Few American workers feel confident about their ability to afford a comfortable retirement. For some, preparing for retirement causes emotional and mental stress. Should Americans be stressed about retirement?

Stress About Retirement Preparations

Six in 10 American workers feel confident in their ability to live comfortably in retirement (60 percent), though few (18 percent) feel very confident. Similarly, just 18 percent of workers feel very confident that they are doing a good job preparing for retirement, though another 38 percent feel somewhat confident. At the same time, 3 in 10 workers (31 percent) report that they feel mentally or emotionally stressed about preparing for retirement (Figure 1).

![Figure 1](image)

Overall, how confident are you that you (and your spouse) will have enough money to live comfortably throughout your retirement years? How confident are you (and your spouse) about the following aspects related to retirement? (2017 Workers n=1,082)

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Very Confident</th>
<th>Somewhat Confident</th>
<th>Not Too Confident</th>
<th>Not at All Confident</th>
</tr>
</thead>
<tbody>
<tr>
<td>You will have enough money to live comfortably throughout your retirement years</td>
<td>16%</td>
<td>24%</td>
<td>42%</td>
<td>18%</td>
</tr>
<tr>
<td>You are doing a good job of preparing for your retirement</td>
<td>16%</td>
<td>28%</td>
<td>38%</td>
<td>18%</td>
</tr>
<tr>
<td>Currently, how stressed are you mentally or emotionally, if at all, about preparing for retirement? (Workers n=1,082)</td>
<td>Not too/ not at all stressed 69%</td>
<td>Very/ somewhat stressed 31%</td>
<td></td>
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</table>


Saving for Retirement

Six in 10 workers (61 percent) in the 2017 Retirement Confidence Survey (RCS) report that they or their spouse have saved money for retirement. Nearly as many (56 percent) report that they are currently saving for retirement.

Workers who have any retirement plan are dramatically more likely than those who do not have such a plan to report they or their spouse have personally saved for retirement (80 percent vs. 11 percent), and to say they or their spouse are currently saving for retirement (74 percent vs. 7 percent among those without a plan) (Figure 2).
How Large is their Nest Egg?

A sizable percentage of workers say they have no or very little money in savings and investments. Among RCS workers providing this type of information, 47 percent report that the total value of their household’s savings and investments, excluding the value of their primary home and any DB plans, is less than $25,000. This includes 24 percent who say they have less than $1,000 in savings. Approximately 1 in 10 each report totals of $25,000–$49,999 (8 percent), $50,000–$99,999 (10 percent), $100,000–$249,999 (15 percent), and 2 in 10 report having $250,000 or more (20 percent). Similar shares of retirees estimate their total household savings at under $1,000, but retirees are more likely to claim savings and investments of $250,000 or more.

Workers who have a retirement plan have significantly more in savings and investments than do those without a plan. Two-thirds of workers without a retirement plan (67 percent) report having less than $1,000 in savings and investments, compared with just 9 percent among workers with a retirement plan (Figure 3).

Retirement Plans

One of the primary vehicles that workers use to save for retirement is an employer-sponsored retirement savings plan, such as a 401(k) plan. Indeed, 73 percent of employed workers report they are offered such a plan by their current employer, and more than 8 in 10 (83 percent) of eligible employees say they contribute money to their employer’s plan.
Have They Tried to Figure Out How Much They Need?

Just 4 in 10 workers (41 percent) report they and/or their spouse have ever tried to calculate how much money they will need to have saved so that they can live comfortably in retirement. Workers reporting that they or their spouse participate in a retirement plan are significantly more likely than those who do not participate in such a plan to have tried a calculation (49 percent vs. 15 percent) (Figure 4).

Figure 4
Percentage of Workers Calculating Retirement Needs

Have you (or your spouse) tried to figure out how much money you will need to have saved by the time you retire so that you can live comfortably in retirement? (2017 Workers, percent yes)

Figures and n-sizes from all years presented exclude those who answered “Don’t know” or refused to answer.
Among those who attempted a calculation, nearly 2 in 3 (64 percent) estimate that they need $500,000 or more, including more than 1 in 3 (37 percent) who believe they need $1,000,000 or more (Figure 5). Not surprisingly, savings goals tend to increase with household income. In particular, those with household incomes of at least $75,000 are almost three times as likely as those with lower incomes to report they need to accumulate at least $1 million for retirement (50 percent vs. 17 percent of those with incomes under $35,000).

Workers who have done a retirement savings needs calculation tend to report higher savings goals than do workers who have not done the calculation. Nearly half of workers who have done a calculation (49 percent), compared with 29 percent of those who have not, estimate they need to accumulate at least $1 million for retirement. At the other extreme, 12 percent of those who have done a calculation, compared with 26 percent who have not, think they need to save less than $250,000 for retirement.

Despite higher savings goals, workers who have done a retirement savings needs calculation are more likely to feel very confident about affording a comfortable retirement (77 percent at least somewhat confident vs. 52 percent at least somewhat confident for not doing a calculation).

What Other Steps Have They Taken?

Some workers, but not majorities, report they have taken other steps to prepare for retirement. These include thinking about how they would occupy their time in retirement (44 percent), estimating how much income they would need each month in retirement (38 percent), and estimating the amount of their Social Security benefit at their planned retirement age (38 percent). Nearly 4 in 10 workers (38 percent) have considered moving or down-sizing.
Fewer say they have talked with a professional financial advisor about retirement planning (23 percent), calculated how much they would likely need for retirement health expenses (21 percent), or prepared a formal, written financial plan for retirement (11 percent) (Figure 6).

![Figure 6](image)

Not surprisingly, the likelihood of taking each of these steps to prepare for retirement increases with age and with household income. For example, only 1 in 10 workers with a household income under $35,000 (9 percent) say that they have spoken to a professional financial advisor about retirement planning. This rises to 15 percent among workers with an income between $35,000 and $74,999, and to just over a third among those with incomes of $75,000 or higher (35 percent).

Workers who have spoken to a financial advisor about retirement planning express greater overall confidence in their ability to afford a comfortable retirement (81 percent at least somewhat confident vs. 54 percent at least somewhat confident among those who have not spoken to an advisor).

**Financial Advice**

Overall, 1 in 4 workers (24 percent) report that they have obtained investment advice from a financial advisor who was paid through fees and commissions. However, an even greater share expects to work with a professional financial advisor as they approach retirement. Half believe they will do this as retirement approaches (49 percent).

One issue surrounding obtaining financial advice is whether the advice will be in the recipient’s best interest. Sizable majorities of workers (74 percent) strongly or somewhat agree that the advice they receive from a professional financial advisor is in their best interest (Figure 7).
Figure 7
Workers' Perceptions of Whether Professional Financial Advisor is Providing Advice in Their Best Interest

To what extent do you agree or disagree that the advice you receive from a professional financial advisor is in your best interest? (Workers n=1,082)

- Strongly Agree: 12%
- Somewhat Agree: 61%
- Somewhat Disagree: 20%
- Strongly Disagree: 5%