



NEWS RELEASE

For Immediate Release:

September 25, 2018

Contact:

Chris Silberman

JA Director of Communications

csilberman@jacolorado.org

303-260-6295

Majority of Teens are Worried About their Parents' Preparedness to Retire, Know Little About Planning for their Own Retirement

*New Survey by Junior Achievement and AIG Reveals Retirement Plans and Attitudes of U.S.
Teens Aged 13-18*

DENVER— A new survey by Junior Achievement USA and AIG finds that nearly two-thirds (63 percent) of teens are concerned about their parents' preparedness for retirement while demonstrating a lack of education about their own. Sixty-nine percent of young adults ages 13-18 say they know little or nothing about financial planning.

"Based on the fact that teens are concerned about their parents' retirements, one might think that today's young people would be more focused on gaining a better understanding of money management, but these results show that's not necessarily the case," said Robin Wise, President & CEO of Junior Achievement-Rocky Mountain. "The most important message for teens is that by having a plan, and an understanding of what it means to retire well, they will be better positioned for their own retirements when that time comes. This is especially important as Americans are living longer than previous generations."

When asked what they plan to do after they retire, teens cited traveling, hobbies such as golf or crafts, volunteering, and splurging on RVs or vacation homes as their top choices. More than a third (34%) of respondents think they will retire at age 60 or younger; however, one-third believe they will need less than \$5,000 saved to retire and on average the teens plan to start saving for retirement at age 29.

In addition, 46 percent of teens are not confident they know how to plan for retirement. But teens' lack of understanding about financial and retirement planning does not translate into a lack of understanding about the imperativeness of planning. Ninety-three percent say it is important to have a financial plan for retirement, and 92 percent find value in taking a personal finance class in high school.

When asked to identify descriptions and benefits of financial products such as 401ks, annuities, and social security, nearly half (49%) were able to correctly match 401ks, one-third (33%) were right about annuities, and less than two-third (61%) about Social Security. Definitions, though, are just the start of any education process and help is

needed in the application: While many could define an annuity, less than one-quarter (21%) of teens identified annuities as a protected source of lifetime income compared to bank deposits, stocks and mutual funds—none of which can provide protected income that cannot be outlived. And only about half (51%) were somewhat confident that Social Security will still exist when it's time for them to retire.

“We are on a mission to ensure that every American achieves a secure, fulfilling retirement, and that includes kids. The findings we uncovered with Junior Achievement make it clear that we must work with parents and educators to provide teens with greater financial education so they can truly understand what it takes to plan for and achieve the retirements they desire,” said Rob Scheinerman, President of Group Retirement for AIG. “Whether for teens or adults, through the work we do with Junior Achievement and other financial literacy efforts we support, we want to help people gain a deeper understanding of the importance of lifetime income, realize the true cost of retirement, and develop a solid plan for the future.”

To gain the knowledge they need for information about investing for retirement, teens say they would first go to their parents, closely followed by a financial advisor or banker, other family member, teacher, or friend.

Quick Facts:

- 63% are concerned about their parents' preparedness for retirement
- 69% say they know little or nothing about financial planning
- 93% say it is important to have a financial plan for retirement
- 72% say they would likely consult a financial advisor about planning for retirement
- 34% expect to retire at age 60 or younger
- 30% agreed \$5000 or less was enough money to retire
- The average age teens report they will begin saving for retirement at is 29
- 46% are not confident they know how to plan for retirement
- Nearly all (92-95%) students agreed that a personal finance course would be valuable to them

Methodological Notes:

The JA/AIG Survey was conducted by Wakefield Research (www.wakefieldresearch.com) among 1,000 nationally representative U.S. teens, ages 13-18, who are not currently enrolled in college, between August 13 and August 20, 2018, using an email invitation and an online survey. Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.1 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

About Junior Achievement of Rocky Mountain

Junior Achievement-Rocky Mountain, Inc. (JA) is a nonprofit organization dedicated to preparing young people to thrive in the 21st-century workplace and global economy by inspiring a passion in free enterprise and entrepreneurship, and instilling an understanding of personal financial literacy. This year, JA will work with more than 6,000 volunteers to empower students across the Front Range and in Colorado's mountain communities. JA programs are always free to schools thanks to the generous support of volunteers and donors. For more information, visit jacolorado.org.

About AIG

American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement products, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at www.aig.com | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance www.twitter.com/AIGinsurance | LinkedIn: www.linkedin.com/company/aig. These references

with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release.

AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds, and insureds are therefore not protected by such funds.

###