

Edward Jones®



Resilient Choices

Trade-Offs, Adjustments,
and Course Corrections
to Thrive in Retirement



AgeWave

The Harris Poll
Harris Insights & Analytics LLC, A Stagwell Company



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Welcome Letter

To our clients, colleagues, and communities:

For older Americans, retirement can be life at its best, a fresh chapter with new freedoms, opportunities, windfalls, and fulfillments. But life throws us curveballs—and sometimes cannonballs—both personal and financial, making retirement also a time of unfamiliar challenges and choices. This study explores both sides of today's retirement experience, comprehensively and realistically, with the aim of helping retirees and pre-retirees make resilient choices to thrive in retirement.

This is our third major thought leadership study since Edward Jones and Age Wave began our collaboration in 2019. *The Four Pillars of the New Retirement* demonstrated how health, family, purpose, and finances are all essential to well-being in retirement. *Longevity and the New Journey of Retirement* tracked impacts of COVID and put the retirement picture in motion, showing how retirement unfolds in stages. This new study explores the many specific options available to older Americans to meet life's challenges and improve their lives across the four pillars.

The Harris Poll again partnered in this investigation, surveying more than 12,000 adults in the U.S. and Canada. Alongside large samples of retirees and pre-retirees (within 10 years of planned retirement), we polled significant samples of adults across generations. Here is a selection of key insights in the report:

- Today's retirees are living active, engaged, and purposeful lives, redefining what it means to succeed in retirement.
- Retirees overwhelmingly agree that preparation, adaptability, and resilience are all key to thriving in retirement.
- Retirement brings many "windfalls," and the most fulfilling include welcoming grandchildren, taking a dream vacation, and finding new purpose in life.



A handwritten signature in black ink that reads "L. Haas".

Lena Haas
Head of Wealth Management Advice
and Solutions, Edward Jones

- The most impactful family-related course corrections include both spending more quality time with family and friends, and spending less time with toxic ones.
- The most impactful financial course corrections include reducing debt, maximizing savings, and getting financial education and advice.
- Two-thirds of Millennials are concerned that their parents or in-laws may not have enough money to live comfortably in retirement, and they have some very salient advice to improve their parents' lifelong well-being.
- There are a wide variety of proven course corrections across the four pillars—health, family, purpose, and finances—options for everyone, including those facing financial challenges.

Edward Jones and its nearly 19,000 financial advisors and 24,000 branch team support members work every day to help make a meaningful difference in the lives of its 8 million clients. This original research embodies the firm's commitment to understanding and meeting the evolving needs and priorities of retirees and their families across generations. Edward Jones has integrated these insights into the ways its branch teams ask questions, engage with clients, and frame journeys that enable clients to reach goals many had not thought possible.

This study is guided by Age Wave's decades of experience as a recognized leader and innovator in the fields of aging, longevity, and retirement. We are happy to share these results with you, and we hope you enjoy reading the report and sharing it with family, friends, and colleagues.

We'd love to hear your thoughts on these findings, so please email us at NewRetirement@edwardjones.com. Above all, we hope you will make the resilient choices to thrive in your own retirement.



A handwritten signature in black ink that reads "Ken Dychtwald".

Ken Dychtwald, PhD
Co-Founder and CEO
Age Wave

Redefining Success in Retirement

Today's retirees and pre-retirees are changing the definition of success in retirement. They want to be active, engaged, and purposeful: stay physically fit, continue learning and trying new things, contribute to the well-being of others, and work in new ways. The old definition of success in retirement may have centered on wealth and leisure, but the new definition means thriving across all four pillars of the new retirement: health, family, purpose, and finances.





Retirement today is about enjoying new freedoms, finding new opportunities, facing new challenges, and making new choices. Past generations may have seen retirement as primarily a time for rest and relaxation. Today's retirees and pre-retirees see it as a whole new chapter in life. For most, it's an enjoyable chapter. After around age 50, Americans' senses of happiness, freedom, and resilience tend to rise, while anxiety declines (Fig. 1).

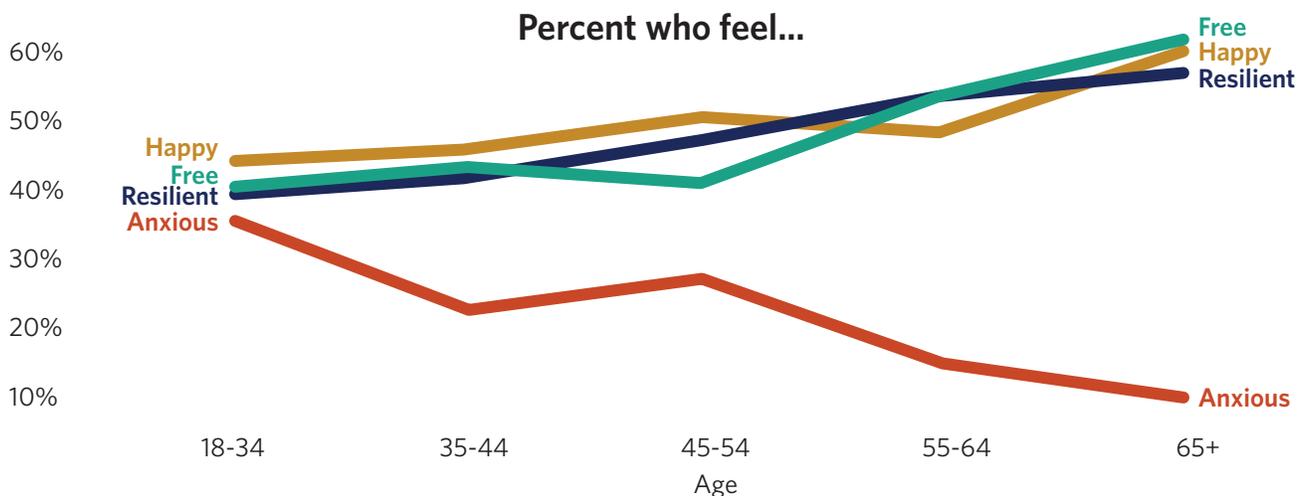
Many good things happen in retirement: eight in ten retirees say they have experienced a "windfall" event, such as welcoming a grandchild, taking a dream vacation, or receiving an inheritance.

Today's retirees and pre-retirees see retirement as a **whole new chapter in life.**

Of course, life still brings challenges. Close to half of today's retirees (48%) say their retirement has involved even more surprises and challenges than expected. And three-quarters have experienced what we call a "curveball" or "cannonball" event, from health issues to financial setbacks to the death of loved ones.

Figure 1

Emotional journey of aging



Base: U.S. adults 18+, top 3 box on scale of 1-10



“I was, like many people, a little worried about being bored, but the opposite has happened. I have so many things I want to do. I have a fuller schedule than when I worked.” - Retiree

Thriving in the new retirement—with a high quality of life and a deep sense of well-being—involves enjoying the best in life and coping with the worst. It starts with thorough preparation for retirement and then requires ongoing adaptability and strong resilience once retired. Retirees overwhelmingly agree (93%) that “preparation, flexibility, and willingness to adapt are keys to success in retirement.”

Today’s retirees and pre-retirees know they will face challenges, starting with how to fund a comfortable retirement. But they—especially today’s pre-retirees—are increasingly willing to make a wide variety of adjustments, trade-offs, and course corrections across the four pillars to improve their lives. Resilience is definitely part of the new equation for success in retirement.

Retirees and pre-retirees approach retirement with general optimism and confidence. Two-thirds of retirees (67%) and almost as many pre-retirees (62%) feel confident in their ability to handle the unexpected in retirement. That extends across all four pillars, though they are a bit more confident regarding changes in family and purpose than they are with changes in health and finances.

Many retirees and pre-retirees, however, are not aware of the full range of options available to them or how much control they have over improving their lives. This report aims to help them find ways to thrive better in retirement by exploring common and impactful course corrections they should consider. Along the way, we will reveal resilient choices for “pre-retirees” of all ages.

re-sil-i-ence *noun*

The capacity to withstand or to recover quickly from difficulties

Source: Oxford Languages

Resilient Choices to Prevent Retirement Challenges

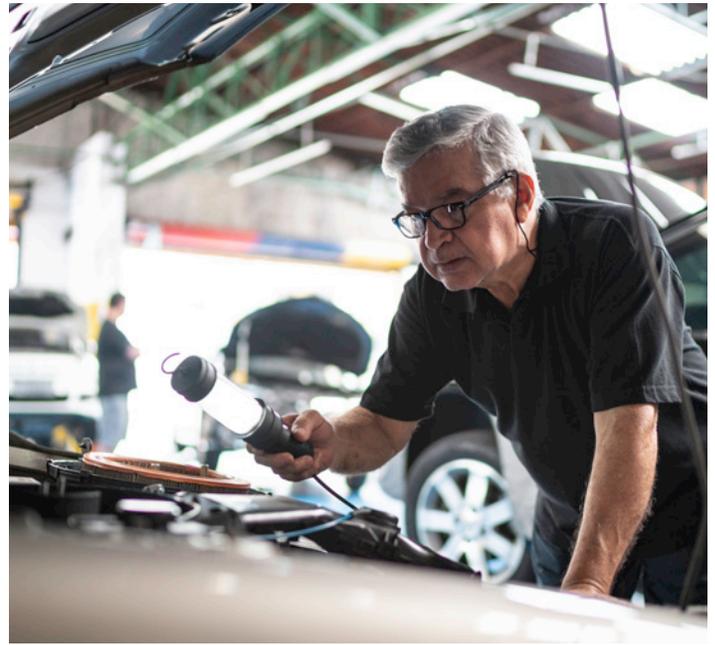
Making resilient choices is becoming more essential for pre-retirees and generations of future retirees who are not yet financially prepared to retire. Is America facing a “retirement crisis”? The media headlines say so, and many ingredients seem to be in place.



The American population is aging dramatically—the fastest-growing age cohort by far is those age 65 and up. And today’s retirees are experiencing greater longevity than past generations. Nearly three-quarters of retirees (72%) think they will live longer than their parents, and 69% of Americans say they would like to live to 100.¹ Many more people expect to be spending potentially much more time in retirement.

The years may be there to enjoy, but they must also be paid for. In these times of economic uncertainty, high inflation, and concern about Social Security, many Americans are rightly nervous, especially those who have not been saving sufficiently. The large majority (75%) believe their generation will need to work longer than previous generations to gain financial security in retirement.

The lifetime cost of retirement averages almost a million dollars, many times more than the average cost of a house, raising a child, or a college education (Fig. 2). Meanwhile, the median retirement savings (among the 51% who do have accounts) is only \$164,000 for those age 65-74 and \$134,000 for those age 55-64.² For many Americans, those savings are not sufficient to supplement Social Security and other retirement income and enable a comfortable, secure, and possibly lengthy retirement.

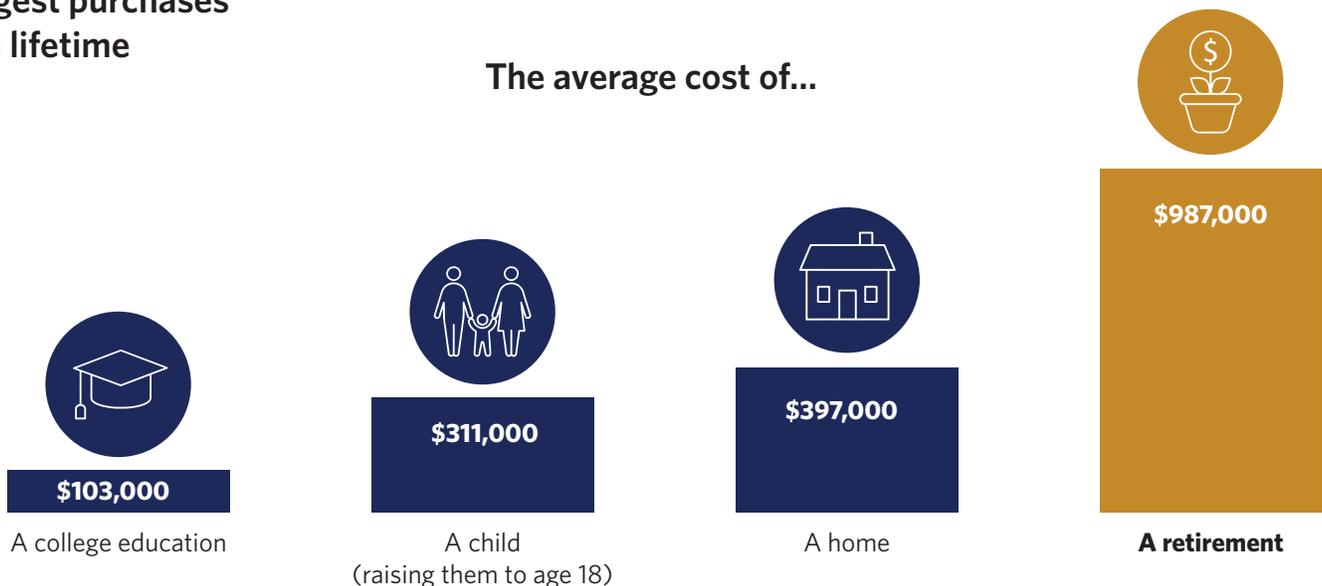


The large majority believe their generation will need to **work longer than previous generations** to gain financial security in retirement.

Figure 2

Biggest purchases of a lifetime

The average cost of...



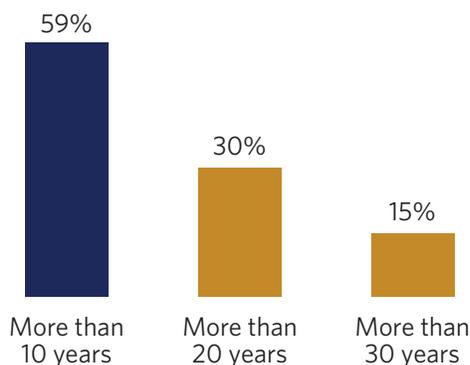
Sources: Education Data Initiative, 2022; Brookings Institute, 2022; Federal Reserve Economic Data, 2021; New York Life, 2021



Here is the bottom line. About six in ten Americans (59%) say they can afford a comfortable and secure retirement lasting more than ten years. Only 30% say they can afford a retirement lasting more than 20 years (Fig. 3). The median affordable retirement length is only 15 years, not nearly the 29 years retirees say would be the ideal length of their retirement.³

So, is there an impending retirement crisis? The answer may be yes because so many Americans' retirements are underfunded. However, the picture is brighter for pre-retirees willing to make tradeoffs, adjustments, and significant course corrections.

Figure 3
Percent of Americans who say they could afford a comfortable and secure retirement that lasts...



Base: U.S. adults 18+ who plan to retire

The SECURE 2.0 Act

The U.S. government has made a course correction to enable and encourage Americans to increase their retirement savings. The SECURE 2.0 Act was signed into law on December 29, 2022. Among its important provisions are:

- Automatically enrolling eligible employees into 401(k) plans established after December 28, 2022 (subject to certain exceptions)
- Providing greater access to 401(k) plans for part-time workers
- Allowing for company matches when repaying student loan debt
- Allowing pre-retirees to save more by establishing higher 401(k) catch-up contribution limits for individuals age 60-63
- Allowing retirees to wait longer to tap into their savings by raising the starting age for Required Minimum Distributions (RMDs)

Our survey found that less than a quarter of Americans (24%) were aware of SECURE 2.0, but of those familiar with it, 74% approve of the recently passed legislation.

Curveballs, Cannonballs, and Windfalls in Retirement

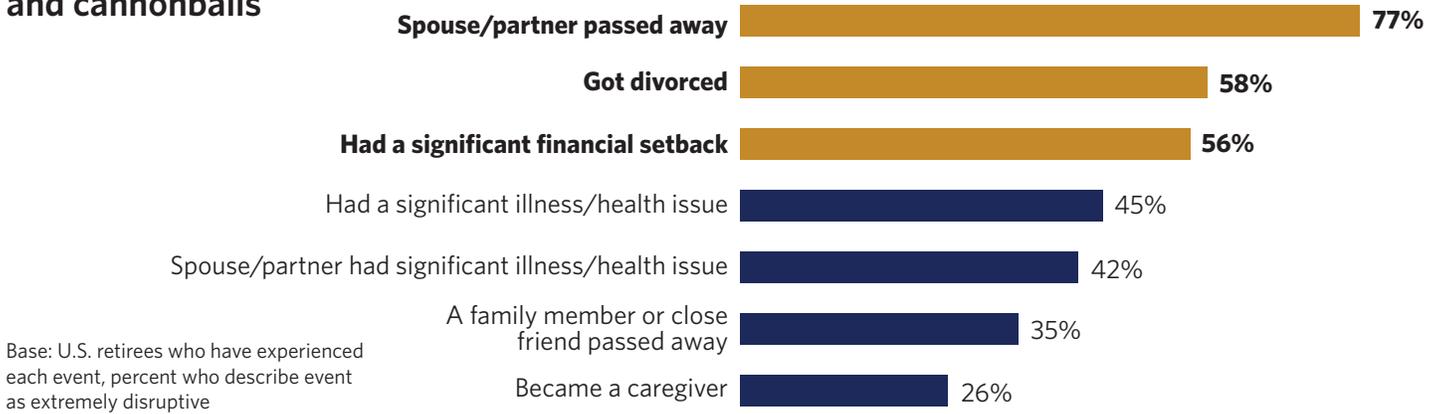


Course corrections are motivated, and often necessitated, by life events that change the circumstances and goals of retirees and pre-retirees. We call these challenging occurrences curveballs (relatively minor ones) and cannonballs (more major ones). The positive events we call windfalls.

The difference between curveballs and cannonballs is a matter of degree for the individual. A substantial and unexpected home repair expense might be a curveball for a retiree with an ample emergency fund but a cannonball for someone on a tight budget who must take on more debt.

Figure 4

Most disruptive curveballs and cannonballs



A large majority of retirees surveyed—69% of men and 81% of women—have experienced at least one of the curveballs and cannonballs on our list. The most common is having a family member or close friend pass away (42%), followed by personal health issues (30%), spouse/partner health issues (21%), and significant financial setbacks (20%).

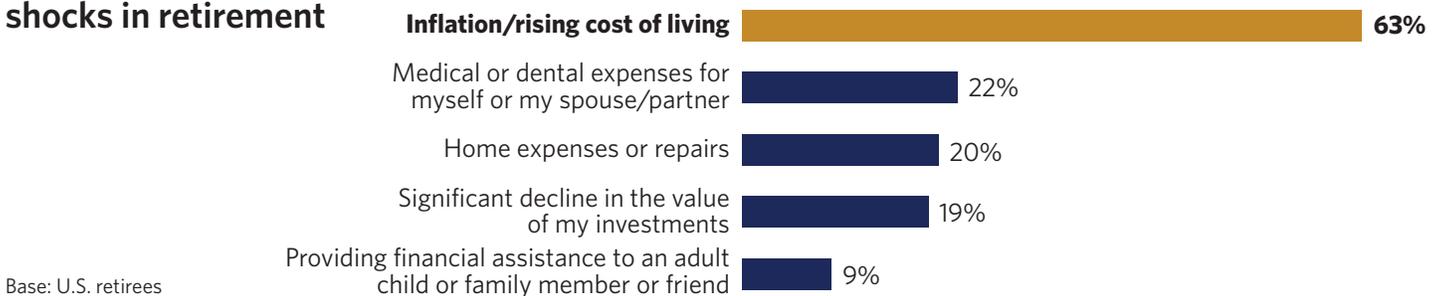
The two most disruptive cannonballs are widowhood and divorce (Fig. 4). One in five adults over age 65 is widowed, with women nearly twice as likely to be widowed.⁴ Eleven percent of respondents have been widowed since retiring, with 77% describing it as extremely disruptive to their lives. Sixteen percent of our respondents are currently divorced. Only 3% have divorced since retiring, and the majority (58%) found it extremely disruptive. More than half of retirees (56%) who have experienced a significant financial setback found it extremely disruptive.

When we asked retirees about their biggest financial shocks in retirement, inflation and the rising cost of living was cited by 63%, eclipsing the commonly cited setbacks of unexpected medical or dental expenses (22%) and major home expenses or repairs (20%) (Fig. 5). A significant decline in the value of investments was mentioned by 19%.

For some, retirement itself can be the curveball (or cannonball). Three in ten retirees say they were forced to retire unexpectedly. The most common reasons are health issues, job loss, and family responsibilities, including caregiving.⁵ Whatever the reason for retiring earlier than planned, these retirees lose time for preparation, both personal and financial, and they often enter retirement on uncertain terms with insufficient resources.

Figure 5

Most significant financial shocks in retirement





At the same time, retirement brings many good things. Eight in ten retirees report experiencing windfalls, which they often describe as “good fortune” or “blessings.”

Two of the more common windfalls are also the most fulfilling. Six in ten retirees are grandparents, and 34% of our survey respondents welcomed one or more grandchildren or great-grandchildren since retiring. Some 79% of them describe the experience as extremely fulfilling (Fig. 6). Nearly a quarter (23%) took a dream vacation, and 76% of them found it extremely fulfilling. Other common and highly valued windfalls include discovering new purpose in life, beginning a new relationship, and making new friends.

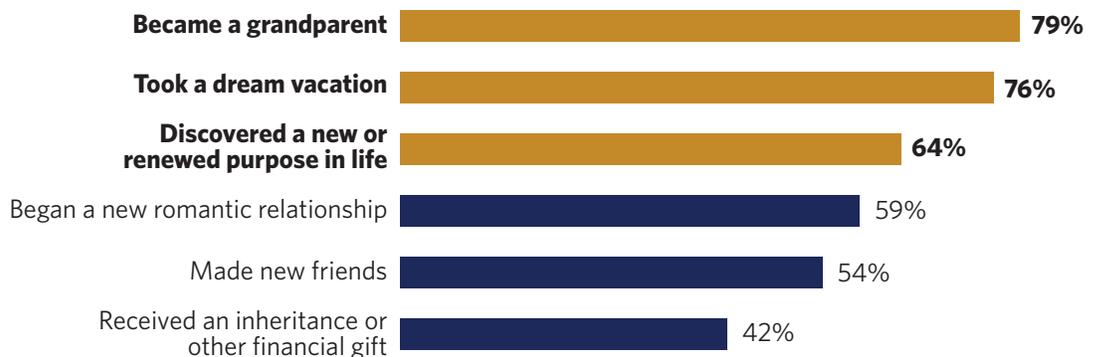
Inheritances can make a significant difference in financial security and confidence in retirement.

Altogether it is projected that more than \$80 trillion will be passed down from today’s older generations to their children and other heirs over the next two decades.⁶ Only 13% of surveyed retirees report receiving a financial inheritance or gift since retiring, but 42% of those who did found it extremely fulfilling and 93% at least somewhat fulfilling.

Windfalls can also motivate course corrections across all four pillars. New grandparents may take better care of their health to “keep up” with the grandchildren, or they may adjust their finances and investments to contribute to their grandchildren’s education. New purpose or new relationships can also lead to a healthier lifestyle. A financial inheritance may drive changes to financial plans, travel opportunities, or charitable giving.

Figure 6

Most fulfilling windfalls



Base: U.S. retirees who have experienced each event, percent who describe event as extremely fulfilling

Expanding the Toolbox of Course Corrections

Course corrections are actions retirees and pre-retirees can take to improve their quality of life, sense of well-being, or financial security. In other words, to better thrive in retirement. These actions may be in response to curveballs or cannonballs, or they may be proactive when people seize opportunities to improve their lives. They may be small adjustments or large changes, one-time actions or ongoing commitments. Course corrections are often made in combination, and some yield benefits across all four pillars. Many can involve trade-offs, like reducing spending to increase savings.



“Course correction” is a good term because it reminds us that retirement is a journey and that pre-retirees and retirees are on an implicit course, even if they’re not often thinking about where they’re heading. It is helpful to periodically pause, get their bearings, and chart the direction they are going. Is it toward financial security or fragility? Robust health or health constraints? Social connection or increasing isolation? Purposeful activity or frequent boredom?

These corrections can be very positive actions that retirees and pre-retirees are already taking or considering to improve their retirement journey. Overwhelming majorities are willing to make corrections across all four pillars (Fig. 7), and most have already made corrections in each pillar. Even when the action is taken in response to a setback, course corrections can deliver major comebacks as retirees flex their resilience and turn negatives into positives. And even small, gradual improvements can build into big benefits.

Fortunately, there are a wide variety of proven course corrections, options for everyone, including the financially challenged. The right course corrections depend on individual circumstances and preferences, so finding them often requires discussion with and support from family and trusted advisors. Some course corrections, such as relocating or working part-time, may draw initial resistance. But expanding the toolbox of course corrections can greatly improve people’s lives in retirement.

About the Course Corrections Analysis

We surveyed retirees and pre-retirees about more than 50 individual course corrections across the four pillars. For each course correction, we asked respondents to select whether they *have done*, *would do*, or *would not do* it to improve their lives in retirement. Thus, we can measure frequency of action, willingness to act, and resistance.

We also wanted to understand *impact*. When retirees designated that they *have done* an action, we asked how much it improved their lives in retirement: significantly, somewhat, or not at all. The overwhelming majority of retirees found almost *all* of the course corrections at least *somewhat* beneficial. To distinguish the most beneficial, we concentrated on the percentages of retirees who reported *significant improvement*. Keep in mind that most of the others benefited from the action as well, just not as much.

“I thought my readjustment phase would be brief, but it never stops!” - Retiree

Figure 7

Willing to make course corrections

Retirees Pre-retirees



Base: U.S. retirees and pre-retirees

Course Corrections: Health



Nearly all retirees (96%) agree that health is even more important than wealth to thrive in retirement.⁷ Good health enables—and poor health constrains—all they want to do, feel, and accomplish in retirement. And 93% agree with experts that it’s never too late to improve their health.⁸

Yet most retirees have experienced health challenges. Nearly 95% of Americans age 60+ have a chronic condition (and nearly 80% have at least two), with hypertension the most common.⁹ In the United States, the gap between healthspan (how long people enjoy reasonably good health) and lifespan (how long people live) has grown to 12 years.¹⁰ That’s more than a decade that Americans live in poor health in their later years. Cognitive health raises special concern, as Alzheimer’s

and other dementias have become the most feared condition of later life.¹¹

Five healthy habits—eating a nutritious diet, exercising regularly, maintaining healthy body weight, not smoking, and drinking alcohol in moderation if at all—can dramatically improve life expectancy by up to 12 to 14 years.¹² These habits take focused attention and continual effort.

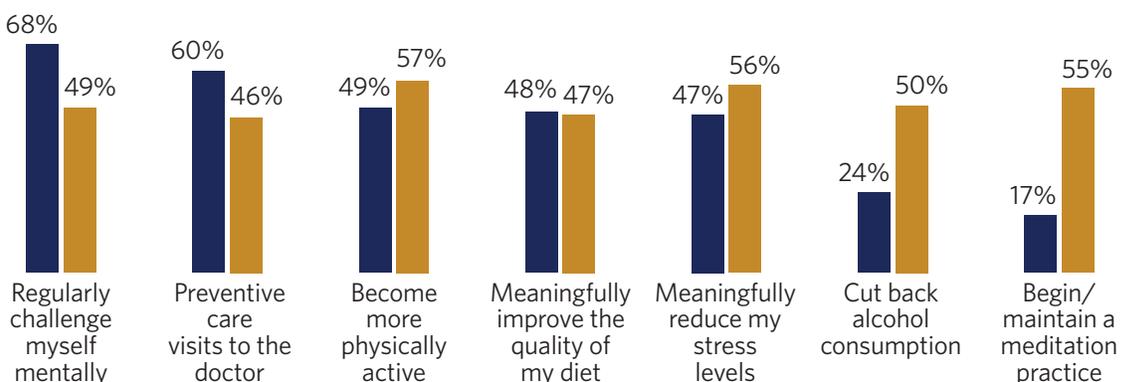
Nearly half of the surveyed retirees (49%) say they have made an effort to become more physically active in retirement, and among them 57% say it significantly improved their quality of life (Fig. 8). Another 43% say they would consider making this course correction. Nearly all pre-retirees (95%) say they are already exercising more or would do so in anticipation of retiring.

Figure 8

Common and impactful course corrections - Health

■ Have done
■ Significant impact

Base (have done): U.S. retirees;
Base (significant impact):
U.S. retirees who have done
each action, percent reporting
significant improvement





Other common health course corrections are also very impactful. Two-thirds of retirees (68%) say they regularly challenge themselves mentally (a proven way to ward off some forms of cognitive decline)¹³, and half of them (49%) say it has significantly improved their lives. About half (48%) say they have meaningfully improved the quality of their diet, about a quarter (24%) have cut back or eliminated alcohol consumption, and 60% make more preventive care visits to the doctor. All of these can make a significant difference.

Retirees may be free of many earlier-in-life responsibilities, and as we've seen, anxiety tends to decline dramatically with age. But that doesn't mean retirees' lives are stress-free. Nearly half (47%) say they have made efforts to meaningfully reduce their stress levels, and the beneficial impact is high, with 56% of those retirees finding significant improvement in their lives. Given this emphasis on stress reduction, it is surprising that only 17% have begun or maintained a meditation practice, though 55% of those who did say it had a significant impact.

Two-thirds of retirees say they regularly **challenge themselves mentally.**

Example

Effectively managing type 2 diabetes

A 64-year-old retiree recently diagnosed with type 2 diabetes with a family history of heart disease wants to manage his health better and hopefully prevent further problems. He comes up with a list of actions based on discussions with his doctor.

Actions

- Invests in a continuous blood glucose monitor to test his blood sugar each day and make necessary adjustments
- Commits to lowering BMI, cholesterol, and blood pressure
- Begins a workout regimen—going to the gym three times a week and walking, hiking, or biking on other days
- Improves diet by increasing fiber and lean protein while reducing sugar, saturated fat, and processed foods
- Schedules annual endocrinologist, foot, and eye exams

Benefits

- Loses 30 pounds, reduces cholesterol by 27 points, begins sleeping better, and feels better physically and mentally
- Maintains a healthier blood sugar level, reducing risk of heart disease and problems in the eyes, kidneys, feet, and nerves
- Lowers annual out-of-pocket healthcare expenditures by an estimated 23%
- Reduces the likelihood or length of a potential long-term care need
- Potentially adds three to ten years to his lifespan, giving him more time to enjoy his family and do the things he loves (and also meaning he'll need to fund more years of retirement)

For illustrative purposes only, and not financial or health advice. Assumptions and sources can be found at the end of the report.



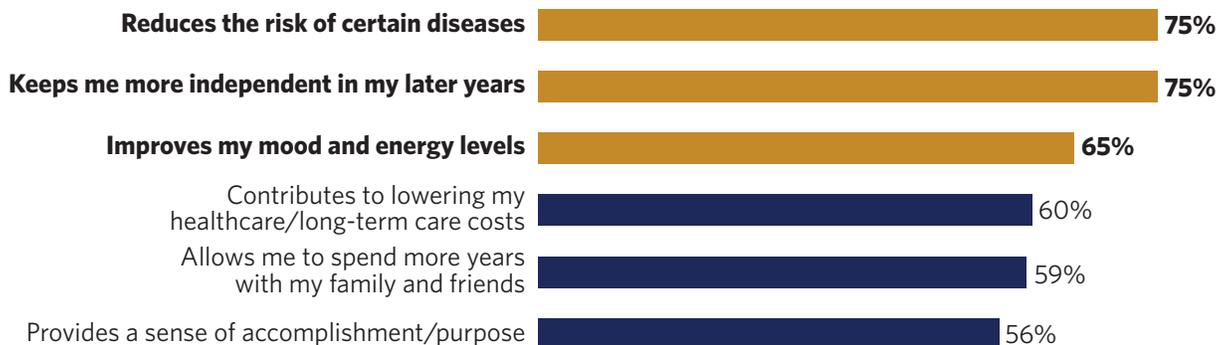
“I knew good genes would only carry me so far, and I needed to give ‘healthy’ a try. I finally quit smoking, started running, and began lifting weights. My health has improved dramatically, and I feel so much more capable and confident.” - Pre-Retiree

Regular exercise can be the foundation for a healthier lifestyle, and the benefits are profound (Fig. 9). Exercise has been directly linked with better healthspan and lifespan. It lowers the risk of chronic conditions, including type 2 diabetes, heart disease, many forms of cancer, and dementia.¹⁴ The emotional benefits include reducing stress, improving mood and energy levels, and providing a sense of purpose or accomplishment. Three-quarters of those

who are physically active in retirement are motivated to exercise by the opportunity to remain more independent in their later years. Sixty percent are motivated by the likelihood of lowering their healthcare costs, and 59% by the opportunity to spend more years with their family and friends. Overall, exercise empowers retirees, making it less likely that they will have to adjust their lifestyle in retirement due to health challenges.

Figure 9

Benefits of being physically active in retirement



Base: U.S. retirees who are physically active, percent who say each benefit is “very important”

Course Corrections: Family

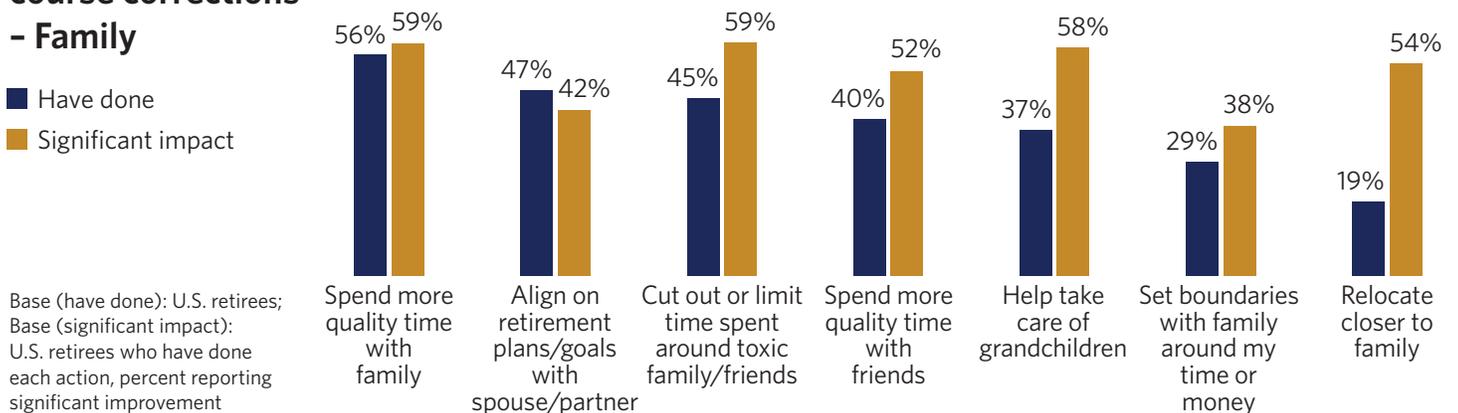


For many retirees, relationships with family and friends bring the greatest satisfaction and joy to their lives in retirement. However, family relationships can also be problematic, especially when communication is lacking. Keeping family relationships close and maintaining a network of good friends are the antidotes to social isolation, which is a challenge for almost one-quarter of Americans age 65 and older.¹⁵

The common and beneficial course corrections in this pillar start with spending more quality time with family (Fig. 10). More than half of retirees (56%) have done so, and 59% of those say it has significantly improved their quality of life. Another four in ten retirees would do so, and virtually all pre-retirees (95%) are interested in spending more quality time with family. Grandparents have a special opportunity for quality time in helping care for grandchildren. A majority of retirees with grandchildren (54%) have done so, and 58% of them say it has significantly improved their lives.

Figure 10

Common and impactful course corrections - Family



Spending more quality time with enjoyable family and friends has great benefit. But so does cutting out or limiting time with toxic family and friends. Forty-five percent of retirees and 39% of pre-retirees have already done so, and 59% of those retirees say the impact was significant.

Other important course corrections focus on family communication and creating boundaries. Majorities of partnered retirees and pre-retirees say they have already discussed and aligned on retirement plans and goals with their spouse or partner, and almost all the rest are willing to do so. Less common, but often needed, is setting boundaries with family about how much time and money retirees can afford to spend on those family members.

Many retirees struggle to find the right balance between generously supporting adult children and maintaining their own financial security. Six in ten pre-retirees (59%) and half of retirees (49%) would like to set better boundaries with family members (or close friends) around their financial generosity. A clear majority would limit financial support to adult children or other family members if needed, and the same is true for limiting planned bequests to heirs and organizations (Fig. 11). At the same time, retirees definitely do not want to be a burden on their families, with 79% saying they would not seek financial support from their family.



Half of retirees would like to **set better boundaries with family members** around their financial generosity.

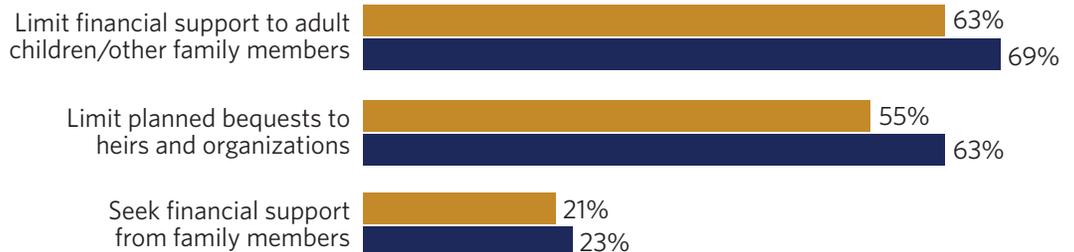
“Family members use us like a bank and our fairly large house as backup lodging. It takes a lot to tell them ‘no,’ but we have done it.”

- Retiree

Figure 11

Potential family-finance course corrections

■ Retirees ■ Pre-retirees



Base: U.S. retirees and pre-retirees, percent have done or would do



Perhaps the most essential family conversations today are between Boomer parents and their Millennial children, who are anxious about their parents' financial futures. Two-thirds of Millennials with living parents/in-laws (68%) are concerned that their parents/in-laws may not have enough money to live comfortably in retirement, and 61% worry that their parents/in-laws may become financially dependent on them (Fig. 12). Most tellingly, 83% of Millennials would rather know their parents are financially secure throughout their retirement, even if it means their parents pass on less money to them.

Example

Setting financial boundaries with family members

A couple nearing retirement realizes from discussions with their financial advisor that their generosity to family members was putting their future financial security at risk.

Actions

- Except for emergency aid, create a plan to phase out annual financial support to their two adult children, \$15,000 in total
- Organize a series of family meetings with their children about the four pillars framework and its impact on their retirement finances/priorities
- Have individual conversations with each child to empower them to be more financially independent

Benefits

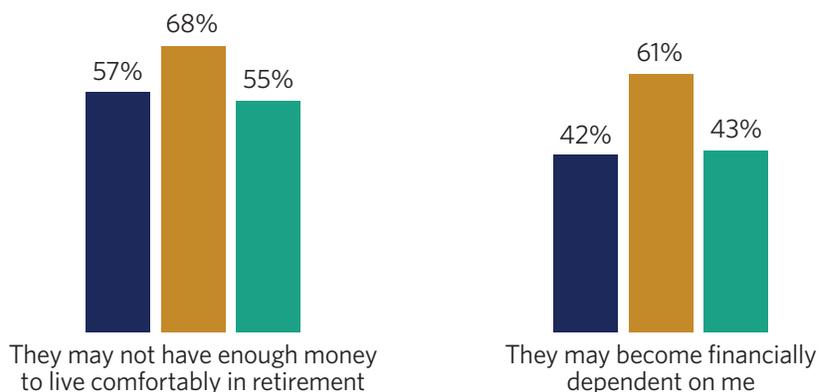
- Enhance their financial security by \$128,000 over the next seven years
- Foster their children's financial independence
- Strengthen the family's bonds and commitments to one another
- Provide clarity around important legacy and end-of-life plans and preferences
- Open a dialogue that allows the parents to thrive more in retirement

For illustrative purposes only, and not financial advice. Assumptions and sources can be found at the end of the report.

Figure 12

Concerns about parents'/in-laws' retirements

■ Gen Z ■ Millennials ■ Gen X



Base: U.S. adults with living parents/in-laws by generation: Gen Z (18-26), Millennials (27-42), Gen X (43-58), percent somewhat/very concerned



Course Corrections: Purpose

A strong sense of purpose dramatically improves quality of life and sense of well-being. Retirees with purpose are happier, healthier, more active, and more socially engaged. They even live longer.¹⁶ People find purpose in various ways: doing new and interesting things, being generous and giving back, living a family-focused or faith-filled life. Finding new sources of purpose can be especially important in retirement, as previous sources such as work and family responsibilities wane. Almost a quarter of retirees (23%) find it challenging to find purpose in life.

When we asked retirees about purpose-related course corrections in retirement, it made us smile to learn that the highest-impact action is adopting a pet (Fig. 13).

Among the one-third of retirees (34%) who have done so, 71% say it improved their lives significantly. Pets may not be for everyone (45% of retirees and 39% of pre-retirees are not interested), but the benefits are proven. Older Americans with pets get more exercise, report less stress, and have more social connections, in addition to having stronger emotional well-being and sense of purpose.¹⁷

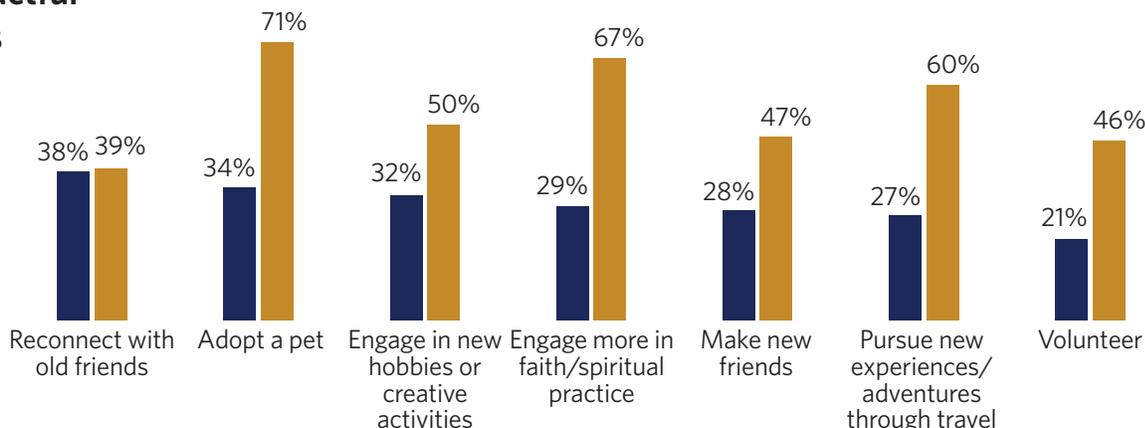
Almost a quarter of retirees find it **challenging to find purpose in life.**

Figure 13

Common and impactful course corrections - Purpose

■ Have done
■ Significant impact

Base (have done): U.S. retirees; Base (significant impact): U.S. retirees who have done each action, percent reporting significant improvement





Next highest in impact comes from engaging more in a faith-oriented or spiritual practice. Nearly three in ten retirees (29%) have done so, and two-thirds of them (67%) say it has significantly improved their quality of life. Also common and impactful is enjoying new experiences and adventures through travel. More than a quarter (27%) have done so, and 60% of them found significant impact. As the post-pandemic pent-up demand for travel is unleashed, countless retirees will likely benefit.

Purposeful course corrections often involve doing new things. Nearly a third of retirees (32%) have tried new hobbies, and half of them say it has significantly improved their lives. Interestingly, the most common action on this list, reconnecting with old friends, is seen as the least impactful. Making new friends can make a bigger difference.

Example

Preparing for an active and engaged retirement

A 58-year-old workaholic wants to discover ways to continue to feel purposeful, active, and fulfilled once she stops working.

Actions

- Creates a plan to “test drive” her life in retirement
- Enjoys music and starts playing the guitar again
- Tries out two different volunteer opportunities on a weekly basis
- Organizes monthly lunches with other colleagues nearing retirement, with plans to continue luncheons after they retire
- Keeps an ongoing list of activities to try in retirement

Benefits

- Feels more excited and less anxious about her next chapter in life
- Feels more engaged and purposeful today, which will carry over into her retirement
- Makes new friends and strengthens bonds with old friends
- Receives numerous physical and mental health benefits from staying active, volunteering, and staying socially connected

For illustrative purposes only, and not financial advice. Assumptions and sources can be found at the end of the report.

“I believe retirement from one’s career does not mean retiring from life. If I find a second career that fulfills my dreams, by all means, I will engage. I hope it won’t be for want of money but for the joy and fulfillment of giving back.” – Pre-Retiree

The Rewards of Giving Back

Volunteering holds a special place among these course corrections because of the benefits to both the individual and the community and the many ways that “giving gives back.” Volunteers tend to feel happier, more resilient, more purposeful, and even healthier (Fig. 14). Many retirees find the intergenerational connection forged by mentoring especially rewarding.

One-third of the retirees we surveyed have volunteered at least semi-regularly before and/or in retirement. Another 42% of retirees and 62% of pre-retirees would consider volunteering as a means of improving their quality of life. However, many retirees (46%) say it is difficult to find volunteer opportunities that interest or engage them. If they are not already volunteering regularly, pre-retirees should consider doing so in preparation for retirement. They are more likely to continue volunteering after retiring, and they will have an easier transition to finding renewed purpose in retirement.

Retirees have an enormous amount to contribute to their communities, and they represent a very underutilized social resource. Nine in ten Americans (89%) agree that “there should be more ways for retirees to put their talents and knowledge to use for the benefit of their communities and society.”¹⁸

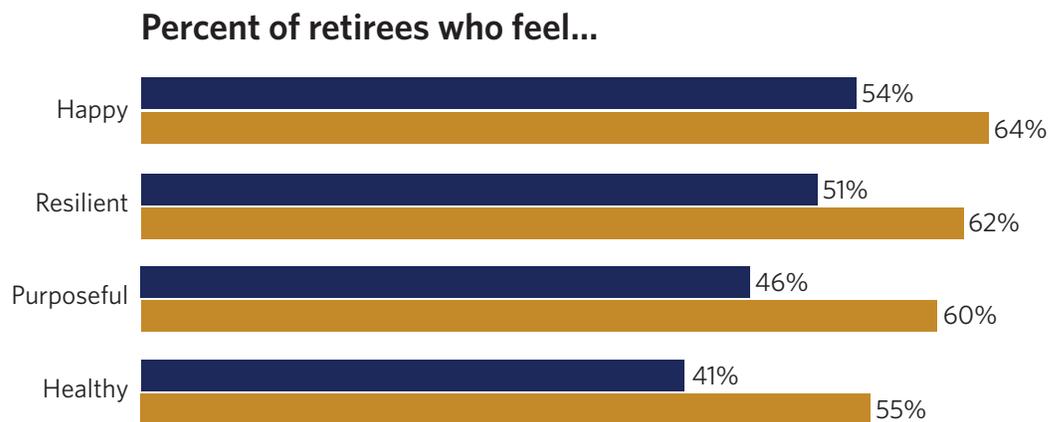


42% of retirees and 62% of pre-retirees would **consider volunteering to improve their quality of life.**

Figure 14

Emotional rewards of volunteering

■ Does not volunteer
■ Does volunteer



Base: U.S. retirees, top 3 box on scale of 1-10

The Rewards of Working

Like volunteering, work in retirement has a wide range of proven benefits. About one-quarter of retirees (26%) surveyed have already worked in retirement. Forty-five percent would consider doing so to improve their financial security, and 35% would do so for non-financial reasons, such as staying active. Three-quarters of today's pre-retirees (74%) would consider working in retirement, and two-thirds (68%) are interested in phasing gradually into retirement.

For those who are able, working in retirement can have profound effects on financial security. Retirees earn more income and accumulate more retirement savings. They delay or reduce tapping into their retirement savings and can often delay initiating Social Security benefits, thus increasing their eventual monthly benefits. They can, in short, afford a longer and more financially secure retirement.

The non-financial benefits are just as profound (Fig. 15). Working in retirement keeps people mentally active (a benefit both retirees and pre-retirees find more valuable than the paycheck), physically active, socially connected, and feeling a stronger sense of purpose and accomplishment. Retirees working for non-financial benefits report higher impact (44% saying it significantly improved their lives) than those working primarily for pay and benefits (33%).

Example

Phasing into retirement

A 62-year-old couple in Atlanta enjoys the sense of purpose their work gives them and considers transitioning into retirement over the next five years.

Actions

- Wife reduces hours to 30/week (at \$40/hour) and maintains health and retirement benefits
- Husband begins consulting in his industry (construction) making \$70,000/year
- Delay tapping into retirement investments and taking Social Security from age 62 to 67
- Contribute \$15,000 per year into retirement account and receive \$3,700 per year from wife's employer

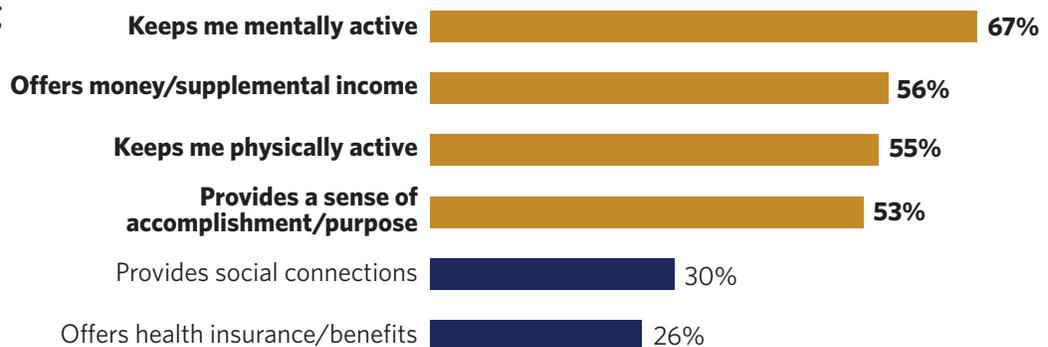
Benefits

- Stay mentally, physically, and socially engaged
- Increase retirement account by \$268,000, resulting in a balance of \$936,000 (vs. \$668,000) at age 67
- Save \$16,000 by keeping employer health insurance before eligible for Medicare
- Receive additional Social Security benefits of \$89,000 over their lifetimes (based on average life expectancy)
- **Total financial impact: \$372,000**

For illustrative purposes only, and not financial advice. Assumptions and sources can be found at the end of the report.

Figure 15

Benefits of working in retirement



Base: U.S. retirees, percent who say each benefit is "very important"

Course Corrections:

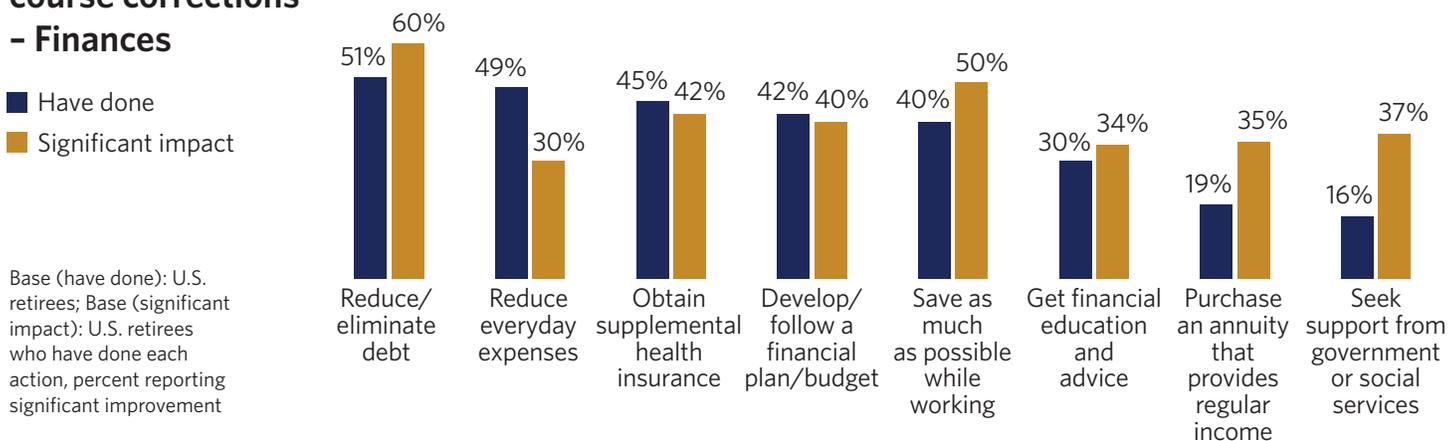
Finances

Financial course corrections can make the difference between thriving and struggling in retirement. But one size definitely does not fit all. The options are many and varied and often done in combination. They range from relatively simple, like cutting back expenses, to potentially complex, like purchasing an annuity, yet they all offer the chance to thrive more in retirement. Retirees and pre-retirees would benefit from familiarizing themselves with the wide range of potential course corrections, discussing financial matters with family, and seeking trusted guidance when needed.

Two of the most common financial course corrections retirees make are also the most impactful: reduce debt and increase savings. Just over half of retirees (51%) say they have reduced or eliminated mortgage, credit card, or other debt to be more financially secure (Fig. 16). Of those, 60% say the correction significantly improved their well-being—the highest impact rate of any financial course correction. This may be an increasingly necessary course correction, as credit card, student loan, mortgage, and home equity debt have all been rising among older households.¹⁹

Figure 16

Common and impactful course corrections - Finances





The New Frugality

Half of retirees (49%) have reduced everyday spending as a financial course correction, with 30% of them reporting that it made a significant positive difference in their lives. More broadly, three-quarters of American adults (76%) say they have cut back their spending in response to negative shifts in the economy. This may reflect a commitment to a new era of practical frugality among Americans. The overwhelming majority define “frugal” as being thrifty, economical, or responsible—rather than being “cheap.” For those of all ages who want to practice everyday financial fitness, a variety of tools and resources are available at [edwardjones.com/financialfitness](https://www.edwardjones.com/financialfitness).

Four in ten retirees and a similar proportion of pre-retirees (37%) say they have saved as much income as possible during their working years, and half of those say it significantly improved their well-being. Maximizing savings for retirement should be far more widespread among those who can afford it. Seventy-two percent of American workers have access to employer-sponsored retirement plans, but almost a quarter of them (23%) don't participate.²⁰ Only 12% maximize contributions to 401(k) plans, and only 16% of those over age 50

have taken advantage of allowed additional catch-up contributions.²¹

Two other generally available and impactful course corrections focus on financial planning. Forty-two percent of retirees say they have developed and followed a financial plan and budget, and three in ten say they have gotten education and advice on financial matters. Twenty-seven percent of retirees and 30% of pre-retirees currently work with financial advisors, and 94% of them are confident in their ability to handle financial changes in retirement.

The Social Security Conundrum

For many, the trickiest retirement-related financial decision is when to initiate Social Security benefits, and our survey shows modest understanding and no consensus. More retirees (47%) say they started benefits before age 65 than after (25%). But more of those who started later (43%) say it significantly improved their lives, compared to those who started earlier (31%).





Supplemental health insurance to limit out-of-pocket medical costs is another course correction with big impact. Forty-five percent of retirees have done this, and 42% of them say it has significantly improved their lives. Fully 82% of pre-retirees say they would obtain supplemental insurance. Long-term care insurance, which can prevent enormous financial drain, is much less common—only 15% of retirees and 12% of pre-retirees say they have obtained it.

To limit market risk and provide regular income, 19% of retirees have purchased an annuity, and 35% of them report significant impact. But interest in annuities is growing. Nearly half of pre-retirees (45%) would consider purchasing one.

“The best plan is to pay off your mortgage before age 55 and live within your means. Cut out all credit card debt and unnecessary spending.”

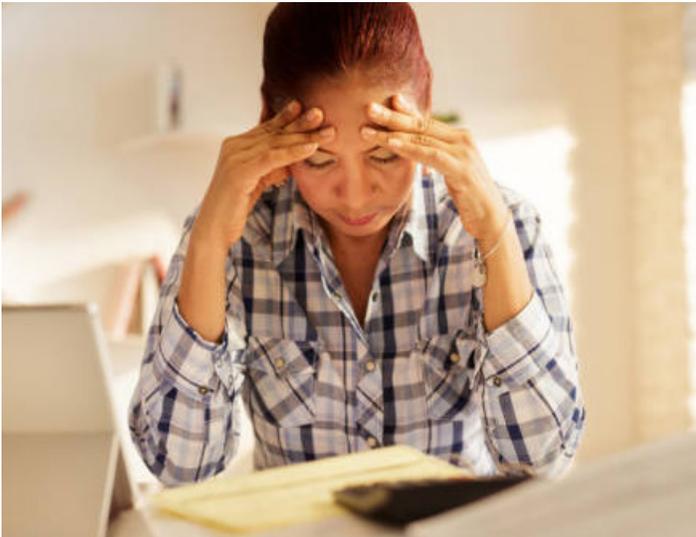
– Retiree

Government and Social Services Assistance

The poverty rate for Americans age 65 and older has crept above 10%, meaning more than five million elders are below the poverty line.²² But an additional 10 million are “financially insecure” and potentially need help.²³ Women, those living alone, those age 85 or older, and people of color are at especially high risk.²⁴

Many older Americans are not aware of or not taking advantage of government and other social services programs that can improve their lives, particularly their health and financial security. Only 16% of surveyed retirees say they have sought financial or other support from these services. Among those who have, 88% report that it benefited their overall well-being in retirement.

Programs, benefits, and eligibility vary widely by state, including for Medicaid. A useful place to explore locally available services is the National Council on Aging’s Benefits CheckUp tool: **benefitscheckup.org**. Its 11 categories of services include income, healthcare, nutrition, and housing.



Finally, women are more likely to be struggling financially. A majority of women surveyed (56%) have had to adjust their lifestyle in retirement due to being financially constrained, vs. only 41% of men. Today's retired women have made fewer proactive financial course corrections, such as reducing debt, developing a financial plan, and getting financial education and advice (Fig. 17). As women continue to outlive men, this challenge may grow much more serious.

Example

Catching up on retirement savings

A recently divorced 50-year-old woman meets with a financial advisor to develop a financial strategy to improve her retirement savings.

Actions

- Finds a higher-paying job with a better retirement savings match
- Finds a housemate to share housing costs
- Actively budgets to reduce monthly spending
- Buys a more economical car to reduce car payments
- Optional: Starts a weekend side-gig as an online tutor (\$7,500/year) and invests additional earnings in an IRA

Benefits

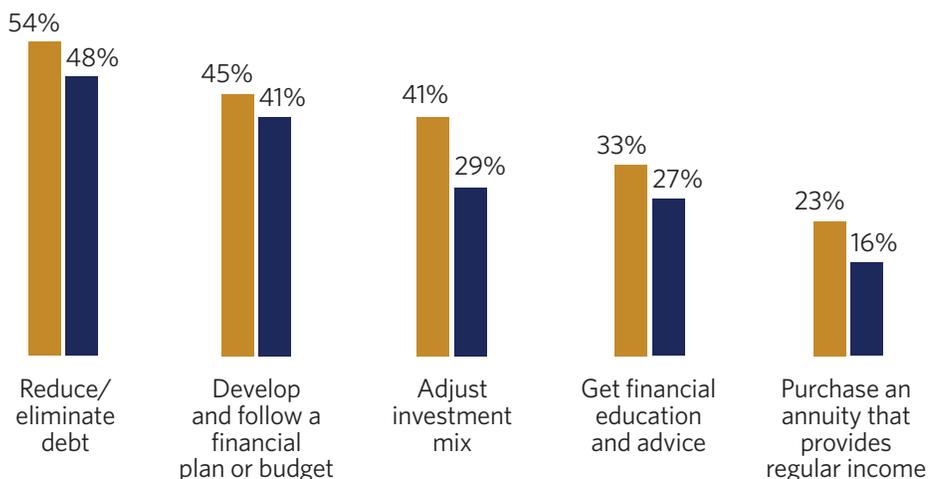
- Increases her confidence in her ability to prepare for and thrive in retirement
- Saves \$17,000 per year by reducing expenses and sharing housing costs
- Earns additional \$10,000 per year, and employer retirement contributions increase by \$4,200 per year
- Contributes \$27,000 more per year into 401(k)
- **Total financial impact: Retirement balance at age 65 increases from \$237,000 to \$992,000 (or \$1,173,000 with the side-gig)**

For illustrative purposes only, and not financial advice. Assumptions and sources can be found at the end of the report.

Figure 17

Women have made fewer proactive financial course corrections

■ Men ■ Women



Base: U.S. retirees

House as an Asset

Alongside retirement savings accounts, home equity is often retirees’ largest financial asset. Eighty percent of Americans age 65 and older are homeowners with a median home equity of about \$260,000, and 62% percent of these homeowners are mortgage-free.²⁵ Tapping into that equity can make an enormous financial impact.

The most common house-related course correction is downsizing to reduce expenses and add a portion of the proceeds to savings. Twenty-eight percent of retirees have done so, and another 43% say they would consider it (Fig. 18). Another beneficial financial course correction is relocating to a less expensive city or state. A third way to monetize home equity—through refinancing, loans, or a reverse mortgage—is less popular at this point.

Those who downsize or relocate may have important motives in addition to lowering costs and freeing equity, including moving closer to family members, reducing maintenance effort, and finding age-friendly accommodations such as single-floor living.

When it comes to the home front, many retirees are resistant to change. More than two-thirds of retirees and pre-retirees surveyed say they would prefer not to move in with family or vice versa, live with a friend or housemate, or rent out a room or other space (long-term or Airbnb-style).

Example

Downsizing and relocating

A 64-year-old retired couple relocates and downsizes to decrease cost of living and to be closer to family.

Actions

- Sell home outside of Chicago for \$500,000, still carrying a \$158,000 mortgage
- Purchase a \$160,000 home in North Carolina, paid in full, near their adult child and grandchildren
- Invest cash gained from home sale with an expected 6.5% average annual return

Benefits

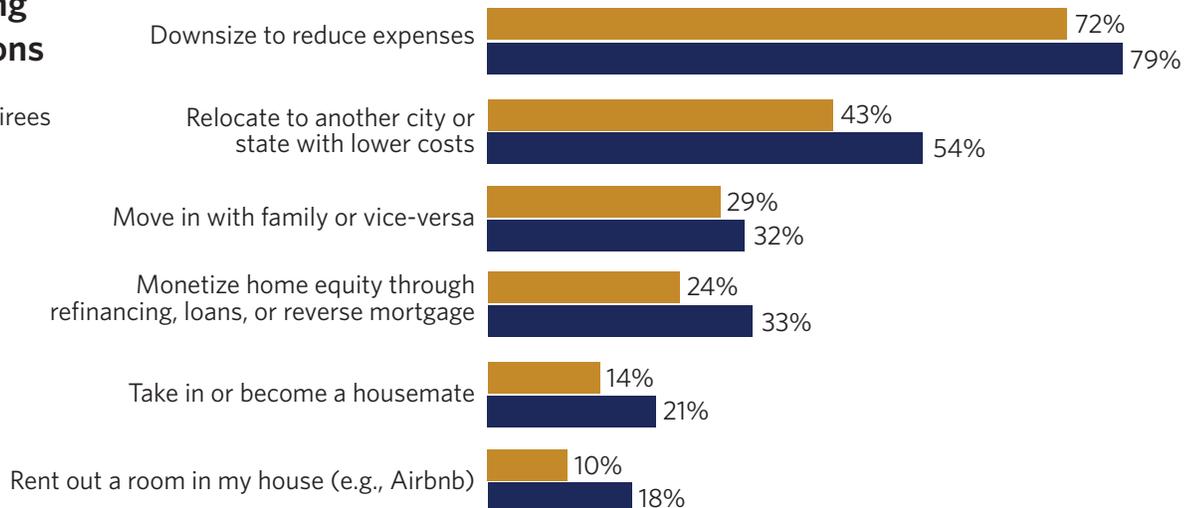
- Move to a more aging-friendly home (single story) with less maintenance needed
- Enjoy less stress and more time with family, including grandchildren
- Cash gained from home sale: \$176,000
- Cost of living savings over 21 years: \$463,000
- Lifetime investment gains from home sale: \$484,000
- **Total financial impact: \$1,123,000**

For illustrative purposes only, and not financial advice. Assumptions and sources can be found at the end of the report.

Figure 18

Potential housing course corrections

■ Retirees ■ Pre-retirees



Base: U.S. retirees and pre-retirees, percent have done or would do

DEI Insights

Women

- Retired women are far behind men with regard to having saved and invested for retirement, and they are more likely than retired men to say they had to adjust their lifestyle in retirement.
- They have made fewer proactive financial course corrections than men and could benefit from course corrections like reducing debt, developing a financial plan and budget, and getting financial advice.
- While women and men retirees are similarly likely to have volunteered in retirement, women who have done so report greater physical, emotional, and social benefits than men. Pre-retiree women are more interested in volunteering in retirement than men.
- They are more likely to have engaged in faith activities and adopted a pet to boost their sense of purpose.

Black, Hispanic, and Asian

- Black and Hispanic retirees report feeling more resilient overall and better able to handle unexpected events.
- All groups are similarly likely to have had windfall events in retirement.
- Hispanic retirees are more likely to have taken a dream vacation.
- Black retirees are less likely to have made financial course corrections, but they are the most open to creating a financial plan and budget.
- Asian retirees are the most likely to say they saved as much as possible during their working years and are the least interested in working in retirement.
- Black retirees are more likely to have engaged more in faith activities and begun a meditation practice.

Retirees with a Disability

- Retirees with a disability, on average, report lower well-being scores across the four pillars.
- While they are similarly likely to have experienced windfall events, they are more likely to have experienced most of the curveballs.
- Financially, they are more likely to have taken cost-cutting measures and sought governmental support. They are also more likely to have downsized, lived with family members, or had a housemate.
- To improve overall well-being, they are more likely to have adopted a pet, quit smoking, and worked with a physical therapist or trainer.

LGBTQ+

- LGBTQ+ retirees, on average, report lower well-being scores across the four pillars.
- They are more likely to say they have adjusted their lifestyle in retirement due to financial or health constraints.
- They are similarly likely to have experienced windfall events in retirement.
- They are more likely to say they have found a new or renewed sense of purpose in retirement.
- They are more likely to have moved in retirement, and LGBTQ+ pre-retirees are more likely to be interested in relocation for their retirement.

Sage Advice to Thrive in Retirement

We've taken a close look at opportunities, challenges, and resilient choices in the new retirement. The experience of retirees, especially those who are thriving, offers helpful and hopeful advice for other retirees, pre-retirees, and even younger people looking ahead to their futures.

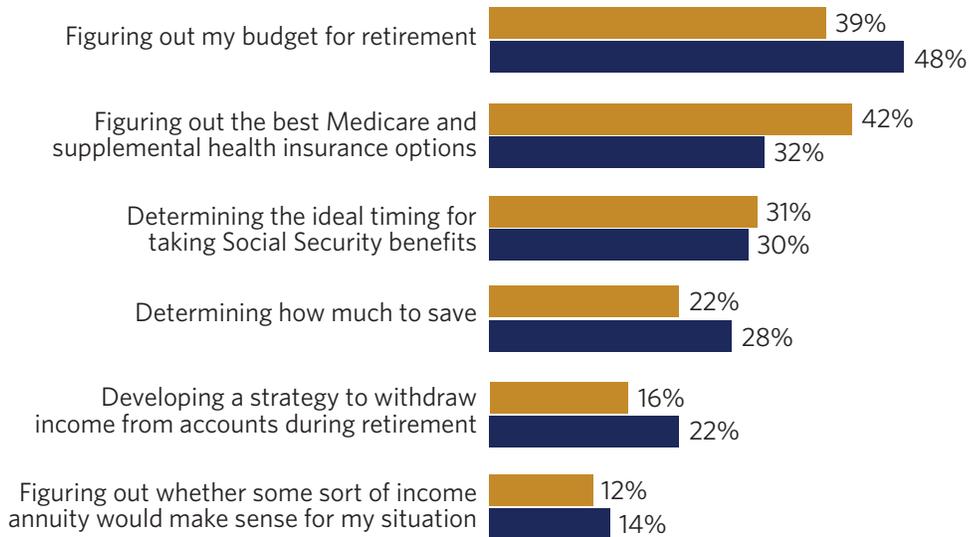
Successful retirees' most basic advice, as we've seen in each of our recent studies, is that all four pillars—health, family, purpose, and finances—are essential to preparing for and thriving in retirement. In addition to covering the wide range of available course corrections, this study reveals more recommendations about how to thrive along the retirement journey.



Figure 19

Top financial challenges preparing for retirement

■ Retirees
■ Pre-retirees



Base: U.S. retirees and pre-retirees, select up to two

Face the financial challenges. Funding retirement has many facets, and determining how much to save is just the start. Retirees and pre-retirees agree that the top financial preparation challenges are figuring out the budget for retirement and the best health and long-term care insurance options beyond basic Medicare (Fig. 19). As we’ve seen, determining the ideal time for taking Social Security benefits is a puzzle for many. And for some, another uncertainty is when and how much to withdraw from retirement accounts to remain well-funded and secure.

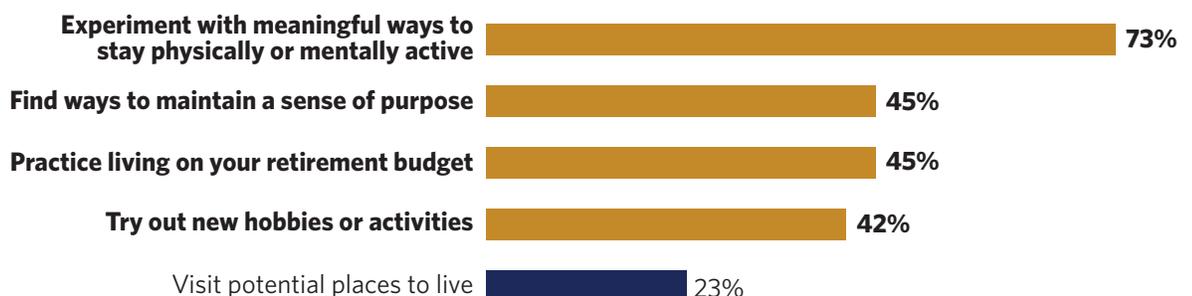
“Test drive” retirement activities. It’s one thing to imagine life in retirement and something else to practice it—to see how you feel and what you learn. Retirees say the most important aspect of life in retirement to test drive is new ways to stay physically or mentally active (Fig. 20). Pre-retirees can also test new ways to maintain

a sense of purpose, such as volunteering or trying new hobbies or activities. The common thread here is learning to fill the voids left at the end of working. Two other ways to test drive retirement are very pragmatic: practice living on a retirement budget and visit potential places to live if relocation is an option.

What do retirees most wish they’d done differently in preparing for retirement? The majority (51%) say they **should have started saving earlier and saved more.**

Figure 20

Retirement activities to test drive



Base: U.S. retirees, select top three

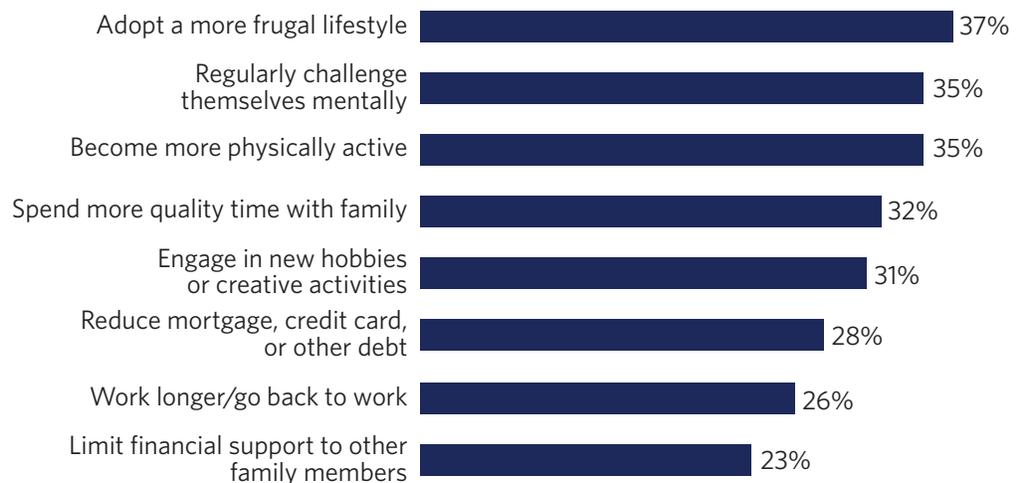


Consider the benefits of working. The benefits of working in retirement span all four pillars. Unfortunately, 64% of retirees agree that, after age 50, it can be difficult to re-enter the workforce. Retirees offer straightforward advice to those who want to work in retirement: be open to trying something new, keep learning new skills, and be willing to earn a bit less and work for people younger than yourself. They also have advice for employers who want to improve their enterprises by attracting and retaining older talent: offer flexible, part-time, and remote positions; be willing to retrain older workers; and eliminate any ageist practices in hiring and team assignments, as well as in marketing.

Learn from younger generations. Nearly two-thirds of retirees with children (64%) say they sometimes or often give their adult children advice about retirement. But 83% say they rarely or never turn to their children for advice on how they themselves can live better. We've seen how Millennials are particularly concerned about their parents' financial security, and they offer their parents a variety of helpful advice on financial responsibility (Fig 21): live a more frugal lifestyle, reduce your debt, consider working longer, and even limit financial support to family members. Plus advice on improving their overall well-being: be more mentally and physically active, spend more quality time with family, and try doing more new hobbies and creative things. An intergenerational meeting of minds and expectations may prove an exceptionally valuable course correction.

Figure 21

Millennials' advice to their parents



Base: U.S. Millennials (27-42) with living parent(s) or parent(s)-in-law, select all that apply



Thriving Retirees

Thirty-nine percent of retirees describe their overall quality of life as “very good” or “excellent.” The experiences and behaviors of these thriving retirees differ significantly from those of retirees reporting their quality of life as “fair” or “poor.”

Thriving retirees give themselves higher grades across all four pillars: health, family, purpose, and finances. Even though they are doing well, they are more likely to make many of the course corrections across all four pillars, especially the proactive ones. They have more often made financial course corrections including saving early, reducing debt, following a plan and budget, and educating themselves on finances.

Thriving retirees experience somewhat fewer and less disruptive curveballs and cannonballs, likely due to better anticipation and preparation for retirement. As part of their preparation, they are more likely to test-drive activities as pre-retirees, including volunteering. They are also more likely to currently work with financial advisors and to say they want an advisor who promotes a holistic strategy for life in retirement.

All in all, thriving retirees make many resilient choices and are valuable role models for the next generations.

Key Takeaways

Today’s retirees and pre-retirees are redefining success in retirement. They recognize that thriving requires preparation, adaptability, and resilience across all four pillars. For most, retirement is a positive new chapter of life. It will undoubtedly throw them some curveballs and a few cannonballs, but it has many windfalls, too. Most retirees and pre-retirees feel confident in their ability to make trade-offs, adjustments, and course corrections to thrive in retirement.

There are proven course correction strategies in each of the four pillars:

- **Health:** Habits including a healthy diet, regular exercise, and mental stimulation can dramatically improve healthspan, lifespan, and well-being in retirement.
- **Family:** Spending more quality time with family and friends (and less time with toxic people) can be very fulfilling, and setting needed boundaries can be just as worthwhile.
- **Purpose:** There are many personal paths to purpose, and people can explore familiar options, try new things, expand their social circles, and enrich their lives.
- **Finances:** Given the wide array of tools beyond the basics of increasing savings and minimizing debt, it is wise to seek trusted, holistic guidance.

We hope that today’s and tomorrow’s retirees will make resilient choices and course corrections as needed to thrive in retirement.

About the Study

About Edward Jones

Edward Jones is a leading financial services firm in the U.S. and through its affiliate in Canada. The firm's nearly 19,000 financial advisors serve more than 8 million clients with a total of \$1.6 trillion in client assets under care at the end of 2022. Edward Jones' purpose is to partner for positive impact to improve the lives of its clients and colleagues, and together, better our communities and society. Through the dedication of the firm's approximately 52,000 associates and our branch presence in 68% of U.S. counties, the firm is committed to helping more people achieve financially what is most important to them. The Edward Jones website is at www.edwardjones.com, and its recruiting website is www.careers.edwardjones.com. Member SIPC.

About Age Wave

Age Wave is the nation's foremost thought leader on population aging and its profound business, social, financial, healthcare, workforce, and cultural implications. Under the leadership of co-founders Ken Dychtwald, PhD, and Maddy Dychtwald, Age Wave has developed a unique understanding of new generations of maturing consumers and their expectations, attitudes, hopes, and fears regarding their longer lives. Since its inception in 1986, the firm has provided breakthrough research, compelling presentations, award-winning communications, education and training systems, and results-driven marketing and consulting initiatives to over half the Fortune 500. For more information, please visit www.agewave.com. (Age Wave is not affiliated with Edward Jones.)

About The Harris Poll

The Harris Poll is a global consulting and market research firm that strives to reveal the authentic values of modern society to inspire leaders to create a better tomorrow. It works with clients in three primary areas: building twenty-first-century corporate reputation, crafting brand strategy and performance tracking, and earning organic media through public relations research. One of the longest running surveys in the U.S., The Harris Poll has tracked public opinion, motivations, and social sentiment since 1963, and is now part of Stagwell, the challenger holding company built to transform marketing. (The Harris Poll is not affiliated with Edward Jones.)

Methodology

The study was conducted by Age Wave on behalf of Edward Jones in partnership with The Harris Poll. After a thorough review of secondary research, we conducted qualitative research with retirees and pre-retirees through online focus groups and bulletin boards.

As part of the investigation, Age Wave and The Harris Poll fielded several online surveys with a total of over 12,000 respondents. An in-depth representative survey of 7,034 retirees and pre-retirees was conducted January 3-31, 2023, among U.S. (n=5,519) and Canadian (n=1,515) adults 50+. Two additional nationally representative surveys were conducted among adults 18+. One from February 7-9, 2023, in the U.S. (n=2,000) and Canada (n=1,019), and a second from March 9-13, 2023, in the U.S. (n=2,084). Data in each survey were weighted where necessary to bring them into line with their actual proportions in the population.

Pre-retirees are defined as those aged 50 or older, planning to retire within the next 10 years.



**For more information,
please visit**

www.edwardjones.com/newretirement

Assumptions and sources for course correction examples

Effectively managing type 2 diabetes

- Life expectancy estimated gains are based on CDC, “People With Diabetes Can Live Longer by Meeting Their Treatment Goals,” 2022.
- Annual healthcare savings are based on out-of-pocket costs from diabetes-related complications and uncontrolled diabetes: GoodRX, 2020.
- Reduced long-term care probability based on health status at age 65 from Johnson, R.W., Dey, J. “Long-Term Services and Supports for Older Americans: Risks and Financing Research Brief,” HHS Office of the Assistant Secretary For Planning And Evaluation Office Of Disability, Aging And Long-Term Care Policy. 2022.
- All dollars are presented in nominal terms (i.e., not present value terms).

Setting financial boundaries with family members

- Increased financial security by \$128,000 based on contributing \$15,000/year for seven years into retirement savings, invested at a 6.5% average annual rate of return.
- All dollars are presented in nominal terms (i.e., not present value terms).

Preparing for an active and engaged retirement

- Benefits of physical activity: National Coalition on Aging, “The Life-Changing Benefits of Exercise After 60,” April 20, 2021.
- Benefits of volunteering: Nakamura J. S., et al., “Identifying pathways to increased volunteering in older US adults,” *Scientific Reports*, 2022.
- Benefits of staying socially connected: National Academies of Sciences, Engineering, and Medicine, *Social Isolation and Loneliness in Older Adults: Opportunities for the Health Care System*, Washington, DC: The National Academies Press, 2020.



Phasing into retirement

- The woman lives to 85 and the man to 83, based on the CDC’s average life expectancy at age 65.
- Average annual rate of return for investments of 6.5%.
- If the couple fully retires at age 62, they would withdraw 4% from their \$600,000 investment portfolio with an annual 3% increase each year.
- Employer has a 6% match to the wife’s retirement account (\$3,700/year).
- Healthcare savings are based on the cost difference between an employer-sponsored family plan (\$6,000 per year) vs. a family plan on Healthcare.gov’s marketplace (\$11,220 per year) prior to the couple turning age 65.
- Social Security benefits are calculated from SSA.gov’s Quick Calculator based on last year’s full-time earnings (\$90,000 for the husband and \$83,200 for the wife) and do not account for survivor’s benefits.
- Does not include inflation-related adjustments for income or Social Security cost-of-living adjustment (COLA).
- All dollars are presented in nominal terms (i.e., not present value terms).



Catching up on retirement savings

- Average annual rate of return for investments of 6.5%.
- At age 50, she had only \$50,000 in her retirement savings account.
- She reduces monthly spending by \$1,450.
 - Discretionary spending decreases from \$2,700 to \$2,150.
 - Car payments from \$700 to \$500.
 - Housing from \$1,500 to \$800.
- She made \$90,000 per year at her old employer, and they provided a retirement savings match of up to 2% of her salary (\$1,800/year). She used their default employee retirement contribution rate of 3% of her salary (\$2,700/year).
- In her new job, she makes \$100,000 per year, and they provide a retirement savings match of up to 6% of her salary (\$6,000/year).
- Does not include inflation-related adjustments for income or annual expenditures.
- All dollars are presented in nominal terms (i.e., not present value terms).

Downsizing and relocating

- The woman lives to age 85, and the man to age 83, based on average life expectancy at age 65 from the CDC.
- Average annual rate of return for investments of 6.5%.
- Chicago-suburb home was purchased initially for \$300,000 with a 30-year mortgage and 4.35% interest rate. At the time of sale, 15 years were remaining on the mortgage.
- Chicago-suburb home increased in value from \$300,000 to \$500,000 over 15 years.
- Chicago-suburb home has a 2% property tax, while home in North Carolina has a 0.6% property tax.
- Cash gained from home sale includes the net sales price of Chicago-suburb home (\$500K) minus North Carolina home cost (\$160K) and 4% closing costs (\$6,400).
- Lifetime cost of living savings accounts for savings from being mortgage-free (\$14,000/yr. over 15 years), annual property tax reduction savings (\$4,000/yr.), and cost of living savings (\$5,000/yr.). Does not include inflation-related cost of living adjustments.
- Utilizes LivingCost.org to compare the cost of living for two person households in Naperville, IL (suburb outside of Chicago) vs. Hickory, NC.
- All dollars are presented in nominal terms (i.e., not present value terms).

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- ⁴ U.S. Census Bureau, *Current Population Survey, 2021 Annual Social and Economic Supplement*.
- ⁵ Edward Jones/Age Wave, *Longevity and the New Journey of Retirement*, 2022.
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- ⁸ Edward Jones/Age Wave, *The Four Pillars of the New Retirement*, 2020; Sakaniwa, R., et al., "Impact of modifiable healthy lifestyle adoption on Lifetime gain from middle to older age," *Age and Ageing*, 2022.
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