
Those who secure America feel financially insecure

By Editor Test *Mon, Aug 5, 2013*

Many "military families are concerned about the increased possibility of involuntary separation and... worry that changes to military retirement benefits will encourage fewer years of service," according to a survey by First Command Financial Services.

Almost seven in ten (68%) of middle-class military families (those with household incomes \geq \$50,000) agree that today's military families won't be able to retire as comfortably as prior generations, according to recent survey results from the First Command Financial Behaviors Index. A year ago, 57% were insecure about retirement.

Compiled by Sentient Decision Science, Inc., the First Command Financial Behaviors Index assesses trends among the American public's financial behaviors, attitudes and intentions through a monthly survey of approximately 530 U.S. consumers aged 25 to 70 with annual household incomes of at least \$50,000.

"Roughly two thirds of survey respondents agree that military families are concerned about the increased possibility of involuntary separation and they worry that changes to military retirement benefits will encourage fewer years of service," said a release from First Command Financial Services. Survey subjects included senior non-commissioned officers (NCOs) and commissioned officers in pay grades E-6 and above.

During the past six months, more military families have grown fearful (36% in May 2013, up from 28% in November 2012) that sequestration—across-the-board cutbacks in federal spending triggered at the end of 2012—might mean reduced retirement benefits.

The Index reveals that 92% percent of middle-class military households have retirement savings in addition to their military pension and Social Security. Those who expect to reach full retirement status expect an average of 43% percent of their post-retirement income to come from non-military sources. More specifically:

- 73% expect to draw income from 401(k) accounts
- 62% expect to draw income from IRAs
- 19% expect to draw income from profit-sharing accounts
- 19% expect to draw non-military pension

Sentient Decision Science was commissioned by First Command to compile the Financial Behaviors Index. SDS is a behavioral science and consumer psychology-consulting firm with special vertical expertise within the financial services industry. SDS specializes in advanced research methods and statistical analysis of behavioral and attitudinal data.