

The Principal Financial Well Being Index –Summary

1st Quarter 2009

This Principal Financial Well-Being IndexSM survey was conducted online within the United States by Harris Interactive on behalf of the Principal Financial Group® between January 26th and February 9, 2009 among 1,155 employees and 540 retirees. This is one in a series of quarterly studies to identify and track changes in the workplace of small and mid-sized (growing) businesses. The first Principal Financial Well-Being IndexSM survey was conducted in the United States in 2000.

Employees consisted of adults 18+ who work at small and mid-sized (SMB) U.S. businesses (firm size 10-1,000 employees). Retirees consisted of adults age 60+ who reported they are retired or those who are employed part-time or self-employed and have retired from a previous career. Results were weighted as needed for age by gender, education, race/ethnicity, education, region and household income. Propensity score weighting was also used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words "margin of error" as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the entire population of adult employees working for small to mid-sized U.S. businesses and retirees. Because the sample is based on those who agreed to be invited to participate in the Harris Interactive online research panel, no estimates of theoretical sampling error can be calculated.

Featured Key Findings

Employee and Retiree Comparisons

- Politics/Economy - The majority of employees (73%) and retirees (63%) stated the economy/jobs should be President Obama's primary focus. Nearly half of employees (49%) and retirees (53%) agreed that they are confident in the Obama administration's ability to deal with the economic crisis and bring this country out of a recession. Respondents were split on the expected state of the economy at the end of 2009. About a third of employees (35%) and retirees (33%) expect the current economic crisis to be better than it is today by the end of 2009. A quarter or so of both retirees (27%) and employees (24%) expect the economy to be worse at the end of 2009 than it is today.
- Financial Well Being - Significantly fewer retirees (63%) than employees (74%) are very or somewhat concerned about their long-term financial future. However, this percentage (63%) of retirees concerned about their long-term financial future is up significantly from 1st quarter 2008 (49%). Additionally, the percentage of retirees (33%) agreeing that they are extremely happy about their current financial well being is down significantly from 1st quarter 2008 (46%).
- Investment Changes – Twenty-seven percent of employees with retirement savings are making changes to their investments (up significantly from 4th quarter 2008 when 18% reported making changes) – 23% to stable and 4% to volatile. Significantly more employees (23%) this quarter are moving to stable investments compared to 4th quarter of 2008 (14%). Similar to employees, 24% of retirees have moved to more stable investments.
- Economy's Impact on Spending - When asked how the current economy has impacted their overall spending in the past two months, two thirds of retirees (66%) and nearly three fourths of employees (73%) have reduced their overall spending to some degree, both up significantly from 4th quarter 2008. The top trigger to get employees spending again (43%) was a major personal tax cut and the top trigger to get retirees spending again was a significant rise in the stock market (40%).
- Income Tax Refunds – Seventy-eight percent of employees expect to receive a tax refund for 2008, while significantly fewer retirees (45%) expect a refund. When asked what they plan to do with the refund, employees (41%) and significantly fewer retirees (19%) plan to pay down or pay off short-term debts. Four in ten employees and a third of retirees plan to save or invest their refund.

Employees Only

- Benefits- The availability of health insurance, defined contribution plans, life insurance, free parking tuition reimbursement, flex time, defined benefit plans, child care subsidies, and on-site day care have decreased significantly when compared to 1st quarter 2008. Employees continue to rate health insurance as the most important benefit, followed by defined contribution plans, dental insurance, disability insurance, and defined benefit plans. Health insurance is the benefit most employees would like to see their company improve upon.
- Health Coverage Changes – Four out of ten employees (43%) have not seen health coverage changes in the past 12 months. Nearly three out of ten employees have seen increased employee co-pays (29%) and increased employee deductibles (29%).
- Job Security – Job security continues to top the importance chart when compared to long-term financial future and challenging work. Six out of ten employees ranked job security as most important to them. When asked what concerns they have about their company in the next year, the most common concern cited was that their company will reduce the number of employees, mentioned by 46% of employees (up significantly from 4th quarter of 2008 when 41% expressed this as a concern).
- Planning for Job Loss - Employees were asked what actions they have taken, if any, to prepare for a potential lay off from their employer. The most common action taken by employees to prepare for a potential lay off was to cut spending on miscellaneous items such as eating out, take out coffee, entertainment, and other consumer purchases, reported by 43% of employees. Nearly a quarter (23%) of employees have tried to put aside more money in savings each month, while 19% have cut some of their fixed monthly expenses such as gym memberships, media subscriptions and cable TV.
- Retirement Savings – Nearly six out of ten (59%) employees said they have not changed the amount they are saving towards retirement in the past six months. Fourteen percent of employees have increased the amount they are saving, up significantly from 11% in 4th quarter 2008. Although only 7% of employees reported that they have reduced the amount they are saving for retirement, this is a significant increase from 4th quarter 2008 (4%). Twenty percent of employees indicated they are not currently saving for their retirement.
- 401(k) Changes - Employees participating in their employer's defined contribution plan were asked what changes they have made, if any, to their 401(k) account in the past 6 months due to current economic conditions. Consistent with 4th quarter 2008, 10% indicated they have made some type of change to their 401(k) – 5% have decreased the amount they are contributing to their 401(k), 4% have stopped contributing to their 401(k) account, 2% have taken out a loan from their 401(k) account, and 1% has taken out a hardship withdrawal. Employees who have made changes to their 401(k) account have made these changes most commonly to pay daily expenses (45%) or to pay down debt (26%).
- Disability Income Insurance – Employees were asked a number of questions related to their knowledge of individually purchased disability income insurance.
 - Respondents were provided a list of potential things (see a doctor for stress, anxiety or depression, are involved in a motor vehicle accident, suffer a bad back, become seriously ill or die) that could happen and asked which is most likely to happen over the course of a year. Approximately seven out of ten employees (69%) said none of these things are most likely to happen.
 - Forty-five percent of employees feel not at all knowledgeable about individually owned disability insurance.
 - Fourteen percent of employees personally own a disability income insurance policy on themselves, a significant decrease from 1st quarter 2008 when 18% reported owning such a policy. Only 7% of employees' spouses own a disability income insurance policy.

Retiree Only

- Required Minimum Distribution - When retirees were asked of their awareness of the temporary suspension of Required Minimum Distribution in 2009, nearly six out of ten (55%) indicated they were not aware of this change. Sixteen percent said they would still take their distributions, with 10% indicating they would take their full distributions while 6% thought they would only take some of their distributions. Another 13% said they definitely would not take any distributions in 2009 and 11% were not sure. The majority of retirees interviewed (59%) indicated this does not yet apply to them as they are not yet 70 ½ years old.

Section I-Employee and Retiree Comparison Questions

Financial Well Being

In measuring attitudes and perceptions about financial well being, a series of different questions were asked. First, employees and retirees were asked to identify how much they agreed with some statements relating to how concerned they are about their long-term financial future and how happy they are about their current well being. According to Table 1, 74% of employees, up significantly from 1st quarter 2008 (67%), agree somewhat or completely that they are very concerned about their long-term financial future, while 30% of employees somewhat or completely agree that they are extremely happy with their current financial well being. One in five employees agree that they have not yet planned for retirement, down from 1st quarter 2008 (26%).

Significantly fewer retirees (63%) than employees (74%) are very or somewhat concerned about their long-term financial future. However, this percentage (63%) of retirees concerned about their long-term financial future is up significantly from 1st quarter 2008 (49%). Additionally, the percentage of retirees (33%) agreeing that they are extremely happy about their current financial well being is down significantly from 1st quarter 2008 (46%).

Table 1

"Please indicate the extent to which you agree or disagree with the following statements..."

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees and 540 retirees

(% of respondents agreeing completely or somewhat)	1 Qtr 2009		1 Qtr 2008		1 Qtr 2007		1 Qtr 2006 EE	1 Qtr 2005 EE
	Retiree	EE	Retiree	EE	Retiree	EE		
I am very concerned about my long-term financial future.	63%sig*	74%SIG	49%	67%	53%	73%	73%	75%
I am extremely happy about my current financial well-being	33%*	30%	46%	33%	44%	29%	27%	27%
I have not yet planned for retirement savings/security.	N/A	20%SIG	N/A	26%	N/A	24%	30%	28%

SIG= varies significantly (95% level) from previous employee comparison

sig – varies significantly (95% level) from retiree and employee comparison

* - varies significantly (95% level) from previous retiree comparison

Income Tax Refunds

Among those employees who have a feeling for whether or not they will receive a federal or state tax refund for 2008, 78% expect to receive a refund, a significant drop from 1st quarter 2008 (83%). Significantly fewer retirees (45%) than employees (78%) expect to receive a tax refund this year.

When asked what they plan to do with the refund, employees (41%) and significantly fewer retirees (19%) plan to pay down or pay off short-term debts. Four in ten employees and a third of retirees plan to save or invest their refund.

Table 2

“Do you expect to receive a federal or state tax refund for 2008?”

Base: 966 employed U.S. adults in firms of 10-1,000 employees and 425 retirees who have a feeling for whether or not they will receive a federal or state tax refund for 2008.

	1 Qtr 2009		1 Qtr 2008		1 Qtr 2007		1 Qtr 2006
	Retiree	EE	Retiree	EE	Retiree	EE	EE
Yes	45%<i>sig</i>	78%<i>SIG</i>	46%	83%	40%	83%	84%
No	55%<i>sig</i>	22%<i>SIG</i>	54%	17%	60%	17%	16%
	N=420	N=966	N=461	N=1,139	N=436	N=998	N=1,148

SIG= varies significantly (95% level) from previous employee comparison

sig – varies significantly (95% level) from retiree and employee comparison

* - varies significantly (95% level) from previous retiree comparison

Table 3

“What do you plan to do with your tax refund? Please select all that apply.”

Base: 743 employed U.S. adults in firms of 10-1,000 employees and 212 retirees who expect to receive a refund

	1 Qtr 2009		1 Qtr 2008		1 Qtr 2007		1 Qtr 2006
	Retiree	EE	Retiree	EE	Retiree	EE	EE
Pay down or pay off short-term debts	19%<i>sig</i>	41%	16%	45%	15%	44%	44%
Save or invest the refund	33%	40%	40%	40%	43%	41%	38%
Pay down or pay off longer-term debts	16%	20%	10%	22%	7%	14%	17%
Spend on consumer products - clothing, electronics, etc.	12%*	13%	6%	13%	5%	12%	16%
Spend on a big ticket item	2%	7%	2%	6%	2%	5%	7%
Other	9%	13%<i>SIG</i>	13%	9%	10%	11%	10%
Not Sure	21%<i>sig</i>	7%	21%	7%	24%	8%	8%
	N=212	N=743	N=216	N=932	N=193	N=814	N=945

SIG= varies significantly (95% level) from previous employee comparison

sig – varies significantly (95% level) from retiree and employee comparison

* - varies significantly (95% level) from previous retiree comparison

Investment Changes

Changing market conditions can spur some individuals to make changes to their investments. To measure what changes are being made, employees and retirees were asked to identify if and how they are moving their retirement savings. Based upon their responses, 73% of employees who have retirement savings are not making changes to their investments while 27% are (up significantly from 4th quarter 2008 when 18% reported making changes) – 23% to stable and 4% to volatile. Significantly more employees (23%) this quarter are moving to stable investments compared to 4th quarter of 2008 (14%).

Nearly three quarters of retirees (74%) have not made any investment changes. Similar to employees, 24% of retirees have moved to more stable investments.

Table 4

“Given the current stock market and economic conditions, have you made changes in how you have your retirement savings invested?”

Base: Those with retirement savings

	1 Qtr 2009		4 Qtr 2008		3 Qtr 2008		2 Qtr 2008		4 Qtr 2007		4 Qtr 2005
	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE	
Yes, I moved from more volatile to more stable investments	24%	23% SIG	20%	14%	22%	13%	19%	22%	18%	15%	15%
Yes, I moved from more stable to more volatile investments	3%	4%	2%	4%	3%	5%	4%	5%	3%	6%	9%
No, I have not made any changes	74%	73% SIG	77%	82%	75%	82%	77%	74%	79%	79%	77%
	N=393	N=932	N=507	N=999	N=592	N=1186	N=523	N=955	N=431	N=967	N=1,007

SIG= varies significantly (95% level) from previous employee comparison

Respondents were also asked if they have made changes to where their money is invested in the past 6 months in order to feel more financially secure. The majority of both retirees (79%) and employees (77%) said they have not made changes. Of those who have made changes, the most common places to put their investments are 401(k) accounts, bank accounts, money market accounts, and CDs.

Compared to last quarter, employees are significantly more likely to put their investments in their 401(k), bank accounts, stocks, or IRAs. Furthermore, retirees are more likely to put their investments in stocks and less likely in annuities.

Please see Table 6 for details.

Table 5

“Have you made changes to where your money is invested in the past 6 months in order to feel more financially secure?”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees and 540 retirees

	1 Qtr 2009		4 Qtr 2008	
	Retiree	EE	Retiree	EE
Yes	21%	23% SIG	17%	18%
No	79%	77% SIG	83%	82%

SIG= varies significantly (95% level) from previous employee comparison

Table 6*"Where have you decided to put your investments?"*

Base: 274 employees and 149 retirees who have made changes to their investments

	1 Qtr 2009		4 Qtr 2008	
	Retiree	EE	Retiree	EE
401(k)	N/A	39% SIG	N/A	25%
Bank account	31%	33% SIG	23%	23%
Money market account	40%	31%	39%	28%
CDs	37%	27%	43%	29%
IRA	13% sig	27% SIG	8%	12%
Stocks	28%*	23% SIG	13%	13%
Bonds	26%	21%	22%	17%
Treasuries	7%	13%	4%	9%
Annuities	10%*	8%	24%	13%
Vault/mattress	2%	8%	3%	5%
Gold	3%	6%	6%	3%
Other	21%	11%	13%	13%

SIG= varies significantly (95% level) from previous employee comparison

sig – varies significantly (95% level) from retiree and employee comparison

* - varies significantly (95% level) from previous retiree comparison

Employees and retirees were asked to describe their retirement account monitoring behavior. Four out of ten retirees (42%) and nearly half employees indicated they check their retirement account on a regular basis. Only about one out of ten retirees and employees constantly monitor their account for any fluctuations. Twelve percent of employees and significantly fewer (4%) retirees are afraid to check their account given current market conditions.

Table 7*"How would you describe yourself when it comes to monitoring the balance of your own retirement account?"*

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees and 540 retirees

	1 Qtr 2009	
	Retiree	EE
I never check my account balance	3% sig	10%
I check my account balance on a regular basis	42%	49%
I constantly monitor my account balance for any fluctuations	10%	9%
I am afraid to check my account balance given current market conditions	4% sig	12%
I don't have a retirement account	41% sig	20%

sig – varies significantly (95% level) from retiree and employee comparison

Politics/Economy

Employees and retirees were asked which issue President Obama should focus on first. The majority of both employees (73%) and retirees (63%) stated the economy/jobs should be President Obama's primary focus.

When asked about their confidence in the Obama administration's ability to effectively deal with the current economic crisis and bring this country out of an economic recession, half of both employees (49%) and retirees (53%) agreed that they were confident in the Obama administration. Nearly three out of ten employees (28%) and retirees (29%) disagreed that they were confident in the Obama administration's ability to achieve these objectives.

Employees and retirees were split on the expected state of the economy at the end of 2009. About a third of both employees (35%) and retirees (33%) expect the current economic crisis to be better than it is today by the end of 2009. Another third of both groups expect it to be about the same, while a quarter or so of both retirees (27%) and employees (24%) expect the economy to be worse at the end of 2009 than it is today.

Table 8

"Which one of the following issues should the newly elected president, Barack Obama, focus on first?"

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees and 540 retirees

	1 Qtr 2009	
	Retiree	EE
Economy/jobs	63%sig	73%
Homeland security	8%	6%
Healthcare	6%	6%
Immigration	7%	4%
War in Iraq	4%	3%
Education	<1%sig	2%
Social Security	6%sig	2%
Other	1%	2%
Not sure	5%	3%

sig – varies significantly (95% level) from retiree and employee comparison

Table 9

"Please rate your level of agreement with the following statement: I am confident that the Obama administration can effectively deal with the current economic crisis and bring this country out of an economic recession."

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees and 540 retirees

	1 Qtr 2009	
	Retiree	EE
Agree completely	19%	18%
Agree somewhat	34%	31%
Neither agree nor disagree	17%	22%
Disagree somewhat	13%	13%
Disagree completely	16%	15%

Table 10

"At the end of 2009, do you expect the current economic crisis to be about the same, better, or worse as it is today?"

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees and 540 retirees

	1 Qtr 2009	
	Retiree	EE
Better	33%	35%
Same	33%	34%
Worse	27%	24%
Not sure	7%	7%

Economy's Impact on Spending

When asked how the current economy has impacted their overall spending in the past two months, about a third of retirees (32%) and nearly a quarter of employees (24%) said their spending has remained about the same. Two thirds of retirees (66%) and nearly three fourths of employees (73%) have reduced their overall spending to some degree, both up significantly from 4th quarter 2008.

Significantly more employees (26% versus 21%) and retirees (28% versus 21%) this quarter than in 4th quarter 2008 report greatly reducing their overall spending due to the current economy. Please see Table 11 for details.

Table 11

"Which of the following best describes how the current economy has impacted your overall spending in the past two months?"

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees and 540 retirees

	1 Qtr 2009		4 Qtr 2008		3 Qtr 2008		2 Qtr 2008		4 Qtr 2007		1 Qtr 2007	
	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE
I have greatly increased my overall spending	0%	1%	<1%	<1%	1%	2%	3%	2%	2%	2%	1%	2%
I have increased my overall spending a little	2%	2%	2%	2%	4%	6%	7%	6%	6%	6%	6%	10%
My overall spending is about the same	32% sig*	24% SIG	39%	31%	34%	31%	36%	36%	60%	54%	53%	50%
I have reduced my overall spending a little	38% sig	47%	38%	45%	41%	43%	36%	41%	22%	27%	24%	27%
I have greatly reduced my overall spending	28%*	26% SIG	21%	21%	20%	18%	19%	15%	10%	11%	17%	12%
	N=540	N=1,155	N=625	N=1,179	N=726	N=1,331	N=673	N=1,117	N=514	N=1,154	N=536	N=1,181

SIG= varies significantly (95% level) from previous employee comparison

sig – varies significantly (95% level) from retiree and employee comparison

* - varies significantly (95% level) from previous retiree comparison

When employees and retirees who have reduced their spending were asked what changes would trigger them to begin spending more money once again, the top trigger for employees (43%) was a major personal tax cut. A significant rise in the stock market, lower interest rates, lower unemployment rates, and stabilization of home prices were also commonly selected by employees.

The top trigger to get retirees spending again was a significant rise in the stock market (40%).

Table 12

“What changes would trigger you to begin spending more money once again? Please check all that apply.”

Base: 833 employees and 364 retirees who have reduced their spending

	1 Qtr 2009	
	Retiree	EE
A major personal tax cut	35%	43%
A significant rise in stock market	40%	35%
Lower interest rates	23%	25%
Lower unemployment rates	25%	25%
Stabilization of home prices	27%	22%
Announcement of job creation programs	23%	16%
Major corporate tax cuts	10%	7%
Other	12%	13%
None	7%	10%
Not sure	13%	10%

Nearly half of both retirees (48%) and employees (45%) indicate they have taken advantage of recent incentives and sales offered by retailers in order to purchase items they need. Only 10% of employees and significantly fewer retirees (5%) indicate they have purchased items they do not need as a result of recent sales and incentives offered by retailers.

Table 13

“Have you taken advantage of the incentives and sales retailers have offered recently?”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees and 540 retirees

	1 Qtr 2009	
	Retiree	EE
Yes, but have only purchased items that I need	48%	45%
Yes, have purchased items that I do not need	5% sig	10%
No	47%	45%

sig – varies significantly (95% level) from retiree and employee comparison

Section II-Employee Only Questions

Benefit Programs Offered at Businesses with 10 to 1,000 Employees

In Table 14 below, comparisons can be made with four previous year's benefit offerings. There are some significant differences between responses from this most recent quarter and 1st quarter 2008 – indicated with "SIG" below.

Similar to 1st quarter 2008, the top three benefits offered are health insurance (88%), dental insurance (71%), and defined contribution plans (66%).

Significantly fewer employees reported being offered health insurance (88% versus 92%), defined contribution plans (66% versus 71%), life insurance (63% versus 70%), free parking (58% versus 62%), tuition reimbursement (25% versus 29%), flex time (22% versus 29%), defined benefit plans (18% versus 23%), child care subsidies (2% versus 4%), and on-site day care (1% versus 2%) by their employer this quarter compared to 1st quarter 2008.

Table 14

"What types of benefit programs (excluding vacation/holidays) does your company currently offer you?"

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

Company Sponsored Primary Benefits	1 Qtr 2009 EE	1 Qtr 2008 EE	1 Qtr 2007 EE	1 Qtr 2006 EE	1 Qtr 2005 EE
Health Insurance	88%SIG	92%	94%	86%	89%
Dental Insurance	71%	73%	N/A	N/A	N/A
Defined Contribution Plans	66%SIG	71%	69%	61%	64%
Life Insurance	63%SIG	70%	67%	62%	63%
Free Parking	58%SIG	62%	62%	58%	56%
Disability Insurance	45%	47%	45%	45%	47%
Profit Sharing/Bonus	25%	23%	25%	24%	26%
Tuition Reimbursement	25%SIG	29%	33%	24%	28%
Flex Time	22%SIG	29%	27%	26%	23%
Defined Benefit Plans	18%SIG	23%	18%	21%	19%
Financial Planning	8%	8%	6%	10%	10%
Legal Services	7%	7%	6%	7%	5%
Stock Options	6%	8%	9%	9%	9%
Personal Banking Services	6%	6%	5%	9%	7%
Executive Benefits	4%	3%	3%	3%	4%
Child Care Subsidies	2%SIG	4%	2%	3%	2%
On-site Day Care	1%SIG	2%	2%	2%	2%
Other	6%	7%	5%	6%	8%

SIG= Significant at the 95% confidence level from previous employee comparison

Benefit Satisfaction

Upon identifying what benefits they are being offered through their employers, employees were asked to rate their satisfaction with some of the major benefits. Employees are most satisfied (rating of 8, 9 or 10 on a 10 point scale) with their defined benefit plan (65%), health insurance (60%) and, disability insurance (59%). Employees' satisfaction levels with two benefits – health insurance and disability insurance, increased significantly this quarter. Only one benefit had a significant decrease in satisfaction this quarter, defined contribution plans, when compared with 1st quarter 2008. Table 15 illustrates all benefits listed and ratings.

Table 15

“Although you may have mentioned more than appear below, you indicated that you have the following benefit program(s) through your company. Using a scale from “1” to “10”, where “1” means Not At All Satisfied and “10” means Very Satisfied, please indicate how satisfied you are with each benefit program.”

Percentages included in chart represent those rating satisfaction as an 8, 9 or 10.

Base: varies by benefit offered by employer

Satisfaction with Benefit	1 Qtr 2009 EE	1 Qtr 2008 EE	1 Qtr 2007 EE	1 Qtr 2006 EE	1 Qtr 2005 EE
Defined Benefits Plans (N=250)	65%	61%	64%	50%	52%
Health Insurance (N=1046)	60%SIG	53%	48%	45%	40%
Disability Insurance (N=534)	59%SIG	48%	55%	51%	44%
Life Insurance (N=766)	54%	51%	53%	49%	48%
Defined Contribution Plans (N=752)	53%SIG	58%	55%	57%	48%
Profit Sharing/Bonus (N=259)	50%	55%	52%	49%	55%
Stock Options (N=67)	27%	38%	44%	50%	43%

SIG= Significant at the 95% confidence level from previous employee comparison

Each employee respondent was asked to identify what benefits they would most like their employer to offer, aside from those already offered. As Table 16 shows, consistently we have seen defined benefit plans, flexible work schedules, and profit sharing/bonus plans opping the list of those desired.

Table 16

“Which one employee benefit do you most wish that your company would offer you (excluding vacation and holidays)?”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

Ranking	Benefits	1 Qtr 2009 EE	1 Qtr 2008 EE	1 Qtr 2007 EE	1 Qtr 2006 EE	1 Qtr 2005 EE
1	Defined Benefit Plans	20%	22%	23%	21%	22%
2	Flex Time	12%	11%	12%	11%	11%
3	Profit Sharing/Bonus Plan	11%	12%	16%	14%	14%
4	Tuition Reimbursement	7%	6%	9%	7%	8%
5	Defined Contribution Plan	6%	7%	9%	7%	8%

SIG= Significant at the 95% confidence level from previous employee comparison

Aside from those benefits employees would like to see added to their employer's benefit programs, they were also asked to identify what benefits they would like to have improved upon. The top 2 benefits mentioned are health insurance (35%) and defined contribution plans (15%). Though still topping the list, the percentage of employees (35%) wishing their company would improve health insurance is down significantly from 1st quarter 2008 (41%).

Please see Table 17 for additional detail.

Table 17

"Which one employee benefit (excluding vacation and holidays) do you most wish that your company would improve upon?"

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

Ranking	Benefits	1 Qtr 2009 EE	1 Qtr 2008 EE	1 Qtr 2007 EE	1 Qtr 2006 EE	1 Qtr 2005 EE
1	Health Insurance	35%SIG	41%	45%	43%	43%
2	Defined Contribution Plan	15%	16%	17%	13%	16%
3	Profit Sharing/Bonus Plan	6%	5%	6%	6%	5%
4	Life Insurance	4%	5%	3%	3%	3%
5	Defined Benefit Plan	4%	4%	6%	5%	3%

SIG= Significant at the 95% confidence level from previous employee comparison

Benefit Importance

All employee respondents were asked to rate a group of benefits in terms of how important they are on a 10-point scale with 10 being "Very Important." Health insurance and defined contribution plans are consistently rated as the top two most important benefits. As shown in Table 18, defined benefit plans, life insurance, profit sharing/bonus, and stock options have all seen significant declines in importance levels this quarter compared to 1st quarter 2008 (based on top 3 box importance ratings).

Table 18

"Using a scale from "1" to "10", where "1" means Not At All Important and "10" means Very Important, please indicate how important each benefit program is to you."

Percentages included in chart represent those rating importance as an 8, 9 or 10.

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009 EE	1 Qtr 2008 EE	1 Qtr 2007 EE	1 Qtr 2006 EE	1 Qtr 2005 EE
Health Insurance	87%	88%	91%	86%	89%
Defined Contribution Plans	70%	71%	72%	68%	73%
Dental Insurance	66%	65%	N/A	N/A	N/A
Disability Insurance	52%	51%	52%	55%	53%
Defined Benefit Plans	47%SIG	55%	56%	55%	56%
Life Insurance	46%SIG	51%	44%	50%	47%
Profit Sharing/Bonus	36%SIG	40%	43%	44%	45%
Stock Options	13%SIG	17%	17%	20%	19%

SIG= Significant at the 95% confidence level from previous employee comparison

Health Coverage Changes

As noted above, health insurance is the top benefit employees would like their employer to improve upon. To better understand what types of changes employees have seen recently in their health coverage, employees were asked to select from a list those changes they've seen in the past 12 months.

Just over four out of ten employees (43%) have not seen any of these changes occur in the last 12 months. As illustrated in Table 19, the largest proportion of employees who have seen changes have seen increases in co-pays (29%), increases in deductibles (29%), and reduced medical benefit coverage options (11%). In comparing this quarter's results with those of 1st quarter 2008, significantly fewer employees report seeing increased co-pays (29% versus 35% in 1st quarter 2008) and reduced medical benefit coverage options (11% versus 14% in 1st quarter 2008).

Table 19

"Over the past 12 months, has your employer made any of the following changes in your health care coverage?"

Base: 1,046 employed U.S. adults in firms of 10-1,000 employees (employees with health insurance)

	1 Qtr 2009 EE	1 Qtr 2008 EE	1 Qtr 2007 EE	1 Qtr 2006 EE	1 Qtr 2005 EE
Increased employee co-pays	29%^{SIG}	35%	38%	39%	42%
Increased employee deductibles	29%	31%	34%	32%	33%
Reduced medical benefit coverage options	11%^{SIG}	14%	13%	14%	16%
Offered additional medical benefit coverage options	9%	9%	9%	7%	9%
Moved to Health Savings Accounts*	5%	6%	6%	4%	3%
Eliminated retiree health care benefits	1%	1%	2%	1%	2%
Eliminated employer-sponsored health care benefits	1%	1%	1%	2%	1%
None of these changes have occurred	43%	46%	42%	46%	44%
	N=1,046	N=1,120	N=1,122	N=1,192	N=986

SIG= Significant at the 95% confidence level from previous employee comparison

*Prior to 2008 stated as "Moved to Health Reimbursement Arrangements (HRA) or Medical Spending Accounts (MSA)"

Benefits for Recruiting & Retention

Firms with 10 to 1,000 employees offer employee benefits to aid in the recruiting and retaining of quality employees. To measure how employees react to the presence of good employee benefits, a series of agree statements were asked. Results obtained this quarter were similar to those obtained in 1st quarter of 2008. Sixty-four percent of employees agreed that having a good employee benefits plan keeps them working for their current company; 63% of employees agreed that having a good employee benefits plan encourages them to work harder and perform better;. Nearly three out of ten (29%) employees agree that their company is concerned about their long-term financial future.

Table 20

“Please indicate the extent to which you agree or disagree with the following statements...”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

Trending Comparison (% of respondents agreeing completely or somewhat)	1 Qtr 2009 EE	1 Qtr 2008 EE	1 Qtr 2007 EE	1 Qtr 2006 EE	1 Qtr 2005 EE
Having a good employee benefits plan keeps me working for my current company.	64%	64%	62%	59%	62%
Having a good employee benefits plan encourages me to work harder and perform better.	63%	64%	66%	62%	67%
My company is concerned about my long-term financial future.	29%	28%	29%	25%	26%

Disability Income Insurance

Respondents were provided a list of potential things that could happen and asked which is most likely to happen over the course of a year. Approximately seven out of ten employees (69%) said none of these things are most likely to happen over the course of a year. Employees thought seeing a doctor for stress, anxiety or depression was most likely to happen over the course of a year. Employees' beliefs this year were consistent with those of employees' in 1st quarter 2008.

Table 21

“Which of the following do you believe is most likely to happen during the course of a year?”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009	1 Qtr 2008	1 Qtr 2006	2 Qtr 2004
You see a doctor for stress, anxiety or depression	16%	15%	24%	21%
You are involved in a motor vehicle accident	8%	9%	15%	26%
You suffer a bad back that keeps you out of work	5%	5%	8%	10%
You become seriously ill or die	1%	2%	2%	5%
Your house burns down	<1%	<1%	1%	-
None of these	69%	69%	51%	37%
	N=1,155	N=1,316	N=1,374	N=1,307

SIG= Significant at the 95% confidence level from previous results employee comparison

Forty-five percent of employees feel not at all knowledgeable about individually owned disability income insurance, this is up significantly from 1st quarter 2008 (40%). Only 6% of employees feel either very or extremely knowledgeable about this type of insurance. See Table 22 for details.

Table 22

"How knowledgeable do you feel about individually owned disability income insurance?"

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009	1 Qtr 2008
Extremely knowledgeable	1%	2%
Very knowledgeable	5%	6%
Knowledgeable	15% SIG	19%
Somewhat knowledgeable	34%	34%
Not at all knowledgeable	45% SIG	40%
	N=1,155	N=1,316

SIG= Significant at the 95% confidence level from previous employee comparison

Employees were asked if they or anyone they know have ever been in an accident or had an illness that caused them to be out of work for an extended period of time. Nearly half (47%) of employees indicated either they or someone they know has been out of work for an extended period of time due to an accident or illness.

When asked who has been out of work due to an illness or accident, the most common selections were coworkers (40%) and friends (40%). Please see Table 24 for details.

Table 23

"Have you or anyone you've known ever been in an accident or had an illness that caused you/them to be out of work for an extended period of time (more than three months)?"

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009
Yes	47%
No	52%
Decline to answer	2%
	N=1,155

Table 24

“Who do you know that has been out of work for an extended period of time due to an accident or illness? Please select all that apply.”

Base: 534 employees who know someone who has been out of work

	1 Qtr 2009
Co-worker	40%
Friend	40%
Myself	17%
Parent	17%
Extended family member	17%
Sibling	5%
Grandparent	2%
Other	14%
None	<1%
	N=534

When asked about their likelihood of becoming disabled due to an accident or illness during their lifetime, only 21% of employees believe this is either somewhat or very likely to occur. However, this is a significant increase from the percentage of employees in 1st quarter 2008 who thought this was likely to occur (17%). Please see Table 25 for additional details.

Table 25

“What do you think is your likelihood of becoming disabled due to an accident or illness and being unable to work for an extended period of time (more than three months) during your lifetime?”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009	1 Qtr 2008	1 Qtr 2006	2 Qtr 2004
Very likely	3%	2%	5%	2%
Somewhat likely	18%	15%	20%	14%
Neither likely nor unlikely	31%	33%	33%	36%
Somewhat unlikely	26%SIG	30%	27%	29%
Very unlikely	21%	19%	16%	19%
	N=1,155	N=1,162	N=1,177	N=1,161

SIG= Significant at the 95% confidence level from previous employee comparison

If employees were to become disabled and could not maintain their employment in their current job, the most commonly selected means of maintaining their current standard of living was to depend upon disability insurance benefits through their employer's disability insurance coverage (47%), up significantly from 1st quarter 2008 (43%). Another commonly selected means of financially maintaining their current standard of living included relying on their spouse/significant other or family, cited by 39% of employees. Another third or so (35%) of employees indicated they would make withdrawals from their personal savings in order to maintain their current standard of living in the event of a disability, a significant increase from 1st quarter 2008 (30%). Additionally, nearly one out of five (19%) of employees said they would make hardship withdrawals from their retirement savings. See Table 26 for full details.

Table 26

"If you became disabled and were unable to be employed in your current job, which of the following best represents how you would financially maintain your current standard of living?" Please select all that apply.
 Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009	1 Qtr 2008	1 Qtr 2006	1 Qtr 2004
Depend upon disability insurance benefits through my employer	47%SIG	43%	41%	53%
Rely financially on spouse/significant other or family	39%	38%	33%	N/A
Rely financially on spouse/significant other	N/A	N/A	N/A	38%
Rely financially on family	N/A	N/A	N/A	20%
Withdrawal from personal savings	35%SIG	30%	26%	31%
Hardship withdrawal from retirement savings	19%	20%	16%	21%
Depend upon disability insurance benefits from my own personal policy	13%SIG	18%	13%	14%
Sell investments - stocks, bonds, mutual funds	13%	15%	13%	16%
Sell other investments	10%	8%	8%	8%
Not sure	17%	18%	25%	14%
None of these	5%	6%	6%	2%
	N=1,155	N=1,316	N=1,374	N=1,307

SIG= Significant at the 95% confidence level from previous employee comparison

Down significantly from 1st quarter 2008 when 18% of employees reported having a disability income insurance policy, 14% of employees personally own a disability income insurance policy on themselves. Seven percent of employees say their spouse personally owns a disability income insurance policy.

Table 27

"Do you personally own a disability income insurance policy for yourself (an individual policy where you pay 100 % of the premium)?"

Base: 1,106 employees who have a feeling for whether or not they have a disability income insurance policy

	1 Qtr 2009	1 Qtr 2008	1 Qtr 2006	2 Qtr 2004
Yes	14%SIG	18%	13%	13%
No	86%SIG	82%	87%	87%
	N=1,106	N=1,316	N=1,374	N=1,307

SIG= Significant at the 95% confidence level from previous employee comparison

Table 28

“Does your spouse/significant other own a disability income insurance policy (an individual policy where you pay 100 % of the premium)?”

Base: 1,071 employees who have a feeling for whether or not their spouse/significant other has a disability income insurance policy

	1 Qtr 2009
Yes	7%
No	67%
I do not have a spouse/significant other	26%
	N=1,071

Employees' ability to save for retirement continues to be a main concern regarding their current financial situation, with two thirds of employees citing this as a main concern – up significantly from 1st quarter 2008 (60%). Other concerns commonly selected by employees include covering monthly expenses (46%) and protecting financial assets due to an unexpected event (40%). As in 1st quarter 2008, employees continue to be concerned about reducing their credit card or other short-term debt (37%), though fewer employees currently selected this as a main concern compared to 1st quarter 2008 (41%).

Table 29

“Which of the following are the main concerns you have regarding your current financial situation?” Please select all that apply.

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009	1 Qtr 2008	1 Qtr 2006	2 Qtr 2004
Ability to save for retirement	66%SIG	60%	62%	64%
Covering monthly expenses	46%	49%	44%	45%
Protecting my financial assets due to an unexpected event (i.e. death, disability)	40%	37%	46%	N/A
Ability to reduce credit card debt or other short-term debt	37%SIG	41%	41%	42%
Ability to reduce long term debt	33%	N/A	N/A	32%
Saving for my children's education	24%	24%	28%	24%
Other	4%	5%	6%	4%
None of these	9%	8%	8%	8%
	N=1,155	N=1,316	N=1,374	N=1,307

SIG= Significant at the 95% confidence level from previous employee comparison

Employees were asked if they have reviewed their financial strategy in light of recent market volatility and what type of changes they are planning to make in the next year. Approximately half (49%) of employees have reviewed their financial strategy, while just over a third (36%) have not. The remaining 16% of employees report not having a financial strategy.

Nearly three out of ten employees (29%) have plans to reallocate their savings/investments in the next year, while two out of ten (19%) plan to create a savings plan. Approximately half (49%) of employees have no plans for the next year. Please see Table 31 for full details.

Table 30

“Have you reviewed your financial strategy in light of the recent market volatility?”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009
Yes	49%
No	36%
I do not have a financial strategy	16%
	N=1,155

Table 31

“Are you planning to do any of the following in the next year? Please check all that apply.”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009
Reallocate savings/investments	29%
Create a savings plan	19%
Sell investments - stocks, bonds, mutual funds, etc.	3%
Other	8%
None	49%
	N=1,155

Employees were asked if they planned to purchase a number of insurance products in the next year. One in five employees plan to purchase motor vehicle insurance, while 12% of employees plan to purchase health/medical insurance or life insurance. Only 7% of employees have plans to purchase disability insurance in the next year.

Employees were also asked about their plans to cancel various types of insurance policies in the next year. The overwhelming majority (95%) of employees have no plans to cancel any of their insurance policies in the coming year.

In terms of modifying any of their insurance policies in the next year in order to reduce costs, over three quarters of employees (78%) have no plans to do so. Of those who intend to make modifications, the two most common types of insurance to be modified include motor vehicle insurance (12%) and property insurance (8%). Please see Table 34 for full detail.

Table 32

“Are you planning on purchasing any of the following in the next year? Please select all that apply.”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009
Motor vehicle insurance	20%
Health/medical insurance	12%
Life insurance	12%
Disability Insurance	7%
Other insurance	7%
None	66%
	N=1,155

Table 33

“Are you planning on canceling any of the following insurance policies in the next year? Please select all that apply.”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009
Life insurance	2%
Disability Insurance	1%
Motor vehicle insurance	1%
Health/medical insurance	<1%
Other insurance	2%
None	95%
	N=1,155

Table 34

“Are you planning on modifying any of the following in the next year to reduce your costs? Please select all that apply.”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009
Motor vehicle insurance	12%
Property insurance	8%
Life insurance	4%
Health/medical insurance	4%
Disability Insurance	2%
Other insurance	1%
None	78%
	N=1,155

Retirement Savings

Employees were asked about their effort to save for their own retirement over the past 6 months. Six out of ten (59%) employees said they have not changed the amount they are saving towards retirement in the past six months, a significant decrease from 4th quarter 2008 (67%). Fourteen percent of employees have increased the amount they are saving, up significantly from 11% in 4th quarter 2008. Although only 7% of employees reported that they have reduced the amount they are saving for retirement, this is a significant increase from the number of employees (4%) who reported they have reduced the amount they are saving for retirement in 4th quarter 2008. Similar to 4th quarter 2008, 20% of employees indicated they are not currently saving for their retirement.

Table 35

“Which of the following describes your effort to save for your own retirement over the past 6 months?”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009	4 Qtr 2008	3 Qtr 2008	2 Qtr 2008
I have reduced the amount I am saving towards retirement	7%SIG	4%	7%	7%
I have increased the amount I am saving towards retirement	14%SIG	11%	14%	20%
I have not changed the amount I am saving towards retirement	59%SIG	67%	62%	57%
I am not currently saving for retirement	20%	17%	18%	16%

SIG= Significant at the 95% confidence level from previous employee comparison

Retirement Date

Employees were asked if they have adjusted when they plan to retire given current economic conditions. Only 10% of employees said they are delaying their planned retirement, while just over four out of ten (42%) said they have not changed their planned retirement date. Nearly half (48%) of employees are not sure when they are going to retire. These findings are consistent with those from 4th quarter 2008.

Employees 55 years or older are significantly more likely (24%) to delay their retirement date than employees 18 – 34 years old (4%), employees 34-44 years old (3%) and employees 45-54 years old (10%).

Table 36

“Due to current economic conditions, have you adjusted when you plan to retire?”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009	4 Qtr 2008	3 Qtr 2008
Yes, I have delayed my planned retirement date	10%	9%	9%
No, I have not made any changes to my planned retirement date	42%	39%	37%
I am not sure when I am going to retire	48%	52%	54%

SIG= Significant at the 95% confidence level from previous employee comparison

401(k) Changes

Similar to 4th quarter of 2008, 82% of employees who are eligible to participate in a defined contribution plan say they are currently participating.

Employees participating in their employer's defined contribution plan were asked what changes they have made, if any, to their 401(k) account in the past 6 months due to current economic conditions. Consistent with 4th quarter 2008, 10% indicated they have made some type of change to their 401(k) – 5% have decreased the amount they are contributing to their 401(k), 4% have stopped contributing to their 401(k) account, 2% have taken out a loan from their 401(k) account, and 1% have taken out a hardship withdrawal (note percentages exceed 10% due to some employees making multiple changes to their 401(k)). The percentage of employees reporting they have stopped contributing to their 401(k) is up significantly from 4th quarter 2008 (4% versus 1%), while the percentage of employees reporting they have taken out a loan from their 401(k) is down significantly from 4th quarter 2008 (2% versus 5%).

Employees who have made changes to their 401(k) account have made these changes most commonly to pay daily expenses (45%) or to pay down debt (26%). Please see Table 39 for details.

Table 37

“Are you currently participating in your defined contribution plan (such as a 401(k) plan, etc.)?”

Base: 752 employed U.S. adults in firms of 10-1,000 employees who are eligible to participate

	1 Qtr 2009 EE	4 Qtr 2008 EE	3 Qtr 2008 EE	3 Qtr 2007 EE
Yes	82%	80%	81%	84%
No	18%	20%	19%	16%
	N=752	N=866	N=964	N=911

Table 38

“Due to current economic conditions, have you done any of the following in the past 6 months with your 401(k)? Please select all that apply.”

Base: 616 employed U.S. adults in firms of 10-1,000 employees who participate in their employer's 401(k)

	1 Qtr 2009	4 Qtr 2008	3 Qtr 2008
Decreased the amount I am contributing to my 401(k) account	5%	4%	5%
Stopped contributing to my 401(k) account	4% SIG	1%	3%
Taken out a loan from my 401(k) account	2% SIG	5%	4%
Taken out a hardship withdrawal from my 401(k) account	1%	1%	3%
None of the above	90%	90%	87%

SIG= Significant at the 95% confidence level from previous employee comparison

Table 39

“Why have you made such change(s) to your 401(k) account? Please select all that apply.”

Base: 78 employed U.S. adults who have made a change to their 401(k)

	1 Qtr 2009	4 Qtr 2008	3 Qtr 2008
To pay daily expenses (gas, groceries, etc.)	45%	34%	38%
To pay down debt	26% SIG	46%	40%
To pay medical expenses	18%	11%	20%
To build up my savings account	12%	16%	15%
To pay for education expenses	10%	16%	7%
To purchase a home	4%	4%	8%
To pay for home improvements	3%	11%	11%
To pay for funeral and/or burial expenses	0%	2%	3%
Other	32% SIG	11%	20%

SIG= Significant at the 95% confidence level from previous employee comparison

Job Security

Job security was ranked number one in terms of importance by more employees (60%), over long-term financial future (29%) and challenging work (11%).

Table 40

“Please rank the following items in terms of how important it is to you.”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

Respondent Ranked Item #1	1 Qtr 2009	4 Qtr 2008	3 Qtr 2008	2 Qtr 2008	2 Qtr 2007	4 Qtr 2006	4 Qtr 2005
Job Security	60%	57%	49%	47%	39%	45%	52%
Long-Term Financial Future	29% SIG	34%	40%	41%	49%	41%	36%
Challenging Work	11%	10%	11%	12%	12%	14%	12%
	N=1,155	N=1,179	N=1,331	N=1,117	N=1,137	N=1,197	N=1,213

SIG= Significant at the 95% confidence level from previous employee comparison

A quarter (26%) of employees expressed some level of concern over their personal job security when asked. This number is down significantly from 4th quarter of 2008, when 31% of employees expressed such a concern.

When asked what concerns they have about their company in the next year, the most common concern cited was that their company will reduce the number of employees, mentioned by 46% of employees – a significant increase from 4th quarter of 2008 when 41% expressed this as a concern. Thirteen percent of employees are concerned their company will go out of business in the next year, a significant increase from 4th quarter of 2008 when 10% of employees expressed such a concern. Thirty-nine percent of the employees said none. This percentage is significantly lower than the percentage (44%) who said none in 4th quarter of 2008.

Table 41

“What is your level of concern with your own, personal job security?”

Base: 1,155 employed U.S. adults

	1 Qtr 2009 EE	4 Qtr 2008 EE	4 Qtr 2007 EE	2 Qtr 2007 EE
Not at all concerned	33%	35%	31%	47%
Somewhat concerned	41%SIG	35%	32%	31%
Concerned	16%	14%	25%	14%
Very concerned	5%SIG	11%	8%	5%
Extremely concerned	5%	6%	4%	3%
	N=1,155	N=1,179	N=1,154	N=1,137

SIG= Significant at the 95% confidence level from previous employee comparison

Table 42

“Which of the following concerns do you have about your company in the next year? Please select all that apply.”

Base: 1,155 employed U.S. adults

	1 Qtr 2009 EE	4 Qtr 2008 EE	4 Qtr 2007 EE	2 Qtr 2007 EE
My company will reduce the number of employees	46%SIG	41%	25%	22%
My company will go out of business	13%SIG	10%	6%	8%
My company will be acquired by or merge with a larger company	6%	6%	11%	7%
Other	8%	9%	13%	11%
I have no concerns about the future of my company.	39%SIG	44%	53%	61%
	N=1,155	N=1,179	N=1,154	N=1,137

SIG= Significant at the 95% confidence level from previous employee comparison

Planning for Job Loss

Employees were asked what actions they have taken, if any, to prepare for a potential lay off from their employer. The most common action taken by employees to prepare for a potential lay off was to cut spending on miscellaneous items such as eating out, take out coffee, entertainment, and other consumer purchases, reported by 43% of employees. Nearly a quarter (23%) of employees have tried to put aside more money in savings each month, while 19% have cut some of their fixed monthly expenses such as gym memberships, media subscriptions and cable TV. Just under half of employees (44%) have not taken any actions to deal with a potential lay off from their employer.

Table 43

“Which of the following actions have you taken in order to deal with a potential lay off from your employer? Please select all that apply.”

Base: 1,155 employed U.S. adults

	1 Qtr 2009
Cut spending on miscellaneous items (e.g., eating out, take out coffee, entertainment, consumer purchases, etc.)	43%
Try to put aside more money in savings each month	23%
Cut my fixed monthly expenses (e.g., gym membership, media subscriptions, cable TV, etc.)	19%
Cut back on my contributions to my retirement account	6%
Open up a home equity line of credit	2%
Other actions	8%
I have not taken any actions to prepare for a potential lay off from my employer	44%

Employees were asked what they would do with their retirement account with their employer if they lost their job. Employee responses were divided, but the most popular responses included 15% saying they would roll the money into a new individual retirement account (IRA), 13% saying they would have to meet with a financial advisor before making a decision, 11% saying they would roll the money into an existing individual retirement account (IRA), and another 11% saying they would leave the money in their current retirement account.

Table 44

“If you lost your job, what would you do with your retirement account with your former employer?”

Base: 1,155 employed U.S. adults

	1 Qtr 2009
Roll the money into a new individual retirement account (IRA)	15%
I would meet with a financial advisor before making the decision	13%
Roll the money into an existing individual retirement account (IRA)	11%
Leave the money in my current retirement account	11%
Take the money as cash	7%
Move the money to a new employer's retirement plan	7%
Not sure	17%
I do not have a retirement account with my current employer	19%

Second Job

Employees were asked if they have taken out a second job, or have considered doing so, in order to make ends meet during this time of economic slow down and rising costs. Only 9% of employees have actually taken out a second job to make ends meet. Over a quarter (27%) are considering doing so, down significantly from 4th quarter 2008 when 36% of employees reported they are considering a second job to make ends meet.

Table 45

“Have you, or have you considered, taking out a second job in order to make ends meet during this period of economic slow down and rising costs?”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009 EE	4 Qtr 2008 EE
Yes, have taken out a second job	9%	8%
No, have not taken out a second job but am considering this	27%SIG	36%
No, have not taken out a second job and am not considering this	65%SIG	55%

SIG= Significant at the 95% confidence level from previous employee comparison

Salary Increase

Employees were asked if they anticipate receiving a raise from their employer in 2009. Forty-seven percent anticipate receiving or have already received a raise in 2009 – a significant decline from 1st quarter 2007 when 65% of employees either anticipated receiving a raise or had already received one. Significantly more employees are not anticipating a raise (43%) this quarter compared to 1st quarter of 2007 (23%).

Employees were asked what percent increase was expected/received, and the answer given by the largest percentage of employees (46%) was 3% to 4%. Please see Table 47 for detail.

Table 46

“Do you anticipate receiving a raise from your employer in 2009?”

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009 EE	1 Qtr 2007 EE	1 Qtr 2003 EE
I have received a raise already	12%SIG	16%	17%
I anticipate a raise	35%SIG	49%	41%
I do not anticipate a raise	43%SIG	23%	29%
Not sure	9%SIG	12%	13%
	N=1,155	N=1,181	N=1,511

SIG= Significant at the 95% confidence level from previous employee comparison

Table 47*“What percent increase was your raise or do you anticipate it will be?”*

Base: 518 employed U.S. adults in firms of 10-1,000 employees who received or anticipate a raise

	1 Qtr 2009 EE	1 Qtr 2007 EE	1 Qtr 2003 EE
1 to 2%	24%SIG	19%	18%
3 to 4%	46%	44%	48%
5 to 6%	19%	23%	22%
7 to 8%	2%	4%	4%
9 to 10%	4%	6%	4%
More than 10%	4%	5%	4%
	N=518	N=775	N=872

SIG= Significant at the 95% confidence level from previous employee comparison

Length of Average Workweek

Nearly three quarters of employees (72%) say they are working about the same this year as last year at this time. Almost one-fifth (17%) feel they are working more this year. Compared to 1st quarter 2007, significantly fewer employees indicated they are working more this year (17% versus 24%)

Table 48*“Compared to this time last year, how has the length of your average workweek changed?”*

Base: 1,155 employed U.S. adults in firms of 10-1,000 employees

	1 Qtr 2009 EE	1 Qtr 2007 EE	4 Qtr 2006 EE	3 Qtr 2004 EE
I am working less this year	11%SIG	8%	11%	6%
I am working about the same this year	72%SIG	68%	59%	64%
I am working more this year	17%SIG	24%	29%	30%
	N=1,155	N=1,181	N=1,197	N=1,227

SIG= Significant at the 95% confidence level from previous employee comparison

Section III-Retiree Only Questions

Required Minimum Distribution

When retirees were asked of their awareness of the temporary suspension of Required Minimum Distribution in 2009, nearly six out of ten (55%) indicated they were not aware of this change.

Retirees were then asked whether or not they thought they would take their distributions in 2009 given this temporary suspension. Sixteen percent said they would still take their distributions, with 10% indicating they would take their full distributions while 6% thought they would only take some of their distributions. Another 13% said they definitely would not take any distributions in 2009 and 11% were not sure. The majority of retirees interviewed (59%) indicated this does not yet apply to them as they are not yet 70 ½ years old.

Table 49

“The IRS requires those with 401(k) or IRA accounts to begin withdrawing from those accounts once they reach the age of 70 ½ years. The annual amount to be withdrawn is based on a formula and funds are disbursed over the course of a year. This requirement, called Required Minimum Distribution, has been temporarily suspended just for 2009 in an effort to help retirees manage their finances during difficult economic times. Were you aware that Congress has suspended this requirement for 2009?”

Base: 540 retirees

	1 Qtr 2009
Yes	40%
No	55%
Not sure	5%

Table 50

“Given this temporary suspension on required distributions on 401(k) or IRA accounts, do you think you will take distributions in 2009?”

Base: 540 retirees

	1 Qtr 2009
Yes, I will take full distribution in 2009	10%
Yes, but I will take less than my full distribution in 2009	6%
No, I will not take any distribution in 2009	13%
I am not sure	11%
This does not apply to me as I am not 70 1/2 years old yet	59%
I do not have a retirement account	1%