

AGE COMPARISONS AMONG WORKERS

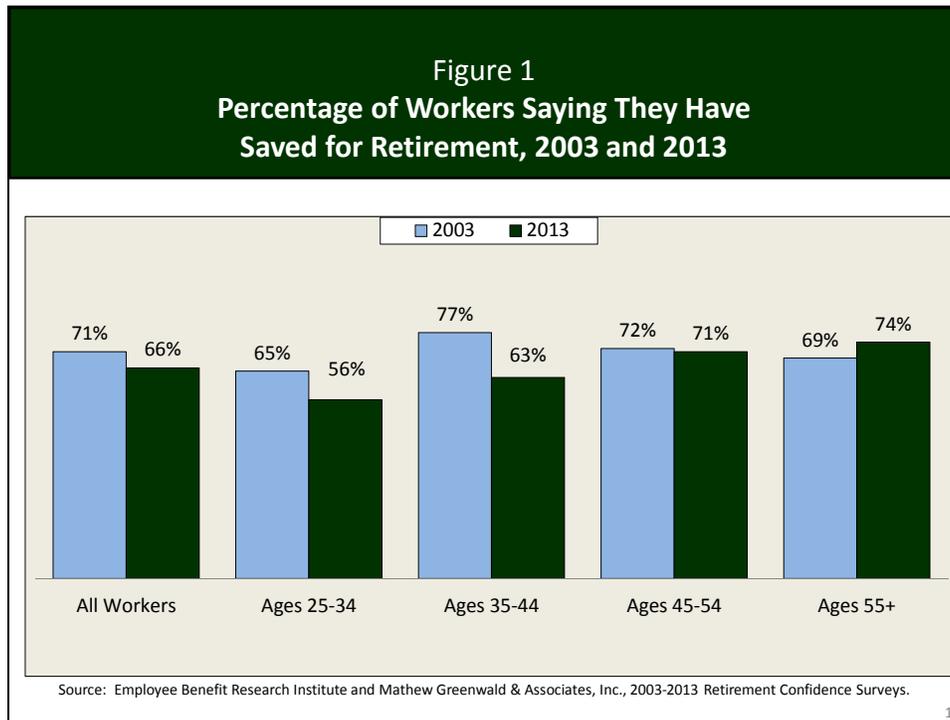
The 23rd annual Retirement Confidence Survey (RCS) provides some empirical evidence to support the intuitive argument that the closer people are to retirement, the more likely they are to take steps to ensure they have a secure retirement.

Saving for Retirement

Saved for Retirement:

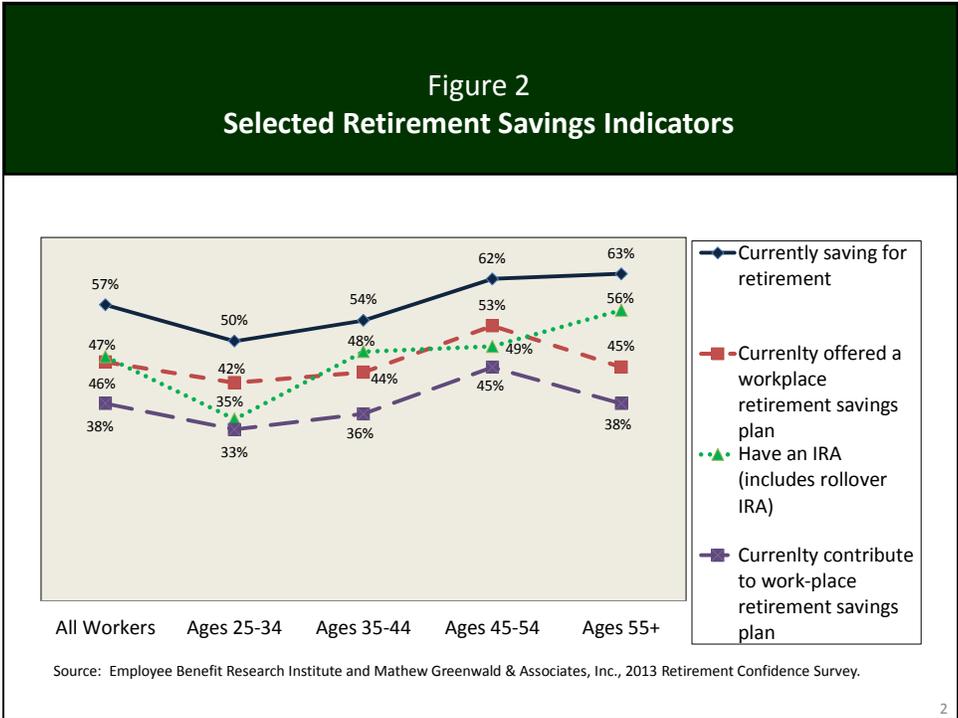
Probably because they are closer to retirement, today’s workers age 35 and older are more likely than those ages 25–34 to say they (and/or their spouse) have saved for retirement.

Overall, workers of today are statistically less likely to save for retirement than workers of 10 years ago. However, this difference occurs primarily among those ages 25–34 and 35–44. Workers ages 45–54 and 55+ are statistically just as likely as workers of the same age 10 years ago to say they have saved for retirement (Figure 1).



Currently Saving for Retirement:

Although workers ages 55+ are more likely than younger workers to say they (and/or their spouse) are currently saving for retirement, 37 percent of workers age 55 and older are not currently saving (Figure 2).



Almost half of all workers in the 2013 RCS (46 percent) say they are offered a work place retirement savings plan, such as a 401(k), and 38 percent report they are currently contributing to this type of plan.

Older workers age 55+ are more likely 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).

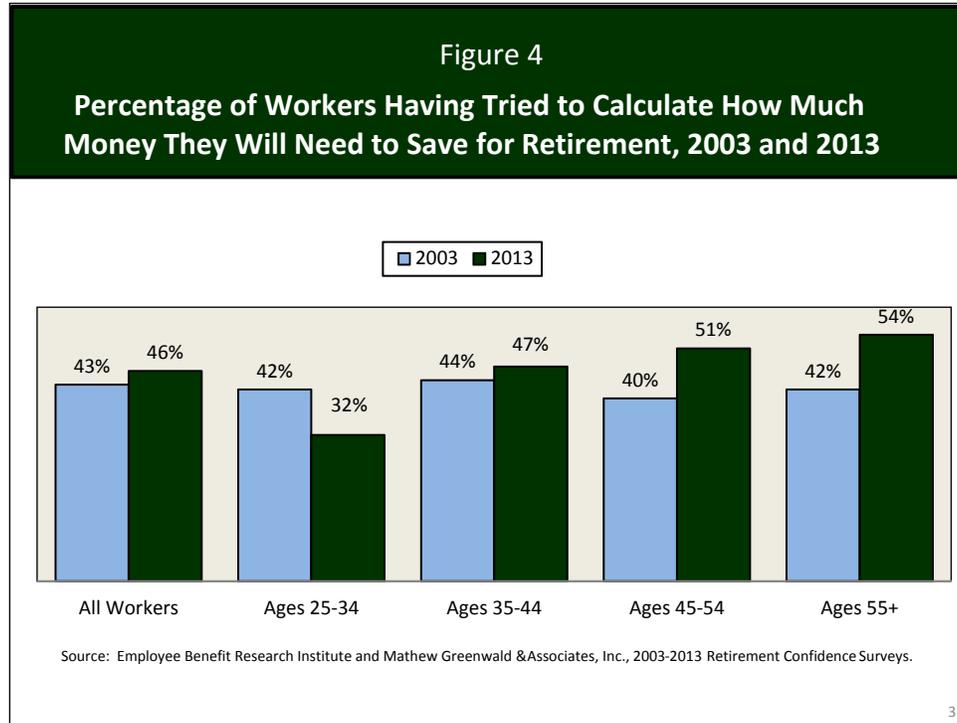
**Figure 3
Reported Total Savings and Investments,
Among Those Providing a Response
(not including value of primary residence or defined benefit plans)**

	All Workers	Ages 25-34	Ages 35-44	Ages 45-54	Ages 55+
Less than \$10,000	46%	60%	46%	40%	36%
\$10,000-\$24,999	11	15	12	11	7
\$25,000-\$49,999	9	9	11	6	9
\$50,000-\$99,999	10	8	10	13	8
\$100,000-\$249,999	12	7	13	14	18
\$250,000 or more	12	2	8	16	24

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2013 Retirement Confidence Survey.

Calculating Retirement Accumulation Needs

Despite approaching retirement age, nearly 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 2013 than in 2003.

The amount of savings that workers think they need to accumulate to ensure a financially comfortable retirement does not vary statistically by age (Figure 5).

Figure 5
Amount of Savings Workers Think They Need for Retirement

	All Workers	Ages 25-34	Ages 35-44	Ages 45-54	Ages 55+
Less than \$250,000	30%	31%	23%	33%	33%
\$250,000-\$499,999	21	20	23	19	22
\$500,000-\$999,999	21	24	23	22	18
\$1 million-\$1.4 million	8	11	10	8	5
\$1.5 million or more	10	12	10	9	9
Don't know/Refused	10	3	13	9	14

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2013 Retirement Confidence Survey.

Retirement Expectations

Workers of all ages appear to be planning to retire later, on average, than similarly aged workers were in 2003. In particular, the percentage planning to retire at age 66 or older has increased significantly for every age group except the youngest (Figure 6).

Figure 6
Expected Age at Retirement

	<u>All Workers</u>		<u>Ages 25–34</u>		<u>Ages 35–44</u>		<u>Ages 45–54</u>		<u>Ages 55+</u>	
	2003	2013	2003	2013	2003	2013	2003	2013	2003	2013
Less than 60	16%	9%	21%	13%	17%	10%	17%	9%	1%	3%
Ages 60–64	21	14	16	16	24	11	20	15	24	15
Age 65	25	25	28	31	27	26	21	25	20	17
Age 66 or older	24	36	27	29	19	36	24	35	29	44
Never retire	6	7	4	3	5	8	8	6	8	10
Don't know/ Refused	9	8	4	9	9	8	10	7	18	10

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2003 and 2013 Retirement Confidence Surveys.

Retirement Confidence

Today's workers are less inclined to describe themselves as very confident about many financial aspects of retirement compared to workers in 2003, including having enough money to live comfortably in retirement (13 percent of all workers in 2013 vs. 21 percent of all workers in 2003) and doing a good job of preparing financially for retirement (17 percent of all workers in 2013 vs. 24 percent of all workers in 2003) (Figure 7).

The decline in confidence for having enough money to live comfortably is statistically significant across all age groups, although the decline for workers ages 55+ is only marginally significant.

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					
2013	13%	15%	11%	9%	17%
2003	21	22	19	21	25
You will have enough money to take care of basic expenses during retirement					
2013	25	31	22	21	28
2003	33	34	36	28	36
You are doing a good job of preparing financially for retirement					
2013	17	18	15	13	22
2003	24	29	22	22	22
You will have enough money to take care of medical expenses during retirement					
2013	14	17	12	9	17
2003	18	19	17	17	19
You will have enough money to pay for long-term care during retirement					
2013	11	15	7	7	14
2003	14	16	13	14	13
The Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today					
2013	5	3	4	4	11
2003	7	2	7	7	16
The Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today					
2013	6	8	4	3	7
2003	5	2	4	5	10

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2003 and 2013 Retirement Confidence Surveys.

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