



2015 Couples Retirement Study Fact Sheet

Disconnects on Retirement Expectations, Social Security and Income

A FEW WORDS ABOUT THE STUDY

The 2015 Fidelity Investments Couples Retirement Study analyzes retirement expectations and preparedness among 1051 couples (2102 individuals). Respondents were required to be at least 25 years old, married or in a long-term committed relationship and living with their respective partner, and have a minimum household income of \$75,000 or at least \$100,000 in investable assets. This online, bi-annual study was launched in 2007 and is unique in that it tests agreement of both partners in a committed relationship on communication, as well as their knowledge of finances and retirement planning issues.

The study expanded on prior studies by including 154 Gen X couples (ages 35 to 46) and 301 Gen Y couples (ages 25 to 34), in addition to 596 retired and pre-retired couples (ages 47+). The 2015 study also included 106 couples who were not married, but who reported being in a long-term committed relationship. Fidelity Investments was not identified as the sponsor. GfK's Public Affairs & Corporate Communications division executed the study, which fielded in April 2015. Fidelity is not affiliated with GfK.

What the Study Found: Key Findings

While the majority of couples (72%) say they communicate exceptionally or very well, more than **four in 10** (43%) failed to correctly identify how much their partner makes – and of that, 10% got it wrong by \$25,000 or more. There were other important disconnects between couples including:

- 36% of couples disagreed on the amount of the household's investible assets.
- When asked how much they will need to save to maintain their current lifestyle in retirement, nearly half (48%) have "no idea" – and 47% are in disagreement about the amount needed.
- When asked to estimate their Social Security payout in retirement, 60% of couples either don't know or aren't sure. Even more disturbing: almost half (49%) of Boomers fall into this category.

The good news: the results strongly suggest planning for the future goes a long way to achieving greater peace of mind and alignment as a couple. By and large, couples with a detailed plan feel far better about their retirement prospects.

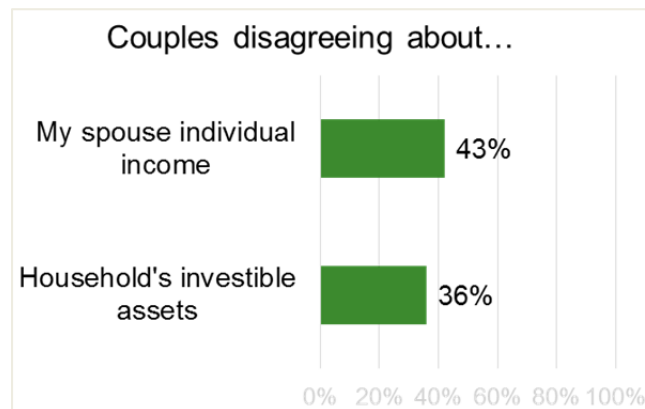
Study Reveals Disconnects Between Couples around Financial Fundamentals, Including Retirement Expectations and Income

Overwhelmingly, while couples think they communicate well...

- 72% feel they communicate exceptionally/very well, with 97% of couples in agreement on this measure.
- In addition, most (90%) agree that starting a conversation about topics such as household budgets, savings and investments, will and estate planning is not difficult.

...the research suggests otherwise. In fact, the study revealed a number of disconnects between couples regarding their concerns and plans for retirement:

- 4 in 10 (43%) don't agree on their partner's personal income and this disconnect is much higher than the last time this study was conducted, where 27% of couples surveyed disagreed; within this cohort of couples, 10% got the number wrong by \$25,000 or more.
- Over one-third of couples disagree on the amount of their household's total investible assets (36%).



- When asked how much they think they will need to save for retirement to maintain their current lifestyle nearly half (48%) have "no idea." In addition, nearly half (47%) are in disagreement on the amount needed and this level of disagreement is highest among those closest to retirement – the Baby Boomers (born 1946-64).
- When asked how much they expect to receive in monthly retirement income, more than half 52% also have "no idea" (up from 47% in 2013).
- When asked whether they know what their social security payment will be, 36% say no and an additional 24% are unsure, for a total of 60%. Although you may expect this response from younger generations, 49% of Boomers fall into this category.
- Couples who are not yet retired are also not on the same page when it comes to their expected lifestyle in retirement with 1 in 3 (33%) disagreeing on how comfortable their lifestyle will be (down from 38% in 2013).
- Half of couples surveyed disagree on their exact retirement age – a number that has risen since 2013 (43%).

- Most couples do agree their most important source of retirement income will be their employer sponsored retirement savings account (70%). However, this leaves 30% who disagree on this critical measure.

AMERICAN COUPLES WORRY MORE AND PLAN LESS

- When asked what their top unexpected financial concerns are in retirement, three-quarters of couples (74%) surveyed say they worry about being able to afford unexpected health care costs, up from 70% in 2013. And, more couples agree this year than in 2013 that this is a top concern (55% vs. 51%).
- The second highest unexpected financial concern in retirement mentioned by 51% of couples is outliving their retirement savings, up from 42% who mentioned it in 2013. After that, the next two most frequently mentioned concerns are inflation cutting into their savings (43%) and retirement income from social security being reduced (37%).
- Despite these concerns, only 2 in 10 (21%) couples have already developed a detailed retirement income plan to help ensure they don't outlive their savings or taken into account potential health care costs in their retirement savings strategy (22%). Of concern is the increase among couples surveyed this year who say they haven't even thought about a retirement plan yet (36%, up from 28% in 2013) or potential health care costs in retirement (37%, up from 30% in 2013).
 - Looking at these results by generation show that only 10% of Gen Y couples (born 1979 to 1990), 11% of Gen X couples (born 1965 to 1978) and 20% of Boomer couples have developed a retirement income plan.
 - Similarly only 11% of Gen Y couples, 13% of Gen X couples and 19% of Boomer couples have taken into account potential health care costs in retirement.

A SOLUTION: PLANNING FOR THE FUTURE CAN PROVIDE STRESS RELIEF

Results suggest couples who have taken time to develop a detailed retirement plan are more aligned and feel better prepared than those who have not. Couples who have a retirement plan in place are twice as likely to expect a "very comfortable" retirement. Other key differences include:

People who have a Retirement Plan in place are:	With	Without
Twice as likely to expect to live a "very comfortable" retirement	42%	18%
More likely to be "completely confident" in assuming full financial responsibility for retirement if needed	67%	42%
More likely to be "completely confident" in their partner's ability to assume full responsibility	63%	43%
Less likely to have "no idea" when it comes to how much they need in retirement	28%	54%
Less likely to be concerned with unexpected health care costs in retirement	68%	76%
Less likely to be concerned with outliving their retirement savings	33%	56%
More likely to know where legal documents are	86%	62%

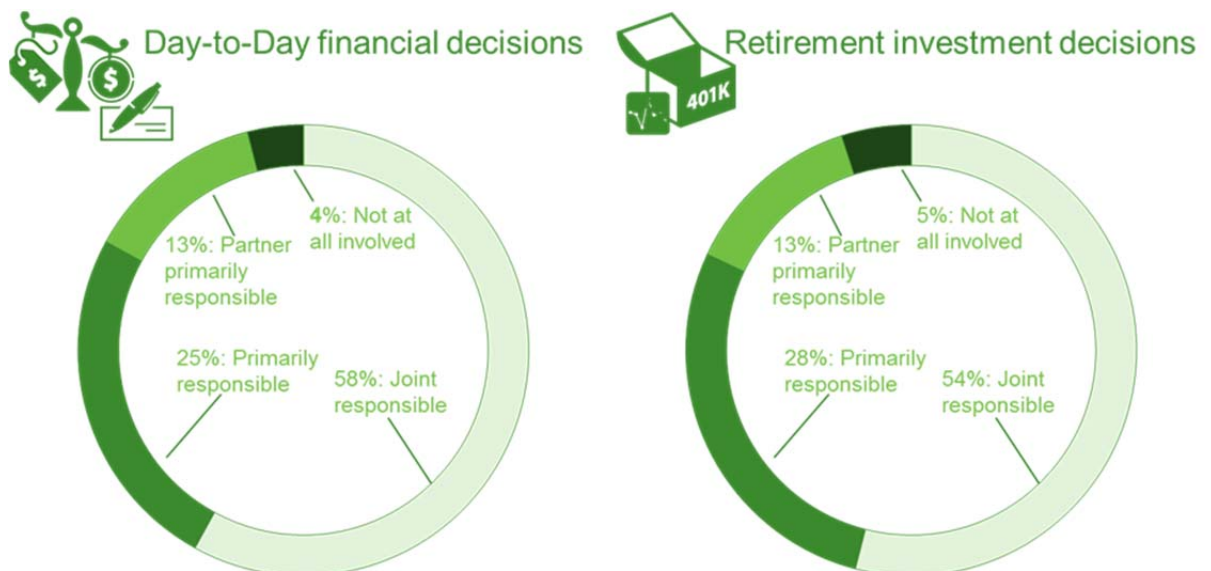
ADVICE TO NEWLYWEDS

- Couples were asked for their best piece of advice to newlyweds about handling their finances. The top two suggestions are to **save as early as possible for retirement** (57%) and to **make all financial decisions together** (41%).

Save as early as possible for retirement*	57%
Make all financial decisions together	41%
Make a budget and stick to it	39%
Make sure you have an emergency fund	38%
Don't hide expenditures	26%
Disclose income/debts/assets early	24%

FINANCIAL DECISION-MAKING AMONG COUPLES

- While the bulk of day-to-day financial decisions are made jointly (58%) – and many are in agreement – 3 in 10 couples agree that one partner takes a primary role.
- The same is true with investment decisions for their retirement savings (54%), but fewer this year agree about who takes the primary role (30% vs. 35% in 2013).
- The vast majority of couples where one partner is the primary decision maker believe their partner would not want to be more involved. However, a sizeable number of these couples disagree on this answer (one-third). Respondents might be underestimating the extent to which the less-involved spouse would like to be more involved.





AGREEMENT ON FINANCIAL ESSENTIALS: BENEFICIARIES AND IMPORTANT DOCUMENTS

- Most agree that their partner is each other's primary beneficiary for their life insurance, retirement or cash accounts. Agreement about this is higher this year than in 2013 for Life Insurance and Retirement accounts. Surprisingly, retirees (27%) and those approaching retirement (20%) are more likely to disagree about the beneficiary of their life insurance policies.
- One in five couples surveyed (20%) disagree about who knows where to find important legal and financial documents. The vast majority say they both know where all of their records are located (67%), while 26% say only they or only their partner knows where the documents are located.

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