



For Immediate Release

## Pentegra Releases New Report on Millennials and Retirement

### Survey and interviews reveal savings and retirement attitudes, financial concerns, practical advice

White Plains, NY, June 20, 2017 -- In May 2017, [Pentegra Retirement Services](#) surveyed over 100 millennials (born between 1980 and 2000) regarding how they view saving for retirement, what they see as financial priorities, and when they realistically think that they will be able to comfortably retire. The findings revealed some optimistic signs, as documented in a new [Pentegra Millennials and Retirement Report](#). The report includes interviews from millennials from a wide variety of careers and income levels, as well as practical advice from Pentegra experts on making small changes that can reap significant retirement savings rewards.

The Pentegra survey showed over 80 percent (81.37 percent) of millennials are currently saving for retirement, and over one-third (37.25 percent) are putting at least 5 percent of their salary into a retirement savings vehicle. However, nearly 18 percent (17.65 percent) are saving nothing, while nearly half (45.1 percent) are saving what Pentegra defines as "inadequate levels" – under 5 percent. In total, 62.75 percent are saving inadequately.

According to Rich Rausser, Senior Vice President, Pentegra, "While it is encouraging that over 80 percent of millennials surveyed are saving something for retirement, it is troubling that a large portion are saving less than five percent, and some not at all. This is what we want millennials to really think about. How are you spending your money? What is a 'need' versus 'want'? Retirement may seem decades away, but they must think about it *today*. However, it may not be so easy for this generation; we see in our report that many have not been taught what to do and how to do it when it comes to planning for their golden years."

When asked about spending habits, nearly one-third said they spend \$75 or more per week on eating out, including coffee. Unlike necessary expenses -- student loans, car payments or rent/mortgage -- coffee is a negotiable expense. If a millennial spends \$5.00 each work day on a cup of gourmet coffee, that is \$1,300 a year. Multiplied by 40 years of active work, the expense is \$52,000. Assuming a 6 percent compound annual growth rate, it comes to \$152,000.

Rausser explains: "The coffee example is a great way to explain to this generation what a difference small purchases can make, and how valuable long term compounding is. I am not suggesting they give everything up, but it is certainly possible to cut back and prioritize. We hope this [new report](#) is a wakeup call and a tool the public can use."

Among millennials interviewed for the Pentegra report, many said that they could not imagine thinking about retirement since it is "40 years down the road," and others could not think beyond their student loan debt. Some blame a lack of knowledge about saving for retirement from teachers and parents and even suggest high school and colleges offer courses about it. The report also reveals that many millennials first learn about retirement savings from their employer, and some companies make 401(k) education easy to understand and contribute. However, others say that they cannot even afford to contribute to the plan, with student loans and a

mortgage or rent to pay. And, if they did contribute, many have dipped into their retirement savings for a “loan.”

**Pentegra offers recommendations in the report including:**

- Encourage conversations about saving for retirement with family, friends and peers.
- Improve economic education at the high school and college level.
- Redouble efforts at educating employees.
- Delay instant gratification when it comes to spending.

Pentegra was particularly taken by the interviewee who suggested taking a photo of a desired treat and revisiting it before deciding whether it is really a necessary purchase. Rausser emphasizes, “It can be difficult in a culture that prizes having the latest and greatest gadget or trend as soon as it comes out. But remember, having been the first person on the block to have the iPhone20 will be of little solace 40 years from now.”

Pentegra is a leading provider of retirement plan and fiduciary outsourcing solutions to organizations nationwide. Founded by the Federal Home Loan Bank System in 1943, Pentegra offers a broad array of qualified and non-qualified retirement plan solutions, TPA services and benefits financing solutions using BOLI. In addition, Pentegra, through Pentegra Investors, Inc., also serves the needs of institutional investors, offering partial or complete investment outsourcing capabilities. View our new website and learn more at [www.pentegra.com](http://www.pentegra.com), or join the conversation on [Twitter](#), [Facebook](#) or [LinkedIn](#)

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