



Press Release

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BEN STEIN CHALLENGES AMERICANS TO CONFRONT “RETIREMENT CONUNDRUM” DURING NATIONAL RETIREMENT PLANNING WEEK

Achieving a Secure Retirement Requires that Americans Deal With the Issue of Spending Today vs. Saving for Tomorrow

Washington, D.C., Nov. 7, 2005 — One of the pivotal issues facing retirement-minded Americans is balancing short-term spending habits with long-term financial planning goals. Today, Ben Stein kicks off the fourth annual National Retirement Planning Week (NRPW) with a challenge to all Americans to address the “retirement conundrum”: determine how to best manage spending today to ensure your desired retirement dreams.

National Retirement Planning Week, established by the National Retirement Planning Coalition (www.RetireOnYourTerms.org) in 2002, is an annual campaign to heighten public awareness of the need for individual retirement planning. Its objective is to provide Americans with the information and tools to help them develop effective retirement planning strategies. Noted author, economist and actor/Hollywood personality, Ben Stein, serves as the Coalition’s honorary chairperson and principal spokesperson.

“Most of us look forward to our retirement years as being, well, golden. Unfortunately, consumer-spending data would indicate that for many, retirement may not be so rosy. A large and growing percentage of Americans are struggling between spending on what they need and want today, with saving for a secure retirement,” said Stein. “The days of counting on a fat pension and Social Security to cover our retirement needs are over for most of us. Today, ensuring retirement financial security is an individual responsibility, one that will require each of us to make some tough choices.”

Recent studies underscore Americans’ ongoing challenge in managing their spending habits. According to the U.S. Department of Commerce, Americans spent more than they earned in July 2005.¹ As a result, the monthly personal savings rate tumbled to the lowest point since 1959.

Further, the 2005 Retirement Confidence Survey found that more than half of all workers surveyed report less than \$50,000 in total savings and investments (excluding their home). Fifty-five percent believe they are behind when it comes to planning and saving for retirement. In fact, less than half of respondents have attempted to calculate their financial retirement needs – about 40 percent of workers simply guessed how much savings they will need, while only about one-third asked a financial advisor to calculate this number or used their own estimates.²

According to Stein, the best way to get control over this “retirement conundrum” is by creating your own retirement income plan. For many of us this means meeting with financial professionals, while others can do it on their own. It means answering some tough questions about how you will want to live when you are no longer working. And, it may also mean changing some short-term spending habits in favor of long-term saving strategies.

In an effort to help Americans jump-start the retirement planning process, Stein offers the following suggestions:

- 1) Set retirement goals. Think about when you hope to retire, your current assets and income, and how you plan on spending your retirement years.
- 2) Aim to shift some discretionary spending into retirement savings. Discretionary items to consider cutting back on include dining out, vacations and entertainment.
- 3) Think in terms of retirement income. With people living longer and retiring earlier, making sure you have guaranteed income to help cover your core retirement costs for as long as you live becomes critically important. Social Security and company pensions can no longer be relied on exclusively to provide this income.
- 4) Envision your desired retirement lifestyle, and determine the annual income you will need to support that lifestyle.
- 5) Take advantage of tax-advantaged retirement savings vehicles. These include 401(k) and 403(b) plans, Individual Retirement Accounts (IRAs), Keogh plans, and annuity products, which can also provide guaranteed lifetime retirement income.
- 6) Develop a retirement plan – with the help of a qualified financial advisor, if necessary – that establishes sound savings and retirement income strategies to help you achieve your desired retirement.

“For many, dealing with the saving versus spending conundrum is a bit like having a little angel on one shoulder and a devil on the other,” concluded Stein. “One tempts you to live for the moment, while the other urges you to think about your future. Let me tell you, it’s no fun to be old and poor, and my hope is that more Americans will start listening to the angel when it comes to preparing for their financial futures.”

About The National Retirement Planning Coalition (NRPC)

The National Retirement Planning Coalition brings together thirteen leading financial industry and advocacy organizations for the purpose of educating consumers and financial industry professionals on the issues surrounding retirement planning. NRPC members include the Actuarial Foundation, the American Council of Life Insurers (ACLI), the American Savings Education Council (ASEC), the Center for Retirement Research at Boston College, the Financial Planning Association (FPA), For Our Grandchildren – A Social Security Education Project, the International Foundation for Retirement Education (InFRE), LIMRA International, the National Alliance for Caregiving (NAC), the National Association for Variable Annuities (NAVA), the National Preretirement Education Association (NPEA), the Retirement Solutions Foundation, and the Women’s Institute for a Secure Retirement (WISER).

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¹*Bureau of Economic Analysis, U.S. Department of Commerce, 2005 Annual Revision of the National Income and Product Accounts*

²*Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey*