

70 percent of workers can't afford to retire

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NEW YORK — Nearly 7 in 10 workers plan to stay on the job past retirement age — including a growing number who say the decision will be driven by financial need, a new survey finds.

The survey, released today, echoes others in recent years showing more Americans plan to work longer. But the nationwide poll, by the John J. Heldrich Center for Workforce Development at Rutgers University, taps into increasing concerns among many workers — particularly Baby Boomers — about the need to supplement their income once they leave their primary job.

About 18 percent of all the workers surveyed — and 28 percent of boomers — said they plan to work part-time in retirement because of a need for money, according to the survey. The overall figure is up from 10 percent the last time the survey was done in 2000, at the height of the economic boom.

The number indicating they plan to work part-time to satisfy personal interests or for fun dropped sharply from 42 percent to 27 percent.

"People are less optimistic about their ability to live on their retirement income," said Carl Van Horn, director of the Heldrich Center.

Of the remaining workers surveyed, 6 percent said they plan to hold full-time jobs and 15 percent anticipate starting their own businesses.

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Together with those who intend to work because of a need for money or out of personal interest, about 67 percent of those surveyed indicated plans to stay on the job in retirement.

Nine in 10 workers would like to retire by age 65 — roughly the same as indicated in the last survey.

But the gulf between that goal and financial reality has widened. In 2000, 82 percent said they'd be financially able to retire by 65. In the newest survey, the number has dropped to 63 percent.

The findings are important both for workers nearing retirement and younger workers following them, Van Horn said.

"It means more opportunities for older workers and probably less for younger workers," he said. "They're going to be competing with those folks who say, 'I don't want to stop working; I don't need to stop working.'"

Past surveys also have found that people plan to prolong work, and that finances are playing a larger role. A survey in 2003 by the AARP found that many older Americans want to continue working to stay active and engaged. But when asked to specify one major factor for their decision, 22 percent cited the need for money. Another 17 percent said the primary reason was to obtain health insurance.