



# WORKERS' RETIREMENT PREPARATIONS: SAVERS VS. NONSAVERS

## ***Retirement Confidence***

Savers are more confident than nonsavers about their retirement prospects. Percentage who are very confident:

	Savers	Nonsavers
In having enough money to live comfortably throughout retirement	31%	8%
In doing a good job of preparing financially for retirement	35	11
In having enough money to take care of basic expenses during retirement	48	22
In having enough money for medical expenses	28	13
In having enough money to pay for long-term care should you need long-term care during your retirement	19	6

## ***Savers: Motivators to Begin Saving for Retirement***

Among retirement savers, percentage who report the following motivated them to save:

Realized time was running out to prepare	22%
Realized you have to save to have the income to retire	11
Felt could not count on Social Security	10
Advice of family or friends	9
Availability of a retirement plan at work	7
Thought they should save/just common sense	7
Wanted to live comfortably and enjoy retirement	6
A family event (e.g., marriage, birth of child, parents' retirement)	6
Have seen people not prepare and then struggle in retirement	5

## ***A Retirement Savings Needs Calculation***

- Fifty-six percent of workers report that their household has tried to figure out how much it needs to save and accumulate to have a comfortable retirement.
- Thirty-six percent are very confident they figured this amount correctly and 55 percent are somewhat confident.
- However, 28 percent cannot give an amount when asked how much they calculated was needed.
- Fifty-one percent say the calculation led to changes in their retirement planning.
  - Fifty-four percent of these started saving more.
  - Twenty-six percent changed the investment allocation of their money.

## ***Can You Save \$20 (More) Per Week for Retirement?***

- Fifty-one percent of nonsavers say they could save \$20 per week for retirement.
- Sixty-nine percent of savers say they could save an extra \$20 per week for retirement.
- While this may not sound like a significant amount of money, \$20 saved each week equals \$1,040 over the course of one year. If you save this amount for 25 years, you could have over \$50,000 (assuming a 5 percent annual rate of return).

Source: 2000 Retirement Confidence Survey.