Good morning. I'm Craig Copeland, a senior research associate at the Employee Benefit Research Institute. I will make some brief remarks about the survey results and then turn it over to Matt Greenwald.

After hitting historical lows between 2009 and 2013, retirement confidence increased in 2014 and 2015 before plateauing in 2016. The longevity of the RCS project has allowed us to track American’s attitudes and planning for retirement for more than two decades. While the 21 percent of workers in 2016 reporting they are very confident about their ability to secure a financially comfortable retirement is still below the 27 percent of workers saying that they felt this way in 2007, it is consistent with the percentages that were reported being very confident between 1997 and 2006. Despite the leveling off of overall confidence, more workers are gaining confidence in their ability to pay for basic expenses in retirement, such as food, clothing and shelter, and in their ability to pay for medical care expenses in retirement.

However, retirement confidence varies among American workers. In fact, there is a clear dichotomy between those who have some sort of retirement plan - that is, a Defined Benefit or Defined Contribution plan, or Individual Retirement Account - and those who do not. Those with a retirement plan are more likely to be very confident about their financial prospects in retirement, compared with those who do not have a retirement plan.

Specifically, 26 percent of workers with a retirement plan are now very confident about having enough money for a comfortable retirement. But among those without a retirement plan, just 10 percent are very confident. Moreover, 38 percent of workers without a plan are not at all confident about having enough money for a comfortable retirement, compared with just 11 percent of workers with a retirement plan.

This dichotomy between those with some sort of retirement plan and those without extends beyond just overall confidence. Those with a plan are more likely than those without to report confidence in paying for specific types of expenses in retirement. In fact, just 18 percent of those without a retirement plan are very confident about their ability to pay for their medical expenses in retirement and only 25 percent are very confident in being able to pay for even basic expenses. In contrast, those with a retirement plan, 24 percent and 50 percent, respectively, are very confident about paying for these expenses.

Why is it that workers without a DB, DC or IRA are so much less confident than those with these plans? Well, one reason is that workers with a plan are simply more likely to save for retirement. Eighty-eight percent of workers with a plan compared with just 21 percent without a plan say they have saved money for retirement.

And the total investable assets reported by those without a plan indicates just how precarious their situation is. Two-thirds of workers without a retirement plan indicate that they have less than $1,000 in total savings and investments, not including any equity in their primary home. Another 16 percent have saved between $1,000 and $10,000. This means that less than 20 percent of workers without a retirement plan have non-housing assets of $10,000 or more. It’s no wonder that nearly half (42% plus 11% don’t know) of those without a plan think they will need to wait until at least age 70 to retire or to not retire at all.
So far, I’ve only talked about workers, but what about retirees? Retiree confidence about having enough money for a comfortable retirement, which has historically been higher than worker confidence, increased in 2016. In fact, 39 percent of retirees are very confident, up from 18 percent in 2013 (37 percent in 2015).

But just like workers, retirees with some type of retirement plan are more likely to be very confident about being able to maintain a comfortable lifestyle throughout retirement. 49 percent of retirees with a plan are very confident, compared with 25 percent without a plan. Only 5 percent who have a plan are not at all confident, compared with 20 percent without a plan. And retirees with a retirement plan are almost twice as likely as those without to be very confident about being able to afford basic expenses. Specifically, 61 percent with a plan compared with just 33 percent without, are very confident.

Again, this reflects a very large difference in the financial assets owned by retirees with and without a retirement plan. Three-quarters of retirees without a retirement plan have non-housing assets totaling less than $10,000, providing them with almost no cushion for emergencies beyond any equity they may have in their home. In contrast, only 18 percent of retirees with a retirement plan report this low level of assets.

So the results of the 2016 Retirement Confidence Survey suggest that while retirement confidence is stable for Americans overall, it is much lower for those without a retirement plan—that is a DB plan, DC plan, or IRA. For these Americans, the likelihood of achieving a financially secure retirement is slim.

I’ll now turn it over to Matt Greenwald.