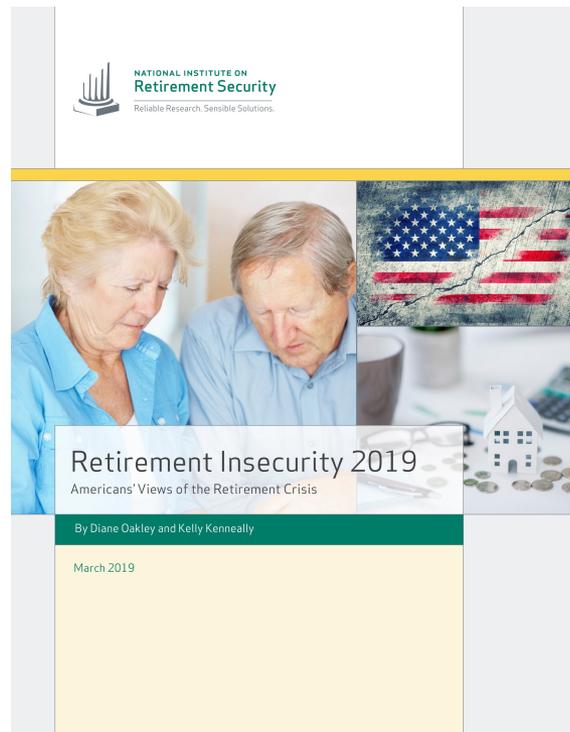


Retirement Insecurity 2019: Americans' Views of the Retirement Crisis



Research Overview March 2019



NATIONAL INSTITUTE ON
Retirement Security

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7 Key Findings

1. In overwhelming numbers, Americans are worried about their ability to attain and sustain financial security in retirement.
2. Even as the nation remains deeply politically polarized, Americans are united in their sentiment about retirement issues.
3. Americans see government playing an important role in helping workers prepare for retirement, but lawmakers in Washington, D.C. just don't get it. And the new tax law has not helped.
4. In contrast to the sentiment about Washington, D.C., efforts by state lawmakers to expand access to retirement accounts for all workers is widely supported by Americans.

Key Findings

5. Americans are highly positive on the role of pensions in providing retirement security and see these retirement plans as better than 401(k) plans.
6. There is strong support for pension plans for state and local workers, and Americans see these retirement plans as a tool to recruit and retain public workers.
7. Millennials are the most concerned about financial security in retirement, and are more willing than other generations to save more.

Methodology

- Information for this study was collected from online interviews between January 7–16, 2019. A total of 1,250 individuals aged 25 and older completed the survey. The final data were weighted by age, gender, income, and race to reflect the demographics of Americans 25 and older.
- Sample was selected using the Research Now online panel. Research Now maintains one of the industry’s most comprehensive and deeply-profiled online survey panels. Panel members are recruited through a controlled mix of both online and offline methods, using “By-Invitation-Only” acquisition to avoid attracting professional survey takers. This makes this panel more representative of the population.

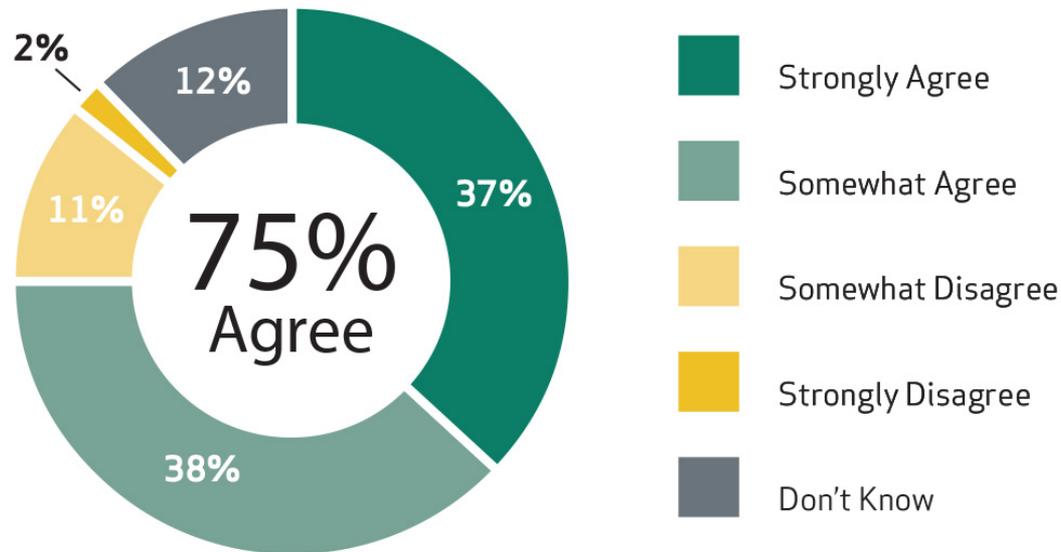
Key Finding 1

In overwhelming numbers, Americans are worried about their ability to attain and sustain financial security in retirement.

Americans agree that the nation faces a retirement crisis

Figure 1: **Three-fourths of Americans say the nation faces a retirement crisis.**

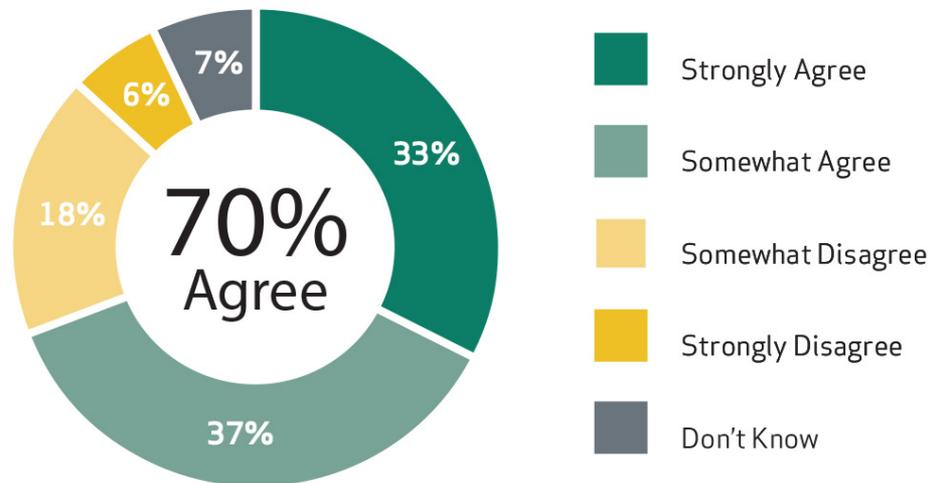
To what extent you agree or disagree with the following statement:
America is facing a retirement crisis.



70% say that workers can't prepare for retirement on their own

Figure 3: **70% say the average worker cannot save enough on their own to guarantee a secure retirement.**

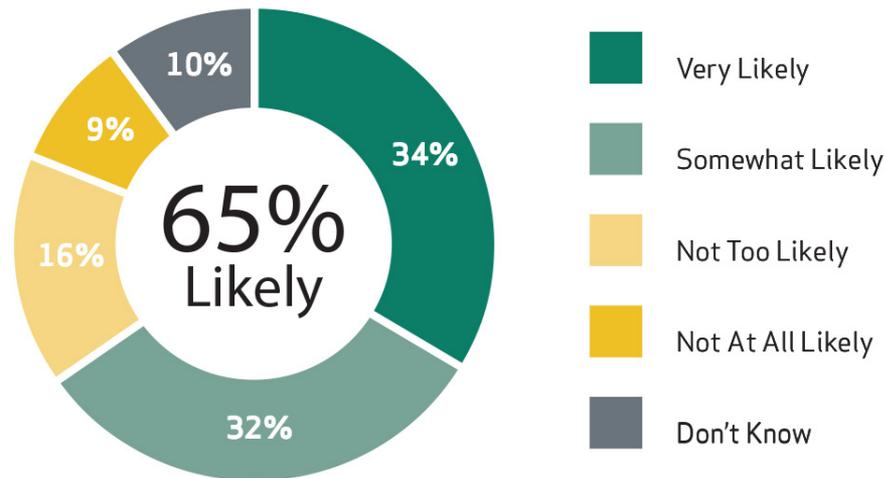
To what extent you agree or disagree with the following statement: The average worker cannot save enough on their own to guarantee a secure retirement.



Most agree they'll have to work past retirement age to have enough

Figure 4: **65% say it's likely they will have to work past retirement age to have enough money to retire.**

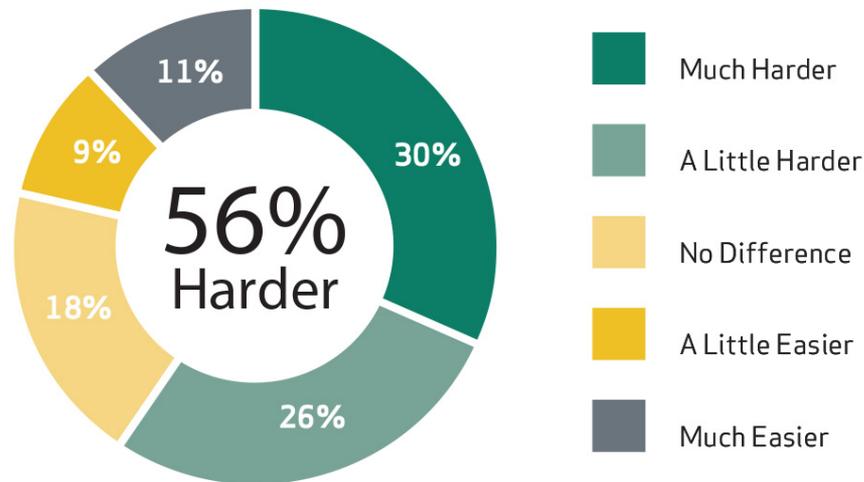
How likely is it that you will need to work past the normal retirement age to have enough money in retirement?



56% say that retirement is only getting harder

Figure 5: **More than half of Americans say it's getting harder to prepare for retirement.**

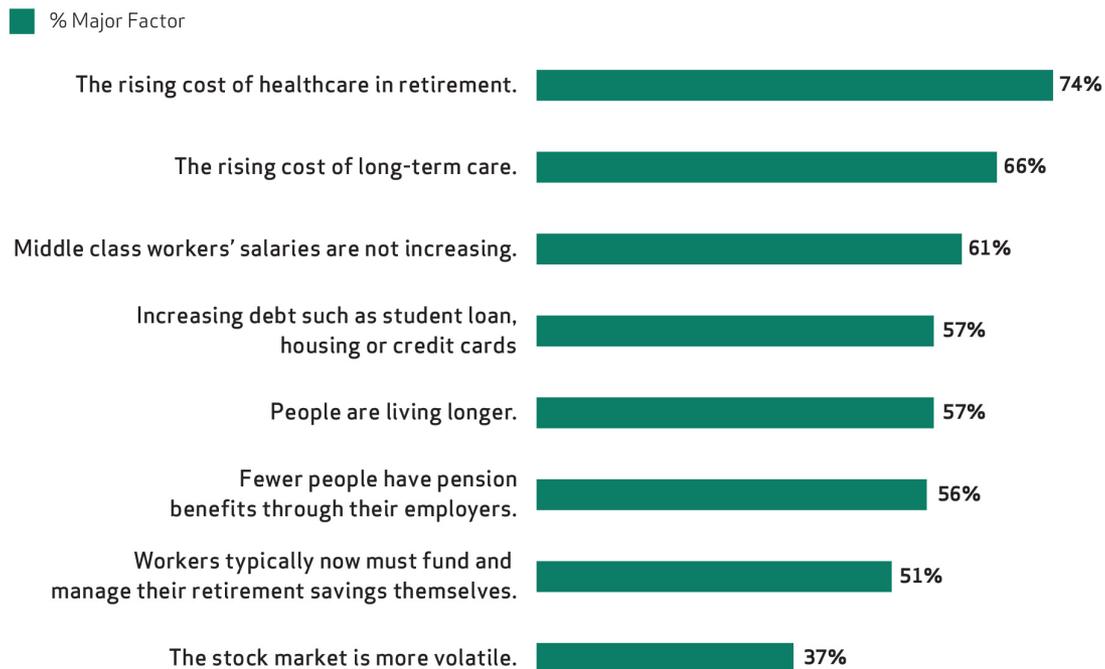
Do you feel that—compared to today—it will be easier or harder for Americans to prepare for retirement in the future, or will there be no difference?



Healthcare, long-term care costs major factors making retirement more difficult

Figure 6: **Rising cost of healthcare and long-term care, stagnating salaries, increasing debt, fewer pensions, and DIY retirement are major factors making it harder to prepare for retirement.**

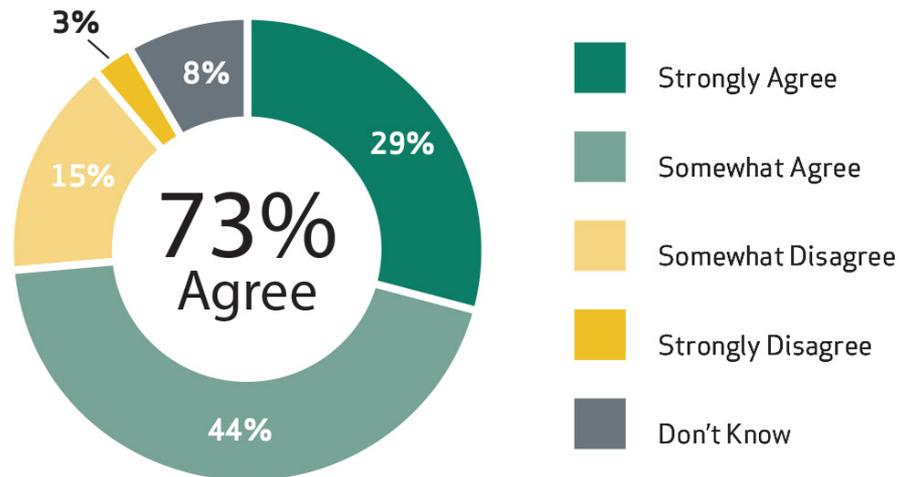
To what extent do you feel each of the following issues are a factor in making it harder for Americans to prepare for retirement?



Almost 3/4 say workers lack financial skills to manage money in retirement

Figure 7: **Nearly 3/4 say workers don't have the financial skills to manage money in retirement.**

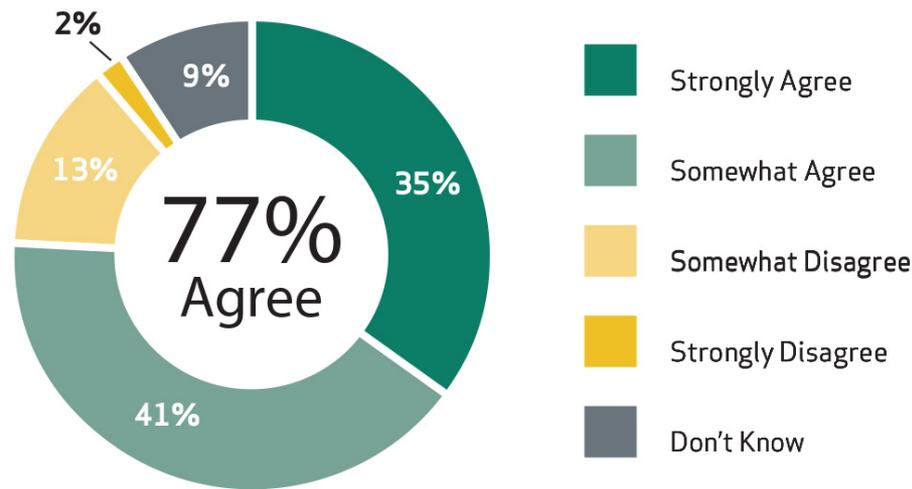
To what extent you agree or disagree with the following statement:
Most workers don't have the financial skills to manage their money in retirement.



Americans agree employers need to contribute more to retirement

Figure 9: **More than 3/4 say employers need to contribute more so Americans can have a secure retirement.**

To what extent you agree or disagree with the following statement:
Employers should contribute more money to workers' retirement plans to allow them to achieve a secure retirement.

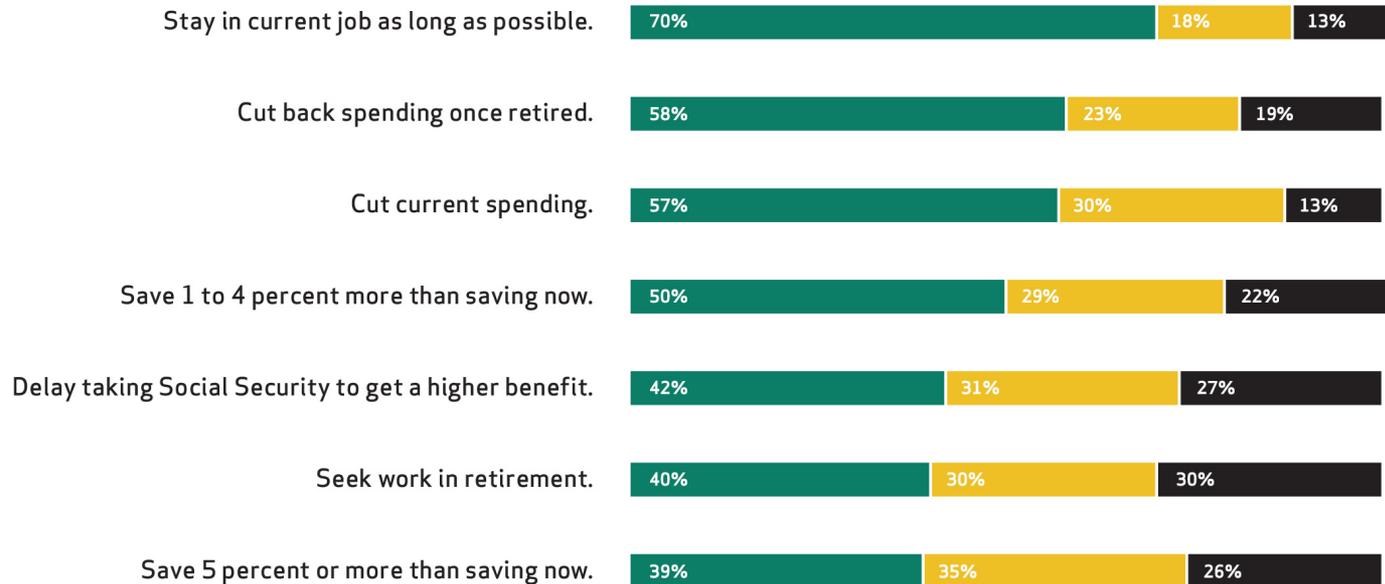


Working longer and cutting spending once retired are viewed as options

Figure 11: **Most Americans say they will work as long as possible or cut spending to be secure in retirement.**

Which of the following, if any, do you plan to do to help ensure a financially secure retirement?

■ Yes ■ No ■ Don't Know



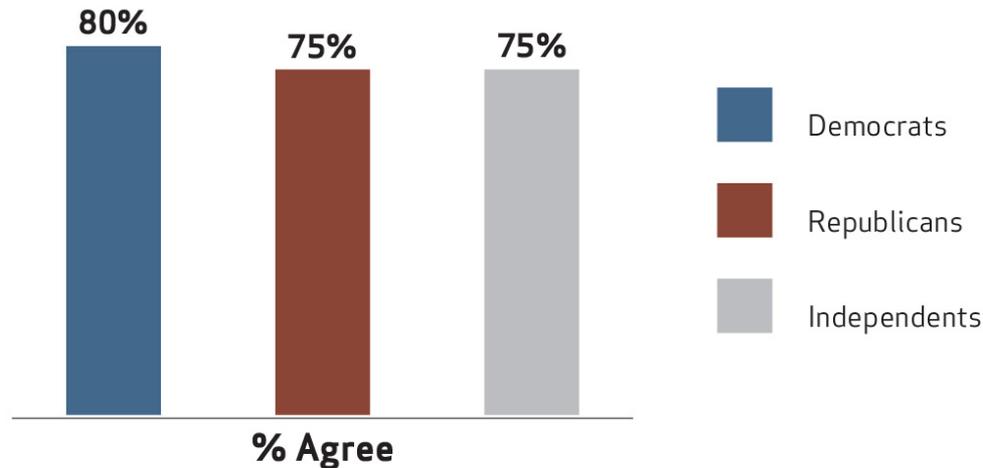
Key Finding 2

Even as the nation remains deeply politically polarized, Americans are united in their sentiment about retirement issues.

Across party lines, strong agreement that U.S. faces a retirement crisis

Figure 13: **Democrats, Republicans and Independents agree that the nation faces a retirement crisis.**

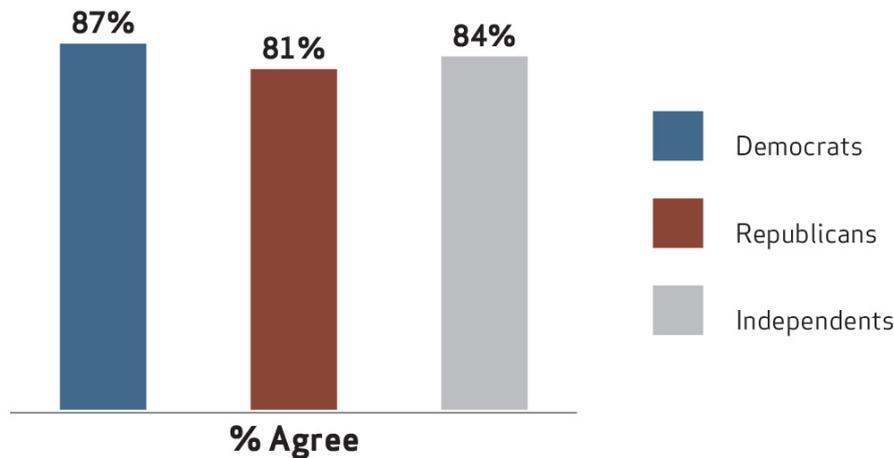
To what extent you agree or disagree with the following statement:
America is facing a retirement crisis.



Strong agreement that Washington leaders don't get it.

Figure 14: **Across party lines, Americans agree that leaders in Washington don't understand how hard it is to prepare for retirement.**

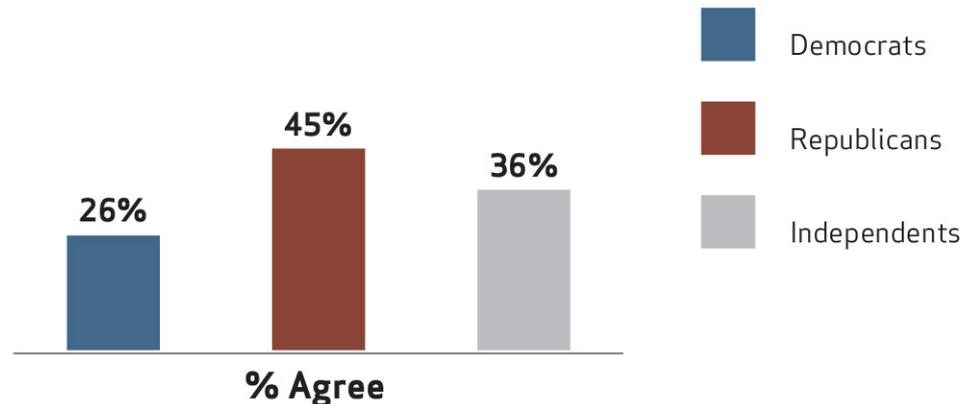
To what extent you agree or disagree with the following statement:
Leaders in Washington do not understand how hard it is for workers to save enough for retirement.



The new tax law isn't viewed as helping address the retirement savings problem

Figure 16: **Most, especially Democrats, don't think the new tax law is helping them save for retirement.**

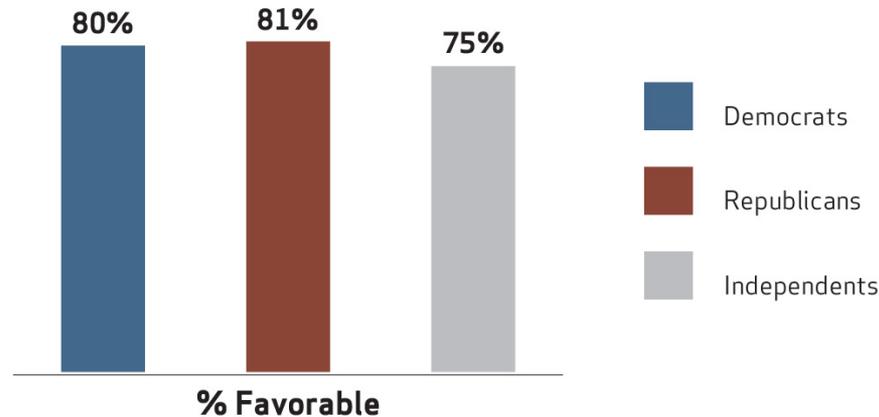
To what extent you agree or disagree with the following statement:
The new tax bill is making it easier for me to save for retirement.



Strong favorability for pensions across party lines

Figure 17: **Across party lines, Americans have highly favorable views about pensions.**

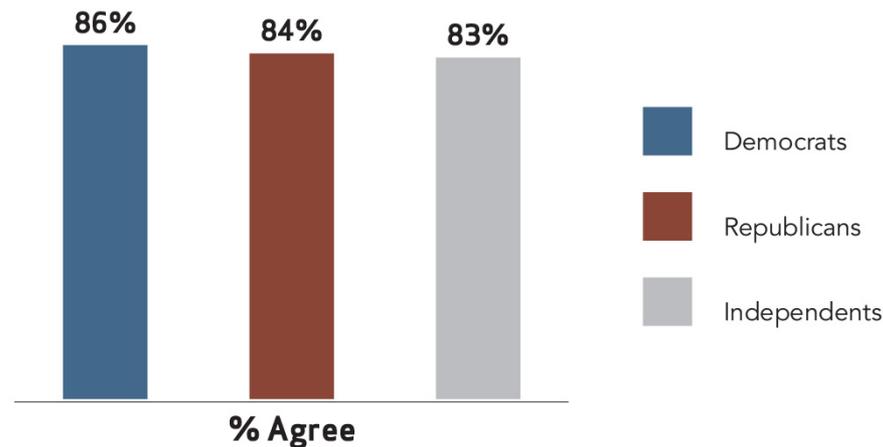
“Traditional pension plans” refers to a retirement plan where you receive a regular monthly check in retirement where the payment amount is based on your salary at retirement and how many years you worked. This is sometimes called a defined benefit pension (DB) plan or a group retirement plan. How would you describe your overall view of this type of pension?



Strong agreement that pensions good tool to recruit, retain public workers

Figure 20: **Across party lines, Americans overwhelmingly agree pensions help recruit and retain public workers like teachers, firefighters and police.**

To what extent you agree or disagree with the following statement:
Pensions are a good way to recruit and retain qualified teachers, police officers, and firefighters.



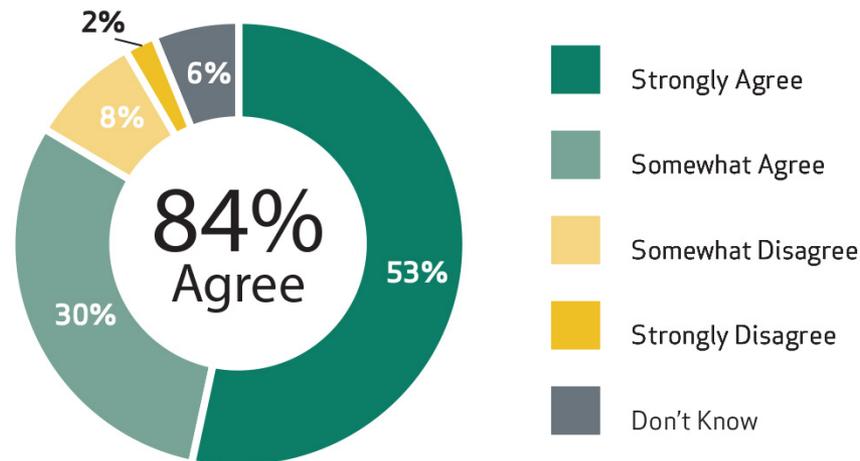
Key Finding 3

Americans see government playing an important role in helping workers prepare for retirement, but lawmakers in Washington, D.C. just don't get it.

Americans agree Washington leaders don't understand retirement difficulty

Figure 21: **84% say leaders in Washington do not understand how hard it is for American workers to prepare for retirement.**

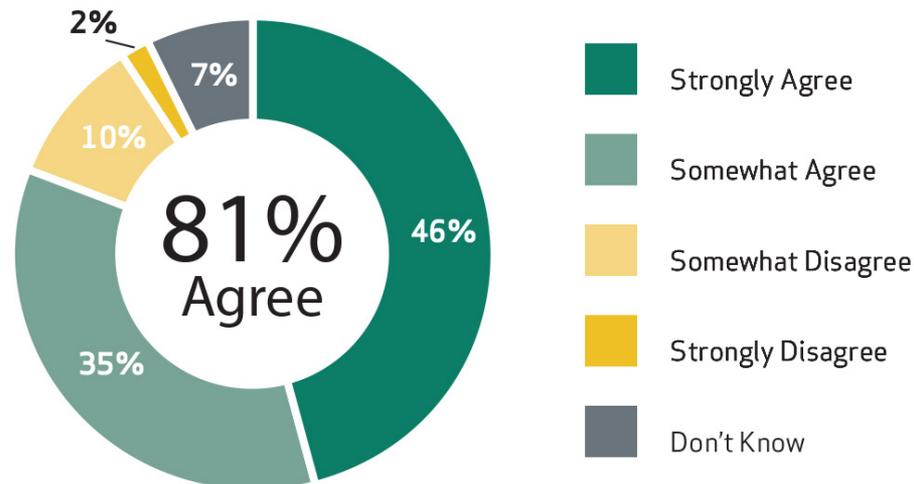
To what extent you agree or disagree with the following statement: Leaders in Washington do not understand how hard it is for workers to save enough for retirement.



81% say Washington leaders must retirement a higher priority

Figure 22: **81% say leaders in Washington need to give retirement a higher priority.**

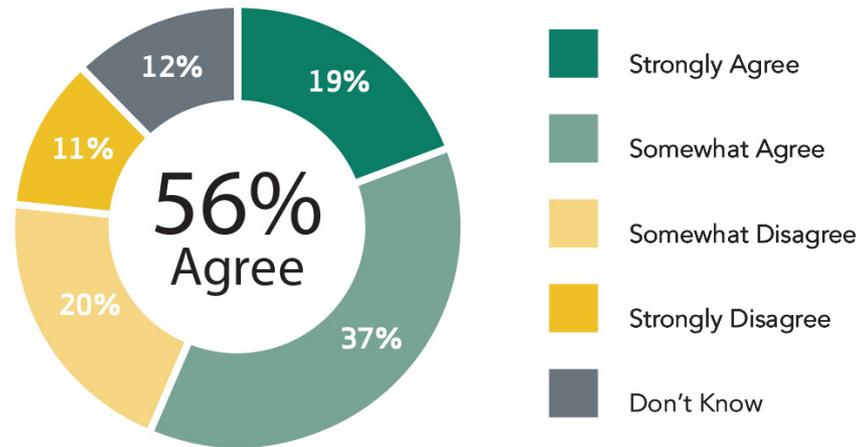
To what extent you agree or disagree with the following statement: Leaders in Washington need to give a higher priority to ensuring more Americans can have a secure retirement.



Majority agree workers & employers should increase Social Security contributions

Figure 23: **More than half agree that the government needs to increase Social Security contributions from both employers and workers.**

To what extent you agree or disagree with the following statement:
To ensure that Social Security will be around for future generations, the government needs to increase the amount that workers and employers must contribute to Social Security.



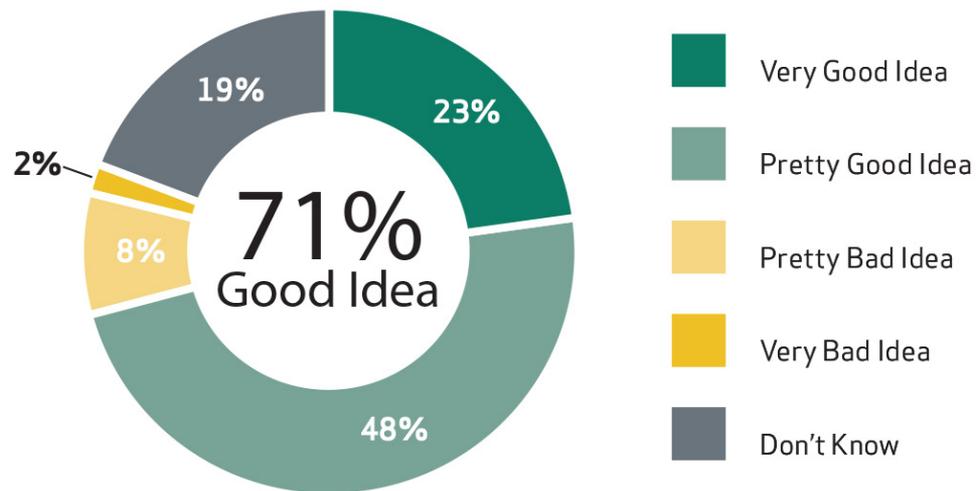
Key Finding 4

In contrast to the sentiment about Washington, D.C., efforts by state lawmakers to expand access to retirement accounts for all workers is widely supported by Americans.

Strong support for the new state-based retirement plans

Figure 25: **Americans overwhelmingly agree that state-based retirement plans are a good idea.**

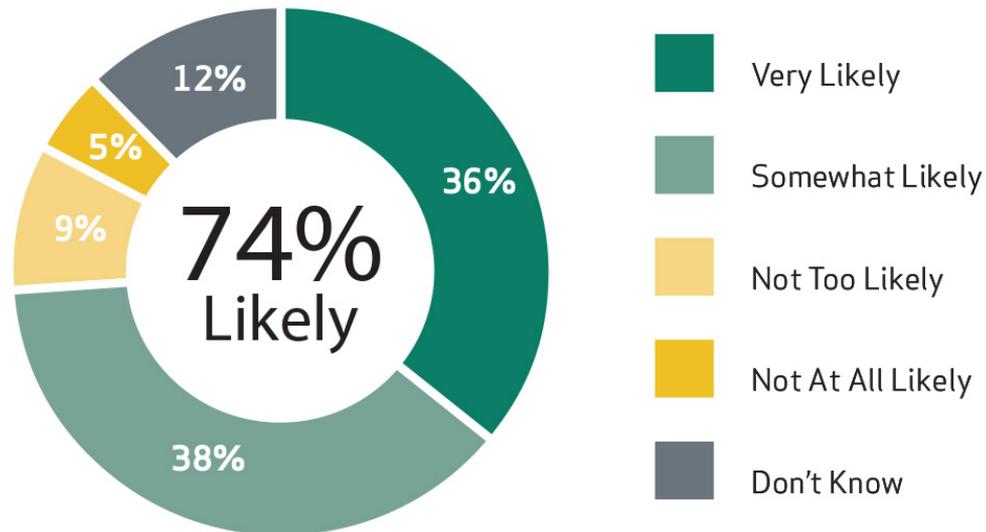
Overall, do you think these state retirement plans are a...



Large numbers would participate in new state-based retirement plans if available

Figure 26: **Nearly 3/4 of Americans would participate in state-based retirement plans.**

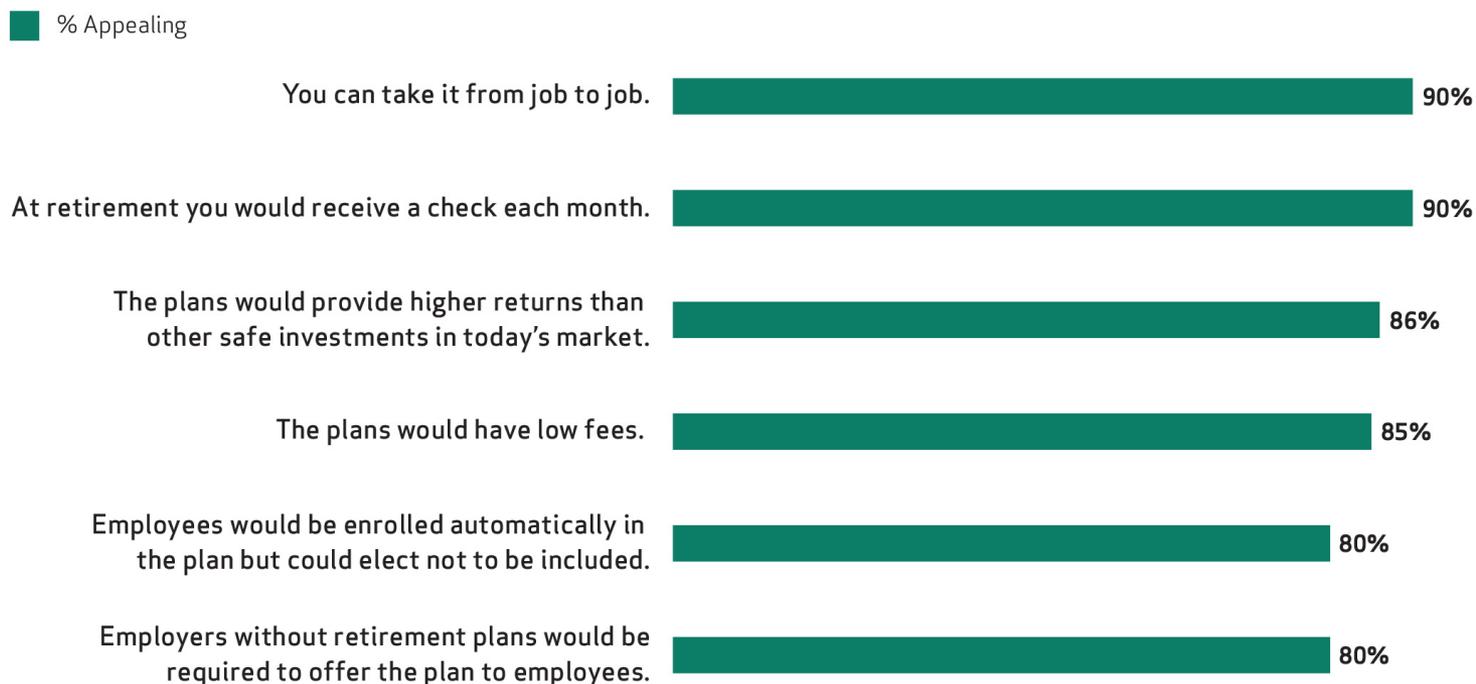
Overall, based on the previous description, how likely do you think you would be to consider participating in this plan if it were available?



Features of new state-based retirement plans appealing, especially portability, monthly income

Figure 27: **Americans find features of state-based retirement plans highly appealing, especially portability, monthly checks and higher returns.**

How appealing are each of the following aspects of this new type of retirement plan?



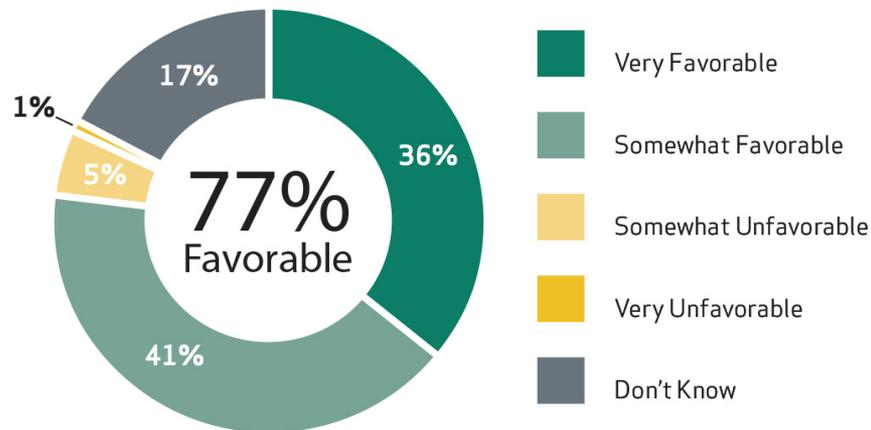
Key Finding 5

Americans are highly positive on the role of pensions in providing retirement security and see these retirement plans as better than 401(k) plans.

77% of Americans have favorable views of defined benefit pensions

Figure 28: **More than 3/4 of Americans have a favorable view of defined benefit pensions.**

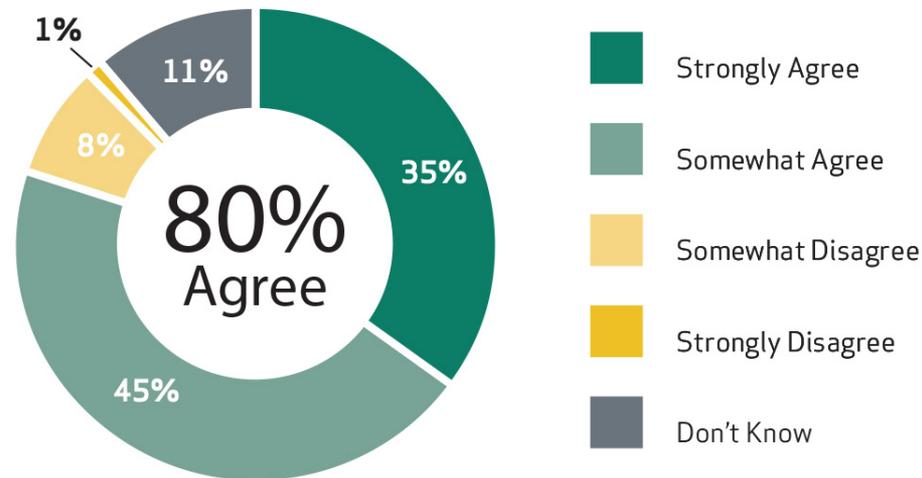
“Traditional pension plans” refers to a retirement plan where you receive a regular monthly check in retirement where the payment amount is based on your salary at retirement and how many years you worked. This is sometimes called a defined benefit pension (DB) plan or a group retirement plan. How would you describe your overall view of this type of pension?



80% say those with a pension more likely to have a secure retirement

Figure 29: **Americans overwhelmingly agree that those with pensions are more likely to have a secure retirement.**

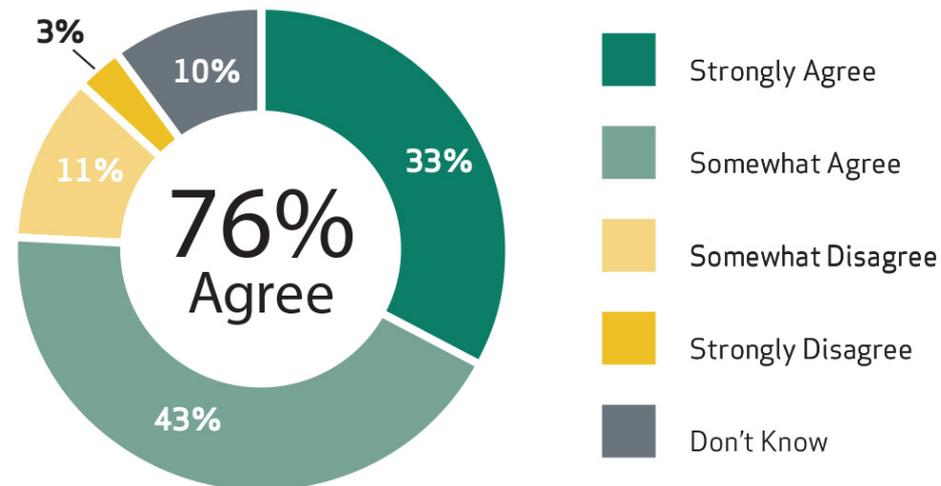
To what extent you agree or disagree with the following statement:
Americans with traditional pensions are more likely than those without pensions to have a secure retirement.



Most say all Americans should have a pension to be self-reliant, independent in retirement

Figure 31: **3/4 say all American workers should have a pension plan in order to be self-reliant and independent in retirement.**

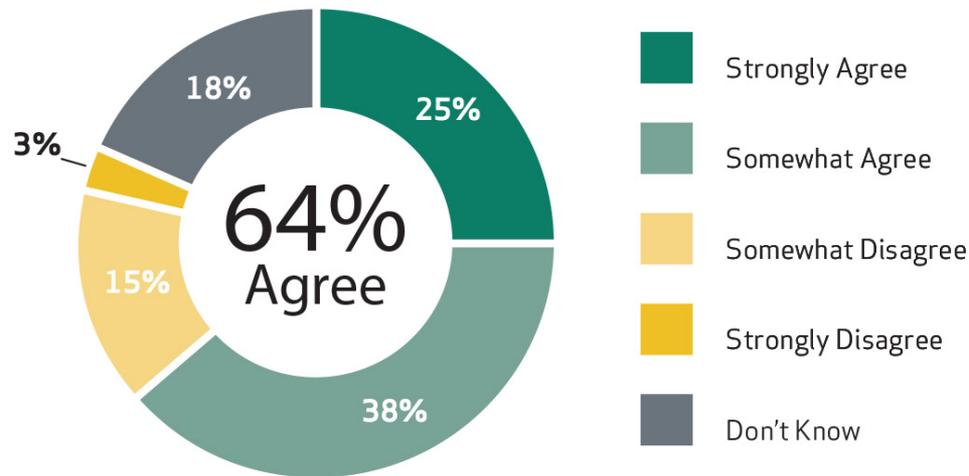
To what extent you agree or disagree with the following statement: I believe that all workers should have access to a pension plan so they can be independent and self-reliant in retirement.



64% say pensions are better than 401(k) plans for ensuring retirement security

Figure 32: **About 2/3 say pensions are better than 401(k) accounts in terms of ensuring retirement security.**

To what extent you agree or disagree with the following statement:
Pensions do more to help workers achieve a secure retirement as compared to retirement savings plans such as 401(k)s.



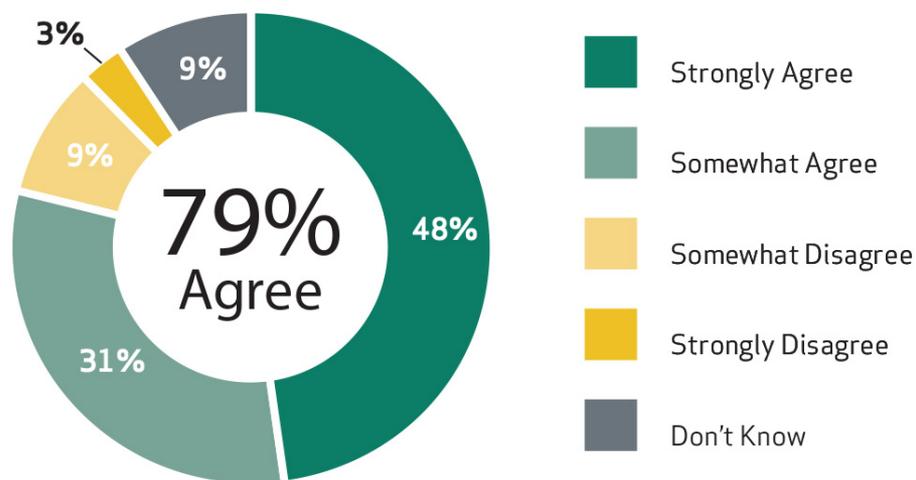
Key Finding 6

There is strong support for pension plans for state and local workers, and Americans see these retirement plans as a tool to recruit and retain public workers.

Most Americans don't begrudge public pensions; they want one to be secure in retirement

Figure 34: **79%** say all workers, not just state and local workers, should have a pension.

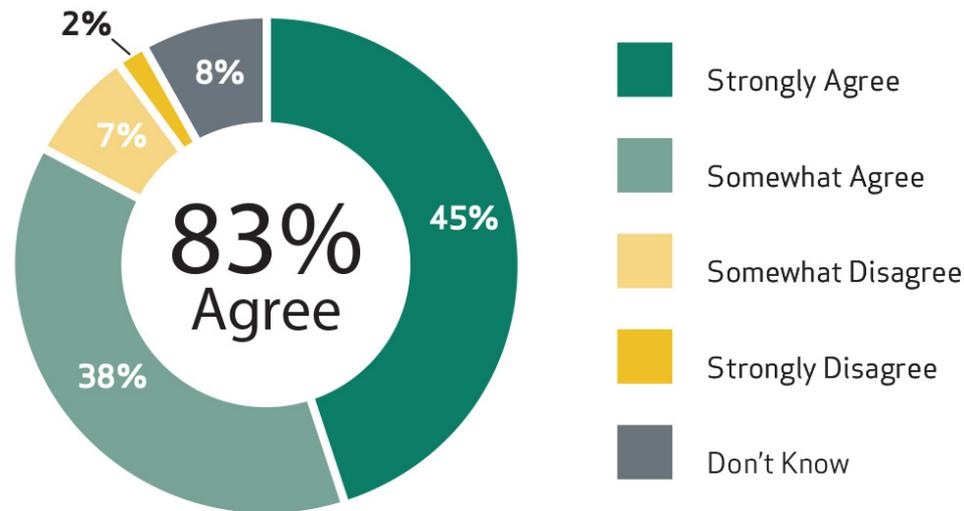
To what extent you agree or disagree with the following statement: All workers, not just those employed by state and local governments, should have access to a pension.



Strong agreement pensions help recruit and retain the public workforce

Figure 35: **83% say pensions are a good way to recruit state and local workers.**

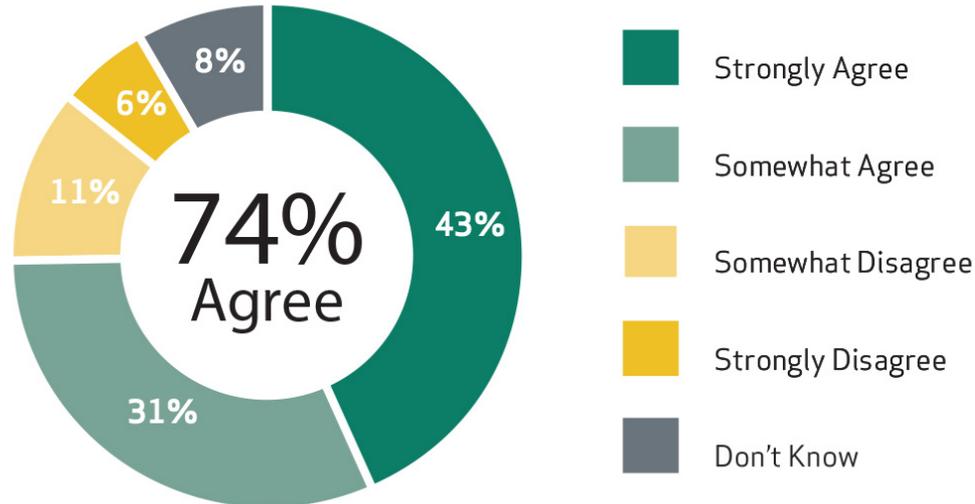
To what extent you agree or disagree with the following statement:
Pensions are a good way to recruit and retain qualified teachers, police officers, and firefighters.



74% agree teachers deserve a pension to compensate for low pay

Figure 36: **Nearly 3/4 say teachers deserve pensions to compensate for lower pay.**

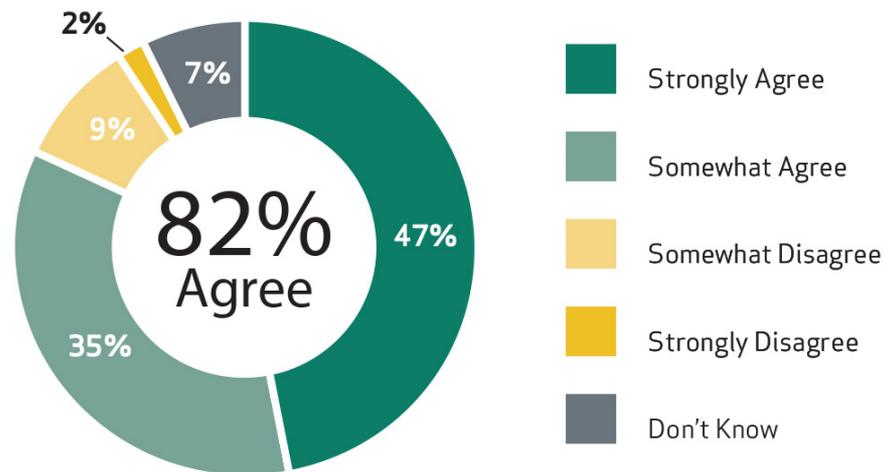
To what extent you agree or disagree with the following statement:
Public schoolteachers deserve pensions to compensate for lower pay.



82% say police, fire deserve a pension because they have risky jobs

Figure 37: **82% say police officers and firefighters deserve a pension because they have risky jobs.**

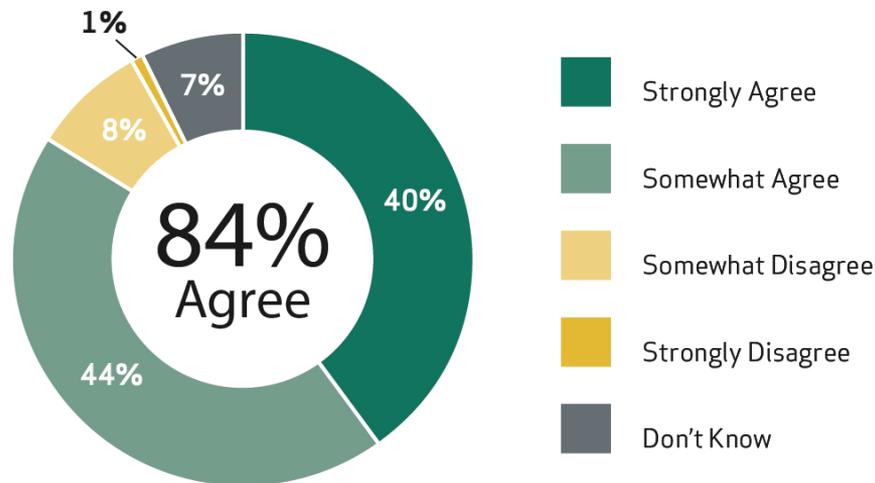
To what extent you agree or disagree with the following statement: Police and firefighters have agreed to take jobs that involve risks and therefore deserve pensions that will afford them a secure retirement.



Overwhelmingly, Americans place a high value on COLAs, a feature of many public pension plans.

Americans place a high value of cost-of-living adjustments to their retirement income.

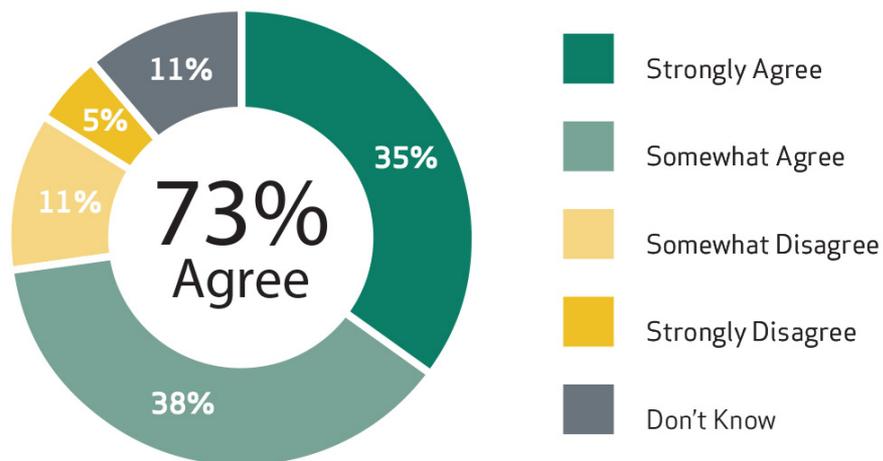
To what extent do you agree or disagree with the following statement?
When retired, it is essential that the income you receive increases each year so you can afford to pay higher prices for things due to inflation.



Vast majority agrees public pensions deserved because workers help finance the costs

Figure 33: **Nearly 3/4 say state and local workers deserve a pension because they help pay costs.**

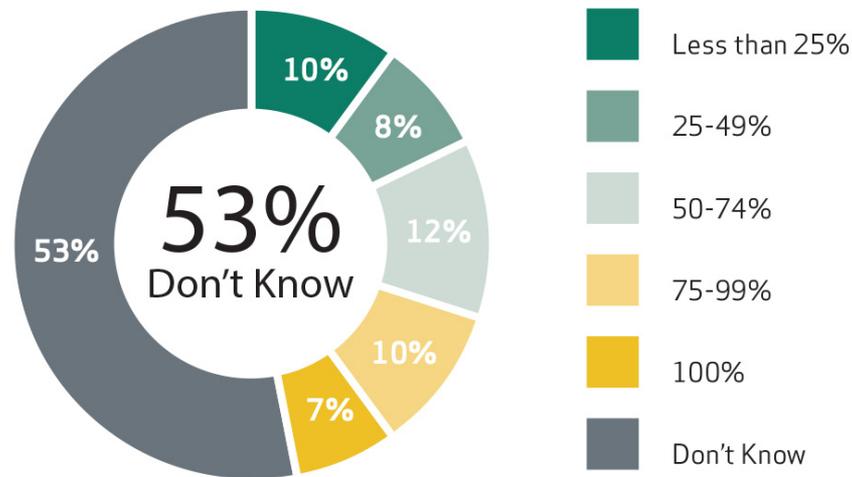
To what extent you agree or disagree with the following statement: State and local government employees deserve these retirement benefits because they help finance part of the cost, by contributing money out of every paycheck.



Most Americans don't understand how public pensions are financed

Figure 38: **Few Americans understand that taxpayers pay only about 1/4 the cost of pensions for state and local government employees.**

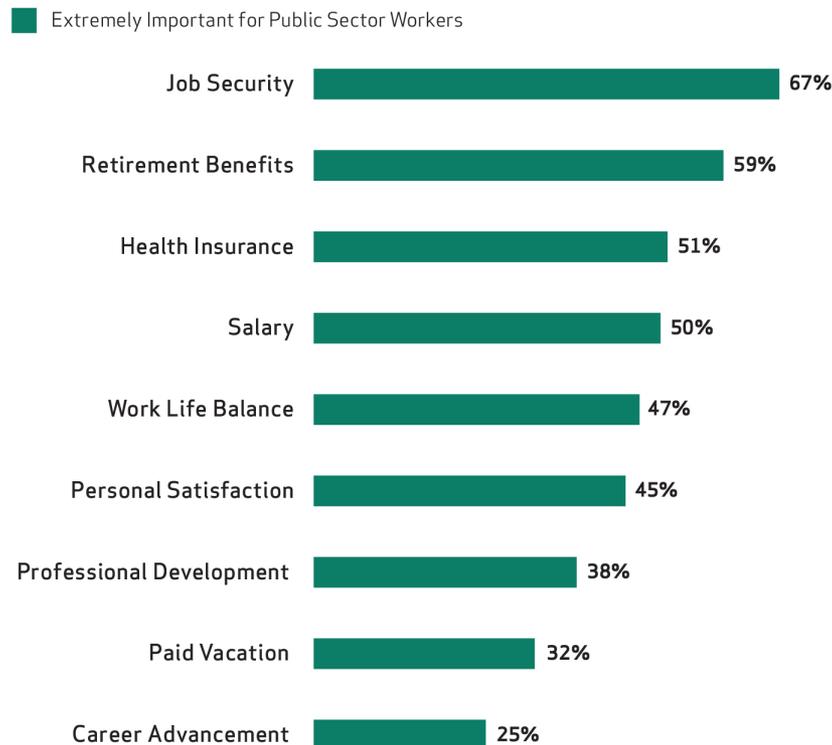
What percentage of public pensions do you think are paid for by taxpayers?



Public employees place a high value on their retirement benefits, higher than salary

Figure 39: **Public employees attach extremely high value to their retirement benefits.**

When making job decisions, how important are the following features to you?



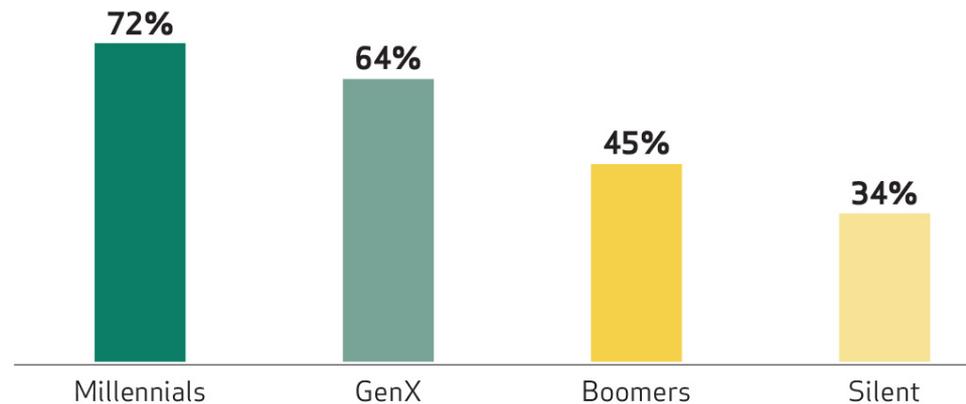
Key Finding 7

Millennials are the most concerned about financial security in retirement, and are more willing than other generations to save more.

Millennials have highest concern about retirement even though it's in the distant future

Figure 40: **Millennials are more concerned than other generations about achieving financial security in retirement.**

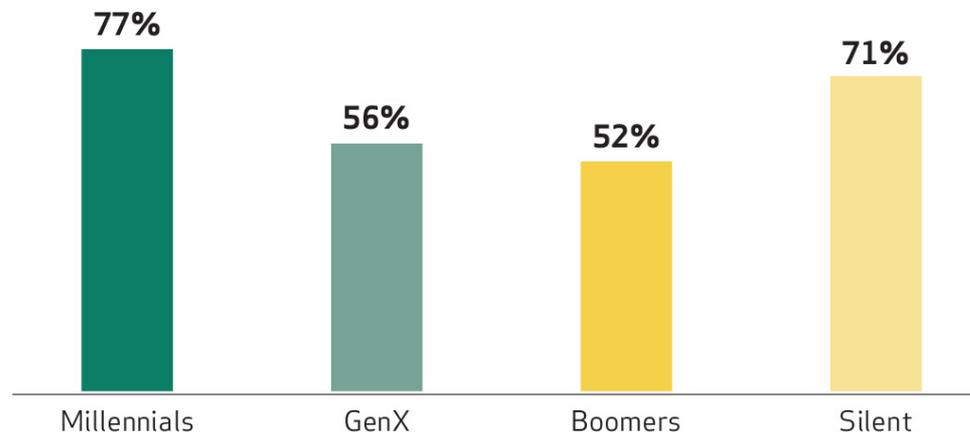
How concerned are you that you won't be able to achieve a financially secure retirement?



Millennials most likely to say they'll need to work past retirement age, just ahead of Silent generation

Figure 41: **Millennials are most likely to believe they will have to work past normal retirement age to have a secure retirement.**

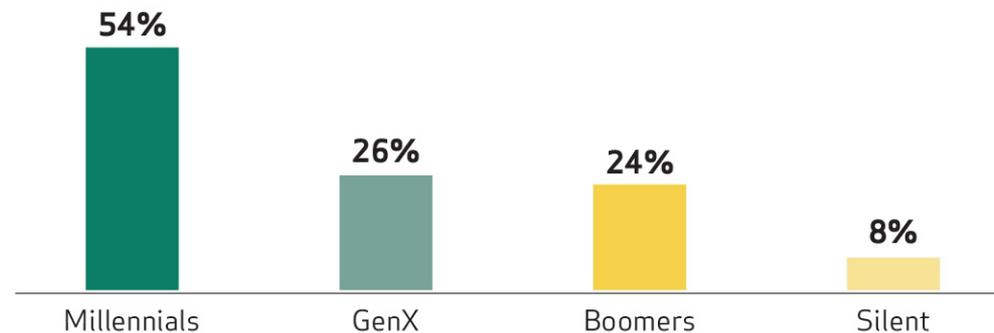
How likely is it that you will need to work past the normal retirement age to have enough money in retirement?



Millennial generation most willing to save more for retirement

Figure 44: **Millennials are more willing to save 5% more now to ensure retirement security among non-retirees.**

Which of the following, if any, do you plan to do to help ensure a financially secure retirement? Save about 5% more than you are saving now.



Millennials agree employers need to contribute more to retirement plans

Figure 45: **American workers believe employers should contribute more to employee retirement plans.**

To what extent do you agree or disagree with the following statement?
Employers should contribute more money to workers' retirement plans to allow them to achieve a secure retirement.

