

The Nationwide Retirement Institute® Consumer Social Security PR Study

June 2016

Conducted by Harris Poll

NFM-15550AO



Nationwide®

Target Group and Method

- This survey was conducted online from February 16th to 23rd, 2016 to a targeted subset of the U.S. population:
 - 909 U.S. adults aged 50 or older, who currently collect or plan to collect Social Security benefits and fall into one of the following groups:
 - 10+ (Years) Retirees (n=307),
 - Recent Retirees (n=301), or
 - Future Retirees (n=301)
- Research participants were drawn from the Harris Poll Online (HPOL) research panel.
 - Because the sample is based on those who were invited to participate in the HPOL panel (and not random), we cannot calculate estimates of theoretical sampling error.
 - Sample of all U.S. respondents aged 50+ were weighted to the U.S. Population of adults aged 50+ by age-gender, race/ethnicity, education, region, household income and retired status.



Detailed Findings

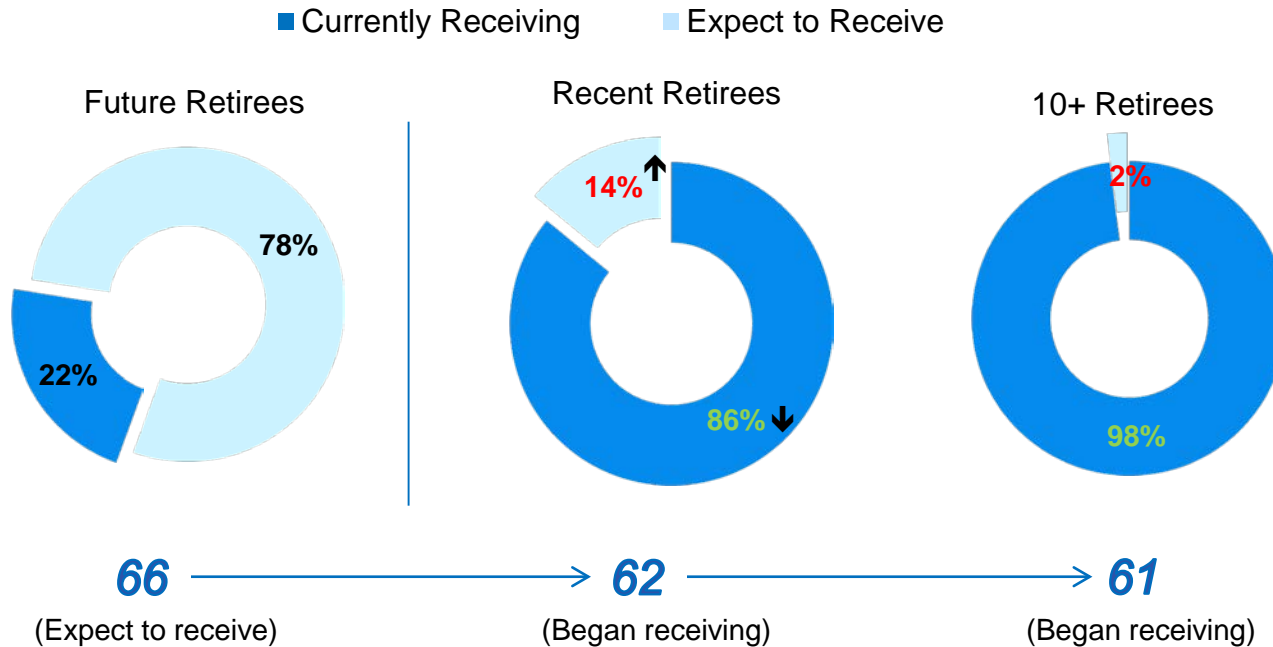
Retirement and Social Security Profile

Future Retirees expect to collect SS at an older age

- Though about 1 in 5 Future Retirees (22%) currently receive SS, those who have yet to collect expect to start at age 66 on average, compared to actual ages 62 for Recent Retirees and 61 for 10+ Retirees.
- Recent Retirees are less likely than 10+ Retirees to be collecting SS (86% vs. 98%).

In 2016 the average age that men began receiving SS is **lower** than it was in 2014 (60.5 vs. 62.3).

Getting/Planning To Get SS



↑ ↓: Recent Retiree significantly higher/lower than 10+ Retiree @ 95%
 Green/Red= significantly higher/lower than Future Retirees @ 95%

Base: Qualified Respondents (Total n=909): Future (n=301); Recent (n=301); 10+ (n=307)

Q615 Do you currently receive or will you receive Social Security?

Q702 IF Receiving SS (Total n=597; Recent n=253); 10+ n=297): At what age did you begin collecting Social Security?

IF Not Receiving SS (Total n=312; Future n=254): At what age do you think you will start to collect Social Security?

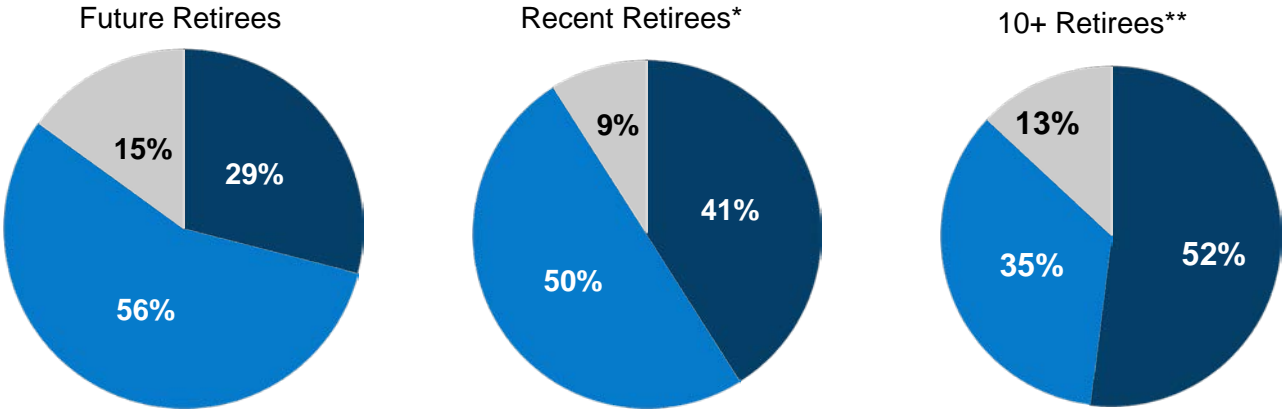
Some plan to draw SS benefits before full retirement age

- Of Future Retirees who plan to draw SS, about three in ten (29%) plan to draw these benefits early.

Total:
Yes (30%)
No (55%)
Not sure (15%)

Plan To Draw SS Benefits Before Full Retirement Age

■ Yes ■ No ■ Not Sure



*Caution, small base <100
**Caution, very small base <30

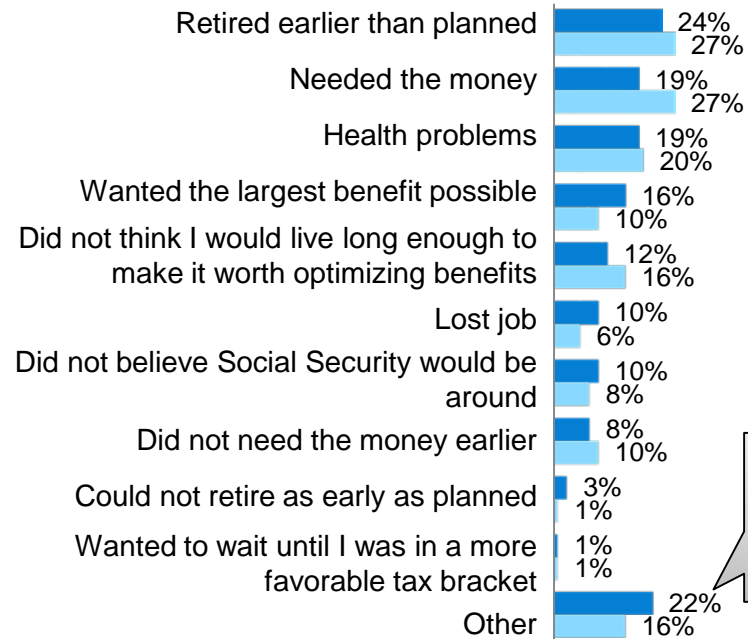
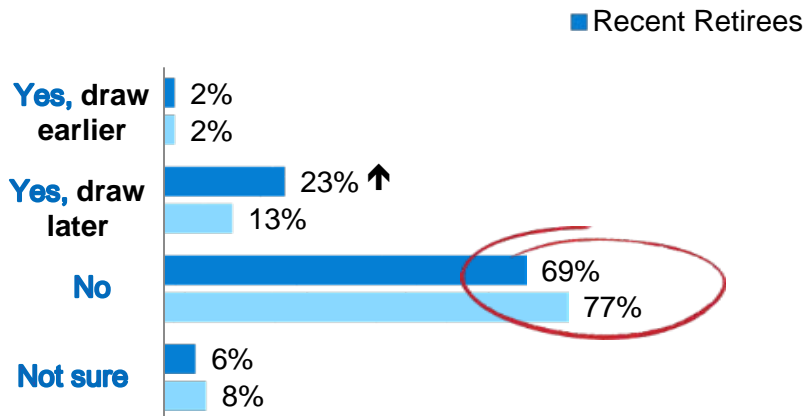
The majority of retirees would not change the age they started drawing SS

- Recent Retirees are more likely than 10+ Retirees to say that, if they could, they would start drawing later than they did (23% vs. 13%).

Would you change the age you started to collect SS if you could?

No

Reasons For Drawing SS At That Age
(Of those who would not change decision)



Death of spouse, lost some of my pension, wanted to retire, best choice for me, disability

In 2016, 10+ Retirees are **less** likely than in 2015 to say they would change the age they started SS if they could (15% vs. 25%).

↑ ↓: Recent Retiree significantly higher/lower than 10+ Retiree @ 95%

Base: Currently Drawing Social Security (Total n=597): Recent (n=253); 10+ (n=297)

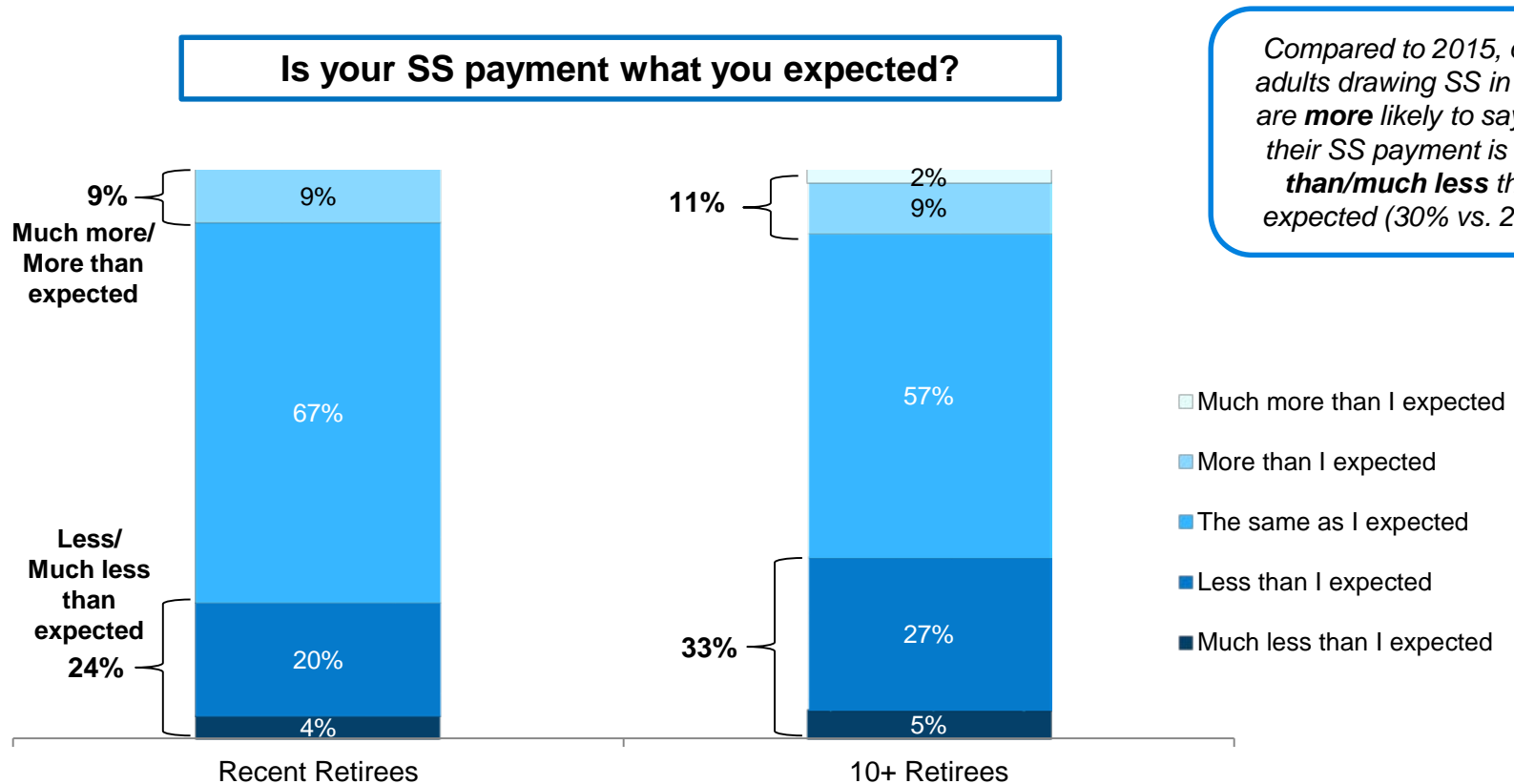
Q712 Looking back on your decision to start at that age, would you change that decision if you could?

Base: Would Not Change Drawing Decision (Total n=423): Recent (n=173); 10+ (n=220)

Q710 Which of the following are reasons you drew Social Security at that age? Please select all that apply.

Majority of retirees receive the same Social Security payment that they expect, but more overestimate payment than underestimate

- About one quarter of Recent Retirees (24%) say their SS payment is less/much less than expected.
- 10+ Retirees are three times as likely to say their SS payments were *less* than expected (33%) rather than *more than* they expected (11%).



Expected SS payments higher, on average, than payments received

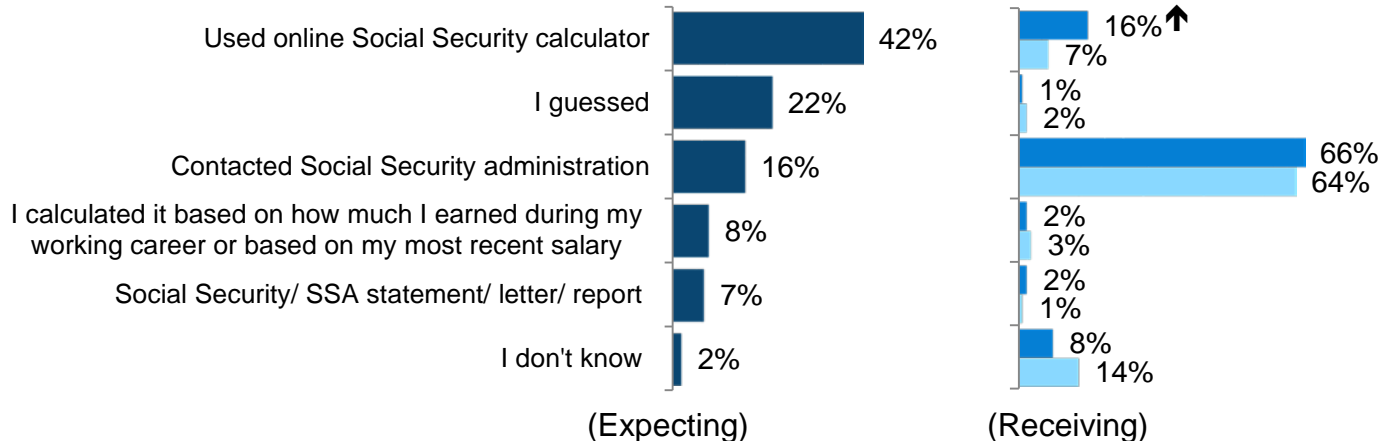
- 4 in 10 Future Retirees (42%) used an online SS calculator to calculate their future payment; more Recent Retirees than 10+ Retirees used the same method.
- Majority of Recent (66%) and 10+ Retirees (64%) contacted SS administration.

Social Security Payment Expecting/Receiving (Mean)

- Future Retirees (Expect \$1,610)
- Recent Retirees (Get \$1,378) ↑
- 10+ Retirees (Get \$1,185)

In 2016, women's average monthly payment they "expected" to receive is **higher** than as reported in 2014 (\$1527 vs. \$1189).

How did you arrive at that dollar amount?



Note: Only responses ≥3% among Total are displayed

↑ ↓: Recent Retiree significantly higher/lower than 10+ Retiree @ 95%

Green/Red= significantly higher/lower than Future Retirees @ 95%

Base: Qualified Respondents (Total n=909); Future (n=301); Recent (n=301); 10+ (n=307)

Q720 What monthly payment are you currently receiving/expecting to receive from Social Security?

Base: Not Getting SS and Provided Expected Monthly Dollar Amount (Total n=188); Future (n=152)

Q722 Which one of the following best describes how you arrived at this dollar amount?

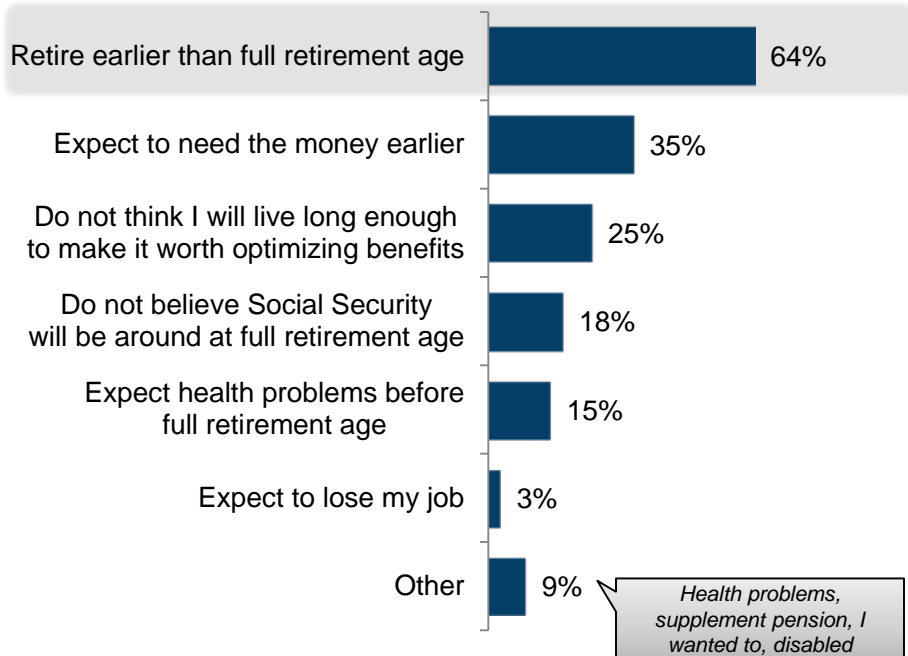
Base: Getting SS (Total n=597); Recent (n=253); 10+ (n=297)

Q1722 Which one of the following resources helped you to best identify the monthly Social Security payment amount you would receive prior to retiring?

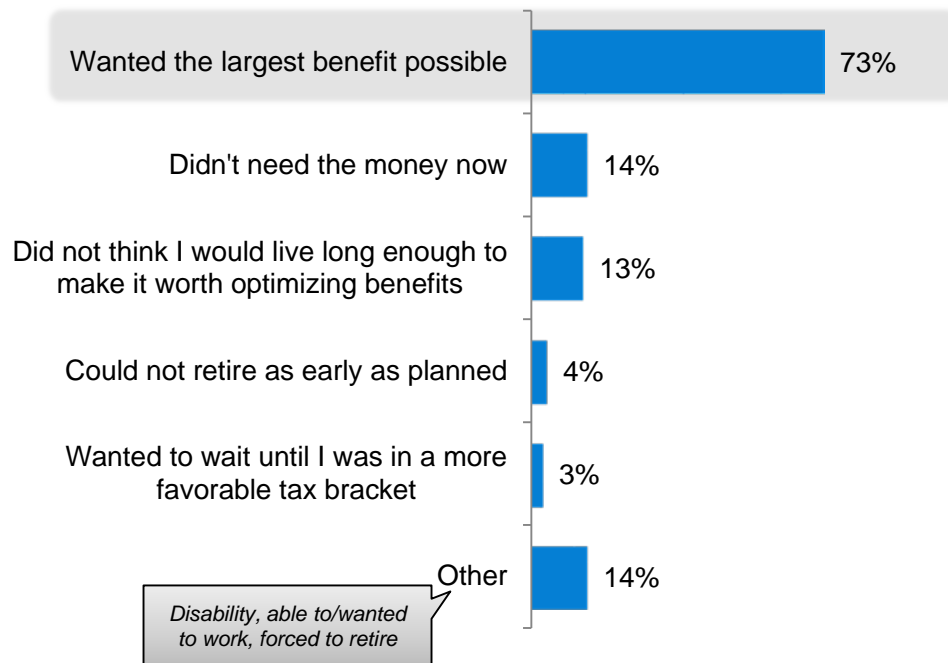
Most who would start drawing Social Security later would do so to get the largest benefit possible

- Almost two-thirds of those who plan to draw SS **early** (64%) would do so because they are retiring earlier than full retirement age.
- Alternately, 73% of those who would start to draw SS **later** want the largest benefit possible.

Reasons Would Start Drawing SS Early*



Reasons Would Start Drawing SS Later



*Caution, small base <100

Base: Plan To Draw Benefits Early (Total n=95)

Q714 You indicated that you plan to draw Social Security benefits before full retirement age. Which of the following are reasons you would start drawing Social Security benefits early? Please check all that apply.

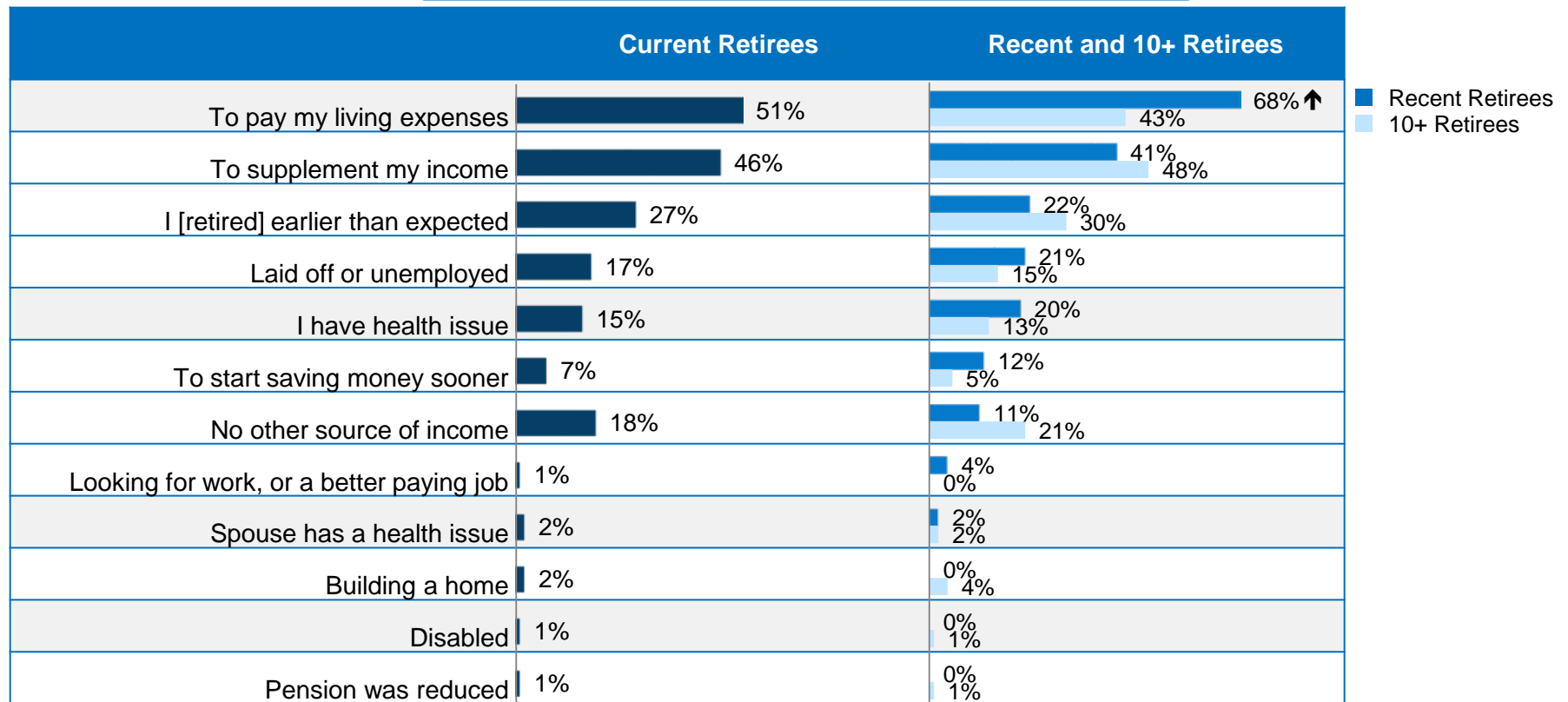
Base: Would Start Drawing Social Security Later (Total n=110)

Q711 You indicated that you would start to draw Social Security later. Which of the following are reasons you would start drawing Social Security later? Please check all that apply.

Retirees who drew SS early because they needed the money did so mostly to pay for living expenses or supplement their income

- Recent Retirees think they will need or did need SS money early to pay their living expenses, more so than 10+ Retirees (68% vs. 43%).
- 10+ Retirees most commonly attribute their need for money to supplementing their income (48%).

Why did you need the SS money earlier?



*Caution, small base <100

↑ ↓: Recent Retiree significantly higher/lower than 10+ Retiree @ 95%

Base: Need The Money Earlier (Current Retirees n=103); Recent (n=40); 10+ (n=63)

Q715A You indicated that you [would start/started] drawing Social Security benefits [early] because you [expect to need/needed] the money earlier. Why [do you think you will/did you] need the money earlier?

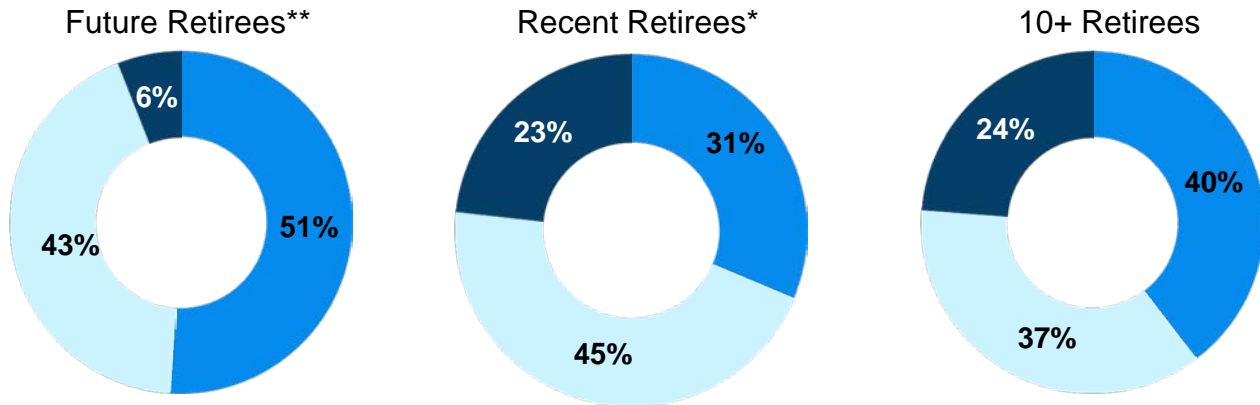
Retiree groups are split on whether they would draw SS even if they had not been affected by a life event

- About 1 in 4 Recent (23%) and 10+ Retirees (24%) are unsure whether or not they would still have started drawing SS benefits at the age they did, regardless of life event (lost job, health problems, or needing the money).

Total:
 Yes (40%)
 No (40%)
 Not sure (20%)

Would Still Have Drawn SS Regardless of Life Event

■ Yes ■ No ■ Not sure



*Caution, small base <100
 **Caution, very small base <30

Many indicate having other sources of income during retirement

- Although all groups say that SS will cover more than half of their expenses, Future Retirees are more likely than Recent or 10+ Retirees to supplement this with retirement accounts or employment, but are less likely to say they will supplement with pension.

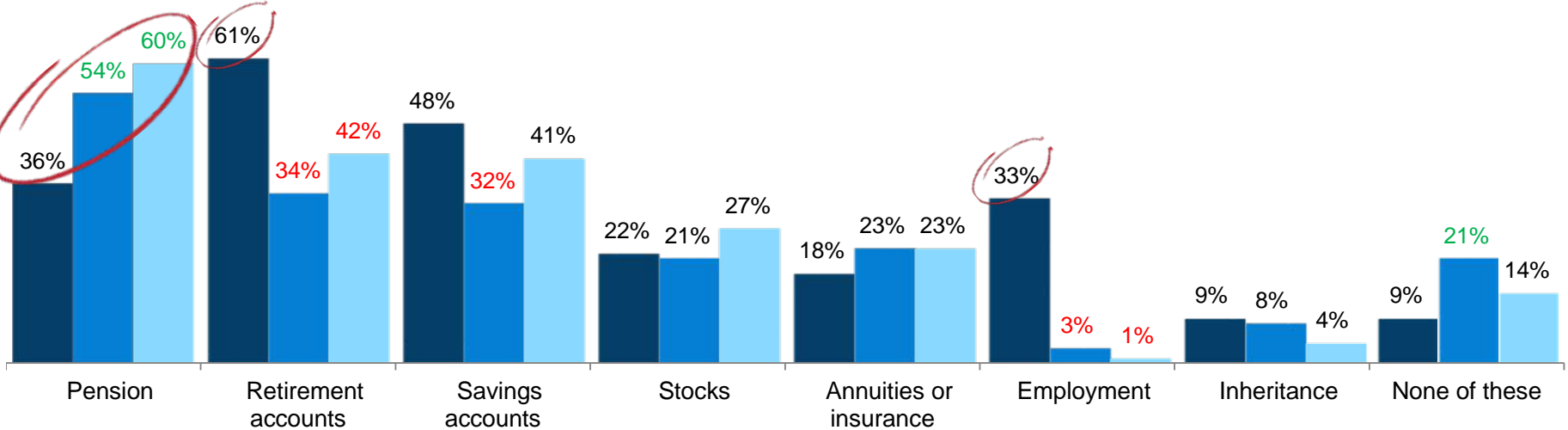
In 2016, fewer Future Retirees say they will have retirement accounts, compared to 2015 or 2014 (61% vs. 73% or 73%)

Sources of Retirement Income

■ Future Retirees ■ Recent Retirees ■ 10+ Retirees

Avg. % of Expenses Expect SS to Cover:

- Future Retirees: 57%
- Recent Retirees: 57%
- 10+ Retirees: 55%



Note: Only responses >3% among Total are reported

↑ ↓: Recent Retiree significantly higher/lower than 10+ Retiree @ 95%
 Green/Red= significantly higher/lower than Future Retirees @ 95%

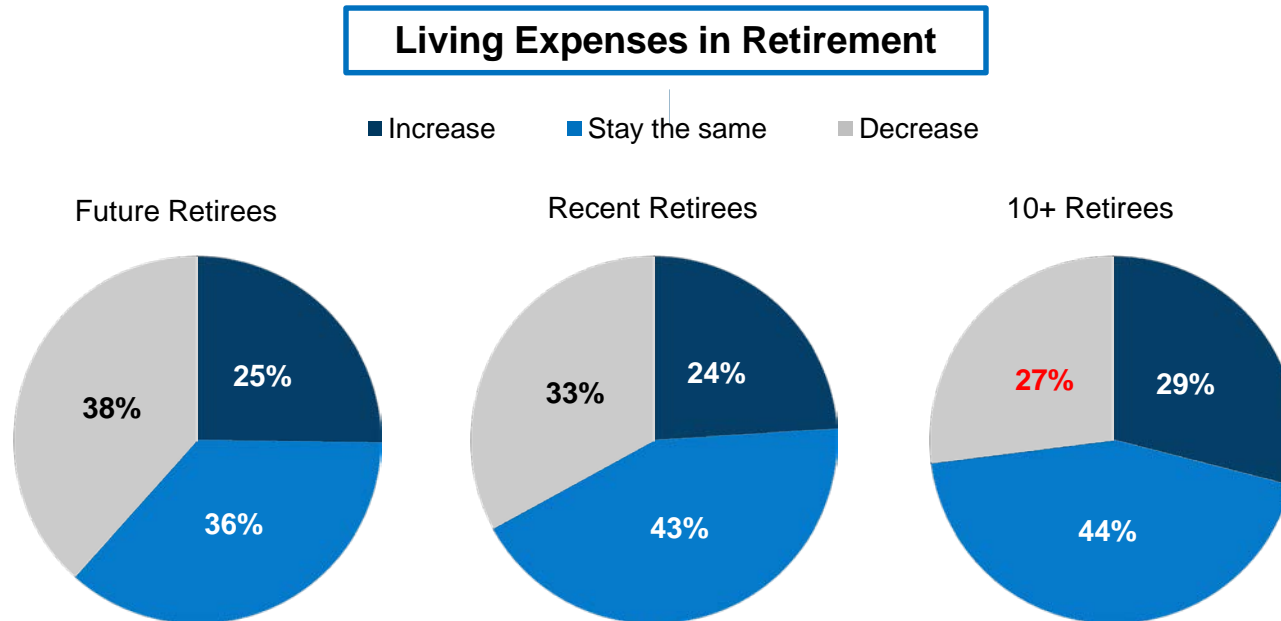
Base: Qualified Respondents (Total n=909); Future (n=301); Recent (n=301); 10+ (n=307)

Q716 In addition to Social Security, [do you have/will you have] any of the following sources of retirement income? Please select all that apply.

Q813 What percent of your expenses [do/do you expect] your Social Security benefits [to] cover?

Retiree groups split on expected living expenses post-retirement

- Future Retirees are more likely than 10+ Retirees to say their living expenses will decrease/decreased (38% vs. 27%, respectively)



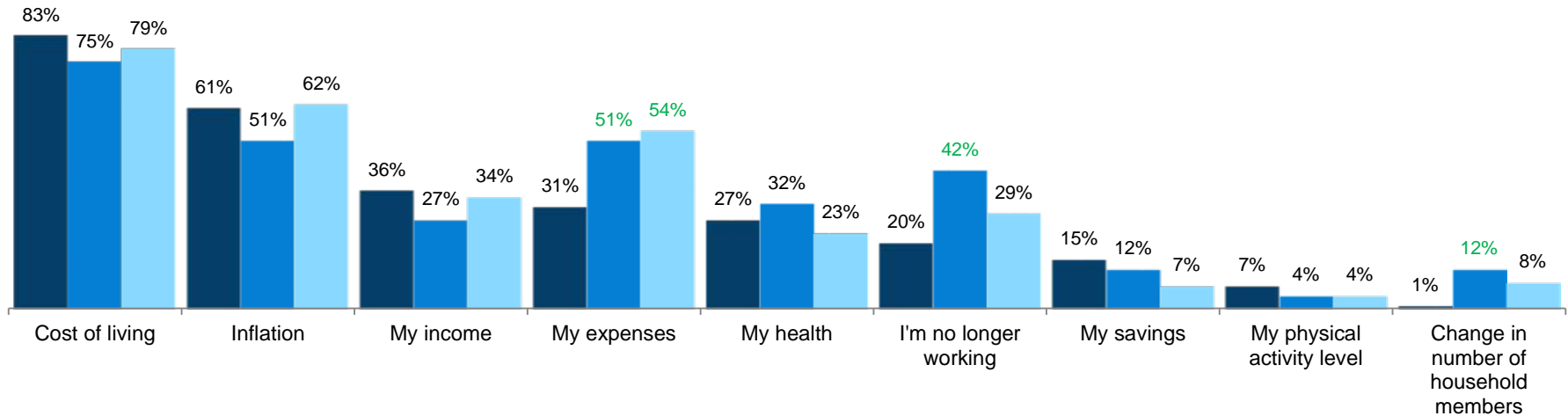
Expectations for living expenses in retirement are consistent with 2015 and 2014.

Cost of living and inflation are the top reasons expenses increase in retirement

- Recent and 10+ Retirees are more likely than Future Retirees to say that their expenses are what have caused/will cause their living expenses to increase in retirement (51% and 54% vs. 31%).

Reasons Living Expenses [Will Increase/Increased] in Retirement

■ Future Retirees* ■ Recent Retirees* ■ 10+ Retirees



Total: 80% 59% 33% 44% 27% 28% 11% 5% 6%

*This year compared to 2015 or 2014, older adults are **less** likely to say their expenses will increase due to inflation (59% vs. 77% or 72%) or their health (27% vs. 42% or 42%).*

*In 2016, Future Retirees are **less** likely to say their expenses will increase due to their health, compared to 2015 (27% vs. 53%).*

*Caution, small base <100

Note: Only responses >3% among Total are displayed

Green/Red= significantly higher/lower than Future Retirees @ 95%

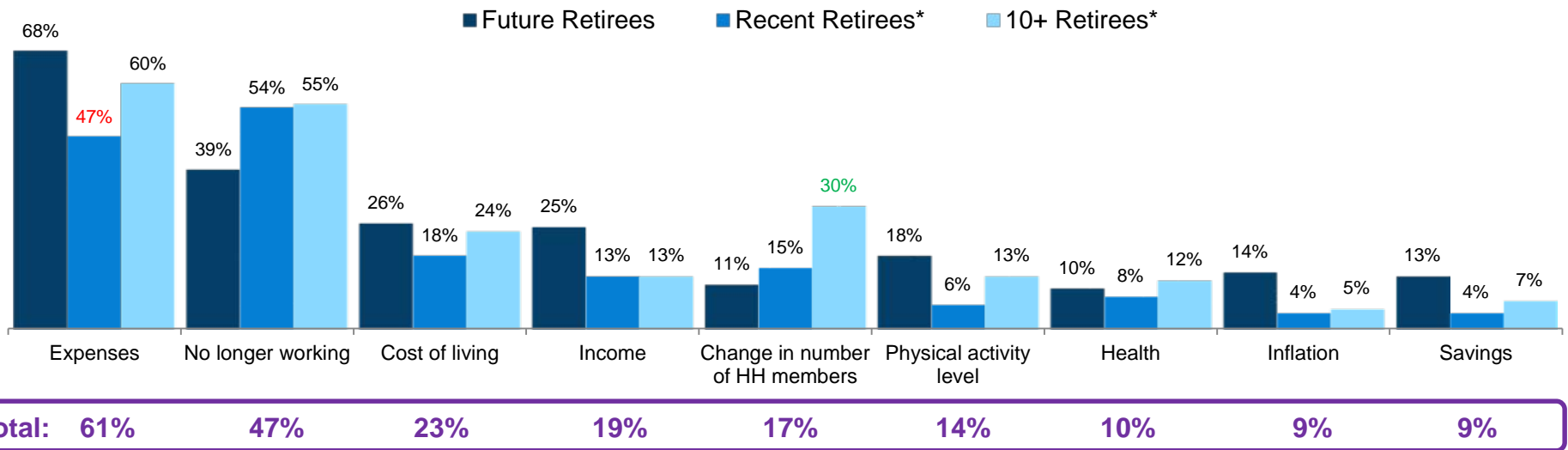
Base: Respondents Whose Living Expenses Increased (Total n=262); Future (n=78); Recent (n=79); 10+ (n=105)

Q755 [Why did your living expenses/do you expect your living expenses to] ["increase"]? That is, what do you believe that is due to?

Decrease in living expenses primarily due to overall expenses and no longer working

- Recent Retirees are less likely than Future Retirees to attribute the decrease to expenses (47% vs. 68%).

Reasons Living Expenses [Will Decrease/Decreased] in Retirement



Comparing 2016 to 2015, Recent Retirees are **less** likely to say their living expenses will/did decrease in retirement because of their expenses (47% vs. 69%).

*Caution, small base <100

Note: Only responses >3% among Total are displayed

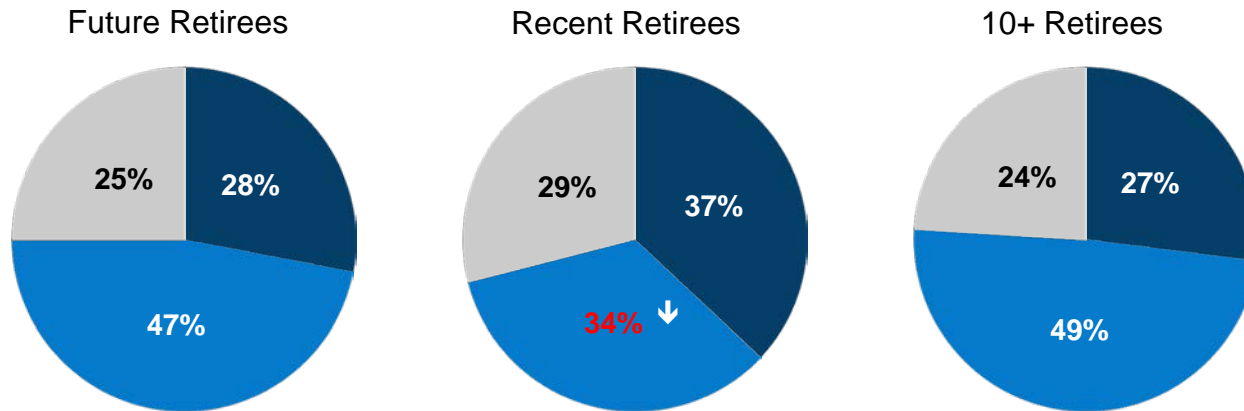
Green/Red= significantly higher/lower than Future Retirees @ 95%

Recent Retirees less likely to say life in retirement is same as before

- About 1 in 4 of each Future Retirees (25%) and 10+ Retirees (24%) say that life in retirement will be worse than before retirement, while about 3 in 10 Recent Retirees (29%) feel the same.

[Is/Will] life in retirement [be] better or worse than before retirement?

■ Better ■ The same ■ Worse



In 2016, 10+ Retirees are **less** likely than in 2015 to say life is **better** than it was before retirement (27% vs. 40%).

↑ ↓: Recent Retiree significantly higher/lower than 10+ Retiree @ 95%
 Green/Red= significantly higher/lower than Future Retirees @ 95%

No longer working is top reason why retired life is better; income one of top reasons it is worse

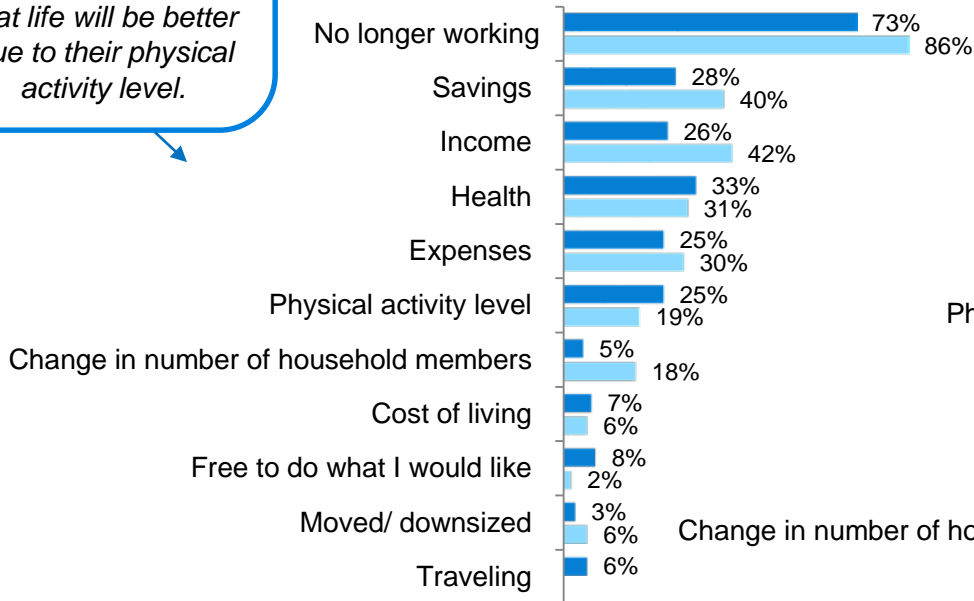
- 10+ Retirees are more likely than Recent Retirees to say life is worse because of cost of living (89% vs. 65%) or inflation (72% vs. 35%) reasons.

Compared to 2014, Recent Retirees, 10+ Retirees, males, and females are **less likely to say that life will be better due to their physical activity level.**

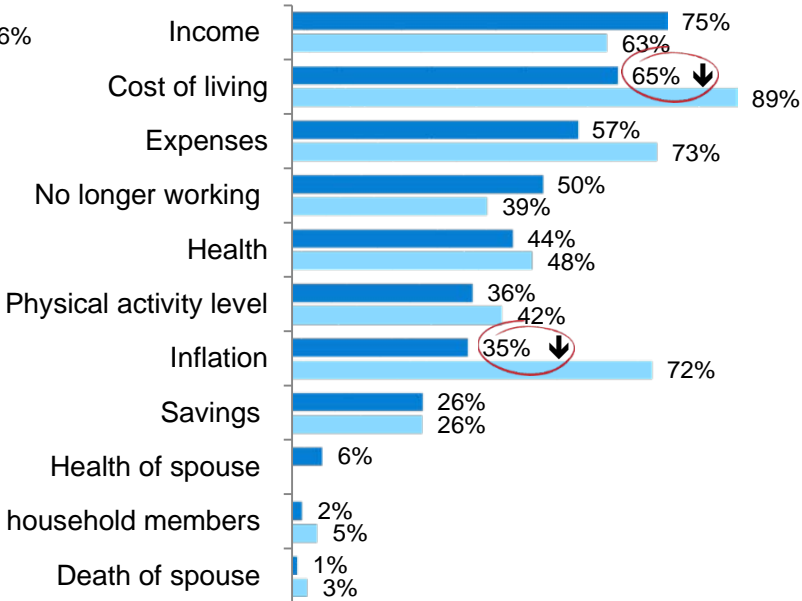
Retirees: Why is life better/worse?

■ Recent Retirees ■ 10+ Retirees

Better: Retiree Major Mentions (n=171)



Worse: Retiree Major Mentions (n=177)



Note: Only responses ≥3% among Total are displayed

↑ ↓: Recent Retiree significantly higher/lower than 10+ Retiree @ 95%

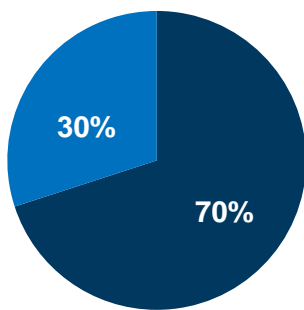
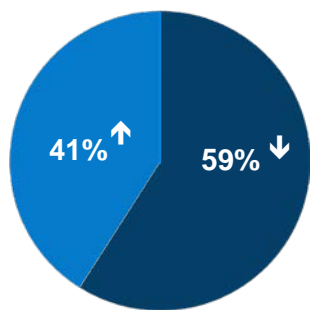
Current Retirees are able to do what they want in retirement; those who cannot cite financial restraints and health problems

- Almost two in five Retirees (37%) say health problems keep them from living retirement they expected
- Outside of health issues, the top reason for not being able to do the things they wanted after retirement is not being able to afford to do those things (85%).

Able to do things wanted in retirement?

Recent Retirees

10+ Retirees



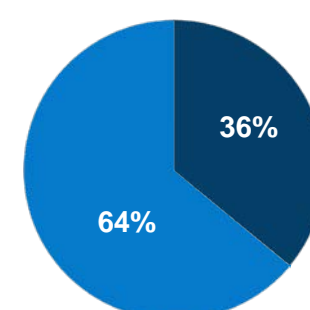
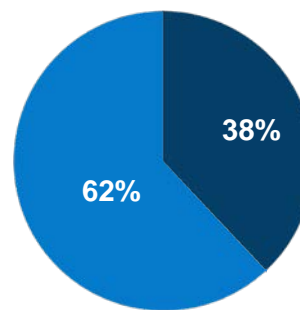
■ Yes
■ No

Current Retirees: 66% Yes

Health problems interfering with retirement?

Recent Retirees

10+ Retirees



Current Retirees: 37% Yes

Reasons Not Able to do Things Wanted*:

- Couldn't afford to do those things: 85%
- Had to take care of loved ones: 11%
- Poor Health: 6%
- Had to continue working: 3%
- Other: 13%

Results are consistent with 2015 and 2014.

*Caution, small base <100

↑ ↓: Recent Retiree significantly higher/lower than 10+ Retiree @ 95%

Base: Retired Respondents (Total n=608); Recent (n=301); 10+ (n=307)

Q760 Were you able to do the things you wanted when you retired?

Base: Did Not Do The Things Wanted To After Retirement, Not Health Related (Total n=60)

Q785 Why were you not able to do the things you thought you would when you retired?

Base: Retired Respondents (Total n=608); Recent (n=301); 10+ (n=307)

Q765 Do health problems keep you from living the retirement you expected?

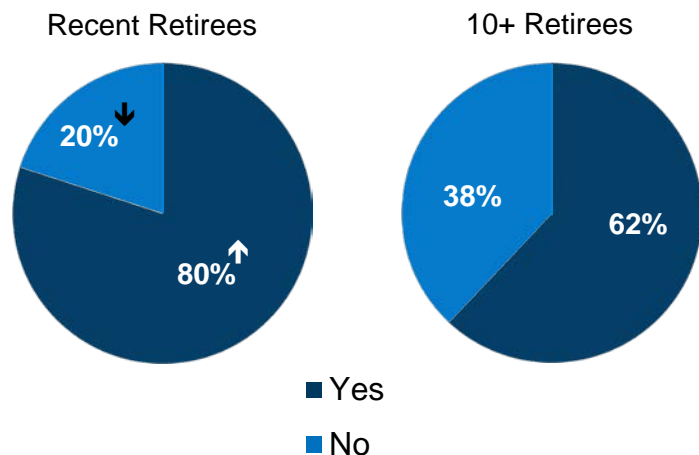
Health problems occurred sooner than expected for many retirees

- Nearly three in four 10+ Retirees with health problems (73%) say these problems occurred more than five years sooner than expected.
- Recent Retirees are more likely than 10+ Retirees to say their health problems occurred more than one year, but less than five years sooner than expected (44% vs. 24%).

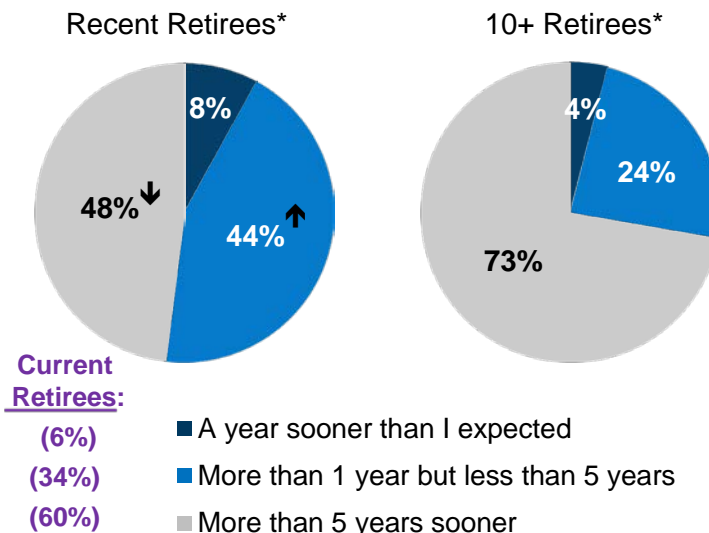
Were health problems sooner than expected?

Yes

How much earlier?



Current Retirees: 70% Yes



Current Retirees:
(6%)
(34%)
(60%)

Though consistent with 2014, 10+ Retirees this year are **less** likely than in 2015 to say that their health problems occurred a year sooner than expected (2016: 4% vs. 2015: 20% vs. 2014: 3%).

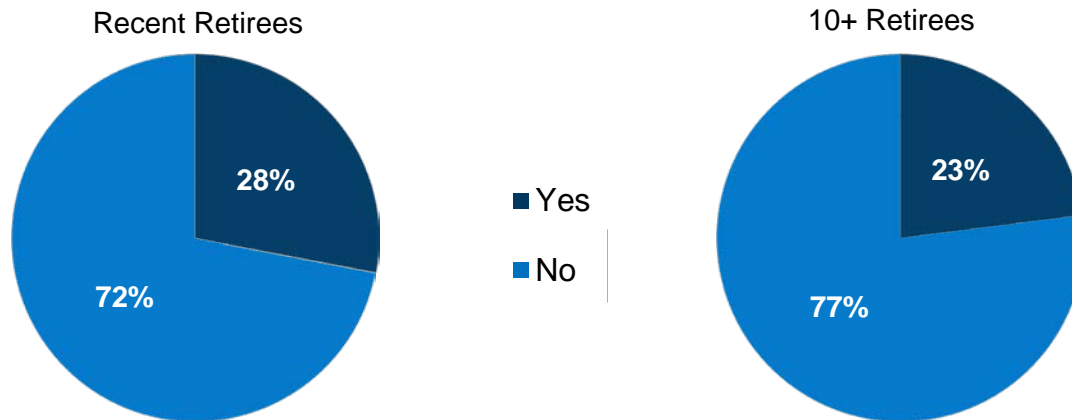
*Caution, small base <100

↑ ↓: Recent Retiree significantly higher/lower than 10+ Retiree @ 95%

Health care expenses keep some from living the retirement they expected

- About one in four Recent (28%) and 10+ Retirees (23%) say health care expenses interfere with them living the retirement they expected.

Health Care Expenses Interfere With Retirement Life Expected?



Current Retirees: 25% Yes

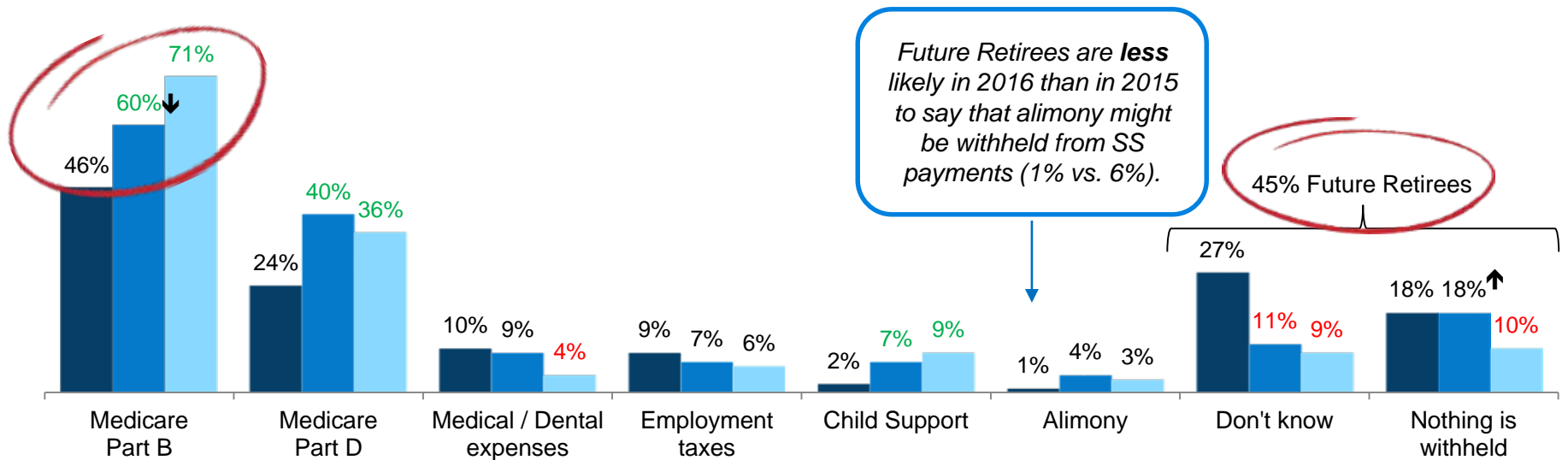
Results are consistent with 2015 and 2014.

Many Future Retirees don't know which expenses might be withheld

- 10+ Retirees are most likely to say that Medicare Part B might be withheld from SS payments (71% vs. 60% Recent Retirees vs. 46% Future Retirees).

Perceived SS Withholdings

■ Future Retirees ■ Recent Retirees ■ 10+ Retirees



↑ ↓: Recent Retiree significantly higher/lower than 10+ Retiree @ 95%
 Green/Red= significantly higher/lower than Future Retirees @ 95%

Base: Qualified Respondents (Total n=909): Future (n=301); Recent (n=301); 10+ (n=307)

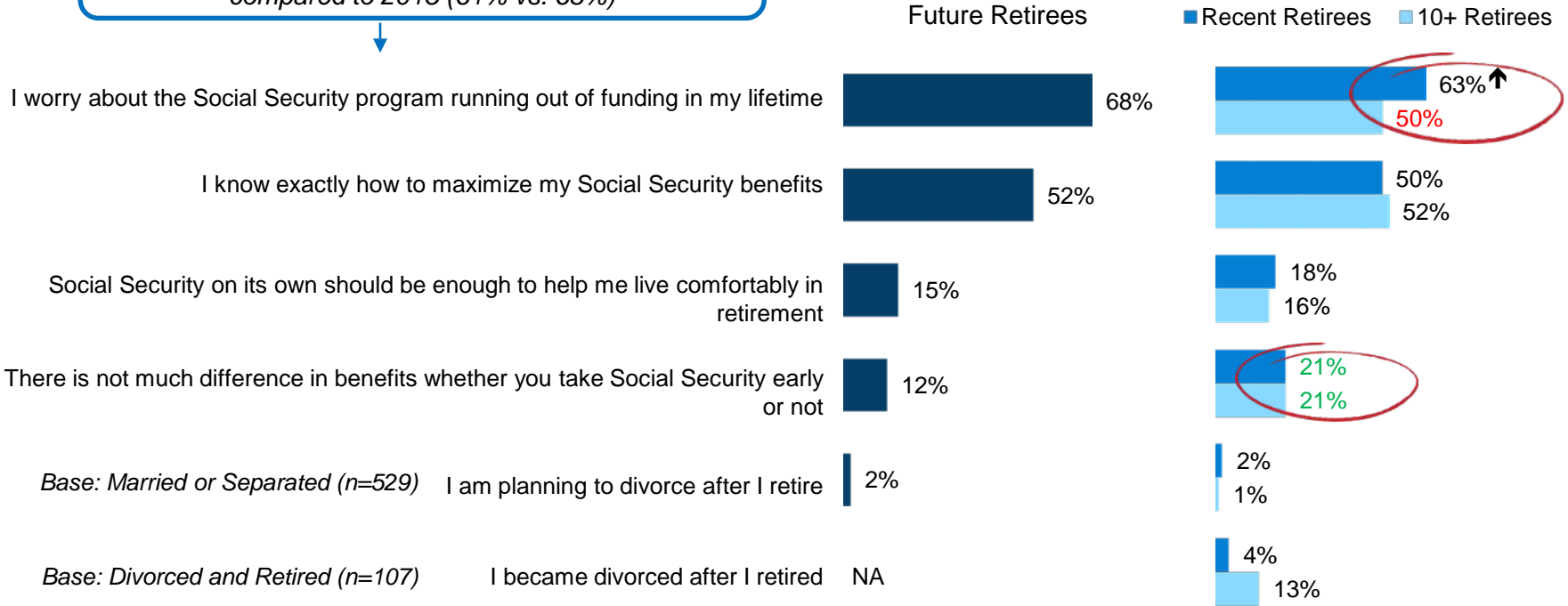
Q718 Which of the following types of expenses might be withheld from Social Security payments?

Majority of retirees worry about SS program running out of funding

- 10+ Retirees are less likely than Future Retirees and Recent Retirees to worry about SS running out of funds in their lifetime (50% vs. 68% or 63%).
- 10+ Retirees and Recent Retirees are more likely than Future Retirees to feel that there is not much difference in benefits whether taken early or not.

This year, **fewer** older adults say they worry about the SS program running out of funding in their lifetime, compared to 2015 (61% vs. 68%)

Strongly/Somewhat Agree

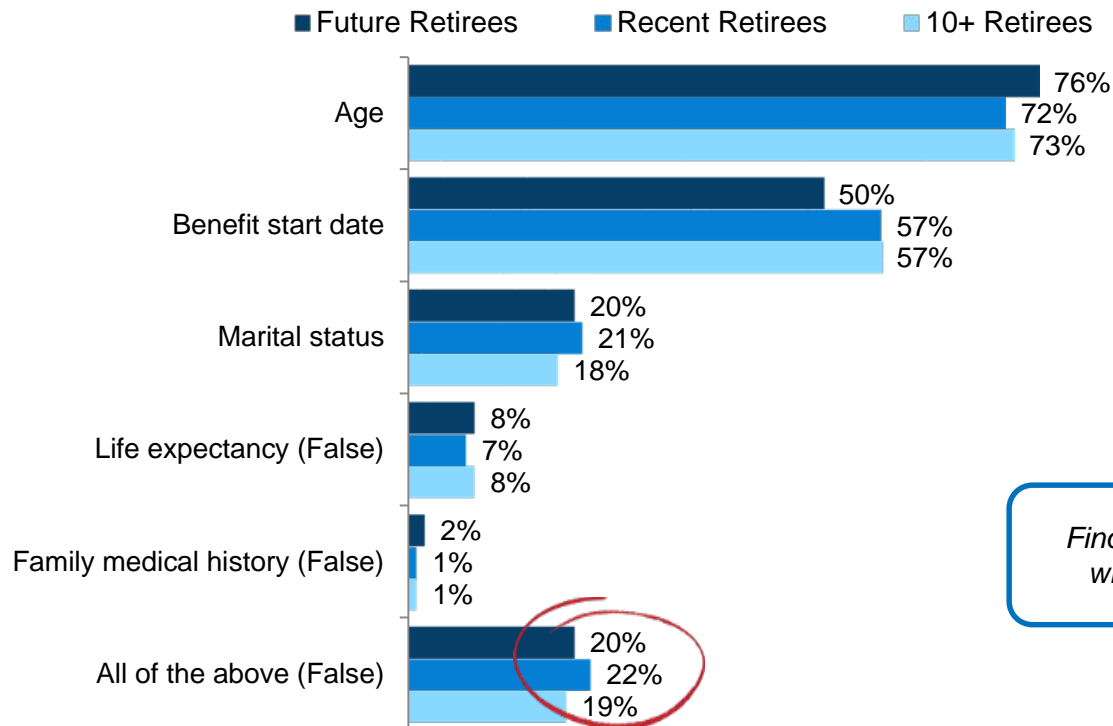


↑ ↓: Recent Retiree significantly higher/lower than 10+ Retiree @ 95%
 Green/Red= significantly higher/lower than Future Retirees @ 95%

Half or more believe that age or start date determines SS benefits

- About one in five incorrectly believe that maximum social security benefits are determined by all of these factors.

What Determines The Maximum Social Security Benefit?

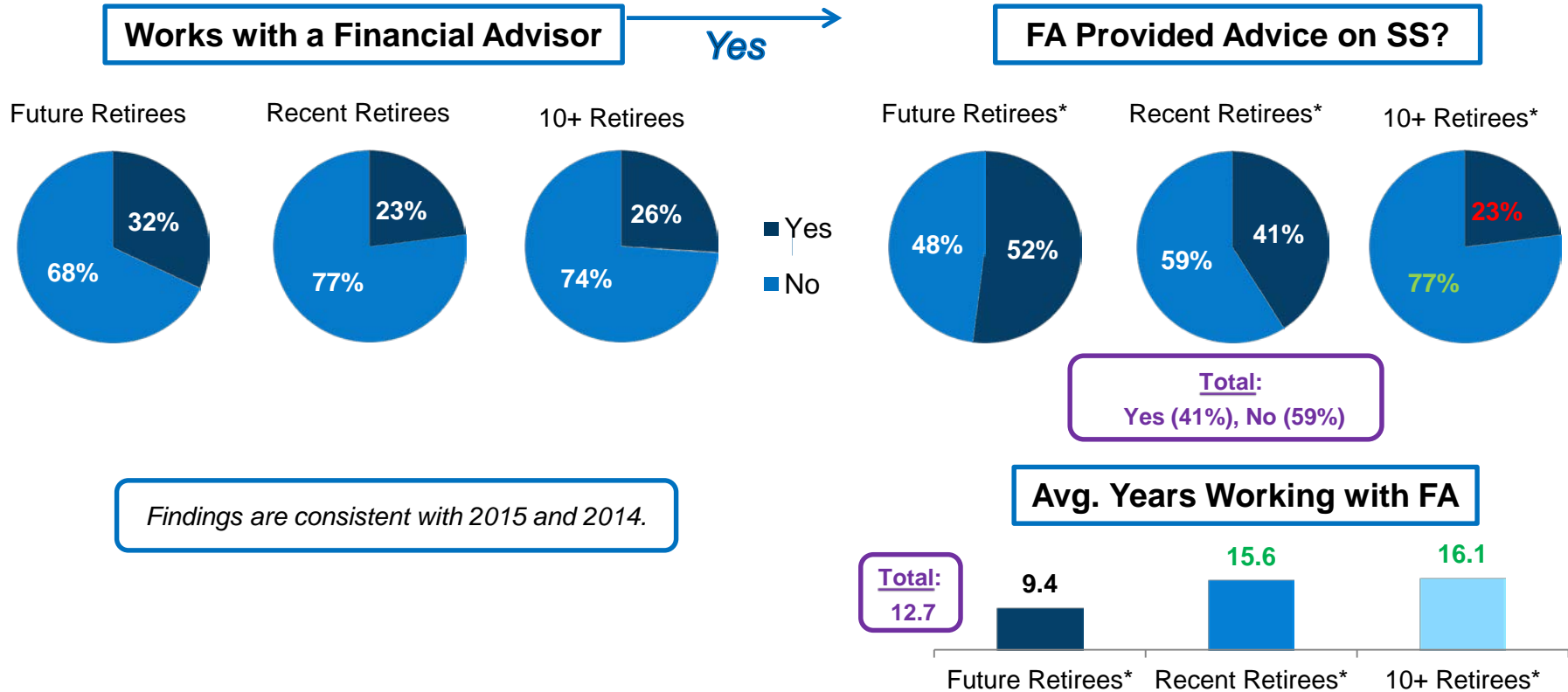


Findings are consistent with 2015 and 2014

Few have a financial advisor who provides advice on Social Security

- Recent and 10+ Retirees have worked with a FA more years, on average, than Future Retirees.
- 10+ Retirees are less likely than Future Retirees to say their FA provided advice on Social Security.

Total Incidence of having a FA who provided SS advice: 11%



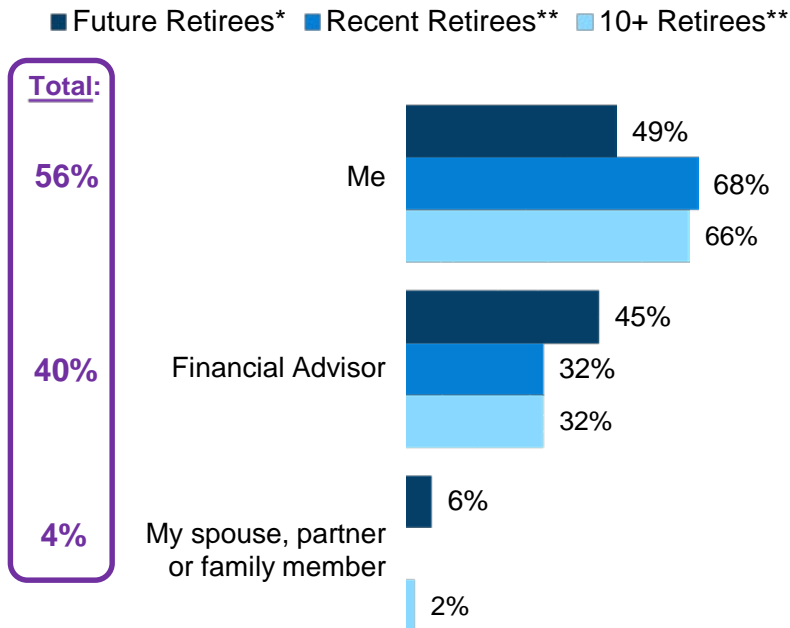
*Caution, small base <100

Green/Red= significantly higher/lower than Future Retirees @ 95%

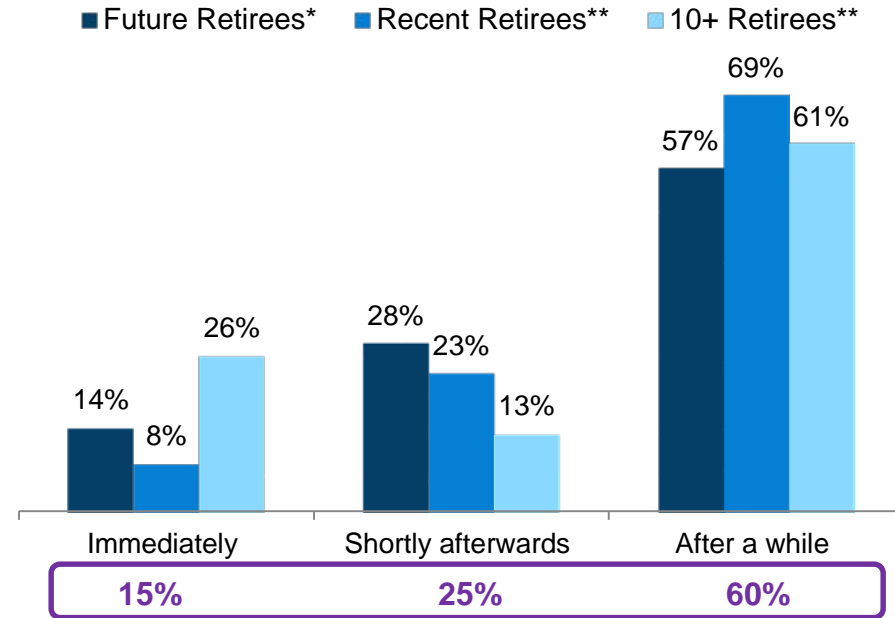
Of those given SS advice by a FA, about half or more initiated the discussion themselves

- Most say that they didn't have the discussion until after they started working with their financial advisor.

Who initiated the FA SS discussion?



How soon did the SS discussion happen once you started working with an advisor?

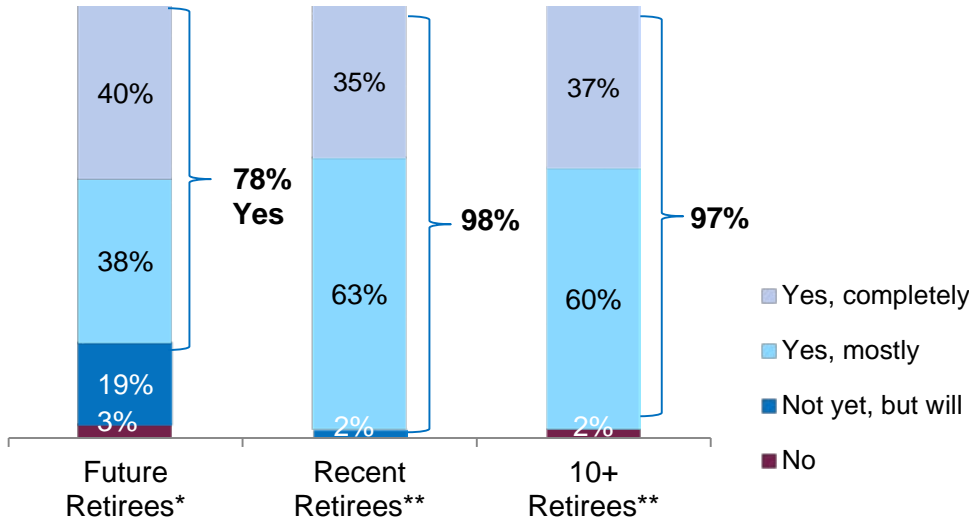


Compared to previous years, older adults are **less** likely to say that the discussion with their FA started **immediately** (2016: 15% vs. 2015: 34% or 2014: 36%).

*Caution, small base <100
**Caution, very small base <30

Vast majority mostly or completely followed their FA's SS advice

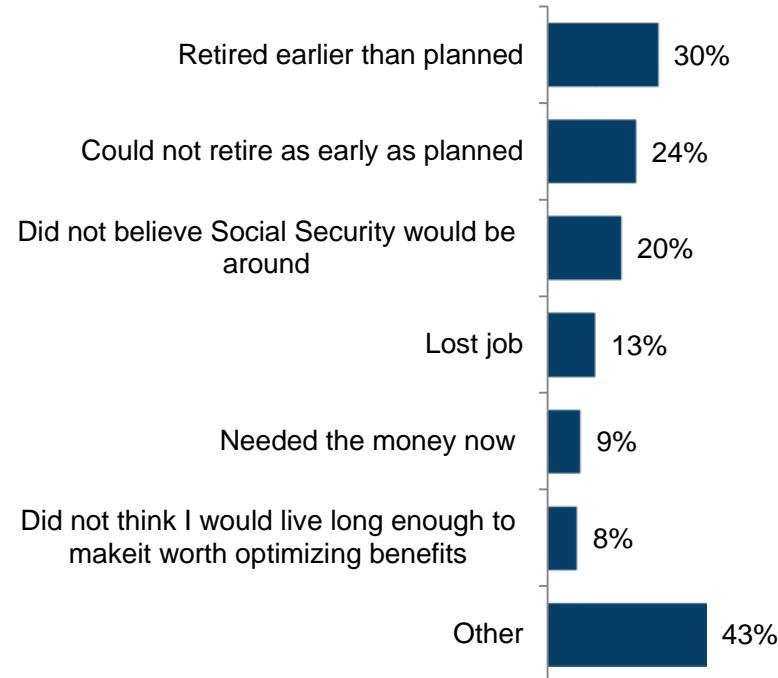
- About 4 in 10 followed the advice of their FA “completely”



This year compared to 2015, Future Retirees are **less** likely to say that they **mostly** followed their FA's advice (38% vs. 65%).

Total:
 Yes, completely (39%)
 Yes, mostly (47%)
 Not yet, but will (12%)
 No (2%)

Why didn't you follow the FA's SS advice?*



*Caution, small base <100
 **Caution, very small base <30

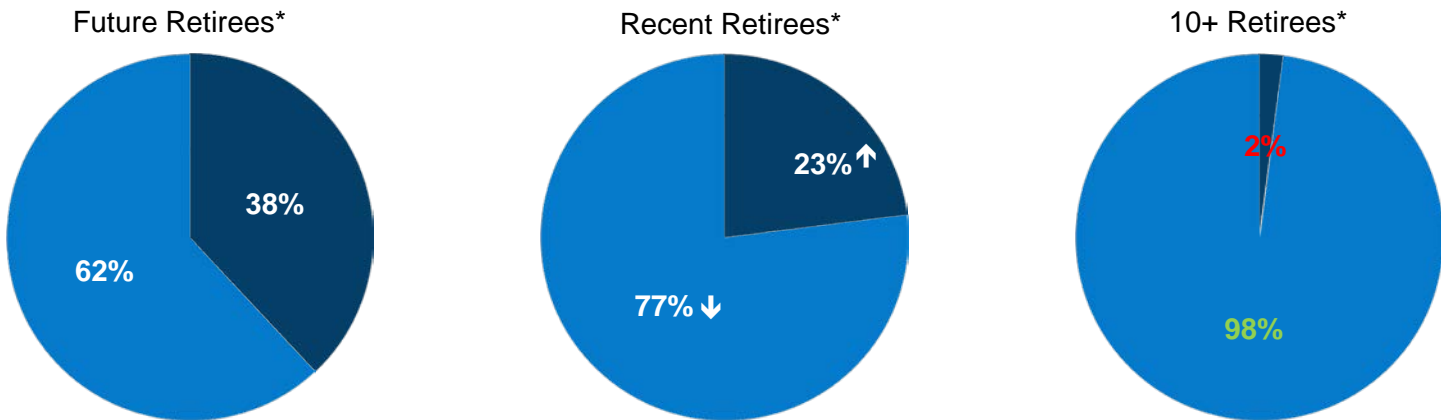
Current and Future Retirees do not expect SS advice from their FA

- 10+ Retirees are more likely than Future and Recent Retirees to say they *do not* expect their FA to advise them on SS (98% vs. 62% or 77%, respectively).

Total:
Yes (20%)
No (80%)

Expect Social Security Advice From FA

■ Yes ■ No



2016 FA Social Security advice expectations are on par with 2015 and 2014.

*Caution, small base <100

↑ ↓: Recent Retiree significantly higher/lower than 10+ Retiree @ 95%
Green/Red= significantly higher/lower than Future Retirees @ 95%

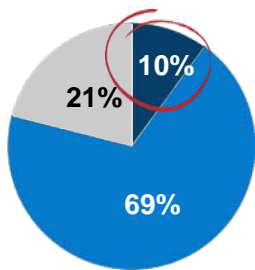
Among those retirees who do not work with a FA, very few plan to ask one about SS benefits in the next six months

- Future Retirees are more likely than Recent or 10+ Retirees to say they plan on asking a FA about SS in the next 6 months (10% vs. 1% or 2%, respectively).
- With the exclusion of 10+ Retirees, most would switch FAs if a FA could not show them how to maximize SS benefits.

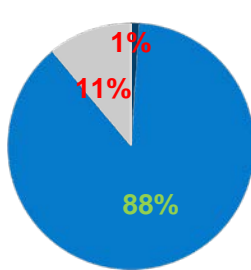
(Do not work with a FA)
Plan on asking FA about SS in next 6 months?

■ Yes ■ No ■ Not sure

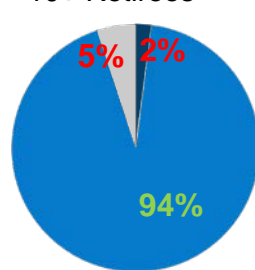
Future Retirees



Recent Retirees



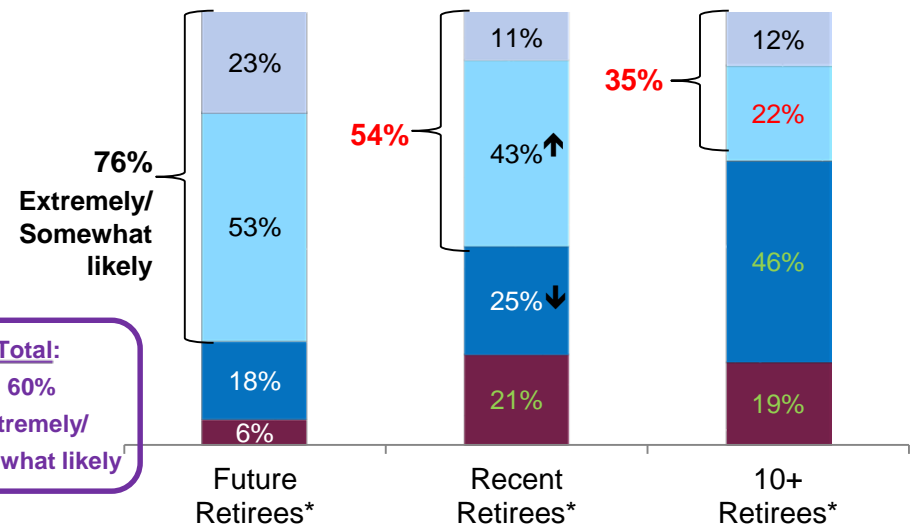
10+ Retirees



Future Retirees are **more** likely in 2016 than in 2015 to say they **plan on** asking a FA specifically about SS benefits in the next 6 months (10% vs. 3%).

(Work with or plan to work with FA)
Likelihood of Switching FA to Maximize SS Benefits

■ Extremely likely ■ Somewhat likely
 ■ Not very likely ■ Not at all likely



Total:
 60%
 Extremely/
 Somewhat likely

*Caution, small base <100

↑ ↓: Recent Retiree significantly higher/lower than 10+ Retiree @ 95%
 Green/Red= significantly higher/lower than Future Retirees @ 95%

Disclosures

- This information is general in nature and is not intended to be tax, legal, accounting or other professional advice. The information provided is based on current laws, which are subject to change at any time, and has not been endorsed by any government agency.
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