

## MONEY

# Boomers Aren't the Only Ones Who Risk Coming Up Short in Retirement Savings

NewsUSA

(NU) - Time to start worrying what your RPM score is?

Shorthand for “Retirement Preparedness Measure,” it’s the absolute latest way to gauge whether your retirement years are likely to look more like “The Great Gatsby” than “Les Misérables.” (Trust us: Anne Hathaway won’t be there singing “I Dreamed a Dream” in the latter instance.) And it doesn’t stop there.

For the first time ever, not only does this new measure from Fidelity Investments ([www.fidelity.com](http://www.fidelity.com)) reveal how close working Americans are to meeting their total post-retirement expenses, it also compares how Baby Boomers, Gen Exers and Gen Yers all stack up against each other.

Ready for the drum roll?

“The median [RPM] score indicates working Americans are on track to meet just 74 percent of their estimated retirement expense goals,” – including housing, food and health care – “and face a 26 percent income gap,” says John Sweeney, Fidelity’s executive vice president of retirement and investment.

That’s the median – also considered “America’s RPM” – and it rates a “yellow,” for “fair,” on the color-coded retirement preparedness spectrum. But check out the full breakdown, based on data from Fidelity’s much-anticipated 2013 Retirement Savings Assessment survey, and you’ll see that 55 percent of households ranked only “fair” or “poor”:

- **Dark Green (very good or better):** 33 percent are on track to cover 95 percent or more of total estimated expenses, even in a down market.



- **Green (good):** 12 percent are on course to only cover essentials.
- **Yellow (fair):** 14 percent are coming up short and would likely require modest adjustments to their planned lifestyles.
- **Red (poor):** 41 percent were so off track that significant lifestyle adjustments would be needed.

The generational differences are also eye-opening.

While Baby Boomers are in the “green zone” as a group, the reality is that being on track to reach only 81 percent of their goal pretty much rules out frills like travel and entertainment. Gen Exers (born 1965-1977), meanwhile, made the “yellow zone” at 71 percent.

And the younger Gen Yers who harbor dreams of retiring early? Well, they do have the most time to improve their current “red” rating of 62 percent of their goal.

In fact, they – or anyone – can boost their retirement preparedness by using six “accelerators.”

For example, if you can afford to increase your annual savings to at least 15 percent of your income (including any employer 401(k) match), it would bring the median RPM score of 74 up to 82. Another involves asset mix: By replacing portfolios that are either too conservative or too aggressive with an age-appropriate allocation, the same median RPM increases to 77.