

Rethinking retirement:

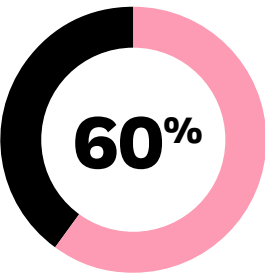
The power of hope and a plan

Last month at an event co-hosted by BlackRock and Axios, BlackRock chairman and CEO Larry Fink joined several thought leaders passionate about rethinking retirement for an afternoon of candid conversations on how to do just that.

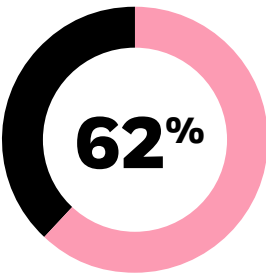
“Americans are living longer, healthier lives that we need to plan for,” Fink said. “Making saving for retirement ‘an act of hope.’”

The big idea

Rethinking retirement will mean taking a fresh look at how our finances interact with our overall well-being. It will mean taking our financial fitness as seriously as our physical health.



say running out of money in retirement is a chief concern



say it's difficult to know how retirement savings will translate into monthly retirement income

“

Right now I'm the only one in my family saving for retirement, but I do have quite a bit of time still to let the money compound. But at my job there's a real risk of injury... there's always pressure on the unknown¹.”

Real Savers – Aaron, Heavy Machinery Operator



¹ BlackRock, “Real savers” video, 2024. Shown at Axios event.

Planning for retirement is part of your life path

While “the older you get, your happiness goes up,” said AARP Chief Operating Officer Scott Frisch, “it’s dependent on your financial security.”

A lot of factors go into that. Including whether or not you have access to a workplace retirement plan (57 million Americans don’t)². And whether you have access to a plan that not only helps with saving, but retirement spending.

Indeed, outliving their savings is a top financial fear for many. BlackRock’s 2024 Read on Retirement[®] survey found that 60% of workplace savers said running out of money in retirement is a chief concern, and 62% say it’s difficult to know how retirement savings will translate into monthly retirement income.

“

I want to be able to preserve the money that I have on hand and just enjoy life. So I just need to know and understand, how can I have this money outlive me?”



Real Savers – Robin, Retiree

“

I’ve built a 401(k) for 15 years, and now as a small business owner it’s a lot harder to know what to do with our money... I think about my employees, too, and how to give them the tools to retire.”

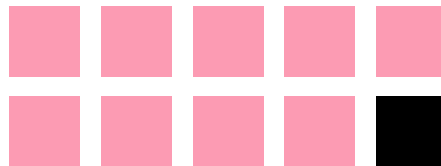


Real Savers – Caroline, Small Business Owner

Embracing new investment options is part of the solution

Part of the solution will require embracing new investment options. For example, BlackRock’s LifePath Paycheck[™] solution, available to participants of eligible plans, embeds the option for guaranteed retirement income, payable by selected insurers, into a target date fund – 90% of workplace savers said the possibility of having guaranteed income in retirement would have a positive impact on their current well-being.

For Independent Savers – those Americans without a workplace plan – ensuring they also have access to investment options is key. For example, similar to in-plan target date funds, BlackRock’s iShares[®] LifePath[®] Target Date ETFs are designed to take more risk early on and gradually become more conservative as the target retirement date approaches.



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² Center for Retirement Research at Boston College, 2020.

Education is key

Georgetown University Center for Retirement Initiatives Executive Director Angela M. Antonelli spoke about the importance of guidance for financial wellness. “There’s a lot of work and education that needs to be done to help more workers understand the importance of saving for retirement [and] saving early,” she said, “but we also need to make it easy for them.”

BlackRock found that guidance was important to workers at all points in their careers, from those just starting out to those close to retirement. 63% of Gen Z workers admitted they don’t understand enough about investments to confidently manage their own savings, and 67% of Baby Boomers who are still working said they want education on retirement income strategies well in advance.

Gen Z

63%

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Baby Boomers

67%

Baby Boomers who are still working said they want education on retirement income strategies well in advance

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It’s why BlackRock developed digital experiences like the LifePath® Spending Tool, which helps calculate

retirement spending potential, and the MyLifePath™ platform for eligible LifePath Paycheck participants, which delivers a clear picture of how today’s contributions can translate to income in retirement.

“

I think everybody wishes they had saved more money. In our case our retirement came sooner than we had expected. But I think the trick is to manage the money that we have to last for the time that we’re here.”

Real Savers – Barbara, Retiree



Hope and a plan

What’s hopeful about the retirement crisis is that it’s a solvable one – especially when we work together.

Fink’s call for optimism carried through, and the belief that “when we talk about problems, we can solve them.”

Sen. John Hickenlooper (D Colo.) underscored this point. “Reaching across the aisle was the obvious thing, because this is not a partisan issue.”

What’s next?

From plan options that help provide retirement income to providing more guidance for workers on saving for the future, the call was clear: it’s time for a collective effort to make retirement simpler, more accessible and more affordable for more people. Because when it comes to retirement years, quality and quantity can go together.

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Investing involves risk, including possible loss of principal.

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Each target date fund has a number (a target date) at the end of the name that designates an approximate year when an investor plans to start withdrawing their money. The asset allocation of the fund will become progressively more conservative as the specified target date approaches. An investment in the fund is not guaranteed, and an investor may experience losses, including near, at, or after the target date.

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