

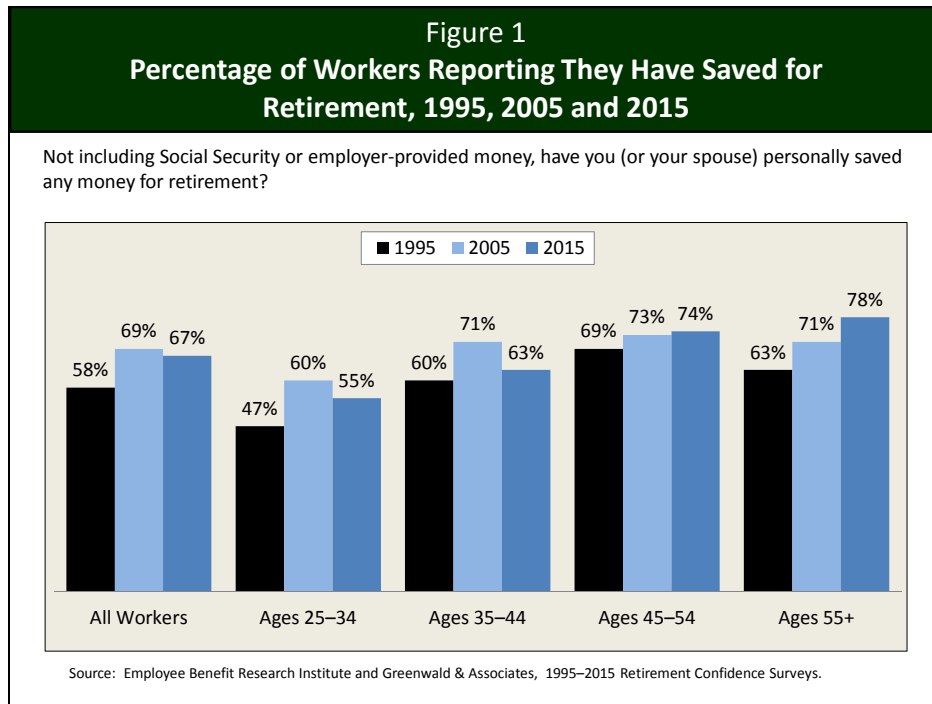
2015 RCS FACT SHEET #4

AGE COMPARISONS AMONG WORKERS

The 25th 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

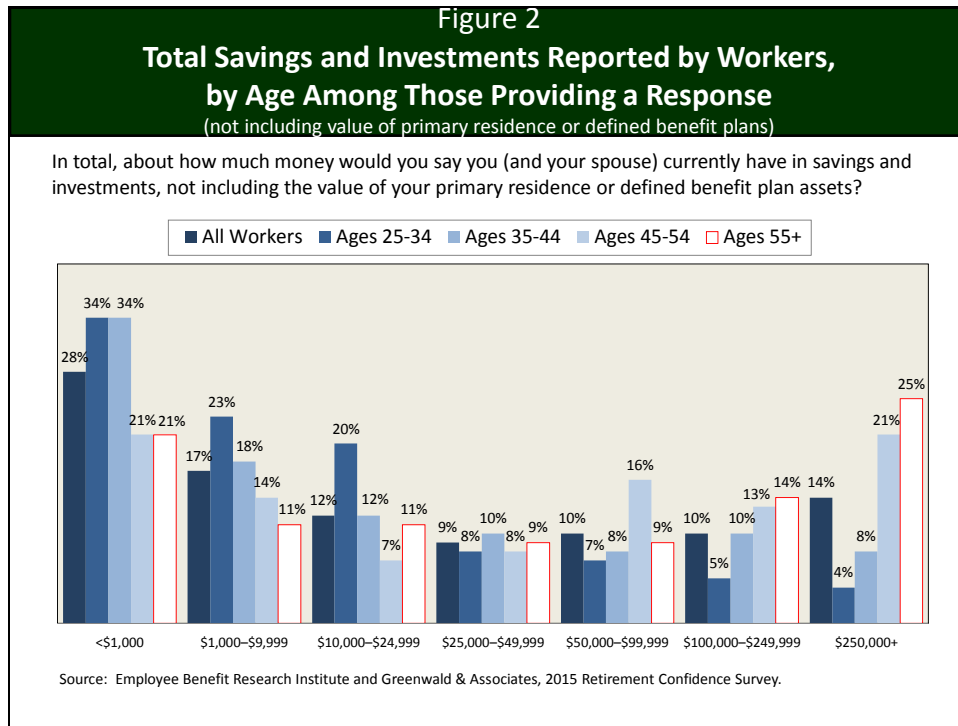
Overall, two-thirds of workers (67 percent) report they or their spouse have saved money for retirement. The likelihood of having saved money for retirement increases with age (Figure 1).



While workers of today are more likely than workers 20 years ago to report they have saved for retirement (67 percent, up from 58 percent), statistically they are just as likely to have saved for retirement in 2005 as in 2015. In particular, workers age 55 or older are more likely to indicate they have saved money for retirement (78 percent, up from 63 percent in 1995).

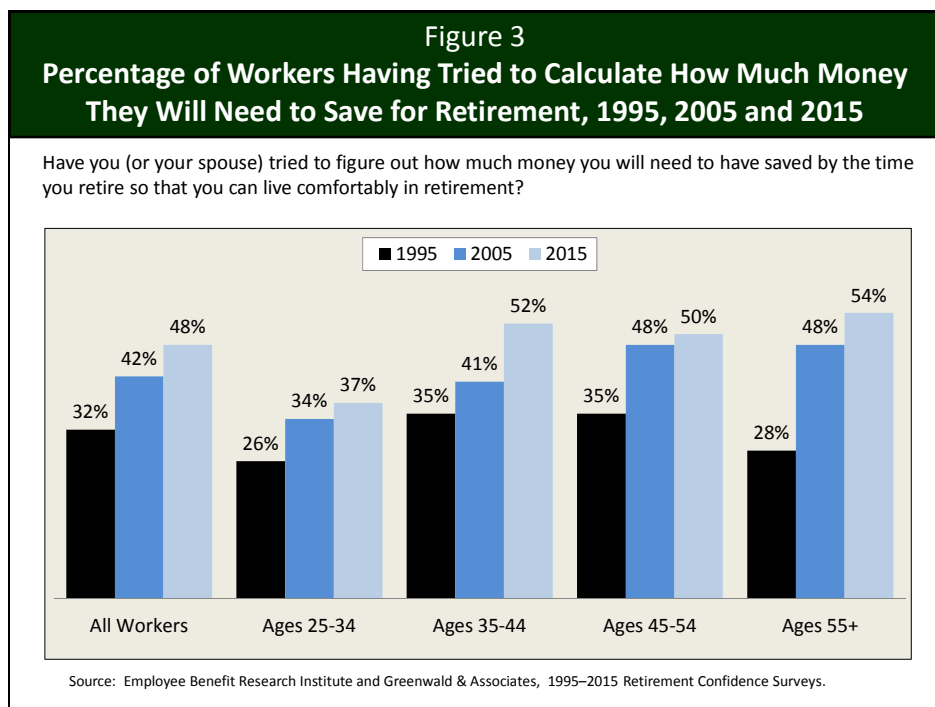
((more))

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 2).



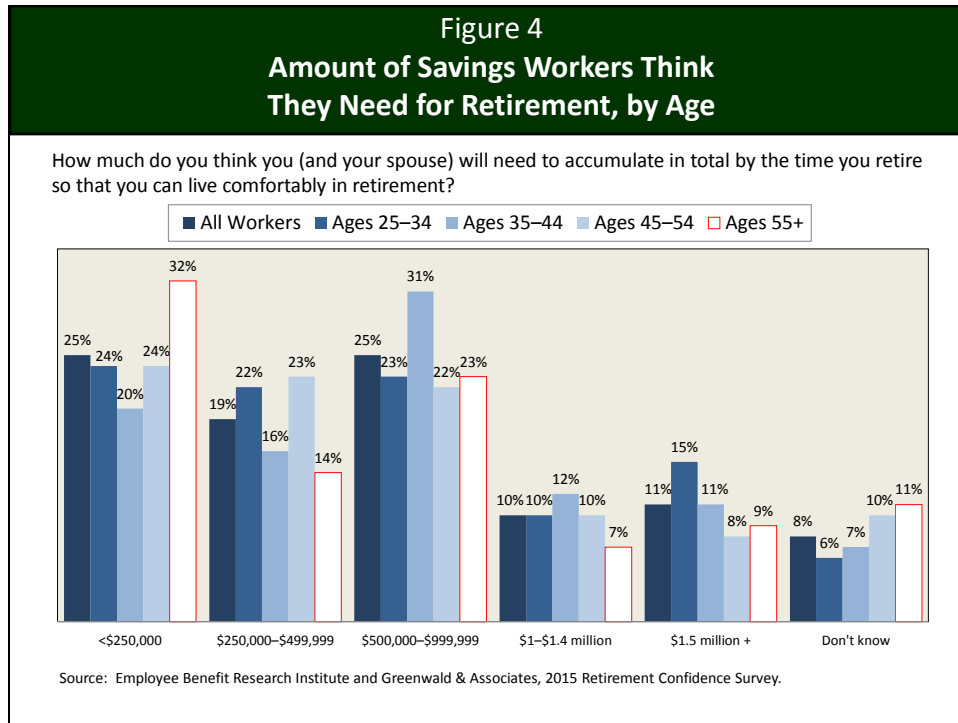
Planning for Retirement

Despite approaching retirement age, almost 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. Younger workers ages 25–34 are less likely than older workers to indicate they have tried to calculate how much money they need to accumulate for retirement (Figure 3).



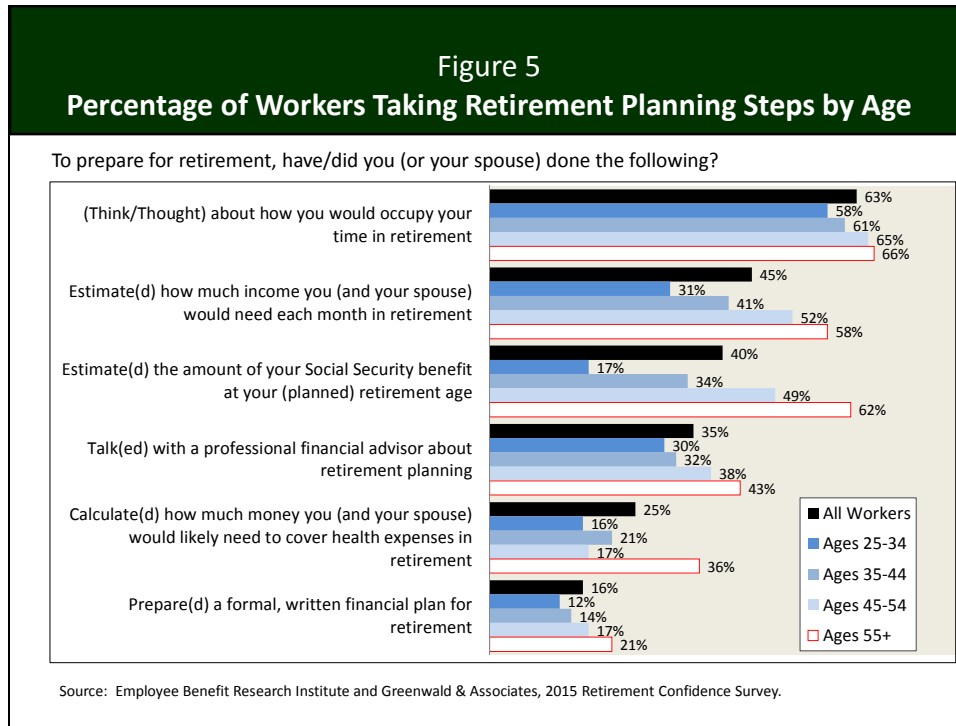
The percentage of workers attempting a retirement-needs calculation has increased across all age groups since 1995.

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 2 in 10 across all ages believe at least \$1 million is needed (Figure 4).



((more))

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



Expected Retirement Age

Workers of all ages appear to be planning to retire later, on average, than similarly aged workers were in 1995 and 2005. In particular, the percentages planning to retire at age 66 or older has increased significantly for every age group (Figure 6).

Figure 6
Expected Age at Retirement by Age, 1995, 2005 and 2015

	All Workers			Ages 25-34			Ages 35-44			Ages 45-54			Ages 55+		
	1995	2005	2015	1995	2005	2015	1995	2005	2015	1995	2005	2015	1995	2005	2015
Less than 60	21%	16%	9%	25%	24%	14%	24%	15%	10%	16%	14%	7%	7%	6%	2%
Ages 60-64	24	19	16	19	15	16	25	14	16	28	20	18	26	31	14
Age 65	35	26	21	38	28	29	32	30	21	39	25	19	31	19	14
Age 66 or older	15	24	36	12	19	25	16	28	35	11	26	40	25	24	46
Never retire	-	6	10	-	6	12	-	4	10	-	8	10	-	8	11
Don't know/refused	5	9	7	5	9	4	3	8	8	6	7	5	11	11	12
Median expected retirement age	65	65	65	65	65	65	63	65	65	65	65	65	65	65	67
Total	100	100	99	99	101	100	100	99	100	100	100	99	100	99	99

Source: Employee Benefit Research Institute and Greewald & Associates 1995, 2005 and 2015 Retirement Confidence Surveys.

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-two percent of workers in 2015 are very confident about having enough money to live comfortably in retirement, as were 25 percent in 2005 and 21 percent in 1995 (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					
2015	22%	26%	14%	24%	27%
2005	25	26	25	26	20
1995	21	21	20	21	25
You will have enough money to take care of basic expenses during your retirement					
2015	37	40	34	38	38
2005	35	35	35	35	35
1995	38	38	36	41	37
You are doing a good job of preparing financially for your retirement					
2015	25	25	20	26	27
2005	26	26	24	27	25
1995	25	20	26	27	30
You will have enough money to take care of medical expenses during your retirement					
2015	18	20	11	21	22
2005	20	21	19	20	19
1995	17	16	19	16	19
You will have enough money to pay for long-term care should you need it during your retirement					
2015	14	17	8	14	15
2005	17	15	16	20	17
1995	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					
2015	9	6	4	8	19
2005	8	3	5	12	16
1995	3	1	2	3	9
The Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today					
2015	8	8	5	5	12
2005	7	3	5	11	12
1995	2	2	3	3	2

Source: Employee Benefit Research Institute and Greewald & Associates 1995, 2005 and 2015 Retirement Confidence Surveys.
NA means not asked.

In the 2015 RCS, workers ages 35–44 are less likely than workers in other age groups (both older and younger) to say they are very confident about having enough money for a comfortable retirement, paying for medical expenses in retirement, and paying for long-term care expenses in retirement. This difference is not apparent in data from earlier 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 future benefits will be at least equal to the value of today's benefits.

###