

Investors Focused on What They Can Spend Each Year in Retirement, According to Dimensional's 2017 Global Investor Feedback Survey

- When planning for or in retirement, investors say how much they will be able to spend each year is the most valued information vs. the size of their nest egg.
- Investors' top worries are not having enough money to live comfortably in retirement and experiencing significant investment losses in a market downturn.
- Investment management and retirement planning are identified as most important advisor services across all age groups.

AUSTIN, TEXAS, 1 NOVEMBER 2017 — A new survey from Dimensional Fund Advisors finds investors planning for or in retirement want to understand how much they will be able to spend annually. The recent study of almost 19,000 global investors who work with financial advisors also revealed individuals worry about whether their investment portfolios will provide a comfortable standard of living in retirement and about the impact a market downturn may have on their savings.

How Much Investors Can Spend Annually in Retirement is Valued Information

While investment returns are important, performance is only one component of what investors are thinking about as they plan for the future. Instead of simply focusing on the size of their nest egg, investors are attuned to how much they will be able to spend each year in retirement.

The survey asks investors who are planning for or in retirement to identify the most valuable information their advisor can provide:

- When planning for retirement:
 - Amount of money they can spend each year in retirement (28%)
 - Likelihood of achieving their retirement goals (28%)
 - Total amount of money they will have for retirement (22%)
- In retirement:
 - Amount of money they can spend each year (33%)
 - Average annual returns they can expect during retirement years (24%)
 - Total amount of money they will have for retirement (23%)

"The survey shows that individuals are thinking about what their income in retirement will be, and we are encouraged by this finding," says Stephen Clark, Head of Global Institutional Services and President, Dimensional International. "We believe this is one of the most important things that investors saving for retirement need to consider and plan for—what their consumption needs will be in the future and if they will be able to afford them."

Investors Worry About Their Retirement Lifestyle

When asked what their greatest fear is about their personal finances, investors cite four key worries:

- Not having enough money to live comfortably in retirement (37%)
- Experiencing a significant investment loss in a market downturn (31%)
- Outliving my money (13%)
- Incurring unforeseen expenses (12%)

“It’s natural for investors to have fears about what is likely their most important financial goal—saving for retirement,” says Dave Butler, Dimensional Co-CEO and Head of Global Financial Advisor Services. “In our experience, advisors who help their clients understand what they can and can’t control are able to create a different investing experience, which helps ease their clients’ concerns.”

The survey also reveals that investors of varying demographics are aligned globally in their responses. What matters to investors in the US also matters to investors in Canada, Europe, and Australia and New Zealand.

About the Survey

Dimensional launched the Investor Feedback Survey with US investors in 2016 and expanded the survey globally in 2017. Today, the survey is one of the largest of its kind in the industry. During February and March of this year, almost 19,000 investors who are clients of financial advisors who work with Dimensional completed the survey in the US, Canada, Europe, and Australia and New Zealand. Learn more at au.dimensional.com/2017-investor-survey-insights.

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