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EBRI 2011 Retirement Confidence Survey:

Worker Attitudes Toward Retirement Savings Needs

How many workers calculate what they need for a comfortable retirement? And what are their savings goals?

According to the 2011 Retirement Confidence Survey (RCS), a majority of workers have not tried to do a calculation, which means many are unaware of how much they need to save for retirement. Not surprisingly, workers who *have* done a retirement savings needs calculation tend to have higher savings goals than workers who have not.

These findings are from the 2011 RCS, recently released by the nonpartisan Employee Benefit Research Institute (EBRI):

- **Doing the calculation:** Less than half of workers (42 percent) 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 has changed little since 2003.
- **Guessing:** Many workers simply guess at how much they will need to accumulate. Forty-two percent of workers report they guessed at the amount they need to save, including 11 percent of those who report having done a calculation.
- **Savings goals:** Among workers, 31 percent say they need to save less than \$250,000 for retirement, and another 19 percent mention a goal of \$250,000–\$499,999. Twenty-two percent think they need to save \$500,000–\$999,999, while about 1 in 10 each believe they need to save \$1 million–\$1.49 million (7 percent) or \$1.5 million or more (10 percent).
- **Resources:** Among workers, 21 percent each report asking a financial advisor and doing their own estimate. Others read or hear how much is needed (9 percent), use an online calculator (7 percent), base their estimate on their current expenses or lifestyle (5 percent), or fill out a worksheet or form (5 percent).
- **Planning and goals:** Among those who have done a calculation, 25 percent estimate they need to accumulate at least \$1 million for retirement; that compares with just 10 percent of those who have not. At the other extreme, 24 percent of those who have done a calculation (compared with 36 percent who have not) think they need to save less than \$250,000 for retirement.

Full details of the 2011 RCS are in the March 2011 EBRI *Issue Brief* and online at www.ebri.org/surveys/rcs/2011/. The RCS is conducted by the nonpartisan Employee Benefit Research Institute (EBRI) and Mathew Greenwald & Associates. The RCS, now in its 21st year, is the longest-running annual retirement survey of its kind in the nation.

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