

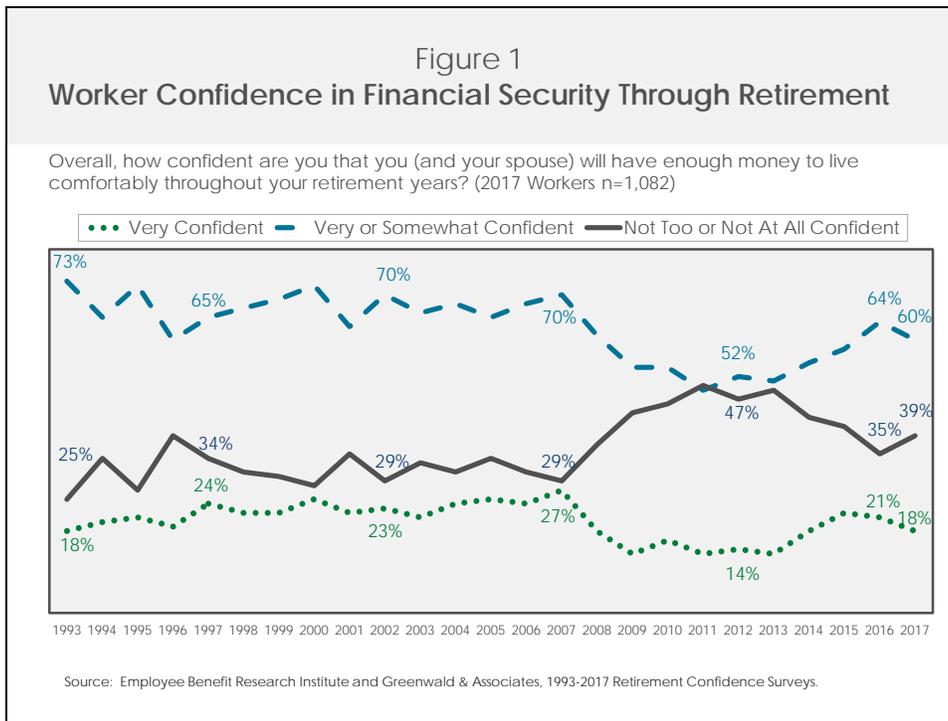
2017 RCS FACT SHEET #1

RETIREMENT CONFIDENCE

Few Americans feel very confident about their ability to have enough money to live comfortably throughout their retirement years. Workers who say debt is a problem are, not surprisingly, less confident, while those who have a retirement plan are remarkably more confident.

Confidence in Having a Comfortable Retirement

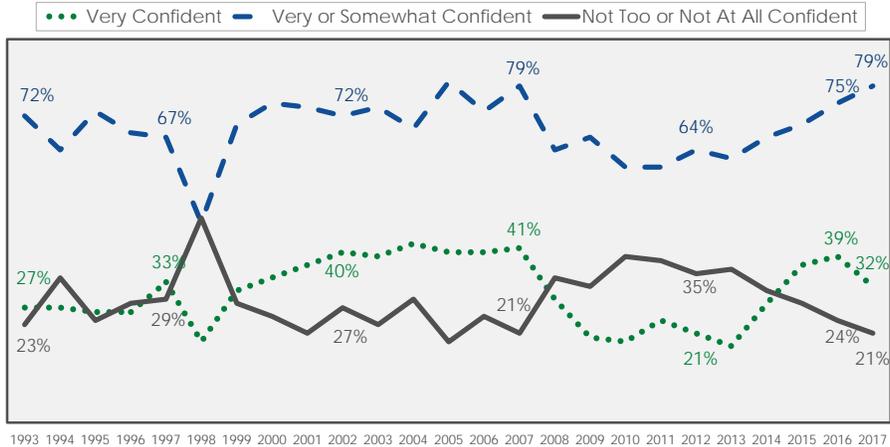
The 2017 Retirement Confidence Survey (RCS) finds that 6 in 10 American workers feel confident in their ability to retire comfortably, though few (18 percent) feel very confident. The share of workers reporting that they feel either very or somewhat confident has declined compared with last year (60 percent from 64 percent in 2016). Specifically, the percentage of workers who feel very confident declined (18 percent from 21 percent), while the percentage feeling somewhat confident remained level (42 percent in 2017 and 42 in 2016). Worker confidence now resembles levels measured in 2014 (the last time 18 percent were very confident) and levels measured in 2015 (when 59 percent were either very or somewhat confident) (Figure 1).



The level of confidence expressed by those already in retirement continues to be greater than those yet to retire. Retiree confidence about having enough money for a comfortable retirement remains high. Seventy-nine percent of retirees report feeling either very or somewhat confident about having enough money to live comfortably throughout their retirement years (compared with 75 percent in 2016). One-third of retirees feel very confident (32 percent), while 8 percent say they are not at all confident. (Figure 2).

Figure 2
Retiree Confidence in Financial Security Through Retirement

Overall, how confident are you that you (and your spouse) will have enough money to live comfortably throughout your retirement years? (2017 Retirees n=589)

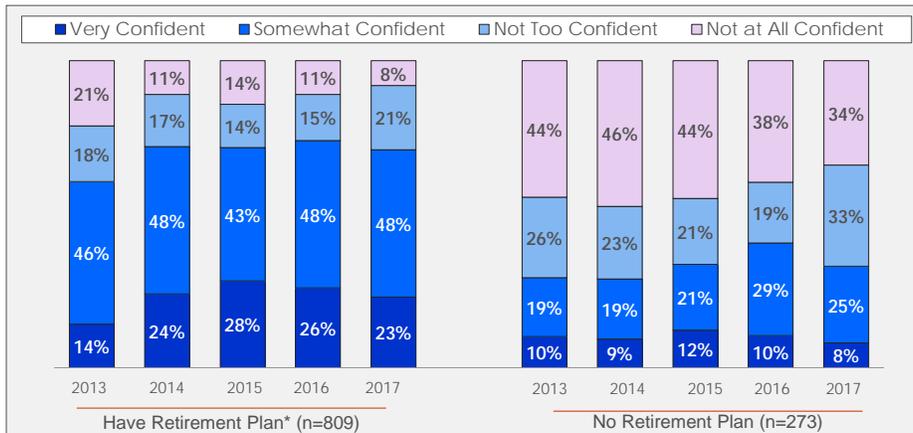


Source: Employee Benefit Research Institute and Greenwald & Associates, 1993-2017 Retirement Confidence Surveys.

Retirement confidence continues to be strongly related to retirement plan participation, whether in a defined contribution (DC) plan, defined benefit (DB) plan, or individual retirement account (IRA). Workers reporting they or their spouse have money in a DC plan or IRA or have benefits in a DB plan from a current or previous employer are more than twice as likely as those without any of these plans to be at least somewhat confident (71 percent with a plan vs. 33 percent without a plan) (Figure 3).

Figure 3
Retirement Confidence by Plan vs. No Plan

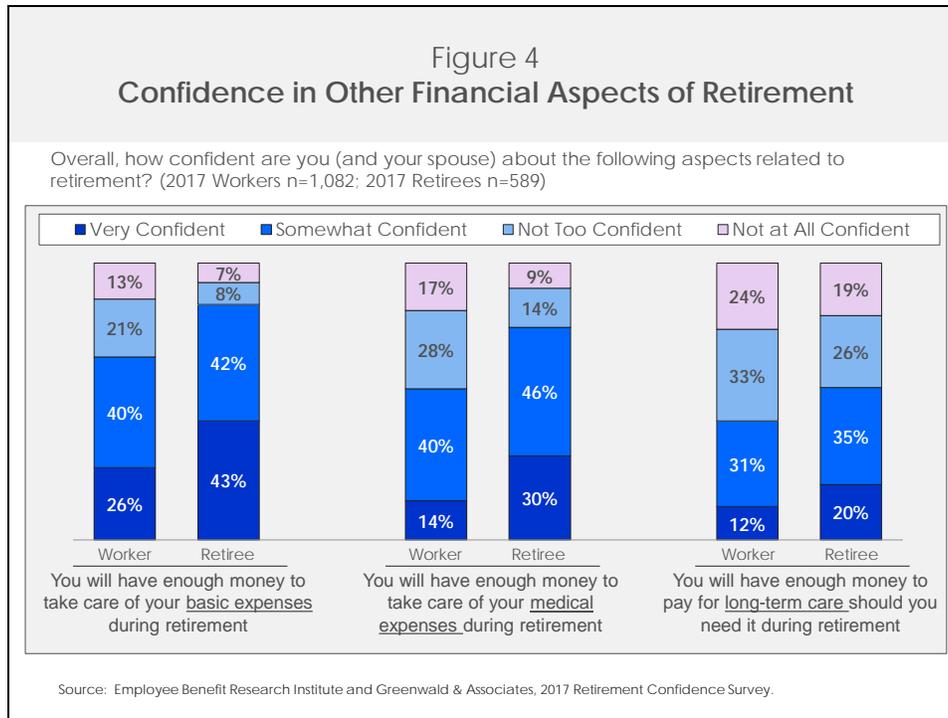
Overall, how confident are you that you (and your spouse) will have enough money to live comfortably throughout your retirement years? (Workers)



* Have Retirement Plan defined as respondent or spouse having at least one of the following: IRA, DC plan, or DB plan.
Source: Employee Benefit Research Institute and Greenwald & Associates, 2013-2017 Retirement Confidence Survey.

Confidence in Other Financial Aspects of Retirement

Two in three workers (65 percent) report feeling very or somewhat confident about being able to afford basic expenses in retirement, including 26 percent who feel very confident. Workers' confidence in their ability to afford basic expenses is higher than the confidence they report regarding their ability to pay for medical expenses in retirement. Forty-five percent of workers are not too or not at all confident they will have enough money for medical expenses in retirement. An even greater share is not too or not at all confident in their ability to pay for long-term care expenses: nearly 6 in 10 (57 percent) do not feel confident about having enough money for long-term care in retirement (Figure 4).



Retirees, who are already in that life stage, express higher levels of confidence than workers in each of these financial aspects of retirement. More than four out of five retirees (85 percent) feel at least somewhat confident in their ability to afford basic expenses throughout their retirement years. Three in 4 (77 percent) are very or somewhat confident about having enough money to cover medical expenses, and just over half (55 percent) feel very or somewhat confident in their ability to pay for long-term care (Figure 4).

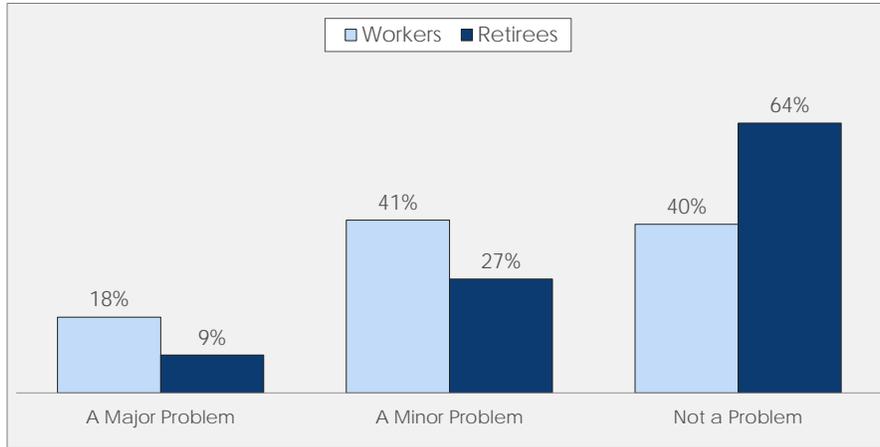
Influence of Debt on Confidence

Workers are more likely to say that debt is a problem for them than retirees. Nearly 3 in 5 workers (59 percent) say debt is a problem for them, while 40 percent say debt is not a problem. In contrast, just 36 percent of retirees say that debt is a problem for them. Workers are twice as likely to say that debt is a major problem as retirees (18 percent versus 9 percent) (Figure 5).

The RCS has consistently found a relationship between debt levels and retirement confidence. In 2017, just 4 percent of those with a major debt problem say they are very confident about having enough money to live comfortably in retirement, compared with 31 percent of workers who indicate debt is not a problem. On the other hand, 36 percent of workers with a major debt problem are not at all confident about having enough money for a financially secure retirement, compared with 8 percent of workers without a debt problem (Figure 6).

Figure 5
Problems With Debt Among Workers and Retirees

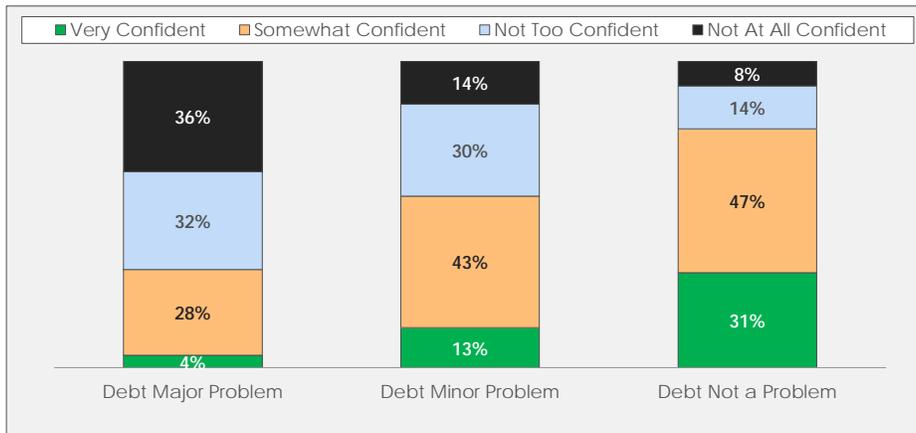
Thinking about your current financial situation, how would you describe your level of debt?
 (2017 Workers n=1,082; Retirees n=589)



Source: Employee Benefit Research Institute and Greenwald & Associates, 2017 Retirement Confidence Survey.

Figure 6
Worker Confidence in Financial Security In Retirement, by Debt Category

Overall, how confident are you that you (and your spouse) will have enough money to live comfortably throughout your retirement years? (Workers)



* Have Retirement Plan defined as respondent or spouse having at least one of the following: IRA, DC plan, or DB plan.

Source: Employee Benefit Research Institute and Greenwald & Associates, 2017 Retirement Confidence Survey.

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