Millennials and Retirement: How Do You Stack Up?

No matter the age, many people look forward to retirement—a time when they'll stop working and have the freedom to travel, take up a hobby, and spend time with family and friends. With today's life expectancies, you might have a retirement of 20+ years, you'll need a financial plan to fund your dreams.

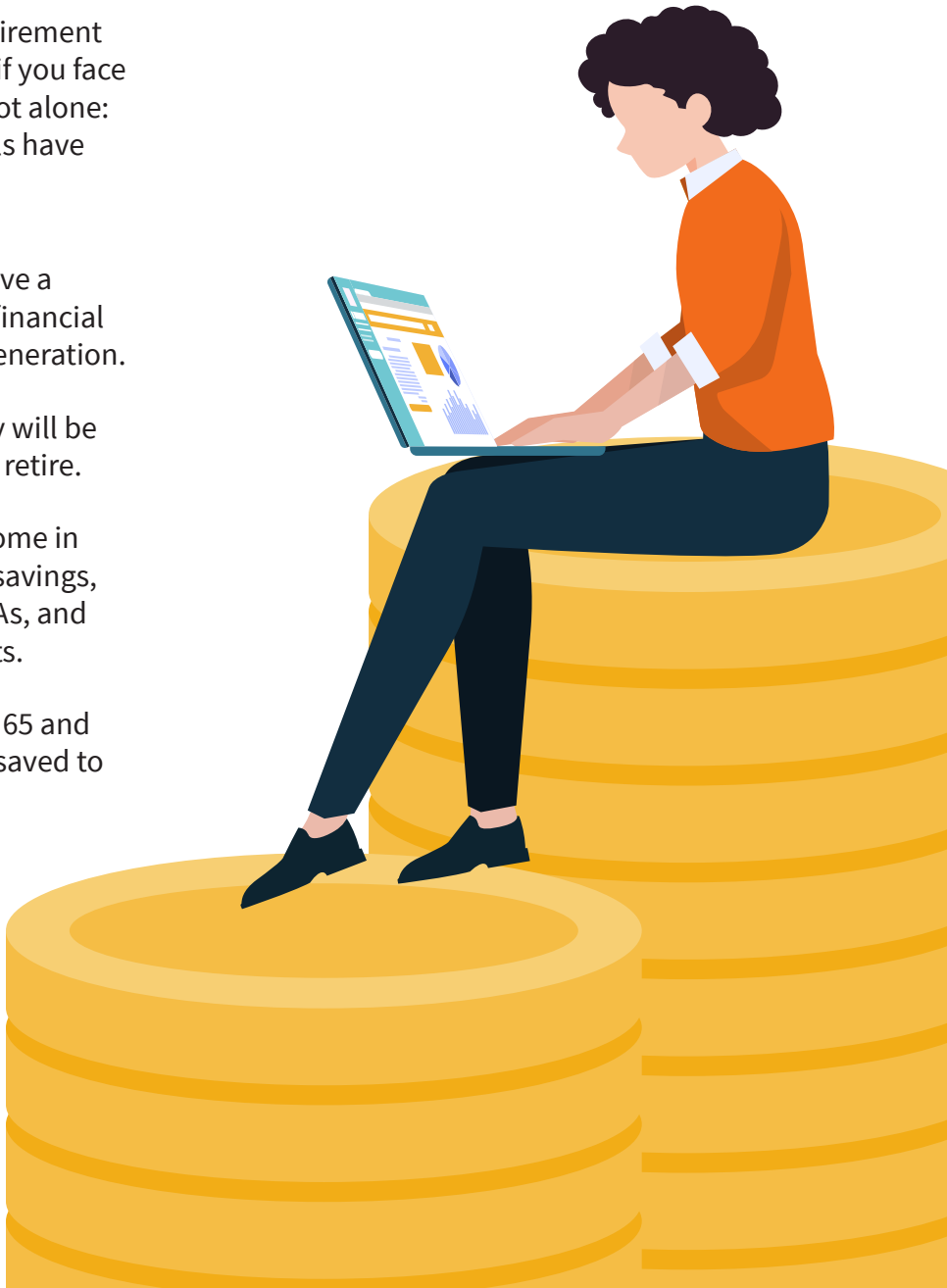
But if you're a Millennial, the thought of retirement planning can be overwhelming, especially if you face student loan and credit card debt. You're not alone: one study notes the stresses that Millennials have about retirement[1]:

79% Think their generation will have a much harder time achieving financial security than their parents' generation.

80% Do not believe Social Security will be available for them when they retire.

53% Anticipate their expected income in retirement to be self-funded savings, including 401(k)s, 403(b)s, IRAs, and other savings and investments.

65% Believe they could work until 65 and still not have enough money saved to meet retirement needs.



And because your expectations may look different today than they did for prior generations, you'll need to take a proactive approach now to grow your nest egg for the future.

The Good News: Millennials Are Saving, and You're Starting Earlier

In your 20s and 30s, retirement is still decades away, but that doesn't mean you shouldn't prepare now. In fact, many Millennials already are: 58 percent are saving for retirement and 38 percent report contributing more than 10 percent of their pay toward a retirement plan[1]. Many didn't just start, either: The average Millennial started saving at 24, which is much younger than the median age of a Baby Boomer, who began at 35[1].

And because many anticipate financing their own retirement, some Millennials choose to invest beyond their 401(k). Some are choosing to open Roth individual retirement accounts (IRAs)--an option funded by post-tax income that's distributed tax-free during retirement.

If you're not already contributing to a retirement account, you might want to consider starting, especially if your employer offers a matching program.

Still, You May Need Advice in Order to Achieve Your Goals

Even if you're prudent about saving, it's okay to ask for help. While most Millennials consider themselves to be very involved in monitoring and managing their retirement savings, only a small minority of Millennials are invested in the stock market outside of their retirement account.[2]

In case you're not already working with an advisor, it's something you should consider. Of those who employ an advisor, 89 percent believe they are worth the cost[2]. An open conversation with an expert can alleviate the stress and uncertainty of planning for retirement. If you're ready to get started, reach out to schedule a meeting.



[1]19th Annual Transamerica Retirement Survey of Workers (April 2019)

[2]LendEDU Millennial Retirement Study (April 2019)