

[New Rules for Retirement](#)

# 66% of Millennials have nothing saved for retirement

by [Katie Lobosco](#) [@KatieLobosco](#)

March 7, 2018: 10:14 AM ET

Most Millennials are not on track when it comes to saving for retirement.

That's no surprise. After paying bills, rent and making student loan payments, there's often not much leftover each month for young people, many of whom entered the workforce at a time of stagnant wages and high unemployment.

But a new report shows just how far off track they might be. About 66% of people between the ages of 21 and 32 have absolutely nothing saved for retirement, according to [the National Institute on Retirement Security](#). The report is based on Census data collected in 2014.

"I see in practice that a lot of us are putting retirement down the goal priority list, in favor of paying off student debt or buying homes," said Douglas Boneparth, a certified financial planner and author of *The Millennial Money Fix*.

Waiting to save could significantly delay retirement. You'll be missing out on valuable years of compounding returns.

[Related: Millennials may look financially healthy, but...](#)

Many people aren't overspending or living a frivolous lifestyle, yet still can't afford to put money toward all their competing priorities.

For those people, Boneparth finds "nothing wrong" with not saving for retirement as long as they're honest with themselves about what their financial goals are.

"I know it will delay your ability to achieve financial independence," he said. "But how are you going to tell someone who has a child that saving in a 401(k) is more important than their immediate needs?"

Most experts don't expect Millennials to be living the [same kind of lifestyle in retirement as their grandparents](#). They may have to work longer to supplement their savings.

[Related: What Millennials really want at work](#)

But not all 83 million Millennials are behind.

About one-third are saving for retirement. Most have less than \$20,000 but some have much more. The average account balance is \$67,891, according to the report.

If they are saving, it's likely their employer offers a retirement plan, like a 401(k). More than 94% of Millennials who are eligible for a workplace retirement plan are saving. That's about the same participation rate as older generations.

But Millennial workers in particular often find they don't meet the eligibility requirements for a 401(k) even if their employer offers one. Sometimes they don't work enough hours, or employers require them to work for a certain amount of time before they qualify.

About 25% of Millennials said they were not eligible to participate in an employer-sponsored retirement plan because of their part-time status.

Loosening these eligibility qualifications would increase the number of Millennials saving for retirement, the report said.

Of course, people can save for retirement without an employer sponsored plan. Most people are eligible for [Traditional or Roth IRAs](#), which also offer tax benefits for retirement savings.

[Are you a Millennial struggling to save for retirement? Share your story here](#)

CNNMoney (New York) First published March 7, 2018: 10:06 AM ET