30th Annual Retirement Confidence Survey (RCS)
The RCS is the longest-running survey of its kind, measuring worker and retiree confidence about retirement, and is conducted by the Employee Benefit Research Institute (EBRI) and independent research firm Greenwald & Associates.
The 2020 survey of 2,042 Americans was conducted online January 6 through January 21, 2020. All respondents were ages 25 or older. The survey included 1,018 workers and 1,024 retirees.

Data were weighted by age, gender, education, household income, and race. Unweighted sample sizes are noted on charts to provide information for margin of error estimates. The margin of error would be ±3.13 percentage points for both workers and retirees 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. Any trend changes or differences in subgroups noted in text are statistically significant; if no trend changes are noted, there were no significant differences.

This slide is discussing the RCS overview and methodology of January’s survey only.

2020 RCS Underwriters
Capital Group
Columbia Threadneedle
Invesco
J.P. Morgan
LGIMA
(Legal & General Investment Management America)
Lincoln Financial
Mercer
MetLife
Nationwide Financial
PIMCO
Principal Financial Group
T. Rowe Price
Segal
Vanguard
Workers continue to be confident they will have a comfortable retirement, but there are still areas for improvement.

Workers’ overall confidence in their ability to live comfortably in retirement remains steady, while the share who feel very confident continues to increase. 7 in 10 (69%) are confident they will have enough to live comfortably, including 27% who are very confident — up from 23% in 2019 and 17% in 2018 (Figure 1).

Two-thirds of workers are also confident they are doing a good job preparing for retirement, with a similar uptick in those feeling very confident (Figure 2). Still, a majority of workers — 6 in 10 — report that preparing for retirement makes them feel stressed.

There are areas where workers lack planning. For example, while most workers are confident they know how much monthly income will be needed (Figure 3), only 44% report having actually thought about this in order to prepare for retirement (Figure 4). Fewer than 4 in 10 have planned for emergency expenses, planned for how much to withdraw from savings, or calculated how much is need to cover health expenses.

**Key Findings**

7 in 10 workers confident in having enough for a comfortable retirement

27% very confident

67% confident they are doing a good job with retirement preparation

61% say preparing for retirement makes them feel stressed
Returning to 2018 levels, 77% of retirees are confident they have enough money for a comfortable retirement.

While retirees remain more confident than workers, reported confidence in having enough money to live comfortably throughout retirement retreated from a high measured last year (Figure 5).

All showing a downward correction from 2019, 81% of retirees feel confident they will have enough money to take care of basic expenses in retirement, have enough to take care of medical expenses (70%), and have enough money to last their entire life (68%) (Figure 6).

More than 9 in 10 retirees rely on Social Security as a source of income in retirement. Two-thirds (68%) of retirees (and 48% of workers) feel confident that Social Security will continue to provide benefits of equal value to those received today (Figures 7 and 8).

Likewise, 2 in 3 retirees (and 50% of workers) are confident that Medicare will continue to offer equal benefits, though this is down from 2019 (66% vs. 72% in 2019) (Figures 9 and 10).
An increasing number of workers have tried to calculate how much retirement savings they need, and the amount continues to rise.

Half of workers (48%) have tried to calculate how much money they will need to live comfortably in retirement, up from 42% in 2019 and 38% in 2018 (Figure 11). Still, more than 8 in 10 would find it helpful if their employer offered them help with calculating how much is needed for a secure retirement.

4 in 10 workers who tried to calculate how much they will need in retirement estimate they will need $1 million or more, compared with 34% in 2019 and 27% in 2016 (Figure 12). Half of retirees also report they attempted such a calculation, but just 26% estimated they would need $1 million or more (Figure 13).

Both workers and retirees are most likely to consider their lifestyle in retirement when calculating how much they would need (Figures 14 and 15). Retirees are more likely to say they took health care costs into consideration when figuring out how much they would need (60% vs. 51% of workers), while workers thought about their age at retirement more often (61% vs. 54% of retirees).
Workers who participate in a workplace DC retirement savings plan are satisfied with their plan and the investment options available.

Workers continue to rely on their workplace defined contribution (DC) retirement plans as a source of income — 8 in 10 believe this will be a major or minor source of income in retirement.

More than 8 in 10 plan participants report being satisfied with their retirement plan and the investment options available to them (Figure 16). 2 in 3 workers are confident in their ability to choose the right retirement investments for their situation, though the majority consider themselves “do-it-with-me” or “do-it-for-me” investors, preferring to get at least some guidance from a professional or online tool (Figure 17).

When selecting investments within their workplace retirement plan, workers are most likely to factor in performance, followed by investments that match their risk tolerance and fees. 2 in 10 consider the ease of an investment that adjusts automatically (Figure 18).

A third indicate that they were auto-enrolled into their plan, and 2 in 10 report having invested in a target-date fund (TDF) — a popular default investment. However, only half of workers offered a plan feel they understand TDFs in general, how TDFs adjust investments over time, or how to choose the right TDF (Figure 19).

Key Findings

2 in 3 workers are confident in their ability to choose the right investments for their situation.

**TOP 5 Investment Selection Criteria:**
1. Performance/growth
2. Matches risk tolerance
3. Fees
4. Easy/adjusts for you based on age or risk tolerance
5. Financial advisor recommendation
Key Findings

Workers continue to be negatively impacted by debt. Half of all workers say debt has impacted their ability to save for retirement.

7 in 10 workers report having some type of non-mortgage debt, although this is down slightly from 74% in 2019. The share who say their debt is a problem remains consistent with previous waves, with roughly 6 in 10 calling their level of debt a major or minor problem (Figure 20).

This debt continues to have negative consequences for many workers. 7 in 10 with non-mortgage debt say it has impacted their ability to save for retirement or for emergencies. Roughly half say their ability to participate in workplace retirement savings plans or other employee benefits has been impacted (Figure 21).

1 in 5 say they have taken a loan from their workplace retirement plan, although those with a debt problem are especially likely to have taken this type of loan.

Another 1 in 5 have student loan debt for themselves or for a child or grandchild, and about 9 in 10 of all workers think it would be a good idea if employers offered matching contributions to retirement plans in exchange for workers making student loan payments (Figure 22).
Financial wellness programs through employers are welcomed by workers, although few are actually offered these programs.

A quarter of workers say they rely on their employer for retirement planning information. However, many more express interest in workplace retirement and financial wellness resources.

Compared with last year, workers are much more likely to find a number of workplace financial wellness programs to be helpful. Up from last year, more than 4 in 5 would like help calculating how to save for retirement (Figure 23). In addition, many are interested in...

- Planning for health care expenses in retirement (86% vs. 81% in 2019)
- Managing competing financial priorities (80% vs. 70% in 2019)
- Access to an emergency savings account/program (77% in 2020)
- Student loan debt assistance (49% in 2020)

While large shares would find these programs helpful, far fewer say these programs are actually offered. For example, just 24% say they are offered help calculating how much to save for retirement, and only 14% say they receive help planning for health care expenses in retirement. 1 in 10 have access to an emergency savings account or program, and only 1 in 20 receive student loan debt assistance (Figure 24).

Workers
Top retirement planning resources:*  
1. Family & friends  
2. Your employer/work info  
3. Google/online search  
4. Financial advisor  
5. Online calculators/tools

Retirees
Top retirement planning resources:*  
1. Financial advisor  
2. Family & friends  
3. Your employer/work info  
4. Online calculators/tools  
5. Google/online search

*Ranked by the percentage mentioned
Income stability continues to be the higher financial priority in retirement, but retiree behavior doesn’t totally align.

When it comes to financial priorities in retirement, 3 out of 4 retirees and workers say income stability is more important than preserving account balances or maintaining wealth. In fact, the share of retirees who say income stability is the priority is up from 2019 (Figure 25).

However, most retirees say they aim to maintain or increase their level of assets. Only 1 in 20 are strategically spending down their assets. Most retirees with individual retirement account (IRA) or DC plan assets report they generally do not withdraw from these accounts or only withdraw the required minimum distribution (Figure 26).

At the same time, nearly two-thirds of retirees report their overall expenses and spending in retirement are as expected or lower than expected. Health and dental expenses are higher than expected for 4 in 10. Housing, travel, and entertainment spending is higher for roughly a quarter (Figure 27).

More than half of retirees describe their overall lifestyle in retirement, including travel, family time, and volunteering, as “as expected,” and 3 in 10 say it is better than expected.

When asked why retirees aim to increase assets, 2 in 3 say they are saving for later expenses, distantly followed by about 3 in 10 who want to leave an inheritance or are saving for long-term care (Figure 28).
Retirement income is a common theme, opportunity, and challenge, for workers and retirees.

More than 6 in 10 workers and 7 in 10 retirees are at least somewhat confident that they know how much income they will need each month in retirement. Yet, only 4 in 10 workers and 6 in 10 retirees have tried to calculate their retirement income needs (Figures 4 and 29).

Workers, in particular, are seeking help on this. More than 8 in 10 would find workplace help on converting savings to income helpful, 4 in 10 plan participants want better explanations of how much income their savings can produce, and 1 in 4 feel their workplace retirement plan could be improved by the inclusion of more investment options designed for after retirement (Figures 30 and 31).

While retirees express generally lower interest, nearly 3 in 5 workers and more than 1 in 5 retirees indicate an interest in using a portion of their savings to purchase a product that would guarantee monthly income at some later age, like 80 or 85 (longevity insurance) (Figure 32). Additionally, three-quarters of DC plan participants express an interest in rolling some or all of their DC plan savings, at retirement, into a financial product that would guarantee income for life (Figure 33).

Despite relatively high interest, fewer expect an annuity or guaranteed lifetime income product to be a source of income in retirement; 36% of retirees and 54% of workers suggest this will be even a minor source of retirement income (Figure 34).
30 Years of RCS Findings: 1991 vs. 2020

Retirement & Retirement Income

Thirty years later, retirees are just as likely to say they retired earlier than planned (48% vs. 52% in 1991).

When it comes to sources of income in retirement, retirees are just as likely now as they were in 1991 to say Social Security is a major or minor source of income in retirement (92% vs. 86% in 1991). Workers are also just as likely to expect Social Security to be a source of income in retirement as they were in 1991 (87% vs. 90% in 1991).

On the other hand, retirees are twice as likely now as they were when the survey first started to say working for pay is a source of income in retirement (31% vs. 17% in 1991). Unlike retirees, workers are still just as likely as they were when the survey first started to expect work for pay to be a source of income in retirement (71% vs. 75% in 1991).
The RCS fields annually in January and, this year, fielded prior to the coronavirus crisis that has greatly impacted U.S. and global markets, businesses, and unemployment. Recognizing the impact these events may likely have had on RCS results and key metrics, the researchers refielded a supplemental survey of key questions from March 20–30, 2020. The supplemental survey included 505 workers and 499 retirees all ages 25 or older. Data were weighted the same as January data (by age, gender, education, household income, and race), and the survey was fielded using the same sample provider as January (Dynata).

Among both workers and retirees, overall confidence in being able to live comfortably throughout retirement did not significantly change between the January and March surveys. However, worker confidence is down when it comes to taking care of basic expenses (24% very confident vs. 33% in January), having enough for medical expenses (17% very confident vs. 22%), and having enough money to last their entire life (17% very confident vs. 22%). In March, workers’ confidence was highly correlated with changes or expected changes in employment status (as seen on pages 15 & 16).

While retiree confidence did not see significant changes, more retirees report higher-than-expected expenses — 30% say long-term care expenses are higher than expected (compared with 18% in January), 21% say their spending to support a family member is higher than expected (compared with 14%), and 30% report travel, entertainment, and leisure expenses to be higher than expected, compared with 21% in January.
Greenwald and EBRI acknowledge that the stability in retirement confidence is surprising to see given the current health and economic crisis impacting Americans. While many studies (such as The Conference Board Consumer Confidence Index) are showing that consumer confidence has gone down significantly, RCS researchers believe that the RCS’s main measure of confidence focuses on long-term situations, and workers’ continued confidence is likely reflecting Americans’ view that current conditions will pass before they jeopardize long-term financial security in retirement. According to a late-March Economist/YouGov poll that fielded during the same time as the RCS Supplemental Survey, only about 14% of Americans believed the current situation with coronavirus would last a year or longer.

RCS researchers have several hypotheses for what may have contributed to retirees’ unchanged confidence. First, retirees’ work status/employment remains unaffected by the crisis; more than 9 in 10 retirees report an unchanged employment status since February 1. Their major source of income, Social Security, remains intact. In addition, retired investors typically allocate their assets rather conservatively to fixed investments, which may have mitigated the impact the market downturn had on retirees.

Another important factor is the time frame in which the supplemental RCS fielded. This study started just after the markets began to go down, but some of the biggest impacts of the coronavirus in the United States — such as widespread stay-at-home orders and closures of non-essential businesses — had not occurred yet. During March fielding, unemployment was nowhere near the unprecedented levels it has since reached, the Families First Act was passed, and there was news of another stimulus package coming (the Coronavirus Aid, Relief, and Economic Security (CARES) Act).
March 2020: Critical Issues in America Today

When the RCS went back into the field in late March, respondents were asked about which issue they felt was most pressing in America currently.

More than 1 in 3 workers and retirees feel health care is the most critical issue in the country, followed by the economy, although workers are much more concerned about the economy than retirees (36% vs. 23%). About 1 in 10 workers say the political climate is most pressing, while nearly twice as many retirees feel the same.

Retirement readiness is seen as the least pressing issue, with just 3% of both workers and retirees who say it is most critical, although retirees with a major debt problem are more likely to say it is the most critical issue (10% vs. 2% with a minor problem or no problem).
When RCS went back into the field in March, nearly half of workers anticipated their employment status changing in the next six months, including more than 1 in 10 who said it will change in a negative way.

### Has your employment status changed since February 1st, 2020?
- Workers: n=505, Retirees: n=499

<table>
<thead>
<tr>
<th></th>
<th>Workers</th>
<th>Retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, in a positive way</td>
<td>11%</td>
<td>1%</td>
</tr>
<tr>
<td>Yes, in a neutral way</td>
<td>10%</td>
<td>2%</td>
</tr>
<tr>
<td>Yes, in a negative way</td>
<td>11%</td>
<td>3%</td>
</tr>
<tr>
<td>No, employment status has not changed</td>
<td>68%</td>
<td>94%</td>
</tr>
</tbody>
</table>

### In the next 6 months do you believe your employment status will change?
- Workers: n=505, Retirees: n=499

<table>
<thead>
<tr>
<th></th>
<th>Workers</th>
<th>Retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, in a positive way</td>
<td>18%</td>
<td>3%</td>
</tr>
<tr>
<td>Yes, in a neutral way</td>
<td>15%</td>
<td>2%</td>
</tr>
<tr>
<td>Yes, in a negative way</td>
<td>12%</td>
<td>2%</td>
</tr>
<tr>
<td>No, employment status will not change</td>
<td>55%</td>
<td>93%</td>
</tr>
</tbody>
</table>
Confidence is significantly lower among those who say their employment status has negatively changed or anticipate it to negatively change within the next six months.

### Differences by Change in Employment Status

**Workers n=505**

<table>
<thead>
<tr>
<th>% Very/Somewhat Confident</th>
<th>No Negative employment status change*</th>
<th>Negative employment status change*</th>
</tr>
</thead>
<tbody>
<tr>
<td>They will have enough money to live comfortably in retirement</td>
<td>67%</td>
<td>47%</td>
</tr>
<tr>
<td>They will have enough money to last their entire life</td>
<td>62%</td>
<td>39%</td>
</tr>
<tr>
<td>They will have enough to take care of medical expenses</td>
<td>63%</td>
<td>46%</td>
</tr>
<tr>
<td>They will have enough to take care of basic expenses</td>
<td>72%</td>
<td>55%</td>
</tr>
<tr>
<td>They will have enough for long-term care expenses</td>
<td>56%</td>
<td>28%</td>
</tr>
<tr>
<td>They are doing a good job preparing for retirement</td>
<td>67%</td>
<td>49%</td>
</tr>
<tr>
<td>The Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today</td>
<td>58%</td>
<td>39%</td>
</tr>
<tr>
<td>The Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today</td>
<td>55%</td>
<td>35%</td>
</tr>
</tbody>
</table>

*All bolded percentages are statistically significant*

*Negative employment status change or anticipated negative change in employment status in next 6 months*
Figure 1
7 in 10 (69%) workers are confident in having enough money to live comfortably in retirement. The share who feel very confident is still on the rise from 2018.

Overall, how confident are you that you (and your spouse) will have enough money to live comfortably throughout your retirement years?
2020 Workers n=1,018

Very Confident
Very or Somewhat Confident


First year asked

March 2020:
Very Confident: 24%
Net V/S Confident: 63%
Figure 2
Two-thirds of workers are confident that they are doing a good job preparing financially for retirement, and the share who feel very confident has increased since last year.

How confident are you that you (and your spouse) are doing a good job of preparing financially for your retirement?  
2020 Workers n=1,018

How confident are you that you (and your spouse) are doing a good job of preparing financially for your retirement?

2020 Workers n=1,018

Very Confident

Very or Somewhat Confident

Very Confident: 21%
Net V/S Confident: 64%
Figure 3
About 2 in 3 are confident they know how much they need to save to live comfortably, the right investments to choose, and how much income will be needed each month in retirement.

How confident are you (and your spouse)…?
Workers n=1,018

- You know how much money you need to have saved by the time you retire so you could live comfortably in retirement
  - Very Confident: 20%
  - Somewhat Confident: 44%
  - Not Confident: 36%
  - Total: 64% Confident

- Your ability to choose the right retirement products or investments for your situation
  - Very Confident: 19%
  - Somewhat Confident: 47%
  - Not Confident: 34%
  - Total: 66% Confident

- You know how much income you will need each month in retirement
  - Very Confident: 19%
  - Somewhat Confident: 45%
  - Not Confident: 36%
  - Total: 64% Confident
While most workers are confident they know how much monthly income will be needed, only 44 percent report having actually thought about this in order to prepare for retirement.
Figure 5
About 3 in 4 retirees are confident they will have enough to live comfortably in retirement, down significantly from 2019.
Retiree confidence is down from 2019, especially when it comes to covering medical expenses or having their money last their entire life.

How confident are you (and your spouse) about the following aspects related to retirement?
Retirees n=1,024

- You will have enough money to take care of your basic expenses during your retirement: 38% Very Confident, 44% Somewhat Confident (81% in 2019)
- You will have enough money to take care of your medical expenses during your retirement: 28% Very Confident, 42% Somewhat Confident (70% in 2019)
- You will have enough money to last your entire life: 27% Very Confident, 41% Somewhat Confident (68% in 2019)
- You will have enough money to pay for long-term care, such as nursing home or home care, should you need it during your retirement: 15% Very Confident, 37% Somewhat Confident (52% in 2019)

March 2020:
- Very Confident: 40%
- Net V/S Confident: 85%

First year asked (1992):
- Very Confident: 68%
- Net V/S Confident: 74%

Very Confident: 26%
Net V/S Confident: 74%

Very Confident: 23%
Net V/S Confident: 74%

Very Confident: 15%
Net V/S Confident: 52%
Figure 7
Worker confidence that the Social Security benefits will at least maintain their value in the future has reached another all-time high.

How confident are you that the Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today?
2020 Workers n=1,018

Very Confident
Very or Somewhat Confident

31% 28% 34% 35% 33% 32% 35% 39% 37% 28% 11% 11%

First year asked
March 2020:
Very Confident: 14%
Net V/S Confident: 51%

= Up significantly from previous year
= Down significantly from previous year
= Up significantly from January 2020
= Down significantly from January 2020
Figure 8
Retiree confidence in Social Security remains steady with 7 in 10 who are at least somewhat confident in the system.

How confident are you that the Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today?
2020 Retirees n=1,024

Very Confident | Very or Somewhat Confident


13% 16% 17% 28% 48% 50% 51% 66% 57% 56% 52% 57% 58% 51% 45% 69% 68%

First year asked

March 2020:
Very Confident: 18%
Net V/S Confident: 69%

↑ = Up significantly from previous year
↓ = Down significantly from previous year
↑ = Up significantly from January 2020
↓ = Down significantly from January 2020
Figure 9
Worker confidence in the value of Medicare benefits continues to increase, with half who feel at least somewhat confident it will continue to provide benefits of equal value to today.

How confident are you that the Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today?
2020 Workers n=1,018

<table>
<thead>
<tr>
<th>Year</th>
<th>Very Confident</th>
<th>Very or Somewhat Confident</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>28%</td>
<td>31%</td>
</tr>
<tr>
<td>1994</td>
<td>28%</td>
<td>31%</td>
</tr>
<tr>
<td>1999</td>
<td>31%</td>
<td>38%</td>
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<td>2004</td>
<td>38%</td>
<td>38%</td>
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<td>2009</td>
<td>39%</td>
<td>42%</td>
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<tr>
<td>2014</td>
<td>43%</td>
<td>43%</td>
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<tr>
<td>2015</td>
<td>43%</td>
<td>43%</td>
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<tr>
<td>2016</td>
<td>38%</td>
<td>38%</td>
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<tr>
<td>2017</td>
<td>34%</td>
<td>34%</td>
</tr>
<tr>
<td>2018</td>
<td>34%</td>
<td>34%</td>
</tr>
<tr>
<td>2019</td>
<td>45%</td>
<td>45%</td>
</tr>
<tr>
<td>2020</td>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>

March 2020:
- Very Confident: 13%
- Net V/S Confident: 54%

= Up significantly from previous year
= Down significantly from previous year
= Up significantly from January 2020
= Down significantly from January 2020
Figure 10
While worker confidence in Medicare benefits has increased, retirees are less confident that those benefits will be of at least equal value in the future.

How confident are you that the Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today?
2020 Retirees n=1,024

Very Confident Very or Somewhat Confident


11% 13% 12% 14% 16% 9% 12% 12% 15% 8% 7% 15% 18%

Very Confident: 19%
Net V/S Confident: 71%

= Up significantly from previous year
= Down significantly from previous year
= Up significantly from January 2020
= Down significantly from January 2020

First year asked

March 2020:

Very or Somewhat Confident: 81%
Figure 11
Up from 2019, about half of workers have actually tried to calculate how much money they will need in retirement.

Have you (or your spouse) tried to figure out how much money you will need to have saved by the time you retire so that you can live comfortably in retirement?

2020 Workers n=896, Percent Yes

- **First year asked**

*Figures and n-sizes from all years presented exclude those who answered ‘Don’t know’ or refused to answer*
Figure 12
4 in 10 workers who tried to calculate how much they will need in retirement expect to need $1 million or more, compared with 1 in 3 in 2019 and 1 in 4 in 2016.

How much did you (or your spouse) calculate you would need to accumulate in total so that you can live comfortably in retirement?

Workers who tried to do the calculation n=773*

- Net: $1MM+
  - 39% in 2020
  - 34% in 2019
  - 27% in 2016

*Total calculated without ‘Don’t know’, ‘Don’t remember’ and ‘Could not do calculation responses’
Retirees who tried to calculate how much they needed in retirement are more likely than workers to expect they needed less than $1 million.

How much did you (or your spouse) calculate you would need to accumulate in total so that you can live comfortably in retirement?  
Retirees who tried to do the calculation n=675*

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $100k</td>
<td>18%</td>
</tr>
<tr>
<td>$100k to less than $250k</td>
<td>16%</td>
</tr>
<tr>
<td>$250k to less than $500k</td>
<td>17%</td>
</tr>
<tr>
<td>$500k to less than $750k</td>
<td>13%</td>
</tr>
<tr>
<td>$750k to less than $1 MM</td>
<td>11%</td>
</tr>
<tr>
<td>$1 MM to less than $1.5 MM</td>
<td>12%</td>
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<tr>
<td>$1.5 MM to less than $2 MM</td>
<td>7%</td>
</tr>
<tr>
<td>$2 MM or more</td>
<td>7%</td>
</tr>
</tbody>
</table>

*Total calculated without ‘Don’t know’, ‘Don’t remember’ and ‘Could not do calculation responses’
When attempting to calculate how much is needed for retirement, workers are most likely to have taken lifestyle and retirement age into consideration.

<table>
<thead>
<tr>
<th>Consideration</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeting your lifestyle in retirement</td>
<td>67%</td>
</tr>
<tr>
<td>The age you will retire</td>
<td>61%</td>
</tr>
<tr>
<td>How you will pay for health care costs</td>
<td>51%</td>
</tr>
<tr>
<td>Unexpected expenses, like car or home repairs</td>
<td>45%</td>
</tr>
<tr>
<td>How you will spend free time in retirement</td>
<td>45%</td>
</tr>
<tr>
<td>Your mortgage, rent or other housing costs</td>
<td>42%</td>
</tr>
<tr>
<td>How inflation will impact your savings</td>
<td>41%</td>
</tr>
<tr>
<td>How you will pay for long-term care if you need it</td>
<td>41%</td>
</tr>
<tr>
<td>Whether or not you will work in retirement</td>
<td>36%</td>
</tr>
<tr>
<td>Leaving an inheritance to your family</td>
<td>27%</td>
</tr>
<tr>
<td>How to convert retirement assets into income</td>
<td>24%</td>
</tr>
<tr>
<td>Leaving money to a charity</td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
</tbody>
</table>

Not previously asked
7 in 10 retirees who calculated how much was needed for retirement say they considered budgeting their lifestyle when doing the calculation. 6 in 10 say they took health care costs into consideration.

Which of the following have you considered when figuring out how much money you will need to have saved so that you can live comfortably in retirement?

Retirees who tried to calculate how much was needed for retirement n=510

- Budgeting your lifestyle in retirement: 70%
- How you will pay for health care costs: 60%
- Unexpected expenses, like car or home repairs: 56%
- The age you will retire: 54%
- How you will spend free time in retirement: 49%
- How inflation will impact your savings: 48%
- Your mortgage, rent or other housing costs: 45%
- How you will pay for long-term care if you need it: 39%
- Whether or not you will work in retirement: 29%
- How to convert retirement assets into income: 27%
- Leaving an inheritance to your family: 26%
- Leaving money to a charity: 7%
- Other: 5%

Not previously asked
Figure 16
More than 8 in 10 are satisfied with their retirement plan overall and the investment options available. 3 in 4 are satisfied with the educational materials they receive about their plan.

How satisfied are you with the following aspects of your workplace retirement savings plan?
Workers offered an employer-sponsored retirement savings plan n=531

How satisfied are you with the following aspects of your workplace retirement savings plan?
Workers offered an employer-sponsored retirement savings plan n=531

- Overall
  - Very satisfied: 36%
  - Somewhat satisfied: 47%
  - Total: 83%
  - First year asked (2018): 85%

- The investment options available
  - Very satisfied: 36%
  - Somewhat satisfied: 47%
  - Total: 83%
  - First year asked (2018): 86%

- The educational materials you receive*
  - Very satisfied: 28%
  - Somewhat satisfied: 46%
  - Total: 74%

*Not previously asked
\(^{\text{Significant at 94% level}}\)

\[\text{March 2020:} \]
Very Satisfied: 31%
Net V/S Satisfied: 76% \(\downarrow\)

Very Satisfied: 23%
Net V/S Satisfied: 76% \(\uparrow\) \(\downarrow\)

Very Satisfied: 23%
Net V/S Satisfied: 73%

\[\text{= Up significantly from previous year} \]
\[\text{= Down significantly from previous year} \]
\[\text{= Up significantly from January 2020} \]
\[\text{= Down significantly from January 2020} \]
Figure 17
Most plan participants consider themselves “do-it-with-me” or “do-it-for-me” investors, preferring to get at least some guidance from a professional or online tool when selecting plan investments.

Which of the following best describes how you approach investment decisions in your workplace retirement savings plan?
Workers currently contributing to an employer-sponsored retirement savings plan n=481

- “Do-it-for-me” 27%
- “Do-it-with-me” 41%
- “Do-it-myself” 26%
- Don't know 7%
Figure 18
Workers most often consider performance and risk tolerance when choosing retirement investments in their workplace plan. 3 in 10 take fees into consideration.

What factors do you consider when selecting investment options within your workplace retirement plan?
Workers currently contributing to an employer-sponsored retirement savings plan n=481

<table>
<thead>
<tr>
<th>Factor</th>
<th>March 2020:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance growth</td>
<td>43%</td>
</tr>
<tr>
<td>Matches your risk tolerance</td>
<td>34%</td>
</tr>
<tr>
<td>Fees</td>
<td>29%</td>
</tr>
<tr>
<td>Easy investment that adjusts</td>
<td>21%</td>
</tr>
<tr>
<td>Recommendations of a professional financial advisor</td>
<td>19%</td>
</tr>
<tr>
<td>Investments match a well-known index</td>
<td>16%</td>
</tr>
<tr>
<td>Recognize/know the name of the company/fund</td>
<td>16%</td>
</tr>
<tr>
<td>It’s the employer default option</td>
<td>14%</td>
</tr>
<tr>
<td>Investment is actively managed by a fund manager</td>
<td>11%</td>
</tr>
<tr>
<td>Recommendations from a friend or family</td>
<td>9% (vs. 13% in 2019)</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
<tr>
<td>None of these</td>
<td>8% (vs. 12% in 2019)</td>
</tr>
</tbody>
</table>

Legend:
- ↑ = Up significantly from previous year
- ↓ = Down significantly from previous year
- ↑ = Up significantly from January 2020
- ↓ = Down significantly from January 2020
Only about half of workers say they understand TDFs, how they work, and how to choose the right fund.

How well do you understand the following?

Workers offered an employer-sponsored retirement savings plan n=531

- Target Date Funds (TDFs) in general: 16% Very Well, 33% Somewhat Well, 50% Not previously asked
- How TDFs change or adjust investments over time: 16% Very Well, 31% Somewhat Well, 47% Not previously asked
- How to choose the right TDF for you: 16% Very Well, 31% Somewhat Well, 46% Not previously asked
Figure 20
About 6 in 10 workers consider their level of debt to be at least a minor problem. More than 4 in 10 retirees consider their debt to be a problem, compared with 1 in 4 in 2019.
Figure 21

About 7 in 10 workers with debt say it has negatively impacted their ability to save for retirement in general, and half say their ability to contribute to their employer’s retirement plan has been impacted.

To what extent is your non-mortgage debt having a negative impact on your ability to do the following?

Workers who have non-mortgage debt n=701

<table>
<thead>
<tr>
<th>Activity</th>
<th>Major Impact</th>
<th>Minor Impact</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Save for emergencies</td>
<td>30%</td>
<td>42%</td>
<td>72%</td>
</tr>
<tr>
<td>Save for retirement in general</td>
<td>30%</td>
<td>39%</td>
<td>69%</td>
</tr>
<tr>
<td>Participate in or contribute to an employer’s retirement plan*</td>
<td>18%</td>
<td>36%</td>
<td>53%</td>
</tr>
<tr>
<td>Participate in or buy other employee benefits, such as life or disability insurance*</td>
<td>16%</td>
<td>31%</td>
<td>47%</td>
</tr>
</tbody>
</table>

*Only asked of workers

↑ = Up significantly from previous year
↓ = Down significantly from previous year
Figure 22
Nearly 9 in 10 workers feel it is a good idea for employers to offer matching contributions to retirement plans when workers can demonstrate they have made a student loan payment.

Do you feel it is a good idea or a bad idea for employers to offer a matching contribution to retirement plans when an employee can demonstrate that they made a student loan debt payment (in lieu of contributing to a retirement plan themselves)?
Workers n=1,018, Retirees n=1,024

If your employer offered you the option, would you take advantage of the employer’s match by...?*
Workers n=1,018

*Asked only of workers

Questions not previously asked
Figure 23
8 in 10 workers would like education on how to manage competing financial priorities. An even greater share want help with retirement savings targets and planning for health care in retirement.

How helpful, if at all, do you think the following workplace educational or financial well-being programs would be in helping you better prepare or save for retirement?

Workers employed full- or part-time n=736

<table>
<thead>
<tr>
<th>Program</th>
<th>Very Helpful</th>
<th>Somewhat Helpful</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning for health care expenses in retirement</td>
<td>34%</td>
<td>51%</td>
<td>86%</td>
</tr>
<tr>
<td>Help calculating how much you need to save for a secure retirement</td>
<td>40%</td>
<td>44%</td>
<td>85%</td>
</tr>
<tr>
<td>Education or advice on how to convert savings into income in retirement*</td>
<td>35%</td>
<td>47%</td>
<td>82%</td>
</tr>
<tr>
<td>Education or advice on how to manage competing financial priorities</td>
<td>29%</td>
<td>51%</td>
<td>80%</td>
</tr>
<tr>
<td>Student loan debt assistance</td>
<td>19%</td>
<td>30%</td>
<td>49%</td>
</tr>
</tbody>
</table>

*Not previously asked

= Up significantly from previous year  = Down significantly from previous year
Currently, only 16% of workers report being offered help with competing financial priorities. A quarter receive help calculating how much to save for retirement, while just 1 in 10 have access to an emergency savings vehicle.

Are you offered any of the following financial well-being programs through your employer?
Workers employed full- or part-time n=736

- Help calculating how much you need to save for a secure retirement: 24%
- Education or advice on how to manage competing financial priorities: 16%
- Help planning for health care expenses in retirement: 14%
- Education or advice on how to convert savings into income in retirement: 14%
- Access to an emergency savings account or program: 11%
- Payroll advances: 9%
- Student loan debt assistance: 5%
- None of the above: 54%

Not previously asked
Figure 25
3 in 4 of both workers and retirees say income stability is more important than preserving principal. The share of retirees prioritizing income stability is higher than in 2019.

Thinking about your financial priorities in retirement, which of these is more important to you?
Workers n=1,018, Retirees n=1,024

- Income stability: Ensuring a set amount of income for life
- Maintaining wealth: Preserving principal amount/balances

Workers

Maintaining wealth 25%
Income stability 75%

Retirees

Maintaining wealth 24%
Income stability 76%
(vs. 65% in 2019)

= Up significantly from previous year  = Down significantly from previous year
Figure 26
Retirees who kept money in their workplace plan or rolled to an IRA are not withdrawing from these accounts or are only withdrawing the required minimum distribution (RMD).

Which of the following best describes how you use the remaining money in your workplace retirement savings plan and/or IRA?
Retirees with money in DC plan or IRA n=482

- You only withdraw what you are legally required to, known as a RMD: 31%
- You do not withdraw money from this account: 27%
- You withdraw money on an as needed basis, with no real system: 14%
- You systematically withdraw a specific dollar amount each month/year: 12%
- You systematically withdraw a specific percentage each month/year: 11%
- Don’t know: 5%

What percentage do you aim to withdraw each year?
Retirees who withdraw a percentage each month/year n=51^ 

- Under 5%: 16%
- 5% to 9%: 47%
- 10% or more: 23%
- Don’t know: 14%

^Caution: Small base size
Figure 27
Half of retirees report that their overall spending is about what they expected, while a third say spending is higher. Health, dental, and long-term care expenses (when they occur) tend to be higher.

<table>
<thead>
<tr>
<th>Compared with what you expected when you first retired, would you say the following are higher or lower for you now than you expected?</th>
<th>Retirees n=1,024</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NET: Higher Than Expected</td>
</tr>
<tr>
<td>Overall expenses/spending</td>
<td>10%</td>
</tr>
<tr>
<td>Health care or dental expenses</td>
<td>13%</td>
</tr>
<tr>
<td>Long-term care expenses</td>
<td>9%</td>
</tr>
<tr>
<td>Housing expenses</td>
<td>7%</td>
</tr>
<tr>
<td>Spending to support or help a family member</td>
<td>7%</td>
</tr>
<tr>
<td>Travel, entertainment or leisure expenses</td>
<td>5%</td>
</tr>
</tbody>
</table>

= Up significantly from previous year
= Down significantly from previous year
= Up significantly from January 2020
= Down significantly from January 2020
Among those who aim to increase their assets, 2 in 3 say they are saving for later expenses. About 3 in 10 say they want to leave an inheritance or want to increase asset levels for long-term care needs.

Why is your goal to increase your asset level?
Retirees who want to increase asset level n=272

- Saving for later expenses: 64%
- Want to leave an inheritance: 33%
- Long-term care needs: 30%
- Increasing cost of health insurance: 22%
- Saving for a specific purchase: 18%
- Afraid you will run out of money: 17%
- Your spending is higher than expected: 7%
- Other: 7%

Not previously asked
Figure 29
Retirees are much more likely than workers to say they estimated how much income they would need each month when preparing for retirement.

To prepare for retirement, did you (and your spouse)...?
Retirees n=1,024

- Estimate how much income you (and your spouse) would need each month in retirement: 59%
- Think about how you will occupy your time in retirement: 56%
- Plan for how you would cover an emergency or big expense in retirement: 51%
- Think about how much money to withdraw from your retirement savings and investments in retirement: 45%
- Calculate how much money you (and your spouse) would likely need to cover health expenses in retirement: 39%
8 in 10 workers and 7 in 10 retirees say it would be helpful if their employer offered education or advice on converting savings into income in retirement.

How helpful, if at all, do you think the following workplace educational or financial well-being programs would be in helping you better prepare or save for retirement?

Workers employed full- or part-time n=736, Retirees employed full- or part-time n=72

**Education or advice on how to convert savings into income in retirement**

- **Workers**
  - Very Helpful: 35%
  - Somewhat Helpful: 47%
  - Not Helpful: 18%
  - Helpful: 82%

- **Retirees**
  - Very Helpful: 34%
  - Somewhat Helpful: 38%
  - Not Helpful: 29%
  - Helpful: 71%

Not previously asked
Figure 31
Workers would like more information about how much income their savings will produce in retirement. 3 in 10 would like to know whether they are on track with their savings.
When you retire, how interested do you think you will be in purchasing an insurance product with a portion of your savings that begins providing guaranteed monthly income at some point in the future, such as age 80 or 85?

Workers age 84 or younger n=1,018, Retirees Age 84 or younger n=1,011

When you retire, how interested do you think you will be in purchasing an insurance product with a portion of your savings that begins providing guaranteed monthly income at some point in the future, such as age 80 or 85?

Net: Interested
Workers – 57% (vs. 49% in 2019)
Retirees – 27%

Very Interested
Workers 15% (vs. 37% in 2019)
Retirees 5%

Somewhat Interested
Workers 42%
Retirees 22%

Not too Interested
Workers 26%
Retirees 26%

Not at All Interested
Workers 15%
Retirees 45%

Already Own This Product
Workers 1%
Retirees 2%

= Up significantly from previous year
= Down significantly from previous year
Workers also express interest in rolling some or all money from their retirement plan into a guaranteed lifetime income product purchased at the time of retirement.

When you retire, how interested would you be in rolling some or all of your workplace retirement plan savings out of the plan and into a financial product that would guarantee you monthly income for life?

Workers participating in DC plan n=481

- Very Interested: 27%
- Somewhat Interested: 51%
- Not too Interested: 17%
- Not At All Interested: 4%
- Already Own This Product: 1%

Net: Interested
2020 – 78%
2019 – 75%
Figure 34
Over half of workers expect a product that guarantees monthly income to be a source of income in retirement – up from 49% in 2019.

To what extent (do you expect each of the following to be/is each of the following) a source of income in retirement?
Workers planning to retire n=904, Retirees n=1,024

A Product That Guarantees Monthly Income For Life, Such As An Annuity

Workers

<table>
<thead>
<tr>
<th>Major Source</th>
<th>Minor Source</th>
<th>Not a Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>46%</td>
<td>37%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Retirees

<table>
<thead>
<tr>
<th>Major Source</th>
<th>Minor Source</th>
<th>Not a Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>64%</td>
<td>20%</td>
<td>16%</td>
</tr>
</tbody>
</table>

↑ 54% Major/Minor Source (vs. 49% in 2019)

= Up significantly from previous year  
= Down significantly from previous year