

**EBRI's Comments**  
2020 Retirement Confidence Survey  
April 23, 2020

**Lori Lucas:**

Good Afternoon, I'm Lori Lucas, President and CEO of the Employee Benefit Research Institute. It is my pleasure to kick off this briefing on the 2020 Retirement Confidence Survey. This is a big year for the survey as it has reached its 30<sup>th</sup> year, easily making it the longest-running survey of its kind. We have partnered with Greenwald & Associates to conduct this survey annually. Later, we will hear from Matt Greenwald, President and CEO of Greenwald & Associates, who initiated the survey those 30 years ago.

2020 has been a trying time to say the least, but the RCS was fielded in January, prior to the pandemic's effects on the stock market, businesses, and unemployment. Recognizing the impact these events likely had on worker and retiree confidence, we fielded from March 20-30 a supplemental survey using key questions from the January survey.

The pandemic is likely to have far-reaching effects on employee benefit plans and the use of them by workers. In particular, workers are likely to be looking for help in getting back on track once this crisis ends. Financial wellbeing programs set up through employers could serve that role, as we have found that workers do value them and say that they believe they are helpful in preparing for retirement.

Today, our researchers will go over the main findings from the RCS before and after the onset of the pandemic, while Matt will give a historical perspective on the RCS findings over the many ups and downs in the economy since 1991.

Craig Copeland, senior research associate at EBRI, will start us off.

**Craig Copeland:**

Thank you, Lori.

Workers' overall confidence in their ability to live comfortably in retirement remained steady through January relative to 2019, while the share who felt very confident had increased as of January. In particular, 7 in 10 workers were confident they will have enough to live comfortably in retirement, including 27% who were very confident — up from 23% in 2019 and 17% in 2018.

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

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, as 77% were very or somewhat confident in 2020 vs. 82% in 2019.

In addition, retirees showed lower confidence in certain aspects of retirement in January 2020 relative to 2019. Specifically, 81% of retirees felt confident in January 2020 they will have enough money to take care of basic expenses in retirement compared with 85% in 2019, 70% compared with 80% in 2019 were confident in having enough to take care medical expenses, and 68% vs. 76% in 2019 were confident in having enough money to last their entire life.

Consequently, confidence levels were at or just below their all-time highs in January 2020, before COVID-19 hit. However, at the onset of the pandemic in March 2020, Americans overall maintained their confidence in being able to live comfortably throughout retirement relative to the January survey, between both workers and retirees.

Yet, worker confidence did show some cracks, as workers' confidence in certain aspects of retirement faltered. Specifically, the confidence in being able to take care of basic expenses in retirement was down (24% very confident in March vs. 33% in January) as well as in having enough money to last their entire life (17% very confident in March vs. 22% in January).

While retiree confidence did not see significant changes in March, more retirees report having higher-than-expected expenses — 30% say long-term care expenses are higher than expected (compared with 18% in January) and 21% say their spending to support a family member is higher than expected (compared with 14% in January).

In the March survey, one clear finding portends significant declines in the retirement confidence of workers, as workers who had a negative job change or expected one had across-the-board lower confidence levels on numerous aspects about retirement. In many cases, these workers' confidence was up to 20 percentage points lower than for those who did not have a negative job change.

Some examples of these differences include 67% of those who did not have a negative job status change or expect to have one who were very or somewhat confident that they will have enough money to live comfortably in retirement compared with 47% of those with a negative job status change or those who expected one. An even larger difference resulted between the two groups for those feeling confident that they will have enough money to last their entire life — 62% for those without a negative job change vs. 39% for those with a negative job change.

I now will hand it off to Lisa Greenwald, Executive Vice President of Greenwald & Associates, who will discuss issues pertaining to workplace plans, desire for help in preparing for retirement, and the tie to financial wellness programs.