

The American College of Financial Services Retirement Income Literacy Survey

The goal of this study is to learn more about what people know about finances in retirement, so please answer the questions based on *your current level of knowledge*.

Screening

S1. Are you...?

| | Total (n=1,509) |
|--------------|--------------------|
| Male | 48% |
| Female | 52 |

S2. In what year were you born? (Age)

| | Total (n=1,509) |
|----------------|--------------------|
| 50 to 54 | 21% |
| 55 to 59 | 22 |
| 60 to 64 | 21 |
| 65 to 69 | 18 |
| 70 to 74 | 17 |

S3. What is your current marital status?

| | Total (n=1,509) |
|--|--------------------|
| Married | 74% |
| Single, never married | 9 |
| Divorced or separated | 8 |
| Widowed | 5 |
| Not married, but living with a partner | 4 |

S4. Who in your household is responsible for making financial and investment decisions?

| | Total (n=1,174) |
|-----------------------------------|--------------------|
| Primarily you..... | 47% |
| Both you and another person | 49 |
| Primarily someone else | 4 |

S5. What is the highest level of education you completed?

| | Total (n=1,509) |
|--|--------------------|
| Some high school or less..... | -- |
| High school graduate..... | 18% |
| Trade or vocational school..... | 3 |
| Associate degree/community college | 8 |
| Some college..... | 13 |
| College graduate (4-year degree)..... | 26 |
| Post graduate work..... | 6 |
| Graduate degree | 27 |

S13. Are you either currently serving or a veteran of the U.S. Armed Forces?

| | Total (n=1,509) |
|---|----------------------------|
| Yes, currently serving in the U.S. Armed Forces | -- |
| Yes, a veteran of the U.S. Armed Forces | 12% |
| No, neither..... | 88 |
| Prefer not to answer | * |

S6. About how much money would you say you **[IF MARRIED OR LIVING WITH PARTNER: and your spouse/partner]** had in total in savings and investments as of January 2020, not including the value of your primary residence? *Please include savings, certificates of deposits, stocks, bonds, mutual funds, employer-sponsored retirement savings plans, and other investments, but do not include the value of traditional pension plans.*

| | Total (1,509) |
|-------------------------------------|--------------------------|
| \$100,000 to \$199,999..... | 22% |
| \$200,000 to \$299,999..... | 18 |
| \$300,000 to \$499,999..... | 17 |
| \$500,000 to \$999,999..... | 18 |
| \$1 million to \$1.49 million | 8 |
| \$1.5 million or more | 17 |

S7. Are you:

| | Total (n=1,509) |
|---|----------------------------|
| Working full-time, year round..... | 40% |
| Working full-time for part of the year | 1 |
| Working part-time | 8 |
| Not working, but seeking work..... | 3 |
| Not working and disabled, or not able to work | 5 |
| Not working, able to work, but not seeking work | 43 |

S8. Do you consider yourself:

| | Total (n=1,509) |
|---|----------------------------|
| Retired from your primary occupation..... | 50% |
| Not retired | 50 |

S9. **[IF MARRIED OR HAVE PARTNER]** Is your spouse/partner:

| | Total (n=1,174) |
|---|----------------------------|
| Working full-time, year round..... | 37% |
| Working full-time for part of the year | 2 |
| Working part-time | 9 |
| Not working, but seeking work..... | 2 |
| Not working and disabled, or not able to work | 5 |
| Not working, able to work, but not seeking work | 45 |

S10. **[IF MARRIED OR HAVE PARTNER]** Does your spouse/partner consider himself or herself:

| | |
|---|----------------------------|
| | Total (n=1,174) |
| Retired from their primary occupation | 52% |
| Not retired | 48 |

S11. Are you: *(Please select all that apply.)*

| | |
|---|----------------------------|
| | Total (n=1,509) |
| White | 87% |
| African American | 7% |
| Asian American | 5% |
| Another race (Please specify: _____) | 2% |
| Prefer not to answer | * |

S12. Are you Hispanic/Latino?

| | |
|----------------------------|----------------------------|
| | Total (n=1,509) |
| Yes | 4% |
| No | 96% |
| Prefer not to answer | * |

Attitudes About Retirement

1. How knowledgeable would you say you are about retirement income planning?

| | | | | | | |
|---------------------------------|----------|----------|---------------------------------|----------|----------|--------------------------------|
| Total (n=1,509) | | | | | | |
| Not at All Knowledgeable | | | Moderately Knowledgeable | | | Extremely Knowledgeable |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 2% | 4 | 7 | 28 | 25 | 23 | 12 |

2. How concerned are you about each of the following in retirement? **[RANDOMIZE]**

| | | | | | | | | |
|----|------------------------------------|-----------------------------|----------|----------|-----------------------------|----------|----------|----------------------------|
| | | Not at All Concerned | | | Moderately Concerned | | | Extremely Concerned |
| | Total (n=1,509) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| a. | Running out of money | 14% | 18 | 15 | 21 | 12 | 9 | 11 |
| b. | Cost of healthcare | 5% | 6 | 7 | 19 | 17 | 20 | 25 |
| c. | Paying for long-term care expenses | 8% | 10 | 10 | 24 | 19 | 15 | 14 |
| d. | Changes in tax rates | 8% | 10 | 12 | 28 | 16 | 14 | 12 |
| e. | Impact of inflation | 6% | 8 | 10 | 28 | 18 | 16 | 13 |

| | | Not at All Concerned 1 | 2 | 3 | Moderately Concerned 4 | 5 | 6 | Extremely Concerned 7 |
|----|----------------------------------|---------------------------|---|----|---------------------------|----|----|--------------------------|
| | Total (n=1,509) | | | | | | | |
| f. | Cuts to Social Security | 8% | 9 | 10 | 21 | 13 | 16 | 24 |
| g. | Volatility in investment returns | 6% | 6 | 10 | 27 | 17 | 17 | 17 |

3. To what extent do you agree or disagree about each of the following? **[RANDOMIZE]**

| | | Disagree Completely 1 | 2 | 3 | Neither Agree nor Disagree 4 | 5 | 6 | Agree Completely 7 |
|----|--|--------------------------|----|----|---------------------------------|----|----|-----------------------|
| | Total (n=1,509) | | | | | | | |
| a. | Because of my money situation, I feel like I will never have the things I want in life. | 39% | 23 | 9 | 15 | 7 | 3 | 3 |
| b. | I am just getting by financially. | 43% | 20 | 12 | 12 | 7 | 3 | 2 |
| c. | I am concerned that the money I have or will save won't last. | 17% | 16 | 12 | 16 | 21 | 8 | 10 |
| d. | I have money left over at the end of the month. | 3% | 4 | 4 | 11 | 20 | 20 | 38 |
| e. | My finances control my life. | 32% | 24 | 12 | 18 | 8 | 3 | 2 |
| f. | Thinking about my personal finances can make me feel anxious. | 23% | 20 | 13 | 17 | 16 | 6 | 6 |
| g. | Discussing my finances can make my heart race or make me feel stressed. | 34% | 21 | 12 | 17 | 9 | 4 | 4 |
| h. | I have too much debt right now. | 60% | 15 | 9 | 7 | 5 | 3 | 2 |
| i. | The pain I experience from losing money in the stock market outweighs the satisfaction I experience when I make money. | 19% | 15 | 13 | 28 | 12 | 7 | 6 |
| j. | When making financial decisions, I typically prioritize my long-term goals over short-term goals. | 3% | 3 | 4 | 26 | 24 | 23 | 16 |

4. How knowledgeable are you about each of the following issues? **[RANDOMIZE]**

| | | Not at All Knowledgeable 1 | 2 | 3 | Moderately Knowledgeable 4 | 5 | 6 | Extremely Knowledgeable 7 |
|----|----------------------------------|-------------------------------|---|----|-------------------------------|----|----|------------------------------|
| | Total (n=1,509) | | | | | | | |
| a. | Strategies for sustaining income | 5% | 6 | 13 | 32 | 24 | 14 | 6 |

| | Total (n=1,509) | Not at All Knowledgeable 1 | 2 | 3 | Moderately Knowledgeable 4 | 5 | 6 | Extremely Knowledgeable 7 |
|----|--|-------------------------------|----|----|-------------------------------|----|----|------------------------------|
| | throughout retirement | | | | | | | |
| b. | How long individuals are likely to live | 5% | 5 | 7 | 32 | 26 | 18 | 7 |
| c. | The use of life insurance in retirement planning | 13% | 13 | 15 | 30 | 15 | 9 | 5 |
| d. | Annuity products for retirement | 12% | 13 | 16 | 29 | 17 | 10 | 4 |
| e. | How taxes affect retirement security | 6% | 7 | 15 | 30 | 20 | 15 | 8 |
| f. | Impact of inflation on retirement security | 6% | 7 | 12 | 32 | 23 | 13 | 7 |
| g. | Housing options and using home equity in retirement planning | 9% | 10 | 13 | 33 | 19 | 11 | 5 |
| h. | Medicare insurance planning | 9% | 11 | 13 | 31 | 18 | 12 | 7 |
| i. | Paying for long-term care expenses | 8% | 10 | 16 | 33 | 19 | 9 | 5 |
| j. | Investment considerations in retirement planning | 6% | 6 | 10 | 30 | 25 | 16 | 7 |
| k. | Social Security | 3% | 4 | 8 | 36 | 22 | 18 | 9 |

General Planning Activity

5. Do you currently have an ongoing relationship with a professional financial advisor?

| | |
|----------|----------------------------|
| | Total (n=1,509) |
| Yes..... | 57% |
| No | 43 |

6. **[IF HAVE ADVISOR]** How important are each of the following: **[RANDOMIZE]**

| | Total (n=905) | Not at All Important 1 | 2 | 3 | Moderately Important 4 | 5 | 6 | Extremely Important 7 |
|----|---|---------------------------|---|---|---------------------------|----|----|--------------------------|
| a. | That you know how your advisor is compensated for working with you | 2% | 2 | 7 | 22 | 20 | 20 | 28 |
| b. | That your financial advisor educates you about how much you can spend each year without | 3% | 2 | 5 | 19 | 18 | 24 | 29 |

| | | | | | | | | |
|----|--|----|---|---|----|----|----|----|
| | increasing your risk of running out of money later in life | | | | | | | |
| c. | That your financial advisor educates you about strategies to protect against investment risk | 1% | 1 | 3 | 17 | 21 | 27 | 31 |

7. **[IF HAVE ADVISOR]** Overall, how satisfied are you with your current financial advisor?

| Total (n=905) | | | | | | |
|---------------------------|---|---|---------------------------|----|----|--------------------------|
| Not at All Satisfied 1 | 2 | 3 | Moderately Satisfied 4 | 5 | 6 | Extremely Satisfied 7 |
| 1% | 1 | 1 | 9 | 14 | 36 | 39 |

8. **[IF HAVE ADVISOR]** How knowledgeable do you think your current financial advisor is regarding retirement planning?

| Total (n=905) | | | | | | |
|-------------------------------|---|---|-------------------------------|----|----|------------------------------|
| Not at All Knowledgeable 1 | 2 | 3 | Moderately Knowledgeable 4 | 5 | 6 | Extremely Knowledgeable 7 |
| * | * | * | 8% | 12 | 34 | 45 |

9. **[IF NOT RETIRED]** Have you (or your spouse/partner) ever tried to figure out how much money you will need to have when you retire to live comfortably in retirement?

[IF RETIRED] Did you (or your spouse/partner) ever try to figure how much money you would need to have saved when you retired to live comfortably in retirement?

| | |
|-----------|----------------------------|
| | Total (n=1,509) |
| Yes | 68% |
| No | 32 |

10. Do you have a formal, comprehensive, written retirement plan?

| | |
|-----------|----------------------------|
| | Total (n=1,509) |
| Yes | 33% |
| No | 67 |

11. Which do you think is the most helpful in terms of planning for retirement?
[RANDOMIZE]

| | |
|--|----------------------------|
| | Total (n=1,509) |
| An estimate of how much monthly income in retirement you would receive based on your current level of assets | 47% |
| An estimate of what your expenses will be in retirement..... | 27 |
| An estimate of how much money you will need to save for retirement | 27 |

12. Do you have a plan for where your retirement income will come from each month in retirement?

Total

(n=1,509)

Yes.....82%

No18

13. Which of the following do you **[IF MARRIED: and your spouse][OR HAVE PARTNER: and your partner]** currently own or have?

| Total (n=1,509) | | Yes | No |
|-----------------|--|-----|----|
| a. | A traditional pension plan that pays a guaranteed lifetime income after retirement | 64% | 36 |
| b. | Stocks or stock mutual funds (including mutual funds which have both stocks and bonds) or stock ETFs | 74% | 26 |
| c. | Bonds or bond mutual funds or bond ETFs | 44% | 56 |
| d. | An annuity that <u>does</u> guarantee income for the rest of your life | 27% | 73 |
| e. | An annuity that <u>does not</u> guarantee income for the rest of your life | 15% | 85 |
| f. | Alternative investments, such as commodities or real estate investment trusts | 18% | 82 |
| g. | Real estate, not including your residence, that provides rental income | 15% | 85 |

14. How interested are you in owning a financial product that guarantees you (and your spouse/partner) with a certain amount of monthly income for the rest of your life?

| Total (n=1,509) | | | | | | | |
|----------------------------|---|---|----------------------------|----|----|---------------------------|------------------|
| Not at all Interested 1 | 2 | 3 | Moderately Interested 4 | 5 | 6 | Extremely Interested 7 | Already Own 8 |
| 10% | 6 | 9 | 23 | 12 | 14 | 17 | 10 |

15. What financial information sources do you use to inform your decisions? *(Please select all that apply.)* **[RANDOMIZE]**

Total (n=1,509)

Financial advisor57%

Online sources38%

[IF S3=1–2 MARRIED/PARTNER] Spouse or partner.....29%

News and media.....26%

Friend.....13%

Banker or trust officer10%

Financial coaches or seminars9%

Work associate.....3%

Other **(Please specify: _____)**.....4%

None of the above6%

16. How much investment risk are you willing to take?

| Total (n=1,509) | | | | | | |
|---|----|----|----|----|---|--|
| Not willing to take any investment risk, even if it means getting almost no return on your money 1 | 2 | 4 | 4 | 5 | 6 | Willing to take a substantial amount of investment risk in order to have a chance for very high returns 7 |
| 6% | 12 | 20 | 32 | 19 | 6 | 4 |

Quiz Section 1: Strategies for Sustaining Income Throughout Retirement

17. Please choose the response below that best completes this statement: If you had a well-diversified portfolio of 50% stocks and 50% bonds that was worth \$100,000 at retirement, based on historical returns in the United States, the most you can afford to withdraw each year is about ____ plus inflation each year to have a 95% chance that your assets will last for 30 years.

| | Total (n=1,509) |
|----------------------|----------------------------|
| \$2,000 | 21% |
| \$4,000 | [CORRECT] 32 |
| \$6,000 | 9 |
| \$8,000 | 4 |
| Don't know | 35 |

18. Please choose the response below that best completes this statement: To maximize the safe withdrawal rate from a portfolio over a 30-year retirement period, it is best to hold ____ in equities throughout retirement.

| | Total (n=1,509) |
|--------------------|----------------------------|
| 0-10%..... | 6% |
| 25-35%..... | [CORRECT] 29 |
| 50-60%..... | [CORRECT] 24 |
| 90-100%..... | 3 |
| Don't know | 38 |

19. True or false: Taking a portion (20-40%) of a retirement portfolio and buying a life annuity can protect against the uncertainty of life expectancy, ensuring that a basic level of spending is available throughout retirement.

| | Total (n=1,509) |
|------------------|----------------------------|
| True..... | [CORRECT] 48% |
| False | 11 |
| Don't know..... | 41 |

20. A 25% negative single year return in a retirement portfolio would have the biggest impact on long-term retirement security if it occurs:

| | Total (n=1,509) |
|--|----------------------------|
| 15 years prior to retirement..... | 9% |
| At retirement..... | [CORRECT] 35 |
| 15 years after retirement begins | 12 |
| The timing doesn't matter | 15 |
| Don't know | 28 |

21. Which of the following strategies is least likely to improve retirement security?
[RANDOMIZE]

**Total
(n=1,509)**

- Saving an additional 3% of salary in the five years prior to retirement[CORRECT] 30%
- Working for two years past the planned retirement date20
- Deferring Social Security benefits for two years longer than 25 originally planned.....25
- Don't know25

Quiz Section 2: How long you will live - Life Expectancy

22. To what age do you think you will live?

| | Total (n=1,509) |
|--------------------|----------------------------|
| Less than 70..... | 4% |
| 70 to 74 | 5 |
| 75 to 79 | 10 |
| 80 to 84 | 20 |
| 85 to 89 | 27 |
| 90 to 94 | 15 |
| 95 to 99 | 5 |
| 100 or older | 3 |
| Don't know | 11 |

23. A 65-year-old man has an average life expectancy of approximately an additional:

| | Total (n=1,509) |
|------------------|----------------------------|
| 10 years | 19% |
| 15 years | 38 |
| 20 years | [CORRECT] 31 |
| 25 years | 5 |
| Don't know | 7 |

Quiz Section 3: The Use of Life Insurance in Retirement Planning

24. Do you currently have life insurance?

| | Total (n=1,509) |
|----------|----------------------------|
| Yes..... | 67% |
| No | 33 |

25. How important do you think life insurance is for retirement planning?

| Total (n=1,509) | | | | | | |
|-----------------------------------|----------|----------|-----------------------------------|----------|----------|----------------------------------|
| Not at All Important 1 | 2 | 3 | Moderately Important 4 | 5 | 6 | Extremely Important 7 |
| 12% | 11 | 11 | 25 | 14 | 12 | 14 |

26. Do you have an estate plan in place? (i.e., a will or trust)

| | Total (n=1,509) |
|----------|----------------------------|
| Yes..... | 65% |

No35

27. Which one of the following is true about cash value life insurance? **[RANDOMIZE]**

**Total
(n=1,509)**

The cash value portion will accumulate tax deferred.....**[CORRECT] 33%**
 You typically cannot borrow from the cash value5
 The policy will expire after a specified period of time 11
 The policy will typically cost less than a term insurance policy.....7
 Don't know44

28. True or false: The death benefit from a life insurance policy owned by an individual is income tax free for the beneficiary.

**Total
(n=1,509)**

True.....**[CORRECT] 56%**
 False20
 Don't Know24

Quiz Section 4: Annuity Products in Retirement

29. How important is it for you to have a guaranteed monthly income source in retirement?

| Total (n=1,509) | | | | | | |
|---------------------------|---|---|---------------------------|----|----|--------------------------|
| Not at All Important 1 | 2 | 3 | Moderately Important 4 | 5 | 6 | Extremely Important 7 |
| 1% | 2 | 3 | 12 | 13 | 21 | 47 |

30. The lifetime income payout rate (the annual annuity payment as a percentage of the purchase price) for an immediate income annuity for a 65-year-old male today is roughly...

**Total
(n=1,509)**

3-4%.....16%
6-7%.....[CORRECT] 18
 10-12%.....9
 14-15%.....2
 Don't know55

31. An immediate income annuity that pays income of \$1,000 a month is generally going to be more expensive... **[RANDOMIZE]**

**Total
(n=1,509)**

The younger the owner is when the annuity begins**[CORRECT] 21%**
 For a man rather than for a woman21
 If interest rates rise8
 For a single person than for a couple6
 Don't know44

32. A deferred variable annuity with guaranteed lifetime withdrawal benefits...
[RANDOMIZE]

| | Total (n=1,509) |
|---|----------------------------|
| Ensures that the investment account will not lose value | 8% |
| Only offers investment alternatives with fixed returns | 4 |
| Pays guaranteed income that varies based on market performance..... | 24 |
| Can pay income even if the investment account goes to zero..... | [CORRECT] 12 |
| Don't know | 52 |

Quiz Section 5: How Taxes Affect Retirement Security

33. Although a minimum distribution will not be required in 2020, distributions from an IRA generally must be made every year once an individual has attained age...

| | Total (n=1,509) |
|------------------|----------------------------|
| 55 | 1% |
| 59 1/2 | 10 |
| 65 | 8 |
| 70 1/2 | [CORRECT] 52 |
| 72 | [CORRECT] 18 |
| Don't know | 11 |

34. Which one of the following statements concerning the federal income tax treatment of distributions to a 65-year-old retiree is true? **[RANDOMIZE]**

| | Total (n=1,509) |
|---|----------------------------|
| Distributions from a Roth IRA are generally tax-free | [CORRECT] 58% |
| Distributions from a traditional IRA are generally taxed as long-term capital gains..... | 12 |
| Distributions from a traditional IRA for the 65-year-old are generally subject to an additional 10% penalty tax | 8 |
| Don't know | 22 |

35. True or false: A retiree who is working part-time can generally continue to contribute to an IRA or Roth IRA.

| | Total (n=1,509) |
|-----------------|----------------------------|
| True..... | [CORRECT] 67% |
| False | 9 |
| Don't know..... | 23 |

36. Converting a portion of a traditional IRA into a Roth IRA is a good idea this year if...
[RANDOMIZE]

| | Total (n=1,509) |
|--|----------------------------|
| You have more taxable income than usual and your marginal tax rate is higher than normal | 22% |

- You have a big tax deduction this year and your marginal tax rate is lower than normal.....[CORRECT] 29
- The value of the assets in your IRA have remained the same for 10 years.....5
- Don't know45

Quiz Section 6: Impact of Inflation on Retirement Security

37. What do you expect the average annual inflation rate will be during your retirement?

| Total (n=1,509) | | | | |
|-----------------|------|-------|--------|------|
| 0-1% | 2-5% | 6-10% | 11-19% | 20%+ |
| 3% | 71 | 22 | 3 | 2 |

38. To what extent do you factor in inflation when planning financially for your retirement years?

| Total (n=1,509) | | | | | | |
|-----------------|---|----|--------------------|----|---|------------------------|
| Not at All 1 | 2 | 3 | A Fair Amount 4 | 5 | 5 | A Very Great Deal 7 |
| 6% | 7 | 13 | 41 | 16 | 9 | 8 |

39. Suppose that the interest rate on your savings account was 2% per year and inflation was 4% per year. After one year, would you be able to buy more than, exactly the same as, or less than today with the money in this account?

| | Total (n=1,509) |
|--------------------------------|--------------------|
| More than today | 2% |
| Exactly the same as today..... | 7 |
| Less than today | [CORRECT] 77 |
| Don't know | 13 |

40. Of the following options, the best way to protect against inflation is to have a...
[RANDOMIZE]

| | Total (n=1,509) |
|---|--------------------|
| Diversified portfolio of stocks | [CORRECT] 49% |
| Diversified portfolio of traditional bonds | 16 |
| Diversified portfolio of CDs (certificates of deposit)..... | 10 |
| Don't know | 25 |

Quiz Section 7: Housing in Retirement

41. Do you own or rent your home?

| | Total (n=1,509) |
|------------|--------------------|
| Own..... | 93% |
| Rent | 6 |

- Some other arrangement..... 1
42. Sarah is single, age 65, and takes a reverse mortgage with a lump sum payment. When does the loan have to be repaid? **[RANDOMIZE]**
- | | |
|---|---------------------|
| | Total |
| | (n=1,509) |
| When she attains age 75 | 2% |
| When she takes on any other loan | 2 |
| When she permanently leaves the home | [CORRECT] 67 |
| Whenever the mortgage company wants it back | 2 |
| Don't know | 27 |
43. Continuing care retirement communities (CCRCs) are different than a 55-plus housing development in that CCRCs always offer... **[RANDOMIZE]**
- | | |
|--|----------------------|
| | Total |
| | (n=1,509) |
| A range of care from independent living to nursing care | [CORRECT] 60% |
| The opportunity to participate in social events | 3 |
| The opportunity to have relatives move onto facility grounds | 1 |
| Don't know | 36 |

Quiz Section 8: Medicare Insurance Planning

44. Traditional Medicare will cover which of the following medical expenses? **[RANDOMIZE]**
- | | |
|---------------------------|----------------------|
| | Total |
| | (n=1,509) |
| Routine dental care | * |
| Physical exams | [CORRECT] 57% |
| Hearing aids | 1 |
| All of the above..... | 31 |
| Don't know | 10 |
45. True or false: Medicare supplement insurance policies are most commonly purchased to cover the deductibles and copays that are charged under Medicare Parts A and B.
- | | |
|------------------|----------------------|
| | Total |
| | (n=1,509) |
| True..... | [CORRECT] 74% |
| False | 12 |
| Don't know | 14 |
46. True or false: The total out of pocket medical costs for married couples in retirement is relatively consistent from retiree to retiree.
- | | |
|-----------------|---------------------|
| | Total |
| | (n=1,509) |
| True..... | 17% |
| False | [CORRECT] 62 |
| Don't know..... | 21 |
47. **[IF AGE 65 OR OLDER]** Are you covered by: *(Please select all that apply.)*

| | |
|---|----------------|
| | (n=572) |
| Traditional Medicare | 52% |
| Medicare Advantage..... | 38% |
| A Medicare Supplement Policy sometimes known as 31 Medigap insurance | 31% |
| Health Insurance provided by an employer..... | 19% |

48. **[IF HAVE MEDICARE OR MEDICARE ADVANTAGE Q47=1 OR 2, BUT NOT BOTH]**
How confident are you that you made the right decision when selecting and not?

| | |
|---------------------------|----------------|
| | Total |
| | (n=465) |
| Very confident | 66% |
| Somewhat confident | 30 |
| Not too confident | 3 |
| Not at all confident..... | 2 |

Quiz Section 9: Paying for Long-Term Care Expenses

49. Do you have a plan in place to fund long-term care needs?

| | |
|----------|------------------|
| | Total |
| | (n=1,509) |
| Yes..... | 31% |
| No | 69 |

50. Do you currently have an insurance policy that will pay benefits if you need long-term care? *(Please select all that apply.)* **[RANDOMIZE 1–3]**

| | |
|---|------------------|
| | Total |
| | (n=1,509) |
| Yes, a long-term care insurance policy | 16% |
| Yes, a life insurance policy with long-term care benefits | 7% |
| Yes, an annuity with long-term care benefits | 2% |
| No, I looked at policies but decided against it | 24% |
| No, I have not looked into it at all..... | 52% |

51. How likely do you think it is that you will need long-term care services at some time in the future?

| | |
|-------------------------|------------------|
| | Total |
| | (n=1,509) |
| Very likely | 8% |
| Somewhat likely | 42 |
| Not too likely..... | 41 |
| Not likely at all | 9 |

52. If you need long-term care services at some time in the future, do you expect your family members to provide the care?

| | |
|----------|------------------|
| | Total |
| | (n=1,509) |
| Yes..... | 30% |
| No | 70 |

53. What is the proportion of the population that is going to need assistance with activities of daily living (need long-term care) at some point?

| | Total (n=1,509) |
|------------------|----------------------------|
| 10%..... | 6% |
| 25%..... | 24 |
| 50%..... | 28 |
| 70%..... | [CORRECT] 16 |
| Don't know | 26 |

54. Nationally, who pays for the majority of long-term care expenses provided in nursing homes? **[RANDOMIZE]**

| | Total (n=1,509) |
|--|----------------------------|
| Medicare | 26% |
| Private payment by individuals | 24 |
| Medicaid..... | [CORRECT] 26 |
| Insurance purchased by individuals | 8 |
| Don't know | 16 |

55. Nationally, who provides the majority of long-term care services? **[RANDOMIZE]**

| | Total (n=1,509) |
|----------------------------------|----------------------------|
| Family members..... | [CORRECT] 25% |
| Nursing homes..... | 37 |
| Assisted living facilities | 21 |
| Hospitals | * |
| Don't know | 16 |

56. Long-term care insurance is intended to cover... **[RANDOMIZE]**

| | Total (n=1,509) |
|---------------------------------------|----------------------------|
| Hospital expenses after surgery | 3% |
| Emergency room care | * |
| Alzheimer's care..... | [CORRECT] 35 |
| All of the above..... | 44 |
| Don't know | 18 |

57. True or false: Medicare typically pays for the costs of a nursing home for the first year.

| | Total (n=1,509) |
|-----------------|----------------------------|
| True..... | 15% |
| False | [CORRECT] 52 |
| Don't know..... | 33 |

Quiz 10: Investment Considerations in Retirement Planning

58. How confident are you that you can manage your own investments throughout retirement?

| |
|------------------------|
| Total (n=1,509) |
|------------------------|

| Not at All Confident 1 | 2 | 3 | Moderately Confident 4 | 5 | 6 | Extremely Confident 7 |
|---------------------------|---|----|---------------------------|----|----|--------------------------|
| 4% | 4 | 11 | 28 | 19 | 24 | 10 |

59. How satisfied are you with the performance of your investments over the past three years?

| Total (n=1,509) | | | | | | |
|---------------------------|---|---|---------------------------|----|----|--------------------------|
| Not at All Satisfied 1 | 2 | 3 | Moderately Satisfied 4 | 5 | 6 | Extremely Satisfied 7 |
| 3% | 1 | 7 | 29 | 22 | 24 | 14 |

60. How knowledgeable are you about investment management?

| Total (n=1,509) | | | | | | |
|-------------------------------|---|----|-------------------------------|----|----|------------------------------|
| Not at All Knowledgeable 1 | 2 | 3 | Moderately Knowledgeable 4 | 5 | 6 | Extremely Knowledgeable 7 |
| 7% | 9 | 14 | 30 | 19 | 16 | 5 |

61. How important are the following in helping you get satisfactory performance on your investments? **[RANDOMIZE]**

| | | Not at All Important 1 | 2 | 3 | Moderately Important 4 | 5 | 6 | Extremely Important 7 |
|----|--|---------------------------|---|---|---------------------------|----|----|--------------------------|
| | Total (n=1,509) | | | | | | | |
| a. | A well-diversified portfolio | 1% | 1 | 1 | 14 | 16 | 29 | 38 |
| b. | Good advice from a financial advisor | 6% | 5 | 5 | 17 | 15 | 18 | 34 |
| c. | Taking the right amount of investment risk | 1% | 1 | 4 | 20 | 21 | 23 | 30 |
| d. | Not overreacting to down markets | 1% | 1 | 1 | 16 | 16 | 25 | 40 |

62. True or false: Buying a single company's stock usually provides a safer return than a stock mutual fund.

| | |
|-----------------|----------------------------|
| | Total (n=1,509) |
| True..... | 3% |
| False..... | [CORRECT] 78 |
| Don't know..... | 20 |

63. If 100% of a mutual fund's assets are invested in long-term bonds and the investment climate changes so that interest rates rise significantly, then the value of the mutual fund shares...

| | |
|------------------------------|----------------------------|
| | Total (n=1,509) |
| Increase significantly | 11% |
| Decrease significantly..... | [CORRECT] 26 |

| | |
|--|----|
| Will not change at all | 7 |
| May rise or fall depending upon the type of bond | 25 |
| Don't know | 31 |

64. Historically, which one of the following generates the highest returns over a long time period? **[RANDOMIZE]**

| | |
|-----------------------------------|------------------|
| | Total |
| | (n=1,509) |
| Small company stock funds | [CORRECT] 7% |
| Large company stock funds | 22 |
| Dividend paying stock funds | 24 |
| High yield bond funds | 12 |
| Don't know | 36 |

65. True or false: Exchange traded funds generally have higher expenses than actively managed mutual funds.

| | |
|------------------|------------------|
| | Total |
| | (n=1,509) |
| True | 20% |
| False | [CORRECT] 28 |
| Don't know | 52 |

66. A PE ratio means... **[RANDOMIZE]**

| | |
|-----------------------------|------------------|
| | Total |
| | (n=1,509) |
| Profits to expense | 11% |
| Price to earnings | [CORRECT] 53 |
| Par value to earnings | 2 |
| Price to expense | 4 |
| Don't know | 31 |

67. Which of the following types of long-term bonds typically has the highest yield? **[RANDOMIZE]**

| | |
|--------------------------------|------------------|
| | Total |
| | (n=1,509) |
| AAA rate corporate bonds | 32% |
| B-rated corporate bonds | [CORRECT] 18 |
| Treasury bonds | 14 |
| Don't know | 36 |

Quiz Section 11: Social Security

68. At what age did you or are you planning to claim Social Security benefits?

| | |
|----------|------------------|
| | Total |
| | (n=1,509) |
| 62 | 25% |
| 63 | 3 |
| 64 | 3 |
| 65 | 13 |
| 66 | 10 |

| | |
|---|----|
| 67 | 10 |
| 68 | 3 |
| 69 | 1 |
| 70 | 17 |
| I have not thought about it at all..... | 3 |
| Undecided | 9 |
| I do not qualify for Social Security..... | 3 |

69. A single person who is likely to live to age 90 is generally going to be better off claiming Social Security benefits at age...

| | |
|------------------|----------------------------------|
| | Total (n=1,509) |
| 62 | 9% |
| 66 | 11 |
| 70 | [CORRECT] 53 |
| 75 | 14 |
| Don't know | 12 |

70. Social Security workers' monthly benefits are increased for each year that benefits are deferred from age 62 to age...

| | |
|------------------|----------------------------------|
| | Total (n=1,509) |
| 65 | 7% |
| 66 | 11 |
| 70 | [CORRECT] 60 |
| 75 | 6 |
| Don't know | 16 |

71. *Please choose the response below that best completes this statement:*
According to the Social Security Administration, around 2033 they will only have funds to pay for approximately ___ of promised benefits.

| | |
|------------------|----------------------------------|
| | Total (n=1,509) |
| 0%..... | 10% |
| 25%..... | 15 |
| 50%..... | 16 |
| 75%..... | [CORRECT] 24 |
| Don't know | 35 |

Quiz Section 12: Company Retirement Plans

72. If a participant is given the choice of a lump sum or a life annuity from a company sponsored 401(k) retirement plan, the life annuity is likely to be the better choice if the participant is most concerned about... [RANDOMIZE]

| | |
|---|----------------------------------|
| | Total (n=1,509) |
| Leaving money to children..... | 4% |
| Having enough money to meet basic expenses..... | [CORRECT] 37 |
| Having flexibility to meet changing income needs..... | 12 |
| Getting an increasing stream of income over retirement..... | 20 |

| | |
|---|----------------------------|
| Don't know | 27 |
| 73. If a large public company sponsoring a 401(k) plan files for bankruptcy, employees are... | |
| | Total (n=1,509) |
| At risk of losing their 401(k) benefits because trust assets will pay creditors first..... | 14% |
| At no risk of losing their 401(k) benefits because the plan is outside the claims of creditors | [CORRECT] 29 |
| Only at risk of losing their 401(k) benefits if the plan document says the creditors have the right to trust assets | 10 |
| Only at risk of losing their 401(k) benefits if a judge decides that the creditors should be paid first | 6 |
| Don't know | 42 |

COVID-19 QUESTIONS

74. How has the coronavirus (Covid-19) crisis and subsequent market downturn impacted the amount of investment risk you are willing to take?

| | |
|---|----------------------------|
| | Total (n=1,509) |
| More comfortable taking investment risk now | 4% |
| No change..... | 54 |
| Less comfortable taking investment risk now..... | 39 |
| Not sure..... | 4 |

75. Which of these, if any, have you done because of the coronavirus (Covid-19) crisis and subsequent market downturn? *(Please select all that apply.)* **[RANDOMIZE, KEEP PAIRS TOGETHER]**

| | |
|---|----------------------------|
| | Total (n=1,509) |
| Decreased spending..... | 42% |
| Increased the amount you are saving | 15% |
| Bought stocks/stock mutual funds | 11% |
| Adjusted asset allocation to be more conservative | 8% |
| Sold stocks/stock mutual funds | 8% |
| Decreased the amount you are saving | 4% |
| Adjusted asset allocation to be more aggressive | 3% |
| Updated estate plan | 3% |
| Converted a Traditional IRA into a Roth IRA..... | 1% |
| Purchased an annuity, or another product, that guarantees income for life | 1% |
| Changed plan for when to claim Social Security | 1% |
| Increased spending | 1% |
| Other | 2% |
| None of the above | 39% |

76. How prepared do you feel you are to weather the current stock market downturn associated with the coronavirus (Covid-19) crisis?

| Total (n=1,509) | | | | | | |
|--------------------------|---|---|--------------------------|----|----|------------------------------|
| Not at All Prepared 1 | 2 | 3 | Moderately Prepared 4 | 5 | 6 | Extremely Well Prepared 7 |
| 2% | 2 | 6 | 28 | 22 | 24 | 16 |

77. How has the coronavirus (Covid-19) crisis and subsequent market downturn impacted your interest in owning a financial product that guarantees you (and your spouse/partner) with a certain amount of monthly income for the rest of your life?

| | Total (n=1,509) |
|---------------------------|--------------------|
| More interested now | 18% |
| No change | 68 |
| Less interested now | 7 |
| Not sure | 7 |

78. **[HAVE A RETIREMENT INCOME PLAN]** Has the coronavirus (Covid-19) crisis and subsequent market downturn impacted your plan for where your retirement income will come from each month in retirement?

| | Total (n=1,266) |
|----------------|--------------------|
| Yes | 11% |
| No | 80 |
| Not sure | 9 |

Demographics

D1. In 2019, what was your total household income, before taxes?

| | Total (n=1,509) |
|------------------------------|--------------------|
| Under \$35,000 | 4% |
| \$35,000 to \$49,999 | 6 |
| \$50,000 to \$74,999 | 18 |
| \$75,000 to \$99,999 | 18 |
| \$100,000 to \$149,999 | 29 |
| \$150,000 or more | 24 |
| Prefer not to say | * |

Thank you for participating in this survey!