

Retirement transitions in four countries

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- Satisfaction with one's financial situation improves upon retiring. The difference in high satisfaction ratings between recent retirees and pre-retirees ranges from 12% to 26%, depending on the country. In addition, relative to pre-retirees, recent retirees are more confident and are less likely to be anxious or uncertain about their financial situation.
- Compared with the experience of recent retirees, pre-retirees are up to four times more likely to expect to work and receive work income in retirement.
- Although the level of planning varies by country, individuals devote most of their retirement planning effort to the timing of claiming government pensions (48% to 69% have planned for this), as well as transitional issues like when to retire (44% to 60%) or the amount of monthly retirement income needed (50% to 64%). A smaller percentage has a formal plan for generating retirement income or has considered more holistic financial planning issues like taxes, health insurance, or estate matters.
- While at least two-thirds of individuals have access to formal sources of private help—that is, help from a financial advisor, a workplace retirement program, or a financial institution—up to one-third of individuals are either approaching retirement or have transitioned to retirement with only informal sources of help or no help at all. This advice gap, in terms of access to formal advice, varies by country.
- For interactions with workplace retirement programs and financial institutions, individuals are increasingly shifting from in-person to digital interactions.
- A number of product and service developments could assist individuals and close the advice “gap,” whether in terms of access to formal advice or coverage of more complex issues. Scalable advice can help reach those not touched by financial advisors, or extend the reach and capabilities of existing advisors to a broader range of topics. Features like retirement income projections or simple retirement income defaults can make income planning easier for households. Expanding the digital experience will be needed to serve the next generation of more technologically savvy retirees.

Introduction

There is a growing interest in the deaccumulation or drawdown phase in retirement, particularly in jurisdictions that have shifted (or are shifting) to defined contribution plans. Policymakers, trustees, workplace pension systems, employers, and consultants—all are paying increased attention to how individuals will translate growing pools of savings into a regular income stream in retirement. Questions are being raised regarding optimal product design, member education, and planning and advice services for the income phase.

As part of this focus on the deaccumulation phase, we sought to understand the way in which households transition into retirement today. While we know that retirement well-being is driven by a combination of factors, including nonfinancial considerations, planning has been shown to be an important driver of both retirement wealth and satisfaction in retirement.¹ Planning may impact retirement through the value of financial resources accumulated as well as minimizing psychological uncertainty around one's financial situation at this critical juncture.

In this study, we compare the planning process for pre-retirees and recent retirees in four countries—the United States, Canada, the United Kingdom, and Australia—all in various stages of a shift from defined benefit (DB) to defined contribution (DC) workplace retirement systems. The Australian superannuation system is the farthest along the spectrum; its universal superannuation system is largely DC-oriented. The United Kingdom has only recently begun to make the shift from a DB- to DC-centered private system. However, most pre-retiree and recent retirees in the United Kingdom will have the overwhelming majority of their benefits in a DB form. The United States and Canada fall at various points in between.

Our aim in this study is to understand the transition to retirement—and examine the types of decisions and planning steps pre-retirees and recent retirees are undertaking. Our research examines the incidence and depth of planning for retirement, as well as the types of resources individuals draw upon for help with the process. The objective is to uncover any potential areas of unmet needs during the retirement transition.

Specifically, we aim to answer the following questions:

- How do pre-retirees and recent retirees differ in terms of satisfaction with their financial situation?
- How does the incidence and depth of retirement planning compare between pre-retirees and recent retirees? Does it vary by country?
- Where do pre-retirees and recent retirees turn to for help in planning for retirement? What is the role of advice in this process? How does this vary by country?
- What channels do pre-retirees and recent retirees use when seeking help from workplace retirement programs or financial institutions?
- What lessons can be drawn from the retirement transition experience of recent retirees?

Our study is based on a survey of general investors from the United States, Canada, the United Kingdom, and Australia, using a nationally representative online research panel from each of the countries. Because we wanted to focus on the transition to retirement, we limited our sample to households headed by 55–75 year olds. Two groups of investors were surveyed for each country: pre-retirees, who expressed intent to retire within ten years of the survey, and recent retirees, who retired within the last ten years.

Since our aim is to understand the planning process for retirement savings, investors had to meet a minimum level of household investable assets in order to be included in the study—USD 50,000 / CAD 50,000 / GBP 50,000 / AUD 50,000.² The survey was fielded in October and November 2015 and yielded a total of 5,663 households.³

1 Ameriks, Caplin, and Leahy, 2003; Lusardi and Mitchell, 2007; Elder and Rudolph, 1999.

2 When comparing currency values across countries, we use the purchasing power parity (PPP) instead of the actual currency exchange rate. Purchasing power parities (PPPs) are currency conversion adjusted for different price levels in countries. Relative to the 100 USD, corresponding PPPs are 101 CAD, 83 GBP, and 90 AUD. PPP data extracted on December 1, 2015, from www.stats.oecd.org.

3 Sample sizes by country (pre-retirees, recent retirees): United States (892,739); Canada (870,747); United Kingdom (443,426); Australia (843,703).

Financial attitudes about retirement

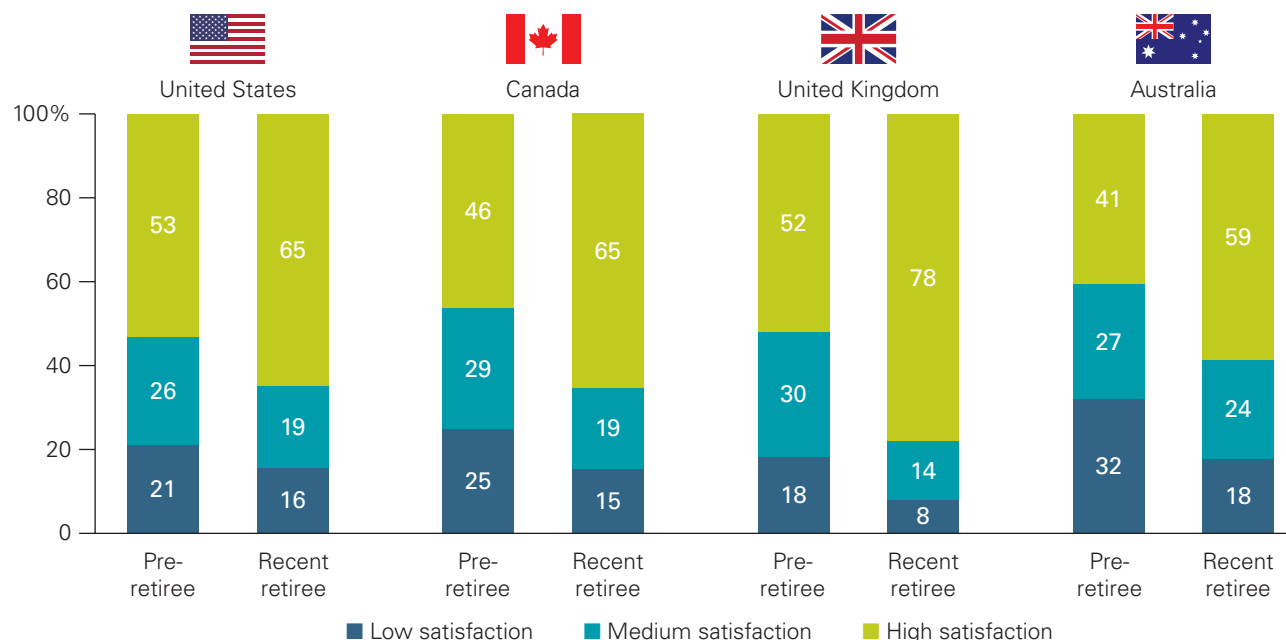
Previous studies have shown that retirees see their financial situation more positively than those who have yet to retire. For example, in a 26-year annual study of retirement confidence in the United States, retirees have consistently scored higher than those still in the workforce.⁴ We observe the same patterns in this study. Through various measures, recent retirees have a more favorable perception of their financial situation in retirement compared with how pre-retirees view their own.

Satisfaction with one's financial situation improves upon retiring (Figure 1). Generally in all countries, recent retirees are more satisfied with their financial situation than pre-retirees. We ascribe at least part of this to the resolution of the psychological uncertainty that comes with navigating the transition to retirement. Satisfaction

is highest in the United Kingdom, where the gap between pre-retirees and recent retirees is also greatest (26% point difference in high satisfaction ratings). Australians are less satisfied, with one-third of pre-retirees rating low on satisfaction. But at retirement, Australians see a very large drop in the fraction who are dissatisfied with their financial situation. And again, all countries see an improvement.

Is this improved satisfaction due to the fact that our retirees are well off compared with our pre-retirees? A comparison of the demographic characteristics of our respondents suggests not (see Appendix 1). Pre-retirees, as expected, have higher incomes than recent retirees. Both groups have similar financial assets. And pre-retirees are somewhat more likely to have a house with a mortgage, though not by large margins.

Figure 1. Satisfaction with financial situation



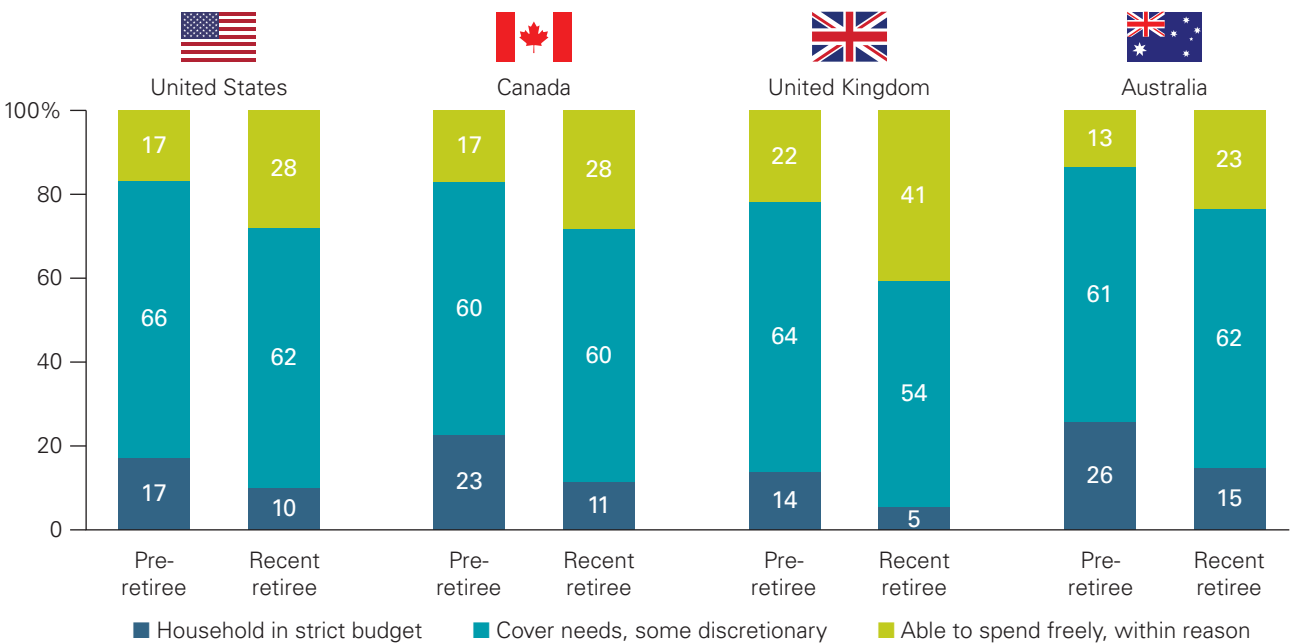
Figures may not total 100% due to rounding.

Source: Vanguard, 2017.

Question: To what extent do you agree or disagree with the following statement: "I am satisfied with my current financial situation (expected financial situation in retirement)."

⁴ EBRI, 2016.

Figure 2. Household budget



Figures may not total 100% due to rounding.

Source: Vanguard, 2017.

Question: Which of the following statements best describes how your household is currently spending money during your retirement (expect your household to spend money in retirement)?

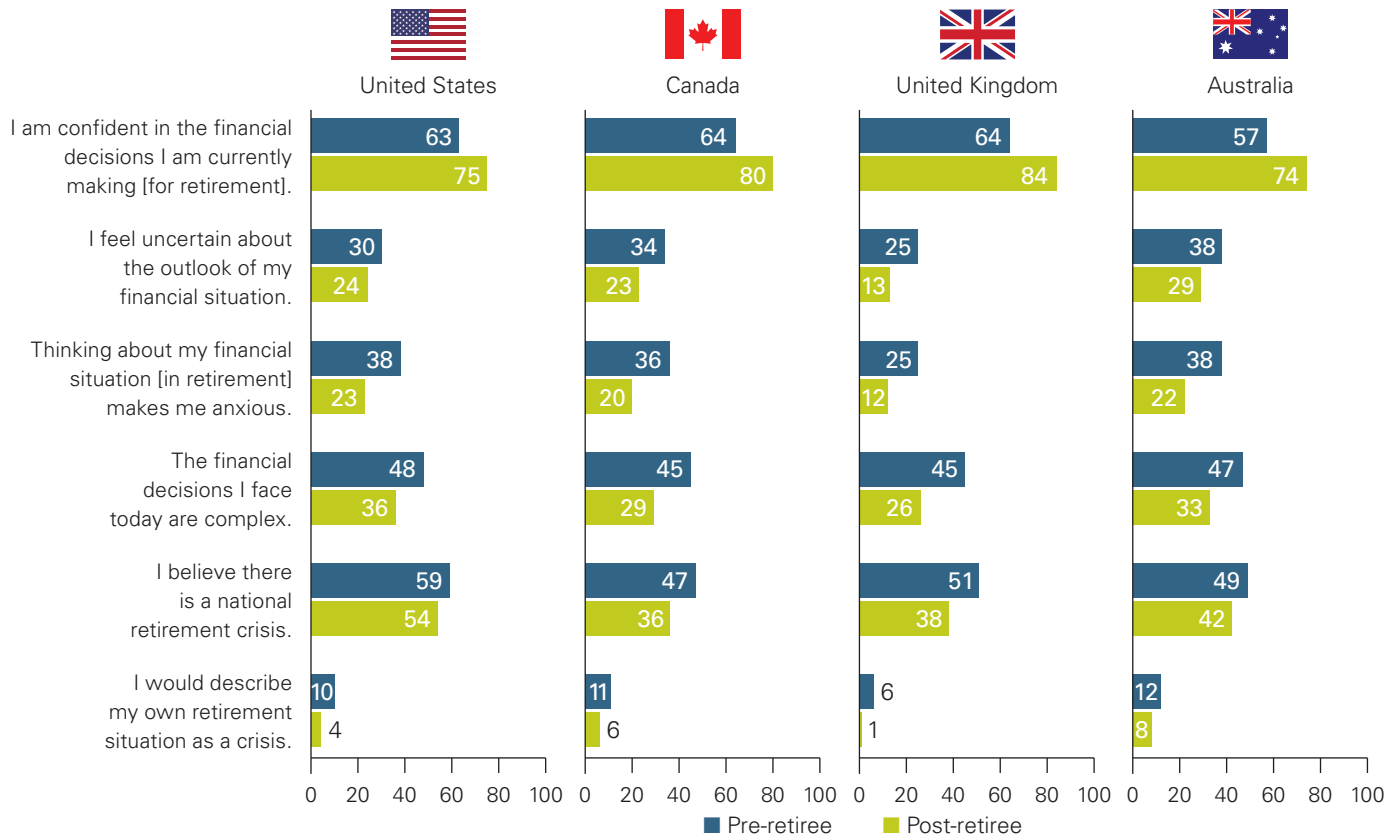
In retirement, individuals describe their budget situation more favorably (Figure 2). Recent retirees are more likely than pre-retirees to feel they are able to spend freely, while the number who feel they are on a strict budget drops upon retirement. The recent retirees in the United Kingdom show the most budget flexibility.

Financial attitudes about retirement are similar across the four countries. Compared with pre-retirees, recent retirees are more confident about their financial decisions and are less likely to be anxious or uncertain about their financial

situation (Figure 3). On the other hand, pre-retirees are more likely to describe their financial situation as complex. This could reflect their apprehension about the task in front of them, whereas recent retirees have already sorted through the confusion and decisions as they went through their retirement transition. It may also reflect local market or policy changes. For example, in the case of the United Kingdom, it could be the result of changing rules on “pension freedoms,” which eliminated mandatory annuitization of DC pensions.

Figure 3. Financial attitudes about retirement

Percentage who strongly agree/agree



Source: Vanguard, 2017.

Question: To what extent do you agree or disagree with the following statements. . . ?

Although about half of pre-retirees (and slightly less recent retirees) think there is a national retirement crisis, they do not ascribe the same to their own retirement situation. This is consistent across the four countries. This positive result may reflect the relative affluence

of our respondent population: the retirement crisis may lie elsewhere. Another possibility is that individuals have a more positive view of their own affairs than reflected in national debates over retirement security.

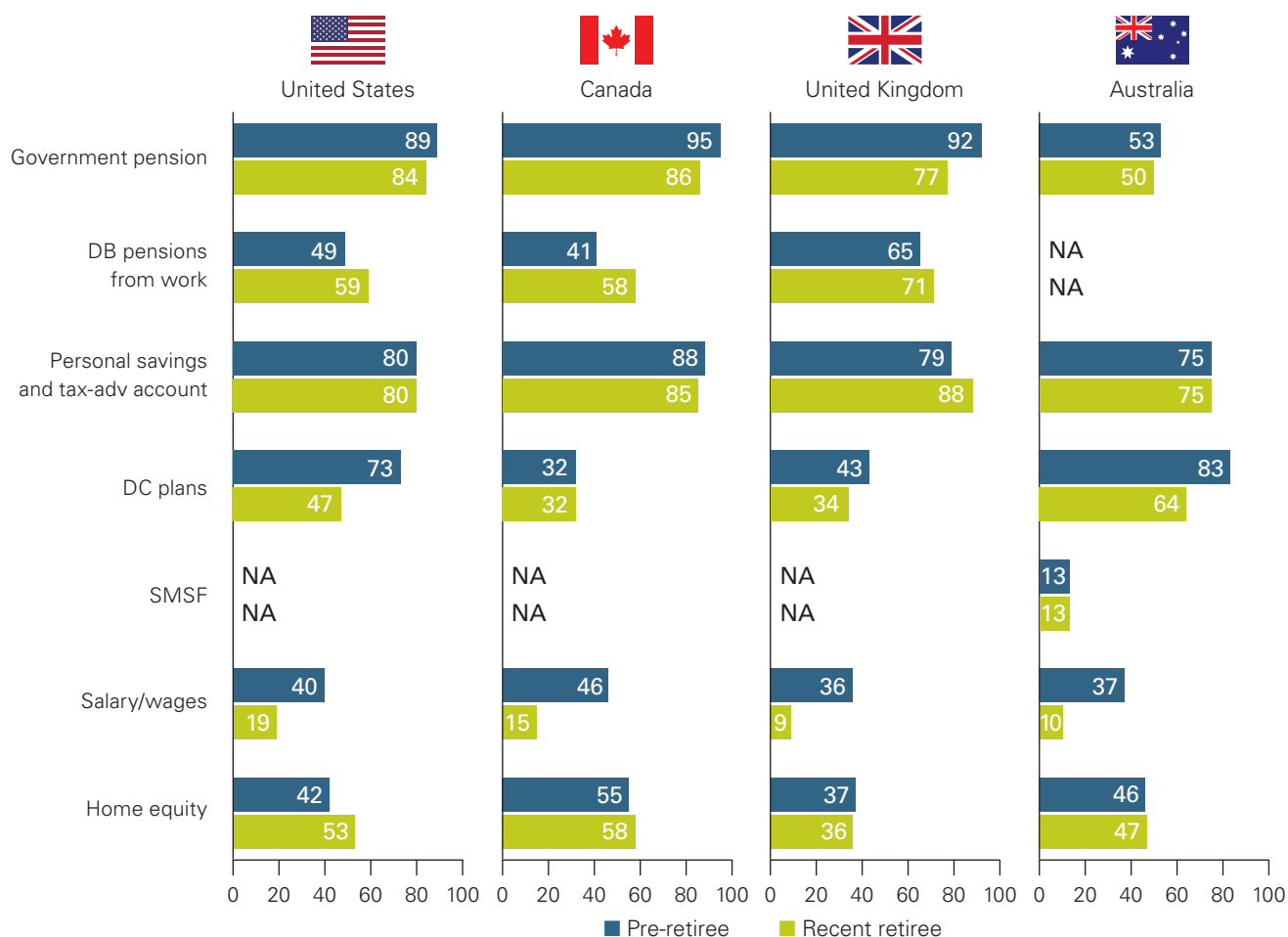
Income sources

With the exception of Australia, government pensions are the most common retirement income source for both pre-retirees and recent retirees, with more than three-quarters of them citing it as an income source (Figure 4). Income from personal savings and tax-advantaged accounts are also similarly available. Information on income sources also reflects where

countries fall in the DB-to-DC transition. The United Kingdom has the highest incidence of DB pensions from work while Australia has the highest incidence of DC plans (including individually managed DC plans known as self-managed super funds or SMFs).⁵ The Australian DC experience could signal where the rest of the countries will be in the future.

Figure 4. Income sources

Percentage with income source



Source: Vanguard, 2017.

Question: Which of the following do you have [expect to have] available as a source of retirement income or support?

Note: NA denotes that the income source was not asked for that group.

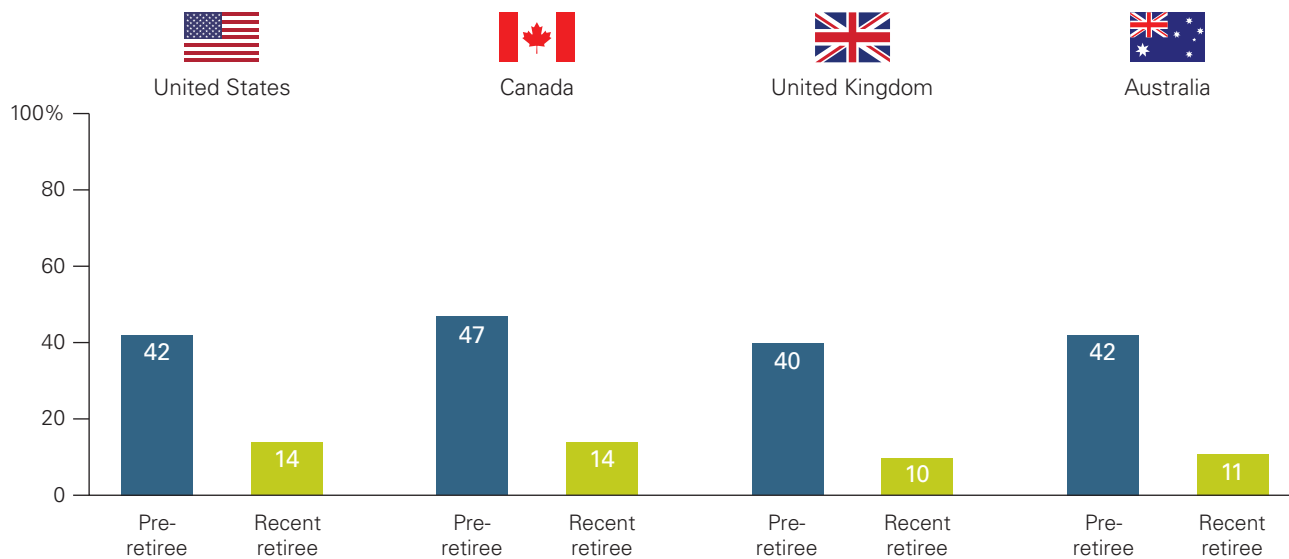
⁵ SMSFs are a type of personal workplace pension. Under Australian law, individuals can establish their own superannuation fund and have mandatory employer contributions directed to a fund under their direct control. The costs of legal compliance can be substantial, and so SMSFs are principally used by affluent households. In other jurisdictions in our study, workers are required to remain in the employer-selected scheme, and can only shift to a personal pension upon job change or retirement.

A sizable group of pre-retirees expect to work and collect wage income in retirement (Figures 5a and 5b), an expectation that is not supported by the recent retiree experience. In fact, pre-retirees are up to four times more likely to say they expect to work in retirement compared with the proportion of recent retirees who are actually working in retirement. Similar findings are observed in terms of expected wage income in retirement. There

are several possible reasons for this difference. Pre-retirees may feel they need more resources in retirement, and so expect to work. It could also be true that recent retirees had the same idea, but then, upon retiring, realized that work was no longer necessary in retirement. Pre-retirees may also be overestimating their ability to find suitable work.

Figure 5a. Working part-time in retirement

Percentage working [who expect to work] part-time at least once a week in retirement

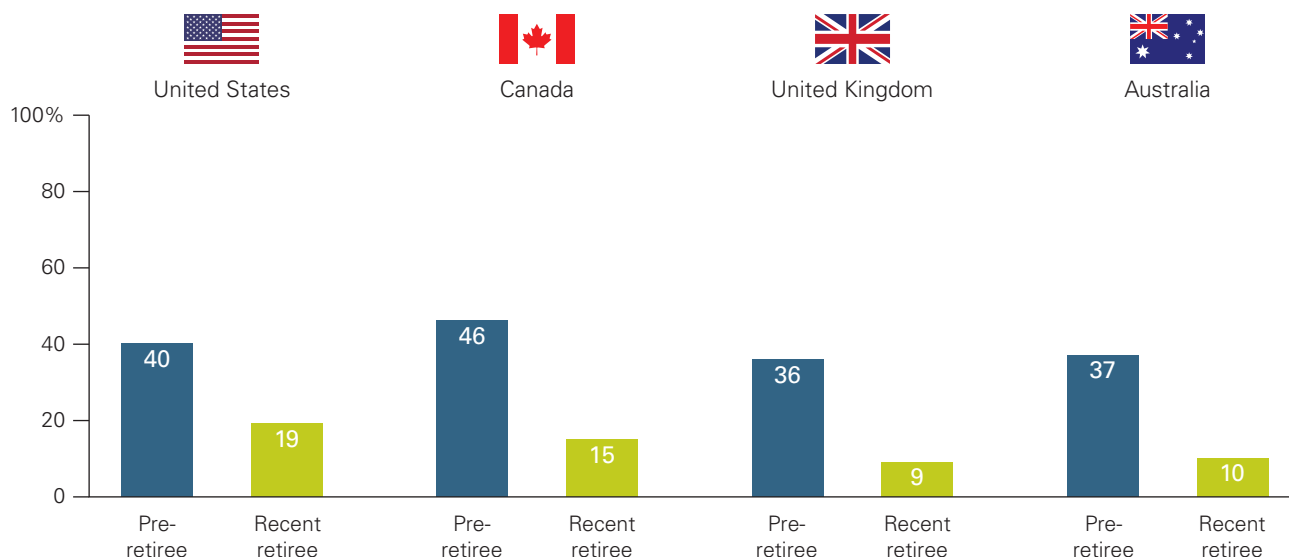


Source: Vanguard, 2017.

Question: How often do you engage/plan to engage in each of the following activities (in retirement)?

Figure 5b. Wages as an income source in retirement

Percentage citing wages as an income source in retirement



Source: Vanguard, 2017.





Question: Which of the following do you have (expect to have) available as a source of retirement income or support?—wages or salary from work in retirement

Planning steps and the ‘advice gap’

The majority of pre- and recent retirees have completed some planning activities leading up to retirement (Figure 6). Although the level of planning varies by country, the most common planning activities they completed include the timing of claiming government pensions (up to 69% have planned for this) as well as transition planning topics such as knowing the amount of monthly income needed (up to 64%), when to retire (up to 60%), or the amount of money needed

to retire (up to 60%). Fewer households are involved in other retirement income planning steps (such as drawdown from financial accounts) or holistic planning topics like managing taxes and the estate. At the same time, about 1 in 10 pre- and recent retirees did not plan at all. These findings indicate an “advice gap” in the depth of planning topics covered and may point to an unmet need that an offer of broader advice coverage could help mitigate.

Figure 6. Planning activities completed
Percentage who completed planning step

	 United States		 Canada		 United Kingdom		 Australia	
	Pre-retiree	Recent retiree	Pre-retiree	Recent retiree	Pre-retiree	Recent retiree	Pre-retiree	Recent retiree
Transition planning								
Amount of money I need to retire	55%	56%	60%	57%	47%	49%	53%	60%
When I should retire	60	53	59	52	59	53	53	44
Whether I will work in retirement	47	37	55	34	46	32	45	28
Amount of monthly retirement income needed	57	63	64	63	54	61	50	58
Retirement income planning								
When I should take my government pension	58	64	61	69	48	48	50	56
How I should take my DB pension from work	22	24	20	35	28	33	NA	NA
How I should draw down from DC plan	43	37	15	15	21	17	49	50
How I will generate retirement income	43	40	48	37	34	35	46	49
How I will draw down from personal investments	34	39	50	58	23	25	27	31
How I will manage investments in retirement	42	52	46	51	33	49	43	51
How I will manage administration of my SMSF (AUS)	NA	NA	NA	NA	NA	NA	11	10
Holistic planning								
How I will manage government health care benefits	46	56	32	29	NA	NA	NA	NA
If I will need private health insurance (U.S.)	41	36	NA	NA	NA	NA	NA	NA
How I will pay for long-term care	32	33	25	22	17	15	19	22
How I will manage taxes	35	39	40	44	25	24	27	28
How I will manage gifts, bequests, estate	23	27	28	28	22	24	23	26
How I will manage my home/home equity	34	36	43	39	30	30	31	33
Other	1	2	1	2	0	1	2	2
Did not plan								
Did not plan/have not planned	6	5	6	5	9	10	13	10

Source: Vanguard, 2017.

Question: Which of the following aspects of retirement did you plan for . . . ? (multiple answers accepted)

Note: The color ranges from green, indicating a higher incidence of planning, through blue, indicating a lower incidence of planning. “NA” denotes that the planning step was not asked for that group.

Among those who have done some planning, the topics they feel most competent to tackle are decisions on whether to work in retirement—where 82% cite themselves as the best resource for that decision or the timing of retirement (73%). They seem capable of handling decisions about the home and estate as well (Figure 7).

At the other extreme, they feel least competent in dealing with retirement income planning activities. Specifically, the “advice gap” is greatest in planning for topics like drawdown from a DC plan (28%) or how to manage investments in retirement (30%). For these tasks, they name a financial advisor as the most helpful resource.

Figure 7. Competence in handling planning topics

Percentage citing “myself” as best source of help for the planning step, among those who completed the step

	Category	Topic
Top four	Transition	Whether to work in retirement (82%)
	Transition	When to retire (73%)
	Holistic	How to manage my home or home equity (63%)
	Holistic	How to manage gifts, bequests, estate (60%)
Bottom four	Retirement income	How to manage administration of SMSF (37%) [AUS]
	Retirement income	How to take DB pension from work (37%) [ex-AUS]
	Retirement income	How to draw down from personal investments (34%)
	Retirement income	How to manage investments in retirement (30%)
	Retirement income	How to draw down from DC plan (28%)

Source: Vanguard, 2017.

Question: Which source has been the most helpful in answering each of the following questions (i.e., planning steps)?

Note: Figures shown are for the total sample. The top and bottom four are fairly consistent across countries.

Sources of help and the 'advice gap'

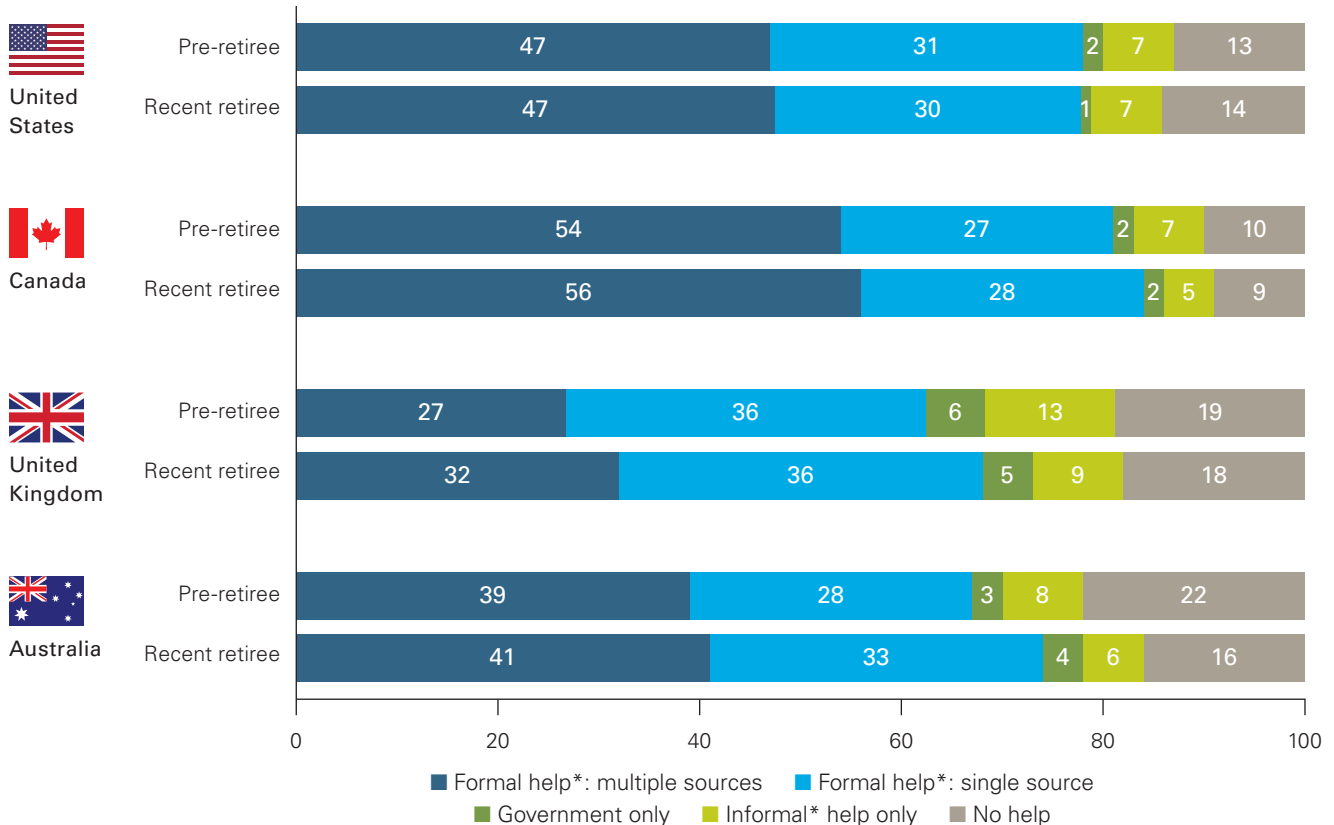
The majority of pre- and recent retirees rely on multiple sources of help to make financial decisions in retirement, with at least two-thirds of individuals having access to what we refer to as formal help (Figure 8).⁶ We define formal help as access to structured help sources such as a financial advisor, a workplace retirement program,⁷ or a financial institution. Conversely, informal help refers to assistance from family, friends, and the news media. As many as 1 in 5 of these groups does not rely on any type of help. When combined with having informal help only, up to one-third of pre- and recent retirees are going through the retirement transition without structured advice—a gap in access to advice.

Formal help coverage varies by financial assets and country. Access to formal help, particularly multiple sources of formal help, increases with assets. The proportion relying on informal help only or to not have any help at all is higher among those with lower assets. Within asset categories, differences by retiree status are minimal.

Having formal help is higher in the United States and Canada, relative to the United Kingdom and Australia. Roughly 3 in 10 respondents in the United Kingdom and Australia only use informal help or have no help at all.

Figure 8. Sources of help

Percentage with specific type of help



Figures may not total 100% due to rounding.

Source: Vanguard, 2017.

Questions: Which statement best describes your utilization of a financial advisor for retirement planning? What other sources have you used to help you make financial decisions for retirement?

* Formal help is defined as access to a structured help source such as a financial advisor, an employer plan, or a financial institution. (It could include concurrent access to government and informal help.) Informal help, on the other hand, refers to help from family, friends, the news media, or other.

⁶ See Appendix 2 for more detailed findings on the incidence of help.

⁷ We use the generic term "workplace retirement program" to refer to any retirement scheme, plan or fund organized around a formal employment setting. These include employer-centric programs (as in the U.K., Canada, or U.S.) or programs organized by independent pension companies (as in the Australian superannuation system).

Reasons for not using help source

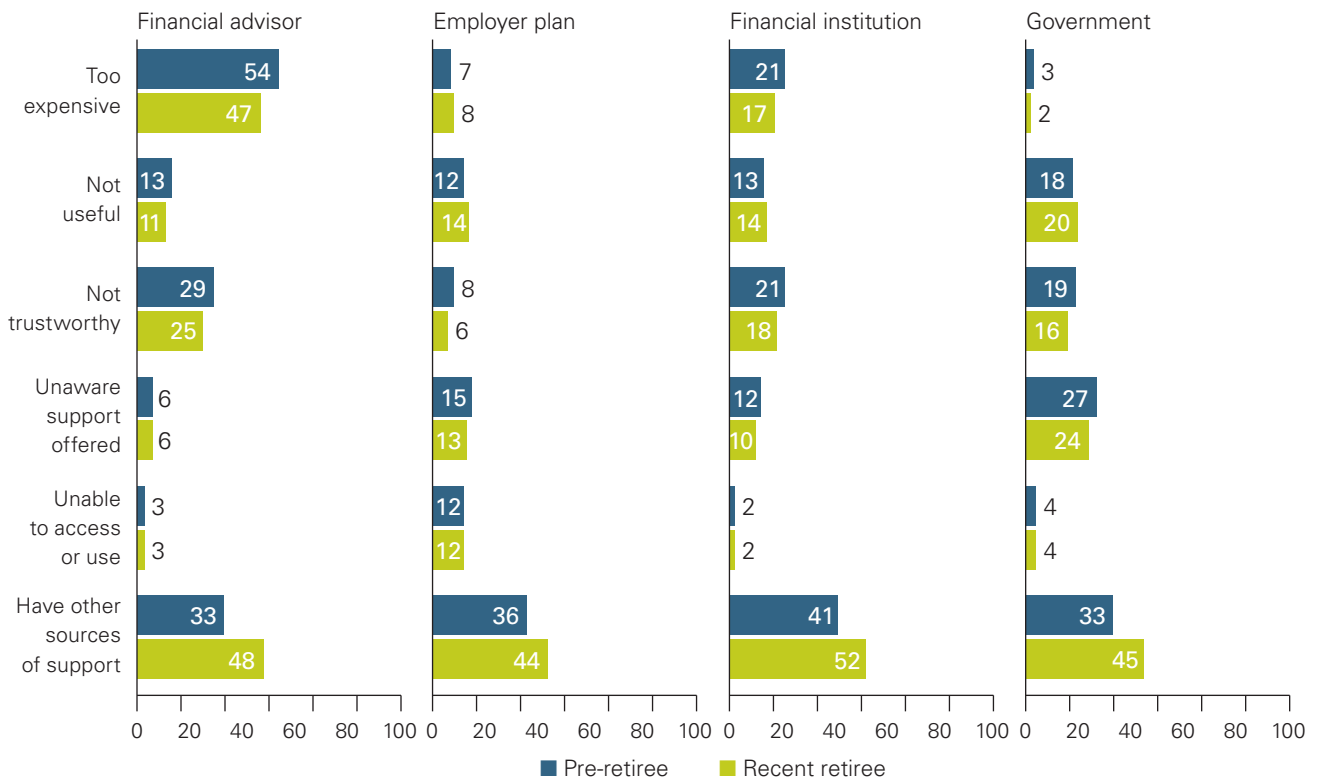
Those who did not use a specific advice source were asked for reasons why they did not seek advice from that help source. A key reason cited for not using specific help sources is the use of alternate sources of help. Additional reasons include cost, perceptions of trustworthiness and usefulness, and lack of awareness or access (Figure 9).

One of the major reasons for not using financial advisors is cost, cited by about one-half of the respondents

without a financial advisor; 3 in 10 also name trust. These highlight the need for scalable and trustworthy advice sources for about half of the pre- and recent retirees. These same reasons are cited for not using financial institutions for help, although to a lesser degree. Additional reasons for not using workplace retirement programs are lack of awareness and perceptions of usefulness. Similarly, for the government, they are lack of awareness, cost, and trust concerns.

Figure 9. Reasons for not using source of help

Percentage citing reason, among nonusers



Source: Vanguard, 2017.

Question: Why didn't you use the following sources to support your retirement planning? (multiple answers accepted)

A look at trust

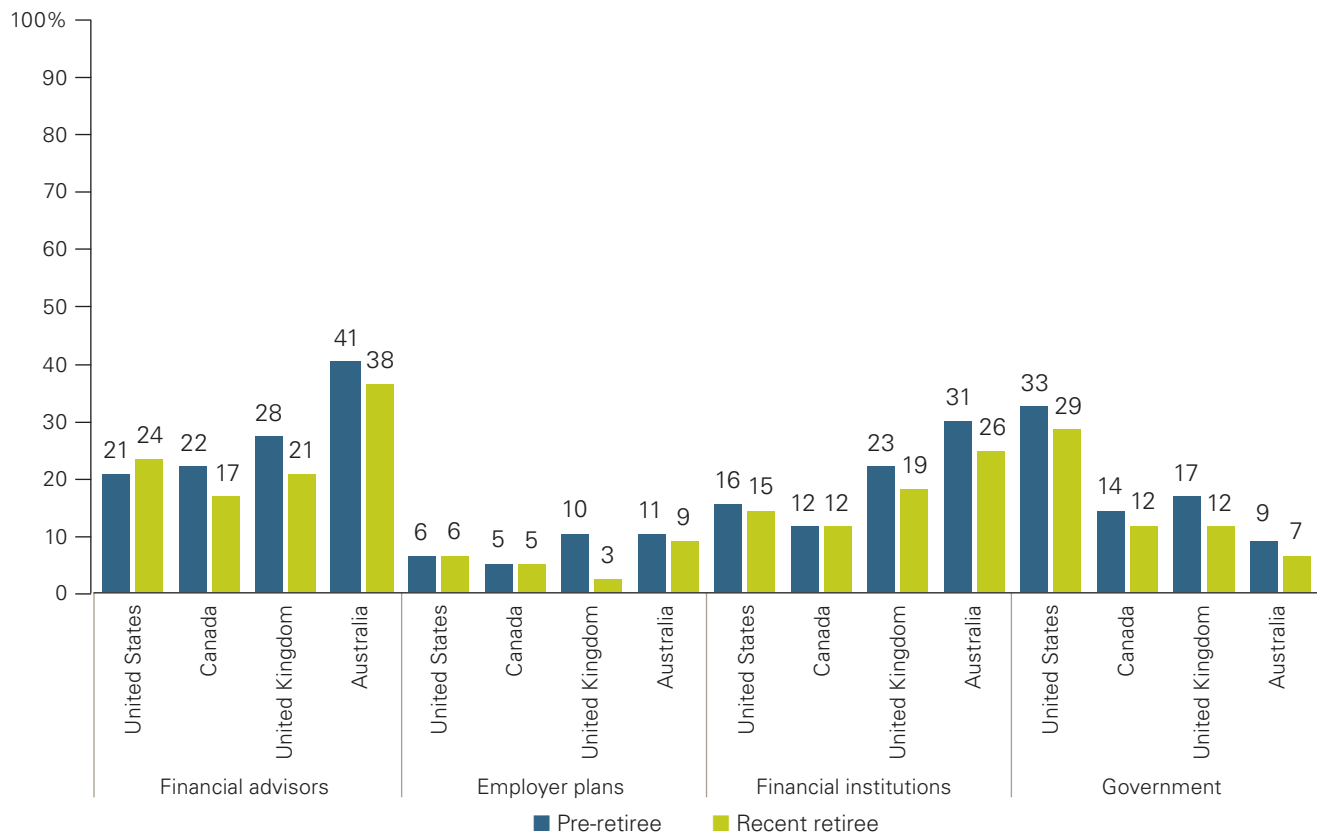
Lack of trust is one of the reasons that pre- and recent retirees do not use a specific help source. It is more often given as a reason for not using financial advisors, and to a lesser extent, financial institutions and the government. Australia has a higher incidence of distrust of financial advisors and financial institutions among nonusers (Figure 10) compared with the three other countries. In Australia, as much as 41% of nonusers name distrust of financial advisors as the reason for not seeking help from them, while up to 31% say the same about financial institutions. There is a higher distrust of the government as a source

of retirement planning information in the United States, with up to 1 in 3 pre- and recent retirees citing this concern.

The lack of trust keeps some from seeking help from financial advisors and financial institutions. However, among those who have used them, perceptions of the usefulness and trustworthiness of both financial advisors and institutions are actually high. It is unclear whether those who trust a source use it more or whether perceptions are transformed upon use.

Figure 10. Lack of trust

Percentage citing lack of trust as a reason for not using help source



Source: Vanguard, 2017.

Question: Why didn't you use the following sources to support your retirement planning?

Channels used to access help

In order to understand how to broaden help through sources other than a financial advisor, we paid particular attention to how these households engage with workplace retirement programs and financial institutions when seeking advice.

While multiple channels are used to access help from workplace retirement programs, the predominant help channels used differ by country and/or retiree status (Figure 11a). More importantly, however, channel substitution appears under way—we observe a shift from the use of in-person channels such as an office visit or attending a seminar, to reliance on the workplace retirement website for help.

Recent retirees are more likely to engage with an in-person channel (up to 59%, depending on country and channel) compared with pre-retirees who visit the website (up to 70%). This shift is most apparent in Canada and the United Kingdom. Attendance at a seminar is most common among recent retirees in these two countries, at 59% and 45% respectively. On the other hand, pre-retirees tend to visit the website, as done by about half of them in these countries. In Australia and the United States, while pre-retirees are more likely to use the website, recent retirees are equally likely to use both in-person channels and the website. Across all countries, up to two-thirds of pre- and recent retirees rely on printed information.

Figure 11a. Help channels in workplace retirement programs

Percentage who used channel, among those who sought help from workplace retirement programs

Country	Retiree status	Online		In-person		Other		
		Visited website	Visited office in person	Attended seminar	Contacted phone center	Read printed information	Signed up for distribution list	Other
United States	Pre-retiree	70%	17%	25%	17%	52%	20%	3%
	Recent retiree	46	32	44	20	54	13	5
Canada	Pre-retiree	51	21	31	13	55	17	3
	Recent retiree	36	32	59	15	55	9	6
United Kingdom	Pre-retiree	48	13	22	15	63	13	2
	Recent retiree	29	22	45	9	64	13	4
Australia	Pre-retiree	57	29	37	22	46	24	2
	Recent retiree	48	44	48	28	47	15	4

Source: Vanguard, 2017.

Question: How did you access retirement advice from your employer retirement plans/retirement system (401(k), 403(b), or similar defined contribution plan) (United States)/from your employer retirement plans/retirement system (United Kingdom). How do you access retirement advice from your employer retirement plans/retirement system (Group RRSP, LIRA, defined benefit (DB), and company defined contribution (DC)) (Canada)/from your superannuation fund (Australia)? (multiple responses accepted)

Figure 11b. Help channels in financial institutions

Percentage who used channel, among those who sought help from financial institutions

Country	Retiree status	Online		In-person		Other		
		Visited website	Visited office in person	Attended seminar	Contacted phone center	Read printed information	Signed up for distribution list	Other
United States	Pre-retiree	62%	42%	20%	20%	46%	22%	4%
	Recent retiree	45	62	15	13	40	15	5
Canada	Pre-retiree	31	74	12	11	37	12	4
	Recent retiree	19	84	16	7	29	5	5
United Kingdom	Pre-retiree	61	22	2	11	58	22	5
	Recent retiree	60	34	17	11	43	14	3
Australia	Pre-retiree	37	67	15	11	35	15	2
	Recent retiree	35	78	10	9	22	3	1

Source: Vanguard, 2017.

Question: How do you access retirement advice from your financial institution? (multiple responses accepted)

Engagement patterns with financial institutions are slightly different (Figure 11b). There is a strong preference for office visits for both pre-retirees and recent retirees in Canada and Australia. In these two countries, 67% to 84% of these individuals say they sought help from financial institutions by visiting the office in person. On the other hand, help from financial institutions in the United Kingdom is more likely accessed from the financial institution's website. The U.S. experience is more consistent with a recent retiree to pre-retiree shift from office to website visits.

Involving future retirees with the website would help facilitate the delivery of advice to a broader audience. This is more promising among workplace retirement websites, where about half of pre-retirees are already using them. More effort is needed to achieve the same with financial institutions, particularly in Canada and Australia, where only one-third of pre-retirees are receiving help through their website.

Recent retirees look back

Finally, we were interested in the lessons that can be learned from the experience of recent retirees. In other words, we looked into recent retiree views about how differently they would handle their transition to retirement.

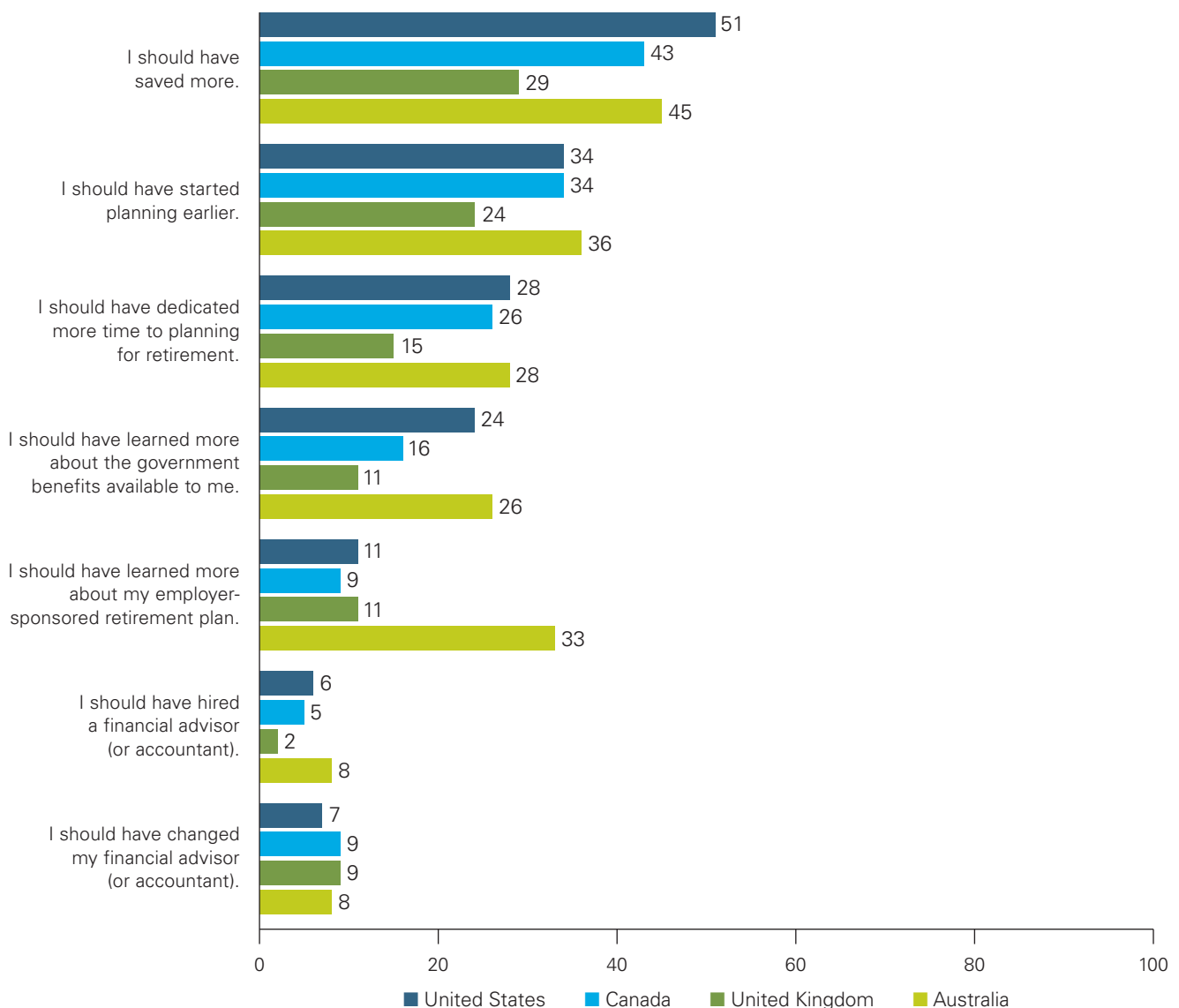
Overall, recent retirees are satisfied with how they handled planning for retirement. When asked what they would change in how they prepared for retirement, close to half of recent retirees would have saved more, and

about one-third would have started planning earlier (Figure 12). Other than these factors, they appear to be satisfied with how they handled the other aspects of their transition to retirement.

Recent retirees from the United Kingdom are the least likely to change anything. Those from Australia would have wanted to learn more about their workplace retirement program, namely their superannuation fund.

Figure 12. Recent retirees look back

Percentage who strongly agree with the statement



Source: Vanguard, 2017.

Question: When you think about your experience and preparation prior to your retirement, to what extent do you agree or disagree with the following statements?

Summary and implications

Retirees often report more favorable well-being measures compared with those approaching retirement. We attribute part of this improvement to the resolution of uncertainty as pre-retirees navigate the various options and decisions that need to be made during the transition to retirement. Planning well in advance of retirement could help alleviate the uncertainty leading up to the event. However, we find that there is an “advice gap” in access to formal help sources and a need for a broader coverage of retirement topics. In particular, retirement income drawdown appears to be an area where retirees need the most help. This will become more evident as DC plans increasingly grow in importance in retirement balance sheets.

Scalable advice. Given the “advice gap” in terms of access to retirement help and the difficulty of decisions that need to be made in the transition to retirement, households need help to navigate this decision-making process. While professional advice from a financial advisor appears to be helpful, the high cost of hiring one makes them unattractive for at least half of pre- and post-retirees in our respondent group. There is a need for scalable advice that would provide further reach at lower cost. Workplace pension schemes and/or private financial institutions are in a position to provide this, with almost half of the respondents already reaching out to them. Scalable advice can also help extend the reach and quality of existing advisors.

The need for income defaults. As retirement systems continue to evolve from DB to DC, retirement income decisions are transitioning from “automatic” DB and government pensions to more involved decisions for creating income from DC programs and other financial assets. Workplace DC programs need simple income strategies as defaults or soft defaults to simplify income planning.

Retirement income projections. Figuring out retirement income needs and how to generate retirement income remain topics that both pre-retirees and retirees find challenging. Providing retirement income projections that are comprehensive and easy to use and interpret (with clear assumptions) can help bridge this gap.

The digital transition. Technology will play an important role in delivering education and advice services. It appears like this will be less of an issue as pre-retirees (and presumably more and more future retirees) are already involved with their workplace retirement programs and/or financial providers through their websites. This is evidenced by the shift in the delivery of advice from in-person channels (seminars and office visits) favored by retirees to more digital means that are embraced by pre-retirees.

General benefits of help. Providing help will increase confidence in retirement decision-making and resolve uncertainty in one’s financial situation, all of which can lead to higher satisfaction.

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Appendix 1. Demographic characteristics

	 United States		 Canada		 United Kingdom		 Australia	
	Pre-retiree	Recent retiree	Pre-retiree	Recent retiree	Pre-retiree	Recent retiree	Pre-retiree	Recent retiree
n=	892	731	870	747	443	426	843	703

Age group

55–59	43%	14%	53%	23%	54%	14%	48%	17%
60–64	37	28	33	35	33	33	36	32
65–69	16	40	11	29	10	36	13	37
70–75	4	18	3	13	3	17	3	14
Median age	60	65	59	63	59	64	59	64

Financial assets (in own currency)

\$50,000–<\$100,000	26%	35%	33%	37%	43%	36%	33%	41%
\$100,000–<\$250,000	33	28	33	26	33	40	29	23
\$250,000–<\$500,000	11	12	14	15	13	12	13	12
\$500,000–\$1M	16	15	14	15	6	9	16	16
More than \$1M	14	10	6	7	5	3	9	8
Median category (own currency):	USD 100,000–< USD 250,000	USD 100,000–< USD 250,000	CAD 100,000–< CAD 250,000	CAD 100,000–< CAD 250,000	GBP 100,000–< GBP 250,000	GBP 100,000–< GBP 250,000	AUD 100,000–< AUD \$250,000	AUD 100,000–< AUD \$250,000

Income (in own currency)

Less than 30,000 ¹	1%	6%	1%	5%	13%	25%	3%	8%
\$30,000–\$49,999	6	11	7	13	39	50	9	21
\$50,000–\$99,000	36	55	50	57	41	20	51	55
\$100,000+	57	28	42	25	7	5	37	16
Median category (own currency):	USD 100,000–< USD 125,000	USD 60,000–< USD 75,000	CAD 75,000–< CAD 100,000	CAD 60,000–< CAD 75,000	GBP 40,000–< GBP 50,000	GBP 30,000–< GBP 35,000	AUD 75,000–< AUD 100,000	AUD 60,000–< AUD 75,000

Liabilities (in own currency)

Less than \$10,000 ²	31%	45%	36%	48%	67%	74%	45%	68%
Median category (own currency):	USD 50,000–< USD 75,000	USD 10,000–< USD 25,000	CAD 30,000–< CAD 50,000	CAD 10,000–< CAD 30,000	Less than GBP 5,000	Less than GBP 5,000	AUD 10,000–< AUD 30,000	< Less than AUD 10,000

Home ownership (in own currency)





Own home outright	41%	55%	52%	67%	67%	87%	56%	76%
Own, with mortgage	49	37	35	23	25	10	31	13
Not own (stay with others or rent)	10	8	13	10	8	3	13	11

¹ In the U.K., <GBP 25,000

² In the U.K., <GBP 5,000

Appendix 2. Detailed sources of help

Percentage who used help source

	 United States		 Canada		 United Kingdom		 Australia	
	Pre-retiree	Recent retiree	Pre-retiree	Recent retiree	Pre-retiree	Recent retiree	Pre-retiree	Recent retiree
Formal help								
Financial advisor	53%	55%	67%	67%	34%	40%	51%	59%
Employer plan	56	51	41	50	40	44	45	44
Financial institution	31	30	44	40	20	21	18	19
Government								
Government	20	20	30	28	30	31	28	43
Informal help								
Social network (family or friends)	44	43	44	40	35	29	39	39
News media	24	21	28	20	37	40	21	18
Other	5	5	7	7	5	4	5	8
No help								
Did not use any of the above	13	14	10	9	19	18	22	16

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Diversification does not ensure a profit or protect against a loss.
All investing is subject to risk, including the possible loss of the money you invest.



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