Preparing for Retirement: Navigating the Financial Priorities of Pre-Retirees

Voya Consumer Insights & Research

Plan. Invest. Protect.

Pre-Retiree Mindset

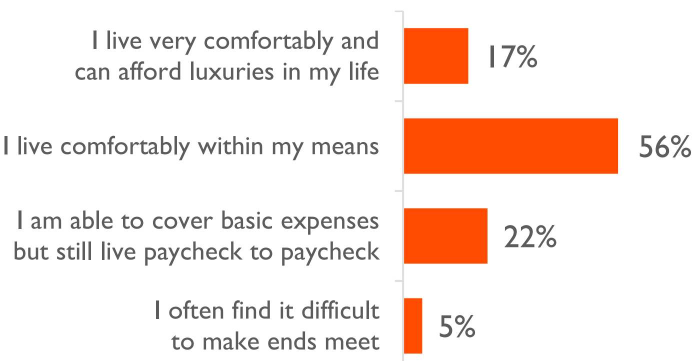
Who are Pre-Retirees?

Pre-retirees are ages 50 to 70, working full time, and approaching retirement. They possess a saving mindset and prioritize financial growth (e.g., use credit card rewards and invest).

Pre-Retiree Financial Priorities and Concerns

Current Financial Situation

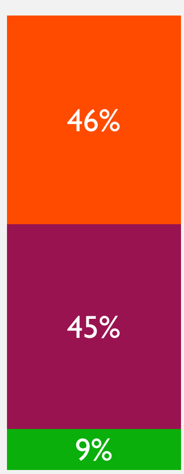
Pre-retirees live comfortably within their means, though 2-in-10 are living paycheck to paycheck. Less than half have a formal plan to generate income in retirement currently. Most pre-retirees do not formalize plans until they are closer to retirement (e.g., 5 years away).



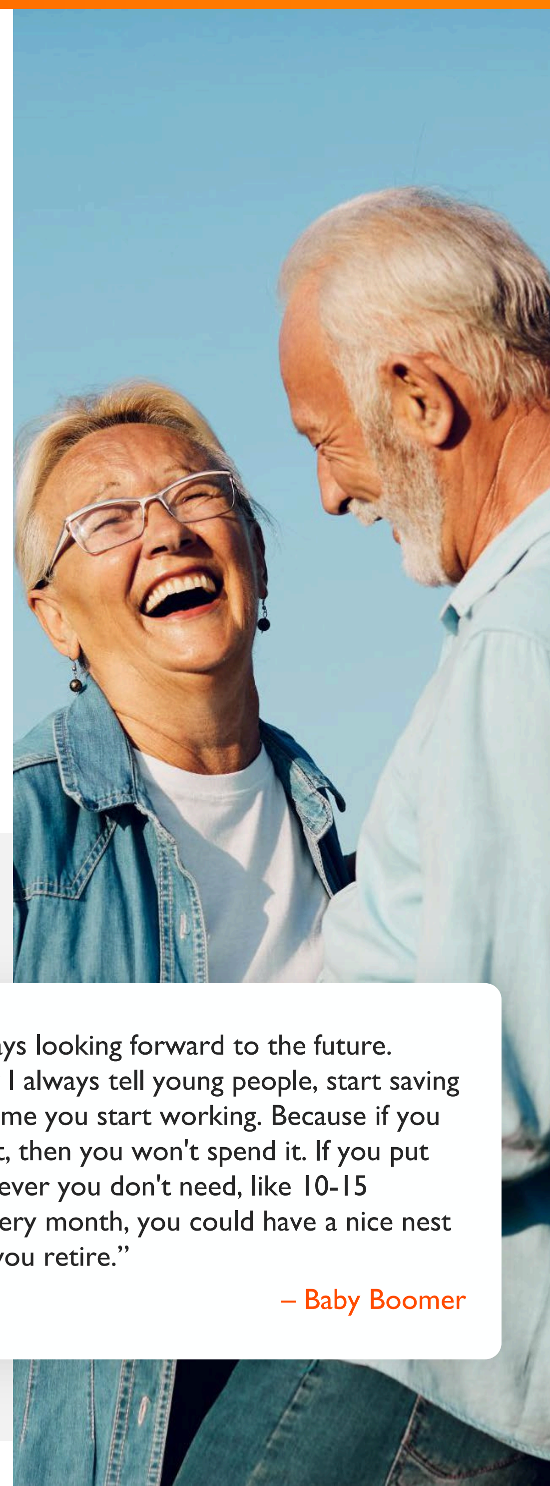
Plan for Generating Income in Retirement

46%

Pre-Retirees have plan for generating income in retirement



Yes No Not Sure



"I was always looking forward to the future. That's why I always tell young people, start saving from the time you start working. Because if you don't see it, then you won't spend it. If you put away whatever you don't need, like 10-15 percent every month, you could have a nice nest egg when you retire."

– Baby Boomer

Top Financial Priorities

Pre-Retirees are focused on preparing for retirement, which includes saving across multiple accounts such as 401(k), Traditional or Roth IRA, brokerage accounts, social security, pension, real estate, and paying off debts.

53%	32%	26%	24%	24%
Saving for retirement	Ensuring guaranteed retirement income	Generating income in retirement	Paying off credit card debt	Protecting savings

"[My top priority is] saving for retirement and just investing wisely. Also, looking at possibly reducing the risk of my investments."

– Baby Boomer

"Some of the current concerns I have about the future are around healthcare costs and inflation, of course."

– Generation X

Top Financial Concerns

While a majority feel that they are in a good place financially, some concerns include market instability, unplanned expenses, and having enough in retirement.

75%	69%	67%	62%	62%
Inflation and market volatility	Saving enough to last through retirement	Being financially ready to cover unexpected life or health events	Having a guaranteed source of income in retirement	Social Security benefits being depleted by the time they retire

"Every time you read something, it seems the [amount you need for retirement changes]. What does that look like in 15 years when I'm ready to semi-retire or retire? Will I have enough?"

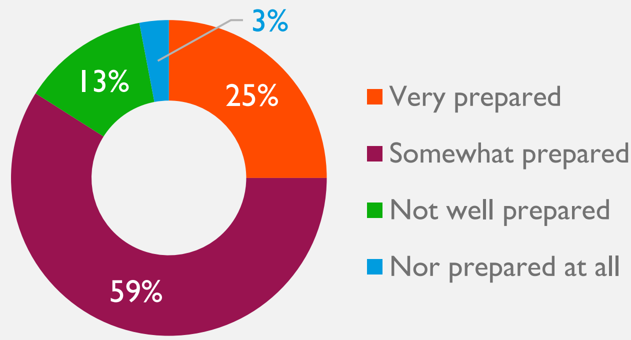
– Generation X

Pre-Retirees and Retirement

84%

Of Pre-Retirees feel very or somewhat prepared for retirement due to their long-term savings and good financial habits.

Those who feel less prepared are focused more on managing their current finances (e.g., paying off debt, dealing with inflation and stock market fluctuations).



> "I have several retirement accounts. I started an IRA in my twenties which has been growing and rolled over into a Roth. At my current company I have a 401(k)."
> – Generation X

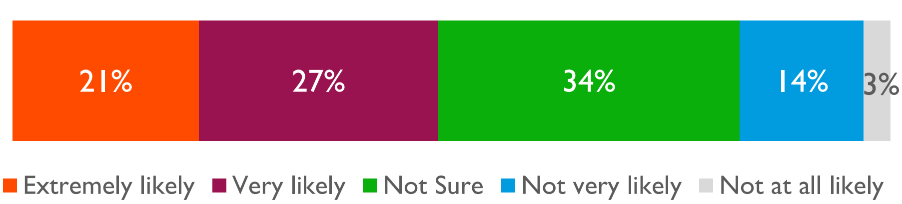
> "I'm definitely going to be able to retire. It's not going to be an issue. My wife has a defined pension plan. So, the question is more how nice will it be, not how destitute will we be."
> – Generation X

Top Sources of Retirement Savings

Most of their retirement savings are coming from a variety of sources including Social Security benefits, workplace retirement plans, IRAs, brokerage accounts and pensions.

71%	61%	55%	51%	48%
Social Security benefits	Workplace retirement savings plan	Individual Retirement Account (IRA)	Investments/ stocks	Your defined benefit/pension plan

Likelihood to Keep Workplace Retirement Plan Assets with Current Provider



49%

of Pre-Retirees are very or extremely likely to keep their retirement plan assets with their current workplace retirement plan provider.

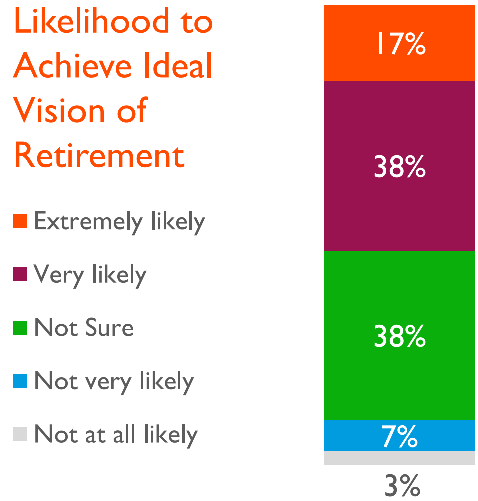
Retirement Lifestyle

The ideal retirement lifestyle includes travel, pursuing interests and hobbies, spending time with loved ones, and overall having a lifestyle that balances a slower pace of life with staying physically and mentally active.

Only 55% of Pre-Retirees say they are extremely or very likely to achieve their ideal vision of retirement. 10% say they are not likely to achieve their vision because they feel they will not have enough money to do so.

While the majority of Pre-Retirees expect to maintain or improve their lifestyle in retirement, about 1-in-4 expect to cut-back, which could look like down-sizing or living on a strict budget.

Likelihood to Achieve Ideal Vision of Retirement



Working in Retirement

50% of Pre-Retirees plan to work during retirement in order to:

34%	25%	27%
Keep mind active	Have a sense of purpose	Have more money in retirement

> "I'm planning on retiring in my early sixties. I'm going to freelance and consult. I like a lot of creative stuff, and I work in the creative field. So, I imagine maybe instead of managing, at least I'll go back to doing [creative] stuff because that's a lot of fun."
>
> – Generation X

Plan to Spend Time in Retirement

1. Travel	67%
2. Pursue hobbies	54%
3. Do projects around my home	49%
4. Socialize	38%
5. Volunteer	37%
6. Work part-time doing the same thing I do now	28%
7. Work doing something different than I do now	26%
8. Take care of other family members such as grandchildren or spouses	26%

Retirement Resources

Top Resources Used

Retirement plan providers are Pre-Retirees' main source of information for all things related to retirement, followed by financial advisors and a variety of other sources of information:

56%	47%	24%	15%	12%
Retirement plan (e.g., 401(k), 403(b), etc.) provider	Financial advisor	Online educational tools /resources	Friends and family	My employer

Top Resource Needs

Pre-Retirees are interested in highly personalized support around navigating the transition to retirement and ensuring their savings are enough to last through retirement.

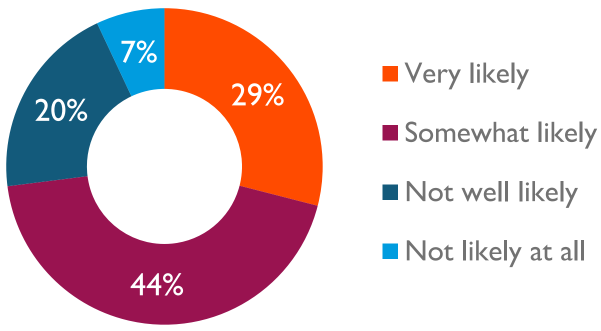
	T2B %
Support in transitioning to retirement (i.e., understanding Social Security benefits, Medicare, etc.)	89%
Help estimating future healthcare costs in retirement	89%
Help developing a retirement income strategy to ensure my savings last through retirement	88%
Help converting my savings to income for retirement, so that I don't outlive my savings	88%
Ways to improve my overall financial wellness	88%
Help understanding how to generate income in retirement, so that I can maintain my current lifestyle	88%
Financial advice and guidance to help me improve my retirement outlook through investment diversification, savings behavior, and retirement income preparation	88%

“I have used my financial adviser. I also take pre-retirement seminars, pre-Medicare seminars, and Social Security seminars.”

– Baby Boomer

Financial Legacy

74% of Pre-Retirees are likely to leave a financial legacy (e.g., inheritance), and among those likely to leave a legacy, 72% plan to leave it to their children. 69% of Pre-Retirees are interested in obtaining help with estate planning from their employer or retirement plan provider.



“I also want to help out my son because, especially living in Bay Area, it’s impossible for him to buy a house. If we don't step in to help him, there's no way he can save enough to pay for a down payment.”

– Generation X

“I'd love to have something to where I can punch in numbers to see if I'm on the right track or if there's things I need to change, if I'm too risky or not risky enough, something like that.”

– Baby Boomer

“Logistically, how does Medicare work? Do I do it as soon as I turn 65? When do I start taking social security and my pension? How do I maximize my Roth IRA? How do I create an estate plan?”

– Generation X

About the Research

Voya's Consumer Insights & Research Team conducted an in-depth research study among Pre-Retirees to gain a better understanding of their financial priorities and concerns, as well as their ideal visions for retirement. Pre-Retirees are defined as adults aged 50-70 who are benefits-eligible, working full-time or part-time with an employer-sponsored retirement plan, and annual household income of $75k+, and investible assets of $100k+.

This research consisted of a two-phased approach:

1. 60-minute in-depth qualitative interviews among n=12 Pre-Retirees conducted between December 17-20, 2024, through Voya's proprietary online consumer community managed by Material. Participants in the consumer online community receive compensation to participate in research initiatives from Voya's third-party research partner. The individuals who participated in this research are not Voya clients.
2. A 20-minute online survey among n=517 Pre-Retirees conducted between December 17-20, 2024, in partnership with Morning Consult.

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