

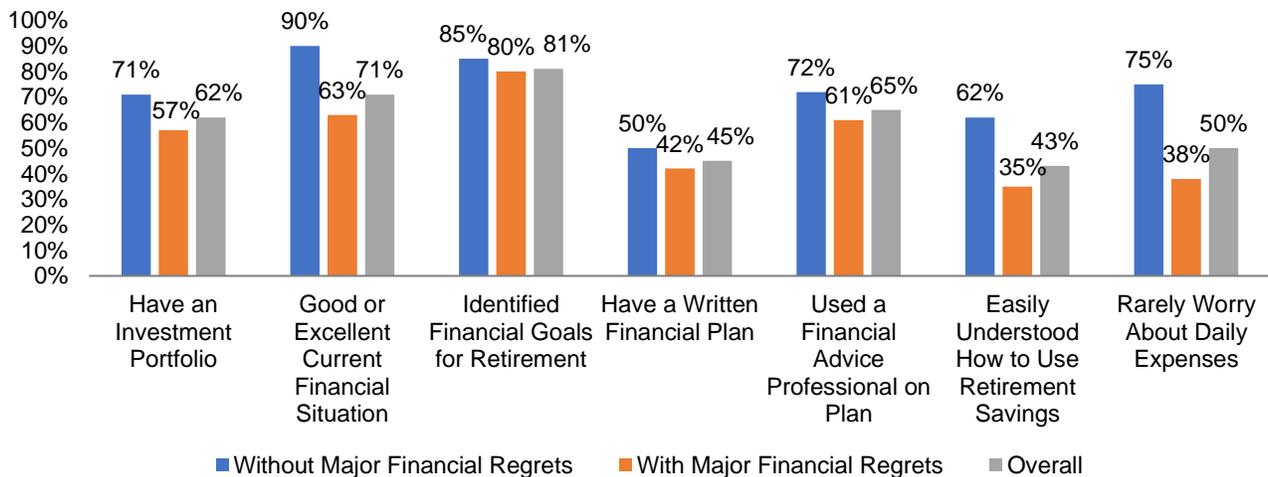
## The Secret Sauce to Retiring Without Financial Regret: Insights From the Retiree Reflections Survey

The “[Retiree Reflections](#)” study examined potential barriers to retirement goal setting and planning as well as regrets relative to past financial behavior among retirees with greater than \$50,000 in liquid financial assets. While many of the 1,109 retirees surveyed claimed they would change their past financial behavior to improve their current living situation and wished they started saving earlier for retirement, 1 in 3 retirees did not share these major financial regrets. In this *Fast Fact*, we examine the current characteristics of retirees without major financial regrets. In addition, we look at what retirees felt they did right in their financial preparation for retirement — in other words, we sought to understand the secret sauce to retirement without financial regret.

Retirees are flagged as not having major financial regrets based on a combination of two questions. Retirees who replied “No” to the question “Looking back over your working years, would you have changed anything about your financial habits to improve your current financial situation?” and replied “Neither Disagree nor Agree,” “Somewhat Disagree” or “Strongly Disagree” with the statement “I wish I started planning earlier for my retirement” are categorized as retirees without major financial regrets. Approximately 1 in 3 (32 percent) fall into this category.

There are some moderate differences in financial behaviors between retirees with major financial regrets and those without. On average, retirees *without* major financial regrets reported substantially higher liquid financial assets, with an average of \$711,000 (and a median of \$450,000) compared with an average of \$434,000 (with a median of \$226,000). Namely, we find that the largest differences in current experiences between retirees *without* major financial regrets and those *with* major regrets are the proportions of those who 1) worry about daily expenses, 2) are perceived to be in good or excellent financial condition, and 3) report an ease in understanding how to use their retirement savings.

### Comparing Characteristics of Retirees With No Major Financial Regrets



Relative to more general demographics, the more notable differences between those with regrets and those without were related to higher education and health status. Specifically, 58 percent of retirees without major regrets reported having a college degree or higher as compared with 48 percent of retirees with major financial regrets. Similarly, 58 percent of retirees without regrets rated their health as a seven or higher as opposed to 44 percent among retirees with major financial regrets.

In an open-ended format, we asked all retirees, whether they had major financial regrets or not, what they felt was the one thing they did right in their financial preparation for retirement. Half of retirees (50 percent) reported saving or investing as the one thing they did right to prepare financially for retirement. In these open-ended responses about saving, many retirees explicitly highlighted maximizing contributions in an employer-sponsored or individual retirement account. Other top-of-mind positive financial decisions included working with an advisor, spending frugally, paying off debt, and housing choice.

## Conclusion

The secret sauce to a retirement without major financial regrets comes as no surprise: It involves sufficient savings, confidence in understanding how to use those savings in retirement, and facility in managing daily expenses. These findings are consistent with those of other sources. The [Retirement Confidence Survey](#) finds that more confident retirees are characterized by having greater household savings/investment, saved for retirement, a defined contribution or defined benefit plan, greater household income, and no debt problem. Likewise, EBRI's [Spending in Retirement Survey](#) finds that by far the most satisfied retirees were those with high income, high assets, and no debt problem (excellent health and having a partner in retirement also factored in). Clearly, achieving such goals around financial stability are not possible *at* retirement. So, the real secret sauce to retirement satisfaction is planning well ahead of one's anticipated retirement date.

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