

Vote for Retirement: American Workers Want a Stronger U.S. Retirement System

New study spotlights public policy priorities across the multigenerational workforce

LOS ANGELES – June 25, 2024 – Just one in five U.S. workers (20%) are “very” confident they will be able to fully retire with a comfortable lifestyle, according to [The Multigenerational Workforce: Life, Work, and Retirement](#), a new report released by nonprofit [Transamerica Center for Retirement Studies®](#) (TCRS) in collaboration with Transamerica Institute®.

“Millions of U.S. workers are at risk of not achieving a financially secure retirement. The situation is intensifying with Social Security’s and Medicare’s projected funding shortfalls, population aging, skyrocketing costs of long-term care, and workers’ obstacles in saving and investing,” said [Catherine Collinson](#), CEO and president of Transamerica Institute and TCRS.

The Multigenerational Workforce: Life, Work, and Retirement is part of TCRS’ 24th Annual Retirement Survey, one of the largest and longest-running surveys of its kind. The report examines the retirement outlook of U.S. workers aged 18 and older who are employed by for-profit companies. It provides comparisons of responses by Generation Z, Millennials, Generation X, and Baby Boomers.

Priorities for the President and Congress to Improve Retirement Security

Workers’ top priority for the President and Congress to help people have a financially secure retirement is addressing Social Security’s funding shortfalls (58%), according to the survey’s findings. Other priorities include addressing Medicare’s funding shortfalls (46%), making out-of-pocket health care expenses and prescription drugs more affordable (46%), ensuring all workers can save for retirement in the workplace (45%), increasing access to affordable housing (37%), implementing financial literacy curriculum in schools (37%), innovating more affordable solutions for long-term care (35%), supporting family caregivers (34%), creating incentives for continuing education (27%), and providing and/or subsidizing additional broadband access (27%).

Which of the following should be priorities for the President and Congress to help people have a financially secure retirement? Select all that apply.
U.S. Workers of For-Profit Companies

Priorities for the President and Congress	All Workers	Gen Z	Millennials	Gen X	Baby Boomers
Address Social Security’s funding shortfalls to ensure it can pay guaranteed benefits to future generations of retirees.	58%	40%	52%	64%	78%
Address Medicare’s funding shortfalls to ensure future generations of retirees have access to affordable health care insurance.	46%	35%	40%	50%	68%
Make out-of-pocket health care expenses and prescription drugs more affordable.	46%	33%	40%	51%	63%
Ensure all workers can save for retirement in the workplace through employer-sponsored retirement plans, IRAs, or other savings programs.	45%	41%	46%	45%	46%
Increase access to affordable housing to enhance financial security for Americans of all ages.	37%	33%	37%	39%	37%
Educate Americans early by implementing a financial literacy curriculum in the schools.	37%	35%	37%	36%	39%
Innovate solutions to make long-term care services and supports more affordable.	35%	26%	33%	37%	43%
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.	34%	34%	35%	34%	32%
Create incentives for individuals to obtain ongoing training and education to keep their job skills up to date and relevant.	27%	27%	30%	27%	21%
Provide and/or subsidize additional broadband access, particularly in rural and under-served urban areas, to increase access to telemedicine, and financial and other tools.	27%	28%	30%	25%	22%

Source: “The Multigenerational Workforce: Life, Work, and Retirement,” nonprofit Transamerica Center for Retirement Studies, June 2024

How to Address Social Security’s Funding Shortfall

“American workers are stressed out about Social Security,” said Collinson. Almost three in four workers (73%) are concerned that Social Security will not be there for them when they are ready to retire. Forty-three percent of Baby Boomers and 29% of Generation X expect it to be their *primary* source of retirement income, according to the survey’s findings.

When asked how Congress should address Social Security’s funding shortfall, workers are lukewarm about possible actions such as increasing the maximum earnings subject to payroll taxes (40%), increasing the Social Security payroll tax rate (38%), preserving retirement benefit payments for retirees in greatest need (34%), and raising the retirement age (23%). Just 4% say that Congress should “do nothing.”

To address the Social Security funding shortfall, which of the following actions do you feel that Congress should take? Select all that apply.
U.S. Workers of For-Profit Companies

Possible Actions	All Workers	Gen Z	Millennials	Gen X	Baby Boomers
Increase the maximum earnings subject to payroll taxes (Social Security limits the amount of a worker’s earning subject to taxation. For 2023, the taxable maximum is \$160,200.)	40%	40%	39%	37%	48%
Increase the Social Security payroll tax rate (Currently, employers and their employees each pay 6.2% of wages up to the taxable maximum earnings, while the self-employed pay 12.4%.)	38%	38%	39%	35%	40%
Preserve retirement benefit payments for retirees in greatest need, which may reduce benefits for those with lesser need (Testing would look at a retiree’s income to determine need. High income retirees would receive reduced or no benefits.)	34%	39%	36%	30%	28%
Raise the retirement age. (Today, the age to receive full retirement benefits is 67 for people born in 1960 or later. Retirees can claim a reduced benefit as early as age 62 or an increased benefit up to age 70.)	23%	24%	24%	18%	27%
Do nothing	4%	4%	4%	4%	3%
Don’t know	22%	20%	21%	26%	17%
Other	5%	2%	4%	5%	8%

Source: “The Multigenerational Workforce: Life, Work, and Retirement,” nonprofit Transamerica Center for Retirement Studies, June 2024



“Workers are counting on Social Security for retirement income. The clock is ticking with the Social Security trust funds’ estimated depletion in the next decade. The sooner Congress takes action, the more time workers will have to adjust their financial plans, if needed, before they retire. The longer Congress waits, the more disruptive the changes could be,” said Collinson.

Key Indicators of Retirement Readiness Across Generations

“Increasingly, today’s workers are expected to self-fund a greater portion of their retirement income compared with prior generations, but they are not fully equipped to take on the responsibility and associated risks. Many are on a collision course toward insufficient savings,” said Collinson. The survey finds just one in five workers (21%) say they know “a lot” about personal finance and only 32% use a professional financial advisor.

Some good news is most workers are saving for retirement through an employer-sponsored plan and/or outside the workplace. Younger generations are getting a head start. Among those who are saving, Generation Z started at age 20, Millennials started at age 25, Generation X at age 30, and Baby Boomers at age 35 (medians).

Seventy-six percent of workers are offered a 401(k) or similar plan by their employers. Generation Z (69%) and Baby Boomers (65%) are less likely than Millennials (80%) and Generation X (78%) to be offered a such plan, which can partly be explained by their being more likely to be employed part time.

Many workers lack adequate emergency savings and, in the event of a financial setback, some are tapping into their retirement savings by taking hardship withdrawals and/or early withdrawals including Generation Z (23%), Millennials (21%), Generation X (16%), and Baby Boomers (14%).

Baby Boomers, the generation closest to retirement, have saved just \$194,000 in total household retirement accounts, while Generation X has saved \$93,000, Millennials have saved \$50,000, and Generation Z has saved \$40,000 (estimated medians).

Key Indicators of Retirement Readiness
U.S. Workers of For-Profit Companies

Key Indicators	All Workers	Gen Z	Millennials	Gen X	Baby Boomers
“Very” confident about their ability to fully retire with a comfortable lifestyle	20%	19%	22%	16%	19%
Know “a lot” about personal finance (e.g., managing money, investments, debt, risk, taxes)	21%	14%	22%	20%	28%
Use a professional financial advisor	32%	27%	32%	33%	37%
Total emergency savings (median)	\$5k	\$2k	\$5k	\$5.5k	\$10k
Saving for retirement in a 401(k) or similar plan and/or outside the workplace	81%	71%	85%	82%	80%
– Among those who are saving for retirement, age started saving (median)	Age 26	Age 20	Age 25	Age 30	Age 35
Offered a 401(k) or similar plan by employer	76%	69%	80%	78%	65%
– Among those who are offered a plan, participate in the plan	81%	65%	85%	85%	80%
Have taken a hardship withdrawal and/or early withdrawal from a retirement account	19%	23%	21%	16%	14%
Total savings in household retirement accounts (estimated median)	\$64k	\$40k	\$50k	\$93k	\$194k

Source: “The Multigenerational Workforce: Life, Work, and Retirement,” nonprofit Transamerica Center for Retirement Studies, June 2024



“Now is the time for the President and Congress to restore confidence and strengthen the U.S. retirement system by addressing Social Security, Medicare, access to workplace retirement plans, financial literacy, and other drivers of retirement security,” said Collinson. “At the same time, policymakers and the retirement services industry must focus on implementing the SECURE 2.0 Act of 2022 and its provisions that make it easier for employers to offer retirement benefits and help workers save, invest, and protect their savings.”

[The Multigenerational Workforce: Life, Work, and Retirement](#) explores the health and well-being, employment, personal finances, and retirement preparations of the multigenerational workforce including Generation Z (born 1997 to 2012), Millennials (born 1981 to 1996), Generation X (born 1965 to 1980), and Baby Boomers (born 1946 to 1964). Visit www.transamericainstitute.org. Listen to Transamerica Institute’s podcast [ClearPath – Your Roadmap for LifeSM](#). Follow on [LinkedIn](#), [Facebook](#), and X (formerly Twitter) [@TI_insights](#) and [@TCRStudies](#).

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About the 24th Annual Transamerica Retirement Survey

The analysis contained in [The Multigenerational Workforce: Life, Work, and Retirement](#) was prepared internally by the research team at Transamerica Institute and TCRS. The 25-minute online survey was conducted within the U.S. by The Harris Poll on behalf of Transamerica Institute between September 14 and October 23, 2023, among a nationally representative sample of 10,002 adults and an oversample of 2,020 workers in a for-profit company employing one or more employees. The data in this press release is shown for a subsample of 5,730 workers in a for-profit company employing one or more employees. Data was weighted where necessary for age by gender, race and ethnicity, region, education, marital status, household size, household income and propensity to be online to being them in line with their actual proportions in the population. Respondents were selected from among those who have agreed to participate in our surveys. The sampling precision of Harris online polls is measured by using a Bayesian credible interval and the worker sample data is accurate to within +1.7 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest. Percentages are rounded to the nearest whole percent.