2022 RCS Fact Sheet #1
Retirement Confidence

One in three Americans feel very confident about their ability to have enough money to live comfortably throughout their retirement years. Workers who say debt is a problem are, not surprisingly, less confident, while those who have a retirement plan are remarkably more confident.

Confidence in Having a Comfortable Retirement

The 2022 Retirement Confidence Survey (RCS) finds just under three-quarters of American workers (73 percent) feel confident in their ability to have enough money to live comfortably throughout their retirement, though only 28 percent feel very confident. The share of workers reporting that they feel either very or somewhat confident has increased significantly since 2017 (73 percent vs. 60 percent in 2017) and is not statistically different from its 2020 level, before the start of the pandemic (Figure 1).

Although the level of confidence expressed by those already in retirement continues to be higher than those yet to retire, it not statistically significant in 2022 like it was from 2017–2021. Retiree confidence about having enough money for a comfortable retirement remains high. Seventy-seven percent of retirees report feeling either very or somewhat confident about having enough money to live comfortably throughout their retirement years (compared with 77 percent in 2020 and 80 percent in 2021). One-third of retirees feel very confident (33 percent), while 23 percent say they are not too or not at all confident (Figure 2).
Retirement confidence continues to be strongly related to retirement plan participation, whether in a defined contribution (DC) plan, defined benefit (DB) plan, or individual retirement account (IRA). Workers reporting they or their spouse have money in a DC plan or IRA or have benefits in a DB plan from a current or previous employer are twice as likely as those without any of these plans to be at least somewhat confident (83 percent with a plan vs. 40 percent without a plan) (Figure 3).
Confidence in Other Financial Aspects of Retirement

Three in four workers (74 percent) report feeling very or somewhat confident about being able to afford basic expenses in retirement, including 29 percent who feel very confident. Workers’ confidence in their ability to afford basic expenses is higher than the confidence they report regarding their ability to pay for medical expenses in retirement. More than 1 in 3 workers (35 percent) are not too or not at all confident they will have enough money for medical expenses in retirement. A similar share is not too or not at all confident that they are doing a good job in preparing financially for retirement (31 percent) (Figure 4).

Retirees, who are already in that life stage, express higher levels of confidence than workers in having enough money to take care of expenses (basic and medical) during retirement. More than 4 out of 5 retirees (84 percent) feel at least somewhat confident in their ability to afford basic expenses throughout their retirement years. Seventy-seven percent are very or somewhat confident about having enough money to cover medical expenses, and 71 percent feel they did a good job preparing financially for retirement (Figure 4).

Influence of Debt on Confidence

Workers are more likely to say that debt is a problem for them than retirees. Fifty-six percent of workers say debt is a problem for them, while 44 percent say debt is not a problem. In contrast, just 35 percent of retirees say that debt is a problem for them. Workers are twice as likely to say that debt is a major problem as retirees (18 percent vs. 9 percent) (Figure 5).

The RCS has consistently found a relationship between debt levels and retirement confidence. In 2022, 38 percent of workers with a major debt problem say they are very or somewhat confident about having enough money to live comfortably in retirement,
compared with 88 percent of workers who indicate debt is not a problem. On the other hand, 30 percent of workers with a major debt problem are not at all confident about having enough money for a financially secure retirement, compared with 4 percent of workers without a debt problem (Figure 6).

Figure 5
Problems With Debt Among Workers and Retirees

Thinking about your current financial situation, how would you describe your level of debt? (2022 Workers n=1,545; Retirees n=1,132)


Figure 6
Worker Confidence in Financial Security in Retirement, by Debt

Overall, how confident are you that you (and your spouse) will have enough money to live comfortably throughout your retirement years? (Workers n=1,545)

Source: Employee Benefit Research Institute and Greenwald Research, 2022 Retirement Confidence Survey.