



*News from:*  
**COMPTROLLER KEVIN LEMBO**

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**COMPTROLLER LEMBO: “START SMALL, SAVE BIG”  
DURING NATIONAL SAVE FOR RETIREMENT WEEK**

Comptroller Kevin Lembo today announced that he is joining a coalition of employers across the country to recognize National Save for Retirement Week and raise awareness about the critical need for individuals to save for their financial future.

Throughout the week, Lembo is offering online web and social media resources to the general public – and he’s coordinating outreach events for employees to make them aware of available savings options. Lembo last year launched an online “Plan Your Escape” website ([www.osc.ct.gov/planyourescape](http://www.osc.ct.gov/planyourescape)) that continues to offer retirement savings calculators, savings tips and other retirement-related facts and resources.

Lembo is highlighting some of the alarming facts about the state of retirement preparation across the country – including savings gaps between men and women, and between racial and ethnic groups. Across all populations, pre-retirees have reported feeling insecure about whether they have saved enough to carry them through retirement – and retirees commonly express regret about saving too little and starting too late.

The greatest barriers to retirement savings are insufficient income and high debt, according to research by Voya Financial, which administers the state employee defined contribution plans. The next obstacles are lack of awareness about available options, or lack of access to a financial planner.

“My goal this week – and year round – is to raise awareness that even the smallest steps can result in big savings by retirement,” Lembo said. “Most people believe they can’t save for the future because there are bills due today. However, even \$2 per day – the cost of our morning coffee – can grow to more than \$60,000 in 30 years (assuming 7-percent average return). This kind of perspective will hopefully prompt people to think about saving – and help them

realize that, at \$2 per day, it's actually achievable.”

To get started, Lembo urges all Connecticut residents to consider the following:

- Social Security and pension plans (when available) are a foundation – but most will need additional savings to fulfill their retirement goals.
- Ask your employer about what retirement savings plans might be available (beyond pension).
- Those without employer-sponsored benefits may want to consult with a financial planner.
- If you're already enrolled in a plan, now is a great time to measure your progress and consider increasing your contributions.

Lembo also shared important retirement facts from Voya Financial, NAGDCA (National Association of Government Defined Contribution Administrators) and other sources:

- Outside of employer-sponsored plans, employees save virtually nothing.
- Trends also reflect that over the last 30 years, defined contribution plans are replacing defined benefit plans.
- To live comfortably during retirement you will need 70 percent to 100 percent of your pre-retirement income.
- Universally, men have higher account balances, and women are more likely to take a hardship withdrawal from their retirement savings.
- Women 70 and over have less than half the account balance in their defined contribution accounts than men of the same age.
- Employer-sponsored financial guidance can increase workplace productivity.
- People spend more time thinking about events – like retirement and vacations – than they do actually planning or managing those events.
- If you are saving now and increase your contributions from \$100 biweekly to \$125 biweekly, your account can grow from \$264,327 to more than \$330,409 (assuming average of 7 percent over 30 years).

Among the state employee population, Lembo said overall participation in the voluntary 403(b) and 457 plans has increased from 55 percent in 2009 to currently about 61 percent, even though the state does not provide a match for the employee contribution. This is more than twice the national average for public employees.

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