

Fast Facts from EBRI

Contact: John MacDonald, EBRI, (202) 775-6349, macdonald@ebri.org

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Two Perspectives on Spending in Retirement

WASHINGTON—How do *workers' expectations* about how much they will spend in retirement compare with *retirees' actual spending*?

The 17th annual Retirement Confidence Survey found that more than half of workers think their post-retirement spending will be lower than their spending pre-retirement. Two in 10 say their spending in the first five years of retirement will be *much lower* than in the five years before retirement (20 percent) and one-third indicate their spending will be a *little lower* (34 percent). Another third think their post-retirement spending will be *about the same* as pre-retirement (34 percent).

In contrast, retirees are as likely to say their spending in the first five years of retirement is *the same* (42 percent) as they are to say it is lower (44 percent).

The following chart compares workers' expected spending in retirement with retirees' actual spending.

Post-Retirement vs. Pre-Retirement Spending

	Workers (Expected)	Retirees (Actual)
Much lower than before you retired	20%	20%
A little lower	34	24
About the same	34	42
A little higher	8	7
Much higher than before you retired	2	6

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

The Retirement Confidence Survey is sponsored by the nonpartisan Employee Benefit Research Institute (EBRI) and Mathew Greenwald & Associates, a survey research firm. Full survey results are available at: <http://www.ebri.org/surveys/rcs/2007/>.

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