

**EBRI's Comments**  
**Craig Copeland, EBRI**  
**2021 Retirement Confidence Survey**  
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Good afternoon, I'm Craig Copeland, Senior Research Associate at the Employee Benefit Research Institute. It is my pleasure to kick off this briefing on the 2021 Retirement Confidence Survey. This is the 31st year of the survey, easily making it the longest-running survey of its kind. Throughout this time, we have worked jointly with Greenwald Research to conduct this survey annually. Later, Lisa Greenwald, CEO of Greenwald Research, will discuss findings focused on retirees.

2020 was a trying time with significant financial impact on both American workers and retirees. This year's survey allows us to assess this impact on workers' and retirees' retirement confidence and preparations for retirement.

Workers' overall confidence in having enough money to live comfortably throughout retirement remained steady in 2021 relative to January 2020. In particular, 7 in 10 workers were confident they will have enough money to live comfortably throughout retirement, including nearly 3 in 10 who were very confident. Furthermore, both of these numbers are above the levels recorded just after the pandemic began in March 2020, when 6 in 10 workers were confident and just less than one-quarter were very confident in their retirement prospects.

When workers were specifically asked how the COVID-19 pandemic impacted their confidence in having enough money for retirement, 1 in 3 report they were somewhat or significantly less confident in their

retirement prospects. In contrast, 1 in 6 report being more confident as a result of the COVID-19 pandemic.

This reduction in confidence as a result of the pandemic was driven by those workers who had experienced a negative change in their income or job. 4 in 10 workers experienced such a change, and one-half of these workers report a reduction in confidence in having enough money for retirement compared with only one-quarter of those without a negative income or job change.

Other aspects of retirement confidence of workers also held steady from January 2020 and increased from March 2020. In 2021, 77% of workers are confident that they will have enough money to take care of basic expenses during retirement, compared with 69% reporting this confidence in March 2020. Similarly, 63% report being confident that they will have enough money to last their entire life, up from 57% in March 2020.

7 in 10 workers are also confident they are doing a good job preparing for retirement, including 28% who feel very confident about the job they are doing preparing for retirement. This is up from 64% and 21%, respectively, in March 2020. 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 among retirees in having enough money to live comfortably throughout retirement remained unchanged from their January and March 2020 level at 80%.

In addition to retirees' overall confidence remaining unchanged, their confidence in having enough money to cover basic expenses remains unchanged from 2020 at 85%. However, their confidence in having enough money to last their entire life and to cover medical care

expenses in retirement increased in 2021 from the January 2020 levels. Specifically, 74% of retirees felt confident in 2021 that they will have enough money to last their entire life, up from 68% in January 2020, and 77% expressed confidence in covering medical care expenses compared with 70% in January 2020.

Furthermore, 7 in 10 retirees in 2021 report being confident in the job they did preparing for retirement, up from 6 in 10 retirees who reported being confident in January 2020. This includes an increase in the share who are very confident in their preparations.

Consequently, confidence levels have held at or just below their all-time highs, even with the pandemic. However, those feeling less confident appear to be those who were less confident prior to the pandemic and those most likely to have had a negative job or income change since the pandemic.

One factor that appeared to help confidence remain high was the continued satisfaction with workplace retirement savings plans. In fact, in 2021, 84% of workers offered a workplace plan were satisfied with it overall, up from 76% in March 2020. Furthermore, three-quarters or higher of these workers were satisfied with the investment options offered, the educational materials received, and the online tools or calculators offered through the plan.

In addition to the satisfaction with the workplace plans, 6 in 10 of the 31% of those making a change in their contribution or investment allocation since January 1<sup>st</sup>, 2020, had increased their contribution by January 2021. However, on the downside, 22% of workers making a change decreased their contribution and 23% stopped contributing altogether.

When asked about preferred improvements in retirement savings plans offered, the top choices were better explanations for how much income their savings will produce in retirement, more fund or investment options available, and better explanations for whether they are on track with their retirement savings, with 3 in 10 citing each of these as the most valuable improvements in the plans. Just below these, one-quarter listed more one-on-one, personalized education as the most valuable improvement. Furthermore, nearly 9 in 10 workers say it would be very or somewhat valuable if their retirement plan savings with a previous employer were automatically transferred to their current employer's plan when they changed jobs.

Given the difficult circumstances some faced as a result of the pandemic, it is not surprising that 1 in 10 workers who have saved for retirement took a loan or some type of withdrawal from their workplace savings plan in the prior 12 months. The top reasons for taking these loans or withdrawals were to pay credit card debt, cover a COVID-19 related need, make a large purchase/buy a home, or due to a job loss/spouse's job loss.

I now will hand it off to Lisa Greenwald, CEO of Greenwald Research, who will discuss retirees' experiences in retirement.

Thank you, Lisa. I'm excited to mention an important feature to this year's survey was added in an attempt to better understand the differences in retirement prospects of those in specific minority groups—an oversample of Black and Hispanic workers and retirees. This oversample allows for more in-depth results and analysis for these

groups. A report focused on these workers and retirees will be released June 3.