PRESS RELEASE

NATIXIS
GLOBAL ASSET MANAGEMENT

Long-Term Retirement Goals Lose Out to Short-Term Financial Pressures, Finds Natixis Retirement Savings Study

Boston – October 23, 2015 – American workers say the biggest risk to their retirement security is failing to save enough money. Yet 60 percent set aside less than 7.5 percent of their income for retirement and nearly four in 10 have tapped into their retirement accounts, largely to meet other financial goals, according to a survey released today by Natixis Global Asset Management.

"We're seeing a conflict between investors' long-term goals and the pressure they feel to address their immediate financial needs," said John Hailer, CEO of Natixis Global Asset Management in the Americas and Asia. "For many, the short-term pressure wins out and they make minimal contributions, or opt out of their retirement plan altogether. And many borrow against their accounts, eroding the assets they've worked hard to accumulate."

The Natixis 2015 Retirement Plan Participant Study surveyed 1,000 employees with access to a workplace defined contribution plan, such as a 401(k), 403(b), SIMPLE or SEP IRA. It found that 60% of employees contribute less than 7.5% of their annual income to their retirement accounts, and 40 percent contribute less than 5 percent. The estimated average annual income of survey respondents is $100,118.

Since retirement plans are often the biggest pool of liquid assets workers own, many turn to their long-term savings account for cash flow to cover immediate expenses or reach financial goals that are a higher priority now. The survey found:

- 37 percent have borrowed from their retirement accounts, including 38 percent who needed emergency funds for a financial hardship and 19 percent who used the funds to buy a home.
- Of those who have changed jobs, 43 percent have taken a lump-sum distribution rather than keeping assets in the company plan or rolling them into another qualified plan.
- One in three (30%) have taken an early withdrawal from their retirement plan.

Low contribution rates, low account balances

On average, survey respondents say they will need $805,000 to fund their retirement and expect to live on that for another 23 years after they stop working. To date, they have accumulated $83,000 in their workplace savings plan and $95,000 overall, including all sources of retirement savings – or 11% of their stated goal.

Baby Boomers (age 51 to 69) have put away only 20 percent of the $946,000 they estimate is needed to fund retirement. Workers in Generation X (age 35 to 50) may be the most financially pressured group. They've saved only 10 percent of the $741,000 they estimate they'll need, and are more likely than any other group to have opted out of their workplace savings plan because of debt.

Younger workers (younger than age 34) may be a bright spot among plan participants. While having only saved about 3 percent of the $769,295 they estimate is needed to retire, Gen Y, or Millennials, began contributing to a workplace savings plan at a younger age (23 years old, on average) than other generations, giving them a head start in accumulating assets. Members of Generation X began saving at age 30 and Baby Boomers began at age 33.

"It's a positive sign to see Millennials are saving and thinking about retirement as early as right out of college," said Edward Farrington, Executive Vice President, Business Development and Retirement at Natixis Global Asset Management.

Financial pressures inhibiting participation
Some 250 of those surveyed have access to a company-sponsored defined contribution plan but choose not to participate. Those who opt out are clear in the factors that keep them from participating:

- 51 percent agree with the statement "I need my money today."
- 50 percent say their employer does not provide a match for workers' contributions, or the company match is too small.
- 34 percent overall, and 40 percent of Generation X non-participants, say they have too much personal debt to be able to save for retirement.
- 23 percent say they need to pay off student loans.

Participants motivated by dreams and fears
When active plan participants were asked why they contribute to their retirement account, 68 percent said they are motivated to achieve financial security, 52 percent said they didn't want to work for the rest of their lives and 50 percent want to be able to provide for themselves.

In addition, 44 percent said they don't want to end up being old and poor and 38 percent want to avoid being a burden to their family.

The retirement horizon
Robust social services and dependable pension plans are common in countries that consistently rank higher than the U.S. on retiree financial preparedness, according to the annual Natixis Global Retirement Index[1], an in-depth analysis of retirement security in 150 nations. This might suggest that achieving widespread retirement security in the United States will rely on the combined initiative of individuals, plan sponsors and the government.

Despite the retirement savings challenge in the U.S., Natixis' survey of retirement plan participants found that most are wary of the government interfering with their retirement planning and skeptical that Social Security will even be available to them.

- 85 percent do not believe a government-mandated savings requirement would help them be more successful in reaching their retirement savings goals.

Methodology
Natixis Global Asset Management conducted a study of 1,000 U.S. investors, 750 being active plan participants and 250 being non-participants. The age groups are broken up as follows: 421 Gen Y (18-34 years old), 328 Gen X (35-50 years old), and 251 Baby Boomers (51+). Data was gathered in August 2015, and the minimum income level required for survey respondents was $15,000. The findings are published in a new whitepaper, Long-Term Goals, Short-Term Pressure. For more information, visit http://durableportfolios.com

About Natixis Global Asset Management, S.A.
Natixis Global Asset Management, S.A. is a multi-affiliate organization that offers a single point of access to more than 20 specialized investment firms in the Americas, Europe and Asia. The firm ranks among the world's largest asset managers.[2] Through its Durable Portfolio Construction® philosophy, the company is dedicated to providing innovative ideas on asset allocation and risk management that can help institutions, advisors and individuals address a range of modern market challenges. Natixis Global Asset Management, S.A. brings together the expertise of multiple specialized investment managers based in Europe, the Americas and Asia to offer a wide spectrum of equity, fixed-income and alternative investment strategies.

Headquartered in Paris and Boston, Natixis Global Asset Management, S.A.'s assets under management totaled $904.3 billion (€811.6 billion) as of June 30, 2015.[3] Natixis Global Asset Management, S.A. is part of Natixis. Listed on the Paris Stock Exchange, Natixis is a subsidiary of BPCE, the second-largest banking group in France. Natixis Global Asset Management, S.A.'s affiliated investment management firms and distribution and service groups include Active Investment Advisors;[4] AEW Capital Management; AEW Europe; AlphaSimplex Group; Aurora Investment Management; Axeltis; Capital Growth Management; Darius Capital Partners; DNCA Investments;[5] Dorval Finance;[6] Emerise;[7] Gateway Investment Advisers; H2O Asset Management;[6] Harris Associates; IDFC Asset Management Company; Loomis, Sayles & Company; Managed Portfolio Advisors;[4] McDonnell Investment Management; Mirova;[6] Natixis Asset Management; Ossiam; Seeyond,[8] Snyder Capital Management; Vaughan Nelson Investment Management; Vega Investment Managers; and Natixis Global Asset Management Private Equity, which includes Seventure Partners, Naxicap Partners, Alliance Entreprendre, Euro Private Equity, Caspian Private Equity and Eagle Asia Partners. Visit ngam.natixis.com for more information.

[1] Natixis Global Asset Management, 2015 Global Retirement Index compiled by CoreData Research, January 2015.
[2] Cerulli Quantitative Update: Global Markets 2015 ranked Natixis Global Asset Management, S.A. as the 17th largest asset manager in the world based on assets under management ($890.0 billion) as of December 31, 2014.
[3] Net asset value as of June 30, 2015. Assets under management (AUM) may include assets for which non-regulatory AUM services are provided. Non-regulatory AUM includes assets which do not fall within the U.S. Securities and Exchange Commission's definition of 'regulatory AUM' in Form ADV, Part 1.
[4] Division of NGAM Advisors, L.P.
[5] A brand of DNCA Finance.
[6] A subsidiary of Natixis Asset Management.
[7] A brand of Natixis Asset Management and Natixis Asset Management Asia Limited, based in Singapore and Paris.
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