

## 2022 Spending in Retirement Survey: Understanding the Pandemic's Impact

By Bridget Bearden, Ph.D., Employee Benefit Research Institute

---

### AT A GLANCE

The second Spending in Retirement Survey was fielded during the summer of 2022. Nearly 2,000 American retirees between the ages of 62 and 75 were surveyed to assess how spending patterns and retirement well-being have changed since 2020.

Some of the key findings include:

- Overall, more than half retired earlier than expected. The most common reasons for retirement were the ability to retire from an affordability standpoint (29 percent) and having a health problem or disability not related to COVID-19 (21 percent).
- Similar to 2020, 7 in 10 said Social Security is a major source of their income.
- Approximately half of retirees said they spend less than \$2,000 each month, while 1 in 3 spend between \$2,000 and \$3,999 each month. Sixteen percent spend between \$4,000 and \$6,999, with only 3 percent spending \$7,000 or more each month.
- On average, retirees reported that nearly a third of their monthly income goes towards housing expenses. The second largest reported expenditure was food.
- Retirees were more likely to report that their spending is much higher or a little higher they can afford in 2022 (17 percent in 2020 vs 27 percent in 2022). Black and Hispanic retirees, as well as those in the lower annual household income brackets and those with poor self-reported health status, indicated their spending is higher than they can afford.
- Among those who decreased either their essential or discretionary spending since the pandemic, the most common reason cited by roughly 9 out of 10 retirees was concern about inflation.
- Overall, approximately 7 in 10 retirees said they have three months of emergency savings. Black and Hispanic retirees, those in lower annual household income segments, those with low financial knowledge, and those with poor self-reported health status were less likely to report they have three months of emergency savings set aside.
- On average, retirees rate their satisfaction in retirement as 7.0 in 2022, compared with 7.4 in 2020 (on a scale of 1 to 10). Similarly, retirees rated their alignment of life in retirement with expectations with an average 6.4 in 2022, down from an average of 6.8 in 2020.
- Retiree segments who reported lower senses of well-being across the measures of standard of living, alignment, and satisfaction included those without defined benefit or other annuity income, those with low financial knowledge, those not using a financial advisor, those who are not married, and those who are female.

EBRI was able to fund the development of this research thanks to generous support from EBRI's Retirement Security Research Center, Alliance for Lifetime Income, LGIMA, and Edelman Financial Engines.

Bridget Bearden is Research & Development Strategist at the Employee Benefit Research Institute (EBRI). This *Issue Brief* was written with assistance from the Institute’s research and editorial staffs. Any views expressed in this report are those of the author and should not be ascribed to the officers, trustees, or other sponsors of EBRI, Employee Benefit Research Institute-Education and Research Fund (EBRI-ERF), or their staffs. Neither EBRI nor EBRI-ERF lobbies or takes positions on specific policy proposals. EBRI invites comment on this research.

**Suggested Citation:** Bearden, Bridget, “2022 Spending in Retirement Survey: Understanding the Pandemic’s Impact,” *EBRI Issue Brief*, no. 572 (Employee Benefit Research Institute, October 6, 2022).

**Copyright Information:** This report is copyrighted by the Employee Benefit Research Institute (EBRI). You may copy, print, or download this report solely for personal and noncommercial use, provided that all hard copies retain any and all copyright and other applicable notices contained therein, and you may cite or quote small portions of the report provided that you do so verbatim and with proper citation. Any use beyond the scope of the foregoing requires EBRI’s prior express permission. For permissions, please contact EBRI at [permissions@ebri.org](mailto:permissions@ebri.org).

**Report Availability:** This report is available on the internet at [www.ebri.org](http://www.ebri.org)

## Table of Contents

Introduction .....	4
About This Survey .....	4
Description of Sample .....	4
Retirement Transition .....	6
Sources of Information on Retirement Income.....	6
Financial Situation in Retirement.....	7
Sources of Retirement Income.....	10
Spending in Retirement.....	13
Financial Preparedness.....	21
Satisfaction in Retirement .....	22
Conclusion .....	24
Endnotes .....	24

## Figures

Figure 1, Survey Sample, Key Demographics .....	5
Figure 2, Primary Sources of Information for Transition to Retirement.....	6
Figure 3, Awareness of Income Strategies Upon Retirement Transition.....	7
Figure 4, Experience Working After Retiring From Primary Career .....	8
Figure 5, Reasons for Working After Retiring From Primary Career .....	8
Figure 6, Types of Debt Outstanding.....	9
Figure 7, Description of Debt Manageability.....	10
Figure 8, Sources of Retirement Income.....	11
Figure 9, Are You Taking the Required Minimum Distribution? .....	12

Figure 10, Most Important Features in a Retirement Income Strategy .....	13
Figure 11, Distribution of Retirees by Monthly Spending .....	13
Figure 12, To What Extent Do You Stick to a Monthly Spending Plan? .....	14
Figure 13, Average Monthly Spending by Expenses .....	14
Figure 14, When Your Investments Lose Value to Market Loss or Do Not Produce as Much Income Due to Lower Interest Rates, Do You Tend To...? .....	15
Figure 15, Do You Feel Your Current Spending Level Is...? .....	16
Figure 16, Level of Difficulty Assessing Budget.....	16
Figure 17, Perception of the Amount Saved for Retirement.....	17
Figure 18, Asset Spend-Down Intentions .....	17
Figure 19, Reasons for Not Spending Down .....	18
Figure 20, Reasons for Spending Down .....	18
Figure 21, Retirement Spending: Alignment With Preretirement Expectations.....	19
Figure 22, Spending Changes Since the Pandemic.....	20
Figure 23, Reasons for Reduced Spending Since Pandemic .....	20
Figure 24, Life Expectancy .....	21
Figure 25, Financially Prepared for Possibility of Needing Monthly Income Through Age 90 .....	22
Figure 26, Current Standard of Living Compared With During Working Years .....	22
Figure 27, Alignment Between Current Life in Retirement and Expectations .....	23
Figure 28, Satisfaction With Life in Retirement.....	23

# Spending in Retirement 2022

By Bridget Bearden, Ph.D., Employee Benefit Research Institute

## Introduction

The Spending in Retirement Survey was fielded during the summer of 2022. This second iteration of this survey sought to understand retirees' expectations leading into retirement and realities of retirement, including their financial situation, trusted information sources, and overall satisfaction with life in retirement. Like EBRI's Retiree Reflections Survey fielded in 2022, this survey was fielded post-COVID-pandemic during a time of market and economic challenges including high inflation and recessionary fears.

### About This Survey

Respondents qualified for this survey if they were ages 62–75 and considered themselves “retired, not working” or “retired, working part time,” or they had an active labor market status but considered themselves retired from a primary career. The survey sought to understand current financial situation, income sources, sources of information, and retirement goals and satisfaction.

Overall data are reported on a weighted basis, based on race/ethnicity, income, and gender. The survey included an oversample of 396 Black and 400 Hispanic Americans. Unless otherwise indicated, data represent a weighted sample size of 1,998. At 95 percent confidence, the margin of error is 2.2 percent in a similarly sized random sample. Please note percentages in the following tables and charts may not total to 100 due to rounding and/or missing categories.

## Description of Sample

The sample of 1,998 included American retirees between the ages of 62 and 75, inclusive. The majority of the retirees surveyed were in their 60s (Figure 1). The average birth year for the sample was 1955, reflecting an average age of 66 for year-end 2021. Median birth year and age were similar at 1956 and 65 years, respectively, as of year-end 2021. Survey respondents were 45 percent male and 55 percent female. Over half (56 percent) reported being married or living with a partner, and 44 percent reported being divorced, separated, or widowed.

Financial assets are defined as the sum of liquid assets, including the value of stocks and mutual funds; checking, savings, and money market accounts; certificates of deposit (CDs), government savings bonds, Treasury bills, and bonds and bond funds; and other savings. In terms of current financial assets, 39 percent of the sample had less than \$75,000; 34 percent had \$75,000 to \$499,999; and 27 percent had \$500,000 or more. The average value of current financial assets was \$532,000, while the median was \$146,000. The median number of years in retirement was seven.

Approximately 8 in 10 (80 percent) retirees surveyed were White, while 50 percent reported to have a college degree or higher. The majority (83 percent) have never served in the military.

**Figure 1**  
**Survey Sample, Key Demographics**

<b>Age</b>	
62–64	22%
65–69	41%
70–71	14%
>=72	24%
<b>Gender</b>	
Male	45%
Female	55%
<b>Marital Status</b>	
Married	53%
Not married, living with a partner	3%
Divorced or separated	20%
Widowed	13%
Single, never married	10%
<b>Current Financial Assets</b>	
Less than \$25,000	22%
\$25,000–\$74,999	17%
\$75,000–\$249,999	20%
\$250,000–\$499,999	14%
\$500,000–\$1,999,999	23%
\$2,000,000 or more	4%
<b>Race</b>	
White	80%
Nonwhite	20%
<b>Education Level</b>	
High school graduate	15%
Some college/trade or business school	35%
College graduate (4-year degree)	30%
Graduate degree or higher	20%
<b>Military Status</b>	
Never served in military	83%
On active duty in the past, but not now	15%

Note: n=1,998.

Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

## Retirement Transition

Overall, more than half (55 percent) retired earlier than expected, while 40 percent said they retired about when they expected and 4 percent later than expected. Black retirees (62 percent), those with 2021 household incomes below \$30,000 (69 percent), and those with a poor self-reported health status (78 percent) were more likely to report they retired earlier than expected as compared with their non-Black, higher-income, and healthier counterparts.

The most common reasons for retirement were the ability to retire from an affordability standpoint (29 percent) and having a health problem or disability not related to COVID-19 (21 percent). Black and Hispanic retirees were more likely to report health problems as the reason for retiring, at approximately 30 percent.

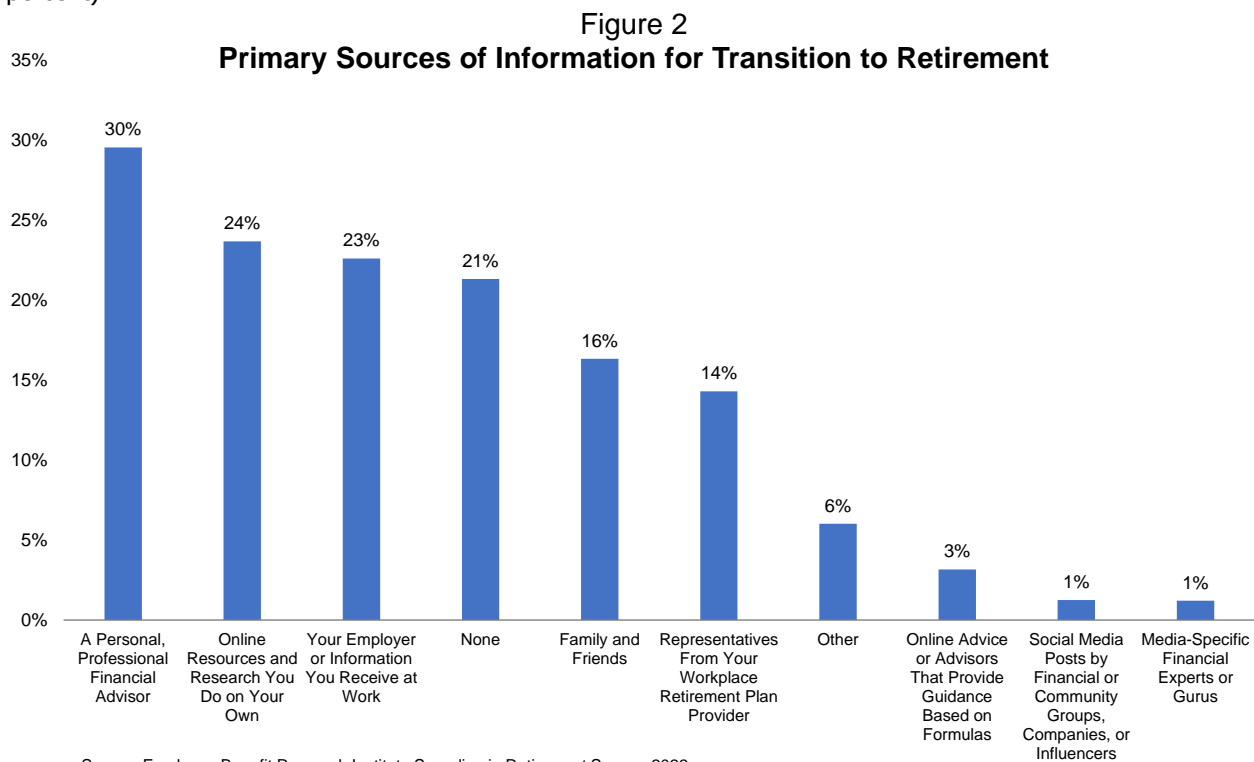
Black and Hispanic retirees were each more than twice as likely to report starting their retirement with less than \$25,000 in assets compared with the overall sample's 16 percent. The differences become more pronounced when looking at current assets in retirement, where 46 percent of Black retirees and 43 percent of Hispanic retirees reported currently having less than \$25,000 in current financial assets, compared with 22 percent for the overall sample.

Nearly half (47 percent) of retirees do not do volunteer work and are not considering it. One in three (32 percent) are considering it, and another 21 percent say they do volunteer work part or full time. Those with strong self-reported health status, those with high satisfaction in retirement (8, 9, or 10 on a scale of 1–10), and those working with a financial advisor were more likely to do volunteer work.

Among the 53 percent of married retirees, 76 percent reported that their spouse was retired for a median of 9 years. The most commonly cited reasons for spousal retirement mirrored those of the larger population: they could afford to retire (31 percent) and they had a health problem or disability not related to COVID-19 (20 percent).

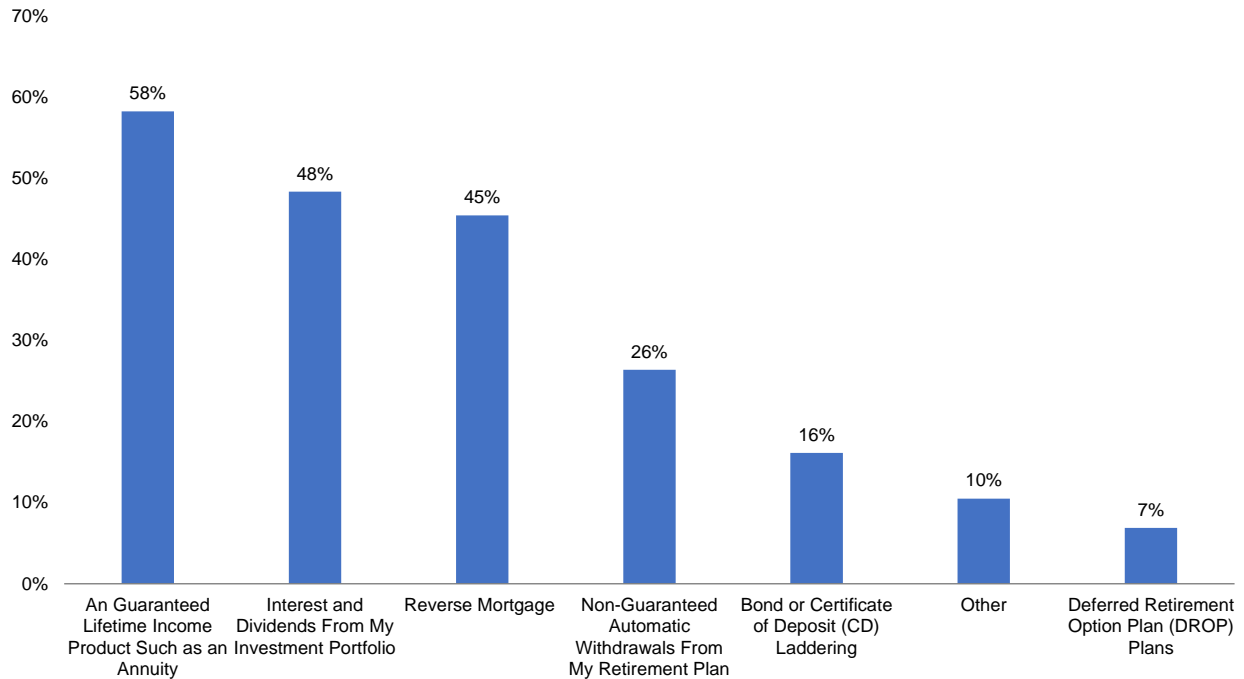
## Sources of Information on Retirement Income

The most reported sources of information on transitioning to retirement included a personal, professional financial advisor (30 percent); online resources and research (24 percent); and a prior employer (23 percent) (Figure 2). Black retirees were more likely to report relying on their employer (32 percent) and less likely to rely on a financial advisor (16 percent).



Reliance on a financial advisor for information on transitioning to retirement increased with household income, where 42 percent of retirees with greater than \$100,000 in annual household income reported relying on a financial advisor, compared with 17 percent of those with less than \$30,000 in annual household income.

Figure 3  
**Awareness of Income Strategies Upon Retirement Transition**



Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

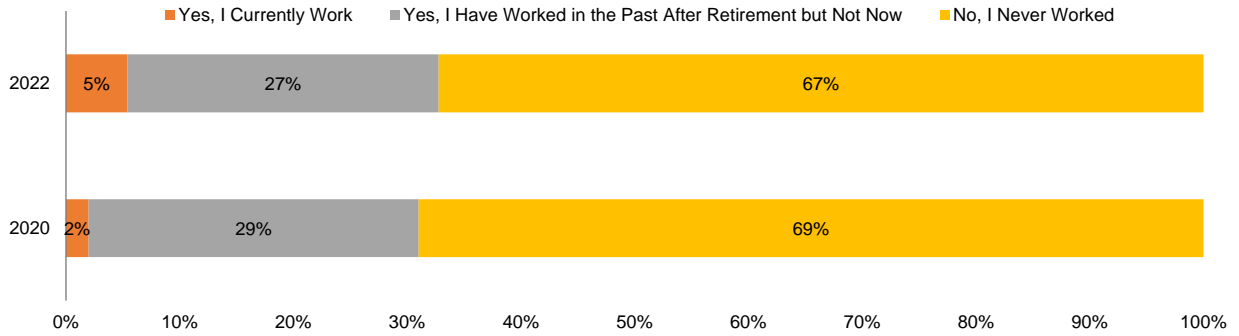
At time of transition to retirement, over half (57 percent) were aware of annuities (Figure 3). Approximately 48 percent were aware of interest and dividends from an investment portfolio as an income strategy, and 45 percent were aware of reverse mortgages. Awareness of income strategies appears to be correlated with race, gender, and income, where non-Black, non-Hispanic, male, and higher-household-income retirees were more aware of various retirement income strategies. The most cited source of awareness on these strategies was a financial advisor (reported by 26 percent overall), which is again related to annual household income and other demographics. At the same time, 1 in 5 (20 percent) were unsure how they became aware of the retirement income strategy.

Overall, 36 percent of retirees said they are currently working with a financial advice professional. Black retirees were less likely to report working with a financial advisor (17 percent), as were Hispanic retirees (27 percent), not-married retirees (28 percent), and those in lower annual household income segments. Among those who use a financial advisor, 70 percent said the advisor was their primary source of information on transition to retirement.

### Financial Situation in Retirement

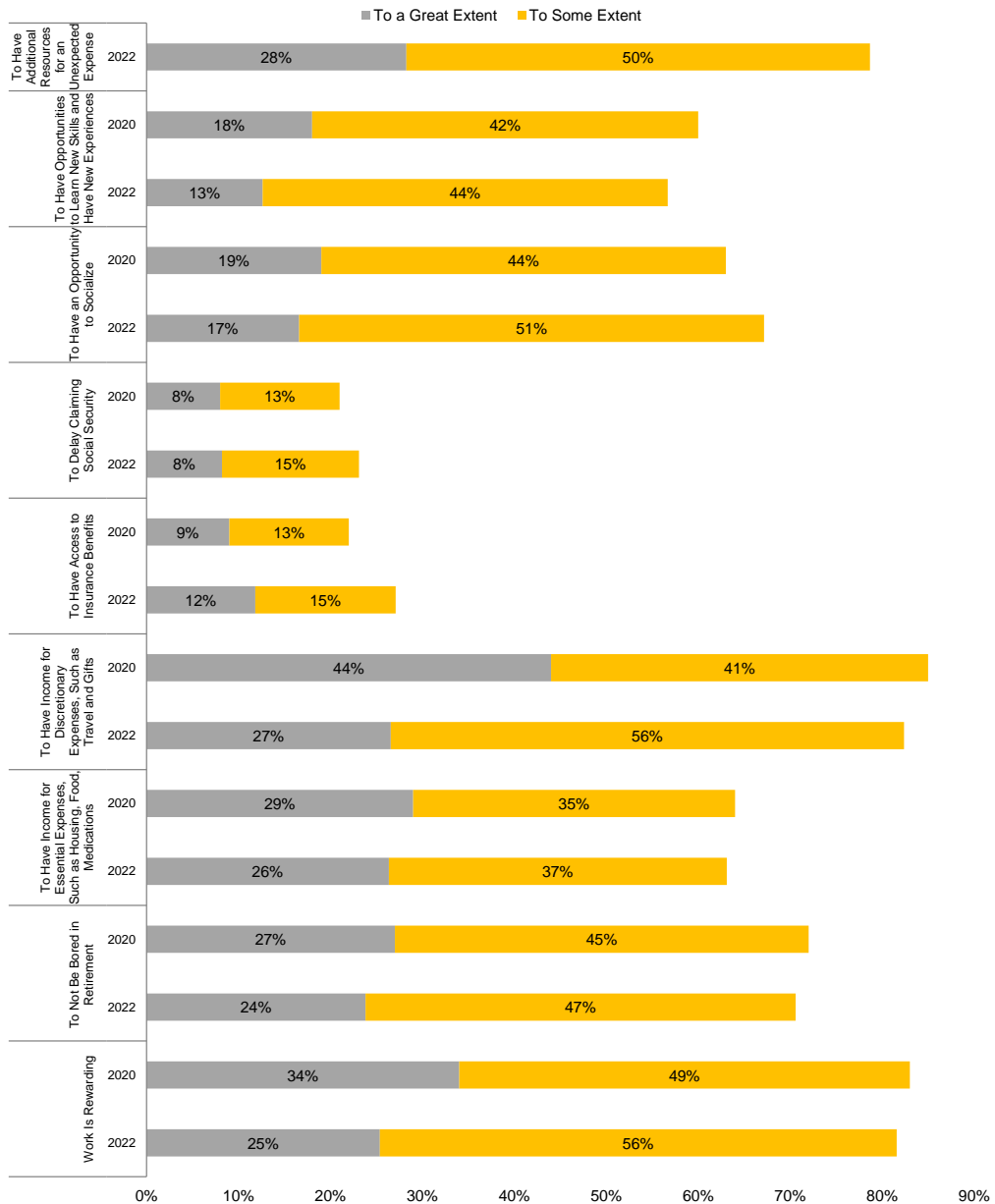
Overall, 1 in 3 (32 percent) have experience working after being retired from a primary career, similar to what retirees reported in 2020 (Figure 4). Black retirees (41 percent) were more likely to have worked after being retired from their primary career. The top three reasons for working beyond retirement included provides additional income for discretionary expenses, such as travel and gifts; work is rewarding; and to have additional resources for an unexpected expense (Figure 5).<sup>1</sup> While retirees did not indicate that having an opportunity to socialize drove their return to work in retirement to a great extent, it was one of the most common factors having some impact.

**Figure 4**  
**Experience Working After Retiring From Primary Career**



Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

**Figure 5**  
**Reasons for Working After Retiring From Primary Career**

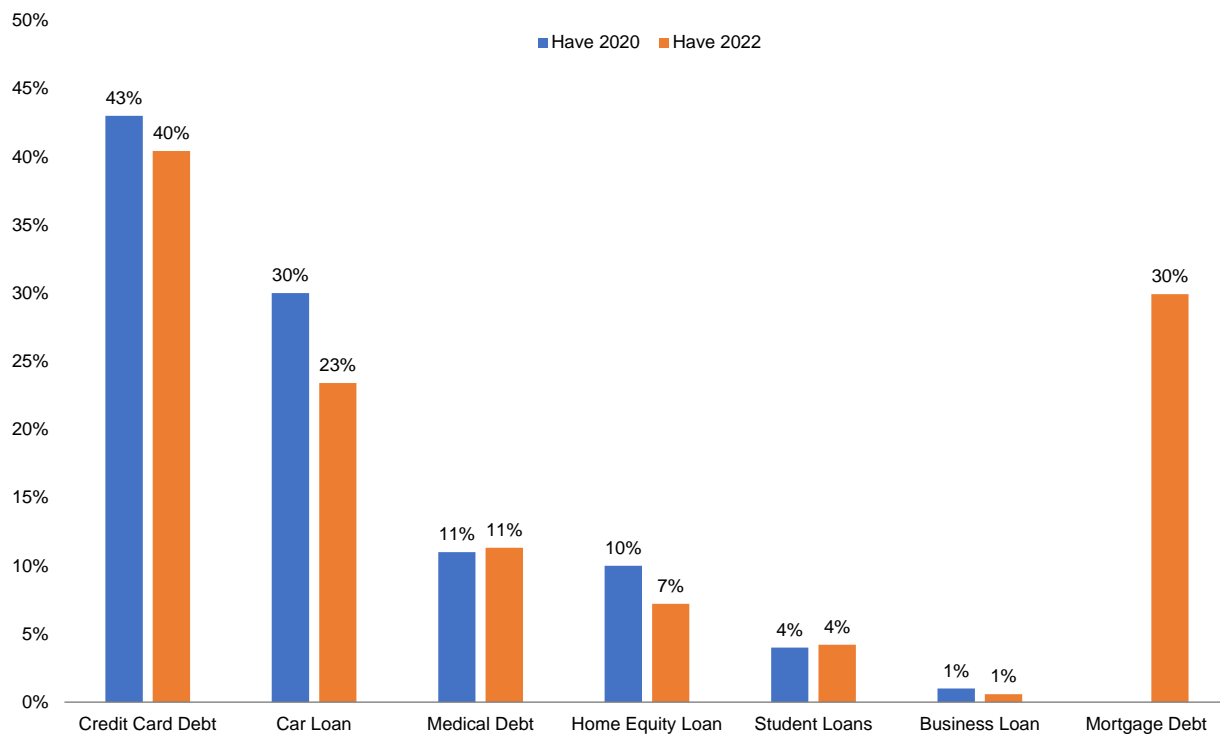


N=655  
 Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.



The most common types of debt outstanding among retirees included credit cards (40 percent), mortgages<sup>2</sup> (30 percent), and car loans (23 percent) (Figure 6). Overall, 11 percent reported having medical debt outstanding. Black and Hispanic retirees were more likely to report credit card debt (60 percent and 58 percent, respectively) as well as medical debt (25 percent and 21 percent, respectively).

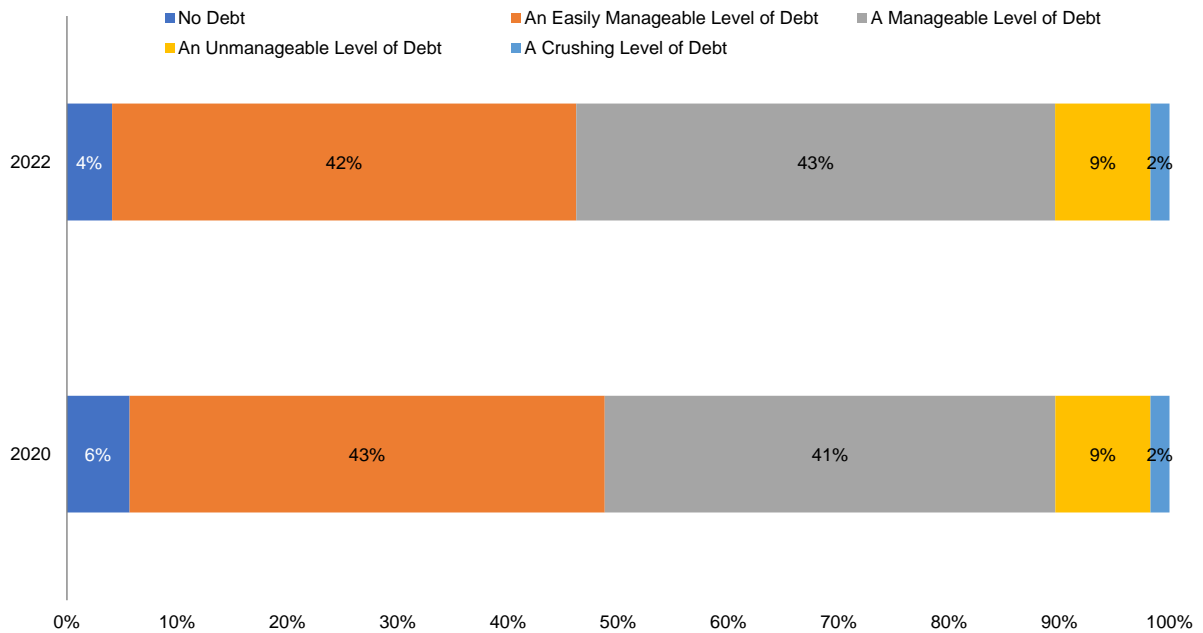
Figure 6  
Types of Debt Outstanding



Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

Among those who had debt, description of the manageability of personal debt was similar to 2020. 46 percent of retirees with debt reported an easily manageable level of debt or no debt, 43 percent reported a manageable level of debt, and 11 percent reported an unmanageable or crushing level of debt. Retirees that were dissatisfied with their retirement (rating 1, 2, or 3 on a scale of 1–10 for satisfaction) were 2.6 times as likely (29 percent) to report unmanageable or crushing debt. Retirees who claimed to have low financial knowledge were nearly twice as likely to report high debt levels (21 percent), as were Black retirees (20 percent).

Figure 7  
Description of Debt Manageability



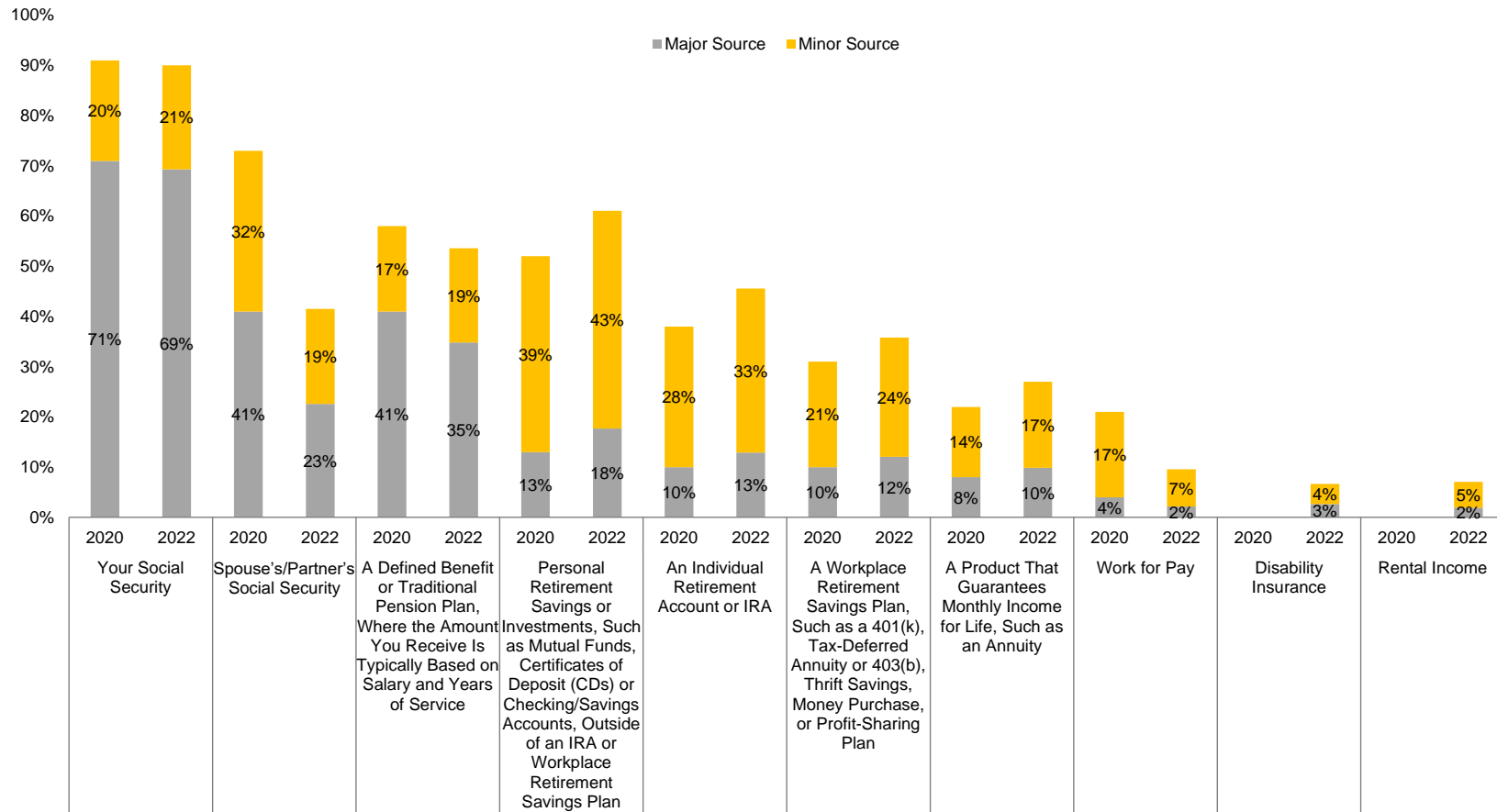
N=1,294  
Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

Relative to their housing situation, 46 percent reported owning their home free and clear, while 30 percent reported living in a home with an outstanding mortgage, 20 percent reported that they were renting, and 4 percent reported living with family or in another situation. Regarding insurance, most (75 percent) received health insurance through Medicare, and 21 percent claimed to have a long-term-care insurance. The 25 percent without Medicare most commonly reported having health insurance through their former employer (8 percent), the health insurance marketplace (5 percent), the Veteran’s Administration (4 percent), their spouse’s employer (3 percent), or something else (5 percent).

### Sources of Retirement Income

Similar to 2020, 7 in 10 said Social Security is a major source of income (Figure 8). Annual household income was positively related to reliance on Social Security as a major income source, where 82 percent of retirees with less than \$30,000 in annual household income said Social Security is a major income source, as opposed to 45 percent of retirees with greater than \$100,000 in annual household income. Additionally, those who are dissatisfied with retirement and those with poor self-reported health status (a score of 1, 2, or 3 on a scale of 1–10) are more likely to rely on Social Security as a major source of income (85 percent and 83 percent, respectively).

Figure 8  
Sources of Retirement Income



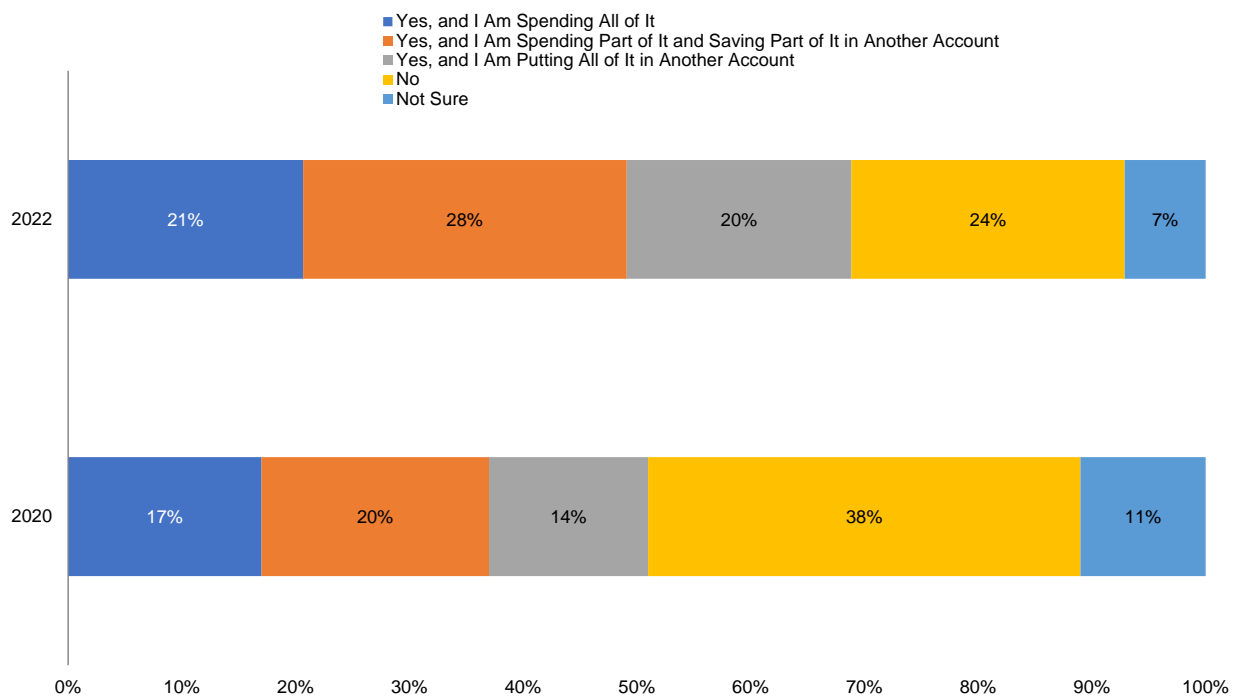
Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

Median Social Security claiming age was 63 overall and 62 for Black retirees, Hispanic retirees, those with less than \$30,000 in annual household income, and those with poor self-reported health status. Retirees living in households with incomes of \$80,000 or more reported a median Social Security claiming age of 64.

Relating to employer-sponsored defined benefit retirement plans, 35 percent of retirees said they are a major source of income, 19 percent said they are a minor source of income, and 46 percent said these plan types are not a retirement income source. Married retirees and those with higher annual incomes were more likely to report defined benefit plans as being a major source of income in retirement. In 2022, fewer retirees reported that a defined benefit or traditional pension plan was a major source of income (35 percent), compared with 2020 (41 percent). Regarding employer-sponsored defined contribution retirement plans, 36 percent reported they are a major or minor source of income, while more than half (64 percent) said they are not a source of retirement income.

More retirees said personal retirement savings or investments outside of an individual retirement account (IRA) or workplace retirement savings plan was a source of income in 2022 (61 percent) as compared with 2020 (52 percent). Another 46 percent of retirees said an IRA is a source of income. Approximately 18 percent of the sample was retirees aged 72 and older with income sources from tax-deferred savings accounts. Of these retirees, 31 percent said they were not taking a required minimum distribution (RMD) or were not sure, marking an improvement from 2020 where 49 percent of those eligible for the question were not sure (at a time when the RMD age was 70.5). Of the 69 percent who were aware of their RMD activity, the activity was distributed among spending and saving.

Figure 9  
Are You Taking the Required Minimum Distribution?



N=363  
Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

Fewer than 1 in 10 (7 percent) overall reported disability income<sup>3</sup> as a major or minor source of retirement income, yet 18 percent of Black retirees and 15 percent of Hispanic retirees indicated disability insurance was an income source.

Only 3 percent overall said they had plans to convert any current income sources into a guaranteed income stream, while 55 percent said they had no plans to and 15 percent were not sure. Hispanic retirees were more likely to say they are planning to convert to a guaranteed income at 7 percent.

When asked to order seven features in a retirement income strategy by importance, retirees ranked “provides access to money” and “guarantees an income stream for life” as the top two features. The bottom two features ranked were “Preserves money for an inheritance” and “provides an opportunity for growth” (Figure 10).

Figure 10 Most Important Features in a Retirement Income Strategy (Average rank)	
Provides Access to Money	2.4
Guarantees an Income Stream for Life	3.2
Keeps up With Inflation	3.3
Keeps Fees Low	3.6
Protects From Market Volatility	3.9
Provides an Opportunity for Growth	5.0
Preserves Money for an Inheritance	6.5

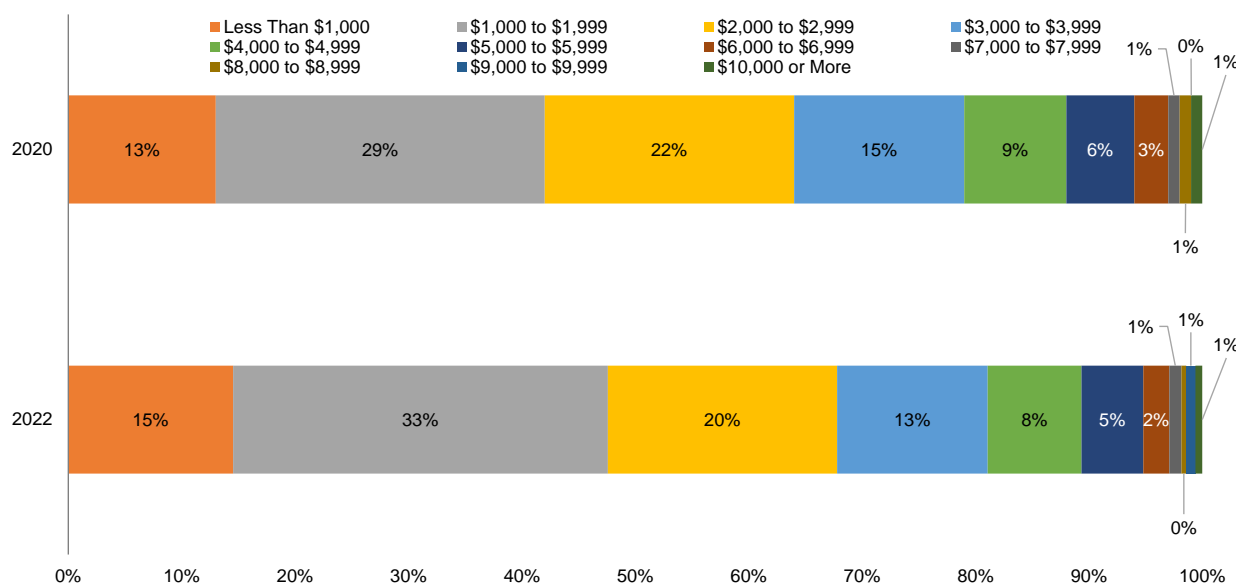
Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

### Spending in Retirement

Approximately half of retirees (48 percent) said they spend less than \$2,000 each month, while 1 in 3 (33 percent) said they spend between \$2,000 and \$3,999 each month (Figure 10). This marks an increase from 2020, when 42 percent of retirees spent less than \$2,000 each month and 37 percent spent between \$2,000 and \$3,999. Sixteen percent of retirees in this year’s survey said they spend between \$4,000 and \$6,999, and 3 percent said they spend more than \$7,000 each month. Black and Hispanic retirees were nearly twice as likely (28 percent and 26 percent, respectively) to report that their monthly spending was less than \$1,000 compared with the overall sample (15 percent).

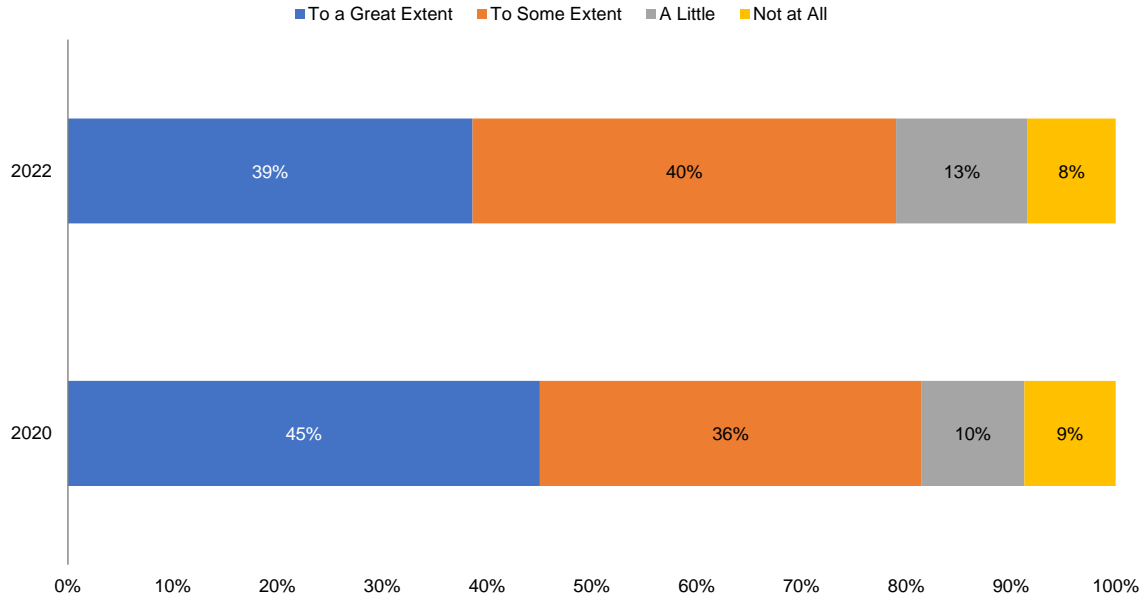
Consistent with 2020, about 4 in 5 (79 percent) said they try to stick to a monthly spending plan. Only 8 percent said they do not stick to a monthly spending plan at all. Lower-income retirees (those with less than \$30,000 in annual household income) were more likely to report that they stuck to a monthly spending plan to a great extent (48 percent) than the overall sample (39 percent) (Figure 11).

Figure 11  
Distribution of Retirees by Monthly Spending



Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

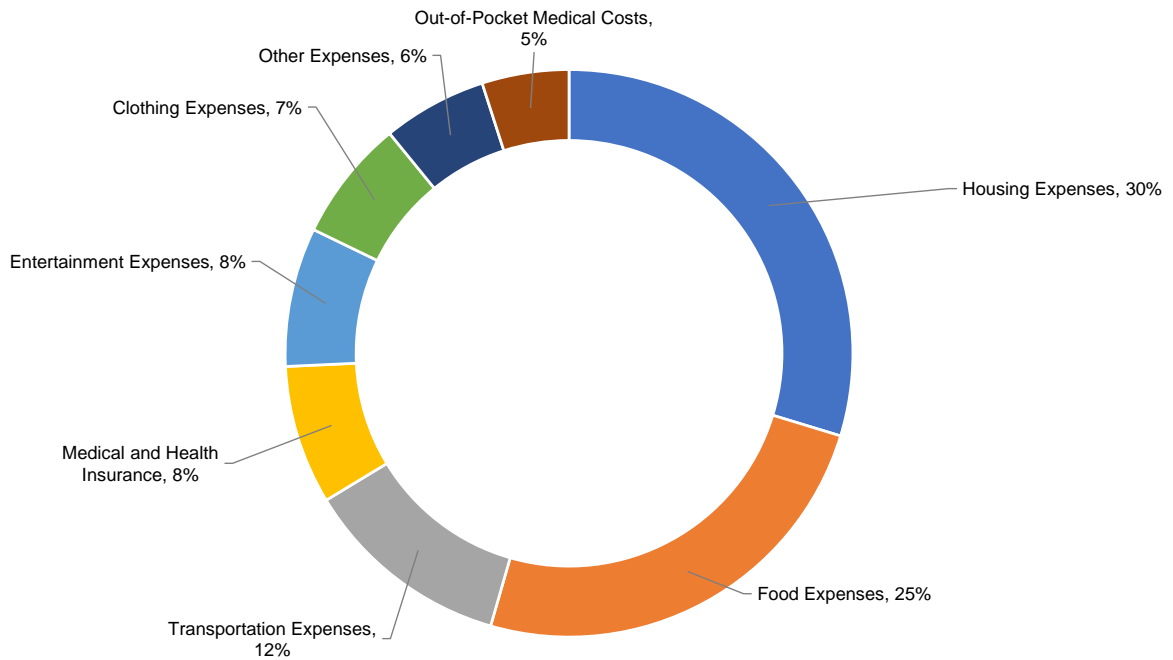
Figure 12  
**To What Extent Do You Stick to a Monthly Spending Plan?**



Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

On average, retirees reported 30 percent of their monthly income goes toward housing expenses (Figure 12). Housing expenses as a percent of monthly income were inversely related with annual household income, where retirees with less than \$30,000 of annual household income reported spending an average 36 percent, as opposed to retirees with greater than \$100,000 in annual household income who reported spending an average 26 percent. Those who are dissatisfied with retirement also reported spending more monthly income on housing expenses.

Figure 13  
**Average Monthly Spending by Expenses**

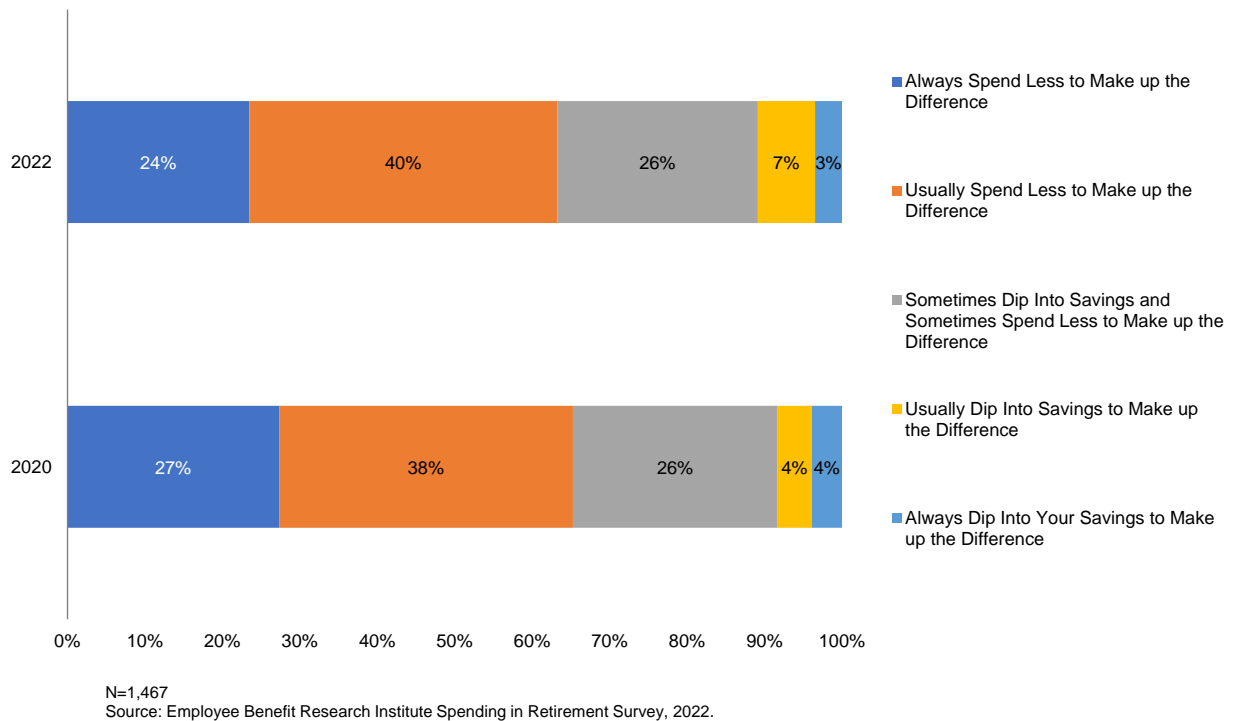


Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

In addition, retirees reported average monthly income expenditures of 26 percent spent on food, 12 percent on medical and health insurance and out-of-pocket medical costs, 11 percent on transportation expenses (including car payments, insurance, and gas), and 8 percent on entertainment. Other expenses and clothing accounted for approximately 12 percent of monthly spending.

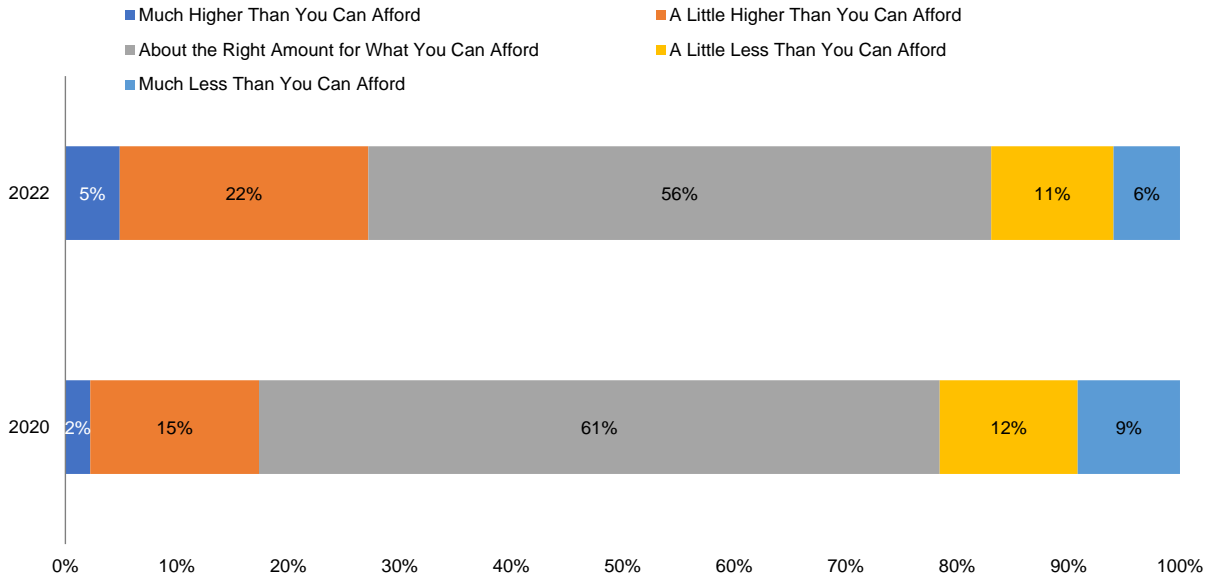
Among the 73 percent of retirees who had access to the stock market, approximately 1 in 4 (26 percent) retirees followed the stock market with a moderate or high frequency, and 1 in 5 (20 percent) followed the stock market occasionally. Along with this, 49 percent of retirees said that they always or usually add back to savings when their investments gain value from market returns or produce more income due to higher interest rates (Figure 13). In response to a similar question, asking about what happens when investments gain value, 46 percent said they usually or always spend less when their investments lose value due to market loss or do not produce as much income due to lower interest rates.

**Figure 14**  
**When Your Investments Lose Value to Market Loss or Do Not Produce as Much Income Due to Lower Interest Rates, Do You Tend To...?**



Retirees were more likely to report that their spending is much higher or a little higher they can afford in 2022 (17 percent in 2020 vs. 27 percent in 2022) (Figure 14). Black retirees, as well as those with lower annual household incomes and poor self-reported health status, indicated their spending is higher than they can afford. In addition, those with high debt, low reported financial knowledge, and dissatisfaction with retirement said spending is higher than they can afford.

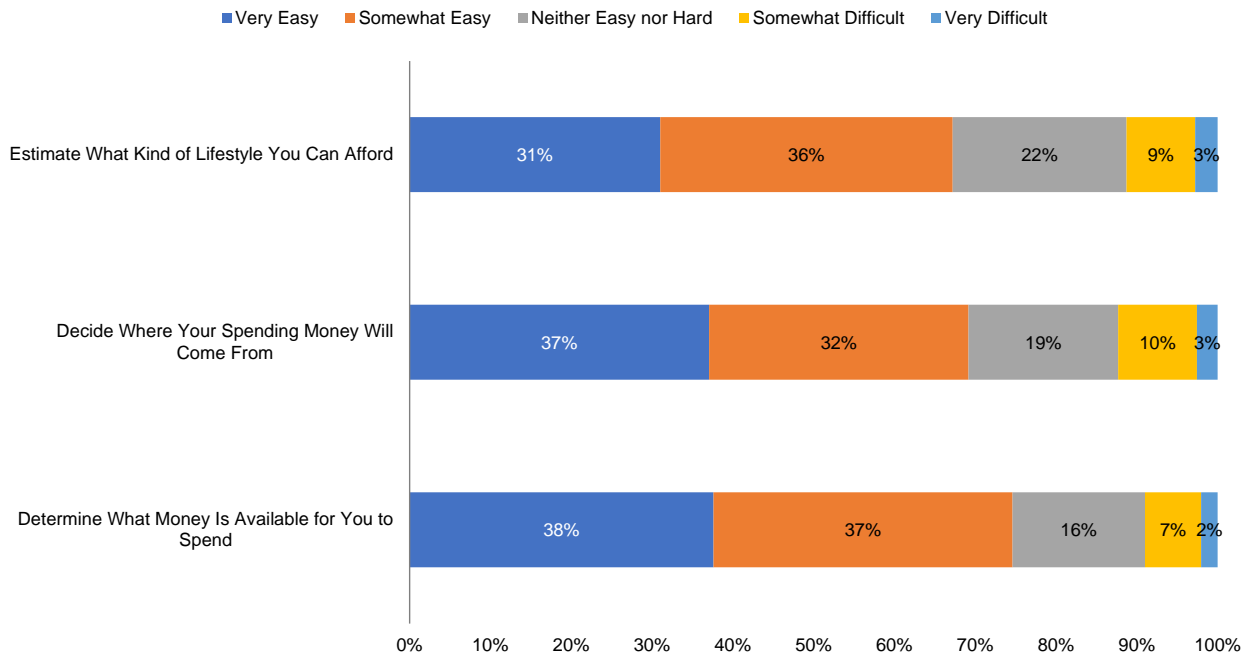
Figure 15  
Do You Feel Your Current Spending Level Is...?



Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

About 70 percent of retirees reported ease with making budgeting decisions, and another 19 percent said budgeting is neither easy nor hard. About 1 in 10 reported some difficulty in making budgeting decisions. In response to a separate question asking about the frequency of dipping into savings for purchases, the majority of retirees (67 percent) said they dip into savings and investments to supplement monthly income to purchase things.

Figure 16  
Level of Difficulty Assessing Budget

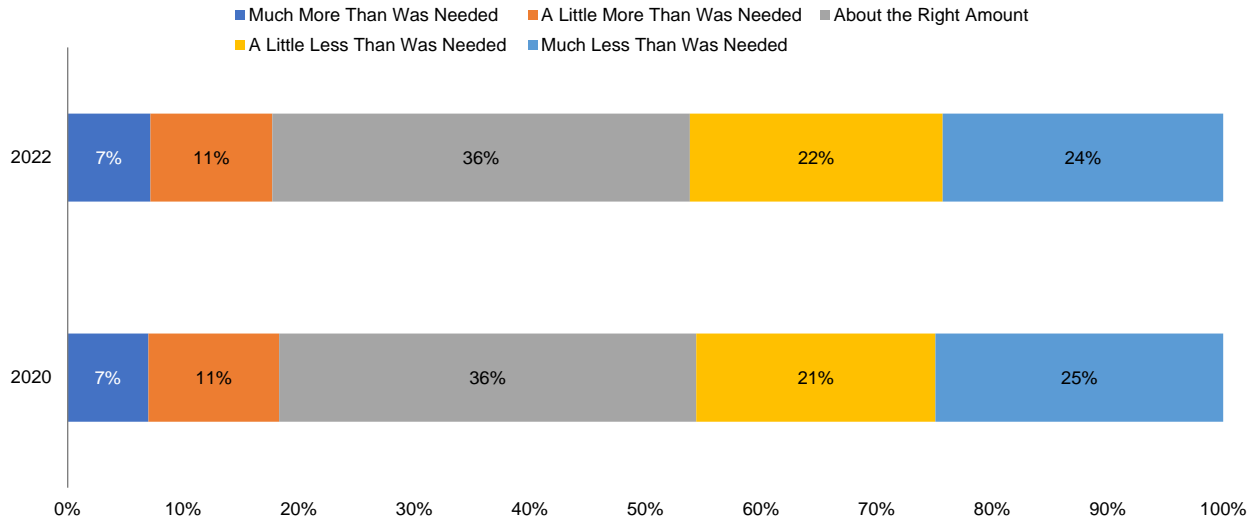


Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.



Overall, retirees' views on their savings habits while working were relatively unchanged since 2020. About 1 in 4 (24 percent) saved much less than was needed for retirement, while another 22 percent said they saved a little less than was needed (Figure 16). Black retirees, those with lower incomes, and those with poor health status were more likely to say that they saved much less than was needed.

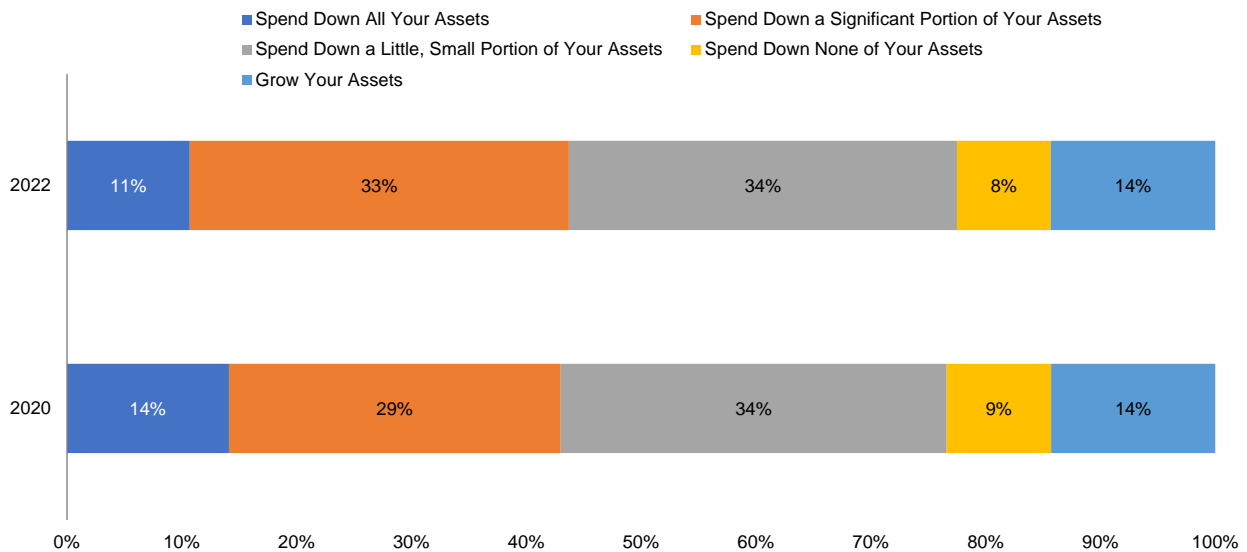
**Figure 17**  
**Perception of the Amount Saved for Retirement**



Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

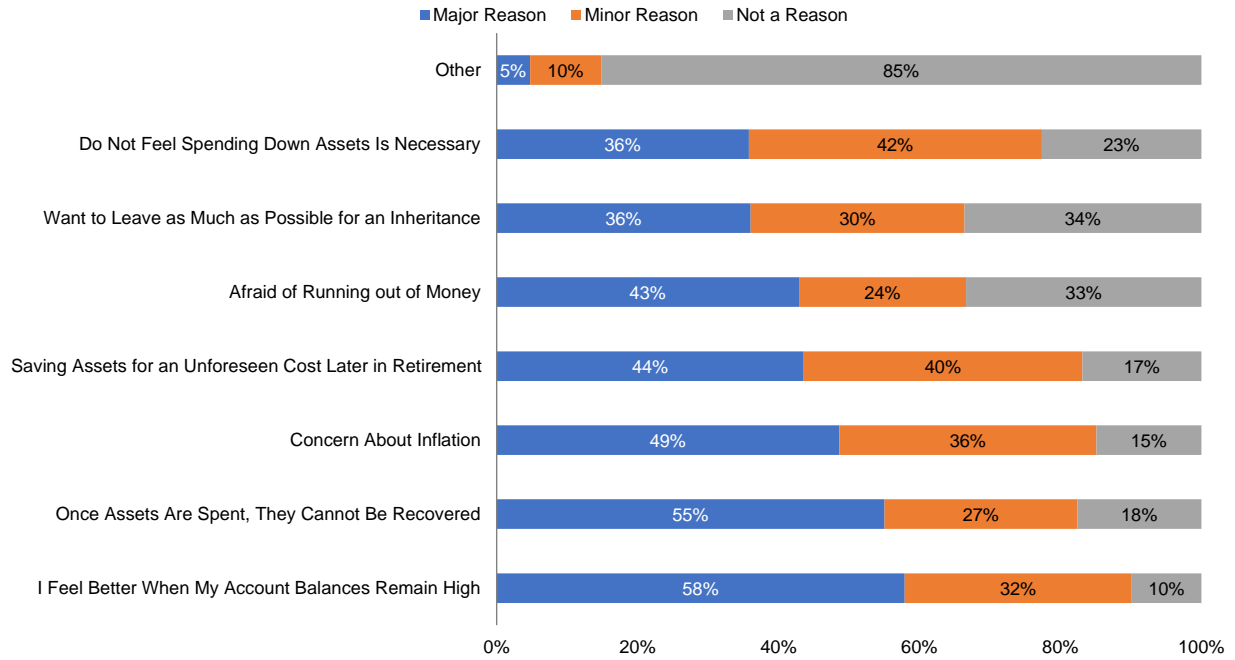
Asset spend-down intentions were similar to 2020 (Figure 17). In 2022, 44 percent of retirees reported that they plan to spend down all or a significant portion of their financial assets over the course of their retirement. Thirty-three percent said they plan to spend down a little, small portion of their assets, while 22 percent said they plan to spend down none of their assets or grow their assets. Among those who did not plan to spend down, comfort level and endowment effect led in reasons for not spending down (Figure 18). Among those who reported planning to spend down, lifestyle, housing, and health care were the most common reasons for spending (Figure 19).

**Figure 18**  
**Asset Spend-Down Intentions**



Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

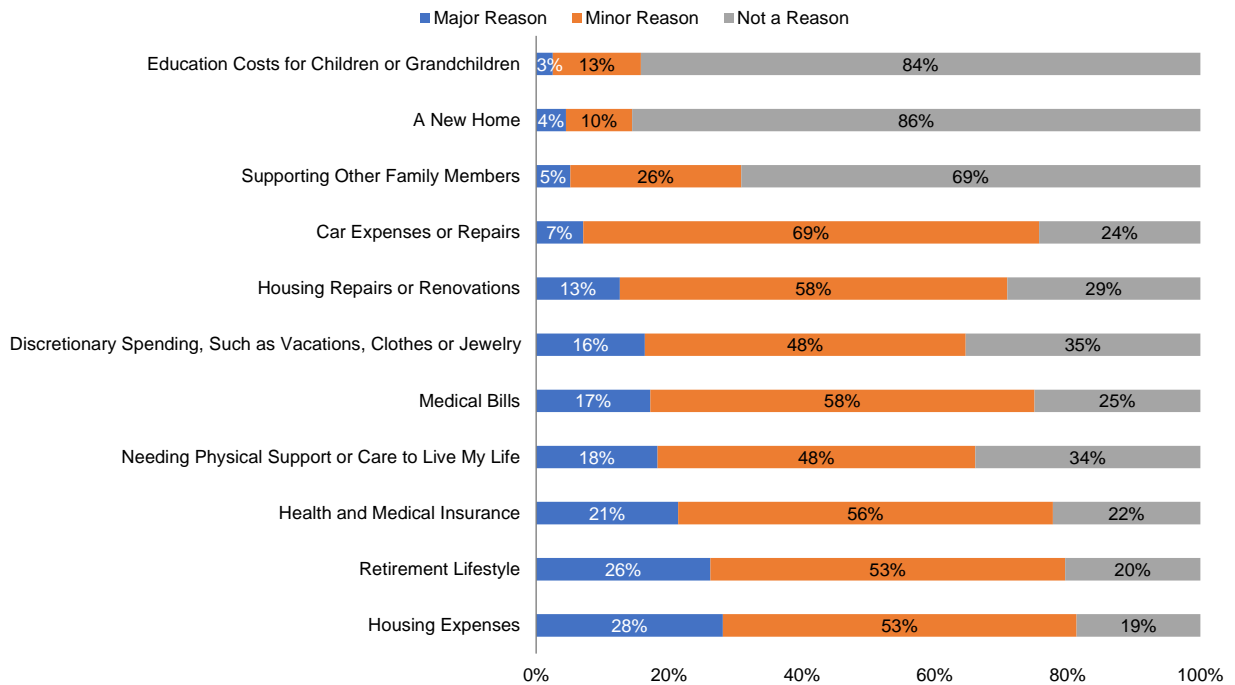
**Figure 19**  
**Reasons for Not Spending Down**



N=450  
Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

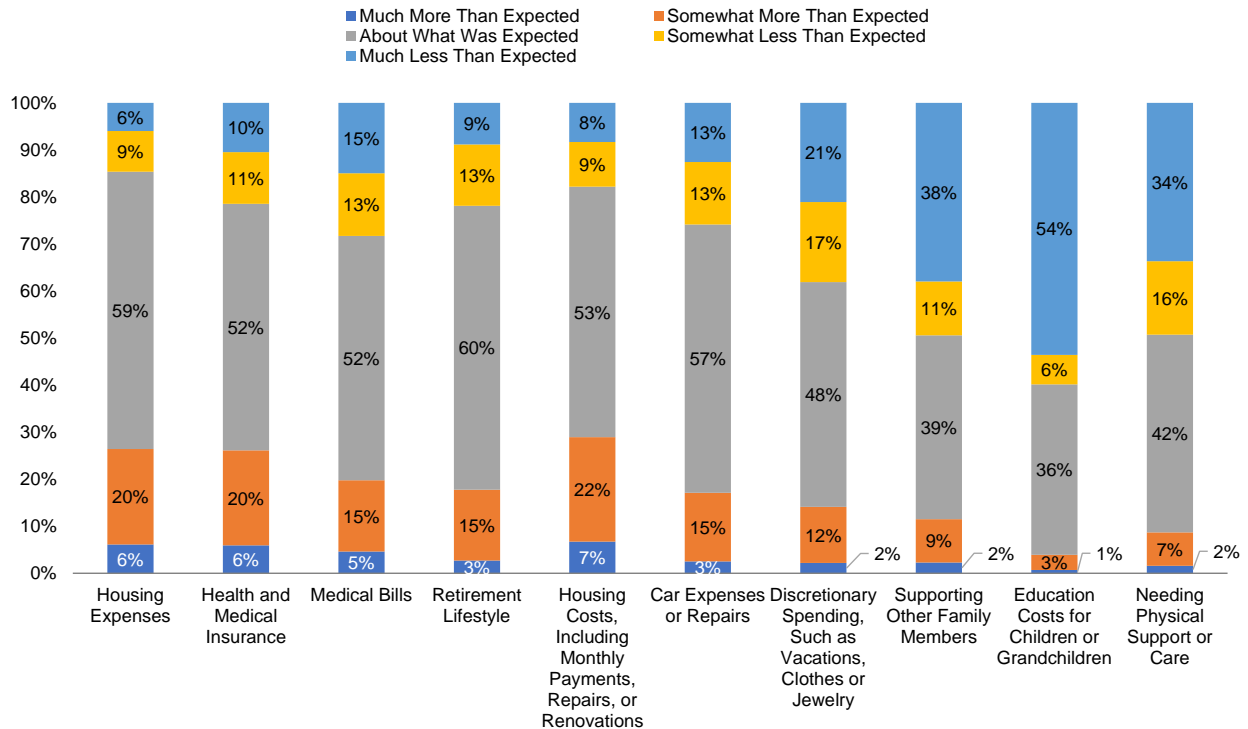
While more than half of retirees said their spending across an array of categories was about what they expected before retirement, many reported higher-than-expected expenses. Approximately 26 percent of retirees said that they are spending more than expected on housing costs and health and medical insurance (Figure 20). In addition, 20 percent of retirees said that they are spending more than was expected on medical bills.

**Figure 20**  
**Reasons for Spending Down**



N=1,548  
Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

Figure 21  
**Retirement Spending: Alignment With Preretirement Expectations**

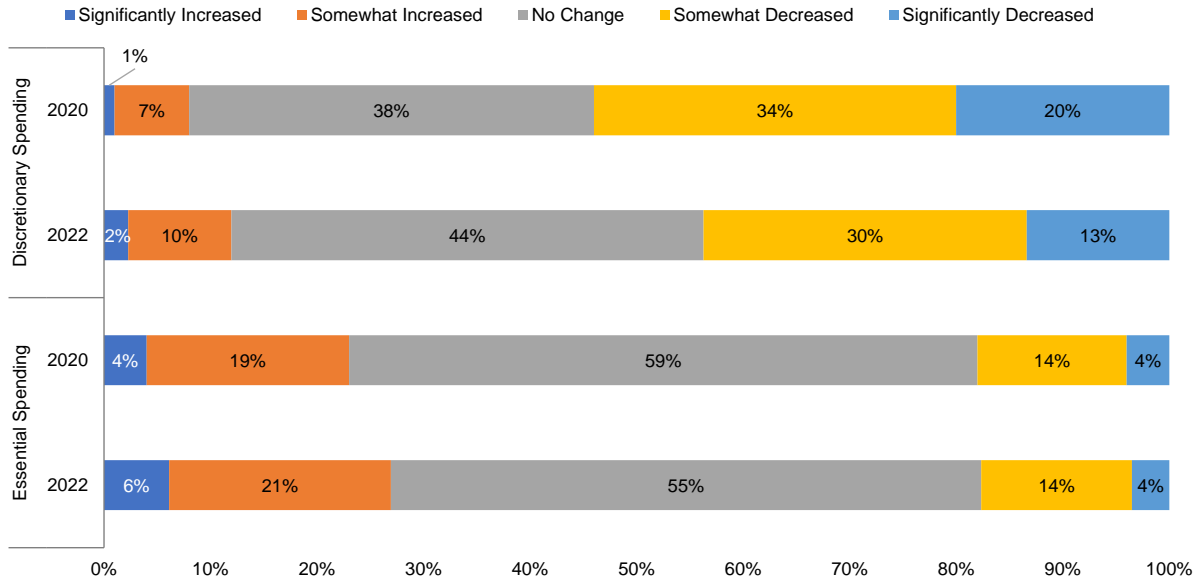


Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

Retirees demonstrated savings-based fulfillment. Specifically, 64 percent of retirees agreed with the statement “Saving as much as I can makes me feel happy and fulfilled,” while 25 percent were neutral and only 6 percent disagreed. Supporting this, 1 in 2 (49 percent) retirees described their current spending behavior as frugal or very frugal. This represents an increase relative to 2020 (42 percent), when fewer retirees considered themselves frugal or very frugal. In addition, fewer retirees reported being average spenders in 2022 (43 percent) as compared with 2020 (48 percent). Looking back on spending style during working years, 3 in 4 (75 percent) considered themselves average or frugal spenders, consistent with 2020.

Compared with two years ago, more retirees said they have increased their essential and discretionary spending since the onset of COVID-19. In 2022, 27 percent said they have increased their essential spending since the start of the pandemic, 55 percent said they have not changed essential spending, and 18 percent said they have decreased their essential spending (Figure 21). For comparison, 23 percent of retirees said they increased their essential spending and 59 percent reported no change in 2020.

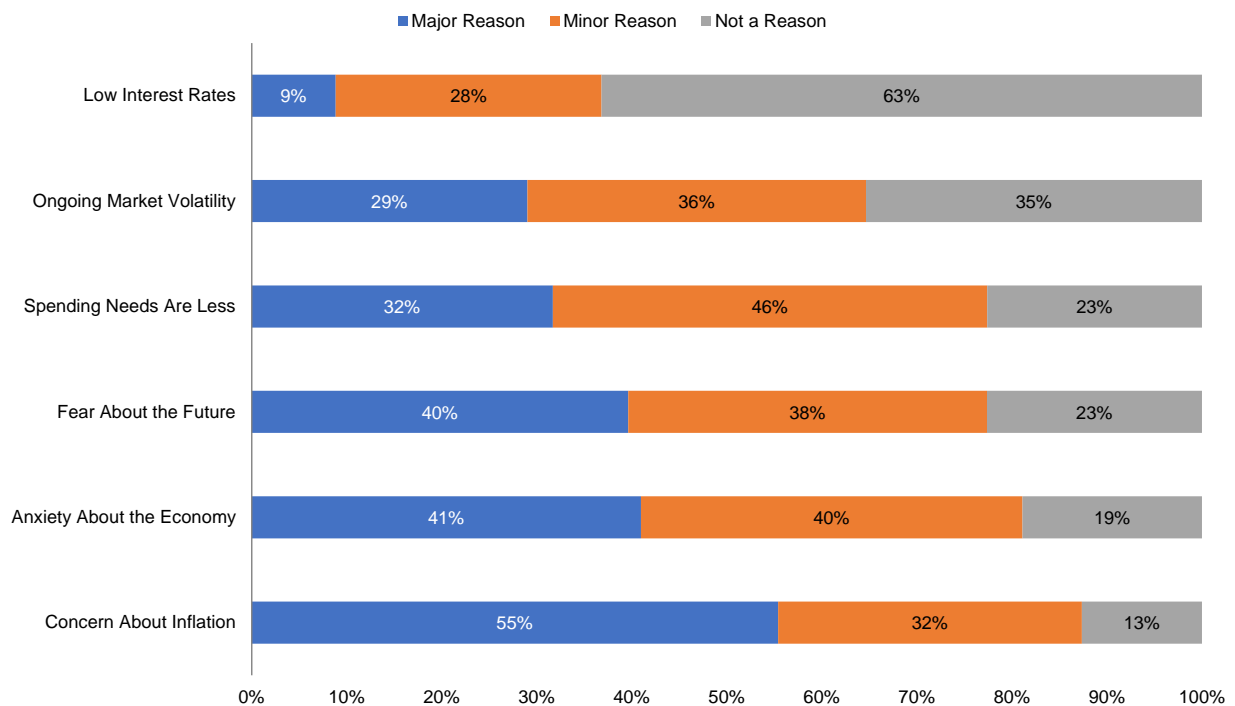
Figure 22  
**Spending Changes Since the Pandemic**



Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

Relating to changes in discretionary spending since the pandemic, 12 percent said they have increased their discretionary spending (compared with 8 percent in 2020), 44 percent said they have not changed discretionary spending (38 percent in 2020), and 44 percent said they have decreased discretionary spending (54 percent in 2020). Among the 46 percent who said they decreased either their essential or discretionary spending since the pandemic, the most common reason cited by roughly 9 out of 10 retirees (87 percent) was concern about inflation.

Figure 23  
**Reasons for Reduced Spending Since Pandemic**



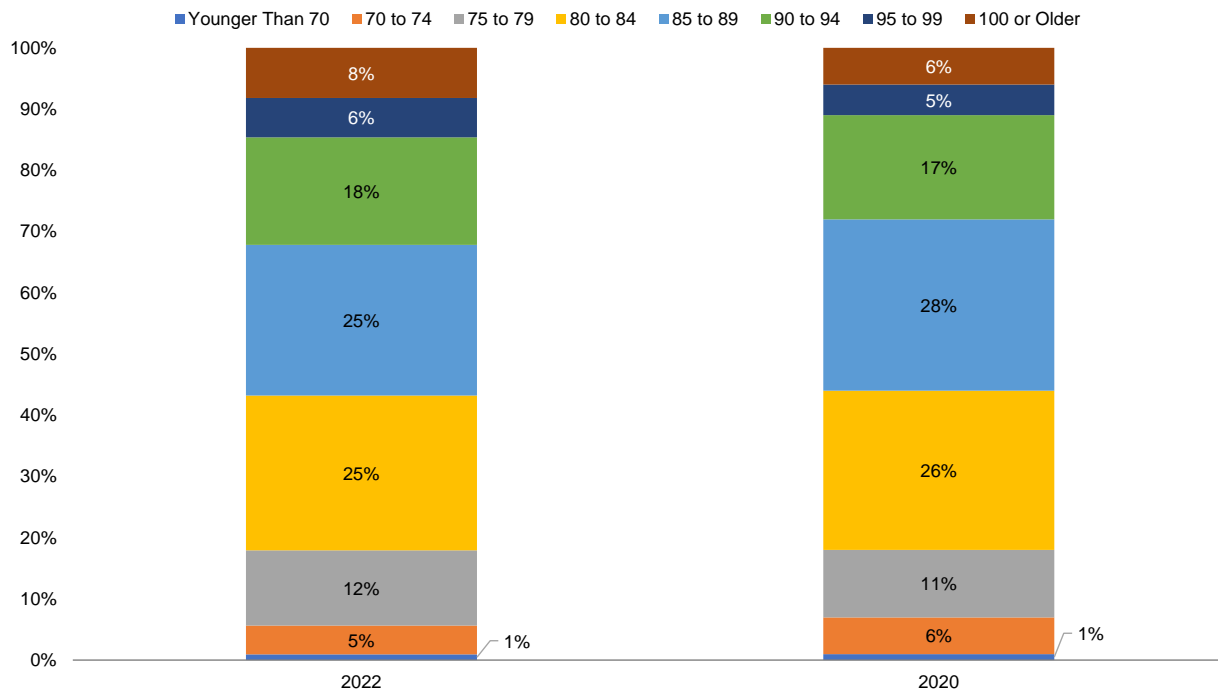
N=923  
 Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

## Financial Preparedness

Overall, 69 percent of retirees said they have at least three months of emergency savings. Black and Hispanic retirees and those with lower annual household incomes, low financial knowledge, and poor self-reported health status were less likely to report they have at least three months of emergency savings set aside. Overall, approximately 1 in 5 retirees have experienced unexpected expenses since they've retired. Specifically, 29 percent said housing costs were more than expected, and 27 percent said they had health care needs above normal expenses, a finding consistent with an earlier finding relating to higher-than-expected costs in retirement.

Retirees were more likely to report longer life expectancies in 2022 as compared with 2020. While 18 percent of retirees had life expectancies of 79 years or younger (similar to 2020) and 50 percent said they expect to live until 80 to 89 years (down from 54 percent in 2020), more retirees expected to live to and past age 90. Roughly 1 in 3 (32 percent) expected to live to age 90 or older in 2022, up from 28 percent in 2020 (Figure 23). (For comparison, the 2019 period life table for the Social Security population used in the 2022 Trustees Report indicated expected life expectancies of 20.3 years for 62-year-old males (82 years) and 23.1 years for 62-year-old females [85 years]).<sup>4</sup> Black retirees were 3 times as likely to report a life expectation of 100 years or longer (24 percent vs. 8 percent overall).

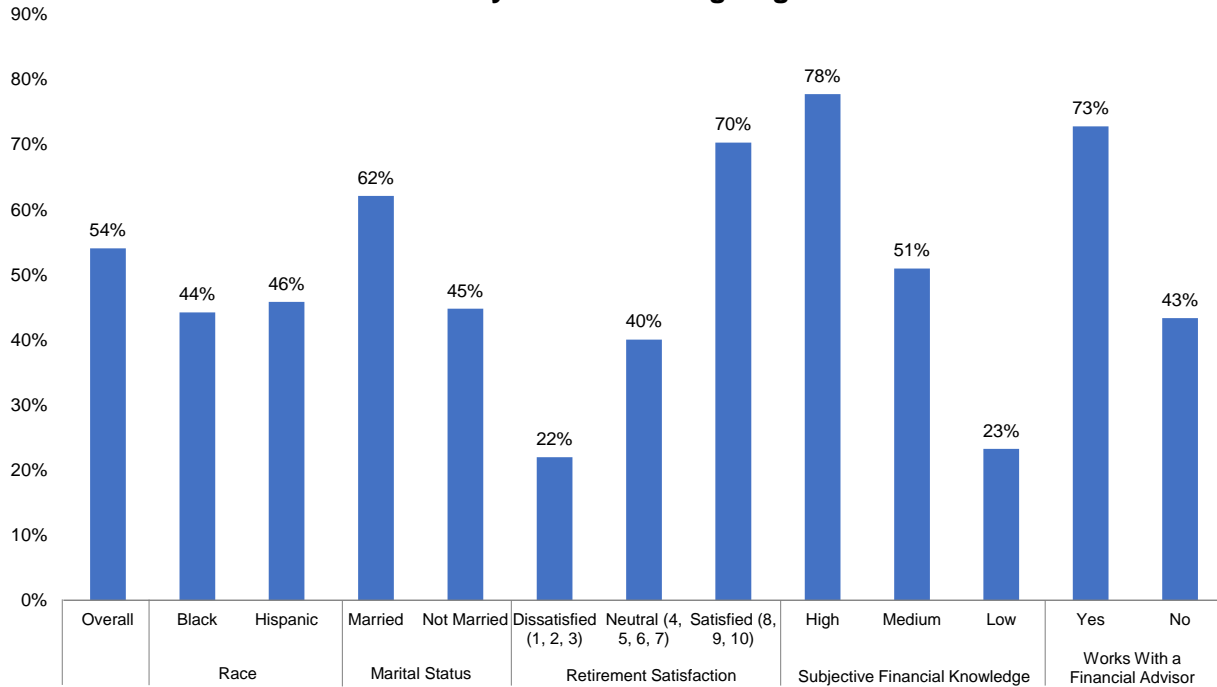
Figure 24  
Life Expectancy



Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

Overall, more than half (54 percent) of retirees said they are financially prepared for the possibility of needing monthly income through age 90 (Figure 24). Segments who were less likely to report being financially prepared for the possibility of needing monthly income through age 90 included Black retirees, Hispanic retirees, not-married retirees (approximately 46 percent), and retirees who reported dissatisfaction with current life in retirement and low subjective financial knowledge (approximately 23 percent) (Figure 25). Correspondingly, retirees who reported being married, having high satisfaction, having high subjective financial knowledge, and working with a financial advisor were more likely to report being prepared for the possibility of needing monthly income through age 90 as compared with retirees overall.

Figure 25  
**Financially Prepared for Possibility of Needing  
 Monthly Income Through Age 90**

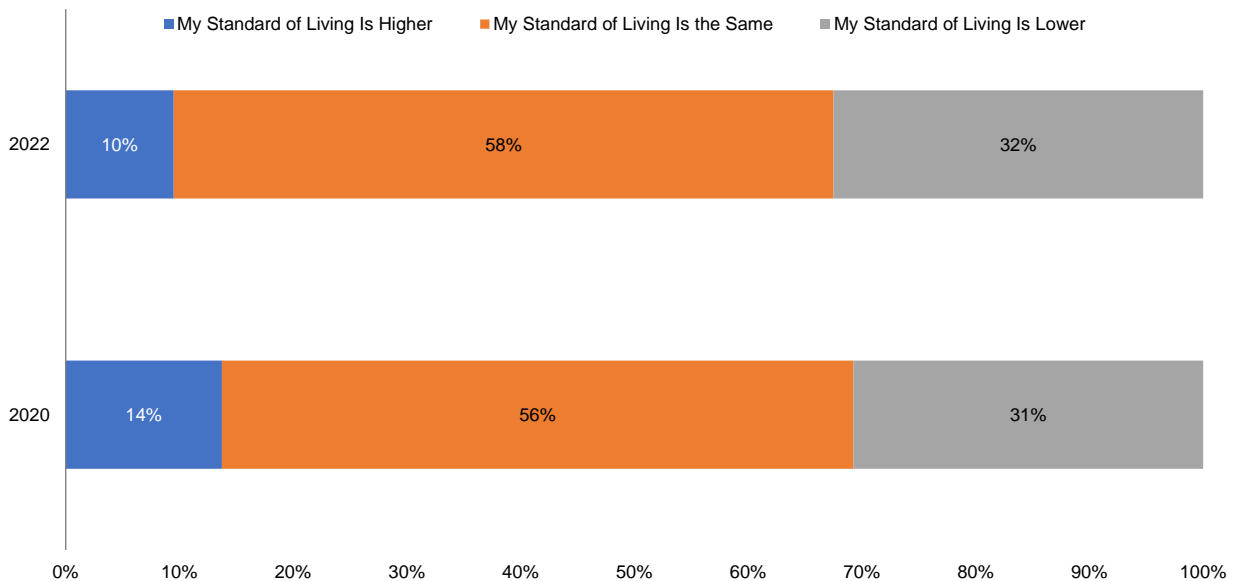


Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

### Satisfaction in Retirement

Retirees were asked whether their standard of living in retirement is higher, the same, or lower than when they were working. Similar to 2020, over half said their standard of living is the same and nearly 1 in 3 retirees said their standard of living is lower (Figure 26). At the same time, fewer retirees said their standard of living is higher in retirement in 2022 compared with their working years (10 percent) vs. 2020 (14 percent).

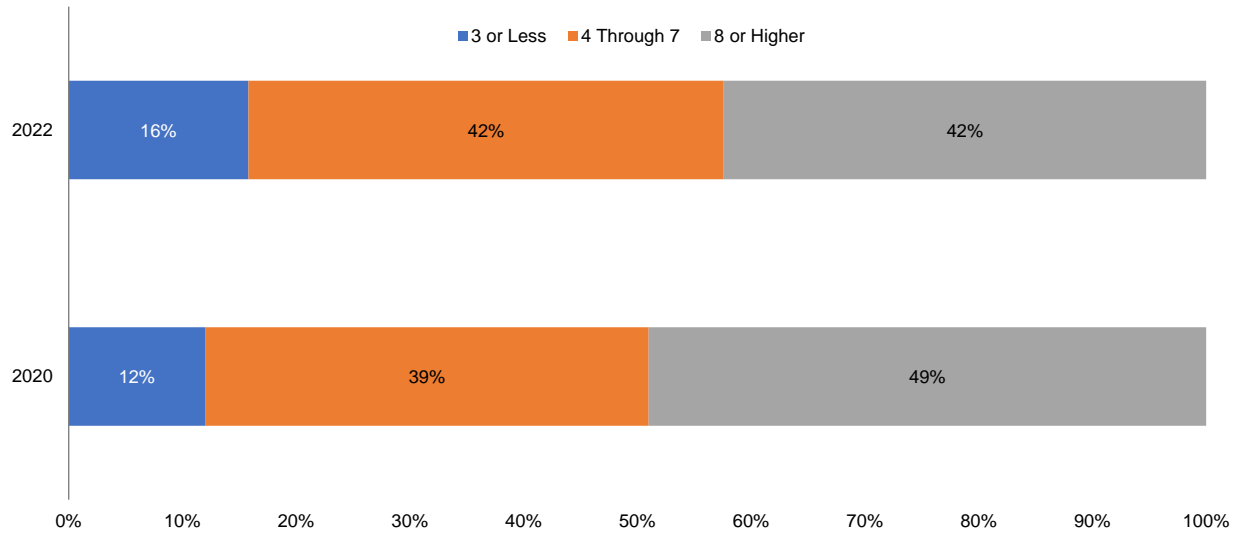
Figure 26  
**Current Standard of Living Compared With During Working Years**



Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

Retirees were less likely to report strong satisfaction with their life in retirement compared with 2020. While more than half (53 percent) indicated a strong satisfaction with life in retirement with an 8, 9, or 10 rating on scale of 1–10 in 2022, this was 9 percentage points lower than in 2020 (Figure 27). Similarly, more retirees reported moderate satisfaction at 37 percent in 2022, as compared with 31 percent in 2020. Overall, retirees rated their satisfaction with life in retirement with an average of 7 in 2022, down from an average of 7.4 in 2022.

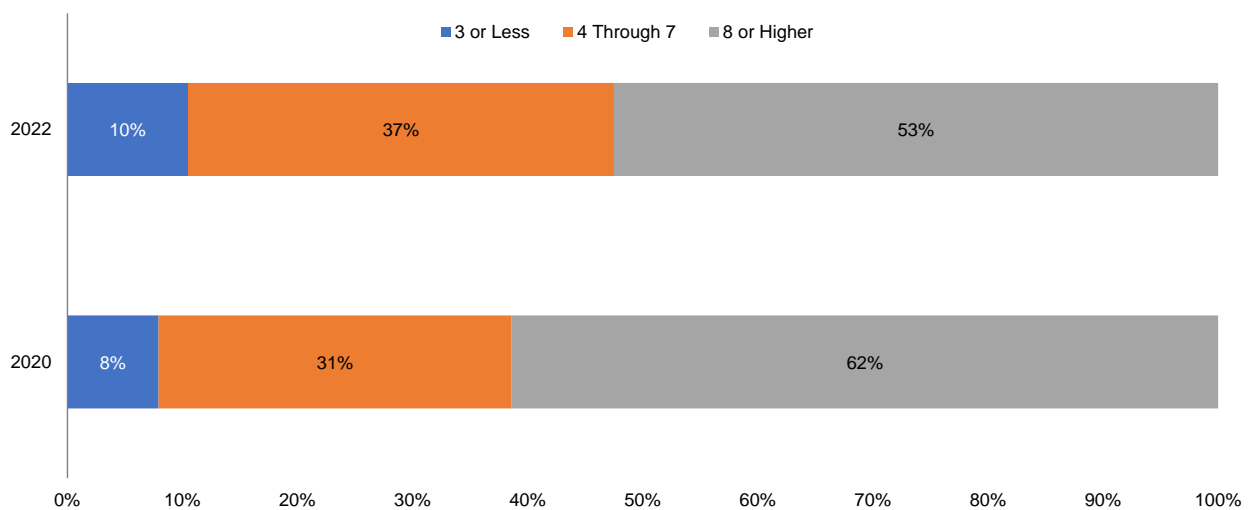
**Figure 27**  
**Alignment Between Current Life in Retirement and Expectations**



Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

Retirees were asked to rate their current life in retirement with how they expected/planned for their life in retirement on a scale of 1–10, where 1 is “not at all aligned” and 10 is “very aligned.” In 2022, retirees were less likely to report that their current life in retirement is strongly aligned with their expectations as compared with 2020 (42 percent vs. 49 percent) (Figure 28). With this, more retirees indicated lower alignment with expectations — 16 percent rated their alignment as low with a 1, 2, or 3 rating in 2022 as compared with 12 percent in 2020. Overall, retirees rated their alignment of life in retirement with expectations with an average of 6.4 in 2022, down from an average of 6.8 in 2020.

**Figure 28**  
**Satisfaction With Life in Retirement**



Source: Employee Benefit Research Institute Spending in Retirement Survey, 2022.

Some of the retiree segments who shared lower standards of living, low alignment with expectations, and low satisfaction in retirement included those without a defined benefit or other annuity income, those with low financial knowledge, those who do not use an advisor, those who are not married, and female retirees. Correspondingly some of the retiree segments that shared more positive perceptions of life in retirement based on standard of living, alignment, and satisfaction included those with defined benefit or other annuity income, those with high financial knowledge, those using an advisor, and married retirees.

## Conclusion

The 2022 Spending in Retirement Survey reveals that certain measures of retiree well-being have stagnated or declined since the pandemic. Specifically, the average ratings for alignment and satisfaction have declined since 2020, while more retirees reported that spending has increased and is higher than they can afford. Inflation appears to be a major driver of the misalignment between expectations and reality, a double-edged sword that undoubtedly increases actual spending but also reduces spending, likely out of a desire to protect future purchasing power.

## Endnotes

---

<sup>1</sup> The answer "Have additional resources for an unexpected expense" was not an option for the question "To what extent are the following reasons you work/have worked in retirement?" in the 2020 Spending in Retirement Survey.

<sup>2</sup> The answer "Mortgage debt" was not an option for the question "What kind of debt do you have outstanding?" in the 2020 Spending in Retirement Survey.

<sup>3</sup> The answers "Disability income" and "rental income" were not an option for the question "To what extent are the following sources of income for you right now in retirement?" in the 2020 Spending in Retirement Survey.

<sup>4</sup> Social Security. Actuarial Life Table. Period Life Table, 2019, as used in the 2022 Trustees Report.  
<https://www.ssa.gov/oact/STATS/table4c6.html>.