



Press Release

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For Immediate Release

“RETIREMENT READINESS” STUDY UNDERSCORES NEED FOR RETIREMENT PLANNING EDUCATION

National Retirement Planning Coalition Study Reveals Limited Awareness of the Critical Importance of Comprehensive Retirement Planning

Washington, D.C., November 19, 2002 — The National Retirement Planning Coalition (NRPC), a group of prominent financial industry and advocacy organizations, today released the findings of a comprehensive study on Americans’ preparedness for retirement. Released as the NRPC launches National Retirement Planning Week, a national campaign to heighten public awareness of the need for comprehensive retirement planning, the study sheds new light on the “Retirement Readiness” crisis facing our nation.

The study indicated that most Americans not only hold unrealistic expectations for their retirement, including what kind of financing it will require, but that the income they have earmarked for retirement is likely to be inadequate. Moreover, the findings suggest that many Americans lack the knowledge and expertise to develop comprehensive retirement plans on their own, and often require some type of professional assistance.

Key findings include:

?? Long retirements expected: The average respondent expects to spend at least 19 years in retirement. A long retirement requires a significant amount of savings, even if inflation remains modest over this extended period of time.

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- ?? Retirement income needs underestimated: Survey respondents indicate that they expect to need 60 percent of pre-retirement income to live comfortably, yet most retirement planning professionals recommend 75 – 90 percent for adequate retirement income.

- ?? Insufficient retirement savings: Only one-third of respondents are very confident that they will be able to maintain the lifestyle they want through retirement years. Even many upper-income respondents, with earnings of at least \$100,000 per year and nearing retirement, are behind track in accumulating the resources to generate retirement income needed to come anywhere close to meeting their current expenses.

- ?? Inadequate planning conducted: Forty-one percent of respondents have not even attempted to determine how much retirement savings they will need to live comfortably in retirement. Another 41 percent who did attempt to calculate their required retirement savings could not complete the calculation, or could not determine the income they need to retire.

“For most Americans, the solution to this crisis in retirement readiness is to seek the advice and counsel of a retirement planning professional,” said Mark Mackey, founder of the Coalition. “These individuals have the skills and tools needed to help prospective retirees determine their retirement income needs, and plan investment strategies that will ensure maximum return at appropriate levels of risk while taking advantage of available tax benefits. Regular plan checkups are needed also as retirement nears and market conditions change.”

“Retirement planning can make a difference,” said Bob Dole, honorary chairperson of the NRPC. “For many, it could make the difference between having their final years be ones of financial comfort and enjoyment or financial deprivation and anxiety.”

Study Methodology*

The study was conducted in August 2002 by Mathew Greenwald & Associates, Inc., a premier public opinion and market research company. It consisted of a telephone survey of 500 total respondents among Americans between the ages of 40 and 65. The objective of the study was to obtain information about consumers’ financial readiness for retirement and their personal financial management strategies. The respondents surveyed were financial decision makers for their households with annual incomes of at least \$50,000 and who had not purchased an annuity.

About National Retirement Planning Week – November 18-22, 2002

National Retirement Planning Week is the kick-off initiative to a national campaign designed to heighten public awareness of the need for comprehensive retirement planning. To underscore this urgency, Senator Bob Dole has been appointed honorary chairperson of the NRPC.

Beginning with National Retirement Planning Week, the NRPC will be undertaking a number of initiatives to motivate Americans to begin the retirement planning process, including: a new retirement planning Web site: www.RetireOnYourTerms.org; a series of public service announcements; and free, regional consumer education seminars hosted by coalition members.

* Copies of this survey are available by contacting NRPC@walt.com.

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About Mathew Greenwald & Associates, Inc.

Mathew Greenwald & Associates, Inc. is a premier public opinion and market research company that has conducted customized research for more than 200 organizations, including many of the nation’s largest corporations, trade associations, and non-profit organizations. Founded in 1985, the company has earned a reputation for research expertise and commitment to serving the needs of its clients. For more information, please visit www.greenwaldresearch.com.

About The NRPC

The National Retirement Planning Coalition brings together the 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 Savings Education Council (ASEC), the Certified Financial Planners Board of Standards (CFPBS), the National Alliance for Caregiving (NAC), the National Association for Variable Annuities (NAVA), and the National Preretirement Education Association (NPEA).

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