

EBRI's Comments
Craig Copeland, EBRI
2022 Retirement Confidence Survey
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Good morning, I'm Craig Copeland, the Director of Wealth Benefits Research at the Employee Benefit Research Institute. It is my pleasure to start this briefing on the 2022 Retirement Confidence Survey. This is the 32nd 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 and 2021 were trying times 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 after the main effects of the pandemic.

Workers' overall confidence in having enough money to live comfortably throughout retirement remained steady in 2022 relative to 2021. In particular, 7 in 10 workers are confident they will have enough money to live comfortably throughout retirement.

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 7 report being more confident as a result of the COVID-19 pandemic.

The workers who feel less confident as a result of the pandemic are those who were the least prepared for retirement. Those with poorer health, with lower incomes, with less savings and investments, who

have never saved for retirement, or who have a major debt problem are more likely to be less confident after the pandemic.

Other aspects of retirement confidence of workers also held steady from 2021. In 2022, 74% of workers are confident that they will have enough money to take care of basic expenses during retirement, compared with 77% in 2021. Similarly, 65% report being confident that they will have enough money to last their entire life, remaining steady from 2021 at 63%. Still, a majority of workers — nearly 6 in 10 — report that preparing for retirement makes them feel stressed.

Retiree confidence in having enough money to live comfortably throughout retirement remained unchanged from its 2021 level at nearly 8 in 10. In addition to retirees' overall confidence remaining unchanged, their confidence in having enough money to cover basic expenses remains steady from 2021 at 84%, and their confidence in having enough money to cover medical care expenses in retirement also remained unchanged in 2022.

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 not been prepared prior to the pandemic.

One factor that appears to help confidence remain high is the continued satisfaction with workplace retirement savings plans. In fact, in 2022, 82% of workers offered a workplace plan are satisfied with it overall, remaining steady from 2021. Furthermore, 8 in 10 of these workers are satisfied with the investment options offered, and 8 in 10 of these workers utilizing tools and resources to help determine how much to save or to help determine how to generate a stream of income from their savings are satisfied with the tools.

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, options that provide guaranteed lifetime income, and better explanations for whether they are on track with their retirement savings, with just under 3 in 10 citing each of these as the most valuable improvements in the plans. Just below these, one-quarter listed more options designed for after they retire and more investment options being available.

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 off credit card debt, make ends meet, make a large purchase/buy a home, cover a COVID-19-related need, or cover another emergency expense.

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

Closing Remarks

Thank you, Lisa. I'm excited to inform you of an important feature to this year's survey, which was an oversample added to the survey collection to better understand the differences in retirement prospects of those in the LGBTQ community. This oversample allows for more in-depth results and analysis for this community. The report on the LGBTQ community will be released in June.