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RETIREMENT PLANNING EDUCATION: WHAT DO PEOPLE WANT TO KNOW? WHEN DO THEY WANT TO KNOW IT?

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Demographic and economic trends indicate a growing need for retirement planning education. By 2000, one out of seven persons in the U.S. will be 65 or over. By 2025, nearly one out of five will be 65 or over, compared to one out of 9 in the 1980s. Economically, Social Security and other retirement income source will be strained by this growing proportion of elderly. Private savings which now accounts for 21 percent of retirement income for persons 65 and over, will become an even more important source of income in the future [6]. Adult consumer educators are becoming increasingly aware of the need for retirement planning education. Careful planning will be of great importance in helping individuals to maintain a satisfactory lifestyle in retirement and in helping society and the economy to support families and households. Yet, research studies indicate that people are not making realistic projections when it comes to income needs and consumption in retirement [1, 2].

For consumer educators, the questions which naturally arise are: What do people want to know about retirement and retirement planning? When is the best time to reach them with this information? The objective of this study was to address these questions.

THE SURVEY

Data was collected from a sample of New York State employees who were offered an early retirement incentive in spring, 1983. Twenty-six thousand workers age 55 and over who were vested in the New York State Employees Retirement System (NYSERS) were offered for

a limited time a three-year service credit incentive to retire early; 8000 accepted. A sample of 4000 of the 26,000 was drawn; 1500 of these were persons who accepted the incentive and 2500 were persons who did not accept the incentive and continued to work.

Questionnaires were mailed in September, 1983, 3 months after the close of the incentive period. Responses were received from approximately 43 percent of the sample. In all, there were 1627 usable responses. Among other things, respondents were asked whether they had attended a retirement planning workshop or seminar and what retirement planning information they would like to have. (A more detailed description of the questionnaire, sampling technique and descriptive data can be found in [3]).

RESULTS

Seventeen percent of the sample had attended a retirement planning workshop or seminar (Table 1). Retirees were more likely to have attended a retirement planning workshop than workers. Similarly, persons 65 and over were more likely to have attended than those under 65 and women were more likely to have attended than men. These rather low participation rates might indicate that people are not really interested in receiving information on retirement planning. Yet, when asked specifically about their retirement information needs, a different picture emerged.

Table 1. Retirement Information Needs

	Total Sample	Workers	Retirees	Age			Sex	
				Under 60	60-64	65 & Over	Male	Female
Attended Retirement Planning Seminar or Workshop	17%	11%	27%***	13%	21%	23%***	15%	19%**
Want more information on:								
—Financial Planning	77	84	66***	82	74	66***	78	76
—Developing leisure activities	33	32	35	31	35	38**	32	35
—Adjusting to new lifestyles	37	38	36	38	35	40	38	37
—Housing choices	25	29	19***	27	23	21**	23	27*

*Chi square significant at .10.

**Chi square significant at .05.

***Chi square significant at .0001. 22

Over three-fourths (77 percent) of the respondents indicated a desire for more information on financial planning. Nearly two-fifths (37 percent) wanted information on adjusting to new lifestyles; one-third wanted information on developing leisure activities, and one-fourth wanted information on housing choices. Other information requested by persons in this sample included the topics of health insurance (mentioned by 16%), opportunities for postretirement work (13%), places to live once retired (weather, cost of living, etc.) (11%), Social Security information (7%), travel opportunities (5%), volunteer opportunities (5%), and estate planning (5%).

Higher proportions of workers than retirees wanted information on financial planning and housing choices. In a similar vein, higher proportions of persons under 60 requested information on financial planning and housing choices. A higher proportion of persons 65 and over (versus under 65) were interested in more information on developing leisure activities. Long-range planning may not be as critical here as it is for financial planning and housing considerations.

A slightly higher proportion of women (versus men) were interested in more information on housing choices. Since women in this study were more likely to be non-married (widowed, single, or divorced), they may be facing different housing situations than the men and thus believe they need more help in making housing choices.

IMPLICATIONS

Clearly, consumers seem to need and/or want more information on retirement planning than they have at present. Such information is available from a wide variety of sources. Personnel offices and pension administrators often have information on pensions and retirement benefits. The American Association of Retired Persons (AARP) has numerous publications to help people plan their retirement. County Cooperative Extension Services have information on financial management, housing, and human development to address some of the needs indicated in this study. Local Offices on Aging may also have pertinent retirement planning information for consumers.

However, judging from the low attendance at retirement planning workshops/seminars, there seems to be a problem in bringing together the information and the consumers, and adult consumer educators face an interesting challenge in delivering retirement planning information. The results of the survey imply that targeting specific retirement planning topics to certain age segments may be helpful. Thus, information on financial planning and housing decision making can be specifically targeted to persons in their preretirement

years. Information on leisure activities may be more appropriately targeted to persons already retired.

In addition to targeting by age group, it would seem important to make retirement planning information as accessible as possible. This may involve working with employers and personnel offices to arrange for "lunch and learn" or "brown bag" classes at the workplace. Some employers may be willing to grant release time (time off work) to attend on-site retirement planning classes.

Another way to make information accessible is to provide home-study materials, such as fact sheets or pamphlets and worksheets or workbooks. Home study materials could be coupled with evening or weekend classes to answer questions and to provide feedback to participants.

Retirement planning education is a very real need for most consumers. Consumer educators are in a unique position to provide pertinent, impartial and important information to help consumers plan for a satisfying retirement lifestyle.

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