



SIENA RESEARCH INSTITUTE

SIENA COLLEGE, LOUDONVILLE, NY

www.siena.edu/sri

For Immediate Release:

Tuesday, June 21, 2011

Contact:

Dr. Don Levy, 518-783-2901 or dlevy@siena.edu or

David Andersen, 404-514-0424 or david@eRollover.com

PDF version; crosstabs; website:

www.Siena.edu/SRI/research

Special National eRollover/Siena Gen X Retirement Planning Study
Gen X'ers Worried about Retirement: Preparation Lags High Hopes
Only 29% Have a Plan, Less than Half are Saving, Small 11% Very
Confident will Retain Lifestyle in Golden Years
71% Agree, Social Security Could be Bankrupt in 2035

Loudonville, NY. Only 29 percent of American Generation Xers (29 to 49 years of age) say they have a clear and organized plan to save for their retirement and fewer, 18 percent, are well along their path to successfully retiring, according to the new [eRollover](http://eRollover.com)/Siena College study released today. Large majorities plan to relax and travel in retirement but only 41 percent put aside any money beyond what their employer may have contributed over the last six months, less than half have a 401K and only 19 percent have a financial advisor with whom they discuss their finances at least once a year. Just 11 percent are today very confident that when they retire they will be able to maintain their current standard of living while 49 percent are not very or not at all confident. Seventy-one percent agree (38% strongly) that unless something is done, Social Security will be bankrupt within the next 20 to 25 years.

“With only one of every seven Gen-Xers currently having an income that exceeds their expenses and over four of every ten saying they are worse off financially today than they were a year ago, no wonder they are worried about retirement. Forty-one percent of these Americans predict that their quality of life in retirement will be worse than that of those that retired 15 to 20 years ago,” according to Dr. Don Levy, SRI’s Director.

“We asked Gen-Xers to tell us how they were preparing for retirement. Only forty-six percent have a written monthly budget that they use to keep track of income and expenses. Fifty percent do have at least \$1000 in savings but only thirty-three percent have socked away six months of expenses. More than half have life insurance but only forty-eight percent have a 401K and fewer than thirty percent of them have a will, a portfolio of individual stocks, or a financial advisor,” noted Levy.

Only 18 percent of Gen-Xers say they have all the information they need in order to plan for retirement and that they are well along their path while nearly twice as many, 35 percent, say they have made a start but need some help and 34 percent that they really haven’t done what they should in order to prepare.

“This group admits having its head in the sand about planning for the future,” said Tim Harrington, CEO of eRollover.com. “They are struggling to make ends meet, and have not begun to save. Retirement planning has become a social taboo that many avoid discussing.”

While 71 percent believe Social Security must be fixed to survive, and 67 percent of these Americans plan to count on those payments as at least a minor source of income in retirement, Gen-Xers are divided on what should be done. Fifty-eight percent favor lessening benefits for those that retire with significant wealth while 29 percent disagree. On three other suggestions, partial privatization, increasing the payroll deduction rate and increasing the payroll cap from \$106,800 to 90 percent of taxable income, a small plurality of respondents offer support. But they strongly oppose, 60 to 28 percent, raising the age at which citizens can collect from Social Security to 70 years of age.

Eleven percent of Gen-Xers are very confident that they will maintain their current standard of living in retirement and while about one in four think they are more prepared at this point than others their age, 41 percent acknowledge that they are somewhat or much less prepared. Only 44 percent have over the last two years put money in a savings account, 37 percent put money in a retirement account like a 401k, and 11 percent met with a financial advisor and constructed a plan.

“While planning and saving may be in short supply among Gen-Xers, there is no shortage of concerns. More than two-thirds say that each of four big worries are at least a somewhat significant concern. In rank order they are kept up at night by being able to save enough money, how much it will cost to retire, whether social security will still be there for them and how much it will cost them to provide for their family prior to retiring. Still, only three out of ten have a plan that they follow in their financial life,” Levy noted.

“There are plenty of hopes and dreams for retirement, but right now Gen-Xers are worried about Social Security continuing to be there and whether in these tough times they can squirrel away enough acorns of their own. Right now, more believe future retirements won’t match the life enjoyed by current retirees than those that see easy street around the corner,” Levy said.

The [eRollover](http://eRollover.com)/Siena special study of GenX Retirement Planning was conducted May 10 – 15, 2011 via participation in an online panel by 1006 residents of the United States between the ages of 29 and 50. Data was statistically adjusted by age, region and gender to ensure representativeness. SRI reports this data at a 95% confidence level with a margin of error of ± 3.1 points for the overall sample. SRI, an independent, non-partisan research institute, subscribes to the American Association of Public Opinion Research Code of Professional Ethics and Practices. For more information or comments, please call Dr. Don Levy, Director Siena College Research Institute, at 518-783-2901 or David Andersen for eRollover, at 404-514-0424. Survey cross-tabulations and frequencies can be found at www.siena.edu/sri/research