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New York, NY – When deciding when to retire, their financial well-being was among the most important factors (68%), more so than their health (53%) or their age (42%), according to a new survey of over 500 octogenarians conducted by Ipsos Public Affairs on behalf of New York Life. On average, these older adults retired at age 64, with over half (61%) reporting that they retired while in their 60s. Just 18% retired before turning 60, while nearly a quarter (22%) waited until they were in their 70s or 80s to retire.

Nearly three quarters (72%) of respondents agree that the earliest years of their retirement were some of the best years. Likewise, nearly half (49%) say that their best and happiest year of retirement as within five years of retiring, including 24% who say that the very first year was their favorite. Another quarter (23%) say that their best year was six to ten years after retiring, while 29% say that their best year was over 10 years after they stopped working. On average, respondents say that their 9th year was the best, though attitudes vary depending on how old they were when they retired. Those who retired before age 65 say their best year came later – 10.5 years into retirement – while those who retired at age 65 or older say that their best year was 6.6 years into retirement, on average. Similarly, when factoring in their retirement age, octogenarians' best year of retirement came at age 73, on average.

Being able to live an active lifestyle (52%) and travel (52%) are among the top reasons for selecting this as their best year of retirement, followed by being able to spend time with family (46%) and having the income that they needed (41%).

Others celebrated a milestone, such as the birth of a grandchild or a wedding (14%), while 22% mention some other reason for conspiring this their happiest year.

Being Financially Prepared for Retirement

Before they retired, these octogenarians were using a variety of vehicles to save for retirement, with money market accounts or CDs (73%), managed investment accounts (62%), and permanent life insurance (58%) among the most common. Roughly half report that they had a direct deposit into a 401K or 403B (50%), investment annuity (such as a variable annuity, which allows you to invest some of your savings in various investment options, and guarantees income payments in retirement, 48%), an income annuity (which allows you to convert part of your savings into a stream of guaranteed lifetime income payments that you receive in retirement, 48%), or a mortgage (46%). Just over a quarter (26%) used an automatic college savings plan to help achieve their financial goals.

Majorities who have each of these savings vehicles are confident that these will help them achieve their financial goals, particularly when it comes to savings such as money market accounts or CDs (77% are very/somewhat confident), and managed investment accounts (77%) – also the most commonly used savings vehicles. Before they retired, two thirds of those with permanent life insurance (66%) had confidence that this vehicle would help them reach their financial goals, while nearly as many say the same of direct deposits to a 401K/403B (60%), their mortgage (59%), income annuities (56%) and investment annuities (56%). The one exception here is automatic college savings plan, with just 19% of those who have this type of account believing that it will help them to achieve their financial goals.

Now that they are retired, the most prevalent savings vehicles and sources of income are Social Security (90%), savings accounts (57%), traditional pensions (55%), and permanent life insurance (46%). About three in ten have an investment account that they actively manage (34%), income annuities (29%), or investment annuities (28%), while fewer say that they have a 401K/403B account (22%) or a mortgage (23%), and 8% say that they do not have any of these.

Among those who have these accounts, roughly two thirds say that each has served them well (though slightly fewer feel this way about their mortgage (60%) or their permanent life insurance (57%). Further, many who do not have these vehicles in retirement wish they had them, particularly when it comes to a traditional pension (45%). Roughly a third wish they had income annuities (36%), a 401K/403B (35%), an investment account that they actively manage (35%), investment annuities (34%), a savings account (33%), or permanent life insurance (30%). Less than one in five would like to have Social Security (13%) or a mortgage (17%).

With many of these octogenarians benefiting from pension-like income in retirement, nearly nine in ten (88%) would advise younger generations to recreate this type of income when they retire. Further, a majority (52%) also feel that their auto-pilot income sources have given them greater peace of mind than accounts that they would need to actively manage themselves.

Despite these efforts to prepare financially for retirement, many have faced some surprises. Three in ten (30%) say that they had to dip into their retirement savings for unexpected expenses, such as health issues, or to assist family members. More women than men (34% vs. 23%) report that they have had to use retirement savings for these reasons. Also, over half (54%) say that when they were planning for retirement, they were not expecting to live as long as they have.

These are findings from an Ipsos poll conducted on behalf of New York Life, fielded October 2nd – 8th, 2015. For the survey, a sample of 514 US adults ages 80 and older was interviewed online. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll has a credibility interval of plus or minus 4.9 percentage points for all *respondents. The data were weighted to the U.S. current population data by gender, age and region based on Census data. Statistical margins of error are not applicable to online polls. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error and measurement error. Where figures do not sum to 100, this is due to the effects of rounding.*

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