

**Executive Summary  
Retirement Omnibus**

# Orange House Sweepstakes™

**Building a solid foundation for a secure retirement**

PLAN | INVEST | PROTECT



# Introduction

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In support of the [Orange House Sweepstakes™](#) — a national promotion that will award one winner a \$300,000 financial prize to help fund their retirement dreams — Voya Financial conducted an omnibus survey to gauge the opinions of Americans on a number of topics related to where and how they want to live in retirement.

Voya recognizes that home-related costs account for one of the largest categories of spending in retirement. Among other things, these costs include mortgages, property taxes, insurance, rent, utilities, and various expenses for repairs, improvements, cleaning and ongoing maintenance.

To better understand some of the key concerns and decisions that impact retirement, Voya's survey probed into various housing and lifestyle questions. For example:

- How do housing expenses compare to other big financial concerns in retirement?
- Do Americans prefer to move in retirement or stay in their current location?
- For those who do plan to move, what destinations are the most popular for retirement, and what factors have the most influence when making a choice?
- Do more people prefer to own or rent their homes in retirement?
- If someone owns their home, do they expect to carry a mortgage into retirement?
- Do consumers expect to scale down as a way to minimize costs, or do they plan to save more money so they can obtain their dream house?
- Have couples discussed their retirement objectives with each other, and are they in agreement?

Voya's survey was designed to gain greater insights into the issues, trends and preferences that drive the real retirement experience. This research also supports the broader goal of the Orange House Sweepstakes, which is to remind everyone to start planning and organizing today, so they can be in a better position to address these needs when the time comes. More information on the Orange House Sweepstakes can be found at [Voya.com/OrangeHouse](http://Voya.com/OrangeHouse).

Voya's survey was conducted by ORC international from February 25-28, 2016. A randomly selected sample of 1,001 men and women (18 years old and older) nationwide were interviewed by telephone — half were conducted by landline and the other half by mobile. The margin of error for the sample of 1,001 is +/- 3.1 percentage points at the 95% confidence level. Data was adjusted to consider the two samples and then weighted by age, gender, region race/ethnicity and education to be proportionally representative of the U.S. adult population.

# Expenses in Retirement that Cause the Biggest Concern

- ▶ ***When looking at the major expenses that cause the greatest concern for individuals and couples in retirement, health care costs rose to the top of the list.***

Voya's survey asked individuals to identify which one of the following expenses they are most worried about in retirement – 1) health care costs, 2) housing expenses (including mortgage or rent), 3) daily living expenses, 4) travel and entertainment or 5) non-mortgage debt. While it's expected that housing-related expenses can take up a significant portion of retirement income, the findings showed the cost of health care weighed most heavily on the minds of respondents.



- More than four-in-ten (**41%**) of all respondents identified health care costs as their biggest worry in retirement.
- The next largest group (**22%**) was most concerned about day-to-day living expenses.
- Housing costs, including mortgage and rent, were the major concern for the third largest group (**15%**) of respondents.
- Fewer numbers were most worried about how they would pay for their travel and entertainment (**8%**) and paying down non-mortgage debt (**5%**).

Specific survey segments provided additional insight on the topic of retirement concerns.

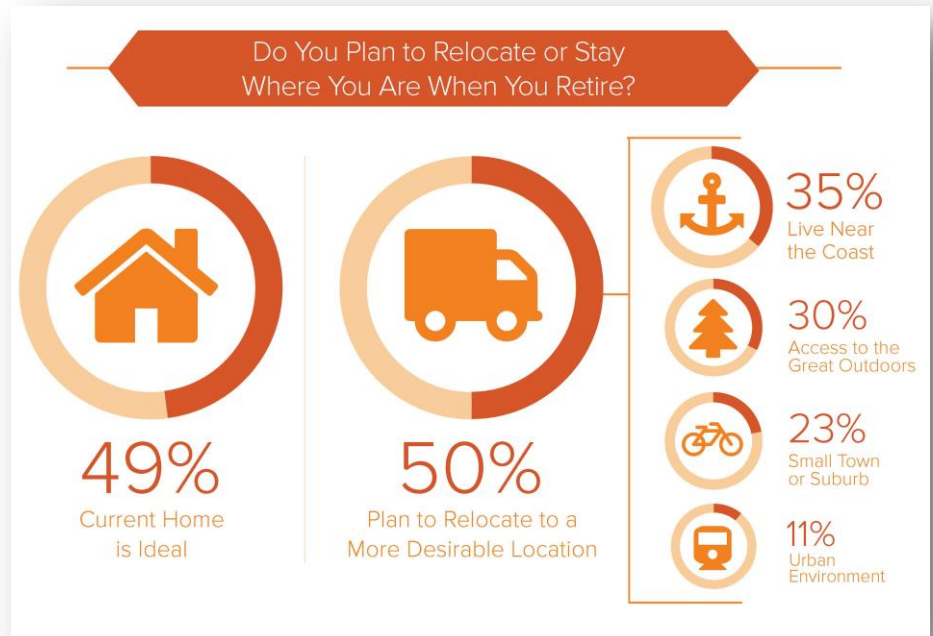
- Not surprisingly, a greater number of older respondents (those between 45-64 years in age) reported being most worried about their potential health care expenses in retirement. They averaged roughly 10 percent higher (**51%-52%**) than the total sample (**41%**).
- Younger respondents (those between 18-44 years in age) who were most concerned about health care averaged about 10 percent lower (**31%-32%**) than the total sample (**41%**). Meanwhile, they were a bit more worried about future housing costs (**18%-19%**) than the total sample. This would be expected as housing is likely more relevant at this stage of life — many are dealing with rent and mortgages and have not yet experienced major health issues.

# Deciding Where to Live in Retirement

- ▶ **Americans are split on where they want to retire; half plan to move to their dream location while the other half expect to remain where they are.**

While there are many choices to make when planning one's lifestyle and housing for retirement, Voya's survey noted an interesting trend — people are almost evenly divided on whether they move or stay in one location.

- Exactly half (**50%**) of all respondents said they wanted to move to a more desirable location when they retired. Almost the same amount (**49%**) thought their current location and lifestyle was ideal.
- These numbers changed, however, when looking at those who owned versus rented. More than six-in-ten (**62%**) of current homeowners stated that their ideal retirement location is where they live now, compared to roughly one-third (**34%**) of renters.



- Current retirees are also generally more satisfied with where they are living. Nearly three-quarters (**72%**) of retirees said they were in their ideal location right now, versus roughly four-in-ten (**43%**) of non-retirees.

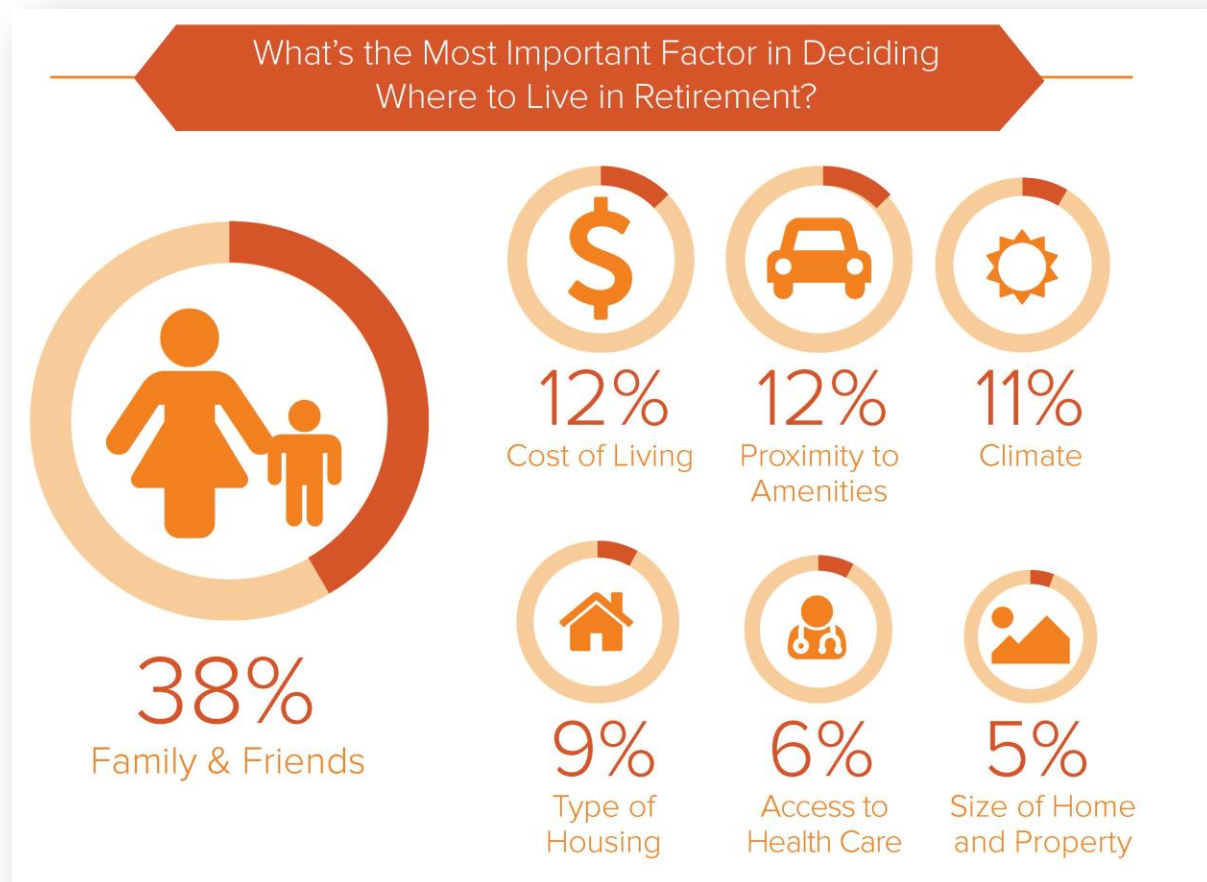
Voya's survey asked those who were planning to relocate to identify their ideal retirement destination. Choices included one of the following options: 1) near the coast, 2) somewhere with access to the outdoors, 3) a small town or suburb, or 4) an urban environment. While city living has become a growing trend for many retirees, the findings showed that this was not the preferred destination for most respondents.

- The single most popular destination was to be near the coast. More than one-third (**35%**) of those who preferred to move would consider this the ideal retirement location.
- Others would opt for a less populated retirement location — such as one that provides access to the great outdoors (**30%**) or a small town suburban lifestyle (**23%**).
- Only about one-in-ten (**11%**) identified an urban environment.

► ***Proximity to family and friends is the most important factor in deciding where individuals want to live in retirement.***

Voya's survey looked at the factors that are most important when deciding where to live in retirement. Respondents were asked to select one of the following: 1) access to affordable health care, 2) proximity to family and friends, 3) cost of living, 4) proximity to amenities, such as shops and the center of town, 5) climate, 6) the type of housing or the preferred property size.

- According to the findings, nearly four-in-ten (**38%**) of all respondents said proximity to family and friends was the most important factor.
- Far fewer were most influenced by the cost of living (**12%**), convenient amenities (**12%**), climate (**11%**), their preferred type of housing (**9%**), or the size of the home and property (**5%**).
- Interestingly, while health care costs ranked as the top concern for the largest number of respondents, very few (**6%**) cited access to good or affordable health care as the primary factor in deciding where to live in retirement.
- Relationships were very influential for millennials (those between 18-35 years in age). Nearly half (**45%**) in this group said proximity to family and friends was the most important factor that they would consider when deciding where to live in retirement.

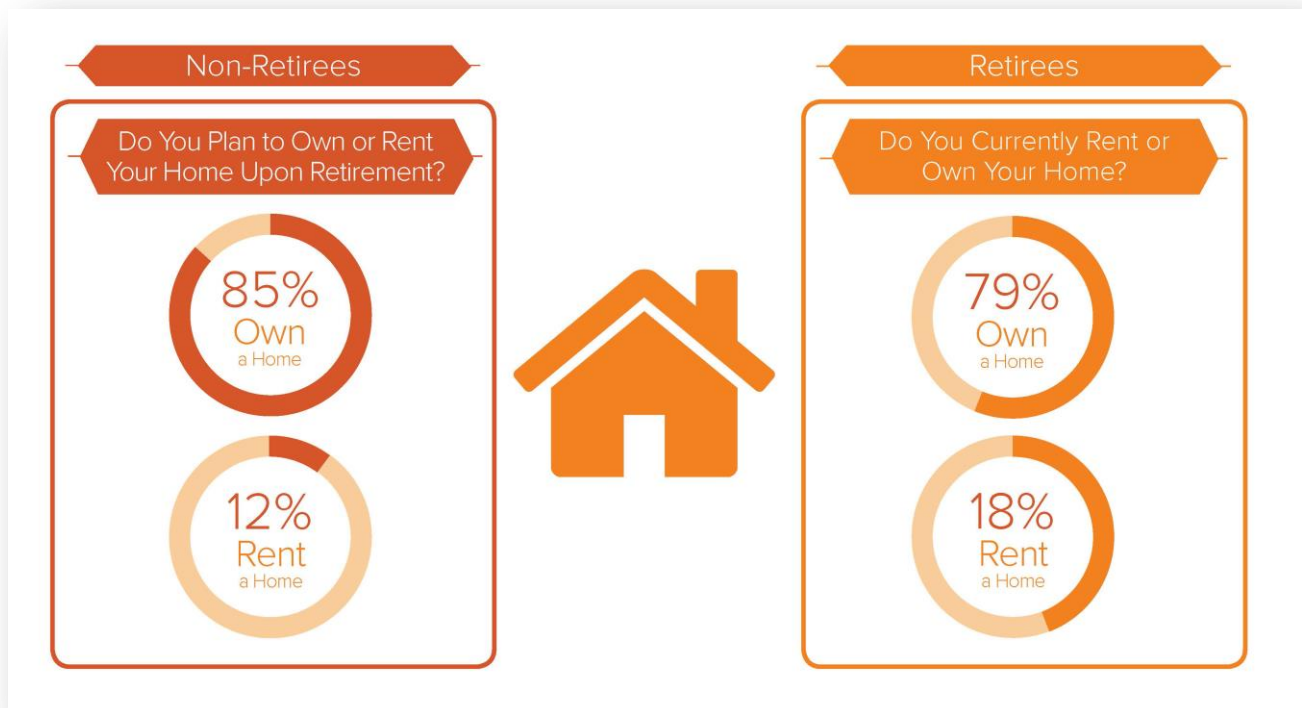


## Planning for ‘Home Sweet Home’

► ***From Boomers to Millennials the ‘American Dream’ includes owning a home in retirement.***

Home ownership is one of the most significant financial milestones. This achievement comes with many decisions and often requires extensive saving and budgeting. Preparing for homeownership is a critical component of any holistic retirement plan. Voya’s survey asked respondents various questions related to homeownership, including whether they currently own or rent their home, if they plan to own or rent in retirement, and if they expect to have mortgage obligations as retirees.

- According to the findings, nearly six-in-ten (**56%**) of all respondents reported currently owning a home. Four-in-ten (**40%**) confirmed that they were renting.
- Among current retirees, approximately eight-in-ten (**79%**) own their home while nearly one-on-five (**18%**) rent. Of those who had not yet retired, even more (**85%**) said they planned to own their home in retirement, while a smaller number (**12%**) anticipated renting.
- The goal of homeownership in retirement was consistent across all segments of non-retirees regardless of gender and age (men, women, millennials, Gen X and baby boomers all represented between **81%-87%**).
- Fewer than three-in-ten (**27%**) millennials reported currently owning their home, compared to the majority of Gen X (**61%**), baby boomers (**76%**) and retired respondents (**79%**). This gap across generations is not surprising, since many younger people are still building toward homeownership. Still, it underscores the importance of effective planning for this goal to become a reality in one’s working years as well as in their retirement.





- ▶ ***A significant majority of homeowners with an outstanding mortgage were optimistic about paying it off prior to retirement.***

Overall, a majority of respondents (**66%**) reported being mortgage-free. Well over half in this group (**56%**) were current renters, some of whom are young people that may one day take out a loan of their own. Voya's survey revealed some deeper insights into the topic of mortgages.

- One-third (**33%**) of non-retirees reported having a mortgage. Roughly half in this group (**16%**) had an outstanding balance of \$100,000 or more.
- Eight-in-ten (**80%**) of non-retirees with a mortgage anticipated paying off their debt prior to retirement.
- Meanwhile, approximately one-in-five (**19%**) expected to carry their mortgage into retirement.

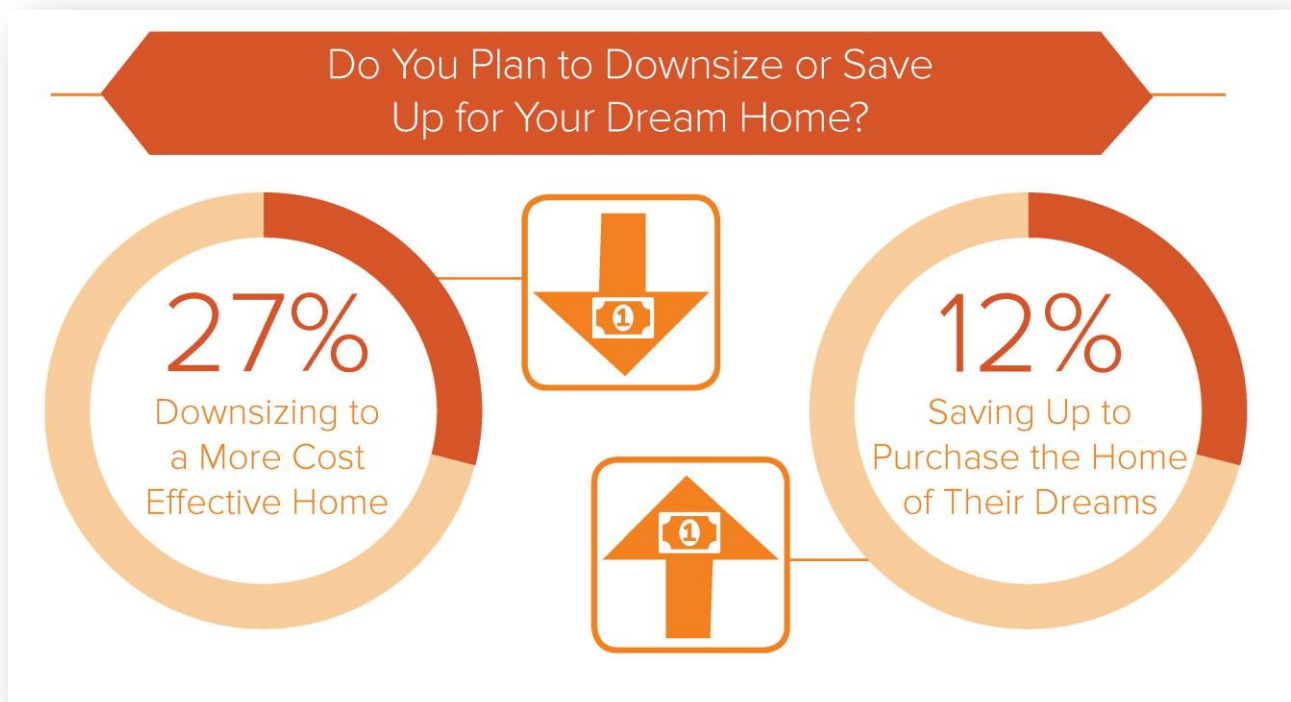
Non-retirees may be a bit over-confident about their ability to pay off a mortgage. Looking to the experience of their retired counterparts, they may want to plan appropriately to minimize the impact of having this expense longer than they anticipated.

- More than one-quarter (**26%**) of current retirees who were surveyed still had an outstanding mortgage balance.
- A significant percent of this group (**16%**) had a balance of \$50,000 or more.



One way to meet your lifestyle expectations for retirement is to think about the type of house you will want and determine how to afford it. Voya's survey asked respondents to select one option that best describes their current or expected financial approach to their home in retirement.

- A majority (**57%**) of all respondents identified with taking a relatively consistent financial approach to their housing in retirement — whether living in the same home (**46%**) or moving to a different one of similar costs (**11%**).
- Others (**39%**), however, said they had adjusted or would adjust what they spend on housing in retirement. In this group, more than twice as many (**27%**) selected scaling down to a more cost-effective home while the rest reported saving up money to purchase the home of their dreams (**12%**).
- More non-retirees (**30%**) identified with downsizing as opposed to current retirees (**16%**).



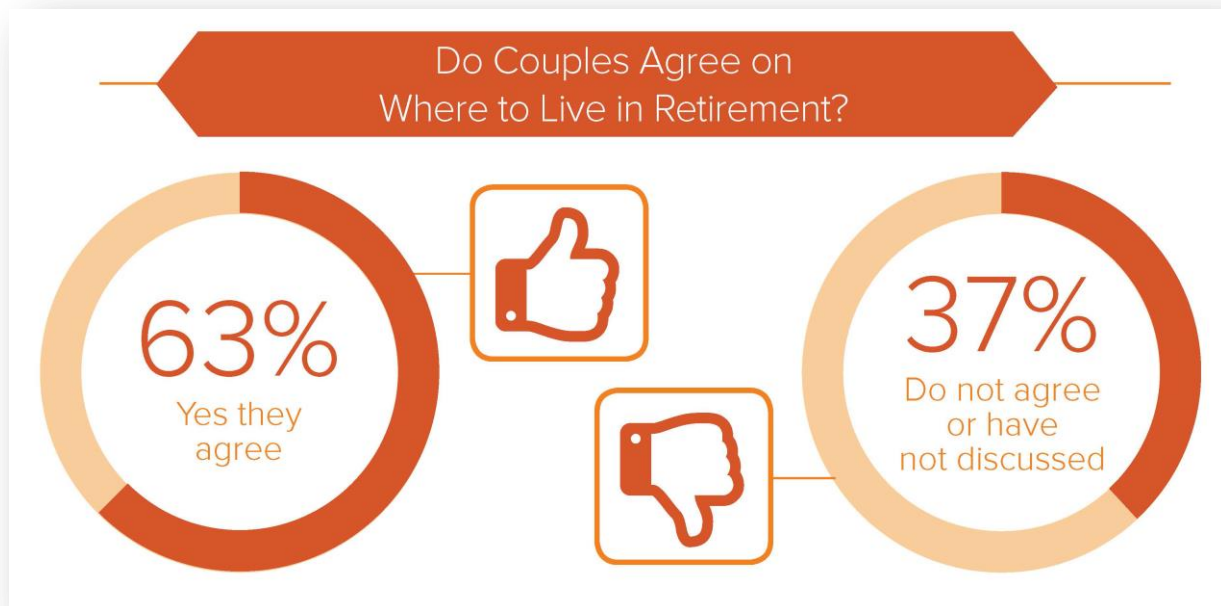


## Consensus or Conflict over Retirement Dreams

► ***Couples seem to be on the same page when it comes to their desired retirement lifestyle.***

For those who approach retirement with a spouse or partner, it is important to plan and discuss your goals as a couple. If not, one person's dream retirement home or lifestyle may be an unpleasant surprise for the other. Voya's survey asked married or committed respondents whether they 1) agree on where to live in retirement, 2) disagree or 3) if they are unsure because they have not yet talked about it.

- The good news is that almost two-thirds (**63%**) of all respondents with a spouse or significant other — whether retired or not — were in agreement on where to live.
- Those couples who currently own a home were even more likely to be in agreement on where to live in retirement (**73%**) compared to those who rent (**48%**).
- That said, a sizable number of those with a spouse or significant other (**37%**) reported that they either did not agree (**8%**) or had not even discussed the topic (**29%**).
- Curiously, of those who were already retired with a spouse or partner, roughly one-in-five (**23%**) disagreed or had not talked about it.

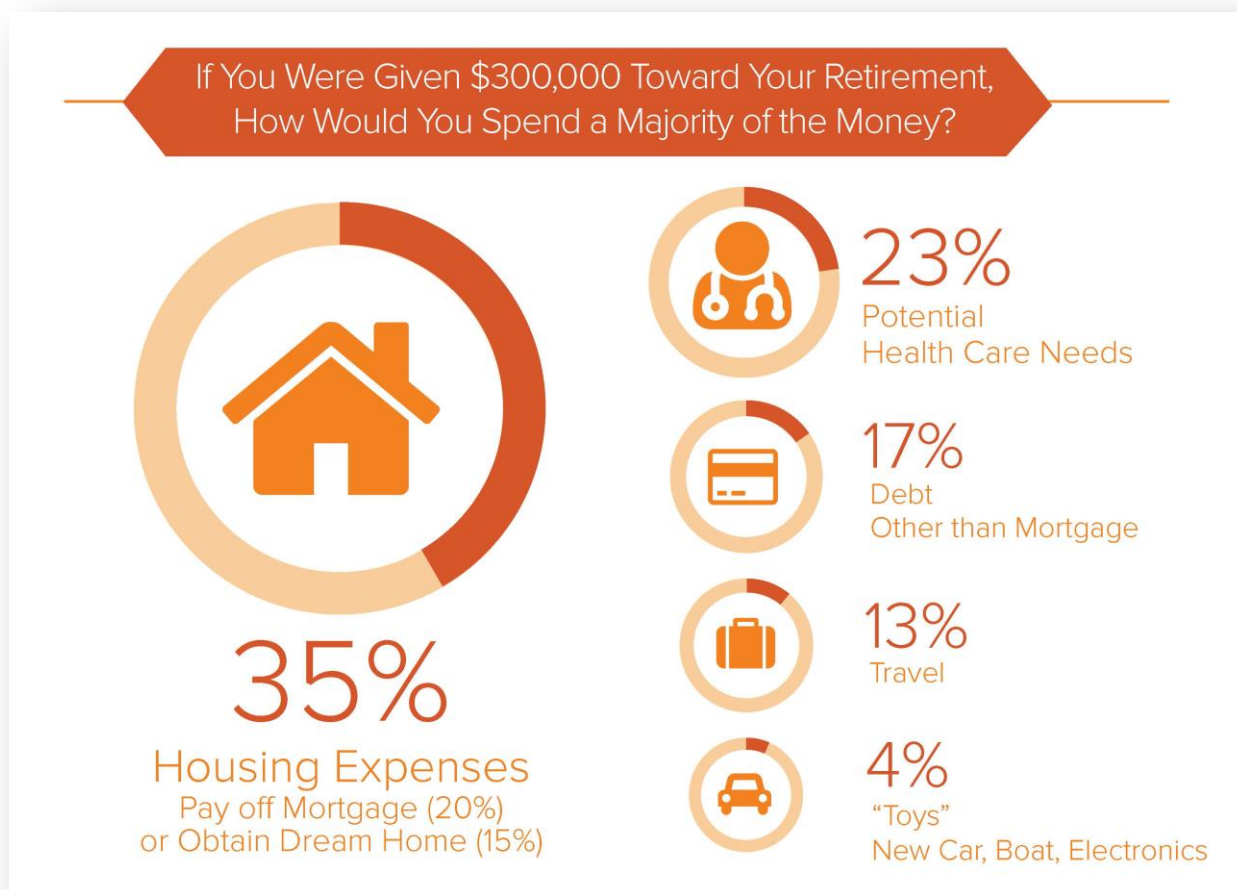


## How Americans Would Use a \$300,000 Windfall

Voya's Orange House Sweepstakes is awarding one winner a \$300,000 financial prize to help fund their retirement goals. In our survey, we asked respondents how they would apply the majority of such a windfall if they were given this money for their retirement. Here's what they told us.

- The largest number (**35%**) would apply it to one of two major housing-related priorities — either paying off their mortgage (**20%**) or acquiring their ideal home (**15%**).
- Nearly one-quarter (**23%**) would save the money for their future health care needs.
- Less than one-in-five (**17%**) would apply it to their non-mortgage debt.
- Even fewer would spend it on travel (**13%**) or buying new “toys” such as a car, boat or electronics (**4%**).

In looking at the respondents who would take care of their mortgage or obtain a dream house, it is evident that preparing for these expenses early on is important. Moreover, regardless of one's priorities, the survey reinforced that planning is a necessary component for reaching your future goals.



## Conclusion

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At Voya, we believe an important part of planning for retirement is getting your financial house in order. The Voya Orange House Sweepstakes™ and accompanying survey is a reminder for everyone to think holistically about their retirement. This means identifying what it takes to achieve your needs, wants and wishes — including where and how you want to live in retirement. It is important to identify short and long-term goals, have conversations with a partner, and develop a plan to help you become ready.

Retirement goals are personal, and each individual or couple is on their own unique journey. One constant, however, is to make sure you map out a plan to reach your destination. No matter what your preferences are for the future, planning is a universal requirement to achieve those goals.

As a leading provider of retirement products and services in the U.S., Voya offers retirement customers a suite of accessible, compelling and easy-to-use resources for retirement readiness planning — from field and phone-based financial professionals, to a number of innovative digital planning capabilities, including Voya's [myOrangeMoney®](#) experience and an [online budget](#) tool. These resources are available to help individuals with a broad range of activities, such as understanding retirement income needs, to budgeting and protecting ones financial security.

Through research, studies and tools, Voya Financial is a resource for plan distributors and employers seeking to better understand participant behavior so they can help investors achieve positive retirement outcomes.

### About Voya Financial®

Voya Financial, Inc. (NYSE: VOYA), helps Americans plan, invest and protect their savings — to get ready to retire better. Serving the financial needs of approximately 13 million individual and institutional customers in the United States, Voya is a *Fortune 500* company that had \$11 billion in revenue in 2015. The company had \$452 billion in total assets under management and administration as of Dec. 31, 2015. With a clear mission to make a secure financial future possible — one person, one family, one institution at a time — Voya's vision is to be America's Retirement Company™. The company is equally committed to conducting business in a way that is socially, environmentally, economically and ethically responsible — Voya has been recognized as one of the 2016 World's Most Ethical Companies® by the Ethisphere Institute, and as one of the Top Green Companies in the U.S., by *Newsweek* magazine. For more information, visit [voya.com](#) or view the company's [2014 annual report](#). Follow Voya Financial on [Facebook](#) and Twitter [@Voya](#).