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The 2023 Retirement Confidence Survey Finds Caregivers Have Lower Levels of Assets and More Problems With Debt Despite Having Similar Levels of Knowledge and Preparations

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(Washington, D.C.) – A new report published today from the 33rd annual Retirement Confidence Survey (RCS) finds that caregivers are more likely to have lower levels of assets and more likely to have problems with debt than non-caregivers. With these tolls on caregivers, they are also less likely to have saved for retirement and are more likely to have retired earlier than planned for reasons out of their control, which can reduce the lifestyle of caregivers in retirement.

The Retirement Confidence Survey is the longest-running survey of its kind measuring worker and retiree confidence and is conducted jointly by the Employee Benefit Research Institute (EBRI) and Greenwald Research. For this study, the retirement prospects, knowledge, preparations for retirement and experiences in retirement are examined for those who are unpaid caregivers vs. those who do not provide this care. Caregivers in this survey are defined as those who provided unpaid care for an adult and/or child within the last 12 months in a non-institutional setting and helped their care recipient with at least one activity of daily living (ADL) or instrumental activity of daily living (IADL).

"Caregivers can take on many roles and responsibilities when taking on the care of a relative or friend. Unfortunately, what we found is that caregiver retirees are more likely than non-caregivers to say that their overall lifestyle in retirement is worse than they expected it to be before they retired," said Craig Copeland, director, Wealth Benefits Research, EBRI.

Key findings in the 2023 RCS caregivers report include:

• **Caregivers are less likely to say that their health status is excellent or very good, are more likely to be female, are less likely to be White, and are more likely to be Hispanic than non-caregivers.** The share of caregivers who say that their health status is excellent or very good is 49% compared with 55% among non-caregivers. Sixty-one percent of caregivers are female vs. 49% of non-caregivers.

• **Caregivers are more likely to have lower levels of financial assets and more likely to have a problem with debt than non-caregivers**. One quarter of caregivers have less than $1,000 in savings and investments compared with 15 percent of non-caregivers. At the same time, caregivers are less likely to say that debt is not a problem — 36% compared with 48% among non-caregivers.

• **Fifty-five percent of caregiving workers and 37 percent of caregiving retirees report that they provide financial support to their caregiving recipient**. Over one-third of worker caregivers (35%) and retiree caregivers (37%) say they provided $5,000-$14,999 in financial support to their caregiving recipient in the past 12 months.

• **The role and responsibilities of being an unpaid caregiver are more likely to have a negative impact on the caregivers' mental and physical health than in doing specific financial tasks**. Among worker caregivers, 66% say their mental health is negatively impacted by the caregiving and 57% say their physical health is negatively impacted. The highest financial tasks that are impacted among worker caregivers are saving for emergencies and working the hours they want or need to work (54%).

• **There are no significant differences between caregivers and non-caregivers strongly or somewhat agreeing that they feel knowledgeable about managing their day-to-day finances**. In addition, there are also no significant differences in the likelihood of caregivers and non-caregivers strongly or somewhat agreeing that they feel knowledgeable about managing savings and investments for the future.

• **Caregivers are more likely to express concern over various scenarios that could impact Americans' retirement finances or retirement in general than non-caregivers**. This includes such scenarios as U.S. economy going into a recession in the next 12 months, inflation staying high for at least the next 12 months, salary and any other work compensation not keeping up with inflation, increasing cost of living making it harder for them to save as much money as they want, and having to make substantial cuts to their spending because of inflation.
• **Caregivers in many instances have less confidence in their finances than non-caregivers**. However, when it comes to preparing for retirement, caregivers are just as likely as non-caregivers to have done various retirement preparation tasks. This includes such tasks as having tried to figure how much money they will need to have saved by the time they retire so that they can live comfortably in retirement, thought about how much money to withdraw from their retirement savings and investments in retirement, and planned for how they would cover an emergency or big expense in retirement.
• **The distributions of the ages at which both caregivers and non-caregivers retired are not different**. In addition, the likelihoods of retirees having retired earlier, later, or when planned are also not different between caregivers and non-caregivers. However, the top reason caregivers were most likely to have retired earlier than planned was because they had to care for a spouse or another family member, whereas non-caregivers' top reason is that they could afford to retire earlier than planned. While the percentages of retirees working after they retired are substantially below that of workers expecting to work for pay, caregiver retirees are more likely to have worked after they retired than non-caregiver retirees, which could be due to the different reasons that they retired earlier than planned.
• **Caregiver retirees are more likely to say that their overall lifestyle in retirement now compared with how they expected it to be before they retired is worse than non-caregiver retirees**. Specifically, 31% of caregiver retirees say it is worse compared with 20% of non-caregiver retirees.

"Unpaid caregivers assist with ADLs and IADLs, but they also provide financial support. More than half of working caregivers provide financial support to their care recipient, and these results would suggest that it's often to the detriment of their own financial health," said Lisa Greenwald, CEO, Greenwald Research.

The 2023 survey of 2,537 Americans was conducted online from Jan. 5 through Feb. 2, 2023. All respondents were ages 25 or older. The survey included 1,320 workers and 1,217 retirees and this year included an oversample of roughly 944 completed surveys among caregivers (598 workers and 346 retirees).

The RCS report focusing on caregivers can be viewed by visiting www.ebri.org/rcs-caregivers. The 2023 survey report was made possible with support from American Funds / Capital Group, Bank of America, BlackRock, Columbia Threadneedle Investments, Empower, Fidelity Investments, FINRA, Jackson National, J.P. Morgan Chase & Co, Mercer, Mutual of America, Nationwide, National Endowment for Financial Education, New York Life, PGIM, PIMCO, Principal Financial Group and T. Rowe Price.

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(MEDIA NOTE: Email dresner@ebri.org to receive a summary report of the caregivers survey).