POSITIONING PAPER

Fear Belongs on the Plan

Why the Wealth Management Industry Needs a Retirement Fear Index

A position paper from **RetireMentors** • David Conti, CPRC, Founder • November 2026

A monthly meta-analysis and sentiment map of retiree fear. Companion to The Retirement Fear Index — November 2026 White Paper. Full methodology, ten-category architecture, and the 17-month backcast detailed there.

A Confession the Industry Has Avoided

The retirement planning industry has spent thirty years optimizing the wrong half of the problem. We have built sophisticated software for asset allocation, withdrawal sequencing, Roth conversion, and tax-bracket management. We have built almost nothing for fear.

Fear is what actually moves the dial in a retiree's life. Fear is what causes a 70-year-old with two million dollars in liquid assets to order off the senior menu. Fear is what causes a 62-year-old to claim Social Security four years early because she does not believe Congress will leave benefits alone. Fear is what causes a couple to argue at the kitchen table about money they will never spend.

We built the Retirement Fear Index because the things we do not measure, we do not manage. We publish it monthly as a meta-analysis of retirement research and a sentiment map of retiree fear. The November 2026 reading is RFI = 126.4 against a baseline of 100 — a new all-time high, up 2.3 points from October and the fourth consecutive new record since the August cooling. Retiree fear runs roughly twenty-six percent above its long-run average. The frame of the month is Stretched Thin, and the frame comes from TIAA. October's theme was Competing Priorities — Goldman Sachs gave the Index its mechanism (household costs crowd out retirement savings). November's theme is Stretched Thin — TIAA gave the Index its casualty count. TIAA's Stretched Thin: Where Americans Stand on Affordability, Retirement, and Social Security survey, released during National Retirement Security Month, documented that 43 percent of Americans ages 18 to 65 cut (24 percent) or entirely stopped (19 percent) their retirement contributions in the past year to cover daily expenses — with only 7 percent increasing. Seventy-seven percent fear rising healthcare costs will derail retirement; 80 percent see rising living costs as a threat; and most Americans are unaware of the roughly 22 percent Social Security benefit reduction projected by 2032. Three October events sat on top of that structural signal: a 3.6 percent 2027 Social Security COLA announcement that beat forecasts but will be partially offset by Medicare's projected Part B increase; a September CPI print that reaccelerated to 3.7 percent on a 9.1 percent monthly jump in gasoline; and a Federal Reserve hold at 3.75–4.00 percent with two dissenters voting to hike and CME FedWatch pricing an 82.6 percent probability of a December hike. For the first time in Index history, Healthcare & Long-Term Care and Outliving Savings tied at the top of the intensity rankings at 134. That is the structural core of retirement fear converging, and it is the point.

> *The things we do not measure, we do not manage. Fear has been unmeasured for thirty years.*

Investor Psychology, Honestly

Daniel Kahneman and Amos Tversky priced this in 1979. Loss aversion is the finding that the pain of losing a dollar is roughly twice the pleasure of gaining one. Richard Thaler followed with mental accounting — the

demonstration that real households do not treat money as fungible the way finance theory assumes. Boston College's Center for Retirement Research has been re-measuring the consequences ever since.

The behavior pattern is consistent. Roughly half of retirees feel discomfort when their portfolio balance falls, even when the spending is exactly what their plan called for. Risk tolerance, as a near-retiree reports it on a questionnaire, frequently diverges from her risk capacity, as the cash-flow math implies, by fifteen to thirty percentage points of stock allocation. In the first decade of retirement, drawdown anxiety produces measurable underspending in roughly half of healthy retirees — the people the math says are fine.

These are not edge cases. They are the population. The advisor sitting across from a healthy 67-year-old with a 90 percent funded plan is, more often than not, sitting across from someone whose fear is doing more of the work than her arithmetic.

Here is the translation gap the industry has not closed. Nearly every piece of major retirement research — institutional and academic — is framed in the language of risk. Longevity risk. Sequence-of-returns risk. Inflation risk. Policy risk. Family risk. Boston College's Center for Retirement Research organizes its entire program around six risk categories. The actuaries use the same vocabulary. So do most of the major surveys. The trouble is that ordinary people do not act on risk. They act on fear. A retiree does not respond to a 5 percent probability of a 30 percent drawdown. She responds to what it feels like to watch her account drop $200,000 in a month. Risk is the analyst's word. Fear is the householder's. The Index translates one into the other so the planning conversation actually lands where the client lives.

Fear drives action. That is its biological function — it exists so that something happens. The hard part for the household and the advisor is that fear-driven action in markets is usually wrong. DALBAR's 2026 Quantitative Analysis of Investor Behavior report finds that in 2024, the average equity-fund investor earned 16.54 percent against the S&P 500's 25.02 percent — a gap of 848 basis points, the second-worst of the past decade. The largest equity outflows of 2024 occurred in the months immediately before the market's strongest return surge of the year. Morningstar's 2025 Mind the Gap study finds the same pattern over ten-year horizons: the average dollar invested earned 1.2 percentage points per year less than the funds it sat in. The behavior gap is not a rumor. It is decades of evidence that fear, unmanaged, costs households real money. The Index is a place to put the fear before it becomes the trade.

The Retirement Fear Index makes all of this measurable at the population level. The ten categories were not invented; they were synthesized from Transamerica, MetLife, Fidelity, Vanguard, LIMRA, KFF, the CBO, and the academic frameworks of Boston College, Stanford, MIT AgeLab, and the University of Michigan Health and Retirement Study. The full mapping is in the White Paper. The output is a single number an advisor can read in fifteen seconds and use for the next thirty days.

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What This Means for Personal Finance

When fear is unmeasured, three things go wrong inside the household plan.

First, allocations are sized to risk tolerance instead of risk capacity. An investor who can afford to take risk but cannot bear it ends up in a 20/80 portfolio for thirty years and runs out of money at 89. The Index makes this gap visible. When Cat 6 (Market Volatility & Sequence-of-Returns Risk) runs at intensity 130, the market has not actually broken — fear has. The advisor who recognizes the difference does not rebalance the portfolio; she rebalances the conversation.

Second, decumulation runs too conservative. The drawdown-anxiety subcategory in the Index (2C) is tagged psycho-spiritual on purpose. It shows up on advisor screens as the client who refuses to spend down principal. The math says she can. The fear says she can't. The advisor who only addresses the math loses the client to a coach within three years. The advisor who addresses the fear keeps her through age 95.

Third, decisions get made at the wrong time, for the wrong reason. Social Security gets claimed at 62 because of a fear about Congress, not a calculation about life expectancy. Long-term care insurance gets declined because of a fear about wasted premiums. Estate planning gets deferred because of a fear about mortality. Each of these has a measurable cost. None of them gets diagnosed by the questionnaire on page two of the new-client intake.

The Index does not replace cash-flow modeling, Monte Carlo, or tax projection. It sits on top of them. Cash-flow modeling answers "what is mathematically feasible." The Index answers "what is emotionally accessible." The plan only works when both answers point the same direction.

How the Index Changes Practice

Three changes follow from putting fear on the plan.

A monthly conversation, not a quarterly one. Most advisor-client relationships now run on a quarterly review. A monthly index gives the advisor a reason to reach out twelve times a year. The reason is concrete, not pretextual. "Healthcare fear moved up six points this month because the new HealthView report came out — here is what it means for your plan" is a different email than "checking in." Frequency without purpose erodes the relationship. Frequency with purpose deepens it.

A triage tool. The Index publishes two splits each month. The financial-versus-non-financial split tells advisors how much of the fear in front of them is inside their lane (82.5 percent of topic share, by current architecture) and how much is outside it (17.5 percent). The action axis tells them which fears yield to a product (32 percent — Actionable), which yield to a process (38 percent — Partially Actionable), and which yield only to a conversation (30 percent — Psycho-Spiritual). Knowing the answer in advance shortens every meeting and clarifies every referral.

A credentialing differentiator. The advisor who can hold a real conversation about a client's psycho-spiritual fears — about death, about purpose, about being a burden, about identity after work — keeps that client through a thirty-year retirement. The advisor who can only discuss the portfolio loses the household at the second spousal-loss event, if not sooner. Fee compression is real. Retention is the answer. Retention requires range.

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Fear Is Information, Not Pathology

The clinical literature, summarized cleanly by Psychology Today, is that fear is a feature of the human nervous system, not a flaw in it. Fear is specific where anxiety is diffuse. Fear points at something. When a retiree says "I am afraid I will outlive my money," she is naming a discrete object the planner can size, the advisor can address, and the coach can hold. That specificity is what makes the Index possible.

Some fears are healthy. The retiree who feels real fear about Social Security cuts and responds by diversifying her income sources is using fear well. The retiree who feels imagined fear about market crashes and parks everything in cash for twenty years is being run by fear, not informed by it. The Index, paired with a competent advisor or coach, helps the household tell the difference.

Once a fear is named and right-sized, the move available to the retiree is what the clinical literature calls approaching rather than avoiding. The retiree who has been deferring a long-term care conversation with her spouse for six years can finally have it. The retiree who has been postponing the meeting about Social Security claiming can schedule it. The retiree who has been afraid to spend the money she worked forty years to accumulate can begin. None of this requires a different portfolio. All of it requires a different vocabulary.

The Index is that vocabulary.

What We Are Asking

RetireMentors will publish the Retirement Fear Index every month. The methodology is open. The math is in the White Paper, and any analyst with access to the underlying surveys, news feeds, and engagement data can reproduce the monthly number to within two points. We will keep the categories anchored to academic and institutional research, not to whatever happened to be loud on social media that week.

If you are a financial advisor: use it. Build it into the monthly client touchpoint you have always wanted but never had a credible reason to send.

If you are a retirement coach or consultant: take the 30 percent of the Index tagged psycho-spiritual and run with it. The work in that territory is the work that defines the next decade of the profession.

If you are a wealth management firm or RIA: cite it. The competitive advantage of the next ten years is not better software. It is being the firm that can talk about what clients actually fear, in language clients actually use, and propose interventions that match the fear instead of the spreadsheet.

If you are a journalist: November is the month the Retirement Fear Index put a number on the measured consequence of October’s Competing-Priorities frame. In September, Goldman Sachs told us household costs are crowding out retirement savings. In October, TIAA told us by how much: 43 percent of American adults 18 to 65 cut or stopped a retirement contribution in the past year, with 19 percent stopping entirely. The November RFI reading of 126.4 is where that casualty count shows up on the fear map, with Healthcare and Outliving Savings tied at the top at 134 — the first tie at the top in Index history. The story to watch for the first quarter of 2027 is whether the 3.6 percent 2027 Social Security COLA and the possible December Fed hike begin to reverse any of the Stretched-Thin behavior Goldman and TIAA have now documented across two consecutive months. We will mark each turn the moment the data shows it.

If you are a retiree or pre-retiree: read the Index as a mirror. Notice where you run hotter than the population, and where you run cooler. Both directions are useful. Then have the conversation you have been deferring.

Retirement, done well, is not optimization. It is integration — of money and meaning, of plan and person, of fear and faith. Most of the industry has been working on the first half of each pair. The second half is the open territory. The Retirement Fear Index is the first instrument built for it.

Fear is information. The Index is the instrument.

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