

2015 RCS FACT SHEET #1

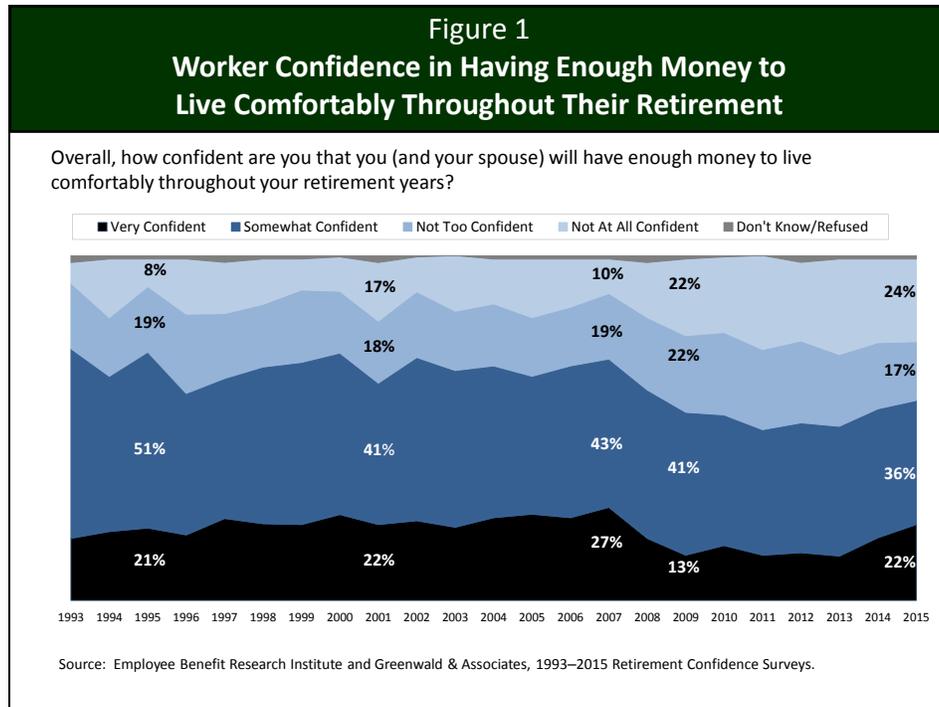
RETIREMENT CONFIDENCE

After record lows between 2009 and 2013, American’s confidence about their ability to secure a financially comfortable throughout retirement increased in 2014. What has happened to confidence in 2015?

Confidence in Having a Comfortable Retirement

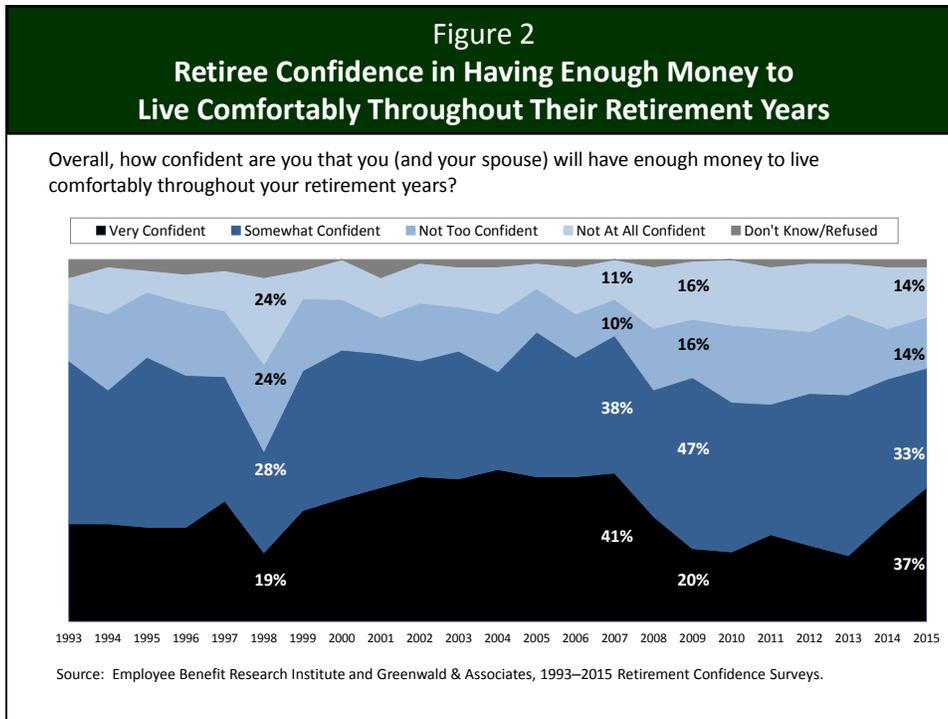
The 2015 Retirement Confidence Survey (RCS) finds that worker confidence in having enough money to live comfortably throughout retirement continues to rebound.

Twenty-two percent of workers are now very confident they will have enough money to live comfortably throughout their retirement years (up from 18 percent in 2014 and 13 percent in 2013) (Figure 1).

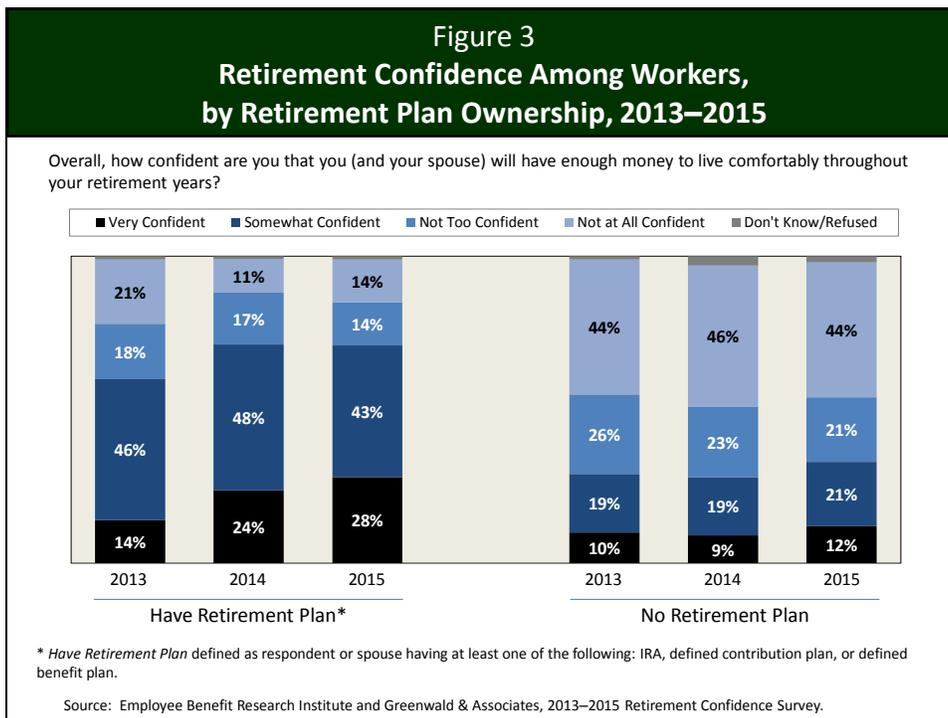


Retiree confidence about having a financially secure retirement has also increased. Thirty-seven percent are very confident about having enough money to live comfortably throughout their retirement years (up from 28 percent in 2014 and 18 percent in 2013) (Figure 2).

Retirement confidence is strongly related to retirement plan participation/ownership, whether in a defined contribution (DC) plan, a defined benefit (DB) plan, or an individual retirement account (IRA). Workers reporting they or their spouse have money in a DC plan or IRA or have a DB plan from a current or previous employer are more than twice as likely as those without any of these plans to be very confident (28 percent with a plan vs. 12 percent without a plan).

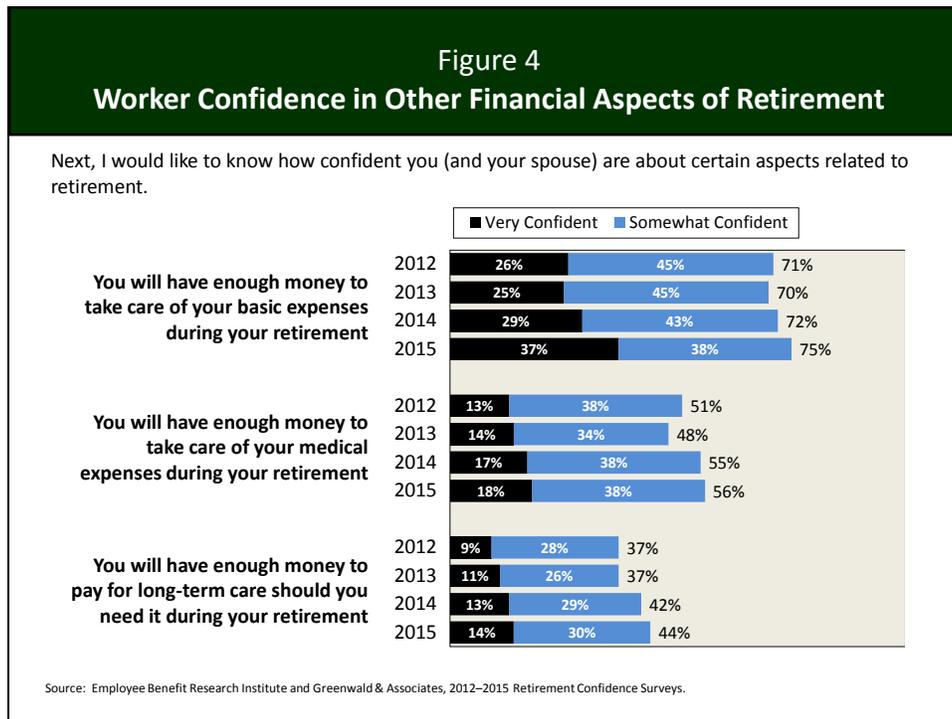


Moreover, the increase in confidence between 2013 and 2015 occurred primarily among those with a plan. Among those with a plan, the percentage very confident increased from 14 percent in 2013 to 28 percent in 2015. In contrast, the percentages very confident remained statistically unchanged among those without a plan (10 percent in 2013, 9 percent in 2014, and 12 percent in 2015). Additionally, workers without a plan are three times as likely to say they are not at all confident about their financial security in retirement (14 percent with a plan vs. 44 percent without a plan) (Figure 3).



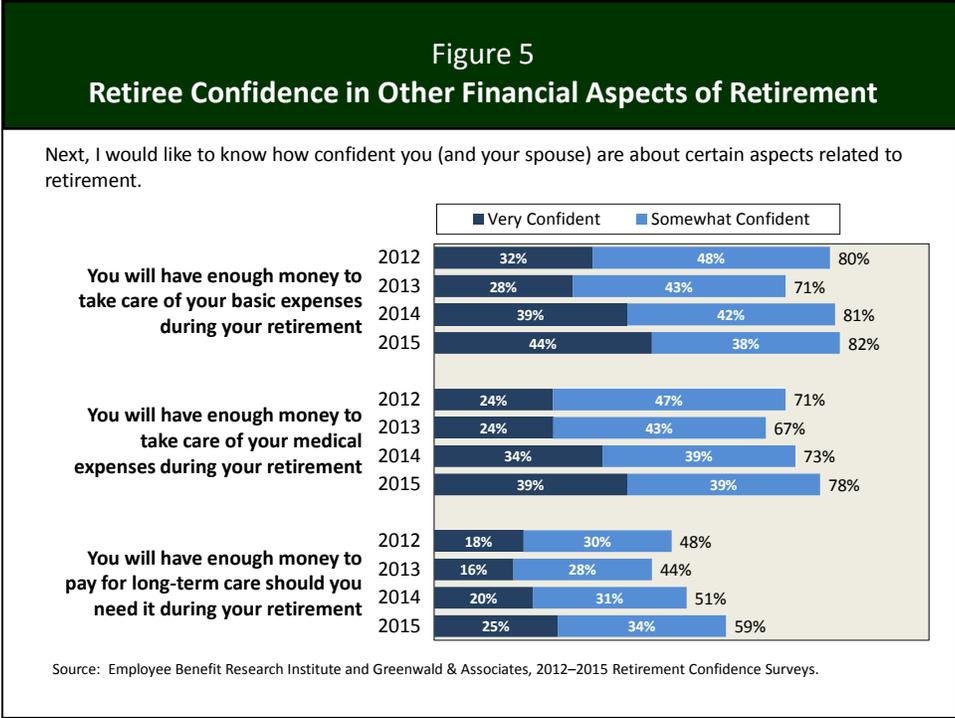
Confidence in Other Financial Aspects of Retirement

Workers express the highest levels of confidence about their ability to pay for basic expenses in retirement (37 percent very confident). They are less likely to feel very confident about their ability to pay for medical expenses (18 percent) and least likely to feel very confident about paying for long-term care expenses in retirement (14 percent). Compared with 2014, more workers are feeling very confident about having enough money for basic expenses. However, there has also been a gradual increase since 2012 in worker confidence about paying for medical and long-term care retirement expenses (Figure 4).



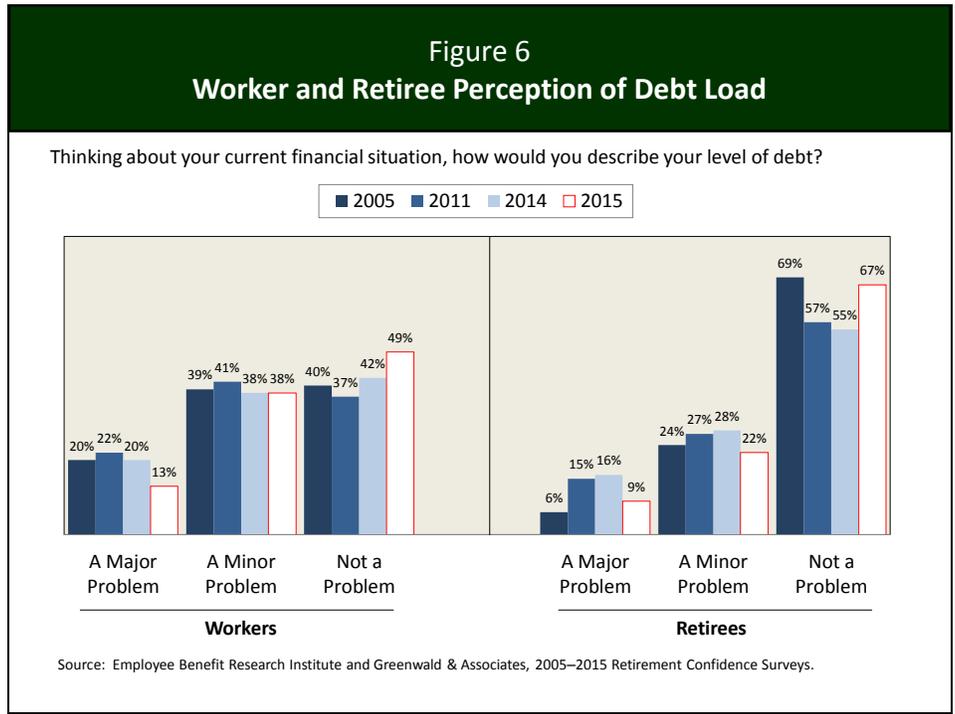
Retiree confidence is also up with respect to having enough money for basic expenses (44 percent very confident vs. 24 percent in 2013). Similarly, the percentage of retirees who are very confident about having enough money to pay for medical expenses has continued to increase, from 24 percent in 2013 to 39 percent this year. The percentage very confident about paying for long-term care expenses also continued its slow increase from 16 percent in 2013 to 25 percent in 2015 (Figure 5).

((more))

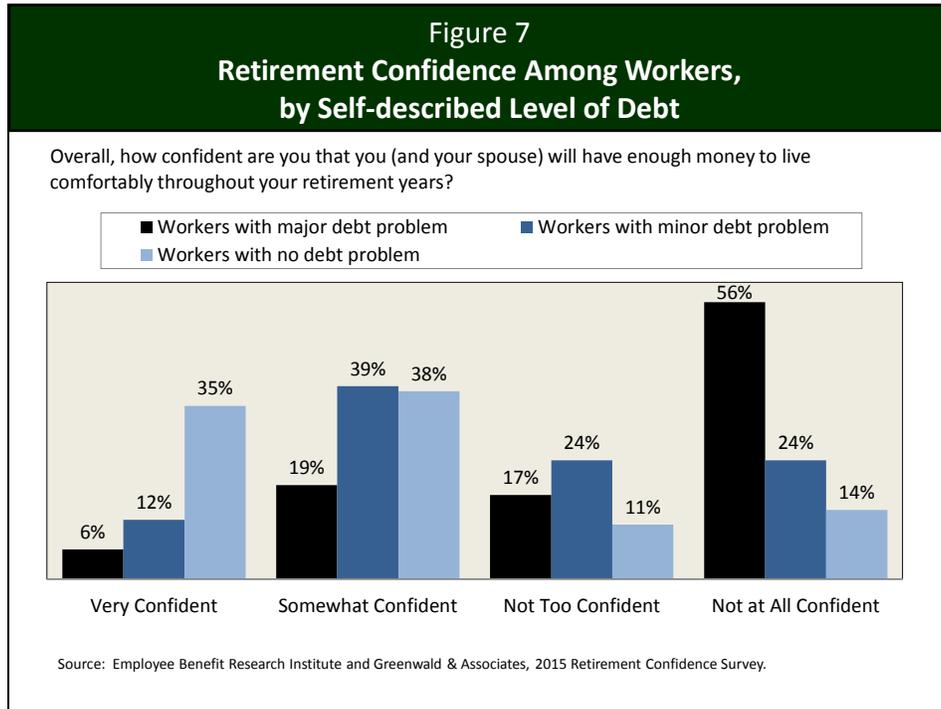


Influence of Debt on Confidence

Americans are less likely than in the early years of this decade to describe their debt as a problem. Forty-nine percent of workers say debt is not a problem for them, an increase of 7 percentage points from the 42 percent measured last year. Two-thirds (67 percent) of retirees surveyed report they do not have a problem with debt, up sharply from the 55 percent who said the same in 2014 (Figure 6).



The RCS has consistently found a relationship between the level of debt and retirement confidence. In 2015, just 6 percent of workers who describe their debt as a major problem say they are very confident about having enough money to live comfortably throughout retirement, compared with 35 percent of workers who indicate debt is not a problem. On the other hand, 56 percent of workers with a major debt problem are not at all confident about having enough money for a financially secure retirement, compared with 14 percent of workers without a debt problem (Figure 7).



###