

Allspring Global Investments' Annual Retirement Survey Finds "Retirement Readiness Disconnect"

Survey also reveals surprising trends on expected retirement age and the "unretiring" phenomenon

Charlotte, N.C., February 13, 2024—There is a disconnect between financial advisors and retirees and near-retirees on retirement readiness, as shown by the 21st annual Allspring Global Investments retirement survey. The survey, which for the first time included advisors, found that advisors' perceptions of their clients' retirement preparedness was far less than the retired or near-retired individuals themselves.

"Advisors believe investors know less than they think they do about Social Security, Medicare planning, and general financial planning," said Allspring's Head of Retirement Nate Miles. "Advisors have the experience and tools to help those in or nearing retirement get a clearer picture of what it will take to achieve financial security."

While more than two-thirds of retirees and near-retirees see themselves as ready for retirement, that number dropped among advisors, who see only 40% of their clients as ready for retirement. The disparity is significantly sharper when it comes to specific retirement topics. For example, when asked if they know enough about Social Security to be prepared for retirement, 44% of near-retirees and over 50% of retirees say they do. Only 11% of advisors agree. Similarly, one-third of near-retirees and nearly half of retirees say they know enough about Medicare planning. Only 8% of advisors think investors do.

"This report suggests investors are entering retirement less prepared than they think they are," said Ron Cohen, Allspring's Head of Defined Contribution Investment Only Distribution. "However, only about half of near-retirees have used a paid financial advisor to help plan their retirement journey."

This year's survey also showed several other interesting trends:

- Deciding when to retire is a highly personalized choice that depends on factors including financial resources, health, and job satisfaction. The average age of retirement among survey respondents was 62 years old, but the survey showed that retirees had mixed opinions and expectations of the right time to stop work:
 - 37% of retired respondents said they retired sooner than expected, while 6% said they retired later than expected.
 - 39% said they retired too late and wish they had more time to enjoy retirement.
- When it comes to reaching and maintaining financial security, advisors and investors are most worried about three things: inflation, investment performance, and retirement planning.
 - One notable step investors are taking for financial security is moving money to stable or fixed income investments—three-fourths of near-retirees and retirees moved money to these types of investments last year.

- Investment choice is important, and 52% of near-retirees prefer a menu of fund options as opposed to a professionally managed account or target date fund.
- A significant number of respondents decided to unretire, meaning they returned to work after they retired. Compared with other retirees, this group is older and less educated and had lower household income and total savings, as well as lower expected retirement income.
 - One in eight near-retirees are unretirees.
 - 83% of unretirees returned by choice, not necessity.
 - Two in five unretirees went back within the past year.

Concluding on a positive note, over the many years of our research, we measure continued satisfaction and confidence of retirees versus near-retirees as they transition from working to retiring and the fear of the unknown meets a positive reality. 69% of retirees said retirement is better than expected.

Complete 2023 retirement research results can be found here: [A Clear Vision of Retirement \(allspringglobal.com\)](https://www.allspringglobal.com).

About the survey

On behalf of Allspring Global Investments, Escalent conducted a survey between September 5 and September 28, 2023, among 1,515 adults who reside in the U.S. and are primary or joint household financial decision-makers. The survey analyzed attitudes and behaviors around planning their finances, saving, and investing for retirement. The sample consisted of 752 near-retirees (average age of 61), 763 retirees (average age of 70), and 320 advisors (with at least \$5 million in assets under management). Data are weighted where necessary by assets, age, gender, race/ethnicity, and region to bring them into line with their actual proportions in the population.

About Allspring

Allspring Global Investments™ is an independent asset management firm with more than \$580 billion in assets under advisement*, over 20 offices globally, and investment teams supported by more than 440 investment professionals. Allspring is committed to thoughtful investing, purposeful planning, and inspiring a new era of investing that pursues both financial returns and positive outcomes. For more information, please visit www.allspringglobal.com.

*As of December 31, 2023. Figures include discretionary and non-discretionary assets.

Allspring Global Investments™ is the trade name for the asset management firms of Allspring Global Investments Holdings, LLC, a holding company indirectly owned by certain private funds of GTCR LLC and Reverence Capital Partners, L.P. These firms include but are not limited to Allspring Global Investments, LLC, and Allspring Funds Management, LLC. Certain products managed by Allspring entities are distributed by Allspring Funds Distributor, LLC (a broker-dealer and Member FINRA/SIPC).

This material is for general informational and educational purposes only and is NOT intended to provide investment advice or a recommendation of any kind—including a recommendation for any specific investment, strategy, or plan.

Media contacts:

Allspring Global Investments
MELISSA MURPHY

+1-804-396-6440

melissa.murphy@allspringglobal.com

The Lowe Group

JODY LOWE

+1-414-322-9311

jody@lowecom.com

ALL--02062024-spolyend

© 2024 Allspring Global Investments Holdings, LLC. All rights reserved.