
LIMRA links undersaving by Boomers to spending on family cellphone plans

By Editorial Staff *Wed, Oct 29, 2014*

“Parents of Millennials, even those over the age of 22, are providing considerable support to their children at a time in their lives when saving from retirement should be a priority,” said Deb Dupont, associate managing director, LIMRA Secure Retirement Institute.

Six in 10 American parents provide financial support to their adult children, according to a new LIMRA Secure Retirement Institute study, potentially hurting their own retirement readiness.

More than one-third (36%) of parents help pay for adult childrens’ cellphones/mobile service, perhaps because of the prevalence and economies of family telecom plans. About one-fourth of parents help with college expenses, student loan debt, rent or mortgage expenses. Thirty-seven percent of parents provide no financial support to adult children.

The LIMRA-SRI study also found that 7 in 10 U.S. households with adult children have at least one adult child living at home. Nearly three quarters of households with adult children ages 18-22 have at least one adult child residing in their home.

“While Millennials are the most educated generation in history, nearly four in 10 are unemployed and many more are underemployed,” said Deb Dupont, associate managing director, LIMRA Secure Retirement Institute, citing Pew Research data.

“Parents of Millennials, even those over the age of 22, are providing considerable support to their children at a time in their lives when saving from retirement should be a priority,” she added. While “only 45% of parents who have financially supported their adult children in the past year say it has negatively impacted their retirement savings... we believe people are likely to underestimate the collective impact of incremental costs.”

Prior LIMRA Secure Retirement Institute research found that more than half of pre-retirees have less than \$100,000 in financial assets. The findings are based on a nationally representative survey of 1,009 Americans. The survey was fielded in July 2014.