



AARP Bulletin Survey on Retirement Savings: Executive Summary



April 2009

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AARP Bulletin Survey on Retirement Savings

The AARP Bulletin commissioned a nationwide survey in February 2009 to find out if and how Americans are changing their general savings and retirement savings behaviors. It also explored whether people plan to save or spend the 2009 stimulus payout. The survey was conducted for AARP by International Communications Research (ICR). Interviews were conducted from February 27 through March 8, 2009, among a nationally representative sample of 1,035 respondents 25 years of age or older.

The survey findings indicate that most adults have started to cut back on spending or save more money in the past 12 months. The primary reasons for this change in behavior are to have more money in case of emergencies and to save for retirement. Half of the adults interviewed are currently saving for retirement; the most common types of accounts for retirement savings remain 401(k) plans and IRAs. Most adults surveyed indicated that they plan to spend all or some of the 2009 stimulus benefit and plan to apply payments toward a variety of expenses. Below is a summary of the findings:

Survey Findings

- **Most adults are cutting back on spending or saving more money compared to 12 months ago.** Specifically, nearly eight in ten (79%) adults have either started to cut back on spending (71%) or started saving more money (28%) in the past 12 months.
- **The most popular reason for cutting back on spending or saving more is to have more money available in case of an emergency.** Eighty-six percent of adults who are spending less or saving more are doing so in order to have more money available for emergencies. Nearly nine in ten (89%) younger adults and just over eight in ten (82%) older adults list this as a *major* or *minor* reason, and most identify this as a *major* reason (63% and 61%, respectively).
- **Of those who have started cutting back on spending or saving more, almost three in four (73%) are doing so in order to save more money for retirement.** Younger adults (ages 25-49) are slightly more likely than older adults ages 50+ to list this as either a *major* or *minor* reason (76% vs. 70%); however, older adults are more likely than younger adults to cite this as a *major* reason (53% vs. 38%).
- **Slightly over half of adults indicate that they (or their spouse or partner) are currently saving for retirement.** Overall, approximately half (51%) of the total sampled population is currently saving for retirement. Younger adults are more likely than older adults to be currently saving for retirement (57% of those ages 25-49 vs. 44% in the 50+ group).

- **The most common types of accounts utilized for retirement savings remain the 401(k) and IRA.** Of those adults currently saving for retirement, two-thirds (67%) are saving in a 401(k) plan and nearly two in five (38%) are saving in an IRA. The 401(k) is more common among the younger adults (78% of those ages 25-49 vs. 52% of those ages 50+), while the IRA is more popular among those age 50+ (34% of those ages 25-49 vs. 45% of those ages 50+).
- **Of those adults currently saving for retirement, recent savings changes include putting less money into retirement accounts and moving savings into less risky investments.** The most common changes in retirement savings behavior over the past 12 months include putting less money into retirement savings accounts (30%) and moving retirement savings into less risky investments (29%). Additionally, one quarter (25%) of adults has *started* saving in a retirement account over the past 12 months, and one in five (20%) have stopped contributions to a retirement savings account. .
- **Almost two-thirds (63%) of adults plan to spend at least some of the 2009 stimulus benefit.** Thirty-one percent of adults plan to spend all of the benefit and an equal percent plan to spend only some and save some. The most common expenses to which the money will be applied are: personal necessities (67%), housing expenses (55%), and energy bills (52%). Only roughly one in five (21%) adults plan to spend the benefit on luxury items. Older adults ages 50+ (52%) are more likely than younger adults (41%) to say that they will spend the money on medical needs.

Survey Methodology

The study was conducted for AARP via telephone by International Communications Research (ICR) using its national omnibus survey service. The interviews were conducted from February 27 through March 8, 2009, among a nationally representative sample of 1,035 people ages 25 and older. ICR weighted the data to provide nationally representative estimates of the population 25 years and older.

**AARP Bulletin Survey on Retirement Savings
Annotated Questionnaire
April 2009
(n=1035)**

All responses are presented as a percentage of total respondents, respondents ages 25-49, and those ages 50+. Unless otherwise noted, the Ns for each of these three groups are 1,035 total respondents, 336 respondents ages 25-49, and 699 respondents ages 50+.

RS-1 In the past 12 months, have you or your spouse/partner started saving more of your money or started to cut back on your spending?

	YES			No	Don't Know	Refused
	NET	started saving more money	started to cut back on spending			
3/8/09 Total	79	28	71	21	*	*
25-49	79	33	70	21	*	*
50+	78	22	71	21	*	*

(Asked of total age 25+ who have started saving more or started cutting back on spending; total n = 797, 25-49 n= 271, 50+ n=526)

RS-2 Now, I will read you some reasons that people may start saving more or start cutting back on spending. For each reason, please tell me if that is a major reason, a minor reason, or not a reason at all that you have started saving more or started cutting back on spending

a. You want to have more money saved for retirement

	REASON			Not a reason at all	Don't know	Refused
	NET	Major	Minor			
3/8/09 Total	73	46	27	26	1	*
25-49	76	38	37	23	1	*
50+	70	53	16	29	*	1

b. You want to have more money available for emergencies

	REASON			Not a reason at all	Don't know	Refused
	NET	Major	Minor			
3/8/09 Total	86	62	24	13	1	1
25-49	89	63	27	10	*	--
50+	82	61	21	15	1	1

c. You think you/your spouse/partner may lose a job in the next 12 months

	REASON			Not a reason at all	Don't know	Refused
	NET	Major	Minor			
3/8/09 Total	48	27	21	51	1	*
25-49	59	32	27	41	1	--
50+	37	22	14	61	2	*

d. You/your spouse/partner have lost a job in the past 12 months

	REASON			Not a reason at all	Don't know	Refused
	NET	Major	Minor			
3/8/09 Total	29	25	5	70	*	*
25-49	30	26	4	70	--	--
50+	28	23	5	71	1	1

e. Your household income has declined in the past 12 months

	REASON			Not a reason at all	Don't know	Refused
	NET	Major	Minor			
3/8/09 Total	54	39	15	46	*	*
25-49	56	42	14	44	--	--
50+	51	36	15	47	*	1

RS-3 Are you or your spouse/partner currently saving for retirement?

	Yes	No	Not applicable (including retired)	Don't Know	Refused
3/8/09 Total	51	38	11	*	*
25-49	57	42	1	--	*
50+	44	34	21	*	*

(Asked of total respondents age 25+ who are currently saving for retirement; total n=534, 25 – 49 n=233, 50+ n=301)

RS-4 In which of the following types of accounts are you saving money for retirement?

	3/8/09 Total	25-49	50+
401k retirement savings plan	67	78	52
IRA	38	34	45
Annuity	18	16	22
Non-retirement mutual fund, outside of a retirement account	19	19	20
Bank accounts	8	7	11
CD's	3	3	3
Pension	2	3	2
Stocks/bonds	1	2	1
Other	2	2	1
Don't know	3	1	6
Refused	1	2	1

(Asked of total respondents age 25+ who are currently saving for retirement; total n=534, 25 – 49 n=233, 50+ n=301)

RS-5 In the past 12 months, have you or your spouse/partner...

a. Started putting **less** of your money in 401(k), IRA, or retirement accounts

	Yes	No	Don't Know	Refused
3/8/09 Total	30	69	1	*
25-49	27	72	1	*
50+	34	65	*	*

b. **Stopped** putting money into a 401(k), IRA, or other retirement accounts

	Yes	No	Don't Know	Refused
3/8/09 Total	20	79	1	1
25-49	17	82	1	--
50+	24	74	*	2

c. Started saving in a 401k, IRA, or other retirement account

	Yes	No	Don't Know	Refused
3/8/09 Total	25	74	*	1
25-49	28	71	*	*
50+	20	78	1	1

d. Prematurely withdrew money from your retirement savings

	Yes	No	Don't Know	Refused
3/8/09 Total	13	87	--	1
25-49	10	90	--	--
50+	17	81	--	2

e. Moved your retirement savings into less risky investments

	Yes	No	Don't Know	Refused
3/8/09 Total	29	69	1	1
25-49	24	76	--	--
50+	34	61	3	2

(Asked of total respondents age 25+ who are currently saving for retirement; total n=534, 25 – 49 n=233, 50+ n=301)

RS-6 Roughly what percentage, if any, of your retirement savings have you (and your spouse/partner) lost over the past 12 months? Your best guess is fine. Would you say that you've lost...?

	3/8/09 Total	25-49	50+
None of your retirement savings	14	17	9
Some, but not more than 10%	9	7	10
At least 10% but not more than 20%	17	16	17
At least 20% but not more than 30%	19	15	23
At least 30% but not more than 50%	26	24	28
50% or more	10	11	8
Don't know	5	6	4
Refused	1	2	1

RS-7 Under the recent stimulus bill signed by President Obama, Social Security recipients will receive a stimulus check of \$250. Workers making up to \$75,000 per year receive \$400 for individuals and \$800 for couples, through payroll tax credits. If you receive this rebate, do you plan to

	SPEND ALL/SOME OF IT			Save all of it	I don't qualify for the rebate	Don't Know	Refused
	NET	Spend all of it	Spend some of it and save some of it				
3/8/09 Total	63	31	31	26	8	3	*
25-49	64	31	32	26	8	2	*
50+	62	32	30	25	8	4	1

(Asked of total respondents age 25+ who plan on spending all or some of the rebate; n=629, 25-49 n=200, 50+ n=429)

RS-8 Do you plan to spend at least some of the money on:

a. Paying down consumer debt (such as credit cards but not mortgage)

	Yes	No	Don't Know	Refused
3/8/09 Total	48	52	1	--
25-49	58	42	*	--
50+	36	62	1	--

b. Medical needs (such as prescription drugs, eyeglasses, dental work)

	Yes	No	Don't Know	Refused
3/8/09 Total	46	53	1	--
25-49	41	59	1	--
50+	52	46	1	--

c. Personal necessities (such as food, clothing)

	Yes	No	Don't Know	Refused
3/8/09 Total	67	32	*	--
25-49	68	32	*	--
50+	66	33	1	--

d. Tuition (yours or family member)

	Yes	No	Don't Know	Refused
3/8/09 Total	18	81	2	--
25-49	22	76	1	--
50+	13	85	2	--

e. Luxury goods (such as TVs, hobbies, new car)

	Yes	No	Don't Know	Refused
3/8/09 Total	21	78	1	--
25-49	26	73	1	--
50+	16	84	*	--

f. Energy bills (such as heating, gasoline)

	Yes	No	Don't Know	Refused
3/8/09 Total	52	47	*	*
25-49	53	47	--	--
50+	51	48	1	*

g. Taking a vacation/dining out

	Yes	No	Don't Know	Refused
3/8/09 Total	37	62	1	--
25-49	38	62	1	--
50+	36	63	1	--

h. Housing expenses (such as repairs, mortgage, rent)

	Yes	No	Don't Know	Refused
3/8/09 Total	55	44	1	--
25-49	63	37	--	--
50+	47	51	2	--