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# IRI Millennial Retirement Report: Time Is On Their Side – But The Clock Is Ticking

WASHINGTON, D.C., USA, January 14, 2020 /EINPresswire.com/ -- Millennials' retirement expectations are similar to previous generations – they hope to retire with adequate income that will last.

However, a survey by the Insured Retirement Institute (IRI) finds that these expectations are not well aligned with the retirement planning steps millennials have taken thus far.

The oldest millennials are about 40 years old, approaching their peak earning years with about 25 years to go before reaching traditional retirement age. The youngest of this generation has 40 or more years until retirement.

"Millennials have time on their side to plan and save for a financially secure retirement," said Wayne Chopus, IRI president and CEO. "But the clock is ticking and those who do not have a retirement savings strategy now will face greater struggles to meet their financial needs if they continue to delay."

Link to Infographic

> "Millennials have time on their side to plan and save for a financially secure retirement."
> *Wayne Chopus, IRI president & CEO*

Link to IRI Millennial Retirement Report

Expect to Retire but Worried About Finances

The IRI study showed that, like prior generations, most millennials (72 percent) anticipate reaching a point where they can choose whether or how much they want to work. One in six, however, do not believe that they will be able to retire, and more than half are worried about their financial security.

Not Saving Enough

Although nearly eight in ten millennials say that they have saved some money for retirement, nearly half - 46 percent - have saved less than $10,000.

Nearly two-thirds of millennials are confident that a workplace retirement plan will provide meaningful income yet barely four in ten are currently contributing to a 401(k), IRA or other qualified retirement plan. This suggests that a relatively high number of millennials have either stopped saving or have other means to accumulate some level of investable assets for retirement. An additional factor for many is a lack of access to a workplace retirement plan, which makes saving more difficult. IRI's recent advocacy success to enact the Setting Every Community Up for Retirement Enhancement (SECURE) Act will help by expanding access to workplace retirement plans and to lifetime income products within plans.


I'll Get to it Later

Many millennials who are not saving report that they are trying to achieve other financial goals such as paying off student loans (21 percent) or other debts (49 percent), while others say they either don't know when they will start or are waiting until they earn more (21 percent combined). Deferring retirement savings, however, reduces the benefits of compounded investment earnings over time. In other words, saving for retirement is something they say they will do not something they are doing.

Lack a Retirement Income Plan

Despite confidence in their savings as a major source of income, millennials do not have a good grasp on how to efficiently and sustainably use their savings for lifetime retirement income.

Nearly half (45 percent) say they will take a "withdrawal" approach to retirement income, either systematically or on an "as needed" basis. Lacking a defined and disciplined income strategy is especially dangerous as it risks the depletion of savings very early in retirement. In addition, only 55 percent of millennials are confident that Social Security will provide meaningful income, which makes retirement savings even more critical to millennials.

Investment Anxiety

Nearly half (49 percent) of millennials are worried about losing money on their investments. The 2008 financial crisis may have impacted older millennials' retirement accounts just as they began saving, and younger ones may recall their parents being hit hard. More than half of millennials (56 percent) say they are concerned about investment returns being sufficient to help their assets grow enough to deliver adequate retirement income.

Lifetime Income Solutions are Strongly Desired

IRI's study shows that 82 percent of millennials rate guaranteed lifetime income as an important retirement investment trait and nearly 80 percent say they are likely to invest in guaranteed lifetime income options, like annuities, even if the cost is higher.

Among millennials' strongest rankings of retirement investment traits are principal protection, growth with protection, and minimizing tax liability – which suggest that annuities are an attractive investment for millennials as they get older and want to secure income for retirement and protect what they have saved.

Saying No to Robo

Surprisingly, millennials' comfort with technology does not mean that they favor “robo advice” for financial management versus a human financial advisor. Only one in seven millennials say they want only robo advice. However, only seven percent of millennials want an advisor to manage everything for them. Most – 37 percent – seek a partnership with an advisor. If they choose a robo-advice solution, they still want access to a financial advisor when needed.

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The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, and distributors such as broker-dealers, banks and marketing organizations. IRI members account for more than 95 percent of annuity assets in the U.S., include the top 10 distributors of annuities ranked by assets under management, and are represented by financial professionals serving millions of Americans. IRI champions retirement security for all through leadership in advocacy, awareness, research, and the advancement of digital solutions within a collaborative industry community. Learn more at www.irionline.org.

The Insured Retirement Institute (IRI) commissioned Greenwald & Associates to conduct a survey of Millennials. The research was conducted by means of online surveys completed by 802 Americans between ages 24 and 41. Data were weighted by gender, region and age to reflect the sample universe. The survey was conducted in October 2019. The margin of error for the survey was ±3.5 percent.

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