

An Overview of the Society of Actuaries Research on Post-Retirement Risk

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Listing of Selected Committee Projects

- Survey and Focus Group Projects
- Public Education Projects
- Research Reports
- Retirement Planning Software Research
- Research Related to Lifetime Income Including Plan Sponsor Guidance
- Essays, Monographs and Paper Calls

Summary of Survey and Focus Group Projects

Project	Description and methodology	Comments
Retirement risk survey series (conducted with Mathew Greenwald & Associates and EBRI)	Survey of public to learn about what they know about post retirement risks – telephone survey from 2001 to 2011; on-line survey starting in 2013. Sample set to represent the middle income American population.	Includes a mixture of repeated questions and special issues; special issues may be covered in more than one survey but after skipping a period. One similar survey conducted in Canada (2010). Special issues are reflected in issue based reports which combine survey results with other topics on the research.
Focus groups on risk related topics	Focus groups with shorter term retirees (2013) and longer term retirees (2015) to understand risk management and retirement decisions	2015 focus groups were supplemented by 15 in-depth interviews of care-givers to compensate for lack of availability of people needing major care for the groups
Approaching the Underserved Middle Market: Insights from Planners (2012)	A report of two focus group sessions with financial planners who are active in some part of the middle market.	This project was cosponsored by INFRE and the Financial Planning Association. The discussion sessions were held at an FPA meeting and the attendees were invited based on experience.

Summary of Survey and Focus Group Projects (continued)

Project	Description and methodology	Comments
<p>Research on use of retirement assets</p> <p>2008 – Will Assets Last a Lifetime?</p> <p>2009 – What a Difference a Year Makes</p> <p>2011 – The Financial Recovery for Retirees Continues</p>	<p>A series of three surveys conducted using an Internet panel to learn how retirees are investing their assets and how they made their decisions.</p> <p>The first survey was done in 2008, the second in 2009, and the third in 2011. This enabled the Committee to see how retirees had responded to the economic turmoil during the period.</p>	<p>The SOA partnered with LIMRA and INFRE for these three surveys.</p> <p>The individuals surveyed in 2009 and 2011 were a subset of the individuals surveyed in 2008.</p> <p>Some of the questions from the first survey were repeated.</p> <p>The survey selection criteria for this survey included a minimum amount of invested assets.</p>
<p>Spending and Investing in Retirement: Is There a Difference (2006)</p>	<p>A focus group study. The members of the focus group were retirees who had assets to invest and the purpose was to understand their decision making.</p>	<p>The SOA partnered with LIMRA on this project. This project laid a foundation for the surveys on investment of retirement assets described above.</p>
<p>Canadian and Risk Survey Comparison</p>	<p>A report comparing the 2009 SOA risk survey with a 2010 Canadian risk survey.</p>	<p>Questions in the two surveys are very similar, but the SOA survey was a telephone survey and the Canadian survey used an Internet panel.</p>

Summary of Survey and Focus Group Projects (continued)

Project	Description and methodology	Comments
<p>Segmenting the Middle Market: Retirement Risks and Solutions (2009 and 2012 publication dates)</p>	<p>There are three reports in these series – the first offers middle market segmentation using the 2004 Survey of Consumer Finances data.</p> <p>The second focuses on pathways to solutions for the identified segments.</p> <p>The third is an update of the first using 2010 SCF data. The update showed reductions in assets between 2004 and 2010, but did not change conclusions.</p>	<p>The SOA contracted with Milliman, Inc. for this research. Segments are identified for mass middle and mass affluent Americans at ages 55-64 and 65-74. This report demonstrated that non-financial assets, primarily housing, are much greater than financial assets for all of the segments.</p>
<p>Retirement Plan Preferences Survey (2004)</p>	<p>This report focuses on whether people prefer DB or DC plans. The survey was a telephone interview survey.</p>	<p>The SOA partnered with the American Academy of Actuaries for this project. It turned out that people seemed to prefer the type of plan they had.</p>

Summary of Public Education Projects

Project	Description and methodology	Comments
Managing Post-Retirement Risks (Risk Chart)	Document identifying 15 key risks and their characteristics, and giving general strategies for managing them. This document is a foundation for much of the work of the Committee	Document is suitable for professionals and thoughtful individuals. Holistic thinking is encouraged This report is now in its third edition
Retirement Decision Briefs (2012, 2016)	A series of 12 decision briefs on specific areas of retirement decision making targeted at people close to the time of retirement or in retirement. Briefs present issues, questions, and considerations. While briefs are set up issue by issue, they encourage holistic thinking	Builds on Managing Post-Retirement Risks. Group working on briefs believed that many of the issues are often overlooked. Designed for thoughtful individuals and professionals; an additional decision brief on lump sums is being prepared, and decision briefs are to be updated in 2017
Understanding Effect of Living Longer Life Spans Infographics	Infographics to help public understand longevity	2016-2017 first three in a series published

Summary of Research Reports

Project	Description and methodology	Comments
Models of Financial Advice for Retirement Plans: Considerations for Plan Sponsors (2015)	A paper that provides an overview of the market for financial advice, and identifies options for plan sponsors to be used if they wish to offer advice to employees in connection with their retirement plans. Includes considerations in choosing an approach	Intended audience is plan sponsors as well as people interested in employer sponsored arrangements. Lead author is Michael Finke of Texas Tech, a very well know individual in advice community.
Investment and Retirement Advice – a Guide for Employers	A paper that provides key issues for employers in considering a program of investment and/or retirement advice	Intended audience is plan sponsors. Guide deals with business issues and not legal issues.
Middle Market Retirement: Approaches for Retirees and Near Retirees (2013)	A paper that summarizes a number of conceptual approaches to planning for the middle market and fits them to the issues identified in the segments defined in “Segmenting the Middle Market”	

Summary of Research Reports (continued)

Project	Description and methodology	Comments
Running Out of Money (2012)	A roundtable of experts who discussed the outlook for running out of money, issues, and possible solutions. Abstracts of submitted materials are included in the report. Provides a broad overview of issues and unifies many of the topics discussed by the Committee	The SOA partnered with WISER and the Urban Institute for this project. Major concerns identified and discussed include health and long-term care risk, the need for better advice for the middle market, and concerns about lifetime income.
Thinking about misperceptions studies: Public Misperceptions about Retirement Security (2005) Public Misperceptions about Retirement Security: Closing the Gap (2007)	Two research reports were published: The first report provides a unified discussion of a number of misperceptions looking at a range of research. The second report focuses on ideas for addressing the challenges raised by the misperceptions.	Joint projects between the SOA, LIMRA and Mathew Greenwald & Associates. The misperceptions identified in this 2005 paper are still a problem in 2013.
Perspective on SOA Post-Retirement Risk Paper Research and What it Tells About the Implications of Long Life (2014)	Paper reviewing the first fifteen years of research by the committee with findings organized by topic	Published as part of the 2014 Living to 100 Monograph; authored by Anna Rappaport

Summary of Research Related to Lifetime Income Including Plan Sponsor Guidance

Project	Description and methodology	Comments
The Next Evolution in Defined Contribution Retirement Plan Design – A Guide for DC Plan Sponsors in Implementing Retirement Income Programs (2013)	Study that provides the business case and a plan for implementation of income programs in DC plans; study includes modeling of a variety of income approaches	Projected jointly sponsored by the SOA and Stanford Longevity Center. Wade Pfau did modelling for this paper; Steve Vernon led project
Foundations in Research for Regulatory Guidance on the Design and Operation of Retirement Income Solutions in DC Plans (2014)	Study that provides a framework for development of safe harbors and other regulatory guidance to remove barriers to offering income to DC participants	Projected jointly sponsored by the SOA and Stanford Longevity Center. Steve Vernon did project
Efficient frontiers for retirement income (project completed in 2016)	Four phase project providing efficient frontiers designed for use by plan sponsors of DC plans	Projected jointly sponsored by the SOA and Stanford Longevity Center; Wade Pfau is on project team; Steve Vernon led project
Efficient frontiers for retirement income – individual/retail market (project underway and should be completed in 2017)	Multi-phase project extending conceptual approach to retail market and including work on reverse mortgages	Same team as prior project

Summary of Retirement Planning Software Research

Project	Description and methodology	Comments
Research reports: Retirement Planning Software (2003) Retirement Planning Software and Post-Retirement Risks (2009)	Two studies were conducted to understand how retirement planning software handles post-retirement risks. Both looked at samples of software, and found significant gaps in what was reviewed, and relatively little changed between the first and the second study.	LIMRA and INFRE were partners for the first project, and the Actuarial Foundation was a partner for the second project. Both projects used outside researchers

Summary of Essays, Paper Calls and Monographs

Project	Description and methodology	Comments
Financial Wellness Essay Collection (2017 – forthcoming)	Collection of 14 essays on various financial wellness topics	Multi-disciplinary group of authors; some focus on what employers can do and some focus on the individual
Diverse Risks in Retirement Essay Collection (2016)	Collection of 18 essays exploring the diverse risks associated with defined contribution plan risk management and decumulation strategies and long-term care financing.	Multi-disciplinary group of authors
Managing the Impact of Long-Term Care Needs and Expense on Retirement Security Monograph (2014)	Monograph providing a broad range of papers on long term care and retirement, includes policy	Multi-disciplinary group of authors
Retirement Security in the New Economy (2011)	Monograph providing a broad range of papers focusing on holistic approaches, paradigm shifts, and new ideas. Papers vary between those that focus on a single topic and those that focus on the bigger picture	Multi-disciplinary group of authors

Summary of Paper Calls and Monographs (continued)

Project	Description and methodology	Comments
Housing in Retirement (2009)	Monograph providing papers on financial and life-style issues related to housing and success in retirement	Multi-disciplinary group of authors
Managing Retirement Assets (2004)	Monograph providing a series of papers on the payout period	Multi-disciplinary group of authors
Retirement Implications of Family and Demographic Change (2002)	Monograph providing focus on family issues and also on phased retirement	Papers include perspectives from several different countries

Consumer and Advisor Education: Retirement Decision Issue Briefs for Individuals

- Issue briefs provide guidance for major retirement decisions
- Twelve issue briefs written in everyday language
 - Big Question: When Should I Retire?
 - When Retirement Comes Too Soon
 - Women Take the Wheel: Destination Retirement
 - Deciding When to Claim Social Security
 - Designing a Monthly Paycheck for Retirement
 - Treating Asset Allocation Like a Roadmap
 - Securing Health Insurance for the Retirement Journey
 - Taking the Long-Term Care Journey
 - Where to Live in Retirement
 - Estate Planning: Preparing for End of Life
 - Finding Trustworthy Financial Advice for Retirement and Avoiding Pitfalls
 - **Lump Sum or Monthly Pension: Which to Take?**

Collection: Diverse Risks in Retirement - List of Essays

- Big Picture of Risk Management in a DC World
 - Retirement: Choosing Between Bismarck and Copernicus by Krzysztof Ostaszewski
 - Thinking About the Future of Retirement by Anna M. Rappaport
 - Designing and Communicating Retirement Plans for “Humans” by Steve Vernon
 - Women and Retirement Risk: What Should Plan Sponsors, Planners, Software Developers and Product Developers Know? by Anna M. Rappaport
 - Diverse Risks and Considerations in Retirement by Zenaida Samaniego
 - How the American Retirement Savings System Magnifies Wealth Inequality by Karl Polzer
- Decumulation Strategies for Retirement: Individual, Advisor and Plan Sponsor Roles
 - Multiple Objective Asset Allocation for Retirees Using Simulation by Kailan Shang and Lingyan Jiang
 - Decisions Misaligned with Priorities: The Non-Annuitization of Retirement Savings by Paul J. Yakoboski
 - Dealing With Multiple Post-Retirement Risks in the Middle Market by Charles S. Yanikoski
 - Decumulation Strategy for Retirees: Which Assets to Liquidate by Charles S. Yanikoski
 - A Portfolio Approach to Retirement Income Security by Steve Vernon
 - Decumulation for a New Generation by Elizabeth Bauer
- Important Issues in Risk Management: Public Policy and Longevity Risk, Long-term Care, and Retirement Ages
 - The “Feel Free” Retirement Spending Strategy by R. Evan Inglis
 - Longevity Insurance Benefits for Social Security by John A. Turner
 - News Flash: Retirement Takes Over Long-Term Care by John Cutler
 - A Better Public-Private Approach to Resolving LTSS Financing Dilemma – Catastrophic Shared Stop-Loss: Adapting Life Insurance to Meet Long-Term Care Needs by Morris Tenenbaum
 - Oh No! Not Another Government Program by Mark Shemtob
 - Enhanced Risk Sharing Savings Accounts by Martin Bauer

Monograph: Managing the Impact of Long-Term Care Needs and Expense on Retirement Security - List of Papers

- Big Picture
 - The Impact of Long-Term Care Costs on Retirement Wealth Needs
 - How American Society Will Address Long-Term Care Risk, Financing and Retirement
- Caregiving, Family, Health
 - Improving Retirement by Integrating Family, Friends, Housing and Support: Lessons Learned from Personal Experience
 - The 65 Plus Age Wave and the Caregiving Conundrum: The Often Forgotten Piece of the Long-Term Care Puzzle
 - Long-Term Benefits May Reduce End-of-Life Medical Care Costs
- Insurance
 - An Overview of the U.S. LTC Insurance Market (Past and Present): The Economic Need for LTC Insurance, the History of LTC regulation & Taxation and the Development of LTC Product Design Features
 - Home Equity and At-Need Annuities – A Dynamic Long-Term Care Funding Duo
- International
 - Can Long-Term Care Protection in Other Developed Countries Provide Guidance for the United States?
- Ideas for the Future
 - Financing Future LTSS and Along Life through More Flexible 401(k)s and IRAs
 - The American Long-Term Care Insurance Program (ALTCIP)
 - Home Equity: A Strategic Resource for Long-Term Services and Supports
 - An Affordable Long-Term Care Solution Through Risk Sharing

How to Find SOA Research Reports and More Information

- All of the reports discussed are available on the Society of Actuaries website at:
 - <https://www.soa.org/research/topics/aging-ret-res-report-list/>
- For more information about SOA Research – contact SOA Research Actuary Steve Siegel at
 - 847-706-3578
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- For information about the Post-Retirement Needs and Risks Committee contact
 - Anna Rappaport, Chairman at anna@annarappaport.com or
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