AGE COMPARISONS AMONG WORKERS

The 19th 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. Comparing this year’s data with data from the 1999 RCS suggests that older workers are more pessimistic about their financial prospects in retirement than workers of similar ages 10 years ago.

Saving for Retirement

Saved for Retirement:
- Probably because they are closer to retirement, workers age 35 and older are more likely than those ages 25–34 to say they (and/or their spouse) have saved for retirement (Figure 1).
- In addition, it seems that workers of today are ahead when it comes to having saved for retirement. Today’s workers ages 55 and older are more likely than workers of the same age 10 years ago to say they have saved for retirement (Figure 1).

| Percentage of Workers Saying They Have Saved for Retirement, 1999 and 2009 |
|-----------------------------|---|---|---|---|---|
|                             | All Workers | Ages 25–34 | Ages 35–44 | Ages 45–54 | Ages 55+ |
| 1999                       | 73% | 73% | 72% | 79% | 66% |
| 2009                       | 75% | 66% | 78% | 78% | 79% |


Currently Saving for Retirement:
- While workers ages 25 to 34 are less likely than workers age 35 and older to say they (and/or their spouse) are currently saving for retirement, 32 percent of workers age 35 and older are not currently saving (Figure 2).

| Selected Retirement Savings Indicators |
|----------------------------------------|---|---|---|---|---|
| Current saving for retirement           | 65% | 57% | 68% | 68% | 66% |
| Offered a work-place retirement savings plan (among those employed full or part time) | 82% | 78% | 86% | 83% | 81% |
| Contribute to work-place retirement savings plan (among those employed full or part time) | 64% | 52% | 72% | 65% | 64% |
| Have an IRA (includes a rollover IRA)   | 47% | 38% | 51% | 47% | 52% |


- Eighty-two percent all employed respondents in the RCS (regardless of age group) say they are offered a work-place retirement savings plan, such as a 401(k), by an employer. Sixty-four percent report they contribute to this type of plan, with participation higher among workers age 35 and older (Figure 2).
• The likelihood of reporting household ownership of an individual retirement account is higher among those age 35 and over (Figure 2). However, much of this difference may be explained by the fact that older workers tend to have higher household incomes.

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](image)

<table>
<thead>
<tr>
<th>Figure 3</th>
<th>Reported Total Savings and Investments Among Those Providing a Response (not including value of primary residence or defined benefit plans)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $10,000</td>
<td>40%</td>
</tr>
<tr>
<td>$10,000–$24,999</td>
<td>13</td>
</tr>
<tr>
<td>$25,000–$49,999</td>
<td>11</td>
</tr>
<tr>
<td>$50,000–$99,999</td>
<td>12</td>
</tr>
<tr>
<td>$100,000–$249,999</td>
<td>12</td>
</tr>
<tr>
<td>$250,000 or more</td>
<td>12</td>
</tr>
</tbody>
</table>


Calculating Retirement Accumulation Needs
• Despite approaching retirement age, nearly half of workers age 45 and older have not tried to do a retirement savings needs calculation. Nevertheless, workers age 35 or older are more likely than the youngest workers to indicate that they have 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 (Figure 4).
• Workers are statistically as likely to have done this calculation as workers in 1999. However, those ages 25–34 are less likely this year to have done the calculation than workers the same age in 1999 (Figure 4).

![Figure 4](image)

<table>
<thead>
<tr>
<th>Figure 4</th>
<th>Percentage of Workers Having Tried to Calculate How Much Money They Will Need to Save for Retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>All Workers</td>
</tr>
<tr>
<td>48%</td>
<td>42%</td>
</tr>
<tr>
<td>2009</td>
<td>44</td>
</tr>
</tbody>
</table>

Savings Needed for Retirement:
- Younger workers tend to be more likely than older workers to think they will need to accumulate higher amounts for retirement (Figure 5).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $250,000</td>
<td>28%</td>
<td>20%</td>
<td>25%</td>
<td>30%</td>
<td>40%</td>
</tr>
<tr>
<td>$250,000–$499,999</td>
<td>19%</td>
<td>20%</td>
<td>24%</td>
<td>16%</td>
<td>17%</td>
</tr>
<tr>
<td>$500,000–$999,999</td>
<td>23%</td>
<td>31%</td>
<td>20%</td>
<td>24%</td>
<td>16%</td>
</tr>
<tr>
<td>$1 million–$1.49 million</td>
<td>8%</td>
<td>7%</td>
<td>10%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>$1.5 million or more</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Don’t know/Don’t remember</td>
<td>11%</td>
<td>10%</td>
<td>9%</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>Refused</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>


Retirement Expectations:
- Workers of all ages appear to be planning to retire later, on average, than similarly aged workers were in 1999. In particular, the percentage planning to retire at age 66 or older has increased significantly for every age group (Figure 8).

<table>
<thead>
<tr>
<th>Expected Age at Retirement</th>
<th>All Workers</th>
<th>Ages 25–34</th>
<th>Ages 35–44</th>
<th>Ages 45–54</th>
<th>Ages 55+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 60</td>
<td>17%</td>
<td>9%</td>
<td>24%</td>
<td>17%</td>
<td>18%</td>
</tr>
<tr>
<td>Ages 60–64</td>
<td>24%</td>
<td>17%</td>
<td>19%</td>
<td>14%</td>
<td>27%</td>
</tr>
<tr>
<td>Age 65</td>
<td>31%</td>
<td>23%</td>
<td>31%</td>
<td>29%</td>
<td>30%</td>
</tr>
<tr>
<td>Age 66 or older</td>
<td>18%</td>
<td>31%</td>
<td>14%</td>
<td>22%</td>
<td>19%</td>
</tr>
<tr>
<td>Never retire</td>
<td>5%</td>
<td>10%</td>
<td>4%</td>
<td>9%</td>
<td>3%</td>
</tr>
<tr>
<td>Don’t know/Refused</td>
<td>5%</td>
<td>7%</td>
<td>8%</td>
<td>8%</td>
<td>3%</td>
</tr>
</tbody>
</table>


- In the past 12 months, 25 percent of workers overall have changed their expected retirement age to be later or at an older age than before. Workers age 45 and older (32 percent) are more likely than younger workers (20 percent) to have changed their expected retirement age to be later.
- Seventy-two percent of workers expect to work for pay after retirement, with no variation by age.

Expecting Work-place Benefits:
- Workers under age 55 are more likely than older workers to expect that they (and/or their spouse) will receive benefits from a work-place retirement savings plan (78 percent vs. 63 percent) when they retire (Figure 9).

<table>
<thead>
<tr>
<th>Workers Expecting to Receive Employer-Provided Retirement Benefits</th>
<th>All Workers</th>
<th>Ages 25–34</th>
<th>Ages 35–44</th>
<th>Ages 45–54</th>
<th>Ages 55+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money from a work-place retirement savings plan</td>
<td>75%</td>
<td>79%</td>
<td>79%</td>
<td>76%</td>
<td>63%</td>
</tr>
<tr>
<td>Money from a traditional pension or cash balance plan</td>
<td>59%</td>
<td>65%</td>
<td>54%</td>
<td>59%</td>
<td>55%</td>
</tr>
<tr>
<td>Retiree health insurance</td>
<td>36%</td>
<td>36%</td>
<td>38%</td>
<td>36%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Retirement Confidence

- Workers under age 55 are statistically at least as likely as older workers to say they are very confident about many financial aspects of retirement, but they are less likely than workers age 55 and older to be very confident that Social Security and Medicare will continue to provide benefits of at least equal value to the benefits received by retirees today (Figure 10).

- Today’s workers are less confident than workers were 10 years ago about having enough money for a comfortable retirement and having enough to pay for basic expenses (Figure 10). Workers ages 55 and older are less confident than workers of the same age were 10 years ago about their financial preparations for retirement.

### Figure 10

**Percentage of Workers Very Confident in Financial Aspects of Retirement**

<table>
<thead>
<tr>
<th></th>
<th>All Workers</th>
<th>Ages 25–34</th>
<th>Ages 35–44</th>
<th>Ages 45–54</th>
<th>Ages 55+</th>
</tr>
</thead>
<tbody>
<tr>
<td>You will have enough money to live comfortably throughout your retirement years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>13%</td>
<td>18%</td>
<td>12%</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>1999</td>
<td>22</td>
<td>27</td>
<td>20</td>
<td>21</td>
<td>18</td>
</tr>
<tr>
<td>You will have enough money to take care of basic expenses during retirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>25</td>
<td>24</td>
<td>26</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td>1999</td>
<td>31</td>
<td>34</td>
<td>31</td>
<td>29</td>
<td>32</td>
</tr>
<tr>
<td>You are doing a good job of preparing financially for retirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>20</td>
<td>23</td>
<td>21</td>
<td>18</td>
<td>16</td>
</tr>
<tr>
<td>1999</td>
<td>23</td>
<td>22</td>
<td>22</td>
<td>24</td>
<td>29</td>
</tr>
<tr>
<td>You will have enough money to take care of medical expenses during retirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>13</td>
<td>16</td>
<td>13</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>1999</td>
<td>16</td>
<td>16</td>
<td>15</td>
<td>13</td>
<td>22</td>
</tr>
<tr>
<td>You will have enough money to pay for long-term care during retirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>10</td>
<td>12</td>
<td>11</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>1999</td>
<td>Question Not Asked</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>6</td>
<td>4</td>
<td>6</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>1999</td>
<td>7</td>
<td>4</td>
<td>6</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>The Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>5</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>1999</td>
<td>7</td>
<td>5</td>
<td>5</td>
<td>7</td>
<td>16</td>
</tr>
</tbody>
</table>