

Northwestern Mutual Study Finds Substantial Change in Retirement Age and Lifestyle on the Horizon

Working Adults and Retirees have Vastly Different Views of the Retirement Experience

MILWAUKEE, June 17, 2014 /PRNewswire/ -- Significant differences exist between the attitudes and expectations of Americans who are currently working vs. those already retired, according to the most recent findings from Northwestern Mutual's [2014 Planning and Progress Study](#).

Most notably, the research suggests that substantial changes in retirement age and lifestyle are on the horizon. People expect to work longer, but a sizable number will do so by choice rather than necessity. Others – and there are plenty of them – aren't as fortunate and don't feel they'll have the luxury of choice.

Among retirees:

The average age they retired was 59
The large majority (72%) say they are completely retired from working

Among those still working:

The average age they expect to work until is 68 (nearly a decade longer than the retirees in the study)
Nearly half (45%) say they will continue to work in retirement, not because they have to but because they want to

Sizable numbers of others who are still working are either uncertain about when they'll retire, or know they don't have many choices:

One in five (21%) is not sure how many years he or she will spend in retirement
More than one in ten (13%) think they'll never be able to retire
Nearly four in ten (38%) aged 60 and over estimate that they will have to work until age 75 or older before they can retire

"Retirement is being redefined from one generation to the next," said Greg Oberland, Northwestern Mutual president. "For those who have the flexibility and security to choose, many are deciding to continue working, possibly in second careers that are personally meaningful to them. The key is having that flexibility and security – and that's what we aim to help people achieve."

Working Adults are Pessimistic, but Retirees Say Life After Work is Pretty Darned Good

Working adults tend to use words like 'bad/poor,' 'bleak/dismal' and 'nonexistent' to describe their vision of their own future retirement, whereas retired Americans are more apt to choose words like 'fun/cheerful' and 'good/pleasant' to describe their retired life today and tomorrow.

The gap between expectations and experience is evident in other research findings as well. For example:

Only 37% of working adults expect they will be happier in retirement than they are now.
But 84% of current retirees say they are happy in retirement, and 60% say they're happier now than they were when they were working.
70% of retirees describe their lives as 'fulfilling,' and a large majority focus on health and fitness and stay active with charities.

Still, while the majority of retirees say they lead fulfilling lives, it's not as if they haven't had to deal with curveballs. Half of retirees saw health care costs increase significantly in retirement, and among them 45% didn't anticipate these expenses.

This underscores the need for planning. In findings released earlier by Northwestern Mutual, the study revealed a link between the discipline an individual brings to financial planning and their happiness in retirement. Retirees who identify themselves as "Highly Disciplined" planners are much more likely than non-planners to say that they are "happy in retirement" (91% vs. 63%).

Oberland encourages Americans to take the first step in getting a handle on retirement by talking to someone about their concerns. The study found that 42% of adults have never had a conversation with anyone about retirement.

"The message retirees seem to be sending is to fixate less on numbers and more on quality of life," said Oberland. "Retirement has less to do with account balances and more to do with who you are and what you want. Visualize that period of your life and develop a plan to get there. It's always possible that it may not be exactly what you imagined, but if you have a plan, there's a good chance it will be one of the happiest and most fulfilling periods of your life."

About the Research

The *2014 Planning and Progress Study* explores the state of financial planning in America today, and provides unique insights into people's current attitudes and behaviors toward money, goal-setting and priorities.

This study was conducted by Harris Poll on behalf of Northwestern Mutual and included 2,092 American adults aged 18 or older who participated in an online survey between January 21, 2014 and February 5, 2014. Results were weighted as needed for age by gender, education, race/ethnicity, region and household income. Propensity score weighting was also used to adjust for respondents' propensity to be online. No estimates of theoretical sampling error can be calculated; a full methodology is available.

About Northwestern Mutual

Northwestern Mutual has been helping families and businesses achieve financial security for nearly 160 years. Our financial representatives build relationships with clients through a distinctive planning approach that integrates risk management with wealth accumulation, preservation and distribution. With more than \$217 billion in assets, \$26 billion in revenues and more than \$1.5 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to more than 4.2 million people who rely on us for insurance and investment solutions, including life, disability and long-term care insurance; annuities; trust services; mutual funds; and investment advisory products and services.

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