

**2004 RCS FACT SHEET**

**SAVING AND RETIRING IN AMERICA**

**Retirement Confidence**

The 2004 RCS finds that the percentage of workers *very* confident about having enough money to live comfortably in retirement has remained basically stable since 1998. Interestingly, RCS data over the past 10 years continue to show that retirement confidence overall among workers does not seem affected by either stock market performance or varying economic conditions.

**Figure 1**  
**Retirement Confidence, 1993–2003**

	1993	1996	1998	2000	2001	2002	2003	2004
Very confident	18%	19%	22%	25%	22%	23%	21%	24%
Somewhat confident	55	41	45	47	41	47	45	44
Not too confident	19	23	18	18	18	19	17	18
Not at all confident	6	16	13	10	17	10	16	13

Source: Employee Benefit Research Institute, American Savings Education Council, and Mathew Greenwald & Associates, Inc., 1993–2004 Retirement Confidence Surveys.

Workers who are currently not saving for retirement but feel confident that they will have a comfortable retirement cite the following reasons for their confidence: they will get money from an employer (34 percent); Social Security will be enough (9 percent); have other money/property (7 percent); will save later (11 percent); trust in God/faith (7 percent); inheritance (3 percent); and other reasons (17 percent).

**How Well Are Americans Saving?**

Roughly 7 in 10 workers report that they and/or their spouse have saved money for retirement (68 percent), and approximately 6 in 10 workers say they are *currently* saving for retirement (58 percent). Yet these proportions have remained constant since 2001, despite economic ups and downs and efforts at educating the American public about the importance of saving for retirement.

**Figure 2**  
**Percentage of Workers Who Say They and/or Their Spouse Have Saved for Retirement**

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
57%	58%	60%	66%	59%	68%	74%	65%	67%	68%	68%

Source: Employee Benefit Research Institute, American Savings Education Council, and Mathew Greenwald & Associates, Inc., 1994–2004 Retirement Confidence Surveys.

- As would be expected, older workers tend to have saved more than younger workers, but overall savings levels tend to be modest: More than half of all workers report less than \$50,000 in total savings and investments (excluding their home).

**Figure 3**  
**Total Savings and Investments by Age (Not Including Value of Primary Residence)**

	All Workers	Ages 25–34	Ages 35–44	Ages 45–54	Ages 55+
Less than \$25,000	45%	64%	48%	30%	29%
\$25,000–\$49,999	11	17	11	9	5
\$50,000–\$99,999	9	7	10	9	10

**Total Savings and Investments by Age (Not Including Value of Primary Residence), continued**

	All Workers	Ages 25–34	Ages 35–44	Ages 45–54	Ages 55+
\$100,000–\$249,999	10	2	9	19	13
\$250,000 or more	8	3	7	10	13
Don't know/Refused	18	8	15	24	30

Source: Employee Benefit Research Institute, American Savings Education Council, and Mathew Greenwald & Associates, Inc., 2004 Retirement Confidence Survey.

- Two-thirds of workers overall say they are able to save \$20 a week (more) for retirement (66 percent). Fifty-four percent of nonsavers say they could save \$20 per week for retirement. Seventy-two percent of savers 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).
- Education and (not surprisingly) income tend to be the major factors in whether workers save for retirement. Moreover, married workers are more likely than those who are not married, and those who have attempted a retirement savings needs calculation are more apt than those who have not, to have saved.
- Over time, roughly a third of all workers and/or their spouses have taken the time and effort to complete a retirement needs calculation—the basic planning step that can help individuals determine how much money they are likely to need in retirement and how much they will need to save to meet that goal. The percentage of workers who have done the calculation appears to have dropped during the economic downturn of 2001–2002 but now appears to be increasing.

**Figure 4**  
**Percentage of Workers and/or Their Spouses Who Have Done a Retirement Needs Calculation**

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
32%	31%	32%	29%	33%	42%	48%	53%	44%	38%	43%	42%

Source: Employee Benefit Research Institute, American Savings Education Council, and Mathew Greenwald & Associates, Inc., 1993–2004 Retirement Confidence Surveys.

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