Good morning.

My name is Jack VanDerhei, research director at the Employee Benefit Research Institute. I will make some brief remarks about the top-line survey results and then turn it over to Matt Greenwald for a more detailed account of the findings.

This year’s results are perhaps unusual. During the 2008–2009 recession, not surprisingly, the RCS measured a significant decline in confidence among both workers and retirees about their ability to afford a comfortable retirement. Last year, in 2010, with the recession officially declared over and many signs of economic improvement, we found that Americans’ confidence about retirement was stabilizing.

So what did we find in January of 2011, when the current RCS was fielded? This was a time when the stock market was going up and unemployment was going down.

We found the most pessimistic levels of confidence among American workers that the RCS has ever measured, in more than two decades of this survey. Specifically:

- More than a quarter (27%) of workers now say they are “not at all” confident about retirement, a 5 percentage-point jump from last year and the highest level we’ve ever measured. If you combine the “not at all” and “not too” confident levels, fully half of all workers are worried they won’t be able to afford retirement. That’s the most we’ve ever seen.
- The other side of the coin shows the same result: Only 13% of workers now say they’re “very confident” about retirement. That ties with the 2009 recession level as the lowest the RCS has ever measured.

These results could be seen as pessimistic, but I view them as realistic and positive: They show that people may be starting to realize the level of savings they will need for a comfortable retirement. Unfortunately, a lot of Americans should be worried about their retirement prospects, and the RCS shows why:

- For instance, a large share of workers have virtually no savings or investments. Among RCS workers who provided this information, well over a quarter (29%) said they have less than $1,000. More than half of all workers (56%) say the total value of their household’s savings and investments—excluding the value of their home and any defined benefit pension—is less than $25,000.
- Just over half of workers (59%) say they and/or their spouse are currently saving for retirement—that’s down from 65% in 2009.
The RCS finds that the sharpest drop in retirement confidence occurred among those with fewer assets, especially among those with less $25,000 in savings. That’s realistic.

For many years—especially during the good economic years—the RCS measured what was clearly false confidence: Many people who had no retirement savings, and had done no planning, nevertheless told us they felt confident things would turn out OK.

This year’s results suggest that the American public is rightfully ignoring short-term positive economic news and is starting to recognize what has been called “the new normal”: serious, long-term challenges that include:

- The probability of long-term high unemployment rates.
- Federal, state, and local government fiscal crises.
- Ever-rising health care costs.
- Lower investment returns.
- Longer life expectancies.
- A surge in the older population, and the stress that will put on Social Security and Medicare. We have an RCS fact sheet on those programs, showing that worker confidence, in particular, in those programs continues to drop.

The list goes on, but the point is this: There are many big, systemic factors at work that are redefining retirement in America. We think the 2011 RCS provides evidence that people are waking up to that reality.

I will make one last point before turning it over to Matt.

The RCS finds evidence that American workers are clearly changing their expectations about retirement:
- For instance, the age at which workers expect to retire continues to go up.
- More workers now expect to work for pay in retirement.
- The main reasons why more workers plan to delay retirement are the poor economy, a lack of faith in Social Security or the government, or a change in their work situation.

Unfortunately, the RCS does not find evidence that Americans are changing their behavior about preparing for retirement—yet. Matt will go into more detail in a moment, but a minority of workers and/or their spouse have even have tried to calculate how much money they will need to afford retirement. Far too often, workers merely guess what they need to accumulate. And, as mentioned earlier, the rate of workers currently saving is going down.

So there is some good news, on expectations. But the RCS finds lots of other trends to be worried about. I’ll now turn it over to Matt Greenwald.