

As Social Security Marks 80th Anniversary, One Third of Americans Believe There is Greater Than a 50% Chance They Will Outlive Their Savings

More than half of Americans have done nothing to address longevity risk, and 30% don't expect Social Security to be there when they need it, according to Northwestern Mutual Study

MILWAUKEE, Aug. 11, 2015 /PRNewswire/ -- As the nation marks the 80th anniversary of the Social Security Act being signed into law this week, new findings from Northwestern Mutual's [2015 Planning & Progress](#) Study reveal how much of the country feels they have little to no financial safety net.

This [annual study](#), exploring Americans' attitudes and behaviors towards finances and planning, reveals that longevity risk – or the possibility of outliving your savings – is one the starkest examples of a serious financial fear that has largely gone unaddressed by Americans. According to the research:

One third (31%) of U.S. adults believe there is greater than a 50% chance they will outlive their savings;
More than one in ten (12%) think there is a 100% chance their savings will run out someday;
One in four (24%) Americans are unsure if their savings will last;
More than half (52%) say they have not taken any steps to address the risk of outliving their savings; and
Nearly a third (30%) say it is not at all likely that Social Security will be there for them when they need it.

"When people look beyond this week, this month and this year, they're worried," says Steve Sperka, vice president, Northwestern Mutual. "They're unsure what they'll need to be financially secure and they suspect their savings won't last. That fear can lead to paralysis, but ignoring the problem doesn't make it go away. This should all be addressed in a financial plan that sees beyond the short-term."

No Safety Nets

As revealed in a previous wave of this study's findings, working Americans expect to retire at age 68 – a full decade later than when current retirees left the work force. Notably, 62% of those anticipating working beyond the traditional retirement age of 65 say it will be from necessity, with the vast majority (79%) citing insufficient savings and lack of confidence in social safety nets as leading concerns.

When asked about their primary safety net if they do outlive their savings, more than half (52%) of Americans expressed uncertainty:

One quarter (26%) said they don't know what their safety net will be; and
Another quarter (26%) don't think they will have a safety net

As for Social Security specifically:

30% of Americans believe it is not at all likely to be there when they need it;
52% believe it is somewhat likely to be there; and
18% believe it is extremely likely

Matures: A Cautionary Tale

The oldest generation of Americans – Matures (age 69+) – shed some interesting light on the issue of longevity risk. They rank outliving their savings as their third-greatest financial fear right behind an unplanned financial emergency and unplanned medical expenses; and they do so at higher numbers than any other generation (30% vs 27% of Boomers, 20% of Gen X and 9% of Millennials).

"Older Americans are closer to the reality of longevity risk, so they're feeling it the most acutely," notes Sperka. "But the takeaway from that – for every generation – should be the same: this is one of the most critical financial goals you'll face in life. So plan for it the same way you plan for other major milestones – marriage, home purchases, children, college savings, estate planning and more. Addressing longevity now helps diminish the fear factor, as you age."

About the Research

The *2015 Northwestern Mutual Planning & Progress Study* explores the state of financial planning in America today, and provides unique insights into people's current attitudes and behaviors toward money, goal-setting and priorities.

This study was conducted by Harris Poll on behalf of Northwestern Mutual and included 5,474 American adults aged 18 or older who participated in an online survey between January 12, 2015 and January 30, 2015. Results were weighted to Census targets for education, age/gender, race/ethnicity, region and household income. Propensity score weighting was also used to adjust for respondents' propensity to be online. No estimates of theoretical sampling error can be calculated; a full methodology is available.

About Northwestern Mutual

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