2013 Retirement Confidence Survey

A Secondary Analysis of the Findings from Respondents Age 50+
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The views expressed herein are for information, debate, and discussion, and do not necessarily represent official policies of AARP.

Acknowledgments

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# Table of Contents

Executive Summary ................................................................................................................. 4  
2013 RCS Methodology ........................................................................................................... 5  
Summary of Key Findings ...................................................................................................... 7  
Detailed Findings
  Perceptions of the Economy ................................................................................................. 12  
  Financial Situation ............................................................................................................... 16  
  Retirement Confidence ........................................................................................................ 21  
  Preparations for Retirement ............................................................................................... 29  
  Estimations of the Amount Needed for Retirement ......................................................... 37  
  Use of Financial Advice ...................................................................................................... 49  
  Employer-Sponsored Plans ................................................................................................. 55  
Implications ............................................................................................................................. 68
Executive Summary

This presentation deck presents the findings of a secondary analysis of the Employee Benefit Research Institute’s (EBRI) 2013 Retirement Confidence Survey (RCS)—focusing on findings from survey respondents (i.e., workers and retirees) age 50 years and older.

Several key areas of retirement planning and retirement are examined, including:

• Preparations for retirement;
• Perceived confidence in various aspects of retirement;
• Estimations of the amount needed to save for retirement; and
• Perceptions of the role of employer-sponsored savings plans, Social Security, and employment during retirement.

For additional findings from the full RCS, visit EBRI’s website at http://www.ebri.org/surveys/pcs/2013/.
2013 RCS Methodology

• 2013 Retirement Confidence Survey (RCS) was conducted by the Employee Benefit Research Institute (EBRI), in association with Matthew Greenwald, Inc.

• 23rd annual measure of worker and retiree confidence about retirement

• 1,254 20-minute phone interviews conducted in January 2013 using random-digit dialing with cell phone supplement

• The full RCS interviewed Americans ages 25 and older

• Two questionnaire versions:
  - 1,003 interviews with workers (not retired)
  - 251 interviews with retirees
2013 RCS Methodology (continued)

• Data weighted by age, sex, and education

• Margins of error for total sample:
  – ± 4 percentage points for all workers
  – ± 7 percentage points for all retirees

• This report includes responses from 724 Americans age 50+
  – 477 Workers (not retired)
  – 247 Retirees

• Percentages may not total to 100 due to rounding and/or missing categories
Summary of Key Findings

• Nearly half of workers and four in 10 retirees age 50 and older have problems with debt; but just over 10% describe their debt as a major problem.

• Over the past year, a quarter of 50+ adults have had to dip into their savings to pay for basic expenses.

• Although nearly three in four (73%) 50+ adults are at least somewhat confident they will be able to pay for basic expenses during retirement, they are less confident (56%) that they will be able to live comfortably throughout their retirement years.
Summary of Key Findings (Continued)

• About a half or more 50+ workers and retirees are not confident that Social Security and Medicare will continue to provide benefits of at least equal to what retirees receive today.

• More than half of 50+ workers and retirees are also not confident they will be able to pay for long-term care, should they need it during retirement.

• Seven in 10 older workers have personally saved for retirement; saving for retirement—as well as the amount saved—increases with household income.
Summary Key Findings (Continued)

• About 6 in 10 older workers are at least somewhat confident they will be able to save the amount they need for retirement; and believe they are investing wisely for it.

• More than half of older workers have tried to estimate how much they will need for a comfortable retirement; four in 10 have guessed the amount, and about a quarter have consulted a financial advisor.

• Among 50+ workers, Social Security and employer-sponsored retirement savings are expected to be major sources of income during retirement; a majority also sees employment as a minor source of income during retirement.
Summary of Key Findings (Continued)

• A large majority of 50+ workers have access to an employer-sponsored retirement savings plan; and eight in 10 of those with access are contributing to it.

• Among those without an employer plan or who don’t currently contribute, if they were automatically enrolled in one, six in 10 say they would keep the automatic payroll deduction as is or increase the amount if 3% of their pay was withheld; four in 10 would keep or increase it if 6% were withheld.
Summary of Key Findings (Continued)

• For the six in 10 50+ workers currently contributing to their employer-sponsored saving plan, at least a quarter of their total savings and investments are invested in the employer’s plan.

• Three in four 50+ workers and half of 50+ retirees have multiple retirement savings accounts; two thirds make investment decisions about each account separately.
PERCEPTIONS OF THE ECONOMY
Job uncertainty is the most pressing issue in America, according to 50+ workers and retirees

What do you think is the most pressing financial issue facing most Americans today? *(Open-ended response; Top mentions shown)*

- **Job uncertainty**: 28% (50+ Overall), 29% (50+ Workers), 27% (50+ Retirees)
- **Budget deficit**: 12% (50+ Overall), 14% (50+ Workers), 13% (50+ Retirees)
- **Paying for health expenses**: 11% (50+ Overall), 12% (50+ Workers), 11% (50+ Retirees)
- **Making ends meet**: 10% (50+ Overall), 12% (50+ Workers), 13% (50+ Retirees)
- **Economy**: 13% (50+ Overall), 12% (50+ Workers), 10% (50+ Retirees)
- **Taxes**: 8% (50+ Overall), 7% (50+ Workers), 7% (50+ Retirees)
- **Paying down debt/overspending**: 5% (50+ Overall), 5% (50+ Workers), 5% (50+ Retirees)
- **Making mortgage/housing payments**: 7% (50+ Overall), 6% (50+ Workers), 5% (50+ Retirees)
- **Saving/planning for retirement**: 4% (50+ Overall), 4% (50+ Workers), 3% (50+ Retirees)

Although the 50+ are basically split in confidence that the economy will grow for the next 10 years; the share of those not at all confident are twice that of those who are very confident.

Overall, how confident are you that the economy will grow for the next 10 years?

Six in 10 workers (61%) and retirees (60%) are not confident that inflation will remain moderate for the next 10 years.

Overall, how confident are you that inflation will remain moderate for the next 10 years?

FINANCIAL SITUATION
Seven in 10 workers and retirees are confident they could come up with $2,000 if an unexpected need arose

How confident are you that you could come up with $2,000 if an unexpected need arose within the next month? Do you think you definitely could, probably could, probably could not, or definitely could not come up with the full $2,000?

About half of workers and four in 10 retirees report a problem with debt; but just 13 percent describe it as a major problem.

Thinking about your current financial situation, how would you describe your level of debt?

Most workers/retirees say their current level of debt is lower or about the same as five years ago

Compared with five years ago, would you say your current level of debt is higher, lower, or about the same?

In 2012, one-quarter of 50+ workers and retirees say they dipped into their savings to pay for basic expenses

In the past 12 months, have you (and your spouse) had to dip into your savings to pay for basic expenses? *(50+ Workers)*

In the past 12 months, have you (and your spouse) had to take more than you planned from your savings or investments to pay for basic expenses? *(50+ Retirees)*

RETIREMENT CONFIDENCE
Seven in 10 workers (70%) and retirees (76%) are at least somewhat confident they will have enough money to take care of their basic expenses during retirement.

Overall, how confident are you that you (and your spouse) will have enough money to take care of your basic expenses during your retirement?

Nearly half (47%) of workers and more than a third (37%) of retirees are not confident they will have enough money to live comfortably in retirement.

Overall, how confident are you that you (and your spouse) will have enough money to live comfortably throughout your retirement years?

Nearly six in 10 workers (57%) and half of retirees (46%) are not confident that Social Security will continue to provide benefits of at least equal value to what today’s retirees receive.

Overall, how confident are you that the Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today?

Current retirees (68%) are more confident than workers (50%) that they will have enough money to take care of their medical expenses during retirement.

Overall, how confident are you that you (and your spouse) will have enough money to take care of your medical expenses during your retirement?

Six in 10 workers (63%) and more than half (55%) of retirees are not confident that Medicare will continue to provide benefits of at least equal value to what today’s retirees receive.

Overall, how confident are you that the Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today?

About two-thirds (65%) of workers and half (53%) of retirees are not confident they will have enough money to pay for long-term care should they need it during retirement.

Overall, how confident are you that you (and your spouse) will have enough money to pay for long-term care should you need it during your retirement?

<table>
<thead>
<tr>
<th></th>
<th>50+ Overall (n=724)</th>
<th>50+ Workers (n=477)</th>
<th>50+ Retirees (n=247)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don't Know</td>
<td>25%</td>
<td>23%</td>
<td>27%</td>
</tr>
<tr>
<td>Very Confident</td>
<td>22%</td>
<td>24%</td>
<td>19%</td>
</tr>
<tr>
<td>Somewhat Confident</td>
<td>38%</td>
<td>41%</td>
<td>34%</td>
</tr>
<tr>
<td>Not Too Confident</td>
<td>13%</td>
<td>11%</td>
<td>16%</td>
</tr>
<tr>
<td>Not at All Confident</td>
<td>11%</td>
<td>24%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Workers (68%) are much more confident than retirees (28%) that they will have (or find) paid employment as long as (or if) they need it.

Overall, how confident are you that you will have paid employment for as long as you need it? (50+Workers)

Overall, how confident are you that you will find paid employment if you should need it in retirement? (50+ Retirees)

PREPARATIONS FOR RETIREMENT
One in three workers expect to retire at age 70 or never retire; 7 in 10 retirees retired before age 65

Realistically, at what age do you expect to retire? (50+ Workers) /How old were you when you retired? (50+ Retirees)

*Median*
- 50+ Overall: 65
- 50+ Workers: 65
- 50+ Retirees: 62

Three in 10 workers report their expected retirement age has changed in the past year; among these workers, the large majority expect to retire later.

In the past 12 months, has the age at which you expect to retire changed? (50+ Workers n=477) If yes: Do you now expect to retire...? (50+ Workers whose retirement date changed n=115)

- Yes: 30%
- No: 69%
- Don't know: 1%

If yes:
- Later, at an older age than before: 85%
- Sooner, at a younger age than before: 15%

Seven in 10 older workers have personally saved for retirement; the likelihood of saving increases with household income

Not including Social Security taxes or employer-provided money, have you (and/or your spouse) personally saved any money for retirement? These savings could include money you personally put into a retirement plan at work. *(50+ Workers)*

![Bar chart showing the percentage of workers who have saved for retirement by household income level.](chart)

**Household Income**

Among workers who have personally saved for retirement, seven in 10 earning less than $50k are currently saving (compared with about 9 in 10 of those earning $50,000 or more)

Are you currently saving for retirement? (50+ workers who have personally saved for retirement)

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Overall (n=376)</th>
<th>Less than $50,000 (n=85)</th>
<th>$50,000-$99,999 (n=140)</th>
<th>$100,000 or more (n=108)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>85%</td>
<td>70%</td>
<td>87%</td>
<td>93%</td>
</tr>
<tr>
<td></td>
<td>16%</td>
<td>30%</td>
<td>13%</td>
<td>7%</td>
</tr>
</tbody>
</table>

As workers’ total household income increases, the total amount of money they have saved also increases.

In total, about how much money would you say you currently have in savings and investments, not including the value of your primary residence? (50+ Workers n=477)

Six in 10 workers (61%) and half of retirees are at least somewhat confident they are investing their retirement savings wisely

Overall, how confident are you that you are investing your retirement savings wisely?

Eight in 10 workers and seven in 10 retirees are at least somewhat confident they will do/are doing a good job converting their savings and investments to income for retirement.

Overall, how confident are you that you will do/are doing a good job of converting your savings and investments to income for your retirement? *(Among respondents who have saved for retirement)*

![Confidence Survey Results](chart)

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ESTIMATIONS OF THE AMOUNT NEEDED FOR RETIREMENT
Nearly six in 10 workers (57%) are at least somewhat confident they will be able to save the amount they need for retirement.

Overall, how confident are you that you will be able to save the amount you need for retirement? (50+ Workers n=477)

Workers ages 50-59 and 60+ believe they need to save about 30% of their total household income each year, on average, to live comfortably in retirement; three in 10 don’t know how much they need to save.

About what percentage of your total household income do you think you (and your spouse) need to save each year from now until you expect to retire so you can live comfortably throughout your retirement? (50+ Workers not saying they’ll never retire n=436)

Median
Overall: 20%
50-59: 20%
60+: 21%

As workers total household income increases, the percentage of income they think they need to save annually for retirement generally decreases.

About what percentage of your total household income do you think you (and your spouse) need to save each year from now until you expect to retire so you can live comfortably throughout your retirement? (50+ Workers not saying they’ll never retire n=436)

Nearly six in 10 workers have tried to estimate how much money they need to save for retirement; for these workers, the median estimate was $500k-$749k

Have you tried to figure out how much money you will need to have saved by the time you retire so that you can live comfortably in retirement? (50+ Workers n=477)

How much do you think you will need to accumulate in total by the time you retire so that you can live comfortably in retirement? (50+ Workers n=477)

Among workers with household incomes of less than $100k, the median estimate of what they need to save for retirement is $250k-$499k—for those with incomes of $100k+, it is $750k-$999k

How much do you think you will need to accumulate in total by the time you retire so that you can live comfortably in retirement? (50+ Workers n=477)

Among workers who estimate the amount of savings they will need for a comfortable retirement, four in 10 guess; about a quarter seek advice from a financial advisor

How did you (or your spouse) determine this amount? Did you...? (50+ Workers giving an amount needed for retirement n=422) (Top mentions, multiple responses accepted)

- Guess: 41%
- Ask a financial advisor: 23%
- Do your own estimate: 21%
- Read/hear it is how much is needed: 7%
- Use an online calculator: 6%
- Fill out a worksheet or form: 6%
- Something else: 3%

Number of actions taken to determine amount needed
- 0 actions: 7%
- 1 action: 84%
- 2 or more actions: 9%

(Average = 1 action)

Among workers with incomes of less than $35k, six in 10 guess the amount of savings they will need for retirement; among those with incomes of $100k+, four in 10 consult a financial advisor.

How did you (or your spouse) determine this amount? Did you...? (50+ Workers giving an amount needed for retirement n=422) (Top mentions, multiple responses accepted)

- **Guess**
  - Less than $35,000: 12%
  - $35,000-$59,999: 35%
  - $60,000-$99,999: 35%
  - $100,000 or more: 12%

- **Ask a financial advisor**
  - Less than $35,000: 5%
  - $35,000-$59,999: 13%
  - $60,000-$99,999: 41%
  - $100,000 or more: 62%

- **Do your own estimate**
  - Less than $35,000: 12%
  - $35,000-$59,999: 15%
  - $60,000-$99,999: 24%
  - $100,000 or more: 26%

- **Read/hear it is how much is needed**
  - Less than $35,000: 5%
  - $35,000-$59,999: 10%
  - $60,000-$99,999: 4%

- **Use an online calculator**
  - Less than $35,000: 4%
  - $35,000-$59,999: 4%
  - $60,000-$99,999: 8%

- **Fill out a worksheet or form**
  - Less than $35,000: 5%
  - $35,000-$59,999: 5%

- **Something else**
  - Less than $35,000: 3%

Nearly eight in 10 workers are at least somewhat confident that the specified amount will provide a comfortable lifestyle

How confident are you that the amount you mentioned will provide you with a comfortable lifestyle in retirement? (50+ Workers giving an amount needed for retirement n=422)

Workers low in confidence were more likely to have guessed about the amount needed; while those higher in confidence were more likely to have done their own estimate and/or asked a financial advisor.

How confident are you that the amount you mentioned will provide you with a comfortable lifestyle in retirement? (50+ Workers giving an amount needed for retirement n=422)

- Not at All/Not Too Confident (n=83)
  - 64%: Something else
  - 8%: Guess
  - 12%: Read/hear how much needed
  - 2%: Ask financial advisor
  - 11%: Do own estimate
  - 5%: Use on-line calculator
  - 2%: Fill out worksheet/form

- Somewhat Confident (n=243)
  - 37%: Not at All/Not Too Confident
  - 8%: Somewhat Confident
  - 26%: Very Confident

- Very Confident (n=92)
  - 21%: Not at All/Not Too Confident
  - 5%: Somewhat Confident
  - 30%: Very Confident

Confidence in Amount Estimated

Eight in 10 workers and seven in 10 retirees are at least somewhat confident they are investing their retirement savings wisely.

How confident are you that you (and your spouse) are investing your retirement savings wisely?

Workers (61%) have more confidence than retirees (43%) that their investments will grow in value.

Overall, how confident are you that your investments will grow in value?

USE OF FINANCIAL ADVICE
Roughly 3 in 10 workers/retirees sought investment advice from a professional financial advisor in the past year

In the past year, did you (and your spouse) obtain investment advice from a professional financial advisor who was paid through fees or commissions?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>50+ Overall</td>
<td>29%</td>
<td>70%</td>
</tr>
<tr>
<td>(n=724)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50+ Workers</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>(n=477)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50+ Retirees</td>
<td>28%</td>
<td>70%</td>
</tr>
<tr>
<td>(n=247)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Almost half of retirees follow all of the investment advice; only 3 in 10 workers do that

How much of the investment advice did you follow? (50+ Workers/Retirees who obtained investment advice)

A lack of trust is the most common reason cited for not following all of an advisor’s investment advice

If did not follow all of advisor’s advice: Why didn’t you follow (all of) the advice? (50+ Workers and Retirees overall, n=159)

- You did not trust the advice: 37%
- You got better advice somewhere else: 5%
- Your circumstances changed so advice was no longer applicable: 6%
- You just never got around to it: 2%
- Other: 6%
- Don't know / Refused: 7%

Nearly half of workers who have saved for retirement think it is very important that an advisor specialize in converting assets to retirement income.

If you work with a financial advisor as you get close to retirement, how important do you think it will be for the advisor you chose to specialize in converting assets into retirement income? (50+ Workers who saved for retirement n=376)

Four in 10 workers with money in their current employer’s savings plan think recommendations about making savings last would be very valuable.

How valuable do you think you would find recommendations as to how much you can withdraw from your plan each month to help your savings last throughout your retirement? (50+ Workers with money in their current employer’s savings plan n=239)

EMPLOYER-SPONSORED PLANS
Among workers, Social Security and employer-sponsored retirement savings are expected to be major sources of income during retirement; a majority sees employment as a minor source.

Do you expect the following will be a major source of income, a minor source of income, or not a source of income in your (and your spouse’s) retirement? (50+ Workers planning to retire at some point n=314)

<table>
<thead>
<tr>
<th>Source of Income</th>
<th>Major</th>
<th>Minor</th>
<th>Not</th>
<th>Don't Know / Refused</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security</td>
<td>41%</td>
<td>47%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Employer retirement savings plan</td>
<td>40%</td>
<td>29%</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>Employer pension/cash balance plan</td>
<td>31%</td>
<td>23%</td>
<td>46%</td>
<td></td>
</tr>
<tr>
<td>Individual retirement account or IRA</td>
<td>21%</td>
<td>39%</td>
<td>39%</td>
<td></td>
</tr>
<tr>
<td>Other personal savings/ investments</td>
<td>18%</td>
<td>40%</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Employment during retirement</td>
<td>15%</td>
<td>56%</td>
<td>27%</td>
<td></td>
</tr>
</tbody>
</table>

Nearly eight in 10 employed older workers have access to employer-sponsored retirement plans

Does your current employer offer you a retirement savings plan that allows you to make contributions from your salary to an individual account set up in your name, such as a 401(k), tax-deferred annuity or 403(b), or thrift savings plan? (2013 50+ Workers employed full- or part-time n=316)

Yes 78%
No 20%
Don't Know/Refused 2%

Among workers with access to an employer-sponsored savings plan, eight in 10 are contributing money to the plan

If employer provides a retirement or savings plan: Are you currently contributing money to the plan? 
(50+ Workers offered an employer-sponsored retirement savings plan n=253)

Six in 10 workers contributing to their current employer’s savings plan have 25% or more of their total savings and investments in the plan.

Roughly what percentage of your total savings and investments, not including your primary residence, are invested in your current employer’s plan? Is it closest to…? (50+ Workers who contribute or have money in plan n=239)

- 100%: 9%
- 75%: 9%
- 50%: 13%
- 25%: 31%
- 5%: 33%
- Don't know / Refused: 4%

Cost of living is the predominant reason workers say they don’t contribute more to their employer-sponsored plan

What is the main reason you are not currently contributing (more) money to the plan? (50+ Workers offered employer-sponsored retirement savings plan n=253)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of living/day-to-day expenses</td>
<td>38%</td>
</tr>
<tr>
<td>Already contributing plan/legal maximum</td>
<td>13%</td>
</tr>
<tr>
<td>Prefer to invest elsewhere/Don’t like plan</td>
<td>11%</td>
</tr>
<tr>
<td>Don’t need to save more</td>
<td>10%</td>
</tr>
<tr>
<td>Paying off mortgage/housing expenses</td>
<td>5%</td>
</tr>
<tr>
<td>Other savings priorities</td>
<td>5%</td>
</tr>
<tr>
<td>Paying off other debt</td>
<td>5%</td>
</tr>
<tr>
<td>Education expenses</td>
<td>4%</td>
</tr>
<tr>
<td>Health costs/health insurance costs</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
<tr>
<td>Don’t know / Refused</td>
<td>2%</td>
</tr>
</tbody>
</table>

Six in 10 workers not contributing to an employer plan would keep or increase an automatically-enrolled contribution if 3% of pay was withheld; four in 10 would keep or increase it if 6% was withheld

Suppose your employer automatically enrolled you into a retirement savings plan, withholding 3% (6%) of your pay each pay period to contribute to your account. Do you think you would be most likely to...

\[
\begin{align*}
\text{Withholding 3\% of pay} & \quad \text{Withholding 6\% of pay} \\
\text{Leave the contribution as it is} & \quad 40\% & \quad 27\% \\
\text{Cancel the contribution} & \quad 26\% & \quad 38\% \\
\text{Increase the contribution} & \quad 21\% & \quad \quad \quad \text{Continue the contribution, but decrease the amount} \\
\text{Continue the contribution, but decrease the amount} & \quad 8\% & \quad 20\% \\
\text{Don't know / Refused} & \quad 5\% & \quad \quad \quad \text{Increase the contribution} \\
\end{align*}
\]

If contributions were taxed, half of workers say they would likely continue to save the same amount

If you were no longer able to contribute to your employer-sponsored retirement savings plan on a pre-tax basis, how would this likely change your current contribution to that plan? (50+ Workers contributing to an employer plan n=217)

- Continue to contribute same amount: 52%
- Reduce the amount contributed: 22%
- Stop contributing altogether: 17%
- Increase the amount contributed: 6%
- Don't know: 3%

Nearly two-thirds of workers have noticed information about fees on communications about their retirement plan

Before today, had you ever noticed information about fees on communications about your retirement plan? (50+ Workers participating in employer-sponsored retirement savings plan n=239)

Yes 63%

No 35%

Don't know 2%

Only 14% of those who noticed the fees made changes to their investments as a result

If noticed fee disclosure: Did you make any changes to your investments as a result of the information about fees? (50+ Workers noticing plan fee disclosures, n=158)

Roughly 1 in 5 workers and nearly 1 in 5 retirees have 5 or more accounts that contain retirement money

How many savings and investments accounts with money set aside for retirement do you own?

Most workers/retirees with multiple retirement accounts make decisions for each account separately; and don’t use a service or website to compile information about each account in a single place.

If have more than one retirement account:

Which one of the following statements comes closer to how you make investment decisions for these accounts?

- You make investment decisions about each account separately: 66% (Overall and Workers), 68% (Overall and Retirees).
- You make investment decisions as though all of the accounts were a single pot of money: 31% (Overall and Workers), 30% (Overall and Retirees).
- Don’t know / Refused: 2% (Overall and Workers), 3% (Overall and Retirees).

Do you use a service or website that allows you to compile information about your different accounts in a single place to help you view and track your total financial situation?

- Yes: 24% (Overall), 27% (Workers), 16% (Retirees).
- No: 75% (Overall), 72% (Workers), 83% (Retirees).
- Don’t know / Refused: 3% (Overall and Workers), 1% (Retirees).

Nearly half of the six in 10 workers with savings in a previous employer’s plan rolled it over into an IRA; four in 10 left it in the previous plan

Did you participate in a retirement savings plan with any of your previous employers? (50+ Workers currently contributing to plan n=217)

If YES: The last time you left one of those employers, what did you do with some or all of the money in the plan? (50+ Workers who participated previously n=135)

- Roll it over into an IRA: 48%
- Left it in plan: 41%
- Put it into your personal, non-retirement savings or…: 28%
- Roll it over into a plan with your new employer: 25%
- Spend it or use it to pay off debt: 25%

NOTE: Multiple responses accepted

Implications

• Half of older adults indicate having a problem with debt; and a quarter have had to dip into their savings or take more from it than planned in the past year. Consequently, these actions may have important implications for their retirement (e.g., impact their ability to retire, retire when expected and/or pay for their basic expenses during retirement).

• Among older workers, calculating the amount needed for a comfortable retirement and consulting a financial advisor about the amount needed increases with household income; while guessing decreases with household income. As a result, those with perhaps the greatest need of information about how much they’ll need are the least likely to get it. The provision of free, assisted retirement calculation services, therefore, would be highly beneficial in helping low-income older adults better plan for their retirement.
Implications (continued)

• Although 50+ workers expect Social Security and employer-sponsored plans to be major sources of income in retirement, most believe Social Security will not provide at least the same value of benefits as it does today. If these benefits do, in fact, decrease in value over the years, this may pose tremendous challenges for those who expect it to be a major source of income during retirement.