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New York, NY, July 29, 2010 – New research conducted by Ipsos finds that younger adults, aged 25-34, are already concerned about having enough money to see them through retirement. Likely in response to these retirement concerns, the research also suggests that this generation would be particularly receptive to alternative contribution options within employer sponsored 401(k) plans.

The survey reveals that seven in ten adults aged 25-34 (71%) have under $50,000 in investable assets overall, and among those who have a 401(k), nine in ten have under $50,000 invested in it. "Given these low investment levels and a widespread lack of confidence in Social Security, it comes as no surprise that half (46%) of this generation express concern that they will not have enough money to maintain their standard of living in retirement," states Eric Murphy, Vice President at Ipsos. With an expectation that they will be retired for 23 years on average, four in ten young adults (37%) think it is unlikely that they will even be able to cover basic monthly expenses throughout retirement. Additionally, just one quarter (26%) feels that they have enough information and resources to help them plan for retirement.

The research also finds that young adults are interested in alternative approaches to investing for retirement. Murphy suggests that this is a timely finding in light of current macro shifts in perspective which have created additional opportunities when it comes to investing for retirement. With the Middle Class Task Force led by Vice President Joe Biden emphasizing the importance of retirement security and promoting the need for guaranteed lifetime income options for all ages, and with the potential for regulation of annuity products shifting to allow greater portability, annuities are becoming a more appropriate option for 401(k) investing. Additionally, low-cost exchange traded funds (ETFs) are increasing in consideration as an alternative investment option beyond traditional money market, equity and bond mutual fund options. All of these factors have the potential to shift how people plan for retirement and designate contributions within their 401(k) plans.

To gauge consumer receptivity toward such changes, Ipsos had survey participants evaluate two potential investment alternatives – annuity and ETF options for 401(k) plan contributions. In both cases, results demonstrate that younger adults are more likely to be receptive to these investment alternatives.

For the annuity option, eight in ten adults aged 25-34 (83%) said they would like it, versus a still impressive seven in ten adults across all age groups (74%). Half of young adults (48%) said that they would be likely to seek out more information about this option. Among current 401(k) participants, 1 in 3 (36%) said they would allocate a portion of their contribution to an annuity if available. The research also suggests that an annuity option would increase 401(k) participation among the 56% of young adults who do not currently participate in a 401(k). Among those not currently contributing to a 401(k), half (47%) said they would be more likely to participate if it included an annuity option.

In a similar study, younger adults also demonstrated receptivity toward the ETF option – although to a lesser degree, likely due to lack of clarity about the offering since only half felt they understood the ETF option well. Despite this limited understanding, one in three adults aged 25-34 (35%) said they would like the ETF option compared to one in four adults across all ages (23%). "As ETFs become better understood, we fully expect interest levels to increase," continues Murphy.

With the research also supporting that young adults are most likely to make their financial decisions without the assistance of a professional financial advisor, these additional 401(k) options are well suited to their independent approach to investing at this stage of their lives.

These are some of the findings of two recent Ipsos polls. The first poll was conducted April 21 to May 4, 2010. For this 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 +/- 3.0 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. The second poll was conducted June 4th to June 10th, 2010. For this survey, a national sample of 872 adults aged 21 and older from Ipsos' U.S. online panel were interviewed online. A survey with an unweighted probability sample of 872 and a 100% response rate would have an estimated margin of error of +/- 3.3 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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