



WHAT IS YOUR R³—RETIREMENT READINESS RATING?

So you think you're preparing well for your retirement, but are you really? Use this quiz to determine your Retirement Readiness Rating (R³). Your R³ is an indicator of how good a job you're actually doing in financial preparation for retirement. It may help you flag some action items that, up to now, you may have neglected or overlooked. And if you have, it provides some resources to point you in the right direction and help you get started!

Answer each question (truthfully!) and enter the points earned (indicated in parentheses) on the line provided.

- 1. Have you (or your spouse) personally saved any money for retirement? Do not include Social Security taxes or employer-provided money. Saving could include money you put into a plan at work, such as a 401(k).
 Yes (4) No (0) _____ points
- 2. Have you (or your spouse) tried to figure out how much money you will need to have saved by the time you retire so that you can live comfortably in retirement?
 Yes (3) No (0) _____ points
- 3. Do you have an investing or savings strategy for your retirement?
 Yes (2) No (0) _____ points
- 4. Have you thought about insurance coverage for long-term care or nursing home needs?
 Yes (2) No (0) _____ points
- 5. When it comes to planning and saving for retirement, would you say that you are on track, a little ahead of schedule, a lot ahead of schedule, a little behind schedule, or a lot behind schedule?
 A lot ahead of schedule (2) A little ahead/On track (1) Behind Schedule (0) _____ points
- 6. How confident are you (and your spouse) about the following issues related to retirement? Would you say that you are *very* confident, *somewhat* confident, *not too* confident, or *not at all* confident...
 - a. ...that you are doing a good job of preparing financially for your retirement?
 Very confident (2) Somewhat confident (1) Not too/not at all confident (0) _____ points
 - b. ...that you will have enough money to take care of your medical expenses when you retire?
 Very confident (2) Somewhat confident (1) Not too/not at all confident (0) _____ points
- 7. How well does each of the following statements describe you? Would you say it describes you very well, well, not too well, or not at all?
 - a. I am disciplined at saving.
 Very well (2) Well (1) Not too well (0) Not at all (0) _____ points
 - b. I am not willing to take any financial risks, no matter what the gain.
 Very well (0) Well (0) Not too well (1) Not at all (2) _____ points
 - c. If I just save some money each month, I will be fine in my retirement.
 Very well (0) Well (0) Not too well (1) Not at all (2)
 - d. I think preparing for retirement takes too much time and effort.
 Very well (0) Well (0) Not too well (1) Not at all (2) _____ points

How did you do? Add up your points and turn the page over to see how you stack up. Total Score: _____ points

WHAT NEXT?

If you scored **0-5**, you need to get started. But you are not alone; 9 percent of American workers fall into this group. What should you do? Choose to save, now! Only 1 percent of Americans in this group have begun to save for retirement, but one-half say that they could save \$20 per week for retirement. That's over \$1,000 per year, which could really add up over time. Assuming a modest 5 percent rate of return, saving \$20 a week would result in more than \$50,000 over 25 years! For information on getting started, check out ASEC's *The Power to Choose* brochure (www.asec.org or 1-800-998-7542).

If you scored **6-10**, you have work to do. Nineteen percent of American workers fall into this group with you. There's a 60 percent chance you have begun to save. If not, choose to save! Fifty-six percent of nonsavers in this group say they could put away \$20 per week. Assuming a modest 5 percent rate of return, saving \$20 a week would result in more than \$50,000 over 25 years! For information on getting started, check out ASEC's *The Power to Choose* brochure (www.asec.org or 1-800-998-7542). Once you're saving (or if you already are), get a plan. Only 12 percent of this group has tried to figure out how much they need to save. Take 10 minutes to do the *Ballpark Estimate* worksheet (www.asec.org or 1-800-998-7542) and establish a savings goal!

If you scored **11-15**, you've taken the first big step. Now take the second! Twenty-eight percent of American workers are in this group, and 90 percent of them have begun to save for their retirement. However, less than half have tried to figure out how much they need to save. Take 10 minutes to do the *Ballpark Estimate* worksheet (www.asec.org or 1-800-998-7542) and establish a savings goal! As Yogi Berra once said, "If you don't know where you're going, you will end up somewhere else."

If you scored **16-20**, you're off to a good start. Thirty-five percent of working Americans are in this group—99 percent have *begun* to save and 91 percent have tried to figure out how much they *need* to save. But are you on target? Seventy-four percent say they could save another \$20 per week for retirement. So if you are not on target, put a little more away. Forty-three percent of this group have not thought about long-term care insurance. Have you?

If you scored **21-25**, you are among the few. Only 8 percent of working Americans scored at this level. You are saving, you have tried to determine how much you need to save, and you have a savings and/or investing strategy for your retirement. Evaluate your progress periodically to make sure you stay on track. Is there anything you might have missed? Almost 20 percent of this group have not thought about long-term care insurance. Have you?

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