

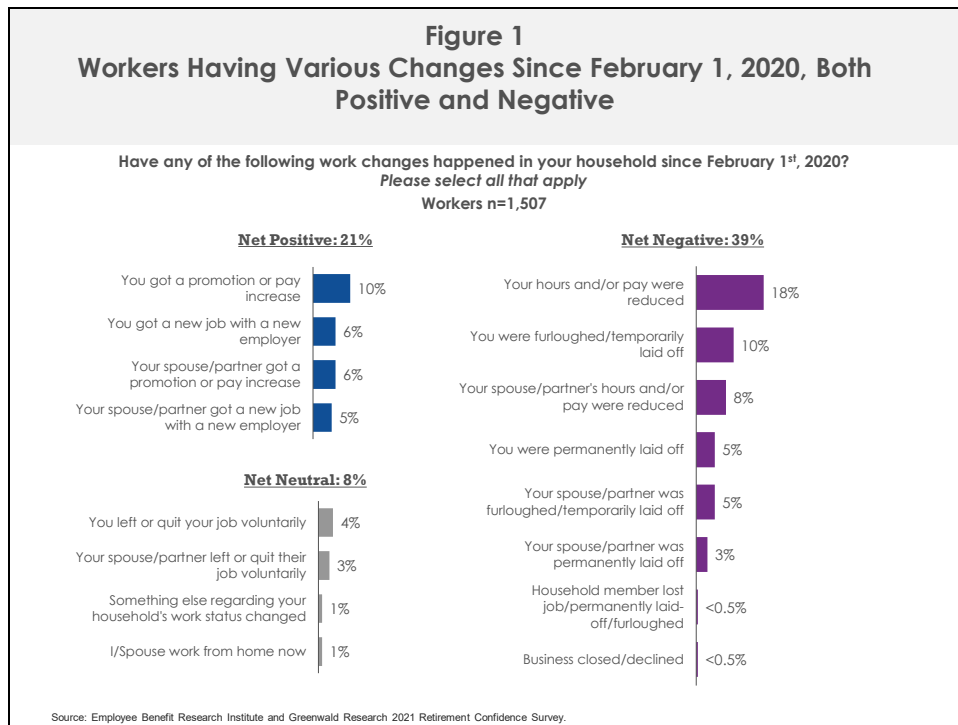
2021 RCS FACT SHEET #9

**WORKERS HAVING A NEGATIVE CHANGE
 IN HOURS OR PAY FROM THE COVID-19 PANDEMIC**

What share of workers report a negative change in work from the COVID-19 pandemic? How did it affect their retirement confidence? Are those with a negative impact more likely to have a change in their ability to save for retirement? Are their savings priorities different? Was their target retirement age more likely to change? The 31st annual Retirement Confidence Survey (RCS) examined these important topics and others related to the impact of the COVID-19 pandemic on workers.

Workers Having a Negative Change From the COVID-19 Pandemic

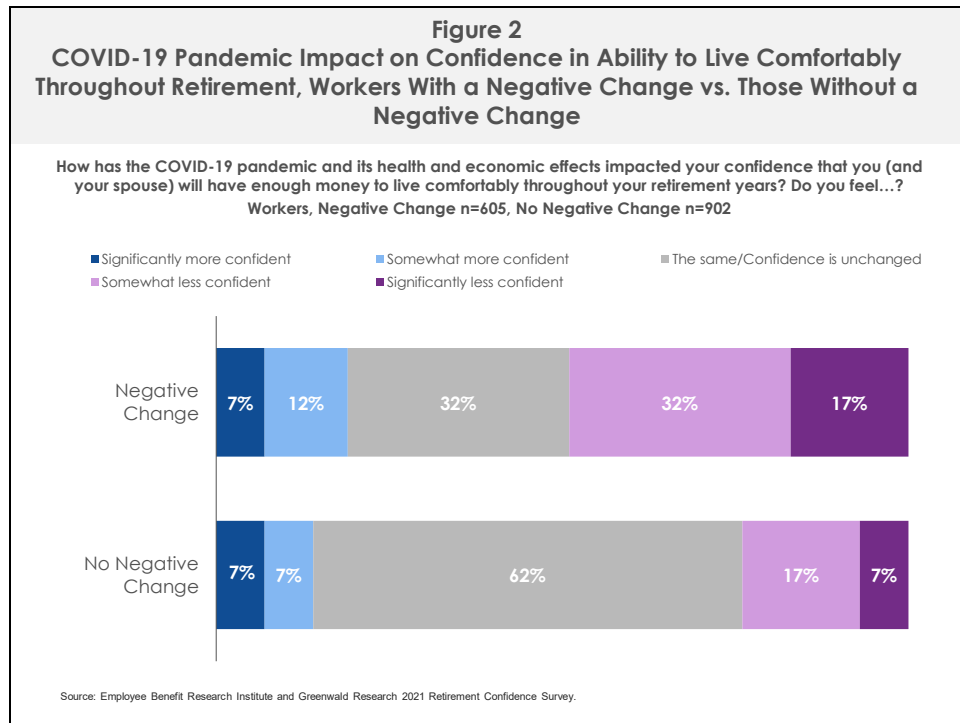
Nearly 2 in 10 (18 percent) workers say their hours and/or pay were reduced since February 1, 2020. One in ten (10 percent) workers say they were furloughed/temporarily laid off. In total, 39 percent of workers report some type of negative change in their work since February 1, 2020. However, 21 percent of workers report having some type of positive change in work since February 1, 2020 (Figure 1).



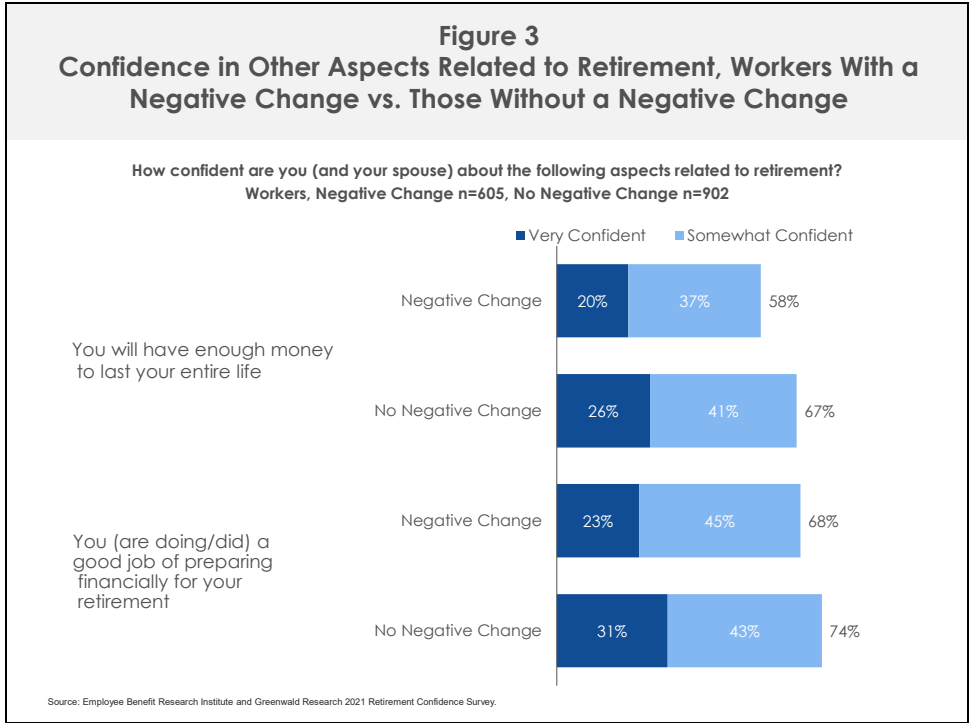
Change in Retirement Confidence

Workers who had a negative change in work since February 1, 2020, are more likely to say that the COVID-19 pandemic and its health and economic effects reduced their confidence in having enough money to live comfortably throughout their retirement

years. One-half (50 percent) of workers who had a negative change in work say they were they either somewhat or significantly less confident as a result of the COVID-19 impact compared with just 24 percent of those who did not have a negative change (Figure 2). Almost all of the difference is due to the lower share of those with a negative change saying that their confidence is unchanged due to the pandemic (32 percent vs. 62 percent).

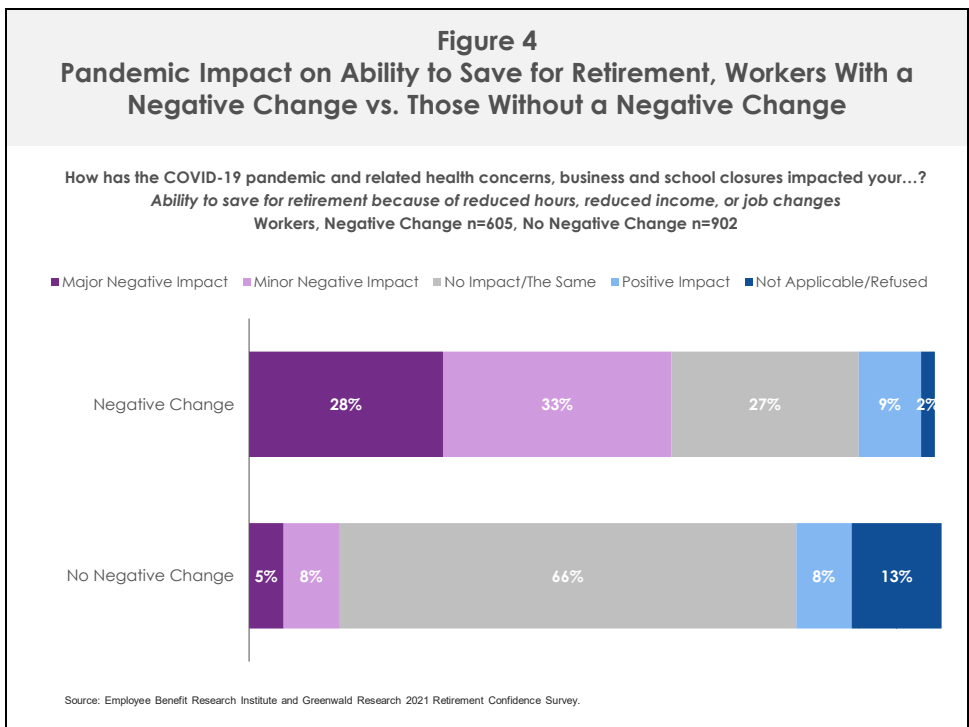


Workers who did not have a negative change in their hours or pay since February 1, 2020, are more likely to be both more confident that they will have enough money to last their entire life and that they are doing a good job preparing financially for their retirement. In fact, two-thirds (67 percent) of the workers without a negative change in work are somewhat or very confident that they will have enough money to last their entire life, compared with 58 percent of the workers with a negative change. Furthermore, three-quarters (74 percent) of workers without a negative change in work are confident that they are doing a good job preparing financially for retirement vs. 68 percent of those with a negative change (Figure 3).

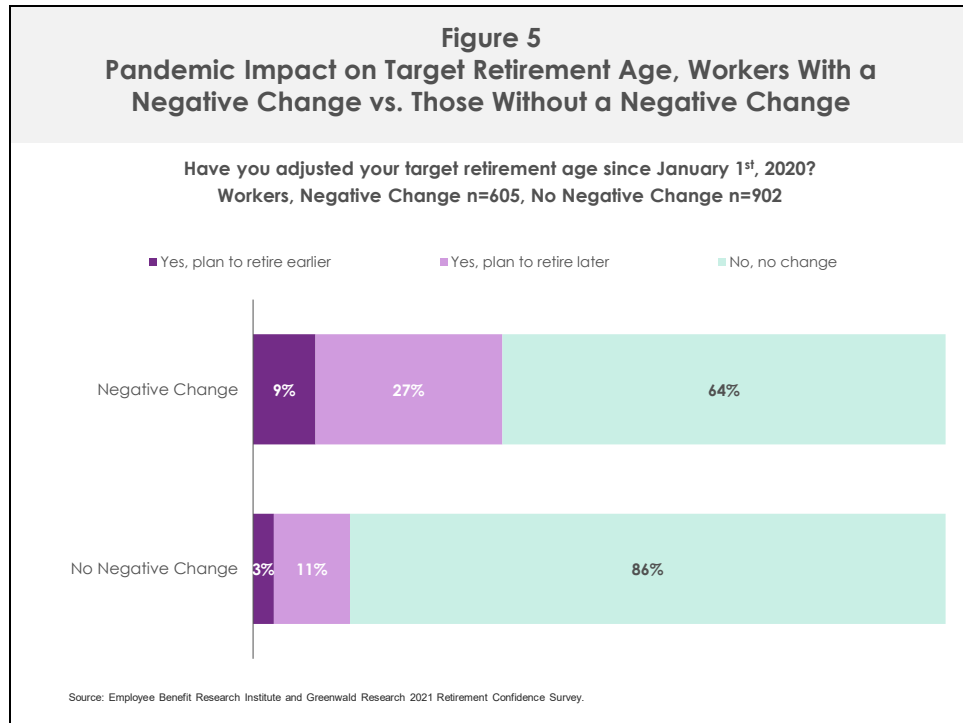


Impact on Retirement Savings and Target Retirement Age

Six in ten (61 percent) workers who had a negative change in their hours and/or pay report that the COVID-19 pandemic had a negative impact on their ability to save for retirement, including over one-quarter (28 percent) who say it had a major negative impact. Only 13 percent of workers who did not have a negative change report the pandemic having a negative impact on their ability to save for retirement (Figure 4).



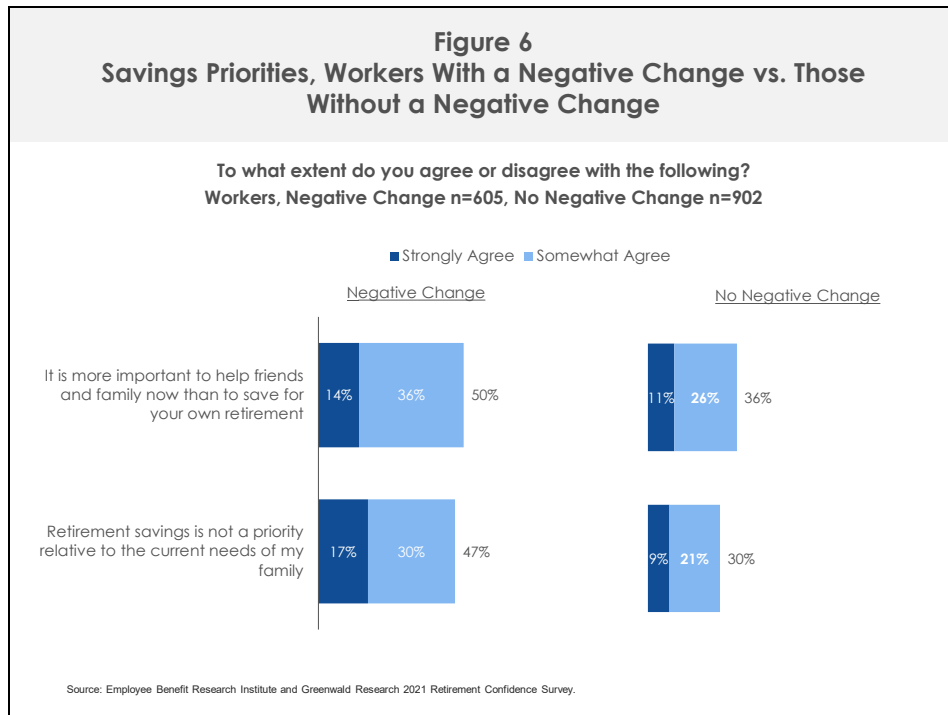
Over one-third (36 percent) of workers who had a negative change in hours or pay since February 1, 2020, report that they changed their target retirement age since January 1, 2020. One in ten (9 percent) say they now plan to retire earlier, and 27 percent say they plan to retire later. Only 14 percent of those without a negative change report changing their target retirement age since January 1, 2020. One in ten (11 percent) say they will retire later, and 3 percent say they will retire earlier (Figure 5).



Savings Priorities

One-half (50 percent) of workers who had a negative change in hours or pay since February 1, 2020, say they either strongly or somewhat agree that it is more important to help friends and family now than to save for their own retirement, although only 14 percent strongly agree. In contrast, fewer than 4 in 10 (36 percent) workers who did not have a negative change agree with this statement, but the share (11 percent) who strongly agree is similar to that of those with a negative change.

Likewise, nearly one-half (47 percent) of workers with a negative change in work agree that retirement savings is *not* a priority relative to the current needs of their family. This includes 17 percent who strongly agree that retirement savings is not a priority. Again, the workers who did not have a negative change with work are less likely to agree that retirement savings was not a priority, as only 3 in 10 (30 percent) of these workers agree (Figure 6).



Debt and Having Enough Savings for an Emergency Expense

Just over 6 in 10 (61 percent) workers who had a negative change in hours or pay since February 1, 2020, agree that debt was negatively impacting their ability to save for retirement, including 28 percent who strongly agree. For those workers who did not have a negative change in work, only 36 percent agree debt was affecting their ability to save for retirement. Only 14 percent without the negative change strongly agree with the statement (Figure 7).

Workers who had a negative change in hours or pay since February 1, 2020, report being less likely to agree that they have enough savings to handle an emergency or sudden large expense than those without a negative change (63 percent vs. 74 percent). Most of the difference is coming from those who strongly agree: 36 percent of those without a negative change in hours or pay compared with 28 percent of those with a negative change (Figure 8).

Figure 7
Debt Negatively Impacting Ability to Save for Retirement, Workers With a Negative Change vs. Those Without a Negative Change

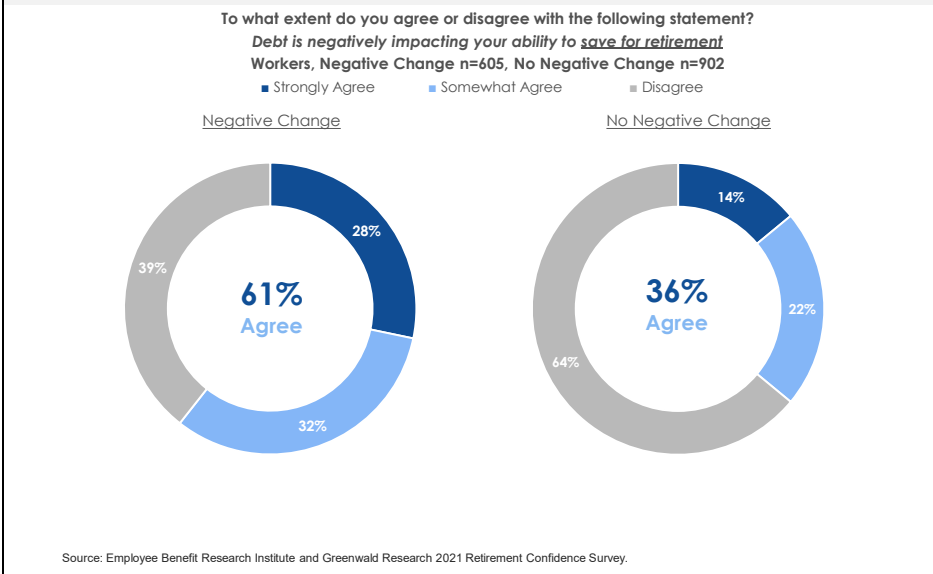
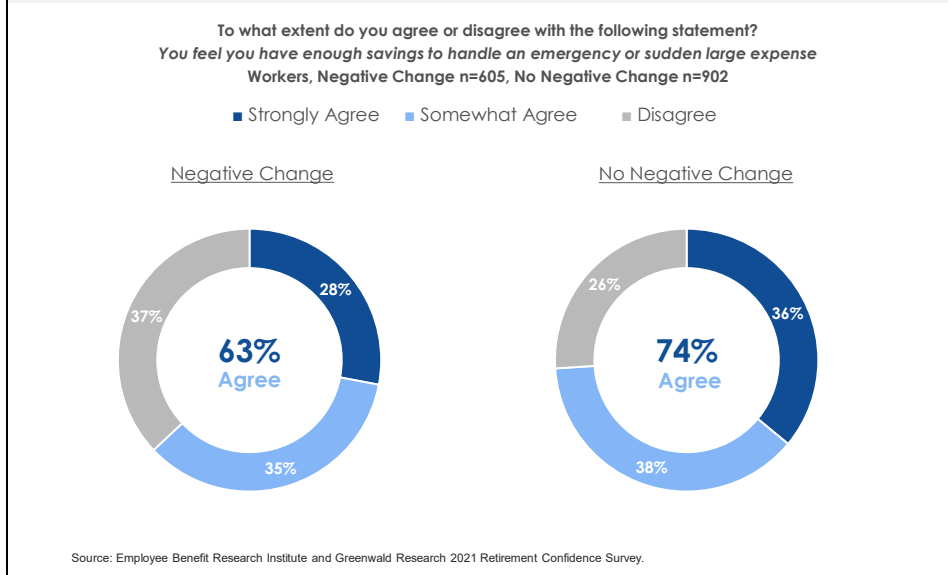


Figure 8
Have Enough Money for an Emergency or Sudden Expense, Workers With a Negative Change vs. Those Without a Negative Change



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