



# WORKERS' RETIREMENT PREPARATIONS: SAVERS<sup>1</sup> VS. NONSAVERS<sup>2</sup>

## Retirement Confidence

Savers are more confident than nonsavers about their retirement prospects. Percentage who are very confident:

	Savers	Nonsavers
In having enough money to live comfortably throughout retirement	26%	14%
In having enough money to take care of basic expenses	44	22
In doing a good job of preparing financially for retirement	28	12
In having enough money for medical expenses	22	13
In having enough money to pay for long-term care should you need long-term care during your retirement	15	9

## Amounts Accumulated for Retirement

Among respondents characterized as retirement savers, the amount accumulated for retirement, not surprisingly, tend to be larger.

	All Workers	Savers	Nonsavers
Nothing	15%	2%	46%
Less than \$5,000	5	4	7
\$5,000–\$9,999	7	6	10
\$10,000–\$24,999	11	12	8
\$25,000–\$49,000	9	11	4
\$50,000–\$99,999	14	17	4
\$100,000 or more	17	23	4
Not reported	23	25	15

## A Retirement Savings Needs Calculation?

- Thirty-eight percent of workers report that their household has tried to figure out how much it needs to save and accumulate to have a comfortable retirement.
- However, 40 percent do not give an amount when asked how much they calculated was needed, and 3 percent report they could not do the calculation.
- Forty-five percent say the calculation led to changes in their retirement planning.
  - Fifty-eight percent of these started saving more.
  - Twenty-six percent changed the investment allocation of their money.

## Can You Save \$20 (More) Per Week for Retirement?

- Sixty-two percent of nonsavers say they could save \$20 per week for retirement.
- Seventy percent of savers say they could save an extra \$20 per week for retirement.
- While this may not sound like a significant amount of money, \$20 saved each week equals \$1,040 over the course of one year. If you save this amount for 25 years, you could have over \$50,000 (assuming a 5 percent annual rate of return).

Source: 2002 Retirement Confidence Survey – EBRI/ASEC/Greenwald.

<sup>1</sup> Savers are those who say that they and/or their spouses have *personally* saved for their retirement.

<sup>2</sup> Nonsavers are those who say that neither they nor their spouse have *personally* saved for their retirement.