



***Benefits Administration Letter***

Number: 06-105

Date: June 19, 2006

Subject: Retirement Readiness Employee Survey Results

This Benefits Administration Letter (BAL) provides a summary of the findings from an Office of Personnel Management (OPM) survey of the Federal workforce to examine attitudes and actions towards planning for their future retirement.

The U.S. Office of Personnel Management (OPM) has contracted with the International Foundation for Retirement Education (InFRE), a non-profit foundation, to study and evaluate the current and future retirement readiness of federal employees, using a variety of demographic factors including age and, income and career stage. The information from this effort, as well as other research being conducted by OPM and InFRE, will be used in the development of the retirement readiness profile index.

These findings are part of the Federal Employee Retirement Readiness Survey, conducted as part of the process to measure the retirement readiness of civilian Federal workers. The survey was conducted between May and September 2005 through a 20-minute Internet survey with 7,294 Federal workers. In an effort to obtain sufficient responses from minority and lower-income groups, a stratified sampling design was used to select workers for participation in the study.

Some of the key findings are:

- The majority of Federal employees (more than eight in ten) state they are on track or ahead of schedule in planning and saving for their retirement years.
- More than half of workers expect to retire before age 62, with almost four in ten expecting to retire at age 59 or earlier.
- Nine in ten workers participate in the Thrift Savings Plan.

---

*Civil Service  
Retirement  
System*

*Federal Employees'  
Group Life  
Insurance Program*

*Federal Employees  
Health Benefits  
Program*

*Federal Employees  
Retirement  
System*

*Long Term  
Care Insurance  
Program*

- Nine in ten Federal employees say they have given their retirement lifestyle at least some thought, and almost nine in ten of those who have given thought to their likely lifestyle have given at least some thought to its cost.
- Only one in four workers expects not to work for pay during retirement.
- Less than half have calculated how much they need to save for a comfortable retirement; almost four in ten employees who have calculated this need have estimated/guessed or used a self-created worksheet.
- Only two in ten workers have a primary professional financial advisor whom they use to help them with their retirement plan and investment decisions.
- When asked to rank their most trusted sources for information about planning, half of the workers identify financial professionals (50%), followed by material provided by the employer (38%).
- Almost eight in ten workers would be very or extremely interested in their employer providing additional information about preparing for retirement.
- Workers appear to understand the impact of debt on their retirement savings as almost seven in ten workers have given this significant thought.
- Almost four in ten workers are not confident about their ability to make investment decisions, while less than two in ten believe they have a lot or great deal of knowledge about investing.
- About three-fourths of workers describe themselves as moderate to conservative investors, with less than one in ten (7%) stating a willingness to take substantial investment risks.

The complete report is attached.

Robert F. Danbeck,  
Associate Director  
Division of Human Resources Products &  
Services Division

[Attachment 1: Retirement Readiness Study: Results of Federal Employee Survey](#)