

AAll Survey: Biggest Concerns About Retirement

Retirement has the potential to be a relaxing and fulfilling stage of life. As with any major change, however, retirement presents a new set of challenges that may cause anxiety. How do you manage health care costs? How do you keep from outliving your money? How do you leave an inheritance?

AAll Weekly Survey Question

We wanted to know what are the biggest concerns our readers have about retirement, so last week's survey question asked:

What is your biggest concern about retirement?

Here are the results of the survey:

What is your biggest concern about retirement?

There will come a time when myself or my spouse won't be able to take care of our finances : 33% - Votes: 405



I won't have enough money to pay for a long stay in a nursing home or a long period of in-home nursing care : 13% - Votes: 155



The value of my savings and investments won't keep up with inflation : 11% - Votes: 139



I won't be able to stay in my home as I get older : 11% - Votes: 133



I won't be able to maintain a reasonable standard of living : 10% - Votes: 123



I will deplete all of my savings : 9% - Votes: 113



I won't have enough money to pay for adequate health care : 6% - Votes: 67



I will be the victim of a fraud or scam : 3% - Votes: 40



I won't be able to leave money to my children or other heirs : 3% - Votes: 39



In all, 1,214 readers participated.

The biggest concern our readers have when it comes to retirement, by more than a two-to-one margin, is that there will come a time when they or their spouse won't be able to take care of their finances. There result is not at all surprising, as recent studies have shown the impact that cognitive decline can have on financial matters, specifically making rational investment and financial decisions.

Health care costs while in retirement are also a major concern for our readers. Thirteen percent of respondents say their biggest worry about retirement is not having enough money to pay for an extended nursing home stay or for in-home nursing care. Another 6% say they worry about not have enough money to pay for adequate health care in retirement.

Maintaining one's independence is also a concern when in retirement. Eleven percent of readers fear they will not be able to stay in their home as they get older.

Perhaps most surprising to me was that only 3% of readers are worried about not being able to leave money to their children or other heirs.

Weekly Special Question

Having asked our readers what their biggest concern is about retirement, we followed up to ask what they are doing to better prepare themselves for retirement. Specifically, last week's special question asked:

What is the most important financial decision you have made to lessen the potential of your biggest retirement concern coming to pass?

In all, we received 180 responses.

The most popular response to this question is that readers are having someone else manage their money.

The second most popular response from our readers as to the most important financial decision they have made to avoid problems in retirement is investing and saving from an early age.

Rounding out the top three responses to the question of the steps readers are taking to remove worry from retirement is readers creating a trust.

Other popular responses include:

- Investing in higher-yield stocks
- Purchasing long-term health insurance

Here is a sampling of the responses from our readers as to the most important financial decision they have made to lessen the potential of their biggest retirement concern coming to pass:

- "As I am getting older I am having more of my investments managed."
- "Avoiding fixed return investments."

- “Avoiding tapping into my principal for everyday expenses.”
- “I am not retired yet and I continue to build my HSA funds to help offset the high cost of nursing home care and general health care.”
- “Paying off all credit cards, cars and the mortgage.”
- “Put off receiving Social Security until 70.”
- “Simplified the portfolio so it can run on autopilot if someone else is forced to manage it.”
- “Working longer.”
- “Continuing to invest during retirement, adhering to a strict budget, delaying withdrawals for the first two to three years of retirement.”

Everybody has an opinion! Why not give us yours? Participate in our weekly member poll, updated every Monday, and see the results online at www.aaii.com/memberquestion.