

# 2024 Retirement Confidence Survey

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# 2024 RCS Overview

## 34<sup>th</sup> Annual Retirement Confidence Survey (RCS)

The RCS is the longest-running survey of its kind, measuring worker and retiree confidence about retirement, and is conducted by the Employee Benefit Research Institute (EBRI) and Greenwald Research.

The 2024 survey of 2,521 Americans was conducted online January 2 through January 31, 2024. All respondents were ages 25 or older. The survey included 1,255 workers and 1,266 retirees – this year included an oversample of 721 completed surveys among military individuals (298 workers and 423 retirees).

Data were weighted by age, sex, military status, household income, and race/ethnicity. Unweighted sample sizes are noted on charts to provide information for margin of error estimates. The margin of error would be  $\pm 2.8$  percentage points for workers,  $\pm 2.8$  retirees, and  $\pm 3.7$  for military respondents in a similarly sized random sample.

# 2024 RCS Sponsors

**EBRI and Greenwald would like to thank the 2024 RCS sponsors who helped shape this year's survey.**

American Funds / Capital Group  
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# Key Findings

## Workers' and retirees' confidence has not yet fully recovered from the significant drop seen in 2023, but majorities remain optimistic about their retirement prospects.

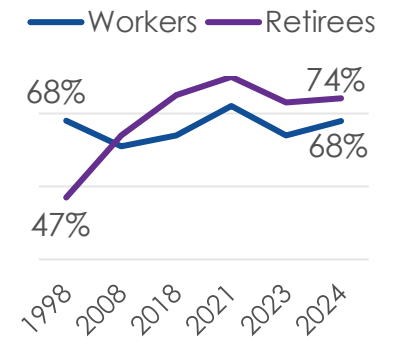
While Americans' confidence has not returned to prior levels, there are signs that it is making a positive recovery, as 68% of workers and 74% of retirees are confident they will have enough money to live comfortably throughout retirement. However, this is not a significant increase from last year (Figures 1 and 2).

Perhaps contributing to this upward trend is workers' and retirees' increased confidence in their income. According to the U.S. Census, wage growth is now outpacing inflation growth. Americans are starting to feel this shift, as 28% of workers and 32% retirees who are confident feel that way due to their finances: stable assets and steady income.

However, inflation remains a top reason for Americans' lack of confidence. Among those who do not feel confident, 31% of workers and 40% of retirees cite inflation as the reason why. Additionally, 39% of workers and 27% of retirees who are not confident feel this way due to their lack of savings.

While most Americans are still worried that inflation will remain high over the next year, their fears are slowly easing as significantly fewer workers (78% vs. 86% in 2023) and retirees (72% vs. 79% in 2023) are concerned about this possibility affecting their retirement. Americans' trust in the economy is also recovering, as significantly fewer workers (71%) and retirees (59%) are concerned about a possible recession over the next year (Figures 3 and 4).

### Retirement Confidence



**78% of workers**

**72% of retirees**

are concerned  
inflation will impact  
their retirement

# Key Findings

## Social Security remains the top source of actual and expected income for Americans in retirement.

The vast majority of workers (88%) expect Social Security to be a source of income in retirement. Retirees confirm this sentiment, as nearly all (91%) report Social Security as a source of income (Figure 5). However, nearly twice as many retirees (62%) report Social Security is a major source of income compared with the share of workers (35%) who expect it to be.

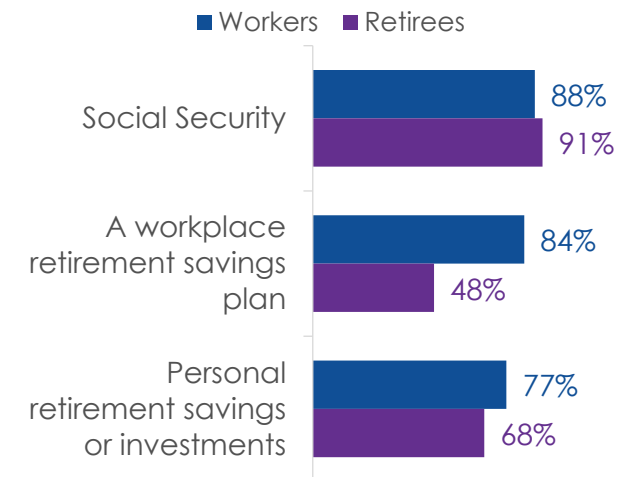
While many Americans expect/report Social Security as a source of income in retirement, not nearly as many understand it. Two-thirds of workers and three-quarters of retirees understand Social Security and the various employment and claiming decisions that impact their retirement benefits at least somewhat well. Yet just two in 10 workers and a quarter of retirees understand it very well.

However, some Americans are taking steps to understand Social Security. Almost half of workers and over three-quarters of retirees have reviewed the amount of their Social Security benefit at their planned retirement age. Additionally, almost three in five workers and four in five retirees have thought about how the age at which they claim Social Security can impact the amount they receive (Figures 6 and 7).



**66% of workers**     **78% of retirees**  
understand Social Security

### Top 3 Sources of Income



# Key Findings

## Workers expect to claim Social Security as soon as they retire but also expect to work for pay in retirement.

Workers believe they will start claiming Social Security benefits at a median age of 65, which is the same age at which workers expect to retire. While age 65 has been the historical median age at which workers expect to retire, significantly more workers (28%) this year expect to retire at age 65 (Figure 8).

Retirees, on the other hand, report retiring at a significantly lower age than workers anticipate. Most retirees — seven in 10 — report retiring earlier than age 65, with a median retirement age of 62. Also contradicting workers' expectations, retirees report collecting Social Security later into their retirement but earlier than workers' expectations, at around age 64.

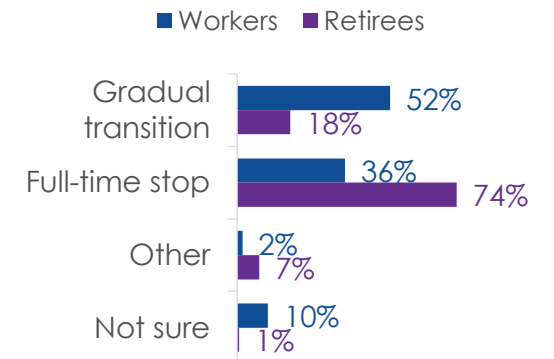
Similar to last year, half of retirees say they retired earlier than expected. While two in five retirees who retired early say they did so because they could afford to, nearly seven in 10 retirees indicate the reason was out of their control.

Another key difference in retirement patterns that the RCS has consistently shown is how workers' desire to retire "gradually, over time" (52% expect) contrasts with retirees' "full-time stop" experience (74% actual). Similarly, three-quarters of workers think that they will work for pay in retirement (75%), while only three in 10 retirees say they actually have worked for pay since retiring (30%) (Figure 9).

### Median Age...

	Claim Social Security	Retire
Workers	65	65
Retirees	64	62

## Transition Into Retirement



# Key Findings

## Americans' retirement calculations result in a desire to save more, as estimations drastically differ from what Americans currently have.

Half of Americans have calculated how much money they will need in retirement. In reaction to their calculation, 52% of workers and 44% of retirees started to save more. Even though seven in 10 workers and nearly eight in 10 retirees have saved for retirement, this renewed interest in saving is spurred by the drastic difference in what Americans believe they will need for retirement compared with how much they currently have saved.

A third of workers who tried to calculate how much they will need in retirement estimate they will need \$1.5 million or more. However, a third of workers currently have less than \$50,000 in savings and investments. In addition, 14% of workers have less than \$1,000 in savings and investments.

As part of their retirement preparations, half of workers have estimated how much income they will need each month in retirement (Figure 6). While a quarter of workers do not know how much preretirement income they will need to replace in retirement, an additional quarter of workers believe they will need to replace 75% or more of their preretirement income.

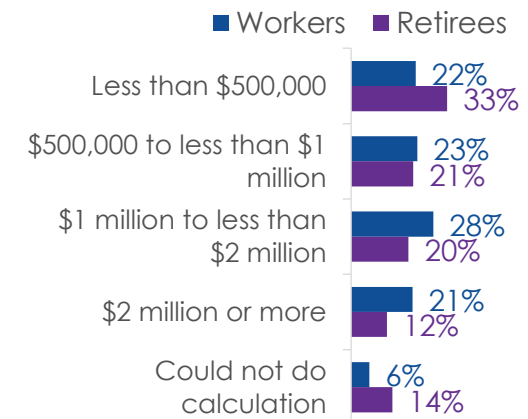


**52% of  
workers**

**52% of  
retirees**

have calculated how  
much money they will  
need in retirement

## Retirement Needs Calculation



# Key Findings

## Workers would like help saving for emergencies through their retirement plan.

Two-thirds of workers and almost three-quarters of retirees believe they have enough savings to handle an emergency expense. Additionally, almost half of workers have planned how they will cover an emergency expense in retirement (Figure 6). However, the ability to save for emergencies is at the top of workers' list of valuable improvements they would like to see be made to their retirement savings plan.\*

Some Americans are already using their retirement plans to pay for emergencies, as nearly one in five have taken a loan or withdrawal from their retirement plan. Many of those who took money from their plan did so to pay for unforeseen circumstances such as making ends meet (30%), paying for a home or car repair (17%), and covering a medical expense (15%) (Figure 10).

With this in mind, it comes as no surprise that eight in 10 workers view the SECURE Act's provision that allows employers to set up an Emergency Savings Account as part of their retirement plan offerings as helpful.



**66% of workers**  
**73% of retirees**

believe they have enough savings to handle an emergency expense





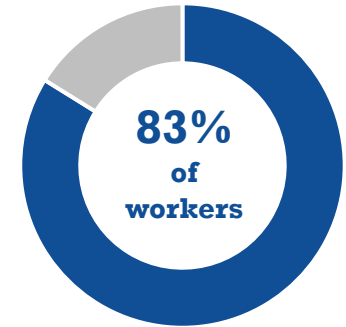
# Key Findings

## Workers are more likely this year to want to purchase a guaranteed income product with their retirement savings.

Among workers who are offered a workplace retirement savings plan, a third believe having investment options that provide guaranteed lifetime income to be the most valuable improvement to their plan. This landed second on workers' list of most valuable improvements to their plan.

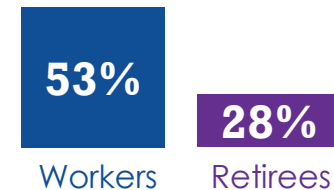
Significantly up this year, more workers who are contributing to their employer's retirement savings — three in 10 — expect to use savings from their workplace retirement savings plan to purchase a product that guarantees monthly income for life once they retire. This is substantiated by the fact that 83% of workers who are participating in a workplace retirement plan would be interested in using some or all of their retirement savings to purchase a product that guarantees monthly income.

Over half of workers expect a guaranteed income product to be source of income in retirement. However, a significantly smaller share of retirees — a little over a quarter — indicate it is a source of income (Figure 5). Currently, only about one in five workers have used a product that guarantees monthly income for life to save for their retirement, while a slightly smaller share of retirees (about one in seven) report they have done the same.



are interested in purchasing an annuity with their retirement savings

## Guaranteed Income Product as a Source of Retirement Income



# Key Findings

## While expenses in retirement are higher than some retirees originally anticipated, retirees' lifestyle in retirement is better than they expected.

Significantly up this year, over a third of retirees say their travel, entertainment, or leisure expenses are higher than they expected (Figure 11). While over half of retirees say their overall expenses in retirement are higher than they originally expected, nearly four in five say they are able to spend money how they want, within reason (Figure 12).

Despite higher-than-expected costs, significantly more retirees this year — three in 10 — believe their overall lifestyle in retirement is better than expected. Additionally, over two-thirds of retirees agree they are having the retirement lifestyle they envisioned. A quarter of retirees strongly agree with this statement (Figure 12).

Not only are retirees managing their current expenses, but 58% say they are still saving for the future. In addition, they are planning for the next generation, as nearly two-thirds of retirees are confident they will have enough money to leave an inheritance. Moreover, about seven in 10 retirees disagree that they need to spend less than they could because they would like to leave a legacy inheritance (Figure 12).



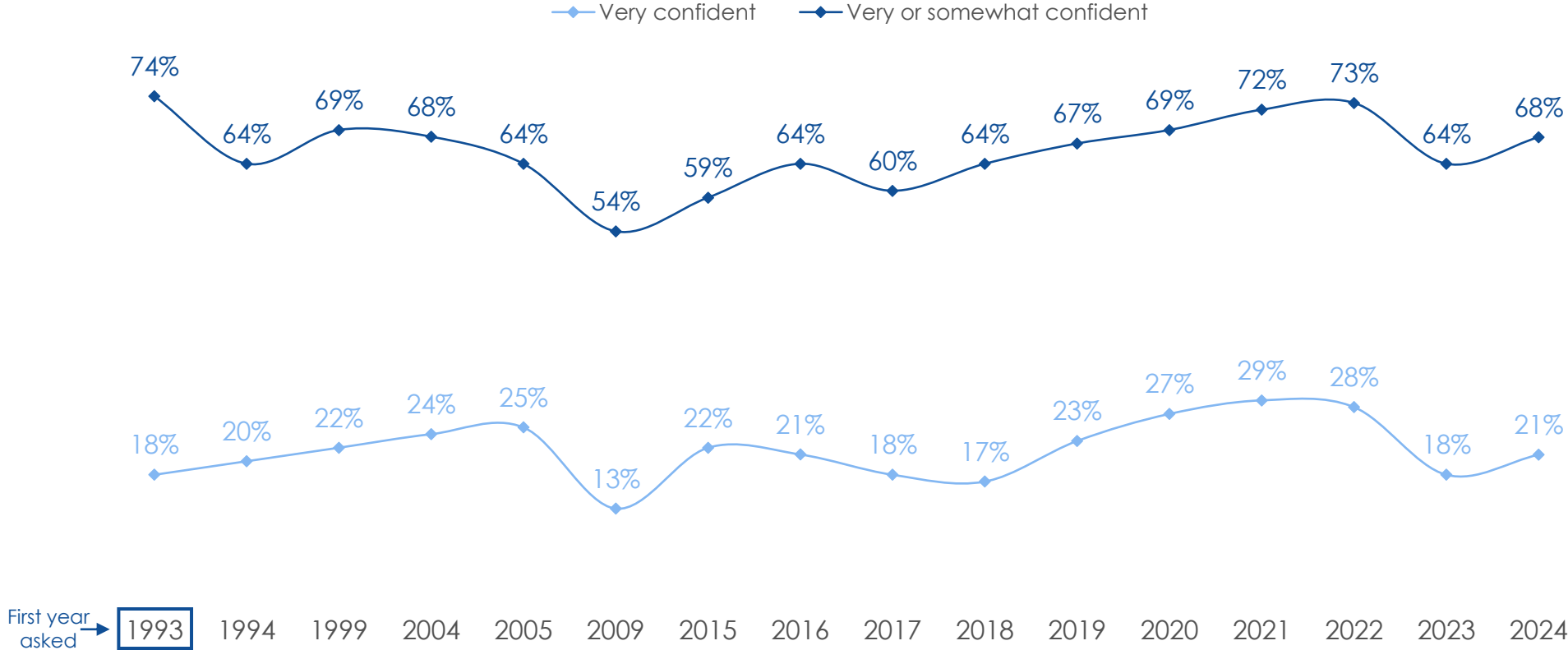
**30% of retirees** say their overall lifestyle in retirement is **better** than expected



**35% of retirees** say travel, entertainment, or leisure expenses are **higher** than expected

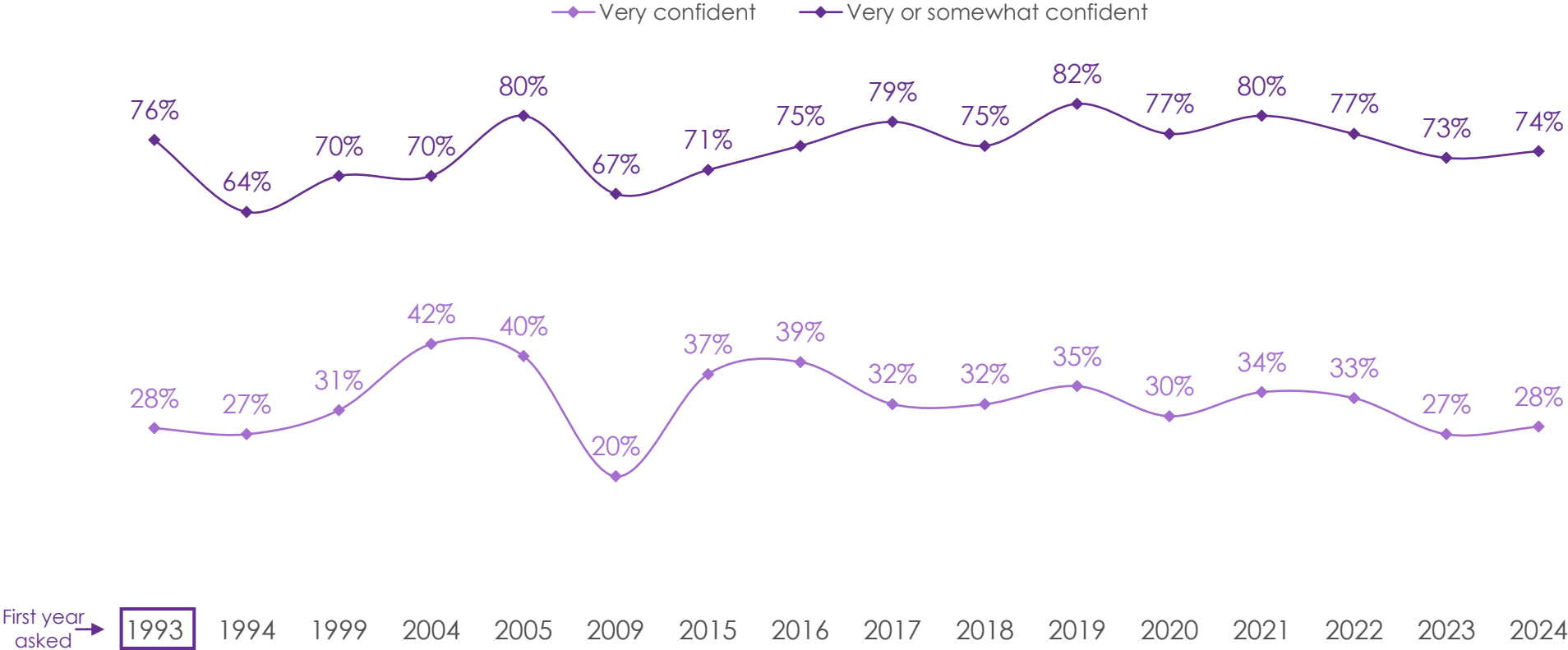
**Figure 1: While confidence has risen slightly, still just two in 10 workers are very confident in having enough money to live comfortably in retirement.**

**Worker Confidence in Having Enough Money in Retirement**  
(2024 Workers n=1,255)



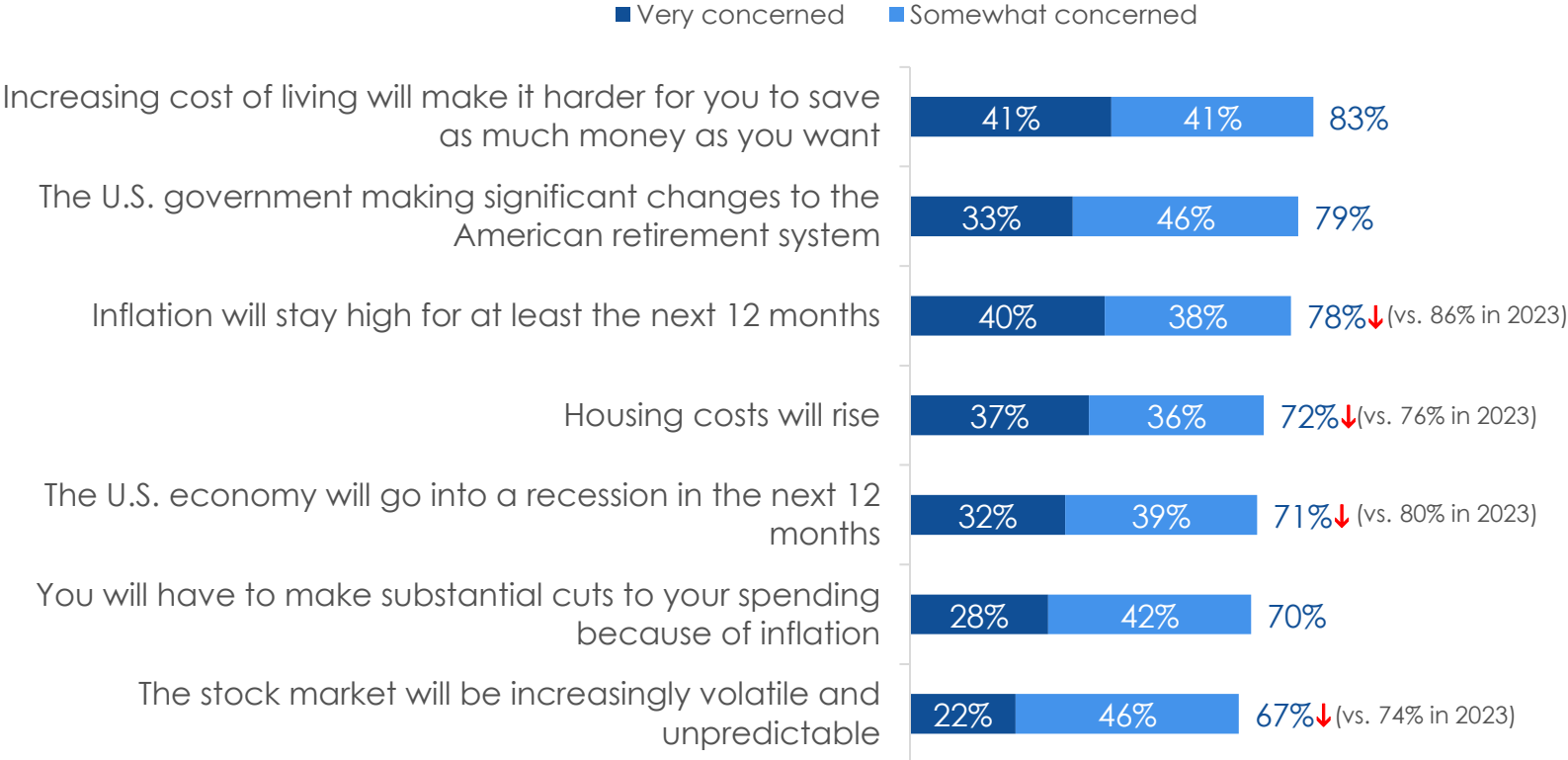
# Figure 2: Comparable to last year, about three-quarters of retirees are confident in having enough money to live comfortably in retirement.

### Retiree Confidence in Having Enough Money in Retirement (2024 Retirees n=1,266)



# Figure 3: 83% of workers are concerned that the increasing cost of living will make it harder to save as much as they want. Down from last year, 78% are concerned inflation will stay high.

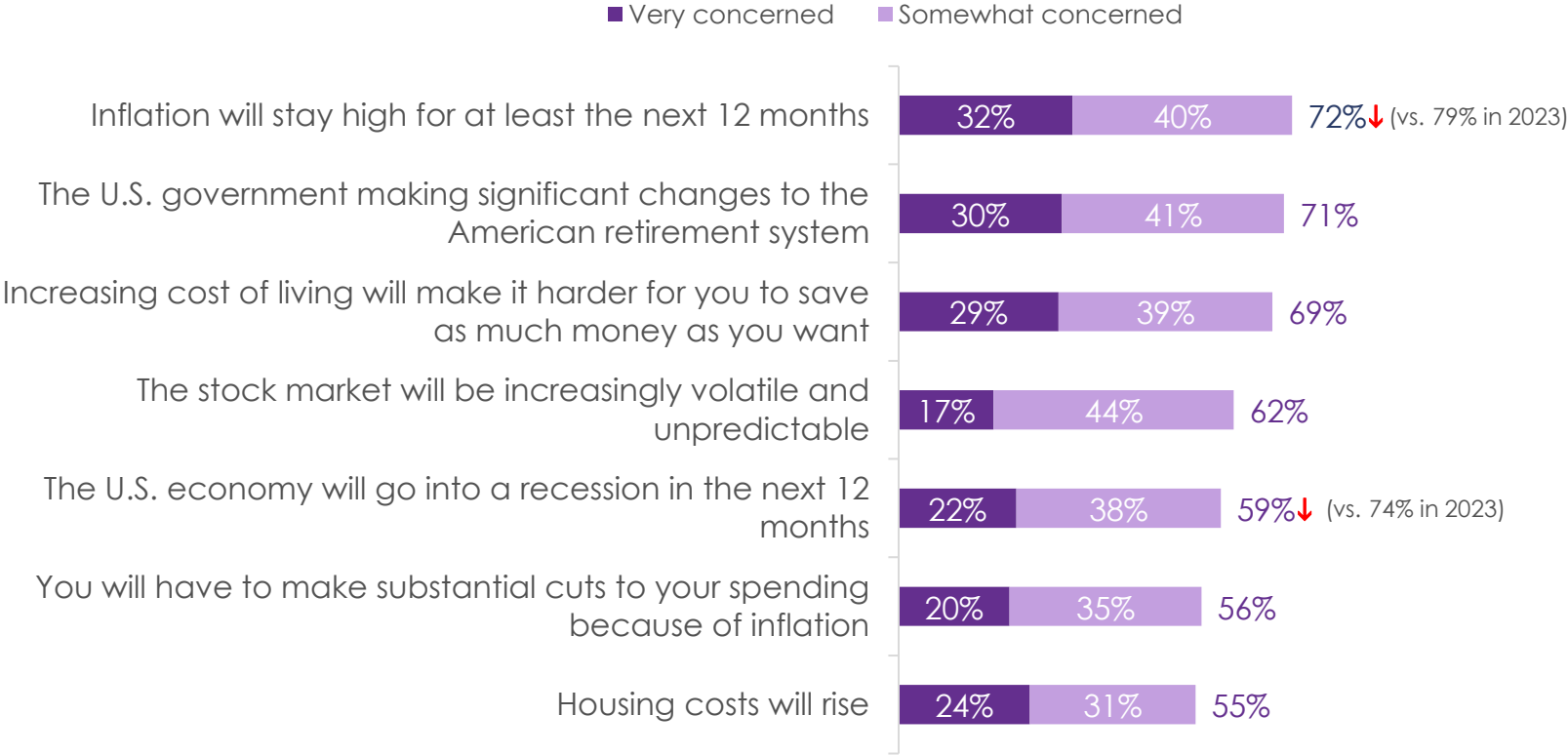
## Workers' Concern Surrounding Scenarios Impacting Retirement (2024 Workers n=1,255)



↑=Significantly higher than previous year, ↓=significantly lower than previous year

# Figure 4: Although down from last year, seven in 10 retirees are concerned inflation will remain high, and six in 10 are concerned the economy will go into a recession in the next year.

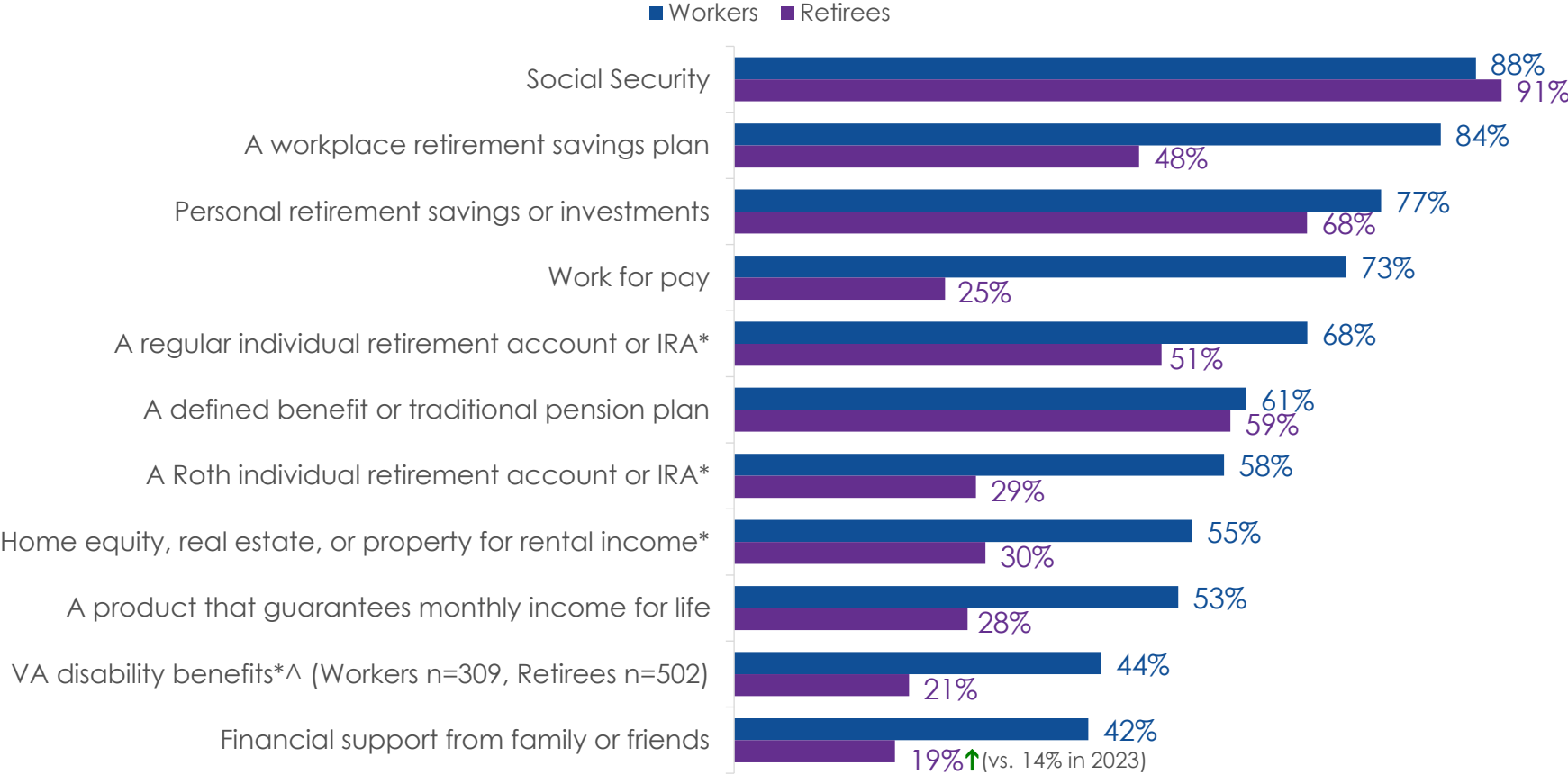
## Retirees' Concern Surrounding Scenarios Impacting Retirement (2024 Retirees n=1,266)



↑=Significantly higher than previous year, ↓=significantly lower than previous year

# Figure 5: Social Security remains the top source of income Americans expect/receive in retirement; however, retirees are more likely to report it as a source than workers are to expect it to be.

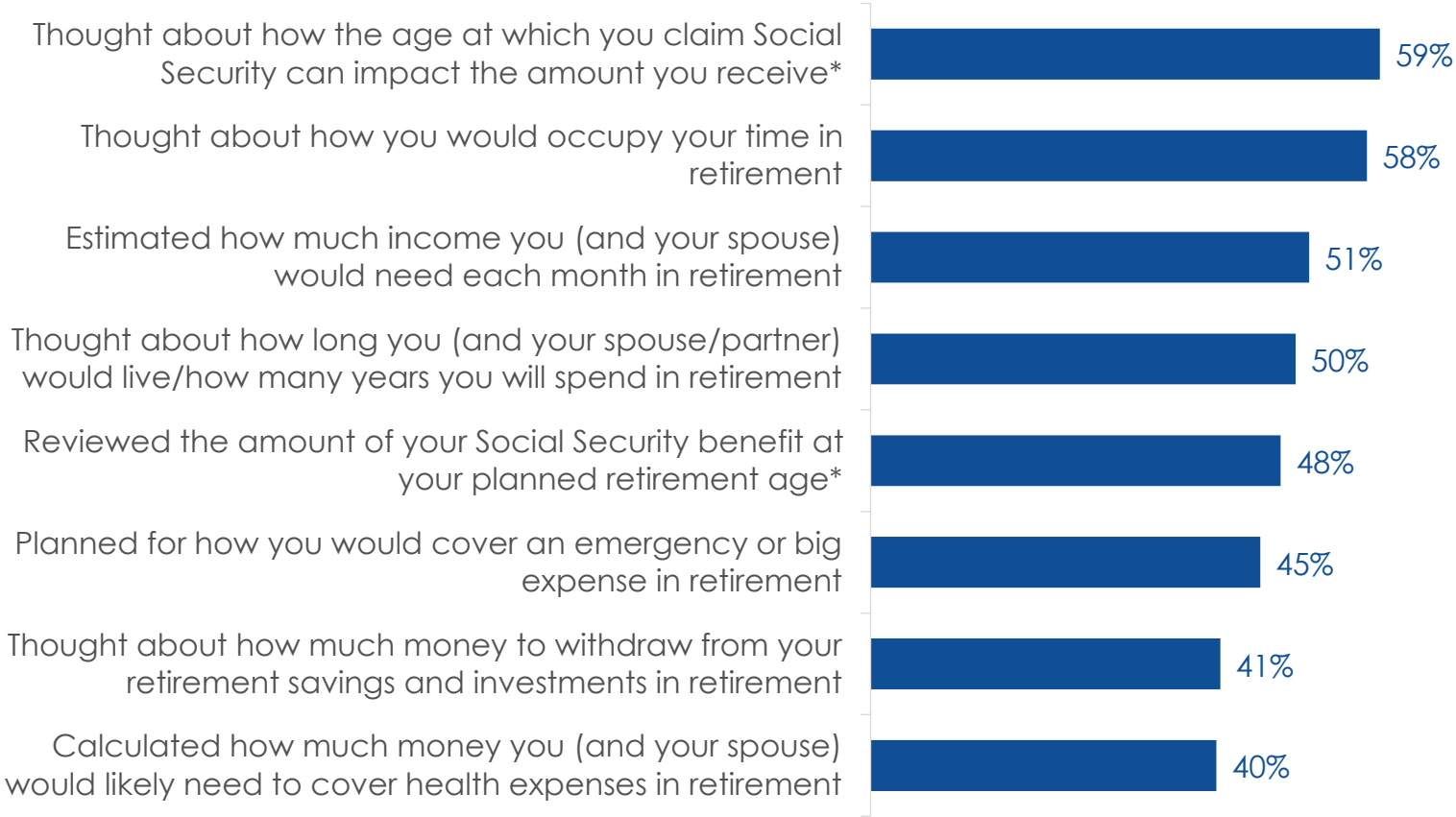
**Sources of Income in Retirement**  
*(Plan to retire or have retired: 2024 Workers n=1,171; 2024 Retirees n=1,266)*



\* Newly added in 2024  
 ^ Only asked of military individuals or spouses/partners of individuals who serve/served in the military  
 ↑=Significantly higher than previous year, ↓=significantly lower than previous year

# Figure 6: Six in 10 workers have thought about how the age at which they claim Social Security can affect how much they will receive and/or how they will occupy their time in retirement.

## Retirement Preparation (2024 Workers n=1,255)



\* Newly added in 2024



# Figure 7: Retirees are more likely than workers to have done each of the following except for thinking about how long they will live.

## Retirement Preparation (2024 Retirees n=1,266)

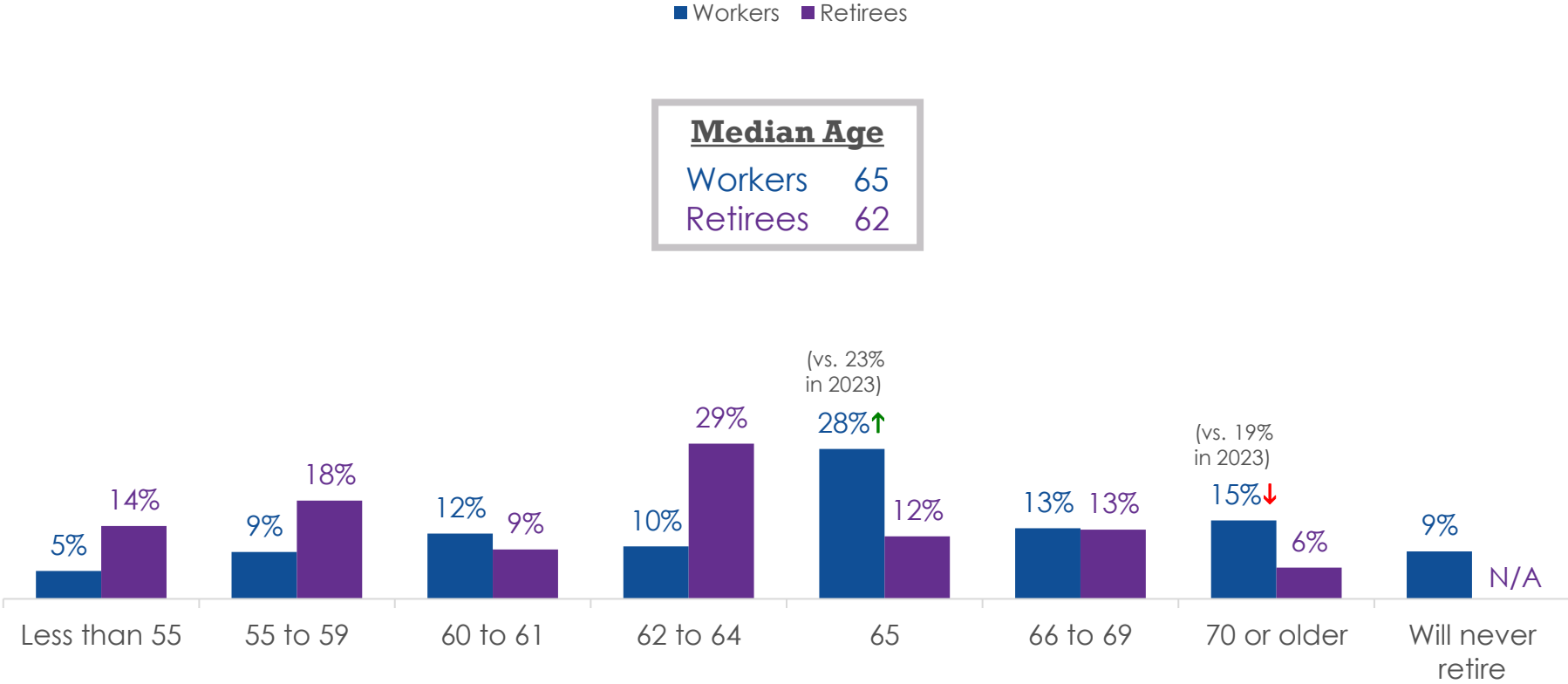


↑=Significantly higher than previous year, ↓=significantly lower than previous year

\* Newly added in 2024

**Figure 8: Significantly up, 28% of workers expect to retire at age 65. While over half of workers expect to retire at 65 or older, the majority of retirees (70%) report retiring earlier than age 65.**

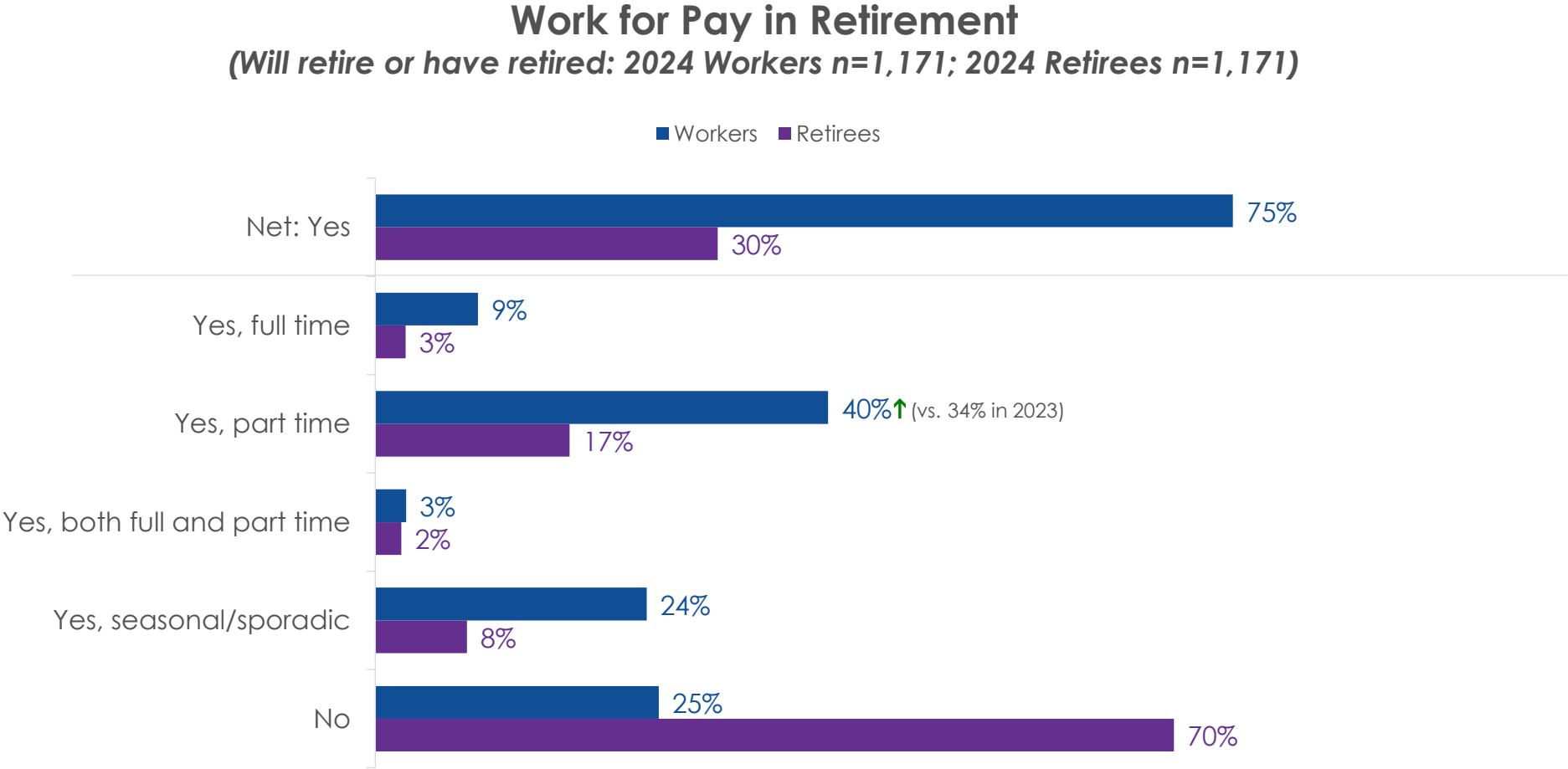
**Expected/Actual Retirement age**  
 (2024 Workers n=958; 2024 Retirees n=1,157)



Figures and n-sizes presented exclude those who answered 'Don't know', said they never worked, or refused to answer

↑=Significantly higher than previous year, ↓=significantly lower than previous year

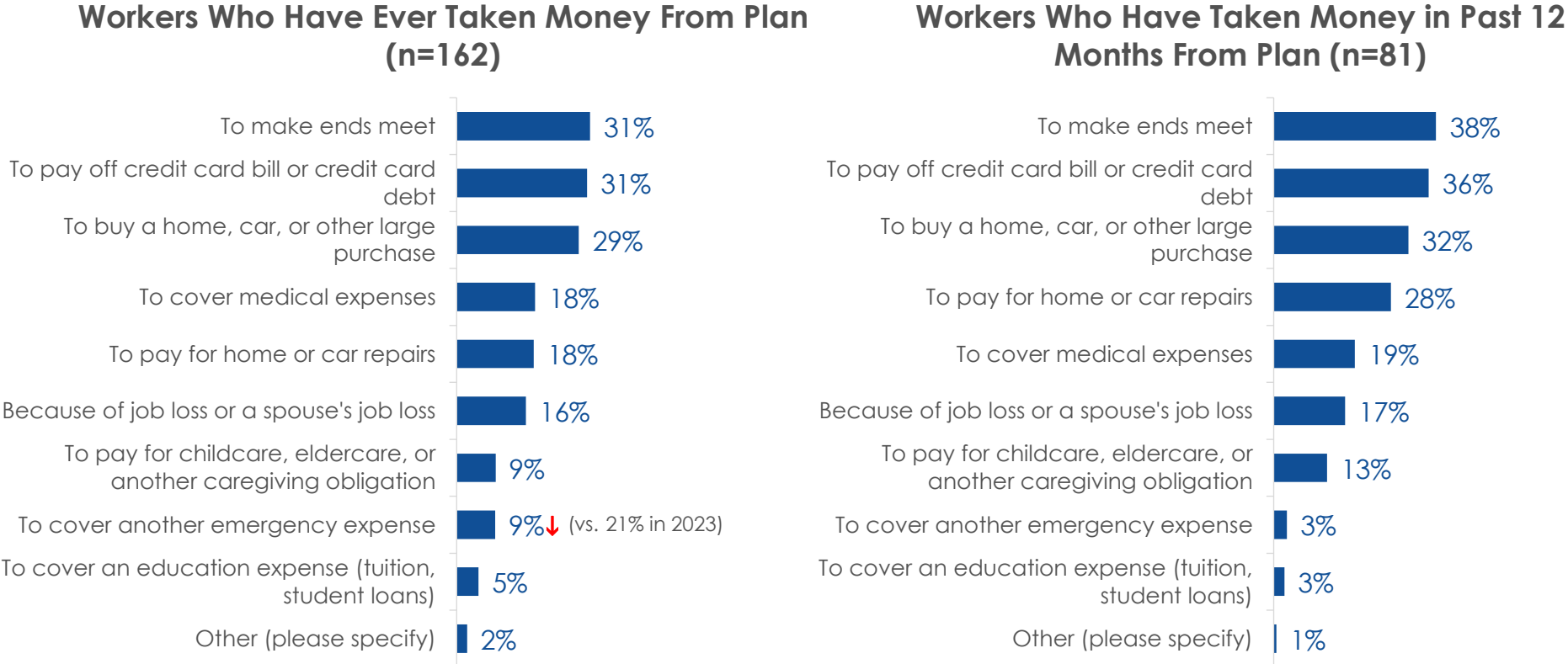
**Figure 9: Three-quarters of workers expect to work in retirement, whereas a significantly smaller portion of retirees, three in 10, report they actually do.**



↑=Significantly higher than previous year, ↓=significantly lower than previous year

# Figure 10: Three in 10 workers who have ever taken a loan or withdrawal did so to make ends meet, pay off credit card debt, or buy a home or make a large purchase.

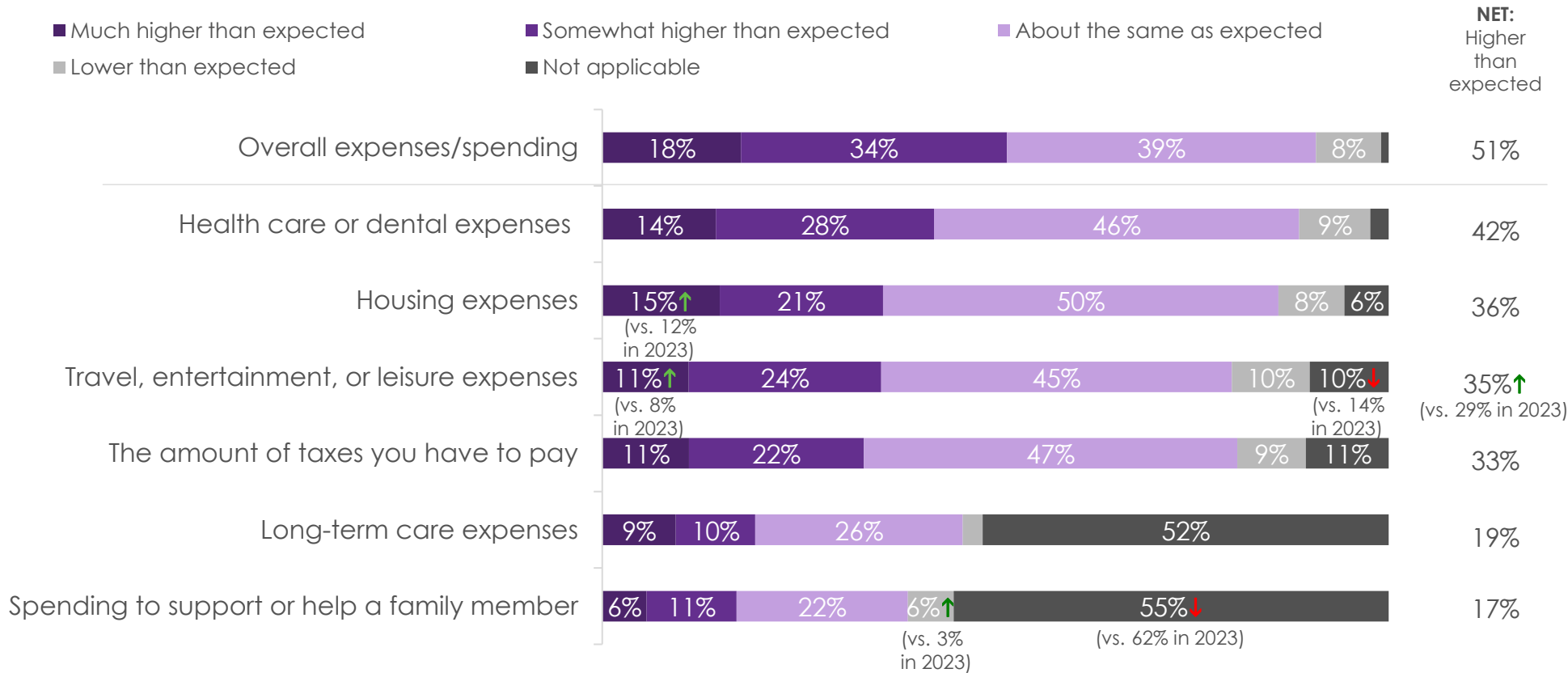
## Reason Loans/Withdrawals Were Taken



↑=Significantly higher than previous year, ↓=significantly lower than previous year

# Figure 11: Over half of retirees say their overall spending is higher than they expected. Up from last year, over one-third of retirees say their travel or leisure expenses are more than they expected.

## Expenses in Retirement (2024 Retirees n=1,266)



<sup>↑</sup>=Significantly higher than previous year, <sup>↓</sup>=significantly lower than previous year

# Figure 12: Nearly four in five retirees agree they are able to spend money how they want. Almost seven in 10 believe they are having the retirement lifestyle they envisioned.

## Retirement Lifestyle (2024 Retirees n=1,266)

