



News from:
COMPTROLLER KEVIN LEMBO

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

Comptroller Kevin Lembo today joined employers across the country to recognize National Retirement Security Week – which runs Oct. 18-24 – to promote financial literacy and raise public awareness about the need to plan for retirement security.

Throughout the week, Lembo will engage the public and deliver information and resources through social media. Lembo is also working closely with Prudential Retirement, which manages the state’s three defined contribution plans, to reach out to thousands of employees (through direct messages and at workplaces) about the importance of establishing a retirement savings plan as early as possible.

“The message of the week is ‘start small, save big,’” 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.

“National Retirement Security Week is also an important opportunity to recognize the importance of broad retirement security – and how we, as a state, need to ensure that everyone has easy access to retirement savings vehicles.

“There are significant 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.”

Lembo encourages all Connecticut residents this week – and always – 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 various sources:

- 40 percent of early retirees (age 64 and younger) are hitting up savings for routine living expenses, which increases the chance that they will outlive their money.
- The first person to live to 150 has likely already been born. And 1 in 3 people born today will live to 100.
- To live comfortably during retirement you will need 70 percent to 100 percent of your pre-retirement income.
- With a few major medical advances, we may be on the cusp of living far longer than ever before. That has big implications for our financial decisions.
- Saving for retirement ranks second as the financial matter that worries Americans most, right behind paying bills and keeping up with expenses.
- When evaluating their current retirement savings, most Americans are not confident they are saving enough now to live adequately by the time retirement comes.
- Less than half of workers ages 22 to 32 are saving for retirement, despite how painless it can be.
- More than 2 in 5 millennials in retirement plans aren't familiar with their investment options.
- With increasing life expectancy, retirements could last for many decades.
- As of 2010, only 59 percent of employed Connecticut residents aged 25-64 worked for an employer who offered access to a retirement savings plan, down from 66 percent in 2000. (Source: "Are Connecticut Workers Ready for Retirement," Schwartz Center for Economic Policy Analysis, 2013)
- A recent U.S. Government Accountability Office (GAO) study found that only about 14 percent of businesses with 100 or fewer employees offer their employees such a plan, and that between 51 percent and 71 percent of the roughly 42 million people who work for a small business lack the ability to save for retirement. (Source: "Testimony before the Oregon Retirement Savings Task Force," David C. John, AARP Public Policy Institute, 2014)

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