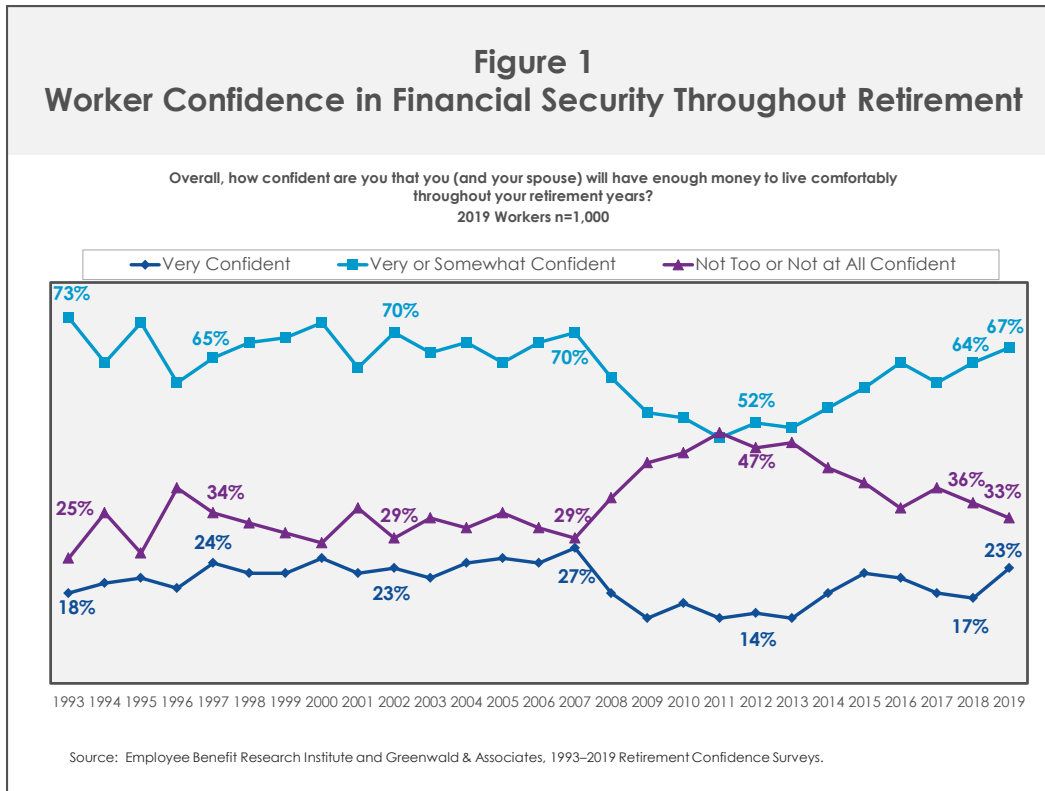


2019 RCS FACT SHEET #1 **RETIREMENT CONFIDENCE**

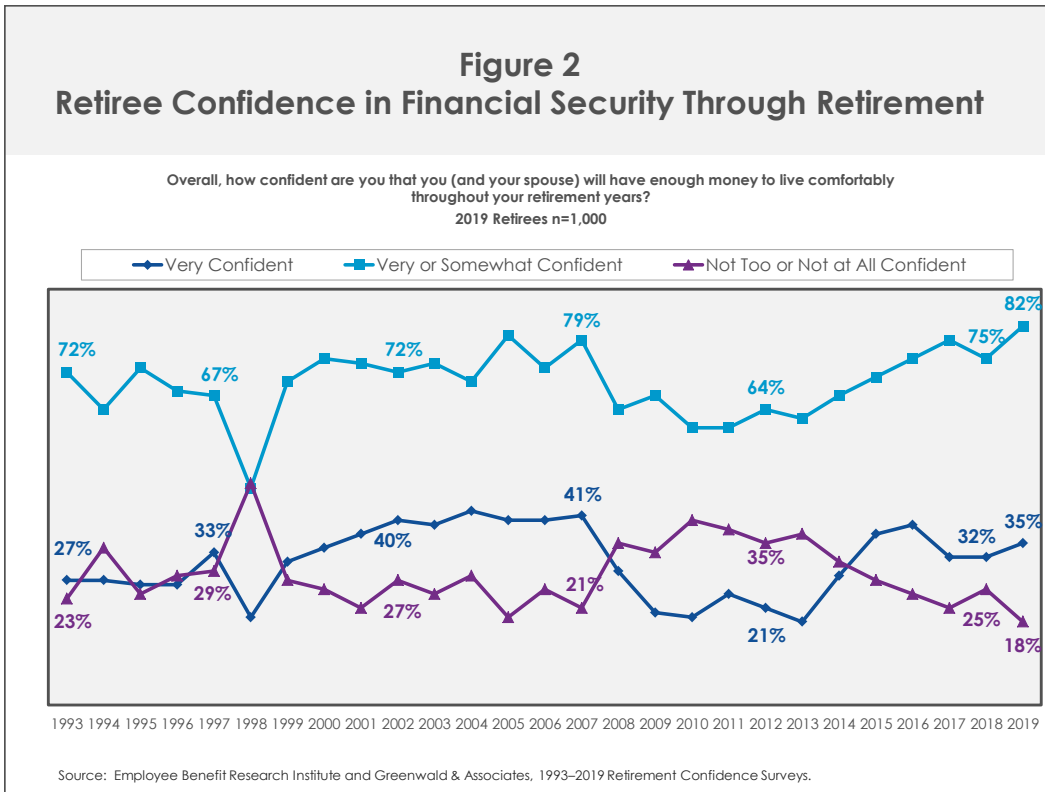
Two-thirds of American workers feel confident and 23 percent feel very confident about their ability to have enough money to live comfortably throughout their retirement years, which is up from 60 percent and 18 percent in 2017, respectively. Workers who say debt is a problem are, not surprisingly, less confident, while those who have a retirement plan are remarkably more confident.

Confidence in Having a Comfortable Retirement

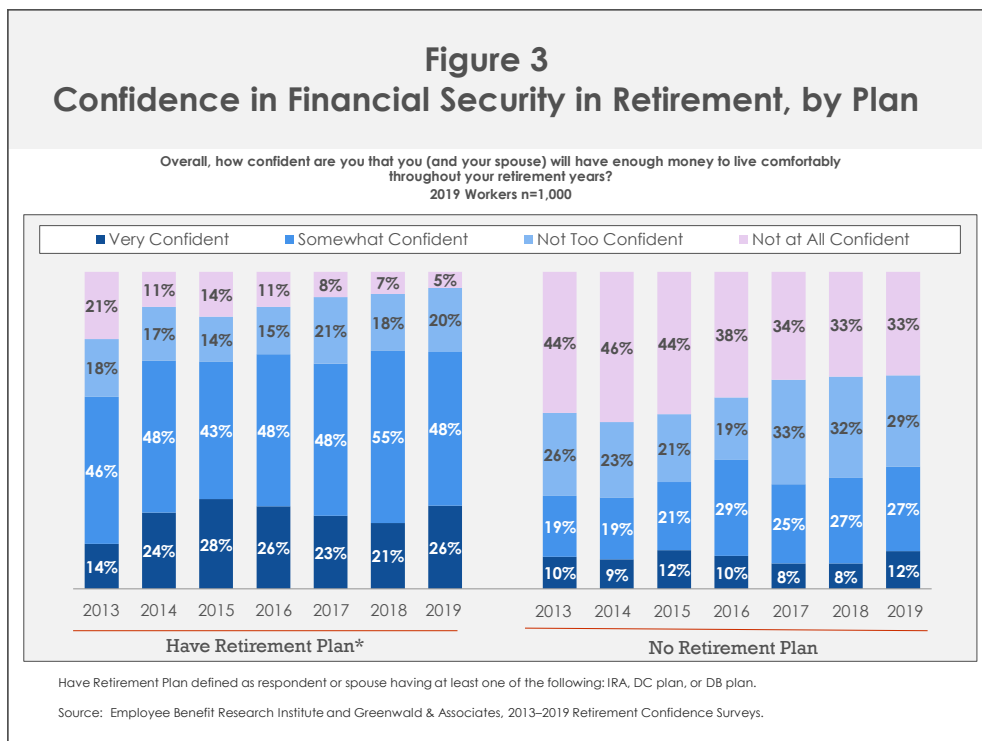
The 2019 Retirement Confidence Survey (RCS) finds that two-thirds of American workers (67 percent) feel confident in their ability to retire comfortably, though only 23 percent feel very confident. The share of workers reporting that they feel either very or somewhat confident has increased compared with last year (67 percent vs. 64 percent in 2018). Worker confidence now resembles the levels measured in 2007 before the financial crisis of 2008 (Figure 1).



The level of confidence expressed by those already in retirement continues to be greater than those yet to retire. Retiree confidence about having enough money for a comfortable retirement remains high. Eighty-two percent of retirees report feeling either very or somewhat confident about having enough money to live comfortably throughout their retirement years (compared with 75 percent in 2018). Just over one-third of retirees feel very confident (35 percent), while 18 percent say they are not too or not at all confident (Figure 2).

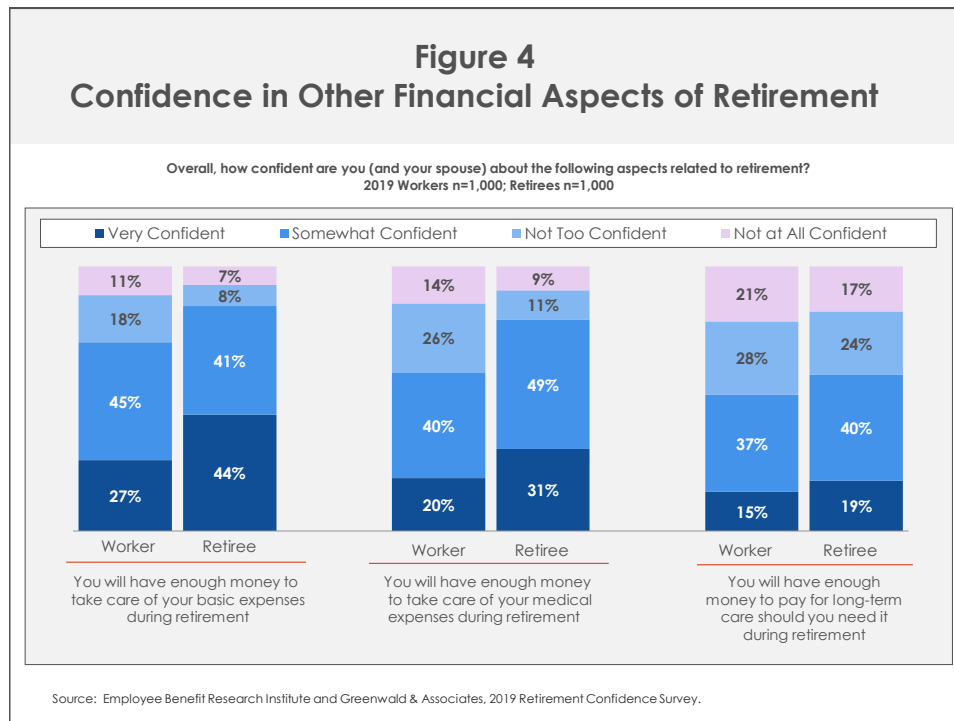


Retirement confidence continues to be strongly related to retirement plan participation, whether in a defined contribution (DC) plan, defined benefit (DB) plan, or individual retirement account (IRA). Workers reporting they or their spouse have money in a DC plan or IRA or have benefits in a DB plan from a current or previous employer are more than twice as likely as those without any of these plans to be at least somewhat confident (74 percent with a plan vs. 39 percent without a plan) (Figure 3).



Confidence in Other Financial Aspects of Retirement

Almost 3 in 4 workers (72 percent) report feeling very or somewhat confident about being able to afford basic expenses in retirement, including 27 percent who feel very confident. Workers' confidence in their ability to afford basic expenses is higher than the confidence they report regarding their ability to pay for medical expenses in retirement. Forty-one percent of workers are not too or not at all confident they will have enough money for medical expenses in retirement. An even greater share is not too or not at all confident in their ability to pay for long-term care expenses: nearly half (48 percent) do not feel confident about having enough money for long-term care in retirement (Figure 4).



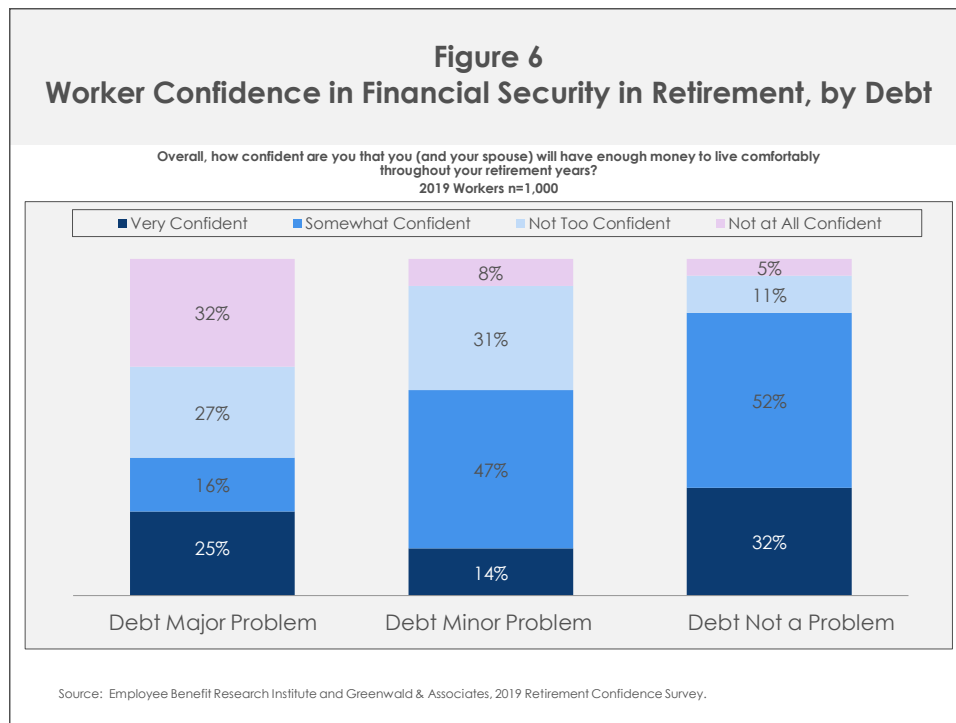
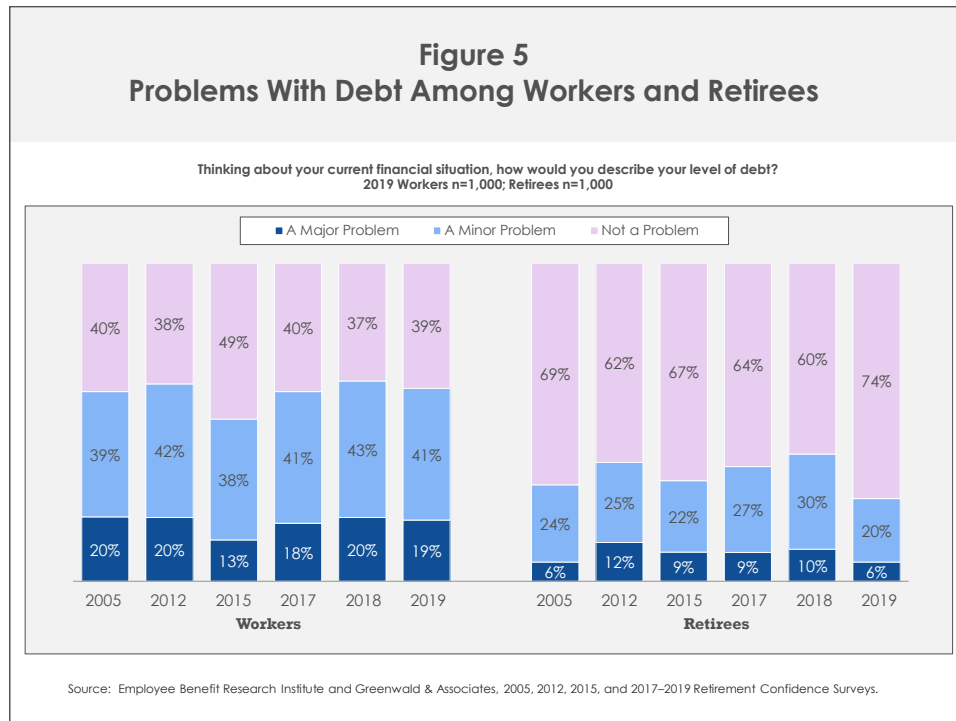
Retirees, who are already in that life stage, express higher levels of confidence than workers in each of these financial aspects of retirement. More than 4 out of 5 retirees (85 percent) feel at least somewhat confident in their ability to afford basic expenses throughout their retirement years. Eighty percent are very or somewhat confident about having enough money to cover medical expenses, and 3 out of 5 (59 percent) feel very or somewhat confident in their ability to pay for long-term care (Figure 4).

Influence of Debt on Confidence

Workers are more likely to say that debt is a problem for them than retirees. Sixty-one percent of workers say debt is a problem for them, while 39 percent say debt is not a problem. In contrast, just 26 percent of retirees say that debt is a problem for them. Workers are three times as likely to say that debt is a major problem as retirees (19 percent vs. 6 percent) (Figure 5).

The RCS has consistently found a relationship between debt levels and retirement confidence. In 2019, 41 percent of workers with a major debt problem say they are very

or somewhat confident about having enough money to live comfortably in retirement, compared with 85 percent of workers who indicate debt is not a problem. On the other hand, 32 percent of workers with a major debt problem are not at all confident about having enough money for a financially secure retirement, compared with 5 percent of workers without a debt problem (Figure 6).



###