



Learning from parents' retirement financial planning

Do parents influence their adult children's financial confidence and behavior? TIAA's Parents' Retirement Security Survey suggests they do.

57% of Americans say their parents' financial planning for retirement has impacted their own approach to planning.

Parents influence the financial behavior of their adult children

Many adults take action based on their parents' approach to finances and retirement.



44% avoid taking on significant debt



32% save money on a regular basis in non-retirement savings accounts



38% consciously limit their spending on non-essentials



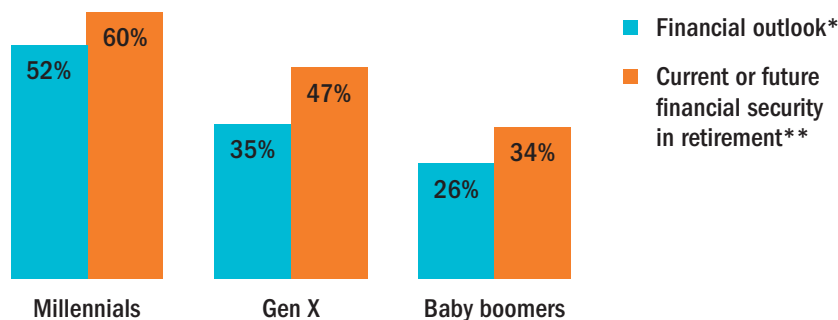
29% actively save for retirement through employer and individual retirement accounts



34% have taken steps to educate themselves about saving and investing

Confidence in parents' financial security declines with age

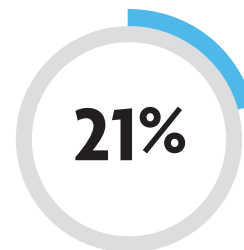
Millennials are significantly more optimistic than Gen X and baby boomers about their parents' financial outlook.



* Respondents who rate their parents' financial outlook as very good or excellent.

** Respondents who are confident in their parents' current or future financial security.

Concerns remain, even with confidence



of adults who are confident in their retired parents' long-term financial security say they have some or a lot of concern about their parents running out of money in retirement.

How to build financial and retirement confidence

Forty-six percent of adult children feel more prepared for retirement than their parents; however, 44% feel less prepared. Three easy steps can help boost the financial confidence and retirement readiness of both groups.



1. Establish a financial plan

Concerns about a parent's financial well-being, could lead individuals to make financial sacrifices for their own financial futures. **A comprehensive financial plan—created with the help of an advisor—can help give people confidence to enjoy life today without sacrificing their future retirement security.**



2. Eliminate uncertainty

The risk of parents running out of money in retirement could mean that their children would have to financially support them. **Including guaranteed income sources as part of a comprehensive retirement plan provides certainty that neither adults nor their parents will run out of money in retirement.**



3. Talk about finances with family members

The confidence that millennials have about their parents' finances may actually create a false sense of security, especially when individuals mistakenly believe they will receive an inheritance. **Parents and adult children should have conversations about finances to help with planning and ensure they are on the same page about the retirement each are envisioning.**

[Click here to learn more about building financial confidence and planning for the future.](#)



The TIAA Parents' Retirement Security Survey was conducted by KRC Research from February 19-21, 2019, via an online survey of 1,003 adults, ages 18 and older living in the United States. Results have been weighted to be demographically representative of the U.S. population based on age, sex, geographic region, race and education.

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