

2005 Retirement Confidence Survey Chart Book



Employee Benefit Research Institute
2121 K Street NW, Suite 600
Washington, DC 20037
Phone: (202) 659-0670 Fax: (202) 775-6312

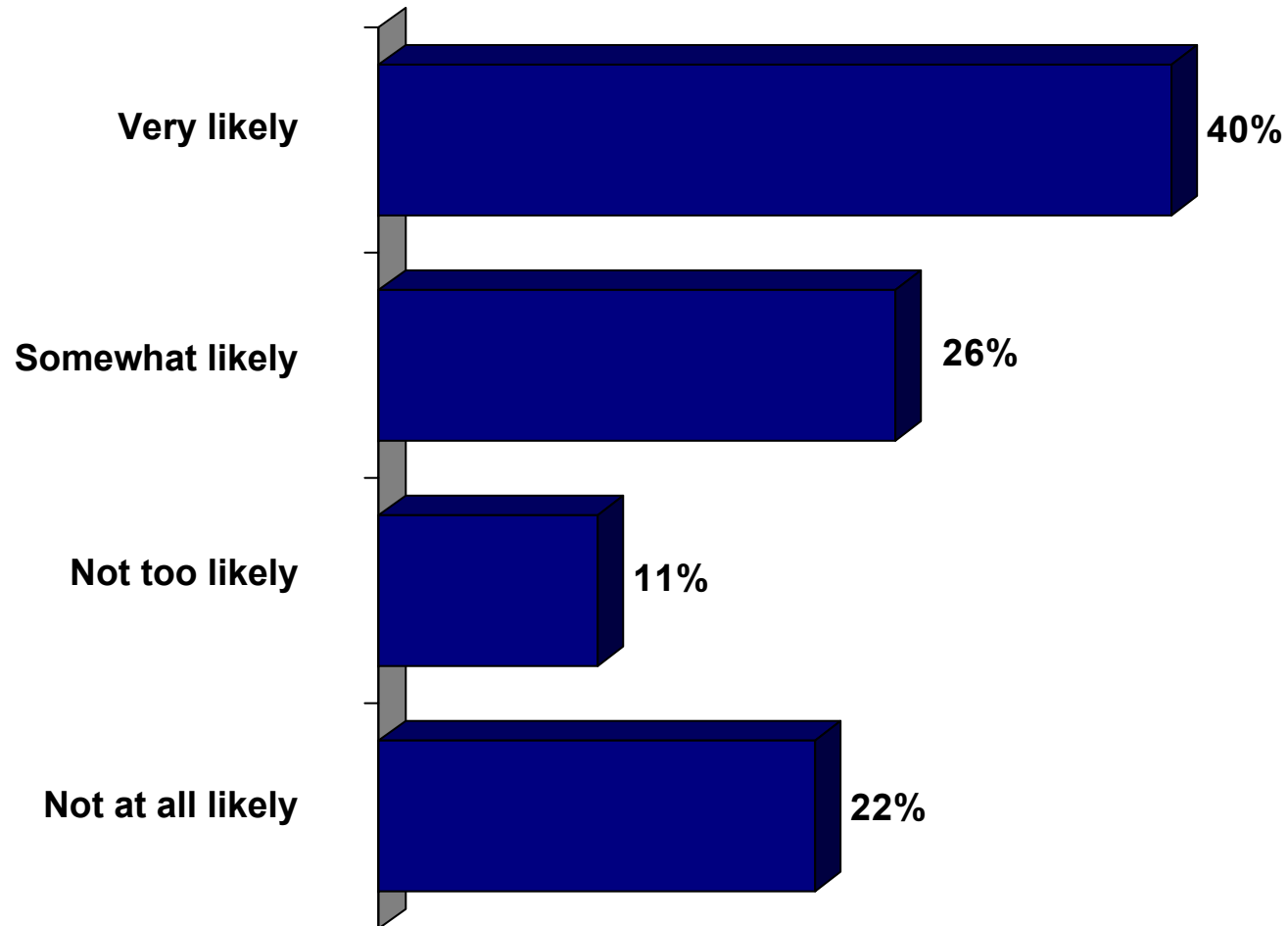


Mathew Greenwald & Associates, Inc.
4201 Connecticut Ave. NW, Suite 620
Washington, DC 20008
Phone: (202) 686-0300 Fax: (202) 686-2512

**RCS Overview:
Potential Solutions to a
Stubborn Problem**

2 in 3 Nonparticipants Indicate They Would Be Likely to Stay in Their Employer's Plan If Automatically Enrolled

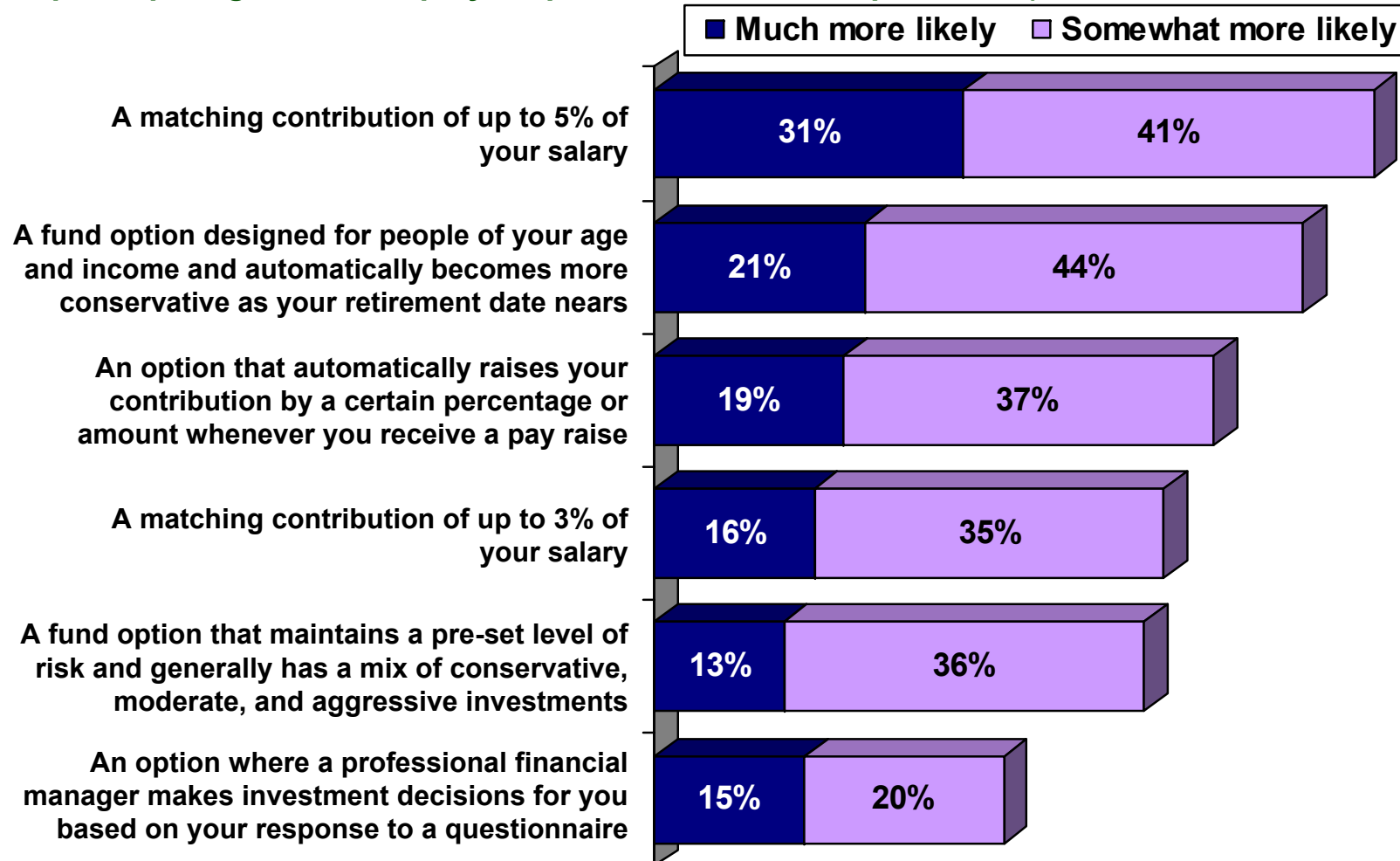
If your employer were to automatically enroll you in a plan now, how likely would you be to stay in the plan? (Workers not participating in their employer-sponsored retirement plan, n=88)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

7 in 10 Workers Not Contributing to Their Employer's Plan Say a 5% Match Would Encourage Their Participation

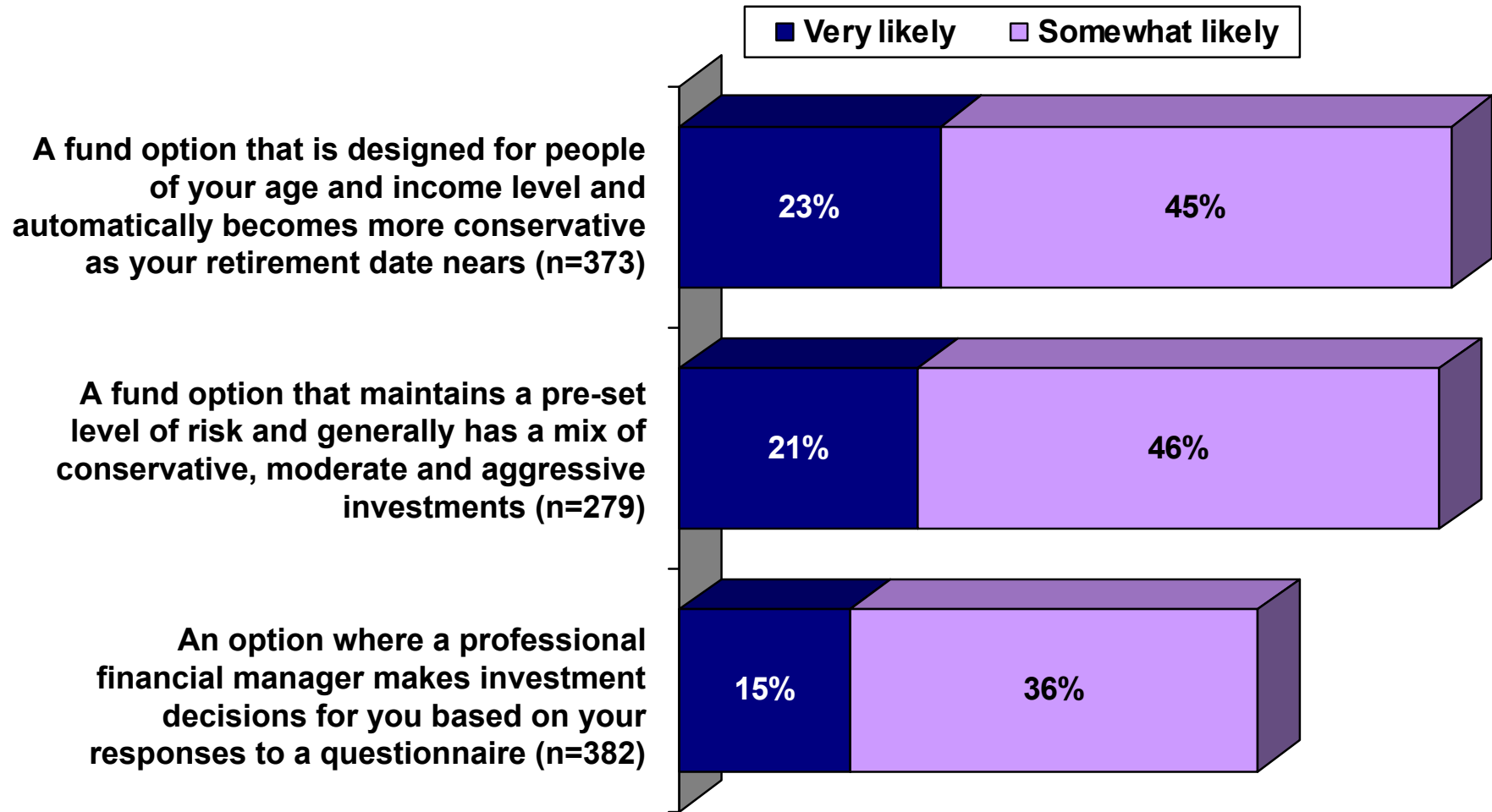
How much more likely to you think you would be to participate in your employer's retirement savings plan, if you employer offered you each of the following as part of the plan? (Workers not participating in their employer-sponsored retirement plan, n=88)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Lifestyle and Lifecycle Funds May Do Better at Encouraging Diversification Than Managed Accounts

If this were part of your workplace savings plan, would you be very likely, somewhat, not too, or not at all likely to use it, or does your plan already have this feature? (Workers not offered each feature)



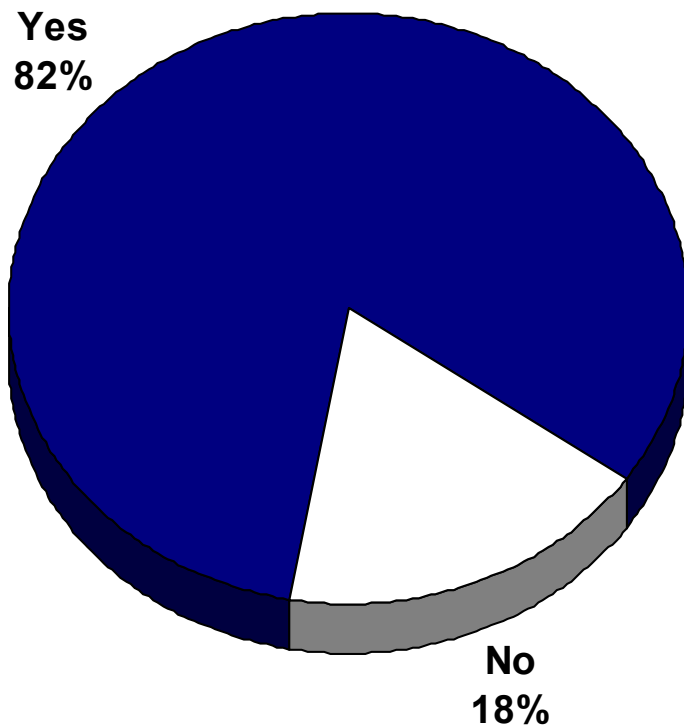
Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Workers Are Much More Likely to Save Through a Retirement Plan at Work Than an IRA

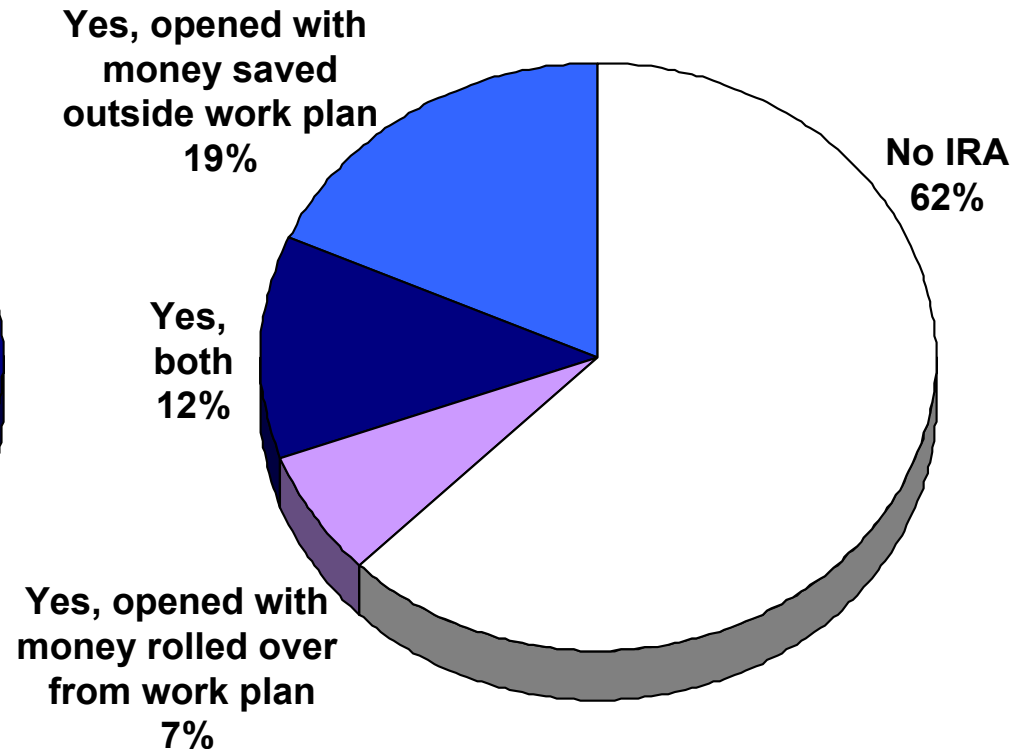
Do you contribute money to the [employer-sponsored retirement savings] plan? (Employed workers offered an employer-sponsored retirement savings plan, n=549)

Do you (and/or your spouse) currently have an IRA that you (opened with money rolled over from an employer's retirement plan/opened with money saved outside of an employer's retirement plan)? (Workers n=1,001)

Participate in Employer-Sponsored Retirement Plan



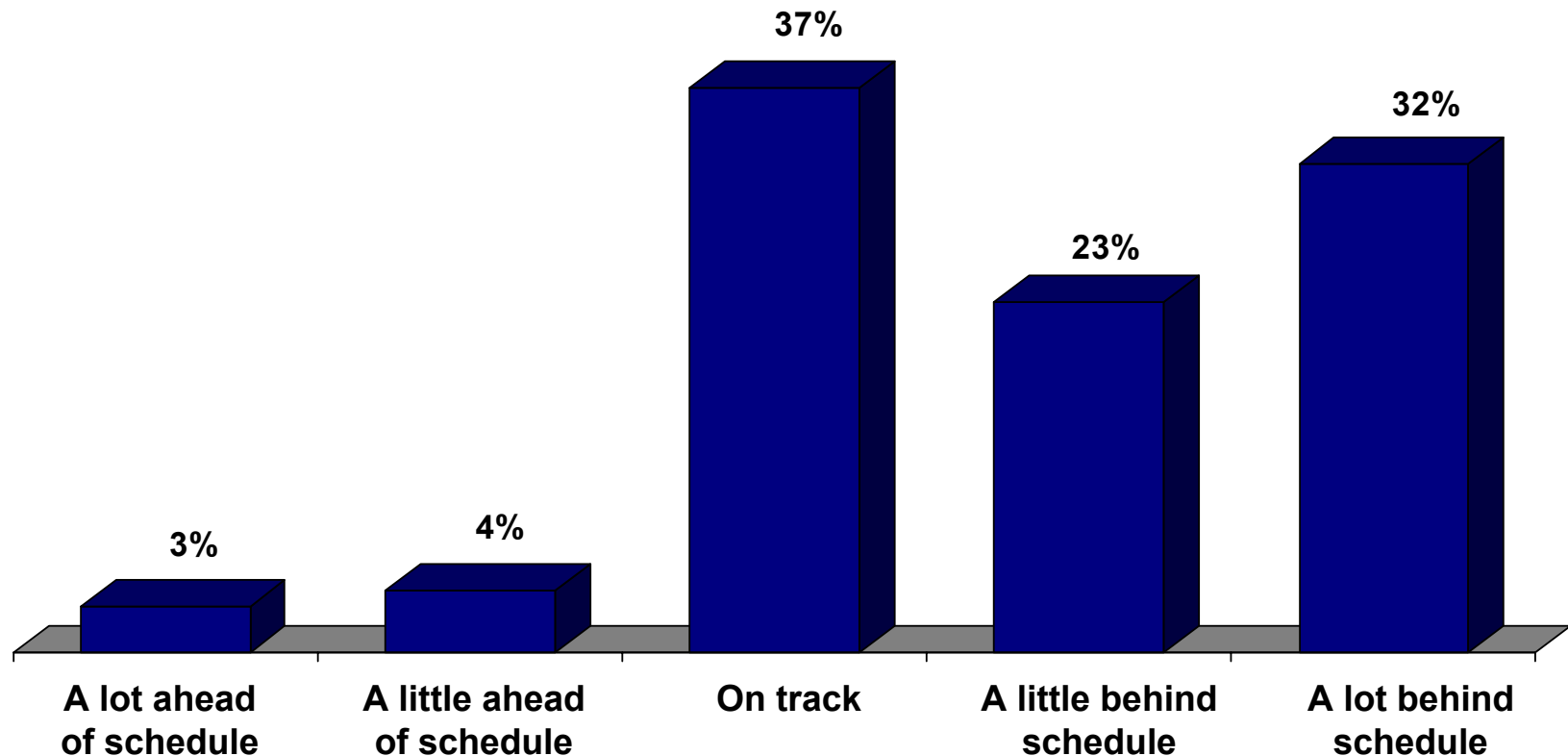
Have IRA



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

More Than Half of Workers Feel They Are Behind Schedule in Planning and Saving for Retirement

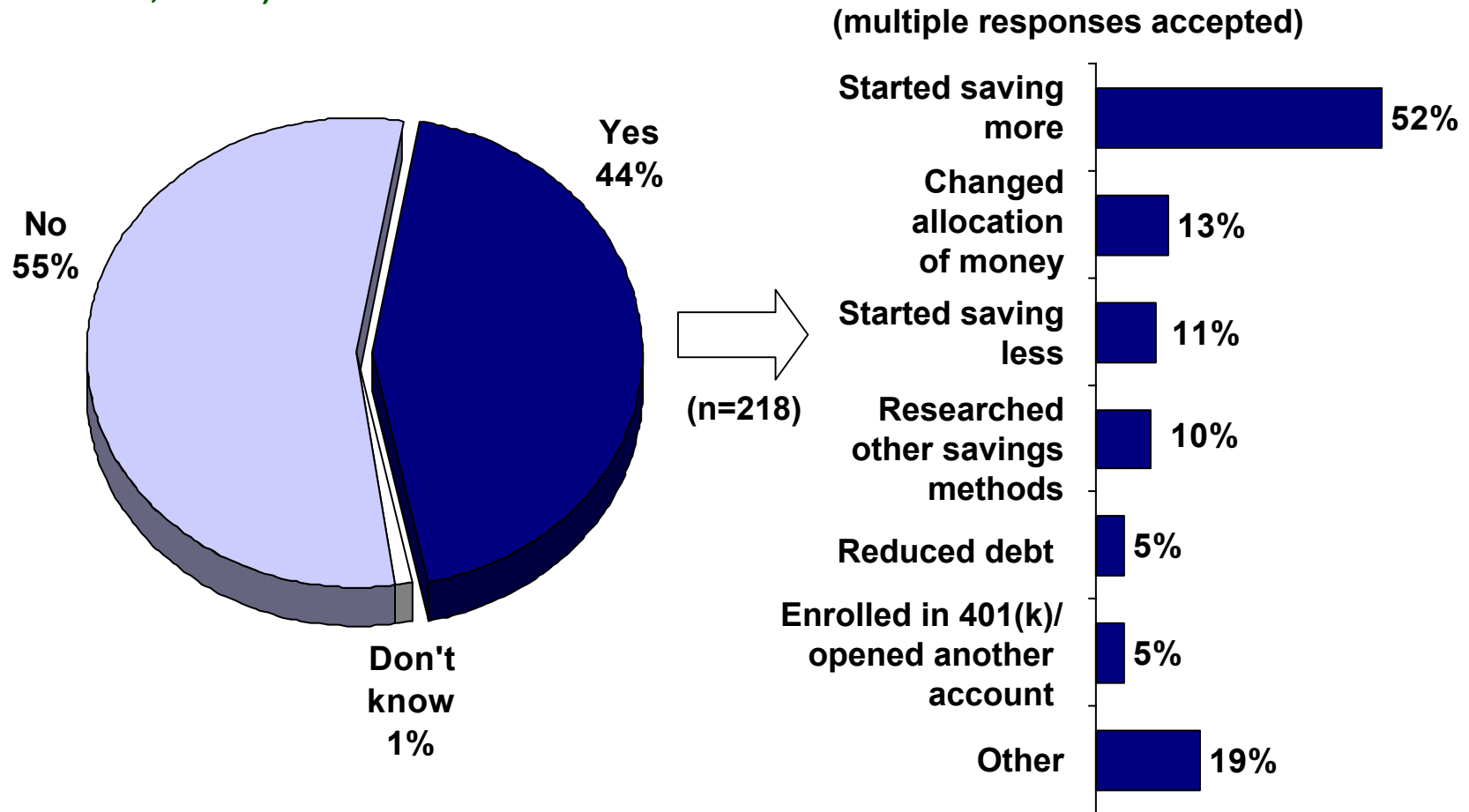
When it comes to planning and saving for retirement, would you say you are on track, ahead of schedule, or behind schedule? (Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Working Through a Savings Calculation Can Affect Savings Behavior

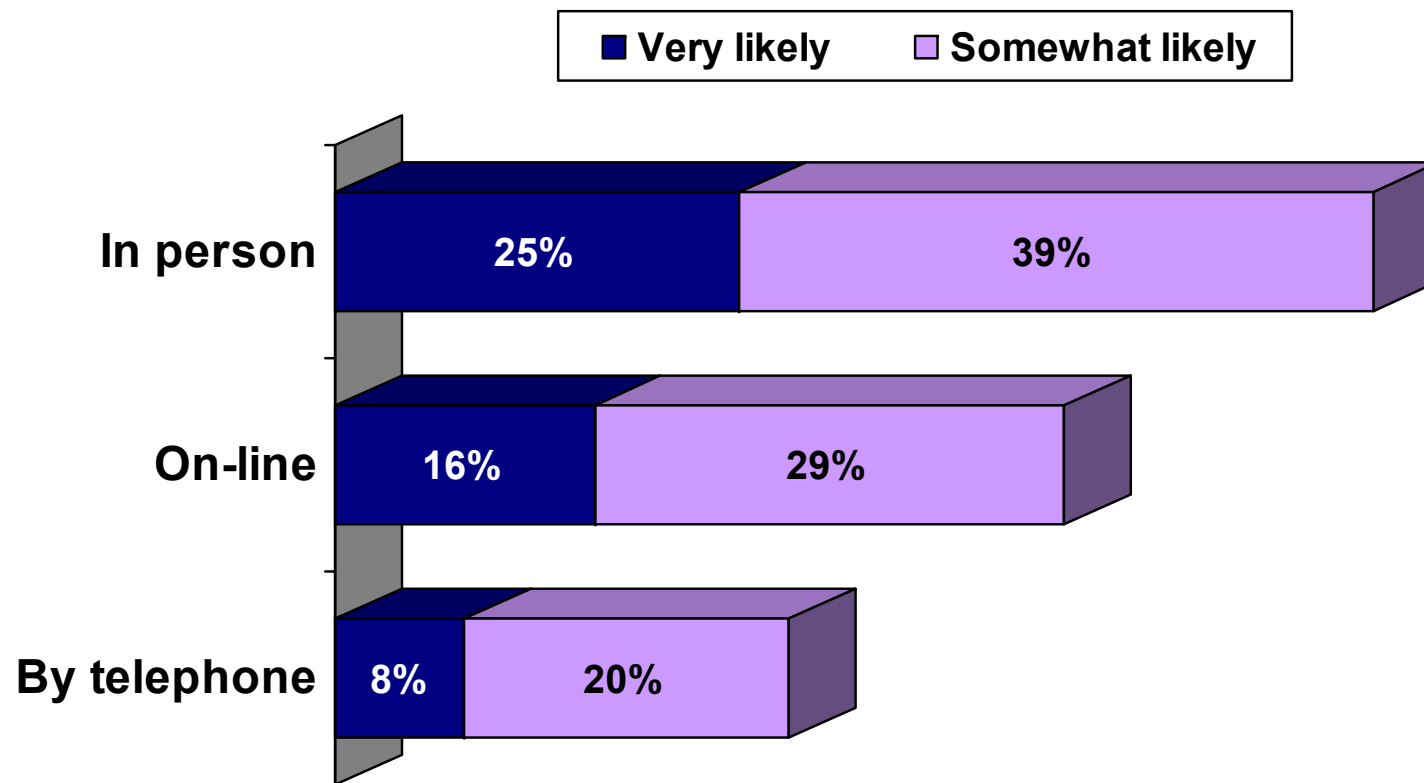
Did you (and/or your spouse) make any changes in your retirement planning as a result of trying to figure out the amount you will need to have saved by the time you retire? If yes, what changes did you (and/or your spouse) make? (Workers trying to do a retirement needs calculation, n=469)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

2 in 3 Workers Not Offered Advice Say They Would Be Likely to Use It If Offered in Person

If an employer offered you access to this type of professional investment advice, how likely do you think you would be to take advantage of it if the advice was available . . . ? (Workers without employer-provided investment advice, n=753)

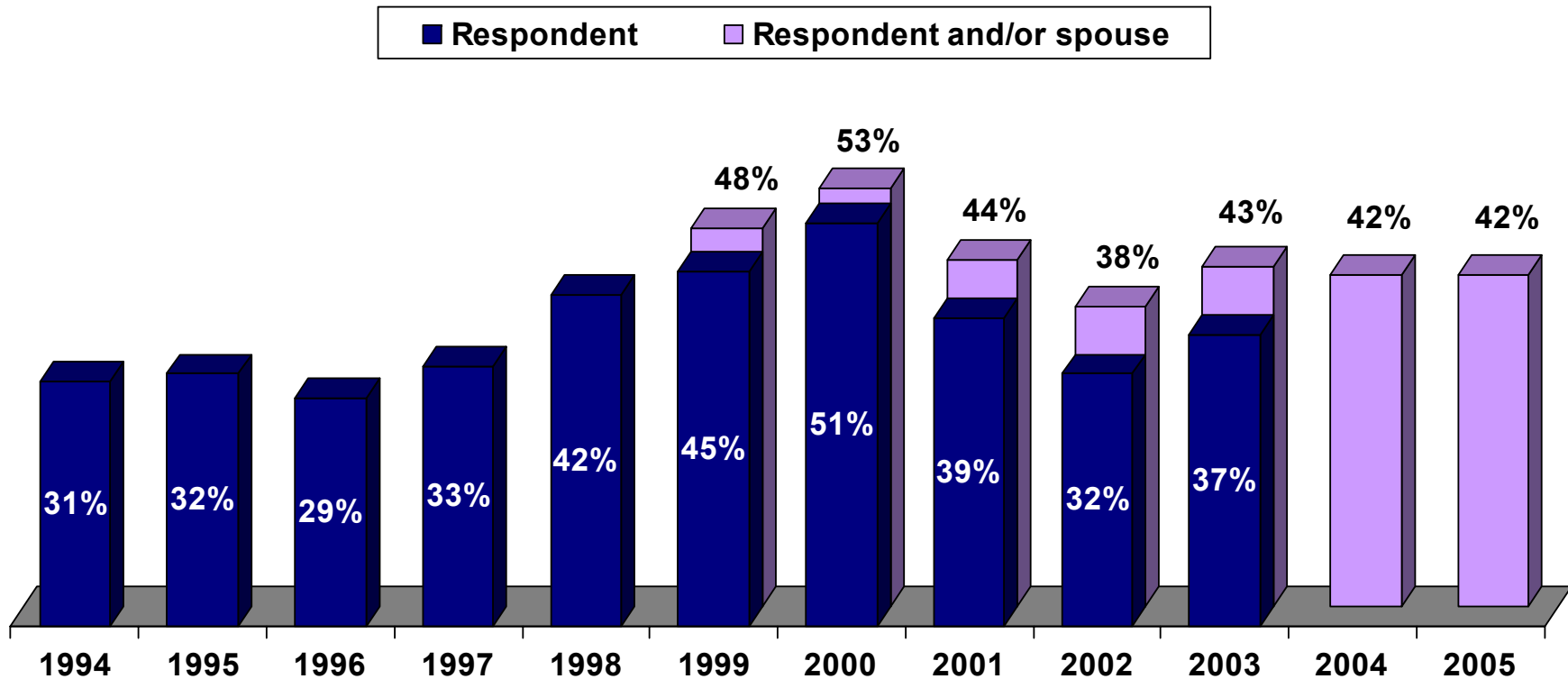


Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

The RCS Suggests Potential Responses to the Retirement Savings Problem

Only 2 in 5 Workers Have Attempted to do a Retirement Savings Needs Calculation...

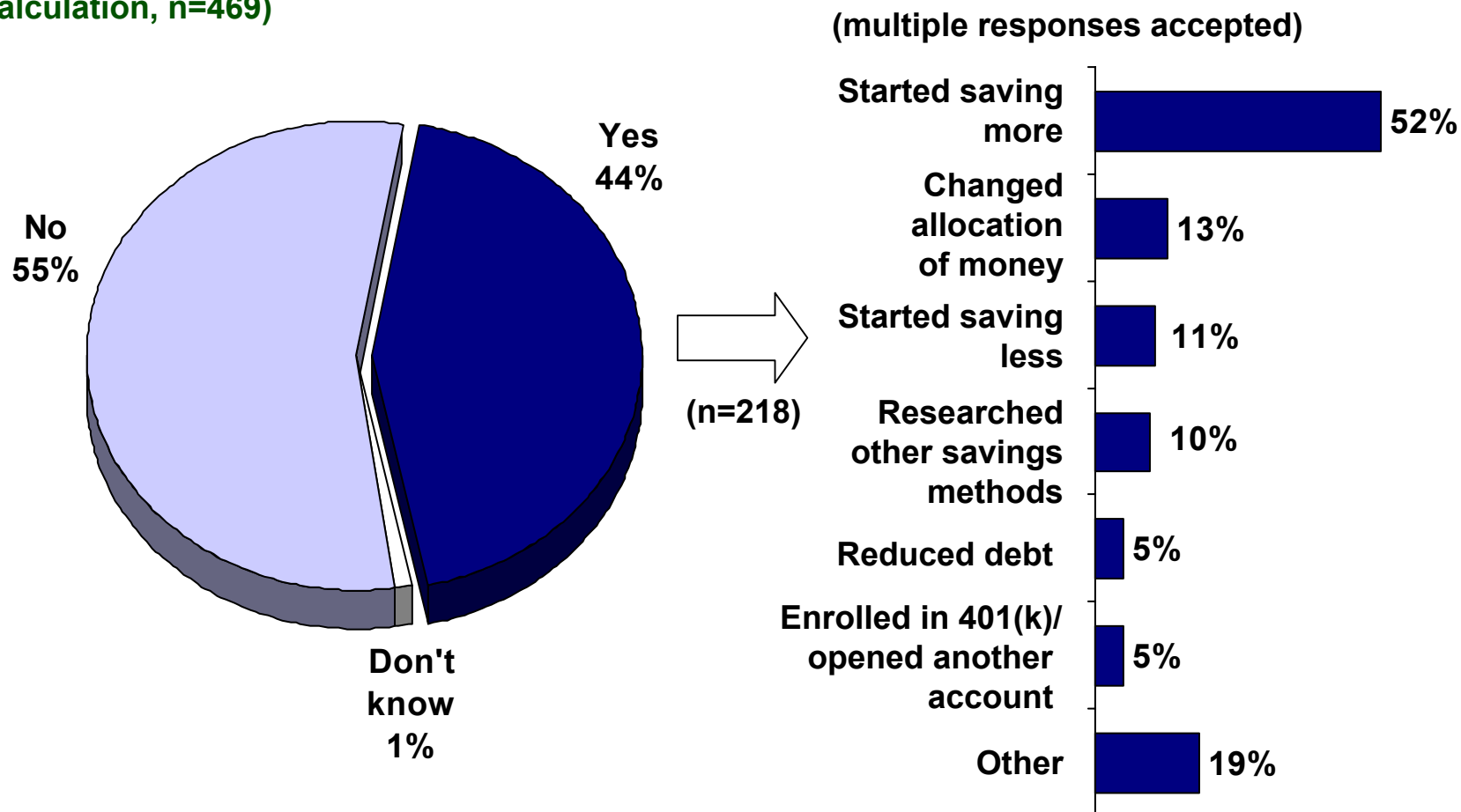
Have you (and/or your spouse) tried to figure out how much money you will need to have saved by the time you retire so that you can live comfortably in retirement? (2005 Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1994-2005 Retirement Confidence Surveys

...But Working Through a Savings Calculation Can Be Effective in Changing Savings Behavior

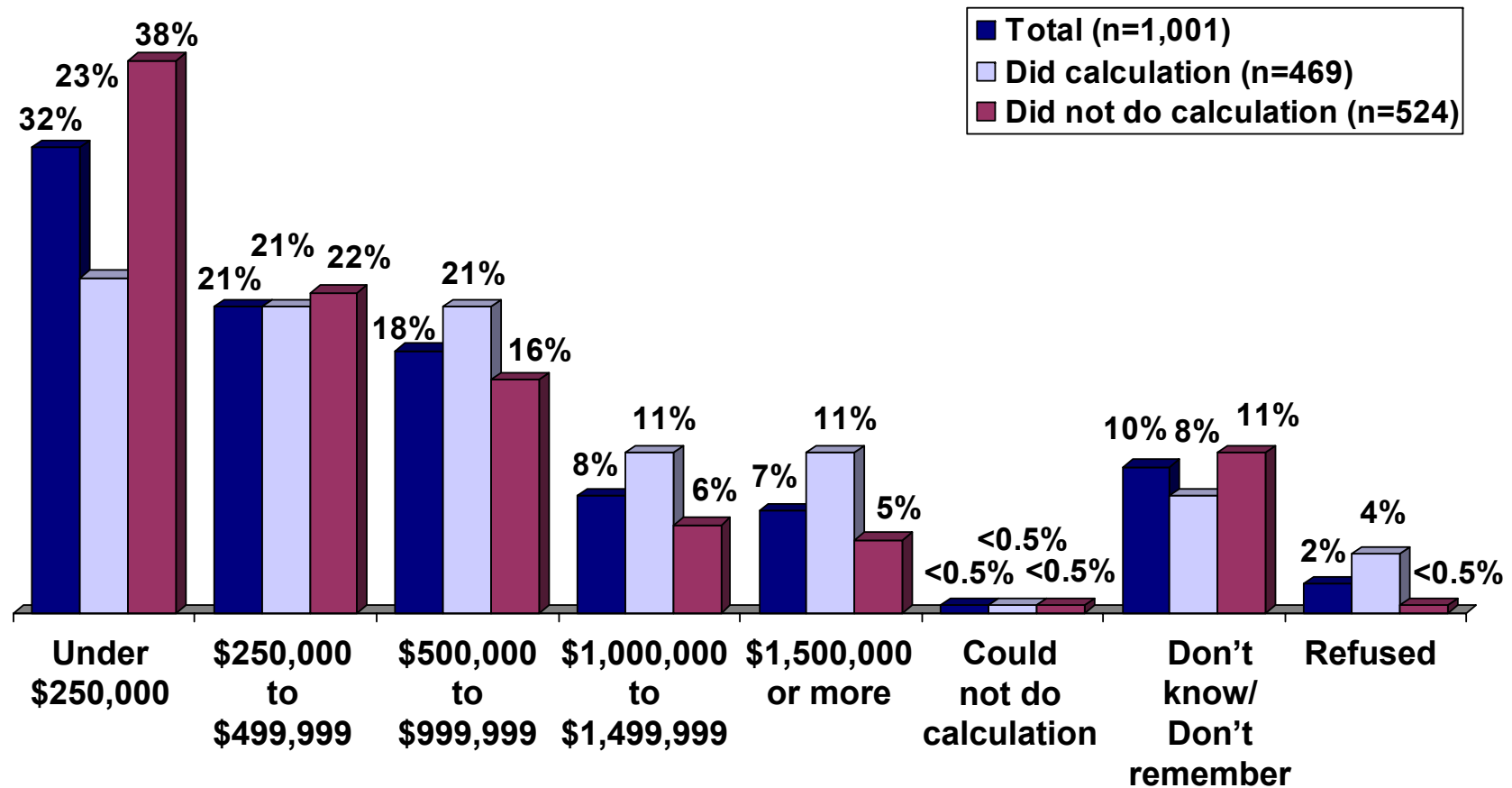
Did you (and/or your spouse) make any changes in your retirement planning as a result of trying to figure out the amount you will need to have saved by the time you retire? If yes, what changes did you (and/or your spouse) make? (Workers trying to do a retirement needs calculation, n=469)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Workers Calculating the Amount Needed for Retirement Report Higher Accumulation Needs

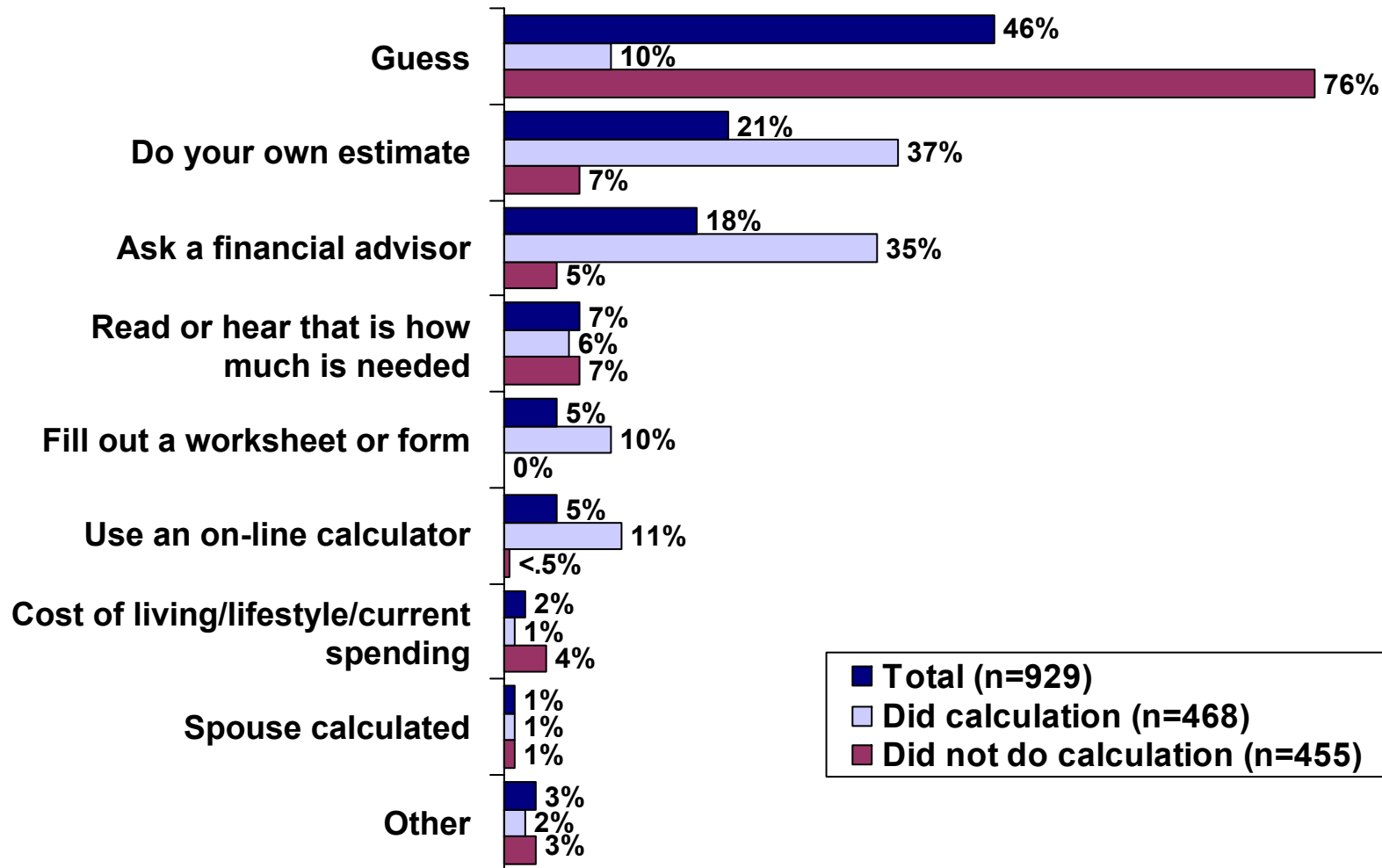
How much did you (or your spouse) calculate you would need to accumulate in total by the time you retire?/How much do you think you (and your spouse) will need to accumulate by the time you retire so that you can live comfortably in retirement? (Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Almost Half of Workers Guess the Amount They Need to Save for Retirement

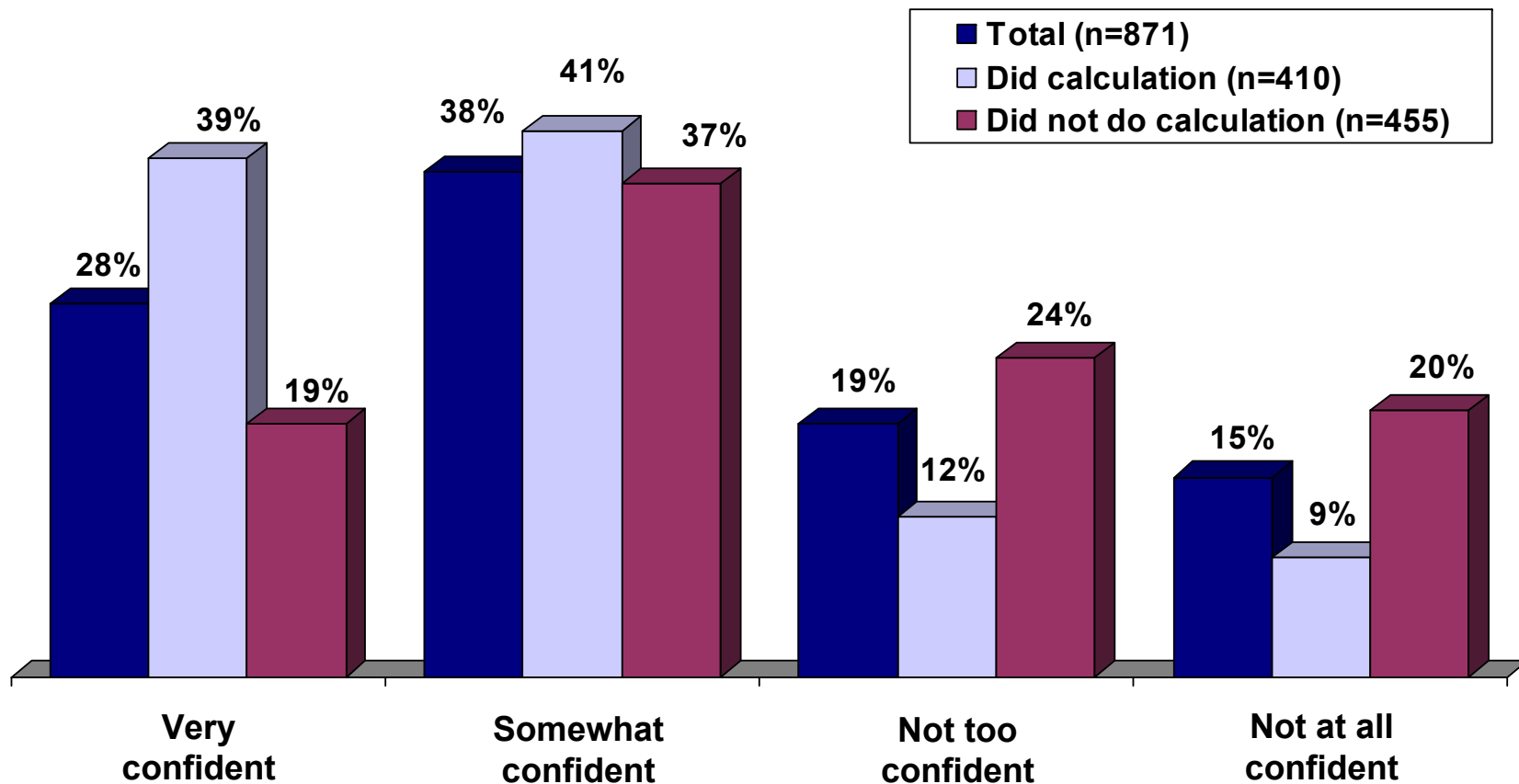
How did you (or your spouse) determine this amount? (Workers attempting calculation and/or reporting amount needed for retirement, n=929) (multiple responses accepted)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Those Calculating a Specific Goal are Also More Confident They Will be Able to Save That Amount

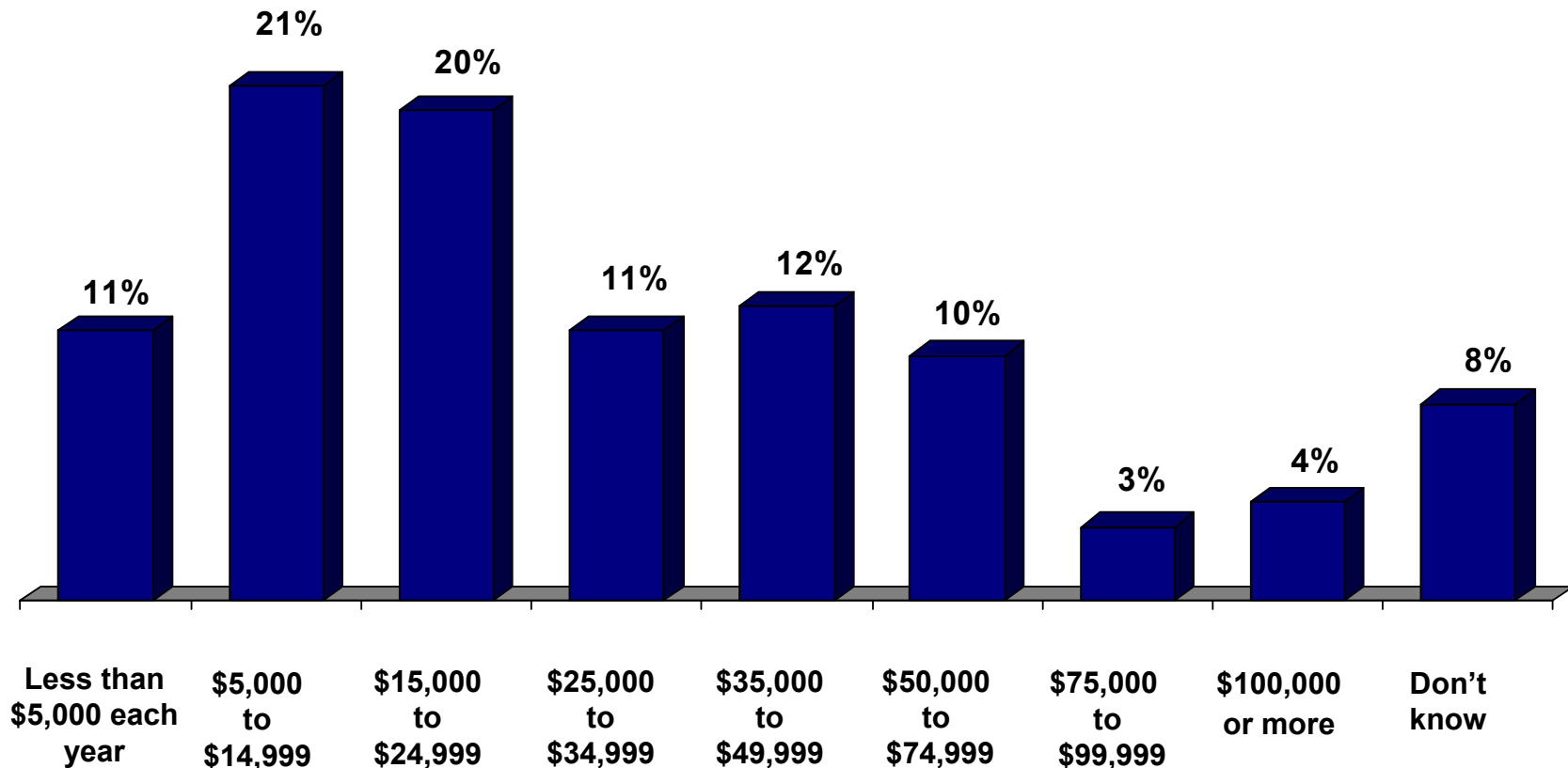
How confident are you that you (and your spouse) will be able to accumulate this amount by the time you retire? (Workers reporting amount needed for retirement, n=871)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Some Workers May Overestimate How Much Income Their Nest Egg Will Generate

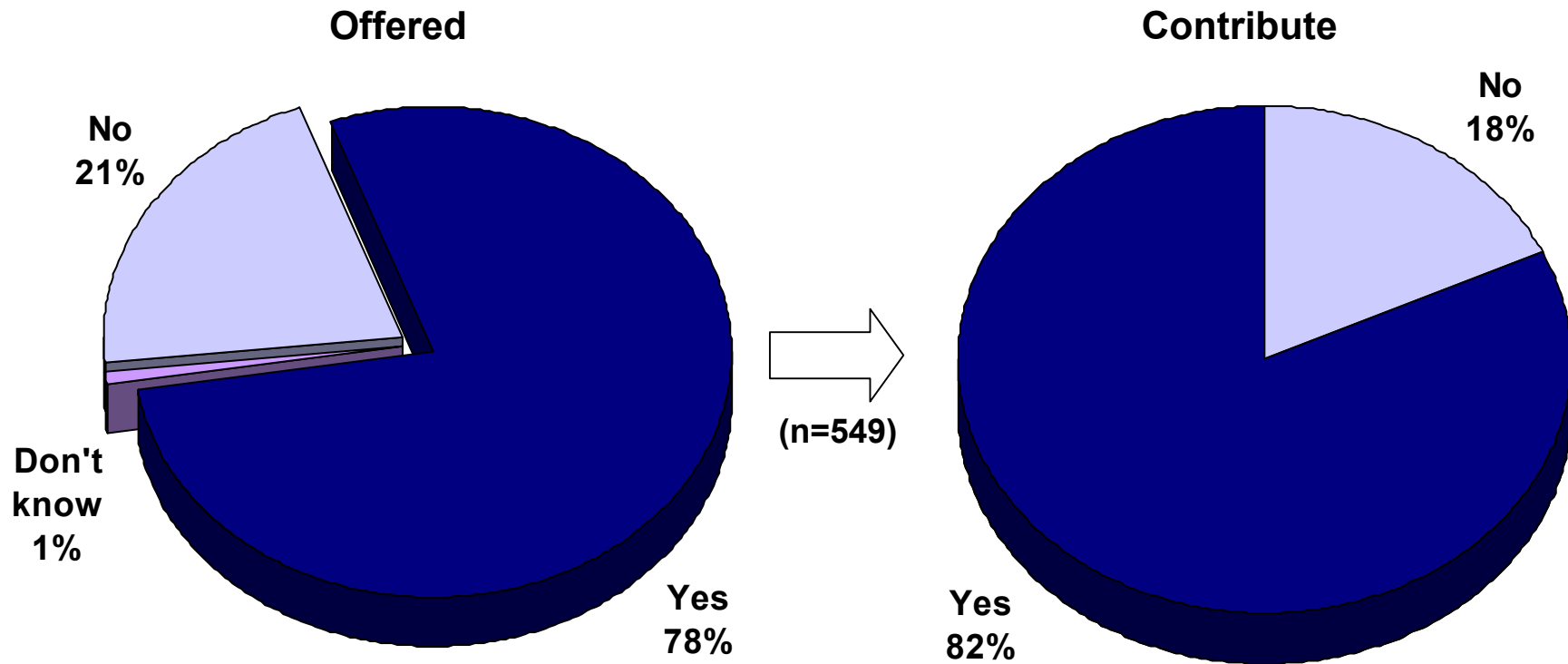
How much income do you think you will be able to get from this nest egg each year in retirement without running out of money? (Workers reporting amount needed for retirement, n=871)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

8 in 10 of Those Offered a Retirement Savings Plan at Work Say They Participate

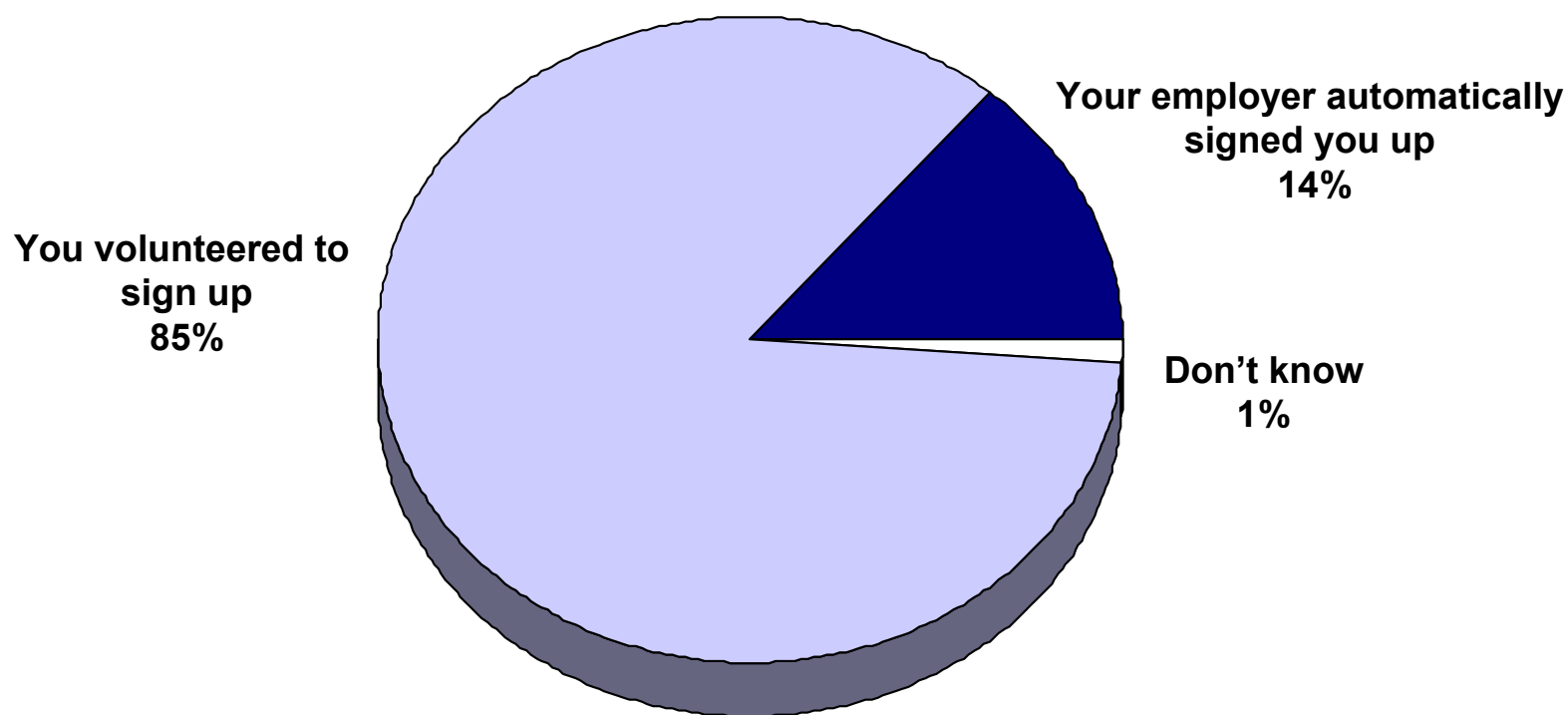
Does your current employer offer you a retirement savings plan that allows you to make contributions from your salary to an individual account set up in your name, such as a 401(k), 403(b), or 457 plan? If yes, do you contribute to the plan? (Workers employed full or part time, n=683)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

The Large Majority of Participants Volunteered to Sign Up for Their Employer's Retirement Plan

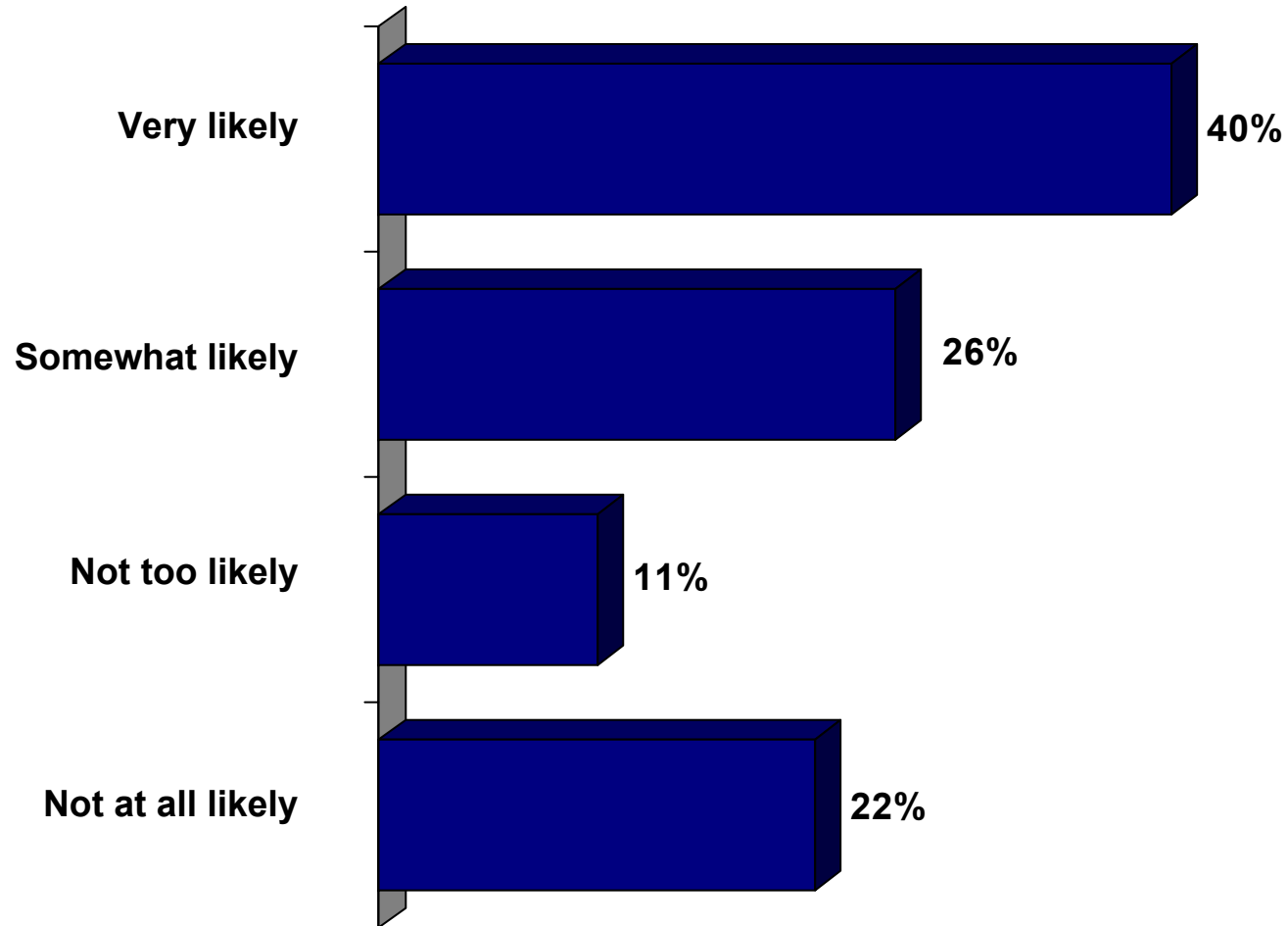
When you were enrolled in your employer's retirement plan, did your employer automatically sign you up, allowing you to discontinue participation, or did you volunteer to sign up? (Workers participating in a workplace savings plan, n=461)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

2 in 3 Non-participating Workers Would be Likely to Stay in a Plan If Automatically Enrolled

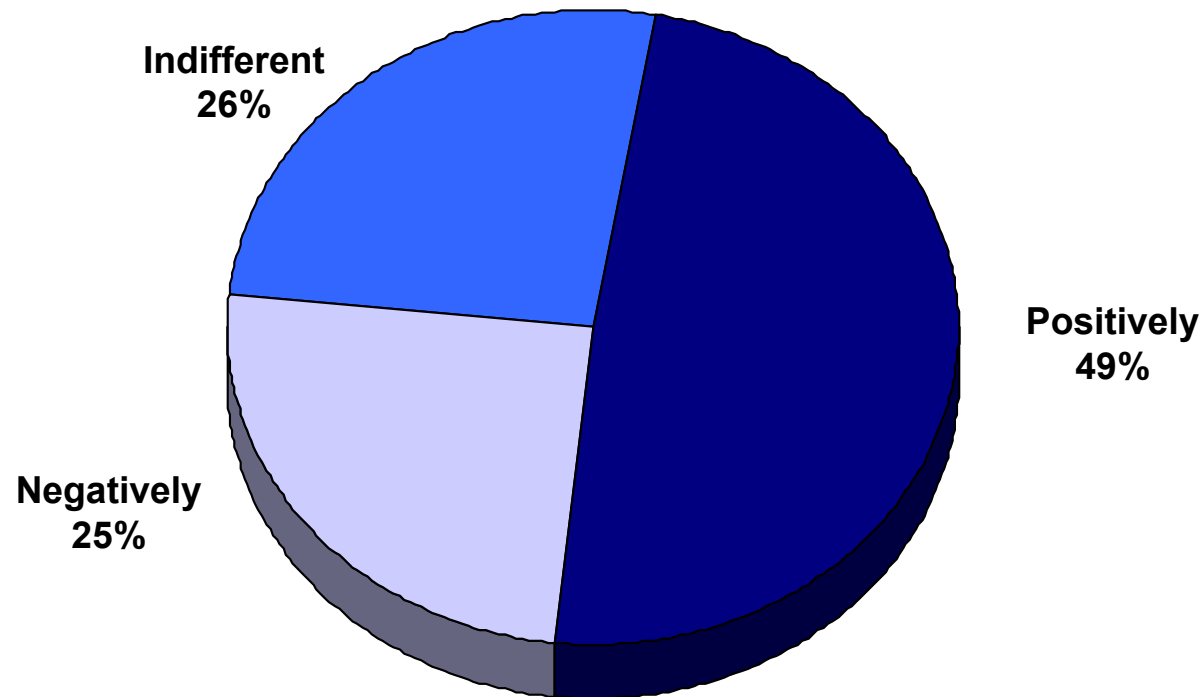
If your employer were to automatically enroll you in a plan now, how likely would you be to stay in the plan? (Workers not participating in their employer-sponsored retirement plan, n=88)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Half of Non-participants Feel Positively About Automatic Enrollment

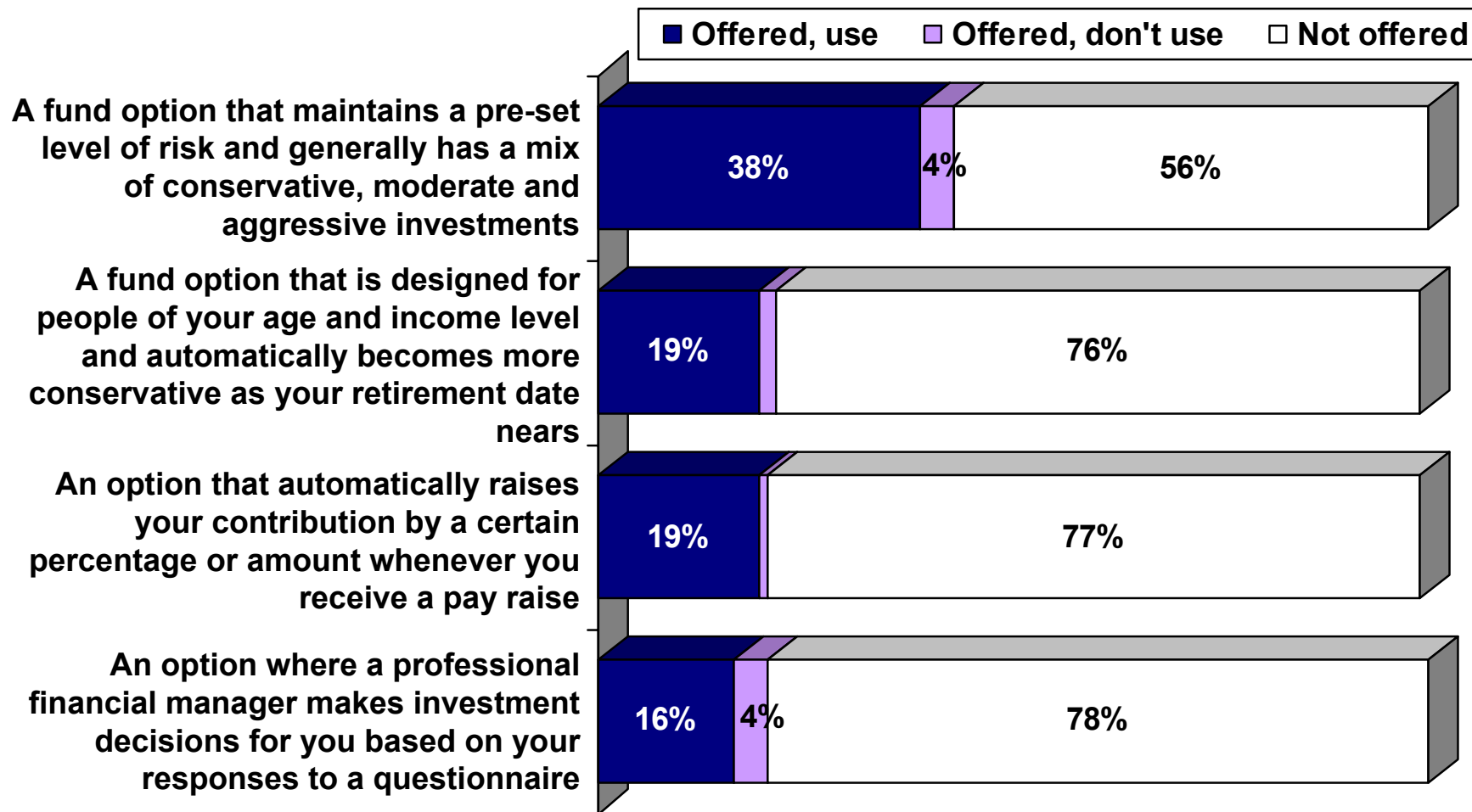
How do you feel about the idea of automatic enrollment, with the opportunity for employees to decline participation at any time? (Workers not participating in their employer-sponsored retirement plan, n=88)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

A Large Minority of Participants Have Lifestyle Funds Available as Part of Their Plans—and Use Them

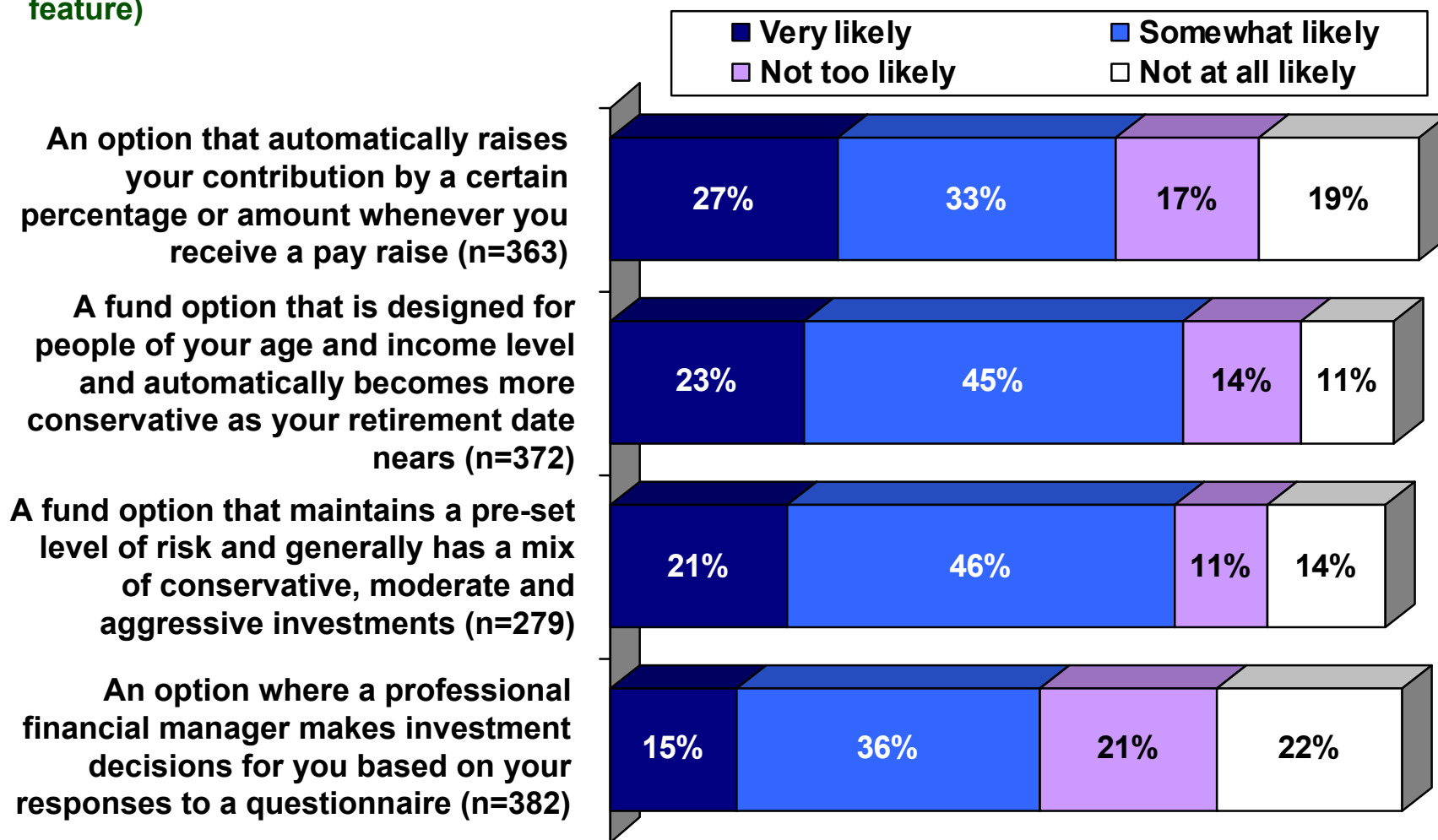
If this were part of your workplace savings plan, would you be very likely, somewhat, not too, or not at all likely to use it, or does your plan already have this feature? Do you participate in it? (Workers participating in a workplace savings plan, n=461)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Lifecycle and Lifestyle Funds May be More Popular Than Managed Funds

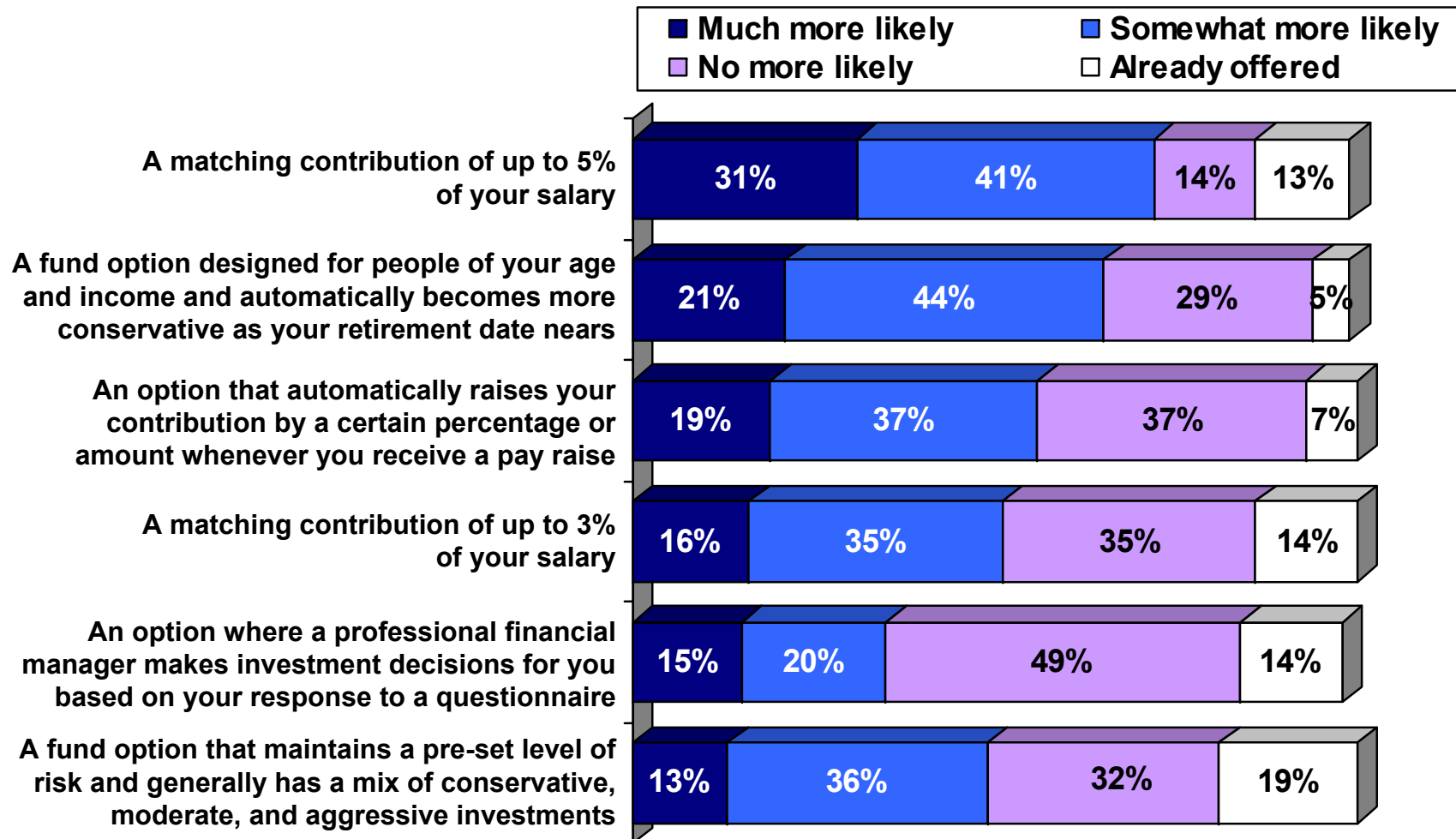
If this were part of your workplace savings plan, would you be very likely, somewhat, not too, or not at all likely to use it, or does your plan already have this feature? (Workers not offered each feature)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

7 in 10 Non-participating Workers Say They Would be More Likely to Contribute If There Were a 5% Match

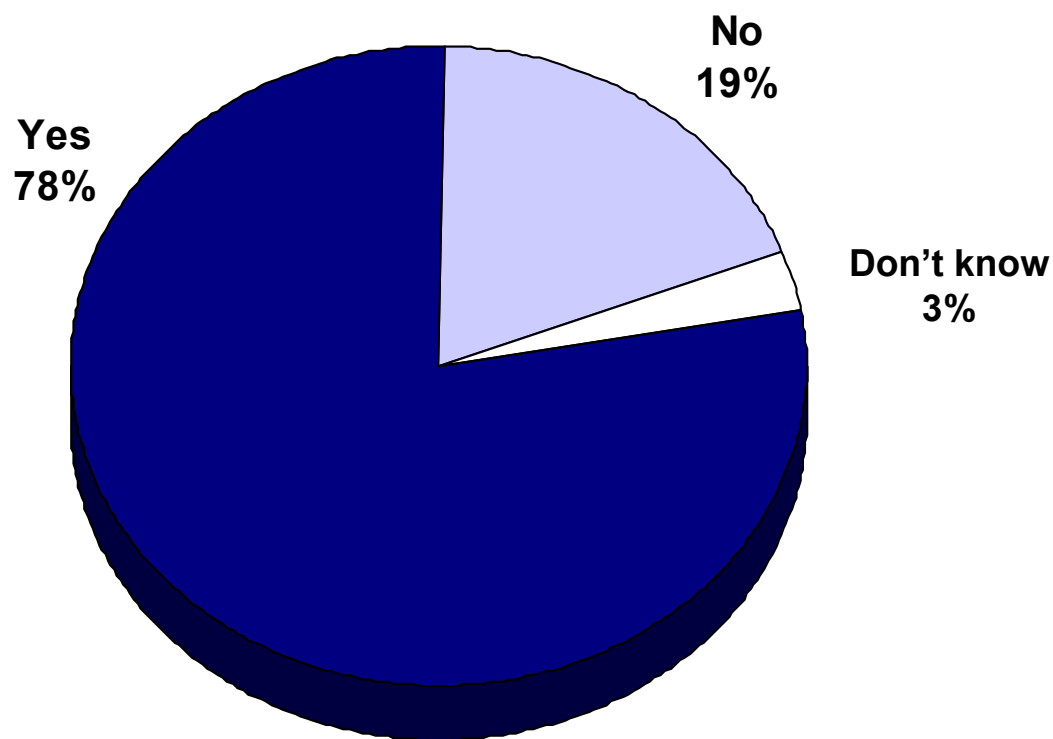
How much more likely to you think you would be to participate in your employer's retirement savings plan, if you employer offered you each of the following as part of the plan? (Workers not participating in their employer-sponsored retirement plan, n=88)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

More Than 3 in 4 Employers Currently Match Part or All of Worker Contributions to Retirement Savings Plans

Does your employer match part or all of worker contributions to the retirement savings plan?
(Workers offered a retirement savings plan, n=549)

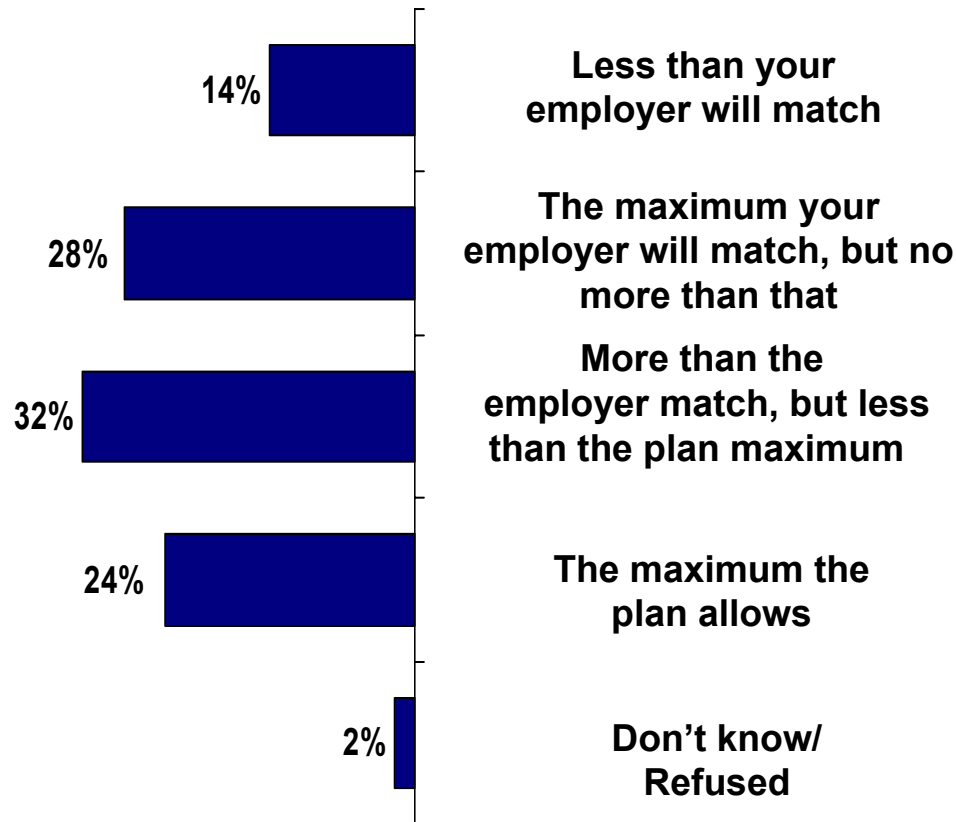


Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc.,
2005 Retirement Confidence Survey

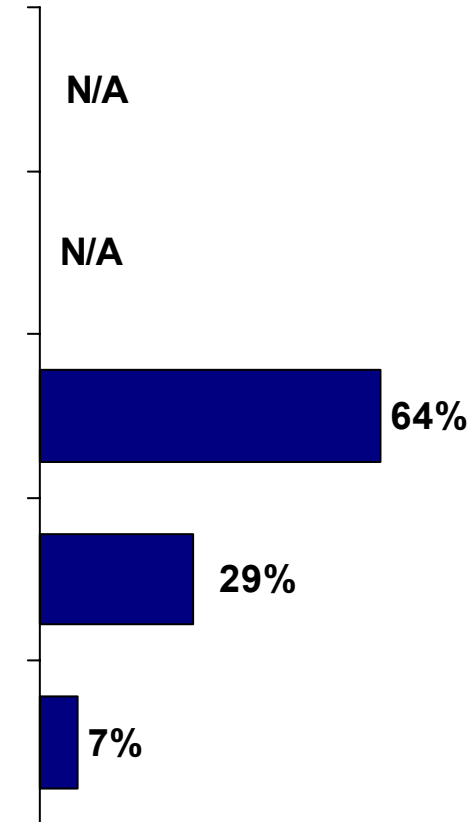
Most Participants Say They Contribute More Than Their Employer Will Match

Which one of the following comes closest to describing how much you contribute to the plan?
 (Workers whose employer matches contributions, n=366) Do you contribute less than the maximum your plan allows or the plan maximum (Workers whose employer does not match contributions, n=95)

Employer matches contribution



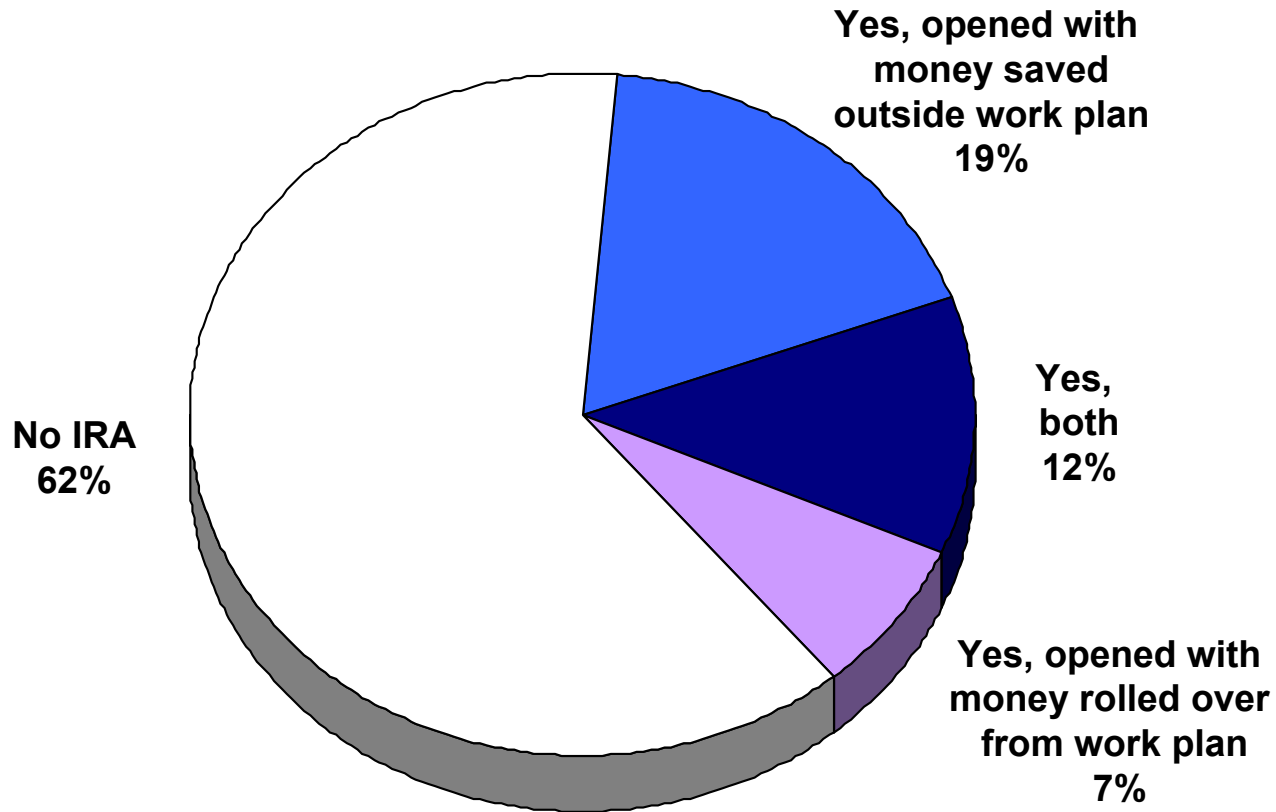
Employer does not match



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Less Than 4 in 10 Workers Have an IRA; Just 3 in 10 Have One Opened With Money Saved Outside a Work Plan

Do you (and/or your spouse) currently have an IRA that you (opened with money rolled over from an employer's retirement plan/opened with money saved outside of an employer's retirement plan)? (Workers n=1.001)

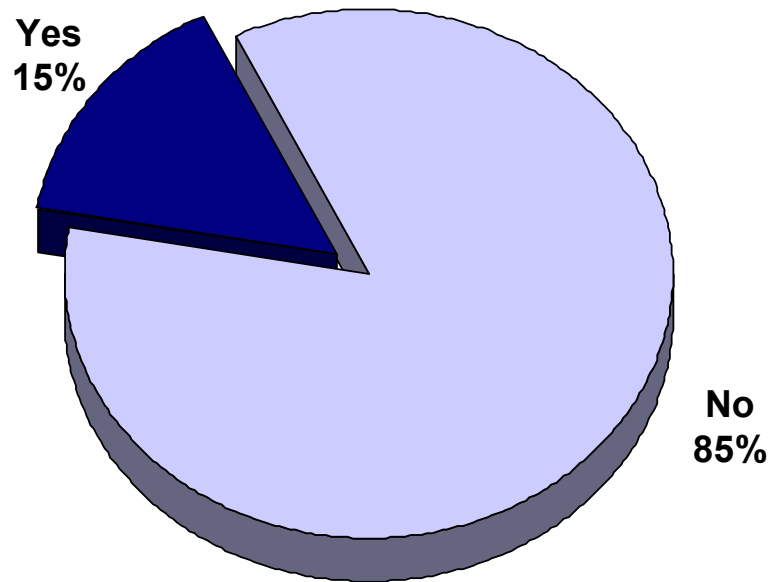


Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Very Few Workers Participate in Automatic Savings Arrangements Outside of Work, but Most Know of Them

Are you currently saving for retirement outside of work using an automatic arrangement like this? (Workers n=1,001) Before today, were you aware that you could save automatically for retirement in this way? (Workers not using an automatic savings plan, n=822)

Currently Saving Outside of Work Using Automatic Savings Plan



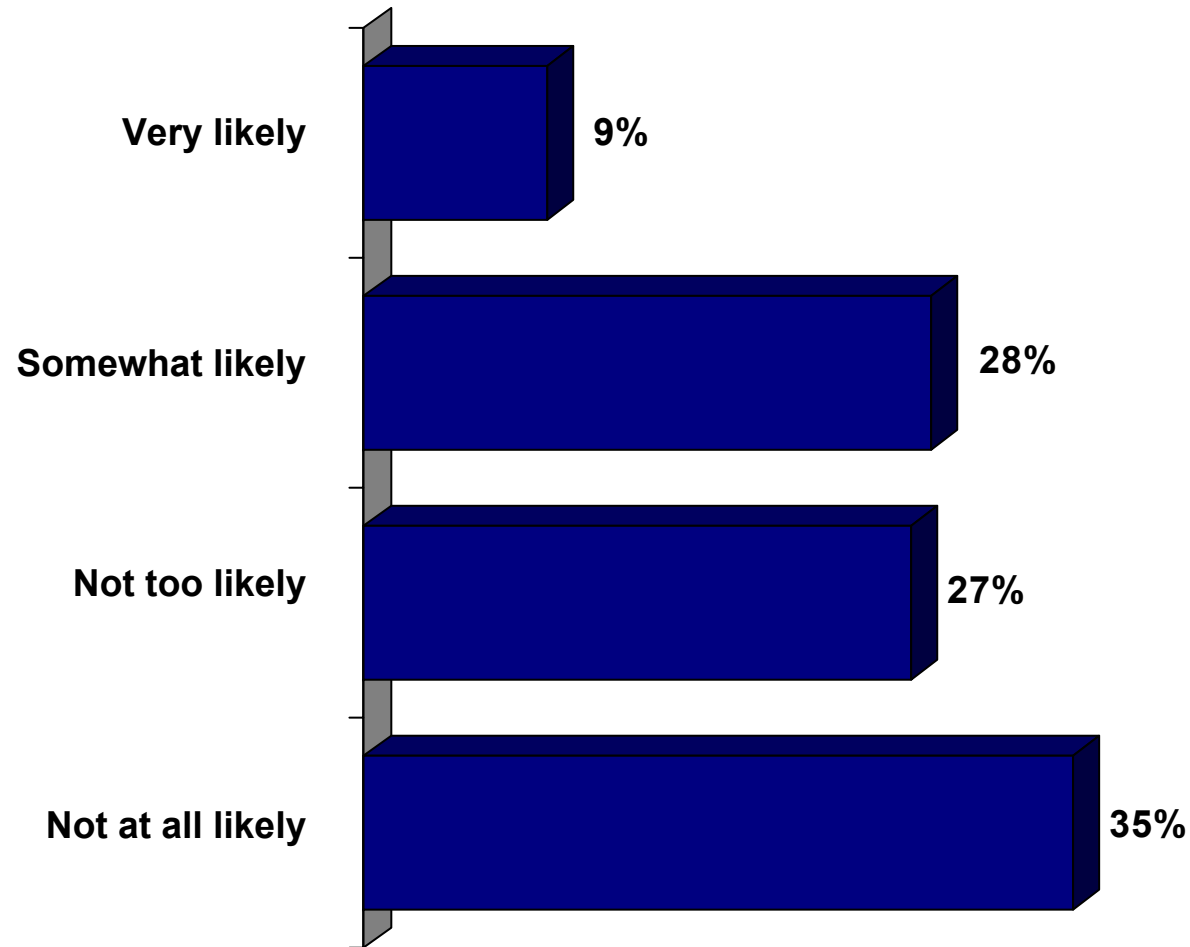
→
(n=822)

Aware Could Save Automatically Outside of Work



Most Not Using This Type of Plan Would be Unlikely to Have Money Automatically Withdrawn From Their Bank Account

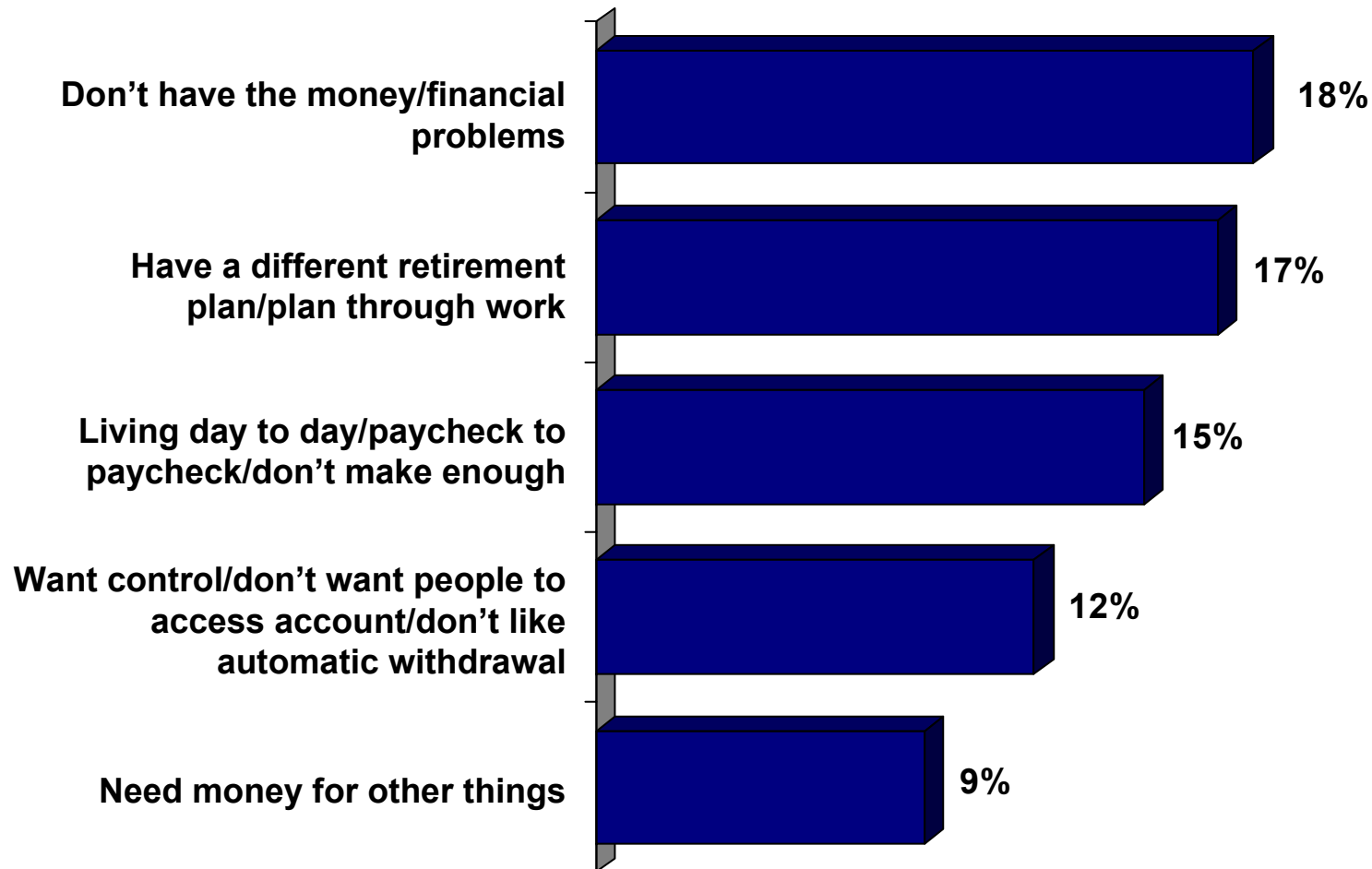
Given your current financial situation, how likely do you think you would be to save for retirement outside of work by participating in an automatic plan such as I just described? (Workers not using an automatic savings plan, n=822)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Many Cite Financial Problems or Wanting Control for Not Participating

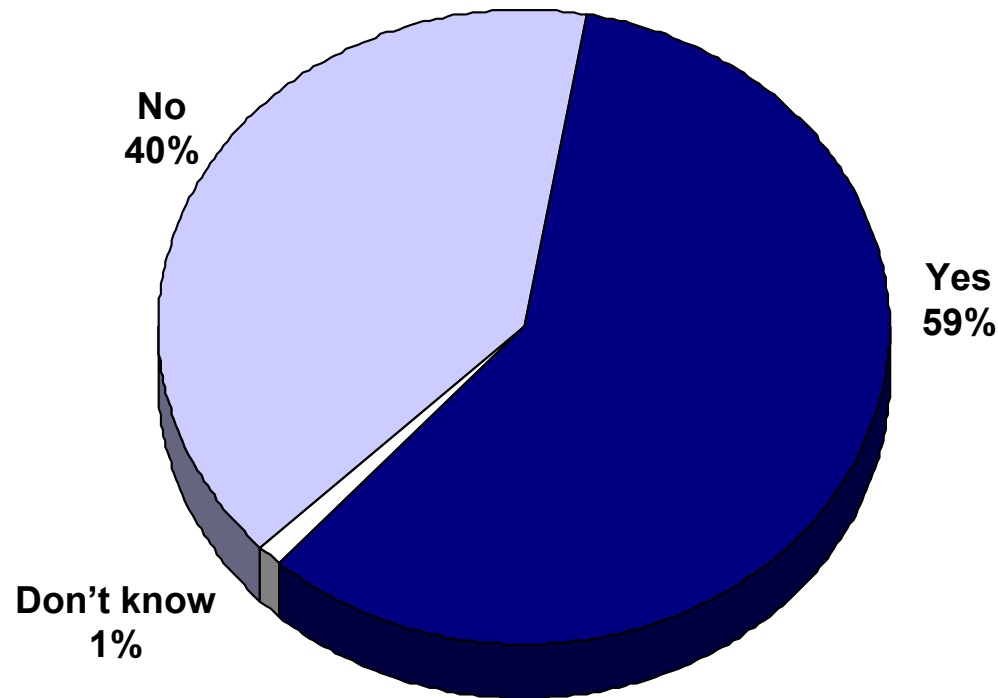
Why do you say that? (Workers not likely to participate in an automatic savings plan, n=526)
(Top mentions, multiple responses accepted)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc.,
2005 Retirement Confidence Survey

6 in 10 Workers Say They Are Aware of the Special Tax Credit for Money Put Into an IRA or 401(k)

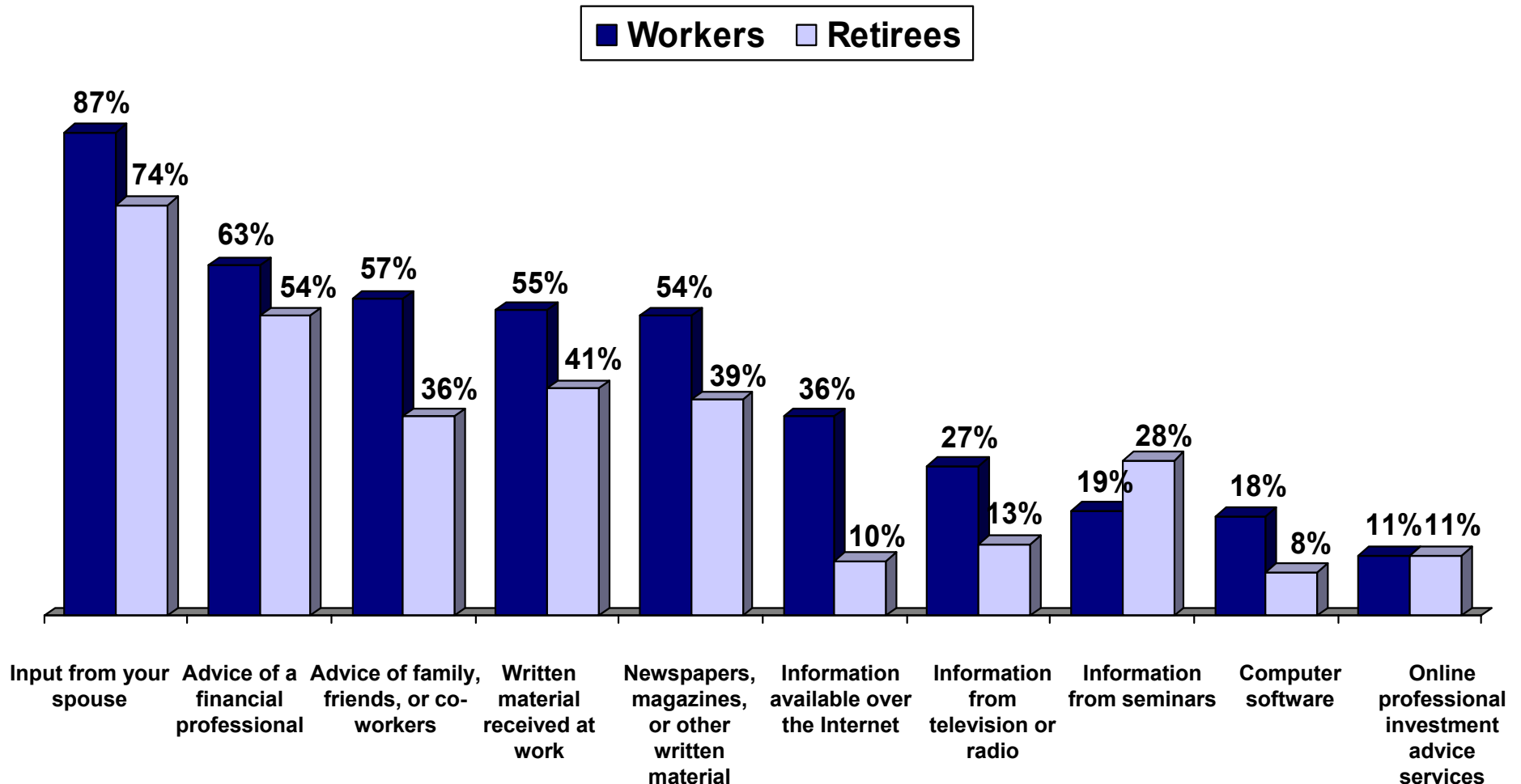
Today, most people are able to get a tax deduction for money they put into an IRA, 401(k), or similar plan. Some moderate and lower income individuals are also able to get a special tax credit for such contributions. This means that the amount they pay in income tax is reduced based on the amount of money they contribute each year to these plans. Before today, were you aware of this special tax credit? (Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Some Often-used Sources of Financial Advice May Provide Little Real Help

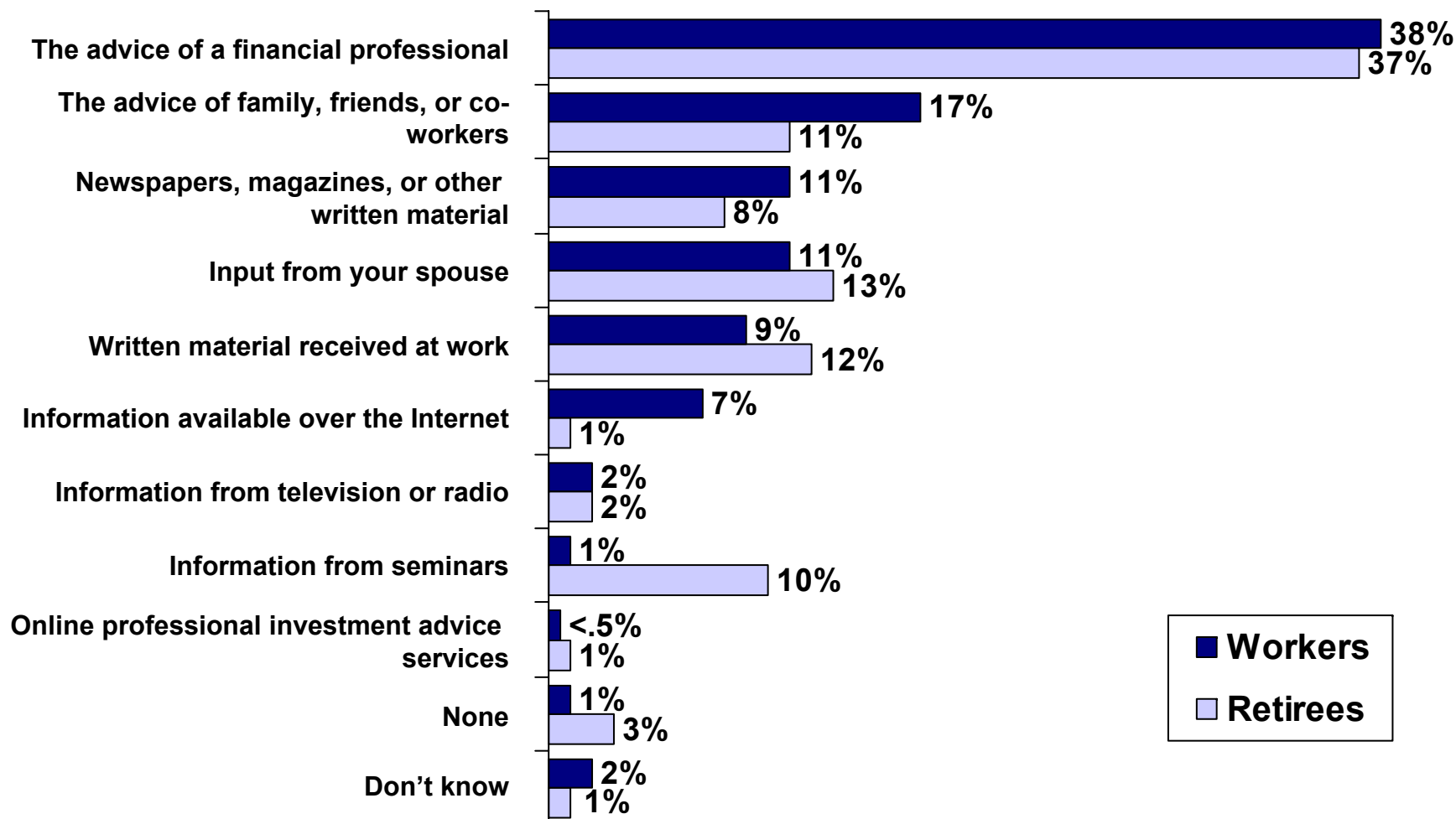
When you (or your spouse) (are/were) making your retirement savings and investment decisions, (do/did) you use...? (Workers saved for retirement, n=365; Retirees saved for retirement, n=184)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Savers Most Often Find the Advice of a Financial Professional Helpful

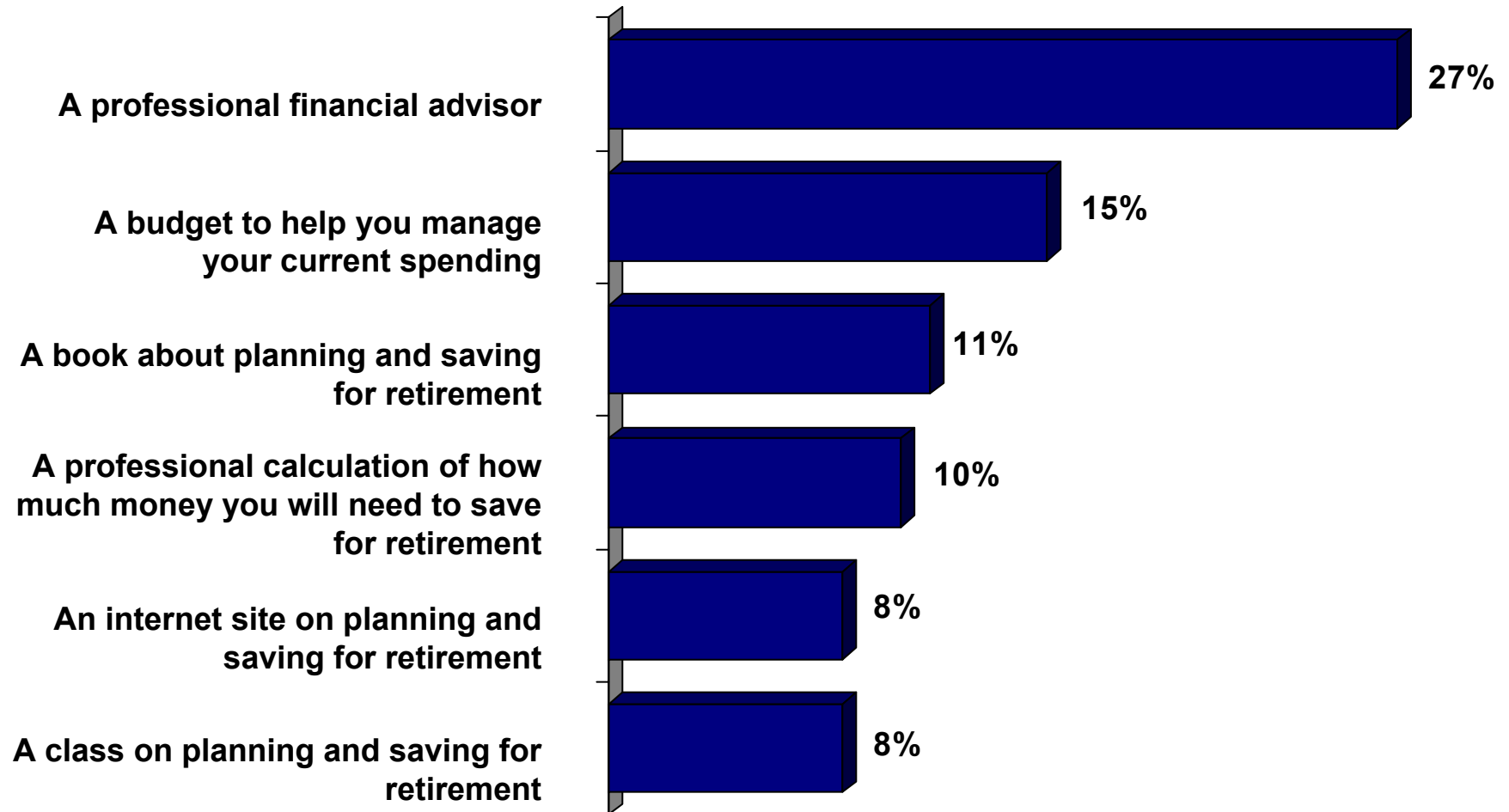
Which (is/was) most helpful to you? (Workers saved for retirement, n=356; Retirees saved for retirement, n=172)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

1 in 4 Workers Say a Financial Advisor Would be the Most Useful in Helping Them Save for Retirement

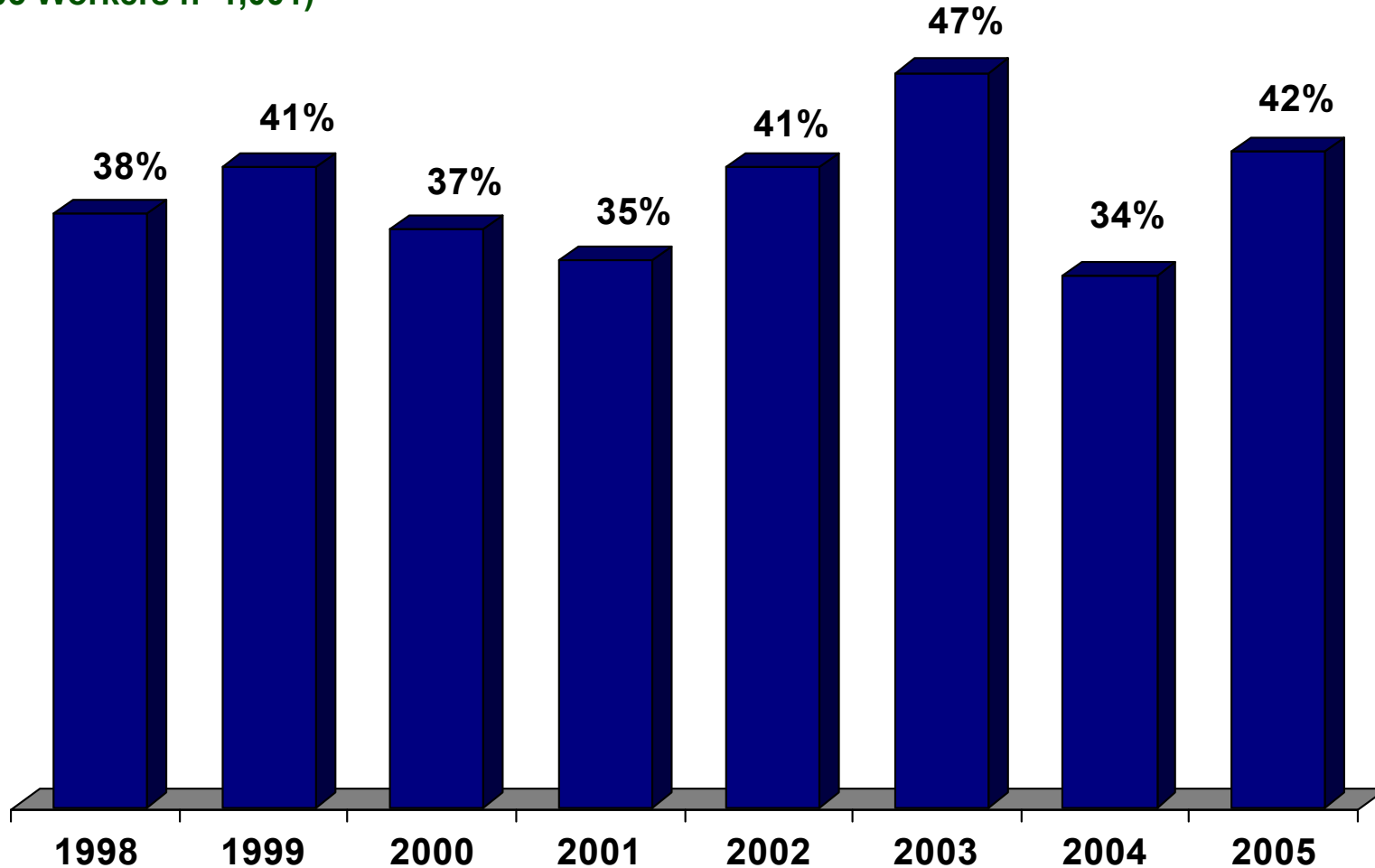
All things considered, which one of the following do you think would be the most useful in helping you save for retirement? (Workers n=1,001) (Top mentions)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

4 in 10 Workers Report Receiving Retirement Educational Materials Through an Employer in the Past 12 Months

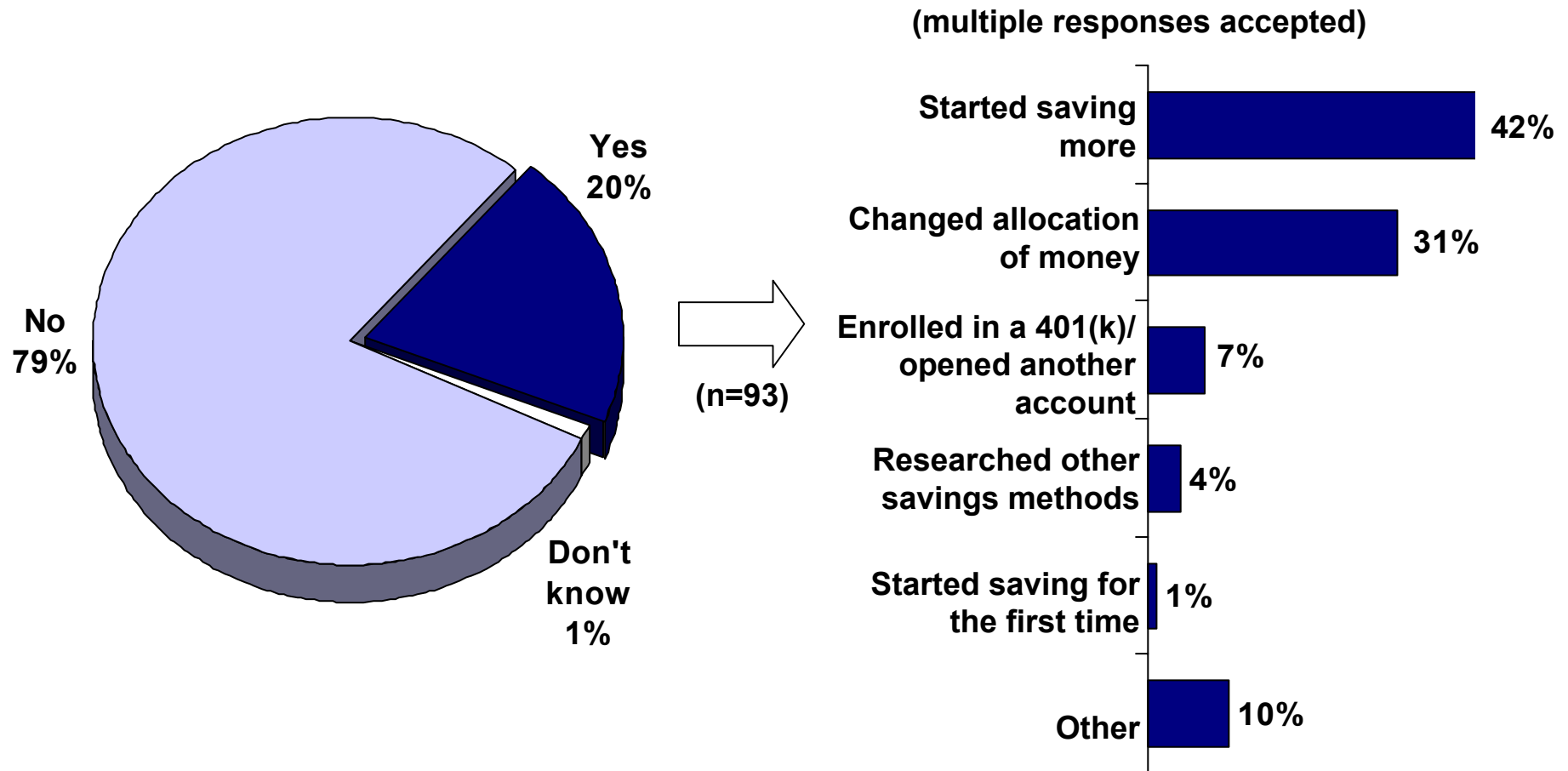
In the past 12 months, has an employer or work-related retirement plan provider given you educational material, information, or seminars about retirement planning and savings?
(2005 Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1998-2005 Retirement Confidence Surveys

Educational Material From an Employer May Lead to a Change in Savings Behavior or Allocation Strategy

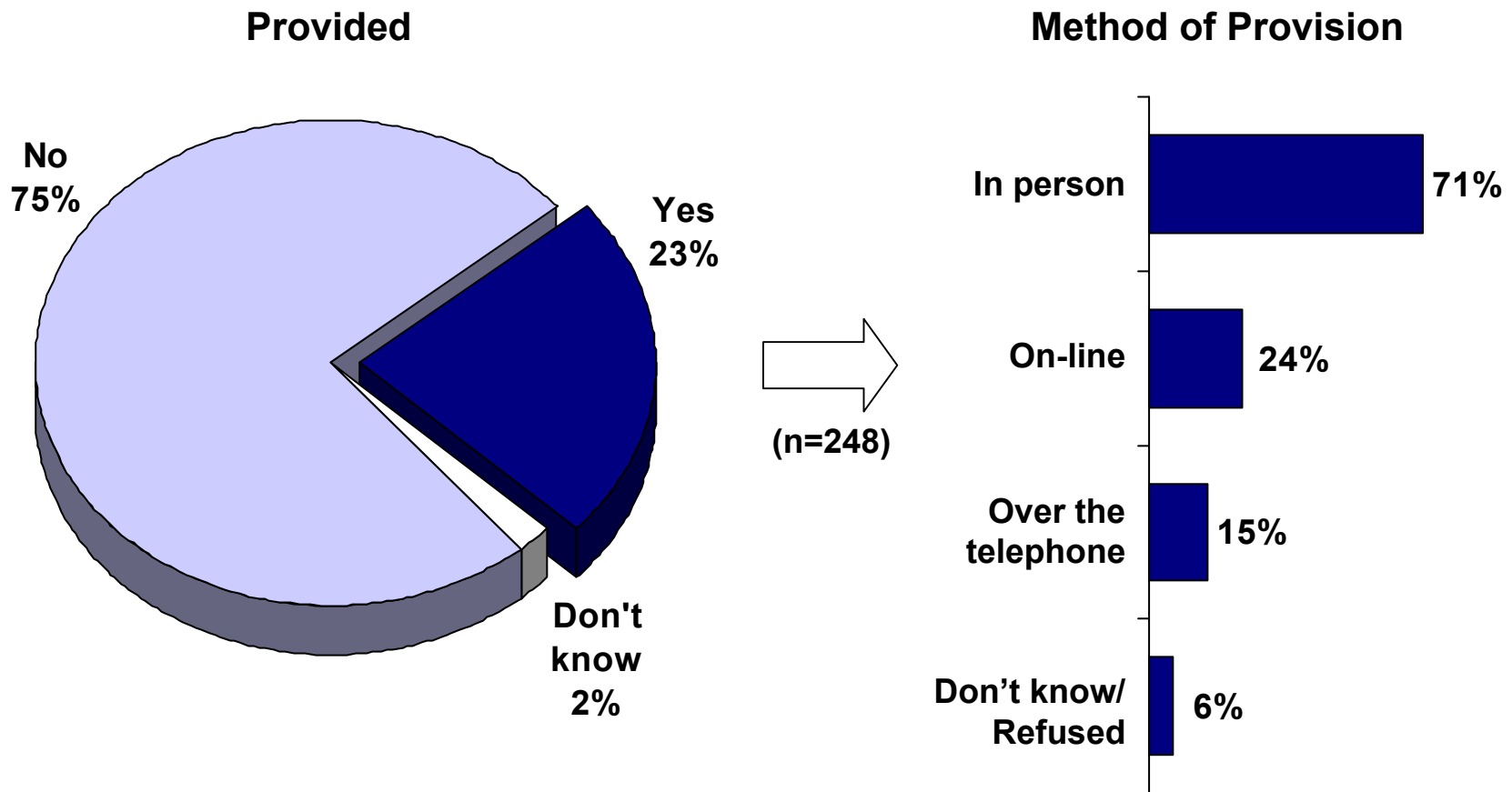
Did you (and your spouse) make any changes in your retirement planning as a result of the material you received from your employer? If yes, what changes did you make? (Workers receiving educational material, information, or seminars, n=446)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

1 in 4 Workers Report Having Employer-provided Access to Investment Advice for Retirement Purposes

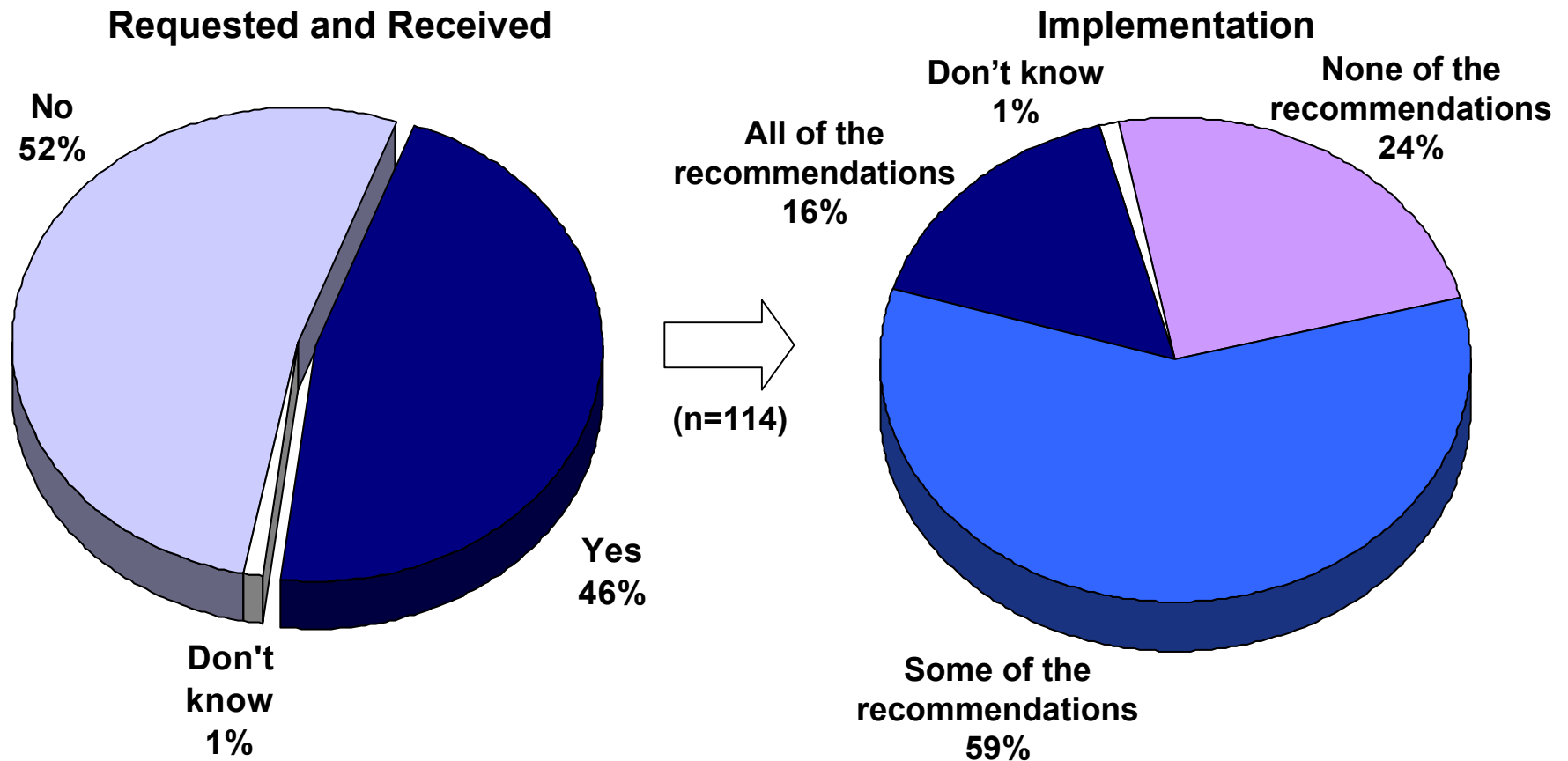
In the past 12 months, has an employer provided you with access to professional investment advice for retirement purposes, that is, access to specific recommendations about which stocks, bonds, and mutual funds you should invest your money in for retirement? If yes, was this investment advice offered on-line, in person, or over the telephone? (Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

When Offered, Almost Half Request Investment Advice; 3 in 4 Implement at Least Some Recommendations

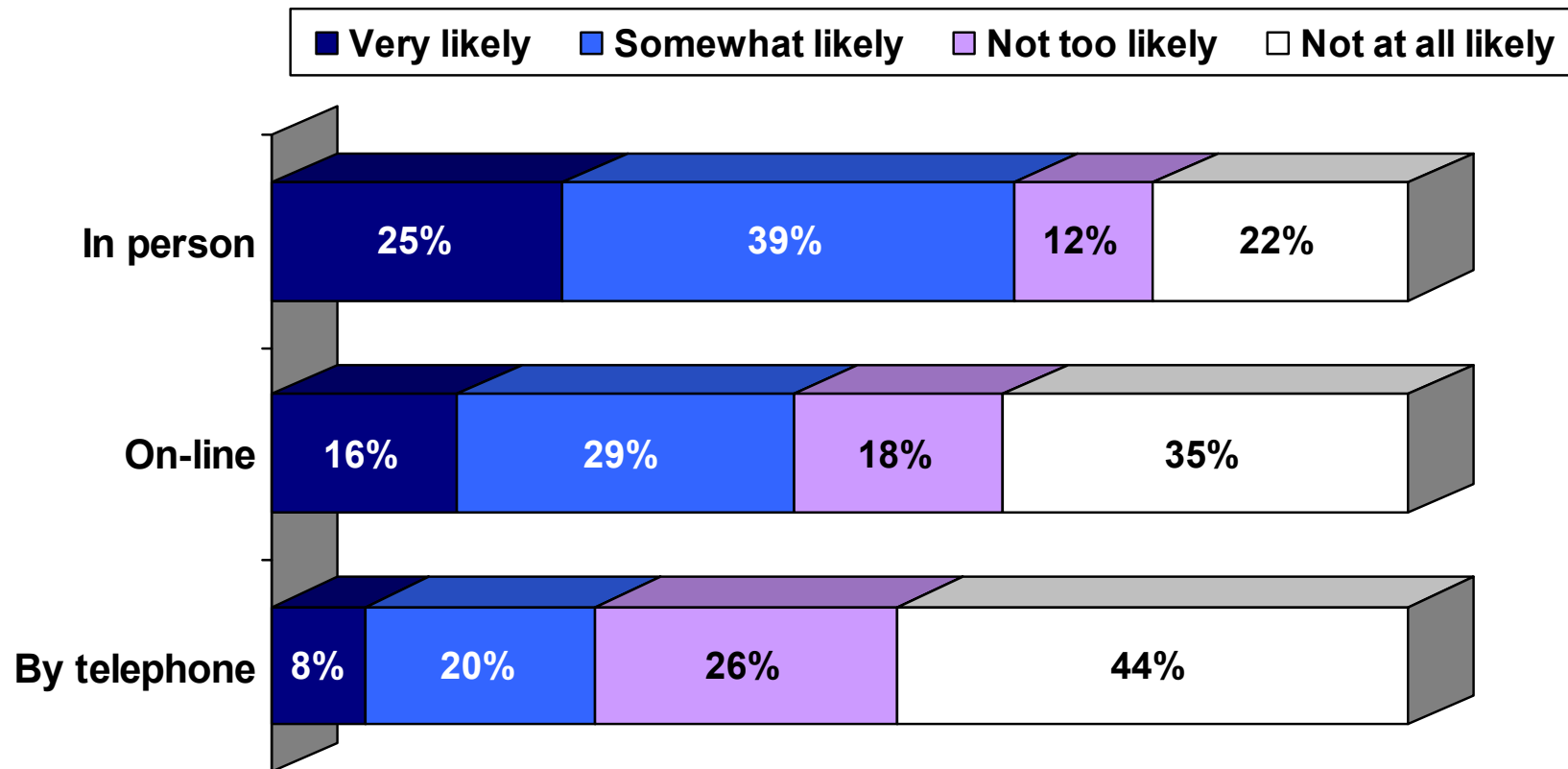
Did you request and receive specific recommendations on how you should invest your money?
If yes, did you implement all, some, or none of the recommendations you received? (Workers provided with investment advice by employer, n=248)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc.,
2005 Retirement Confidence Survey

Workers Say They are Most Likely to Use Investment Advice If Provided in Person

If an employer offered you access to this type of professional investment advice, how likely do you think you would be to take advantage of it if the advice was available . . . ? (Workers without employer-provided investment advice, n=753)

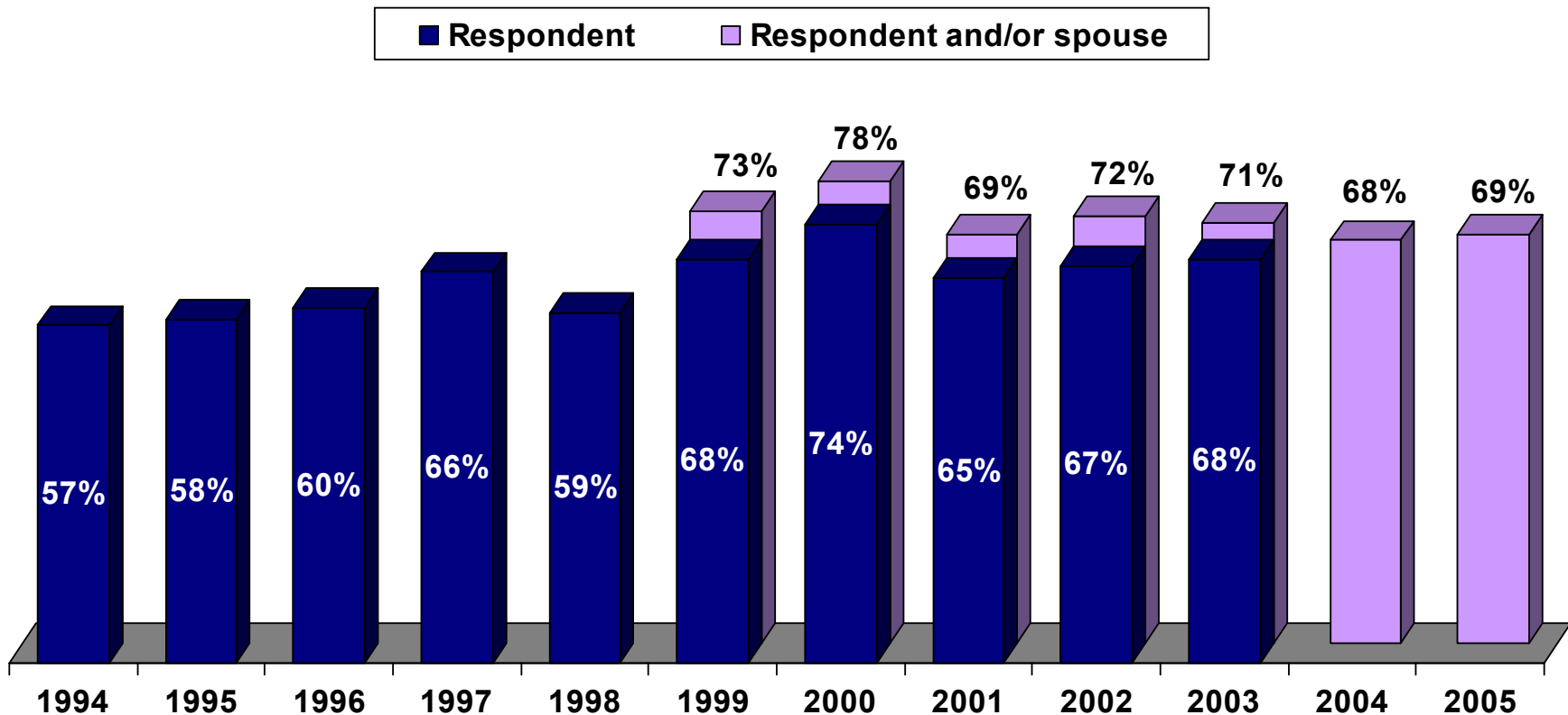


Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

**The Proportion of Americans
Who Have Saved for
Retirement Has Not Changed
Since 2001**

7 in 10 Workers Say They Have Saved for Retirement

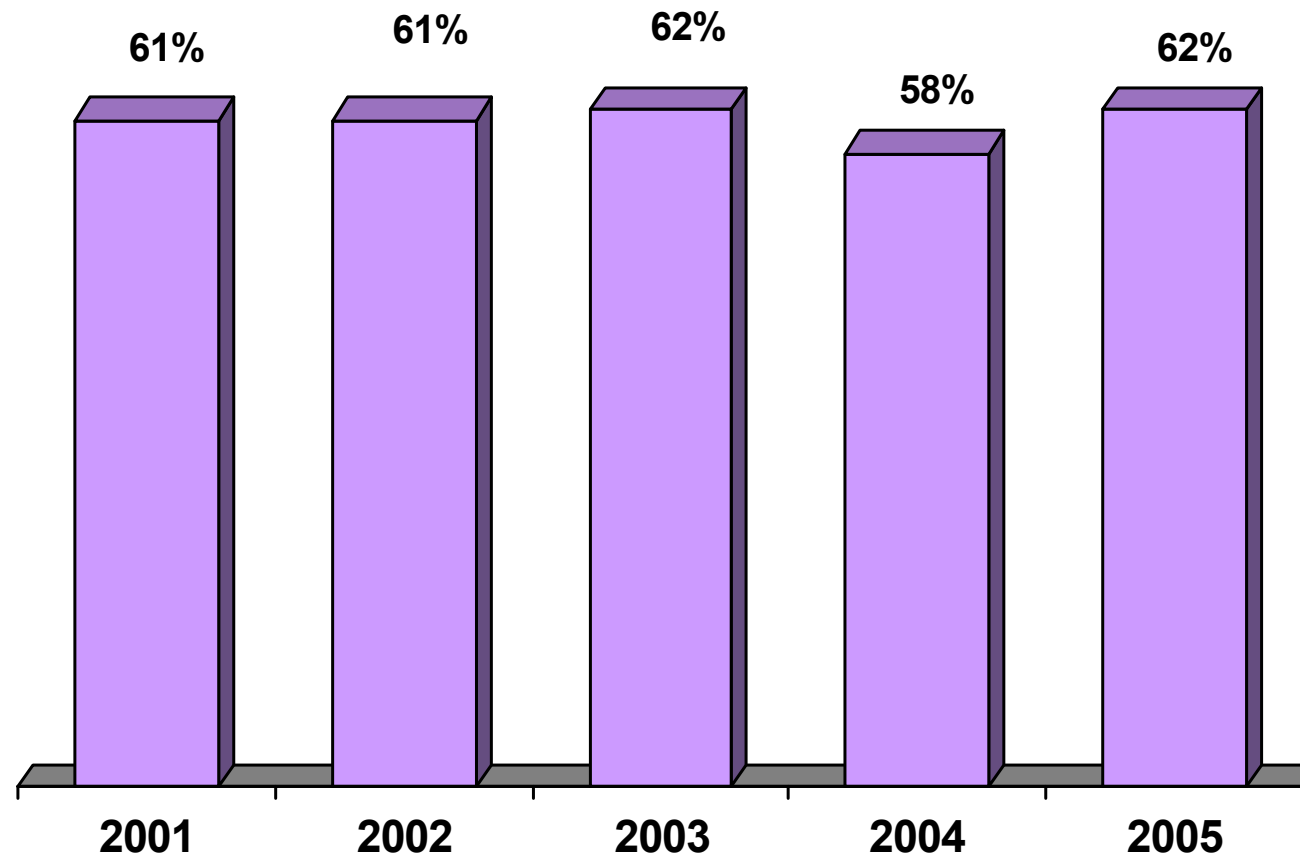
Not including Social Security taxes or employer-provided money, have you (and/or your spouse) personally saved any money for retirement? These savings could include money you personally put into a retirement plan at work. (2005 Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1994-2005 Retirement Confidence Surveys

Only 6 in 10 Workers Are Currently Saving for Retirement

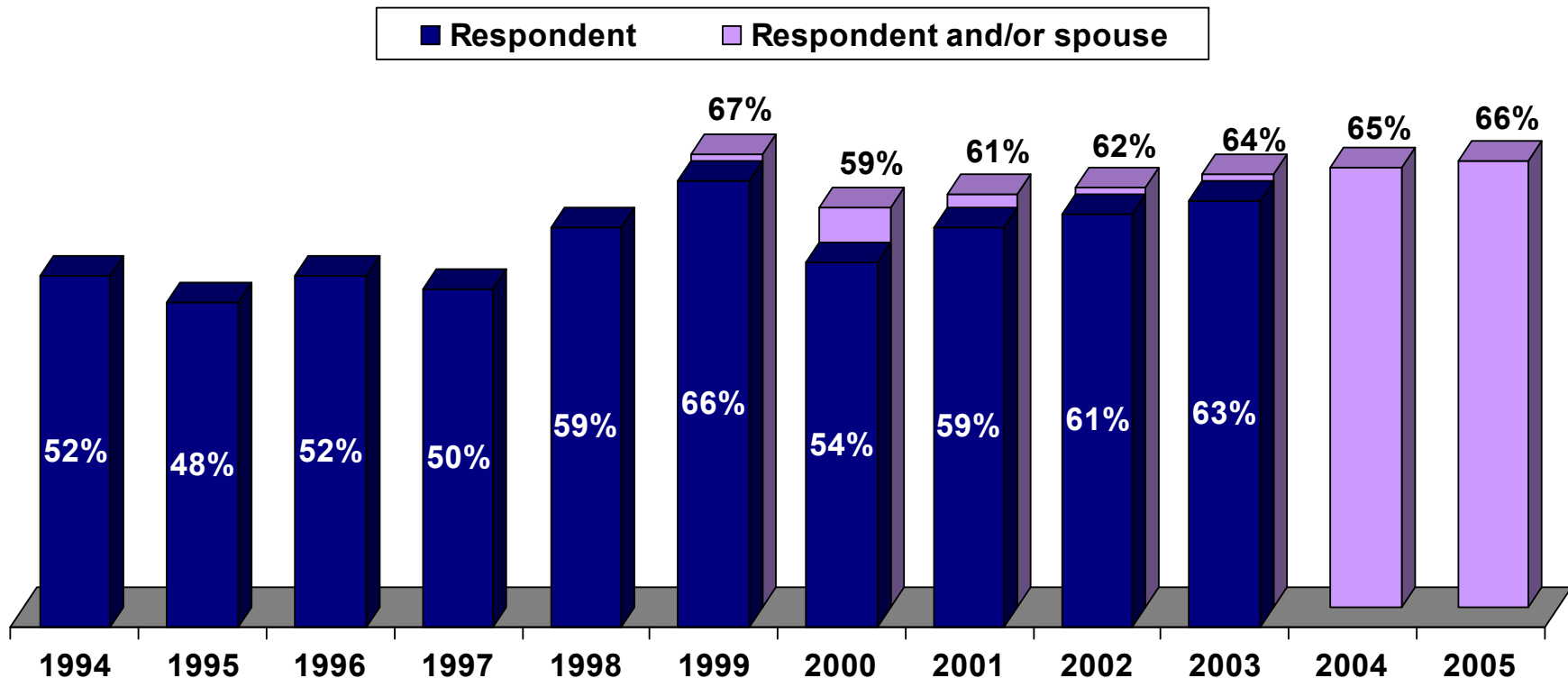
Are you (and/or your spouse) currently saving for retirement? (2005 Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc.,
2001-2005 Retirement Confidence Surveys

2 in 3 Retirees Say They Saved for Retirement

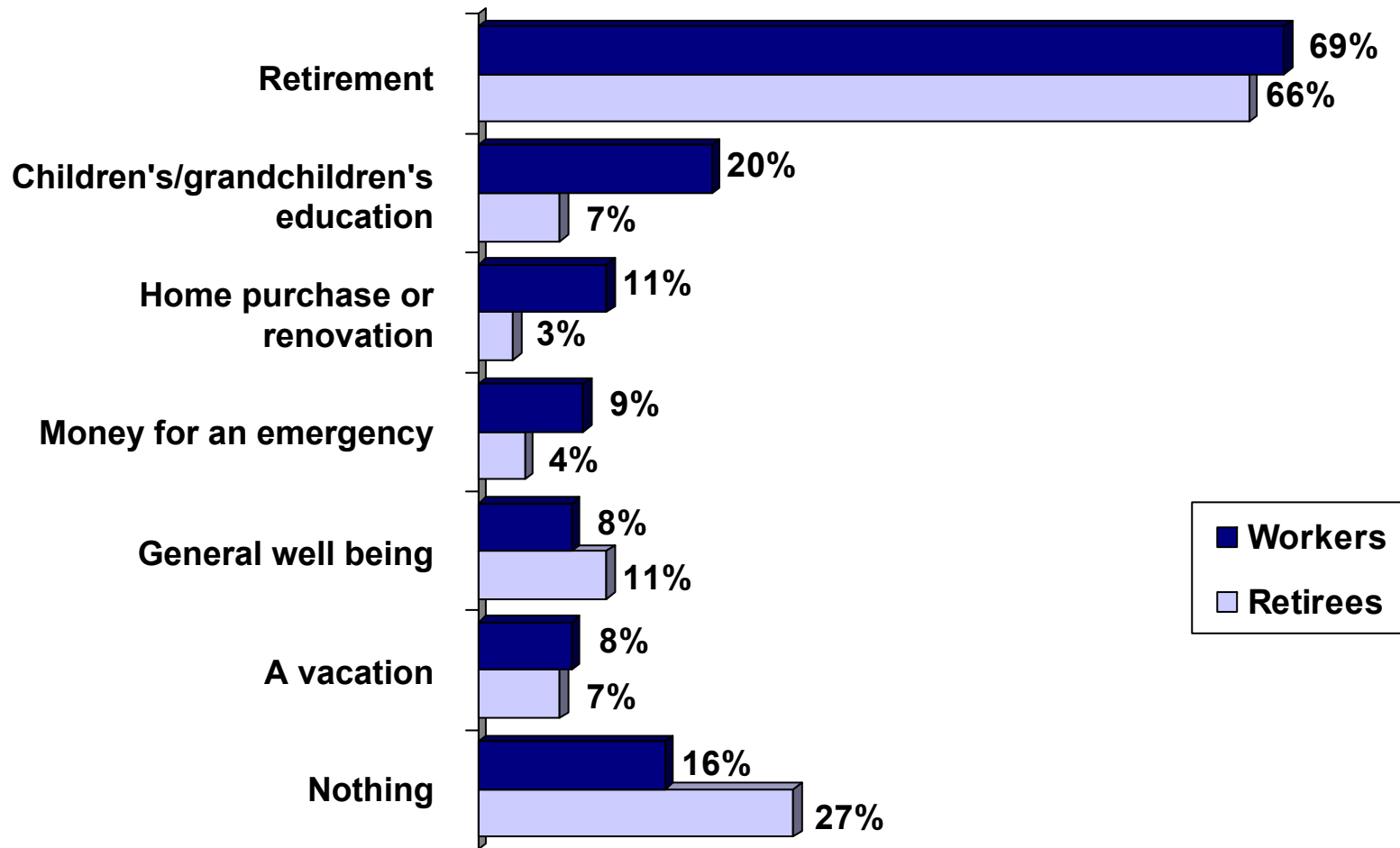
Not including Social Security taxes or employer-provided money, did you (and your spouse) personally save any money for retirement before you retired? These savings could include money you personally put into a retirement plan at work. (2005 Retirees n=252)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1994-2005 Retirement Confidence Surveys

Americans are More Likely to Save for Retirement Than for Any Other Goal

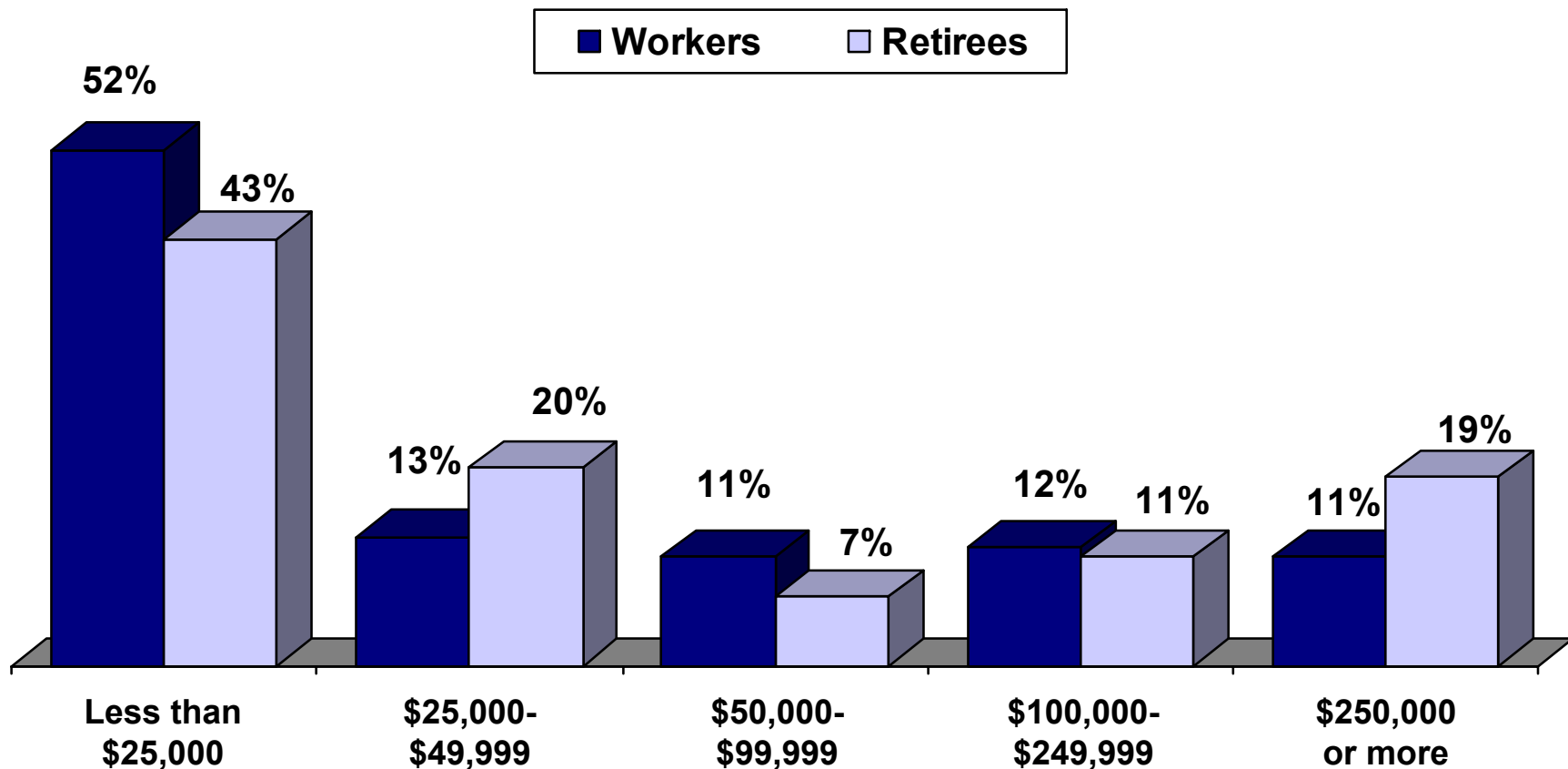
Other than retirement, for what are you (and your spouse) saving? (Workers n=501; Retirees n=252) (Top mentions, multiple responses accepted)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Yet Most Have Little in Savings

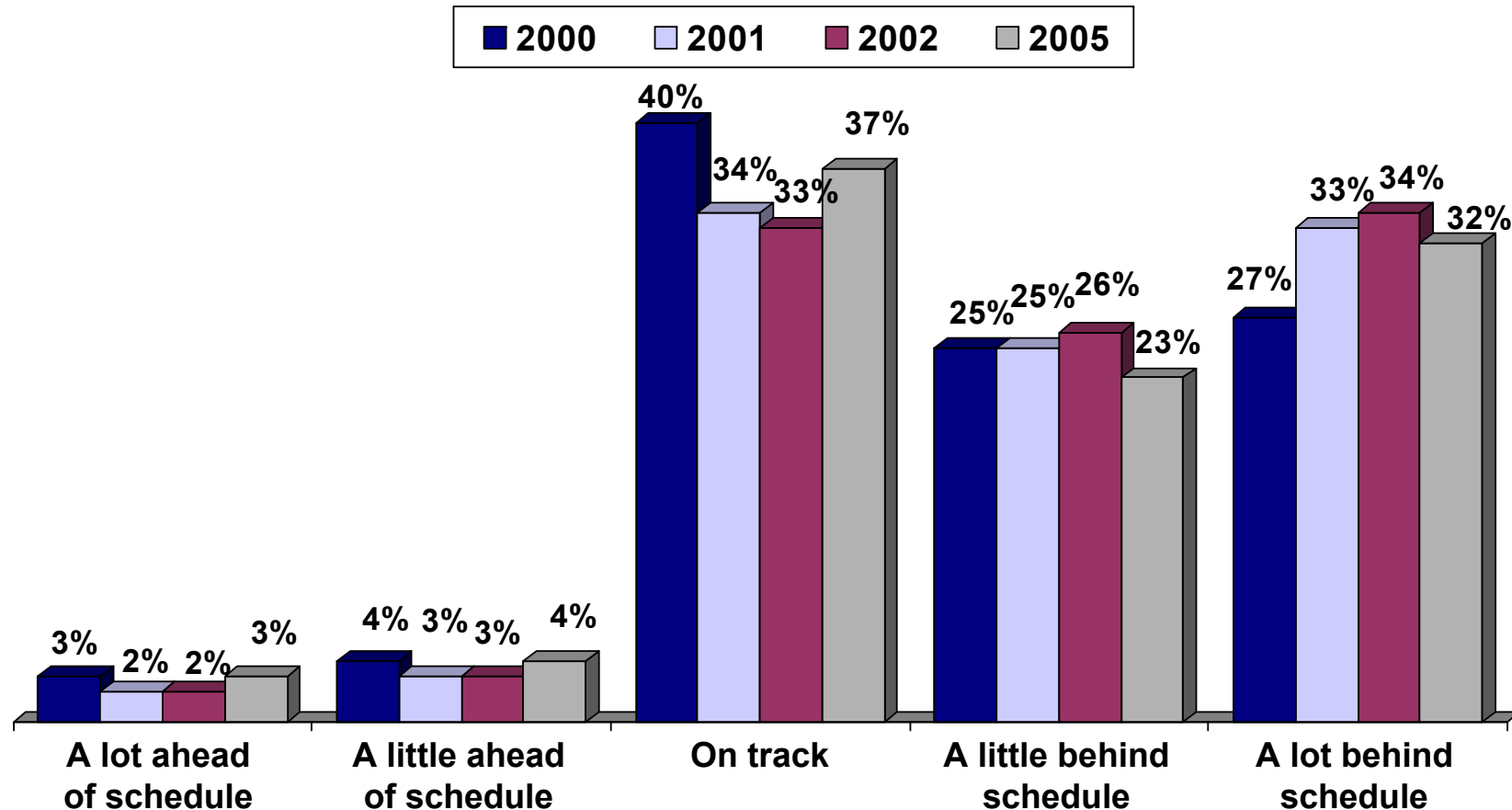
In total, about how much money would you say you currently have in savings and investments, not including the value of your primary residence? Please include savings, certificates of deposit, stocks, bonds, mutual funds, workplace retirement plans, and other investments (Workers responding n=818; Retirees responding n=190)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

More Than Half of Workers Feel They Are Behind Schedule

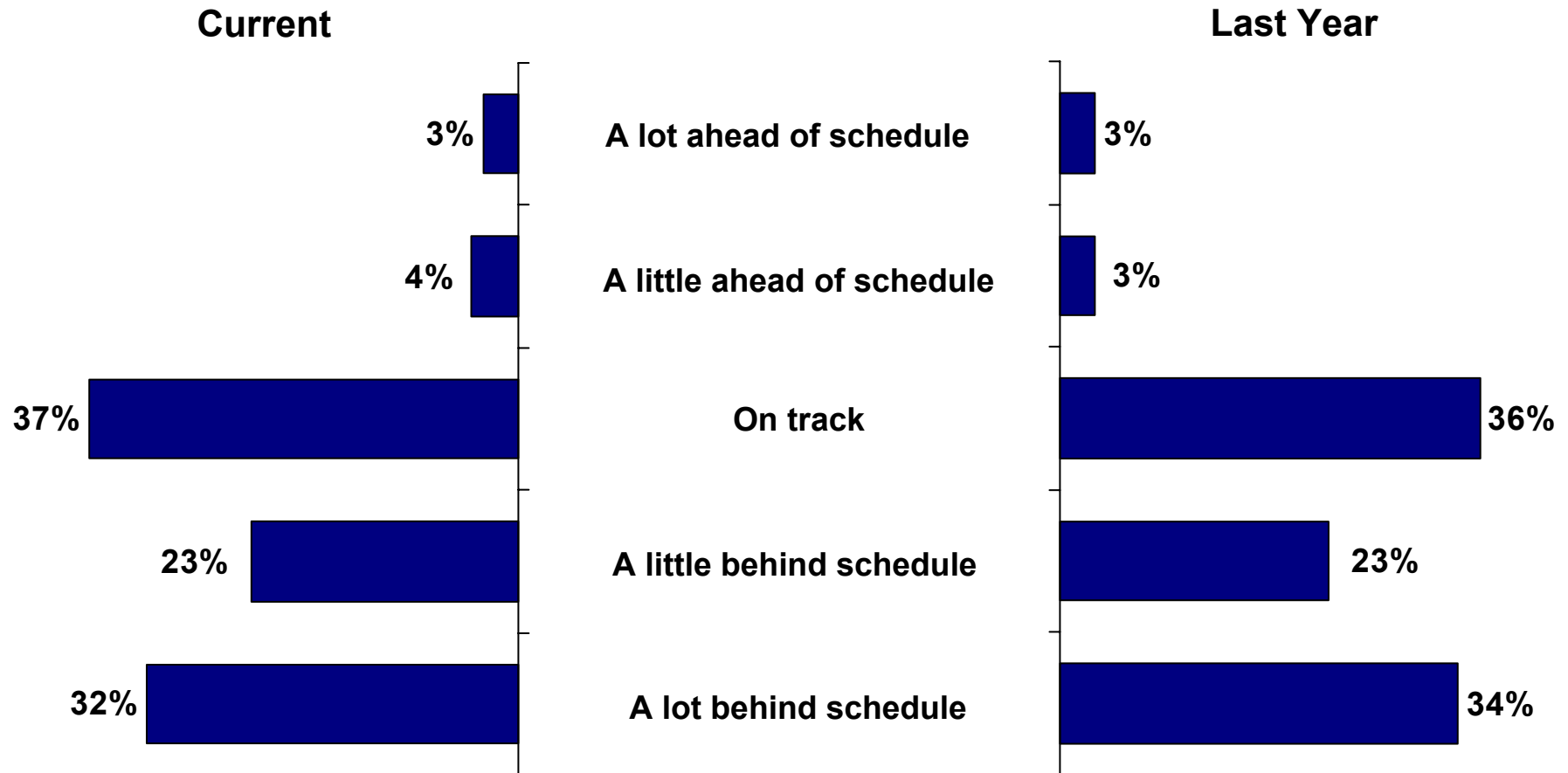
When it comes to planning and saving for retirement, would you say you are on track, ahead of schedule, or behind schedule? (Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2000-2002, 2005 Retirement Confidence Surveys

Most Feel They Are in the Same Place as Last Year

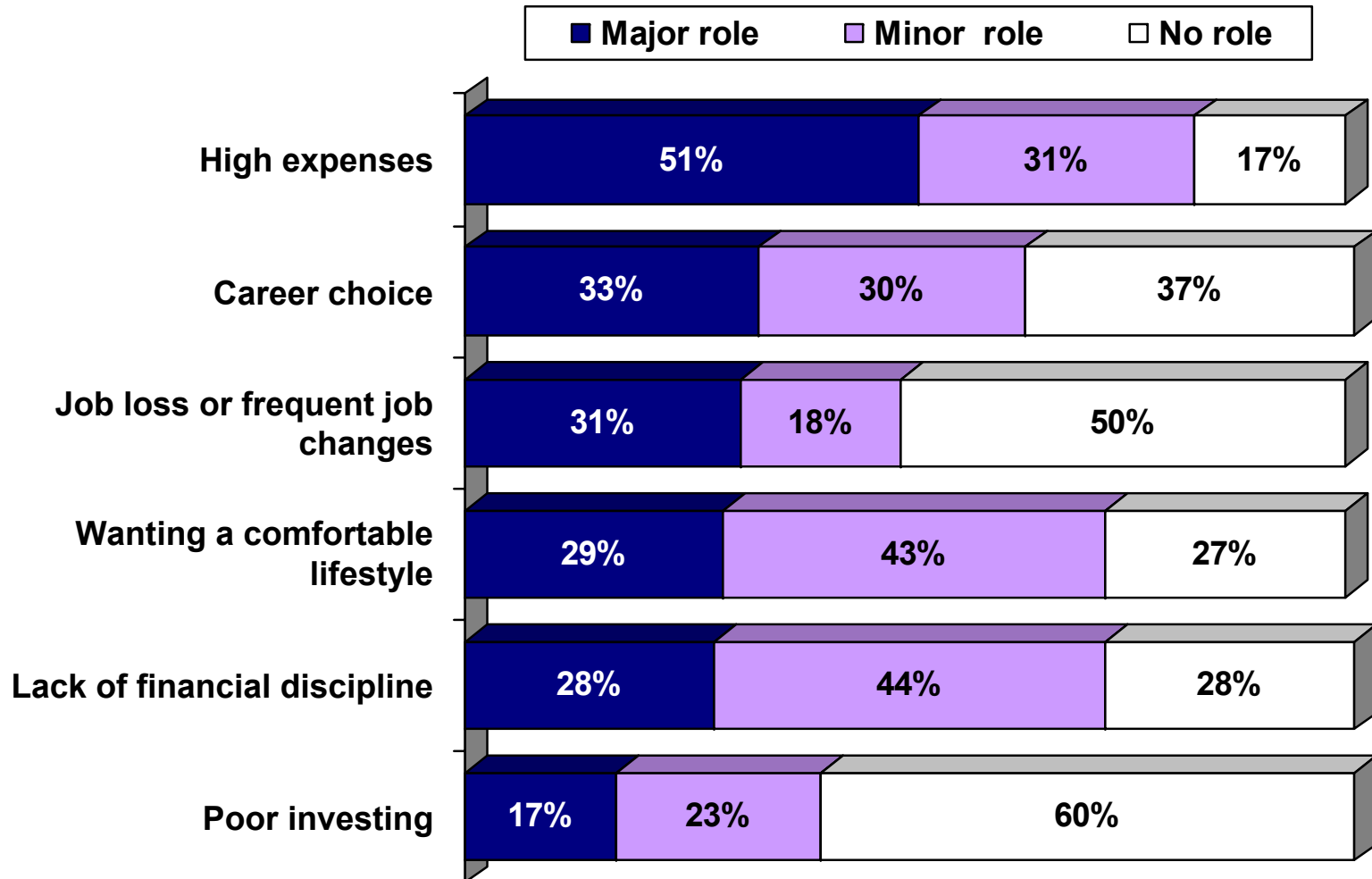
When it comes to planning and saving for retirement, would you say you are on track, ahead of schedule, or behind schedule? If I had asked you the same question last year at this time, would you have said you were on track, ahead of schedule, or behind schedule? (Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Many Recognize Role of Expenses, Fewer Acknowledge Other Factors Keeping Them Behind Schedule

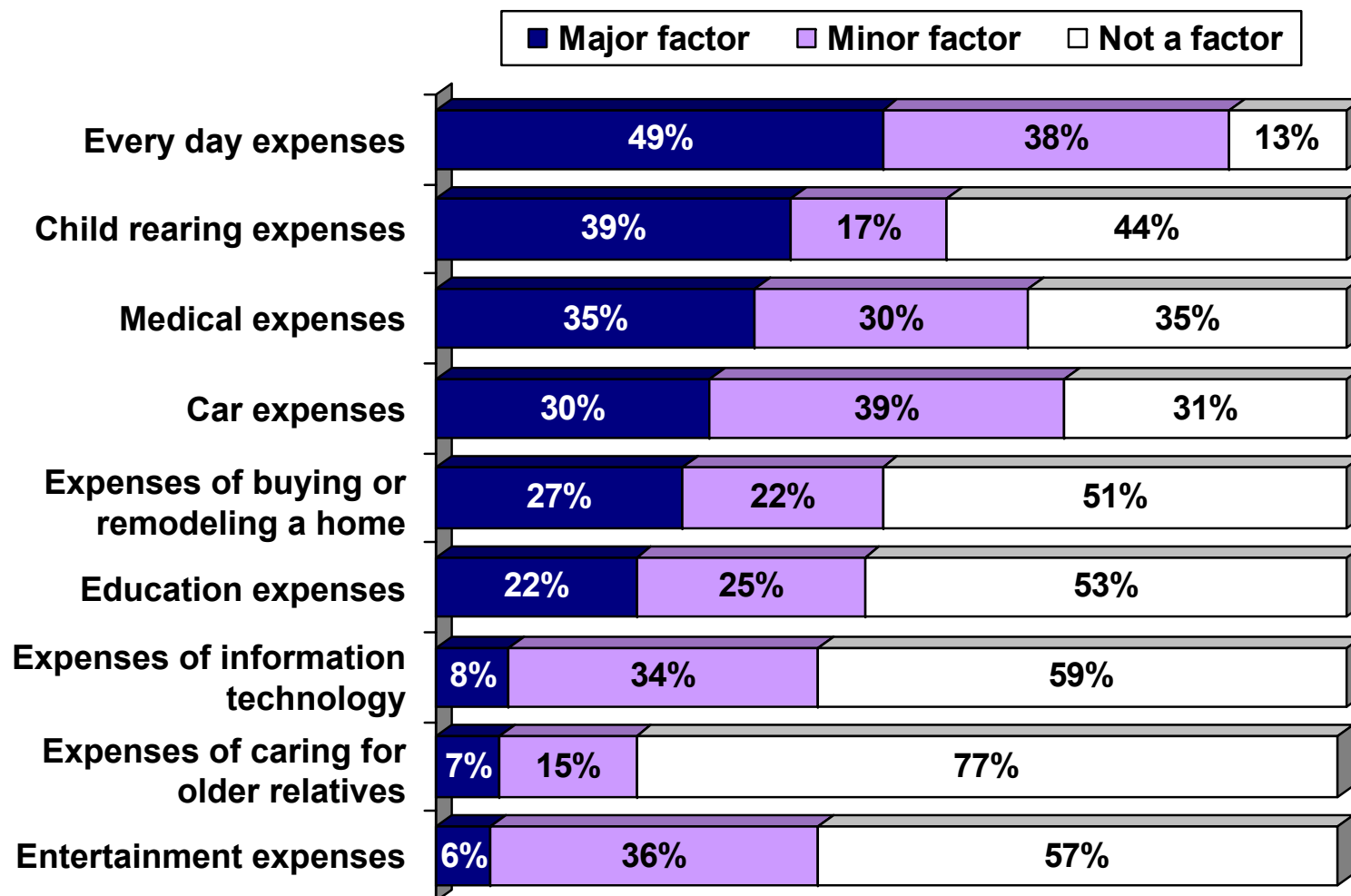
How big a role has each of the following played in keeping you behind schedule in planning and saving for retirement? (Workers behind schedule, n=521)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

The Expenses Most Likely To Be a Problem Are Everyday Expenses

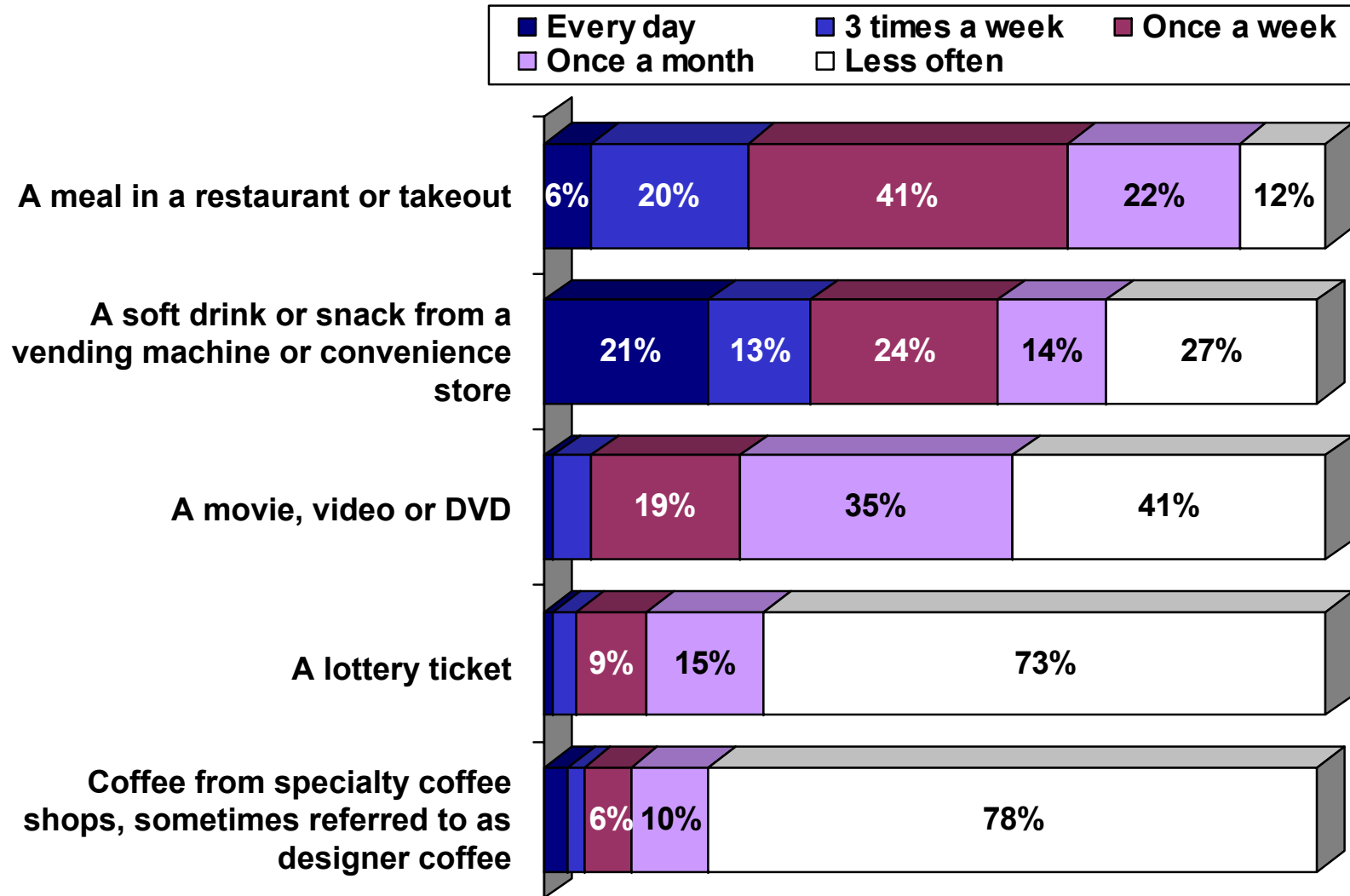
How big a factor has each of the following types of expenses been in keeping you behind schedule in saving for retirement (Workers behind schedule, n=521)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Many Workers Could Trim at Least Some Expenses

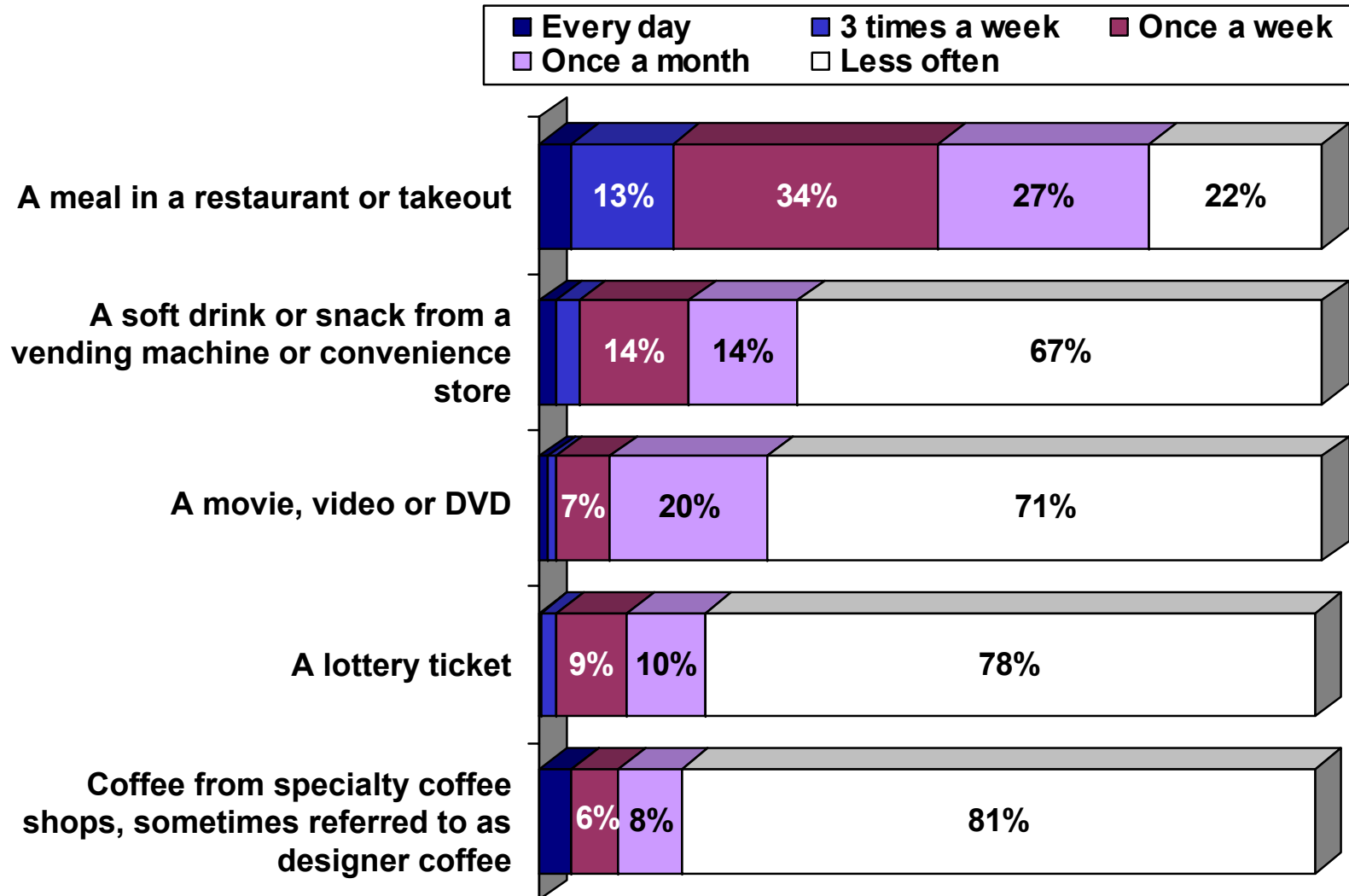
On average how often would you say you spend money on each of the following? (Workers n=501)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Retirees Are Less Likely Than Workers to Spend Money on Some of These Items

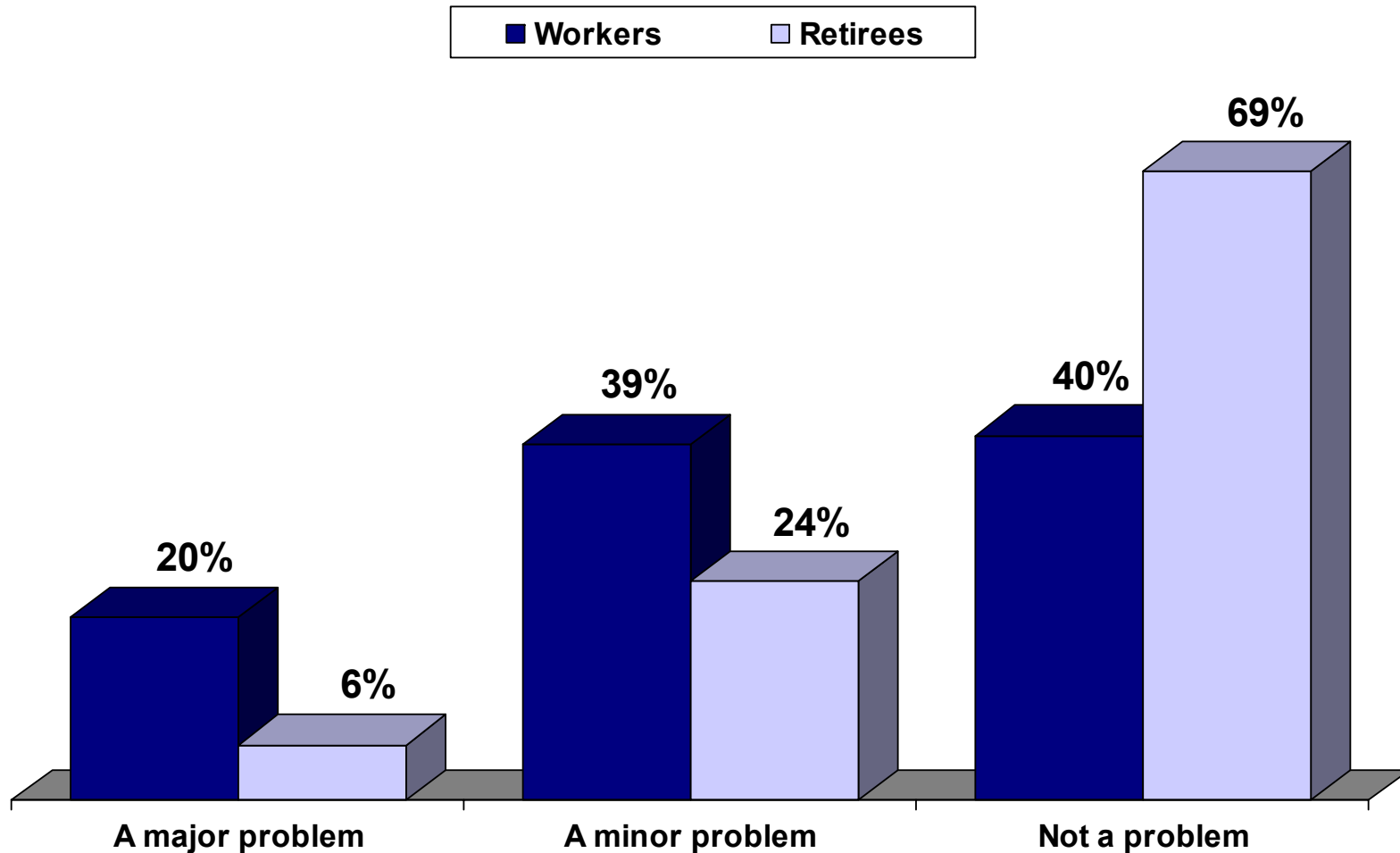
On average how often would you say you spend money on each of the following? (Retirees n=252)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

6 in 10 Workers Consider Their Level of Debt To Be a Problem

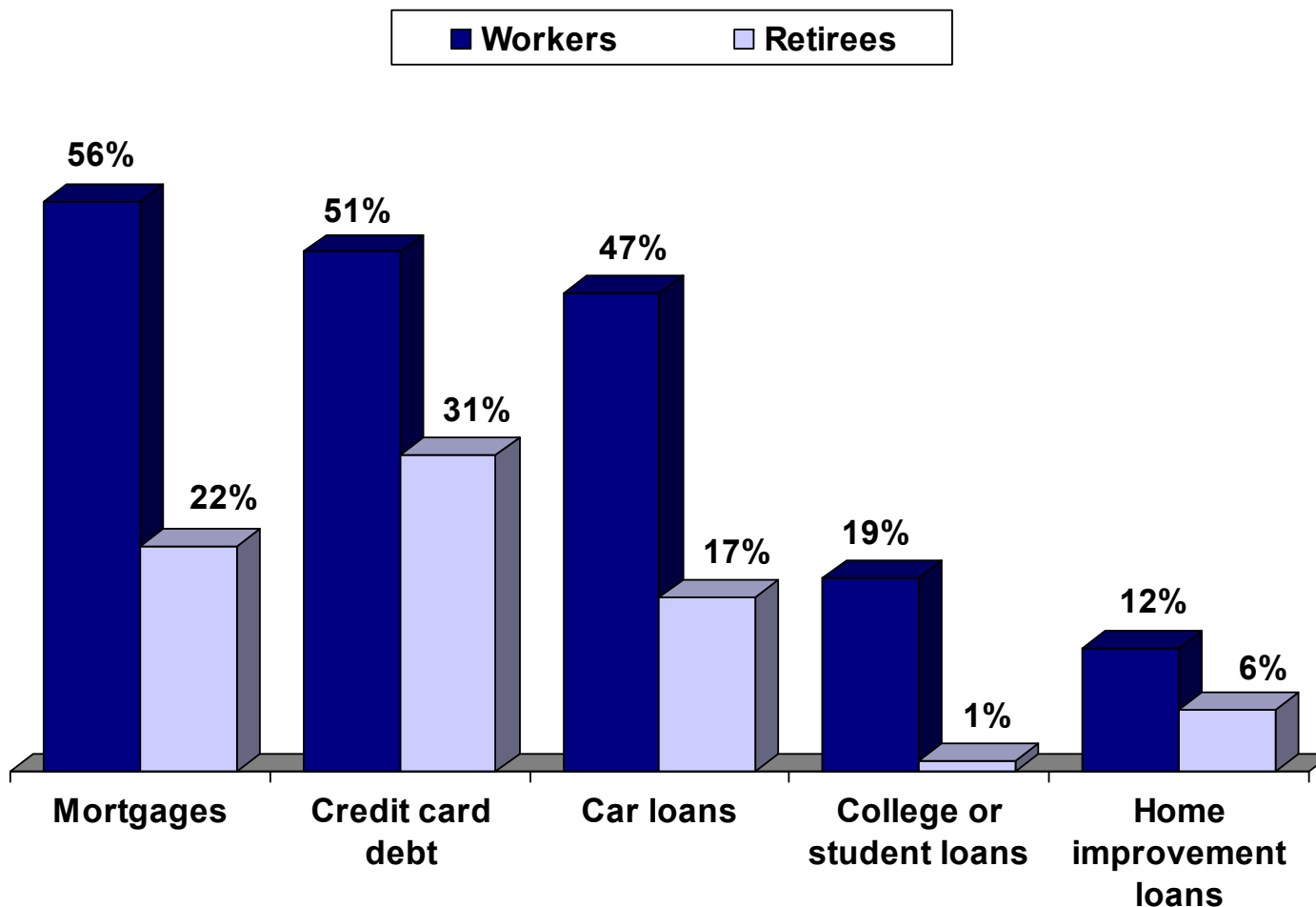
Thinking about your current financial situation, how would you describe your level of debt? (Workers n=1,001; Retirees n=252)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Mortgages, Credit Card Debt, and Car Loans Are Most Frequently Mentioned by Workers and Retirees

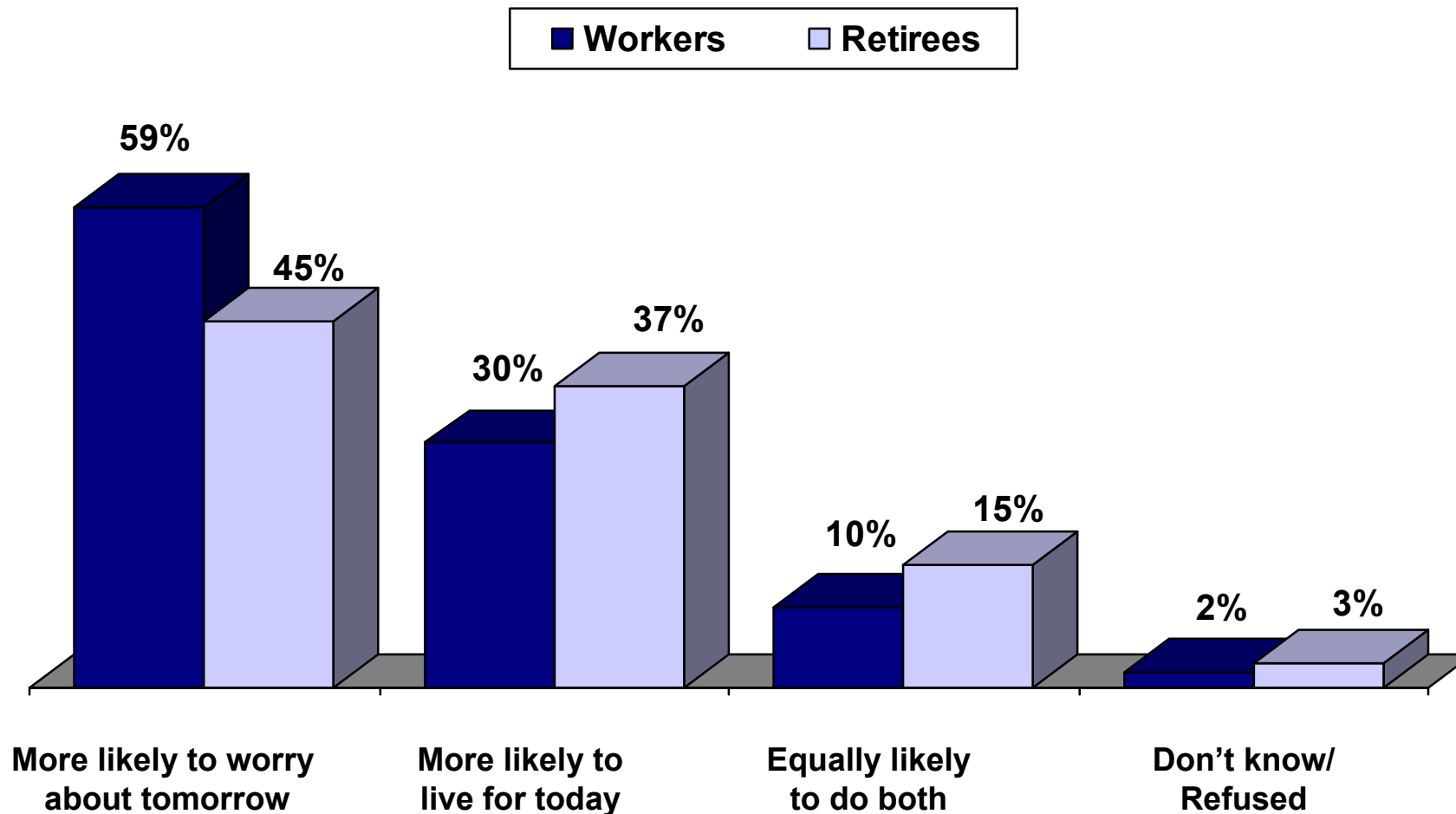
Do you (and your spouse) currently have any of the following types of debt? (Workers n=501; Retirees n=252)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

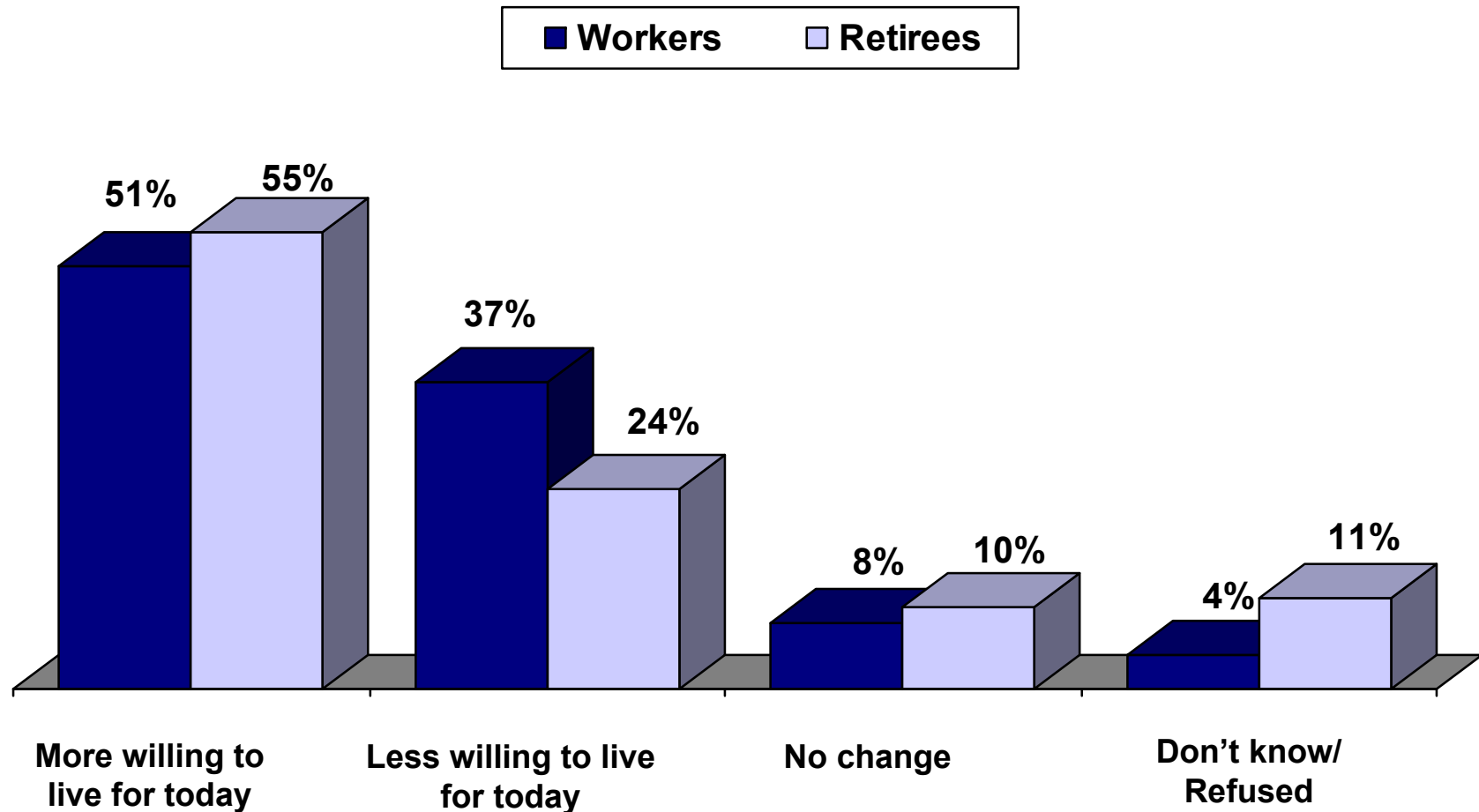
6 in 10 Workers Say They Are More Likely to Worry About Tomorrow Than Live for Today...

When it comes to your finances, would you say you are someone who is...? (Workers n=1,001; Retirees n=252)



...At The Same Time, Half Are More Willing to Live For Today Than They Were 5 Years Ago

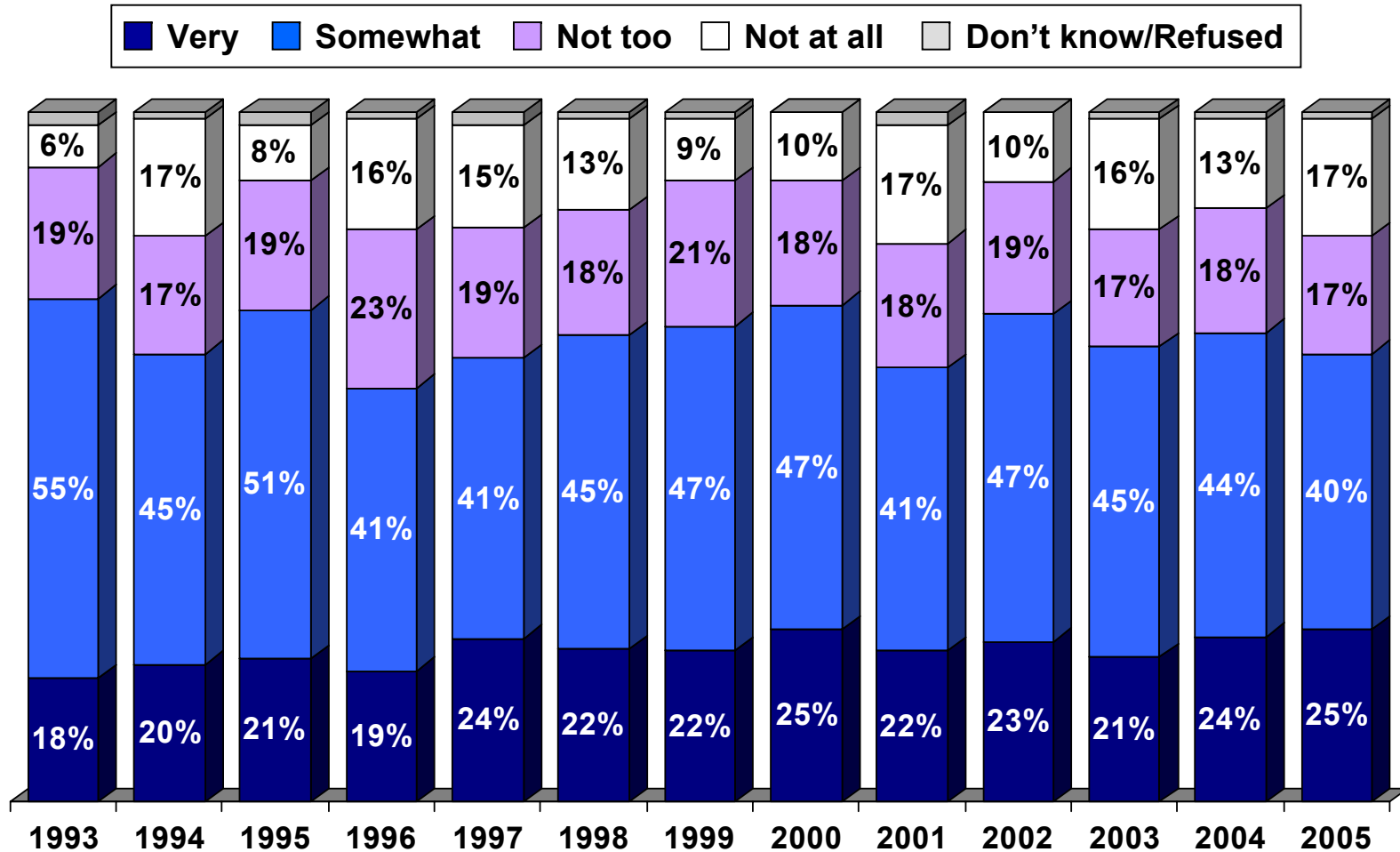
And compared with five years ago, when it comes to your finances would you say you are now...?
(Workers, n=1,001; Retirees n=252).



**Most Americans Express
Some Confidence About Their
Financial Security In
Retirement—
But Is It Overconfidence?**

2/3rds of Workers Are At Least Somewhat Confident of Having Enough Money for a Comfortable Retirement

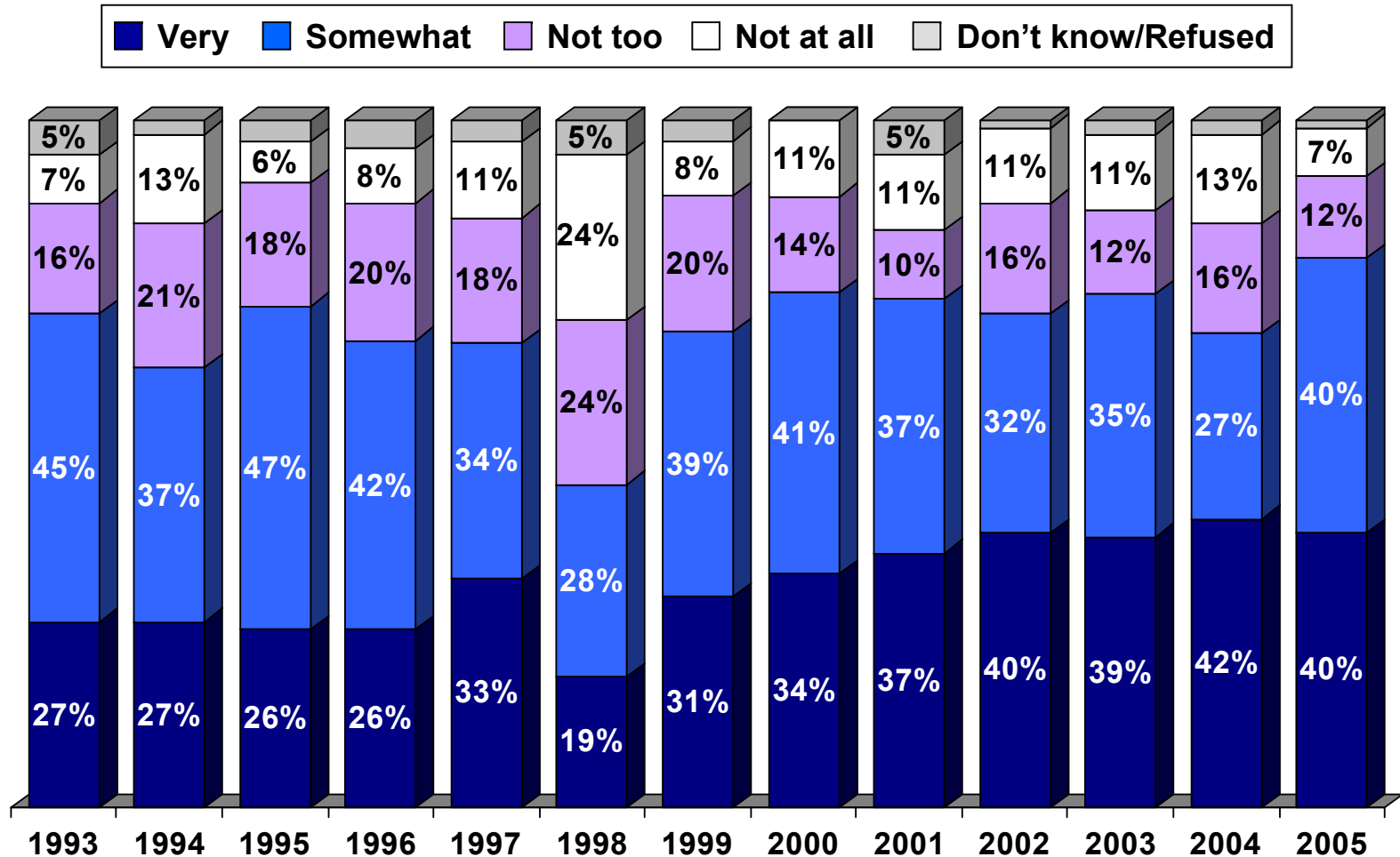
Overall, how confident are you that you (and your spouse) will have enough money to live comfortably throughout your retirement years? (2005 Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993-2005 Retirement Confidence Surveys

And 4 in 5 Retirees Are At Least Somewhat Confident of Having Enough for a Comfortable Retirement

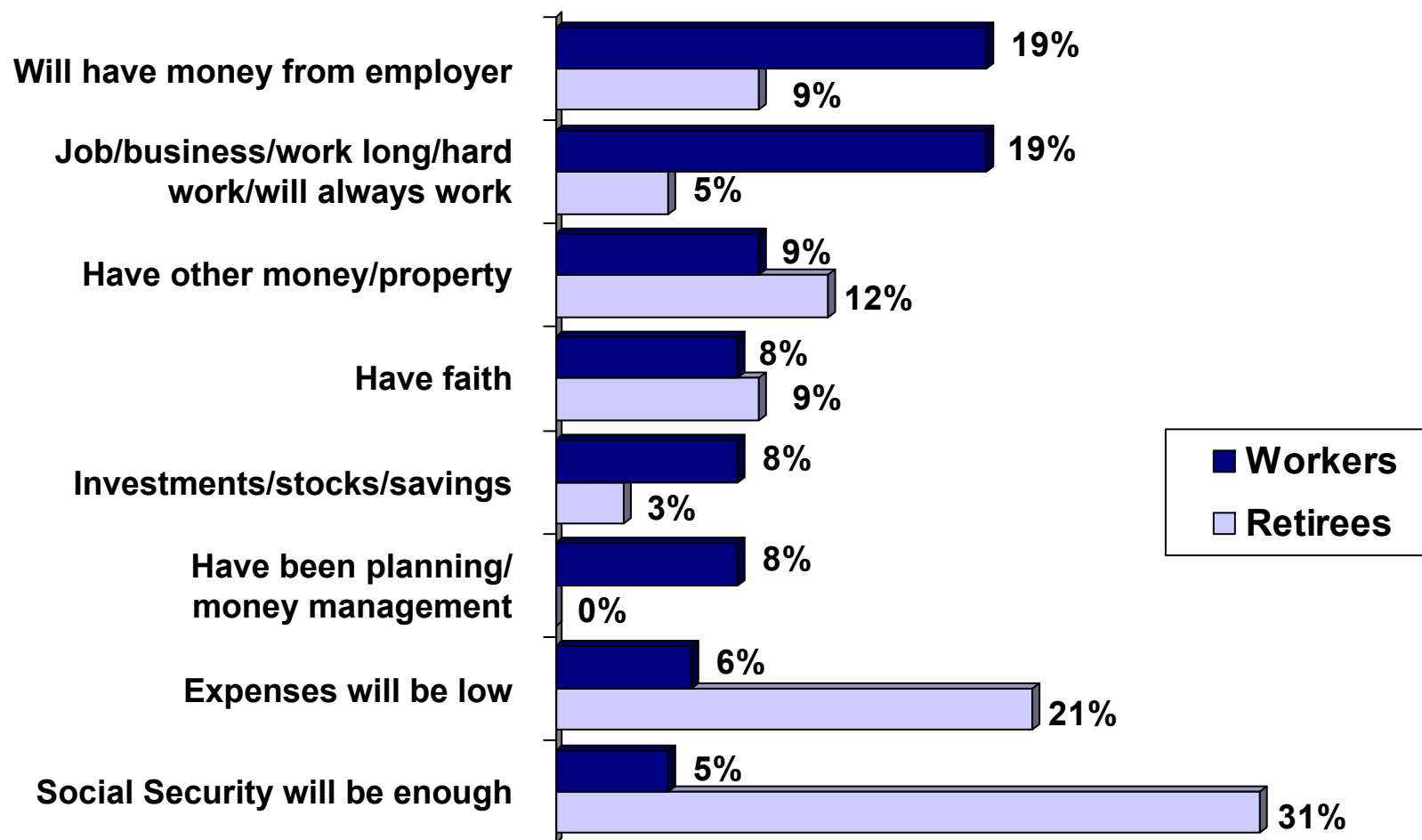
Overall, how confident are you that you (and your spouse) will have enough money to live comfortably throughout your retirement years? (2005 Retirees n=252)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993-2005 Retirement Confidence Surveys

37% of Non-saving Workers (59% of Non-saving Retirees) Are Confident They Will Have Enough for Retirement. Why?

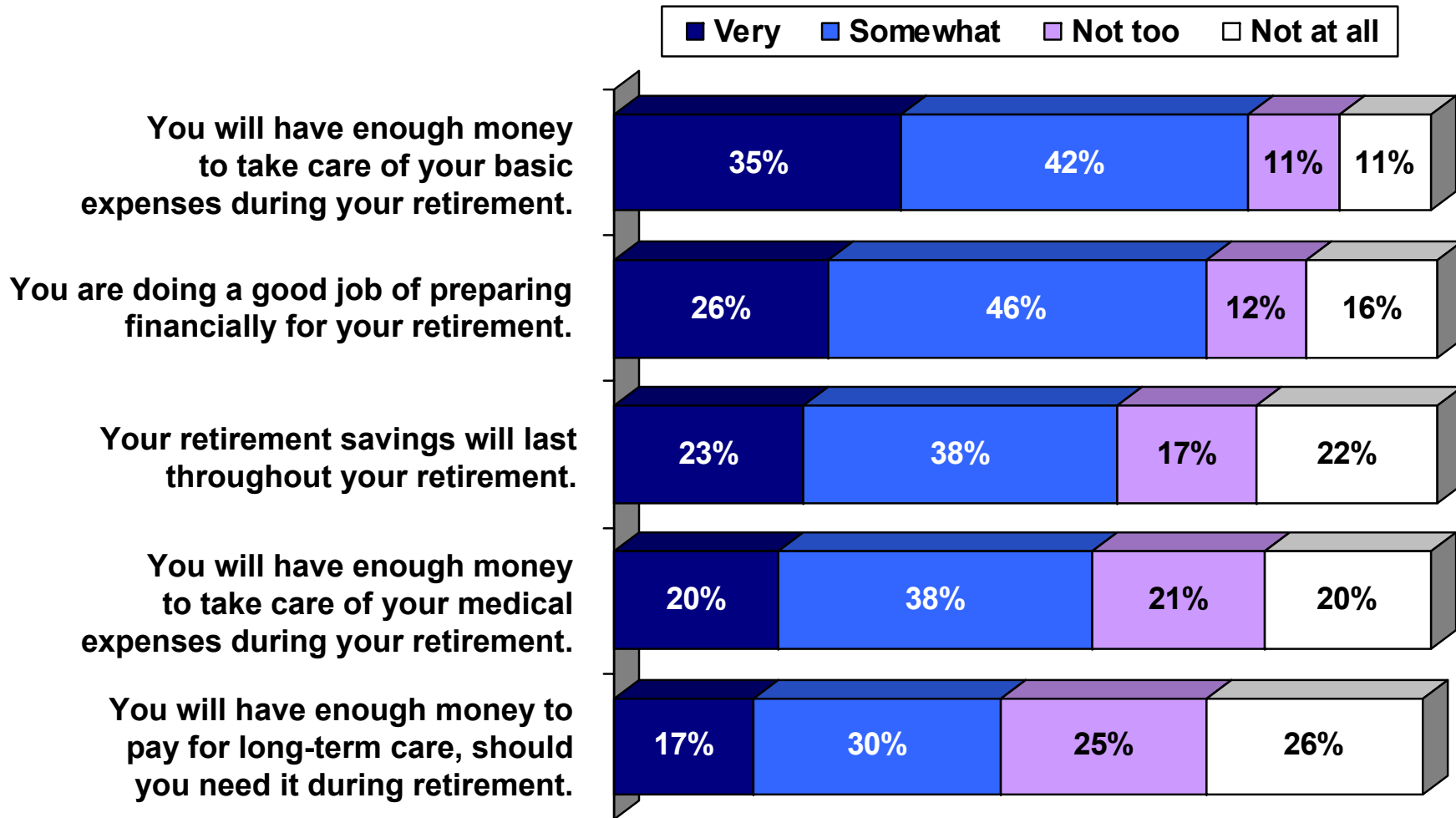
Earlier in the survey you said that you are confident of having enough money for a comfortable retirement. What makes you confident? (Those not saving for retirement and confident of having enough money, Workers n=99; Retirees n=42) (Top mentions, multiple responses accepted)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Workers Are *Most* Confident of Meeting Basic Expenses, Least Confident of Long-Term Care Expenses...

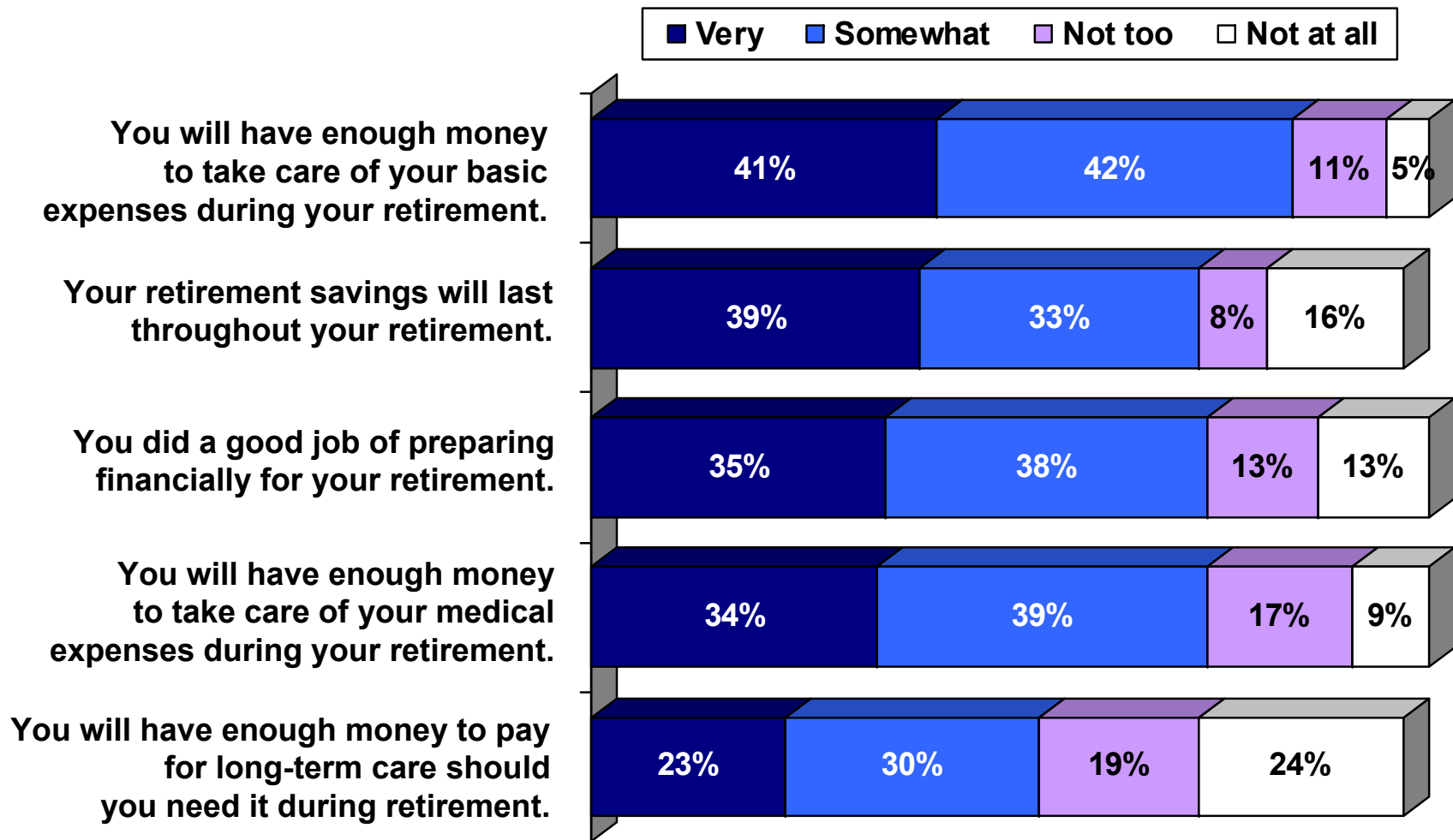
Next, I would like to know how confident you (and your spouse) are about certain aspects related to retirement. (Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

...And Retirees Are Also *Most* Confident of Meeting Basic Expenses, *Least* Confident of Long-Term Care Expenses

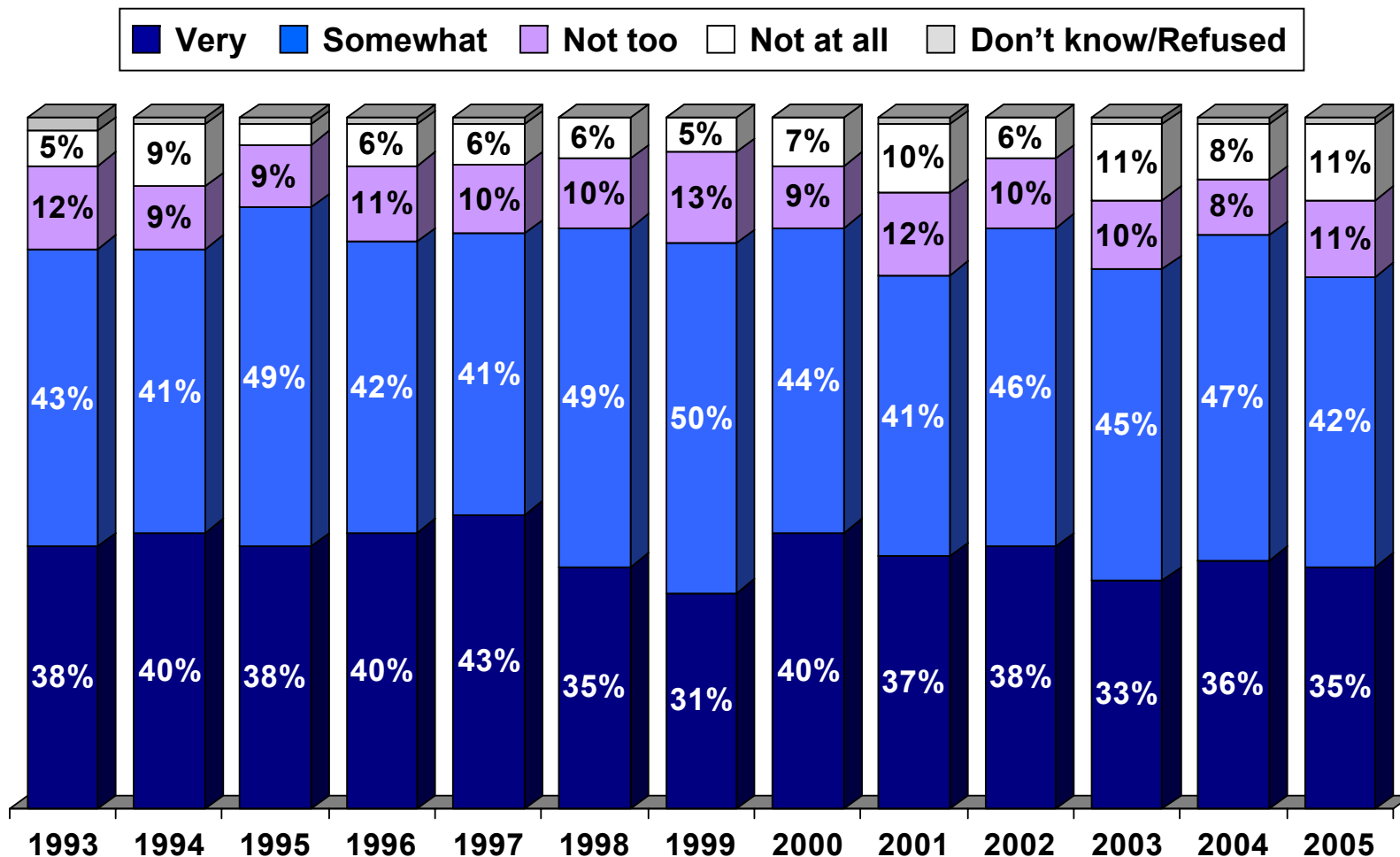
Next, I would like to know how confident you (and your spouse) are about certain aspects related to retirement. (Retirees n=252)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Worker Confidence in Having Enough for Basic Expenses Has Decreased Marginally—to 2003 Levels...

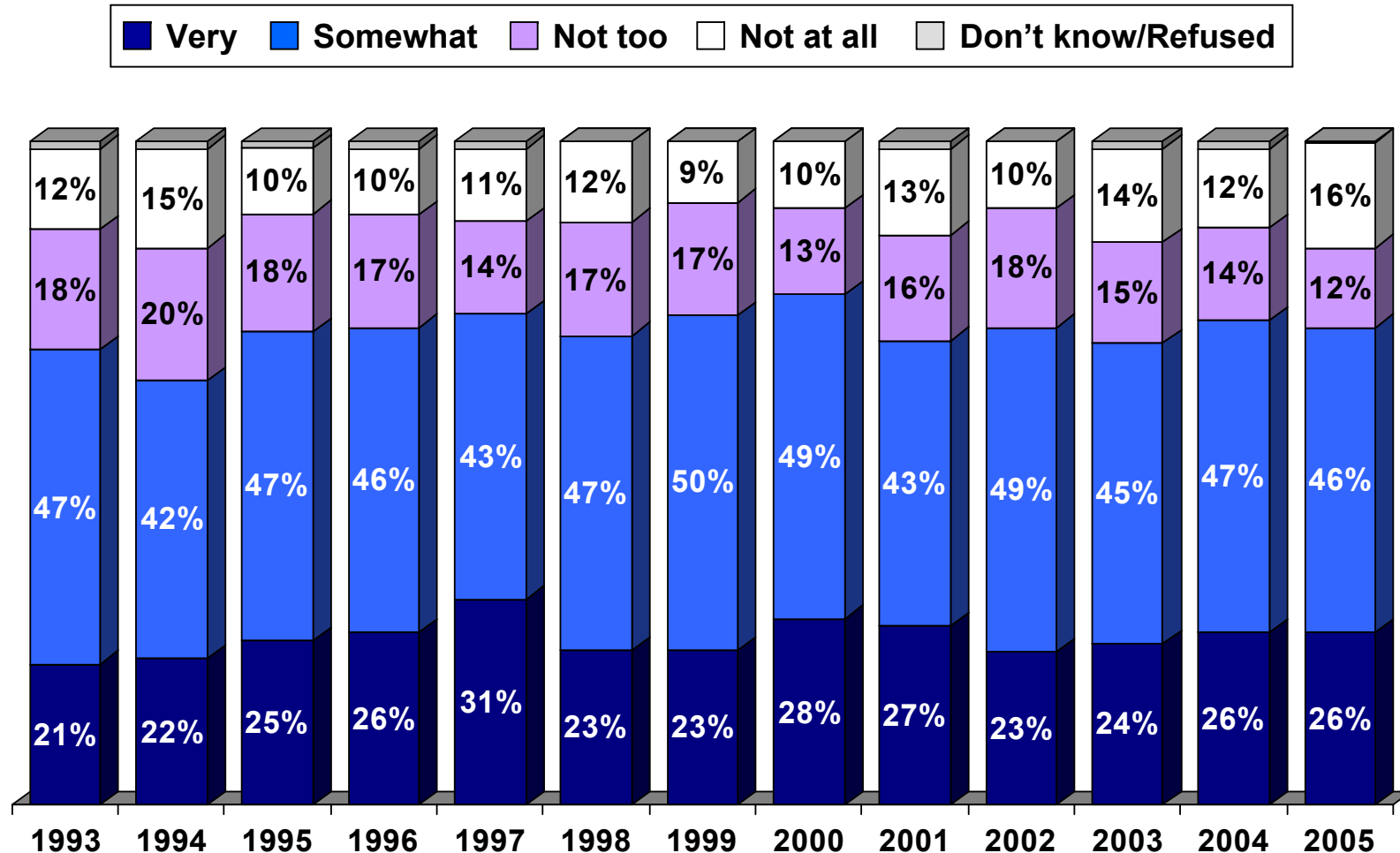
How confident are you that you (and your spouse) will have enough money to take care of your basic expenses during your retirement? (2005 Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993-2005 Retirement Confidence Surveys

...And Workers Are Slightly More Likely to Say They Are Not At All Confident They Are Doing a Good Job of Preparing

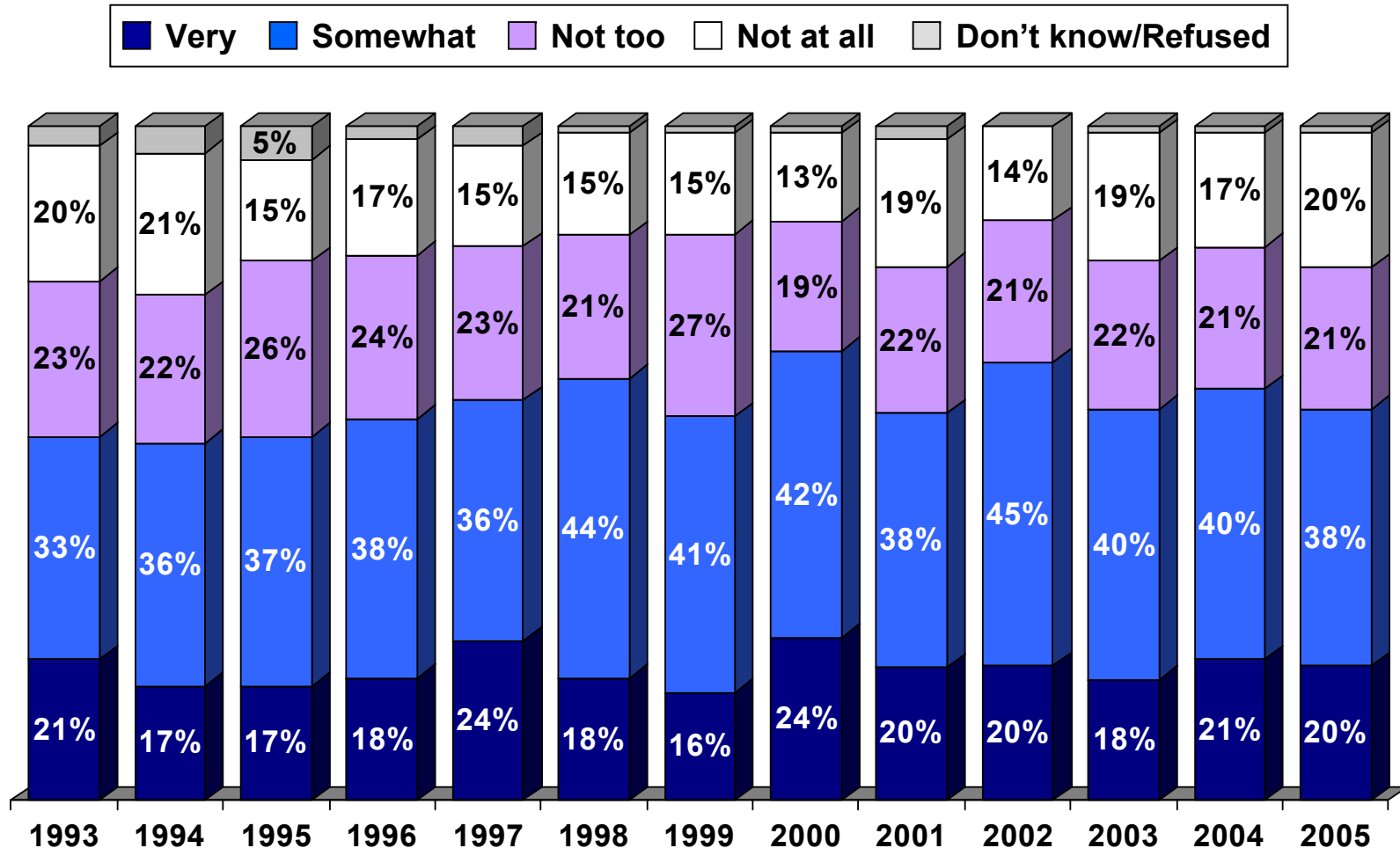
How confident are you that you (and your spouse) are doing a good job of preparing financially for your retirement? (2005 Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993-2005 Retirement Confidence Surveys

But Confidence in Ability to Pay for Retirement Medical Expenses Remains at 2004 Levels

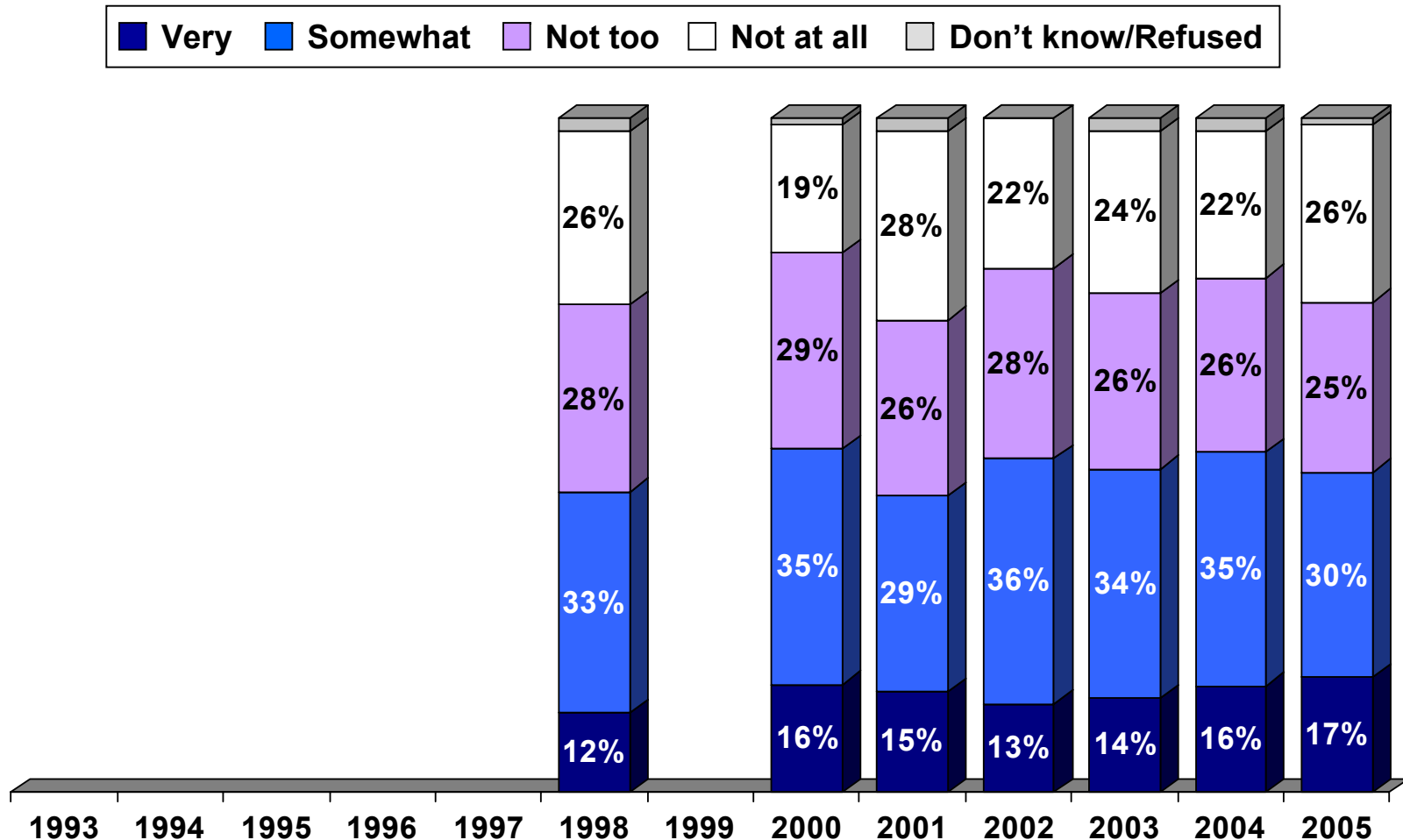
How confident are you that you (and your spouse) will have enough money to take care of your medical expenses during your retirement? (2005 Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993-2005 Retirement Confidence Surveys

There Was a Marginal Increase in Workers *Not At All* Confident In Ability to Pay for Long-term Care

How confident are you that you (and your spouse) will have enough money to pay for long-term care, such as nursing home or home health care, should you need it during your retirement?
(2005 Workers n=1,001)

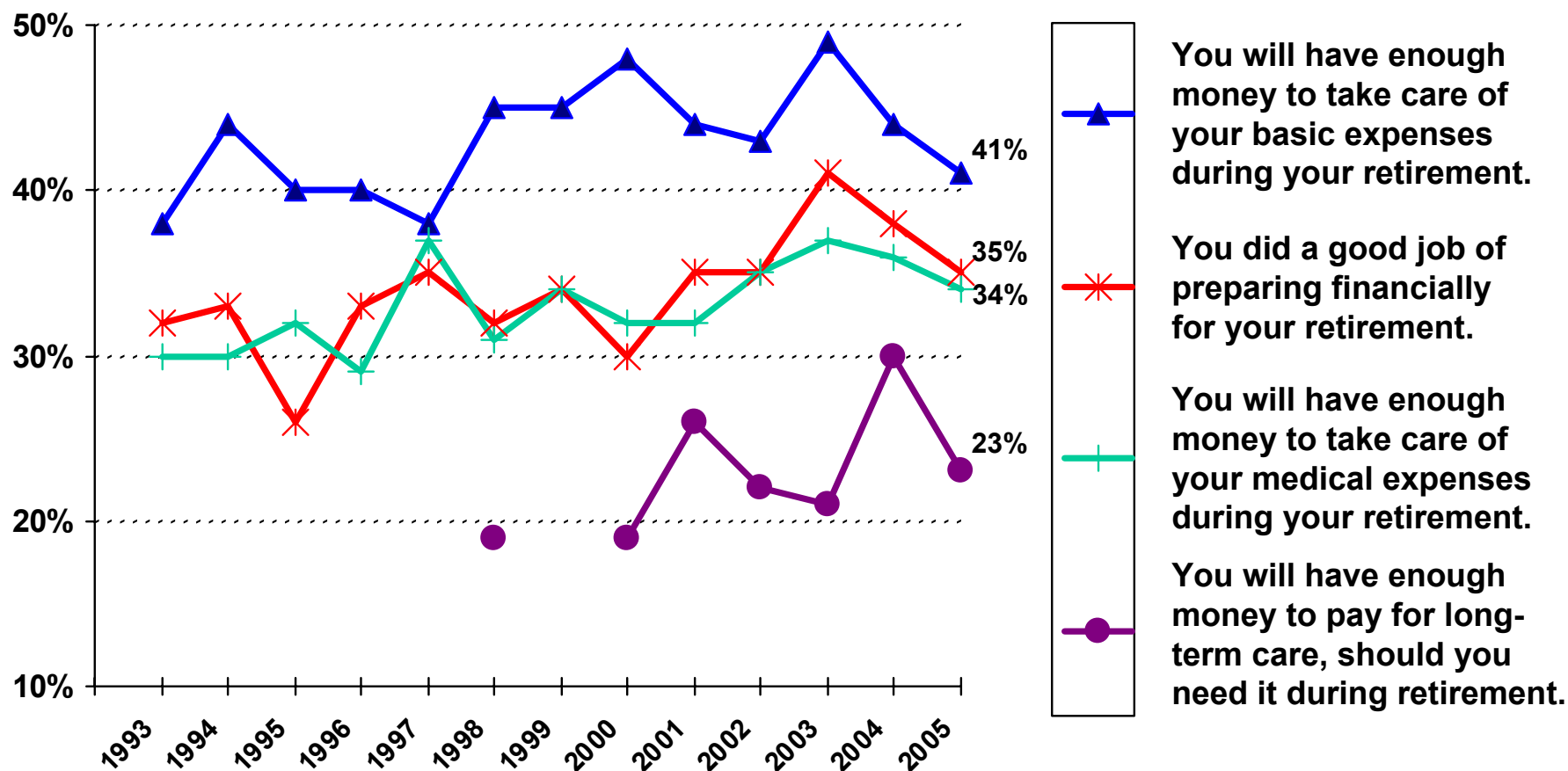


Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993-2005 Retirement Confidence Surveys

The Percentage of Retirees *Very Confident* About Their Ability to Pay for Long-term Care Declined

Next, I would like to know how confident you (and your spouse) are about certain aspects related to retirement. (2005 Retirees n=252)

Percentage very confident

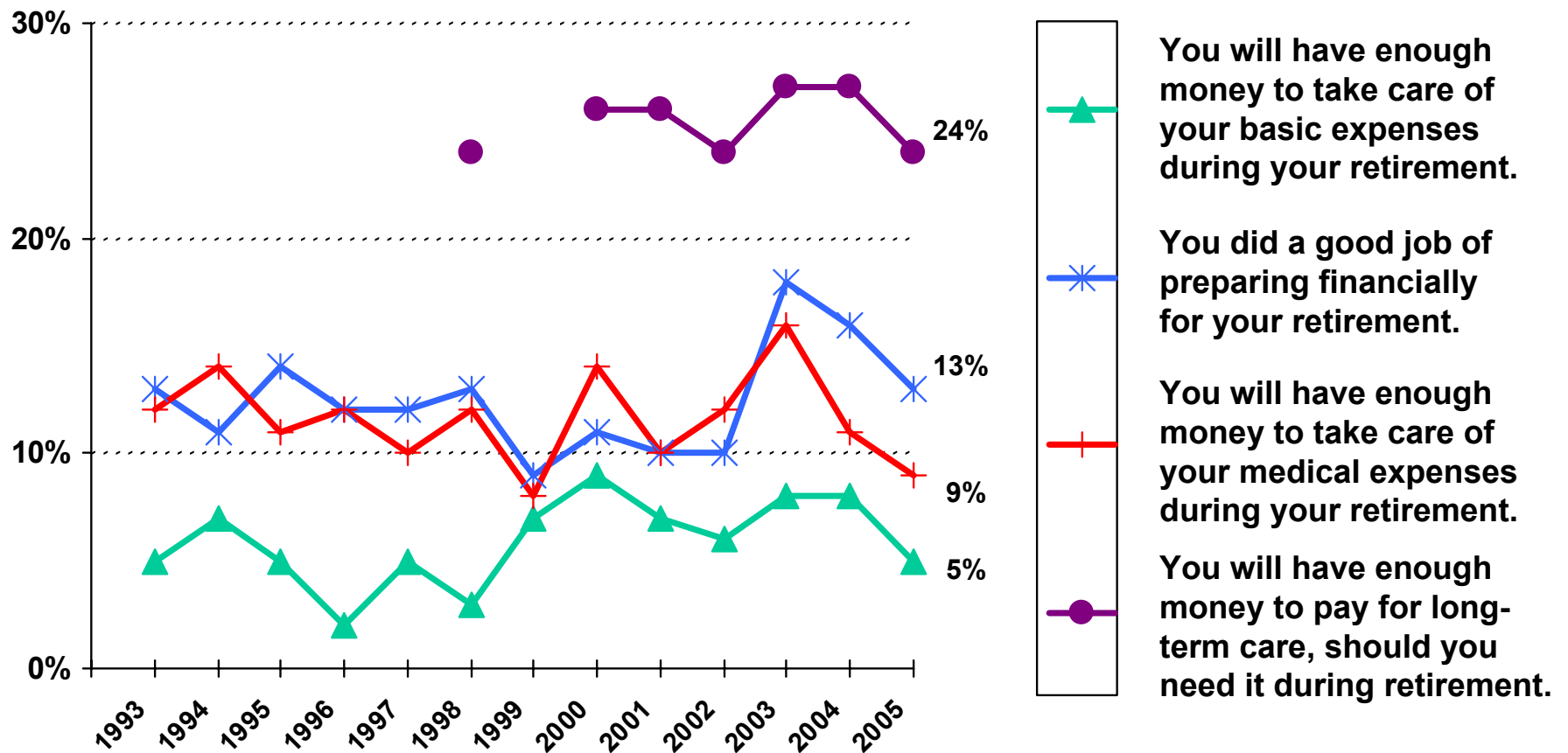


Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993-2005 Retirement Confidence Surveys

The Percentages of Retirees *Not At All Confident* of Specific Retirement Attributes Are Unchanged

Next, I would like to know how confident you (and your spouse) are about certain aspects related to retirement. (2005 Retirees n=252)

Percentage not at all confident



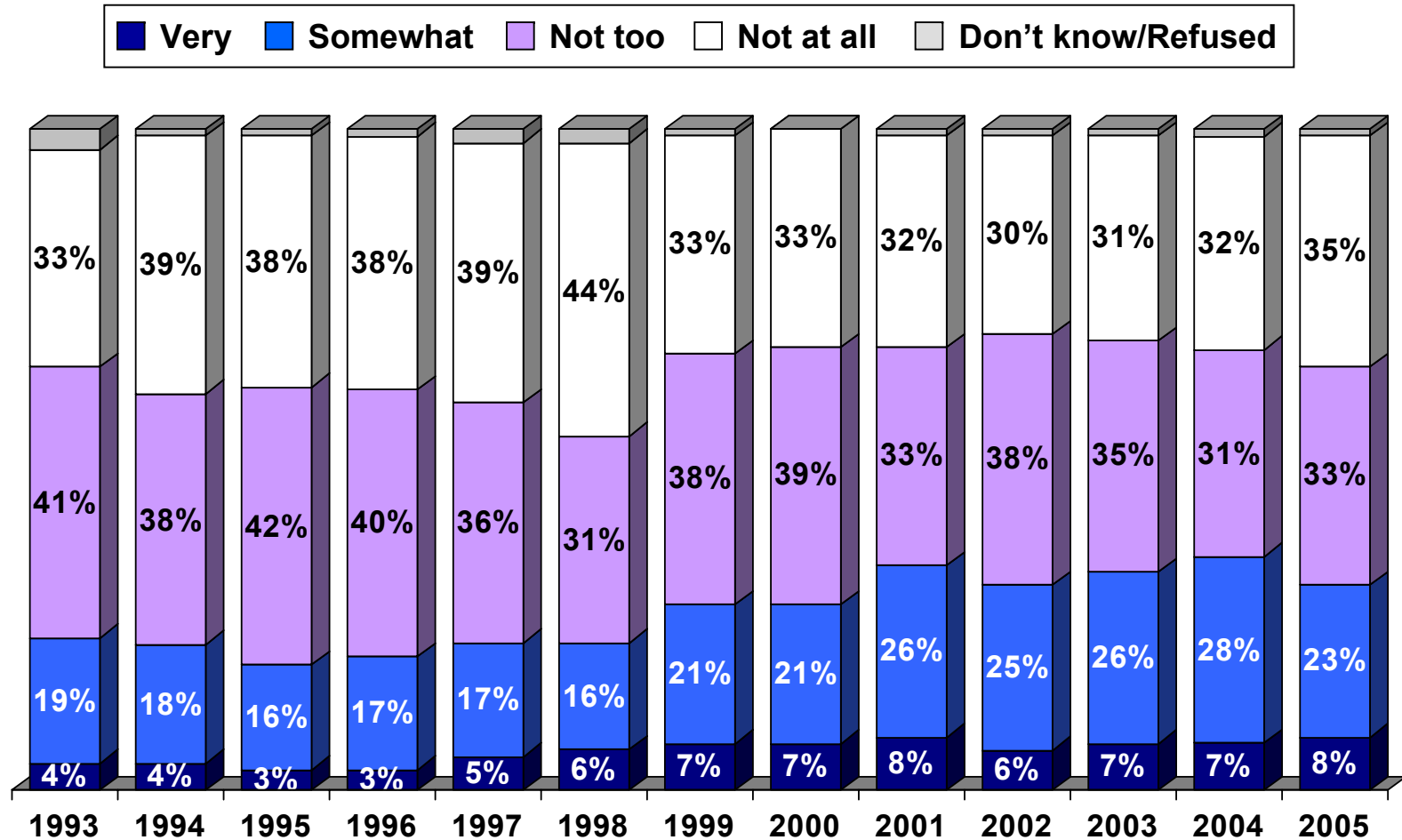
Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993-2005 Retirement Confidence Surveys

Some Workers Who Are *Very Confident* About Their Retirement Security May Be *Overconfident*

- **On average, it appears that confidence about retirement security is related to financial preparation.**
- **However, even among *very confident* workers, some may be *overconfident*:**
 - **20% of very confident workers are not currently saving for retirement.**
 - **38% have less than \$50,000 in savings.**
 - **52% do not have an IRA opened with money saved outside of an employer's retirement plan.**
 - **37% have not done a retirement needs calculation.**
 - **35% say their current level of debt is a problem.**

Workers Are Less Likely Than in 2004 (But More Likely Than In 1995) to be *Somewhat Confident* About Social Security

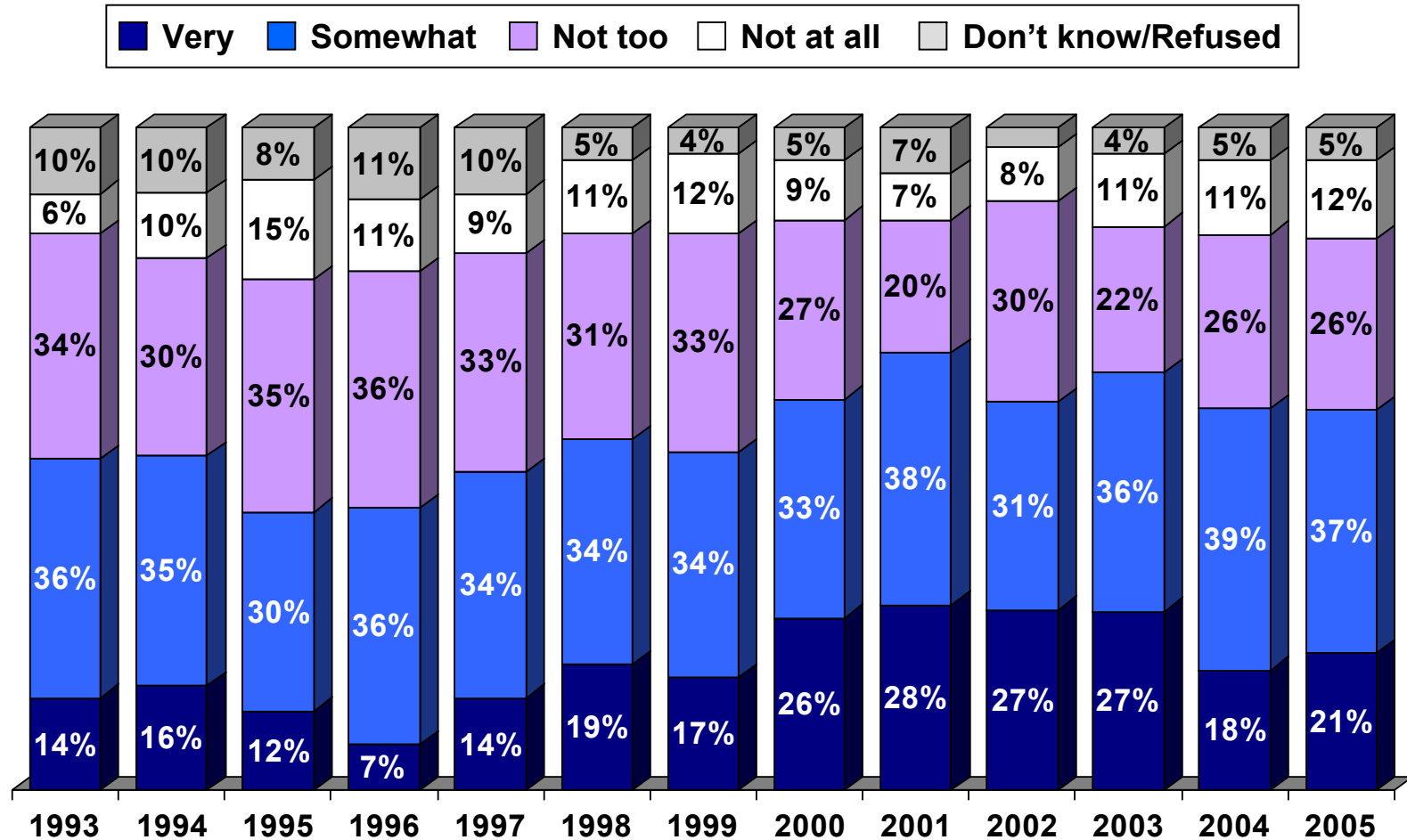
How confident are you that the Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today? (2005 Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993-2005 Retirement Confidence Surveys

Retiree Confidence in Social Security is Unchanged

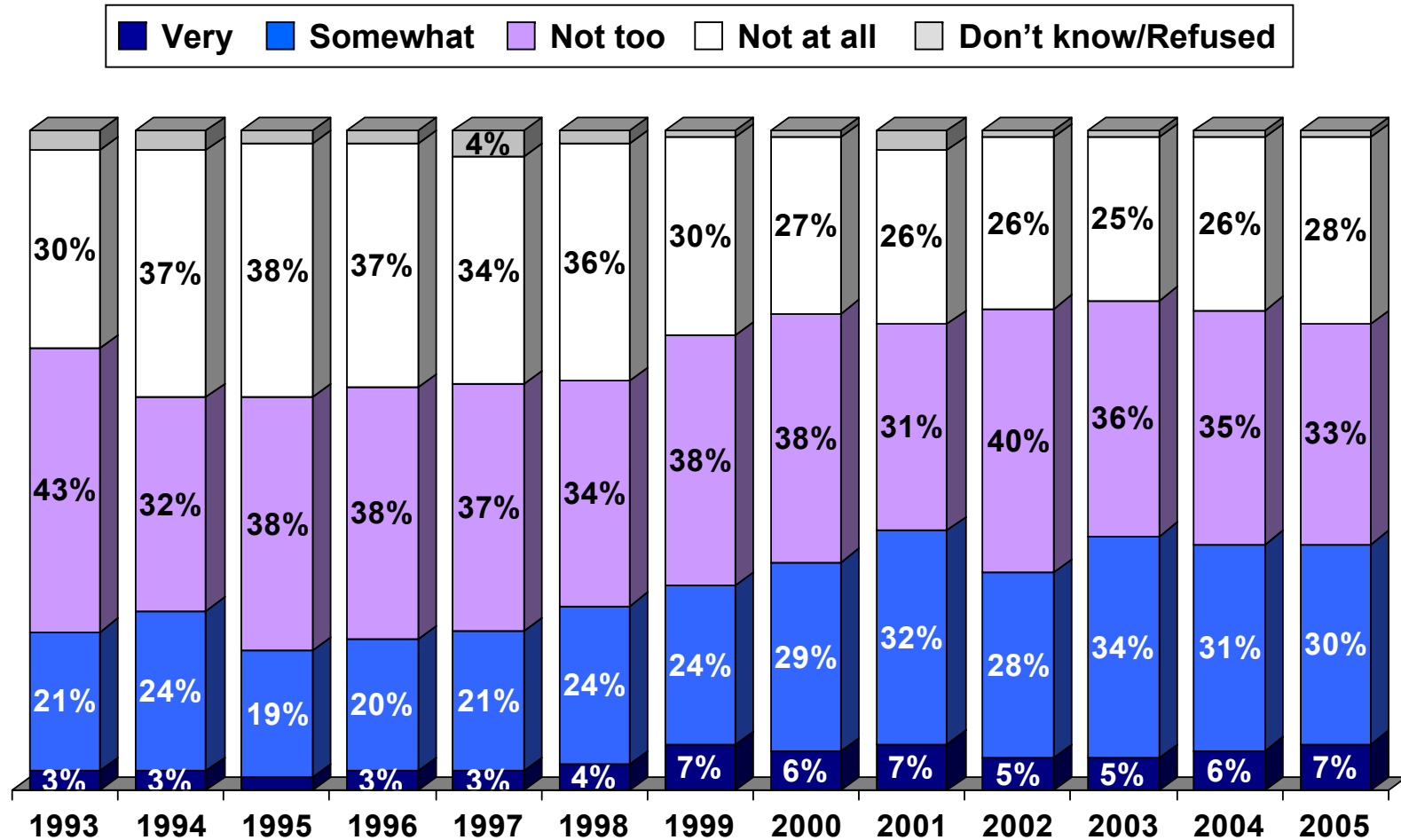
How confident are you that the Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today? (2005 Retirees n=252)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993-2005 Retirement Confidence Surveys

Worker Confidence in the Future Value of Medicare Benefits is Unchanged From Last Year...

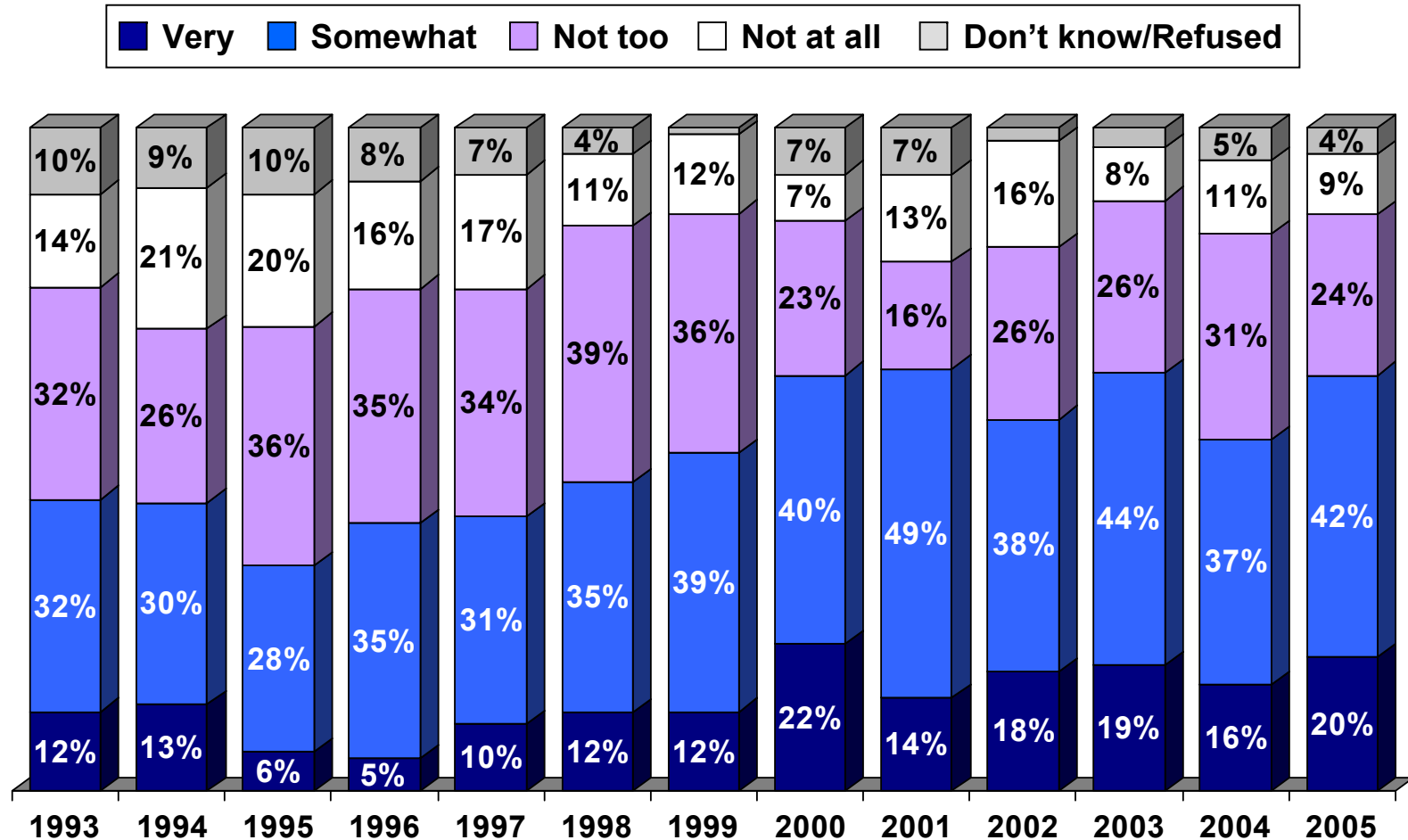
How confident are you that the Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today? (2005 Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993-2005 Retirement Confidence Surveys

...But *Retiree* Confidence in the Value of Medicare Benefits is Higher

How confident are you that the Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today? (2005 Retirees n=252)

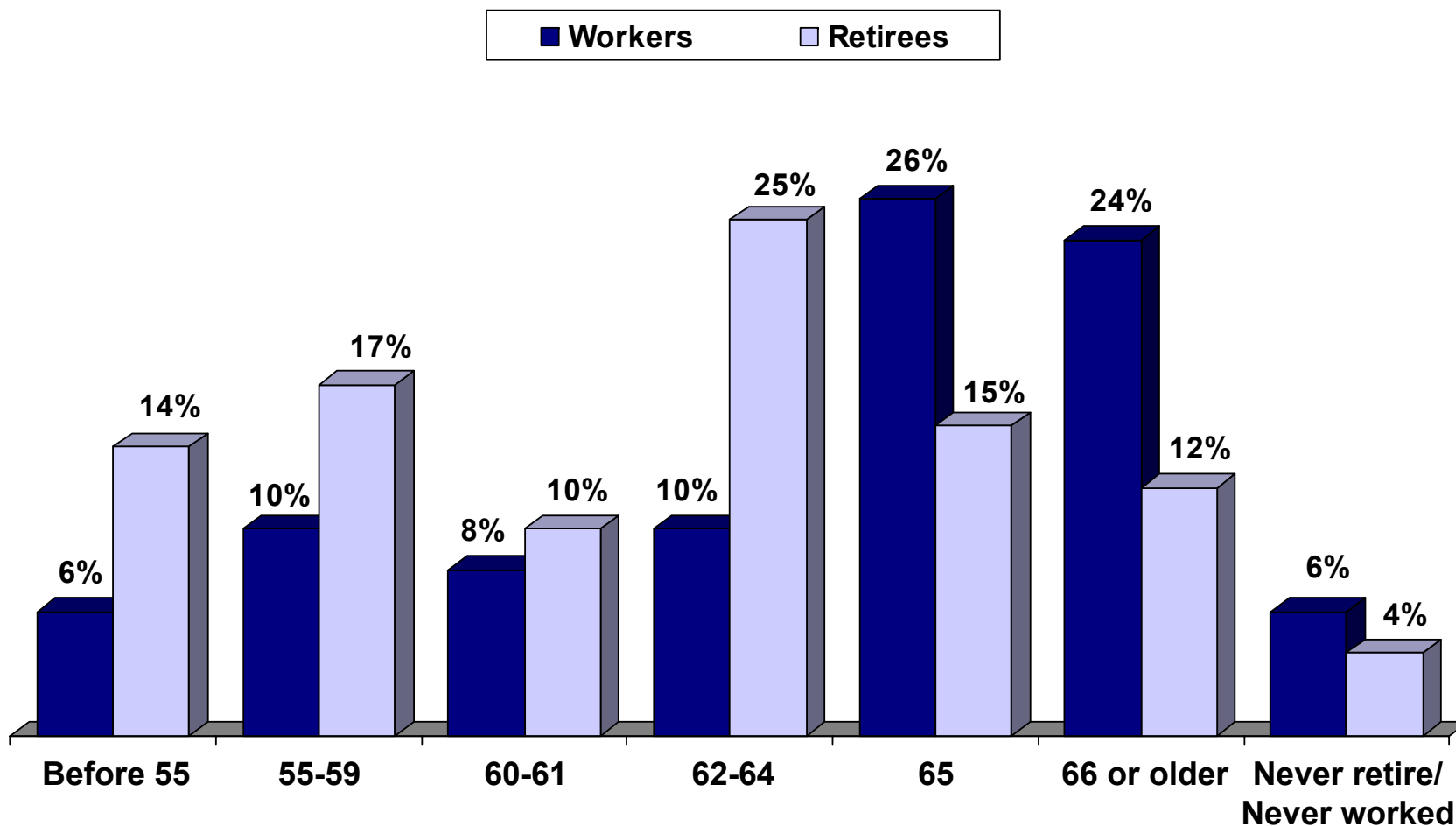


Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993-2005 Retirement Confidence Surveys

**Expectations About Retirement
and Retirement Income May
Contribute to Poor Retirement
Planning**

Workers Plan to Work Much Longer Than Current Retirees Actually Worked

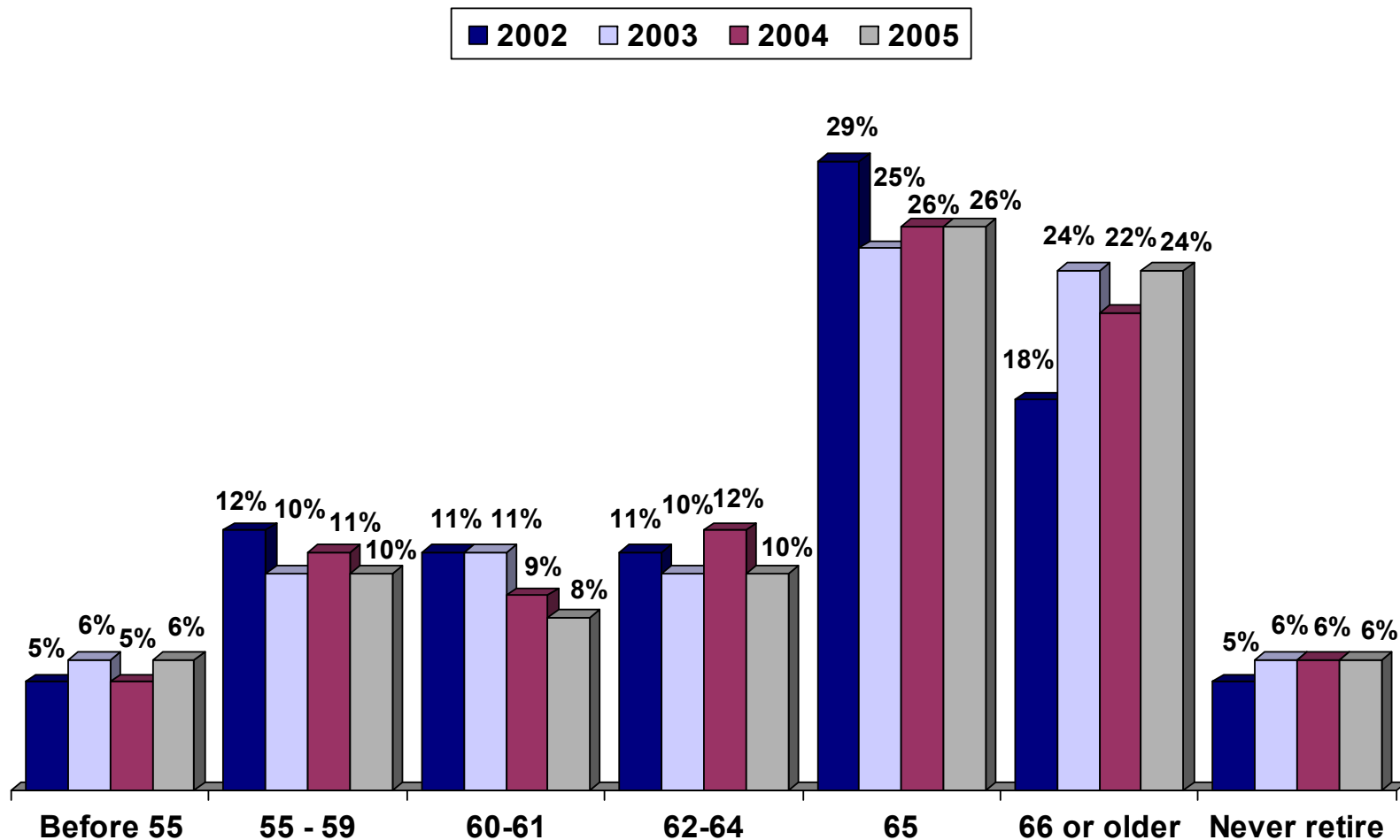
Realistically, at what age do you expect to retire? (Workers n=1,001)
How old were you when you retired? (Retirees n=252)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc.,
2005 Retirement Confidence Survey

Expected Age at Retirement Remains Unchanged (After Increasing Slightly in 2003)

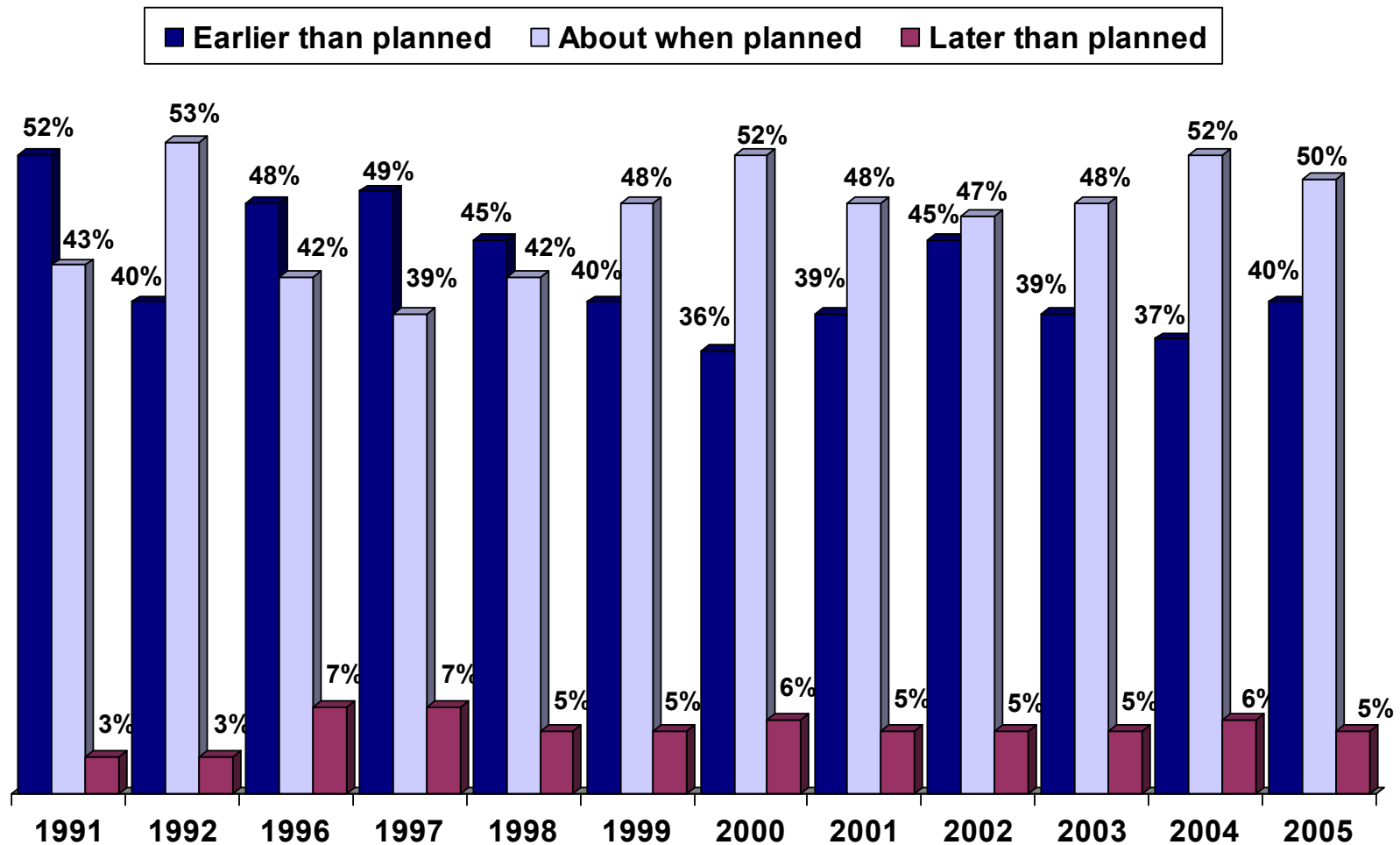
Realistically, at what age do you expect to retire? (2005 Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc.,
2002-2005 Retirement Confidence Surveys

Some Workers May Meet Their Goals, But Others May End Up Retiring Early, as Did 4 in 10 Retirees

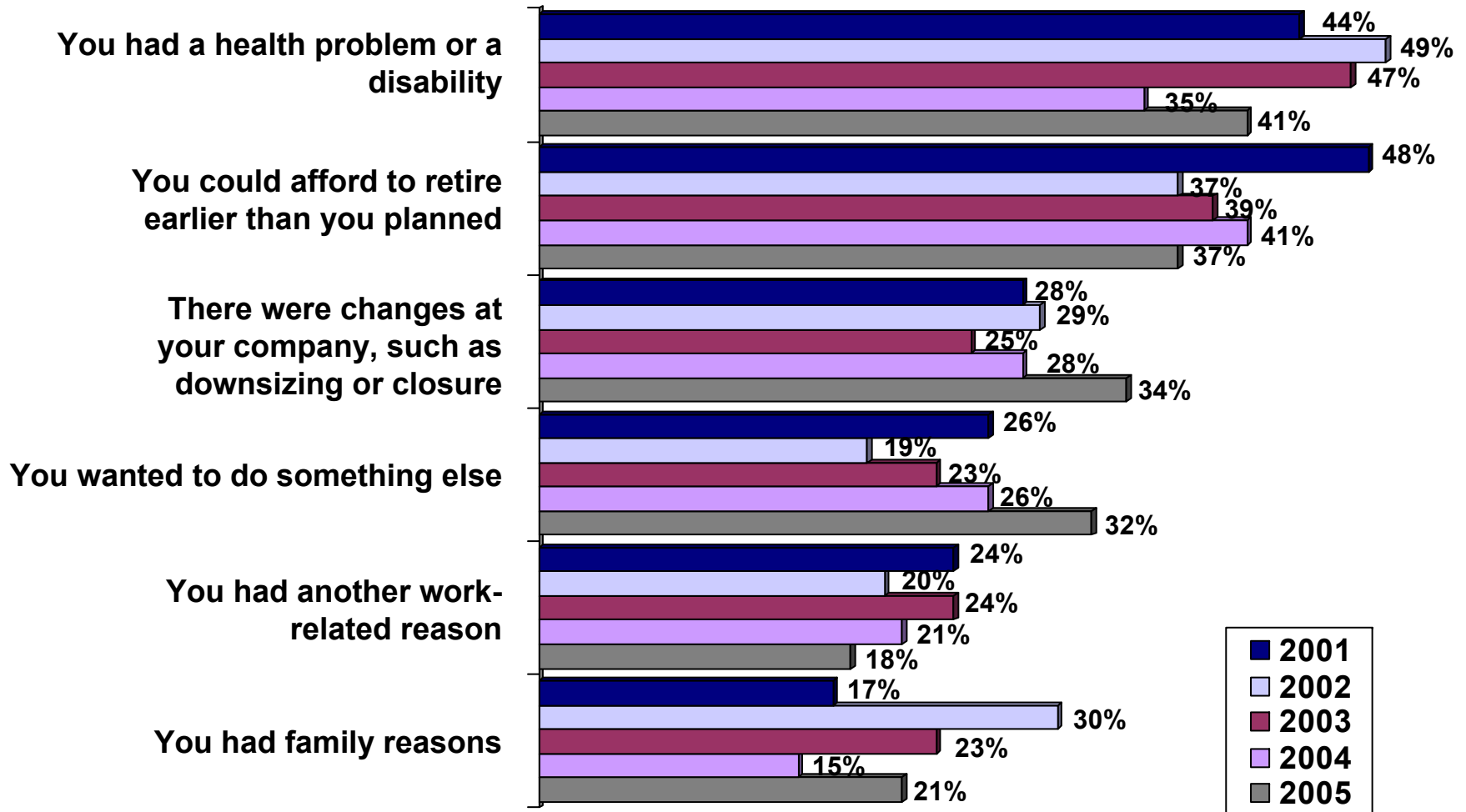
Did you retire earlier than you planned to, retire later than you planned to, or retire about when you planned to? (2005 Retirees n=252)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1991-1992, 1996-2005 Retirement Confidence Surveys

Early Retirement is Often for Negative Reasons

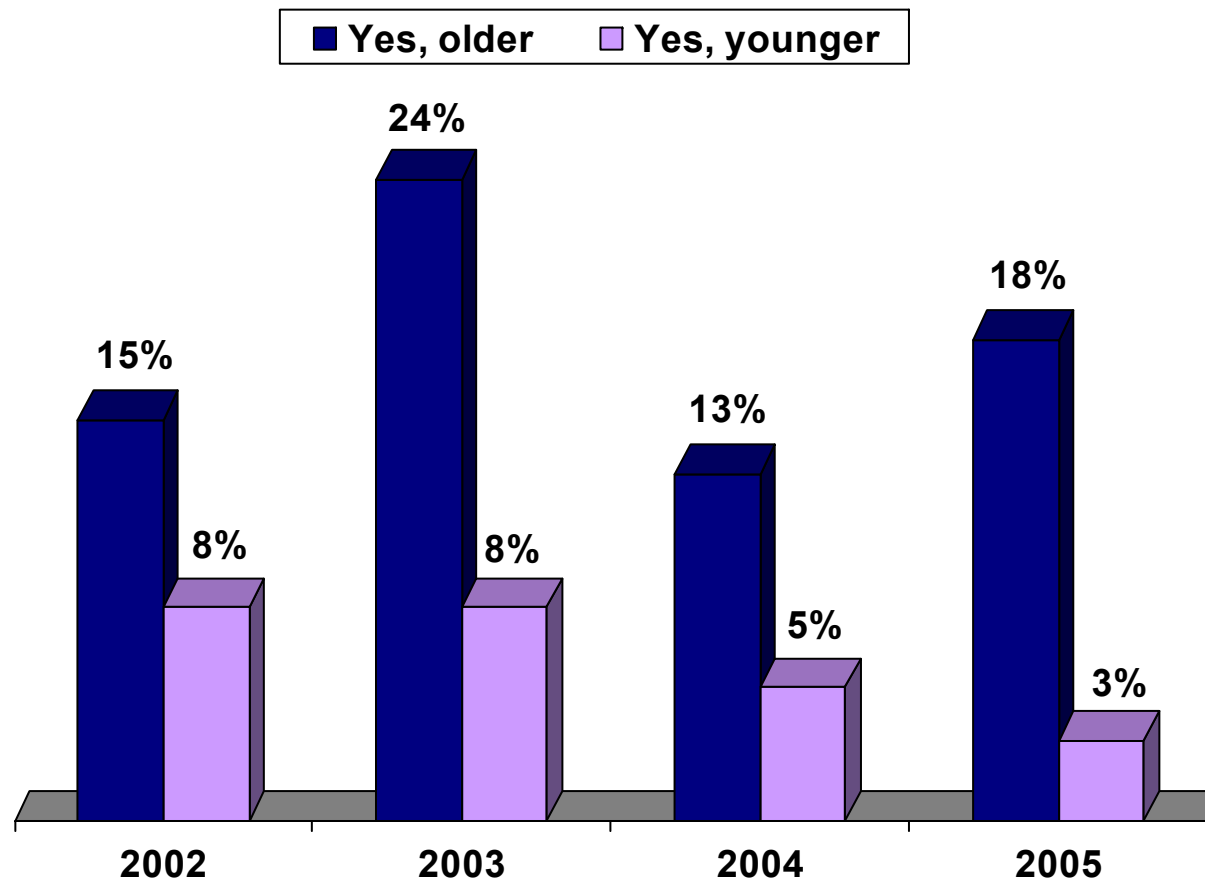
Did you retire earlier than you planned because . . . ? (Retirees retiring earlier than planned, 2005 n=101)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2001-2005 Retirement Confidence Surveys

Almost 1 in 5 Workers Ages 45 and Older Now Expect to Retire Later Than They Planned One Year Ago

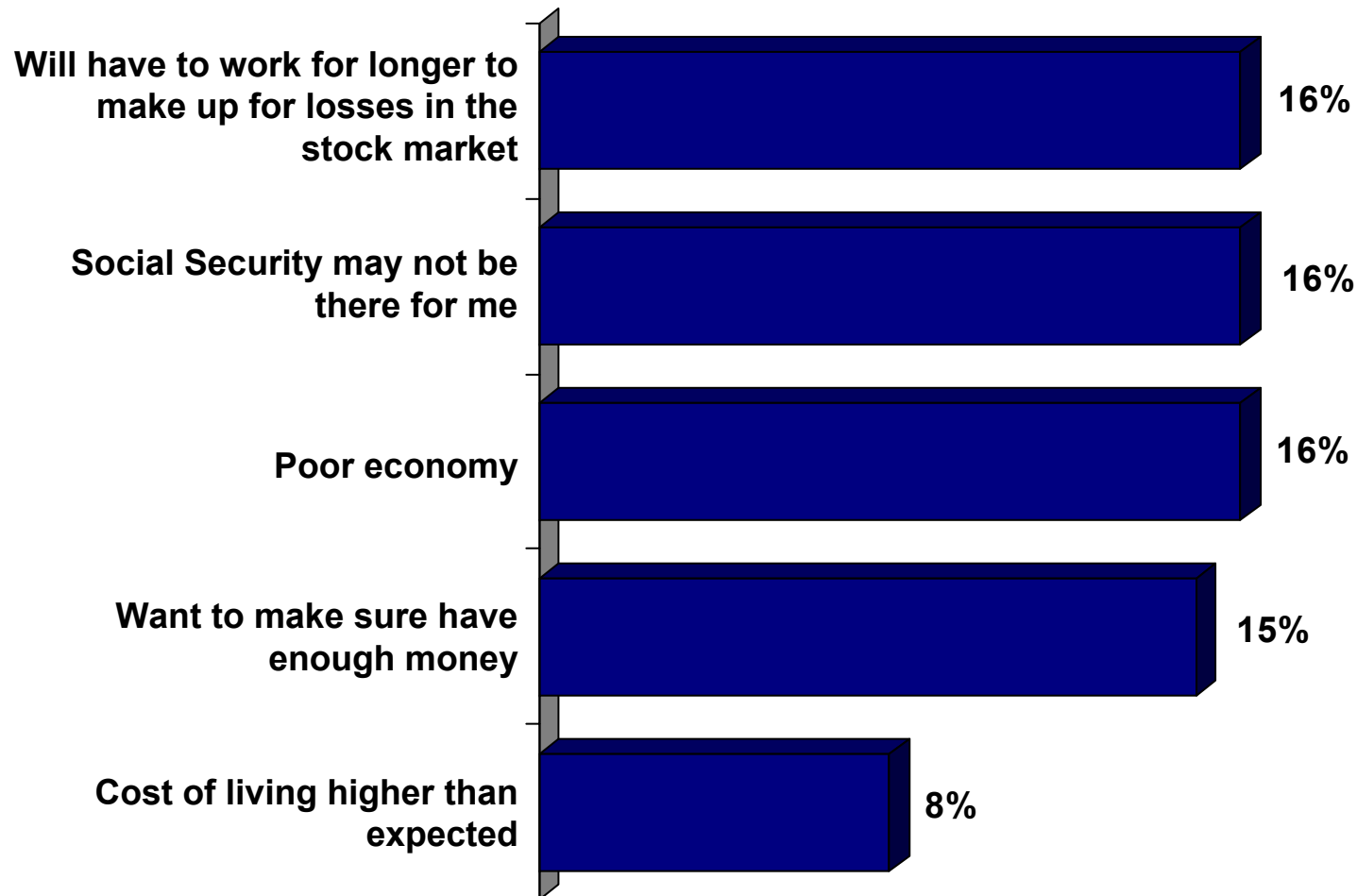
In the past 12 months, has the age at which you expect to retire changed? If yes, will you retire at an older or younger age than you previously expected? (Employed workers ages 45 and older, 2005 n=392)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2002-2005 Retirement Confidence Surveys

No Single Reason Predominates for Delaying Retirement Age

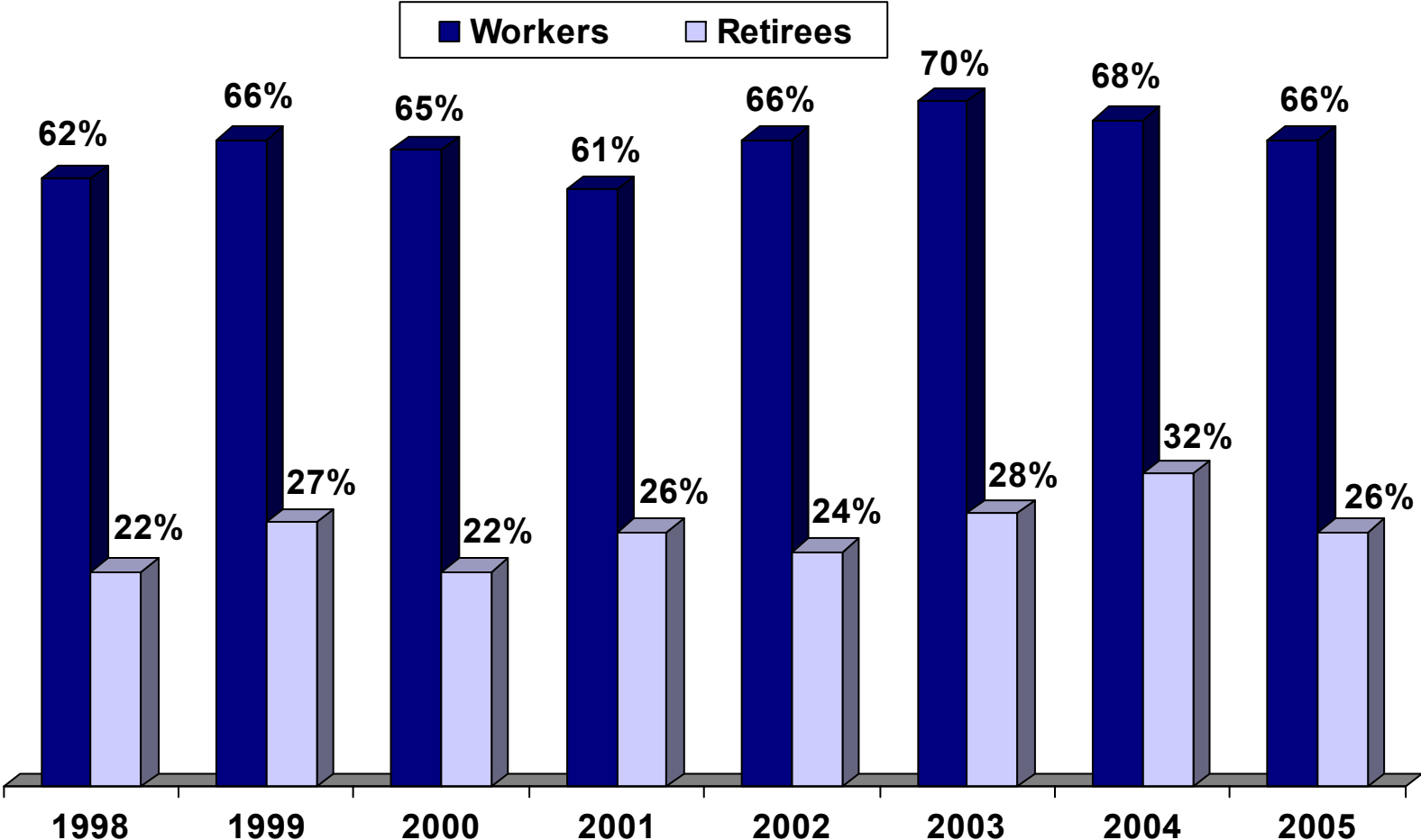
Why has your age of retirement changed? (Workers delaying retirement, n=69) (Top mentions, multiple responses accepted)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

2 in 3 Workers Expect to Work for Pay in Retirement; Only 1 in 4 Retirees Actually Worked

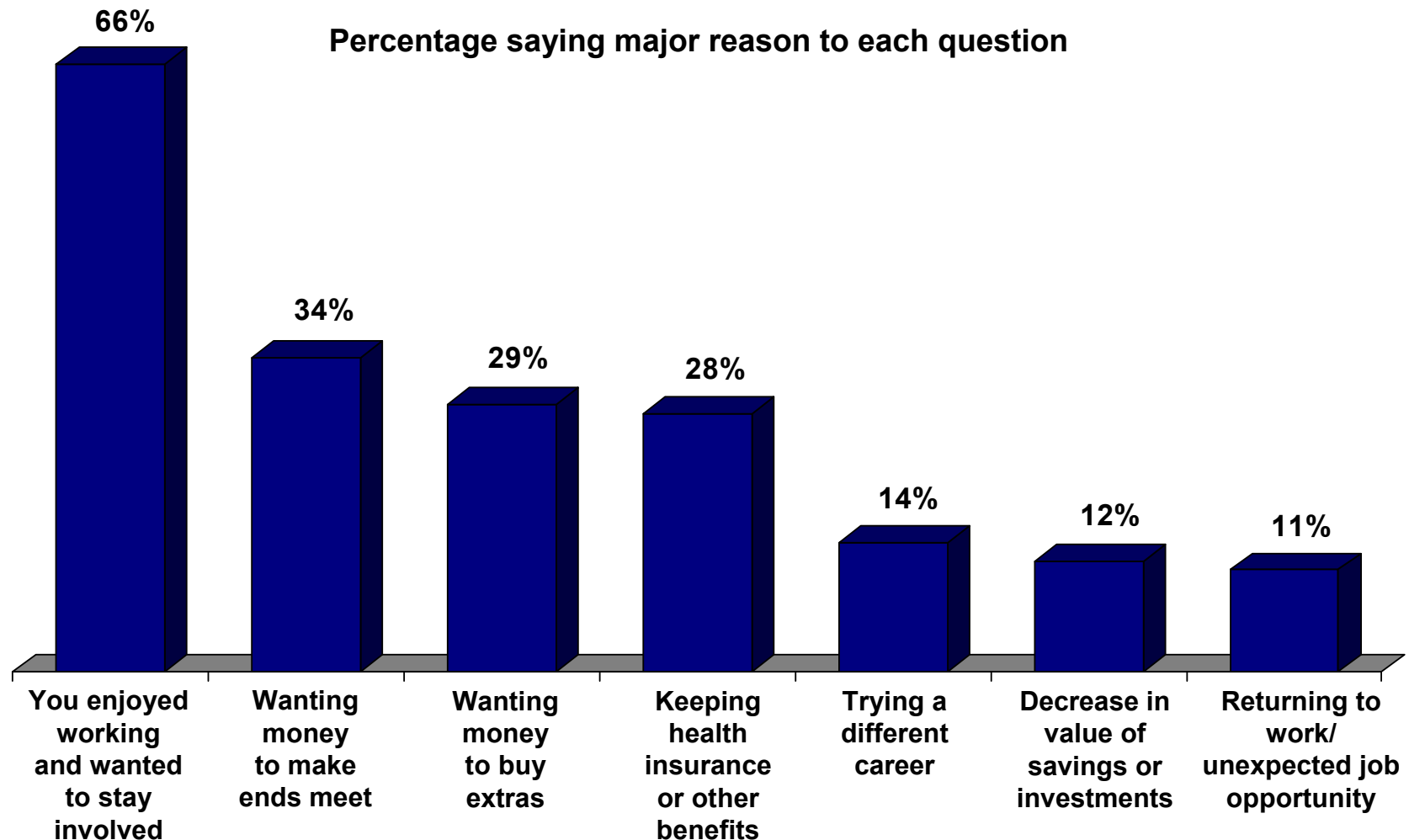
Do you think you will do any work for pay after you retire? (Workers planning to retire, 2005 n=939) Have you worked for pay since you retired? (2005 Retirees n=252)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1998-2005 Retirement Confidence Surveys

2 in 3 Retirees Enjoyed Working, But Many Also Give Financial Reasons for Working in Retirement

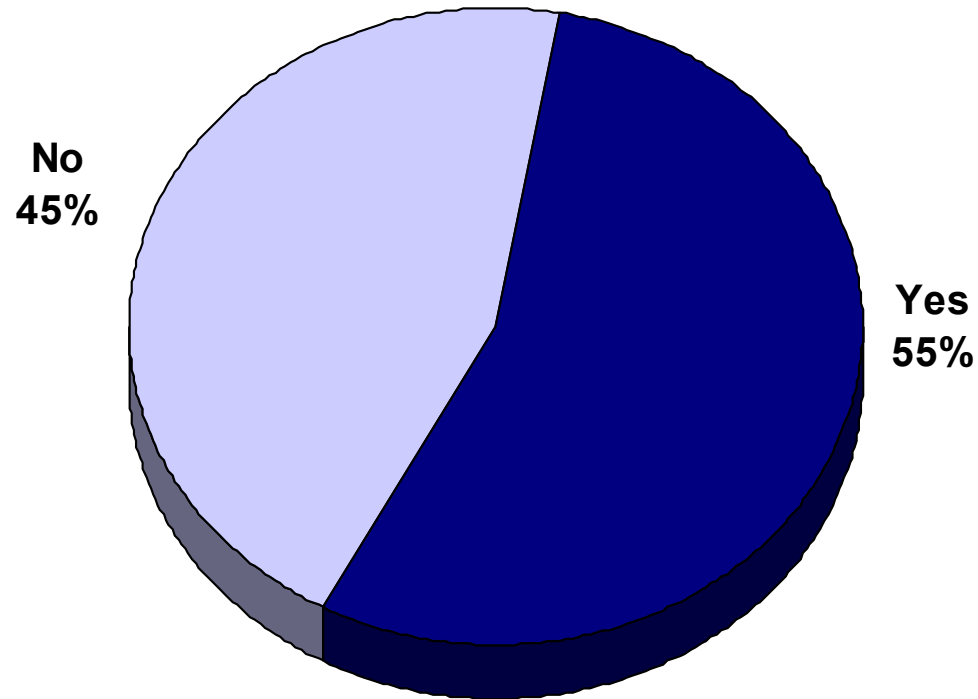
Is . . . a major reason, a minor reason, or not a reason why you worked after you retired?
(Retirees working for pay in retirement, n=76)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc.,
2005 Retirement Confidence Survey

More Than Half of Retirees Who Have Worked for Pay Since Retiring are Still Working

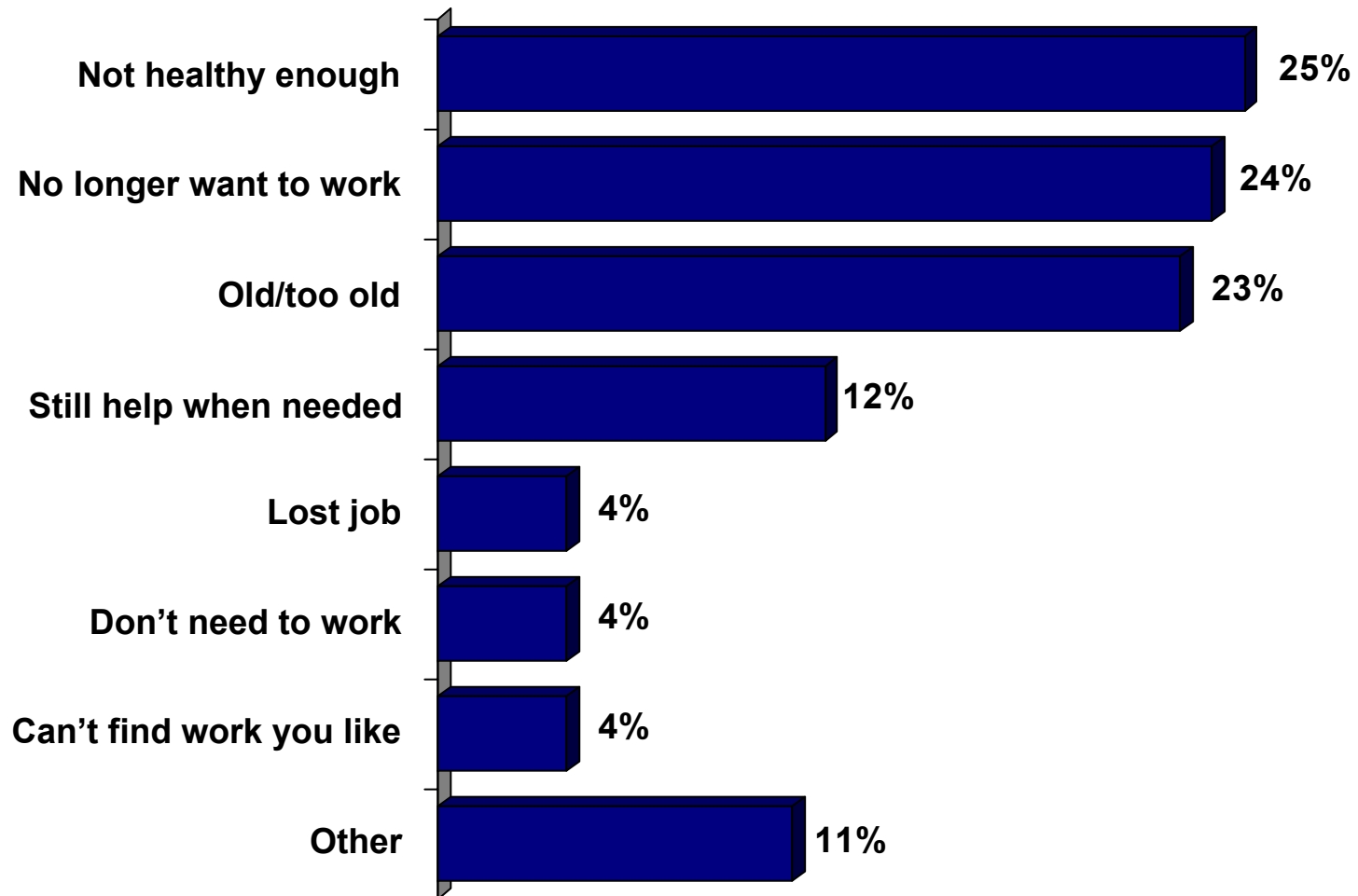
Are you currently working for pay? (Retirees working for pay since retiring, n=76)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

But of Those No Longer Working for Pay, More Than Half are Unable to Work

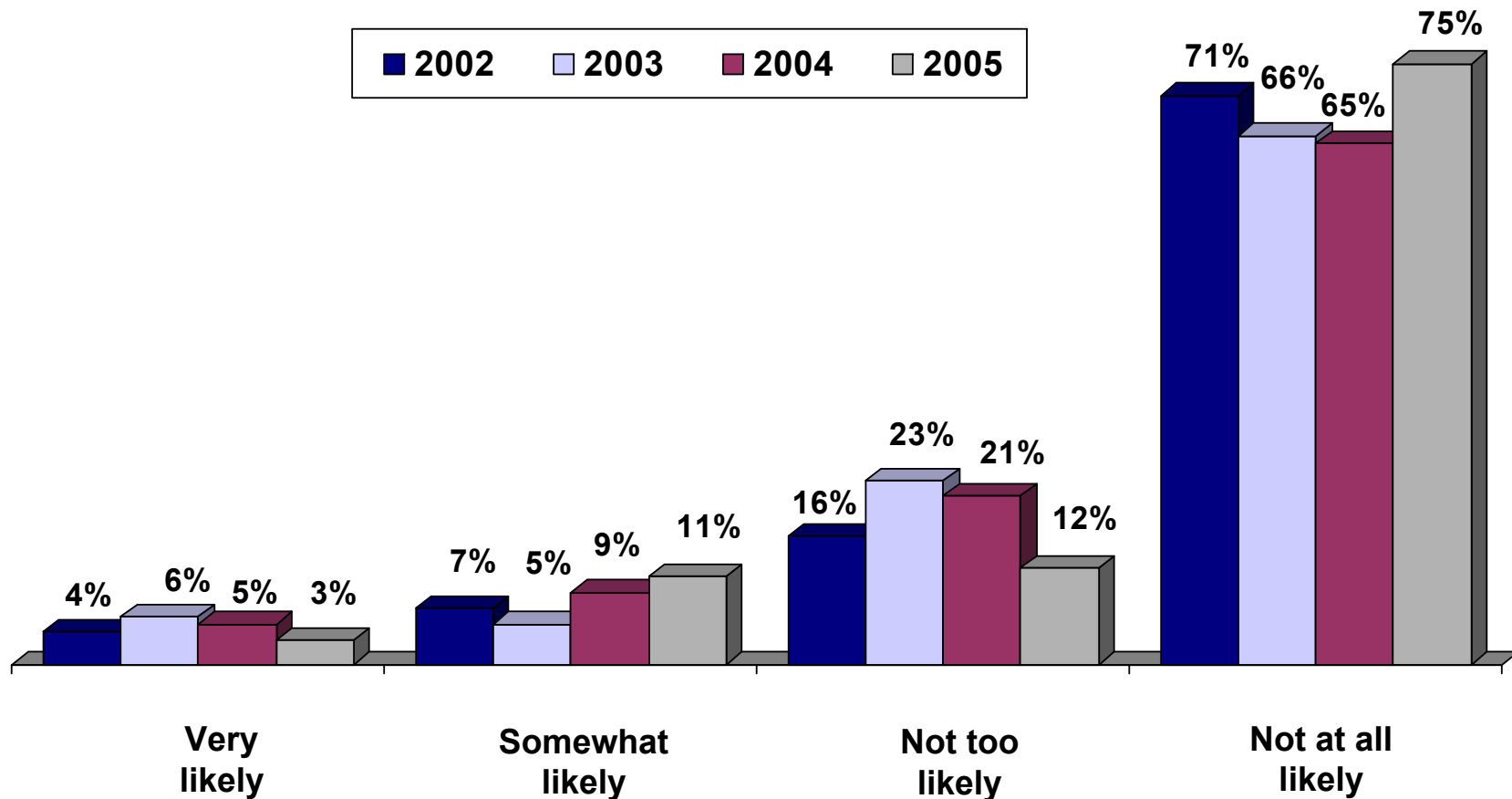
Could you please tell me the reason why you are no longer working? (Retirees no longer working for pay in retirement, n=29) (multiple responses accepted)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Very Few Non-working Retirees Say They are Likely to Return to Work for Pay

Realistically, how likely do you think you are to work for pay some time in the future?
(Retirees not working for pay since retirement, n=176)

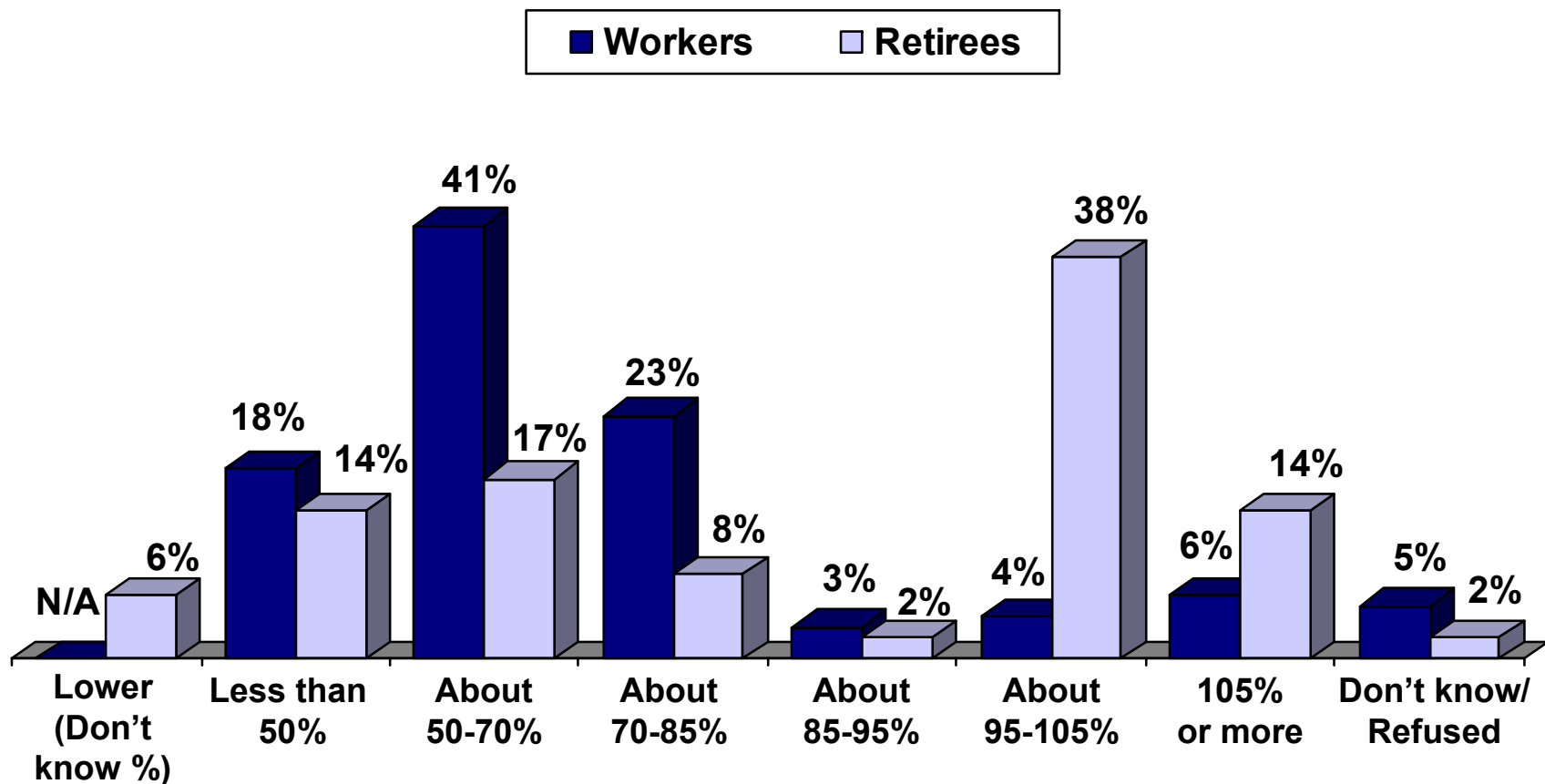


Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc.,
2002-2005 Retirement Confidence Surveys

3 in 5 Workers Expect to Live Comfortably on 70% or Less of Their Pre-retirement Income; Most Retirees Have More

About what percentage of your pre-retirement household income do you think you (and your spouse) will need to live comfortably in retirement? By pre-retirement income, I mean your household income right before you retire. (Workers n=500)

About what percentage of your pre-retirement income is your current household income? (Retirees n=252)

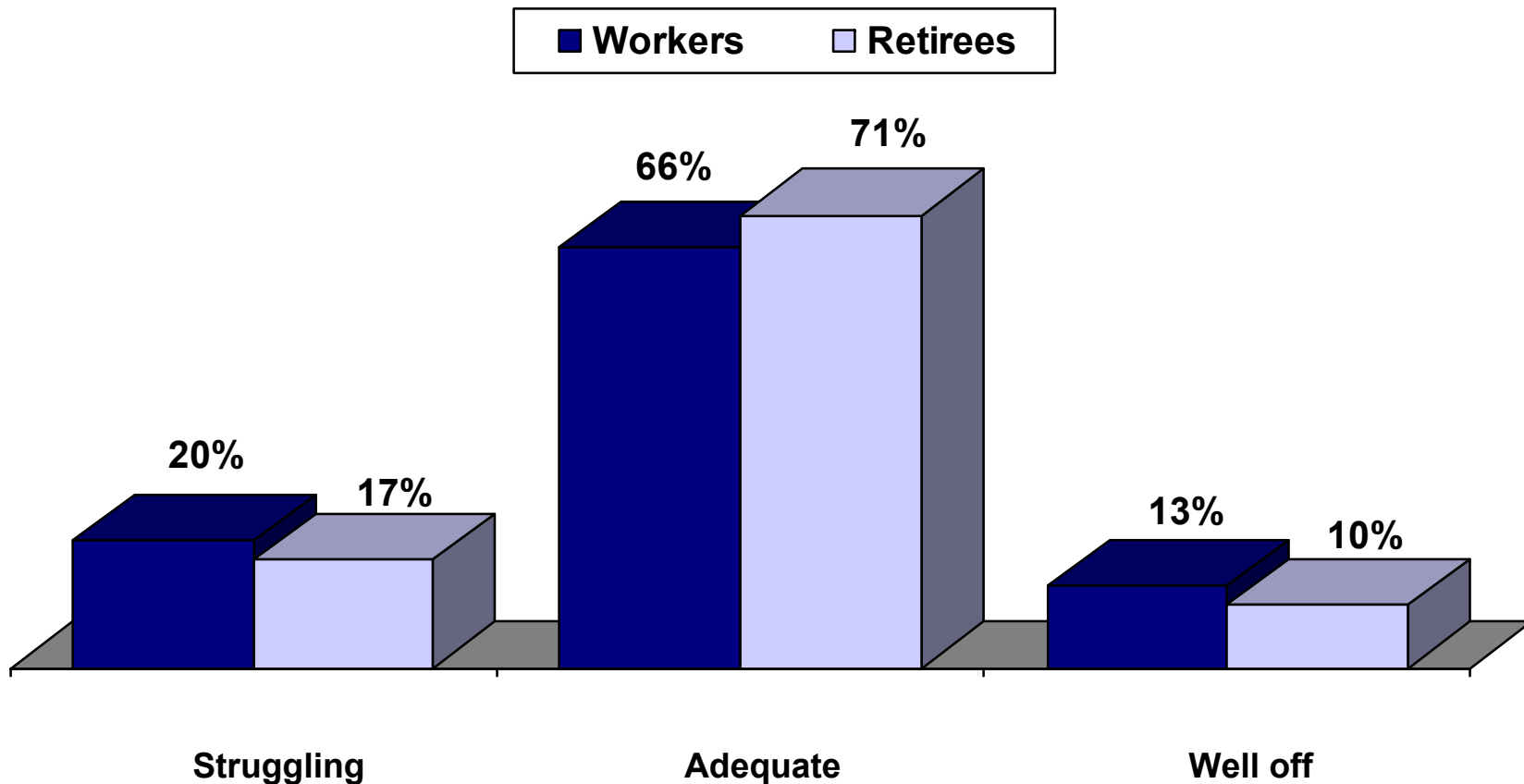


Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

4 in 5 Workers Think They Will Have at Least an Adequate Standard of Living in Retirement

Thinking realistically, what kind of financial lifestyle do you think you (and your spouse) will have in retirement? (Workers n=500)

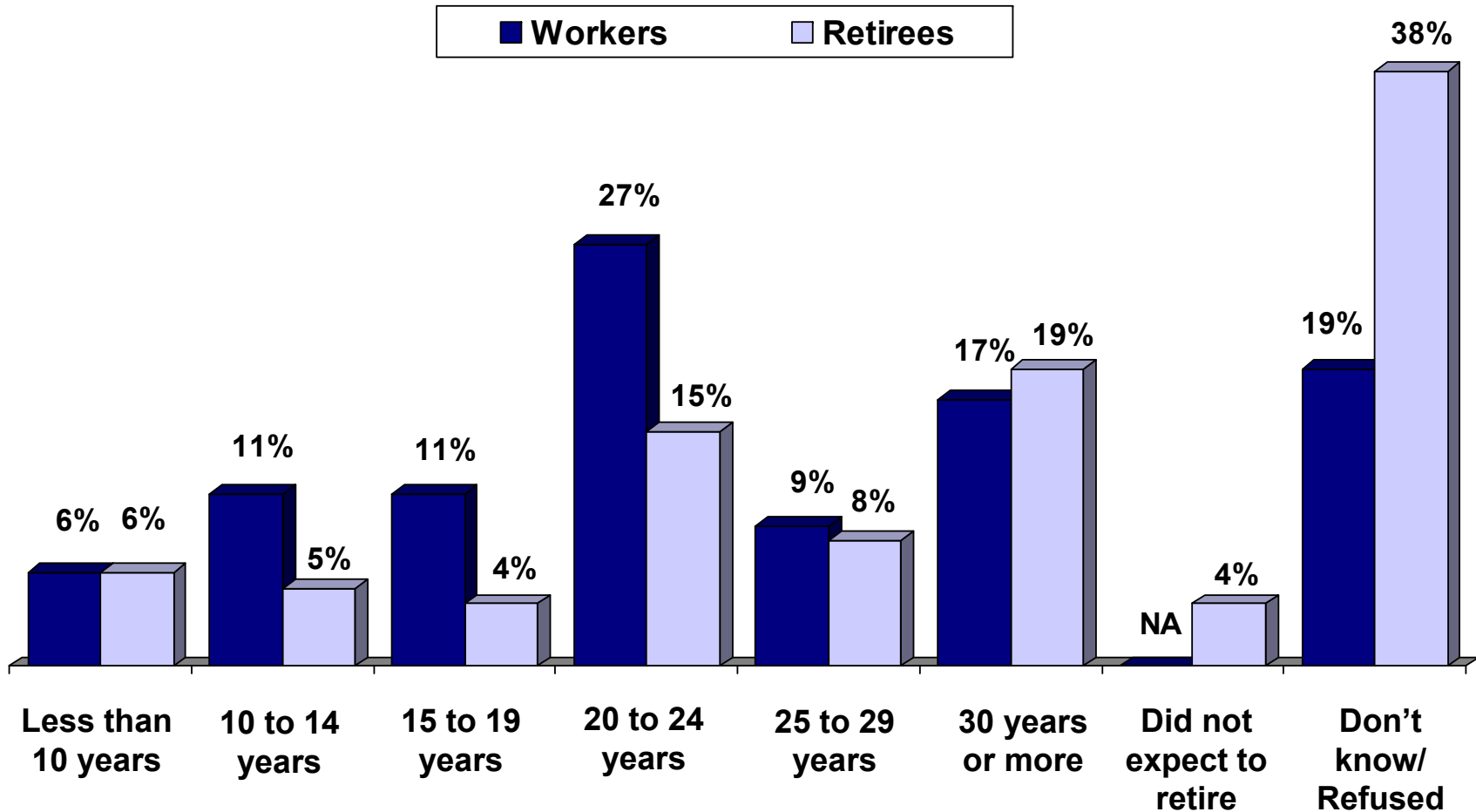
How would you describe your current financial lifestyle? (Retirees n=252)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Half of Workers Expect to be Retired for 20 years or More

For how many years do you expect to be retired (Workers planning to retire, n=939)
 At the time that you retired, how many years did you expect your retirement to last? (Retirees n=252)

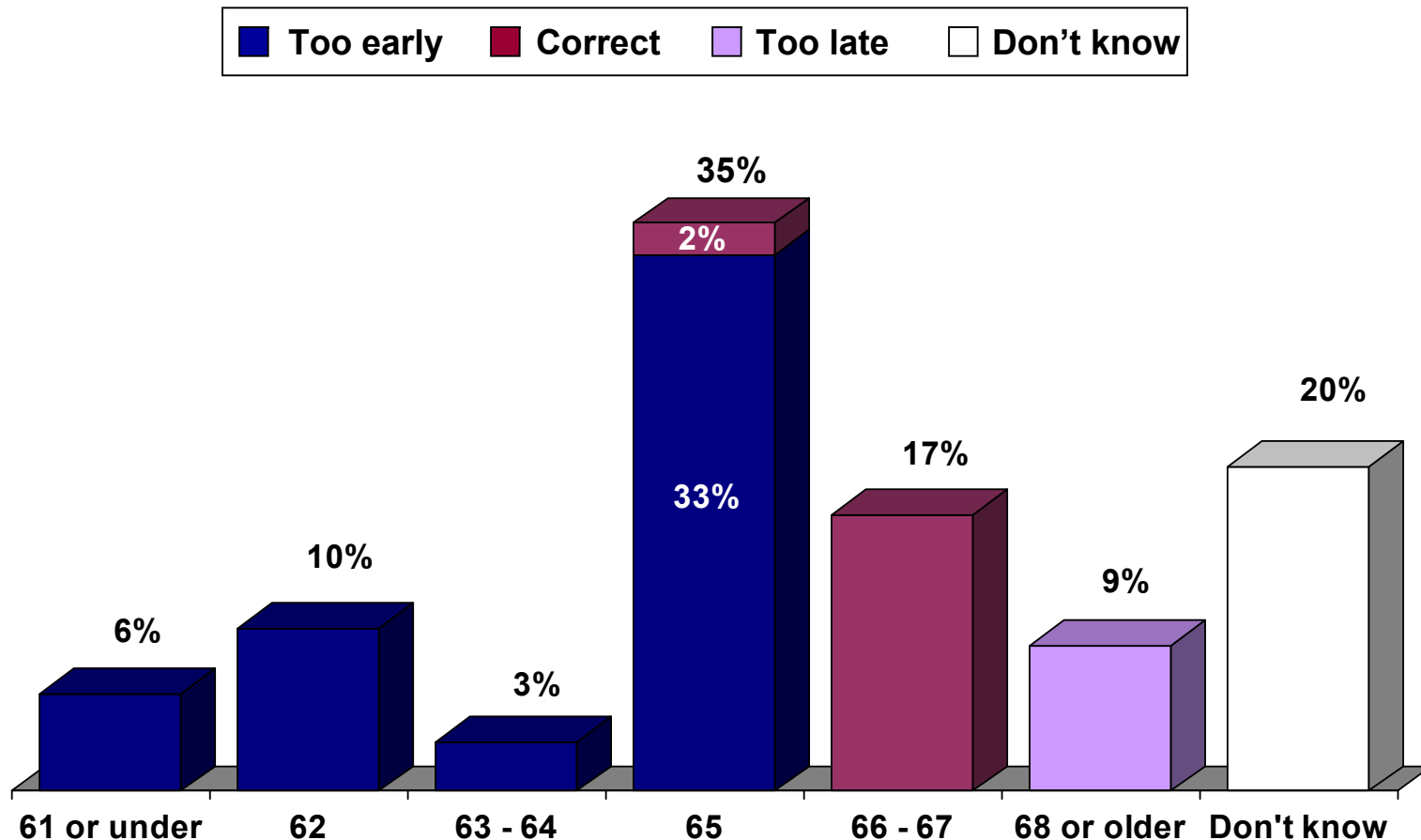


Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Just 1 in 5 Workers Know When They Can Receive Unreduced Social Security Retirement Benefits

At what age will you be eligible to receive Social Security retirement benefits without a reduction for early retirement? If respondent says already eligible, ask: At what age were you eligible to receive Social Security retirement benefits without a reduction for early retirement?

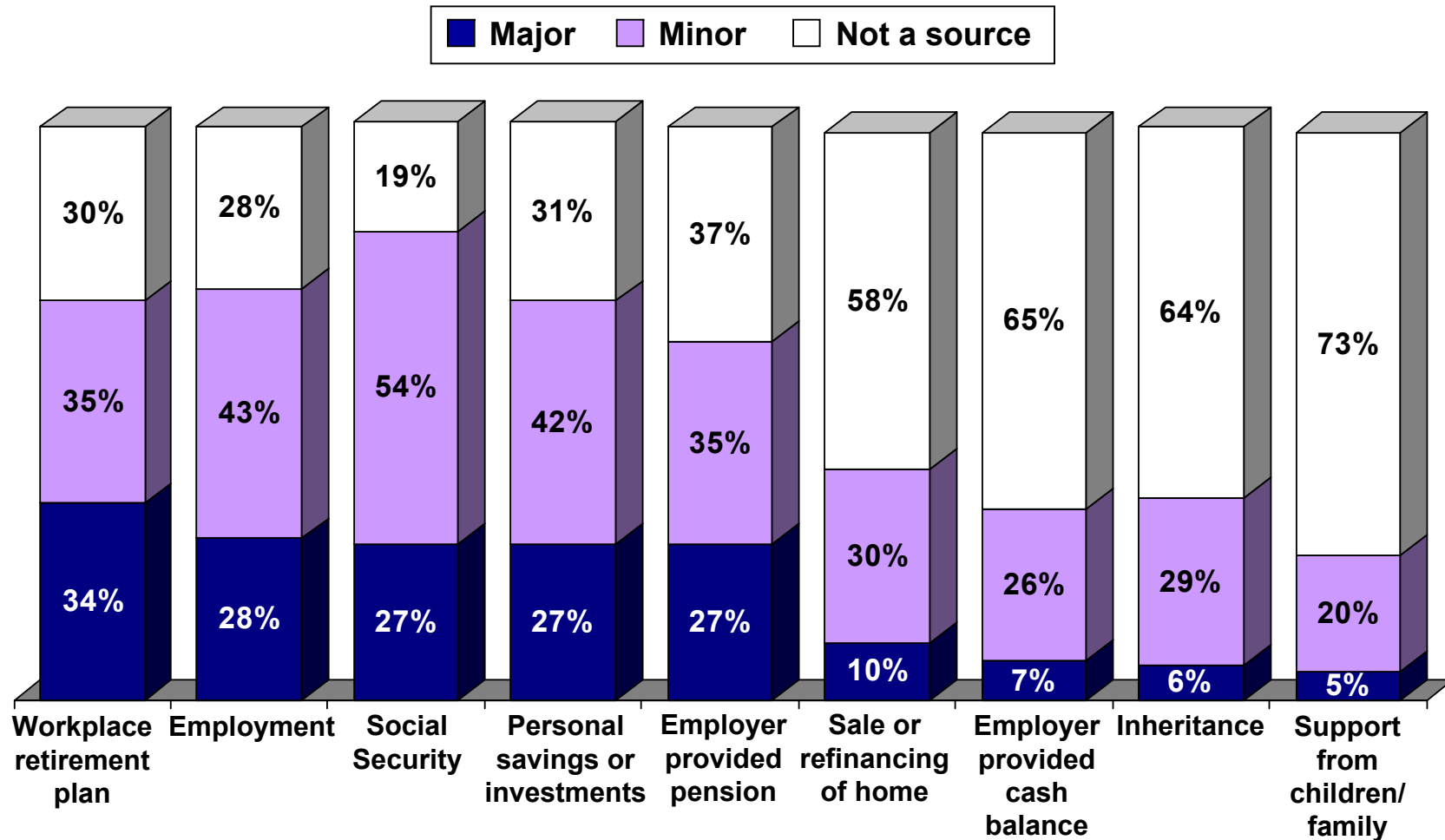
(Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Workers Most Often Expect a Workplace Retirement Savings Plan to be a Major Source of Retirement Income

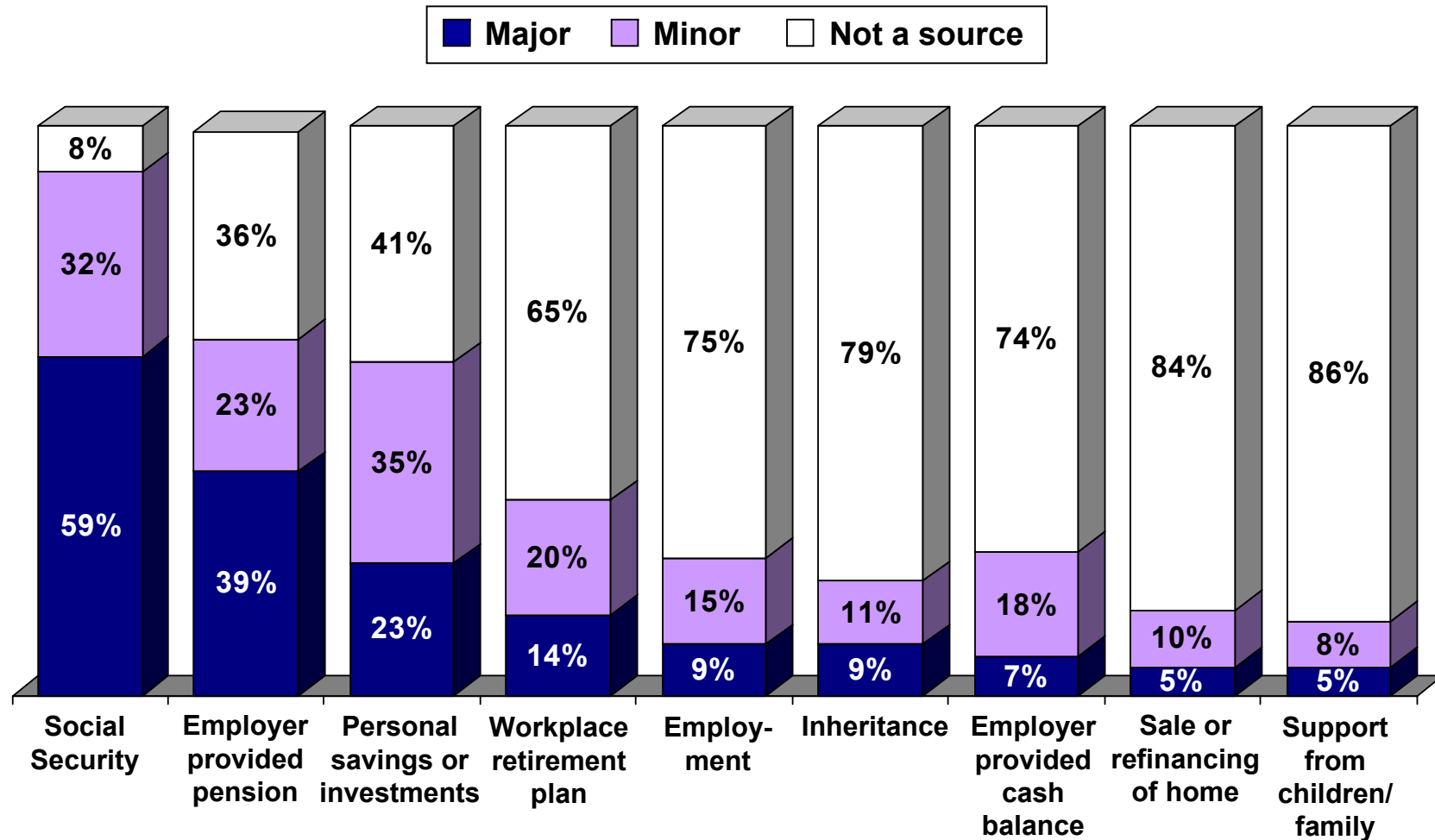
Do you expect it will be a major source of income, a minor source of income, or not a source of income in your (and your spouse's) retirement? (Workers n=500)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Retirees are Most Likely to Say Social Security is Their Major Source of Income

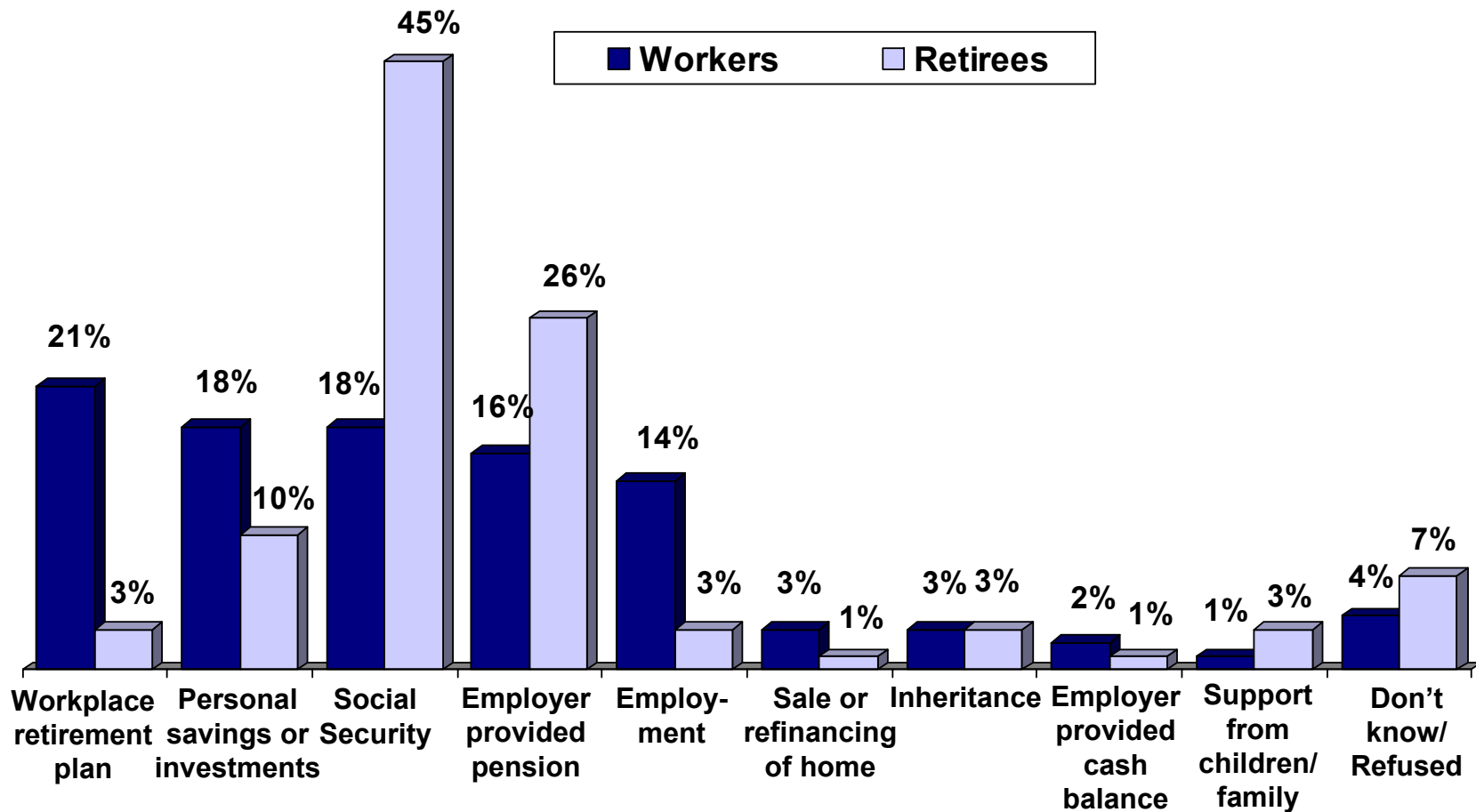
Is it a major source of income, a minor source of income, or not a source of income in your (and your spouse's) retirement? (Retirees n=252)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Workers and Retirees Also Differ on Their Most Important Source of Retirement Income

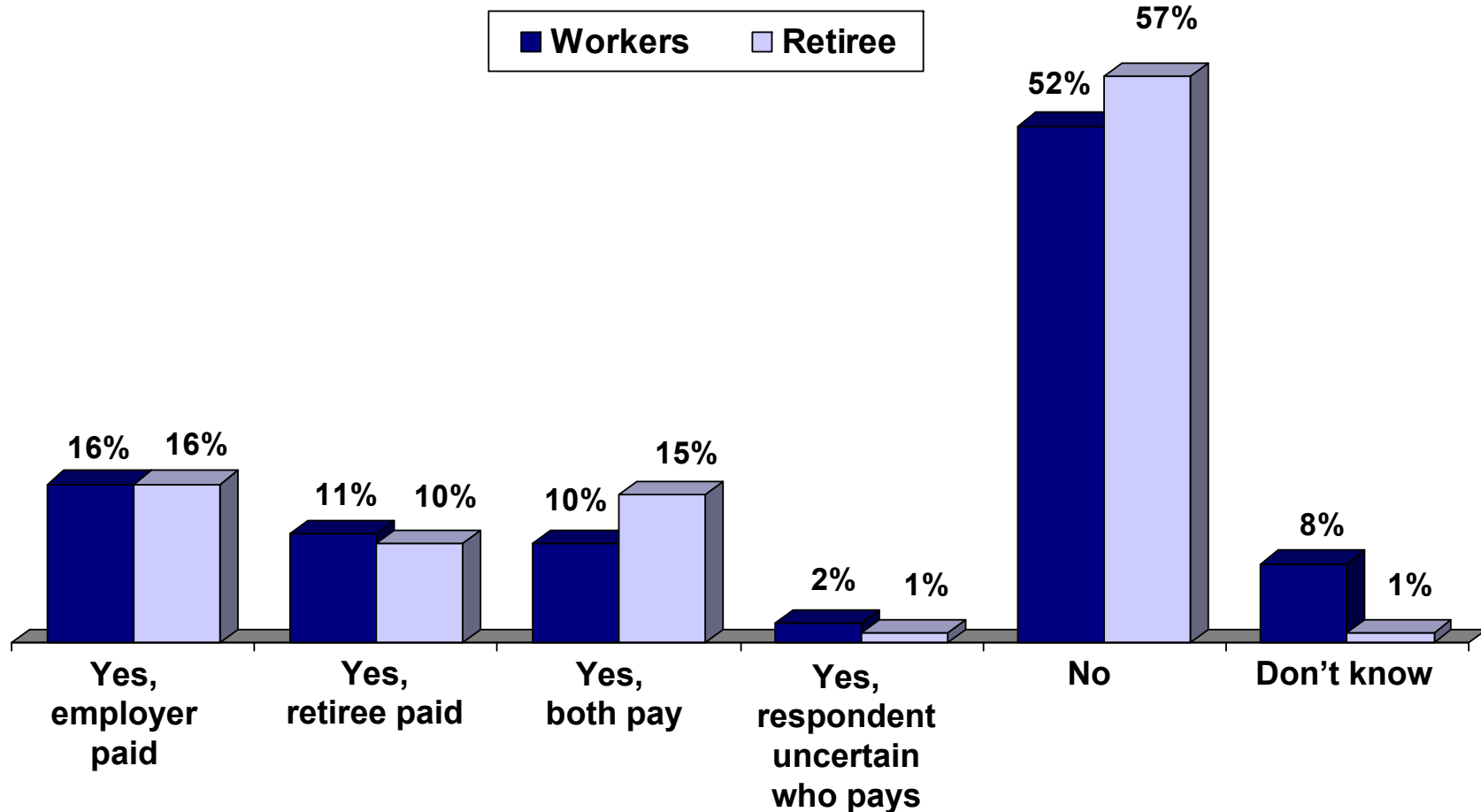
Which source (do you think will provide/provides) you (and your spouse) with the largest share of income in retirement? (Workers n=500)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

4 in 10 Workers Expect to Receive Retiree Health Insurance Through an Employer

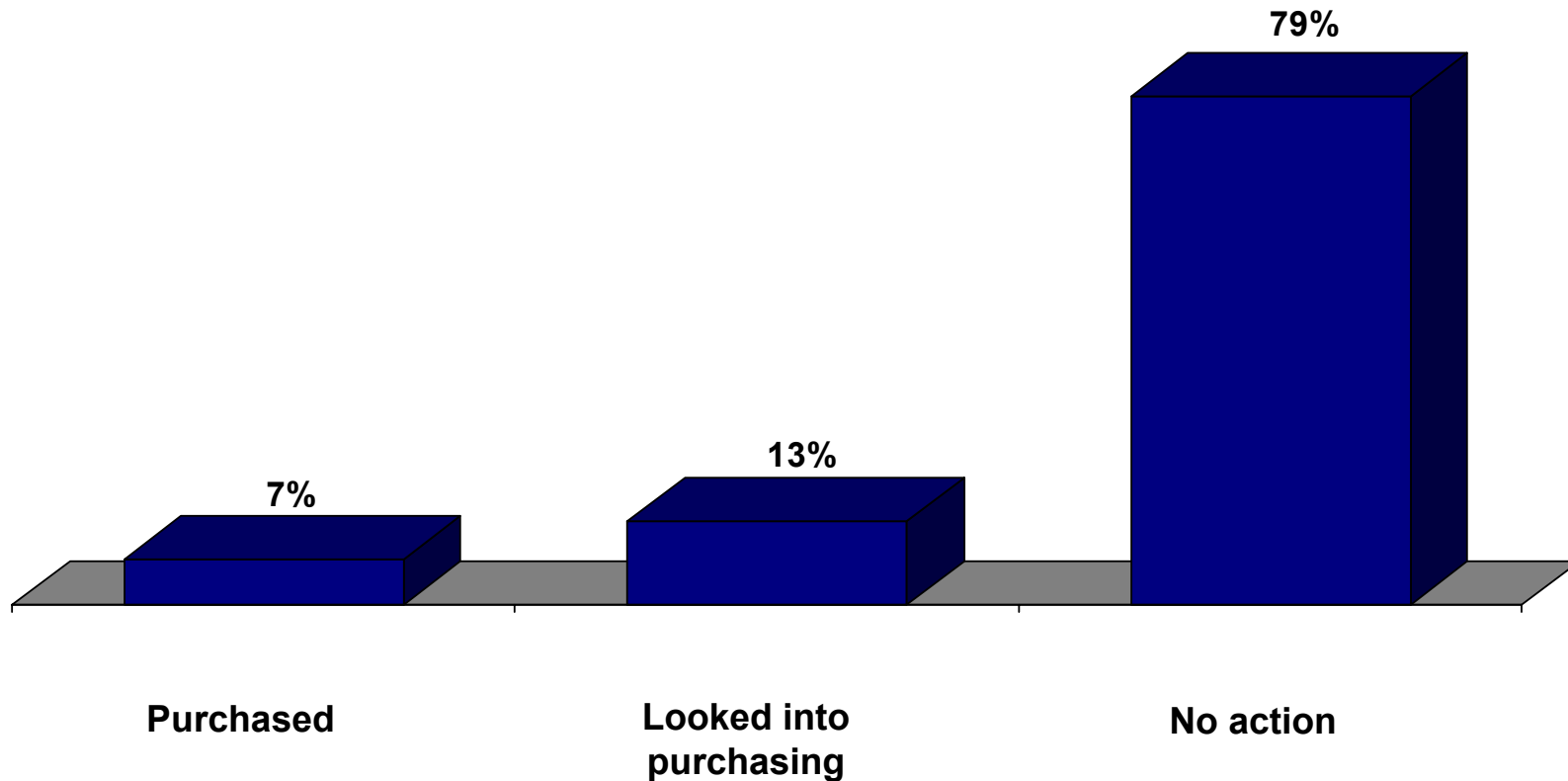
Do you (and/or your spouse) (expect to receive/receive) retiree health insurance from an employer? (Workers n=1,001; Retirees n=252)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

1 in 5 Workers Report Purchasing or Looking Into Purchasing Long-term Care Insurance

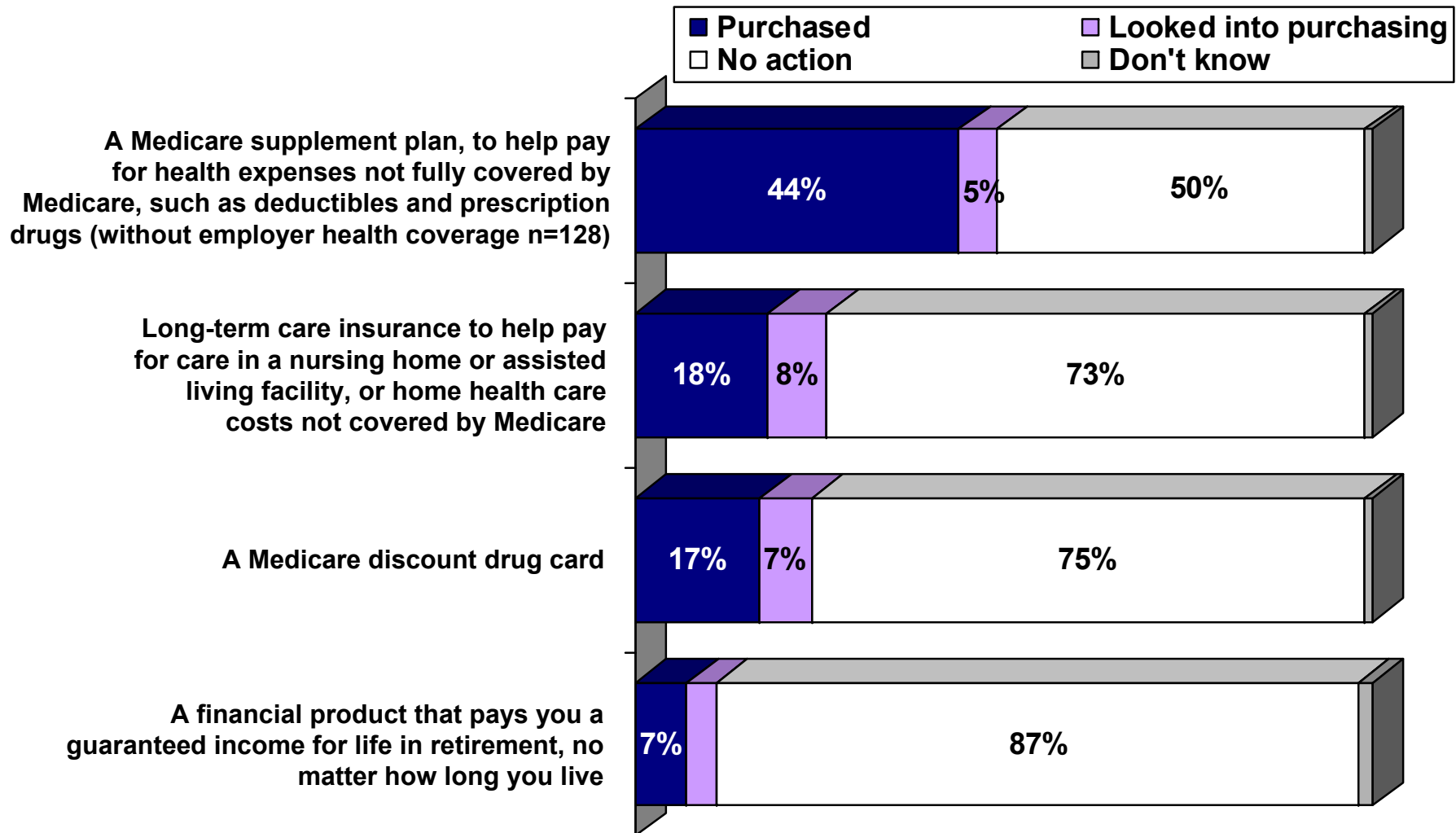
When thinking about your financial needs in retirement, have you (and/or your spouse) purchased, looked in purchasing, or taken no action on long-term care insurance to help pay for care in a nursing home or assisted living facility, or home health care costs not covered by Medicare? (Workers n=1,001)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Minorities of Retirees Have Taken Action to Minimize Various Retirement Risks

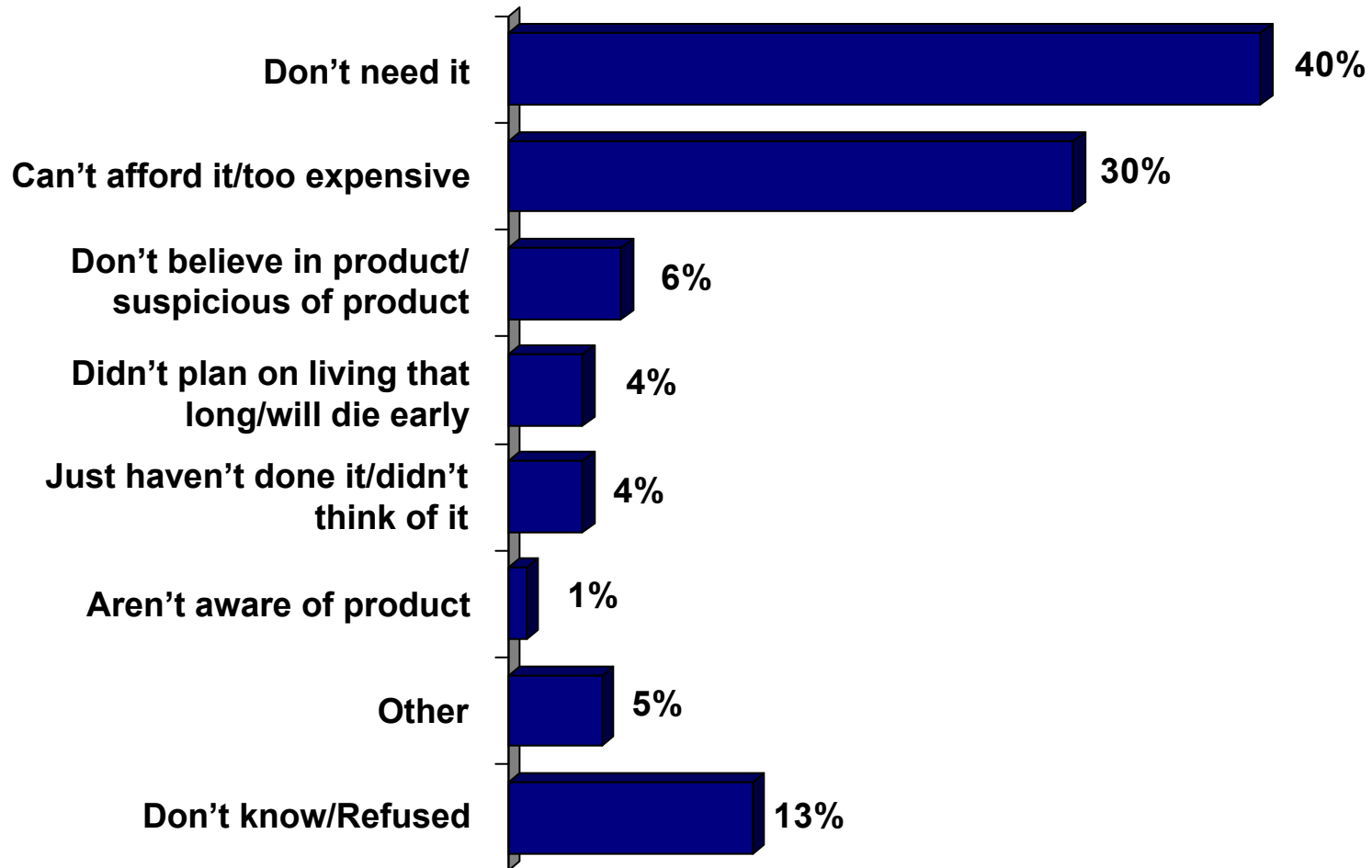
When thinking about your financial needs in retirement, have you (and/or your spouse) purchased, looked in purchasing, or taken no action on...? (Retirees n=252)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Retirees Often Believe They Don't Need Long-term Care Insurance or That It Will Be Too Expensive

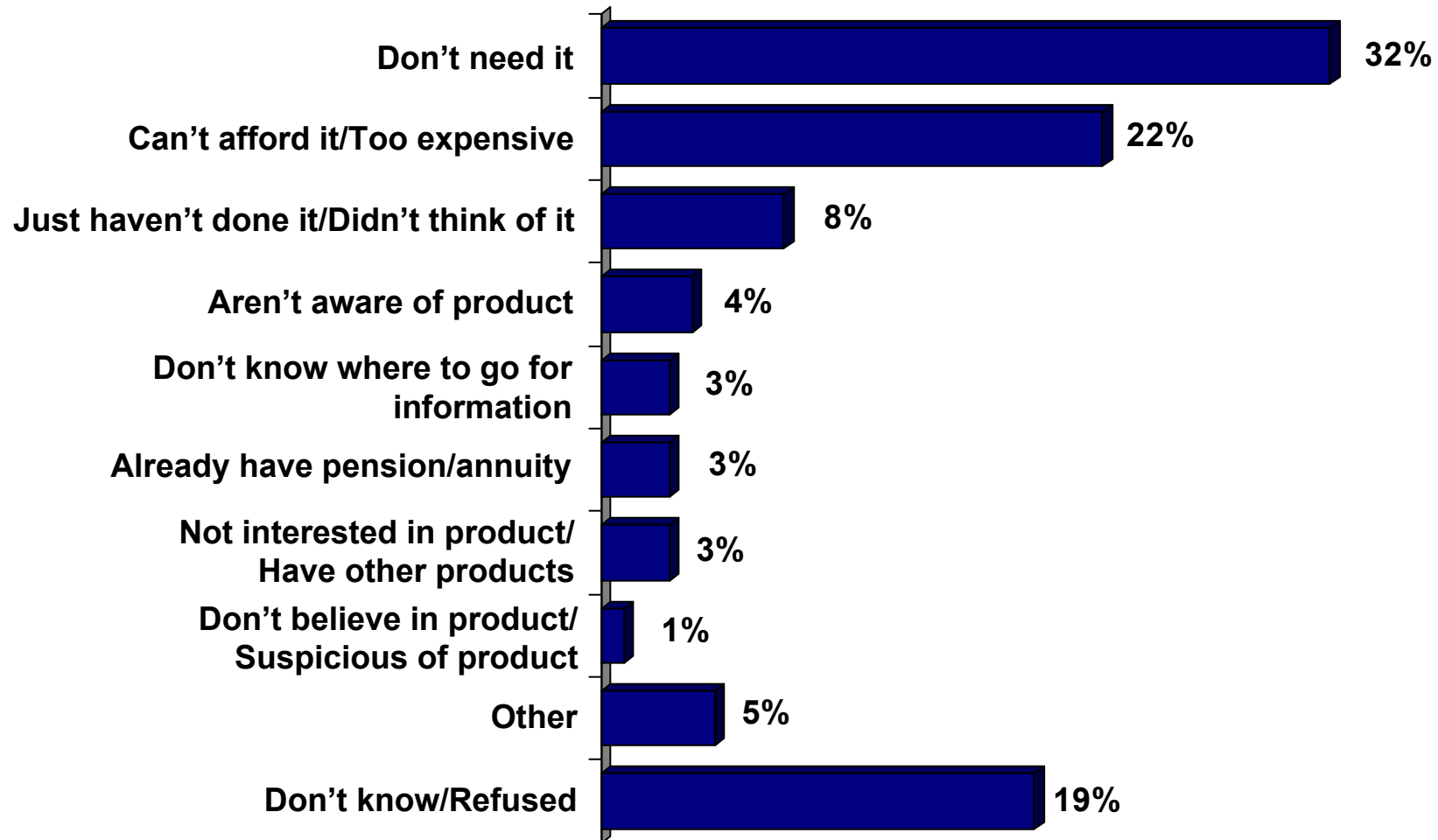
Why have you not purchased or looked into purchasing long term care insurance? (Retirees not taking any action toward long-term care insurance, n=103) (multiple responses accepted)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Similarly, Many Retirees Feel They Don't Need or Can't Afford an Annuity

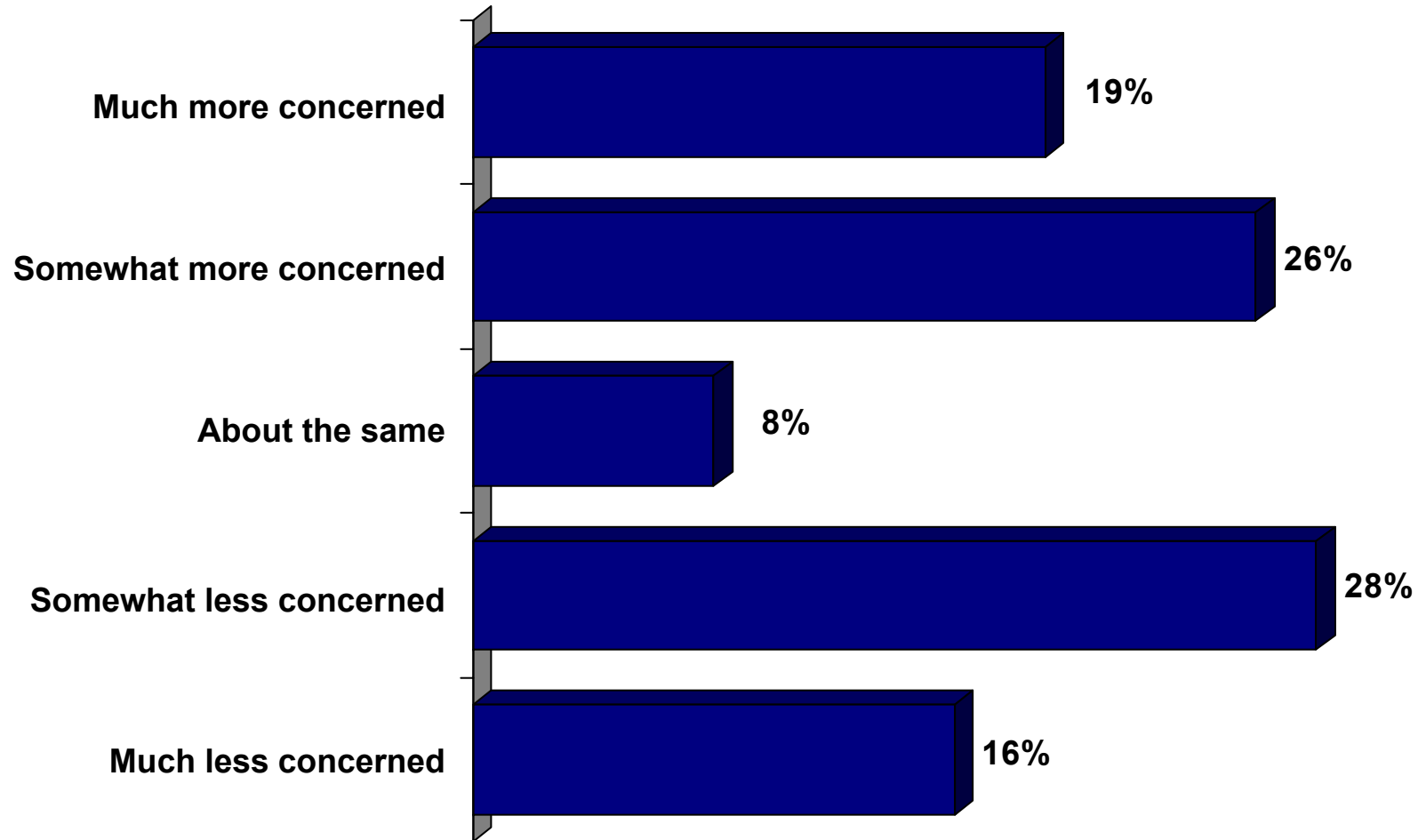
Why have you not purchased or looked into purchasing a financial product that pays a guaranteed income for life? (Retirees not taking any action toward a financial product that pays a guaranteed income for life, n=127) (multiple responses accepted)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

Almost Half of Retirees are More Concerned About Their Finances Than When They Retired (But Almost Half are Less)

Compared with right after you retired, would you say you are now more or less concerned about your financial future? (Retirees n=252)



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey

2005 RCS Respondent Profile

	Workers (n=1,001)	Retirees (n=252)
	%	%
<u>Gender</u>		
Male	49	44
Female	51	56
<u>Age</u>		
25 to 34	27	--
35 to 44	30	--
45 to 54	27	2
55 to 64	15	17
65 to 74	1	41
75 and older	<0.5	41
<i>Median</i>	<i>43 years</i>	<i>71 years</i>
<u>Education</u>		
Some high school or less	13	22
High school graduate	31	39
Some college/trade or business school	26	20
College graduate	15	7
Post-graduate work or graduate degree	14	13

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc.,
2005 Retirement Confidence Survey

2005 RCS Respondent Profile, *continued*

	Workers (n=1,001) %	Retirees (n=252) %
<u>Marital Status</u>		
Married	58	53
Divorced/Separated	16	8
Single, never married	16	3
Not married, living with a partner	7	2
Widowed	3	34
<u>Financial Decision Maker</u>		
Primarily respondent	54	57
Both respondent and someone else	38	37
Primarily someone else	7	7
<u>Ethnicity</u>		
African American/Black	8	6
Asian/Pacific Islander	1	--
Hispanic/Latino	6	2
White/Caucasian	82	90
Other	3	2

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc.,
2005 Retirement Confidence Survey

2005 RCS Respondent Profile, *continued*

	<u>Workers</u> %	<u>Retirees</u> %
<u>Household Income</u>	(n=1,001)	(n=252)
Less than \$25,000	21	37
\$25,000 to \$49,999	27	27
\$50,000 to \$74,999	21	7
\$75,000 or more	23	9
Don't know/Refused	8	20
<u>Employment Status of Respondent</u>	(n=1,001)	(n=252)
Employed full-time	60	1
Employed part-time	6	4
Self-employed	11	1
Retired	--	84
Other	23	9
<u>Employment Status of Spouse</u>	(n=597)	(n=147)
Employed	77	14
Retired	3	72
Something else	20	14

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc.,
2005 Retirement Confidence Survey

Methodology

- **2005 RCS is 15th annual measure of worker and retiree confidence about retirement**
- **1,253 20-minute phone interviews conducted in January 2005 through random-digit dialing**
- **Interviewed Americans ages 25 and over**
- **Two questionnaire versions**
 - **1,001 interviews with workers (not retired)**
 - **252 interviews with retirees**

Methodology, *continued*

- **2005 data weighted by age, sex, education, and retiree status (previous years weighted by age, sex, and education)**
- **Margins of error**
 - **± 2.8 percentage points for all respondents**
 - **± 3.1 percentage points for all workers**
 - **± 6.2 percentage points for all retirees**
- **Sample sizes noted on charts are unweighted to provide information for margin of error estimates**
- **Data in this presentation may not total to 100 due to rounding and/or missing categories**

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