

Results of New 2022 Retirement Confidence Survey Finds Americans Remain Optimistic About Living a Comfortable Retirement

- However, a third of workers and half of retirees who feel less confident cite inflation and the cost of living as reasons for their declining retirement confidence -

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(Washington, D.C.) – American workers and retirees remain optimistic about living a comfortable retirement, despite the impact of the pandemic that has lasted for over two years. However, inflation and the cost of living are cited most often as a reason for feeling less confident in their retirement prospects. Workers want to focus on their retirement savings but face many challenges, in particular debt.

These findings are just a portion of the new 32nd annual Retirement Confidence Survey (RCS), which is the longest-running survey of its kind measuring worker and retirement confidence and is conducted by the Employee Benefit Research Institute (EBRI) and Greenwald Research.

“Even with the concerns of the pandemic and rising prices, overall, American workers and retirees still feel positive about their retirements,” said Craig Copeland, director of Wealth Benefits Research, EBRI. “The Americans who are more likely to feel that their futures appear grim since the pandemic are those who were already pessimistic about their futures, due to lower incomes, problems with debt, or lower health status.”

Retirees report that their lifestyle and spending in retirement for the most part are as expected, but slightly more than 1 in 3 suggest overall spending is higher than expected. This is an increase in those reporting higher spending, compared with the one-quarter who reported higher expenses in 2021. Furthermore, compared with 2021, a larger share of retirees suggest spending on housing is higher than expected and more indicate that spending on travel and leisure are higher than expected.

“This could reflect increased use and desire for travel and leisure as the pandemic lulls. It can also reflect inflation and the increased cost of travel and entertainment for some,” said Lisa Greenwald, CEO, Greenwald Research.

“While it is hard to know which reason is driving the higher expenses, a strong majority of retirees still feel their retirement lifestyle and spending are on track.”

Key findings from the 2022 RCS include:

- **Americans remain optimistic about living a comfortable retirement** - Over 7 in 10 workers are at least somewhat confident, including almost 3 in 10 who are very confident. Retirees also remain confident, with nearly 8 in 10 confident they will have enough money to live comfortably throughout retirement, including 1 in 3 who are very confident.
- **The pandemic’s impact has been more muted for retirees’ than for workers’ confidence** - Nearly 7 in 10 retirees report that the COVID-19 pandemic has not changed their confidence in their ability to live comfortably throughout their retirement. However, only half of workers report this.
- **Having saved bolsters retiree confidence — but inflation fears are eroding it** - Almost three-quarters of retirees who feel more confident in their ability to live comfortably through retirement since COVID report it was due to having money in savings or having good investments. But half of retirees who feel less confident state it was due to inflation.

- **Debt is challenging retirement preparedness** - Nearly half of workers say debt has negatively impacted their ability to save for retirement. More so than last year, over 1 in 4 retirees say debt has impacted their ability to live comfortably in retirement.
- **Many Americans don't know where to go or who to trust for financial and retirement planning information** - Almost 4 in 10 workers and 2 in 10 retirees say they don't know who to go to for financial and retirement planning advice. Many turn to non-professional sources, like family and friends (35% of workers and 21% of retirees) or go online to do their own research (29% of workers and 23% of retirees).
- **Workers remain satisfied with their workplace retirement savings plans and with the tools and resources available** - More than 4 in 5 workers who are offered a workplace retirement savings plan are satisfied with the benefit. This is important given that workers (82%) remain far more likely than current retirees (47%) to expect their workplace defined contribution retirement plan to be a source of income in retirement.
- **Workers envision a gradual transition to retirement and retirement funding that includes work for pay** - The median expected retirement age for workers — age 65 — and the reported retirement age of retirees — age 62 — remains unchanged. However, workers anticipate a gradual retirement transition to retirement and to work for pay in retirement, which doesn't match the experience of most retirees. Though down from last year, over 4 in 10 workers expect to gradually transition into retirement. Only 17% of retirees report having a gradual transition, while 73% say their retirement was a full-time stop.
- **Most retirees report their overall lifestyle and expenses are as expected. However, up from last year, over 1 in 3 find overall expenses to be higher than expected** - Four in five retirees report that their overall lifestyle — including traveling, spending time with family, or volunteering — is as expected or better. Over 1 in 4 say their retirement lifestyle is better than they expected.
- **Workers' confidence in Medicare and Social Security holds, but retiree confidence in Medicare declines** - Three-quarters of retirees and two-thirds of workers feel confident they will have enough money to take care of medical expenses in retirement.

The 32nd annual RCS report can be viewed by visiting www.ebri.org/docs/default-source/rcs/2022-rcs/2022-rcs-summary-report.pdf. The survey of 2,677 Americans was conducted online January 4–26, 2022. All respondents were ages 25 or older and included 1,545 workers and 1,132 retirees. This year, the survey included an oversample of roughly 807 completed surveys among LGBTQ individuals (639 workers and 168 retirees). A report highlighting the survey results of the LGBTQ community will be published in June 2022.

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(MEDIA NOTE: The survey report can be viewed online by visiting www.ebri.org or email dresner@ebri.org to receive a copy).