

News

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Social Security Is Workers' Top Retirement-Related Priority for the Next President and Congress

New Study from TCRS Explores the Fragile Retirement Outlook of American Workers

LOS ANGELES – December 14, 2016 – Today, nonprofit [Transamerica Center for Retirement Studies®](#) (TCRS) released [A Compendium of Findings About American Workers](#) (Compendium), a multi-year study which finds that only 39 percent of workers say that they have either fully financially recovered (20 percent) or were not impacted (19 percent) by the Great Recession, a finding that is slightly higher than in 2015 (37 percent) but represents an improvement since 2014 (29 percent).

The Current State of Retirement Un-Readiness from the American Worker's Point of View

"American workers are still struggling to regain their financial footing from the Great Recession and its aftereffects. Most are concerned about the future of Social Security and few are very confident about their retirement prospects," said [Catherine Collinson](#), president of TCRS.

Seventy-seven percent of workers are concerned that Social Security won't be there for them when they are ready to retire. When asked about priorities for the next President and Congress to help Americans prepare for a financially secure retirement, workers most frequently cited fully funding Social Security by implementing reforms to ensure that it can pay guaranteed benefits for future generations of retirees (58 percent).

The Compendium offers a trend analysis on more than 50 broad measures of the retirement outlook of American workers, ranging from access to employer-sponsored retirement benefits, savings rates, planning-related activities and the changing nature of retirement itself. Key findings include:

- **Few workers are "very" confident about retirement.** Many workers (62 percent) are confident that they will be able to fully retire with a comfortable lifestyle, but only 15 percent are "very" confident and 47 percent are "somewhat" confident. Retirement confidence has plateaued since 2014 (64 percent), but remains well above 2012 (51 percent).
- **Retirement fears range from finances to health.** Workers' top three most frequently cited retirement fears are "outliving my savings/investments" (51 percent), followed by "Social Security will be reduced or cease to exist in the future" (47 percent), and "declining health that requires long-term care" (45 percent). While these top three fears remain unchanged since 2015, the percentage of workers citing them as fears has increased (from 44 percent, 36 percent, and 36 percent respectively).
- **Total household retirement savings are unlikely to last very long in retirement.** As the generation that is currently entering into retirement, Baby Boomer workers have just \$147,000 (estimated median) saved in all household retirement accounts, up from \$99,000 in 2012. Twenty-two percent of Baby Boomer workers have less than \$50,000 saved.
- **Many workers plan to work past age 65 or do not plan to retire.** The majority of workers (54 percent) plan to work past age 65 (41 percent) or do not plan to retire (13 percent), a finding which is lower than in 2015 (58 percent), but otherwise consistent since 2012 (56 percent).

Influences of Demographics on Retirement Preparedness

“At Transamerica Center for Retirement Studies, we believe that there’s no such thing as an ‘average’ American. While many retirement-related risks are shared among all workers, each demographic segment faces its own unique opportunities and challenges,” said Collinson.

The Compendium offers 30 key indicators of retirement readiness among workers by [employer size](#), [generation](#), [gender](#), [household income](#), [level of education](#), and [ethnicity](#). Key findings include:

- **Workers of large companies have more access to employer-sponsored retirement benefits.** Most workers (71 percent) are offered a 401(k) or other self-funded plan by their employers; however, access is greater among workers of large companies with 500+ employees (80 percent) compared to those of small companies with 10-499 employees (60 percent). Few workers are offered a company-funded defined benefit plan (26 percent).
- **Baby Boomers, Generation X, and Millennials face different retirement realities.** Millennials (43 percent) and Generation X (38 percent) most frequently expect 401(k)s, 403(b)s and/or IRAs to be their primary source of retirement income, while Baby Boomers (34 percent) most frequently cite Social Security. Some workers expect “working” to be their primary source of income in retirement, including 16 percent of Millennials, 17 percent of Generation X and 11 percent of Baby Boomers.
- **Women are at a greater risk than men of not achieving a financially secure retirement.** Men report having an estimated median total household retirement savings of \$115,000 compared to just \$34,000 among women. Men (33 percent) are twice as likely as women (16 percent) to say that they have saved \$250,000 or more in total household retirement accounts.
- **Lower income workers are less likely to be saving for retirement.** Just 60 percent of workers with household incomes of less than \$50,000 are saving for retirement, compared to 79 percent of workers with household incomes of \$50,000 to \$99,999, and 89 percent of workers with household incomes of \$100,000 or more.
- **Workers with higher levels of educational attainment are more confident about retirement.** College graduates (21 percent) and those with some graduate school or advanced degree (24 percent) are more likely to be “very” confident about their future retirement compared to those with only some college or trade school education (13 percent) or those with a high school diploma or less (9 percent).
- **Retirement savings rates vary by ethnicity.** Asian workers (86 percent) are most likely to be saving for retirement through an employer-sponsored retirement plan and/or outside of work, followed by White (78 percent), African American (73 percent), and Hispanic workers (70 percent). Asian workers also have the highest reported household retirement savings at \$134,000 (estimated median), compared to White workers (\$89,000), Hispanic workers (\$48,000) and African American workers (\$22,000).

“Through a greater understanding of the demographic commonalities and differences regarding the retirement-related risks faced by American workers, we can identify targeted opportunities as well as broader solutions that may benefit all,” said Collinson. “By doing so, we can also find ways to help American workers become better informed and empowered to take greater control over their long-term financial security.”

Please visit TCRS at www.transamericacenter.org to view the [Compendium](#) along with other reports and materials from the [17th Annual Retirement Survey](#). Follow TCRS on Twitter [@TCRStudies](#).

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About Transamerica Center for Retirement Studies

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About the 17th Annual Transamerica Retirement Survey

The analysis contained in [A Compendium of Findings About American Workers](#) was prepared internally by the research team at TCRS. The online survey was conducted within the U.S. by Harris Poll on behalf of TCRS between April 11 and May 12, 2016 among a nationally representative sample of 4,161 full-time and part-time workers. Potential respondents were targeted based on employment status and company size. Respondents met the following criteria: U.S. residents, age 18 or older, full-time or part-time workers in for-profit companies, and employer size of 10 or more. Results were weighted where necessary to bring them into line with the population of U.S. residents age 18+, employed full-time or part-time in for-profit companies with 10+ employees, and to adjust for attitudinal and behavioral differences between those who are online versus those who are not, those who join online panels versus those who do not, and those who responded to this survey versus those who did not. No estimates of theoretical sampling error can be calculated.

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