

***The Cracked Nest Egg:
The Retirement Outlook of the Unemployed & Underemployed***

13th Annual Transamerica Retirement Survey

Table of Contents

- About The Center Page 3
- About The Survey Page 4
- Methodology Page 5
- Terminology: unemployed versus underemployed Page 6

- **The Cracked Nest Egg:
The Retirement Outlook of the Unemployed & Underemployed**
 - Key Highlights Page 7
 - Detailed Findings Page 10
 - Conclusions & Recommendations Page 26

- Appendix: Sample Population & Additional Insights Page 28

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.
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- 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 13th Annual Retirement Survey for Transamerica Center for Retirement Studies®. Transamerica Center for Retirement Studies® is not affiliated with Harris Interactive.
- This is the second year the study has looked at retirement planning among those who are underemployed or unemployed.
- The results yield valuable insights on how un/underemployed workers can better prepare for retirement as well as recommendations for the retirement services industry, media, employers/plan sponsors, and policymakers to work with the un/underemployed.

Methodology

- A 10-minute, online survey was conducted between February 2 - 10, 2012 among a nationally representative sample of 621 unemployed (n=367) or underemployed (n=254) people using the Harris Interactive online panel. Respondents met the following criteria:
 - U.S. residents, age 18 or older
 - People who were fully employed in a for-profit company employing 10 or more people and are currently unemployed or underemployed
- Data were weighted as follows:
 - To ensure that each quota group is a representative sample based on the length of time people were underemployed or unemployed.
 - To account for differences between the population available via the Internet versus by telephone.
- Percentages are rounded to the nearest whole percent. Differences in the sums of combined categories/answers are due to rounding. Significance is tested at a 95% confidence level. No estimates of theoretical sampling error can be calculated.
- This report focuses on unemployed and underemployed combined.
- See appendix for additional demographic information for the sample.

Terminology

This report uses the following terminology:

- Unemployed includes:
 - Unemployed but looking for work
 - Unemployed and not looking for work because unable to find work
 - Retired and not looking for work because unable to find work
- Underemployed includes:
 - Working part-time, only because unable to find full-time employment
 - Working full-time, but self reporting they consider himself or herself underemployed
- Married: married or in a civil union or domestic partnership
- Single: single, never married or divorced/ widowed/ separated
- HS or some college education: Age 25+ and a high school graduate, some college education or trade school
- College grad or more: Age 25+ and a college graduate, some graduate school or graduate degree



***The Cracked Nest Egg:
The Retirement Outlook of the Unemployed & Underemployed***

Key Highlights

The Cracked Nest Egg: Key Highlights

- The Great Recession has resulted in high levels of unemployment and underemployment. According to the U.S. Bureau of Labor Statistics, as of June 2012, there were:
 - 12.7 million who were unemployed
 - 8.2 million who were working part-time for economic reasons (e.g., hours cut, unable to find full-time work)
 - 2.5 million who were marginally attached to the labor force (i.e., not in the labor force but wanted and were available for work and had looked for a job sometime in the prior 12 months)
- The 13th Annual Transamerica Retirement Survey conducted a survey among 621 displaced American workers who are either unemployed or underemployed (e.g., accepting a job requiring lesser skills and/or pay to generate income) to gauge their retirement outlook and found a potentially devastating impact.
- More than two-thirds (68 percent) of the displaced workers (or “un/underemployed”) are less confident in their ability to achieve a financially secure retirement. Only 10 percent are “very confident” that they will be able to retire comfortably.
- Many un/underemployed workers have tapped savings (51 percent), used credit cards (31 percent), and taken a loan from a friend or family member (24 percent).
- Three in ten (30 percent) do not have healthcare insurance, broken into 34 percent of the unemployed and 27 percent of the underemployed.

The Cracked Nest Egg: Key Highlights

- Six in ten (61 percent) reported having a retirement account of any kind, and 35 percent of them have taken a withdrawal since becoming unemployed or underemployed.
- Moreover, among those who participated in a 401(k) or similar plan at their most recent employer where they were fully employed, 45 percent indicated that they had taken a withdrawal, including:
 - 63 percent of the unemployed
 - 34 percent of the underemployed
- Among the un/underemployed workers, including those with or without retirement accounts of their own, the estimated median household savings in retirement accounts was approximately \$5,800, which breaks down as follows:
 - \$10,000 in their Twenties and Thirties
 - \$2,300 in their Forties
 - \$2,300 in their Fifties
 - \$47,000 in their Sixties or Older
- On a different note, the survey also found that underemployed workers are faring better than the unemployed, most notably through opportunities to earn income, gain access to employer health coverage, and help alleviate the need to take withdrawals from retirement accounts.
- Underemployed workers also exhibit more proactive approaches for improving their financial situation. They are significantly more likely than the unemployed to be considering making work-related changes, such as switching industries or professions, seeking additional education, or making lifestyle changes.
- The survey yielded insights and recommendations that may help the un/underemployed workers begin to improve their financial outlook and begin rebuilding their retirement savings.

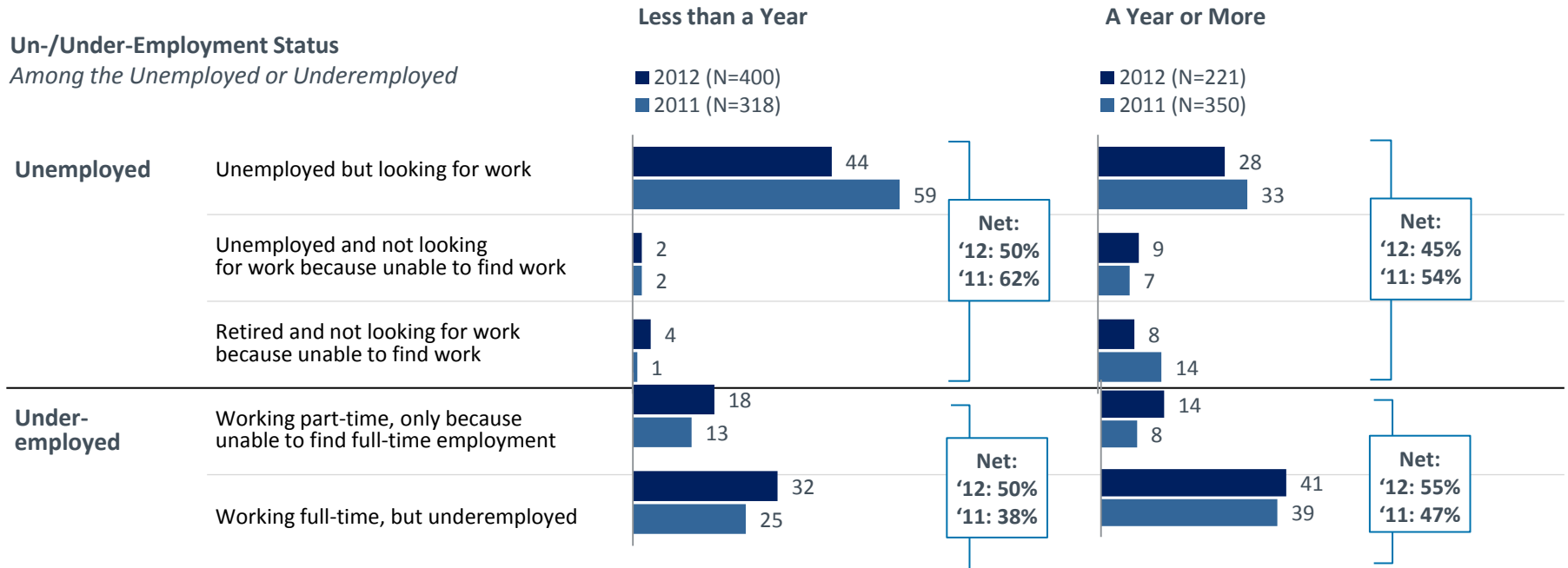


***The Cracked Nest Egg:
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Detailed Findings

The Passage of Time on Un/Underemployment Status

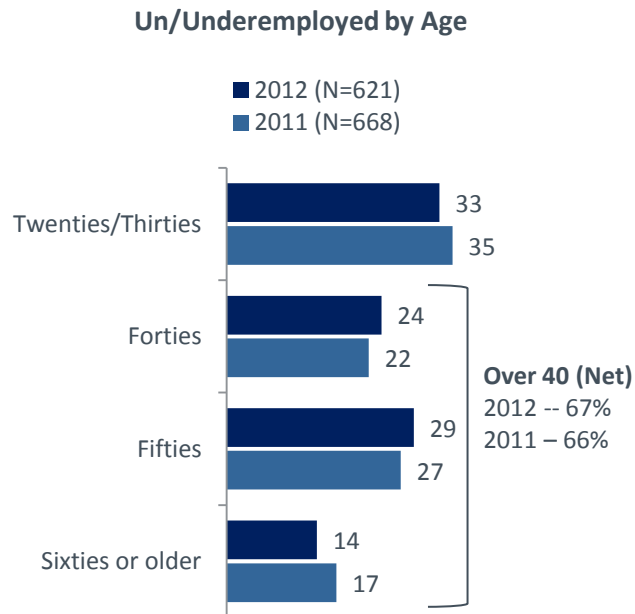
This year's survey of the un/underemployed found a significant increase in those who are underemployed, either working part-time or full-time in a job requiring lesser skills and/or pay, in order to generate income. Of those workers who were displaced from the workforce for less than a year, the number of unemployed has dropped from 62 percent to 50 percent, while the number of underemployed has increased from 38 percent in 2011 to 50 percent in 2012. **This shift in the sample population suggests a broader trend in the workforce that more workers may be accepting positions beneath their skills and abilities in order to earn a living versus facing unemployment.**



BASE: Unemployed or Underemployed
Q2115. Unemployment status.

A Portrait of the Un/Underemployed

Among the survey's sample population of the un/underemployed, more than two-thirds (67 percent) of respondents are over the age of 40. Respondents in their Forties are more likely to be underemployed in contrast to those in their Fifties and Sixties who are more likely to be unemployed. **For all age ranges, since last year's survey, the percentage of respondents who are unemployed has decreased while those who are underemployed has increased.**

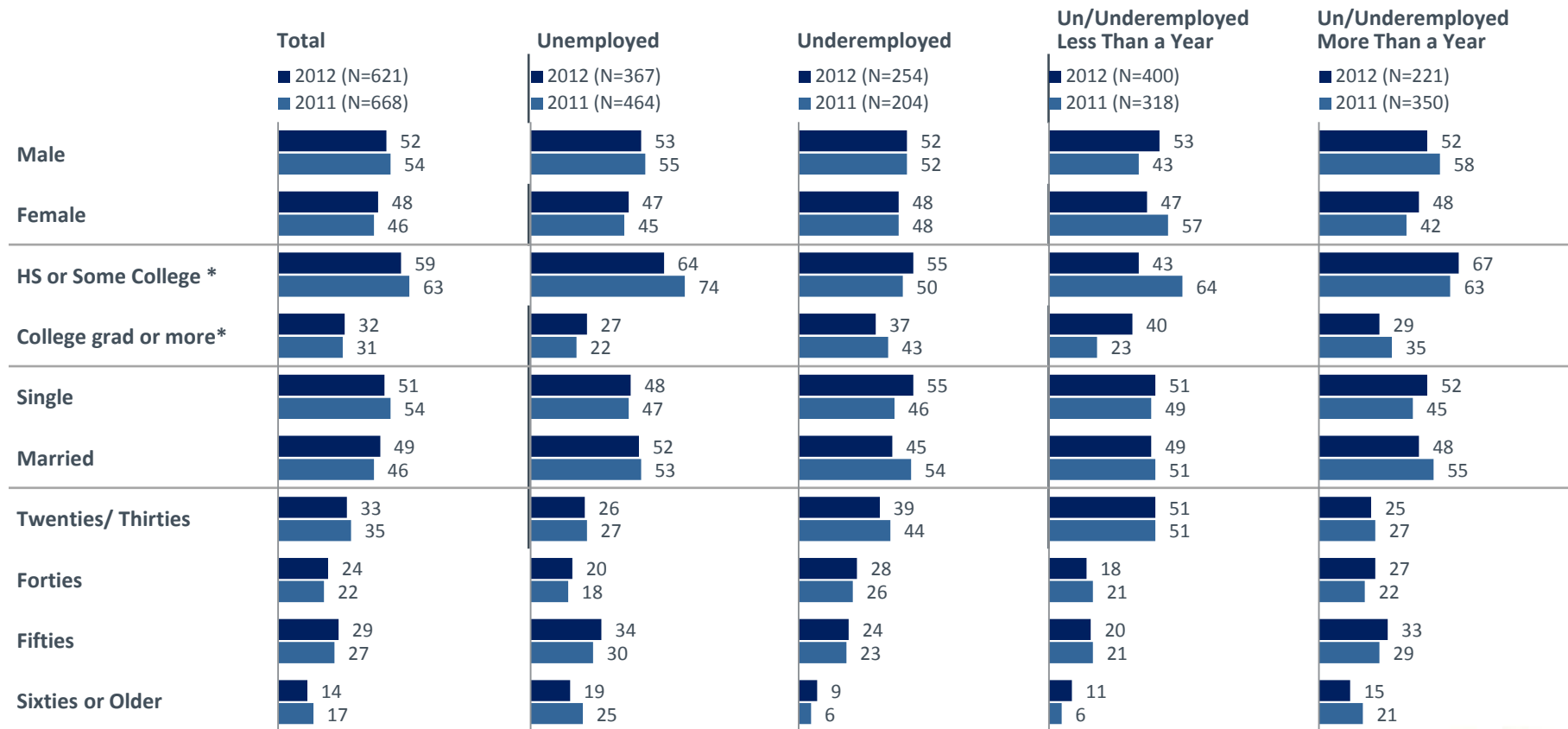


	Twenties/Thirties		Forties		Fifties		Sixties or older	
	2012 (N=186)	2011 (N=150)	2012 (N=142)	2011 (N=132)	2012 (N=171)	2011 (N=233)	2012 (N=119)	2011 (N=151)
Unemployed	37	44	40	46	56	62	63	84
Underemployed	63	56	60	54	44	38	37	16
Un/Underemployed Less than a year	47	44	22	29	22	24	26	10
Un/Underemployed a year or more	53	56	77	79	79	76	75	90

BASE: Unemployed or Underemployed
 Q280. Age

A Portrait of the Un/Underemployed

Another defining characteristic of the un/underemployed is level of educational attainment. **Among the unemployed, those with only a high school or some college education (64 percent) greatly outnumber college graduates (27 percent).** Men are a slightly higher proportion of the un/underemployed.



*among respondents who are 25 years old or older

BASE: Unemployed or Underemployed

Health Insurance Coverage

Three in ten of the un/underemployed do not have health insurance, including 34 percent of the unemployed and 27 percent of the underemployed. It's important to note that 44 percent of those who are underemployed have health insurance through their employer which provides them with financial protection against unexpected medical expenses.

	2012 (N=621)	Unemployed (N=367)	Under- Employed (N=254)	Un/Under- Employed Less Than a Year (N=400)	Un/Under- Employed More Than a Year (N=221)
My employer*	23	N/A	44	23	24
A government or military program (Medicare, Medicaid, Veteran's Administration, etc.)	18	29	9	14	20
My spouse's employer	13	20	7	12	14
An individual policy	10	12	8	10	10
Parents/Parents employer	1	1	1	3	<1
Former employer	1	1	1	<1	1
COBRA coverage from my previous employer**	1	2	N/A	2	<1
My/Spouses retirement	1	1	1	<1	1
An institution or organization that is not my or my spouse's employer (college, university, trade group, association, etc.)	1	<1	1	2	-
Pension	<1	<1	-	<1	-
Other	<1	<1	<1	<1	<1
I do not have health insurance	30	34	27	32	30

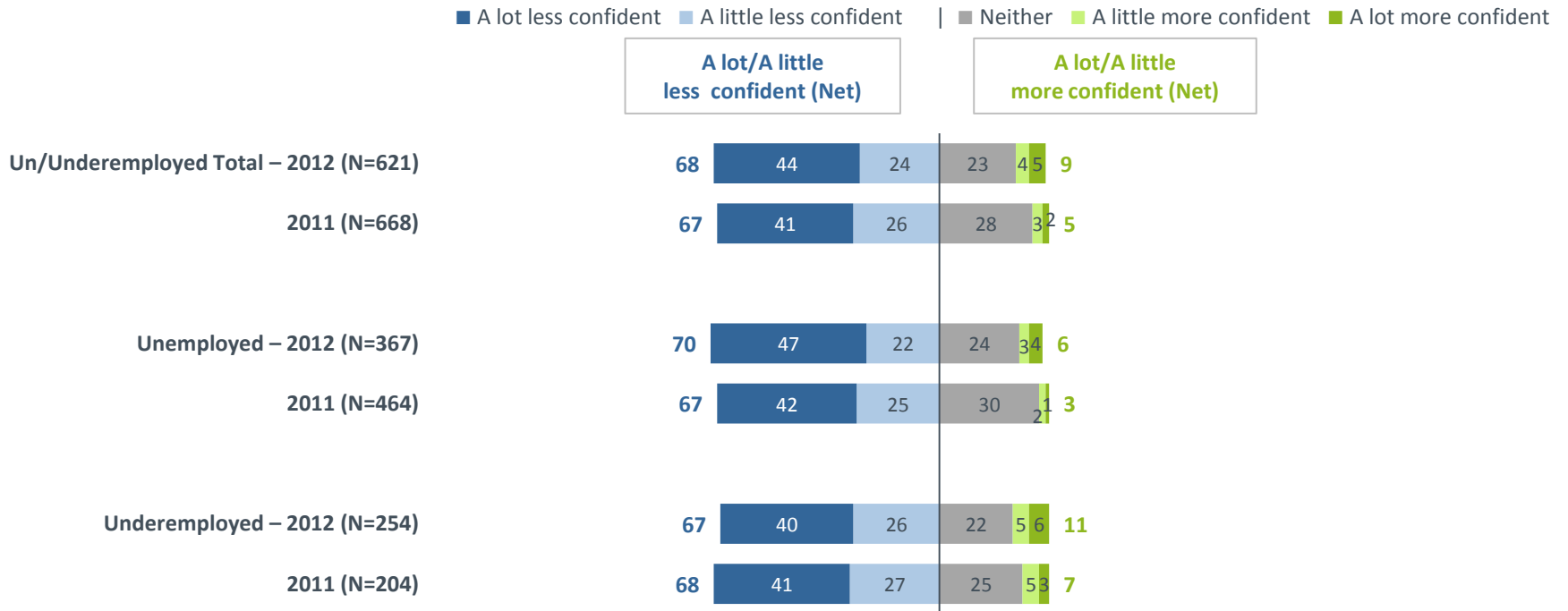
*asked only of employed, ** asked only of those unemployed

BASE: Unemployed or Underemployed

Q100 (NEW) Who currently provides your health insurance?

Declining Retirement Confidence

Seven in ten of the un/underemployed are less confident in their ability to achieve a financially secure retirement since becoming unemployed or underemployed.



BASE: Unemployed or Underemployed

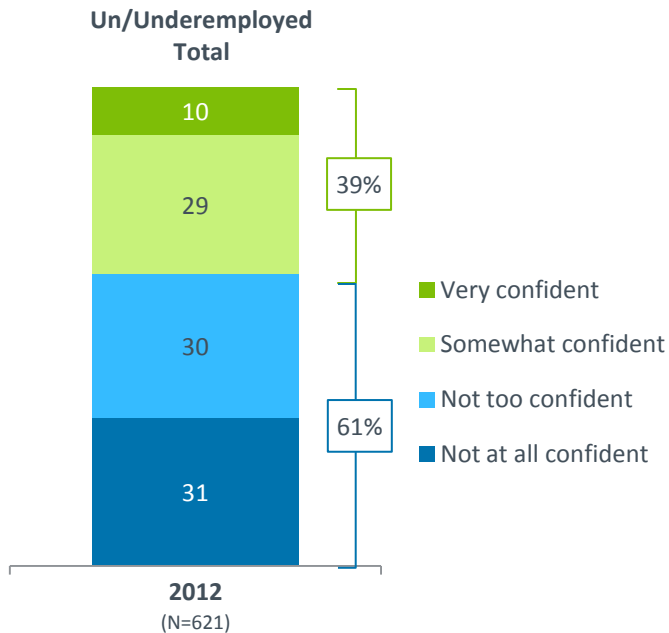
Q1435. Since you became unemployed or underemployed, how has your confidence in your ability to achieve a financially secure retirement changed?

*Note: question wording changed in 2012 from "Since the recession began..." to "Since you became unemployed or underemployed..."

Low Confidence in Ability to Retire Comfortably

Only 10 percent of the un/underemployed are very confident in their ability to fully retire with a comfortable lifestyle. The majority (61 percent) of the un/underemployed indicate they are not too/not at all confident they'll be able to retire comfortably. Confidence is even lower for those who have been un/underemployed for more than a year compared to those who have been un/underemployed for less than a year.

Level of Confidence Will Be Able to Fully Retire in a Comfortable Lifestyle



	Unemployed 2012 (N=367)	Under- Employed 2012 (N=254)	Un/Under- Employed Less Than a Year 2012 (N=400)	Un/Under- Employed More Than a Year 2012 (N=221)
Very/Somewhat confident (Net)	39	39	50	34
Very confident	8	11	14	7
Somewhat confident	31	28	36	27
Not too/Not at all confident (Net)	61	61	50	66
Not too confident	29	31	31	30
Not at all confident	32	30	19	36

BASE: Unemployed or Underemployed

Q880 (NEW) How confident are you that you will be able to fully retire with a lifestyle you consider comfortable?

Sources of Funds Used So Far During Un/Underemployment*

When asked about sources of funds used since becoming un/underemployed, personal savings (51 percent) is the most commonly cited source. Other frequently cited sources include unemployment benefits (37 percent), significant other's/spouse's income (32 percent), and credit cards (31 percent). **Of the respondents who had any retirement accounts, 35 percent indicated that they had taken a withdrawal.**

	2012 (N=621)		2011 (N=668)		Unemployed		Under-Employed		Un/Under-employed less than a year		Un/Under-employed a year or more	
	2012 (N=367)	2011 (N=464)	2012 (N=254)	2011 (N=204)	2012 (N=400)	2011 (N=318)	2012 (N=221)	2011 (N=350)				
Savings	51	50	45	49	56	51	51	52	51	49		
Unemployment benefits	37	50	42	61	33	36	45	48	34	50		
Significant other's or spouse's income	32	32	37	35	28	28	34	30	31	33		
Credit cards	31	32	16	27	44	38	28	23	32	36		
Withdrawal from a retirement account such as a 401(k), 403(b) or IRA**	35	28	37	35	33	21	30	16	37	32		
Loan from a friend or family member	24	19	20	16	26	23	25	16	23	20		
Severance pay	13	20	15	25	11	14	13	15	13	22		
Social Security/Government Programs	8	5	14	9	3	1	4	4	10	6		
Loan from a bank including home equity loan	5	5	3	3	8	7	4	2	6	6		

*responses less than 5% are not shown **Percentage reflects only those who reported having a retirement account of any kind

BASE: Unemployed or Underemployed

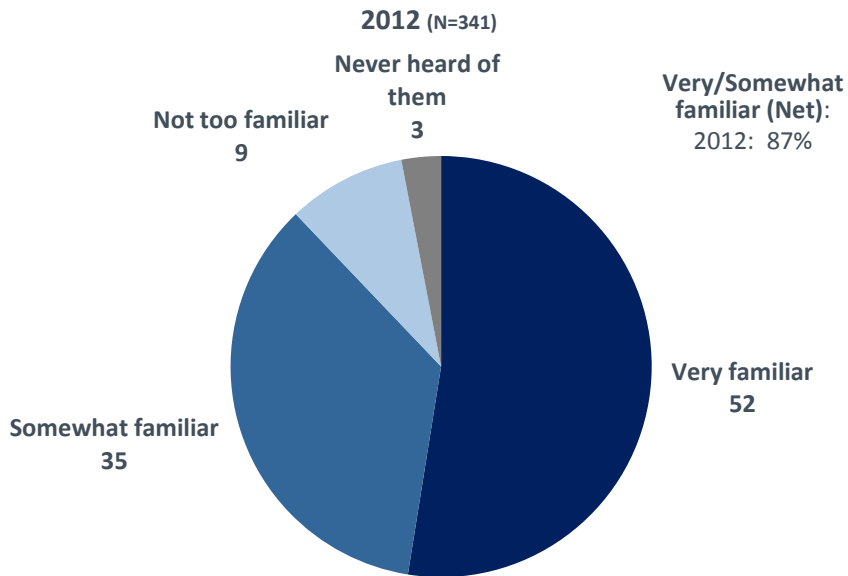
Q2130. Which of the following sources of funds have you used during the time you have been unemployed, retired, or employed less than full-time? Select all that apply.

Familiarity with Taxes/Penalties for Early Withdrawals

Of the un/underemployed who have a retirement account, **nearly nine out of ten (87 percent)** are at **least somewhat familiar with the taxes and penalties incurred when taking an early withdrawal from a retirement account.**

Level of Familiarity with the Taxes and Penalties That May Apply When Taking an Early Withdrawal

Un/Underemployed with a Retirement Plan

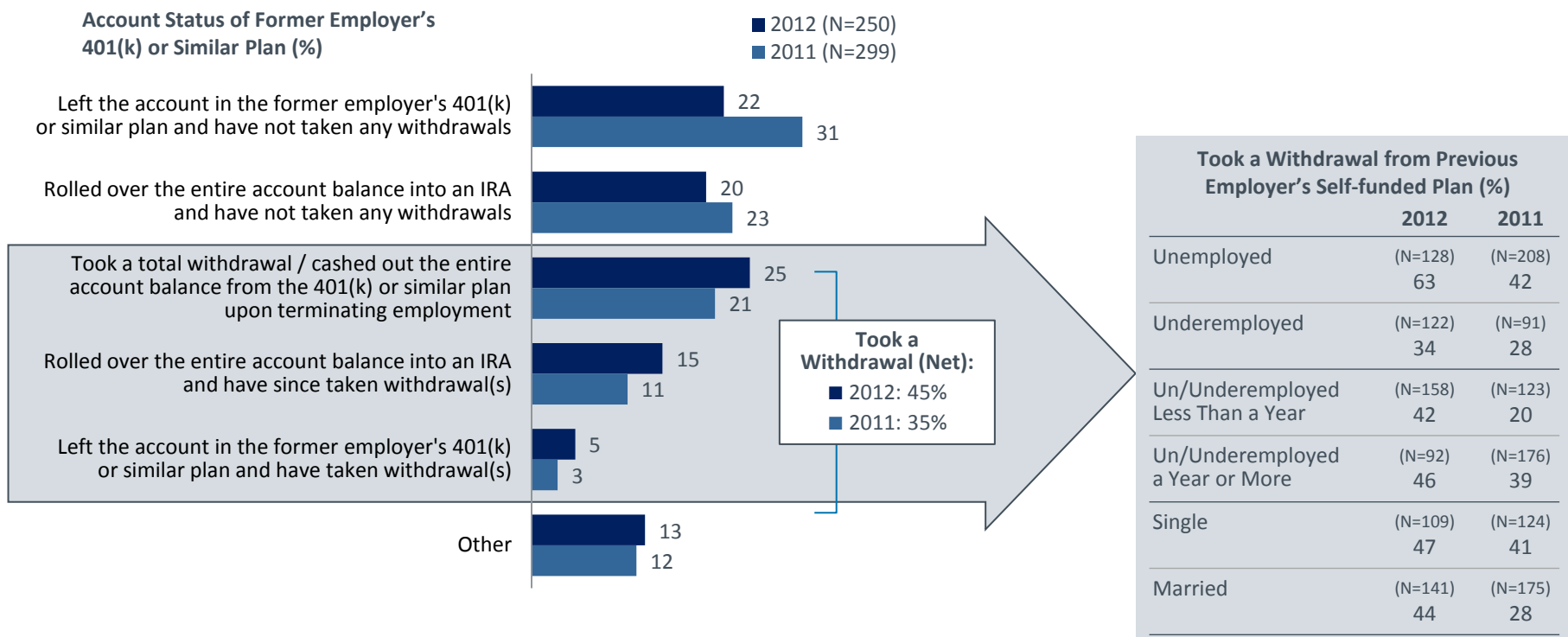


2012	Unemployed (N=182)	Under- Employed (N=159)	Un/Under- Employed Less Than a Year (N=219)	Un/Under- Employed More Than a Year (N=122)
Very /Somewhat familiar (Net)	90	86	85	89
Very familiar	53	51	53	52
Somewhat familiar	37	34	32	37
Not too familiar	5	11	12	8
Never heard of them	4	3	3	4

BASE: Unemployed or Underemployed with an Employee-funded retirement plan (such as a 401(k) or similar plan) from most recent employer where they were fully employed or IRA, Roth IRA or Rollover IRA
 Q2156. (NEW) How familiar are you with the taxes and penalties that may apply when taking an early withdrawal prior to age 59 ½ from a retirement account (e.g., 401(k) or similar plan, IRA)?

Status of Account at Prior Employer's 401(k) or Similar Plan

This year's survey found that 61 percent of the un/underemployed were offered a 401(k) or similar plan by their most recent employer, of which 74 percent participated in the plan (see pp. 36-37). **Since leaving their most recent job, despite a widespread familiarity of taxes and penalties, 45 percent of those who participated have taken a withdrawal from their prior employer's retirement plan.** A wide disparity of responses was observed between the unemployed and underemployed: 63 percent of unemployed have taken a withdrawal compared to only 34 percent of the underemployed.



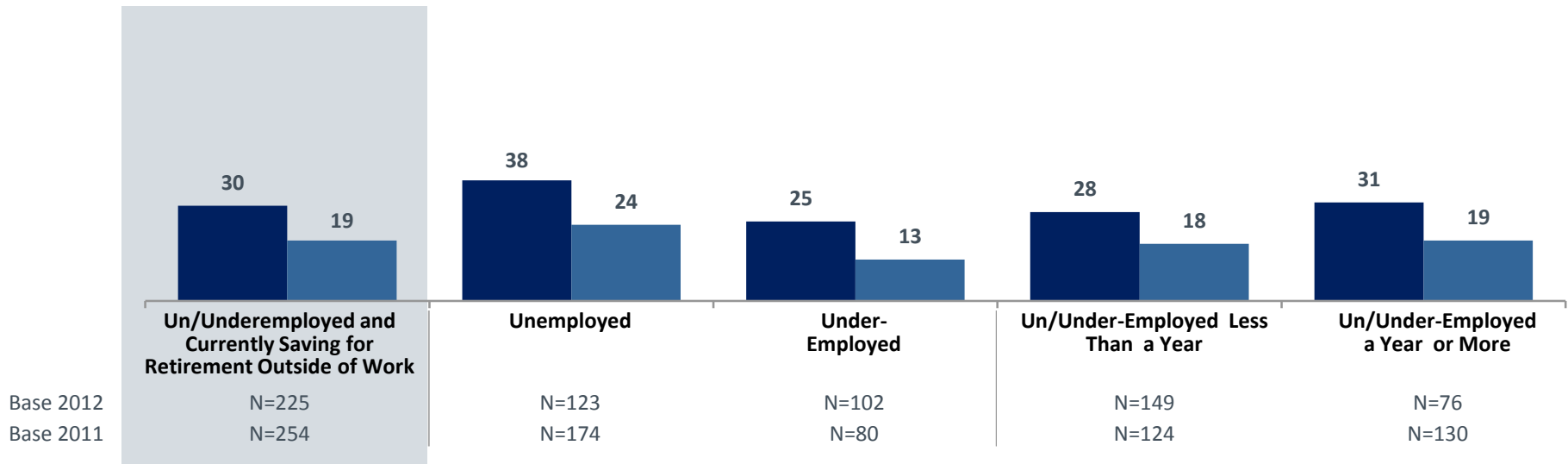
Base: Those Who Participated in Their Previous Employer's Self-funded Plan
 Q2140. What have you done with your account in your former employer's 401(k) or similar retirement savings plan since you left your most recent job?

Withdrawals from Retirement Savings Outside of Work

Among all survey respondents, only 35 percent said they had retirement investments other than their most recent employer’s 401(k) or similar plan, including 42 percent who are underemployed and 27 percent who are unemployed (see p. 38). **Among this group, 30 percent have taken a withdrawal from their retirement investment account(s)**, including 38 percent who are unemployed and 25 percent who are underemployed.

Have taken a withdrawal from retirement investment accounts outside of work

■ 2012 ■ 2011



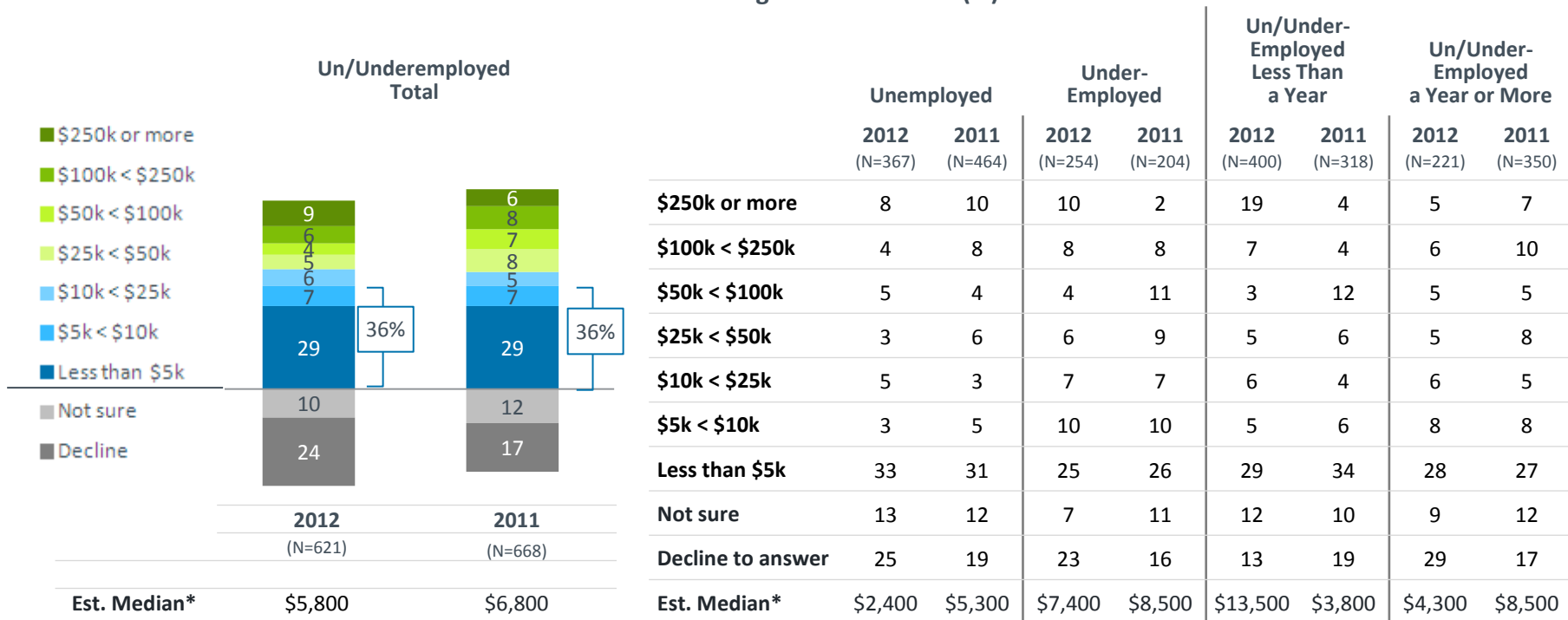
BASE: Currently Saving for Retirement Outside of Work

Q2155. Have you taken withdrawals from your retirement investment accounts outside of work since you stopped working?

Total Household Savings for Retirement by Age Range

More than one-third (36 percent) of the un/underemployed indicated that they have saved less than \$10,000 in all retirement accounts in their household. **Among the unemployed, the estimated median total household retirement savings was approximately \$2,400**, less than half of the \$5,300 that was found in last year's survey. **Among the underemployed, the estimated median household retirement savings was approximately \$7,400**, which has also directionally decreased since last year's survey.

Household Savings for Retirement (%)



BASE: Unemployed or Underemployed

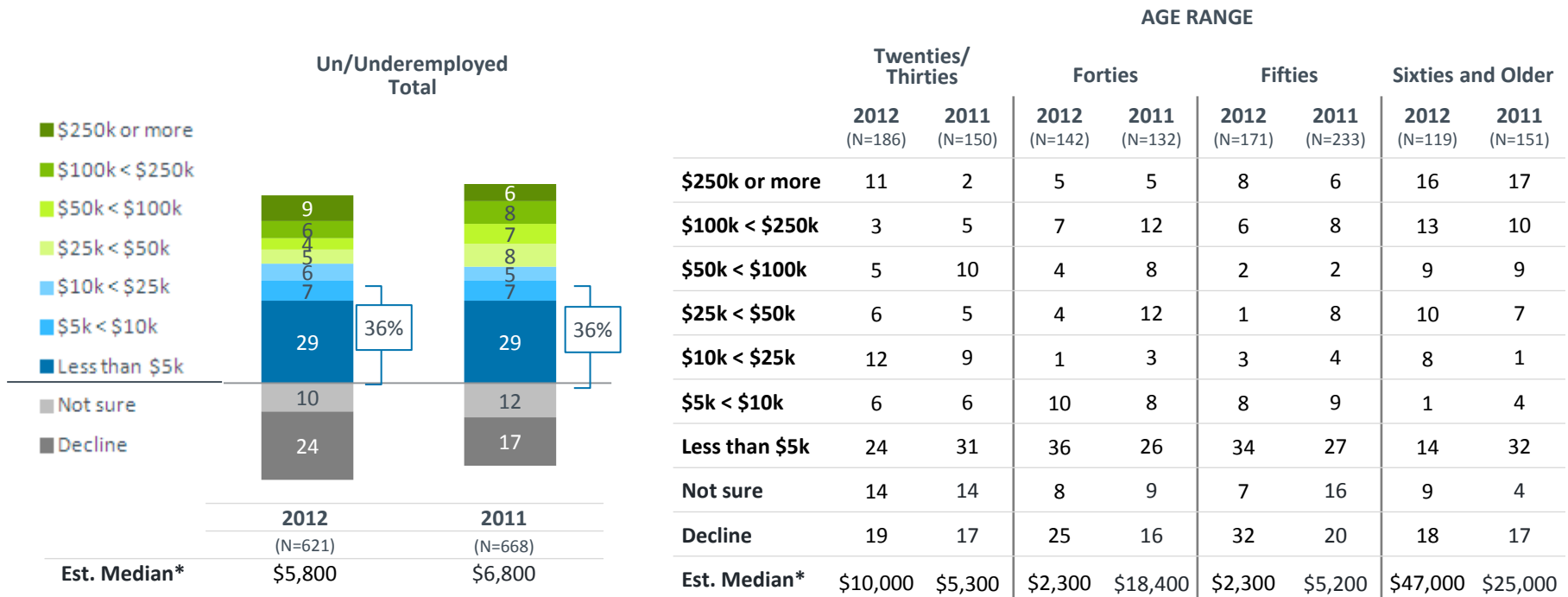
Q1300. Approximately how much money does your household have saved in all of your retirement accounts?

* Median is estimated based on the approximate midpoint of the range of each response category. Non-responses are excluded from the estimate.

Total Household Savings for Retirement by Age Range

The estimated median total household retirement savings among the un/underemployed varies by age range. **The estimated median was lowest for those in their Forties (approximately \$2,300) and Fifties (approximately \$2,300), highest for those in their Sixties or older (approximately \$47,000).**

Household Savings for Retirement (%)



BASE: Unemployed or Underemployed

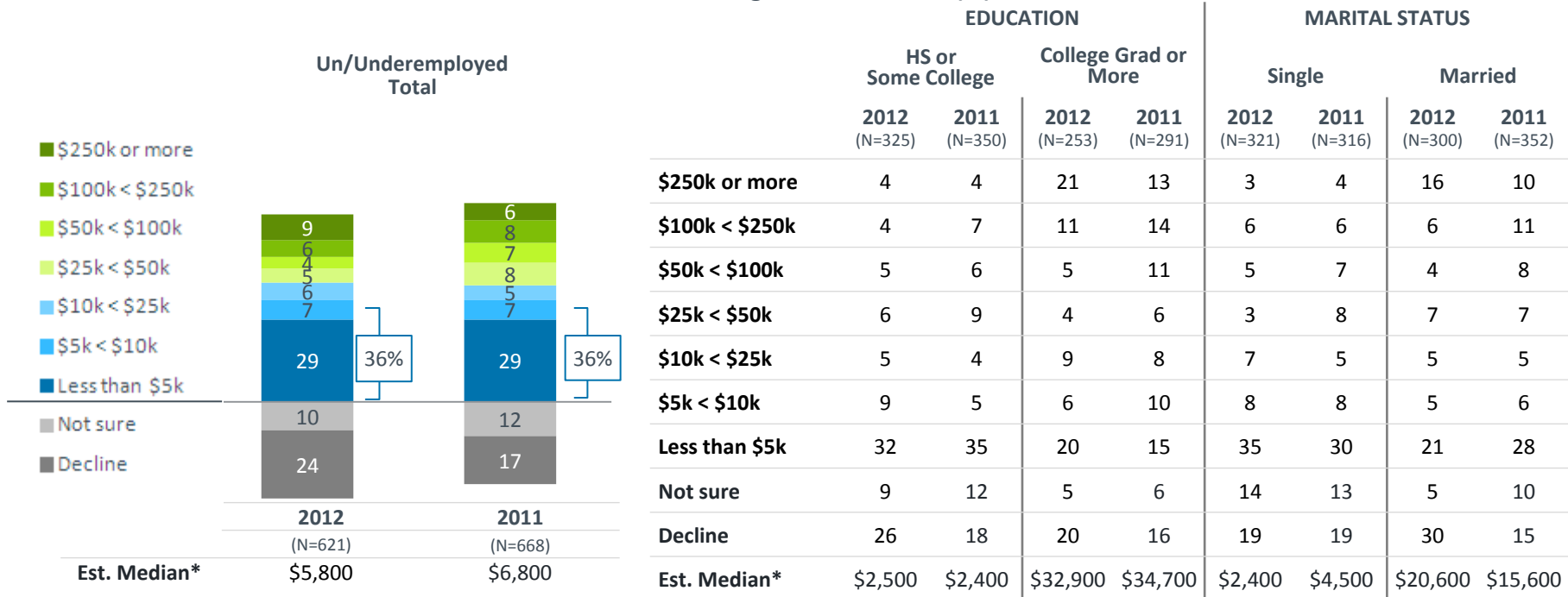
Q1300. Approximately how much money does your household have saved in all of your retirement accounts?

* Median is estimated based on the approximate midpoint of the range of each response category. Non-responses are excluded from the estimate.

Total Household Savings for Retirement by Other Demographics

Among the un/underemployed, the estimated median retirement savings was approximately \$32,900 for college graduates compared to only \$2,500 for those with only a high school diploma. Amidst the current outcry about the high cost of college tuition, the survey data illustrates that those with a college degree tend to have a better retirement outlook than those without one. **The estimated median savings for married respondents was approximately \$20,600 compared to only \$2,400 for single respondents**, illustrating that a two-income household can offer a financial safety net and may help avoid the need to tap into retirement savings.

Household Savings for Retirement (%)



BASE: Unemployed or Underemployed

Q1300. Approximately how much money does your household have saved in all of your retirement accounts?

* Median is estimated based on the approximate midpoint of the range of each response category. Non-responses are excluded from the estimate.

Future Actions Considered Since Un/Underemployment

When asked what might improve their job prospects and financial outlook, the majority (65 percent) said they were considering the idea of seeking work in another field or taking on a second or third job. Many (39 percent) said they were considering additional education or vocational training. One-third considered changes to living situations. **More than one-third (34 percent) of the unemployed would consider “none of these” compared to only 11 percent of the underemployed, suggesting that many of the unemployed are discouraged and/or overwhelmed.** See page 39 for more details.

2012 (N=621)		Unemployed (N=367)	Under- Employed (N=254)	Un/Under- Employed Less Than a Year (N=400)	Un/Under- Employed a Year or More (N=221)	HS Grad or Some College (N=325)	College Grad or Higher (N=253)
Work-related action (NET)	65	50	79	68	64	61	70
Education-related action (NET)	39	36	42	41	38	34	42
Living situation- related action (NET)	33	32	34	38	31	29	40
None of these	22	34	11	14	25	25	19

Work-related action (NET)	Seeking work in another field or industry from your current or most recent job/career
	Taking on a second or third job*
Education-related action (NET)	Pursuing additional college education to learn new skills for a new career
	Pursuing additional college education to improve your current skills for your current or most recent job/career
	Going to a vocational school to learn a new trade/skill
	Getting or completing your college education
Living situation- related action (NET)	Moving to a smaller home/apartment
	Moving to a less expensive city
	Moving in with family (parents, siblings, etc.)
	Taking on a roommate or adding additional roommates

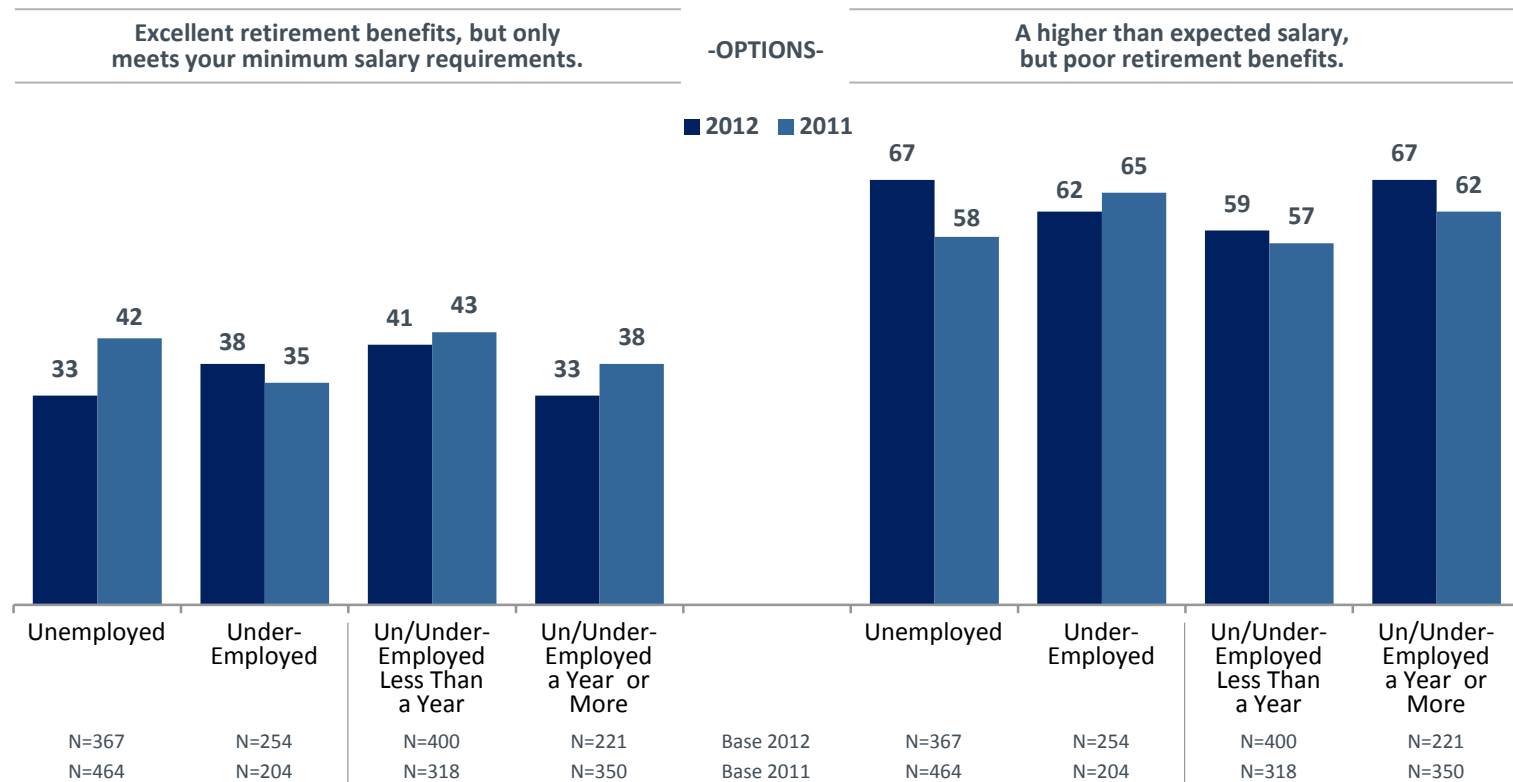
*asked only of employed

BASE: Unemployed or Underemployed

Q835. Since becoming unemployed or under employed, are you considering any of the following? Select all that apply.

Comparing Job Offers: Salary vs. Retirement Benefits

When facing two hypothetical job offers, the majority of the un/underemployed prefer a job offer with a higher than expected salary and poor retirement benefits rather than an offer with excellent retirement benefits and the minimum of their salary requirements, suggesting an emphasis on short-term needs versus a longer-term benefits. This year, there is an increase in preference for a higher salary among the unemployed compared to 2011.



BASE: Unemployed or Underemployed

Q830. Suppose that two job offers come your way. Which of the following job offers would you select?

Conclusions & Recommendations

The Great Recession has taken a toll on the retirement outlook of American workers who are currently or have been unemployed or underemployed. The 13th Annual Transamerica Retirement Survey found a potentially devastating impact on the retirement outlook of un/underemployed.

The single greatest opportunity among the un/underemployed for improving their retirement outlook, which may seem obvious, is to regain meaningful full-time employment. However, in today's economy, that can be quite difficult. For those searching for meaningful employment, the survey results show that being underemployed, until the right job opportunity presents itself, can offer advantages over being unemployed, such as income, healthcare benefits, and a lessened need to take on credit card debt or take withdrawals from retirement accounts.

Whether unemployed or underemployed, the following may help mitigate financial consequences and improve long-term retirement outlook:

- Taking on a part-time job to help cover expenses while seeking full-time employment – which may help alleviate the need to take on debt or tap into retirement savings.
- Continually updating and improving job skills to stay current with prospective employers' needs.
- Seeking additional education and vocational training.
- For those with only a high school diploma or some college, seeking a college education may help broaden career prospects and access to jobs with retirement benefits.
- Relentlessly identifying ways to cut costs to reduce living expenses.

When evaluating job offers, it is important to consider retirement benefits as part of a total compensation package. The majority of the un/underemployed indicated they would prefer a job with higher pay but poor retirement benefits over a job that offers excellent retirement benefits but only meets their minimum pay requirements. In doing so, they may be taking a short-term view and overlooking retirement benefits which can be a meaningful part of their compensation package that can improve their long-term outlook.

Conclusions & Recommendations

The retirement services industry and the media can help un/underemployed Americans improve their retirement outlook by:

- Expanding outreach efforts and promoting available retirement planning tools and resources.
- Promoting awareness of tax incentives including the Saver's Credit and Catch-Up Contributions.

Employers and plan sponsors can help their employees by:

- Discouraging participants from taking loans and early withdrawals from their retirement accounts.
- Offering competitive retirement benefits and encouraging participation.
- Adding, increasing and/or reinstating matching contributions to their 401(k) or similar plans.
- Encouraging their employees to use the resources offered by their retirement plan providers.
- Offering retirement planning and counseling services.
- Promoting awareness of tax incentives including the Saver's Credit and Catch-Up Contributions.

From a public policy perspective, it is important to recognize that our current retirement system is by and large predicated on the assumption that workers must self-fund a substantial portion of their retirement. A hidden cost to society is that the retirement savings setbacks encountered by these un/underemployed workers, unless overcome, will long-term result in more seniors who run out of savings thereby adding further strain on Social Security, Medicare, Medicaid and other social services programs for the elderly.

In order to help avoid such further strains on entitlement programs, policymakers should consider extending the 401(k) loan repayment period for terminated participants, expanding current tax incentives such as the Saver's Credit and Catch-Up Contributions, and offering tax incentives for job training and retraining.



Appendix

Sample Population & Additional Insights

Sample Population

Key Measures by Demographic Breaks

2012	Total	Length Of Un/Under employment		Gender		Education (25 years or older)		Age			
		Less than a year	A year or more	Women	Men	HS or some college	College grad or more	Twenties/Thirties	Forties	Fifties	Sixties/Seventies
	N=621	N=400	N=221	N=272	N=349	N=325	N=253	N=186	N=142	N=171	N=119
Unemployed Q2115	47%	50%	45%	47%	47%	51%	40%	37%	40%	56%	63%
Underemployed Q2115	53%	50%	55%	53%	53%	49%	60%	63%	60%	44%	37%
Participates in plan Q1190	74%	78%	73%	80%	71%	73%	78%	74%	67%	82%	76%
Prefer a higher salary Q830	64%	59%	67%	64%	65%	68%	60%	56%	64%	69%	76%
Expect U.S. economy to get better in next year Q1101	24%	33%	20%	22%	26%	18%	29%	31%	24%	18%	19%
Expect own financials to get better in next year Q1102	41%	54%	35%	47%	36%	36%	44%	52%	48%	31%	22%

BASE: Unemployed or Underemployed

Retirement Benefits at Most Recent Employer

Three in five of those who are un/underemployed reported being offered a 401(k) or similar plan by their most recent employer.

2012	Total	Length Of Un/Under employment		Gender		Education (25 years or older)		Age			
		Less than a year	A year or more	Women	Men	HS or some college	College grad or more	Twenties/Thirties	Forties	Fifties	Sixties/Seventies
	N=621	N=400	N=221	N=272	N=349	N=325	N=253	N=186	N=142	N=171	N=119
NET Employee-funded plan	61%	61%	61%	54%	67%	62%	68%	61%	66%	55%	66%
Employee-funded 401(k) plan	58%	57%	59%	54%	62%	58%	66%	55%	64%	54%	64%
Other employee self- funded plan (ex. SIMPLE, SEP)	5%	9%	3%	2%	8%	5%	6%	12%	2%	1%	3%
Company-funded defined benefit pension plan	10%	9%	10%	5%	14%	10%	13%	12%	8%	9%	9%
None of the above	37%	37%	37%	44%	31%	37%	30%	38%	33%	41%	33%

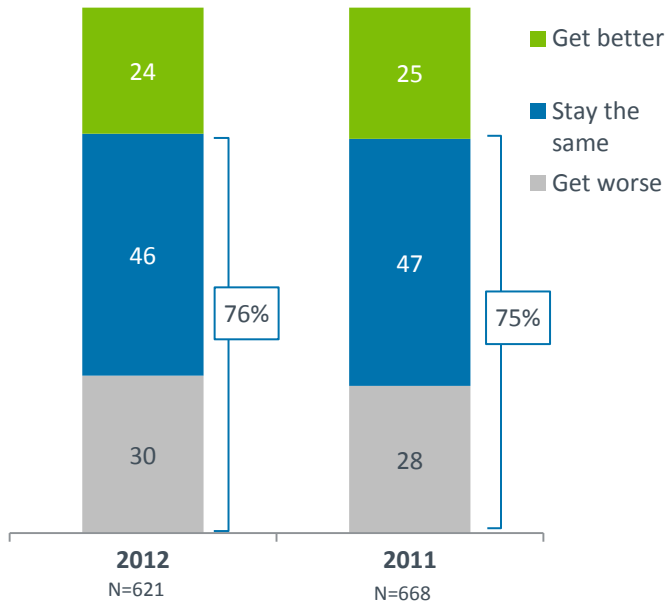
BASE: Unemployed or Underemployed

Q1180. Which of the following retirement benefits did the company offer to you, personally?

Expectations of U.S. Economy in the Next 12 Months

Three-quarters (76 percent) of the un/underemployed expect the U.S. economy to stay the same or get worse in the next 12 months. Those who have un/underemployed for less than a year are more likely to expect the economy to get better compared to last year's survey. In contrast, those who have been un/underemployed for a more than a year are more likely to expect the economy to stay the same or get worse.

Expect the U.S. economy, in the next 12 months, to:



	Unemployed		Under-Employed		Un/Under-Employed Less Than a Year		Un/Under-Employed More Than a Year	
	2012 (N=367)	2011 (N=464)	2012 (N=254)	2011 (N=204)	2012 (N=400)	2011 (N=318)	2012 (N=221)	2011 (N=350)
Get better	26	26	22	25	33	22	20	27
Stay the same/Get worse (NET)	74	74	78	76	66	79	80	72
Stay the same	42	40	50	55	37	54	50	43
Get worse	32	34	28	21	29	25	30	29

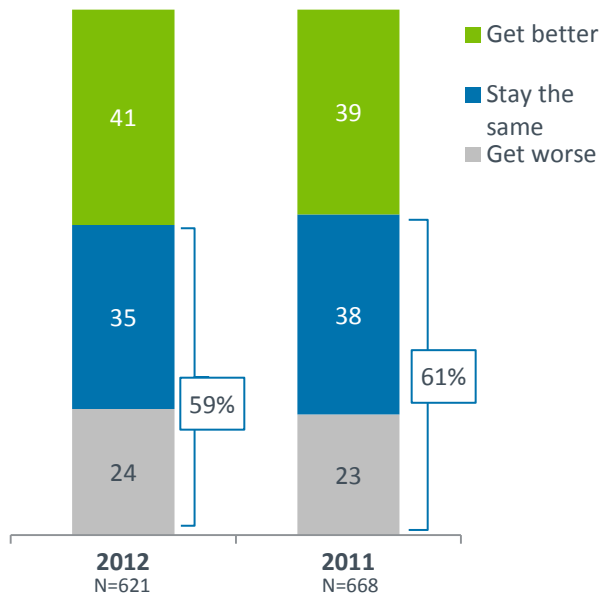
BASE: Unemployed or Underemployed

Q1101 (OLD: Q501(T04)) In the next 12 months, do you expect the U.S. economy to:

Expectations of Own Financial Situation in the Next 12 Months

The un/underemployed are generally more positive about the expectation of their own financial situation compared to the U.S. economy in the next 12 months, with 41 percent expecting their own financial situation to get better. More than half (54 percent) of the un/underemployed for less than a year indicate expectations that their own financial situation will get better compared to just over one-third (35 percent) of those who have been un/underemployed for a year or more.

Expect their own financial situation, in the next 12 months, to:

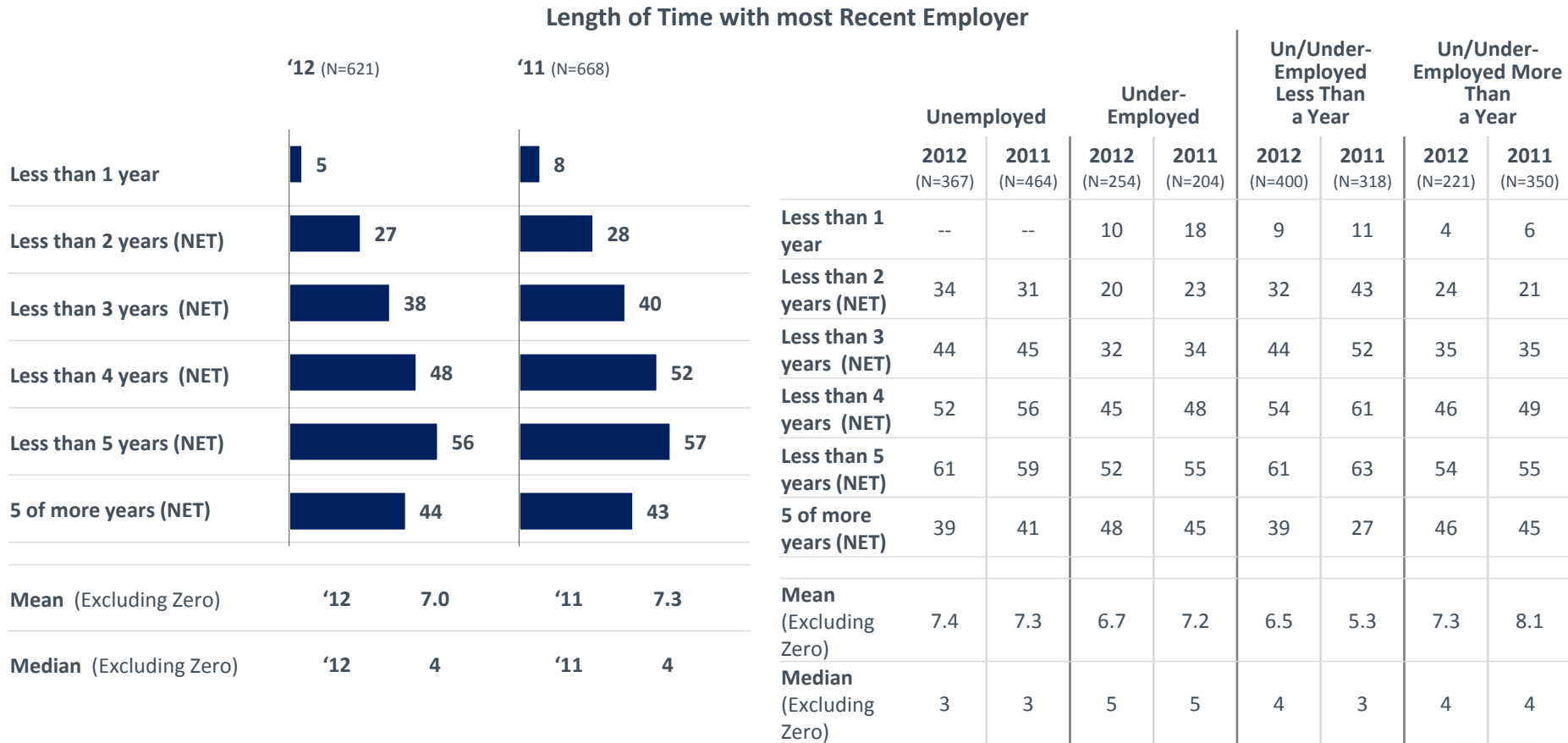


	Unemployed		Under-Employed		Un/Under-Employed Less Than a Year		Un/Under-Employed More Than a Year	
	2012 (N=367)	2011 (N=464)	2012 (N=254)	2011 (N=204)	2012 (N=400)	2011 (N=318)	2012 (N=221)	2011 (N=350)
Get better	37	37	45	42	54	43	35	38
Stay the same/Get worse (NET)	64	63	55	58	46	58	65	62
Stay the same	40	34	31	43	31	36	37	39
Get worse	24	29	24	15	15	22	28	23

BASE: Unemployed or Underemployed
 Q1102 (OLD: Q502(T04)) In the next 12 months, do you expect your own financial situation to:

Length of Time with Most Recent Employer

The underemployed are more likely than the unemployed to have been employed less than a year by their most recent employer.

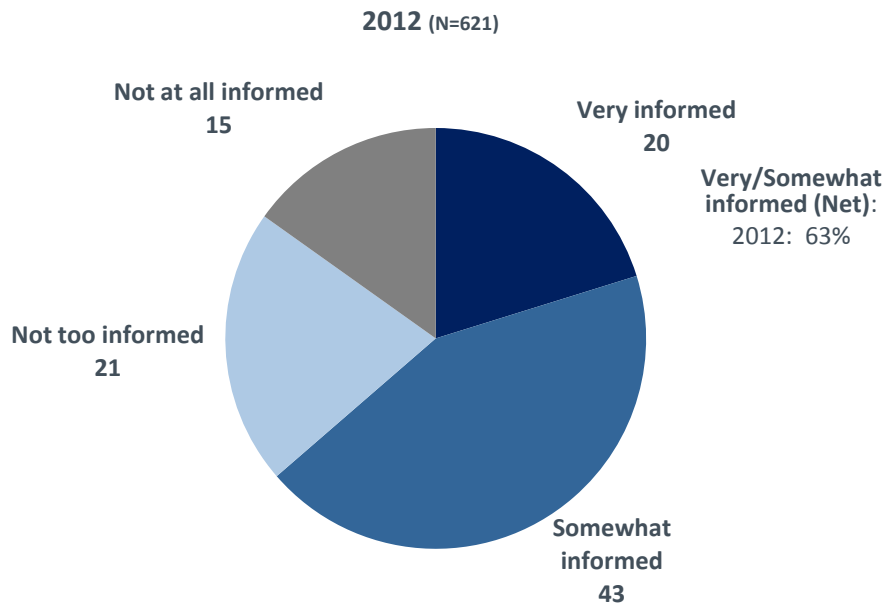


BASE: Unemployed or Underemployed
Q2030. How long have you worked for your current employer?

Knowledge of Health Care Reform Impact on Health Insurance

The majority (63 percent) of the un/underemployed feel at least somewhat informed about the potential changes to their health insurance due to health care reform legislation, yet only 20 percent consider themselves to be “very informed.”

Informed about Changes to Health Insurance Due to Health Care Reform Legislation



2012	Unemployed (N=367)	Under- Employed (N=254)	Un/Under- Employed Less Than a Year (N=400)	Un/Under- Employed More Than a Year (N=221)
Very/Somewhat informed (Net)	55	70	65	62
Very informed	19	22	21	20
Somewhat informed	36	49	44	42
Not too informed	27	16	21	21
Not at all informed	17	14	13	16

BASE: Unemployed or Underemployed

Q905 . (NEW) How informed are you about potential changes to your health insurance due to health care reform legislation? Choose the option that best describes your level of knowledge.

Future Sources of Funds During Un/Underemployment

When asked about sources of funds in the future, the second most frequently cited was “other sources” suggesting that the un/underemployed may have already exhausted the common sources mentioned. The response is higher among the unemployed (38 percent) indicating they may be seeking part-time work or becoming “underemployed.”

	2012 (N=621)	Unemployed 2012 (N=367)	Under- Employed 2012 (N=254)	Un/Under- employed less than a year 2012 (N=400)	Un/Under- employed a year or more 2012 (N=221)
Savings	38	36	39	43	36
Significant other or spouse's income	30	31	29	37	27
Unemployment benefits	25	27	23	43	17
Credit cards	22	12	31	24	21
Withdrawal from a retirement account such as a 401(k), 403(b) or IRA	20	20	20	21	20
Loan from a friend or family member	11	11	11	17	8
Severance pay	6	1	10	7	5
Loan from a bank including home equity loan	4	<1	7	6	3
Other sources	33	38	29	23	38

BASE: Unemployed or Underemployed

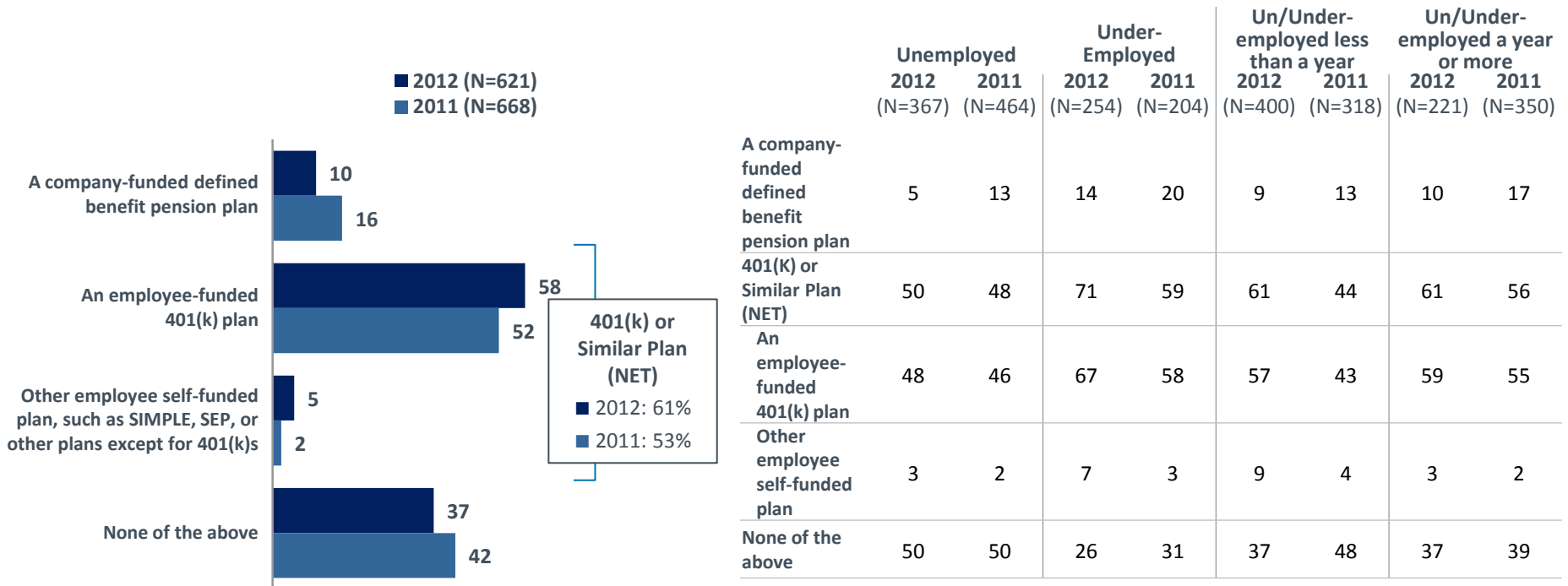
Q2136. (NEW) In the future, which of the following sources of funds do you think you'll rely on during your unemployment or underemployment?

Select all that apply.

Retirement Benefits Offered By Most Recent Employer

This year's survey found that more respondents reported having access to a 401(k) or similar plan at their last employer (61 percent) compared to last year's survey (53 percent). The biggest increase in access to a 401(k) or similar plan at their most recent employer is among those who have been un/underemployed for less than a year.

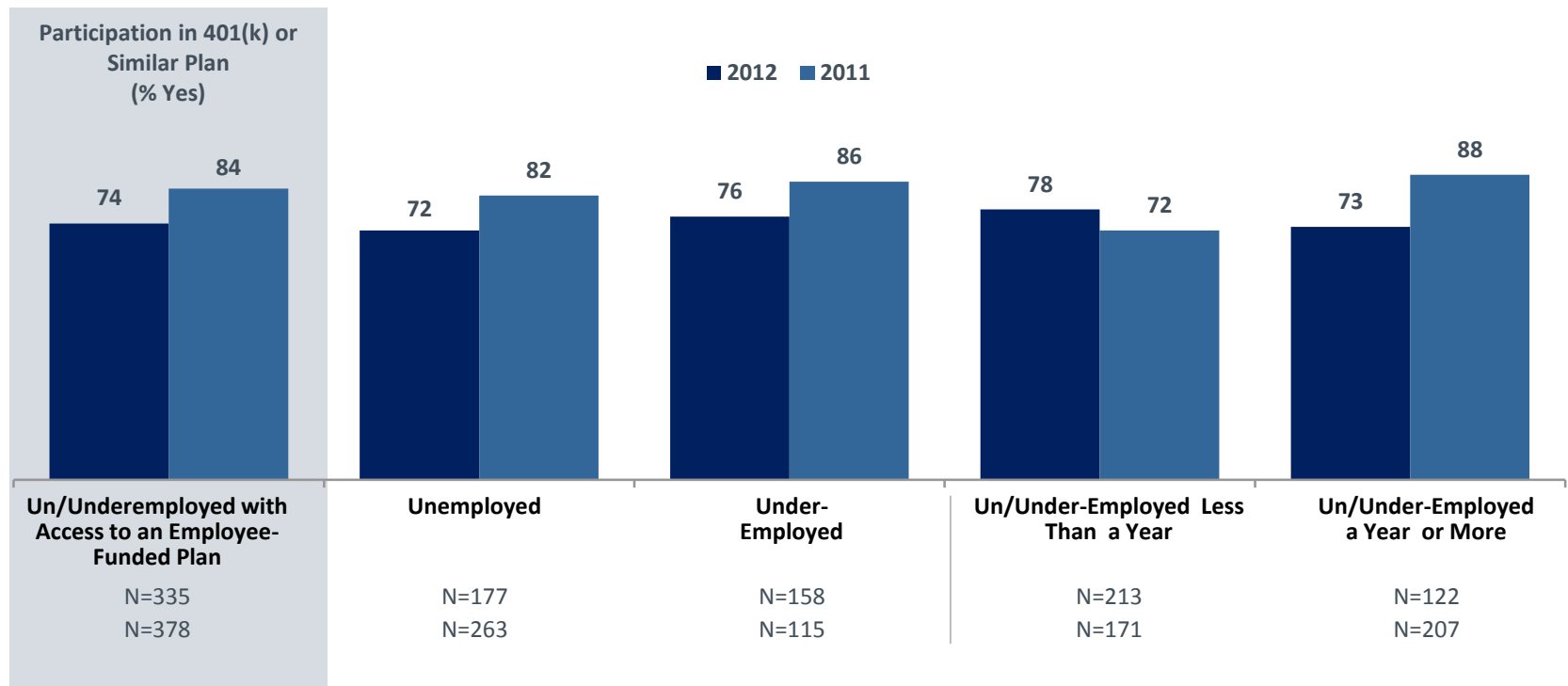
Retirement Benefits Offered at Most Recent Employer



BASE: Unemployed or Underemployed
Q1180. Which of the following retirement benefits did the company offer to you, personally? Select all that apply.

Participation in 401(k) or Similar Plan

Ironically, although more respondents indicate that they had access to a 401(k) or similar plan at the their last employer, those who said that they participated in the plan (74 percent) is lower compared to last year (84 percent).



BASE: Those With Qualified Plans Offered To Them at Most Recent Employer

Q1190. Did you participate in, or have money invested in the company's employee-funded retirement savings plan such as a 401(k) or similar plan?

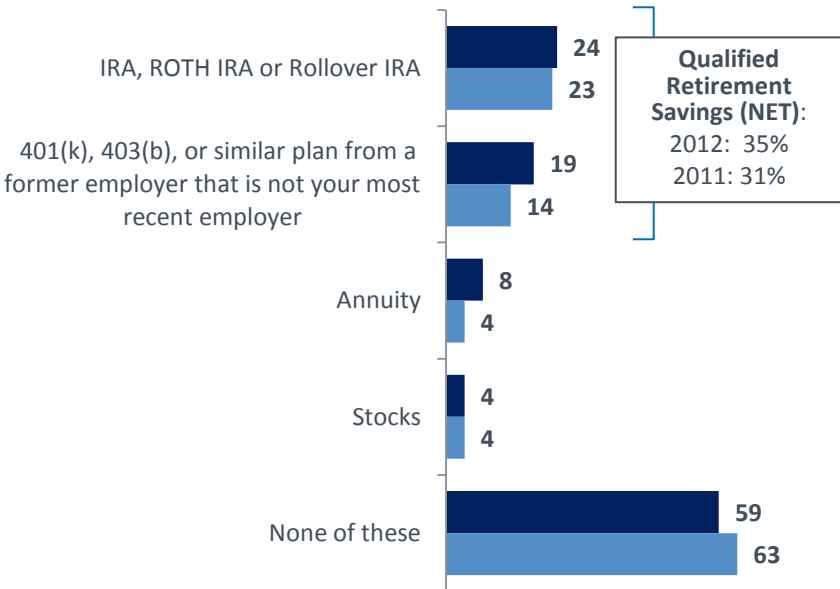
Other Retirement Investment Accounts

Among all survey respondents, only 35 percent said they have retirement investments other than their most recent employer’s 401(k) or similar plan, including 42 percent who are underemployed compared to only 27 percent who are unemployed. Among them, IRAs were the most frequently cited type of retirement investment account.

Other Retirement Investment Accounts

■ 2012 (N=621)
■ 2011 (N=668)

Qualified Retirement Savings (NET):
2012: 35%
2011: 31%



	Unemployed		Under-Employed		Un/Under-employed less than a year		Un/Under-employed a year or more	
	2012 (N=367)	2011 (N=464)	2012 (N=254)	2011 (N=204)	2012 (N=400)	2011 (N=318)	2012 (N=221)	2011 (N=350)
Qualified Retirement Savings (NET)								
IRA, ROTH IRA or Rollover IRA	27	31	42	31	33	31	36	31
401(k), 403(b), or similar employee-funded plan from a former employer	20	28	27	18	22	18	25	26
Annuity	11	8	26	21	19	20	19	11
Stocks	11	5	6	2	15	5	5	3
None of these	2	4	5	5	2	2	4	6
None of these	68	63	50	64	59	64	59	63

*responses less than 4% are not shown
BASE: Unemployed or Underemployed
Q2150 (OLD Q740,Q750 (T)) Do you have any other retirement investment accounts? Do not include your most recent employer’s 401(k) or similar account if you had one?
Select all that apply.

Future Actions Considered Since Un/Underemployment

When asked if they were considering any changes which might help improve their outlook, the majority (53 percent) of un/underemployed said they were considering the idea of a career change. Among those underemployed, about half (51 percent) are considering the idea of taking on a second or third job.

2012 (N=621)		Unemployed (N=367)	Under- Employed (N=254)	Un/Under- Employed Less Than a Year (N=400)	Un/Under- Employed a Year or More (N=221)
Seeking work in another field or industry from your current or most recent job/career	53	50	55	53	53
Taking on a second or third job*	27	N/A*	51	31*	25*
Pursuing additional college education to learn new skills for a new career	19	17	21	22	18
Moving to a smaller home/apartment	16	14	18	21	15
Pursuing additional college education to improve your current skills for your current or most recent job/career	16	14	18	19	15
Going to a vocational school to learn a new trade/skill	15	16	14	17	14
Moving to a less expensive city	15	15	15	14	15
Moving in with family (parents, siblings, etc.)	13	15	12	16	12
Getting or completing your college education	13	12	14	20	10
Taking on a roommate or adding additional roommates	9	6	12	11	9
None of these	22	34	11	14	25

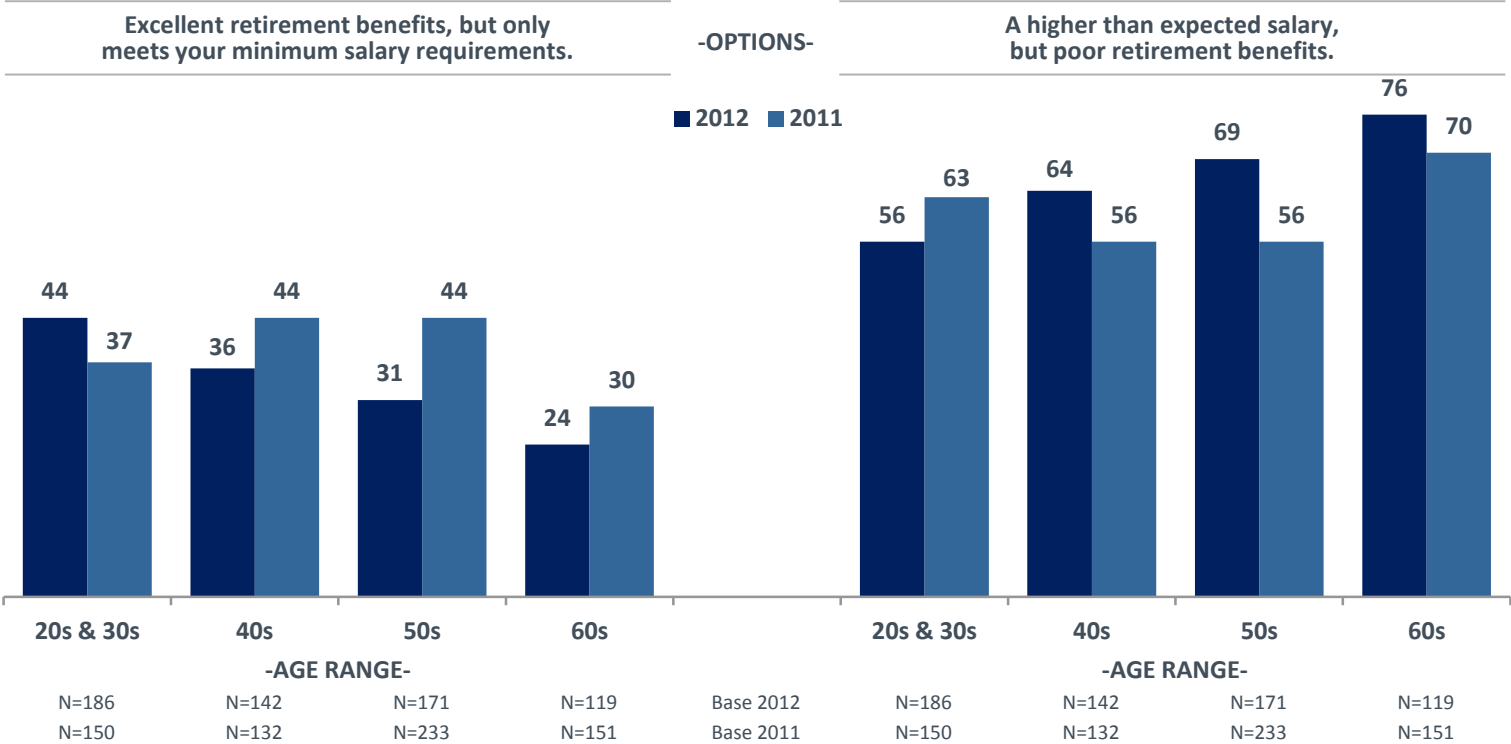
*asked only of employed

BASE: Unemployed or Underemployed

Q835. (NEW) Since becoming unemployed or under employed, are you considering any of the following? Select all that apply.

Comparing Job Offers: Salary vs. Retirement Benefits

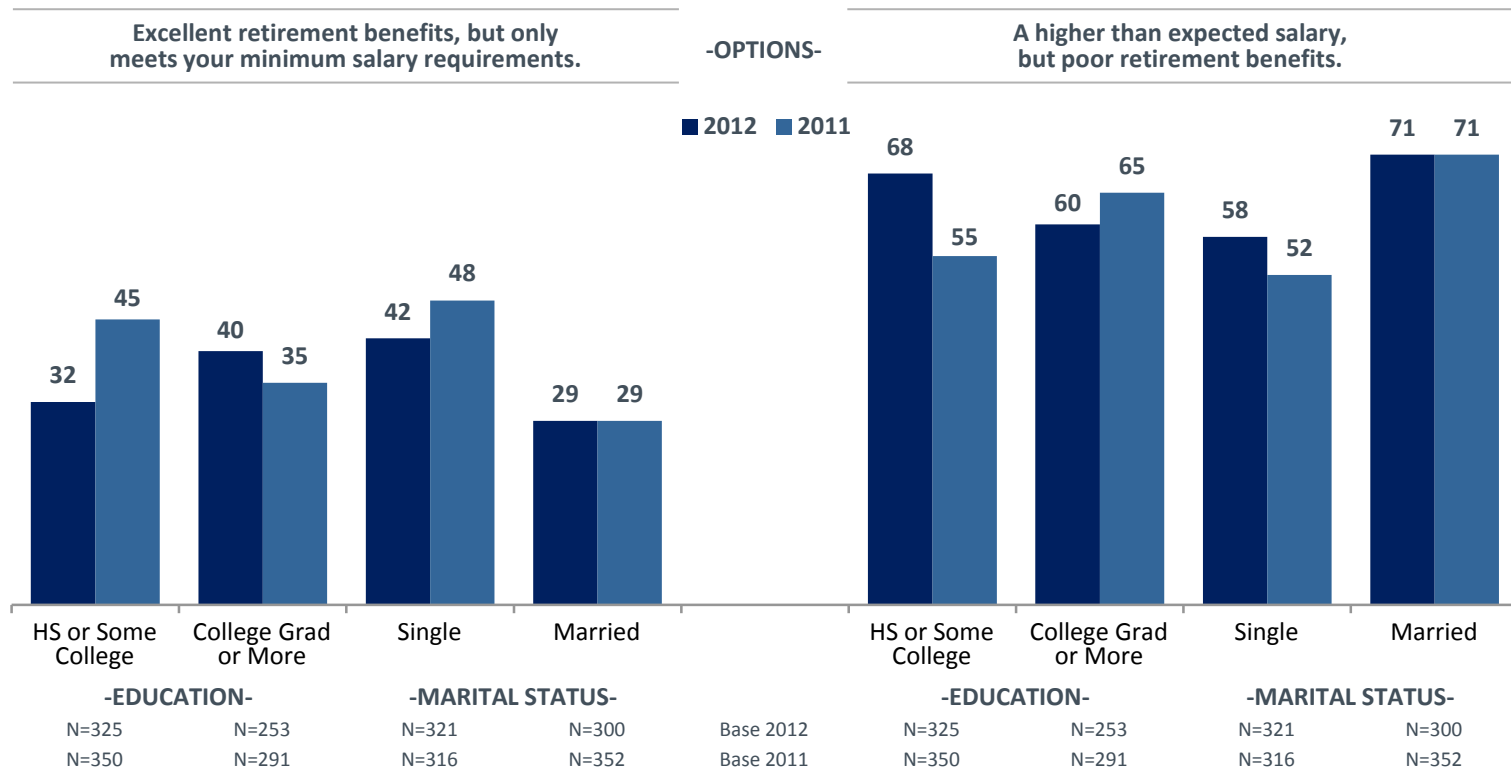
This difference in preference has become more notable for those in their Fifties with a sharp increase in those preferring a higher salary over excellent retirement benefits.



BASE: Unemployed or Underemployed
 Q830. Suppose that two job offers come your way. Which of the following job offers would you select?

Comparing Job Offers: Salary vs. Retirement Benefits

Compared to last year, there has been a significant increase among those with a high school or some college education who would prefer an offer with a higher than expected salary. The un/underemployed singles continue to be more likely to prefer the offer with excellent retirement benefits compared to those who are married, although all prefer the higher than expected salary.



BASE: Unemployed or Underemployed

Q830. Suppose that two job offers come your way. Which of the following job offers would you select?