



## **For Immediate Release**

# **NEW PENTEGRA RETIREMENT SERVICES SURVEY SHOWS LACK OF PLANNING FOR RETIREMENT SAVINGS DISTRIBUTION**

## **EXPERTS SAY PUBLIC FOCUS SHOULD SHIFT FROM ACCUMULATING SAVINGS TO PLANNING HOW TO STRETCH MONEY TO LAST THROUGHOUT RETIREMENT**

White Plains, NY, June 2, 2015 – A survey released today commissioned by Pentegra Retirement Services and conducted online by Harris Poll among employed U.S. adults\*, showed several surprising results, particularly when it comes to people's lack of planning for accessing their retirement savings.

Survey result highlights:

- The average age when working Americans plan to retire is 66, with one in five not planning to retire at all.
- On average, working Americans who plan to retire think they will need \$3,200 per month to live on when they retire.
- The average age when people want to start receiving their social security benefits is 67.
- More than half (56%) of those with retirement savings have no distribution plan for how they will access and stretch their money once they retire, with one in five not giving this any thought at all.

According to retirement planning expert Rich Rausser, senior vice president of client services at Pentegra Retirement Services: "The retirement industry has spent the last 20 years advising people how to accumulate retirement savings and reach a magic number. Many may not ever be able to reach that goal, and we must shift some of the focus to helping educate people on what to do with their savings when they retire. How will you actually receive your money? At what age will you retire, how much do you think you need to live on each month and how can you make sure you don't run out of money and outlive your savings—even without that magic number of savings? Our survey confirms that people need to learn about their options and solutions to maximize what they have saved."

The survey revealed that when thinking about their financial future, those who plan to retire think they will need approximately \$3,200 per month when they retire. Nearly one in five (19%) say they will need at least \$5,000. Rausser responds: "Based on the average household income of \$52,000, this number may seem practical at first glance, but many people do not factor in having to pay for health coverage and cost-of-living increases when estimating how much they will realistically need."

An additional critical survey finding revealed a lack of understanding and awareness of options available to access retirement savings, including: lump-sum payouts (with only 24% very familiar with this option); routine quarterly or monthly payments (only 29% very familiar); annuities for themselves (guaranteed monthly payments payable over their lifetime) (just 23% very familiar); or an annuity for themselves for their life and the life of their beneficiaries (only 17% very familiar), with one in four employed U.S. adults (not already retired) not even aware that this option exists.

Rausser explains: "More people need to know about these annuity options. They take the stress and guesswork out of distribution, stretching your savings as far as possible. We call it 'pensionizing' – meaning they replicate some of the most important features of pension plans -- features that made a traditional retirement simple when pensions were more commonplace."

Annuity plans can be designed to stretch your savings over your lifetime and actually allow you to enhance your lifestyle by relieving you of the worry of having enough to live on. "Some people may never reach that 'magic number' for retirement and will need to readjust their expectations and views of what a traditional retirement looks like," says Rausser.

Retirement once meant stopping work and getting a pension benefit that replaced a sizeable portion of a salary. Pensions are now less common and retirement today can mean having to work longer or part-time, while delaying Social Security. "The good news is that more creative distribution strategies are available that can help maximize what you have saved. These are called lifetime income solutions, and are an option that people should learn about as a possible alternative to make their future more secure," says Rausser.

#### **\*Survey Methodology**

This survey was conducted online within the U.S. **April 14 to 16, 2015** among **2,095** adults ages 18 and older (among whom 1,063 were currently working and not already retired) by Harris Poll on behalf of **Pentegra Retirement Services** via its QuickQuery® omnibus product. Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was used to adjust for respondents' propensity to be online. Complete results at <http://www.pentegra.com/upload/harrispoll2015.pdf>

#### **About Pentegra**

Pentegra Retirement Services is a leading provider of retirement plan solutions to organizations nationwide. Founded by the Federal Home Loan Bank System in 1943, Pentegra offers a full range of retirement programs, including 401(k) plans, Defined Benefit Pension plans, Cash Balance plans, 412(e)(3) Fully Insured Defined Benefit plans, Split Funded Defined Benefit plans, KSOPs, ESOPs, Profit Sharing plans, Age-Weighted plans, New Comparability plans, 457(b) and 457(f) plans, 403(b) plans, 401(a) plans, Section 79 plans, Non-qualified Executive Benefit and Director plans, and benefits financing solutions using BOLI and a broad array of TPA services. For more information, go to [www.pentegra.com](http://www.pentegra.com).

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