

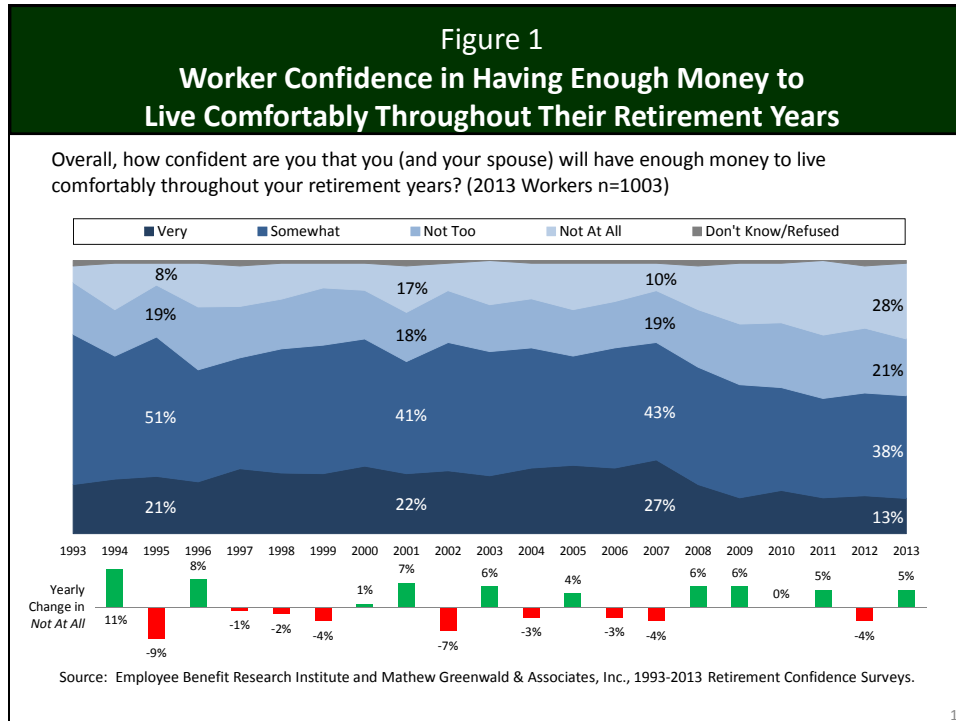
2013 RCS FACT SHEET #1

RETIREMENT CONFIDENCE

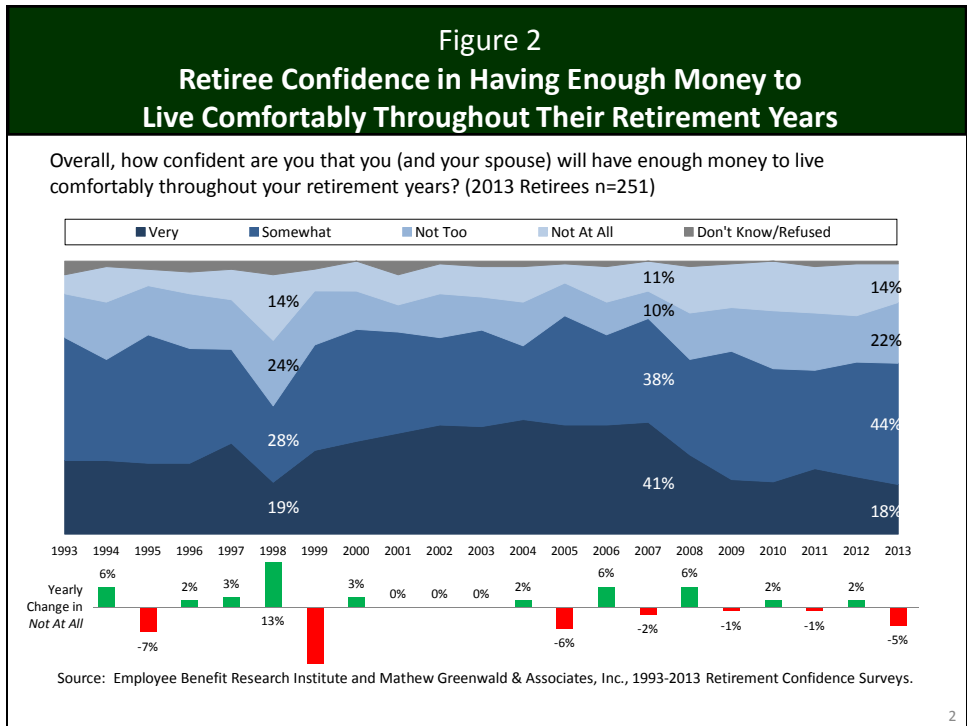
The past few years saw a sharp decline in Americans' confidence about their ability to secure a financially comfortable retirement. What has happened to confidence now that some economic indicators are improving?

Confidence in Having a Comfortable Retirement

The 2013 Retirement Confidence Survey (RCS) finds that worker confidence in having enough money to live comfortably throughout retirement declined slightly in 2013, resuming the slow downward trend that began in 2008. More specifically, 28 percent of workers now say they are not at all confident, an increase from 23 percent in 2012. Despite this, the percentage of workers who are very confident (13 percent) or somewhat confident (38 percent) remained relatively stable (Figure 1).

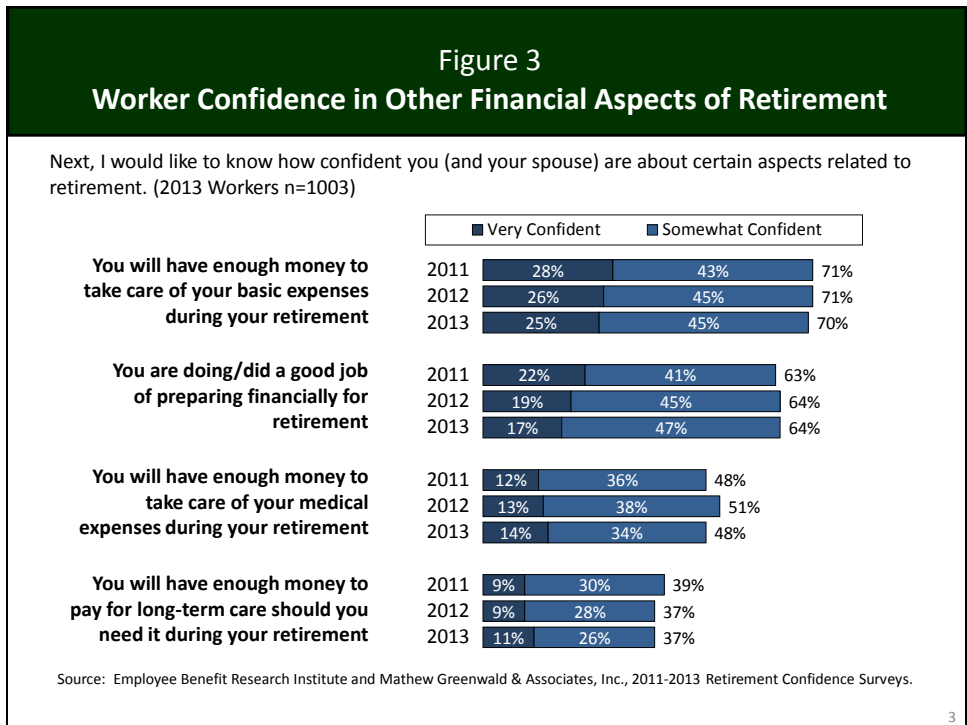


Retiree confidence in having enough money for a comfortable retirement moved toward middle-ground responses: somewhat confident (44 percent) and not too confident (22 percent). Fourteen percent say they are not at all confident (Figure 2).



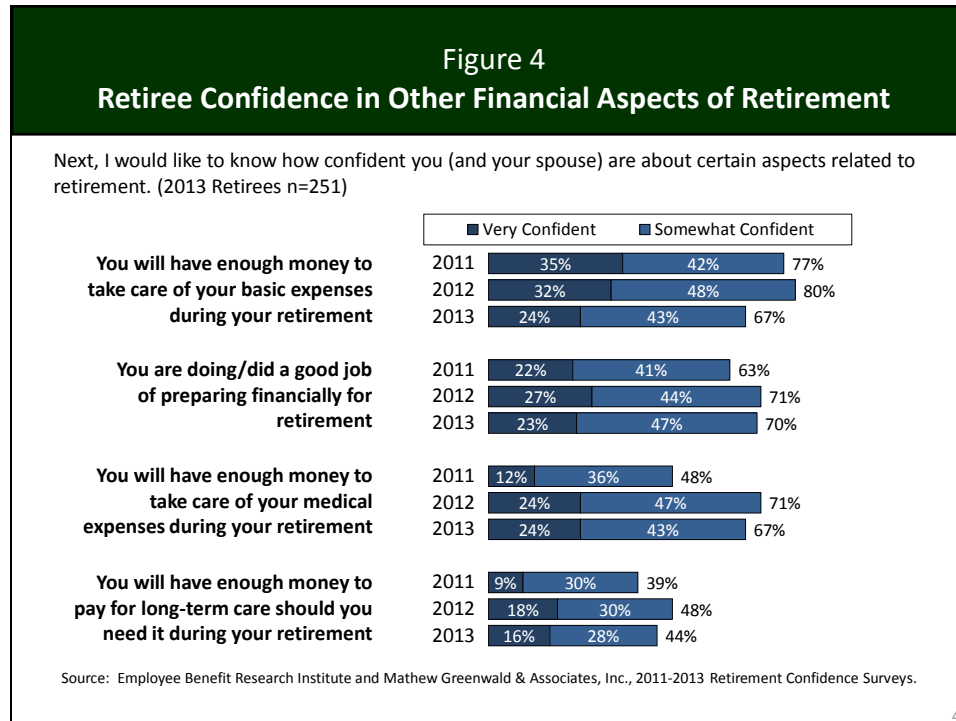
Worker Confidence in Other Financial Aspects of Retirement

Workers express the highest levels of confidence about their ability to pay for basic expenses in retirement (25 percent very confident). They are less confident about their ability post-retirement to pay for medical expenses (14 percent very confident) and least likely to feel very confident about paying for long-term care expenses (11 percent) (Figure 3).



Retiree Confidence in Other Financial Aspects of Retirement

Nearly a quarter of retirees say they did a good job of preparing financially for retirement (23 percent) and are very confident that they will have enough money in retirement for basic expenses (24 percent) and medical expenses (24 percent). Confidence in being able to afford basic expenses has dropped from 2012 levels, when 32 percent of retirees stated they were very confident about this issue. As with workers, retirees are least confident in their ability to afford long-term care (only 16 percent are very confident) (Figure 4).



More Immediate Financial Concerns

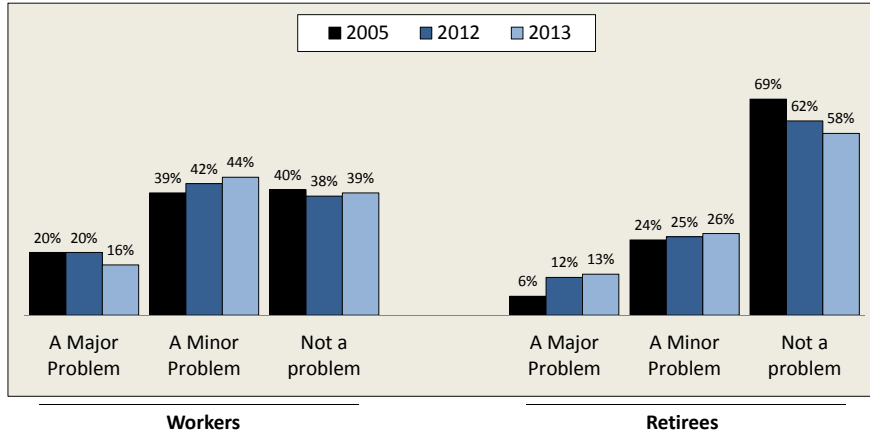
One reason that retirement confidence may have stagnated is that many Americans are preoccupied by more immediate financial concerns. Asked to name the most pressing financial issue facing most Americans today, both workers and retirees are most likely to identify job uncertainty (30 percent of workers and 27 percent of retirees).

Debt may be another factor standing in the way. Sixteen percent of workers and 13 percent of retirees report their level of debt is a major problem, and an additional 44 percent of workers and 26 percent of retirees describe it as a minor problem. High levels of debt are strongly related to lower retirement confidence. A quarter of workers also report that their current level of debt is higher than it was five years ago. Forty percent report that it is about the same (Figures 5, 6, and 7).

In addition, few are optimistic about the immediate financial future. In particular, just 15 percent of workers and 12 percent of retirees are very confident that their investments will grow in value (Figure 8).

Figure 5
Current Level of Debt

Thinking about your current financial situation, how would you describe your level of debt?
(2013 Workers n=1003, Retirees n=251)

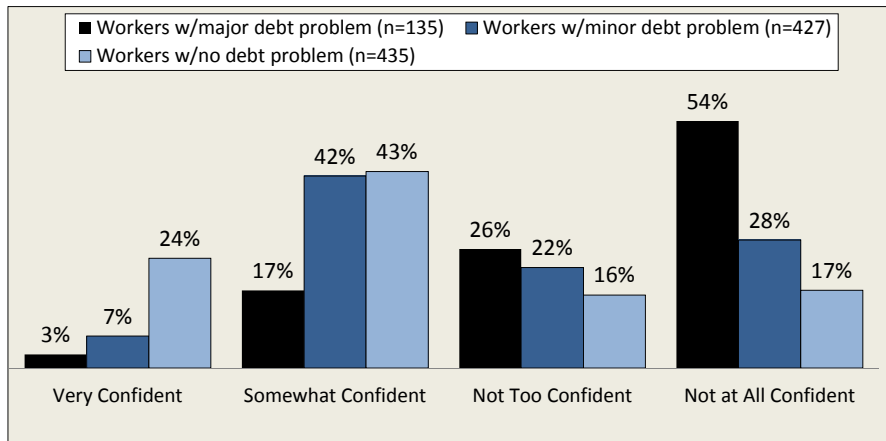


Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005-2013 Retirement Confidence Surveys.

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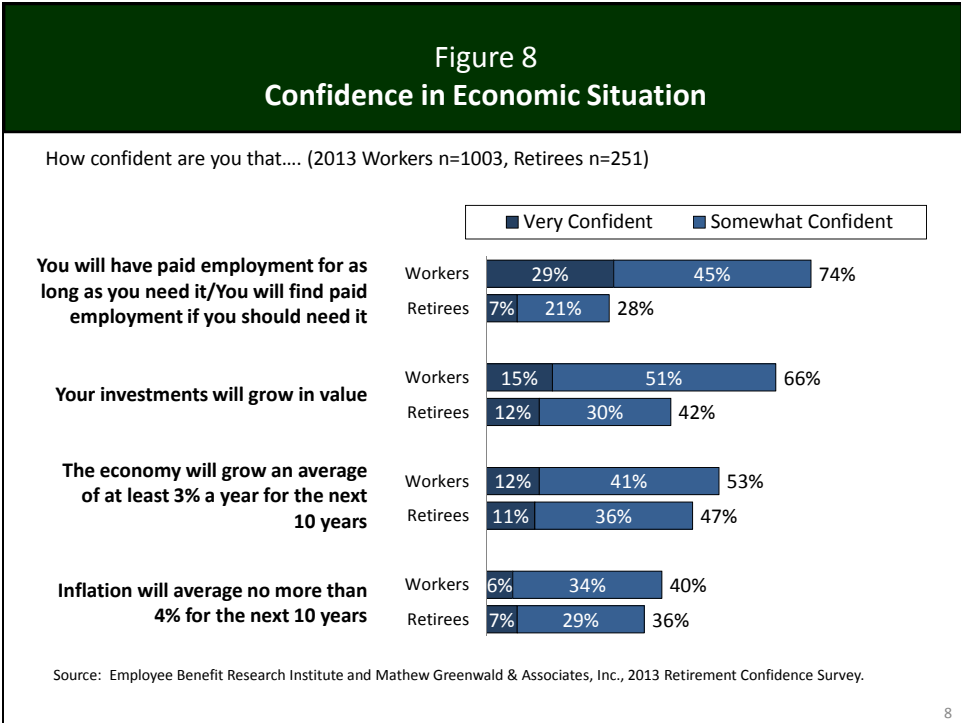
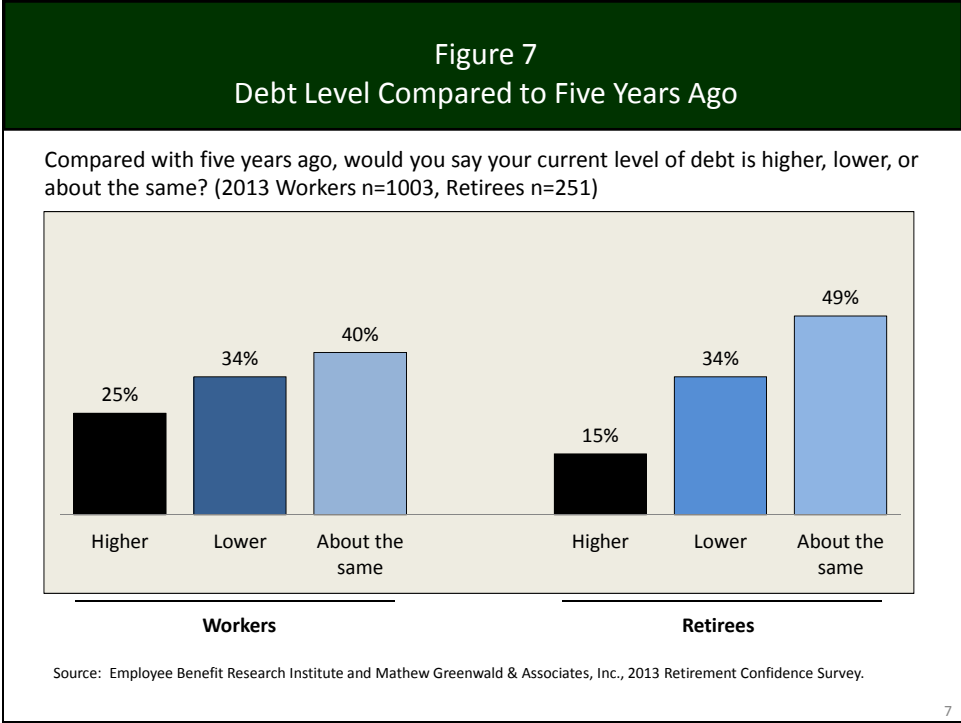
Figure 6
Worker Retirement Confidence, by Debt Level

Overall, how confident are you that you (and your spouse) will have enough money to live comfortably throughout your retirement years?



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2013 Retirement Confidence Survey.

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