

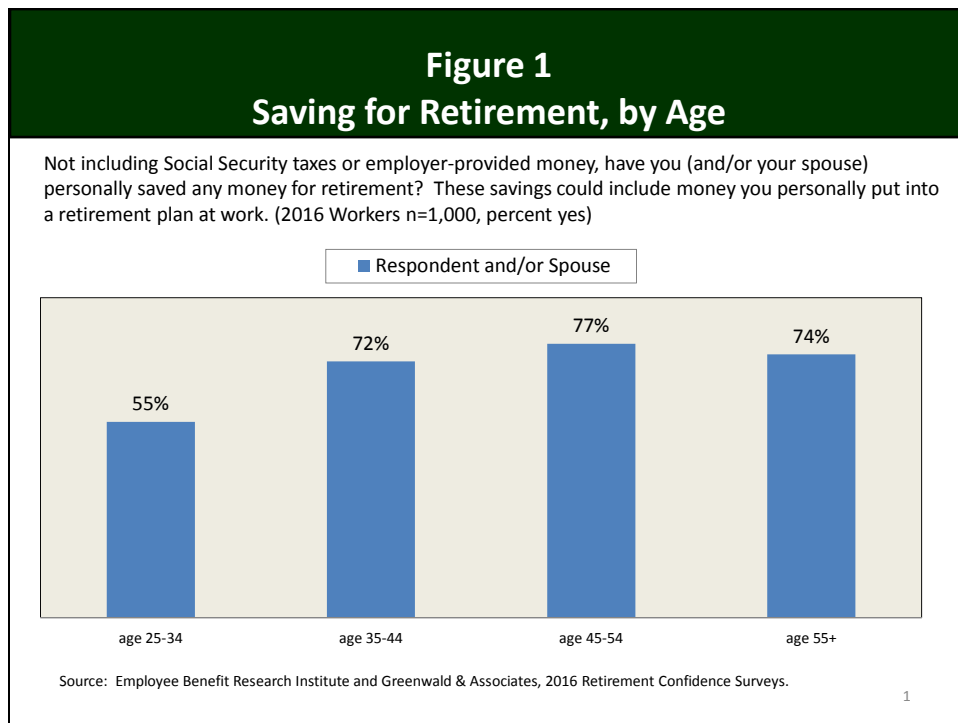
2016 RCS FACT SHEET #4

AGE COMPARISONS AMONG WORKERS

The 26th annual Retirement Confidence Survey (RCS) provides 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.

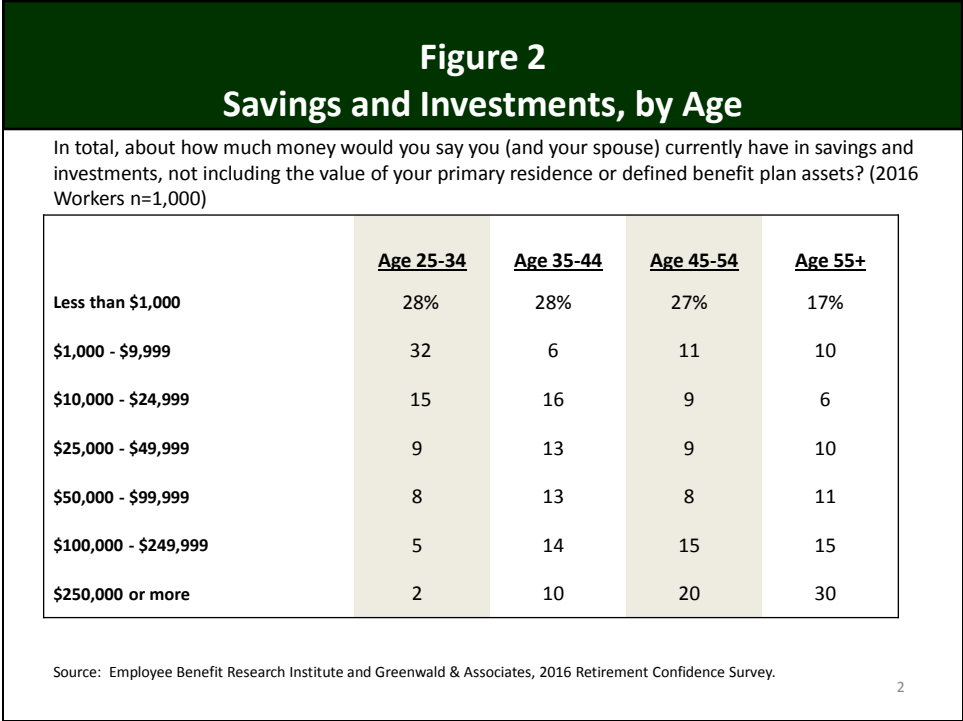
Saving for Retirement

Overall, more than two-thirds of workers (69 percent) report they or their spouse have saved money for retirement. Older workers are more likely to have saved for retirement than those ages 25 to 34 (Figure 1).



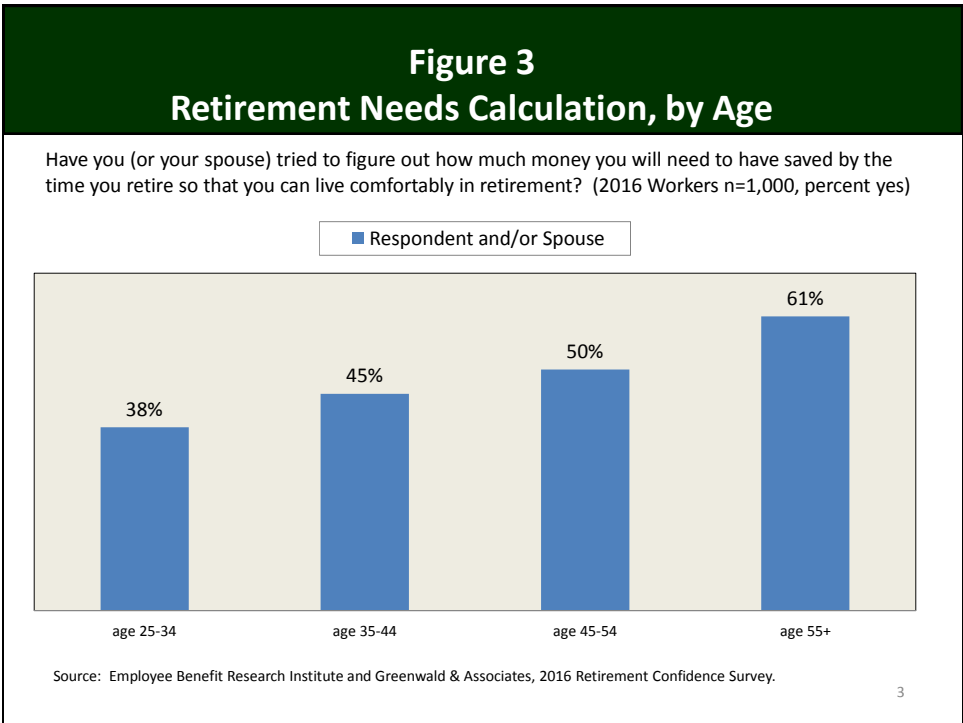
While workers of today are more likely than workers 20 years ago to report they have saved for retirement (69 percent, up from 60 percent), they are just as likely to have saved for retirement 10 years ago (70 percent) as this year. In particular, workers ages 55 or older are just as likely to have saved money for retirement in 2016 (74 percent) as 2006 (72 percent) or 1996 (77 percent).

Older workers are more likely than their younger counterparts to report higher amounts of assets (Figure 2).



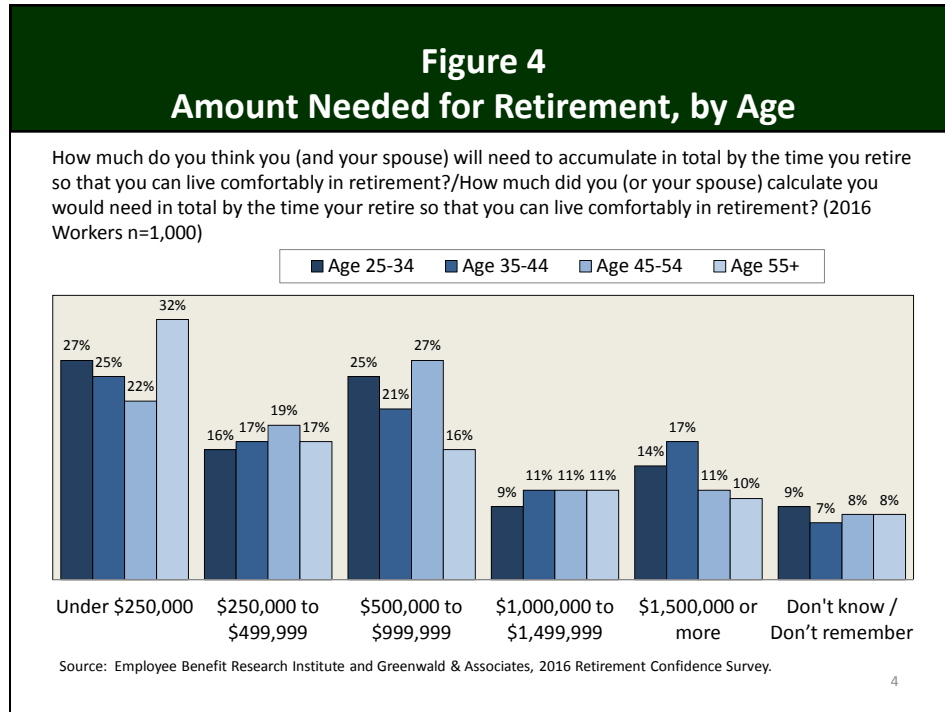
Planning for Retirement

Despite approaching retirement age, roughly 4 in 10 workers ages 55 and older have not yet tried to calculate how much money they will need to have saved so that they can live comfortably in retirement. Younger workers ages 25–34 are less likely (38 percent) than workers ages 45–54 (50 percent) or 55 or older (61 percent) to indicate they have tried to calculate how much money they need to accumulate for retirement (Figure 3).



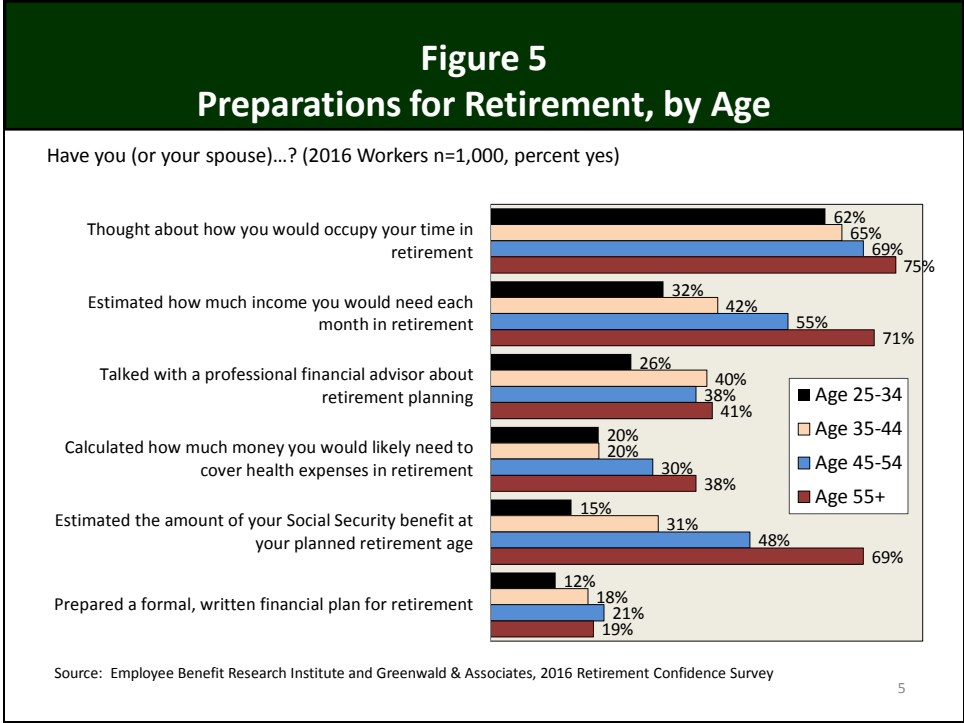
The percentage of workers attempting a retirement-needs calculation has increased across all age groups since 1996.

While workers ages 55 and older are more likely than younger workers to think they will need to accumulate less than \$250,000 by the time they retire so that they can live comfortably in retirement, nearly a quarter (24 percent) across all ages believe at least \$1 million is needed (Figure 4).



There are other steps that individuals can take to prepare for retirement, including such things as thinking about how to occupy time in retirement (67 percent have taken this step), estimating how much monthly income is needed (49 percent), estimating the Social Security benefit at the planned retirement age (40 percent), talking with a professional financial advisor about retirement planning (36 percent), calculating how much will likely be needed to cover health expenses in retirement (27 percent), and preparing a formal, written financial plan for retirement (17 percent). Except for preparing a formal, written financial plan for retirement, the likelihood of having undertaken each of these steps increases with age (Figure 5).

((more))



Expected Retirement Age

Workers appear to be planning to retire later, on average, than similarly aged workers were one or two decades ago. In particular, the percentages planning to retire at ages 66 or older have tended to increase for every age group (Figure 6).

Figure 6 Expected Age at Retirement by Age, 1996, 2006 and 2016

	All Workers			Ages 25-34			Ages 35-44			Ages 45-54			Ages 55+		
	1996	2006	2016	1996	2006	2016	1996	2006	2016	1996	2006	2016	1996	2006	2016
Less than 60	21%	13%	8%	30%	16%	13%	20%	15%	9%	18%	11%	6%	7%	6%	3%
Ages 60-64	24	20	16	23	19	17	19	19	19	30	17	13	28	29	16
Age 65	34	27	26	31	28	27	38	25	33	33	35	25	36	16	19
Age 66 or older	11	25	37	8	22	34	13	28	25	11	24	44	15	29	45
Never retire	3	7	6	3	7	2	3	5	9	2	7	5	4	9	9
Don't know/refused	7	8	6	5	8	8	7	7	4	6	6	6	10	11	7
Median expected retirement age	65	65	65	60	65	65	65	65	65	62	65	65	65	65	66

Source: Employee Benefit Research Institute and Greenwald & Associates, 2016 Retirement Confidence Survey.

Retirement Confidence

Today's workers are statistically just as likely to describe themselves as very confident about many financial aspects of retirement as were workers a decade ago or even 20 years ago. Twenty-one percent of workers in 2016 are very confident about having enough money to live comfortably in retirement, as were 24 percent in 2006 and 19 percent in 1996 (Figure 7).

Figure 7
Percentage of Workers Very Confident
in Financial Aspects of Retirement

	All Workers	Ages 25-34	Ages 35-44	Ages 45-54	Ages 55+
You will have enough money to live comfortably throughout your retirement years					
2016	21%	24%	22%	19%	20%
2006	24	28	20	22	26
1996	19	18	17	18	27
You will have enough money to take care of basic expenses during your retirement					
2016	43	42	46	41	42
2006	35	39	33	35	34
1996	40	36	42	39	46
You are doing a good job of preparing financially for your retirement					
2016	28	28	29	28	28
2006	25	28	23	23	25
1996	26	27	24	24	36
You will have enough money to take care of medical expenses during your retirement					
2016	22	23	24	18	23
2006	19	27	18	14	19
1996	18	16	17	17	27
You will have enough money to pay for long-term care should you need it during your retirement					
2016	16	19	16	15	14
2006	15	19	13	11	17
1996	NA	NA	NA	NA	NA
The Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today					
2016	10	7	10	7	16
2006	6	5	5	5	12
1996	3	3	2	4	8
The Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today					
2016	11	10	11	8	14
2006	5	4	4	5	10
1996	3	3	3	3	5
Source: Employee Benefit Research Institute and Greenwald & Associates, 2016 Retirement Confidence Survey.					
NA means not asked.					

In the 2016 RCS, workers ages 55 and older are less likely to say they are not at all confident (13 percent) than 45-to-54 year old workers (22 percent) about having enough money for a comfortable retirement. This difference is not apparent in data from earlier versions of the RCS. When it comes to Social Security, however, the RCS consistently finds that workers age 55 and older are more likely than younger workers to say they are very confident the value of its future benefits will be at least equal to the value of today's benefits.