

Voya Financial Retirement Income Redefined Study

EXECUTIVE SUMMARY

Introduction

Retirement today has been fundamentally redefined. Individuals are shouldering more responsibility than ever before to prepare for their own retirement. Record numbers of Baby Boomers are retiring each day and many can expect to live years and even decades longer than prior generations.

Part of this new reality requires us to expand our approach to saving and to think beyond simply the accumulation of assets. We must also incorporate strategies that create reliable streams of income when we are ready to draw down those savings. Many Americans, however, are uncertain about how to address this growing and very critical aspect of retirement planning.

To better understand the perceptions people have about their retirement readiness and the realities they face, Voya Financial conducted a two-part research effort in June 2013 on the topic of retirement income. The study, *Retirement Income Redefined*, included both a phone-based survey of 850 adults aged 30 or older¹ and an online poll of 2,400 individuals.²

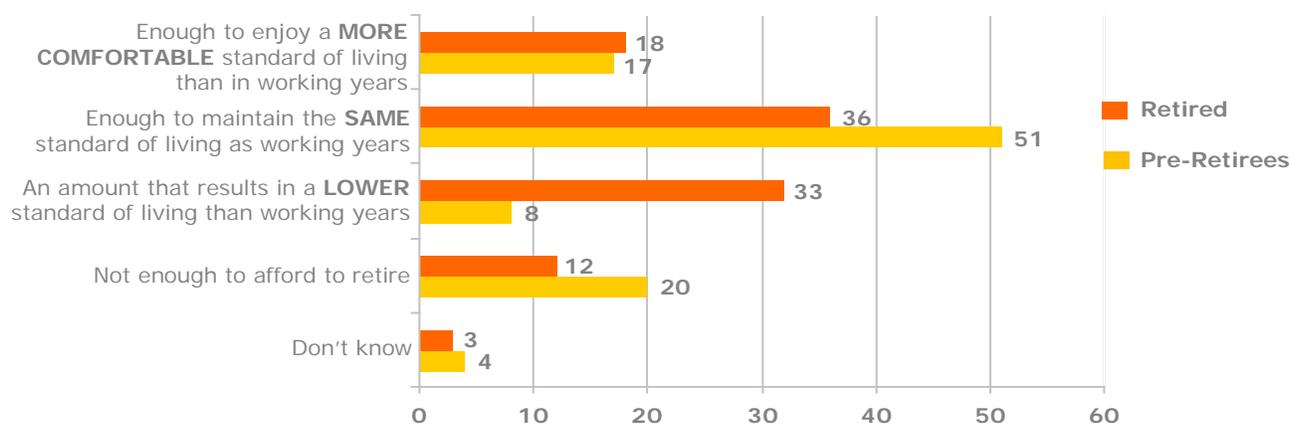
Key Findings

Savings Disconnect

The study demonstrated some gaps that many people may encounter with their retirement security. For example, one-third (**33%**) of the phone respondents who were already in retirement confirmed that they were experiencing a lower standard of living than during their working years, based on their monthly income. However, their pre-retiree counterparts were surprisingly confident about the future — only a small number (**8%**) expected a lower standard of living when they reached retirement. In fact, a significant majority (**68%**) believed they would have enough to maintain the same or more comfortable lifestyle.¹

Monthly Retirement Income

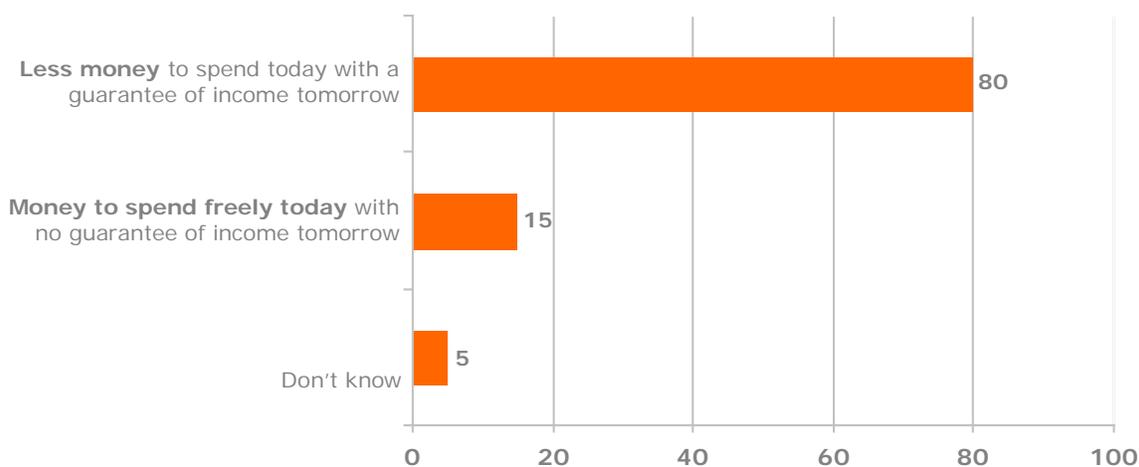
Which of the following MOST resembles how much you currently have or expect to have each month to live on in retirement?



In addition, an overwhelming number of individuals (**80%**) acknowledged that they would be willing to give up some of their spending money today in turn for some guaranteed income at a later point in life. That said, well over one-third (**37%**) believed they were somewhat likely, likely or highly likely to eventually run out of their retirement savings. Among those without a financial advisor, this worry jumped even higher (**41%**).¹

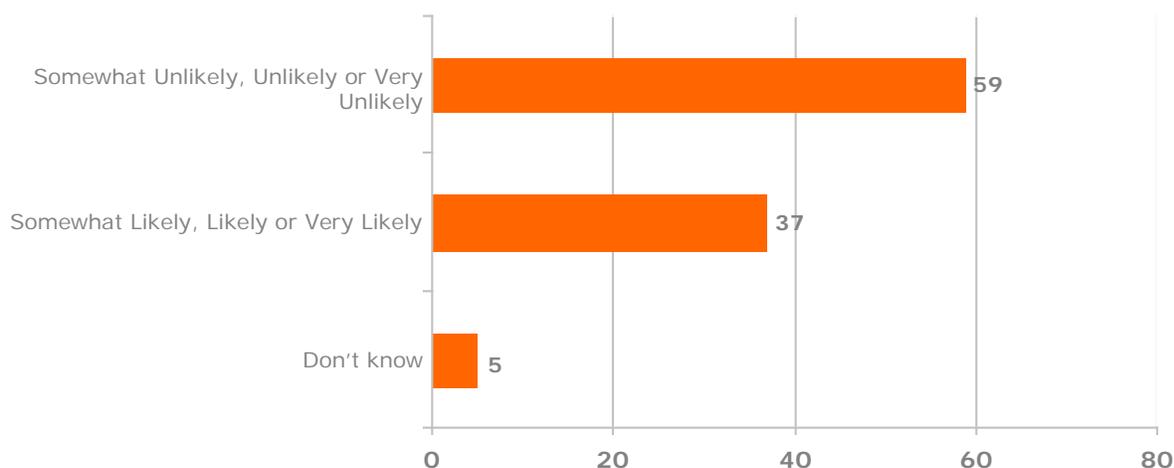
Less Money Today vs. More Money Today

Which of the following would you rather have?



Potential Risk of Running Out of Retirement Savings

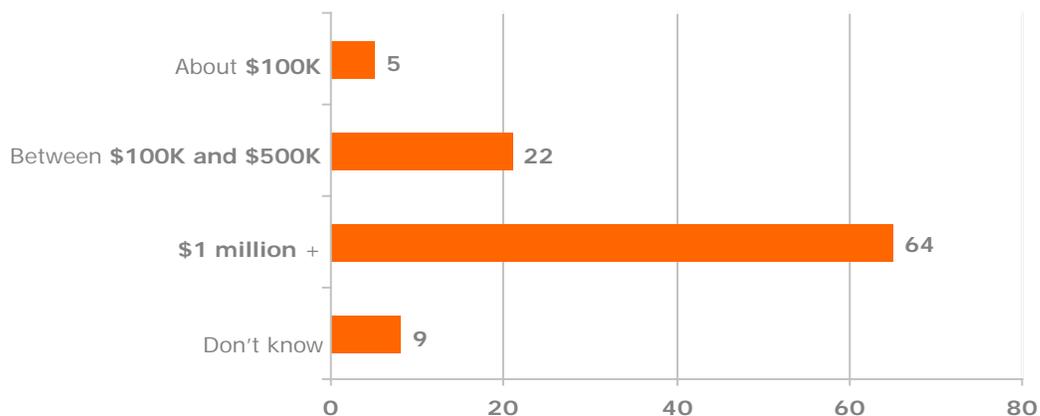
What situation best describes your potential to run out of savings needed to support your preferred lifestyle?



Adding to the potential gap in retirement planning and security, more than one-third (**36%**) believed that \$500,000 or less was enough to provide them with a comfortable level of retirement income...or they didn't know how much they would need. While this group was certainly smaller than those who believed more than \$1 million would be required (**64%**), it nonetheless represented a sizeable number who may not be sufficiently thinking about potential healthcare expenses, longer lifespans and the growing risk of outliving their savings.²

Savings Amounts Need for Comfortable Retirement Income

What amount of savings do you think will be enough to provide you with a comfortable amount of income in retirement?

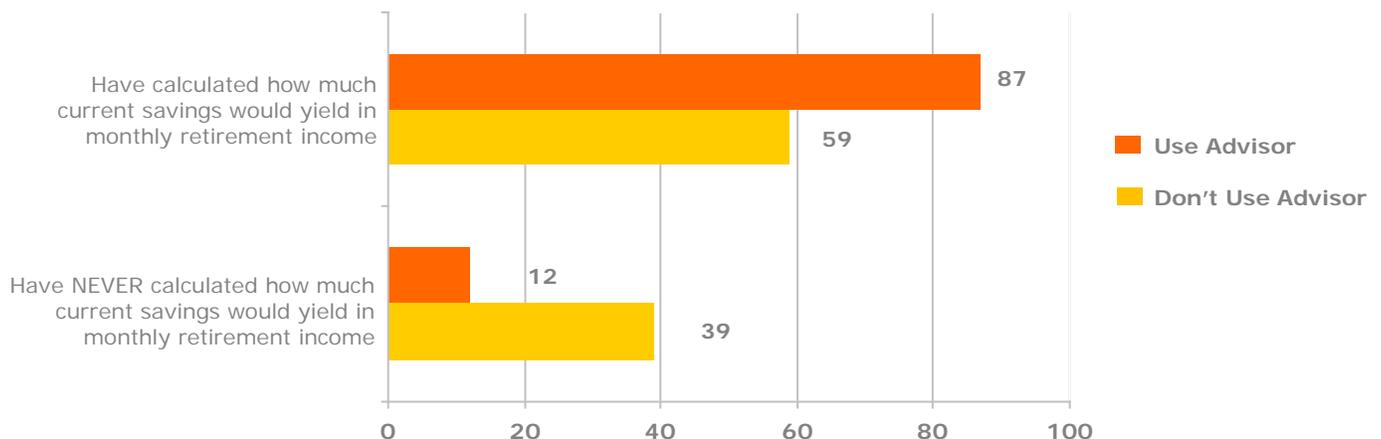


Advisor Advantage

Working with a financial advisor greatly increased the odds that a person had calculated what their current savings would translate into in terms of a retirement income stream. Nearly nine-in-ten (**87%**) of those who worked with an advisor had made this calculation, compared to less than six-in-ten (**59%**) of those who did not work with a financial advisor.¹

Calculation of Monthly Retirement

How often do you calculate how much your current retirement savings would yield in monthly income in retirement?

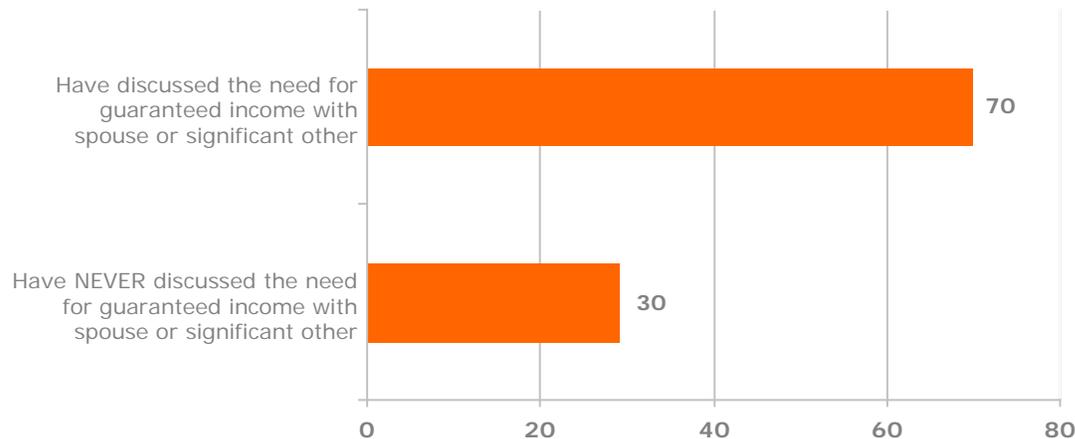


Retirement Conversations

Separately, the research found that a significant majority (**70%**) of those who were married or in a committed relationship had discussed the need for guaranteed income with their partner.

Discussing the Need for Guaranteed Income

How often do you discuss the need for a guaranteed stream of income during retirement with your spouse or significant other?

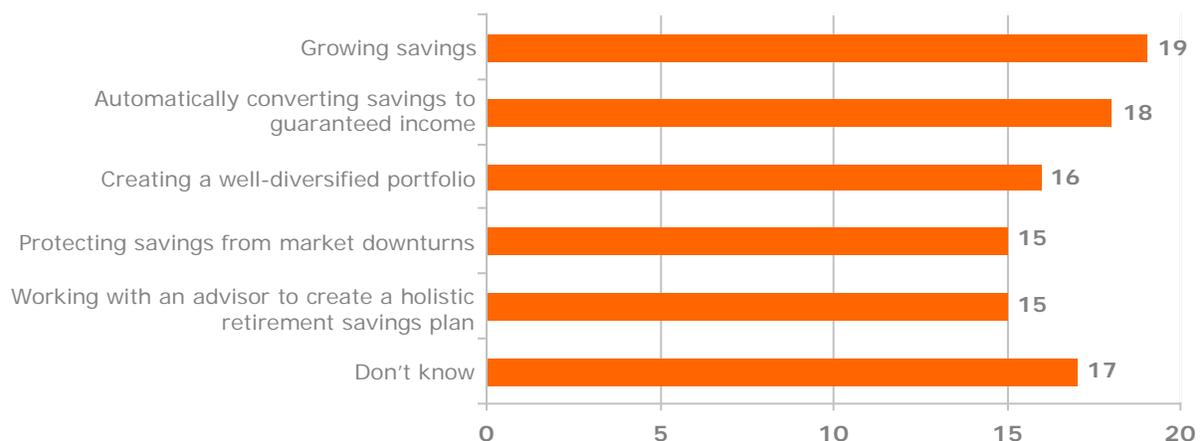


Savings Strategies

For the most part, respondents were evenly split when it came to the importance of different retirement savings strategies. The top two priorities on people's minds included growing savings (**19%**) and automatically converting savings into a guaranteed stream of income (**18%**). The latter strategy was most important among those with children under the age of 18 in the household (**24%** compared to **16%** overall) and those who did not work with a financial advisor (**20%** compared to **12%** overall).¹

Strategy Most Important with Retirement Savings

Which ONE of the following strategies is MOST IMPORTANT to you when it comes to your retirement savings?



Conclusion

Findings from the *Retirement Income Redefined* study highlight how important it is for more Americans to continue shifting their thinking from an “accumulation-only” mindset to include effective strategies that address the draw-down phase of retirement. The study underscored some thought-provoking gaps between the perceptions and realities many people may face with respect to their own retirement security.

With record numbers of Americans reaching retirement age, longer life spans, the uncertain future of Social Security and the decline of traditional pensions, individuals are assuming increased responsibility for building and eventually generating their retirement income. In this redefined environment, they will look to employers, advisors and financial institutions for solutions and guidance.

As an industry leader and advocate for greater retirement readiness, Voya Financial is committed to gaining greater insights into the various factors that affect how people save and plan for retirement. Through research, studies, tools and work done by the [Voya Retirement Research Institute](#), Voya Financial is a resource to help advance the state of retirement readiness for more Americans.

1. Voya Financial phone-based survey conducted June 6 - 9, 2013. Respondents were comprised of a randomly-selected nationwide sample of 850 men and women 30 years of age or older. Data was weighted to make the results representative of the overall U.S. population.
2. Voya Financial online poll of 2,400 consumers conducted June 24 – July 16, 2013. Data was weighted to make the results representative of the overall U.S. population.

About Voya Financial

Voya Financial, Inc. (NYSE: VOYA), which has rebranded from ING U.S., is composed of premier retirement, investment and insurance companies serving the financial needs of approximately 13 million individual and institutional customers in the United States. The company's vision is to be America's Retirement Company™ and its guiding principle is centered on solving the most daunting financial challenge facing Americans today — retirement readiness. Working directly with clients and through a broad group of financial intermediaries, independent producers, affiliated advisors and dedicated sales specialists, Voya provides a comprehensive portfolio of asset accumulation, asset protection and asset distribution products and services. With a dedicated workforce of approximately 7,000 employees, Voya is grounded in a clear mission to make a secure financial future possible — one person, one family, one institution at a time. For more information, visit <http://voya.com> or view our [Voya Financial Interactive Company Profile](#). Follow Voya Financial on [Facebook](#) and Twitter [@Voya](#).