


**Planning for Health
Care Costs in
Retirement: A 2014
survey of 50+ Workers**

September 2014





Planning for Health Care Costs In Retirement: A 2014 Survey of 50+ Workers

**Report Prepared by
Laura Skufca**

Copyright © 2014

AARP Research

601 E Street NW

Washington, DC 20049

<http://www.aarp.org/research/>

Reprinting with Permission

<https://doi.org/10.26419/res.00088.001>

AARP is a nonprofit, nonpartisan organization, with a membership of more than 37 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse. We advocate for individuals in the marketplace by selecting products and services of high quality and value to carry the AARP name as well as help our members obtain discounts on a wide range of products, travel, and services. A trusted source for lifestyle tips, news and educational information, AARP produces AARP The Magazine, the world's largest circulation magazine; AARP Bulletin; www.aarp.org; AARP TV & Radio; AARP Books; and AARP en Español, a Spanish-language website addressing the interests and needs of Hispanics. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates. The AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at www.aarp.org.

Acknowledgements

The author would like to thank the AARP workgroup of William Baisley, Laura Bos, Mary Liz Burns, Heather Tinsley-Fix, Beth Mcnamara, and Josh Rosenblum for their ideas and contributions. We would also like to acknowledge Woelfel Research for collecting and tabulating the data; Sarah Shaw (AARP) for her legal review; and Karen Turner and Willieree Murray (AARP) for prepping the report for publication. For more information about this study, please contact Laura Skufca at (202) 434-6285 or Lskufca@aarp.org.

EXECUTIVE SUMMARY

Background & Methodology

AARP commissioned this study to understand the extent to which 50+ workers are planning for their future retirement and where potential health care costs fit into this planning. Many studies have examined individuals' planning for retirement and their confidence in having saved enough to live comfortably. However, little research has been conducted that looked at whether health care costs are included in this planning and the extent to which individuals believe they will be able to afford any potential costs they may be responsible for in retirement.

A 2012 study showed only 20% of adults age 55-64 felt confident that their household is financially prepared to handle future health care costs and that this figure has declined over the last 5 years¹. This same study showed seniors feeling the most secure; however, their confidence has been decreasing as well. Furthermore, a Merrill Lynch study showed that the cost of health care tops the list of retirement worries, even among the affluent seniors, and only one in five pre-retirees are completely confident in their ability to afford retirement healthcare expenses².

Data was collected for this study via a nationally representative sample of 1,002 adults' age 50+ who are not retired. For the sake of simplicity, the sample of 50+ non-retired adults will be referred to as 50+ workers in this paper. While 86% of the non-retired 50+ adults in this sample are working either full-time or part-time, 14% are either unemployed and looking for work, homemakers, or students. A comparison sample of 502 retired adults age 50+ was also included. Telephone interviews were conducted by Woelfel Research, an independent research company, June 4 – June 22, 2014. The margin of error for the sample of 1,002 non-retirees is +/- 3% at the 95% confidence level. This means that in 95 out of 100 samples of this size, the results obtained in this sample would be within +/- 3 percentage points of the results obtained had everyone in the population been surveyed. The margin of error for the sample of 502 retirees is +/- 4% at the 95% confidence level. The data is weighted by age and gender.

Key Findings

Health care and retirement

- **Almost four in ten 50+ workers (38%) are not saving for health care costs, and many (44%) do not have any plans to do so in the future. Only a quarter (28%) plan to begin saving within the next few years. The most common barrier to saving is the sense that one cannot afford to do so at this time either because they are paying other expenses or taking care of others.**

¹ 2012 Survey of U.S. Healthcare Consumers. Deloitte, 2012.

² American Perspectives on New Retirement Realities. Merrill Lynch/Age Wave, 2013.

- **While a majority of 50+ workers (62%) say they are saving for health care costs, more than half (55%) are worried they may not be able to afford health care costs.** Younger workers (age 50-59) are more worried than older workers (60+). Women (61%) are also more worried than men (51%). This may be due to the fact that women are more often the health decision-makers and may be more aware of potential costs.
- **There is a sizeable gap between when respondents believe one should begin saving for health care costs and when one actually begins saving.** This gap exists for both retirees and workers but is wider among workers. For example, among 50+ workers, 68% believe one should begin saving at 35 years old or younger but only 28% of 50+ workers began saving at that age.
- **When asked what sources 50+ workers plan to rely on to cover health care costs in retirement, most report a wide variety of resources to cover at least *some* of their health care costs (such as Medicare, retirement savings, personal savings, Social Security, private health insurance and pensions or defined benefit plans).** Few expect any of these sources to cover *all* or *most* of their expenses. However, when asked what source they plan to rely on most, Medicare is the most commonly reported source (31%). Also, one in ten do not know what source they will rely on most.
- **It is clear that both retirees and 50+ workers do not plan to rely on financial assistance from family members to cover health care costs.** Almost nine in ten across both groups say family members will cover *none* of their medical costs. This is not surprising as a significant body of research has shown older adults do not want to be a burden on their family either financially or physically.

General retirement

- **50+ workers appear to have a weak confidence in their preparation for retirement.** Most say they are at least somewhat confident (73%) that they will have enough money to take care of their expenses but confidence is weak with only 32% being *very confident*. Retirees, on the other hand, are much more confident with roughly half (47%) saying they are *very confident*.
- **While most (76%) have saved at least *to some extent* for their retirement, only one-third (34%) have saved *to a large extent*.**

- **A majority of 50+ workers (57%) plan to work past the age of 65, including roughly two in ten (18%) who say they will never retire.** This is consistent with previous research. In addition, many (43%) say they began saving too late for retirement. Most earlier than planned retirements are due to unforeseen health conditions or the economic recession forcing individuals into early retirements. Therefore, while a majority plan to work past the age of 65, the average retirement age today is between 62 and 64 years old.

Conclusions

Most 50+ workers say they are including health care costs in their general retirement planning although it is unclear how much is being set aside for health costs. Previous research showed most 50+ adults do not have actual money set aside to cover health care costs. This study showed more than half of 50+ workers are worried they may not be able to afford the costs with younger workers (age 50-59) and women most worried. Not surprisingly, income and education also play a major role as those with less income and education are often more worried, exhibit less confidence, and are ultimately less prepared for retirement.

While it appears that 50+ workers understand they may need to draw upon their own savings to cover potential costs, Medicare is the source they plan to rely on the most. There is also a sizeable portion of non-retirees who are not saving and do not have plans to in the future.

This study shows most 50+ workers exhibit a weak confidence in their preparation for retirement. While most are saving at least some extent, many workers believe they began saving too late and some do not ever plan to retire.

Detailed Findings

Health care expenses in retirement

Most 50+ workers (89%) believe health care expenses are an important part of retirement planning with 63% saying they are *very important* and 26% saying they are *somewhat important*.

- This appears to vary somewhat by gender with 67% of women saying it health care costs are a *very important* part compared to only 60% of men.
- Younger workers age 50-59 (93%) are also more likely than workers age 60+ (83%) to say health care expenses are an important part of retirement planning.

Although three-quarters of retirees (78%) also say health care costs are an important part of retirement planning, they are less likely to agree than 50+ workers.

While 61% of 50+ workers have given *a lot* of thought to their retirement, in general, about four in ten (45%) have given *a lot* of thought to health care costs in retirement, despite the overwhelming majority who believe it is an important issue.

- Women (50%) are more likely than men (41%) to have given it *a lot* of thought.
- Thought towards health care costs is correlated with education and income as those with more education and income are more likely to be thinking about costs.

Concern about future health care costs

More than half of 50+ workers (55%) say they are worried that they will not be able to afford health care expenses in retirement.

- Workers age 50-59 (61%) are more likely to be worried than workers age 60+ (46%).
- Women (61%) are also more worried than men (51%), which is not surprising given the fact that they are giving more thought to health care costs and are often the family decision-makers when it comes to health care.
- Concern is also driven by income with 72% of those earning less than \$40,000 a year worried compared to only 46% of those who earn \$75,000 or more annually.

About six in ten workers age 50+ (62%) say they have begun saving for potential health care costs in retirement while almost four in ten (38%) are not saving.

Demographic characteristics of those saving

A regression analysis was conducted among workers age 50+ to determine what demographic factors differentiate those who are saving for health care costs from those who are not. Education and income were the two factors that had the greatest impact. Those without a college degree are the least likely education-level group to report saving. Also, those earning less than \$50,000 a year were the least likely income-level group to report saving.

Employment status, age, health status, and dependent status (those with a child in the home or caring for an older adult in their home) also played a role.

- Employment status – Those working full-time are the least likely to report saving. This may be due to the fact that many full-time workers do not expect to retire. For example, 40% of those working full-time say they do not expect to ever retire compared to only 22% of those working part-time or less.
- Age – Workers age 60+ are the least likely age group to report saving. One possible explanation for this is that this generation may receive a better array in retirement benefits

than other generations. However, 60+ workers were only slightly more likely to report having a source that will pay for all of their health care costs (e.g., pension/defined benefit plans, employer-based extended benefits).

- Health status – Workers age 50+ reporting a *fair* or *poor* health status are the least likely health status group to report saving. This may also be driven by income effects in that 60% of those reporting only a *fair* or *poor* health status reported having a household income less than \$50,000 annually. By comparison, 30% of those reporting an *excellent*, *very good*, or *good* health status reported having an income of less than \$50,000 a year.
- Dependent status – 50+ workers who have a minor child in the home or those caring for an older adult in their home are less likely than those with no dependents to report saving.

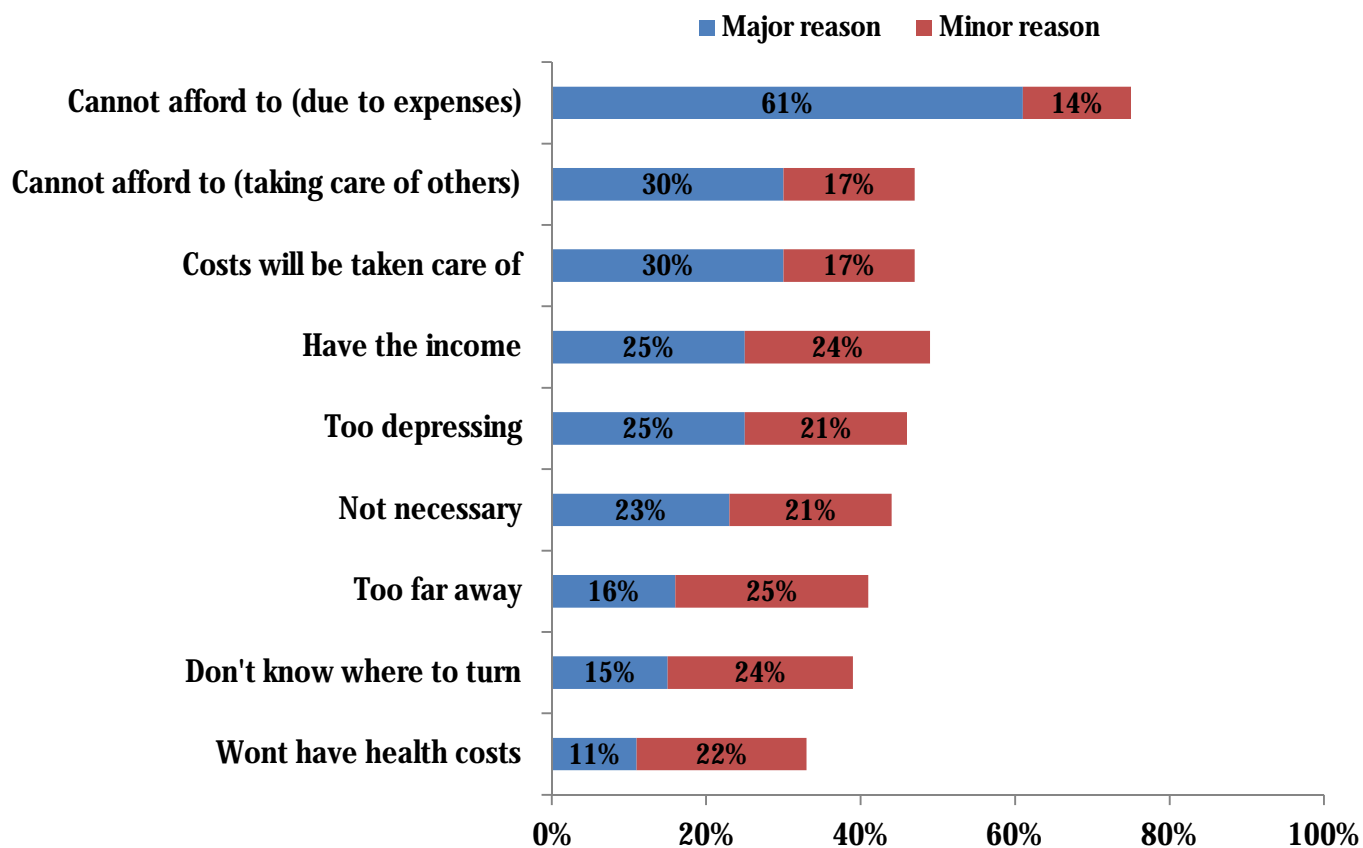
Plans to save in the future

Among those workers not saving for health care costs, more than four in ten (44%) do not have plans to save for these costs. The subgroup that was most likely to not have any plans to save was age 60+ and had a dependent in the household.

Only one-quarter (28%) say they will begin saving within the next few years. The most commonly reported reason for not saving is the inability to do so at this time with 47% indicating this is the main reason they are not saving.

However, three in ten say a major reason they are not saving is because their health care costs will be taken care of. Also, some non-savers may not expect to incur health costs in retirement as one-third (33%) say this is at least a *minor* reason why they are not currently saving. Figure 1 shows the reasons in which respondents report not saving for future health care costs.

Figure 1
Reasons for Not Saving



n=1,002 workers age 50+

Source: Planning for Health Care Costs in Retirement: A 2014 survey of 50+ Workers, September 2014

Not surprisingly, failure to think about health care costs is linked to the failure to save for health care costs for 50+ workers. For example, among those not giving any thought to future costs, only 28% have begun saving compared to 64% of those who are giving at least some thought to health care costs. Among those who are not thinking about health care costs, the reasons for not saving most often are “I cannot afford to at this time because I am taking care of other expenses” and “It’s too depressing to think about”. This suggests there is a recognized need to save but a certain sense of helplessness about being able to do so.

When examining the reasons workers give for not saving, it appears some feel they cannot save whereas others feel they do not have to save. In this study, the reasons for not saving were collapsed into two categories and a regression analysis was conducted to determine what demographic groups seem to disproportionately fall into each category:

(1) **Over-confidence:** This category includes reasons such as “My healthcare costs will be taken care of for me”, “I have the income available to pay for any health needs”, “I do not think it is necessary at this point” and “I do not expect to have health care costs in retirement”.

(2) **Helplessness:** This includes reasons such as “It seems too far away”, “I cannot afford to at this time because I’m taking care of other expenses”, “I cannot afford to at this time because I’m taking care of others”, “It is too depressing to think about”, and “I do not know where to turn to for information”.

Workers who are married, report a relatively poor health status, and have dependents in their household are more likely to provide reasons for not saving that fall within the “helplessness” category. On the other hand, workers who are in higher income brackets (over \$100,000 annually) are more likely to provide reasons for not saving that fall into the “overconfidence” category. While these individuals do fall within the upper income range compared to the other respondents, it is unclear how much money they actually have to cover these costs.

Respondents were asked at what age they think individuals should start saving for retirement as well as the age in which they actually began saving. There appears to be a discrepancy between when respondents believe one should begin saving for health care costs and when one actually begins saving. This gap exists for both retirees and workers but is more pronounced among workers. For example, among workers 50+, roughly seven in ten (68%) believe one should begin saving at 35 years old or younger but only 28% began saving at that age (see Table 1).

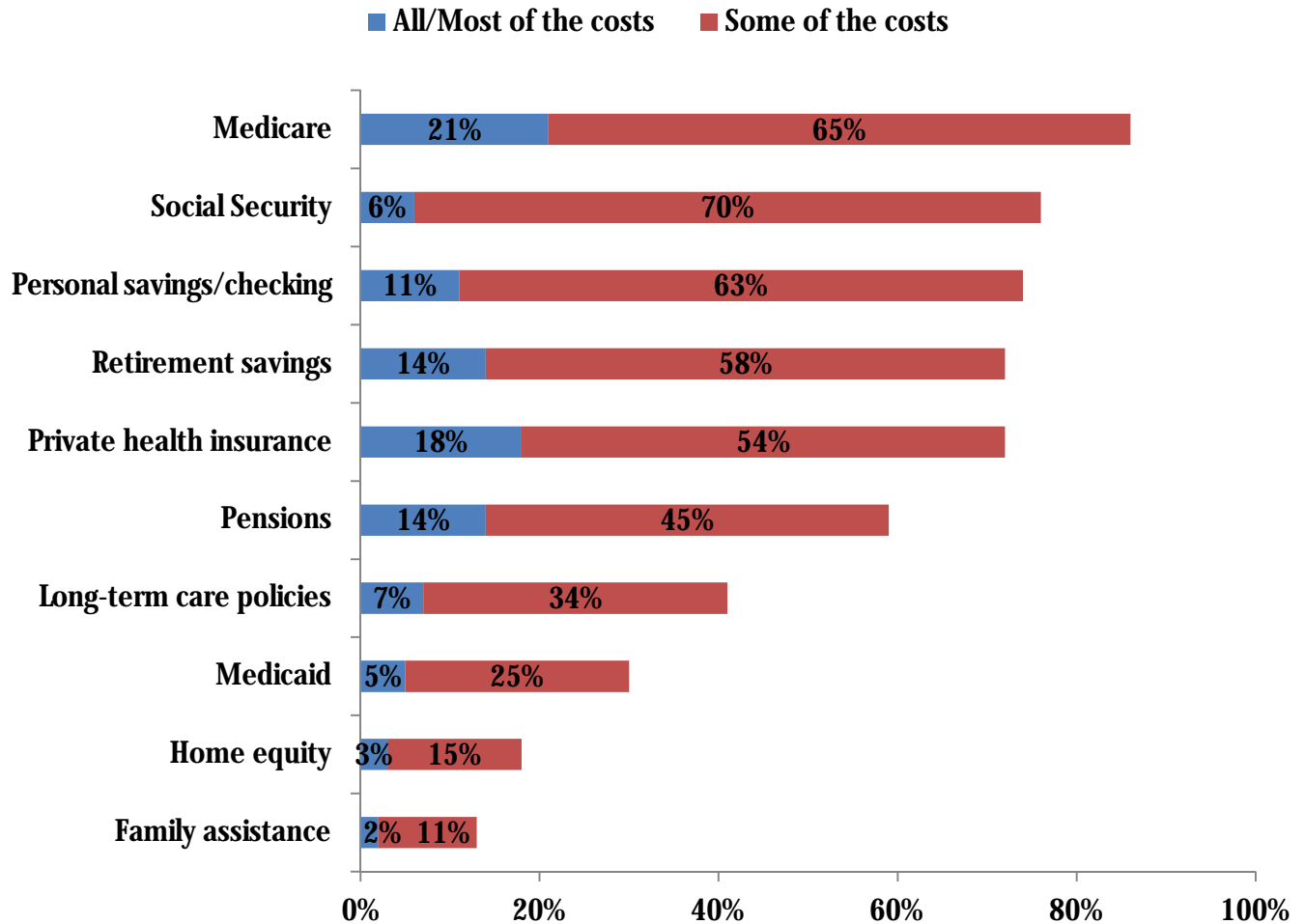
Table 1
Age One Should Begin Saving vs. Actual Age Began Saving

Age	<u>50+ Workers</u> n=1,002		<u>50+ Retirees</u> n=502	
	Should Save	Began saving	Should Save	Began saving
Less than 35	68%	28%	68%	35%
35-44	16%	18%	18%	23%
45-54	7%	12%	6%	13%
55-59	2%	2%	1%	4%
60-64	<.5%	<.5%	<.5%	2%
65+	1%	--	1%	2%
Did not save/Not Yet Saving		38%		17%

Workers age 50+ were presented with a list of sources that may potentially cover a portion of their health care costs. They were then asked how much they thought each source would cover. Figure two shows that respondents anticipate using a wide variety of resources (both personal investments/savings as well as government programs) to cover their health care costs and do not seem to think one source will cover *all or most* of the costs.

About two in ten (21%) 50+ workers expect Medicare to cover *all or most* of their health care costs when they are retired. Three in ten (30%) indicate that Medicaid will cover at least some of their future health care costs. About four in ten (41%) say that a long-term care policy will cover at least some of their future costs. However, other AARP research has shown that only about 20% of the 50+ population has a long-term care policy. The current study did not examine whether 50+ workers intend on purchasing a plan.

Figure 2
Sources Expected to Cover 50+ Workers Future Health Care Costs

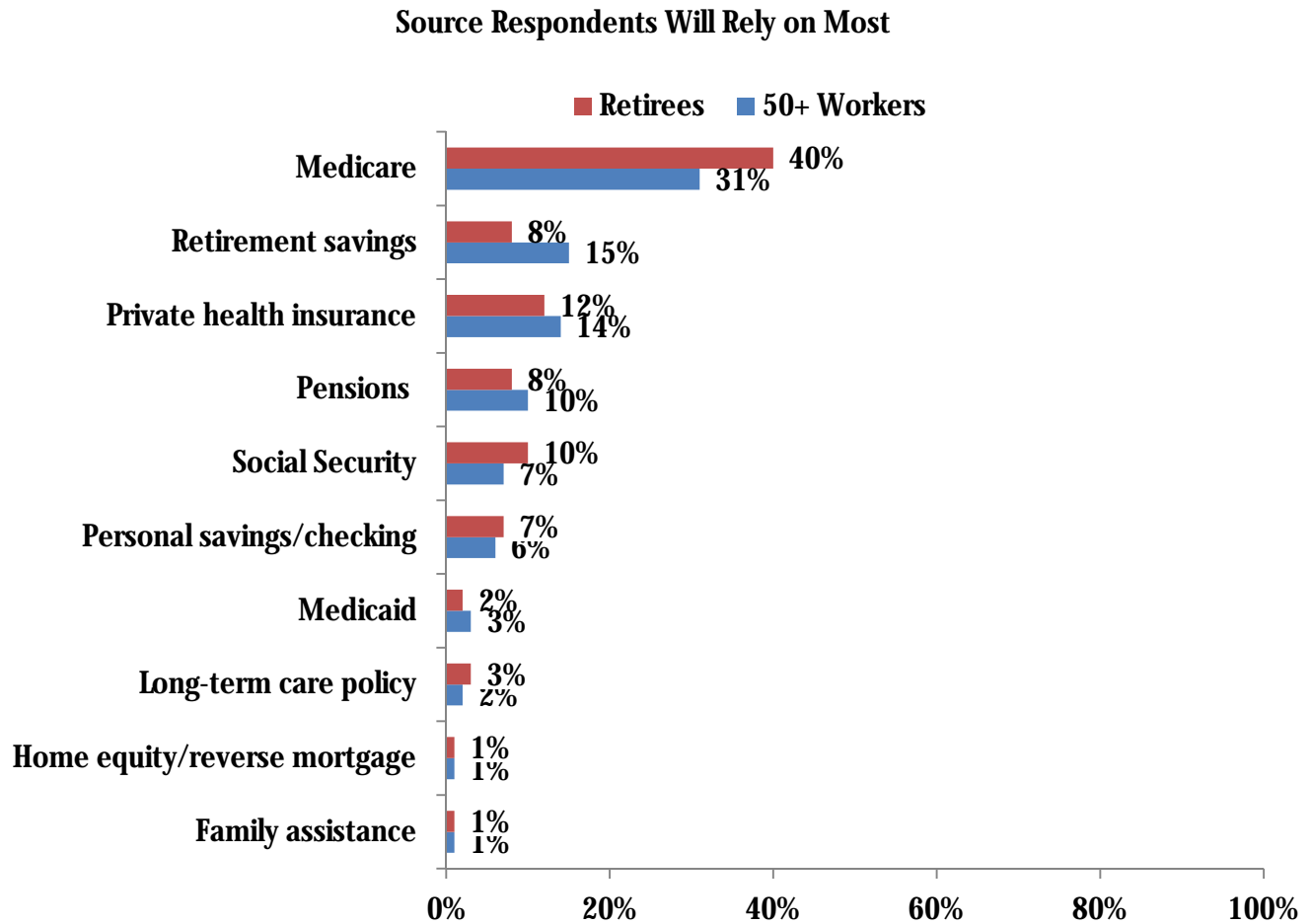


n=1,002 workers age 50+

Source: **Planning for Health Care Costs in Retirement: A 2014 survey of 50+ Workers, September 2014**

Respondents were also asked what source they plan to rely on the most, and the most frequently reported source for both workers and retirees was Medicare (31% among workers and 40% among retirees; see Figure 3). Retirees plan to rely on Medicare more so than workers age 50+. This may be due to the fact that seniors often have more confidence in Medicare whereas younger generations often express less confidence in the program being there for them when they retire.

Figure 3



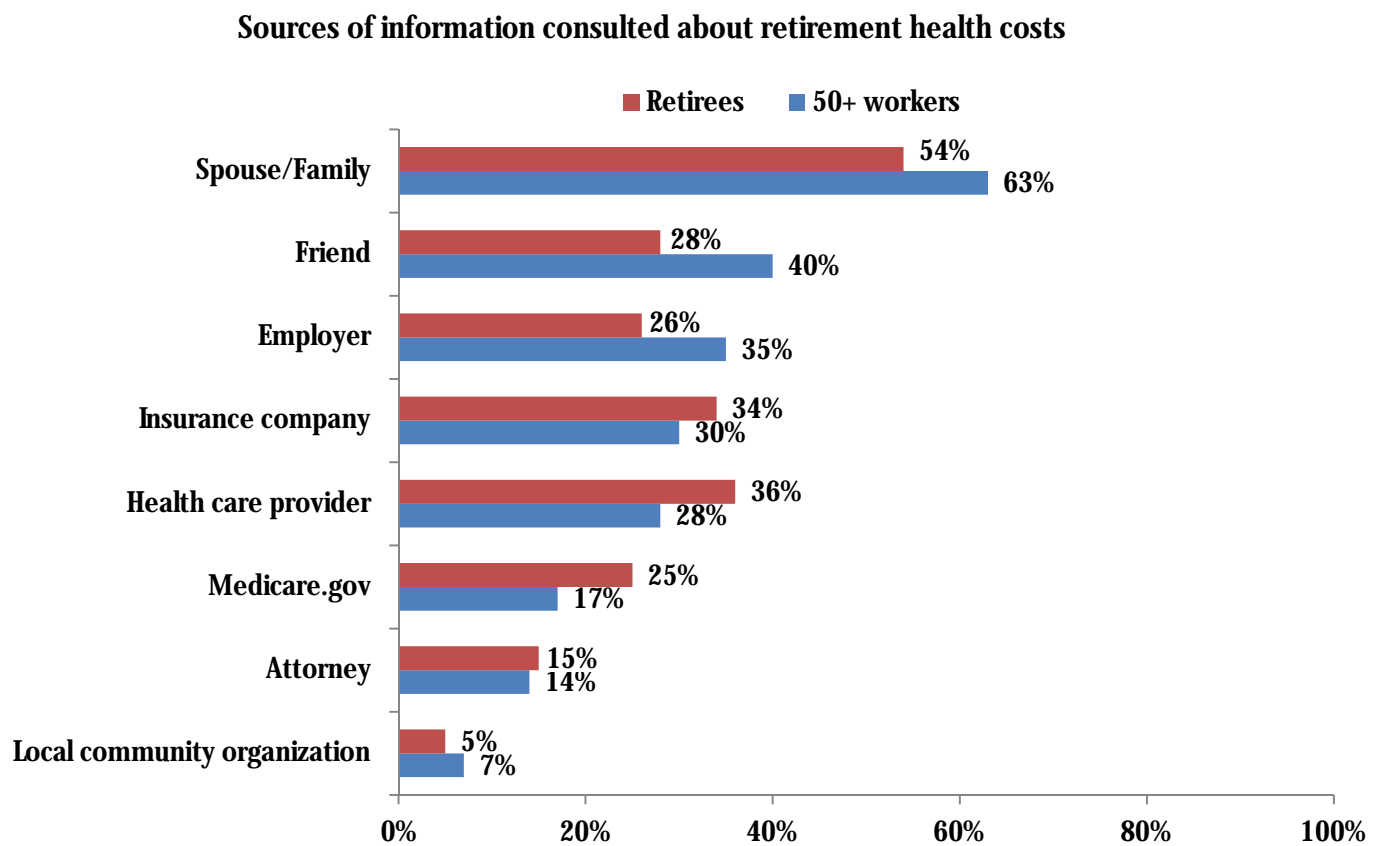
n=1,002 workers age 50+; 502 retirees age 50+

Source: Planning for Health Care Costs in Retirement: A 2014 survey of 50+ Workers, September 2014

When it comes to sources of information about retirement health costs, both 50+ workers and retirees most often turn to their spouse or other family members. This is consistent with other research that shows family members are often one of the most trusted sources of information.

While both 50+ workers and retirees turn to family and friends the most, workers are more likely to do so than retirees. This is not surprising given the fact that retirees report giving less thought to health care costs. On the other hand, retirees are more likely than workers to say they have consulted with health care providers (see Figure 4).

Figure 4



n=1,002 workers age 50+; 502 retirees age 50+

Source: Planning for Health Care Costs in Retirement: A 2014 survey of 50+ Workers, September 2014

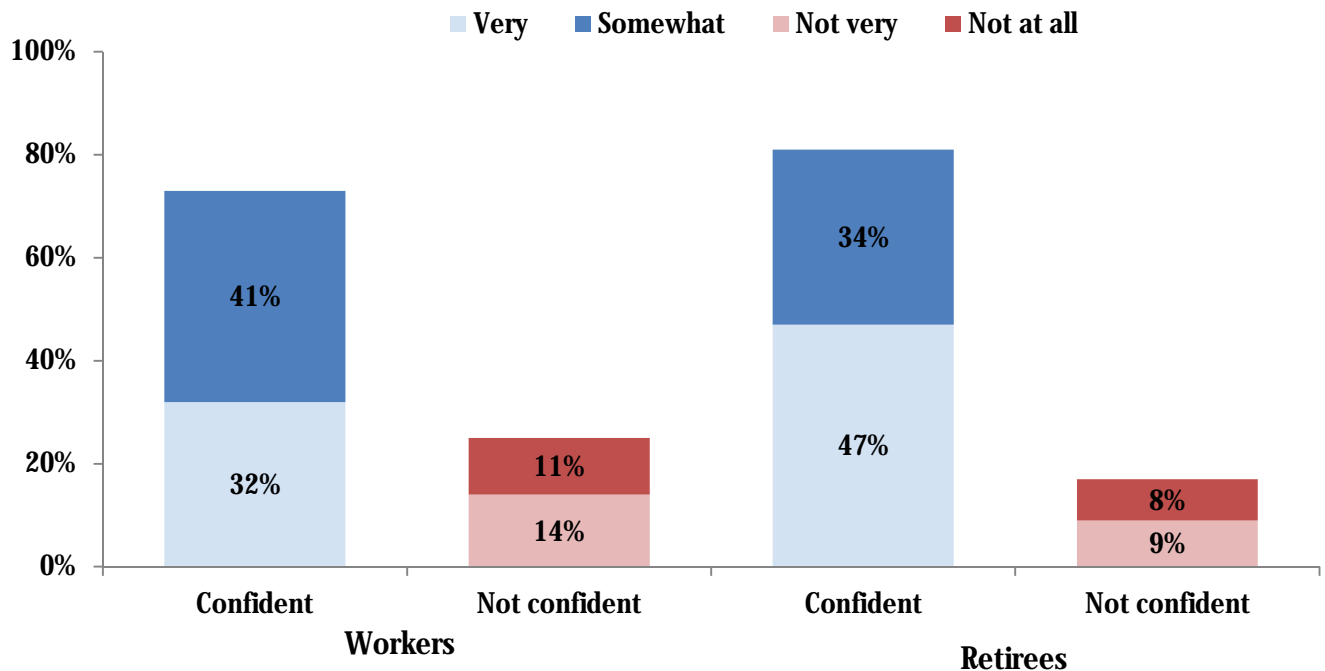
General retirement planning

Retirement seems to be a top of mind issue for 50+ workers as nine in ten (90%) have given it at least *some* thought. In fact, a majority (61%) say they have given *a lot* of thought to their finances in retirement. Interestingly, workers age 50-59 are more likely than workers age 60+ to say they have given it at least *some* thought to their finances in retirement (93% vs. 85%).

Overall, 50+ workers have given slightly more thought to this than retirees when they were still working. For example, 89% of workers have given it at least *some* thought compared to 84% of retirees when they were still working.

Most 50+ workers (73%) are confident that they will have enough money to take care of expenses in their retirement; however only one-third (32%) say they are very confident. Retirees report a higher level of confidence than workers (see Figure 5).

Figure 5
Confidence in Having Enough Money in Retirement



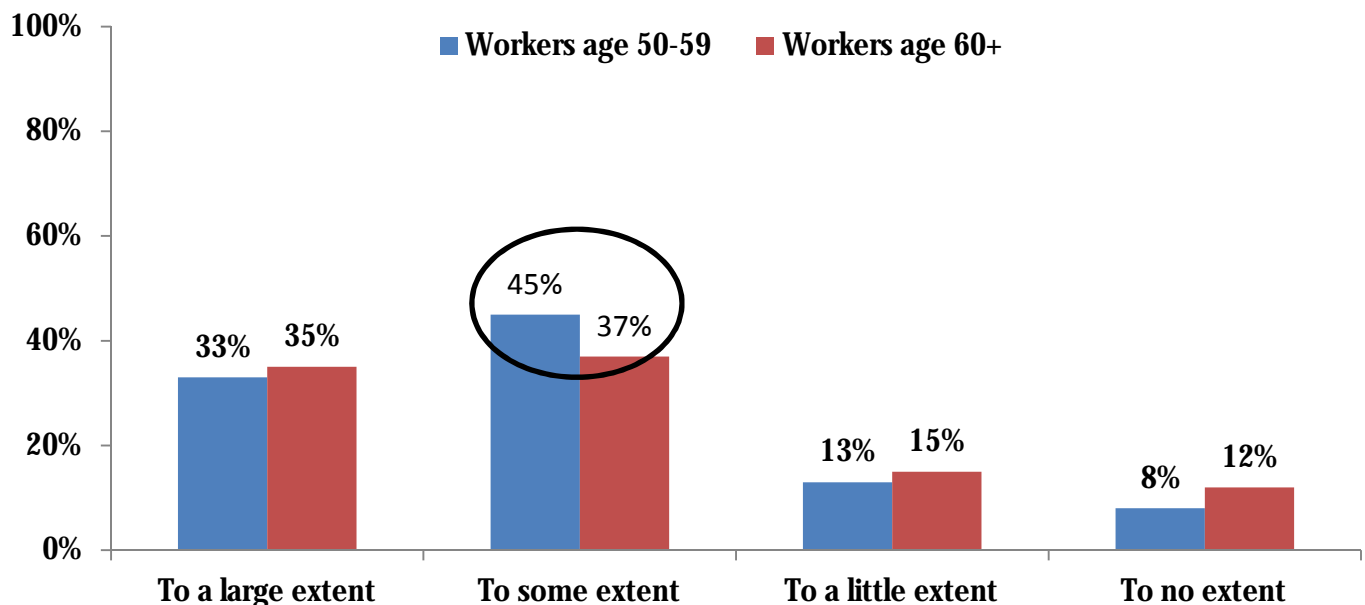
n=1,002 workers age 50+; 502 retirees age 50+

Source: Planning for Health Care Costs in Retirement: A 2014 survey of 50+ Workers, September 2014

- While no gender differences exist when it comes to overall confidence, men (36%) are more likely than women (28%) to say they are *very confident*.
- While workers age 50-59 are giving more thought to their finances in retirement than workers age 60+, no age differences emerge among workers when it comes to confidence.
- Confidence is also correlated with health status as those workers who report an *excellent* or *very good* health status are much more confident than those workers who report a *fair* or *poor* status (82% confident vs. 44%). Those who self-report a *fair* or *poor* health status are also giving less thought to finances in retirement and are saving less money.
- Not surprisingly, income plays a role with 85% of workers earning \$75,000 a year or more being confident compared to only 45% of workers earning \$40,000 or less a year.

While finances in retirement is an important issue to 50+ workers, only one-third (34%) say they are saving *to a large extent* while 42% say they are saving *to some extent*. Younger workers are more likely to be saving than older workers (see Figure 6).

Figure 6
50+ Workers Saving for Retirement
 By age



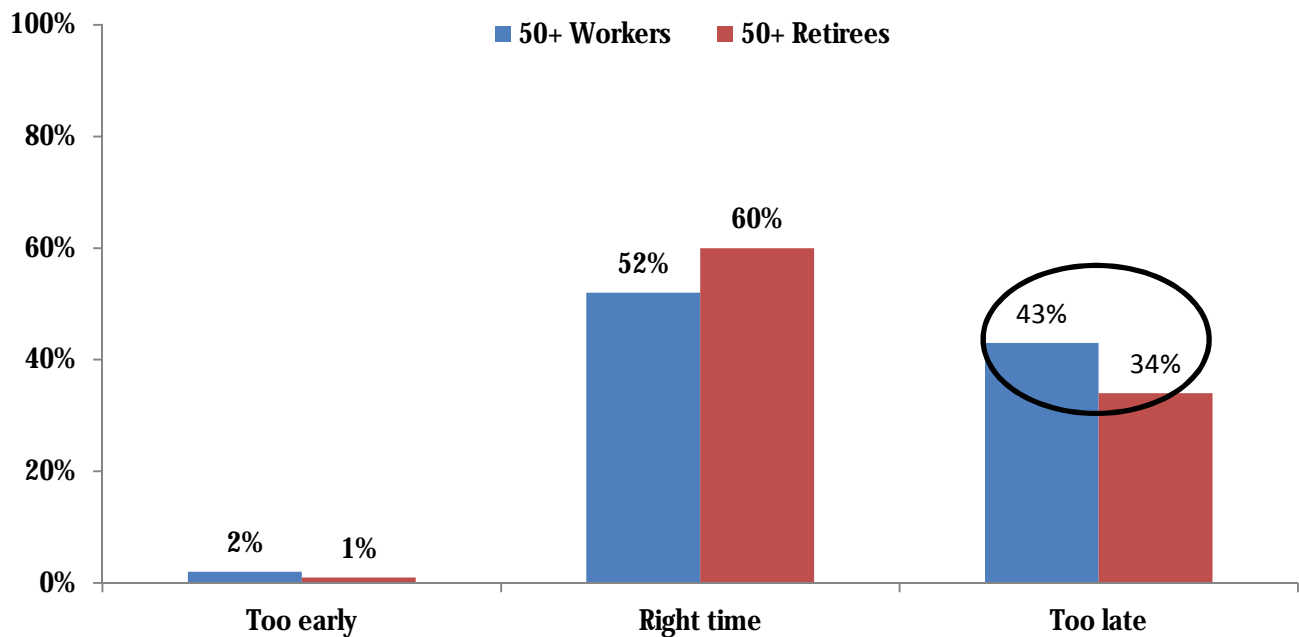
n=1,002 workers age 50+

Source: Planning for Health Care Costs in Retirement: A 2014 survey of 50+ Workers, September 2014

More than four in ten workers age 50+ (43%) believe they began saving too late for retirement. No age or gender differences exist with regard to this measure; however, health status plays a role with more than half of 50+ workers reporting a *fair or poor* health status (53%) saying they began saving too late.

In addition, when compared to retirees, 50+ workers are also more likely to say they began saving too late (see Figure 7).

Figure 7
Began Saving for Retirement



n=1,002 workers age 50+; 502 retirees age 50+

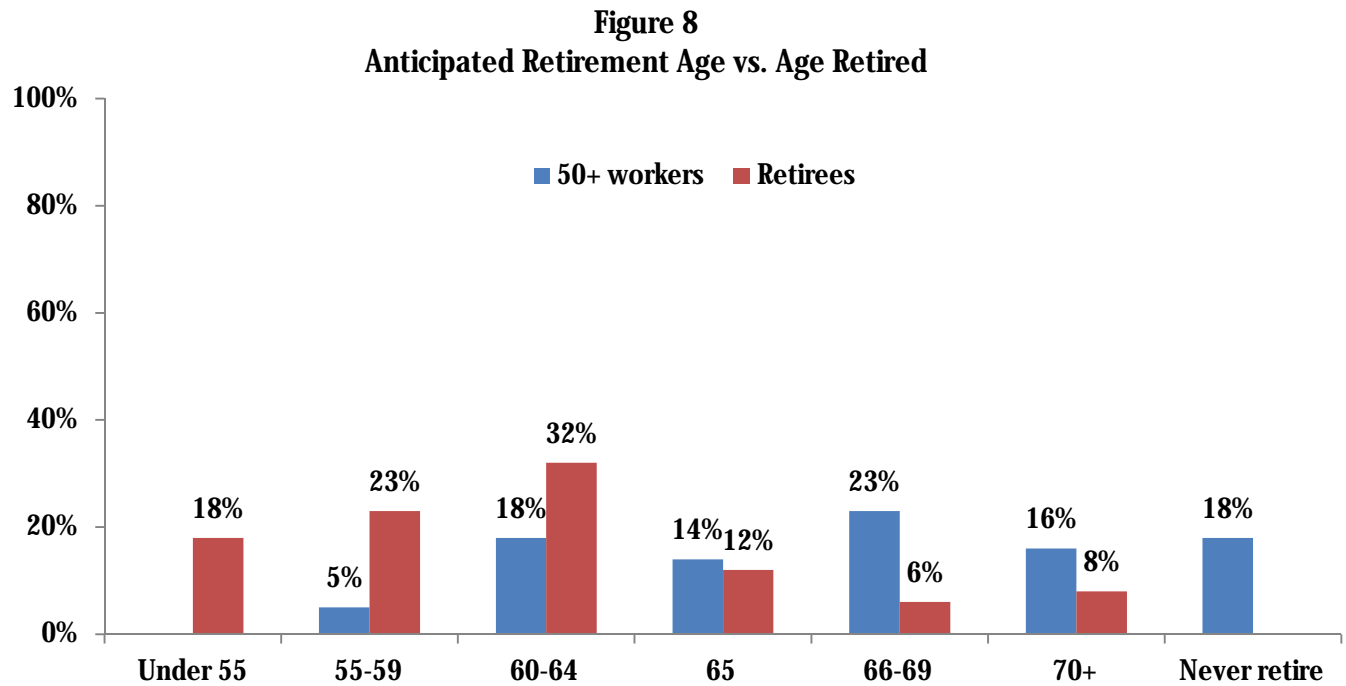
Source: **Planning for Health Care Costs in Retirement: A 2014 survey of 50+ Workers, September 2014**

Retirement timing

Roughly six in ten 50+ workers (57%) plan to work past the age of 65. In fact, roughly two in ten (18%) say they will never retire.

- Workers age 60+ (24%) are more likely than workers age 50-59 (14%) to say they will never retire. This may possibly explain why workers age 60+ are giving less thought to their retirement and saving less.
- Income also plays a role with almost one-third of 50+ workers earning \$40,000 a year or less (31%) saying they have no plans to retire.

However, among retirees, 73% retired before the age of 65. Figure 8 shows the age in which retirees actually retired compared to the age in which 50+ workers plan to retire. For example, almost six in ten workers (57%) say they plan to work past the age of 65 yet only 14% of retirees worked past the age of 65.



n=1,002 workers age 50+; 502 retirees age 50+

Source: Planning for Health Care Costs in Retirement: A 2014 survey of 50+ Workers, September 2014

Conclusions

Most 50+ workers say they are including health care costs in their general retirement planning although it is unclear how much is being set aside for health costs. Previous research showed most 50+ adults do not have actual money set aside to cover health care costs. This study showed more than half of 50+ workers are worried they may not be able to afford the costs with younger workers (age 50-59) and women most worried. Not surprisingly, income and education also play a major role as those with less income and education are often more worried, exhibit less confidence, and are ultimately less prepared for retirement.

While it appears that 50+ workers understand they may need to draw upon their own savings to cover potential costs, Medicare is the source they plan to rely on the most. There is also a sizeable portion of non-retirees who are not saving and do not have plans to in the future.

This study shows most 50+ workers exhibit a weak confidence in their preparation for retirement. While most are saving at least some extent, many workers believe they began saving too late and some do not ever plan to retire.

Annotated Questionnaire

Total Non-Retirees N=1002, sampling error = ±3.1%

Total Retirees N=502, sampling error = ±4.4%

RDD Telephone survey

Screener

Hello, this is _____ calling from Woelfel Research, Inc., a national opinion research firm. We are not telemarketers and are not trying to sell you anything. We would like to find out your opinions on some important issues. Your views are important and we would greatly appreciate your participation. All your responses will be kept entirely confidential.

QS1. What is your age as of your last birthday? **(DO NOT READ LIST)**

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1.	50-54	35	3
2.	55-59	30	17
3.	60-64	20	15
4.	65-69	9	18
5.	70-74	2	16
6.	75+	5	32

QS2 What is your current marital status (no exclusions, just capture for programming)? Are you?

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1.	Married	70	56
2.	Single but living with a partner	3	3
3.	Single, never married	10	6
4.	Separated	<0.5	1
5.	Divorced	9	12
6.	Widowed	8	22
7.	Refused	1	<0.5

QS3. Are you currently?

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1.	Employed full time	71	-
2.	Employed part time	15	-
3.	Not employed but looking for work	5	-
4.	Not employed and NOT looking for work	4	-
5.	Homemaker	4	1
6.	Student	1	-
7.	Retired and not working at all	-	87
8.	Retired but working part-time	-	12
9.	Disabled	-	-

General retirement planning

1. Overall, how confident are you that you will have enough money to take care of your basic expenses during your retirement?

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1.	Very confident	32	47
2.	Somewhat confident	41	34
3.	Not very confident	14	9
4.	Not at all confident	11	8
5.	Don't know	1	1
6.	Refused	1	1

2. How much thought would you say you have given (**RETIREES "did you give"**) to your finances in retirement? Would you say you have given it (**RETIREES "gave it"**)?

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1.	A lot	61	60
2.	Some	28	24
3.	Very little	6	8
4.	None at all	4	7
5.	Don't know	1	<0.5
6.	Refused	<0.5	<0.5

3. Have you ever spoken with **(RETIREES; Did you speak...)** a financial advisor about how much money you would need to live comfortably during your retirement? This may have been a personal financial advisor or one offered through your employer.

Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
	%	%
1. Yes	58	36
2. No	42	64
3. Not sure	<0.5	-
4. Refused	-	<0.5

4. To what extent would you say you are saving **(RETIREE; “saved”)** for your retirement?

Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
	%	%
1. To a large extent	34	36
2. To some extent	42	41
3. To a little extent	14	13
4. To no extent	9	7
5. Don't know	1	1
6. Refused	<0.5	1

5. Do you think you began saving too early, too late, or at just the right time?

Base: Saving for your retirement	Non-Retirees N=908	Retirees N=466
	%	%
1. Too early	2	1
2. Too late	43	34
3. Just the right time	52	60
4. Don't know	3	3
5. Refused	2	1

6. The following list includes expenses you may or may not be currently saving for during your retirement years. For each one, please tell me whether or not you are currently saving for this expense. **(RETIREES; “have saved for” (ROTATE ORDER) Yes/No for each**

a. Housing mortgage payments or rent

Base: Saving for your retirement	Non-Retirees N=908	Retirees N=466
	%	%
1. Yes	46	48
2. No	53	50
3. Don't know	1	1
4. Refused	<0.5	1

b. Other on-going housing expenses such as utilities and food.

Base: Saving for your retirement		Non-Retirees	Retirees
		N=908	N=466
		%	%
1.	Yes	73	69
2.	No	26	30
3.	Don't know	1	1
4.	Refused	<0.5	1

c. Transportation expenses including car payments and gasoline

Base: Saving for your retirement		Non-Retirees	Retirees
		N=908	N=466
		%	%
1.	Yes	62	65
2.	No	37	34
3.	Don't know	1	1
4.	Refused	<0.5	-

d. Out of pocket health care expenses such as premiums, co-pays, and prescription drug costs

Base: Saving for your retirement		Non-Retirees	Retirees
		N=908	N=466
		%	%
1.	Yes	64	65
2.	No	34	34
3.	Don't know	2	1
4.	Refused	1	<0.5

e. Education-related expenses or debt either for yourself or someone else

Base: Saving for your retirement		Non-Retirees	Retirees
		N=908	N=466
		%	%
1.	Yes	20	26
2.	No	79	72
3.	Don't know	1	1
4.	Refused	<0.5	1

f. Entertainment or leisure

Base: Saving for your retirement		Non-Retirees	Retirees
		N=908	N=466
		%	%
1.	Yes	55	50
2.	No	45	49
3.	Don't know	1	1
4.	Refused	<0.5	1

g. Credit card or other debt

Base: Saving for your retirement		Non-Retirees N=908	Retirees N=466
		%	%
1.	Yes	29	39
2.	No	71	60
3.	Don't know	<0.5	1
4.	Refused	<0.5	<0.5

7. (RETIREEES ONLY) Would you say your experience in retirement with respect to your finances is better, worse, or about the same as you expected it to be?

Base: Saving for your retirement		Non-Retirees N=908	Retirees N=466
		%	%
1.	Much better	-	11
2.	Somewhat better	-	14
3.	About the same	-	58
4.	Somewhat worse	-	11
5.	Much worse	-	5
6.	Don't know	-	1
7.	Refused	-	1

Q7w. (RETIREEES ONLY) What is the main reason your experience in retirement with respect to your finances has been worse than you expected it to be?

Base: Said somewhat worse or much worse		Non-Retirees N=1002	Retirees N=75
		%	%
1.	Cost of living is high	-	29
2.	Inflation	-	9
3.	Adult children moved back home	-	4
4.	Economy	-	12
5.	Illness / Sick / Health problems	-	11
6.	Social Security not as much	-	7
7.	Early retirement / Had to retire early	-	5
8.	Obamacare	-	3
9.	Medical expenses went up	-	6
10.	Stock market	-	4
11.	Divorce	-	3
12.	Miscellaneous	-	13
13.	Don't know	-	3

8. Realistically, at what age do you think you will retire (**RETIREEES: At what age did you retire?**)

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Under 55	<0.5	18
2.	55-59	5	23
3.	60-64	18	32
4.	65	14	12
5.	66-69	23	6
6.	70 or older	16	8
7.	Never retire	18	-
8.	Never worked	1	-
9.	Don't know	5	1
10.	Refused	1	1

Health care expenses in retirement

9. How important are (**RETIREEES "were"**) health care expenses in your planning for retirement?

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Very important	63	55
2.	Somewhat important	26	23
3.	Not very important	6	9
4.	Not at all important	3	12
5.	Don't know	1	1
6.	Refused	<0.5	<0.5

10. How much thought have you given (**RETIREEES; "DID YOU GIVE"**) to health care expenses you may have during your retirement?

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	A lot	45	42
2.	Some	36	32
3.	Very little	11	11
4.	None at all	6	14
5.	Don't know	1	1
6.	Refused	1	1

11. **(If MARRIED OR PARTNER)** Have you ever had a conversation with your spouse or partner about health care expenses you both may have in retirement?

Base: Married or living with partner		Non-Retirees N=728	Retirees N=295
		%	%
1.	Yes	75	78
2.	No	25	21
3.	Don't know	<0.5	1
4.	Refused	<0.5	<0.5

12. How worried, if at all, are you that you will not be able to afford health care expenses in retirement?

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Very worried	19	10
2.	Somewhat worried	36	30
3.	Not very worried	24	22
4.	Not at all worried	20	38
5.	Don't know	1	1
6.	Refused	<0.5	-

13. **(ONLY If yes in Q3)** Earlier, you said that you spoke with a financial advisor about planning for retirement. Did this financial advisor discuss with you the importance of planning for health care costs you may have when retired?

Base: Have spoken with a financial advisor		Non-Retirees N=580	Retirees N=180
		%	%
1.	Yes	70	59
2.	No	24	34
3.	Don't know	5	7
4.	Refused	<0.5	1

14. Which, if any, of the following individuals or organizations have you consulted with about health care costs you may have in retirement? **(Yes/No for each; rotate order)**

a. Your spouse or other family member

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Yes	63	54
2.	No	36	45
3.	Don't know	<0.5	<0.5
4.	Refused	<0.5	-

b. A friend or colleague

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Yes	40	28
2.	No	60	71
3.	Don't know	1	1
4.	Refused	-	<0.5

c. An Attorney

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Yes	14	15
2.	No	85	84
3.	Don't know	1	1
4.	Refused	-	<0.5

d. An Insurance company

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Yes	30	34
2.	No	69	65
3.	Don't know	1	<0.5
4.	Refused	<0.5	<0.5

e. Your employer or my spouse's employer

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Yes	35	26
2.	No	64	74
3.	Don't know	<0.5	<0.5
4.	Refused	<0.5	<0.5

f. local community organization

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Yes	7	5
2.	No	92	95
3.	Don't know	<0.5	-
4.	Refused	-	<0.5

g. Health care provider

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Yes	28	36
2.	No	71	63
3.	Don't know	1	1
4.	Refused	<0.5	<0.5

h. Medicare.gov website

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Yes	17	25
2.	No	83	76
3.	Don't know	<0.5	-
4.	Refused	-	-

i. Other

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Yes	9	9
	...AARP	1	1
	...Accountant / CPA	1	<0.5
	...Financial Advisor	2	1
	...Veteran / Military	<0.5	1
	...Broker	<0.5	<0.5
	...Internet / Websites	1	1
	...Bank	-	1
	...Union / Employer	1	1
	...Family member	1	1
	...Friends	<0.5	<0.5
	... Social Security	<0.5	-
	... Priest / Minister	<0.5	-
	... Retirement organization	<0.5	-
	... Government program / representative	<0.5	-
	...Healthcare people / agent	<0.5	-
	...Miscellaneous	2	2
	...Don't know	<0.5	<0.5
2.	No	91	91
3.	Don't know	-	<0.5
4.	Refused	<0.5	1

15. I'm about to read a list of sources that individuals may rely on to cover health care costs in retirement. For each source, please tell me if you think it will cover all of your health care expenses, most of your health care expenses, some of your health care expenses or none of your healthcare expenses when you are retired. (ROTATE)

a. Medicare, which provides health care insurance to seniors

Base: Total Respondents	Non-Retirees N=1002 %	Retirees N=502 %
1. All of your healthcare expenses	2	7
2. Most of your healthcare expenses	19	27
3. Some of your healthcare expenses	65	49
4. None of your healthcare expenses	10	12
5. Don't know	4	4
6. Refused	<0.5	1

b. Medicaid, the system that provides health care coverage to low income adults and children

Base: Total Respondents	Non-Retirees N=1002 %	Retirees N=502 %
1. All of your healthcare expenses	1	2
2. Most of your healthcare expenses	4	4
3. Some of your healthcare expenses	25	12
4. None of your healthcare expenses	63	76
5. Don't know	7	5
6. Refused	<0.5	1

c. Retirement savings account such as 401K, IRA, or money from investments

Base: Total Respondents	Non-Retirees N=1002 %	Retirees N=502 %
1. All of your healthcare expenses	5	8
2. Most of your healthcare expenses	9	13
3. Some of your healthcare expenses	58	37
4. None of your healthcare expenses	24	37
5. Don't know	3	4
6. Refused	<0.5	1

d. Personal savings or checking account

Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
	%	%
1. All of your healthcare expenses	3	7
2. Most of your healthcare expenses	8	8
3. Some of your healthcare expenses	63	55
4. None of your healthcare expenses	25	27
5. Don't know	2	2
6. Refused	1	1

e. Social Security

Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
	%	%
1. All of your healthcare expenses	2	6
2. Most of your healthcare expenses	4	12
3. Some of your healthcare expenses	70	56
4. None of your healthcare expenses	21	20
5. Don't know	3	5
6. Refused	1	<0.5

f. Individually purchased long-term care policies

Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
	%	%
1. All of your healthcare expenses	2	6
2. Most of your healthcare expenses	5	9
3. Some of your healthcare expenses	34	19
4. None of your healthcare expenses	52	60
5. Don't know	6	5
6. Refused	1	1

g. Home equity or reverse mortgage

Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
	%	%
1. All of your healthcare expenses	1	2
2. Most of your healthcare expenses	2	2
3. Some of your healthcare expenses	15	10
4. None of your healthcare expenses	79	81
5. Don't know	3	4
6. Refused	1	2

h. Financial assistance from your family

Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
	%	%
1. All of your healthcare expenses	1	1
2. Most of your healthcare expenses	1	2
3. Some of your healthcare expenses	11	8
4. None of your healthcare expenses	86	88
5. Don't know	1	1
6. Refused	<0.5	1

i. Pensions, or defined benefit plans

Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
	%	%
1. All of your healthcare expenses	3	6
2. Most of your healthcare expenses	11	13
3. Some of your healthcare expenses	45	34
4. None of your healthcare expenses	37	43
5. Don't know	3	3
6. Refused	1	1

j. Private health insurance (e.g., insurance from your or your spouse's previous employer or individually purchased supplemental insurance)

Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
	%	%
1. All of your healthcare expenses	4	12
2. Most of your healthcare expenses	18	20
3. Some of your healthcare expenses	54	34
4. None of your healthcare expenses	21	31
5. Don't know	3	4
6. Refused	<0.5	1

16. **(READ ALL SOURCES RESPONDENT INDICATES IN Q15, AND ASK)** Which of the following sources do you plan to rely on the most? Code response

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Medicare, which provides health care insurance to seniors	31	40
2.	Medicaid, the system that provides health care coverage to low income adults and children	3	2
3.	Retirement savings account such as 401K, IRA, or money from investments	15	8
4.	Personal savings or checking account	6	7
5.	Social Security	7	10
6.	Individually purchased long-term care policies	2	3
7.	Home equity or reverse mortgage	1	1
8.	Financial assistance from your family	<0.5	<0.5
9.	Pensions, or defined benefit plans	10	8
10.	Private health insurance	14	12
11.	Don't know	10	7
12.	Refused	1	3

17. About what percentage of your total retirement income do you think you will have to spend (Retirees; "are you spending") on health care costs?

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Less than a quarter	31	33
2.	About a quarter	35	26
3.	About half	12	9
4.	About three-quarters	3	3
5.	Nearly all	3	4
6.	None	5	6
7.	Don't know	12	18
8.	Refused	1	1

18. Have you begun saving for health care costs you may be responsible for in retirement? **(Q18-Q21 NON-RETIRES ONLY)**

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Yes	62	-
2.	No	38	-
3.	Don't know	1	-
4.	Refused	-	-

19. When do you expect to begin saving for health care costs in retirement?

	Base: Non-Retiree and haven't begun saving for healthcare costs in retirement	Non-Retirees N=385	Retirees N=502
		%	%
1.	Within the next year	11	-
2.	Within the next few years	17	-
3.	Within the next 10 years	5	-
4.	Within the next 15 years	2	-
5.	I do not plan to save for health care costs in retirement	44	-
6.	Don't know	18	-
7.	Refused	2	-

20. The following list includes reasons that someone may not save for future health care costs. For each one I read, please tell me if it is a major reason for you, a minor reason, or not a reason.

a. It seems too far away

	Base: Non-Retiree and haven't begun saving for healthcare costs in retirement	Non-Retirees N=385	Retirees N=502
		%	%
1.	Major reason	16	-
2.	Minor reason	25	-
3.	Not a reason	55	-
4.	Don't know	3	-
5.	Refused	1	-

b. I cannot afford to save at this time because I am taking care of current expenses

	Base: Non-Retiree and haven't begun saving for healthcare costs in retirement	Non-Retirees N=385	Retirees N=502
		%	%
1.	Major reason	61	-
2.	Minor reason	14	-
3.	Not a reason	23	-
4.	Don't know	1	-
5.	Refused	1	-

c. I cannot afford to save at this time because I am taking care of others

	Base: Non-Retiree and haven't begun saving for healthcare costs in retirement	Non-Retirees N=385	Retirees N=502
		%	%
1.	Major reason	30	-
2.	Minor reason	17	-
3.	Not a reason	49	-
4.	Don't know	3	-
5.	Refused	2	-

d. I do not know where to turn for information		
Base: Non-Retiree and haven't begun saving for healthcare costs in retirement	Non-Retirees N=385	Retirees N=502
	%	%
1. Major reason	15	-
2. Minor reason	24	-
3. Not a reason	57	-
4. Don't know	3	-
5. Refused	2	-
 e. It's too depressing to think about		
Base: Non-Retiree and haven't begun saving for healthcare costs in retirement	Non-Retirees N=385	Retirees N=502
	%	%
1. Major reason	25	-
2. Minor reason	21	-
3. Not a reason	51	-
4. Don't know	2	-
5. Refused	1	-
 f. I have the income available to pay for any health needs		
Base: Non-Retiree and haven't begun saving for healthcare costs in retirement	Non-Retirees N=385	Retirees N=502
	%	%
1. Major reason	25	-
2. Minor reason	24	-
3. Not a reason	46	-
4. Don't know	3	-
5. Refused	2	-
 g. My healthcare expenses will be taken care of for me in retirement		
Base: Non-Retiree and haven't begun saving for healthcare costs in retirement	Non-Retirees N=385	Retirees N=502
	%	%
1. Major reason	30	-
2. Minor reason	17	-
3. Not a reason	46	-
4. Don't know	5	-
5. Refused	2	-
 h. I do not think it is necessary at this point		
Base: Non-Retiree and haven't begun saving for healthcare costs in retirement	Non-Retirees N=385	Retirees N=502
	%	%
1. Major reason	23	-
2. Minor reason	21	-
3. Not a reason	48	-
4. Don't know	6	-
5. Refused	2	-

i. I do not think I will have health care needs in retirement

Base: Non-Retiree and haven't begun saving for healthcare costs in retirement		Non-Retirees N=385	Retirees N=502
		%	%
1.	Major reason	11	-
2.	Minor reason	22	-
3.	Not a reason	60	-
4.	Don't know	6	-
5.	Refused	2	-

21. What is the biggest reason for you personally? **Code response**

Base: Non-Retiree and haven't begun saving for healthcare costs in retirement		Non-Retirees N=385	Retirees N=502
		%	%
1.	It seems too far away	7	n/a
2.	I cannot afford to save at this time because I am taking care of current expenses	47	n/a
3.	I cannot afford to save at this time because I am taking care of others	8	n/a
4.	I do not know where to turn for information	1	n/a
5.	It's too depressing to think about	3	n/a
6.	I have the income available to pay for any health needs	11	n/a
7.	My healthcare expenses will be taken care of for me in retirement	8	n/a
8.	I do not think it is necessary at this point	5	n/a
9.	I do not think I will have health care needs in retirement	1	n/a
10.	Don't know	7	n/a
11.	Refused	2	n/a

22. At what age do you think someone should begin saving for health care costs in retirement? Would you say...

Base: Total Respondents		Non-Retirees N=1002	Retirees N=502
		%	%
1.	Less than 35	68	68
2.	35 – 44 years	16	18
3.	45 – 54 years	7	6
4.	55 – 59 years	2	1
5.	60 – 64 years	<0.5	<0.5
6.	65 years or older	1	1
7.	I do not think someone needs to save for health care costs in retirement	1	2
8.	Don't know	4	5
9.	Refused	1	1

23. At what age did you begin saving for health care costs in retirement?

	Base: Total Respondents	Non-Retirees	Retirees
		N=1002	N=502
		%	%
1.	Less than 35	28	35
2.	35 – 44 years	18	23
3.	45 – 54 years	12	13
4.	55 – 59 years	2	4
5.	60 – 64 years	<0.5	2
6.	65 years or older	-	2
7.	I did not save for health care costs in retirement (RETIREES) I am not yet saving for health care costs in retirement (NON-RETIREES)	38	17
8.	Don't know	2	4
9.	Refused	<0.5	1

Health Care Costs Calculator

24. Suppose there were a resource that allowed you to estimate how much your health care costs in retirement would be by taking into account your age, health conditions, among other variables. How interested would you be in having this type of information available to you?

	Base: Total Respondents	Non-Retirees	Retirees
		N=1002	N=502
		%	%
1.	Very interested	21	18
2.	Somewhat interested	34	22
3.	Not very interested	17	14
4.	Not at all interested	26	42
5.	Don't know	2	3
6.	Refused	1	1

Demographics

D1. Code gender

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1. Male		53	41
2. Female		47	59

D2. Which of the following ethnic groups describes you? You can stop me when I've read your group. READ LIST IN ORDER

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1. White or Caucasian		85	83
2. Black or African-American		6	9
3. Latino, Hispanic		2	2
4. Asian or Pacific Islander		2	1
5. Native American		1	2
6. Mixed race		2	1
7. Other		<0.5	-
8. Refused		3	3

D3. Do you consider yourself to be of Hispanic descent? (If not Latino, Hispanic in D2).

	Base: Not Latino/Hispanic	Non-Retirees N=978	Retirees N=490
		%	%
1. Yes		2	1
2. No		97	98
3. Don't know		<0.5	<0.5
4. Refused		1	1

D4. What is the highest level of education you have completed?

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1. Less than high school		3	6
2. High school graduate		21	24
3. Vocational/Technical training		5	6
4. Some college		23	25
5. College graduate		29	23
6. Post Graduate degree		19	15
7. Refused		1	2

D5. Do you currently have any children younger than 18 living at home with you? (Include part-time children)

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1. Yes		15	2
2. No		85	97
3. Don't know		<0.5	-
4. Refused		<0.5	1

D6. Which of the following best describes your main current form of health insurance coverage?

READ AND ROTATE

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1. You have coverage through your employer or previous employer		57	21
2. You have coverage through your spouse's employer		14	13
3. You have coverage that you or your spouse buys directly		10	13
4. You are covered by Medicare		10	44
5. You are covered by Medicaid or some other government program that is not Medicare		4	4
6. You do not have coverage		4	2
7. Refused		1	2

D7. (If 65+ and D6 is not "Medicare") And are you also covered by Medicare?

	Base: 65+ Respondents not covered by Medicare	Non-Retirees N=83	Retirees N=132
		%	%
1. Yes		49	83
2. No		50	11
3. Don't know		2	3
4. Refused		-	4

D8. Overall, how would you rate your health status? Would you say it is...

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1. Excellent		21	15
2. Very good		37	33
3. Good		26	28
4. Fair		11	16
5. Poor		3	6
6. Don't know		1	<0.5
7. Refused		1	1

D9. Do you have a chronic, ongoing health condition such as high blood pressure or diabetes that requires medical care?

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1. Yes		41	55
2. No		58	42
3. Don't know		<0.5	-
4. Refused		1	2

D10. Are you currently providing care to a family member or friend? This may include things such as providing assistance with cooking, bathing, getting dressed, getting around, paying bills, remembering to take medicine, or just having someone check in to see that everything is ok.

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1. Yes		23	19
2. No		76	80
3. Don't know		<0.5	-
4. Refused		1	1

D11. Are you or your spouse currently a member of AARP?

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1. Yes		34	51
2. No		63	46
3. Don't know		2	2
4. Refused		1	1

D12. For statistical purposes only, please tell me which of the following categories best represents your total family income? **READ LIST IN ORDER**

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1.	Less than \$15,000	6	8
2.	\$15,000 to less than \$30,000	6	15
3.	\$30,000 to less than \$40,000	8	10
4.	\$40,000 to less than \$50,000	9	9
5.	\$50,000 to less than \$60,000	7	8
6.	\$60,000 to less than \$75,000	10	7
7.	\$75,000 to less than \$100,000	12	10
8.	\$100,000 to less than \$150,000	14	7
9.	\$150,000 or more	13	5
10.	Don't know/refused	17	22

D13. Are you currently registered to vote at your present address?

	Base: Total Respondents	Non-Retirees N=1002	Retirees N=502
		%	%
1.	Yes	93	88
2.	No	5	10
3.	Don't know	<0.5	1
4.	Refused	1	2