

*Fast Facts*

# Retirement Literacy

## SUMMARY

Knowing how much to save is only one piece of the retirement planning puzzle. For optimal results, both before and during retirement, it helps to expand one's knowledge of and competency in retirement planning. The Society of Actuaries has developed a series of briefs on concepts and topics that people should understand if they are to make informed decisions about retirement planning and living.

In four Retirement Literacy briefs, the Society of Actuaries Aging and Retirement Strategic Research Program teamed up with financial wellness firm Financial Finesse to offer information designed to educate consumers on issues of concern. The briefs cover:

- [Retirement Health & Happiness](#)
- [Retirement Planning from Start to Finish](#)
- [A Spending Plan for Retirement: Estimating Expenses](#)
- [Retirement Planning Tools](#)

Report excerpts are shown in the Highlights section.

## HIGHLIGHTS

- **Did you know** that about one of every three 65-year-olds today will live past age 90, and one out of seven will live past age 95? -- *Retirement Planning From Start to Finish*
- **Ask yourself:** "Who am I once I stop working? What am I going to do with all my extra time?" -- *Retirement Health & Happiness*
- **If 25 or more years away from retirement**, it helps to create a spending plan, build an emergency fund, pay off debt, contribute to a retirement plan, and, yes, make long-term investments. **If 10 to 25 years away from retirement**, run retirement financial projections, estimate life expectancy, and manage life and disability risks with insurance. **If within 10 years of retirement**, evaluate income sources, future spending needs, and anticipated Social Security start date, and engage in estate planning. **In post-career retirement**, adjust plan as needed, reevaluate Medicare options, structure leisure time, and consider legacy planning. -- *Retirement Planning From Start to Finish*
- **Understanding expense categories** helps determine the amount a person may need to save for retirement. Key categories include: **the essentials** (housing, transportation, insurance, food), **lifestyle** (travel, recreation, volunteering, family), **healthcare** (medical care, prescription drugs, long term care), and **income taxes** (on retirement accounts, Social Security, sale of home, taxable investments). -- *A Spending Plan for Retirement: Estimating Expenses*
- **Retirement tools** serve different purposes and users should understand what question the tool is designed to answer, what your needs are, if the tool is user friendly and who created it. Tools include simple, intermediate and advanced calculators, and they differ in methodology, questions they address, assumptions they make and limitations they have. -- *Retirement Planning Tools*

## LINK TO FULL SERIES

Retirement Literacy

<https://www.soa.org/resources/research-reports/2017/2017-retirement-literacy/>

## METHODOLOGY

- Timeframe: Briefs created in 2017-2018
- Structure: Each of the four briefs addresses issues bearing on retirement literacy. These issues range from holistic perspectives on non-financial issues to retirement planning through the working years, expenses in the first years of retirement, and resources to consult all along the way.
- Issues in the briefs should be of interest and value to both consumers and their retirement advisors. They are designed to lead to talking points for discussion in the home as well as in the advisor's office.

## BRIEF SPECS

- Published: 2017 to 2019
- Pages: 46 for all four briefs combined
- Access: Downloadable pdf
- Research Sponsors: The Society of Actuaries (SOA) Aging and Retirement Strategic Research Program and Financial Finesse
- Author(s): The Retirement Literacy briefs were developed by a team led by Greg Ward of Financial Finesse.
- Contents: The reports vary in page length, but all feature helpful consumer-oriented information presented in easy-to-read format. The content is supported by many illustrations (totaling nearly 30), references (more than 20), charts (5), useful resources (nearly 50), additional reading (7), supportive graphical elements (more than 60 in all), and a glossary (1). The briefs also include several "Did You Know" items plus some tips to consider.



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Decisions

<https://www.soa.org/resources/research-reports/2012/research-managing-retirement-decisions/>

Age Wise Longevity  
Infographic Series

<https://www.soa.org/research/age-wise/>

Retirement Risks Survey Series

<https://www.soa.org/research/topics/research-post-retirement-needs-and-risks/#risksurvey>



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