



Insured Retirement Institute

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Saving for Retirement? What That Asterisk on Your Social Security Statement Really Means

While Millions of Workers Today Pay for a Full Retirement Benefit, Projections Show Vastly Diminished Payments to Future Retirees

WASHINGTON, D.C. – Currently, nearly 37 million retired workers and their families rely on their monthly Social Security benefit to provide a guaranteed monthly paycheck throughout their retirement. According to the AARP, Social Security is the principal source of family income for nearly half of older Americans, with nearly 9 out of 10 individuals aged 65 and over citing the benefit as a source of family income – more than double the number of individuals receiving income from pensions and retirement savings.

While the amount of the benefit varies greatly by retiree, it is directly related to the money the recipient has paid into the system throughout the course of their working life. However, by 2037, the payroll taxes collected will be enough to pay **only about 76 percent of a retirees scheduled benefits**. To put that into real terms, according to the AARP, today on average Social Security replaces 41% of a medium earner's wages. By 2037, that replacement income will be cut by approximately 25%. For the more than 125 million members of Generation X and Y, anticipating their diminished Social Security income will necessitate a new approach to retirement planning.

“Social Security is often lauded as a ‘compact between generations,’ yet for the first time in history, we are on track to break that historic contract with tens of millions of Americans,” said Insured Retirement Institute President and CEO Cathy Weatherford. “What is also evident is that tomorrow’s retirees will need to take on an increased personal stake in creating guaranteed retirement income. President Obama and his administration clearly recognize this need and have been working to ‘promote’ annuities and other guaranteed lifetime income strategies. Given the unsure footing of Social Security for generations to come, the value of a guarantee has never been greater.”

Consumers looking for retirement planning resources can find information, tips and interactive tools online at www.IRIONline.org



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About the Insured Retirement Institute: The Insured Retirement Institute (IRI) is a not-for-profit organization and is the authoritative source of all things pertaining to annuities, insured retirement strategies and retirement planning. IRI exists to vigorously promote consumer confidence in the value and viability of insured retirement strategies, bringing together the interests of the industry, financial advisors and consumers under one umbrella. IRI's mission is to: encourage industry adherence to highest ethical principles; promote better understanding of the insured retirement value proposition; develop and promote best practice standards to improve value delivery; and to advocate before public policy makers on critical issues affecting insured retirement strategies. Visit www.IRIONline.org to experience the new, vast resources of the new Insured Retirement Institute for yourself.

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