

American Workers Over 50
10th Annual Transamerica Retirement Survey
Selected Highlights

The 10th Annual Transamerica Retirement Survey has found a real crisis, both in retirement confidence and savings rates, of American Workers over the age of 50. In many respects, single workers are at even greater risk of achieving a financially secure retirement than married workers over the age of 50.

- Only 10% of American workers over the age of 50 are ‘very confident’ in their ability to fully retire in a lifestyle they consider comfortable:
 - Single workers (6%), married workers (12%)
 - Only 2% of single women
- Sixty-five percent are less confident in their ability to achieve a financially secure retirement than they were twelve months ago. Single (70%), married (63%).
- 34% indicated that they expect to work longer and retire at an older age. Single (42%), married (32%).
- Approximately 40% expect to work beyond the age of 70 including 20% who do not plan to retire:
 - Single workers (55%) plan to work past 70 including (25%) who do not plan to retire
 - Married workers (38%) plan to work past 70 including (19%) who do not plan to retire
- Twenty-nine percent indicated that ‘saving for retirement’ is their greatest financial priority right now:
 - Single workers (21%), married workers (31%) report ‘saving for retirement’ as their greatest priority
 - Single workers (32%), married workers (18%) indicate that ‘just getting by to cover basic living expenses’ as their greatest priority
 - A substantial number of both single (21%) and married (25%) cited ‘paying off debt, i.e., credit card debt’ as their greatest priority
- As for expected primary source of income at retirement, workers most frequently cited responses were Social Security (32%) and 401(k) / 403(b) / IRAs (31%):
 - Single workers (49%), married workers (26%) expect to rely on Social Security
 - Single women (57%) were most likely to cite Social Security
 - Married workers (34%) were more likely than single workers (20%) to cite 401(k), et. al. accounts
- Most workers do not have a documented retirement strategy:
 - Only 14% have a written plan – single (10%), married (16%)
 - Many (52%) say that they have a plan but it is not written down – single (46%), married (55%)
 - 33% do not have a plan – single (44%), married (30%)
- Workers estimate that they will need \$500k (median) to retire comfortably:
 - Single workers reported somewhat less (\$300k) – single women (\$250k), single men (\$500k)
 - Married men reported more (\$750k)
- However, many workers (42%) indicated that they arrived at that number by a ‘guess’ -- Single (50%), married (40%).
- Further, only 25% indicated that they have saved \$250k or more in all household retirement accounts.
 - Single (12%), married (29%)
 - Married men (36%) were most likely and single women (8%) were least likely to have saved that amount

- 67% (single and married) agreed with ‘I do not know as much as I should about retirement investing.’
- When it comes to savings, 68% work for a company that offers an employee-funded retirement plan:
 - Single workers (62%) are less likely than married workers (70%) to work for a company that offers a 401(k) plan. Women are less likely – married (58%), single (57%) to have a 401(k) plan
- Of those who work for a company that offers a 401(k) plan, 80% participate in the plan.
 - Single (75%), married (82%) plan participation rate
 - Median contribution rate is 10% of salary (both married and single)
 - 23% indicated they have increased the percentage of income that they are saving in their 401(k) plan in the last twelve months – single (28%), married (21%)
 - Only 21% of those who are aware of catch-up contributions are taking advantage of them. Single (10%), married (23%)
- Eighteen-percent have taken a loan from their retirement plan. Single (24%), married (16%).
- Of which, 36% did so in the last twelve months. Single (53%), married (30%).
 - Single women (29%) were most likely to have taken a loan – of which, 64% did so in the last twelve months
 - Married men (14%) were least likely to have taken a loan – of which, 25% did so in the last twelve months
- Three-percent took a hardship withdrawal in the last twelve months. Single workers (6%) were three times as likely as married workers (2%)
- Seventy-four percent are saving for retirement outside of work. Single (65%), Married (76%)

Key Recommendations

- Save as much as possible:
 - Factor retirement benefits, such as a 401(k) plan, when considering total compensation in prospective employment opportunities
 - Participate in the plan (especially up to an employer match) and, if possible, take advantage of catch-up contributions
 - Avoid tapping into 401(k) accounts
 - Find creative ways to spend less, pay off debt, earn more – so you have more ability to save
- Formulate and document a retirement strategy:
 - Working longer will help alleviate the problem – however, if a life-changing event occurs (e.g., health crisis, job loss), it’s important to have some back-up alternatives
 - Estimate a retirement savings goal
 - Know your projected Social Security benefits
 - Get educated
 - If needed, find a reputable financial advisor
 - Make sure that you have the insurance coverage that you need (health, long-term disability, long-term care, annuity, life insurance)
 - Consider housing alternatives
 - If single, find a most trusted person who knows about your plan and has the authority to carry out the wishes in the event of a health crisis or incapacitation
- Get your documentation in order including will, living will, power of attorney, et. al.

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¹ This survey was conducted online within the United States by Harris Interactive on behalf of Transamerica Center for Retirement Studies between December 16, 2008 and January 13, 2009 among 3,466 full-time and part-time workers, including 1,085 married workers over the age of 50 and 470 single workers over the age of 50. Potential respondents were targeted based on job title and full-time and part-time status. Respondents met the following criteria: All U.S. residents, age 18 or older, full-time workers or part-time workers in for-profit companies, and employer size of 10 or more. Results were weighted as needed for the number of employees at companies in each employee size range. No estimates of theoretical sampling error can be calculated; a full methodology is available.

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