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Transamerica Survey Shows Significant Changes in the Retirement Attitudes and Behaviors of Workers and Employers
National Debate on Social Security Stimulates Increased Savings, Propelling Retirement Benefits as Number One Recruiting Tool

LOS ANGELES – December 2, 2005 – Results from the seventh annual Transamerica¹ Retirement Survey reveal that the ongoing national dialogue surrounding Social Security may be making a strong impact on Americans' attitudes and behaviors towards retirement savings, resulting in workers saving more and employers placing higher value on retirement plans. Survey data shows that average contribution rates to 401(k) plans have increased from 8.4 percent in 2004 to 9.9 percent in 2005 and that more employees are saving for retirement outside of the workplace (66 percent in 2005 versus 58 percent in 2004). In addition, 79 percent of employers say their employee-funded retirement plan offering is important to their ability to attract and retain employees versus 75 percent in 2004.

"We've seen a dramatic increase from last year in the importance that both workers and employers place on retirement savings," said Catherine Collinson, retirement and market trends expert for the Transamerica Center for Retirement Studies. "People are becoming much more realistic about retirement and it's translating into action."

According to the survey, workers place more value on retirement plans than in previous years, especially when it comes to controlling their own savings. For example, 74 percent of respondents view a 401(k) or other employee-funded retirement plan as very important, while 61 percent feel that way about defined benefit pension plans. These numbers show an increase from 2004, when the figures stood at 66 percent and 46 percent, respectively.

"Clearly, the increased value that workers place on company-sponsored retirement plans is correlated with the high level of public concern about the future of Social Security," adds Collinson. Another Transamerica survey² from earlier this year found that 80 percent of Americans consider themselves informed about the current Social Security debate, supporting the conclusion that retirement savings are at the forefront of many workers' minds.

¹ Transamerica Retirement Services, a marketing unit of Transamerica Financial Life Insurance Company and other of its affiliates, specializes in the promotion of retirement plan products and services. Transamerica Financial Life Insurance Company and its affiliates are members of the AEGON Group of Companies. Securities offered through Diversified Investor Securities Corp. (DISC). Member NASD.

² Transamerica Center for Retirement Services Omnibus Survey, conducted by Zogby International in July 2005. Zogby International conducted interviews of 1200 adults chosen at random nationwide. All calls were made from Zogby International headquarters in Utica, N.Y., from July 26 through 30, 2005. The margin of error is +/- 2.9 percentage points. Numbers have been rounded to the nearest percent.

Workers realize they have challenges ahead

Along with an increased awareness of retirement comes a dose of reality. For example:

- More workers now estimate that they will need to save more than \$1 million on average to feel secure in retirement (33 percent in 2005 versus 25 percent in 2004).
- Workers have also increased their estimated retirement age, from a median of age 63 in 2004 to a median of age 65 in 2005.
- Confidence in retirement savings is down, with only 23 percent of workers feeling very confident that they will be able to retire comfortably versus 31 percent in 2004.

Survey data also shows that 44 percent of participants don't believe they are building a large enough retirement nest egg. Of those, 67 percent say it is because they cannot afford to save more, while 16 percent say they are in too much debt to do so.

"The drop in confidence is a sign that workers are realizing they are going to have to be much more proactive in preparing for retirement and recognize the challenges in doing so," said Collinson. "Almost everyone needs further education on retirement savings and now is the time to approach the procrastinators who are still in denial"

More work remains

Despite these improvements, survey data shows there is still much work to be done. Though savings rates and contribution rates have gone up, participation rates have dipped slightly (from 76% in 2004 to 74% in 2005). Further, 24 percent of workers indicated that they don't know how much they'll need to have saved for retirement while 33 percent of those who *do* know indicated that their estimated need was based on a guess. Although workers, on average, are spending more time managing and monitoring their retirement accounts (10 hours per year versus 8 hours in 2004), this amount still remains low overall.

In addition to worker and employer data on retirement investment attitudes and behaviors, the seventh annual Transamerica Retirement Survey also includes breakdowns by generation, gender, and employer size. Full results of the survey are available at www.ta-retirement.com/thecenter.

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About the Transamerica Center for Retirement Studies

The Transamerica Center for Retirement Studies ("The Center") is a collaboration of experts assembled by Transamerica Retirement Services to promote public awareness of emerging trends surrounding retirement security in the United States. The Center's research emphasizes employer-sponsored retirement plans, issues faced by small to mid-sized companies and their employees, and the implications of legislative and regulatory changes. For more information about The Center, please refer to <http://www.ta-retirement.com/thecenter>.

About Zogby International

Zogby International is one of the nation's leading polling firms, and has become a household name for its polling work on political elections and a variety of social and current events issues. Zogby International's most recent political polls, including both 2005 gubernatorial races and several mayoral contests in major cities, correctly projected Election Day outcomes.

The company was founded in 1984 by President and CEO John Zogby. He is considered one of the nation's leading pollsters and is a frequent guest on major national media shows.

About the Survey

This is a national telephone survey of employed adults and employers at companies with 10 or more employees conducted by Zogby International. The target sample is 1387 worker interviews and 603 employer interviews, with approximately 61 questions asked. Samples are randomly drawn from telephone CDs of national listed sample. Zogby International surveys employ sampling strategies in which selection probabilities are proportional to population size within area codes and exchanges. As many as six calls are made to reach a sampled phone number. Cooperation rates are calculated using one of AAPOR's approved methodologies and are comparable to other professional public-opinion surveys conducted using similar sampling strategies. Weighting by *age, race, gender, and employer size* is used to adjust for non-response. Margin of error is +/- 2.7 percentage points for the worker survey and +/- 4.1 percentage points for the employer survey. Margins of error are higher in sub-groups.

Zogby International's sampling and weighting procedures also have been validated through its political polling: more than 95% of the firm's polls have come within 1% of actual election-day outcomes.

About Transamerica Retirement Services

Transamerica Retirement Services, a marketing unit of Transamerica Financial Life Insurance Company and other of its affiliates, designs customized retirement plan solutions to meet the unique needs of small to mid-sized businesses. Transamerica Retirement Services is a top-ten retirement plan provider³ and has more than 15,000 retirement plan clients totaling over \$10 billion⁴ in assets. For more information about Transamerica Retirement Services, please refer to <http://www.ta-retirement.com>.

About AEGON

AEGON USA, Inc. is a wholly owned subsidiary of AEGON N.V. which is the holding company of one of the world's largest listed insurance groups ranked by market capitalization and assets. The AEGON Group is headquartered in the Netherlands and employs more than 27,000 people worldwide. AEGON's businesses focus on life insurance, pensions, savings and investment products. For more information on AEGON, please refer to <http://www.aegon.com>.

³ Transamerica Retirement Services ranks as a top-ten retirement services provider based on data published in *CFO Magazine's* April 2004 report, "CFO Buyer's Guide: 401(k) Providers." This ranking is derived from data on the total number of plans serviced by all investment vehicle providers reporting over \$8 billion in 401(k) assets under management.

⁴ As of 12/31/04.