The 2002 Retirement Confidence Survey Summary of Findings

RCS RETIREMENT CONFIDENCE SURVEY®

Overview

This year's Retirement Confidence Survey (RCS) represents the 12th annual wave of this study. Although there have been numerous changes to the questionnaire during these 12 years, certain key questions have tracked trends in retirement confidence and retirement planning behavior for much of this time. Beginning in 2001, the RCS has found that fewer working individuals are engaging in retirement planning and savings activities than in prior years, although this decline in preparation is not necessarily reflected in a decrease in confidence.

Although just as likely in 2002 as in 2001 to have *saved* for retirement (67 percent, down from 74 percent in 2000), workers[1] are less likely in 2002 than in 2001 to have *calculated* how much money they will need to have saved by the time they retire (39 percent in 2001, 32 percent in 2002). They are just as likely as last year to consider themselves on track when it comes to planning and saving for retirement (33 percent in 2001, 34 percent in 2002).

In the past year, the proportion of workers who are *very* or *somewhat* confident of having enough money to live comfortably throughout their retirement years has increased from less than two-thirds to 7 in 10 (63 percent in 2001, 70 percent in 2002). Similar increases are found among those who are confident that they will have enough money to pay for basic expenses (78 percent in 2001, 84 percent in 2002) and medical expenses (58 percent in 2001, 65 percent in 2002). Confidence in doing a good job of preparing financially for retirement, however, has not increased significantly (69 percent in 2001, 72 percent in 2002).

It might be expected that older workers would exhibit different attitudes and behavior with respect to retirement than younger workers. However, differences between the responses of older and younger age groups are often small. More extreme differences are found when responses are analyzed by financial personality types.

Because people are predisposed to behave in certain ways by their financial attitudes, these personality types have a significant impact on the retirement planning and saving process. Planners and Savers, for example, are far more likely than other groups to be ahead or on track in planning and saving for retirement (61 percent and 56 percent, respectively). However, even those in less financially focused groups can be persuaded to take responsibility for retirement planning and saving. Deniers tend not to plan ahead even for near-term purchases and do not believe that a comfortable retirement is within their reach, but 4 in 10 are currently saving for retirement (42 percent) and almost 2 in 10 feel they are on track in their planning and saving (18 percent).

[1] In the RCS, *retiree* refers to individuals who are retired or who are age 65 or older and not employed full time. *Worker* refers to all individuals who are not defined as retirees, regardless of employment status.

Financial Attitudes and Personality Types Among All Americans

When it comes to their finances, Americans exhibit a wide variety of attitudes and behaviors. Almost two-thirds see themselves as disciplined savers and say the statement "I am disciplined at saving" describes them *very* well (25 percent) or well (39 percent). At the same time, half admit that just when they think they have a handle on their finances, something always happens that sets them back from their financial goals (27 percent *very* well; 24 percent well). While 56 percent believe that stocks in general will be a good investment over the next 10 to 20 years (22 percent *very* well; 34 percent well), 4 in 10 describe themselves as being unwilling to take any financial risk, no matter what the gain (20 percent *very* well; 21 percent well).

Statements Describing Financial Attitudes

	Statement Describes Respondent:			
	Very Well	Well	Not Too Well	Not At All
Just when I think I have a handle on my finances, something always happens that sets me back from my financial goals.	27%	24%	31%	18%
I am disciplined at saving.	25	39	27	9
Over the long run—10 to 20 years—I believe stocks in general will be a very good investment.	22	34	20	19
I am not willing to take any financial risks, no matter what the gain.	20	21	34	25
I enjoy financial planning.	21	37	25	16
I frequently spend money when I do not plan to buy anything.	10	19	37	33

Respondents were also asked about their attitudes with regard to saving for retirement. Seven in 10 say they believe that anyone can have a comfortable retirement, if they just plan and save (32 percent describes *very* well; 38 percent describes well). Just 4 in 10 think that all they need to do is to save some money each month to be fine in retirement (14 percent *very* well; 26 percent well), and fewer than 2 in 10 feel it is pointless to plan for retirement because it is too far away to know what they will need (8 percent *very* well; 10 percent well).

Statements Describing Retirement Savings Attitudes

	Statement Describes Respondent:			
	Very Well	Well	Not Too Well	Not At All
I think anyone can have a comfortable retirement, if they just plan and save.	32%	38%	16%	11%
I am more of a saver than an investor.	25	32	27	14
If I just save some money each month, I will be fine in my retirement.	14	26	31	26
I feel it is pointless to plan for retirement because it is too far away to know what I will need.	8	10	26	54

The answers given by respondents in the 2002 RCS to these and similar questions reveal five distinct groups of Americans who feel very differently about their finances and about planning for retirement: Planners, Savers, Strugglers, Implusives, and Deniers.

- *Planners* (23 percent of Americans) are disciplined savers and financial risk takers. They enjoy financial planning and believe anyone can have a comfortable retirement if they just plan and save.
- *Savers* (19 percent) are careful with their money and, like planners, are seldom set back by unexpected events. But their risk-averse behavior makes them savers rather than investors.
- Although generally not impulse shoppers, *Strugglers* (18 percent) frequently suffer financial setbacks. Many consider themselves disciplined savers, but the struggle this involves makes them cautious with their savings.
- *Impulsives* (24 percent) believe a comfortable retirement is possible and many are willing to take financial risks, but they are not disciplined savers. Instead, they are prone to impulse buying and financial setbacks.
- Disliking financial planning and seldom planning ahead even for more immediate financial concerns, *Deniers* (15 percent) do not feel that a comfortable retirement is within their reach.

The distribution of personality types varies by age group, but no one type dominates any group. Savers are least often found in the 20–39 year age group (12 percent), while Strugglers are found least often in the 40–59 year age group (12 percent) and Impulsives are least often found in the 60+ age group (8 percent). Additionally, the likelihood of being a Planner or Saver increases with education and/or household income.

Personality Types, by Age Group

	Total	Ages 20–39	Ages 40–59	Age 60+
Planners	23%	23%	22%	27%
Savers	19	12	22	21
Strugglers	18	21	12	29
Implusives	24	30	27	8
Deniers	15	14	16	15

Retirement Expectations Among Workers

The average nonretired individual today plans to retire at age 65. Seventeen percent plan to retire before age 60 and 22 percent intend to retire between the ages of 60 and 64, but 3 in 10 say they will retire at age 65 (29 percent), and almost 2 in 10 plan to retire at age 66 or even later (18 percent). Workers ages 20–39 tend to envision an earlier retirement than those ages 40–59. Thirty-seven percent of the younger group intend to retire at age 61 or before, compared with one-fourth of the older group (26 percent).

Planned Retirement Age, by Age Group

	All Workers	Workers 20–39 Years	Workers 40–59 Years	Retirees (age 60+)
Age 54 or younger	5%	9%	3%	7%
Ages 55–59	12	13	14	16
Ages 60–61	11	15	9	12
Ages 62–64	11	7	13	32
Age 65	29	31	28	12
Age 66 or older	18	13	20	15
Never retire/did not expect to retire	5	4	6	5

In contrast to these expectations, however, the average retiree now age 60 or older retired at age 62. In fact, many retirees today retired earlier than they had planned (45 percent). While some of those who retired early cited positive reasons for leaving the work force early, such as being able to afford an early retirement (37 percent) or wanting to do something else (20 percent), more mentioned negative reasons, including health problems or disability (52 percent) or changes at their company, such as downsizing or closure (26 percent). Some workers may be able to extend their working career beyond that of current retirees, but others will find themselves vulnerable to an unplanned early retirement for the same reasons.

Overall, a majority of workers expect to spend at least 20 years in retirement. One-fourth think their retirement will last 20–24 years (26 percent), 7 percent believe it will last 25–29 years, and 16 percent expect it to last 30 years or more. However, 16 percent expect that their retirement will last for 10 years or less, and another 14 percent believe their retirement will last 11–19 years. Twenty percent are unable to say how long they expect to be retired. Workers who anticipate retiring at younger ages tend to say they will spend a longer period of time in retirement.

Seventeen percent of workers expect that they will need less than 50 percent of their preretirement income in order to live comfortably in retirement, and one-fourth expect they will need between 50 percent and 59 percent (25 percent). Only 18 percent anticipate needing 70 percent to 79 percent of their preretirement income to live comfortably, and less than 2 in 10 anticipate needing 80 percent or more (17 percent). This means that most workers will need to live more frugally than current retirees are now living. According to the 2002 RCS, more than half of retirees have a retirement income that is at least 80 percent of their preretirement income (56 percent), while just one-fourth report their current income is less than 60 percent of their preretirement income (25 percent).

Expected Percentage of Preretirement Income Needed in Retirement

	All Workers	Workers Ages 20–39	Workers Ages 40–59
Less than 50 percent	17%	18%	16%
50–59 percent	25	23	25
60–69 percent	14	17	14
70–79 percent	18	15	21
80–89 percent	7	7	7
90–99 percent	2	2	1
100 percent or more	8	7	8
Don't know	9	11	7

Assuming that current workers' retirement income replacement needs will be similar to those of retirees today, older workers ages 40–59 are no more likely than younger workers to provide what is likely to be a realistic estimate of their needs.

Workers are most likely to expect that the largest share of their income in retirement will come from personal savings, either from money they or their spouse put into a retirement plan at work (30 percent) or from other personal savings outside of work (14 percent). Fourteen percent expect that their largest source of income will come from a defined benefit plan, and almost as many expect Social Security to provide this source of income (13 percent). One in 10 mention that their largest source of income will be employment (9 percent), while somewhat fewer cite money from an employment-based defined contribution plan (7 percent) or money from the sale of a home or business (6 percent).

Interestingly, younger workers ages 20–39 are more likely than older workers ages 40–59 to recognize that some form of personal savings will need to provide the largest share of their retirement income (56 percent vs. 38 percent). Older workers are somewhat more likely than younger ones to think that they will be able to rely on Social Security. Perhaps they are thinking of current retirees age 60 and older, almost half of whom report relying on Social Security for the largest share of their income (48 percent).

Expected Largest Sources of Income in Retirement, by Age Group

	All Workers	Workers 20–39 Years	Workers 40–59 Years	Retirees (age 60+)
Money you (and/or your spouse) put into a retirement plan at work	30%	38%	25%	7%
Other personal savings or investments that are not in a work-related retirement plan	14	18	13	9
Money provided by an employer through a pension	14	12	15	22
Social Security	13	7	16	48
Employment	9	10	9	1
Money provided by an employer through a contribution to a retirement account	7	4	9	1
Money from the sale of your home or business	6	4	6	5
Other government income programs, such as SSI or veterans' benefits	3	3	3	5
Support from your children or other family members	1	2	1	<0.5

Planners and Savers are far more likely than other personality types to report they will rely on personal savings for their largest share of retirement income, and reliance on personal savings increases with household income. Conversely, Strugglers, Impulsives, and Deniers are more likely to say they will rely on Social Security, and reliance on Social Security increases as income falls.

Two-thirds of working respondents say they *think* they will work for pay after they retire (66 percent), almost three times the proportion of retirees who indicate they *actually* worked for pay in retirement (24 percent). Among these, most say they want to work because they enjoy working and want to stay involved (65 percent), but there are clear financial incentives. Almost half say they want to keep health insurance or other benefits (45 percent), a third each want money to make ends meet (33 percent) or money to buy extras (33 percent), and 15 percent think they will need help supporting children or other relatives. Moreover, nearly three-fourths of workers indicate they expect full- or part-time employment to be a major (23 percent) or minor (50 percent) source of income in their retirement. This contrasts sharply with the experience of retirees, just 2 in 10 of whom report that employment is a major (3 percent) or minor (15 percent) source of retirement income.

While there are no differences by age, Planners and Savers, although equally likely as others to expect to work in retirement, are less likely than others to expect that employment will provide a source of retirement income.

The majority of today's workers will not be eligible to receive full retirement benefits from Social Security until they are 67, but most continue to be unaware of this phased increase in the Social Security normal retirement age from 65 to 67. More than half expect to reach full eligibility sooner than they actually will (56 percent). Many of these incorrectly expect to be eligible for full retirement benefits at age 65 (33 percent of all workers), but some believe they will be eligible even before age 65 (23 percent). Seventeen percent of workers say they do not know when they will be eligible to receive full benefits from Social Security. Only 2 in 10 are able to give the correct age at which they will be eligible for full retirement benefits (20 percent), and 7 percent believe they will be eligible later than they actually will be.

Knowledge of Eligibility Age for Full Social Security Retirement Benefits, by Age Group

	All Workers	Workers Ages 20–39	Workers Ages 40–59
4 or more years earlier	20%	23%	20%
1–3 years earlier	36	30	43
Correct	20	9	21
Later	7	7	6
Don't know	17	32	10

Perhaps because they are closer to retirement age, older workers are more likely than younger workers to provide an accurate response to the question regarding eligibility age. Planners and Savers are also more apt than Impulsives and Deniers to provide an accurate response to the question.

Preparing for Retirement

The 2001 RCS saw a reversal of a promising upward trend in retirement planning by Americans, and the 2002 RCS confirms this trend. This year only one-third of nonretired respondents indicate they have tried to calculate how much money they will need to have saved by the time they retire so that they can live comfortably in retirement (32 percent). (Thirty-eight percent say they *or their spouse* have tried to figure this amount.) This is down from 39 percent in 2001 and is equivalent to the levels reported in 1993 through 1997.

Percentage Having Tried to Calculate How Much Money They Will Need to Save

1993	32%
1994	31
1995	32
1996	29
1997	33
1998	42
1999	45
2000	51
2001	39
2002	32

Workers ages 40–59 are more likely to say they have done such a calculation (33 percent) than are those ages 20–39 (26 percent). Likewise, Planners (53 percent) and Savers (44 percent) are more likely than Strugglers (24 percent), Impulsives (22 percent) and Deniers (16 percent) to have done one. The decline from 2001 to 2002 in the percentage of workers saying they have tried to do a retirement needs calculation occurs among all demographic groups.

Almost 2 in 10 of the 2002 respondents who indicate they have tried to do a retirement needs calculation report figuring that they need to save less than $250,000 (18 percent), 1 in 10 each figure they need to save between $250,000 and $499,999 (8 percent) and between $500,000 and $999,999 (11 percent), and 2 in 10 say they need to save $1,000,000 or more (17 percent).

However, a sizable minority is unable to provide the result of their retirement needs calculation (34 percent), and 3 percent report they could not do the calculation.

Workers who report doing a savings needs calculation report using various methods to determine the amount they would need. Some use systematic methods, such as completing a worksheet or doing a calculation (22 percent) or having the amount calculated for them by a financial advisor (22 percent), but others use more precarious methods. One-third say they estimated based on the economy, inflation, earnings or some other factor but did not use a formula, calculator, or worksheet (32 percent); almost 1 in 10 admit they guessed (8 percent); and a similar proportion report they do not know how they derived their total (8 percent). Three percent say they read or heard that was how much was needed, while 7 percent cite some other method.

In this year's survey, 45 percent who have attempted to do the calculation report that they have made changes in their retirement planning as a result. Of these, 58 percent say they have started to save more, 26 percent have changed the allocation of their money, while smaller percentages have made other changes. In addition, 24 percent of those who attempted to do the calculation indicate they made changes to their retirement planning as a result of changes in the economy and financial markets that have occurred during the past year. Among these respondents, 52 percent report changing the allocation of their money, 22 percent say they started saving more, and smaller percentages say they made other changes.

Two-thirds of workers report having personally saved for retirement (67 percent). This proportion is statistically unchanged from the results of the 2001 RCS (65 percent) that represented a decline from a high of 74 percent in 2000. (Seventy-two percent say they *or their spouse* have saved money for retirement.) Among those who have saved for retirement, 85 percent say they or their spouse are *currently* saving for retirement (61 percent of all respondents).

Percentage Having Saved for Retirement

1994	57%
1995	58
1996	60
1997	66
1998	59
1999	68
2000	74
2001	65
2002	67

Older workers ages 40–59 are more likely than younger workers ages 20–39 to report that they or their spouse have saved for retirement (72 percent vs. 63 percent). Older workers are also more likely than retirees age 60 and older (62 percent) to say that they or their spouse have saved.

Similarly, working Planners (87 percent) and Savers (85 percent) are more likely than Strugglers (64 percent), Impulsives (63 percent), and Deniers (58 percent) to say they or their spouse have saved for retirement. At the same time, among those who have saved, Planners (91 percent), Savers (91 percent), and Strugglers (94 percent) are more likely than Impulsives (77 percent) and Deniers (71 percent) to be *currently* saving for retirement.

The amounts accumulated for retirement by workers as a whole are generally small. Almost half have saved less than $50,000 (46 percent); 15 percent say they have nothing saved. Fewer than 2 in 10 say they have $100,000 or more saved for retirement (17 percent). While the amount accumulated generally increases with age, less than one-fourth of those ages 40–59 report having saved $100,000 or more (23 percent).

Total Accumulated for Retirement, by Age Group

	All Workers	Workers 20–39 Years	Workers 40–59 Years	Retirees (age 60+)
Nothing	15%	22%	13%	11%
$1–$9,999	12	21	9	16
$10,000–$24,999	11	15	8	9
$25,000–$49,999	9	9	9	4
$50,000–$74,999	8	7	7	4
$75,000–$99,999	5	3	7	5
$100,000–$149,999	6	3	6	3
$150,000–$249,999	6	2	8	5
$250,000 or more	6	2	9	9
Don't know/refused	23	16	24	36

Planners and Savers are also more likely than Strugglers, Impulsives and Deniers to report having saved $100,000 or more. Perhaps even more importantly since these personality types are spread across all age groups, Planners and Savers are less likely to say they have saved nothing at all.

Total Accumulated for Retirement, by Personality Type

	All Workers	Planners	Savers	Strugglers	Impulsives	Deniers
Nothing	15%	5%	4%	12%	20%	31%
$1–$9,999	12	5	9	18	17	11
$10,000–$24,999	11	7	7	17	12	11
$25,000–$49,999	9	9	10	9	9	11
$50,000–$74,999	8	12	4	10	8	5
$75,000–$99,999	5	6	11	3	5	2
$100,000–$149,999	6	7	6	4	7	2
$150,000–$249,999	6	7	13	3	2	4
$250,000 or more	6	11	11	2	3	2
Don't know/ refused	23	30	26	21	17	21

Most workers report they could be saving more for retirement than they currently do. Seven in 10 of those who have saved for retirement say it is reasonably possible for them to save $20 per week more than they are currently saving for retirement (70 percent). Among those who have not saved for retirement, more than 6 in 10 say they could save this amount of money each week (62 percent). While there are no differences by age in ability to save an additional $20 per week, Planners are more likely than other personality types to say they could save this amount. In turn, Savers and Strugglers are more likely than Impulsives and Deniers to be able to save an additional $20.

Half of workers report that an employer contributed money to a retirement account in their name or their spouse's name last year (52 percent), and two-thirds of employed respondents indicate that their current employer offers them a retirement savings plan that allows them to make before-tax contributions, such as a 401(k), 403(b), or 457 plan (66 percent). Of those offered such a plan, three-fourths say they contribute money to the plan (81 percent).

Less than half of workers say they have other savings or investments besides what they have put aside for retirement (48 percent). While those ages 20–39 and those ages 40–59 are equally likely to report having such savings (48 percent), fewer than 4 in 10 retirees age 60 and over indicate they have additional savings (37 percent). As might be expected, a majority of Planners (71 percent) and Savers (62 percent) report having other savings and investments, roughly half of Strugglers say they have them (48 percent), and comparatively few Impulsives (36 percent) and Deniers (25 percent) indicate they have these savings.

Workers in the 2002 RCS are as likely as in 2001 to say they are on track when it comes to their progress in planning and saving for retirement. This year, one-third indicate they are on track (34 percent in 2002, 33 percent in 2001). One-fourth feel they are *a little* behind schedule (25 percent in 2002, 26 percent in 2001), while one-third think they are *a lot* behind schedule (33 percent in 2002, 34 percent in 2001). Just 5 percent in each year feel they are ahead of schedule.

Progress in Planning and Saving for Retirement, by Age

	All Workers	Workers Ages 20–39	Workers Ages 40–59
A lot ahead of schedule	2%	3%	1%
A little ahead of schedule	3	4	2
On track	34	35	36
A little behind schedule	25	27	23
A lot behind schedule	33	30	35

There are clear differences in perception of progress in retirement preparation by personality type. More than half of Planners and Savers report they are either ahead of schedule or on track in their planning and saving for retirement (61 percent and 56 percent, respectively). In contrast, more than half of Strugglers say they are behind schedule (27 percent a little behind and 29 percent a lot behind), and three-fourths of Impulsives and Deniers say they are behind schedule. In fact, almost half of Impulsives (45 percent) and more than half of Deniers (52 percent) admit they are a lot behind schedule when it comes to planning and saving for retirement.

Progress in Planning and Saving for Retirement, by Personality Type

	All Workers	Planners	Savers	Strugglers	Impulsives	Deniers
A lot ahead of schedule	2%	4%	2%	2%	1%	1%
A little ahead of schedule	3	6	4	3	1	1
On track	34	51	50	36	20	18
A little behind schedule	25	24	17	27	31	23
A lot behind schedule	33	15	23	29	45	52

Workers' perception of being on track does not appear to have been affected by the recent events in the financial markets. Not only are the results unchanged from last year, but workers appear to be confident that they are investing their retirement savings wisely. Three in 10 are *very* confident (29 percent) and half are *somewhat* confident (51 percent). Among Planners, this confidence is extremely high—almost half are *very* confident (46 percent) and the remaining half are *somewhat* confident (48 percent). In addition, retirees age 60 and over are more likely to be *very* confident (42 percent) than are workers ages 20–39 (31 percent) or ages 40–59 (27 percent).

Four in 10 workers indicate that an employer or work-related retirement plan provider has given them educational material or seminars about retirement planning and saving in the past 12 months (41 percent). These educational opportunities are most often provided in the form of brochures (82 percent) or retirement benefit statements (82 percent). However, large percentages of those receiving these materials during the past 12 months also say they have received them in the following forms: newsletters or magazines (68 percent); seminars or group meetings (66 percent); individual access to a financial planner (61 percent); workbooks or worksheets (58 percent); and Internet, Intranet, or on-line services (47 percent).

Workers ages 20–39 and ages 40–59 are equally likely to have received educational materials from an employer in the past 12 months (39 percent and 42 percent, respectively). In general, they also receive the same types of materials. However, those ages 40–59 are more likely than younger workers to say they receive newsletters or magazines (72 percent vs. 58 percent) and less likely to say they receive information through the Internet, Intranet, or on-line services (38 percent vs. 57 percent).

Educational Opportunities Provided by Employer in Past 12 Months, by Age

	All Workers	Workers Ages 20–39	Workers Ages 40–59
Brochures	82	85%	81%
Retirement benefit statements	82	80	81
Newsletters/magazines	68	58	72
Seminars or group meetings	66	63	65
Individual access to a financial planner, in person or by telephone	61	60	61
Workbooks/worksheets	58	57	57
Internet, Intranet, or on-line services	47	57	38
Videos or CD-ROM	14	17	13
Computer software	14	16	13

Planners (49 percent) and Savers (52 percent) are more likely than Strugglers (32 percent), Impulsives (38 percent), or Deniers (32 percent) to have received educational materials or seminars from an employer in the past 12 months. Those that do receive these educational opportunities, however, tend to report receiving the same types of materials. The exception to this is that Deniers are less likely than others to indicate they receive retirement benefit statements or individual access to a financial planner, perhaps because they are less likely than other personality types to be offered a retirement savings plan by their employer.

More than one-fourth of workers receiving these educational materials report that they have made changes in their retirement planning as a result of the material they received from their employer (27 percent). These workers most often mention starting to save more (34 percent), changing the allocation of their money (33 percent), and starting to work more (23 percent) as the changes they have made.

Few workers report that an employer has provided them with access to investment advice for retirement purposes in the past 12 months (14 percent). Of those offered access, fewer than 4 in 10 say they request specific recommendations on how they should invest their money (37 percent). All of those who say they requested recommendations report having received them (100 percent), and the large majority indicate they implemented the investment advice they received (84 percent).

Retirement Confidence Among Workers

After a drop in retirement confidence in 2001, this year's survey finds that workers' confidence in having enough money to live comfortably throughout their retirement years has returned to 2000 levels. While just 63 percent of workers surveyed as part of the 2001 RCS were confident of having enough money, 70 percent report being confident in 2002. At the same time, the percentage of workers who are not at all confident of having enough money for retirement dropped from 17 percent to 10 percent.

Worker Confidence in Having Enough Money to Live Comfortably Throughout Their Retirement Years

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Very confident	18%	20%	21%	19%	24%	22%	22%	25%	22%	23%
Somewhat confident	55	45	51	41	41	45	47	47	41	47
Not too confident	19	17	19	23	19	18	21	18	18	19
Not at all confident	6	17	8	16	15	13	9	10	17	10

Despite recent economic changes, this returning confidence is in line with results from other recent surveys and may be indicative of generalized confidence in the U.S. economy rather than more specific retirement confidence. Confidence in the ability to afford basic expenses and medical expenses also returned to 2000 levels. Confidence in having enough money for basic expenses in retirement increased from 78 percent in 2001 to 84 percent, while confidence in having enough for medical expenses increased from 58 percent to 65 percent. These increases were not necessarily the result of increased confidence in entitlement programs, as the RCS did not measure an increase in confidence in Social Security and Medicare between the 2001 and 2002 RCS.

Unlike the other retirement confidence indicators, confidence in doing a good job of preparing financially for retirement did not rise. The proportion of respondents saying they are confident remained relatively constant at 7 in 10 (69 percent in 2001, 72 percent in 2002). Additionally, the percentage of those saying they will have enough money to pay for long-term care remained statistically unchanged.

Worker Confidence in Financial Aspects of Retirement

	Very Confident	Somewhat Confident	Not Too Confident	Not at All Confident
Having enough money to take care of basic expenses				
1993	38%	43%	12%	5%
2000	40	44	9	7
2001	37	41	12	10
2002	38	46	10	6
Will do a good job of managing your money in retirement so you do not outlive your savings				
1993	na	na	na	na
2000	na	na	na	na
2001	na	na	na	na
2002	30	45	17	8

Worker Confidence in Financial Aspects of Retirement, continued

	Very Confident	Somewhat Confident	Not Too Confident	Not at All Confident
Doing a good job of preparing financially for retirement				
1993	21	47	18	12
2000	28	49	13	10
2001	27	43	16	13
2002	23	49	18	10
Having enough money to take care of medical expenses				
1993	21	33	23	20
2000	24	42	19	13
2001	20	38	22	19
2002	20	45	21	14
Having enough money to pay for long-term care				
1993	na	na	na	na
2000	16	35	29	19
2001	15	29	26	28
2002	13	36	28	22

While there is little variation in confidence between 20–39 and 40–59-year-olds, retirees age 60 and older tend to be more likely to be *very* confident than either of these groups. This is despite the fact that they are less likely than 40–59-year-olds to have saved for retirement and less likely than either group to have nonretirement savings, but may be because they are considerably more likely to be confident of receiving the current level of benefits from Social Security and Medicare than are those still in the work force.

Worker Confidence in Financial Aspects of Retirement, by Age Group

	Very Confident	Somewhat Confident	Not Too Confident	Not at All Confident
Will have enough money to live comfortably throughout your retirement years				
All workers	23%	47%	19%	10%
Workers ages 20–39	24	46	23	7
Workers ages 40–59	21	49	17	12
Retirees age 60+ years	39	31	17	12
Having enough money to take care of basic expenses				
All workers	38	46	10	6
Workers ages 20–39	41	45	10	4
Workers ages 40–59	35	46	11	7
Retirees age 60+	42	41	9	6
Will do a good job of managing your money in retirement so you do not outlive your savings				
All workers	30	45	17	8
Workers ages 20–39	34	46	15	4
Workers ages 40–59	27	45	17	10
Retirees age 60+ years	39	39	15	7
Doing a good job of preparing financially for retirement				
All workers	23	49	18	10
Workers ages 20–39	24	46	21	9
Workers ages 40–59	21	51	16	12
Retirees age 60+	35	39	15	9
Having enough money to take care of medical expenses				
All workers	20	45	21	14
Workers ages 20–39	20	47	22	11
Workers ages 40–59	19	42	23	15
Retirees ages 60+	33	38	17	12

Worker Confidence in Financial Aspects of Retirement, by Age Group, continued

	Very Confident	Somewhat Confident	Not Too Confident	Not at All Confident
Having enough money to pay for long-term care				
All workers	13	36	28	22
Workers ages 20–39	15	42	26	16
Workers ages 40–59	11	34	31	23
Retirees age 60+	20	28	24	26

Confidence shows a great deal of variation by personality type, perhaps as a result of the large differences in retirement preparation between these groups. Similar differences in confidence are seen between Savers and non-Savers and between those who have done a savings needs calculation and those who have not.

Worker Confidence in Financial Aspects of Retirement, by Personality Type

	Very Confident	Somewhat Confident	Not Too Confident	Not at All Confident
Will have enough money to live comfortably throughout your retirement years				
All workers	23%	47%	19%	10%
Planners	41	49	7	3
Savers	25	54	12	10
Strugglers	24	49	17	9
Impulsives	14	49	30	7
Deniers	9	35	27	29
Having enough money to take care of basic expenses				
All workers	38	46	10	6
Planners	62	32	2	4
Savers	48	39	7	6
Strugglers	32	55	9	4
Impulsives	29	54	13	4
Deniers	16	50	19	15
Will do a good job of managing your money in retirement so you do not outlive your savings				
All workers	30	45	17	8
Planners	51	39	7	3
Savers	35	51	11	4
Strugglers	31	45	15	6
Impulsives	21	50	22	7
Deniers	9	37	28	23
Doing a good job of preparing financially for retirement				
All workers	23	49	18	10
Planners	45	45	8	2
Savers	30	55	9	6
Strugglers	22	53	22	3
Impulsives	11	52	24	13
Deniers	9	38	30	23
Having enough money to take care of medical expenses				
All workers	20	45	21	14
Planners	32	50	9	9
Savers	24	46	16	14
Strugglers	17	54	25	4
Impulsives	13	43	31	14
Deniers	11	33	26	30
Having enough money to pay for long-term care				
All workers	13	36	28	22
Planners	26	49	17	9
Savers	16	38	25	21
Strugglers	11	41	33	15
Impulsives	7	32	34	26
Deniers	7	19	31	43

RCS Methodology

These findings are part of the 12th annual Retirement Confidence Survey (RCS), a survey that gauges the views and attitudes of working-age and retired Americans regarding retirement, their preparations for retirement, their confidence with regard to various aspects of retirement, and related issues. The survey was conducted in January 2002 through 20-minute telephone interviews with 1,000 individuals (771 workers and 229 retirees) age 25 and older in the United States. In addition, an oversample of 116 individuals ages 20–24 was collected in order to provide supplemental data for the 20–39 age group analysis. Random digit dialing was used to obtain a representative cross section of the U.S. population. Starting with the 2001 wave of the RCS, all data are weighted by age, sex, and education to reflect the actual proportions in the adult population. In this year's report, data for the previous waves of the RCS have also been weighted to allow for consistent comparisons; consequently, some data in the 2002 RCS may differ slightly from data published in previous waves of the RCS.

In theory, each sample of 1,000 yields a statistical precision of plus or minus three percentage points (with 95 percent certainty) of what the results would be if all Americans age 25 and older were surveyed with complete accuracy. There are other possible sources of error in all surveys, however, that may be more serious than theoretical calculations of sampling error. These include refusals to be interviewed and other forms of nonresponse, the effects of question wording and question order, and screening. While attempts are made to minimize these factors, it is impossible to quantify the errors that may result from them.

The RCS was co-sponsored by the Employee Benefit Research Institute (EBRI), a private, nonprofit, nonpartisan public policy research organization; the American Savings Education Council (ASEC), a partnership of private- and public-sector institutions dedicated to raising public awareness of what is needed to ensure long-term personal financial independence and part of the EBRI Education and Research Fund; and Mathew Greenwald & Associates, Inc., a Washington, DC-based market research firm.

The 2002 RCS data collection was funded by grants from 20 public and private organizations, with staff time donated by EBRI, ASEC, and Greenwald. RCS materials and a list of underwriters may be accessed at the ASEC and EBRI Web sites: www.asec.org or www.ebri.org/rcs