AI-04709 Retirement Research Report Synthesis

Summarize and extract information. List 22 helpful retiree guidelines. List 22 things to avoid.

1. Calculate sustainable retirement spending.
2. Build a complete retirement expense inventory.
3. Calculate all retirement income sources.
4. Determine the income-versus-expense gap.
5. Classify income as reliable or market-dependent.
6. Determine how much portfolio income is required.
7. Model inflation over the retirement horizon.
8. Stress-test the plan against a prolonged market downturn.
9. Create a market-crash response plan.
10. Map all retirement account types.
11. Design a tax-efficient withdrawal sequence.
12. Project retirement tax liabilities.
13. Identify tax-saving opportunities.
14. Estimate annual health care costs.
15. Build a long-term-care funding plan.
16. Establish an intentional spending policy.
17. Identify and address unnecessary spending anxiety.
18. Create a retirement purpose and activity plan.
19. Plan for changing spouse needs.
20. Calculate survivor-income requirements.
21. Define lifetime spending and legacy objectives.
22. Review and update the retirement plan regularly.

Retirement Study Summary & Practical Guidelines

Source Reviewed

EXT-1127 — *Key Insights from the 2026 Annual Retirement Study*
Published by the **Allianz Center for the Future of Retirement®**, the study was conducted in January 2026 using a nationally representative sample of 1,000 individuals age 25 and older who met specified income or investable-asset criteria.

> **Central message:** Retirement security requires more than accumulating money. Retirees need a written strategy for converting assets into sustainable income while managing inflation, market volatility, taxes, health care, longevity, and changing personal circumstances.

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1. Executive Summary

The study identifies a significant gap between **having retirement accounts** and **having an actual retirement plan**.

The major findings

- **48%** of Americans do not have a written financial plan.
- **58%** believe simply having a retirement account may be enough.

- **56%** do not know what else they should be doing beyond contributing to retirement accounts.
- **63%** say competing financial goals make it difficult to prioritize retirement.
- **67%** worry more about running out of money than dying.
- **82%** recognize that inflation could cause the cost of goods and services to at least double during a 30-year retirement.
- **61%** do not know what their health care costs will be in retirement or how they will pay for them.
- **61%** are unsure how their retirement taxes will compare with their current taxes.
- **42%** of retirees retired earlier than expected.
- **77%** say guaranteed income would reduce anxiety about spending.
- **74%** would prefer protection against major losses, even if it means accepting smaller gains.
- **56%** would rather leave a financial legacy to loved ones or causes than spend their savings down entirely.

The study's fundamental distinction

Saving for retirement	Planning for retirement
Accumulates assets	Converts assets into an income strategy
Focuses on account balances	Focuses on sustainable spending
Measures contributions and growth	Accounts for taxes, inflation, longevity, and risk
Answers: “How much have I saved?”	Answers: “How can I use this money confidently for life?”

The report explicitly emphasizes that saving and retirement planning are not the same thing.

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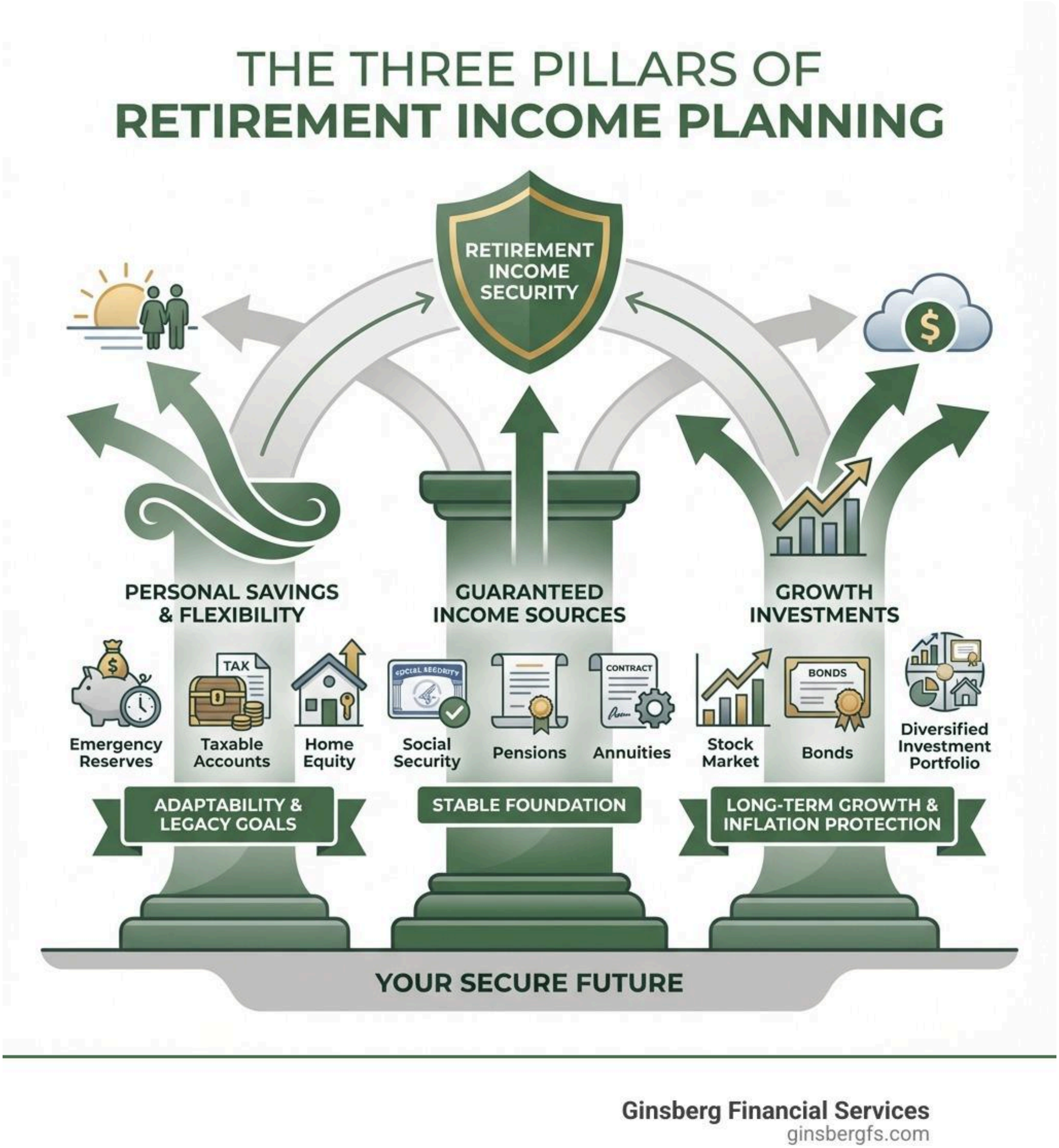
2. The Five Retirement Risks to Manage

The study repeatedly points toward five interconnected risks:



Risk	What it means
Longevity risk	Living longer than your money lasts
Inflation risk	Your purchasing power declines over time
Market risk	A major decline damages assets you need for income
Health care risk	Medical and long-term-care costs exceed expectations

Tax risk	Future tax obligations reduce usable retirement income

The study also highlights **early retirement, family responsibilities, divorce, debt, and unexpected life changes** as factors that can disrupt an otherwise reasonable plan.

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3. Twenty-Two Helpful Guidelines for Retirees

These guidelines are practical recommendations derived from the study's findings. They are not presented as a literal checklist in the source.

A. Build a Retirement Strategy

1. Create a written retirement plan

Do not rely on account balances, memory, or general confidence. Document income, spending, investments, taxes, health care, contingencies, and legacy objectives.

Why: Nearly half of Americans lack a written financial plan, and many do not know what steps follow retirement-account contributions.

2. Convert assets into an income plan

Determine how savings, pensions, Social Security, investments, and other resources will support monthly spending.

Key question: *How much can I sustainably withdraw, from which accounts, and in what order?*

The report emphasizes converting accumulated assets into a sustainable, tax-efficient income stream.

3. Establish a realistic retirement budget

Estimate actual spending rather than assuming retirement automatically means spending much less.

Include:

- Housing
- Utilities
- Food
- Transportation
- Travel and hobbies
- Insurance
- Health care
- Family support
- Taxes
- Irregular expenses

The study warns that workers often underestimate retirement spending compared with what retirees report actually spending.

4. Separate essential expenses from discretionary spending

Identify the costs that must be covered regardless of market conditions and those that can be adjusted.

This creates flexibility during market declines or unexpected expenses.

5. Stress-test the plan

Model adverse scenarios such as:

- A major market decline
- Higher-than-expected inflation
- Increased medical expenses
- Early retirement
- Longer life expectancy
- Loss of a spouse's income
- Major family support obligations

The report specifically recommends considering a "forced early retirement" scenario.

B. Protect Income and Purchasing Power

6. Plan for a long retirement

Do not build a plan that works only if you live to an average age.

Consider the financial implications of living into your 80s, 90s, or beyond.

Why: Outliving savings is the leading emotional concern identified in the study.

7. Account for inflation explicitly

Project future expenses rather than using only today's dollars.

For example, if inflation averages 2.5%, prices would approximately double over 29 years. The study's broader point is that inflation can substantially erode purchasing power over a long retirement.

8. Maintain an appropriate liquidity reserve

Keep accessible funds for emergencies and near-term spending so that you are not forced to sell long-term investments during unfavorable market conditions.

The study supports the broader principle of building flexibility and managing uncertainty, although it does not prescribe a specific cash-reserve amount.

9. Establish a predetermined market-response protocol

Decide in advance what you will do during a market decline.

For example:

- How much income will come from cash or stable assets?
- When will portfolio withdrawals be reduced?
- What allocation changes, if any, are permitted?
- What conditions justify rebalancing?

The study specifically recommends creating market-response rules **before** the next correction, not during it.

10. Balance growth with protection

Do not treat retirement investing as an all-or-nothing choice between maximum growth and complete safety.

Match risk to:

- Time horizon
- Spending needs
- Other income sources
- Ability to tolerate losses

- Required liquidity

The study finds that many Americans want consistency, protection, and predictability rather than simply chasing higher returns.

11. Build reliable income for essential expenses

Evaluate dependable income sources and determine which expenses they can cover.

Possible sources may include Social Security, pensions, annuity income, and carefully managed portfolio withdrawals.

Important: The study discusses guaranteed-income products, but it does not establish that any particular product is appropriate for every retiree.

12. Review Social Security as part of the complete plan

Understand how Social Security fits into your income strategy, including claiming decisions, spouse benefits, survivor considerations, and the consequences of delaying or claiming earlier.

The study identifies Social Security as an area where many Americans lack clarity.

C. Manage Taxes and Health Care

13. Develop a retirement tax strategy

Estimate how withdrawals from different account types affect taxable income.

Consider the interaction of:

- Traditional retirement accounts
- Roth accounts
- Taxable investments
- Social Security
- Required distributions
- Capital gains
- State and federal taxes

The study reports that 61% are unsure how retirement taxes will compare with their current situation.

14. Avoid treating tax planning as an annual afterthought

Review the tax implications of withdrawals and conversions before year-end, rather than simply reacting when filing taxes.

The report identifies effective tax planning as important to maximizing funds available during retirement.

15. Estimate health care costs before they occur

Build a health care budget that includes premiums, deductibles, prescriptions, dental, vision, out-of-pocket expenses, and potential care needs.

Why: 61% of Americans surveyed do not know what their health care costs will be in retirement or how they will pay for them.

16. Understand Medicare instead of assuming it covers everything

Learn the rules for enrollment, premiums, coverage limitations, prescription coverage, supplemental coverage, and long-term care.

The study highlights widespread misconceptions, including the beliefs that Medicare is free for everyone, covers all health care costs, or covers long-term care.

17. Plan for long-term care

Consider how extended care could be funded without destabilizing the retirement plan.

Possible approaches may include dedicated savings, insurance, family planning, or other resources. The appropriate solution depends on individual circumstances.

The study identifies long-term-care affordability as a major retirement concern.

D. Design a Sustainable Life

18. Give yourself permission to spend intentionally

Retirement savings are not merely a scorecard. They are resources intended to support life.

Spend on things that genuinely matter while maintaining a sustainable plan.

The study reports that 32% of retirees felt uncomfortable drawing down assets after spending decades accumulating them.

19. Create a gradual transition when practical

Retirement does not necessarily need to be a single abrupt stop.

Consider phased retirement, part-time work, consulting, volunteering, or a gradual reduction in responsibilities where appropriate.

The study finds that 52% think of retirement as a slow transition away from full-time work.

20. Plan for purpose, relationships, and activities

Financial security is only one component of a satisfying retirement.

Make room for:

- Hobbies
- Exercise
- Family and friends
- Learning
- Travel or adventure
- Community involvement
- Creative projects
- Meaningful service

These are among the study's leading retirement aspirations.

21. Discuss family, spouse, and legacy objectives

Retirement decisions affect more than one person.

Discuss:

- Survivor income
- Beneficiaries
- Estate documents
- Family support
- Inheritance expectations
- Charitable giving
- Housing decisions

- What “enough” means for the household

The study reports that 56% would prefer to leave a financial legacy rather than spend their savings entirely.

22. Review and adapt the plan regularly

A retirement plan should change when life changes.

Review it after:

- Major market movements
- Changes in health
- A spouse's death
- A move
- Significant tax changes
- Changes in spending
- Family emergencies
- Changes in income

The study's overall conclusion is that retirement requires strategies that adapt to uncertainty rather than pretending uncertainty can be eliminated.

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4. Twenty-Two Things to Avoid in Retirement

These are practical **“do not” rules** based on the risks and behavioral problems highlighted in the report. They are not direct quotations or a literal list from Allianz.

A. Avoid Planning Mistakes

#	Avoid this	Why it matters
1	**Assuming a retirement account is a complete retirement plan**	An account balance does not tell you how to generate sustainable income.
2	**Retiring without a written income strategy**	Uncertainty can lead to inconsistent or fear-driven decisions.
3	**Using an unrealistic spending estimate**	Underestimating retirement expenses can cause assets to deplete faster than expected.
4	**Ignoring longevity risk**	A plan that works for 15 years may fail over 30 years or more.
5	**Assuming retirement will happen on your preferred schedule**	Health problems, job loss, or other circumstances can force early retirement.

The study directly addresses the distinction between saving and planning, underestimated spending, and earlier-than-expected retirement.

B. Avoid Investment and Withdrawal Mistakes

#	Avoid this	Why it matters

6	**Panic-selling during a market decline**	Selling in fear can turn temporary losses into permanent ones.
7	**Making market decisions without predetermined rules**	Emotional decisions are more likely during market stress.
8	**Keeping nearly all retirement savings exposed to one type of risk**	Excessive concentration can make the income plan vulnerable.
9	**Chasing maximum returns without considering withdrawals**	Retirement investing must account for the need to use the money.
10	**Assuming every guaranteed-income product is automatically suitable**	Guarantees, costs, liquidity, features, and insurer strength must be evaluated.
11	**Withdrawing without considering taxes or account sequencing**	The amount withdrawn is not necessarily the amount available to spend after tax.
12	**Refusing to spend anything despite having a sustainable plan**	Excessive reluctance can prevent retirees from enjoying resources they intentionally accumulated.

The study reports that 34% typically withdraw investments to avoid further losses during significant market drops, while 39% of retirees are reluctant to spend to preserve account balances. It also highlights demand for protection and guaranteed income.

C. Avoid Tax and Health Care Blind Spots

#	Avoid this	Why it matters
13	**Ignoring inflation in long-term projections**	Fixed amounts buy less as prices rise.
14	**Assuming future taxes will resemble today's taxes**	Tax rates, income sources, and withdrawal patterns can change.
15	**Waiting until tax filing to think about tax strategy**	Some opportunities require decisions before the tax year ends.
16	**Assuming Medicare pays for everything**	Medicare has coverage limitations, premiums, deductibles, and exclusions.
17	**Assuming Medicare automatically covers long-term care**	The study specifically identifies this as a misconception.
18	**Ignoring health care inflation and out-of-pocket costs**	Medical expenses can materially change retirement spending.

The study identifies tax uncertainty and widespread Medicare misunderstandings as significant planning gaps.

D. Avoid Lifestyle and Relationship Mistakes

#	Avoid this	Why it matters

19	**Retiring with no plan for purpose or structure**	Leaving work creates time that needs meaningful direction.
20	**Allowing fear to eliminate every enjoyable expense**	Retirement is intended to support a meaningful life, not merely preserve a balance.
21	**Failing to discuss money, care, and legacy with your spouse or family**	Unspoken expectations can create financial and emotional disruption.
22	**Treating the retirement plan as permanent and never reviewing it**	Spending, health, markets, taxes, and family circumstances change.

The report presents retirement as a new beginning involving hobbies, relationships, adventure, community, and legacy—not simply the end of employment. It also emphasizes that unexpected circumstances can disrupt retirement strategies.

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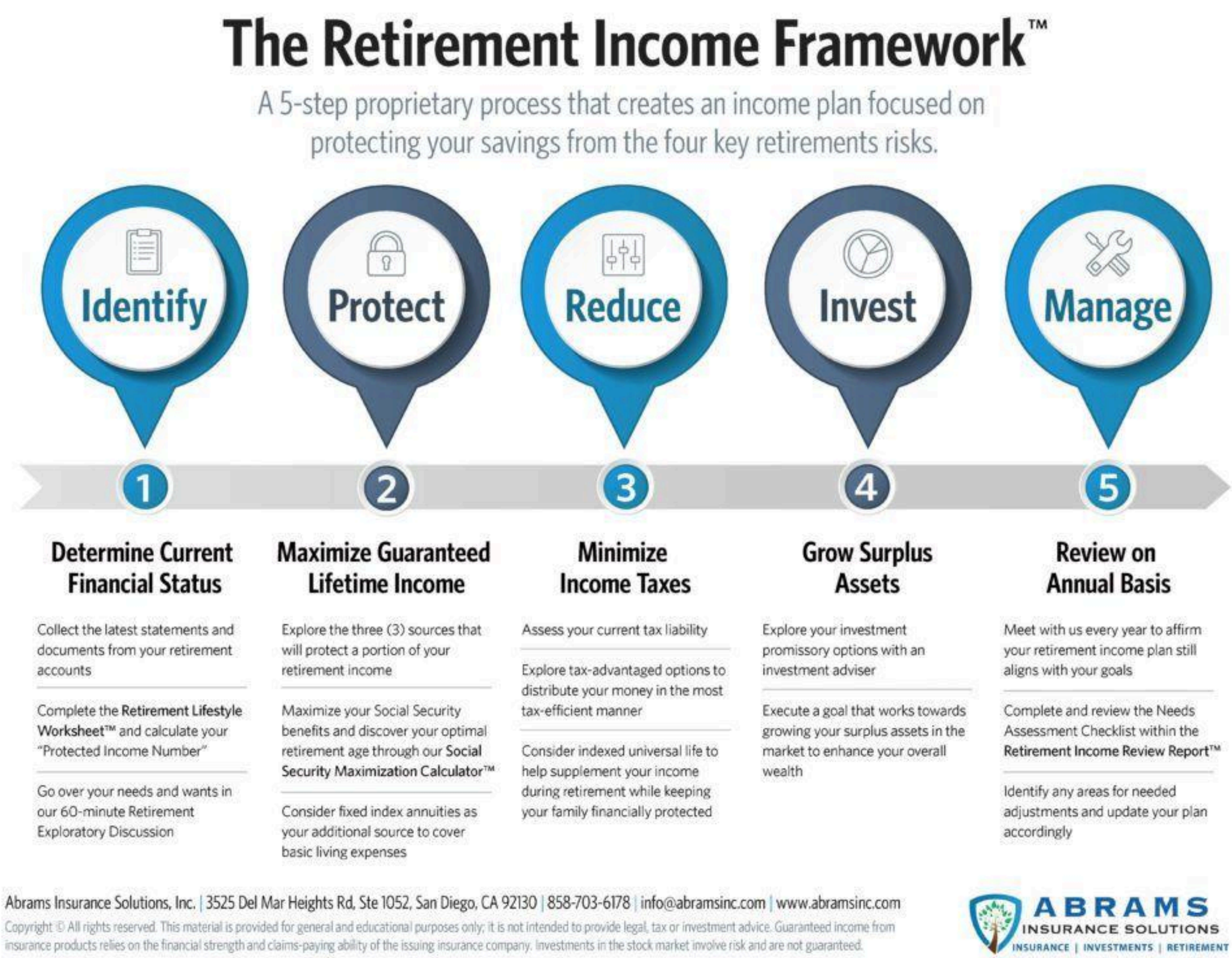
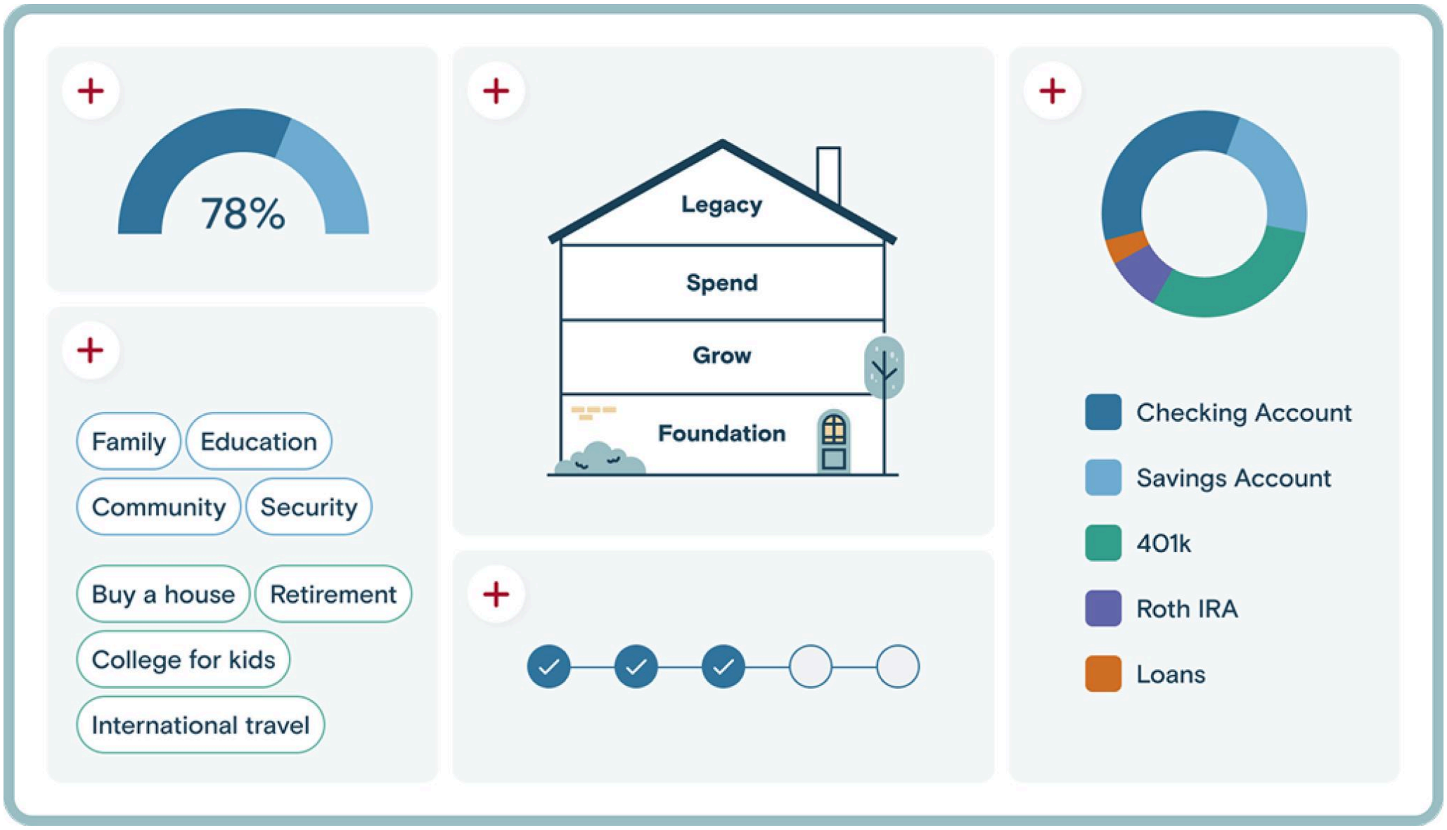
5. The Retiree's Operating System

A useful way to convert the study into a practical framework is:





RETIREMENT SECURITY =

Income Plan

\+ **Spending Discipline**

\+ **Risk Management**

\+ **Tax Strategy**

\+ **Health Care Planning**

\+ **Purpose and Relationships**

Or, more practically:

> **Know what you need. Know where the money comes from. Know what can go wrong. Decide what you will do before it happens. Then live the life the plan was designed to support.**

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6. Most Important Takeaways for an Already-Retired Person

If you are already retired, the most relevant lessons are not necessarily "save more." They are:

1. **Can your current spending be sustained for the rest of your life?**
2. **Do you know how much income is reliable versus market-dependent?**
3. **Have you modeled inflation and a prolonged market downturn?**
4. **Do you have a tax-efficient withdrawal strategy?**
5. **Are health care and long-term-care costs explicitly included?**
6. **Do you have rules for what happens during a market crash?**
7. **Are you spending intentionally—or simply afraid to spend?**
8. **Have you planned for a spouse's changing needs or loss of income?**
9. **Does your retirement have purpose beyond avoiding work?**
10. **Does your plan support both your lifetime and any legacy you want to leave?**

Bottom Line

The report's strongest lesson is that **retirement security is not achieved merely by accumulating a large portfolio**. It comes from building a system that turns assets into sustainable income, protects against major risks, adapts to unexpected changes, and gives you the confidence to use your resources meaningfully.

The goal is not simply to avoid running out of money. It is to avoid running out of life while protecting the money needed to live it.

22 Retirement Tasks

A practical task list derived from the ten retirement-planning questions. The original questions have been expanded into specific, actionable activities.

A. Spending & Sustainability

1. Calculate your sustainable retirement spending

Review current monthly and annual expenses, then determine whether your spending can be maintained for the rest of your life.

Deliverable: A sustainable annual spending target.

2. Build a complete retirement expense inventory

List essential, discretionary, annual, irregular, and unexpected expenses.

Deliverable: A comprehensive retirement budget.

3. Calculate your retirement income sources

Identify every source of income, including Social Security, pensions, investment withdrawals, rental income, and other cash flow.

Deliverable: A monthly and annual income schedule.

4. Calculate your income-versus-expense gap

Compare reliable income and expected portfolio withdrawals against total spending.

Deliverable: A funding gap or surplus calculation.

B. Income & Investment Risk

5. Classify income as reliable or market-dependent

Separate income into categories such as:

- **Reliable:** Social Security, pensions, contractual income
- **Market-dependent:** Stock sales, ETF withdrawals, variable investment income

Deliverable: An income-reliability map.

6. Determine how much portfolio income is required

Calculate the portion of annual spending that must come from investments after reliable income is included.

Deliverable: Required annual portfolio withdrawal.

7. Model inflation over your retirement horizon

Project how essential expenses may increase over 10, 20, and 30 years.

Deliverable: Inflation-adjusted spending projections.

8. Stress-test a prolonged market downturn

Model the effect of a major market decline, weak returns, and continued withdrawals.

Deliverable: A downside retirement scenario.

9. Create a market-crash response plan

Establish rules for withdrawals, spending adjustments, rebalancing, and the use of cash or stable assets during a downturn.

Deliverable: A written market-crash protocol.

C. Taxes & Health Care

10. Map all retirement account types

List traditional, Roth, taxable, cash, and other investment accounts, including balances and ownership.

Deliverable: A complete account inventory.

11. Design a tax-efficient withdrawal sequence

Determine which accounts to draw from, when, and in what order to manage lifetime taxes.

Deliverable: A preliminary withdrawal-sequencing strategy.

12. Project retirement taxes

Estimate taxes under different withdrawal levels and income scenarios.

Deliverable: A multi-year retirement tax projection.

13. Review tax-saving opportunities

Evaluate whether strategies such as Roth conversions, tax-loss harvesting, charitable giving, or other applicable methods may improve the plan.

Deliverable: A list of potential tax-planning actions to discuss with a qualified professional.

14. Estimate annual health care costs

Calculate premiums, deductibles, prescriptions, dental, vision, and out-of-pocket expenses.

Deliverable: A realistic annual health care budget.

15. Build a long-term-care funding plan

Evaluate how extended care could be funded and how those costs might affect the retirement portfolio.

Deliverable: A long-term-care contingency plan.

D. Spending Behavior & Lifestyle

16. Establish an intentional spending policy

Define how much you can spend on necessities, enjoyment, travel, hobbies, and other priorities without undermining long-term sustainability.

Deliverable: A personal retirement spending policy.

17. Identify and address unnecessary spending anxiety

Review whether reluctance to spend is based on a genuine financial risk or simply fear of reducing account balances.

Deliverable: A list of spending decisions you can make with confidence.

18. Create a retirement purpose and activity plan

Identify meaningful activities, interests, relationships, learning, fitness, service, and personal projects.

Deliverable: A weekly or monthly retirement lifestyle plan.

E. Family, Continuity & Legacy

19. Plan for changing spouse needs

Review how retirement income, expenses, housing, health care, and responsibilities may change if one spouse becomes ill, requires care, or dies.

Deliverable: A spouse-contingency plan.

20. Calculate survivor-income requirements

Determine what income would remain after the death of either spouse and whether the surviving spouse could maintain essential expenses.

Deliverable: A survivor-income analysis.

21. Define your lifetime and legacy objectives

Clarify how much you want to spend during your lifetime, what you want to preserve, and what you want to leave to family or charitable causes.

Deliverable: A lifetime-spending and legacy statement.

22. Review and update the retirement plan

Schedule regular reviews of spending, income, investments, taxes, health care, spouse needs, and legacy goals.

Deliverable: An annual retirement-plan review checklist.

The 22-Task Retirement Framework

#	Task	Primary question answered
1	Calculate sustainable spending	Can spending last?
2	Build expense inventory	What does retirement actually cost?
3	Calculate income sources	Where does money come from?
4	Calculate income gap	Is funding sufficient?
5	Classify income reliability	What income can I depend on?
6	Determine portfolio income required	How much must investments provide?

7	Model inflation	What will future spending cost?
8	Stress-test market downturn	What if markets perform poorly?
9	Create crash response plan	What will I do during a crash?
10	Map account types	Where are my assets?
11	Design withdrawal sequence	How do I withdraw tax-efficiently?
12	Project retirement taxes	What will I owe?
13	Review tax opportunities	Can taxes be managed more efficiently?
14	Estimate health care costs	What will medical care cost?
15	Plan long-term care	How will extended care be funded?
16	Establish spending policy	How should I spend?
17	Address spending anxiety	Am I afraid to use my money?
18	Create purpose/activity plan	What makes retirement meaningful?
19	Plan for spouse needs	What if circumstances change?
20	Calculate survivor income	Can one spouse remain financially secure?
21	Define lifetime/legacy goals	What is the money ultimately for?
22	Review and update plan	How does the plan adapt?

Bottom line: These 22 tasks turn retirement from a collection of financial questions into an operating system: **measure → model → decide → protect → spend → review.**

1. Calculate sustainable retirement spending.
2. Build a complete retirement expense inventory.
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