

# Risks Reframed Field Guide

This worksheet is designed to help plan sponsors understand the key retirement risks that plan participants face. By identifying these risks, you can better support them in making informed decisions about their retirement savings.

Review the retirement risks below and **rank them from 1-12**, with 1 being the most urgent and 12 being the least urgent.

Rank (1-12)	Risk	Description	Impact on retirement
	<b>Equity returns risk</b>	The risk that equity investments will underperform	Reduced retirement savings, potential need to delay retirement
	<b>Market shock risk</b>	The risk of a sudden and significant decline in the stock market	Reduced retirement savings especially for those at or near retirement. Early losses can lead to faster depletion
	<b>Longevity risk</b>	The risk of living longer than expected in retirement	Outliving retirement savings, leading to a lower standard of living and the need for adjustments to retirement planning and savings goals
	<b>Inflation risk</b>	The risk that the purchasing power of money will decline over time due to rising prices	Reduced purchasing power in retirement, potentially requiring adjustments to lifestyle
	<b>Natural catastrophes</b>	Unexpected financial burdens due to property damage or lost income	Reduced financial security, potentially forcing use of retirement savings for recovery
	<b>Legislative and regulatory shifts</b>	The risk that changes in government policies will impact retirement benefits (e.g., Social Security)	Potentially reduced sources of guaranteed retirement income, requiring adjustments to retirement planning and savings goals
	<b>Career disruptions and job loss</b>	The risk of involuntary or voluntary disruptions during working years that can make it difficult to save consistently	Reduced savings and potential need to delay retirement
	<b>Cognitive and behavioral risks</b>	Difficulty managing finances due to psychological factors	Increased risk of financial exploitation, poor financial decisions, and underspending
	<b>Debt</b>	The risk of outstanding loans or credit card balances disrupting retirement planning	Delays getting started saving, reduced savings, early withdrawals from retirement accounts
	<b>Familial changes</b>	The risk of unexpected life events, such as divorce, caring for elderly parents, or supporting adult children, which can impact savings	Reduced retirement savings, potential need to delay retirement, or feeling like they need to continue working because of home responsibilities
	<b>Financial literacy challenges</b>	The risk of poor decision making due to a lack of knowledge around financial planning principles	Reduced savings, poor financial decisions
	<b>Health and long term care costs</b>	The risk of rising medical expenses and potential long term care needs leading to unexpected financial burden in retirement	Depleted savings, changes to retirement plan, and adjustments to retirement planning and savings goals

## Action steps:

Once you've identified the key risks plan participants face, consider the following action steps:

1. **Employee education:** Offer educational workshops and resources to help participants understand these retirement risks and develop strategies to manage them.
2. **Retirement plan lineup:** Review your retirement plan's investment options and ensure a range of choices with varying risk profiles to suit participants' needs. You may also want to consider how an in-plan guaranteed lifetime income solution, such as annuity, can help address these risks.
3. **Personalized planning support:** Recognize that each participant's situation is unique. Offer online tools and calculators to help them build personalized retirement plans. Additionally, consider providing access to professional advice for more in-depth guidance.

## Helping to build a secure future, together

By working collaboratively, you can achieve a positive impact on your participants' retirement readiness. This includes you, your plan advisor or consultant, and the product or service providers you work with. Together, you can equip your participants with the knowledge and tools needed to build a strong foundation for a more secure and fulfilling retirement.

If you'd like to delve deeper into retirement risk management, browse more resources from Allianz:



VISIT [www.allianzlife.com/dcplanresearch](http://www.allianzlife.com/dcplanresearch)

Contact the dedicated Employer Markets team at Allianz to learn more about the evolving landscape of retirement risks and how our solutions can help improve participant outcomes.



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