

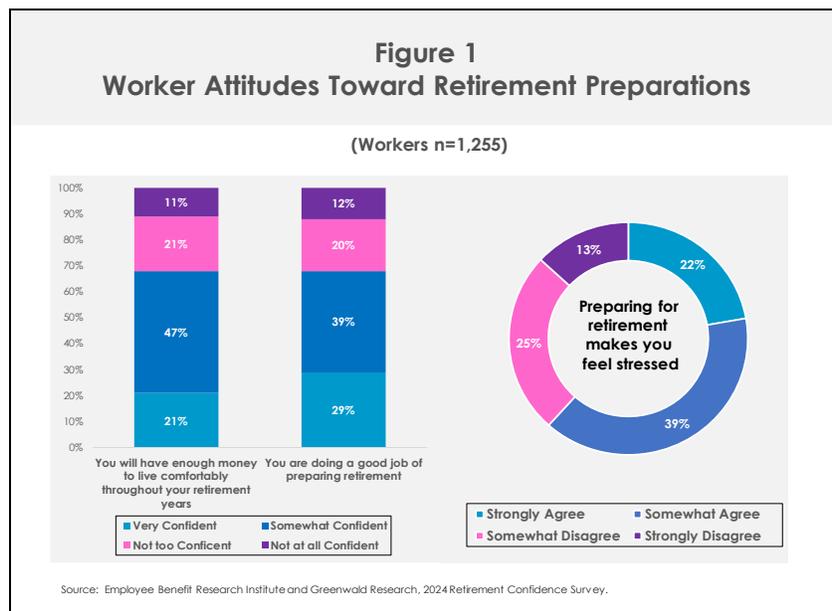
2024 RCS FACT SHEET #3

PREPARING FOR RETIREMENT IN AMERICA

Only one in five American workers feel very confident about their ability to afford a comfortable retirement. For some, preparing for retirement causes stress. What are they doing to prepare for retirement?

Stress About Retirement Preparations

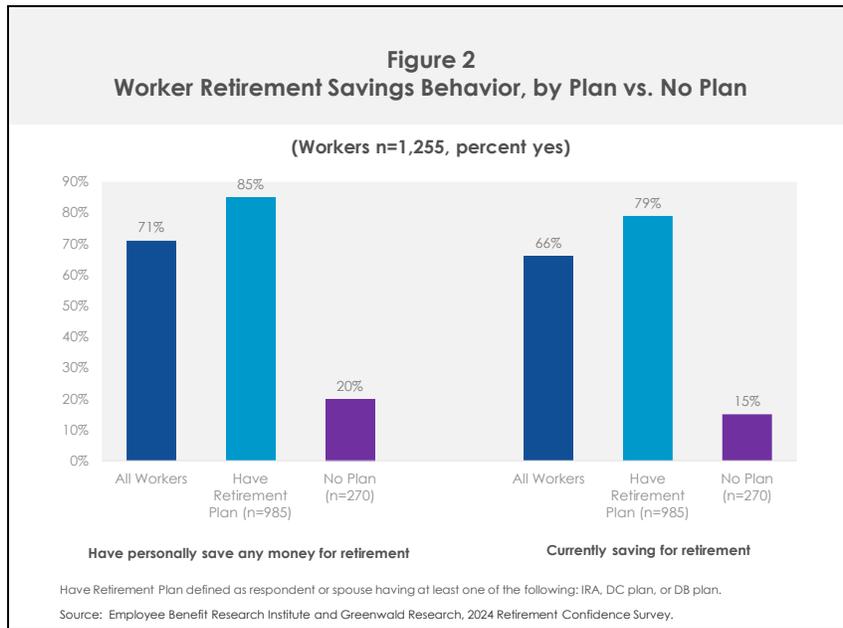
Two-thirds (68 percent) of American workers feel confident in their ability to live comfortably in retirement, though 21 percent feel very confident. Similarly, 29 percent of workers feel very confident that they are doing a good job preparing for retirement, and another 39 percent feel somewhat confident. At the same time, nearly two-thirds of workers (62 percent) report that they either strongly or somewhat agree with the statement that preparing for retirement makes them feel stressed (Figure 1).



Saving for Retirement

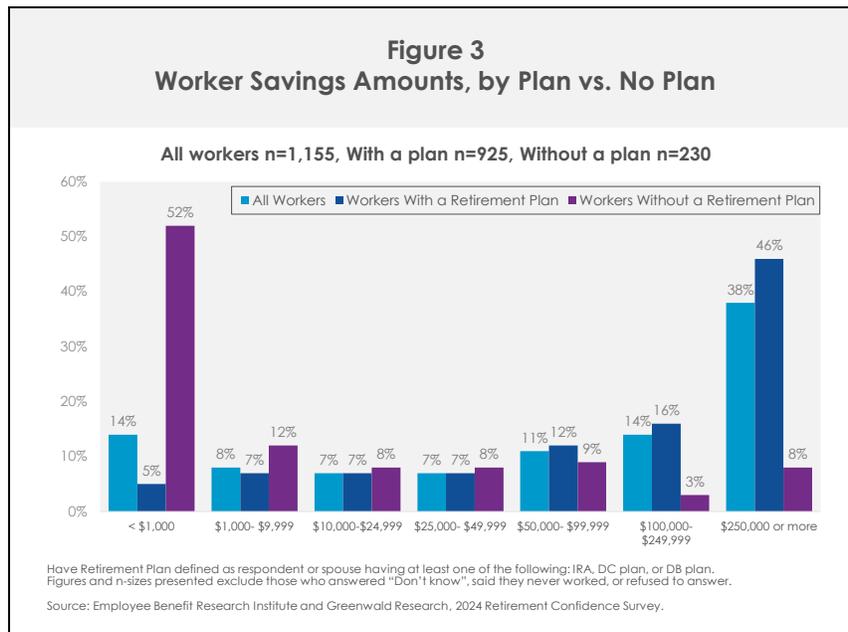
Seven in 10 workers (71 percent) in the 2024 Retirement Confidence Survey (RCS) report that they or their spouse have saved any money for retirement. Nearly as many (66 percent) report that they are currently saving for retirement.

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 saved any money for retirement (85 percent vs. 20 percent) and to say they or their spouse are currently saving for retirement (79 percent vs. 15 percent among those without a plan) (Figure 2).



How Large Is Their Nest Egg?

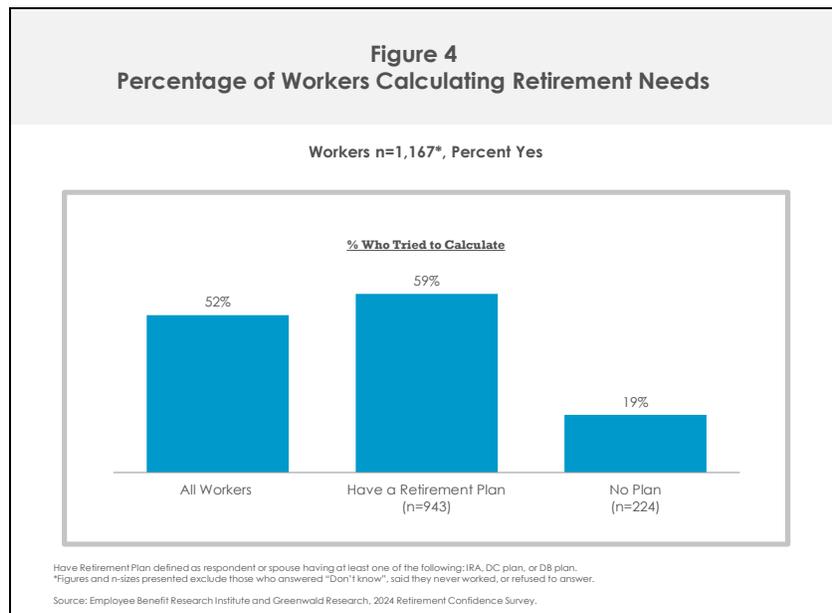
A sizable percentage of workers say they have very little or no money in savings and investments. Among RCS workers providing this type of information, 29 percent report that the total value of their savings and investments, excluding the value of their primary home, is less than \$25,000 (Figure 3). This includes 14 percent who say they have less than \$1,000 in savings. Seven percent report totals of \$25,000–\$49,999, 11 percent \$50,000–\$99,999, 14 percent \$100,000–\$249,999, and 38 percent \$250,000 or more.



Workers who have a retirement plan have significantly more in savings and investments than do those without a plan. Fifty-two percent of workers without a retirement plan report having less than \$1,000 in savings and investments, compared with just 5 percent among workers with a retirement plan.

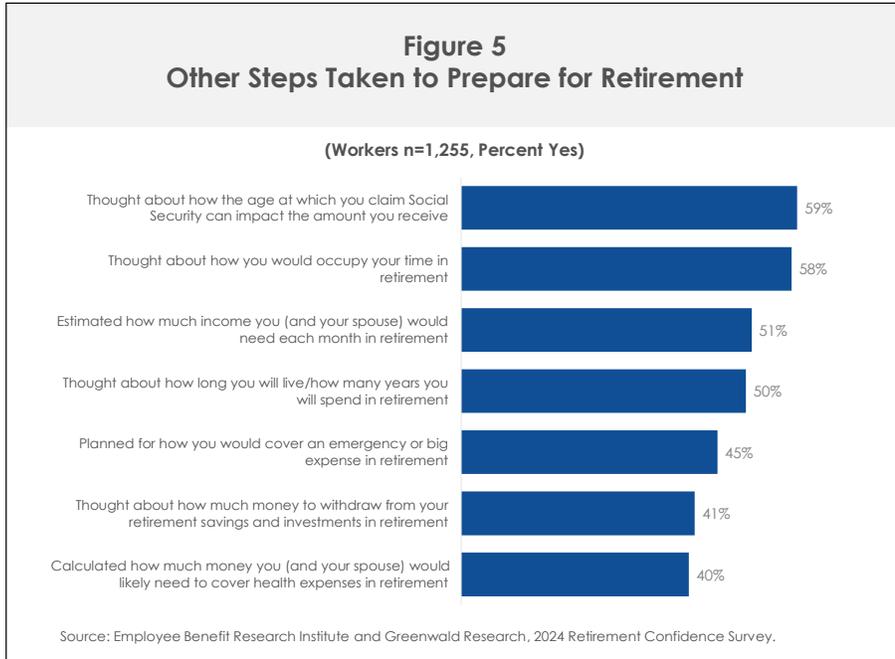
Have They Tried to Figure out How Much They Need?

Half of workers (52 percent) report they and/or their spouse have 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 (59 percent vs. 19 percent) (Figure 4).



What Other Steps Have They Taken?

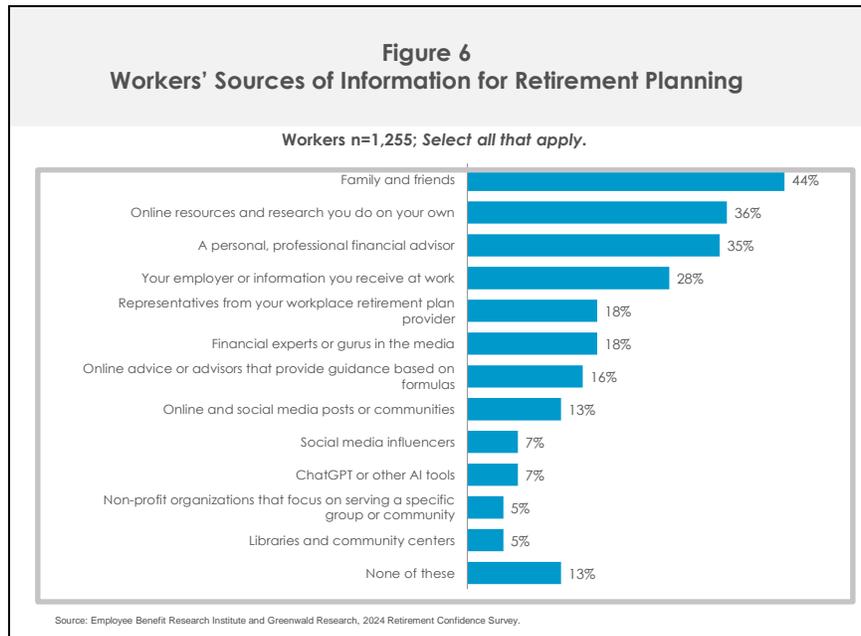
Many workers report they have taken other steps to prepare for retirement. These include 59 percent who report they thought about how the age at which you claim Social Security can impact the amount you receive, 51 percent who have estimated how much income they would need each month in retirement, and 45 percent who have planned for an emergency expense in retirement. Around four in 10 workers have thought about how much money to withdraw from their retirement savings and investments in retirement (41 percent) and calculated how much they would likely need for retirement health expenses (40 percent). Nearly six in 10 workers (58 percent) report they have thought about how they would occupy their time in retirement, and half (50 percent) have thought about how long they will live or how many years they will spend in retirement (Figure 5).



Financial Advice

One-third of workers (35 percent) report that they (and their spouse) are currently working with a professional financial advisor or representative. In addition, a greater share (54 percent) expects to work with a professional financial advisor or representative if they are not currently working with one.

While professional advisors (35 percent) are one of the most used sources of information for retirement planning, workers use many different sources of information, including family and friends (44 percent), online resources and research they do on their own (36 percent), their employer or information from their work (28 percent), representatives from their workplace retirement plan provider (18 percent), financial experts or gurus in the media (18 percent), online advice or advisors that provide guidance based on formulas (16 percent), and online and social media posts or communities (13 percent). However, 13 percent of workers say they use none of the sources offered (Figure 6).



In the 2023 RCS, respondents were asked which source of information they trust the most. A personal, professional financial advisor was the most cited at 26 percent of workers. The next highest was 19 percent who said family and friends and 14 percent who said online resources and research they do on their own are the most trusted. Representatives from their workplace retirement plan provider (8 percent) and their employer or information they receive at work (6 percent) were less likely to have been cited as the most trusted source.

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