



NEWS RELEASE

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Retirement Reset: 70% of Older Working Americans Are More Pessimistic About Their Retirement Plans Due to the Pandemic

An estimated 3.2 million people have decided to retire later than originally planned

WASHINGTON, D.C., July 29, 2020 — The Alliance for Lifetime Income released today the third in a series of COVID-19 Retirement Reset tracking studies, which shows Americans approaching retirement with a deepening crisis of confidence and increasingly looking for ways to protect their retirement income. A staggering seven-out-of-ten respondents (70%) – some of the more affluent retirement savers in the country – report that the pandemic has made them more pessimistic about their retirement plans. Fifty-six percent of those not yet retired are rethinking their retirement plans, including how much money they will need or when they plan to retire.

One result of the increased pessimism is that an estimated 3.2 million people have now decided to retire later than originally planned, represented by the one in five pre-retirees (20%) in the Alliance study who indicated they had made this decision. The true number of Americans who have decided to retire later than planned is likely even higher, because the survey sampled those with a minimum of \$100,000 in assets. The study also finds that only a third of respondents (33%) are very confident that they will have the income to cover all their expenses in retirement, one illustration of the depth of the retirement income crisis facing the U.S. While most respondents retain some confidence about their financial preparation for retirement, the pandemic and resulting economic crisis has begun to erode their once optimistic outlook.

With more Americans searching for protection, it is not surprising that nearly a quarter say the crisis has prompted them to consider the benefits of protected lifetime income that an annuity or pension provides, a 37% increase from the April study. And, people are becoming more educated about annuities, with an overwhelming majority – 86% of respondents – saying that they now know annuities provide protected monthly income that can help cover their basic monthly expenses in retirement.

This latest study – conducted from June 18 to 22 among Americans ages 56 to 75 – provides mounting evidence that a “retirement reset” is underway in the U.S. Over the timeframe the Alliance’s three tracking studies were conducted, the country experienced the onset of the pandemic and re-opening challenges due to a resurgence of COVID-19 cases, while the unemployment rate rose significantly and stock markets continued to exhibit significant volatility.

A look back at the COVID-19 Retirement Reset Trackers

	March 2020	April 2020	June 2020
	Wave 1 3/6–3/16	Wave 2 4/13–4/20	Wave 3 6/18–6/22
COVID cases in U.S.*	4,226	776,093	2,302,302
COVID deaths in U.S.*	100	41,404	119,510
DOW*	20,188	23,650	26,025
Unemployment claims*	3 million	19 million	33 million (as of 6/20/20)
Events in the news	Fed cuts rates and MC shuts down	Coronavirus dominates the news	Reopening challenges and racial protests
Retirement Reset tracker findings	A Lesson for Americans Thinking About Retirement: It Isn't Always Your Decision	Dramatic Shift in Risk Tolerance Is Driving Long-Term Changes in Retirement Investing Behavior	70% of Older Working Americans Say Pandemic Has Made Them More Pessimistic About Their Retirement Plans

As the pandemic grows, more Americans are considering a retirement reset

** Number reported at end of survey fielding.*

Current economic uncertainty is a primary driver of doubt among those who are less confident in their plans to retire. Among those who are concerned about the current economy and investing environment, 60% are worried about future unpredictability, as the crisis is taking a widespread emotional toll and eroding confidence. At the same time, just over half (52%) of those who are employed expressed some uncertainty about their employment situation for the next year.

“The pandemic and resulting economic uncertainty and market volatility are leading the vast majority of the country’s pre-retirees to reconsider their retirement plans,” said **Jean Statler, CEO of the Alliance**. “Americans are more concerned than ever about having enough income to cover expenses in retirement and maintain their quality of life. In their attempt to adjust their retirement plans to the new reality, individuals are taking a fresh look at a tested financial solution: protected income from an annuity.”

The ongoing “retirement reset” and persistent retirement income crisis have significant macro-economic implications for the country. The findings show that, for nearly eight-in-ten respondents (79%), discretionary spending is important to quality of life in retirement; however, seven-in-ten (70%) are less than very confident that they will have the money to fund all of their discretionary spending in retirement.

This online survey was conducted June 18 to 22, 2020, among 1,260 adults ages 56 to 75 who are employed (full or part-time, or furloughed due to COVID-19) or retired (fully retired or retired but working part-time). All have a minimum of \$100,000 in assets. The study was conducted by Artemis Strategy Group.

Download [COVID–19 Retirement Reset Tracker Wave 3 Research Report](#)

Download [Retirement Reset Tracker Wave 3 Study Research Summary](#)

About the Alliance for Lifetime Income

The Alliance for Lifetime Income is a non-profit 501(c)(6) educational organization based in Washington, D.C., that creates awareness and educates Americans about the value and importance of having protected lifetime income in retirement. Our vision is for a country where no American has to face the prospect of running out of money in retirement. The Alliance provides consumers and financial advisors with educational resources, interactive tools, and actionable research and insights to use in building retirement income strategies and plans. We believe focusing attention and conversations on retirement income that lasts throughout life leads to greater retirement security for millions of Americans. Learn more at www.allianceforlifetimeincome.org and www.ProtectedIncome.org.

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