

Many Americans have little money put away in savings or investments (Figure 7). Among RCS workers providing this type of information, nearly half report that the total value of their household's savings and investments, excluding the value of their primary home and any defined benefit plans, is less than \$25,000 (49 percent). Approximately 1 in 10 workers each report total savings and investments of \$25,000–\$49,999 (10 percent), \$50,000–\$99,999 (13 percent), \$100,000–\$249,999 (15 percent), and \$250,000 or more (14 percent). Retirees provide similar estimates of household savings.

Figure 7
Reported Total Savings and Investments Among Those Providing Response, by Age
(not including value of primary residence or defined benefit plans)

	Worker Age Group					All Retirees
	All Workers	Ages 25–34	Ages 35–44	Ages 45–54	Ages 55+	
Less than \$10,000	35%	50%	36%	24%	26%	32%
\$10,000–\$24,999	13	18	16	10	5	13
\$25,000–\$49,999	10	9	10	11	9	10
\$50,000–\$99,999	13	10	14	15	11	12
\$100,000–\$149,999	8	7	7	9	11	8
\$150,000–\$249,999	7	1	9	10	9	12
\$250,000–\$499,999	7	1	4	12	11	5
\$500,000 or more	7	4	4	9	17	9

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2007 Retirement Confidence Survey.

These findings are similar to some other estimates of American household assets. Quantifiable data from the 2004 Survey of Consumer Finances (conducted by the U.S. Federal Reserve Board) found the median (midpoint) level of household assets of Americans is \$172,900.³ This includes the value of the primary home, which had a median value of \$160,000 for those who owned a home.

Older workers tend to report higher amounts of assets. While nearly 7 in 10 workers under age 35 have total savings and investments of less than \$25,000 (68 percent vs. 42 percent of older workers), 3 in 10 workers age 55 and older cite assets of \$250,000 or more (28 percent vs. 11 percent of younger workers). As one might suspect, total savings and investments increase sharply with household income and with education. Workers who have done a retirement savings needs calculation (compared with those who have not) tend to have higher levels of savings. In addition, workers who have saved for retirement report much higher levels of savings and investments than those who say they have not set money aside for retirement.

Retirement Savings Needs

One reason for the modest totals of savings and investments may be that the majority of workers have not calculated how much they need to save for retirement (Figure 8). Only 43 percent of workers report they and/or their spouse 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. This proportion increased from 1994–2000, declined in 2001, and has remained statistically unchanged since that time.

The likelihood of doing a retirement savings needs calculation increases with household income, education, and the amount of savings and investments. In addition, married workers are more likely than unmarried workers to have tried to do a calculation. Workers age 45 and older (compared with younger workers), retirement savers (compared with nonsavers), participants in a defined contribution plan (compared with nonparticipants and those not offered a plan), and those who consulted a financial advisor for investment advice (compared with those who did not) more often report trying to do a calculation.