

Retirement

Retirement is the great equalizer. Everyone is worried about retirement and trying their best to prioritize it.

The meaning of retirement is evolving and so are people's expectations for the future. Retirement is no longer an idyllic destination, but rather, a modified working state.

Retirement preparedness is sparse, and people are concerned about what their future holds.

While many have started saving, making regular contributions to retirement is a challenge for all.

- 97% find it difficult, or find that it would be difficult, to make regular contributions
 - Of the 63% of people who have started saving for retirement, 41% say they find it difficult to make regular contributions
 - Of the 37% of people who are not saving for retirement, 56% say it would be difficult to make regular contributions

No matter the situation, everyone is concerned about outliving their savings in retirement. People are concerned about what their future holds and don't feel prepared to achieve the necessary income. 65% are concerned they will outlive their savings during retirement

37%

globally have not started saving for retirement at all

78%

do not believe they are on the right path to achieve the income they want in retirement

32%

say that running out of money in retirement poses the greatest risk to their financial future

The definition of retirement has changed. Now, people think they will have to continue to work in some capacity during retirement. 54% of people think they will have to continue working, significantly more than those who think they will be able to travel (46%) or take up a new hobby (41%).

This definition is more prevalent among investors (74%) than non-investors (56%).

The goal remains the same: to be protected later in life

More people are focused on security than on maintaining their current lifestyle.

- 55% are concerned about running out of money
- 44% are concerned about maintaining their standard of living

Knowing retirement savings may not be the sole income source in “retirement” can’t stop people from contributing now. We need to maintain the urgency to invest.

People need more information and are looking for ways to engage more regularly. 39% say they need more information on what to do today to meet their retirement goals, followed by 31% who need more information on how to manage debt.

1 in 3 check their retirement plan only once per year.

Those not monitoring activity regularly say the following would help them engage more frequently:

- Alerts when there are significant changes in their balance (31%)
- Clear understanding of what their income would be based on the current value of their investments (21%)
- Digital platforms that are easier to use (27%)

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Could sustainability change the narrative?

One way to inspire more engagement or contributions to retirement plans is through sustainable investing options.

1 in 3 people would contribute more to their plan if their company increased allocations to ESG. For non-investors, however, it is still imperative to help them get over the hurdle and get them invested.

To learn more about retirement planning, such as how to start saving, managing inflation or preventing outliving your savings, visit blackrock.com/retirement