



Preparing For Retirement

More findings from a survey of public workers on retirement benefits

Contents

| | |
|----|--|
| 1 | Overview |
| 3 | State and local public worker survey |
| 3 | Profile of state and local government employees |
| 4 | Expected tenure |
| 6 | Plan participation and knowledge |
| 8 | Retirement confidence |
| 9 | Other important job concerns |
| 10 | Satisfaction with retirement benefits and salary |
| 12 | Investments and risk tolerance |
| 12 | Impact of plan design on retirement decisions |
| 13 | Retirement preferences |
| 14 | Overall assessment |
| 15 | Conclusion |
| 15 | Methodology |
| 15 | Screening questions |
| 18 | Main interview |
| 36 | Endnotes |

The Pew Charitable Trusts

Susan K. Urahn, executive vice president

Gregory Mennis, director, public sector retirement systems

Gerald Lindrew, director, research, public sector retirement systems

Ken Willis, officer, communications

David Draine, officer, research and state policy, public sector retirement systems

Aleena Oberthur, senior associate, research, public sector retirement systems

Jonathan Jackson, associate, research, public sector retirement systems

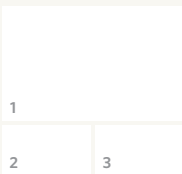
Laura and John Arnold Foundation

Josh McGee, vice president of public accountability

Michelle Welch, manager of public accountability research and policy

Acknowledgments

Pew's work on public sector retirement systems is conducted in partnership with the Laura and John Arnold Foundation. The Center for State and Local Government Excellence served as an adviser on this project. We'd also like to acknowledge the contributions of the late Mike Mokrzycki, who provided expertise on the survey instrument, fielding, methodology, and analysis.



Cover photos:
1-3. Getty Images

Contact: Ken Willis, communications officer

Email: kwillis@pewtrusts.org

Project website: pewtrusts.org/retirement

The Pew Charitable Trusts is driven by the power of knowledge to solve today's most challenging problems. Pew applies a rigorous, analytical approach to improve public policy, inform the public, and invigorate civic life.

Overview

State and local pension systems have adopted significant reforms in recent years in an effort to become fiscally sustainable, and many policymakers are considering additional changes to public retirement benefits. The impact of these reforms on recruitment and retention of a talented workforce remains unclear, and there is a growing need to better understand workers' thoughts and attitudes about retirement benefits. While many national surveys have looked at retirement issues, few have focused specifically on state and local workers. In order to address this need, The Pew Charitable Trusts, in collaboration with the Center for State and Local Government Excellence, conducted a nationwide survey of randomly selected state and local workers in late 2013. The survey aimed to improve understanding of how much state and local workers value their retirement benefits, how these benefits affect their workforce decisions, and how well these benefits are meeting workers' retirement needs. Respondents were asked about their retirement confidence, preferences, and knowledge.

Pew released a summary of the top findings in 2014. This report takes a deeper look at the survey results. Following are key data points that are discussed in more detail later in the report.

Profile of state and local workers

- The sample included people in a wide range of professions, such as teachers, bus drivers, principals, professors, engineers, scientists, nurses, doctors, counselors, and social workers, to name just a few. More than half of the public employees surveyed said they had worked in the public sector for more than 10 years. Nineteen percent said they had worked for state or local government for less than five years.

Expected tenure

- Most state workers (74 percent) expected to stay with their current employer until retirement. That number was much higher for workers 50 or older, compared with workers under 50: 91 percent of older workers expected to stay with their current employer, compared with 64 percent of workers under 50. The average worker in the survey was 47 years old.
- Younger workers tend to be much more mobile. Only 39 percent of workers under 30 expected to work for their current employer until retirement, and 27 percent expected to work in a job outside of government.

Plan participation and knowledge

- Most workers (64 percent) said their employer offered a defined benefit plan. Seventy-five percent of workers 50 or older said their employer offered a defined benefit plan, compared with 44 percent of workers under 30.
- Twenty percent of workers said they did not know which type of retirement plan their employer provided. Thirty-six percent of workers under 30 said they did not know which plan was offered.
- Workers were more knowledgeable about participation in Social Security than in their employer's retirement plan. Seventy-eight percent said they participated in Social Security, and just 1 percent said they didn't know if they participated.

Retirement confidence

- Most workers (69 percent) were very or somewhat confident that they would have enough money to live comfortably in retirement.
- State and local public workers cited higher levels of confidence about retirement than the general population of workers did.¹

- Workers cited greater confidence in their retirement system than in Social Security. Eighty-two percent were very or somewhat confident that their employer's retirement system would pay them their full benefits. Of workers who expected Social Security to provide at least some of their income in retirement, only 40 percent were very or somewhat confident that Social Security would pay their full benefits throughout retirement.
- Workers cited expected retirement ages that were similar to those in a recent survey of all workers.²
- Fifty-nine percent of workers said they expected to need at least \$50,000 annually to live comfortably in retirement.

Other work factors

- Fifty-five percent of workers rated job security, work-family balance, and health insurance as extremely important. Forty-five percent listed retirement and pension plans as extremely important. Only 37 percent listed total annual salary as extremely important.
- A 2009 survey asking a similar question of all workers found that respondents were least likely to list retirement and pension plans as extremely important compared with the rest of the factors.³

Satisfaction with retirement benefits and salary

- Workers reported higher levels of satisfaction with their retirement benefits than with their salary. Eighty-five percent were very or somewhat satisfied with their retirement benefits, while only 72 percent said the same of their salary.
- Two-thirds of workers reported being very or somewhat satisfied with both their salary and their retirement benefits. Ten percent were not too or not at all satisfied with either.

Investment and risk preferences

- Sixty-nine percent said they wanted more control over where their retirement money was invested. Only 27 percent wanted their employer to manage their money.
- Just over half preferred moderate investment risk with moderate gains. Only 13 percent preferred high risk in exchange for potentially high gains.
- More younger workers cited a preference for higher investment risk tolerance for retirement benefits compared to older workers; 27 percent of workers under 30 said they wanted high risk compared to 6 percent of workers age fifty and older.

Effect of plan design on retirement decisions

- Eighty percent of respondents thought many government workers stay in their jobs until they reach retirement so they won't lose retirement benefits, even if they'd rather leave those jobs at a younger age. Sixty percent said this happens a lot.
- Just over half reported that some workers retire earlier than they'd like in order to maximize retirement benefits. Thirty-one percent said it happens a lot.

Retirement preferences

- Forty-seven percent said they would prefer their retirement benefits as a series of guaranteed payments. Thirty-seven percent wanted a partial lump sum and the rest as a series of payments. Fifteen percent wanted one lump sum.

- Fifty-five percent of workers preferred more generous retirement benefits in exchange for a somewhat lower salary. This was reversed for workers under 30, with 53 percent of them saying they prefer a higher salary in exchange for a somewhat smaller retirement benefit.

Overall assessment

Sixty-one percent wanted to keep their retirement plan as is. Twenty-two percent said it needed minor changes, and 12 percent said it needed major changes.

Overall, 61 percent wanted to keep their retirement plan as is, 22 percent said it needed minor changes, and 12 percent said it needed major changes.

State and local public worker survey

In 2013, Pew, in collaboration with the Center for State and Local Government Excellence, surveyed state and local public sector workers on their retirement preferences, retirement confidence, and knowledge of retirement benefits. The survey used a random, nationally representative sample of 2,100 state and local full-time government workers from every state and the District of Columbia. We released a brief with top findings from the survey in spring 2014. This report, a follow-up to that brief, will discuss top findings in greater depth and share additional results.

Profile of state and local government employees

The sample of included a wide swath of public workers. Over half were in education-related positions. Thirty-two percent of the respondents were teachers, 79 percent of them in K-12 positions and the rest in higher education or other areas. Twenty-two percent were in education-related positions other than teaching. Fifty-seven percent of these workers were in K-12 positions, 25 percent were in higher education, and 16 percent were in other parts of the education system.

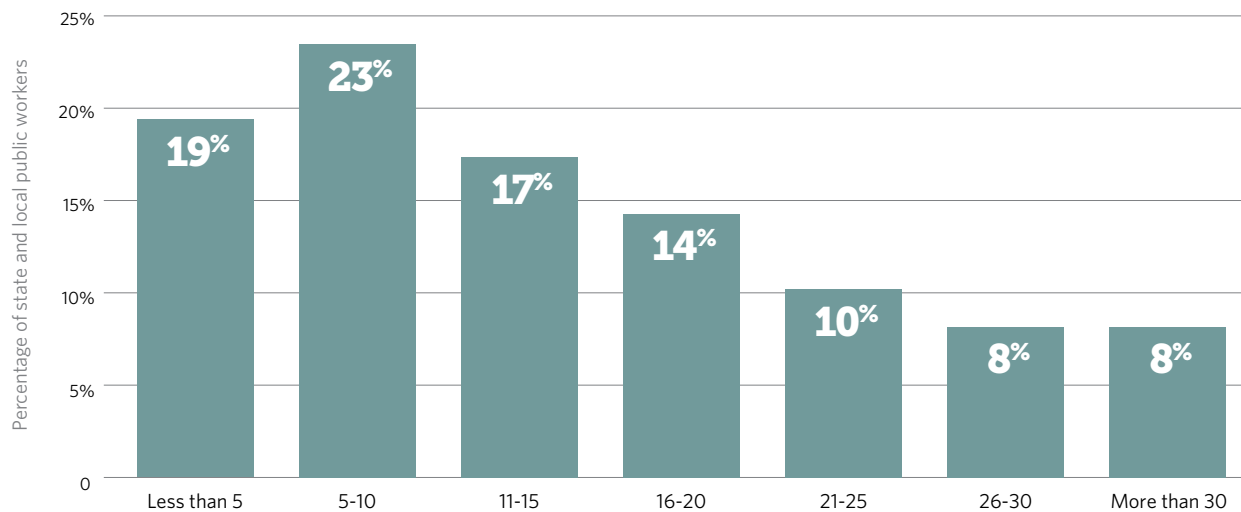
Twenty-two percent of respondents were in non-education positions at the state level, and 25 percent were in non-education-related jobs at the local level. Public safety workers, including police and firefighters, made up 6 percent. Other types of workers included in the sample were medical professionals, scientists, lawyers, and skilled trade workers.

Almost half of respondents (48 percent) were between 30 and 49 years old. Thirty-nine percent were 50 or older. Twelve percent were under 30.

The state and local workforce is majority female. Fifty-eight percent of those surveyed and almost 70 percent of teachers in the sample were women.

Levels of education also varied. Forty-one percent of respondents did not have a college degree, 29 percent were college graduates, and 29 percent had a postgraduate degree. Over half of teachers in the sample reported having a postgraduate degree.

Figure 1
Years Employed in State or Local Government



© 2015 The Pew Charitable Trusts

A majority of respondents had been in state or local government for more than 10 years. Twenty-six percent started at least 20 years ago, including 16 percent with at least 25 years of state or local government experience and 8 percent with at least 30 years on the job. Almost a quarter (23 percent) started with state or local government five to 10 years ago. Nineteen percent started less than five years ago, including 4 percent who started in the past year. Only 16 percent of teachers in our sample started working for the government in the past five years, compared with 21 percent of local non-education workers and 23 percent of state non-education workers.

The median tenure was 12 years.⁴ Public safety workers and teachers in the sample had longer median tenures—15 years and 13 years, respectively. College graduates had longer median tenures than workers with only a high school diploma—13 years, compared with 10 years. Workers who listed retirement benefits as extremely important were more likely to have a longer tenure. These workers had a median tenure of 14 years, compared with 11 years for everyone else.

Public safety workers and teachers in the sample had longer median tenures—15 years and 13 years, respectively.

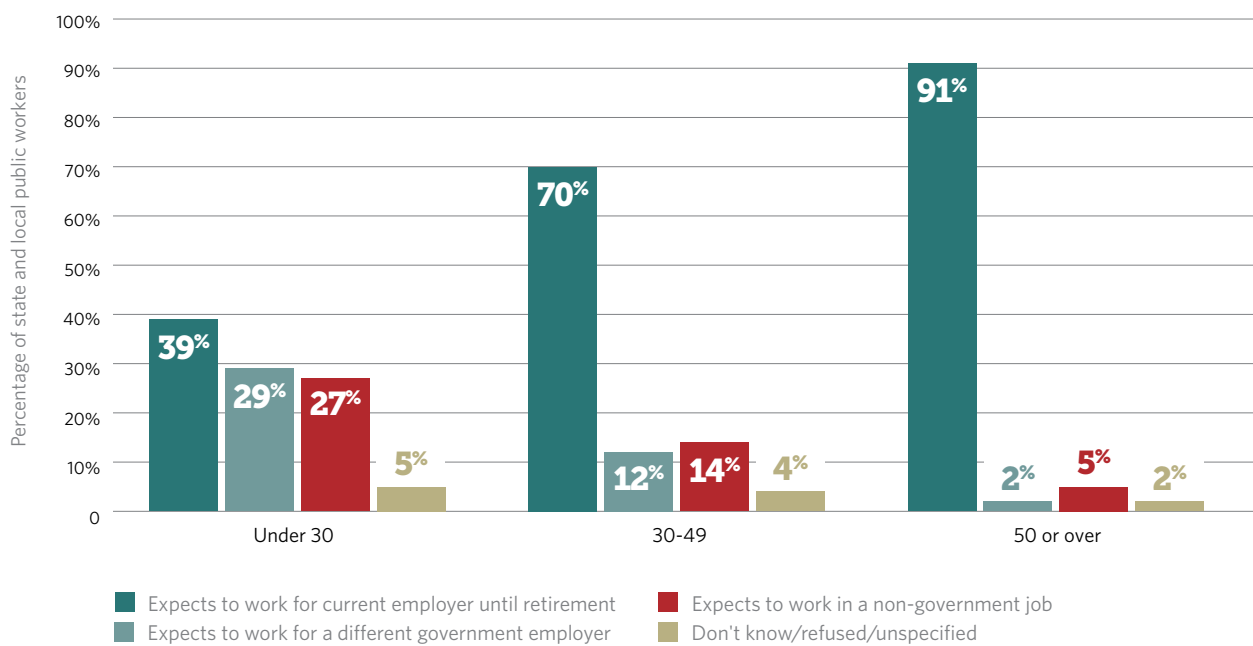
Expected tenure

Most state and local workers (74 percent) said they expected to stay with their current employer until retirement, while 23 percent said they were more likely to work elsewhere. Among those who expected to switch jobs, slightly more expected to move into the private sector (52 percent) than stay in government (43 percent). In all, 84 percent of respondents expected to stay in government work, either with their current employer or with a different employer, until retirement, and only 12 percent expected to move into the private sector.

Expectations about future employment correlated strongly with age. Only 39 percent of respondents under 30 (36 percent if public safety workers are excluded) said they expected to stay where they were until retirement, compared with 91 percent of those 50 or older. Fifty-seven percent of younger workers expected to leave their current employer, including 27 percent who said they expected to work in the private sector. Seventy-four percent of teachers, 72 percent of non-education-related state workers, and 77 percent of public safety workers expected to stay with their current employer until retirement.

Worker expectations may not match reality, however. In order to estimate retirement plan cost, state plans analyze member behavior to determine their own assumptions on worker retention. A study of retention assumptions for the Tennessee Consolidated Retirement System, the Pennsylvania State Employees' Retirement System, and the Pennsylvania Public School Employees' Retirement System reveals that plans expect less than 15 percent of workers hired at 27 to remain with the state until they reach retirement age.⁵

Figure 2
Public Workers' Future Employment Expectations by Age

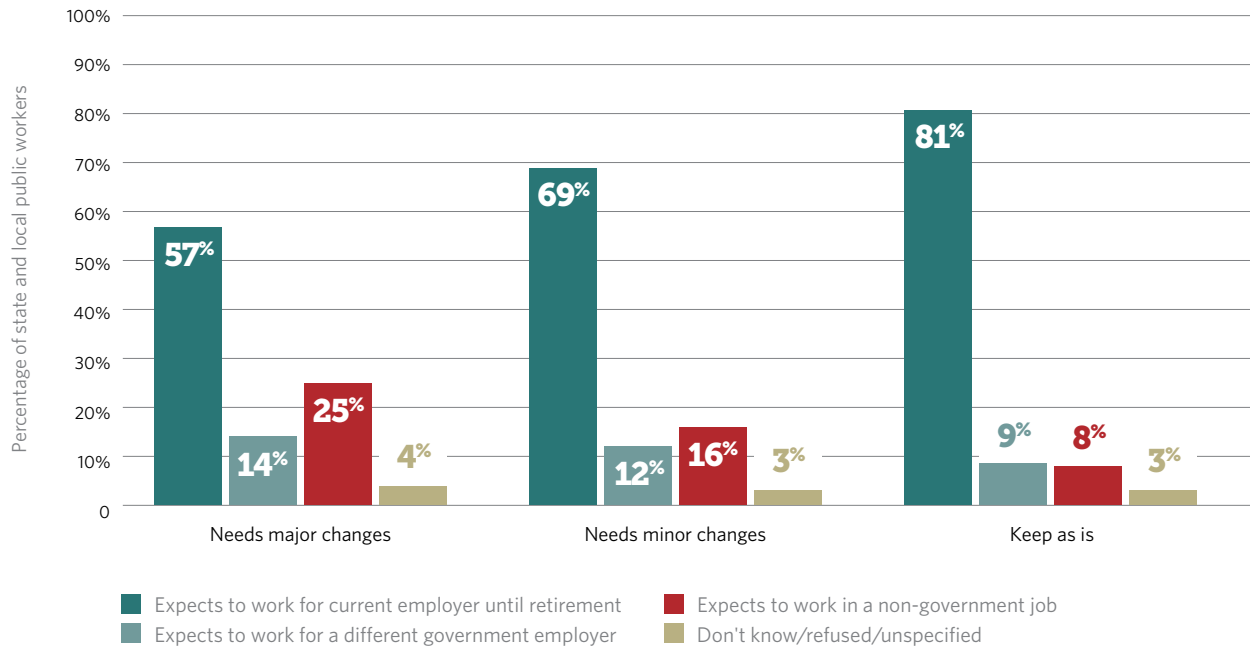


© 2015 The Pew Charitable Trusts

Workers who valued a career in the public sector and were confident in their employer's ability to meet retirement plan obligations were more likely to say they plan to stay in public service until retirement. Workers with a higher risk tolerance expected to require a higher income in retirement, believed that their retirement system needed changes, and were more likely to say they plan to leave for the private sector. The salience of job security also correlated with this decision: 57 percent who expected to work in government until retirement said job security was extremely important to them, compared with 43 percent who expected to jump to the private sector.

Figure 3

Public Workers' Future Employment Expectations by Attitudes on Retirement System



© 2015 The Pew Charitable Trusts

Plan participation and knowledge

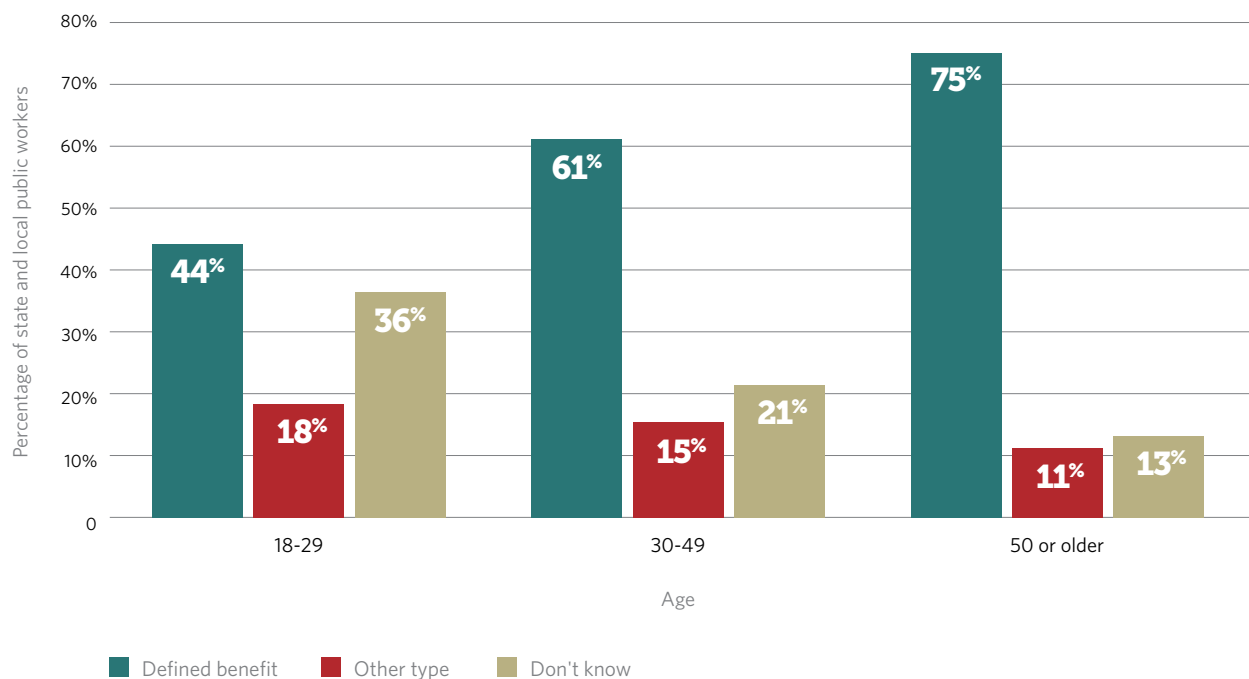
Most workers (92 percent) said they participated in their employer's retirement plan. However, younger workers were less likely to cite plan participation: 23 percent of workers under 30 said they didn't participate. In addition to age, higher income and higher education also correlated with a greater likelihood of participation. Ninety-six percent of those with a household income of \$50,000 or more said they participated in the retirement plan, compared with 84 percent of those with incomes below that threshold. Individuals who stated that they did not know what type of retirement plan their employer offered were less likely to participate in the plan.

Workers cited a range of reasons for not participating. Twenty-nine percent of workers who said they did not participate cited not being vested as their reason for nonparticipation. Another 10 percent said they did not participate because they were temporary employees. Respondents also said they did not participate due to affordability concerns, having another source of retirement savings, or a general distrust of the retirement system.

The majority of workers (64 percent) said their employer offered a defined benefit plan, 14 percent said their employer offered another type of plan (including about 6 percent who said their employer offered some type of defined contribution plan), and 20 percent said they did not know which type of plan their employer offered.

Older workers and workers with a longer tenure were more likely to report being in a defined benefit plan. Seventy-five percent of workers 50 or older said they participated in a defined benefit plan, compared with 44

Figure 4
 Knowledge of Employer Retirement Plan by Age



Note: Respondents were asked if their current employer's retirement plan was a defined benefit plan or some other type of plan. "Don't know" responses were volunteered.

© 2015 The Pew Charitable Trusts

percent of workers under 30. Similarly, 86 percent of those who have been with their current employer for 30 years or more cited a defined benefit plan, in contrast to 80 percent with tenures of 20 to 29 years, 66 percent of those with 10 to 19 years, and 52 percent of those with less than 10 years.

Age was a significant predictor of whether individuals said they could identify their plan, even when other factors, such as income or education, were held constant. Thirty-six percent of respondents under 30 said they did not know, compared with 21 percent of those ages 30 to 49 and 13 percent of respondents 50 or older. Higher income correlated with a greater ability to identify plan type—35 percent of those with household income of less than \$50,000 said they didn't know, compared with 13 percent of those with income above that threshold.

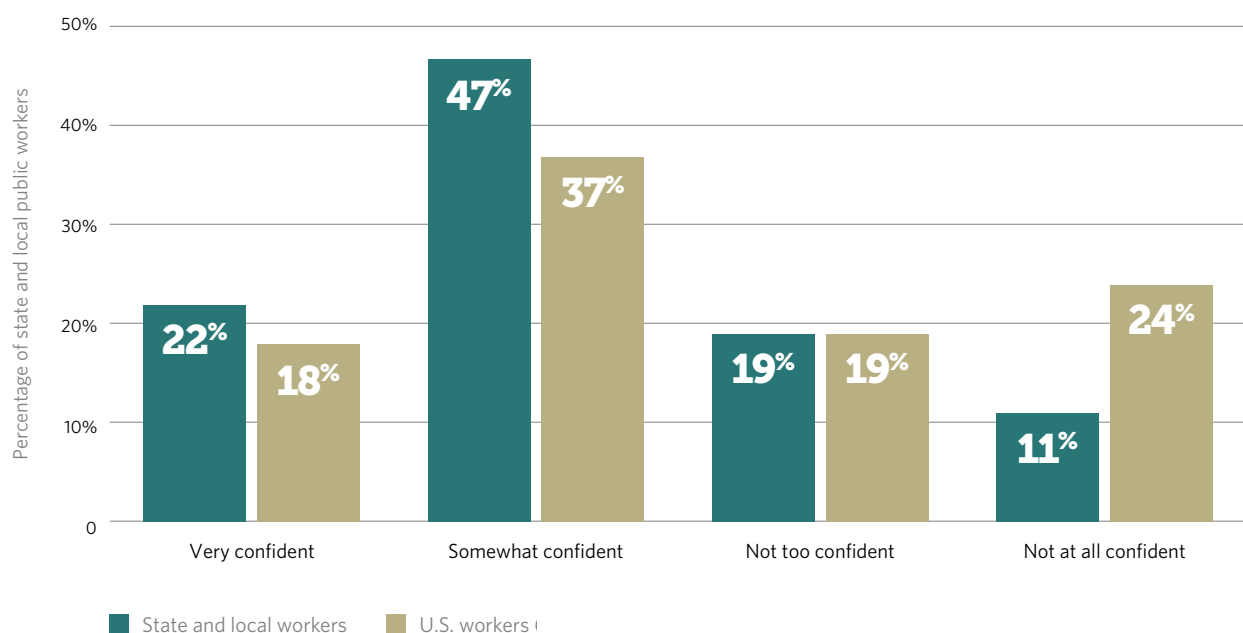
Workers were also asked about retiree health benefits and Social Security. Sixty-two percent of respondents said they would receive retiree health care benefits, 24 percent said they would not, and 15 percent said they did not know. Knowledge about Social Security was much greater than knowledge about employer-sponsored retirement benefits. Seventy-eight percent of workers said they participated in Social Security, 21 percent said they did not participate, and only 1 percent said they did not know. Of the workers who said they did not participate in Social Security, 60 percent said they did not want to, and 34 percent said they would like the opportunity to do so.

Retirement confidence

Overall, state and local workers were largely confident about retirement. Sixty-nine percent said they were very or somewhat confident that they would have enough money to live comfortably in retirement. Nineteen percent said they were not too confident, and 11 percent said they were not at all confident. These levels of confidence are higher than the general population. Results from the 2014 Retirement Confidence Survey (RCS), an annual survey of U.S. workers conducted by the Employee Benefits Research Institute, found that only 55 percent were very or somewhat confident about retirement.⁶

Figure 5

Confidence Levels on Living Comfortably in Retirement, State and Local Public Workers Compared with U.S. Workers



Sources: Pew analysis and the Employee Benefit Research Institute's 2014 Retirement Confidence Survey

© 2015 The Pew Charitable Trusts

Public employees who have been with their current employer for over 20 years were more confident about retirement than more recent hires. Other predictors of confidence included satisfaction with the salary and retirement benefits offered by the employer, household income, and placing high importance on a career in public service.

Workers cited similar levels of confidence around having enough money to pay for medical expenses in retirement; 65 percent said they were very or somewhat confident.

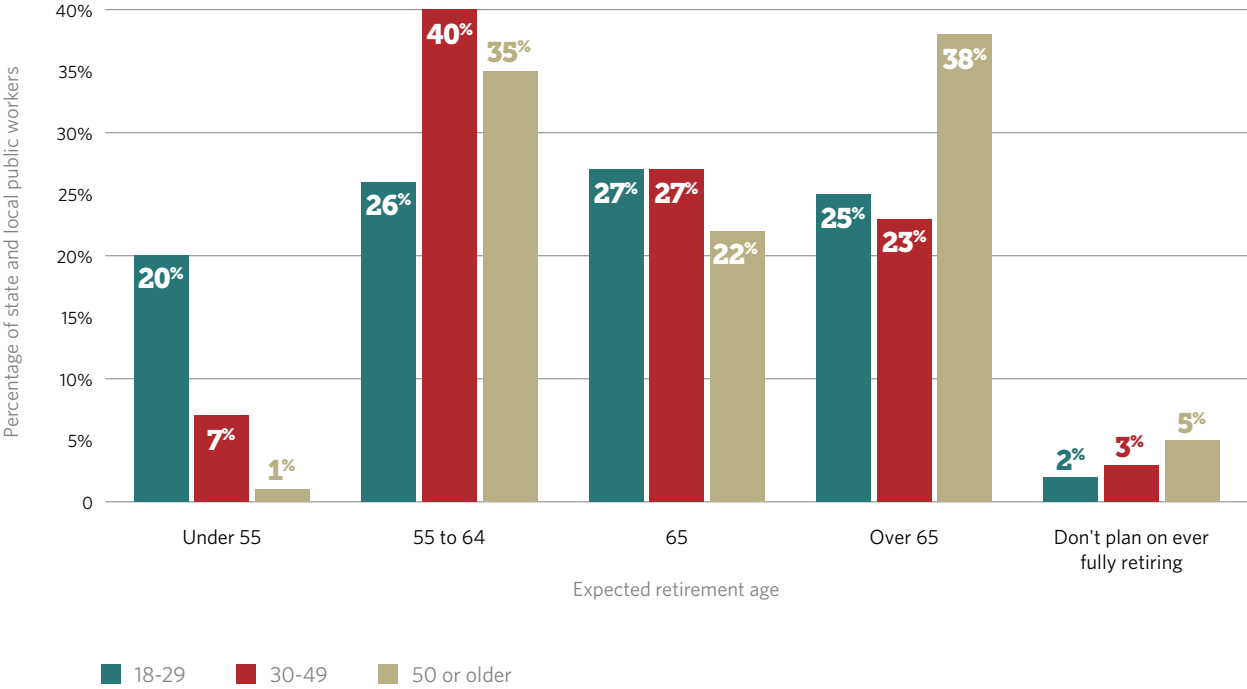
State and local workers also indicated greater levels of confidence in their employer's retirement system than in Social Security. Eighty-two percent of all state and local public workers were very or somewhat confident that they would receive the full benefits their current employer has promised them, while only 40 percent of those who expected to collect any Social Security benefits were very or somewhat confident that the system would meet its obligations.⁷

A majority of respondents (54 percent) said they expected to retire at 65 or later. Four percent volunteered that they did not expect to ever be able to retire. These numbers were largely comparable to results from the 2014 RCS survey of U.S. workers, which found that 56 percent expected to retire at 65 or later.⁸

A higher percentage of public safety workers said they expected to retire at a younger age than all state and local workers, with 70 percent saying they expected to retire prior to age 65.⁹ Highly skilled workers expected to retire later, with 64 percent saying they expected to work until at least age 65.¹⁰

Younger workers were more likely to say they expected to retire at an earlier age than older state and local workers. Twenty percent of workers 30 and under said they expected to retire before they reach 55, compared with 7 percent of respondents ages 30 to 49.

Figure 6
Expected Retirement Age, by Current Age



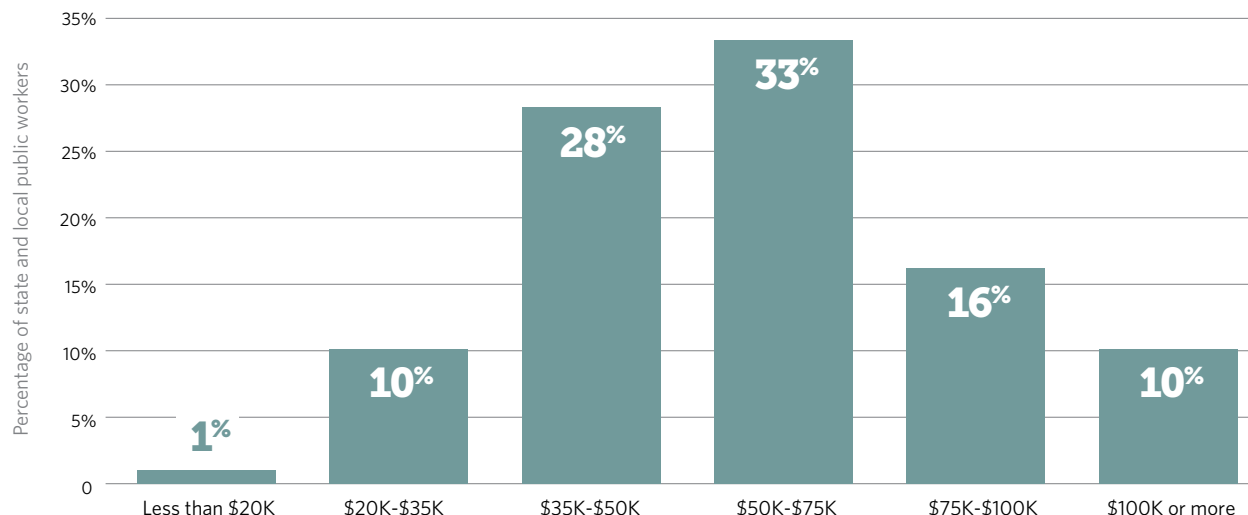
© 2015 The Pew Charitable Trusts

Over half of workers (59 percent) said they expected to need at least \$50,000 a year in today's dollars to live comfortably in retirement. Not surprisingly, those who now have above-average income expected to need more money than others will in retirement.

Other important job concerns

State and local workers say they value retirement benefits, but they rate other job-related features higher. Workers were asked to rate the importance of various factors related to a job as extremely important, very important, somewhat important, not too important, or not at all important. Fifty-five percent of respondents

Figure 7
Needed for Comfortable Retirement
 (in current dollars)



© 2015 The Pew Charitable Trusts

said job security, work-family balance, and health insurance were extremely important. Forty-five percent listed retirement and pension plans as extremely important, and 37 percent said total annual salary was extremely important. Only 19 percent listed a career in public service as extremely important.

However, a 2009 survey of American workers, conducted by the John J. Heldrich Center for Workforce Development at Rutgers, the state university of New Jersey, suggests that state and local workers do place greater value on retirement benefits than the general population does.¹¹ In the Heldrich Center survey, retirement benefits were listed as extremely important by the lowest percentage of respondents compared with the other job factors. The Heldrich Center survey found that workers valued health care and job security most, followed by work-life balance and salary. The final factor, a career in public service, was not included in the Heldrich Center survey.¹²

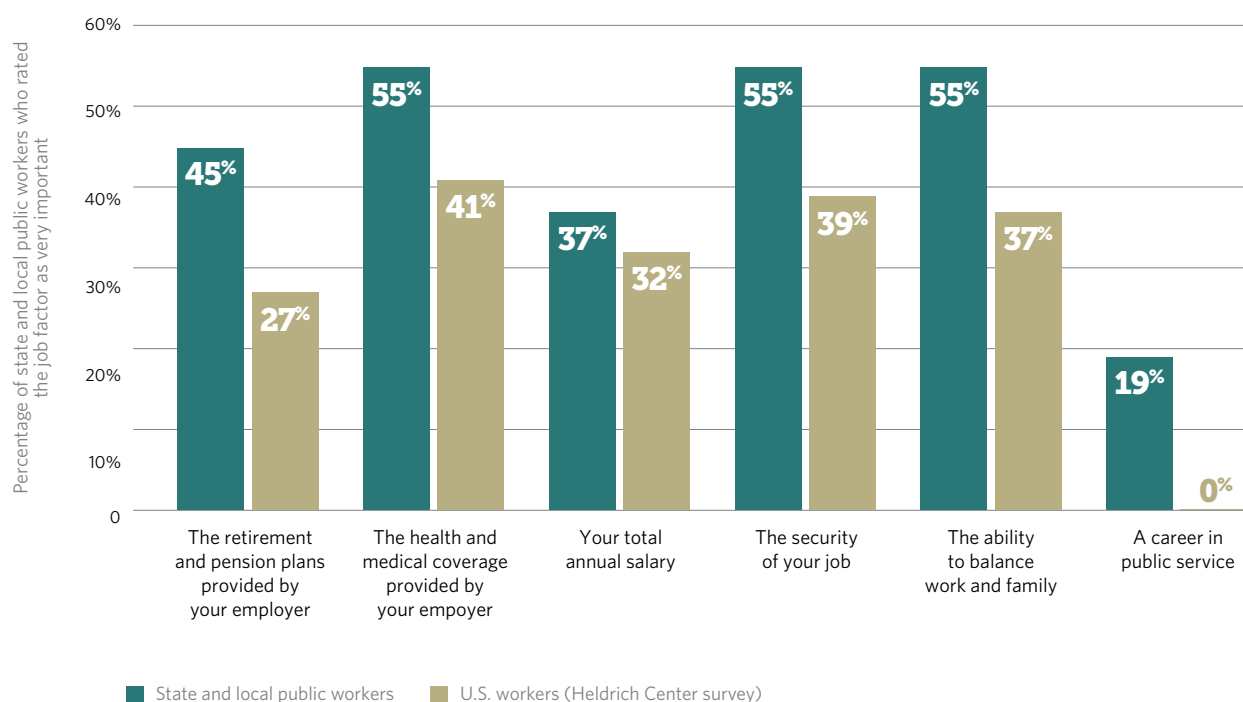
State and local workers with a longer tenure were more likely to rate retirement and pension plans as important. Public safety workers placed greater importance on total annual salary; teachers were less likely to do this. Both public safety workers and teachers were more likely to place greater emphasis on the importance of a career in public service. Married workers were more likely to value work-family balance.

Satisfaction with retirement benefits and salary

In the Pew survey, workers were asked to rate their level of satisfaction with their salary and retirement benefits. Overall, they reported higher levels of satisfaction with retirement benefits than with salary. Thirty-four percent were very satisfied with their retirement benefits, compared with 21 percent who said they were very satisfied with their salary. Eighty-five percent were very or somewhat satisfied with their retirement benefits, compared with 72 percent who cited feeling that way about their salary. Fourteen percent said they were either not too satisfied or not at all satisfied with their retirement benefits, while 28 percent said they were not too satisfied or

Figure 8

Importance of Different Job Factors, Comparing State and Local Workers with U.S. workers



Notes: Workers were asked to rate each job factor as extremely important, very important, somewhat important, not too important, or not at all important. The graph excludes “A career in public service” since that was not included in the Rutgers survey. In the Rutgers survey, “your total annual income” was used instead of your “total annual salary.”

Sources: Pew’s 2013 survey of state and local workers and the John J. Heldrich Center for Workforce Development’s 2009 survey

© 2015 The Pew Charitable Trusts

not at all satisfied with their salary. In all, most workers cited being fairly satisfied with both; about two-thirds of state and local public workers (67 percent) were very or somewhat satisfied with both the salary and retirement benefits offered by their employer; 10 percent were not too or not at all satisfied with either.

Public safety workers expressed high levels of satisfaction with both salary and retirement benefits. Seventy-eight percent of public safety workers said they were very or somewhat satisfied with their salary, and 89 percent said they were very or somewhat satisfied with their retirement benefits. Ninety-three percent of highly skilled workers indicated that they were very or somewhat happy with their retirement benefits.

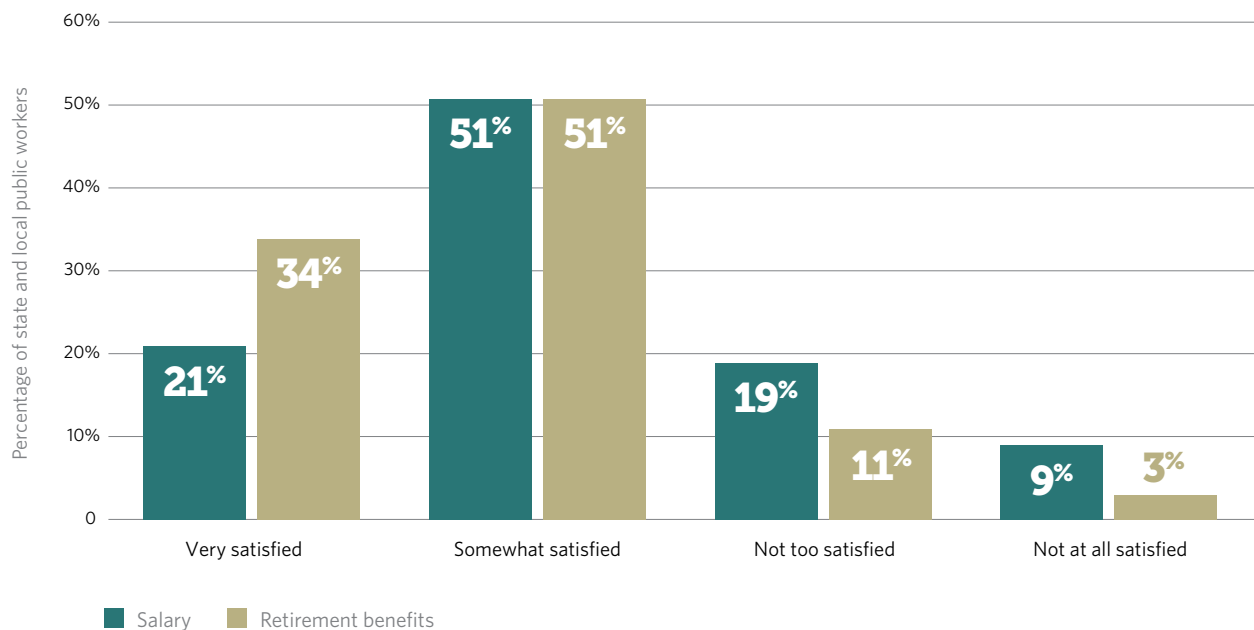
Levels of satisfaction with salary and retirement benefits are closely aligned with workers’ stated expectations about their salary and retirement benefits in the public sector. When asked whether they expected to receive a higher salary in the public or private sector, only 21 percent specified the public sector, while 41 percent selected the private sector. Another 35 percent said they did not expect a difference. However, half of workers expected to receive a greater retirement benefit in the public sector, compared with 8 percent who expected a greater benefit in the private sector. Thirty-eight percent said they expected no difference.

Investments and risk tolerance

Workers were asked about their preferences regarding management of retirement investments. Sixty-nine percent of workers said they wanted more control over where their retirement money was invested, and only 27 percent said they would prefer to have their employer manage their investments. Workers in a defined benefit plan, workers with higher income, and those with at least a college degree were more likely to prefer to have their employer manage their investments.

Figure 9

Satisfaction With Salary and Retirement Benefits



© 2015 The Pew Charitable Trusts

Workers were also asked to gauge their risk preferences in relation to investments. A majority (57 percent) said they would prefer moderate risk with potentially moderate investment gains. Twenty-eight percent said they preferred lower risk in exchange for smaller potential gains in investments, and 13 percent said they would prefer higher risk in exchange for possibly the greatest gains.

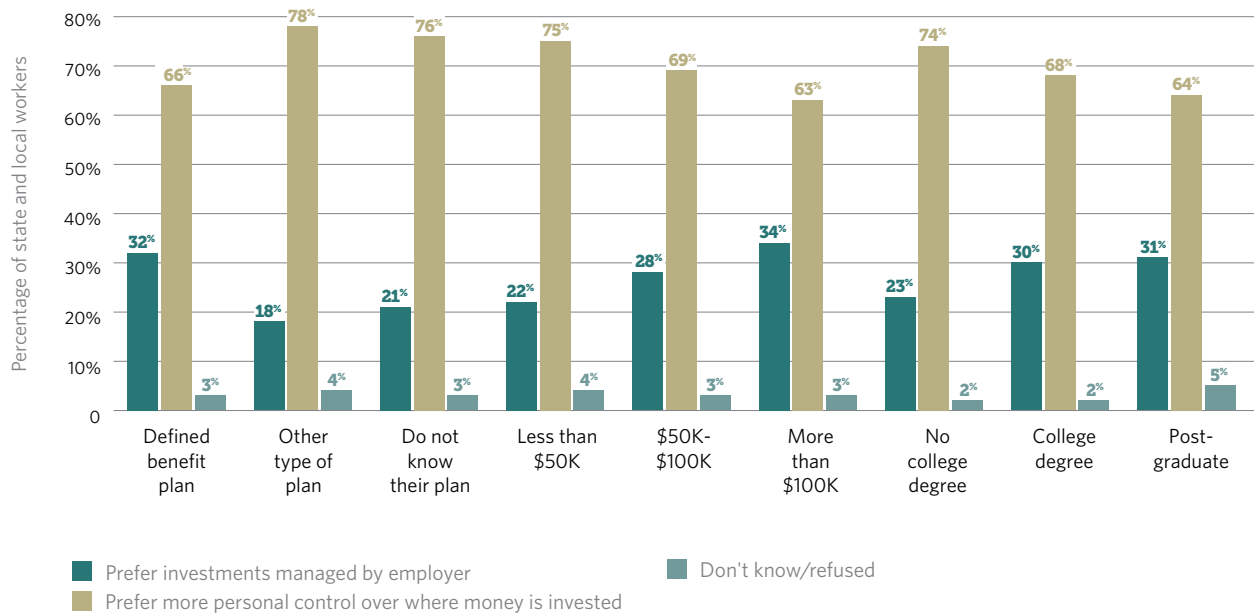
Not surprisingly, age correlated highly with risk preference. Younger workers were more risk tolerant: 27 percent of workers under 30 would take the higher risk, compared with just 6 percent of workers 50 or older. Thirty-seven percent of workers 50 or older preferred the lower risk, compared with 19 percent of younger workers.

Impact of plan design on retirement decisions

Workers think that retirement benefit design affects people's retirement decisions. Eighty percent of respondents believed that some government workers stay in their jobs until they reach retirement so they won't lose

Figure 10

Workers Who Prefer Investments Managed by Employer, Responses by Type of Plan Type, Income, and Education



© 2015 The Pew Charitable Trusts

retirement benefits, even if they'd rather leave those jobs at a younger age. Sixty percent said this happens a lot, and 17 percent said it happens but not with that many workers. Only 14 percent said it doesn't happen.

A majority of workers (56 percent) also thought some government workers retire earlier than they'd like because that's the only way for them to maximize their retirement benefits. Thirty-one percent said that happens a lot, 22 percent said it happens but not with that many workers, and 31 percent said it doesn't happen at all.

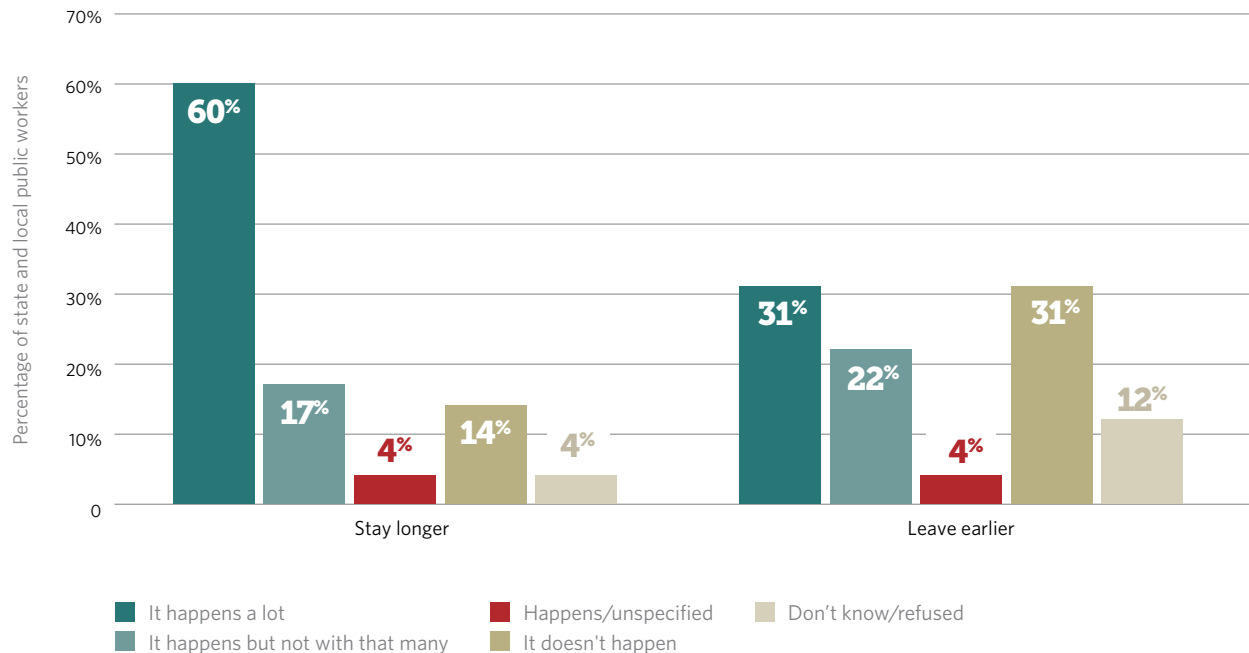
Retirement preferences

Workers were asked what they'd prefer if they could choose how to receive their retirement benefits when they retire. Almost half (47 percent) said they would opt for a series of guaranteed lifetime payments. Thirty-seven percent would take a partial lump sum and the remainder in lifetime payments, and 15 percent would prefer one lump sum.

If they were to leave their current job before retirement and no longer be eligible to participate in their retirement plan, 49 percent would prefer to have their accrued benefits rolled over to an outside plan, 18 percent would take an immediate lump sum payment, 14 percent would take a monthly annuity or some other kind of regular withdrawal, and 14 percent would defer payments until they retire.

Figure 11

Do Some Government Workers Either Stay Longer or Retire Earlier Than They'd Like to Maximize Retirement Benefits?



Note: Respondents were asked if they thought that some government workers who want to leave their jobs at a younger age choose to stay in their jobs until they reach retirement age so they won't lose retirement or pension benefits. They were also asked if some government workers retire earlier than they'd like because it's the only way for them to maximize their retirement benefits.

© 2015 The Pew Charitable Trusts

Most workers (55 percent) said they would prefer a job that offered more generous retirement benefits in exchange for a somewhat lower salary. However, younger workers were more likely to prefer the opposite, a more generous salary in exchange for less generous retirement benefits. Fifty-three percent of workers under 30 stated this preference, compared with 44 percent of workers ages 30 to 49 and 33 percent of workers over 50.

Younger workers were also more likely to prefer a plan that allows employees who change jobs to keep more of their retirement benefits over a plan that rewards long-term employees but does not allow more mobile employees to keep much of their benefits. Sixty-one percent of younger workers preferred this option, compared with 47 percent of workers over 30.

Overall assessment

A solid majority of respondents (61 percent) said they would keep their current employer's retirement system as is. Twenty-two percent said it needed minor changes, and 12 percent said it needed major changes. Workers who said they were satisfied with retirement benefits thought the defined benefit system was fair, were confident that their employer would be able to cover all benefits owed throughout retirement, and those expecting to remain in the public sector for the rest of their career were more likely to want to keep their retirement system as is.

Conclusion

The findings from the Pew survey paint a complex picture of state and local public workers: They are more confident about retirement, and more likely to value retirement benefits, than the general population. They largely expect to remain with their employer until retirement. They are generally satisfied with their retirement benefits, and most do not want their retirement system to change. At the same time, workers cite benefits as an important consideration in employment decisions, yet a large percentage are uninformed about their benefits. In addition, younger workers are less likely to expect to remain with their employer, less knowledgeable about their benefits, and less interested in retirement benefits than their older counterparts are. This generational gap indicates that state and local governments may want to look closely at the role their retirement benefits play in both retaining experienced older employees and attracting younger highly qualified employees.

Methodology

This survey was conducted for Pew by Social Science Research Solutions, an independent research company. Interviews were conducted by landline and cellphone between Aug. 15 and Nov. 24, 2013, among 2,110 state and local public employees 18 or older. Results for all are subject to a sampling error of plus or minus 2.56 percentage points at the 95 percent confidence level, factoring in sample design effects. Sampling error is higher for subgroups of the overall sample.

Qualified respondents were identified from screening interviews with 55,170 U.S. adults 18 or older. In some cases, respondents were identified in one survey and recontacted later to complete the Pew interview. Survey estimates were adjusted to known population parameters to account for uneven probabilities of selection for respondents, including varying propensities to complete recontact interviews. Variables for this weighting included age, gender, census region, educational attainment, race/ethnicity, metropolitan status, and telephone usage (cell-only, landline-only, or both cell and landline).

Results below are shown for all respondents unless noted otherwise.

* = less than 0.5 percent

Screening questions

Respondents were asked a series of screening questions. Those who qualified to take the survey comprised these categories of public employees:

| | Percentage |
|---------------------|------------|
| State non-education | 21% |
| Local non-education | 25% |
| Teacher | 32% |
| Other education | 22% |

**S1. You said you work in (state government/municipal or local government).
In what year did you start doing this work? (Summary table)**

| | Percentage |
|--------------------|------------|
| 2010-2013 | 19% |
| 2004-2009 | 23% |
| 1999-2003 | 17% |
| 1994-1998 | 14% |
| 1989-1993 | 10% |
| 1984-1988 | 8% |
| 1983 or earlier | 8% |
| Don't know/refused | 1% |

S2. Are you:

| | Percentage |
|-----------------------------|------------|
| Single/never married | 16% |
| Single, living with partner | 7% |
| Married | 62% |
| Separated | 3% |
| Widowed | 2% |
| Divorced | 10% |
| Refused | 1% |

S3. Do you participate in your employer's retirement plan, or not?

| | Percentage |
|------------|------------|
| Yes | 92 |
| No | 8 |
| Don't know | * |
| Refused | * |

S4. Why don't you participate in your employer's retirement plan? (If applicable) (n=122)

| | Percentage |
|---|------------|
| Haven't worked long enough to be vested/eligible for plan | 29% |
| Temporary employee | 10% |
| Participate in another plan | 10% |
| Cost-related | 7% |
| Other by-choice mentions | 7% |
| Don't like/trust this plan | 5% |
| Not offered through my job/for my position | 5% |
| Just not interested | 5% |
| Other not eligible/offered | 2% |
| Other | 11% |
| Don't know | 8% |
| Refused | 2% |

Main interview

1. I am going to read you a list of things that might describe a job. Please tell me how important each of these is to you. (Insert item.) Is this extremely important, very important, somewhat important, not too important, or not at all important?

a. The health and medical coverage provided by your employer

| | Percentage |
|----------------------|------------|
| Extremely important | 55% |
| Very important | 32% |
| Somewhat important | 9% |
| Not too important | 2% |
| Not at all important | 2% |
| Don't know | * |
| Refused | * |

b. The retirement and pension plans provided by your employer

| | Percentage |
|----------------------|------------|
| Extremely important | 45% |
| Very important | 35% |
| Somewhat important | 16% |
| Not too important | 2% |
| Not at all important | 1% |
| Don't know | * |
| Refused | * |

c. Your total annual salary

| | Percentage |
|----------------------|------------|
| Extremely important | 37% |
| Very important | 39% |
| Somewhat important | 22% |
| Not too important | 1% |
| Not at all important | * |
| Don't know | * |
| Refused | * |

d. The security of your job

| | Percentage |
|----------------------|------------|
| Extremely important | 55% |
| Very important | 34% |
| Somewhat important | 10% |
| Not too important | 1% |
| Not at all important | * |
| Don't know | * |
| Refused | * |

e. The ability to balance work and family

| | Percentage |
|----------------------|------------|
| Extremely important | 55% |
| Very important | 34% |
| Somewhat important | 8% |
| Not too important | 1% |
| Not at all important | 1% |
| Don't know | * |
| Refused | * |

f. A career in public service

| | Percentage |
|----------------------|------------|
| Extremely important | 19% |
| Very important | 32% |
| Somewhat important | 35% |
| Not too important | 9% |
| Not at all important | 4% |
| Don't know | * |
| Refused | * |

2. Realistically, at what age do you expect to retire?

| | Percentage |
|-----------------------------|------------|
| Under 55 | 6% |
| 55 to 59 | 13% |
| 60 to 61 | 13% |
| 62 to 64 | 11% |
| 65 | 25% |
| 66 to 69 | 12% |
| 70 or older | 17% |
| Don't plan on ever retiring | 4% |
| Don't know | * |
| Refused | * |

3. What annual income do you think you will need to live comfortably in retirement?
Please give me an answer in today's dollars, not adjusting for inflation.

| | Percentage |
|----------------------|------------|
| Less than \$20,000 | 1% |
| \$20,000 to \$34,999 | 10% |
| \$35,000 to \$49,999 | 28% |
| \$50,000 to \$74,999 | 33% |
| \$75,000 to \$99,999 | 16% |
| \$100,000 or more | 10% |
| It depends | * |
| Don't know | 2% |
| Refused | * |

4. Overall, how confident are you that you (and your spouse/and your partner) will have enough money to live comfortably throughout your retirement years? Are you ...?

| | Percentage |
|----------------------|------------|
| Very confident | 22% |
| Somewhat confident | 47% |
| Not too confident | 19% |
| Not at all confident | 11% |
| Don't know | * |
| Refused | * |

5. Thinking now about all jobs you (and your spouse/and your partner) may have had, not just the job you have with your current employer. When you retire, do you expect Social Security to provide all of your income, most of your income, about half of your income, less than half of your income, or none of your income at all?

| | Percentage |
|----------------|------------|
| All | 3% |
| Most | 8% |
| About half | 26% |
| Less than half | 44% |
| None at all | 18% |
| Don't know | 1% |
| Refused | * |

6. How confident are you that the Social Security system will be able to pay your full benefits throughout your retirement? Would you say you are ...? (If state that at least some of their retirement income will come from Social Security) (n=1,748) (Total answering = 1,519, because of question criteria change)

| | Percentage |
|---------------------------------------|------------|
| Very confident | 8% |
| Somewhat confident | 31% |
| Not too confident | 38% |
| Not at all confident | 22% |
| Do not participate in Social Security | * |
| Don't know | 1% |
| Refused | |

7. How confident are you that you will receive the full retirement benefits your current employer has promised you? Would you say you are ...?

| | Percentage |
|----------------------|------------|
| Very confident | 39% |
| Somewhat confident | 42% |
| Not too confident | 12% |
| Not at all confident | 6% |
| Don't know | * |
| Refused | * |

8. How confident are you that you (and your spouse/and your partner) will have enough money to pay for medical expenses in your retirement? Would you say you are ...?

| | Percentage |
|----------------------|------------|
| Very confident | 16% |
| Somewhat confident | 49% |
| Not too confident | 23% |
| Not at all confident | 12% |
| Don't know | * |
| Refused | * |

9. How satisfied are you with the salary provided by your employer for the work you do? Would you say you are ...?

| | Percentage |
|----------------------|------------|
| Very satisfied | 21% |
| Somewhat satisfied | 51% |
| Not too satisfied | 19% |
| Not at all satisfied | 9% |
| Don't know | |
| Refused | * |

10. How satisfied are you with the retirement benefits provided by your employer (for the work you do)? Would you say you are ...?

| | Percentage |
|----------------------|------------|
| Very satisfied | 34% |
| Somewhat satisfied | 51% |
| Not too satisfied | 11% |
| Not at all satisfied | 3% |
| Don't know | 1% |
| Refused | * |

11. Now, thinking back to when you FIRST decided to work in the public sector over the private sector. At that time, how much thought did you give to whether the public sector or private sector paid higher salaries or offered better retirement benefits? Did you give that a lot of thought, some thought, only a little thought, or no thought at all when you first decided to work in the public sector?

| | Percentage |
|-----------------------|------------|
| A lot of thought | 23% |
| Some thought | 27% |
| Only a little thought | 19% |
| No thought at all | 30% |
| Don't know | * |
| Refused | * |

12. Thinking about how you made your decision to work in the public sector over the private sector, did you think you would receive a higher salary in the public sector or in the private sector, or did you think the salary would be about the same either way?

| | Percentage |
|---|------------|
| Higher salary in public sector | 21% |
| Higher salary in private sector | 41% |
| About the same salary either way | 35% |
| No job like mine in the private sector | * |
| Did not think about this when making the decision | 1% |
| Don't know | 2% |
| Refused | * |

13. Thinking about how you made your decision to work in the public sector over the private sector, did you think you would get better retirement benefits in the public sector or in the private sector, or did you think the retirement benefits would be about the same either way?

| | Percentage |
|---|------------|
| Better retirement benefits in public sector | 50% |
| Better retirement benefits in private sector | 8% |
| About the same retirement benefits either way | 38% |
| No job like mine in the private sector | * |
| Did not think about this when making the decision | 3% |
| Don't know | 1% |
| Refused | |

14. Do you think that some government workers who want to leave their jobs at a younger age choose to stay in their jobs until they reach retirement age so that they won't lose retirement or pension benefits, or do you think that this does not happen?

| | Percentage |
|-----------------------|------------|
| Yes, it does happen | 80% |
| No, it doesn't happen | 14% |
| Maybe | 1% |
| Don't know | 4% |
| Refused | * |

a. Do you think that happens with a lot of government workers, or not that many? (If thinks some government workers [maybe] stay in job until retirement age so they don't lose benefits) (n=1,732)

| | Percentage |
|---------------|------------|
| A lot | 74% |
| Not that many | 21% |
| Don't know | 5% |
| Refused | * |

15. Do you think there are some government workers who retire earlier than they'd like because that is the only way for them to maximize their retirement benefits, or do you think that this does not happen?

| | Percentage |
|-----------------------|------------|
| Yes, it happens | 56% |
| No, it doesn't happen | 31% |
| Maybe | 1% |
| Don't know | 12% |
| Refused | * |

- a. Do you think that happens with a lot of government workers, or not that many? (If thinks some government workers [maybe] retire earlier than they'd like in order to maximize benefits) (n=1,218)

| | Percentage |
|---------------|------------|
| A lot | 55% |
| Not that many | 39% |
| Don't know | 7% |
| Refused | * |

16. Do you know if the retirement plan your current employer offers is what's called ...?

| | Percentage |
|-------------------------|------------|
| A defined benefit plan | 64% |
| Some other type of plan | 14% |
| Don't know type of plan | 20% |
| Refused | 2% |

- a. Can you tell me what kind of retirement benefit plan that is? (If some other type of retirement plan, not defined benefit) (n=291)

| | Percentage |
|-----------------------------------|------------|
| Defined contribution | 11 |
| Cash balance | * |
| Hybrid | 2 |
| 457 | 3 |
| 401(k) | 19 |
| 403(b) | 8 |
| TIAA-CREF/teacher retirement plan | 5 |
| Public employee retirement plan | 4 |
| Other | 19 |
| Don't know | 28 |
| Refused | 1 |

17. Do you participate in Social Security under your current employer?

| | Percentage |
|------------|------------|
| Yes | 78% |
| No | 21% |
| Don't know | 1% |
| Refused | * |

18. Would you like the opportunity to participate in Social Security? (If do not participate in employer Social Security) (n=443)

| | Percentage |
|------------|------------|
| Yes | 34% |
| No | 60% |
| Don't know | 6% |
| Refused | * |

19. "Do you participate in Social Security with your current employer? If not, would you like to?"

| | Percentage |
|--------------------------------------|------------|
| Participate in Social Security | 78% |
| Don't participate, would like to | 7% |
| Don't participate, would not like to | 12% |
| Don't know/refused | 3% |

20. To your knowledge, can you receive any health care benefits through your employer when you retire?

| | Percentage |
|------------|------------|
| Yes | 62% |
| No | 24% |
| Don't know | 15% |
| Refused | * |

21. Thinking generally, if you had to choose between these two options, would you prefer ...?

| | Percentage |
|---|------------|
| A job that pays a somewhat higher salary in exchange for less generous retirement benefits | 41% |
| A job that offers more generous retirement benefits in exchange for a somewhat lower salary | 55% |
| It depends (Volunteered) | 2% |
| Don't know | 2% |
| Refused | * |

22. Would you prefer (for your retirement investments to be managed by your employer), or would you prefer (to have more personal control over where the money is invested)?

| | Percentage |
|---|------------|
| Prefer investments managed by employer | 27% |
| Prefer more personal control over where money is invested | 69% |
| Don't know | 3% |
| Refused | * |

23. Now let's assume you have to choose how your retirement money is invested. Gains or losses on your investments may vary depending on how much risk you take. Considering how many years you may have until you retire, at this time would you prefer taking?

| | Percentage |
|---------------|------------|
| Lower risk | 28% |
| Moderate risk | 57% |
| Higher risk | 13% |
| Don't know | 2% |
| Refused | * |

24. Thinking about how long an employee must work before becoming eligible for—or “vested” in—certain retirement benefits. ... Do you think that requiring a “vesting period” helps employers keep good workers from leaving for other jobs before they’re vested, makes it harder for employers to keep good workers, or does not make a difference?

| | Percentage |
|--|------------|
| Helps employers keep good workers | 39% |
| Makes it harder for employers to keep good workers | 11% |
| Doesn't make a difference | 45% |
| Don't know | 5% |
| Refused | * |

25. Thinking generally, if you had to choose between these two options, would you prefer ...?

| | Percentage |
|--|------------|
| A higher salary in exchange for less generous benefits | 41% |
| More generous benefits in exchange for a lower salary | 55% |
| It depends | 2% |
| Don't know | 2% |
| Refused | * |

26. If you had to choose between these two options, would you prefer ...?

| | Percentage |
|--|------------|
| More generous retirement benefits for long-term employees/a plan that does not allow employees who change jobs to keep much of the benefits they have earned | 47% |
| Less generous retirement benefits for long-term employees/a plan that allows employees who change jobs to keep more of the benefits they have earned | 48% |
| Don't know | 5% |
| Refused | 1% |

27. Under traditional “defined benefit” pension systems, employees often do not earn much of a retirement benefit until late in their career. This rewards those who work an entire career under one system. However, it can significantly reduce retirement benefits for workers who don’t spend their entire career in one system. All in all, do you think this kind of retirement system is fair or unfair to public workers?

| | Percentage |
|------------|------------|
| Fair | 47% |
| Unfair | 46% |
| Don’t know | 6% |
| Refused | * |

28. If you could choose among these three options, how would you prefer to receive your retirement benefits when you retire?

| | Percentage |
|--|------------|
| Entirely as a lump sum | 15% |
| Partially as a lump sum, remainder as a series of guaranteed lifetime payments | 37% |
| Entirely as a series of guaranteed lifetime payments | 47% |
| Don’t know | 1% |
| Refused | * |

a. If you were to leave your current job before you retire and no longer were eligible to participate in the retirement system you’re in now, which of the following payment options would you prefer for the retirement benefits owed to you?

| | Percentage |
|---|------------|
| Defer payments until retirement | 14% |
| Monthly annuity | 14% |
| Some other kind of regular withdrawal | 2% |
| Rollover distribution into an individual retirement account | 49% |
| Immediate lump sum payment | 18% |
| Other | * |
| Does not apply to me | * |
| Don’t know | 2 |
| Refused | * |

29. All in all, do you think your current employer’s retirement system needs changes or should be kept as it is?

| | Percentage |
|----------------------|------------|
| Needs changes | 35% |
| Should be kept as is | 61% |
| Don’t know | 4% |
| Refused | * |

a. And would you say it needs major changes, or only minor changes? (If thinks employer’s retirement system needs changes) (n=700)

| | Percentage |
|--------------------|------------|
| Major changes | 36% |
| Only minor changes | 63% |
| Don’t know | 2% |
| Refused | |

30. Which do you think is more likely—that you would work for your current employer until you retire, or that you would go to work for a different employer before then?

| | Percentage |
|--|------------|
| Work for current employer until retirement | 74% |
| Go to work for different employer | 23% |
| Don’t know | 2% |
| Refused | * |

31a. Just your best guess: Do you think you’d be more likely to take another job in government, or to take a job outside of government? (If likely to go to work for different employer before retirement) (n=401)

| | Percentage |
|--------------------|------------|
| Government job | 43% |
| Non-government job | 52% |
| Don’t know | 5% |
| Refused | |

31b. And again just your best guess: Do you think you'd be more likely to take a government job within the same retirement system you're in now, or to take a government job in a different retirement system? (If likely to take another government job before retirement) (n=178)

| | Percentage |
|------------|------------|
| Same | 56% |
| Different | 38% |
| Don't know | 5% |
| Refused | 1% |

32. Have you lived in or near your local community your entire life, aside from the time you may have spent away in school or college, or have you lived in other places?

| | Percentage |
|---|------------|
| Yes, lived in or near my local community my entire life | 50% |
| No, lived other places | 50% |
| Yes, except during active military duty | * |
| Don't know | * |
| Refused | * |

33. Have you always lived in the same state, or have you lived in different states? (If lived in other places outside local community, not for school/college) (n=1,122)

| | Percentage |
|---------------------------|------------|
| Lived in same state | 22% |
| Lived in different states | 78% |
| Don't know | * |
| Refused | * |

34. Do you belong to a labor union, or not?

| | Percentage |
|------------|------------|
| Yes | 39% |
| No | 60% |
| Don't know | * |
| Refused | * |

35. Respondent's age?

| | Percentage |
|-------------|------------|
| 18-24 | 4% |
| 25-29 | 8% |
| 30-49 | 48% |
| 50-64 | 35% |
| 65 or older | 4% |
| Refused | 1% |

36. What is the last grade of school you completed?

| | Percentage |
|--|------------|
| High school graduate or less | 18% |
| Some college (including associate's degree)/technical school | 23% |
| Graduated college (four-year/bachelor's degree) | 29% |
| Graduate school or more | 29% |
| Refused | * |

37. Respondent's income?

| | Percentage |
|----------------------|------------|
| Less than \$50,000 | 30% |
| \$50,000 to \$99,999 | 42% |
| \$100,000 or more | 23% |
| Don't know | * |
| Refused | 4% |

38. Respondent's race/ethnicity?

| | Percentage |
|----------|------------|
| White | 73% |
| Black | 12% |
| Hispanic | 8% |
| Other | 5% |
| Refused | 2% |

39. Generally speaking, do you usually think of yourself as...?

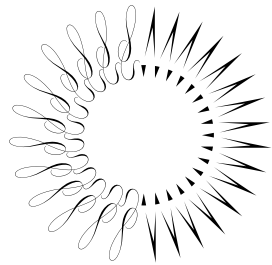
| | Percentage |
|-----------------|------------|
| Republican | 23% |
| Democrat | 37% |
| Independent | 34% |
| Other (specify) | 1% |
| Don't know | 2% |
| Refused | 2% |

40. Respondent's gender?

| | Percentage |
|--------|------------|
| Male | 42% |
| Female | 58% |

Endnotes

- 1 Employee Benefit Research Institute (EBRI) and Greenwald & Associates, 2014 Retirement Confidence Survey, Fact Sheet no. 1, accessed April 14, 2014, <http://www.ebri.org/pdf/surveys/rcs/2014/RCS14.FS-1.Conf.Final.pdf>.
- 2 Ibid.
- 3 John J. Heldrich Center for Workforce Development at Rutgers, the state university of New Jersey, “What a Difference a Decade Makes: The Declining Job Satisfaction of the American Worker” (December 2009), http://www.heldrich.rutgers.edu/sites/default/files/Work_Trends_December_2009.pdf.
- 4 The Pew survey finds the tenure of state and local government workers to be substantially longer than in the federal data, collected every two years in the Current Population Survey, a joint project of the U.S. Census Bureau and the Bureau of Labor Statistics. Sample and measurement differences are likely to account for at least some of this variation. The Pew survey was limited to full-time employees 18 or older, the federal data include all workers 16 or older, and the wording of tenure questions varied between the surveys.
- 5 Analysis by the Terry Group based on the 2013 Tennessee Consolidated Retirement System actuarial valuation, 2013 Pennsylvania State Employees’ Retirement System actuarial valuation, and 2013 Public School Employees’ Retirement System actuarial valuation. Analysis assumes normal retirement age.
- 6 EBRI and Greenwald & Associates, 2014 Retirement Confidence Survey. The TIAA-CREF Institute and the Center for State and Local Government Excellence conducted a 2014 survey of state and local government workers and found similar levels of retirement confidence: 18 percent of respondents were very confident, and 56 percent were somewhat confident that they would have enough money to live comfortably throughout retirement. Paul Yakoboski and Joshua Franzel, 2014 Retirement Confidence Survey of the State and Local Government Workforce, TIAA-CREF Institute and Center for State and Local Government Excellence (August 2014), http://slge.org/wp-content/uploads/2014/10/TCI_SLGE_2014RetirementConfidence_05a.pdf.
- 7 For further comparison, an *ABC News/Washington Post* survey conducted in February 2009 showed that 11 percent of U.S. adults were very confident that the Social Security system would be able to pay their full benefits throughout retirement, 28 percent were somewhat confident, 23 percent were not so confident, and 38 percent were not at all confident.
- 8 EBRI and Greenwald & Associates, 2014 Retirement Confidence Survey: Changing Expectations About Retirement, Fact Sheet no. 2, accessed April 14, 2014, <http://www.ebri.org/pdf/surveys/rcs/2014/RCS14.FS-2.Expects.Final.pdf>.
- 9 The survey asked workers to identify their profession. Workers who said they served as a police officer, sheriff, law enforcement employee, or fire department employee, or held another public safety-related position, were grouped into this category.
- 10 This includes 3 percent of respondents in the highly skilled category who volunteered that they never plan to retire. Highly skilled workers include those who said they worked in a profession typically associated with higher levels of education and earning, including lawyers, scientists, engineers, accountants, programmers, doctors, and registered nurses.
- 11 Heldrich Center, “What a Difference a Decade Makes.”
- 12 The Center for State and Local Government Excellence, “Security: What Americans Want From a Job” (December 2007), http://slge.org/wp-content/uploads/2012/01/Security_What_Americans_Want_from_a_Job1.pdf. This 2007 survey of Americans found that retirement or pension plan was listed as the fourth most important aspect of a job.



THE
PEW
CHARITABLE TRUSTS

