

NEW STUDY FINDS OVERWHELMING SUPPORT FOR ACTION TO PROVIDE ALL AMERICANS WITH PENSIONS

85 Percent of Americans Worried About Retirement; Millennial Generation Highly Dissatisfied with Retirement Prospects

WASHINGTON, D.C., February 26, 2013 – A new nationwide public opinion research report finds overwhelming support for Congressional action to provide all Americans with access to a new type of privately run pension plan. The research also finds that Americans remain highly anxious about their retirement prospects (85 percent), and see pensions a way to improve their retirement readiness. Even though their retirement is in the distant future, virtually all Millennials – those born after 1976 for the purposes of this study – agree that the nation’s retirement system is under stress and needs repair (95 percent).

These findings are contained in a new research report, [Pensions and Retirement Security 2013: A Roadmap for Policy Makers](#), issued today by the National Institute on Retirement Security (NIRS) at the organization’s fourth annual retirement policy conference in Washington, D.C. Conference speakers include Kathleen Kennedy Townsend and other retirement leaders and experts.

“Despite stabilization of the financial markets, declining unemployment, and increased consumer confidence, Americans are deeply worried about retirement,” said Diane Oakley, NIRS executive director and report co-author. “Perhaps the high level of anxiety can be tied to Americans’ sentiment about the risks embedded in today’s crumbling retirement infrastructure—one where fewer Americans have a reliable monthly pension check in exchange for a system where Americans are investing on their own in a volatile stock market,” she said.

Oakley continued, “An overwhelming majority of Americans agree that the Great Recession exposed the risks of the nation’s retirement system—87 percent, up from 81 percent in 2011. Across generations, Millennials are most in tune with the risks of the system—some 96 percent agree that the downturn exposed risks inherent in the system. It seems today’s younger workers want the security of their grandparents’ pension, not the do-it-yourself retirement accounts of their parents.”

The polling also conducted a deeper examination of measures Congress could introduce to make pensions more broadly available to Americans. The poll described a possible new type of privately run pension plan that would be available to all Americans; portable from job to job; allow for a regular check that lasts through retirement; and easy for employers to administer while offering professional money management. These characteristics are similar to a possible proposal by the U.S. Senate called Universal, Secure, and Adaptable (“USA”) Retirement Funds.

Three quarters of Americans agree that such a new pension system is a good idea, with Millennials highly supportive at 84 percent. Some 81 percent of Americans indicate they

would participate in a plan with the described features if it were available, with Millennials supporting such a measure at 88 percent. The report key findings are as follows:

1. **Americans remain highly anxious about their retirement outlook** despite stabilization of the financial markets, declining unemployment and increased consumer confidence. An overwhelming majority of Americans (85 percent) continues to report concern about their retirement prospects, with more than half (55 percent) very concerned. Concern is higher for women than men (90 and 80 percent, respectively) and concern is high consistently across generational lines.
2. **Americans are highly supportive of pensions and see these plans as a way to improve retirement readiness.** Some 83 percent of Americans report favorable views of pensions, and 82 percent say those with pensions are more likely to have a secure retirement. Moreover, 84 percent indicate that all Americans should have access to a pension to be self-sufficient in retirement. Support was even among men and women (83 and 82 percent, respectively). Pensions may also play a factor in choosing an employer—if considering a new job, Americans report being nearly twice as likely to pick an employer with a pension than one with a 401(k) plan.
3. **Americans feel that leaders in Washington do not understand their struggles to save for retirement. Americans overwhelmingly would support Congressional action to provide all Americans with access to a new type of privately run pension plan.** Eighty-seven percent of Americans indicate that policymakers do not understand how hard it is to save for retirement. Millennials are highly dissatisfied at 94 percent. Three-fourths (75 percent) of Americans say a new type of pension plan described in the survey is a good idea. More than 90 percent would favor a new pension plan that is available to all Americans, is portable from job to job, and provides a monthly check throughout retirement for those who contribute.
4. **When looking across generations, Millennials are highly cognizant of the broken retirement infrastructure and are highly dissatisfied with the state of retirement and policymakers.** Even though retirement is in the distant future, virtually all Millennials agree that the retirement system is under stress and needs repair (95 percent), and that lawmakers need to make retirement a higher priority (90 percent). They also believe overwhelmingly that those with pensions will have a more secure retirement (89 percent) than those without, and 94 percent say that the lack of pensions for Baby Boomers is creating stress for families and the economy. Millennials are especially supportive of a new pension system (84 percent), with 88 percent saying they would consider participating.
5. **Protecting Social Security benefits remains important.** Some 67 percent of Americans say it is a mistake to cut government spending in such a way as to reduce Social Security benefits for current retirees.
6. **Americans support pension benefits for public employees because these workers contribute to the costs, and because some segments of the public workforce have high-risk jobs and lower pay.** Nearly three quarters of Americans (73 percent) support these pensions because public employees contribute from every paycheck to their pension. For police and firefighters, 86 percent of Americans say these employees deserve pensions given their job risks. And for teachers, 72 percent of Americans indicate pensions are deserved to compensate for

low pay.

7. **Americans seem to understand there is an economic imperative for ensuring Americans have pensions and sufficient income to retire.** An overwhelming majority of Americans, 87 percent, say that the increasing number of Baby Boomers retiring without pensions and/or inadequate savings is straining families and the economy.

The full report is available here and at <http://www.nirsonline.org>. It was conducted by Mathew Greenwald & Associates as a nationwide telephone interview of 800 Americans age 25 or older. The data was balanced to reflect U.S. demographics for age, gender, and income. The margin of error is plus or minus 3.5 percent.

The National Institute on Retirement Security (www.nirsonline.org) is a non-profit organization established to contribute to informed policymaking by fostering a deep understanding of the value of retirement security to employees, employers, and the economy through national research and education programs. Located in Washington, D.C., NIRS has a diverse membership of organizations interested in retirement including financial services firms, employee benefit plans, trade associations, and other retirement service providers.

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