2023 RCS Fact Sheet #1

Retirement Confidence

One in five 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 2023 Retirement Confidence Survey (RCS) finds just under two-thirds of American workers (64 percent) feel confident in their ability to have enough money to live comfortably throughout their retirement, with only 18 percent feeling very confident. The share of workers reporting that they feel either very or somewhat confident decreased significantly from 2022 (64 percent vs. 73 percent in 2022) — the lowest level since 2018 (Figure 1).

The level of confidence expressed by those already in retirement is higher than for those yet to retire. Seventy-three percent of retirees report feeling either very or somewhat confident about having enough money to live comfortably throughout their retirement years, which is down from 77 percent in 2022. One-quarter of retirees feel very confident (27 percent) in 2023, a decline from 33 percent in 2022 (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 more than twice as likely as those without any of these plans to be at least somewhat confident (74 percent with a plan vs. 29 percent without a plan) (Figure 3).
Confidence in Other Financial Aspects of Retirement

Three in four workers (73 percent) report feeling very or somewhat confident about being able to afford basic expenses in retirement, including 26 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 (37 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 (34 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 (83 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 70 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. Sixty-two percent of workers say debt is a problem for them, while 38 percent say debt is not a problem. In contrast, just 34 percent of retirees say that debt is a problem for them. Workers are nearly twice as likely as retirees to say that debt is a major problem (19 percent vs. 11 percent) (Figure 5).

The RCS has consistently found a relationship between debt levels and retirement confidence. In 2023, 30 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 81 percent of workers who indicate debt is not a problem. On the other hand, 29 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?
(2023 Workers n=1,320; Retirees n=1,217)

- Workers
  - 2023: 40% A Major Problem, 39% A Minor Problem, 20% Not a Problem
  - 2022: 49% A Major Problem, 38% A Minor Problem, 13% Not a Problem
  - 2021: 37% A Major Problem, 43% A Minor Problem, 20% Not a Problem
  - 2020: 46% A Major Problem, 36% A Minor Problem, 19% Not a Problem
  - 2019: 44% A Major Problem, 38% A Minor Problem, 18% Not a Problem
  - 2018: 38% A Major Problem, 43% A Minor Problem, 18% Not a Problem
  - 2017: 24% A Major Problem, 22% A Minor Problem, 19% Not a Problem
  - 2016: 22% A Major Problem, 26% A Minor Problem, 18% Not a Problem
  - 2015: 26% A Major Problem, 26% A Minor Problem, 24% Not a Problem
  - 2005: 40% A Major Problem, 49% A Minor Problem, 13% Not a Problem

- Retirees
  - 2023: 69% A Major Problem, 67% A Minor Problem, 6% Not a Problem
  - 2022: 60% A Major Problem, 66% A Minor Problem, 5% Not a Problem
  - 2021: 66% A Major Problem, 65% A Minor Problem, 9% Not a Problem
  - 2018: 46% A Major Problem, 44% A Minor Problem, 9% Not a Problem
  - 2015: 44% A Major Problem, 38% A Minor Problem, 9% Not a Problem
  - 2005: 38% A Major Problem, 43% A Minor Problem, 6% Not a Problem


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=1,320)

- Very Confident
  - Debt Major Problem: 29%
  - Debt Minor Problem: 27%
  - Debt Not a Problem: 41%

- Somewhat Confident
  - Debt Major Problem: 8%
  - Debt Minor Problem: 27%
  - Debt Not a Problem: 51%

- NotToo Confident
  - Debt Major Problem: 14%
  - Debt Minor Problem: 52%
  - Debt Not a Problem: 29%

- Not at All Confident
  - Debt Major Problem: 8%
  - Debt Minor Problem: 15%
  - Debt Not a Problem: 52%

Source: Employee Benefit Research Institute and Greenwald Research, 2023 Retirement Confidence Survey.

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