American Retirement Readiness
Undersaved, Unprepared, Unaware

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VP, Research and Outreach
About IRI

• Education and Research
• Advocacy
• Consumer Engagement
• Operations & Technology
• Breadth and Depth
  • 200+ Insurer, Asset Manager, and Broker-Dealer members
  • 250,000+ Financial Advisors
  • Consumer Reach: 3.5 billion media impressions
    1H 2016, leader of National Retirement Planning Coalition
• www.irionline.org, www.retireonyourterms.org
Baby Boomer Retirement Readiness

- Confident Savings Will Last Throughout Retirement: 24% in 2015, 36% in 2012
- Adequately Preparing for Retirement: 22% in 2015, 41% in 2012
- Enough Saved for Health Care: 27% in 2015, 37% in 2012
- Enough Saved for Long-Term Care: 16% in 2015, 24% in 2012

Source: IRI
Know Their “Number”

39%  
42%  
29%  
0%   
10%  
20%  
30%  
40%  
50%  
60%  
70%  
80%  
90%  
100%  

Baby Boomers  
Generation X  
Millennials

Source: IRI
Have Retirement Savings

- Baby Boomers: 55%
- Generation X: 64%
- Millennials: 68%

Source: IRI
148,834,000 American Workers

- 47% DB and/or DC Participants
- 53% No Workplace Plan

Per Vanguard, 90MM “covered” by DC
Less Than $100,000 Saved

Baby Boomers: 42%
Generation X: 56%

Source: IRI
Inadequate Savings, Inadequate Income

Average 401(k) $96,288 ≈ $6k income

Median 401(k) $26,405 ≈ $1,500 income

Average SS Benefit ≈ $16k

Total Income ≈ $17,500 - $22k

Average Retiree Expense ≈ $46k

Income Gap ≈ $24k - $29k

Greater Than $100,000 Saved

- With Financial Advisor: 78%
- Without Financial Advisor: 40%
- Annuity Owner: 68%
- Non-Annuity Owner: 50%

Source: IRI
Driving Better Outcomes

• Auto-enrollment
  • Increase in 80%+ participation: 50% to 64%
  • Pair with auto-escalation for true success
• Education
  • 56% of participants: “don’t know” or “won’t review”
  • Should not start from “you have failed”
• Gamification
• In-plan Guarantees
  • Average 38% higher contributions
  • Safe Harbors, Portability
• Transition to Income
  • One-third of plans require “all or none” distributions
  • Back to education: how to create sustainable income

Sources: Towers Watson, Schwab, Prudential, Plan Sponsor Council of America