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# Listening to Middle-Income Americans

## Series Part 1: Advice for Younger Generations

### Introduction

Bankers Life and Casualty Company Center for a Secure Retirement surveyed middle-income retirees on the realities of preparing for and enjoying life in retirement. A new multi-part report series, *Listening to Middle-Income Americans*, shares their experiences, knowledge and real-world advice.

We asked 300 middle-income retirees ages 55 to 75 a variety of open-ended questions about what they have learned during their retirement and what advice they would give to younger generations. This report, which is the first in the series, highlights four questions from the survey and summarizes retirees' most common responses.

#### **In This Report:**

#### **Four Q&As from Current Retirees**

1. What is the Most Important Piece of Advice About Life You Would Give to Younger Generations?
2. What Financial Advice Would You Give Younger Generations About Planning for Retirement?
3. What Retirement Topic Do You Wish You Knew More About?
4. What Has Been Your Biggest Financial Surprise About Being Retired?

### Methodology

The Bankers Life and Casualty Company Center for a Secure Retirement's survey series *Listening to Middle-Income Americans* was conducted in April 2012 by the independent research firm The Blackstone Group.

A nationwide sample of 300 retirees ages 55 to 75 who have an annual household income of between \$25,000 and \$75,000 participated in the Internet-based survey. Significant sub-sample differences were tested at the 95% confidence level.

## What is the Most Important Piece of Advice About Life You Would Give to Younger Generations?

Guidance on finances accounted for half (50%) of the recommendations from retirees to younger generations.

Save for the future was the top piece of life advice that retirees would pass along to today's young people, accounting for two-fifths (39%) of all responses. The second most common tip: Be happy, with retirees writing in "Enjoy every stage of your life", "Be happy at whatever it is you do" and "Laugh a lot!"

Other popular advice rounding out the top 10:

### 1. Save for the Future

*"Save for retirement, no matter how little money you think you have."*

*"Saving up for retirement is most important—even before children's education."*

*"No matter how much you think you should save—double or triple that."*

*"Save for your future at an early age—do not depend on the government to take care of you."*

*"Put enough funds into a retirement account to support you for about 30 years in retirement."*

### 2. Be Happy

*"Enjoy every stage of your life."*

*"Be happy at whatever it is you do."*

*"Look for happiness rather than wealth."*

### 3. Live Life to the Fullest

*"Stop and smell the roses occasionally. Life is short."*

*"Don't sweat the small stuff and enjoy each day like it's your last."*

*"Enjoy your youth while you can and realize that time slips by much too fast."*

### 4. Plan Ahead

*"Prepare for your retirement, not only for financial security, but also for fulfilling goals and interests."*

*"Give thought to your future as well as the present."*



### 5. Work Hard

*"Work hard and don't worry about what your friends and neighbors are getting paid."*

*"Set goals that will make you happy and work hard to achieve them."*

### 6. Do What You Love

*"Find a job that you enjoy so that you like to go to work every day."*

*"Find a passion and work at it as long as you can."*

### 7. Have Faith

*"Learn as much as you can about God's wonderful world."*

*"Let God be in control and always be thankful."*

### 8. Be Responsible for Your Life

*"Take care of your own life, for nobody else will do it as well as you."*

*"No one is responsible for your own happiness but you."*

### 9. Care for Others and Be Kind

*"Spend each day loving and laughing with those important to you."*

### 10. Have a Solid Education

*"Knowledge is power—expand your education as much as you can."*

*"Get a college degree and then pursue your dreams."*

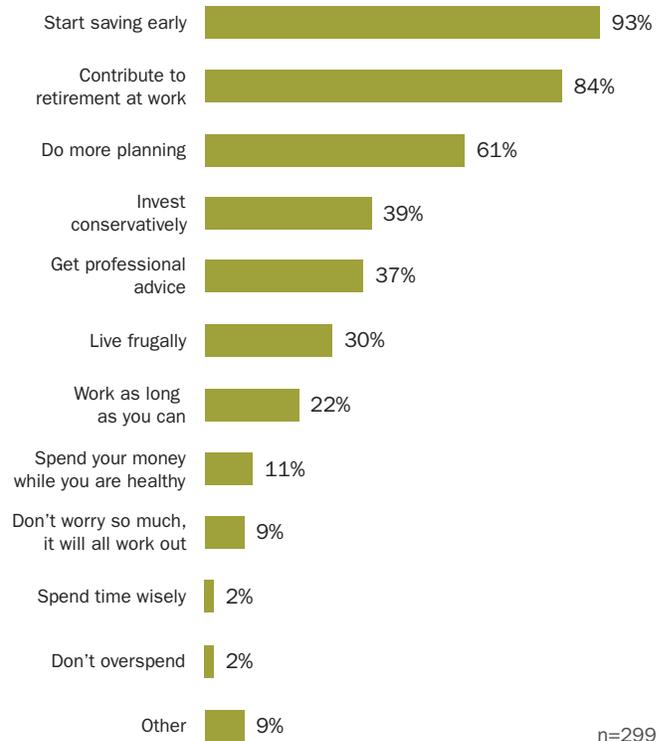


## What Financial Advice Would You Give Younger Generations About Planning for Retirement?

Start saving early is the top piece of financial advice (93%) that current retirees want to pass along to younger generations.

Retirees also urge younger Americans to contribute to retirement plans available at work (84%), do more planning (61%), invest conservatively (39%) and get professional advice (37%). One-third (30%) suggest living frugally and one in five middle-income retirees (22%) recommend to work as long as you can.

## Financial Advice for Younger Generations



Source: Bankers Life and Casualty Company Center for a Secure Retirement, *Listening to Middle-Income Americans*, 2012.

## What Retirement Topic Do You Wish You Knew More About?

When asked what retirement topics they wish they knew more about, “making your money last” ranked at the top of the list.

One in four (25%) are looking for investment information and for guidance on how to maximize returns on retirement savings. Comments such as “Making the most from savings with the least risk” and “Investments for the long term” were common trends voiced by middle-income retirees.

Common areas of interest for retirees are:

### 1. Investments/Maximizing Returns on Retirement Savings

*“Making the most from savings with the least risk.”*

*“Investments to make my retirement savings last as long as I do.”*

### 2. Health Insurance and Medicare

*“All the choices for when we turn 65, and which Medicare option we should take.”*

*“I need to learn more about Medicare and Social Security.”*

### 3. Travel

*“Travel deals for seniors.”*

### 4. Social Security

*“My Social Security benefits.”*

*“How the government is going to resolve the future of Social Security and Medicare.”*

### 5. Healthy Aging

*“How to maintain health and wellness as we age.”*

### 6. Healthcare

*“Quality healthcare delivery systems to use for receiving the top quality healthcare in my area.”*



### 7. Healthcare Costs

*“Affordable healthcare.”*

### 8. Volunteering

*“Volunteer opportunities.”*

### 9. Part-Time Jobs

*“Part-time work from home.”*

*“The job market for part-time employment. I’d like to work periodically to have some spare money.”*

### 10. Clubs and Activities

*“How to be connected with other people who are in retirement.”*

*“Clubs and activities for the newly retired.”*

## What Has Been Your Biggest Financial Surprise About Being Retired?

When asked what has been the biggest financial surprise about being retired, not having enough income tops the list.

Below are the top five most common realizations that respondents were surprised about when they retired:

### 1. Not Having Enough Income

*"Money doesn't go as far as expected."*

*"You don't realize how much less you are really making."*

*"Not having extra spending money."*

### 2. Adjusting to a Lower Income

*"That we could live on such a small budget and be happy."*

*"It requires discipline to stay on budget."*

*"You have to budget and think about what is important."*

### 3. High Cost of Healthcare

*"Healthcare costs! This includes doctors, medicines and hospitals."*

*"With advancing age, [I have] more medical co-payments."*

*"Price of healthcare has more than doubled."*

### 4. Increasing Prices

*"Things in general keep going up, but the income stays the same."*

*"Prices kept going up and the paycheck remained the same. Ouch."*

*"Everything goes up, except the monthly check."*

### 5. No Income Increase in the Future

*"Knowing you are on a fixed income without being able to get a raise or bonus."*

*"There are no raises! I retired four years ago and just got my first raise in Social Security."*

## About Us

Bankers Life and Casualty Company Center for a Secure Retirement is the company's research and consumer education program. Its studies and consumer awareness campaigns provide insight and practical advice for how everyday Americans can achieve financial security during retirement.

Established in 1879 in Chicago, Bankers Life and Casualty Company focuses on the insurance needs of the retirement market. The nationwide company, a subsidiary of CNO Financial Group, Inc., offers a broad portfolio of life and health insurance retirement products designed especially for Boomers and retirees.

## Learn More

Bankers has more than 5,000 licensed professional agents in over 250 offices across the United States. Bankers agents meet with thousands of Americans each week for initial retirement reviews at no cost to the clients. To learn more about Bankers Life and Casualty Company visit [bankers.com](http://bankers.com) or call 1-800-231-9150.

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