

Lisa Greenwald's Comments
2019 Retirement Confidence Survey
April 23, 2019

Thank you, Craig, and good morning everyone.

In addition to overall retirement confidence, I'd like to comment on some additional sentiments that workers have toward retirement and steps they've taken to prepare.

Nearly 7 in 10 workers are excited for retirement. 3 in 10 have strongly positive views as they envision retirement and another nearly 4 in 10 have somewhat positive views. Also, more than 6 in 10 workers are very or somewhat confident that they are doing a good job preparing for retirement, though only 2 in 10 feel *very* confident.

Workers who have taken key retirement planning steps are more confident, not surprisingly. In particular, the RCS has consistently found that workers who have tried to calculate how much money they will need in retirement feel more confident. This year, we found that 63 percent are confident they know how much money they need to have saved in order to live comfortably in retirement. However, comparable to prior years, only 4 in 10 workers have attempted this critical retirement needs calculation. Among those that did, 2 in 10 determined that they need less than \$250,000, 45 percent determined they will need \$250,000 to less than \$1 million, and a third (34 percent) estimate they will need \$1 million or more to live comfortably in retirement. The share who estimate they will need \$1 million or more has increased from 27 percent in 2016, the last time this question was asked.

Those that have attempted a retirement needs calculation report higher overall retirement confidence (86 percent vs. 53 percent) and higher confidence in their own job preparing (87 percent vs. 47 percent). They obviously feel more confident that they know how much they will need (87 percent vs. 45 percent), but also feel less stressed (49 percent vs. 66 percent) and they are more likely to look forward to their retirement (72 percent vs. 63 percent).

Despite high overall confidence and positive outlooks, most workers report that preparing for retirement makes them feel stressed. 2 in 10 strongly agree preparing for retirement causes stress and another 4 in 10 somewhat agree – 6 in 10 workers feel stressed about retirement even though it's a time of life they generally look forward to.

Workers who self-report that they have a problem with debt are certainly among those more likely to feel stressed about preparing for retirement. Overall, 61 percent of workers say debt is a problem for them, including 19 percent who call it a *major* problem. 8 in 10 of those with a major debt problem feel stressed, compared to just 39 percent without debt problems.

Workers with a debt problem report lower overall retirement confidence. 4 in 10 workers with a major debt problem say they are very or somewhat confident about having enough money to live comfortably in retirement, compared with 85 percent among workers who indicate debt is not a problem. Workers with significant debt problems are also less likely to feel they are doing a good job preparing for retirement (39 percent vs. 81 percent).

In fact, half of all workers (49 percent) agree that debt is negatively impacting their ability to save for retirement. Eight in ten workers who report a major debt problem (79 percent) say their debt has negatively impacted their ability to participate in or contribute to their employer's retirement plan (vs. 42 percent who have debt, but do not consider it a major problem), and workers reporting a major debt problem are less likely to have attempted a retirement needs calculation (38 percent vs. 54 percent) – both important preparations that tend to bolster overall retirement confidence.

Now I will turn this back to Craig Copeland to discuss the positive impact a DC retirement plan can have and more.