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## **Seven In Ten Baby Boomers Now Less Confident Their Retirement Savings Will Last**

*Despite Deteriorating Confidence, Very Few Plan to Change Retirement Savings*

WASHINGTON, DC – March 26, 2008 – As economic indicators continue to trend downward, baby boomers feel less confident that their retirement savings will see them through retirement. But few may know what steps to take next, according to new research presented by Longevity Alliance president Steve Zaleznick at the What's Next Boomer Business Summit in Washington, DC.

The research, conducted by Harris Interactive® on behalf of Longevity Alliance, reveals that 56 percent of all baby boomers (adults aged 44-62) say they are less confident than they were three months ago that their retirement savings will last them through retirement.

Of those baby boomers with retirement savings, seven in ten said they were “less confident” overall, with 35 percent being “somewhat less confident” and 36 percent indicating they are “much less confident.”

Despite the overarching concern, few baby boomers have done anything – or plan to do anything – about flagging retirement savings. The Longevity Alliance research showed that only about two out of five (39 percent) baby boomers with retirement savings have changed or plan to change their retirement savings as a direct result of the current economic conditions. Of those baby boomers with savings who have made a change (or plan to), 43 percent say they would seek the advice of a financial advisor or retirement planning professional.

“Baby boomers know the train is coming, but they’re frozen on the tracks. Unfortunately, too many are unsure of the best steps to take to guarantee that their money lasts through retirement,” said Zaleznick. “In uncertain economic times like these, knowing what to do and when to act is critical; and seeking the advice of a professional can be extremely reassuring. There is ‘no one size fits all’ answer, so individualized professional advice can be the key to a sound financial future.”

Zaleznick noted that the survey showed clear consumer preferences among baby boomers who plan to make changes in their retirement savings. Seeking “the advice of a financial advisor or retirement planning professional” was the top response (43 percent), followed by “re-allocate funds from stocks to more conservative investments” (31 percent). The other options were investing in value-priced stocks (20 percent), buying long-term care insurance (13 percent), and purchasing an annuity (12 percent).

“As baby boomers assess their readiness for retirement, it is essential that they look at the full scope of their financial health – not just their saving but also critical expenses such as healthcare and long-term care.” Zaleznick added. “Life expectancy is increasing, health care costs are skyrocketing and investment returns are unpredictable. There is no better time to take a holistic and honest look at retirement readiness.”

The survey found distinct differences in attitudes about retirement between men and women:

- Among adults of all ages, men are more likely than women to have retirement savings (78 percent vs. 70 percent).
- Compared to male baby boomers, female baby boomers are much more likely to say they have less confidence in their retirement savings (61 percent of female baby boomers vs. 49 percent of male baby boomers).
- Among those who have changed or plan to change their retirement savings, more baby boomer women say they have or will buy long-term care insurance to protect their assets than their male counterparts (18 percent vs. seven percent).

### **Five Tips for Assessing Your Retirement Plans**

**1. Make an honest assessment** of your total retirement savings if you live to be 100. Will you have the funds to live the life you want? What do you see your life looking like when you are 70, 80 and 90? Do you have a strategic investment plan that meets your current goals? Are you following it or are adjustments appropriate?

**2. Have a long-term care plan.** Long-term care costs can quickly destroy a retirement nest-egg. And more than 70 percent of people over age 65 will likely experience some need for long-term care, according to the U.S. Department of Health and Human Services. With annual average costs of more than \$77,500 per year, even a short stay can deplete your savings. Have a plan for how you will fund this astronomical cost – whether self-funding or insurance.

**3. Brace yourself for rising healthcare costs.** Many retirees are surprised by healthcare costs in retirement – which for a couple retiring at 65 can amount to more than \$200,000. Understand what Medicare covers and what it doesn’t, as well as the cost for supplemental insurance and out-of-pocket expenses.

**4. Have a work plan.** More and more people are working longer – for financial reasons and for social reasons. Encore careers, entrepreneurial ventures and part-time work are just a few of the options. An increasing number of companies are looking for older workers to fill their ranks – many with flexible work schedules. When you decide to begin receiving Social Security payments can have a tremendous impact on your income in retirement.

**5. Consider creating your own pension plan.** With the decline in employees covered by defined benefit pension plans, it's smart to think about how to create your own pension plan to cover fixed costs in retirement. There are a number of alternative ways to structure this and it is best to seek advice from a financial advisor.

### **New Retirement Tips Available**

Baby boomers and others planning for retirement can visit [www.longevityalliance.com](http://www.longevityalliance.com) and download “Five Tips for Retirement Planning” or call 1-800-713-6610 ext. 311 for a copy. Baby boomers can also take the “Longevity Ready” quiz to get a better understanding of their personal preferences and planning style for a longer life. This research and information are part of an occasional “Longevity Milestones” series on financial and healthcare issues facing retirees and those planning for retirement.

### **About the Survey**

This Retirement Planning survey was conducted online within the United States by Harris Interactive on behalf of Longevity Alliance between February 27 and February 29, 2008 among 2,521 adults ages 18+, of whom, 831 are Baby Boomers (i.e., ages 44 through 62 years old).

Results were weighted as needed on the basis of region, age within gender, education, household income, and race/ethnicity. Propensity score weighting was also used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words “margin of error” as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys.

The data have been weighted to reflect the composition of the U.S. adult population.

Because the sample is based on those who agreed to be invited to participate in the Harris Interactive online research panel, no estimates of theoretical sampling error can be calculated.

### **About Longevity Alliance**

Longevity Alliance makes longer lives better by providing healthcare, finance and insurance products for retirement.

Based in Washington, DC, and with a customer contact center in the Phoenix, Arizona area, Longevity Alliance employees bring their more than 150 years of experience to helping older Americans find the right financial and insurance products to meet their stage of life. By surveying the marketplace and recommending only high quality financial and insurance companies, the Longevity Alliance group of companies provide consumers with a range of choices in each product category. Longevity Alliance is staffed with experienced senior executives in aging, insurance and financial services who have spent decades working for the biggest names in products and services for older Americans.

The Longevity Alliance group of companies includes: [www.longtermcarequote.com](http://www.longtermcarequote.com), the premier source of long-term care information and quotes online; [www.iquote.com](http://www.iquote.com), a term life insurance quoting site that makes it easy to find the right life insurance to protect your family; and, [www.longevityalliance.com](http://www.longevityalliance.com) presenting information and products to help people live a longer life better. Consumers can request quotes for Medicare Supplement Insurance, Medicare Part D Prescription Drug plans and Medicare Advantage plans. There is also information on planning for retirement and an investment advisory service that features strategic investment planning.

Securities offered through Cambridge Investment Research, Inc., a Broker/Dealer, Member FINRA/SIPC. Investment advice is offered through Cambridge Investment Research Advisors, Inc., a Registered Investment Advisor. Cambridge and Longevity Alliance are not affiliated.

The company publishes *Momentum*, a monthly newsletter for older Americans. Consumers can sign up for a free online copy at [www.momentumtoday.com](http://www.momentumtoday.com). For more information, visit [www.longevityalliance.com](http://www.longevityalliance.com).

### **About Harris Interactive**

Harris Interactive is a global leader in custom market research. With a long and rich history in multimodal research, powered by our science and technology, we assist clients in achieving business results. Harris Interactive serves clients globally through our North American, European and Asian offices and a network of independent market research firms. For more information, please visit [www.harrisinteractive.com](http://www.harrisinteractive.com).

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