



Emerging From the COVID-19 Pandemic: The Retirement Outlook of the Workforce

22nd Annual Transamerica Retirement Survey

TRANSAMERICA CENTER
FOR RETIREMENT STUDIES®

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About the Authors

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With more than two decades of retirement industry experience, Catherine has become a nationally recognized voice on retirement trends. She has testified before Congress on matters related to employer-sponsored retirement plans among small business, which featured the need to raise awareness of the [Saver's Credit](#) among those who would benefit most from the important tax credit.

In 2018, Catherine was named an [Influencer in Aging](#) by PBS' [Next Avenue](#). In 2016, she was honored with a [Hero Award](#) from the [Women's Institute for a Secure Retirement](#) (WISER) for her tireless efforts in helping improve retirement security among women. Catherine serves on the Advisory Board Leadership Council of the [Milken Institute's Center for the Future of Aging](#). She co-hosts the [ClearPath: Your Roadmap to Health & Wealth](#) radio show on Baltimore's WYPR, an NPR news station.

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About Transamerica Center for Retirement Studies

- Transamerica Center for Retirement Studies® (TCRS) is an operating division of Transamerica Institute® (The Institute), a nonprofit, private foundation. TCRS is dedicated to educating the public on trends issues and opportunities related to saving and planning for retirement and achieving financial security in retirement. It conducts one of the largest and longest-running annual retirement surveys of its kind. For more information about TCRS, please visit www.transamericainstitute.org/about
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About the Survey and Report

- Since 1998, Transamerica Center for Retirement Studies® (TCRS) has conducted national surveys of U.S. workers and employers to gauge their attitudes toward retirement. The overall goals for the study are to illuminate emerging trends, promote awareness, and help educate the public. It has grown to be one of the longest-running and largest national surveys of its kind.
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Methodology: 22nd Annual Transamerica Retirement Survey

- The analysis contained in this report was prepared internally by the research team at Transamerica Institute (TI) and Transamerica Center for Retirement Studies (TCRS).
- An 18-minute online survey was conducted within the U.S. by The Harris Poll on behalf of TI and TCRS between October 28 and December 10, 2021 among a nationally representative sample of 10,003 adults and an oversample of 2,005 workers in a for-profit company employing one or more employees. The data in this report is shown for a subsample of 5,846 adults in the “*Total Workforce*,” and does not include the oversample. Respondents in this subsample met the following criteria, based on self-reported employment status:
 - *Employed Workers* are aged 18 and older and are employed full-time or part-time by for-profit, nonprofit, or government organizations
 - *Self-Employed Workers* are aged 18 and older and self-employed
 - *Unemployed Workers* are aged 18 and older and are not employed but looking for work
- The Total Workforce base includes:
 - 4,741 Employed Workers
 - 580 Self-Employed Workers
 - 525 Unemployed Workers, but looking for work
- Data were weighted as follows:
 - Census data were referenced for education, age by gender, race/ethnicity, region, household income, education, employment, marital status, and size of household where necessary to align them with their actual proportions in the population.
 - The 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.
- Percentages are rounded to the nearest whole percent.

Terminology

The report uses the following terminology:

Workforce

- *Total Workforce*: Workers who are aged 18 and older and are Employed, Self-employed, or Unemployed but looking for work
- *Employed Workers* are aged 18 and older and are employed full-time or part-time by for-profit, nonprofit, or government organizations
- *Self-Employed Workers* are aged 18 and older and self-employed
- *Unemployed Workers* are aged 18 and older and are not employed but looking for work

Generation*

- *Generation Z*: Born 1997 to 2003
- *Millennial*: Born 1981 to 1996
- *Generation X*: Born 1965 to 1980
- *Baby Boomer*: Born 1946 to 1964
- *Silent Generation*: Born 1928 to 1945

*Note: TCRS has updated its definition of birth years for generations to align with standard industry practice, as defined by Pew Research Center.

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Key Highlights

Workers have weathered the COVID-19 pandemic which has upended nearly every aspect of their lives. They have contended with concerns ranging from physical and mental health to employment and finances. Almost all have been affected by the pandemic to a greater or lesser extent. How are workers faring? Where do they currently stand financially? What is their long-term retirement outlook?

Emerging From the COVID -19 Pandemic: The Retirement Outlook of the Workforce, a collaboration between Transamerica Center for Retirement Studies and Transamerica Institute, examines the retirement prospects of the workforce including workers who are employed, self-employed, and unemployed but looking for work. Based on a survey of more than 5,800 workers, the report focuses on the impacts of the pandemic on their health, employment, financial situation, and retirement-related expectations and preparations. It illustrates the urgent need for a collective effort among policymakers, employers, and workers to strengthen the U.S. retirement system.

The report is based on findings from the *22nd Annual Transamerica Retirement Survey*, one of the largest and longest-running surveys of its kind.



Key Highlights

A Portrait of the Workforce

The U.S. workforce is a diverse population comprising employed workers, self-employed workers, and unemployed workers who are looking for work. The pandemic has precipitated major disruptions to the workforce, resulting in financial setbacks for many employed and self-employed workers and especially to those who are unemployed. These financial setbacks could have lasting repercussions that threaten their ability to achieve a financially secure retirement.

According to the survey's findings, 36 percent of the workforce was unemployed for a variety of reasons at some point during the pandemic. Nearly one in four workers (38 percent) experienced one or more employment-related negative financial impacts ranging from reductions in hours and salary to layoffs and furloughs. On a more positive note, despite these challenges and setbacks, many workers have not lost sight of their future retirement.



Key Highlights

Employed Workers: Saving for Retirement but Many Are Not Saving Enough

Employed workers are generally well-positioned to save, invest, and prepare for retirement. They enjoy a steady income and are often offered employer-sponsored retirement benefits such as a 401(k) or similar plan that make it easier for them to save and invest. However, not all employed workers are offered workplace retirement plans. And, among all employed workers, many are inadequately saving.

Almost two in three employed workers (63 percent) indicate their financial situation has stayed the same amid the pandemic while 22 percent say it worsened. Thirty-eight percent experienced negative employment impacts during the pandemic including reduced hours (20 percent), reduced salary (13 percent), being laid off (12 percent), and being furloughed (12 percent). Twenty-eight percent were unemployed at some point during the pandemic.

Employed workers dream of an active retirement that includes traveling, spending more time with family and friends, and pursuing hobbies. Some dream of doing paid work while others dream of volunteer work. Almost half (47 percent) expect to retire after age 65 or do not plan to retire – and almost six in 10 plan to work at least part-time in retirement (58 percent). Twenty-four percent expect to retire later than planned because of the pandemic.

Seventy-nine percent of employed workers are saving through an employer-sponsored retirement plan and/or outside the workplace and they began saving at age 27 (median). Among those who are participating in a 401(k) or similar plan offered by their employer, they are contributing 12 percent (median) of their annual salary. An impressive 38 percent are contributing more than 15 percent of their annual pay. However, a concerning 39 percent of employed workers have dipped into their retirement accounts, including 29 percent who have taken a loan and 27 percent who have taken an early and/or hardship withdrawal. Just three in 10 “strongly agree” they are building a large enough retirement nest egg (30 percent). Despite having access to many resources offered through their employer’s retirement plan providers, only 32 percent have a financial strategy for retirement in the form of a written plan. Total savings in household retirement accounts is \$65,000 (estimated median).

Employed workers have an annual household income of \$85,000 (estimated median). Eighty-three percent are employed full time. Forty-four percent have a college degree or more. Forty percent are Millennials, 30 percent are Gen X, 17 percent are Baby Boomers, 12 percent are Gen Z, and one percent are from the Silent Generation. Their median age is 40 years old.

Key Highlights

Self-Employed Workers: Do-It-Yourself Retirement Savers

Self-employment brings freedom, flexibility, and autonomy – yet it often comes without a steady paycheck or access to employer-sponsored retirement benefits that can make it easier to save for retirement. Self-employed workers envision long and financially productive lives. The self-employed must navigate through opportunities, setbacks and obstacles along the way, and take a do-it-yourself approach to saving and planning for retirement.

The pandemic has been especially challenging for many self-employed workers. Thirty-four percent indicate their financial situation worsened due to the pandemic – and 35 percent indicate they were unemployed at some point during the pandemic. Seventeen percent now expect to retire later.

Self-employed workers envision long and financially productive lives. Seventeen percent plan to live to age 100 or older. Sixty-three percent expect to retire after age 65 or do not plan to retire – and 62 percent plan to continue working at least part time in retirement. Among them, more than eight in 10 (85 percent) cite one or more healthy-aging related reasons for doing so, including being active (61 percent), keeping their brain alert (56 percent), enjoying what they do (56 percent), and having a sense of purpose (48 percent). Two in three say one of the important reasons for their becoming self-employed is they enjoy being their own boss (66 percent), which may also explain their aspirations of career longevity.

Sixty-eight percent of self-employed workers are saving for retirement, and they started saving at age 29 (median). However, many are not saving consistently. Thirty-four percent only save for retirement from time-to-time and 20 percent say they never save for retirement. Among those who are currently saving, 79 percent are saving in one or more types of tax-advantaged retirement account, with a traditional or Roth IRA being the most common (44 percent). Relatively few are saving in tax-advantaged accounts designed for sole proprietors and small businesses (e.g., Solo 401(k), SIMPLE IRA, SEP IRA).

Retirement planning is especially important for the self-employed. While working beyond traditional retirement age can bring income and opportunities to save, planning not to retire is not a retirement strategy. Only 26 percent of self-employed workers have a financial strategy for retirement in the form of a written plan. Just 43 percent have a backup plan for income if forced into retirement sooner than expected. Just three in 10 self-employed (30 percent) use a professional financial advisor. The self-employed have saved \$42,000 in all household retirement accounts (estimated median).

Self-employed workers have an annual household income of \$76,000 (estimated median). They have been self-employed for nine years (median). Thirty-six percent have a college degree or more. Thirty-three percent are Gen X, 28 percent are Millennials, 24 percent are Baby Boomers, 11 percent are Gen Z, and four percent are from the Silent Generation. Their median age is 46 years old.

Key Highlights

Unemployed But Looking for Work: Facing Formidable Challenges

Unemployed workers have been struggling in terms of their health, happiness, and finances. Sixty-seven percent are concerned about their physical health – and 67 percent are concerned about their mental health. Six in 10 indicate they have trouble making ends meet (60 percent), often feel unmotivated and overwhelmed (59 percent), and often feel anxious and depressed (58 percent). Forty-nine percent indicate their financial situation has worsened amid the pandemic.

Without a paycheck or access to employer-sponsored retirement benefits, the unemployed may find it difficult or impossible to save. Forty-four percent indicate they have no emergency savings. Only 27 percent are saving for retirement. One in three unemployed workers (33 percent) expect to rely on Social Security in retirement – and 72 percent are concerned that Social Security will not be there for them when they are ready retire. Just 14 percent are “very” confident that they will be able to fully retire with a comfortable lifestyle. The unemployed have saved just \$200 in all household retirement accounts (estimated median).

Finding a gainful employment is requisite for the unemployed to begin strengthening their financial situation and start saving for the future. Many unemployed workers could be taking more proactive steps which could be helpful in this endeavor. Only 41 percent are focused on staying healthy so they can continue working; 30 percent are keeping their job skills up to date; and 23 percent are scoping out the employment market and available opportunities.

As unemployed workers are seeking employment opportunities, it is important for them to consider retirement benefits as part of the total compensation – and then take advantage of those benefits as soon as they are hired and eligible to do so. The sooner they start to save, the sooner they will be able to positively change their retirement outlook. Many may also be eligible to benefit from the Saver’s Credit, a tax credit for workers who save for retirement in a 401(k) or similar plan or IRA. Fewer than one in four unemployed workers (24 percent) are aware of the Saver’s Credit.

On an intriguing note, the pandemic could prove to be transformational for unemployed workers. Half of the unemployed (50 percent) indicate their life priorities have changed “a great deal” or “quite a bit” as a result of the pandemic.

Unemployed workers have an annual household income of \$33,000 (estimated median). Sixty-four percent have been unemployed for less than two years. Thirteen percent have a college degree or more. Thirty-eight percent are Millennials, 25 percent are Gen Z, 24 percent are Gen X, 12 percent are Baby Boomers, and one percent are from the Silent Generation. Their median age is 34 years old.

Key Highlights

Impacts of the Pandemic

Most workers have been affected by the pandemic in one way or another ranging from impacts to their personal finances and employment situation to retirement expectations. Many also indicate their life priorities have changed because of the pandemic.

- **Life Priorities Changed as a Result of the Pandemic.** More than one in three workers (38 percent) indicate their life priorities changed “a great deal” (14 percent) or “quite a bit” (24 percent) as a result of the pandemic. Unemployed workers (50 percent) are significantly more likely to say their life priorities changed “a great deal” or “quite a bit,” compared with employed (37 percent) and self-employed workers (34 percent).
- **Changes to Financial Situation in Light of the Pandemic.** One in four workers (25 percent) indicate their financial situation has worsened in light of the pandemic; however, the survey findings vary dramatically by employment status. Forty-nine percent of the unemployed and 34 percent of the self-employed indicate their situation worsened, compared with only 22 percent of employed workers. In contrast, employed and self-employed are more likely to indicate their financial situation has improved (16 percent, 15 percent, respectively), compared with the unemployed (7 percent).
- **Employment Impacts Resulting From the Pandemic.** Six in 10 workers (60 percent) experienced one or more employment impacts resulting from the pandemic, including 38 percent who cited negative impacts. The most often cited impacts include shifting to remote work (21 percent), reduced work hours (20 percent), increased work hours (17 percent), reduced salaries (13 percent), layoffs (13 percent), and furloughs (11 percent). The unemployed were most likely to have been laid off (27 percent); the self-employed were most likely to have reduced work hours (24 percent) and reduced salaries (19 percent); and employed workers were most likely to have increased work hours (19 percent). Six percent of the workforce retired early.
- **Spouse/Partner Experienced Employment Impacts.** Among those workers who are married or have a partner, approximately half (52 percent) indicate their spouse/partner’s employment was impacted as a result of the pandemic, including 30 percent who were negatively impacted. The most often cited employment impacts experienced by spouses/partners include shifting to remote work (18 percent), reduced work hours (15 percent), increased work hours (12 percent) reduced salaries (11 percent), layoffs (10 percent), and furloughs (9 percent). Seven percent of them retired early.

Key Highlights

Impacts of the Pandemic (cont.)

- **Employed Workers: Unemployment During the Pandemic.** More than one in four employed workers (28 percent) were unemployed at some point during the pandemic, including 14 percent who were laid off, nine percent who were furloughed, three percent who quit voluntarily, one percent who retired early, and three percent who indicated “other.” Sixty percent of employed workers have been employed throughout the pandemic while 12 percent indicate they have never been looking for work during the pandemic.
- **Self-Employed: Unemployment During the Pandemic.** More than one in three self-employed workers (35 percent) were unemployed at some point during the pandemic, including 11 percent who were laid off, six percent who were furloughed, six percent who quit voluntarily, two percent who retired early, and 12 percent who indicated “other.” Fifty-one percent of self-employed workers have been employed throughout the pandemic, while 14 percent indicate they were never looking for work during the pandemic.
- **Unemployed Workers: Unemployment During the Pandemic.** Fifty-four percent of unemployed workers became unemployed during the pandemic, including 26 percent who were laid off, five percent who were furloughed, 13 percent who quit voluntarily, three percent who retired early, and nine percent who indicated “other.” Thirty-six percent of unemployed workers were unemployed prior to the pandemic while 10 percent indicate they have never been employed full-time or fully employed.
- **Financial Adjustments Made.** Over six in 10 workers (63 percent) made one or more adjustments to address pandemic-related financial strain. The most often cited adjustments include reducing day-to-day expenses (28 percent), dipping into savings (27 percent), accumulating new credit card debt (18 percent), borrowing money from others (17 percent), and foregoing health care (15 percent). The unemployed (72 percent) are significantly more likely to have made one or more adjustments than employed and self-employed workers (63 and 61 percent, respectively).
- **Sources of Funds Used During Unemployment.** Workers who are unemployed or were unemployed at some point during the pandemic used many sources of funds during the time they were not working. The most frequently cited source is government/unemployment benefits (53 percent), including government stimulus money (36 percent) and/or unemployment benefits (33 percent). Many used savings, including 50 percent of self-employed, 46 percent of employed, and 42 percent of unemployed workers. One-third (32 percent) used credit cards, including 35 percent of employed, 30 percent of self-employed, and 28 percent of unemployed workers. Employed workers are more likely to have used a withdrawal from a retirement account (19 percent), compared with self-employed and unemployed workers (both 9 percent).

Key Highlights

Impacts of the Pandemic (cont.)

- **Positive Influences on Financial Situation.** When asked what positively influenced their financial situation amid the pandemic, workers most often cited receiving stimulus money/relief (33 percent), saving more (26 percent), and reduced expenses (26 percent). Employed workers are more likely to cite job-related positive influences such as receiving a pay raise from an employer (17 percent), finding a higher paying job (11 percent), and finding a job with better benefits (10 percent). Employed and self-employed workers are more likely to cite investment-related positive influences such as an increased value of their home/property (16 percent, 15 percent, respectively) and an increased value of investments excluding their home/property (15 percent and 13 percent, respectively). Unemployed workers (37 percent) are more likely to cite “none,” compared with employed (25 percent) and self-employed workers (23 percent).
- **Changes in Expected Retirement Age.** About six in 10 workers (58 percent) say that the pandemic has not changed when they expect to retire, while 34 percent say that the pandemic has changed their expectations, including 23 percent who expect to retire later and 11 percent who expect to retire earlier. Employed workers (24 percent) are significantly more likely than self-employed workers (17 percent) to expect to retire later. A noteworthy 18 percent of the unemployed indicate they are “not sure” if the pandemic has changed when they expect to retire.

Employed and self-employed workers have financially weathered the pandemic better than those who are unemployed but looking for work. All three groups experienced negative employment impacts and made sometimes difficult adjustments to their financial situation. Notably, among workers who were unemployed at some point during the pandemic, many relied on unemployment benefits and government stimulus money. Without this government assistance, they could have been even worse off. The pandemic has exposed weaknesses and revealed opportunities for improving retirement security among workers. The insights gained can be applied toward effecting positive change for current and future generations.

Happiness and Health

A strong majority of workers have maintained an upbeat outlook on life during the pandemic and indicate they have close relationships with family and friends, they are generally happy, and they are enjoying life. However, many unemployed workers looking for work have been struggling.

Most workers are concerned about their physical and mental health, but many could be engaging in more healthy activities to help safeguard it. Unemployed workers are particularly vulnerable in this regard.

Key Highlights

Happiness and Health (cont.)

- **Outlook on Life.** Approximately eight in 10 workers say they have close relationships with family and friends, are generally happy, are enjoying life, and have a strong sense of purpose. However, employed and self-employed workers are faring much better than the unemployed. For example, employed and self-employed workers are significantly more likely than the unemployed to say they are generally happy people (85 percent, 81 percent, 68 percent, respectively). Alarmingly, 60 percent of the unemployed say they have trouble making ends meet, compared with 43 percent of employed and 40 percent of self-employed workers. Many unemployed say they often feel unmotivated and overwhelmed (59 percent), anxious and depressed (58 percent), and are isolated and lonely (46 percent).
- **Self-Described General Health.** About eight in 10 workers (79 percent) describe their general health as being “excellent” (24 percent) or “good” (55 percent). Self-employed and employed workers are significantly more likely than unemployed workers to describe their health as “excellent” (28 percent, 25 percent, 16 percent, respectively). Employed workers (56 percent) are more likely to describe their health as “good,” compared with the self-employed and unemployed (50 percent, 47 percent, respectively). The unemployed are more likely than self-employed and employed workers to describe their health as being “fair” (31 percent, 18 percent, 17 percent, respectively). Six percent of unemployed workers indicate their general health is “poor.”
- **Concerns About Physical Health.** Two in three workers (67 percent) are concerned about their physical health, including 31 percent who are “very concerned” and 36 percent who are “somewhat concerned.” Unemployed workers (36 percent) are somewhat more likely to be “very concerned” than employed and self-employed workers (31 percent, 29 percent, respectively).
- **Concerns About Mental Health.** More than three in five workers (62 percent) are concerned about their mental health, including 31 percent who are “very concerned” and 31 percent who are “somewhat concerned.” Unemployed workers (42 percent) are significantly more likely to be “very concerned” than self-employed and employed workers (31 and 29 percent, respectively).

Key Highlights

Happiness and Health (cont.)

- **Engagement in Healthy Activities.** Most workers are taking steps to safeguard their health, but many could be doing more. For example, only 51 percent indicate they are eating healthy, 50 percent are exercising regularly, 46 percent are taking COVID-19 precautions, and 45 percent are getting plenty of rest. Even fewer are doing things such as seeking medical attention when needed (38 percent), managing stress (38 percent), and avoiding harmful substances (34 percent). Employed and self-employed workers are generally more likely to be taking steps than unemployed workers, with 15 percent of the unemployed say they are doing “nothing” in relation to health-related activities, compared with five percent of self-employed and four percent of employed workers.

The pandemic has cast a bright light on the importance of both physical and mental health. As we emerge from the pandemic, even greater societal attention is needed on promoting good health and elevating mental health services and supports.

Current Financial Situation

Workers cite a wide range of competing financial priorities ranging from saving for retirement and building emergency savings to paying off debt and covering basic living expenses. Many have saved relatively little for emergencies. And many indicate debt is interfering with their ability to save for retirement.

- **Current Financial Priorities.** The most often cited financial priority among workers is saving for retirement (52 percent); however, the survey findings vary dramatically among employed (56 percent), self-employed (48 percent), and unemployed workers (21 percent). Self-employed and employed workers (both 40 percent) are also more likely than the unemployed (29 percent) to cite building emergency savings. Many workers cite paying off one or more types of debt as a priority (55 percent), including employed (58 percent), self-employed (47 percent), and unemployed workers (36 percent). More than half of the unemployed (51 percent) indicate they are just getting by to cover basic living expenses.
- **Insufficient Income to Save for Retirement.** Fifty-three percent of workers agree with the statement, “I don’t have enough income to save for retirement,” including 24 percent who “strongly agree” and 29 percent who “somewhat agree.” Unemployed workers (44 percent) are significantly more likely to “strongly agree,” compared with self-employed (28 percent) and employed workers (21 percent).

Key Highlights

Current Financial Situation (cont.)

- **Interference of Debt in Ability to Save for Retirement.** Fifty-three percent of workers agree with the statement, “Debt is interfering with my ability to save for retirement,” including 22 percent who “strongly agree” and 31 percent who “somewhat agree.” Unemployed (58 percent) and employed workers (53 percent) are more likely to agree, compared with self-employed workers (43 percent). Of concern, 28 percent of unemployed, 21 percent of employed, and 19 percent of self-employed workers “strongly agree” that debt is interfering with their ability to save for retirement.
- **Estimated Emergency Savings.** Emergency savings are needed to cover financial setbacks, such as unemployment, medical bills, home repairs, auto repairs, and other unexpected expenses. Having emergency savings could also help prevent workers from dipping into their retirement savings to cover such expenses. However, workers have alarmingly low emergency savings – they have set aside only \$4,000 (median). Self-employed (\$6,000) and employed workers (\$5,000) report having saved more than the unemployed (\$0) (medians).
- **Health Care Savings.** Seventy-four percent of workers are saving for healthcare expenses, including employed (78 percent), self-employed (71 percent), and unemployed workers (44 percent). The most often cited savings vehicle is individual accounts (e.g., savings, checking, brokerage, etc.) (53 percent) followed by health savings accounts (HSAs) (28 percent), and flexible spending accounts (FSAs) (19 percent). An alarming 56 percent of the unemployed are not saving for health care expenses.
- **Caregiving Experience.** Caregiving for a loved one can put the caregiver’s own health, employment, and financial situation at risk. During their careers, almost 4 in 10 workers (39 percent) are serving and/or have served as a caregiver for a relative or friend, including 22 percent who are currently caregivers and 18 percent who have been a caregiver in the past. Employed and self-employed workers (24 percent and 19 percent, respectively) are more likely than the unemployed (10 percent) to be currently serving as caregivers.
- **Work Adjustments as a Result of Becoming a Caregiver.** Among workers who are serving and/or have served as caregivers, 83 percent made one or more work-related adjustments as a result of becoming a caregiver (e.g., missed days of work, reduced hours, began working an alternative schedule). Employed workers (86 percent) are significantly more likely to have made work adjustments compared with the self-employed and unemployed (68 percent, 58 percent, respectively).

Key Highlights

Current Financial Situation (cont.)

Caregiving poses a hidden threat to workers' financial well-being. Many workers are currently caregiving for a relative or friend or have done so in the past. While doing so, they have made employment adjustments which could hurt their current and future earning power and their ability to save for retirement. As the Baby Boomer generation ages, many more workers will be called upon to care for an aging parent or loved one. Employers and policymakers can play an even greater role in supporting caregiving employees and help mitigate any negative impacts to their employment and financial situation.

Visions and Expectations of Retirement

Workers are envisioning long lives and dreaming of an active retirement that includes both leisure activities and work. Many expect to retire after age 65 – and many plan to continue working at least part time in retirement for both financial and healthy aging-related reasons. While workers hold positive views of retirement, many share fears about declining health, the future of Social Security, and outliving their savings.

- **Age Planning to Live.** Today's workers are planning to live to age 85 (median) – among those who provided an age when they were asked how long they are planning to live. Self-employed are planning to live to an older age than employed and unemployed workers (age 90, age 85, age 85, respectively) (medians). Fourteen percent of workers are planning to live to age 100 or older with the self-employed (17 percent) being slightly more likely to be planning do so than unemployed and employed workers (14 percent, 13 percent respectively). Thirty-six percent of workers are “not sure.” An implication for increased longevity is potentially more time spent in retirement. The survey compared workers' planned life expectancy with their expected retirement age and found that they plan to spend 25 years in retirement (median). In stark contrast and on a sobering note, an alarming 18 percent of the unemployed are planning to live to less than 70 years old.
- **Positive and Negative Word Associations With “Retirement.”** Eighty-six percent of workers cite positive word associations with “retirement,” compared with only 43 percent who cite negative words. Workers' top three positive word associations are “freedom” (53 percent), “enjoyment” (52 percent), and “stress-free” (42 percent), while the top three negative word associations are “health decline” (19 percent), “financial insecurity” (18 percent), and “boredom” (15 percent).
- **Word Associations With “Retirement” by Employment Status.** Employed workers (88 percent) are significantly more likely than self-employed and unemployed workers (82 percent, 80 percent, respectively) to cite one or more positive word associations with retirement. However, employed, self-employed, and unemployed workers are similarly likely to have one or more negative word associations (42 percent, 40 percent, 46 percent, respectively).

Key Highlights

Visions and Expectations of Retirement (cont.)

- **Retirement Dreams.** Most workers cite one or more retirement dreams (92 percent). However, employed and self-employed workers (95 percent, 92 percent, respectively) are significantly more likely to cite having retirement dreams than unemployed workers (75 percent). Across the workforce, the most often cited retirement dreams are traveling (58 percent), spending more time with family and friends (53 percent), and pursuing hobbies (46 percent). Unemployed workers are generally less likely than employed and self-employed workers to cite these specific dreams. Thirty-six percent of workers dream of doing some form of paid work in retirement. Self-employed and employed workers (41 percent, 36 percent, respectively) are more likely than unemployed workers (24 percent) to dream of doing so. A noteworthy 23 percent of self-employed workers dream of continuing to work in the same field in retirement.
- **Retirement Fears.** Almost nine in 10 workers (88 percent) cite one or more items as their greatest retirement fears, ranging from health to financial-related. Employed workers (90 percent) are significantly more likely than self-employed and unemployed workers to cite such fears (83 percent, 79 percent, respectively). The most often cited retirement fears are declining health that requires long-term care (36 percent), Social Security will be reduced or cease to exist in the future (36 percent), outliving their savings and investments (35 percent), possible long-term care costs (30 percent), not being able to meet the financial needs of their family (30 percent), and cognitive decline, dementia, Alzheimer’s Disease (29 percent).
- **Expected Retirement Age.** Fifty percent of workers expect to work past age 65 (31 percent) or do not plan to retire (19 percent). Self-employed and unemployed workers (63 percent, 62 percent, respectively) are significantly more likely than employed workers (47 percent) to have these expectations. Notably, employed workers (32 percent) are significantly more likely than self-employed and unemployed workers (22 percent, 21 percent, respectively) to expect to retire before age 65. In contrast, more than three in 10 unemployed and self-employed workers (36 percent, 32 percent, respectively) do not plan to retire, compared with just 15 percent of employed workers.
- **Plans to Work in Retirement.** Almost six in 10 workers plan to work at least part-time in retirement (58 percent). Self-employed and employed workers (62 percent, 58 percent, respectively) are significantly more likely to have plans of doing so than unemployed workers (45 percent). A noteworthy 30 percent of the unemployed are “not sure.”

Key Highlights

Visions and Expectations of Retirement (cont.)

- **Health and Financial Reasons for Working in Retirement.** Workers who are working or planning to work in retirement or past age 65 cite both healthy-aging and financial reasons (79 percent, 75 percent, respectively). The most often cited healthy-aging reason is to be active (50 percent), while the top financial reason is wanting the income (47 percent). Other frequently cited healthy-aging reasons are “keep my brain alert” (42 percent), “enjoy what I do” (41 percent), and “have a sense of purpose” (37 percent). Other frequently cited financial reasons are “concerned that Social Security will be less than expected” (31 percent), “can’t afford to retire” (28 percent), and “need health benefits” (25 percent).
- **Reasons for Working in Retirement by Employment Status.** Among those who are working or planning to work in retirement or past age 65, self-employed and employed workers (85 percent, 80 percent, respectively) are significantly more likely to cite one or more healthy-aging related reasons than unemployed workers (70 percent). However, all three cohorts are similarly likely to cite one or more financial-related reasons, including employed (75 percent), self-employed (76 percent), and unemployed workers (76 percent).
- **Proactive Steps Taken to Help Ensure Continued Work.** Workers have an opportunity to take more proactive steps to help ensure they can continue to work as long as they want and need. More than eight in 10 workers (84 percent) have taken at least one step; however, employed and self-employed workers (86 percent, 84 percent, respectively) are significantly more likely to have done so than unemployed workers (68 percent). The most often cited steps taken among workers include staying healthy (53 percent) and keeping job skills up to date (46 percent). Fewer workers are networking and meeting new people (27 percent), taking classes to learn new skills (26 percent), and scoping out the employment market and opportunities available (22 percent).

Retirement Savings, Planning, and Preparations

Workers are expecting diverse sources of retirement income including Social Security, 401(k)s and IRAs, other savings and investments, and continued work. Some are expecting income from a company-funded pension plan, home equity, or an inheritance. Nevertheless, relatively few workers are “very” confident that they will be able to fully retire with a comfortable lifestyle.

Most workers are saving for retirement – except for those who are unemployed but looking for work. A concerning number are dipping into their retirement accounts by taking loans, hardship withdrawals, and/or early withdrawals. Total household retirement savings is relatively low.

Key Highlights

Retirement Savings, Planning, and Preparations (cont.)

- **Retirement Confidence.** Sixty-nine percent of workers are confident that they will be able to fully retire with a comfortable lifestyle, including 24 percent who are “very” confident and 45 percent who are “somewhat” confident. Employed and self-employed workers (72 percent, 69 percent, respectively) are significantly more likely to be confident than unemployed workers (49 percent). Employed and self-employed workers are also more likely than unemployed workers to be “very” confident (25 percent, 28 percent, 14 percent, respectively).
- **Expected Sources of Retirement Income.** Workers are expecting diverse sources of retirement income with the most often cited including self-funded savings (72 percent), Social Security (60 percent), and income from working (33 percent). However, there are some differences by employment status. Employed workers are more likely to cite retirement accounts such as a 401(k), 403(b), and IRAs (65 percent). Unemployed workers are less likely to cite Social Security income (51 percent). Self-employed workers are more likely to rely on other savings and investments (52 percent). Some self-employed workers are expecting income from their business (35 percent) and income from the sale of their business (14 percent).
- **Expected Primary Source of Retirement Income.** Workers most often cite self-funded savings (45 percent) as their expected *primary* source of income in retirement, including 32 percent who expect to rely on 401(k)s, 403(b)s, and IRAs, and 13 percent who expect to rely on other savings and investments. Employed workers (48 percent) are more likely than self-employed (37 percent) and unemployed workers (27 percent) to expect to do so. Almost one in four workers expect to rely on Social Security (23 percent). Unemployed workers (33 percent) are more likely to do so than employed (22 percent) and self-employed workers (23 percent). Thirteen percent of self-employed workers expect their primary source of retirement income to be from their business and three percent from sale of their business. Workers similarly cite income from working, including 13 percent of both employed and self-employed workers and 19 percent of unemployed workers.
- **Retirement Nest Egg.** Sixty-three percent of workers agree they are currently building a large enough retirement nest egg, including 29 percent who “strongly agree” and 34 percent who “somewhat agree.” Employed and self-employed workers (67 percent, 58 percent, respectively) are significantly more likely to agree than unemployed workers (34 percent). A noteworthy 30 percent of unemployed workers “strongly disagree” they are building a large enough nest egg, compared with 18 percent of self-employed workers and 12 percent of employed workers.
- **Concerns About Future of Social Security.** Seventy percent of workers agree with the statement, “I am concerned that when I am ready to retire, Social Security will not be there for me,” including 32 percent who “strongly agree” and 38 percent who “somewhat agree.” Unemployed (72 percent) and employed workers (70 percent) are somewhat more likely to agree than self-employed workers (66 percent).

Key Highlights

Retirement Savings, Planning, and Preparations (cont.)

- **Saving for Retirement and Age Started Saving.** Seventy-three percent of workers are saving for retirement through employer-sponsored plans, such as a 401(k) or similar plan, and/or outside the workplace. Employed (79 percent) and self-employed workers (68 percent) are far more likely to be saving for retirement than unemployed workers (27 percent). Among those saving for retirement, unemployed and employed workers both started saving somewhat earlier at age 27, compared with self-employed workers who started saving age at 29 (medians).
- **Employed Workers: Retirement Savings in Workplace Plans.** Nearly three in four employed workers (73 percent) are offered a 401(k) or similar retirement plan by their employer. Among those offered a plan, 78 percent participate in the plan and those who participate contribute 12 percent (median) of their annual salary to the plan. A noteworthy 38 percent indicate they contribute more than 15 percent of their annual salary to the plan.
- **Self-Employed: Saving for Retirement.** Approximately seven in 10 self-employed workers (68 percent) are currently saving for retirement. More than half (56 percent) are saving in an IRA, mutual fund, bank account, etc. Sixteen percent are saving in a former employer's 401(k), 403(b), or similar plan and 13 percent are saving in their spouse's/partner's current employer's 401(k), 403(b), or similar plan. Thirty-two percent indicate they are not currently saving for retirement. When asked about their approach to saving for retirement, almost half of self-employed workers (46 percent) indicate they consistently save, while 34 percent indicate they only save from time to time. One in five self-employed workers (20 percent) indicate they never save for retirement.
- **Self-Employed: Types of Retirement Accounts.** Among those who are currently saving for retirement, 79 percent of self-employed workers cite using one or more tax-advantaged accounts, including a traditional or Roth IRA (44 percent), a 401(k) plan (34 percent), a Solo 401(k)/Individual 401(k) plan (21 percent), a SIMPLE IRA (10 percent), a SEP IRA (8 percent), or SARSEP (4 percent). A noteworthy 25 percent indicated using other vehicles to save for retirement such as bank accounts, brokerage accounts, stocks/investments, annuities, cryptocurrency, money market funds, and property.
- **Unemployed Workers: Saving for Retirement.** Seven in 10 unemployed workers (70 percent) indicate they are *not* currently saving for retirement which is hardly surprising given their unemployment status and lack of available income to save. Eighteen percent indicate they are saving in an IRA, mutual fund, bank account, etc., and 11 percent are saving in a former employer's 401(k), 403(b), or similar plan. Four percent indicate they are saving in their spouse's/partner's current employer's 401(k), 403(b), or similar plan.

Key Highlights

Retirement Savings, Planning, and Preparations (cont.)

- **Types of Retirement Savings & Investments.** Among those saving for retirement outside the workplace, workers most frequently indicate they have savings and investments in a bank account such as savings, checking, money market, and CDs (61 percent). Employed workers are more likely to indicate they are saving and investing in a 401(k) or similar plan (50 percent). Self-employed workers are more likely to cite IRA (46 percent), brokerage account (44 percent), life insurance policy (38 percent), and business ownership (37 percent). Of concern, six percent of unemployed workers have no savings and investments specifically for retirement.
- **Tapping Into Retirement Savings.** A concerning percentage of workers are dipping into their retirement savings before they retire. Loans and withdrawals from retirement accounts can severely inhibit the growth of their long-term savings. More than one-third of workers (35 percent) have ever taken a loan, early withdrawal, and/or hardship withdrawal from their 401(k) or similar plan or IRA, including 26 percent who have taken a loan and 26 percent who have taken an early and/or hardship withdrawal. Employed workers (39 percent) are more likely to have ever dipped into retirement savings than self-employed and unemployed workers (22 percent, 21 percent, respectively).
- **Reasons for Taking 401(k) Loans.** Among those who have taken a loan from their 401(k) or similar plan, the most frequently cited reason for doing so is to pay off debt (37 percent), including credit card debt (25 percent) and/or other debt (21 percent). Other reasons include everyday expenses (26 percent), a financial emergency (26 percent), home improvements (23 percent), and medical bills (23 percent). Employed workers (39 percent) are more likely than self-employed workers to cite paying off debt (20 percent).
- **Reasons for Hardship Withdrawals From 401(k)s.** Among those who have taken a hardship withdrawal from a 401(k) or similar plan, the most often cited reasons for doing so are paying for certain medical expenses (20 percent), paying for tuition and related educational fees (18 percent), expenses and losses incurred due to a disaster in a federally declared disaster area (17 percent), and expenses for repairs of damage to one's principal residence (14 percent).
- **Total Household Retirement Savings.** Total household retirement savings among workers is \$54,000 (estimated median) and varies dramatically by employment status: \$200 for unemployed workers, \$42,000 for self-employed workers, and \$65,000 for employed workers (estimated medians). Twenty-seven percent of employed and 26 percent of self-employed workers have saved \$250K or more. Of concern, more than one-third of unemployed workers (37 percent) and 17 percent of self-employed workers have no retirement savings at all, compared with only 7 percent of employed workers.

Key Highlights

Retirement Savings, Planning, and Preparations (cont.)

- **Estimated Retirement Savings Needs.** Workers estimate they will need \$350,000 (median) by the time they retire in order to feel financially secure. Estimated needs vary by employment status with self-employed workers estimating they will need \$500,000, compared with employed workers (\$400,000) and unemployed workers (\$100,000) (medians). Seventeen percent of workers estimate they will need to save \$2,000,000 or more, including 24 percent of self-employed, 16 percent of employed, and 13 percent of unemployed workers.
- **Basis of Estimated Retirement Savings Needs.** Among those who provided an estimate of their retirement savings needs, 45 percent of workers guessed those needs. More than one-third based their estimate on their current living expenses (36 percent). Only 23 percent used a retirement calculator or completed a worksheet. A significant proportion of unemployed workers guessed their retirement savings needs (61 percent) and few used a calculator or completed a worksheet (9 percent), compared with self-employed (44 percent, 21 percent, respectively) and employed (43 percent, 24 percent, respectively).
- **Limited Understanding of Asset Allocation Principles.** Only 31 percent of workers have a “great deal” or “quite a bit” of understanding of asset allocation principles, including 12 percent who know a “a great deal” and 19 percent who know “quite a bit.” Employed (34 percent) and self-employed workers (30 percent) are more likely to have a “great deal” or “quite a bit” of understanding, compared with unemployed workers (17 percent). More than half of unemployed workers (54 percent) have no understanding of asset allocation principles.
- **Limited Knowledge About Retirement Investing.** Sixty-three percent of workers agree with the statement, “I do not know as much as I should about retirement investing,” including 26 percent who “strongly agree” and 37 percent who “somewhat agree.” Unemployed workers (77 percent) are significantly more likely to agree than employed (62 percent) and self-employed workers (59 percent).
- **Written Financial Strategy for Retirement.** Most workers (70 percent) have some form of financial strategy for retirement. However, only 29 percent have a written plan, while 41 percent have an unwritten plan. Employed (32 percent) and self-employed workers (26 percent) are more likely to have a written plan, compared with only 10 percent of unemployed workers. More than six in 10 unemployed workers (63 percent) do not have any financial strategy for retirement.
- **Backup Plan if Retirement Comes Unexpectedly.** Thirty-seven percent of workers have a backup plan for retirement income if they are unable to work before their planned retirement. Self-employed workers are most likely to have backup plans (43 percent), followed by employed workers (39 percent). Only 14 percent of unemployed workers have a backup plan if they are forced into retirement sooner than expected.

Key Highlights

Retirement Savings, Planning, and Preparations (cont.)

- **Professional Financial Advisor Usage.** Thirty-five percent of workers use a professional financial advisor. Employed (38 percent) and self-employed workers (30 percent) are more likely to use an advisor than unemployed workers (11 percent).
- **Saver's Credit Awareness.** The Saver's Credit is a tax credit for eligible taxpayers who save for retirement in a qualified retirement plan, IRA, or ABLE account. Fewer than half of workers (46 percent) are aware of it. Employed workers (50 percent) are more likely to be aware of the Saver's Credit, compared with self-employed (41 percent) and unemployed workers (24 percent).

In addition to saving more for retirement, workers can further improve their retirement outlook by learning more about retirement investing and engaging in planning-related activities such as estimating savings needs, setting goals, formulating a financial strategy for retirement, and developing contingency plans.

Retirement Priorities for the President and Congress

Policymakers pave the way for legislation, regulation, and reforms that are the underpinnings of our retirement system. Workers cite these priorities for the President and Congress to help people have a financially secure retirement:

1. Address Social Security's funding shortfalls to ensure it can pay guaranteed benefits to future generations of retirees (51 percent)
2. Make out-of-pocket health care expenses and prescription drugs more affordable (42 percent)
3. Address Medicare's funding shortfalls to ensure future generations of retirees have access to affordable health care insurance (41 percent)
4. Increase access to affordable housing to enhance financial security for Americans of all ages (33 percent)
5. Support family caregivers by implementing policies such as paid family and medical leave, tax credits for out-of-pocket caregiving costs, and Social Security credits for time spent caregiving (32 percent)
6. Expand access to employer-sponsored retirement plans, IRAs, and other savings programs, so all workers can save for retirement in the workplace (31 percent)

Key Highlights

Retirement Priorities for the President and Congress (cont.)

6. Innovate solutions to make long-term care services and supports more affordable (30 percent)
7. Educate Americans early by implementing a financial literacy curriculum in the schools (30 percent)
8. Expand the Saver's Credit, a tax credit available to people with low and moderate incomes saving for retirement (30 percent)
9. Allow employers to match employees' student loan payments in the form of a contribution to their 401(k) or similar retirement plan (29 percent)
10. Create incentives for individuals to obtain ongoing training and education to keep their job skills up to date and relevant (27 percent)
11. Provide and/or subsidize additional broadband access, particularly in rural and underserved urban areas, to increase access to telemedicine, and financial and other tools (24 percent)

Workers' ability to achieve a secure retirement depends on access to meaningful employment throughout their lives, the availability of retirement, and health and welfare benefits from employers, a variety of retirement solutions for the self-employed, and the preservation of safety nets such as Social Security and Medicare.

As our nation emerges from the pandemic, we face an urgent need to strengthen the U.S. retirement system so that everyone can retire with dignity. A collaborative, concerted effort among policymakers, employers, and workers is required to achieve success.

Catherine Collinson

CEO and President, Transamerica Institute and Transamerica Center for Retirement Studies

Recommendations for Workers

Many workers have experienced financial setbacks amid the pandemic that can have repercussions for their future retirement. As we emerge from the pandemic, it is important for workers to become even more involved in managing their money and financial planning.

Action steps include:

- 1. Engage in financial planning to gain a full understanding of your financial situation.** Create a budget, prioritize expenses, set short- and long-term goals, learn about investing, and develop a financial plan to help improve your fiscal health. If you delayed mortgage or rent payments, learn what your obligation is to make past due payments and what financial assistance may be available to you.
- 2. Save for retirement by participating in an employer-sponsored retirement plan, if available, or contributing to a tax-advantaged account.** By starting as early as possible and consistently saving over time, even small amounts can add up over a decades-long working life. If employed and offered a 401(k) or similar plan, take full advantage of matching employer contributions and defer as much as possible. If not offered a plan, explore options to contribute to a Traditional or Roth IRA. Self-employed workers should learn about the available retirement savings vehicles (e.g., Traditional or Roth IRA, Solo 401(k), SIMPLE IRA, SEP, SARSEP, PEP, MEP, GoP) to identify what works best for their situation. Job seekers should take retirement benefits into consideration as part of an overall compensation package.
- 3. Avoid taking loans and early withdrawals from retirement accounts,** which can severely inhibit their long-term growth. Before tapping into retirement savings, explore all possible alternatives.
- 4. Calculate retirement savings needs, develop a retirement strategy, and write it down.** Factor in living expenses, health care, long-term care needs, government benefits, inflation, investment returns, years in retirement, as well as funds for pursuing retirement dreams.
- 5. Review your retirement savings portfolio to ensure investments are consistent with your risk profile and years to retirement.** Learn about professionally managed accounts, model portfolios, target date funds, and strategic allocation funds. Seek assistance from your retirement plan provider or a professional financial advisor, if needed.
- 6. Take advantage of the Saver's Credit.** Check if you qualify for the Saver's Credit, a tax credit available to eligible taxpayers who contribute to a 401(k) or similar plan, an IRA, or an ABL account.
- 7. Be proactive to help ensure continued employment now and in retirement.** Take proactive steps to stay employed and engage in the new landscape of work by learning new skills, honing current skills, and staying current on employment trends.
- 8. Create a backup plan** in the event of job loss or in case retirement comes early or unexpectedly due to an unforeseen circumstance.
- 9. Take good care of yourself and safeguard your physical and mental health.** Continue to take precautions to help prevent infection and spread of COVID-19. Eat healthy, exercise regularly, and get plenty of rest. Explore ways to reduce stress and anxiety. Consider health implications when making lifestyle decisions.
- 10. Beware of scams.** Be hypervigilant about suspicious text messages, email, or calls.

Recommendations for Employers

Employers play a vital role in supporting the long-term health and financial well-being of their employees. Employers have an opportunity to enhance their business practices and benefits offerings, especially now in today's highly competitive labor market. Specific opportunities for consideration include:

1. **Clearly communicate changes to the workplace.** Transparent and frequent communication with employees may help alleviate anxiety about returning to the office or worksite.
2. **Offer flexible work arrangements that support work-life balance** and employees' personal responsibilities such as parenting, home-schooling, and caregiving.
3. **Offer health and welfare benefits that promote physical, mental, and financial health and well-being** such as health, disability, and life insurance; workplace wellness and financial wellness programs; and employee assistance programs.
4. **Offer a retirement plan or achieve efficiencies by joining a multiple employer plan (MEP), a pooled employer plan (PEP), or a group of plans (GoP).** If a plan is not already in place, take advantage of the tax credit available for starting a retirement plan or joining a MEP, PEP, or GoP.
5. **Extend benefits eligibility to part-time workers,** including health insurance and retirement plan offerings. For part-time workers not offered health insurance, provide information about the options available in the marketplace. For part-time workers who do not qualify as long-term employees for retirement benefits under the SECURE Act, considering providing them with the ability to contribute to an IRA through payroll deduction.
6. **Promote the benefits your company offers,** including retirement planning and educational resources available through your retirement plan provider, and health and wellness programs available through your employee benefit providers. Increasing awareness of these offerings may help employees increase their physical, mental, and financial well-being.
7. **Foster an age-friendly work environment and adopt diversity, equity and inclusion business practices** that include age among other demographic factors (e.g., gender, race, religion, sexual orientation).
8. **Encourage lifelong learning opportunities** for workers to keep their skills up to date or learn new skills to help them remain employable in a fast-changing job market.
9. **Offer pre-retirees greater levels of assistance in planning their transition into retirement,** including education about retirement income strategies for managing savings to last their lifetime, retirement plan distribution options, and the need for a backup plan if forced into retirement sooner than expected (e.g., due to health issues, job loss, family obligations). Provide information about Social Security and Medicare.
10. **Create opportunities for workers to phase into retirement** by allowing for a transition from full-time to part-time, working in different capacities or different locations, or having a more flexible schedule.

Recommendations for Policymakers

As policymakers are paving the way for our nation's recovery from the pandemic, they have an opportunity to enhance diversity, equity, and inclusion in all aspects of American life including retirement security. It is now more urgent than ever to implement policy reforms to strengthen social safety nets, encourage employers to offer retirement benefits, and help workers save for the future. Recommendations for policymakers that can directly and indirectly improve retirement security include:

- 1. Address Social Security and Medicare funding issues.** The sooner reforms are implemented to the programs, the more time people will have to adjust their financial plans for retirement.
- 2. Implement reforms to expand and enhance workplace retirement plans and facilitate savings among workers, including:**
 - a. Further incentivize small companies to offer employee benefits, including retirement plans and health insurance.** Strengthen small business tax credits for establishing retirement plans or joining multiple employer plans (MEPs) or pooled employer plans (PEPs). Authorize the formation of 403(b) MEPs and PEPs. Expand inclusion of part-time workers in retirement plans by reducing the long-term employment requirements.
 - b. Enhance existing tax incentives for workers to save for retirement,** including increasing catch-up contribution limits; further increasing the age for required minimum distributions (RMDs); expanding automatic enrollment, automatic re-enrollment, and automatic increases; allowing employers to base retirement plan matches on employees' student loan repayments; and expanding and promoting the Saver's Credit.
 - c. Facilitate retirement savings to last a lifetime.** Proposals that help participants both manage their investment risk and build retirement savings to last their lifetime are encouraged, including the broader use of Qualified Longevity Annuity Contracts (QLACs) in retirement plans and Individual Retirement Accounts (IRAs).
- 3. Engage leaders from across sectors and disciplines to collaborate, innovate and implement new financing and delivery models for long-term care** that are more accessible and affordable to those individuals needing care and to family caregivers who are providing care.
- 4. Ensure accessible and affordable quality health care options and prescription drugs** are available to all Americans, including part-time, self-employed, and gig economy workers, as well as the unemployed.
- 5. Support family caregivers** by providing Social Security credits to those who forego employment to provide care. Establish medical training programs for non-professional caregivers. Encourage employers to help workers who are balancing their jobs with caregiving.
- 6. Increase access to affordable housing** to enhance financial security for Americans of all ages.
- 7. Encourage employers to implement age-friendly business practices as part of their DE&I efforts.** Create incentives and remove disincentives for employers to hire and retain older workers, offer phased retirement, and create opportunities for encore careers.
- 8. Address the digital divide.** Consider providing and/or subsidizing additional broadband access, particularly in rural and underserved urban areas. Internet access is key to engaging with financial and health-related service providers.
- 9. Support lifelong learning ranging** from financial literacy education in schools and in the workplace to ongoing professional development, including retraining and learning new job skills.

**Emerging From the COVID-19 Pandemic:
The Retirement Outlook of the Workforce**
Detailed Findings

A Portrait of the Workforce

Employed Workers

Employed workers are well-positioned to save, invest, and prepare for retirement. They enjoy a steady income and employer benefits, such as health insurance and other health and welfare benefits. Many are offered employer-sponsored retirement benefits such as a 401(k), 403(b), or similar plan that make it easier to save for retirement through the convenience of payroll deduction, investment guidance and planning services, and matching contributions. Nevertheless, many are inadequately saving, and they are at risk of not achieving a financially secure retirement.

6 in 10

63% say their financial situation has stayed the same during the pandemic. 22% say it has worsened.

Pg. 45

38%

experienced negative employment impacts during the pandemic (e.g., reduced hours, reduced salary, layoffs, furlough).

Pg. 46

30%

“strongly agree” they are building a large enough retirement nest egg.

Pg. 84

> Half

58% plan to work at least part-time in retirement.

Pg. 76

24%

expect to retire later than planned because of the pandemic.

Pg. 54

79%

are saving for retirement in a 401(k) or similar plan, and/or outside the workplace.

Pg. 86

Age 27

is the age (median) that employed workers who are investing for retirement started saving.

Pg. 86

12

is the percentage (median) of their annual salaries that plan participants are contributing to 401(k) or similar plans.

Pg. 87

4 in 10

39% have taken a loan, early withdrawal, and/or hardship withdrawal from a retirement account.

Pg. 92

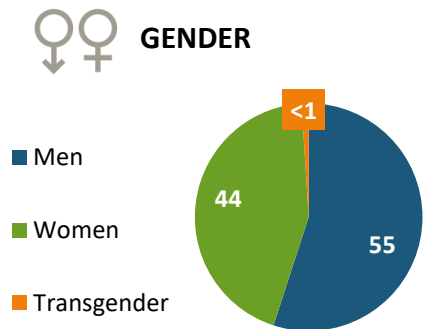
\$65,000

is the amount saved in all household retirement accounts (estimated median).

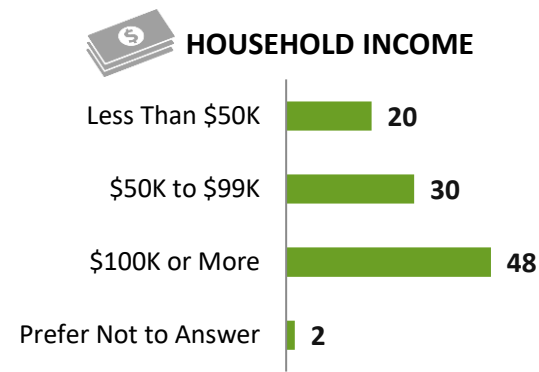
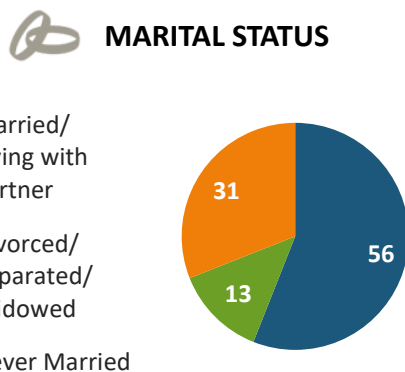
Pg. 95

Employed Workers

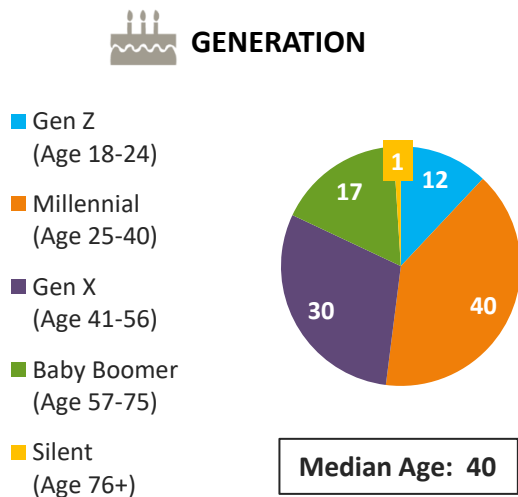
Employed workers have an annual household income of \$85,000 (estimated median). Forty-four percent have a college degree or more. Eighty-three percent are employed full time. Forty percent are Millennials, 30 percent are Gen X, 17 percent are Baby Boomers, 12 percent are Gen Z, and one percent are from the Silent Generation. Their median age is 40 years old.



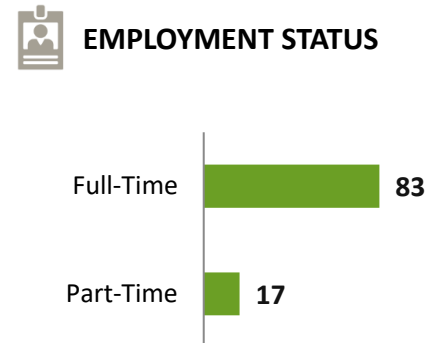
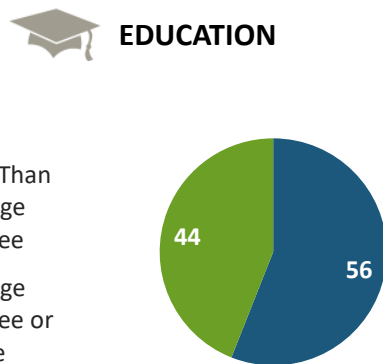
*Note: Responses not shown for "Other" (<1%) and "Prefer Not to Answer" (<1%).



Estimated Median: \$85,000



Median Age: 40



Note: Results may not total to 100% due to rounding.

WORKFORCE BASE: ALL QUALIFIED RESPONDENTS

Self-Employed Workers

Self-employment brings freedom, flexibility, and autonomy – yet it often comes without a steady paycheck or access to employer-sponsored retirement benefits that can make it easier to save for retirement. Self-employed workers envision long and financially productive lives. The self-employed must navigate through the opportunities, setbacks and obstacles along the way, and take a do-it-yourself approach to saving and planning for retirement.

2 in 3

66% say an important reason for becoming self-employed is they enjoy being their own boss.

Pg. 39

17%

are planning to live to age 100 or older.

Pg. 70

3 in 5

63% expect to retire after age 65 or do not plan to retire. 62% plan to continue working at least part-time in retirement.

Pg. 75, 76

85%

Among those planning to work past 65 or in retirement, 85% cite healthy aging-related reasons for doing so.

Pg. 78

34%

say their financial situation worsened due to the pandemic. And 35% were unemployed at some point during the pandemic.

Pg. 45, 49

68%

are saving for retirement in a 401(k) or similar plan, and/or outside the workplace.

Pg. 86

Age 29

is the age (median) that self-employed workers who are investing for retirement started saving.

Pg. 86

\$42,000

is the amount saved in all household retirement accounts (estimated median).

Pg. 95

> 1 in 4

26% have a financial strategy for retirement in the form of a written plan.

Pg. 100

4 in 10

43% have a backup plan for income if forced into retirement sooner than expected.

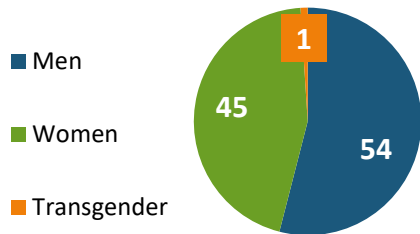
Pg. 101

Self-Employed Workers

Self-employed workers have an annual household income of \$76,000 (estimated median). They have been self-employed for 9 years (median). Thirty-six percent have a college degree or more. Thirty-three percent are Gen X, 28 percent are Millennials, 24 percent are Baby Boomers, 11 percent are Gen Z, and five percent are from the Silent Generation. Their median age is 46 years old.



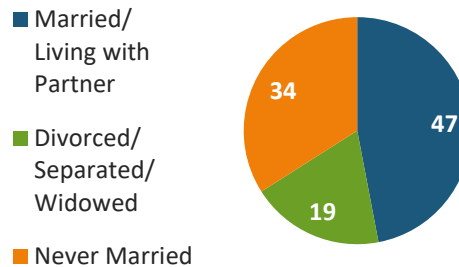
GENDER



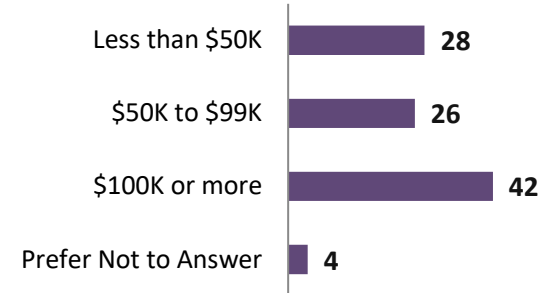
*Note: Responses not shown for "Other" (<1%) and "Prefer Not to Answer" (<1%).



MARITAL STATUS



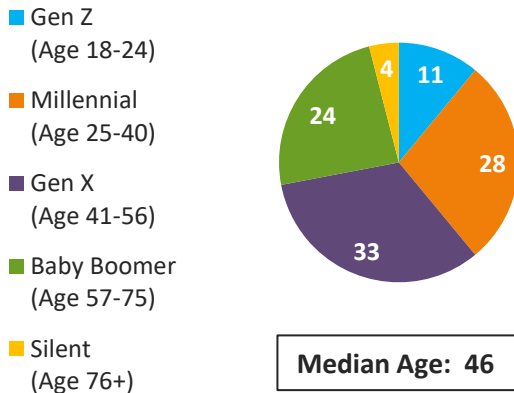
HOUSEHOLD INCOME



Estimated Median: \$76,000



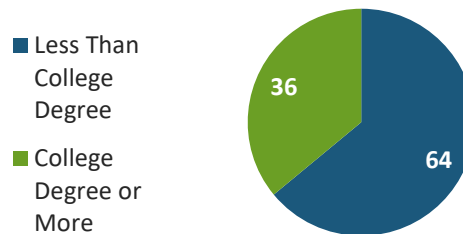
GENERATION



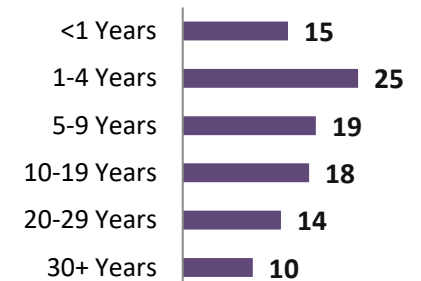
Median Age: 46



EDUCATION



TIME SELF-EMPLOYED



Median Years Self-Employed: 9

Note: Results may not total to 100% due to rounding.

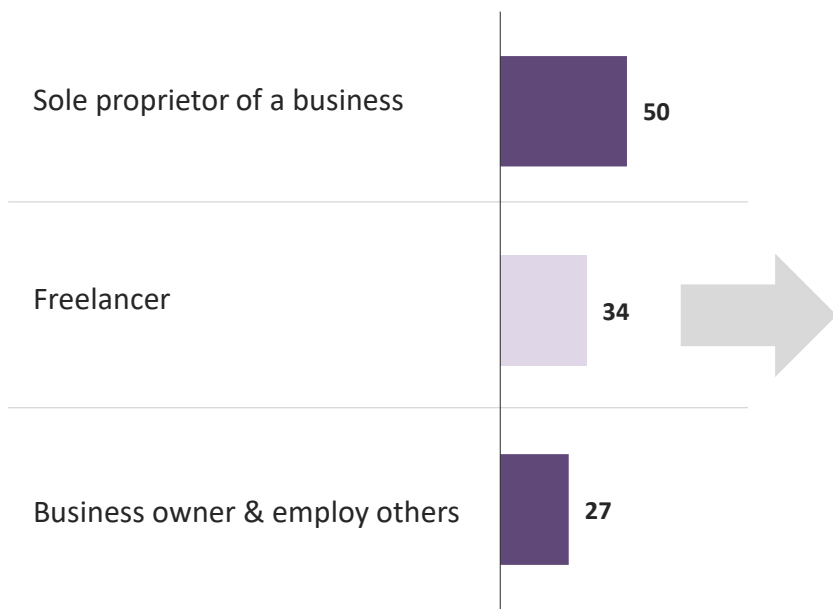
WORKFORCE BASE: ALL QUALIFIED RESPONDENTS.
Q5100SE. For how long have you been self-employed?

Self-Employed Workers: Employment Situation

Half of self-employed workers (50 percent) are sole proprietors, 34 percent are freelancers, and 27 percent own a business and employ others. Among freelancers, two-thirds are independent contractors (68 percent), while 27 percent participate in an internet platform or app (e.g., Uber, Lyft, TaskRabbit, Upwork, Postmates), and seven percent work through an agency or staffing company (e.g., Kelly, Adecco, ResourceMFG).

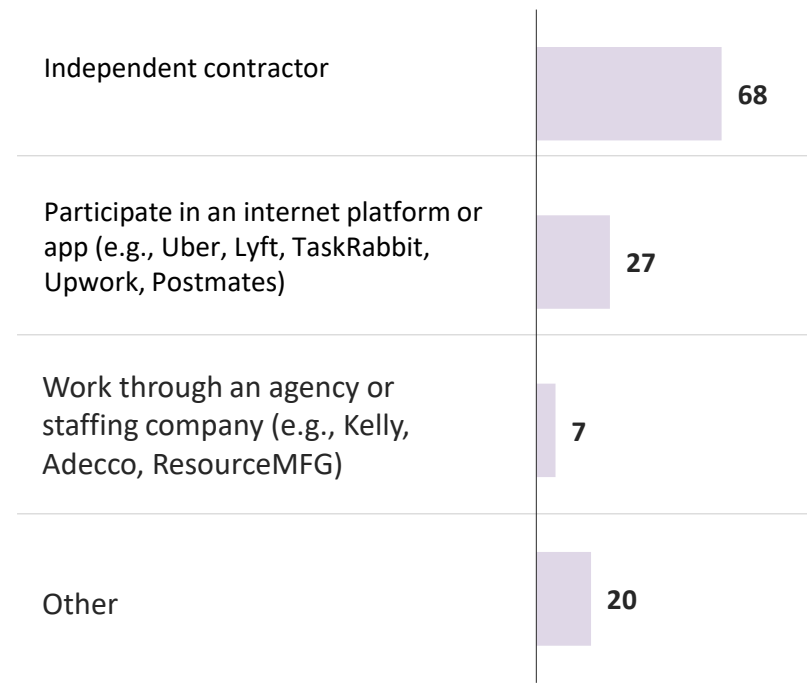
Which of the following best describes your employment situation?

Self-Employed (%)



Which of the following describes your employment situation?

Freelancers (%)



WORKFORCE BASE: 22ND ANNUAL SURVEY – SELF-EMPLOYED

Q1620SE. You indicated that you are self-employed. Which of the following best describes your employment situation? Select all.

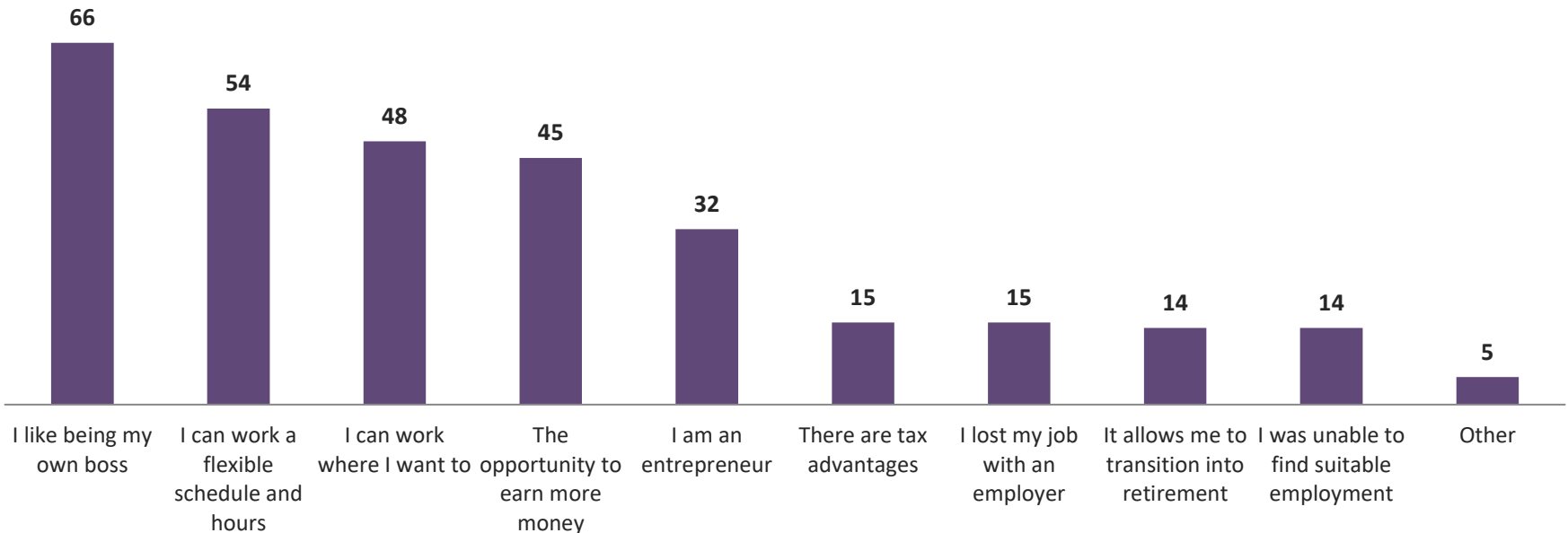
WORKFORCE BASE: 22ND ANNUAL SURVEY – SELF-EMPLOYED FREELANCER

Q1625SE. You indicated that you are a self-employed freelancer. Which of the following best describes your employment situation? Select all.

Self-Employed: Important Reasons for Becoming Self-Employed

The most often cited important reasons for becoming self-employed are “I like being my own boss” (66 percent), and “I can work a flexible schedule and hours” (54 percent). Almost half of the self-employed cited “I can work where I want to” (48 percent) and “the opportunity to earn more money” (45 percent) as important reasons. Nearly one-third indicate they are an entrepreneur (32 percent). Other notable reasons for becoming self-employed include tax advantages (15 percent) and ability to transition into retirement (14 percent).

Important Reasons for Becoming Self-Employed (%)



Unemployed Workers

Unemployed workers are struggling in terms of their health and financial well-being. Finding a gainful employment is requisite for them to begin strengthening their financial situation and start saving for the future. Without a paycheck or access to employer-sponsored benefits, it is difficult but not impossible for unemployed workers to save for retirement. As they seek employment opportunities, it is important for them to consider retirement benefits as part of the total compensation – and then take advantage of those benefits as soon as they are hired and eligible to do so. The sooner they start to save, the sooner they will be able to positively change their long-term outlook.

Half

50% indicate their life priorities have changed “a great deal” or “quite a bit” as a result of the pandemic.

Pg. 44

2/3

67% are concerned about their physical health – and 67% are concerned about their mental health.

Pg. 58, 59

58%

often feel anxious and depressed.

Pg. 56

6 in 10

60% have trouble making ends meet.

Pg. 56

\$Zero

is the amount of emergency savings to cover unexpected major financial setbacks (median).

Pg. 65

14%

are “very” confident that they will be able to fully retire with a comfortable lifestyle.

Pg. 84

1/3

33% expect to rely on Social Security as their primary source of income in retirement.

Pg. 83

72%

are concerned that Social Security will not be there for them when they are ready to retire.

Pg. 85

27%

are saving for retirement in a 401(k) or similar plan, and/or outside the workplace.

Pg. 86

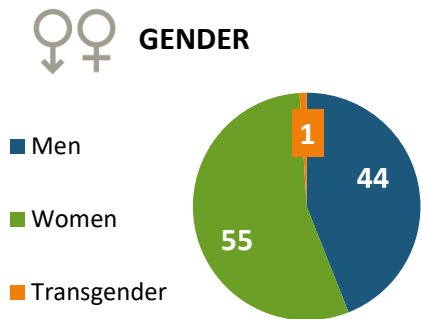
\$200

is the amount saved in all household retirement accounts (estimated median).

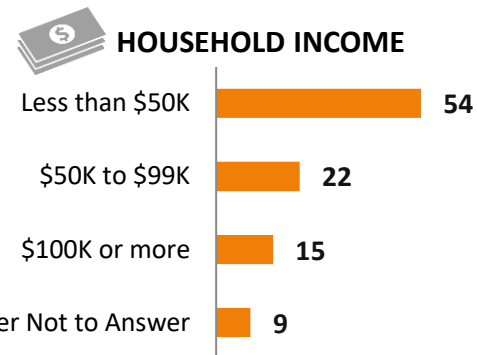
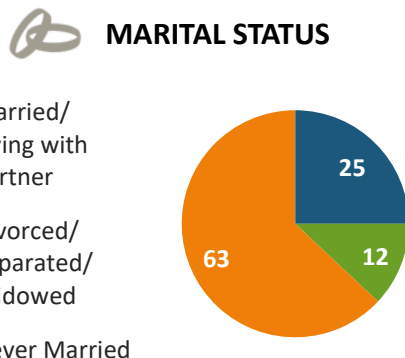
Pg. 95

Unemployed Workers

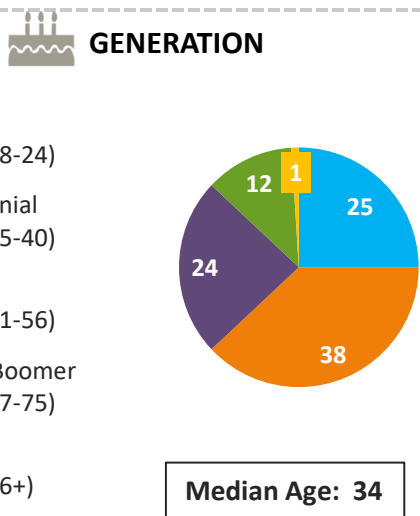
Unemployed workers have an annual household income of \$33,000 (estimated median). Sixty-four percent have been unemployed for less than two years. Thirteen percent have a college degree or more. Twenty-five percent are Gen Z, 38 percent are Millennials, 24 percent are Gen X, 12 percent are Baby Boomers, and 1 percent are from the Silent Generation. Their median age is 34 years old.



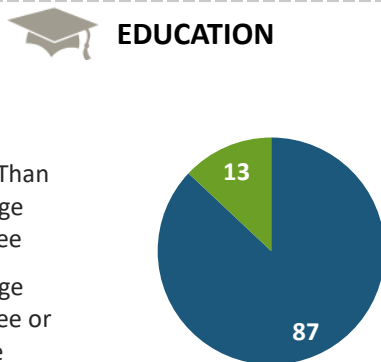
*Note: Responses not shown for "Other" (1%) and "Prefer Not to Answer" (0%).



Estimated Median: \$33,000



Median Age: 34



Note: Results may not total to 100% due to rounding.

Impacts of the Pandemic

How My Life Priorities Changed Because of the Pandemic...

I make sure we keep all doctors appointments and stay as clean as possible.

Employed Gen X Female

I've become much more aware of financial wellness and recognizing that I deserve more. I've also realized that I'd love nothing more than to be self employed, to be my own boss and have time & financial freedom while doing what I love.

Self-Employed Gen Z Male

Art is more important to me now than ever before.

Unemployed Boomer Male

After staying inside so much, it is harder to want to go outside. So much easier to just stay home.

Unemployed Silent Gen. Female

I'd have to say money, I barely make any now.

Self-Employed Gen X Male

I really want to work until I can retire and guarantee a stable source of money for me and my family for the future in case of another situation like the COVID pandemic.

Employed Millennial Male

It opened my eyes to the fact that I need to be financially prepared at all times as anything can happen at any time.

Employed Millennial Female

It's harder to find a job. The required duties are more extensive. The longevity of the job is not promising.

Unemployed Millennial Male

I would like to work from home now.

Unemployed Gen X Female

I'm a lot more invested in planning for the future. I'm no longer waiting on opportunities to come to me. I'm finding them.

Self-Employed Millennial Female

Content with being home with family and home being base for everything.

Employed Boomer Female

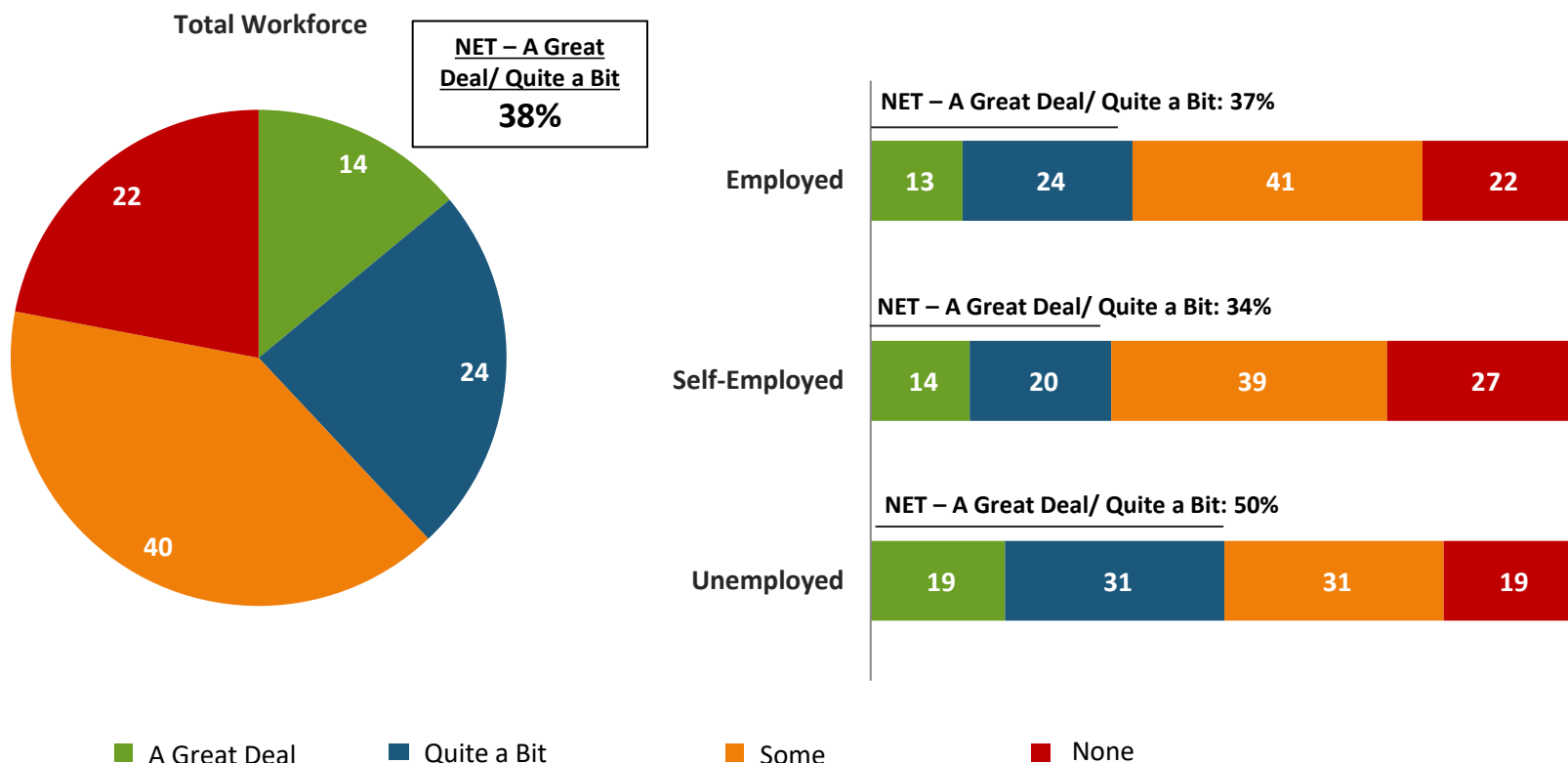
I realized that I need to be more thankful for good health, plan to reduce workload so I can enjoy family, travel, and life more

Self-Employed Boomer Male

Life Priorities Changed as a Result of the Pandemic

More than one in three workers (38 percent) indicate their life priorities changed “a great deal” (14 percent) or “quite a bit” (24 percent) as a result of the pandemic. Unemployed workers (50 percent) are significantly more likely to say their life priorities changed “a great deal” or “quite a bit,” compared with employed (37 percent) and self-employed workers (34 percent).

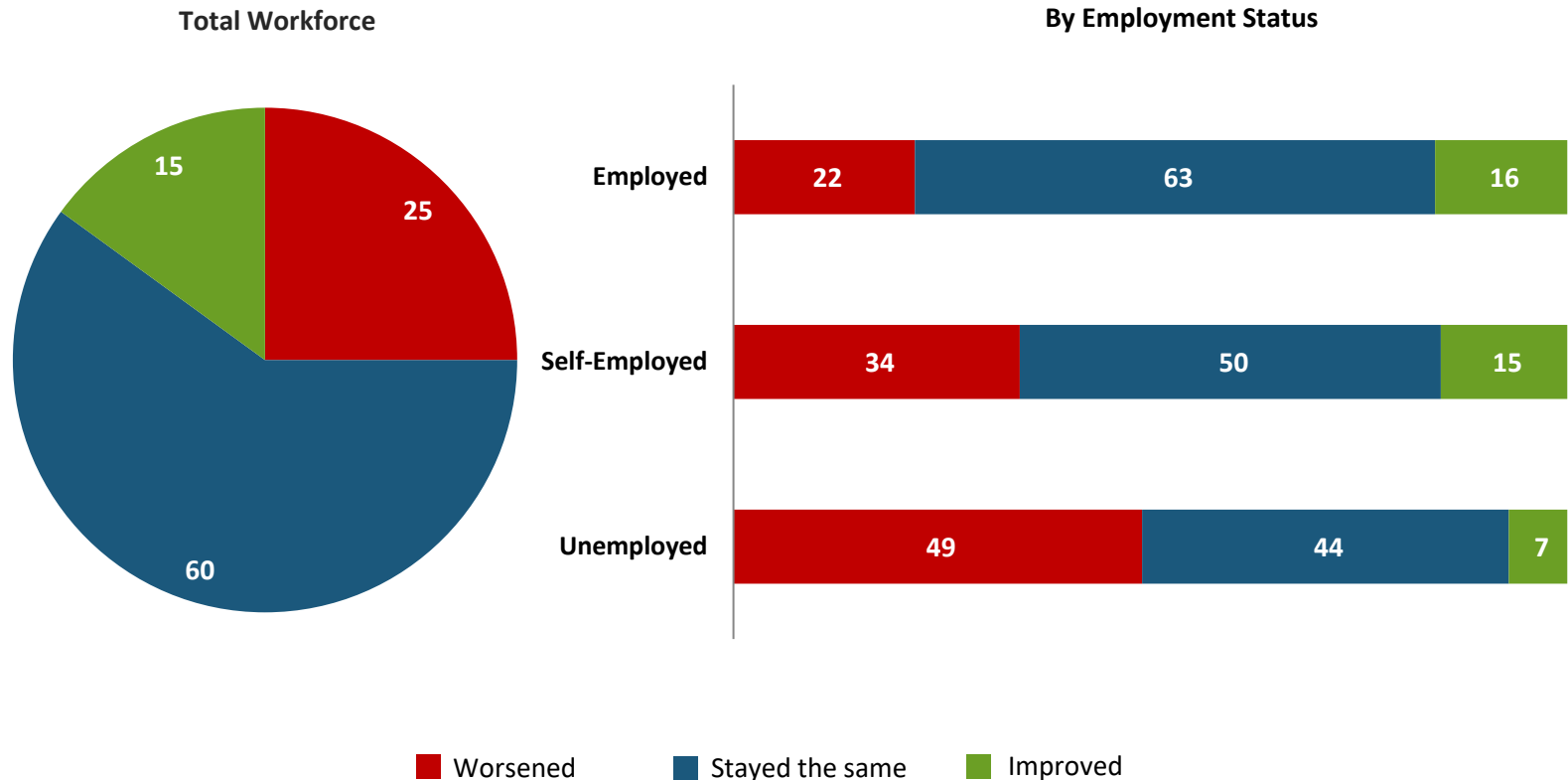
Life Priorities Changed as a Result of the Pandemic



Changes to Financial Situation in Light of the Pandemic

One in four workers (25 percent) indicate their financial situation has worsened in light of the pandemic; however, the survey findings vary dramatically by employment status. Forty-nine percent of the unemployed and 34 percent of the self-employed indicate their situation worsened, compared with only 22 percent of employed workers. In contrast, employed and self-employed are more likely to indicate their financial situation has improved (16 percent, 15 percent, respectively), compared with the unemployed (7 percent).

How has your financial situation changed in light of the coronavirus pandemic?(%)



■ Worsened
 ■ Stayed the same
 ■ Improved

Note: Results may not total to 100% due to rounding.

Employment Impacts Resulting From the Pandemic

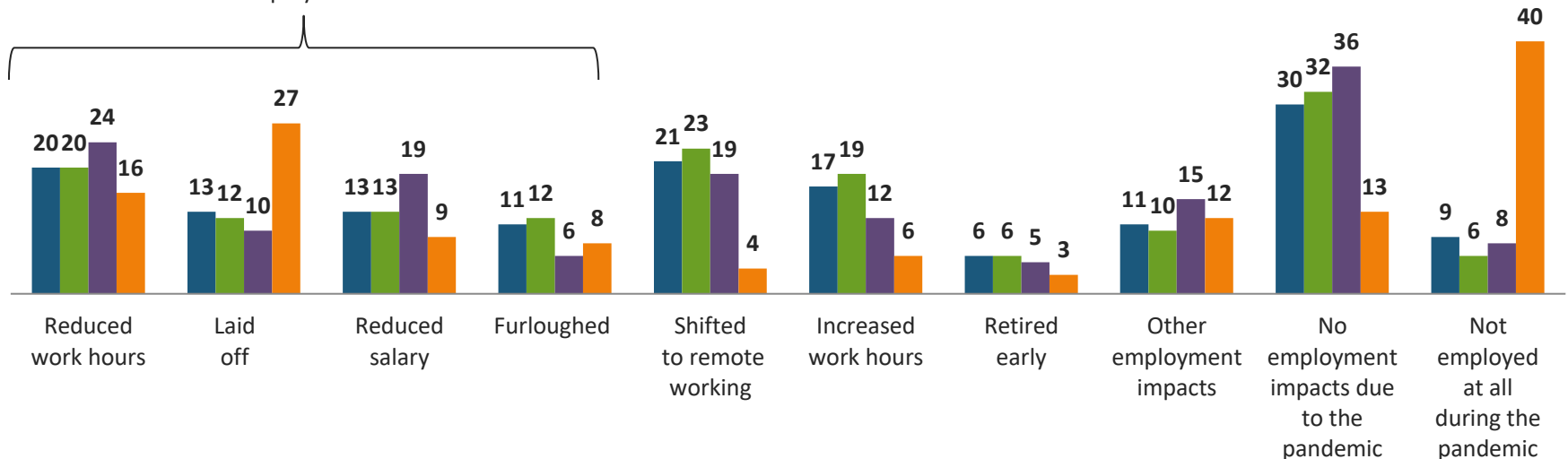
Six in 10 workers (60 percent) experienced one or more employment impacts resulting from the pandemic, including 38 percent who cited negative impacts. The most often cited impacts include shifting to remote work (21 percent), reduced work hours (20 percent), increased work hours (17 percent), reduced salaries (13 percent), layoffs (13 percent), and furloughs (11 percent). The unemployed were most likely to have been laid off (27 percent); the self-employed were most likely to have reduced work hours (24 percent) and reduced salaries (19 percent); and employed workers were most likely to have increased work hours (19 percent). Six percent of the workforce retired early.

Have you or your spouse/partner/significant other experienced any of the following employment impacts as a result of the coronavirus pandemic? Select all.

Myself (%)

NET – Personally negatively impacted

Total Workforce:	38%
Employed:	38%
Self-Employed:	37%
Unemployed:	39%



Spouse/Partner Experienced Employment Impacts

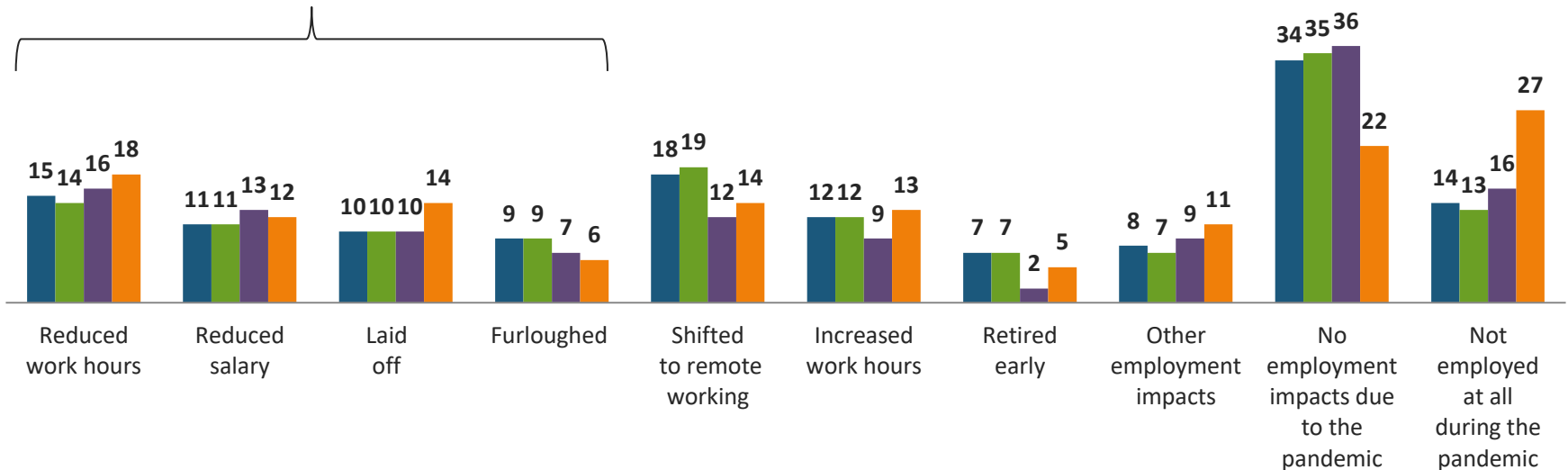
Among those workers who are married or have a partner, approximately half (52 percent) indicate their spouse/partner's employment was impacted as a result of the pandemic, including 30 percent who were negatively impacted. The most often cited employment impacts experienced by spouses/partners include shifting to remote work (18 percent), reduced work hours (15 percent), increased work hours (12 percent) reduced salaries (11 percent), layoffs (10 percent), and furloughs (9 percent). Seven percent of them retired early. Seven percent of them retired early.

Have you or your spouse/partner/significant other experienced any of the following employment impacts as a result of the coronavirus pandemic? Select all.

My Spouse/Partner (%)

NET – My Spouse/Partner Negatively Impacted

■ Total Workforce:	30%
■ Employed:	30%
■ Self-Employed:	30%
■ Unemployed:	32%



Employed Workers: Unemployment During the Pandemic

More than one in four employed workers (28 percent) were unemployed at some point during the pandemic, including 14 percent who were laid off, nine percent who were furloughed, three percent who quit voluntarily, one percent who retired early, and three percent who indicated “other.” Sixty percent of employed workers have been employed throughout the pandemic while 12 percent indicate they have never been looking for work during the pandemic.

Have you ever been unemployed during the pandemic?

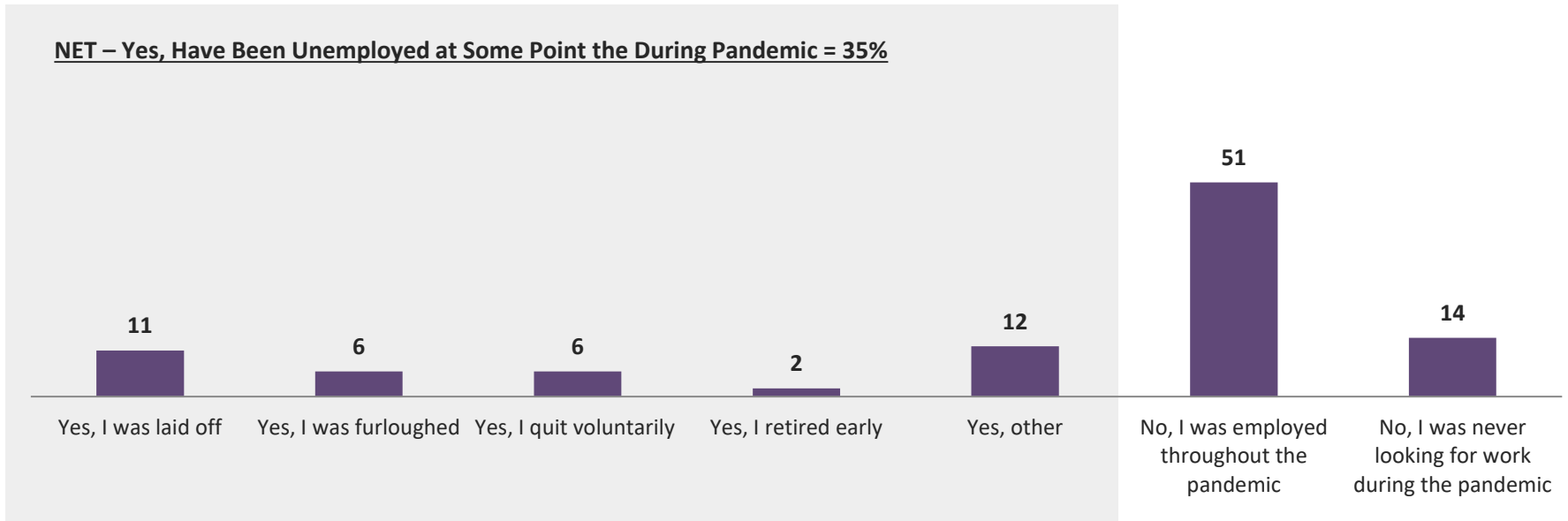
NET – Yes, Unemployed at Some Point During the Pandemic = 28%



Self-Employed: Unemployment During the Pandemic

More than one in three self-employed workers (35 percent) were unemployed at some point during the pandemic, including 11 percent who were laid off, six percent who were furloughed, six percent who quit voluntarily, two percent who retired early, and 12 percent who indicated “other.” Fifty-one percent of self-employed workers have been employed throughout the pandemic, while 14 percent indicate they were never looking for work during the pandemic.

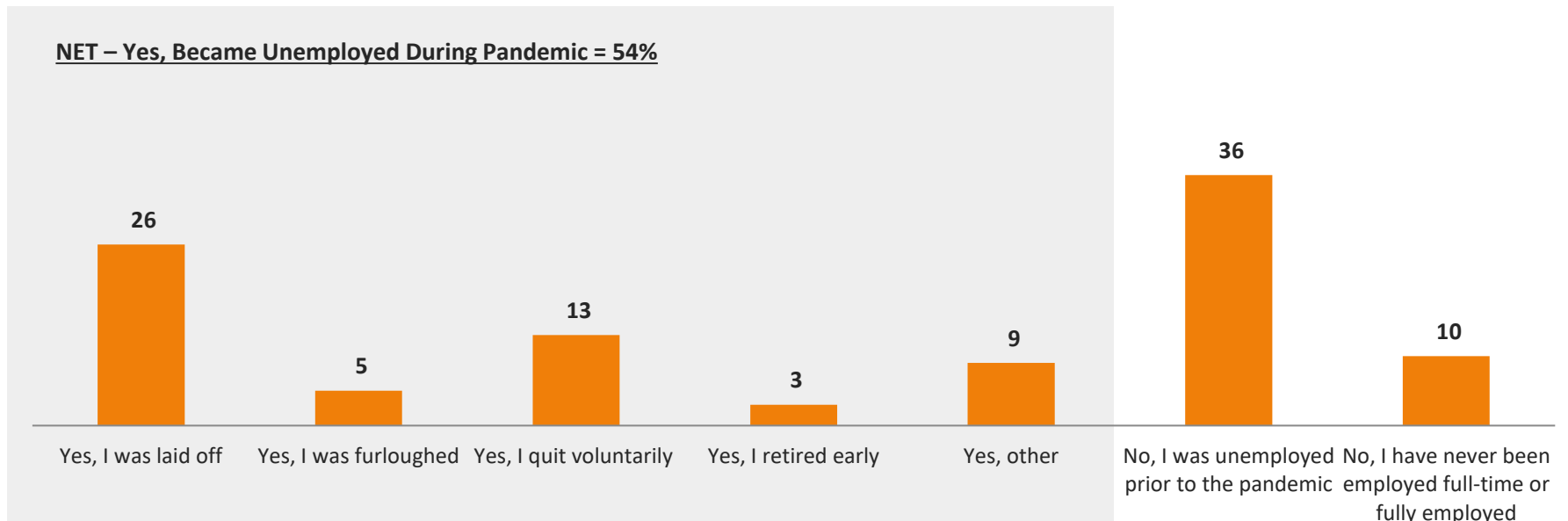
Have you ever been unemployed during the pandemic?



Unemployed Workers: Unemployment During the Pandemic

Fifty-four percent of unemployed workers became unemployed during the pandemic, including 26 percent who were laid off, five percent who were furloughed, 13 percent who quit voluntarily, three percent who retired early, and nine percent who indicated “other.” Thirty-six percent of unemployed workers were unemployed prior to the pandemic while 10 percent indicate they have never been employed full-time or fully employed.

Did you become unemployed during the pandemic?



Financial Adjustments Made

Over six in 10 workers (63 percent) made one or more adjustments to address pandemic-related financial strain. The most often cited adjustments include reducing day-to-day expenses (28 percent), dipping into savings (27 percent), accumulating new credit card debt (18 percent), borrowing money from others (17 percent), and foregoing health care (15 percent). The unemployed (72 percent) are significantly more likely to have made one or more adjustments than employed and self-employed workers (63 and 61 percent, respectively).

Which of the following, if any, have you done due to financial strain on you or members of your household because of the coronavirus pandemic? Select all (%)

	Total Workforce	Employed	Self-Employed	Unemployed
NET – One or More Adjustments Due to Financial Strain From the Pandemic	63	63	61	72
Reduced day-to-day expenses (e.g., groceries, cut cable, etc.)	28	27	30	36
Dipped into savings accounts	27	27	28	33
Accumulated new credit card debt	18	18	19	16
Borrowed money from others	17	16	19	30
Foregone health care (e.g., routine check ups, emergency care, medications, etc.)	15	16	14	16
Reduced or stopped contributing to retirement accounts	14	14	15	11
Moved (e.g., more affordable housing or location, sharing home with family or friends, etc.)	13	13	13	10
Stopped paying rent or mortgage	9	9	7	9
Other	1	1	2	1
None	37	37	39	28

WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q9015. Which of the following, if any, have you done due to financial strain on you or members of your household because of the coronavirus pandemic? Select all.

Sources of Funds Used During Unemployment

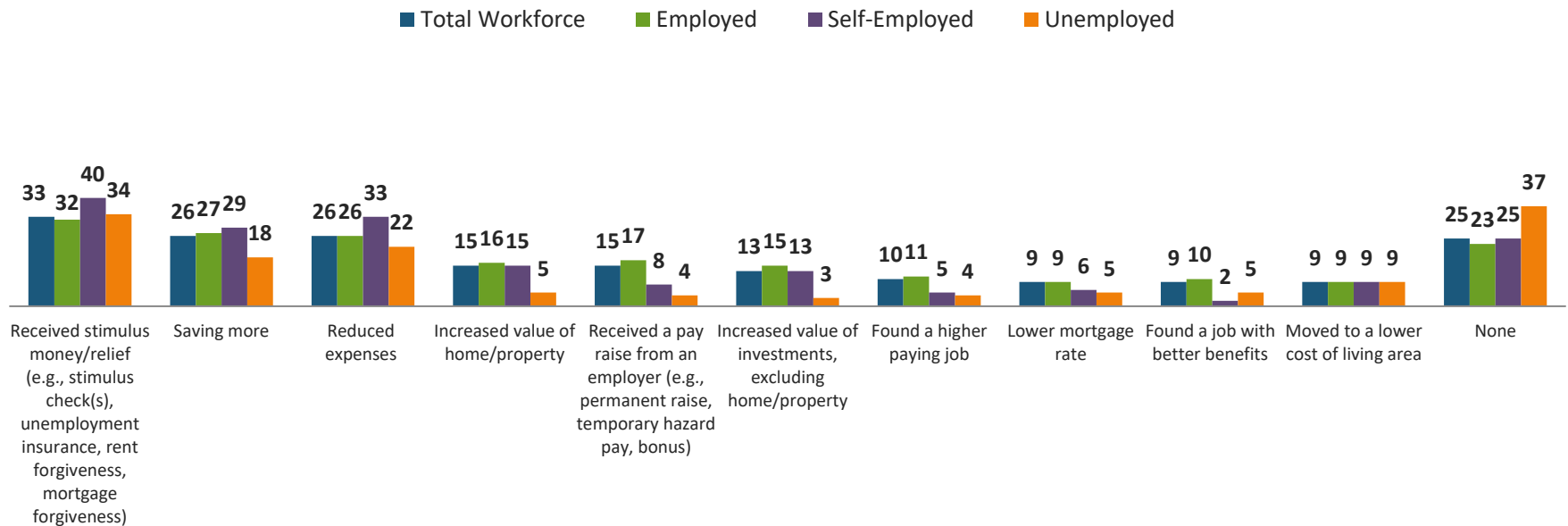
Workers who are unemployed or were unemployed at some point during the pandemic used many sources of funds during the time they were not working. The most frequently cited source is government/unemployment benefits (53 percent), including government stimulus money (36 percent) and/or unemployment benefits (33 percent). Many used savings, including 50 percent of self-employed, 46 percent of employed, and 42 percent of unemployed workers. One-third (32 percent) used credit cards, including 35 percent of employed, 30 percent of self-employed, and 28 percent of unemployed workers. Employed workers are more likely to have used a withdrawal from a retirement account (19 percent), compared with self-employed and unemployed workers (both 9 percent).

<u>Sources of Funds Used During Unemployment (%)</u>	Total Workforce	Employed	Self-Employed	Unemployed
Savings	45	46	50	42
NET – Government/Unemployment Benefits	53	56	61	45
Government stimulus money	36	36	44	33
Unemployment benefits	33	37	38	23
Credit cards	32	35	30	28
Significant other or spouse’s income	19	19	22	16
Loan from a friend or family member	18	16	16	21
Withdrawal from a retirement account such as a 401(k), 403(b) or IRA	15	19	9	9
Severance pay	7	9	3	3
Loan from a bank including home equity loan	7	9	6	2
Other sources	12	7	14	24

Positive Influences on Financial Situation

When asked what positively influenced their financial situation amid the pandemic, workers most often cited receiving stimulus money/relief (33 percent), saving more (26 percent), and reduced expenses (26 percent). Employed workers are more likely to cite job-related positive influences such as receiving a pay raise from an employer (17 percent), finding a higher paying job (11 percent), and finding a job with better benefits (10 percent). Employed and self-employed workers are more likely to cite investment-related positive influences such as an increased value of their home/property (16 percent, 15 percent, respectively) and an increased value of investments excluding their home/property (15 percent and 13 percent, respectively). Unemployed workers (37 percent) are more likely to cite “none,” compared with employed (25 percent) and self-employed workers (23 percent).

Positive Influences on Your Financial Situation Amid the Pandemic (%)



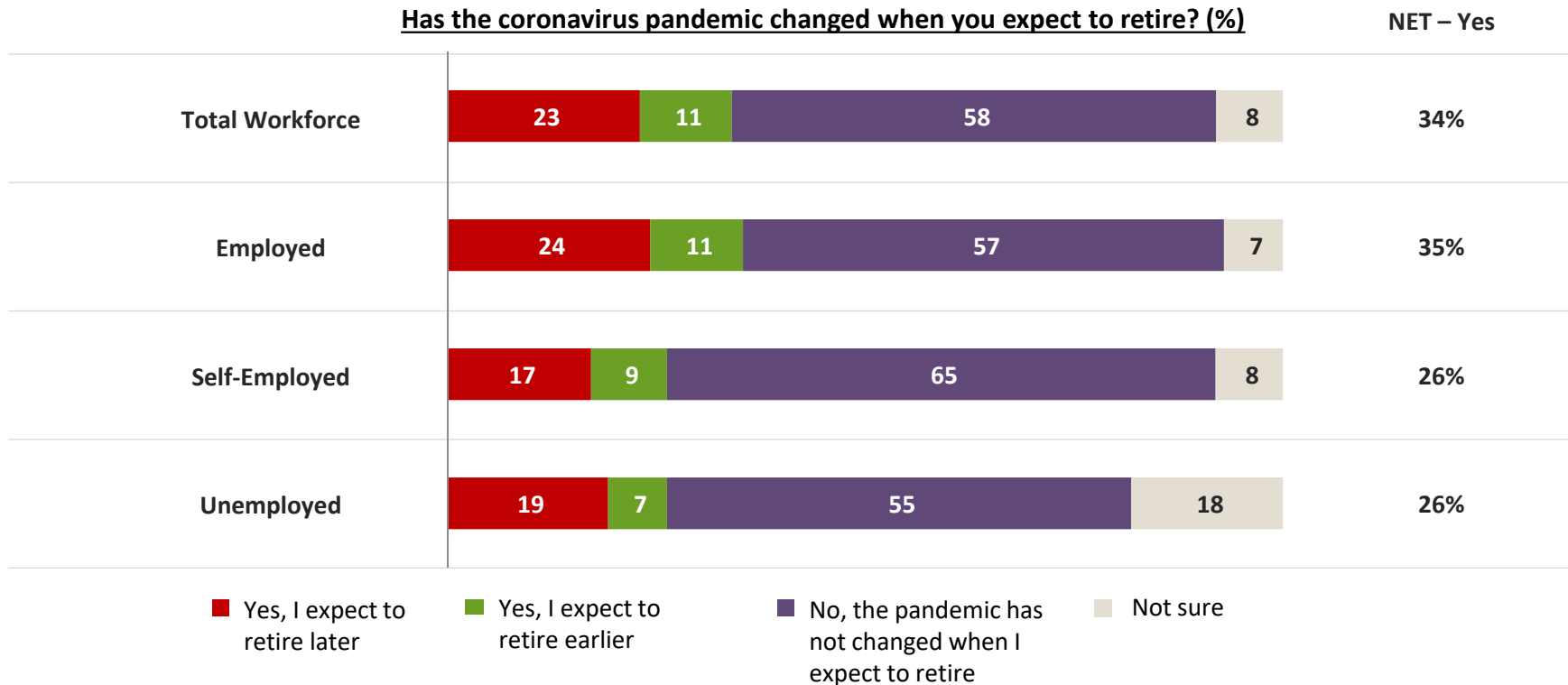
Note: Responses not shown for “Other” (Total Workforce: 1%, Employed: 1%, Self-Employed: 2%, Unemployed: 1%).

WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q9017. Which of the following, if any, have positively influenced your financial situation amid the pandemic? Select all.

Changes in Expected Retirement Age

About six in 10 workers (58 percent) say that the pandemic has not changed when they expect to retire, while 34 percent say that the pandemic has changed their expectations, including 23 percent who expect to retire later and 11 percent who expect to retire earlier. Employed workers (24 percent) are significantly more likely than self-employed workers (17 percent) to expect to retire later. A noteworthy 18 percent of the unemployed indicate they are “not sure” if the pandemic has changed when they expect to retire.



Note: Results may not total to 100% due to rounding.

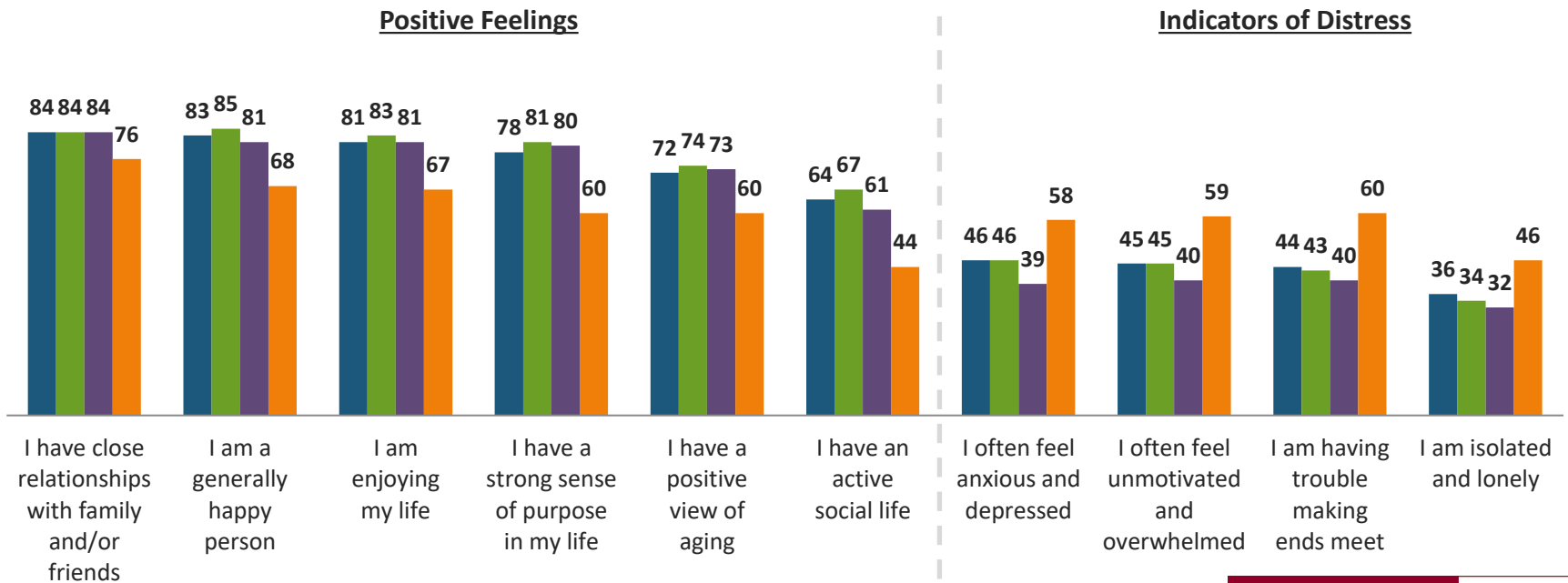
Happiness and Health

Outlook on Life

Approximately eight in 10 workers say they have close relationships with family and friends, are generally happy, are enjoying life, and have a strong sense of purpose. However, employed and self-employed workers are faring much better than the unemployed. For example, employed and self-employed workers are significantly more likely than the unemployed to say they are generally happy people (85 percent, 81 percent, 68 percent, respectively). Alarming, 60 percent of the unemployed say they have trouble making ends meet, compared with 43 percent of employed and 40 percent of self-employed workers. Many unemployed say they often feel unmotivated and overwhelmed (59 percent), anxious and depressed (58 percent), and are isolated and lonely (46 percent).

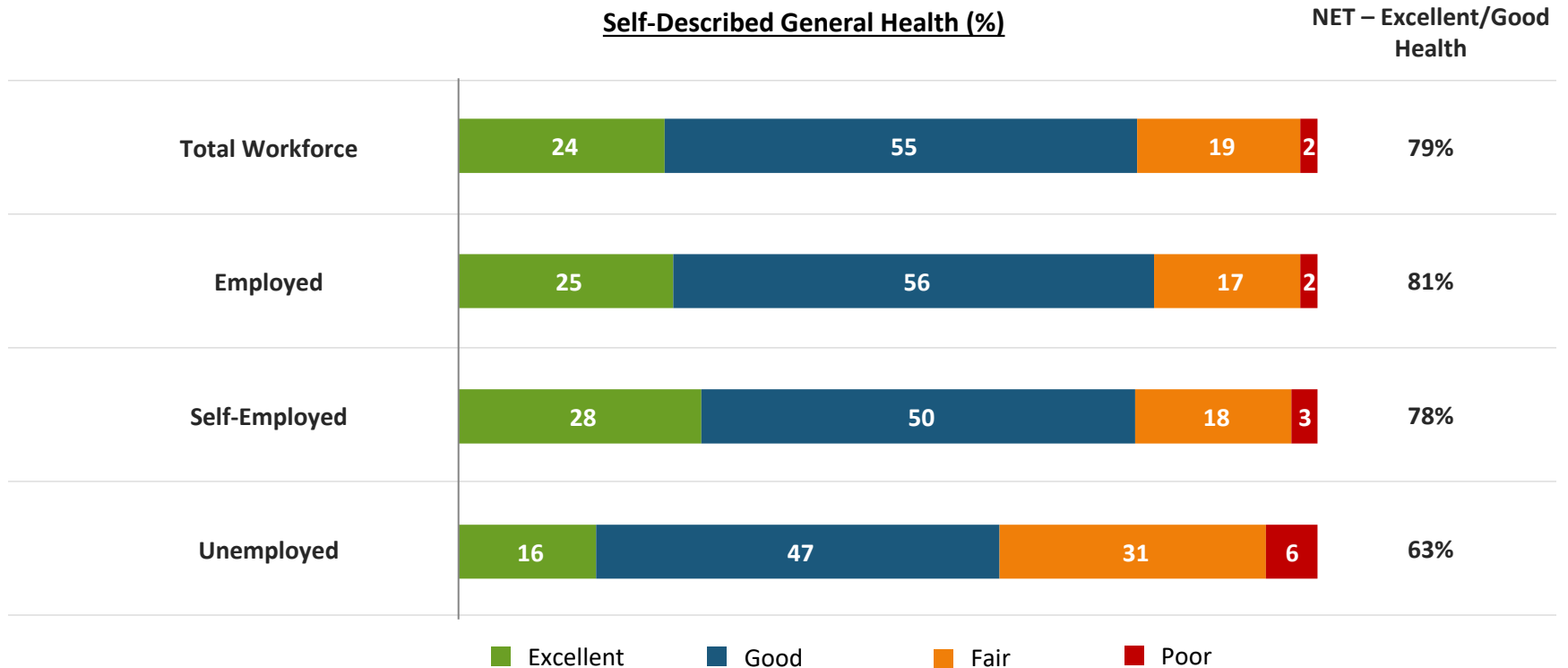
How much do you agree or disagree with the following statements? (NET – Strongly/Somewhat Agree) (%)

■ Total Workforce ■ Employed ■ Self-Employed ■ Unemployed



Self-Described General Health

About eight in 10 workers (79 percent) describe their general health as being “excellent” (24 percent) or “good” (55 percent). Self-employed and employed workers are significantly more likely than unemployed workers to describe their health as “excellent” (28 percent, 25 percent, 16 percent, respectively). Employed workers (56 percent) are more likely to describe their health as “good,” compared with the self-employed and unemployed (50 percent, 47 percent, respectively). The unemployed are more likely than self-employed and employed workers to describe their health as being “fair” (31 percent, 18 percent, 17 percent, respectively). Six percent of unemployed workers indicate their general health is “poor.”



Note: Results may not total to 100% due to rounding.

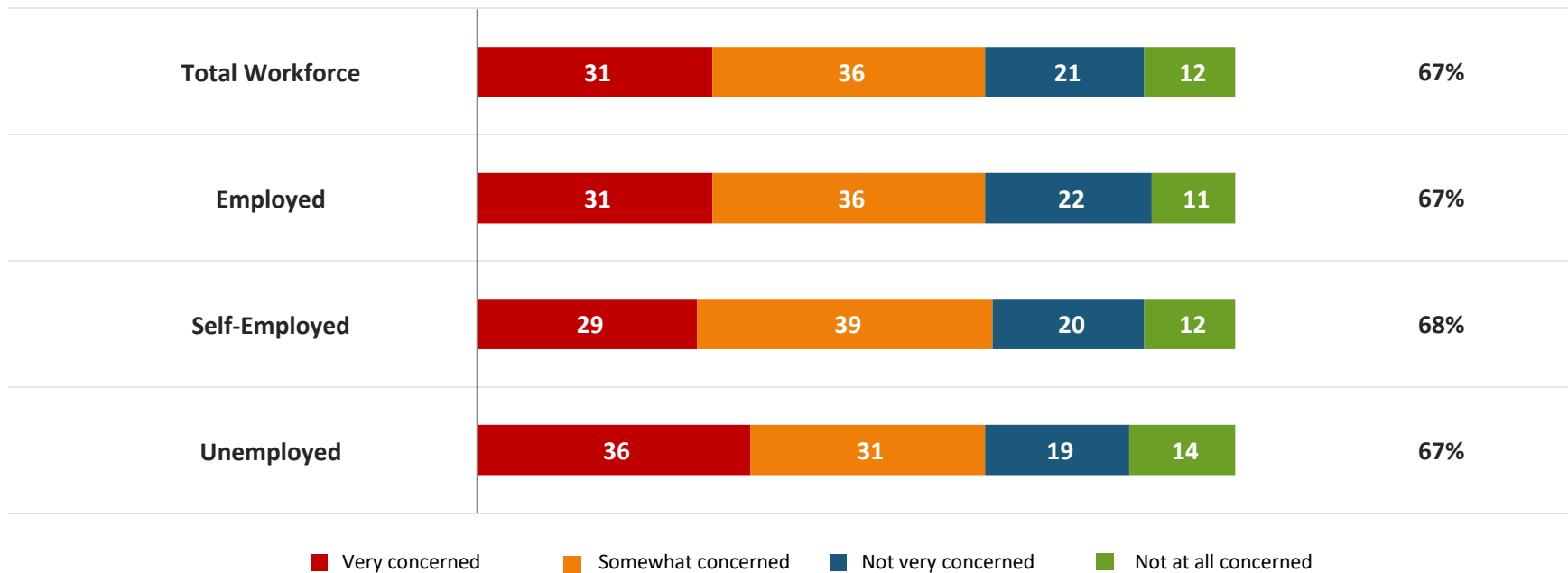
Concerns About Physical Health

Two in three workers (67 percent) are concerned about their physical health, including 31 percent who are “very concerned” and 36 percent who are “somewhat concerned.” Unemployed workers (36 percent) are somewhat more likely to be “very concerned” than employed and self-employed workers (31 percent, 29 percent, respectively).

How concerned are you about maintaining each of the following? (%)

Physical Health

NET – Very/Somewhat Concerned



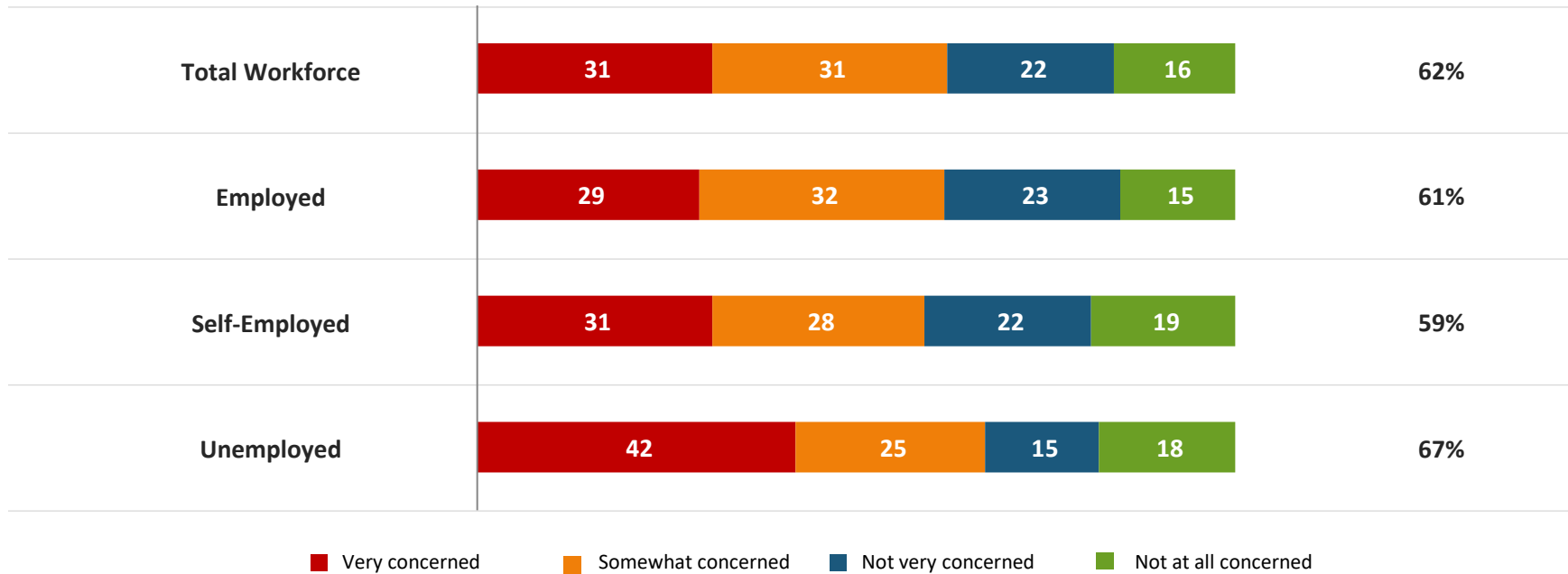
Concerns About Mental Health

More than three in five workers (62 percent) are concerned about their mental health, including 31 percent who are “very concerned” and 31 percent who are “somewhat concerned.” Unemployed workers (42 percent) are significantly more likely to be “very concerned” than self-employed and employed workers (31 and 29 percent, respectively).

How concerned are you about maintaining each of the following? (%)

Mental Health

NET – Very/Somewhat Concerned



Note: Results may not total to 100% due to rounding.

Engagement in Healthy Activities

Most workers are taking steps to safeguard their health, but many could be doing more. For example, only 51 percent indicate they are eating healthy, 50 percent are exercising regularly, 46 percent are taking COVID-19 precautions, and 45 percent are getting plenty of rest. Even fewer are doing things such as seeking medical attention when needed (38 percent), managing stress (38 percent), and avoiding harmful substances (34 percent). Employed and self-employed workers are generally more likely to be taking steps than unemployed workers, with 15 percent of the unemployed say they are doing “nothing.”

<u>Engaging in Health-Related Activities on a Consistent Basis (%)</u>	Total Workforce	Employed	Self-Employed	Unemployed
Eating healthy	51	51	62	41
Exercising regularly	50	50	59	36
Taking COVID-19 precautions (e.g., wearing a mask, physically distancing, washing hands, etc.)	46	46	51	40
Getting plenty of rest	45	44	54	41
Maintaining a positive outlook	41	41	52	31
Getting recommended COVID vaccination	39	39	42	32
Seeking medical attention when needed	38	37	51	28
Managing stress	38	37	52	37
Getting routine physicals and recommended health screenings	34	35	43	24
Avoiding harmful substances (e.g., cigarettes, alcohol, illicit drugs, etc.)	34	33	47	30
Socializing with family and friends remotely (e.g., phone calls, online platforms, etc.)	33	32	44	32
Getting recommended vaccinations (e.g., flu, shingles, MMR)	32	33	38	25
Practicing mindfulness and meditation	21	21	32	16
Considering long-term health when making lifestyle decisions	20	20	27	16
Seeking mental health support when needed	19	19	23	17
Other	1	1	1	1
Nothing	5	4	5	15

Current Financial Situation

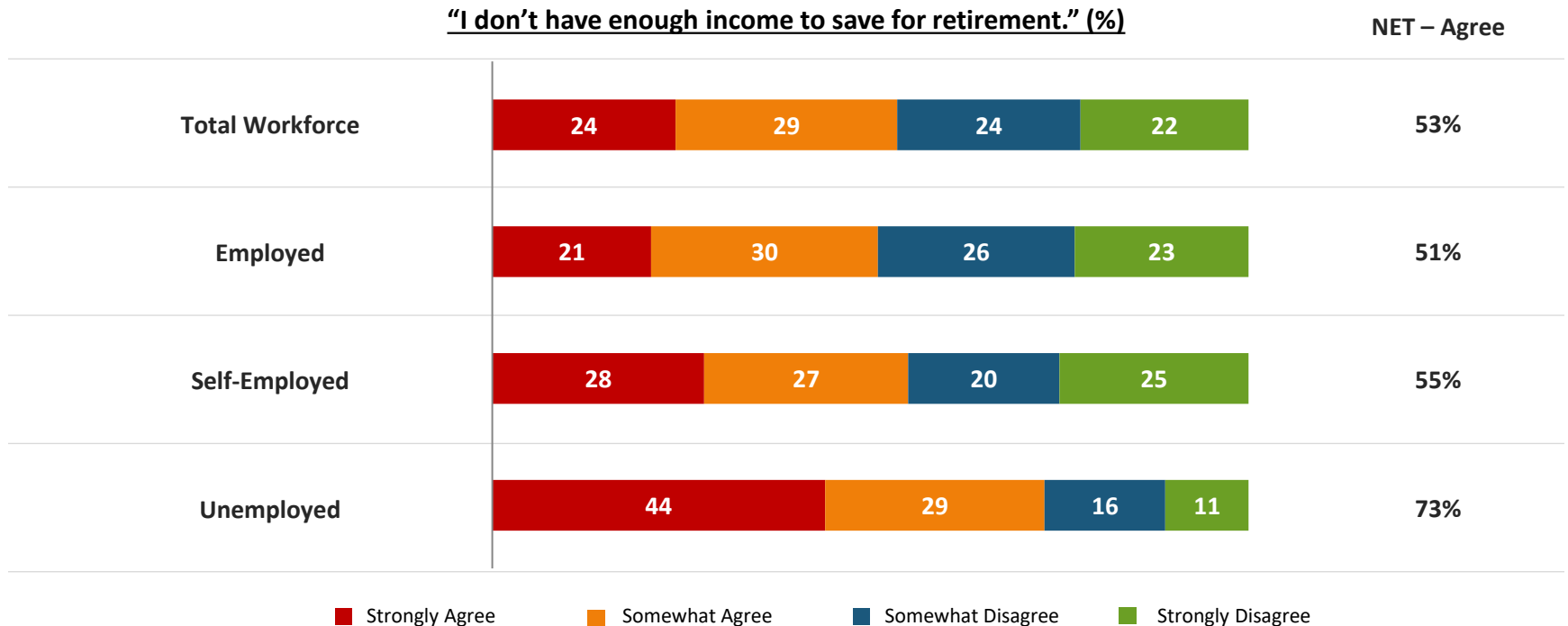
Current Financial Priorities

The most often cited financial priority among workers is saving for retirement (52 percent); however, the survey findings vary dramatically among employed (56 percent), self-employed (48 percent), and unemployed workers (21 percent). Self-employed and employed workers (both 40 percent) are also more likely than the unemployed (29 percent) to cite building emergency savings. Many workers cite paying off one or more types of debt as a priority (55 percent), including employed (58 percent), self-employed (47 percent), and unemployed workers (36 percent). More than half of the unemployed (51 percent) indicate they are just getting by to cover basic living expenses.

<u>Financial Priorities Right Now (%)</u>	Total Workforce	Employed	Self-Employed	Unemployed
Saving for retirement	52	56	48	21
NET – Paying off debt	55	58	47	36
Paying off credit card	35	37	29	24
Paying off mortgage	24	26	20	9
Paying off student loans	14	15	11	6
Paying off other consumer debt	12	12	10	9
Building emergency savings	39	40	40	29
Supporting children	29	30	23	21
Just getting by to cover basic living expenses	28	25	33	51
Paying health care expenses	21	22	18	13
Contributing to an education fund (for my children, grandchildren, or other)	17	18	15	7
Creating an inheritance or financial legacy	16	16	24	8
Supporting parents	12	13	9	13
Paying long-term care expenses	9	10	7	7
Supporting grandchildren	5	5	5	2
Other	7	5	7	18

Insufficient Income to Save for Retirement

Fifty-three percent of workers agree with the statement, “I don’t have enough income to save for retirement,” including 24 percent who “strongly agree” and 29 percent who “somewhat agree.” Unemployed workers (44 percent) are significantly more likely to “strongly agree,” compared with self-employed (28 percent) and employed workers (21 percent).



Note: Results may not total to 100% due to rounding.

WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q930. How much do you agree or disagree with each of the following statements regarding retirement?

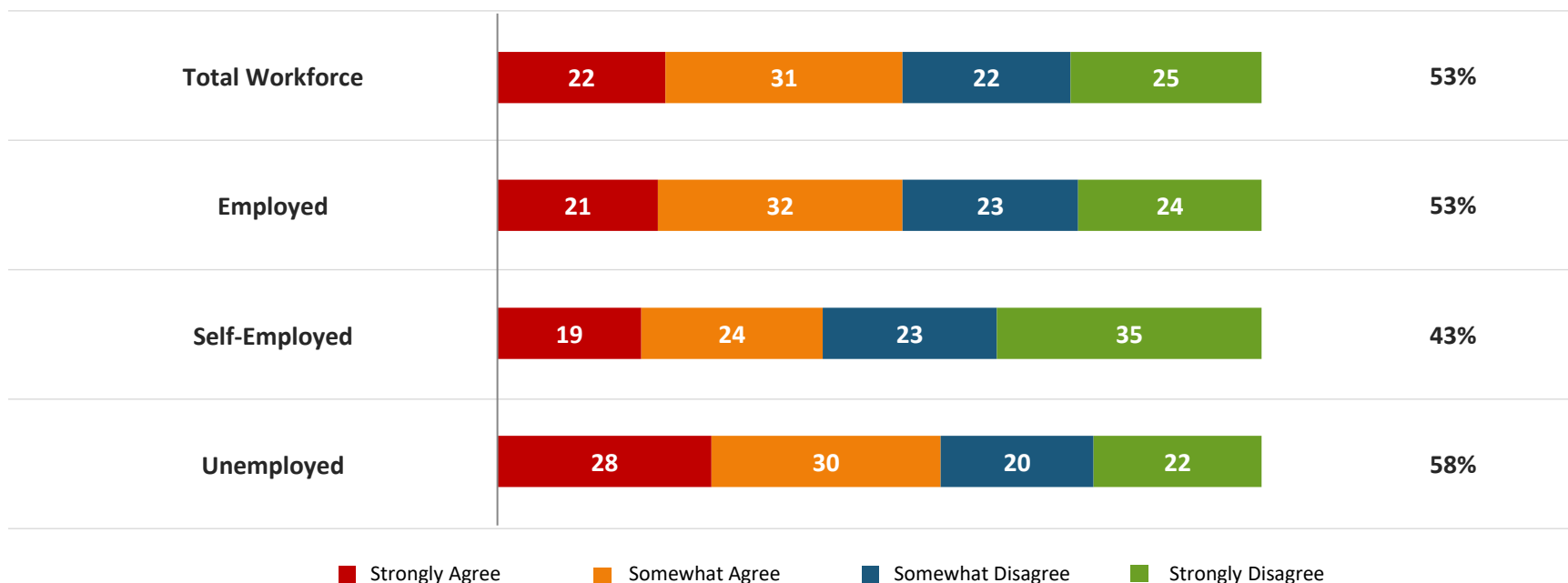
“I don’t have enough income to save for retirement.”

Interference of Debt in Ability to Save for Retirement

Fifty-three percent of workers agree with the statement, “Debt is interfering with my ability to save for retirement,” including 22 percent who “strongly agree” and 31 percent who “somewhat agree.” Unemployed (58 percent) and employed workers (53 percent) are more likely to agree, compared with self-employed workers (43 percent). Of concern, 28 percent of unemployed, 21 percent of employed, and 19 percent of self-employed workers “strongly agree” that debt is interfering with their ability to save for retirement.

“Debt is interfering with my ability to save for retirement.” (%)

NET – Agree



■ Strongly Agree
 ■ Somewhat Agree
 ■ Somewhat Disagree
 ■ Strongly Disagree

Note: Results may not total to 100% due to rounding.

WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

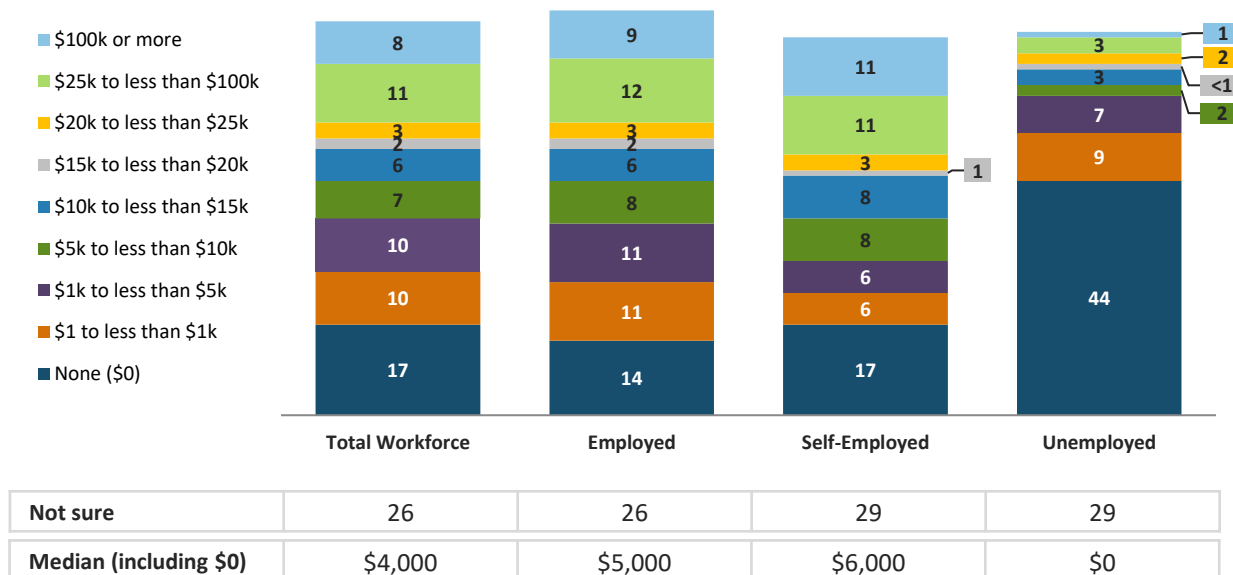
Q930. How much do you agree or disagree with each of the following statements regarding retirement?

“Debt is interfering with my ability to save for retirement.”

Estimated Emergency Savings

Emergency savings are needed to cover financial setbacks, such as unemployment, medical bills, home repairs, auto repairs, and other unexpected expenses. Having emergency savings could also help prevent workers from dipping into their retirement savings to cover such expenses. However, workers have alarmingly low emergency savings – they have set aside only \$4,000 (median). Self-employed (\$6,000) and employed workers (\$5,000) report having saved more than the unemployed (\$0) (medians).

2021 Total Household Emergency Savings (%)



Note: Results may not total to 100% due to rounding.

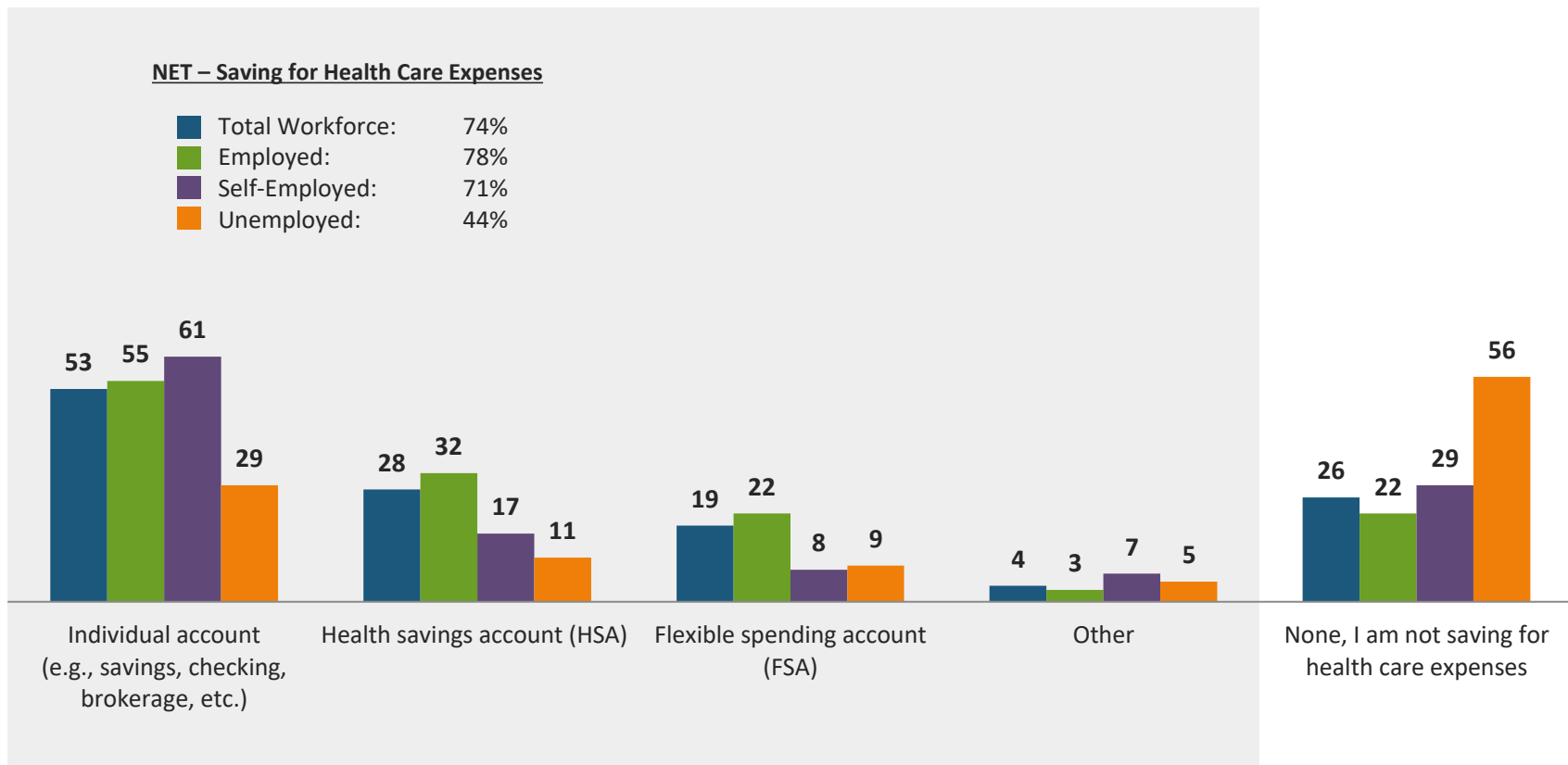
WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q2825. How much do you have in emergency savings specifically to cover the cost of unexpected major financial setbacks (e.g., unemployment, medical bills, home repairs, auto repairs, other)?

Health Care Savings

Seventy-four percent of workers are saving for healthcare expenses, including employed (78 percent), self-employed (71 percent), and unemployed workers (44 percent). The most often cited savings vehicle is individual accounts (e.g., savings, checking, brokerage, etc.) (53 percent) followed by health savings accounts (HSAs) (28 percent), and flexible spending accounts (FSAs) (19 percent). An alarming 56 percent of the unemployed are not saving for health care expenses.

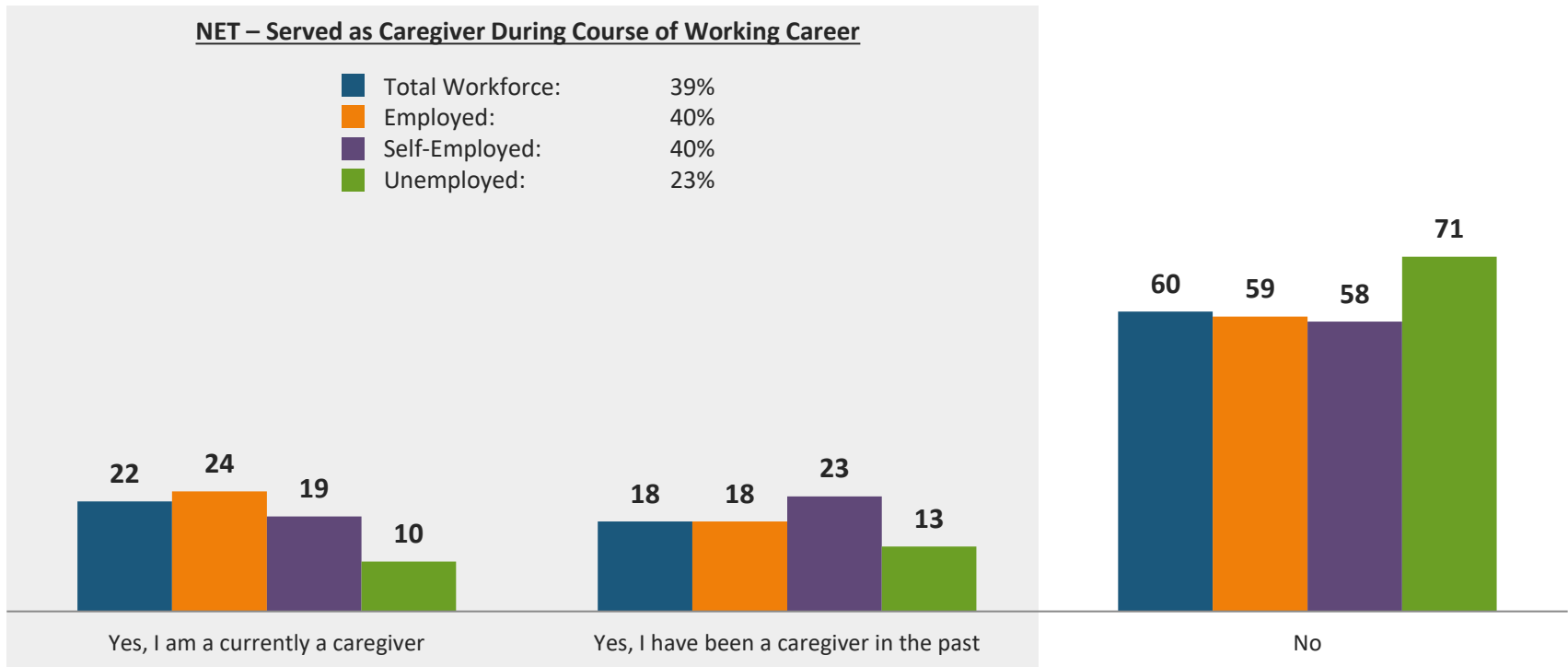
In which of the following accounts, if any, are you saving or have funds saved to pay for health care expenses? Select all. (%)



Caregiving Experience

Caregiving for a loved one can put the caregiver’s own health, employment, and financial situation at risk. During their careers, almost 4 in 10 workers (39 percent) are serving and/or have served as a caregiver for a relative or friend, including 22 percent who are currently caregivers and 18 percent who have been a caregiver in the past. Employed and self-employed workers (24 percent and 19 percent, respectively) are more likely than the unemployed (10 percent) to be currently serving as caregivers.

Are you currently serving or have you served as a caregiver for a relative or friend during the course of your working career (excluding parenting responsibilities)? (%)



Note: Responses not shown for “Not sure” (Total Workforce: 2%, Employed: 1%, Self-Employed: 2%, and Unemployed: 6%).

WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q2500x1. Are you currently serving or have you served as a caregiver for a relative or friend during the course of your working career (excluding parenting responsibilities)? Select all.

Work Adjustments as a Result of Becoming a Caregiver

Among workers who are serving and/or have served as caregivers, 83 percent made one or more work-related adjustments as a result of becoming a caregiver (e.g., missed days of work, reduced hours, began working an alternative schedule). Employed workers (86 percent) are significantly more likely to have made work adjustments compared with the self-employed and unemployed (68 percent, 58 percent, respectively).

Work-related adjustments as a result of becoming a caregiver (%)	Total Workforce	Employed	Self-Employed	Unemployed
NET- Made one or more adjustments	83	86	68	58
Missed days of work	28	30	26	13
Began to work remotely	23	25	20	8
Began working an alternative schedule	23	23	24	12
Reduced my hours	22	22	25	17
Took on additional hours to pay for cost of caregiving	19	20	14	15
Taken an unpaid leave of absence from my employer	17	18	6	11
Taken a paid leave of absence from my employer	16	17	9	4
Reduced job responsibilities or switched to a less demanding job	15	16	13	14
Started working as a contractor, freelancer, or in the gig economy	15	15	22	10
Transferred to a different location within my company	10	11	4	6
Quit a job	9	9	10	12
Forgone a promotion	9	9	4	9
Retired early	2	1	2	4
None	11	10	21	13
I was not working when I started caregiving	7	4	11	29

Note: Responses not shown for "Other" (Total Workforce: 1%, Employed: 1%, Self-Employed: 1%, Unemployed: 1%).

Visions and Expectations of Retirement

Age Planning to Live

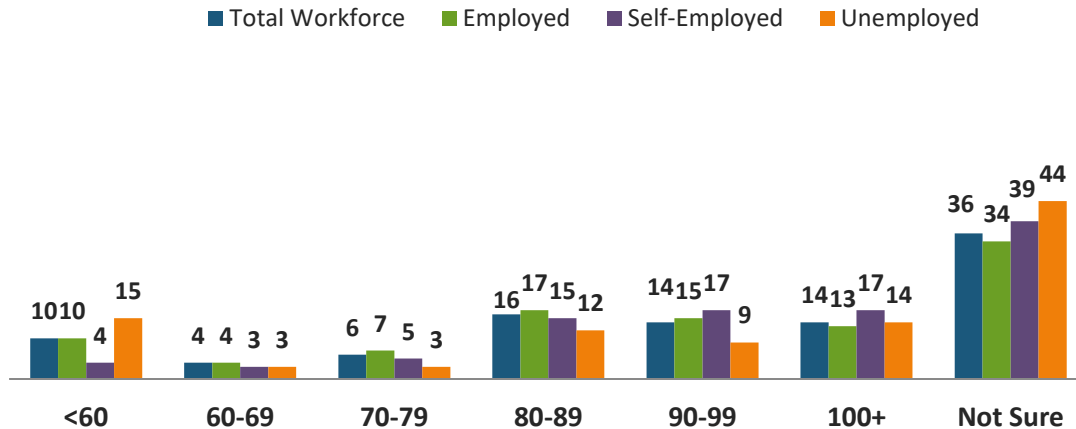
Today’s workers are planning to live to age 85 (median) – among those who provided an age when they were asked how long they are planning to live. Self-employed are planning to live to an older age than employed and unemployed workers (age 90, age 85, age 85, respectively) (medians).

Fourteen percent of workers are planning to live to age 100 or older with the self-employed (17 percent) being slightly more likely to be planning do so than unemployed and employed workers (14 percent, 13 percent respectively). Thirty-six percent of workers are “not sure.”

An implication for increased longevity is potentially more time spent in retirement. The survey compared workers’ planned life expectancy with their expected retirement age and found that they plan to spend 25 years in retirement (median).

In stark contrast and on a sobering note, an alarming 18 percent of the unemployed are planning to live to less than 70 years old.

What age are you planning to live to? (%)



	Median Age	Median Years in Retirement
Total Workforce	85	25
Employed	85	25
Self-Employed	90	30
Unemployed	85	30

*Median years in retirement calculation includes those who said, “don’t plan to retire.”

WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q2850. What age are you planning to live to?

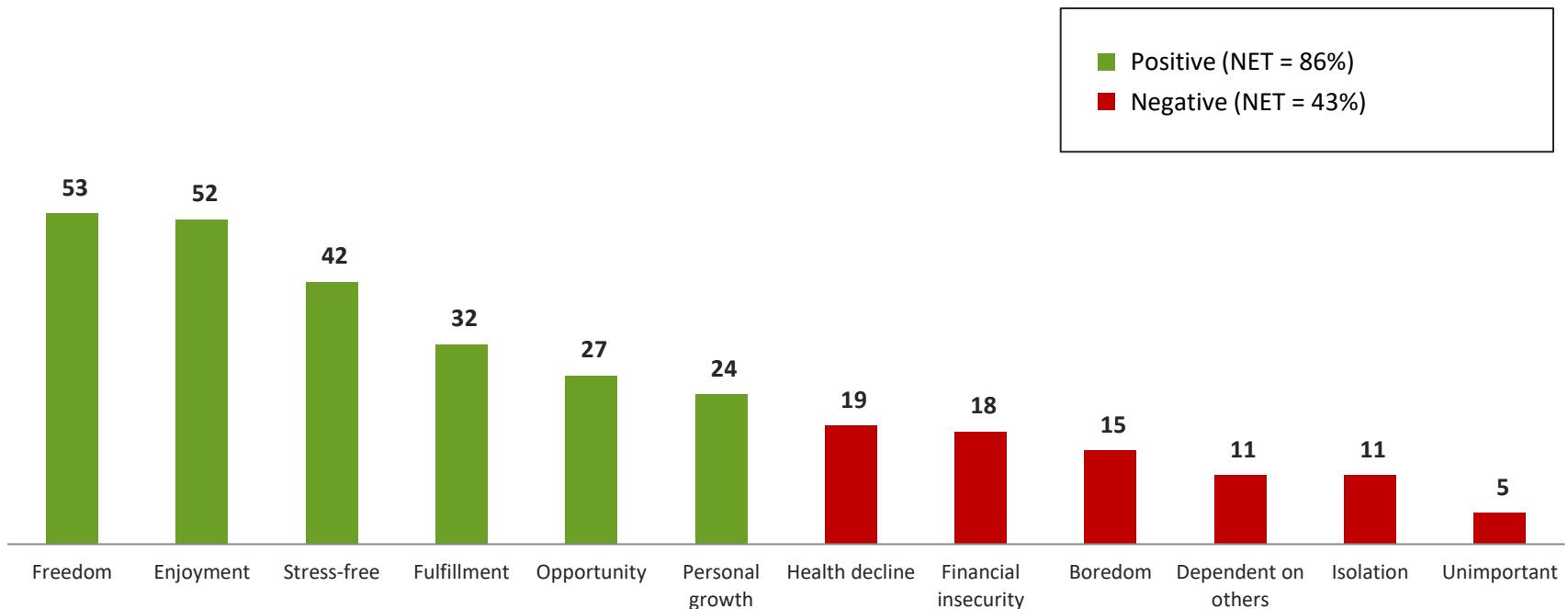
Q910. At what age do you expect to retire?

Positive and Negative Word Associations With “Retirement”

Eighty-six percent of workers cite positive word associations with “retirement,” compared with only 43 percent who cite negative words. Workers’ top three positive word associations are “freedom” (53 percent), “enjoyment” (52 percent), and “stress-free” (42 percent), while the top three negative word associations are “health decline” (19 percent), “financial insecurity” (18 percent), and “boredom” (15 percent).

Which of the following do you personally associate with the word “retirement”?

Total Workforce (%)

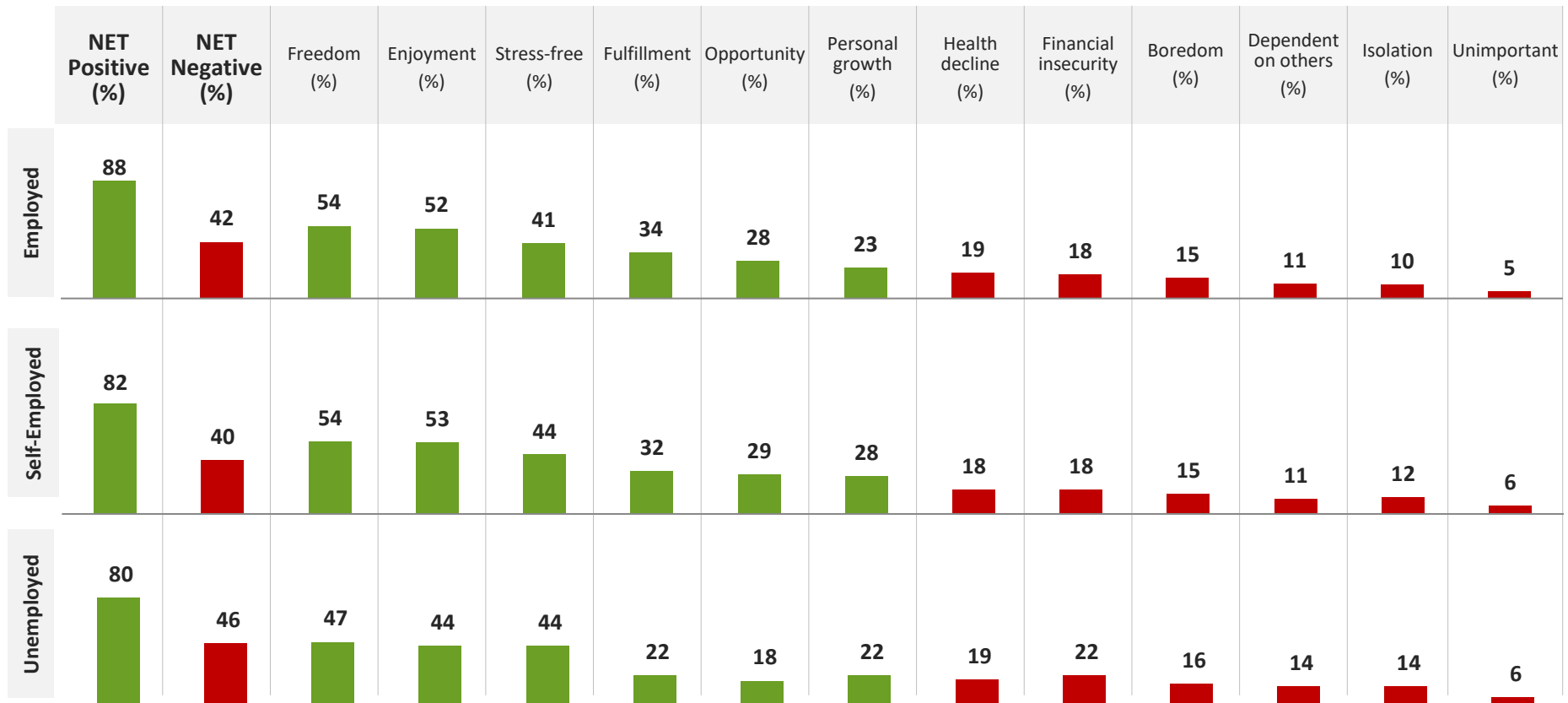


Note: Responses not shown for “Other” (Total Workforce: 1%).

WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS
 Q5000. Which of the following do you personally associate with the word “retirement”? Select all.

Word Associations With “Retirement” by Employment Status

Employed workers (88 percent) are significantly more likely than self-employed and unemployed workers (82 percent, 80 percent, respectively) to cite one or more positive word associations with retirement. However, employed, self-employed, and unemployed workers are similarly likely to have one or more negative word associations (42 percent, 40 percent, 46 percent, respectively).



Note: Responses not shown for “Other” (Employed: 1%, Self-Employed: 5%, Unemployed: 2%).

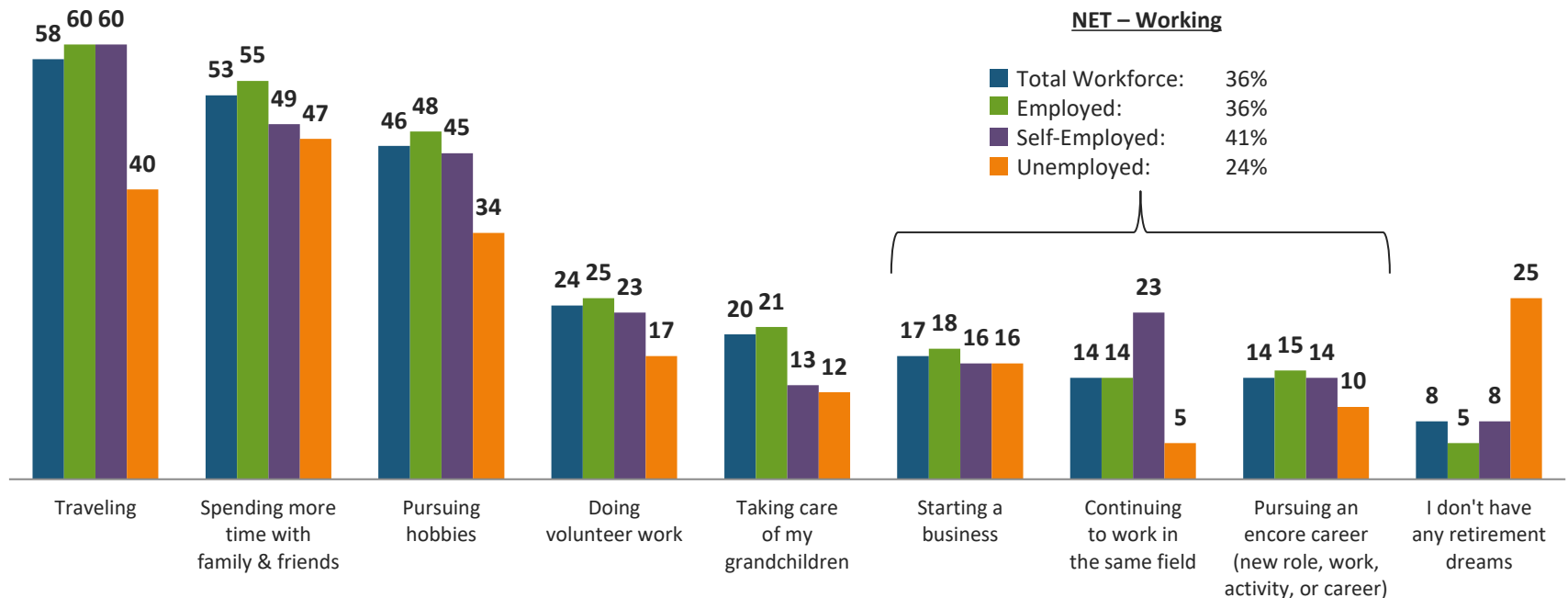
WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q5000. Which of the following do you personally associate with the word “retirement”? Select all.

Retirement Dreams

Most workers cite one or more retirement dreams (92 percent). However, employed and self-employed workers (95 percent, 92 percent, respectively) are significantly more likely to cite having retirement dreams than unemployed workers (75 percent). Across the workforce, the most often cited retirement dreams are traveling (58 percent), spending more time with family and friends (53 percent), and pursuing hobbies (46 percent). Unemployed workers are generally less likely than employed and self-employed workers to cite these specific dreams. Thirty-six percent of workers dream of doing some form of paid work in retirement. Self-employed and employed workers (41 percent, 36 percent, respectively) are more likely than unemployed workers (24 percent) to dream of doing so. A noteworthy 23 percent of self-employed workers dream of continuing to work in the same field in retirement.

How do you dream of spending your retirement? (%)

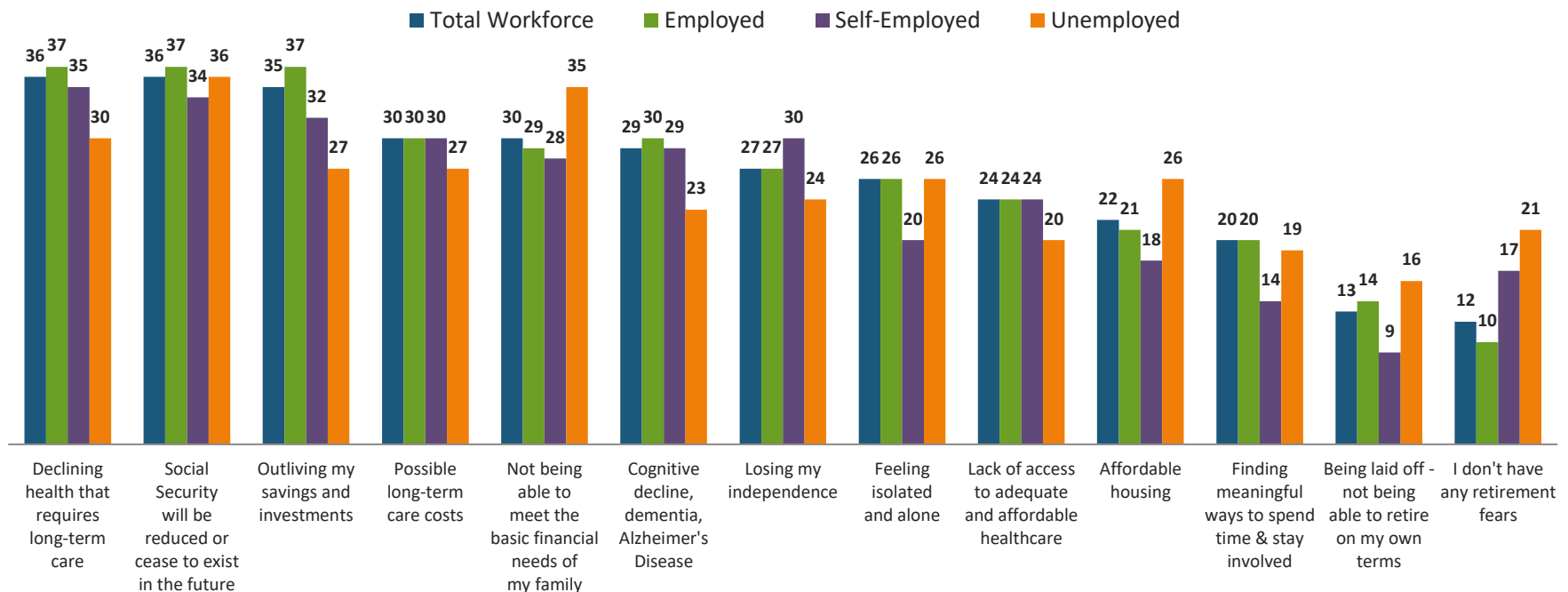


Note: Responses not shown for "Other" (Total Workforce: 1%, Employed: 1%, Self-Employed: 4%, Unemployed: 1%).

Retirement Fears

Almost nine in 10 workers (88 percent) cite one or more items as their greatest retirement fears, ranging from health to financial-related. Employed workers (90 percent) are significantly more likely than self-employed and unemployed workers to cite such fears (83 percent, 79 percent, respectively). The most often cited retirement fears are declining health that requires long-term care (36 percent), Social Security will be reduced or cease to exist in the future (36 percent), outliving their savings and investments (35 percent), possible long-term care costs (30 percent), not being able to meet the financial needs of their family (30 percent), and cognitive decline, dementia, Alzheimer’s Disease (29 percent).

What are your greatest fears about retirement? (%)



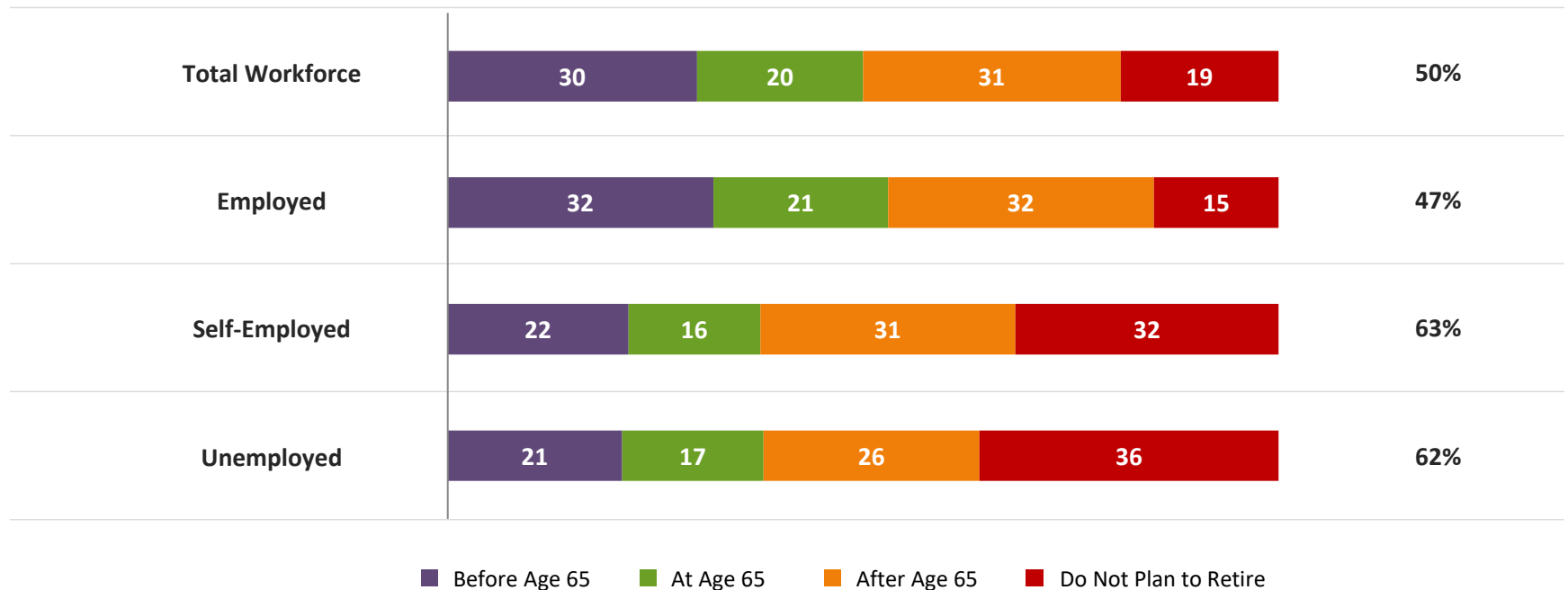
Note: Responses not shown for "Other" (Total Workforce: <1%, Employed: <1%, Self-Employed: 1%, Unemployed: 1%).

Expected Retirement Age

Fifty percent of workers expect to work past age 65 (31 percent) or do not plan to retire (19 percent). Self-employed and unemployed workers (63 percent, 62 percent, respectively) are significantly more likely than employed workers (47 percent) to have these expectations. Notably, employed workers (32 percent) are significantly more likely than self-employed and unemployed workers (22 percent, 21 percent, respectively) to expect to retire before age 65. In contrast, more than three in 10 unemployed and self-employed workers (36 percent, 32 percent, respectively) do not plan to retire, compared with just 15 percent of employed workers.

At what age do you expect to retire? (%)

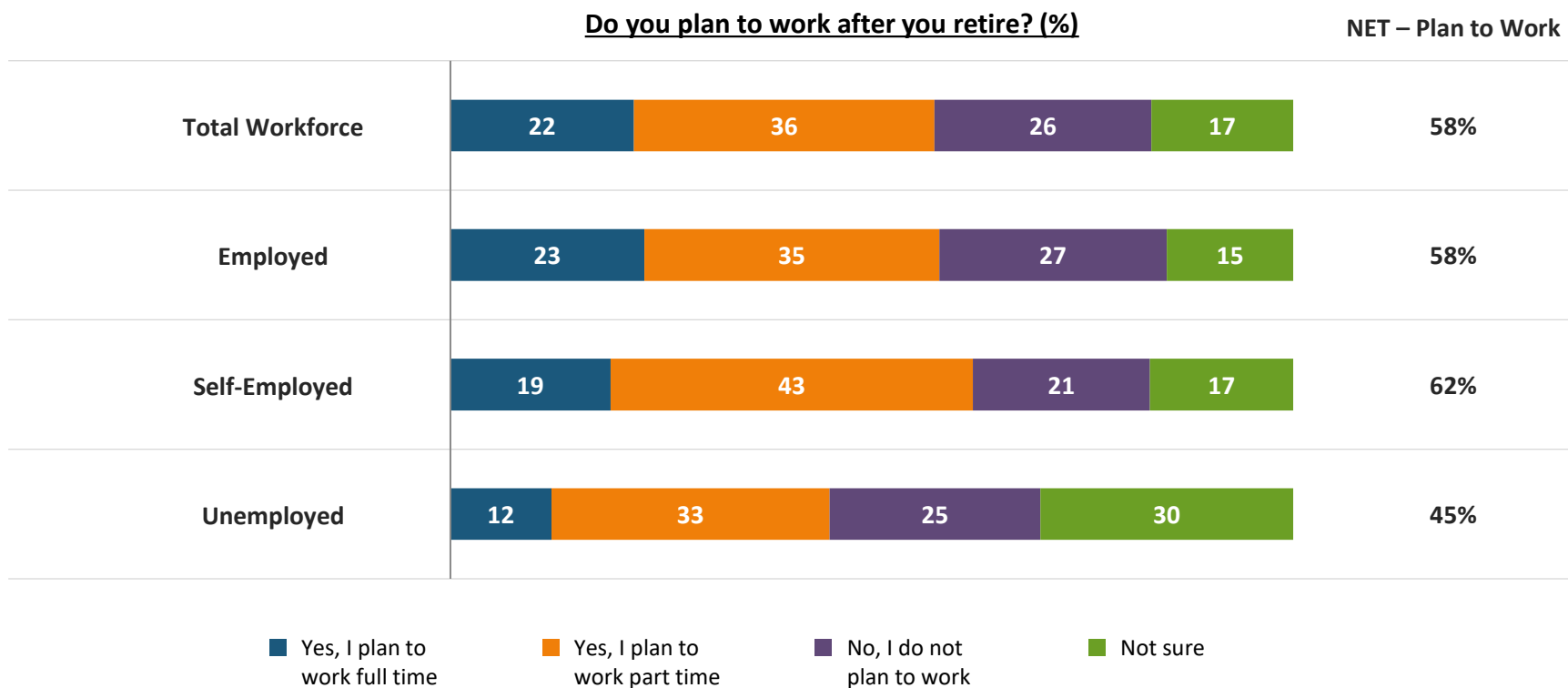
NET – After Age 65 or Do Not Plan to Retire



Note: Results may not total to 100% due to rounding.

Plans to Work in Retirement

Almost six in 10 workers plan to work at least part-time in retirement (58 percent). Self-employed and employed workers (62 percent, 58 percent, respectively) are significantly more likely to have plans of doing so than unemployed workers (45 percent). A noteworthy 30 percent of the unemployed are “not sure.”



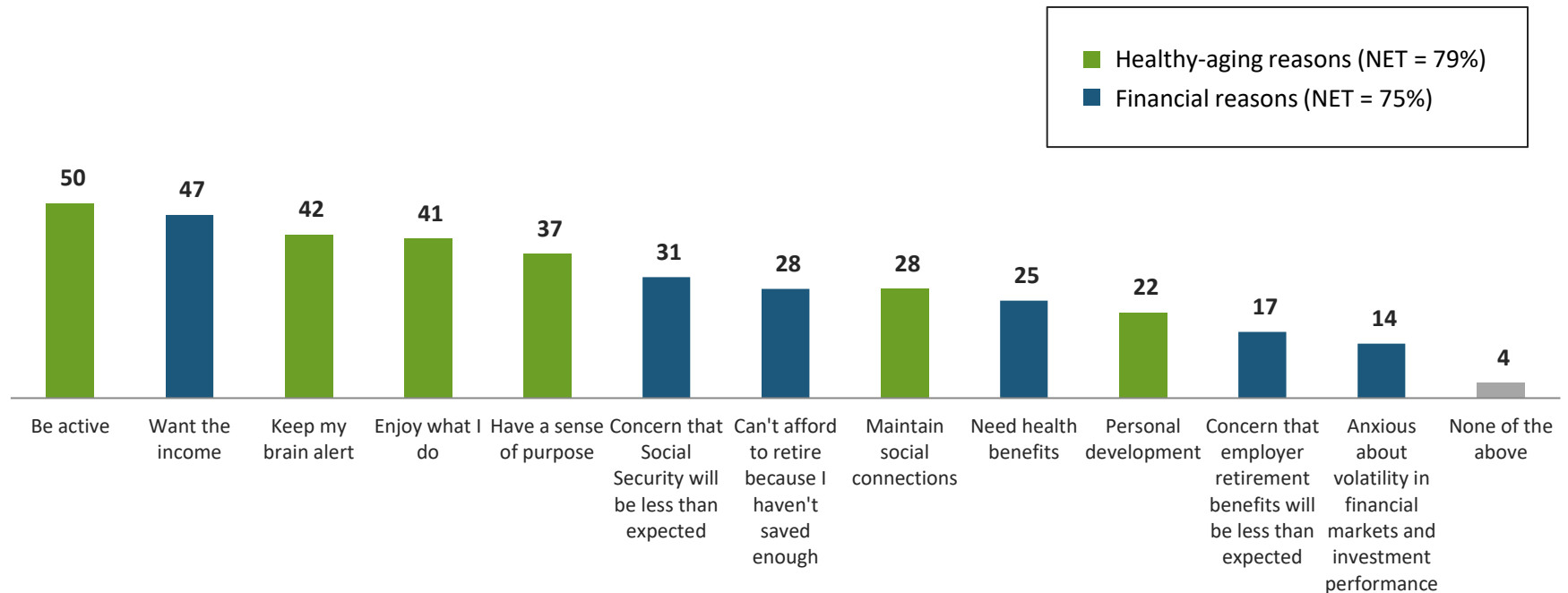
Note: Results may not total to 100% due to rounding.

Health and Financial Reasons for Working in Retirement

Workers who are working or planning to work in retirement or past age 65 cite both healthy-aging and financial reasons (79 percent, 75 percent, respectively). The most often cited healthy-aging reason is to be active (50 percent), while the top financial reason is wanting the income (47 percent). Other frequently cited healthy-aging reasons are “keep my brain alert” (42 percent), “enjoy what I do” (41 percent), and “have a sense of purpose” (37 percent). Other frequently cited financial reasons are “concerned that Social Security will be less than expected” (31 percent), “can’t afford to retire” (28 percent), and “need health benefits” (25 percent).

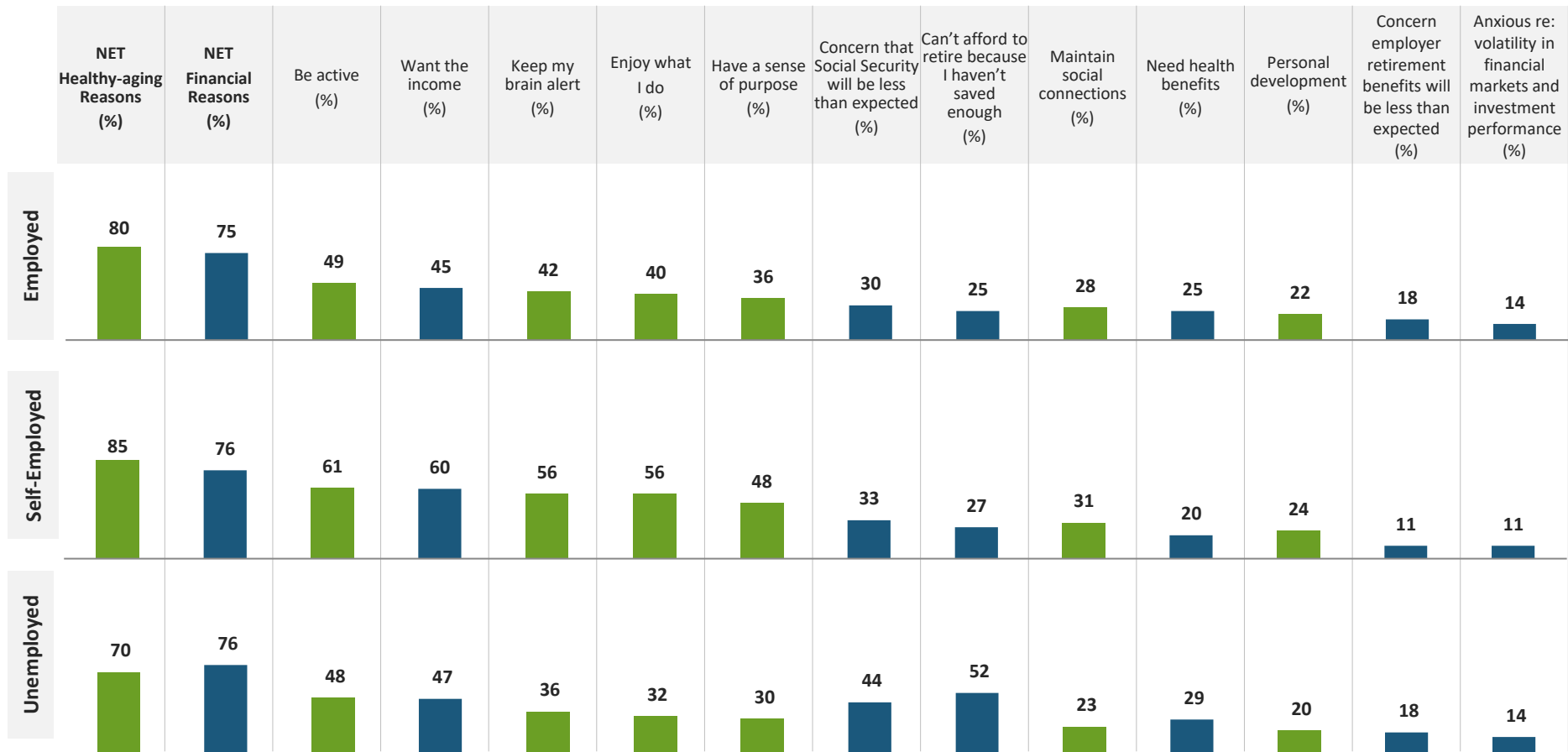
What are your reason(s) for working in retirement or past age 65? (%)

Total Workforce



Reasons for Working in Retirement by Employment Status

Among those who are working or planning to work in retirement or past age 65, self-employed and employed workers (85 percent, 80 percent, respectively) are significantly more likely to cite one or more healthy-aging related reasons than unemployed workers (70 percent). However, all three cohorts are similarly likely to cite one or more financial-related reasons, including employed (75 percent), self-employed (76 percent), and unemployed workers (76 percent).



Note: Responses not shown for "None of the above" (Employed: 4%, Self-Employed: 3%, Unemployed: 5%).
 WORKFORCE BASE: 22ND ANNUAL SURVEY - PLAN ON RETIRING AFTER 65 OR WORKING AFTER RETIREMENT Q1530x1. What are your reason(s) for working in retirement or past age 65? Select all.

Proactive Steps Taken to Help Ensure Continued Work

Workers have an opportunity to take more proactive steps to help ensure they can continue to work as long as they want and need. More than eight in 10 workers (84 percent) have taken at least one step; however, employed and self-employed workers (86 percent, 84 percent, respectively) are significantly more likely to have done so than unemployed workers (68 percent). The most often cited steps taken among workers include staying healthy (53 percent) and keeping job skills up to date (46 percent). Fewer workers are networking and meeting new people (27 percent), taking classes to learn new skills (26 percent), and scoping out the employment market and opportunities available (22 percent).

Have you taken any steps to ensure that you'll be able to continue working as long as you want and need? (%)

	Total Workforce	Employed	Self-Employed	Unemployed
NET – Taken One or More Steps to Continue Working	84	86	84	68
Staying healthy so I can continue working	53	54	61	41
Keeping my job skills up to date	46	48	49	30
Networking and meeting new people	27	27	34	18
Taking classes to learn new skills	26	27	23	19
Scoping out the employment market and opportunities available	22	22	18	23
Obtaining a new degree, certification, or professional designation	18	19	12	8
Attending virtual conferences and webinars	17	18	16	7
Other	3	3	7	6
I have not taken any steps to ensure I'll be able to work as long as I want and need	16	14	16	32

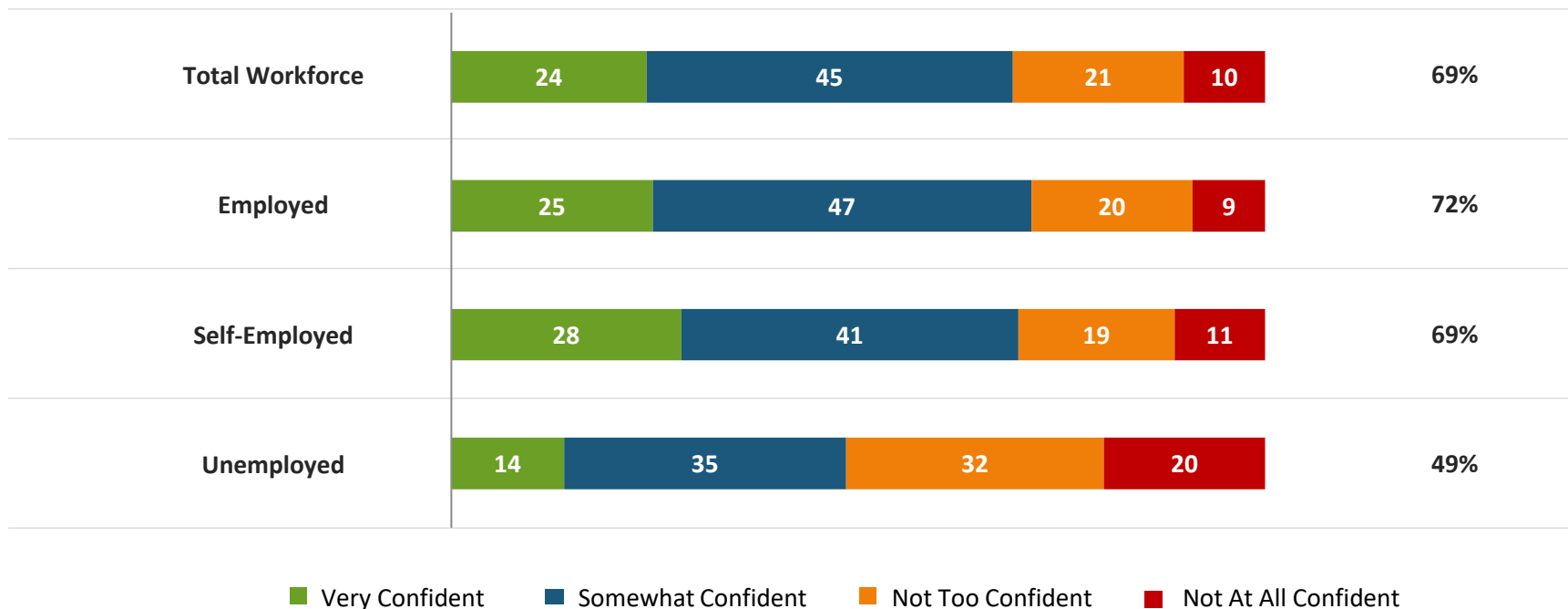
Retirement Savings, Planning, and Preparations

Retirement Confidence

Sixty-nine percent of workers are confident that they will be able to fully retire with a comfortable lifestyle, including 24 percent who are “very” confident and 45 percent who are “somewhat” confident. Employed and self-employed workers (72 percent, 69 percent, respectively) are significantly more likely to be confident than unemployed workers (49 percent). Employed and self-employed workers are also more likely than unemployed workers to be “very” confident (25 percent, 28 percent, 14 percent, respectively).

How confident are you that you will be able to fully retire with a lifestyle you consider comfortable? (%)

NET – Confident

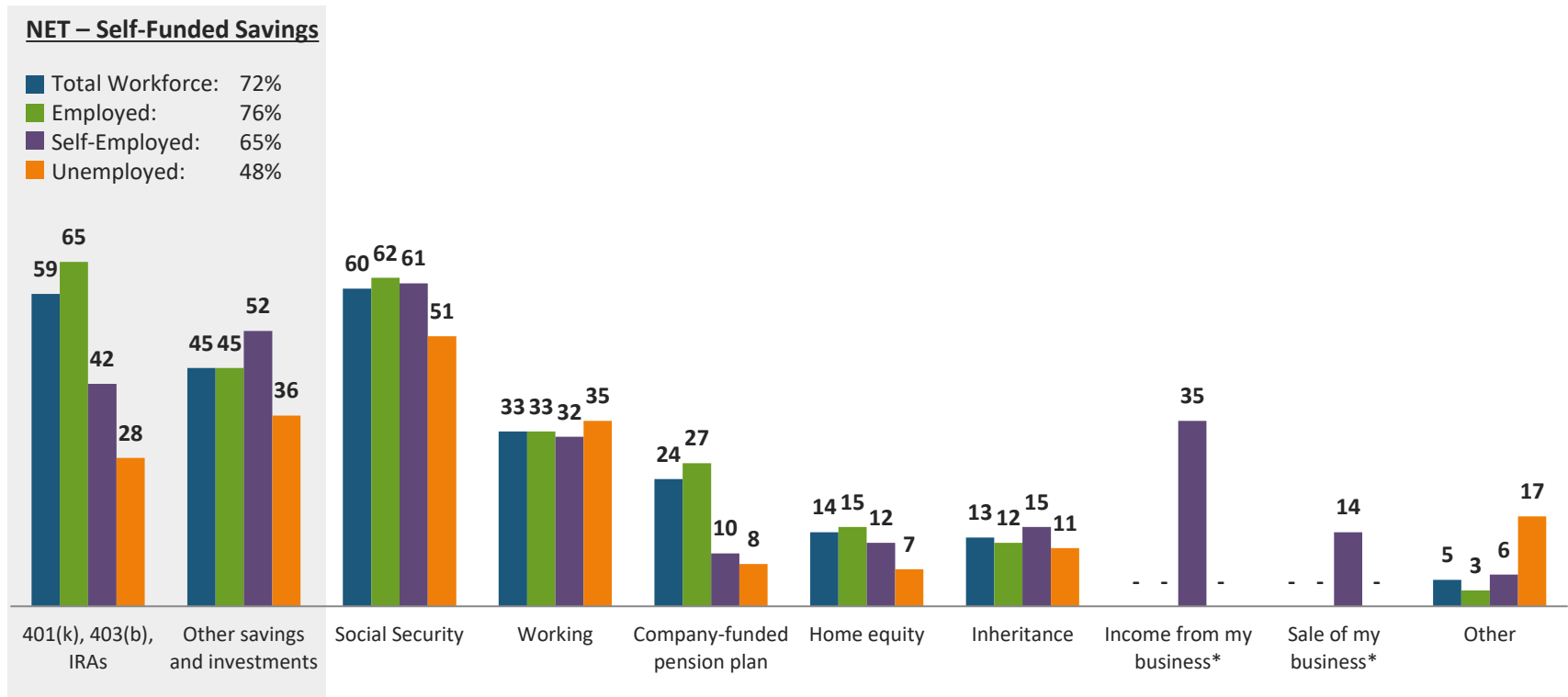


Note: Results may not total to 100% due to rounding.

Expected Sources of Retirement Income

Workers are expecting diverse sources of retirement income with the most often cited including self-funded savings (72 percent), Social Security (60 percent), and income from working (33 percent). However, there are some differences by employment status. Employed workers are more likely to cite retirement accounts such as a 401(k), 403(b), and IRAs (65 percent). Unemployed workers are less likely to cite Social Security income (51 percent). Self-employed workers are more likely to rely on other savings and investments (52 percent). Some self-employed workers are expecting income from their business (35 percent) and income from the sale of their business (14 percent).

Which of the following do you expect to be sources of income to cover your living expenses after you retire? (%)



*Among Self-Employed

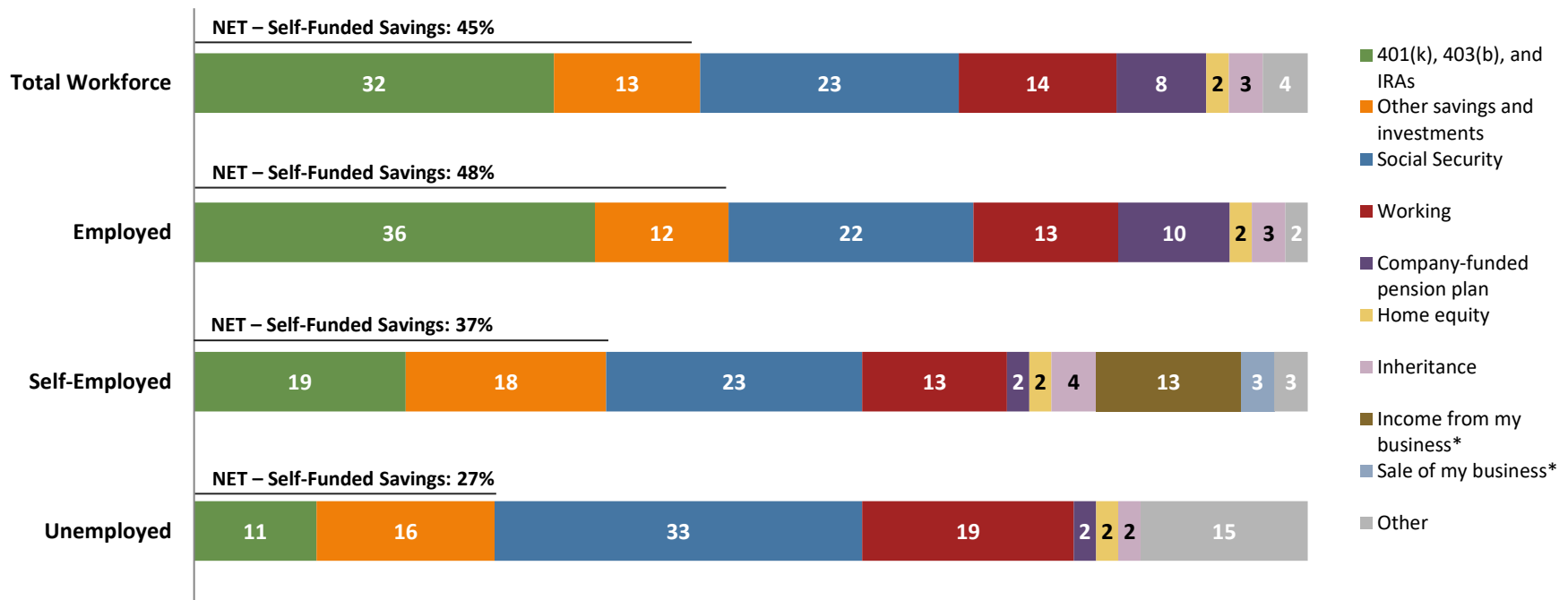
WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q1145. Which of the following do you expect to be sources of income to cover your living expenses after you retire? Select all.

Expected Primary Source of Retirement Income

Workers most often cite self-funded savings (45 percent) as their expected *primary* source of income in retirement, including 32 percent who expect to rely on 401(k)s, 403(b)s, and IRAs, and 13 percent who expect to rely on other savings and investments. Employed workers (48 percent) are more likely than self-employed (37 percent) and unemployed workers (27 percent) to expect to do so. Almost one in four workers expect to rely on Social Security (23 percent). Unemployed workers (33 percent) are more likely to do so than employed (22 percent) and self-employed workers (23 percent). Thirteen percent of self-employed workers expect their primary source of retirement income to be from their business and three percent from sale of their business. Workers similarly cite income from working, including 13 percent of both employed and self-employed workers and 19 percent of unemployed workers.

Expected Primary Source of Retirement Income (%)



Note: Results may not total to 100% due to rounding.

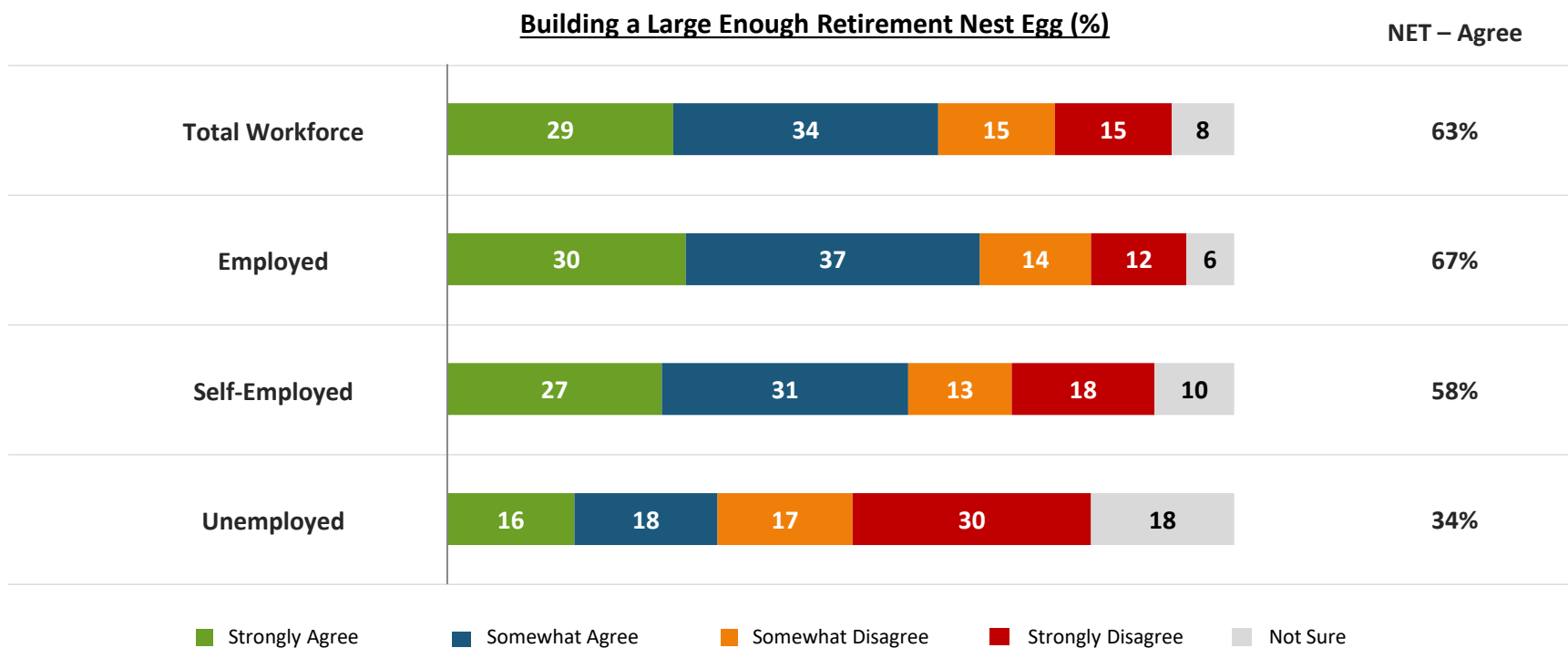
*Among Self-Employed

WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q1150. Which one of the following do you expect to be your primary source of income to cover your living expenses after you retire?

Retirement Nest Egg

Sixty-three percent of workers agree they are currently building a large enough retirement nest egg, including 29 percent who “strongly agree” and 34 percent who “somewhat agree.” Employed and self-employed workers (67 percent, 58 percent, respectively) are significantly more likely to agree than unemployed workers (34 percent). A noteworthy 30 percent of unemployed workers “strongly disagree” they are building a large enough nest egg, compared with 18 percent of self-employed workers and 12 percent of employed workers.



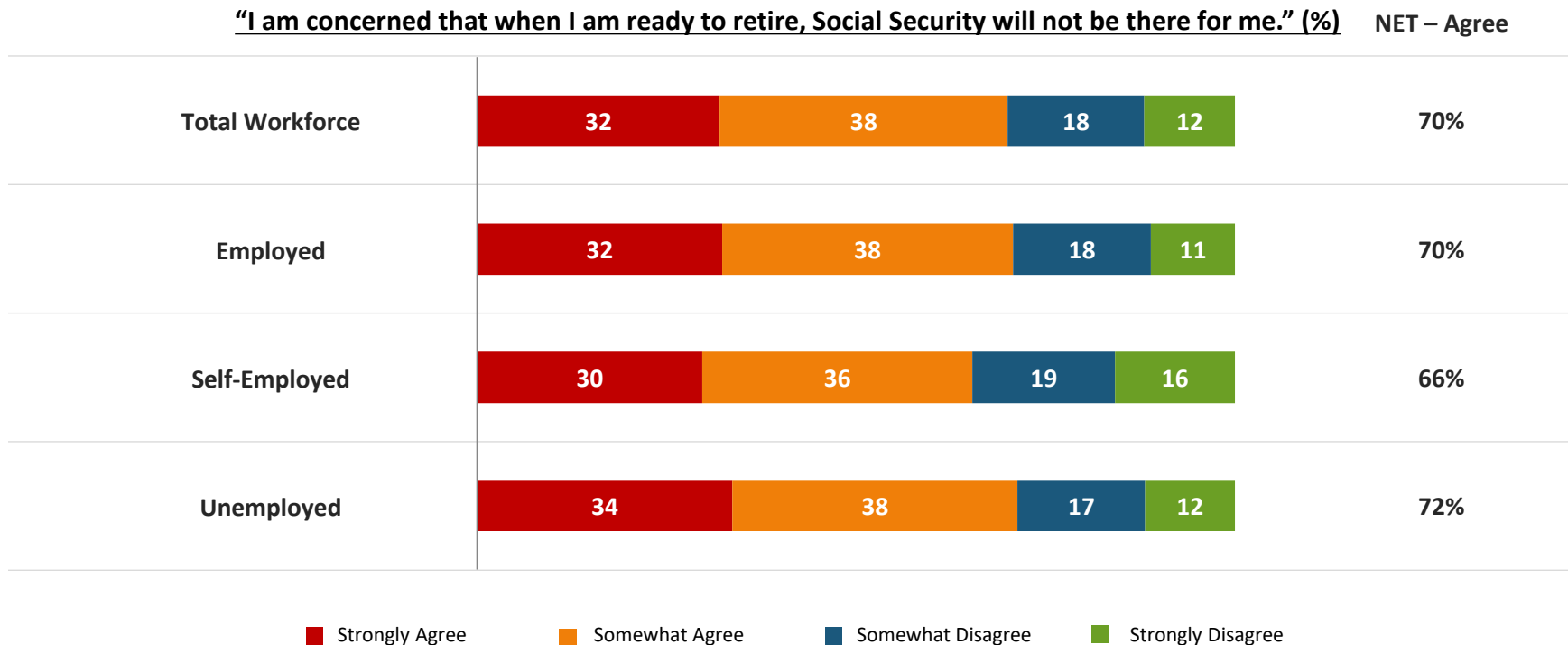
Note: Results may not total to 100% due to rounding.

WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q800. How much do you agree or disagree that you are currently building a large enough retirement nest egg (i.e., total retirement savings)?

Concerns About Future of Social Security

Seventy percent of workers agree with the statement, “I am concerned that when I am ready to retire, Social Security will not be there for me,” including 32 percent who “strongly agree” and 38 percent who “somewhat agree.” Unemployed (72 percent) and employed workers (70 percent) are somewhat more likely to agree than self-employed workers (66 percent).



Note: Results may not total to 100% due to rounding.

WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

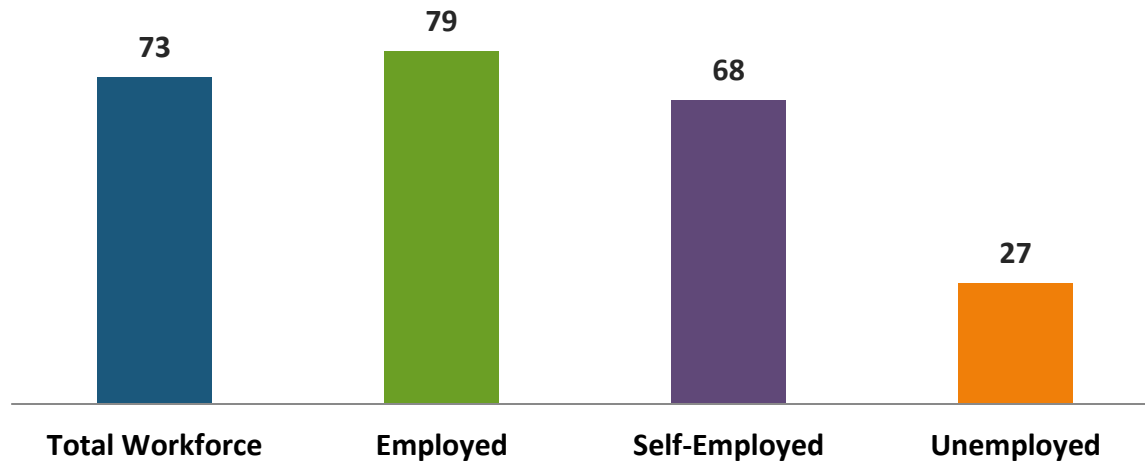
Q930. How much do you agree or disagree with each of the following statements regarding retirement?

“I am concerned that when I am ready to retire, Social Security will not be there for me.”

Saving for Retirement and Age Started Saving

Seventy-three percent of workers are saving for retirement through employer-sponsored plans, such as a 401(k) or similar plan, and/or outside the workplace. Employed (79 percent) and self-employed workers (68 percent) are far more likely to be saving for retirement than unemployed workers (27 percent). Among those saving for retirement, unemployed and employed workers both started saving somewhat earlier at age 27, compared with self-employed workers who started saving age at 29 (medians).

Workers Who Are Saving For Retirement Through an Employer-Sponsored Retirement Plan and/or Outside of Work (%)



Age Started Saving (Median)	27 years	27 years	29 years	27 years
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WORKFORCE BASE: 22ND ANNUAL SURVEY - CURRENTLY OFFERED QUALIFIED PLAN

Q1190. Do you currently participate in, or have money invested in your company's employee-funded retirement savings plan?

WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q740. Are you currently saving for retirement outside of work, such as in an IRA, mutual funds, bank account, etc.?

WORKFORCE BASE: 22ND ANNUAL SURVEY - INVESTING FOR RETIREMENT

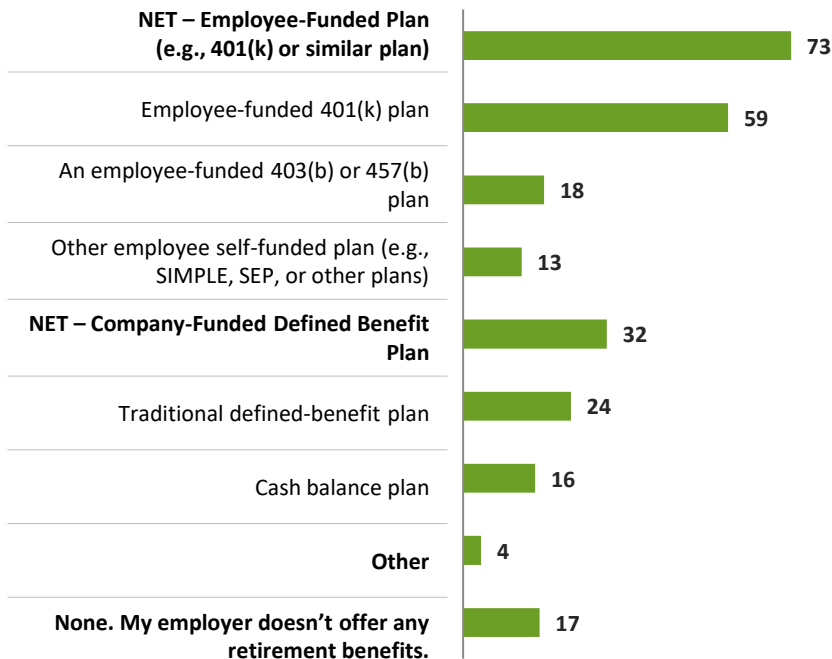
Q790. At what age did you first start saving for retirement?

Employed Workers: Retirement Savings in Workplace Plans

Nearly three in four employed workers (73 percent) are offered a 401(k) or similar retirement plan by their employer. Among those offered a plan, 78 percent participate in the plan and those who participate contribute 12 percent (median) of their annual salary to the plan. A noteworthy 38 percent indicate they contribute more than 15 percent of their annual salary to the plan.

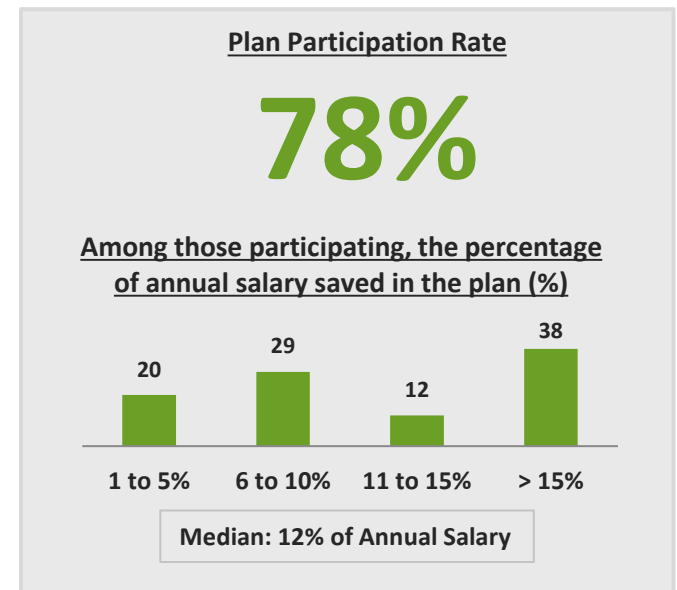
Retirement Benefits Offered by Employers (%)

Employed Workers



Among Those Offered a 401(k) or Similar Plan

Employed Workers



BASE: 22ND ANNUAL SURVEY – EMPLOYED WORKERS

Q1180. Which of the following retirement benefits does your company currently offer to you, personally? Select all.

BASE: 22ND ANNUAL SURVEY – OFFERED A 401(K) OR SIMILAR PLAN

Q1190. Do you currently participate in, or have money invested in your company's employee-funded retirement savings plan?

BASE: 22ND ANNUAL SURVEY – PARTICIPATES IN THE PLAN

Q601. What percentage of your salary are you saving for retirement through your company-sponsored retirement plan this year?

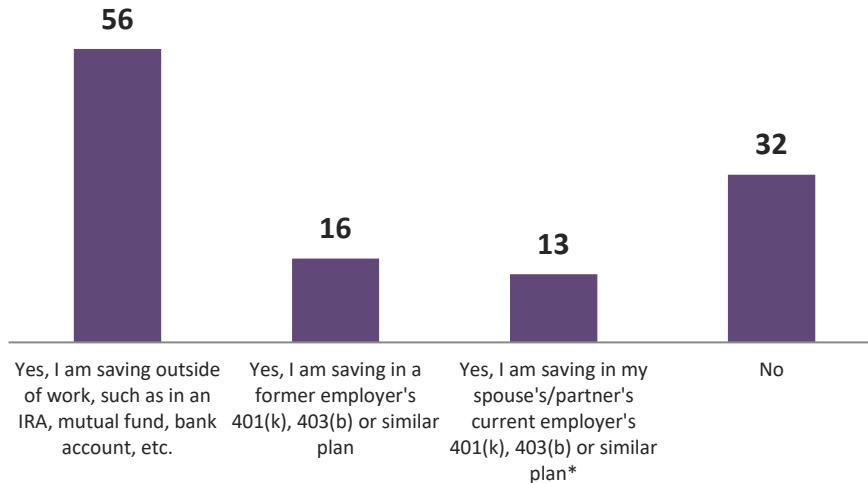
Self-Employed: Saving for Retirement

Approximately seven in 10 self-employed workers (68 percent) are currently saving for retirement. More than half (56 percent) are saving in an IRA, mutual fund, bank account, etc. Sixteen percent are saving in a former employer's 401(k), 403(b), or similar plan and 13 percent are saving in their spouse's/partner's current employer's 401(k), 403(b), or similar plan. Thirty-two percent indicate they are not currently saving for retirement.

When asked about their approach to saving for retirement, almost half of self-employed workers (46 percent) indicate they consistently save, while 34 percent indicate they only save from time to time. One in five self-employed workers (20 percent) indicate they never save for retirement.

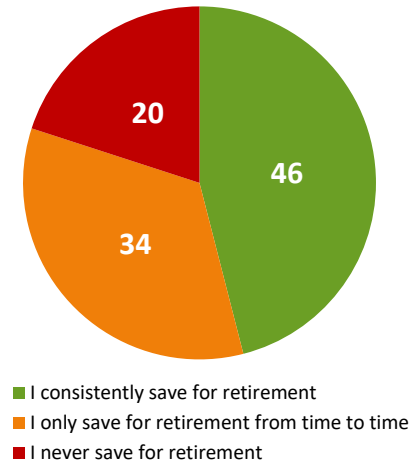
Are you currently saving for retirement? (%)

Self-Employed



Approach to Saving for Retirement (%)

Self-Employed



*Among Married/Partnered Respondents

WORKFORCE BASE: 22ND ANNUAL SURVEY – SELF-EMPLOYED

Q8835. Are you currently saving for retirement? Select all.

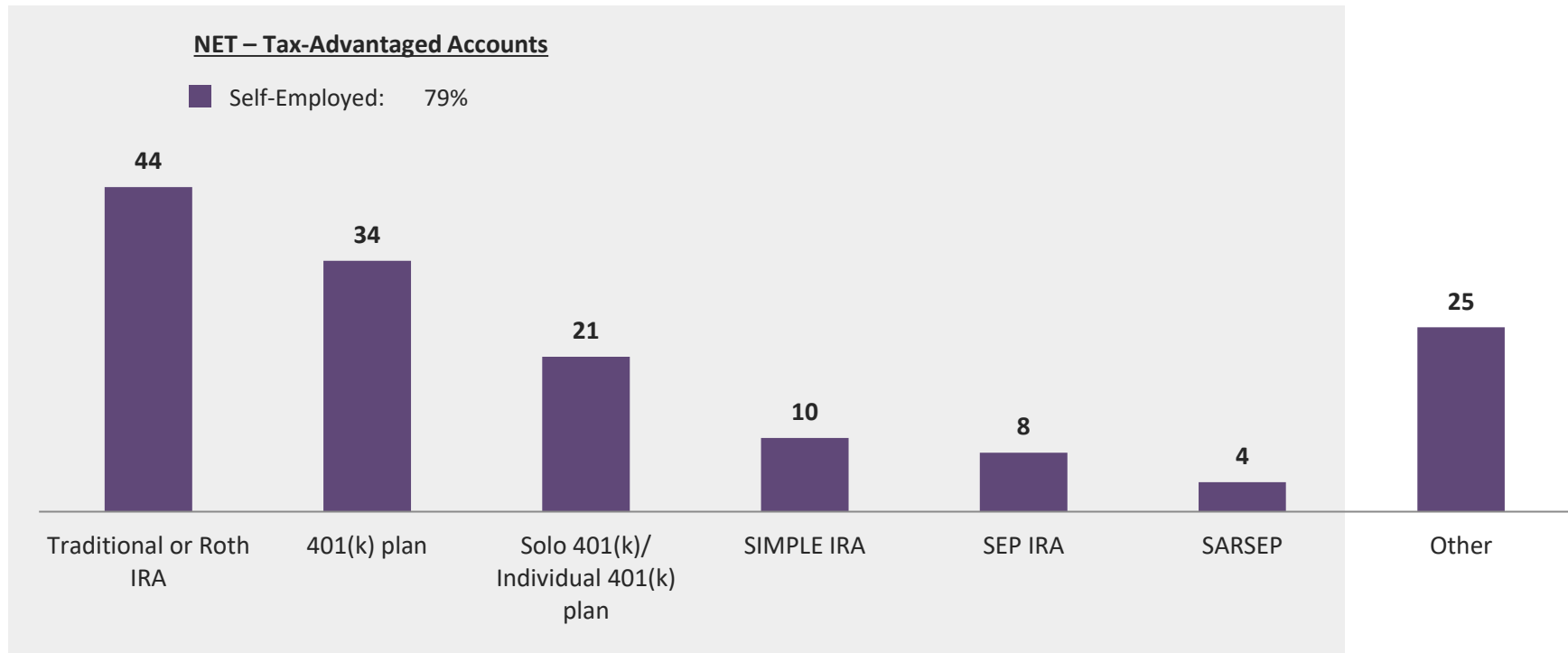
Q51205E. Which of the following best explains your approach to saving for retirement?

Self-Employed: Types of Retirement Accounts

Among those who are currently saving for retirement, 79 percent of self-employed workers cite using one or more tax-advantaged accounts, including a traditional or Roth IRA (44 percent), a 401(k) plan (34 percent), a Solo 401(k)/Individual 401(k) plan (21 percent), a SIMPLE IRA (10 percent), a SEP IRA (8 percent), or SARSEP (4 percent). A noteworthy 25 percent indicated using other vehicles to save for retirement such as bank accounts, brokerage accounts, stocks/investments, annuities, cryptocurrency, money market funds, and property.

Which of the following plans are you using to save for retirement? (%)

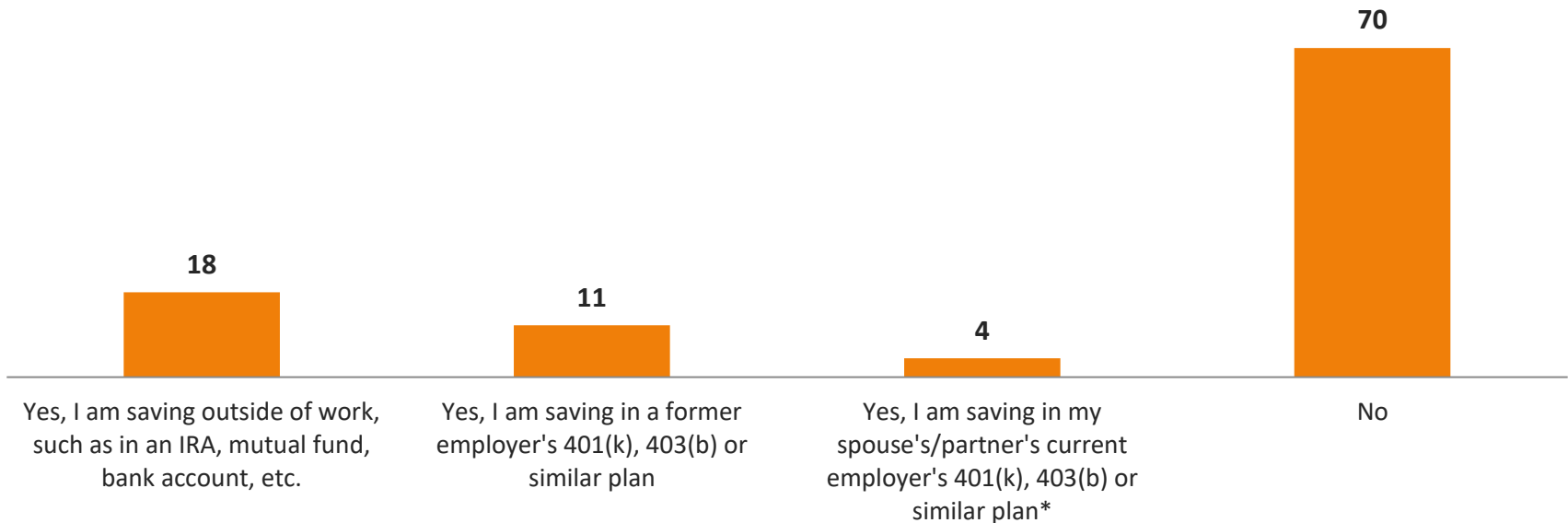
Self-Employed



Unemployed Workers: Saving for Retirement

Seven in 10 unemployed workers (70 percent) indicate they are *not* currently saving for retirement which is hardly surprising given their unemployment status and lack of available income to save. Eighteen percent indicate they are saving in an IRA, mutual fund, bank account, etc., and 11 percent are saving in a former employer's 401(k), 403(b), or similar plan. Four percent indicate they are saving in their spouse's/partner's current employer's 401(k), 403(b), or similar plan.

Are you currently saving for retirement? (%)
Unemployed Workers

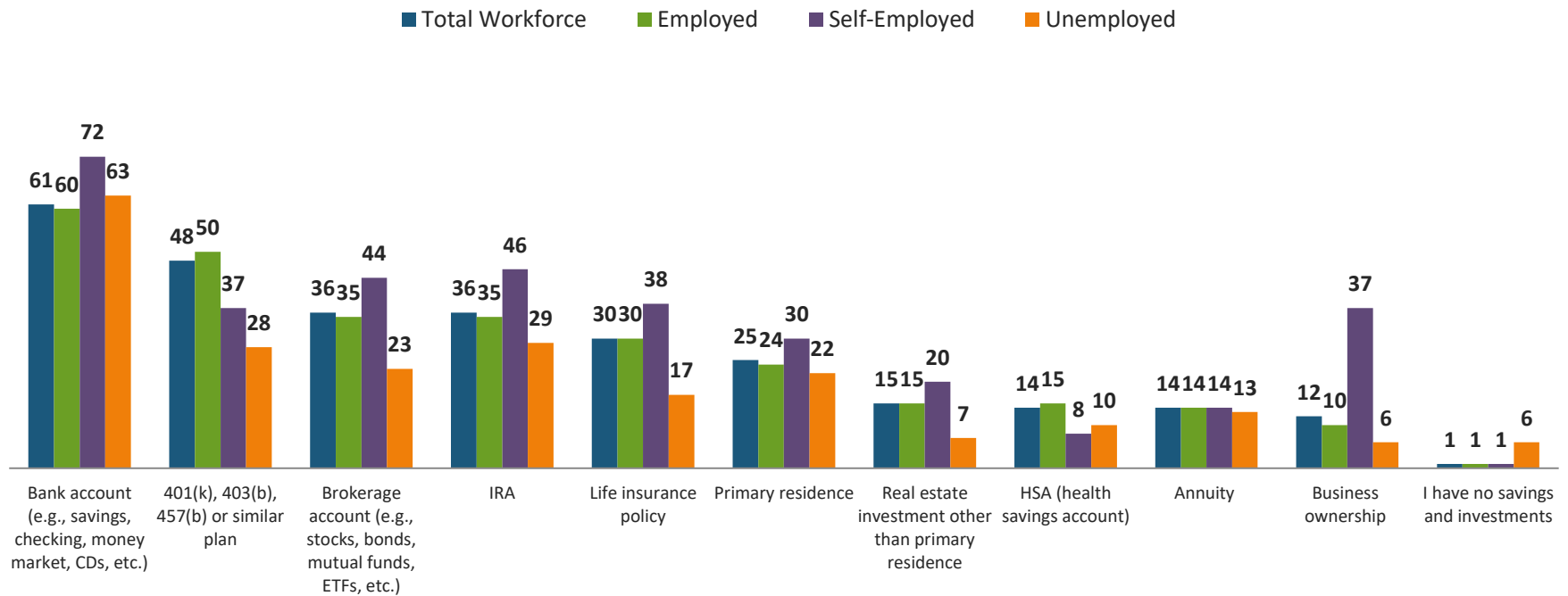


*Among Married/Partnered Respondents

Types of Retirement Savings & Investments

Among those saving for retirement outside the workplace, workers most frequently indicate they have savings and investments in a bank account such as savings, checking, money market, and CDs (61 percent). Employed workers are more likely to indicate they are saving and investing in a 401(k) or similar plan (50 percent). Self-employed workers are more likely to cite IRA (46 percent), brokerage account (44 percent), life insurance policy (38 percent), and business ownership (37 percent). Of concern, six percent of unemployed workers have no savings and investments specifically for retirement.

What types of savings and investments do you currently have that are specifically for retirement? Select all. (%)



Note: Responses not shown for "Other investments" (Total Workforce: 2%, Employed: 2%, Self-Employed: 2%, Unemployed: 2%).

WORKFORCE BASE: 22ND ANNUAL SURVEY - THOSE WHO ARE SAVING OUTSIDE OF WORK
 Q750. What types of savings and investments do you currently have that are specifically for retirement? Select all.

Tapping Into Retirement Savings

A concerning percentage of workers are dipping into their retirement savings before they retire. Loans and withdrawals from retirement accounts can severely inhibit the growth of their long-term savings. More than one-third of workers (35 percent) have ever taken a loan, early withdrawal, and/or hardship withdrawal from their 401(k) or similar plan or IRA, including 26 percent who have taken a loan and 26 percent who have taken an early and/or hardship withdrawal. Employed workers (39 percent) are more likely to have ever dipped into retirement savings than self-employed and unemployed workers (22 percent, 21 percent, respectively).

Taken Loan, Early Withdrawal, Hardship Withdrawal (%)	Total Workforce	Employed	Self-Employed	Unemployed
TOTAL NET – Have Taken a Loan, Early Withdrawal, and/or Hardship Withdrawal From 401(k) or Similar Plan or IRA	35	39	22	21
NET – Have Taken a Loan	26	29	13	9
NET – Have Taken an Early and/or Hardship Withdrawal	26	27	18	18
Yes, I have taken a loan from a 401(k) or similar plan and am paying it back	18	20	8	5
Yes, I have taken a loan from a 401(k) or similar plan but was unable to pay it back so it became an early withdrawal and incurred taxes and penalties	12	13	7	5
Yes, I have taken a hardship withdrawal and incurred taxes and penalties	12	13	6	5
Yes, I have taken an early withdrawal and cashed out a portion or all of a 401(k) or similar plan balance after my separation of employment from a prior employer and incurred taxes and penalties	9	9	5	8
Yes, I have taken an early withdrawal and cashed out a portion or all of an IRA and incurred taxes and penalties	6	6	7	4
No, I have never taken a loan or early withdrawal from a 401(k) or similar plan or IRA	57	55	70	63
Not sure	8	6	8	16

Reasons for Taking 401(k) Loans

Among those who have taken a loan from their 401(k) or similar plan, the most frequently cited reason for doing so is to pay off debt (37 percent), including credit card debt (25 percent) and/or other debt (21 percent). Other reasons include everyday expenses (26 percent), a financial emergency (26 percent), home improvements (23 percent), and medical bills (23 percent). Employed workers (39 percent) are more likely than self-employed workers to cite paying off debt (20 percent).

Reasons for Taking Loan From Retirement Plan (%)	Total Workforce	Employed	Self-Employed	Unemployed
NET- Paying Off Debt	37	39	20	21
Pay off credit card debt	25	26	13	19
Pay off other debt	21	21	18	9
Every day expenses	26	26	20	37
A financial emergency	26	26	32	21
Home improvements	23	25	12	9
Medical bills	23	23	22	22
Unplanned major expenses (e.g., home or car repair, etc.)	19	18	31	27
Purchase of a vehicle	19	20	17	7
Purchase of primary residence	15	15	11	21
Avoid eviction	15	16	10	12
College tuition	14	15	8	10
Burial or funeral expense	10	10	23	3
Some other purpose	1	1	5	1

Note: Percentages reported for Self-Employed and Unemployed should be considered directional due to a small sample base.

Reasons for Hardship Withdrawals From 401(k)s

Among those who have taken a hardship withdrawal from a 401(k) or similar plan, the most often cited reasons for doing so are paying for certain medical expenses (20 percent), paying for tuition and related educational fees (18 percent), expenses and losses incurred due to a disaster in a federally declared disaster area (17 percent), and expenses for repairs of damage to one’s principal residence (14 percent).

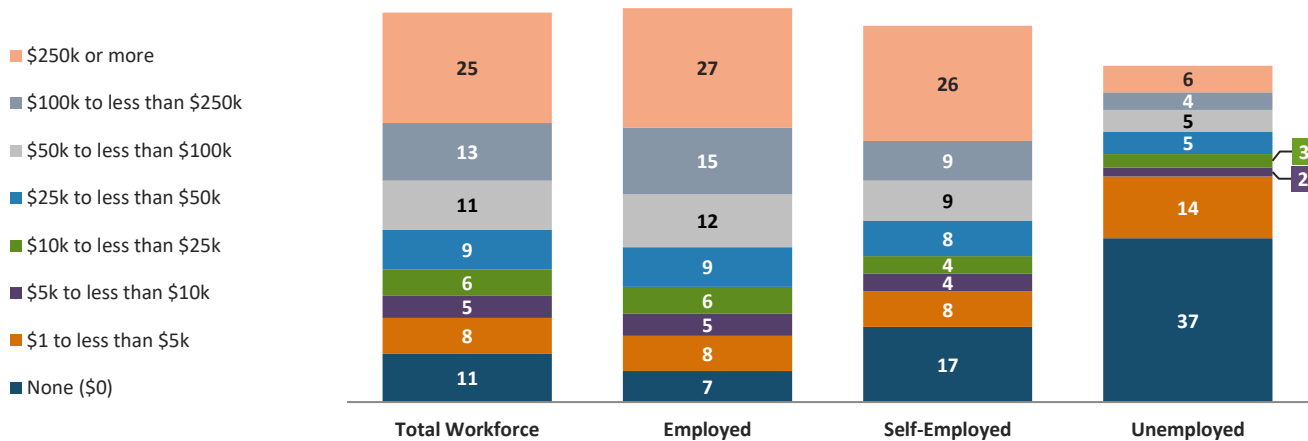
Primary Reason for Hardship Withdrawal (%)	Total Workforce	Employed	Self-Employed	Unemployed
Pay for certain medical expenses for you, your spouse, children, dependents, or primary beneficiaries under the plan	20	20	14	15
Payment of tuition and related educational fees for the next 12 months of post-secondary education for you, your spouse, children, dependents, or primary beneficiaries under the plan	18	19	17	14
Expenses and losses (including loss of income) incurred due to a disaster located in a federally declared disaster area that included your principal residence or principal place of employment	17	17	5	30
Expenses for repairs of damage to your principal residence that would qualify for the casualty deduction under the Internal Revenue Code	14	13	32	14
Payments to prevent your eviction from your principal residence	12	12	8	13
Cover the costs related to the purchase of a principal residence	9	8	8	9
Burial or funeral expenses for your spouse, children, dependents, or primary beneficiaries under the plan	7	7	5	-
Other	4	4	9	4

Note: Percentages reported for Self-Employed and Unemployed should be considered directional due to a small sample base.

Total Household Retirement Savings

Total household retirement savings among workers is \$54,000 (estimated median) and varies dramatically by employment status: \$200 for unemployed workers, \$42,000 for self-employed workers, and \$65,000 for employed workers (estimated medians). Twenty-seven percent of employed and 26 percent of self-employed workers have saved \$250K or more. Of concern, more than one-third of unemployed workers (37 percent) and 17 percent of self-employed workers have no retirement savings at all, compared with only 7 percent of employed workers.

2021 Total Household Retirement Savings (%)



Not sure	8	7	6	17
Decline to answer	4	3	8	6
Estimated Median (including \$0)	\$54,000	\$65,000	\$42,000	\$200

Notes: 1) The median is estimated based on the approximate midpoint of the range of each response category. Non-responses are excluded from the estimate.
2) Results may not total 100% due to rounding.

WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS.

Q1300. Approximately how much money does your household have saved in all of your retirement accounts?

Estimated Retirement Savings Needs

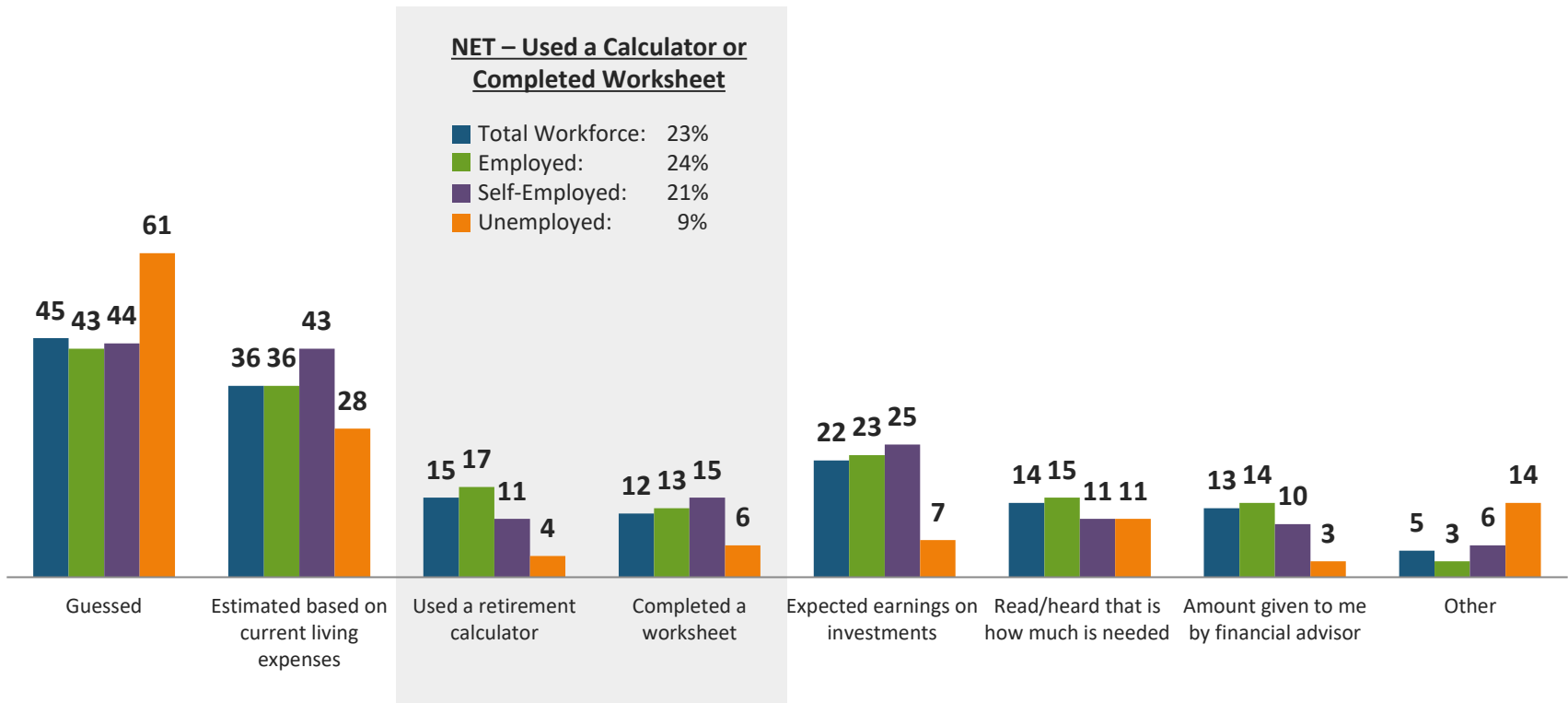
Workers estimate they will need \$350,000 (median) by the time they retire in order to feel financially secure. Estimated needs vary by employment status with self-employed workers estimating they will need \$500,000, compared with employed workers (\$400,000) and unemployed workers (\$100,000) (medians). Seventeen percent of workers estimate they will need to save \$2,000,000 or more, including 24 percent of self-employed, 16 percent of employed, and 13 percent of unemployed workers.

Estimated Retirement Savings Needs	Total Workforce	Employed	Self-Employed	Unemployed
Less than \$100K	29%	29%	19%	40%
\$100K to less than \$500K	23%	22%	24%	22%
\$500K to less than \$1M	16%	16%	14%	14%
\$1M to less than \$2M	16%	16%	17%	11%
\$2M or more	17%	16%	24%	13%
Median (including \$0)	\$350,000	\$400,000	\$500,000	\$100,000

Basis of Estimated Retirement Savings Needs

Among those who provided an estimate of their retirement savings needs, 45 percent of workers guessed those needs. More than one-third based their estimate on their current living expenses (36 percent). Only 23 percent used a retirement calculator or completed a worksheet. A significant proportion of unemployed workers guessed their retirement savings needs (61 percent) and few used a calculator or completed a worksheet (9 percent), compared with self-employed (44 percent, 21 percent, respectively) and employed (43 percent, 24 percent, respectively).

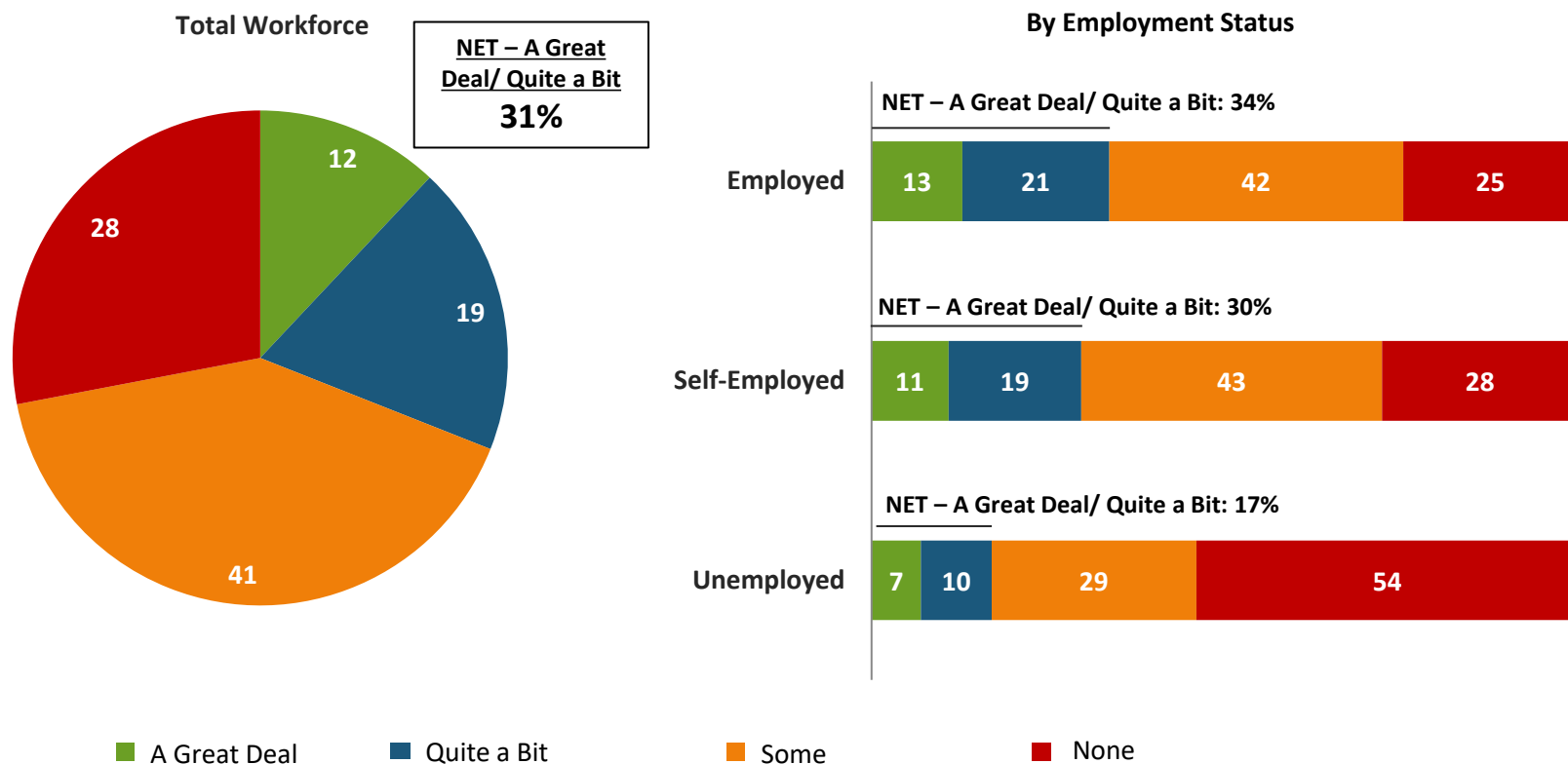
Basis of Estimating Retirement Savings Goal (%)



Limited Understanding of Asset Allocation Principles

Only 31 percent of workers have a “great deal” or “quite a bit” of understanding of asset allocation principles, including 12 percent who know a “a great deal” and 19 percent who know “quite a bit.” Employed (34 percent) and self-employed workers (30 percent) are more likely to have a “great deal” or “quite a bit” of understanding, compared with unemployed workers (17 percent). More than half of unemployed workers (54 percent) have no understanding of asset allocation principles.

How much of an understanding do you have regarding asset allocation principles as they relate to retirement investing? (%)



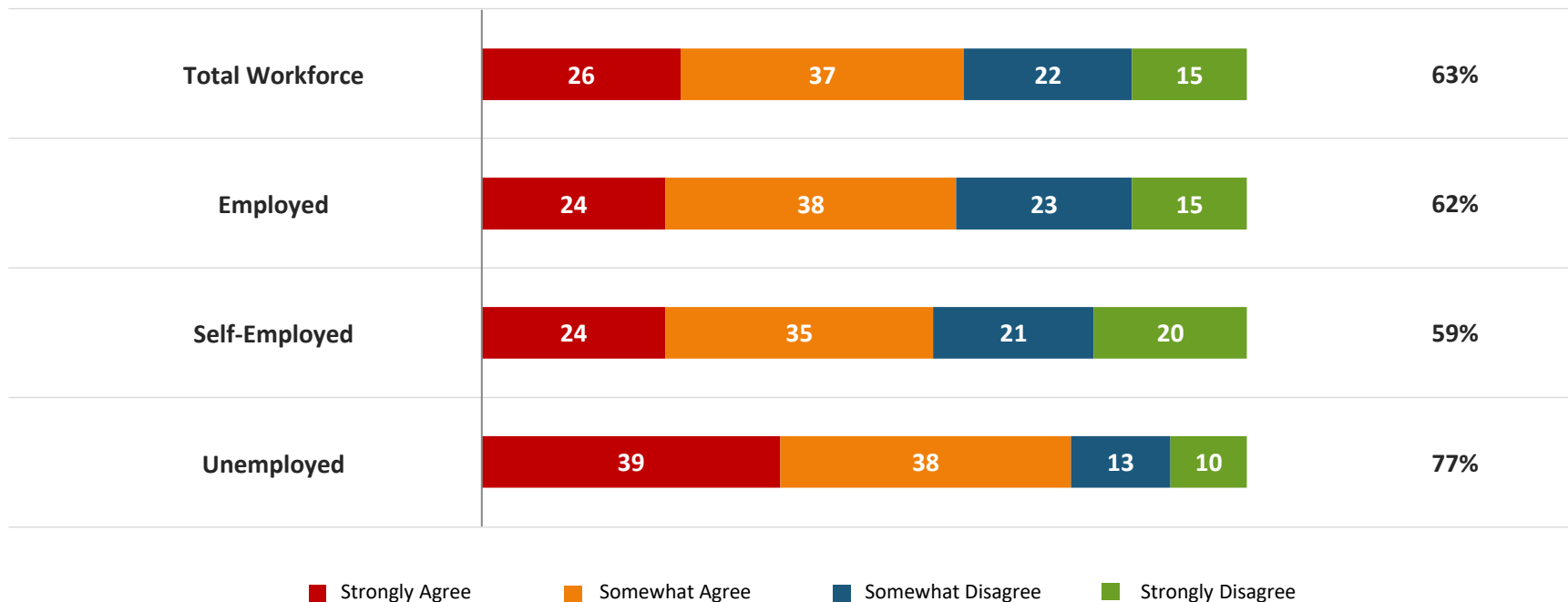
Note: Results may not total to 100% due to rounding.

Limited Knowledge About Retirement Investing

Sixty-three percent of workers agree with the statement, “I do not know as much as I should about retirement investing,” including 26 percent who “strongly agree” and 37 percent who “somewhat agree.” Unemployed workers (77 percent) are significantly more likely to agree than employed (62 percent) and self-employed workers (59 percent).

“I do not know as much as I should about retirement investing.” (%)

NET – Agree



Note: Results may not total to 100% due to rounding.

WORKFORCE BASE: 22ND ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

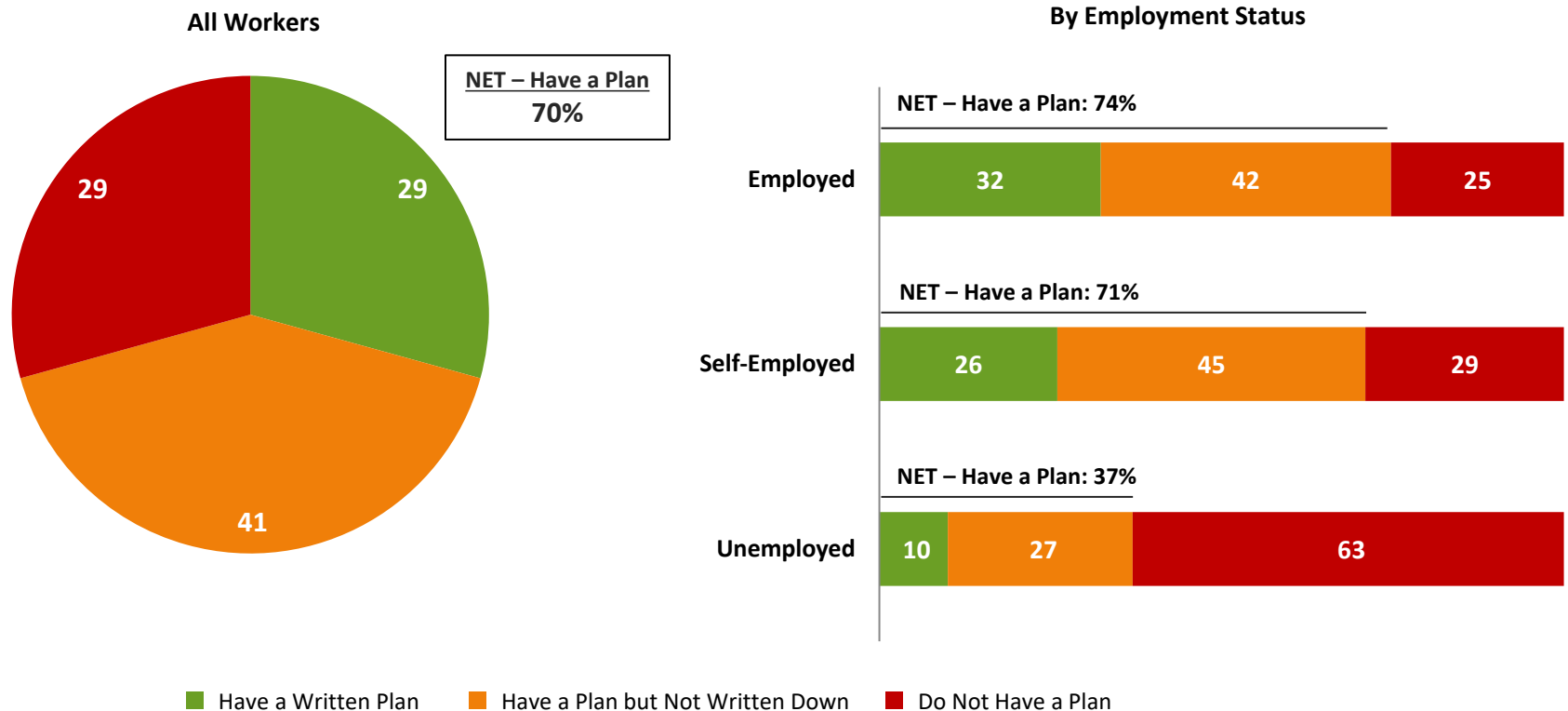
Q930. How much do you agree or disagree with each of the following statements regarding retirement?

“I do not know as much as I should about retirement investing.”

Written Financial Strategy for Retirement

Most workers (70 percent) have some form of financial strategy for retirement. However, only 29 percent have a written plan, while 41 percent have an unwritten plan. Employed (32 percent) and self-employed workers (26 percent) are more likely to have a written plan, compared with only 10 percent of unemployed workers. More than six in 10 unemployed workers (63 percent) do not have any financial strategy for retirement.

How would you describe your financial strategy for retirement? (%)

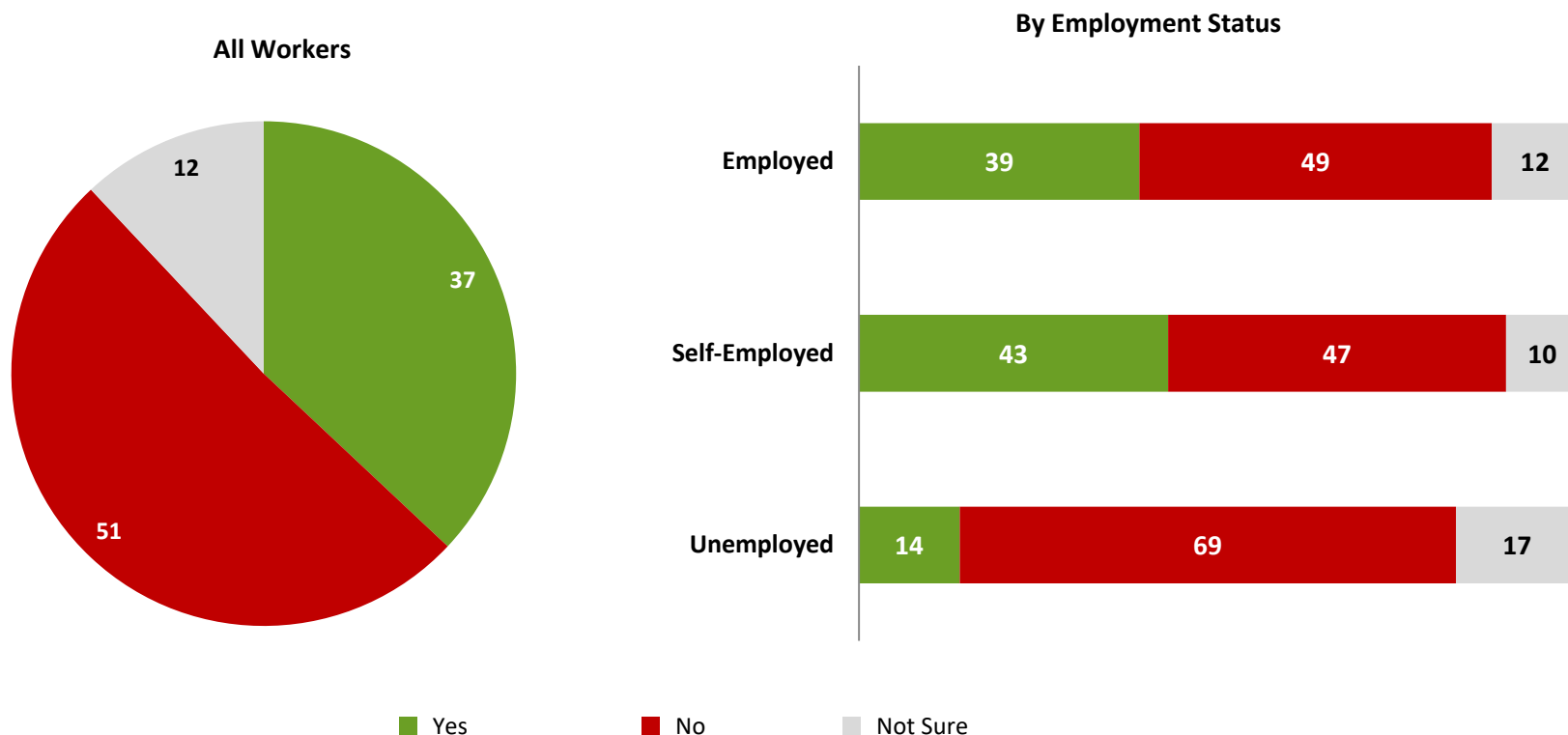


Note: Results may not total to 100% due to rounding.

Backup Plan if Retirement Comes Unexpectedly

Thirty-seven percent of workers have a backup plan for retirement income if they are unable to work before their planned retirement. Self-employed workers are most likely to have backup plans (43 percent), followed by employed workers (39 percent). Only 14 percent of unemployed workers have a backup plan if they are forced into retirement sooner than expected.

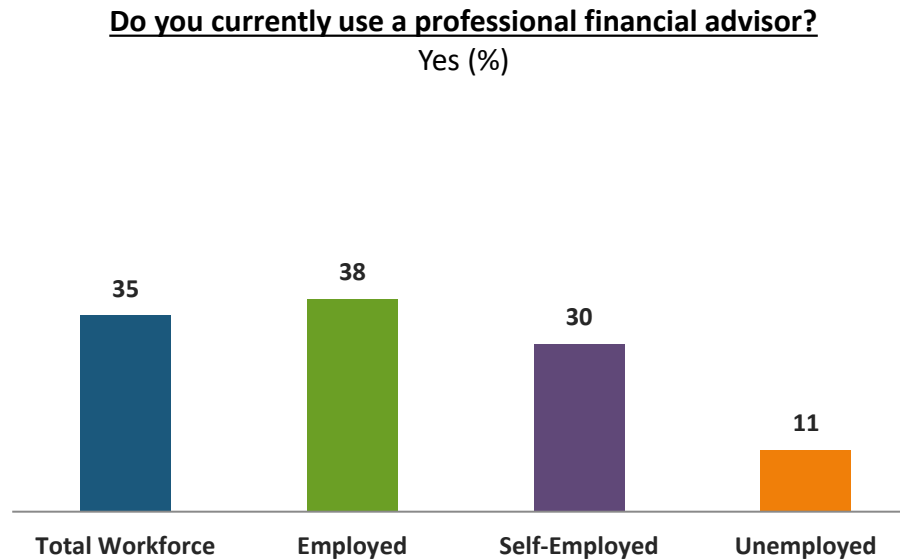
Have a Backup Plan if Retire Sooner Than Expected (%)



Note: Results may not total to 100% due to rounding.

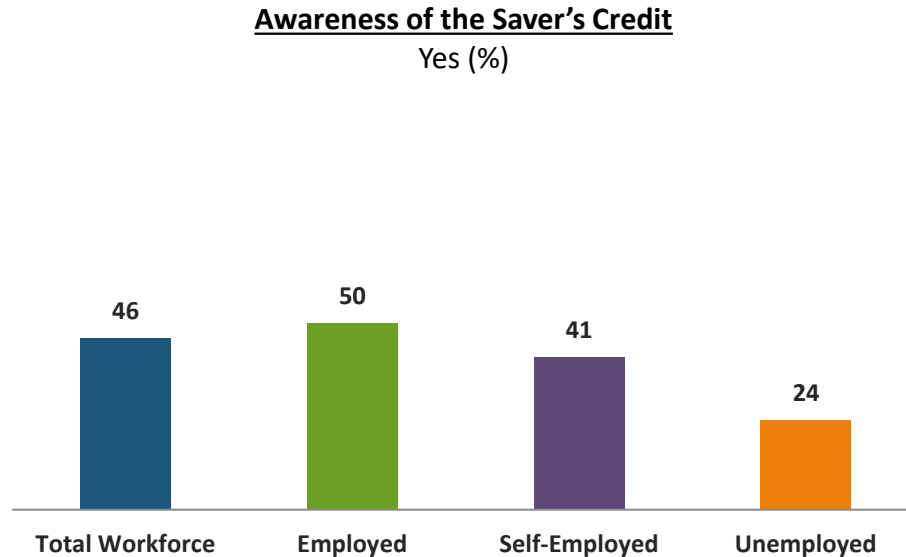
Professional Financial Advisor Usage

Thirty-five percent of workers use a professional financial advisor. Employed (38 percent) and self-employed workers (30 percent) are more likely to use an advisor than unemployed workers (11 percent).



Saver's Credit Awareness

The Saver's Credit is a tax credit for eligible taxpayers who save for retirement in a qualified retirement plan, IRA, or ABLE account. Fewer than half of workers (46 percent) are aware of it. Employed workers (50 percent) are more likely to be aware of the Saver's Credit, compared with self-employed (41 percent) and unemployed workers (24 percent).



Retirement Priorities for the President and Congress

Retirement Security Priorities for the President and Congress

Workers generally agree on priorities for the President and Congress to help people have a financially secure retirement. The most often cited priorities are addressing Social Security’s funding shortfalls (51 percent), making out-of-pocket health care expenses and prescription drugs more affordable (42 percent), addressing Medicare’s funding shortfalls (41 percent), increasing access to affordable housing (33 percent), supporting family caregivers (32 percent), and expanding access to employer-sponsored retirement plans, IRAs, and other savings programs (31 percent).

Priorities for the President and Congress to help people have a financially secure retirement (%)	Total Workforce	Employed	Self-Employed	Unemployed
Address Social Security’s funding shortfalls to ensure it can pay guaranteed benefits to future generations of retirees	51	50	60	50
Make out-of-pocket health care expenses and prescription drugs more affordable	42	41	49	43
Address Medicare’s funding shortfalls to ensure future generations of retirees have access to affordable health care insurance	41	40	53	39
Increase access to affordable housing to enhance financial security for Americans of all ages	33	31	42	38
Support family caregivers by implementing policies such as paid family and medical leave, tax credits for out-of-pocket caregiving costs, and Social Security credits for time spent caregiving	32	31	36	34
Expand access to employer-sponsored retirement plans, IRAs, and other savings programs, so all workers can save for retirement in the workplace	31	31	37	32
Innovate solutions to make long-term care services and supports more affordable	30	30	35	29
Educate Americans early by implementing a financial literacy curriculum in the schools	30	29	37	29
Expand the Saver’s Credit, a tax credit available to people with low and moderate incomes saving for retirement	30	29	41	28
Allow employers to match employees’ student loan payments in the form of a contribution to their 401(k) or similar retirement plan	29	29	25	34
Create incentives for individuals to obtain ongoing training and education to keep their job skills up to date and relevant	27	27	28	26
Provide and/or subsidize additional broadband access, particularly in rural and underserved urban areas, to increase access to telemedicine, and financial and other tools	24	23	27	28

Note: Results may not total to 100% due to rounding. Percentages not shown for "Other": Total Workforce 2%, Employed 2%, Self-Employed 4%, Unemployed 4%.

WORKFORCE BASE: 22ND ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS

Q1427. Which of the following should be priorities for the President and Congress to help people have financially secure retirement? Select all that apply.

Appendix

Employed: How My Life Priorities Changed Because of the Pandemic...

Boomer, Female: The pandemic has made me more aware of my priorities and what things are most important in my life. The reasons are staying in top of my health and well-being, working more and trying to save more for expenses and paying off my debt, and trying to put money in savings for possible retirement.

Gen X, Female: I began practicing self-care, saved more, set and reached new goals, invested more and reduced expenses.

Gen Z, Female: My health is higher on my priorities, I also need to not spend so much money and make a lot more money to take care of my health and my child on the way.

Millennial, Male: I have begun to take a closer look at what matters to me in life and have tried to reduce my desire to achieve success solely based on the amount of material possessions I have. I have a renewed focus on all the things I have so easily taken for granted throughout my years on earth....that being said I ultimately desire to try to be a better person today than I was yesterday.

Millennial, Female: I have realized family is so important to me, it has always been important but now I see how dear they are. As we can lose them at a moments notice. The pandemic made me realize this in the most unsavory way.

Gen X, Female: I have simplified every aspect of my life. I consume fewer meals per day; I drive less and walk more; I cook at home and have not gone to restaurants; I only purchase things that I absolutely need and forego items I may want.

Gen X, Male: Preventative and proactive healthcare has become much more of a priority. Family and friends somewhat more of a priority now.

Boomer, Female: Varied impact on those around us has emphasized interconnectedness and necessity for improved collaboration on so many levels. Support for those around us who are struggling has become a much more common scenario and to date has not returned to pre-pandemic levels.

Millennial, Male: I was spending more money on entertainment but during the pandemic I start saving more and reduce spending on unnecessary things to have the ability to spend on emergency cases.

Gen Z, Female: I put my children first. I focus on making sure we have a roof over our heads and look for ways to keep a cash flow going for my family.

Millennial, Female: My best friend has passed away so that has forced a different perspective of my life and a reconnection with family.

Millennial, Male: It will mean catching up on missed opportunity from lack of time.

Boomer, Female: I have come to realize that life is too short to keep denying myself a few of life's pleasures just so I can save a few bucks for a rainy day. I allow myself to indulge in little pleasures.

Boomer, Female: I have a better idea of what we need to do to get our goals in order and start preparing financially for the future.

Millennial, Female: Due to the pandemic, I've started to be grateful about the simple things in life like good health, having family around, being around nature, etc.

Gen Z, Female: I was originally planning on going to college and getting a bachelors degree as well as playing college soccer but with the pandemic I did not go. I took a gap year and ended up changing my education path. Now I am solely focusing on finishing a course I am taking as well as working to be able to pay off my car as well as save for other future costs.

Self-Employed: How My Life Priorities Changed Because of the Pandemic...

Millennial, Male: My life priorities have not changed in the aspect of what I want. The road to get there has changed due to COVID bringing in a lot of new hurdles and obstacles that weren't visible before.

Boomer, Male: The pandemic has opened my eyes to the importance of volunteering more to help others in less of a fortunate situation than myself.

Gen Z, Male: I've reduced my monthly expenses, focused more on my savings, picked up multiple temp jobs, ate out less, and cut down on miscellaneous expenses.

Millennial, Female: I'm giving more importance to reducing my commute to the office and working from home to avoid stress in the mornings and evenings. We also realized the importance of giving more importance to family members by frequently engaging with them and checking their well-being.

Millennial, Female: I have learned to be more prepared for disasters or health pandemics, like making sure our food and water and stocked up. I also learned to appreciate family better because things can change within seconds.

Gen X, Female: The pandemic has opened my eyes and has shown me I can create my own wealth with my own business and not have to work for someone else ever again if I so choose.

Millennial, Female: My priorities were always the same, make enough money to get by and help take care of my family. It just got harder and more stressful when the pandemic hit and the cost of housing went up, and I lost quite a few of my clients, which meant I was working less and making less money.

Gen X, Male: My life priorities have not changed it's always been to work as hard as I can work extra hours. Find a higher paying job whatever it takes for me to be financially successful.

Millennial, Female: I'm always trying to secure a future for all of my children, and I'm worried about getting sick and not having health insurance.

Gen X, Female: I want to be prepared for the next time and have enough to pay bills in case no more jobs are available.

Silent Generation, Male: Being a small business owner, I have gone more into debt to maintain employment for workers and a double digit decrease in business. I did receive government assistance when managing employee payroll, but it was not enough.

Boomer, Female: I hope to lead a simpler life and making experiences more of a priority.

Boomer, Male: I realized that I need to be more thankful for good health and plan to reduce workload so I can enjoy family, travel, and life.

Gen X, Female: My life priorities haven't changed, but we had to move from an expensive state to a cheaper state. The move cost a lot and hurt us, but we will work our way back to where we were or better and strive for our dreams.

Millennial, Male: I now realize how important it is to have a saving account with a minimum of 12 months worth of bills saved up.

Silent Generation, Male: It made me think more about our country's health.

Gen X, Male: My life priorities remain the same regardless of my current financial situation. Even though my financial situation was wrecked as a result of COVID, I have the same hopes and dreams for improvement as I had before the pandemic descended upon us.

Unemployed: How My Life Priorities Changed Because of the Pandemic...

Gen Z, Female: The pandemic has made me think more about what career I would truly be happy in and that would contribute to my quality of life. I now value these things more than simply having a job I do not enjoy to be able to pay expenses.

Gen Z, Male: Priorities stayed the same. I go with the flow and roll with the punches.

Gen Z, Transgender: A lot of things I was planning to do got put on pause during the pandemic. Not being in an actual classroom for college really made me suffer, so I put college on pause until I can get my footing back.

Gen Z, Male: I have more financial priorities towards securing a good paying job with benefits.

Millennial, Male: My life priorities have changed because I don't have the amount of money I used to, and there are no more stimulus checks to help. Also, I've had to cut back on how much I eat and buy. I've also recently reached out for counseling and therapy and things are just not the same as they used to be.

Millennial, Female: I care about life a lot more than I did before and appreciate it. So, I have started working out everyday and eating much healthier because life can be taken in a second.

Millennial, Male: I am trying to take care of my mental and physical health due to the pandemic so I can take time for myself and just feel better overall.

Gen X, Female: I am determined to buy a home now more than ever.

Gen X, Female: I have realized the most important things in life are to spend time with your loved ones and experience things I have been putting off due to work and taking care of responsibilities. We can plan all we want but have no control of what can happen.

Boomer, Male: I am patient with others and show more compassion to all.

Boomer, Female: I am thinking more how I will survive financially as I get older and how to compete in the job market as I get older also.

Gen Z, Female: I used to think I want to take a year from school to work then go to college. Because of the pandemic and the impact on me mentally, I don't want to do that anymore. I just want to work and make enough money to live comfortably.

Millennial, Female: I had a baby during the pandemic, so things that once were important are no longer a priority. The health of my child and family come first.

Millennial, Male: I've become extremely depressed. I am having a hard time finding a new job. I have a lot of anxiety about the pandemic and really do not want to go back to an office.

Boomer, Female: I'm making more time for me and my family, planning more for "what if's," stocking up on non-perishables, and trying to cut back on spending to save more money. Since COVID has happened, you never know what's around the corner.

Boomer, Female: I realized that I have been not doing enough to see myself not being able to live as comfortable as I have been living. I thought that I would have more time to secure my own future financially.

Workforce Demographics by Employment Status

Characteristics		Total Workforce (%) n=5,846	Employed (%) n=4,741	Self-Employed (%) n=580	Unemployed (%) n=525
Gender*	Male	54	55	54	44
	Female	45	44	45	55
	Transgender	1	<1	1	1
Generations	Generation Z (Age 18-24)	13	12	11	25
	Millennials (Age 25-40)	39	40	28	38
	Generation X (Age 41-56)	30	30	33	24
	Baby Boomers (Age 57-75)	17	17	24	12
	Silents (Age 76+)	1	1	4	1
	Median Age	40 years	40 years	46 years	34 years
Marital Status	Married/Living with partner	52	56	47	25
	Divorced/Separated/Widowed	13	13	19	12
	Never married	34	31	34	63
Educational Attainment	Less than college degree	60	56	64	87
	College degree or more	40	44	36	13
Annual Household Income	Less than \$50,000	24	20	28	54
	\$50,000 to \$99,999	29	30	26	22
	\$100,000+	44	48	42	15
	Decline to Answer	3	2	4	9
	Estimated Median	\$79,000	\$85,000	\$76,000	\$33,000
Work Arrangement	Leave your home to go to work	54	57	31	-
	Work remotely (e.g., from home or anywhere)	31	28	55	-
	Hybrid arrangement (e.g., leave home to go to work & work remotely)	15	15	14	-
LGBQ+ Status**	LGBQ+	11	10	13	13
	Did not identify as LGBQ+	88	89	85	83
	Decline to Answer	1	1	1	3
Race/Ethnicity	White	60	61	62	46
	Black/African American	13	12	15	19
	Asian/Pacific Islander	7	7	3	8
	Hispanic	18	18	14	24
	Other	3	2	5	4
Urbanicity	Urban	36	37	32	34
	Suburban	46	47	45	38
	Rural	18	16	23	28

Note: Results may not total to 100% due to rounding.

* Gender: Responses 1% or less for "Other" and "Prefer not to answer" are not shown.

** LGBQ+ Status: Responses of 1% or less for "Not sure" are not shown.

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