

2012 RCS FACT SHEET #4

AGE COMPARISONS AMONG WORKERS

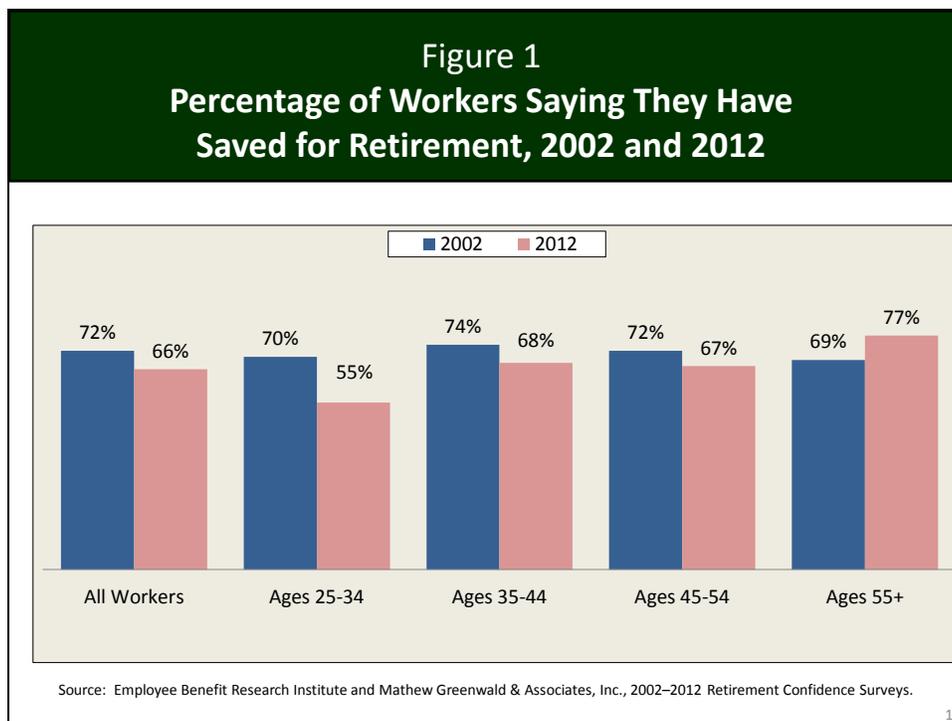
The 22nd annual Retirement Confidence Survey (RCS) provides some evidence to support the intuitive argument that the closer people are to retirement, the more likely they are to take steps to ensure they have a secure retirement.

Saving for Retirement

Saved for Retirement:

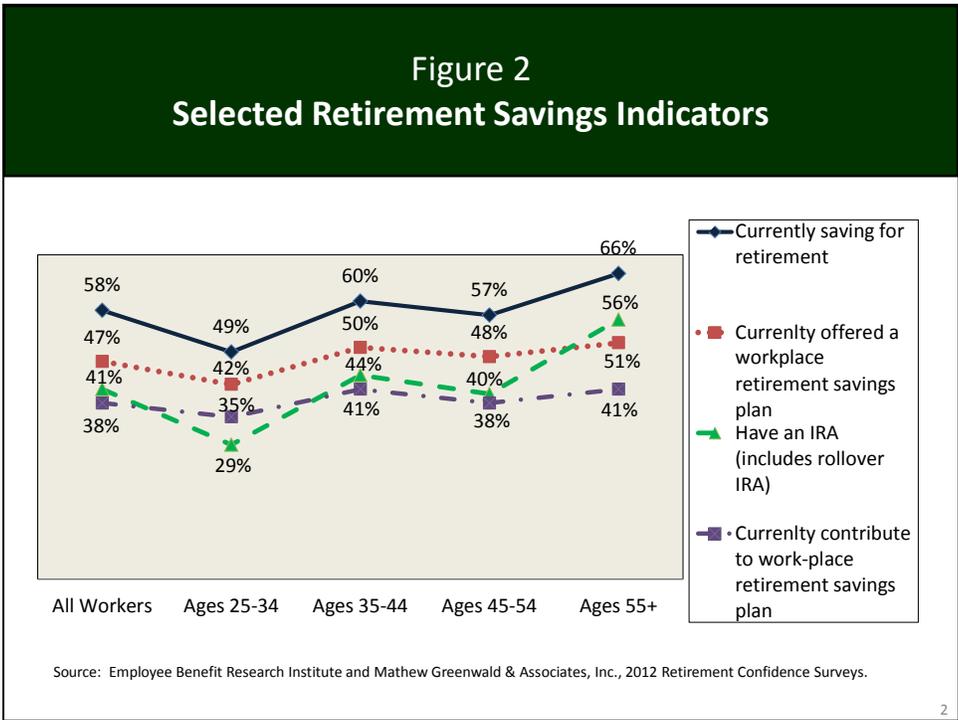
Today's workers age 35 and older are more likely than those ages 25–34 to say they (and/or their spouse) have saved for retirement.

Overall, workers of today are statistically less likely to report they have saved save for retirement than workers of 10 years ago. However, this difference occurs primarily among those ages 25–34. Workers ages 35–44 and 45–54 are statistically just as likely as workers of the same age 10 years ago to say they have saved for retirement, while workers ages 55+ are more likely to have saved than their counterparts 10 years ago (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, 33 percent of workers age 55 and older are not currently saving for that purpose (Figure 2, next page).



Almost half of all workers in the 2012 RCS (47 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. (Of those offered a plan by their current employer, 81 percent indicate they contribute to it.)

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, although older workers are more likely than their younger counterparts to report higher amounts of assets (Fig. 3). However, nearly a third of older workers reported savings and investments of less than \$10,000.

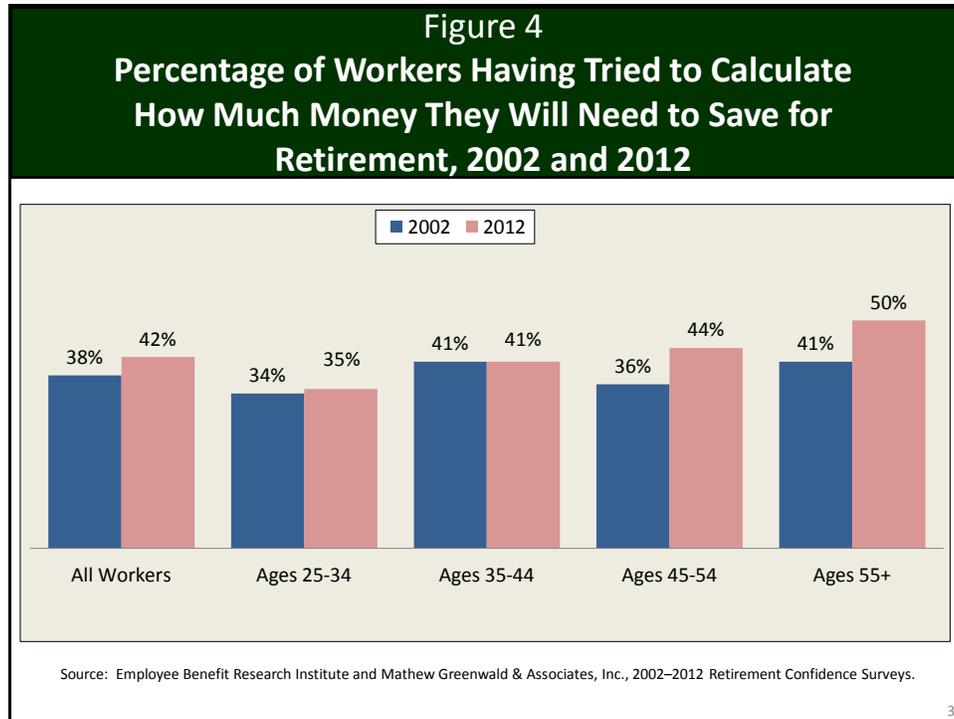
Figure 3
Reported Total Savings and Investments,
Among Those Providing a Response
(not including value of primary residence or defined benefit plans)

Total Savings and Investments	All Workers	Ages 25-34	Ages 35-44	Ages 45-54	Ages 55+
Less than \$10,000	48%	57%	51%	46%	31%
\$10,000-\$24,999	12	19	10	8	9
\$25,000-\$49,999	10	12	11	9	8
\$50,000-\$99,999	10	6	14	9	12
\$100,000-\$249,999	10	5	12	12	18
\$250,000 or more	10	1	3	17	22

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2012 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 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 2012 than they were a decade ago.

Workers ages 55+ 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

Needed Savings	All Workers	Ages 25–34	Ages 35–44	Ages 45–54	Ages 55+
Less than \$250,000	33%	31%	30%	35%	39%
\$250,000-\$499,999	18	20	13	18	20
\$500,000-\$999,999	20	20	25	21	15
\$1 million-\$1.4 million	6	9	8	5	3
\$1.5 million or more	9	13	9	7	7
Don't know/Refused	14	7	16	15	17

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2012 Retirement Confidence Survey.

Retirement Expectations

Workers of all ages appear to be planning to retire later, on average, than similarly aged workers were in 2002. 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

Expected Retirement Age	All Workers		Ages 25–34		Ages 35–44		Ages 45–54		Ages 55+	
	2002	2012	2002	2012	2002	2012	2002	2012	2002	2012
Less than 60	17%	8%	21%	15%	16%	5%	21%	10%	6%	1%
Ages 60–64	22	16	20	16	27	15	17	18	25	15
Age 65	29	26	33	27	30	29	28	22	23	23
Age 66 or older	18	37	17	34	14	35	21	34	26	44
Never retire	5	7	4	3	6	9	7	9	2	7
Don't know/ Refused	9	5	5	4	8	6	6	6	18	8

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2002 and 2012 Retirement Confidence Surveys.

Retirement Confidence

Overall, today's workers are less inclined to describe themselves as very confident about many financial aspects of retirement compared with workers in 2002, including:

- Having enough money to live comfortably in retirement.
- Having enough money to pay for basic expenses during retirement.
- Doing a good job of preparing financially for retirement.
- Having enough money to pay for long-term care during retirement (Figure 7, next page).

The decline in confidence about having enough money to live comfortably in retirement is statistically significant across all age groups between 2001–2011.

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					
2012	14%	13%	16%	12%	16%
2002	23	26	20	21	25
You will have enough money to take care of basic expenses during retirement					
2012	26	26	27	25	27
2002	38	40	38	39	32
You are doing a good job of preparing financially for retirement					
2012	19	22	21	14	18
2002	23	26	23	21	24
You will have enough money to take care of medical expenses during retirement					
2012	13	14	15	11	14
2002	20	19	17	19	26
You will have enough money to pay for long-term care during retirement					
2012	9	10	11	8	8
2002	13	15	14	10	14
The Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today					
2012	6	4	4	4	12
2002	6	1	4	7	16
The Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today					
2012	4	2	3	6	7
2002	5	3	4	5	15

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2002 and 2012 Retirement Confidence Surveys.

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