

Rocky Retirement Prospects of Workers in Physically Demanding Jobs

New global survey highlights imminent risks and outlines mitigating actions to take

LOS ANGELES – March 6, 2019 – Few workers in physically demanding jobs or “physical workers” feel they are on track to meet their estimated retirement income needs (31 percent U.S., 21 percent global), according to a global research report released today. ***The Unique Retirement Challenges of Workers in Physically Demanding Jobs*** is based on a survey of physical workers in 15 countries spanning the Americas, Europe, Asia, and Australia. It is a collaboration among Aegon Center for Longevity and Retirement (ACLR) and nonprofits Transamerica Center for Retirement Studies® (TCRS) and Instituto de Longevidade Mongeral Aegon.

“Around the world, people have the potential to live longer than in any other time in history. Longer lives necessitate that people extend their working years and plan for a longer retirement,” said Catherine Collinson, CEO and president of Transamerica Institute and TCRS, and executive director of ACLR. “Due to the strenuous nature of their work, people in physically demanding jobs are at risk of aging out of their occupations before they are financially ready to retire.”

A Portrait of Physical Workers

The term “physical worker” includes people in a wide variety of occupations. In the survey, these workers self-identified as having jobs that involve extensive or sustained periods of physical activity, e.g., agricultural roles, construction and building trades, metal workers, miners and drilling, manufacturing and machine operators, military personnel, emergency responders, cleaning crews, etc. Among those who self-identified as physical workers, a portrait emerges:

- Most physical workers are men (66 percent U.S., 60 percent global).
- Most physical workers are under the age of 40. In the U.S., they have a median age of 36 (age 37 global), with 45 percent under the age of 35 (43 percent global).
- About half of physical workers have an undergraduate degree or higher (49 percent U.S., 50 percent global).

“Workers in physically demanding jobs tend to be younger. The good news is that time is on their side so that they can take steps to improve long-term employability and retirement prospects,” said Collinson.

Retirement Preparations Require Reinforcements

In addition to relying on government and employer benefits for retirement income, physical workers in the U.S. and globally expect approximately 30 percent of their retirement income to come from personal savings and investments. Therefore, it is imperative that they consistently save throughout their working careers. In the U.S., almost half (47 percent) of physical workers are habitual savers who always make sure they are saving for retirement. Globally, only 35 percent are habitual savers.

Physical workers in the U.S. are also more likely to be planning for retirement, although the survey findings underscore an opportunity for improvement among all. In the U.S., 28 percent have a written retirement strategy (19 percent global) and 46 percent have a plan but it is not written down (45 percent global). Twenty-two percent of physical workers in the U.S. do not have a retirement strategy at all (33 percent global).

In the U.S. and globally, physical workers expect to retire at age 65 (median) and approximately three in 10 expect to fully retire after age 65 (28 percent U.S., 29 percent global). However, the survey findings reveal it may be easier said than done. Only 18 percent of physical workers are currently age 55 or older (U.S. and global). Even fewer are currently age 65 or older (6 percent U.S., 5 percent global), suggesting that as they grow older, they are either shifting into jobs that are less physically demanding or leaving the workforce.

How Physical Workers Can Improve Their Retirement Prospects

Physical workers can improve their retirement prospects by saving, investing and planning, identifying alternative career paths to remain in the workforce, and safeguarding their health. Three recommendations include:

1. **Get into the habit of saving and learn about retirement investing.** Take advantage of the planning tools and resources offered as part of employer-sponsored retirement benefits. Estimate retirement savings goals and set forth a long-term financial plan for achieving them. Seek assistance from a professional financial advisor, if needed.
2. **Identify opportunities to transition from physically demanding to less physically demanding work** as you grow older – and stay on top of new technologies, automation, and robotics that could disrupt your occupation. Keep abreast of the job market and employers’ needs. Seek out training and professional development to learn new skills that can help you remain in the workforce until you are ready to retire.
3. **Protect yourself against preventable illness or injuries** that could undermine your ability to perform physically demanding work – and help you stay on the job longer. Eat healthfully, exercise regularly, get plenty of rest, manage stress, and be sure to get routine physicals and health screenings. Make sure to have a contingency plan, such as disability insurance, in the event that you are unable to continue working.

“Workers in physically demanding jobs can do more to prepare themselves for longer working lives and retirement,” said Collinson. “From a societal perspective, employers also play a critical role by providing retirement benefits and by offering pathways from physical to non-physical work with the necessary training to pursue them. Policymakers can pave the way for change, especially in areas in which incentives or reforms may be needed.”

The Unique Retirement Challenges of Workers in Physically Demanding Jobs contains in-depth analysis, comparisons with non-physical workers, country fact sheets, and detailed recommendations. The report is based on findings from the 7th Annual Aegon Retirement Readiness Survey, which is based on a survey of 16,000 respondents including 4,800 physical workers in 15 countries: Australia, Brazil, Canada, China, France, Germany, Hungary, India, Japan, the Netherlands, Poland, Spain, Turkey, United Kingdom, and United States. The online survey was conducted in respondents’ native languages between January 29 and March 30, 2018.

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