



MetLife®

The MetLife Survey of American Attitudes Toward Retirement

What's Changed?



Findings from a National Study

October 2005



METLIFE MATURE MARKET INSTITUTE

The MetLife Mature Market Institute® is the company's information and policy resource center on issues related to aging, retirement, long-term care and the mature market. The Institute, staffed by gerontologists, provides research, training and education, consultation and information to support MetLife, its corporate customers and business partners.

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Zogby International has been tracking public opinion since 1984 in North America, Latin America, the Middle East, Asia and Europe. Its mission is to offer the best polling, market research, and information services worldwide based on accuracy and detailed strategic information.

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Executive Summary

Over the next 25 years, almost 77 million Americans will reach retirement age. These Americans, born between 1946 and 1964, are the Baby Boom and constitute the single largest age cohort in the history of this country. Boomers have influenced and shaped virtually every aspect of American life and culture they touched and like everything else this group touches, our perceptions and expectations of retirement will be changed forever. While attitudes toward retirement will change because of Baby Boomers, one thing will remain constant, however – the need to insure that those living in retirement will not outlive their money.

When this study was first conducted in 2001, Baby Boomers were optimistic about retirement and they were overwhelmingly looking forward to this next stage in their lives. Four years later and as retirement looms ever closer, worries about retirement are rising. But this fear has created yet another dilemma for this generation. That dilemma is a lack of action in taking the decisive steps necessary to make their retirements something to look forward to rather than an involuntary extension of their working lives.

Key Findings

Overall Attitudes Toward Retirement

Baby Boomers are increasingly anxious about retirement. Over the past four years, the proportion of Boomers who say they are “worried about retirement” has doubled with younger members of this cohort (*41 to 49 years old*) particularly likely to worry. This worry is conditioned by the rapidly increasing importance Baby Boomers place on financial independence. In fact, Boomers are just as likely to cite financial independence as they are to cite health as a primary consideration for satisfaction later in life.

Lifestyle Expectations in Retirement

This increasing focus on financial independence is an outgrowth of Baby Boomers’ heightened concern with potentially outliving their income as well as an increasing expectation that Boomers’ lifestyles will get worse once they retire and that they may have to scale back their lifestyles. These are key reasons why many Baby Boomers are increasingly less likely to look forward to retirement.



Planning for Retirement

Yet, even with this concern and worry about retirement, few Baby Boomers are taking the steps necessary to insure financial security once they retire. Many are not saving at a rate that will allow them to maintain their lifestyles, nor are they spending the time needed to do the basic planning that will help them achieve these goals. In fact, while the proportion that worry about retirement has increased, the proportion that is planning has actually decreased.

Paying for Retirement

Consistent with this worry is the fact that Boomers are increasingly likely to delay retirement until they believe they will have enough money to retire. While most would still prefer to retire before the traditional retirement age of 65, they are finding it more difficult to achieve that goal. More significant is that more and more Boomers expect to continue working well past this age because of economic pressures of needing to maintain their income, as well as a desire to remain active and engaged during retirement.

In spite of a belief among large numbers of Baby Boomers that they will have to continue working, many, particularly those under age 50, are taking responsibility for funding their own retirements. Among those with 401(k) plans, the proportion of their overall retirement savings in these plans has doubled in the past four years. Yet even with this change, the Baby Boom generation expects to be increasingly reliant on Social Security as a source for funding their retirement.

Long-Term Care

The vast majority of boomers recognize they are likely to need some form of long-term care as they get older, particularly to help with physical limitations. Many also understand that they are likely to have to get this care outside their homes. Not surprisingly, they also recognize the need to plan for old age as part of their retirement planning and they may not have the assets to pay for this care.

While they understand the need to plan in the event they need this care, most Boomers have not purchased long-term care insurance and are increasingly likely to think that government programs will pay for their long-term care needs.



Introduction

In 1946, post-war America woke up to the beginning of a revolution. Starting that year and continuing until 1964, the birth rate in the United States exploded. During that period, the Baby Boom resulted in 77 million Americans being born. As this cohort grew up, its influence on this country has been monumental, affecting virtually every aspect of how we live today from where we live, to how we dress, to how we spend our money, to even our feelings about growing older.

Today, we are once again on the verge of feeling the seismic effects of this generation. In 2005, the oldest Baby Boomers (those born in 1946) will begin to be eligible to start withdrawing funds from their retirement accounts without penalty and in 2008 this same group will reach the age they can collect partial Social Security payments. Anecdotally, we know that Baby Boomers view growing older much differently than their parents or grandparents. They are healthier and more active. At the same time many of these Boomers lack the financial security of defined benefit pension plans that many in previous generations enjoyed.

This study, previously conducted with Baby Boomers in 2001, was again undertaken in Spring 2005 for the MetLife Mature Market Institute by Zogby International. The study was designed to identify how Baby Boomers feel about retirement today and how their attitudes may have changed now that they are on the verge of retiring. Included in this study is a separate analysis of gay and lesbian Baby Boomers – a group about which little is known of their attitudes toward retirement and retirement planning.



Study Objectives & Methodology

Study Objectives

To answer these questions, The MetLife Mature Market Institute commissioned Zogby International, an international polling and market research firm, to conduct a nationwide opinion poll covering the following topics:

- Overall attitudes toward retirement
- Planning for retirement
- Intent to working during retirement
- Lifestyle expectations when retired
- Income expectations when retired
- Differences between Boomers and their parents on retirement related issues
- Long-term care

Study Methodology

Zogby International conducted interviews of 1,366 online participants. A panel of 7,228 people ages 41 to 59, who have agreed to participate in Zogby polls online, were invited to participate in the survey. The online poll ran from April 19, 2005 through April 21, 2005 and for comparative purposes, used questions identical to those from a Zogby International poll among 1,208 Baby Boomers conducted by telephone in 2001.

In order to accurately reflect the national population of Baby Boomers, weights were added to the final sample to more accurately reflect the Baby Boomer population by race and gender. The margin of error for this sample is ± 2.3 percentage points.

This basic sample was supplemented with 537 additional online interviews among a panel of 1,056 people ages 41 to 59 who identified themselves as gay, lesbian, bisexual or transgender. This supplemental poll was conducted at the same time as the national study among Baby Boomers. As in the national sample, weights were added to the final sample to more accurately reflect the LGBT population by race and gender. The margin of error for this sample is ± 4.3 percentage points.

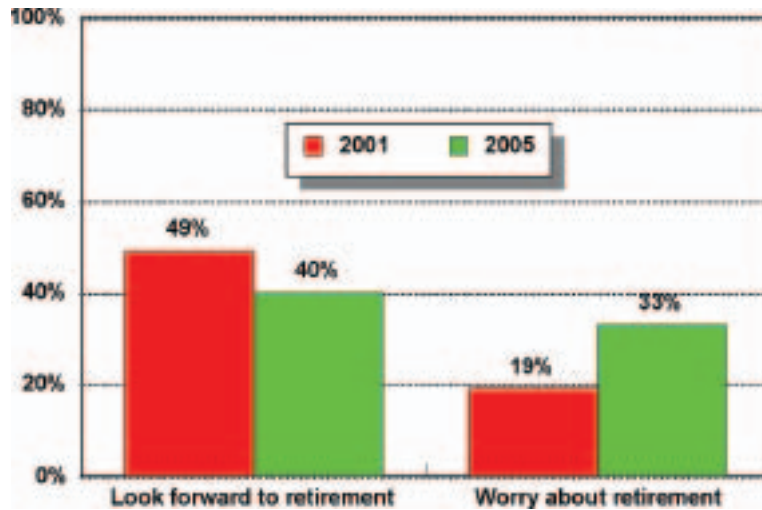


Overall Attitudes Toward Retirement

Baby Boomers express increasing anxiety about retirement.

In 2001, 19 percent of Baby Boomers said they worry about retirement. In the past four years, that proportion has almost doubled. Today, one in three (33%) of Baby Boomers say they are worried.

**Attitude Toward Retirement
2001 compared with 2005**



Worry about retirement is particularly heightened among younger Baby Boomers, ages 41 to 49 years old. These younger Baby Boomers are significantly more likely than those ages 50 and older to express this concern. In fact, those ages 41 to 49 years old are more likely to worry about retirement than to look forward to it.

**Those Who "Worry About Retirement"
By Age**

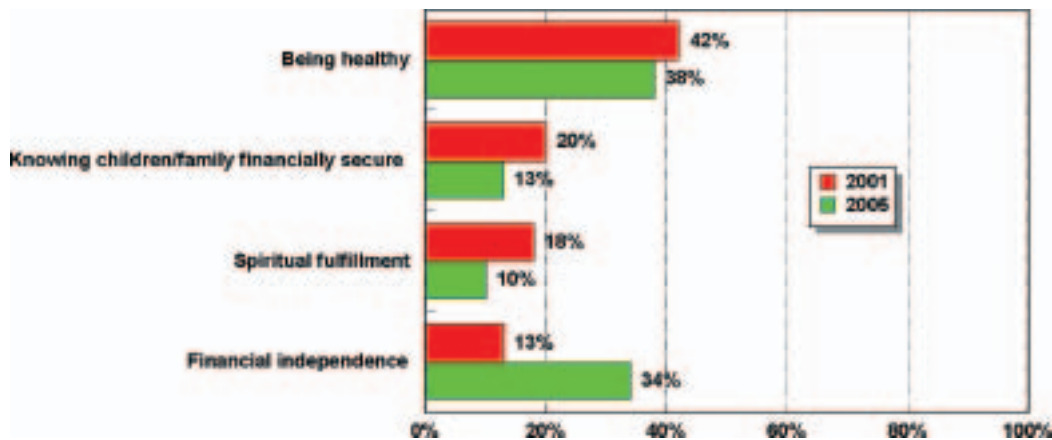
41 to 49 Years Old	50 to 59 Years Old
39%	30%



This anxiety about retirement reflects the dramatically increased emphasis Baby Boomers place on financial independence as they get older...

The proportion of Baby Boomers that believe that financial independence is a primary consideration for satisfaction has close to tripled in the past four years. Today, 34 percent of Baby Boomers consider financial independence as a primary consideration for satisfaction later in life, a proportion roughly equivalent to the proportion that consider being healthy as primary consideration for satisfaction in later life.

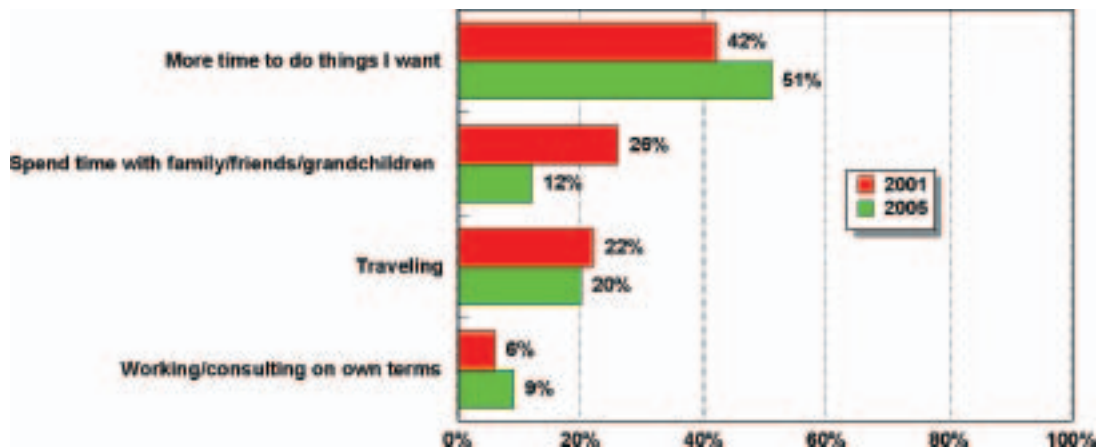
**Primary Consideration For Satisfaction In Later Life
2001 compared with 2005**



...As well as a strong desire to have more time to do the things they want to do once they retire.

Baby Boomers are increasingly looking forward to retirement as a time when they can indulge in what they want to do. Since 2001, the proportion of Baby Boomers looking forward to having more time to do the things they want has increased from 42 percent of Baby Boomers to over half (51%) today.

**Activities Most Looking Forward To In Retirement
2001 compared with 2005**



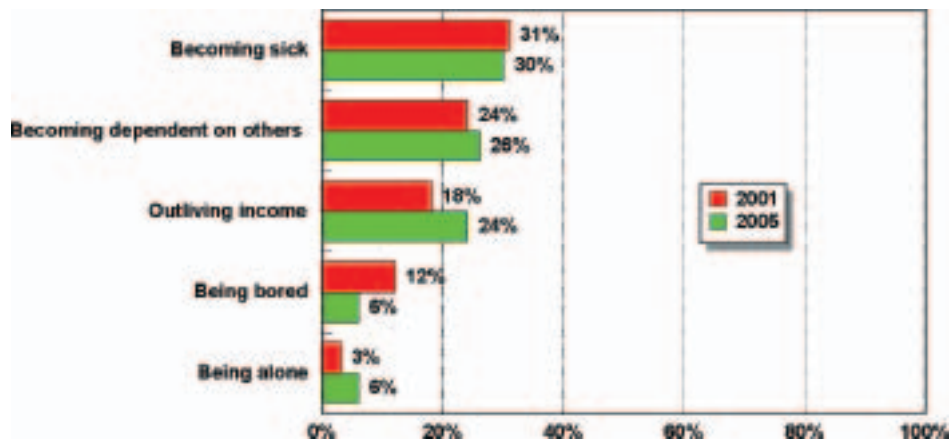


Lifestyle Expectations In Retirement

Boomers have three major concerns about retirement — becoming sick, becoming dependent on others and outliving their income.

Over the past four years, the proportion of Baby Boomers who say their greatest concern about retirement is “outliving income” grew from 18 percent in 2001 to 24 percent in 2005.

**Greatest Concern About Retirement
2001 compared with 2005**



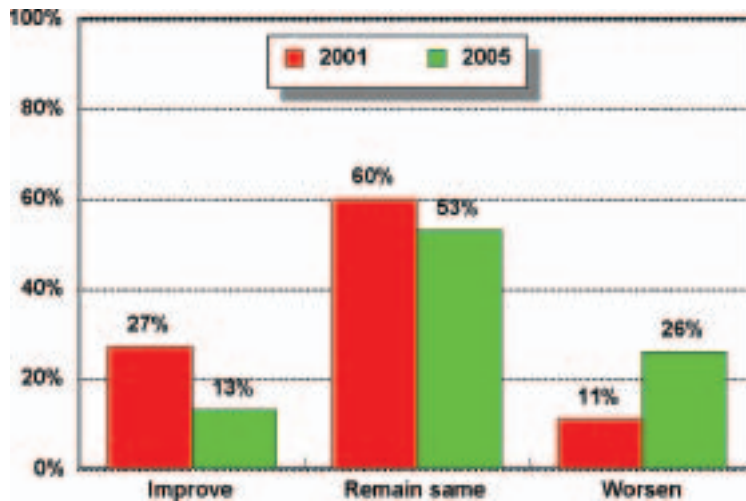
Today, this concern with outliving income is as prominent as more traditional issues that many associate with aging – becoming sick and becoming dependent on others. When taken together, all three concerns point to a substantial recognition of the need for long-term care planning among Boomers.



Not surprisingly, Baby Boomers increasingly expect their lifestyle will get worse in retirement...

The proportion of Baby Boomers who feel retirement will improve their lifestyle declined by half over this four-year period (*from 27% in 2001 to 13% in 2005*). Correspondingly, the number of Baby Boomers who believe their lifestyle will worsen increased significantly from 11 percent to 26 percent during this same period. This increased pessimism is possibly a key contributor to why Baby Boomers are increasingly less likely to look forward to retirement (*see page 6*).

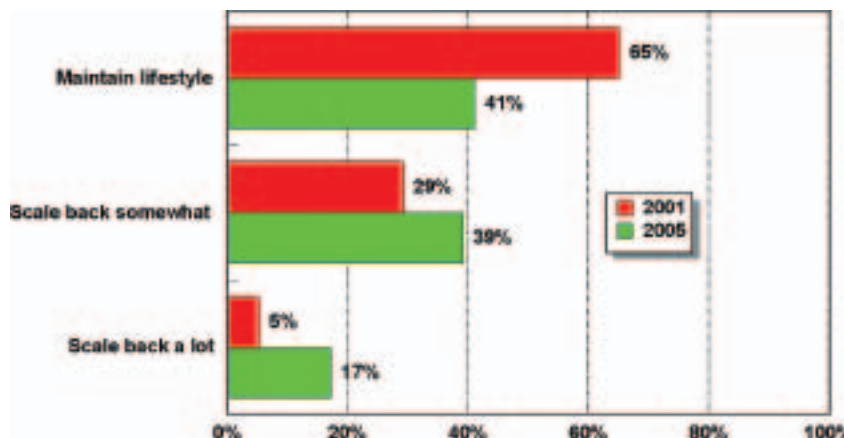
**Impact Of Retirement On Lifestyle
2001 compared with 2005**



...And are increasingly concerned they will have to scale back their lifestyles once they retire.

In 2001, two in three (65%) Baby Boomers felt they would be able to maintain their lifestyle in retirement. Four years later, this trend has reversed, 56 percent believing they will have to scale back. Even more significant is the increase in the number of Baby Boomers who believe they will have to cut back a lot. In 2001, only one in twenty (5%) thought they would have to scale back a lot. Today, 17 percent of Baby Boomers express this concern.

**Lifestyle Expectations In Retirement
2001 compared with 2005**





This belief in needing to scale back lifestyles in retirement is especially prevalent among women Baby Boomers. Twenty percent of women believe they will have to scale back “a lot” during retirement. This compares to 12 percent of men who feel the same way. This higher degree of concern among women most likely reflects the fact that women typically live longer than men and often-times outlive their spouses.

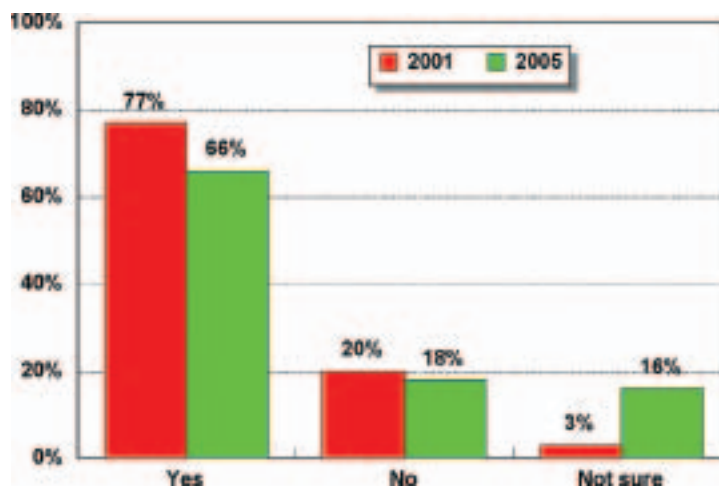
**Will Need To Scale Back A Lot In Retirement
By Gender**

Men	Women
12%	20%

Despite this increased concern with their financial security, fewer Baby Boomers are taking the necessary steps that will insure they don’t have to scale back.

Among those who expect to maintain their lifestyle in retirement (*see page 9*), only two-thirds (66%) believe they are saving at the rate needed to maintain their lifestyle. This is a significant decline from the 77 percent of Baby Boomers who felt they were meeting this goal in 2001. At the same time, one in six (16%) are not sure they are saving enough. This is a five-fold increase from 2001.

**Saving At Rate To Maintain Lifestyle
Those Who Expect To Maintain Lifestyle In Retirement
2001 compared with 2005**



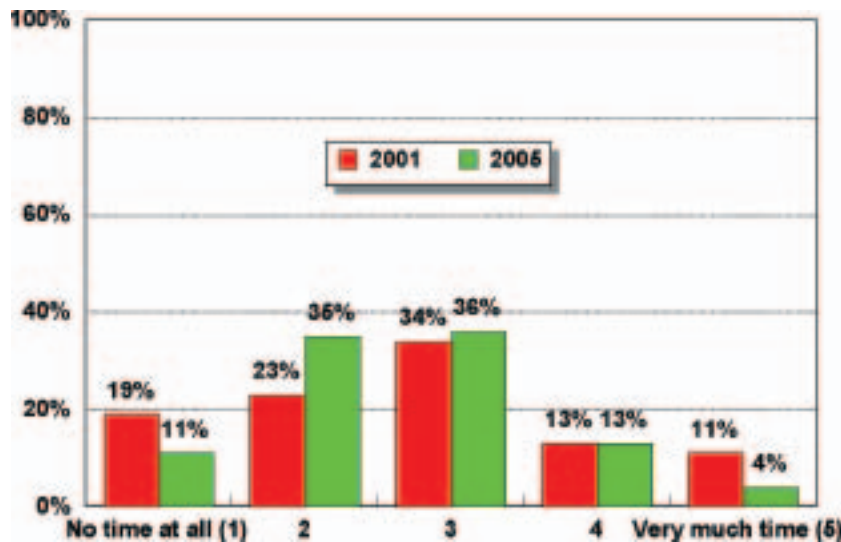


Planning For Retirement

In spite of these increasing concerns about retirement, Baby Boomers still do not spend time planning for this event.

In fact, over the past four years, it appears that the typical Baby Boomer may actually be spending less time planning. At the same time, they are increasing their level of worry about retirement (see page 6). In 2001, one in four (24%) Baby Boomers reported spending considerable time on retirement (4 or 5 on five-point scale where 5 = very much time). In 2005, this proportion dropped to 17 percent.

**Time Spent Planning For Retirement
2001 compared with 2005**



As Baby Boomers get older, however, the pressure to plan for retirement increases. Among those Boomers ages 41 to 49, only 12 percent report a high level of retirement planning. By contrast, 20 percent of Baby Boomers 50 and older have the same level of retirement planning.

**High Level Of Planning For Retirement
By Age**

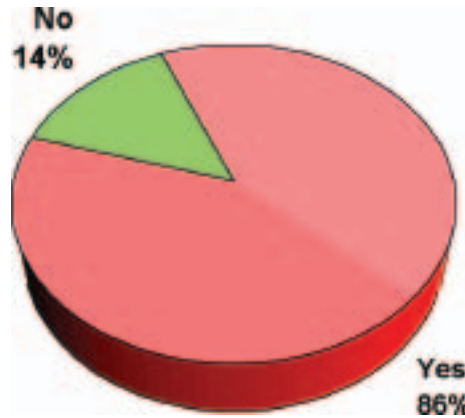
41 to 49 Years Old	50 to 59 Years Old
12%	20%



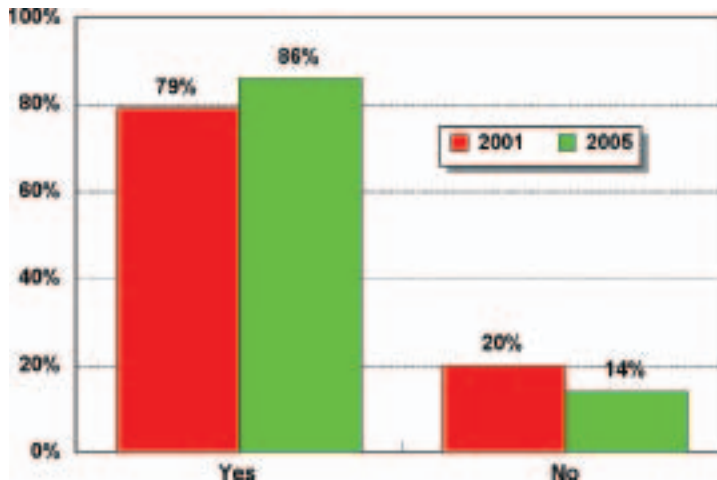
Retirement planning is a joint activity for most Baby Boomers.

Eighty-six percent of Baby Boomers discussed retirement plans with their partner or spouse, a proportion that has increased slightly since 2001.

Discussed Retirement With Spouse/Partner
Those With Spouse/Partner



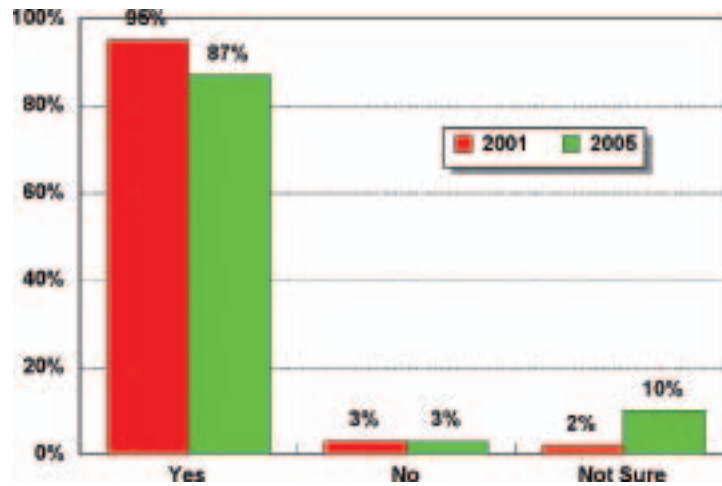
Discussed Retirement With Spouse/Partner
Those With Spouse/Partner
2001 compared with 2005





And, the overall level of consensus among spouses and partners remains high, with only 3% of those discussing plans reporting disagreement.

Spouse/Partner In Agreement With Retirement Plans
Those Who Discussed Retirement With Spouse/Partner
2001 compared with 2005





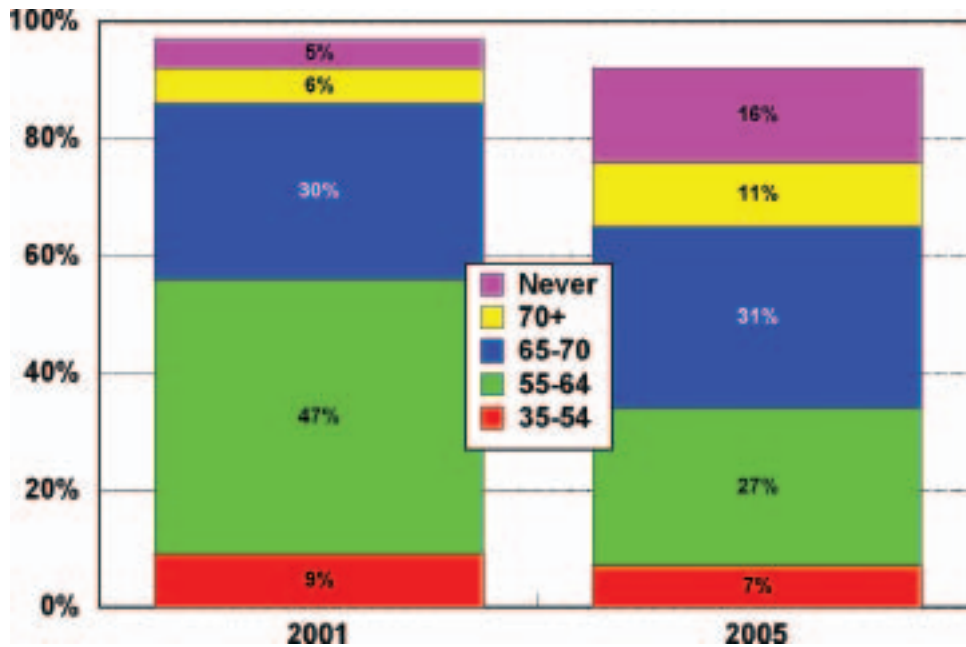
Paying For Retirement

Income Expectations In Retirement

Baby Boomers are increasingly likely to delay retirement until they believe they will have enough money to retire.

In 2001, the median age when Baby Boomers thought they would be able to retire with all the money they needed was between 55 and 64 years old. Four years later, this same cohort placed the median age when they can achieve this goal at between 65 and 70 years old.

**Age Able To Retire With Income Needed
2001 compared with 2005**



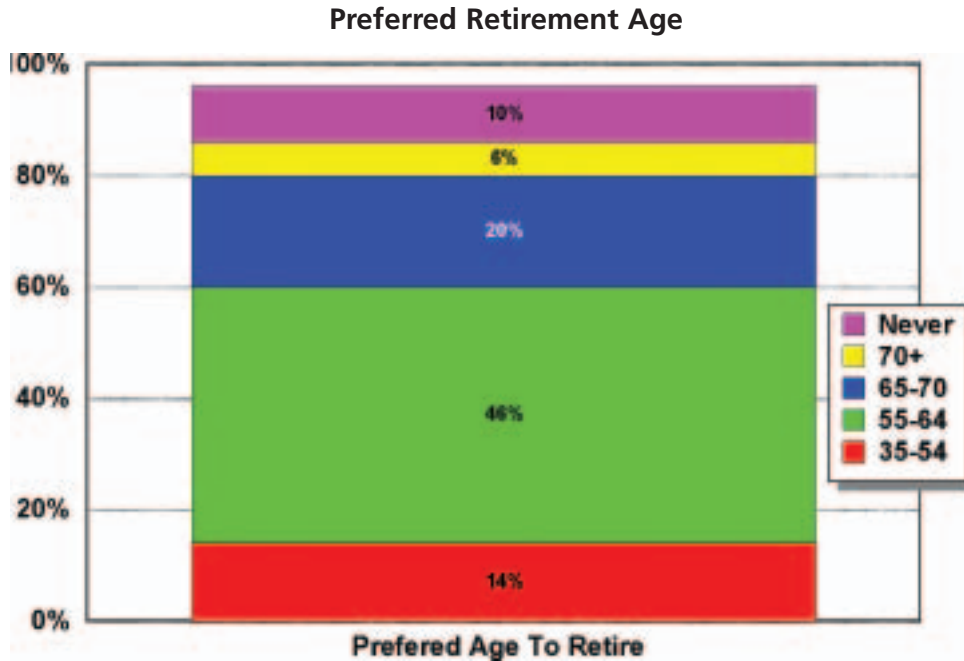
An expectation of having to work beyond age 64 is particularly strong among younger Baby Boomers (*ages 41 to 49*). Two in three of these younger Boomers expect to work past age 64. This compares to 55 percent of those over age 50 who feel the same way.

**Able To Retire With Income Needed At 65 Or Older
By Age**

41 to 49 Years Old	50 to 59 Years Old
63%	55%

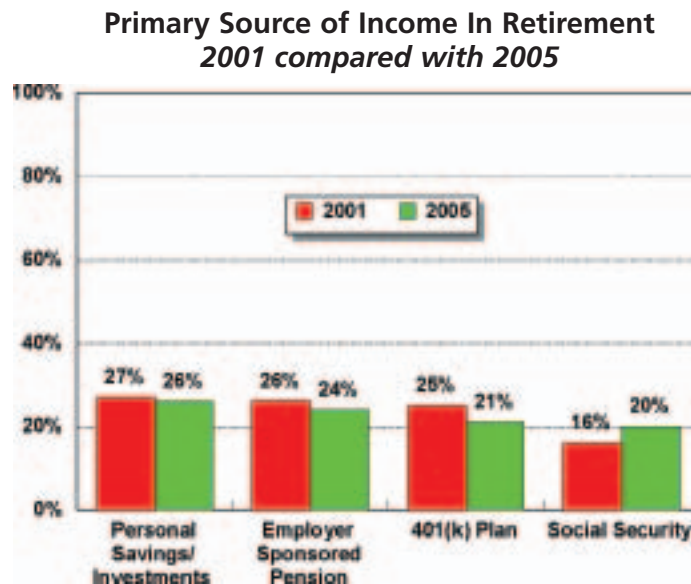


The majority (60%) of Boomers would still prefer to retire before the traditional retirement age of 65, and while most felt they could achieve that goal in 2001, they don't feel they can do that today (see page 14).



Sources of Income When Retired

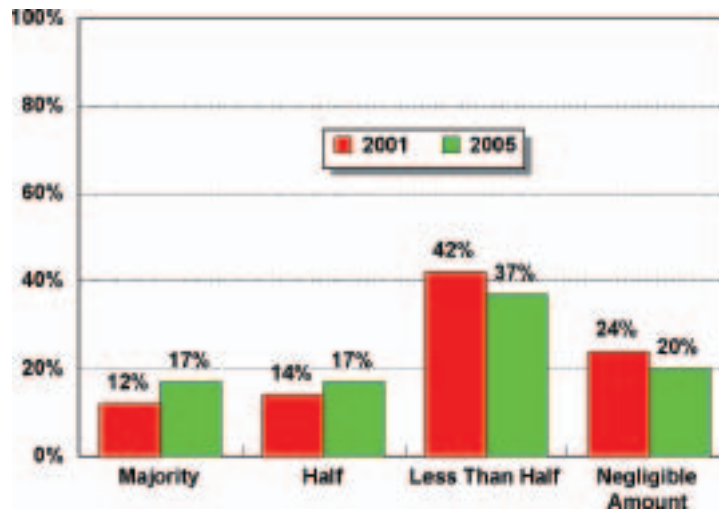
Baby Boomers continue to look to a wide variety of sources to fund their retirements. They are just as likely to cite savings or investments, pensions, 401(k) plans as well as Social Security as a primary source of retirement income. This is essentially unchanged since 2001.





The number of Baby Boomers relying on Social Security as primary source of retirement income has increased only slightly since 2001. Yet, Boomers are becoming increasingly reliant overall on Social Security as a source of funding their retirement. Today, 34 percent of Baby Boomers say at least half of their retirement income will be from Social Security. In 2001, 26 percent were expecting the same proportion of their retirement income to be derived from this source.

**Social Security As Proportion Of Retirement Income
2001 compared with 2005**



This is particularly an issue among older Baby Boomers (*50 to 59 years old*) where 39 percent expect Social Security to be at least half their retirement income. Among younger Baby Boomers, only one in four (26%) feel this way.

**Social Security As At Least Half Of Retirement Income
By Age**

41 to 49 Years Old	50 to 59 Years Old
26%	39%



By contrast, younger Baby Boomers are making significant strides in taking responsibility for funding their own retirement.

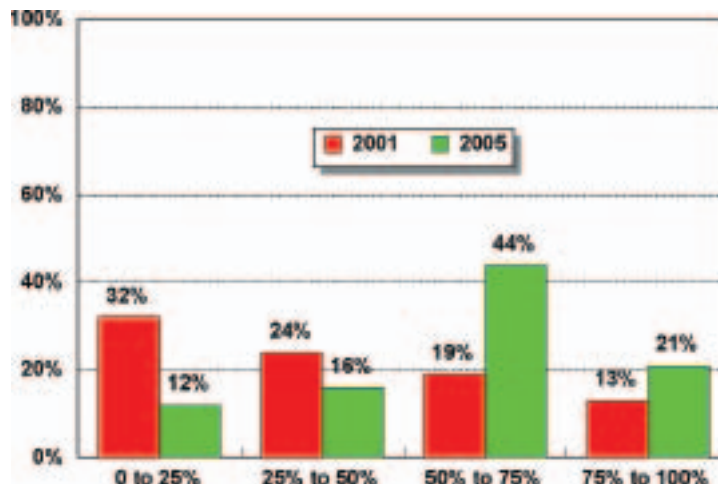
Younger Baby Boomers (*41 to 49 years old*) appear much more self-reliant in planning for their retirement. They are twice as likely as those ages 50 and older to look to a 401(k) plan as a primary source of retirement income. By contrast, older Baby Boomers are significantly more likely to expect Social Security to be a primary source of their retirement income.

**Primary Source of Income In Retirement
By Age**

	41 to 49 Years Old	50 to 59 Years Old
401(k)	30%	16%
Social Security	15%	22%

Since 2001, the percentage of retirement money in 401(k) plans among those who look to this as a primary source of their retirement income has increased dramatically. In 2001, just one-third (32%) of those Baby Boomers who look to their 401(k) plan as a primary source of retirement income had more than half their retirement money in one of these plans. Four years later, two-in-three (65%) have this proportion of their retirement savings in one of these tax-advantaged savings plans.

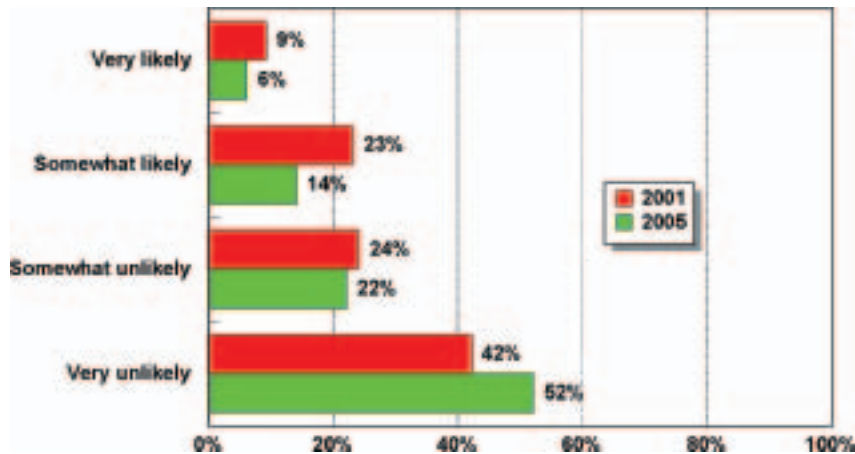
**Percent of Retirement Money In 401(k) Plan
Those Who Say 401(k) Is Primary Source Of Retirement Income
2001 compared with 2005**





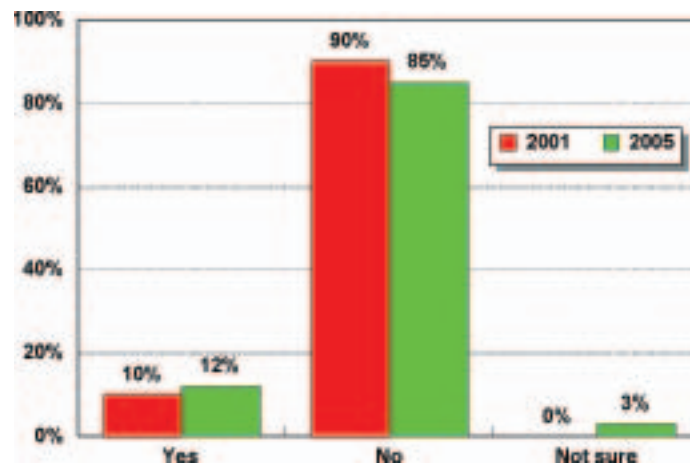
Baby Boomers are unwilling to spend less in retirement in order to leave an inheritance. Three in four (74%) of Baby Boomers say they are unlikely to restrict their spending while retired in order to leave money for others. This is an increase from 66 percent who shared this attitude in 2001.

Likelihood of Spending Less In Retirement To Leave Money For Others
2001 compared with 2005



At the same time, they are not counting on inheriting money from their parents as means to fund their retirements.

Counting On Inheritance From Parents
2001 compared with 2005



This trend away from an intergenerational transfer to wealth appears to be multi-generational. As noted in another recent study commissioned by MetLife's Mature Market Institute, those in the preceding generation of Americans also consider leaving an inheritance for their children as relatively unimportant with fewer than half (45%) saying it is important to leave an inheritance for anyone other than a surviving spouse.*

*"MetLife Retirement Income Decisions Study, The Silent Generation Speaks". A national poll commissioned by the MetLife Mature Market Institute and conducted by Mathew Greenwald & Associates, Inc. among Americans between the ages of 59 and 71.

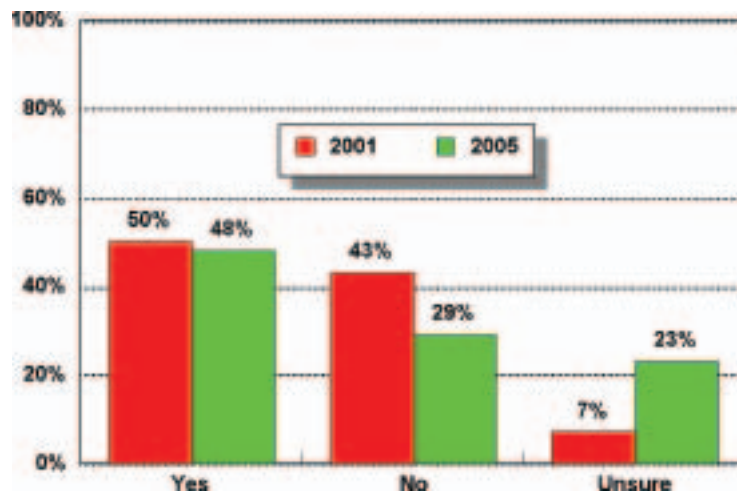


Working & Retirement

Financial worries may be leading many Boomers to reconsider continuing to work past the traditional age of retirement.

Overall, half of Baby Boomers plan to keep working beyond this age, a proportion that remains statistically unchanged since 2001. While the percentage that does not plan to work has declined, the proportion that remains uncertain about their plans has increased dramatically. In 2001, just seven percent of Baby Boomers were unsure about working once they reach retirement age. In 2005, the proportion who shares this uncertainty has increased three-fold to 23 percent of Baby Boomers. While the majority of Baby Boomers look forward to retirement as a time when they can do the things they want to do (*see page 7*), the uncertainty about their financial future is leading them to reconsider the need to continue working.

**Plan To Keep Working Beyond Traditional Retirement Age
2001 compared with 2005**



This uncertainty is particularly strong among younger Boomers (*ages 41 to 49 years old*).

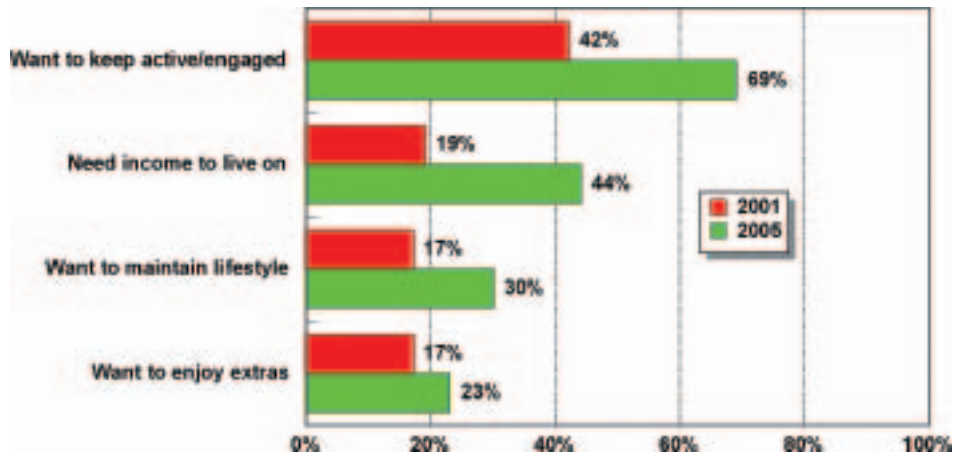
**Unsure About Working Beyond Traditional Retirement Age
By Age**

41 to 49 Years Old	50 to 59 Years Old
28%	21%



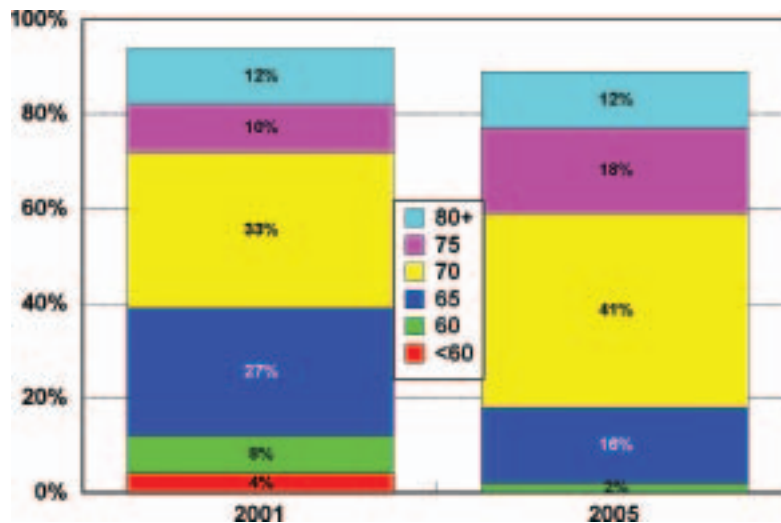
Boomers increasingly say they plan to continue working in order to keep active and engaged. Today 69 percent of Baby Boomers who plan to keep working cite this as a primary reason. However, this interest in staying active is not the motivator to stay in the work force. The issues that drive Baby Boomers plans to continue working are also strongly driven by economic pressures. In fact, the largest increase in reasons for continuing to work is among those Boomers who need the income to live on. In fact, the proportion of Baby Boomers who plan to continue working who cite this as a reason more than doubled over the past four years. Coupled with this is a stronger desire among many Baby Boomers just to maintain their lifestyle once they reach retirement age.

Reasons For Continuing to Work
Those Who Plan To Keep Working
 2001 compared with 2005



The expectation they will continue working extends well past traditional retirement ages. Among those that expect to continue working, 71 percent expect to work past age 65. This compares to 55 percent of those who shared this opinion in 2001.

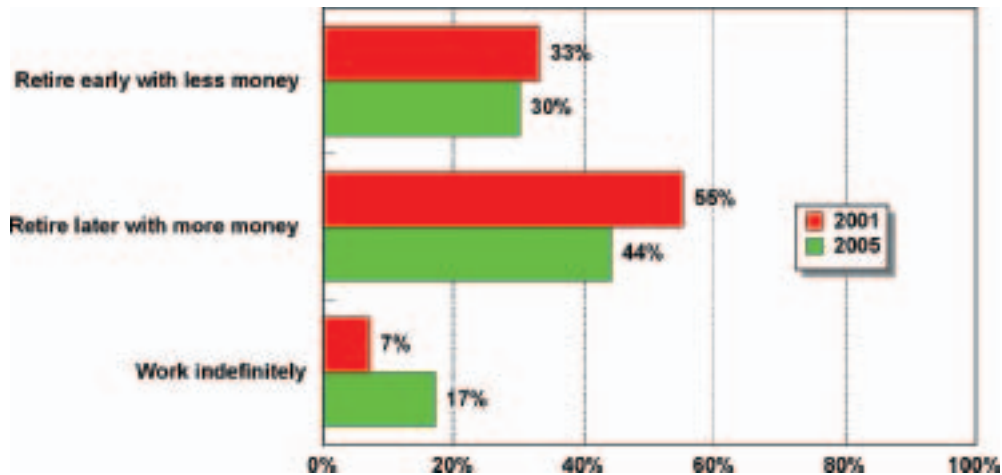
Age Expect To Still Be Working
Those Who Plan To Keep Working
 2001 compared with 2005





In fact, 17 percent of Baby Boomers expect to keep working indefinitely – a significant increase from seven percent who shared this opinion four years ago.

**Preferences for Retirement
2001 compared with 2005**



Older Baby Boomers (50 to 59 years old) are particularly likely to feel they will still be working past age 65 with 81 percent reporting they still expect to be working past that age. By contrast, significantly fewer (71%) younger Baby Boomers share this opinion.

**Expect To Still Be Working Past Age 65
Those Who Plan To Keep Working
By Age**

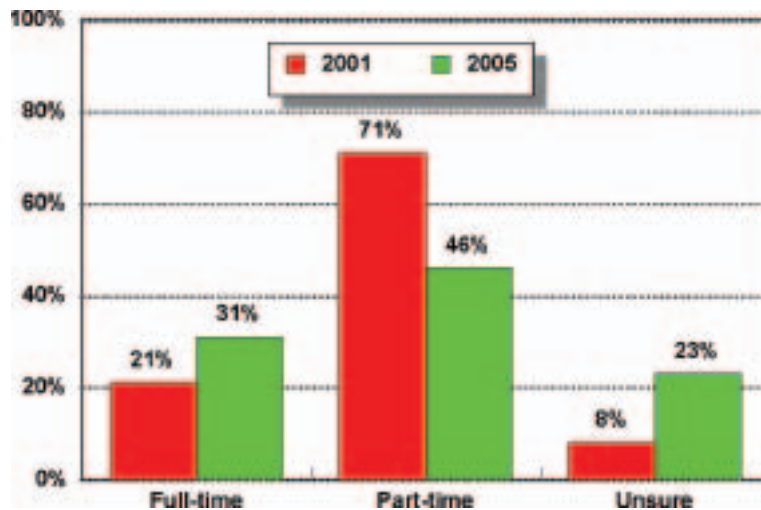
41 to 49 Years Old	50 to 59 Years Old
71%	81%



Economic pressures also appear to influence the likelihood of Baby Boomers working full-time once they reach retirement age.

While they are most likely to consider working part-time after traditional retirement age, Baby Boomers are increasingly considering full-time work or are unsure. Again, this consideration might reflect the worries and concerns Baby Boomers increasingly have over retirement in conjunction with economic pressures of needing to maintain their income. Not only has the proportion of Baby Boomers who expect to work full-time increased significantly, but, the proportion of those who are unsure if they will work full-time or part-time has also increased dramatically.

Type of Work Considered After Traditional Retirement Age
Those Who Plan To Keep Working
2001 compared with 2005





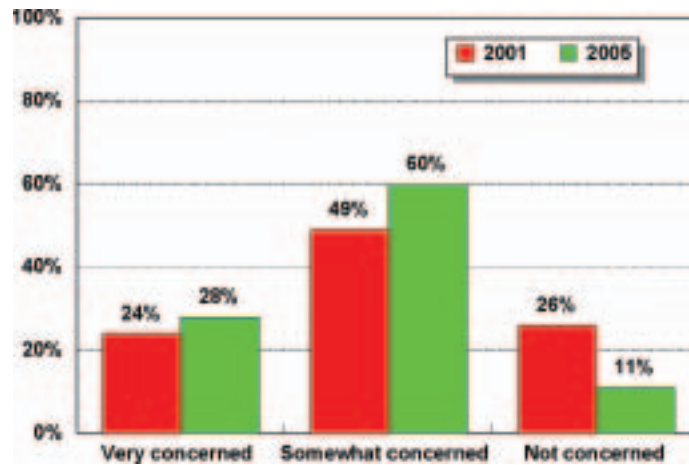
Long-Term Care

Recognizing The Need

Baby Boomers are increasingly concerned about their inability to function as they grow older.

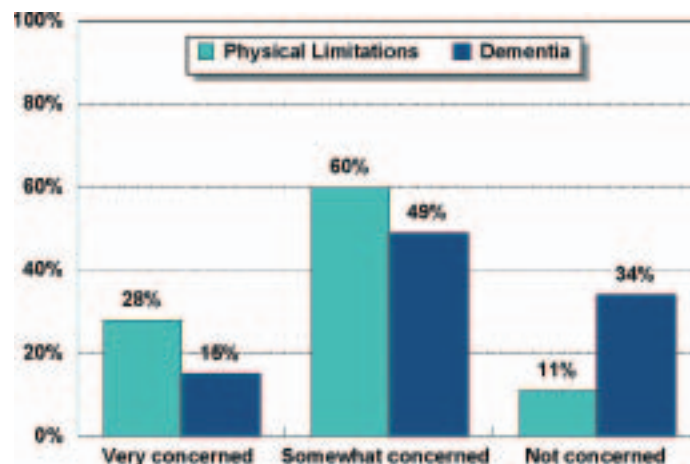
Eighty-eight percent express at least some degree of concern with this issue, an increase of 15 percent since 2001.

**Concern With Not Being Able To Function Because of Physical Limits
2001 compared with 2005**



They are particularly concerned with physical limitations as they get older. While two-in-three (64%) Baby Boomers are concerned about not being able to function because of dementia, 88 percent express the same degree of concern with the physical limitations they may experience as they get older.

**Concern With Not Being Able To Function
Physical Limitations compared with Dementia**

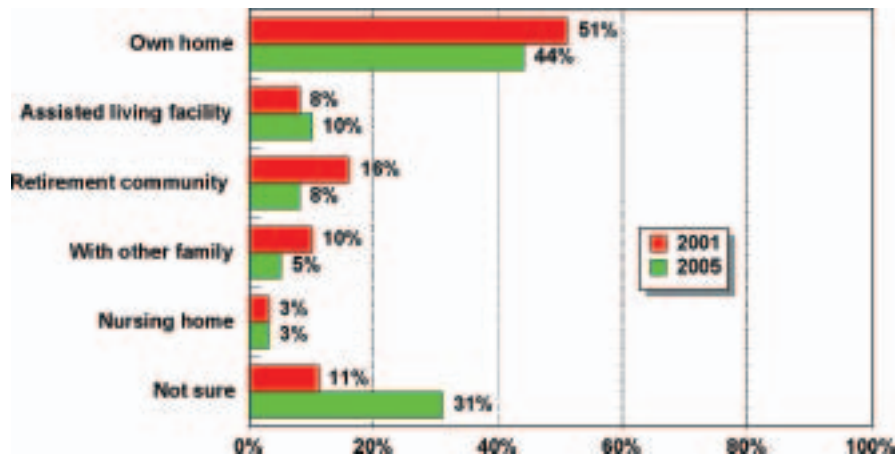




Baby Boomers increasingly believe they may have an eventual need for some form of long-term care outside their homes.

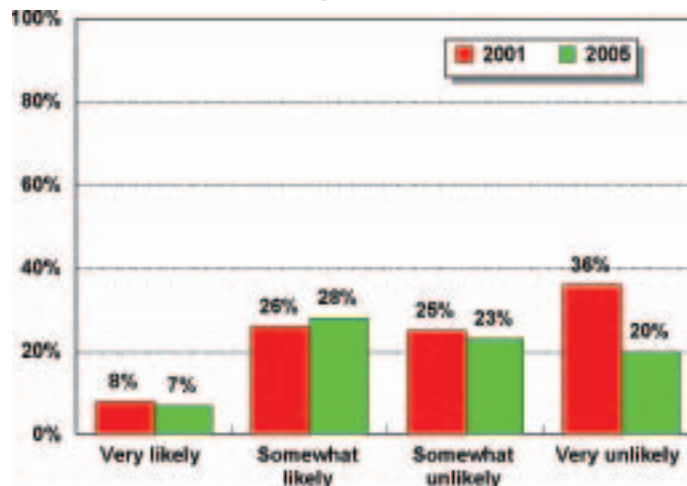
Today, most people receive long-term care services at home*. Yet, for a majority of Baby Boomers, they are uncertain where they will live (31%) or expect to live in a place other than their own home at the end of their lives (26%). They expect this care could be given in an assisted living facility, a retirement community or a nursing home. The lack of certainty where they expect to live at the end of their lives has increased by three fold since 2001.

**Expected Residence At End Of Life
2001 compared with 2005**



While many recognize their likely need for eventual long-term care, 35% feel they are likely to need nursing home care. Only seven percent say they are “very likely” to need nursing home care and 28 percent say they are “somewhat likely” to need this type of help.

**Likelihood Of Spending Time In Nursing Home
2001 compared with 2005**



*Caring for Caregivers: A Profile of Informal and Family Caregivers, American Society on Aging, 2002.

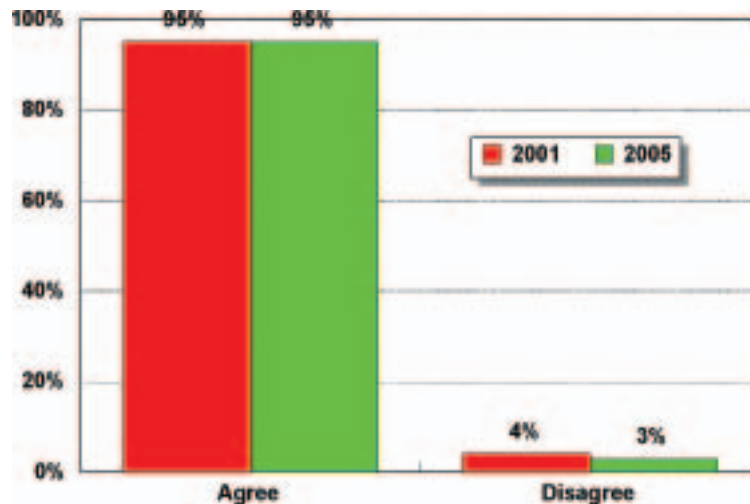


Planning For Long-Term Care Needs

Baby Boomers universally recognize the need to plan for old age as part of their retirement planning.

Virtually all Baby Boomers (95%) understand this need.

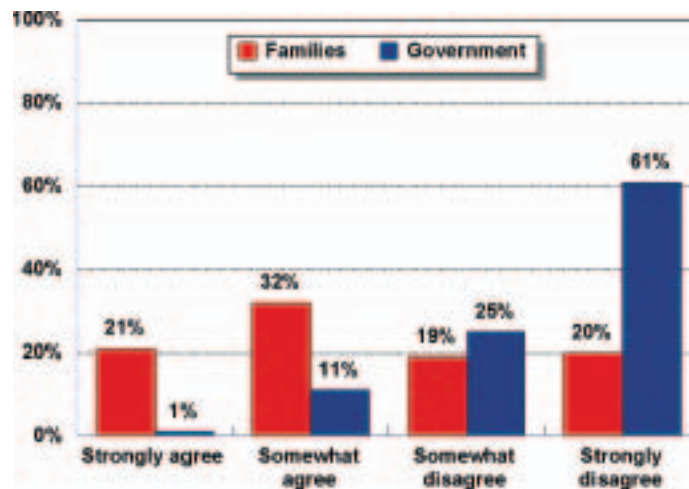
**Planning For Retirement Includes Planning For Old Age
*2001 compared with 2005***



While they are concerned with their eventual need for long-term care, they have few external sources to rely on to help pay for their likely needs.

Only half (53%) of Baby Boomers agree they can rely on their families to pay for this care and just 12 percent believe they can rely on government if this need arises.

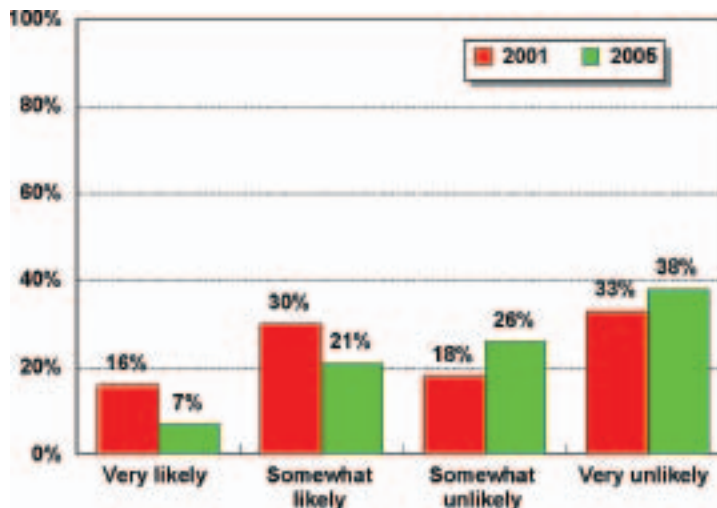
**Can Rely On Others To Pay For Long-Term Care
*Families compared with Government***





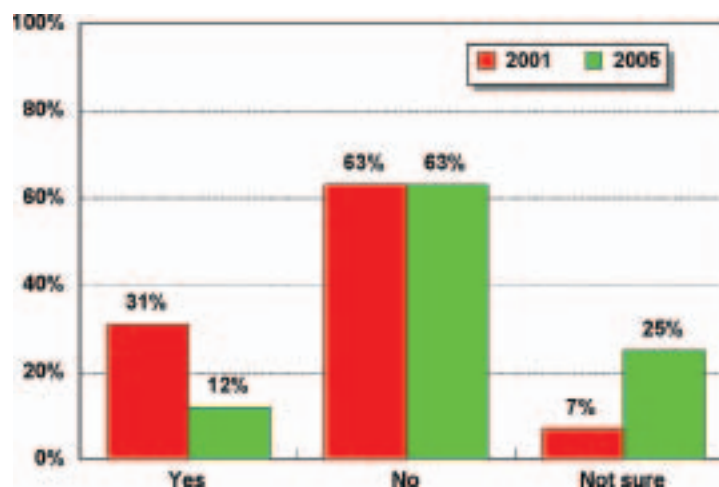
Even fewer Baby Boomers want to rely on the support of their children to take them in should they no longer take care of themselves. This is particularly important when most (50%) Baby Boomers recognize that their spouse may not be alive to help with their care. Today, just 28 percent of Baby Boomers feel “likely” their children will take them in, should they need long-term care – a proportion that has dropped from 47 percent in 2001.

**Likelihood Of Moving In With Children If Unable To Take Care Of Self
-- Those With Children --
2001 compared with 2005**



These same Baby Boomers also recognize they do not have adequate resources to pay for this care themselves. Just 12 percent of Baby Boomers have savings that will cover long-term care, a decline from 31 percent who felt they could pay for this care out of their savings four years ago.

**Savings Will Cover Long-Term Care Needs
2001 compared with 2005**

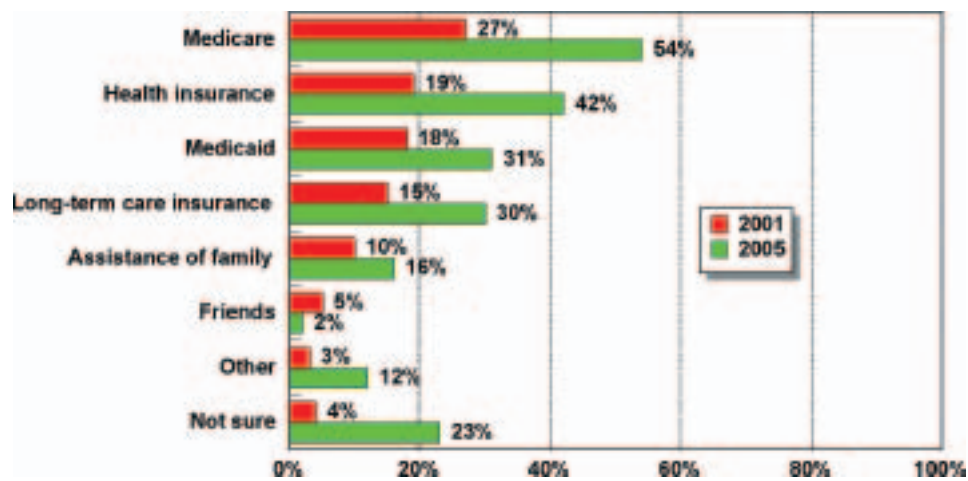




Even though Baby Boomers know they cannot rely on government or their families to pay for long-term care needs, they still continue to be misinformed about who will pay for needed care.

In fact, the proportion of Baby Boomers who expect government programs to pay for long-term care has increased significantly over the past four years. Over half are under the mistaken impression (54%) that Medicare will pay for this care, even though this program does not provide long-term care benefits. Meanwhile 31 percent expect Medicaid to pay for this care, a program for individuals with low income and few assets. In both instances, the proportions of Baby Boomers who feel this way has virtually doubled since 2001.

**Plans For Financing Long-Term Care Needs
2001 compared with 2005**

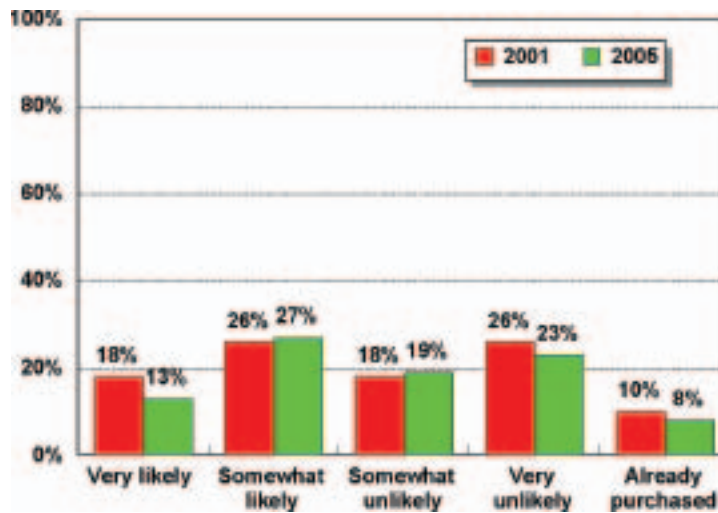




Interest among Baby Boomers in long-term care insurance remains unchanged since 2001.

Currently eight percent of Baby Boomers report they own this insurance and 40 percent say they are “likely” to purchase it in the future. These are proportions that are consistent with findings reported in 2001.

**Likelihood of Purchasing Long-Term Care Insurance
Self Or Spouse/Partner
2001 compared with 2005**



Younger Baby Boomers (*those 41 to 49 years old*) are significantly more likely than those ages 50 and older to claim they are “very likely” to buy this insurance, with one in five (19%) expressing this level of intent.

**Very Likely To Purchase Long-Term Care Insurance
By Age**

41 to 49 Years Old	50 to 59 Years Old
19%	9%



Lesbian/Gay Baby Boomers & Retirement

As part of this study, The Mature Market Institute also wanted to better understand the impact of impending retirement on Lesbian, Gay, Bisexual and Transgender Americans (LGBT).

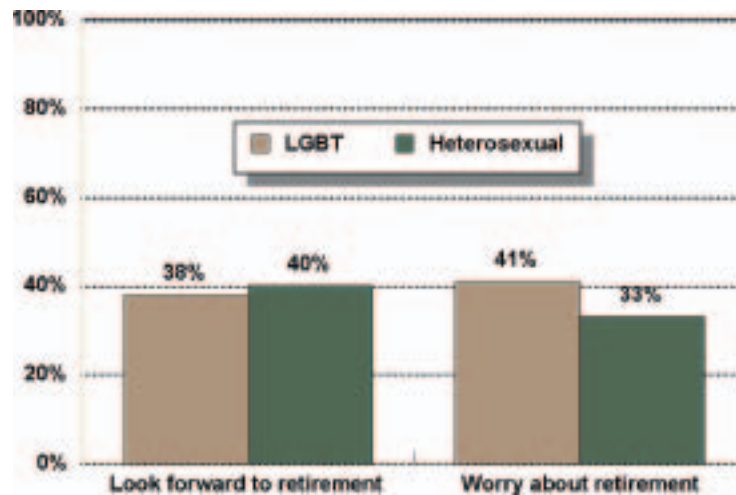
While LGBT Boomers are likely to face many of the same issues when planning for retirement that other Baby Boomers experience, there has been scant research that looks at the specific attitudes of these Americans and how they may differ from other Baby Boomers. This section examines how LGBT Baby Boomers feel about retirement and retirement planning and compares these attitudes with other Baby Boomers.

Overall Attitudes Toward Retirement

LGBT Baby Boomers are particularly worried about their impending retirements.

LGBT Boomers appear to worry more about retirement than heterosexual boomers. Overall, 41 percent of LGBT Boomers worry about retirement. This compares to 33 percent of heterosexual Boomers who worry about this stage in their lives.

Attitude Toward Retirement
Lesbian/Gay/Bisexual/Transgender compared with Heterosexual

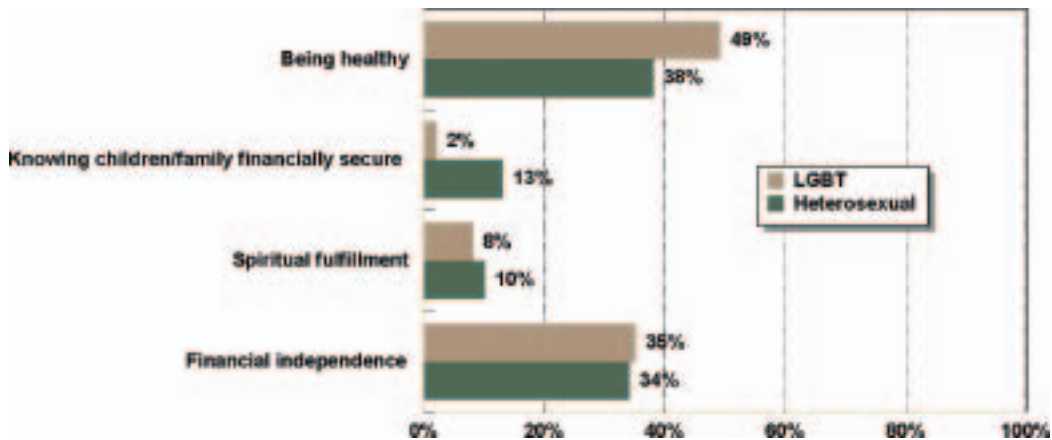




A heightened concern with staying healthy is also one of the factors that differentiate LGBT Baby Boomers from others in this age group.

This is the most frequently cited consideration for satisfaction in later life among LGBT Boomers with half (49%) sharing this attitude. While this is also the most commonly cited primary consideration among heterosexual Baby Boomers, just 38 percent feel this way.

Primary Consideration For Satisfaction In Later Life
Lesbian/Gay/Bisexual/Transgender compared with Heterosexual

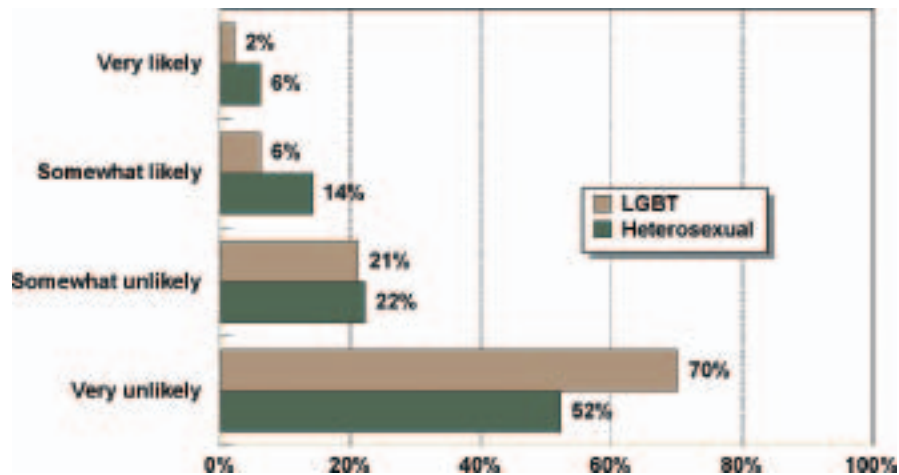




LGBT Boomers seem less concerned than heterosexual Baby Boomers with the financial security of others in later life, possibly reflecting a significantly lower incidence of immediate family for whom they may have financial responsibility.

This attitude is also reflected in the significantly decreased likelihood among LGBT Baby Boomers when compared with heterosexuals of spending less in retirement in order to leave money for others. Ninety-one percent of LGBT Boomers are unlikely to spend less in order to leave money for others. This compares to 74 percent of heterosexual Baby Boomers who share this attitude. While this attitude is dominant among both groups, it is particularly strongly pronounced in the LGBT community.

Likelihood of Spending Less In Retirement To Leave Money For Others
Lesbian/Gay/Bisexual/Transgender compared with Heterosexual



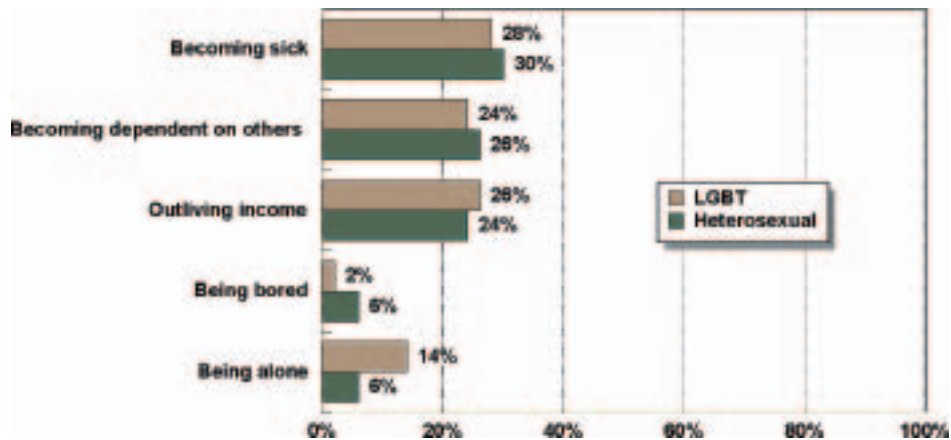


LGBT Boomers have a significantly greater concern with being alone once they retire.

Overall, these Baby Boomers share many of the same attitudes as heterosexual Boomers. In both groups, the greatest concerns with getting older are becoming sick and becoming dependent on others.

However, LGBT Boomers also have other concerns. These Boomers are more than twice as likely as heterosexuals to express concern with being alone once they retire. One in seven (14%) LGBT Baby Boomers report this is their greatest fear about retirement. This compares to just six percent of heterosexual Boomers who feel the same way.

Greatest Concern About Retirement
Lesbian/Gay/Bisexual/Transgender compared with Heterosexual



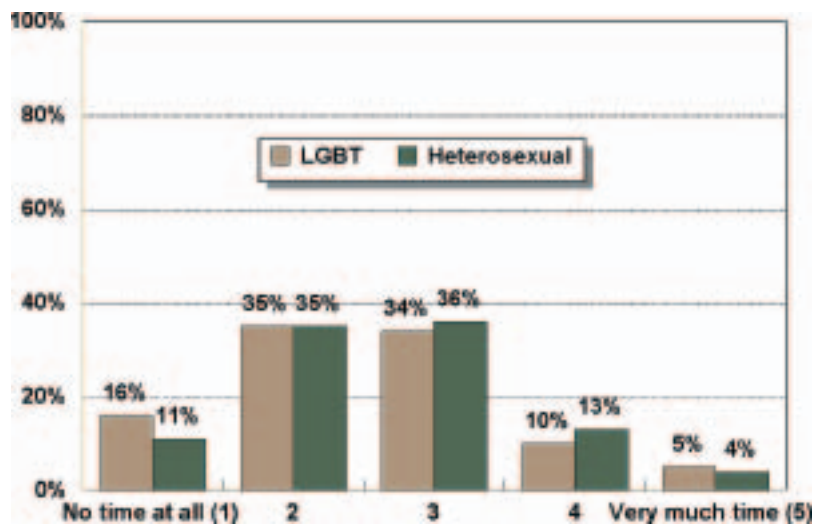


Planning For Retirement

LGBT Baby Boomers are just as likely as others not to plan their retirements as thoroughly as they should.

Only a small proportion of LGBT Boomers spend much time planning – an overall proportion that is indistinct from heterosexual Baby Boomers. Of even greater concern is that 16 percent of LGBT Boomers spend no time at all on this planning. This compares with 11 percent of heterosexual Baby Boomers who share this attitude.

Time Spent Planning For Retirement
Lesbian/Gay/Bisexual/Transgender compared with Heterosexual

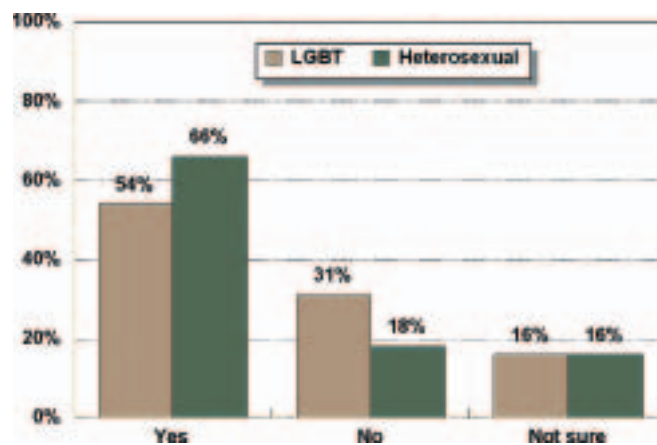




However, LGBT Boomers are significantly less likely than heterosexual Baby Boomers to be saving at a rate needed to maintain lifestyles once they retire.

Among those who expect to maintain their lifestyle when they retire, only about half (54%) of LGBT Baby Boomers are saving at a rate that will allow them to do this. By contrast, two thirds of heterosexual Boomers who expect to maintain their lifestyle are meeting this savings goal.

Saving At Rate To Maintain Lifestyle
Those Who Expect To Maintain Lifestyle In Retirement
Lesbian/Gay/Bisexual/Transgender compared with Heterosexual



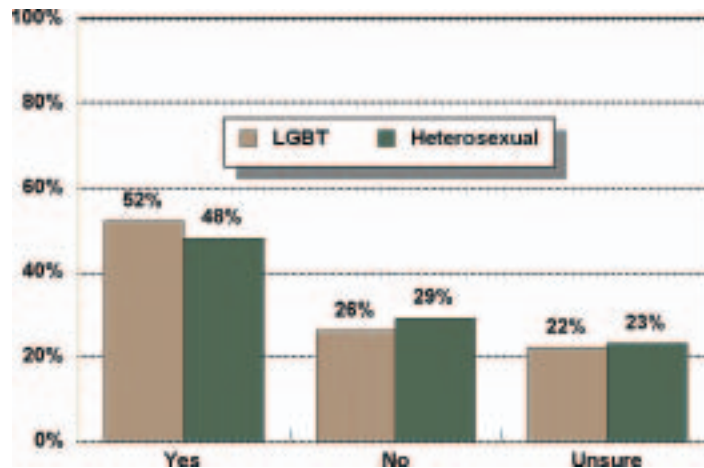


Working & Retirement

LGBT Baby Boomers are just as likely as heterosexuals to expect to continue working beyond retirement age...

Half (52%) of these Boomers expect to continue working once they are old enough to retire. This proportion is only slightly higher than among heterosexual Baby Boomers who also expect to stay in the workforce.

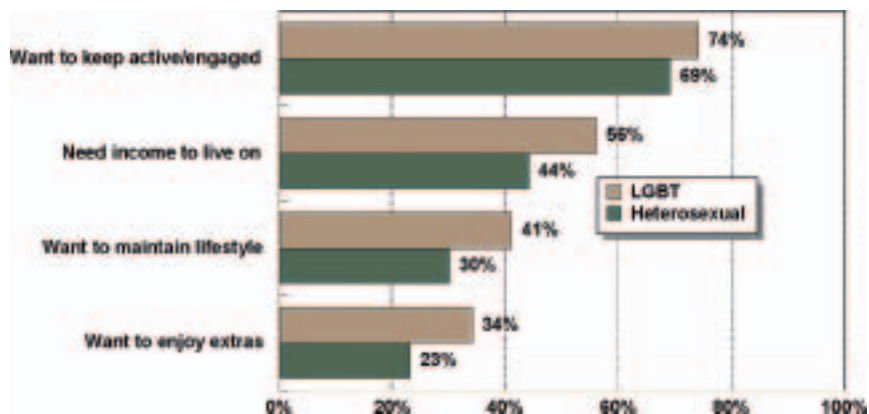
Plan To Keep Working Beyond Traditional Retirement Age
Lesbian/Gay/Bisexual/Transgender compared with Heterosexual



...But, they expect to continue working for very different reasons.

LGBT Boomers are much more likely to expect to continue working for financial reasons, specifically because they need the income to live on. They are also more likely than heterosexual Boomers to say they will continue working because they want to maintain their lifestyle as well as enjoy extras once they retire. These economic reasons to continue working past traditional retirement age reflect the lower savings and planning rates for retirement among LGBT Baby Boomers (*see page 34*). Both groups, however, show a strong interest in remaining active and engaged.

Reasons For Continuing to Work
Those Who Plan To Keep Working
Lesbian/Gay/Bisexual/Transgender compared with Heterosexual

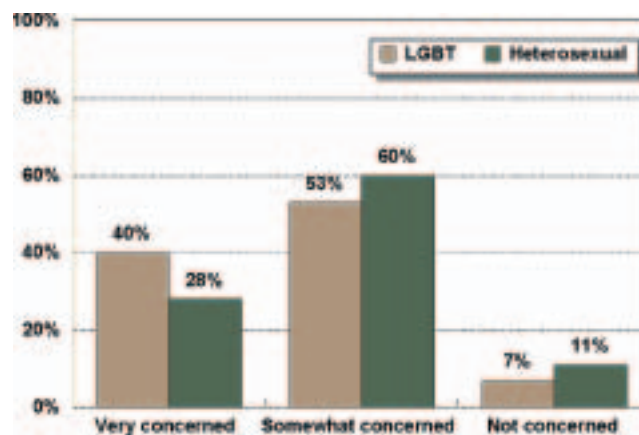




Long-Term Care

LGBT Baby Boomers are significantly more likely than heterosexuals to express concern about physical limits that will impact their ability to function as they get older. Four in ten LGBT Boomers are “very concerned” about this. This compares to 28 percent of heterosexual boomers who share this attitude. This heightened concern among this group is consistent with their greater concerns with their overall health as they approach retirement age (*see page 30*).

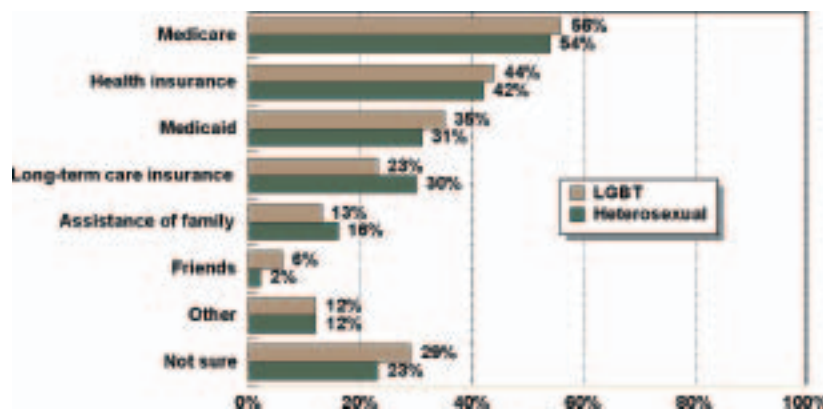
**Concern With Not Being Able To Function Because of Physical Limits
*Lesbian/Gay/Bisexual/Transgender compared with Heterosexual***



In spite this heightened concern with their health, LGBT Boomers are often times less prepared than others in the event of needing long-term care.

These Boomers are much less likely than heterosexual Baby Boomers to expect to use long-term care insurance as a means to pay for their long-term care needs. At the same time they express overall greater levels of uncertainty about how they would pay for this care.

**Plans For Financing Long-Term Care Needs
*Lesbian/Gay/Bisexual/Transgender compared with Heterosexual***





Implications Of The Study

When this study was first conducted in 2001, Boomers were, in their own minds, years away from retirement. While many were planning for this eventuality, many others were in denial about their advancing age and their stage of life. Four years later, this reality is beginning to sink in. In 2005 the oldest Baby Boomers (*those born in 1946*) will be eligible to begin penalty-free withdrawals from tax-advantaged retirement plans and in 2008 may start to collect Social Security payments. And, as this study clearly shows, Baby Boomers' anxiety about retirement has almost doubled since the last time this attitude was assessed. Today, one-in-three Boomers agree they are "worried about retirement". Even more significant is that younger members of this cohort – *those under 50 years old* – lead this increased anxiety.

The Baby Boom changed the way we think about aging. But, even though Boomers approach getting older differently than previous generations, there is little denying that this cohort is getting older and is on the verge of reaching retirement age.

The way Boomers think about aging is not the only thing that has changed. Previous generations had the luxury of having others do much of the retirement planning for them. This planning included defined benefit pension plans as well as a high reliance on Social Security as a significant portion of their retirement income. For many Baby Boomers, the financial assurances in retirement enjoyed by their parents are just faded memories.

Today, retirement plans, even among the most generous corporate retirement benefits, are self-directed and require substantial contributions. Payments are no longer guaranteed. In fact, the only guarantee Baby Boomers have is that without adequate planning and savings, many will never enjoy the retirement they dream about – *doing the things they want to do on their own terms!* (See page 7)

Baby Boomers universally recognize the need to plan, yet they are still failing to take the basic steps necessary that will assure they will not outlive their money. For many Boomers, the only reliable plan they have to pay for their retirement is to continue working and that plan offers few assurances of success.

The key for Boomers is to use their increasing anxiety about retiring to motivate their retirement planning. This planning includes basic saving programs as well as making plans in the event of a need for long-term care. Many are likely to eventually need this type of care. Yet fewer than one in ten have taken the necessary steps that will assure that the money to pay for this care will be available when it is needed. With this planning taken care of, Boomers will be able to achieve their dreams and devote their efforts to spending their time in retirement doing the things they want to do rather than worrying about paying their bills.

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