

LINCOLN RETIREMENTSM INSTITUTE

Highlights from the 2007 Survey

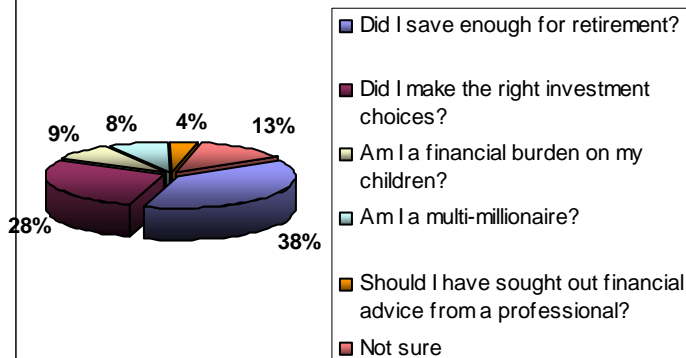
A new survey of retirement trends from the *Lincoln RetirementSM* Institute sought to better understand baby boomers and retirees by giving them a chance to imagine what their futures in retirement will be like and reflect on the decisions they have made in the past.

KEY FINDINGS INCLUDE:

Back To The Future

- A significant majority (66%) of baby boomers and retirees, if given the chance, would question the future versions of themselves about the success of their financial planning strategies with "Did I save enough for retirement?" (38%) and "Did I make the right investment choices?" (28%) topping the list. (See Figure 1)
- Only 16% of boomers and retirees would tell a younger version of themselves to 'not change a thing, you are on the right track' in terms of their retirement planning.
- More than one in four respondents said they would tell their youthful selves to begin saving for retirement sooner. Eighteen percent of those surveyed would counsel themselves to get more financial education, while an additional 15% would advise themselves to pay down debt such as high interest credit cards that chip away at savings.

Figure 1: If given the opportunity to visit an older version of yourself, what one thing would you most want to know about your financial future?



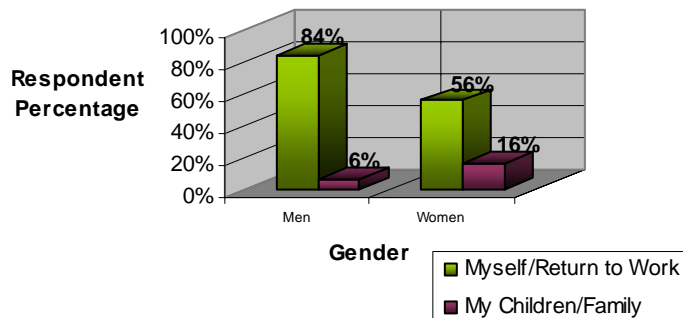
- One-third of respondents said they would tell their younger selves to spend more time on creating income that would last a lifetime; another 27% would advise themselves to better prepare to deal with rising healthcare costs and the possibility of needing long-term care.
- An additional 19% would instruct their younger selves to plan to rely more on personal savings instead of Social Security or a pension. Nine percent said they would tell their younger selves to be better prepared to ride the ups and downs of the market. Only 6% indicated that they would want to better understand and prepare for the effects of inflation.

Family Matters in Retirement Planning

- More than one-third of respondents said their spouse or partner has played the most significant role in helping them prepare for retirement. (See Figure 3)

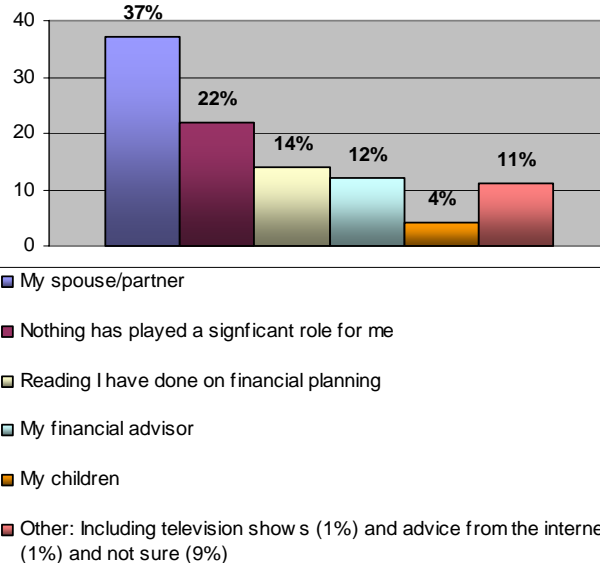
- Women are more worried about running out of money in retirement than their male counterparts (41% vs. 34%). This fear is most likely the result of women expecting to live longer than their husbands or significant others.
- A sizable majority of respondents (59%) said they would be more inclined to ask about the welfare of their loved ones (spouse or children) over wanting to know about their own activity levels (16%) or materialistic desires such as owning their dream homes (11%).

Figure 2: Who would you turn to for help if you cannot finance your retirement?



- If given the opportunity to ask an older version of themselves a question about their financial future, men were four times more likely to want to know if they were multi-millionaires (13% vs. 3%) while women were twice as likely to want to know if they were a financial burden on their children (13% vs. 5%).

Figure 3: Who has played the most significant role in helping you prepare for retirement?



Family Matters in Retirement Planning (con't)

- Different life events served as a catalyst for getting men and women to think seriously about retirement planning; Men are five times more likely as women to consider the importance of retirement savings after changing jobs (19% vs. 4%), and women are twice as likely as men to think more carefully about saving for their future after the death of a spouse or parent (22% and 13%).

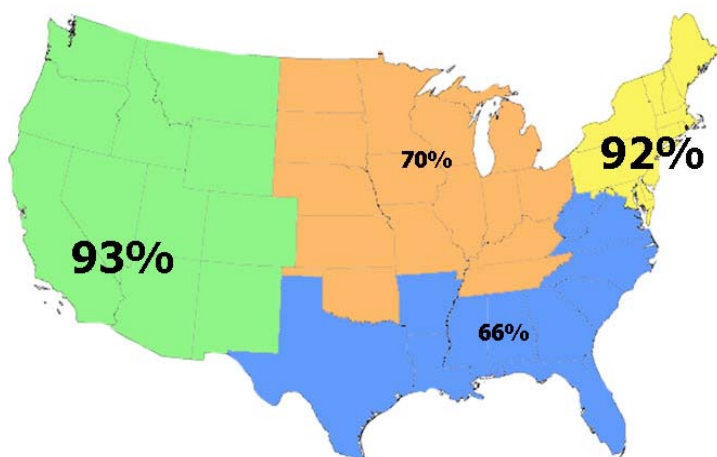
Me, Myself and I

- Of those worried about having enough retirement income, almost 70% said they will rely on themselves and go back to work if they run out of money in retirement.
- Almost one out of four respondents said no external forces have played a significant role in helping them prepare for retirement, potentially signifying that they understand retirement planning is a personal responsibility.
- Twelve percent of survey respondents said they would turn to family members for help, and 5% said they would look to a financial advisor for counsel if they ran out of money in retirement. Virtually no one, especially among younger baby boomers, is expecting the federal government to help them out.

Regional Personalities Emerge

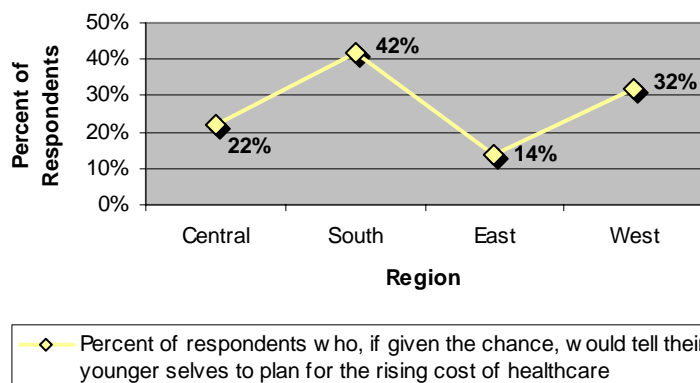
- More than half of Northeasterners said that if they had an opportunity to ask an older version of themselves one question about retirement it would be, "Did I save enough for retirement?"
- More than 70% of Westerners are most likely to ask the future version of themselves if their loved ones are happy and healthy.
- Those on the coasts (Northeasterners and Westerners) were less likely than those in the Central and Southern regions of the country to regret the splurges they have made in the last 10 years. (See Figure 4)

Figure 4: Regional comparison among those who have splurged in the last 10 years and agreed the splurge was worth it.



- Of those who splurged, one third of Southerners wish they had put that money away in a retirement fund instead.
- Baby boomers and retirees living in the Central areas of the country, along with Westerners, are most likely to wonder if they will be multi-millionaires in the future.
- If given the opportunity to go back in time and offer financial advice to a younger version of themselves, Northeasterners (43%) are the most likely group to suggest spending more time focusing on creating income that will last a lifetime.
- Central residents (20%), along with Northeasterners (17%), are most likely to recognize changing jobs as a catalyst for taking a closer look at their retirement plan (versus the South, 3% and the West, 2%).
- Southerners (41%) were the most likely to say that the death or serious illness of a loved one caused them to think more carefully about retirement planning.
- Northeasterners (21%) are more likely to want to know if they lead an active lifestyle than Westerners (13%), Southerners (12%) and those in the Central regions (16%).

Figure 5: Regional Differences in Telling Your Younger Self to Plan for the Rising Cost of Healthcare



A Penny Saved Is A Penny Earned

- Half of baby boomers and retirees say they have splurged in the past 10 years. Big ticket items include luxury cars and exotic vacations, weddings for children and expensive jewelry.
- Of those who did, nearly 80% said that the splurge was worth it.
- Younger boomers (60%) those between the ages of 42-54, in particular, are more likely to splurge than their older counterparts.

About Lincoln RetirementSM Institute Survey

The 2007 Survey, sponsored by the Lincoln RetirementSM Institute, was conducted by Zogby International, an independent firm with offices located in Utica, N.Y. and Washington, D.C. A nationally representative telephone survey of 500 adults ages 42+ of all income levels was conducted in October 2007. For results based on the total sample, the margin of sampling error is plus or minus 4.5 percentage points.