



TIAA-CREF Institute

2014 Retirement Confidence Survey of the State and Local Government Workforce

Research from the TIAA-CREF Institute
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Theme

As state and local governments across the United States enact pension reforms in response to fiscal and demographic challenges, public sector workers are concerned about their retirement security, according to a new report from the TIAA-CREF Institute and the Center for State and Local Government Excellence (SLGE).

The report's findings are based on a survey of more than 1,200 government employees – including teachers, police and firefighters – who described their retirement planning and saving experiences and their confidence in their ability to draw income in retirement. SLGE and the Institute collected similar data in 2012.

This research overview highlights the study's results. To read the full report, see [2014 Retirement Confidence Survey of the State and Local Government Workforce](#).

A sense of uncertainty

States and localities – which employ about 14% of the U.S. workforce¹ – continue to face the residual effects of tax revenue decreases and pension fund investment losses resulting from the 2008-2009 recession. Coupled with these relatively recent challenges are longer-term budgetary pressures, shifts in workforce demographics, and changes in typical retirement benefits across all sectors of the economy.

In response to these conditions, most state governments and municipalities have reformed their pension plans, often making them less generous, restricting eligibility and sometimes changing plan type. In the midst of these dynamics, public sector employees are concerned about their retirement security, as reflected below.

Key survey findings

- Only 18% of public sector workers are very confident in their retirement income prospects, compared with 21% in 2012. Concerns include retiree health care costs, future Social Security and Medicare benefits, and personal savings.
- 49% expect to work for pay after retiring, down from 72% in 2012.
- 38% of those saving for retirement have received retirement-planning advice from a financial advisor within the past three years, down from 51% in 2012.
- One-third of public sector workers have been with their current employer for less than 10 years and another third for 20 years or longer. Two-thirds do not expect to leave their current employer anytime soon.
- Respondents rank job security, health insurance, retirement benefits and salary as the most important job features they would consider in deciding whether to switch employers.

Tepid Confidence in Retirement Income Prospects

	All State and Local Employees	Age 25-44	Age 45-54	Age 55+
How confident are you that you will choose the best way to draw income from your savings during retirement?				
Very confident	24%	13%	26%	29%
Somewhat confident	57%	59%	56%	57%
Not too/not at all confident	19%	27%	18%	15%
How confident are you that you will not outlive your savings?				
Very confident	16%	9%	15%	21%
Somewhat confident	54%	52%	53%	56%
Not too/not at all confident	31%	39%	32%	24%

Results might not sum to 100% due to rounding.

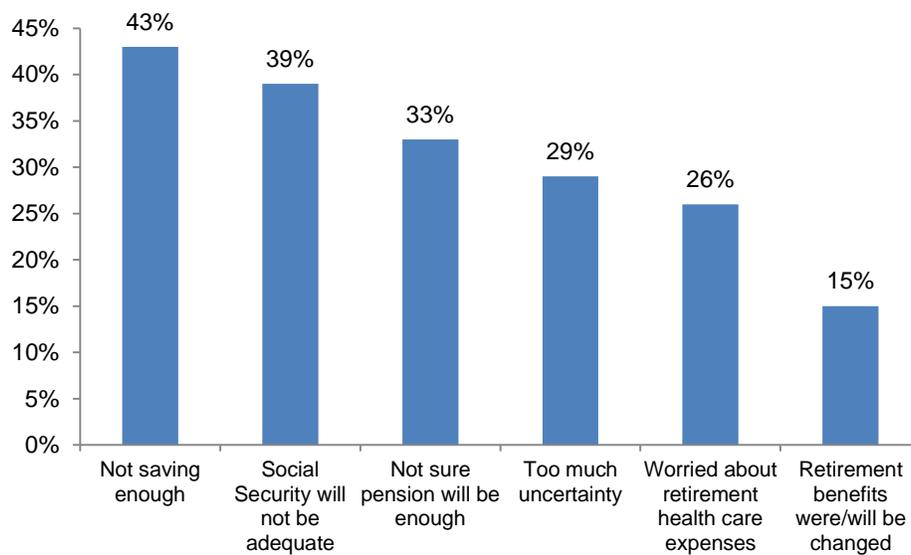


Financial Services

Host of concerns

Among state and local government employees who are very or somewhat confident in their overall retirement income prospects, 60% attribute their confidence to having an adequate pension when they retire. Conversely, those who are not too or not at all confident are most concerned about not saving enough.

Reasons for Lack of Confidence in Retirement-Income Prospects



For more information

To access additional research of interest to policymakers and their staffs, please visit the [public policy](#) section of our website.

¹ Source: Current Employment Statistics, Bureau of Labor Statistics, U.S. Department of Labor. Data is May 2014 seasonally adjusted employment on nonfarm payrolls.



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