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**New Research from EBRI:**

**The 2015 Retirement Confidence Survey:  
The Importance of Having a Retirement Plan**

WASHINGTON—American workers and retirees are expressing higher confidence about their ability to afford retirement this year, even though there is little sign they are taking the necessary steps to achieve that goal, according to the 25<sup>th</sup> annual Retirement Confidence Survey—the longest-running survey of its kind.

A key factor in American’s outlook on retirement is whether or not they have a retirement savings plan. The 2015 RCS by the nonpartisan Employee Benefit Research Institute and Greenwald & Associates finds that as the nation’s retirement confidence continues to rebound from the record lows experienced between 2009 and 2013, the increasing optimism is a result of those who indicate they and/or their spouse have a retirement plan, such as a defined contribution (401(k)-type) plan, defined benefit (pension) plan, or individual retirement account (IRA).

“Those without a retirement plan seem to understand they are likely to have difficulties accumulating adequate financial resources for retirement: 44 percent of workers without a retirement plan are not at all confident about having enough money for a comfortable retirement, compared with only 14 percent of those who have a plan,” said Jack VanDerhei, EBRI research director and co-author of the report.

This year’s RCS finds that the percentage of workers confident about having enough money for a comfortable retirement—at record lows between 2009 and 2013—increased in 2014 and again in 2015. Twenty-two percent are now very confident (up from 13 percent in 2013 and 18 percent in 2014), while 36 percent are somewhat confident. Overall, 24 percent are not at all confident (statistically unchanged from 28 percent in 2013 and 24 percent in 2014). However, this increased confidence is based on those indicating they and/or their spouse have a retirement plan.

Worker confidence in the affordability of various aspects of retirement has also rebounded. In particular, the percentage of workers who are very confident in their ability to pay for basic expenses has increased (37 percent, up from 25 percent in 2013 and 29 percent in 2014). The percentages of workers who are very confident in their ability to pay for medical expenses (18 percent, up from 12 percent in 2011) and long-term care expenses (14 percent, up from 9 percent in 2011) are slowly inching upward.

Confidence among retirees (which historically tends to exceed worker confidence levels) also increased in having a financially secure retirement, with 37 percent very confident (up from 18 percent in 2013 and 27 percent in 2014). The percentage not at all confident was 14 percent (statistically unchanged from 14 percent in 2013 and 17 percent in 2014).

Workers are somewhat more confident that they are doing a good job of preparing financially for retirement: 25 percent are very confident in 2015 (up from 17 percent in 2013). Overall, about two-thirds are somewhat or very confident about their financial preparations, while one third (32 percent) indicate they are not confident.

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However, for workers without a retirement plan, savings remain low and only a minority appears to be taking basic steps needed to prepare for retirement. Only 23 percent of those without a retirement plan have done retirement needs calculation and 64 percent without a retirement plan say they have saved less than \$1,000.

Perhaps in recognition of the fact that their financial preparations for retirement may be inadequate, 16 percent of workers in the 2015 RCS say the age at which they expect to retire has changed in the past year. Of those, the large majority (81 percent) report that their expected retirement age has increased. But the RCS also finds that many retirees say they left the workforce earlier than planned for reasons beyond their control.

“Workers still expect to work longer to make up for any savings short falls. However, many retirees continue to report that they retired before they expected to due to an illness or disability, needing to care for others, or because of a change at their job,” states Craig Copeland, senior research associate at EBRI and coauthor of the study. “Consequently, relying on working longer is not a solid strategy for retirement preparedness.”

These and other findings are contained in the 25<sup>th</sup> annual RCS, conducted by EBRI and Greenwald & Associates, Inc. Full results are published in the April 2015 *EBRI Issue Brief*, “The 2015 Retirement Confidence Survey: Having a Retirement Savings Plan a Key Factor in Americans’ Retirement Confidence,” released today and available online at EBRI’s website, [www.ebri.org](http://www.ebri.org) The survey was underwritten by more than a dozen organizations.

Several fact sheets, going into more detail on such subjects as age, gender, and marital status comparisons, as well as financial support and unpaid care provided by Americans, are online at [www.ebri.org/surveys/rcs/2015/](http://www.ebri.org/surveys/rcs/2015/)

Among the other major findings in this year’s RCS:

- **Saving for retirement:** Sixty-seven percent of workers report they or their spouses have saved for retirement (statistically equivalent to 64 percent in 2014), although nearly 8 in 10 (78 percent) full-time workers say that they or their spouse have done so. Among those who indicate they and their spouse have a retirement plan, such as an IRA, DC or DB plan 35 percent report having saved at least \$100,000 compared with just 3 percent of those who do not have a retirement plan.
- **Why not saving:** Cost of living and day-to-day expenses head the list of reasons why workers do not save (or save more) for retirement, with 50 percent of workers citing these factors. Nevertheless, many workers say they could save a small amount more. Seven in 10 (69 percent) state they could save \$25 a week more than they are currently saving for retirement.
- **Debt worries dropping:** Both workers and retirees are less likely than in the 2014 RCS to describe their level of debt as a problem. Fifty-one percent of workers (down from 58 percent in 2014) and 31 percent of retirees (down from 44 percent in 2014) indicate they have a problem with their level of debt. The types of debt most frequently reported are mortgages, credit card debt, and car loans.

“It is significant that fewer people report having a problem with debt than in the past few years,” said Mathew Greenwald of Greenwald & Associates. “This could indicate progress in addressing this issue and suggests there is more emphasis on debt reduction than on saving for retirement.”

- **Planning for retirement:** Almost two-thirds of workers (64 percent) say they feel they are behind schedule when it comes to planning and saving for retirement. However, this assessment may not be based on a careful analysis of their individual circumstances. Only 48 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, a level that has held relatively consistent over the past decade.

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