

2009 RCS FACT SHEET

AGE COMPARISONS AMONG WORKERS

The 19th 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. Comparing this year's data with data from the 1999 RCS suggests that older workers are more pessimistic about their financial prospects in retirement than workers of similar ages 10 years ago.

Saving for Retirement

Saved for Retirement:

- Probably because they are closer to retirement, workers age 35 and older are more likely than those ages 25–34 to say they (and/or their spouse) have saved for retirement (Figure 1).
- In addition, it seems that workers of today are ahead when it comes to having saved for retirement. Today's workers ages 55 and older are more likely than workers of the same age 10 years ago to say they have saved for retirement (Figure 1).

Figure 1
Percentage of Workers Saying They Have Saved for Retirement, 1999 and 2009

	All Workers	Ages 25–34	Ages 35–44	Ages 45–54	Ages 55+
1999	73%	73%	72%	79%	66%
2009	75	66	78	78	79

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1999 and 2009 Retirement Confidence Surveys.

Currently Saving for Retirement:

- While workers ages 25 to 34 are less likely than workers age 35 and older to say they (and/or their spouse) are currently saving for retirement, 32 percent of workers age 35 and older are not currently saving (Figure 2).

Figure 2
Selected Retirement Savings Indicators

	All Workers	Ages 25–34	Ages 35–44	Ages 45–54	Ages 55+
Currently saving for retirement	65%	57%	68%	68%	66%
Offered a work-place retirement savings plan (among those employed full or part time)	82	78	86	83	81
Contribute to work-place retirement savings plan (among those employed full or part time)	64	52	72	65	64
Have an IRA (includes a rollover IRA)	47	38	51	47	52

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Retirement Confidence Survey.

- Eighty-two percent all employed respondents in the RCS (regardless of age group) say they are offered a work-place retirement savings plan, such as a 401(k), by an employer. Sixty-four percent report they contribute to this type of plan, with participation higher among workers age 35 and older (Figure 2).

- The likelihood of reporting household ownership of an individual retirement account is higher among those age 35 and over (Figure 2). However, much of this difference may be explained by the fact that older workers tend to have higher household incomes.

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 \$10,000	40%	53%	37%	36%	30%
\$10,000–\$24,999	13	20	16	7	6
\$25,000–\$49,999	11	12	8	11	13
\$50,000–\$99,999	12	9	14	14	10
\$100,000–\$249,999	12	5	16	15	15
\$250,000 or more	12	2	9	17	26

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Retirement Confidence Survey.

Calculating Retirement Accumulation Needs

- Despite approaching retirement age, nearly half of workers age 45 and older have not tried to do a retirement savings needs calculation. Nevertheless, workers age 35 or older are more likely than the youngest workers to indicate that they have tried to calculate how much money they will need to have saved by the time they retire so that they can live comfortably in retirement (Figure 4).
- Workers are statistically as likely to have done this calculation as workers in 1999. However, those ages 25–34 are less likely this year to have done the calculation than workers the same age in 1999 (Figure 4).

Figure 4
**Percentage of Workers Having Tried to Calculate How
 Much Money They Will Need to Save for Retirement**

	All Workers	Ages 25–34	Ages 35–44	Ages 45–54	Ages 55+
1999	48%	42%	48%	50%	58%
2009	44	30	45	53	52

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1999 and 2009 Retirement Confidence Surveys.

Savings Needed for Retirement:

- Younger workers tend to be more likely than older workers to think they will need to accumulate higher amounts for retirement (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%	20%	25%	30%	40%
\$250,000–\$499,999	19	20	24	16	17
\$500,000–\$999,999	23	31	20	24	16
\$1 million–\$1.49 million	8	7	10	7	5
\$1.5 million or more	9	9	9	9	6
Don't know/Don't remember	11	10	9	11	14
Refused	1	1	1	2	1

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Retirement Confidence Survey.

Retirement Expectations

- Workers of all ages appear to be planning to retire later, on average, than similarly aged workers were in 1999. In particular, the percentage planning to retire at age 66 or older has increased significantly for every age group (Figure 8).

Figure 8
Expected Age at Retirement

	All Workers		Ages 25–34		Ages 35–44		Ages 45–54		Ages 55+	
	1999	2009	1999	2009	1999	2009	1999	2009	1999	2009
Less than 60	17%	9%	24%	17%	18%	8%	13%	9%	8%	1%
Ages 60–64	24	17	19	14	27	16	24	17	31	22
Age 65	31	23	31	29	30	29	34	18	28	15
Age 66 or older	18	31	14	22	19	33	20	35	20	34
Never retire	5	10	4	9	3	6	5	13	8	11
Don't know/Refused	5	7	8	8	3	3	4	6	6	12

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1999 and 2009 Retirement Confidence Surveys.

- In the past 12 months, 25 percent of workers overall have changed their expected retirement age to be later or at an older age than before. Workers age 45 and older (32 percent) are more likely than younger workers (20 percent) to have changed their expected retirement age to be later.
- Seventy-two percent of workers expect to work for pay after retirement, with no variation by age.

Expecting Work-place Benefits:

- Workers under age 55 are more likely than older workers to expect that they (and/or their spouse) will receive benefits from a work-place retirement savings plan (78 percent vs. 63 percent) when they retire (Figure 9).

Figure 9
Workers Expecting to Receive Employer-Provided Retirement Benefits

	All Workers	Ages 25–34	Ages 35–44	Ages 45–54	Ages 55+
Money from a work-place retirement savings plan	75%	79%	79%	76%	63%
Money from a traditional pension or cash balance plan	59	65	54	59	55
Retiree health insurance	36	36	38	36	36

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Retirement Confidence Survey.

Retirement Confidence

- Workers under age 55 are statistically at least as likely as older workers to say they are *very* confident about many financial aspects of retirement, but they are less likely than workers age 55 and older to be *very* confident that Social Security and Medicare will continue to provide benefits of at least equal value to the benefits received by retirees today (Figure 10).
- Today's workers are less confident than workers were 10 years ago about having enough money for a comfortable retirement and having enough to pay for basic expenses (Figure 10). Workers ages 55 and older are less confident than workers of the same age were 10 years ago about their financial preparations for retirement.

Figure 10
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					
2009	13%	18%	12%	10%	13%
1999	22	27	20	21	18
You will have enough money to take care of basic expenses during retirement					
2009	25	24	26	24	28
1999	31	34	31	29	32
You are doing a good job of preparing financially for retirement					
2009	20	23	21	18	16
1999	23	22	22	24	29
You will have enough money to take care of medical expenses during retirement					
2009	13	16	13	11	14
1999	16	16	15	13	22
You will have enough money to pay for long-term care during retirement					
2009	10	12	11	8	10
1999			Question Not Asked		
The Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today					
2009	6	4	6	5	12
1999	7	4	6	9	16
The Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today					
2009	5	2	5	5	9
1999	7	5	5	7	16

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1999 and 2009 Retirement Confidence Surveys.