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# Planning For Retirement: A Micro-Business Perspective



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# Introduction

A secure retirement is a universal goal, but remains a challenge for many Americans.

Issues such as pension cutbacks, concerns regarding the solvency of the Social Security system, and the overall difficulty of acquiring sufficient retirement assets in the face of increasing living costs weigh heavily upon those planning their retirement strategies. For many, the era of a secure retirement, funded by a lifetime of working for a single company, is but a distant memory.

The self-employed and micro-business owners face even greater challenges in creating a secure retirement, since the burden of retirement savings rests squarely on their shoulders. With this in mind, the National Association for the Self-Employed (NASE) commissioned a national study to explore the retirement strategies, goals and unique challenges faced by micro-business owners as they work toward the goal of a secure retirement.

The research process began with the development of a comprehensive written survey instrument that addressed the following major objectives:

- Determine how micro-business owners perceive the availability of retirement options for small businesses.
- Ascertain the perspective of micro-business owners regarding the necessity of offering retirement benefits to their employees.
- Examine and profile the retirement plan(s) currently in place among micro-businesses including the type of plan, type and frequency of contributions, and administration methods.
- Examine the issues and motivations driving the establishment of a company-based retirement plan.
- Explore the relative importance of factors used to select the company or investment firm used for the current retirement plan.
- Examine micro-business owners' opinions surrounding overall retirement issues such as their preferred retirement age and expected retirement age.
- Ascertain the leading methods that will be used to finance retirement, the amount currently set aside for retirement, and the amount respondents feel is necessary for their retirement.
- Determine current retirement saving practices and the leading barriers to retirement savings.
- Collect sufficient business and personal demographics to place all other data in proper context.

**For more information on the National Association for the Self-Employed, this survey or the legislative advocacy issues of the NASE, please contact the NASE Legislative Office at 202-466-2100.**

# Survey Distribution And Methodology

To ensure as accurate a sample as possible, the survey instrument was distributed in two formats: an online survey conducted among the NASE micro-business membership, and a mailed survey that was sent to a national sample of non-member micro-business owners.

- **Mailed distribution** — the surveys were mailed (via First Class mail) in early-October 2006 to a national sample of 10,006 micro-business owners using names derived from commercially-available lists. Responses were sent directly to AWP Research, an independent research firm, for analysis. As a response incentive, individuals completing the survey were invited to enter a drawing for a series of prizes offered by the NASE. All drawing information was collected on a separate form, and this separation was maintained during processing to preserve respondent anonymity.
- **Online distribution** — The NASE provided a link to the online survey instrument as part of their regular member newsletter distribution in October 2006. Members clicking on the link were sent to a separate site where the survey was implemented. While the online survey instrument was formatted slightly differently than the mailed version, all survey content (i.e., question wording and choices) remained identical to ensure the two samples could be accurately merged. To preserve respondent confidentiality and anonymity, tracking codes were not used nor was any personal identification information collected. All responses were collected by AWP Research. As with the mailed survey, respondents were invited to enter a drawing for a series of prizes offered by the NASE. All drawing entry information was kept separate from the survey responses to maintain respondent anonymity.

## Limitations

The information and observations presented in this report are based strictly upon the results of the Planning For Retirement: A Micro-Business Perspective survey and must be interpreted in light of overall NASE initiatives and other data/information held by the association. Bear in mind that market research provides a “snapshot” of a particular group of individuals at a particular point in time. This study uses several techniques to ensure valid and accurate representation of the target population. However, no single research effort, regardless of the methodologies employed, can provide definitive answers to all potential research intentions. The complexity and diversity of the micro-business community, as well as the multitude of issues affecting and shaping retirement planning, supports ongoing research and monitoring of selected topics, especially where there is no clear consensus of opinion. Also, and perhaps more importantly, respondents’ opinions are not static, but are affected by a variety of forces and issues — put simply, people often change their opinions over time. These limitations are stated to ensure that the results presented herein are not misused or misinterpreted.



# Survey Sample

All survey responses were screened to adhere to all of the following three criteria:

- the respondent is the company owner/operator/co-owner
- there are ten or fewer employees
- completion of all (or a significant number) of the survey questions

A total of 3,166 individuals accessed the online survey form. After screening, the response pool was limited to 2,699. A total of 349 respondents returned a mailed survey form. After screening, the response pool was limited to 332 respondents.

The 3,031 responses collected and analyzed have an overall margin of sampling error of plus or minus 1.8% at a 95% confidence interval. This means that if this study were repeated 100 times, the overall results would be within 1.8% of the values listed in this report 95 times out of 100. Since survey research typically strives to attain a margin of sampling error of plus/minus 3%, this sample is quite robust and is a statistically-accurate representation of micro-businesses. Note that the margin of sampling error will be greater for questions or segments that are not based upon the full sample of 3,031 individuals.

While the overall results across the full response pool is highly illuminating, it is important to segment the responses by key factors to explore the nuances of the data.

The following variables are used as segmentation points throughout the report:

- company revenue (gross 2006 sales)
- company size (number of employees)
- length of time the company has been in operation
- total household income
- age of the business owner/operator
- gender of the business owner/operator
- household size
- presence of a company-based retirement plan
- retirement savings practices

The data collected were not adjusted or weighted. Averages for categorical data (such as the 2006 gross sales) are computed by taking the midpoint for each segment.



# Respondent Demographics



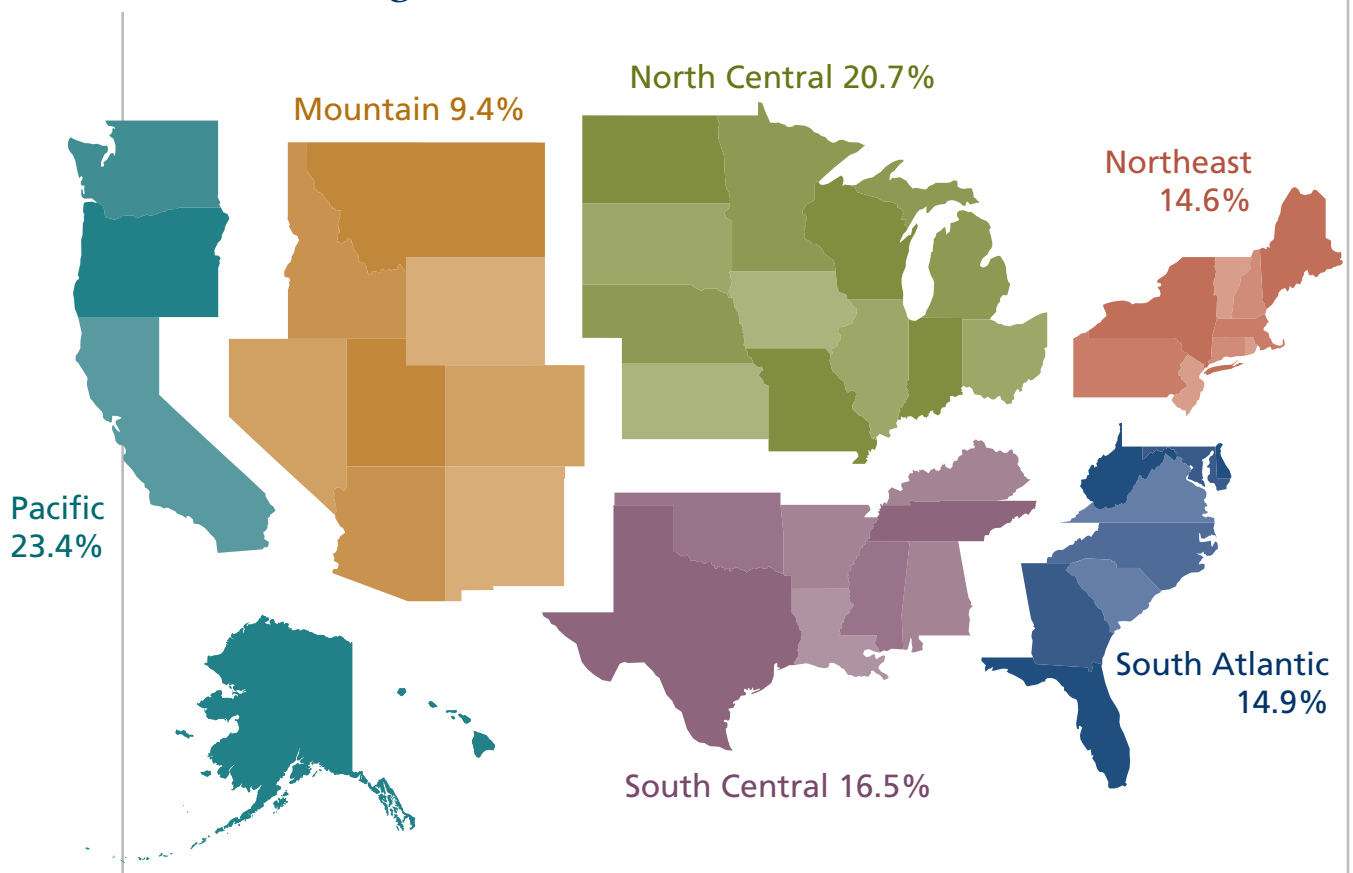
# Personal Demographics

## Geographic Location

Responses were received from 49 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and Guam.

Segmenting responses by region shows a fairly balanced distribution across most segments other than the Mountain region, which lags somewhat with a 9.4% response. The Pacific region is the most prevalent in the sample, accounting for nearly one in four respondents (23.4%).

### Exhibit 1: Regional Breakout



Note: 0.5% did not specify their state

## Age And Gender

The typical respondent is more likely to be male — 58.5% of the respondents are male while 40.6% are female. The most popular age bracket is 46 to 55, indicated by 38.4%. The average respondent is 48 years old.

## Marital Status

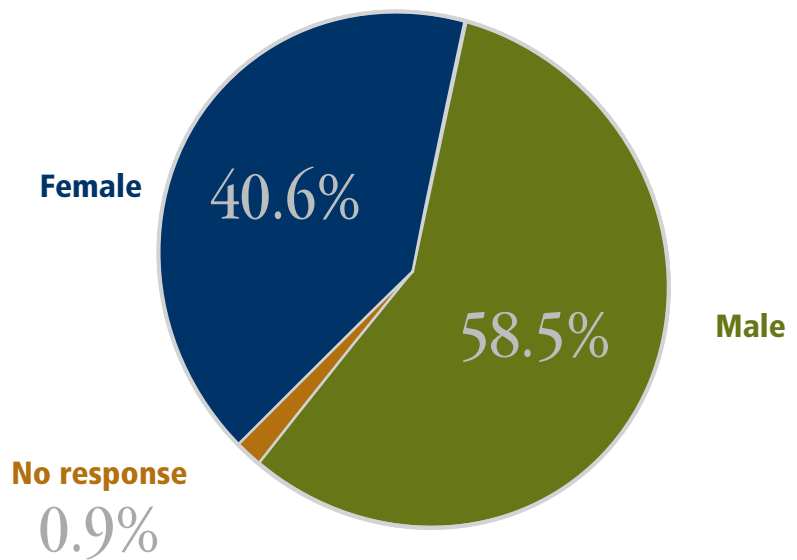
Most respondents (62.1%) are married. The remainder are about equally divided between single (19.2%) and divorced/separated (12.4%). Fewer than 2% indicate they are a widow or widower.

## Household Size

Most respondents (56.7%) report that there are no children in their household under the age of 21. About an equal number report having one or two children; only a few report three or more children.



## Exhibit 2: Gender



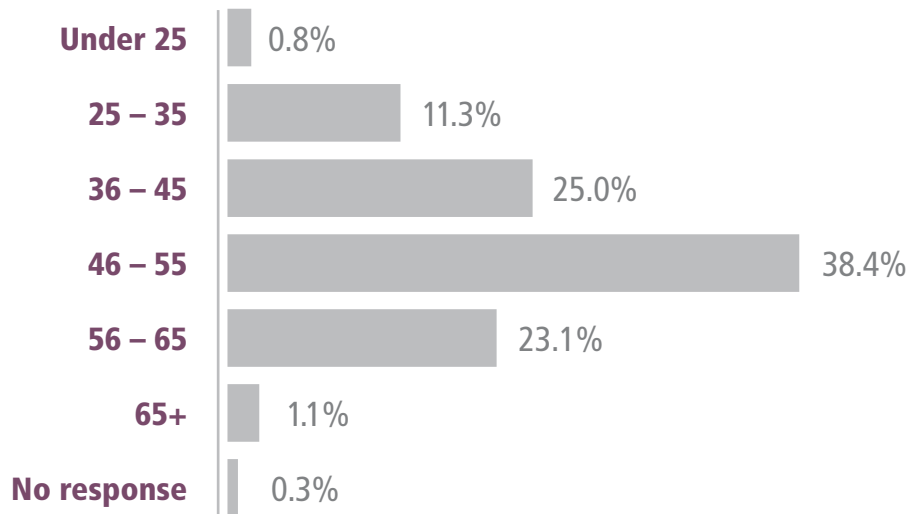




## Exhibit 3: Age

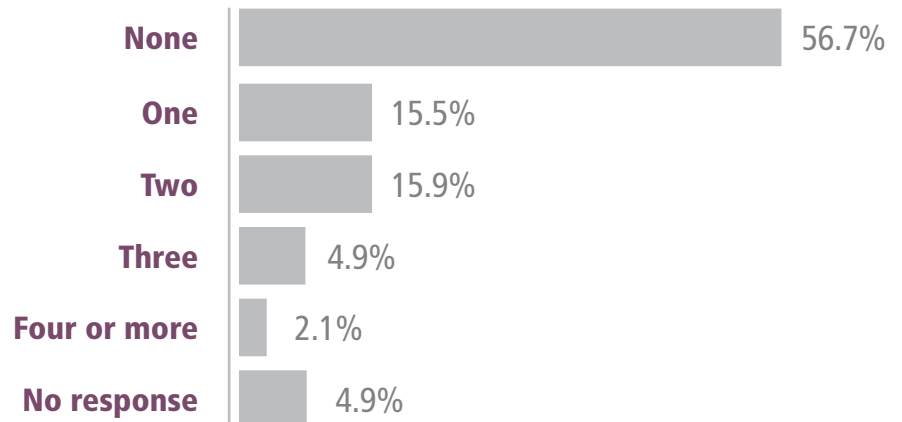
### Averages:

Overall = 48.0 years  
Men = 48.3 years  
Women = 47.5 years



## Exhibit 4: Household Size

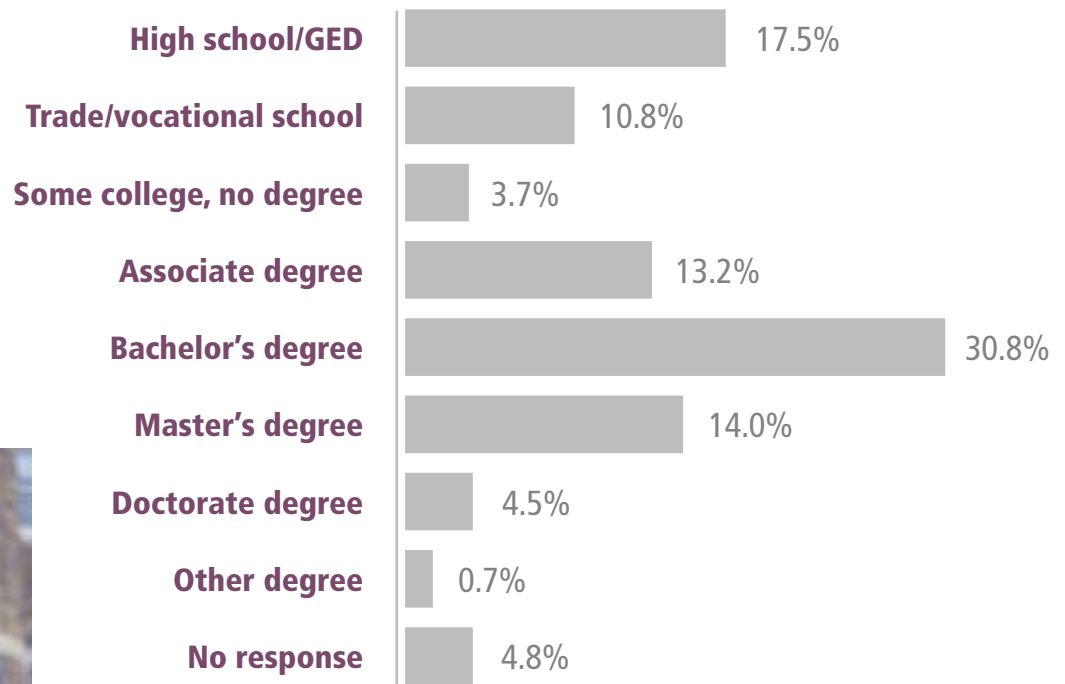
Number of children  
in the household  
under the age of 21



## Education Level

The respondents report a wide range of education levels. Most (77.7%) report some education beyond high school. A bachelor's degree is the most popular degree held, cited by 30.8%. There is a small increase in education levels among the older respondents. For example, the percentage citing a master's degree rises from 11.7% (under age 36) to 16.9% (56 or older). A bachelor's degree, however, remains the most popular degree across all age and gender segments.

## Exhibit 5: Educational Background



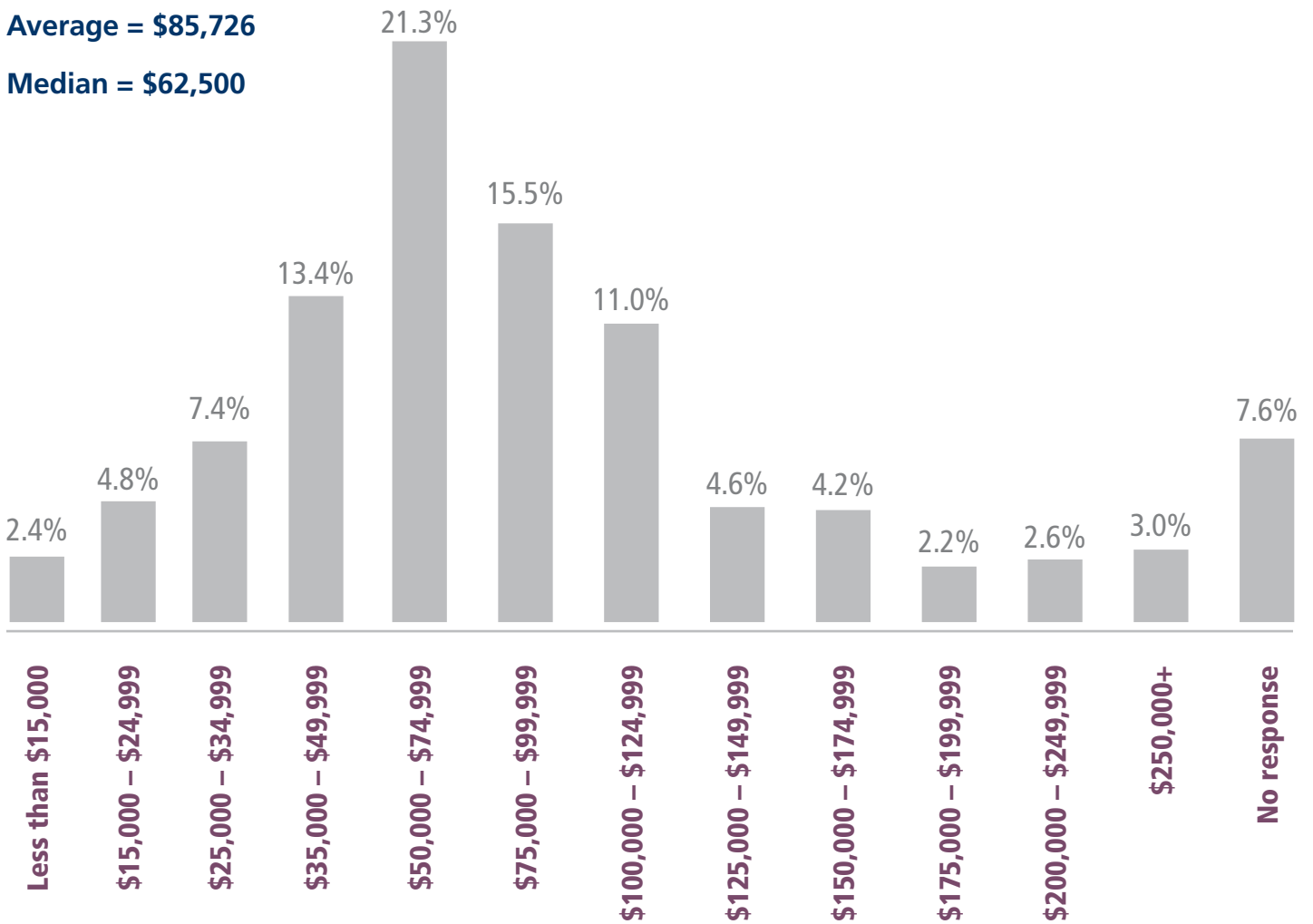
## Household Income

Total household income spans a wide range, from less than \$15,000 to more than \$250,000. The \$50,000 to \$74,999 category is the most popular, indicated by 21.3%. One half of the respondents (50.2%) have a household income between \$35,000 and \$99,999, with the average respondent reporting a total household income of \$85,726. The median household income is \$62,500.

## Exhibit 6: Total Household Income

Average = \$85,726

Median = \$62,500



# Company Demographics

## Ownership Interest

The great majority of respondents (82.1%) are the sole owner, operator or proprietor of their business. All remaining respondents have an ownership interest in the business as a co-owner or partner.

## Number Of Employees

By survey design, the number of employees (including the respondent and any family members) ranges from one to ten. Most respondents (45%) are solo practitioners, with the bulk of the remaining respondents reporting either two or three employees. Respondents report a median of 2.0 and an average of 2.3 employees.



## Exhibit 7: Number of Employees

<b>One (self only)</b>	45.0%
<b>Two</b>	27.8%
<b>Three</b>	10.1%
<b>Four</b>	5.8%
<b>Five</b>	4.1%
<b>Six or more</b>	7.2%

**Average = 2.3**

**Median = 2.0**

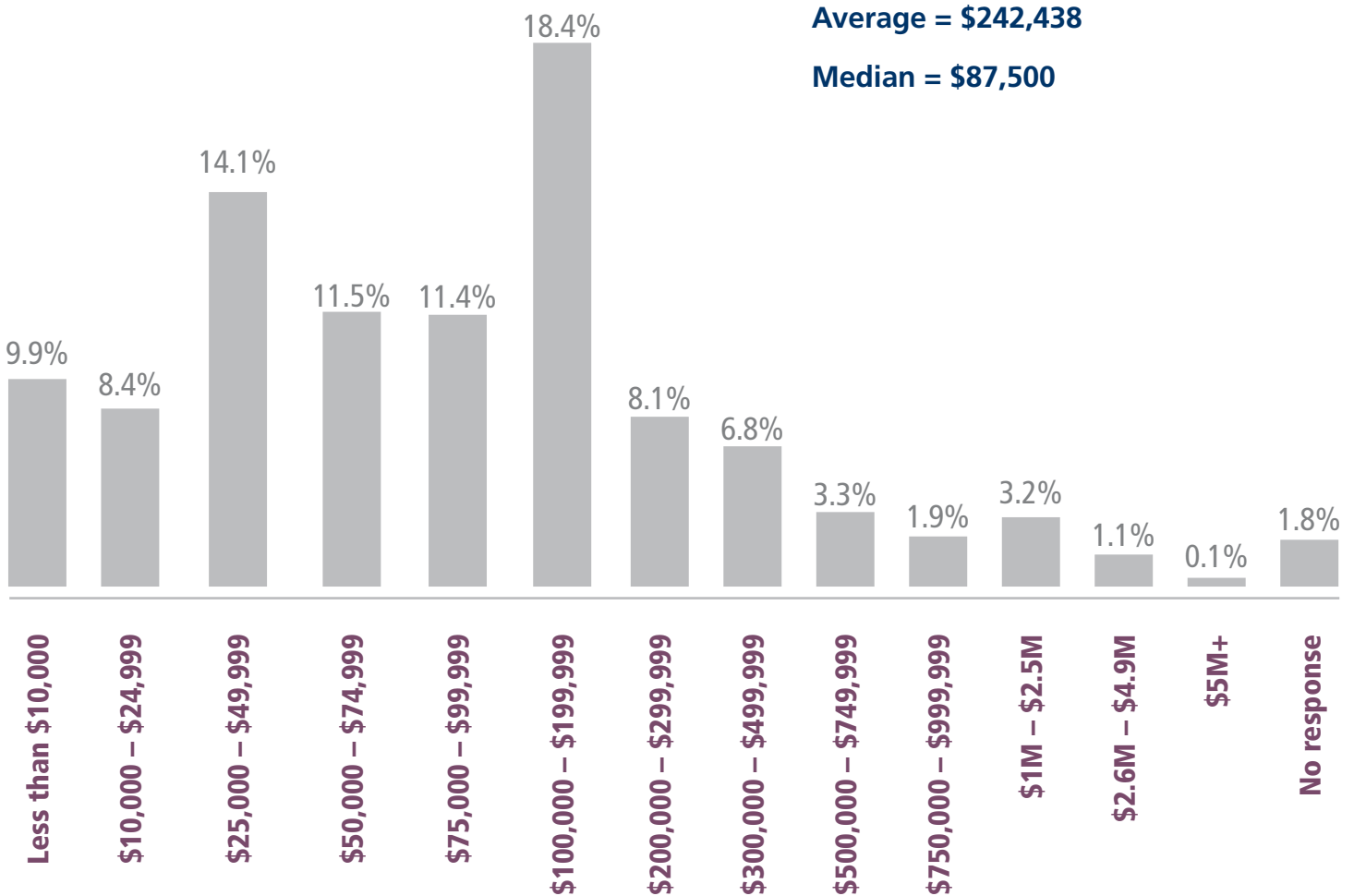


## Gross Sales

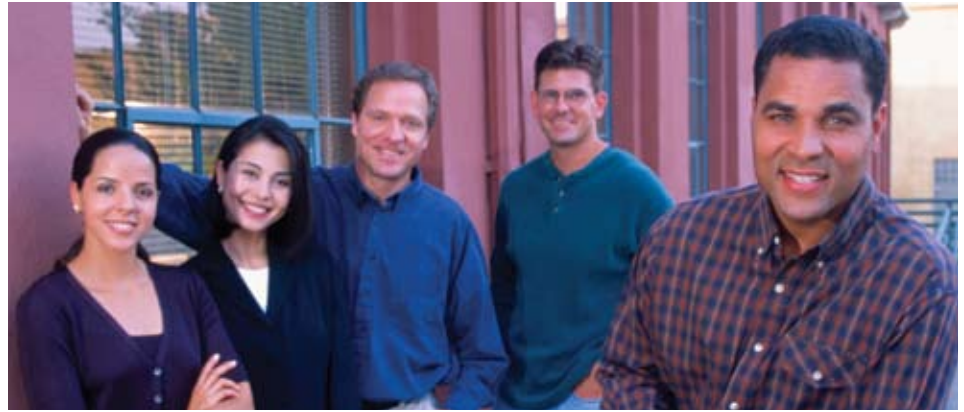
As seen previously with total household income, the respondents represent the full spectrum of financial performance, with expected 2006 gross sales ranging from less than \$10,000 to greater than \$5 million. The majority of respondents (55.4%) fall within the \$25,000 to \$199,999 brackets. The average gross revenue is expected to be \$242,438 for 2006. The median gross revenue is expected to be \$87,500 for 2006.

As expected, there is a close correlation between company size and gross sales. Average gross sales increases from \$128,279 among the solo practitioners to \$714,621 among those with six or more employees.

## Exhibit 8: 2006 Expected Gross Sales





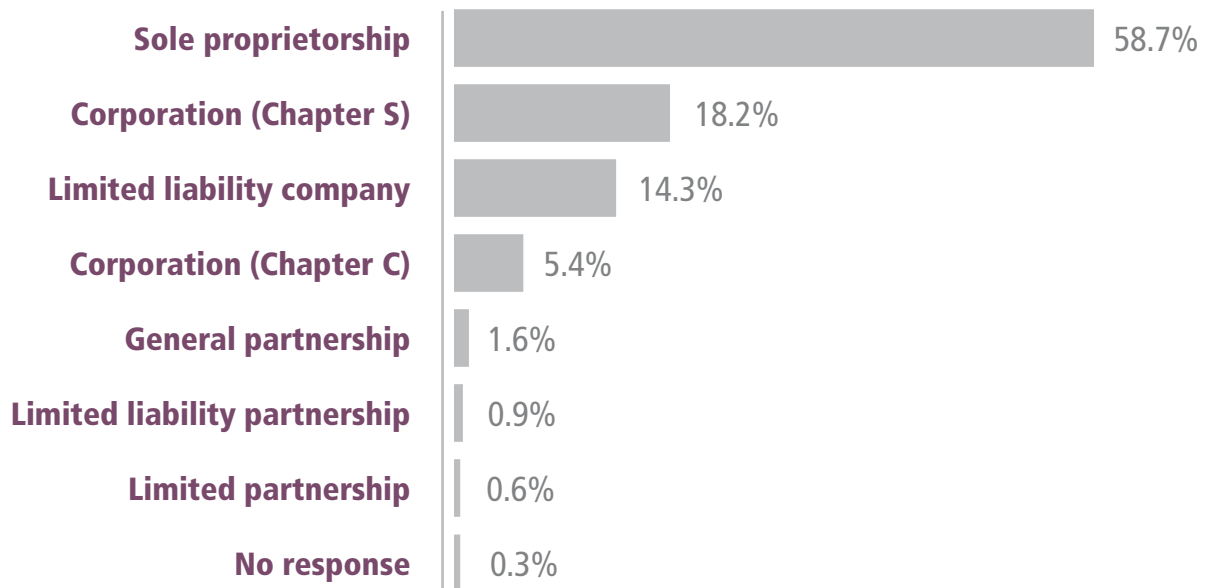


### Business Organization

Most respondents (58.7%) say their business is organized as a sole proprietorship. A Chapter S corporation is the next most popular response (18.2%) followed closely by a limited liability company (14.3%). All other legal organizational types are selected by fewer than 6%.

As expected, there are significant differences in the overall business profile based upon the legal organization method. The sole proprietorships are the smallest, both in terms of employees (average of 1.8) and gross sales (average of \$159,524 for 2006). The limited partnerships report the most employees (average of 3.4); the Chapter C corporations report the highest gross sales (average of \$480,015 for 2006). Chapter C corporations also have the longest track record, with these companies being in business for an average of 14.1 years.

## Exhibit 9: Business Organization



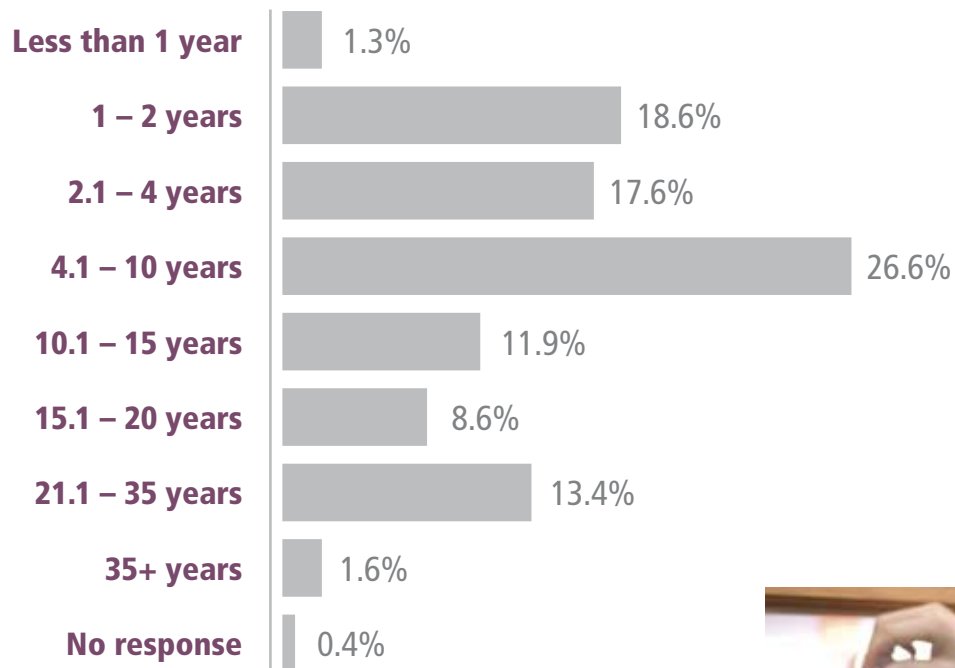
## Business Longevity

The respondents report a significant self-employment track record, with the average company being in business for 10.3 years. Business longevity spans a wide range, from the less than a year startups (1.3%) to those with more than 35 years of operation (1.6%). The most popular business longevity bracket is 4.1 to 10 years, selected by 26.6%.

## Exhibit 10: Business Longevity

How many years has your business been in operation?

**Average = 10.3 years**



# Business Perspective



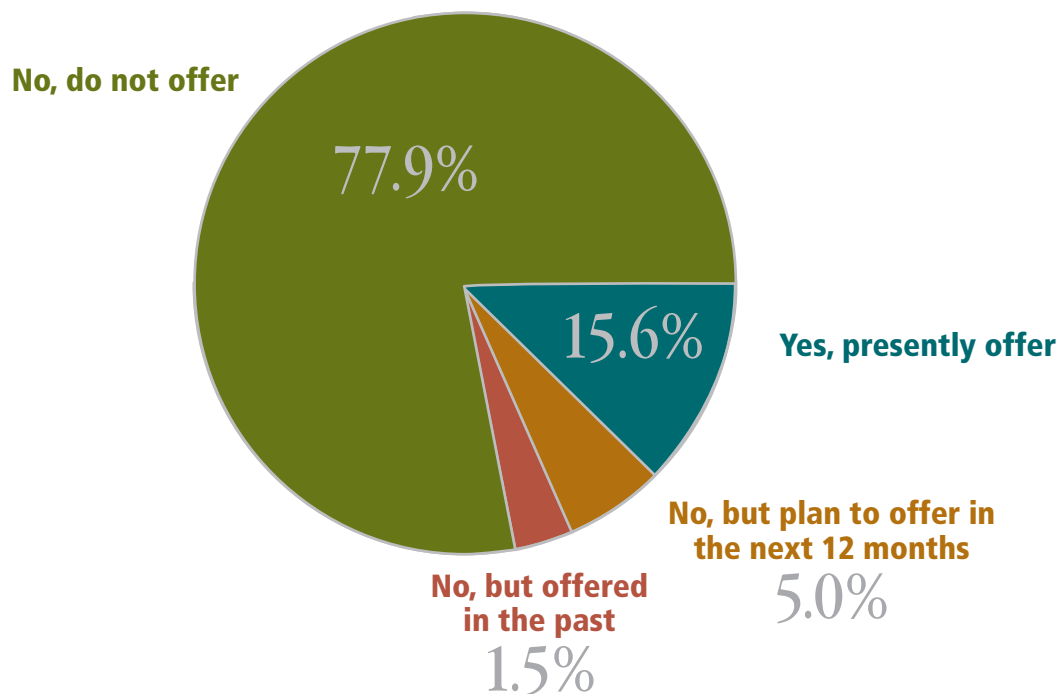
# Prevalence And Barriers

## Prevalence

A retirement plan of any type through the business for the owner or his/her employees is relatively uncommon, cited by only 15.6%. There is, however, the potential for this number to increase, with 5% stating that they plan to offer such a plan in the next 12 months. A small number (1.5%) say that while they do not presently offer a plan, they did so in the past. The bulk of respondents — 77.9% — do not offer a retirement plan nor plan to do so in the near future.

There are some interesting variations in the prevalence of business-based retirement plans across segments. As expected, the prevalence of a retirement plan increases substantially with company revenue, rising from a low of 6.1% among those with gross sales of less than \$25,000, to a high of 27.8% among those with gross sales in excess of \$500,000. A similar increase is also seen based upon the time the company has been in business. More modest differences are seen based upon age and gender, with the men and those 56 or older most likely to report having a plan.

## Exhibit 11: Business-Based Retirement Plans



There is not, however, a strong increase of retirement plans through the business based upon the number of employees. The prevalence rate remains at about 15% until the number of employees reaches six or more, and then increases to only 21.9%.

The start-up companies (in business for two years or less) are the ones most likely to forecast offering a plan in the next 12 months, cited by 9.3%. Elevated forecast rates are also seen among the larger companies, both in terms of revenue and number of employees.

## Exhibit 12: Prevalence of Business-Based Retirement Plans by Segment

		Presently offer	Plan to offer in the next 12 months	Offered in the past	Do not offer
Overall		15.6%	5.0%	1.5%	77.9%
Number of employees	One (self only)	15.2%	4.0%	0.7%	80.1%
	Two	15.5%	4.6%	2.0%	77.8%
	3 – 5	14.4%	6.8%	2.3%	76.5%
	6+	21.9%	7.3%	2.3%	68.5%
	Gross sales				
	Less than \$25,000	6.1%	4.3%	0.9%	88.6%
	\$25,000 – \$49,999	10.8%	3.1%	0.2%	85.9%
	\$50,000 – \$99,999	11.1%	4.3%	1.6%	82.9%
	\$100,000 – \$199,999	21.2%	5.0%	0.9%	72.9%
	\$200,000 – \$499,999	24.6%	5.8%	2.9%	66.7%
	\$500,000+	27.8%	9.0%	3.8%	59.4%
Time in business	Up to two years	9.8%	9.3%	0.7%	80.2%
	2 – 5 years	12.4%	6.1%	1.1%	80.4%
	5.1 – 10 years	16.6%	4.6%	0.8%	78.0%
	10+ years	20.6%	2.0%	2.7%	74.6%
Gender	Female	13.5%	4.1%	1.2%	81.1%
	Male	16.9%	5.6%	1.7%	75.8%
Age	Under 36	10.4%	6.8%	0.8%	82.0%
	36 – 45	15.6%	7.0%	1.6%	75.9%
	46 – 55	15.8%	4.6%	1.6%	77.9%
	56+	18.1%	2.5%	1.6%	77.8%



## Barriers

The respondents who do not presently offer a retirement plan through their business were asked to indicate the leading barriers that hinder such a move. Cost is the leading barrier by far — 62% cite “can’t afford to administer or contribute to a retirement plan” as a significant barrier, and 54.1% cite it as their top barrier. Not needing a retirement plan is also a significant barrier, cited by 26.2% as their top reason for not having a plan.

Other barriers are less significant, but also factor into the decision. For example, 21% say they don’t understand the options available to their business, and 20.7% feel a retirement plan is too much of an administrative burden. These barriers are not, however, highly ranked as primary factors.

A lack of employee interest plays only a minor role as a barrier to establishing a retirement plan, with only about 2% citing employee issues (either a preference for other compensation or a general lack of interest among employees) as their single most significant barrier.

Affordability remains the top-ranked barrier across all segments, often by a significant margin. It is especially significant among the companies with three to five employees, cited by 66.2% as their top barrier. Not needing a retirement plan is a significant factor among the smallest companies and among those 56 or older, but is not an issue among the largest companies — only about 8% of those with three or more employees cite a lack of need as a barrier.

Not understanding the options available is a significant barrier among the younger respondents, cited by 13.7% as their top reason for not having a retirement plan. This factor drops in importance for all other segments.

## Exhibit 13: Retirement Plan Barriers

The data are limited to the 2,558 individuals who do not presently have a business-based retirement plan.

	All significant barriers	Single most significant barrier
Can’t afford to administer or contribute to a retirement plan	62.0%	54.1%
I do not need a retirement plan through my business	31.8%	26.2%
I don’t understand what options are available to my business	21.0%	8.6%
It is too much of an administrative burden	20.7%	3.6%
My employees prefer other benefits or additional compensation	7.1%	2.3%
My employees are not interested in a retirement plan	5.1%	2.2%
No response	2.2%	3.0%

# Business-Based Retirement Plan Profile

*NOTE: All data in this section are based upon the 473 respondents who presently have a retirement plan through their business.*

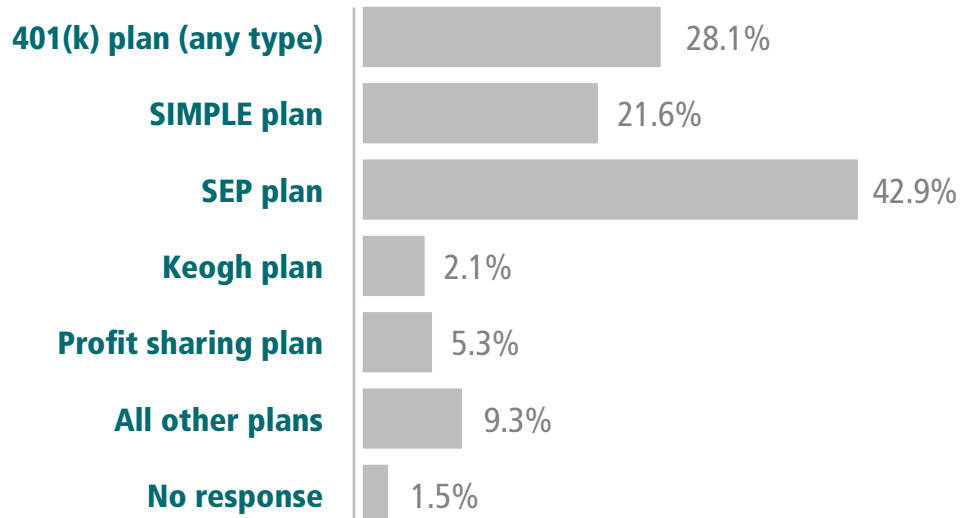
## Type Of Plan(s)

A Simplified Employee Pension plan (SEP) is the most common type of retirement plan currently in place. Selected by 42.9%, a SEP leads all other plans by a notable margin. The bulk of the remaining plans are either a 401(k) or a SIMPLE plan.

Although a SEP plan remains the most popular retirement plan across most segments, there are some notable variations. The popularity of a SEP decreases as the number of employees increase, with a corresponding rise in the popularity of a SIMPLE plan. For example, only 13.5% of the solo practitioners have a SIMPLE plan versus 43.8% of those with six or more employees. A 401(k) plan is tied with a SEP plan among those with gross sales of less than \$25,000, and is especially favored by the start-up companies — 49.2% of those in business for two years or less have a 401(k); 30.5% have a SEP.



## Exhibit 14: Type of Plan in Place



The typical retirement plan has been in place for a median of five years. Responses range from one month to 34 years. Keogh plans have the longest track record (median of 16 years); 401(k) and SIMPLE plans have the shortest track record (median of four years each). Respondents who have a plan tend to open it relatively soon after establishing their business — those in business for up to two years have had a retirement plan for a median of one year; those in business for two to five years have had a plan for a median of three years.

## Exhibit 15: Retirement Plans in Place by Segment

Data are based upon the 473 individuals who have a retirement plan in place.

		401(k)	SIMPLE	SEP	Keogh	Profit Sharing	Other	No response
	Overall	28.1%	21.6%	42.9%	2.1%	5.3%	9.3%	1.5%
<b>Number of employees</b>	One (self only)	30.0%	13.5%	47.3%	2.9%	6.3%	11.6%	0.5%
	Two	26.7%	16.8%	45.0%	0.8%	2.3%	10.7%	3.1%
	3 – 5	26.4%	35.6%	35.6%	3.4%	6.9%	4.6%	2.3%
	6+	27.1%	43.8%	31.3%	0.0%	6.3%	4.2%	0.0%
<b>Gross sales</b>	Less than \$25,000	29.4%	14.7%	29.4%	2.9%	8.8%	26.5%	0.0%
	\$25,000 – \$49,999	28.3%	19.6%	37.0%	4.3%	2.2%	19.6%	4.3%
	\$50,000 – \$99,999	26.0%	15.6%	42.9%	2.6%	3.9%	10.4%	3.9%
	\$100,000 – \$199,999	31.4%	20.3%	47.5%	0.8%	5.1%	5.9%	0.8%
	\$200,000 – \$499,999	21.6%	26.1%	45.9%	0.9%	6.3%	6.3%	0.9%
	\$500,000+	32.5%	28.8%	41.3%	2.5%	5.0%	5.0%	0.0%
<b>Time in business</b>	Up to two years	49.2%	6.8%	30.5%	0.0%	8.5%	13.6%	1.7%
	2 – 5 years	36.6%	21.5%	36.6%	0.0%	4.3%	14.0%	0.0%
	5.1 – 10 years	25.5%	22.4%	55.1%	0.0%	0.0%	7.1%	1.0%
	10+ years	20.3%	25.2%	43.7%	4.5%	6.8%	7.2%	2.3%

NOTE: Responses do not sum to 100% since more than one plan could be specified. The "other" category includes mainly generic responses, such as "IRA," that cannot be reliably placed into a more formally defined category.

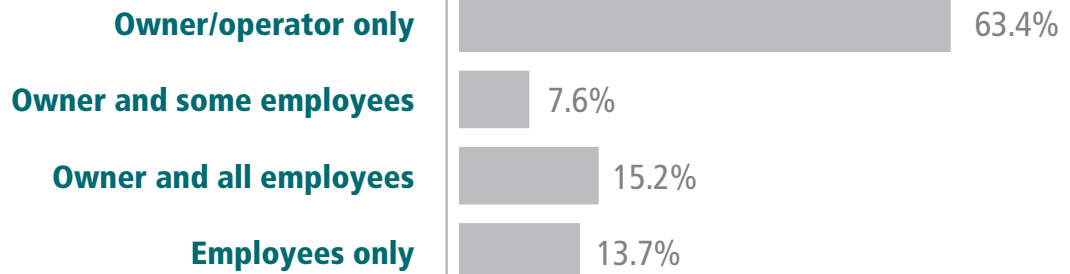
## Coverage

Most of the plans in place (63.4%) cover only the business owner/operator. 15.2% cover the owner and all employees; an additional 7.6% cover the owner and some employees. A notable number (13.7%) of the plans provide retirement coverage only for all employees and exclude the owner/operator.

Employee coverage increases with company size — only 16.7% of the plans in place at the largest companies (six or more employees) are limited to the business owner. However, coverage for all employees is not common, with 47.9% of the plans in place at the largest companies offering coverage for only some employees. The percentage of employees covered (excluding the owner) ranges from 12.5% to 75%, with a median of 44.4%.

Interestingly, the owners of the two and three-person businesses often exclude themselves from retirement plan coverage, positioning retirement plans as an employee-only benefit. Nearly one in three (29.8%) of the two person companies cover only the employee and not the owner; 23% of the 3-5 person companies report the same.

## Exhibit 16: Plan Coverage



## Contributions To Employee Retirement Plans

Regular contributions (i.e., contributions made on an annual, quarterly, or other regular basis without matching employee contributions) is the most popular way employee retirement accounts are funded, indicated by 39.9% of those who extend the company retirement plan to employees. Matching contributions (i.e., the company matches a percentage of what the employee puts in) are less popular, but still prevalent, indicated by 30.1%. Only 15% provide both, and 13.9% do not make any company contributions at all for employee accounts.

The percentage of companies that make no contributions to employee plans peaks at 19.1% among the two-person businesses, and drops to about 10% for larger companies. The smallest companies tend to concentrate on making regular contributions only. This situation switches to a concentration on matching contributions among the largest companies.



## Exhibit 17: Company Contributions to Employee Plans

Data are based upon the 173 individuals who have a retirement plan that covers employees.

		Regular contributions only	Matching contributions only	Both	No company contributions	No response
Overall		39.9%	30.1%	15.0%	13.9%	1.2%
Number of employees	One (self only)	N/A				
	Two	54.4%	11.8%	11.8%	19.1%	2.9%
	3 – 5	32.3%	36.9%	20.0%	10.8%	0.0%
	6+	27.5%	50.0%	12.5%	10.0%	0.0%



### Reasons For Implementation

Personal saving for the business owner/operator is the most important reason for establishing a retirement plan through the business. Nearly 95% of the respondents with a plan in place rated saving for their own retirement as a highly important factor in their decision to implement a retirement plan. A majority also highly rank tax benefits (77.8%) and a recommendation from their CPA or financial advisor (56.9%). Positioning a retirement plan as a way to attract and retain employees is not a significant factor — only 19.9% rate it as a highly influential factor in their decision.

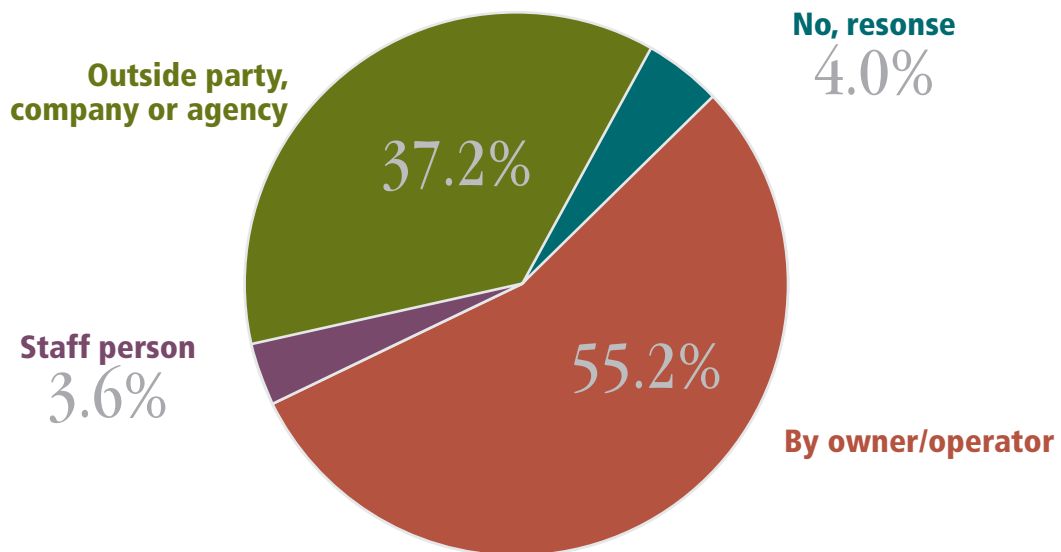
### Plan Administration And Operation

The owner/operator remains the most commonly cited plan administrator across most segments. There is an increase in administration outsourcing among the largest companies with, for example, 51.3% of those with gross sales of \$500,000 or more using an outside party for plan administration.

Owner administration peaks at 70% among those who have a Keogh plan, but remains at about the same level (between 48% and 59.1%) for all other plan types.

## Exhibit 18: Plan Administration

How are your company retirement plans administered?

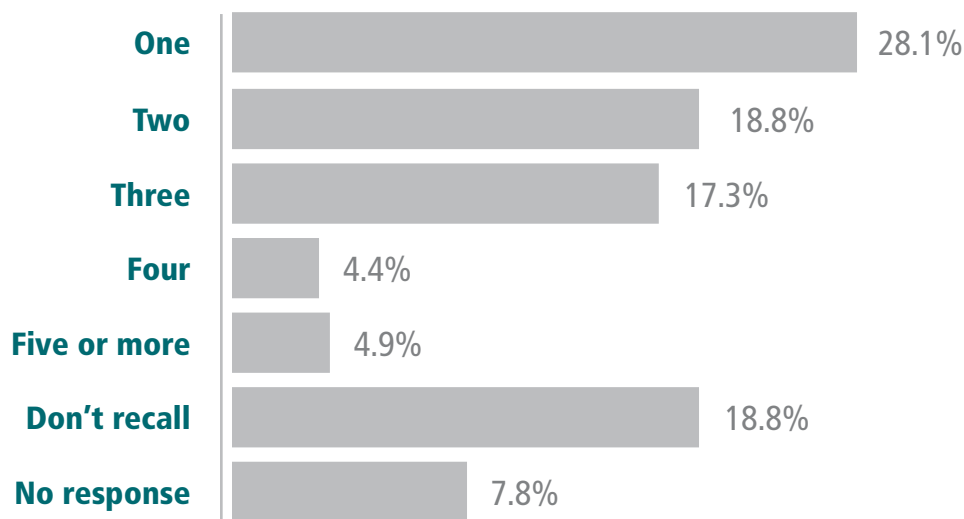


“One” was the most popular response (28.1%) when the business owners/operators were asked to indicate how many different companies’ offerings they considered before making the decision about which company to use for their retirement plan. A fair number considered two (18.8%) or three (17.3%) companies, although many (18.8%) did not recall how many companies they considered. Respondents report considering an average of 2.2 companies.

The smallest companies tend to be the most active “shoppers” when it comes to considering companies for their retirement plans. The type of plan also has an effect, with those offering a 401(k) considering an average of 2.4 companies versus only 2.0 among those who offer a Keogh. Note, however, that a sizeable number of respondents with a Keogh retirement plan — as many as 50% — do not recall how many companies they considered or did not respond.

## Exhibit 19: Number of Companies Considered

**How many different companies’ offerings did you consider before making the decision on which company to use for your retirement plan?**



The respondents typically find several factors important when evaluating which company to select for their retirement plan. While the number of investment options receives the highest importance ratings (rated highly important by 70.4%), four other factors are also rated highly important by a majority — ease of paperwork, cost/fees charged, support structure, and the specific type of plans/features offered. “Customer loyalty” is less important, with only 44.8% considering the factor of “already use the company for personal investments” to be highly important in their decision. Similar ratings are seen for having the company be recommended by their CPA or financial advisor.

## Exhibit 20: Factors Considered When Selecting the Retirement Plan Company

Data are based upon the 473 individuals who have a retirement plan in place.

	Low	Moderate	High	Not applicable/ No response
The number of investment options	5.7%	11.8%	70.4%	12.1%
Ease of paperwork	7.6%	15.0%	65.5%	11.8%
Cost/fees charged	8.9%	14.6%	64.7%	11.8%
Support structure (i.e. the ability to receive advice, planning tools, ability to call for assistance, etc.)	9.7%	14.8%	64.9%	10.6%
Specific type of plans/features offered	6.3%	17.1%	64.1%	12.5%
Already use the company for personal investments	14.6%	9.5%	44.8%	31.1%
Was recommended by my CPA/financial advisor	17.5%	9.5%	43.3%	29.6%

Examining responses across key segments shows the following major patterns:

- **The number of investment options.** This remains highly ranked across all segments, with the percentage ranking it as highly important never dropping below 64%. Less than 10% in every segment feel it has only low importance to them as a decision factor.
- **Ease of paperwork.** Its importance increases with company size — 55.9% of the smallest grossing companies rank ease of paperwork as a highly important factor versus 71.3% of the largest grossing companies.
- **Cost/fees charged.** Cost is a significant factor across all segments with increased importance among the largest grossing companies. The most cost-sensitive businesses are the start-ups, with 71.2% ranking cost as a highly important decision factor.
- **Support structure** (i.e., the ability to receive advice, planning tools, ability to call for assistance, etc.). This is considered highly important to a majority of respondents across all segments, with fairly uniform appeal regardless of the number of employees, revenue or time in business.
- **Specific type of plans/features offered.** This factor is especially important to the startup companies, with 78% of those in business for two years or less ranking this factor as highly important.
- **Already use the company for personal investments.** Although respondents often rank this as highly important, it usually fails to generate a majority position, mainly due to the fact that many respondents — as many as 41.2% — rank this as not applicable to their situation.
- **Was recommended by my CPA/financial advisor.** “High importance” is the most often selected response, but a significant number say this issue is not applicable to their situation (presumably because they do not have a CPA or financial advisor).

The respondents were also invited to describe any additional factors that influenced their decision to select the company they currently use for their retirement plan. Most comments centered on the following themes:

- presence of a local office that is convenient to their home or work location
- personal relationship with the agent
- recommendation from a friend, relative, or employee
- overall reputation of the company
- the ability of the company to provide specialized services such as on-line access

### Information Sources

Despite the fact that a recommendation from their CPA or financial advisor was one of the lowest-ranked reasons for establishing a retirement plan, and the least important factor considered when selecting the company for their retirement plan, the respondents say financial advisors and CPAs are the sources they use most often to obtain information about retirement plan choices. Financial advisor is selected by 59.8%; CPA is selected by 45.9%. Several other sources are commonly used as well, including the Internet, books/magazines/newspapers, and family/friends. Only TV/radio lags as an often used source, selected by only 7.8%. Regardless of the sources used, information on retirement plans is commonly sought — only 3.6% say they do not look for information on retirement issues.

Financial advisors and CPAs remain top-ranked across all segments, and are especially significant among the smallest companies — 70.6% of those grossing less than \$25,000 use a financial advisor as an information source for retirement plan information. The pattern of multiple sources also remains true across all segments — with the exception of TV/radio, all sources are routinely used for retirement plan information. Only a small number of respondents — always below 10% and often below 3% — say they do not look for information on retirement issues.



## Exhibit 21: Retirement Plan Information Sources

<b>Financial advisor</b>	59.8%
<b>CPA</b>	45.9%
<b>Internet</b>	36.8%
<b>Books/magazines/newspapers</b>	30.7%
<b>Family/friends</b>	29.4%
<b>Trade/business associations</b>	26.6%
<b>TV/radio</b>	7.8%
<b>Other (*)</b>	2.5%
<b>Do not look for information on retirement issues</b>	3.6%
<b>No response</b>	5.1%

(\*) = the "other" responses consist of banks, direct mail and classes.

# Personal Perspective



# Retirement Plan Perceptions

The respondents feel comfortable when it comes to finding information on retirement plans for themselves — 54.2% agree that they know exactly where to find this information. However, far fewer feel as comfortable when it comes to retirement plans through their company — only 39.9% agree with the statement “I am familiar with and understand the options available to me for retirement plans I can have through my company.” About the same number (35%) disagree with the statement.

While more agree than disagree that it is necessary to offer retirement benefits to be able to find and hire qualified people, the respondents do not feel strongly about this issue. While 33.1% agree, about the same number (30.2%) are neutral, and 20.8% disagree. Even less of a consensus is seen regarding the issue of the employer having the responsibility to offer retirement benefits, with about the same number agreeing, disagreeing, or remaining neutral.

The strongest consensus involves a perceived lack of options that small businesses have when it comes to retirement plans. Nearly two-thirds (65.8%) disagree with the statement “small businesses have access to the same retirement plans and options as large businesses.” Only 13.4% agree.



## Exhibit 22: Retirement Plan Perceptions

	Disagree	Neutral	Agree	No opinion/ response
I know exactly where to find information about retirement plans for myself	27.7%	16.2%	<b>54.2%</b>	1.9%
I am familiar with and understand the options available to me for retirement plans I can have through my company	35.0%	16.9%	<b>39.9%</b>	8.1%
It is necessary to offer retirement benefits to be able to find and hire qualified people	20.8%	30.2%	<b>33.1%</b>	15.9%
I feel it is my responsibility as an employer to offer a retirement plan as an employee benefit	25.6%	<b>28.9%</b>	27.4%	18.1%
Small businesses have access to the same retirement plans and options as large businesses	<b>65.8%</b>	13.4%	13.4%	7.5%



Segmenting responses shows the following major themes:

- **I know exactly where to find information about retirement plans for myself.** Those who presently offer a retirement plan through their business are most likely to agree, with 73.8% doing so. Peak disagreement levels are seen among the younger respondents, those with gross sales or total household income of less than \$50,000, and women.
- **I am familiar with and understand the options available to me for retirement plans I can have through my company.** Although more agree than disagree with this statement in most segments, the gap between agreement and disagreement is usually slim. This suggests that, regardless of their circumstances, individuals do not have a solid understanding of business based retirement plan options. This situation is particularly acute among the younger respondents, those with gross sales or total household income of less than \$50,000, and women.
- **It is necessary to offer retirement benefits to be able to find and hire qualified people.** There is no significant consensus on this issue. Additionally, a significant number — as many as one quarter of the respondents — have no opinion on this issue, underscoring the general uncertainty the respondents feel concerning the “necessity” of retirement benefits. Interestingly, respondents from the solo practitioner or two-person companies are more likely to feel retirement benefits are necessary than their peers at larger companies. Agreement levels peak at only 40.4% among those who presently offer a retirement plan through their business.
- **I feel it is my responsibility as an employer to offer a retirement plan as an employee benefit.** As with the previous statement, there is no clear consensus. The strongest agreement levels are seen among those who presently offer a retirement plan through their business, with 44.8% agreeing with the statement. Disagreement levels increase with company size, rising from 18% among the solo practitioners to 39.7% among those with a company size of six or more.
- **Small businesses have access to the same retirement plans and options as large businesses.** This statement generates strong consensus, with a majority in every segment disagreeing. Regardless of the company size, income level, age, or any other demographic factor, micro-business owners clearly feel they do not have access to the same retirement plans and options as large businesses.

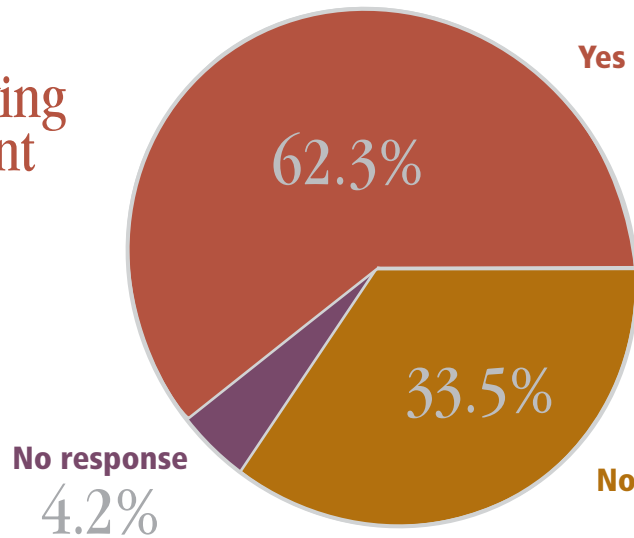
# Retirement Goals And Financial Strategies

## Current Savings Activity

Nearly two-thirds (62.3%) of the respondents say they are presently saving for their retirement. About one-third (33.5%) are not, with the remaining individuals not responding.

Examining responses across key segments shows that a majority of the respondents in every segment except one are presently saving for retirement. The exception is the less than \$35,000 total household income bracket, with only 48.9% of these individuals presently saving for retirement. In sharp contrast, 81.7% of those in the \$150,000+ household income bracket are presently saving for retirement.

## Exhibit 23: Presently Saving for Retirement



The presence of a business retirement plan has, as expected, a significant impact on the incidence of retirement savings. More than 90% of those with a retirement plan through their business are presently saving for their own retirement, versus only 57.2% of those without a retirement savings plan through their business.

Variations are also seen across other demographic factors, but the variations are relatively minor compared to those seen across household income brackets and business retirement plan status. For example, there is an age differential but it is not dramatic — rates are lowest among those under 36 (56.7% are presently saving for retirement) and highest among those in the 46 to 55 age bracket (64.8% are presently saving for retirement).

## Exhibit 24: Present Retirement Saving Activities by Segment

		Presently saving for retirement	Not saving for retirement	No response
Overall		62.3%	33.5%	4.2%
Number of employees	One (self only)	61.1%	35.0%	3.9%
	Two	64.3%	31.7%	4.0%
	3 – 5	60.8%	33.8%	5.5%
	6+	66.7%	29.7%	3.7%
Total household income	Less than \$35,000	48.9%	51.1%	0.0%
	\$35,000 – \$49,999	57.4%	42.6%	0.0%
	\$50,000 – \$74,999	60.7%	39.2%	0.2%
	\$75,000 – \$99,999	68.3%	31.6%	0.0%
	\$100,000 – \$149,999	76.4%	23.6%	0.0%
	\$150,000+	81.7%	17.4%	0.8%
Gender	Female	61.4%	35.0%	3.7%
	Male	62.8%	32.6%	4.6%
Age	Under 36	56.7%	39.5%	3.8%
	36 – 45	60.0%	36.4%	3.6%
	46 – 55	64.8%	31.7%	3.4%
	56+	63.6%	30.1%	6.3%
Presently have a business retirement plan in place	Yes	90.3%	4.2%	5.5%
	No	57.2%	38.9%	4.0%
Number of children in household	None	67.9%	32.0%	0.1%
	One	59.4%	40.6%	0.0%
	Two or more	62.0%	37.7%	0.3%
Marital status	Single	61.9%	37.8%	0.3%
	Married	65.9%	34.0%	0.1%
	Divorced/Separated	65.9%	34.1%	0.0%
	Widow/Widower	63.5%	36.5%	0.0%

## Exhibit 25: Top Two Barriers for Retirement Savings

Responses limited to the 1,014 respondents who are not presently saving for retirement.

### Total household income

	Overall	<\$35,000	\$35,000 – \$49,999	\$50,000 – \$74,999	\$75,000 – \$99,999	\$100,000 – \$149,999	\$150,000+
My present income needs to go toward basic needs such as food, housing, utilities, etc.	<b>82.9%</b>	88.1%	87.9%	88.9%	77.9%	77.5%	67.2%
I spend additional income to cover health insurance or medical expenses due to an illness or medical condition	<b>33.5%</b>	34.5%	39.3%	31.2%	32.9%	38.7%	23.4%
My present savings are earmarked for children’s/ grandchildren’s education	<b>9.6%</b>	2.2%	6.9%	9.1%	19.5%	13.5%	20.3%
I plan on relying on Social Security for my retirement	<b>8.4%</b>	13.7%	8.7%	7.1%	8.1%	3.6%	6.3%
My present savings are earmarked for a home purchase / renovation	<b>8.2%</b>	4.0%	6.4%	9.9%	12.8%	6.3%	15.6%
I plan on relying on my children / spouse for my retirement	<b>1.7%</b>	0.0%	1.7%	2.4%	4.0%	0.9%	1.6%
I’m too young to start planning for retirement	<b>1.1%</b>	1.8%	2.3%	0.4%	0.7%	0.9%	0.0%
Other (*)	<b>13.5%</b>	9.3%	11.0%	12.6%	13.4%	17.1%	28.1%
No response	<b>1.9%</b>	0.0%	2.3%	0.4%	0.7%	1.8%	1.6%

*NOTE: Responses do not sum to 100% since respondents could select up to two choices. (\*) = the “other” responses span a variety of issues such as the need to dedicate all funds to build their business, the perception that there is no need to save for retirement, needing funds to pay taxes, and uncertainty as to how to start/proceed with retirement savings.*

The strongest barrier to retirement savings is needing present income for basic needs such as food, housing and utilities. Selected by 82.9% of those who are not presently saving, this issue surpasses all others by a wide margin — the second most pressing issue (cost of health insurance or medical expenses) is selected by only 33.5%, and all other specific issues garner less than a 10% response.

The most significant variations are seen across household income levels. While basic needs remain top-ranked across all income segments, its significance decreases a small amount among the highest income brackets, replaced with an increased need for earmarking savings for education or a home purchase.

Those who are not presently saving for retirement were asked to indicate the likelihood that they will begin to save for retirement in the next three years. Many (40.3%) say there is a high likelihood that they will start the process, but nearly one in three feel it will be unlikely that their non-saving situation will change.

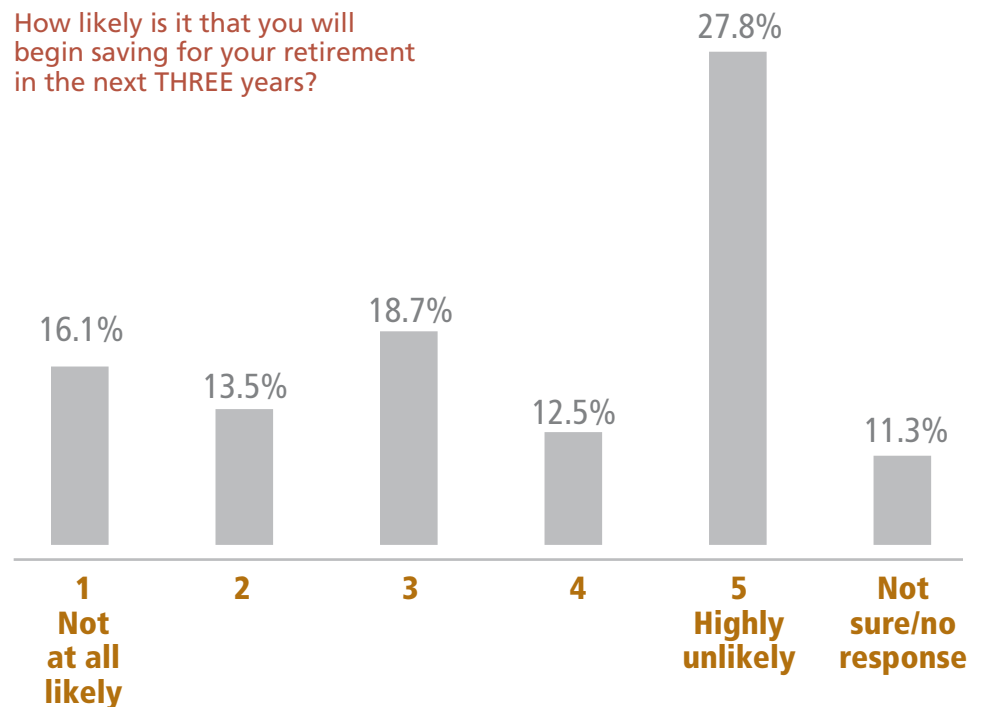
Those most likely to begin saving for retirement in the next three years are those in the higher household income brackets and younger respondents, with a majority of respondents in both these segments indicating a high likelihood of beginning a retirement savings program. In contrast, fewer than one third of those in the lowest household income brackets expect their non-saving situation to change in the next three years.



## Exhibit 26: Future Retirement Saving Plans



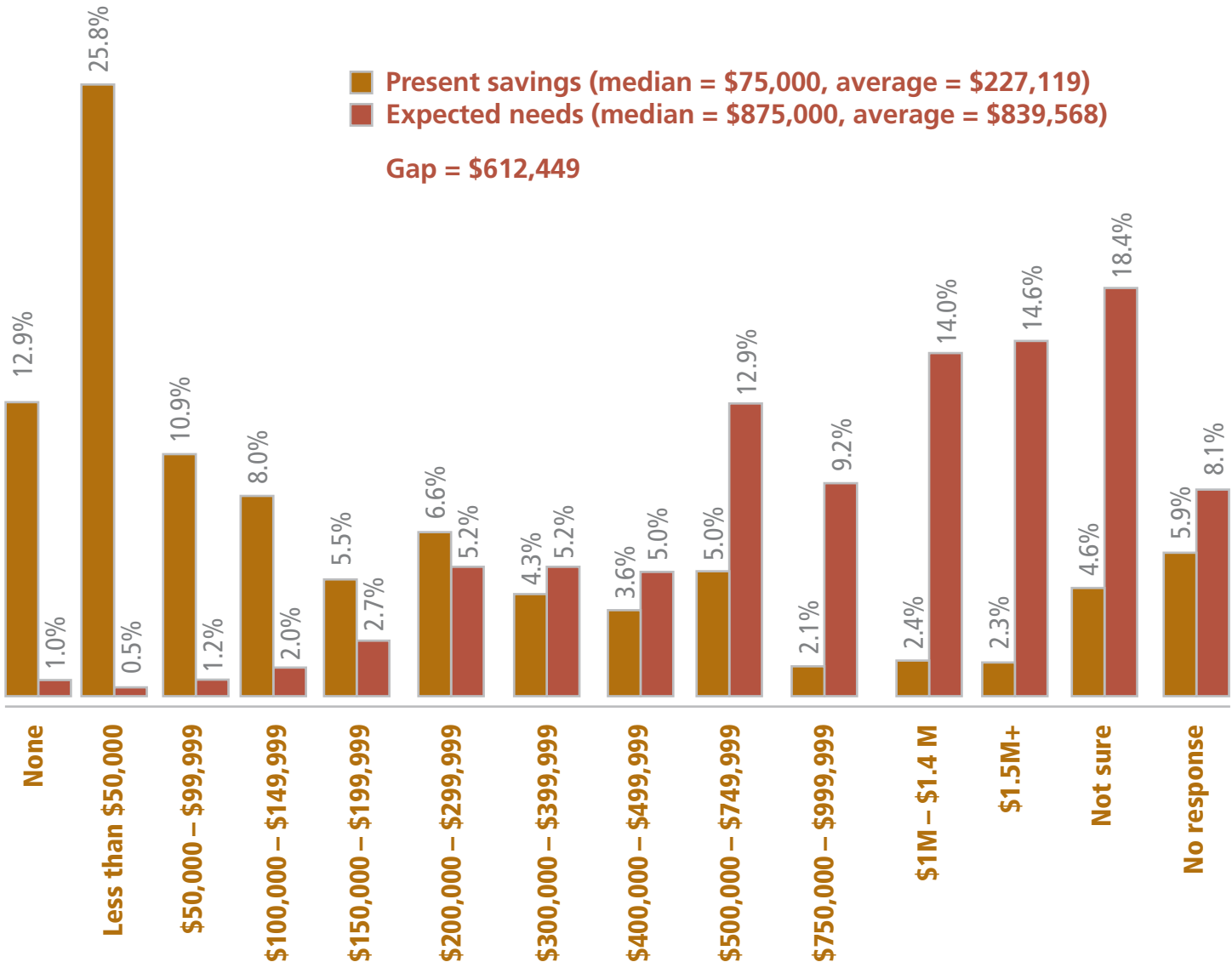
How likely is it that you will begin saving for your retirement in the next THREE years?



## Actual Versus Needed Retirement Savings

The respondents were asked to indicate how much they have currently set aside for retirement, and the amount they think they will need before they can retire. There is a considerable gap between current savings and anticipated needs. Nearly 13% of the respondents have no retirement savings, and 25.8% have less than \$50,000 in retirement savings. However, 28.6% believe they will need at least \$1 million in retirement savings before they can retire. Respondents have a median of \$75,000 in retirement savings (average of \$227,119) but expect that they will need a median of \$875,000. There is also a significant degree of uncertainty — 18.4% are not sure how much they will need to amass prior to retirement.

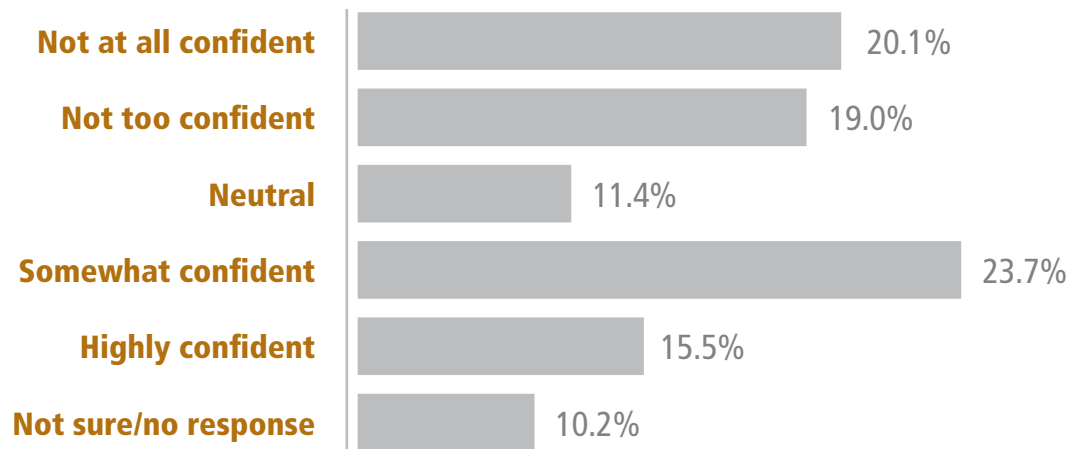
## Exhibit 27: Retirement Savings vs. Needs



Responses are mixed when respondents are asked to indicate how confident they are that they will be able to reach their target amount by their retirement date. 39.2% say they are somewhat or highly confident. The remaining individuals are either neutral or are not sure if they will reach their goal. The average confidence index is 2.9 out of a possible 5 (where 1 is "not at all confident" and 5 is "highly confident").



## Exhibit 28: Confidence in Reaching Goal



Examining responses across segments shows there is a significant gap between the amount currently saved and the projected amount needed. Overall, the average gap is \$612,449, which equates to 270% of the present amount saved. The most striking gap is, as expected, seen among those under 36 — their average gap is 1,352% of their current savings. However, these respondents are relatively confident that their target will be reached, with an average confidence index of 3.2. While the gap narrows considerably to only 97% among those 56 or older, the confidence index does not change much, with an average of 3.1.

A much different picture is seen among those in the lowest household income bracket. While their gap is somewhat more modest (522%) than the youngest respondents, their confidence index is much lower at 2.3. Confidence levels and gap percentages improve consistently as household income increases, with the highest household income bracket individuals reporting the second lowest gap (130%) and the highest confidence index (3.8) of any segment examined.

The data also illuminates the benefits of a business-based retirement plan. Those with such a plan have a gap of 143% and a confidence index of 3.7. Those without a plan have a gap of 318% and a confidence index of 2.8. A similar situation is seen regarding current general retirement saving activity: those presently saving for retirement using any means have a 214% gap and a 3.3 confidence index; those not saving have a 486% gap and a 2.3 confidence index.

It is also helpful to examine the responses in light of the percentage who have no or very low savings, and the percentage who are uncertain of their future needs. As seen previously, results are highly tied to total household income — a total of 62.9% of these individuals have little (defined as less than \$50,000) or no retirement savings, and are the individuals most likely to feel uncertain as to how much they will need to actually retire. This situation changes dramatically among those in the highest total household income bracket, with only 15.2% reporting little or no retirement savings, and only 10.1% indicating they are unsure of what is needed for their retirement. Those who have a business-based retirement plan are highly likely to have amassed some level of retirement savings and are highly likely to have a target figure in mind as they move toward their retirement years.

## Exhibit 29: Current Savings vs. Expected Needs Gap by Segment

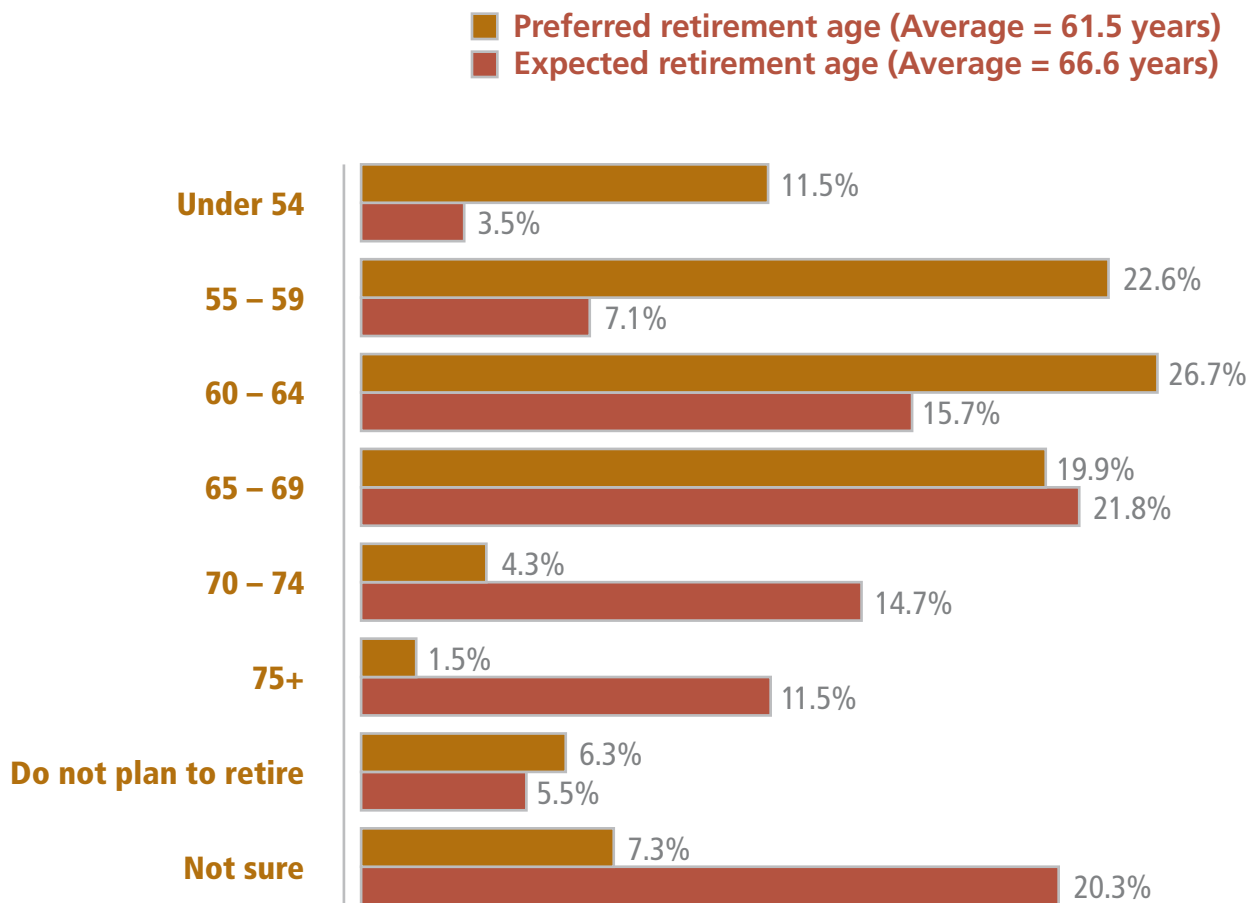
		Average amount presently saved	Average amount needed	Gap	Gap as % of amount saved	Confidence Index (*)
	Overall	\$227,119	\$839,568	(\$612,449)	270%	2.9
Number of employees	One (self only)	\$201,770	\$800,431	(\$598,661)	297%	2.8
	Two	\$251,107	\$871,594	(\$620,487)	247%	3.1
	3 – 5	\$232,994	\$863,490	(\$630,496)	271%	3.0
	6+	\$277,763	\$885,993	(\$608,230)	219%	3.3
Total household income	Less than \$35,000	\$100,303	\$623,770	(\$523,467)	522%	2.3
	\$35,000 – \$49,999	\$133,593	\$649,152	(\$515,559)	386%	2.6
	\$50,000 – \$74,999	\$158,006	\$751,628	(\$593,622)	376%	2.7
	\$75,000 – \$99,999	\$221,673	\$856,700	(\$635,027)	286%	3.1
	\$100,000 – \$149,999	\$292,187	\$962,566	(\$670,379)	229%	3.3
	\$150,000+	\$506,850	\$1,164,106	(\$657,256)	130%	3.8
Gender	Female	\$183,447	\$771,228	(\$587,781)	320%	2.7
	Male	\$257,041	\$877,746	(\$620,705)	241%	3.1
Age	Under 36	\$66,439	\$964,408	(\$897,969)	1,352%	3.2
	36 – 45	\$154,810	\$912,218	(\$757,408)	489%	2.9
	46 – 55	\$239,109	\$818,464	(\$579,355)	242%	2.8
	56+	\$370,275	\$731,212	(\$360,937)	97%	3.1
Presently have a business-based retirement plan	Yes	\$424,049	\$1,031,619	(\$607,570)	143%	3.7
	No	\$190,946	\$798,967	(\$608,021)	318%	2.8
Presently saving for retirement	Yes	\$281,039	\$881,682	(\$600,643)	214%	3.3
	No	\$127,862	\$748,925	(\$621,063)	486%	2.3
Number of children in household	None	\$247,294	\$806,048	(\$558,754)	226%	3.0
	One	\$215,011	\$819,751	(\$604,740)	281%	2.9
	Two or more	\$187,365	\$931,364	(\$743,999)	397%	2.9

(\*) = The "confidence index" is the confidence the respondent has that he/she will reach the amount needed for retirement. It is based upon a 1 to 5 scale where 1 = "not at all confident" and 5 = "highly confident."

### Target Retirement Age

The respondents were asked to indicate the age they would prefer to retire, and the age at which they feel they will be able to retire. There is the expected gap between the two measurements — while 60.8% would prefer to retire prior to age 65, only 26.2% feel they will have sufficient assets by age 65 to retire. The average preferred retirement age is 61.5 years; the expected age for having sufficient retirement assets is 66.6 years. Retirement age uncertainty is clearly seen as well. Although only 7.3% are not sure of the age where they would prefer to retire, a sizeable number — about one in five — are unsure of the age at which they will have sufficient assets to retire.

## Exhibit 30: Preferred vs. Expected Retirement Age





Examining the overall responses across key segments shows that a majority in nearly every segment would prefer to retire at age 64 or under. The sole exception are those who are presently 56 or older — only 40.1% would prefer to retire by 65, and 41.7% would prefer to retire past their 65<sup>th</sup> birthday. The percentage preferring to retire before 65 peaks at 75.7% among the youngest respondents. The percentage who have no plans to retire remains generally stable across segments, with responses typically ranging between about 5% and 8%. Few are not sure of the age that they would like to retire.

A significantly different picture emerges when the respondents forecast the age at which they will have sufficient assets to retire. 65 or older is the most popular response across all segments, although a sizeable number, usually one-quarter or more, feel they will be able to amass sufficient assets to retire prior to age 65. Those in the highest household income bracket are the most optimistic, with 45.2% feeling they will have sufficient retirement assets by age 65. In contrast, only 19% of those in the lowest household income bracket feel the same way. Optimism is also tied to the respondent's present age, with the youngest respondents far more optimistic than the older — 37.9% of the youngest respondents feel they will have sufficient assets to retire before age 65 versus only 18% of the oldest respondents.

Significant retirement age uncertainty is also seen across nearly all segments, with as many as one-quarter not sure at what age they will have amassed sufficient retirement assets. The most significant variation is tied to household income. Nearly one-quarter (24.9%) of those in the less than \$35,000 total household income bracket are unsure when they will have sufficient retirement assets versus only 9.3% of those in the \$150,000+ total household income bracket.

A complementary way to examine these data is to condense the responses into average retirement age and examine the "gap" between the preferred and expected retirement ages. There is a 5.1 year gap between the average preferred retirement age (61.5) and the expected age when sufficient retirement resources will be available (66.6). A gap is present in every segment, with values as high as 6.7 years to as low as 3.0 years. The strongest gaps are seen in the lower to middle household income brackets, younger respondents, women, and those with one or more children in the household. The impact of a business-based retirement plan is also clearly seen. Those without a plan have a gap of 5.6 years. This narrows to 3.4 years for those with a plan.

## Retirement Financing

The respondents expect to finance their retirement using a variety of means and sources. Social Security is the most popular method, indicated by 72.5%, followed by funds saved outside of a retirement account (59.8%) and home equity/real estate holdings (55.9%). A sizeable number (42.3%) say they plan to work in their retirement years. Other sources indicated by at least 30% include a retirement account through their business and a retirement account/pension from a past job.

Note that while only 15.6% presently have a retirement account through their business, more than twice as many (31.5%) say a business-based retirement plan will be used to finance their retirement. Thus, it appears that establishing a retirement plan through the business is on the agenda for a significant number of respondents.

The picture changes when the respondents narrow their scope, and select the one source they feel will provide the greatest share of their retirement funds. Although 72.5% selected Social Security as one of their retirement funds sources, only 8.3% feel it will provide the greatest share. Self-saving takes precedence, with money saved outside of a retirement account, home equity/real estate holdings, and a business-based retirement account topping the list.

Segmenting responses shows that savings outside of a retirement plan remains the expected primary source of retirement funds across every segment except among those who presently have a retirement plan through their business. These latter individuals overwhelmingly feel that their business-based retirement plan will be their primary retirement fund source. Home equity/real estate holdings are also highly ranked across most segments.

As seen with the overall responses, there is a notable amount of uncertainty regarding what will be the primary source of retirement funds, especially among those in the lower household income brackets — 16.7% say they do not know what will be their primary source of funds, virtually the same as the 17.4% who feel savings outside of retirement will be their primary source.



## Exhibit 31: Retirement Financing Methods

	All intended sources for financing retirement	Source of greatest share of retirement funds
Social Security	72.5%	8.3%
Money saved outside of a retirement account (i.e. bank accounts, stocks, bonds, etc. NOT in a retirement account)	59.8%	19.7%
Equity in my home or other funds derived from real estate holdings	55.9%	16.4%
I plan to work in my retirement years	42.3%	7.4%
A retirement account through my business	31.5%	13.0%
A retirement account/pension from a job I held in the past	35.8%	11.6%
My spouse's retirement account/pension through his/her employer	21.7%	4.4%
Insurance/annuity proceeds	15.0%	1.4%
Other (*)	7.5%	2.9%
Support from my children or other family members	3.7%	0.5%
Don't know	11.3%	10.2%
No response	4.3%	4.2%

(\*) = popular "other" responses encompass sale of the business, inheritance, personal retirement accounts not through the business or from a past job, and equity in the business.



# Survey Instrument



# National Association for the Self-Employed

## 2006 Retirement Security Survey

Please Return by  
November 30, 2006

### I. Your Background

- How many years has your business been in operation? \_\_\_\_\_years
- What level of ownership interest do you have in your business?
  - a. Sole owner/operator/proprietor
  - b. Co-owner/partner
  - c. No ownership interest in the business
- How many employees, **including yourself and any family members**, does your business have? \_\_\_\_\_employee(s)
- How is your business organized?
  - a. Sole proprietorship
  - b. General Partnership
  - c. Limited Partnership
  - d. Limited Liability Partnership (LLP)
  - e. Limited Liability Corporation (LLC)
  - f. Corporation (Chapter C)
  - g. Corporation (Chapter S)
  - h. Other: \_\_\_\_\_
- What do you expect will be the gross sales for your business in 2006?
  - a. Less than \$10,000
  - b. \$10,000 – \$24,999
  - c. \$25,000 – \$49,999
  - d. \$50,000 – \$74,999
  - e. \$75,000 – \$99,999
  - f. \$100,000 – \$199,999
  - g. \$200,000 – \$299,999
  - h. \$300,000 – \$499,999
  - i. \$500,000 – \$749,999
  - j. \$750,000 – \$999,999
  - k. \$1 million – \$2.5 million
  - l. \$2.6 million – \$4.9 million
  - m. \$5 million +
- In what state is your business located? \_\_\_\_\_
- Please indicate your gender and age:
 

Gender:	<input type="checkbox"/> a. Female	<input type="checkbox"/> b. Male	
Age:	<input type="checkbox"/> a. Under 25	<input type="checkbox"/> c. 36-45	<input type="checkbox"/> e. 56-65
	<input type="checkbox"/> b. 25-35	<input type="checkbox"/> d. 46-55	<input type="checkbox"/> f. 66+
- Please indicate which of the following insurance plans you currently have and pay for either through your business or as an individual. DO NOT include plans that you receive through your spouse or through a part-time job.
  - a. Life insurance
  - b. Long-term care insurance
  - c. Disability insurance
  - d. Homeowners/renters insurance
  - e. Personal liability umbrella policy
  - f. Liability/E&O insurance for your business

### II. Company Retirement Plans/Offerings

- Please indicate your level of agreement or disagreement with the following statements:

	Strongly disagree		Neutral		Strongly agree	No Opinion
a. I know exactly where to find information about retirement plans for myself	1	2	3	4	5	<input type="checkbox"/>
b. I am familiar with and understand the options available to me for retirement plans I can have through my company	1	2	3	4	5	<input type="checkbox"/>
c. It is necessary to offer retirement benefits to be able to find and hire qualified people	1	2	3	4	5	<input type="checkbox"/>
d. I feel it is my responsibility as an employer to offer a retirement plan as an employee benefit	1	2	3	4	5	<input type="checkbox"/>
e. Small businesses have access to the same retirement plans and options as large businesses	1	2	3	4	5	<input type="checkbox"/>

10. Do you currently offer a retirement plan of any type **through your business**?

a. Yes, presently offer a retirement plan for myself AND/OR my employees



**Go to question 11**

b. No, but plan to offer in the next 12 months  
 c. No, but did offer in the past  
 d. No

If your business DOES NOT currently offer a retirement plan, please indicate what you feel are the top barriers to offering this benefit:

a. Can't afford to administer or contribute to a retirement plan  
 b. It is too much of an administrative burden  
 c. I do not need a retirement plan through my business  
 d. My employees are not interested in a retirement plan  
 e. My employees prefer other benefits or additional compensation  
 f. I don't understand what options are available to my business  
 g. Other: \_\_\_\_\_

→→Which of the above do you feel is the MOST SIGNIFICANT barrier?  
(circle ONE:) **a b c d e f g**

**Go to question 20**

11. What type(s) of retirement plans do you currently have in place through your business?

a. 401(k) plan (any type)       c. Simplified Employee Pension (SEP) plan       e. Profit sharing plan  
 b. SIMPLE plan       d. Keogh Plan       f. Other: \_\_\_\_\_

12. Who is covered by the retirement plan through your business?

a. Myself       b. All employees       c. Some employees (how many? \_\_\_\_\_)

13. How long have you had a plan in place? (If you have multiple plans, please indicate the length of time of the plan in place the longest)  
\_\_\_\_\_years

14. Which of the following types of contributions are made by your company to **employee** retirement plans?

a. Regular contributions (i.e., annual, quarterly, or other contributions made on a regular basis in specific amount)  
 b. Matching contributions (i.e., your company matches a percentage of what the employee puts in)  
 c. Both regular and matching contributions  
 d. No company contributions are made for employees  
 e. Not applicable

15. How are your company retirement plans administered?

a. I handle all administration of the plan  
 b. I have a staff person handle all or most of the plan administration  
 c. Administration is done by an outside party/company/agency  
 d. Other: \_\_\_\_\_

16. How important were the following factors in your decision to implement a retirement plan through your business?

	Not at all important				Highly important	No Opinion
a. To save for my own retirement	1	2	3	4	5	<input type="checkbox"/>
b. To attract and retain employees	1	2	3	4	5	<input type="checkbox"/>
c. To receive tax benefits	1	2	3	4	5	<input type="checkbox"/>
d. Recommendation from by CPA or financial advisor	1	2	3	4	5	<input type="checkbox"/>
e. Other: _____	1	2	3	4	5	<input type="checkbox"/>

17. How many different companies' offerings did you consider before making the decision on which company to use for your retirement plan?  
 a. One    b. Two    c. Three    d. Four    e. Five or more    f. Don't recall

18. How important were the following factors in your decision to select the current company you use for your retirement plan?

	Not at all important			Highly important		No Opinion
	1	2	3	4	5	<input type="checkbox"/>
a. Cost/fees charged	1	2	3	4	5	<input type="checkbox"/>
b. Ease of paperwork	1	2	3	4	5	<input type="checkbox"/>
c. The number of investment options	1	2	3	4	5	<input type="checkbox"/>
d. Support structure (i.e., the ability to receive advice, planning tools, ability to call for assistance, etc.)	1	2	3	4	5	<input type="checkbox"/>
e. Specific type of plans/features offered	1	2	3	4	5	<input type="checkbox"/>
f. Was recommended by my CPA/financial advisor	1	2	3	4	5	<input type="checkbox"/>
g. Already use the company for personal investments	1	2	3	4	5	<input type="checkbox"/>
h. Other: _____	1	2	3	4	5	<input type="checkbox"/>

19. Which of the following sources do you use to obtain information about retirement plan choices?

- a. Financial advisor
- b. CPA
- c. Family/friends
- d. Internet
- e. Trade/business associations
- f. Books/magazines/newspapers
- g. TV/radio
- h. Other: \_\_\_\_\_
- i. Do not look for information on retirement issues

### III. Your Retirement Plans and Goals

20. At what age would you prefer to retire, and at what age do you feel you will have sufficient assets to retire?

	I would <b>prefer</b> to retire at this age	I think I will <b>be able</b> to retire at this age
Under 54	a. <input type="checkbox"/>	a. <input type="checkbox"/>
55 to 59	b. <input type="checkbox"/>	b. <input type="checkbox"/>
60 to 64	c. <input type="checkbox"/>	c. <input type="checkbox"/>
65 to 69	d. <input type="checkbox"/>	d. <input type="checkbox"/>
70 to 74	e. <input type="checkbox"/>	e. <input type="checkbox"/>
75 or older	f. <input type="checkbox"/>	f. <input type="checkbox"/>
Do not plan/want to retire	g. <input type="checkbox"/>	g. <input type="checkbox"/>
Not sure	h. <input type="checkbox"/>	h. <input type="checkbox"/>

21. Please indicate all the ways and sources you intend to use to finance your retirement:

- a. A retirement account through my business
- b. A retirement account/pension from a job I held in the past
- c. My spouse's retirement account/pension through his/her employer
- d. Money saved **outside** of a retirement account (i.e., bank accounts, stocks, bonds, etc. NOT in a retirement account)
- e. Equity in my home or other funds derived from real estate holdings
- f. Social Security
- g. Support from my children or other family members
- h. Insurance/annuity proceeds
- i. I plan to work in my retirement years
- j. Other: \_\_\_\_\_
- k. Don't know

→→Which of the above do you feel will provide the GREATEST SHARE of your retirement funds?

(circle ONE:) **a b c d e f g h i j k**









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