The last quarter of 2008 saw a major contraction in the nation’s economy. How did workers and retirees react? Questions from the RCS examined the financial reactions of workers and retirees after September 2008.

Contributions to Work-place Retirement Savings Plans
- A large majority of workers participating in a work-place retirement savings plan (72 percent) state that they have not changed the percentage of their salary contributed to the plan in the past year. However, 18 percent say they increased the percentage contributed and 11 percent decreased the percentage.
- Of the 22 percent of workers eligible to contribute to an employment-based retirement plan but not doing so, only 1 in 5 reported that they had been contributing before October 2008. This translates into less than 5 percent of eligible workers, indicating that the economic downturn did not cause many eligible workers to stop contributing to their work-place retirement savings plan.

Investments in Work-place Retirement Savings Plans
- Half of participants (49 percent) report that they last reviewed how their money is invested in the plan and made any necessary adjustments in the last quarter of 2008.
- Twenty-one percent say they last reviewed their asset allocation earlier in 2008, while the remainder say they last reviewed their plan investments in 2007 (12 percent) or even earlier (13 percent).
- The majority of those indicating they reviewed their allocations in October–December 2008 also say they previously reviewed their plan allocations in January–September 2008 (68 percent). But some state their previous review occurred in 2007 (17 percent) or earlier (11 percent).

Loans in Work-place Retirement Savings Plans
- Very few participants (9 percent) state they currently have a loan from their work-place retirement savings plan.
- These respondents are more likely to have obtained the loan in the second half of 2008 (15 percent in October–December 2008 and 19 percent in July–September 2008) than in the first half (13 percent). Yet half report their loan dates to 2007 (14 percent) or even earlier (37 percent).

Investing Retirement Savings Wisely
- Despite the significant drop in the equity market during 2008, over 75 percent of workers are very (24 percent) or somewhat (54 percent) confident that they or their spouses are investing their retirement savings wisely.