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## No surprise: Most Americans still not saving

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By Editor Test    Thu, Mar 21, 2013

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*A new survey shows yet again that most Americans don't save much. Given the trillions that currently sit in 401(k) plans and IRA accounts, this suggests that a minority of Americans must be saving a lot.*

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Less than half of U.S. workers are taking the steps necessary to prepare for retirement, according to the 23<sup>rd</sup> annual Retirement Confidence Survey from the Employee Benefit Research Institute and Mathew Greenwald & Associates, a survey firm.

Among workers surveyed, 57% reported less than \$25,000 in total household savings and investments (excluding the value of their primary homes and any defined benefit pension plans).

The report adds additional evidence to the well-known facts that a significant percentage of America's full-time workers don't have access to a workplace retirement savings plan and only a small minority of those who do are on track to save enough to retire on—now estimated to be as much as 10 times their final salaries.

Some people can't win for losing: 55% of workers and 39% of retirees report high debt loads. According to Matt Greenwald, "Only about half of workers and a comparable number of retirees say they could definitely come up with \$2,000 if an unexpected need arose within the next month."

Among the other major findings in this year's RCS:

**Job uncertainty falling.** Thirty percent of workers and 27% of retirees say "job uncertainty" is their biggest problem, down from 42% of all workers a year ago.

**Savings prevalence declines.** Sixty-six percent of workers report that they and/or their spouses have saved for retirement, down from 75% in 2009.

**Those who have workplace retirement plans use them.** Eighty-two percent of eligible workers say they participate in such a plan with their current employer; and another 8% of eligible workers report they have money in such a plan, but are not contributing.

**Daily expenses hurt savings.** Forty-one percent of eligible workers say they don't contribute or don't contribute more to their plans because of the "cost of living" and "day-to-day expenses."

**Health care costs are a worry.** Sixteen percent of workers are "not at all confident" about their ability to pay for basic expenses, 29% were concerned about medical expenses and 39% were concerned about long-term care expenses.

**Many ignorant about retirement needs.** Forty-five percent of workers guess at how much they will need to accumulate for retirement; 18% did their own estimate, 18% asked a financial advisor, 8% used an on-line calculator and 8% read or heard how much was needed.

**Few seek or take professional advice.** Just 23% of workers and 28% of retirees report obtaining investment advice from a professional financial advisor who was paid through fees or commissions. Of those, 27% followed all of it, 41% followed most and 27% followed some.

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