



Middle-Income Boomers, Financial Security and the New Retirement

Key Findings

More than half of middle-income Boomers look forward to retirement and acknowledge it will be different from that of previous generations.

- Two-thirds (67%) of middle-income Boomers say their retirement will be different from that of previous generations; the ideas of being taken care of by family, slowing down and moving to a retirement community (associated with the retirement of previous generations) are being replaced with an active lifestyle and work.
- More than half (55%) of middle-income Boomers are looking forward to retiring. However, one in four (28%) are still uncertain.
- Three out of four (73%) middle-income Americans age 47 to 65 say that their financial situation, not age, is now the key indicator for when to retire.
- Pensions and guaranteed income are what sixty percent (60%) of middle-income Boomers envy most about the retirement of previous generations.
- Three out of four (75%) middle-income Boomers expect to work in retirement; more than half (57%) of those expect they will have to work for financial reasons.

Middle-income Boomers feel they have fallen behind on saving for retirement.

- Two-thirds (67%) of middle-income Boomers feel they are behind where they expected to be at this point in their lives in terms of financial readiness for retirement.
- Half (52%) of middle-income Boomers are not confident that they have saved enough to live comfortably in retirement, and thirty-eight percent (38%) are only somewhat confident. Only one in ten (10%) feel confident about the adequacy of their retirement savings.
- One-seventh (14%) of middle-income Americans age 47 to 65 do not have a pension, 401(k), IRA or any other type of retirement savings account.
- More than half of middle-income Boomers (55%) have saved less than \$100,000 for retirement. One-fifth (19%) have saved less than \$10,000.
- Uncovered healthcare expenses (80%), inflation (79%) and living longer than their money lasts (71%) are the top three financial concerns that middle-income Boomers have about retirement.

Middle-income Boomers have been hit hard by the economic downturn and are delaying retirement in response.

- Two out of three (68%) middle-income Americans age 47 to 65 have experienced a decline in the value of their retirement accounts since 2008; one-third (30%) of those have not seen any rebound in value as of March 2011.
- Twenty percent (20%) of middle-income Boomers whose employer contributes to their retirement plan report that their employer reduced matching contributions. However, almost all (95%) of those surveyed who participate in their employer's plan maintained or increased their personal contribution.
- More than half (55%) of middle-income Boomers report that they are spending less on discretionary items such as dining out, vacations and gifts, and forty-three percent (43%) of those surveyed have reduced their credit card debt.
- Two-thirds (64%) of middle-income Boomers have taken action to reduce their healthcare expenses, including holding off going to the doctor (55%), postponing an elective surgery (26%) or changing to a less-expensive healthcare plan (25%).
- One-third (32%) of those surveyed who own a home have already paid off their mortgage; however, close to half (48%) do not expect to have it paid off before they retire.
- Three-quarters (73%) of middle-income Boomers say the turbulent economy has caused their retirement timing expectations to change; seventy-nine percent (79%) of those are delaying their retirement, by five years on average.

Methodology

The Bankers Life and Casualty Company Center for a Secure Retirement study *Middle-Income Boomers, Financial Security and the New Retirement* was conducted in March 2011 by the independent research firm The Blackstone Group.

A nationwide sample of 500 American Baby Boomers (ages 47 and 65) who are not yet retired and have an annual household income of between \$25,000 and \$75,000 participated in the Internet-based survey. Significant sub-sample differences were tested at the 95% confidence level.

About Us

Bankers Life and Casualty Company Center for a Secure Retirement is the company's research and consumer education program. Its studies and consumer awareness campaigns provide insight and practical advice for how everyday Americans can achieve financial security during retirement.

Established in 1879 in Chicago, Bankers Life and Casualty Company focuses on the insurance needs of the retirement market. The nationwide company, a subsidiary of CNO Financial Group, Inc., offers a broad portfolio of life and health insurance retirement products designed especially for retirees.

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