Boomers Envision Retirement II
2003 Survey of Baby Boomers’ Expectations for Retirement
Prepared for: June 2004

Contact Knowledge Management for Additional Information
Research Objectives

- To build on 1998 AARP Baby Boomers Envision Retirement study

- To explore how Boomers have progressed in planning and preparedness for retirement given the following major changes:
  - This massive generation—77.5 million strong—is five years closer to retirement
  - Many have experienced key life changes in the past five years
  - A changed world since 1998
Methodology

- Telephone survey among a representative sample of 1,200 adults ages 38 to 57
  - Sampling error is ± 3 percentage points at the 95% confidence level

- Oversamples of African American and Hispanic Boomers to yield a minimum of 300 interviews among each group

- Interviews conducted in October and November, 2003

- Multivariate segmentation analysis conducted and tested against segmentation analysis developed in 1998
Baby Boomers *Then*
1998 Study Highlights

- **Optimistic**
  - Positive about getting older
  - Better prepared than prior generations

- **Heightened Generational Identity**
  - Conscious of differences between their generation and their parents’
  - Expected to need more money and to live longer, healthier lives

- **Self-Reliant**
  - Confident in ability to prepare adequately
  - Rejected idea of depending on their children
  - Skeptical about Social Security and Medicare
Baby Boomers *Then*
1998 Study Highlights (Con’t.)

- **Retirement = Work**
  - Some to work for fun
  - Some to work for income

- **Polarized**
  - A “Have” and “Have-not” retirement

- **Diverse**
  - Five distinct Boomer retirement segments based on demographics, attitudes, and lifestyle
Fast Forward to 2003–
Retirement Glass Half Full...And Half Empty

- Still optimistic
- More income and savings
- Last child left nest
- Expect to live longer
- Expect to work longer

- Lower expectations –
  - Less leisure, luxury
  - Won’t be enough
  - Care for aging parents
  - Personal health erodes
  - But not for fun
Baby Boomers Now
2003 Study Highlights

Five years closer to retirement...

- Continued optimism
  - Almost half say retirement outlook has changed for the better since 1998

...in a changed world

- Optimism tempered
  - Fewer associate retirement with financial security
  - Retirement seen as less leisurely, less indulgent

- More Work
  - Mean age expect to retire up from 64 to 66
  - Most expect to work, fewer expect to work for fun
Baby Boomers Now  
2003 Study Highlights

*Five years closer to retirement…*

- More money
  - Peak earners – Boomer median HH income is $61,900 up from $54,400 in 1998*

- More preparation
  - More saving for retirement

*…in a changed world*

- But also more realism
  - Fewer think personal investments will provide sufficient income

*US Census*
Baby Boomers Now
2003 Study Highlights

Five years closer to retirement…

- More life experience
  - Key life events such as surviving illness, caring for parents

- Health—A New Issue
  - Boomers increasingly acknowledge health issues and the impact such issues may have on their retirement

...in a changed world

- Social Security & Medicare Look Better
  - More favorable towards the systems
  - More faith systems will be available when they retire

Source: Bureau of Labor Statistics
Baby Boomers Now 2003 Study Highlights

Five years closer to retirement…

- Diversity a factor
  - Vision of retirement differs by race and ethnicity

…in a changed world

- Polarization a growing issue
  - Gap between “haves” and “have-nots” widens

- 1998 Boomer retirement segmentation holds—but more “Anxious” become “Strugglers”
The Retirement “O” Zone:
Boomer Optimism Five Years Later
Boomers’ Optimistic Outlook Prevails

% of Baby Boomers who say the following:

- Optimistic about their retirement years (n=1200) — 69%
- Optimistic about their retirement years (n=2001) — 70%

About as many are...

- Satisfied with amount they are saving for retirement, 69% up 3 points since 1998
- Confident in their ability to prepare for retirement, 61%, unchanged since 1998
Boomers’ Optimism—Remarkable Against 5-year Backdrop

1998 2003

**TRADE GAP GROWING**
U.S. imports rose to record in Sept.

**UNEMPLOYMENT RATE**
Seasonally adjusted

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>'90</td>
<td>3.5%</td>
</tr>
<tr>
<td>'01</td>
<td>4.0%</td>
</tr>
<tr>
<td>'02</td>
<td>4.5%</td>
</tr>
<tr>
<td>'03</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

*Source: Bureau of Labor Statistics*

**NEW THREATS**
10,000 firefighters battle flames across 100-mile area

Roper Public Affairs
Who’s In the “O” Zone?

Who’s More Likely to be Optimistic?

✓ Upper income (100K+), 84%, up 2 points since 1998
✓ College educated, 82%, up 2 points

Who’s Less Likely to be Optimistic?

× Lower/middle income (<50K), 54%, down 5 points since 1998
× Unmarried or without a partner, 56%, down 6 points
× Major illness survivors, 59%
× Hispanics, 62%
A Better Retirement Outlook According to Many, But Not All

Most improved outlook:
- African Americans, 61% say “changed for the better”
- Upper Income (100K+), 51%

Least improved:
- Hispanics, 36% say “changed for the better”
- Unmarried or without a partner, 38%
- Bottom income quartile, 39%
- Major illness survivors, 42%

Retirement outlook improved for many…

46%
40%
14%

Better Worse No change
For Better Or Worse: Why Boomer Retirement Outlooks Have Changed

Saving more (26%)
Lifestyle change—kids gone, mortgage paid (24%)
Better job, business (17%)
Retirement Planning (12%)

Economy is worse (38%)
Lost my job (16%)
Saving less (12%)
Lifestyle change—care for aging parent, college tuition, kids moved home (11%)
The Retirement “O” Zone: Summary

- Boomers remarkably resilient, despite economic turbulence of past few years

- Barometers of optimism:
  - Level of retirement planning
  - Key life events making life more/less arduous
  - Job gain/loss

- Some groups emerge as vulnerable:
  - Unmarried, major illness survivors, Hispanics
Tempered Optimism
Boomers’ Retirement Definition—Balance Shifts As They Age
Tempered Retirement Expectations

% of Baby Boomers who associate retirement with the following:

<table>
<thead>
<tr>
<th>Expectation</th>
<th>%</th>
<th>Point change since 1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time to pursue interests and hobbies</td>
<td>71%</td>
<td>-3</td>
</tr>
<tr>
<td>Time of leisure</td>
<td>63%</td>
<td>-5</td>
</tr>
<tr>
<td>Chance to do traveling couldn't do when younger</td>
<td>57%</td>
<td>-4</td>
</tr>
<tr>
<td>Time to indulge yourself</td>
<td>48%</td>
<td>-7</td>
</tr>
<tr>
<td>Boredom</td>
<td>18%</td>
<td>+4</td>
</tr>
<tr>
<td>Increased isolation from society</td>
<td>16%</td>
<td>+4</td>
</tr>
</tbody>
</table>

Roper Public Affairs
Outlook Least Positive Among Those Closest to Retirement Age

% of Baby Boomers who associate retirement with the following:

- **All positive associations down by 8+ points among 53-57 year-olds since 1998**

**Time to pursue interests and hobbies:**
- 38-42: 72%
- 43-47: 73%
- 48-52: 72%
- 53-57: 67%

**Time of leisure:**
- 38-42: 66%
- 43-47: 66%
- 48-52: 64%
- 53-57: 54%

**Time to indulge yourself:**
- 38-42: 47%
- 43-47: 51%
- 48-52: 52%
- 53-57: 41%
*Age of retirement up...

66

*Note: Refers to average age at which Baby Boomers expect to retire
Most Continue to Plan for a Working Retirement

% of Baby Boomers who say the following best describe what they think they will be doing during retirement

- Plan to work (net)
  - 1998: 80%
  - 2003: 79%

- Plan to not work at all
  - 1998: 16%
  - 2003: 20%

But fewer (down 5 points to 30%) plan to work for interest or enjoyment sake when compared to 1998
Oldest Boomers and Work in Retirement — A Tale of Extremes

% of Baby Boomers age 53-57 who say the following best describe what they think they will be doing during retirement

- Fewer to work at all – but more to work full-time...
- Fewer to work for fun – but more for income...
- Fewer to follow an entrepreneurial dream..

![Bar chart showing changes in retirement work patterns between 1998 and 2003.](chart.png)
Half to Expect to Volunteer More in Retirement

% of Baby Boomers who say they are very/somewhat likely to do the following in retirement

Good news for charitable organizations and volunteer venues…
- 56% of Boomers already volunteer
- Retirement may bring about increased commitment to service

Devote more time to community service or volunteering activities

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>49%</td>
</tr>
<tr>
<td>2003</td>
<td>51%</td>
</tr>
</tbody>
</table>
Volunteering In Retirement: Past Behavior May Predict Future Involvement

% of Baby Boomers who say they are very/somewhat likely to spend more time volunteering during retirement

Current volunteers can be expected to devote more time to their passion…

- 63% Currently Volunteers Time
- 39% Volunteers just money
- 35% Does not currently volunteer
Tempered Optimism:

- Boomers’ optimism tempered by expectations adjustment
  - Less leisure, luxury, travel, hobbies
- Work, a given
  - Age of expected retirement is up
  - Need surpasses fun as motive
- Boomers expect to volunteer more in retirement
  - Biggest increases among those already giving time
More Life Experience
Age Catching Up with Ageless Boomers
Living Longer than Prior Generations — And Feeling Younger Than They Are

73% of Boomers say people in their generation will live longer than those in parents’ generation, up from 67% in 1998

63% say they feel younger than their real age—on average, about 7 years younger, same as in 1998

<table>
<thead>
<tr>
<th>How much older than in 1998 you feel today?</th>
<th>All Boomers</th>
<th>38-42</th>
<th>43-47</th>
<th>48-52</th>
<th>53-57</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.8</td>
<td>3.8</td>
<td>4</td>
<td>3.3</td>
<td>7.3 years</td>
</tr>
</tbody>
</table>
Boomers’ Youthful Outlook Seems to Peak Around 50

% of Baby Boomers feel younger than real age:

- 38-42
- 43-47
- 48-52
- 53-57

Point change since 1998:

+6, +5, +9, -8
More Boomers Expect to Face Health Issues

% of Baby Boomers who:

- Have survived major illness: 27% (Point change +5)
- Expect to have serious health problems: 22% (Point change +6)
- Expect to stop working earlier than would like due to poor health: 18% (Point change +6)
- Say are in fair/poor health: 17% (Point change +6)
Health Issues Catch Up With Boomers As They Age

% of Baby Boomers who:

- 38-42
- 43-47
- 48-52
- 53-57

Oldest Boomers nearly twice as likely as youngest to describe health as fair/poor
Proportions Taking Steps to Maintain Health Are Flat

51% of Boomers expect to be healthier than most people their age in retirement, unchanged since 1998

% of Baby Boomers who say

- Expect to exercise regularly in retirement: 54% (Point change since 1998: -2)
- Should give more thought to how will keep active in retirement: 48% (Point change since 1998: -4)

Just 35% of Baby Boomers exercise regularly today…And just 33% of current retirees do so.
More Boomers Experience Key Life Events

% of Baby Boomers who say they have experienced the following:

- Having a parent die: 63% (63% in 1998)
- Becoming responsible for the care of a parent: 35% (36% in 1998)
- Last child moved out of the house: 32% (19% in 1998)
- Survived a major illness: 27% (22% in 1998)

Point change since 1998:
- Having a parent die: +12
- Becoming responsible for the care of a parent: +9
- Last child moved out of the house: +13
- Survived a major illness: +5
More “Life” Happens In The Fifties

% of Baby Boomers who say they have experienced the following:

- Having a parent die
- Becoming responsible for the care of a parent
- Last child moved out of the house
- Surviving a major illness
- Becoming a grandparent
Experiencing More Life
And Talking More About Retirement

- More Boomers have discussed with their partner how to finance retirement if or when they are left alone, 45% up 5 points since 1998

- 50% of the oldest Boomers – aged 53-57– have done so
More Life Experience: Summary

- Feelings of age catching up with oldest Boomers
- For all—especially oldest—heath issues emerging
  - Ideal = exercise more in retirement
  - Reality = current retirees *don’t do more*
- Life changes lead to more planning and discussion with loved ones
Preparing Financially for Retirement
Progress and Pragmatism
There’s No Time Like the Present—Lesson Learned

The proportion of Boomers who say they will be able to save more when their kids are older has declined by 12 points in 5 years—44%, down from 56%
More Realistic About Retirement Finances

% of Baby Boomers who agree that they have the following financial expectations:

- Will depend heavily on 401(k)
  - 1998: 38%
  - 2003: 32%

- To depend heavily on personal investments making today
  - 1998: 64%
  - 2003: 59%

But...
More Are Saving Money for the Future

% of Baby Boomers who say they are currently putting money into the following types of investments for retirement:

Top retirement investments shown

- IRA, 401(k), other retirement account: 70% (↑3)
- Regular savings account: 50% (↑8)
- Mutual funds: 39% (↑4)
- Long-term savings: 38% (↑8)
- Corporate stocks/bonds: 33% (↑5)
Investing Closer to Retirement: What’s Hot, What’s Not Among Boomers Age 53-57

Conservative Picks Hot!
- Regular savings account (50%, up 12)
- Long-term savings account (39%, up 10)

Risk Is Not!
- IRA, 401(k), other account (64%, down 6)
- Mutual Funds (40%, down 2)
More View Homes as Saving Vehicles

% of Baby Boomers who say they:

- Own their home: 1998: 73%, 2003: 78%
- Are currently putting money into real estate: 1998: 29%, 2003: 37%
- Fairly sure can count on money from selling their home during retirement: 1998: 27%, 2003: 34%
Preparing Financially for Retirement: Summary

❖ Progress!
   ➔ More Boomers saving for retirement
   ➔ No longer waiting for kids to move out

❖ Pragmatism
   ➔ Realistic about how far savings will go
   ➔ Closer to retirement, the more conservative the savings vehicle

❖ Real estate boom makes impact
   ➔ More view real estate as retirement savings vehicle
The Boomers Embrace Social Security
Social Security Earns Its Wings from the Baby Boomers
Dramatic Upswings For Social Security

% of Baby Boomers who say the following about Social Security:

**Confidence...**

Feel fairly sure can count on Social Security for income during retirement

- 1998: 48%
- 2003: 63%

**Positive opinion...**

Have very/somewhat favorable views of Social Security

- 1998: 56%
- 2003: 71%
Dramatic Upswings For Social Security (Con’t.)

% of Baby Boomers who say the following about Social Security:

**Legacy…**
- Expect Social Security to meet their needs as well as it did the prior generation’s

**Knowledge…**
- Consider themselves very/somewhat knowledgeable about Social Security

<table>
<thead>
<tr>
<th>Year</th>
<th>Expect Social Security</th>
<th>Consider Knowledgeable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>31%</td>
<td>54%</td>
</tr>
<tr>
<td>2003</td>
<td>37%</td>
<td>67%</td>
</tr>
</tbody>
</table>
Younger Boomers Less Sure than Elders, But Confidence in System Is Up Sharply

% of Baby Boomers who say the following about Social Security:

- Confident Social Security will be available when retirement
- Fairly sure can count on Social Security in retirement

Point change since 1998:

- Confident Social Security will be available when retirement:
  - 38-42: +21
  - 43-47: +15
  - 48-52: +16
  - 53-57: +22

- Fairly sure can count on Social Security in retirement:
  - 38-42: +23
  - 43-47: +11
  - 48-52: +10
  - 53-57: +12
Positive Views of System Also Up Sharply Among Youngest Boomers

% of Baby Boomers who say the following about Social Security:

- Have a very/somewhat favorable view of Social Security

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>38-42</td>
<td>67%</td>
<td>+20</td>
</tr>
<tr>
<td>43-47</td>
<td>71%</td>
<td>+19</td>
</tr>
<tr>
<td>48-52</td>
<td>66%</td>
<td>+3</td>
</tr>
<tr>
<td>53-57</td>
<td>76%</td>
<td>+14</td>
</tr>
</tbody>
</table>
Knowledge of and Confidence in Medicare Are Also Up

% of Baby Boomers who say the following about Medicare:

- Have very/somewhat favorable views of Medicare: 1998 - 61%, 2003 - 63%
- Consider themselves very/somewhat knowledgeable about Medicare: 1998 - 45%, 2003 - 54%
- Are very/somewhat confident that Medicare will be available when they reach age 65: 1998 - 39%, 2003 - 47%
The Boomers Embrace Social Security

- Social Security looks far better to Boomers now than in 1998—even to the youngest
  - Privatization rhetoric has quieted
  - Pensions, 401(k)s have eroded
  - “Your Social Security” statements make an impact
- Medicare sees like increases—though less dramatic
- This massive cohort’s “engagement” with systems today portend immense lobbying effort in the future
A Polarized Retirement: Growing Gap Between “Haves” and “Have-nots”
Gap Between Haves and Have-nots Is Widening: Haves More Optimistic, Planning More

% Are very optimistic about their retirement

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haves</td>
<td>40%</td>
<td>36%</td>
</tr>
<tr>
<td>Have-nots</td>
<td>20%</td>
<td>18%</td>
</tr>
</tbody>
</table>

% Have given a great deal of thought to their retirement

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haves</td>
<td>58%</td>
<td>49%</td>
</tr>
<tr>
<td>Have-nots</td>
<td>29%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Note: “Haves” defined as top income quartile of Baby Boomers; “Have-nots” defined as bottom income quartile
# Have-nots Remain Less Confident About Retirement Planning

% agree with following statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Haves</th>
<th>Have-nots</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confident in ability to prepare adequately for the future</td>
<td>72%</td>
<td>49%</td>
</tr>
<tr>
<td>Find it hard to save for retirement with so many other needs</td>
<td>28%</td>
<td>62%</td>
</tr>
<tr>
<td>Need more information to plan for retirement</td>
<td>17%</td>
<td>41%</td>
</tr>
</tbody>
</table>

**Note:** “Haves” defined as top income quartile of Baby Boomers; “Have-nots” defined as bottom income quartile
Have-nots Anticipate Financial Hardship

% agree with following statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Haves</th>
<th>Have-nots</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have plenty of money when retired</td>
<td>52%</td>
<td>14%</td>
</tr>
<tr>
<td>Expect to have to scale back on lifestyle in retirement</td>
<td>29</td>
<td>46</td>
</tr>
<tr>
<td>Expect to struggle to make ends meet</td>
<td>12%</td>
<td>43%</td>
</tr>
</tbody>
</table>

Note: “Haves” defined as top income quartile of Baby Boomers; “Have-nots” defined as bottom income quartile

This gap is widening, the difference was 25 points in 1998, now its 38 points

This gap is widening, the difference was 11 points in 1998, now its 17 points
As in 1998, Polarization Extends to Health

Expect to have health insurance coverage that will meet your needs in retirement

- **Haves**: 71%
- **Have-nots**: 43%

Expect to have some serious health problems

- **Haves**: 17%
- **Have-nots**: 32%

Note: “Haves” defined as top income quartile of Baby Boomers; “Have-nots” defined as bottom income quartile

This gap is widening, the difference was 10 points in 1998, now it's 15 points
A Polarized Retirement:

- Gap between “Haves” and “Have-nots” has grown since 1998, vis-à-vis:
  - Optimism
  - Planning
  - Financial expectations
  - Health

- 1998 study spotted polarization trend

Note: “Haves” defined as top income quartile of Baby Boomers; “Have-nots” defined as bottom income quartile
Five Distinct Baby Boomer Segments
A Roadmap to the Boomer Retirement
The 1998 AARP Baby Boomers Envision Retirement study explored key dimensions that underlie different groups of Baby Boomers.

Using a segmentation technique, five distinct Baby Boomer groups emerged based on attitudes, expectations, and behaviors with respect to retirement.

- Enthusiasts (14%)
- Self-Reliants (32%)
- Strugglers (15%)
- Anxious (17%)
- Today’s Traditionalists (22%)
One Major Shift In Segments: From Anxious to Struggling

- Anxious: -6
- Strugglers: +9

17% Anxious
17% Strugglers
15%
The Enthusiasts (14%, unchanged from 13% 1998)

DEFINING CHARACTERISTICS
- Optimistic about retirement
- Plan not to work
- 2nd highest income of segments
- Very satisfied with financial future

WHAT’S CHANGED SINCE 1998
- Satisfaction with savings up!
- Fewer expect to relocate when they retire
- Fewer equate retirement with travel
- More survived major illness
- More responsible for care of aging parents
The Self-Reliant (32%, unchanged from 30%)

DEFINING CHARACTERISTICS

- Knowledge, resources to save aggressively
- Most satisfied with amount saving
- Many plan to work in retirement—for enjoyment
- Most affluent, best educated
- Least apt to have experienced negative life events (e.g. divorce)

WHAT’S CHANGED SINCE 1998

- Financial outlook less positive
- Fewer equate retirement with financial security
- More feel they can and should count on Social Security
Today’s Traditionalists (22%, unchanged from 25%)

DEFINING CHARACTERISTICS
- Most confident in Social Security and Medicare
- Nearly all planning to work

WHAT’S CHANGED SINCE 1998
- HH income down, relative to median
- More expect economic hardship, isolation in retirement
- Fewer happy with savings
- More to work out of need
- More to rely on Social Security, Medicare
- More expect health problems
The Anxious (17%, down from 23%)

DEFINING CHARACTERISTICS
- Apprehension about retirement
- Strive to put money away, but expect hardship
- Most skeptical of Social Security and Medicare
- Concerned about health care coverage

WHAT’S CHANGED SINCE 1998
- More plan to rely on own investments
- More are saving for retirement, but still expect hardship
- Less likely to feel they can rely on Medicare
- More expect to provide financially for aging parents/in-laws during retirement

Many Anxious have become…
The Strugglers (15%, up from 9%)

DEFINING CHARACTERISTICS
- Least educated, affluent
- Bleak retirement outlook
- Current financial needs inhibit savings
- Expect to rely mainly on Social Security and Medicare
- Most apt to have suffered major illness, death of spouse, or job loss

WHAT’S CHANGED SINCE 1998
- More have had recent job losses
- More saving for retirement, but still at low levels
- Increasingly negative outlook for finances and health in retirement
Five Distinct Baby Boomer Segments

- 1998 Segments continue to provide roadmap to Baby Boomers’ retirement
- Shifts between and within segments suggest more polarization:
  - More Anxious move into Struggler group
  - Today’s Traditionalists losing income ground
  - Enthusiasts’ saving even more
Diversity in Retirement Vision: Role of Race and Ethnicity
Race/Ethnicity Highlights

- Study analyzed Boomers’ vision for retirement by race and ethnicity

- Optimistic Outlook
  - Optimism consistent across racial and ethnic groups
  - Yet, Hispanic Boomers expect more financial, health-related and social challenges

- Financial Preparedness
  - Minorities’ retirement investments still lag behind white non-Hispanics*

*white NH from here forward
Race/Ethnicity Highlights

❖ Family Obligations
  ➤ Minority Boomers, especially Hispanics, more likely to expect to care for family members during own retirement

❖ Working Retirement Envisioned by Most Boomers
  ➤ Minorities are:
    • Less likely to plan to work for enjoyment
    • More likely to plan to start own business
Race/Ethnicity Highlights

❖ Social Security & Medicare
  ➢ Opinions do not vary widely by race and ethnicity
  ➢ Majorities of both NH whites and minority Boomers favorable toward systems
Minority Boomers Expect to Face More Challenges in Retirement

Associations with retirement among Baby Boomers where there are significant differences by race or ethnicity

- **Increased health concerns**
  - White NH: 63%
  - African American: 68%
  - Hispanic: 53%

- **Economic hardship**
  - White NH: 22%
  - African American: 31%
  - Hispanic: 37%

- **End of productive years**
  - White NH: 18%
  - African American: 31%
  - Hispanic: 35%

- **Boredom**
  - White NH: 17%
  - African American: 22%
  - Hispanic: 25%

- **Increased isolation from society**
  - White NH: 15%
  - African American: 25%
  - Hispanic: 28%
Minority Boomers More Likely to Expect Family Obligations in Retirement

% say following about expectations for role of family in retirement

- Family's emotional support is essential in retirement: 70%, 71%, 74%
- Don't want to depend on children: 69%, 52%, 43%
- Expect to have aging parent/in-law living in home: 18%, 20%, 43%
- Expect to provide financially for aging parent or in-law: 15%, 25%, 35%
- Expect to provide financially for children: 15%, 28%, 33%

White NH
African American
Hispanic
Diversity in Retirement Vision

- Minority Boomers similar to white NH in:
  - Optimism
  - Retirement vision—work and play
  - Faith in Social Security, Medicare

- More challenges, though, vis-à-vis family obligations and finances
Boomers Envision Retirement II Recap: The Big Stories
Boomers Envision Retirement II—The Big Stories

- Remarkably resilient Boomers as optimistic about retirement as in 1998

- Still optimistic, but managing retirement expectations
  - Redefining retirement to mean less indulgence, leisure

- Boomers embrace Social Security!
  - Far more likely now than in 1998 to be knowledgeable about and favorable towards Social Security

- More confident in Medicare
  - Boomers more familiar with and confident in Medicare than in 1998
Most Boomers to work in retirement, but fewer for fun
- More than in 1998 to work for needed income

More Boomers to face family care obligations
- Number who have cared for aging parents up notably since 1998
- 1 in 5 expects to provide for aging parent in own retirement
- Hispanics most likely to expect to care for aging parents or children

Majority feel younger than they are, but more Boomers facing health concerns
- Fewer than in 1998 say they are in good health
- More have experienced serious illness
- Oldest Boomers feeling effects of eroding health
Boomers Envision Retirement II—The Big Stories

- **Boomers growing retirement savings**
  - Conservative investments up most since 1998

- **Confidence in ability to prepare financially for retirement unchanged**
  - Though closer to retirement, Boomers no more likely than in 1998 to feel prepared

- **Fewer think own investments will be sufficient**
  - Fewer Boomers expect to depend heavily on personal or 401(k) investments for retirement income compared to 1998
Boomers Envision Retirement II—The Big Stories

- **Polarization persists**
  - Gap between “Haves” and “Have-nots” widening
  - Gaps in retirement visions of AARP member and non-member Boomers—even when controlling for income

- **1998 Boomer retirement segments still hold**
  - Struggler group has grown since 1998—poor are getting poorer

- **Boomer attitudes toward and preparedness for retirement differ by race/ethnicity**
  - Traditional views of retirement transcend race
  - But minority Boomers more likely than white NHs to expect financial challenges