POSITIONING PAPER • EXECUTIVE SUMMARY

Fear Belongs on the Plan

RetireMentors • David Conti, CPRC • July 2026 • A monthly meta-analysis and sentiment map of retiree fear. Companion to the July 2026 White Paper (full methodology there).

JULY 2026: RFI = 121.7 (baseline = 100). *Social Security (+8 pts) and Outliving Savings (+6 pts) lead the July move after the 2026 Trustees Report and Vanguard's median-401(k) data. Inflation cooled (-4 pts) as UMich sentiment rebounded to 49.5 on gasoline. Fed removed the 2026 rate cut, lifting Market Volatility (+4 pts). New 13-month high.*

The Case

Sophisticated software exists for asset allocation, withdrawal sequencing, and tax management. Almost none exists for fear. Kahneman and Tversky priced loss aversion in 1979; Boston College's CRR has been re-measuring the consequences since. About half of retirees feel discomfort when their portfolio falls — even when spending is exactly as planned. Reported risk tolerance diverges from actuarial risk capacity by 15 to 30 percentage points of stock allocation. These are not edge cases. They are the population.

Note the vocabulary problem. Nearly every major retirement study — institutional and academic — is framed as risk: longevity risk, sequence-of-returns risk, inflation risk, policy risk, family risk. People do not act on risk. They act on fear, and fear drives action. The hard part is that fear-driven action in markets is usually wrong. DALBAR's 2026 QAIB report finds that in 2024 the average equity investor underperformed the S&P 500 by 848 basis points, with the largest outflows occurring just before the year's biggest return surge. Morningstar's 2025 Mind the Gap study finds the same pattern over ten-year horizons. Risk is the analyst's word. Fear is the householder's. The Index translates one into the other so the planning conversation lands.

The Ten Master Fears (July 2026 weights)

1	**Healthcare & Long-Term Care Costs** 24%	Medical bills, Medicare gaps, and the cost of assisted living or memory care consuming the portfolio.
2	**Outliving Savings / Longevity Risk** 19%	Assets running out before the retiree does. The technical version is Boston College CRR's National Retirement Risk Index.
3	**Social Security & Pension Insolvency** 17%	Promised benefits cut, frozen, or eliminated by forces outside the household's control. The 2026 Social Security Trustees Report (June 9) pulled OASI depletion to Q4 2032 — one quarter earlier than the 2025 report — with 78% of benefits payable at exhaustion.
4	**Inflation & Rising Everyday Costs** 11%	Fixed income failing to keep pace with food, housing, utilities, and care.
5	**Cognitive Decline / Loss of Independence** 7%	Dementia, memory loss, vulnerability to fraud, and the gradual loss of the ability to manage one's own affairs.
6	**Market Volatility & Sequence-of-Returns** 6%	A major drawdown right before or after the retirement date, with no time horizon to recover.
7	**Loss of Purpose / Identity Crisis** 5%	"Who am I when work ends?" The disappearance of structure, status, and meaning that work provided.
8	**Housing Affordability & Maintenance** 4%	Property taxes, repairs, and the cost of staying in place outpacing what the household can manage.
9	**Family Caregiving Burdens & Isolation** 4%	Caring for aging parents, supporting adult children, or facing retirement alone after spousal loss.
10	**Taxes & Regulatory Changes** 3%	Mid-retirement rule changes — RMDs, IRMAA, tax brackets — quietly eroding the plan.

What the Index Changes for Practice

A monthly conversation. Twelve credible client touchpoints a year, each anchored to data the client can verify. **A triage tool.** The action axis — 32% Actionable, 38% Partially Actionable, 30% Psycho-Spiritual — tells you which fears yield to a product, which yield to a process, and which yield only to a conversation. **A retention differentiator.** The advisor who can hold a real conversation about a client's psycho-spiritual fears keeps that household through a thirty-year retirement.

> *Cash-flow modeling answers what is mathematically feasible. The Index answers what is emotionally accessible. The plan works when both answers point the same direction.*

Fear is information. The Index is the instrument.

— David Conti, CPRC • Founder, RetireMentors • www.RetireMentors.net