

**Sun Life Financial  
Massachusetts Unretirement Index –  
October 22, 2009**

# Massachusetts Unretirement Index: Project Objectives

This study was designed to answer a series of questions about the retirement plans and prospects of Massachusetts workers:

- Do today's workers plan to work or retire at the age of 67?
- Why do some workers plan to work at the age of 67?
- How confident are today's workers in their planning for a traditional retirement age?
- How confident are today's workers that benefits will be available from the government or employers that are comparable to today's benefits?
- What do workers plan to do to improve their retirement prospects?
- Opinion indexes: What are consumer opinions toward key aspects of life which impact retirement? (Built for tracking)

# What were the Massachusetts Index's Key Findings?

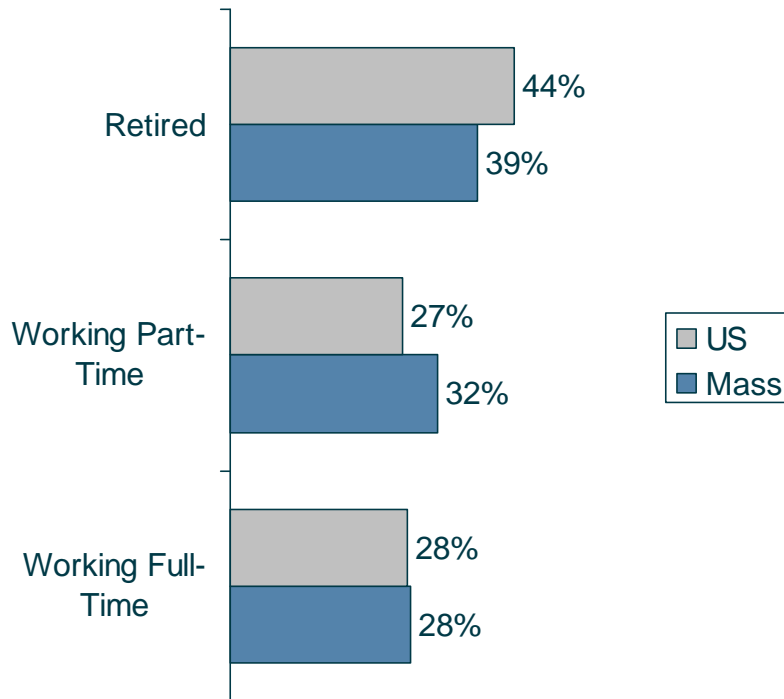
- Only 44% of Massachusetts workers plan to retire in the state. Moreover workers under 40 years old are least likely to retire here, with 52% of people in their 30s and 63% of people in their 20s planning to retire elsewhere.
- Financial reasons top the list for people not wanting to retire in Massachusetts. The state's cost of living dominated these reasons, with 64% citing it as a negative impact. Taxes and the cost of housing were tied for second with 58%. In fact, four of the top five reasons for not retiring here were cost-related.
- Only 39% of Mass. workers believe they will be retired at age 67. 60% believe they will be working full- or part-time. Both of these numbers are higher than the national average.
- When asked what the state could address to improve the chances of a comfortable retirement, financial issues again topped the list. The top results were:
  - Taxes (64%)
  - Cost of Living (59%)
  - Quality and Cost of Healthcare (50%)
  - Cost of Housing (45%)

# Do today's workers plan to work or retire at the age of 67?

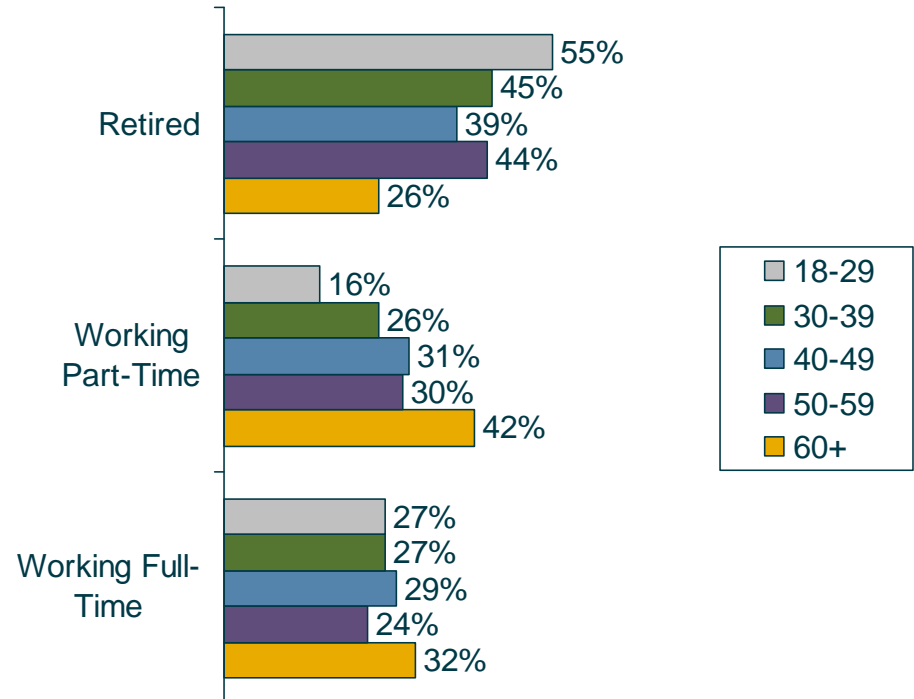
More Massachusetts workers believe they will be working after age 67 than the national average of U.S. workers, especially part-time.

## What do Massachusetts workers believe they will be doing at the age of 67?

### Overall Results



### Mass. Results by Age



Questions:

Q8. Thinking about the future, which of these best describes what you think you will be doing at the age of 67?

Q8b. Since you plan to keep working at the age of 67, which of these best describes your planned work plans?

Note: Does not contain 18-29 year olds. All data September 2009. U.S. Data from the U.S. version of the UnRetirement Index

# Massachusetts – Regional Differences in Retirement Attitudes

## Worcester & Points West

- Far less confident they have done a good job preparing for retirement;
- Far less confident they will have enough money to pursue hobbies and live the retirement life they want;
- More confident in medical benefits from the government

## North Shore & Middlesex

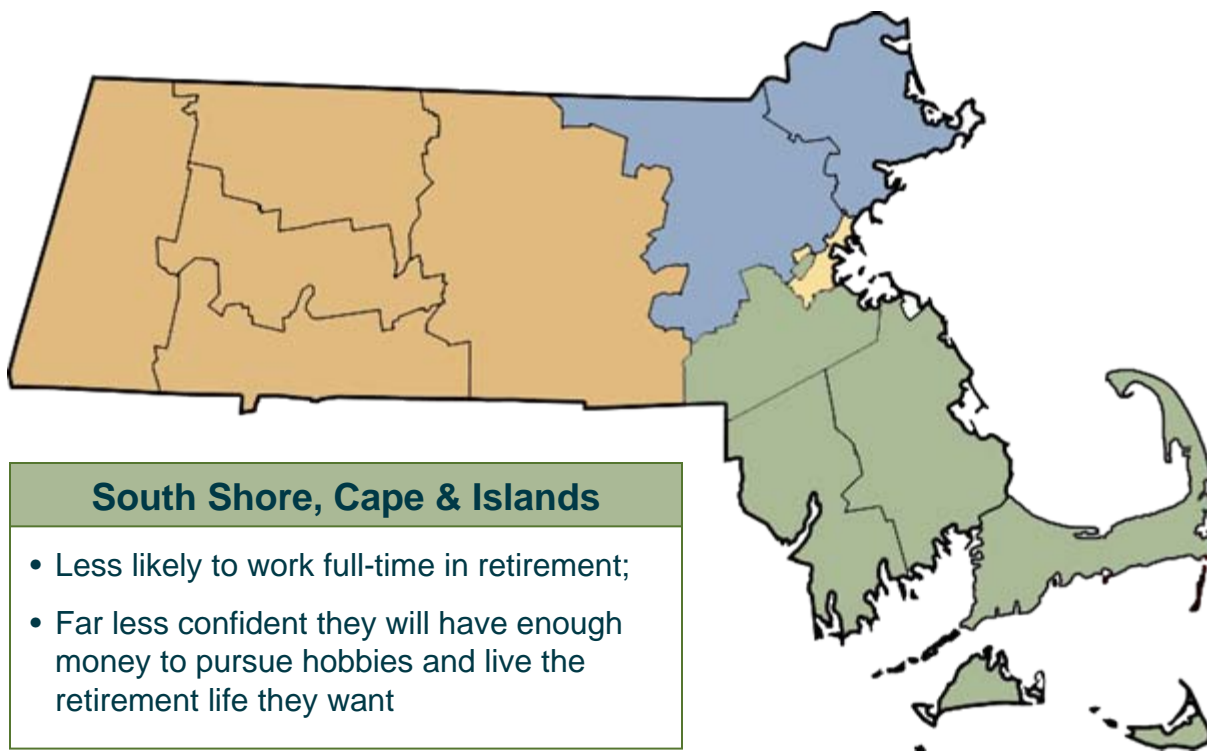
- Far more confident in prescription drug benefits;
- Far more likely to say the economy had no impact on their retirement plans

## Suffolk County

- Far more likely to work full-time in retirement;
- Far more confident in Social Security and medical benefits from the government;
- Far more likely to say the economy has had no impact on retirement;
- More likely to have started saving because of economy

## South Shore, Cape & Islands

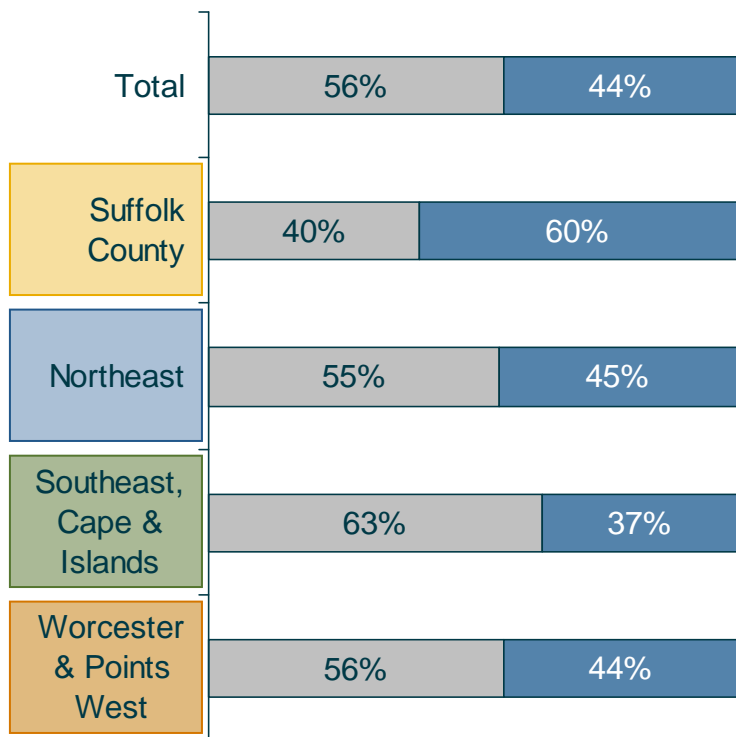
- Less likely to work full-time in retirement;
- Far less confident they will have enough money to pursue hobbies and live the retirement life they want



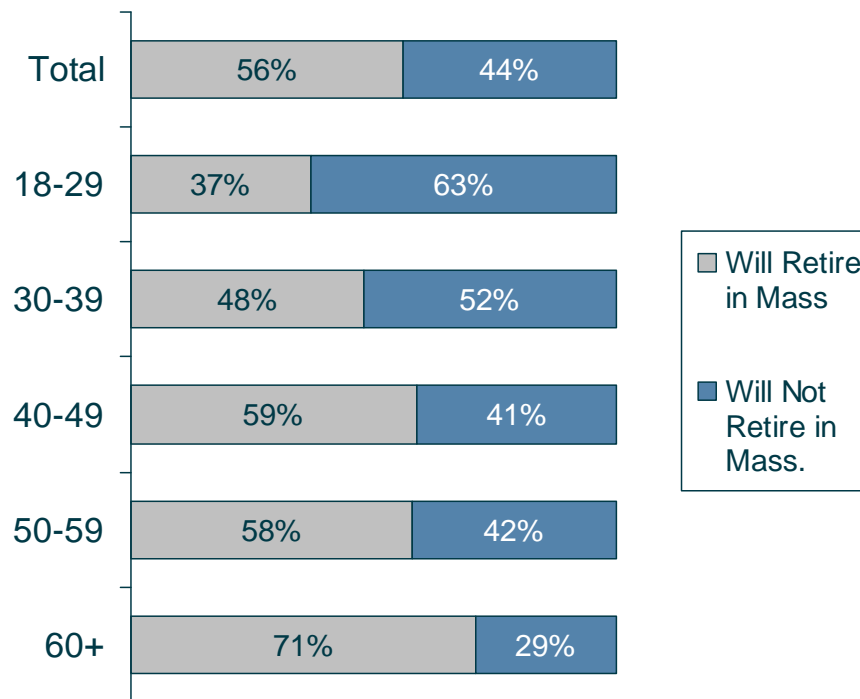
# Do you plan to retire in Massachusetts?

- Younger workers are much more likely to leave Massachusetts to retire
- Those closest to retirement are less likely to leave the Commonwealth
- The South Shore and Cape Cod will have the largest retirees, but Suffolk County will not.

**By Region**



**By Age**



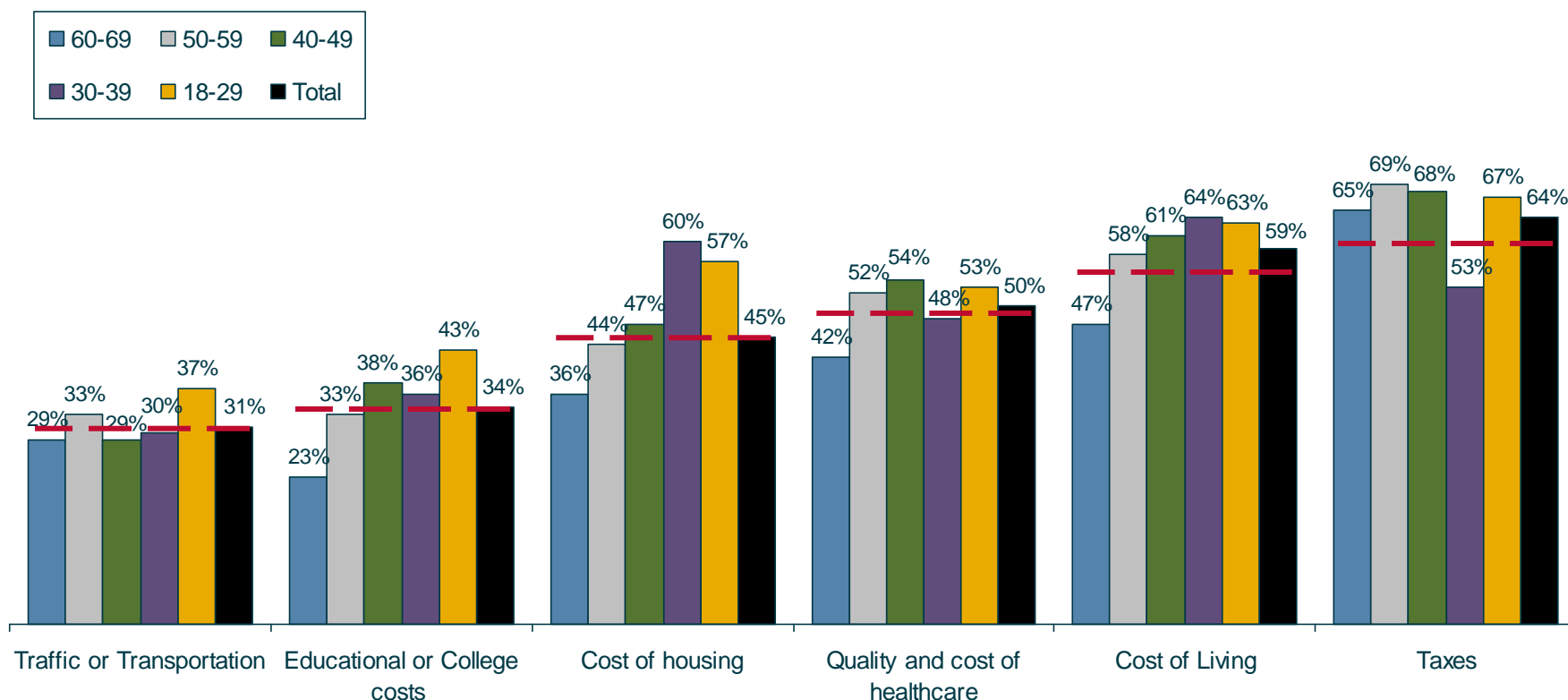
Questions:

27a. How long have you lived in Massachusetts?

6 29. When you retire, do you think you will retire in Massachusetts?

# What issues should the state improve to increase the chances of living a comfortable retirement in Massachusetts?

The biggest issues the state could address to assist in a comfortable retirement are taxes (64%) and the cost of living (59%). Interestingly, workers age 18-29 are much more concerned with the cost of housing.

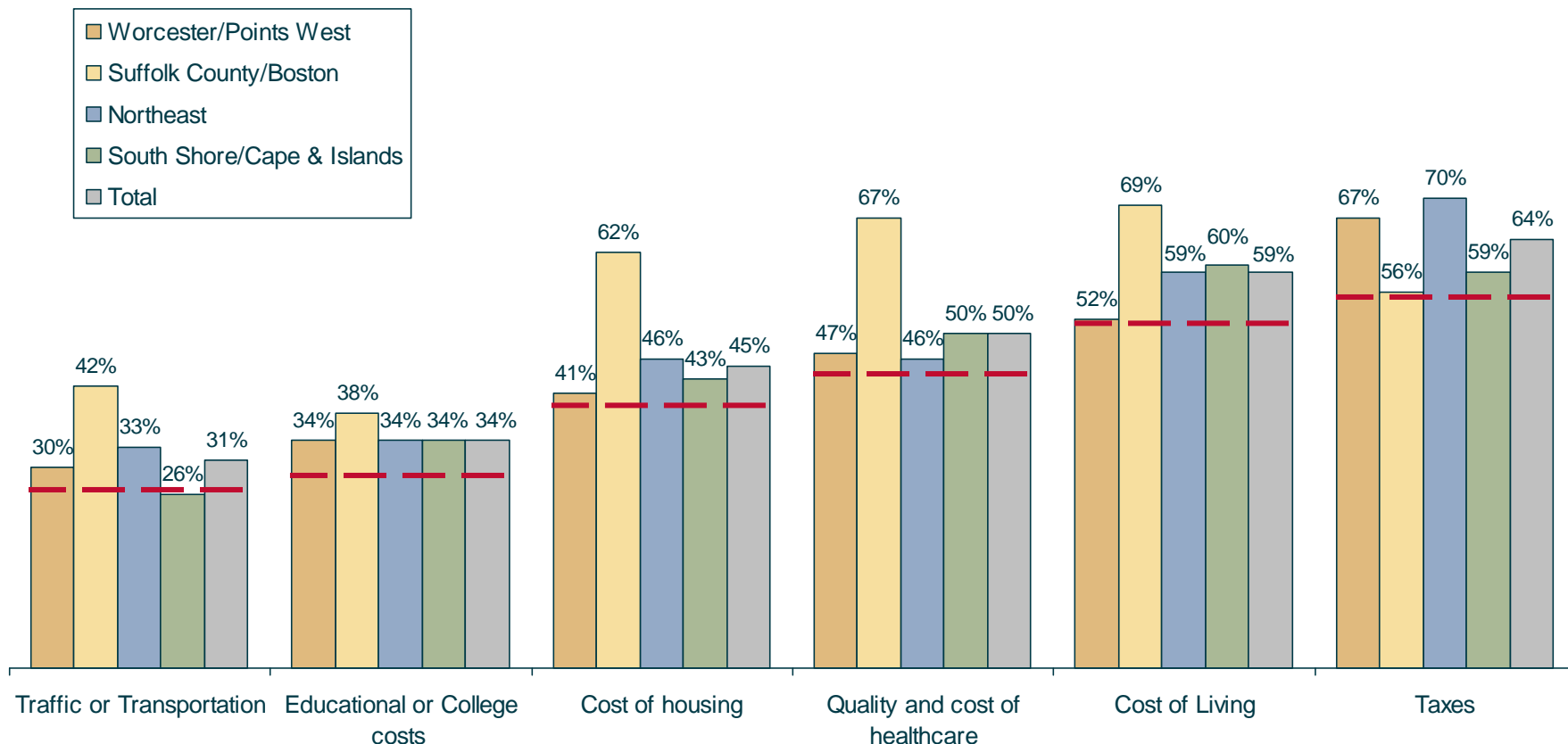


Questions:

35. What issues should the state government do to improve the chances of you living a comfortable retirement in Massachusetts?

# What issues should the state improve to increase the chances of living a comfortable retirement in Massachusetts?

## Answers by Region



Questions:

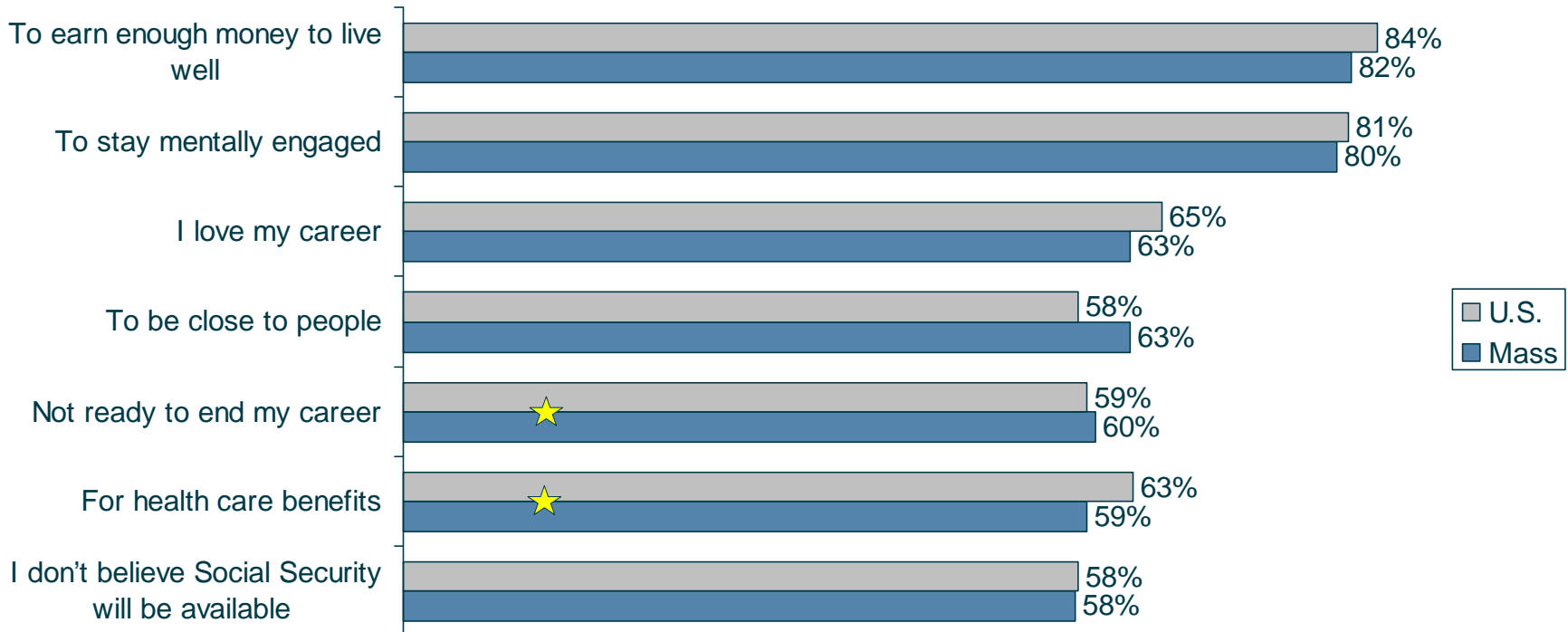
35. What issues should the state government do to improve the chances of you living a comfortable retirement in Massachusetts?

# Why do Massachusetts workers plan to work at the age of 67?

There are two significant differences between workers in the U.S. and those living in Massachusetts:

- Those living in Massachusetts are more likely to continue working at 67 to be close to people
- Those living in Massachusetts are less likely to continue working at 67 for health care benefits.

## Why do some of Massachusetts' workers plan to be working at the age of 67?



Questions:

Q9B. For which of the following reasons do you think you will be working at the age of 67? For each one I read, just indicate yes or no.

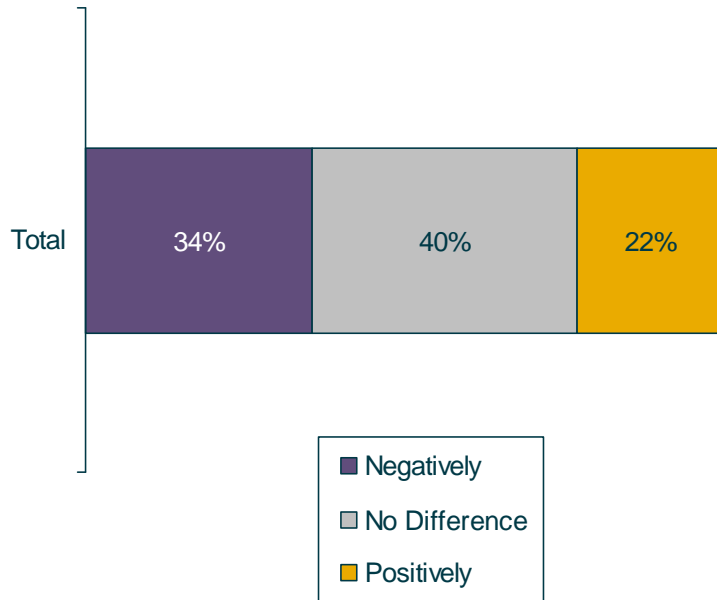
Note: Does not contain 18-29 year olds. All data September 2009. U.S. Data from the U.S. version of the Unretirement Index

9 ★=Significant difference at the 95% level.

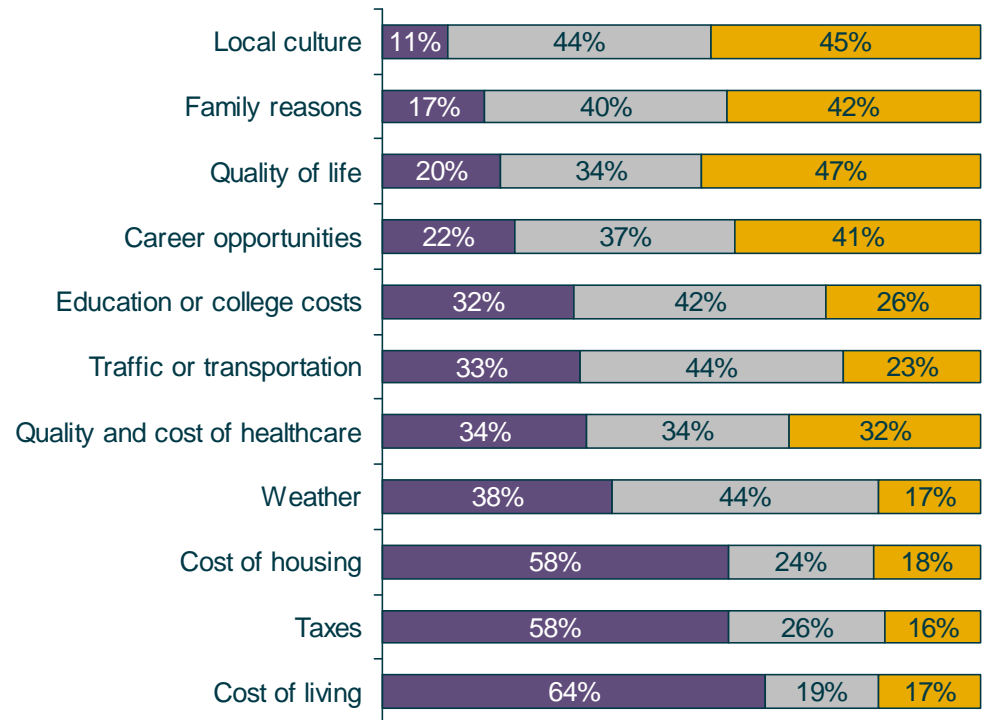
# Does living in Massachusetts help or hinder when they might retire?

Net, living in the state of Massachusetts does hinder when workers might retire. Taxes (58%) and Cost of Housing (58%) and the general Cost of Living are three biggest hindrances to retirement.

## Does living in the state help or hinder when they might retire?



## If they plan to retire in the state, what aspects help or hinder when they might retire?



Questions:

36. Do you feel that currently living in Massachusetts is positively or negatively affecting when you might retire?

29. [IF THEY PLAN TO RETURE IN MASS] We would like to know which of these aspects of living in Massachusetts positively, negatively or have no effect on when you might retire? (Read each one and obtain an answer: Positively, No Effect, Negatively)

# Does living in Massachusetts help or hinder when its workers might retire?

## POSITIVE IMPACT – By Region

% Positively Impacts	TOTAL	Southeast/ Cape & Islands	Northeast	Suffolk County	Worcester/ Points West
Quality of Life	47%	49%	42%	59%	43%
Local Culture	45%	42%	42%	56%	45%
Family Reasons	42%	38%	47%	37%	43%
Career Opportunities	41%	40%	37%	52%	41%
Quality & Cost of Healthcare	32%	29%	35%	41%	25%
Education or College Costs	26%	27%	23%	41%	20%
Traffic or Transportation	23%	27%	27%	26%	11%
Cost of Housing	18%	22%	19%	19%	11%
Cost of Living	17%	16%	16%	26%	16%
Weather	17%	18%	18%	15%	18%
Taxes	16%	13%	16%	15%	18%

Questions:

36. Do you feel that currently living in Massachusetts is positively or negatively affecting when you might retire?

29. [IF THEY PLAN TO RETURN IN MASS] We would like to know which of these aspects of living in Massachusetts positively, negatively or have no effect on when you might retire? (Read each one and obtain an answer: Positively, No Effect, Negatively)

# Does living in Massachusetts help or hinder when its workers might retire?

## NEGATIVE IMPACT – By Region

% Positively Impacts	TOTAL	Southeast/ Cape & Islands	Northeast	Suffolk County	Worcester/ Points West
Local Culture	11%	13%	11%	7%	11%
Family Reasons	17%	20%	15%	22%	16%
Quality of Life	20%	24%	28%	7%	18%
Career Opportunities	22%	24%	24%	19%	20%
Education or College Costs	32%	29%	40%	19%	32%
Traffic or Transportation	33%	38%	31%	19%	39%
Quality & Cost of Healthcare	34%	36%	32%	30%	39%
Weather	38%	38%	39%	41%	36%
Cost of Housing	58%	49%	65%	59%	59%
Taxes	58%	64%	61%	37%	61%
Cost of Living	64%	64%	69%	56%	61%
Local Culture	11%	13%	11%	7%	11%

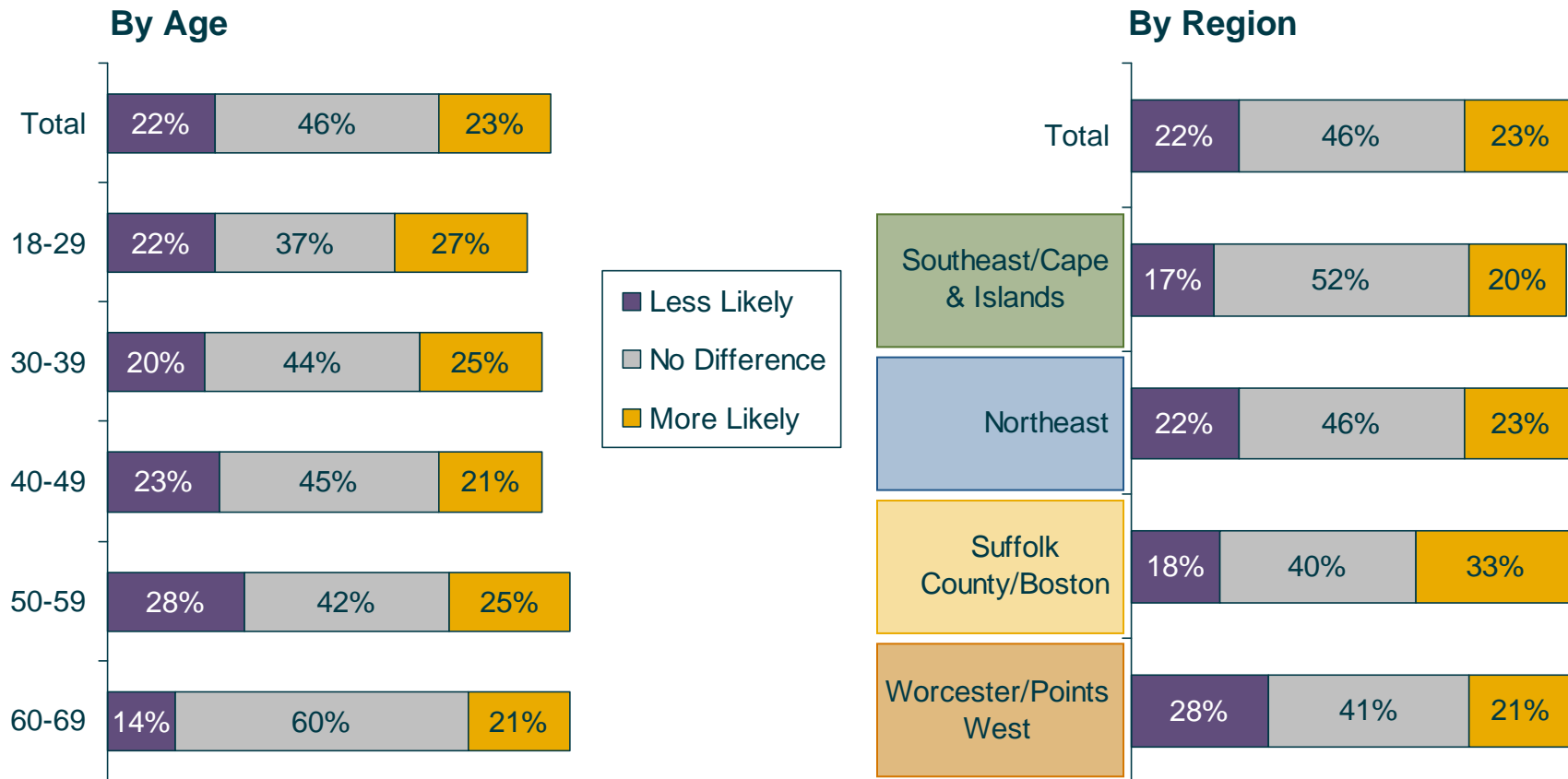
Questions:

36. Do you feel that currently living in Massachusetts is positively or negatively affecting when you might retire?

29. [IF THEY PLAN TO RETURN IN MASS] We would like to know which of these aspects of living in Massachusetts positively, negatively or have no effect on when you might retire? (Read each one and obtain an answer: Positively, No Effect, Negatively)

# Did the Universal Healthcare bill make them more or less likely to retire in Massachusetts?

The Universal Healthcare bill seems to have a largely neutral impact on whether they might retire in Massachusetts and this is consistent across ages and regions.



Questions:

33. Massachusetts has enacted a universal health care law. Does this make it more likely or less likely you would choose to retire here?

13 Note: Balance of responses are not sure about the meaning of the law.

# How confident are Massachusetts' workers in planning for the traditional retirement age?

Confidence in planning for the future is similarly low in both the general U.S. worker population and the state of Massachusetts, with one exception:

- There is slightly more confidence in being able to take care of medical expenses among workers living in Massachusetts.



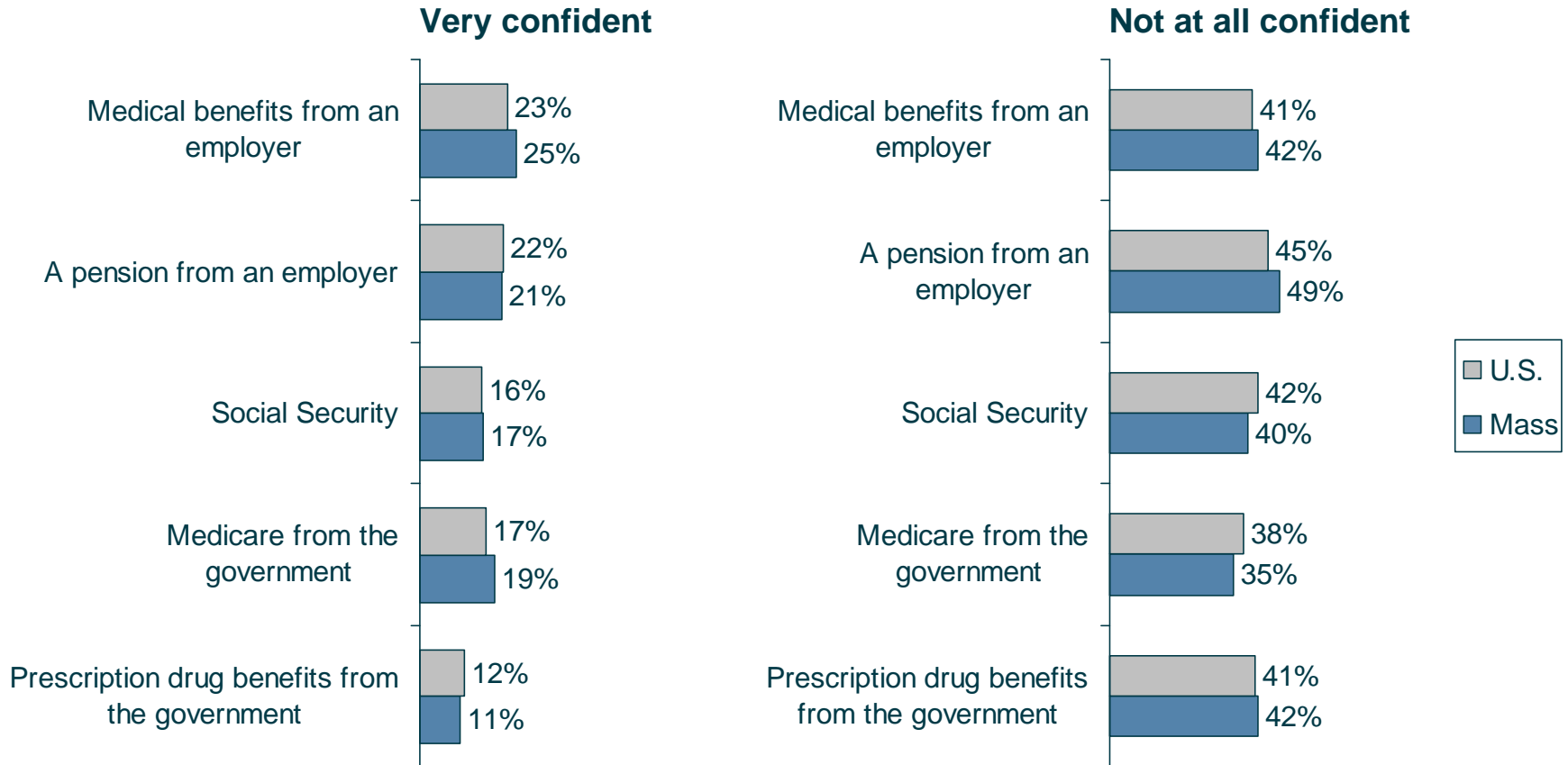
Questions:

Q16. Now, I'd like to read you a few statements about your future. Thinking about the age at which you should receive full Social Security benefits, at that age would you say you are very confident, somewhat confident, or not at all confident that you will...

Note: Does not contain 18-29 year olds. All data September 2009. U.S. Data from the U.S. version of the Unretirement Index

# How confident are Massachusetts workers that government or employer benefits will be available that are comparable to today's benefits?

Confidence in receiving future benefits from companies or the government is low in Massachusetts, with no significant differences from the general U.S. worker population.



Questions:

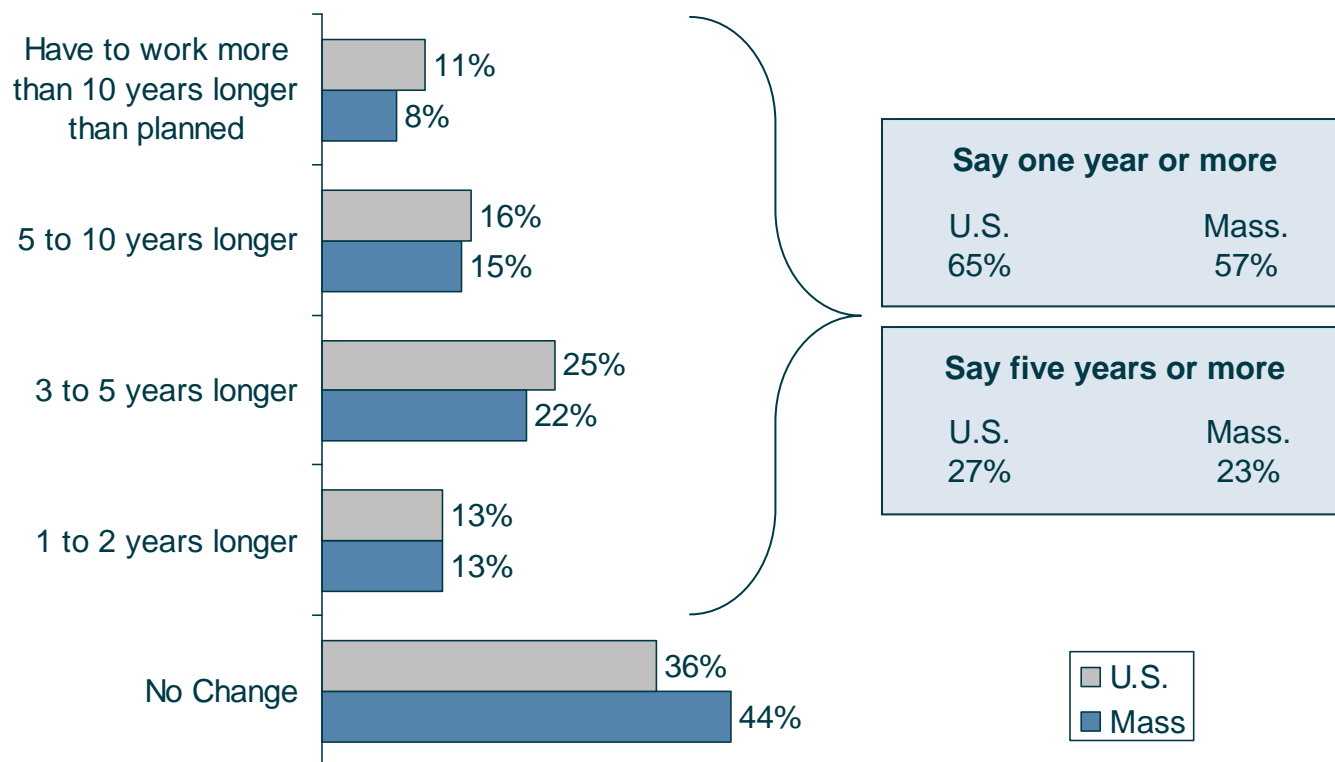
Q22. How confident are you that you will receive each of these types of benefits at a level comparable to today's retirees?

Note: Does not contain 18-29 year olds. All data September 2009. U.S. Data from the U.S. version of the Unretirement Index

# Has the current economic situation delayed Massachusetts workers' planned retirement?

Retirement planning among Massachusetts workers seem to be less impacted by the economy than the general U.S. population:

- 65% of current U.S. workers say that the current economic crisis will delay their retirement plans by one year or more, while only 57% of Massachusetts workers say the same thing.



Questions:

Q10. Because of the current economic environment, do you think you will be working longer than you had planned?

16 Note: Does not contain 18-29 year olds. All data September 2009. U.S. Data from the U.S. version of the Unretirement Index

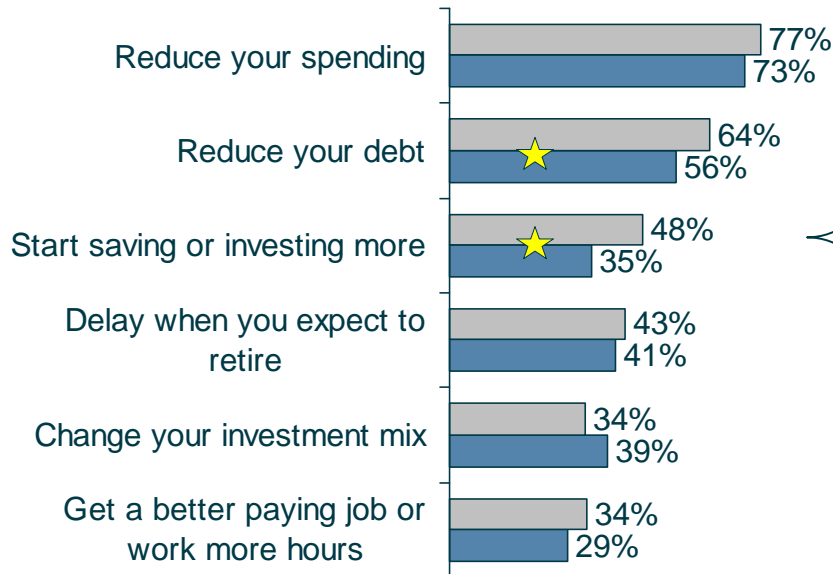
# How did Massachusetts workers change their behavior since the beginning of 2009?

Massachusetts workers are less likely to have changed their behavior since the beginning of the year

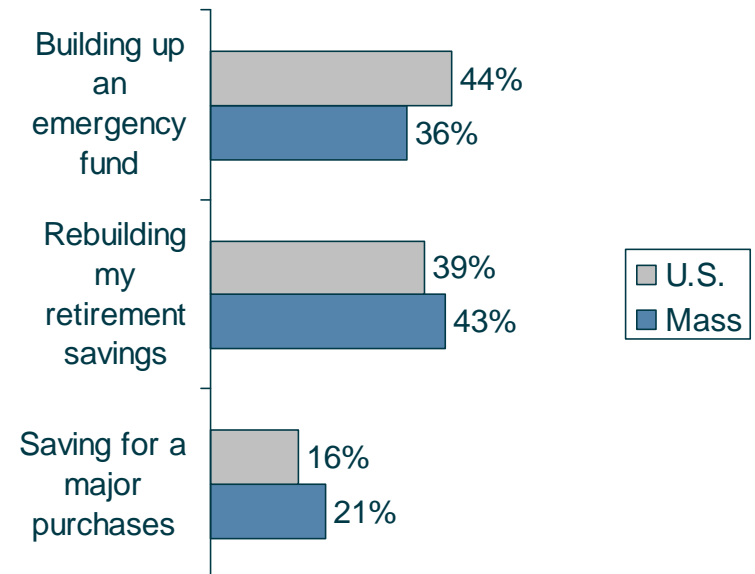
- Only 56% worked on reducing debt, compared to 64% of the general U.S. population
- Only 35% started saving or investing more, compared to 48% of the general U.S. population

Interestingly, Massachusetts workers are more likely than the general U.S. population to be saving to rebuild their retirement savings than building up an emergency fund.

## Changes in behavior



## What did workers in Massachusetts do with increased saving or investment?



Questions:

Q18. Have you actually done any of the following in 2009 as a result of the current economic environment facing the country?

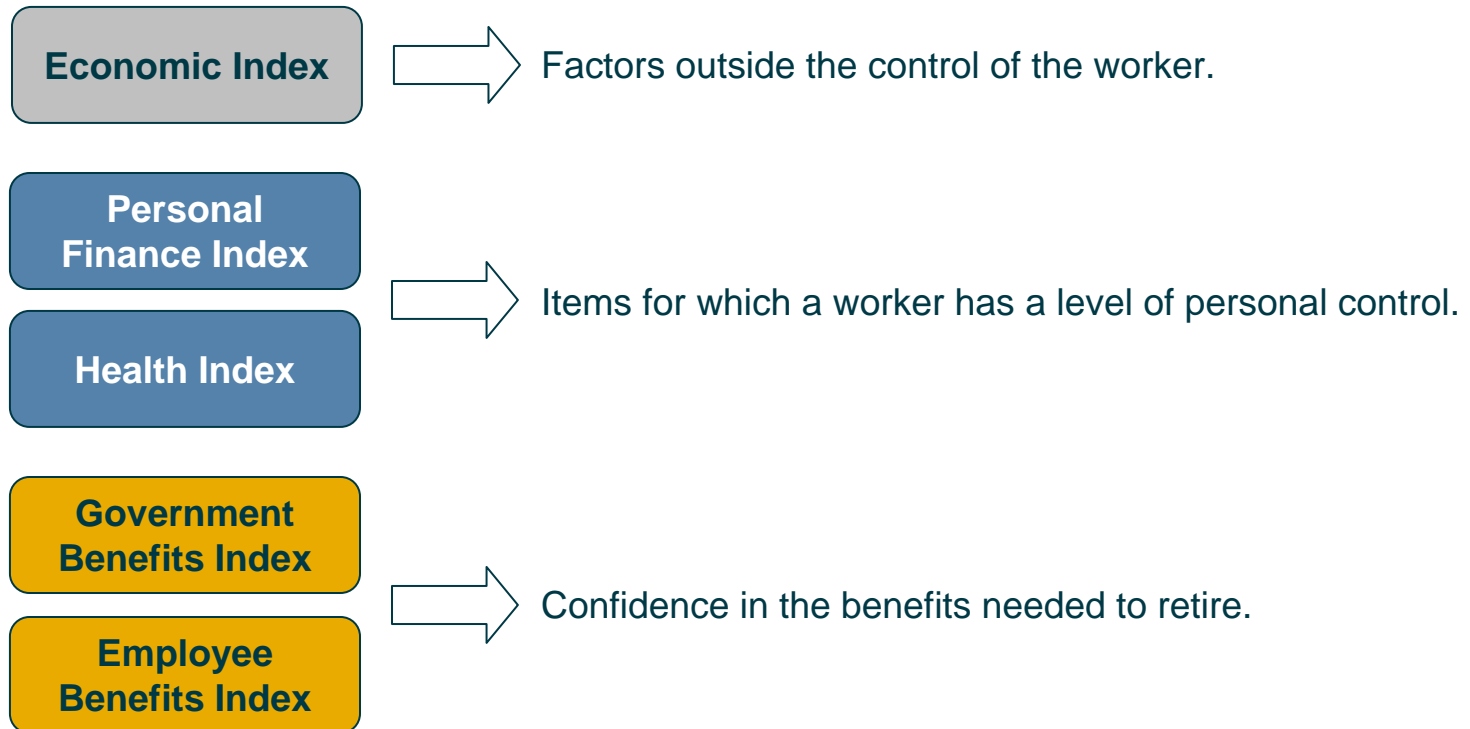
Q18g. Which of these did you do with the increased savings?

Q18b. How did you reduce your spending since the beginning of the 2009?

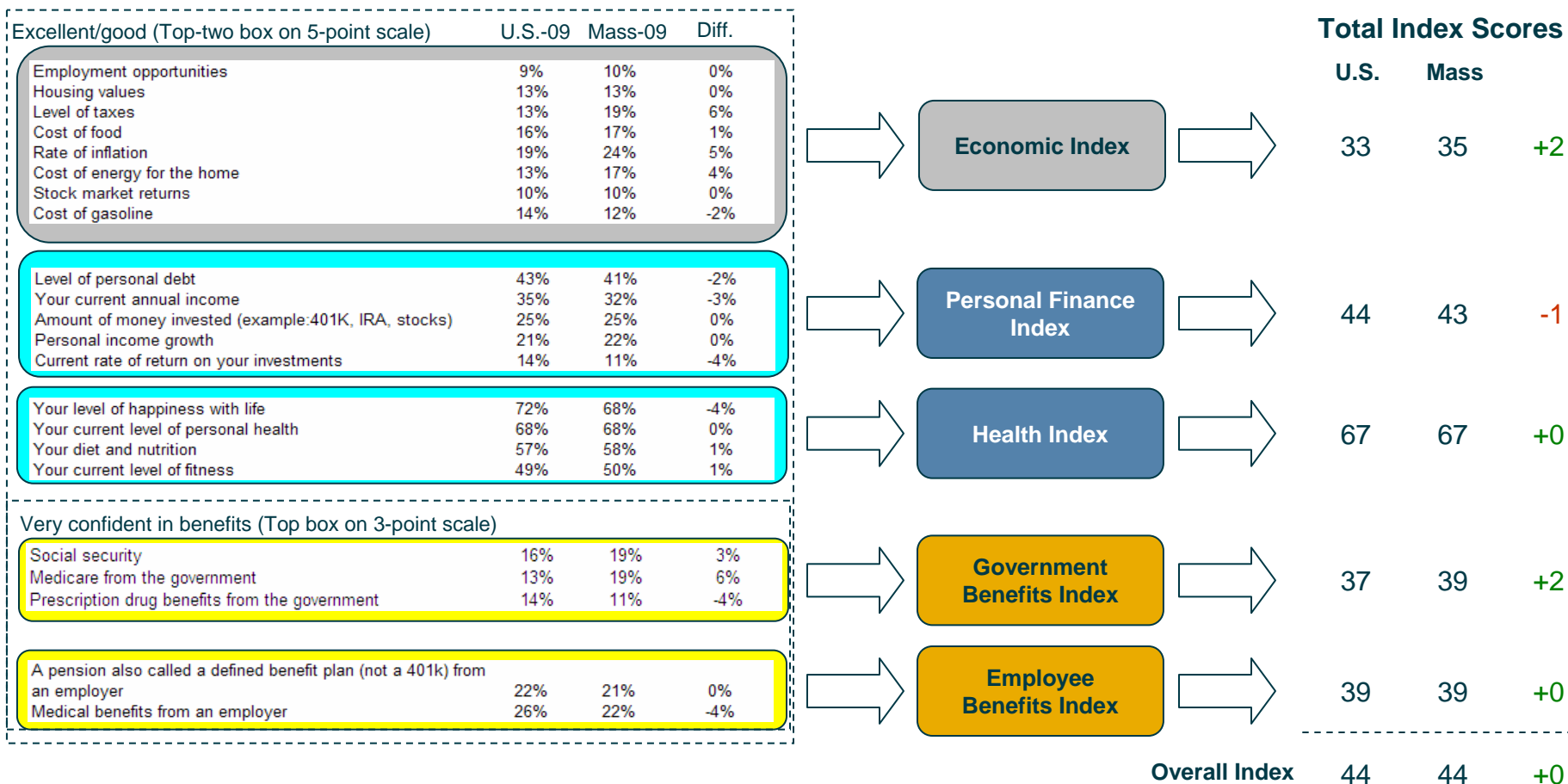
Note: Contain 18-29 year olds.

# Opinion Indexes

There are five broad indexes examined in this study, which can be divided into three categories.



# Opinion Indexes: What are consumer opinions toward key aspects of life which impact retirement?



19 Note: Indexes based on summated mean scores across the attributes shown above in each section. Maximum result is 100.

# Project Objectives and Methodology

## Methodology

- The study was conducted between August 14 and September 9, 2009.
- Interviews were conducted by phone using a random-digit-dial (RDD) sampling method by an independent third party market research firm.
- Quotas and weights were applied to gather a sample of 405 people working either full- or part-time, which was representative of the Massachusetts working population between the ages of 18 and 66. The sample was also representative in terms of gender and four-region county break as described on slide five.
- Analysis and construction of indexes involved the application of factor analysis. Final indexes are based on summated averages across the attributes which make up an index.