



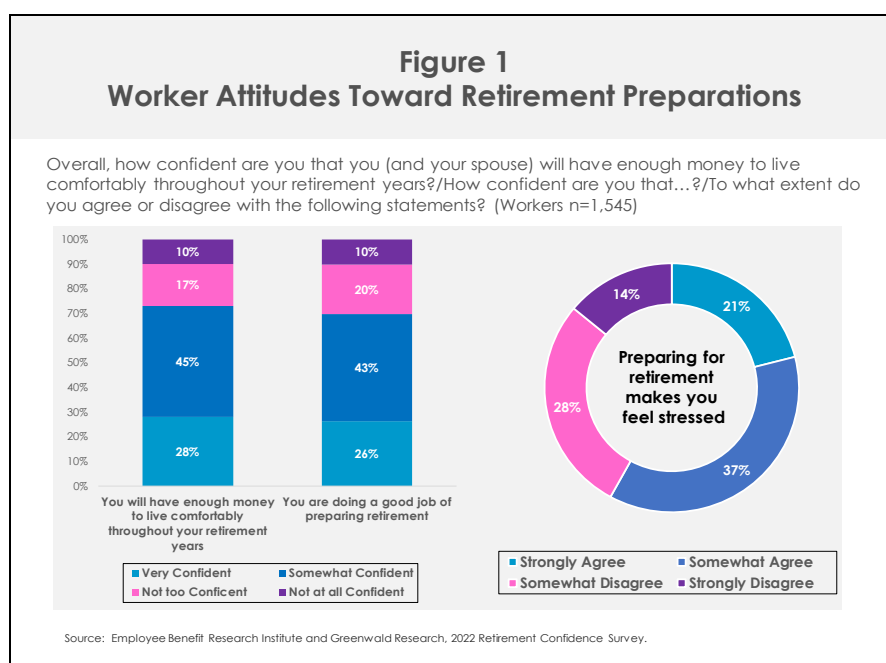
2022 RCS FACT SHEET #3

Preparing For Retirement In America

Less than one-third of American workers feel very confident about their ability to afford a comfortable retirement. For some, preparing for retirement causes stress. What are they doing to prepare for retirement?

Stress About Retirement Preparations

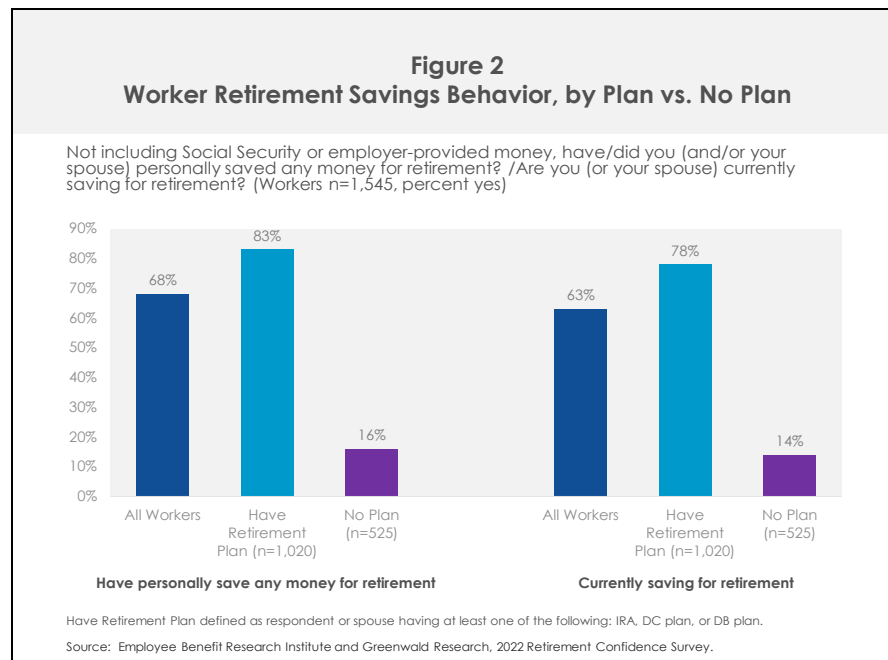
Nearly three-quarters (73 percent) of American workers feel confident in their ability to live comfortably in retirement, though 28 percent feel very confident. Similarly, 26 percent of workers feel very confident that they are doing a good job preparing for retirement, and another 43 percent feel somewhat confident. At the same time, 6 in 10 workers (58 percent) report that they either strongly or somewhat agree with the statement that preparing for retirement makes them feel stressed (Figure 1).



Saving For Retirement

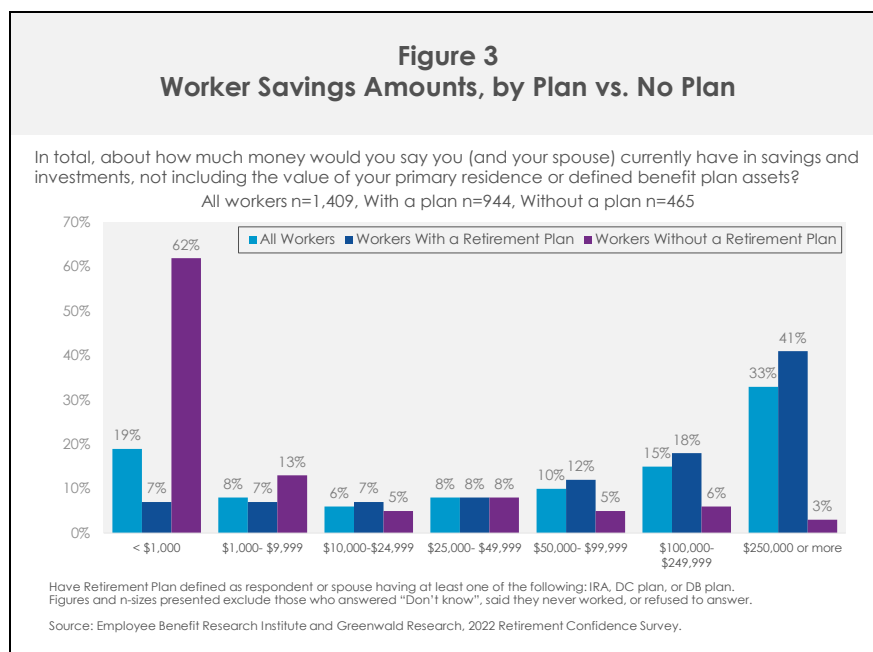
Two-thirds of workers (68 percent) in the 2022 Retirement Confidence Survey (RCS) report that they or their spouse have saved any money for retirement. Nearly as many (63 percent) report that they are currently saving for retirement.

Workers who have any retirement plan are dramatically more likely than those who do not have such a plan to report they or their spouse have saved any money for retirement (83 percent vs. 16 percent) and to say they or their spouse are currently saving for retirement (78 percent vs. 14 percent among those without a plan) (Figure 2).



How Large Is Their Nest Egg?

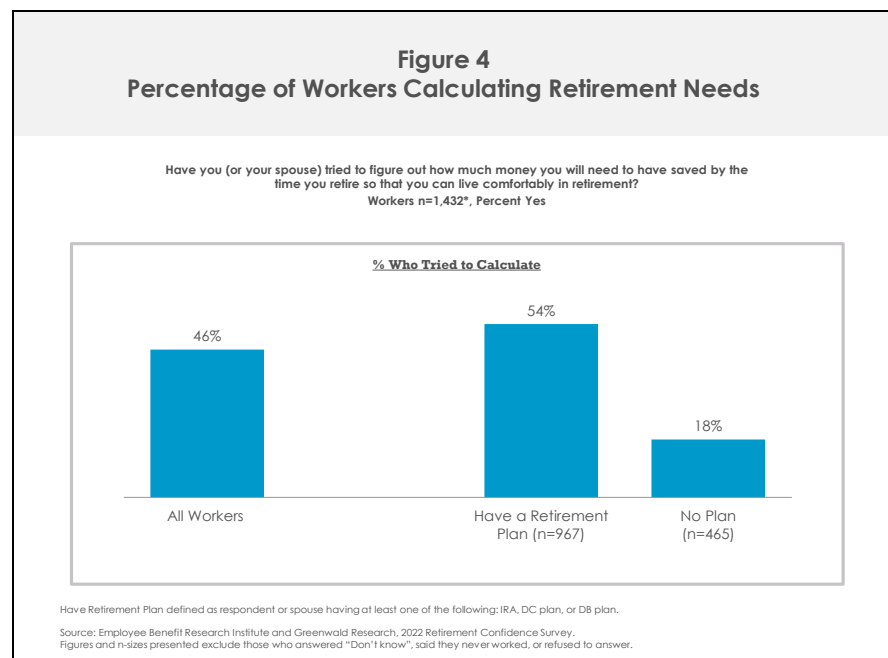
A sizable percentage of workers say they have very little or no money in savings and investments. Among RCS workers providing this type of information, 34 percent report that the total value of their savings and investments, excluding the value of their primary home, is less than \$25,000 (Figure 3). This includes 19 percent who say they have less than \$1,000 in savings. Eight percent report totals of \$25,000–\$49,999, 10 percent \$50,000–\$99,999, 15 percent \$100,000–\$249,999, and 33 percent \$250,000 or more.



Workers who have a retirement plan have significantly more in savings and investments than do those without a plan. Nearly two-thirds of workers without a retirement plan (62 percent) report having less than \$1,000 in savings and investments, compared with just 7 percent among workers with a retirement plan.

Have They Tried to Figure out How Much They Need?

Nearly half of workers (46 percent) report they and/or their spouse have tried to calculate how much money they will need to have saved so that they can live comfortably in retirement. Workers reporting that they or their spouse participate in a retirement plan are significantly more likely than those who do not participate in such a plan to have tried a calculation (54 percent vs. 18 percent) (Figure 4).

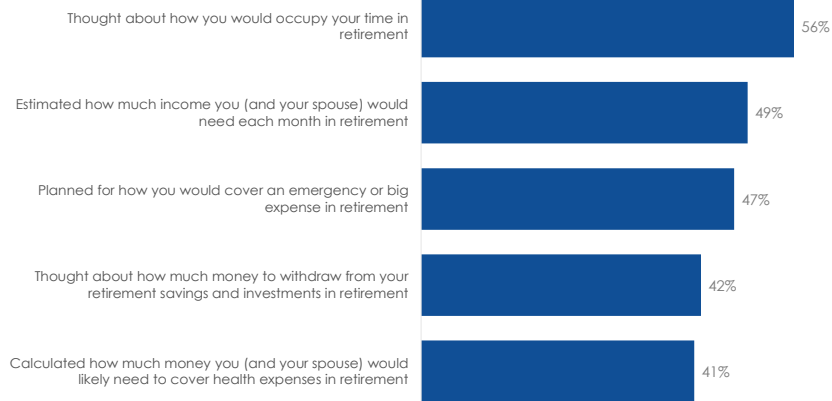


What Other Steps Have They Taken?

Many workers report they have taken other steps to prepare for retirement. These include 49 percent who reported they estimated how much income they would need each month in retirement and 47 percent who planned for an emergency expense in retirement. Around 4 in 10 workers have thought about how much money to withdraw from their retirement savings and investments in retirement (42 percent) and calculated how much they would likely need for retirement health expenses (41 percent). Nearly 6 in 10 workers (56 percent) report they have thought about how they would occupy their time in retirement (Figure 5).

Figure 5
Other Steps Taken to Prepare for Retirement

To prepare for retirement, have you (or your spouse)...? (Workers n=1,545, percent yes)

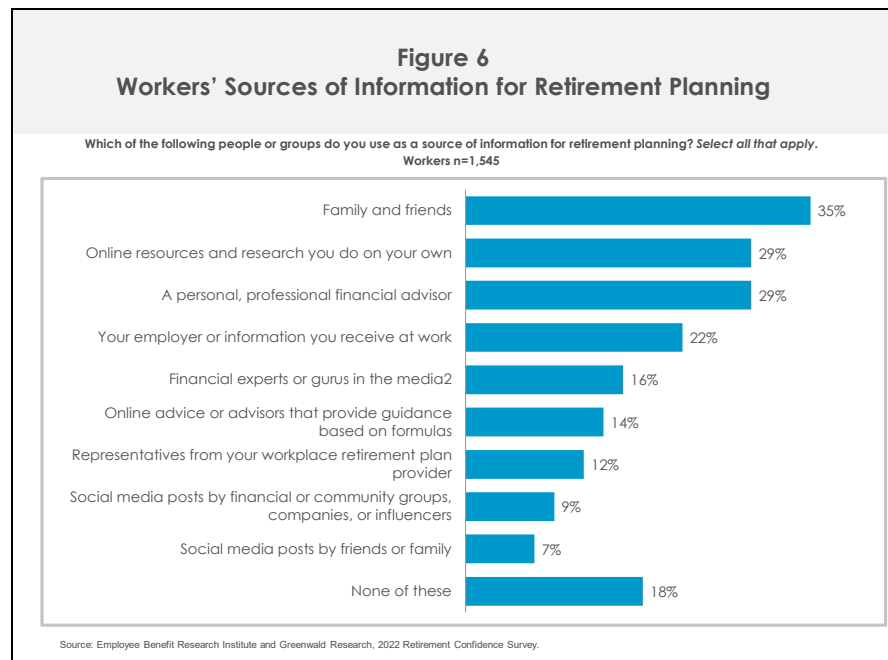


Source: Employee Benefit Research Institute and Greenwald Research, 2022 Retirement Confidence Survey.

Financial Advice

One-third of workers (33 percent) report that they (and their spouse) are currently working with a professional financial advisor or representative. In addition, a greater share (45 percent) expects to work with a professional financial advisor or representative if they are not currently working with one.

While professional advisors (29 percent) are one of the most used sources of information for retirement planning, workers use many different sources of information, including family and friends (35 percent), online resources and research they do on their own (29 percent), their employer or information from their work (22 percent), financial experts or gurus in the media (16 percent), online advice or advisors that provide guidance based on formulas (14 percent), and representatives from their workplace retirement plan provider (12 percent). However, 18 percent of workers say they use none of the sources offered (Figure 6).



When asking which source of information they trust the most, a personal, professional financial advisor is cited by 22 percent of workers. The next highest is 18 percent who say family and friends and 14 percent who say online resources and research they do on their own are the most trusted. Their employer or information they receive at work (8 percent) and representatives from their workplace retirement plan provider (5 percent) are less likely to be cited as the most trusted source.

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