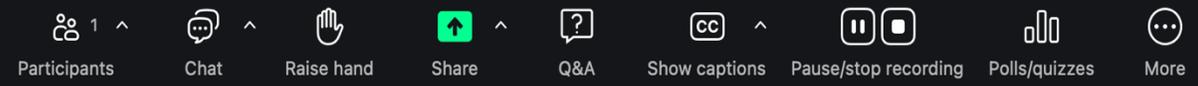# Agenda

- Logistics
- Speaker Introductions
- Research Review
- Q&A

Logistics

- Attendees in listen-only mode.
- Submit questions via Q&A function.
- Recording in progress.
- Replay will be available at

  www.nirsonline.org/research/retirementinamerica2026/.

Speakers

Tyler Bond

Research Director
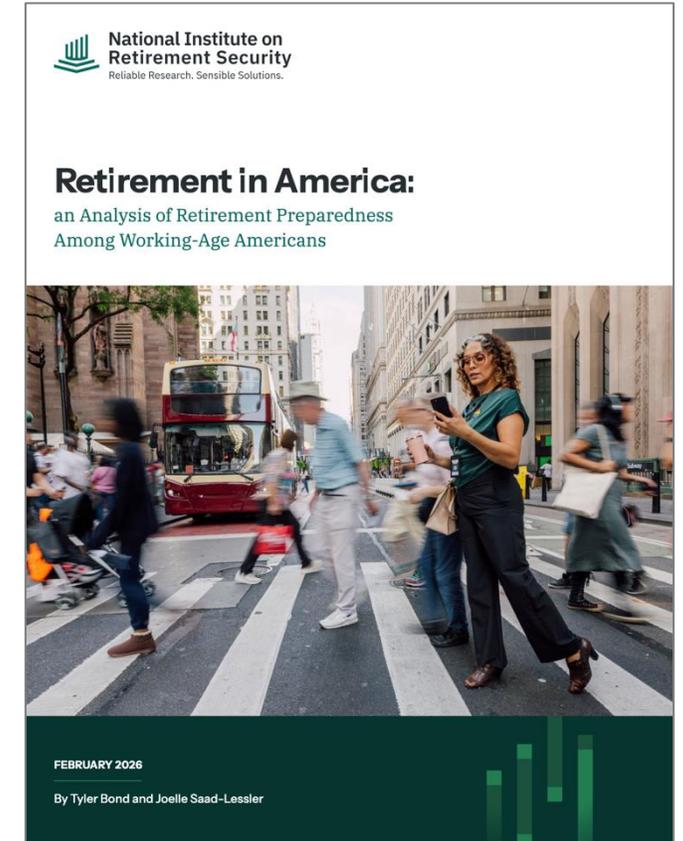National Institute on Retirement Security

Joelle Saad-Lessler

Industry Professor of Economics
Stevens Institute of Technology

About This Research

- Provides a broad overview of the retirement preparedness of working-age Americans.

- Uses the U.S. Census Bureau's Survey of Income and Program Participation (SIPP) 2023 panel with December 2022 as the reference month.

- Report and downloadable data charts available at www.nirsonline.org/research/retirementinamerica2026.

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Retirement in America:
an Analysis of Retirement Preparedness Among Working-Age Americans

FEBRUARY 2026

By Tyler Bond and Joelle Saad-Lessler

Six Key Findings
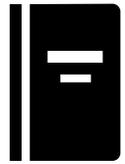
Access gaps persist. Many working Americans still lack access to employer-provided retirement plans. Public sector workers are more likely to have plan sponsorship and participation as compared to private sector workers. Hispanic workers and those with lower incomes or lower levels of education are significantly less likely to have access or participate.

Social Security remains essential, but it is insufficient alone. Social Security accounts for roughly half of income for the typical older adult. Income from retirement plans – both defined benefit (DB) and defined contribution (DC) – represents about one-fifth of income on average.

**Savings levels are low**. Among workers with positive DC savings, median balances were $40,000 in December 2022. Across all workers, including those with no savings, the median amount saved was just $955.

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Six Key Findings

Contribution rates are modest. Typical employee contribution rates to DC plans range from five to six percent, while typical employer contributions are just under three percent.
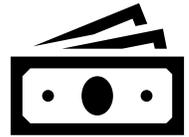
Retirement savings trail other assets. Retirement savings account for about one-quarter of financial assets on average for working adults, while home equity represents about one-third. For some workers, the median value of a vehicle exceeds their retirement savings.
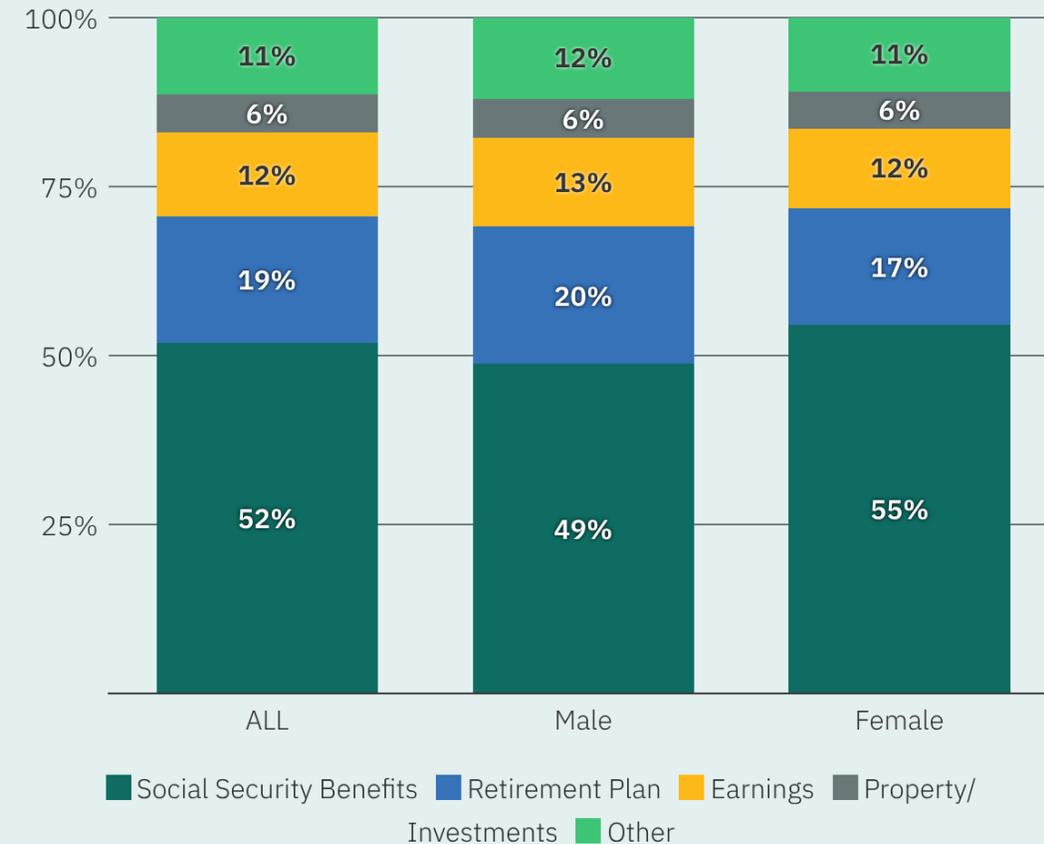
Student debt complicates saving. Workers with student loan debt are more likely to have access to and participate in retirement plans, but they tend to have lower account balances, fall further behind savings targets, and have significantly lower net worth than workers without student loan debt.

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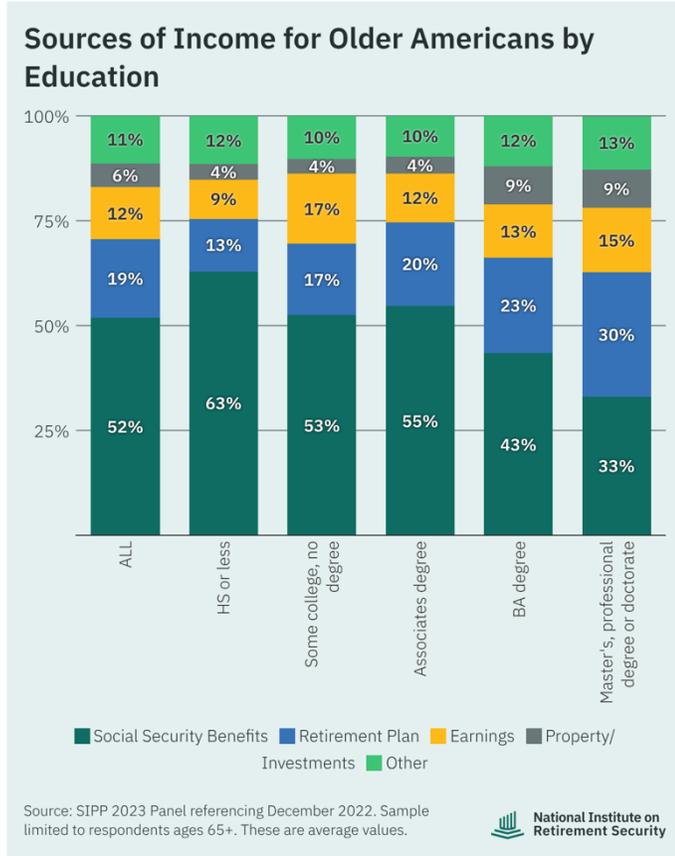# Social Security is Half of Income on Average

- Social Security represents about half of income for the typical older adult, although there is some variation.

  - Men and women broadly similar.

  - More variation by race and education as seen on the next slide.

- Income from retirement plans represents about a fifth of income on average.

- Income from earnings should not be discounted for older Americans as it represents 12% or more of income.

Sources of Income for Older Americans by Gender

	ALL	Male	Female
Other	11%	12%	11%
Property/Investments	6%	6%	6%
Earnings	12%	13%	12%
Retirement Plan	19%	20%	17%
Social Security Benefits	52%	49%	55%

Legend: ■ Social Security Benefits ■ Retirement Plan ■ Earnings ■ Property/Investments ■ Other

Source: SIPP 2023 Panel referencing December 2022. Sample limited to respondents ages 65+. These are average values.

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More Variation by Race and Education

Sources of Income for Older Americans by Race

Source: SIPP 2023 Panel referencing December 2022. Sample limited to respondents ages 65+. These are average values.

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Sources of Income for Older Americans by Education

Source: SIPP 2023 Panel referencing December 2022. Sample limited to respondents ages 65+. These are average values.

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Many Workers Not Participating in Any Plan

Percentage of Private Sector Workers Participating in a Employment-based Retirement Plan, by Plan Type, 1979-2023

While the type of retirement plans offered to private sector workers has shifted toward savings-based plans over the past few decades, the share not participating in any plan remains stubbornly high.

Legend: Defined Benefit Only · DB & DC · Defined Contribution Only · Not Participating in Any Plan
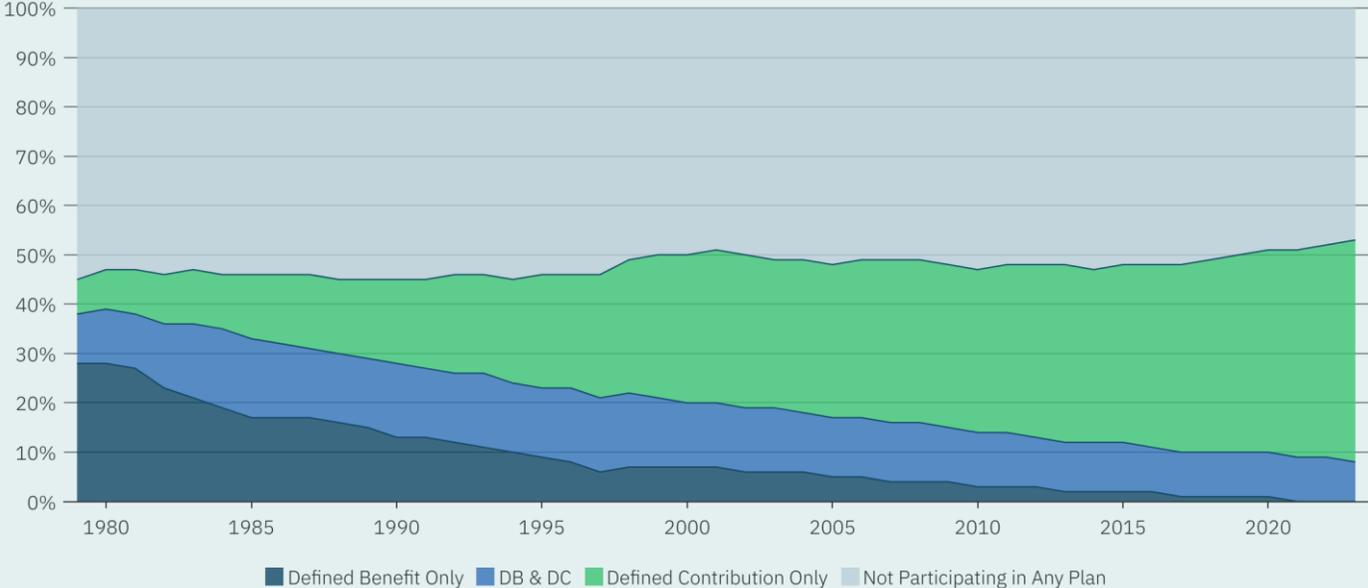
Chart: NIRS • Source: Employee Benefit Research Institute, Data from U. S. Department of Labor Form 5500 Summaries through 1999. EBRI estimates 2000-2023 using Bureau of Labor Statistics, Current Population Survey, and U.S. Department of Labor data.

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About 1/6 of Workers Participate in Pensions

Defined Benefit Plan Participation Rates

	DB plan participation
All	17%
White	19%
Black	15%
Asian	15%
Hispanic	12%

This includes both public sector and private sector workers. This data represents workers ages 21-64 in December 2022.

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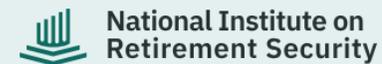
Plan Participation is Higher in the Public Sector

Retirement Plan Participation by Employer Type

Source: SIPP 2023 Panel referencing December 2022. Sample limited to respondents ages 21-64 who have a job or business.
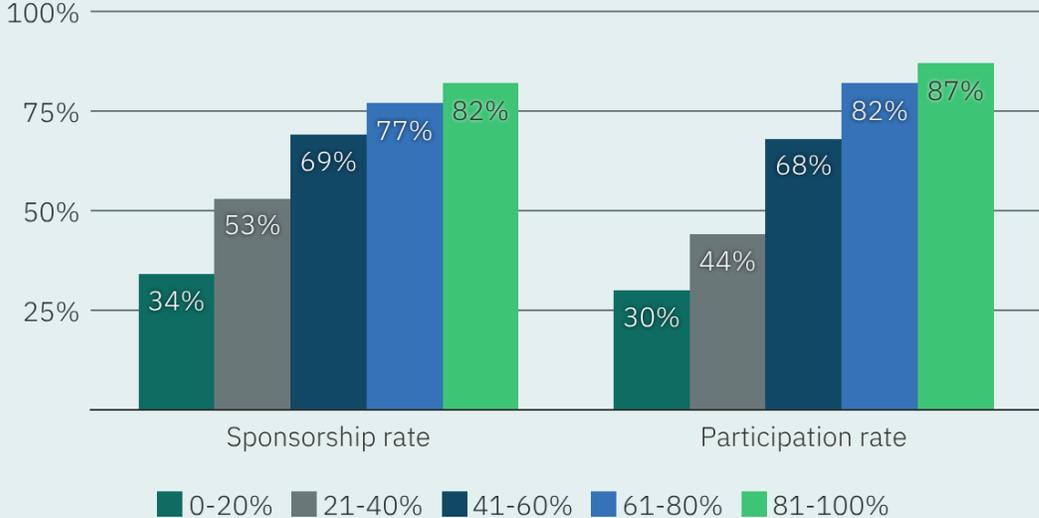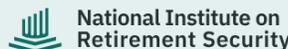
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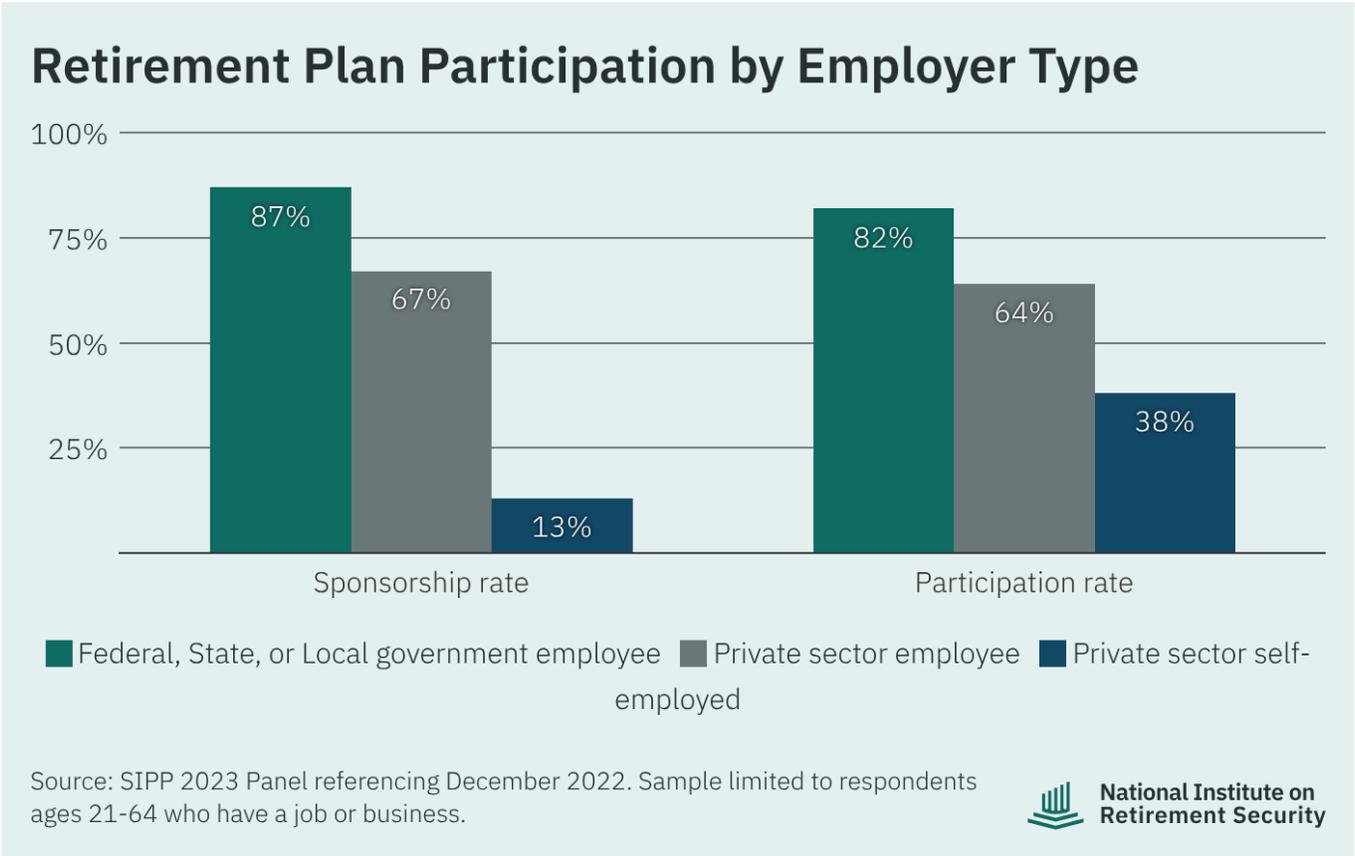
Participation Increases with Education & Income

Retirement Plan Participation by Education
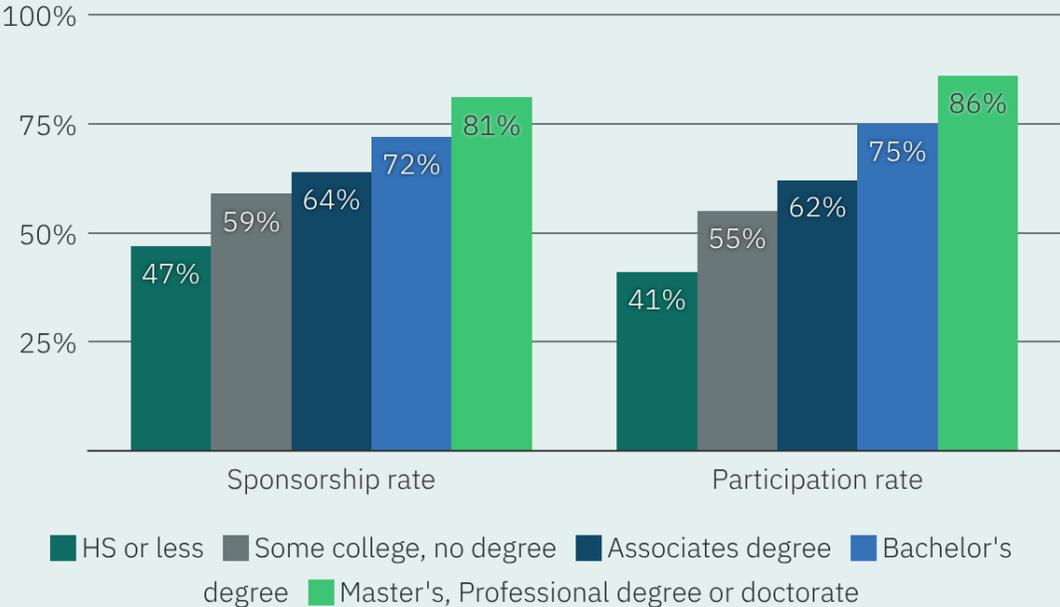
Sponsorship rate:
- HS or less: 47%
- Some college, no degree: 59%
- Associates degree: 64%
- Bachelor's degree: 72%
- Master's, Professional degree or doctorate: 81%

Participation rate:
- HS or less: 41%
- Some college, no degree: 55%
- Associates degree: 62%
- Bachelor's degree: 75%
- Master's, Professional degree or doctorate: 86%

Legend: HS or less ■ Some college, no degree ■ Associates degree ■ Bachelor's degree ■ Master's, Professional degree or doctorate ■

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Retirement Plan Participation by Income

Sponsorship rate:
- 0-20%: 34%
- 21-40%: 53%
- 41-60%: 69%
- 61-80%: 77%
- 81-100%: 82%

Participation rate:
- 0-20%: 30%
- 21-40%: 44%
- 41-60%: 68%
- 61-80%: 82%
- 81-100%: 87%

Legend: ■ 0-20% ■ 21-40% ■ 41-60% ■ 61-80% ■ 81-100%

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Typical Worker Contributes 5% to a DC Plan

Contribution Rate Across All Workers

	Employee	Employer	Total
Contribution Rate	5.3%	2.7%	8.4%

SIPP 2023 Panel referencing December 2022. Sample limited to respondents ages 21-64 who have a job or business, are sponsored for a retirement plan at work and participate in a retirement plan, and have positive personal income . Contribution rates are computed as a fraction of earnings at the respondent's main job. All reported rates are median values.

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Men and Women Contribute About the Same

Key Points

- Men contribute slightly more than women to DC plans.

- Employer contribution rates are nearly identical.

- Unsurprisingly, those with positive contributions contribute more than the working-age population as a whole.

Contribution Rates by Gender

Source: SIPP 2023 Panel referencing December 2022. Sample limited to respondents ages 21-64 who have a job or business, are sponsored for a retirement plan at work and participate in a retirement plan, and have positive personal income . Contribution rates are computed as a fraction of earnings at the respondent's main job. All reported rates are median values.
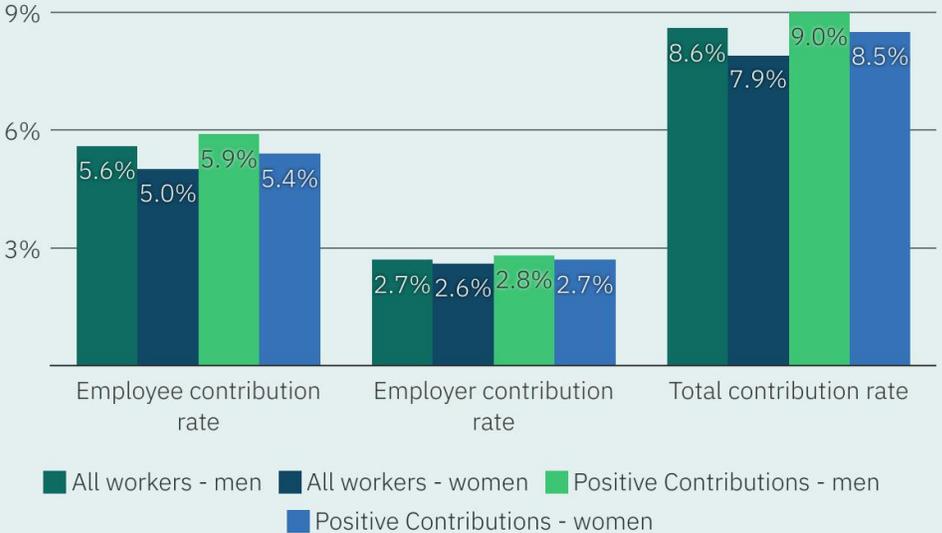
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Older Workers More Likely to Withdraw

Workers Who Withdrew from Their DC Account Balances

The data below are average percentages.

	Percentage who took a withdrawal from their DC balances
ALL	4.7%
Ages 21-34	3.1%
Ages 35-44	3.8%
Ages 45-54	3.8%
Ages 55-64	8.0%

Source: SIPP 2023 Panel referencing December 2022. Sample limited to respondents ages 30-64 who have positive earnings all weeks of the December month.
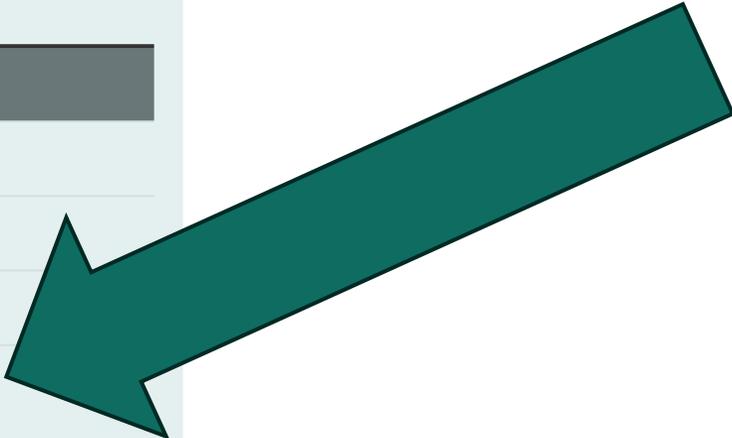
… But They Withdraw a Smaller Percentage

Percentage Amount Withdrawn from DC Accounts

The data below are average percentages.

	Withdrawal amount / DC balances for those who took a W/D from their DC balances
ALL	19.7%
Ages 21-34	29.7%
Ages 35-44	20.7%
Ages 45-54	27.2%
Ages 55-64	13.2%

Source: SIPP 2023 Panel referencing December 2022. Sample limited to respondents ages 30-64 who have positive earnings all weeks of the December month.

Median Savings Among All Workers Very Low

DC Plan Retirement Wealth Savings

	Positive DC Retirement Wealth	DC Retirement Wealth - All Workers
Median Savings	$40,000	$955
Average Savings	$179,082	$93,229

SIPP data panel 2023. Sample limited to respondents ages 21-64 who have positive personal income.

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Workers Are Not Meeting Savings Targets

Percentage of Savings Target Achieved by DC Retirement Wealth or Total Net Worth

The data below are all median percentages.

	DC Retirement Wealth / Saving Target	Net Worth / Saving Target
ALL	4%	41%
Ages 21-34	4%	40%
Ages 35-44	4%	41%
Ages 45-54	3%	38%
Ages 55-64	6%	43%

Savings targets are age-based and are based on Fidelity's recommended savings targets.

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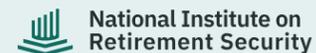
Home & Retirement Are Biggest Financial Assets

Home Equity and Retirement Savings Are More Than Half of Financial Assets

- Other (14%)
- Bank accounts (6%)
- Stocks and mutual funds (7%)
- Businesses (15%)
- Home equity (33%)
- Retirement (24%)
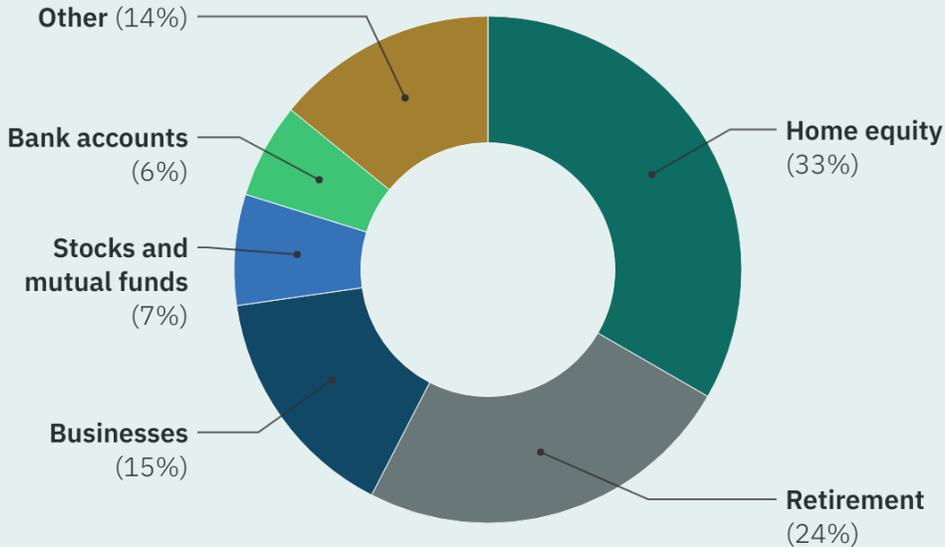
"Other" includes rental properties, real estate, vehicles, and bonds, among other assets.

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Median Worker Has Few Financial Assets

Key Points

- Values of financial assets increase with income.

- Significant jump in values from 4th to 5th quintile.

- For typical person in bottom 60%, their vehicle may be most valuable financial asset.

- Many lower-income workers have no retirement savings.

Median Values of Selected Financial Assets by Total Personal Income

The median values of all other assets are zero.

	Retirement	Home equity	Vehicles	Bank accounts
ALL	$10,000	$80,000	$9,860	$5,050
Income 0-20%	$0	$0	$1,850	$2,000
Income 21-40%	$0	$0	$2,295	$980
Income 41-60%	$300	$0	$6,340	$2,020
Income 61-80%	$17,000	$107,500	$11,800	$5,700
Income 81-100%	$80,000	$217,500	$16,635	$16,800

SIPP 2023 Panel referencing December 2022. Sample limited to respondents ages 30-64 who have positive earnings all weeks of the December month. Other Financial Assets includes: businesses; stocks and mutual funds; bonds; rental properties; real estate; e-savings accounts; and other assets such as the cash value of a life insurance policy.

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Financial Assets Grow as Workers Age

Key Points

- Financial assets increase with age, as expected.

- Home equity is largest asset for younger workers.

- Retirement savings increase over time, reflecting impact of ongoing contributions and investment growth.

Selected Financial Assets by Age Cohort

These are mean (average) values.
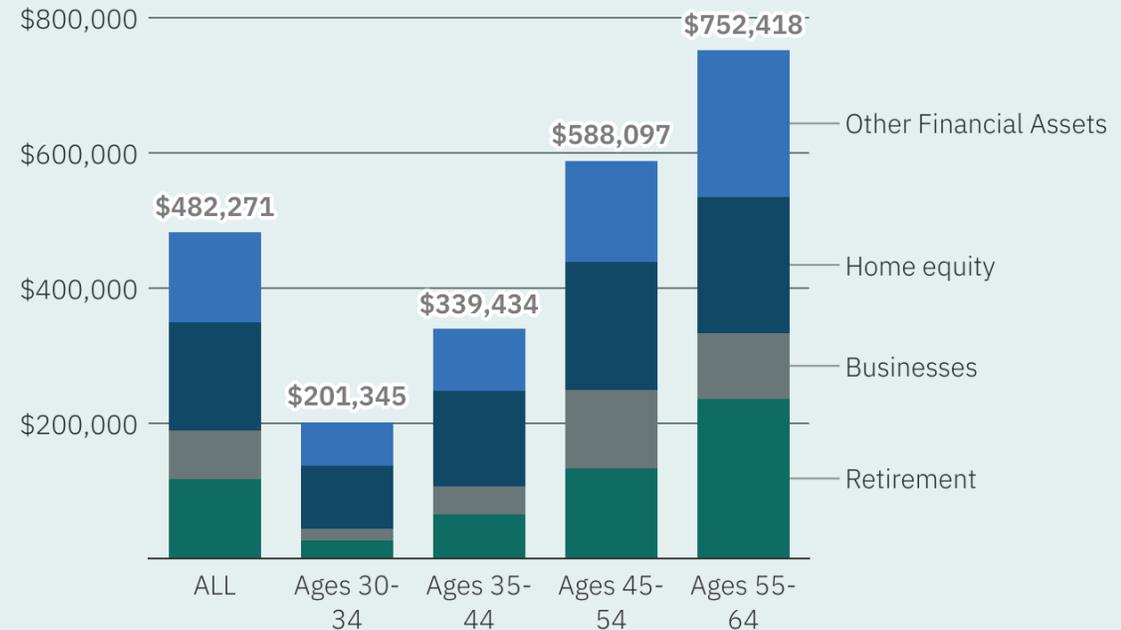
SIPP 2023 Panel referencing December 2022. Sample limited to respondents ages 30-64 who have positive earnings all weeks of the December month. "Other Financial Assets" includes: vehicles; stocks and mutual funds; bank accounts; bonds; rental properties; real estate; e-savings accounts; and other assets such as the cash value of a life insurance policy.

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Net Worth Tends to Increase Over Time

Key Points

- Both average and median net worth increased over time, but average net worth increased much more.

- Median net worth declined after the 2008 recession and took nearly a decade to recover.

- The low amount of median net worth suggests that typical older worker may struggle to maintain standard of living in retirement.

Average and Median Net Worth over time for those turning age 65 in 2023
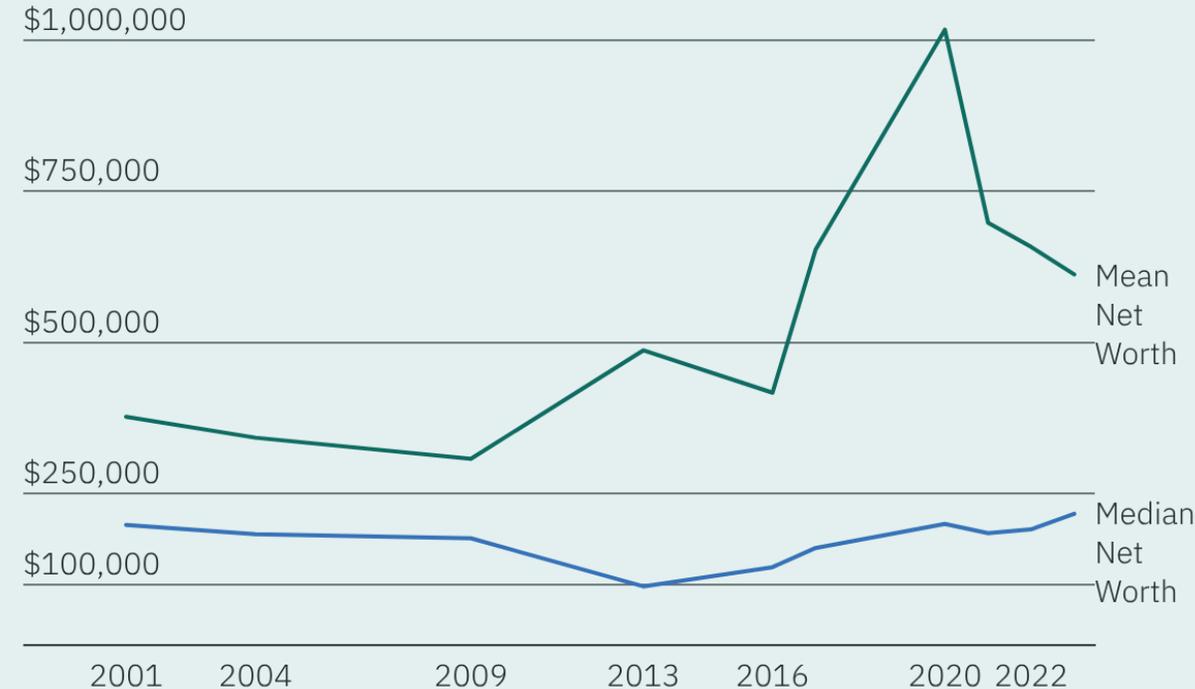
Source: data from the Assets and Liabilities module for SIPP 2001 panel, wave 3, 2004 panel, wave 3, 2008 panel, wave 4, as well as the December months from 2014 panel waves 1 and 4, 2018, 2021-2024 panels. Sample is limited to employed respondents born in 1958 so they turn 65 in 2023. All numbers are in 2023 $.

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Retirement Savings Also Increase Over Time

Key Points

- Average balances are higher than median balances, which is to be expected.

- The median balance across all workers turning 65 in 2023 was close to zero.

- Balances generally increased over time but also reflected changes in financial markets.

Average DC retirement balances for all and for those with positive balances, those turning 65 in 2023
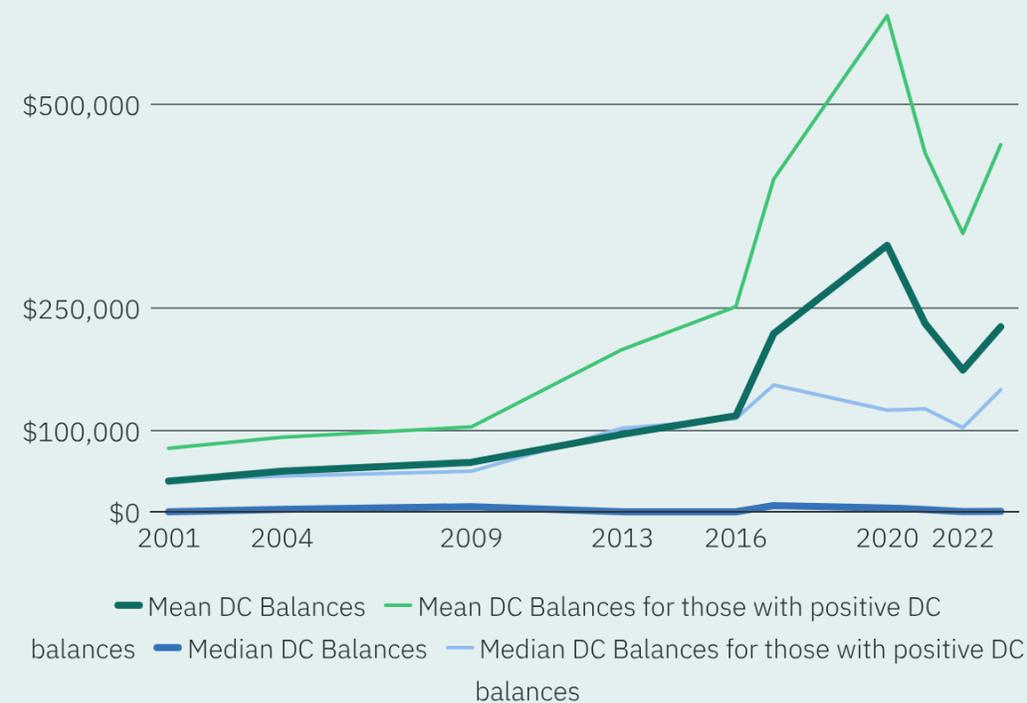

Source: data from the Assets and Liabilities module for SIPP 2001 panel, wave 3, 2004 panel, wave 3, 2008 panel, wave 4, as well as the December months from 2014 panel waves 1 and 4, 2018, 2021-2024 panels. Sample is limited to employed respondents born in 1958 so they turn 65 in 2023. All numbers are in 2023 $.

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Student Loan Debt Declines with Age

Percentage Who Owe Student Loan Debt - Ages

	% Owes student loan debt
ALL	15%
Age 21-34	22%
Age 35-44	17%
Age 45-54	11%
Age 55-64	6%

Source: SIPP Panel 2023, referencing December 2022.

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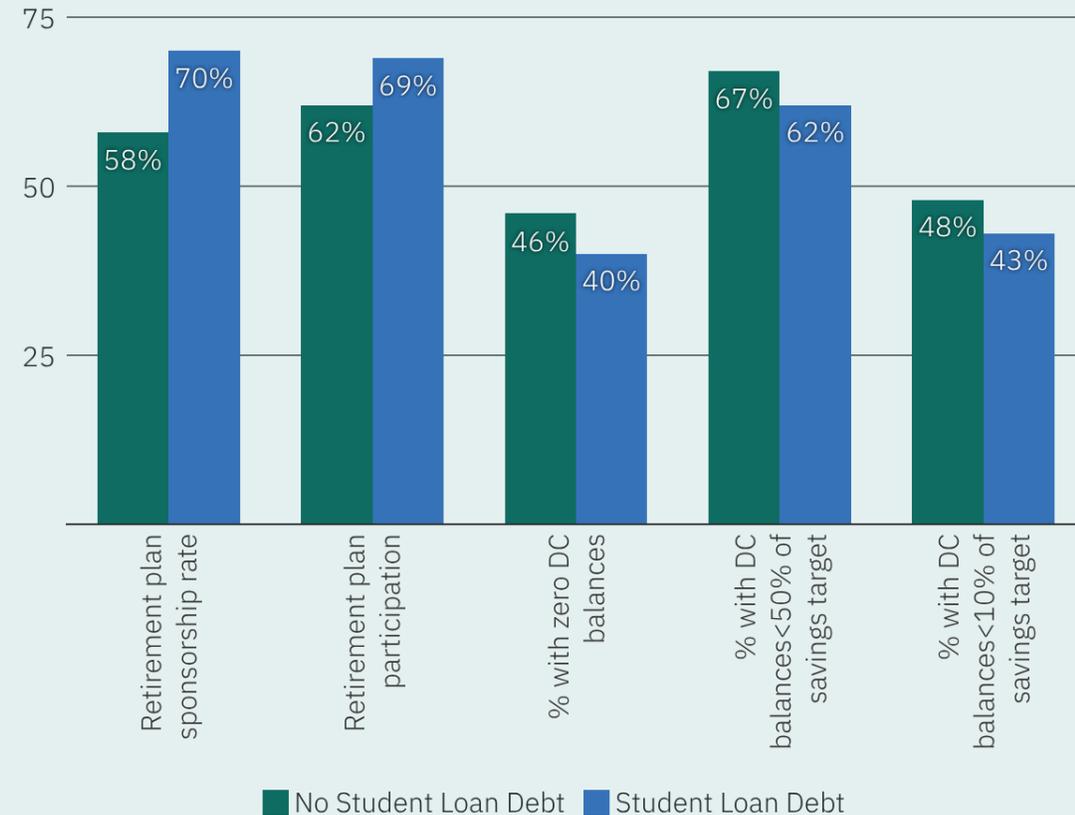
Student Loan Debt & Retirement Preparedness

Workers with student loan debt are:

- More likely to have access to plan
- More likely to participate in a plan
- Less likely to have an account with a zero dollar balance
- Less likely to be falling short of savings targets

This suggests that those with student loan debt have better jobs that offer better benefits than some workers with no student loan debt.

Student Loan Debt & Retirement Plan Coverage

These are mean (average) amounts.

Category	No Student Loan Debt	Student Loan Debt
Retirement plan sponsorship rate	58%	70%
Retirement plan participation	62%	69%
% with zero DC balances	46%	40%
% with DC balances<50% of savings target	67%	62%
% with DC balances<10% of savings target	48%	43%

Legend: No Student Loan Debt / Student Loan Debt

Source: SIPP 2023 Panel referencing December 2022.

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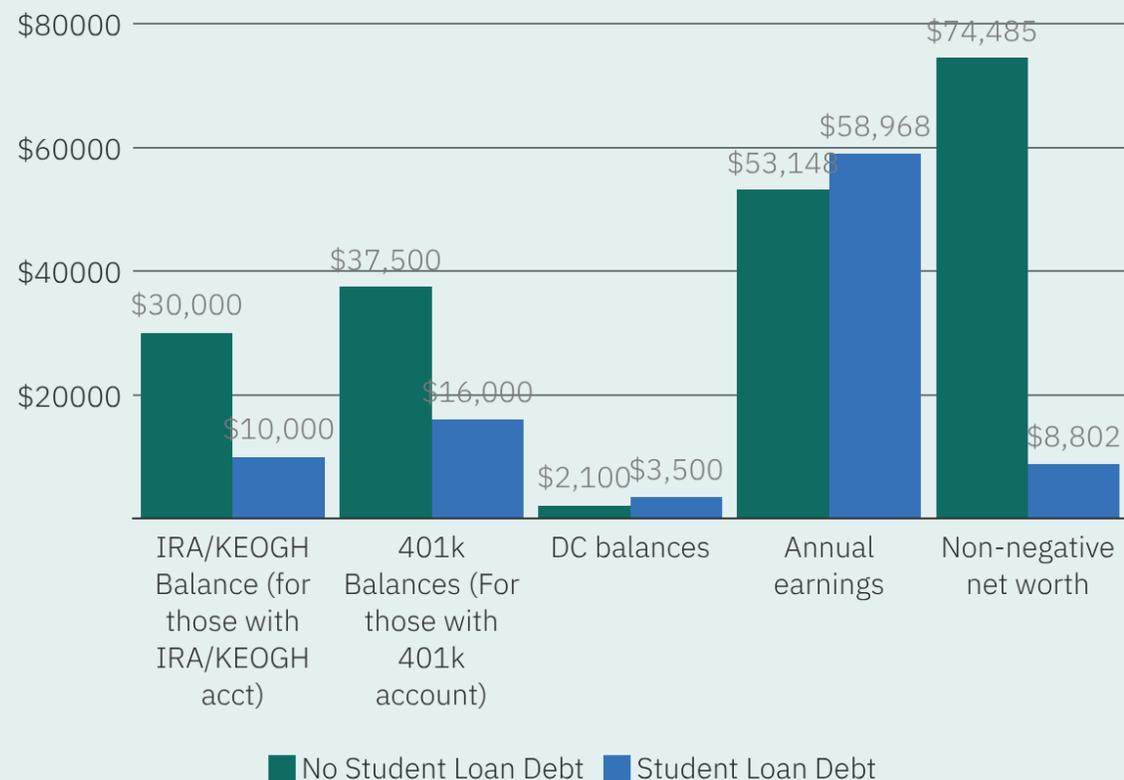
Student Loan Debt & Retirement Preparedness

However, those with student loan debt also:

- Have lower 401(k) and IRA account balances.
- Have much lower net worth.
- Even though they have higher annual earnings than those with no student loan debt.

The presence of student loan debt seems to both help and hurt those who have it in terms of preparing for retirement.

Student Loan Debt Impacts Retirement Savings

These are median amounts.

	No Student Loan Debt	Student Loan Debt
IRA/KEOGH Balance (for those with IRA/KEOGH acct)	$30,000	$10,000
401k Balances (For those with 401k account)	$37,500	$16,000
DC balances	$2,100	$3,500
Annual earnings	$53,148	$58,968
Non-negative net worth	$74,485	$8,802

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Homeowners Have More Retirement Savings

DC Account Balance by Senior Homeownership Status

Living situation of seniors ages 65+		Mean DC balances
Owned or being bought by someone in the household	80.7%	$210,493
Rented	17.2%	$52,579
Occupied without payment of rent	2.1%	$45,432

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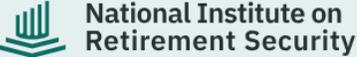
A Home Matters for Both Debt & Net Worth

Housing Debt is a Major Source of Debt for Those Who Have It

	Overall	Those with non-zero housing debt
Housing debt as a fraction of total debt	42%	86%

	Overall	Those with non-zero home equity
Housing equity as a fraction of total net worth	41%	55%

Source: SIPP 2023 Panel referencing December 2022.

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Questions?

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