

LEAVING ON A JET PLANE, DON'T KNOW WHEN I'LL BE BACK AGAIN... *Second Annual Lincoln Long LifeSM Survey Finds Many Successful Sixties More Focused on Planning Vacations than Managing Assets*

Philadelphia, Oct. 18, 2005 – The old adage, “Do as I say, not as I do,” certainly hasn’t lost its relevancy over time. According to the second annual *Lincoln Long LifeSM Survey* released today, affluent 60-year-olds **say** they are well prepared for retirement, but their **actions** prove that they may not be as ready as they think. In fact, survey findings reveal that roughly half (46 percent) of “successful sixties” spend more time thinking about their next vacation than managing their financial assets to last a lifetime.

The *Lincoln RetirementSM Institute* sought to explore the juxtaposition of perception versus reality in its recent national poll. The 2005 *Lincoln Long LifeSM Survey* asked affluent **retirees and pre-retirees** in their 60s with an income of more than \$75,000 or total household financial assets of \$350,000¹ or more to reflect on their priorities, assess their financial preparedness, and identify what makes their lives meaningful. Beyond helping 60-69 year-olds stay on track, this survey provides a first hand account of retirement realities to the Baby Boomer generation following closely on the heels of the successful sixties.

First, the Good News

“Affluent 60-year-olds are confidently leading Baby Boomers into the retirement revolution,” said Jon A. Boscia, chairman and CEO of Lincoln Financial Group. “The most promising news from our second *Lincoln Long LifeSM Survey* is that the majority of successful sixties have engaged in proactive retirement planning steps. For example, 55 percent of successful sixties report creating comprehensive plans to ensure they don’t outlive their money, and 52 percent told us they’ve set long-term goals for asset levels.”

Retirement Roses May Have Thorns

Unfortunately, not all of the *Lincoln Long LifeSM Survey* findings are so rosy. Most notably, improvement is needed in planning for unexpected expenses and personal crises. In an age where people are living longer and health care costs continue to rise, it’s alarming that only 34 percent of successful sixties report having long-term care insurance. In addition, survey results indicate that the **cost of living does not decrease** at the retirement mark. As a result, the level of spending between pre-retirees and retirees is very similar. Two-thirds of both retired (69 percent) and non-retired (68 percent) survey respondents estimate they have spent up to \$80,000 within the past 12 months; one-quarter of each group say they have spent up to \$40,000 in this period of time.

“Participants in the *Lincoln Long LifeSM Survey* cite outlasting their money as their greatest financial fear,” added Boscia. “At Lincoln, we strongly encourage our retired clients to consult certified financial planners to ensure that they have secure streams of income in place to carry them through their lengthy retirement years. Fittingly, more than two-thirds of successful sixties say they speak with a financial advisor at least once a year, and the wealthiest 60s seem most apt to rely on professional advice.”

Stuck in the Middle

According to the *Lincoln Long LifeSM Survey*, successful sixties place great importance on their family relationships, visiting family members at least once a week (59 percent) and citing the respect of family and friends as being extremely or very important to them (83 percent). However, the benefits of a close-knit family may create a critical challenge that many successful sixties don’t expect to face during their retirement years.

¹ Does not include the value of home or other real estate.

Among affluent 60-year-olds with at least one living parent or in-law, the overwhelming majority (94 percent) report being the sole financial supporter or heavy contributor to their elders. And the **generational squeeze** doesn't end there. Eighty-four percent of successful sixties who are parents serve as the sole financial supporter or heavy contributor of at least one grown child or stepchild. Nearly all (95 percent) report they provide at least a modest amount of financial support to one child or more. Overall, 62 percent of affluent 60-year-olds are "on the hook" for significant financial support to either a parent or child.

For Women, the Glass is Half Full

Women in their successful sixties tend to be **more optimistic** about life in retirement than their male counterparts. The *Lincoln Long Life*SM Survey shows that many affluent women in their 60s are beginning to acknowledge that they will most likely outlive their husbands. In fact, almost half (42 percent) of the women surveyed estimated that there is a 75 percent chance or greater they'll celebrate their 90th birthdays as opposed to only one-quarter (26 percent) of men who believe the same. Affirming their belief that they may face a lengthier retirement, it's not surprising that 96 percent of female successful sixties claim securing an income stream for life is of high importance to them versus 88 percent of surveyed men.

The *Lincoln Long Life*SM Survey also indicates that women in their successful sixties value the lifestyle aspects of retirement more than their male counterparts such as close personal relationships (89 percent vs. 77 percent), a connection to the spiritual (71 percent vs. 59 percent), an active social life (57 percent vs. 47 percent), and the importance of travel (52 percent vs. 43 percent). Additionally, retired affluent women in their 60s are more likely than male respondents to believe the **next generation** will have a similar experience to their own in retirement (28 percent vs. 17 percent).

Masters of Their Own Employment Destinies

"The *Lincoln Long Life*SM Survey finds that successful sixties control their own destinies around employment," said David Kittredge, a director of the *Lincoln Retirement*SM Institute. "In fact, 77 percent of those surveyed say they chose when to 'retire,' allowing ample time for planning. Additionally, our survey results suggest the emergence of a new kind of retirement, shifting from an abrupt retirement date to a more gradual transition from full time employment."

And heading into the retirement sunset doesn't have to mean the end of a paycheck or opportunities to take on new challenges. One-third of respondents who retired from their primary occupations continue to work, and among those "working retirees," 33 percent report being employed in entirely new fields. Furthermore, affluent retirees who are still working in some fashion (33 percent) are far more likely than those who are now fully out of the workforce (12 percent) to have started consulting after the age of 55. Interestingly, successful sixties – retired versus pre-retired – cite **different reasons** for continuing to work; enjoyment of the job (36 percent vs. 26 percent), income needs (16 percent vs. 38 percent) and intellectual stimulation (13 percent vs. 6 percent) top the list.

Comparing the Generations

The *Lincoln Retirement*SM Institute surveyed "successful seventies" in 2004, and found some interesting comparisons between this group and the "successful sixties." One of the **biggest differences** between the two age groups is their attitude about how Baby Boomers will fare in retirement. While 58 percent of retired successful sixties believe the next generation will be worse off than they are in retirement, less than half as many (23 percent) retired successful seventies feel the same way. Their motivations behind employment decisions also vary widely. Thirty percent of employed successful sixties say they hold a job because they "**like what they do**" compared to only 5 percent of the successful seventies. Affluent 60-year-olds (29 percent) also are more likely than those in their 70s (17 percent) to be working primarily for the **income**. However, significantly more successful seventies (38 percent) say they work to seek **intellectual stimulation** than their younger counterparts (9 percent).

"On the other hand, independence is a high priority for affluent people in both their 60s and 70s," added Kittredge. "Ninety-five percent of successful sixties rate maintaining their financial independence as extremely or very important, and 94 percent give comparable ratings to the importance of living independently. Similarly, 94 percent of successful seventies feel their independence is a major source of satisfaction in their lives."

About The Lincoln Long LifeSM Survey

The second annual *Lincoln Long LifeSM* Survey, sponsored by the *Lincoln RetirementSM* Institute, was conducted by Matthew Greenwald & Associates, Inc., a research firm in Washington, D.C. The August 2005 telephone survey was conducted with 500 adults 60-69 years of age, who are financial decision makers in their households and have household incomes of at least \$75,000 or total household financial assets of over \$350,000 (not including the value of home or other real estate), with a margin of error of 4.5 percent at the 95 percent confidence level.

About The Lincoln RetirementSM Institute

The *Lincoln RetirementSM* Institute is an organization within Lincoln Financial Group (LFG) that was created to conduct research, organize the intellectual capital of the company and work with external thinkers on retirement subjects that are relevant to the boomer generation. The *Lincoln RetirementSM* Institute is proud to announce the launch of an **innovative new web site**, located at www.LFG.com/retire, which houses interactive tools, real-life scenarios, fresh content and pertinent information to help Baby Boomers prepare for the retirement revolution.

As a company, LFG is dedicated to thoughtfully raising awareness about retirement issues. The company recently began hosting a series of nationwide **Retirement Income Summits** to help give financial advisors tangible tools to better meet the needs of their Baby Boomer clients. For more information on the summits, please contact Lincoln toll-free at 1-877-533-0003.

About Lincoln Financial Group

Lincoln Financial Group is the marketing name for Lincoln National Corporation (NYSE:LNC) and its affiliates. With headquarters in Philadelphia, Lincoln Financial Group has consolidated assets of \$119 billion as of June 30, 2005, and had annual consolidated revenues of \$5.4 billion in 2004. Through its wealth accumulation, retirement income and wealth protection businesses, the company provides annuities, life insurance, 401(k) and 403(b) plans, savings plans, mutual funds, managed accounts, institutional investment, and comprehensive financial planning and advisory services. The LFG Internet address is www.LFG.com.

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