

Media Contact:

Farrell Denby
212-810-8034
Farrell.Denby@BlackRock.com

**NEW RETIREMENT SURVEY FROM BLACKROCK:
UNCOVERING “THE SECRETS OF HIGHLY EFFECTIVE SAVERS”**

**When Saving for Retirement, Empowerment and Confidence among Savers is
Paramount to Increased Savings, BlackRock Poll Reveals**

New York, November 20, 2013 – How Americans feel about the process of saving for retirement has a direct effect on their actions and success as savers.

That is one of the key findings of [BlackRock's annual Retirement Survey](#), released today, which revealed that the most successful retirement savers have certain psychological and emotional attitudes related to the actual process of saving that drive them to put more money away for retirement, compared to savers who don't share similar attitudes.

The survey also shows that defined contribution (DC) workplace retirement plans have a considerable role to play in building fundamental savings insight that encourages individuals to save more.

The BlackRock poll surveyed 1,011 Americans nationwide saving for retirement, with 882 participating in a variety of workplace retirement plans, including 401(k)s.

“When workers feel empowered, confident and positive about the retirement savings process, they will actually save more for retirement than workers who don't feel that way,” said Chip Castille, Managing Director and head of BlackRock's US & Canada Defined Contribution Group.

Believing It's “Doable” Drives Savings

The belief that allocating money to retirement and current needs simultaneously is actually “doable” leads directly to greater savings, according to an analysis by BlackRock's polling partner, Boston Research Group (BRG).

Among poll respondents agreeing that “you can save for retirement and meet daily expenses at the same time,” 46 percent were saving at the highest level (11 percent or more of annual household income) – however, among those disagreeing with the statement, just 17 percent were matching that saving level.

“Simply put, the ‘secrets of highly effective savers’ are truly yielding higher retirement savings,” Castille said.

Retirement Savings Levels Still Falling Short

Savings effectiveness is a crucial element of the overall retirement planning exercise. “Generating a desired stream of secure retirement income critically depends on a worker’s effectiveness as a saver throughout their working years – the larger the pool of savings at retirement, the greater the potential income,” Castille said.

Yet, American workers are still not saving as much as they should for retirement, according to the BlackRock poll. It is generally recommended that households save about 15 percent of annual pay for retirement. However, about two-thirds of those polled by BlackRock saved just 10 percent or less of household pay in 2012; 28 percent saved only 5 percent or less.

Seven in 10 individuals saving for retirement say their focus on this effort has increased over the past five years. Still, fewer than one in four are confident about having enough money for retired life.

Notably, BRG’s analysis showed that empowerment, confidence and positive attitudes about the retirement savings process are not merely “associated” with a high level of retirement savings (defined as saving 11 percent or more of annual household income), but in fact have a direct, “causal” impact on how much money individuals are saving.

Among the other “secrets of highly effective savers”:

- **“Envisioning” Retirement and Seeing Progress**

“Savers who are having trouble ‘envisioning’ the retirement they want to achieve are less successful as savers,” Castille said. Among those agreeing that “once I figure out what I want my retirement to look like, I will start saving more,” just **28 percent** were saving 11 percent or more – but among those indicating that they have already “figured out” their retirement picture, **39 percent** were classed as highly effective savers.

“Being able to effectively chart one’s progress toward their savings goal also offers invaluable support for saving,” Castille said. Among those agreeing that “When I look at my retirement savings, I see steady progress toward my retirement savings goal,” **39 percent** are saving highly effectively – among those disagreeing with that statement, just **20 percent** are.

- **Feeling Hopeful About Attaining a Good Retirement**

Believing that one’s income level doesn’t pre-ordain their ability to secure a good retirement helps to spur saving. When respondents agreed that “the only people I know who have a good retirement lifestyle made significantly more money than I am making,” just **24 percent** were saving at a highly effective level – compared with **48 percent** of those who disagreed with that statement.

- **Tapping Objective Guidance**

The belief that one is tapping good, trustworthy guidance for the savings process makes a difference, too. Among those agreeing that “I want to save and invest more but I just don’t know whom I can trust for unbiased advice,” just **30 percent** were saving highly effectively –

but among those indicating that they have someone they trust for unbiased advice, **40 percent** were highly effective savers.

- ***Feeling Confident About Securing Income***

Perhaps most significantly, to the degree that savers do not feel confident about securing retirement income, they evidently feel less motivated to save. Among those *agreeing* that “I am nervous at the prospect of trying to live without employment income,” just **30 percent** were saving highly effectively - but **46 percent** of those *disagreeing* with that statement ranked as highly effective savers.

Tools Linking Retirement Savings and Income Encourage Savers

Though many Americans are clearly not currently saving enough for retirement, the poll suggests retirement savings levels could be boosted through planning tools, delivered via DC plans and other means, that give workers greater insight into the connection between their saving effectiveness and their ability to generate retirement income.

More than nine in 10 individuals participating in workplace retirement plans said they would be encouraged to save more for retirement (about four in 10 would be encouraged “a great deal”) if their plan told them how much income their current savings would fund in retirement and how much they needed to save to reach their retirement income goal.

To help provide this insight to retirement savers, BlackRock in July introduced its [CoRI Retirement Index](#) series, designed to enable investors and advisors to reliably translate savings into estimated lifetime income as well as develop savings strategies that can better secure desired retirement income (more information is available at www.blackrock.com/cori).

“Our poll makes clear that saving for retirement can be a self-reinforcing process: When individuals have strongly positive feelings about the effectiveness of their planning and saving, they will save even more,” Castille said. “The key is to make sure retirement savers have the insight, guidance and tools they need to put the right strategies in place.

“BlackRock is dedicated to empowering individuals saving for retirement by providing practical support for their efforts – support that we believe can translate directly into greater savings success and more financially secure retirements.”

About BlackRock

BlackRock is a leader in investment management, risk management and advisory services for institutional and retail clients worldwide. At September 30, 2013, BlackRock’s AUM was \$4.096 trillion. BlackRock helps clients meet their goals and overcome challenges with a range of products that include separate accounts, mutual funds, iShares® (exchange-traded funds), and other pooled investment vehicles. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through BlackRock Solutions®. Headquartered in New York City, as of September 30, 2013, the firm had approximately 11,200 employees in 30 countries and a major presence in key global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa. For additional information, please visit the Company's website at www.blackrock.com.



About the BlackRock Retirement Survey

Of the 1,011 Americans saving for retirement polled, 882 participate in a variety of DC plans, including 401(k) plans, 403(b) plans, profit sharing and stock purchase plans. Participants were drawn randomly across all sized plans and from all sized employers with a maximum sampling error of +/- 3.1 percentage points at a 95% confidence level.