

# PNC Wealth Management Wealth and Values Survey: Retirement or Bust

March 2009



### What We've Learned About Retirement From Wealthy Americans

### For wealthy Americans retirement is about unscheduled time with family and loved ones, going with the flow, or trying new skills.

- The wealthy may not be as ready for retirement as generally believed.

  Slightly more than one third say they are behind schedule, do not believe they will meet their goals or have to plan at all for retirement (Slide 4)
- A retirement defined as "freedom" can be tough to plan for.

  A deeper understanding of an individual's interests today can help add definition to his or her likely retirement activities. (Slides 5, 6, 7)
- Habits of a lifetime influence retirement.

  It is a mistake to assume that the affluent envision grand retirements. Many plan spend more time with loved ones and enjoy the ability to do what they want, when they want. (Slide 7)
- The affluent who are already retired have sage advice for those working toward retirement.
   Living a healthier lifestyle is the No. 1 recommendation. (Slide 8)
- Retirement will last a long time.

  Many plan to live at least 10 years in retirement—and often much longer. Plans need to be flexible and to consider retirement less as the end than as a next phase. (Slide 9)





### One Third Are Either Behind Schedule or Do Not have a Retirement Goal

• 34 percent report that they behind schedule, do not believe they will meet their goal or have no retirement goal at all.

Q: Which statement most closely describes your feelings about meeting your stated savings goal for retirement, of \$ ?	All Wealthy Americans  2008–2009 N=1263	
I am confident I'm right on track	50%	
I am ahead of schedule and may end up surpassing my goal	17%	
I am a little bit behind schedule in my contributions, but I know I can catch up	11%	
I am saving as much as I can, but I am not sure I will meet my goal	15%	
I do not have a retirement goal	8%	





## Retirement Means Flexibility, Freedom from Work, the Ability to Travel

• About one third of wealthy Americans report that retirement means flexibility: being able "to do what I want, when I want."

Q: What does "retirement" mean to you?	All Wealthy Americans
	2008/2009 N=1263
Flexibility/Ability to do what I want, when I want	31%
Not working	17%
Travel/Vacation	14%
Time to spend with family	13%
Time to pursue hobbies	11%
Happiness/Enjoying life	10%
Financial freedom/Begin to use money invested	9%
Time for community service	8%
Leisure time/Free time	7%
Relaxation	7%
Freedom (General)	6%
Being carefree/stress free	6%



# Retirement Means Having More Time with Friends and Family

- 76% are "excited to have more time" with family and friends.
- 70% agree that they look forward to spending more time with their spouse.

Q: Please indicate how much you agree or disagree with each of the following statements about retirement.	<u>All Wealthy</u> <u>Americans</u>
(Rating Scale: 1-5; 1=Strongly Disagree, 5=Strongly Agree)	2008/2009 N=1263
Strongly/Somewhat Agree (Rating 4/5)	
I am excited to have more time to spend with my friends and family	76%
I look forward to spending more time with my spouse	70%
I will be involved in the lives of my grandchildren	63%
I will adjust my retirement plans depending on the economy	61%
I will volunteer for boards and organizations that are important to me	56%
I want to spend most of my time traveling	54%
I want to try a new career after I retire from my current one	16%
I want to start my own business	11%





#### Retired Wealthy Americans: Most Describe Retirement as Unscheduled Time/Going with the Flow

• More than half (53%) describe retirement as comprised of unscheduled time and going with the flow so that every day can be different.

Q: Which statement best describes your own "retirement"?	<u>Wealthy Americans</u> Base: Retired
	2008/2009 N=504
I enjoy unscheduled time and "go with the flow" so every day can be different	53%
I focus on developing new skills not related to my prior career, such as learning how to paint or starting a new career	14%
I use my job skills, but I consider myself "retired" because I volunteer in my former field or only work part-time	13%
I have continued a connection with my former career, but assumed a different role (e.g., a lawyer who becomes a law professor)	6%
None of the above captures my retirement experience	14%





#### Retired Wealthy Americans: Top Retirement Advice Is to Live Healthier and Start Planning Early

• The majority advise others to live a healthier life (89%) and to start planning earlier (87%).

Q: Now that you are retired/not working, what advice would you give someone who is preparing for retirement?  (Rating Scale: 1-5; 1=Strongly Disagree, 5=Strongly Agree)	Wealthy Americans Base: Retired  2008/2009 N=482
Strongly/Somewhat Agree (Rating 4/5)	
Live a healthier lifestyle	89%
Start planning earlier for retirement	87%
Spend more time finding and enjoying common interests with your spouse	80%
Spend less and save more	76%
Spend more time developing interests outside of work	75%
Build a stronger network of friends	64%
Be more aggressive with investment decisions and asset allocation	59%
Don't focus so much on saving that you don't enjoy today	58%
Take more vacations while working	54%





### The working wealthy plan to live at least 10 years in retirement.

### The majority (90%) of employed wealthy Americans plan to live in retirement at least 10 years:

- Nearly three-quarters (70%) plan to live between 10–30 years in retirement.
- About one-fifth (19%) plan to live in retirement 30 years or more.

Thinking about the age at which you plan to stop working, how many years have you planned to live in "retirement"?	Wealthy Americans Base: Employed 2008/2009 N=523
0–10 years	10%
10-20 years	27%
20-30 years	43%
More than 30 years	19%





#### Methodology

- The Wealth and Values survey is owned, designed and managed by HNW, Inc. (www.hnw.com) and fielded by Harris Interactive Inc.. The 2008/2009 Wealth and Values study represents the fifth year of collaboration between PNC and HNW to conduct survey-based research to provide new information related to the values and concerns of affluent and high-net-worth individuals.
  - A total of 1,263 interviews were completed based on a national sample of 1,056 respondents (including 482 retirees), plus an oversampling of 207 respondents in South Florida. Responses were obtained from September 9 to October 1, 2008.
  - Respondents matching the following criteria were contacted by Harris Interactive:
    - Adults with \$500K-\$999K+ in investable assets, including 401(k) investments, and a minimum income of \$150K
    - Adults with investable assets of \$1MM+, excluding 401(k) assets, and a minimum income of \$150K, except for retirees, who were not prescreened for income
  - The final number of responses by investable asset tier is as follows:

\$500K-\$999K: 583
\$1MM-\$4.9MM: 492
\$5MM-\$9.9MM: 98
\$10MM+: 90

 All data was combined and reweighted when calculating national statistics. The sampling error for national results is +/-2.8% at the 95% confidence level



