Retirement Facts & Figures

Survey: Americans Not Planning Their "Retirement Paycheck"

(NAPSA)—Even though they may have done a good job of accumulating assets, a majority of Americans are unprepared for retirement. Successfully planning and preparing for a comfortable retirement has become a sensitive issue, and this sensitivity is likely heightened for those who are quickly approaching the retirement phase of their lives.

According to a survey conducted for ING U.S. financial services, approximately 75 percent of respondents either do not understand, or haven't considered, how to convert their total retirement savings into their own "retirement paycheck"—and maximize the options available to them to best meet their personal needs. Even more alarming, most pre- and post-retirees (69 percent of 50- to 70-year-old Americans) have no plan in place for their retirement paycheck.

"Americans have become conditioned to think that by building a retirement nest egg they are financially prepared to retire, but there's more," says Shaun Mathews, president of ING's Financial Horizons, a division of ING Financial Advisors, LLC.

Even though they've accumulated savings, many Americans still aren't prepared for retirement.

He emphasizes that individuals need to plan how to best convert their nest egg into a long-term income stream they won't outlive. The consequences of careless decisions stemming from inadequate planning can undermine years of successful scrimping and saving.

Ready to retire?

Industry data shows that there are approximately 14 million households in the U.S. with between $100,000 and $1 million in investable assets with many of those households nearing retirement and looking for a helping hand. Even for those with sizable nest eggs, a secure retirement can be jeopardized by common errors or events:

• Unexpected turn of events—A long-term illness, death of a spouse or an expected inheritance that doesn't materialize can all affect a couple's financial outlook.

• Overly aggressive investing—Having too much money invested in stocks, bonds or other securities could affect overall savings if the markets drop.

• Ignorance—Early withdrawals from a 401(k) or other retirement account could result in stiff penalties—both at the time of withdrawal and when the year's tax bill comes due.

• Too conservative—It's possible to outlive your savings, especially since interest likely won't keep up with inflation.

Insufficient planning and consideration for the impact of taxes, accessibility and diminished growth potential can significantly compromise an individual's retirement experience. According to Mathews, "Mistakes can be costly and painful."

ING Financial Horizons Advisory Program provides objective advice and choices from a broad range of investment solutions. The needs-based planning and coaching is intended to provide advice that's well matched to an individual's particular situation—and will remain active before and after retirement.

The company's online "Readiness Checkup" works for both individuals and couples, based on such information as age, income, saving, assets and investment style. The resulting report may be an important blueprint for planning a retirement that is comfortable and not too difficult to achieve.

"The good news is that, unlike the accumulation phase of an individual's retirement planning, creating a plan for a retirement paycheck can be done quickly and effectively with the help of experienced retirement advisers," said Mathews.

A consumer Retirement Readiness calculator is available at www.ing-usa.com/RetireReady.

TOP "WATCH-OUTS" FOR PEOPLE ENTERING RETIREMENT

- **Not planning soon enough about income.**
- **Premature withdrawal.**
- **Overly aggressive distributions.**
- **Overly aggressive assumptions about investment markets.**
- **Under-investing.**
- **No planning for the unexpected.**
- **Lack of realism about how large the nest egg needs to be.**