

## **Retirement Planning Personalities: From Deniers to Planners**

An analysis of workers and retirees responding to the 1998 Retirement Confidence Survey (RCS) reveals six distinct attitudes toward retirement. These groups reflect Americans' feelings about and behavior toward retirement savings and preparation.

### ***Deniers (10 percent): "Retirement is so far away."***

Nearly all say it is pointless to plan for retirement because they feel (or felt when they were younger) that retirement is too far away. Members of this group also believe that preparing for retirement takes too much time and effort. They are unwilling to take financial risks. Deniers tend to be older; a significant portion of them is currently retired. About one-quarter are working full-time; many have incomes of less than \$25,000 a year. Deniers are relying on Social Security for income in retirement. Six out of ten have no personal savings for retirement.

### ***Strugglers (9 percent): "Save !!! If I have \$5 left over after paying bills, I'll save it."***

This middle-age, middle-class group believes that if they just save some money each month, their retirement will be taken care of. Many face financial setbacks and believe retirement planning takes too much time. They are currently raising families; most have not graduated from college. Many strugglers are counting on Social Security for retirement income. Very few are saving for retirement (40 percent).

### ***Impulsives (20 percent): "I should plan and save, but . . . Oh, I need to buy a new suit!"***

This group believes a comfortable retirement is achievable with a little planning and saving. They experience financial setbacks from time to time. They are also impulse purchasers. A high proportion of this group expects to work in retirement. This group is primarily younger, married, and raising families. Most are working full-time and many are in dual-income households. About one-half are saving for retirement (51 percent).

### ***Cautious Savers (21 percent): "I put a set amount into savings each month and hope it will be enough."***

Cautious Savers are not aggressive with their finances, but they do think about their retirement. They are saving more than Deniers, Strugglers, and Impulsives, but are not as meticulous as Planners about their retirement. They tend to be middle to higher income households. There are a high proportion of divorced or separated Americans; about one-half of Cautious Savers are currently responsible for children. Three out of five have saved for retirement (61 percent).

### ***Planners (23 percent): "I am saving, investing, and planning for a secure future."***

Nearly all Planners believe a comfortable retirement is achievable and say they are disciplined savers. Their actions reflect this. Two-thirds (65 percent) have attempted to calculate how much they need to save for retirement. Many Planners are also risk takers. Planners tend to be middle age, professionals and high-income households. This group has more men and more college graduates than other groups. More than four out of five are saving for retirement (81 percent).

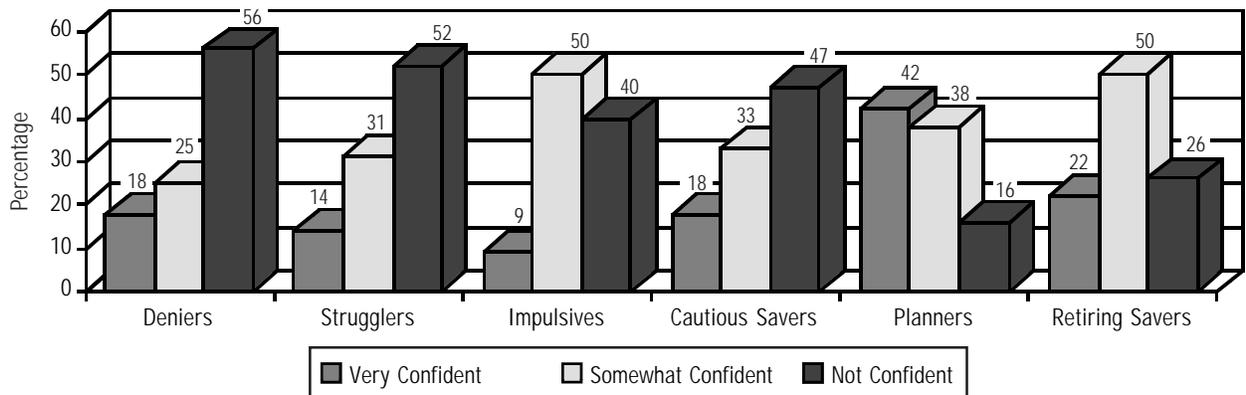
### ***Retiring Savers (17 percent): "I've been sacrificing and saving for years, now I am enjoying it."***

These older Americans (most ages 55 and older) have been disciplined savers but not aggressive investors. They are financially responsible and debt-free. Those in this group who are already retired are truly having golden years—for them retirement is better than expected. This group has middle to high incomes; they have average levels of educational achievement. More than four out of five saved money for retirement (84 percent).

**Personalities Differ in Confidence about Retirement Income Prospects**

A majority of Deniers and Strugglers are not confident they will have enough money to live comfortably in retirement. One-half of Impulsives are just somewhat confident about their financial security in their golden years. Nearly one-half of Cautious Savers indicate they are not confident, another one-third are just somewhat confident. Planners have a significantly higher proportion who are very confident about their retirement.

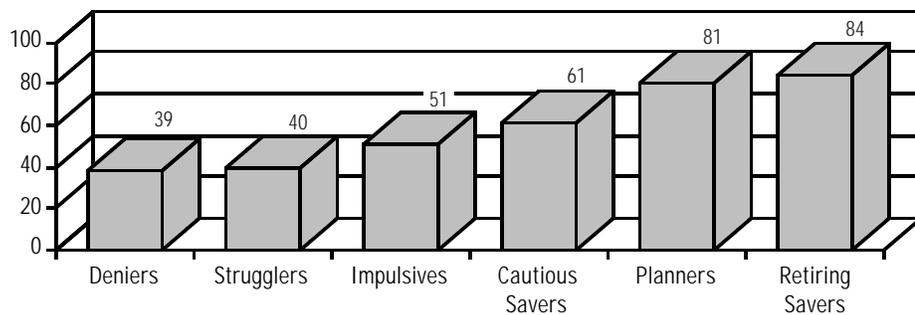
Proportions Confident They Will Have Enough Money To Live Comfortably in Retirement



**Personality Types Plan and Save for Retirement Differently, Have Different Expectations**

Deniers and Strugglers are least likely to be saving for retirement—just 4 in 10 in each group are. While a majority of Impulsives and Cautious Savers are saving, significant proportions are not. Planners and Retiring Savers are twice as likely to have saved money for retirement as Deniers or Strugglers.

Percentage Who Have Personally Saved for Retirement



Deniers and Strugglers are more inclined than other groups to be relying on Social Security. Impulsives are counting on pensions and work-based plans to which they contributed. Planners are relying on their own personal savings, while Retiring Savers count on both personal savings and Social Security.

Percentage Who Say Major Source of Retirement Income Is or Will Be . . .

	Deniers	Strugglers	Impulsives	Cautious Savers	Planners	Retiring Savers
Social Security	58%	49%	29%	37%	22%	40%
Pension	36	36	53	43	47	46
401(k)-Type Plan	20	30	45	36	48	38
Other Personal Savings	13	14	20	25	44	35