50+ and Worried about Today and Tomorrow:
Older Americans Express Concerns about the State of the Economy and Their Current and Future Financial Well-being

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- More than two years after the official end of the recession, Americans aged 50 and older remain deeply concerned about their current and future financial well-being. Few feel that either the economic situation or job opportunities have improved over the past year.

- Regardless of employment status, most lack confidence in their ability to find a job anytime soon.

- Nearly half anticipate that their standard of living in retirement will be worse than that of their parents or parents’ generation; even more expect their children’s retirement standard of living to be worse than theirs.

Few Americans aged 50-plus feel that the economic situation has improved over the past year and many remain worried about their economic security. Nearly half think their standard of living in retirement will be worse than their parents and most fear their children’s retirement prospects will be worse than theirs.

A survey of Americans 50 and older conducted by the AARP Public Policy Institute also shows that nearly two thirds (63 percent) are worried about having enough money to afford adequate health care. Four out of five older Americans are concerned about another recession, and nearly three-fourths (72 percent) are worried about further stock market decline.

Second Survey Wave Shows Little Improvement

In late August 2011, the AARP Public Policy Institute surveyed a random sample of noninstitutionalized men and women aged 50 and over who had been part of a sample of 5,027 people interviewed in October 2010 about the impact of the recession on their employment experiences and perceptions of current and future economic security.1

The original sample (first wave) consisted of people who were currently in the labor force (either employed or unemployed) or who were out of the labor force but had been in it at some point during the previous three years.

Both surveys were administered by Knowledge Networks (KN), an online survey research firm. KN generated a probability-based Web panel designed to be representative of the total U.S. population. In the follow-up survey (second wave), 1,304 people aged 50-plus were interviewed, of whom 67 percent were working for pay, 16 percent were not working but were looking for work (classified as “unemployed”), and 18 percent were neither working nor looking for work (classified as “out of the labor force”). The samples in the first and second waves of the survey were thus all
current or recent labor force participants. Older people who had been out of the labor force for more than three years as of October 2010 were excluded from both waves.

A report on the first survey was published in May 2011.³

The following figures highlight topline findings from the second wave of the survey, which was undertaken to examine how the perceptions and concerns of older workers and jobseekers as well as those who had recently worked or looked for work had changed over the course of almost a year.⁴ When the decision was made to do a follow-up survey, the economic picture appeared to be brightening. By the time we returned to the field, however, there were fears that another recession might be in the offing; the unemployment rate—while below what it had been a year ago—was still above 9 percent; average duration of unemployment was on the rise; and the stock market was fluctuating wildly. Older Americans in August 2011 were not very optimistic.

August 2011

Not much has improved in the eyes of members of the aged 50-plus population who are working or looking for work, or who have recently left the labor force. Nearly three in five (59 percent) said in August that the overall economic situation was worse than it was in October 2010 (figure 1). More than two in five (43 percent) felt that way about job opportunities. Fewer than one in ten saw improvement in job opportunities or the economic situation.

Moreover, this segment of the population was somewhat more likely to anticipate a worsening of job opportunities over the next year than an improvement—27 percent saying somewhat or much worse vs. 23 percent saying somewhat or much better (figure 2). More than two in five (42 percent) contended that things will remain pretty much the same, at least as far as job opportunities are concerned.

Confidence in ability to find work is in short supply—nearly three-fourths of survey respondents were either not too confident (36 percent) or not at all confident (36 percent) that they could

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**Figure 1**

Perceptions of Changes in Job Opportunities and the Economic Situation Since October 2010

<table>
<thead>
<tr>
<th></th>
<th>Job opportunities</th>
<th>Economic situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Worsened</td>
<td></td>
<td>43% 59%</td>
</tr>
<tr>
<td>Stayed about the same</td>
<td>34%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Q2: Thinking about job opportunities where you live, would you say that since October 2010, job opportunities have improved, worsened, stayed about the same? Base: Total (n = 1,304).

Q5: Since October 2010, would you say that the overall economic situation has improved, worsened, stayed about the same? Base: Total (n = 1,304).
find a good job with good pay or benefits in the next six months (figure 3).

As might be expected, the unemployed—who presumably have seen firsthand what the job market is like—lack much confidence in their chances of finding a job. The same can be said for those who are out of the labor force, who may have had some experience looking for work before they withdrew. However, the employed are not much more assured about job-finding success than their nonworking counterparts: Only about one-fourth of aged 50-plus workers were somewhat or very confident in August 2011 that they could find a job if they were looking for one (figure 4).

Retirement confidence has not improved since the recession. A majority (57 percent) of older workers, jobseekers, and recent labor force participants reported that they were less confident than before the recession that they will have enough money to live comfortably throughout their retirement years (figure 5). For only 8 percent had confidence increased, and then only somewhat for the most part.

Retirement confidence could be tied to what one has in the bank—the greater the balance, the more prepared one likely feels about retirement. A perhaps fortunate 15 percent noted that their savings balances in August 2011 were higher than they were before the recession started, and for another
For the most part, today’s aged 50-plus population—at least those who are or recently were in the labor force—are not expecting a retirement much improved over that of their parents or their parents’ generation. About one in four (26 percent) thought that their standard of living in retirement will be somewhat better than that of the previous generation, while nearly half (47 percent) felt that it will be somewhat (31 percent) or much (16 percent) worse (figure 7).

12 percent, savings were where they were before the recession (figure 6). However, some of these people may have had little in the way of savings four years ago. In fact, 8 percent actually said that they had no savings at the start of the recession. Nearly one in five (18 percent) reported savings that had not bounced back to where they had been but were “moving in the right direction.” More than two in five (43 percent) experienced a drop in savings and had not recovered.
Moreover, these respondents think their children will fare worse than they will when it comes to retirement. Only 13 percent said they expect an improved retirement standard of living for their children or young people today, while nearly six in ten (57 percent) predicted that it will be worse.

**How Worried Are They?**

The following nine charts report on responses to the question “Thinking about the next 12 months, how worried are you about [a particular issue]?” which was asked of all respondents. Not surprisingly, older Americans are worried about a number of economic and financial issues (figures 8a–8i).
Figure 8a
Worry about You or Your Spouse Losing a Job

- Very worried: 10%
- Somewhat worried: 22%
- Not very worried: 28%
- Not at all worried: 17%
- Not applicable: 23%

Figure 8b
Worry about Rising Interest Rates

- Very worried: 21%
- Somewhat worried: 31%
- Not very worried: 32%
- Not at all worried: 15%

Figure 8c
Worry about High Inflation

- Very worried: 33%
- Somewhat worried: 44%
- Not very worried: 18%
- Not at all worried: 5%
50+ and Worried about Today and Tomorrow

**Figure 8d**
Worry about Another Recession

- Very worried: 31%
- Somewhat worried: 49%
- Not very worried: 15%
- Not at all worried: 5%

**Figure 8e**
Worry about Further Stock Market Decline

- Very worried: 28%
- Somewhat worried: 44%
- Not very worried: 19%
- Not at all worried: 8%

**Figure 8f**
Worry about Rising Taxes

- Very worried: 36%
- Somewhat worried: 36%
- Not very worried: 19%
- Not at all worried: 8%
Figure 8g
Worry about Being Able to Pay Rent/Mortgage

- Very worried: 11%
- Somewhat worried: 24%
- Not very worried: 29%
- Not at all worried: 20%
- Not applicable: 16%

Figure 8h
Worry about Having Enough Money for Adequate Health Care

- Very worried: 26%
- Somewhat worried: 37%
- Not very worried: 25%
- Not at all worried: 12%

Figure 8i
Worry about Ability of Congress and President to Work Together to Tackle Country's Economic Challenges

- Very worried: 65%
- Somewhat worried: 26%
- Not very worried: 5%
- Not at all worried: 3%
Worry about our government’s ability to deal with the country’s economic challenges tops the list of concerns among the aged 50-plus population—two-thirds are very worried about this (figure 9).

At some distance are rising taxes, high inflation, and another recession, with about one-third saying that they are very worried about these issues. Job loss worries were relatively low on the list.

Figure 9

What Those Aged 50+ Are "Very Worried" About

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability of Congress/President to work together*</td>
<td>65%</td>
</tr>
<tr>
<td>Rising taxes</td>
<td>36%</td>
</tr>
<tr>
<td>High inflation</td>
<td>33%</td>
</tr>
<tr>
<td>Another recession</td>
<td>31%</td>
</tr>
<tr>
<td>Further stock market decline</td>
<td>28%</td>
</tr>
<tr>
<td>Enough money for adequate health care</td>
<td>26%</td>
</tr>
<tr>
<td>Rising interest rates</td>
<td>21%</td>
</tr>
<tr>
<td>Being able to pay rent/mortgage**</td>
<td>13%</td>
</tr>
<tr>
<td>You/spouse losing job**</td>
<td>13%</td>
</tr>
</tbody>
</table>

*The complete item, which does not fit on the chart, was “Thinking about the next 12 months, how worried are you about the ability of Congress and the President to work together to tackle the country’s economic challenges?”

**Excludes from the base of respondents those who said the question was not applicable, so the percentages of those very worried about these two issues differ from those presented earlier, which are based on the total sample, including those who said the issue was not applicable.

Base: Total (n = 1,304) for all items except ability to pay rent/mortgage (n = 1,075) and you or your spouse losing your job (n = 1,025).

Endnotes

1 The Public Policy Institute is very appreciative of all the advice and assistance provided by Lona Choi-Allum of AARP’s Research and Strategic Analysis over the course of the entire study. She has been an invaluable member of the project team.

2 The percent unemployed in this Fact Sheet is not comparable to the official unemployment rate. It is simply the percentage of all persons in the survey who identified themselves as “not currently working but looking for work.” The survey was restricted to persons aged 50 and over who, as of October 2010, were in the labor force (employed or unemployed) or had been in it in the previous three years. It excluded the millions of older Americans who had been out of the labor force for more than three years.


4 The text and figures present the responses to all questions in the August 2011 survey except those dealing with a comparison of the respondent’s financial situation in August 2011 with that in October 2010: “In October 2010, you rated your own (your family’s) financial well being as [excellent, very good, good, fair, poor]. Would you say that has gotten better, worse, or stayed about the same?” Analyzing this question and two follow-up questions (“What has made your financial situation [better than it was in October 2010] or [worse than it was in October 2010]?”) requires extracting the 2010 rating from the earlier questionnaire. That will be done in the final report.
Appendix

The demographic characteristics of the follow-up survey sample are as follows. The total count (1,304) is unweighted. The percentages are weighted. This is the case as well for all of the figures above.

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Sex</strong></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>49%</td>
</tr>
<tr>
<td>Female</td>
<td>51%</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
</tr>
<tr>
<td>High school or less</td>
<td>38%</td>
</tr>
<tr>
<td>Some college</td>
<td>27%</td>
</tr>
<tr>
<td>Bachelor's degree or higher</td>
<td>35%</td>
</tr>
<tr>
<td><strong>Race/Ethnicity</strong></td>
<td></td>
</tr>
<tr>
<td>White, Non-Hispanic</td>
<td>76%</td>
</tr>
<tr>
<td>Black, Non-Hispanic</td>
<td>9%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Current Employment Status</strong></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>67%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>16%</td>
</tr>
<tr>
<td>Out of the labor force</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Change in Employment Status since Oct. 2010</strong></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>15%</td>
</tr>
<tr>
<td>No</td>
<td>85%</td>
</tr>
</tbody>
</table>

*Employed: working for pay; Unemployed: not working but looking for work; Out of the labor force: not working for pay and not looking for paid work right now. Base: Total (n = 1,304); weighted percentages. Percents may not add up to 100 due to rounding.