



WORKERS' RETIREMENT PREPARATIONS: SAVERS VS. NONSAVERS

Iowa and the United States, 1999



Retirement Confidence

Savers are more confident than nonsavers about their retirement prospects. Percentage who are very confident:

	Savers		Nonsavers	
	Iowa	Nation	Iowa	Nation
In having enough money to live comfortably throughout retirement	23%	28%	10%	12%
In doing a good job of preparing financially for retirement	28	30	8	10
In having enough money for medical expenses	16	19	9	11
In having enough money for basic expenses	40	40	19	16
In having enough money to support yourself in retirement, no matter how long you live	19	23	8	9

Savers: Motivators to Begin Saving for Retirement

Among retirement savers, percentage who feel the following gave them a lot of motivation to save:*

	Savers	
	Iowa	Nation
Felt could not count on Social Security	52%	53%
Started earning enough to be able to save	45	49
Have seen people not prepare and then struggle in retirement	43	48
Availability of a retirement plan at work	43	48
Realized time was running out to prepare	39	39
Advice of a financial professional	16	24
A family event (e.g., marriage, birth of child, parents' retirement)	20	21
Availability of educational material at work	13	18
Advice of family or friends	16	18
Newspaper/magazine articles, television	17	17

Nonsavers: Major Reasons for Not Saving

Among nonsavers, percentage who report the following are major reasons why they have not begun to save for retirement:*

	Nonsavers	
	Iowa	Nation
Too many current financial responsibilities	60%	66%
Other savings goals (e.g., house or child's education)	32	36
No retirement savings plan at work	14	31
Expect to have a pension	15	26
Lots of time remains until retirement	20	24
Do not know where to start	13	18
Social Security will take care of me	17	16
Can't find savings/investment info that I understand and trust	13	15
Not confident in my ability to make good decisions about saving	6	13
Takes too much time and effort	3	7
Family members will help me out	3	6

Can You Save \$20 (More) Per Week for Retirement?

- Fifty-seven percent of nonsavers in the United States say they could save \$20 per week for retirement. Fifty percent of nonsavers in Iowa say they could do so.
- Sixty-nine percent of savers in the nation and 66 percent of savers in Iowa say they could save an extra \$20 per week for retirement.
- While this may not sound like a significant amount of money, \$20 saved each week equals \$1,040 over the course of one year. If you save this amount for 25 years, you could have over \$50,000 (assuming a 5 percent annual rate of return).

* Data highlighted in **bold** reflect findings of significant difference between the national Retirement Confidence Survey (RCS) and the Iowa RCS.