Relationships & Retirement Survey

Divorce and family planning later in life

January 2020
Methodology

This survey was conducted online within the United States by The Harris Poll on behalf of TD Ameritrade from August 30 to September 10, 2019, among 2,000 U.S. adults ages 40-79 with at least $25,000 in investable assets.

The audience was divided into 4 decades:

- 40-49 (n=500)
- 50-59 (n=500)
- 60-69 (n=500)
- 70-79 (n=500)

About TD Ameritrade Holding Corporation

TD Ameritrade provides investing services and education to approximately 12 million client accounts totaling approximately $1.3 trillion in assets, and custodial services to more than 7,000 registered investment advisors. We are a leader in U.S. retail trading, executing an average of approximately 800,000 trades per day for our clients, more than a quarter of which come from mobile devices. We have a proud history of innovation, dating back to our start in 1975, and today our team of 10,000-strong is committed to carrying it forward. Together, we are leveraging the latest in cutting edge technologies and one-on-one client care to transform lives, and investing, for the better. Learn more by visiting TD Ameritrade’s newsroom at www.amtd.com, or read our stories at Fresh Accounts.

Brokerage services provided by TD Ameritrade, Inc., member FINRA (www.FINRA.org)/SIPC (www.SIPC.org). TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and The Toronto-Dominion Bank. © 2019 TD Ameritrade.

TD Ameritrade, Inc., and the Harris Poll are separate and unaffiliated companies, and are not responsible for one another’s information, policies or services.
Most Americans are confident they can manage financially if separated later in life

However, four in 10 do not have a financial plan, while the majority lack a prenup

87%

“I am confident in my ability to manage my own financial situation in the event of a divorce or a spouse passing away.” (Top 2 box)

But most do not have a plan in place:

94%

Do not have prenuptial agreement in place including 91% of those with $250K+ in investable assets

41%

Do not have a financial plan in place in the event of a divorce or becoming widowed (Bottom 2 box) 45% men / 36% women

Source: The Harris Poll on behalf of TD Ameritrade; n = 2,000
While most did not have a prenup in their previous marriage, almost half of divorcees say they would get one if they re-married

3 in 4 also say that agreement should include retirement assets

<table>
<thead>
<tr>
<th>Had a prenuptial agreement in previous marriage (% Divorced)</th>
<th>Would have a prenuptial agreement if re-married (% Divorced)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3%</td>
<td>42%</td>
</tr>
</tbody>
</table>

(Among those with $250K in investable assets, this number rises to 70%.)

75% Divorced

“Prenuptial agreements should include retirement plan assets.” (Top 2 box)

19% of those who are divorced say, when it comes to finances and retirement planning, they would advise their younger self to get a prenuptial agreement.

Source: The Harris Poll on behalf of TD Ameritrade; n = 358 divorced
Many say divorce impacted their ability to retire, especially men

40% of those who are divorced have less than $50K saved for retirement, compared to 32% of Americans overall in a similar age bracket.

40% Divorced

“Getting divorced threw my retirement plans off course.”
(Top 2 box)

37% Divorced

“Retirement assets were discussed as part of my divorce settlement.”
(Top 2 box)

35% Divorced

“Having a prenup would have made my divorce much smoother.”
(Top 2 box)

33% Divorced

“I delayed my divorce longer than I wanted due to financial concerns.”
(Top 2 box)

46% Divorced Men (compared to 36% Divorced women)

40% Divorced Men (compared to 35% Divorced women)

Relocation can be a hidden fee of divorce:

60% of those who are divorced either have moved or plan to move within 5 years. 9% of those who have moved in the last 5 years have done so because of a divorce.

Source: The Harris Poll on behalf of TD Ameritrade; n = 358 divorced
Among those who are married, combined retirement plans are also murky

Half say they expect to have a different retirement timeline than their partner, while only 1 in 4 say they are very prepared if they or their spouse has to retire earlier than expected

How prepared are you currently if it becomes necessary for you/your spouse or partner to retire earlier than planned? (% Married/Living With Partner)

- Very prepared: 25%
- Somewhat prepared: 43%
- Very unprepared: 12%
- Somewhat unprepared: 20%

48%

Married / Living with Partner

Do not expect to retire at same time as partner or spouse

Less than half have discussed financial state of their retirement plans with their partner in case something happens to either of them (45%). Only 39% say they have proactively thought of protecting their partner from financial distress in case something happened to them.

Source: The Harris Poll on behalf of TD Ameritrade; n = 715 (married/living with partner who are employed) ; 1,184 (married/living with partner)
### Reasons not to retire at same time as spouse

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am significantly older/younger than my spouse</td>
<td>54%</td>
</tr>
<tr>
<td>One of us wants to retire and the other doesn’t</td>
<td>20%</td>
</tr>
<tr>
<td>We can’t afford for both of us to retire at the same time</td>
<td>20%</td>
</tr>
<tr>
<td>Our personal health situations are different</td>
<td>16%</td>
</tr>
<tr>
<td>We value our independence</td>
<td>12%</td>
</tr>
</tbody>
</table>

### Reasons to retire at same time as spouse

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>We want to spend more time together</td>
<td>61%</td>
</tr>
<tr>
<td>We want to travel together</td>
<td>58%</td>
</tr>
<tr>
<td>We’re close in age so it makes sense</td>
<td>54%</td>
</tr>
<tr>
<td>We want to navigate this new time in our lives together</td>
<td>54%</td>
</tr>
</tbody>
</table>

Source: The Harris Poll on behalf of TD Ameritrade; n=343 (married/living with partner, employed, and don’t plan to retire at same time); n=213 (married/living with partner, employed, and plan to retire at same time)
Regardless of relationship status, many aren’t sure how to approach end-of-life planning with their families

This is especially true for those in their 40s and 50s, more than half of whom aren’t sure how to structure their inheritance

<table>
<thead>
<tr>
<th>(Top 2 box)</th>
<th>Total</th>
<th>40-49</th>
<th>50-59</th>
<th>60-69</th>
<th>70-79</th>
</tr>
</thead>
<tbody>
<tr>
<td>“I would feel guilty for not leaving enough money behind for my family as an inheritance.”</td>
<td>49%</td>
<td>66%</td>
<td>53%</td>
<td>39%</td>
<td>36%</td>
</tr>
<tr>
<td>“I'm not sure of the best way to structure an inheritance for my family.”</td>
<td>42%</td>
<td>59%</td>
<td>48%</td>
<td>33%</td>
<td>27%</td>
</tr>
<tr>
<td>“I don't know how to discuss legacy planning with my family.”</td>
<td>32%</td>
<td>48%</td>
<td>34%</td>
<td>26%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Source: The Harris Poll on behalf of TD Ameritrade; n = 2,000
Only 1 in 3 have shared financial passwords in case of an emergency (36%)

Even fewer have discussed inheritance planning and long-term care plans

Have you done any of the following?

- Discussed desired arrangements for my funeral with my family to prevent debates about my wishes: 40%
- Told someone where to find relevant financial passwords in case of an emergency: 36% 44% (44% have $250K+ in investable assets)
- Set aside money for end-of-life care (e.g., caretaking, funeral arrangements): 30%
- Created an ‘in case of emergency plan’ in case something happens to the household’s primary financial decision maker: 28%
- Told my children how to access and manage my assets in case of an emergency: 21%
- Discussed inheritance and legacy planning with my children: 20%
- Discussed health and caretaking planning with my children: 19%

Source: The Harris Poll on behalf of TD Ameritrade; n = 2,000