



# KERI

KENTUCKY ELDER READINESS INITIATIVE  
*Anticipating the gifts and needs of older Kentuckians*

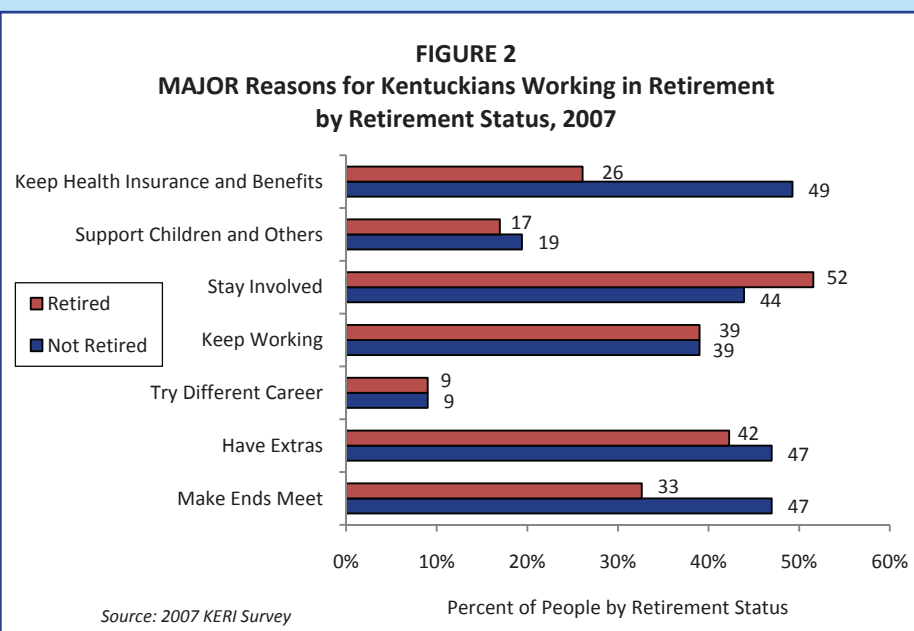
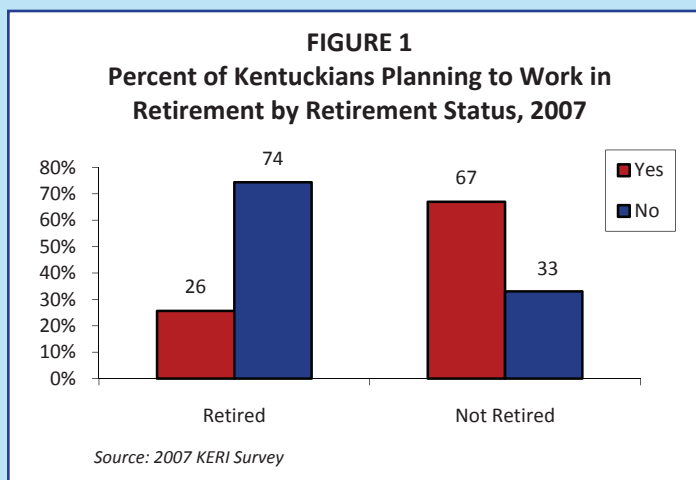
April 2009  
 Data Briefing #1

## Many Plan to Work in Retirement for Financial Reasons; Health Problems May Limit Working Ability

Although most Kentuckians currently in the workforce plan to work for pay in retirement, the experiences of current retirees indicate that health problems may hinder their ability to work later in life. A majority of workers, both in Kentucky and nationally, expect to work in retirement citing financial concerns as a major reason for doing so. However, only a quarter of current retirees actually work, with many retirees nationally indicating an earlier-than-planned retirement due to health reasons.

Surveys conducted at the national and Kentucky levels asked working and retired adults about their plans and experiences regarding working for pay in retirement.<sup>1</sup> According to survey results, two-thirds of those currently in the workforce expect to work in retirement compared to approximately one-quarter of current retirees (see Figure 1). These results were consistent at both the state and national levels.

Many Kentuckians who have not yet retired are relatively more concerned than those who have already retired about having adequate financial resources and benefits to support themselves in retirement. When asked about the reasons for working in retirement, nearly half of those currently working (47 percent) cited “to have money to make ends meet” as a major reason for working in retirement compared to a third



(33 percent) of current retirees in Kentucky (see Figure 2). In addition, almost half (49 percent) stated that a major reason for working in retirement would be to keep health insurance and other benefits compared to approximately one-quarter (26 percent) of those already retired and working.

National data show a worsening in the trend of retirees compelled to retire early due to health problems. In 2000, approximately 36 percent of retirees said they retired early, with 40 percent of them attributing the early retirement to health problems. By 2008, 51 percent had left the work force earlier than planned and

over half of these early-retirees cited “health problems” as the reason.<sup>2</sup>

As 401(k) values drop and economic troubles continue to mount for our country, workers at both the state and national levels find that retirement no longer holds the promise of leisure and rest that it once did. Workers are increasingly planning to rely on working in retirement as a means to supplement their income and health care needs. However, the experiences of current retirees indicate that poor health in later years may limit the ability to work in retirement. If unforeseen circumstances prevent future retirees from fulfilling their retirement plans for income and health care, the burden on social services and the government to fill in the gaps may be greater than anticipated.

<sup>1</sup>Kentucky data are from the 2007 Kentucky Elder Readiness Initiative Survey. National level data are from the 2000 and 2008 Retirement Confidence Surveys conducted by the Employee Benefits Research Institute.

<sup>2</sup>The 2000 Kentucky Retirement Survey found that 60 percent of Kentucky retirees retired earlier than planned and 46 percent did so due to health problems. For more information on the 2000 Survey refer to <<http://www.kltprc.net/books/aging/entry.htm>>.

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## **The Kentucky Elder Readiness Initiative (KERI) and Statewide Survey**

The Kentucky Elder Readiness Initiative (KERI) was created in August 2005 and is a collaborative venture involving the University of Kentucky Graduate Center for Gerontology, the Kentucky Department for Aging and Independent Living of the Cabinet for Health and Family Services, all 15 of Kentucky’s Area Agencies on Aging\* (AAA), and the Kentucky Long-Term Policy Research Center. The goal of KERI is to foster statewide awareness, dialogue, and insight into the challenges and opportunities provided by the aging of the “Baby Boom” population (persons born between 1946 and 1964) and to stimulate local and statewide initiatives to appropriately address the pending changes that will result. KERI is based on a positive philosophy of old age. Elders are viewed not as dependent but as a resource. KERI is part of a process of continuous planning; it is not a report to be placed on a shelf but rather a statewide movement to prepare for a better future. Widespread dissemination of findings and participation of the media in this movement is vital.

Initial KERI activities involved assembling background information on Baby Boomers and elders in Kentucky. In the summer of 2006, two focus groups (one with community leaders and one with service providers) and a community forum were conducted in each of the 15 AAA districts. Findings from the focus groups were incorporated into a statistically representative statewide survey conducted by the University of Kentucky Survey Research Center and sent to a stratified sample of 9,600 Kentucky households (640 randomly drawn in each AAA district in June and July of 2007). Information provided in this report was derived from responses received from 3,256 households representing a response rate of 33.9 percent. The margin of error on the statewide sample is  $\pm 1.7$  percent at the 95 percent confidence level. Further information on the survey and KERI is available at <<http://www.mc.uky.edu/keri/>>.

\*Kentucky’s Area Agencies on Aging coincide with Area Development Districts.

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