

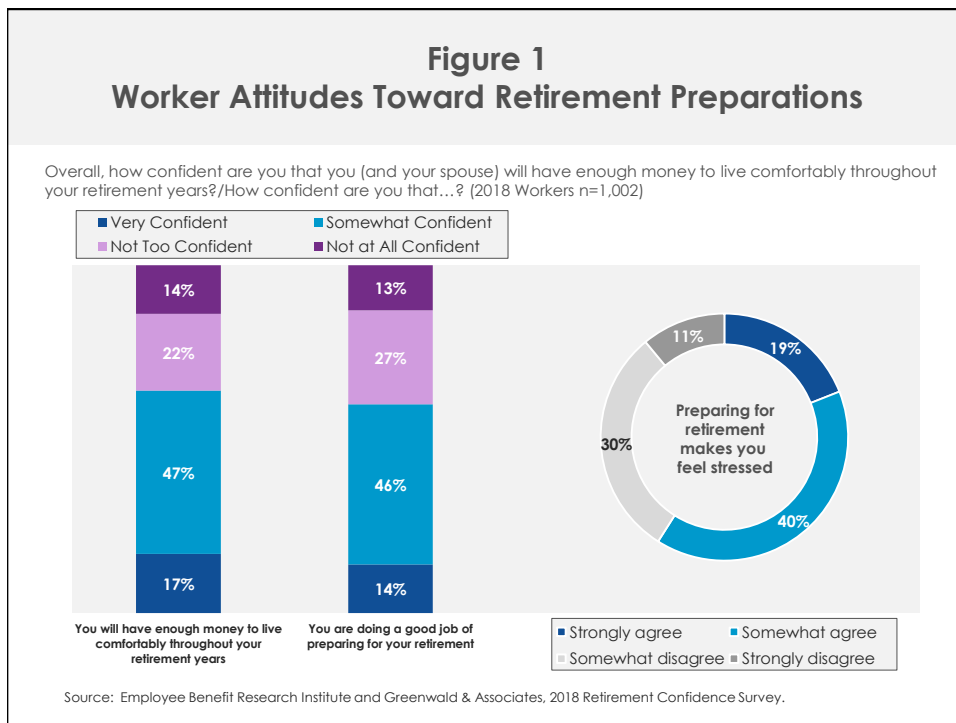
2018 RCS FACT SHEET #3

Preparing For Retirement In America

Few American workers feel confident about their ability to afford a comfortable retirement. For some, preparing for retirement makes them feel stressed. Should Americans be stressed about retirement?

Stress About Retirement Preparations

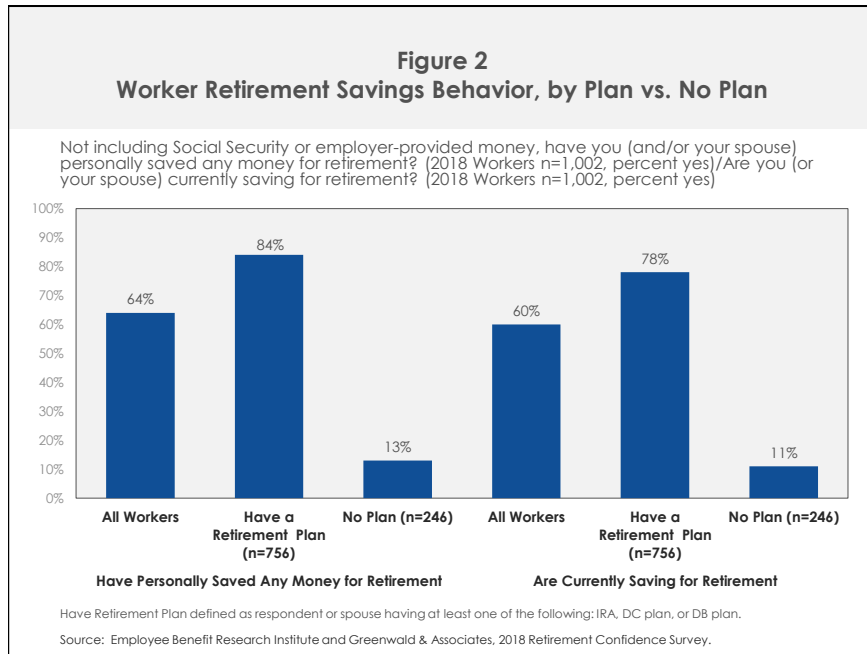
Just over six in ten American workers feel confident in their ability to live comfortably in retirement (64 percent), though few (17 percent) feel very confident. Similarly, just 14 percent of workers feel very confident that they are doing a good job preparing for retirement, though another 46 percent feel somewhat confident. At the same time, six in ten workers (59 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

Over six in ten workers (64 percent) in the 2018 Retirement Confidence Survey (RCS) report that they or their spouse have saved any money for retirement. Nearly as many (60 percent) report that they are currently saving for retirement.

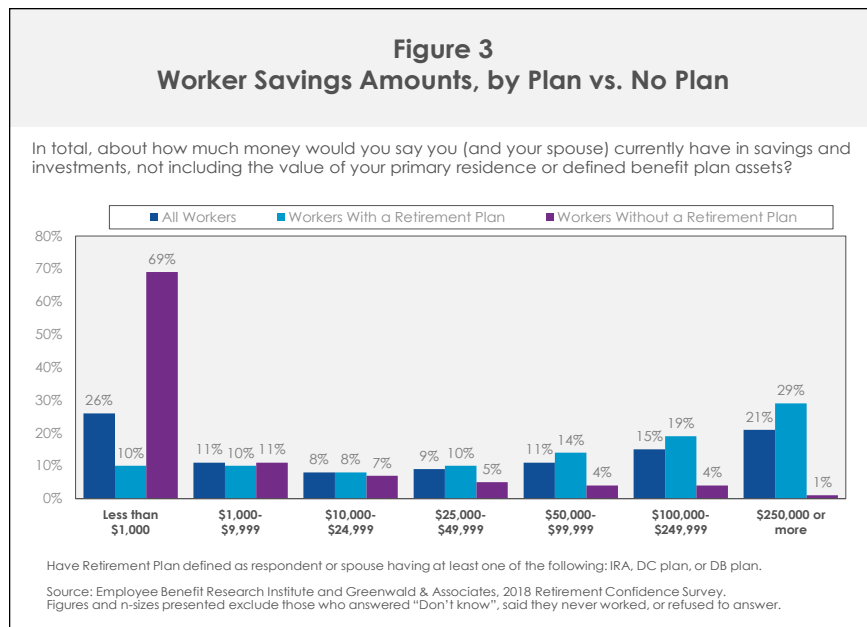
Workers who have any retirement plan are dramatically more likely than those who do not have such a plan to report they or their spouse have saved any money for retirement (84 percent vs. 13 percent), and to say they or their spouse are currently saving for retirement (78 percent vs. 11 percent among those without a plan) (Figure 2).



How Large Is Their Nest Egg?

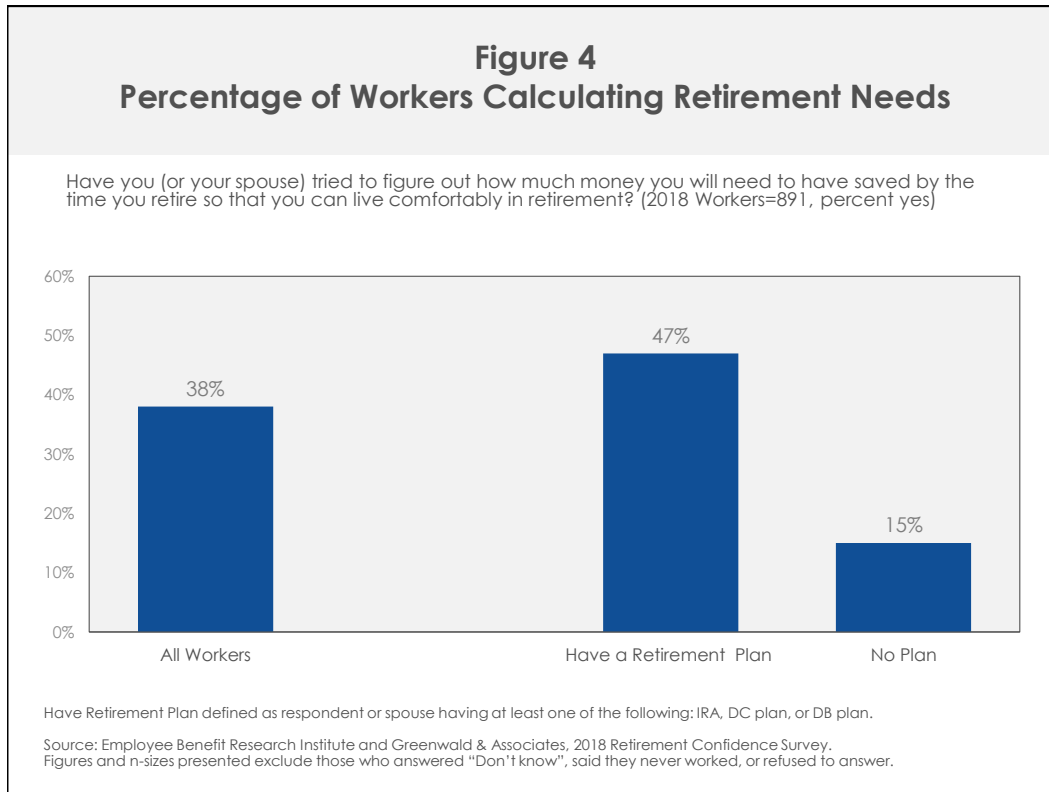
A sizable percentage of workers say they have no or very little money in savings and investments. Among RCS workers providing this type of information, 45 percent report that the total value of their household's savings and investments, excluding the value of their primary home and any DB plans, is less than \$25,000. This includes 26 percent who say they have less than \$1,000 in savings. Approximately one in ten each report totals of \$25,000–\$49,999 (9 percent), \$50,000–\$99,999 (11 percent), \$100,000–\$249,999 (15 percent), and two in ten report having \$250,000 or more (21 percent).

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 (69 percent) report having less than \$1,000 in savings and investments, compared with just 10 percent among workers with a retirement plan (Figure 3).



Have They Tried to Figure Out How Much They Need?

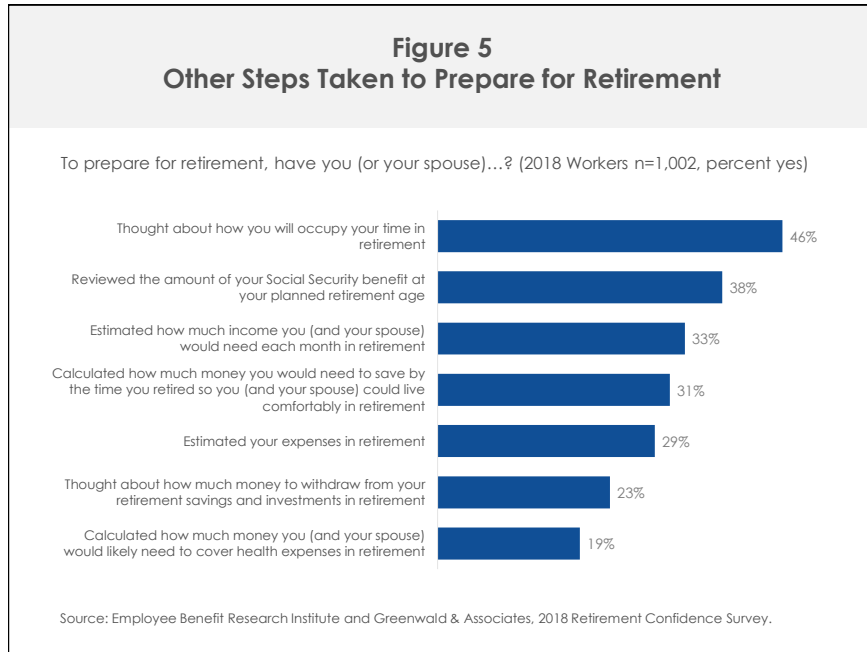
Just four in ten workers (38 percent) report they and/or their spouse have ever tried to calculate how much money they will need to have saved so that they can live comfortably in retirement. Workers reporting that they or their spouse participate in a retirement plan are significantly more likely than those who do not participate in such a plan to have tried a calculation (47 percent vs. 15 percent) (Figure 4).



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 (46 percent), estimating how much income they would need each month in retirement (33 percent), and reviewing the amount of their Social Security benefit at their planned retirement age (38 percent). Three in ten workers have calculated how much money they would need to save by the time they retired so they (and their spouse) could live comfortably in retirement (31 percent) and estimated their expenses in retirement (29 percent).

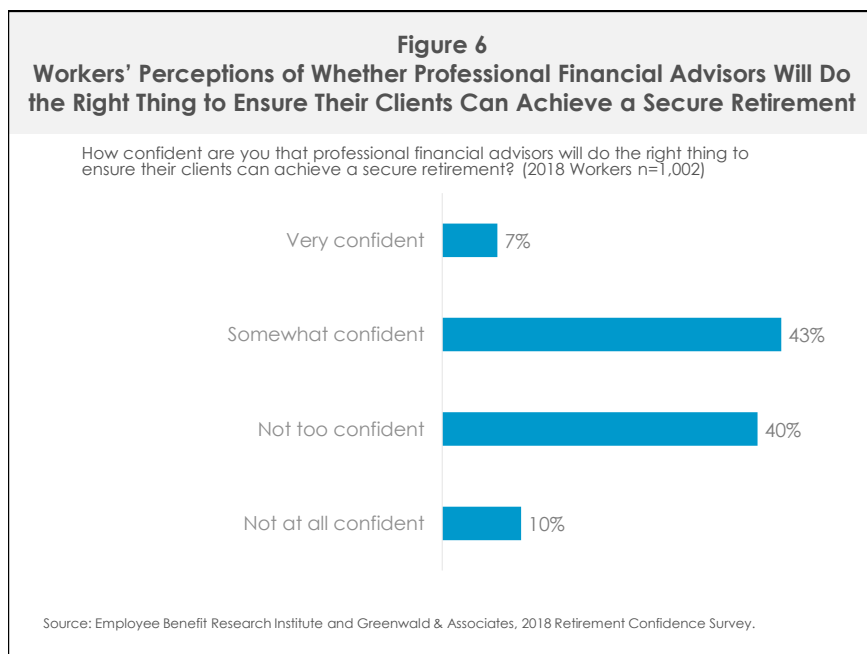
Fewer say they have thought about how much money to withdraw from their retirement savings and investments in retirement (23 percent) and have calculated how much they would likely need for retirement health expenses (19 percent) (Figure 5).



Financial Advice

Nearly three in ten workers (28 percent) report that they (and their spouse) have ever worked with a professional financial advisor. However, an even greater share (45 percent) expects to work with a professional financial advisor if they have not yet done so as they approach retirement.

An issue surrounding financial advisors is whether workers believe they will do the right thing to ensure their clients can achieve a secure retirement. Workers are split in their confidence about financial advisors on this issue (Figure 6).



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