

# RETIREMENT INSECURITY 2024

AMERICANS' VIEWS OF  
RETIREMENT



NATIONAL INSTITUTE ON  
Retirement Security  
Reliable Research. Sensible Solutions.

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February 2024

## NIRS 15<sup>th</sup> Annual Retirement Policy Conference

February 27, 2024

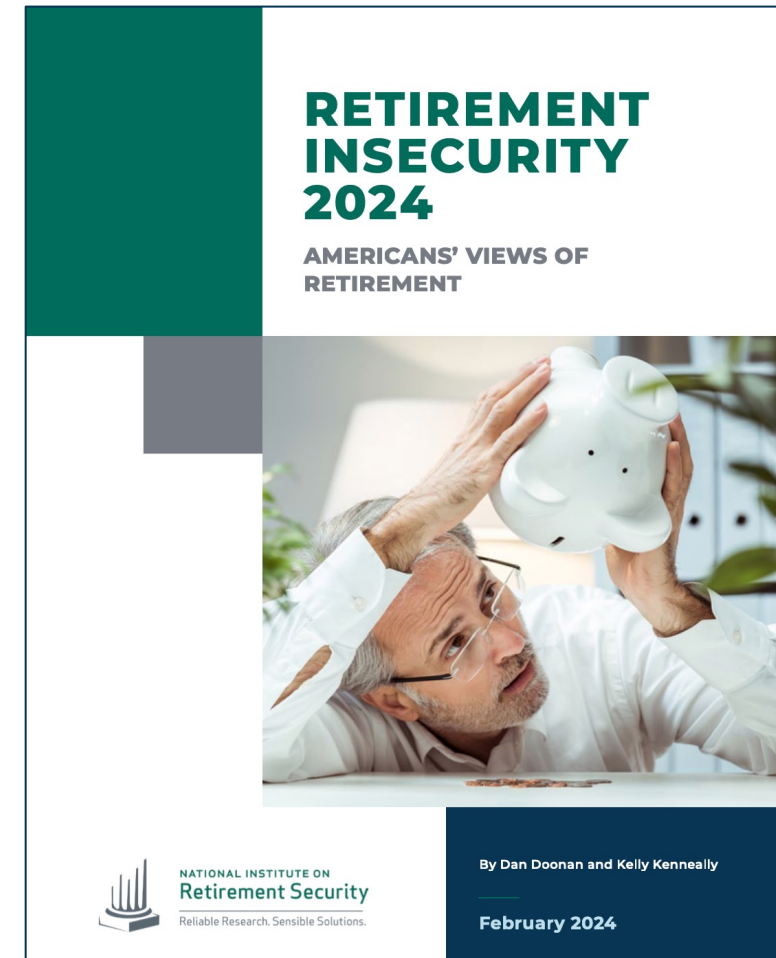
Washington, D.C.

# Why This Research

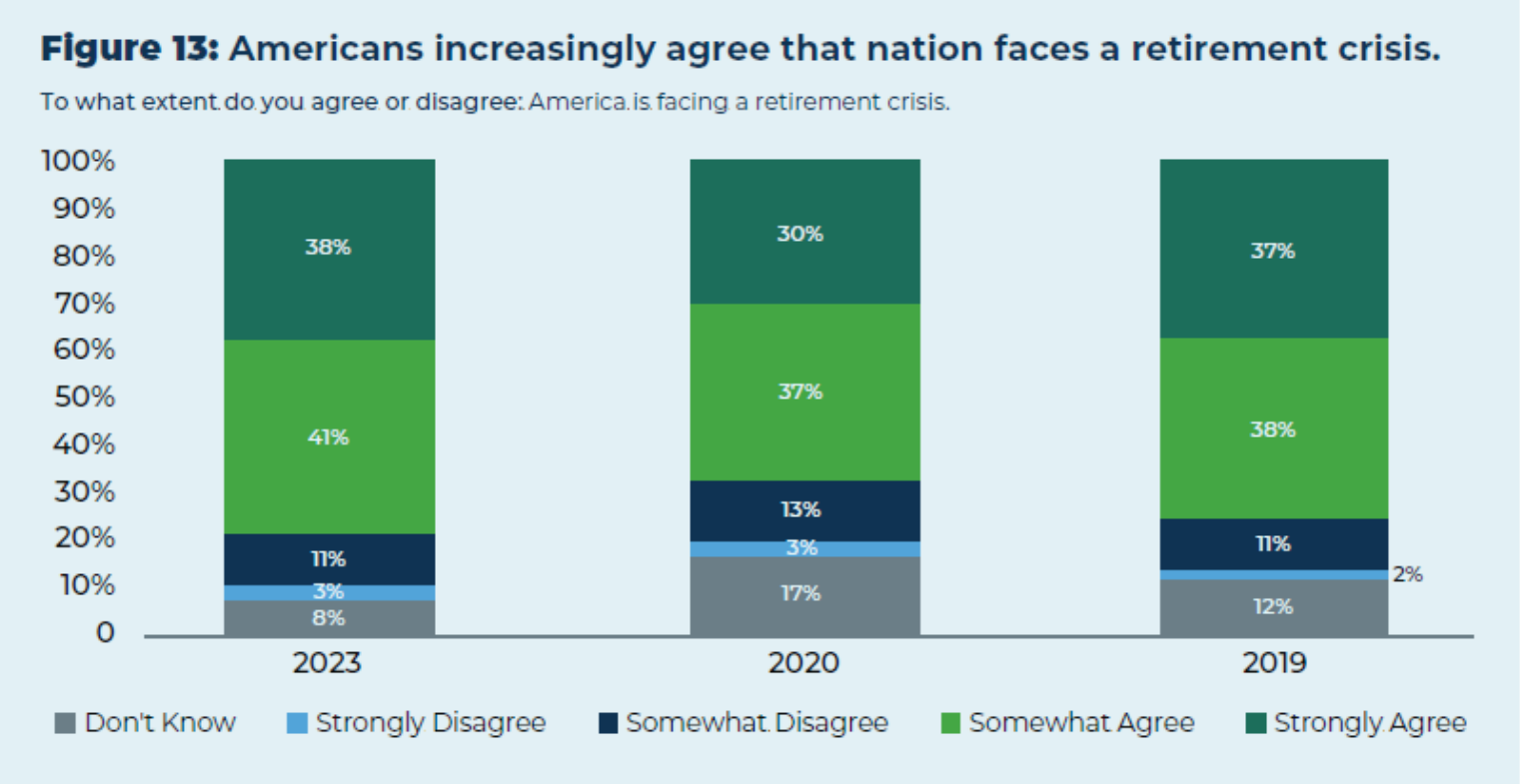
- When NIRS was founded a key unknown was – **What do Americans think about pensions?**
- Intentionally selected a polling firm with expertise in financial services that would not be viewed as partisan.
- Polling conducted about every two years so we can measure trends, add new questions on emerging issues.
- Modified the polling methodology in 2018 – so polls before that date cannot be trended with current data.
- First report in 2009 – just a PowerPoint! Now a sophisticated report with 70+ questions on range of retirement topics – retirement, public plans, state plans, long-term care.

# Study Methodology

- Conducted by Greenwald Research.
- Information was collected from online interviews between October 10-25, 2023.
- A total of 1208 individuals aged 25 and older completed the survey.
- The final data were weighted by age, gender, and income to reflect the demographics of Americans aged 25 and older.



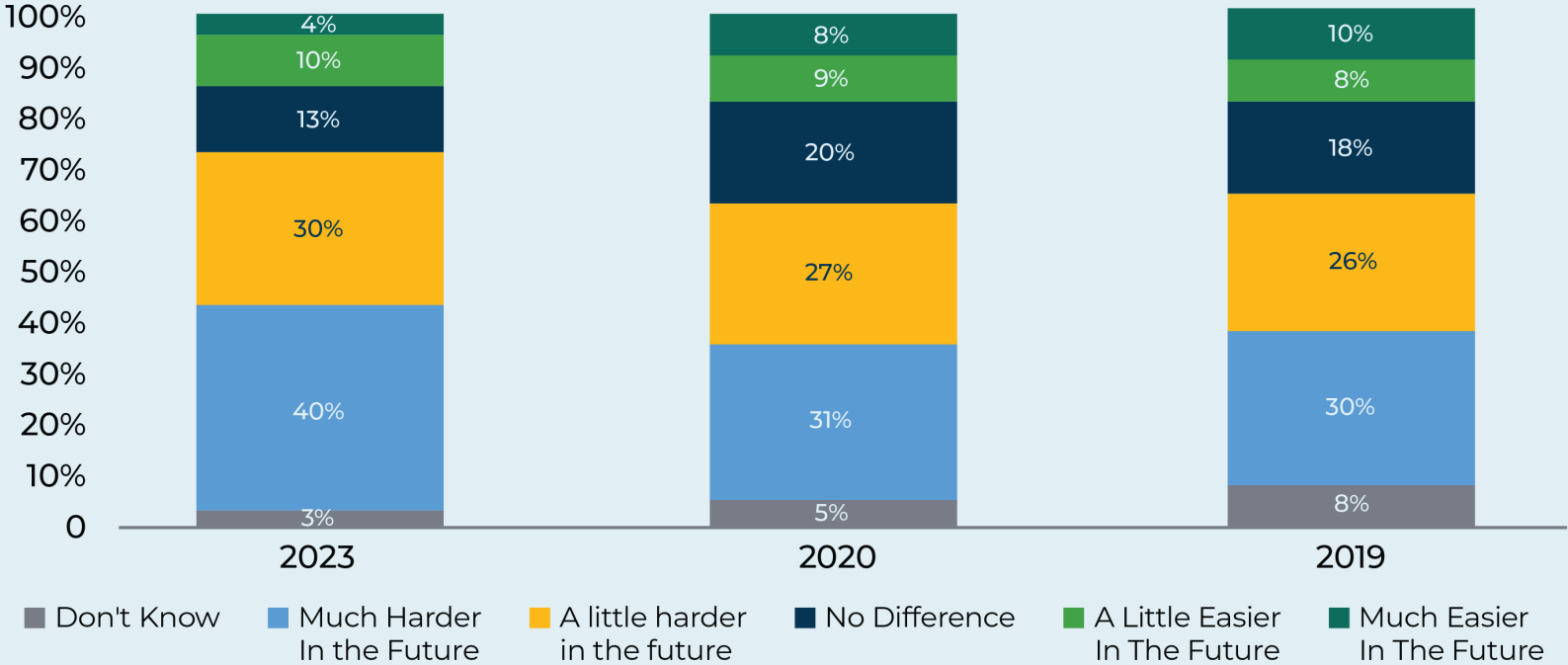
# Key Finding: High Retirement Anxiety Continues Among Americans



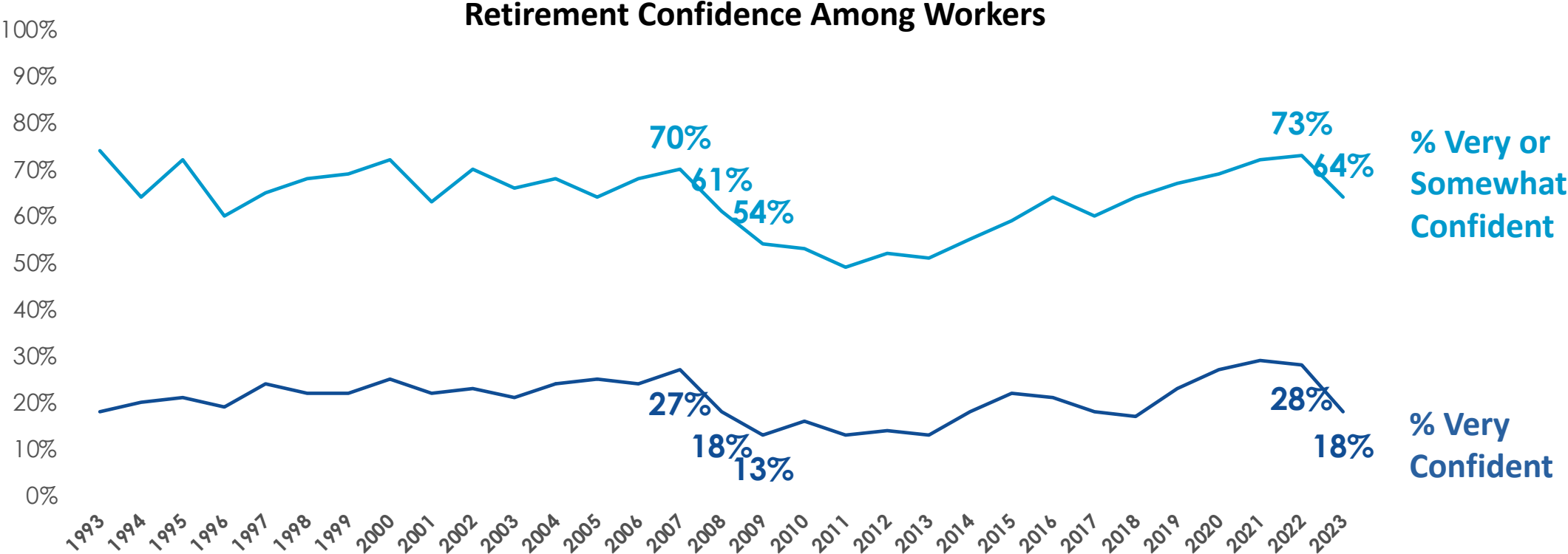
# Key Finding: High Retirement Anxiety Continues Among Americans

**Figure 22: Americans increasingly agree that it's only getting harder to retire.**

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?



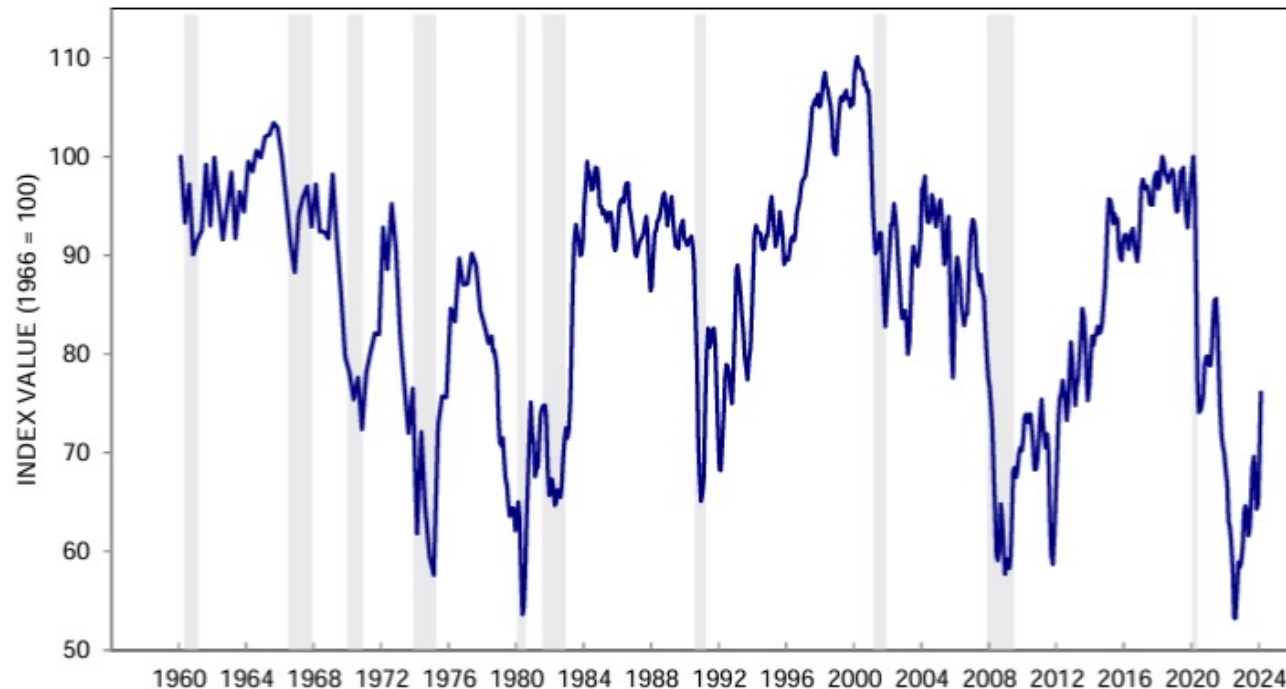
# In EBRI/Greenwald's RCS: biggest drop in retirement confidence since 2008



Source: EBRI/Greenwald Research's Retirement Confidence Survey

# And 2022 was actually the historic low for consumer sentiment

THE INDEX OF CONSUMER SENTIMENT



## Lowest Months on Record

1	June	2022	50.0
2	July	2022	51.5
3	May	1980	51.7
4	April	1980	52.7
5	Nov	2008	55.3
6	Aug	2011	55.8
7	Feb	2009	56.3
8	June	2008	56.4
9	March	1980	56.5
10	Nov	2022	56.7

Source: University of Michigan's Index of Consumer Sentiment

# Focus group quotes tell the story better

## 2022 Focus Groups

“We have lost **30-35% on most of the accounts that we own**. We will have a cash nest egg but just before this all started, I invested a good amount in the joint account and it is down 35% now. **We are concerned about how long we can continue to draw and how much we will be able to continue to draw.**” – Retiree

“I feel pessimistic and I’m paying for two weddings just after paying for two undergrads. Of course my kids are helping, **but we’re down 20% in our life savings that we’ve worked since we were teenagers, and it’s kind of alarming.**” – Pre-retiree

## 2023 Focus Groups

“...It’s making me more and more nervous, put it that way, **because there’s no way, at this point in our lives, to recoup**. If we lose the money, gone. I’m 68, he’s 71, neither one of us is going back to work.” – Retiree

“Obviously, I have concerns, but I think ultimately over time it will rebound and come back. **The question is how soon**, and how does that affect me in the next 10-15 years, which is my retirement time.” – Pre-retiree

“It’s very worrisome, **you worry am I going to have [the] month left at the end of my money as opposed to money left at the end of the month.**” – Pre-retiree

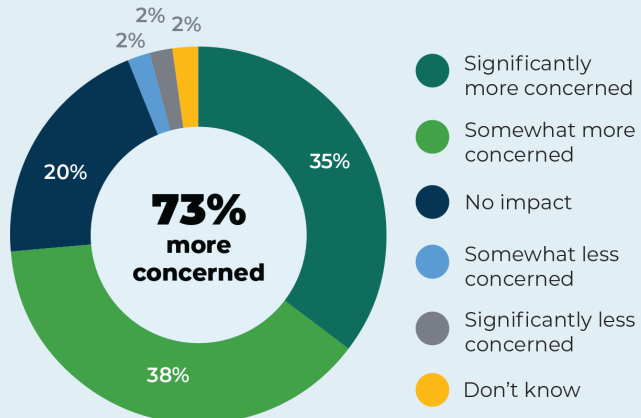
Source: Greenwald Research’s Retiree Insights Program



# What's driving this? Inflation compounded the pain of 2022 losses

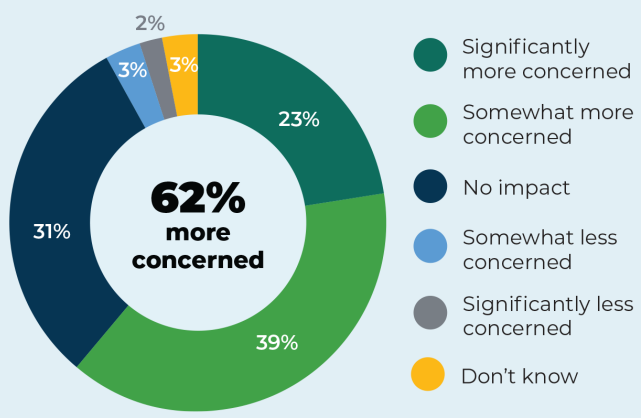
**Figure 17: Nearly three-fourths of Americans are more concerned that inflation is impacting their ability to achieve retirement security.**

Have any of the following impacted your concern, if at all, that you won't be able to achieve a financially secure retirement: The level of inflation we've witnessed over the past year.



**Figure 18: A large share of Americans are more concerned that market volatility is impacting their ability to achieve retirement security.**

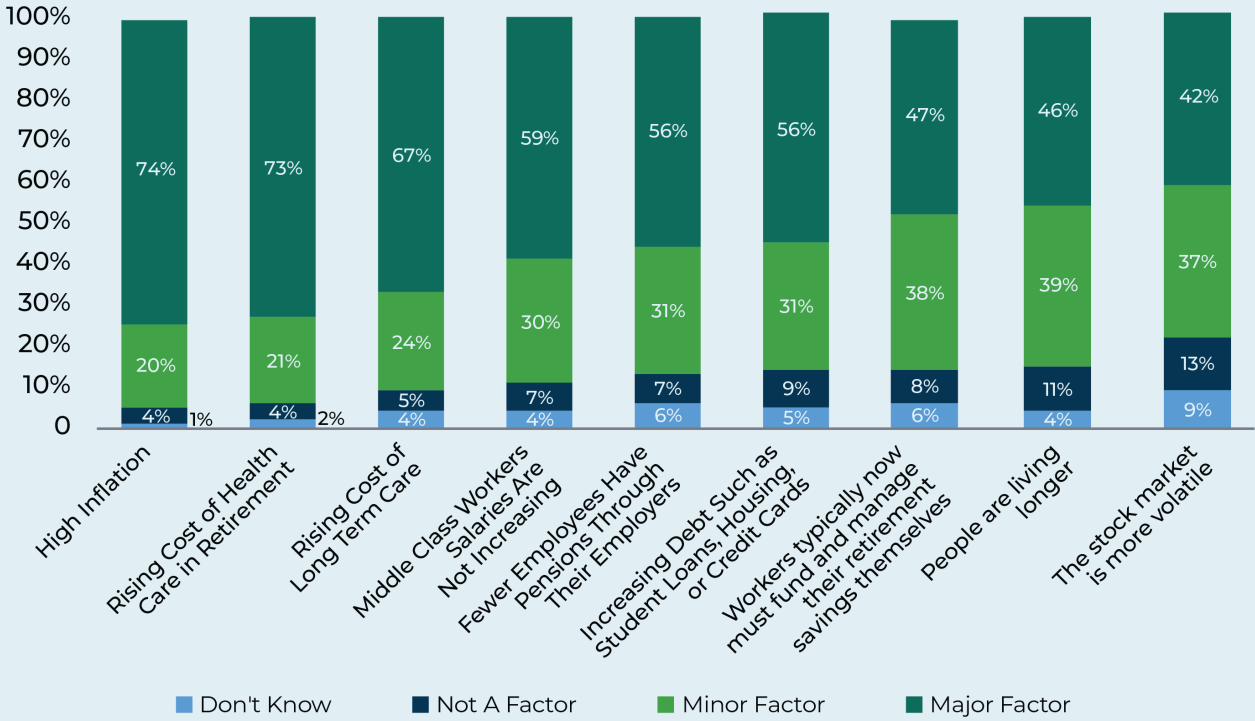
Have any of the following impacted your concern, if at all, that you won't be able to achieve a financially secure retirement: The market volatility we've witnessed over the past year.



# 74% say inflation is making it harder to prepare for retirement

**Figure 23: Rising costs and fewer pensions are key factors in making it harder to prepare for retirement.**

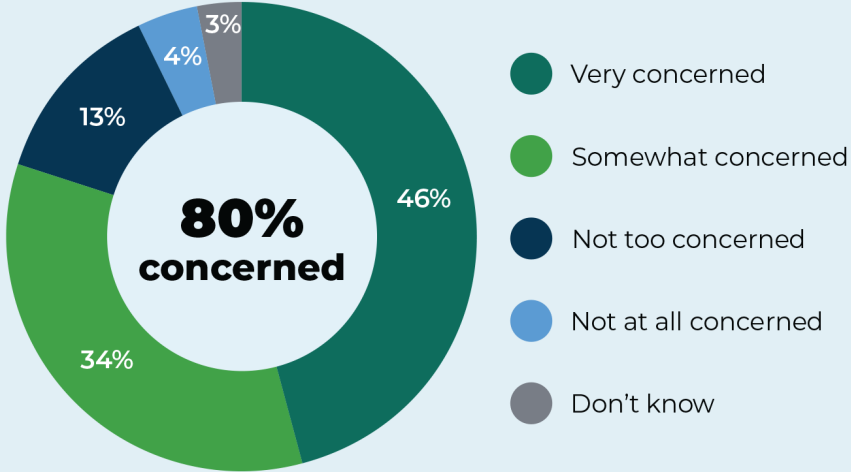
To what extent do you feel each of the following issues are a factor in making it harder for Americans to prepare for retirement?



# Key Finding: Americans Worried About Long Term Care Costs

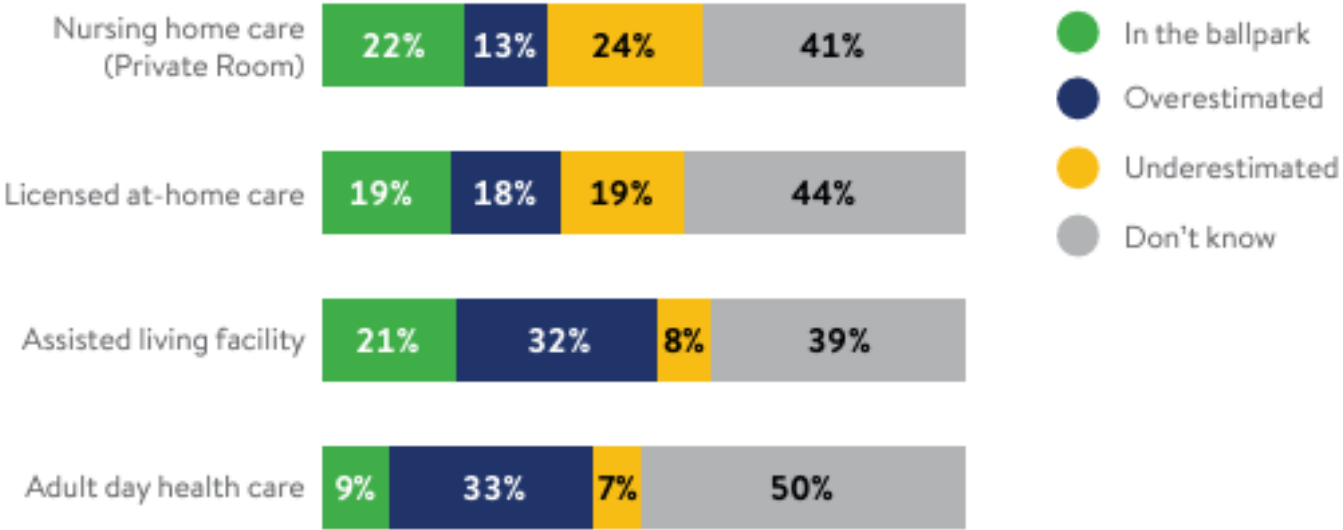
**Figure 37:** Most Americans are concerned about the rising cost of long-term nursing care.

To what extent are you concerned about rising costs in the following areas during your retirement:  
The cost of needing long-term nursing care.



# While they've heard of rising costs, many have no idea what to expect

HOW WELL CONSUMERS UNDERSTAND LONG TERM CARE: COMPARISON OF SURVEY ESTIMATES VS. NATIONAL MEDIAN ANNUAL COST<sup>3</sup>



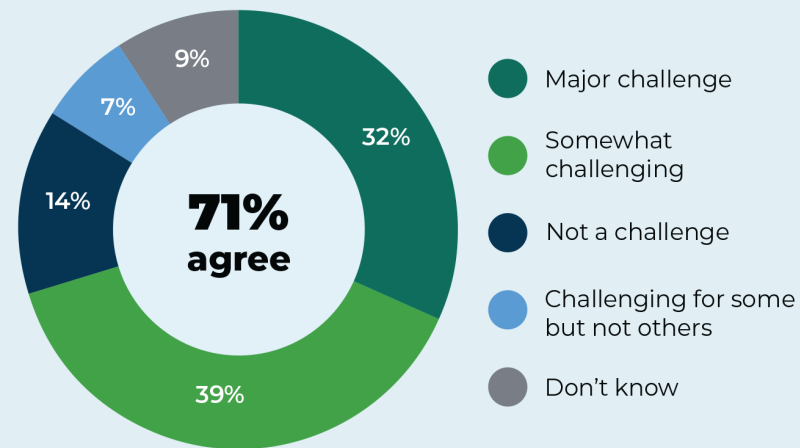
Percentages in the chart above have been rounded.

Source: MassMutual's Long Term Care in America Study (Conducted by Greenwald Research)

# Those who have seen family experience LTC, know how challenging it can be

**Figure 44:** For those who have seen a long-term care need, nearly three-fourths say paying for long-term has been financially challenging.

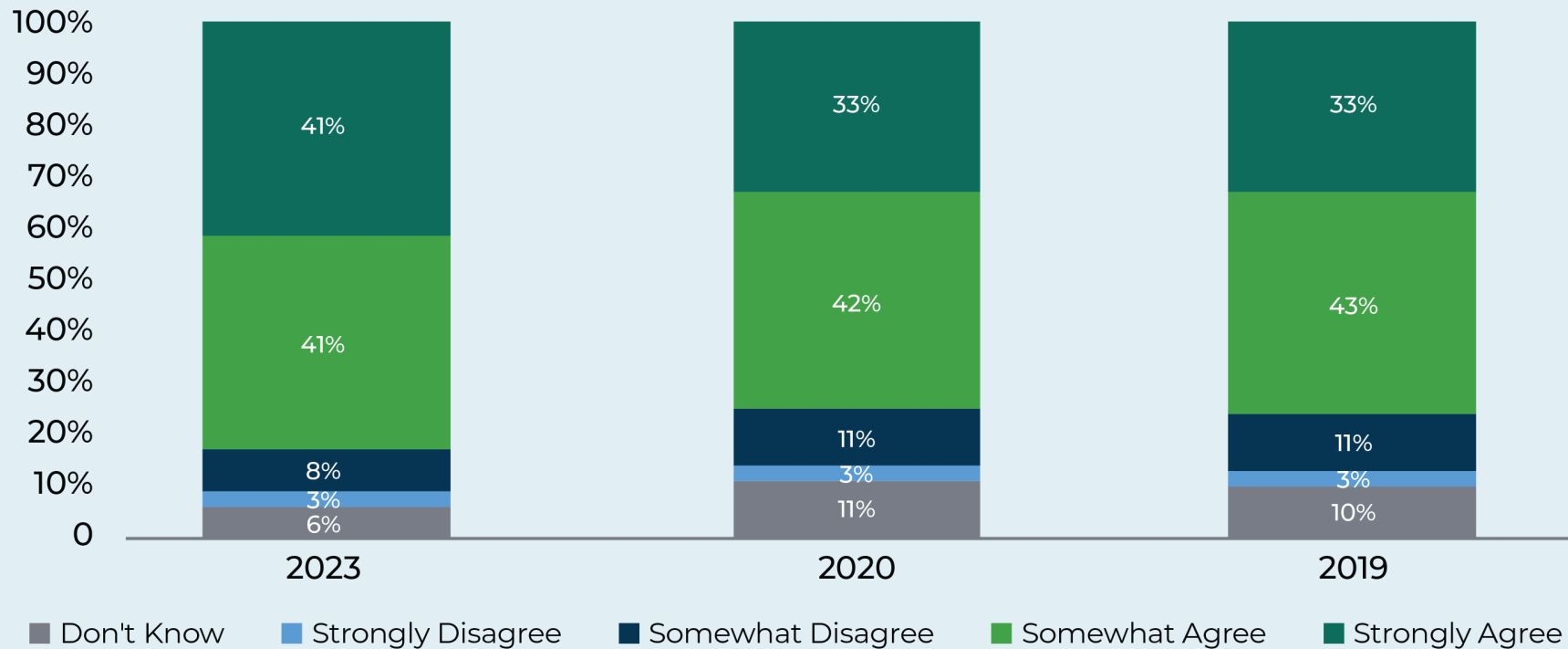
Thinking about the people in your life who have needed long-term care, to what extent has paying for that care been challenging financially?



# Key Finding: Americans Want Pensions

**Figure 6: The vast majority of Americans say all workers should have a pension so they are independent and self-reliant in retirement.**

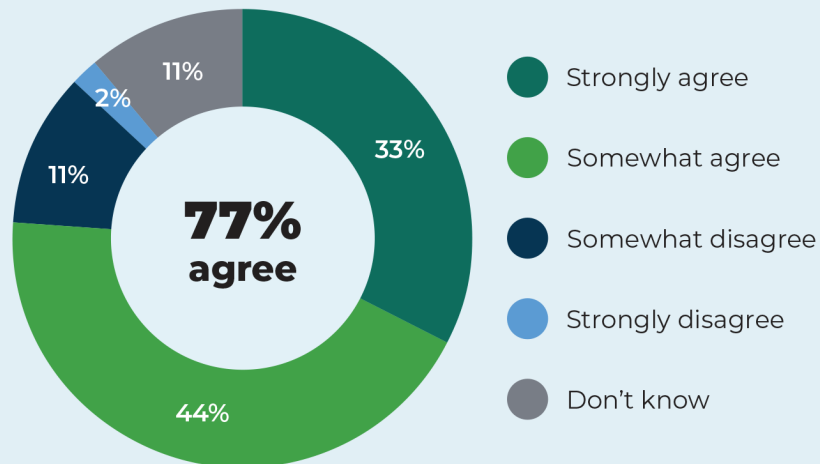
To what extent do you agree or disagree: I believe that all workers should have access to a pension plan so they can be independent and self-reliant in retirement.



# Key Finding: Americans Want Pensions

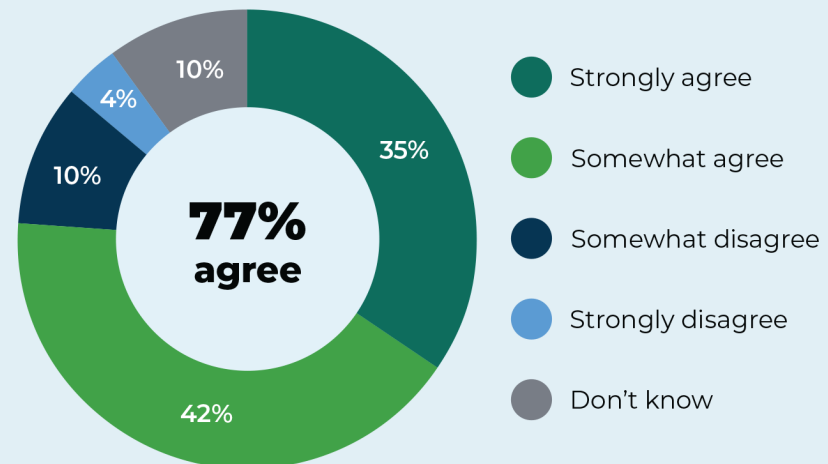
**Figure 3: More than three-fourths of Americans agree that those with pensions are more likely to have a secure retirement.**

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



**Figure 4: Americans overwhelmingly agree that the disappearance of pensions makes it harder to achieve the American Dream.**

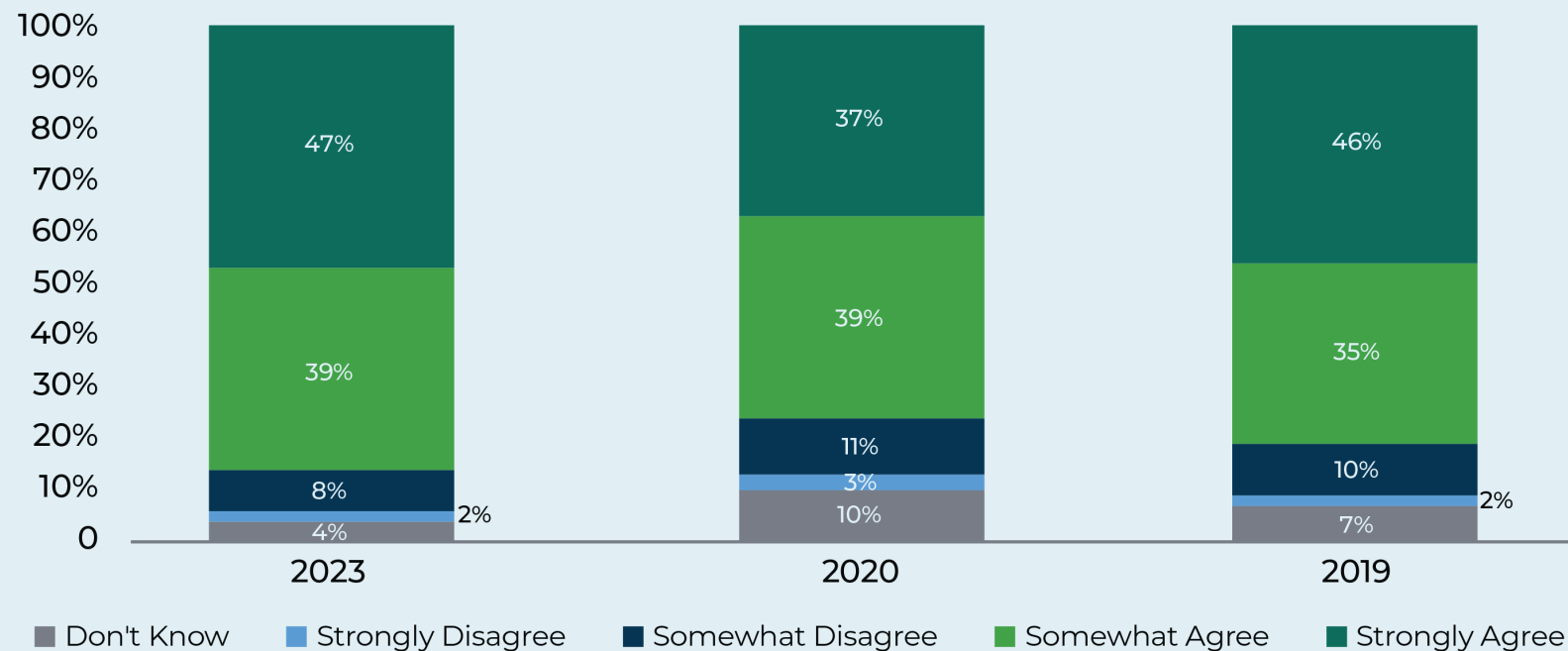
To what extent do you agree or disagree: The disappearance of traditional pensions has made it harder for workers to achieve the American Dream.



# Key Finding: Americans Want Leaders to Take Action

**Figure 27: Americans overwhelmingly agree Washington leaders need to give retirement a higher priority.**

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

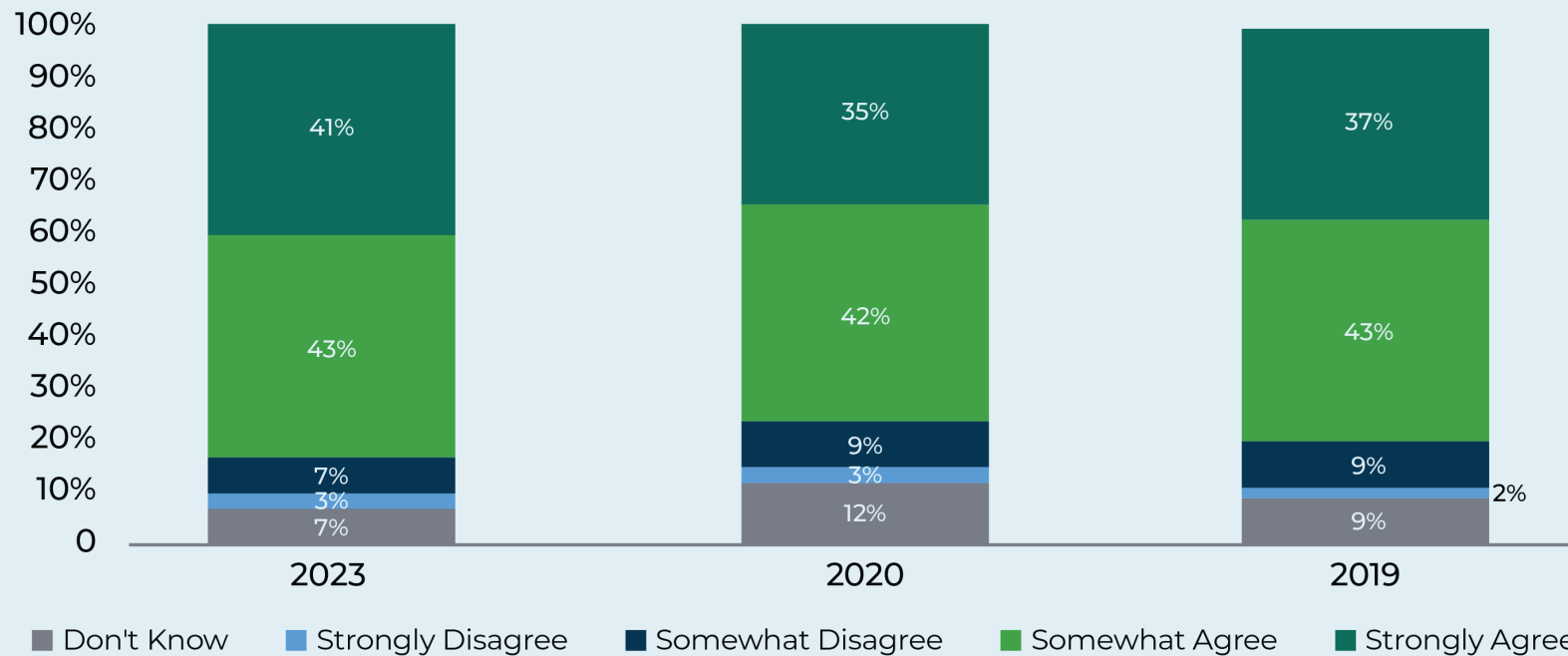




# Key Finding: Americans Want Leaders to Take Action

**Figure 28: The vast majority of Americans say government should make it easier for employers to offer pensions.**

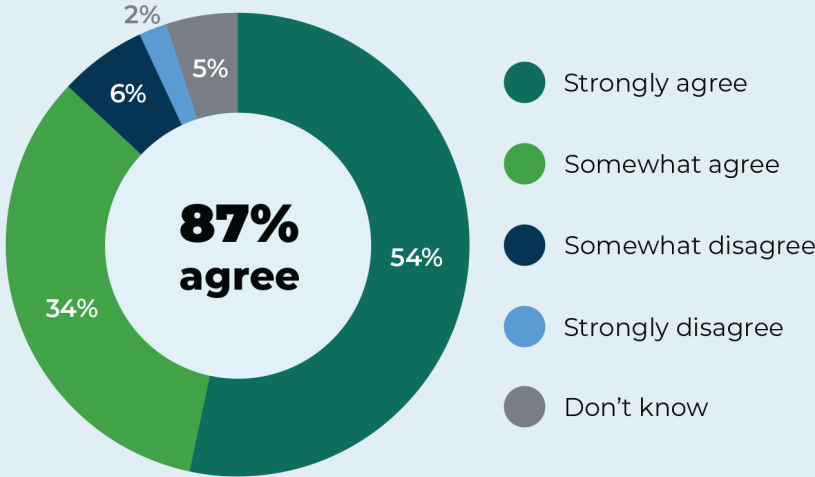
To what extent do you agree or disagree: The government should make it easier for employers to offer traditional pension plans.



# Key Finding: Americans Want Social Security Addressed Now

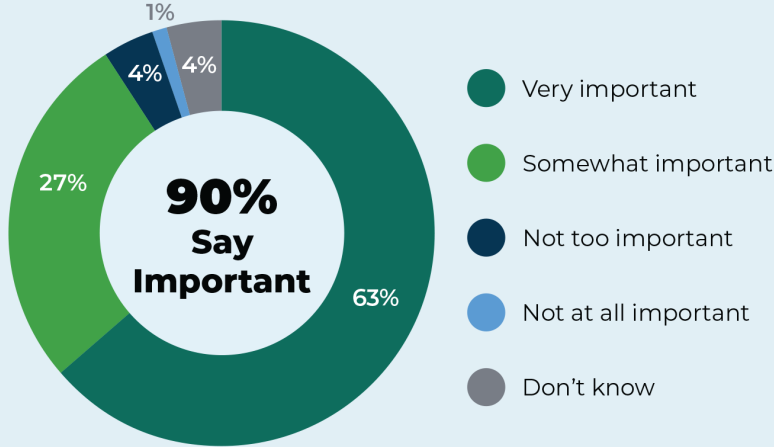
**Figure 30:** Nearly all Americans want Congress to shore up Social Security now.

To what extent do you agree or disagree: Congress should act now to shore up Social Security funding rather than waiting another 10 years.



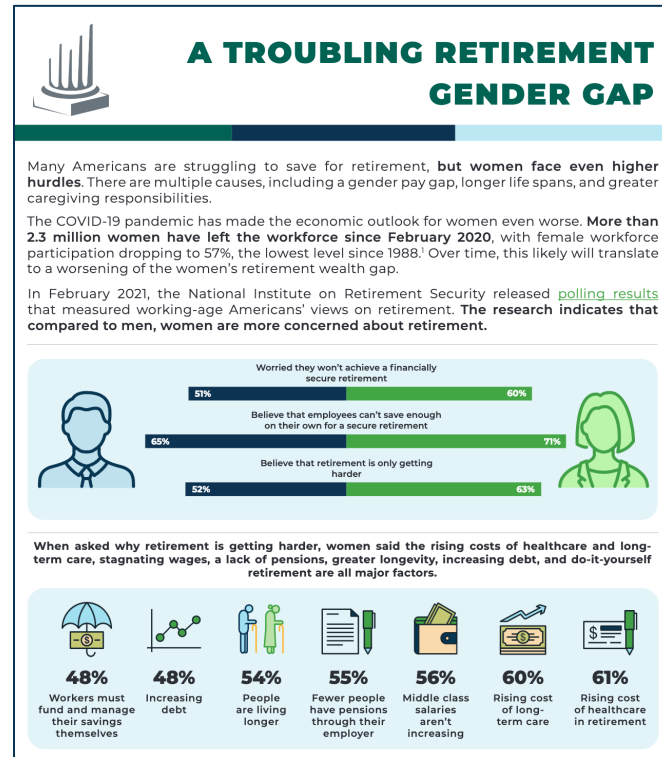
**Figure 35:** Nearly all Americans say it is important for the next Administration and Congress to solve the Social Security financial shortfall.

Social Security is currently facing a long-term financial shortfall that equals about 1.7% of the country's GDP. How important do you believe it is for the next administration to work with Congress to develop a solution to this financial shortfall?



# More to Come! Issue Brief and Infographics:

- Public Pensions
- State Plans
- Social Security
- Gender
- Generations



# Questions

