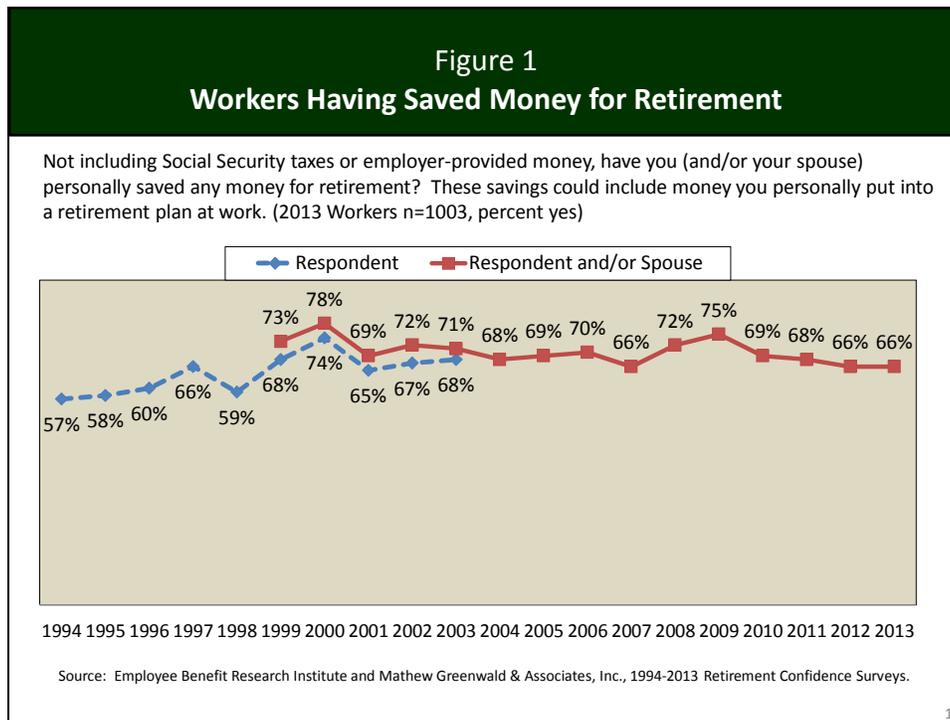


**PREPARING FOR RETIREMENT IN AMERICA**

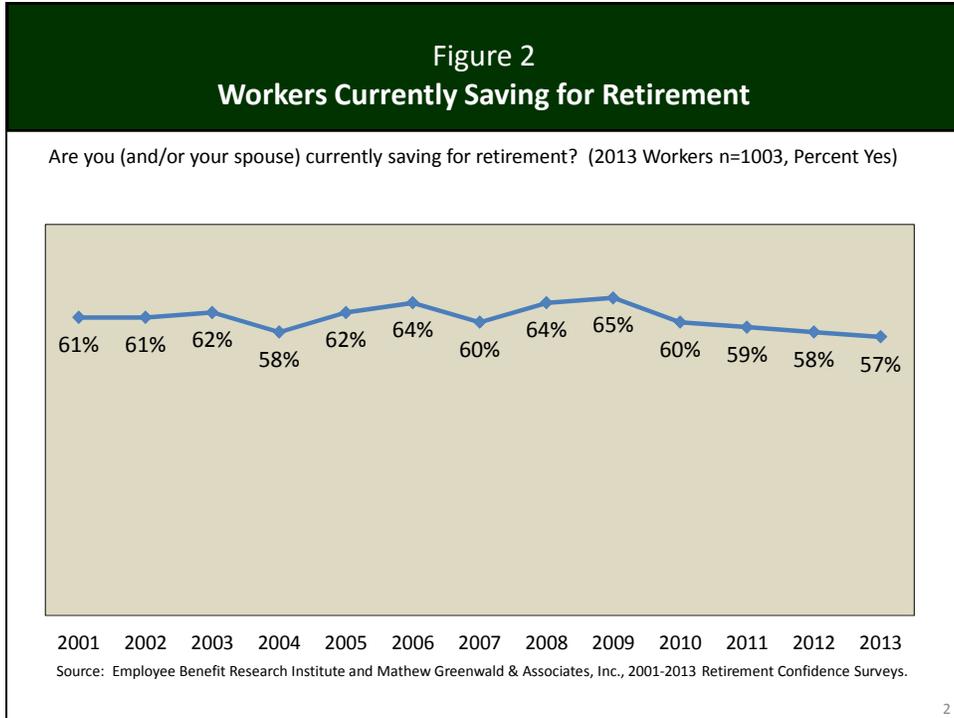
*Although Americans’ confidence in their ability to secure a financially comfortable retirement has remained low, they do not appear to be taking steps to compensate by improving their preparations for retirement.*

**How Well Are Americans Saving?**

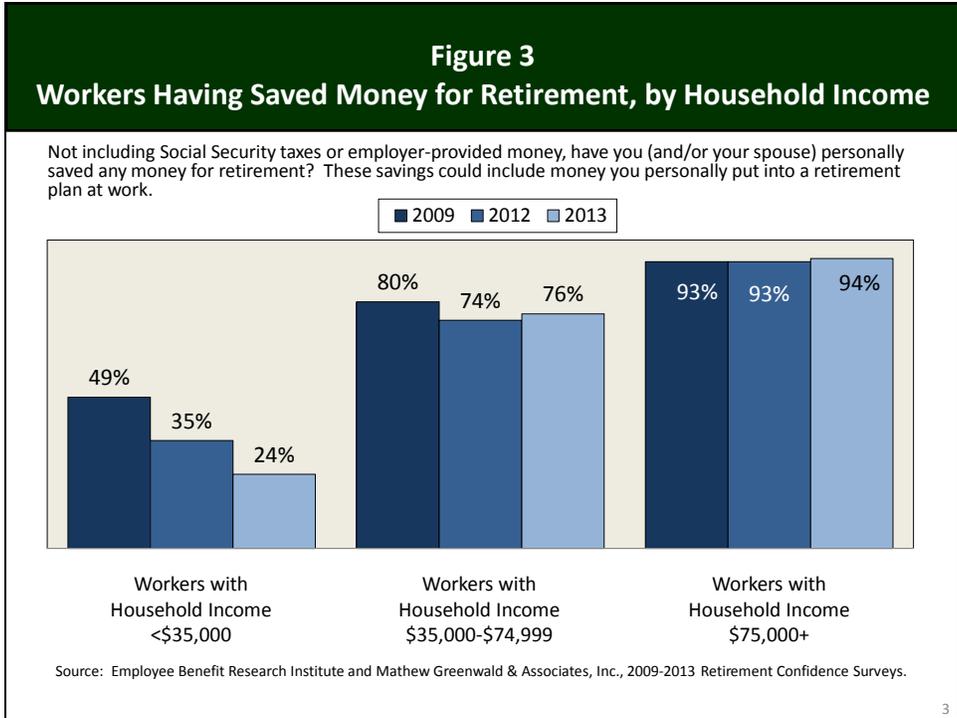
Two-thirds of workers (66 percent) in the 2013 Retirement Confidence Survey (RCS) report that they and/or their spouse have saved money for retirement, unchanged from 2012, but down from the 75 percent observed in 2009 (Figure 1).



The percentage of workers saying they are currently saving for retirement is down only a percentage point from 2012 (currently 57 percent), but this marks a continued decline from the observed level of 65 percent in 2009 (Figure 2).

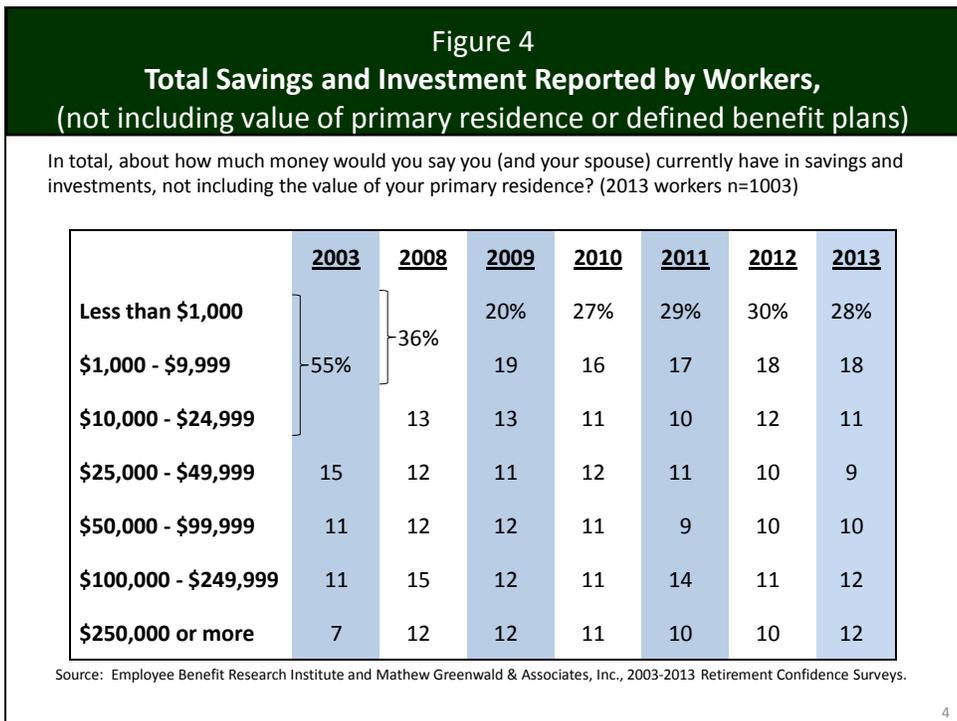


The likelihood of having saved for retirement among both workers and retirees is strongly related to household income, and the decline in saving for retirement over the past few years is found almost exclusively among those workers with household income under \$35,000. In contrast, workers with household income of at least \$75,000 are just as likely as in 2009 to report they have saved for retirement (Figure 3).



**Reported Savings**

More than half of workers report they and/or their spouse have less than \$25,000 in total savings and investments (excluding their home and defined benefit plans) (57 percent), including 28 percent who have less than \$1,000 (up from 20 percent in 2009) (Figure 4).

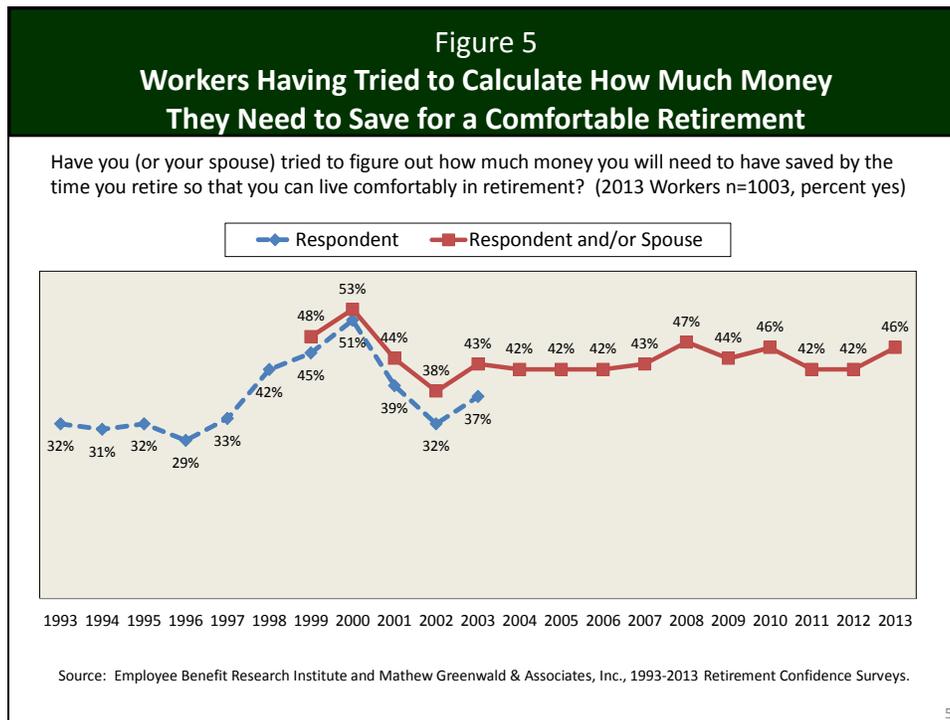


The large majority of workers who have not saved for retirement have little in other savings. Six in 10 (61 percent) report they have less than \$1,000 in savings and investments, and another 18 percent have \$1,000–\$9,999.

Thirty-one percent of workers report they had to dip into savings to pay for basic expenses in the past 12 months. The likelihood of dipping into savings is inversely related to total household financial assets.

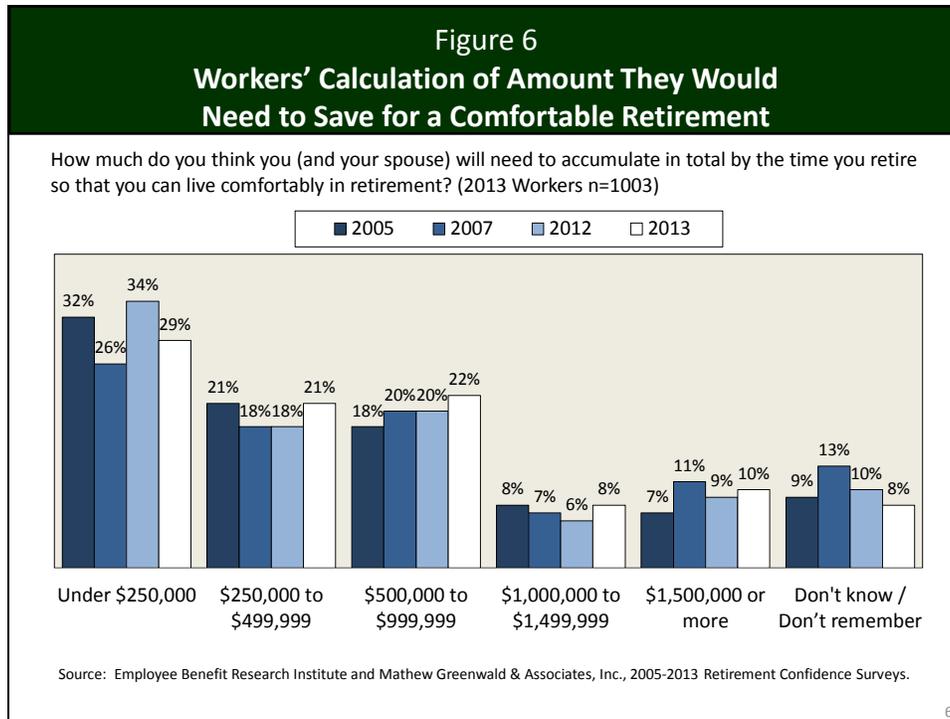
### Do Americans Know How Much to Save?

Forty-six percent of workers have completed 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 (Figure 5). However, more than half (53 percent) have not taken this step. Household income plays an important role in this issue: workers with higher income are significantly more likely to have completed a needs calculation.



### Amount of Savings Needed

Forty percent of all workers think they need to accumulate at least \$500,000 by the time they retire to live comfortably in retirement. Twenty-one percent feel they need between \$250,000 and \$499,999, while 29 percent think they need to save less than \$250,000 for a comfortable retirement (Figure 6).



Workers who have performed a retirement needs calculation are almost twice as likely as those who have not (24 percent vs. 14 percent) to expect they will need to accumulate at least \$1 million before retiring.

Workers who have done a retirement needs calculation tend to be considerably more confident about their ability to save the amount needed for retirement than those who have not done the calculation, despite the fact that those doing a calculation tend to cite higher retirement savings goals. Thirty-one percent who have done a calculation, compared with 14 percent who have not, say they are very confident that they will be able to accumulate the amount they need. At the other extreme, 12 percent who have not done a calculation, compared with 3 percent who have, report they are not at all confident in their ability to save the needed amount.

### **Saving at the Workplace**

Employer-sponsored retirement savings plans are an important savings vehicle for American workers. Seventy-two percent of employed workers report their employer offers them a plan. Of those, 82 percent say they contribute to the plan.

Workers who participate in a retirement savings plan at work (45 percent) are considerably more likely than those who are offered a plan but choose not to participate (22 percent) or are not offered a plan (18 percent) to have saved at least \$50,000. These participants are much less likely than others to report having saved less than \$10,000 (20 percent vs. 46 percent who choose not to participate and 50 percent who are not offered a plan).

###