

The Nationwide Retirement Institute® 2021 Health Care Costs in Retirement Consumer Survey

Prepared by:



September, 2021

NFM-21188AO



Nationwide®



Research Method

**Audience:**

1,817 U.S. adults age 25+

**Survey Timing:**

August 5 – 24, 2021

**Mode:**

20-minute online survey

**Weighting:**

Data are weighted to ensure results are projectable to the U.S. population of adults 25+

Method Statement *(to be included in all press materials):*

This survey was conducted online within the U.S. by The Harris Poll on behalf of Nationwide between August 5 and August 24, 2021 among 1,817 U.S. adults age 25+ (general population sample) including 600 Millennials (age 25-40), 605 Gen Xers (age 41-56), and 612 Boomers+ (age 57+). Data were weighted as needed to bring them in line with the population of U.S. residents age 25+ from the 2020 Current Population Survey for age by gender, education, race/ethnicity, region, household income, marital status, and household size. To ensure the national sample was representative, the data were initially weighted by generation (Millennials 25-40, Gen Xers 41-56, and Boomers+ 57+) and then combined into a total 25+ group. Our weighting algorithm also included a propensity score which allows us to adjust for attitudinal and behavioral differences between those who are online versus those who are not, those who join online panels versus those who do not, and those who responded to this survey versus those who did not.



Report Notes

In tables and charts:

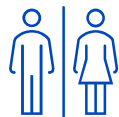
- Percentages may not add up to 100% due to weighting, computer rounding, and/or the acceptance of multiple responses.
- An asterisk (*) in a data chart indicates a percentage greater than zero but less than 1%; a “ – ” indicates a value of zero.
- Unless otherwise noted, results for the Total (adults 25+) are displayed.
- Results based on small samples (n<100) are too small to report quantitatively for PR and should be interpreted as directional only. These are noted with “*Caution, small base <100, results are directional in nature” and stat testing is not shown.

Throughout this report:

- Where appropriate, key highlights or statistically significant differences at the 95% confidence level between subgroups of interest are noted throughout the detailed findings slides. Look for the icons below to denote these call outs. In some instances, subgroup data may be charted for ease of visual comparison.



Key generational
subgroup finding



Key gender
subgroup finding



Key retirement status
subgroup finding

- Note that due to space limitations, not all significant differences among subgroups of interest are displayed. Full survey results for all subgroups are available in the data tables.
 - In some instances, there may be too many data points to reference within a slide to support key highlights or subgroup findings. In these cases, we have included a note within the notes section to see data tables for supporting data.
- Base labels, sizes, and question text are included within the notes section of each page for reference.

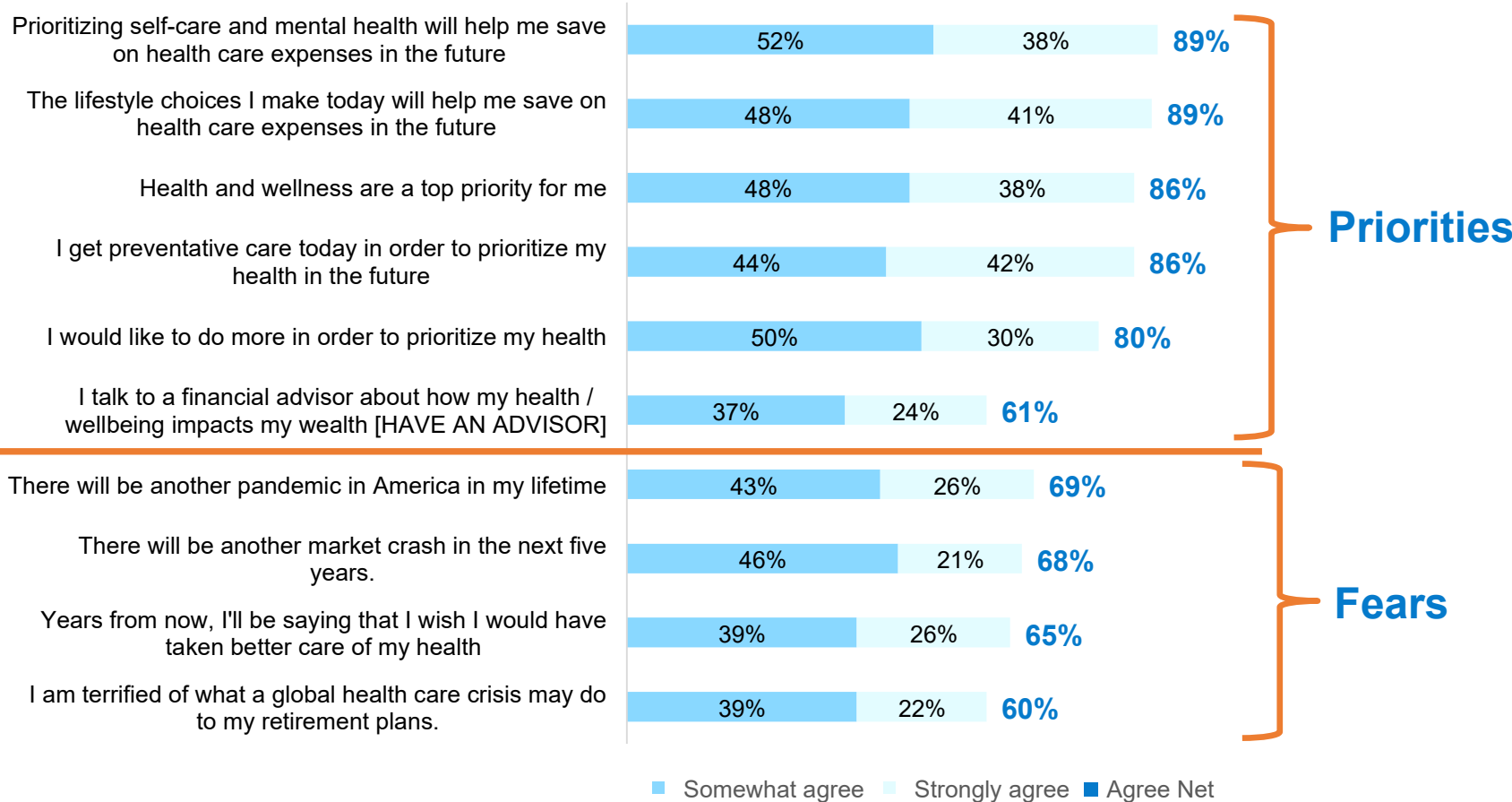



Current and future health and wellness are priorities

The majority of those with a financial advisor/financial professional talk to them about how their health/wellbeing impacts their wealth.

The majority agree they expect another pandemic in America in their lifetime and would like to do more in order to prioritize their health. They agree that years from now they'll be saying they wish they would have taken better care of their health.

Agreement with Statements



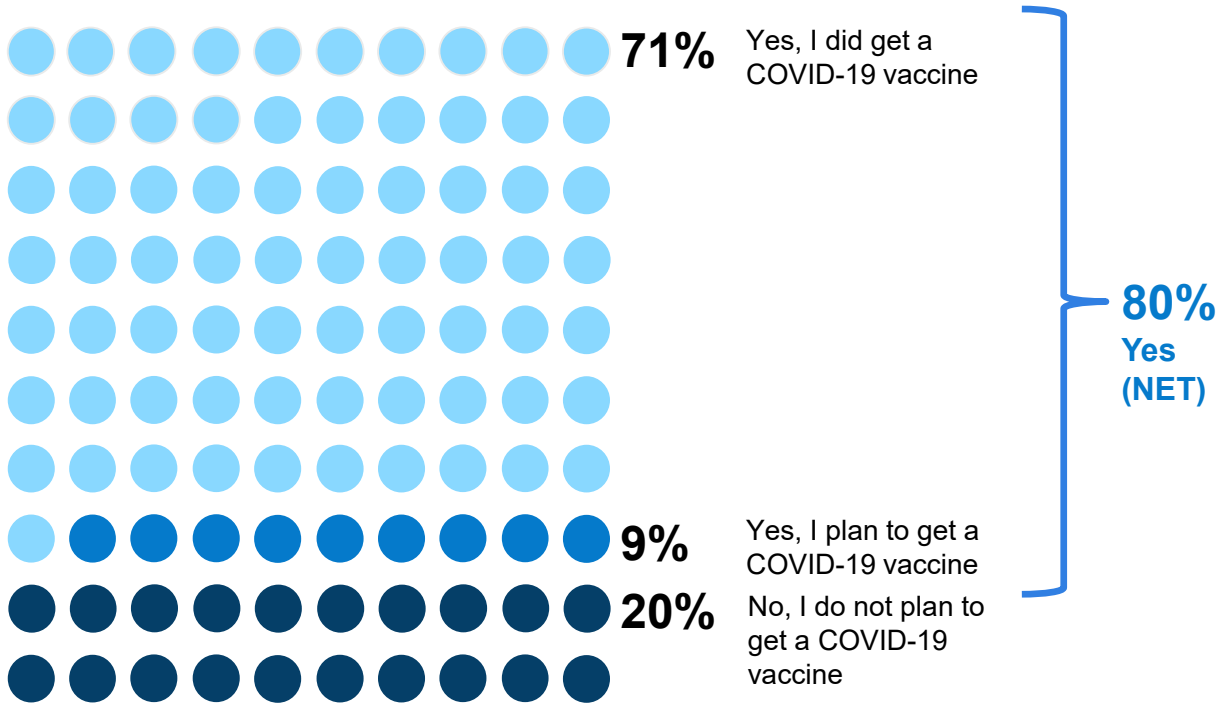
 Millennials are less likely than Gen Xers and Boomers+ to agree health and wellness are a top priority for them (80% vs. 89%, 89%)



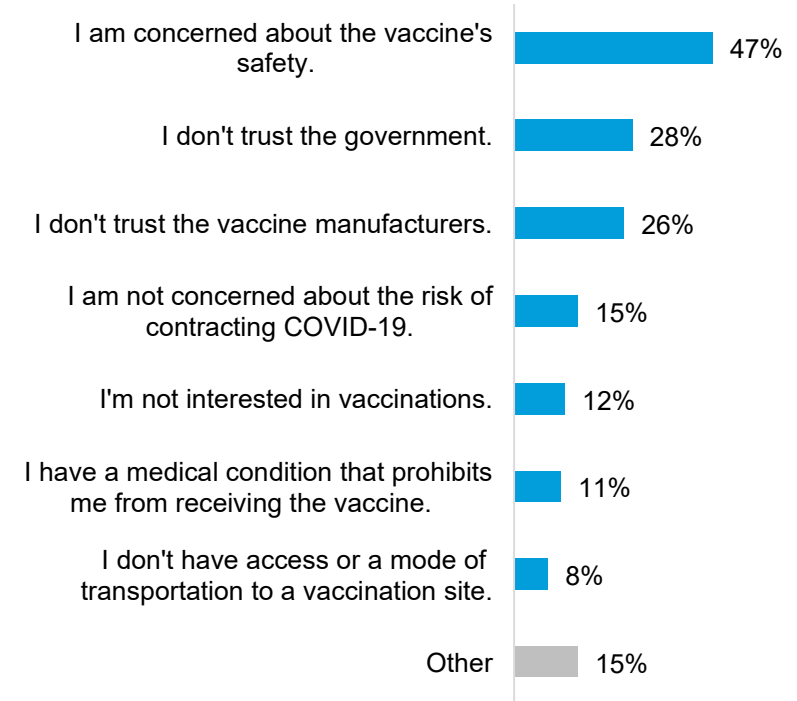
Although health is a priority to many, a fifth do not plan to get a COVID-19 vaccine

Almost half of those who do not plan to get a COVID-19 vaccine report concern about the vaccine's safety as the most important reason for not getting one.

Plans for getting a COVID-19 vaccine



Reasonings Behind Not Planning To Get a COVID-19 Vaccine



Millennials and Gen Xers are more likely than Boomers to **not** plan on getting a COVID-19 vaccine (15% vs. 26%, 24%)

Women are more likely to **not** plan on getting a COVID-19 vaccine (25% vs. 15%)

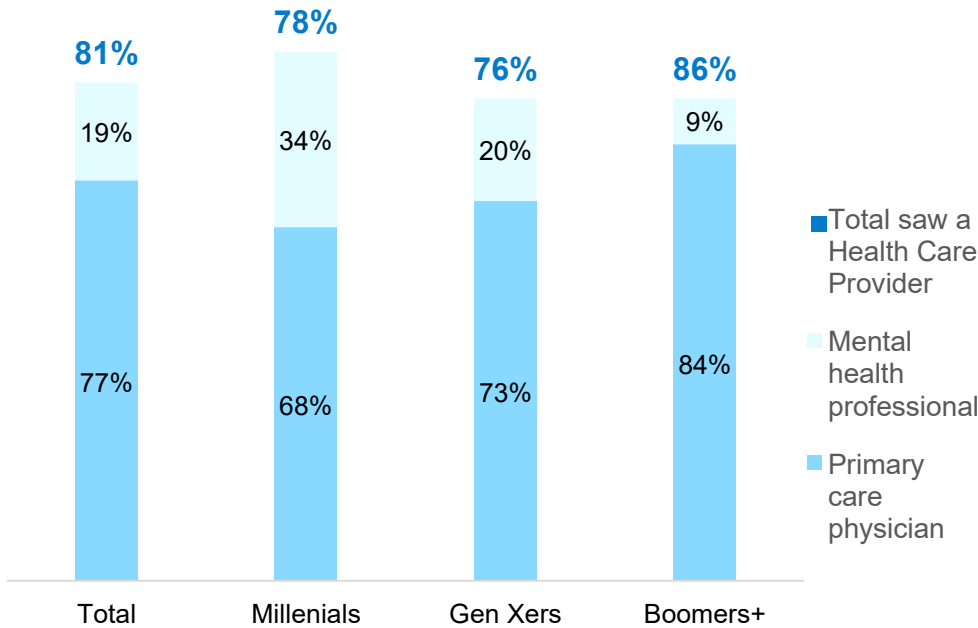


A strong majority have received treatment from a primary care physician in the last year and a majority have received some specific preventative health service in the past year

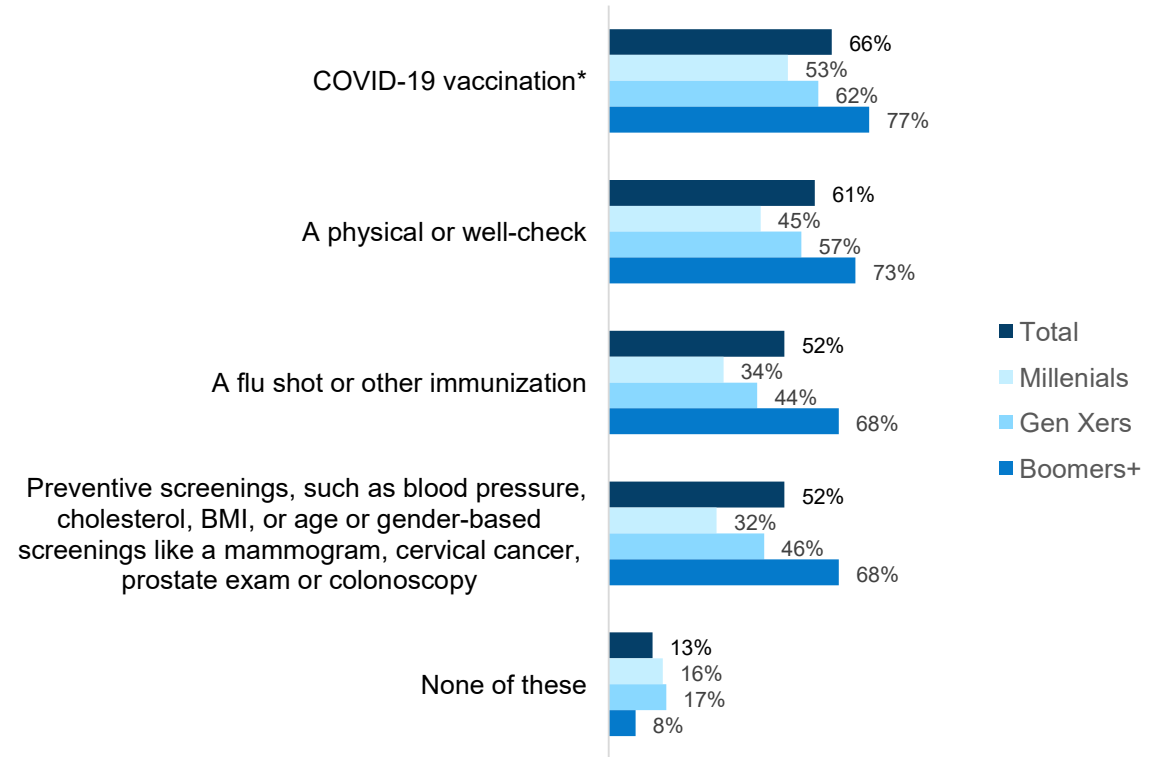
There is room for more Boomers+ or retirees to see a mental health professional as part of prioritizing health.

More Millennials and Gen Xers can be encouraged to do more annual preventative services (e.g., physical or well-check, flu shot or immunization, or preventative screening) as part of prioritizing health.

Type of Health Care Provider From Which Treatment was Received



Type of Preventative Health Services Received Within the Past Year



*Differences in those who indicated they received a COVID-19 vaccination in Q10N2021 may be due to how these answer choices were worded as preventative health services, how the question was framed with "the past year," or respondents may not have read the option when answering.



Millennials and Gen Xers are more likely than Boomers+ to have received treatment from a mental health professional in the past year (34%, 20% vs. 9%)



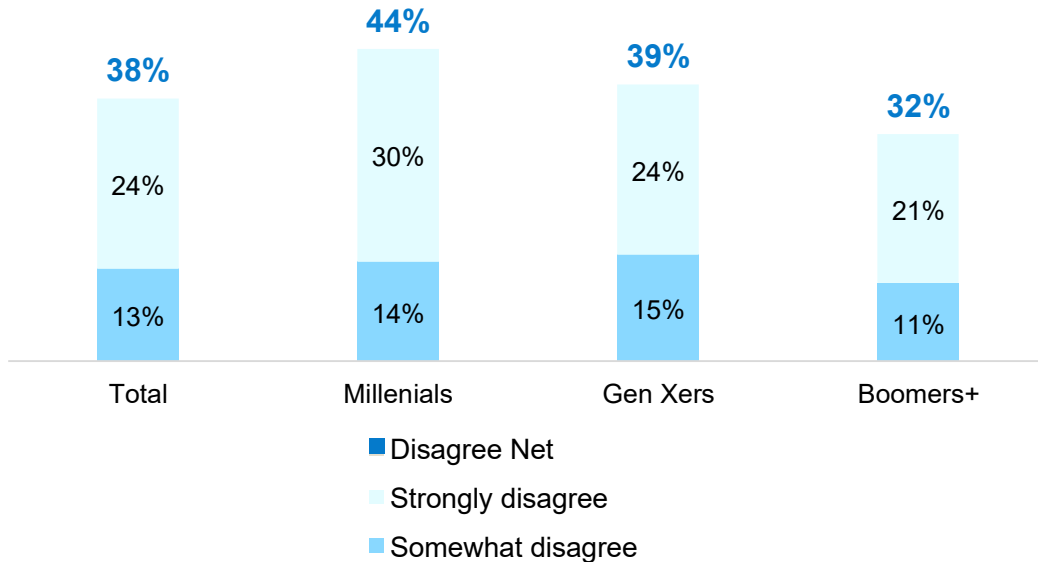
Non-retirees are more likely than retirees to have received treatment from a mental health professional in the past year (23% vs. 8%)



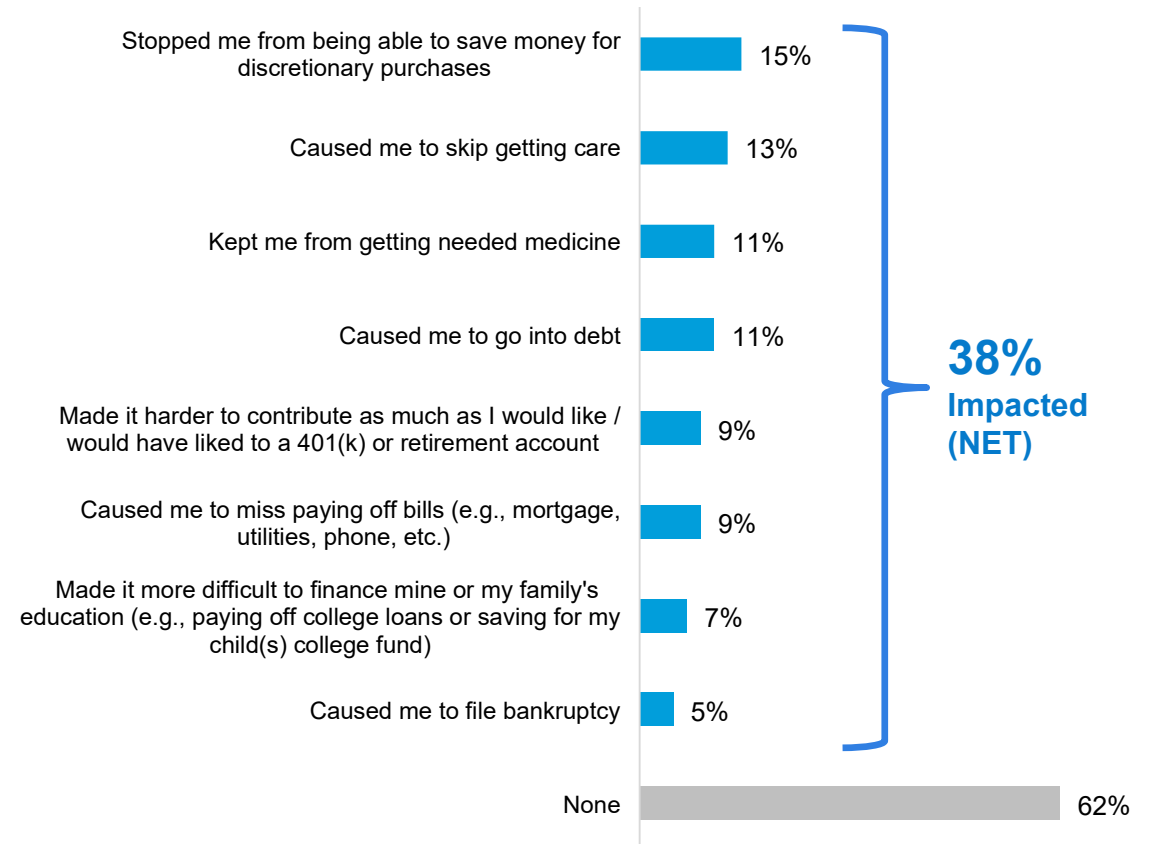
About 2 in 5 adults age 25+ could not pay off an unexpected \$5K health care out of pocket expense and almost 2 in 5 have had health care expenses impact their financial health

A little under half of Millennials do not agree they could pay off an unexpected \$5,000 health care out of pocket expense, but close to 3 in 10 Gen Xers and Boomers+ also could not pay off that amount.

I could pay off an unexpected \$5,000 health care out of pocket expense



How Health Care Expenses Impacted Personal Financial Health

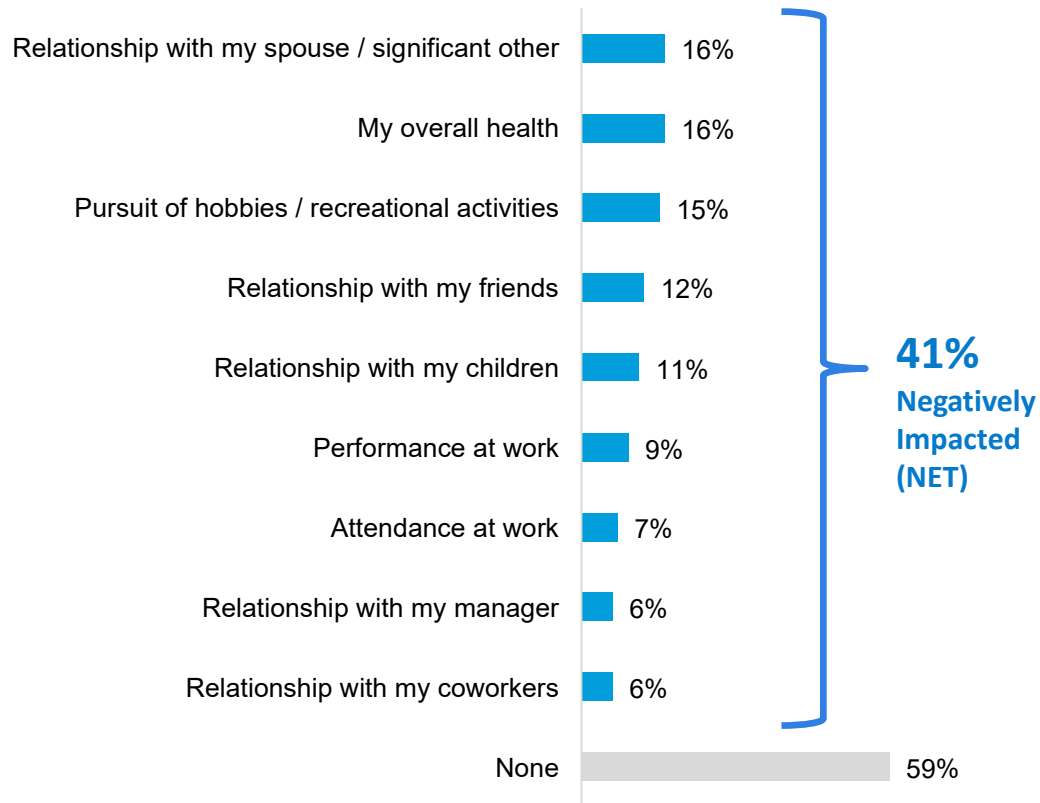




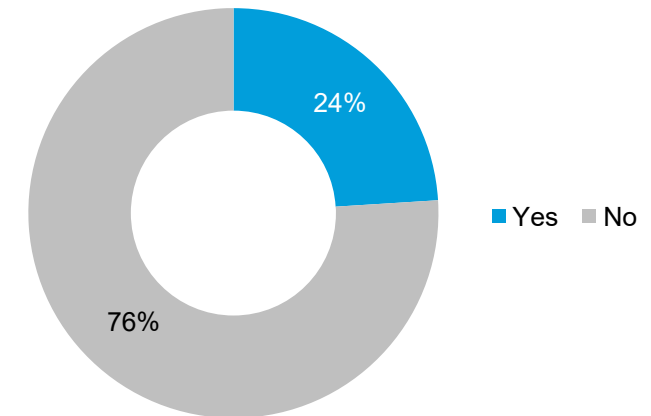
Additionally, financial stress can impact many areas around quality of life, including important relationships and health

More than two in five adults age 25+ have had relationships negatively impacted due to financial stress and about a quarter are financially supporting aging parent(s), adult child(ren), or grandchild(ren).

Personal Areas Negatively Impacted Due to Financial Stress



Adults Age 25+ Who Currently Provide Financial Support to Aging Parents/Adult Children/Grandchildren



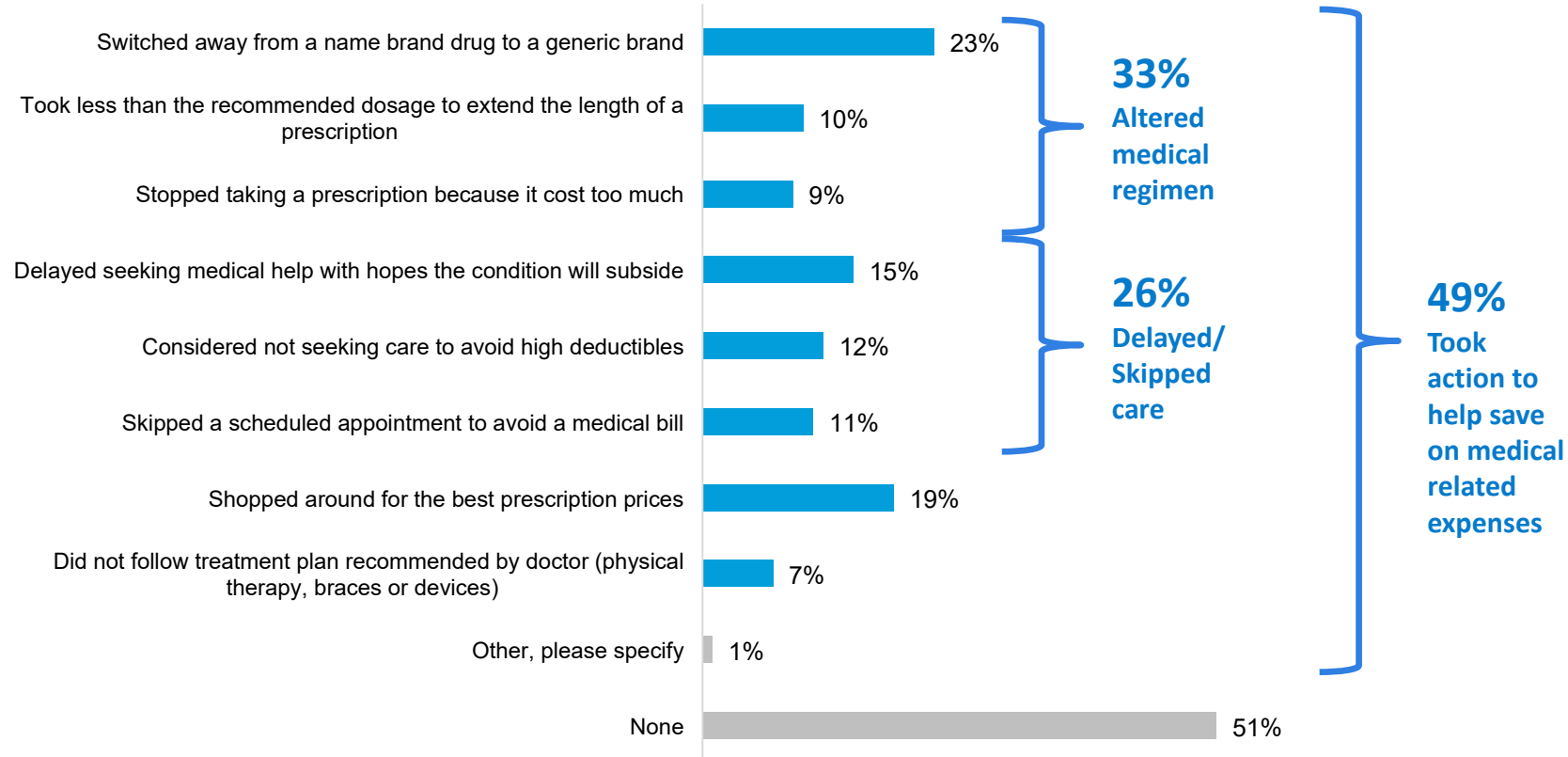
Millennials and Gen Xers are more likely than Boomers+ to be providing support to their aging parent(s) (22%, 17% vs. 2%)




A little more than half have done nothing to help save on related medical expenses

A third have altered their medical regimen and a little over a quarter have delayed or skipped care in some way. Almost a fifth have shopped around for the best prescription prices.

Actions to help save on medical related expenses



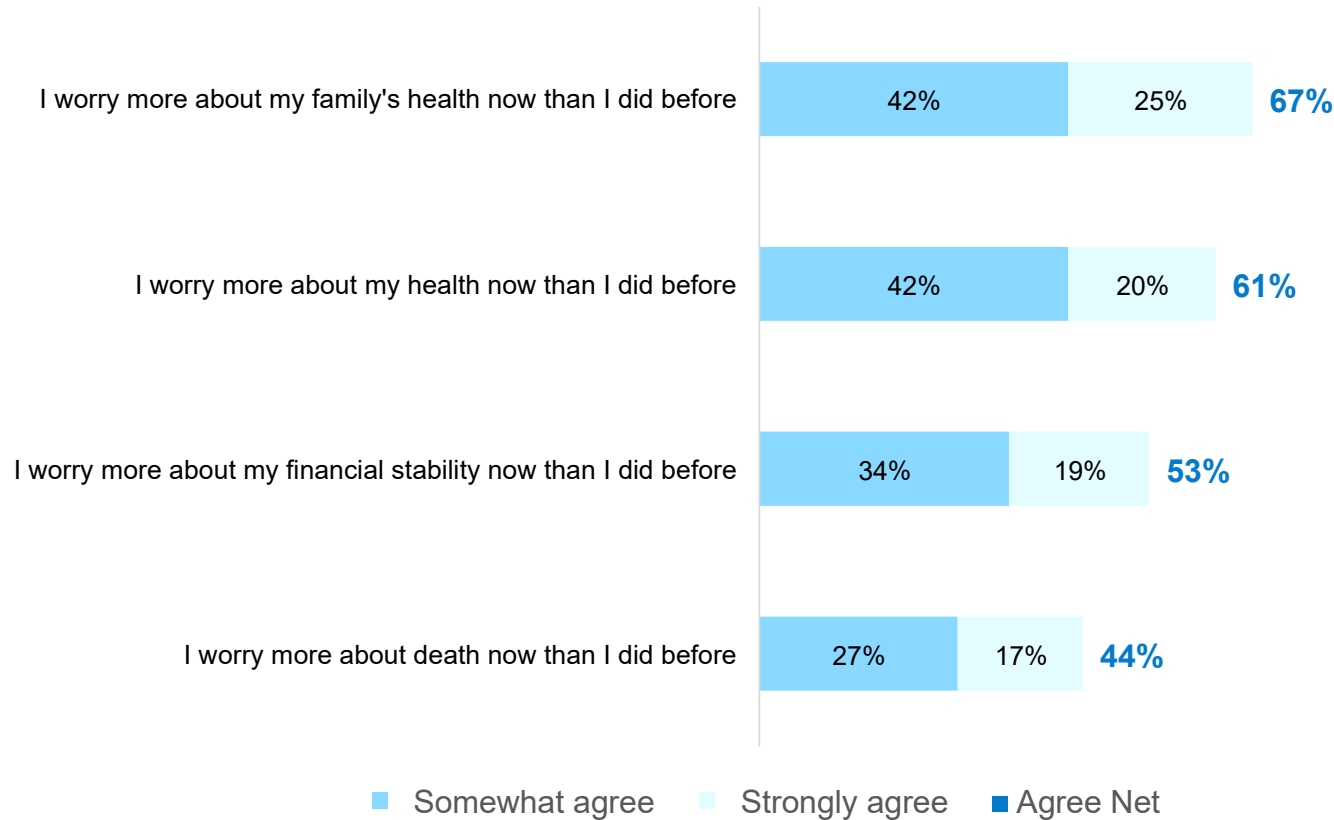
 Retirees are more likely than non-retirees to indicate they have done nothing (62% vs. 47%).




The COVID-19 pandemic has caused more worry around family health, personal health, or even financial stability than before

Millennials and Gen Xers are more likely to be more worried about their health, financial stability, or death compared to Boomers+.

Levels of Worry About Various Personal Aspects Due to COVID-19





Millennials and Gen Xers are more likely than Boomers+ to worry more about their health than they did before (69%, 63% vs. 55%)

Millennials and Gen Xers are more likely than Boomers+ to worry more about their financial stability than they did before (67%, 60% vs. 40%)

Millennials and Gen Xers are more likely than Boomers+ to worry more about death than they did before (55%, 48% vs. 34%)

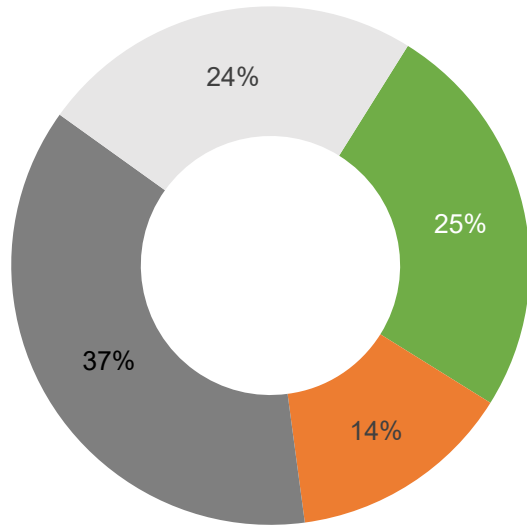


Some adults age 25+ have saved or plan to save more in an emergency fund, or pay off debt or student loans quicker as a result of the COVID-19 pandemic

As a result of the pandemic, 14% have dipped or plan to dip into an emergency fund, 23% slowed down/paused or plan to slow down/pause debt payments (among those with debt), 31% slowed down/paused or plan to slow down/pause debt payments (among those with student loan debt).

Emergency Fund

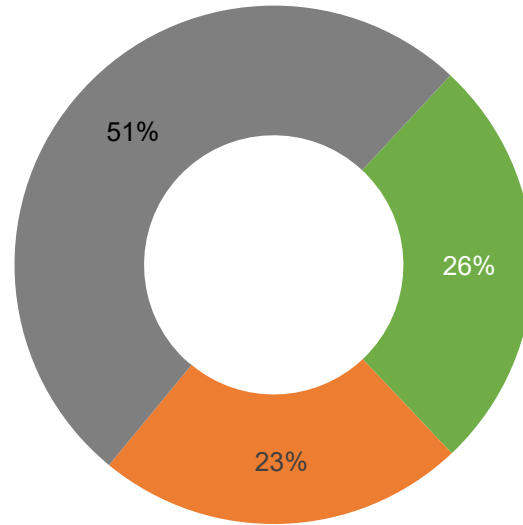
As a result of the COVID-19 pandemic, I have/plan to...



- Saved more money in an emergency fund
- Dipped into an emergency fund
- Neither
- I don't have an emergency fund

Debt

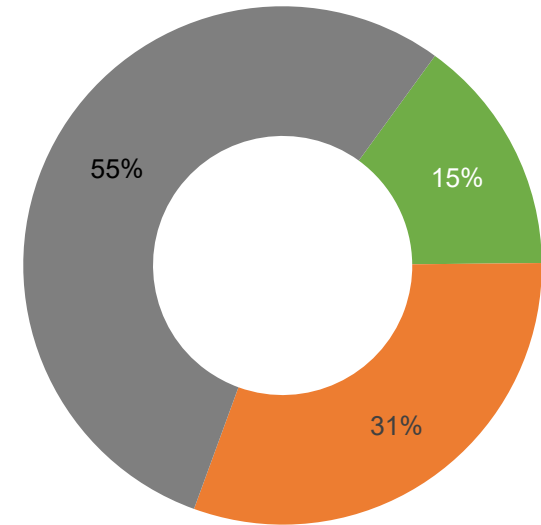
As a result of the COVID-19 pandemic, I have/plan to...



- Paid off debt quicker
- Slowed down or paused debt payments
- Neither

Student Loans

As a result of the COVID-19 pandemic, I have/plan to...



- Paid off student loans quicker
- Slowed down or paused student loan repayment
- Neither

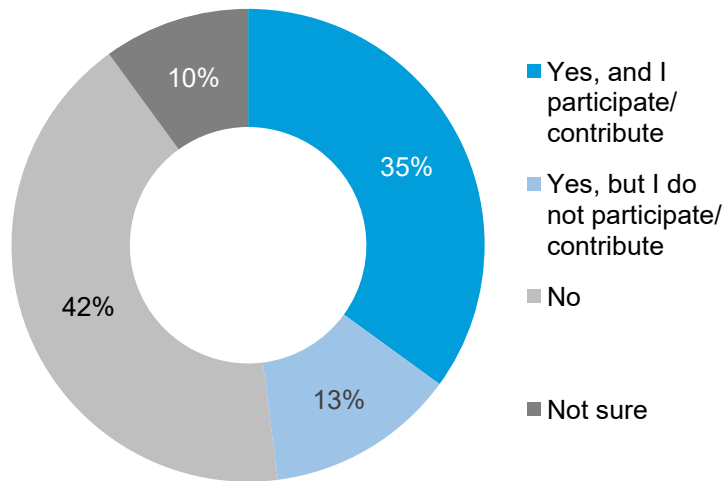


Almost half of employed adults age 25+ have a Health Savings Account (HSA) available from their employer and most use it to pay for today's health care expenses only

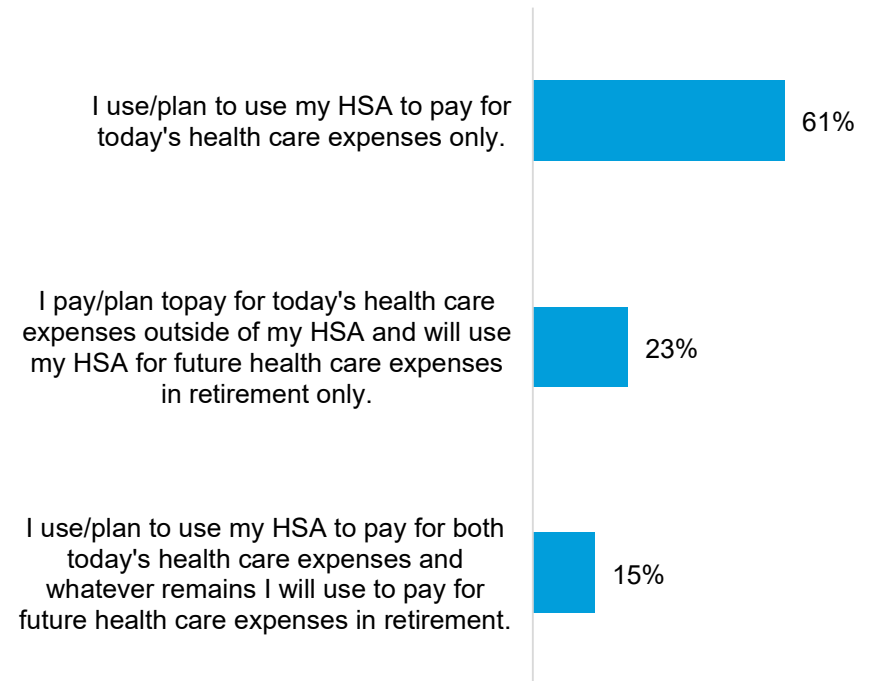
More than a third of working adults age 25+ have an HSA available through their employer and are currently participating in/contribute to the HSA.

About a quarter of those participating/contributing to an HSA pay (or plan to pay) for today's health care expenses outside of their HSA and will use their HSA to pay for future health care expenses in retirement only.

Employer Offers Health Savings Account



Use/Plan to use HSA

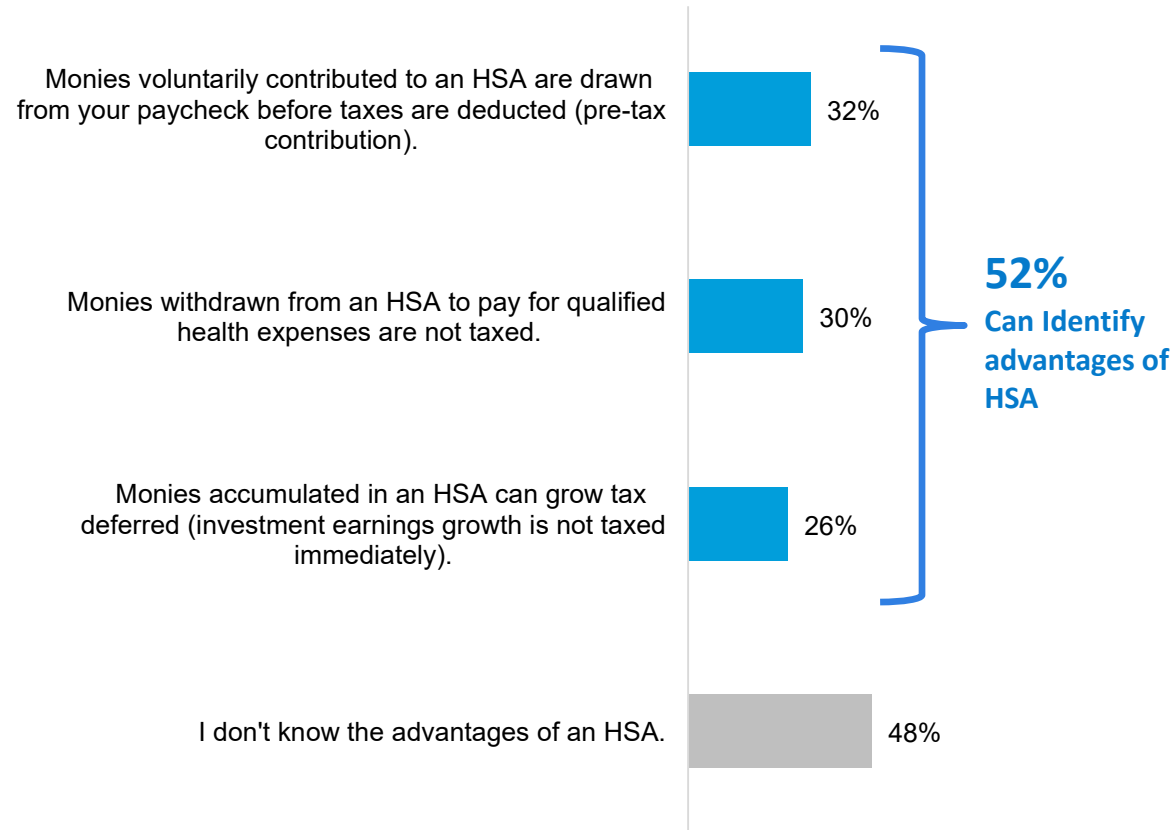




Almost half of non-retired adults age 25+ do not know the specific advantage of an HSA

About a third know monies voluntarily contributed to an HSA are from their paycheck before taxes are deducted and know monies withdrawn from an HSA to pay for qualified health expenses are not taxed. About a quarter know that monies accumulated in an HSA can grow tax deferred.

Advantages of Health Savings Accounts
Among non-retired

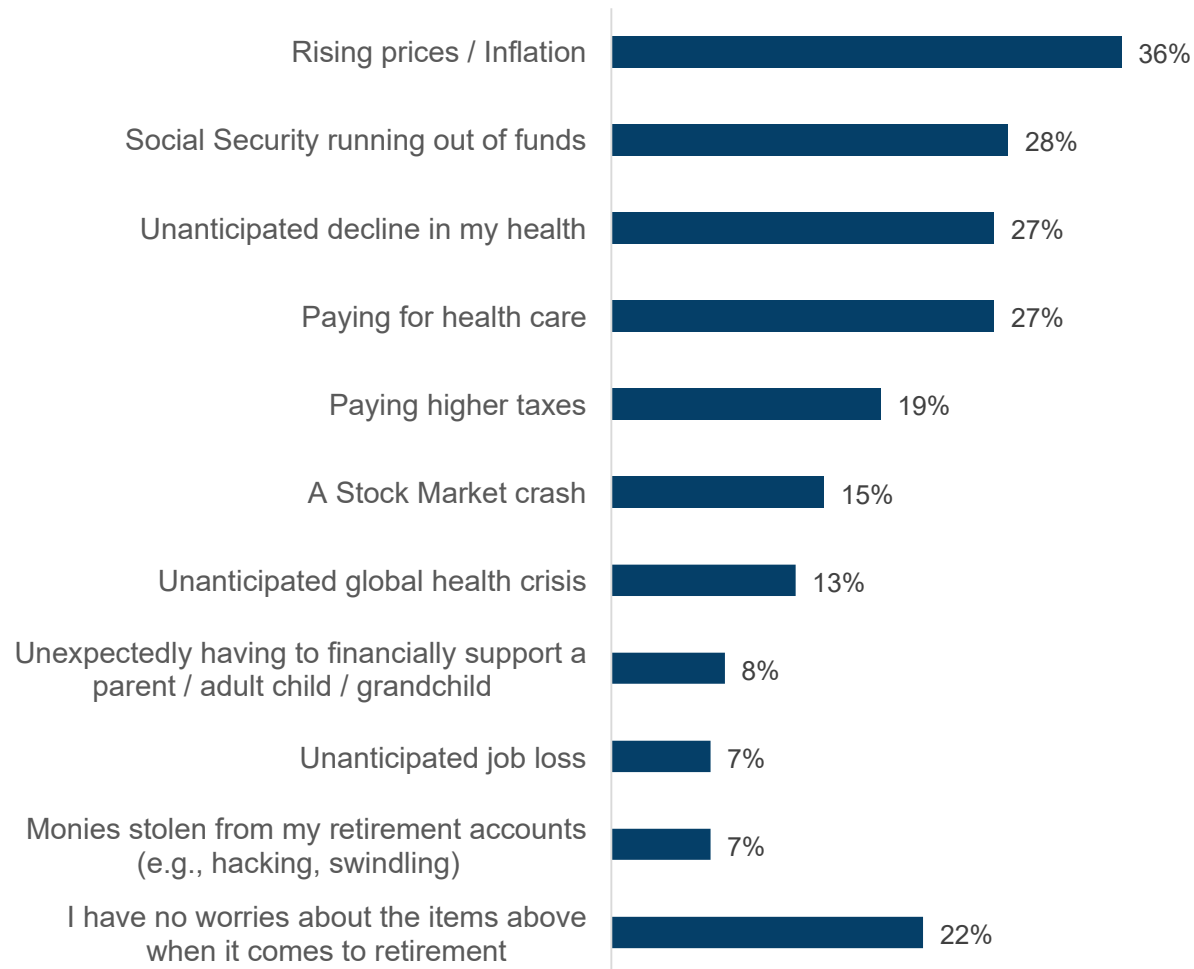




Rising prices/Inflation is the area that most stresses out adults age 25+ when it comes to retirement/retirement planning

It's followed by Social Security running out of funds (28%), unanticipated decline in their health (27%), paying for health care (27%), and paying higher taxes (19%) for the five top stressors among adults age 25+ when it comes to retirement planning.

Situations that cause the most stress when it comes to retirement planning



Non-retirees are more likely than retirees to select paying for health care (29% vs. 20%)

Women are more likely than men to select Social Security running out of funds (31% vs. 25%) and unanticipated decline in their health (30% vs. 23%)

Women are less likely than men to select paying higher taxes (22% vs. 16%)

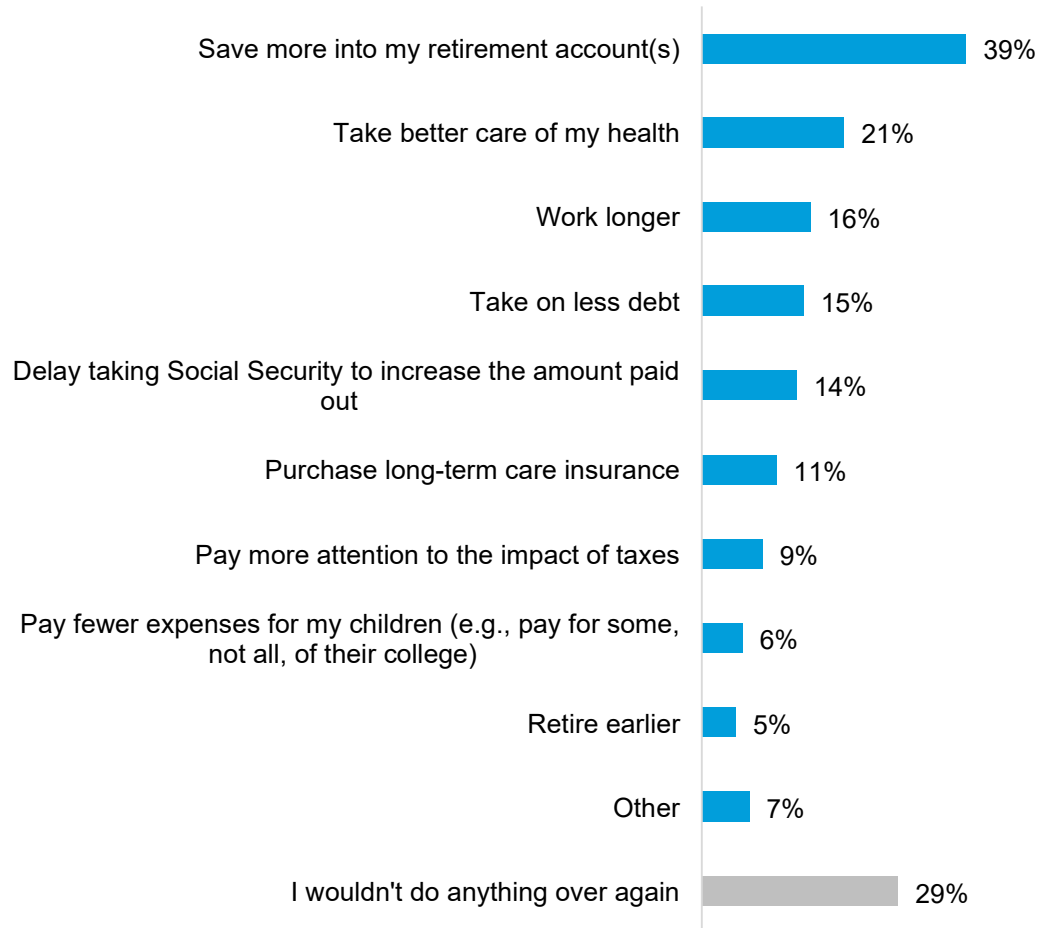



Saving more for retirement is the primary thing retirees would do differently if they had to plan for retirement all over again

Take better care of their health, work longer, take on less debt, or delay taking Social Security to increase the amount paid out, are the next four most popular things to do differently.

What Retirees Would Do Differently If They Had to Plan for Retirement All Over Again

Current retirees

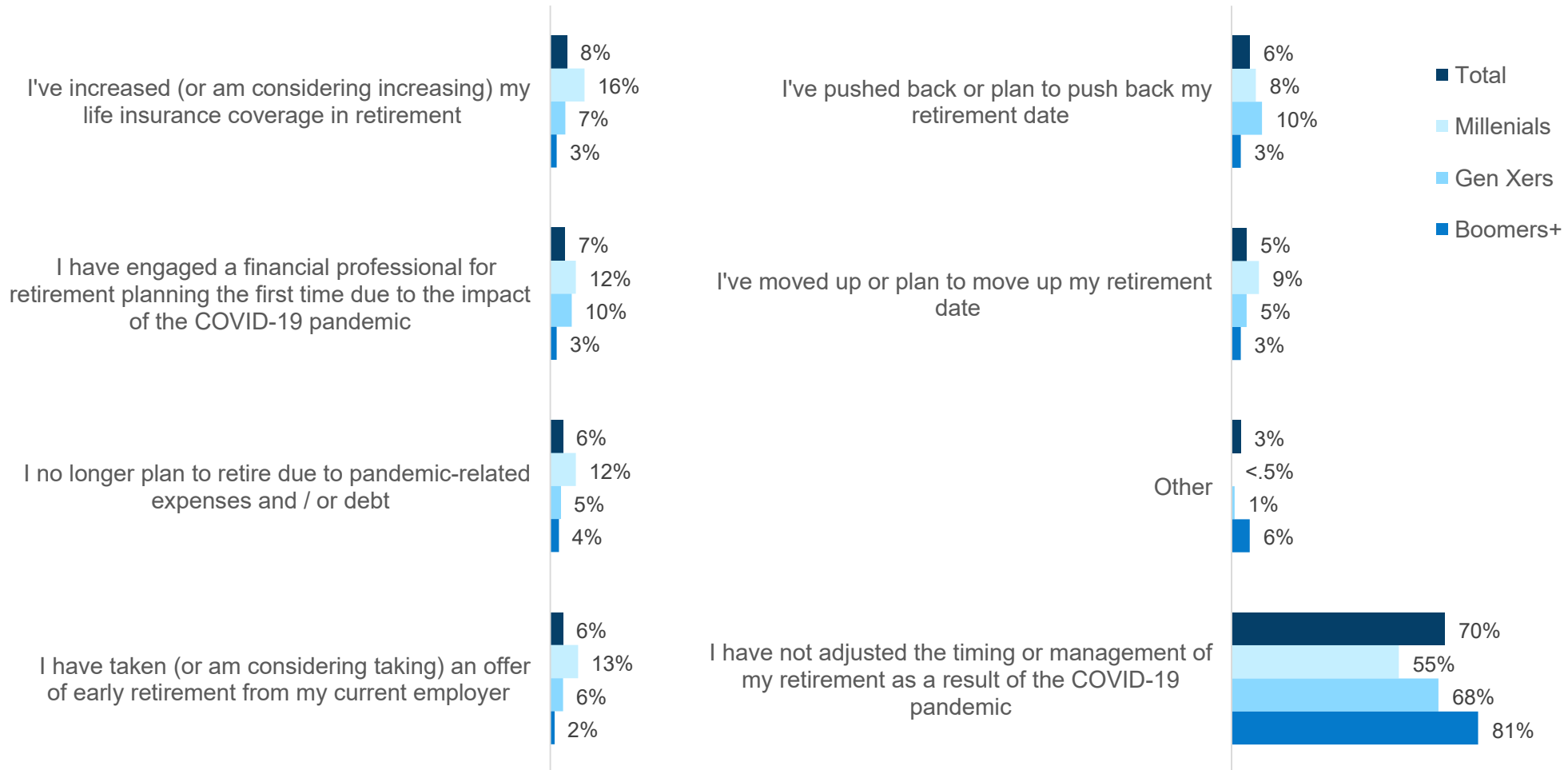
Female retirees are less likely than male retirees to indicate they would have saved more into their retirement account(s) (45% vs. 33%)



Thirty percent of adults age 25+ have adjusted the timing or management of their retirement as a result of COVID-19

The most popular changes are increased/considering increasing their life insurance coverage in retirement, engaged a financial professional for retirement the first time, no longer plan to retire due to pandemic-related expenses and/or debt, taken or are considering taking an offer of early retirement from their employer, or pushed back or plan to push back retirement date.

Made/Plan to Make Adjustments to Timing or Management of Retirement

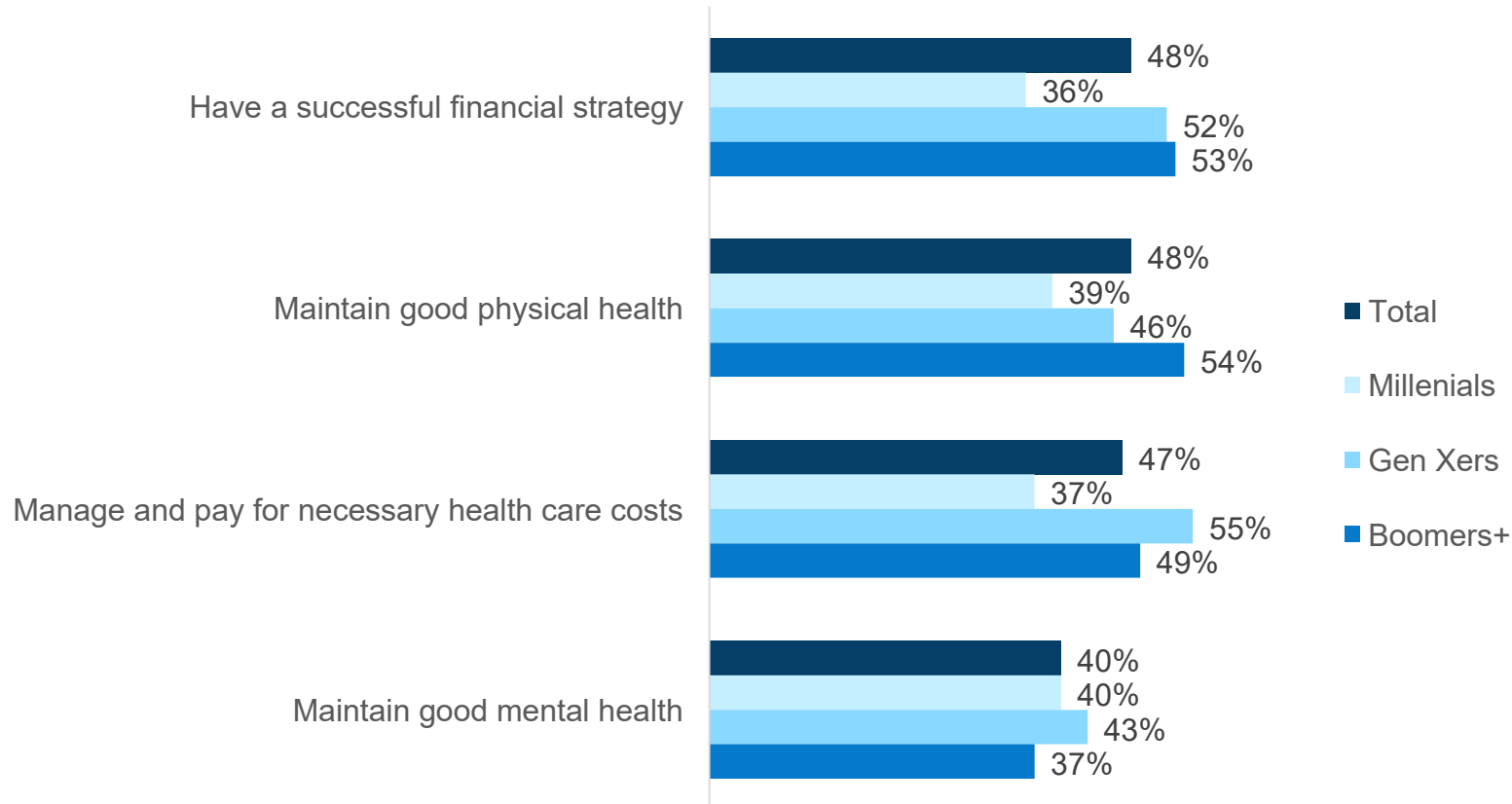




Many are not confident they will be able to succeed or manage multiple aspects of life in retirement

Almost half of adults age 25+ are somewhat confident or not confident at all in their ability to have a successful financial strategy, maintain good physical health, or manage and pay necessary health care costs, in retirement. Additionally, two out of five are somewhat confident/not at all confident in their ability to maintain good mental health in retirement.

Confidence In the Ability of Specific Achievements In Retirement
 % somewhat/not at all confident



More than half of Gen X and Boomers+ (52% and 53%) are only somewhat confident/not at all confident in their ability to have a successful financial strategy in retirement, significantly less confident than Millennials (36%).

Gen X and Boomers+ are more likely than Millennials to be somewhat confident/not at all confident in their ability to manage and pay for necessary health care costs in retirement (55% and 49% vs. 37%).



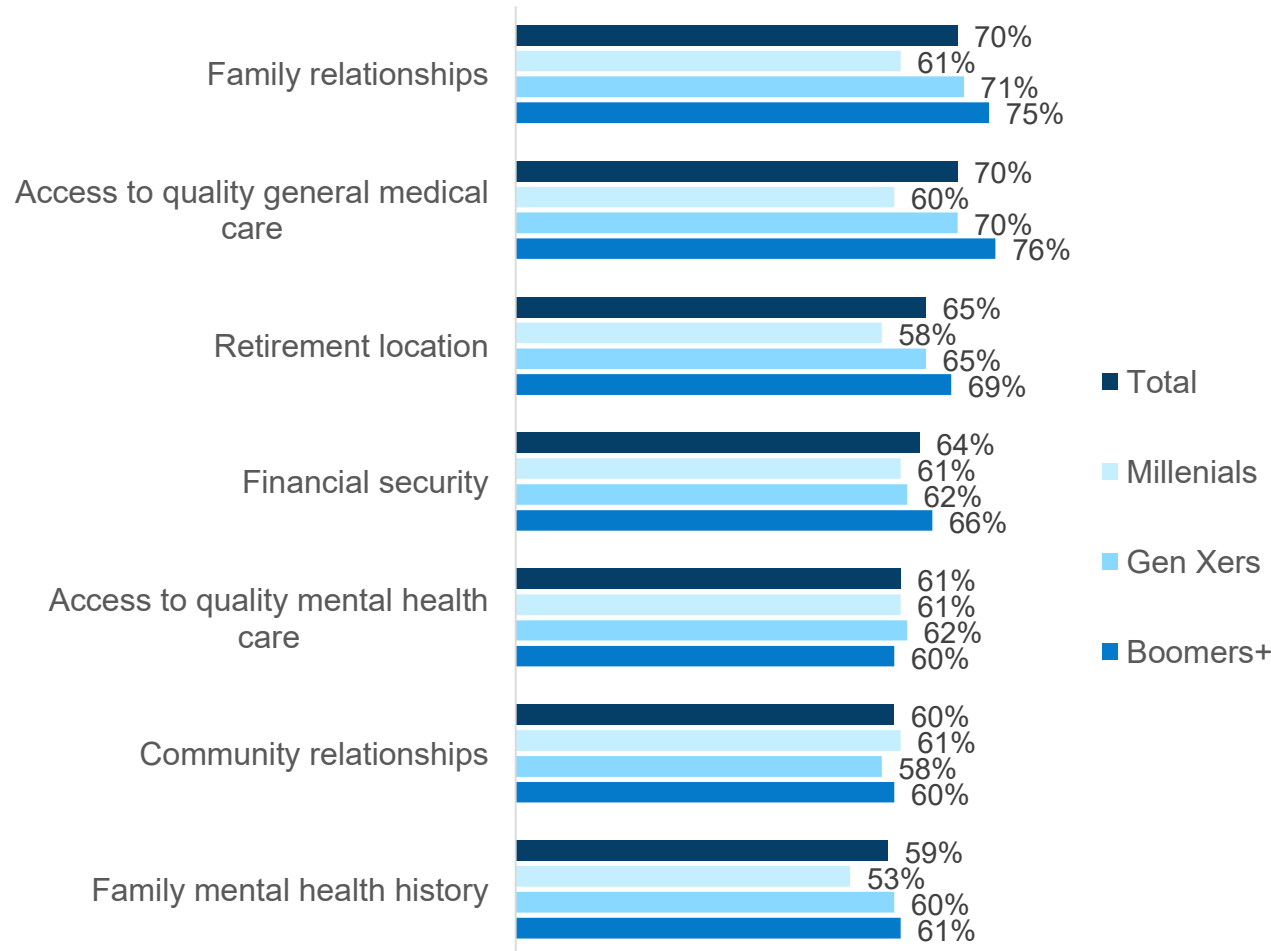
Women are more likely than men to be somewhat confident/not at all confident in their ability to have a successful financial strategy in retirement (54% vs. 40%) or manage and pay for necessary health care costs in retirement (54% vs. 39%).




Adults age 25+ look to many different areas in life for a positive impact on their mental health in retirement


Of seven factors listed, family relationships and access to quality medical care were the two most popular factors that would positively impact their mental health in retirement most, followed by retirement location and financial security.

Factors Expected to Positively Impact Mental Health in Retirement





Gen X and Boomers+ are more likely than Millennials to indicate family relationships would positively impact their mental health in retirement (71% and 75% vs. 61%)

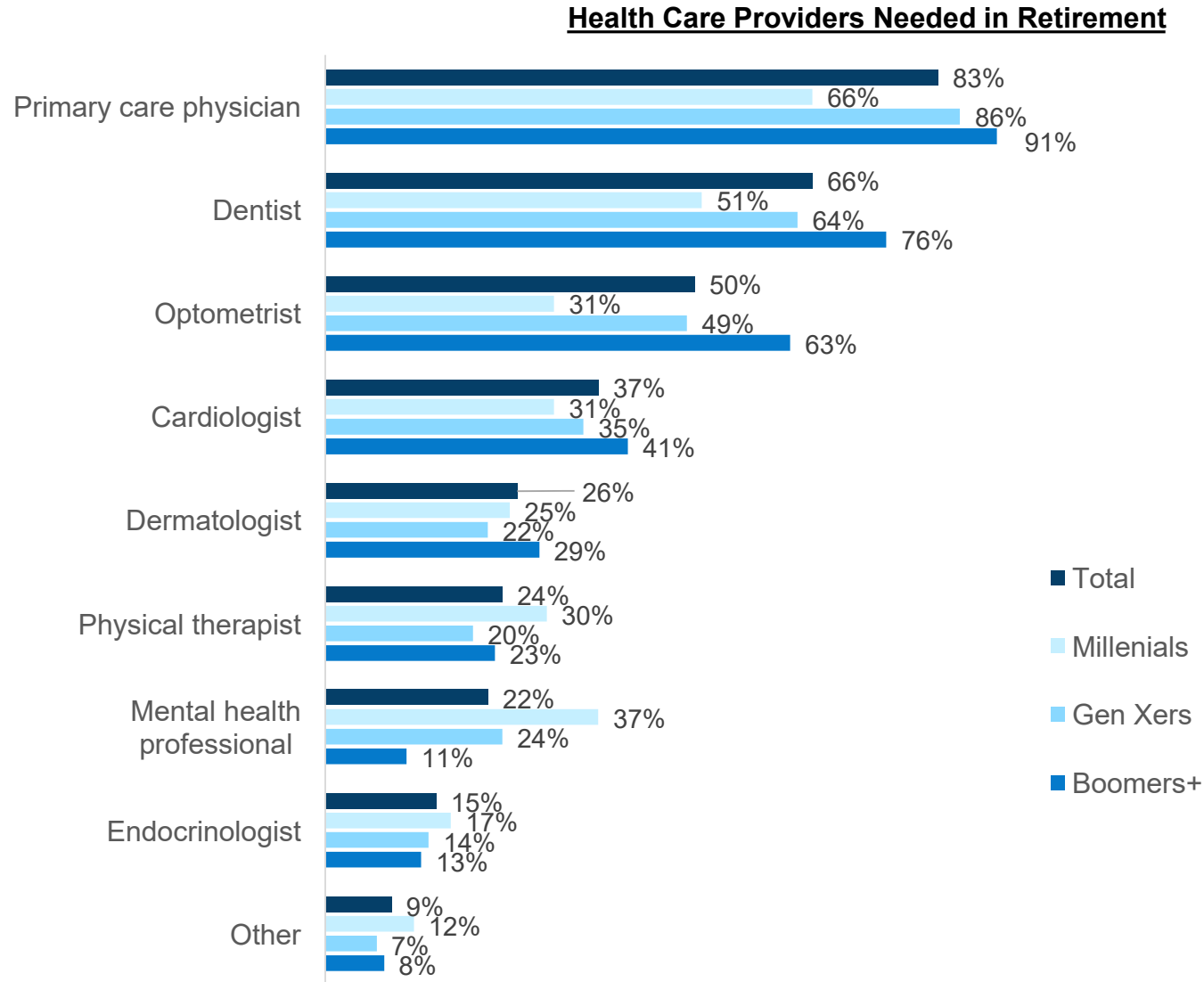


Men are more likely than women to indicate that financial security would positively impact their mental health in retirement most (69% vs. 59%)



Many adults age 25+ may be underestimating the health care providers they need in retirement

Half don't think they will need an optometrist, a third don't think they will need a dentist, and 17% don't think they will need a primary physician, in retirement.



Boomers+ are more likely than Gen X or Millennials to expect to need a primary care physician (91% vs. 86% and 66%), dentist (76% vs. 64% and 51%), and optometrist (63% vs. 49% and 31%)



Women are more likely than men to expect they will need an optometrist (53% vs. 47%), in retirement and less likely to expect they will need a cardiologist (33% vs. 41%)

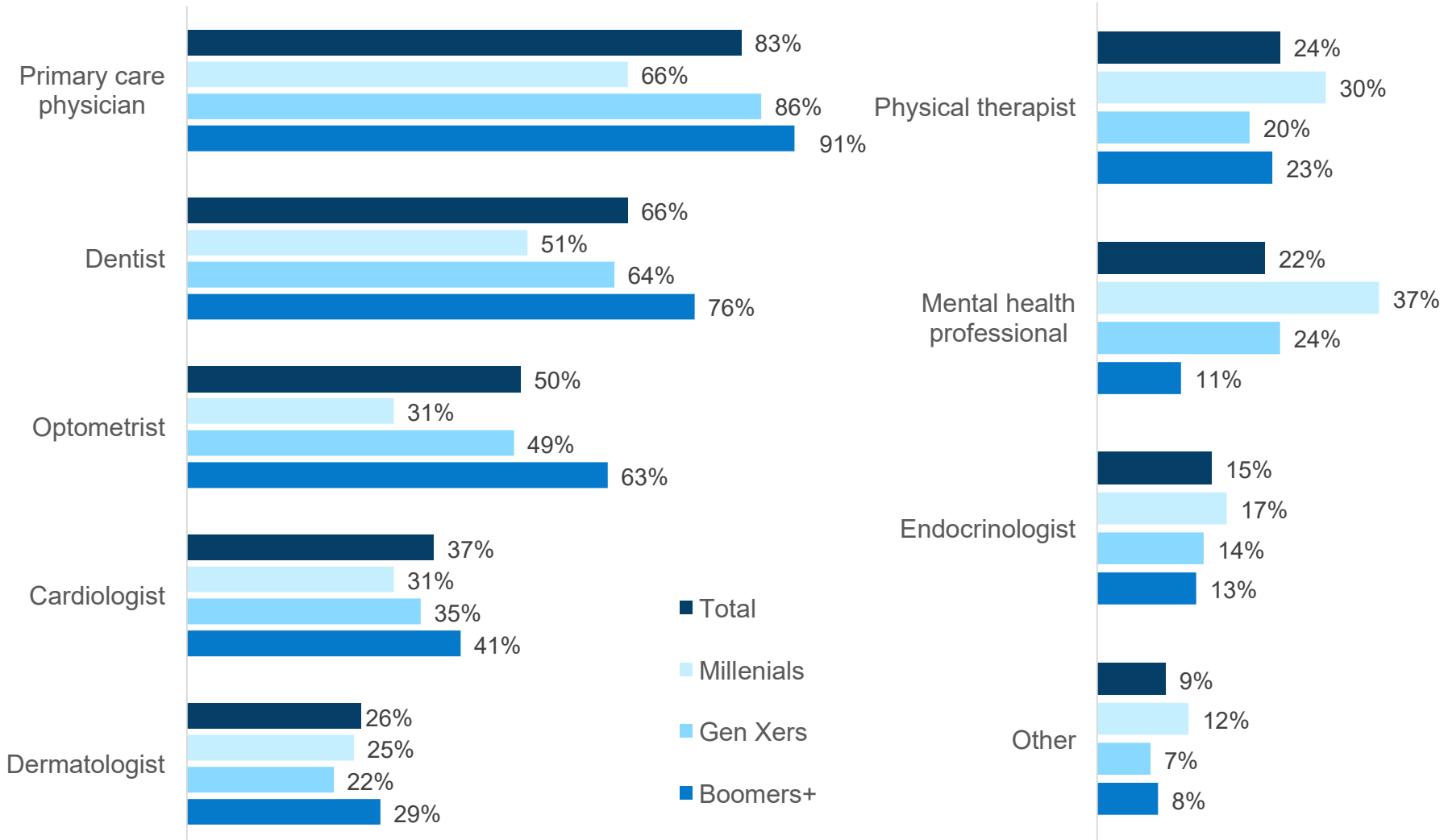
- Total
- Millennials
- Gen Xers
- Boomers+





Many adults age 25+ may be underestimating the health care providers they need in retirement

Half don't think they will need an optometrist, a third don't think they will need a dentist and 17% don't think they will need a primary physician in retirement.

Health Care Providers Needed in Retirement



 Boomers+ are more likely than Gen X or Millennials to expect to need a primary care physician (91% vs. 86% and 66%), dentist (76% vs. 64% and 51%), and optometrist (63% vs. 49% and 31%)

 Women are more likely than men to expect they will need an optometrist (53% vs. 47%), in retirement and less likely to expect they will need a cardiologist (33% vs. 41%)

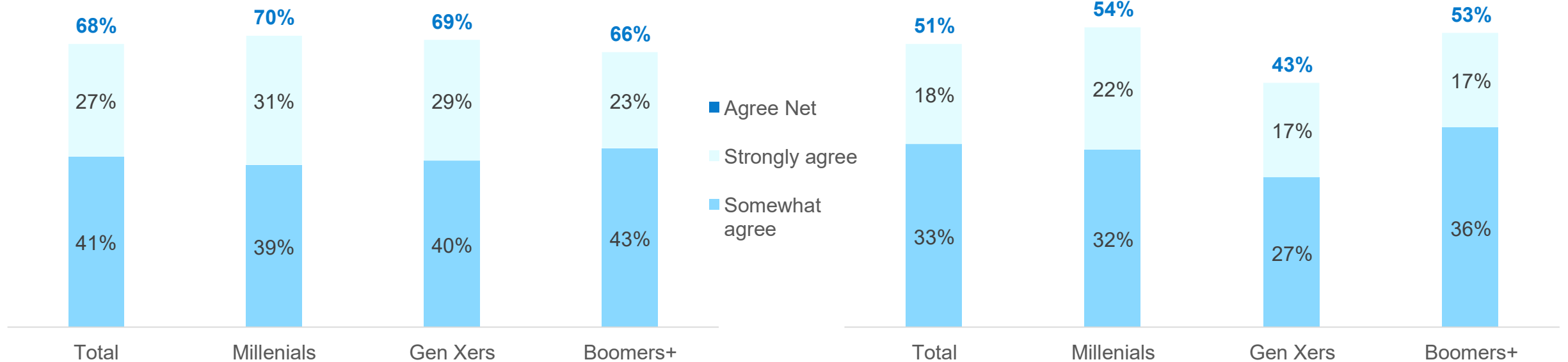


The majority of adults age 25+ indicate their top fear in retirement is health care costs going out of control, but only a slight majority agree they know how much money they need to cover health care costs in retirement

Agreement with Statements

One of my top fears in retirement is my health care costs going out of control

I know how much money I need to cover my health care costs in retirement



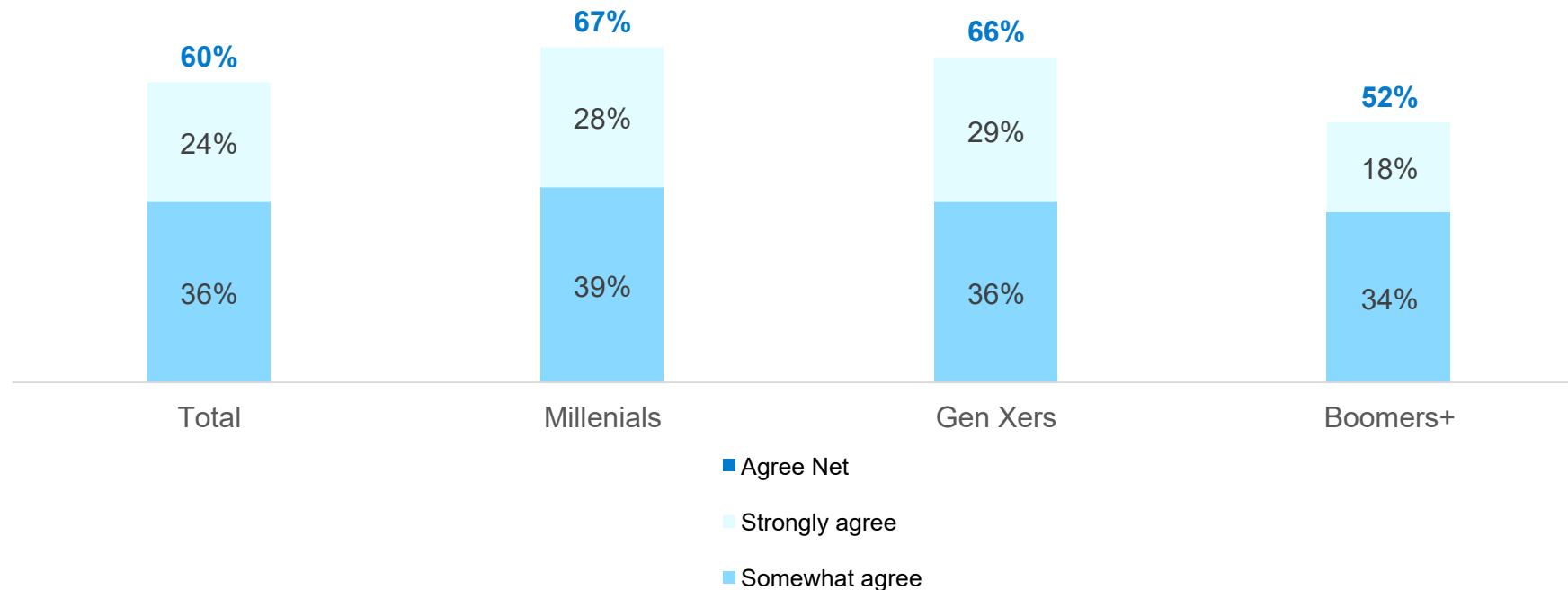


The impact of health care costs on retirement plans terrifies many

The majorities of all generations are terrified.

Agreement with Statements

I am terrified of what health care costs may do to my retirement plans

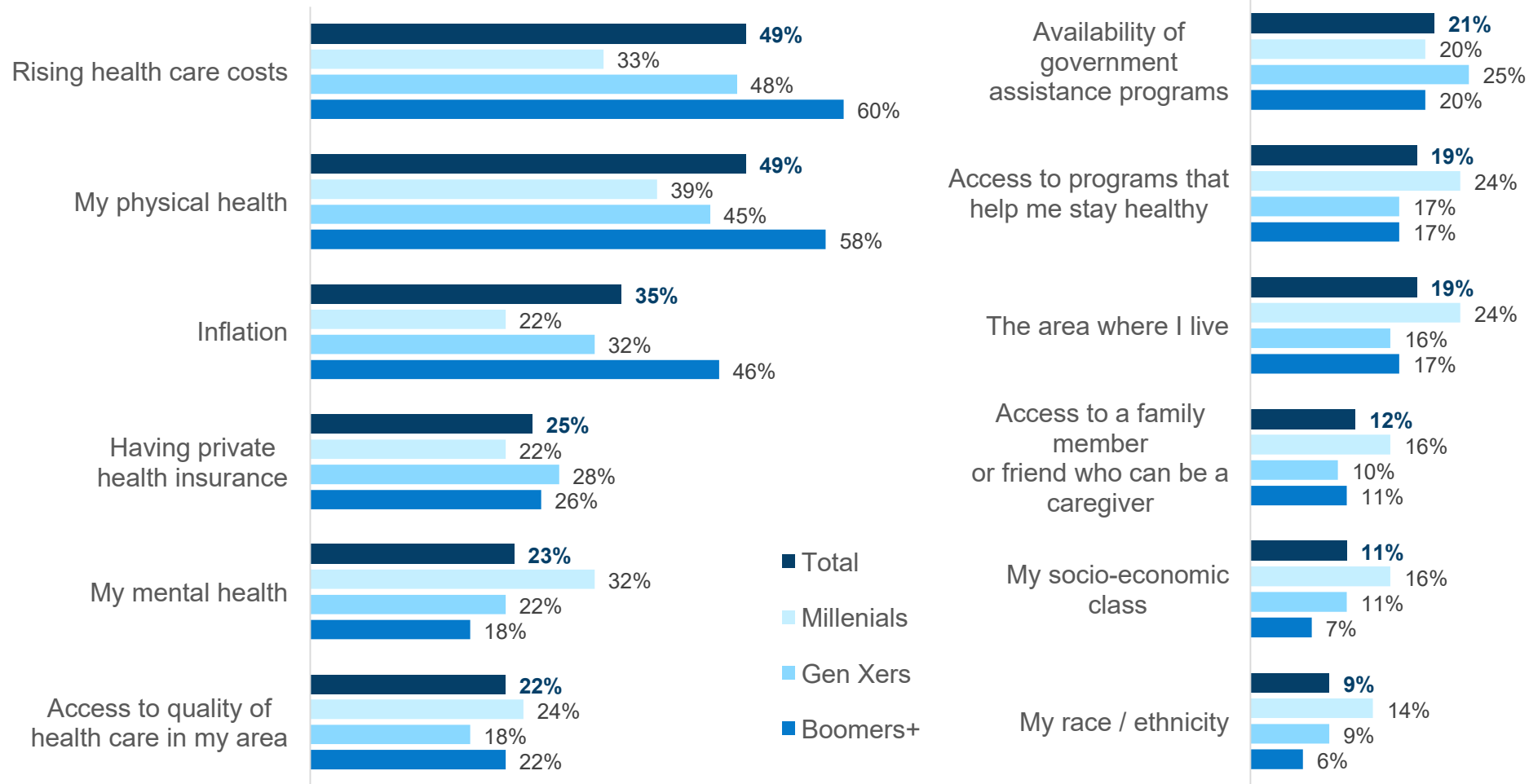





There are clear generational differences when it comes to what factors they expect will impact health care costs in retirement


The three most popular factors adults age 25+ think will impact health care costs in retirement are rising health care costs, their physical health, and inflation.

Factors That Will Impact Health Care Costs In Retirement





Boomers+ are more likely than Gen X or Millennials to expect rising health care costs (60% vs. 48% and 33%), their physical health (58% vs. 45% and 39%), and inflation (46% vs. 32% and 22%) to impact their health care costs in retirement



Retirees are more likely than non-retirees to select rising health care costs (61% vs. 44%), their physical health (60% vs. 44%), and inflation (49% vs. 30%) as factors that will impact health care costs in retirement



Estimating overall and specific health care costs in retirement are a mystery to many even though a slight majority say they know how much they need to cover health care costs in retirement

Adults age 25+ estimate median annual health care costs of \$2,200 for themselves in retirement, but 55% are not sure or can't estimate. The high proportion who can't estimate are relatively high across all generations.

Digging into more specific annual health care costs in retirement, significant portions of retirees and non-retirees can't estimate costs. Retired and non-retired adults age 25+ expect to spend more on dental care than prescriptions or vision care annually in retirement.

	Annual health care costs		Prescriptions		Dental care / dentures		Vision care	
	Median	Don't know/ Can't estimate	Median	Don't know/ Can't estimate	Median	Don't know/ Can't estimate	Mean	Don't know/ Can't estimate
Total	\$2,200	55%	\$300	54%	\$345	55%	\$200	54%
Millennials	\$2,000	53%	\$500	60%	\$450	60%	\$299	59%
Gen Xers	\$2,000	57%	\$490	63%	\$500	62%	\$250	61%
Boomers+	\$2,500	56%	\$250	46%	\$300	48%	\$150	45%

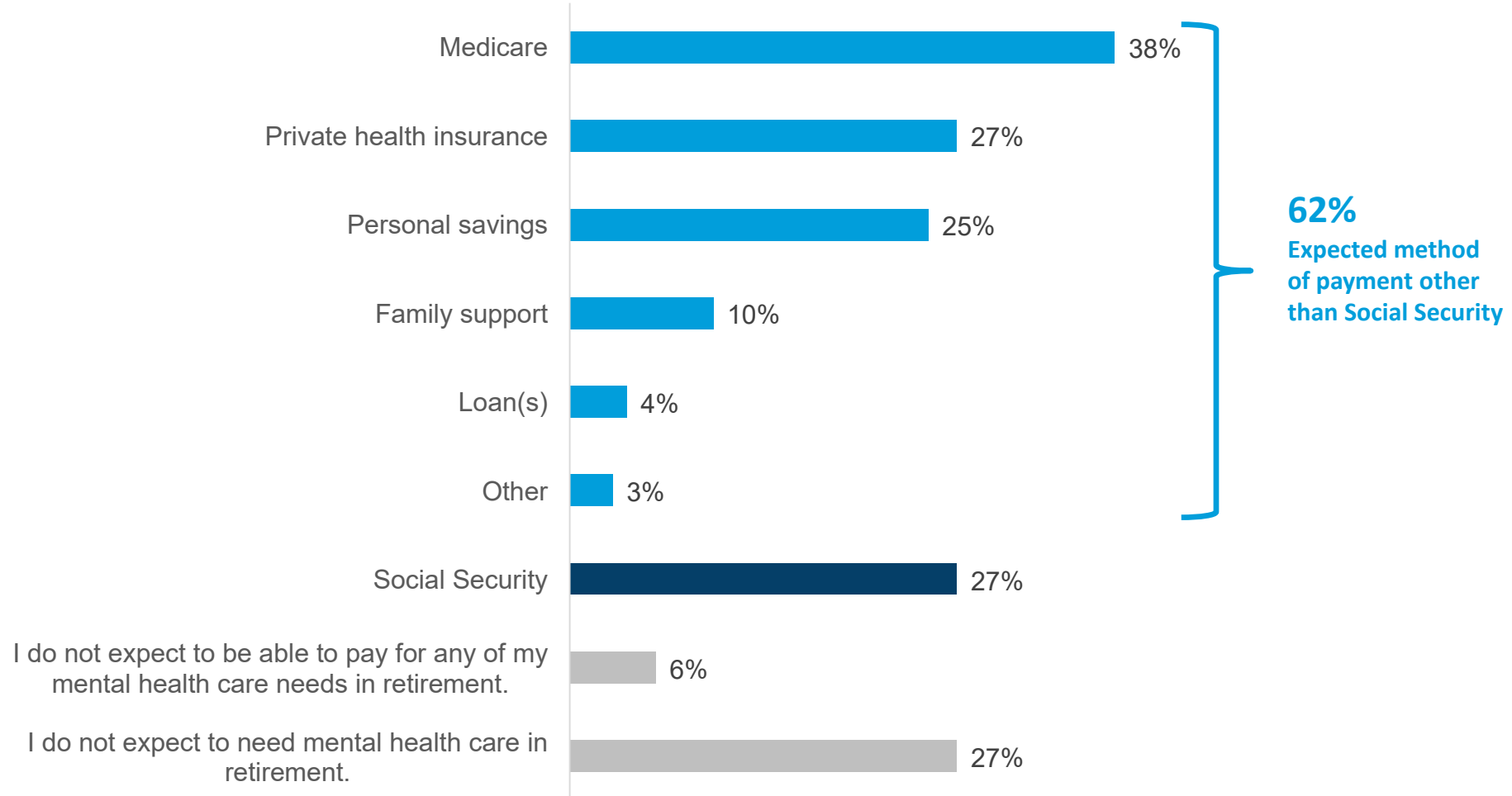
	Annual health care costs		Prescriptions		Dental care / dentures		Vision care	
	Median	Don't know/ Can't estimate	Median	Don't know/ Can't estimate	Median	Don't know/ Can't estimate	Mean	Don't know/ Can't estimate
Retirees	\$2,000	50%	\$200	37%	\$250	41%	\$150	38%
Non-retirees	\$2,400	58%	\$300	62%	\$500	61%	\$250	60%



About 3 in 10 adults do not expect to need mental health care in retirement

Medicare, private health insurance, and personal savings are the three most common ways anticipated for paying for mental health care costs in retirement, outside of Social Security.

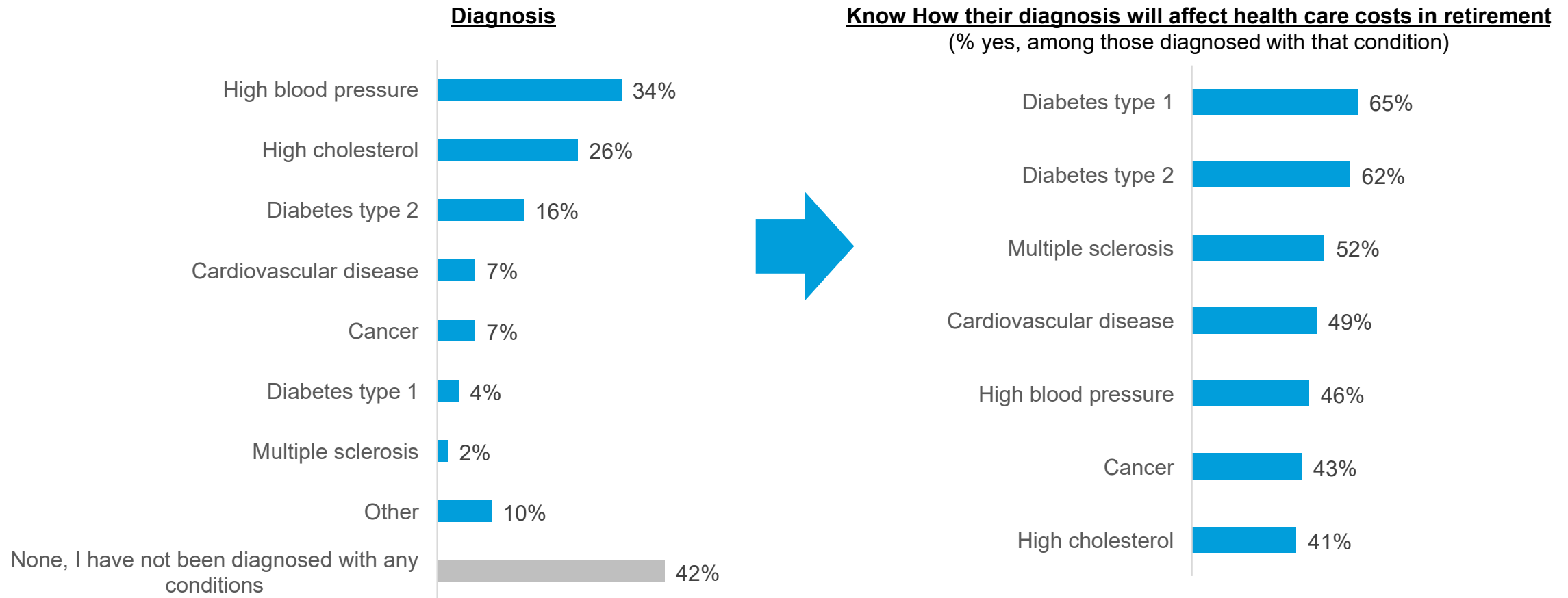
Expected Methods of Payment for Mental Health Care Costs In Retirement





Slightly more than half have been diagnosed with a specific condition that may impact health care costs in retirement, but significant minorities of those diagnosed do not know how their condition will affect their health care costs in retirement

Among those diagnosed with the specific condition(s), there is room to increase the level of those who know how their diagnosis for the condition(s) will affect their health care costs in retirement.



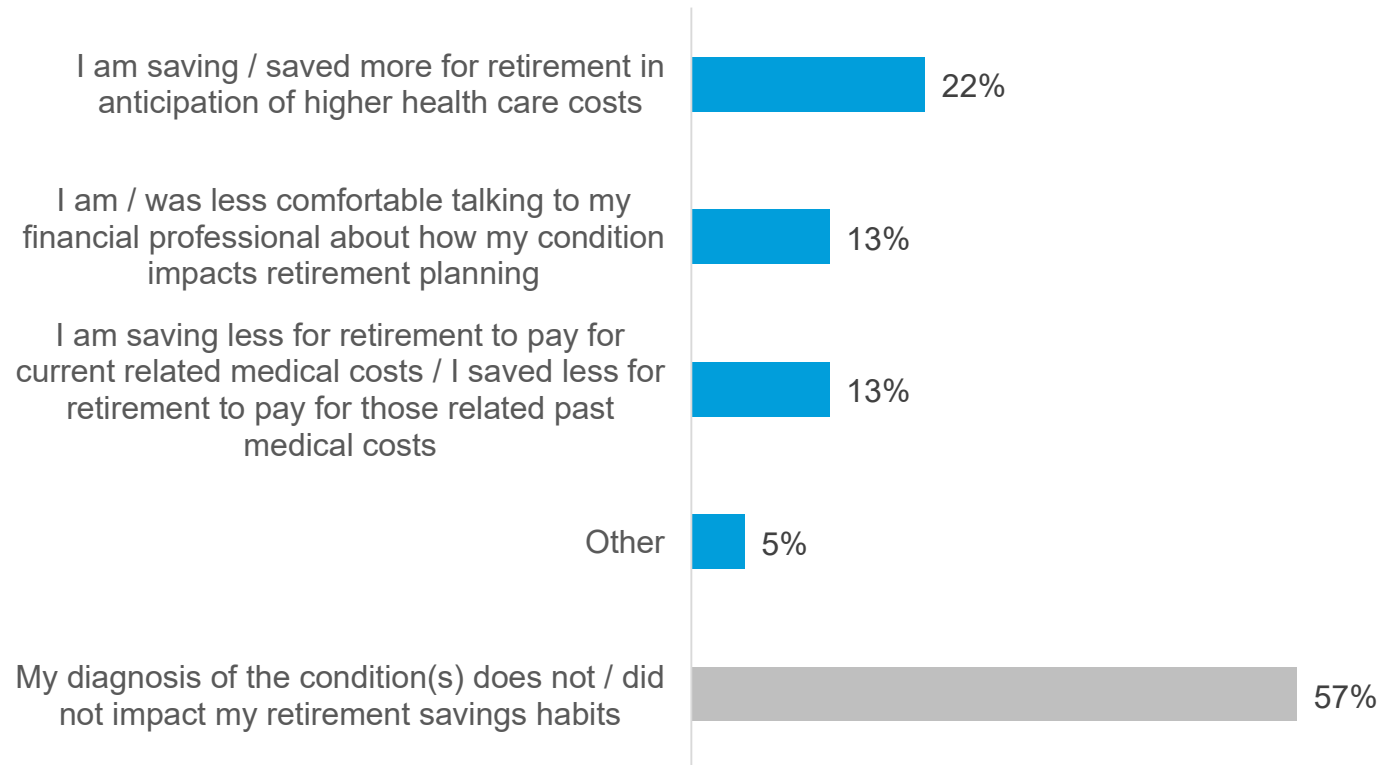


There is an opportunity to help those diagnosed with specific conditions to better plan for how their retirement spending will be impacted

Among those diagnosed with at least one of the listed conditions, the majority indicate that their diagnosis does/did not impact their retirement savings habits and only about a quarter indicated they are saving/saved more for retirement in anticipation of higher health care costs due to their condition(s).

How Does/Did Diagnosis of a Select Condition Change Retirement Saving Habits?

Among those diagnosed with at least one select condition

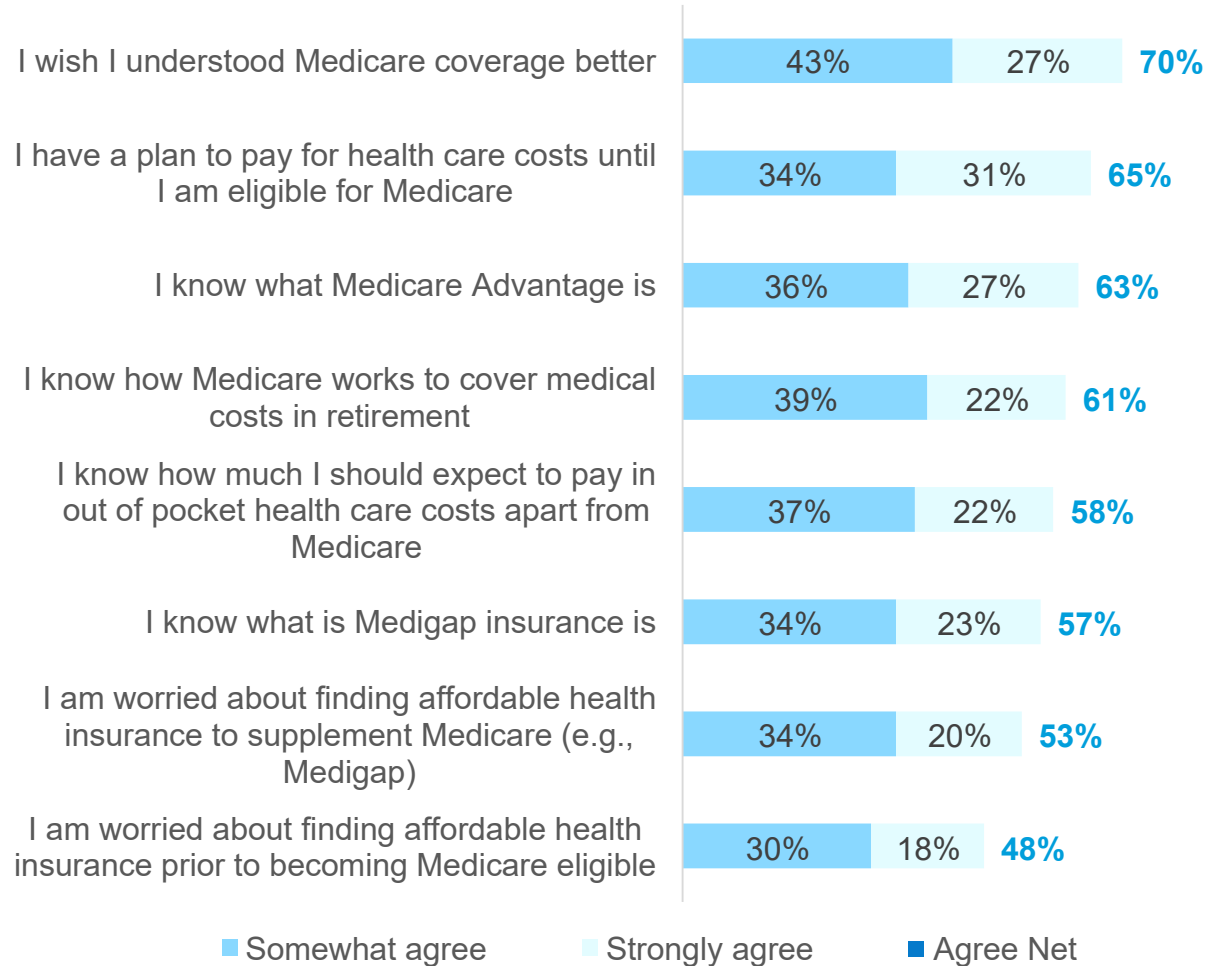




There is an opportunity to help adults understand they may not know as much as they should when it comes to Medicare and health care costs in retirement

The majority of adults age 25+ wish they understood Medicare coverage better, but the majority also agree they know how Medicare works to cover medical costs in retirement. Many are worried about finding affordable health insurance to supplement Medicare.

Agreement with Statement



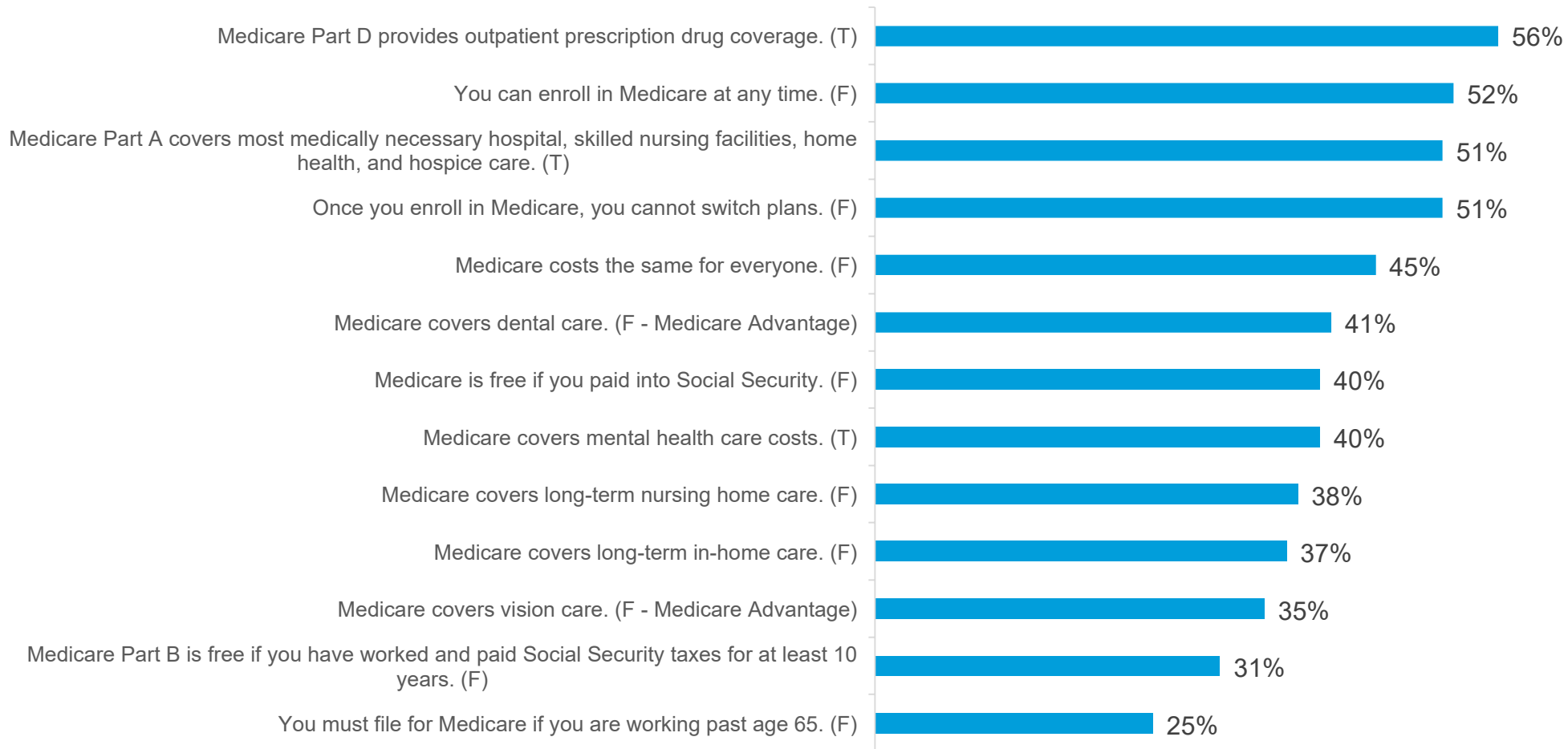


The relatively low levels of correct answers about Medicare indicate there is value in better educating adults age 25+ in the nuances of Medicare and health care in retirement

The relatively varied levels of correct answers about specific features of Medicare indicates that there are many who don't know what they don't know about Medicare.

Knowledge Testing Specific Statements About Medicare

% correct





Disclaimers

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