



*Fast Facts*

# Understanding and Managing Post-Retirement Risks

## SUMMARY

This series examines how individuals, especially those in the middle market, manage finances during their post-retirement years. Written by Chair of the Committee on Post-Retirement Needs and Risks, Anna Rappaport, each paper zeros in on key trends from the Society of Actuaries' (SOA) 20+ years of post-retirement research.

Retirees do face significant risks and challenges during retirement while still preferring to maintain the status quo. The research in this series aims to help increase peoples' understanding of the challenges they may face and provides analysis, perspective and suggestions for future study. The reports are:

- [Post-Retirement Risks & Decisions](#)
- [How People Plan for Retirement](#)
- [Women and Post-Retirement Risks](#)
- [Shocks and the Unexpected](#)
- [Retirement Experiences of People Age 85 and Over](#)

One consistent message throughout the series is that retirement planning should entail assessing risk concerns *and* ongoing risk management.

## HIGHLIGHTS

- Everyone has to make decisions about retirement. Some of the decisions can have a big impact, while others will be less important. Research by the SOA and others has shown consistent gaps in consumer knowledge about these risks and that consumers often make decisions without evaluating the consequences. The report discusses key decisions retirees and pre-retirees should consider. --*Post-Retirement Risks and Related Decisions*
- The "2017 Retirement Risk Survey" indicates that pre-retirees expect to retire at a mean age of 65, but those who are already retired did so earlier, at 58. Major forces driving earlier-than-desired retirement include difficult work environments, family members needing help, and health challenges.--*How People Plan for Retirement*
- Two SOA studies in 2017 found that older women are more likely to live alone than older men, much less likely to live with a spouse, more likely to live with their own children, and more likely to live in a nursing home or other group home.--*Women and Post-Retirement Risks*
- Retirees often do not consider the impact of shocks and unexpected expenses in planning, or they implicitly expect to fund them by trying to hold onto assets, according to 2013 and 2015 SOA focus groups.--*Shocks and the Unexpected: An Important Factor in Retirement*
- People who live independently and don't have significant cognitive difficulty, did not appear to change how they manage money as they age. However, once people experienced cognitive decline, they often needed help with money management, driving, taking medication, and other activities of daily living.-- *Retirement Experiences of People Age 85 and Over*

## LINK TO FULL REPORT

Understanding and Managing Post-Retirement Risks

<https://www.soa.org/resources/research-reports/2017/post-retirement-needs-decisions/>

## METHODOLOGY

- Timeframe: The reports draw from SOA retirement risk studies conducted in 2017 and earlier.
- Approach: Author Anna Rappaport presents ideas, opinions, tips and assessments of post-retirement risks faced by individuals. Her analysis draws upon SOA's 20+ years of surveys, focus groups, essays, interviews, and reports, plus findings of other retirement professionals.
- The researchers: Rappaport researched the extensive post-retirement studies published by SOA's Committee on Post-Retirement Needs and Risks as well as reports of other experts.

## REPORT SPECS

- Published: 2017- 2019
- Access: downloadable pdfs
- Research Sponsor: The Society of Actuaries (SOA) Aging and Retirement Strategic Research Program
- Author: Anna Rappaport, Chair of the SOA Committee on Post-Retirement Needs and Risks and Principal of Rappaport Consulting
- Body of research: The analysis covers 20+ years of SOA research including these categories:
  - *2001–2017 Risks and Process of Retirement Surveys*. These biennial surveys sampled American retirees and pre-retirees, ages 45 to 80.
  - *Focus groups and in-depth interviews*. Conducted in 2005, 2013, 2015 and 2017.
  - *Consumer interest*. These reports include “Managing Post-Retirement Risk: A Guide to Retirement Planning” (risk chart), “Managing Retirement Decisions” (12 briefs), “Age Wise Infographics” (longevity series), and retirement literacy (new series).
  - *Numerous essay collections and monographs*.



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**2017 Risks and Process of Retirement Survey: Report of Findings**

<https://www.soa.org/globalassets/assets/files/resources/research-report/2018/risk-process-retirement.pdf/>

**Managing Retirement Decisions Briefs**

<https://www.soa.org/resources/research-reports/2012/research-managing-retirement-decisions/>

**More**

<https://www.soa.org/Files/Research/Projects/research-2015-focus-group-report-final.pdf>



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