

At a Glance | May 16, 2019

A Look at the Spending Patterns of Current Retirees

RETIRED HOUSEHOLD SPENDING

Single, retired households had higher spending-to-income ratios than retired couple households. Not surprisingly, for both groups, the amount of slack that households had in their budget increased by wealth quartile.

Median Spending-to-Income Ratios of Retired Households

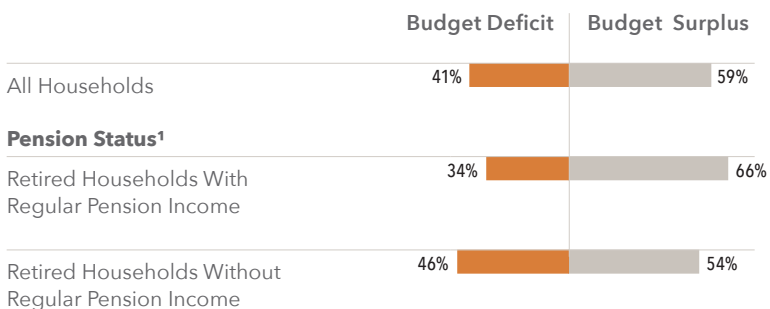
By Marital Status

	Single, retired	Couple, both retired
Retired Households	112%	86%
Pension Status¹		
Without Regular Pension Income	89%	77%
With Regular Pension Income	57%	74%
Wealth Quartile		
Lowest Quartile	123%	71%
Second Quartile	90%	79%
Third Quartile	100%	50%
Top Quartile	65%	58%

DEFICIT OR SURPLUS?

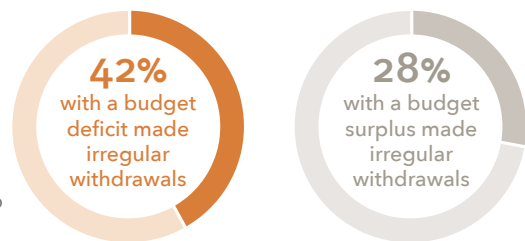
59 percent of retired households experienced a surplus in their budget, while 41 percent ran a deficit. Retirees with no regular pension income were more likely to run a deficit.²

Percentage of Households With a Budget Deficit vs. Budget Surplus



Irregular Pension/IRA Withdrawals

Respondents with a Pension/IRA were asked whether they made irregular withdrawals (any infrequent distribution from plans/accounts as opposed to a regular stream of income).



SOURCE: Zahra Ebrahimi. "Spending Patterns of Older Households," *EBRI Issue Brief*, no. 480 (Employee Benefit Research Institute, May 2, 2019).

Health and Retirement Study, public use dataset. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI (2014, 2015).

1. Pension income is the sum of all pension and annuity payments. This includes income from defined benefit pensions and annuities as well as income from other retirement savings such as 401(k) plans and individual retirement accounts (IRAs).

2. Deficit (surplus) refers to when spending is more (less) than income as defined in the HRS. Data is from the Health and Retirement Study (2014 Core, CAMS 2015), public use dataset. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI (2014, 2015).