



2012 Retirement Confidence Survey of the State and Local Government Workforce

Joshua M. Franzel, Ph.D.
Vice President of Research
Center for State and Local Government Excellence

Paul J. Yakoboski, Ph.D.
Senior Economist
TIAA-CREF Institute

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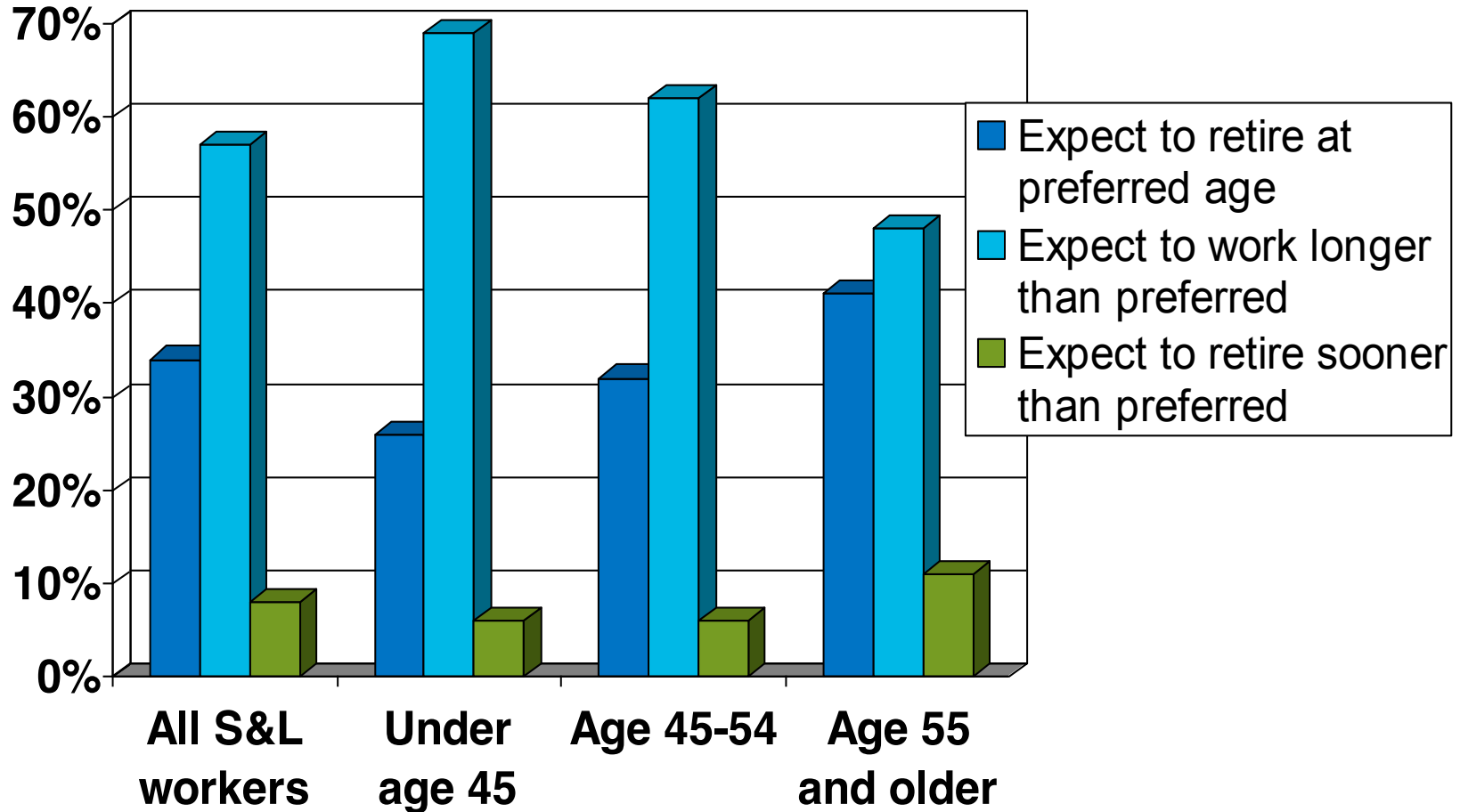
Topics covered with public sector workers

- ✓ Expectations regarding retirement
- ✓ Planning and saving for retirement
- ✓ Use of advice
- ✓ Retiree health care
- ✓ Converting savings to income
- ✓ Overall retirement confidence

Implicit message in the results:

Public sector workers are anxious regarding their retirement income security, despite near universal pension coverage and personal saving. Funding retiree health care is a particular area of concern.

State and local government workers generally expect to work longer than they would like

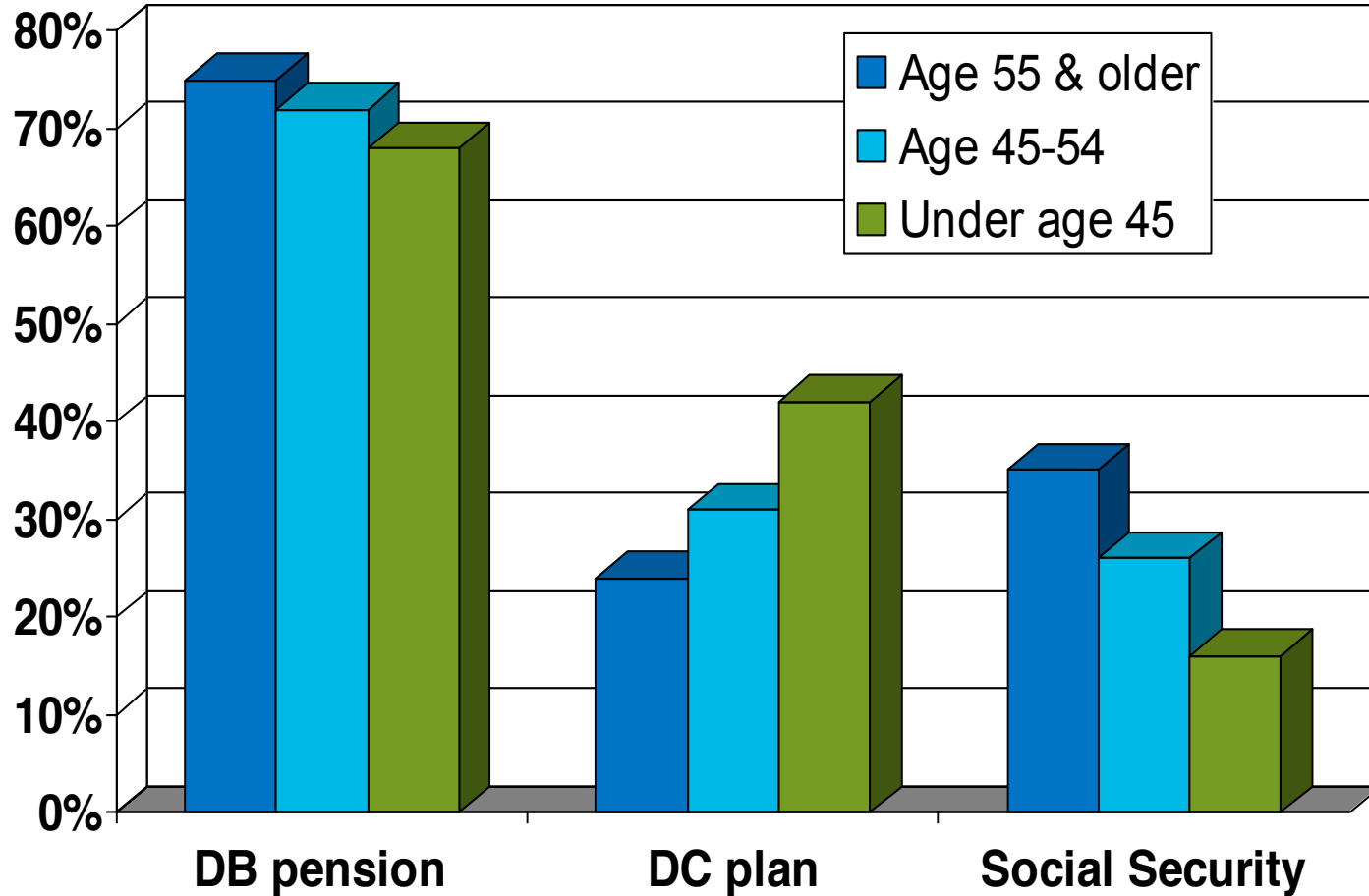


Most expect a pension to be a major source of retirement income

Percentage expecting each resource to be a major source of retirement income

	S&L Workers	Teachers	Police/ Firefighters	U.S. Workers
Defined benefit pension	72%	79%	87%	28%
Defined contribution plan	31	31	23	52
Social Security	27	22	11	29
IRA (Individual Retirement Account)	16	16	10	21
Other savings	15	15	10	23
Employment	15	14	15	21

Expectations for major sources of retirement income vary with worker age



Most public sector workers are saving for retirement

- 91% of state and local workers have saved for retirement
- 84% are currently saving

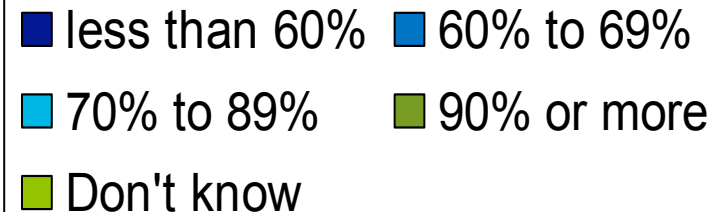
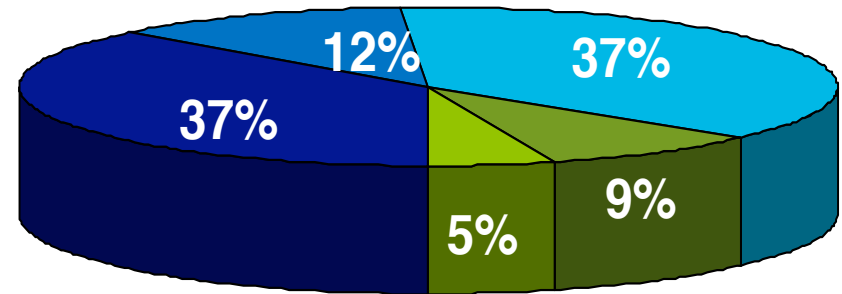
Confidence among savers that they are saving the right amount for retirement...

	All State and Local Workers	Teachers	Police/ Firefighters
Very confident	16%	16%	25%
Somewhat confident	53	53	61
Not confident	31	31	13

Most public sector workers are saving, but are they planning?

- Only 50% of retirement savers have tried to determine how much money they will need to accumulate for a comfortable retirement.
- Even among these, many do not appear to have a realistic view of how much of their income they will need to replace in retirement.

How much income do you need to replace in retirement?



Savers are more confident in their investment decisions than in the amount being saved

Confidence among savers that they are investing their retirement savings appropriately...

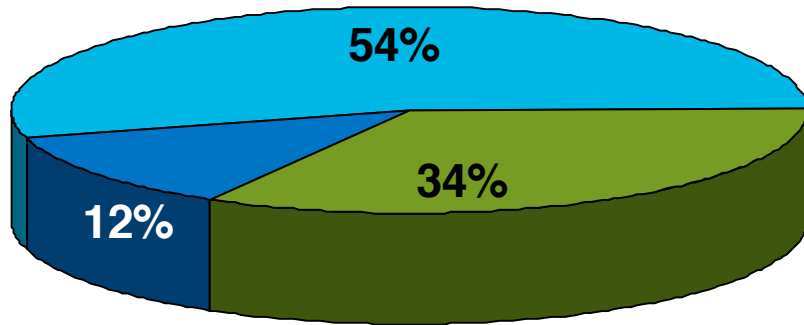
	All State and Local Workers	Teachers	Police/ Firefighters
Very confident	27%	22%	34%
Somewhat confident	54	60	58
Not confident	18	17	7

Use of advice among retirement savers

	All S&L Workers	Under age 45	Age 45-55	Age 55 & older
Received retirement planning advice within the past 3 years	51%	45%	51%	54%
<i>Received advice regarding...</i>				
How much to save	79%	86%	78%	76%
How to invest savings	83	80	83	84
When can afford to retire	67	61	69	70
Drawing income from savings	61	47	57	71

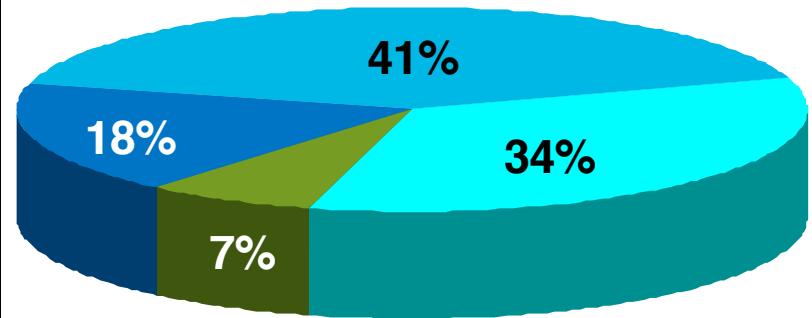
Advice received is not necessarily advice followed

Among those advised to increase savings amount...



- Increased as recommended
- Increased somewhat
- Did not change savings rate

Among those who received investment advice...



- Followed all the advice
- Followed most of the advice
- Followed some of the advice
- Followed none of the advice

Retiree Health Care: Confidence

Confidence in Ability to Pay for Medical Care in Retirement Among State and Local Government Employees

	S&L Employees	Teachers	Police/ Firefighters	U.S. Workers
Very Confident	22%	17%	26%	13%
Somewhat Confident	49	54	51	44
Not Too Confident	20	21	15	22
Not at all confident	9	7	7	19
Don't know	1	1	<0.5	2

Retiree Health Care: Planning

Planning (and saving) for Medical Expenses in Retirement Among State and Local Government Employees

	S&L Employees	Teachers	Police/ Firefighters
A great deal	8%	6%	11%
Somewhat	33	30	42
Hardly at all	23	29	25
Not at all	35	34	22
Don't know	1	1	<0.5

Retiree Health Care: Medicare

Confidence in Future Medicare Benefit Levels Among State and Local Government Employees

	S&L Employees	Teachers	Police/ Firefighters	<45	45-54	55+	U.S. Workers
Very Confident	5%	3%	6%	1%	2%	10%	5%
Somewhat Confident	29	30	28	20	28	36	28
Not Too Confident	38	42	39	39	45	33	38
Not at all confident	26	24	27	38	24	20	29
Don't know	1	1	<0.5	2	1	1	<0.5

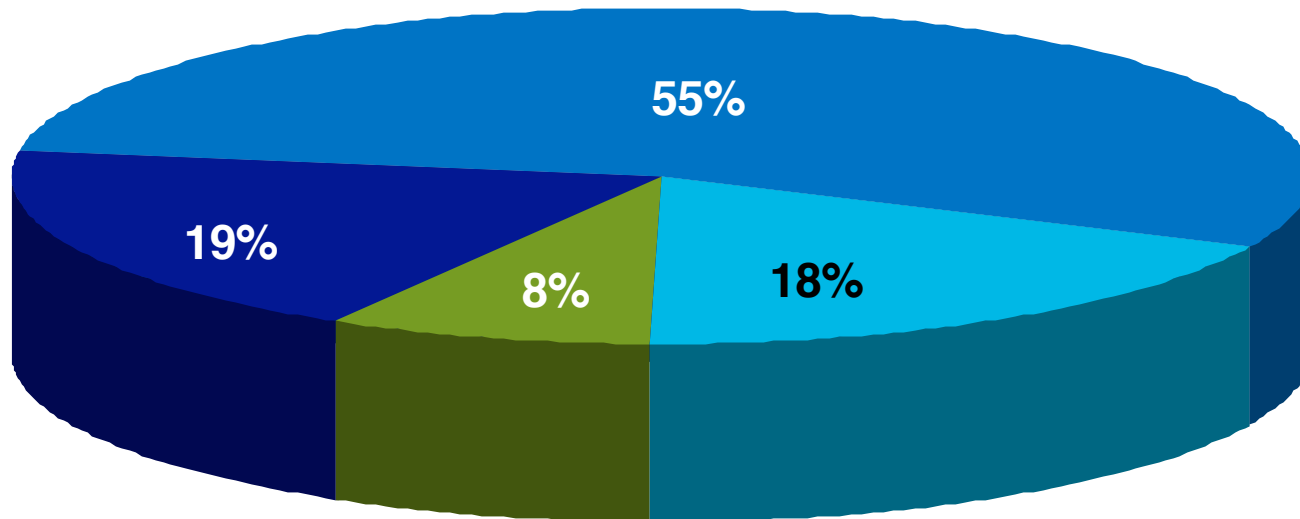
Converting Savings to Income

The extent respondents have considered how to manage savings in retirement and draw income from it...

	All State and Local Employees	<45	45-54	55+
A great deal	24%	14%	25%	30%
Somewhat	52	50	52	54
Hardly at all	16	24	17	10
Not at all	6	11	5	4

Retirement Confidence in the Public Sector

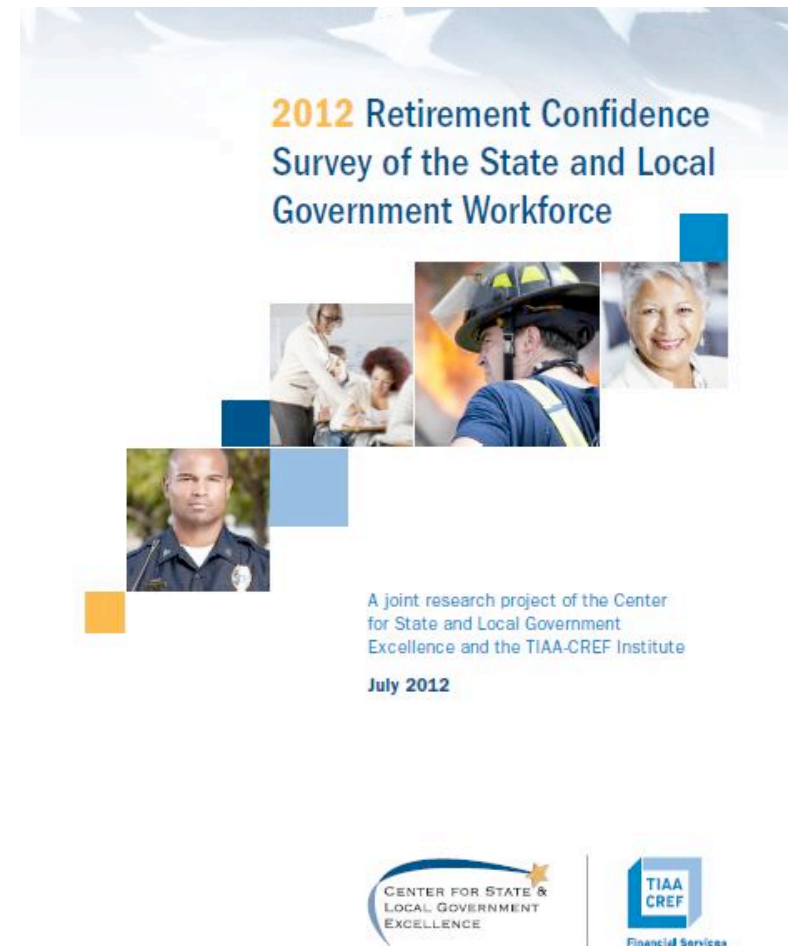
Overall, how confident are you that you will have enough money to live comfortably throughout your retirement years?



Downloading a copy of the report...

You can access a full copy of the report on the SLGE and TIAA-CREF Institute Websites:

- slge.org
- tiaa-crefinstitute.org



QUESTIONS?

Joshua M. Franzel, Ph.D.

Vice President of Research

Center for State and Local Government Excellence

jfranzel@slge.org

<http://slge.org>

Paul J. Yakoboski, Ph.D.

Senior Economist, TIAA-CREF Institute

pyakoboski@tiaa-cref.org

<http://www.tiaa-crefinstitute.org>