

Executive Summary, May 2023

Resilient Choices: Trade-offs, Adjustments and Course Corrections to Thrive in Retirement

Since 2019, Edward Jones has partnered with Age Wave—the nation’s top thought leader on issues relating to an aging population—on studies to more deeply understand people’s retirement-related hopes, dreams, fears and roadblocks. More than 12,000 North American adults across five generations participated in our latest research report, *Resilient Choices: Trade-Offs, Adjustments and Course Corrections to Thrive in Retirement*.

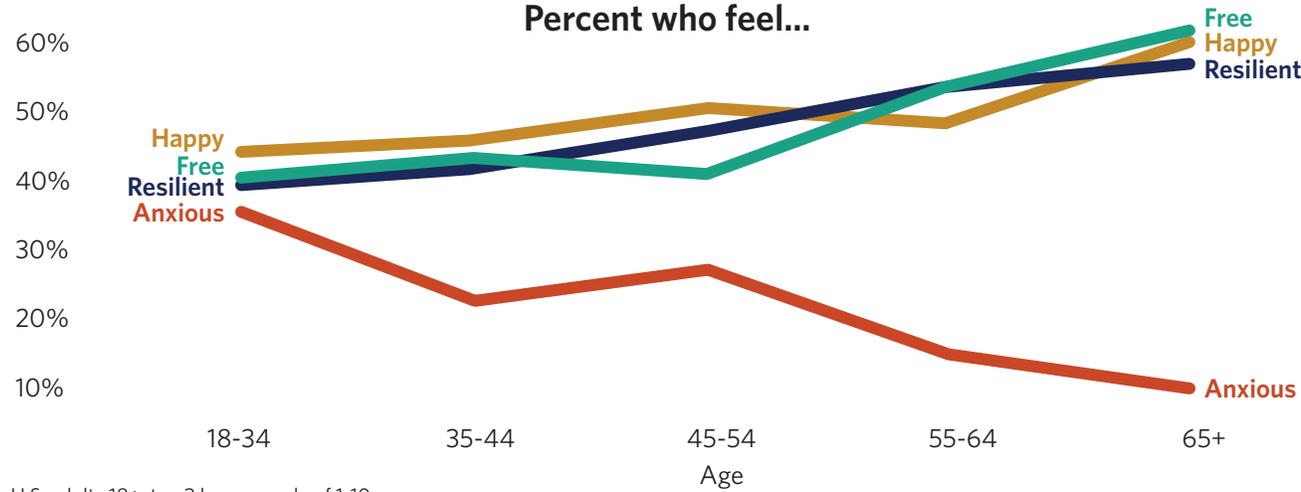
Retirement Is Now a New Chapter in Life

Today’s retirees and pre-retirees see retirement as a new chapter in life. After age 50, Americans’ senses of happiness, freedom, and resilience tend to rise, while anxiety declines.



Figure 1

Emotional journey of aging



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

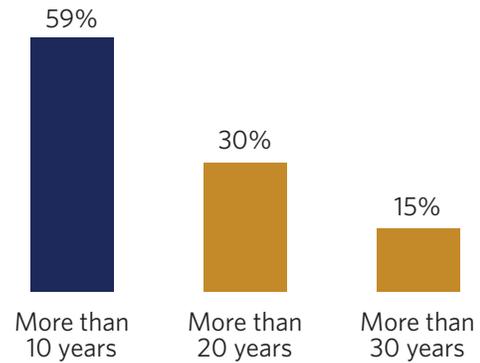
The vast majority (93%) of retirees agree that preparation, flexibility, and willingness to adapt are keys thriving in the new retirement.

Today's retirees and pre-retirees are showing increasing resilience and a willingness to make changes that improve their well-being in their longer retirements. Six in 10 Americans who plan to retire (59%) believe they can afford a comfortable and secure retirement lasting more than 10 years.

Two-thirds of retirees (67%) and almost as many pre-retirees (62%) feel confident in their ability to handle the unexpected.

Figure 2

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



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

Navigating Cannonballs, Curveballs and Windfalls in the New Retirement

Course corrections are motivated 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.



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. According to the research, the most common cannonballs and curveballs include:

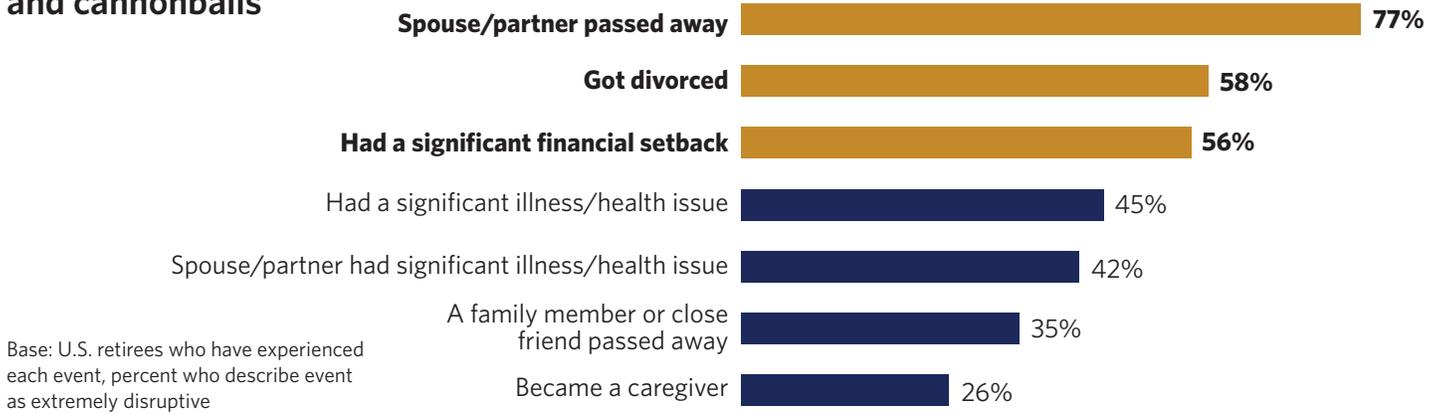
- Having a family member or close friend pass away (42%)
- Personal health issues (30%)
- A spouse or partner's health issues (21%)
- Significant financial setbacks (20%)



The most disruptive are widowhood and divorce. For some, retirement itself can be the cannonball, as three in 10 retirees said they were forced to retire unexpectedly earlier than they had planned. Inflation and the rising cost of living were reported as the biggest financial shock in retirement. In fact, 76% of retirees have cut back spending in response to today's economic challenges.

Figure 3

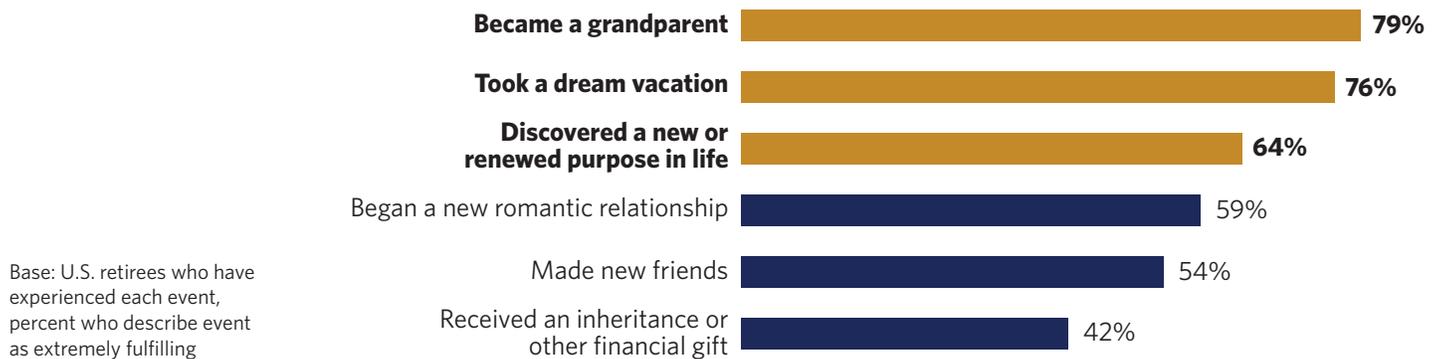
Most disruptive curveballs and cannonballs



On the other hand, 80% of retirees have experienced at least one windfall event, a positive gain often described as “good fortune” or a “blessing.”

Figure 4

Most fulfilling windfalls



Course Corrections Across the Four Pillars

The study defined course corrections as the positive actions that pre-retirees and retirees are already taking or are considering. We measured how frequently retirees take each action and how much each action improves their lives in retirement:



Figure 5

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

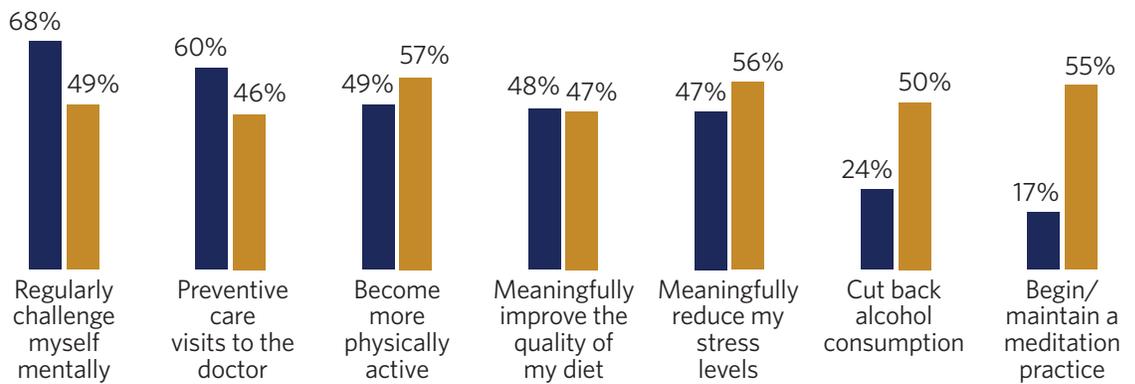


Figure 6

Common and impactful course corrections - Family

■ 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

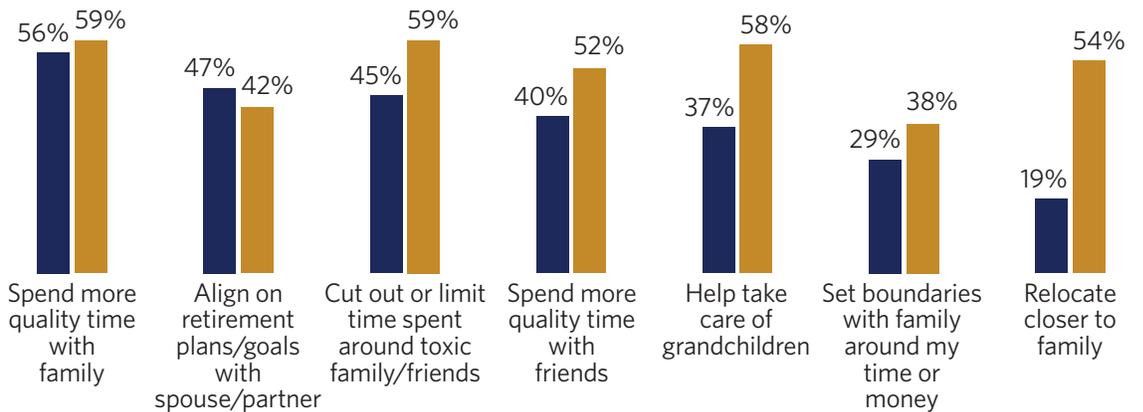


Figure 7

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

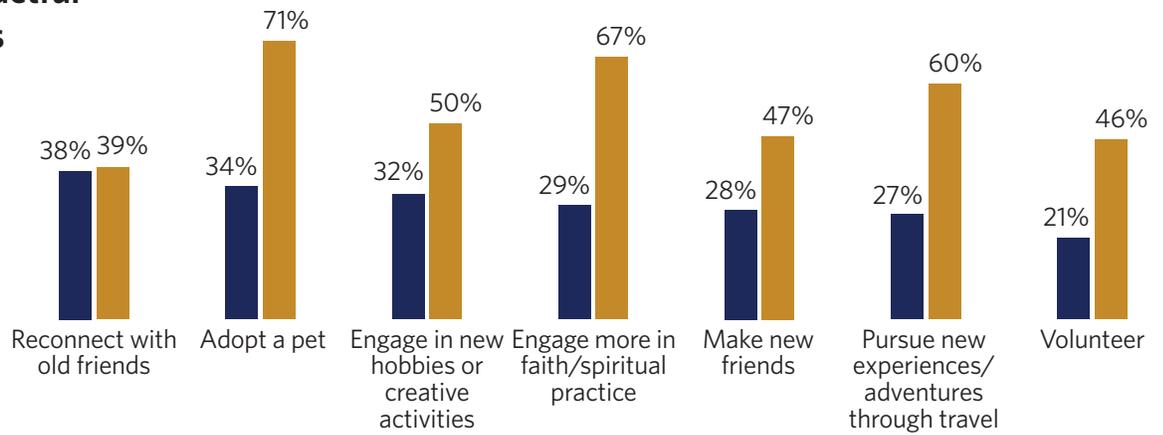
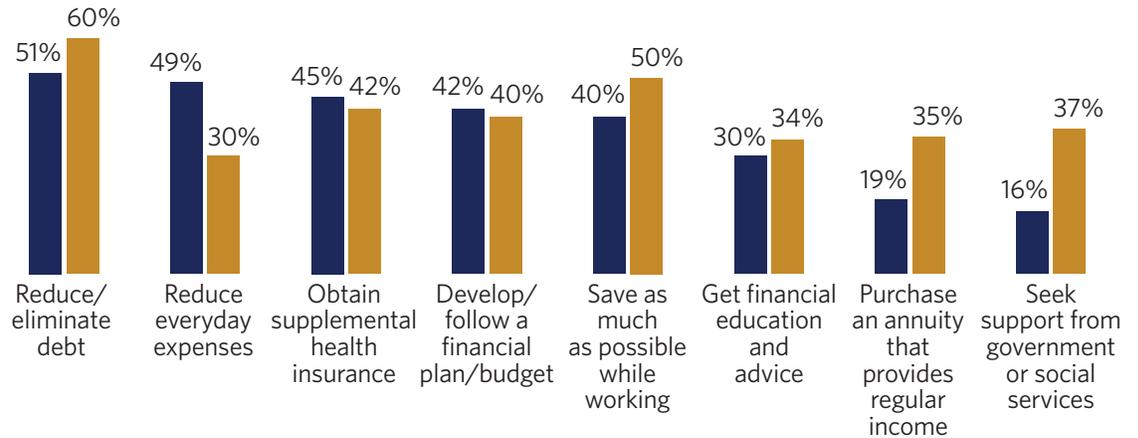


Figure 8

Common and impactful course corrections
- Finances

■ 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



Millennials Reveal Preferences for Parents' Retirement

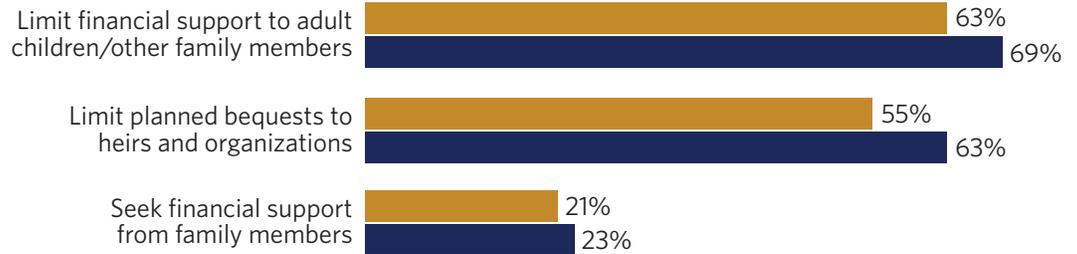
Many retirees find it challenging to continue supporting adult children. Six in 10 pre-retirees (59%) and half of retirees (49%) would like to set better boundaries with family members (or close friends) around their financial generosity. They would or have addressed this issue through one or more financial course corrections:



Figure 9

Potential family-finance course corrections

■ Retirees ■ Pre-retirees



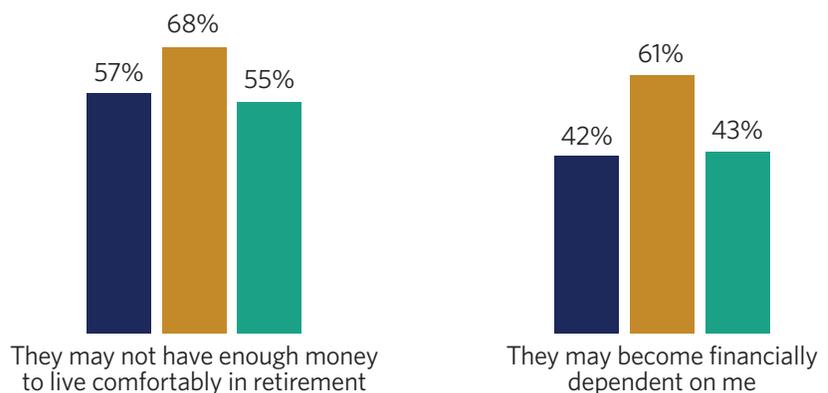
Base: U.S. retirees and pre-retirees, percent have done or would do

Millennials in turn worry about their parents' finances. A majority of Millennials (83%) report their parents' financial security in retirement matters more to them than receiving an inheritance.

Figure 10

Concerns about parents'/in-laws' retirements

■ Gen Z ■ Millennials ■ Gen X

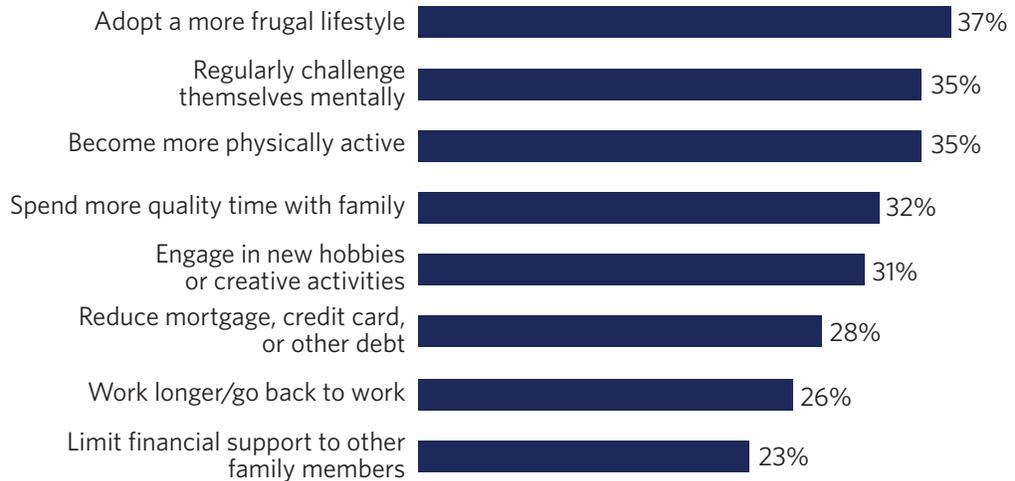


Base: U.S. adults with living parents/in-laws by generation: Gen Z (18-26), Millennials (27-42), Gen X (43-58), percent somewhat/very concerned

Most (83%) retirees rarely or never ask their adult children for retirement-related advice, but their children have strong opinions about how they want their parents to live in retirement.

Figure 11

Millennials' advice to their parents



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

Financial Advisors Provide Confidence

More than a quarter of retirees (27%) and pre-retirees (30%) currently work with a financial advisor, and 94% feel confident in their ability to handle unexpected financial changes. Retirees are more likely to work with a financial advisor who promotes a holistic strategy for life in retirement. Financial advisors can help clients consider the four pillars of health, family, purpose and finances as part of their planning process.



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.