

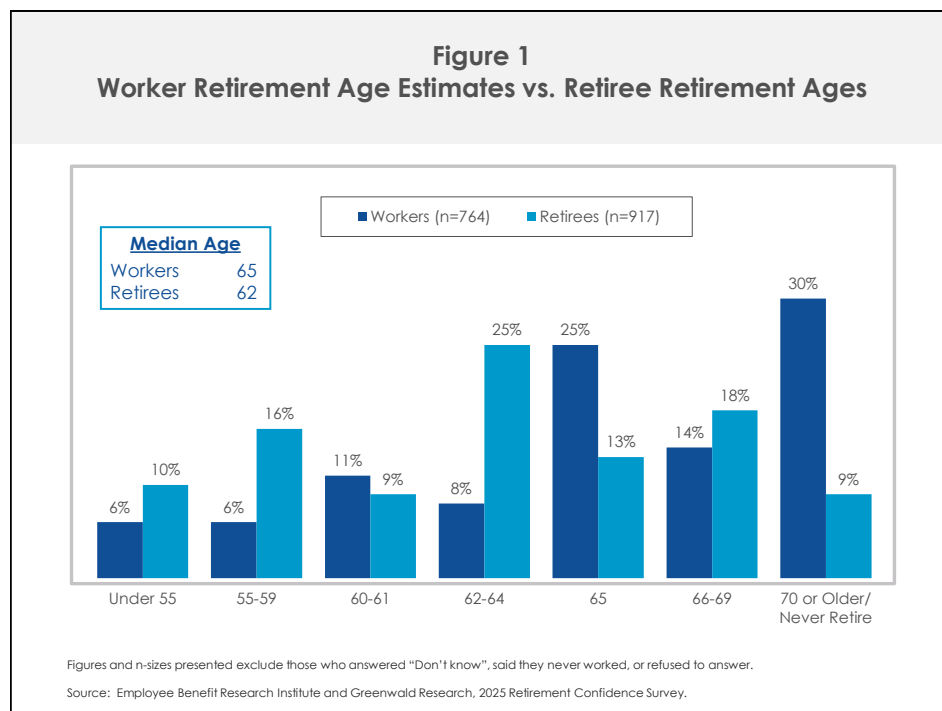
2025 RCS FACT SHEET #2

EXPECTATIONS ABOUT RETIREMENT

Many workers continue to say they are behind in their retirement preparations, including saving for retirement. Consequently, what sources of income do workers expect to receive in retirement? How do workers' expectations align with retirees' experiences?

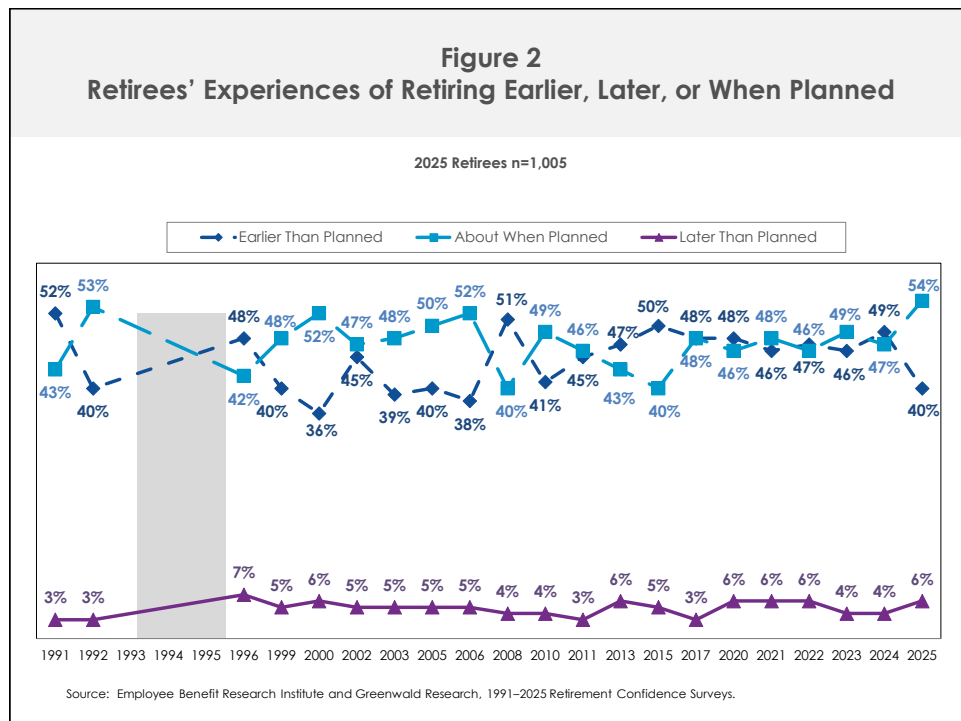
Postponing Retirement

As in prior years, there is a big gap between when active workers expect to retire and when retirees say they actually did: Workers continue to report an expected median retirement age of 65, while retirees report they retired at a median age of 62 (Figure 1).



Workers are notably more likely to say they expect to retire at ages 70 or older. Three in 10 (30 percent) workers expect to retire at 70 or older or not at all, while only 9 percent of retirees report this was the case for them. Just 12 percent of workers say they plan to retire before age 60, compared with 27 percent of retirees who report they retired that early. Nineteen percent of workers say they plan to retire between the ages of 60 and 64, although 34 percent of retirees say they retired in that age range. This difference between workers' expected retirement age and retirees' actual age of retirement suggests that a considerable gap exists between workers' expectations and retirees' experiences.

The Retirement Confidence Survey (RCS) has consistently found that a large percentage of retirees leave the work force earlier than planned (40 percent) (Figure 2). In the 2025 RCS, many who say they retired earlier than planned did so because of a hardship, such as a health problem or disability (31 percent). Another 31 percent say that they retired due to changes at their company, but a larger share say they could afford to retire earlier (44 percent).¹ This tendency to retire earlier than planned may explain the considerable gap that exists between workers' expectations and retirees' experiences.



As one might expect, workers who are not confident about their financial security in retirement plan to retire later, on average, than those who express confidence. For example, 50 percent of workers who are not confident in their retirement financial prospects say they either will not retire or do not know when they will retire, compared with 20 percent who are very confident.

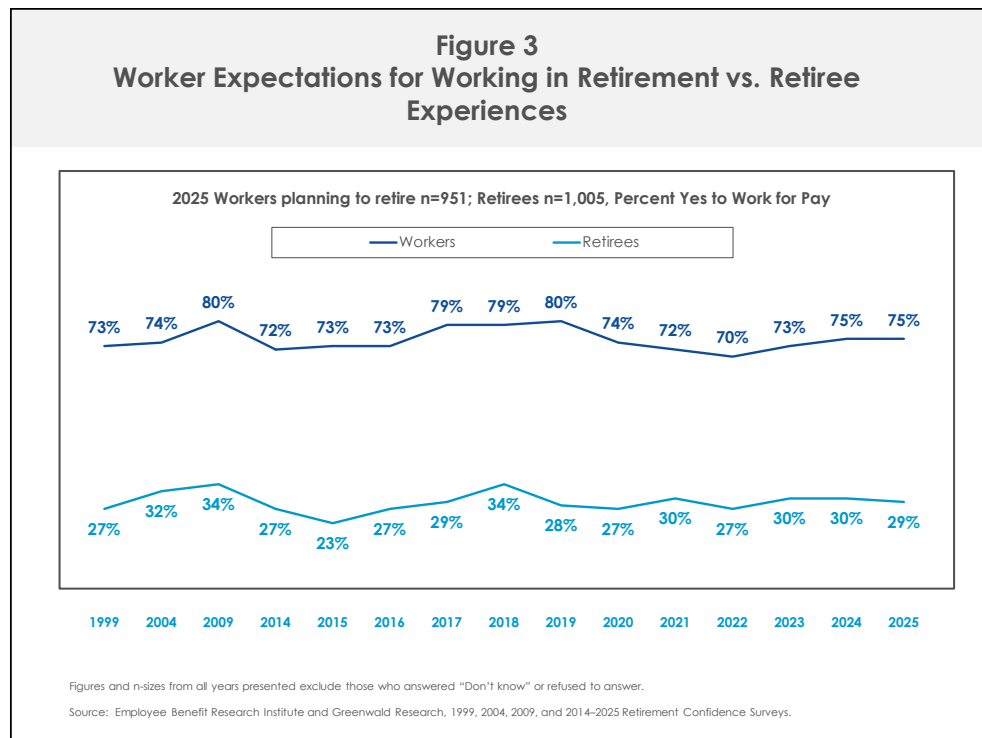
Working for Pay in Retirement

Three in four workers (75 percent) plan to work for pay in retirement, compared with just 29 percent of retirees who report they have actually worked for pay in retirement. In fact, the RCS has consistently found that workers are far more likely to plan to work for pay in retirement than retirees are to have actually done so (Figure 3).

Retirees working for pay in retirement who report why they are working for pay often cite a positive reason, either major or minor, for doing so, such as they want to stay active and involved (89 percent), they enjoy working (88 percent), or a job opportunity

¹ Retirees could have retired for more than one reason.

came along (56 percent). However, they report that financial reasons also play a role in that decision, such as wanting money to buy extras (73 percent major or minor reason for working), to avoid reducing their savings (54 percent), needing money to make ends meet (40 percent), a decrease in the value of their savings or investments (26 percent), or keeping health insurance or other benefits (16 percent).²



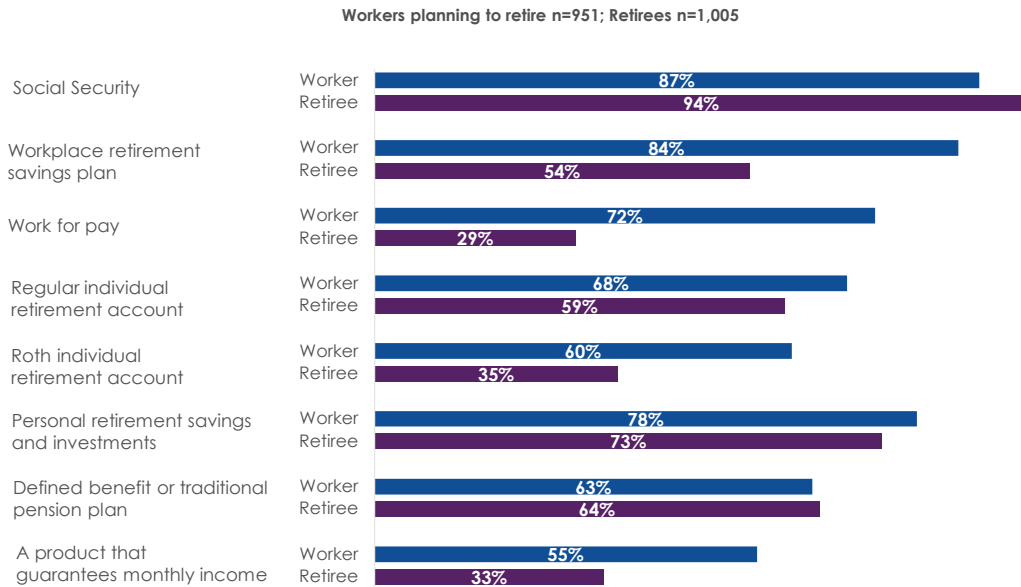
Sources of Retirement Income

While almost all retirees (94 percent) report that Social Security provides a source of retirement income for them and their spouse's retirement (66 percent say it is a major source of income), workers and their spouses continue to expect to draw their retirement income from a wide variety of sources.

Eighty-seven percent of current workers expect Social Security to be a major or minor source of income in retirement, but they believe that personal savings will also play a large role, with 84 percent saying they anticipate receiving retirement income from a workplace retirement savings plan, 68 percent from a regular individual retirement account, and 78 percent from personal retirement savings and investments. Seventy-two percent expect work for pay to provide income in retirement, 63 percent expect to receive income from a defined benefit or traditional pension plan, and 55 percent expect to receive income from a financial product that guarantees monthly income for life. In contrast to workers' expectations, retirees are less likely to rely on any form of personal savings or on employment for their income in retirement (Figure 4).

² Retirees could have worked for pay in retirement for more than one reason.

Figure 4
Worker Expectations for Sources of Income in Retirement vs.
Retirees' Actual Income Sources



Source: Employee Benefit Research Institute and Greenwald Research, 2025 Retirement Confidence Survey.

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