

Most Americans Focused On Basic Financial Needs and Unprepared For Retirement

3 in 4 Interested in 410(k) Annuity Option

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New York, NY, June 14, 2010 – In a new survey aimed at better understanding the financial outlook and retirement needs of Americans, Ipsos found that more than half (60%) of 1,082 adults aged 25 and older were trying to meet basic financial needs and savings goals while only one in five were actively building savings and investments for added financial security and to improve their lifestyles. This data suggests that the much discussed corporate economic recovery has yet to trickle down to Main Street.

In fact, the ongoing emphasis on safety and security seems particularly evident considering that, despite exceptionally low yields, the financial product used more than any other was traditional savings (71%), with life insurance, the next closest, used by half (50%).

When discussing their retirement outlook, a majority of respondents said they expect to retire between the ages of 62 and 70 and anticipate being in retirement for over 15 years (19.6 years on average). Eight out of ten said they believe that Social Security will not provide enough income to live in retirement.

Additionally, 38% of those surveyed feel unlikely they'd have enough money to cover basic monthly expenses in retirement and half feel unlikely they could maintain their standard of living. This suggests that many Americans may be overly optimistic about retirement given their stated estimates for basic monthly expenses in retirement. Among those surveyed,

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current retirees said they need \$2,857 per month and those not yet retired said they'll need \$3,987. Simple math suggests that those not yet retired will need over \$935,000 to cover *basic* monthly expenses over the course of their projected retirement.

Despite the disconnect between what Americans think they'll need in retirement, and what they actually have, a majority recognize the necessity for investments that provide a fixed monthly payout in retirement.

To this end, and given discussions in Washington about the possibility of a rule change that would allow annuities in 401(k) plans, those surveyed were asked about the potential for a fixed-rate annuity being added to the investment options available in 401(k)s. Almost three quarters (73%) said they would like having this option available and, most compelling, 83% of those ages 25-34 felt the same way. While few (14%) felt they had a very high level of knowledge about annuities in general, 60% felt this 401(k) annuity option would be good for retirement.

While responses to the Departments of Labor and Treasury's Request For Information on the proposed rule changes surrounding the use of a guaranteed income component in 401(k)s have been diverse, this nationally representative survey suggests that the American people are not only open to the idea of devoting a portion of their 401(k) to an annuity product that would provide a guaranteed income in retirement, but a strong majority would embrace it.

These are some of the findings of an Ipsos poll conducted April 21 to May 4, 2010. For the survey, a national sample of 1,082 adults aged 25 and older from Ipsos' U.S. online panel were interviewed online. A survey with an unweighted probability sample of 1,082 and a 100% response rate would have an estimated margin of error of +/- 3 percentage points 19 times out of 20 of what the results would have been had the entire adult population aged 18 and older in the United States had been

polled. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

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