

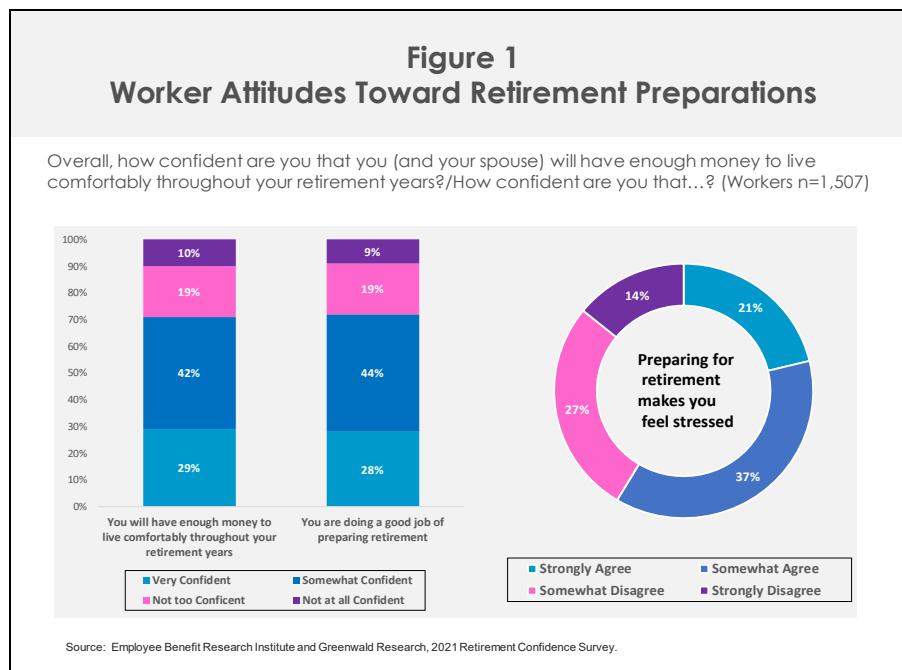
2021 RCS FACT SHEET #3

Preparing For Retirement In America

Less than one-third of American workers feel very confident about their ability to afford a comfortable retirement. For some, preparing for retirement causes stress. What are they doing to prepare for retirement?

Stress About Retirement Preparations

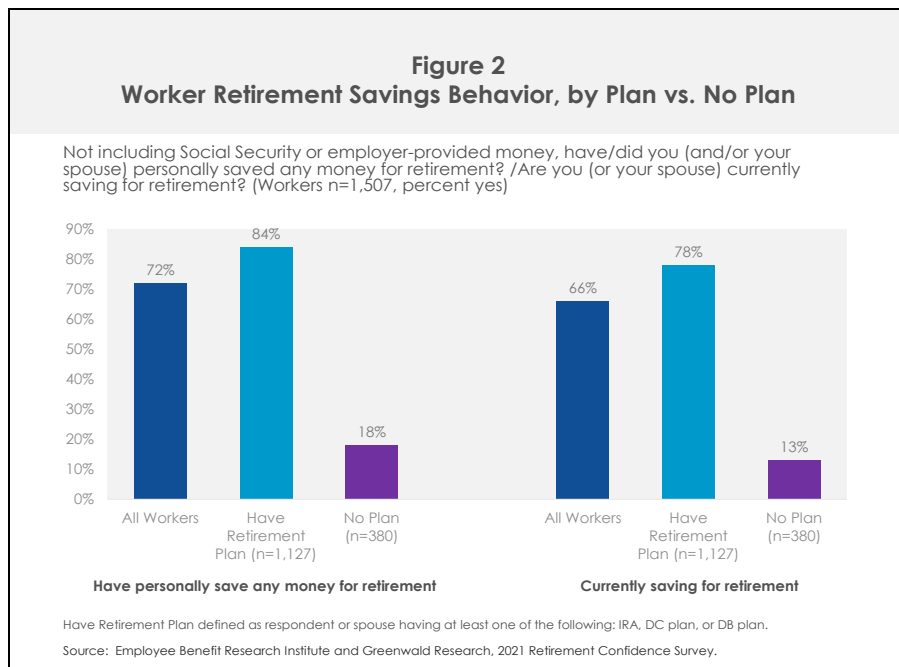
Nearly three-quarters (72 percent) of American workers feel confident in their ability to live comfortably in retirement, though 29 percent feel very confident. Similarly, 28 percent of workers feel very confident that they are doing a good job preparing for retirement, and another 44 percent feel somewhat confident. At the same time, 6 in 10 workers (58 percent) report that they either strongly or somewhat agree with the statement that preparing for retirement makes them feel stressed (Figure 1).



Saving For Retirement

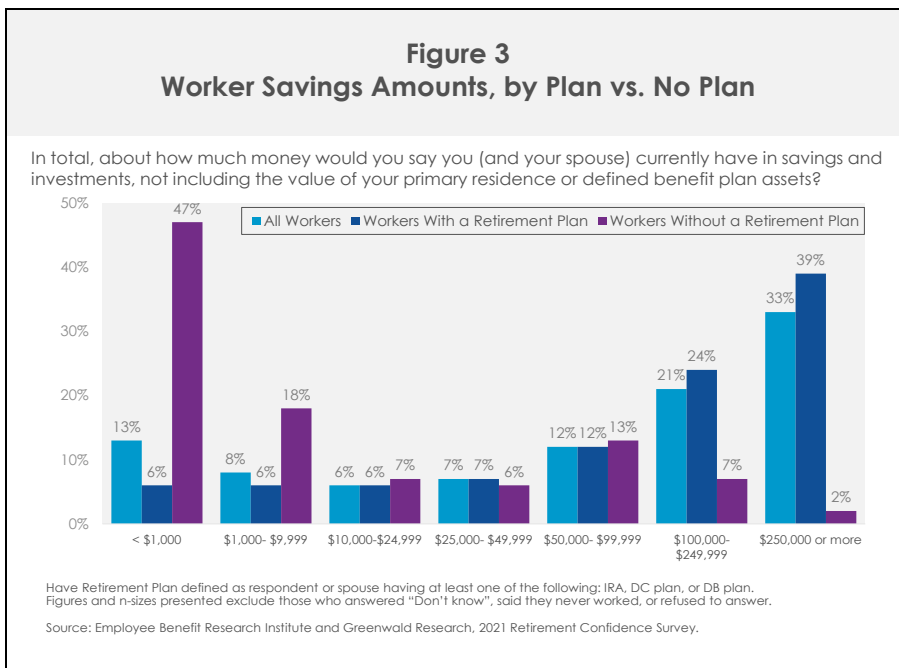
Nearly three-quarters of workers (72 percent) in the 2021 Retirement Confidence Survey (RCS) report that they or their spouse have saved any money for retirement. Nearly as many (66 percent) report that they are currently saving for retirement.

Workers who have any retirement plan are dramatically more likely than those who do not have such a plan to report they or their spouse have saved any money for retirement (84 percent vs. 18 percent) and to say they or their spouse are currently saving for retirement (78 percent vs. 13 percent among those without a plan) (Figure 2).



How Large Is Their Nest Egg?

A sizable percentage of workers say they have very little or no money in savings and investments. Among RCS workers providing this type of information, 27 percent report that the total value of their savings and investments, excluding the value of their primary home, is less than \$25,000 (Figure 3). This includes 13 percent who say they have less than \$1,000 in savings. Seven percent report totals of \$25,000–\$49,999, 12 percent \$50,000–\$99,999, 21 percent \$100,000–\$249,999, and 33 percent \$250,000 or more.

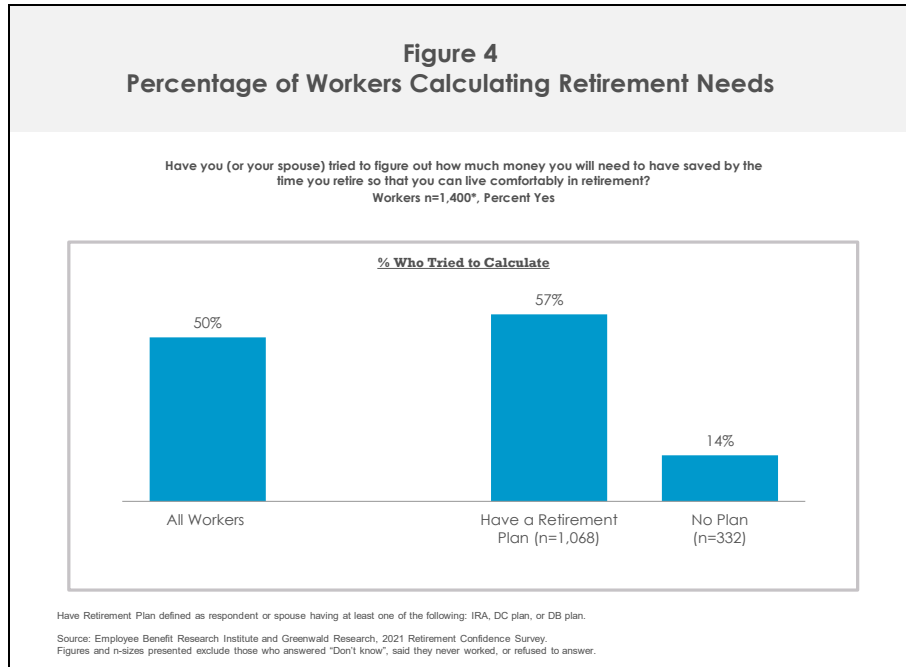


Workers who have a retirement plan have significantly more in savings and investments than do those without a plan. Just under half of workers without a retirement plan (47

percent) report having less than \$1,000 in savings and investments, compared with just 6 percent among workers with a retirement plan.

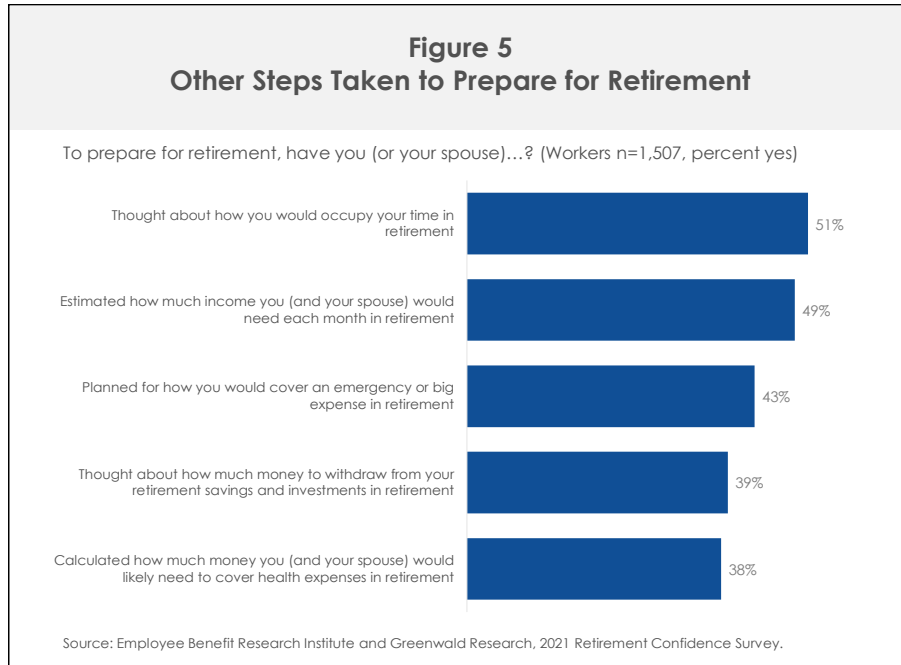
Have They Tried to Figure out How Much They Need?

Half of workers (50 percent) report they and/or their spouse have tried to calculate how much money they will need to have saved so that they can live comfortably in retirement. Workers reporting that they or their spouse participate in a retirement plan are significantly more likely than those who do not participate in such a plan to have tried a calculation (57 percent vs. 14 percent) (Figure 4).



What Other Steps Have They Taken?

Many workers, but only a majority for one step, report they have taken other steps to prepare for retirement. These include estimating how much income they would need each month in retirement (49 percent). Around 4 in 10 workers have planned for an emergency expense in retirement (43 percent), thought about how much money to withdraw from their retirement savings and investments in retirement (39 percent), and calculated how much they would likely need for retirement health expenses (38 percent). Half of workers (51 percent) report they have thought how they would occupy their time in retirement (Figure 5).



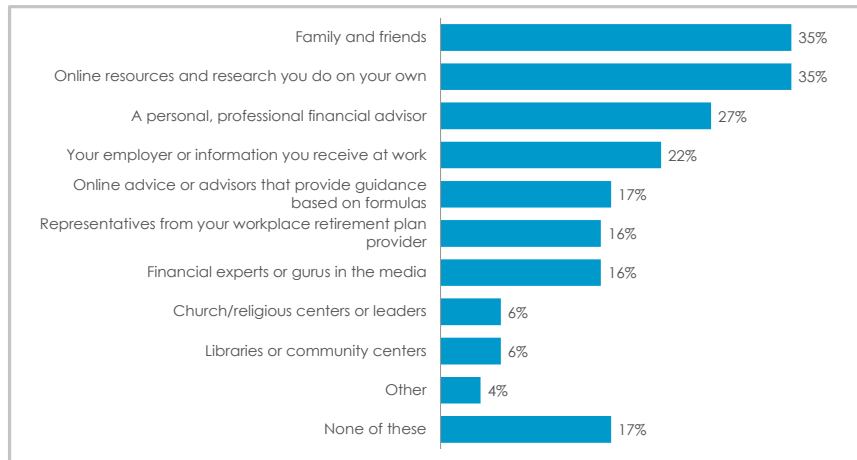
Financial Advice

One-third of workers (33 percent) report that they (and their spouse) are currently working with a professional financial advisor. In addition, a greater share (38 percent) expects to work with a professional financial advisor if they are not currently working with one.

While professional advisors (27 percent) are one of the most used sources of information for retirement planning, workers use many different sources of information, including family and friends (35 percent), online resources and research they do on their own (35 percent), their employer or information from their work (22 percent), online advice or advisors that provide guidance based on formulas (17 percent), and representatives from their workplace retirement plan provider (16 percent). However, 17 percent of workers say they use none of the sources offered (Figure 6).

Figure 6
Workers' Sources of Information for Retirement Planning

Which of the following people or groups do you use as a source of information for retirement planning? *Select all that apply.*
Workers n=1,507



Source: Employee Benefit Research Institute and Greenwald Research, 2021 Retirement Confidence Survey.

When asking which source of information they trust the most, a personal, professional financial advisor and family and friends are each cited by 20 percent of workers, and 18 percent say online resources and research they do on their own is the most trusted. Their employer or information they receive at work (7 percent) and representatives from their workplace retirement plan provider (6 percent) are less likely to be cited as the most trusted source.

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