TIAA 2016 Voices of Experience Survey

Executive Summary

April 12, 2016
TIAA study shows a happy, satisfying retirement is possible

Despite the many headlines focusing on retirement stress and financial worry, TIAA plan participants report an overwhelming level of satisfaction with their retirement. A new study from the financial services provider reveals nearly universal satisfaction in retirement (93 percent) among its retired plan participants.

In fact, despite the many changes that have taken place in the U.S. over the past 30 years, satisfaction levels remain virtually unchanged from when TIAA (then TIAA-CREF) conducted its landmark Voices of Experience study in 1982.

Though the high rate of overall satisfaction among respondents has stayed steady, the intensity of satisfaction among TIAA retirees increased. Today, 65 percent of retirees say they are very satisfied with retirement, up from 51 percent of retirees in 1982.

Mirroring the original 1982 study, which surveyed more than 1,500 TIAA annuitants about a variety of retirement issues, the 2016 follow-up survey of more than 1,500 retired plan participants measures their attitudes about life in retirement – providing insights into all facets of retired life and the steps these individuals have taken to prepare for it.
Plan participants are retiring earlier

Respondents are also retiring earlier, a trend that was initially identified in the 1982 survey and only increased in 2016. In 1982, 39 percent of TIAA plan participants retired before age 65, but in 2016, more than half (54 percent) of those surveyed had retired before age 65. In fact, many individuals are retiring ahead of schedule: 71 percent of today’s retirees say they had expected to work until age 65 or older, but only 47 percent did.

Additionally, more than three-quarters (76 percent) of those surveyed in 2016 say they retired by choice, an increase from 67 percent in 1982.

Most respondents (73 percent) reported the transition to retirement as being easy. And the study found that those who retire earlier find the transition from the working world to retirement easier than those who retire later.

Seventy-six percent of those who retired by age 60 found the transition to be easy. Respondents who retired between age 60 and 64 reported the same level of ease, but only 69 percent of those who retired between age 65 and 70 reported an easy transition. And 61 percent of respondents who retired after age 71 described their transition to retirement as easy.

In general, how easy or difficult did you find the transition to retirement?

At what age did you actually retire?
Early preparation is key for a successful retirement

Getting a head start on retirement planning may allow individuals to have more flexibility and control over their lifestyle in retirement – and more fully enjoy this time. Among today’s retirees, those who began retirement planning before age 30 are more likely to retire before age 60. Not surprisingly, the majority (75 percent) of these early planners say they are very satisfied with their retirement.

However, it’s never too late to begin planning – the survey shows that 60 percent of those who started to plan financially for retirement after age 50 also are very satisfied with their retirement.

Incorporating lifetime income solutions into retirement plans also can strengthen retirement confidence. Seventy percent of the retirees surveyed have a fixed or variable annuity, and 92 percent are satisfied with their decision to annuitize.
Successful, satisfied retirees are staying active and engaged

Staying active—with many different activities—is an important factor in how satisfied individuals are with their life in retirement. Seventy-six percent of the retirees surveyed in 2016 who are engaged in 10 or more activities report being very satisfied with their retirement. Only 52 percent of those who are engaged in 1-4 activities say the same.

How are today’s retirees staying busy? Seventy-five percent are spending time alone to pursue personal interests, while almost the same amount (74 percent) are using their time in retirement to connect with and spend time with family, and 64 percent regularly socialize with friends. More than half participate in other hobbies like gardening or home improvement (56 percent).
Voices of Experience: A history

Over three decades ago, in 1982, TIAA conducted a study of its annuitants to learn about their retirement experiences. Through this study, TIAA obtained information about its retired annuitants’ health, housing, residential mobility patterns, activities, general financial condition and views on retirement.

Much has changed since 1982, especially in the areas affecting retirees. This prompted TIAA to decide that it was again time to survey its retirees – not just annuitants – and learn how the events of the rapidly evolving world have shaped retirement situations, decisions and experiences. In this effort, TIAA endeavors to give its current retirees a voice with which to express their views on life in retirement today.

This study concentrates on findings that describe the respondents, their situations, and their experiences in retirement and reveal in what ways life in retirement, as well as the planning and preparations undertaken by TIAA retirees, have changed in the intervening 30 years.

For more information, visit TIAA.org.

About TIAA

TIAA (TIAA.org) is a unique financial partner. With an award-winning track record for consistent investment performance, TIAA is the leading provider of financial services in the academic, research, medical, cultural and government fields. TIAA has $854 billion in assets under management (as of 12/31/2015) and offers a wide range of financial solutions, including investing, banking, advice and guidance, and retirement services.

The 2016 Voices of Experience survey was conducted by GfK Custom Research North America among a total of 1,583 TIAA retirees between May 28 and August 27, 2015. To qualify, all respondents had to indicate that they are retired. Respondents were mailed the survey questionnaire and had the option to return the survey by mail or to complete the survey online. Respondents completed 104 surveys online and 1,479 by mail. The sample was provided by TIAA, and data were weighted by gender, age, region, engagement, and industry sector.

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