



The Employment Experience and Retirement Expectations of State and Local Government Employees

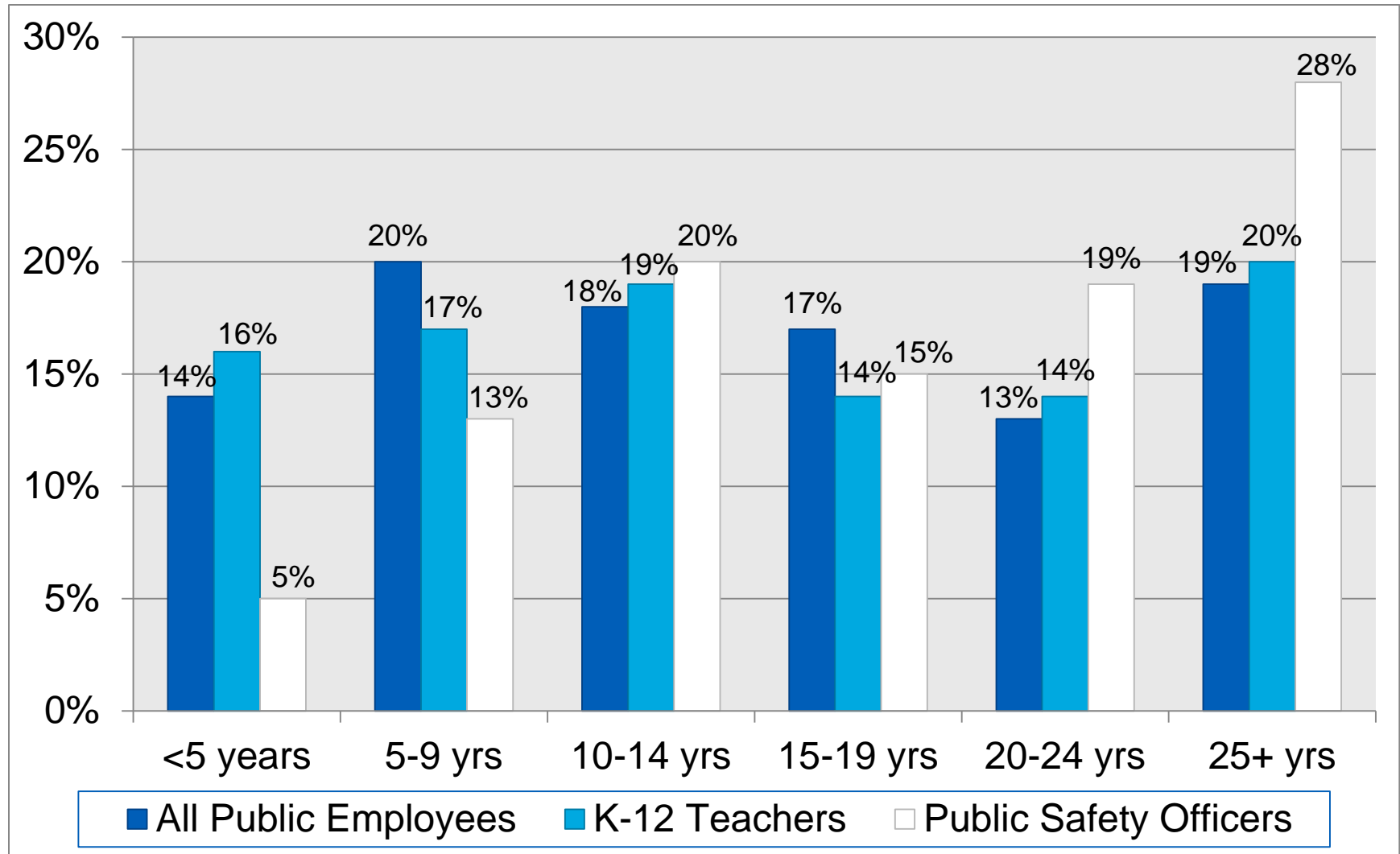
Paul J. Yakoboski, Ph.D.
Senior Economist, TIAA-CREF Institute

Colorado Public Plan Coalition Annual Meeting
September 4, 2014

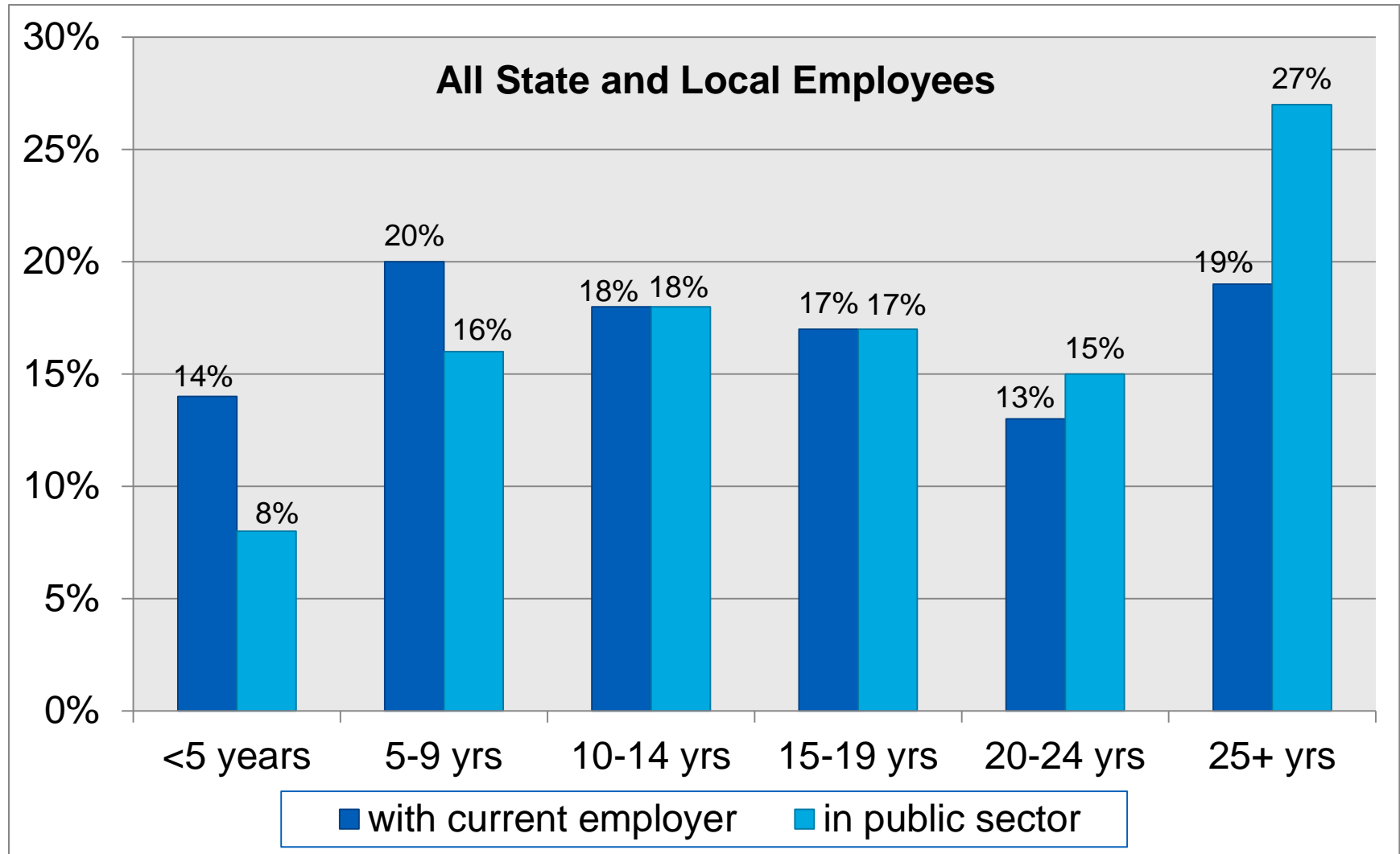


- Joint research with the Center for State and Local Government Excellence (SLGE).
- Representative sample of 1,263 full-time state and local employees; surveyed by online panel in April 2014.
 - 507 K-12 teachers
 - 153 police officers
 - 102 firefighters
 - 501 in other occupations
- Responses weighted to be representative of the aggregate public sector workforce.

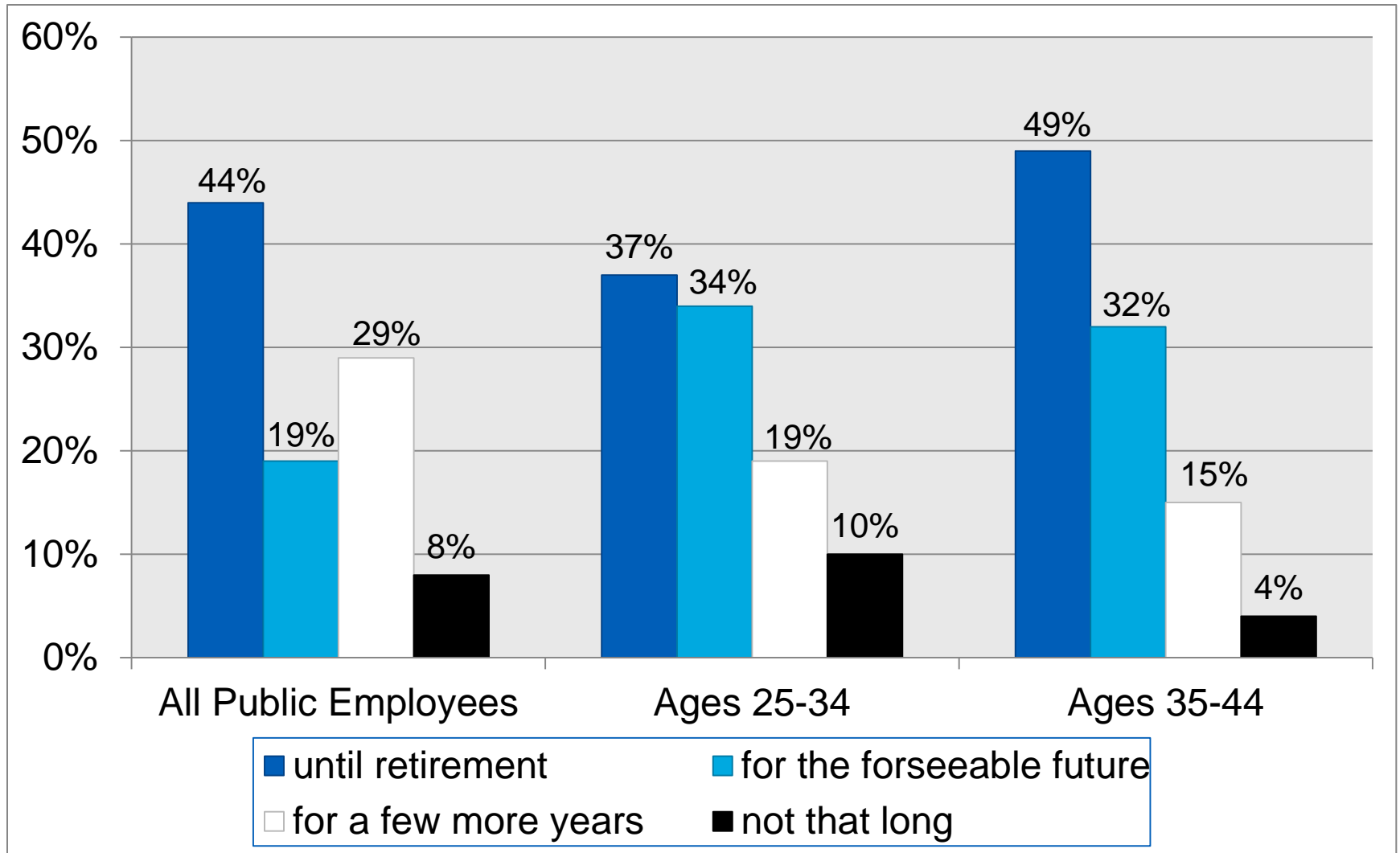
Tenure with current employer



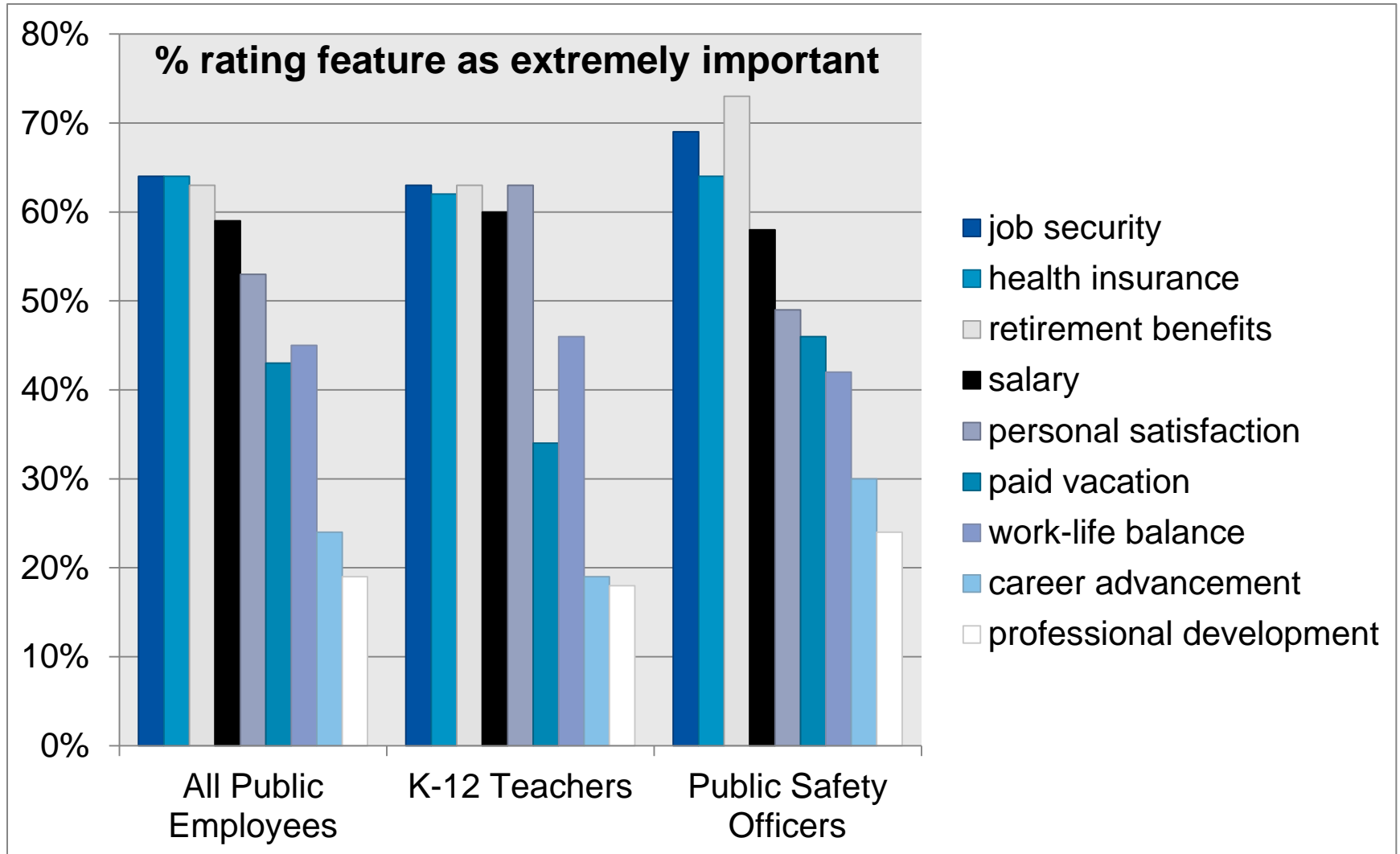
Tenure in public sector employment



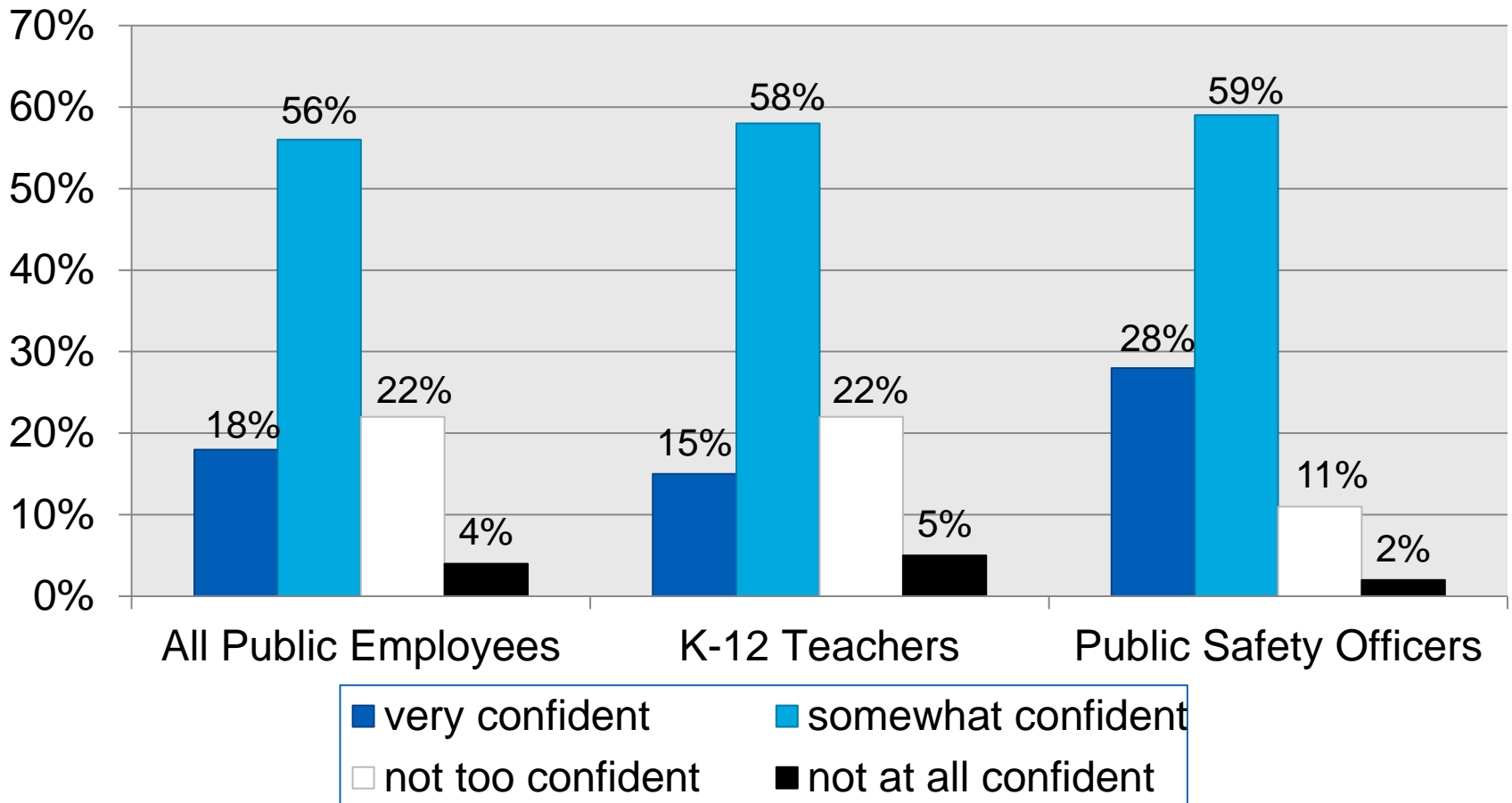
Expected tenure with current employer



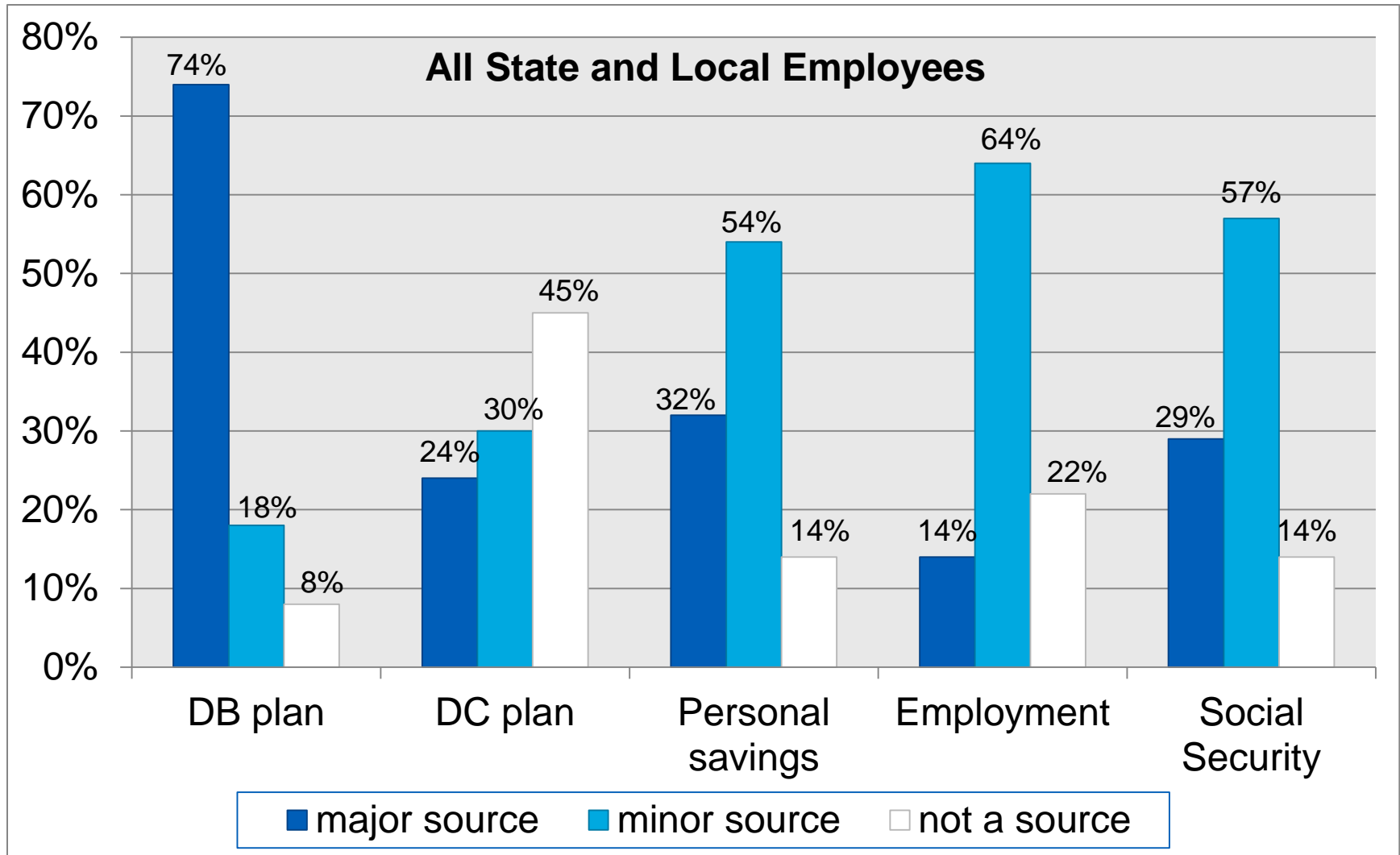
Importance of job features



Overall, how confident are you that you will have enough money to live comfortably throughout your retirement years?



Expected sources of retirement income



- Almost all participate in an employment-based retirement plan
 - vast majority in a primary defined benefit (DB) plan
 - 1/3 participate in a supplemental plan at work
 - 25% report changes to main plan in past 2 years
 - 25% expect (further) changes in next 2 years
- 3/4 are covered by Social Security
- 65% expect to receive employment-based retiree health benefits
 - 33% report changes to retiree health benefits in past 2 years
 - 34% expect (further) changes in next 2 years

Confidence in employment-based retirement benefits

	All Public Employees	K-12 Teachers	Public Safety Officers
<i>How confident are you that you will receive all of the...once you retire? benefits from your retirement plan that you have earned</i>			
Very confident	39%	33%	50%
Somewhat confident	47	46	40
Not confident	14	21	10
<i>retiree health care benefits for which you are eligible</i>			
Very confident	26%	18%	31%
Somewhat confident	58	59	52
Not confident	17	22	17

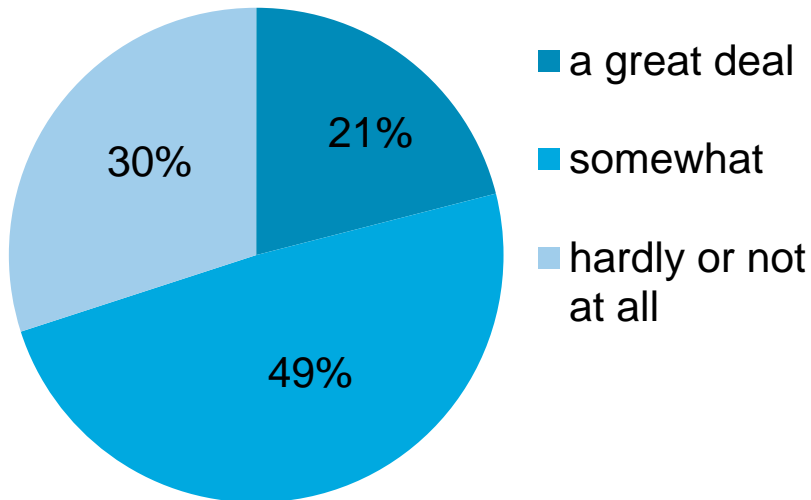
	All Public Employees	K-12 Teachers	Public Safety Officers
<i>How confident are you that the ... system will continue to provide benefits of at least equal value to the benefits received by retirees today?</i>			
<i>Social Security</i>			
Very confident	7%	6%	6%
Somewhat confident	37	35	32
Not confident	55	60	62
<i>Medicare</i>			
Very confident	6%	5%	5%
Somewhat confident	41	37	37
Not confident	52	57	58

- 81% have retirement savings aside from a DB plan
- 57% have not tried to determine how much they need to save for a comfortable retirement
- 20% are not sure how much preretirement income they need to replace for a comfortable retirement
 - additional 29% think they need to replace less than 70%
- 1/3 have done no planning and saving specifically for medical expenses in retirement
 - additional 1/3 have hardly planned and saved for such expenses

Confidence among retirement savers

	All Public Employees	K-12 Teachers	Public Safety Officers
<i>How confident are you that you are...?</i>			
<i>saving the right amount for retirement</i>			
Very confident	17%	16%	19%
Somewhat confident	50	51	57
Not confident	32	33	24
<i>investing your retirement savings appropriately</i>			
Very confident	21%	19%	22%
Somewhat confident	58	59	62
Not confident	21	22	16

To what extent have you considered how you will manage your savings in retirement and draw income from it?



How confident are you that you will...

choose the best way to draw income from your savings during retirement?

Very confident	24%
Somewhat confident	57
Not confident	19

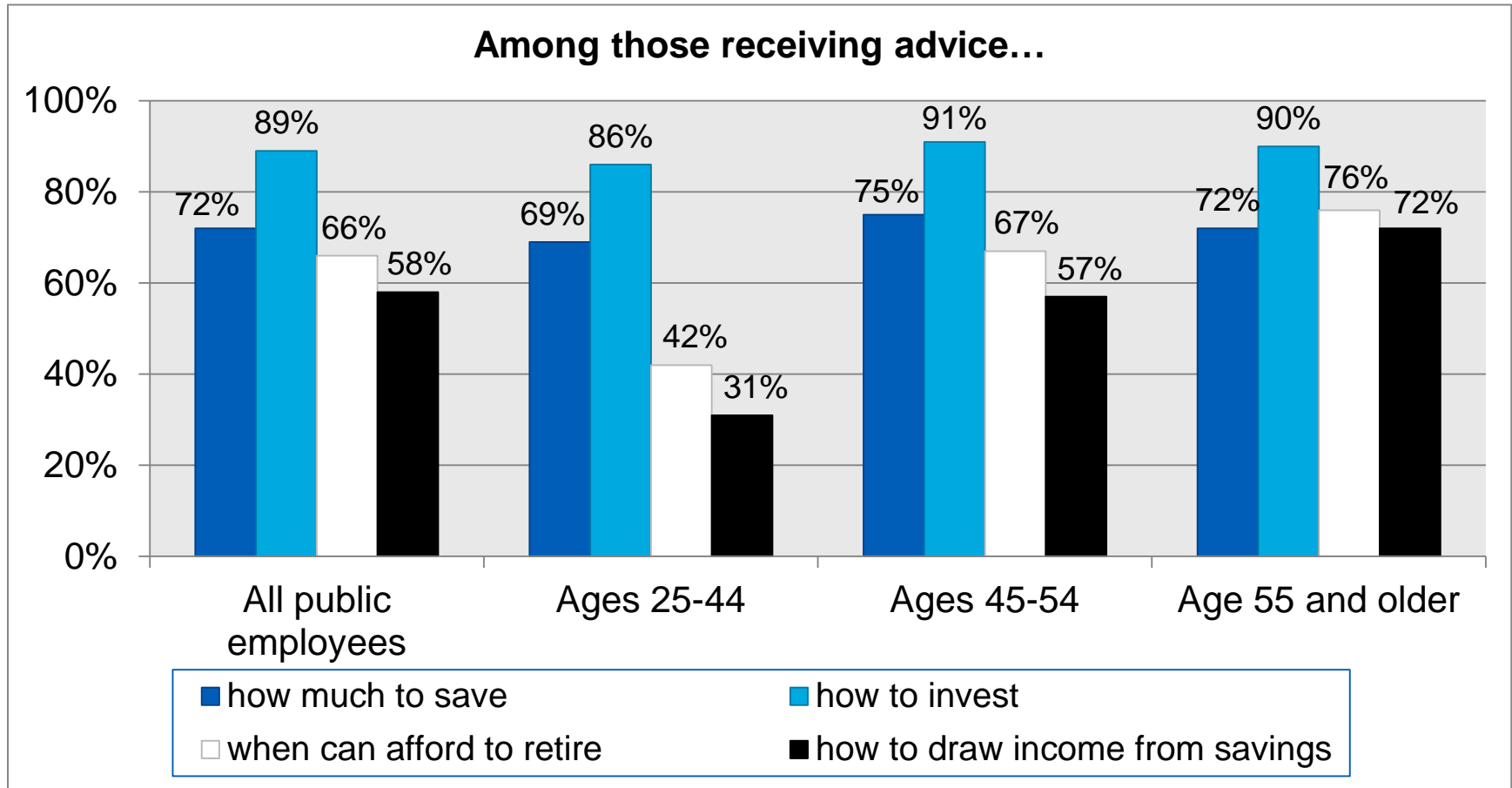
not outlive your savings?

Very confident	16%
Somewhat confident	54
Not confident	31

18% intend to annuitize; 56% are not sure

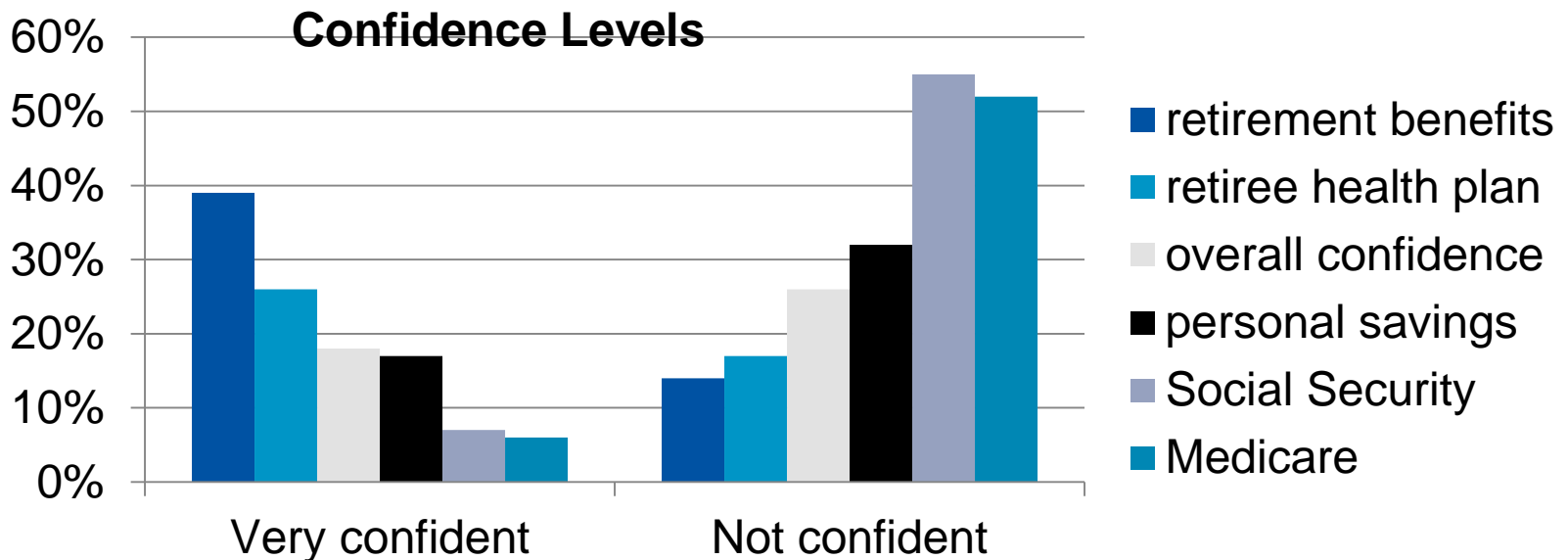
38% have received retirement planning advice within the past 3 years

- 47% of those age 55 and older



Overall retirement confidence

	All Public Employees	K-12 Teachers	Public Safety Officers
<i>Overall, how confident are you that you will have enough money to live comfortably throughout your retirement years?</i>			
Very confident	18%	15%	28%
Somewhat confident	56	58	59
Not confident	26	27	13



© 2014 TIAA-CREF Institute, 730 Third Avenue, New York, NY 10017

C18779