

News

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Recognizing and Addressing Risks and Realities Negatively Impacting Retirement Security

New report explores demographic influences on U.S. workers' long-term financial outlook

LOS ANGELES – November 30, 2021 – Fewer than one in four U.S. workers (24 percent) are “very” confident that they will be able to fully retire with a comfortable lifestyle, according to [A Compendium of Findings About the Retirement Outlook of U.S. Workers](#) (“Compendium”), a study released today by nonprofit [Transamerica Center for Retirement Studies® \(TCRS\)](#) in collaboration with [Transamerica Institute®](#).

Retirement confidence, however, varies across demographic segments. Thirty-four percent of workers with a household income (HHI) of \$100,000+ are very confident about their future retirement, compared with 14 percent of those with an HHI of \$50,000 to \$99,999 and just 11 percent with an HHI of less than \$50,000. Urban (32 percent) are more likely than suburban (19 percent) and rural workers (16 percent) to be very confident, and full-time (25 percent) are more likely than part-time workers (15 percent) to be very confident.

“Demographic influences can profoundly affect a worker’s ability to save, plan, and prepare for a financially secure retirement. A greater understanding of these influences can help identify opportunities, envision solutions, and inform public policy priorities for strengthening our retirement system,” said [Catherine Collinson](#), CEO and president of Transamerica Institute and TCRS.

As part of TCRS’ *21st Annual Retirement Survey of Workers*, one of the largest and longest-running surveys of its kind, the Compendium is based on a survey of employed workers conducted in late 2020. It offers 35 key indicators of retirement readiness by employment status (full-time, part-time), work arrangements (remote, in-person, hybrid), urbanicity, LGBTQ+ status, race/ethnicity, caregiver status, and household income.

How the Pandemic Has Impacted Workers’ Finances and Employment

The pandemic has brought widespread disruption to the economy, employers, and the workforce. The survey findings illustrate the experiences of employed workers and demographic influences:

- **Forty-nine percent of workers indicate the pandemic has negatively impacted their financial situation.** LGBTQ+ (62 percent), caregiver workers (61 percent), and workers with an HHI of less than \$50,000 (60 percent) are more likely to have been negatively impacted.
- **More than four in 10 workers (43 percent) experienced one or more negative impacts to their employment including job loss, furloughs, reduced hours, reduced pay, and/or retiring early.** Part-time (58 percent), caregiver (55 percent), LGBTQ+ (54 percent), Hispanic (52 percent), and workers with an HHI of less than \$50,000 (51 percent) are somewhat more likely to have been impacted.
- **Emergency savings are alarmingly low.** Workers report having emergency savings of \$5,000 (median) to cover the cost of unexpected financial setbacks. Workers with an HHI of less than \$50,000 have saved just \$250, while those with an HHI of \$50,000 to \$99,999 have saved \$5,000, and those with an HHI of \$100,000+ have saved \$12,000 (medians).

Demographic Influences on Workers’ Retirement Preparations and Prospects

“Despite the immediacy of the pandemic and its challenges, it is remarkable that workers are maintaining a focus on their future retirement. Nevertheless, many are still at risk of not achieving long-term financial security,” said Collinson. The survey findings offer insights about workers’ retirement prospects:

- **More than four in five workers (82 percent) are saving for retirement through their current employer’s**

- 401(k) or similar plan and/or outside of work.** Workers with an HHI of \$100,000+ (91 percent), remote (90 percent), and caregiver workers (90 percent) are more likely to be saving for retirement. Part-time workers (66 percent) and those with an HHI of less than \$50,000 (60 percent) are less likely to be saving.
- **Thirty-four percent of workers have taken a loan, early withdrawal, and/or hardship withdrawal from a 401(k) or similar plan or IRA, including 25 percent who have taken a loan and 25 percent who have taken an early and/or hardship withdrawal (including unpaid loans that became withdrawals).** Urban workers (46 percent) are more likely to have done so than suburban and rural workers (26 percent both).
 - **Workers have saved \$93,000 in all household retirement accounts (estimated median).** Retirement savings increase with household income. Workers with an HHI of \$100,000+ have saved \$200,000 while those with an HHI of \$50,000 to \$99,999 have saved \$47,000, and those with an HHI of less than \$50,000 have saved \$3,000 (estimated medians).
 - **Almost half of workers indicate debt interferes with their ability to save for retirement (49 percent).** Workers with an HHI of less than \$50,000 (63 percent) and LGBTQ+ workers (61 percent) are more likely to indicate so.
 - **One-third of workers (33 percent) have a written financial strategy for retirement.** Caregiver (47 percent), hybrid-work-arrangement (45 percent), urban (42 percent), and workers with an HHI of \$100,000+ (42 percent) are more likely to have a written plan. Part-time (20 percent) and rural workers (20 percent), and those with an HHI of less than \$50,000 (16 percent) are less likely to have one.

Four Ways to Improve Retirement Security in the United States

“As we navigate the pandemic and envision the future, we have an unprecedented opportunity to build a stronger, more sustainable, and inclusive retirement system that enables everyone to live, work, and retire with dignity,” said Collinson. The survey findings illustrate these opportunities for public policy:

- **Address Social Security’s funding shortfalls.** Seventy-three percent of workers are concerned that Social Security will not be there for them when they are ready to retire, a finding that is similar across race and ethnicities, including Asian American/Pacific Islander (77 percent), Hispanic (74 percent), White (72 percent), and Black/African American workers (70 percent).
- **Expand retirement plan coverage among all workers including part-time workers. While 75 percent of all workers are offered a 401(k) or similar plan by their employers,** full-time workers (80 percent) are far more likely to be offered a plan than part-time workers (51 percent).
- **Promote and expand the Saver’s Credit, a tax credit for eligible taxpayers who save for retirement in a 401(k), 403(b), or similar plan or IRA.** Fewer than half of workers (48 percent) are aware of the Saver’s Credit. Awareness is significantly lower among workers with an HHI of less than \$50,000 (34 percent), rural (32 percent), and part-time workers (31 percent).
- **Support caregivers through Social Security credits, tax credits, and paid family leave.** With the aging of the U.S. population and the high cost of long-term care services and supports, many workers will be called upon to be caregivers for an aging parent or loved one, which could disrupt their own employment, finances, and future retirement security. Thirty-nine percent of workers have served as a caregiver during their working career, including 24 percent who are currently caregivers and 17 percent who have been caregivers in the past. Hybrid-work-arrangement (53 percent) and remote workers (42 percent) are more likely than in-person workers (33 percent) to serve and/or have served as caregivers.

“Strengthening our retirement system is best accomplished through collaborative efforts among policymakers, industry, academics, nonprofits, employers, and individuals. Every stakeholder plays an important role. By increasing our understanding of demographic influences, we can more effectively address inequalities and implement solutions that serve all,” said Collinson.

The [Compendium](#) is the third major report from TCRS’ 21st *Annual Retirement Survey of Workers*. The others are [Living in the COVID-19 Pandemic: The Health, Finances, and Retirement Prospects of Four Generations](#) and [Life in the COVID-19 Pandemic: Women’s Health, Finances, and Retirement Outlook](#). Visit transamericainstitute.org to view the Compendium and other reports. Follow TCRS on Twitter [@TCRStudies](#).

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About the 21st Annual Transamerica Retirement Survey

The analysis contained in ***A Compendium of Findings About the Retirement Outlook of U.S. Workers*** was prepared by the research teams at Transamerica Institute, TCRS, and The Harris Poll. The 25-minute online survey was conducted within the U.S. by The Harris Poll on behalf of TI and TCRS between November 17 and December 29, 2020 among a nationally representative sample of 10,192 adults. The data in this report is shown for a subsample of 3,109 workers in for-profit companies of one or more employees. Results were weighted where necessary to bring them into line with the population of U.S. residents, referencing Census data for education, age by gender, race/ethnicity, region, household income, education, employment, marital status, and size of household. Weighting also adjusts 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 respond to surveys versus those who do not.

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