

Two Thirds of Pre-Retirees Who Have an Automatic Saving Vehicle Are Confident that They Will Help Them Become More Financially Secure

Nearly Half Would Like More Automated Savings Vehicles to Add to their Savings Plan

Public Release Date: Tuesday, September 1, 2015



Ipsos Public Affairs is a non-partisan, objective, survey-based research practice made up of seasoned professionals. We conduct strategic research initiatives for a diverse number of American and international organizations, based not only on public opinion research, but elite stakeholder, corporate, and media opinion research. Ipsos has media partnerships with the most prestigious news organizations around the world. In the U.S., UK and internationally, Ipsos Public Affairs is the media polling supplier to Reuters News, the world's leading source of intelligent information for businesses and professionals. Ipsos Public Affairs is a member of the Ipsos Group, a leading global survey-based market research company. We provide boutique-style customer service and work closely with our clients, while also undertaking global research.

To learn more visit: www.ipsos-na.com

For copies of other news releases, please visit:
<http://www.ipsos-na.com/news-polls/>.

© Ipsos

Washington • New York • Boston • Los Angeles • Austin • Chicago • St. Louis
Cincinnati • Minneapolis • Seattle • San Francisco • Vancouver • Calgary
Winnipeg • Toronto • Guelph • Ottawa • Montreal • St. John



Two Thirds of Pre-Retirees Who Have an Automatic Saving Vehicle Are Confident that They Will Help Them Become More Financially Secure

Nearly Half Would Like More Automated Savings Vehicles to Add to their Savings Plan

New York, NY – A majority of pre-retirees between the ages of 50 and 62 with a household income of at least \$80,000 say that they currently use automatic savings vehicles (defined here as ways to make sure money is saved by setting up automated deductions into savings/investment accounts or by making payments into an investment that can be withdrawn from later if desired, such as a 401(k), 403(b), permanent life insurance, or a home mortgage). This includes two thirds who currently have direct deposit from a paycheck to a 401k/403b retirement account (66%), about half who have a mortgage (46%), a third that have permanent life insurance (35%), and one in ten who have an automatic college savings plan (9%). Only 15% of pre-retirees surveyed say that they have none of these automatic savings vehicles.

- Those without a college degree (20%), those who are retired already themselves (29%), and those who are unmarried (23%) are among those most likely to say that they do not have any of these forced savings vehicles.

Saving money in such ways is seen as effective among those who currently have automatic savings vehicles, with two thirds (64%) saying that they are confident that their automatic savings vehicles will help them to become more financially secure compared with other forms of savings. A third (32%) say that they are neither more nor less confident, while very few pre-retirees (4%) are less

confident that their automatic savings vehicles will help them to become more financially secure compared to other forms of savings.

- Men (68%) and those working full-time (68%) are among those most likely to feel much more/somewhat more confident in the ability of their forced savings vehicles to help them become more financially secure compared to other typed of savings.

Looking at different types of automatic savings vehicles more specifically, direct deposit from a paycheck to a 401k/403b retirement account is seen as most effective, with more than nine in ten pre-retirees who currently use this form of savings saying that they are confident that this will help them to achieve their financial goals (93%). Among those who have an automatic college savings plan, eight in ten (81%) are confident that these plans are helping them to achieve their financial goals, while with similar proportions feeling this way about their mortgage (79%) and permanent life insurance (78%).

Among those who have automatic savings vehicles, nearly half (46%) find it difficult to save additional funds outside of their automatic savings vehicles given all of the financial demands they are dealing with – particularly men (50%) and those with children living at home (58%), compared to women (42%) and those with no children under 18 (44%), respectively.

In fact, nearly one in two pre-retirees (45%) would like *more* automatic savings vehicles to add to their savings plan, with those under 55 (51%), those with children living at home (58%), and those working full-time (49%) among those most likely to agree.



Though Many Started Saving Early in their Adulthood, Most Wish They Had Started Sooner

A majority of all pre-retirees surveyed say that they got serious about building up their savings for their future at a young age – including a majority who did so before turning 35 (17% before the age of 25, 18% between ages 25-29, and 19% between ages 30-34). Slightly more than one in ten did not start getting serious about a savings plan until their late thirties (14%), and one in five waited until they were in their forties (21%). One in ten, however, did not start getting serious about their savings plan until they were 50 or older (11%).

- Those with no automated savings are significantly more likely than those who currently use these to say they didn't get serious about saving until the age of 50 (16% vs. 10%). Those with no college education follow this pattern (17% vs. 9% of college graduates).

Though many pre-retirees started focusing on saving at a relatively early age, seven in ten (71%) wish they had started earlier, including a quarter (23%) who wish they had gotten serious about saving more than 10 years earlier than they did. An additional 25% report that they wish they had gotten serious about saving six to 10 years before they did, while another quarter (22%) wish they had started between one and five years earlier. Just three in ten (29%) say that they started saving at about the right time.

These are findings from an Ipsos poll conducted on behalf of New York Life, fielded July 22 – 26th, 2015. For the survey, a sample of 906 U.S. adults between the ages of 50 and 62 with a household income of at least \$80,000, and who reported that at least one person in the household was not yet retired, was interviewed online, including 762 respondents who



currently have a forced savings vehicle. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll has a credibility interval of plus or minus 3.7 percentage points for all pre-retirees, and plus or minus 4.0 percentage points for pre-retirees with an automatic savings vehicle.

The data were weighted to the U.S. current population data by gender, age, region and household income based on Census data. Statistical margins of error are not applicable to online polls. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error and measurement error. Where figures do not sum to 100, this is due to the effects of rounding.

##

For more information on this news release, please contact:

Rebecca Sizelove
Vice President
Ipsos Public Affairs
Rebecca.Sizelove@Ipsos.com

News releases are available at: <http://www.ipsos-na.com/news-polls/>