

Working Americans and Retirement Planning: Worries About the Bottom Line

While more workers have done a retirement savings needs calculation, this has not translated into increased retirement confidence. Less than half of workers are very confident they are investing their retirement savings wisely. It would seem that as workers have begun to focus on retirement and their saving and planning for retirement, the reality of what they will need has been a cold slap in the face. This is good news because it is the first step to action ensuring retirement income security.

Americans' overall confidence that they will have enough money for a comfortable retirement is similar to last year. Twenty-four percent are very confident, 44 percent are somewhat confident, and 31% are not confident.

However:

- 72 percent of workers have money earmarked for retirement in an account in their name; meaning that 28 percent—more than a quarter of workers— have nothing set aside for retirement
- Worker confidence in their financial preparations for retirement has dropped in the past year:

	1997	1998
Very confident that you are doing a good job	32%	25%
Somewhat confident	44	47
Not confident	23	28

Percentage of Workers Who Have Tried to Figure Out How Much They Need to Save for Retirement

1998	45%
1997	36
1996	32

Who Will Pay for My Retirement?

When asked what they expected to be their most important retirement income source, the percentage expecting it to be personal savings showed a significant drop from 1997. What changed? One possibility is that as more people focus on retirement and figure out what they will need, and know what they have already put aside, confidence in their ability to save enough for retirement decreases.

	1997	1998
Personal saving	51%	39%
Employer funded dollars	24	26
Social Security	12	13
Employment	9	10
Sale of home or business	na	4
Inheritance	na	2
Support from children/family	1	1
Other government programs	na	1