



ATTITUDES & BEHAVIORS OF WORKERS AND RETIREES

Most Important Savings Goal

Retirement is the most important savings goal for 3 in 10 workers. This is what workers and retirees who have other savings or investments outside of retirement savings say is their “most important savings goal”:

	Worker	Retiree
Financing retirement	30%	32%
Paying for education	13	2
Home purchase or renovation	10	2
Vacation	5	6
Live comfortably/Enjoy life	2	6
Other	19	19
No particular savings goals	21	33

- Both workers and retirees say they spent more time in the past year planning for holidays and social events than planning for retirement. Survey respondents are more likely to say they spent four or more hours in the past year planning for the holidays (74 percent) or social events (57 percent) than planning for retirement (49 percent).

Where People Keep Their Money

Bank or thrift accounts, such as checking or savings accounts	92%
Stock or bond mutual funds	54
Individual stock, including stock of an employer	48
Individual bonds, including U.S. savings bonds	38
Cash in a safe place at home or safe deposit box	30
Certificates of deposit	27
Real estate other than your primary residence	27
Fixed or variable annuities	23
Other	8

- Half of workers report that an employer contributed money to a retirement account in their name or their spouse’s name last year (49 percent), and three-fourths of employed respondents indicate that their current employer offers them a retirement savings plan that allows them to make before-tax contributions, such as a 401(k), 403(b), or 457 plan (73 percent).
- Of those offered such a plan, three-fourths say they contribute money to the plan (78 percent) and one-third of these respondents report increasing their contribution within the past year (32 percent, 13 percent of all workers).

Where People Get Their Financial Information

- Nearly half of workers indicate that an employer or work-related retirement plan provider has given them educational material or seminars about retirement planning and saving in the past 12 months (47 percent). Eighteen percent of workers receiving these educational materials report that they have made changes in their retirement planning as a result of the material they received from their employer.
- One-fourth of workers report that an employer has provided them with access to investment advice for retirement purposes in the past 12 months (23 percent). Of those offered access, half say this access was given in person (54 percent), 7 percent say it was offered online, and nearly 4 in 10 say it was offered both online and in person (37 percent).

- More workers and retirees turn to their spouse (81 percent) for financial advice than to a financial professional (55 percent). They also get their financial information from the following resources: their family, friends, or co-workers (58 percent); newspapers, magazines, or other written materials (56 percent); written material from work (52 percent); information from seminars (29 percent); information from television or radio (26 percent), and computer software (16 percent).
- Thirty-four percent of respondents get information off the Internet, and 15 percent seek assistance from online professional investment advice services.

Social Security & Medicare

- Many of today’s workers will not be eligible to receive full Social Security benefits until they are 67, but most continue to be unaware of the phased increase in the normal retirement age from 65 to 67.
- Half expect to reach full eligibility sooner than they actually will (51 percent). Many of these incorrectly expect to be eligible for full retirement benefits at age 65 (33 percent of all workers), but some believe they will be eligible even before age 65 (19 percent).
- Only 16 percent are able to give the correct age at which they will be eligible for full retirement benefits, and 6 percent believe they will be eligible later than they actually will be. One-fourth of workers say they do not know when they will be eligible to receive full benefits from Social Security (24 percent).
- Most individuals continue to be “not too” or “not at all” confident that Social Security and Medicare will continue to provide benefits of at least equal value to the benefits retirees receive today.

Percentage of Workers Who Say They Are Confident That the Social Security System Will Continue to Provide Benefits of at Least Equal Value to the Benefits Received by Retirees Today

	1993	1996	1998	2000	2001	2002	2003
Very confident	4%	3%	6%	7%	8%	6%	7%
Somewhat confident	19	17	16	21	26	25	26
Not too confident	41	40	31	39	33	38	35
Not at all confident	33	38	44	33	32	30	31

Source: 2003 Retirement Confidence Survey—EBRI/ASEC/Greenwald.