FOR IMMEDIATE RELEASE
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Trouble Ahead! Baby Boomers’ Retirement Outlook on the Decline

IRI Study Finds Few Boomers Are Confident in Attaining Financial Security in Retirement, Many Not Saving and Planning for Retirement

WASHINGTON, D.C. – The Insured Retirement Institute (IRI) today released a new research report that found less than a quarter of Baby Boomers, 24 percent, are confident they will have enough savings to last throughout their retirement years. This is the lowest level since IRI began this research study in 2011, when 37 percent of Boomers had this same level of confidence.

The sixth annual study also found that this lack of confidence is understandable, given Boomers’ readiness for retirement. Only 55 percent of Boomers reported having savings for retirement. And nearly half of those Boomers with savings, 42 percent, have saved less than $100,000 – an amount that would generate less than $7,000 a year in retirement income. Overall one in five Boomers are concerned they will not have enough savings to cover basic living expenses.

“The road to a confident financial future begins with developing a holistic retirement plan,” IRI President and CEO Cathy Weatherford said. “Unfortunately most Boomers are not taking important planning steps. Less than 40 percent have determined a savings goal, and just over a quarter are seeking help from a financial professional. Time is running out. Unless Boomers begin to focus on their long-term needs now and commit to savings, they will need to work longer and make steep cutbacks to make ends meet in retirement.”

The IRI study also offers some helpful tips for future generations, including GenXers and Millennials. The study found that Boomers lacking confidence in their retirement security have some common regrets, with 68 percent wishing they had saved more and 67 percent wishing they started saving earlier.

Other key findings from the report:

- Only 22 percent of Boomers are confident with their preparations for retirement, 27 percent are confident their savings will be sufficient to cover health care costs in retirement, and only 16 percent are confident they can cover the cost of long-term care.
During the past year, 30 percent of Boomers postponed their plans to retirement. About six in 10 Boomers, 59 percent, now plan to retire at age 65 or later. This includes 26 percent who plan to retire at age 70 or later. In 2011, only 17 percent of Boomers expected to retire at age 70 and beyond.

If their financial resources become exhausted in retirement, 71 percent will try to cut back to rely only on Social Security, and 54 percent said they will try to return to work if able.

Three in 10 Boomers stopped contributing to a retirement account, and 16 percent of Boomers took premature withdrawals from their retirement accounts.

Nearly six in 10 Boomers, 59 percent, expect Social Security to be a major source of income in retirement, up from 43 percent in 2014.

Six in 10 Boomers believe their retirement income will cover basic expenses as well as some for travel and leisure activities.

Only 46 percent of Boomers believe it is important to leave money to heirs, down from a high of 67 percent in 2013.

More than eight in 10 Boomers who work with a financial professional said they are better prepared for retirement as a result.

68 percent of Boomers who own annuities and 78 percent of Boomers who work with financial professionals have at least $100,000 saved for retirement, compared to only 58 percent of all Boomers.

Of divorced Boomers, 24 percent said being divorced will leave them worse off in retirement, and 23 percent said they will need to work longer as a result.

More than six in 10 Boomers, 62 percent, would prefer to meet with a financial professional in-person. An equal amount said they are unlikely to use an automated, online solution.

The IRI study is based on a survey of 800 Americans aged 53 to 69. The report was released during a conference call with reporters to open National Retirement Planning Week® 2016. The annual campaign promotes and encourages comprehensive retirement planning.

The entire report, “Boomer Expectations for Retirement 2016,” is available HERE.

About National Retirement Planning Week® 2016: National Retirement Planning Week® 2016 will take place from April 11 to 15. National Retirement Planning Week® and other coalition activities will demonstrate that it is possible to “Retire On Your Terms” if comprehensive retirement plans are properly developed and managed. To support these education efforts, the coalition has collected the latest resources to help consumers and financial professionals focus on long-term financial goals. These tools are available year-round at: www.RetireOnYourTerms.org.

About the Insured Retirement Institute: The Insured Retirement Institute (IRI) is the leading association for the retirement income industry. IRI proudly leads a national consumer coalition of more than 30 organizations, and is the only association that represents the entire supply chain of insured retirement strategies. IRI members are the major insurers, asset managers, broker-dealers/distributors, and 150,000 financial professionals. As a not-for-profit organization, IRI provides an objective forum for communication
and education, and advocates for the sustainable retirement solutions Americans need to help achieve a secure and dignified retirement. Learn more at www.irionline.org.

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