

The Principal Financial Well Being Index Trending – Summary 2nd 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 April 27 to May 6, 2009 among 1,189 employees and 509 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, 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.

Key Findings

Employee and Retiree Comparisons

- Politics/Economy - Employees and retirees were asked how they think they will do financially twelve months from now as a result of the government's economic stimulus plan. The majority of both employees (60%) and retirees (56%) believe they will be the same financially in twelve months as a result of the government's economic stimulus plan.
- Economy's Impact on Spending:
 - Just under half of employees (48%) and slightly fewer retirees (42%) said they have paid more often with cash than with credit cards in the past six months.
 - Due to current economic conditions, half of retirees and six out of ten employees are preparing more meals at home instead of eating out. Lowering the thermostat at home was selected by over a third of retirees and employees. Three out of ten employees indicated they have started bringing their lunch to work, while over a quarter of both retirees (27%) and employees (30%) have started to shop in their own closet instead of making new purchases.
 - Two out of ten retirees and employees (21%) have postponed the purchase of a vehicle due to recent economic conditions. Just about 10% of both retirees and employees (9%) indicated they have sold miscellaneous items such as jewelry or artwork due to recent economic conditions.
 - Twenty-one percent of employees with children have had to cut back on the number of activities their children are involved in due to financial constraints related to current economic conditions.
- Emergency Fund:
 - Two-thirds of retirees (67%) and over half of the employees (59%) have an emergency fund of money they can immediately access if necessary.
 - Two-thirds of retirees said they could cover over 6 months of living expenses with their emergency fund, compared to only 36% of employees. Over a quarter of employees said they could cover three to four months of living expenses (27%) with their emergency fund, and another 20% said they could cover 5 – 6 months of expenses.
 - Only 11% of both employees and retirees said they have had to tap into their emergency fund recently to cover monthly expenses.

- Summer Vacation Plans:
 - Just about a third of retirees (36%) and employees (32%) have not changed their summer vacation plans due to the economy. More than a third of employees (36%) and a quarter of retirees (24%) have altered their vacation plans to save money.
 - For employees, loss of a job was the top fear that could potentially impact their summer vacation plans, selected by 39% of the employees, up significantly from 2nd quarter of 2008 (23%). Also of concern to employees was having enough money saved for vacation (37%) and rising fuel prices (33%). Retirees' top fears included having enough money saved for vacation (29%) and rising fuel prices (27%).

Employees Only

- Benefit Importance – Consistently, for the past five years, the largest percentage of employees have rated health insurance and defined contribution plans an 8, 9 or 10 on a 10 point scale with 10 being “Very Important”.
- Benefit Satisfaction – Employees are most satisfied with their defined benefit plan, disability insurance and profit sharing/bonus plan.
- Retirement Savings - Employees who are saving for retirement were asked how long they thought it would take for their retirement account to recover to the balance they had at the beginning of January 2008. Around four out of ten (41%) employees think it will take between 2 to 5 years to recover their retirement account balance, while another 15% believe it will take 6 to 10 years. Six percent of employees saving for retirement think it will take over 10 years to recover their account balance. Only 3% of employees think they will *never* recover their account balance.
- Retirement Date - Though only 13% of employees said they are delaying their planned retirement due to current economic conditions, this is a significant increase from the percentage (10%) of employees who indicated they were planning to delay their retirement date in 1st quarter 2009. Just over a third of employees (35%) said they have not changed their planned retirement date.
- 401(k) Changes:
 - Up significantly from 1st quarter 2009 when 10% of employees reported making some type of change to their 401(k) account, 15% indicated they have made some type of change to their 401(k) this quarter in the past six months due to the economy.
 - Employees have made these changes most commonly to pay daily expenses (42%) or to pay down debt (37%). Over a quarter of employees (27%) are making changes to their 401(k) account in order to build up their savings account – a significant increase from 1st quarter 2009 (12%).
 - Having their employer reduce their salary/pay would cause 42% of employees contributing to their retirement to either reduce or stop their contributions. Nearly a quarter (22%) of employees indicated they would reduce or stop their contributions if their employer stops matching or postpones matching their contribution. Fear of losing their job would cause 17% of employees to reduce or stop their retirement plan contributions.
- Job Security – Job security was ranked number one in terms of importance by more employees (54%), over long-term financial future (36%) and challenging work (10%). Just over a quarter (27%) of employees have some level of concern with their own job security.

Retiree Only

- Stock Market's Impact on Standard of Living - Retirees were asked if the recent decline in the stock market has affected their ability to maintain the same standard of living they had a year ago. Approximately a quarter (24%) of the retirees said the recent stock market decline has impacted their ability to maintain the standard of living they had just a year ago.

Section I-Employee and Retiree Comparison Questions

Employee Financial Well Being

In measuring employees' and retirees' attitudes and perceptions about their financial well-being, a series of different questions were asked of them. They were asked to identify how much they agreed with some statements relating to how concerned they are about their long-term financial future, how happy they are about their current well-being, and if they have planned for retirement.

As seen in Table 1, employees (67%) are significantly more likely than retirees (48%) to be concerned about their long-term financial future. Significantly more retirees (48%) are concerned about their long-term financial future compared to this time last year (41%).

Nearly a quarter (24%) of employees and significantly more retirees (39%) are extremely happy about their current financial well-being. Compared to 2nd quarter of 2008, these are significant declines in the number of both employees and retirees who report being extremely happy with their current financial well being.

Just under a quarter of employees (22%) have not yet planned for their retirement savings/security, compared with 27% of employees who indicated they had not yet planned for their retirement in 2nd quarter of 2008.

Table 1

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

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

(% of respondents agreeing completely or somewhat)	2 Qtr 2009		2 Qtr 2008		2 Qtr 2007		2 Qtr 2006		2 Qtr 2005
	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE	EE
I am very concerned about my long-term financial future.	48%sig[^]	67%	41%	64%	48%	63%	48%	68%	74%
I am extremely happy about my current financial well-being.	39%sig[^]	24%SIG	46%	34%	45%	31%	45%	30%	29%
I have not yet planned for retirement savings/security.	N/A	22%SIG	N/A	27%	N/A	24%	N/A	30%	29%

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

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

[^] - varies significantly (95% level) from previous retiree comparison

American Dream

Employees and retirees were asked if they feel the American Dream has been or will be harder to achieve than it was for their parent's generation. Over half (57%) of the employees agree it has been or will be harder to achieve compared to only 37% of the retirees.

Table 2

“The notion of “The American Dream” has involved holding a good job, owning a home, living in a secure community, and sending the children to a good school. To what extent do you agree with the following: The American Dream has been or will be harder for me to financially achieve than it was for my parent’s generation.”

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

	2 Qtr 2009		2 Qtr 2008		2 Qtr 2007		3 Qtr 2005 EE
	Retiree	EE	Retiree	EE	Retiree	EE	
Agree completely	18%sig	26%	20%	23%	17%	31%	40%
Agree somewhat	19%sig	31%SIG	21%	36%	20%	25%	30%
Neither agree nor disagree	25%sig	18%	23%	15%	24%	17%	15%
Disagree somewhat	23%	19%	22%	18%	22%	19%	10%
Disagree completely	14%sig	7%	13%	9%	17%	8%	5%

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

sig – varies significantly (95% level) from retiree and employee 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, 71% of employees who have retirement savings are not making changes to their investments while 28% are – 22% to stable and 6% to volatile.

Similarly, just over seven out of ten retirees (71%) have not made any investment changes. A quarter of retirees have moved to more stable investments.

Table 3

“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

	2 Qtr 2009		1 Qtr 2009		4 Qtr 2008		3 Qtr 2008		2 Qtr 2008	
	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE
Yes, I moved from more volatile to more stable investments	25%	22%	24%	23%	20%	14%	22%	13%	19%	22%
Yes, I moved from more stable to more volatile investments	3%	6%SIG	3%	4%	2%	4%	3%	5%	4%	5%
No, I have not made any changes	71%	71%	74%	73%	77%	82%	75%	82%	77%	74%
	N=419	N=1,038	N=393	N=932	N=507	N=999	N=592	N=1186	N=523	N=955

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

Politics/Economy

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, just about half of both employees (50%) and retirees (49%) agreed that they were confident in the Obama administration. A third of employees (up significantly from 28% of employees in 1st quarter 2009) and retirees (34%) 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 (37%) and retirees (31%) expect the current economic crisis to be better than it is today by the end of 2009. Over a third of both groups (39%) expect it to be about the same, while a quarter or so of retirees (24%) and 18% of employees expect the economy to be worse at the end of 2009 than it is today. Compared to 1st quarter of 2009, significantly more retirees and employees expect the economy to be the same at the end of 2009 as it is now.

Table 4

"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: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

	2 Qtr 2009		1 Qtr 2009	
	Retiree	EE	Retiree	EE
Agree completely	22%	22% SIG	19%	18%
Agree somewhat	27% [^]	28%	34%	31%
Neither agree nor disagree	17%	17% SIG	17%	22%
Disagree somewhat	11%	12%	13%	13%
Disagree completely	23% [^]	21% SIG	16%	15%
	N=509	N=1,189	N= 540	N= 1,155

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

[^] - varies significantly (95% level) from previous retiree comparison

Table 5

“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: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

	2 Qtr 2009		1 Qtr 2009	
	Retiree	EE	Retiree	EE
Better	31%	37%	33%	35%
Same	39%^	39% SIG	33%	34%
Worse	24%	18% SIG	27%	24%
Not sure	7%	6%	7%	7%
	N=509	N=1,189	N= 540	N= 1,155

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

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

Employees and retirees were questioned regarding their likelihood to participate in a voucher program to help the struggling automotive industry. Nearly a third (32%) of employees and a quarter of retirees (22%) said they would be very likely or somewhat likely to participate in a voucher program if such legislation were passed. Nearly half of retirees (45%) and a third of employees said they would be very unlikely to participate.

Table 6

“The Federal Government has considered several legislative measures to help turn around the struggling automotive industry. One proposal would give consumers a voucher (e.g., \$3,000 to \$5,000) toward a new, fuel efficient car in exchange for a poorer performing older model. If similar legislation were passed, how likely would you to be to take advantage of it?”

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

	2 Qtr 2009	
	Retiree	EE
Very likely	5%	10%
Somewhat likely	17%	22%
Neither likely nor unlikely	23%	21%
Somewhat unlikely	10%	15%
Very unlikely	45% sig	33%
	N=509	N=1,189

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

Additionally, employees and retirees were asked how they think they will do financially twelve months from now as a result of the government’s economic stimulus plan. The majority of both employees (60%) and retirees (56%) believe they will be the same financially in twelve months as a result of the government’s economic stimulus plan. Nearly two out of ten (17%) employees and retirees believe they will be worse off financially, while 10% of retirees and 15% of employees feel they will be better off financially.

Table 7

“How do you think you will do financially twelve months from now as a result of the government’s economic stimulus plan?”

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

	2 Qtr 2009	
	Retiree	EE
I will be worse off financially	17%	17%
I will be about the same financially	60%	56%
I will be better off financially	10%	15%
Not sure	13%	12%
	N=509	N=1,189

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 over a quarter of employees (28%) said their spending has remained about the same. Two thirds or so of retirees (65%) and employees (68%) have reduced their overall spending to some degree.

Significantly fewer employees this quarter (68%) reported reducing their overall spending to some degree than last quarter (73%). However, significantly more employees (28%) this quarter reported that their spending has remained about the same as last quarter (24%).

Table 8

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

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

	2 Qtr 2009		1 Qtr 2009		4 Qtr 2008		3 Qtr 2008		2 Qtr 2008	
	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE
I have greatly increased my overall spending	<1%	<1%	0%	1%	<1%	<1%	1%	2%	3%	2%
I have increased my overall spending a little	3%	3%	2%	2%	2%	2%	4%	6%	7%	6%
My overall spending is about the same	32%	28% SIG	32%	24%	39%	31%	34%	31%	36%	36%
I have reduced my overall spending a little	36% sig	45%	38%	47%	38%	45%	41%	43%	36%	41%
I have greatly reduced my overall spending	29%	23%	28%	26%	21%	21%	20%	18%	19%	15%
	N=509	N=1,189	N=540	N=1,155	N=625	N=1,179	N=726	N=1,331	N=673	N=1,117

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

sig – varies significantly (95% level) from retiree and employee 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 (35%) was a major personal tax cut. A significant rise in the stock market, lower unemployment rates, lower interest rates, and stabilization of home prices were also commonly selected by employees.

Similar to 1st quarter 2009, the top trigger to get retirees spending again was a significant rise in the stock market (40%).

Table 9

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

Base: 809 employees and 310 retirees who have reduced their spending

	2 Qtr 2009		1 Qtr 2009	
	Retiree	EE	Retiree	EE
A major personal tax cut	25%^	35% SIG	35%	43%
A significant rise in stock market	40%	30% SIG	40%	35%
Lower unemployment rates	7% sig [^]	26%	25%	25%
Lower interest rates	16%^	18% SIG	23%	25%
Stabilization of home prices	12%^	18% SIG	27%	22%
Announcement of job creation programs	6%^	9% SIG	23%	16%
Major corporate tax cuts	3%^	7%	10%	7%
Other	11% sig	21% SIG	12%	13%
None	23% sig [^]	11%	7%	10%
Not sure	20% sig [^]	12%	13%	10%
	N=310	N=809	N=364	N=833

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

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

[^] - varies significantly (95% level) from previous retiree comparison

Nearly half of both retirees (46%) and employees (47%) 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 10

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

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

	2 Qtr 2009		1 Qtr 2009	
	Retiree	EE	Retiree	EE
Yes, but have only purchased items that I need	46%	47%	48%	45%
Yes, have purchased items that I do not need	5% sig	10%	5%	10%
No	49%	43%	47%	45%
	N=509	N=1,189	N=540	N=1,155

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

Just under half of employees (48%) and slightly fewer retirees (42%) said they have paid more often with cash than with credit cards in the past six months.

Table 11

"During the past six months, have you paid more often with cash than with credit cards?"

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

	2 Qtr 2009	
	Retiree	EE
Yes	42%	48%
No	50%	42%
Don't own a credit card	8%	9%

Employees and retirees were asked if they have made certain changes due to current economic conditions. The most common change made by half of retirees and six out of ten employees was preparing more meals at home instead of eating out. Lowering the thermostat at home was also commonly selected by over a third of retirees and employees. Three out of ten employees indicated they have started bringing their lunch to work, while over a quarter of both retirees (27%) and employees (30%) have started to shop in their own closet instead of making new purchases. Please see Table 12 for further detail.

Table 12

“Have you made any of the following changes due to the current economic conditions? Please select all that apply.”

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

	2 Qtr 2009	
	Retiree	EE
Prepare more meals at home instead of eating out	50% sig	61%
Lower the thermostat at home	37%	38%
Started bringing my lunch to work	N/A	31%
Started to "shop in my own closet" instead of making new purchases	27%	30%
Buy in bulk	20%	24%
Cut back on take out coffee	10% sig	20%
Shop at thrift/consignment stores	23%	16%
Use my local library to check out books and videos	16%	13%
Started carpooling and/or taking public transportation to work	3%	5%
Other	7%	8%
None	30% sig	21%
	N=509	N=1,189

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

Employees and retirees were also asked about other larger changes they have made due to recent economic conditions. Two out of ten retirees and employees (21%) have postponed the purchase of a vehicle due to recent economic conditions. Just about 10% of both retirees and employees (9%) indicated they have sold miscellaneous items such as jewelry or artwork due to recent economic conditions. The majority of both retirees (68%) and employees (61%) have not done any of the listed items due to economic conditions.

Table 13

“Have recent economic conditions caused you to do any of the following? Please select all that apply.”

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

	2 Qtr 2009	
	Retiree	EE
Postpone the purchase of a vehicle	20%	21%
Sell other miscellaneous items such as jewelry or artwork	10%	9%
Postpone the purchase of a home	3% sig	8%
Downsize the number of cars you own	3%	3%
Downsize your home	2%	2%
Sell a recreational vehicle such as a boat or motorcycle	1%	1%
Sell a second home	1%	<1%
Other	6%	10%
None	68%	61%
	N=509	N=1,189

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

Employees were asked if they have had to make adjustments to their children’s activities due to financial constraints related to current economic conditions. Just over half (52%) of employees said they do not have children. Of those who do have children, 21% have had to cut back on the number of activities their children are involved in due to financial constraints related to current economic conditions. Nearly half (46%) said they have not had to cut back on their children’s activities due to financial constraints and the remaining third of employees said their children are either not involved in activities and/or the activities are low cost.

Table 14

“Have you had to make adjustments to your children’s activities due to financial constraints related to current economic conditions?”

Base: 554 employed U.S. adults in firms of 10-1,000 employees with children

	2 Qtr 2009
	EE
Yes, I have had to cut back on the number of activities my children are involved in	21%
No, I have not had to cut back on the number of activities my children are involved in	46%
My children are not involved in activities and/or the activities are low cost	34%

Emergency Fund

Approximately two-thirds of retirees (67%) and over half of the employees (59%) have an emergency fund of money they can immediately access if necessary.

Two-thirds of retirees said they could cover over 6 months of living expenses with their emergency fund, compared to only 36% of employees (though both of these percentages are a significant increase from 4th quarter 2008). Over a quarter of employees said they could cover three to four months of living expenses (27%) with their emergency fund, and another 20% said they could cover 5 – 6 months of expenses.

Those with an emergency fund were asked if they recently have had to tap into their emergency fund to cover monthly expenses. Only 11% of both employees and retirees said they have had to tap into their emergency fund recently to cover monthly expenses. The number of employees (11%) who said they have had to tap into their emergency fund recently to cover their monthly expenses is down significantly from 4th quarter 2008 (17%).

Table 15

“Do you have an emergency fund of money that you can immediately access in the event of a job loss or other unanticipated major expense?”

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

	2 Qtr 2009		4 Qtr 2008		3 Qtr 2008		2 Qtr 2008	
	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE
Yes	67% sig	59%	69%	56%	67%	50%	69%	58%
No	33% sig	41%	31%	44%	33%	50%	31%	42%

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

Table 16

“How many months of living expenses could you cover with your emergency fund?”

Base: 708 employed U.S. adults in firms of 10-1,000 employees and 383 retirees with an emergency fund

	2 Qtr 2009		4 Qtr 2008		3 Qtr 2008		2 Qtr 2008	
	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE
Less than 1 month	<1%	2% SIG	1%	6%	<1%	6%	2%	4%
1 – 2 months	6% sig [^]	16% SIG	15%	24%	10%	29%	12%	25%
3 – 4 months	14% sig [^]	27%	20%	26%	20%	30%	20%	32%
5 – 6 months	13%	20% SIG	10%	14%	18%	12%	12%	10%
Over 6 months	66% sig [^]	36% SIG	54%	30%	52%	23%	54%	29%

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

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

[^] - varies significantly (95% level) from previous retiree comparison

Table 17*"Have you had to tap into your emergency fund recently just to cover your monthly expenses?"*

Base: 708 employed U.S. adults in firms of 10-1,000 employees and 383 retirees with an emergency fund

	2 Qtr 2009		4 Qtr 2008	
	Retiree	EE	Retiree	EE
Yes	11%	11% SIG	13%	17%
No	89%	89% SIG	87%	83%

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

Summer Vacation Plans

Employees and retirees were asked if the current state of the economy has influenced their summer vacation plans. Just about a third of retirees (36%) and employees (32%) have not changed their summer vacation plans. More than a third of employees (36%) and a quarter of retirees (24%) have altered their vacation plans to save money, compared to 32% of employees and 22% of retirees who altered their plans last year at this time in order to save money. Nearly four out of ten retirees (38%) and over a quarter of employees (28%) were not planning to take a vacation this summer.

Table 18*"Has the current state of the economy influenced your summer vacation plans?"*

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

	2 Qtr 2009		2 Qtr 2008	
	Retiree	EE	Retiree	EE
I have drastically altered my summer vacation plans to save money	10% sig	17%	13%	12%
I have slightly altered my summer vacation plans to save money	14% [^]	19%	9%	20%
I have not changed my summer vacation plans	36%	32% SIG	33%	37%
I have slightly altered my summer vacation plans to spend more money	1%	3%	2%	2%
I have drastically altered my summer vacation plans to spend more money	1% [^]	1% SIG	3%	2%
I was not planning to take a summer vacation this summer	38% sig	28%	40%	26%
	N=509	N=1,189	N=673	N=1,117

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

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

[^] - varies significantly (95% level) from previous retiree comparison

Employees and retirees were provided with a list of things that could potentially impact their summer vacation plans. For employees, loss of a job was the top fear that could potentially impact their summer vacation plans, selected by 39% of the employees, up significantly from 2nd quarter of 2008 (23%). Also of concern to employees was having enough money saved for vacation (37%) and rising fuel prices (33%).

Retirees' top fears included having enough money saved for vacation (29%) and rising fuel prices (27%).

Four out of ten retirees (42%) have no fear that anything will impact their summer vacation plans, compared to a quarter or so (24%) of employees.

Table 19

"Which of the following do you fear could potentially impact your summer vacation plans? Please select all that apply"

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

	2 Qtr 2009		2 Qtr 2008		2 Qtr 2007	
	Retiree	EE	Retiree	EE	Retiree	EE
Loss of job	N/A	39%SIG	N/A	23%	N/A	15%
Having enough money saved for vacation	29%	37%	27%	35%	23%	47%
Rising fuel prices	27%^	33%SIG	56%	57%	46%	47%
Too busy at work	N/A	21%	N/A	19%	N/A	38%
Airline delays/cancellations	17%sig	8%SIG	20%	20%	12%	11%
Job switch	N/A	7%	N/A	9%	N/A	12%
Other	13%sig^	6%SIG	9%	4%	7%	6%
I have no fear that anything will impact my summer vacation plans	42%sig^	24%SIG	28%	17%	40%	17%
	N=509	N=1,189	N=673	N=1,117	N=548	N=1,137

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

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

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

Life Insurance

Employees and retirees were provided a list and asked what they fear would set them back the most financially. The answer given most frequently by employees was loss of job (48%, up significantly from 2nd quarter 2008 when 40% of employees selected this), followed by large medical expense due to a serious illness or accident (18%). A third of retirees cited a large medical expense due to serious illness or accident as the thing they fear would set them back the most financially. Twelve percent of retirees are not sure which of the items listed would set them back most financially.

Table 20

“What do you fear would set you back most financially?”

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

	2 Qtr 2009		2 Qtr 2008		3 Qtr 2007	
	Retiree	EE	Retiree	EE	Retiree	EE
Loss of job	N/A	48%SIG	N/A	40%	N/A	41%
Large medical expense due to serious illness or accident	33%sig^	18%SIG	26%	22%	37%	23%
Disability of spouse or self	12%	11%	10%	10%	9%	10%
Death of a spouse	8%	8%	10%	8%	12%	7%
Natural disaster	9%sig^	3%SIG	13%	5%	9%	3%
House fire	10%sig	3%	7%	3%	5%	2%
Divorce	2%	3%	3%	3%	2%	2%
Totaling my car	4%sig	1%SIG	2%	3%	1%	2%
Other	4%sig^	1%	8%	1%	6%	1%
None	6%sig	1%SIG	7%	2%	10%	1%
Not Sure	12%sig	4%	13%	4%	9%	7%
	N=509	N=1,189	N=673	N=1,117	N=554	N=1,214

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

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

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

Employees were asked what they feel is an adequate amount of life insurance for themselves. Over one in five of the employees (23%) are not sure. Five percent don't feel that they need any life insurance. Almost half (45%) feel they need two or five times their salary.

Table 21*“What is an adequate amount of life insurance for you personally?”*

Base: 1,189 qualified employee respondents

	2 Qtr 2009 EE	2 Qtr 2008 EE	3 Qtr 2007 EE
Two times my salary	16%	14%	17%
Five times my salary	29%	32%	28%
Ten times my salary	18%	19%	16%
More than ten times my salary	10%	9%	7%
Not sure	23%	22%	26%
None, I do not need life insurance	5%	4%	6%
	N=1,189	N=1,117	N=1,214

Fifty-one percent of employees and 47% of retirees personally own a life insurance policy on themselves (where they pay 100% of the premium).

Those who own a life insurance policy on themselves were asked of their coverage intentions in the next six months. The vast majority of both retirees (90%) and employees (84%) intend to continue the same coverage amount that they currently have.

Table 22*“In the next six months, do you think you will increase or decrease the life insurance coverage you currently have, or keep the same coverage amount?”*

Base: 621 employed U.S. adults in firms of 10-1,000 employees and 262 retirees who own a life insurance policy

	2 Qtr 2009	
	Retiree	EE
Increase the coverage amount	2%	7%
Decrease the coverage amount	0%	2%
Continue the same coverage amount	90%	84%
Drop the coverage altogether	2%	<1%
Not sure	5%	6%
	N=262	N=621

Those who do not own an individual life insurance policy were asked of their purchase intentions in the next six months due to current economic conditions. Seventy percent of employees and significantly more retirees (84%) say they are unlikely or very unlikely to purchase an individual life insurance policy in the next six months due to current economic conditions.

Table 23

“How likely are you to purchase an individual life insurance policy in the next 6 months due to current economic conditions?”

Base: 568 employed U.S. adults in firms of 10-1,000 employees and 247 retirees who do not own a life insurance policy

	2 Qtr 2009	
	Retiree	EE
Very likely	1%	2%
Likely	2%	7%
Neither likely nor unlikely	14%	21%
Unlikely	17% sig	31%
Very unlikely	67% sig	39%
	N=247	N=568

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

Forty-one percent of retirees and 42% of employees feel either somewhat unknowledgeable or not at all knowledgeable about individually owned life insurance. Only 18% of employees and 12% of retirees feel either very or extremely knowledgeable about this type of insurance. Please see Table 24 for details.

Table 24

“How knowledgeable do you feel about individually owned life insurance?”

Base: 621 employed U.S. adults in firms of 10-1,000 employees and 262 retirees who own a life insurance policy

	2 Qtr 2009		2 Qtr 2008	
	Retiree	EE	Retiree	EE
Extremely knowledgeable	3%	5%	1%	5%
Very knowledgeable	9%	13%	11%	11%
Knowledgeable	47%	40%	47%	41%
Somewhat unknowledgeable	30%	33%	31%	33%
Not at all knowledgeable	11%	9%	9%	9%
	N=262	N=621	N=357	N=522

When asked how often they see or communicate with the individual who sold them the insurance, 37% of retirees and 35% of employees reported rarely. Forty-two percent of retirees and 30% of employees reported they never see or communicate with the individual who sold them the insurance.

Table 25

“How often do you see or communicate with the individual who sold you the insurance?”

Base: 621 employed U.S. adults in firms of 10- 1,000 employees and 262 retirees who own a life insurance policy

	2 Qtr 2009		2 Qtr 2008	
	Retiree	EE	Retiree	EE
Always	0%	1%	0%	2%
Often	2% sig	8%	5%	8%
Sometimes	19%	26%	19%	24%
Rarely	37%	35%	31%	37%
Never	42% sig	30%	45%	29%
	N=262	N=621	N=357	N=522

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

Employees and retirees were asked how recently they reviewed their current life insurance policy. Approximately a quarter of both retirees and employees (26%) indicated they have reviewed their life insurance policy in the last six months. Over a quarter of retirees (27%) and employees (30%) said they have reviewed their policy in the last year. Another quarter of retirees (26%) and employees (27%) indicated they have reviewed their policy in the last five years.

Table 26

“How recently have you reviewed your current life insurance needs and coverage?”*

Base: 621 employed U.S. adults in firms of 10-1,000 employees and 262 retirees who own a life insurance policy

	2 Qtr 2009		2 Qtr 2008	
	Retiree	EE	Retiree	EE
In the last 6 months	25%	26%	19%	23%
In the last year	27%	30%	33%	34%
In the last 5 years	26%	27% SIG	23%	33%
In the last 10 years	5%^	6%	9%	5%
More than 10 years	16%	10% SIG	15%	6%
	N=262	N=621	N=357	N=522

*2 Qtr 2008 question worded, “How recently have you reviewed your current life insurance policy?”

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

When asked how they would pay for expenses if something were to happen to them or their spouse, employees (21%) were most likely to say they would depend on life insurance benefits from their/their spouse’s own personal life insurance policy, followed closely by withdraw from personal savings (18%, up significantly from 2nd quarter 2008 when 11% selected this). The percentage of employees (13%) who said they would rely on life insurance benefits through their/their spouse’s employer’s life insurance coverage dropped significantly from 2nd quarter 2008 (22%).

In contrast, retirees are most likely to withdraw from personal savings (20%) or depend on life insurance benefits from their/their spouse’s own personal life insurance policy (17%). Moreover, two out of ten retirees (22%) and employees (23%) are not sure how they would pay for expenses if something were to happen to themselves or their spouse.

Table 27

“If something were to happen to you or your spouse, how would you pay for expenses?”

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees and 509 retirees

	2 Qtr 2009		2 Qtr 2008	
	Retiree	EE	Retiree	EE
Depend on life insurance benefits from my/my spouse’s own personal life insurance policy	17%	21%	16%	20%
Withdraw from personal savings	20%	18% SIG	21%	11%
Depend upon life insurance benefits through my/my spouse’s employer’s life insurance coverage	3% sig [^]	13% SIG	9%	22%
Rely financially on spouse/significant other or family	2% sig	7% SIG	2%	4%
Hardship withdrawal from retirement savings	3%	5% SIG	3%	7%
Sell investments – stocks, bonds, mutual funds	14% sig	4%	15%	4%
Sell other investments	2%	2%	1%	2%
Not sure	22%	23%	20%	23%
None of these	17% sig	6%	13%	8%
	N=509	N=1,189	N=673	N=1,117

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

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

[^] - varies significantly (95% level) from previous retiree comparison

Section II-Employee Only Questions

Benefits Offered at Businesses with 10-1,000 employees

The top benefits offered at businesses with 10-1,000 employees are health insurance (91%), dental insurance (75%), defined contribution plans (65%), life insurance (62%), and free parking (56%).

In Table 28 below, comparisons can be made with 4 previous year's benefit offerings. Significance testing was done between this quarter's results and the most previous year's results. There are a few significant differences between responses from this most recent quarter and 2nd quarter 2008 – indicated with "SIG" below. A significantly larger portion of employees this quarter say they have dental insurance and executive benefits, while significantly fewer employees this quarter say they have a defined contribution plan, life insurance, disability insurance, tuition reimbursement, flex time, and stock options compared to last year at this time.

Table 28

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

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees

Company Sponsored Primary Benefits	2 Qtr 2009	2 Qtr 2008	2 Qtr 2007	2 Qtr 2006	2 Qtr 2005
Health Insurance	91%	92%	93%	91%	84%
Dental Insurance	75% SIG	71%	69%	N/A	N/A
Defined Contribution Plan	65% SIG	71%	74%	71%	64%
Life Insurance	62% SIG	68%	66%	66%	59%
Free Parking	56%	60%	57%	59%	59%
Disability Insurance	42% SIG	49%	45%	40%	46%
Tuition Reimbursement	24% SIG	29%	28%	26%	29%
Profit Sharing/Bonus	24%	22%	20%	20%	22%
Defined Benefit Plan	22%	21%	21%	18%	23%
Flex Time	20% SIG	26%	27%	26%	25%
Financial Planning	8%	8%	7%	5%	10%
Legal Services	6%	7%	6%	6%	9%
Stock Options	5% SIG	8%	5%	9%	8%
Executive Benefits	5% SIG	3%	2%	3%	4%
Personal Banking Services	4%	5%	5%	7%	9%
Child Care Subsidies	2%	3%	3%	3%	3%
On-site Day Care	2%	3%	1%	1%	2%
Other	4% SIG	8%	7%	6%	6%

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

Benefit Satisfaction

Upon identifying what benefits they are offered through their employer, employees were asked to rate their satisfaction with some of the major benefits. Employees are most satisfied with their defined benefit plan (68%), disability insurance (57%) and profit sharing/bonus (56%). In comparing this quarter's results with the previous year, satisfaction with defined contribution plans is significantly lower (53% versus 58% in 2008) and satisfaction with health insurance is also significantly lower (47% versus 53% in 2008).

Table 29

“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 their satisfaction an 8, 9 or 10.

Base: varies by benefit offered by employer

Satisfaction with Benefit	2 Qtr 2009	2 Qtr 2008	2 Qtr 2007	2 Qtr 2006	2 Qtr 2005
Defined Benefit Plans (N=288)	68%	67%	62%	66%	54%
Disability Insurance (N=524)	57%	52%	44%	53%	47%
Profit Sharing/Bonus (N=227)	56%	55%	48%	57%	57%
Defined Contribution Plans (N=735)	53%SIG	58%	56%	55%	53%
Life Insurance (N=781)	52%	53%	51%	51%	51%
Dental Insurance (N=913)	48%	50%	46%	N/A	N/A
Health Insurance (N=1092)	47%SIG	53%	50%	46%	46%
Stock Options (N=63)	42%	53%	39%	37%	33%

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

Benefit Importance

All employee respondents were asked to rate a group of benefits in terms of how important each was to them on a 10-point scale with 10 being “Very Important.” Similar to 2008, the top three benefits rated as most important to employees are health insurance (86%), defined contribution plans (71%), and dental insurance (63%). The perceived importance of dental insurance, defined benefit plans, profit sharing/bonus and stock options decreased significantly from importance levels reported in 2008.

Table 30

“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 an 8, 9 or 10.

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees

	2 Qtr 2009	2 Qtr 2008	2 Qtr 2007	2 Qtr 2006	2 Qtr 2005
Health Insurance	86%	86%	88%	89%	89%
Defined Contribution Plan	71%	71%	74%	72%	70%
Dental Insurance	63%SIG	67%	70%	N/A	N/A
Disability Insurance	51%	52%	51%	55%	55%
Defined Benefit Plan	48%SIG	55%	55%	55%	57%
Life Insurance	47%	50%	47%	49%	52%
Profit Sharing/Bonus	35%SIG	43%	40%	43%	42%
Stock Options	12%SIG	21%	17%	20%	17%

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

Employee respondents were asked to identify what benefits they would most like their employer to offer, aside from those already offered. Defined benefit plans topped the list with 21%, followed by profit sharing/bonus (13%) and flex time-flexible work schedule (11%).

Table 31

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

Top 5 Benefits

Base: employees without certain benefits

Benefits	2 Qtr 2009	2 Qtr 2008	2 Qtr 2007	2 Qtr 2006	2 Qtr 2005
Defined Benefit Plan	21%	24%	20%	23%	19%
Profit Sharing/Bonus	13%	15%	13%	14%	14%
Flex Time- Flexible Work Schedule	11% SIG	14%	14%	11%	10%
Tuition Reimbursement	7% SIG	5%	7%	6%	6%
Defined Contribution Plan	7%	6%	6%	8%	7%

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

Aside from those benefits employees would like to see added to their employers' benefit programs, they were also asked to identify what benefits they would like to have improved upon. The top two benefits mentioned are health insurance (44%) and defined contribution plans (14%). This has been consistent for the past four years. See Table 32 for additional detail.

Table 32

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

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees

Benefits	2 Qtr 2009	2 Qtr 2008	2 Qtr 2007	2 Qtr 2006	2 Qtr 2005
Health Insurance	44% SIG	37%	40%	42%	41%
Defined Contribution Plan	14% SIG	20%	17%	17%	14%
Profit Sharing/Bonus Plan	5%	4%	4%	4%	6%
Defined Benefit Plan	5% SIG	3%	4%	3%	4%
Life Insurance	4%	5%	4%	3%	4%
Tuition Reimbursement	3%	2%	3%	3%	3%
Disability Insurance	2%	3%	3%	1%	3%

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

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 agreement statements were asked. Similar to this time in 2008, 62% of employees agree that having a good employee benefits plan encourages them to work harder and perform better. The percentage of employees (58%) who agreed that having a good employee benefits plan keeps them working for their current company decreased significantly from 2nd quarter 2008 (63%). In addition, just over a quarter of employees (27%) agreed that their company is concerned about their long-term financial future, which is consistent with the percentage who agreed to this statement in 2008 (28%).

Table 33

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

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees

Trending Comparison (% of respondents agreeing completely or somewhat)	2 Qtr 2009	2 Qtr 2008	2 Qtr 2005	2 Qtr 2004
Having a good employee benefits plan encourages me to work harder and perform better.	62%	63%	68%	63%
Having a good employee benefits plan keeps me working for my current company.	58%SIG	63%	57%	62%
My company is concerned about my long-term financial future.	27%	28%	24%	22%

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

Retirement Savings

Employees were asked about their effort to save for their own retirement over the past 6 months. Similar to 1st quarter 2009, just over six out of ten (62%) 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. Only 8% of employees reported that they have reduced the amount they are saving for retirement. Down significantly from 1st quarter 2009, 16% of employees indicated they are not currently saving for their retirement, compared to 20% who said they were not saving for retirement in 1st quarter 2009.

Table 34

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

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees

	2 Qtr 2009	1 Qtr 2009	4 Qtr 2008	3 Qtr 2008	2 Qtr 2008
I have reduced the amount I am saving towards retirement	8%	7%	4%	7%	7%
I have increased the amount I am saving towards retirement	14%	14%	11%	14%	20%
I have not changed the amount I am saving towards retirement	62%	59%	67%	62%	57%
I am not currently saving for retirement	16%SIG	20%	17%	18%	16%

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

Employees who are saving for retirement were asked how long they thought it would take for their retirement account to recover to the balance they had at the beginning of January 2008. Around four out of ten (41%) employees think it will take between 2 to 5 years to recover their retirement account balance, while another 15% believe it will take 6 to 10 years. Six percent of employees saving for retirement think it will take over 10 years to recover their account balance. Only 3% of employees think they will *never* recover their account balance.

Table 35

“How long do you think it will take for your retirement account to recover to the balance you had on January 1, 2008?”

Base: 1,022 employed U.S. adults in firms of 10-1,000 employees who are saving for retirement

	2 Qtr 2009
My balance is the same or higher than it was on January 1, 2008	9%
Less than 2 years	11%
2 to 5 years	41%
6 to 10 years	15%
Over 10 years	6%
Never	3%
Not sure	12%
I didn't have a balance on January 1, 2008	3%

Retirement Date

Employees were asked if they have adjusted when they plan to retire given current economic conditions. Though only 13% of employees said they are delaying their planned retirement, this is a significant increase from the percentage (10%) of employees who indicated they were planning to delay their retirement date in 1st quarter 2009. Just over a third of employees (35%) said they have not changed their planned retirement date. Over half (52%) of employees are not sure when they are going to retire.

Table 36

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

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees

	2 Qtr 2009	1 Qtr 2009	4 Qtr 2008	3 Qtr 2008
Yes, I have delayed my planned retirement date	13%^{SIG}	10%	9%	9%
No, I have not made any changes to my planned retirement date	35%^{SIG}	42%	39%	37%
I am not sure when I am going to retire	52%	48%	52%	54%

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

401(k) Changes

As in 1st quarter 2009, 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. Up significantly from 1st quarter 2009 when 10% of employees reported making some type of change to their 401(k) account, 15% indicated they have made some type of change to their 401(k) this quarter. Eight percent of employees have decreased the amount they are contributing to their 401(k), up significantly from 1st quarter 2009 when 5% reported they have decreased their contribution amount. Four percent have taken out a loan from their 401(k) account, also a significant increase from 1st quarter 2009 when 2% reported taking out a loan. Consistent with findings from 1st quarter 2009, 3% of employees have stopped contributing to their 401(k) account and 2% reported taking out a hardship withdrawal. (Note percentages exceed 15% due to some employees making multiple changes to their 401(k)).

Employees who have made changes to their 401(k) account have made these changes most commonly to pay daily expenses (42%) or to pay down debt (37%). Over a quarter of employees (27%) are making changes to their 401(k) account in order to build up their savings account – a significant increase from 1st quarter 2009 when only 12% of employees said they have make changes to build up their savings account. 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: 735 employed U.S. adults in firms of 10-1,000 employees who are eligible to participate

	2 Qtr 2009 EE	1 Qtr 2009 EE	4 Qtr 2008 EE	3 Qtr 2008 EE	3 Qtr 2007 EE
Yes	82%	82%	80%	81%	84%
No	18%	18%	20%	19%	16%
	N=735	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: 600 employed U.S. adults in firms of 10-1,000 employees who participate in their employer’s 401(k)

	2 Qtr 2009	1 Qtr 2009	4 Qtr 2008	3 Qtr 2008
Decreased the amount I am contributing to my 401(k) account	8% SIG	5%	4%	5%
Taken out a loan from my 401(k) account	4% SIG	2%	5%	4%
Stopped contributing to my 401(k) account	3%	4%	1%	3%
Taken out a hardship withdrawal from my 401(k) account	2%	1%	1%	3%
None of the above	85% SIG	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: 83 employed U.S. adults who have made a change to their 401(k)

	2 Qtr 2009	1 Qtr 2009	4 Qtr 2008	3 Qtr 2008
To pay daily expenses (gas, groceries, etc.)	42%	45%	34%	38%
To pay down debt	37%	26%	46%	40%
To build up my savings account	27% SIG	12%	16%	15%
To purchase a home	18%	4%	4%	8%
To pay for education expenses	7%	10%	16%	7%
To pay medical expenses	6%	18%	11%	20%
To pay for home improvements	5%	3%	11%	11%
To pay for funeral and/or burial expenses	2%	0%	2%	3%
Other	7% SIG	32%	11%	20%

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

Employees participating in their employer’s 401(k) were asked what would cause them to either reduce or stop their contributions altogether to their retirement plan. Of a list of options presented, having their employer reduce their salary/pay would cause 42% of employees contributing to their retirement to either reduce or stop their contributions. Nearly a quarter (22%) of employees indicated they would reduce or stop their contributions if their employer stops matching or postpones matching their contribution. Fear of losing their job would cause 17% of employees to reduce or stop their retirement plan contributions, while employer reductions in the company match would cause 15% of employees to reduce or stop their contribution. Please see Table 40 for additional detail.

Table 40

“Would any of the following cause you to reduce or stop contributions to your retirement plan (such as your 401(k) or 403(b) plan)? Please select all that apply.”

Base: 600 employed U.S. adults who participate in their employer’s 401(k) plan

	2 Qtr 2009
My employer reduces my salary/pay	42%
My employer stops/postpones matching my contribution	22%
Fear of losing my job	17%
My employer reduces the company match on my contribution	15%
My employer increases my cost for other benefits (i.e., health insurance premiums/co-pays, dental insurance, vision insurance, etc.)	13%
A further decline in my retirement returns	13%
My employer eliminates other employee benefits (i.e., free parking, subsidized public transportation, health club membership, etc.)	4%
Other	5%
None	38%

Job Security

Job security was ranked number one in terms of importance by more employees (54%), over long-term financial future (36%) and challenging work (10%). Significantly more employees ranked job security as number one in terms of importance than in 2nd quarter 2008, while significantly fewer employees ranked long-term financial future number one than this time last year.

Table 41

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

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees

Respondent Ranked Item #1	2 Qtr 2009	2 Qtr 2008	2 Qtr 2007	4 Qtr 2006	4 Qtr 2005
Job Security	54%SIG	47%	39%	45%	52%
Long-Term Financial Future	36%SIG	41%	49%	41%	36%
Challenging Work	10%	12%	12%	14%	12%
	N=1,189	N=1,117	N=1,137	N=1,197	N=1,213

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

Employees were asked about their level of concern with their own job security. Just over a quarter (27%) of employees have some level of concern with their own job security. The percentage of employees (13%) who are either extremely concerned or very concerned with their own, personal job security is up significantly from 2nd quarter 2009 (10%).

Table 42

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

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees

	2 Qtr 2009 EE	2 Qtr 2008 EE	2 Qtr 2007 EE
Extremely Concerned	5%	5%	3%
Very Concerned	8%SIG	5%	5%
Concerned	14%	14%	14%
Somewhat Unconcerned	42%SIG	35%	31%
Not at all concerned	31%SIG	41%	47%

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

Concerns about Current Company

Employees were given a list of potential events that could happen to a company and asked to select any that are of concern for them regarding their company in the next year. Approximately a third of employees (37%) indicated they have no concerns about the future of their company – down significantly from 2nd quarter 2008 when half of the employees indicated they had no concerns. The most frequently chosen concern was that their company will reduce the number of employees (47%), up significantly from 2nd quarter of 2008 (36%). Furthermore, significantly more employees (13%) this quarter are concerned that their company will go out of business compared to last year at this time (9%).

Table 43

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

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees

	2 Qtr 2009 EE	2 Qtr 2008 EE	2 Qtr 2007 EE
My company will reduce the number of employees.	47%SIG	36%	22%
My company will go out of business.	13%SIG	9%	8%
My company will be acquired by or merge with a larger company.	8%	6%	7%
Other	7%	8%	11%
I have no concerns about the future of my company.	37%SIG	50%	61%
	N=1,189	N=1,117	N=1,137

SIG – varies significantly (95% level) from previous results 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 was to cut spending on miscellaneous items such as eating out, take out coffee, entertainment, and other consumer purchases, reported by 45% of employees. A quarter of employees have tried to put aside more money in savings each month. Nearly another quarter (24%) have cut some of their fixed monthly expenses such as gym memberships, media subscriptions and cable TV – up significantly from 1st quarter 2009 when 19% of employees reported cutting some of their fixed monthly expenses in preparation for a job loss. Just under half of employees (44%) have not taken any actions to deal with a potential lay off from their employer.

Table 44

“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: 1,189 employed U.S. adults in firms of 10-1,000 employees

	2 Qtr 2009	1 Qtr 2009
Cut spending on miscellaneous items (e.g., eating out, take out coffee, entertainment, consumer purchases, etc.)	45%	43%
Try to put aside more money in savings each month	25%	23%
Cut my fixed monthly expenses (e.g., gym membership, media subscriptions, cable TV, etc.)	24% SIG	19%
Cut back on my contributions to my retirement account	7%	6%
Open up a home equity line of credit	1% SIG	2%
Other actions	6%	8%
I have not taken any actions to prepare for a potential lay off from my employer	44%	44%

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

Employees were asked what they would do with their retirement account with their employer if they lost their job. As in 1st quarter 2009, employee responses were divided, with the most popular responses being 14% would roll the money into a new individual retirement account (IRA), 13% would have to meet with a financial advisor before making a decision, 13% would leave the money in their current retirement account, and 11% would roll the money into an existing individual retirement account (IRA). Please see Table 45 for further detail.

Table 45

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

Base: 1,189 employed U.S. adults in firms of 10-1,000 employees

	2 Qtr 2009	1 Qtr 2009
Roll the money into a new individual retirement account (IRA)	14%	15%
I would meet with a financial advisor before making the decision	13%	13%
Leave the money in my current retirement account	13%	11%
Roll the money into an existing individual retirement account (IRA)	11%	11%
Move the money to a new employer's retirement plan	8%	7%
Take the money as cash	8%	7%
Not sure	14% SIG	17%
I do not have a retirement account with my current employer	18%	19%

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

Section II-Retiree Only Questions

Stock Market's Impact on Standard of Living

Retirees were asked if the recent decline in the stock market has affected their ability to maintain the same standard of living they had a year ago. Approximately a quarter (24%) of the retirees said the recent stock market decline has impacted their ability to maintain the standard of living they had just a year ago. Of the remaining retirees, two-thirds (67%) said the recent decline in the stock market has not impacted their standard of living and 9% were not sure.

Table 46

"Has the decline in the stock market recently impacted your ability to maintain the same standard of living you had a year ago?"

Base: 509 retirees

	2 Qtr 2009
Yes	24%
No	67%
Not sure	9%