

2011 RCS FACT SHEET #3

Age Comparisons Among Workers

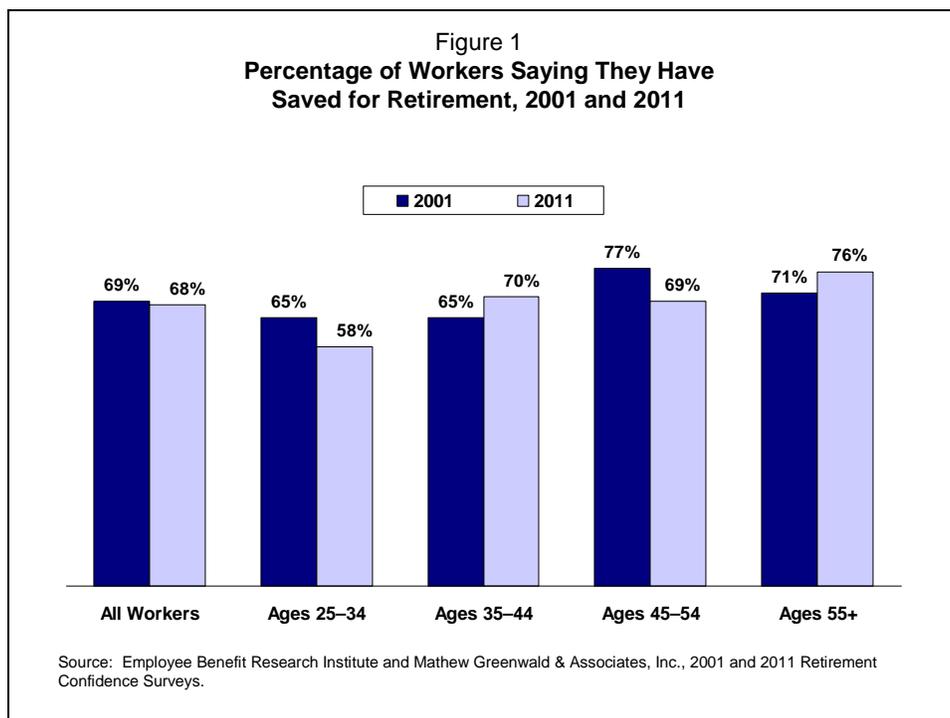
The 21st annual Retirement Confidence Survey (RCS) provides some evidence to support the intuitive argument that the closer people are to retirement, the more likely they are to take steps to ensure they have a secure retirement.

Saving for Retirement

Saved for Retirement:

Probably because they are closer to retirement, workers age 35 and older are more likely than those ages 25–34 to say they (and/or their spouse) have saved for retirement.

Workers of today are statistically just as likely to save for retirement as workers of 10 years ago, with one exception: Today’s workers ages 45–54 are less likely than workers of the same age 10 years ago to say they have saved for retirement (Figure 1).

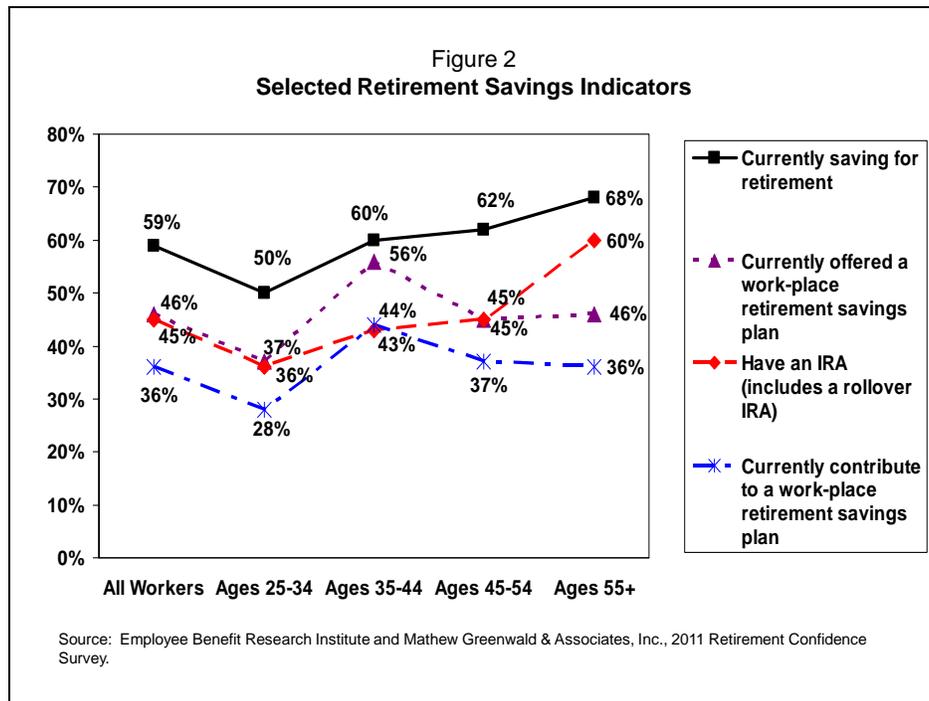


Currently Saving for Retirement:

Although workers age 45 and older are more likely than younger workers ages 25–34 to say they (and/or their spouse) are currently saving for retirement, 35 percent of workers age 45 and older are not currently saving (Figure 2, next page).

Almost half of all workers in the 2011 RCS (46 percent) say they are offered a work-place retirement savings plan, such as a 401(k), and 36 percent report they are currently contributing to this type of plan. The likelihood of contributing to a plan is higher for workers age 35 and older than for workers ages 25–34.

Older workers age 55 and older are more apt than younger workers to report household ownership of an individual retirement account.



Modest Savings:

Most workers have little put away in savings and investments, but older workers are more likely than their younger counterparts to report higher amounts of assets (Figure 3).

Figure 3
Reported Total Savings and Investments,
Among Those Providing a Response
(not including value of primary residence or defined benefit plans)

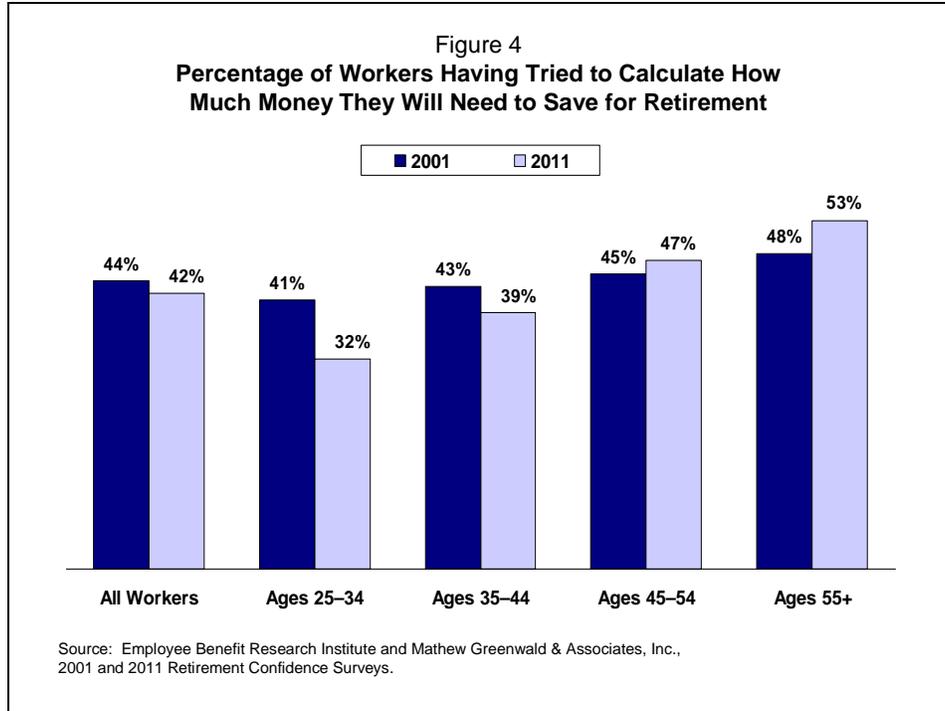
	All Workers	Ages 25-34	Ages 35-44	Ages 45-54	Ages 55+
Less than \$10,000	46%	59%	45%	44%	29%
\$10,000-\$24,999	10	12	10	8	7
\$25,000-\$49,999	11	9	13	10	14
\$50,000-\$99,999	9	9	8	10	10
\$100,000-\$249,999	14	9	15	12	22
\$250,000 or more	11	3	9	15	19

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2011 Retirement Confidence Survey.

Calculating Retirement Accumulation Needs

Despite approaching retirement age, half of workers age 45 and older have not tried to calculate how much money they will need to have saved by the time they retire so that they can live comfortably in retirement. Nevertheless, the likelihood of trying to do a retirement savings needs calculation increases with age (Figure 4).

Statistically, workers are no more likely to have done this calculation in 2011 than in 2001.



Workers ages 55 and older are more likely than younger workers to think they will need to accumulate less than \$250,000 by the time they retire so that they can live comfortably in retirement (Figure 5).

Figure 5
Amount of Savings Needed for Retirement

	All Workers	Ages 25-34	Ages 35-44	Ages 45-54	Ages 55+
Less than \$250,000	31%	30%	30%	30%	38%
\$250,000-\$499,999	19	21	17	19	18
\$500,000-\$999,999	22	24	23	20	20
\$1 million-\$1.4 million	7	6	8	8	5
\$1.5 million or more	10	10	14	8	5
Don't know/Refused	12	8	9	15	15

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2011 Retirement Confidence Survey.

Retirement Expectations

Workers of all ages appear to be planning to retire later, on average, than similarly aged workers were in 2001. In particular, the percentage planning to retire at age 66 or older has increased significantly for every age group (Figure 6).

Figure 6
Expected Age at Retirement

	All Workers		Ages 25-34		Ages 35-44		Ages 45-54		Ages 55+	
	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
Less than 60	18%	7%	26%	12%	16%	7%	16%	6%	7%	3%
Ages 60-64	22	16	18	14	20	16	23	13	37	22
Age 65	30	26	32	26	31	32	28	24	25	19
Age 66 or older	16	36	11	30	21	35	14	39	18	41
Never retire	7	8	4	9	6	3	10	11	7	9
Don't know/ Refused	8	6	8	6	7	7	9	5	6	7

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2001, 2011 Retirement Confidence Surveys.

In the past 12 months, 20 percent of workers overall have changed their expected retirement age to be later or at an older age than before. Another 2 percent now plan to retire sooner or at a younger age than before. Workers ages 45–54 are more likely than younger workers to have postponed their retirement in the past year (27 percent vs. 17 percent).

Seventy-four percent of workers expect to work for pay after retirement, with workers ages 25–44 more likely than older workers (80 percent vs. 68 percent).

Retirement Confidence

Today's workers are less inclined to describe themselves as *very* confident about many financial aspects of retirement compared with workers in 2001, including having enough money to live comfortably in retirement (13 percent of all workers in 2011 vs. 22 percent of all workers in 2001) and doing a good job of preparing financially for retirement (22 percent of all workers in 2011 vs. 27 percent of all workers in 2001) (Figure 7, next page).

The decline in overall retirement confidence between 2001–2011 is statistically significant across all age groups.

Today's workers are also less likely to be highly confident about being able to pay for basic expenses, medical expenses, or long-term care in retirement.

Workers age 55 and older are more likely than younger workers to be *very* confident that Social Security will continue to provide benefits of at least equal value to the benefits received by retirees today.

Figure 7
Percentage of Workers Very Confident in Financial Aspects of Retirement

	All Workers	Ages 25-34	Ages 35-44	Ages 45-54	Ages 55+
You will have enough money to live comfortably throughout your retirement years					
2011	13%	16%	10%	11%	15%
2001	22	26	19	18	31
You will have enough money to take care of basic expenses during retirement					
2011	28	30	26	26	30
2001	37	45	33	32	38
You are doing a good job of preparing financially for retirement					
2011	22	28	18	18	25
2001	27	33	23	22	32
You will have enough money to take care of medical expenses during retirement					
2011	12	16	11	8	15
2001	20	24	15	15	30
You will have enough money to pay for long-term care during retirement					
2011	9	8	7	8	12
2001	15	19	13	15	11
The Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today					
2011	5	2	3	5	13
2001	8	6	4	12	15
The Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today					
2011	5	4	5	6	6
2001	7	8	6	7	12

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2001, 2011 Retirement Confidence Surveys.

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