

2009 RCS FACT SHEET

CHANGING EXPECTATIONS ABOUT RETIREMENT

Over the past two years, the RCS has measured a significant decline in worker confidence about their ability to secure a financially comfortable retirement. What, if anything, are workers doing to improve their situation?

Postponing Retirement

- Twenty-eight percent of workers in the 2009 RCS say the age at which they expect to retire has changed in the past year. Of those, the vast majority (89 percent) say that their expected retirement age has increased.
- The poor economy (36 percent) and the need to make up for losses in the stock market (28 percent) are most often cited for postponing retirement.

Figure 1
Reasons for Changing Expected Retirement Age

Poor economy	36%
Need to make up for losses in stock market	28
Want to make sure have enough money	24
Job loss, change in employment situation	10
Cost of living higher than expected	9
Uncertainty about stock market	7
Need to pay bills/expenses/new purchases	6
Social Security may not be there for me	4
Health or disability reasons	3
Lost confidence in government; concerned about government policies	3
Company downsizing/offering early retirement/closing	3
Want to work	3

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Retirement Confidence Survey.

Working for Pay in Retirement

- Seventy-two percent of workers now say they plan to work for pay after they retire. This is an increase from the percentages indicating they would work for pay in previous waves of the RCS.

Figure 2
Percentage of Workers Expecting to Work for Pay in Retirement

2009	72%
2008	63
2007	66
2006	67
2005	66
2004	68
1999	66

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1999–2009 Retirement Confidence Surveys.

Preparing for Retirement

- Workers who have lost confidence in their ability to secure a comfortable retirement are also responding by taking some steps to improve their situation. The large majority of these workers (81 percent) say they have reduced their expenses. Others are changing the way they invest their money (43 percent) and working more hours or a second job (38 percent).

Figure 3

Worker Responses to Loss of Confidence Regarding Financial Security in Retirement, Among Those Who Have Lost Confidence

Reduced your expenses	81
Changed the way you invest your money	43
Worked more hours or a second job	38
Saved more money	25
Sought advice from a financial professional	25
Moved to a less expensive home or area	11

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Retirement Confidence Survey.

- In fact, the percentage of all workers saying they and/or their spouse have saved money for retirement now stands at 75 percent, an increase over that measured in 2004–2007, when it hovered around 70 percent.

Figure 4

Workers Having Saved Money for Retirement

2009	75%
2008	72
2007	66
2006	70
2005	69
2004	68
2003	71
2002	72
2001	69
2000	78
1999	73
1998	59
1997	66
1996	60
1995	58
1994	57

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1994–2009 Retirement Confidence Surveys.

^a The addition of the phrase “and/or your spouse” to the question wording for married respondents starting in 1999 is responsible for approximately 4 to 5 percentage points of the increase between 1998 and 1999.