

A decorative graphic is present on the page. It features a large, thin, light-brown arc that starts near the top right and curves down towards the bottom right. A horizontal line and a vertical line intersect at the end of this arc in the bottom right quadrant. A small yellow square is placed at the intersection of the horizontal and vertical lines. Another small yellow square is located at the bottom edge of a green rectangular area in the top left corner.

A Year-End Look at the Economic Slowdown's Impact on Middle-Aged and Older Americans

January 2009



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Survey Fielded by Woelfel Research for AARP
Report Written by S. Kathi Brown, AARP

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Acknowledgements

AARP collected the data for this project through a telephone survey administered by Woelfel Research, Inc. This report was written by S. Kathi Brown, Senior Research Advisor, AARP Strategic Issues Research. For additional information, please contact S. Kathi Brown at skbrown@aarp.org.

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INTRODUCTION

Throughout 2008, the economy was battered by falling housing prices and increasing foreclosure rates, record stock market losses, rising unemployment, and weak consumer spending. In fact, as 2008 drew to a close, the National Bureau of Economic Research officially declared that the economy had been in a recession for the past year.

Given this climate, AARP chose to conduct a survey of middle-aged and older Americans in December 2008 in order to learn how they had fared over the past 12 months. This telephone survey of 1,097 adults ages 45 and older was one of several that AARP conducted during 2008 in order to determine how the economic downturn had affected middle-aged and older Americans' behaviors, employment situation, and outlook for the future. This latest survey also examines 45+ Americans' expectations of the government during these difficult times, including the degree to which they believe the government should take immediate action to help people facing foreclosure, unemployment, and the loss of health insurance.

In addition to presenting the findings from the December survey, the report also compares the findings to results from a survey conducted in April of 2008, when energy prices were significantly higher than they are today. Although energy prices have dropped since the April survey, many of the problems that existed in April—high unemployment, increasing foreclosures, and negative or slow growth in the Gross Domestic Product (GDP)—persist and are projected to continue into the new year.

KEY FINDINGS AND IMPLICATIONS

The overwhelming majority of Americans ages 45+ believe that the economy is in bad shape. As a result of the economic downturn, the majority say that they cut back on entertainment spending (68%) and eating out (64%) during 2008. Additionally, about half (52%) say that they had more difficulty paying for essential items during the past year, such as food, gas, and medicine; and about two in five (44%) found it more difficult to pay for utilities. Not surprisingly, given the rising unemployment throughout the year and falling consumer spending during the third quarter of 2008, more adults ages 45+ reported cutbacks in entertainment spending during the past 12 months in December 2008 than in April 2008. However, reports of difficulty paying for essential items dropped from April to December -- most likely a result of the decline in energy prices in the second half of the year.

Relatively few (9%) adults ages 45+ mentioned in December that they had lost a job during the past 12 months. Although job loss was much less common than cutbacks in spending and difficulties paying bills, the share of middle-aged and older Americans affected by job loss grew from April to December. Specifically, about twice as many adults ages 45+ reported in December than in April that they had lost a job during the past 12 months.

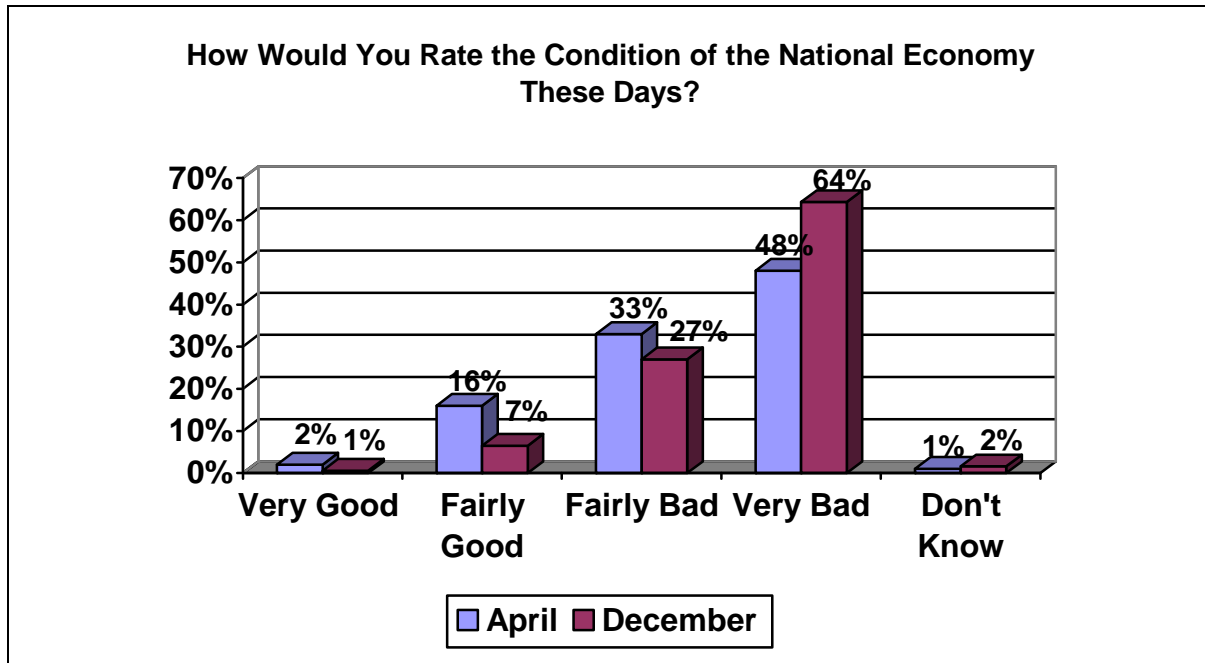
Many middle-aged and older Americans also expressed concerns about the coming year. More than half (55%) are concerned about their ability to pay for health care expenses over the next 12 months, and about one third are concerned about being able to afford their mortgage and rent payments. Furthermore, nearly three in ten adults ages 45+ think that it is likely that their health insurance coverage will be reduced or that they will lose their health insurance over the next 12 months, and about three in ten employed workers in this age group express fears that their job could be eliminated.

Although most (59%) adults ages 45+ remain at least somewhat confident that they will have enough money to live comfortably in retirement, retirement confidence is lower than it was in April.

The majority of middle-aged and older Americans are looking to the government to help Americans who are suffering as a result of the recession—those who have lost jobs and health insurance and those who risk losing their homes. Specifically, the majority of adults ages 45+ say that the government should take action by extending unemployment benefits, facilitating access to health care coverage, making home mortgages more affordable, and helping people who face foreclosure remain in their homes.

PERCEPTIONS OF THE CONDITION OF THE ECONOMY

More than nine in ten (91%) middle-aged and older Americans describe the condition of the national economy as either very bad (64%) or fairly bad (27%). This is a significant increase since April when just about eight in ten (81%) viewed the economy as very bad (48%) or fairly bad (33%).¹



Note: April results are from *The Economic Slowdown's Impact on Middle-Aged and Older Americans* (AARP, May 2008), a national telephone survey of 1,002 adults ages 45+ conducted in April 2008. December results are from the survey featured in this report, *A Year-End Look at the Economic Slowdown's Impact on Middle-Aged and Older Americans* (AARP, January 2009). The April sample differs slightly from the December sample, but the differences are minor and did not significantly contribute to the considerable difference in results from the two surveys. For more information about the differences between the two samples, see footnote 1 on this page and the Methodology section.

¹ The April 2008 sample differs slightly from the December 2008 sample because the December sample includes *all* adults age 45+ *regardless of their employment status*, and the April sample included only individuals who described their employment status as “completely retired and not working and not looking for work,” employed full-time or part-time, or unemployed and looking for work. Approximately 10% of the December sample (115 of the 1,097 respondents) consisted of individuals with an employment status not included in the April sample, such as not employed and not looking for work, student, or homemaker. Because the December findings are virtually identical regardless of whether these 115 respondents are included or excluded, the findings for the entire December sample are shown in the above chart despite the minor differences between the December and April sample. For readers who wish to know the December results based on just those respondents with an employment status comparable to the April sample, the adjusted December results are as follows: After excluding these 115 respondents, the percentage of the remaining December respondents who rated the condition of the economy as very or fairly bad is the same as for the entire December sample—91% (64% rated it “very bad” and 28% rated it “fairly bad”). Please see the Methodology Section of the report for more information.

HOW HAVE AMERICANS AGES 45+ REACTED TO THE ECONOMIC CONDITIONS OF THE PAST 12 MONTHS?

Spending on “Extras:” Entertainment and Eating Out

Most middle-aged and older Americans report that they cut back on spending during 2008. Reductions in *spending on entertainment* and *eating out* were common, with more than six in ten adults ages 45+ indicating that they had cut back on entertainment spending (68%) and eating out (64%) during the past 12 months. As might be expected in light of the reports of falling consumer spending, the share of adults in our December survey who reported having reduced entertainment spending significantly exceeded the share who reported such cut backs in April (68% in December vs. 60% in April).²

About half (52%) of Americans ages 45+ also reported that they had postponed plans to travel.

Spending on Essential Items

Many adults ages 45+ also reported in December that they had difficulty covering basic expenses in 2008. For example, just over half (52%) of Americans ages 45+ found it more difficult to pay for essential items, such as *food, gas, and medicine* during the past 12 months. And, just over two in five (44%) said that they had more difficulty paying for *utilities* such as heating, cooling, or phone service.

However, reports of such challenges were less common in December than in April, which most likely reflects the recent slowdown in inflation, including declining energy prices, during the second half of 2008. For example, in April, two-thirds (66%) of adults ages 45+ had reported difficulties paying for items such as food, gas, and medicine over the preceding 12 months; and over half (53%) of adults ages 45+ in April said that they had had problems paying for utilities.³

Additionally, one in four (25%) adults ages 45+ reported in December that they had found it more difficult to pay their mortgage or rent during the past 12 months, and nearly as many (23%) had postponed paying some bills.

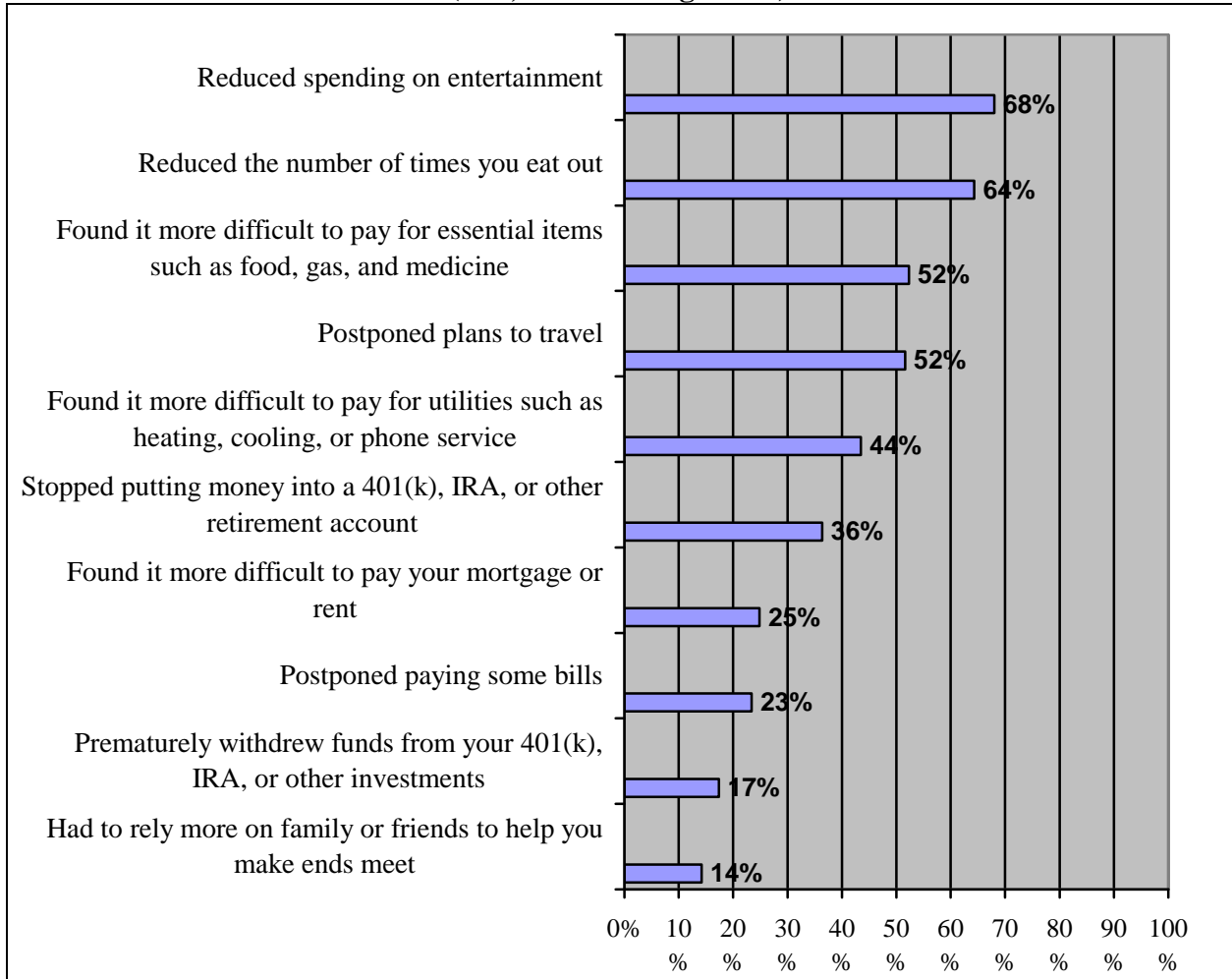
Retirement Savings

Just over one in three (36%) middle-aged and older Americans stopped putting money into a 401(k), IRA, or other retirement account during the past 12 months. And, about one in six (17%) prematurely withdrew funds from a retirement account during the same time period.

² After adjusting the December sample to exclude the types of respondents who were excluded from the April sample, the percentage of the remaining December respondents who reported having cut back on entertainment spending during the past 12 months proved to be the same as the percentages for the entire December sample—68%.

³ After adjusting the December sample to exclude the types of respondents who were excluded from the April sample, 51% of the remaining December respondents reported having had difficulties paying for items such as food, gas, and medicine over the past 12 months; and 43% reported having had difficulties paying for utilities such as heating, cooling, or phone service.

**Changes Reported by Middle-Aged and Older Americans During the Past 12 Months
(n=1,097 adults ages 45+)**



How Have Recent Changes in the Economy Affected You or Your Family? During the Past 12 Months, Have You . . .				
Base: Total Respondents N=1097	Yes %	No %	Not Applicable %	Don't Know / Refused %
Reduced spending on entertainment	68	30	2	<0.5
Reduced the number of times you eat out	64	33	3	<0.5
Found it more difficult to pay for essential items such as food, gas, and medicine*	52	47	<0.5	<0.5
Postponed plans to travel*	52	44	4	<0.5
Found it more difficult to pay for utilities such as heating, cooling, or phone service*	44	56	<0.5	<0.5
Stopped putting money into a 401(k), IRA, or other retirement account*	36	48	15	<0.5
Found it more difficult to pay your mortgage or rent*	25	62	14	-
Postponed paying some bills*	23	76	<0.5	<0.5
Prematurely withdrew funds from your 401(k), IRA, or other investments	17	72	10	<0.5
Had to rely more on family or friends to help you make ends meet*	14	85	<0.5	<0.5

*The items marked with an asterisk represent items for which the percentage of “yes” responses changes by one percentage point when the December sample is adjusted to exclude the types of respondents who were excluded from the April survey. Specifically, if the respondents who are not employed and not looking for work, the homemakers, and the students are excluded from the December sample, the percentage of “yes” responses to the following items are as follows: 51% found it more difficult to pay for essential items such as food, gas, and medicine; 43% found it more difficult to pay for utilities such as heating, cooling, or phone service; 24% found it more difficult to pay their mortgage or rent, 51% postponed plans to travel; 37% stopped putting money into a 401(k), IRA, or other retirement account; 22% postponed paying some bills; and 13% had to rely more on family or friends to help them make ends meet.

Differences by Age and Income

As in the April survey, the December survey suggests that adults ages 65+ are less likely than adults ages 45-64 to have made changes during this economic downturn. For example, more than seven in ten adults ages 45-54 (79%) and adults ages 55-64 (72%) cut back spending on entertainment during 2008, compared with only about half (53%) of adults ages 65+. Additionally, while over one in three adults ages 45-54 (35%) and one in five adults ages 55-64 (22%) postponed paying some bills in 2008, only 13 percent of adults ages 65+ reported taking such an action.

Moreover, as might be expected, middle-aged and older Americans with higher household incomes are less likely than those with lower incomes to have made adjustments as a result of the economy. For example, respondents from lower-income

households are more likely than those from higher-income households to have stopped putting money into retirement accounts (44% of those with incomes under \$30,000 vs. 27% of those with incomes of \$75,000 or more).

The differences in responses based on household income are not surprising, while the reasons for the differences by age group may be less obvious.

The fact that adults ages 65+ are somewhat less likely than adults ages 45-64 to have adjusted their behavior during the last 12 months does not mean that the 65+ population is not affected by the recession. Clearly, they are as many have reduced spending during the past 12 months and have found it more difficult to pay bills. However, it may be that, given their greater likelihood to be retired and on fixed incomes, many adults ages 65+ had already found it necessary to adjust their lifestyles and spending habits prior to the economic downturn. Adults ages 65+ are, nevertheless, facing challenges as a result of the recession as shown in the table below. Furthermore, they may have less ability than their younger counterparts to adjust their behavior given their fixed incomes.

How Have Recent Changes in the Economy Affected You or Your Family? During the Past 12 Months, Have You . . .			
<i>Responses By Age</i>			
	45 to 54 Years % (n=410)	55 to 64 Years % (n=305)	65 and Older % (n=353)
Reduced spending on entertainment	79	72	53
Reduced the number of times you eat out	75	68	49
Found it more difficult to pay for essential items such as food, gas, and medicine	57	55	45
Postponed plans to travel	63	57	36
Found it more difficult to pay for utilities such as heating, cooling, or phone service	48	44	38
Stopped putting money into a 401(k), IRA, or other retirement account	35	38	38
Found it more difficult to pay your mortgage or rent	34	25	15
Postponed paying some bills	35	22	13
Prematurely withdrew funds from your 401(k), IRA, or other investments	15	20	18
Had to rely more on family or friends to help you make ends meet	20	11	10

Stock Market Losses and Falling Interest Rates

The majority (59%) of all Americans ages 45+ report that they lost money in mutual funds, individual stocks, or other investment accounts, such as a 401(k), 403(b), IRA, or employee stock options in 2008. Not surprisingly, this percentage is higher (79%) among those who report that they have investments, such as a 401(k), IRA, mutual funds, or individual stocks or bonds.

These losses were common across all age groups but more widespread among the 45 – 64 age group than among the 65+ age group. Specifically, more than six in ten adults ages 45-54 (65%) and ages 55-64 (61%) reported such losses, compared with half (50%) of adults ages 65+.

Additionally, one third (34%) of retirees—including retirees who are completely retired and those who are working at least part time—say that their retirement income declined during 2008 due to falling interest rates or declines in the stock market.

IMPACT ON WORK SITUATION AND PLANS

Working Longer or More

Investment losses clearly are affecting the work and retirement plans of many middle-aged and older Americans. Of those adults ages 45+ who lost money in their investments over the past year and are currently working or looking for work, more than half (57%) *expect to delay retirement and work longer* as a result of their investment losses. Adults ages 45-54 (57%) and 55-64 (63%) who have experienced these losses and are working or looking for work are more likely than their older counterparts ages 65+ (38%) to expect to work longer due to their losses.

Of employed adults ages 45+ who lost money in investments over the past year, one in four (26%) report that they have *already postponed plans to retire*.

Additionally, more than one in four (28%) of all employed adults ages 45+ report that they have *increased the number of hours* that they work during the past 12 months.

Unemployment

Furthermore, nearly 1 in 10 (9%) adults ages 45+ report having *lost a job* in the last 12 months. While job loss had only affected a small portion of the adults surveyed in December, this is approximately double the percentage of adults in the April survey who had lost a job in the preceding 12 months (5%).⁴ Similarly, the share of married adults

⁴ After adjusting the December sample to exclude the types of respondents that had been excluded from the April sample, 10% of the remaining December respondents reported having lost a job during the past 12 months (compared to 9% of the entire December sample). This adjustment did not change the percentage of married respondents who reported in December that their spouses had lost a job: After making this same adjustment to the December sample, the percentage of married respondents who reported that their spouse had lost a job remained at 7%.

ages 45+ who report that their spouse had lost a job also increased from April to December – from 3 percent to 7 percent.

As might be expected in light of the above findings related to job loss, nearly 1 in 10 (9%) Americans ages 45+ report that they or someone in their household received *unemployment benefits* in the past 12 months.

Considering Returning to Work in Retirement

One in four (25%) retirees who are not currently working or looking for work say that, within the past 12 months, they have either looked for a job because they needed more income but been unable to find one (8%) or thought about returning to work because they needed more income (17%).

OUTLOOK FOR THE FUTURE: THE NEXT 12 MONTHS AND RETIREMENT

Concerns about Health Care and Housing

Over half (55%) of Americans ages 45+ are very concerned (29%) or somewhat concerned (26%) about *being able to pay their health care bills* over the next 12 months.

Nearly three in ten (29%) adults ages 45+ think that it is likely that they will *lose their health insurance coverage or that their health insurance benefits will be reduced* in the next 12 months.

One in three (33%) are very or somewhat concerned about being able to afford their mortgage or rent payments over the next 12 months.

Concerns About Paying Health Care and Housing Payments Over Next 12 Months				
% Who Are Very or Somewhat Concerned				
	Total (n=1,097)	45 to 54 (n=410)	55 to 64 (n=305)	65 and Older (n=353)
How concerned are you about being able to pay your health care bills during the next 12 months?	55	61	58	46
How concerned are you about being able to afford your mortgage or rent payments over the next 12 months?	33	45	34	20

Differences by Age and Income

The degree of concern about being able to pay health care and housing costs over the next 12 months varies by age and by household income. Specifically, those with higher household incomes and those ages 65+ are less likely than their lower-income and younger counterparts to express these concerns. For example, just under half (46%) of

adults ages 65+ express concern about their ability to pay health care bills over the next 12 months, compared with six in ten (61%) adults ages 45 to 54. Seven in ten (71%) adults with incomes under \$30,000 are concerned about their ability to pay health care bills, compared with just 38 percent of those with incomes of \$75,000 or more.

Similarly, only one in five (20%) adults ages 65+ are concerned about being able to afford their mortgage or rent over the next 12 months, compared with nearly half (45%) of adults ages 45-54. Adults with household incomes of \$75,000 or more are also less likely than those with incomes under \$30,000 to be concerned about being able to afford their mortgage or rent (22% vs. 46%).

Although exploring the reasons for these differences by age was beyond the scope of this survey, the lower level of concern among 65+ respondents may be partially due to their eligibility for Medicare as well as the greater likelihood that adults in this age bracket have paid off their mortgages in full.

Concerns about Job Loss

Three in ten (31%) employed adults ages 45+ (excluding those who are self-employed) think that it is very or somewhat likely that their job could be eliminated within the next year. This is an increase in the share of workers ages 45+ (19%) who expressed this concern in a survey conducted by AARP in April and May of 2007 when economic conditions were more favorable.⁵

Concerns about the possibility of job elimination decline as household income rises but do not vary by age. For example, workers ages 45-54 are no more likely than those ages 65+ to believe that their job could be eliminated over the next year. But, workers in low- and middle-income households (46% of those with household incomes under \$30,000 and 34% of those with incomes from \$30,000 to \$75,000) are more likely than those with incomes above \$75,000 (19%) to think that their job could be eliminated.

Retirement Confidence

Six in ten (59%) adults ages 45+ say that they are very or somewhat confident that they will have enough money to live comfortably throughout their retirement years—a decline in confidence since April of 2008 when more than two in three (68%) adults ages 45+ expressed such confidence.⁶

⁵ In *Staying Ahead of the Curve 2007: The AARP Work and Career Study* (AARP, October 2008), workers ages 45 to 74 were surveyed. Although this December 2008 survey includes workers beyond age 74, the results for workers ages 45 to 74 and those ages 45+ are the same: For both subsets of December respondents, 31% indicated that it is very or somewhat likely that their job could be eliminated in the next year.

⁶ After adjusting the December sample to exclude the types of respondents that had been excluded from the April sample, 61% of the remaining December respondents expressed confidence that they would have enough money to live comfortably in retirement (compared to 59% of the entire December sample).

Retirement confidence varies considerably by age and household income. For example, while more than seven in ten (72%) adults ages 65+ are very or somewhat confident that they will have enough money to retire comfortably, just under half (48%) of adults ages 45-54 express such confidence. Similarly, more than three in four (78%) adults with household incomes of \$75,000 or more are confident, compared with only four in ten (40%) adults with incomes under \$30,000. The greater retirement confidence of adults ages 65+ and adults with higher incomes may be attributed in part to their greater propensity to have a traditional, employer-funded pension plan. Yet another explanation may relate to the fact that respondents with higher incomes are more likely than those with lower incomes to have *any* type of retirement account.

EXPECTATIONS OF GOVERNMENT

Most Americans ages 45+ expect the government to take action to help people facing prolonged unemployment and other challenges, such as foreclosure and loss of health insurance, during this economic downturn.

More than eight in ten (83%) strongly or somewhat agree that the government should help people who have lost their jobs keep their health insurance or purchase affordable health insurance during this economic downturn.

Nearly eight in ten (78%) strongly or somewhat agree that the government should continue to provide unemployment benefits to unemployed people for as long as they are looking for work during this economic downturn, even if it means allowing people to receive unemployment benefits for a longer period of time than usual.

About seven in ten (71%) strongly or somewhat agree that the government should take action to make home mortgages more affordable during this economic downturn. Nearly seven in ten (68%) strongly or somewhat agree that the government should help people who are facing foreclosure so that they can stay in their homes.

Expectations of Government			
Base: Total Respondents N=1097	Total Agree %	Strongly Agree %	Somewhat Agree %
The government should help people who have lost their jobs keep their health insurance or purchase affordable health insurance during this economic downturn	83	54	29
The government should continue to provide unemployment benefits to unemployed people for as long as they are looking for work during this economic downturn, even if it means allowing people to receive unemployment benefits for a longer period of time than usual	78	45	33
The government should take action to make home mortgages more affordable during this economic downturn	71	44	27
The government should help people who are facing foreclosure so that they can stay in their homes	68	39	29

APPENDIX I: SURVEY METHODOLOGY

The December AARP economy survey obtained telephone interviews with a sample of 1097 respondents aged 45 and older drawn at random from the United States. The interviews were conducted in English by Woelfel Research, Inc. from December 12 to December 18, 2008. The results from the study were weighted by age and gender. The margin of sampling error for the random sample of 1097 is $\pm 3.0\%$.

Details on the design and execution of the survey are discussed below.

DESIGN AND DATA COLLECTION PROCEDURES

Sample Design

The RDD sample of 45+ US residents was drawn at random from the United States adult population in telephone households. The telephone sample was provided by STS, Inc. according to WRI specifications. Sample was drawn using standard list-assisted random digit dialing or Weighted (Type B) (RDD) methodology. *Active blocks* of telephone numbers (area code + exchange + two-digit block number) were selected with probabilities in proportion to their share of listed telephone households; after selection, two more digits were added randomly to complete the number. This method guarantees coverage of every assigned phone number regardless of whether that number is directory listed, purposely unlisted, or too new to be listed. Sampled phone numbers were compared against business directories and matching numbers purged.

Questionnaire Development and Testing

The questionnaire was developed by AARP staff. In order to improve the quality of the data, the questionnaire was pretested with a small number of respondents. The pretest interviews were monitored by WRI and AARP staff and conducted using experienced interviewers who could best judge the quality of the answers given and the degree to which respondents understood the questions.

Contact Procedures

Sample was released for interviewing in replicates, which are representative subsamples of the larger sample. Using replicates to control the release of sample ensures that complete call procedures are followed for the entire sample. It also ensures that the geographic distribution of numbers called is appropriate. Calls were staggered over times of day and days of the week to maximize the chance of making contact with potential respondents.

WEIGHTING

The sample was weighted by age and gender. The table below contains information about the weighting. The column labeled “Population” shows the actual age/sex distribution for the 45+ United States population.

The column labeled “Sample” shows the age/sex distribution of the sample. The column labeled “Weighted Sample” shows the age/sex distribution in the sample after the weights were applied. Those respondents who did not provide their age were given a weight of 1. The Weighted Sample Distribution does not match the Population Distribution exactly because of the missing data for age.

	Population*	Sample	Weighted Sample
Male			
45-54	18.895%	9.936%	18.414%
55-64	13.779%	10.757%	13.400%
65+	13.920%	17.320%	13.582%
Not Provided		1.003%	1.003%
Female			
45-54	19.469%	14.859%	18.961%
55-64	14.806%	17.502%	14.403%
65+	19.130%	26.983%	18.596%
Not Provided		1.641%	1.641%

*Source: U.S. Census Bureau, 2007 American Community Survey

STATISTICAL TESTING

The significance testing reported in this study uses the “effective” base size as opposed to either the weighted or unweighted base size. The effective base size is calculated simply as the (sum of the weight factors) squared/sum of the squared weight factors. The formula is as follows:

$$\frac{\sum_{i=1}^n (w_i)^2}{\sum_{i=1}^n w_i^2}$$

Where:

w is the magnitude of the weight, n is the number of cases in the sample, and i is the first case

RESPONSE RATE/COOPERATION RATE/REFUSAL RATE

The response rate for this study measured using AAPOR's response rate 3 method. The cooperation rate was measured using AAPOR's cooperation rate 3 method. The refusal rate was measured using AAPOR's refusal rate 3 method. The table below contains these rates separately for the RDD sample and the boost sample.

Response Rate	Cooperation Rate	Refusal Rate
32%	94%	4%

Source: AAPOR Outcome Rate Calculator Version 2.1 May 2003

DIFFERENCES BETWEEN THE DECEMBER SURVEY SAMPLE AND THE SAMPLE FROM THE APRIL 2008 SURVEY

The December 2008 survey is of adults ages 45+, regardless of their employment status and, therefore, includes respondents who are completely retired, employed full-time or part-time, unemployed and looking for work, not employed and not looking for work, a homemaker, or a student. Of these respondents, 10 percent fall into one of the last three categories: not employed and not looking for work, a homemaker, or a student.

In April 2008, a similar survey of adults ages 45+ was conducted for AARP. However, the April survey excluded individuals who fell into the last three categories above—those who were not employed and not looking for work, a homemaker, or a student.

Because the December survey sample is defined more broadly than the April sample and includes any adults ages 45+ regardless of their employment status, the two samples are not directly comparable. However, a comparison of the findings for the entire December sample and the findings for the subset of the December sample that is comparable to the April sample reveals virtually no differences in responses between the full December sample and the subset of the December sample that is comparable to the April sample. (Most of the December findings change by no more than one percentage point, if at all, after excluding the respondents who are not employed and not looking for work, homemakers, or students.)

For this reason, the report does compare the December results to the April results despite the minor differences between the December and April samples. However, for the sake of completeness, the report displays the results for the December sample in two ways when comparing to the April results. Specifically, when drawing comparisons between the April and December surveys, the report shows the December results based on the entire December sample but also displays in the footnotes (and/or in other notations) the December results based on the subset of the December sample that is comparable to the April sample.

APPENDIX II: ANNOTATED QUESTIONNAIRE

N=1097, Sampling Error =±3.0%.

This annotated questionnaire displays the distribution of responses to each question. For each question, the displayed value of “N” represents the number of respondents, after weighting, who were asked to respond to the question.

Screener

QS1. Are you between the ages of 18 and 44, 45 and 64, or are you 65 years of age or older?

18-44 [ASK TO SPEAK TO SOMEONE IN HOUSEHOLD AGE 45+, IF NOBODY 45+, THANK AND TERM]	
45-64	
65+	
[DO NOT READ] UNDER 18 [ASK TO SPEAK TO SOMEONE IN HOUSEHOLD AGE 45+, IF NOBODY 45+, THANK AND TERM]	
[DO NOT READ] REFUSED [ASK TO SPEAK TO SOMEONE IN HOUSEHOLD AGE 45+, IF NOBODY 45+, THANK AND TERM]	

Main Questionnaire

Q1. What is your current employment status? Are you . . .

Base: Total Respondents		N=1097 %
1.	Completely retired, and <u>not</u> working or looking for work	40
2.	Employed full-time	32
3.	Employed part time	11
4.	Unemployed and looking for work	7
5.	Not employed and NOT looking for work	6
6.	Homemaker	5
7.	Student	<0.5

[IASK IF: employed full time or part time: Q1=2 or 3]

Q1a. Are you self-employed?

Base: Employed full time or part time		N=473
		%
1.	Yes	22
2.	No	78
3.	Don't know	-
4.	Refused	-

[IASK IF: employed full time or part time Q1=2 or 3]

Q1b. Which of the following best describes your work situation? Are you . .

Base: Employed full time or part time		N=473
		%
1.	Retired but working	13
2.	Never been retired and working	88

{ASK IF: unemployed and looking for work: Q1=4}

Q1c. Which of the following best describes your situation? Are you . .

Base: Unemployed and looking for work		N=72
		%
1.	Retired but looking for work	10
2.	Never been retired and looking for work	90

{ASK IF: not employed and not looking for work/homemaker/student: Q1=5, 6, or 7}

Q1d. Which of the following best describes your situation? Are you . .

Base: Not employed and not looking for work/homemaker/student		N=115
		%
1.	Retired {if "not employed and not looking for work" in Q1 and "retired" in Q1d, reclassify as "completely retired" per Q1}	24
2.	Never been retired	76

Resulting Groups:		
Base: Total Respondents		N=1097 %
1.	Completely retired, and <u>not</u> working or looking for work (including respondents who are both “retired” per Q1d AND “not employed and not looking” per Q1): (Q1=1) or (Q1=5 and Q1d=1)	41
2.	Retired, but employed full time or part time: Q1b=1	5
3.	Retired, but looking for work: Q1c=1	1
4.	Retired, and other (homemaker, or student): Q1d=1 and Q1=6or7	1
5.	Never retired, and employed full time or part time: Q1b=2	38
6.	Never retired, and looking for work: Q1c=2	6
7.	Never retired, and other (not employed and not looking, homemaker, or student): Q1d=2	8

{ASK IF: retired and looking for work: Group 3}

Q10d. Are you looking for work because you need more income?

Base: Retired, but looking for work		N=7* %
1.	Yes	88
2.	No	12
3.	Don't know	-
4.	Refused	-

*Small base. Interpret with caution.

Q1e. Are you

Base: Total Respondents		N=1097 %
1.	Married	62
2.	Separated	2
3.	Divorced	13
4.	Widowed	13
5.	Single, never married	10
6.	Don't know	-
7.	Refused	1

**{ASK IF: If (employed and never been retired) or looking for work/never retired:
Group 5 and Group 6}**

Q. 2 At what age do you expect to retire and not work? (Q2-April)

Base: Employed and not retired		N=479
		%
1.	45-59	7
2.	60-74	60
3.	75+	2
4.	I do not expect to retire	15
5.	Refused	17

GO TO Q. 5

{ASK IF: retired and not working: Groups 1, 3, and 4}

Q. 3 At what age did you retire? (Q3-April)

Base: Retired and not working		N=471
		%
1.	18-49	12
2.	50-64	59
3.	65+	23
4.	Refused	6

{ASK IF: retired and working: Group 2}

Q. 4 At what age do you expect to stop working completely? (Q4b-April)

Base: Retired and working		N=59
		%
1.	45-59	7
2.	60-74	19
3.	75+	7
4.	I do not expect to retire	38
5.	Refused	30

Q5. How would you rate the condition of the national economy these days? Is it very good, fairly good, fairly bad, or very bad? (Q5-April)

Base: Total Respondents		N=1097
		%
1.	Very good	1
2.	Fairly good	7
3.	Fairly bad	27
4.	Very bad	64
5.	Don't know	2
6.	Refused	<0.5

Q6a. How have recent changes in the economy affected you or your family? During the past 12 months, have you . . . (ASK EACH YES, NO, NA, or Don't Know)

(RANDOMIZE)

Base: Total Respondents	Yes	No	N/A	DK	REF
N=1097	%	%	%	%	%
Found it more difficult to pay for essential items such as food, gas, and medicine? (Q8a-April)	52	47	<0.5	<0.5	-
Found it more difficult to pay for utilities such as heating, cooling, or phone service:? (Q8b-April)	44	56	<0.5	<0.5	-
Found it more difficult to pay your mortgage or rent? (Q8c-April)	25	62	14	-	-
Postponed plans to travel (Q8e-April)	52	44	4	<0.5	-
Prematurely withdrew funds from your 401(k), IRA, or other investments (Q8m-April)	17	72	10	<0.5	<0.5
Stopped putting money into a 401(k), IRA, or other retirement account (Q8p-April)	36	48	15	<0.5	<0.5
Postponed paying some bills (Q8g-April)	23	76	<0.5	<0.5	<0.5
Reduced the number of times you eat out (Q8h-April)	64	33	3	<0.5	<0.5
Reduced spending on entertainment (Q8i – April)	68	30	2	<0.5	-
Had to rely more on family or friends to help you make ends meet (new)	14	85	<0.5	<0.5	-

Q6b. And, during the past 12 months, have you (ASK EACH YES, NO, NA, or Don't Know)

(RANDOMIZE)

	Yes %	No %	N/A %	DK %	REF %
postponed plans to retire (Q8k-April) Base: Total Respondents (N=1097)	16	54	29	1	<0.5
increased the number of hours you work (Q8q-April) Base: Total Respondents (N=1097)	14	59	26	-	<0.5
taken a second job (Q8s-April) Base: Total Respondents (N=1097)	7	78	16	-	-
lost a job? (Q9h-April) Base: Total Respondents (N=1097)	9	73	18	-	-
{if not retired: Groups 2,5,6,7} started putting more of your income into retirement accounts Base: Not Retired (N=626)	7	85	8	<0.5	-
{if not retired: Groups 2, 5,6,7} started putting less of your income into retirement accounts Base: Not Retired (N=626)	36	53	10	1	-

{ASK IF: married}

Q6c. And, during the past 12 months, has {RANDOMIZE ORDER}

Base: Married Respondents N=679	Yes %	No %	N/A %	DK %	REF %
{if married per Q2} your spouse postponed plans to retire (Q8l-April)	18	65	15	2	-
{if married per Q2} your spouse taken a second job (Q8t-April)	6	85	9	-	-
{if married per Q2} your spouse lost a job? (Q9i-April)	7	83	10	-	-

Q7. During the past 12 months, have you or someone in your household received unemployment benefits? (new)

Base: Total Respondents	N=1097
1. Yes	9
2. No	90
3. Don't know	<0.5
4. Refused	<0.5

Q8. During the past 12 months, have you {or your spouse if married} lost money in mutual funds, individual stocks, or other investment accounts, such as a 401(k), 403(b), IRA, or employee stock options?

Base: Total Respondents		N=1097
		%
1.	Yes	59
2.	No	31
3.	Haven't had these investment in the past 12 months/Don't have these investments {Record if offered, but don't read}	8
4.	Don't know	1
5.	Refused	<0.5

{ASK IF: ((never retired and working/looking for work) or (retired and working/looking for work)) and lost money per Q8: (Groups 2,3,5,6) AND (Q8=1)}

Q8b. As a result of the recent decrease in the value of mutual funds, stocks, 401(k)s, IRAs, or other investments that you might own, do you expect to delay retirement and work longer?

Base: Never retired and working/looking for work/retired and working/looking for work and lost money		N=378
		%
1.	Yes	57
2.	No	36
3.	Don't know	6
4.	Refused	-

{ASK IF: (retired and not working) or (retired and looking for work) or (retired and working): Groups 1,2,3,4}

Q9. Has your retirement income declined during the past 12 months because of falling interest rates or declines in the stock market?

Base: Retired and not working or retired and looking for work or retired and working		N=531
		%
1.	Yes	34
2.	No	62
3.	Don't know	4
4.	Refused	-

{ASK IF: (retired and not working) or (retired and not looking for work): Group 1}
 Q10a. During the past 12 months, have you . . . (always ask first: “looked for a job . . .”; record only one response) (interviewer note: if respondent says that they looked for a job or thought about returning to work but reason was **not** related to a need for income, mark “no” and continue)

	Yes %	No %	DK %	REF %
Looked for a job because you need more income, but could not find a job {Interviewer: If respondent says “yes”, record and skip to next question} Base: Retired and not working or retired and not looking for work N=454	8	92	<0.5	-
{only if “No” or “Don’t Know” or “refused” to above item;} Thought about returning to work because you need more income Base: Have not looked for a job N=418	18	82	<0.5	<0.5

{ASK IF: retired and working: Group 2}

Q10b. During the past 12 months, did you return to work after retiring?

Base: Retired and working		N=59 %
1.	Yes	23
2.	No	77
3.	Don’t know	-
4.	Refused	-

ASK IF: retired and working: Group 2}

Q10c. Did you return to work after retiring because you needed more income?

Base: Retired and working		N=59 %
1.	Yes	35
2.	No	65
3.	Don’t know	-
4.	Refused	-

{ASK IF: (never retired and not working) or (never retired and not looking for work) or (any homemaker or student): Groups 4 and 7}

Q10e. During the past 12 months, have you (always ask first: “looked for a job . . .”; record only one response) (interviewer note: if respondent says that they looked for a job or thought about looking for a job but reason was not related to a need for income, mark “no” and continue.)

	Yes %	No %	DK %	REF %
Looked for a job because you need more income, but could not find a job {Interviewer: If respondent says “yes”, record and skip to next question} Base: Never retired and not working or never retired and not looking for work or any homemaker or student N=98	15	85	1	-
{only if “No” or “Don’t Know” or “refused” to above item;} Thought about returning to work because you need more income Base: Have not looked for a job N=83	36	63	2	-

Q11. How concerned are you, if at all, about being able to pay your health care bills during the next 12 months? [READ LIST]

Base: Total Respondents		N=1097 %
1.	Very concerned	29
2.	Somewhat concerned	26
3.	Not very concerned	18
4.	Not at all concerned	26
5.	[DON’T READ] Don’t know	<0.5
6.	Refused	<0.5

Q12. How concerned are you, if at all, about being able to afford your mortgage or rent payments over the next 12 months? ? [READ LIST]

Base: Total Respondents		N=1097 %
1.	Very concerned	18
2.	Somewhat concerned	15
3.	Not very concerned	14
4.	Not at all concerned	35
5.	[DON’T READ] Don’t know	<0.5
6.	Refused	<0.5

Q13. How likely is it that you will lose your health insurance coverage or that your health insurance benefits will be reduced in the next 12 months? (new) [READ LIST]

Base: Total Respondents		N=1097
		%
1.	Very likely	12
2.	Somewhat likely	17
3.	Not very likely	25
4.	Not at all likely	38
5.	Don't know	7
6.	Refused	1

{ASK IF: employed, but not self-employed: (Q1=2 or 3) AND (Q1a=No, DK, or Ref)}
 Q14a. How likely is it that your job could be eliminated within the next year? (Question from 2007 Staying Ahead of the Curve survey) [READ LIST]

Base: Employed, but not self-employed		N=367
		%
1.	Very likely	9
2.	Somewhat likely	22
3.	Not very likely	38
4.	Not at all likely	28
5.	Don't know	4
6.	Refused	<0.5

{ASK IF: self-employed: Q1a=1}

Q14b How likely is it that you will have to give up working for yourself within the next year? (Question from 2007 Staying Ahead of the Curve survey ;) [READ LIST]

Base: Self-employed		N=105
		%
1.	Very likely	8
2.	Somewhat likely	14
3.	Not very likely	28
4.	Not at all likely	49
5.	Don't know	2
6.	Refused	-

Q15. The economic downturn of the past few months has led some to suggest steps the government might take. Now, as I read the following statements, please tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree:
 {Randomize order of statements} (new questions)

Base: Total Respondents N=1097	Agree		Disagree		DK %	REF %
	Strongly %	Somewhat %	Somewhat %	Strongly %		
a. The government should take action to make home mortgages more affordable during this economic downturn	44	27	13	12	4	1
b. The government should help people who are facing foreclosure so that they can stay in their homes	39	29	15	12	5	<0.5
c. The government should continue to provide unemployment benefits to unemployed people for as long as they are looking for work during this economic downturn, even if it means allowing people to receive unemployment benefits for a longer period of time than usual	45	33	11	8	2	<0.5
d. The government should help people who have lost their jobs keep their health insurance or purchase affordable health insurance during this economic downturn	54	29	8	7	2	<0.5

Q16. Overall, how confident are you that you {if married: and your spouse} will have enough money to live comfortably throughout your retirement years? {Q26-April survey} [READ LIST]

Base: Total Respondents		N=1097
		%
1.	Very confident	17
2.	Somewhat confident	43
3.	Not too confident	24
4.	Not at all confident	14
5.	Don't know	3
6.	Refused	<0.5

{ASK IF: (employed and not retired) or (retired and working): Groups 2 and 5}

Q17. In the past 12 months, have you taken out a loan from your retirement plan? (Q27-April)

Base: Employed and not retired or retired and working		N=473
		%
1.	Yes	7
2.	No	89
3.	Have not had a retirement plan in past 12 mos/Don't have a retirement plan {record if offered, but don't read}	5
4.	Don't know	-
5.	Refused	-

Q18. As a result of a tax credit called "the Saver's Credit," people with low and moderate incomes can have their taxes reduced if they save money for retirement in certain types of retirement accounts, such as an IRA. Before today, had you heard of this tax credit?

Base: Total Respondents		N=1097
		%
1.	Yes	20
2.	No	79
3.	Don't know	2
4.	Refused	<0.5

Demographics:

D1. RECORD Gender

Base: Total Respondents	N=1097	%
1. Male	46	
2. Female	54	

D2. What is the highest grade you completed – is it...?

Base: Total Respondents	N=1097	%
1. Grade school or elementary school	3	
2. Some high school	9	
3. High school graduate	24	
4. Technical or vocational school	8	
5. Some college	25	
6. College graduate (4 years)	18	
7. Post graduate studies	13	
8. Refused	1	

D3. What is your age? (Capture exact age)

Base: Total Respondents	N=1097	%
1. 45-54	37	
2. 55-64	28	
3. 65+	32	
4. Refused	3	

D4. Are you of Spanish or Hispanic origin?

Base: Total Respondents	N=1097	%
1. Yes	4	
2. No	96	
3. Don't know	-	
4. Refused	<0.5	

D5. What best describes your race?

Base: Total Respondents		N=1097
		%
1.	White	85
2.	Black or African American	8
3.	Asian American	1
4.	Native American	1
5.	Hispanic	2
6.	Other	2
7.	Don't know	-
8.	Refused	1

D6. What is your annual household income, before taxes?

Base: Total Respondents		N=1097
		%
1.	Under \$10,000	7
2.	\$10,000 - \$19,999	11
3.	\$20,000 - \$29,999	12
4.	\$30,000 - \$49,999	17
5.	\$50,000 - \$74,999	15
6.	\$75,000 - \$99,999	10
7.	\$100,000 or over	11
8.	Don't know	6
9.	Refused	13

D7. Are you or your spouse a member of AARP?

Base: Total Respondents		N=1097
		%
1.	Yes	42
2.	No	57
3.	Don't know	1
4.	Refused	1

D8. Do you own your home or rent?

Base: Total Respondents		N=1097
		%
1.	Own	83
2.	Rent	14
3.	Other	3
4.	Don't know	<0.5
5.	Refused	1

D9. Do you or your spouse have a traditional pension that your employer provides and which you do not have to contribute money to?

Base: Total Respondents		N=1097	%
1.	Yes	34	
2.	No	62	
3.	Don't know	3	
4.	Refused	1	

D10. Do you or your spouse have a 401(k) plan that you invest money in and which your employer may or may not provide a match?

Base: Total Respondents		N=1097	%
1.	Yes	39	
2.	No	58	
3.	Don't know	2	
4.	Refused	1	

D11. Do you or your spouse have an IRA?

Base: Total Respondents		N=1097	%
1.	Yes	43	
2.	No	54	
3.	Don't know	2	
4.	Refused	2	

D12. Do you or your spouse have individually purchased stocks or bonds?

Base: Total Respondents		N=1097	%
1.	Yes	37	
2.	No	61	
3.	Don't know	1	
4.	Refused	2	

D13.Do you or your spouse have mutual funds?

Base: Total		N=1097
Respondents		%
1.	Yes	37
2.	No	59
3.	Don't know	3
4.	Refused	2