Boomers and the Great Recession: Struggling to Recover
AARP’s Public Policy Institute informs and stimulates public debate on the issues we face as we age. Through research, analysis, and dialogue with the nation's leading experts, PPI promotes the development of sound, creative policies to address our common need for economic security, health care, and quality of life.
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Contents

ACKNOWLEDGMENTS ................................................................................................................................... i

EXECUTIVE SUMMARY .................................................................................................................................. 1
  Boomer Employment and Unemployment ................................................................. 2
  Job Search Barriers ........................................................................................................... 2
  Help from Unemployment Insurance ............................................................................... 2
  Looking to Training for Skills Updating ........................................................................... 2
  Financial Hardship in the Recession .................................................................................. 3
  Responding to Hardship ........................................................................................................ 3
  Perceptions of Well-Being ................................................................................................. 4
  Ten Months Later .................................................................................................................. 4
  Conclusions ........................................................................................................................... 5

CHAPTER 1. UNDERSTANDING THE GREAT RECESSION ....................................................................... 7
  Introduction ................................................................................................................................. 7
  Origins of the Great Recession ............................................................................................... 8
  The Great Recession and Older Americans ......................................................................... 10
  About the AARP Public Policy Institute Surveys and Report ............................................. 10
    The First Survey: October 2010 ......................................................................................... 11
    The Second Survey: August 2011 ....................................................................................... 11
    About This Report ............................................................................................................... 11

CHAPTER 2. BOOMER EMPLOYMENT AND UNEMPLOYMENT IN AND AFTER THE GREAT RECESSION ........................................................................................................................... 13
  Portrait of the Older Labor Force in Late 2010 ................................................................. 13
  Characteristics of Boomers with Current or Recent Labor Market Experience ................. 14
  The Nature of the Jobs Held by Boomers ............................................................................. 16
  Reasons for Not Working—The Unemployed ...................................................................... 17
  Labor Force Exit ....................................................................................................................... 19
  Facing Barriers to Finding Employment—The Economy and Age Discrimination ... 19
  How Age Affects the Job Search ............................................................................................ 21
  Age and Terminations .......................................................................................................... 22
  A Little Help during Unemployment ..................................................................................... 23
  Upgrading Skills in a Down Economy ................................................................................... 23
  Why Not Train? ....................................................................................................................... 25

CHAPTER 3. EXPERIENCING FINANCIAL HARDSHIP DURING THE GREAT RECESSION ............ 29
  Facing Financial Hardship: The Unemployed and Reemployed ......................................... 29
  Difficulty Making Ends Meet .............................................................................................. 30
  Why the Difficulty Making Ends Meet? ................................................................................. 31
  What about Savings? .............................................................................................................. 32
CHAPTER 4. RESPONDING TO THE BLOWS OF THE GREAT RECESSION........................................33
  Taking Steps to Make Ends Meet.................................................................33
  Postponing Retirement............................................................................36
  Turning to Social Security ......................................................................36
  Boomers Take Other Steps in Dealing with the Recession ......................38

CHAPTER 5. WHAT THE FUTURE HOLDS—PERCEPTIONS OF WELL-BEING IN RETIREMENT ......39
  Debt and Savings.......................................................................................39
  Confidence and Perceived Prospects ......................................................40
  The Gender Divide....................................................................................40
  The Role of Ethnicity..............................................................................43
  Measures Taken.......................................................................................44

CHAPTER 6. MEASURING OVERALL FINANCIAL CONCERN: THE BOOMER FINANCIAL
  CONCERN INDEX......................................................................................47
  Boomers and Financial Worries: Who Are the Most Concerned? ...............48

CHAPTER 7. TEN MONTHS LATER....................................................................53
  What Difference Does Nearly a Year Make?..........................................54
  What Improved Boomers’ Financial Well-Being? ......................................58
  What Contributed to a Worsening of Boomers’ Financial Well-Being? .......58

CHAPTER 8. CONCLUSIONS ..........................................................................61

APPENDIX A. MORE ABOUT THE SURVEY OF PERSONS AGED 50-PLUS WITH RECENT
  LABOR MARKET EXPERIENCE..................................................................65

APPENDIX B. CONSTRUCTING A FINANCIAL CONCERN INDEX .......................69

APPENDIX C. WAVE 1 AND WAVE 2 QUESTIONNAIRES ....................................77
  Questionnaire, Wave 1, October 2010 ....................................................77
  Questionnaire: Wave 2, August 2011......................................................107

ENDNOTES..................................................................................................113
List of Tables

Table 2-1. Socioeconomic Characteristics of Boomers Aged 50 to 64 by Employment Status, October 2010 .......................................................... 15
Table 2-2. Boomers’ Assessment of Whether Additional Training Helped in Their Career by Employment Status .................................................. 27
Table 2-3. Why Boomers Did Not Engage in Training by Employment Status .......................................................... 27
Table 3-1. Boomers’ Household Income by Race/Hispanic Origin .......................................................... 31
Table 4-1. Boomers’ Take Actions to Make Ends Meet by Race/Hispanic Origin and Household Income .......................................................... 35
Table 5-1. Prominent Concerns of Boomers Regarding Threats to Financial Security by Employment Status .......................................................... 41
Table 5-2. Actions Taken by Boomers to Enhance Financial Security in Retirement by Employment Status .......................................................... 46
Table 6-1. Average Financial Concern Score for Boomers by Selected Demographic Variables .......................................................... 48
Table 6-2. Low and High Financial Concern by Employment Status, Age, Sex, Race/Hispanic Origin, Household Income, and Education .......................................................... 50
Table 7-1. Changes in Boomer Employment Status, October 2010 to August 2011 .......................................................... 54
Table 7-2. Perspectives of Boomers on the Economy and Financial Well-Being as of August 2011 by Employment Status .......................................................... 55
Table 7-3. Changes in Assessment of Boomers’ Financial Well-Being, October 2010 to August 2011 .......................................................... 57
Table A-1. Key Survey Response Statistics .......................................................... 65
Table A-2. Demographic and Income Characteristics of the Respondents .......................................................... 66
Table A-3. Employment Status of the Sample at the time of the October 2010 Survey .......................................................... 66
Table A-4. Comparison of Sample to Aged 50 Population, October 2010 .......................................................... 67
Table B-1. Questions Used in Computing the Financial Concern Score .......................................................... 70
Table B-2. Construction of the Financial Concern Score .......................................................... 72
# List of Figures

| Figure 2-1. | Employment Status of Boomers Aged 50 to 64 Compared to Preboomers Aged 65-Plus, October 2010 | 14 |
| Figure 2-2. | Reasons Why Boomers Work Part Time | 17 |
| Figure 2-3. | Current or Most Recent White- or Blue-Collar Classification of Boomers by Employment Status | 18 |
| Figure 2-4. | Unemployed Boomers' Main Reason for Not Working | 18 |
| Figure 2-5. | Main Reason for Boomers Neither Working Nor Looking for Work | 19 |
| Figure 2-6. | Main Reason Why Boomers Who Were Out of the Labor Force Left Their Last Job | 20 |
| Figure 2-7. | Barriers Boomers Face When Looking for Work by Employment Status | 21 |
| Figure 2-8. | Most Difficult Barrier Boomers Face When Looking for Work by Employment Status | 22 |
| Figure 2-9. | Boomer Perceptions of the Impact of Age on Recent Job Search by Employment Status | 23 |
| Figure 2-10. | Age As a Reason for Being Let Go | 24 |
| Figure 2-11. | Boomers’ Receipt of Unemployment Insurance (UI) Benefits and Health Insurance Assistance by Employment Status | 25 |
| Figure 2-12. | Boomers Who Engaged in Training by Employment Status | 25 |
| Figure 2-13. | Reasons Boomers Participated in Training by Employment Status | 26 |
| Figure 2-14. | Sources of Payment for Training Received by Boomers | 26 |
| Figure 3-1. | Financial Hardship As a Result of Unemployment by Employment Status | 30 |
| Figure 3-2. | Reasons Why Reemployed Boomers Were Not “Back on Track” Financially | 30 |
| Figure 3-3. | Reasons Why Boomers Had Difficulty Making Ends Meet | 32 |
| Figure 4-1. | Boomers’ Actions to Make Ends Meet | 34 |
| Figure 4-2. | Respondents Aged 62+ Opting for Social Security Earlier Than Planned by Employment Status | 37 |
| Figure 4-3. | Work-Related Steps Taken as a Result of the Recession by Boomers or Family Members | 38 |
| Figure 5-1. | Boomers Compare Their Standard of Living in Retirement to Their Parents | 43 |
| Figure 5-2. | Boomers Compare Their Economic Security in Retirement to Their Parents | 43 |
| Figure 5-3. | Boomers Prepare for a More Secure Retirement | 45 |
| Figure 6-1. | Normalized Proportion of Boomers in the Highest Quartile of the Boomer Financial Concern Index by Selected Characteristics | 51 |
| Figure 6-2. | Normalized Proportion of Boomers in the Lowest Quartile of the Boomer Financial Concern Index by Selected Characteristics | 52 |
| Figure 7-1. | Employment Status of Wave 1 and Wave 2 Boomers, October 2010 and August 2011 | 54 |
| Figure 7-2. | Why Boomers’ Financial Well-Being Improved Between October 2010 and August 2011 | 58 |
Figure 7-3. Why Boomers’ Financial Well-Being Worsened Between October 2010 and August 2011 .............................................................. 59

Figure 7-4. What Boomers Worry about Economic Matters ...................................................... 59

Figure B-1. Average Financial Concern Score by Employment Status and Age: Boomers and Preboomers .............................................................. 75
Boomers and the Great Recession: Struggling to Recover reports on the results of two AARP Public Policy Institute online surveys of a representative sample of people aged 50 and over who were in the labor force in October 2010 or who had been in it at some point in the previous three years—roughly since the start of the recession in December 2007.

The research was designed to examine how older workers fared during and shortly after what is referred to as the “Great Recession.” How much did they suffer during the recession, and how was their current and future financial security affected? What were their experiences with unemployment and reemployment? Who withdrew from the labor force? What barriers did the unemployed face in finding work? To what extent was age discrimination a problem? Who received unemployment benefits? Were efforts made to hone job skills? How much economic hardship was experienced during the recession? How did older workers cope with economic uncertainty? What were their concerns about financial well-being in retirement?

Americans of all ages suffered during the recession. Older Americans, however, have relatively little time to recover from job loss, stock market losses, declining housing values, or having tapped into and possibly having exhausted their savings. Their ability to retire as planned and with the resources they had been counting on may have been jeopardized. How they coped, or tried to cope, has implications not only for those directly affected but for public policy as well.

The first survey in October 2010 completed interviews with 5,027 current or recent workers and jobseekers aged 50 and over. To obtain insights into how older Americans’ financial situation and perceptions about current and future well-being may have changed in the months since initial contact, when for a few months, at least, the economy seemed on the road to recovery, a brief online follow-up survey of a random sample of 1,304 of the original respondents was conducted in August 2011. This report focuses on the boomers in the two surveys, who were aged 50 to 64 in October 2010 (3,950 in the first survey and 1,030 in the follow-up).

The findings in this report, it should be stressed, apply to boomers aged 50 and older who were in the labor force at the time of the first interview or who had been in it at some point in the previous three years. Younger boomers and those who had been out of the labor force for a longer period were not included in the study. Hence, the findings apply to aged 50-plus boomers with current or recent (defined as within the previous three years) labor market experience; they are generalizable to an estimated 80 percent of the boomer population aged 50 to 64.

Boomers have had a rough ride over the past several years. The recession and its aftermath have left many without jobs, having exhausted their savings, and with homes they can neither afford nor sell. The surveys indicate that boomers are uncertain and probably frightened about what the future holds for them as they edge toward retirement.

A sizable percentage of boomers experienced some unemployment, often prolonged. When first surveyed, 17 percent of boomers were jobless and looking for work. Another 13 percent, referred to as reemployed, had jobs but had experienced involuntary unemployment at some point during
the previous three years. Yet another 10 percent had left the labor force within the previous three years and were not looking for work.

**BOOMER EMPLOYMENT AND UNEMPLOYMENT**

Job loss has been a big problem for older workers in recent years. It was the main reason unemployed boomers gave for not working, mentioned by nearly half (47 percent), followed at some distance by an “inability to find work” (19 percent). Nearly one-fourth (24 percent) of boomers who were out of the labor force—neither working nor looking for a job—reported job loss as the reason they had left their last job. Another one-fourth (26 percent) were out due to sickness, disability, or medical treatment, confirming the findings of other studies demonstrating the importance of health or disability issues in the early retirement decision.

**JOB SEARCH BARRIERS**

The majority of unemployed and reemployed boomers as well as some who had looked for work before exiting the labor force reported facing barriers in their search for work. The most common barrier was the “bad economy,” hardly surprising in the recession years of escalating unemployment and soaring duration of unemployment. Still, roughly one-third to almost one-half of boomers who had recently looked for work contended that age discrimination was a barrier they faced in finding work, and for about one in eight, age discrimination was the most difficult barrier. When asked specifically about how their age had affected their recent job search, more than half of unemployed boomers maintained that it had had a somewhat or a very negative impact; nearly one in three felt that age had almost certainly or may have been a reason that an employer had ever let them go.

**HELP FROM UNEMPLOYMENT INSURANCE**

Unemployment insurance (UI) benefits play a critical role in replacing some of the earnings lost as a result of job dislocation; since the recession, the period over which benefits are paid has been extended several times, with some unemployed receiving benefits for up to 99 weeks. Almost half of the unemployed and just about as many reemployed received UI while still out of work. Only a minority, however, had exhausted their benefits as of the first survey, although more of the unemployed may have done so since then.

Boomers who had left the labor force were the least likely to report having collected unemployment benefits, perhaps because many retired and stopped looking for work. Those who did collect benefits, however, were substantially more likely than the still unemployed to exhaust their benefits. Running out of benefits may have propelled them out of the labor force, or, alternatively, they may have remained in the labor force until the benefits were used up.

**LOOKING TO TRAINING FOR SKILLS UPDATING**

Keeping skills up to date is critical if workers are to remain competitive in today’s economy. Skills acquisition can help workers retain their jobs, the unemployed find work, and retirees return to the labor force. Many boomers in the survey attempted to update or acquire new skills. Since the recession began, 4 out of 10 reported having engaged in training, other educational activities, or certification programs to refresh or enhance their job skills. Differences emerged by employment status. Workers with the most stable employment (i.e., those who had experienced no involuntary unemployment) were more likely than others to participate in training: Nearly half did so, in contrast to about one-third of both the reemployed and unemployed. Even fewer boomers who were out of the labor force (about one-fifth) had been recently trained, perhaps because many of them while still working were looking forward to retirement and felt that they no longer had to acquire new job skills.
When asked whether the training was for their current career or work, to find a new job or career, or both, nearly three-fourths replied that it was to advance in their current job or the kind of work they were doing; this was the case for more than 8 in 10 of the steadily employed. Reemployed and currently unemployed boomers were about equally likely (approximately one-fourth of each) to report that training was for a new job or career only.

Being too close to retirement was a common reason given for not engaging in training, particularly among those who had exited the labor force. Lack of access/affordability was an issue for the unemployed and, to a lesser extent, the reemployed. This is a troublesome observation, since unemployed workers may need training more than others in order to find work in a changing economy.

**FINANCIAL HARDSHIP IN THE RECESSION**

Since the recession began, many boomers have struggled financially—income reportedly declined for more than two-fifths of the boomer respondents during the three years leading up to the first survey; more than half felt less secure financially than they had in 2007, even though the recession had been officially over for more than a year.

The reemployed and, especially, the unemployed mentioned experiencing very serious or serious financial hardship as a result of unemployment.

Finding a job was not the end of financial woes. Fewer than half of the reemployed, for example, felt that, as a result of getting back to work, they were (or would soon be) “back on track” financially. Lower pay and depletion of savings were the most typical reasons. Other frequently mentioned factors included debt burden, the temporary nature of their new job, and major expenditures ahead for which they were not prepared.

During the three years preceding the first survey, about half of boomers experienced a time when they had difficulty making ends meet. Employment status was associated with experiencing difficulty making ends meet: Boomers who were unemployed at some point during the survey period were most likely to have had difficulty making ends meet, regardless of whether they had found a job by the time of the survey or not. Seventy percent of unemployed boomers and two-thirds of the reemployed reported difficulty making ends meet. This is in contrast to two-fifths of the continuously employed and half of those who were out of the labor force.

Overall, two-thirds of boomers had experienced some reduction in retirement savings balances during the three years prior to October 2010. The shares were nearly the same across all employment statuses. Even so, by the time of the 2010 survey, 60 percent of boomers were somewhat positive about the future of their retirement savings.

**RESPONDING TO HARDSHIP**

Boomers who experienced difficulty making ends meet responded by taking a number of steps that generally fell into two categories: cutting expenses and finding or generating money. More boomers cut expenses than did anything else. This was followed by withdrawing money from a savings account, and delaying medical or dental care or stopping medications.

Two-fifths of boomers reported that the age at which they expected to fully retire had changed in the previous three years. Of those, the large majority (more than four-fifths) said that they expected to retire at a later age than previously planned. Earlier-than-planned retirement was rare.

Even when retirement is delayed, eligible workers might begin to collect Social Security early in response to financial difficulties. Although the proportion of workers opting for early retirement benefits under Social Security rose during the recession, this was an option for a minority of boomers in the survey, since most of them were not yet old enough (at least aged 62) to qualify.
Overall, only 8 percent of boomers noted that they or a spouse/partner had started collecting Social Security retirement benefits as a means to make ends meet. Of the boomers who did, more than two-thirds began collecting them earlier than planned.

More than one in six boomers responded to the recession by starting to work, seeking a job, or looking for a better job. Lower-income boomers were more likely than those with higher incomes to reenter the labor force (25 percent with incomes of less than $25,000 versus 15 percent with $75,000 or more).

Few boomers (7 percent) dealt with the recession by going into business for themselves.

**PERCEPTIONS OF WELL-BEING**

Many of those surveyed were worried that they owed too much money and saved too little. The majority lacked confidence that they will have an adequate nest egg for retirement.

Nearly half of the survey’s boomers declared themselves either somewhat or very uncomfortable with the level of their indebtedness. Among those who had lost their job but were still looking for another, the share uncomfortable with their indebtedness rose to two-thirds.

A household’s indebtedness reflects how it has fared economically and how it has coped with unexpected events such as divorce or job loss. In deciding how much to save, however, a household looks to the future. Only 10 percent of all boomers declared themselves very comfortable with their level of saving. Discomfort was acute among those employed who had suffered a spell of unemployment (the reemployed), 71 percent of whom were somewhat or very uncomfortable with their level of savings. The share of unemployed boomers who were looking for work and were uncomfortable with their level of savings exceeded 80 percent.

More than half of the boomers surveyed stated that they were less confident of having enough money for a comfortable retirement than they had been before the recession started.

Reflecting on their ability to manage their retirement financially, boomers were most concerned with health care and long-term care costs, and with inflation that could cause income to shrink in real terms. They were less concerned, but still quite concerned, with leaving no bequest or an inadequate one, with being unable to afford to stay in their home, and with a surviving spouse not being able to maintain his or her accustomed standard of living. These concerns were particularly acute for the unemployed looking for another job.

One of the survey’s most striking findings is the gloomy view participants take of the economic environment. As of October 2010, more than five in six boomers believed that the nation’s current economic problems would make it harder to take care of their financial needs in retirement. They doubted whether they would achieve the same standard of living as their retired parents did: Forty-eight percent believed that their standard of living would be somewhat or even much worse than that of their parents. Fifty-one percent expected their retirement to be less secure than that of their parents.

**TEN MONTHS LATER**

The follow-up survey in August 2011 with about one-fourth of the respondents from the original sample found that, on the whole, things were not looking all that much better along a number of dimensions more than two years after the official end of the recession. The “good” news 10 months after the first survey was that 9 out of 10 boomers who had been employed in October 2010 were still employed.

There was no shortage of “bad” news, though. For example, 8 out of 10 boomers unemployed in 2010 were still unemployed in August 2011. More than two in five boomers felt that job
opportunities where they lived had worsened since the first interview, and only about one in four anticipated that job opportunities would be better in another year. Seven in 10 lacked confidence in their own ability to find a good job with good benefits in the coming year. In general, boomers continued to have a rather grim outlook about job opportunities, the overall economy, and their own financial situation and prospects.

Very few boomers (10 percent) said that their financial well-being had changed for the better between October 2010 and August 2011. Even fewer observed that the overall economic situation had improved since the time of the first survey—in the opinion of nearly 6 in 10, it had worsened.

As in the initial survey, half were less confident than they had been before the recession that they would have enough money to live comfortably in retirement, and more than half expected that their standard of living in retirement would be worse, sometimes much worse, than that of their parents or people in their parents’ generation. Nor did they expect their children to fare better, with nearly 6 in 10 anticipating that the retirement standard of living of their children or young people today would be worse than their own.

CONCLUSIONS

The survey findings in Boomers and the Great Recession: Struggling to Recover provide insights into the recession experiences and behaviors of millions of boomers at or nearing retirement (or in some cases already retired) for whom job loss, compensation reductions, declining home values, investment losses, and high debt have undermined retirement plans and expectations. The result will likely mean longer worklives for those who can work and perhaps a reduction in living standards in retirement for those who cannot or who chose not to work. At the very least, the study reveals considerable insecurity about retirement on the part of the boomers surveyed.

The report ends with several policy options that address the employment and retirement income prospects of America’s boomers:

■ Encourage workers to take advantage of training and retraining programs that their employers offer. The unemployed obviously lack this option, but they may have had it before becoming unemployed. Not only might the training provide boomers with marketable skills, but it also may demonstrate to current employers that they are willing and able to learn new ways of doing things. Training might help those without work find a job and those with jobs increase productivity and stay employed. It might also help them change careers and give them an option to remain in the labor force longer.

■ Urge workers close to retirement to engage in training in light of the possible need to postpone retirement or return to the labor force after retirement.

■ Expand opportunities for jobless boomers who need financial assistance to get the training that might enhance their career opportunities. Offer financial assistance to cover costs, particularly in the case of the unemployed (who may need such training the most). This training may help offset some of the costs through lower Unemployment Insurance benefits paid and higher tax receipts. Ensure that information on where the jobs are and what skills employers are seeking is current, accurate, and readily available.

■ Encourage workers to save, to save more if they are already saving, and to keep retirement savings invested for that purpose. When unemployment strikes, savings become especially vulnerable. Adequate unemployment benefits coupled with job-training and job-search assistance might keep some unemployed boomers from raiding their retirement savings accounts and/or opting for Social Security prematurely.
- Invest more resources in government efforts to monitor and enforce anti-age discrimination laws to better protect older workers, especially in economic downturns when labor surpluses enable employers to discount or overlook the potential contributions of older employees or jobseekers.

- Identify government and private programs for advising older workers on the wisdom of starting their own business as a primary or secondary source of income. Assisting them in doing so could improve the financial well-being of older workers who cannot find work and provide added income for workers who need extra money to supplement their wages from other employment.

- Recognize that Social Security is, and will likely remain, the bedrock of retirement-income security in the United States. Perhaps in a generation or two, retiring workers will have accumulated sizable funds in their retirement savings accounts and thus be better equipped to weather economic storms such as the one that workers have faced over the past several years. It is highly uncertain that this will occur or that it will happen to everybody. Unless it does, workers—including the many millions of boomers yet to retire—will remain heavily dependent on Social Security for support in retirement. As traditional pensions decline, Social Security remains the only major stable retirement income source. It is critical that this program be protected.
Chapter 1
Understanding the Great Recession

The financial crisis known as the Great Recession that undermined the economic security of many older Americans is the focus of this report. In it we examine how older boomer workers and jobseekers have fared since the recession that began in late 2007. Discussion is based largely on the results of two AARP Public Policy Institute online surveys that asked a sample of people aged 50-plus who were in the labor force or who had left it within the previous three years about their job-related experiences during and since the recession, their financial situation and the hardships that they had experienced recently, their response to financial difficulties, and their concerns about future financial well-being. The first survey, conducted in October 2010, was completed by 5,027 people, 3,950 of them boomers. An update in August 2011 was completed by a randomly selected subset of 1,304 members of the first survey, 1,030 of whom were boomers. The report begins with a brief account of the origins of the financial crisis and the serious recession that the crisis created.

INTRODUCTION

It has been a difficult several years for older workers, many of whom have experienced bouts of unemployment—sometimes more than one and often prolonged. Those fortunate enough to have a job could not always be sure that the job would be there the next day or that they would find another should they be let go. Measures of underemployment, such as the proportion of older workers employed part time for economic reasons, skewed upward. So, too, did the number of older discouraged workers, or people who wanted a job but who were not looking for work because, for example, they felt that no jobs were available, that they lacked the necessary schooling or training, or that by employers would consider them too old.

The rising numbers of unemployed, underemployment, and increasing duration of unemployment were not the only problems older Americans—and others—confronted in what is now referred to as the “Great Recession.” Home values plummeted as the housing bubble burst, eliminating or weakening one of Americans’ most significant financial assets. Pre-retirees with savings, 401(k)s, and individual retirement accounts (IRAs) invested in the stock market saw their portfolios decline, sometimes precipitously, potentially wreaking havoc with retirement plans and expectations. For millions of workers looking ahead to retirement, the future looked bleak indeed.
ORIGINS OF THE GREAT RECESSION

Signs of trouble, especially in the financial sector, were evident at least a year before the panic arose that seized the economy in the last quarter of 2008. The Great Recession, from which the economy has yet to fully recover, officially began in the last quarter of 2007. Between that quarter and the second quarter of 2009, real gross domestic product (GDP) declined by 5 percent—the worst drop since the end of World War II. Further, unemployment soared from only 5 percent of the labor force at the end of 2007 to a peak of 10 percent in October 2009.1 If marginally attached workers (including those who were too discouraged to seek work) and those in part-time jobs because they could not find full-time work were taken into account, the unemployment rate would have been as high as 17.5 percent in October 2009.2 Although real GDP has risen each quarter since the official end of the recession in June 2009, the recovery from the recession has been the most sluggish since World War II.

The severity and special features of the recession have spawned a number of books to explain its origins.3 Virtually all informed observers point to the U.S. housing market bubble that arose in the first decade of the 21st century as its major cause. However, the accounts differ on the relative importance of the exotic financial instruments (derivatives) that played such a large role in financing homes during the housing boom, on the role of lax regulation, and on the role of the pro-home ownership policy of successive administrations.

The U.S. housing market was booming at the turn of the 21st century, and between 1996 and 2006, housing prices nationwide were estimated to have more than doubled.4 Some commentators have pointed out that the demand for housing and home construction is inherently cyclical and have argued that the boom taking place in America was more or less paralleled by booms in a number of European countries. This coincidence suggests that the housing bubble cannot be explained solely by U.S. influences—some common factors must have affected both groups of countries. One of these was the strong capital inflows from other regions, especially Asia, which helped ensure an adequate supply of lendable funds.

Nonetheless, other powerful and purely American influences were at work. These included an accommodating credit environment, the federal government’s policy of encouraging home ownership, overly leveraged investing by the financial institutions most exposed to the housing market, and lax regulation. Interest rates were comparatively low in the United States during this period, and the spread between mortgage and other long-term rates and the short-term rates on which the Federal Reserve has most influence narrowed. Mortgage credit was readily available and could be obtained on good terms. The stance of monetary policy thus encouraged a strong demand for housing.

The recession’s effects on older Americans were particularly severe for salary earners in their 50s and early 60s who were counting on more than a few years of additional earnings before retirement and were unlucky enough to lose their jobs.
Even if it was not the principal cause of the run-up in housing prices, monetary policy undoubtedly helped push prices up and thereby gave a boost to the construction of new homes.\(^5\)

As important (if not more so) was the zeal that mortgage lenders displayed in their hunt for new borrowers, whatever their creditworthiness. This appetite for new mortgage business contributed to the rapid growth in subprime and other risky mortgage debt. Most mortgage lenders offered a low starting interest rate and no or only a minimal down payment, which would appeal to potential buyers with only modest incomes and little or no savings.

The lax regulation of this particular financial market contributed to the problem. Some observers have argued that the declining standards of mortgage underwriting that characterized this period—one particularly telling sign of which was the increasing acceptance of applications with poor or no documentation—resulted in part (or even largely) from the federal government’s effort to promote homeownership. With the expansion of the housing bubble came a marked deterioration in the quality of the balance sheets of the main mortgage lenders and holders of mortgage-backed securities and other instruments whose value was related to the price of houses. This deterioration also affected Fannie Mae and Freddie Mac, the two government-sponsored enterprises (GSEs) that had played a major role in developing the mortgage market. The creditworthiness of new mortgage borrowers declined as time went on, while the narrow spread between long- and short-term rates encouraged lenders to increase their leverage, that is, to increase the ratio of borrowed funds to equity. This strategy increases profit margins when conditions are benign, but it exposes the leveraged institutions to more risk, and that risk increases with the degree of leverage.\(^6\)

The growth of the housing bubble was abetted by the flourishing market for mortgage-backed securities, which both U.S. financial institutions and foreign lenders purchased. Another contributor was the growth in even more complex financial instruments like collateralized debt obligations (CDOs) and credit default swaps, whose value was tied to the value of mortgage backed securities. The growth in MBSs reflects a fundamental change in the structure of the mortgage market. Previously, the financial institution that provided a mortgage borrower with funds also held on to the mortgage. Nowadays, the provider usually sells the mortgages it originates to another financial institution that packages or “securitizes” them into a single MBS. Collateralized debt obligations were repackaged MBSs, usually composed of the riskier tranches (or slices) of MBSs.\(^7\)

There is nothing wrong with securitization or with the use of financial derivatives per se. It is now clear, however, that neither their buyers nor their sellers had a good sense of how risky they were. A MBS is supposed to be less risky than an individual mortgage because, being made up of many individual mortgages, it pools risk—just as an auto insurer pools risk by insuring many drivers. Nevertheless, once the housing bubble began to deflate and the incidence of defaults and delinquencies soared, holders of MBSs and other securities linked to the housing market found that their payments were more correlated than they had originally been thought to be. A large share of the mortgages in a MBS would go bad together, which was not supposed to happen.

The lack of a proper appreciation of risk was also facilitated by the credit rating agencies responsible for rating these products, which underestimated their riskiness. The Financial Crisis Inquiry Commission (FCIC) report states that 83 percent of the MBSs that were rated AAA in 2006 were subsequently downgraded.\(^8\) A further complication was the concentration of mortgage financing in a few large institutions. AIG, the large insurer, issued credit default swaps. The company provided guarantees to mortgage-backed asset holders that the assets would be made good if the mortgage market turned sour. When that happened, AIG was responsible for payments of more than $600 billion. It was ultimately bailed out by the federal government.

The insolvencies of a number of large financial institutions that were declared in the fall of 2008 raised the agonizing issue at the Federal Reserve and the Treasury Department of whether these...
firms were “too big to fail” (i.e., whether their collapse would bring down the financial system). Ultimately, the Treasury and the Fed decided to bail out or to require the merger of all of the large institutions in deep trouble—except for Lehman Brothers, a major investment bank. The failure to rescue this venerable company in the fall of 2008 was considered by many to have fostered unnecessary uncertainty and panic. The jury is still out on the wisdom of the decision not to bail out Lehman Brothers. Whatever the ultimate verdict, the severe troubles of some of the country’s largest financial institutions created financial contagion. Firms with liquid assets became unwilling to lend even short-term loans to cash-strapped institutions out of fear that they would not be paid back. At the same time, banks and other financial entities severely curtailed their lending to households.

Once the housing bubble burst, the collapse of the residential construction industry contributed materially to the slump in aggregate output or real GDP. Declining output would inevitably have caused a fall in stock prices, because it would lower the profits that corporations could reasonably expect to earn. The impact of falling housing prices on household wealth, increasing job insecurity, the freeze on credit, and the panicky atmosphere of the fall of 2008 and winter of 2009 also encouraged households to move out of the stock market and to cut back on less essential consumption.

THE GREAT RECESSION AND OLDER AMERICANS

The recession’s effects on older Americans were particularly severe for salary earners in their 50s and early 60s who were counting on more than a few years of additional earnings and lost their jobs. The loss of income in what would normally be prime earning years could substantially reduce the size of the retirement nest egg if the spell of unemployment were sufficiently long. In fact, although the jobless rate of older Americans remains below the rate for the total workforce, their unemployment spells tend to be longer.

The impact of job loss on a household’s balance sheet would be compounded if the loss of a job entailed the loss of health insurance, and further aggravated by the effect of the stock market crash on holdings in a 401(k) plan or IRA. The overall recovery of the stock market from its trough in the first quarter of 2009 has mitigated this loss for some households, although Americans on the cusp of retirement who moved their investments out of stocks and into safer assets near the market’s trough would not have benefited from the market upswing.

Americans old enough to be drawing Social Security or who had a defined benefit pension plan have a safety net. However, older Americans who rely substantially on income from stocks would have experienced a substantial decline in their nest egg. Many older Americans would also have experienced a decline in home equity and may have seen the market value of their homes fall below the outstanding mortgage balance. The worst affected were those whose homes went into foreclosure. Older people who needed to sell their homes to downsize or relocate or for some other reason had difficulty doing so.

ABOUT THE AARP PUBLIC POLICY INSTITUTE SURVEYS AND REPORT

Between the start of the Great Recession in December 2007 and its official end in June 2009, the number of unemployed people aged 50 and over rose from 1.4 million to 3.2 million. As of October 2010 (the month that the first survey discussed below was conducted, and nearly three years after the recession began), approximately 3.3 million people aged 50-plus were still unemployed. The average duration of unemployment for jobseekers aged 50 or older was 21.1 weeks in December 2007, 28.8 weeks in June 2009, and 43.2 weeks in October 2010.

These data tell us little about older workers’ actual experiences with unemployment and the job search during and since the recession. Nor, of course, do statistics on the number and proportion of employed people during the recession shed light on how those with jobs experienced the
recession. To examine how older workers fared during the Great Recession, the AARP Public Policy Institute designed an online survey of more than 5,000 participants aged 50 and over who had been in the labor force at some point during the previous three years—that is, then current (as of October 2010) or recent labor force participants. Some of the questions included have appeared in surveys by other organizations. A brief follow-up survey was conducted with a subset of the original respondents nearly one year later, when almost 3.3 million people aged 50-plus were still out of work and looking for a job.

The research was designed to examine how older workers fared during and shortly after the Great Recession. How much did they suffer during the recession, and how was their current and future financial security affected? What were their experiences with unemployment and reemployment? Who withdrew from the labor force? What barriers did the unemployed face in finding work? To what extent was age discrimination a problem? Who received unemployment benefits? Were efforts made to hone job skills? How much economic hardship was experienced during the recession? How did older workers cope with economic uncertainty? What were their concerns about financial well-being in retirement?

Americans of all ages suffered during the recession. Older Americans, however, have relatively little time to recover from job loss, stock market losses, declining housing values, or having tapped into and possibly exhausted their savings. Their ability to retire as planned and with the resources they had been counting on may have been jeopardized. How they coped, or tried to cope, has implications not only for those directly affected but for public policy as well.

The First Survey: October 2010

The initial survey was administered between October 23 and October 27, 2010, by Knowledge Networks (KN), a probability-based online survey research firm in Menlo Park, California. Knowledge Networks generated a random sample of noninstitutionalized U.S. residents aged 50 and over from its national KnowledgePanel®, which is representative of the total U.S. population. People aged 50-plus were eligible to participate in the survey if “at any time” in the past three years—years corresponding to those following the start of the recession—they had “(1) worked for pay in any job, including for themselves or in their own business (even if only for a few weeks or a few months); (2) tried to find a job; or (3) both.” The final sample consisted of 5,027 individuals categorized according to their employment status at the time of the survey: (1) currently employed with no recent involuntary unemployment; (2) currently employed with some recent involuntary unemployment; (3) unemployed and looking for work; and (4) not currently in the labor force but employed or unemployed at some point in the previous three years.

The Second Survey: August 2011

To obtain a perspective on whether boomers’ perceptions about their current and future financial situations had changed since the initial survey—when for a time, at least, it appeared as if the economy was improving—a brief online follow-up survey was conducted of just more than 1,300 members of the original sample of respondents. As it turned out, the follow-up was fielded not long after Congress voted to raise the debt ceiling. The rancorous debate on that topic was accompanied by pessimistic forecasts for the economy and a very unstable stock market. A persistently weak job market was especially discouraging. The improvement in perspective that might have been expected in the face of a strengthening recovery earlier in the year seemed very unlikely at the time we surveyed from August 23 to August 31, 2011.

About This Report

This report focuses primarily on the boomers aged 50 to 64 at the beginning of the study, who accounted for about 8 in 10 respondents (or 3,950 of the 5,027 total). The leading edge of this large cohort had already reached or was fast approaching what has conventionally been thought of as retirement age, although for years the large majority had been insisting that they expected to
Chapter 2 provides a portrait of the boomer labor force and its current or recent employment and unemployment experiences as reflected in survey responses. Chapter 3 focuses on the financial hardships boomers faced during the recession. How boomers responded to those hardships is the topic of chapter 4. Chapter 5 examines boomers’ perceptions of their retirement well-being. The construction of a Boomer Financial Concern Index is described in chapter 6, as is a comparison of how boomers in various employment statuses fared on the index. The results of the resurvey of a random selection of the original sample appear in chapter 7. Chapter 8’s conclusions end the report.

Finally, although the study focused on the months of and after the Great Recession—and although some questions specifically asked respondents about experiences, perceptions, and attitudes since the recession began—we cannot, of course, say with certainty that the economic downturn “caused” or was responsible for all of the job loss, savings decline, or insecurity about future well-being discussed in the following pages. As one of the reviewers of this report has noted, “Some people are always losing their jobs, falling behind on mortgages, having difficulty finding new jobs, etc.” That is true. However, we do know that job loss for older workers was more severe during this recession than at any time since the Bureau of Labor Statistics (BLS) began current record keeping, which goes back to 1948. The average duration of job loss soared to such levels that the BLS increased its top coding of duration from two to five years. Financial anxiety may not be at an all-time high—we have no way of knowing that—but we do know that many older workers have put their retirement plans on hold as a result of what happened to them or people they know during the economic downturn.

ABOUT THE BOOMERS

The findings in this report, it should be stressed, apply to boomers aged 50 and older who were in the labor force at the time of the first interview or who had been in it at some point in the previous three years. Younger boomers and those who had been out of the labor force for a longer period were not included in the study. Hence, the findings apply to aged 50-plus boomers with current or recent (defined as within the previous three years) labor market experience; they are generalizable to an estimated 80 percent of the boomer population aged 50 to 64.16

ABOUT THE DATA ANALYSES

In the following analyses, figures, and tables, boomers were aged 50 to 64 as of October 2010. In all tables and figures, percentages are weighted. Respondent counts are unweighted. Unless otherwise indicated, differences noted as significant are at the .05 level. Questions referenced below figures and tables refer to the first survey (wave 1 in October 2010) unless wave 2 (August 2011) is specifically noted.
Older workers—a segment of the population that has been much in the news in the past several years—have been pegged as the “new unemployables” because so many have been unable to find work since losing their jobs during the recession. Their persistently long duration of unemployment has been tracked since the start of the recession, and the adverse consequences they face as a result of unemployment have been well documented.

As highlighted in this chapter, additional data continue to paint a gloomy picture of the experiences of and prospects for many older Americans.

Figure 2-1 shows that more than 7 out of 10 boomer respondents, who had a mean age of 56, were employed in late October 2010. The rest were either not working but looking for work (17 percent) (referred to subsequently as “unemployed”), or not working and not looking for work (10 percent) (referred to as “out of the labor force”), although they reported having been part of the workforce at some time during the previous three years.

It is important to note that the 17 percent unemployed is not comparable to the official unemployment rate. It is simply the percentage of all boomers in the survey who identified themselves as “not currently working but looking for work.” The figure is not based solely on those who were in the labor force. In contrast to the monthly Current Population Survey from which the official unemployment rate is derived, the survey did not specifically ask if respondents had been doing anything to find work in the last four weeks. Nor was it designed to probe about job-seeking activities. Rather, as written, the questionnaire accepted what respondents said best described their current employment status, in this case, “I am not currently working, but I am looking for work.”

For much of the discussion in this report, the employed segment is divided into two groups: workers who had experienced some involuntary unemployment in the previous three years (“Over the past 3 years, have you experienced any periods of involuntary unemployment [i.e.,
unemployment due to job loss, firing, ending of temporary job, etc.?"), \(^{21}\) and workers who had not experienced any involuntary unemployment (although they might have had a spell of not working for other reasons). The employed with involuntary unemployment are sometimes referred to as “reemployed” and the employed without involuntary unemployment as “the steadily or continuously employed.” The latter group includes people who may have changed jobs, retired, or returned to work after a spell of not working for some reason other than involuntary unemployment. Boomers who had recently experienced involuntary unemployment but who were working in October 2010 made up 18 percent of all employed respondents and 13 percent of the total sample. When they are added to the unemployed, we find that just less than one in three respondents (30 percent) was either unemployed at the time of the survey or had been involuntarily unemployed in the previous three years.

**CHARACTERISTICS OF BOOMERS WITH CURRENT OR RECENT LABOR MARKET EXPERIENCE**

Consistent with prior research that has found that men had a tougher time than women staying employed or finding work during the recession, \(^{22}\) boomers who were either unemployed in October 2010 or who had recently experienced involuntary unemployment were more likely to be men than were the employed without recent involuntary unemployment. Those out of the labor force were much more likely to be women (table 2-1).

Educational attainment was lower for boomers who were not working—either because they were unemployed or because they were out of the labor force—than for those who were. \(^{23}\) The unemployed were much more likely than the employed to have less than a high school education and substantially less likely to be college graduates. The racial/Hispanic origin distribution differed relatively little by employment status except in the case of the unemployed: Fifteen percent of the unemployed were Hispanic, compared with 6 percent to 8 percent of the other employment statuses.

As would be expected, boomers no longer in the labor force were, on average, older (mean age of 59) than their still economically active counterparts (mean age of 56). Six in 10 boomers were married or living with a partner. Marital status differences by employment status were relatively modest with the exception of the currently unemployed, who were less likely than the other groups to be married and more likely never to have married.

Income distribution by employment status revealed predictable differences, particularly at the extremes. Stable employment makes a difference: The steadily employed boomers (i.e., those without any recent involuntary unemployment) were most likely to have annual household

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### Figure 2-1. Employment Status of Boomers Aged 50 to 64 Compared to Preboomers Aged 65-Plus, October 2010*

<table>
<thead>
<tr>
<th></th>
<th>Employed</th>
<th>Unemployed</th>
<th>Out of the labor force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>70%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>Boomers</td>
<td>73%</td>
<td>17%</td>
<td>10%</td>
</tr>
<tr>
<td>Preboomers</td>
<td>59%</td>
<td>16%</td>
<td>25%</td>
</tr>
</tbody>
</table>

*To qualify for inclusion in the survey, all respondents were either in the labor force (working or not working but looking for work) at the time of the survey or, if out of the labor force, had been employed or had looked for work at some time in the 3 years prior to the survey.*
Table 2-1. Socioeconomic Characteristics of Boomers Aged 50 to 64 by Employment Status, October 2010

<table>
<thead>
<tr>
<th></th>
<th>Total Employed (n=2,970)</th>
<th>Employed, No Involuntary Unemployment (n=2,427)</th>
<th>Reemployed* (n=533)</th>
<th>Unemployed** (n=552)</th>
<th>Out of the Labor Force (n=428)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sex</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>49%</td>
<td>48%</td>
<td>56%</td>
<td>54%</td>
<td>42%</td>
</tr>
<tr>
<td>Female</td>
<td>51%</td>
<td>52%</td>
<td>44%</td>
<td>46%</td>
<td>58%</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some high school or less</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>High school graduate</td>
<td>26%</td>
<td>26%</td>
<td>28%</td>
<td>29%</td>
<td>35%</td>
</tr>
<tr>
<td>Some college</td>
<td>29%</td>
<td>28%</td>
<td>32%</td>
<td>29%</td>
<td>28%</td>
</tr>
<tr>
<td>Bachelor’s degree or higher</td>
<td>41%</td>
<td>42%</td>
<td>36%</td>
<td>27%</td>
<td>28%</td>
</tr>
<tr>
<td><strong>Race/Hispanic Origin</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Hispanic white</td>
<td>78%</td>
<td>79%</td>
<td>75%</td>
<td>65%</td>
<td>72%</td>
</tr>
<tr>
<td>Non-Hispanic black</td>
<td>9%</td>
<td>7%</td>
<td>12%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Other non-Hispanic***</td>
<td>6%</td>
<td>6%</td>
<td>7%</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>7%</td>
<td>7%</td>
<td>6%</td>
<td>15%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Average Age</strong></td>
<td>56</td>
<td>56</td>
<td>56</td>
<td>56</td>
<td>59</td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married/living w/partner</td>
<td>63%</td>
<td>64%</td>
<td>61%</td>
<td>51%</td>
<td>63%</td>
</tr>
<tr>
<td>Widowed</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Divorced/separated</td>
<td>21%</td>
<td>21%</td>
<td>23%</td>
<td>26%</td>
<td>24%</td>
</tr>
<tr>
<td>Never married</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
<td>19%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $25,000</td>
<td>11%</td>
<td>9%</td>
<td>21%</td>
<td>40%</td>
<td>33%</td>
</tr>
<tr>
<td>$25,000-$49,999</td>
<td>25%</td>
<td>24%</td>
<td>29%</td>
<td>27%</td>
<td>22%</td>
</tr>
<tr>
<td>$50,000-$74,999</td>
<td>25%</td>
<td>26%</td>
<td>23%</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>$75,000-$99,999</td>
<td>16%</td>
<td>17%</td>
<td>14%</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>$100,000 or more</td>
<td>22%</td>
<td>24%</td>
<td>14%</td>
<td>8%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Base: boomers aged 50 to 64 (n=3,950).

*Refers to experience with involuntary unemployment in the 3 years prior to the survey. Ten employed boomers did not indicate whether they had experienced any involuntary unemployment.

**Although these respondents were looking for work, the definition is not comparable to the official unemployment rate. See Chapter 2, “Portrait of the Older Labor Force in Late 2010.”

***Also includes persons of two or more races.
incomes of $100,000 or more (24 percent) and least likely to have income of less than $25,000 (9 percent). Boomers unemployed at the time of the survey had the fewest with the highest income (8 percent with $100,000 or more) and the greatest percentage (40 percent) with less than $25,000. When it came to household income, employed boomers with some involuntary unemployment and those who were out of the labor force fared better than the unemployed but not as well as the steadily employed (table 2-1).

THE NATURE OF THE JOBS HELD BY BOOMERS

Full-time employment characterizes the majority of working boomers in the total population, and the same was true for boomers in this study: Three-fourths (76 percent) of employed boomers worked full time; women were significantly more likely than men to be part-time workers (30 percent versus 18 percent). Although minorities were somewhat more likely than non-Hispanic whites to work part time, the differences were not large and were statistically significant only between non-Hispanic whites and blacks (23 percent and 30 percent, respectively).

Employed boomers who had experienced some involuntary unemployment—the reemployed—were significantly less likely to report being full time than the steadily employed (63 percent versus 79 percent). As illustrated in figure 2-2, if working part time, the reemployed were also less than half as likely as their counterparts without any recent involuntary unemployment to say they preferred working part time (20 percent versus 50 percent) and (not included in the figure) more than four times as likely to have been able to find only part-time work (37 percent versus 8.5 percent). If the response “business conditions/employer cannot offer more hours” is combined with the inability to find full-time work, the percentage unable to work full time for economic reasons jumps to nearly three in five (56 percent) among the reemployed. The comparable figure for the steadily employed was one in four (26 percent) (figure 2-2).

The high percentage of involuntary part-time work highlights one of the often adverse consequences of unemployment, even among those who are subsequently reemployed: New jobs often offer fewer hours than workers want or need. Nationally, the percentage of nonagricultural workers aged 55

WHO IS IN THE STUDY?

• Employed with no involuntary unemployment experience: Respondents who as of October 2010 had been employed and said they had experienced no involuntary unemployment in the previous three years (also referred to as steadily or continuously employed). Some may, however, have had a spell of not working due to, for example, caregiving or illness.

• Reemployed: employed with involuntary unemployment experience: Respondents who as of October 2010 were employed but who had been involuntarily unemployed at least once during the previous three years.

• Employed: Sum of the employed with no involuntary unemployment and the reemployed.

• Unemployed: Respondents who as of October 2010 were without a job but looking for work.

• Out of the labor force: Respondents who as of October 2010 were without a job and were not looking for work.
and older who were working part time because they could not find full-time work nearly doubled over the course of the recession.27

Health problems often cause people to scale back work hours, but few boomers mentioned them as the reason for working part time—or those who had experienced recent involuntary unemployment (9 percent) or those who had not (8 percent). Caregiving, included in the “other” category in figure 2-2, was the explanation for part-time work of only 6 percent of employed boomers.

Occupational differences among boomers in the various employment statuses were not striking.28 (Employed boomers were asked about their current occupation. Boomers who were unemployed or out of the labor force were asked about their occupation in their most recent job.)29

When occupational categories were collapsed into white- and blue-collar classifications30 along with a residual “other,”31 differences by employment status once again were not very large (figure 2-3), although the steadily employed boomers were more likely to be white-collar workers than were the reemployed, the unemployed, or those no longer in the labor force. The latter three groups of boomers were more likely to be or to have been blue-collar workers, a classification that encompasses many of the jobs lost during the Great Recession.

Nearly one in five employed boomers (18 percent) owned their own business, which was a one-person shop for the majority (64 percent). Although self-employment may be the last resort for unemployed workers who cannot find a job, there were no significant differences in the percentage of self-employed between the employed with and without any involuntary unemployment experience (19 percent and 18 percent, respectively).

**REASONS FOR NOT WORKING—THE UNEMPLOYED**

Workers leave their jobs for a variety of reasons, but during recessions opting to quit a job without another one in hand may not be the wisest decision for older workers because of the additional barriers (e.g., age discrimination, employer concern about technological competence) they often face in the job search. In fact, older workers might be more inclined than ever to stay put when unemployment rates are high. Indeed, as seen in figure 2-4, when asked the main reason why they
were not working for pay right now, very few unemployed boomers (3 percent) mentioned voluntarily leaving their last job. Rather, the main reason, by far, was job loss (47 percent), followed at some distance by an inability to find work (19 percent). To be sure, inability to find work can follow job loss—and certainly has done so since the start of the recession—so the actual percentage of job losers could be higher than indicated in figure 2–4. About 1 in 10 was unemployed because of sickness, disability, or medical treatment. With the exception of caregiving or other family/personal obligations—more frequently the main reason for women’s unemployment than men’s (6 percent versus 1 percent)—differences by sex were minor.

Although unemployed Hispanic boomers reported having lost a job less frequently than non-Hispanic whites (37 percent versus 48 percent) or non-Hispanic blacks (49 percent), the differences were not statistically significant. Unemployed Hispanics did, however, cite health problems as a reason for not working significantly more often than non-Hispanic whites (28 percent versus 8.5 percent).  

Figure 2–4. Unemployed Boomers’ Main Reason for Not Working

Q8. “What is the main reason that you are not working for pay right now?” Base: unemployed (n=552).
LABOR FORCE EXIT

Boomers who had left the labor force within the previous three years were asked the main reason they were not working or looking for work at the time of the survey (figure 2-5) and also why they had left their last job (figure 2-6). Figure 2-5 shows that nearly half (47 percent) responded that they were neither working nor looking for work at the time of the survey because they were fully retired. Another one-fourth (26 percent) were out due to sickness, disability, or medical treatment (confirming the findings of other studies demonstrating the importance of health or disability issues in the decision to leave the labor force before the full retirement age).34

Despite the fact that nearly half of the boomers who were not in the labor force at the time of the survey said that they were retired, only one-third reported that they had left their last job to retire (figure 2-6). Some who left for other reasons—job loss, for example—apparently began to see themselves as retired as time passed.

Women were significantly less likely than men to note that the main reason they were neither working nor looking for work was that they were fully retired (41 percent versus 57 percent). Aside from that, there were few differences by sex. Caregiving or other family or personal obligations appeared to have propelled relatively few boomers out of the labor force or kept them out: Only 6 percent said these were the main reasons they had left their last job (see figure 2-6), and fewer than 5 percent reported that such obligations were why they were not in the labor force at the time of the survey. As would be expected, women were more likely than men to mention being out of the labor force for caregiving reasons; however, the cell sizes were too small for a meaningful comparison.

Hispanics were more likely to report being fully retired (64 percent) than non-Hispanic blacks (39 percent) or non-Hispanic whites (48 percent), but the cell sizes for minorities were very small, and the difference was significant just in the case of Hispanics versus non-Hispanic blacks.

FACING BARRIERS TO FINDING EMPLOYMENT—THE ECONOMY AND AGE DISCRIMINATION

Under the best of circumstances, older unemployed men and women often have a difficult time finding work as a result of employer concerns about cost, productivity, skill sets, and/or

<table>
<thead>
<tr>
<th>Figure 2-5. Main Reason for Boomers Neither Working Nor Looking for Work*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully retired</td>
</tr>
<tr>
<td>Sick, disabled, medical treatment</td>
</tr>
<tr>
<td>Caregiving, other family or personal obligations</td>
</tr>
<tr>
<td>Employers think I am too old</td>
</tr>
<tr>
<td>Could not find work</td>
</tr>
<tr>
<td>In school or other training</td>
</tr>
<tr>
<td>No jobs available in my line of work or area</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

Q11. “What is the main reason why you are not working or looking for work right now?” Base: out of the labor force (n=428).

*Respondents were also asked if they felt they lacked the necessary schooling, training, or skills; no one said yes.
competition from more recently trained younger workers. This has not, however, been the best of times—the job search on the part of older workers has been especially difficult and prolonged since the recession began. In the month of the first survey, jobseekers aged 50 and over had been looking for work for an average of 43.3 weeks, according to national data. Unemployed boomers in the present survey indicated that they had been out of work for an average of about two years, a figure that seems high compared with the national average at the time.

Some of the difference may be due to confusion in how the questions about duration of unemployment should have been answered. However, the national figure, which was computed from Bureau of Labor Statistics data, likely underestimated length of unemployment due to the top-coding of duration at two years at the time of the survey. The exact time span for jobseekers looking for longer than two years would have been coded as two years.

Boomers who were looking or who had looked for work at some point during the previous three years mentioned facing a variety of barriers in their search, often more than one. Understandably, the barrier most frequently mentioned was economic (see figure 2-7). The “bad economy” was an especially common reason for unemployed boomers or employed boomers with recent involuntary unemployment experience—about 7 out of 10 in each employment status pointed to a bad economy as a barrier that they had faced in their job hunt. Boomers who were out of the labor force but who had looked for work since leaving their last job were somewhat less likely to cite the bad economy and more likely than the other groups to say that they had faced no barriers, perhaps having given up the job search before they felt overwhelmed by any barriers.

Although age discrimination was not mentioned anywhere nearly as frequently as the economy, it was nonetheless a perceived barrier for a substantial percentage of boomers who had looked for work, especially the currently unemployed (see figure 2-7). In fact, nearly half (49 percent) of the boomers who were unemployed at the time of the survey saw age discrimination as a barrier to finding a job. Such perceptions may have been linked to another commonly perceived barrier: finding a job that pays the seeker fairly for his or her skills and experience. Maybe this was viewed as a barrier in many instances because too few openings were seen as “suitable,” especially in the down economy. Perhaps unemployed boomers desperate for work were responding to any job opening they heard about, even those for which they were not especially qualified. Or employers actually may have been discriminating against older jobseekers both in terms of job offers and compensation when there was an offer.

Figure 2-6. Main Reason Why Boomers Who Were Out of the Labor Force Left Their Last Job

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retired</td>
<td>34%</td>
</tr>
<tr>
<td>Lost last job</td>
<td>24%</td>
</tr>
<tr>
<td>Sick, disabled</td>
<td>18%</td>
</tr>
<tr>
<td>Caregiving, other family or personal obligations</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>18%</td>
</tr>
</tbody>
</table>

Q58. “Why did you leave your last job?” Base: out of the labor force (n=428).
When asked about the *most difficult* barrier they faced, the economy emerged as the major response for all employment statuses, although substantially less often among those who were out of the labor force (figure 2-8) despite having looked for work. Age discrimination was much less likely to have been identified as the most difficult barrier faced in the job search.

As might be expected in view of the fact that they were currently looking for work, the unemployed were more inclined than other jobseekers to point to the economy as the most difficult barrier they faced the least likely to say they faced no barriers in their search for work.

**How Age Affects the Job Search**

Boomers were asked specifically how age might have affected their job search (figure 2-9). A sizable minority of the reemployed (21 percent) and unemployed (13 percent) did not know, which is understandable since job applicants generally have little or no information on the qualifications of the competition. Few of the reemployed or unemployed thought that their age had a positive impact. However, about one in three (31 percent) reemployed boomers and one in eight (12 percent) unemployed boomers said that it had no impact. It would be encouraging if employers were ignoring age in the application selection process. Still, perceptions of age’s
negative impact on the job search were more common, especially among the unemployed, nearly two-thirds of whom contended that their age had either a very negative (17 percent) or somewhat negative (48 percent) impact on their search for work. The reemployed ultimately got back to work, so any pain from being passed over by employers was less likely fresh by the time of the survey. It is easy to see how older jobseekers who fail to hear back from prospective employers, who are never interviewed, or who lose out to other applicants—especially if this happens often—think that their age is working against them.

**Age and Terminations**

Boomers were also asked whether age had been a reason that an employer had let them go. Regardless of employment status, about half of the boomers surveyed did not think that age was a reason for termination from a job (figure 2-10). Workers often have more information about dismissals than hirings—they can generally see who has been discharged and who has been retained. Although only a minority reported that age almost certainly was a factor, the unemployed were twice as likely as the reemployed to feel this way (12 percent versus 6 percent, respectively).

---

**Figure 2-8. Most Difficult Barrier Boomers Face When Looking for Work by Employment Status**

<table>
<thead>
<tr>
<th>Barrier Description</th>
<th>Reemployed</th>
<th>Unemployed</th>
<th>Out of the labor force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad economy</td>
<td>41%</td>
<td>35%</td>
<td>52%</td>
</tr>
<tr>
<td>Age discrimination</td>
<td>12%</td>
<td>15%</td>
<td>14%</td>
</tr>
<tr>
<td>Finding a job paying me fairly for skills/experience</td>
<td>18%</td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>Occupation or industry in decline</td>
<td>10%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>High expectations***</td>
<td>2%</td>
<td>3%</td>
<td>13%</td>
</tr>
<tr>
<td>Other</td>
<td>8%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>No significant barriers</td>
<td>7%</td>
<td>2%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Q25, Q48, Q62. “Which was (has been) the most difficult barrier you faced in getting a new job?” Base: employed with some involuntary unemployment (n=533); unemployed for reasons other than being retired (n=498); out of the labor force who had looked for work (n=168).

*Unemployed but had not been retired.

**Includes only those who said that they had looked for employment since they stopped working.

***Seeking job qualities that are hard to get (such as flexible hours, part-time work, part-year work).
A LITTLE HELP DURING UNEMPLOYMENT

Unemployment insurance (UI) benefits play a critical role in replacing some of the earnings lost as a result of job dislocation. Since the recession began, the period over which benefits are paid has been extended a number of times. Even so, with duration of unemployment as high as it has been, the probability that large numbers of workers will exhaust their benefits has been a concern. In the present study, about half of both the unemployed and reemployed received unemployment benefits, but only a minority of recipients had used them up before finding work or, in the case of the still unemployed, before they were surveyed in October 2010 (figure 2-11). Some of those UI recipients may since have exhausted those benefits.

Boomers who had exited the labor force were the least likely to collect UI, probably because so many retired and withdrew. Those who did collect but who subsequently left the labor force, however, were substantially more likely than the others to exhaust their benefits—it may have been the exhaustion that propelled them out of the labor force, or alternatively, they may have stayed in until the benefits were used up.

Relatively few boomers received the help paying for the health insurance coverage that they might have needed while unemployed, even though the American Recovery and Reinvestment Act (ARRA) reduced Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) premiums for eligible individuals involuntarily terminated from employment through the end of May 2010.

UPGRADING SKILLS IN A DOWN ECONOMY

Keeping skills up to date is critical if workers are to remain competitive in today’s economy, and many boomers in the survey were attempting to do just that. Four out of 10 reported having recently engaged in training, other educational activities, or certification programs (all referred to subsequently simply as “training”) to refresh or enhance their job skills (figure 2-12). Differences emerged by employment status: Workers with the most stable employment (i.e., the continuously employed) were more likely than others to participate in training: Nearly half (47 percent) of the employed with no recent involuntary unemployment reported training, in contrast to about one-third of both the reemployed (32 percent) and unemployed (30 percent). Even fewer boomers who were out of the labor force (22 percent) had been recently trained, perhaps because so many of them had retired and felt they no longer needed it or that it would not lead to a job.

When asked whether the training was for their current career or work, or to find a new job or career or both, nearly three-fourths (73 percent) of all boomers and more than 8 in 10 (85 percent) of the continuously employed said it was just for their current job. Reemployed and currently
unemployed boomers were about equally likely (approximately one-fourth of each) to say training was for a new job or career only, and just about as many indicated that it was for both the job/career they had and a new one, perhaps figuring that they would cover the bases—the training might help them keep current (or recent) job skills honed and so enhance their value to their current employer as well as prepare them for something else (see figure 2-13).

Employment status had a substantial impact on how training was paid for. Employers or unions were the main source of payment, mentioned by 45 percent of the boomers surveyed who received training (see figure 2-14), but they were far more common sources of funding for the steadily employed than for other groups. Very few of the unemployed (13 percent) mentioned an employer or union; those who said their employer paid for the training might have been referring to training they received while still employed. That is also likely the case for those no longer in the labor force, nearly 4 in 10 of whom had their training paid for by an employer. Self-payment was the most typical form of payment for the unemployed and reemployed, undoubtedly because they lacked access to other payment sources. The unemployed were the most frequent users of government programs, and although few boomers in any employment status obtained loans, the unemployed received them more often than boomers in other employment statuses.

Did the training pay off? With the exception of the unemployed, about half of the boomers who had had training in the previous three years felt that it helped them at least somewhat and often a great deal (table 2-2). The unemployed, however, were considerably less positive about the benefits of training: Two out of five (41 percent) maintained that it had not helped them at all. This is perhaps not surprising, since they were still unemployed and any training designed to find a new job/career had yet to show results. Boomers no longer in the labor force were also more likely than the employed to contend that training helped them “not at all,” possibly because they were already thinking of leaving the labor force when they engaged in training and did not view training as a means to keep or find a job.
WHY NOT TRAIN?
Not all boomers, even those who were employed, had engaged in training or other educational activities in the recent past. As seen in table 2-3, being too close to retirement was a common reason for not training, particularly among those who had recently been in the labor force but who had exited by the time of the survey (46 percent). Lack of access/affordability was another issue for both the unemployed (33 percent) and, to a lesser extent, the reemployed (17 percent). This is troublesome, since unemployed workers may need training more than others in order to find work in a changing economy.

Q33. “When you were unemployed, did you receive either of the following forms of assistance?” Base: employed who experienced involuntary unemployment in the previous 3 years (n=533).

Q44. “Since you have been unemployed, have you received either of the following forms of assistance?” Base: unemployed for reasons other than retirement (n=498).

Q65. “Since you stopped working, have you received either of the following forms of assistance?” Base: out of the labor force (n=428).

Figure 2-11. Boomers’ Receipt of Unemployment Insurance (UI) Benefits and Health Insurance Assistance by Employment Status

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>Received UI benefits</th>
<th>Used up all benefits</th>
<th>Received assistance paying for health insurance (COBRA subsidies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reemployed</td>
<td>50%</td>
<td>23%</td>
<td>14%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>47%</td>
<td>36%</td>
<td>9%</td>
</tr>
<tr>
<td>Out of the labor force</td>
<td>61%</td>
<td>13%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Figure 2-12. Boomers Who Engaged in Training by Employment Status

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, all boomers</td>
<td>40%</td>
</tr>
<tr>
<td>Employed, total</td>
<td>44%</td>
</tr>
<tr>
<td>Employed, no involuntary unemployment</td>
<td>47%</td>
</tr>
<tr>
<td>Reemployed</td>
<td>32%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>30%</td>
</tr>
<tr>
<td>Out of the labor force</td>
<td>22%</td>
</tr>
</tbody>
</table>

Q81. “At any time in the past 3 years, did you participate in training, education, schooling, or certification programs to refresh or enhance your skills, develop new skills, or acquire knowledge that would contribute to success?” Base: all boomers (n=3,950).
Fully one-third felt that training would not be relevant or useful, a response most common among the steadily employed (42 percent) (table 2-3). Again, this finding is cause for concern. These boomers may have been the most secure in the study, at least as far as employment was concerned. And perhaps they did know all they needed to know to do their jobs. Or maybe the training that was offered was not particularly relevant to what they do. Nonetheless, employers have long expressed reservations about older workers’ technological competence and ability to learn new technology. By not participating in training or other educational activities, older workers are neither updating their skills nor proving to their employers that they can master the latest technology.

Q82. “What kind of training or education did you participate in?” Base: boomers who participated in training, education, schooling, or certification programs (n=1,730).

Figure 2-13. Reasons Boomers Participated in Training by Employment Status

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>For current job/career</th>
<th>To find new job/career</th>
<th>Both</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total who participated in training</td>
<td>73%</td>
<td>10%</td>
<td>11%</td>
<td>6%</td>
</tr>
<tr>
<td>Employed, total</td>
<td>80%</td>
<td>7%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Employed, no involuntary unemployment</td>
<td>85%</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Reemployed</td>
<td>46%</td>
<td>26%</td>
<td>23%</td>
<td>5%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>37%</td>
<td>25%</td>
<td>29%</td>
<td>9%</td>
</tr>
<tr>
<td>Out of the labor force</td>
<td>63%</td>
<td>18%</td>
<td>13%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Q83. “Who paid for the education or training?” Base: boomers who participated in training, education, schooling, or certification programs in the past 3 years (n=1,730).

Figure 2-14. Sources of Payment for Training Received by Boomers*

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self/family</td>
<td>35%</td>
</tr>
<tr>
<td>Employer/union</td>
<td>45%</td>
</tr>
<tr>
<td>Loan</td>
<td>3%</td>
</tr>
<tr>
<td>Government program</td>
<td>4%</td>
</tr>
<tr>
<td>No cost</td>
<td>17%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
</tbody>
</table>

*Fewer than 1 percent (not included in the figure) did not know or were unsure of who paid for the training. In addition, multiple answers were possible, so numbers will not add up to 100 percent.
Table 2-2. Boomers’ Assessment of Whether Additional Training Helped in Their Career by Employment Status

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Total Employed</th>
<th>Employed, No Involuntary Unemployment</th>
<th>Reemployed</th>
<th>Unemployed</th>
<th>Out of the Labor Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>A great deal</td>
<td>21%</td>
<td>23%</td>
<td>23%</td>
<td>25%</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>Somewhat</td>
<td>36%</td>
<td>39%</td>
<td>40%</td>
<td>30%</td>
<td>22%</td>
<td>29%</td>
</tr>
<tr>
<td>A little</td>
<td>25%</td>
<td>25%</td>
<td>24%</td>
<td>28%</td>
<td>25%</td>
<td>21%</td>
</tr>
<tr>
<td>Not at all</td>
<td>17%</td>
<td>13%</td>
<td>12%</td>
<td>17%</td>
<td>41%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Q87. “To what extent has this education or training helped you in your career (e.g., your earnings, your ability to get a job, your duties at work, etc.).” Base: boomers who at any time in the past three years had participated in training, education, schooling, or certification programs to refresh or enhance their skills, develop new skills, or acquire knowledge that would contribute to job success (n=1,730).

Table 2-3. Why Boomers Did Not Engage in Training by Employment Status

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Total Employed</th>
<th>Employed, No Involuntary Unemployment</th>
<th>Employed, Involuntary Unemployment</th>
<th>Unemployed**</th>
<th>Out of the Labor Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not relevant/useful</td>
<td>33%</td>
<td>40%</td>
<td>42%</td>
<td>32%</td>
<td>17%</td>
<td>24%</td>
</tr>
<tr>
<td>Too close to retirement</td>
<td>31%</td>
<td>29%</td>
<td>29%</td>
<td>32%</td>
<td>24%</td>
<td>46%</td>
</tr>
<tr>
<td>Could not afford/did not pursue for other reasons</td>
<td>24%</td>
<td>22%</td>
<td>20%</td>
<td>30%</td>
<td>34%</td>
<td>21%</td>
</tr>
<tr>
<td>Did not know where to get training</td>
<td>5%</td>
<td>4%</td>
<td>3%</td>
<td>8%</td>
<td>10%</td>
<td>3%</td>
</tr>
<tr>
<td>Unemployed, lacked access or could not afford</td>
<td>11%</td>
<td>5%</td>
<td>1%</td>
<td>17%</td>
<td>33%</td>
<td>11%</td>
</tr>
<tr>
<td>It did not occur to me</td>
<td>11%</td>
<td>12%</td>
<td>13%</td>
<td>7%</td>
<td>13%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Q88. “Why didn’t you participate in any education/training?” Base: boomers who had not participated in training, education, schooling, or certification programs (n=2,200).
Since the recession began, many boomers have struggled financially. Income reportedly declined for more than two-fifths (45 percent) over the three-year period ending in October 2010. At the time of the first survey, the majority (55 percent) still felt less secure financially than in 2007, even though the recession had been officially over for more than a year.

FACING FINANCIAL HARDSHIP: THE UNEMPLOYED AND REEMPLOYED

A sizable percentage of both the currently unemployed and the reemployed reported that they/their families had faced financial hardship as a result of unemployment during the previous three years. About one-fifth of each group said it was or had been a very serious hardship (figure 3-1), with nearly all unemployed boomers (92 percent) experiencing at least some degree of financial hardship.

Although relatively few reemployed escaped financial hardship, they were more likely to do so than the still unemployed—hardly surprising since the former once again had earnings coming in. Differences by sex were small and not significant.

Financial hardship affected boomers of every race. In fact, for the unemployed the picture was quite grim regardless of race or Hispanic origin. For example, among reemployed boomers, non-Hispanic whites were the least likely to report very serious, serious, or some financial hardship because of unemployment, but more than three-fourths (77 percent) did. All Hispanics and more than 9 out of 10 non-Hispanic blacks reported some degree of financial hardship as a result of unemployment.

Fewer than half (46 percent) of the reemployed felt that, as a result of getting back to work, they were (or would soon be) “back on track” financially.\textsuperscript{42} It makes sense that the recently unemployed would continue to experience difficulty making ends meet, given the decline in income resulting from job loss. Even a short spell of unemployment can throw a person’s finances off track. Of the more than half of reemployed who did not feel that they were back on track, low pay (65 percent) and depletion of savings (54 percent) (figure 3-2) were the most common explanations. Other frequently mentioned factors included the burden of debt, the temporary/part-
time nature of the new job, and expected major expenditures.

Of course, many workers who have never been unemployed probably think that their jobs pay too little, but the fact that so many who had experienced involuntary unemployment were later involuntary part-time workers (see chapter 2) likely meant that they were working fewer hours than they wanted or needed.

DIFFICULTY MAKING ENDS MEET

During the three years preceding the survey, about half (51 percent) of boomers experienced a period when they had difficulty making ends meet. As can be seen below, some segments of the boomer population experienced significantly more difficulty than others:

■ Higher-income boomers were much less likely than lower-income boomers to have difficulty making ends meet (32 percent for those with $75,000 or more of household income versus 73 percent for those with less than $25,000 in household income).43

■ A larger share of women (56 percent) than men (46 percent) reported having difficulty making ends meet.

---

<table>
<thead>
<tr>
<th>Difficulty Making Ends Meet</th>
<th>Reemployed</th>
<th>Unemployed*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very serious</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>Serious</td>
<td>20%</td>
<td>34%</td>
</tr>
<tr>
<td>Some</td>
<td>41%</td>
<td>36%</td>
</tr>
<tr>
<td>Very little</td>
<td>12%</td>
<td>6%</td>
</tr>
<tr>
<td>None</td>
<td>7%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Q29. “How much financial hardship did you/your family face because of unemployment during the past 3 years?” Base: employed who experienced involuntary unemployment in previous three years (n=533).

Q46. “How much financial hardship are you/your family experiencing because of unemployment?” Base: those unemployed for reasons other than retirement (n=498).

*Unemployed for reasons other than retirement.

---

**Figure 3-2. Reasons Why Reemployed Boomers Were Not “Back on Track” Financially**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job pays too little</td>
<td>65%</td>
</tr>
<tr>
<td>Exhausted savings</td>
<td>54%</td>
</tr>
<tr>
<td>Debt to repay</td>
<td>49%</td>
</tr>
<tr>
<td>Job is only temporary or part time</td>
<td>38%</td>
</tr>
<tr>
<td>Major expenditures ahead</td>
<td>32%</td>
</tr>
<tr>
<td>Other</td>
<td>14%</td>
</tr>
<tr>
<td>Not applicable</td>
<td>3%</td>
</tr>
</tbody>
</table>

Q31. “What are the reasons you are not yet ‘back on track’?” Base: workers with recent involuntary unemployment experience (n=279) who said no to Q30: “Now that you are re-employed, do you feel like you are (or will soon) be ‘back on track’ financially?”
Non-Hispanic black boomers (70 percent) were much more likely to have difficulty making ends meet than non-Hispanic white boomers (47 percent), with Hispanics occupying the middle ground (61 percent).

Employment status had an impact on making ends meet: Boomers who were unemployed at some point during the survey period were the most likely to have had difficulty making ends meet, whether they had found a job by the time of the survey or not. Seventy percent of unemployed boomers and two-thirds (67 percent) of reemployed boomers reported difficulty making ends meet, in contrast to two-fifths (42 percent) of the continuously employed and half (49 percent) of those who were out of the labor force.

Although the findings point to racial differences in making ends meet, this may be due to the higher incomes of non-Hispanic white boomers compared with blacks and Hispanics (table 3-1).

About half of boomers had difficulty making ends meet in the three years following the start of the recession.

Why the Difficulty Making Ends Meet?

Boomers provided a number of reasons why they had difficulty making ends meet (figure 3-3). The top three were an increase in everyday expenses (60 percent), a decline in household income (56 percent), and extraordinary and unexpected expenses (47 percent).

For those who had experienced involuntary unemployment (the reemployed) or who were out of work at the time of the survey, the decline in income was the most common reason (75 percent and 68 percent, respectively). The continuously employed and those out of the labor force pointed most frequently to the rise in everyday household expenses (64 percent). As mentioned earlier, from 2008 to 2010 the overall price level was fairly stable. The run-ups in prices were limited to certain items and in many cases were followed by price declines. Health care seems to be one of the few areas where expenses grew consistently and significantly over the period and may hold a key to explaining the response to the survey, but the survey did not ask specifically about health care costs. In addition, to make a substantial dent in a typical family’s finances, health care expenses must be large enough.

Table 3-1. Boomers’ Household Income by Race/Hispanic Origin

<table>
<thead>
<tr>
<th>Race/Hispanic Origin</th>
<th>Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$24,999 or less</td>
</tr>
<tr>
<td>Non-Hispanic white</td>
<td>16%</td>
</tr>
<tr>
<td>Non-Hispanic black</td>
<td>31%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>24%</td>
</tr>
</tbody>
</table>

Q97. “During the past 3 years, was there any period of time during which you had difficulty making ends meet?” Base: all boomers (n=3,950).
which might be more consistent with some sort of an extraordinary event. It does not seem probable that such a large share of respondents who experienced a major medical expense would see it as a regular everyday expense rather than an extraordinary one.

**WHAT ABOUT SAVINGS?**

Putting off saving or not saving as much is an understandable reaction to tough economic times. Although saving less may boost consumption today and help get the bills paid, it may have enormous consequences for future financial well-being. Indeed, the state of boomers’ retirement accounts could be one of the factors determining whether they plan to work longer.

Overall, two-thirds of boomers had experienced some reduction in retirement savings balances during the previous three years. The percentages were nearly the same across all employment statuses, with a somewhat higher incidence among the reemployed.44

The percentages reporting reductions in savings balances were also nearly identical for both men and women. Statistically significant differences by race/Hispanic origin did emerge, however. At 71 percent, white non-Hispanic boomers had the largest share of respondents reporting a decline in their retirement balances. Fifty-four percent of Hispanic boomers and 43 percent of non-Hispanic blacks reported a drop in retirement savings.

Despite this setback, by the time of the survey in October 2010, 60 percent of boomers were somewhat positive about the future of their retirement savings. Almost 10 percent said that their balances had gotten back to where they had been. About half reported that the balances were moving in the right direction, even though they had not fully erased the losses that occurred during the recession by October 2010. The continuously employed were the most likely (71 percent) and the unemployed were the least likely (38 percent) to report either of these two positive outcomes. Boomers in the other categories clustered around the 50 percent mark.

A smaller but still considerable portion of boomers (39 percent) had not seen their balances recover by the time of the survey. The survey did not explore the reasons for the dichotomy between those who recovered and those who had not. One possible explanation may lie in their reaction to the dramatic drop of the financial market in 2008. Those who had maintained their stock market investments might have benefited from the broad market rise over the following two years—a 70 percent return, as measured by the S&P 500, between its lowest point in the spring of 2009 and the survey date in October 2010. On the other hand, investors who sold off at the bottom of the market and moved toward safe but low-yielding investments were unlikely to have recouped their losses by the end of 2010.
Boomers who experienced difficulty making ends meet (see chapter 3) were asked what they did in response. Generally, the steps they took fell into two categories: cutting expenses and finding or generating money (figure 4-1). More boomers (69 percent) cut expenses than did anything else. This was followed by withdrawing money from a savings account (57 percent), delaying medical and dental care, and postponing or stopping the use of medication (52 percent). More than one-third said that they used credit cards for their daily expenses, which can result in high credit card debt with large interest payments.

The first two responses represent a reasonable reaction to financial problems, unlikely to raise any concerns. The third most frequent response—delaying medical or dental care or postponing or stopping medication—is more worrisome because of its potential impact on health. Surprisingly, respondents in almost all of the employment groups selected this course of action over other available choices.

In some instances, curtailing doctors’ visits might reduce discretionary expenses and have no serious health consequences. Conversely, the decision to delay or reduce health care visits and medication could have an adverse impact on health and quality of life. For example, many of the medical tests and screenings recommended for the older population are conducted in order to catch emerging health problems at an early stage, when the prognosis is usually more favorable and treatment may be less invasive and costly. If large segments of the aged 50-plus population choose to ignore these recommendations and continue doing so over an extended period, not only are the incidence of certain health problems and their severity likely to increase, but overall health care costs are likely to rise, with potentially negative budgetary consequences for the public. In addition, although some boomers in the survey might have been covered by Medicare,45 most were not yet Medicare-eligible. Some boomers nearing eligibility for Medicare may postpone procedures until after they become eligible.46

The next most significant way boomers dealt with financial difficulty was by reducing (or completely stopping) saving and by increasing borrowing. Approximately 3 in 10 boomers either...
“stopped or cut back on savings for retirement,” or “stopped or cut back on other (nonretirement) savings” (37 percent and 31 percent, respectively). About as many boomers (35 percent) used credit cards for daily expenses in order to make ends meet (see figure 4-1).

Employed boomers who had experienced some involuntary unemployment were the most likely to have stopped saving for retirement (49 percent). There may be a seemingly positive interpretation to this finding, namely that even among the involuntarily unemployed, half continued to save or possibly resumed saving once reemployed. An alternative and less optimistic interpretation, however, is that these boomers were not saving much before the start of the recession and thus lacked options for cutting back on savings when things got difficult. Responses to the questions about savings habits and the level of comfort with accumulated balances suggest that for a large majority, the latter scenario indeed was the case.

A smaller (but substantial) share of boomers (18 percent) took a distribution from a 401(k) or other retirement savings account (figure 4-1). Predictably, the continuously employed were the

---

**Figure 4-1. Boomers’ Actions to Make Ends Meet**

<table>
<thead>
<tr>
<th>Action</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cut back on expenses</td>
<td>69%</td>
</tr>
<tr>
<td>Withdrew money from a savings acct.</td>
<td>57%</td>
</tr>
<tr>
<td>Delayed getting medical, dental care; delayed, ceased taking medication</td>
<td>52%</td>
</tr>
<tr>
<td>Stopped or cut back on saving for retirement</td>
<td>37%</td>
</tr>
<tr>
<td>Used credit card for daily expenses</td>
<td>35%</td>
</tr>
<tr>
<td>Stopped or cut back on other (nonretirement) savings</td>
<td>31%</td>
</tr>
<tr>
<td>Received financial help from family and friends</td>
<td>30%</td>
</tr>
<tr>
<td>Took a distribution from a 401(k), other retirement savings acct.</td>
<td>18%</td>
</tr>
<tr>
<td>Collected food stamps (SNAP)</td>
<td>14%</td>
</tr>
<tr>
<td>Went back to work; increased work hours</td>
<td>13%</td>
</tr>
<tr>
<td>Dropped health insurance coverage</td>
<td>13%</td>
</tr>
<tr>
<td>Tapped home equity</td>
<td>11%</td>
</tr>
<tr>
<td>Took a loan from 401(k), other retirement acct.</td>
<td>10%</td>
</tr>
<tr>
<td>Took out consumer loan from bank, other financial institution</td>
<td>9%</td>
</tr>
<tr>
<td>Started to collect Social Security retirement benefits</td>
<td>8%</td>
</tr>
<tr>
<td>Found cheaper health insurance</td>
<td>7%</td>
</tr>
<tr>
<td>Started to collect Social Security disability benefits</td>
<td>7%</td>
</tr>
<tr>
<td>Started to collect pension benefits</td>
<td>6%</td>
</tr>
<tr>
<td>None of the above</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Q99.** “Did you (or your spouse/partner) do any of the following in the past 3 years to make ends meet?”
Base: boomers who had difficulty making ends meet (n=1,794).
least likely to resort to this way of dealing with their financial problems. Considerably more unemployed and reemployed boomers turned to their 401(k) or other retirement savings accounts in response to such problems.47

Boomers in need of ready access to funds as a result of a job loss often can only withdraw, not borrow against, their retirement funds. Not only may withdrawal jeopardize long-term savings goals, but in many cases withdrawal subjects borrowers to a 10 percent tax penalty. On the one hand, the tax penalty may discourage early withdrawals and thus contribute to the growth of retirement balances. On the other hand, it may hurt boomers in financial distress. It may also discourage them from putting money into these types of accounts because of the difficulty and cost of accessing the “locked” savings in an emergency.

Compared with those who took a retirement account distribution, about half as many boomers (10 percent) took a loan from a 401(k) or other retirement account (figure 4-1). Typically, this is not a viable option for those no longer employed by the plan sponsor, which helps explain why the reemployed and unemployed were less likely to use this option than boomers in other employment statuses.

Overall, nearly a quarter of the boomers either borrowed against or withdrew money from retirement accounts or did both to deal with immediate financial problems. This suggests that for a large segment of the older population, retirement savings served as an emergency fund, with access to the accounts varying: Some withdraw the money, others borrow against it.

Table 4-1 summarizes a number of statistically significant demographic and socioeconomic differences for the top seven actions boomers took to make ends meet (as shown in figure 4-1).

Table 4-1. Boomers’ Take Actions to Make Ends Meet by Race/Hispanic Origin and Household Income

<table>
<thead>
<tr>
<th>Boomer’ Actions</th>
<th>Household Income*</th>
<th>Race/Hispanic Origin*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than $25,000</td>
<td>$75,000 or more</td>
</tr>
<tr>
<td>Cut back on expenses</td>
<td>62%</td>
<td>73%</td>
</tr>
<tr>
<td>Withdrew money from a savings account</td>
<td>43%</td>
<td>66%</td>
</tr>
<tr>
<td>Delayed medical, dental care; delayed, ceased taking medications</td>
<td>58%</td>
<td>44%</td>
</tr>
<tr>
<td>Stopped or cut back on saving for retirement</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Used credit card for daily expenses</td>
<td>25%</td>
<td>45%</td>
</tr>
<tr>
<td>Stopped or cut back on other (nonretirement) savings</td>
<td>25%</td>
<td>37%</td>
</tr>
<tr>
<td>Received financial help from family and friends</td>
<td>47%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Q99. “Did you (or your spouse/partner) do any of the following in the past 3 years to make ends meet?”
   Base: boomers who had difficulty making ends meet during the 3 years prior to the survey (n=1,794).

*Both household income groups are statistically different unless indicated by a dash (–). Statistical differences among racial groups are revealed by first assigning letters to the racial groups: a (non-Hispanic white), b (non-Hispanic black), and c (Hispanic). Statistical differences are illustrated using the absence or presence of the letters in each of the cells. For example, Non-Hispanic white boomers are shown to be statistically different from non-Hispanic black and Hispanic boomers by placing the letters b and c in the non-Hispanic white cell.
Relatively more higher-income than lower-income boomers stopped or cut back on nonretirement savings and withdrew money from a savings account, perhaps because they had been more able to save in the first place and so had savings to cut back on. Similarly, because non-Hispanic white boomers were more often in higher-income brackets than non-Hispanic black or (to a lesser extent) Hispanic boomers, they may have had higher savings. Thus, they might have been more likely to withdraw money from savings or cut back on nonretirement savings than either non-Hispanic black or Hispanic boomers.

More higher-income and non-Hispanic white and Hispanic boomers used credit cards for expenses than lower-income and non-Hispanic black boomers.

Lower-income and non-Hispanic black boomers were more likely to turn to family and friends for help than higher-income and non-Hispanic white or Hispanic boomers, perhaps because they have fewer traditional options for making ends meet. In fact, available data show that many lower-income or minority households do not have access to checking or savings accounts48 and must rely on alternative financial services for loans, such as payday lenders or auto-title loans, that require relatively high interest rates (in some cases triple-digit interest rates).49

Interestingly, more non-Hispanic white boomers delayed medical or dental care or stopped medication than non-Hispanic black or Hispanic boomers. Just why this was the case is unclear. Receipt of government-sponsored health insurance such as Medicaid may be part of the explanation.50

As for income differences, lower-income boomers were more likely than higher-income boomers to delay medical care, perhaps because they have lower health insurance coverage and the coverage is of lower quality.51 Because lower-income people are more likely to be uninsured (excluding those with Medicaid or other government insurance programs), they have more reason to delay medical care, since their out-of-pocket expenses will likely be much higher without health insurance.

Workers can utilize more than one strategy to make ends meet, and, indeed, most boomers combined strategies over the study period. Overall, about one-third used one to three strategies; about two-fifths used four to six strategies; and about one in six used seven or more. There were no statistically significant differences among income groups in the number of strategies used. It was not the number of strategies that distinguished income groups but rather the type of strategy chosen to cope with financial difficulty.

POSTPONING RETIREMENT

The survey looked into whether, as a result of the recession, boomers expect to retire later than they had previously planned, implying longer working lives. Many older workers have indicated in surveys that they expect to work longer as a result of the market downturn.52

Two-fifths of boomers (42 percent) reported that the age at which they expected to fully retire had changed in the previous three years, with the reemployed and unemployed most likely to have done so (more than half of each compared with fewer than 4 in 10 of the other employment statuses).53 Despite their experience with unemployment, however, they were not more likely than the stably employed to plan on working longer.

Fully 83 percent of those whose expected retirement age had changed reported planning to retire later; differences by employment status were relatively small except for those who were out of the labor force, only 53 percent of whom cited a higher expected retirement age.

TURNING TO SOCIAL SECURITY

Even when retirement is delayed, eligible workers might begin to collect Social Security earlier in response to financial difficulties. Although the proportion of workers opting for early retirement...
benefits under Social Security rose during the recession, this was an option for a minority of boomers in the survey, since most of them were not yet old enough (at least age 62) to qualify.

Overall, only 8 percent of boomers noted that they or a spouse/partner had started collecting Social Security retirement benefits as a means to make ends meet; nearly as many had begun collecting Social Security disability benefits. Twelve percent of the unemployed but only 4 percent of the continuously employed turned to Social Security retirement benefits as a means of making ends meet. Differences would likely have been greater had more of the unemployed been at least aged 62. Receipt of Social Security retirement benefits was most common among boomers who were out of the labor force (26 percent), since they were the most likely to be eligible for benefits.

Of the boomers who began collecting Social Security retirement benefits to make ends meet, more than two-thirds (69 percent) began collecting them earlier than planned. Because all of the boomers were under the full eligibility age at the time of the first wave of the survey, they were getting early, actuarially reduced benefits; however, the boomer sample size becomes too small for any meaningful analysis by employment status.

The total number of respondents collecting benefits earlier than planned is of course larger when the boomer and preboomer samples are combined, generating a somewhat more reliable sample for comparing differences by employment status, which is an important variable in this report. In figure 4-2, we make an exception to the report’s focus on boomers and look at all respondents age-eligible for Social Security retirement benefits (i.e., aged 62-plus).

Regardless of employment status, the majority of respondents started collecting Social Security before they had planned to (figure 4-2). The percentages were higher for those who experienced unemployment than for the continuously employed or those who had exited the labor force, often to retire on schedule (see chapter 2). For the latter, early retirement with early Social Security might well have been part of their retirement plan.

**Figure 4-2. Respondents Aged 62+ Opting for Social Security Earlier Than Planned by Employment Status**

**Q100.** “Did you begin collecting Social Security earlier than you had previously planned to?” Base: boomers aged 62 to 64 and preboomers or a spouse who had taken Social Security retirement benefits in the past 3 years to help make ends meet (n=252).
The fact that the percentages collecting earlier than planned were higher—sometimes considerably higher—for those who experienced financial trouble suggests that labor market adversity did contribute to the decision to start collecting the benefits early. Yet there is no reason to believe that the decision among the economically distressed groups was based solely on the hardships they had experienced. It seems more likely that their decision was based on a combination of factors.

BOOMERS TAKE OTHER STEPS IN DEALING WITH THE RECESSION

Much of the discussion in this chapter has looked at boomers who experienced difficulty making ends meet during the three years prior to being surveyed and the steps they took as a result. This section pertains to all boomers (not just those who experienced hardships in making ends meet) and some of the things they did as a result of (or in the face of) the recession.

Figure 4-3 shows that boomers or a family member undertook various work-related activates as a result of the recession. Eighteen percent reported reentering the labor force; that is, they began working after a period of not working or looking for employment. Almost as many (15 percent) had been encouraged to look for a better job. Given the fact that so many boomers (51 percent) (see chapter 3) had difficulty making ends meet during the recession, increasing household income by starting to work more hours or taking on another job (each done by nearly 13 percent) comes as no surprise.

Figure 4-3 also shows that few boomers (7 percent) dealt with the recession by going into business for themselves. If they had jobs, a recession might not be the time to venture into something as risky and uncertain as opening a new business.

Q108. “As a result of the recession, have you or has anyone else in your family done any of the following?” Base: all boomers (n=3,950).
Chapter 5
What the Future Holds—Perceptions of Well-Being in Retirement

The majority of boomers lack confidence that they will have an adequate nest egg for retirement. Women are more worried than men.

Among the country’s major ethnic groups, non-Hispanic blacks were the most worried about debt and saving, but they worried less about meeting their retirement needs.

Many boomers have decided to increase their working hours, to pay off their nonmortgage debt, to postpone retirement, to save more, and to invest more prudently.

The goal of the survey was not only to gain insight into older Americans’ current economic state and how it may have been affected by the Great Recession, but also to understand the impact the recession has had on perceptions of future well-being. This was accomplished directly by eliciting survey participants’ views of the future, and indirectly by asking respondents to assess such things as the adequacy of their savings and the burden posed by indebtedness.

DEBT AND SAVINGS

Like most Americans, the boomer generation might be described as having an ambivalent attitude toward debt—they might not like it but seem to find it hard to live without it. Some 45 percent of the survey’s boomers declared themselves either somewhat or very uncomfortable with their level of indebtedness. Among the 15 percent of the sample that had lost their job but were still looking to find another, the share of those uncomfortable with their indebtedness rose to 66 percent. The greater discomfort of the unemployed probably reflects the extra burden that servicing a given amount of debt imposes when income from work falls, the need to borrow to soften the impact of declining income on a household’s standard of living, and the fear that they will remain unemployed. The unemployed may need to take on more debt but are less able to afford it.

Whether or not survey participants were saving for retirement depends significantly on their employment status. Half of boomers stated that they were saving for retirement. This rises to 67 percent for the steadily employed but drops to 41 percent for those who had a spell of unemployment, and plummets to 17 percent among the currently unemployed. Their efforts to save notwithstanding, boomers have not amassed large nest eggs: Half (51 percent) had retirement savings of less than $100,000. Of boomers not currently saving for retirement, 75 percent had saved in the past, but 70 percent of those who had saved had accumulated retirement savings of less than $100,000.59
CONFIDENCE AND PERCEIVED PROSPECTS

The recession has shaken the confidence of older Americans in their ability to manage financially in retirement. Asked how confident they were that they had enough money to live comfortably in retirement, 55 percent of boomers said that they were either not too confident or not at all confident. Of employed boomers who had suffered a spell of unemployment, 65 percent gave the same answer. Even more striking, as of October 2010, 59 percent stated that they were less confident of having enough money for a comfortable retirement than they had been before the recession started. However, 29 percent expected that their financial situation would improve over the coming year, while 14 percent expected it to worsen. The same percentage of unemployed participants looking for work expected an improvement, but 25 percent expected their financial situation to worsen.

The recession has shaken the confidence of older Americans in their ability to manage financially in retirement.

To test the theory that concerns about the ability to manage financially in retirement focus on fears of not being able to cope with particular contingencies, survey participants were asked a series of questions on their ability to cope with health care costs, long-term care costs, inflation, and the like. Boomers were most concerned with health care and long-term care costs, and with inflation that could cause income to shrink in real terms. They were less concerned but still quite concerned with leaving no bequest or an inadequate one, with being unable to afford to stay in their home, and with a surviving spouse not being able to maintain his or her accustomed standard of living (table 5-1). These concerns were particularly acute for unemployed participants looking for another job.

The less important concern over being able to afford to stay in one’s home probably reflects the fact that most older Americans own their homes outright and as a result are not as concerned about foreclosure. The concern over legacies—50 percent of boomers express some degree of concern over not being able to leave a legacy—may simply reflect the tendency for Americans to treat legacies as a residual item, rather than the object of a specific financial target.

One of the survey’s most striking findings is the gloomy view participants take of the economic environment. More than five in six boomers believe that the nation’s current economic problems will make it harder to take care of their financial needs in retirement. Respondents doubt that they will achieve even the same standard of living as their retired parents did: Forty-eight percent believe that their standard of living will be somewhat or even much worse than that of their parents (figure 5-1). In response to another question, 51 percent of boomers expect their retirement to be less secure than that of their parents (figure 5-2).

THE GENDER DIVIDE

Female boomers appeared to be more worried than male boomers about the levels of their savings and indebtedness, and they were less confident about how secure their retirement will be. Almost half (48 percent) of female boomers stated that they were somewhat or very uncomfortable with their
Table 5-1. Prominent Concerns of Boomers Regarding Threats to Financial Security by Employment Status

<table>
<thead>
<tr>
<th>Concern</th>
<th>Total (n=3,950)</th>
<th>Total Employed* (n=2,970)</th>
<th>Employed, No Involuntary Unemployment (n=2,427)</th>
<th>Reemployed (n=533)</th>
<th>Unemployed (n=552)</th>
<th>Out of the Labor Force (n=428)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not being able to maintain a reasonable standard of living in retirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very concerned</td>
<td>34%</td>
<td>30%</td>
<td>27%</td>
<td>43%</td>
<td>55%</td>
<td>27%</td>
</tr>
<tr>
<td>Somewhat concerned</td>
<td>42%</td>
<td>44%</td>
<td>45%</td>
<td>42%</td>
<td>34%</td>
<td>38%</td>
</tr>
<tr>
<td>Not too concerned</td>
<td>20%</td>
<td>21%</td>
<td>23%</td>
<td>15%</td>
<td>9%</td>
<td>29%</td>
</tr>
<tr>
<td>Not at all concerned</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>1%</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>Not having enough money to pay for adequate health care</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very concerned</td>
<td>43%</td>
<td>41%</td>
<td>37%</td>
<td>56%</td>
<td>59%</td>
<td>35%</td>
</tr>
<tr>
<td>Somewhat concerned</td>
<td>36%</td>
<td>38%</td>
<td>40%</td>
<td>30%</td>
<td>28%</td>
<td>35%</td>
</tr>
<tr>
<td>Not too concerned</td>
<td>15%</td>
<td>15%</td>
<td>16%</td>
<td>11%</td>
<td>10%</td>
<td>22%</td>
</tr>
<tr>
<td>Not at all concerned</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
<td>4%</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>Not having enough money to pay for a long stay in a nursing home or a long period of nursing care at home</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very concerned</td>
<td>47%</td>
<td>44%</td>
<td>40%</td>
<td>60%</td>
<td>62%</td>
<td>43%</td>
</tr>
<tr>
<td>Somewhat concerned</td>
<td>34%</td>
<td>36%</td>
<td>39%</td>
<td>25%</td>
<td>28%</td>
<td>31%</td>
</tr>
<tr>
<td>Not too concerned</td>
<td>14%</td>
<td>14%</td>
<td>15%</td>
<td>12%</td>
<td>8%</td>
<td>20%</td>
</tr>
<tr>
<td>Not at all concerned</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
<td>3%</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>Income in retirement not keeping up with inflation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very concerned</td>
<td>47%</td>
<td>43%</td>
<td>40%</td>
<td>56%</td>
<td>62%</td>
<td>45%</td>
</tr>
<tr>
<td>Somewhat concerned</td>
<td>37%</td>
<td>40%</td>
<td>41%</td>
<td>34%</td>
<td>27%</td>
<td>34%</td>
</tr>
<tr>
<td>Not too concerned</td>
<td>12%</td>
<td>13%</td>
<td>14%</td>
<td>8%</td>
<td>6%</td>
<td>18%</td>
</tr>
<tr>
<td>Not at all concerned</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
<td>1%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>You (spouse/partner) may not be able to maintain the same standard of living after your death, if you should die first</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very concerned</td>
<td>25%</td>
<td>24%</td>
<td>21%</td>
<td>33%</td>
<td>38%</td>
<td>18%</td>
</tr>
<tr>
<td>Somewhat concerned</td>
<td>26%</td>
<td>27%</td>
<td>28%</td>
<td>24%</td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td>Not too concerned</td>
<td>20%</td>
<td>20%</td>
<td>22%</td>
<td>14%</td>
<td>14%</td>
<td>31%</td>
</tr>
<tr>
<td>Not at all concerned</td>
<td>27%</td>
<td>27%</td>
<td>27%</td>
<td>28%</td>
<td>25%</td>
<td>31%</td>
</tr>
<tr>
<td>Depleting all savings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very concerned</td>
<td>41%</td>
<td>38%</td>
<td>35%</td>
<td>51%</td>
<td>60%</td>
<td>29%</td>
</tr>
<tr>
<td>Somewhat concerned</td>
<td>35%</td>
<td>37%</td>
<td>38%</td>
<td>33%</td>
<td>26%</td>
<td>37%</td>
</tr>
<tr>
<td>Not too concerned</td>
<td>16%</td>
<td>17%</td>
<td>19%</td>
<td>11%</td>
<td>7%</td>
<td>24%</td>
</tr>
<tr>
<td>Not at all concerned</td>
<td>7%</td>
<td>6%</td>
<td>7%</td>
<td>4%</td>
<td>6%</td>
<td>9%</td>
</tr>
</tbody>
</table>
**Table 5-1 continued**

<table>
<thead>
<tr>
<th>Not being able to afford to stay in current home for the rest of one’s life</th>
<th>Total (n=3,950)</th>
<th>Total Employed* (n=2,970)</th>
<th>Employed, No Involuntary Unemployment (n=2,427)</th>
<th>Reemployed (n=533)</th>
<th>Unemployed (n= 552)</th>
<th>Out of the Labor Force (n=428)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very concerned</td>
<td>31%</td>
<td>27%</td>
<td>25%</td>
<td>39%</td>
<td>52%</td>
<td>21%</td>
</tr>
<tr>
<td>Somewhat concerned</td>
<td>29%</td>
<td>30%</td>
<td>30%</td>
<td>28%</td>
<td>27%</td>
<td>28%</td>
</tr>
<tr>
<td>Not too concerned</td>
<td>26%</td>
<td>29%</td>
<td>31%</td>
<td>21%</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Not at all concerned</td>
<td>12%</td>
<td>13%</td>
<td>13%</td>
<td>12%</td>
<td>7%</td>
<td>18%</td>
</tr>
<tr>
<td>Not being able to leave money to children or other heirs</td>
<td>Very concerned</td>
<td>24%</td>
<td>21%</td>
<td>19%</td>
<td>31%</td>
<td>37%</td>
</tr>
<tr>
<td>Somewhat concerned</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>27%</td>
<td>23%</td>
<td>25%</td>
</tr>
<tr>
<td>Not too concerned</td>
<td>26%</td>
<td>27%</td>
<td>28%</td>
<td>20%</td>
<td>16%</td>
<td>33%</td>
</tr>
<tr>
<td>Not at all concerned</td>
<td>25%</td>
<td>26%</td>
<td>27%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Having to rely on children or other family members to provide financial assistance</td>
<td>Very concerned</td>
<td>23%</td>
<td>21%</td>
<td>18%</td>
<td>30%</td>
<td>40%</td>
</tr>
<tr>
<td>Somewhat concerned</td>
<td>26%</td>
<td>26%</td>
<td>25%</td>
<td>29%</td>
<td>29%</td>
<td>28%</td>
</tr>
<tr>
<td>Not too concerned</td>
<td>29%</td>
<td>32%</td>
<td>33%</td>
<td>25%</td>
<td>14%</td>
<td>29%</td>
</tr>
<tr>
<td>Not at all concerned</td>
<td>21%</td>
<td>21%</td>
<td>22%</td>
<td>16%</td>
<td>17%</td>
<td>26%</td>
</tr>
<tr>
<td>Having to move in with relatives or have relatives move in</td>
<td>Very concerned</td>
<td>22%</td>
<td>18%</td>
<td>16%</td>
<td>28%</td>
<td>39%</td>
</tr>
<tr>
<td>Somewhat concerned</td>
<td>24%</td>
<td>24%</td>
<td>23%</td>
<td>26%</td>
<td>27%</td>
<td>25%</td>
</tr>
<tr>
<td>Not too concerned</td>
<td>31%</td>
<td>34%</td>
<td>35%</td>
<td>26%</td>
<td>18%</td>
<td>32%</td>
</tr>
<tr>
<td>Not at all concerned</td>
<td>22%</td>
<td>23%</td>
<td>24%</td>
<td>20%</td>
<td>16%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Q111. “Please indicate how concerned you are about each of the following [if Q1=1 insert: in retirement]? Are you very concerned, somewhat concerned, not too concerned, or not at all concerned? Base: total boomers (n=3,950).

*Total employed includes 10 employed boomers who did not indicate whether they had experienced any involuntary unemployment.

Totals will not necessarily add to 100 percent because “no answers” have been omitted.
current level of debt, compared with 41 percent of their male counterparts. Women were also more worried about the adequacy of their savings, with 64 percent describing themselves as somewhat or very uncomfortable, versus 59 percent of men. As for confidence in having enough money to finance a comfortable retirement, 60 percent of female boomers were not too or not at all confident, compared with 51 percent of their male peers.

Apart from these general concerns, female boomers also tend to be somewhat, albeit not significantly, more concerned than their male counterparts about particular contingencies, including the possibility that they will not be able to afford adequate health care and about the affordability of nursing home care. Similar differences were found for other contingencies described above.

Part of the difference in attitudes between boomer men and women probably reflects the fact that an older woman is more likely to be living alone than her male contemporary.62 Older women who live alone cannot benefit from the economies of family scale and the partial insurance against the consequences of job loss or sickness that marriage or cohabitation provides. In addition, a woman’s greater life expectancy means that after allowing for Social Security and other annuitized income, she will require a bigger nest egg to finance a given standard of living.

THE ROLE OF ETHNICITY

The responses to many of the survey questions varied significantly with the ethnicity of the participant. Non-Hispanic whites were significantly less uncomfortable with the level of debt they had incurred than non-Hispanic blacks and Hispanics.63 Close to 6 in 10 (58 percent) declared themselves to be either very or somewhat comfortable, compared with about 4 in 10 non-Hispanic blacks and Hispanics (42 percent and 40 percent, respectively). A similar pattern was found with saving, where two in five (41 percent) non-Hispanic whites were either somewhat or very comfortable with their current level of savings versus one in four non-Hispanic blacks and Hispanics (25 percent and 23 percent, respectively).
Despite the lack of comfort of many blacks and Hispanics with their current level of saving, however, these groups were less likely to be saving for retirement, perhaps because they did not have the means to do so. The lack of savings helps explain the considerable differences between groups in the value of retirement account balances. Some 64 percent of non-Hispanic blacks had account balances of less than $50,000, compared with 42 percent of non-Hispanic whites. Hispanics exhibited a pattern similar to non-Hispanic blacks, with 61 percent having accumulated savings of less than $50,000. The difference in the accumulated balances between non-Hispanic blacks and Hispanics compared with non-Hispanic whites reflects in part the lower rates of participation of blacks and Hispanics in 401(k) plans.

These findings suggest that blacks and Hispanics are even less confident than non-Hispanic whites that their retirement will be adequately financed. However, about 45 percent each of non-Hispanic whites and blacks described themselves as very or somewhat confident, compared with 34 percent of Hispanics. Non-Hispanic blacks were more likely to be not at all confident than whites, however (27 percent vs. 21 percent). They were also less likely to be concerned about the impact of interest rate fluctuations on income in retirement than members of the other groups. These results might reflect the fact that blacks rely relatively more on Social Security and less on income from financial markets than whites. Blacks are also more likely to be members of a defined benefit (DB) pension plan than are Hispanics. DB plan wealth is not included in the survey’s measure of wealth.

The greater role of Social Security and DB pensions in the retirement income of blacks compared with Hispanics might also explain why fewer blacks thought that the nation’s current economic problems would make it harder for them to meet their retirement needs than other groups: Sixty-three percent of non-Hispanic blacks felt this way, as opposed to 85 percent of Hispanics and 87 percent of non-Hispanic whites. Blacks were also less likely than whites or Hispanics to worry that their standard of living in retirement would fall short of their parents’ in retirement.

**MEASURES TAKEN**

More than half of the boomers surveyed (54 percent) had taken steps to alleviate the impact of the recession on their prospective retirement security. Among the possible compensatory measures that the questionnaire specified, 43 percent of boomers resolved to work at least part time, 40 percent were paying down debt, and 39 percent were saving more. About one-third would reduce the share of risky assets in their portfolios or would put off their retirement date (figure 5-3 and table 5-2). Of those who were saving more, 73 percent had already established an IRA or were members of a 401(k) plan and were increasing their contributions. The additional saving was said to be financed in the case of 61 percent of participants by reducing household expenditures and in the case of 24 percent by increases in income.
Q119a. “What steps have you (and your spouse/partner) taken?” Base: boomers who said they or a spouse/partner had taken steps to prepare for a more secure retirement/make sure they can retire when they want to/make sure their retirement resources will be adequate (n=2,401).
Table 5-2. Actions Taken by Boomers to Enhance Financial Security in Retirement by Employment Status

<table>
<thead>
<tr>
<th>Action</th>
<th>Total (n=2,401)</th>
<th>Total, Employed* (n=1,863)</th>
<th>Employed, No Involuntary Unemployment (n=1,575)</th>
<th>Reemployed (n=285)</th>
<th>Unemployed (n=251)</th>
<th>Out of the Labor Force (N=287)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Started saving more for retirement</td>
<td>39%</td>
<td>44%</td>
<td>46%</td>
<td>33%</td>
<td>23%</td>
<td>24%</td>
</tr>
<tr>
<td>Moved some or all of my (our) assets and savings to less risky assets and savings</td>
<td>34%</td>
<td>33%</td>
<td>33%</td>
<td>34%</td>
<td>30%</td>
<td>43%</td>
</tr>
<tr>
<td>Changed where or who I turn to for financial advice</td>
<td>12%</td>
<td>11%</td>
<td>11%</td>
<td>10%</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>Started getting financial advice from more sources to check one against another</td>
<td>16%</td>
<td>16%</td>
<td>15%</td>
<td>21%</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>Changed where my (our) retirement savings are invested</td>
<td>25%</td>
<td>25%</td>
<td>24%</td>
<td>29%</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Put off my expected date of retirement</td>
<td>36%</td>
<td>40%</td>
<td>39%</td>
<td>42%</td>
<td>37%</td>
<td>11%</td>
</tr>
<tr>
<td>Decided I will likely work at least part time in retirement</td>
<td>43%</td>
<td>43%</td>
<td>42%</td>
<td>48%</td>
<td>64%</td>
<td>26%</td>
</tr>
<tr>
<td>Spouse/partner will likely work at least part time in retirement</td>
<td>24%</td>
<td>25%</td>
<td>24%</td>
<td>30%</td>
<td>28%</td>
<td>19%</td>
</tr>
<tr>
<td>Decided to pay off the mortgage</td>
<td>23%</td>
<td>23%</td>
<td>23%</td>
<td>22%</td>
<td>22%</td>
<td>29%</td>
</tr>
<tr>
<td>Decided to pay down other debt (not including a mortgage)</td>
<td>40%</td>
<td>41%</td>
<td>42%</td>
<td>40%</td>
<td>26%</td>
<td>43%</td>
</tr>
<tr>
<td>Started looking for work/ returned to work</td>
<td>12%</td>
<td>7%</td>
<td>5%</td>
<td>15%</td>
<td>46%</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Q119a. “What steps have you (and your spouse/partner) taken?” Base: boomers who in Q119 had taken steps to prepare for a more secure retirement/make sure they can retire when they want to/make sure their retirement resources will be adequate.

*Total who indicated having taken steps to prepare for a more secure retirement includes 3 employed boomers who did not indicate whether they had experienced any involuntary unemployment.
There is little doubt that millions of Americans have been left feeling concerned, frustrated, and depressed as a result of what happened during or since the recession. Losing a job, being unable to make mortgage payments, or lacking access to health care can befall workers at any time, but the recession increased the number experiencing those problems and other financial difficulties. Many boomers were let go from their jobs and have not found another, have had their homes foreclosed upon, or have delayed getting the health care they need.

As presented elsewhere in this report, a number of the items in the AARP Public Policy Institute study were designed to measure older Americans’ concerns about current and future financial well-being. Sizable percentages of boomers noted that they were very concerned, for example, that their income in retirement might not keep up with inflation or that they might deplete all of their savings.

To capture the intensity of older Americans’ concern about their financial well-being during and following the Great Recession, a composite score was constructed that summed up the responses to questions dealing with worry or concerns about financial matters. This score includes only questions that attempted to get at subjective worry or concern; it does not include specific events or situations that might cause feelings of concern, such as becoming unemployed or falling behind on mortgage payments.

For each of the 5,027 people interviewed in October 2010 (boomers aged 50 to 64 and preboomers aged 65-plus), a “financial concern” score was calculated based on 16 questions. These questions sought to determine how respondents felt at the time the question was asked or what they expected their own personal or family economic situation would be in the future. The 16 items, along with the frequency and percentage response to each, can be found in table B-1 in appendix B.

To compute the boomer financial concern score, a scale value ranging from 1 to 5 was assigned to each response, person by person, with a 1 assigned for the most positive response (such as very comfortable, excellent, very confident, or not at all concerned, depending on the question). A 5 was assigned for the most negative response (e.g., very uncomfortable, poor, not at all confident, very concerned), and an intermediate value was assigned for the other responses. If a respondent did not answer a question because he or she refused, did not know, or was unsure, the
mean value of those who did respond was assigned to the individual with no response. There were few instances of nonresponse.

A respondent’s financial concern score is simply the sum of the assigned scores for each of the 16 questions, ranging from a minimum score of 16 (least concerned) to a maximum score of 80 (most concerned). See appendix B for details.

Since this score is created from individual items discussed elsewhere in this report, it does not present “new” information. Rather, it provides a single convenient summary measure of the level of overall financial concern expressed by survey participants in response to 16 separate items.

### BOOMERS AND FINANCIAL WORRIES: WHO ARE THE MOST CONCERNED?

Boomers who were suffering, or who recently had suffered, a financial setback in the form of unemployment were the most concerned, as measured by their mean or “average” concern score. Overall, boomers in the survey had a mean financial concern score of 54.4, not far above the midpoint (48) of the range from least concerned at 16 to most concerned at 80 (table 6-1). The unemployed had the highest mean score (61.9), which comes as no surprise given the hardships they have experienced as a result of their often prolonged unemployment. Both the unemployed and the employed who had experienced recent involuntary unemployment were significantly more concerned than the “comparison” case of the continuously employed (i.e., those with no recent involuntary unemployment). Respondents who had exited the labor force and retirees

| Table 6-1. Average Financial Concern Score for Boomers by Selected Demographic Variables |
|---------------------------------|---------------------------------|---------------|
| **Employment Status**           | **Mean Score**                  |               |
| Total, All Boomers              |                                 | 54.4          |
| Employed, total                 |                                 | 53.1*         |
| Employed, no involuntary unemployment |                           | 52.0*         |
| Reemployed                      |                                 | 58.1*         |
| Unemployed                      |                                 | 61.9*         |
| Out of the labor force          |                                 | 50.8*         |
| Returning retirees              |                                 | 51.0*         |
| **Sex**                         |                                 |               |
| Men                             |                                 | 52.7*         |
| Women                           |                                 | 56.0*         |
| **Race/Hispanic Origin**        |                                 | 53.8          |
| Non-Hispanic white              |                                 | 53.6          |
| Non-Hispanic black              |                                 | 59.1          |
| Hispanic                        |                                 |               |
| **Household Income**            |                                 | 59.1*         |
| Less than $25,000               |                                 | 57.7*         |
| $25,000-$49,999                 |                                 | 54.3          |
| $50,000-$74,999                 |                                 | 49.4*         |
| $75,000 or more                 |                                 |               |
| **Education**                   |                                 | 60.1*         |
| Some high school or less        |                                 | 56.1*         |
| High school graduate            |                                 | 56.1*         |
| Some college                    |                                 | 50.8*         |
| Bachelor’s degree or more       |                                 |               |

Base: all boomers (n=3,950).

*Statistically significant from the total for all boomers at the .05 level.
who returned to the labor force were not significantly different from the continuously employed. (Figure B-1 in the appendix provides average concern scores by employment status for boomers and preboomers.)

As evident in table 6-1, average scores differed by sex and race/Hispanic origin. Women’s higher score indicates that they were, on average, more concerned than the reference point of all boomers, which may reflect women’s generally lower earnings, overall income, and savings compared with men as well as the fact that they are likely to outlive their spouses. Hispanics—who were disproportionately represented among the unemployed—had a higher mean score than all boomers, while the averages for non-Hispanic whites and blacks were much more similar. These differences were not significant, however. Concern was also related to income and education—the lower the income and education, the higher the mean concern score compared to all boomers. Those scores make sense: The higher one’s educational attainment, the more likely one is to have—and keep—a good job with decent compensation and to be able to save, pay off debt, and maintain a higher standard of living. And, of course, the higher one’s income, the more financially secure one likely is.

_________________

Boomer women were one-third more likely than boomer men to express high financial concern.

_________________

Averages often obscure meaningful differences, particularly at the extremes. Table 6-2 zeros in on boomers who are the least and most concerned as defined by their financial concern score. We define boomers with a score in the bottom quartile as least concerned (or low concern) and those with a score in the top quartile as most concerned (or high concern). As can be seen in the table, 26.2 percent fell into the highest quartile—the most concerned. In contrast, 45.6 percent of the unemployed were among the most concerned, as were 33.9 percent of the currently employed who had experienced some involuntary unemployment in the previous three years. The differences between the latter two percentages and that for all boomers were statistically significant. On the other hand, employed boomers with no involuntary unemployment were significantly less likely (20 percent) than all boomers to be among the most concerned, that is, to fall into the highest quartile. Job stability clearly counts for a great deal when it comes to curbing financial insecurity.

These findings make sense—people who are out of work but who need or want a job and who have been looking for one without success are hardly likely to be sanguine about their financial well-being or prospects. Similarly, those who have recently been involuntarily unemployed may not yet have recovered financially and may be worried about recovery or, indeed, about the security of their new job. The proportions with high concern among those who were out of the labor force (19.5 percent) and returning retirees (15.5 percent) were lower (but not significantly lower) than the reference percentage for all boomers. We might have expected a higher figure for the returning retirees if they had reentered the labor force because they needed the money. If,
on the other hand, they were looking for meaningful activity, more opportunities to socialize, or wanted to get out of the house, then the low score makes sense as well.

These absolute proportions are, of course, informative and important. However, meaningful information also resides in the relative differences that are captured in a normalization process that enables a reader to quickly grasp differences in financial concern by various characteristics or attributes.68

Figures 6-1 and 6-2 portray the normalized proportions presented in table 6-1, with the most concerned graphed in figure 6-1 and the least concerned in figure 6-2.69 In each figure the vertical line, which stands for 100, represents the baseline boomers who fall into each extreme of the concern score. Boomers with each of the attributes (e.g., a bachelor’s degree, earnings of $75,000 or more, etc.) are compared with boomers overall. In figure 6-1, for instance, the bar for employed boomers with some recent involuntary unemployment (reemployed) is 129, which is 29 above the 100 baseline, indicating that these boomers were 29 percent more likely to fall into the upper end of the concern score than boomers overall.

| Table 6-2. Low and High Financial Concern by Employment Status, Age, Sex, Race/Hispanic Origin, Household Income, and Education |
|---|---|---|
| **Reference Base** | Persons 50 to 64 (Boomers) | % Low Concern | % High Concern |
| **Employment Status** | Employed, total | 24.1% | 22.7% |
| | Employed, no involuntary unemployment | 26.4% | 20.1%* |
| | Reemployed | 13.8%* | 33.9%* |
| | Unemployed | 10.7%* | 45.6%* |
| | Out of the labor force | 30.2% | 19.5% |
| | Returning retirees | 32.6% | 15.5% |
| **Sex** | Men | 25.7% | 22.3% |
| | Women | 19.4% | 30.1% |
| **Race/Hispanic Origin** | Non-Hispanic White | 23.1% | 24.3% |
| | Non-Hispanic Black | 29.8% | 30.7% |
| | Hispanic | 13.2% | 34.4% |
| **Household Income** | Less $25,000 | 14.5% | 37.8%* |
| | $25,000-$49,999 | 14.5%* | 33.8%* |
| | $50,000-$74,999 | 21.3% | 23.1% |
| | $75,000 or more | 33.5%* | 16.5%* |
| **Education** | Some high school or less | 12.7% | 42.6%* |
| | High school | 19.1% | 29.2% |
| | Some college | 19.2% | 30.6% |
| | Bachelor’s degree or more | 29.3%* | 17.7%* |

Base: all boomers (n=3,950).

*Statistically significant from the totals (percent low concern or high concern) for all boomers at the .05 level.

Figures 6-1 and 6-2 portray the normalized proportions presented in table 6-1, with the most concerned graphed in figure 6-1 and the least concerned in figure 6-2. In each figure the vertical line, which stands for 100, represents the baseline boomers who fall into each extreme of the concern score. Boomers with each of the attributes (e.g., a bachelor’s degree, earnings of $75,000 or more, etc.) are compared with boomers overall. In figure 6-1, for instance, the bar for employed boomers with some recent involuntary unemployment (reemployed) is 129, which is 29 above the 100 baseline, indicating that these boomers were 29 percent more likely to fall into the upper end of the concern score than boomers overall.
At the other—or less concerned—extreme in table 6-2, just 10.7 percent of boomers unemployed as of October 2010 fell into the lowest concern quartile, compared with 22.5 percent of all boomers. The normalized proportion for these boomers was 48. Thus, according to this index, an unemployed boomer was only about half as likely as all boomers to be among the least concerned, a statistically significant difference. Unemployment can be seen once again to have taken its toll: The currently employed with recent involuntary unemployment were also more likely than all boomers to fall into the highest (most concerned) quartile and less likely to be among the least concerned. As indicated by the asterisks in table 6-2, both of these differences were statistically significant.

Looking at normalized proportions, it is easy to see, for example (figure 6-1), that the unemployed were more than twice as likely as those with no involuntary unemployment to have high concern. Boomers with less than $25,000 in annual income were more than twice as likely as those with $75,000 or more to fall into the high concern quartile. Similarly, boomers with less than a high school education were also more than twice as likely as those with a bachelor’s degree or more to be among the most concerned.

Women and minority boomers with fewer resources at their disposal (the jobless, the lowest income, or the least well educated, for example) may face greater discrimination in their search for work or more barriers in their efforts to save. Thus, it would not be surprising if they exhibit greater concern compared to all boomers. Although not all differences were statistically significant, their direction makes sense. The same point about direction could, for the most part, be made for the least concerned boomers (those in the lowest quartile on the concern index) (figure 6-2).
Figure 6-2. Normalized Proportion of Boomers in the Lowest Quartile of the Boomer Financial Concern Index by Selected Characteristics

The vertical line with the normalized number 100 represents the proportion of boomers (22.5 percent) that falls in the lower end of the concern score. The remaining bars are meant to compare boomers with different attributes to boomers overall.
In late August 2011, a randomly selected 1,304 members of the original sample of 5,027 were resurveyed to see if changes in the economic climate had resulted in changes in perceptions of current and future economic well-being. In the first half of 2011, it appeared as if the country might at last have put the recent recession behind it. The stock market had recovered to such an extent that many investors were back to where they had been before the recession. Despite a stubbornly high unemployment rate, jobs were being created and continuing job growth was predicted. To many, things did not seem quite as bleak as they had been. Had this apparently rosier economic scenario, at least compared with the previous several years, filtered down to the older respondents in the survey? Were they more optimistic than they had been, for example, about their prospects for a comfortable retirement? Had there been any change, particularly for the better, in boomers’ employment situation? Was the Great Recession finally over in the minds of boomers?

This update focuses on the 1,030 respondents (or 79 percent of the total resurveyed) who were classified as boomers in the first survey (wave 1) in October 2010. (Boomers were also 79 percent of wave 1 respondents.) Knowledge Networks administered the original and the follow-up surveys (see chapter 2 and appendix A).

Employment status had changed only slightly in the 10 months since these boomers were first interviewed (figure 7-1). Reinterviewed boomers were somewhat less likely to be employed than they had been in wave 1 (72 percent versus 75 percent in wave 1) and correspondingly more likely to have exited the labor force (12 percent versus 9 percent). The percentage of the total who were unemployed remained unchanged at 16 percent.70

Although it might appear that all boomers who were no longer employed had left the labor force, that was not quite the case. Nor was movement out of the workforce the only employment change that occurred over the 10 months since the wave 1 survey.

Chapter

7

Ten Months Later

- Ten months after the first survey, 80 percent of unemployed boomers were still unemployed.
- Nine out of 10 employed boomers were still employed. One in 10 of boomers who had been out of the labor force had reentered it.
- Relatively few boomers said that their financial well-being had changed for the better between October 2010 and August 2011.
- Only a minority felt that their retirement income security would be better than that of their parents; fewer felt that their children’s retirement would be better than theirs.
Most boomers remained in the same employment status as in the previous year—92 percent of the employed, 80 percent of the unemployed, and 89 percent of those who had been out of the labor force (table 7-1). However, 4 percent of the employed had become unemployed and 4 percent had left the labor force. Of those who had been out of the labor force, 11 percent had reentered and were working or looking for work (8 percent had found work). Thirteen percent of the unemployed were reemployed, and 7 percent had withdrawn from the labor force.

**WHAT DIFFERENCE DOES NEARLY A YEAR MAKE?**

As of August 2011—more than two years after the official end of the recession—boomers in general still had a rather grim outlook regarding job opportunities, the overall economy, and their own economic prospects (table 7-2). More than two in five (44 percent) boomers who responded to the second wave survey, for example, felt that job opportunities where they lived had worsened since the first survey, and only about one in four (23 percent) anticipated that the job situation would be better in another year. Seven in 10 (71 percent) lacked confidence in their own ability

### Table 7-1. Changes in Boomer Employment Status, October 2010 to August 2011

<table>
<thead>
<tr>
<th>Employment Status, October 2010</th>
<th>Employment Status, August 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employed</td>
</tr>
<tr>
<td>Employed</td>
<td>92%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>13%</td>
</tr>
<tr>
<td>Out of the labor force</td>
<td>8%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Q1** (wave 1). “Which of the following best describes your current employment status?”

**Q1b** (wave 2). “Which of the following best describes your current employment status?”

Base: total boomers interviewed in both wave 1 and wave 2 (n=1,030).
### Table 7-2. Perspectives of Boomers on the Economy and Financial Well-Being as of August 2011 by Employment Status

<table>
<thead>
<tr>
<th>Q2. Since October 2010 job opportunities where respondent lives</th>
<th>Total, All Boomers (n=1,030)</th>
<th>Employed, Both Waves (n=726)</th>
<th>Unemployed, Both Waves (n=96)</th>
<th>Out of Labor Force, Both Waves (n=96)</th>
<th>Newly Employed (n=23)</th>
<th>Newly Unemployed (n=36)</th>
<th>Newly Out of Labor Force (n=53)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved</td>
<td>8%</td>
<td>9%</td>
<td>7%</td>
<td>3%</td>
<td>4%</td>
<td>15%</td>
<td>2%</td>
</tr>
<tr>
<td>Worsened</td>
<td>44%</td>
<td>39%</td>
<td>59%</td>
<td>38%</td>
<td>61%</td>
<td>62%</td>
<td>67%</td>
</tr>
<tr>
<td>Stayed the same</td>
<td>48%</td>
<td>52%</td>
<td>34%</td>
<td>60%</td>
<td>36%</td>
<td>24%</td>
<td>31%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q3. Job opportunities a year from now</th>
<th>Total, All Boomers (n=1,030)</th>
<th>Employed, Both Waves (n=726)</th>
<th>Unemployed, Both Waves (n=96)</th>
<th>Out of Labor Force, Both Waves (n=96)</th>
<th>Newly Employed (n=23)</th>
<th>Newly Unemployed (n=36)</th>
<th>Newly Out of Labor Force (n=53)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Much better</td>
<td>2%</td>
<td>1%</td>
<td>3%</td>
<td>--</td>
<td>--</td>
<td>12%</td>
<td>2%</td>
</tr>
<tr>
<td>Somewhat better</td>
<td>21%</td>
<td>22%</td>
<td>17%</td>
<td>20%</td>
<td>21%</td>
<td>24%</td>
<td>20%</td>
</tr>
<tr>
<td>About the same</td>
<td>42%</td>
<td>46%</td>
<td>30%</td>
<td>35%</td>
<td>62%</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Somewhat worse</td>
<td>20%</td>
<td>17%</td>
<td>29%</td>
<td>27%</td>
<td>3%</td>
<td>21%</td>
<td>29%</td>
</tr>
<tr>
<td>Much worse</td>
<td>9%</td>
<td>7%</td>
<td>12%</td>
<td>10%</td>
<td>10%</td>
<td>12%</td>
<td>22%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>7%</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
<td>3%</td>
<td>9%</td>
<td>2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q4. Confidence in finding a good job in next 6 months</th>
<th>Total, All Boomers (n=1,030)</th>
<th>Employed, Both Waves (n=726)</th>
<th>Unemployed, Both Waves (n=96)</th>
<th>Out of Labor Force, Both Waves (n=96)</th>
<th>Newly Employed (n=23)</th>
<th>Newly Unemployed (n=36)</th>
<th>Newly Out of Labor Force (n=53)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very confident</td>
<td>6%</td>
<td>6%</td>
<td>3%</td>
<td>5%</td>
<td>--</td>
<td>18%</td>
<td>2%</td>
</tr>
<tr>
<td>Somewhat confident</td>
<td>20%</td>
<td>22%</td>
<td>13%</td>
<td>9%</td>
<td>11%</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Not too confident</td>
<td>37%</td>
<td>37%</td>
<td>37%</td>
<td>38%</td>
<td>14%</td>
<td>35%</td>
<td>30%</td>
</tr>
<tr>
<td>Not at all confident</td>
<td>35%</td>
<td>31%</td>
<td>42%</td>
<td>46%</td>
<td>71%</td>
<td>24%</td>
<td>41%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>3%</td>
<td>3%</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>4%</td>
<td>--</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q5. Overall economic situation since October 2010</th>
<th>Total, All Boomers (n=1,030)</th>
<th>Employed, Both Waves (n=726)</th>
<th>Unemployed, Both Waves (n=96)</th>
<th>Out of Labor Force, Both Waves (n=96)</th>
<th>Newly Employed (n=23)</th>
<th>Newly Unemployed (n=36)</th>
<th>Newly Out of Labor Force (n=53)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved</td>
<td>7%</td>
<td>6%</td>
<td>10%</td>
<td>3%</td>
<td>10%</td>
<td>17%</td>
<td>4%</td>
</tr>
<tr>
<td>Worsened</td>
<td>59%</td>
<td>56%</td>
<td>67%</td>
<td>67%</td>
<td>48%</td>
<td>57%</td>
<td>74%</td>
</tr>
<tr>
<td>Stayed about the same</td>
<td>34%</td>
<td>37%</td>
<td>22%</td>
<td>31%</td>
<td>41%</td>
<td>26%</td>
<td>22%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q6. One’s own/family’s financial well-being</th>
<th>Total, All Boomers (n=1,030)</th>
<th>Employed, Both Waves (n=726)</th>
<th>Unemployed, Both Waves (n=96)</th>
<th>Out of Labor Force, Both Waves (n=96)</th>
<th>Newly Employed (n=23)</th>
<th>Newly Unemployed (n=36)</th>
<th>Newly Out of Labor Force (n=53)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better</td>
<td>9%</td>
<td>12%</td>
<td>5%</td>
<td>3%</td>
<td>21%</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Worse</td>
<td>24%</td>
<td>19%</td>
<td>44%</td>
<td>29%</td>
<td>18%</td>
<td>53%</td>
<td>43%</td>
</tr>
<tr>
<td>Stayed about the same</td>
<td>64%</td>
<td>70%</td>
<td>52%</td>
<td>69%</td>
<td>61%</td>
<td>44%</td>
<td>52%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q8b. Compared to before the recession, confidence in having enough money to live comfortably in retirement</th>
<th>Total, All Boomers (n=1,030)</th>
<th>Employed, Both Waves (n=726)</th>
<th>Unemployed, Both Waves (n=96)</th>
<th>Out of Labor Force, Both Waves (n=96)</th>
<th>Newly Employed (n=23)</th>
<th>Newly Unemployed (n=36)</th>
<th>Newly Out of Labor Force (n=53)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Much more confident</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
<td>1%</td>
<td>--</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Somewhat more confident</td>
<td>7%</td>
<td>7%</td>
<td>2%</td>
<td>7%</td>
<td>3%</td>
<td>20%</td>
<td>9%</td>
</tr>
<tr>
<td>Neither more nor less confident</td>
<td>28%</td>
<td>30%</td>
<td>19%</td>
<td>31%</td>
<td>24%</td>
<td>17%</td>
<td>31%</td>
</tr>
<tr>
<td>Somewhat less confident</td>
<td>31%</td>
<td>32%</td>
<td>20%</td>
<td>39%</td>
<td>48%</td>
<td>23%</td>
<td>31%</td>
</tr>
<tr>
<td>Much less confident</td>
<td>29%</td>
<td>27%</td>
<td>48%</td>
<td>21%</td>
<td>21%</td>
<td>34%</td>
<td>29%</td>
</tr>
<tr>
<td>Don’t know/can’t say</td>
<td>5%</td>
<td>5%</td>
<td>10%</td>
<td>1%</td>
<td>3%</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>
### Table 7-2 continued

<table>
<thead>
<tr>
<th>Q9. Own retirement standard of living compared to parents</th>
<th>Total, All Boomers (n=1,030)</th>
<th>Employed, Both Waves (n=726)</th>
<th>Unemployed, Both Waves (n=96)</th>
<th>Out of Labor Force, Both Waves (n=96)</th>
<th>Newly Employed (n=23)</th>
<th>Newly Unemployed (n=36)</th>
<th>Newly Out of Labor Force (n=53)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Much better</td>
<td>5%</td>
<td>5%</td>
<td>2%</td>
<td>3%</td>
<td>7%</td>
<td>20%</td>
<td>2%</td>
</tr>
<tr>
<td>Somewhat better</td>
<td>17%</td>
<td>19%</td>
<td>7%</td>
<td>21%</td>
<td>7%</td>
<td>11%</td>
<td>18%</td>
</tr>
<tr>
<td>About the same</td>
<td>22%</td>
<td>22%</td>
<td>24%</td>
<td>27%</td>
<td>24%</td>
<td>6%</td>
<td>18%</td>
</tr>
<tr>
<td>Somewhat worse</td>
<td>33%</td>
<td>33%</td>
<td>32%</td>
<td>27%</td>
<td>35%</td>
<td>40%</td>
<td>34%</td>
</tr>
<tr>
<td>Much worse</td>
<td>19%</td>
<td>17%</td>
<td>24%</td>
<td>21%</td>
<td>17%</td>
<td>23%</td>
<td>24%</td>
</tr>
<tr>
<td>Don’t know/can’t say</td>
<td>4%</td>
<td>3%</td>
<td>11%</td>
<td>1%</td>
<td>10%</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q10a. Children’s retirement standard of living compared to one’s own</th>
<th>Total, All Boomers (n=1,030)</th>
<th>Employed, Both Waves (n=726)</th>
<th>Unemployed, Both Waves (n=96)</th>
<th>Out of Labor Force, Both Waves (n=96)</th>
<th>Newly Employed (n=23)</th>
<th>Newly Unemployed (n=36)</th>
<th>Newly Out of Labor Force (n=53)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Much better</td>
<td>2%</td>
<td>1%</td>
<td>3%</td>
<td>--</td>
<td>--</td>
<td>9%</td>
<td>--</td>
</tr>
<tr>
<td>Somewhat better</td>
<td>11%</td>
<td>10%</td>
<td>13%</td>
<td>10%</td>
<td>3%</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>About the same</td>
<td>15%</td>
<td>16%</td>
<td>12%</td>
<td>12%</td>
<td>14%</td>
<td>15%</td>
<td>4%</td>
</tr>
<tr>
<td>Somewhat worse</td>
<td>33%</td>
<td>36%</td>
<td>25%</td>
<td>32%</td>
<td>38%</td>
<td>27%</td>
<td>17%</td>
</tr>
<tr>
<td>Much worse</td>
<td>25%</td>
<td>22%</td>
<td>28%</td>
<td>38%</td>
<td>14%</td>
<td>21%</td>
<td>44%</td>
</tr>
<tr>
<td>Don’t know/can’t say</td>
<td>16%</td>
<td>15%</td>
<td>19%</td>
<td>7%</td>
<td>31%</td>
<td>18%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Q2 (wave 2). “Thinking about job opportunities where you live, would you say that since October 2010, the job opportunities have…?”

Q3 (wave 2). “Looking ahead a year from now, do you think job opportunities will be…?”

Q4 (wave 2). “If you were looking for a job right now, how confident are you that you could/How confident are you that you can find a good job in the next 6 months—a job with good pay and/or benefits?”

Q5 (wave 2). “Since October 2010, would you say that the overall economic situation has…?”

Q6 (wave 2). “In October 2010, you rated your own (your family’s) financial well-being as. . . Would you say that has gotten better, worse, or stayed about the same?”

Q8b (wave 2). “Compared to how you felt before the recession started (in December 2007), are you more or less confident that you will have enough money to live comfortably throughout your retirement years?”

Q9 (wave 2). “Compared to your parents or people in your parents’ generation, do you think your standard of living in retirement will be much better, somewhat better, about the same, somewhat worse, or much worse than theirs?”

Q10a (wave 2). “Compared to your standard of living in retirement, now or in the future, do you think that the standard of living in retirement for your children or young people today will be much better, somewhat better, about the same, somewhat worse, or much worse than yours?”

Base for each question: all wave 2 boomers (n=1,030 except for Q6: n=1,015).
to find a good job with good benefits in the coming months. Few thought there had been an improvement in either the economic situation (7 percent) or their own or family’s financial well-being (10 percent) since October 2010. When asked how they felt compared with at the start of the recession, 6 out of 10 said that they were less confident than they had been that they would have enough money to live comfortably in retirement (31 somewhat less confident and 29 percent much less confident). This question was also asked in the first survey, when nearly as many (56 percent) of the same respondents were less confident than they had been before the recession started (24 percent somewhat less confident and 32 percent much less confident).

Half of the respondents expected their standard of living in retirement to be somewhat worse (33 percent) or much worse (19 percent) than that of their parents or people in their parents’ generation. Boomers did not expect the next generation to fare much better, with 33 percent anticipating that the retirement standard of living of their children or young people today would be somewhat worse and 25 percent saying it would be much worse than their own.

Employment status seems to make a difference, although conclusions must be tempered in view of the small cell sizes of those who changed status. Boomers who had been unemployed in both waves had some of the most negative or pessimistic assessments—another year of being battered in the job search would understandably take its toll. Those whose employment status had changed since the last interview also often indicated that things had not improved much. Not surprisingly, for example, more than 6 in 10 boomers (62 percent) who had become newly unemployed believed that job opportunities had worsened. Even more of the boomers who had recently left the labor force saw a worsening of job opportunities (67 percent). Some of them had been unemployed and may have simply given up after a discouraging job search.

Even the newly employed were less optimistic about the job situation or the economy than might have been expected (table 7-2), given the fact that they now had jobs after what was, for some of them, a long spell of unemployment.

Relatively few boomers felt that their (or their family’s) financial well-being had improved much since October 2010 (table 7-3). This was true regardless of how they had assessed their financial well-being during the earlier survey. More boomers, in fact, reported deterioration in well-being than improvement—overall, 25 percent said their financial situation had gotten worse, while only 10 percent said it was better. Many of those already in poor shape in 2010 felt things had gotten worse by the second wave survey (25 percent). Things appeared worse even for boomers who reported that they were in excellent shape financially in 2010, one-fourth of whom reported that their financial well-being had worsened over the year.

### Table 7-3. Changes in Assessment of Boomers’ Financial Well-Being, October 2010 to August 2011

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Better</td>
</tr>
<tr>
<td>Excellent</td>
<td>6%</td>
</tr>
<tr>
<td>Very good</td>
<td>11%</td>
</tr>
<tr>
<td>Good</td>
<td>11%</td>
</tr>
<tr>
<td>Fair</td>
<td>8%</td>
</tr>
<tr>
<td>Poor</td>
<td>11%</td>
</tr>
<tr>
<td>Total</td>
<td>10%</td>
</tr>
</tbody>
</table>

Q92 (wave 1). “How would you rate your own (your family’s) financial well-being today?”

Q6 (wave 2). “In October 2010, you rated your own (your family’s) financial well-being as . . . Would you say that has gotten better, worse, or stayed about the same?”

Base: all wave 2 boomers (n=1,030).
WHAT IMPROVED BOOMERS’ FINANCIAL WELL-BEING?
For the few boomers (9 percent) who cited improvement, the top reason was achieving a firmer financial footing by reducing or getting out of debt (36 percent), followed closely by increasing income through a promotion, raise, or higher-paying job (33 percent) (figure 7-2). Building up savings was a close third (29 percent). Interestingly, just as many boomers said retirement was the reason for their improved financial well-being as mentioned finding a job (11 percent)—which would be understandable if retirement were accompanied by a new, secure source of income. Owing to small cell sizes, however, we caution against making too much of these percentages.

WHAT CONTRIBUTED TO A WORSENING OF BOOMERS’ FINANCIAL WELL-BEING?
For the larger percentage (24 percent) who saw their financial situation deteriorate between 2010 and 2011, the top two reasons were the opposite of two of the top three reasons that things had improved—savings were diminished (59 percent) and they went deeper into debt (29 percent) (figure 7-3). The continuing weak labor market played its part as well, with more than one-fifth (22 percent) saying that still not having found a job was a reason for their worsening financial situation—and which likely contributed to their diminished savings and increased debt.

By the fall of 2011, boomers had many other concerns about the economy and their financial situation (figure 7-4). Many expressed some degree of worry about developments over the next year that could further affect their financial well-being. More than 7 in 10, for example, were somewhat or very worried about another recession, high inflation, rising taxes, and further stock market decline—events over which they have no control. Having enough money to pay the rent or mortgage or for adequate health care\(^71\) was a cause for concern for somewhat fewer but still sizable percentages of boomers. And about 4 in 10 were worried about job loss—their own or their spouse’s.\(^72\) But boomers’ greatest concern was dealing with a perceived problem that they cannot solve, namely the ability of Congress and the president to work together to tackle the country’s economic challenges. Nine out of 10 said that they were worried—two-thirds were very worried—about this. Policymakers may want to bear this in mind.\(^73\)

---

**Figure 7-2. Why Boomers’ Financial Well-Being Improved Between October 2010 and August 2011**

- Reduced/got out of debt: 36%
- Obtained promotion, raise, higher paying job: 33%
- Built up savings: 29%
- Rising value of investments: 22%
- Increased work hours: 18%
- Found a job: 11%
- Retired: 11%
- Family member found job: 9%
- Child/children moved out: 3%
- Started collecting Social Security: 2%
- Other: 8%

\(^71\) See Chapter 3.

\(^72\) See Chapter 4.

\(^73\) See Chapter 5.
Figure 7-3. Why Boomers’ Financial Well-Being Worsened Between October 2010 and August 2011

Q7b (wave 2). “What has made your financial situation worse than it was in October 2010?” Base: boomers whose financial situation deteriorated between 2010 and 2010 (n=234).

Figure 7-4. What Boomers Worry about Economic Matters

Q10b. “Thinking about the next 12 months, how worried are you about . . . ?” Base: all boomers (n=1,030), except for "you or spouse losing a job" and "being able to pay rent/mortgage" (n=874 and 875, respectively).

*Excludes respondents who said the question was not applicable.

**Full text was “The ability of Congress and the President to work together to tackle the country’s economic challenges.”
Americans have had a rough ride over the past four years. The Great Recession and its aftermath have left millions of people without jobs, having exhausted their savings, and with homes that they can neither afford nor sell. They are uncertain and probably frightened about what the future holds for them. The young have time on their side, and the old are, to some degree, protected by Social Security and Medicare. Boomers, however, are edging toward retirement. Indeed, the oldest boomers turn 66—the age of eligibility for full Social Security benefits—in 2012, although not all of them have been waiting until that age to retire. Early receipt of Social Security remains the norm. However, the majority of boomers anticipate working, at least part time, into their retirement years, in part for financial reasons.

This report has looked at a large segment of the boomer population—those aged 50 to 64 who were in the labor force at the time they were first contacted (October 2010) or who had been in the workforce at some point in the previous three years, or roughly since the start of the recession in December 2007. The study was intended to examine the experiences of current and recent boomer workers or jobseekers during and immediately after the Great Recession. Although some may have sailed through those years relatively unscathed, the recession unsettled most boomers. A sizable percentage experienced some unemployment, often prolonged. In this study, 17 percent of the boomers (aged 50 to 64) were unemployed when first surveyed in 2010. Another 12 percent were working but had been involuntarily unemployed at some point during the previous three years. Ten months later, 80 percent of the unemployed were still looking for work.

To participate in the survey, respondents had to be at least 50 years of age and to be, or in the previous three years to have been, in the labor force. The findings highlighted in this report, it should be stressed, apply to that segment of the boomer population aged 50 and older who were current or recent (defined as within the previous three years) labor force participants; they are thus not generalizable to the total boomer population. Boomers younger than age 50 or who had been out of the labor force for longer than three years were not included in the study.

The research in *Boomers and the Great Recession: Struggling to Recover* provides insights into the recession experiences and behaviors of millions of boomers at or nearing retirement. In some cases, job loss, compensation reduction, declining home values, and investment losses threaten retirement plans and expectations. The result will likely mean longer worklives for those who can work and perhaps a reduction in anticipated living standards in retirement for those who cannot. At the very least, the study reveals considerable insecurity about retirement among the boomers surveyed.

Although anxiety on the part of the unemployed and even those recently employed after a spell of unemployment would not be surprising, majorities of even the steadily employed expressed concern about, for example, being able to maintain a reasonable standard of living in retirement, having enough money to pay for adequate health care, or depleting all their savings. Nor did they expect to do as well as their parents or people of their parents’ generation in retirement.
Contributing to this assessment may be the fact that 6 in 10 boomers in the survey were either somewhat or very uncomfortable with their level of savings, and nearly half were either somewhat or very uncomfortable with their level of indebtedness. Although half also reported that they were saving for retirement, and three-fourths of those not saving said they had done so in the past, the amount amassed was not large—another factor likely to fuel anxiety about retirement finances.

Many boomers reported having taken steps to prepare for a more secure retirement: Forty-three percent of those who had taken action decided that they would likely work at least part time in retirement, the most frequent response. Almost as many (36 percent) reported putting off their expected retirement date. Delaying retirement is one option over which workers have some, albeit not total, control—they generally can decide on the appropriate retirement age, even if employers occasionally try to ease them out the door earlier. Trends in labor force participation rates indicate that workers are remaining in the workforce later in life than their counterparts of a generation ago. That should enhance their retirement income security, given the beneficial impact on retirement income that even an additional year or two of employment can have.

Nonetheless, workers cannot be assured that their employers will want to retain them later in life; nor is finding a job at later ages all that easy. The survey did not ask boomers if they felt their employers might want to see them stay on the job or leave, but it did ask about age discrimination. Relatively few boomers were certain that age was a reason that an employer had let them go—in fact, about half of those who had experienced unemployment contended that age was definitely not a reason for being let go.

Moreover, although age discrimination did not appear to be the top concern when boomers who had experienced unemployment were asked about the barriers they faced when looking for work—the economy rose to the top of the list—more than one-third to nearly half of boomers who had looked for work in the three years prior to the survey mentioned age discrimination as one of the barriers they faced in finding a new job. Whether because of the economy, age discrimination, or something else, boomers without jobs were not confident about their ability to find a good job in the next year. Perhaps in spite of this, a sizable proportion of boomers had, apparently, attempted to hone their job skills, although the currently unemployed and reemployed were substantially less likely than the steadily employed to do so. The unemployed were also far less likely than the employed to feel that training did their careers any good. Boomers who had not participated in any recent job training offered a number of reasons for not doing so—lack of access and inability to pay for it being common in the case of the unemployed and proximity to retirement in the case of those out of the labor force.

Few boomers in the survey were eligible for early Social Security retired worker benefits, so relatively few began collecting them as a way to make ends meet. However, most of those who were eligible and who began collecting Social Security said that they had done so earlier than previously planned. Others also reported changing the expected date of retirement, virtually all of them moving toward a later retirement. Very few anticipated an earlier retirement.

A number of policy options could address the employment and retirement income prospects of America’s boomers.

- Encourage workers to take advantage of training and retraining programs that their employers offer. The unemployed obviously lack this option, but they may have had it before becoming unemployed. Not only might the training provide boomers with marketable skills, but it also may demonstrate to current employers that they are willing and able to learn new ways of doing things. Training might help those without work to find a job and those with jobs to increase productivity and stay employed. It might also help them change careers and give them an option to remain in the labor force longer.
Urge workers close to retirement to engage in training in light of the possible need to postpone retirement or return to the labor force after retirement.

Expand opportunities for jobless boomers who need financial assistance to get the training that might enhance their career opportunities. Offer financial assistance to cover costs, particularly in the case of the unemployed (who may need such training the most). This training may help offset some of the costs through lower Unemployment Insurance benefits paid and higher tax receipts. Ensure that information on where the jobs are and what skills employers are seeking in the way of skills is current, accurate, and readily available.

Encourage workers to save, to save more if they are already saving, and to keep retirement savings invested for that purpose. When unemployment strikes, savings become especially vulnerable. Adequate unemployment benefits coupled with job-training and job-search assistance might keep some unemployed boomers from raiding their retirement savings accounts and/or opting for Social Security prematurely.

Invest more resources in government efforts to monitor and enforce anti-age discrimination laws to better protect older workers, especially in economic downturns when labor surpluses enable employers to discount or overlook the potential contributions of older employees or jobseekers.

Identify government and private programs for advising older workers on the wisdom of starting their own business as a primary or secondary source of income. Assisting them in doing so could improve the financial well-being of older workers who cannot find work and provide added income for workers who need extra money to supplement their wages from other employment.

Recognize that Social Security is, and will likely remain, the bedrock of retirement-income security in the United States. Perhaps in a generation or two, retiring workers will have accumulated sizable funds in their retirement savings accounts and thus be better equipped to weather economic storms such as the one that workers have faced over the past several years. It is highly uncertain that this will occur or that it will happen to everybody. Unless it does, workers—including the many millions of boomers yet to retire—will remain heavily dependent on Social Security for support in retirement. As traditional pensions decline, Social Security remains the only major stable retirement income source. It is critical that this program be protected.
Appendix A

More about the Survey of Persons Aged 50-plus with Recent Labor Market Experience

The survey targeted noninstitutionalized U.S. residents aged 50 and over who had worked for pay and/or looked for work within the three years prior to being interviewed. A survey instrument was constructed by AARP PPI analysts using questions designed specifically for this study, as well as relevant questions included in other publicly available surveys. The study was conducted using a random sample of households from Knowledge Networks’ (KN) KnowledgePanel®, a probability-based web panel designed to be representative of the country as a whole. KN uses random digit dialing and addressed-based sampling (from a frame covering 97 percent of U.S. households) to randomly select residential addresses that become part of the KnowledgePanel®. The sampling frame includes listed and unlisted phone numbers, households with and without telephones, and cell-only households. Households without Internet access are provided with a free netbook computer and Internet access. For more information on KN’s survey administration and sampling, see http://www.knowledgenetworks.com/knpanel/KNPanel-Design-Summary.html.

The following question was used to screen eligible respondents aged 50 or older: “At any time in the past 3 years, since the recession began, have you worked for pay in any job, including for yourself or in your own business (even if only for a few weeks or months); tried to find a job; both; none of the above.” Respondents who answered “none” were dropped from the survey.

The number sampled and survey completion rate for the AARP Public Policy Institute survey were as follows:

<table>
<thead>
<tr>
<th>Number Sampled</th>
<th>Number Screened</th>
<th>Screener Completion Rate</th>
<th>Number Eligible</th>
<th>Number of Completed Surveys</th>
<th>Survey Completion Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,328</td>
<td>8,958</td>
<td>58.4%</td>
<td>5,160</td>
<td>5,027</td>
<td>97.4%</td>
</tr>
</tbody>
</table>

KN used data from the Current Population Survey for post-stratification of the total sample of adults aged 50-plus to weight them to be representative of U.S. adults in that age range. It used standard weighting variables (sex, age, race/ethnicity, education, employment status, Internet access, census region, and metropolitan area). The weighted sample was then screened for study-specific eligibility (i.e., those who had worked for pay or tried to find employment in the past three years). This eligible population (referred to as “qualified”) now had the weights from the initial screening process and would thus be representative of the study’s qualified population, with population-projectable sizes and proportions. KN scaled the weights of this qualified group alone to match their proportions from the initial screening weight.

The following tables provide information on the characteristics of the respondents.
### Table A-2. Demographic and Income Characteristics of the Respondents

<table>
<thead>
<tr>
<th></th>
<th>Weighted</th>
<th>Unweighted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50–54</td>
<td>32.6%</td>
<td>27.4%</td>
</tr>
<tr>
<td>55–64</td>
<td>46.8%</td>
<td>51.2%</td>
</tr>
<tr>
<td>65–74</td>
<td>15.4%</td>
<td>18.3%</td>
</tr>
<tr>
<td>75+</td>
<td>5.2%</td>
<td>3.3%</td>
</tr>
<tr>
<td><strong>Sex</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>48.9%</td>
<td>47.4%</td>
</tr>
<tr>
<td>Female</td>
<td>51.2%</td>
<td>52.6%</td>
</tr>
<tr>
<td><strong>Race/Hispanic Origin</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Hispanic white</td>
<td>77.0%</td>
<td>81.9%</td>
</tr>
<tr>
<td>Non-Hispanic black</td>
<td>9.2%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Other, non-Hispanic</td>
<td>5.6%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>7.4%</td>
<td>5.1%</td>
</tr>
<tr>
<td>2+ races, non-Hispanic</td>
<td>0.9%</td>
<td>2.9%</td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
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<td></td>
</tr>
<tr>
<td>Married/living with partner</td>
<td>59.6%</td>
<td>64.5%</td>
</tr>
<tr>
<td>Widowed</td>
<td>6.8%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Divorced/separated</td>
<td>21.8%</td>
<td>19.5%</td>
</tr>
<tr>
<td>Never married</td>
<td>11.9%</td>
<td>10.1%</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some high school or less</td>
<td>7.0%</td>
<td>2.4%</td>
</tr>
<tr>
<td>High school graduate</td>
<td>29.5%</td>
<td>19.2%</td>
</tr>
<tr>
<td>Some college</td>
<td>27.8%</td>
<td>35.0%</td>
</tr>
<tr>
<td>Bachelor’s degree or higher</td>
<td>35.7%</td>
<td>43.4%</td>
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<tr>
<td><strong>Household Income</strong></td>
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</tr>
<tr>
<td>Less than $25,000</td>
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<td>13.0%</td>
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<tr>
<td>$25,000–$49,999</td>
<td>26.5%</td>
<td>24.4%</td>
</tr>
<tr>
<td>$50,000–$74,999</td>
<td>22.4%</td>
<td>32.9%</td>
</tr>
<tr>
<td>$75,000–$99,999</td>
<td>13.7%</td>
<td>16.8%</td>
</tr>
<tr>
<td>$100,000 or more</td>
<td>17.5%</td>
<td>21.9%</td>
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<tr>
<td><strong>Current Employment Status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currently working for pay</td>
<td>69.9%</td>
<td>71.6%</td>
</tr>
<tr>
<td>Not currently working but looking for work</td>
<td>16.7%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Neither working nor looking for work</td>
<td>13.4%</td>
<td>14.4%</td>
</tr>
<tr>
<td><strong>Total Number</strong></td>
<td>5,027</td>
<td>5,027</td>
</tr>
</tbody>
</table>

### Table A-3. Employment Status of the Sample at the time of the October 2010 Survey

<table>
<thead>
<tr>
<th></th>
<th>Weighted</th>
<th>Unweighted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employed</strong>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No involuntary unemployment</td>
<td>57.2%</td>
<td>59.0%</td>
</tr>
<tr>
<td>Some involuntary unemployment</td>
<td>12.4%</td>
<td>12.3%</td>
</tr>
<tr>
<td>No involuntary employment information</td>
<td>0.3%</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>Unemployed and looking for work</strong></td>
<td>16.7%</td>
<td>14.1%</td>
</tr>
<tr>
<td><strong>Unemployed and not looking for work</strong></td>
<td>13.4%</td>
<td>14.4%</td>
</tr>
<tr>
<td><strong>Total Number</strong></td>
<td>5,027</td>
<td>5,027</td>
</tr>
</tbody>
</table>
# Table A-4. Comparison of Sample to Aged 50 Population, October 2010

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50–54</td>
<td>36.7%</td>
<td>27.4%</td>
</tr>
<tr>
<td>55–64</td>
<td>49.0%</td>
<td>51.2%</td>
</tr>
<tr>
<td>65–74</td>
<td>11.5%</td>
<td>18.3%</td>
</tr>
<tr>
<td>75+</td>
<td>2.9%</td>
<td>3.3%</td>
</tr>
<tr>
<td><strong>Sex</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>52.5%</td>
<td>47.4%</td>
</tr>
<tr>
<td>Female</td>
<td>47.5%</td>
<td>52.6%</td>
</tr>
<tr>
<td><strong>Race/Hispanic Origin</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Hispanic white</td>
<td>76.2%</td>
<td>81.9%</td>
</tr>
<tr>
<td>Non-Hispanic black</td>
<td>9.3%</td>
<td>6.5%</td>
</tr>
<tr>
<td>All other non-Hispanic</td>
<td>5.6</td>
<td>6.5%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>8.9</td>
<td>5.1%</td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
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<td></td>
</tr>
<tr>
<td>Married/living with partner/</td>
<td>67.8%</td>
<td>64.5%</td>
</tr>
<tr>
<td>Widowed</td>
<td>5.2%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Divorced/separated</td>
<td>18.1%</td>
<td>19.5%</td>
</tr>
<tr>
<td>Never married</td>
<td>8.9%</td>
<td>10.1%</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some high school or less</td>
<td>7.9%</td>
<td>2.4%</td>
</tr>
<tr>
<td>High school graduate</td>
<td>28.9%</td>
<td>19.2%</td>
</tr>
<tr>
<td>Some college</td>
<td>27.7%</td>
<td>35.0%</td>
</tr>
<tr>
<td>Bachelor’s degree or higher</td>
<td>34.6%</td>
<td>43.4%</td>
</tr>
<tr>
<td><strong>Region</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northeast</td>
<td>19.5%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Midwest</td>
<td>23.0%</td>
<td>24.2%</td>
</tr>
<tr>
<td>South</td>
<td>35.3%</td>
<td>32.0%</td>
</tr>
<tr>
<td>West</td>
<td>22.2%</td>
<td>23.8%</td>
</tr>
<tr>
<td><strong>Metro/Non-metro</strong></td>
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<td></td>
</tr>
<tr>
<td>Metropolitan</td>
<td>82.7%</td>
<td>85.4%</td>
</tr>
<tr>
<td>Non-metropolitan</td>
<td>16.6%</td>
<td>14.6%</td>
</tr>
<tr>
<td><strong>Total Number</strong></td>
<td>47,568,276</td>
<td>5,027</td>
</tr>
</tbody>
</table>

Source: Current Population Survey data are the authors’ calculations from the U.S. Census Bureau, Current Population Survey, October 2010, accessed through U.S. Census Bureau, DataFerrett, at http://quarterhorse.dsd.census.gov/TheDataWeb/launchDFA.html.
The boomer financial concern score was constructed from 16 questions in the survey instrument (see table B-1).

Each respondent started with a score equal to zero. Next a value ranging from 1 to 5 was added, depending on the response to each of the 16 questions. For “don’t know, unsure or refused” responses, the weighted mean of the valid responses was used. As a result, the financial concern score can range from 16 (least concerned) to 80 (most concerned). To help analyze the level of financial concern, the score was divided into four discrete levels, so that the two extremes (least concerned and most concerned) were respectively set at the lowest and the highest quartiles. These four discrete levels, which constitute the Financial Concern Index, were defined as follows:

1. Score greater than or equal to 16 and less than or equal to 42: **Lowest quartile or lowest/least concern**
2. Score greater than 42 and less than or equal to 54: **Second quartile or moderately low concern**
3. Score greater than 54 and less than or equal to 65: **Third quartile or moderately high concern**
4. Score greater than 65 and less than or equal to 80: **Highest quartile or highest/greatest concern**

The internal consistency of the financial concern scale is very high (Chronbach’s Alpha = 0.91).

The following list shows how each question contributes to the financial concern score.
### Table B-1. Questions Used in Computing the Financial Concern Score

<table>
<thead>
<tr>
<th>Question</th>
<th>Frequency</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>How comfortable are you with your current levels of debt (such as loans, mortgages, or credit card debt)?</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>0.3%</td>
<td>15</td>
</tr>
<tr>
<td>Very comfortable</td>
<td>28.8%</td>
<td>1,573</td>
</tr>
<tr>
<td>Somewhat comfortable</td>
<td>28.6%</td>
<td>1,460</td>
</tr>
<tr>
<td>Somewhat uncomfortable</td>
<td>25.3%</td>
<td>1,181</td>
</tr>
<tr>
<td>Very uncomfortable</td>
<td>17.0%</td>
<td>798</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>5,027</td>
</tr>
<tr>
<td><strong>How comfortable are you with your current level of savings?</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>0.5%</td>
<td>26</td>
</tr>
<tr>
<td>Very comfortable</td>
<td>11.2%</td>
<td>665</td>
</tr>
<tr>
<td>Somewhat comfortable</td>
<td>30.2%</td>
<td>1,622</td>
</tr>
<tr>
<td>Somewhat uncomfortable</td>
<td>24.8%</td>
<td>1,277</td>
</tr>
<tr>
<td>Very uncomfortable</td>
<td>33.3%</td>
<td>1,437</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>5,027</td>
</tr>
<tr>
<td><strong>How would you rate your own (your family’s) financial well-being today?</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>0.6%</td>
<td>23</td>
</tr>
<tr>
<td>Excellent</td>
<td>5.2%</td>
<td>312</td>
</tr>
<tr>
<td>Very good</td>
<td>14.6%</td>
<td>859</td>
</tr>
<tr>
<td>Good</td>
<td>25.2%</td>
<td>1,350</td>
</tr>
<tr>
<td>Fair</td>
<td>31.2%</td>
<td>1,507</td>
</tr>
<tr>
<td>Poor</td>
<td>21.5%</td>
<td>920</td>
</tr>
<tr>
<td>Don’t know/unsure</td>
<td>1.7%</td>
<td>56</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>5,027</td>
</tr>
<tr>
<td><strong>Thinking ahead to a year from now, do you expect that your own personal financial situation will...?</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>0.4%</td>
<td>14</td>
</tr>
<tr>
<td>Improve</td>
<td>25.8%</td>
<td>1,312</td>
</tr>
<tr>
<td>Stay about the same</td>
<td>46.2%</td>
<td>2,451</td>
</tr>
<tr>
<td>Become worse</td>
<td>15.5%</td>
<td>786</td>
</tr>
<tr>
<td>Don’t know/worse</td>
<td>12.1%</td>
<td>464</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>5,027</td>
</tr>
<tr>
<td><strong>Overall, how confident are you that you (and your spouse/partner) will have enough money to live comfortably throughout your retirement years?</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>0.6%</td>
<td>27</td>
</tr>
<tr>
<td>Very confident</td>
<td>8.3%</td>
<td>489</td>
</tr>
<tr>
<td>Somewhat confident</td>
<td>38.5%</td>
<td>2,010</td>
</tr>
<tr>
<td>Not too confident</td>
<td>31.8%</td>
<td>1,564</td>
</tr>
<tr>
<td>Not at all confident</td>
<td>20.8%</td>
<td>937</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>5,027</td>
</tr>
</tbody>
</table>
Table B-1 continued

Please indicate *how concerned* you are about each of the following:

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>You might not be able to maintain a reasonable standard of living in retirement.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>0.6%</td>
<td>27</td>
</tr>
<tr>
<td>Very concerned</td>
<td>31.6%</td>
<td>1,467</td>
</tr>
<tr>
<td>Somewhat concerned</td>
<td>42.2%</td>
<td>2,185</td>
</tr>
<tr>
<td>Not too concerned</td>
<td>21.6%</td>
<td>1,119</td>
</tr>
<tr>
<td>Not at all concerned</td>
<td>4.1%</td>
<td>229</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>5,027</strong></td>
</tr>
<tr>
<td>You might not have enough money to pay for adequate health care.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>1.1%</td>
<td>47</td>
</tr>
<tr>
<td>Very concerned</td>
<td>39.2%</td>
<td>1,920</td>
</tr>
<tr>
<td>Somewhat concerned</td>
<td>35.7%</td>
<td>1,820</td>
</tr>
<tr>
<td>Not too concerned</td>
<td>18.1%</td>
<td>928</td>
</tr>
<tr>
<td>Not at all concerned</td>
<td>5.9%</td>
<td>312</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>5,027</strong></td>
</tr>
<tr>
<td>You might not have enough money to pay for a long stay in a nursing home or a long period of nursing care at home.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>0.8%</td>
<td>34</td>
</tr>
<tr>
<td>Very concerned</td>
<td>44.3%</td>
<td>2,194</td>
</tr>
<tr>
<td>Somewhat concerned</td>
<td>34.5%</td>
<td>1,747</td>
</tr>
<tr>
<td>Not too concerned</td>
<td>15.3%</td>
<td>810</td>
</tr>
<tr>
<td>Not at all concerned</td>
<td>5.1%</td>
<td>242</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>5,027</strong></td>
</tr>
<tr>
<td>Your income in retirement might not keep up with inflation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refused</td>
<td>1.5%</td>
<td>52</td>
</tr>
<tr>
<td>Very concerned</td>
<td>44.8%</td>
<td>2,156</td>
</tr>
<tr>
<td>Somewhat concerned</td>
<td>37.6%</td>
<td>1,969</td>
</tr>
<tr>
<td>Not too concerned</td>
<td>12.9%</td>
<td>703</td>
</tr>
<tr>
<td>Not at all concerned</td>
<td>3.2%</td>
<td>147</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>5,027</strong></td>
</tr>
</tbody>
</table>

Base: total (n=5,027).
Table B-2. Construction of the Financial Concern Score

Q90  How comfortable are you with your current levels of debt (such as loans, mortgages, or credit card debt)?
    + Add 5 if response = Very uncomfortable
    + Add 4 if response = Somewhat uncomfortable
    + Add 2 if response = Somewhat comfortable
    + Add 1 if response = Very comfortable
    + Add 2.73 if refused

Q91  How comfortable are you with your current level of savings?
    + Add 5 if response = Very uncomfortable
    + Add 4 if response = Somewhat uncomfortable
    + Add 2 if response = Somewhat comfortable
    + Add 1 if response = Very comfortable
    + Add 3.39 if refused

Q92  How would you rate your own (your family’s) financial well-being today?
    + Add 5 if response = Poor
    + Add 4 if response = Fair
    + Add 3 if response = Good
    + Add 2 if response = Very good
    + Add 1 if response = Excellent
    + Add 3.50 if refused or do not know (DNK)

Q95  Thinking ahead to a year from now, do you expect that your own personal financial situation will...?
    + Add 5 if response = Become worse
    + Add 3 if response = Stay about the same
    + Add 1 if response = Improve
    + Add 2.76 if refused or DNK

Q109 Overall, how confident are you that you (and your spouse/partner) will have enough money to live comfortably throughout your retirement years?
    + Add 5 if response = Not at all confident
    + Add 4 if response = Not too confident
    + Add 2 if response = Somewhat confident
    + Add 1 if response = Very confident
    + Add 3.18 if refused

BOOMERS AND THE GREAT RECESSION: STRUGGLING TO RECOVER
Table B-2 continued

Q111  *Please indicate how concerned you are about each of the following:*

Q111a  *You might not be able to maintain a reasonable standard of living in retirement.*
- Add 5 if response = Very concerned
- Add 4 if response = Somewhat concerned
- Add 2 if response = Not too concerned
- Add 1 if response = Not at all concerned
- Add 3.76 if refused

Q111b  *You might not have enough money to pay for adequate health care.*
- Add 5 if response = Very concerned
- Add 4 if response = Somewhat concerned
- Add 2 if response = Not too concerned
- Add 1 if response = Not at all concerned
- Add 3.85 if refused

Q111c  *You might not have enough money to pay for a long stay in a nursing home or a long period of nursing care at home.*
- Add 5 if response = Very concerned
- Add 4 if response = Somewhat concerned
- Add 2 if response = Not too concerned
- Add 1 if response = Not at all concerned
- Add 3.98 if refused

Q111d  *Your income in retirement might not keep up with inflation.*
- Add 5 if response = Very concerned
- Add 4 if response = Somewhat concerned
- Add 2 if response = Not too concerned
- Add 1 if response = Not at all concerned
- Add 4.10 if refused

Q111e  *You (spouse/partner) may not be able to maintain the same standard of living after your death, if you should die first.*
- Add 5 if response = Very concerned
- Add 4 if response = Somewhat concerned
- Add 2 if response = Not too concerned
- Add 1 if response = Not at all concerned
- Add 2.97 if refused
<table>
<thead>
<tr>
<th>Question</th>
<th>Description</th>
<th>Concern Level</th>
<th>Add Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q111f</td>
<td>You might deplete all your savings.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 5 if response = Very concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 4 if response = Somewhat concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 2 if response = Not too concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 1 if response = Not at all concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 3.85 if refused</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q111g</td>
<td>You might not be able to afford to stay in your current home for the rest of your life.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 5 if response = Very concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 4 if response = Somewhat concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 2 if response = Not too concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 1 if response = Not at all concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 3.35, if refused</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q111h</td>
<td>You might not be able to leave money to your children or other heirs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 5 if response = Very concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 4 if response = Somewhat concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 2 if response = Not too concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 1 if response = Not at all concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 2.96 if refused</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q111i</td>
<td>You might have to rely on children or other family members to provide financial assistance.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 5 if response = Very concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 4 if response = Somewhat concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 2 if response = Not too concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 1 if response = Not at all concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 3.01 if refused</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q111j</td>
<td>You might have to move in with relatives or have relatives move in with you.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 5 if response = Very concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 4 if response = Somewhat concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 2 if response = Not too concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 1 if response = Not at all concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 2.87 if refused</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q111k</td>
<td>Your income in retirement may vary based on changes in interest rates.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 5 if response = Very concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 4 if response = Somewhat concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 2 if response = Not too concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 1 if response = Not at all concerned</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Add 3.31 if refused</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The average financial concern score was significantly higher for boomers (ages 50 to 64) than for their older (65-plus) counterparts—54.4 versus 50.5, respectively (figure B-1), meaning that boomers were, on average, less upbeat than preboomers about their current and future financial situation and prospects. Similar statistically significant differences were found for the total employed boomer sample and employed boomers with no recent involuntary unemployment. Continuously employed boomers, in other words, were much more concerned, on average, than continuously employed preboomers. Although these respondents were all still in the labor force, it is possible that some or even many of the preboomers had retired from their career jobs; they may have been receiving pension and/or Social Security income; and they may have felt less threatened by a volatile stock market or less concerned about what would happen to them if their job was eliminated. Boomers, many of them far from the age at which they could collect Social Security and with many more years of work life ahead of them, might have been feeling especially insecure about their current and future well-being, thus ending up with the higher financial concern score.

There were no statistically significant differences by age for the employed with some involuntary unemployment experience, the unemployed, those out of the labor force, and returning retirees.

![Figure B-1. Average Financial Concern Score by Employment Status and Age: Boomers and Preboomers](chart)

Base: Total (n=5,027).

---

**Figure B-1. Average Financial Concern Score by Employment Status and Age: Boomers and Preboomers**

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>Boomers (50-64)</th>
<th>Preboomers (65+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All employment statuses</td>
<td>54.4</td>
<td>50.5</td>
</tr>
<tr>
<td>Employed, total</td>
<td>53.1</td>
<td>47.8</td>
</tr>
<tr>
<td>Employed, no involuntary unemployment</td>
<td>52.0</td>
<td>46.4</td>
</tr>
<tr>
<td>Reemployed</td>
<td>58.1</td>
<td>55.5</td>
</tr>
<tr>
<td>Unemployed</td>
<td>61.9</td>
<td>60.3</td>
</tr>
<tr>
<td>Out of the labor force</td>
<td>50.8</td>
<td>50.3</td>
</tr>
<tr>
<td>Retirees returning to work</td>
<td>51.0</td>
<td>52.2</td>
</tr>
</tbody>
</table>

Base: Total (n=5,027).
QUESTIONNAIRE, WAVE 1, OCTOBER 2010

[SP]
[PROMPT ONCE; TERMINATE IF SKIPPED]
S1. At any time in the past 3 years, since the recent recession began, have you…?

Worked for pay in any job, including for yourself or in your own business (even if only for a few weeks or a few months)................................. 1
Tried to find a job ........................................ 2
Both.................................................. 3
None of the above............................. 4 [TERMINATE]

[SP]
[PROMPT ONCE; TERMINATE IF SKIPPED]
Q1. Which of the following best describes your current employment status?

I am currently working for pay............................... 1
I am not currently working, but I am looking for work.............................. 2
I am not working for pay and I am not looking for paid work right now....................... 3

[IF Q1=1]

[SP]
Q2. You indicated that you are working for pay. Are you working…?

full-time (at least 35 hours per week)..................... 1
part-time (less than 35 hours per week) ............... 2
Q3. You indicated that you are working part-time. Some people work part-time because they cannot find full-time work, because of family obligations, or other personal reasons. Other people work part-time because they prefer to. What is your main reason for working part time?

- Prefer to work part-time ...................................................... 1
- Business conditions/employer cannot offer more hours ........................................................................ 2
- Could only find part-time work ............................................ 3
- Child care/elder care issues or other family or personal obligations ................................................. 4
- Health/medical limitations ................................................... 5
- In school or other training, certification, or education program .......................................................... 6
- Other reasons ........................................................................ 7

[Note: I am currently looking for work]

Q4. What is your current occupation?

- Management, business, and financial occupations ........................................................................ 1
- Professional and related occupations ............................................................................................. 2
- Service occupations, including protective services ........................................................................ 3
- Sales and related occupations ........................................................................................................ 4
- Office and administrative support occupations ................................................................................ 5
- Construction and extraction occupations ........................................................................................ 6
- Installation, maintenance, and repair occupations ............................................................................ 7
- Production occupations .................................................................................................................. 8
- Transportation and material moving occupations ............................................................................. 9
- Farming, fishing, and forestry occupations ........................................................................................ 10
- Other (specify): [TEXTBOX] ........................................................................................................... 11

Q5. How long have you been employed in your current job?

- Less than 6 months .............................................................. 1
- 6-12 months ........................................................................... 2
- 13-23 months ........................................................................ 3
- 2 years .................................................................................. 4
- 3-4 years ................................................................................ 5
- 5-9 years ................................................................................ 6
- 10-14 years ............................................................................. 7
- 15-19 years ............................................................................. 8
- 20 or more years ....................................................................... 9
[IF Q1=1]
[SP]
Q6. Do you own or operate your own business?

Yes ................................................................................................. 1
No ................................................................................................. 2

[IF Q6=1]
[SP]
Q7. About how many people do you currently employ at your business, other than yourself?

None/just myself................................................................. 1
1-2 ..................................................................................... 2
3-4 ..................................................................................... 3
5-9 ..................................................................................... 4
10-19 .............................................................................. 5
20-99 ............................................................................... 6
100 or more ........................................................................ 7

[Note: I am not currently working, but I am looking for work]

[IF Q1=2]
[SP; PROMPT ONCE]
Q8. What is the main reason that you are not working for pay right now?

I voluntarily left my last job ................................................ 1
I lost my last job (e.g., I was laid off, downsized, terminated, the job ended, or the employer went out of business or closed a business unit)........................................................... 2
I have been retired ............................................................... 3
I have child care/elder care issues or other family or personal obligations ........................................ 4
I have been in school or other training, certification, or education program............................... 5
I am (or recently was) unable to work due to sickness, disability, or medical treatment................. 6
I have been unable to find work ........................................ 7
Other (specify): [TEXTBOX]............................................. 8
Q9. What was the occupation you had in your most recent job?

Management, business, and financial occupations ........................................ 1
Professional and related occupations ......................................................... 2
Service occupations, including protective services .................................. 3
Sales and related occupations .................................................................. 4
Office and administrative support occupations ......................................... 5
Construction and extraction occupations .................................................. 6
Installation, maintenance, and repair occupations ..................................... 7
Production occupations ........................................................................... 8
Transportation and material moving occupations ..................................... 9
Farming, fishing, and forestry occupations ............................................... 10
Other (specify): [TEXTBOX] ................................................................. 11

Q10. How long were you employed in your most recent job?

Less than 6 months .................................................................................. 1
6-12 months ............................................................................................. 2
13-23 months ........................................................................................... 3
2 years ....................................................................................................... 4
3-4 years ................................................................................................... 5
5-9 years ................................................................................................... 6
10-14 years ............................................................................................... 7
15-19 years ............................................................................................... 8
20 or more years ....................................................................................... 9

Q11. What is the main reason why you are not working or looking for work right now?

I am fully retired ...................................................................................... 1
I have child care/elder care issues or other family or personal obligations ......................................................... 2
I am in school or other training, certification, or education program ................................................................. 3
I am unable to work due to sickness, disability, or medical treatment ................................................................... 4
There are no jobs available in my line of work or area ....................................................................................... 5
I could not find work .................................................................................. 6
I lack the necessary schooling, training, skills or experience .................................................................................. 7
Employers think I am too old ...................................................................... 8
Other (specify): [TEXTBOX] ................................................................. 9
Q12. Did you look for work at all since you stopped working or became unemployed?

Yes ................................................................. 1
No ............................................................................ 2

Q13. How long did you look for work since you stopped working or became unemployed?

You can enter time in weeks, months, years, or a combination of the three but please make sure that the total equals the amount of time you looked for work.

  a. Number of weeks [0-52]:
  b. Number of months [0-24]:
  c. Number of years [0-10]:

[PROGRAMMER NOTE: Create DOV “WEEKS_SEARCH_1”. Convert entered values in Q13 into terms of weeks.

We are using (365 days/12 months/7 days=average of 4.35 weeks in a month.

Therefore, if someone entered 3 months, WEEKS_SEARCH_1=13.05 weeks. Please round to nearest whole number, so 13.05 is 13. So WEEKS_SEARCH_1=13]

Q14. Based on your response to the previous question, it appears that you looked for work for about [WEEKS_SEARCH_1] weeks. Does that sound right to you?

Yes ................................................................. 1
No ............................................................................ 2

Q15. About how many weeks did you look for work while unemployed?
Q16. What was the occupation you had in your most recent job?

Management, business, and financial occupations .......................................................... 1
Professional and related occupations ................................................................. 2
Service occupations, including protective services ......................................................... 3
Sales and related occupations .......................................................................................... 4
Office and administrative support occupations ............................................................. 5
Construction and extraction occupations ........................................................................ 6
Installation, maintenance, and repair occupations .......................................................... 7
Production occupations .................................................................................................. 8
Transportation and material moving occupations .......................................................... 9
Farming, fishing, and forestry occupations .................................................................... 10
Other (specify): [TEXTBOX] .......................................................................................... 11

Q17. How long were you employed in your most recent occupation?

Less than 6 months ............................................................................................................ 1
6-12 months ..................................................................................................................... 2
13-23 months .................................................................................................................... 3
2 years .................................................................................................................................. 4
3-4 years ............................................................................................................................ 5
5-9 years .................................................................................................................................. 6
10-14 years ........................................................................................................................ 7
15-19 years ........................................................................................................................ 8
20 or more years ................................................................................................................ 9

[Note: I am currently working]

Q18. Over the past 3 years, have you experienced any periods of involuntary unemployment (i.e., unemployment due to job loss, firing, ending of temporary job, etc.)?

Yes, I experienced involuntary unemployment .............................................................. 1
No, I have not experienced any type of involuntary unemployment .................................. 2
Q19. Which of the following apply to you?

I have remained with the same employer during the past 3 years .................. 1
I changed employers during the past 3 years .................. 2
I started my own business during the past 3 years (made a transition from regular employment (working for a wage or salary) to self employment) .................. 3
I stopped working at my own business during the past 3 years and returned to regular employment during the past 3 years .................. 4
I was fully retired, but decided to return to paid work during the past 3 years .................. 5
I was at home at some point during the past 3 years—as a caregiver for a child or adult, or a homemaker, or engaged in other unpaid activities— but I decided to return to paid work .................. 6
I was sick or disabled and unable to work at some point during the past 3 years .................. 7

Q20. While you were sick or disabled, were you...

Still officially employed but on disability leave from employer .................. 1
Unemployed .................. 2
Other .................. 3

[Note: I am currently working but experienced some involuntary unemployment]

Q21. Thinking about your most recent experience with involuntary unemployment, how long were you unemployed?

You can enter time in weeks, months, years, or a combination of the three but please make sure that the total equals the amount of time you were unemployed.

a. Number of weeks [0-52]:
b. Number of months [0-24]:
c. Number of years [0-10]:

[PROGRAMMER NOTE: Create DOV “WEEKS_SEARCH_2”. Convert entered values in Q21 in terms of weeks. Use same formula as used for WEEKS_SEARCH_1.]
Q22. Based on your response to the previous question, it appears that during your most recent experience with unemployment, you looked for work for about \[\text{WEEKS\_SEARCH\_2}\] weeks. Does that sound right to you?

Yes ........................................................................................................... 1
No .............................................................................................................. 2

Q23. About how many weeks did you look for work while unemployed?

Q24. When you were unemployed during the past 3 years, which of the following barriers did you face in getting a new job?

a. Bad economy - few job openings due to the recession, too many people competing for the same jobs.
b. Age discrimination - employers are reluctant to hire me because of my age.
c. Finding a job that pays me fairly for my skills and experience.
d. My occupation or industry is in decline; there are few openings in my field even when the economy is not in recession.
e. High expectations - I was seeking job qualities that are hard to get (such as flexible hours, part-time work, or part-year work).
f. Other barriers (specify): [TEXTBOX]
g. I faced no significant barriers (had little difficulty) finding another job. [SP]

Q25. Which was the most difficult barrier you faced in getting a new job?

Q26. How did you find your current job?

Contacted employer directly................................................................. 1
Public employment agency (e.g., state or local workforce center, One Stop)................................................. 2
Private employment agency ........................................................................... 3
Professional/union network ........................................................................... 4
Family/friends/colleagues ........................................................................... 5
Placed or answered help wanted ads on-line......................................... 6
Other ........................................................................................................... 7
Q27. How do you think your age affected your recent job search?
   a. My age had a very negative impact on my search
   b. My age had a somewhat negative impact on my search
   c. My age had no impact on my search
   d. My age had a somewhat positive impact on my search
   e. My age had a very positive impact on my search
   f. Don’t know/can’t say

Q28. During the past 3 years, do you think age was ever a reason an employer let you go (e.g., laid off, job ended, etc.)?
   My age has definitely not been a factor.............................. 1
   My age may have been a factor/may have had some impact....................................................... 2
   My age almost certainly was a factor .................................. 3
   Don’t know......................................................................... 4

Q29. How much financial hardship did you/your family face because of unemployment during the past 3 years?
   Very serious financial hardship........................................... 1
   Serious financial hardship .................................................. 2
   Some financial hardship..................................................... 3
   Very little financial hardship.............................................. 4
   No financial hardship....................................................... 5

Q30. Now that you are re-employed, do you feel like you are (or will soon) be “back on track” financially?
   Yes ..................................................................................... 1
   No ...................................................................................... 2

Q31. What are the reasons you are not yet “back on track”?
   The job I have now is only temporary or part-time
   The job I have now pays too little
   I exhausted my savings and it will take me some time to recover
   I have debt to repay
   Major expenditures are ahead for which I am not financially prepared
   Other
   Not applicable [SP]
Q32. How satisfied are you with each of the following aspects of your new job?

<table>
<thead>
<tr>
<th>Very satisfied</th>
<th>Satisfied</th>
<th>Not very satisfied</th>
<th>Not at all satisfied</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Your wage/salary
Your health insurance benefits
Your retirement benefits (pensions and saving plans)
The work itself
Working conditions

Q33. When you were unemployed, did you receive either of the following forms of assistance?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

a. Unemployment insurance
b. Assistance paying for health insurance (COBRA subsidies)

Q34. Which of the following best describes your use of unemployment benefits during the past 3 years?

1. I used up all of the unemployment benefits I was entitled to
2. I used up some but not all of my unemployment benefits

Q35. How many times, including the most recent, were you out of work in the past 3 years?

One.......................................................................................... 1
Two............................................................................................ 2
Three or more............................................................................ 3
Q36. What was the longest period of unemployment you experienced in the past 3 years?

You can enter time in weeks, months, years, or a combination of the three but please make sure that the total equals the amount of time that was your longest period of unemployment.

a. Number of weeks [0-52]:
b. Number of months [0-24]:
c. Number of years [0-10]:

[PROGRAMMER NOTE: Create DOV “WEEKS_SEARCH_3”. Convert entered values in Q36 in terms of weeks. Use same formula as used for WEEKS_SEARCH_1.]

Q37. Based on your response to the previous question, it appears that the longest period that you were out of work in the past 3 years was about [WEEKS_SEARCH_3] weeks. Does that sound right to you?

Yes ........................................................................................................... 1
No .......................................................................................................... 2

Q38. About how many weeks were you unemployed?

[Note: I am currently unemployed but looking for work (and not retired)]

Q39. How long have you been out of work?

You can enter time in weeks, months, years, or a combination of the three but please make sure that the total equals the amount of time you have been out of work.

a. Number of weeks [0-52]:
b. Number of months [0-24]:
c. Number of years [0-10]:

[PROGRAMMER NOTE: Create DOV “WEEKS_SEARCH_4”. Convert entered values in Q39 in terms of weeks. Use same formula as used for WEEKS_SEARCH_1.]
Q40. Based on your response to the previous question, it appears that you have been out of work for about [WEEKS_SEARCH_4] weeks. Does that sound right to you?

Yes .............................................................................. 1
No .................................................................................. 2

Q41. About how many weeks have you looked for work while unemployed?

Plenty of jobs available .................................................... 1
Jobs are difficult to find .................................................. 2
Lots of some jobs, few of others ..................................... 3
Don't know ...................................................................... 4

Q42. Thinking now about job opportunities where you live, would you say there are plenty of jobs available in your community or are jobs difficult to find?

Plenty of jobs available .................................................... 1
Jobs are difficult to find .................................................. 2
Lots of some jobs, few of others ..................................... 3
Don't know ...................................................................... 4

Q43. How confident are you that you can find a good job in the next 6 months - a job with good pay and/or benefits?

Very confident ............................................................... 1
Somewhat confident ..................................................... 2
Not too confident ......................................................... 3
Not at all confident ....................................................... 4
Don't know ...................................................................... 5

Q44. Since you have been unemployed, have you received either of the following forms of assistance?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

a. Unemployment insurance
b. Assistance paying for health insurance (COBRA subsidies)

Q45. Which of the following best describes your use of unemployment benefits during the past 3 years?

1. I used up all of the unemployment benefits I was entitled to
2. I used up some but not all of my unemployment benefits
[IF Q1=2 and Q8 NE 3]
Q46. How much financial hardship are you/your family experiencing because of unemployment?

- Very serious financial hardship ........................................... 1
- Serious financial hardship ................................................... 2
- Some financial hardship ...................................................... 3
- Very little financial hardship ............................................... 4
- No financial hardship .......................................................... 5

[IF Q1=2 and Q8 NE 3]
[MP, RANDOMIZE AND RECORD a-e]
Q47. During the past 3 years, which of the following barriers have you faced in getting a new job?

a. Bad economy - few job openings due to the recession, too many people competing for the same jobs.
b. Age discrimination - employers are reluctant to hire me because of my age.
c. Finding a job that pays me fairly for my skills and experience.
d. My occupation or industry is in decline; there are few openings in my field even when the economy is not in recession.
e. High expectations - I was seeking job qualities that are hard to get (such as flexible hours, part-time work, or part-year work).
f. I face no significant barriers (will have little difficulty) finding another job.
g. Other barriers (specify): [TEXTBOX]

[IF SELECTED MORE THAN ONE ANSWER CHOICE IN Q47; INSERT SELECTED ANSWER CHOICES FROM Q47]

[SP]
Q48. Which has been the most difficult barrier you faced in getting a new job?

[IF Q1=2 and Q8=2]
[SP; RANDOMIZE AND RECORD ASSIGNMENT TO xQ49=1 OR 2 AND SHOW ANSWER OPTIONS IN SPECIFIED ORDER.]
Q49. How do you think your age may be affecting your job search?

a. My age has had a very negative impact on my search
b. My age has had a somewhat negative impact on my search
c. My age has had no impact on my search
d. My age has had a somewhat positive impact on my search
e. My age has had a very positive impact on my search
f. Don’t know/can’t say

[IF Q1=2 and Q8=2]
[SP]
Q50. During the past 3 years, do you think age was ever a reason an employer let you go (e.g., laid off, job ended, etc.)?

- My age has definitely not been a factor ........................................ 1
- My age may have been a factor/may have had some impact ........................................ 2
- My age almost certainly was a factor ........................................... 3
- Don’t know .............................................................................. 4
[IF Q1=2 and Q8 NE 3]
[SP]
Q51. How many times, including now, have you been out of work in the past 3 years?

One..................................................................................... 1
Two..................................................................................... 2
Three or more........................................................................ 3

[IF Q51=2 OR 3]
[MULTIPLE NUMBERBOX]
Q52. What was the longest period of unemployment you experienced in the past 3 years?

[SMALLER FONT]
You can enter time in weeks, months, years, or a combination of the three but please make sure that the total equals the amount of time that was your longest period of unemployment.

a. Number of weeks [0-52]:
b. Number of months [0-24]:
c. Number of years [0-10]:

[PROGRAMMER NOTE: Create DOV “WEEKS_SEARCH_5”. Convert entered values in Q52 in terms of weeks. Use same formula as used for WEEKS_SEARCH_1.]

[IF ANY Q51b-c NE SKIPPED/REFUSED]
[SP]
Q53. Based on your response to the previous question, it appears that the longest period that you were out of work was about [WEEKS_SEARCH_5] weeks. Does that sound right to you?

Yes ..................................................................................... 1
No ..................................................................................... 2

[IF Q53=2]
[NUMBER BOX, 0 TO 522]
Q54. About how many weeks were you without work the longest time you were unemployed in the past 3 years?

Note: I am currently unemployed and not looking for work]

[IF Q1=3]
[MULTIPLE NUMBERBOX]
Q55. How long has it been since you stopped working?

[SMALLER FONT]
You can enter time in weeks, months, years, or a combination of the three but please make sure that the total equals the amount of time since you stopped working.

a. Number of weeks [0-52]:
b. Number of months [0-24]:
c. Number of years [0-10]:

BOOMERS AND THE GREAT RECESSION: STRUGGLING TO RECOVER
[PROGRAMMER NOTE: Create DOV “WEEKS_SEARCH_6”. Convert entered values in Q55 in terms of weeks. Use same formula as used for WEEKS_SEARCH_1.]

[IF ANY Q55b-c NE SKIPPED/REFUSED]
[SP]
Q56. Based on your response to the previous question, it appears that it has been about [WEEKS_SEARCH_6] weeks since you stopped working. Does that sound right to you?

Yes ........................................................................................................... 1
No ........................................................................................................... 2

[IF Q56=2]
[NUMBER BOX, 0 TO 522]
Q57. About how many weeks has it been since you stopped working?

[PROGRAMMER NOTE: IF Q12=2 and WEEKS_SEARCH_5 OR Q57>156, CREATE DOV “STOP”=1. THEN TERMINATE SURVEY]

[IF Q1=3]
[SP]
Q58. Why did you leave your last job?

I lost my last job (e.g., I was laid off, downsized, terminated, the job ended, or the employer went out of business or closed a business unit) .................................................................................. 1
I retired .................................................................................................. 2
I had child care/elder care issues or other family or personal obligations ...................................................................................... 3
I became sick or disabled ......................................................................... 4
Other (specify): [TEXTBOX] .................................................................... 5

[IF Q58=2]
[SP]
Q59. Why did you retire when you did?

Ready to retire/had planned on retiring about this time.......................... 1
Lost my job and decided to retire ............................................................ 2
Had been looking for work, but could not find a job, so decided to retire .......................................................................................... 3
Became sick/disabled .............................................................................. 4
Other (specify): [TEXTBOX] ................................................................. 5
[IF Q1=3 and Q58=1]
[SP]
Q60. During the past 3 years, do you think age was ever a reason an employer let you go (e.g., laid off, job ended, etc.)?

- My age has definitely not been a factor
- My age may have been a factor
- My age almost certainly was a factor
- Don’t know

[IF Q1=3]
[MP; RANDOMIZE AND RECORD a-e]
Q61. During the past 3 years, did you face any of the following barriers in getting a new job?

- a. Bad economy - few job openings due to the recession, too many people competing for the same jobs.
- b. Age discrimination - employers were reluctant to hire me because of my age.
- c. Finding a job that pays me fairly for my skills and experience.
- d. My occupation or industry is in decline; there are few openings in my field even when the economy is not in recession.
- e. High expectations - I was seeking job qualities that are hard to get (such as flexible hours, part-time work, or part-year work).
- f. I faced no significant barriers finding another job. [SP]
- g. Other barriers (specify): [TEXTBOX]

[IF SELECTED MORE THAN ONE ANSWER CHOICE IN Q61; INSERT SELECTED ANSWER CHOICES FROM Q61]
[SP]
Q62. Which was the most difficult barrier you faced in getting a new job?

[IF Q1=3]
[SP]
Q63. Thinking about job opportunities where you live, would you say there are plenty of jobs available in your community or are jobs difficult to find?

- Plenty of jobs available
- Jobs are difficult to find
- Lots of some jobs, few of others
- Don’t know

[IF Q1=3]
[SP]
Q64. How confident are you that you could find a good job in the next 6 months—a job with good pay and/or benefits?

- Very confident
- Somewhat confident
- Not too confident
- Not at all confident
- Don’t know
[IF Q1=3]

Q65. Since you stopped working, have you received either of the following forms of assistance?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

a. Unemployment insurance
b. Assistance paying for health insurance (COBRA subsidies)

[IF Q65 "Unemployment insurance" = yes]

Q66. Which of the following best describes your use of unemployment benefits during the past 3 years?

1. I used up all of the unemployment benefits I was entitled to
2. I used up some but not all of my unemployment benefits

[Note: I am currently retired but have returned to work/is now looking for work]

[IF Q8=3 OR Q19=5]

Q67. How long were you retired before you decided to return to the workforce?

Less than 1 year .......................................................... 1
1-3 years ................................................................. 2
4-5 years ................................................................. 3
6-10 years ............................................................... 4
More than 10 years .................................................... 5

[IF Q8=3 OR Q19=5]

Q68. Why did you retire when you did?

1. Ready to retire/had planned on retiring about that time ........................................ 1
2. Lost my job and decided to retire ........................................................................ 2
3. Had been looking for work, but could not find a job, so decided to retire ............ 3
4. Became sick/disabled ....................................................................................... 4
5. Other (specify): [TEXTBOX] ...................................................................... 5

[IF Q8=3 OR Q19=5]

Q69. Since deciding to return to the workforce, how long have you been looking for work?

[IF Q19=5] How long did it take you to find your current job?

a. Number of weeks [0-52]:
b. Number of months [0-24]:
c. Number of years [0-10]:

[PROGRAMMER NOTE: Create DOV “WEEKS_SEARCH_7”. Convert entered values in Q69 in terms of weeks. Use same formula as used for WEEKS_SEARCH_1.]
[IF ANY Q69b-c NE SKIPPED/REFUSED]

[SP]
Q70. Based on your response to the previous question, it appears that you [IF Q19=5 insert: looked / IF Q8=3 insert: have been looking] for work for about [WEEKS_SEARCH_7] weeks. Does that sound right to you?

Yes ........................................................................................................... 1
No .......................................................................................................... 2

[IF Q70=2]

[NUMBER BOX, 0 TO 522]
Q71. About how many weeks [IF Q19=5 insert: did you look / IF Q8=3 insert: have you been looking] for work while unemployed?

[IF Q8=3 OR Q19=5]

[SP]
Q72. What are the reasons you returned to the workforce after retirement?

My reasons are/were primarily financial ............................................ 1
My reasons are/were primarily nonfinancial .................................... 2
My reasons are/were both financial and nonfinancial ..................... 3

[IF Q72=1]

[MP; RANDOMIZE AND RECORD]
Q73. You said that your primary reasons for [Q8=3 looking for work][ Q19=5 working] are/were financial. How would you describe your financial needs?

Need the money to meet my basic expenses, such as health care costs, housing and utilities costs, and/or food and clothing
Need the money for extras like travel, vacations, a new car
Need the money to help family members meet their expenses
Need the money because my retirement savings have declined
Need health insurance coverage
Other financial reasons

[IF Q72=2]

[MP; RANDOMIZE AND RECORD]
Q74. You said that your primary reasons for [Q8=3 looking for work][ Q19=5 working] are/were nonfinancial. How would you describe your reasons?

Bored/wanted to get out of the house / spouse/partner wanted me out of the house
Missed working
Missed the social contacts at work
Wanted to do something meaningful, make a contribution
Other nonfinancial reasons
Q75. You said that your primary reasons for looking for work are/were both financial and nonfinancial. How would you describe your reasons?

Need the money to meet my basic expenses, such as health care costs, housing and utilities costs, and/or food and clothing

Need the money for extras like travel, vacations, a new car

Need the money to help family members meet their expenses

Need health insurance coverage

Bored/wanted to get out of the house/spouse wants me out of the house

Miss working

Miss the social contacts at work

Want to do something meaningful, make a contribution

Other reasons

Q76. Are you looking for full-time or part-time work?

Full-time work ............................................................ 1
Part-time work ............................................................ 2
Either full-time or part-time .............................................. 3

Q77. While you have been looking for work or when you last looked for work during the past 3 years, which of the following barriers did you face in getting a new job?

a. Bad economy - few job openings due to the recession, too many people competing for the same jobs
b. Age discrimination - employers are reluctant to hire me because of my age
c. Finding a job that pays me fairly for my skills and experience
d. My occupation or industry is in decline; there are few openings in my field even when the economy is not in recession
e. High expectations - I was seeking job qualities that are hard to get (such as flexible hours, part-time work, or part-year work)
f. I faced no significant barriers (had little difficulty) finding another job [SP]
g. Other barriers (specify): [TEXTBOX]

Q78. Which has been or was the most difficult barrier you faced in getting a new job?
Q79. How do you think your age affected your recent job search?

- a. My age had a very negative impact on my search
- b. My age had a somewhat negative impact on my search
- c. My age had no impact on my search
- d. My age had a somewhat positive impact on my search
- e. My age had a very positive impact on my search
- f. Don’t know/can’t say

Q80. During the past 3 years, do you think age was ever a reason an employer let you go (e.g., laid off, job ended, etc.)?

- My age has definitely not been a factor................................. 1
- My age may have been a factor/may have had some impact........................................2
- My age almost certainly was a factor ........................................3
- Don’t know.............................................................................4

Q81. At any time in the past 3 years, did you participate in training, education, schooling, or certification programs to refresh or enhance your skills, develop new skills or acquire knowledge that would contribute to job success?

- Yes ..............................................................................................1
- No ...............................................................................................2

Q82. What kind of training or education did you participate in?

- a. Education or training to advance [IF Q1=1 INSERT: in my current career / IF Q1 NE 1 INSERT: the kind of work I was doing](to improve jobs skills, keep knowledge up-to-date, or learn new skills)
- b. Education or training necessary to find a job or move into a new career
- c. Both
- d. Other (specify): [TEXTBOX]

Q83. Who paid for the education or training?

- Self/family
- Employer/union
- Loan
- Government program (e.g., Pell Grant, dislocated worker funds)
- There was no cost, the training was offered for free
- Other (specify): [TEXTBOX]
- Unsure/don’t know [SP]
Q84. What type of education or training was it?

- Computer skills training/information and technical skills
- Basic skills training (e.g., basic math, basic writing or reading skills)
- Required professional training (e.g., continuing legal or accounting credits)
- Communication skills training (e.g., presentation or writing skills)
- Sales or customer relations training
- Occupational safety training
- Other (specify): [TEXTBOX]

Q85. Did this education or training involve…?

- On-the-job training
- Enrollment in a certification program
- Community college courses
- Enrollment in a four-year degree program
- Graduate or professional school
- Other (specify): [TEXTBOX]

Q86. How did you receive the education or training?

- Through an instructor in a classroom ........................................ 1
- Through courses offered online.................................................. 2
- Through "hands-on" training at work ........................................... 3
- Other .......................................................................................... 4

Q87. To what extent has this education or training helped you in your career (e.g., your earnings, your ability to get a job, your duties at work, etc.)?

- A great deal ................................................................. 1
- Somewhat ......................................................................... 2
- A little .............................................................................. 3
- Not at all ............................................................................ 4

Q88. Why didn’t you participate in any education/training?

- a. Education/training is not relevant/useful to me or I was not interested in any new education/training.
- b. I am too close to the end of my career/too close to retirement.
- c. I considered it or was interested in it, but couldn’t afford it or did not pursue it for other reasons.
- d. I don’t know where to get education/training, or I don’t think there are opportunities in my area.
- e. I have been/was unemployed and lacked access to or could not afford education/training.
- f. It did not occur to me to seek education/training.
Q89. In your current job or a previous job during the past 3 years, did you ever experience any of the following?

a. Brief periods of involuntary unpaid leave (furlough days or weeks)

b. Involuntary reduction in work hours (including overtime hours)

c. Reduction in your wage or salary

d. No raise, or smaller raise than usual

e. No bonus, or smaller bonus than usual

f. Reduction in or elimination of employer matching payments to your 401(k) account

g. Reduction in or elimination of employer-provided health insurance coverage

h. Other reductions in compensation not listed above

Q90. How comfortable are you with your current levels of debt (such as loans, mortgages, or credit card debt)?

Very comfortable ................................................................. 1

Somewhat comfortable ..................................................... 2

Somewhat uncomfortable .................................................. 3

Very uncomfortable .......................................................... 4

Q91. How comfortable are you with your current level of savings?

Very comfortable ................................................................. 1

Somewhat comfortable ..................................................... 2

Somewhat uncomfortable .................................................. 3

Very uncomfortable .......................................................... 4

Q92. How would you rate your own (your family’s) financial well-being today?

Excellent ............................................................................. 1

Very good ........................................................................... 2

Good ................................................................................... 3

Fair

Poor .................................................................................... 5

Don’t know/unsure .............................................................. 6

Q93. Over the past 3 years, has your annual household income increased, decreased, or stayed about the same?

Increased .............................................................................. 1

Decreased ............................................................................ 2

Stayed about the same ....................................................... 3
Q94. Thinking back to your situation before the recession began, which of the following best reflects your financial situation?

I am less financially secure today ........................................... 1
I am about as financially secure today as
I was then ................................................................. 2
I am more financially secure today ....................................... 3
Don’t know/can’t say ......................................................... 4

Q95. Thinking ahead to a year from now, do you expect that your own personal financial situation will...?

Improve ........................................................................... 1
Stay about the same ....................................................... 2
Become worse ................................................................... 3
Don’t know ......................................................................... 4

Q96. Which if any of the following financial hardships have you/your family experienced in the past 3 years?

a. Had trouble paying rent or mortgage
b. Fell behind on credit card payments/accumulated more credit card debt
c. Filed for bankruptcy
d. Forced to sell my house
e. Lost my house to foreclosure
f. House declined substantially in value
g. Lost my health insurance
h. Exhausted/used up all of my savings
i. None of the above [SP]

Q97. During the past 3 years, was there any period of time during which you had difficulty making ends meet?

Yes .................................................................................. 1
No .................................................................................... 2

Q98. Why did you have difficulty making ends meet?

a. Someone in the household lost their job
b. Household income declined
c. Everyday household expenses rose
d. Increase in number of people in the household
e. Extraordinary and unexpected expenses
f. Mortgage payment increased
g. Someone in the household lost health insurance
h. Other
Q99. Did you do any of the following in the past 3 years to make ends meet?

a. Went back to work; increased work hours
b. Withdrew money from a savings account
c. Cut back on expenses, including putting off major expenses
d. Dropped health insurance coverage
e. Found cheaper health insurance
f. Delayed getting medical or dental care; delayed or ceased taking medication
g. Used credit card for daily expenses
h. Stopped or cut back on saving for retirement
i. Stopped or cut back on other (nonretirement) savings
j. Started to collect Social Security retirement benefits
k. Started to collect Social Security disability benefits
l. Started to collect pension benefits
m. Received financial help from family or friends (including loans)
n. Took a loan from a 401(k) or other retirement account
o. Took a distribution from a 401(k) or other retirement savings account
p. Tapped your home equity (through a reverse mortgage or home equity loan)
q. Took out a consumer loan from a bank, credit union or other financial institution
r. Collected food stamps (Supplemental Nutrition Assistance Program or SNAP benefits)
s. None of the above [SP]

Q100. Did you begin collecting Social Security earlier than you had previously planned to?

Yes ................................................................................................. 1
No ................................................................................................. 2

Q101. Are you currently saving for retirement? (for example, making regular contributions to a 401k or IRA)

Yes ................................................................................................. 1
No ................................................................................................. 2
Q102. You said you are currently saving. How much do you \([\text{IF PPMARIT}=1 \text{ OR 6 INSERT: and your spouse/partner}]\) have saved in all of your retirement accounts?

- Less than $1,000 .............................................................. 1
- $1,000 to less than $10,000 .................................................. 2
- $10,000 to less than $25,000 ............................................... 3
- $25,000 to less than $50,000 ............................................... 4
- $50,000 to less than $100,000 ............................................ 5
- $100,000 to less than $150,000 ........................................... 6
- $150,000 to less than $250,000 .......................................... 7
- $250,000 to less than $500,000 .......................................... 8
- $500,000 to less than $1 million ......................................... 9
- $1 million or more .......................................................... 10

Q103. You said you are not saving now. Have you \([\text{IF PPMARIT}=1 \text{ OR 6 INSERT: and your spouse/partner}]\) ever done any saving for retirement?

- Yes .................................................................................... 1
- No .................................................................................... 2

Q104. How much do you \([\text{IF PPMARIT}=1 \text{ OR 6 INSERT: and your spouse/partner}]\) have saved in retirement accounts?

- Less than $1,000 .............................................................. 1
- $1,000 to less than $10,000 .................................................. 2
- $10,000 to less than $25,000 ............................................... 3
- $25,000 to less than $50,000 ............................................... 4
- $50,000 to less than $100,000 ............................................ 5
- $100,000 to less than $150,000 ........................................... 6
- $150,000 to less than $250,000 .......................................... 7
- $250,000 to less than $500,000 .......................................... 8
- $500,000 to less than $1 million ......................................... 9
- $1 million or more .......................................................... 10

Q105. At what age do you expect to be fully retired and no longer working for pay?

- I expect to be fully retired at age: \([\text{NUMBER BOX}]\) ............ 1
- I don’t expect ever to be fully retired ........................................ 2
- Don’t know/can’t say ......................................................... 3

Q106. Has the age at which you expect to be fully retired changed in the past 3 years?

- Yes .................................................................................... 1
- No .................................................................................... 2
Q107. You said your expected retirement age has changed. Which of the following best describes your expectations?

I expect to retire sooner (at a younger age) than I previously planned
   ................................................................. 1
I expect to retire later (at an older age) than I previously planned
   ..................................................................... 2

Q108. As a result of the recession, have you or has anyone else in your family done any of the following?

Started working (or tried to find a job) after a period of time spent not working and not looking for work
   ..................................................................... 1
Been encouraged to look for a better job – one with higher wages or benefits
   ..................................................................... 2
Gone into business for yourself (themselves)
   ..................................................................... 3
Started to work more hours
   ..................................................................... 4
Taken on an additional job
   ..................................................................... 5
None of the above [SP]
   ..................................................................... 6

Q109. Overall, how confident are you that you [IF PPMARIT=1 OR 6 INSERT: your spouse/partner] will have enough money to live comfortably throughout your retirement years?

Very confident
   ..................................................................... 1
Somewhat confident
   ..................................................................... 2
Not too confident
   ..................................................................... 3
Not at all confident
   ..................................................................... 4

Q110. Compared to how you felt before the recession started (3 years ago), are you more or less confident that you will have enough money to live comfortably throughout your retirement years?

Much more confident
   ..................................................................... 1
Somewhat more confident
   ..................................................................... 2
About the same
   ..................................................................... 3
Somewhat less confident
   ..................................................................... 4
Much less confident
   ..................................................................... 5
Don’t know/can’t say
   ..................................................................... 6
Q111. Please indicate how concerned you are about each of the following [IF Q1=1 INSERT: in retirement]. Are you very concerned, somewhat concerned, not too concerned, or not at all concerned?

<table>
<thead>
<tr>
<th>Concerned Level</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very concerned</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Somewhat concerned</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not too concerned</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not at all concerned</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. You might not be able to maintain a reasonable standard of living in retirement.
b. You might not have enough money to pay for adequate health care.
c. You might not have enough money to pay for a long stay in a nursing home or a long period of nursing care at home.
d. Your income in retirement might not keep up with inflation.
e. You (spouse/partner) may not be able to maintain the same standard of living after your death, if you should die first.
f. You might deplete all your savings.
g. You might not be able to afford to stay in your current home for the rest of your life.
h. You might not be able to leave money to your children or other heirs.
i. You might have to rely on children or other family members to provide financial assistance.
j. You might have to move in with relatives or have relatives move in with you.
k. Your income in retirement may vary based on changes in interest rates.

[IF MORE THAN ONE ANSWER CHOICE IN Q111=1-3] [SP; LIST ANSWER CHOICES SELECTED IN Q111=1-3]

Q112. Which ONE of these would you say you are most concerned about?

[GRID, SP ACROSS]

Q113. Now we are going to ask specifically about things some people do to protect themselves financially when it comes to health expenses. To protect yourself financially, have you or do you plan to…?

<table>
<thead>
<tr>
<th>Plan to do in the future</th>
<th>No plans to do this</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Already done</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Buy long-term care insurance
b. Purchase health insurance to supplement Medicare
c. Participate in an employer-provided retiree health plan
d. Move into or arrange for care through a continuing care retirement community
e. Save specifically for the possibility of having large health expenses or needing long-term care
f. Maintain healthy lifestyle habits, such as a proper diet, regular exercise, and preventive care
g. Sell my house or use my home equity if I need more money to pay high medical bills or to pay for long-term care

[SP]

Q114. Do you think the nation’s current economic problems will make it harder for you to take care of your financial needs in retirement, or not?

Yes ....................................................................................... 1
No ....................................................................................... 2
Q115. Did you experience any reduction in your retirement savings account balances during the past 3 years?

Yes .................................................................................... 1
No .................................................................................... 2

[IF Q115=1]

Q116. You said your balances declined at some point in the past 3 years, but today would you say…?

My balances are back to where they were before the recession started ......................... 1
My balances are not back to where they were before the recession started, but are moving in the right direction .................. 2
My balances declined and have not recovered .............................................................. 3

Q117. Compared to your parents or people in your parents’ generation, do you think your standard of living in retirement will be much better, somewhat better, about the same, somewhat worse, or much worse than theirs?

Much better................................................................. 1
Somewhat better .................................................. 2
About the same ....................................................... 3
Somewhat worse..................................................... 4
Much worse .............................................................. 5
Don’t know/can’t say ............................................. 6

Q118. Older people with low incomes may be financially secure because they have stable incomes (Social Security and pensions) and guaranteed and affordable health insurance (Medicare and retiree health benefits through a former employer). Thinking about your own retirement and the retirement security of people in your parents’ generation, do you expect to have a more or less economically secure retirement than your parents had (or have)?

I will have a more economically secure retirement than people in my parents’ generation ........................................ 1
I will have about the same level of economic security as people in my parents’ generation ........................................ 2
I will have a less secure retirement than people in my parents’ generation ................................................... 3
Don’t know/can’t say ................................................. 4

Q119. Have you (or your spouse/partner) taken any steps to prepare for a more secure retirement/make sure you can retire when you want to/make sure your retirement resources will be adequate?

Yes ..................................................................................... 1
No ..................................................................................... 2
Q119a. What steps have you [IF PPMARIT=1 OR 6 INSERT: and your spouse/partner] taken?

a. Started saving more for retirement
b. Moved some or all of my (our) assets and savings to less risky assets and savings
c. Changed where or who I turn to for financial advice
d. Started getting financial advice from more sources to check one against another
e. Changed where my (our) retirement savings are invested
f. Put off my expected date of retirement
g. Decided I will likely work at least part-time in retirement
h. Spouse/partner will likely work at least part-time in retirement
i. Decided to pay off the mortgage
j. Decided to pay down other debt (not including a mortgage)
k. Started looking for work/returned to work.
l. Other (specify): [TEXTBOX]

[IF “Started saving more for retirement” SELECTED IN Q119]
[SP]
Q120. You said you [IF PPMARIT=1 OR 6: and your spouse/partner] started saving more for retirement. Did you…?

Increase your contributions to 401ks, IRAs, etc. (e.g., increase contributions you had been making, in order make up for losses, for example) ................................................................. 1
Start contributing to 401ks, IRAs, etc. for the first time ...................................................... 2
Re-start contributions to 401ks, IRAs that you had suspended .............................................. 3

[IF “Started saving more for retirement” SELECTED IN Q118]
[SP]
Q121. You said you [IF PPMARIT=1 OR 6 INSERT: and your spouse/partner] started saving more for retirement. Were you able to save more because…?

You changed your lifestyle in order to save more out of current income (i.e., reduced expenditures on food, housing, entertainment) .......... 1
Your household income went up (for example, you got a raise or better paying position; your spouse returned to work) ....................... 2
Other (specify): [TEXTBOX] ................................................................. 3

[SP]
Q122. Do you own or rent your current residence?

Own ........................................................................................................ 1
Rent ......................................................................................................... 2
[IF Q122=1]
[SP]
Q123. Do you currently have a home mortgage?

Yes, have a mortgage.................................................. 1
No, do not have a mortgage........................................ 2

[MP]
Q124. Are you caring for a child or children or providing unpaid care to another relative or friend who needs help taking care of herself or himself? In addition to child care, this care may include help with personal needs or household chores, managing a person’s finances, arranging for outside services, or visiting regularly to see how they are doing.

Yes, caring for a child or children under age 18 ............ 1
Yes, caring for someone age 18 or older..................... 2
No [SP]........................................................................... 3

[SP]
R1. Thank you for completing this survey. As a participant of this study, you have an opportunity to speak with one of our interviewers about your employment-related experiences over the past 3 years. Your answers from today’s survey will not be provided to the interviewer, but only the contact information that will allow them to get in touch with you. Would you be willing to talk further about your employment-related experiences?

Yes ................................................................................ 1
No ................................................................................ 2

[SP]
R2. In addition, would you be willing to talk to someone from the media if they were reporting on employment issues?

Yes ................................................................................ 1
No 2 ...................................................................................

[IF R1=1 OR R2=1]
[DISPLAY]
Thank you for your help. Because you will be asked questions about your survey experience today, we ask that you please write down your thoughts and questions. When you are contacted, please feel free to bring any notes you may have.

Please note that not all who are interested in the phone discussion will be selected.
QUESTIONNAIRE: WAVE 2, AUGUST 2011

[DISPLAY]
In October 2010, you participated in a survey of how you and your family had fared in the three years since the Great Recession began in December 2007. We are following up with a few questions on how things have been going since last October 2010.

[PROMPT]
[SP]
1a. In October 2010, you described your employment status as [if xemploy=1: currently working for pay / if xemploy=2: not currently working, but looking for work / if xemploy=3: not working for pay and not looking for paid work]. Does this still describe your current employment status?

1. Yes
2. No

[PROMPT]
[IF Q1a = 2]
[SP]
1b. Which of the following best describes your current employment status?

1. I am currently working for pay.
2. I am not working, but I am looking for work.
3. I am not working for pay and I am not looking for paid work right now.

[CREATE DATA-ONLY VARIABLE CUR_EMPLOY AS FOLLOWS:
CUR_EMPLOY=1 (currently working for pay) if XEMPLOY = 1 and Q1a=1 or if Q1b=1
CUR_EMPLOY=2 (not currently working but looking for work) if XEMPLOY = 2 and Q1a=1 or if Q1b=2
CUR_EMPLOY=3 (not currently working and not looking for work) if XEMPLOY = 3 and Q1a=1 or if Q1b=3
CUR_EMPLOY=Xemploy if Q1a = Missing or (Q1a = 2 and Q1b = Missing)]

[SP]
2. Thinking about job opportunities where you live, would you say that since October 2010, the job opportunities have…?

1. Improved
2. Worsened
3. Stayed about the same

[SP]
3. Looking ahead a year from now, do you think job opportunities will be…?

1. Much better
2. Somewhat better
3. About the same
4. Somewhat worse
5. Much worse
6. Don’t know
4. [IF CUR_EMPLOY=1, 3 (currently working and not working and not looking):] If you were looking for a job right now, how confident are you that you could / IF CUR_EMPLOY=2 (not working and looking):] How confident are you that you can find a good job in the next 6 months — a job with good pay and/or benefits?

1. Very confident
2. Somewhat confident
3. Not too confident
4. Not at all confident
5. Don’t know

5. Since October 2010, would you say that the overall economic situation has…?

1. Improved
2. Worsened
3. Stayed about the same

6. In October 2010, you rated your own (your family’s) financial well-being as [IF XFINANCE=1: excellent] IF XFINANCE=2: very good IF XFINANCE=3: good IF XFINANCE=4: fair IF XFINANCE=5: poor]. Would you say that has gotten better, worse, or stayed about the same?

1. Better (Ask 7a)
2. Worse (Ask 7b)
3. Stayed about the same

7a. What has made your financial situation better than it was in October 2010?

1. You found a job
2. You increased your work hours
3. You obtained a promotion, raise, or higher paying job
4. Family member found a job
5. You retired
6. Your spouse/partner retired
7. You (and/or your spouse/partner) started collecting Social Security
8. Your child/children moved out of the house
9. You reduced/got out of debt
10. You (and/or your spouse/partner) built up your savings
11. Rising value of investments
12. Other (please specify) [TEXT BOX]
7b. What has made your financial situation worse than it was in October 2010?

1. You lost a job
2. You had to reduce your work hours
3. Family member lost a job
4. You still have not found a job
5. You had to retire
6. You had unexpected health expenses
7. Your child/children moved back home
8. You lost a spouse
9. Your savings diminished
10. You went into/deeper into debt
11. You lost a home to foreclosure
12. Other (please specify) [TEXT BOX]

8b. Compared to how you felt before the recession started (in December 2007), are you more or less confident that you will have enough money to live comfortably throughout your retirement years?

1. Much more confident
2. Somewhat more confident
3. Neither more nor less confident
4. Somewhat less confident
5. Much less confident
6. Don’t know/can’t say

10. Thinking about your savings today compared to the start of the Great Recession in December 2007, would you say…?

1. My balances are higher than before the recession started.
2. My balances are where they were before the recession started.
3. My balances are not back to where they were before the recession started, but are moving in the right direction.
4. My balances declined and have not recovered.
5. I don’t know how my balances have changed since December 2007.
9. Compared to your parents or people in your parents’ generation, do you think your standard of living in retirement will be much better, somewhat better, about the same, somewhat worse, or much worse than theirs?

1. Much better
2. Somewhat better
3. About the same
4. Somewhat worse
5. Much worse
6. Don’t know/can’t say

10a. Compared to your standard of living in retirement, now or in the future, do you think that the standard of living in retirement for your children or young people today will be much better, somewhat better, about the same, somewhat worse, or much worse than yours?

Much better................................................................. 1
Somewhat better .......................................................... 2
About the same ............................................................. 3
Somewhat worse........................................................... 4
Much worse................................................................. 5
Don’t know/can’t say .................................................... 6

10b. Thinking about the next 12 months, how worried are you about...

<table>
<thead>
<tr>
<th>Very worried</th>
<th>Somewhat worried</th>
<th>Not very worried</th>
<th>Not at all worried</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

a. [Program note: Not applicable should be an available answer choice for this statement] You or your spouse/partner losing a job
b. Rising interest rates
c. High inflation
d. Another recession
e. Further stock market decline
f. Rising taxes
g. [Program note: Not applicable should be an available answer choice for this statement] Being able to pay your rent or mortgage
h. Having enough money to pay for adequate health care
i. The ability of Congress and the President to work together to tackle the country’s economic challenges.
11a. Thank you for completing the survey. As a participant of this study, you have an opportunity to speak with an interviewer about your employment-related experiences. Only your current employment status will be provided to the interviewer, in addition to your contact information that will allow them to get in touch with you. If you participate, your responses will still be kept confidential. Would you be willing to talk or communicate by email about your employment-related experiences?

1. Yes, I would be willing to talk or communicate by email with an interviewer.
2. No, I do not want to be contacted.

[IF Q11a = 1]
[SP]
11b. What is the best time to contact you?

1. Weekdays
2. Weekday evenings
3. Weekends
# Endnotes


5. The Federal Reserve was subsequently criticized for not pricking the asset price bubble, but the appropriate course of policy when asset prices are inflating is not clear-cut.

6. An example may illustrate the risk involved in increasing leverage. Suppose that a financial institution with assets of $500 billion, deposits and other liabilities of $400 billion, and net worth of $100 billion paid 5 percent on its liabilities and earned 10 percent on its assets. The institution would have net earnings of $30 billion, or 30 percent of capital. With more leverage, specifically with liabilities of $900 billion and assets of $1 trillion and the same capital base, it would earn $55 billion, or 55 percent of capital. If the rate of earnings on assets dropped to 3 percent, the institution would incur losses. Losses with less leverage are $5 billion, but with increased leverage they rise to $15 billion.


9. Older homeowners are, on the other hand, less likely than younger homeowners to have a
mortgage. For example, according to the authors’ tabulation of the 2010 American Community survey, 63 percent of homeowners aged 65 and over but only 32 percent of those aged 50 to 64 own their home free and clear.


The duration of unemployment numbers are the authors’ calculations from the U.S. Census Bureau, Current Population Survey, December 2007, July 2009, and October 2010, accessed through U.S. Census Bureau, DataFerrett, http://quarterhorse.dsd.census.gov/TheDataWeb/launchDFA.html. The numbers are not seasonally adjusted.


13 See appendix A for more detail on the survey, including the weighting and the characteristics of the respondents.


15 This estimate is based on data in the 2010 American Community Survey (ACS). The majority of boomers aged 50 to 64—70.1 percent—were in the labor force in 2010. Of those who were not, 3.3 percent had worked for pay within the past 12 months; another 8.1 percent had worked from one to five years previously (the only breakdown available), for a total of 81.5 percent of all boomers in the age group. We have assumed that all of the latter group worked within the previous three years. This undoubtedly overcounts the number who did, but the ACS does not enable us to determine which boomers not in the labor force might have looked for work in the previous three years, so that group would go uncounted. An overcount of the employed, we assume, helps us account for some of this group. Rounding the 81.5 percent down to 80 percent seems a reasonable estimate of the percentage of boomers aged 50 to 64 in 2010 with current or recent (within the previous three years) labor market experience.


19 Figure 2-1 also compares the employment status of boomers with that of preboomers (aged 65 and older), who had a mean age of 71. As would be expected in light of the age differences, boomers were substantially more likely to be employed than preboomers (73 percent versus 59 percent, respectively) and less than half as likely to be out of the labor force (10 percent versus 25 percent). Unemployed percentages were almost identical for the two groups. Nor was there much of a difference by age group in the percentage of currently employed who had experienced involuntary unemployment at some point in the previous three years (18 percent of boomers versus 16 percent of preboomers, not included in figure 2-1).

20 It is possible that some respondents considered periods of not working (due to, e.g., illness or caregiving) as involuntary unemployment. However, the examples in the question attempted to steer them from that direction.

21 In the two years following the end of the recession, however, men were finding jobs and women were losing them. See Rakesh Kochhar, In Two Years of Economic Recovery, Women Lost Jobs, Men Found Them (Washington, DC: Pew
Regardless of age, educational attainment is inversely related to unemployment.

Although sometimes referred to as steadily or continuously employed for ease of reading and to minimize wordy repetition, older workers who fell into this category were so classified to distinguish them from the currently employed who had been involuntarily unemployed at some point in the previous three years. They might have been unemployed for other reasons. At the time of the 2010 survey, however, the large majority were with the same employer they had been with three years earlier.

People in this survey who have been classified as out of the labor force include only those who said that they had worked or looked for work within the previous three years, roughly since the start of the recession in December 2007.

See, for example, the monthly Current Population Survey. In May 2011, more than 7 in 10 employed boomers reported that they usually worked full time. (Authors’ calculations from the U.S. Census Bureau, Current Population Survey, May 2011, accessed through U.S. Census Bureau, DataFerrett, http://quarterhorse.dsd.census.gov/TheDataWeb/launchDFA.html.)


An exception involved the construction and extraction occupations, as well as the installation, maintenance, and repair occupations. Relatively few boomers were employed in these two broad occupational categories; combined, however, they comprised somewhat more of the involuntarily unemployed than their steadily employed counterparts (15 percent versus 6 percent). Construction was, of course, one of the occupations hardest hit during the recession.

Respondents were offered the following occupational categories: (1) management, business, and financial occupations; (2) professional and related occupations; (3) service occupations, including protective services; (4) sales and related occupations; (5) office and administrative support occupations; (6) construction and extraction occupations; (7) installation, maintenance, and repair occupations; (8) production occupations; (9) transportation and material moving occupations; (10) farming, fishing, and forestry occupations; and (11) other. Workers in the first five categories were subsequently classified as white collar; workers in the next five categories were classified as blue collar.

Some respondents who reported that they were in something other than one of the occupational categories provided wrote in “government.” There was no way to tell what these jobs involved, so they could not be recategorized, hence the creation of a separate “government” category. Respondents who wrote in that (1) they were government workers or (2) something else that was clearly government were placed in this category. Ninety boomers, or about 2 percent of boomer respondents, were classified as “government” when they really belonged in another grouping. When the categories were collapsed into blue- and white-collar workers, government workers were grouped with “other.”

One of the reviewers of this report found the lower job loss among Hispanics curious given the big declines in construction and asked if this could be verified in Current Population Survey (CPS) data. The reasons given for unemployment in the October 2010 CPS were not identical to those used in the present study. However, the CPS also reveals insignificant differences by boomers of Hispanic/non-Hispanic origin in the percentages of aged 50-plus unemployed saying they were unemployed due to job loss: Sixty-three percent of older Hispanics and 68 percent of older non-Hispanics were unemployed because they were “job losers/on layoff” or “other job losers.” Authors’ calculations from the U.S. Census Bureau, Current Population Survey, October 2010, accessed through U.S. Census Bureau, DataFerrett, http://quarterhorse.dsd.census.gov/TheDataWeb/launchDFA.html.

There were too few non-Hispanic blacks mentioning health problems or disability as a reason for being unemployed to examine. Also, and perhaps surprisingly, unemployed preboomers (aged 65-plus) were almost as likely
as boomers to have lost their jobs (44 percent versus 47 percent), but they were half as likely (5 percent versus 11 percent) to mention health as a reason for being unemployed.


Somewhat more than one-third of boomers (37 percent) who had left the labor force reported having looked for employment since they stopped working, saying that they had done so for an average of 71 weeks. Employed boomers with some involuntary unemployment spent an average of 31 weeks looking for work.

Those surveyed were given the choice of responding to questions about duration of unemployment (or time spent looking for work) in weeks, months, or years. Some respondents replied to all three options (e.g., 52 weeks, 12 months, 1 year). It seems safe to assume that a participant so answering had been out of work for one year. In other cases, however, the answers made less sense: 6 months and 10 weeks, for example. Respondents were given an opportunity to verify their answers: “Based on your response to the previous question, it appears that you have been out of work for about X weeks. Does that sound right to you?” If a participant said “no” and provided another answer, that answer replaced the original. When analyzing the data, responses were coded in several ways. In the most inclusive case, all of the respondents’ final answers were accepted. In the least inclusive, responses that made no sense were excluded.

Average duration of unemployment for the currently unemployed was 102 weeks in the most inclusive calculations and 97 weeks in the least inclusive.

Beginning in January 2011, the Current Population Survey has allowed respondents to report durations of unemployment of up to five years, rather up to two years. This change was introduced because of the “unprecedented rise in the number of persons with very long durations of unemployment during the recent labor market downturn.” Prior to this change, any duration of unemployment greater than two years was coded as two years. Estimates of average duration of unemployment are higher with a five-year upper limit than with a two-year limit. Duration prior to 2011 cannot be recalculated as the data for those unemployed longer than two years are unavailable. See U.S. Department of Labor, Bureau of Labor Statistics, Changes to Data Collected on Unemployment Duration, http://www.bls.gov/cps/duration.htm.

Thirty-seven percent of boomers who had experienced involuntary unemployment felt that age had had a somewhat or very negative impact on their job search. Even fewer retirees returning to work (26 percent) felt this way, although those with jobs were far less likely than the unemployed to do so (20 percent versus 39 percent).

A 2008 study of a nationally representative sample of workers aged 50-plus reported that two-thirds (66 percent) had participated in any work-related education or training opportunities in the past two years (AARP, Investing in Training 50+ Workers: A Talent Management Strategy [Washington, DC: AARP, 2008], http://assets.aarp.org/rgcenter/econ/invest_training.pdf). This figure is considerably higher than a somewhat comparable figure in the present study—only 41 percent of all of the employed who were aged 50-plus (boomers and nonboomers combined) reported that at any time in the past three years, they had participated in training, education, schooling, or certification programs to refresh or enhance their skills, develop new skills, or acquire knowledge that would contribute to job success.

One might assume if job-related training were for the current job, a new job, or both that those answers covered everything, but some did tick “other” and filled in a blank with such responses as “conferences and seminars to enhance skills,” “continuing education,” “food handlers permit,” or “real estate license.” Many of the “other” responses could be for a current job, a job a respondent hoped to get, both, or neither. AARP staff reviewed all of the responses. If it was clear that an “other” response was for one type of job (old/new) or the other, it was recoded to the more appropriate category. If a response was not clear enough to permit recoding, it was left as “other.”

Q46: “How much financial hardship are you/your family experiencing because of unemployment?” This question was not asked of the unemployed who said they had retired.

The exact wording was “Now that you are re-employed, do you feel like you are (or will soon) be ‘back on track’ financially?”
Even though income helps predict the likelihood of experiencing difficulty making ends meet, the picture is still incomplete without knowing about household expenses, particularly potentially big-ticket expenses such as housing, college tuition, or health insurance. Such information would provide greater certainty in determining if a household is vulnerable to financial difficulty, but questions on how households spend their money were not included in the survey.

To illustrate the effect of expenses, consider two boomers: Boomer A has $10,000 in monthly gross income and $10,000 in monthly expenses; boomer B has $10,000 in monthly gross income and $4,000 in monthly expenses.

Boomer A is more likely to experience difficulty making ends meet than boomer B, since the ratio of monthly expenses to income is 100 percent (boomer A) versus 40 percent (boomer B). Since boomer A is living from paycheck to paycheck, he or she is much more vulnerable to unexpected events, such as a job layoff, than boomer B. However, if boomer A has $80,000 in savings (10 months of monthly expenses), and boomer B has only $4,000 in savings (one month of monthly expenses), boomer B is more likely to experience financial difficulty because of a layoff than boomer A.

Although not the focus of this report, retired boomers returning to work responded to the question about the reduction in their retirement savings affirmatively at the highest rate, which may explain why they had chosen to go back to work.

The Medicare eligibility age is 65, and the boomers in the first wave of the survey were all under that age. Boomers on Medicare at the time would be covered because of disability.

On the one hand, postponing treatment would be another factor in shifting health care costs onto Medicare. On the other hand, postponing receipt of Social Security until after the full benefit eligibility age would have a positive impact on Social Security’s finances.

The highest affirmative response rate for the retirement account distribution option was recorded among retirees returning to work, who will be featured in a separate report. Perhaps for this group of people this is a natural and less worrisome response. After all, the purpose of retirement accounts is to have the money for retirement. It should be noted, however, that this response in conjunction with reported unexpected extraordinary expenses might indicate that individuals are making larger than planned withdrawals, which could lead to problems. Some personal finance experts recommend withdrawing no more than 4 to 5 percent of the principal annually to increase the probability that a nest egg will last for a lifetime. If people exceed this withdrawal rate on a regular basis or make large withdrawals at the beginning of their retirement, they may run a risk of outliving their savings.

One report found that families with payday loans tended to have less income, lower wealth, and fewer assets but less debt than families without payday loans. Moreover, payday loan families were more likely to be minorities and single women than their counterparts. See Amanda Logan and Christian Weller, *Who Borrows From Payday Lenders? An Analysis of Newly Available Data* (Washington, DC: Center for American Progress, 2009), p. 1, http://www.americanprogress.org/issues/2009/03/pdf/payday_lending.pdf.

According to unpublished tabulations of the U.S. Census Bureau, Current Population Survey, 2011 Annual Social and Economic Supplement (ASEC), non-Hispanic white boomers (7 percent) are less likely to have Medicaid coverage than Hispanic (14 percent) or non-Hispanic black boomers (16 percent).

According to the unpublished tabulations of the Current Population Survey’s 2011 ASEC, nationwide 4 percent of boomers aged 50 to 64 with incomes of $80,000 or more are uninsured, compared with 24 percent of boomers with incomes of $10,000 to $19,999.

For some pairs of small sample size, the difference was statistically insignificant, but for most it was highly significant.


The shares are considerably higher for aged 65-plus respondents—41 percent in the case of retirement benefits and 10 percent for disability.

Of course, it is not necessary to retire to collect Social Security; however, most recipients aged 62 and older have left the labor force. Authors’ calculations from the U.S. Census Bureau, Current Population Survey, March 2011 supplement, accessed through U.S. Census Bureau, DataFerrett, http://quarterhorse.dsd.census.gov/TheDataWeb/launchDFA.html.

Seventy-two percent of the boomers who began collecting Social Security earlier than planned to make ends meet were aged 62 to 64.

Some respondents younger than age 62 reported collecting Social Security retirement benefits. Because the question asked about the respondent or a spouse, a younger respondent might have been referring to an older spouse or might have been talking about survivor benefits. We have no way of knowing to whom the respondent was referring or the age of the spouse.

Survey of Consumer Finance data for 2007 show that the median level of retirement savings (IRA/Keogh plus 401(k) balances) amounted to $60,800 for households with a head 65 years of age or older and $96,000 for those with a head between 60 and 64 years of age (Sandy Mackenzie and KeBin Wu, *Employer-Provided Pensions: Less to Count On* [Washington, DC: AARP, 2009].

Because the scores were based on responses from boomers and preboomers, the percentage of boomers alone falling into a particular quintile would not necessarily equal 25 percent.

To arrive at a normalized proportion or indexed score, the percentage for each attribute (e.g., employment status, sex) in columns 1 and 3 of table 6-2 (highest and lowest quartiles) is divided by its corresponding base or the percentage for all boomers who fall into each quartile (26.2 percent for the least concerned and 22.5 percent for the most concerned), and multiplied the result by 100. This normalization
produces figures that facilitate comparisons of particular boomers (e.g., men and women; better or less educated; employed or unemployed) to the total boomer population.

Normalized proportion example: The probability that an unemployed boomer will fall in the top quartile (most concerned) of the index is 74 percent higher than the corresponding probability for all boomers or 1.74 times as high (45.6 percent/26.2 percent) (see table 6-2). The normalized proportion is therefore 174 (74+100, or 1.74×100). In contrast, the probability that an employed boomer with no recent involuntary unemployment will fall at the high end of the index is 23 percent lower than the corresponding figure for all boomers, or only 0.77 times as high (20.1/26.2) (see table 6-2). The normalized proportion is therefore 77 (-23+100, or 0.77×100).

This 16 percent is not comparable to the unemployment rate. See chapter 2’s, “Portrait of the Older Labor Force in Late 2010.”

People who have paid off their mortgages will not be worried about having enough money for that expense, of course. The percentages in figure 7-4, however, exclude boomers who said the question was not applicable.

The percentages exclude boomers who said the question was not applicable.

Many boomers (one-third) had other reasons for saying that their financial well-being had deteriorated since the last survey, with higher prices being the most common reason by far (mentioned nearly 40 times): “cost of goods increased,” “higher expenses,” “everything has gotten more expensive.” A few mentioned stagnant wages or income along with higher prices. Some pointed to a declining financial market, but a few boomers mentioned other possibilities such as falling home prices, less work, or pay cuts. Remaining factors tended to be idiosyncratic—injured and unable to work, employer filed for bankruptcy, lost child support.

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