

The Principal Financial Well Being Index – Summary 4th Quarter 2011

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 October 20 and October 31, 2011 among 1,121 employees and 533 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.

Featured Key Findings

- **Financial Well Being (Table 1, Page 3) -**
 - Seven out of ten employees and slightly fewer retirees (63%) are very concerned with their long-term financial future.
 - A third of retirees (34%) and three out of ten employees (31%, up significantly from 27% last quarter) are extremely happy about their current financial well being.
 - Employees who use the services of a financial professional for financial advice, guidance, and/or products for a fee or commission are significantly more likely to report they are extremely happy with their current financial well being (43%) than employees who do not use a financial professional (28%).
 - A quarter of employees (26%) have not yet planned for retirement savings/security.
 - Employees who use the services of a financial professional are less likely to say they have not yet planned for retirement savings/security (7%) than employees who do not use the services of a financial professional (31%).
- **Stress Levels (Table 2, Page 4) –**
 - Half of retirees (52%) and two out of five employees (42%) rated their stress level with the economy as high (an 8, 9 or 10 on a 10-point scale).
 - A third of employees (34%) and three out of ten retirees indicated personal finances was a high level of stress for them.
 - Additionally, three out of ten employees said their job is highly stressful.
 - Stress levels related to their physical health were the lowest reported levels, rated highly by only 15% of employees and about one out of five retirees (19%).
- **Holiday Spending (Tables 3-9, Pages 4-8) –**
 - About three out of five employees (61%) and over half of retirees (55%) plan to spend the same amount of money as they did last year for the holidays. A third of employees (34%) and even more retirees (43%) plan to spend less money than they did last year for the holidays.
 - Top payment methods for holiday gifts this year are credit cards which are expected to be paid off prior to incurring any fees/interest (31% of employees; 37% of retirees), cash (29% of employees; 30% of retirees) and debit cards (22% of employees; 13% of retirees).

- Over half of employees and retirees (55% of both groups) expect holiday expenditures to put a moderate amount of stress on their personal financial situation this year.
- Two thirds of employees (68%) and over half of retirees (54%) indicate that they usually do their holiday shopping during the holiday season. Just under half of both groups (45% of employees; 44% of retirees) shop before the holiday season in order to spread out the cost over several months (69% of employees; 62% of retirees), avoid heightened stress at holiday time (56% of employees; 49% of retirees) or take advantage of sales (40% of employees; 46% of retirees).
- **Financial Blunders of 2011 (Table 10, Page 9) –**
 - When asked to select the top financial blunder they have made this year, employees' top response was not saving enough, selected by about one out of five employees (19%).
 - Increasing debt (18%) was the next most common selection among employees, either in the form of credit card debt (12%) or other forms of debt (6%).
- **New Year's Financial Resolutions (Table 11, Page 10) –**
 - Similar to 2010, the top two resolutions selected by employees were putting a set amount of money into savings each month and paying off credit card debt, both selected by over a quarter of employees (26%). One out of five employees (21%) also indicated they are resolving to reduce their spending by a specific amount each month in 2012.
 - Retirees' top resolutions were to reduce their spending by a specific amount each month and put a set amount of money into savings each month, both selected by 17% of retirees. Paying off credit card was also selected as a New Year's financial resolution for 2012 by 15% of retirees.
- **Economic Outlook (Tables 12-14, Pages 11-12) –**
 - Over three quarters of retirees (78%, up significantly from 67% at this same time last year) and over half of employees (56%, up from 50% at this same time last year) said they do not feel better off financially now than they did at the beginning of 2011.
 - Consistent with last quarter, over half of retirees (56%) think the economy will worsen over the next year. Significantly fewer employees this quarter believe the economy will worsen over the next year compared to last quarter (39% versus 46%).
 - In thinking about issues of concern in the New Year, employees' top concerns are around economic uncertainty (62%), gas prices (58%), health care costs (55%), food prices (49%) and increased taxes (45%).
- **Financial Dreams (Tables 17-19, Pages 15-16) -**
 - A third of both employees and retirees said they are confident, very confident or extremely confident in their ability to achieve their dreams for their financial future.
 - Employees who use a financial professional were significantly more likely to be confident, very confident or extremely confident in their ability to achieve their dreams for their financial future (42%) than employees who do not use a professional (25%).
 - The top financial dreams for employees are to be financially secure (21%), to have financial security in retirement (20%) and to be debt free (15%). For retirees, the top financial dream is good health, chosen by a quarter of retirees.
- **Financial Professional Usage (Tables 20-23, Pages 16-18) -**
 - Only 20% of employees and just over a quarter of retirees (29%) indicate they use a financial professional who provides them financial advice, guidance, and/or products for a fee or commission.
 - Employee financial professional usage is more common in households with higher incomes.
- **Retirement Threats (Table 24, Page 19) –**
 - For three out of five employees (57%), insufficient retirement savings threaten their future retirement. Reductions in Social Security are believed to threaten the retirement of nearly another half of employees (46%). Other common retirement threats for employees include market volatility (40%) and reduced Medicare benefits (35%).
 - Retirees' most commonly selected retirement threat was reduced Medicare benefits (60%), followed closely by reductions in Social Security (58%). Market volatility (29%) and insufficient retirement savings (28%) also threaten the retirement of at least a quarter of retirees.
- **Employee Benefits (Tables 25-29, Pages 20-23) –**
 - Employees continue to rate health insurance as the most important benefit (90%), followed by defined contribution retirement plans (69%) and dental insurance (65%). Health insurance is the benefit most employees would like to see improved (39%), while defined benefit plans is the benefit most employees would like to see their employer offer (24%).

Financial Well Being

In measuring employees' and retirees' attitudes and perceptions about their financial well being, a series of different questions were asked. Employees and retirees were asked to identify how much they agreed with some statements related to how concerned they are about their long-term financial future and how happy they are with their current financial well-being.

As seen in Table 1, seven in ten employees and slightly fewer retirees (63%) agree they are very concerned about their long-term financial future – results similar to those seen in 3rd quarter of 2011.

A third of retirees (34%) and three out of ten employees (31%, up significantly from 27% last quarter) are extremely happy about their current financial well being. Employees who use the services of a financial professional for financial advice, guidance, and/or products for a fee or commission are significantly more likely to report they are extremely happy with their current financial well being (43%) than employees who do not use a financial professional (28%). Furthermore, male employees are significantly more likely to say they are extremely happy with their current financial well being (35%) than female employees (27%).

A quarter of employees (26%) have not yet planned for retirement savings and security. Employees who use the services of a financial professional for financial advice, guidance, and/or products for a fee or commission are significantly less likely to say they have not yet planned for retirement savings/security (7%) than employees who do not use a financial professional (31%).

Table 1

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

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

Percent Agreeing Completely or Somewhat	4 Qtr 2011		3 Qtr 2011		2 Qtr 2011		1 Qtr 2011		4 Qtr 2010		3 Qtr 2010	
	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE
<i>"I am very concerned about my long-term financial future."</i>	63%^{sig}	70%	67%	68%	43%	63%	54%	61%	56%	72%	61%	75%
<i>"I am extremely happy about my current financial well-being."</i>	34%	31%^{SIG}	35%	27%	41%	27%	43%	29%	36%	31%	36%	19%
<i>"I have not yet planned for retirement savings/security."</i>	N/A	26%	N/A	29%	N/A	24%	N/A	24%	N/A	26%	N/A	27%

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

Stress Levels

When asked to rate their current stress level in the areas of personal finances, physical health, their job and the economy, stress levels with the economy were the highest, particularly for retirees. Half of retirees (52%) and two out of five employees (42%) rated their stress level with the economy as high (an 8, 9 or 10 on a 10-point scale). In terms of age differences, those 50-64 years-old (51%) and those 65 years-old and older (59%) were significantly more likely to rate their stress level with the economy as an 8, 9 or 10 than those ages 18-34 years (30%) and those ages 35-49 years (40%).

A third of employees (34%) and three out of ten retirees indicated personal finances was a high level of stress for them. In fact, employees who use the services of a financial professional are significantly less likely to say their personal finances are a high level of stress for them (18%) than employees who do not use a financial professional (38%). Moreover, females (41%) are significantly more likely than males (29%) to indicate that their stress level related to their personal finances is high.

Additionally, three out of ten employees said their job is highly stressful.

Stress levels related to their physical health were the lowest reported levels, rated highly by only 15% of employees and about one out of five retirees (19%). Female employees (20%) were more likely to report high stress levels related to their physical health than male employees (11%).

Please reference Table 2 for complete results.

Table 2

“Please rate your current stress level in each of the following areas.”

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	Personal Finances		Physical Health		Job		Economy	
	Retiree	Employee	Retiree	Employee	Retiree	Employee	Retiree	Employee
Top 3 Box (8, 9 or 10)	30%	34%	19%	15%	N/A	30%	52% sig	42%
4, 5, 6, or 7	49%	49%	54% sig	60%	N/A	53%	39% sig	50%
Bottom 3 Box (1, 2 or 3)	22%	17%	26%	26%	N/A	18%	10%	8%

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

Holiday Spending

Employees and retirees were asked about their intentions for spending in the upcoming holiday season. Respondents were asked what changes they are making to their holiday plans due to current economic conditions.

About two out of five employees and retirees (41% of both groups) indicated they would be spending less per gift this holiday season. Slightly fewer employees (39%) and about a third of retirees (32%) said they would be scaling back on the number of people for which they buy gifts. One out of five employees (19%) and over a quarter of retirees (27%) said they would be traveling less this holiday season. Sixteen percent of employees and over a quarter of retirees (28%) will be donating less to charities this holiday season. In addition, thirteen percent of employees and almost one out of five retirees (18%) will not be hosting a holiday party this holiday season due to the current economy.

Please see Table 3 for further detail.

Table 3

"Given the current economy, are you making any changes to your holiday plans? Please check all that apply."

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 th Qtr 2011		4 th Qtr 2010		4 th Qtr 2009		4 th Qtr 2008	
	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE
Spending less per gift	41%	41%	39%	41%	36%	45%	41%	52%
Scaling back on the number of people I buy gifts	32%	39%	31%	38%	30%	46%	31%	49%
Traveling less	27%sig	19%	24%	22%	23%	25%	32%	35%
Donating less to charities	28%sig	16%	25%	18%	27%	19%	27%	25%
Not hosting a holiday party	18%sig*	13%SIG	24%	20%	21%	16%	21%	18%
Giving handcrafted gifts instead of purchased gifts	9%	10%	9%	10%	11%	9%	7%	12%
Other	10%*	12%	16%	11%	9%	8%	N/A	N/A
No holiday plans	29%	26%	30%	26%	34%	22%	17%	8%

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

As seen in Table 4, respondents were also asked how much they plan to spend in the upcoming holiday season. Approximately half of both retirees (49%) and employees (53%) plan to spend between \$101 and \$500 this holiday season. These results are similar to those obtained at the same time in 2010.

Table 4

"How much do you plan to spend in the upcoming holiday season?"

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 th Qtr 2011		4 th Qtr 2010		4 th Qtr 2009		4 th Qtr 2008		4 th Qtr 2007	
	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE
\$100 or less	16%sig	8%	15%	8%	24%	8%	16%	6%	11%	3%
Between \$101 and \$500	49%	53%	47%	52%	45%	51%	46%	49%	46%	49%
Between \$501 and \$750	7%sig	13%	9%	12%	8%	13%	11%	15%	9%	14%
Between \$751 and \$1000	10%	12%	12%	12%	9%	11%	9%	12%	13%	13%
Above \$1000	10%	10%	8%	10%	8%	12%	7%	12%	11%	18%
Decline to Answer	8%sig	4%	10%	6%	6%	6%	10%	5%	10%	4%
	N=533	N=1,121	N=528	N=1,159	N=602	N=1,120	N=625	N=1,179	N=514	N=1,154

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

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

About three out of five employees (61%) and over half of retirees (55%) plan to spend the same amount of money as they did last year for the holidays. A third of employees (34%) and even more retirees (43%) plan to spend less money than they did last year for the holidays. Only 5% of employees and 2% of retirees intend to spend more money than they did last year for the holidays.

Employees with children in the household are more likely to say they will be spending less money than they did last year in the upcoming holiday season (47%) than employees without children in the household (30%).

Table 5*“During the upcoming holiday season, do you intend to...?”*

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011		4 Qtr 2010		4 Qtr 2009		4 Qtr 2008		4 Qtr 2007	
	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE
Spend less money than last year	43%^{sig}	34%	39%	31%	46%	46%	49%	53%	29%	29%
Spend the same amount of money as last year	55%	61%	57%	61%	50%	49%	47%	42%	64%	59%
Spend more money than last year	2%^{sig*}	5%	5%	8%	4%	5%	4%	5%	7%	12%
	N=533	N=1,121	N=528	N=1,159	N=602	N=1,120	N=625	N=1,179	N=514	N=1,154

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

Top payment methods for holiday gifts this year are credit cards which are expected to be paid off prior to incurring any fees/interest (31% of employees; 37% of retirees), cash (29% of employees; 30% of retirees) and debit cards (22% of employees; 13% of retirees).

Please see Table 6 for complete findings.

Table 6

"How are you primarily planning to pay for your holiday gifts this year? Please select one response."

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011	
	Retiree	EE
Credit card(s) which I will pay off before incurring any fees/interest	37%	31%
Cash	30%	29%
Debit card	13% sig	22%
Credit card(s) which I will not be able to pay off before incurring any fees/interest	7%	6%
Holiday savings club/plan	2%	3%
Layaway	1%	1%
Pre-paid card	-	<1%
Personal loan	-	<1%
Other	2% sig	-
Not sure	5%	6%
None of the above	4% sig	1%

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

Over half of employees and retirees (55% of both groups) expect holiday expenditures to put a moderate amount of stress on their personal financial situation this year. About two out of five employees (38%) and retirees (40%) expect their holiday expenditures will not put any amount of stress on their personal finances. Only 7% of employees and 5% of retirees expect holiday expenditures will put a great deal of stress on their personal financial situation.

Table 7

"How much stress do you expect holiday expenditures will put on your personal financial situation?"

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011	
	Retiree	EE
No stress at all	40%	38%
A moderate amount of stress	55%	55%
A great deal of stress	5%	7%

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

Two thirds of employees (68%) and over half of retirees (54%) indicate that they usually do their holiday shopping during the holiday season. Just under half of both groups (45% of employees; 44% of retirees) shop before the holiday season actually begins. Those who shop before holiday season indicated they prefer to do this to spread out the cost over several months (69% of employees; 62% of retirees), to avoid heightened stress at holiday time (56% of employees; 49% of retirees) or to take advantage of sales (40% of employees; 46% of retirees).

Only 12% of employees and 10% of retirees report shopping during the very last minute of the holiday season.

Table 8

“When do you usually do your holiday shopping? Please select all that apply.”

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011	
	Retiree	EE
Before the holiday season	44%	45%
During the holiday season	54% sig	68%
The very last minute of the holiday season	10%	12%
I don't do any holiday shopping	9% sig	3%

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

Table 9

“Why do you prefer to shop before the holiday season? Please select all that apply.”

Base: 474 employed U.S. adults in firms of 10-1,000 employees and 235 retirees who do their shopping before the holiday season

	4 Qtr 2011	
	Retiree	EE
To spread out the cost over several months	62%	69%
To avoid heightened stress at holiday time	49%	56%
To take advantage of holiday sales	46%	40%
Other	11%	5%

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

Financial Blunders of 2011

When asked to select the top financial blunder they have made this year, employees' top response was not saving enough, selected by about one out of five employees (19%). Increasing debt (18%) was the next most common selection among employees, either in the form of credit card debt (12%) or other forms of debt (6%). Over a quarter of employees (27%) indicated none of the blunders listed were ones they had made this year.

Over half of retirees (53%) said that none of the financial blunders listed were ones they had made this year. However, among employees who did select a blunder, the most commonly chosen was not saving enough, selected by 14% of retirees. Another 10% of retirees selected increasing debt either in the form of credit cards (7%) or some other type of debt (3%).

Please see Table 10 for complete findings.

Table 10

“What is the top financial blunder you have made this year?”

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011	
	Retiree	EE
Not saving enough	14%	19%
Accumulating credit card debt	7% sig	12%
Not budgeting properly	3% sig	8%
Investing too little in my retirement	3% sig	7%
Spending outside my means	5%	7%
Taking on more debt	3%	6%
Draining my emergency fund	6%	5%
Investing at the wrong time	3%	3%
Failing to invest	1%	2%
Taking out a 401(k) loan	-	1%
Other	3%	3%
None of the above	53% sig	27%

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

New Year's Financial Resolutions

Employees and retirees were given a list of potential financial resolutions and asked which, if any, they intended to make as New Year's resolutions in 2012. Over half of the retirees (56%) responded they don't intend to make a resolution compared to a third of employees (34%).

Similar to 2010, the top two resolutions selected by employees were putting a set amount of money into savings each month and paying off credit card debt, both selected by over a quarter of employees (26%). One out of five employees (21%) also indicated they are resolving to reduce their spending by a specific amount each month in 2012.

Retirees' top resolutions were to reduce their spending by a specific amount each month and put a set amount of money into savings each month, both selected by 17% of retirees. Paying off credit card was also selected as a New Year's financial resolution for 2012 by 15% of retirees.

Please see Table 11 for complete results.

Table 11

"Which of the following, if any, do you intend to make as New Year's resolutions in 2012? Please select all that apply."

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011		4 Qtr 2010		4 Qtr 2009		4 Qtr 2008		4 Qtr 2007	
	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE
Put a set amount of money into savings each month.	17%sig	26%SIG	15%	30%	19%	32%	12%	31%	13%	39%
Pay off credit card debt.	15%sig	26%SIG	17%	35%	19%	33%	17%	35%	17%	40%
Reduce my spending by a specific amount each month.	17%	21%	19%	22%	17%	23%	17%	26%	11%	23%
Stop using my credit cards.	8%*	12%SIG	13%	18%	7%	18%	12%	23%	10%	22%
Defer more in my defined contribution/401(k) plan.	N/A	10%	N/A	11%	N/A	12%	N/A	9%	N/A	16%
Work with a financial planner or other financial advisor.	4%	5%	6%	7%	6%	7%	3%	8%	7%	8%
Other	3%sig	6%	5%	6%	2%	5%	3%	6%	2%	6%
None of these	9%	10%	10%	10%	9%	10%	13%	8%	18%	8%
I don't intend to make a resolution.	56%sig*	34%SIG	47%	29%	53%	31%	50%	28%	49%	23%
	N=533	N=1,121	N=528	N=1,159	N=602	N=1,120	N=625	N=1,179	N=514	N=1,154

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

Economic Outlook

Employees and retirees were asked if they feel better off financially than they were at the beginning of the year as we approach the end of 2011. Over three quarters of retirees (78%, up significantly from 67% at this same time last year) and over half of employees (56%, up from 50% at this same time last year) said they do not feel better off financially now than they did at the beginning of 2011. Only 15% of retirees (down significantly from 23% last year) and around two out of five employees (37%) said they do feel better off financially now than they did at the beginning of the year.

Table 12

“As we approach the end of 2011, do you feel better off financially than you were at the beginning of the year?”

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011		4 Qtr 2010		4 Qtr 2009	
	Retiree	Employee	Retiree	Employee	Retiree	Employee
Yes	15% sig *	37%	23%	40%	24%	37%
No	78% sig *	56% SIG	67%	50%	61%	51%
Not sure	8%	8%	10%	10%	15%	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

A quarter of employees and one in five retirees (22%) think the economy will improve to some degree in the next year. Over a third of employees (35%) and significantly fewer retirees (21%) think the economy will stay the same in the next year. Consistent with last quarter, over half of retirees (56%) think the economy will worsen over the next year. Significantly fewer employees this quarter believe the economy will worsen over the next year compared to last quarter (39% versus 46%).

Table 13

“What do you think will happen to the economy in the next year?”

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011		3 Qtr 2011		3 Qtr 2010		2 Qtr 2010	
	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE
Improve significantly	1%	1%	1%	1%	<1%	1%	6%	4%
Improve somewhat	21%	24%	18%	23%	33%	32%	49%	45%
Stay the same	21% sig	35% SIG	22%	30%	23%	28%	16%	27%
Worsen somewhat	39% sig	27% SIG	36%	32%	35%	29%	20%	16%
Worsen significantly	17%*	12%	22%	14%	9%	10%	10%	8%

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

In thinking about issues of concern in the New Year, employees' top concerns are around economic uncertainty (62%), gas prices (58%), health care costs (55%), food prices (49%) and increased taxes (45%).

Retirees' top concerns for the New Year include food prices (79%), health care costs (74%), gas prices (71%), economic uncertainty (68%), rising inflation (56%) and political uncertainty (56%).

Table 14

"In thinking ahead to the New Year, which of the following issues concern you most? Please select all that apply."

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011		4 Qtr 2010	
	Retiree	EE	Retiree	EE
Economic uncertainty	68%*	62%	60%	59%
Gas prices	71%sig	58%	N/A	N/A
Health care costs	74%sig	55%SIG	71%	65%
Food prices	79%sig	49%	N/A	N/A
Increased taxes	52%sig	45%SIG	55%	51%
Rising inflation	56%sig*	41%	48%	37%
Political uncertainty	56%sig*	40%SIG	45%	33%
Unemployment	29%*	35%SIG	40%	47%
Stock market	37%sig*	29%SIG	28%	19%
Housing market	27%	26%	25%	27%
Other	5%sig	2%	3%	4%
None of the above	1%*	3%	6%	2%
Not sure	1%	3%	<1%	4%

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

Market Volatility

Two in five employees (41%) and a third of retirees say they are nervous about their ability to save due to the volatility of the market. Another quarter of employees (26%) and third of retirees have reduced their spending because they have lost money due to the volatility of the market. Furthermore, about one in five employees (22%) and retirees (18%) has moved to a more conservative investment approach due to the volatility of the market.

For three out of ten employees and a third of retirees, the volatility of the market has not affected their financial well-being in any way.

Employees who use the services of a financial professional are more likely to say the volatility of the market is causing them to:

- Be nervous about their ability to save (50% of employees who use a financial professional; 38% of employees who do not use a financial professional);
- Reduce their spending because they have lost money due (33% of employees who use a financial professional; 24% of employees who do not use a financial professional);
- Move to a more conservative investment approach (33% of employees who use a financial professional; 19% of employees who do not use a financial professional).

Table 15

"In which of the following ways has the volatility of the market affected your financial well-being?"

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011	
	Retiree	EE
Volatility of the market is making me nervous about my ability to save.	33%^{sig}	41%
Have reduced spending because I have lost money due to volatility of the market.	33%^{sig}	26%
Have moved to a more conservative investment approach.	18%	22%
Have taken on a riskier investment approach.	1%^{sig}	4%
Other	9%	6%
Volatility of the market has not affected my financial well-being.	33%	30%

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

Rebuilding Financial Well Being

Employees and retirees were also asked what steps they have taken to improve or rebuild their financial well being since the recession began in 2008.

For both groups, the top selections were spent less money (47% of employees, down significantly from 57% in 4th quarter 2010; 53% of retirees, also down significantly from 64% last year), paid down debt (45% of employees, down significantly from 50% last year; 30% of retirees, down significantly from 37% last year), and increased savings for an emergency fund (21% of employees; 14% of retirees). One out of five employees also indicated they have increased their retirement savings since the recession began in 2008 to improve or rebuild their financial well being. Please see Table 16 for full details.

Table 16

“Since the recession began in 2008, how have you taken steps to improve or rebuild your financial well being? Please select all that apply.”

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011		4 Qtr 2010		3 Qtr 2010		2 Qtr 2010		1 Qtr 2010	
	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE	Retiree	EE
Spent less money	53%*	47%SIG	64%	57%	61%	68%	60%	69%	54%	62%
Paid down debt	30%sig*	45%SIG	37%	50%	27%	52%	36%	51%	29%	45%
Increased savings for an emergency fund	14%sig	21%	15%	24%	18%	27%	14%	29%	14%	22%
Increased retirement savings	5%sig	20%	4%	19%	5%	19%	3%	20%	6%	18%
Sought out online tools to better manage my personal finances	5%	8%	5%	7%	3%	10%	6%	9%	5%	9%
Sought out a professional advisor to help manage my investments	10%	7%SIG	8%	4%	6%	5%	8%	6%	10%	7%
Other	4%	4%SIG	5%	6%	5%	5%	5%	3%	8%	4%
I have not taken any action	25%sig	17%	20%	15%	24%	12%	25%	12%	29%	16%

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

Financial Dreams

Employees and retirees are fairly confident in their ability to achieve their dreams for their financial future. A third of both employees and retirees said they are confident, very confident or extremely confident in their ability to achieve their dreams for their financial future. Two out of five employees (43%) and retirees (40%) said they are somewhat confident in their ability to achieve their dreams while just about a quarter of employees (23%) and retirees (26%) said they are not at all confident in their ability to achieve their dreams for their financial future.

Employees who use a financial professional seem to be more confident in their ability to achieve their financial dreams than employees who do not use a financial professional. Specifically, employees who use a financial professional were significantly more likely to be confident, very confident or extremely confident in their ability to achieve their dreams for their financial future (42%) than employees who do not use a financial professional (25%).

Table 17

"How confident are you that you that you will be able to achieve your dreams for your financial future?"

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011		3 Qtr 2011		2 Qtr 2011	
	Retiree	Employee	Retiree	Employee	Retiree	Employee
Extremely confident	4%*	4%	1%	2%	3%	4%
Very confident	8%	10% SIG	8%	7%	10%	10%
Confident	21%*	19%	16%	20%	27%	22%
Somewhat confident	40%	43%	42%	44%	31%	43%
Not at all confident	26%*	23%	33%	26%	28%	21%

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

As seen in Table 18, employees' and retirees' responses varied when they were asked how easy or difficult it is them to visualize their financial dreams for next year, 5 years from now, 10 years from now, 20 years from now and their retirement.

At least one out of five employees (range 23% - 34%) indicated it is difficult (1 or 2 on 7 point scale) for them to visualize their financial dreams for all the future timeframes presented to them. Twenty-eight percent of employees rated their ability to visualize their financial dreams for next year as difficult (1 or 2 on 7 point scale). A third of employees (34%) said it is difficult for them to visualize their financial dreams for their retirement.

Even over a quarter of retirees (29%) said it is difficult (1 or 2 on 7 point) for them to visualize their dreams for retirement (and they are already in that phase of their life).

Table 18

"Please indicate how easy it is for you to visualize your financial dreams for..."

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	Next Year		5 Years from Now		10 Years from Now		20 Years from Now		Your Retirement	
	Retiree	Employee	Retiree	Employee	Retiree	Employee	Retiree	Employee	Retiree	Employee
Top 2 Box (6 or 7)	25%	22%	18%	15%	13%	15%	15%	16%	35% sig	17%
7 = Very easy	13%	11%	7%	5%	8%	6%	10%	7%	24% sig	8%
6	12%	10%	11%	10%	5%	9%	5%	9%	11%	9%
5	19%	17%	14%	19%	11%	16%	9%	12%	11%	13%
4	18%	22%	20%	26%	19% sig	28%	12% sig	25%	15%	20%
3	10%	12%	16%	16%	15%	18%	11%	16%	10% sig	16%
2	10%	10%	13%	11%	15% sig	10%	14%	11%	6% sig	11%
1 = Very difficult	18%	17%	18% sig	12%	27% sig	14%	38% sig	20%	23%	22%
Bottom 2 Box (1 or 2)	28%	28%	31% sig	23%	42% sig	23%	52% sig	31%	29%	34%

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

The top financial dreams for employees are to be financially secure (21%), to have financial security in retirement (20%) and to be debt free (15%).

For retirees, the top financial dream is good health, chosen by a quarter of retirees. Other commonly selected financial dreams among retirees included financial security (17%), financial security in retirement (11%) and to be debt free (11%).

Please see Table 19 for complete findings.

Table 19

“What is your top financial dream?”

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011		2 Qtr 2011	
	Retiree	Employee	Retiree	Employee
To be financially secure	17%	21%	21%	22%
Financial security in retirement	11% sig*	20%	19%	20%
To be debt free	11%	15%	11%	16%
To not live paycheck to paycheck	7% sig*	11%	4%	11%
Good health	25% sig*	8%	19%	9%
Retire early	<1%	5%	<1%	5%
To travel	4%*	4%	7%	5%
To own a home	<1% sig	4%	1%	3%
To enjoy leisure activities/hobbies	3%	3%	3%	2%
Leave an inheritance to children	9% sig*	2%	5%	2%
To be able to pay for kid(s)' college education	1%	2%	0%	2%
Change in work/career	-	1%	N/A	2%
Other	1%	<1%	1%	1%
Not sure	1%	1%	2%	2%
Do not have financial dreams	10% sig	1%	7%	<1%

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

Financial Professional Usage

Only one in five of employees (up significantly from 16% in 3rd quarter of 2011) and just over a quarter of retirees (29%) indicate they use the services of a financial professional who provides them financial advice, guidance, and/or products for a fee or commission. As seen in Table 21, financial professional usage varies by household income with usage at increased levels in the categories above \$75,000.

Furthermore, of those who use a financial professional, nearly three out of five employees (59%) and two-thirds of retirees (67%) have worked with their professional to establish goals for their financial security. In addition, around half of employees (52%) and slightly more retirees (57%) who work with a financial professional have created a plan to achieve their financial goals. Only 14% of employees and 11% of retirees who use a financial professional have neither established goals nor created a plan to achieve their financial goals.

Table 20

"Do you use an advisor who provides you financial advice, guidance, and/or products for a fee or commission?"

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011		3 Qtr 2011		2 Qtr 2011		1 Qtr 2011	
	Retiree	Employee	Retiree	Employee	Retiree	Employee	Retiree	Employee
Yes	29%sig	20%SIG	29%	16%	35%	25%	35%	23%
No	71%sig	80%SIG	71%	84%	65%	75%	65%	77%
	N=533	N=1,121	N=549	N=1,154	N=523	N=1,134	N=520	N=1,127

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 21

"Do you use an advisor who provides you financial advice, guidance, and/or products for a fee or commission?"

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011 Financial Professional Usage							
	Retiree	All Employees	Employees by Household Income Category					
			Less than \$35,000 A	\$35,000-\$49,999 B	\$50,000-\$74,999 C	\$75,000-\$124,999 D	\$125,000-\$199,999 E	\$200,000* F
Yes	29%sig	20%	8%	6%	11%	22%ABC	44%ABCD	63%
No	71%sig	80%	92%DE	94%DE	89%DE	78%E	56%	37%

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

*Caution: due to small base size (N=37) in \$200,000+ category, data should be used directionally only.

Note: capital letter = percentage is significantly higher than corresponding column at 95% confidence level

Table 22

“Have you worked with your advisor to establish goals for your financial security and created a plan to achieve those goals? Please select all that apply.”

Base: 235 employed U.S. adults in firms of 10-1,000 employees and 172 retirees who work with an advisor

	4 Qtr 2011		3 Qtr 2011		2 Qtr 2011		1 Qtr 2011	
	Retiree	Employee	Retiree	Employee	Retiree	Employee	Retiree	Employee
Yes, I have worked with my advisor to establish goals for my financial security	67%	59%	68%	57%	67%	60%	65%	64%
Yes, I have worked with my advisor to create a plan to achieve my financial goals	57%	52%	55%	47%	56%	52%	48%	50%
No, I have not worked with my advisor to establish goals or create a plan to achieve financial goals	11%	14%	11%	16%	8%	18%	13%	15%

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

Around half of those using a financial professional found their professional through a referral by a friend or family member (53% of retirees; 48% of employees). Approximately a quarter of employees (24%) who use a financial professional found their professional at their place of employment.

Please see Table 23 for complete findings.

Table 23

“How did you find your advisor? Please select one response.”

Base: 235 employed U.S. adults in firms of 10-1,000 employees and 172 retirees who use an advisor

	4 Qtr 2011	
	Retiree	EE
Referred by friend/family member	53%	48%
At my place of employment	8%sig	24%
Referred by co-worker	4%	6%
Through an internet search	1%	4%
Through the phone book/yellow pages	1%	1%
From direct mail I received from advisor	9%sig	<1%
From direct email I received from advisor	2%	<1%
Other	22%	16%

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

Retirement Threats

Employees and retirees were asked what threatens their retirement. For three out of five employees (57%), insufficient retirement savings threaten their future retirement. Reductions in Social Security are believed to threaten the retirement of nearly another half of employees (46%). Other common retirement threats for employees include market volatility (40%) and reduced Medicare benefits (35%).

Retirees' most commonly selected retirement threat was reduced Medicare benefits (60%), followed closely by reductions in Social Security (58%). Market volatility (29%) and insufficient retirement savings (28%) also threaten the retirement of at least a quarter of retirees.

Please reference Table 24 for complete findings.

Table 24

"Which of the following do you see as a threat to your retirement? Please select all that apply."

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees and 533 retirees

	4 Qtr 2011	
	Retiree	EE
Insufficient retirement savings	28% sig	57%
Reductions in Social Security	58% sig	46%
Market volatility	29% sig	40%
Reduced Medicare benefits	60% sig	35%
Job instability	4%	29%
Decreased home value	26%	21%
Using retirement savings before retirement	6% sig	20%
Other	8%	5%
None of the above	15% sig	7%

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

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

The top benefits offered at firms with 10 to 1,000 employees are health insurance (91%), dental insurance (76%), defined contribution retirement plans (65%), life insurance (64%), free parking (60%) and vision insurance (55%).

In Table 25 below, comparisons can be made with the previous year's benefit offerings. There are some significant differences between responses from the current quarter and 4th quarter 2010 – indicated with "SIG" below. There was a significant decline in the percentage of firms offering health insurance, legal services and child care subsidies.

Table 25

"What types of benefit programs (excluding vacation and holidays) does your company currently offer you? Please select all that apply."

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees

Benefits	4 Qtr 2011	4 Qtr 2010	4 Qtr 2009	4 Qtr 2008	4 Qtr 2007	4 Qtr 2006
Health Insurance	91%SIG	94%	90%	94%	91%	93%
Dental Insurance	76%	79%	74%	73%	74%	N/A
Defined Contribution Retirement Plan	65%	66%	65%	73%	75%	73%
Life Insurance	64%	64%	67%	68%	70%	71%
Free Parking	60%	60%	60%	60%	58%	62%
Vision Insurance	55%	59%	N/A	N/A	N/A	N/A
Disability Insurance	39%	43%	45%	47%	47%	49%
Wellness Program	28%	N/A	N/A	N/A	N/A	N/A
Tuition Reimbursement	24%	27%	24%	28%	30%	32%
Flex-time	24%	21%	22%	25%	22%	28%
Profit-Sharing/Bonus	19%	19%	21%	22%	20%	23%
Pension - Defined Benefit	19%	20%	21%	18%	20%	19%
Financial Planning	8%	9%	9%	7%	8%	7%
Stock Options	6%	7%	9%	7%	8%	7%
Legal Services	5%SIG	7%	8%	8%	6%	7%
Personal Banking Services	5%	6%	7%	5%	8%	7%
Executive Benefits	4%	4%	4%	4%	2%	1%
On-site Daycare	2%	2%	2%	1%	2%	2%
Child Care Subsidies	1%SIG	3%	3%	3%	5%	4%
Other	2%	2%	2%	7%	7%	5%
	N=1,121	N=1,159	N=1,120	N=1,179	N=1,154	N=1,197

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

Benefit Satisfaction

Upon identifying what benefits they are offered through their employers, employees were asked to rate their satisfaction with some of the major benefits. Employees are most satisfied (rating of 8-10 on a 10 point scale) with their defined benefit plan (63%), defined contribution retirement plan (55%), life insurance (54%) and disability insurance (51%). In comparing this quarter's results with the previous year, satisfaction levels for life insurance and health insurance have decreased significantly.

Table 26

*"Please indicate how satisfied you are with each benefit program."
(rating of 8, 9 or 10 on a 10 point scale)*

Base: Respondents with each particular benefit

Benefits	4 Qtr 2011	4 Qtr 2010	4 Qtr 2009	4 Qtr 2008	4 Qtr 2007	4 Qtr 2006
Pension - Defined Benefit (N=237)	63%	68%	63%	68%	63%	64%
Defined Contribution Retirement Plan (N=741)	55%	55%	55%	54%	58%	54%
Life Insurance (N=749)	54%	55%	60%	55%	50%	52%
Disability Insurance (N=476)	51%	53%	57%	49%	53%	51%
Health Insurance (N=1,025)	50%	47%	52%	54%	49%	47%
Stock Options (N=57)	50%	41%	46%	55%	49%	44%
Vision Insurance (N=644)	48%	45%	N/A	N/A	N/A	N/A
Dental Insurance (N=870)	45%	46%	50%	48%	39%	N/A
Profit-Sharing/Bonus (N=215)	37%	45%	54%	58%	50%	50%

SIG – varies significantly (95% 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 to them on a 10-point scale with 10 being "Very Important." As seen in Table 27, health insurance, defined contribution retirement plan, and dental insurance are the top 3 benefits in terms of importance to employees. Perceived benefit importance among employees decreased significantly from 2010 to 2011 for disability insurance, profit sharing/bonus and stock options.

Table 27

"Please indicate how important each benefit program listed below is to you."

(rating of 8, 9 or 10 on a 10 point scale)

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees

Benefits	4 Qtr 2011	4 Qtr 2010	4 Qtr 2009	4 Qtr 2008	4 Qtr 2007	4 Qtr 2006
Health Insurance	90%	89%	86%	89%	89%	91%
Defined Contribution Retirement Plan	69%	70%	70%	71%	75%	75%
Dental Insurance	65%	66%	65%	70%	68%	N/A
Vision Insurance	53%	52%	N/A	N/A	N/A	N/A
Pension - Defined Benefit	48%	52%	53%	51%	57%	53%
Disability Insurance	46% SIG	53%	54%	51%	54%	51%
Life Insurance	44%	48%	51%	47%	53%	50%
Profit-Sharing/Bonus	34% SIG	40%	37%	34%	44%	43%
Stock Options	14% SIG	19%	19%	16%	20%	17%
	N=1,121	N=1,159	N=1,120	N=1,179	N=1,154	N=1,197

SIG – varies significantly (95% 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 benefits already offered. Defined benefit plans top the list with 24%, followed by profit sharing/bonus (12%) and flex-time (12%). These results are similar to those obtained in 4th quarter of 2010.

Table 28

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

Base: Employees without certain benefits

Benefits	4 Qtr 2011	4 Qtr 2010	4 Qtr 2009	4 Qtr 2008	4 Qtr 2007	4 Qtr 2006
Pension - Defined Benefit Plan	24%	25%	22%	21%	21%	25%
Profit-sharing/bonus	12% SIG	15%	13%	13%	15%	14%
Flex-time	12%	12%	14%	16%	13%	14%
Tuition Reimbursement	7%	7%	7%	6%	7%	8%
Defined Contribution Retirement Plan	6%	6%	6%	7%	7%	6%
	N=1,120	N=1,159	N=1,118	N=1,178	N=1,153	N=1,197

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. As seen in 4th quarter of 2010, the top two benefits mentioned were health insurance (39%) and defined contribution retirement plan (19%).

Table 29

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

Base: 1,114 employed U.S. adults in firms of 10-1,000 employees

Benefits	4 Qtr 2011	4 Qtr 2010	4 Qtr 2009	4 Qtr 2008	4 Qtr 2007	4 Qtr 2006
Health Insurance	39%	43%	40%	43%	39%	43%
Defined Contribution Retirement Plan	19%	17%	16%	16%	18%	17%
Vision Insurance	6%	N/A	N/A	N/A	N/A	N/A
Profit-sharing/Bonus	6%	5%	4%	4%	5%	6%
	N=1,114	N=1,155	N=1,112	N=1,179	N=1,154	N=1,197

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

Benefits for Recruit & 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. Overall, these results were very similar to those seen in 4th quarter of 2010.

Just over two-thirds (68%) of employees agree that having a good employee benefits plan encourages them to work harder and perform better.

Two-thirds of employees (66%) agree that having a good employee benefits plan keeps them working for their current company.

Just about three in ten (28%) employees agree that their company is concerned about their long-term financial future.

Table 30

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

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees

Percent Agreeing Completely or Somewhat	4 Qtr 2011	4 Qtr 2010	4 Qtr 2009	4 Qtr 2008	4 Qtr 2007	4 Qtr 2006
<i>"Having a good employee benefits plan encourages me to work harder and perform better."</i>	68%	68%	69%	69%	69%	67%
<i>"Having a good employee benefits plan keeps me working for my current company."</i>	66%	67%	64%	68%	65%	62%
<i>"My company is concerned about my long-term financial future."</i>	28%	29%	29%	30%	29%	25%
	N=1,121	N=1,159	N=1,120	N=1,179	N=1,154	N=1,197

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

Retirement Planning

Employees were asked if they have adjusted when they plan to retire given current economic conditions. Only 16% of employees said they are delaying their planned retirement. A third of employees (35%) said they have not changed their planned retirement date. Just about half (49%) of employees are not sure when they are going to retire. These findings are consistent with those from 2009.

Of interest, employees who use the services of a financial professional are significantly more likely to say they plan to delay their planned retirement date (30%) than employees who do not use the services of a financial professional (13%). Furthermore, Baby Boomer employees (24%) and Traditionalist employees (51%) are significantly more likely than Gen X employees (9%) and Gen Y employees (2%) to indicate they have delayed their planned retirement date.

Of those who are planning to delay their retirement based on current economic conditions, 22% plan to delay by 1-2 years, 37% plan to delay by 3-5 years, 19% plan to delay by 6-10 years, and another 19% plan a delay of more than 10 years for their retirement.

Table 31

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

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees

	4 Qtr 2011	4 Qtr 2009	3 Qtr 2009	2 Qtr 2009	1 Qtr 2009	4 Qtr 2008
Yes, I have delayed my planned retirement date	16%	14%	12%	13%	10%	9%
No, I have not made any changes to my planned retirement date	35%	34%	38%	35%	42%	39%
I am not sure when I am going to retire	49%	52%	50%	52%	48%	52%

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

Table 32

“By how many years do you plan to delay your retirement?”

Base: 218 employed U.S. adults in firms of 10-1,000 employees who have delayed retirement

	4 Qtr 2011	4 Qtr 2009	3 Qtr 2009
1 to 2 years	22%	21%	17%
3 to 5 years	37% SIG	47%	38%
6 to 10 years	19%	19%	31%
More than 10 years	19% SIG	10%	9%
Not sure	3%	4%	6%

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

Nearly half of employees (46%) say their plans for retirement will include paid work of some sort. Thirty percent plan to work part-time and sixteen percent plan to work full-time either with their current employer or another employer. Almost one in five employees (17%) intend to stop working completely during their retirement. Twelve percent of employees say they will never be able to retire and a quarter are not sure about whether or not they will work in retirement.

Table 33

“What are your plans for your retirement? Please select one response.”

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees

	4 Qtr 2011
Continue to work on a part-time basis with another employer	22%
Continue to work on part-time basis with current employer	8%
Continue to work on a full-time basis with another employer	5%
Continue to work on a full-time basis with current employer	11%
Stop working completely	17%
I will never be able to retire	12%
Not sure	25%

Employees were asked what percent of their current income they think they will need in order to live in retirement. Employees' responses varied somewhat. One in five employees (21%) said they are not sure what percentage of their current income they will need in order to live in retirement. A quarter of employees (26%) indicated they think they will need 50% or less of their income to live in retirement. Sixteen percent of employees thought they would need between 51 and 70% of their current income to live in retirement. Another one in five employees or so (22%) said they would need between 71 and 80% of their current income. The remaining 16% of employees said they would need at least 81% of their current income to live in retirement.

Table 34

“What percent of your current income do you think you will need in order to live in retirement? Your best estimate is fine.”

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees

	4 Qtr 2011
1 – 10%	2%
11 – 20%	4%
21 – 30%	2%
31 – 40%	4%
41 – 50%	14%
51 – 60%	8%
61 – 70%	8%
71 – 80%	22%
81 – 90%	6%
91 – 100%	10%
Not sure	21%

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