

2014 RCS FACT SHEET #4

AGE COMPARISONS AMONG WORKERS

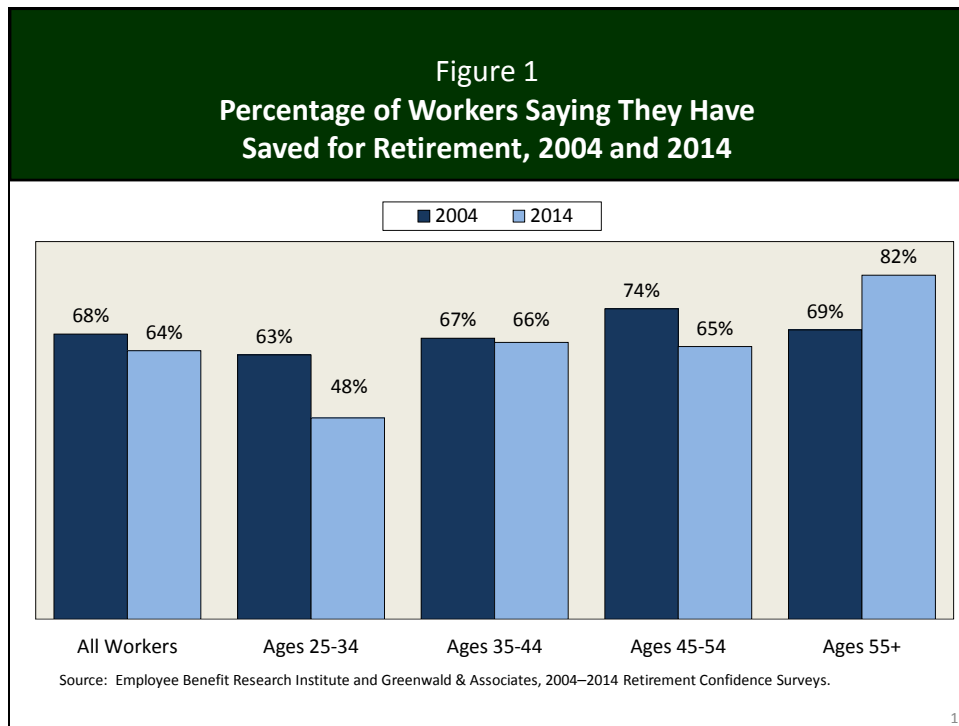
The 24th annual Retirement Confidence Survey (RCS) provides some evidence to support the intuitive argument that the closer people are to retirement, the more likely they are to take steps to ensure they have a secure retirement.

Saving for Retirement

Saved for Retirement:

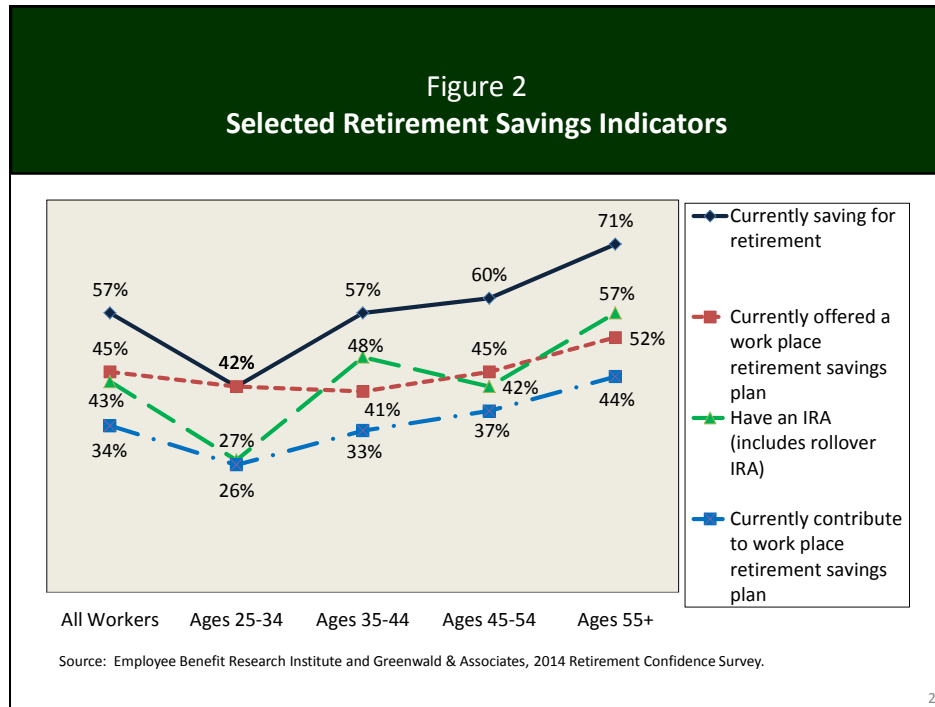
Perhaps because they are more likely to be working for an employer that sponsors a retirement plan, workers age 35 and older are more likely than those ages 25–34 to say they (and/or their spouse) have saved for retirement.

Overall, workers of today are slightly less likely to say they have saved for retirement than workers of 10 years ago. However, this difference occurs primarily among those under age 55, and especially among those ages 25–34. Workers age 55 and older today are more likely than their counterparts a decade ago to say they have saved for retirement (Figure 1).



Currently Saving for Retirement:

Unsurprisingly, older workers are also more likely than younger workers to say they (and/or their spouse) are currently saving for retirement. While 71 percent of workers age 55 and older are currently saving for that purpose, only 42 percent of those ages 25–34 say the same (Figure 2).



Indeed, 70 percent of employed workers (45 percent of all workers) report they are offered a workplace retirement savings plan, such as a 401(k), with their current employer, and more than three-quarters (77 percent) of eligible employees (34 percent of all workers) say they contribute money to their employer’s plan.

The youngest category of workers (age 25–34) is statistically less likely than all other groups to report household ownership of an individual retirement account (IRA).

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).

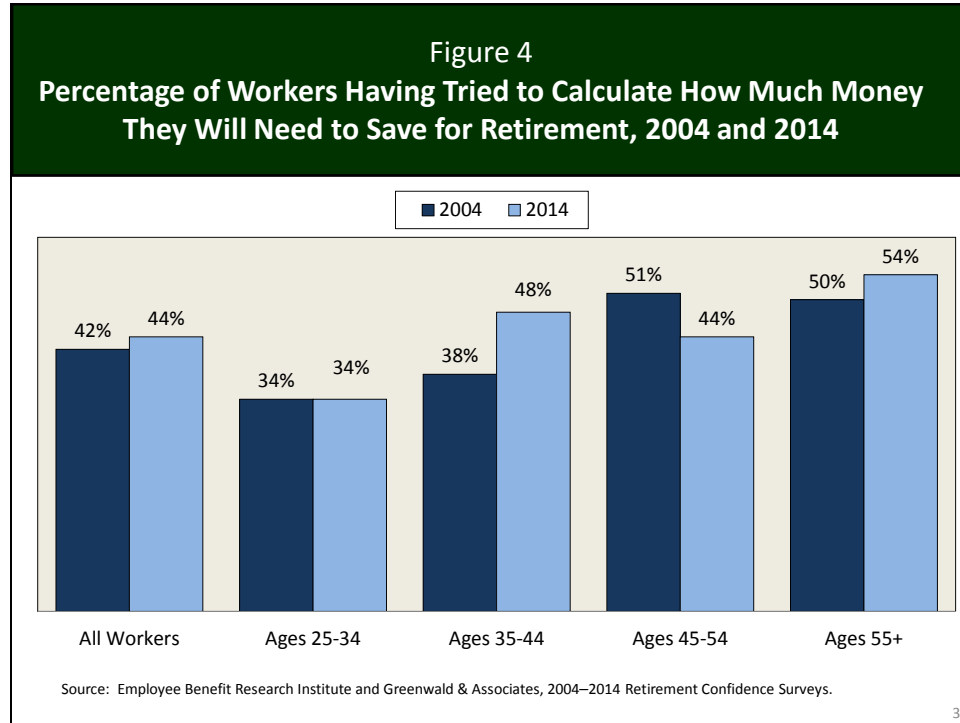
Figure 3
Reported Total Savings and Investments,
Among Those Providing a Response
(not including value of primary residence or defined benefit plans)

	All Workers	Ages 25–34	Ages 35–44	Ages 45–54	Ages 55+
Less than \$1,000	36%	43%	37%	34%	24%
\$1,000–\$9,999	16	27	15	11	10
\$10,000–\$24,999	8	11	7	8	7
\$25,000–\$49,999	9	8	8	13	9
\$50,000–\$99,999	9	8	11	7	8
\$100,000–\$249,999	11	4	8	15	19
\$250,000 or more	11	<0.5	15	12	23

Source: Employee Benefit Research Institute and Greenwald & Associates, 2014 Retirement Confidence Survey.

Calculating Retirement Accumulation Needs

Despite approaching retirement age, half of workers age 45 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. Nevertheless, the likelihood of trying to do a retirement savings needs calculation increases with age (Figure 4).



However, statistically, workers are no more likely to have done this calculation in 2014 than in 2004.

While workers ages 55-plus 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 6 in 10 across all ages believe \$250,000 or more is needed (Figure 5).

Figure 5
Amount of Savings Needed for Retirement

	All Workers	Ages 25-34	Ages 35-44	Ages 45-54	Ages 55+
Less than \$250,000	28%	24%	26%	31%	33%
\$250,000–\$499,999	18	23	12	20	18
\$500,000–\$999,999	21	25	22	18	21
\$1 million–\$1.4 million	10	11	12	12	6
\$1.5 million or more	11	11	17	8	7
Don't know/Refused	11	7	12	10	15

Source: Employee Benefit Research Institute and Greenwald & Associates, 2014 Retirement Confidence Survey.

Retirement Expectations

Workers of all ages appear to be planning to retire later, on average, than similarly aged workers were in 2004. In particular, the percentage planning to retire at age 66 or older has increased significantly for every age group except those 35–44 (Figure 6).

Figure 6
Expected Age at Retirement

	All Workers		Ages 25–34		Ages 35–44		Ages 45–54		Ages 55+	
	2004	2014	2004	2014	2004	2014	2004	2014	2004	2014
Less than 60	16%	9%	19%	12%	16%	13%	18%	7%	8%	2%
Ages 60–64	21	18	17	19	17	13	26	20	24	21
Age 65	26	23	31	26	27	25	22	20	22	19
Age 66 or older	22	33	19	28	25	31	17	34	28	38
Never retire	6	10	6	8	4	10	9	8	4	14
Don't know/ Refused	10	8	7	7	11	6	8	11	15	6

Source: Employee Benefit Research Institute and Greenwald & Associates, 2004 and 2014 Retirement Confidence Surveys.

Retirement Confidence

Today's workers are less inclined to describe themselves as very confident about many financial aspects of retirement compared with workers a decade ago. Eighteen percent of workers in 2014 are very confident about having enough money to live comfortably in retirement, in comparison with 24 percent in 2004 (Figure 7).

Across age groups, the biggest declines in confidence are generally found among the youngest workers.

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					
2014	18%	21%	15%	17%	21%
2004	24	33	16	24	27
You will have enough money to take care of basic expenses during retirement					
2014	29	31	28	27	32
2004	36	42	31	38	34
You are doing a good job of preparing financially for retirement					
2014	22	24	19	21	26
2004	26	30	22	27	24
You will have enough money to take care of medical expenses during retirement					
2014	17	19	15	17	19
2004	21	27	14	22	21
You will have enough money to pay for long-term care during retirement					
2014	13	15	10	13	15
2004	16	21	9	16	18
The Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today					
2014	8	6	6	7	14
2004	7	3	5	8	15
The Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today					
2014	9	8	9	6	12
2004	6	5	3	9	8

Source: Employee Benefit Research Institute and Greenwald & Associates, 2004 and 2014 Retirement Confidence Surveys.

Confidence that Social Security will continue to provide benefits that are at least equal to today's value is higher among workers age 55 and older than among younger workers.