

## *A Source of Inspiration: Future Early Retirees*

October 2011

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## About The Center

- The Transamerica Center for Retirement Studies® (“The Center”) is a non-profit private foundation dedicated to educating the public on emerging trends surrounding retirement security in the United States. The Center’s research emphasizes employer-sponsored retirement plans, issues faced by small to mid-sized companies and their employees, and the implications of legislative and regulatory changes.
- The Center is funded by contributions from Transamerica Life Insurance Company and its affiliates and may receive funds from unaffiliated third-parties. For more information about The Center, please refer to [www.transamericacenter.org](http://www.transamericacenter.org).
- The Center and its representatives cannot give ERISA, tax or legal advice. This material is provided for informational purposes only and should not be construed as ERISA, tax or legal advice. Interested parties must consult and rely solely upon their own independent advisors regarding their particular situation and the concepts presented here.
- Although care has been taken in preparing this material and presenting it accurately, The Center disclaims any express or implied warranty as to the accuracy of any material contained herein and any liability with respect to it.

## About The Survey

- Since 1998, the Transamerica Center for Retirement Studies® has conducted a national survey of U.S. business employers and workers regarding their attitudes toward retirement. The overall goals for the study are to illuminate emerging trends, promote awareness, and help educate the public.
- Harris Interactive was commissioned to conduct the Twelfth Annual Retirement Survey for Transamerica Center for Retirement Studies®. Transamerica Center for Retirement Studies® is not affiliated with Harris Interactive.

## Methodology: Worker Survey

- A 25-minute, online survey was conducted between January 31, 2011 – March 10, 2011 among a nationally representative sample of 4,080 workers using the Harris online panel. Respondents met the following criteria:
  - All U.S. residents, age 18 or older
  - Full-time or part-time workers in a for-profit company employing 10 or more people
- Data were weighted as follows:
  - To account for differences between the population available via the Internet versus by telephone.
  - To ensure that each quota group had a representative sample based on the number of employees at companies in each employee size range.
- Percentages are rounded to the nearest whole percent. Differences in the sums of combined categories/answers are due to rounding.
- This report focuses on full-time and part-time workers combined.

# Terminology

*This report uses the following terminology:*

- Echo Boomer: a person born after 1978
- Generation Xer: Born 1965 - 1978
- Baby Boomer: Born 1946 - 1964
- Mature: Born before 1946

## Foreword

- *The New Retirement: Working*, a report published from the 12<sup>th</sup> Annual Transamerica Retirement survey, found that for many Americans, the foundation of their retirement strategy is simply not to retire, to work considerably longer than the traditional retirement age, or work in retirement:
  - 39 percent of workers plan to work past age 70 or do not plan to retire
  - 54 percent of workers expect to plan to continue working when they retire
  - 40 percent expect to work longer and retire at an older age because of the recession
- Workers' greatest fears about retirement include "outliving my savings and investments" and "not being able to meet the financial needs of my family."
- Over half of workers (56 percent) indicate that they have a retirement strategy; however, only 10 percent said that they have a written plan, compared to 46 percent who said that they have a plan but it is not written down.
- Of all workers, fewer than one in five (19 percent) have a backup plan for retirement income in the event they are unable to work before their planned retirement.
- Relatively few workers have a good understanding of government retirement-related benefits such as Social Security (40 percent), Medicare (28 percent), and Medicaid (23 percent).

## ***Executive Summary: Meet the Future Early Retirees***

- *A Source of Inspiration: Future Early Retirees*, based on findings from the 12<sup>th</sup> Annual Transamerica Retirement Survey, explores the defining characteristics of workers who plan to retire before age 65 in order to highlight their success factors, identify vulnerabilities, and assess their retirement readiness.
- Despite the gloomy retirement outlook for many American workers, the 12<sup>th</sup> Annual Transamerica Retirement survey uncovered that over one in five (21 percent) workers expect to retire before age 65. They are “Future Early Retirees” and should be considered a source of inspiration for all.
- The secrets of Future Early Retirees’ success is not necessarily born out of privilege or ultra-affluence – they are more likely to be everyday people. Demographically speaking:
  - Slightly more than half (52 percent) have a college degree
  - Nearly half (49 percent) are over the age of forty
  - Nearly half (49 percent) report an annual household income of less than \$100,000 per year
- The defining success factors for Future Early Retirees are that they more likely to:
  - Be offered a 401(k) or similar plan (75 percent) and/or defined benefit (25 percent) plan by their employer
  - Start saving for retirement at a younger age (age 25 - median)
  - Defer a higher percentage of their annual salary into their 401(k) or similar plan (10 percent - median)
  - Save for retirement outside of work (69 percent)
  - Have a retirement strategy (71 percent)
  - Be very involved in managing and monitoring their retirement accounts (71 percent)
  - Are saving the same or more since the recession began (71 percent)



## *Executive Summary: Realistic or Optimistic?*

- Realistic or optimistic? It's hard to say, but we've created a hypothetical model of their savings patterns based on the 12th Annual Retirement survey data. The model suggests that Future Early Retirees are quite possibly on track. [Note: the model cannot and does not account for any gaps in employment, gaps in consistently saving, and any early withdrawals from their retirement account]. See page 30.
- It is important to underscore that life offers no guarantees and unforeseen circumstances may arise (e.g., health issues, job loss, extraordinary expenses, poor investment performance, etc.) that could derail their plans for retirement and expected retirement age.
- Future Early Retirees also have some important opportunities for improvement, including:
  - Calculating a retirement savings goal (41 percent “guessed”)
  - Learning the basic principles of asset allocation and retirement investing (34 percent know “a great deal” or “quite a bit”)
  - Knowing about government benefits such as Social Security (46 percent know “a great deal” or “quite a bit”)
  - Having a backup plan if forced into retirement sooner than expected (29 percent)

## *Executive Summary: Secrets for Success*

- Future Early Retirees are a source of inspiration.
- How each worker plans on spending their retirement is unique, but the tools to help attain retirement readiness are common to everyone.
- Seven tactics can help workers improve their retirement readiness and possibly become Future Early Retirees are:
  1. Calculate your retirement savings needs.
  2. Develop a retirement strategy and write it down. Envision your future retirement, formulate a goal for how much you will need to save each year (be sure to include employer-sponsored retirement plans and outside savings), and be sure to factor living expenses, healthcare needs, long-term care, and government benefits.
  3. Get educated about retirement investing. Seek professional assistance if needed.
  4. If your employer offers a plan, participate. Be sure that your annual salary deferral takes full advantage of employer matching contributions, if available. Defer as much as you can. If you decide against maximizing annual salary deferrals in the plan, be sure to save for retirement outside of work.
  5. Consider retirement benefits as part of your total compensation. If your employer doesn't offer you a plan, ask for one.
  6. Take advantage of the Saver's Credit if eligible. Make catch-up contributions if eligible.
  7. Have a back-up plan in the event you are unable to work before your planned retirement.
- And, workers should get the conversation going by talking about retirement with family and close friends.

## ***Executive Summary: Societal Recommendations***

- Employers play a vital role in facilitating workers' retirement readiness. Important opportunities in which employers, working with their retirement plan providers, can help their employees improve their retirement readiness include:
  - Offering a retirement plan and proactively encouraging participation
  - Adding, increasing and/or reinstating matching contributions to 401(k) plans
  - Promoting the educational resources offered by the company's retirement plan provider
  - Offering pre-retirees greater levels of assistance in planning their transition into retirement
  - Promoting awareness of the Saver's Credit and Catch-Up Contributions.
- The retirement industry and media should continue to raise awareness and increase education on the need to plan and save – as well as the need for a back-up plan in the event of being forced into retirement sooner than expected due to unforeseen circumstances.
- Policymakers should consider the following to help employers and their employees to increase retirement readiness:
  - Expanding retirement coverage to more workers by expanding the tax credit for employers to start a plan and facilitating the opportunity of employers to participate in existing plans by implementing reforms to multiple employer plans.
  - Expanding the Saver's Credit by raising the income eligibility limits so that more tax filers are eligible.
  - Expanding Catch-Up Contributions by raising limits and lowering the eligible age.
  - Extending the 401(k) loan repayment period for terminated plan participants and eliminating the six-month suspension period following hardship withdrawals.
  - Requiring retirement plan statements to state participant account balances in terms of lifetime income as well as a lump sum.

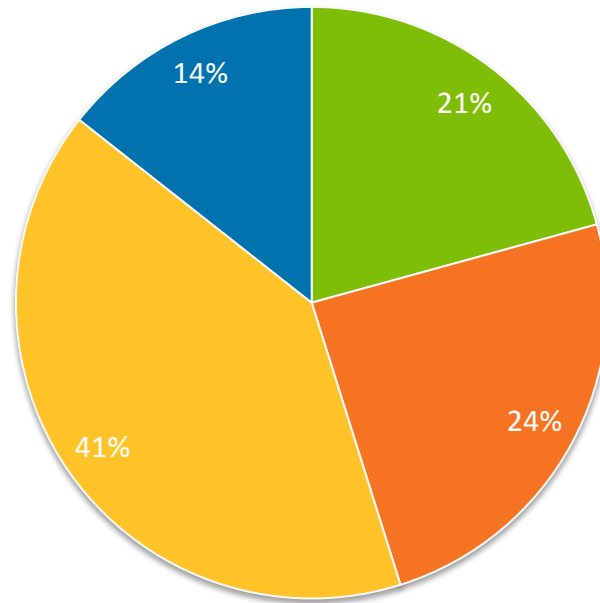


***A Source of Inspiration: Future Early Retirees***  
**Spotlight on Future Early Retirees**

# Who Are the Future Early Retirees?

One in five (21 percent) workers are Future Early Retirees who expect to retire before age 65.

At what age do you expect to retire?



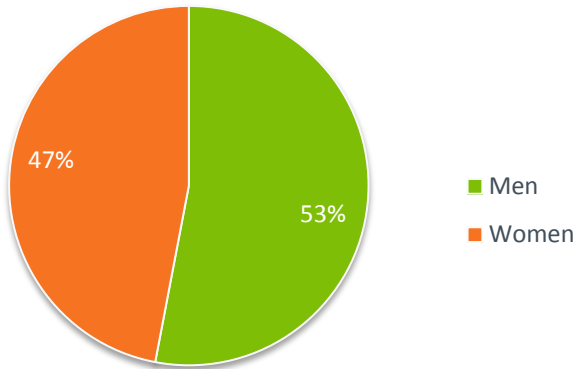
- Before Age 65 (Future Early Retiree)
- At Age 65
- After Age 65
- Do Not Plan to Retire

# Who Are the Future Early Retirees?

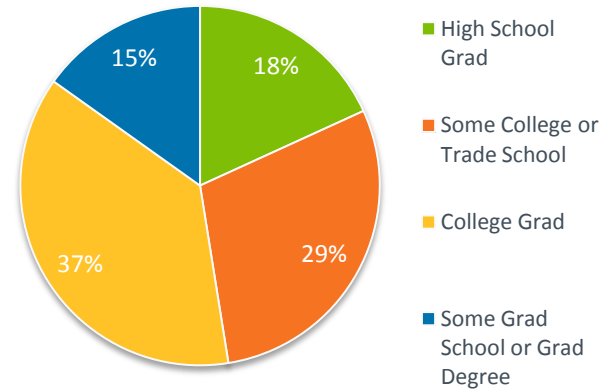
Future Early Retirees are not limited to the privileged or ultra-affluent. They are everyday people. Fifty-three percent are men, 52 percent have a college degree, 50 percent are under age 40, and 49 percent earn less than \$100k per year.

## Expected Retirement Age: Before Age 65 (Future Early Retiree)

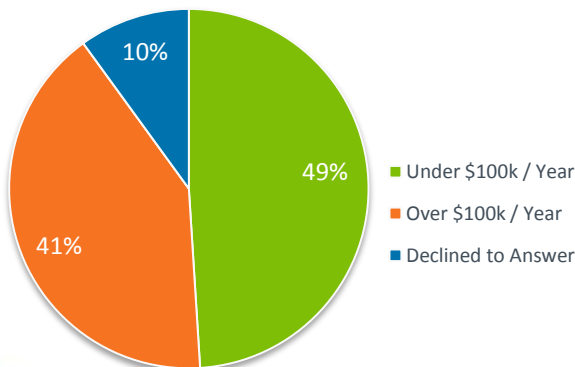
Gender



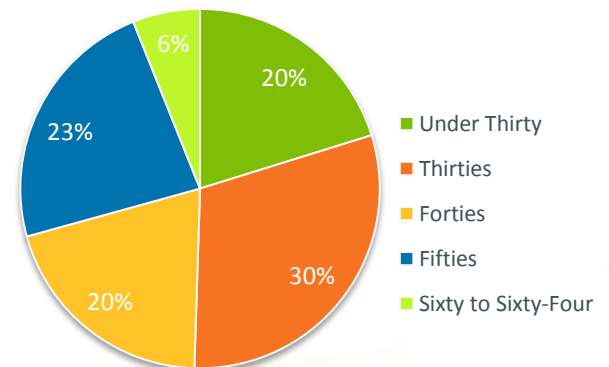
Level of Education



Household Income



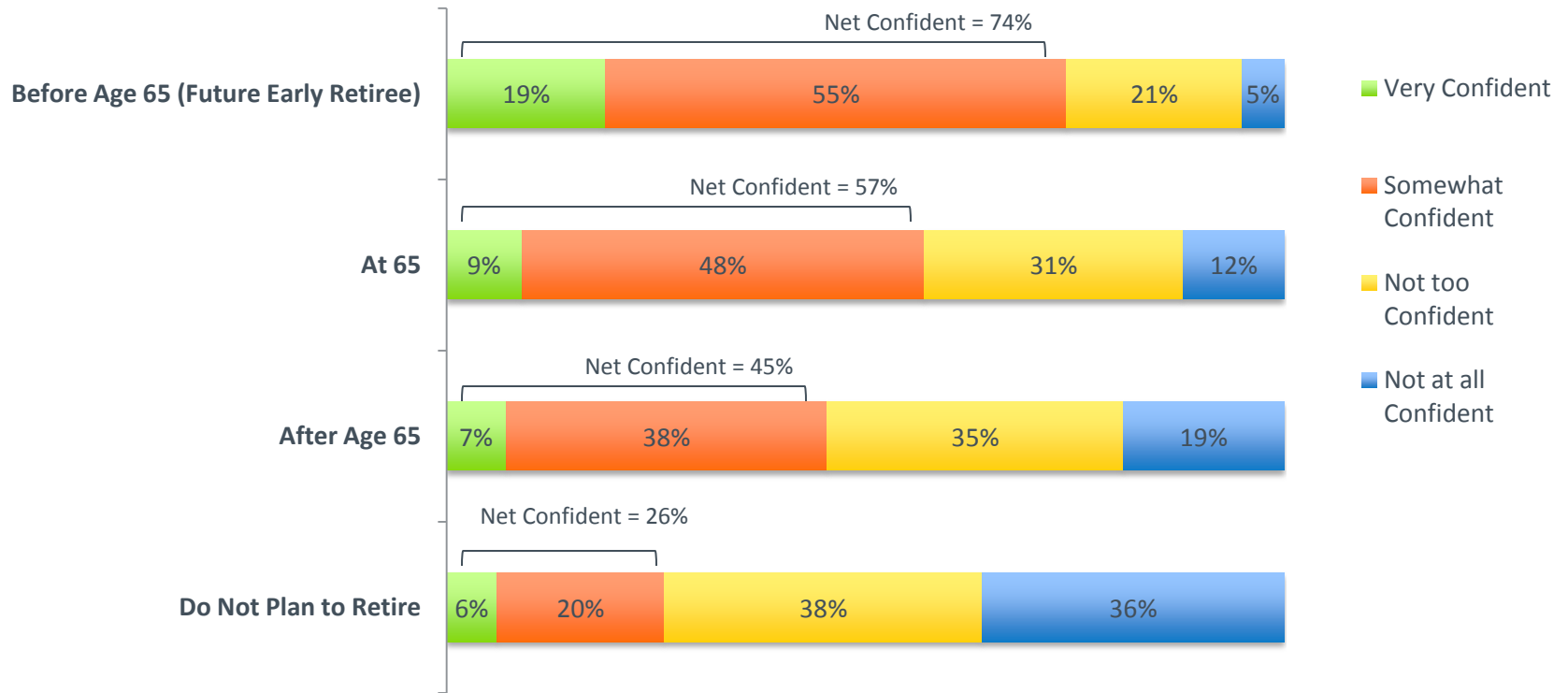
Current Age



# Retirement Confidence

Future Early Retirees express the highest levels of retirement confidence at 74 percent. Retirement confidence declines as expected retirement age increases. Only 26 percent of those who do not plan to retire are confident.

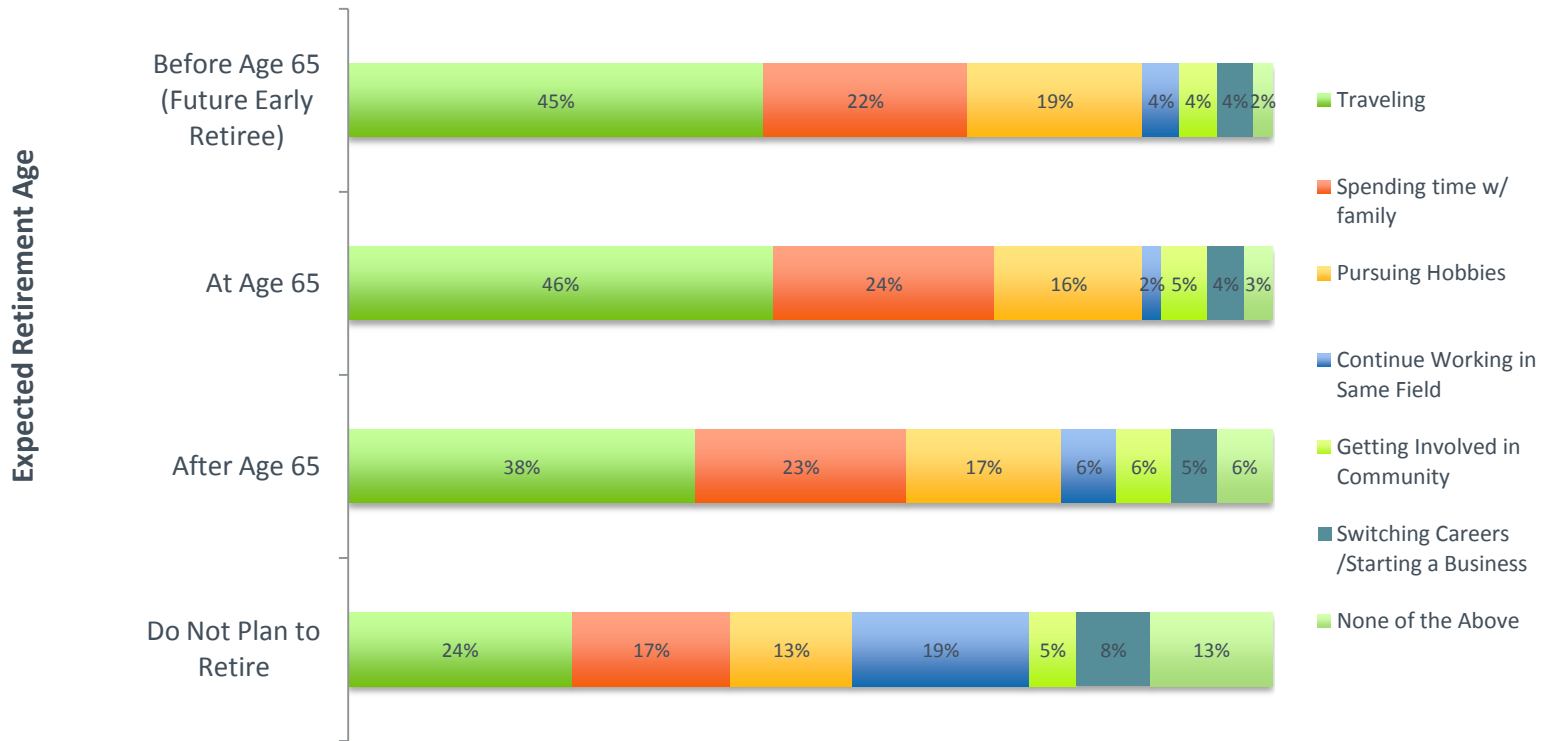
How Confident are You that You Will be Able to Fully Retire with a Comfortable Lifestyle?



# Retirement Dreams

Future Early Retirees have a vision. Along with workers who plan on retiring at age 65, they most frequently cite “traveling” as how they dream of spending retirement.

How Do You Dream of Spending Your Retirement?



BASE: All Qualified Respondents

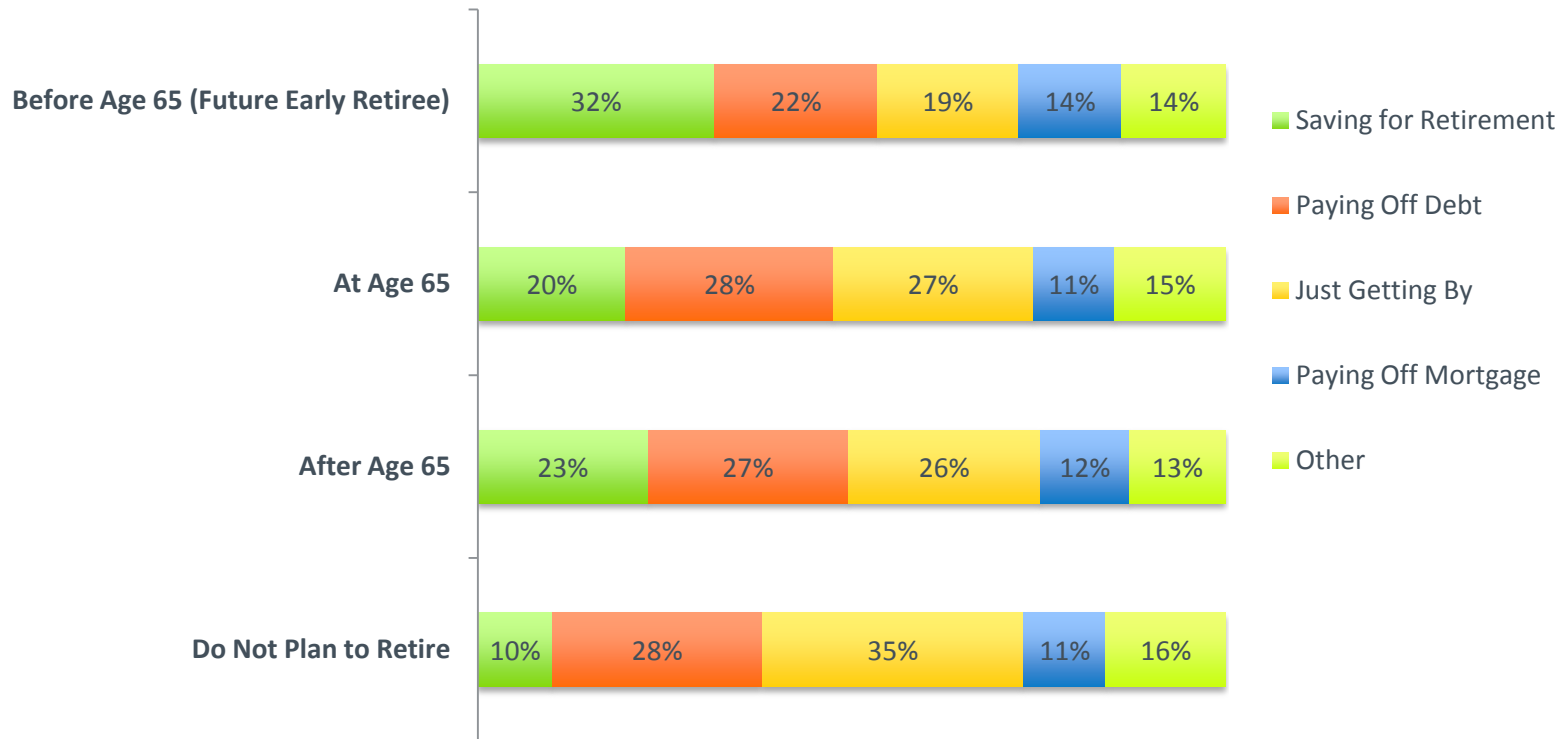
Q1418: Which one of the following best describes how you dream of spending your retirement?



# Greatest Financial Priority

Nearly one-third (32 percent) of Future Early Retirees indicate that their greatest financial priority is “saving for retirement.”

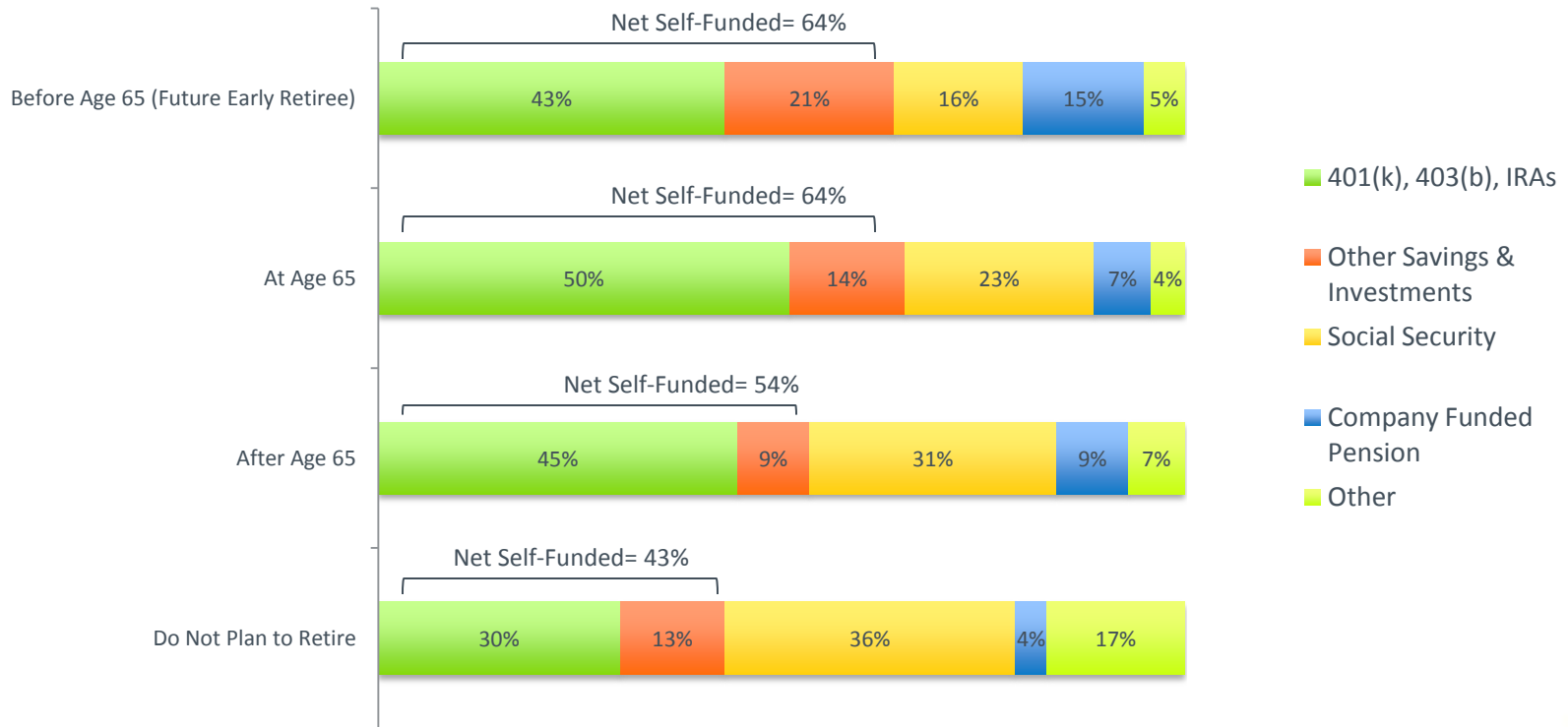
What is Your Greatest Financial Priority Right Now?



# Primary Source of Income in Retirement

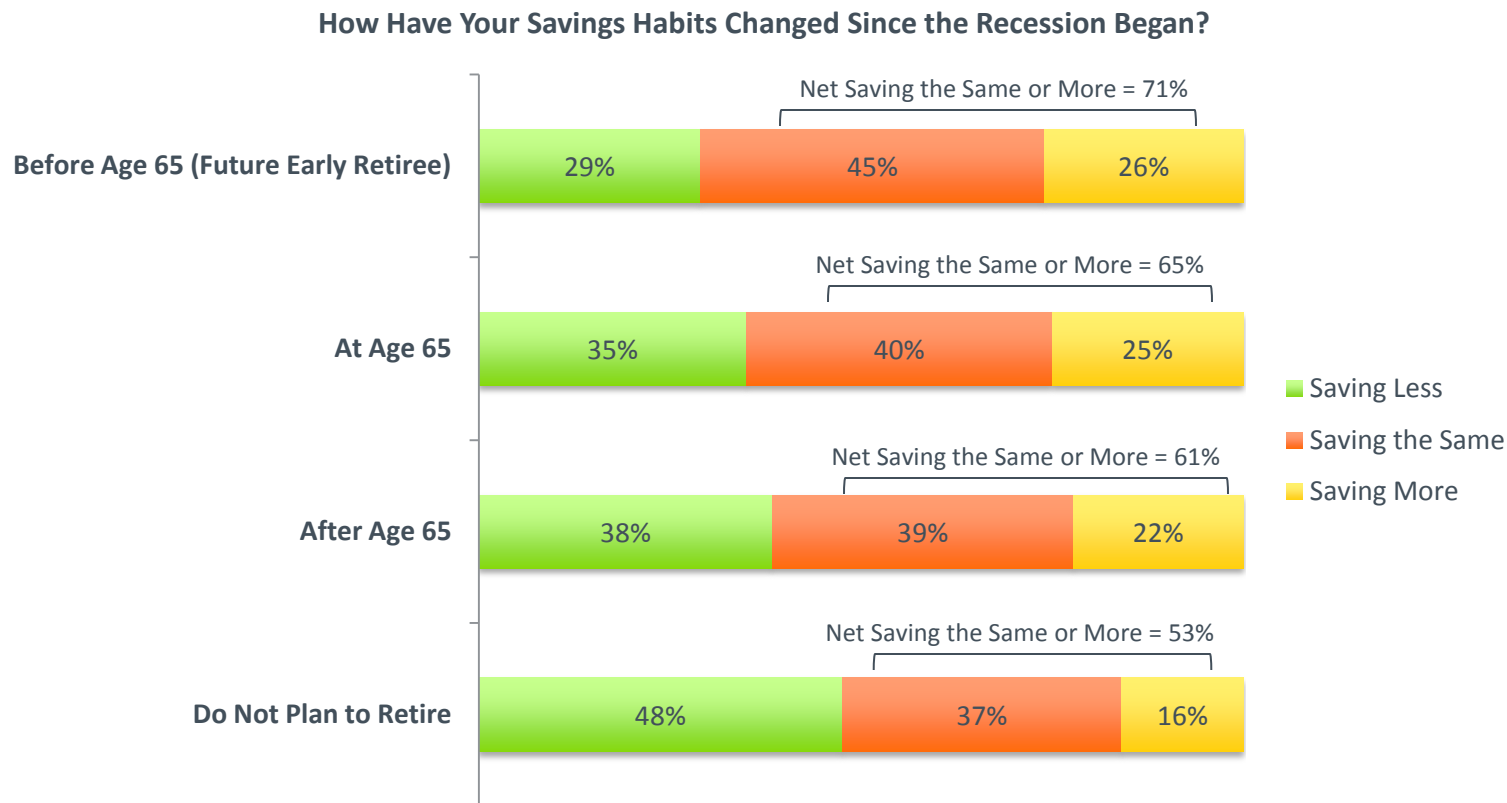
Future Early Retirees and workers who plan to retire at age 65 are most likely to cite self-funded retirement accounts (401(k), 403(b), IRAs, outside savings & investments) as their primary source of income in retirement. Compared to others, relatively few Future Early Retirees expect their primary source of income to be Social Security.

What Do You Expect to be Your Primary Source of Income in Retirement?



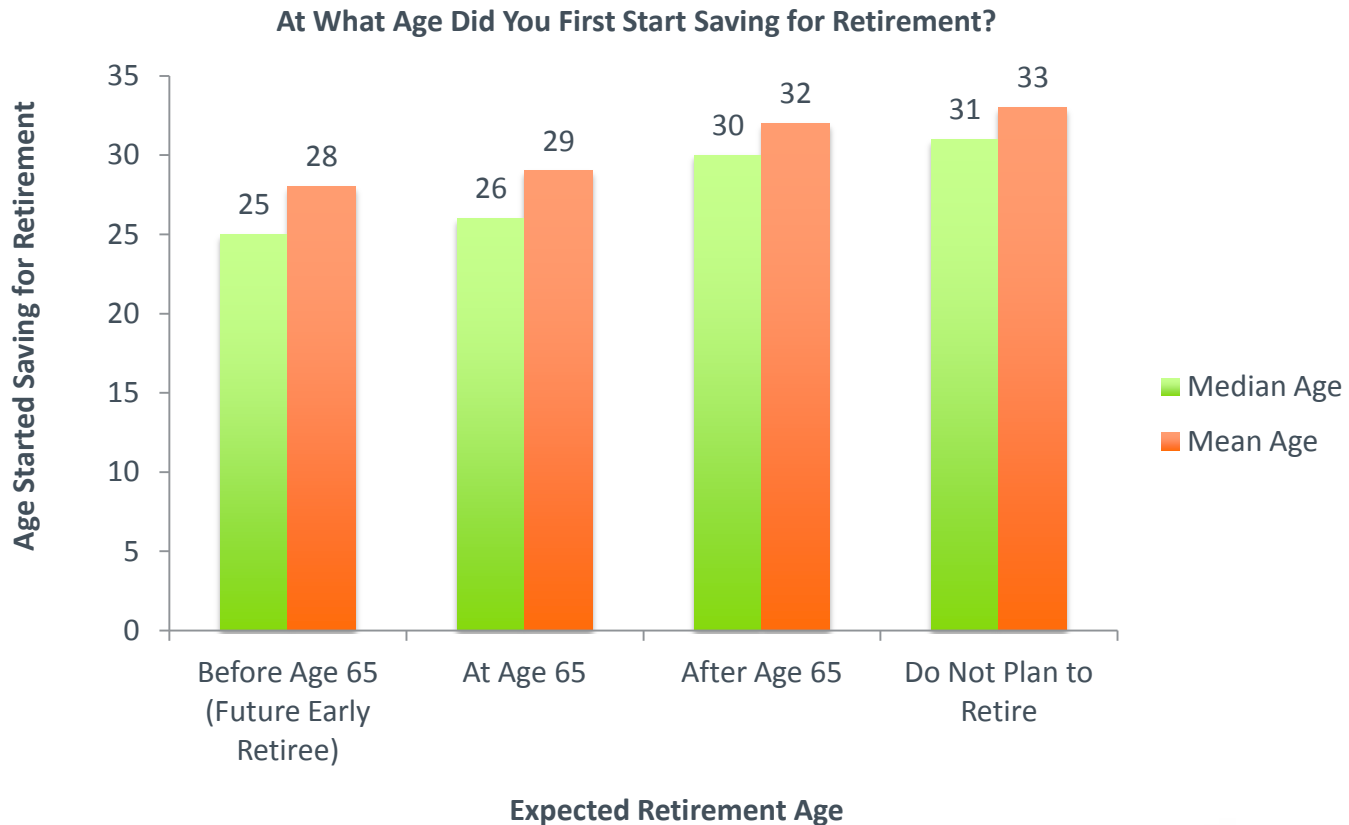
# Changes in Savings Habits Since the Recession Began

Future Early Retirees and workers who plan to retire at age 65 are more likely to be saving the same or more since the recession began.



# Age Started Saving for Retirement

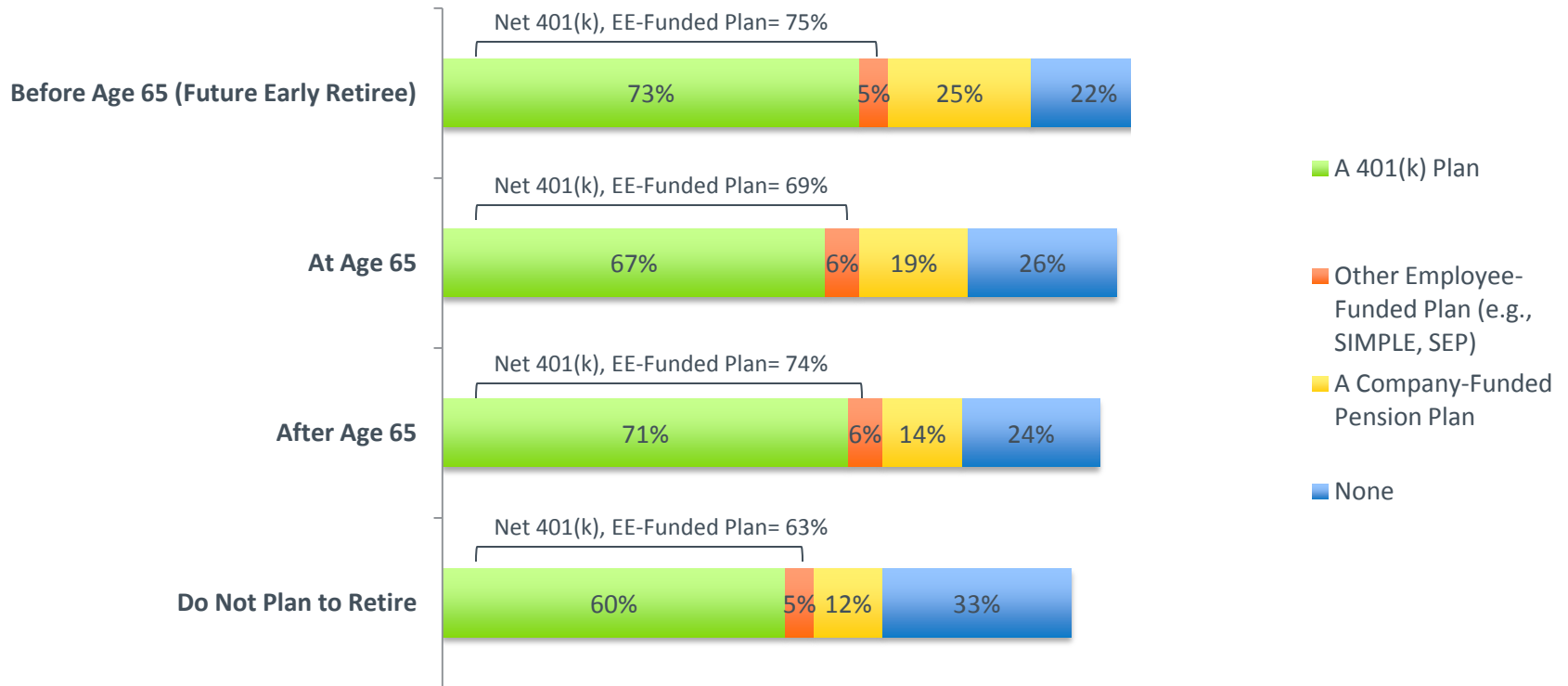
Future Early Retirees started saving at younger ages than other workers. To illustrate, comparing the median ages, Future Early Retirees started saving six years earlier (at age 25) than those who do not plan to retire (age 31).



# Employer-Sponsored Retirement Benefits

Future Early Retirees are mostly likely to be offered a 401(k) plan (73 percent) and/or a defined benefit plan (25 percent).

Which of the Following Retirement Benefits Does Your Employer Offer?

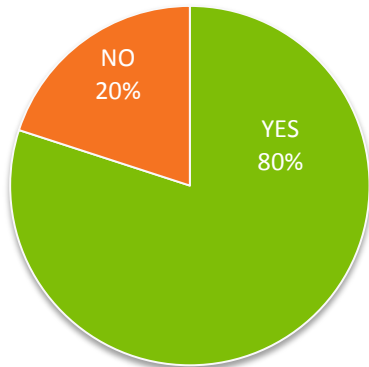


- A 401(k) Plan
- Other Employee-Funded Plan (e.g., SIMPLE, SEP)
- A Company-Funded Pension Plan
- None

# Plan Participation & Salary Deferral Rates

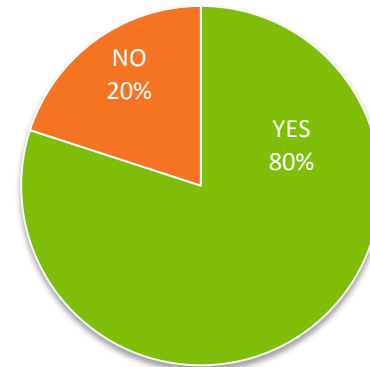
Future Early Retirees report the highest annual salary deferrals into the plan (10 percent median). Workers who do not plan to retire report the lowest level of participation and annual deferral rates (6 percent median).

**Before Age 65 (Future Early Retiree)**  
Plan Participation %



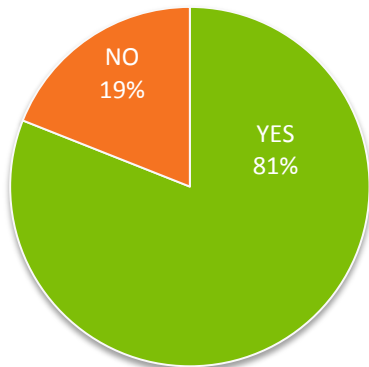
**Annual Deferral %**  
12% (mean)  
10% (median)

**Retire At Age 65**  
Plan Participant %



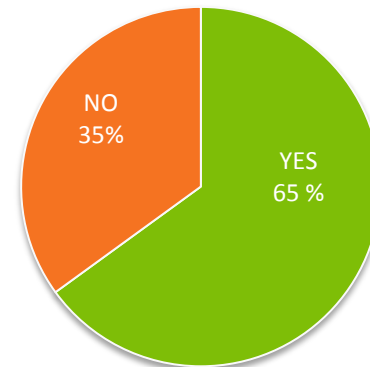
**Annual Deferral %**  
10% (mean)  
7% (median)

**Retire After 65**  
Plan Participation %



**Annual Deferral %**  
9% (mean)  
6% (median)

**Do Not Plan to Retire**  
Plan Participation %



**Annual Deferral %**  
8% (mean)  
6% (median)

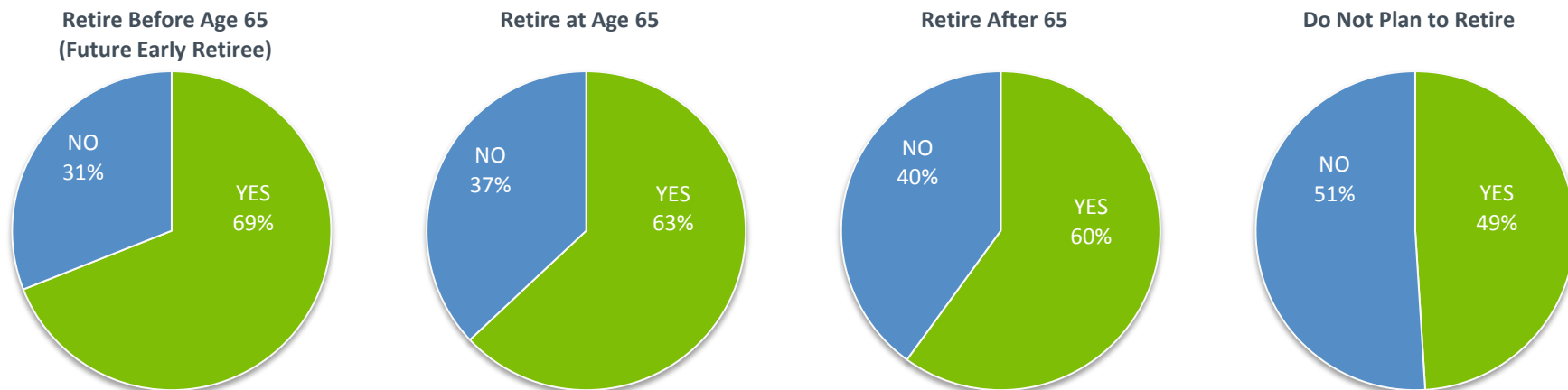
BASE: Those with qualified plans offered to them. Q1190. Do you currently participate in, or have money invested in your company's employee-funded retirement plan?

BASE: Those currently participating in their qualified plan. Q601. What percentage of your salary are you saving for retirement through your company-sponsored plan this year?

## Currently Saving Outside of Work

Nearly seven in ten (69 percent) of Future Early Retirees are saving for retirement outside of work – compared to only 49 percent of those who do not plan to retire.

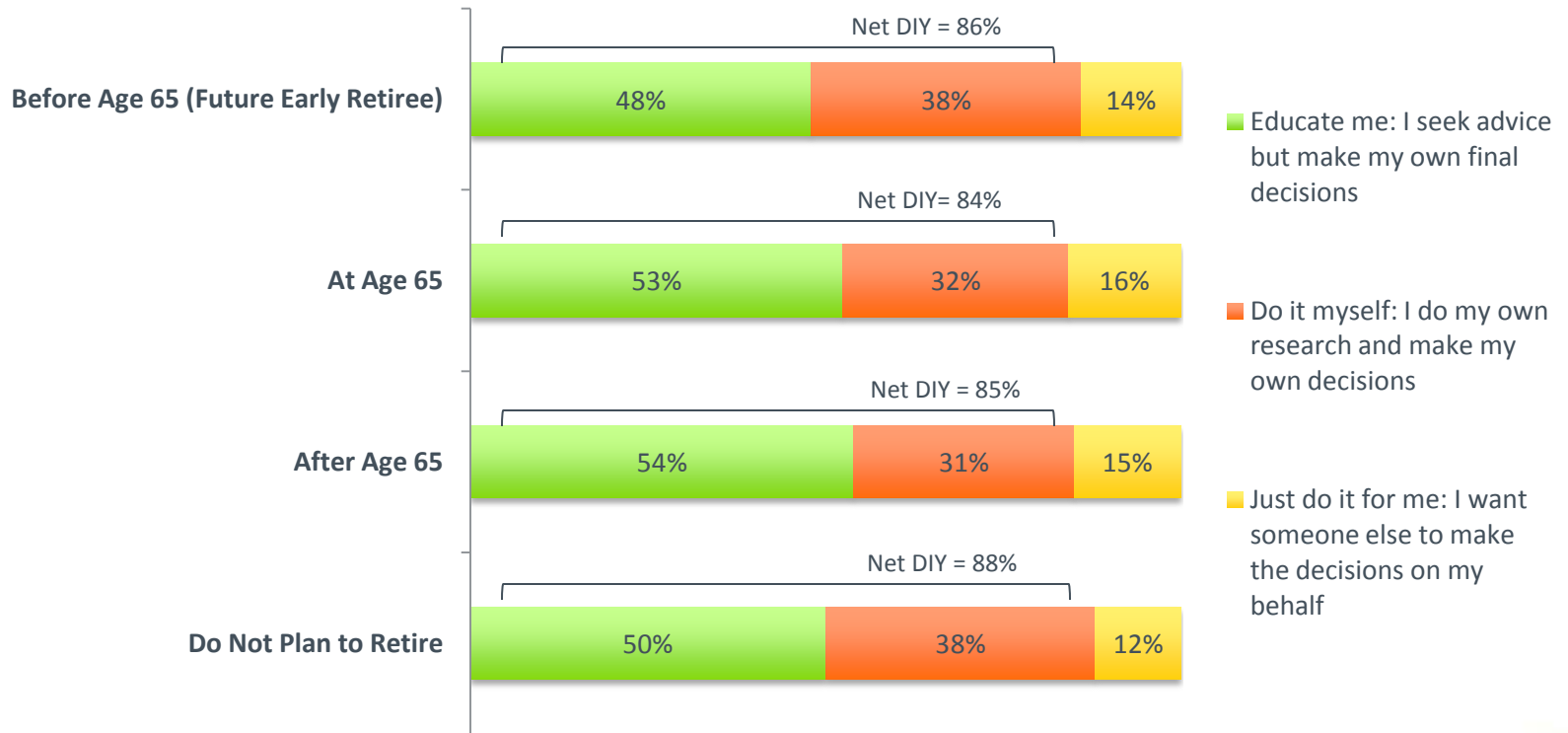
### Saving for Retirement Outside of Work



# Personal Decision-Making

Regardless of expected retirement age, workers prefer to be educated and make their own decisions about saving and investing for retirement. Relatively few indicated that they would prefer someone to make decisions for them.

How Would You Describe Yourself When it Comes to Saving and Investing for Retirement?

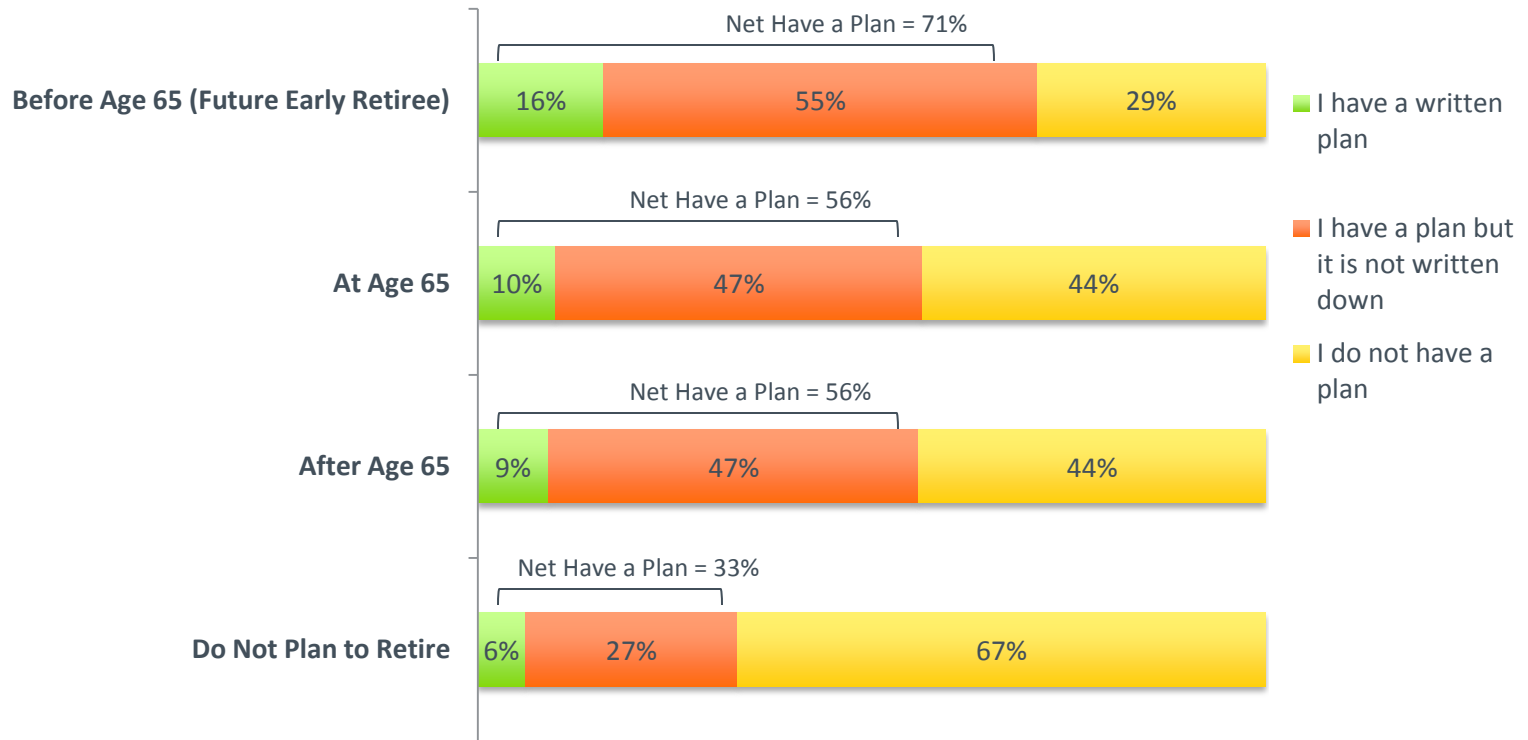




# Retirement Strategy

Over two-thirds (71 percent) of Future Early Retirees have a retirement strategy, far more than other workers who plan to work to 65 or longer.

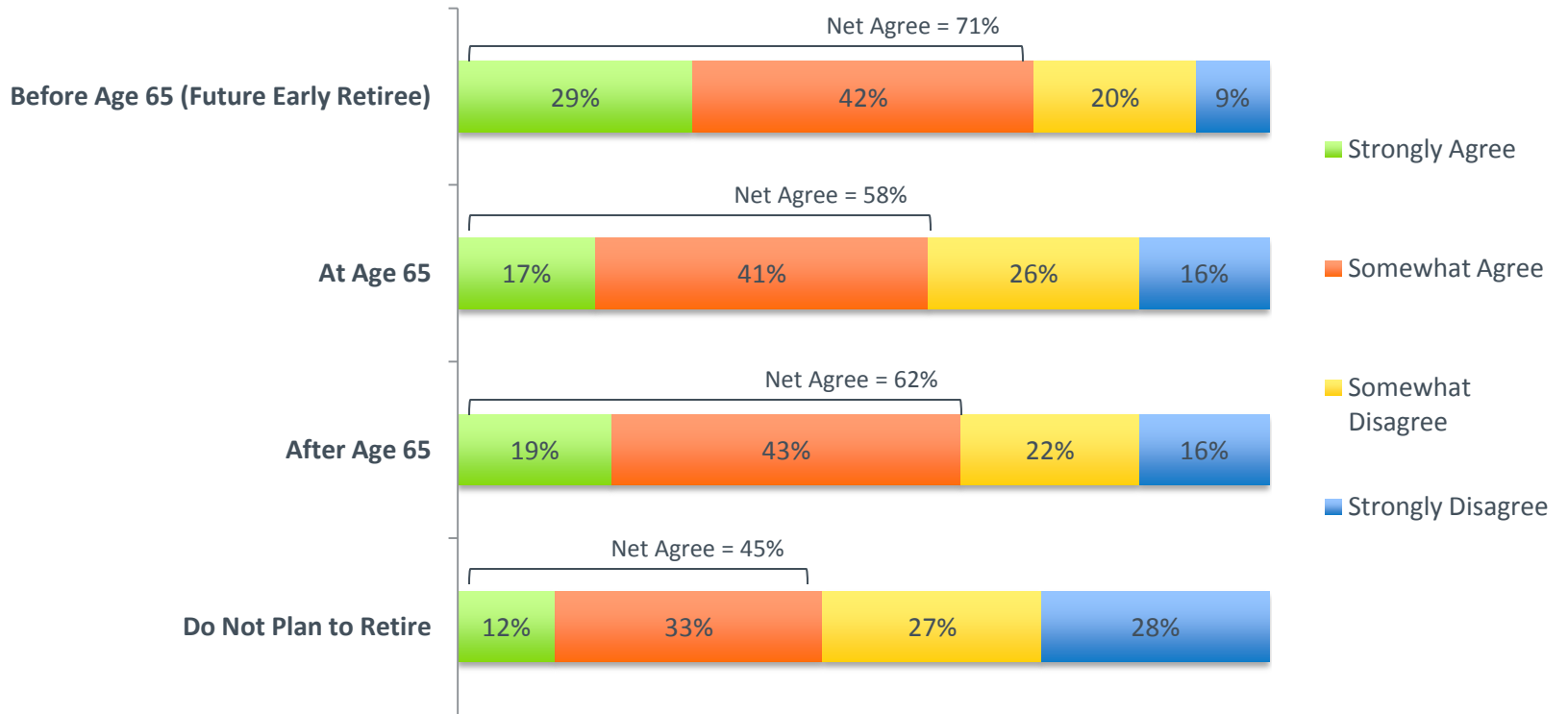
Which of the Following Best Describes Your Retirement Strategy?



# Involvement With Retirement Savings

Future Early Retirees are most likely to agree that they are very involved in monitoring and managing their retirement savings.

"I am currently very involved in monitoring and managing my retirement savings."



## Go-To Sources of Information

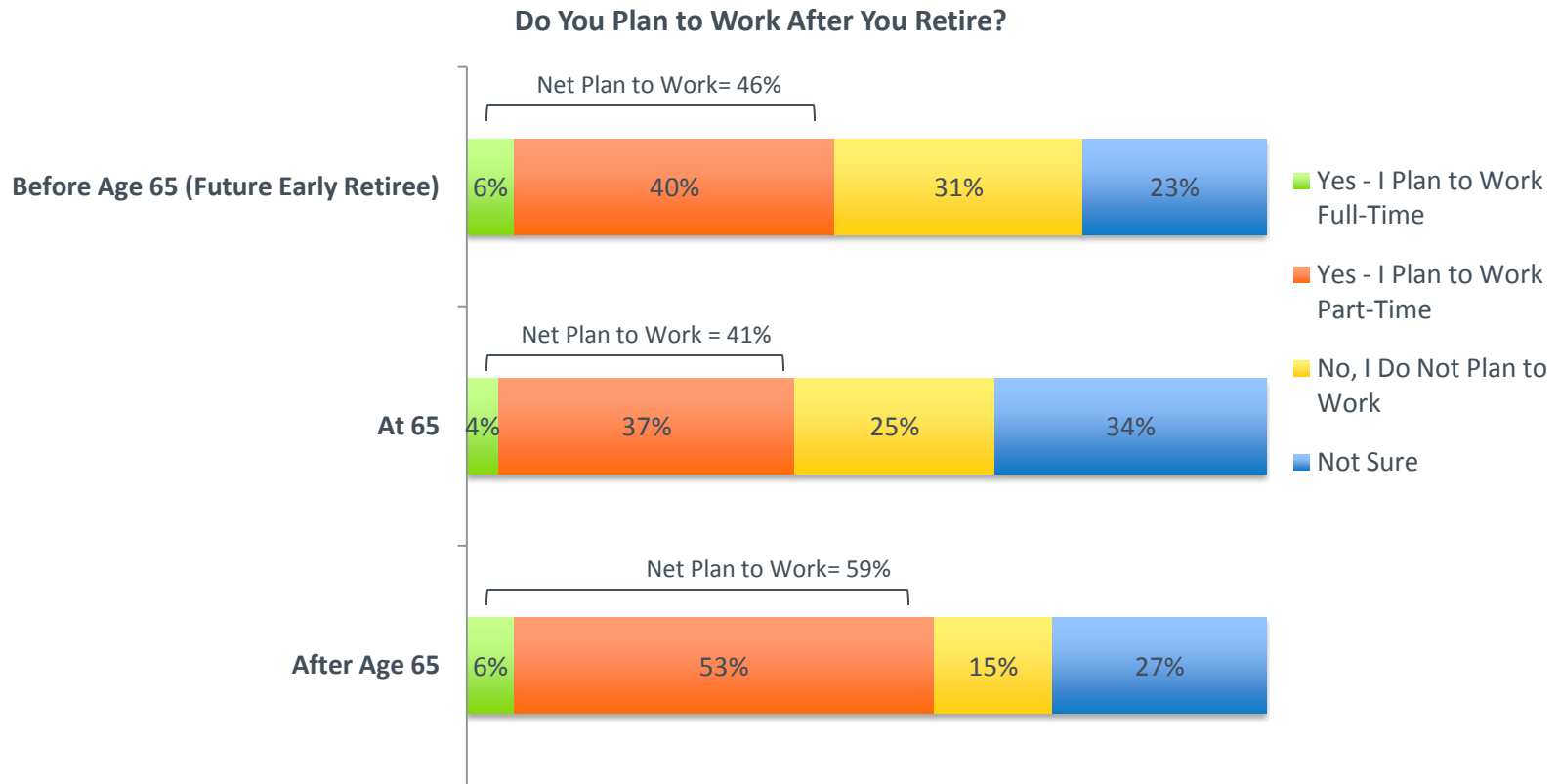
Future Early Retirees are more engaged, across the board, with sources of information about retirement investing. Of those who do not plan to retire, 29 percent indicated “none.”

What sources of information do you rely on for retirement planning and investing? Select all that apply.	Before Age 65 (Future Early Retiree)	At 65	After Age 65	Do Not Plan to Retire
Financial websites (Yahoo! Finance, Morningstar, etc.)	41%	33%	34%	23%
Friends / Family	38%	38%	31%	27%
Retirement plan provider website	36%	32%	31%	15%
Financial Planner / Broker	32%	28%	35%	19%
Print newspapers and magazines	25%	21%	23%	21%
Retirement calculators	23%	17%	18%	7%
Employer	21%	18%	16%	13%
Plan provider printed material (i.e., brochures)	20%	20%	21%	14%
Financial-related television shows	18%	12%	13%	12%
Accountant	11%	8%	8%	8%
None	11%	15%	13%	29%

Note: Chart excludes de minimus responses (i.e., insurance agent, lawyer, other)  
 Note: Sources of information selected by 20% or more of the subgroup are highlighted

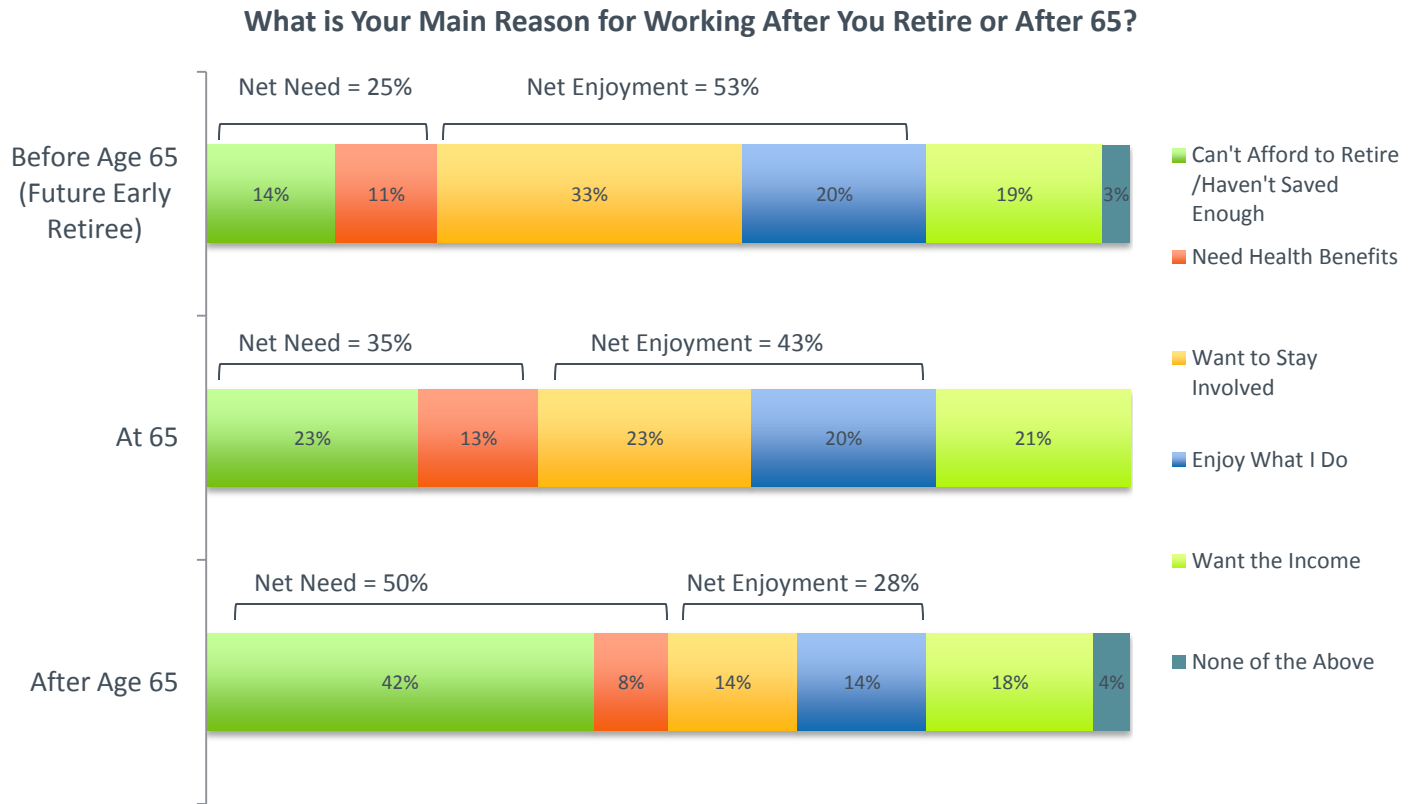
# Working in Retirement

Many workers plan to work part-time after they retire, including workers who plan to retire before or at age 65.



# Reasons for Working in Retirement

The majority of Future Early Retirees who expect to work when they retire will do so for enjoyment-related reasons.



# Are Future Early Retirees Really On Track? Quite Possibly

This hypothetical illustration incorporates some of the Future Early Retiree data from the survey, including: the age started saving (25 median), plan contribution rate (10% of annual pay), expected retirement age (60 median) . . . It also assumes outside savings (excluding 401(k) account) and working part-time in retirement . . . Although life offers no guarantees, barring unforeseen circumstances (including job loss, health issues, extraordinary expenses, poor investment performance, etc.), many future early retirees are quite possibly on track to retire before age 65.

## Basic Assumptions:

- Single
- Current age – 25 years old
- Current savings - \$0
- Annual pay - \$50,000 salary
- Retirement income replacement ratio - 80%
- Annual salary increase – 3%
- Annual inflation rate – 3%
- Participates in 401(k) plan
- 401(k) pre-tax contribution rate - 10% of salary
- Company match – 3%
- Outside savings at retirement age: \$100k
- Work part-time in retirement: 5 years @ \$25,000 / year
- Investment growth rate (pre-retirement) – 8%
- Investment growth rate (in retirement) – 4%
- Retirement age – 60 years old
- Life expectancy – 90 years old

## Additional Assumptions:

- No breaks or gaps in employment
- No breaks in savings
- No hardship withdrawals
- No early distributions from 401(k)
- Expectations of receiving Social Security benefits



## **Estimated Target Retirement Goal:**

**\$1,006,519**

- Less: Income from outside sources including Social Security, income earned from working part-time in retirement:

**\$447,576**

- Less: Projected value of 401(k) account and outside savings:

**\$653,081**

- Surplus

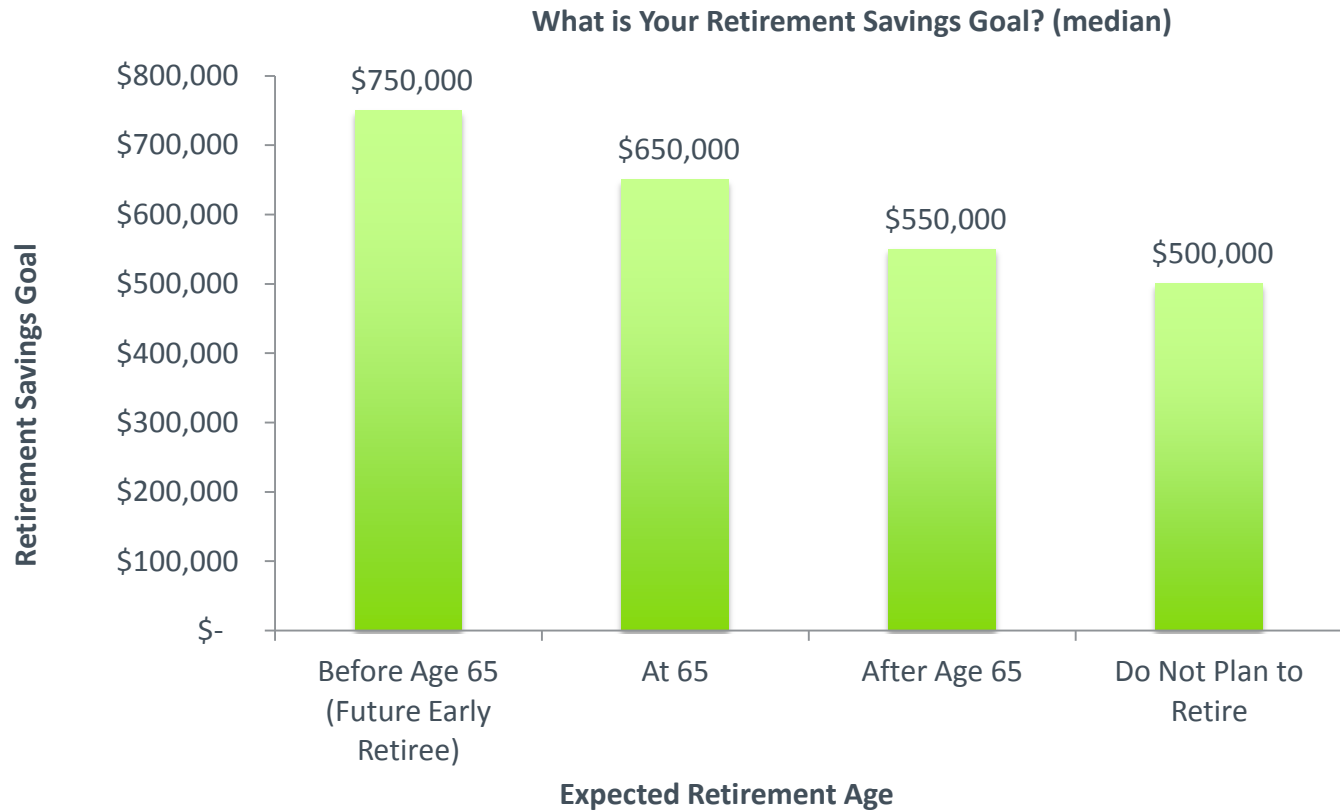
**\$94,138**



***A Source of Inspiration: Future Early Retirees***  
**Opportunities for Future Early Retirees and All Workers**

# Retirement Savings Goal

Future Early Retirees estimate a higher level of retirement savings needs at \$750,000 (median). Estimated needs decline with expected retirement age.

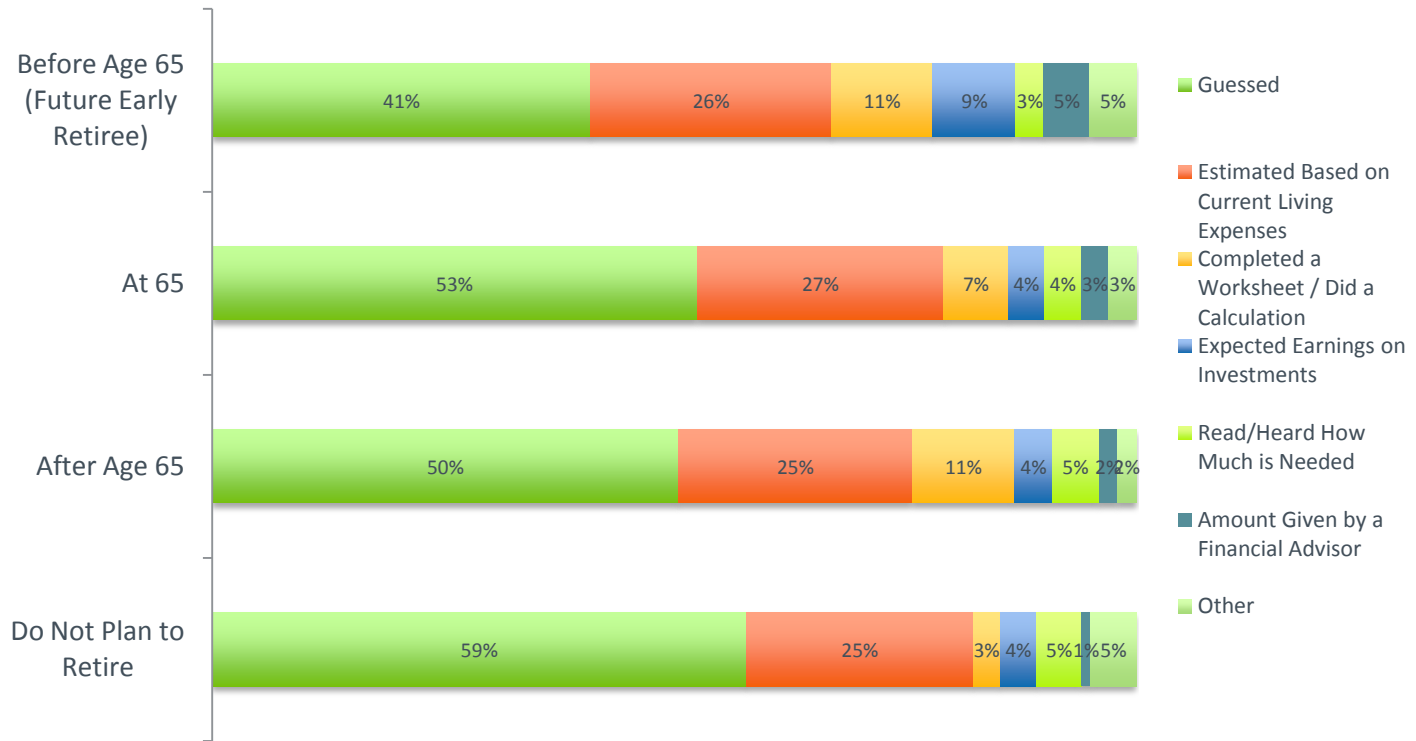




# Basis of Estimating Retirement Savings Needs

However, workers' most frequently cited basis of their retirement savings needs is: guessed. Future Early Retirees are less likely to have guessed.

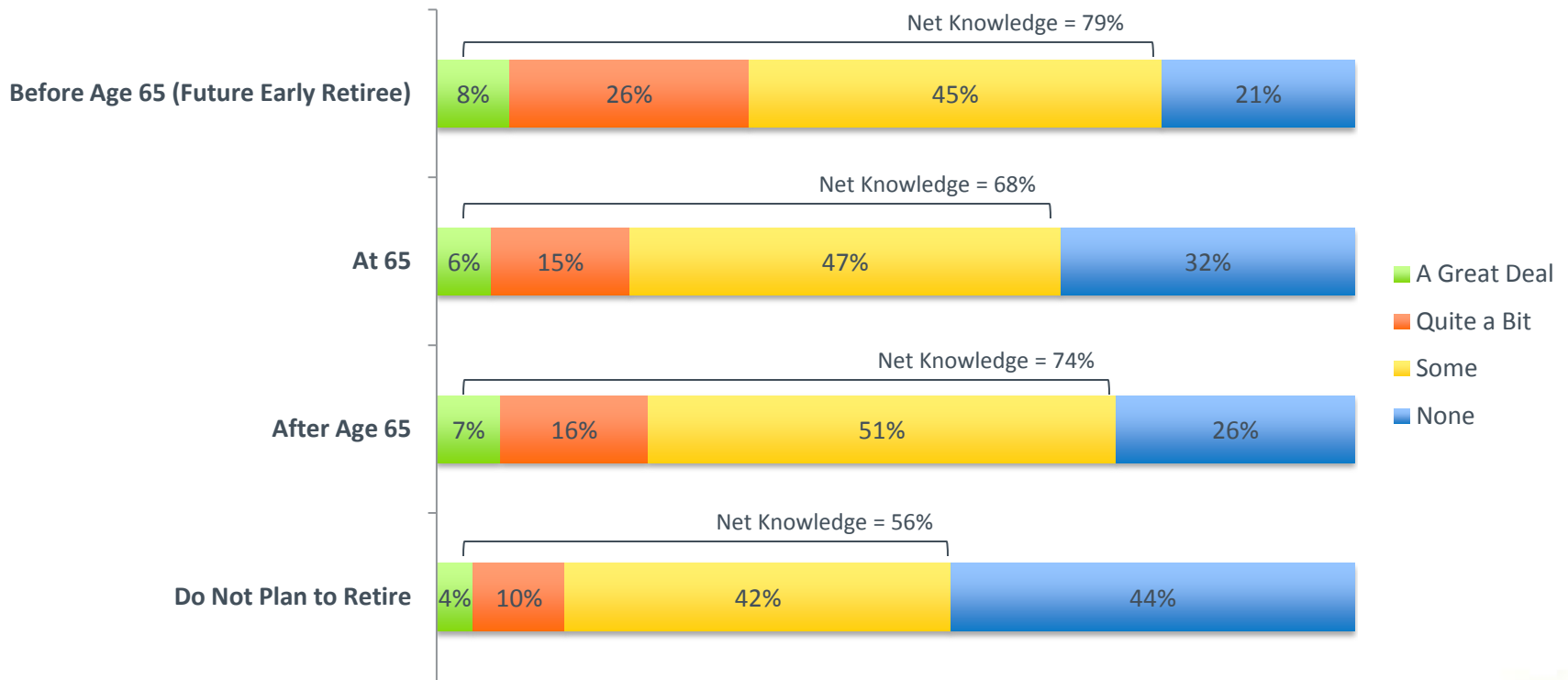
How Did You Arrive at Your Estimate?



# Knowledge of Asset Allocation Principles

Few workers have “a great deal” of knowledge regarding asset allocation principles related to retirement investing. Future Early Retirees are more likely to have at least some knowledge.

How Good of an Understanding Do You Have Regarding Asset Allocation Principles ...?

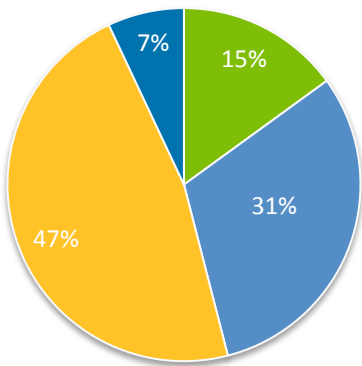


# Knowledge of Government Benefits

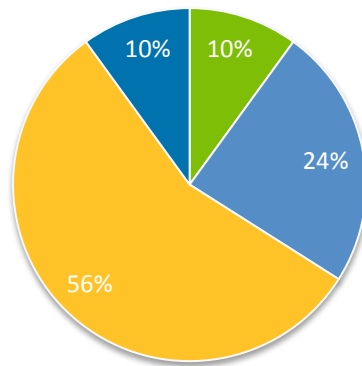
Relatively few workers know “a great deal” about the Social Security benefits that they may receive.

## Level of Understanding re: Social Security Benefits

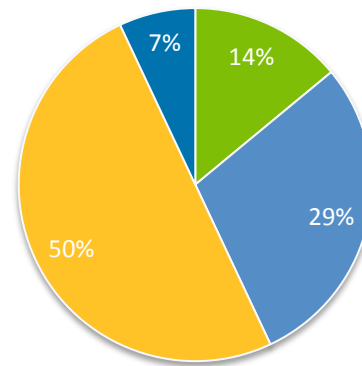
Before Age 65 (Future Early Retiree)



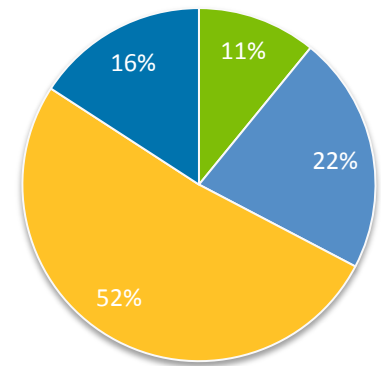
Retire at 65



Retire After 65



Do Not Plan To Retire



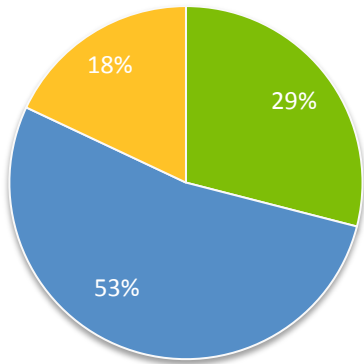
■ A Great Deal   ■ Quite a Bit   ■ Some   ■ None

## A Back-Up Plan?

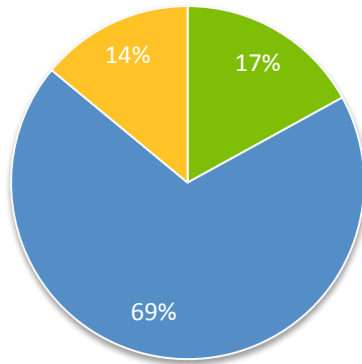
Very few workers have a back-up plan in the event that they are unable to work before their planned retirement. Future Early Retirees are most likely to have a back-up plan (29 percent). Those who do not plan to retire are least likely to have a back-up plan (12 percent).

### Have a Back-Up Plan if Retire Sooner than Expected

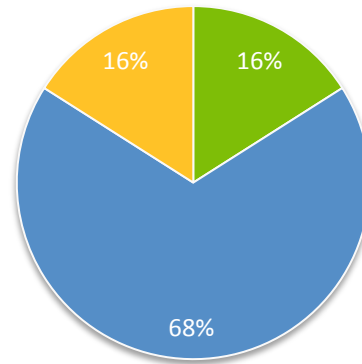
Before Age 65 (Future Early Retiree)



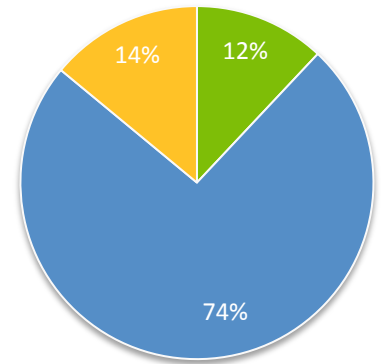
Retire at 65



Retire After 65



Do Not Plan to Retire



■ Yes ■ No ■ Not Sure

## Motivators to Learn More

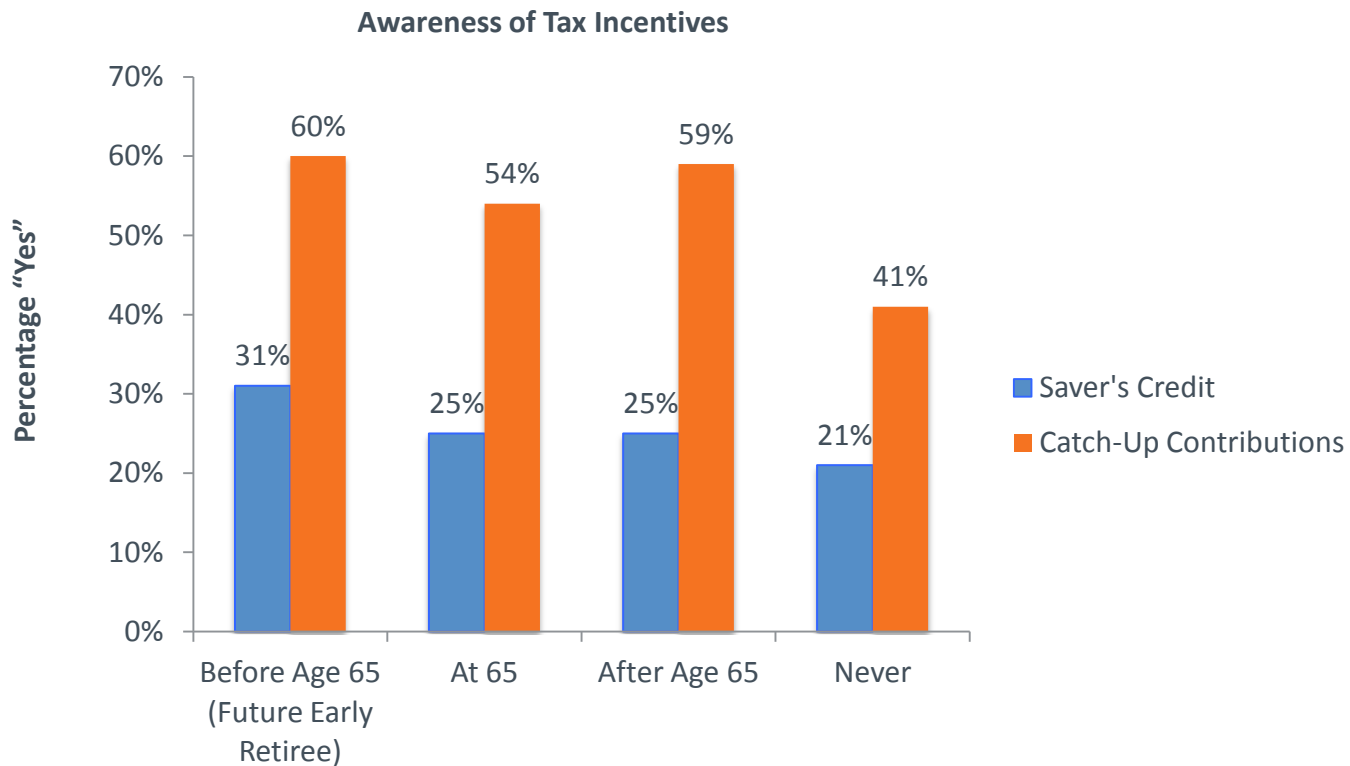
Many workers cite larger tax breaks and savings incentives as the greatest motivator to learn more about saving and investing. However, nearly as many would like education / information that is easier to understand.

Q2040. Motivators to Learn More about Saving & Investing for Retirement	Before Age 65 (Future Early Retiree)	At 65	After Age 65	Do Not Plan to Retire
Larger tax breaks / incentives for saving in a retirement plan	28%	27%	30%	22%
<b>Net: Easier to Understand</b>	<b>24%</b>	<b>28%</b>	<b>27%</b>	<b>27%</b>
• A good starting point that is easy to understand	10%	15%	14%	16%
• Educational materials that are easier to understand	14%	13%	13%	12%
A financial advisor	14%	13%	11%	6%
A greater sense of urgency (or fear) that I need to save	9%	10%	9%	7%
Other	3%	3%	4%	8%
Nothing – I am already educated enough	14%	10%	12%	10%
Nothing – I am just not that interested	8%	7%	7%	20%

Note: Motivators selected by 10% or more of the subgroup are highlighted

# Awareness of Saver's Credit & Catch-Up Contributions

Saver's Credit awareness is low among all workers. Although awareness of the ability to make Catch-Up Contributions is higher, it too presents an opportunity for increasing awareness.



BASE: All Qualified Respondents

Q1120. Are you aware of a tax credit called the "Saver's Credit," which is available to individuals and households, who meet certain income requirements, for making contributions to an IRA or a company-sponsored retirement plan such as a 401(k) plan or 403(b) plan?

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Q1000. Are you aware that people age 50 and older may be allowed to make catch-ups contributions to their 401(k)/403(b)/457(b) plan or IRA?

# Helpfulness of Employer-Based Education

Future Early Retirees are most likely to find employer and retirement plan provider educational offerings to be helpful. Perceived helpfulness declines among workers who expect to work past age 65. Employers and retirement plan providers have an opportunity to assess and help make offerings “easier to understand.”

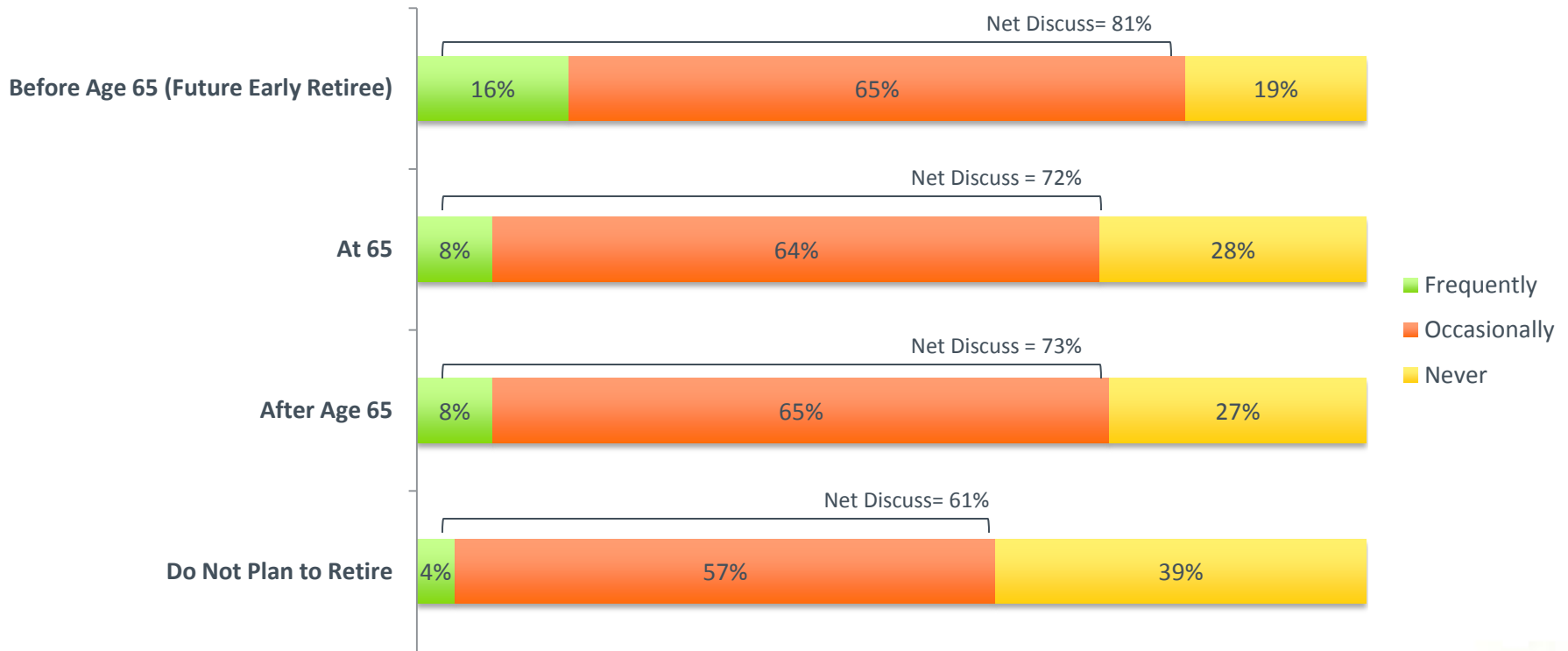
Q2036. How helpful do you find the following in assisting you to plan, save, and invest for retirement? Net Helpful	Before Age 65 (Future Early Retiree)	At 65	After Age 65	Do Not Plan to Retire
Information on the retirement plan provider's website	74%	70%	68%	52%
Brochures and information received in the mail and/or with statements from the retirement plan provider	60%	57%	56%	46%
Informative emails sent to my work and/or my personal address from the retirement plan provider	55%	52%	44%	43%
Brochures and fliers received from my employer	48%	45%	42%	34%
Information on my employer's website	46%	45%	39%	31%
Informational seminars, meetings, and/or workshops by the retirement plan provider	44%	43%	37%	29%
Informative emails sent to my work and/or personal address from my employer	43%	42%	35%	32%
Informational seminars, meetings, and/or workshops by my employer	44%	40%	37%	23%

Note: Educational materials with 40% or more of the subgroup are highlighted

# Frequency of Dialogue with Family & Friends

Let's get the conversation started. While Future Early Retirees are most likely to discuss saving and planning for retirement with family and friends, 39 percent of those workers who do not plan to retire never talk about it.

How Frequently Do You Discuss Saving, Investing, and Planning for Retirement with Family & Friends?







***A Source of Inspiration: Future Early Retirees***  
**Conclusions & Recommendations**

# Conclusions & Recommendations

## Future Early Retirees and All Workers

- Future Early Retirees are a source of inspiration – and they, too, have opportunities to improve their retirement outlook.
- How each worker plans on spending their retirement is unique, but the tools to help attain retirement readiness are common to everyone.
- Seven tactics can help Future Early Retirees and all workers improve their retirement readiness:
  1. Calculate your retirement savings needs.
  2. Develop a retirement strategy and write it down. Envision your future retirement, formulate a goal for how much you will need to save each year (be sure to include employer-sponsored retirement plans and outside savings), and be sure to factor living expenses, healthcare needs, long-term care, and government benefits.
  3. Get educated about retirement investing. Seek professional assistance if needed.
  4. If your employer offers a plan, participate. Be sure that your annual salary deferral takes full advantage of employer matching contributions, if available. Defer as much as you can. If you decide against maximizing annual salary deferrals in the plan, be sure to save for retirement outside of work.
  5. Consider retirement benefits as part of your total compensation. If your employer doesn't offer you a plan, ask for one.
  6. Take advantage of the Saver's Credit if eligible. Make catch-up contributions if eligible.
  7. Have a back-up plan in the event you are unable to work before your planned retirement.
- And, get the conversation going by talking about retirement with family and close friends.

# Conclusions & Recommendations

## Employers and Retirement Plan Providers

- Employers play a vital role in facilitating workers' retirement readiness.
- Seven opportunities in which employers, working with their retirement plan providers, can help their employees improve their retirement readiness include:
  1. Offering a retirement plan if not already in place.
  2. Proactively encouraging participation in existing retirement plans.
  3. Adding, increasing and/or reinstating matching contributions to 401(k) plans. Consider structuring match to promote higher salary deferrals (for example, instead of matching 100% of the first 3% of deferrals change the match to 50% of the first 6% of deferrals).
  4. Assess educational offerings to determine whether they are meeting the needs of all employees, especially those employees who may find materials and concepts difficult to understand and make any necessary changes accordingly.
  5. Promoting the educational resources offered by the company's retirement plan provider and encourage employees to take advantage of them. Also, consider:
    - Implementing an educational campaign to help workers get "back on track" with their retirement – or simply reposition existing educational offerings with messaging about the importance of getting "back on track."
    - Establishing an annual 401(k) retirement readiness check-up at the same time of year as healthcare open enrollment.
  6. Offer pre-retirees greater levels of assistance in planning their transition into retirement – including the need for a back-up plan if they find themselves retiring sooner than expected due to unforeseen circumstances.
  7. Promote awareness of the Saver's Credit and Catch-Up Contributions.

# Conclusions & Recommendations

## The Retirement Industry and Media

- The retirement industry and media should continue to raise awareness and increase education on the need to plan and save – as well as the need for a back-up plan in the event of being forced into retirement sooner than expected due to intervening circumstances such as a job loss, health issues, or family emergency.
- An important motivator for workers to learn more about saving and investing is to make educational offerings “easier to understand.” The retirement industry and media have an opportunity to further engage a much wider audience and increase public awareness on the topic through traditional media as well as new channels (e.g., social media).
- The retirement industry and media also have an important opportunity to help promote and raise awareness of the Saver’s Credit and Catch-Up Contributions.

# Conclusions & Recommendations

## For Policymakers

- Policymakers also should consider the following to help employers and their employees to increase retirement readiness:
  1. Expanding retirement coverage to more workers by expanding the tax credit for employers to start a plan and facilitating the opportunity of employers to participate in existing plans by implementing reforms to multiple employer plans.
  2. Expanding the Saver's Credit by raising the income eligibility requirements so that more tax filers are eligible.
  3. Expanding Catch-Up Contributions by raising limits and lowering the eligible age.
  4. Offering tax incentives to employers for hiring older workers in order to help keep them in the workforce longer.
  5. Extending the 401(k) loan repayment period for terminated plan participants and eliminating the six-month suspension period following hardship withdrawals.
  6. Requiring retirement plan statements to state participant account balances in terms of lifetime income as well as a lump sum.



# Appendix

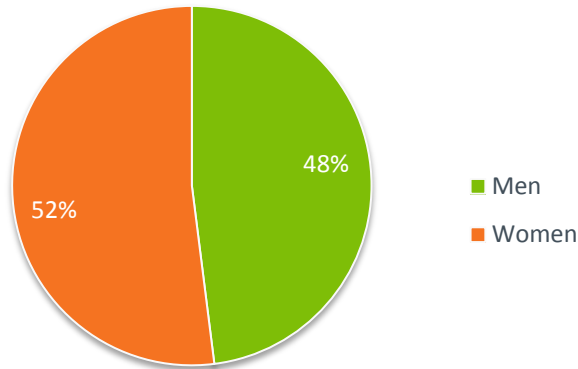
## Respondent Profiles

# Who Plans to Retire at Age 65?

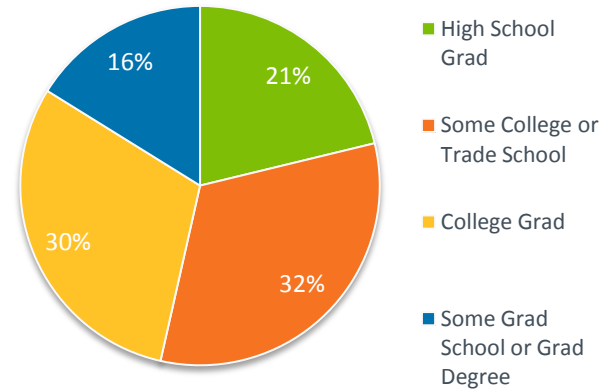
Of those workers planning to retire at age 65, notable demographic characteristics are that they are likely to be women (52 percent) and have a total household income of less than \$100k (60 percent).

Expected Retirement Age: 65

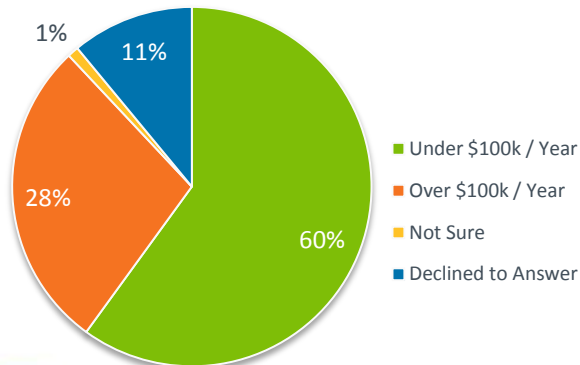
Gender



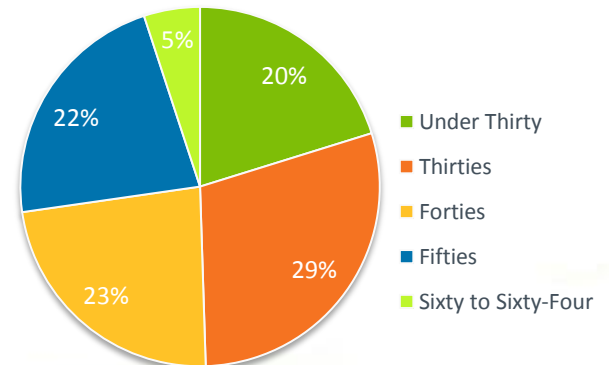
Level of Education



Household Income



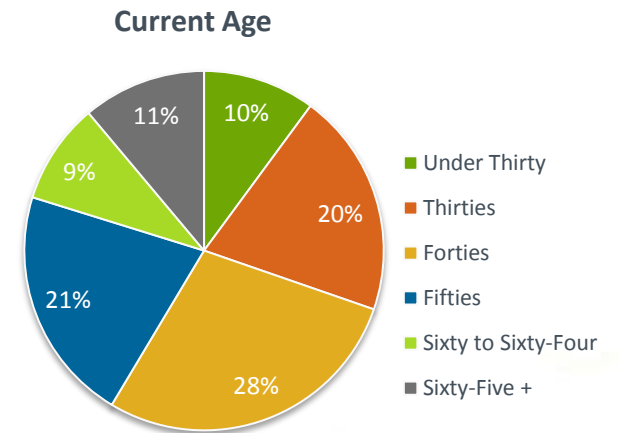
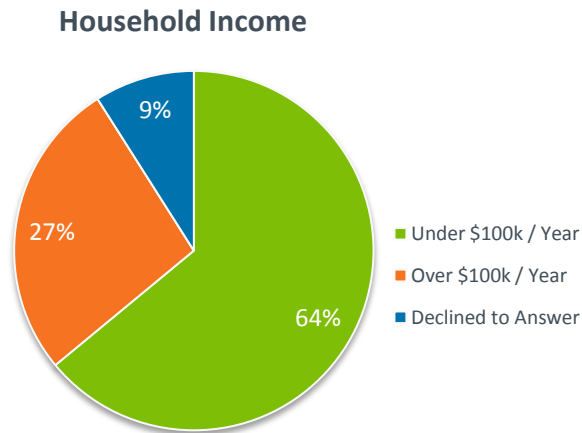
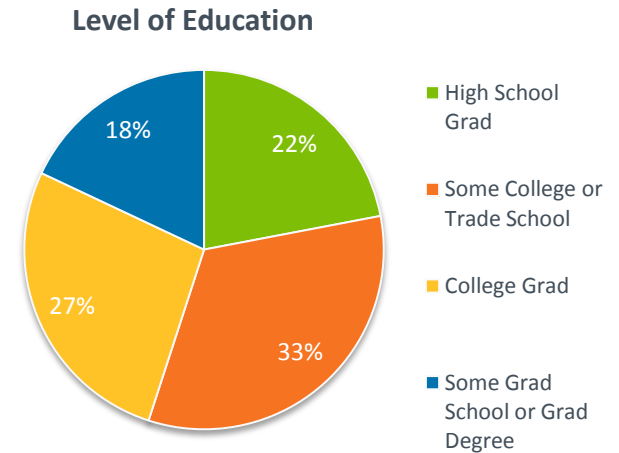
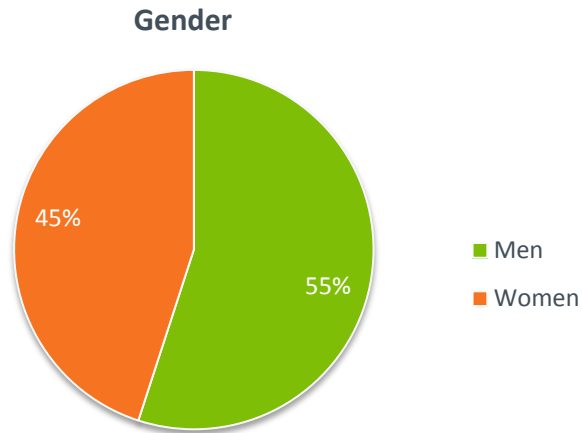
Current Age



# Who Plans to Work Past Age 65?

Of those workers planning to retire after age 65, the notable demographic characteristics are they are likely to be over age forty (69 percent), have a total household income of less than \$100k (64 percent), and are men (55 percent).

Expected Retirement Age: After Age 65

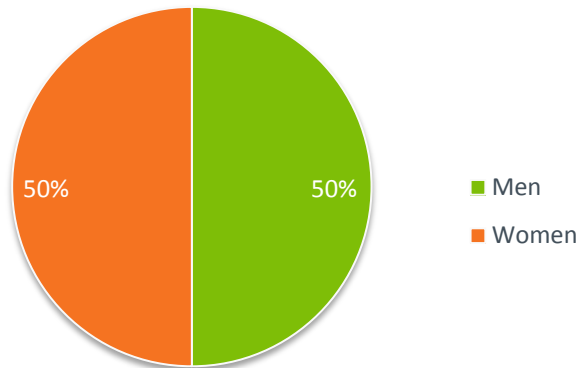




# Who Does Not Plan to Retire?

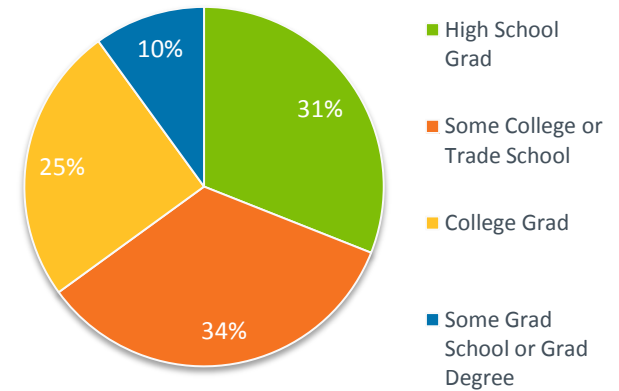
Of those workers who do not plan to retire, notable demographic characteristics are they are likely to be over age forty (67 percent) and have a total household income of less than \$100k (69 percent). Only 35 percent have a college degree.

**Gender**

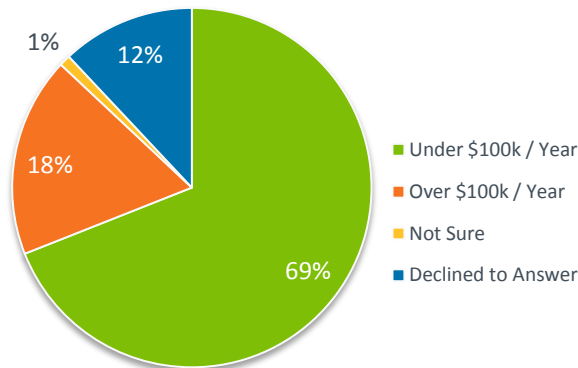


**Expected Retirement Age: Do Not Plan to Retire**

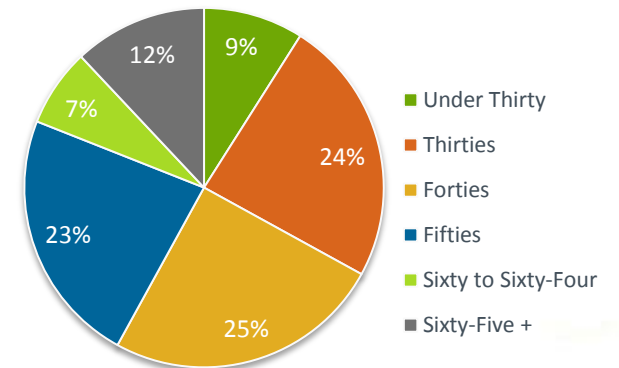
**Level of Education**



**Household Income**



**Current Age**



# Profiling Retirement Readiness by Demographic Segment

Demographic Segment	Expected Retirement Age			
	Sooner than 65	At 65	After Age 65	Never
<b>Gender</b>				
Men	21%	23%	42%	14%
Women	20%	26%	38%	15%
<b>Level of Education</b>				
High School (inc. some college)	17%	23%	42%	18%
College Graduate (inc. graduate school)	24%	25%	41%	11%
<b>Household Income</b>				
Under \$50k per year	15%	24%	40%	21%
\$50k to \$100k per year	18%	24%	44%	13%
Over \$100k per year	30%	24%	38%	9%
<b>Generation</b>				
Echo Boomer	29%	33%	27%	11%
Generation X	22%	28%	37%	13%
Baby Boomers	19%	21%	44%	15%
Mature	NA	1%	71%	28%
<b>Offered Employer Retirement Benefits</b>				
401(k) or Similar Plan	22%	24%	42%	13%
Defined Benefit Plan	31%	27%	33%	10%
None	17%	25%	38%	19%