



**The New Retirement: Phased
Retirement and Phases of Retirement**

Presentation at Financial Planning Association
Anna Rappaport

September 2011



The World Today: New Retirement

- Living longer—one year per decade?
- Boomers are at traditional retirement age
- Living with aftermath of 2007-2009 economy
 - Big drops in 401(k) balances and varying degrees of recovery
 - Housing prices dropped
 - Many jobs lost/much harder to find jobs
- Personal challenges and opportunities
 - Two portfolios—financial and activities
 - Plan for options during retirement
 - Think longer term



Agenda

- When and How We Retire
- Phased Retirement: An Important Option
- What Changes During Retirement
- Insights into Planning
- Special Issues for Women
- Taking Action for the Future

Focus on research and facts:
Society of Actuaries is major resource



When We Retire

- Third age—transition between career commitment and full retirement
- Major increase in individual responsibility
- Retiring a little later
- But, say we expect to retire much later
- Longer life = healthy longer on average, but not forever
- About 4 in 10 retire earlier than planned
- Disability drives decisions: of those who are not in labor force at 50-61
 - 67% of men are disabled
 - 40% of women are disabled
- Couples often retire at different times



How We Retire

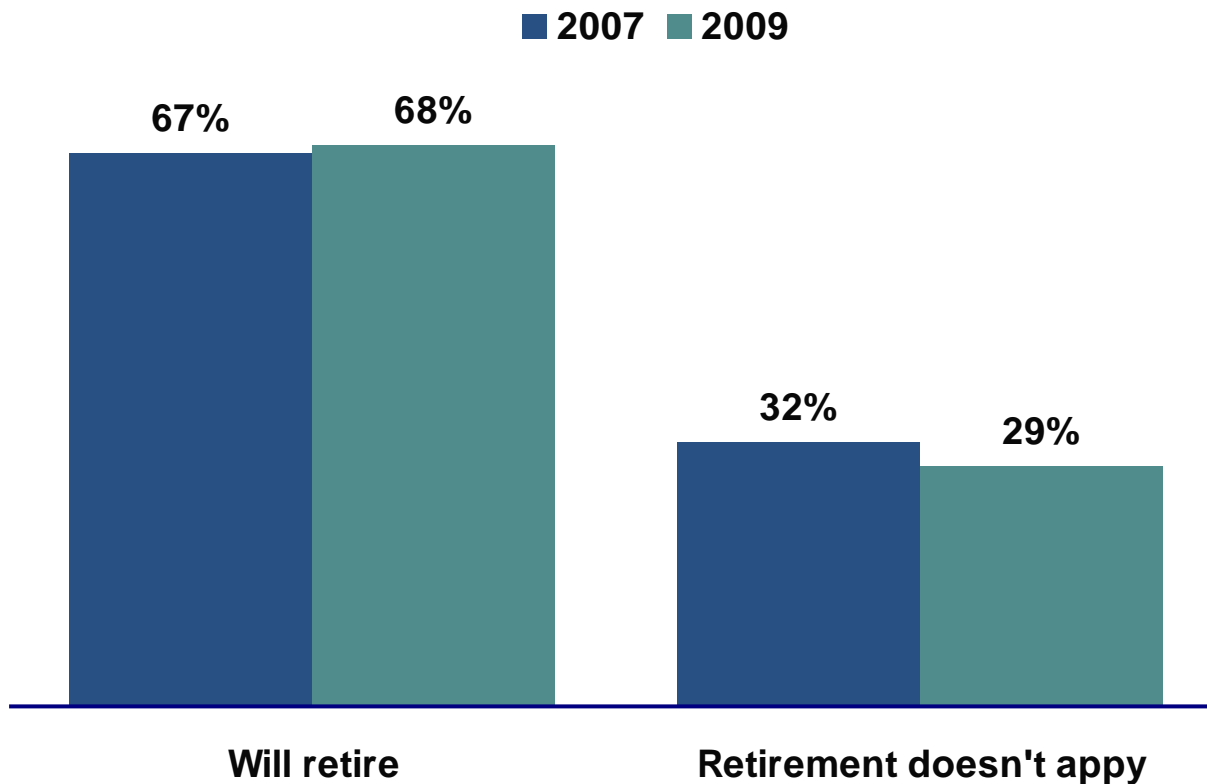
- More than 7 in 10 people say they want to work in retirement
- Many work after “retirement”—often part-time or part-year
 - CRS Sept. 2008 study indicates that 37% of men and 35% of women aged 55 to 64 who were receiving pensions in 2007 were employed in March 2008
 - Of those aged 65 and over, 12% of men and 9% of women were employed

Tip for planners: Plan for transitional phase


Almost 1 in 3 pre-retirees feel retirement won't apply to them

Do you think there will come a time when you begin to think of yourself as retired or doesn't retirement really apply to your situation?

(Pre-retirees, 2009 n=403)

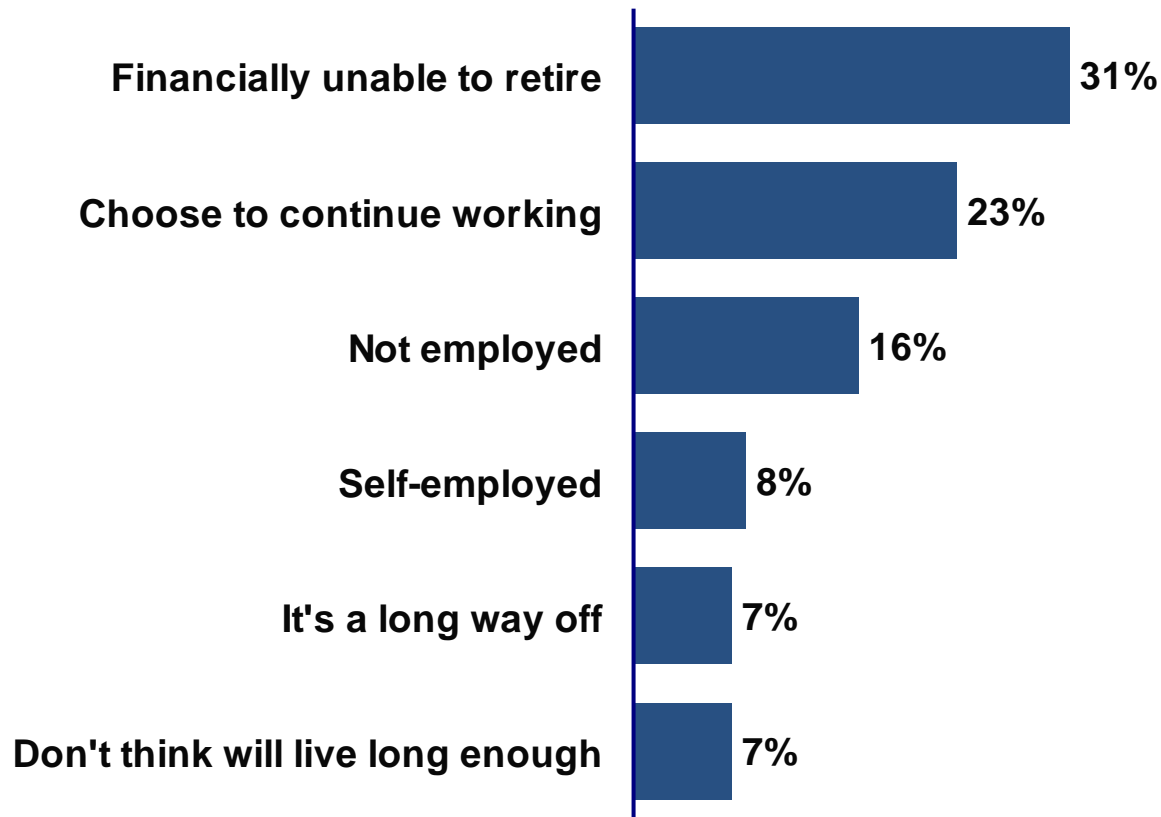


Source: Society of Actuaries, 2009 Risks and Process of Retirement Survey



Mostly this is due to finances or desire to continue working

Why do you say that? (Pre-retirees, 2009 n=130)



Source: Society of Actuaries, 2009 Risks and Process of Retirement Survey



Pre-retirees expect to retire later than retirees

At what age (retirees: did/pre-retirees: do you expect to) retire from your primary occupation?

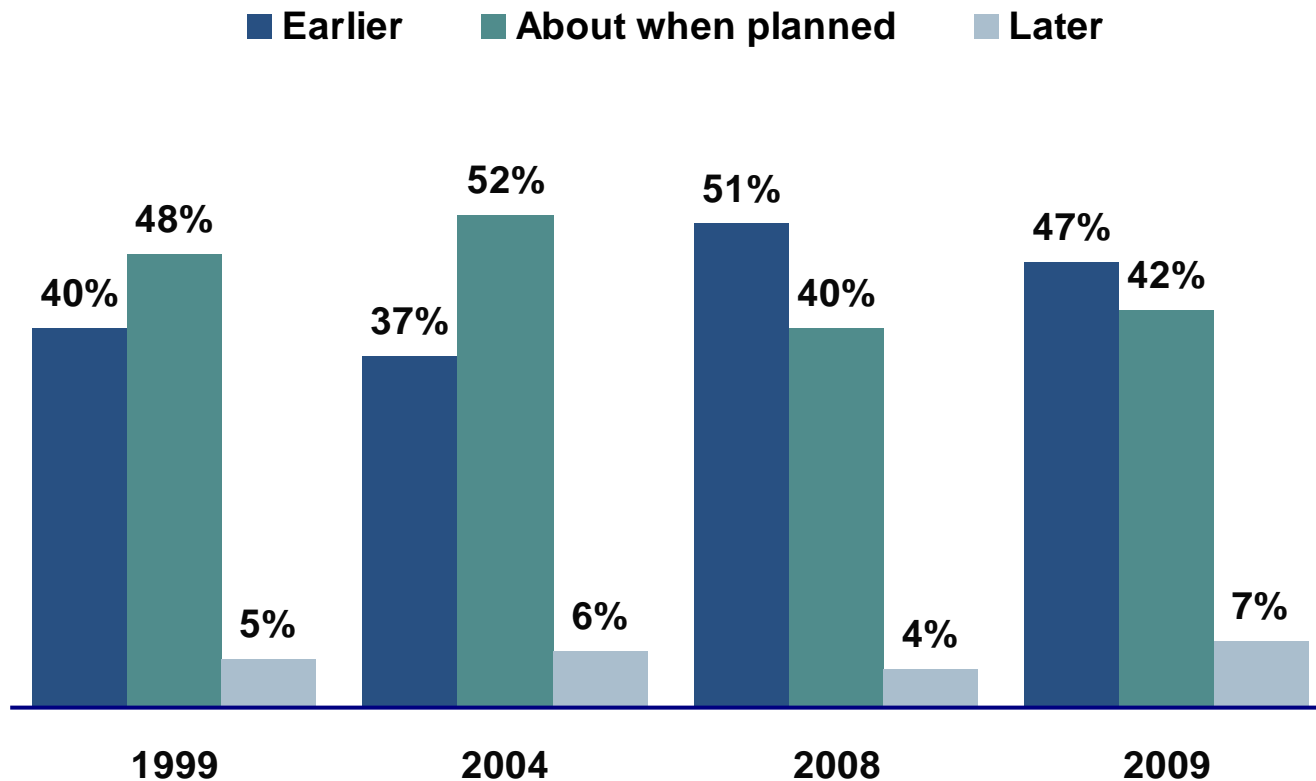
Age category	Retirees (n=393) (%)	Pre-retirees (n=273) (%)
Under 55	28	1
55 to 61	33	24
62 to 64	20	16
65 to 69	14	38
70 or older	3	13
Don't know	3	8

Source: Society of Actuaries, 2009 Risks and Process of Retirement Survey

Many may be ignoring possibility of involuntary early retirement

Did you retire earlier than you planned, later than you planned, or about when you planned?

(Retirees, 2009 n=256)



Source: EBRI/Greenwald, 1999-2009 Retirement Confidence Surveys



Discussion

- What does this data mean to us?
- What should we tell clients?
- Do we need more information?

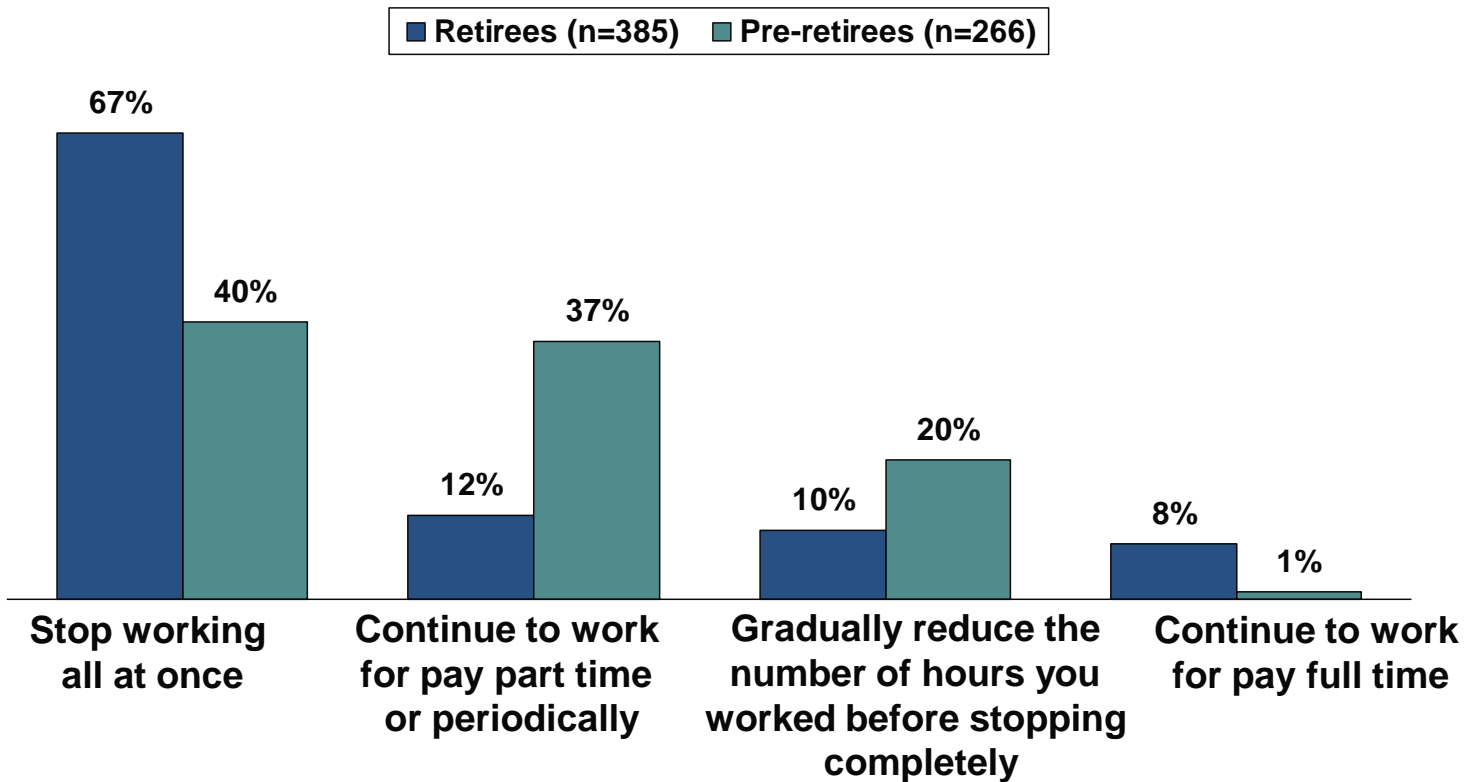


Defining Phased Retirement: A Personal Perspective

- Allows us to work on reduced or modified basis before retirement (phasing pre-retirement)
- Allows us to work after we retire (phasing post-retirement)
- Modified work may mean change of schedule, place or duties
- Might enable us to collect some portion of our pension benefits as we work (once retirement eligible)
- Can be formal or informal (negotiated) arrangement
- Includes working for long-term employer, a different employer, or for ourselves

Phased retirement will likely increase in the future

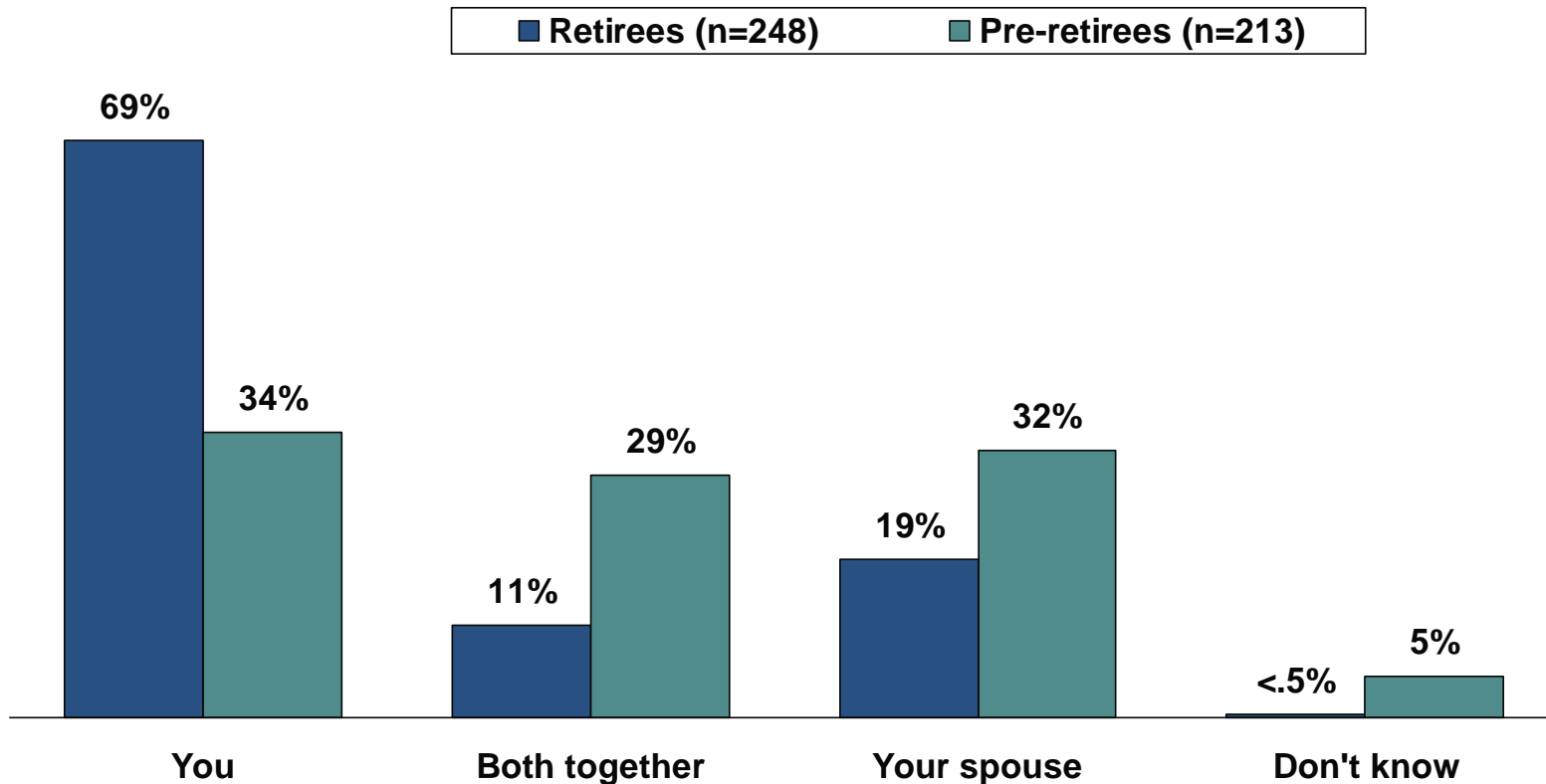
Which statement comes closest to describing how you retired/plan to retire from your primary occupation? (Among those providing retirement age from primary occupation)



Source: Society of Actuaries, 2007 Risks and Process of Retirement Survey

Few retire at the same time as their spouse

Who retired/will retire first? You, your spouse, or will you and your spouse retire together? (Among married retirees and pre-retirees providing retirement age from primary occupation)



Source: Society of Actuaries, 2007 Risks and Process of Retirement Survey



Stakeholder perspectives on phased retirement

- **Individuals 50+:** Interested in flexibility, work options, family and money
- **Employers:** Need talent and good results. Most employers think of phased retirement as a win/win for employers and employees
- **Policymakers and public:** Need well functioning economy. Most policymakers think of phased retirement as a program that primarily should help the worker or address concerns about the shortage of workers and the impact that shortage has on the federal government programs
- **Advocates for individuals:** Focus is on preventing possible loss of benefits, not on creating work options

Bottom line: Hard to define policy that works



Why phased retirement? Individual perspective

- Many jobs have turned into 60+ hours per week—very stressful
- Family members needing care
- Family member retiring at a different time
- Disability and physical limitations
- Fits personal needs when spouse retires first
- Desire to choose projects
- Desire for schedule flexibility including how much to work
- Interest in different life balance
- Interest in different type of work

Tip for planners: Personal goals will differ. A fact finding tool would be helpful—very different from financial fact finding. One of your colleagues recommends www.moneyquotient.com



Why phased retirement? Employer perspective

- Helps keep valued and hard to replace talent (95% in August 2008 Mercer survey—keeping employees working longer was primary reason for phased retirement)
- Regular staff don't have time for special projects
- Former employees ideal to help with training
- Peak loads including unpredictable peaks, e.g. after storms
- Variable work loads and seasonal work patterns
- Keep open promotion paths
- Fill in when someone disabled/on vacation

Tip for Planners: Remember advantages to employers and importance of negotiation



Phasing A Little vs. Phasing A Lot

Phasing a little

- Usually regular schedule, reduced somewhat
- Regular employee with ongoing commitment, predictable income and health benefits
- Unlikely to get pension payments
- Modest flexibility with same work options as offered to employees generally

Phasing a lot

- Many schedule options including on-call, pool, seasonal work, job-sharing
- Most likely temporary or consultant; may not have regular commitment or salary, unlikely to have health benefits
- Likely to get pension payments
- Lot of flexibility and probably different work options



Example: Bank teller

Phasing pre-retirement

- Works 3 or 4 days per week on regular basis as regular employee
- Works at regular work location
- In future can be paid partial pension after age 62

Phasing post-retirement

- Work as fill-in during vacations or on-call during the year
- Work as temporary or through a retiree pool
- In a bank with multiple branches, may work at different locations
- Paid pension and appropriate compensation for work performed



Creating best personal option for phased retirement

- Considerations: money, benefits, engagement, life balance
- Building a personal option: define needs and goals
 - Less/different work before retirement
 - Retire and work after retirement
 - Same or different employer
 - Start a business
 - Fixed commitment vs. more variable
 - Same work as before or different?
- Key: find personal match to organizational talent needs
 - Be prepared to propose and negotiate

Tip for planners: Help identify resources and think through issues



Getting/Building Job During Retirement

Most common form of phased retirement

- Build a business
- Find opportunity with prior employer or a new job
- Look for special programs
 - YourEncore: supports 30 Fortune 500 companies with 4000 experts—scientific and engineering personnel
 - Southern company: in-house pool
 - Aerospace Corporation: retiree casual program with 600 participants. 300 work at one time
 - Monsanto: Resource Re-entry Center, available to all former employees



Issues in contracting, structuring an arrangement

- Who drives process
- What advice is needed
- Compensation—how determined and how paid
 - Salaried, hourly, flat fee, retainer with hourly charges
- How much of an obligation—one project, ongoing, fill in on temporary basis
- Special issues
 - Liability and personal protection
 - Indemnification and insurance
 - Confidentiality, professional standards
 - Intellectual capital—who owns what
 - Non-compete issues
 - Who pays taxes

Tip for planners: This is an area where advice is needed and there is specialized knowledge required



An Opposing View

Phased Retirement is Not the Path to Retirement Security **by Alicia H. Munnell***

- Promotes working longer for greater security—move average retirement age from 63 to 67
- Argues that phased retirement will not lead to enhanced retirement security

*2009 Paper published by the CFA Institute in *The Future of Life-Cycle Saving and Investing: The Retirement Phase*



Discussion

- What does this data mean to us?
- What should we tell clients?
- Do we need more information?



Importance of retirement ages

- Working longer means more security
 - Shorter time to use resources in retirement
 - More savings and pensions
 - Better Social Security benefit
 - More time to stay in employer health benefits
- Social Security benefits at 70 are about 75% greater than at age 62
- Impacts widow as well as couple
- Now linked to cognitive ability

Tip for planners: Many knowledge gaps around importance of working longer; appears that many people do not evaluate well. Be sure to think about couple issues as well as individual issues.



Retirement and health

“We find that early retirement has a significant negative impact on the cognitive ability of people in their early 60s that is both quantitatively important and causal.”

From “Mental Retirement” by Susann Rohwedder and Robert J. Willis. Published by Netspar, October 2009

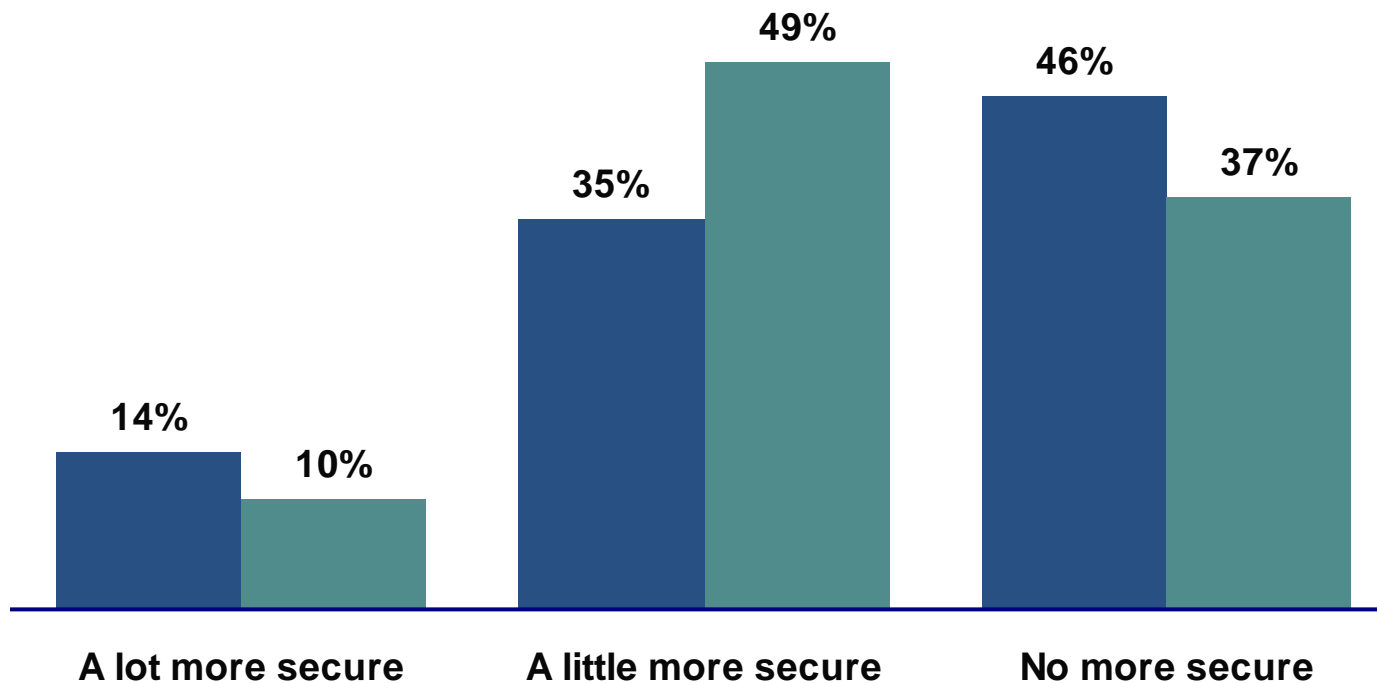
Tip for planners: This research is not well known

People believe delaying retirement will help increase security

[Suppose you retired three years later.] Do you think this would make your retirement financially...?

(Among those retired/expecting to retire)

■ Retirees (n=390) ■ Pre-retirees (n=271)



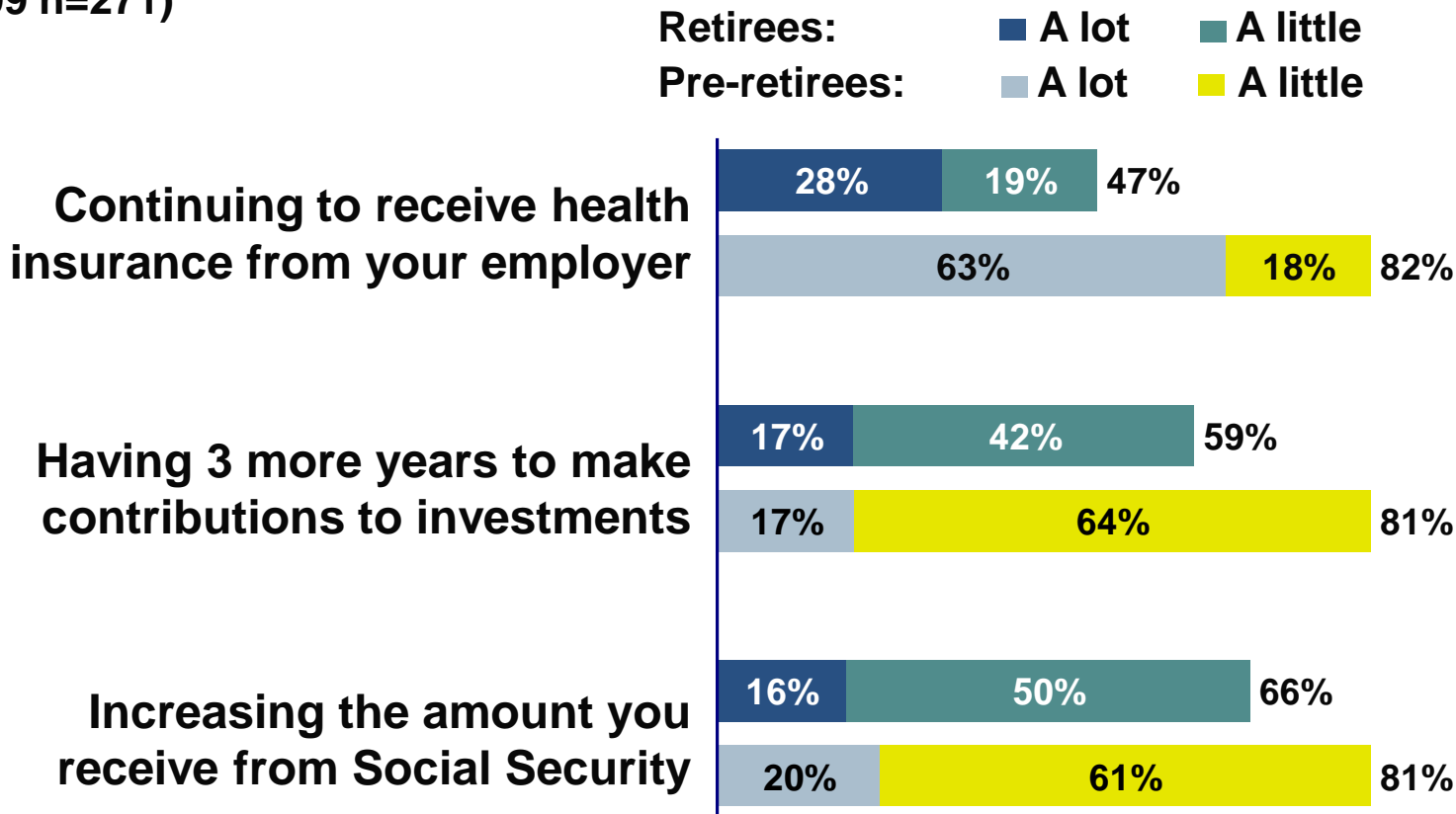
Source: Society of Actuaries, 2009 Risks and Process of Retirement Survey

FPA Presentation – September 2011



Much of the added security comes from continuing employer health

[If you retired three years later,] how much, if at all, would each of the following (have increased/increase) your financial security in retirement?
(Among those retired/expecting to retire: Retirees, 2009 n=390; Pre-retirees, 2009 n=271)



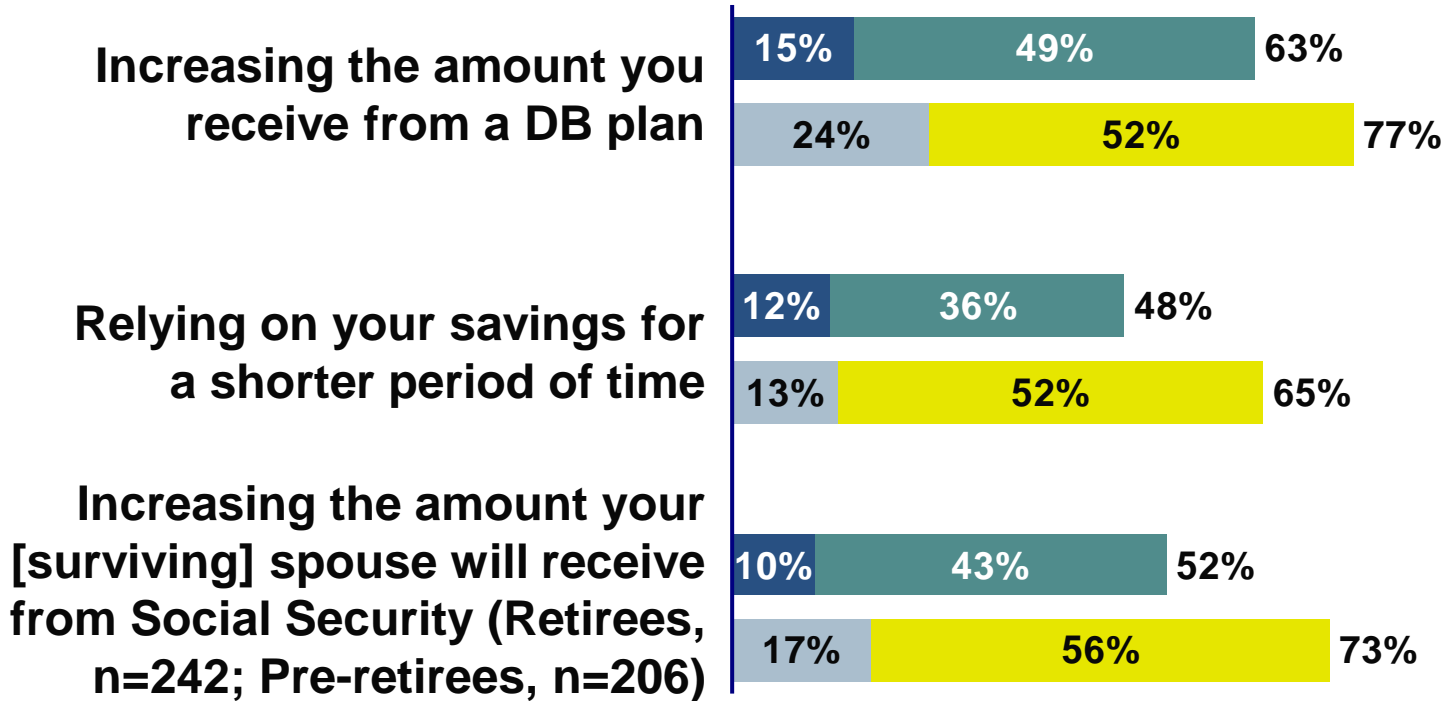
Source: Society of Actuaries, 2009 Risks and Process of Retirement Survey



Less comes from relying on savings for a shorter time

[If you retired three years later,] how much, if at all, would each of the following (have increased/increase) your financial security in retirement?
(Among those retired/expecting to retire: Retirees, 2009 n=390; Pre-retirees, 2009 n=271)

Retirees: ■ A lot ■ A little
Pre-retirees: ■ A lot ■ A little



Source: Society of Actuaries, 2009 Risks and Process of Retirement Survey
FPA Presentation – September 2011



What changes during retirement: Phases of retirement

- What people say and expect
 - Expectations about change and planning for it
 - Special focus of 2007 SOA Risks and Process of Retirement Survey
- What people do
 - Urban Institute analysis looks at time use and types of activity
 - Analysis of HRS Data by Barbara Butrica of Urban Institute



Phases of retirement

- Different way to think about retirement
- Can be defined by activity level, working or not working, age, health status, family status
- Survey defines phases based on abilities and associated needs
- Those who expect to work are unlikely to do so after age 75
- Couple issues
 - Timing of retirement
 - Changes at death of spouse

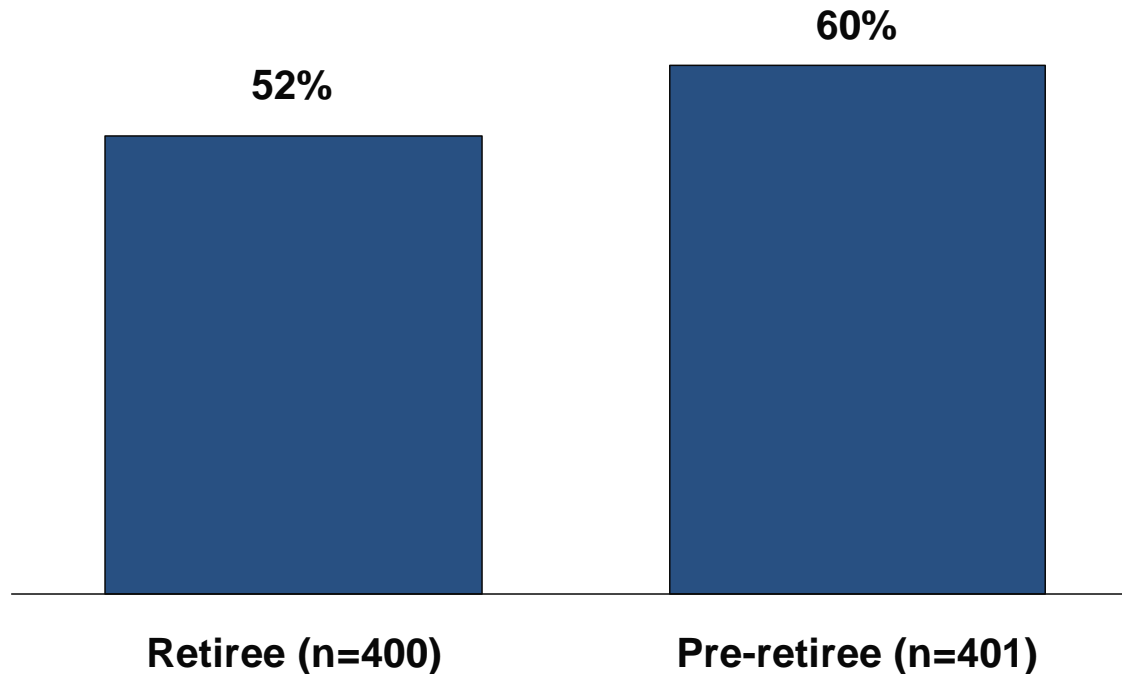
Tip for planners: Planning often focused on first phases, but there are greater needs in later phases. Think about money, housing, and engagement

Great reference: www.gettingolderhappens.com



Only half of retirees have or expect an active stage of retirement

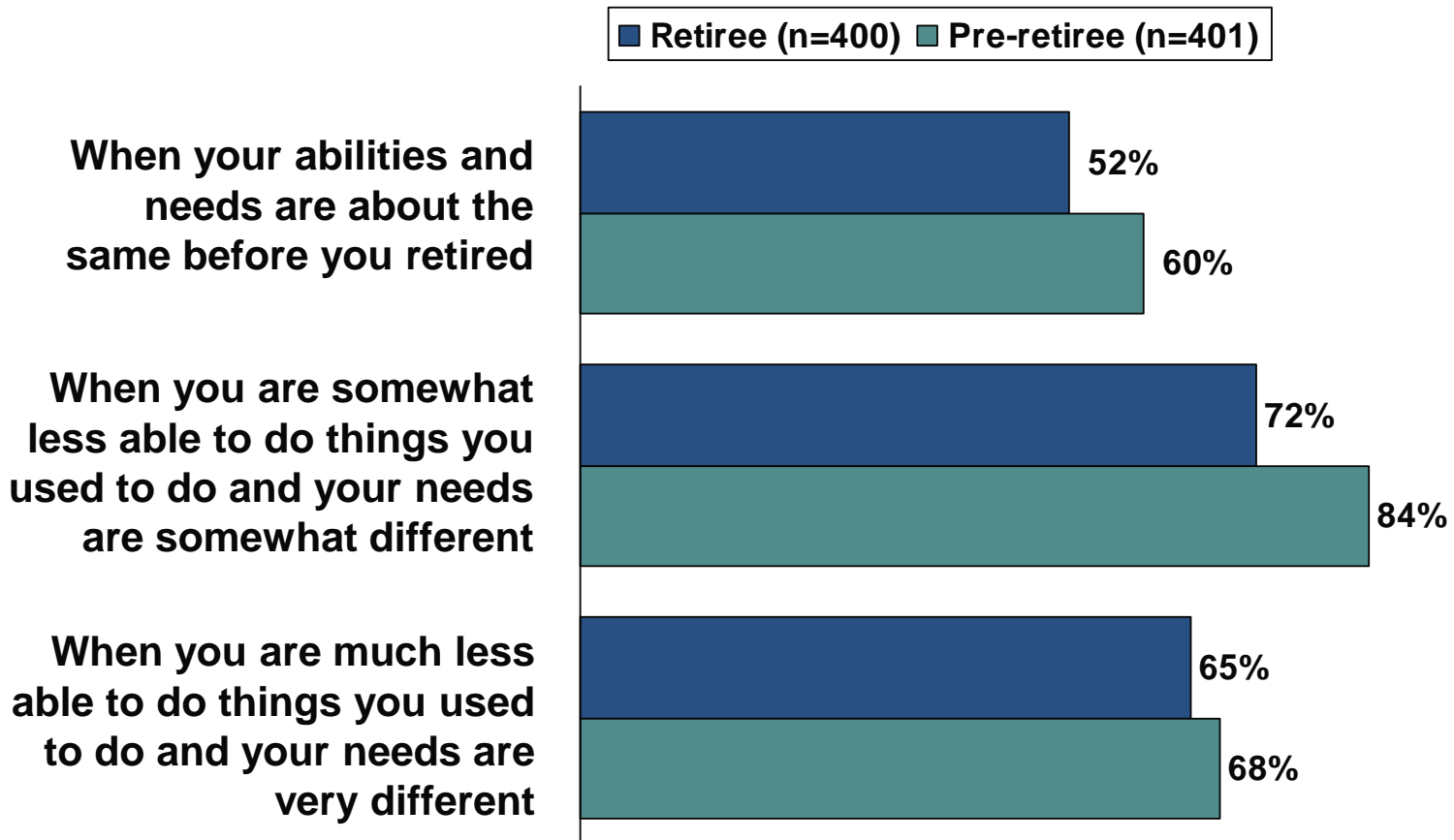
Do you think you will have a time in retirement when your abilities and needs are about the same as before you retired?



Source: Society of Actuaries, 2007 Risks and Process of Retirement Survey

A majority expect to experience some level of incapacity

Do you think you will have a time in retirement...?



Source: Society of Actuaries, 2007 Risks and Process of Retirement Survey



Dependence on family or community services is expected to increase

I'm going to ask about some ways your needs might change during this time.
Do you think you will need...? (Among those experiencing each stage)

	Less Active Stage		Least Active Stage	
	Retirees (%) (n=284)	Pre-retirees (%) (n=337)	Retirees (%) (n=260)	Pre-retirees (%) (n=266)
To modify your home or move to a home that is more livable	48	56	56	69
To depend on your family or community services for assistance	46	59	64	78
To pay someone to provide assistance	41	46	61	70
Nursing home or home health care	NA	NA	53	63

Source: Society of Actuaries, 2007 Risks and Process of Retirement Survey



Half think their increasing needs will require more income

During this time, do you think you will need less money, more money, or about the same amount of money as before to cover your expenses?
(Among those experiencing each stage)

	Less Active Stage		Least Active Stage	
	Retirees (%) (n=284)	Pre-retirees (%) (n=337)	Retirees (%) (n=260)	Pre-retirees (%) (n=266)
More money	50	42	56	55
About the same amount of money	40	38	33	34
Less money	6	17	6	9
Don't know	4	3	5	3

Source: Society of Actuaries, 2007 Risks and Process of Retirement Survey



Insurance plays only a small role in preparing for increased need

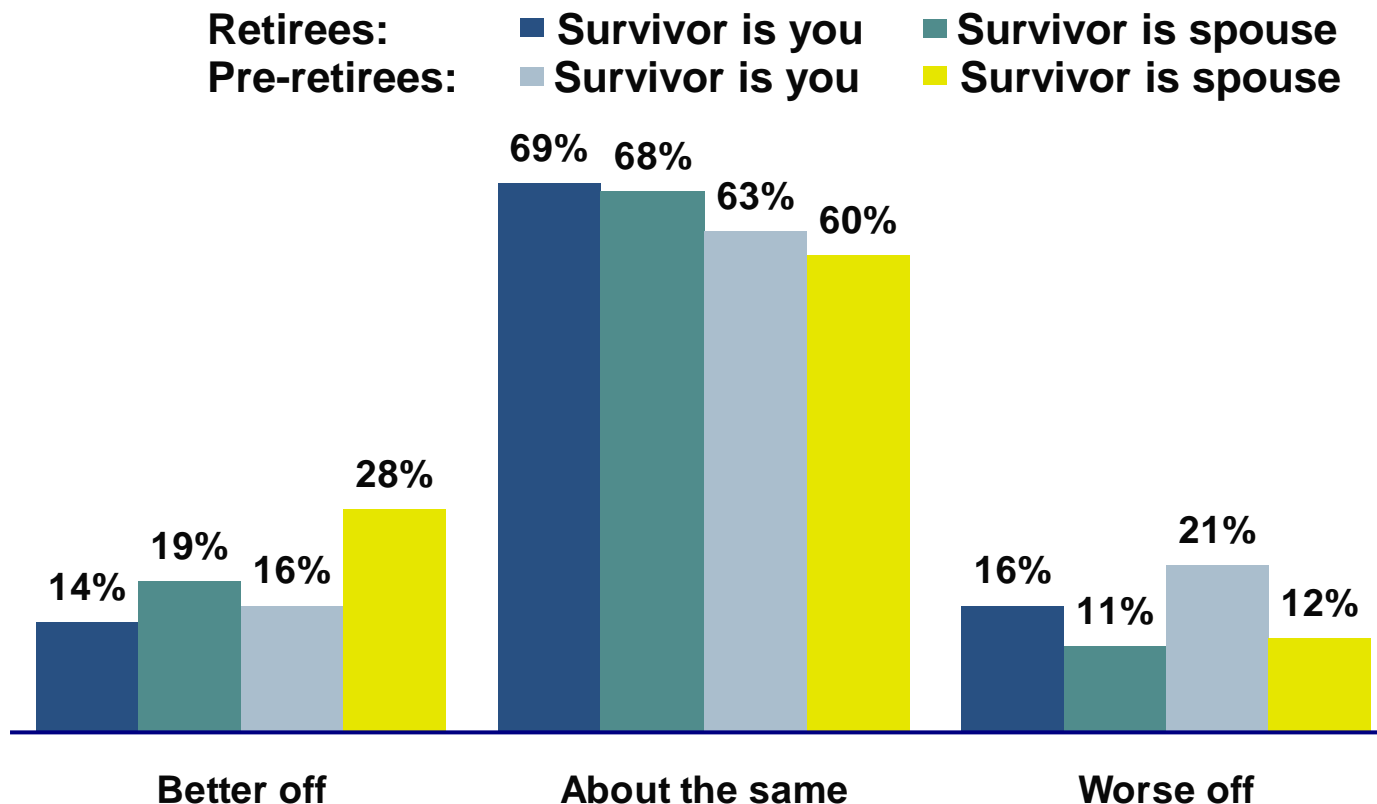
What, if anything, have you done or will you do to prepare for your changing needs in retirement? (Among those expecting less active stages)

Top Mentions (multiple responses accepted)	Retirees (%) (n=330)	Pre-retirees (%) (n=353)
Save (more) money	16	37
Invest to make assets last	15	19
Buy long-term care insurance	11	8
Make home modifications	6	4
Cut back on spending	6	4
Stay healthy/improve health	4	4
Pay off debts	2	5
Nothing	28	15
Don't know	7	7

Source: Society of Actuaries, 2007 Risks and Process of Retirement Survey

Few believe they will suffer financially by spouse's death

If your spouse were to pass away before you/If you were to pass away before your spouse, do you think it would leave you/your spouse financially...?
(Among married Retirees, 2009 n=249); Pre-retirees, 2009 n=293)



Source: Society of Actuaries, 2009 Risks and Process of Retirement Survey

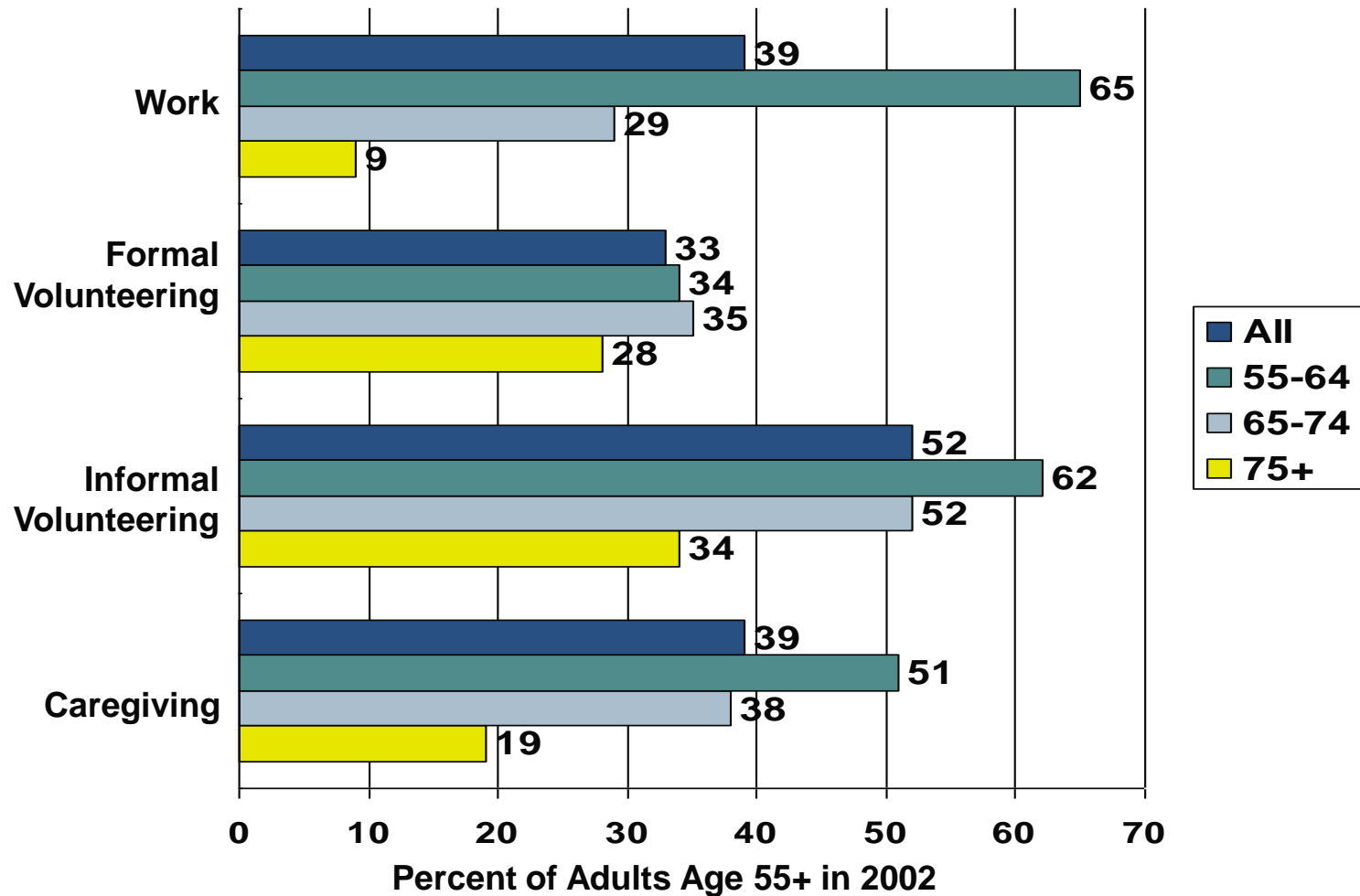


Research on how older Americans spend their time

- Uses Health and Retirement Study
- National data base—longitudinal study since 1992
- The 2004 HRS includes 20,129 respondents ages 51 and older.
- The HRS asks respondents about volunteering, parent care, child care, spouse care, work, time spent helping others, as well as their financial resources, religiosity, health status, and basic demographics.

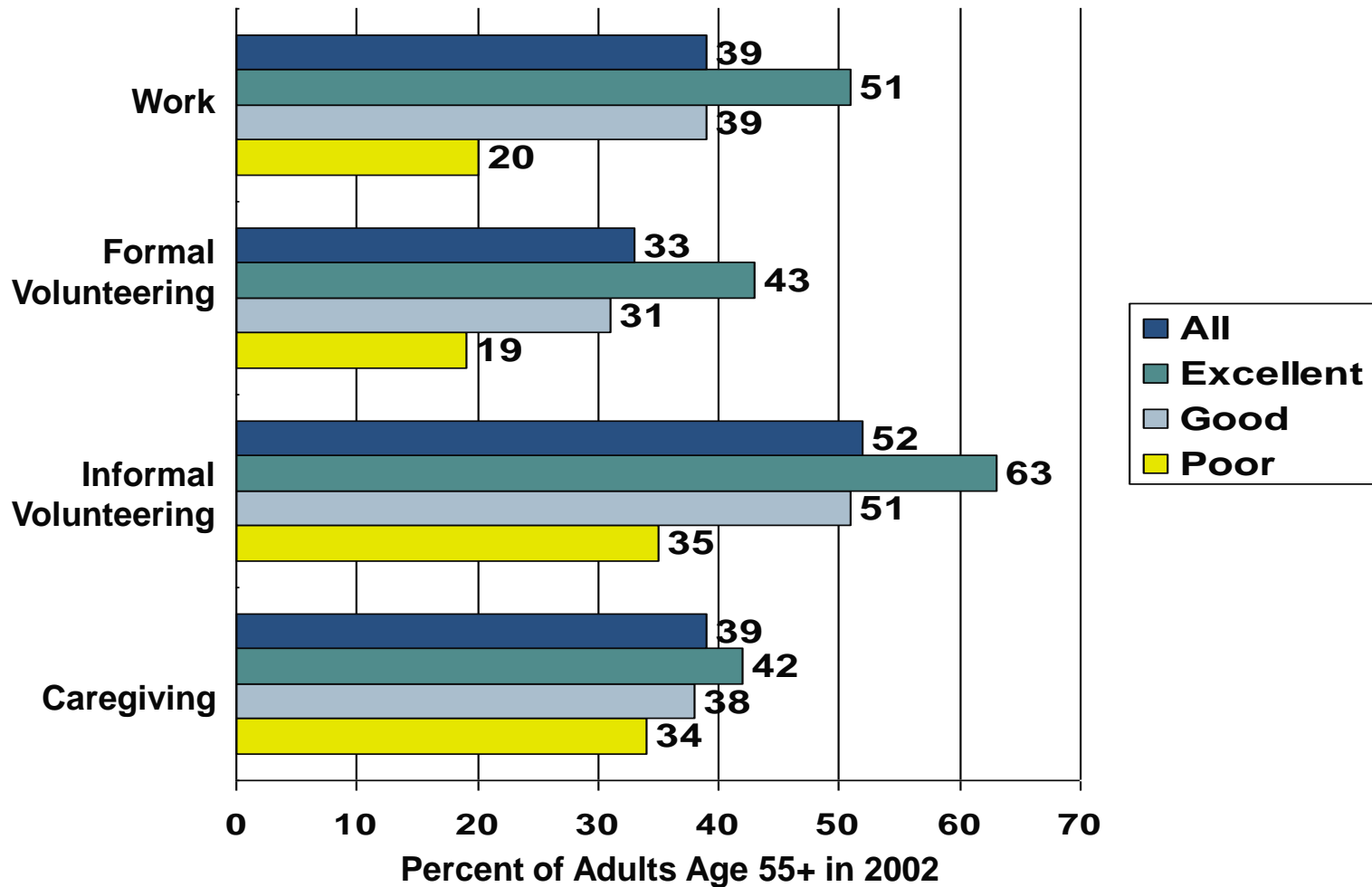
Question for planners: Do your clients need help in thinking about engagement and what will work best for them?

What older Americans do with their time varies by age...



Source: Butrica, Barbara, How Do Older Americans Spend Their Time, Urban Institute

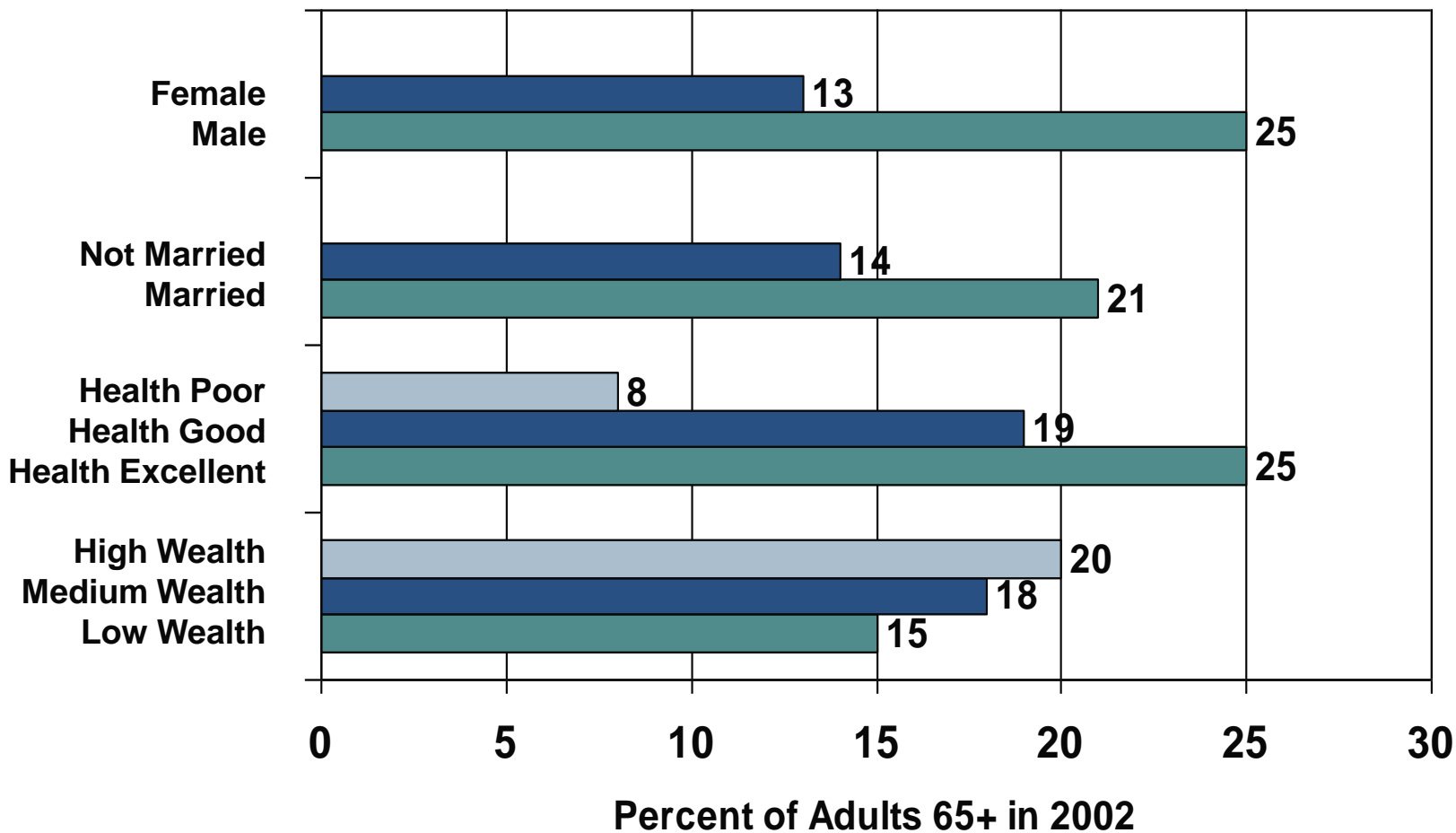
...and health status



Source: Butrica, Barbara, How Do Older Americans Spend Their Time, Urban Institute

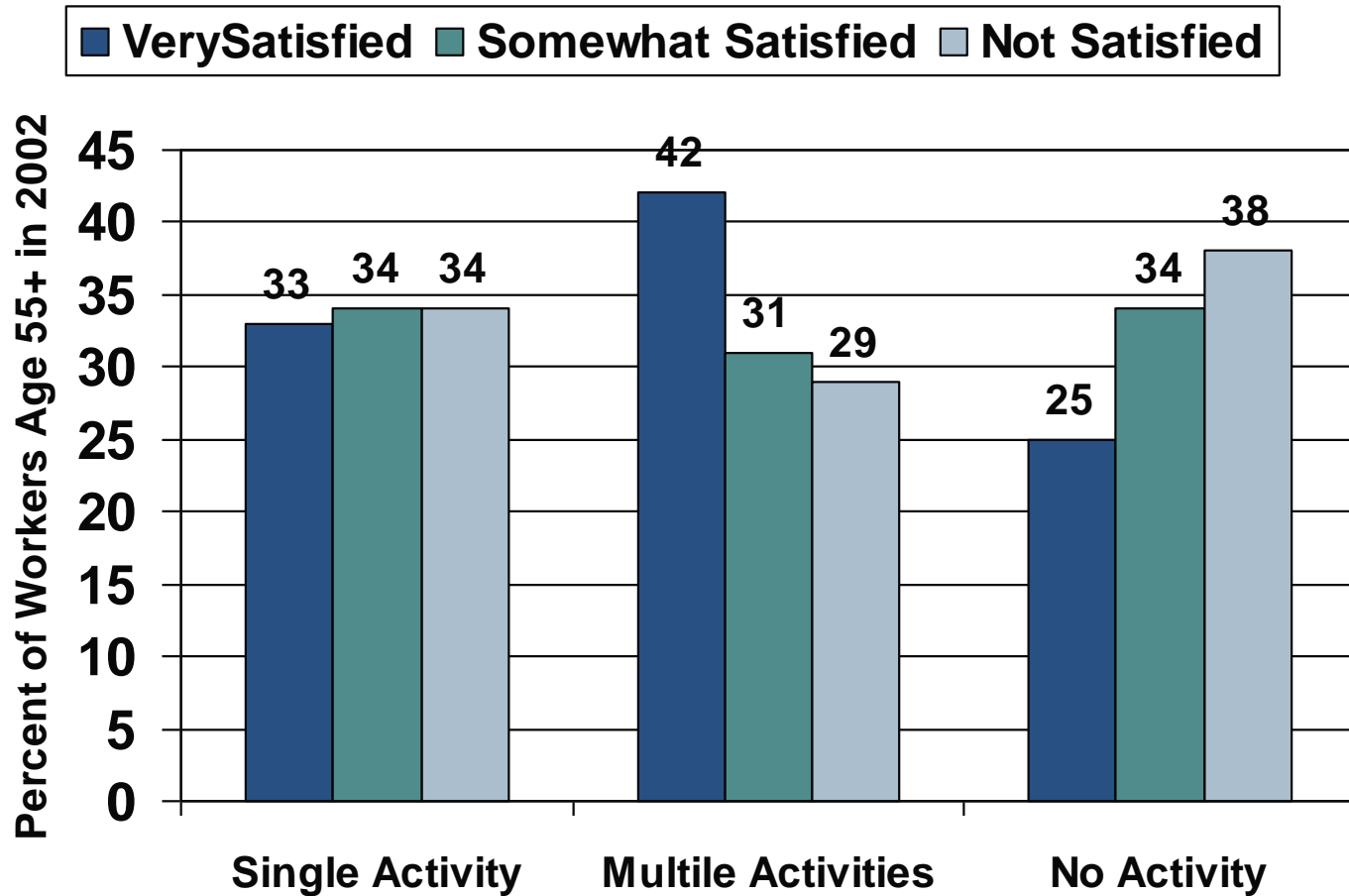


Who works past age 65?



Source: Butrica, Barbara, How Do Older Americans Spend Their Time, Urban Institute

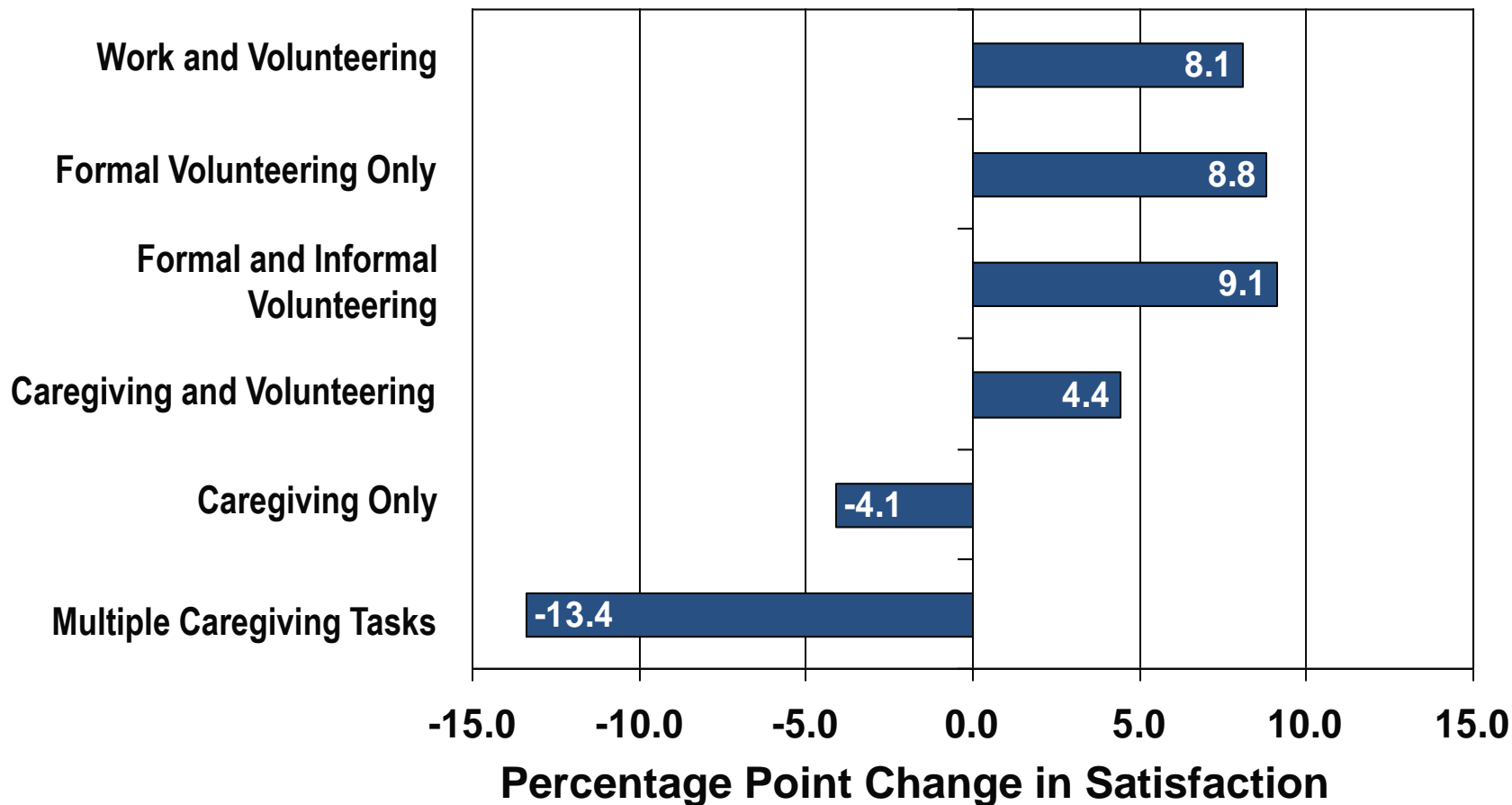
Seniors who are more active say they are more satisfied with retirement



Source: Butrica, Barbara, How Do Older Americans Spend Their Time, Urban Institute

However, retirement satisfaction varies by the type of engagement

Retirees Age 55+ in 2002



Source: Butrica, Barbara, How Do Older Americans Spend Their Time, Urban Institute



Discussion

- What does this data mean to us?
- What should we tell clients?
- Do we need more information?



Future of work during retirement: Will opportunities exist?

- Unemployment big problem today
- Many people say they want to work in retirement
- Many people retire earlier than planned
- How many lose jobs?
- Displaced worker research: harder to get jobs
- Specific occupations will face challenges
 - Nurses, nuclear engineers, e.g.
 - How many and where?
- Needs for workers subject to
 - Changes in market need
 - Outsourcing



Insights on Planning for Retirement

- New area in 2009 Society of Actuaries Survey on Post-Retirement Needs and Risks
- Concerns among survey oversight group
 - Planning horizon—is it too short?
 - Is there adequate focus on risk management?
- Prior experience tells us
 - Gaps in knowledge
 - Not very much focus on risk management products



More than half have a planning horizon of 10 years or less

When you make important financial decisions, about how many years do you look into the future?

Years	Retirees (n=401) (%)	Pre-retirees (n=40.) (%)
Less than 1 year	10	1
1 to 4 years	20	12
5 to 9 years	19	24
10 to 19 years	16	37
20 years or more	7	13
Don't know	27	13

Source: Society of Actuaries, 2009 Risks and Process of Retirement Survey

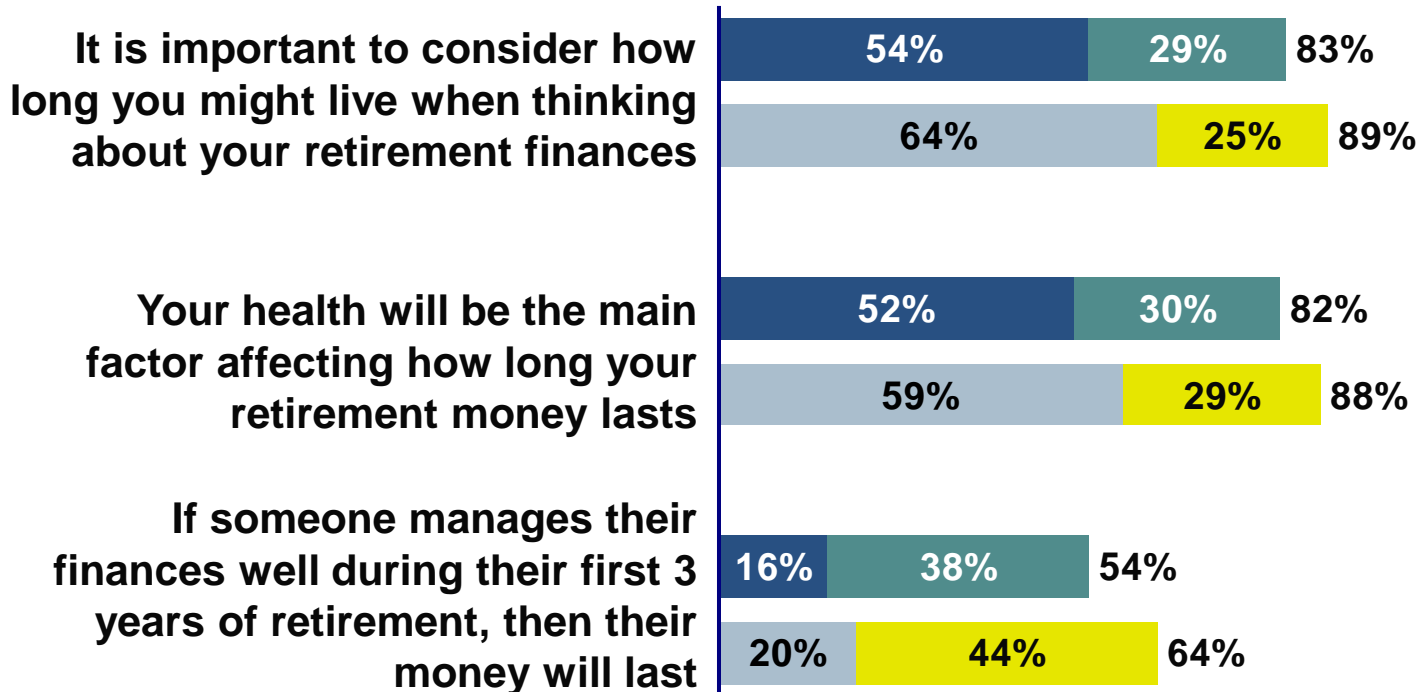


Most agree they should consider their longevity and health

To what extent do you agree or disagree with each of the following statements about retirement finances?

(Retirees, 2009 n=401; Pre-retirees, 2009 n=403)

Retirees: ■ Strongly agree ■ Somewhat agree
 Pre-retirees: ■ Strongly agree ■ Somewhat agree

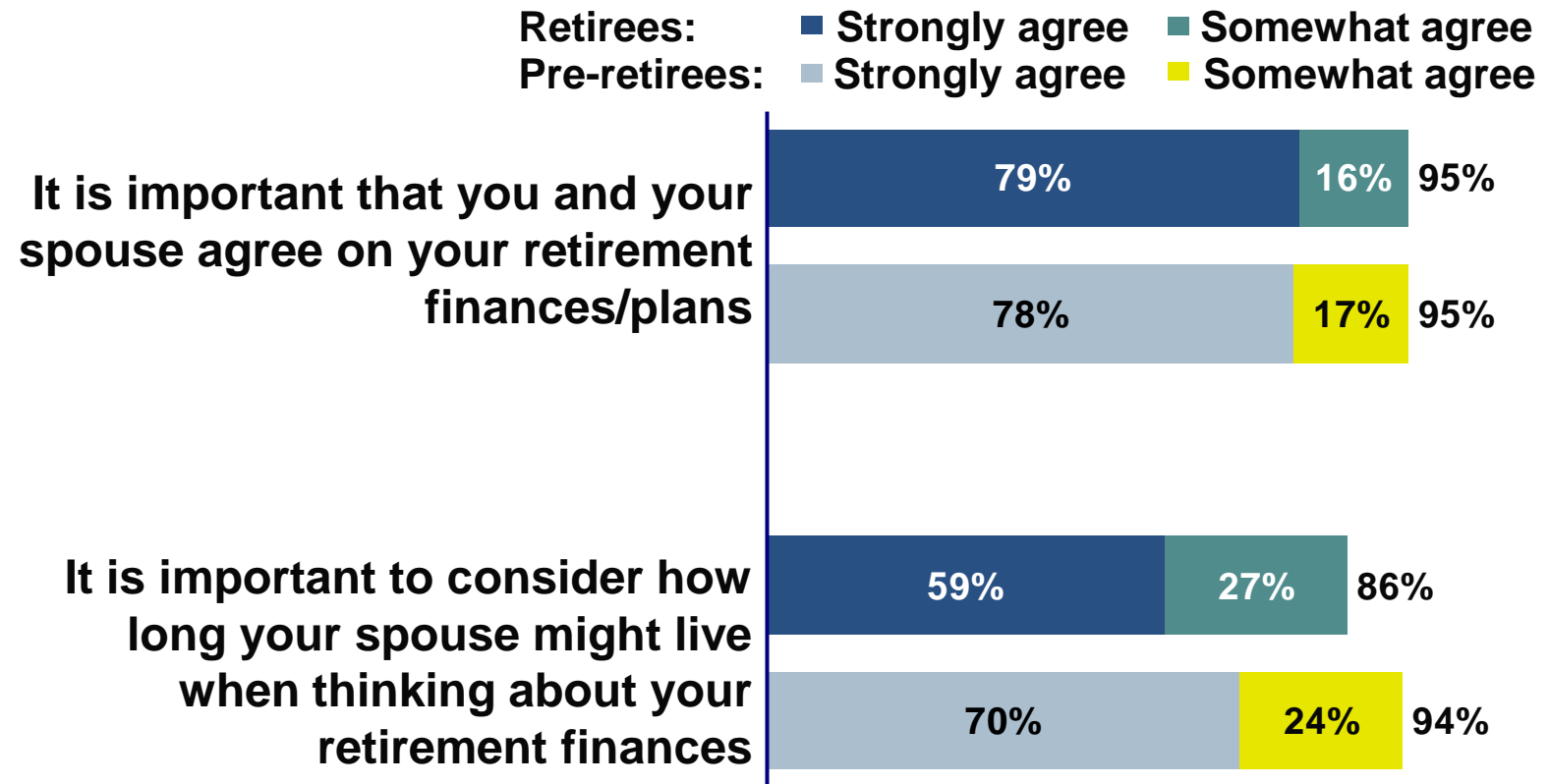


Source: Society of Actuaries, 2009 Risks and Process of Retirement Survey

Almost all married respondents agree they should consult spouse

To what extent do you agree or disagree with each of the following statements about retirement finances?

(Retirees, 2009 n=249; Pre-retirees, 2009 n=293)

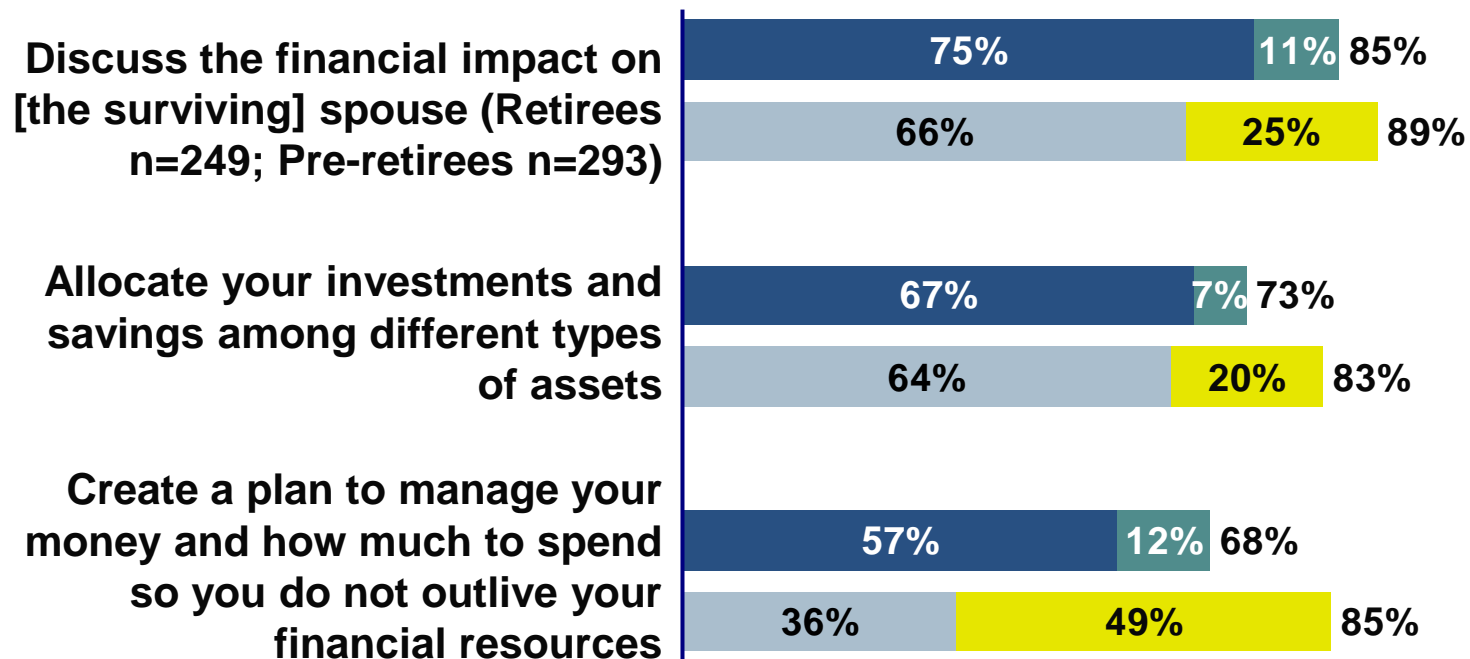


Source: Society of Actuaries, 2009 Risks and Process of Retirement Survey

Most plan for death of spouse, but fewer plan to manage spending

With regard to your retirement finances, have you or do you plan to...?
 (Retirees, 2009 n=401; Pre-retirees, 2009 n=403)

Retirees: ■ Already done ■ Plan to do
 Pre-retirees: ■ Already done ■ Plan to do



Note: Responses for categories may not sum to total due to multiple responses.

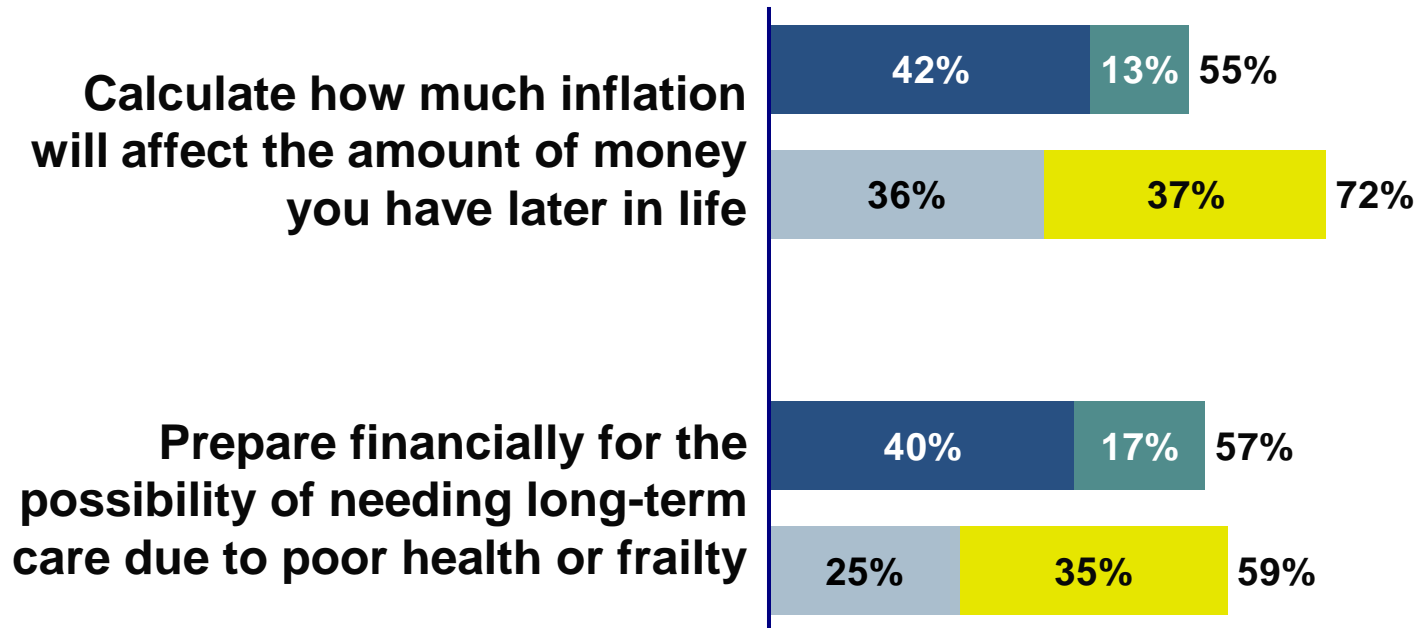
Source: Society of Actuaries, 2009 Risks and Process of Retirement Survey



Most will make some plans for inflation and long-term care

With regard to your retirement finances, have you or do you plan to...?
(Retirees, 2009 n=401; Pre-retirees, 2009 n=403)

Retirees: ■ Already done ■ Plan to do
Pre-retirees: ■ Already done ■ Plan to do



Note: Responses for categories may not sum to total due to multiple responses.

Source: Society of Actuaries, 2009 Risks and Process of Retirement Survey



Discussion

- What does this data mean to us?
- What should we tell clients?
- Do we need more information?



Special Issues for Women

- Social Security and Pension Plans—same provisions by sex, but...
- Men and Women have different life histories
 - Women live longer
 - Much more likely to be alone and very dependent on Social Security—4 out of 10 older women living alone
 - Fewer work years and lower earnings = lower \$
 - More likely to need long-term care without family member to provide care



Risks and Special Issues for Women

Risk	Potential Range
Outliving Assets	At 65 – life expectancy = 17 years for men and 20 for women 20% of men and 30% of women 65 can expect to live to 90
Loss of spouse	Women often marry older men + live longer, periods of widowhood of 15 years+ are not uncommon
Decline in functional status	Women have longer expected periods of needing help Women are less likely to have family caregiver
Health and medical expenses	Couple both age 65 can expect \$250,000 in lifetime costs beyond Medicare; varies a lot by situation
Inflation	Women live longer and are more affected by inflation
Investment risk	Women are less likely to take risk than men
Premature retirement risk	4 out of 10 retire before they had planned to



What changes by age: Median total income and reliance on Social Security

	Age 65-69	Age 70-74	Age 75-79	Age 80+
Median Total Income				
Married	\$47.3	\$39.9	\$33.3	\$30.6
Not married	\$19.0	\$16.1	\$15.9	\$14.7
Percent relying on Social Security for more than				
50% of income	41%	55%	63%	71%
90% of income	20	27	32	37

Note: Income is in thousands

Source: Rappaport, Anna, Risk Management Issues for Individuals with Special Emphasis for Women, Exhibit III, Society of Actuaries Living to 100 Monograph, 2011



What changes by age: Percentage of individuals by marital status, sex and age

	Age 65-74	Age 75-84	Age 85 +
MALES			
% Married	78%	74%	60%
% Widowed	8%	17%	34%
FEMALES			
% Married	57%	38%	15%
% Widowed	26%	52%	76%

Source: Rappaport, Anna, Risk Management Issues for Individuals with Special Emphasis for Women, Exhibit VI, Society of Actuaries Living to 100 Monograph, 2011

Division of Life Expectancy (in years) by Health States (U.S. Data)

Age	Non-Disabled	Mild or moderate disability	More severely disabled	Total Life Expectancy
		MALES		
65	12.34	1.50	1.50	15.33
75	6.77	1.37	1.61	9.76
85	2.89	1.04	1.75	5.68
95	.81	.61	1.91	3.34
		FEMALES		
65	13.65	2.97	2.83	19.44
75	6.99	2.55	2.96	12.50
85	2.47	1.74	3.03	7.24
95	.52	.78	2.54	3.84

Source: Rappaport, Anna, Risk Management Issues for Individuals with Special Emphasis for Women, Exhibit VIII, Society of Actuaries Living to 100 Monograph, 2011

Wealth of Middle Income Households Age 55 to 64

Analysis based on 2004 Survey of Consumer Finances

Household Type	Number of Households	Median Income	Est. Median Net Worth	Non-Financial Assets	Financial Assets	Non-Financial Assets %
Middle Mass Household Segments (25% to 75% of all households)						
Married	5.2 million	\$75,000	\$348,000	\$240,000	\$108,000	69%
Single Female	2.5 million	\$28,000	\$111,000	\$75,000	\$36,000	68%
Single Male	1.4 million	\$41,000	\$125,000	\$89,000	\$36,000	71%
Mass Affluent Household Segments (75% to 85% of all Households)						
Married	1.0 million	\$132,000	\$1,300,000	\$884,000	\$416,000	68%
Single Female	.5 million	\$58,000	\$415,000	\$299,000	\$116,000	72%
Single Male	.3 million	\$79,000	\$465,000	\$349,000	\$116,000	75%

Note: Financial assets exclude the value of defined benefit pensions and Social Security.

Source: Society of Actuaries – Segmenting the Middle Market: Retirement Risks and Solutions, 2009.



Special Post-Retirement Risks for Women: Loss of Spouse

- Periods of widowhood of 15 years or more are not uncommon.
- The death of a spouse is often accompanied by a decline in standard of living.*
- Women are much more likely to be alone in old age.
- Elderly women are more likely to be poor.
- More than 85% of the female population over age 85 are widows compared to about 45% for men.

* Social Security income is reduced and pensions may be discontinued or reduced depending on option elected



Special Post-Retirement Risks for Women: Decline in Functional Status

- Nursing home costs may run \$70,000 or more per year. ⁽¹⁾
- Women more likely to be caregivers, less likely to have a family caregiver.
- Care may be provided at home, in adult day care centers, assisted living facilities or nursing homes.
- Women are likely to have a longer period of chronic disability and need assistance in a long-term care facility or from a paid caregiver.
- 20% of the residual life expectancy at age 65 for men and 30% of the residual life expectancy at age 65 for women were spent in a state of chronic disability. ⁽²⁾
- Women alone have lower assets and income.

(1) MetLife Market Survey of Nursing Home and Home Health Care Costs, 2005

(2) National Long Term Care Study data from 1984, 1989 and 1994



Summary of Key Facts

- Married couples are much better off than single persons
- Many more older single women than men
- Income from Social Security—fairly constant by age
- Other sources of income decline with increasing age
- Social Security monthly benefits can be increased by later claiming, but most claim early
- Chances of being frail increase significantly at higher ages
- Women expected to have longer periods of frailty
- Older women alone are very dependent on Social Security
- Risk management products not very popular method of managing risk



Conclusions Specific to Women

- Role of Social Security is critical, especially to women alone at lower income levels
- Financial literacy challenges are more severe for women
- Married women are very often widowed later in life
- Widows are often impacted by their husband's early retirement
- Women near retirement often focus more on the short-term and managing day-to-day
- Having a shorter planning horizon has more of an impact on women due to their longer life expectancy
- Inflation is more important to women



Discussion

- What does this data mean to us?
- What should we tell clients?
- Do we need more information?



Taking Action for the Future

- Planning for the New Retirement is somewhat like career planning, but with key differences
- Some important steps
 - Set goals and keep score
 - Get finances in order
 - Test out different times for start of retirement process and complete retirement
 - Don't forget risk management
 - Keep skills up to date to fit desired activities
 - Maintain contacts/network
 - Shape “life portfolio” to fit desires
 - Think long term



Conclusions

- Different life patterns at age 50 and up
- Work increasing important, but integrated in different ways
- Phased retirement offers new options
- Social systems require more personal responsibility but gaps in knowledge
 - Need longer planning horizons
 - Need to focus on change during retirement
 - Need to think more about risk management
- Opportunity for better planning



Discussion

- What does this data mean to us?
- What should we tell clients?
- Do we need more information?



Appendix

Appendix includes additional information beyond that presented in oral presentation

- Information about Society of Actuaries Committee and Research Methodologies
- Added research and data
- Resources for people seeking new options and ideas for how to get there



Resources for Building a New Retirement

AARP—lists companies that are interested in hiring seniors
http://www.aarp.org/money/work/articles/national_employer_team.html

Retirementjobs.com—provides services to seniors seeking work and offers job matching
<http://www.retirementjobs.com/>

YourEncore—consulting and innovation organization that brings employers and retired scientists and engineers together to work on projects
<http://www.youencore.com/>



Resources for Building a New Retirement

Retirement Living Information Center—excellent list of resources and information on a variety of issues

<http://www.retirementliving.com/RLjobs.html>

Seniors 4 Hire—Nationwide online Career Center

<http://www.seniors4hire.org/>

Kelly Services—offers a range of job opportunities

http://www.kellyservices.com/web/global/services/en/pages/business_services_main.html

(many other temp services also serve seniors)



Resources for Building a New Retirement

The Transition Network—

<http://www.thetransitionnetwork.org/>

Project Renewment—book, information, resources for women moving into the next stage

<http://www.projectrenewment.com/>

Freelancers Union—source of information, insurance for people working independently—

<http://www.freelancersunion.org/about/index.html>



SOA Committee on Post-Retirement Needs and Risks

- Focus is on understanding and mechanisms to assist in distribution phase
- Work
 - Risk Chart
 - Risks and Process of Retirement Surveys
 - 2001, 2003, 2005, 2007 and 2009
 - Select issues for special focus
 - Misperceptions Papers
 - Focus Groups on Financial Management in Retirement



Methodology: Risks and Process of Retirement Survey

- Sponsored by the Society of Actuaries
- 801 19-minute telephone interviews conducted in June and July 2007
- Interviewed Americans ages 45 to 80
 - Considered retirees and pre-retirees separately
- Margin of error at 95% confidence level is ± 5 percentage points for all retirees and all pre-retirees
- Conducted by Mathew Greenwald & Associates and Employee Benefit Research Institute (EBRI)



Data: Health and Retirement Study

- Nationally representative survey of older Americans.
- Began in 1992 with a sample of adults born between 1931 and 1941 (ages 51 to 61) and their spouses, who were reinterviewed every two years.
- Other cohorts were added to the survey design after 1992.



Other Data Sources

- American Time-Use Survey (ATUS)
 - Nationally representative of the noninstitutionalized population age 15 and older. Provides age detail for respondents up to age 80.
 - Respondents sequentially report their activities for a 24-hour period.
 - Also includes information about household composition, demographics, and labor force status.
- Consumption and Activities Mail Survey (CAMS)
 - Nationally representative of noninstitutionalized population age 51 and older.
 - Respondents report how much time they spent on 31 activities over the last week or last month.
 - Can be merged with the core HRS to get demographic, economic, and health information.



To contact Anna Rappaport

anna@annarappaport.com

312-642-4720

For more information:

www.annarappaport.com