

2022 US RETIREMENT SURVEY

Retirement income report

Study shows strong demand for retirement income strategies in Defined Contribution plans

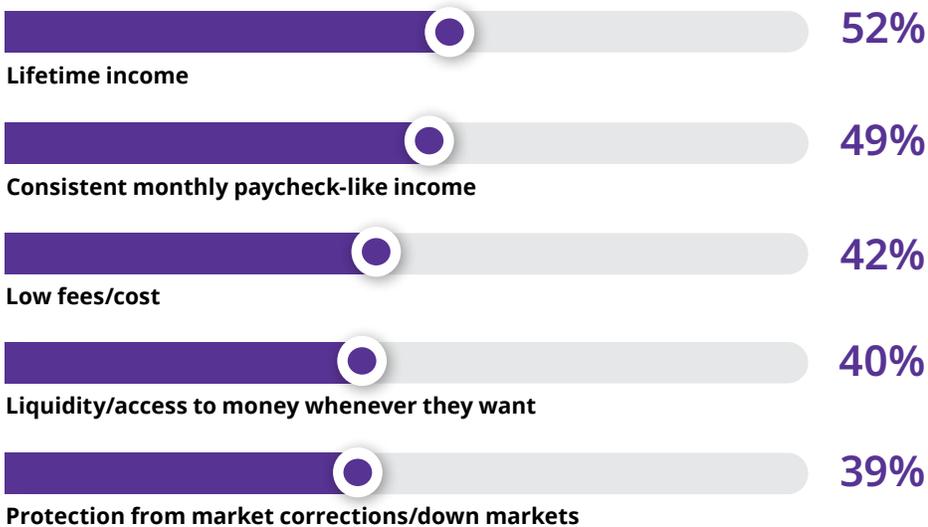
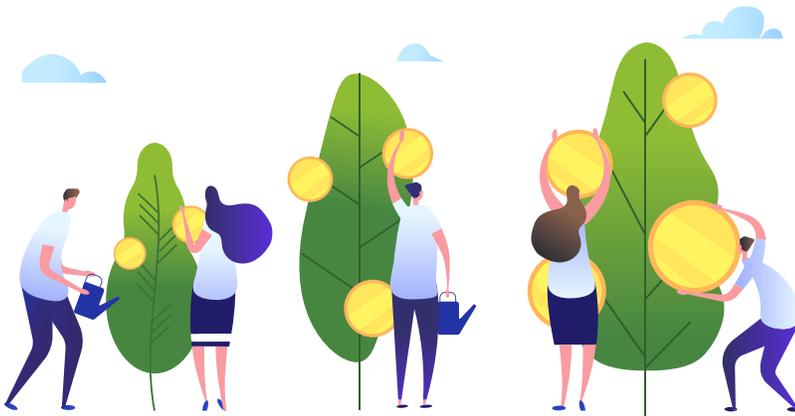
Findings on retirement income from the Schroders 2022 US Retirement Survey

Americans currently participating in workplace retirement plans are eager to have – and use – in-plan retirement income options. The question is how many have access to these options? Not enough to meet the demand, according to the Schroders 2022 US Retirement Survey.

First the bad news: Less than half (48%) of survey respondents with a defined contribution plan said their plan offers retirement income products. The good news? Almost 9 in 10 (89%) in plans that offer the products said they are likely to use them when they retire, keeping assets in their employer’s plan.

Of those who do not have (19%) or are unsure if they have (33%) a retirement income product in their plan, 62% said they wish they did.

What DC participants seek in a retirement income option



“The SECURE Act was a crucial step toward putting retirement income front and center and made it easier for plan sponsors to introduce insured solutions into DC plans. But more progress needs to be made to help defined contribution participants make the transition from saving to spending.”



Joel Schiffman
Head of Strategic Partnerships,
Schroders

No-go on waiting to 70 for max Social Security benefit

Employer-provided retirement income solutions may be in increasing demand given how non-retired Americans feel about waiting to age 70 to receive the maximum Social Security benefit. In fact, the vast majority don't plan to: just 11% of respondents said they will wait.

This is a deliberate decision: 86% of non-retired survey respondents are aware they could receive higher Social Security payments by delaying the start of their benefits.

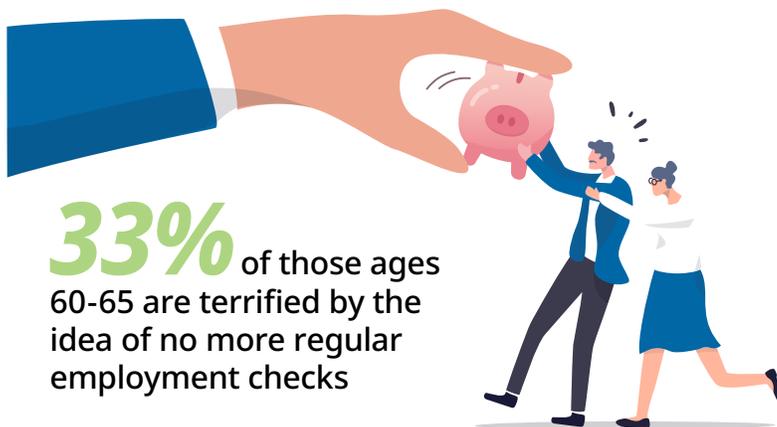
Most plan to take Social Security earlier, with almost half (48%) planning to take it between ages 62-65 – which means they won't even receive their full benefit.

Why? Almost one-third (32%) said they are concerned Social Security may run out of money/stop making payments, and 31% said they expected they would need the money sooner.

What rule of thumb? 60-65 say they don't need to replace 75% of final paycheck

The goal of retirement income planning is to replace a portion of your final paycheck – a general rule of thumb is up to 75%. But that rule of thumb doesn't seem to apply to how respondents on the doorstep of retirement feel – more than half (55%) of those ages 60-65 don't believe they will be able to replace 75% of their last paycheck in retirement income.

More significantly, the vast majority don't believe they will have to: just 23% of non-retired respondents ages 60-65 said they needed to replace 75% of their final paycheck to live comfortably in retirement. More (27%) said they needed to replace less than 50%, while another 23% had no idea, which is also concerning.



“Given increasing life expectancies and widespread concerns about not being able to live comfortably without a paycheck, the advantages of creating a retirement income strategy that maximizes your Social Security benefits can’t be overstated.”



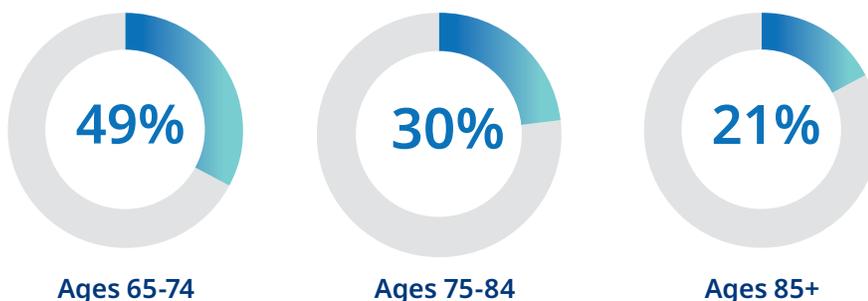
Deb Boyden
Head of US Defined Contribution, Schroders

About the survey

The Schroders 2022 US Retirement Survey was conducted by 8 Acre Perspective among 1,000 US investors nationwide ages 45-75 from February 17-February 28, 2022. The median household income for working Americans surveyed was \$75,000. The survey included 317 respondents with employer-provided defined contribution retirement plans.

What are the most expensive years in retirement?

What period of life after age 65 do non-retired Americans expect to be the most expensive? The early years, according to almost half. More specifically:



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