



FINANCIAL LUSTER IN THE GOLDEN YEARS?

SEPTEMBER 2014

Ah, retirement. It conjures up picture-perfect images of traveling around the world for some or winters on the slopes for others – and how to turn such dreams into a reality is top-of-mind for all. So, what kind of financial preparations are being made now to usher in these golden years? We asked Americans.

Overall, the results from our eNation survey conducted in September 2014 show that the average age that working Americans plan to retire is 64 years old. But that age increases to 66 years old when asked when they think they will *realistically* be able to retire. More so, the percentage of those who will never be able to retire went up significantly from 7% to 13%, while those who said they want to continue working as long as possible went down when comparing “hope to retire” versus “realistically think they will retire”.

At what age do you <i>hope</i> to retire? At what age do you <i>realistically</i> think you will be able to afford to retire?		
Base: Employed	Hope to Retire %	Realistically think Will Retire %
Before 55 years old	7	5
Between 55-59	13	9
Between 60-64 years old	23	19
Between 65-69 years old	28	25
Between 70-74 years old	8	13
Between 75-79 years old	2	4
Between 80-84 years old	1	2
85 or older	–	1
Want to continue working as long as possible	10	8
Will never be able to afford to retire	7	13
Mean	63.9	65.9

Of course, it takes a wealth of smart planning to be able to retire when desired. For a 65 year old to be able to afford 25 years of retirement, the rule of thumb goes that they will need to have anywhere from 8 to 11 times their current salary tucked away. When asked, a large chunk of Americans (53%) were correct in this ballpark, saying either 8, 10 or 12 times their current salary would be needed to retire at 65 years old and live till 90. And another quarter (25%) of Americans said 14 times or more would be necessary for retirement. Now that’s a responsible bunch! On the flip side, approximately one-fifth (22%) underestimated retirement costs and thought the amount needed to be five times or less their current salary. As may be expected, Millennials are more likely to underestimate the savings needed for retirement.

Which of the following amounts do you think a 65 year old should have in their savings to afford 25 years of retirement? (Select one)												
Base: Employed	Total %	Gender		Age			Income		Married		Employed	
		Male	Female	18-34	35-54	55+	<\$50K	\$50K+	Yes	No	FT	PT
3 times current salary	8	8	9	10	8	6	12	7	7	11	8	8
5 times current salary	14	14	14	14	13	16	14	14	14	14	14	12
8 times current salary	12	13	13	16	9	12	13	12	11	14	13	10
10 times current salary	31	31	31	30	33	30	29	32	33	29	30	37
12 times current salary	10	10	10	9	9	12	9	10	10	9	11	6
14 or more times current salary	25	25	25	21	28	24	24	25	26	23	24	26



Ipsos Public Affairs
The Social Research and Corporate Reputation Specialists

Public Affairs Thought Starter



How are they preparing for their golden years? While most Americans (71%) are saving for retirement, only 38% say they have a specific goal and plan in place to be able to retire at their target age. Naturally, Seniors are particularly keen to jump on the retirement planning wagon with 50% having a goal in place. Being young also has a role in retirement planning (or a lack of); only 30% of those aged 18 to 34 years old have a strategy in place. It's also interesting to note that 13% of Americans say they have no hope of retiring and try not to think of it.

Which of the following statements best fits your thoughts about preparing for retirement? (Select one)

Base: Employed	Total %	Gender		Age			Income		Married		Employed	
		Male	Female	18-34	35-54	55+	<\$50K	\$50K+	Yes	No	FT	PT
Aware of savings needed and have plan	38	39	37	30	37	50	24	43	42	31	38	36
Saving for retirement but have no plan	33	32	35	40	32	27	32	34	35	32	36	23
No hope to ever retire	13	13	13	10	16	11	22	9	10	16	11	19
Knowing what's needed is too confusing	10	10	9	9	10	10	14	8	9	12	9	13
Too young to worry about retirement	4	5	4	10	3	-	6	4	3	7	4	7
Inheriting money so do not need to worry	2	2	2	3	2	1	3	2	4	3	2	2

And what if Americans find themselves short on savings? The vast majority (67%) say they would rather delay retirement three years and feel comfortable with their savings than retire when originally planned and have to make financial sacrifices, and this is especially skewed towards men (70%) and Millennials (73%). On the other hand, women (36%), those who are married (36%) and those over 55 years of age (38%) tell us that they are more likely to make sacrifices so they can retire as planned.

If you had to decide to either push retirement off 3 years from when had hoped so to save more money or retire when originally planned but make sacrifices to cut cost of living when retired, which would you select? (Select one)

Base: Employed	Total %	Gender		Age			Income		Married		Employed	
		Male	Female	18-34	35-54	55+	<\$50K	\$50K+	Yes	No	FT	PT
Work an additional 3 years	67	70	64	73	65	62	68	67	64	71	67	66
Make sacrifices so can retire as planned	33	30	36	27	35	38	32	33	36	29	33	34

As we can see, a plurality of Americans are saving on a regular basis and fully realize that without a hefty amount of planning, the golden years may lose their shine. When asked who they think will most feel the financial pinch when it's time to retire, almost half (45%) of Americans name Millennials. Perhaps it's because they're saddled with student debt or maybe they just think retirement is too far, but one thing is for certain: it's never too early to start to target this segment.



Ipsos Public Affairs
The Social Research and Corporate Reputation Specialists

Public Affairs Thought Starter



Methodology

Each week Ipsos U.S. eNation online omnibus completes five national online surveys. Each survey (wave of eNation) consists of a minimum of 1,000 completes with adults 18 years of age or older in the contiguous U.S.A. The sample consists of individuals selected from the online segment of Ipsos' iSay/Ampario Panel, and is balanced to be representative of the general population based upon region, gender, age, and household income data from the U.S. Census Bureau. The selected individuals receive a customized e-mail inviting them to participate. Ipsos U.S. eNation online omnibus survey results are tabulated by two standard demographic banners.

A. GENDER, AGE, HOUSEHOLD INCOME, REGION

B. CHILD IN HOUSEHOLD, EDUCATION, EMPLOYMENT STATUS, MARTIAL STATUS, RACE

eNation's standard data tabulations are provided in a weighted format. The data are weighted to give appropriate representation on various demographic factors, including: age, income, the four national census regions, and gender. The Current Population Survey from the U.S. Census Bureau is used to determine the weighting targets for each demographic factor.

“Because eNation is fielded seven days a week, you can measure public opinion and consumer attitudes any time – quickly and affordably.”



Ipsos Public Affairs

The Social Research and Corporate Reputation Specialists

To request complimentary access to this study, or to learn more about eNation, please contact us.

Paul Abbate

Senior Vice President
Ipsos Public Affairs
617.526.0042
paul.abbate@ipsos.com



Chris Deeney

Senior Vice President
Ipsos Public Affairs
630.526.4080
chris.deeney@ipsos.com



Ipsos Public Affairs

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