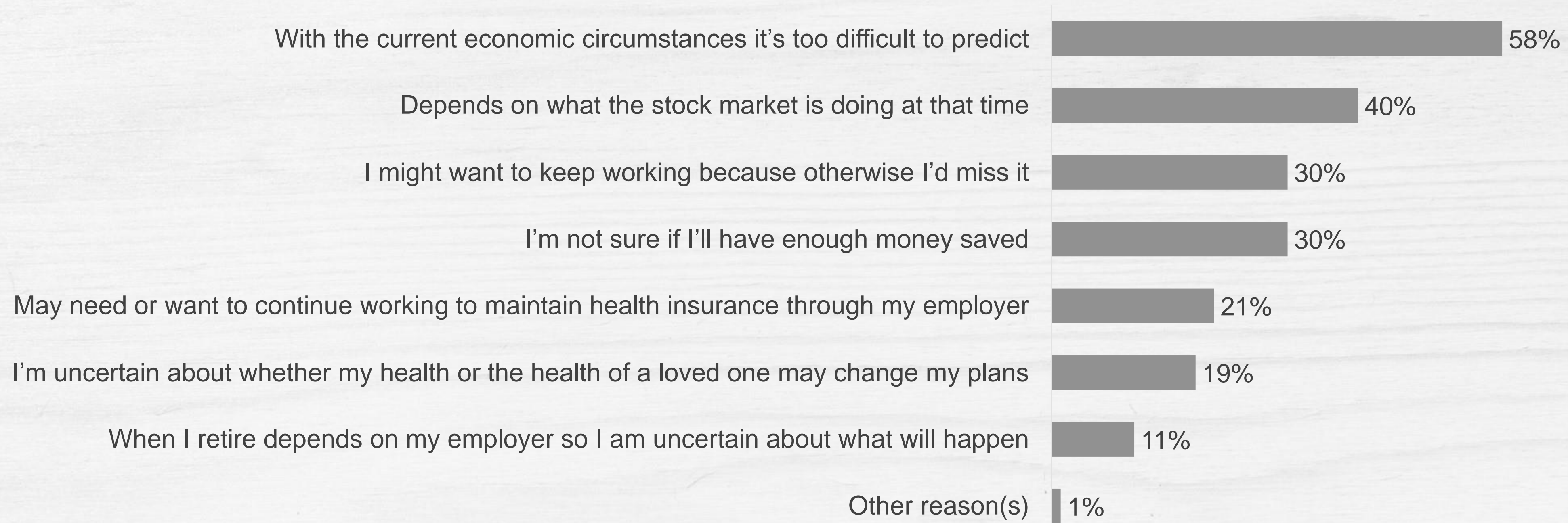
Nearly half (46%) of pre-retirees are very confident that they'll retire at the age they identify as their goal.

**Confidence They'll Retire at Planned Age**  
*Among those still working*



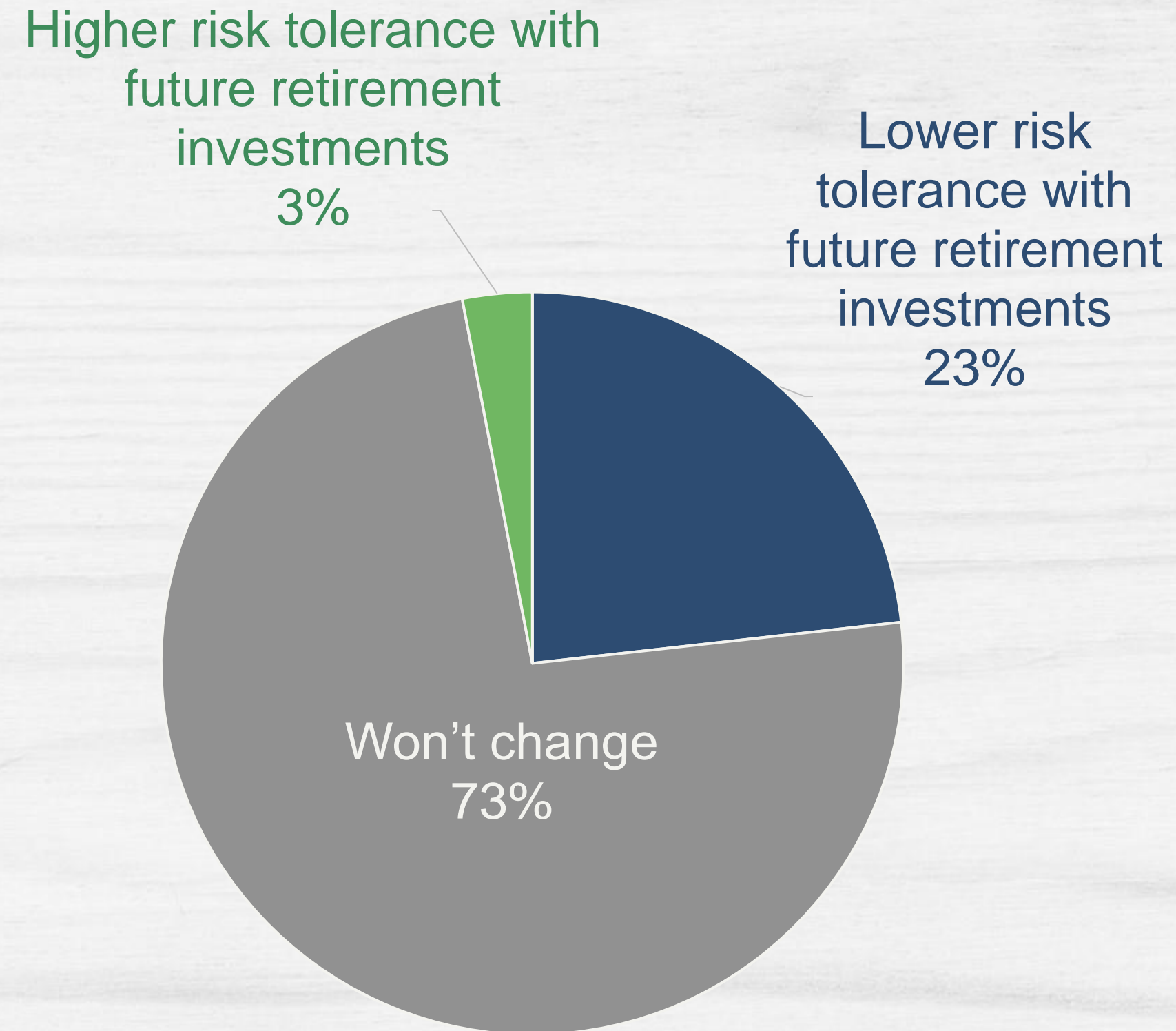
# Current economic volatility is the primary driver of uncertainty among those less confident about whether they'll retire when anticipated.

## Reason Not "Very Confident" Will Retire at Planned Age



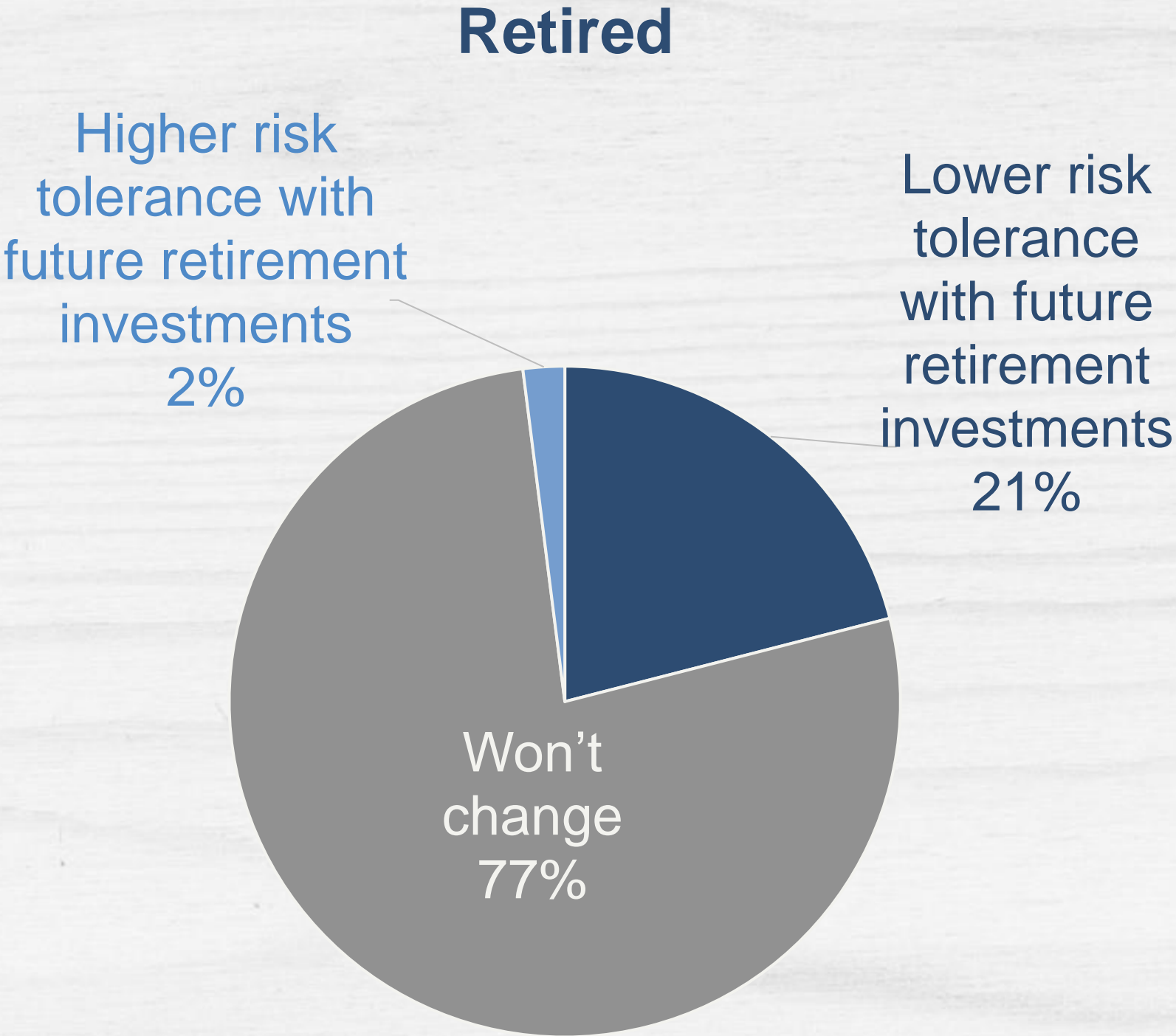
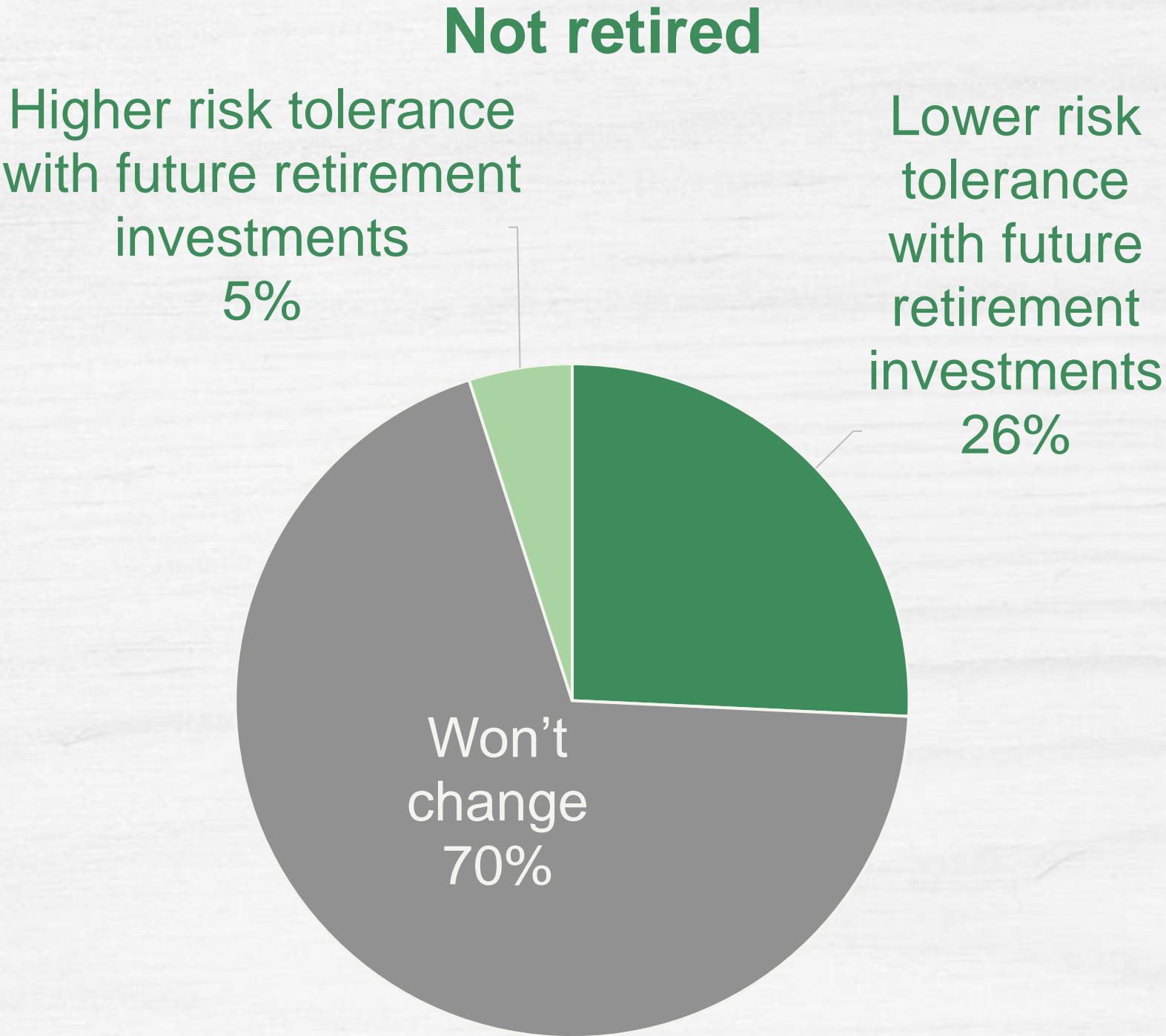
Longer term, nearly one-quarter expect to have a lower risk tolerance with retirement investments while most do not expect to change.

**Change in Tolerance Toward Retirement Investment Risk as a Result of Current Economy and Investing Environment Since the Start of the COVID-19 Pandemic**



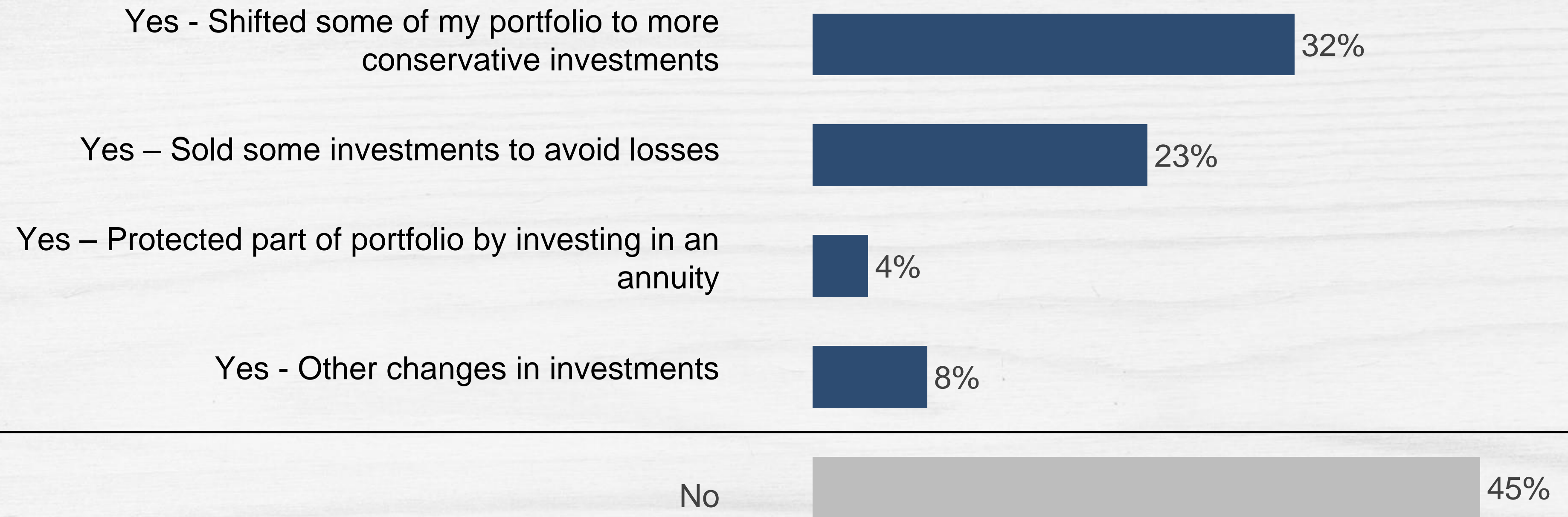
# Pre-retirees are more likely than retirees to anticipate having a lower risk tolerance in the future.

## Change in Tolerance Toward Retirement Investment Risk as a Result of Current Economy and Investing Environment Since the Start of the COVID-19 Pandemic

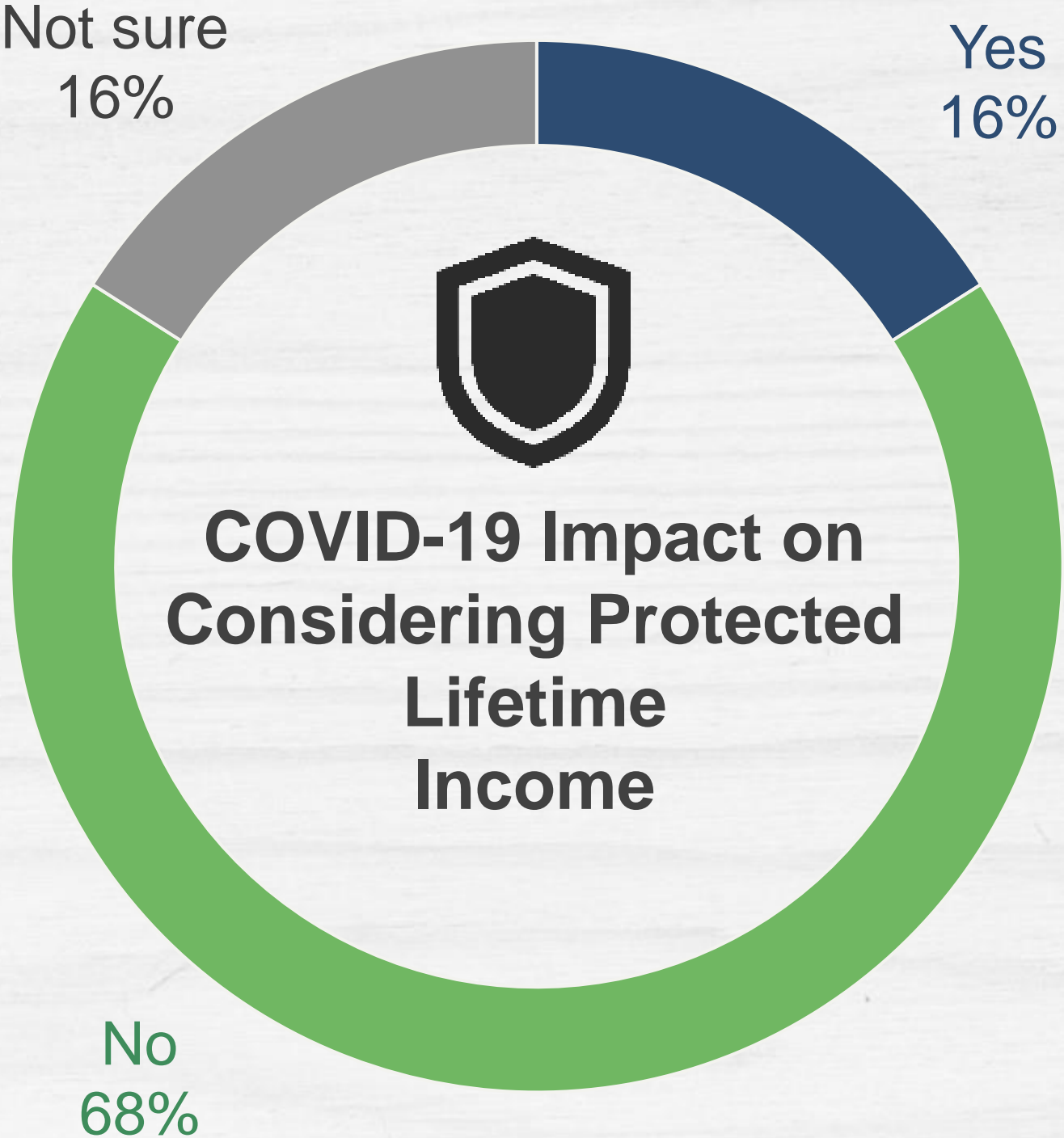


In retrospect, more than half would have shifted their portfolio if they could go back to before the crisis.

**With What is Known about the Current Market Volatility, Would Make Adjustments to Retirement Portfolio if Able to go Back to Earlier in Year**



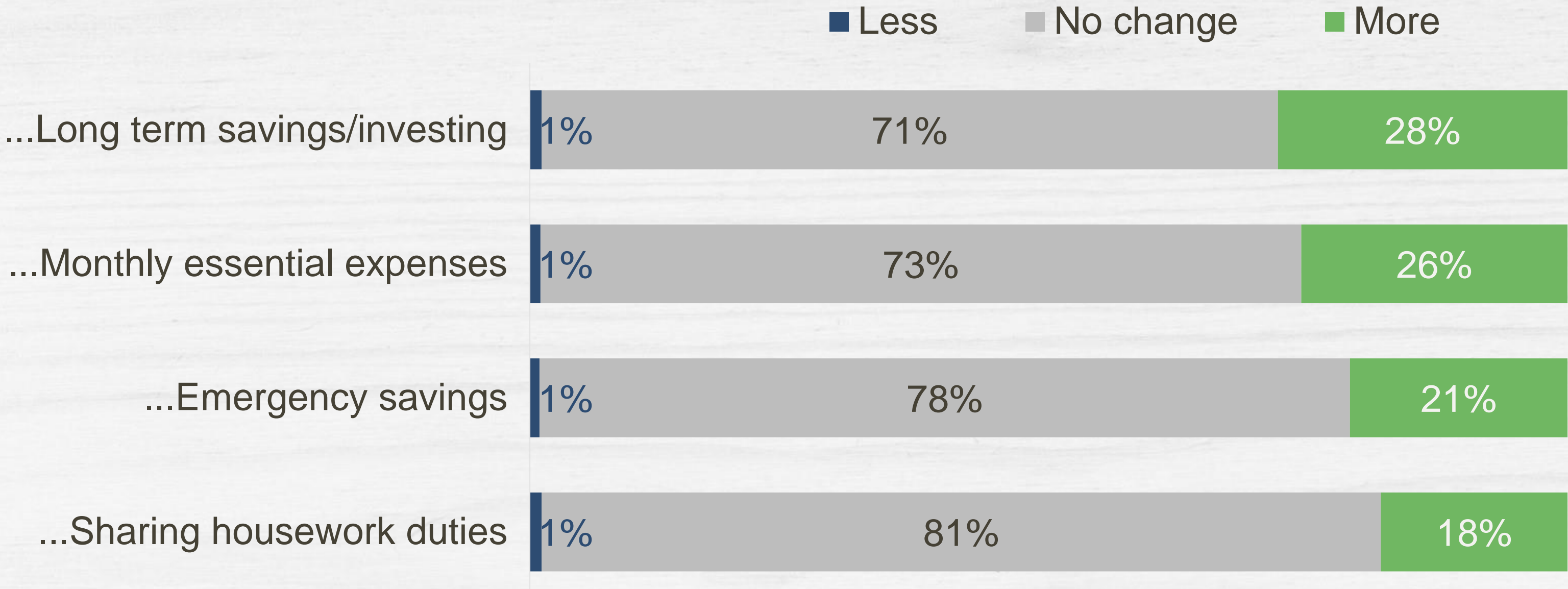
Most say the COVID-19 situation has not prompted them to consider an annuity but 16% say it has.



# Conversations about money in the household have increased.



## COVID-19 Pandemic Resulted in Talking with Spouse/Partner about... *Among those married/partnered*



# Conversations with financial advisors have increased and most feel confident about their advisor.

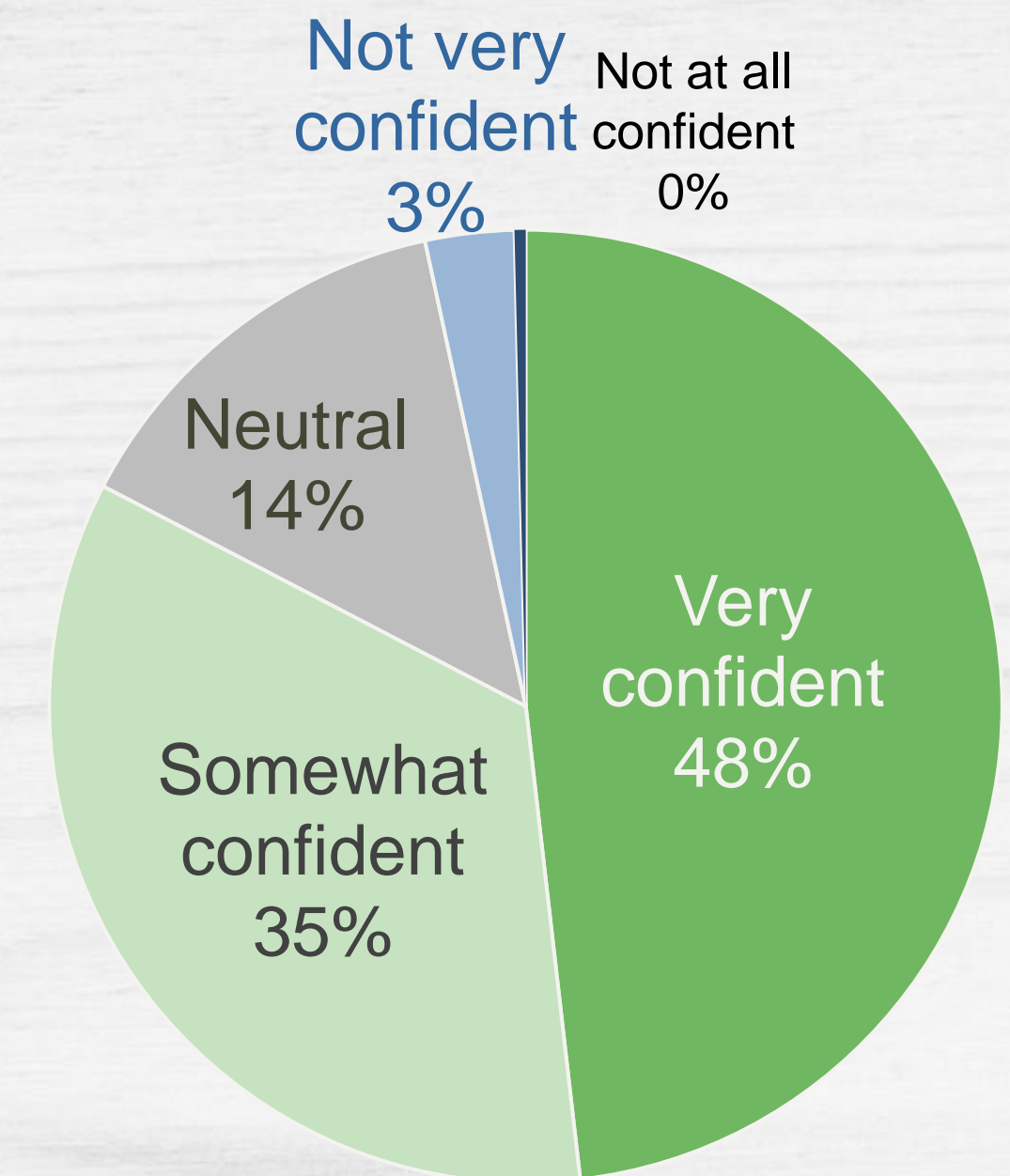
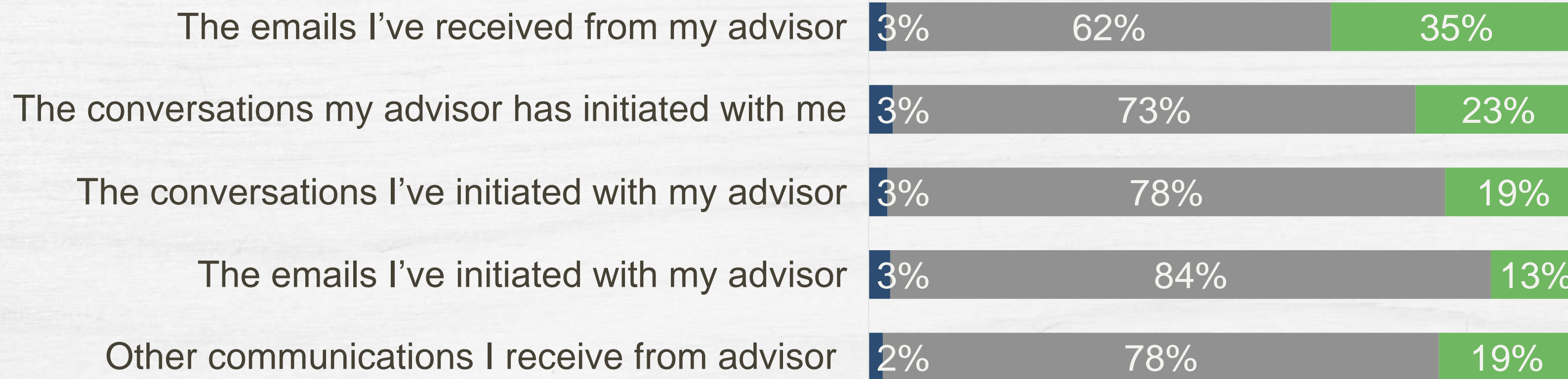


**65%** work with a financial advisor

## Confidence in Advisor and Services Provided Since the Start of COVID-19 Crisis *(among those with an advisor)*

### Changes, if any, in Interactions with Financial Advisor Since Start of the COVID-19 Crisis *(among those with an advisor)*

■ Decreased ■ Same ■ Increased





# APPENDIX

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# Respondent Profile

<b>Age</b>	56-60	25%
	61-65	25%
	66-70	25%
	71-75	25%
<b>Gender</b>	Male	50%
	Female	50%
<b>Region</b>	Northeast	24%
	Midwest	23%
	South	32%
	West	20%
<b>Highest Level of Education</b>	High school graduate or less	6%
	Completed some college	15%
	Associate's degree	9%
	College graduate	31%
	Completed some grad. school	7%
	Completed graduate school	31%
	Prefer not to say	<1%
<b>Race/Ethnicity</b>	White/Caucasian	94%
	Asian	3%
	Black/African American	2%
	American Indian or Alaska Native	1%
	Native Hawaiian or Pacific Islander	<1%
	Other	1%
	Prefer not to answer	<1%
	Hispanic	3%

<b>Current Employment Status</b>	Employed full-time	35%
	Employed part-time	10%
	Temp. laid-off/leave due to economy	2%
	Unemployed due to COVID-19	4%
	Retired, but working part-time	7%
	Fully retired	43%
	<b>Marital Status</b>	Married
	Living with partner	4%
	Single, never married	5%
	Divorced	9%
	Separated	1%
	Widowed	6%
<b>Spouse Current Employment Status</b> <i>Among those married</i>	Employed full-time	32%
	Employed part-time	6%
	Temp. laid-off/leave due to economy	2%
	Unemployed due to COVID-19	3%
	Unemployed not due to COVID-19	1%
	Homemaker	3%
	Retired, but working part-time	4%
	Fully retired	49%
	Other	1%

<b>Total Household Income for 2019</b> <i>Before taxes</i>	Less than \$35,000	3%
	\$35,000 to \$49,999	5%
	\$50,000 to \$74,999	17%
	\$75,000 to \$99,999	19%
	\$100,000 to \$149,999	28%
	\$150,000 to \$199,999	15%
	\$200,000 to \$249,999	6%
	\$250,000 to \$499,999	5%
	\$500,000 or more	1%
<b>Household's Total Investable Assets</b>	\$100,000 - \$149,999	9%
	\$150,000 - \$499,999	33%
	\$500,000 - \$999,999	27%
	\$1,000,000 - \$1,999,999	15%
	\$2,000,000 - \$2,999,999	8%
	\$3,000,000 or more	7%
<b>Financial Products Currently Own</b>	401(k)/403(b)/empl provid acct	62%
	An IRA	81%
	A Roth IRA	50%
	An annuity	38%
	A pension	65%
<b>Work with a Financial Advisor</b>	Yes	65%
	No	33%
	Not sure	2%
<b>Family or friends diagnosed w/ COVID-19</b>	Yes	11%
	No	89%