



WHITE PAPER

Are You Taking Enough Risk to Enjoy a Comfortable Retirement?

A conversation on risk

Portfolio Risk

Avoiding Retirement Shortfalls

Americans are living longer than ever before. A person in 1960 wasn't expected to live to 70 but today's life expectancy is nearly 80 years¹. A 65 year-old today, who was only expected to live an additional 4.7 years in 1960, has a 50% chance of living to 90 years old².

Problematically during this same time period, the retirement burden has steadily shifted from employers to employees as defined contribution plans, like 401(k)'s, continue to replace pensions. Americans thus far have not adjusted to the magnitude of this responsibility.

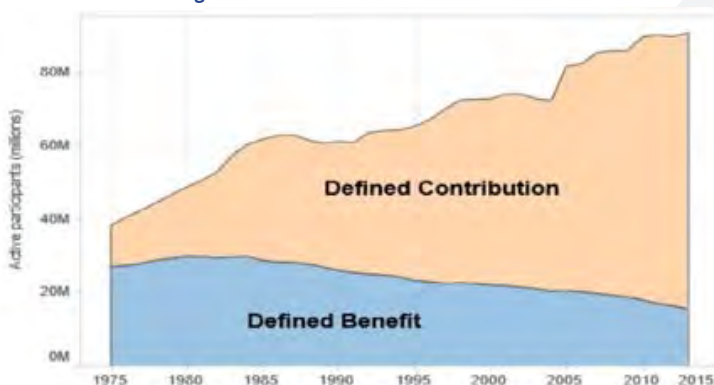
Despite feeling on track to achieve their retirement goals, Americans nearing retirement saved an average of just \$136,200³, an amount that will fall woefully short of their needs.

There are several factors contributing to the insufficient retirement funds problem. First, the personal savings rate is low, only slightly above 5%. People simply are not putting away enough money for their future.

Second, widespread misunderstanding of the risks involved with investing instilled fear among retirement savers. Americans, not trusting the stock market and believing they are being "safe", hold 65% of their wealth in cash³ which means the majority of their money is not generating any return today. Historically low interest rates and low economic growth compound these problems.

A person only gets one chance to save for retirement. The choices made now directly impact the comfort of their future.

Saving For Retirement is Now on Individuals



Source: DOL, CNBC

¹ Source: Legg Mason

² Source: Society of Actuaries

³ Source: Blackrock Global Investor Pulse Survey