



TIAA 2017 Lifetime Income Survey executive summary

Americans recognize the importance of having a source of monthly income they can't outlive to cover their essential living expenses during retirement, according to TIAA's 2017 Lifetime Income Survey. However, many Americans who are not retired lack access to investment options that can provide guaranteed income for the length of their retirement—but would like their retirement plans to offer such options.

The following questions were asked among Americans who are not retired.

1. What is the most important goal for your retirement plan?

| | |
|--|------------|
| Provide guaranteed money every month to cover your living costs in retirement | 56% |
| Ensure that your savings will be safe regardless of what happens in the market | 22% |
| Allow you to save a specific amount | 14% |
| Allow you to earn a competitive rate of return on your savings | 9% |

2. If you retired today and had a choice between getting a \$500,000 lump sum or \$2,700 a month in income for life, which would you choose?

| | All non-retired respondents | Millennials | Generation X | Baby Boomers | Seniors |
|---|-----------------------------|-------------|--------------|--------------|---------|
| \$500,000 all at once | 30% | 23% | 29% | 43% | 55% |
| \$2,700 a month for the rest of my life | 62% | 67% | 63% | 51% | 41% |
| Don't know | 8% | 9% | 8% | 6% | 4% |

3. Does your retirement plan offer you an option for a monthly payment for the length of your retirement?

| | |
|-------------------|------------|
| Yes | 32% |
| No | 27% |
| Unsure/don't know | 41% |

4. If your retirement plan does not offer an option for a monthly payment for the length of your retirement, would you like it to?

| | |
|-------------------|------------|
| Yes | 50% |
| No | 14% |
| Unsure/don't know | 35% |

The majority of non-retirees would support policy changes that would help them gain more information about and access to lifetime income through their retirement plans.

5. Would you support or oppose legislation that would make it easier for employer-based retirement plans to include lifetime income products, such as annuities, as investment options?

| | All non-retired respondents | Millennials | Generation X | Baby Boomers | Seniors |
|----------------------|-----------------------------|-------------|--------------|--------------|------------|
| Total support | 71% | 70% | 77% | 62% | 78% |
| Strongly support | 31% | 30% | 33% | 28% | 37% |
| Somewhat support | 40% | 40% | 44% | 34% | 41% |
| Total oppose | 6% | 6% | 4% | 10% | 4% |
| Somewhat oppose | 4% | 5% | 3% | 6% | 4% |
| Strongly oppose | 2% | 1% | 1% | 4% | – |
| Not sure | 23% | 24% | 19% | 27% | 18% |

6. Would you support or oppose legislation that requires that retirement account statements include an estimate of your monthly income in retirement?

| | |
|----------------------|------------|
| Total support | 67% |
| Strongly support | 27% |
| Somewhat support | 40% |
| Total oppose | 12% |
| Somewhat oppose | 9% |
| Strongly oppose | 3% |
| Not sure | 21% |

Only half of Americans who are not retired are familiar with annuities, and even fewer have purchased one. Some individuals may not be choosing annuities because they mistakenly think other investments offer a similar guarantee.

7. How familiar are you with annuities?

| | |
|-------------------------|------------|
| Total familiar | 49% |
| Very familiar | 16% |
| Somewhat familiar | 34% |
| Total unfamiliar | 51% |
| Not very familiar | 27% |
| Not familiar at all | 24% |

8. Have you purchased an annuity or do you plan to in the future?

| | All non-retired respondents | Millennials | Generation X | Baby Boomers | Seniors |
|---|-----------------------------|-------------|--------------|--------------|---------|
| Yes, I have purchased an annuity | 13% | 13% | 11% | 17% | 33% |
| No, but I plan to purchase an annuity at some point prior to retirement | 20% | 23% | 22% | 11% | 4% |
| No, but I plan to purchase an annuity when I retire | 12% | 17% | 12% | 4% | – |
| No, I don't plan to purchase an annuity | 21% | 10% | 21% | 41% | 44% |
| Don't know | 34% | 38% | 35% | 28% | 18% |

9. Are you currently invested in a target-date fund, which adjusts your investments based on how close you are to a specific retirement date you choose?

| | |
|--|------------|
| Yes | 18% |
| Total No | 56% |
| No, I don't have that option | 42% |
| No, I have that option but have not chosen to invest in it | 14% |
| Not sure | 26% |

10. What do you expect your target-date fund to provide when you retire? (Asked among those who are currently invested in a target-date fund)

| | |
|--|------------|
| Guarantee a monthly paycheck for the length of my retirement | 63% |
| Provide a pool of savings that I can draw on in retirement | 26% |
| Not sure | 11% |

11. What would you like your target-date fund to do when you retire? (Asked among those who are currently invested in a target-date fund)

| | |
|--|------------|
| Guarantee a monthly paycheck for the length of my retirement | 70% |
| Provide a pool of savings that I can draw on in retirement | 24% |
| Not sure | 7% |

Identifying a source of lifetime income ahead of the retirement years may ease non-retirees' concerns about their retirement outlook.

12. How concerned about you about the following issues in regards to your retirement savings?

| | Not at all concerned | A little concerned | Somewhat concerned | Very concerned | Total concerned |
|--|----------------------|--------------------|--------------------|----------------|-----------------|
| Healthcare costs | 6% | 17% | 31% | 46% | 77% |
| Changes to Social Security | 9% | 22% | 30% | 39% | 69% |
| Not saving enough for retirement | 11% | 22% | 30% | 38% | 68% |
| Guaranteeing that I will have a steady retirement income no matter how long I live | 9% | 25% | 32% | 35% | 67% |
| Outliving my savings | 14% | 26% | 31% | 30% | 61% |
| Inflation | 9% | 33% | 34% | 25% | 59% |
| Diminished values of savings due to low interest rates | 12% | 30% | 32% | 25% | 57% |
| Lost savings due to drops in the market | 14% | 31% | 28% | 27% | 56% |
| Mental/cognitive decline making it difficult to manage my finances | 16% | 32% | 31% | 21% | 52% |
| Lack of access to a retirement savings plan | 25% | 25% | 27% | 23% | 50% |

13. How are you planning to finance your retirement?

| | All non-retired respondents | Millennials | Generation X | Baby Boomers | Seniors |
|---|-----------------------------|-------------|--------------|--------------|---------|
| Social Security | 51% | 31% | 58% | 77% | 74% |
| Workplace retirement plan | 51% | 51% | 54% | 48% | 48% |
| Savings account | 49% | 45% | 49% | 55% | 53% |
| IRA | 31% | 22% | 30% | 48% | 48% |
| Stocks/bonds/investments | 23% | 14% | 24% | 33% | 54% |
| A defined benefit or pension plan that promises you a specific payout when you retire and is not a 401[k] or similar plan | 11% | 6% | 9% | 23% | 24% |
| Healthcare savings account | 9% | 11% | 7% | 7% | – |
| None of these | 4% | 5% | 4% | 3% | 9% |
| Other | 4% | 2% | 4% | 6% | 4% |
| Don't know | 12% | 17% | 12% | 5% | – |

14. Do you plan to supplement your retirement income with work?

| | |
|--|------------|
| Yes, I plan to get another full-time job | 11% |
| Yes, I plan to work part-time | 52% |
| No, I don't plan to work in retirement | 37% |

Employers and individuals can take simple steps to help improve retirement outcomes. The majority favor potential legislative changes that would make it easier for employers to include features that promote retirement savings in their workplace retirement plans.

15. What percentage of your current annual income are you currently saving for retirement, including all savings, such as employer contributions?

| | |
|---------------|------------|
| 1–3% | 9% |
| 4–6% | 15% |
| 7–10% | 20% |
| 11–15% | 13% |
| More than 15% | 14% |
| None | 14% |
| Don't know | 15% |

16. Would you support or oppose legislation that would make it easier for employer-based retirement plans to include features such as:

A) Auto-enrollment (you are automatically enrolled in the plan upon hire but can opt out if you don't want to participate)

| | |
|----------------------|------------|
| Total support | 71% |
| Strongly support | 31% |
| Somewhat support | 40% |
| Total oppose | 15% |
| Somewhat oppose | 11% |
| Strongly oppose | 4% |
| Not sure | 14% |

B) Auto-escalation (the plan automatically increases the amount of money that you contribute to it each year but can opt out if you don't want to participate)

| | |
|----------------------|------------|
| Total support | 64% |
| Strongly support | 24% |
| Somewhat support | 40% |
| Total oppose | 20% |
| Somewhat oppose | 14% |
| Strongly oppose | 5% |
| Not sure | 16% |

Most experts agree that people should aim to replace 70–100 percent of their pre-retirement income to live comfortably during retirement, but the survey finds that a majority underestimate the amount of income they’ll need. This finding underscores the importance of “running the numbers” well before retirement so individuals can make any necessary adjustments to their savings strategies.

17. What percentage of your current annual income do you think you will need each year in order to live comfortably in retirement?

| | |
|---------------|------------|
| Less than 25% | 8% |
| 25–49% | 25% |
| 50–69% | 27% |
| 70–99% | 16% |
| 100% or more | 8% |
| Don’t know | 16% |

18. Have you analyzed how your savings will translate into monthly income in retirement? Please select all that apply.

| | |
|--|------------|
| Total Yes | 58% |
| Yes, by myself | 30% |
| Yes, with another financial advisor or professional | 12% |
| Yes, with an advisor affiliated with my retirement provider | 10% |
| Yes, with a family member or friend | 8% |
| Yes, with my retirement provider’s automated statement | 4% |
| Yes, with my retirement provider’s online tools or calculators | 4% |
| Yes, with my bank | 4% |
| Yes, with a benefits expert through my employer | 2% |
| Yes, with a colleague or manager who is not part of my employer’s benefits or human resources department | 1% |
| Yes, other | 1% |
| No | 34% |
| Don’t know | 8% |

19. If you have analyzed how your savings will translate into monthly income in retirement, how far in advance of your planned retirement did you do so? (Asked among those who have analyzed their savings)

| | |
|-------------------------------|------------|
| 30 years or more in advance | 21% |
| 20–29 years in advance | 23% |
| 10–19 years in advance | 28% |
| 1–9 years in advance | 15% |
| Less than one year in advance | 1% |
| After I retired | 3% |
| Don't know | 9% |

Survey Methodology

The TIAA 2017 Lifetime Income Survey was conducted by KRC Research from August 3 to 14, 2017, via an online survey among a random sample of 1,000 American adults age 18 or older. The sample includes 761 respondents who are not retired and 239 respondents who are retired.

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