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Savings

New York is heading toward a retirement savings crisis that could deprive millions of Gen Xers and Baby Boomers of financial independence in their golden years - while increasing the need for taxpayer-funded public assistance ...

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New York is heading toward a retirement savings crisis that could deprive millions of Gen Xers and Baby Boomers of financial independence in their golden years – while increasing the need for taxpayer-funded public assistance, a groundbreaking AARP survey of the two generations has found.

With the first Gen Xers turning 50 this year, AARP commissioned the statewide survey of New York voters 35-69. **High Anxiety: Gen X and Boomers Struggle with Stress, Savings and Security** found overwhelming majorities worry about not saving or planning enough for retirement – and with good reason, since about a third have no retirement savings at all. To make matters worse, a third have neither a work-sponsored nor a personal retirement savings plan.

AARP NY is proposing a state-facilitated retirement savings option, with no ongoing taxpayer costs, that could help millions of New Yorkers help themselves achieve financial independence in retirement and avoid the need for expensive, taxpayer-funded public assistance.

Experts are discussing the AARP study, the financial security of the Gen X and Baby Boomer generations, and retirement readiness at the Albany Institute of History and Art today at an event also sponsored by City & State and the Nelson A. Rockefeller Institute of Government.

The event features New York State Budget Director Mary Beth Labate, who is delivering the keynote; Elaine Ryan, AARP's Vice President of State Advocacy and

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- 74% of Gen Xers are worried about not saving enough, compared with 62% of Boomers.
- 67% of Gen Xers worry about not planning enough for retirement, compared with 55% of Boomers.
- 30 percent of Gen Xers and 38 percent of Boomers lack any kind of retirement savings plan, whether work-sponsored or personal.
- A quarter of all working Gen Xers and Boomers – the “working worried” – are not confident they’ll ever be able to retire.

“Boomers face a shifting financial landscape, but Generation X will be the first cohort to retire completely into this new world order,” said Elaine Ryan, AARP’s Vice President for State Advocacy and Strategy Integration.

“In other words, while Boomers face the outer bands of a gathering storm, Gen Xers stand squarely in the eye of it. They have lived the entirety of their working years during a period where individuals have become forced to navigate a complex world of financial investments on their own,” Ryan said.

The high anxiety has even more Gen X than Boomers looking to flee the state in retirement, with 66% of Gen Xers saying they’re at least somewhat likely to leave the state compared with 55% of all Boomers. Such a “Gen-Xodus” could prove a major drain on New York’s economy.

“We know Boomers are worried, but the fact that Gen Xers are even more worried is cause for alarm and reflection. New York can’t afford a Gen-Xodus,” said Beth Finkel, State Director of AARP in New York State. “Since an uncertain financial future for New Yorkers is an uncertain financial future for the state, it is vital that these worries be addressed.”

The anxiety is fueled by many factors, but nagging student loans – and for many Gen

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employer-sponsored retirement savings plan – no pension, no 401k.

With Americans 15 times less likely to open retirement savings plans such as IRAs on their own than if their employer offers an option, it's no wonder New Yorkers are facing a retirement savings crisis.

“As the first Gen Xers turn 50 this year, they are juggling multiple responsibilities – caring for aging parents, trying to pay for their children's colleges and working long hours,” added Finkel. “Lost is the time to manage their finances. A state-facilitated retirement plan would ease their worries, especially if their employers do not offer 401Ks or other plans. It's time for access to a new kind of retirement blueprint.”

Three quarters of survey respondents – 76% of Gen Xers and 74% of Boomers – think the state should create such a program – including 70 percent of small business owners and employees.

And among small business owners and employees surveyed, 63% said they would take advantage of a plan to save for retirement if one were available to them through work.

Failure to help New Yorkers save for retirement could have dire consequences. The AARP survey found that 81% of Gen Xers and 83% of Boomers said they're concerned a lack of savings will make some New Yorkers reliant on public assistance.

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