

# Planning For Your Future

## Middle-Income Americans Need To Create A Retirement Paycheck

(NAPSA)—According to a recent survey, 65 percent of middle-income Americans do not have a plan for “paying themselves,” nor do they have an idea what their monthly budget should be in retirement.

In addition, 61 percent of that same group does not have high hopes that Social Security will provide them with a retirement income. However, it appears that some retirees are starting to get the message.

These are some of the key findings of the 2004 ING Retirement Readiness and Middle America Survey. The survey findings indicate that many of today’s middle-income Americans need to look beyond saving, to more comprehensive planning, especially in terms of a “retirement paycheck.”

The survey also found:

- One-fifth of respondents haven’t even begun their retirement planning.
- Many respondents who are 50 years or older tend to believe payments from Social Security will make up about one-third of their retirement income.
- Three in five respondents between the ages of 30 to 40 years old have a 401(k) or similar plan—compared to only two in five respondents aged 50 or more
- On average, respondents believe their 401(k) or similar plan makes up about 36 percent of their total investable assets.

However, ING’s study does

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show that some retirees are getting the message. Fifty-six percent of retirees told the survey they planned ahead for how to convert their nest egg into a retirement paycheck. That’s up from 32 percent two years ago.

According to Kathleen Murphy, president of ING US Institutional Financial Services, the key findings indicate “double trouble” in terms of individuals and their retirement. That’s because they show the majority have no plan as to how to pay themselves, and they also don’t have much confidence in Social Security as a resource.

Said Murphy, “While savings is a start, middle-income Americans need to have more focus on the finish line. This is especially important considering that a clear majority of Americans do not have high levels of confidence in what has been a major retirement resource for prior generations—Social Security.”

The ongoing public debates around Social Security further underscore the need for individuals to not only save, but to build their own plans for their retire-

ment paycheck.

Murphy emphasized, “Americans need to focus on thoughtfully planning how to best convert their nest egg into a long-term income stream they won’t outlive.”

Murphy further emphasized that paying yourself needs to become a life-long mantra for individuals. She says that people need to be their own “boss” when it comes to their individual retirement.

“Saving,” she said, “is good, but having a plan for saving for retirement is not enough—and this overarching optimism could be masking a serious planning deficit.”

In that regard, she offers these rules:

- first, pay yourself first and save;
- second, plan so you can keep paying yourself and provide your own retirement paycheck.

She added, “Every working man and woman must take individual action to build and safeguard their own retirement paycheck.”

ING US Financial Services commissioned KRC Research of Washington, D.C. to field the survey from July 20-July 28, 2004.

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