



# The Retirement Outlook of the American Middle Class

*24th Annual Transamerica Retirement Survey*

**TRANSAMERICA CENTER**  
FOR RETIREMENT STUDIES®

August 2024

# Table of Contents

## *Introduction*

About the Authors	Page 3
About Transamerica Center for Retirement Studies®	Page 4
About the Report	Page 5
Methodology: 24th Annual Transamerica Retirement Survey of Workers	Page 6
Terminology and Sample Sizes	Page 7
Acknowledgements	Page 8

## *The Retirement Outlook of the American Middle Class*

Key Highlights	Page 9
Recommendations	Page 25
Detailed Findings	Page 28
• Defining the Middle Class	Page 29
• Happiness, Healthy Aging, and Longevity	Page 32
• Current Personal Finances and Employment	Page 41
• Retirement Dreams, Fears, and Expectations	Page 51
• Saving, Planning, and Investing for Retirement	Page 61
• Public Policy Priorities for Strengthening the U.S. Retirement System	Page 88
Appendix	Page 92
• A Portrait of the American Middle Class	Page 93
• Learn More About the Middle Class: Suggested Reading	Page 95

# About the Authors

[Catherine Collinson](#) is the founding CEO and president of nonprofit [Transamerica Institute](#) and its division [Transamerica Center for Retirement Studies](#). She is an expert on longevity, retirement, and market trends. She champions Americans who are at risk of not achieving a financially secure retirement. She oversees the organization's research and outreach initiatives, including the Annual Transamerica Retirement Survey.

With almost three decades of experience, Catherine is regularly cited by top media outlets on aging and retirement-related topics, speaks at industry conferences, and authors articles. She has testified before Congress on matters related to employer-sponsored retirement plans among small business, which have featured the need to expand access to workplace retirement savings and raise awareness of the Saver's Credit. She co-hosts the podcast [ClearPath: Your Roadmap for Life<sup>SM</sup>](#) in collaboration with WYPR, Baltimore's NPR news station.

In 2024, Catherine received a [Lifetime Achievement Award](#) from the [Plan Sponsor Council of America](#) for her contributions to the retirement plan industry and dedication to improving retirement outcomes for employees. In 2018, she was recognized an [Influencer in Aging](#) by PBS [Next Avenue](#) for her work in continuing to push beyond traditional boundaries and change our society's understanding of what it means to grow older. 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 is employed by Transamerica Corporation. Since joining the organization in 1995, she has held a number of leadership positions and identified and implemented strategic initiatives, including the founding of the nonprofit Transamerica Institute and its Transamerica Center for Retirement Studies.

[Heidi Cho](#) is a senior research content analyst for Transamerica Institute. She began her career as an intern at Transamerica Center for Retirement Studies in 2012. She joined the organization full time in 2014 upon graduating from the University of Southern California. She is employed by Transamerica Corporation.

# 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-us](http://www.transamericainstitute.org/about-us)
- The Institute is funded by contributions from Transamerica Life Insurance Company and its affiliates, and it may receive funds from unaffiliated third parties.
- TCRS and its representatives cannot give ERISA, tax, investment, or legal advice. This material is provided for informational purposes only and should not be construed as ERISA, tax, investment, or legal advice. Interested parties must consult and rely solely upon their own independent advisors regarding their particular situation and the concepts presented here.
- Although care has been taken in preparing this material and presenting it accurately, TCRS disclaims any express or implied warranty as to the accuracy of any material contained herein and any liability with respect to it.

# About the Report

- Limited Print and Electronic Rights. This document and trademark(s) contained herein are federally registered or otherwise protected by law. This representation of Transamerica Institute (TI) intellectual property is provided for noncommercial use only and this work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-nd/4.0/> or send a letter to Creative Commons, PO Box 1866, Mountain View, CA 94042, USA. Unauthorized posting of this publication online for commercial purposes is prohibited. Permission is required from TI/TCRS to reproduce, redistribute, or reuse this work, in any form, or any of TI/TCRS' research or other proprietary documents for commercial use.



# Methodology: 24th Annual Transamerica Retirement Survey of Workers

- The analysis contained in this report was prepared internally by the research team at Transamerica Institute and Transamerica Center for Retirement Studies (TCRS).
- A 25-minute online survey was conducted within the U.S. by The Harris Poll on behalf of Transamerica Institute and TCRS between September 14 and October 23, 2023 among a nationally representative **sample of 10,002 people** including **5,726 with a household income between \$50,000 and \$199,999**. Respondents were U.S. residents, age 18 and older.
- Data are weighted where necessary by age by gender, race & ethnicity, region, education, marital status, household size, household income and propensity to be online to bring them in line with their actual proportions in the population.
- Respondents for this survey 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. For this study, the sample data is accurate to within + 1.2 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest.
- All sample surveys and polls, whether or not they use probability sampling, are subject to other multiple sources of error which are most often not possible to quantify or estimate, including, but not limited to coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments.
- Percentages are rounded to the nearest whole percent.

# Terminology

*This report uses the following terminology:*

## Middle Class

- Middle Class refers to individuals with an annual household income of \$50,000 to \$199,999 including:
  - HHI \$50k to \$99k
  - HHI \$100k to \$199k

## Employment Status

- Not Retired includes the following individuals:
  - Employed workers, i.e., employed by others full time or part time
  - Self-employed
  - Not employed, i.e., unemployed, homemakers, and students
- Retired

## Generation\*

- Generation Z: Born 1997 to 2012
- 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' definition of birth years for generations align with standard industry practice, as defined by [Pew Research Center](#).*

# Acknowledgements

Scott Albertson

Lauren Burke

Sean Cassidy

Heidi Cho

Benita Collier

Catherine Collinson

Christopher Conrad

Jolene Crittenden

Reece Dinauer

Lard Friese

Will Fuller

Jennifer Galloway

Dan Goodman

Michelle Gosney

Julia Hardeman

Casey Harrel

Esther Huang

Emily Henrick

Willem van Hoeven

Emma Jaber

Elizabeth Jackson

David Krane

Kate Kumar

Patricia Levine

Bryan Mayaen

Oliver Meyer

Kyle Moschen

Susan Nguyen-Wright

Michelle Paschke

Maurice Perkins

Adrienne Robertson

Jasmin Rosato

Cecilia Shiner

Elizabeth Smith

Amanda Trask

Leigh Tucker

Mihaela Vincze

Ashlee Vogt

Holly Waters

Steven Weinberg

Andy Williams

Hank Williams

Senra Whitters

Jaime Zaruba



# Key Highlights

America's middle class is the heartbeat of our society, a main driver of our economy, and the embodiment of the American dream. Representing more than half of the U.S. population, the middle class is ever-present in our culture and social conscience. In today's chaotic post-pandemic environment, how are middle-class Americans faring? What are their hopes and dreams? What is their current financial situation? And what is their retirement outlook?

*The Retirement Outlook of America's Middle Class*, a collaboration between nonprofit Transamerica Center for Retirement Studies (TCRS) and Transamerica Institute, examines the health and well-being, employment status, personal finances, and retirement outlook of middle-class U.S. residents who are aged 18 and older. The report provides recommendations for individuals, employers, and policymakers and a suggested reading list for those who want to learn more about the middle class. It is based on findings from the 24th Annual Transamerica Retirement Survey, one of the largest and longest running surveys of its kind.



# Key Highlights

## *Defining the Middle Class*

Currently, there is not a universally accepted definition of “middle class” among demographers and researchers. For the purpose of this survey report, Transamerica Institute and Transamerica Center for Retirement Studies very broadly define it as U.S. residents who are age 18 and older with an annual household income (HHI) between \$50,000 and \$200,000. Based on this definition, the middle class represents 55% of the U.S. adult general population. For analytical purposes, this report offers a further segmentation of the middle class by HHI of \$50,000 to \$99,999 (28%) and \$100,000 to \$199,999 (27%).

The middle-class population has slightly more men (51%) than women (48%). Millennials are more prevalent (30%) than Baby Boomers (28%), Generation X (26%), Generation Z (13%), and the Silent Generation (4%). More than half are married (52%), employed (58%), White (64%), and live in the suburbs (53%). A detailed demographic analysis is provided in the appendix.

## *Happiness, Healthy Aging, and Longevity*

People in the middle class are planning to live long lives and enjoying life is a top priority. While they have a generally positive outlook on life, some are experiencing distress in terms of their mental health and finances. Many are also concerned about their health in older age and may be overlooking opportunities for improving their health and happiness. The survey reveals steps they could be taking to safeguard their health ranging from eating healthy, exercising regularly, getting enough sleep, and managing stress, to staying on top of recommended health screenings and caring for their mental health.

- **Top Life Priorities.** The middle class’s top priorities in life include enjoying life (67%), being healthy and fit (62%), focusing on family (45%), planning for their financial future (44%), leading a more sustainable life (28%), their career (28%), giving back to the community (24%), pursuing lifelong learning (23%), and serving as a caregiver (16%). People with HHI of \$100k to \$199k are somewhat more likely than those with HHI of \$50k to \$99k to mention many of these priorities.
- **Outlook on Life.** Most people in the middle class have positive feelings about life including having close relationships with family and friends (87%), being generally happy (85%), enjoying life (84%), having a strong sense of purpose (79%), having a positive view of aging (72%), and having an active social life (64%). Some people are also experiencing distress such as often feeling unmotivated and overwhelmed (39%), often feeling anxious and depressed (38%), having trouble making ends meet (37%), and being isolated and lonely (25%). Of concern, 43% people with HHI between \$50k and \$99k are having trouble making ends meet, compared with 31% of those with HHI between \$100k and \$199k.

# Key Highlights

## *Happiness, Healthy Aging, and Longevity (cont.)*

- **Age Planning to Live.** The potential for people to live longer than ever before has implications for time spent in the workforce relative to retirement, life and career planning, and alternative pathways into retirement. The middle class plans to live to age 90 (median). One in seven people in the middle class (14%) are planning to live to age 100 or older. More than one in three people (36%) are “not sure,” a reasonable answer given the nature of the question. The survey compared people’s planned life expectancy with their expected retirement age and found that they plan to spend 25 years in retirement (median). People with HHI of \$50k to \$99k are planning to live to age 89 compared with those of HHI of \$100k to \$199k who are planning to live to age 90 (medians). People with HHI of \$50k to \$99k are more likely to be “not sure” than those with HHI of \$100k to \$199k (40%, 32%, respectively).
- **Concerns About Health in Older Age.** More than seven in 10 people in the middle class (71%) are concerned about their health in older age, including 21% who are very concerned and 50% who are somewhat concerned. Twenty-three percent of people are not too concerned and 6% are not at all concerned about their health in older age. These findings are consistent between people with HHI of \$50k to \$99k and those with HHI of \$100k to \$199k.
- **Engagement in Healthy Activities.** People in the middle class share the opportunity to safeguard their health. Their five most often-cited healthy activities on a consistent bases include eating healthy (58%), exercising regularly (58%), getting enough sleep (56%), socializing with family and friends (56%), and seeking medical attention when needed (52%). Fewer than half are maintaining a positive outlook (49%), getting plenty of rest (48%), getting routine physicals and recommended health screenings (48%), avoiding harmful substances (45%), and managing stress (43%). Only one in five people (21%) are considering long-term health when making lifestyle decisions. People with HHI of \$100k to \$199k are slightly more likely than those with HHI of \$50k to \$99k to engage in healthy activities.
- **Caregiving Experience.** Amid population aging and the skyrocketing cost of long-term care, many people will be called upon to serve as a caregiver. Almost four in 10 people in the middle class who are not yet retired (38%) are currently serving and/or have served as a caregiver for a relative or friend during their career (excluding parenting responsibilities). Among them, 80% have made one or more adjustments to their work situation due to their caregiving responsibilities. Almost four in 10 retired people (39%) have dedicated a significant amount of time serving as a caregiver since they retired.

# Key Highlights

## *Happiness, Healthy Aging, and Longevity (cont.)*

- **Retirees: Plans for Long-Term Care.** More than half of retirees in the middle class (54%) plan to rely on family and friends if they need help with daily activities and/or nursing care, including 37% who plan to rely on their spouse, 30% who plan to rely on family members, and 4% who plan to rely on friends. Twenty-eight percent plan to move to an assisted living community, while 27% plan to use a professional, paid in-home caregiver, and 11% plan to move to a nursing home. Nine percent plan to seek reduced-fee services from a community organization. Almost one in four (23%) do not have long-term care plans. The findings are generally consistent among middle class retirees with an exception being that retirees with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to plan to use a professional, paid in-home caregiver (33%, 23%, respectively).
- **Retirees: Lack of Confidence in Ability to Afford Long-Term Care.** Few retirees in the middle class (13%) are very confident they will be able to afford long-term care, if needed, while 46% are somewhat confident, 25% are not too confident, and 16% are not at all confident. Retirees with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to be very confident (18%, 10%, respectively). Conversely, retirees with HHI of \$50k to \$99k are more likely than those with HHI of \$100k to \$199k to be not at all confident (20%, 10%).

Population aging and the skyrocketing cost of long-term care are a threat to the retirement security of working age people in the middle class and retirees. Many working age people are being called upon to serve as caregivers for an aging parent or loved one, adjusting their employment at a time when they need to be focusing on their own earning potential and retirement savings. Simultaneously, older people in the middle class have not yet made plans on how they expect to receive care, if needed, and it is unclear if they can afford such care.

## *Current Personal Finances and Employment*

The middle class has emerged from the pandemic and is currently navigating its aftereffects. Many indicate that their financial situation has stayed the same since the onset of the pandemic, while others indicate that their situation has worsened, and some say that it has improved. Most people in the middle class are employed, self-employed, or retired. A small percentage indicate they are unemployed, homemakers, or students. Among those who are employed, side hustles are common.

The middle class is juggling competing financial priorities, including paying off debt, saving for retirement, building emergency savings, and just getting by. While most are saving for retirement, many lack sufficient emergency savings if confronted with an unexpected financial setback.

# Key Highlights

## *Current Personal Finances and Employment (cont.)*

- **Changes to Finances Since the Pandemic Began.** More than one in four people in the middle class (27%) indicate their financial situation has worsened since the pandemic began, while 55% say that it has stayed the same and 18% say that it has improved. People with HHI of \$50k to \$99k are more likely than those with HHI of \$100k to \$199k to indicate their financial situation has worsened (32%, 22%, respectively). Conversely, 21% of those HHI of \$100k to \$199k say their financial situation has improved, compared with just 15% of those with HHI of \$50k to \$99k.
- **Employment Status.** Two in three people in the middle class (66%) are either employed (58%) or self-employed (7%), while 21% are retired, 6% are not employed, 5% are homemakers, and 4% are students. People with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to be employed (63%, 54%, respectively). In contrast, more than one in four people with HHI of \$50k to \$99k (26%) are retired, compared with just 16% of those with HHI of \$100k to \$199k.
- **Employed Workers: Number of Jobs/Employers and Side Hustles.** More than eight in 10 employed workers in the middle class (82%) are currently working at one job or employer, while 18% have two or more jobs. Thirty-nine percent of employed workers in the middle class indicate they have a “side hustle” as a means of making money in addition to their main form of employment or income. These findings are consistent between employed workers with HHI of \$50k to \$99k and those with HHI of \$100k to \$199k.
- **Current Financial Priorities.** People in the middle class face competing financial priorities including paying off debt (59%), saving for retirement/continuing to save for retirement (49%), building emergency savings (42%), saving for a major purchase or life event (31%), and just getting by to cover basic living expenses (31%). People with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to cite saving for retirement/continuing to save for a retirement as a priority (56%, 42%, respectively). In contrast, people with HHI of \$50k to \$99k are more likely than those with HHI of \$100k to \$199k to cite just getting by to cover basic living expenses as a priority (36%, 25%, respectively).
- **Homeownership, Renting, or Living With Others.** Almost seven in 10 people in the middle class own their home (69%), while 23% rent, and 8% live with relatives or friends. Homeownership increases with household income. Only 63% of those with HHI of \$50k to \$99k own their home, compared with 75% of those with HHI of \$100k to \$199k.



# Key Highlights

## *Current Personal Finances and Employment (cont.)*

- **Emergency Savings.** Emergency savings are needed to cover unexpected financial setbacks, such as unemployment, medical bills, home repairs, auto repairs, and other unexpected expenses. Emergency savings could also help prevent people from tapping into their retirement savings to cover such expenses. People in the middle class have saved \$8,000 (median) in emergency savings as of late 2023. People with HHI of \$50k to \$99k have saved just \$5,000 compared with those of HHI of \$100k to \$199k who have saved \$10,000 (medians). Of concern, approximately one in seven people in the middle class (13%) have no emergency savings, including 16% of those with HHI of \$50k to \$99k and 10% of those with HHI of \$100k to \$199k. Twenty-five percent of people in the middle class are “not sure” how much they have saved, including 28% with HHI of \$50k to \$99k and 22% with HHI of \$100k to \$199k.
- **Health Care Savings.** Almost three in four people in the middle class (74%) are saving for health care expenses. Fifty-nine percent are saving in an individual account (e.g., savings, checking, brokerage, etc.), 23% are saving in a health savings account (HSA), 14% are saving in a flexible spending account (FSA), and 4% through other means. People with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to be saving for health care expenses (80%, 69%, respectively). A concerning 26% of people in the middle class are not saving for health care expenses, including 31% of those with HHI of \$50k to \$99k and 20% with HHI of \$100k to \$199k.
- **Insurance Coverage.** Medical insurance, life insurance, and other types of insurance can help people mitigate the cost of unexpected financial setbacks and protect their savings. Among those in the middle class who are not retired, 82% have health insurance, 59% have life insurance, and 24% have disability insurance. By comparison, 97% of retired people in the middle class have health insurance and 57% have life insurance. People with HHI of \$100k to \$199k are slightly more likely to have different types of insurance coverage than those with HHI of \$50k to \$99k.
- **Working Knowledge About Personal Finance.** Only one in five people in the middle class (21%) say they have “a lot” of working knowledge about personal finance. Many (52%) indicate they have “some” working knowledge, while 21% describe their level of knowledge as being “not too much” and 4% say they know “nothing.” People with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to say they have “a lot” of working knowledge (23%, 18%, respectively).

One major opportunity for people in the middle class is increasing their knowledge of personal finance. A strong knowledge can help them make more informed decisions in budgeting, daily decision-making, and long-term financial planning.



# Key Highlights

## *Retirement Dreams, Fears, and Expectations*

The middle class dreams of an active retirement that includes travel, spending more time with family and friends, pursuing hobbies, and volunteerism. Some even dream of doing paid work. At the same time, middle-class Americans reveal their greatest retirement fears to be outliving their savings and investments, declining health that requires long-term care, and that Social Security will be reduced or cease to exist in the future. Relatively few people in the middle class are very confident about their ability to retire comfortably.

- **Retirement Dreams.** The top five retirement dreams among people in the middle class include traveling (67%), spending more time with family and friends (58%), pursuing hobbies (51%), doing volunteer work (23%), and taking care of their grandchildren (20%). One in four people in the middle class (25%) dream of doing some form of paid work in retirement such as starting a business (13%), pursuing an encore career (10%), and/or continuing to work in the same field (9%). People with HHI of \$100k to \$199k are generally more likely to cite these retirement dreams than those with HHI of \$50k to \$99k.
- **Greatest Retirement Fears.** The top five greatest retirement fears among people in the middle class include outliving their savings and investments (40%), declining health that requires long-term care (40%), Social Security will be reduced or cease to exist in the future (39%), cognitive decline, dementia, Alzheimer’s disease (33%), and possible long-term care costs (32%). People with HHI of \$50k to \$99k are more likely to fear that Social Security will be reduced or cease to exist in the future than those with HHI of \$100k to \$199k (41%, 37%, respectively). People with HHI of \$100k to \$199k are more likely to fear cognitive decline, dementia, Alzheimer’s disease than those with HHI of \$50k to \$99k ( 35%, 31%). A noteworthy 24% of people with HHI of \$50k to \$99k cite lack of affordable housing as a greatest retirement fear, compared with 19% of those with HHI of \$100k to \$199k.
- **Retirement Confidence.** Almost seven in 10 people in the middle class (69%) are confident that they will be able to fully retire with a comfortable lifestyle, including 21% who are very confident and 48% who are somewhat confident. Twenty-two percent are not too confident and 9% are not at all confident. Those with HHI of \$100k to \$199k are more likely to be very confident than those with HHI of \$50k to \$99k (25%, 18%, respectively).
- **Retirement Nest Egg.** More than six in 10 people in the middle class (62%) agree that they are currently building a large enough retirement nest egg, including 24% who strongly agree and 38% who somewhat agree. Seventeen percent of people somewhat disagree, 15% strongly disagree, and 6% are “not sure.” People with HHI of \$100k to \$199k are more likely to strongly agree than those with HHI of \$50k to \$99k (28%, 20%, respectively).

# Key Highlights

## *Retirement Dreams, Fears, and Expectations (cont.)*

- **Not Retired: Expected Retirement Age.** Among those who are not yet retired, almost half of people in the middle class (49%) expect to work beyond traditional retirement age including 34% who expect to retire after age 65 and 15% who do not plan to retire. Those with HHI of \$50k to \$99k are more likely to expect to work beyond traditional retirement age or do not plan to retire than those with HHI of \$100k to \$199k (52%, 45%, respectively).
- **Not Retired: Plans to Work in Retirement.** Among those who are not yet retired, more than half of people in the middle class (52%) plan to work after they retire, including 14% who plan to work full time and 38% who plan to work part time. People with HHI of \$50k to \$99k are more likely to be planning to work full time than those with HHI of \$100k to \$199k (16%, 12%, respectively).
- **Not Retired: Reasons for Working in Retirement.** Among those who expect to retire after age 65 and/or plan to work in retirement, people in the middle class cite healthy aging (81%) and financial (79%) reasons for doing so. The top healthy aging-related reasons include being active (54%), keeping their brain alert (46%), and enjoying what they do (42%). The top financial reasons include wanting the income (55%), concerns that Social Security will be less than expected (33%), and can't afford to retire because they haven't saved enough (29%). Those with HHI of \$50k to \$99k are slightly more likely to cite financial (80%) than healthy-aging reasons (78%), while those with HHI of \$100k to \$199k are more likely to cite healthy-aging reasons (84%) than financial reasons (78%).
- **Employed Workers: Transitioning Into Retirement.** Among employed workers, nearly half of those in the middle class (49%) envision transitioning into retirement by reducing their hours with more leisure time to enjoy life (29%) or working in a different capacity that is either less demanding and/or brings greater personal satisfaction (20%). Fewer than one in four workers (24%) envision they will immediately stop working either when they reach a specific age (14%) or when they have saved a specific amount of money (10%). Almost one in five workers (19%) envision working as long as possible in a current or similar position until they cannot work anymore. These visions are similarly shared by those with HHI of \$50k to \$99k and those with HHI of \$100k to \$199k.
- **Retirees: Age They Retired.** More than half of middle-class retirees (57%) indicate they retired before the age of 65, while 12% retired at age 65, 14% retired between ages 66 and 69, and 10% retired at age 70 or older. Eight percent consider themselves to be fully retired but do not expect to ever stop working. The median age that retirees retired is 62. Regarding the timing of their retirement, half of retirees (50%) indicate they retired sooner than planned — and among them, 48% did so due to employment-related reasons and 37% for personal health-related reasons. Forty-four percent of retirees retired when planned and 5% retired later than planned. These experiences are similarly shared between retirees with HHI of \$50k to \$99k and those with HHI of \$100k to \$199k.

# Key Highlights

## *Retirement Dreams, Fears, and Expectations (cont.)*

Many people in the middle class who are not yet retired expect to work beyond the traditional retirement age of 65 or do not plan to retire – and the majority plan to continue working at least part-time in retirement. Most plan to do so for both healthy-aging and financial-related reasons. However, many retirees retired before age 65, sooner than they had planned. The experiences of current middle-class retirees raise questions about how realistic the expectations of future retirees might be.

## *Saving, Planning, and Investing for Retirement*

People in the middle class are expecting diverse sources of retirement income including Social Security, employer-sponsored retirement benefits, personal savings, and continued work. Those who are not yet retired recognize the need to save for retirement, with more than three in four saving in an employer-sponsored 401(k) or similar plan and/or outside the workplace. Despite the impressive number of people who are saving for retirement, many may not be saving enough, based on their reported household retirement savings.

- **Expected Sources of Retirement Income.** People in the middle class expect diverse sources of retirement income with the most often cited including self-funded savings from 401(k), 403(b), IRAs or other savings and investments (net 79%), Social Security (72%), a company-funded pension plan (29%), income from working (27%), home equity (17%), and an inheritance (13%). Those with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to expect retirement income from 401(k), 403(b), or IRAs (72%, 58%, respectively), other savings and investments (55%, 44%), company-funded pension (33%, 24%), home equity (20%, 13%), and inheritance (14%, 11%).
- **Expected Primary Source of Retirement Income.** Many people in the middle class expect self-funded savings, including 401(k)s, 403(b)s, IRAs and/or other savings and investments (45%), to be their *primary source* of income in retirement. Twenty-seven percent expect their primary source of income to be Social Security, while 11% are expecting it to be from a company-funded pension plan and 9% from continued work. Only 2% are expecting their primary source of retirement income to come from home equity or from an inheritance. People with HHI of \$50k to \$99k are more likely to expect to primarily rely on Social Security than those with HHI of \$100k to \$199k (34%, 19%, respectively) or working (11%, 8%). In contrast, people with HHI of \$100k to \$199k are more likely to expect to primarily rely on savings from 401(k), 403(b), IRAs (37%, 28%), other savings and investments (14%, 11%), or a company-funded pension plan (13%, 9%).

# Key Highlights

## *Saving, Planning, and Investing for Retirement (cont.)*

- **Not Retired: Retirement Attitudes, Beliefs, and Concerns.** Among those who are not yet retired, almost three out of four people in the middle class (74%) are concerned that Social Security will not be there for them when they are ready to retire. Sixty-three percent feel they do not know as much as they should about retirement investing, 56% would prefer to rely on outside experts to monitor and manage their retirement savings plan, 54% indicate debt is interfering with their ability to save for retirement, 53% do not have enough income to save for retirement, and 40% prefer not to think about or concern themselves with retirement investing until they get closer to their retirement date. Among employed workers, 69% would like to receive more information and advice from their employers on how to achieve their retirement goals. People with HHI of \$50k to \$99k are generally more likely than those with HHI of \$100k to \$199k to have these attitudes and beliefs.
- **Not Retired: Saving for Retirement and Age Started Saving.** Among those who are not yet retired, more than three in four people in the middle class (77%) are saving for retirement through employer-sponsored plans, such as a 401(k) or similar plan, and/or outside the workplace, including 71% of those with HHI of \$50k to \$99k and 83% of those with HHI of \$100k to \$199k. They started saving for retirement at age 26 (median).
- **Employed Workers: Retirement Benefits Offered by Employers.** More than three in four employed workers in the middle class (78%) are offered an employee-funded 401(k) or similar plan by their employers, while 36% are offered an employer-funded plan (i.e., defined benefit pension plan, cash balance pension plan, SEP-IRA). Workers with HHI of \$100k to \$199k are more likely to be offered retirement benefits than those with HHI of \$50k to \$99k. Thirteen percent of workers are not offered any retirement benefits, including 17% with HHI of \$50k to \$99k and 10% of those with HHI of \$100k to \$199k.  
**Employed Worker: Plan Participation, Contributions, and Super Savers.** Among employed middle-class workers who are offered an employee-funded 401(k) or similar plan by their employers, more than eight in 10 (84%) participate in the plan including 79% of those with HHI of \$50k to \$99k and 87% of those with HHI of \$100k to \$199k. Among those who participate in their employers' plans, the median annual salary contribution rate is 10%. A remarkable 44% of middle-class workers participating in a plan are super savers who are saving more than 10% of their annual salary in the plan.
- **Employed Workers: Matching Contribution Offered by Employer.** Among those who are offered a 401(k) or similar plan, most middle-class workers (83%) are offered a matching contribution as part of the plan, a finding that is similar between those with HHI of \$50k to \$99k and those with HHI of \$100k to \$199k.

# Key Highlights

## *Saving, Planning, and Investing for Retirement (cont.)*

- **Employed Workers: Awareness and Usage of Roth 401(k) Provision.** Among employed middle-class workers who are offered a 401(k) or similar plan, three in four (75%) are aware of the Roth 401(k)/Roth 403(b) option, including 69% of workers with HHI of \$50k to \$99k and 80% of workers with HHI of \$100k to \$199k. Further, among those who are aware of the Roth option, almost half (48%) are offered the option and contribute to it.
- **Employed Workers: Professionally Managed Account Usage.** “Professionally managed” accounts include target date funds, model portfolio services, managed account services, and/or strategic allocation funds. Most middle-class plan participants (73%) use a professionally managed offering in their 401(k) or similar plans, including 27% who use a personalized target date fund, 23% who use model portfolios, 21% who use a general target date fund, 21% who use a managed account service, and 21% who use strategic allocation funds. One in three plan participants (34%) set their own asset allocation percentage among the available funds. Nine percent are “not sure.”
- **Self-Employed: Saving for Retirement.** Among self-employed people in the middle class, 46% indicate they consistently save for retirement while 39% say they occasionally save and 15% say they never save. Among those who are currently saving for retirement, many are using tax-advantaged retirement arrangements including 43% who are using a Traditional or Roth IRA, 36% a 401(k), 23% a Solo 401(k)/Individual 401(k), 10% a SEP IRA, and 8% a SIMPLE IRA. Twenty-five percent are not using a tax-advantaged arrangement. Among the self-employed who are currently saving for retirement, they are saving 20% of their annual personal income (median).
- **Retirees: Retirement Benefits Offered by Employers.** Almost six in 10 middle-class retirees (58%) participated in an employee-funded 401(k) or similar plan, while half (53%) participated in an employer-funded plan (i.e., defined benefit pension plan, cash balance pension plan, SEP-IRA) for the majority of their working career. Retirees with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to have participated in an employer-funded plan (60%, 49%, respectively). Fifteen percent of retirees were not offered any retirement benefits for most of their career, a finding that is more prevalent among retirees with HHI of \$50k to \$99k than those with HHI of \$100k to \$199k (19%, 11%).

# Key Highlights

## *Saving, Planning, and Investing for Retirement (cont.)*

- **Types of Retirement Savings & Investments.** People in the middle class who are saving for retirement outside the workplace or who are retired are investing in a variety of ways with the most common being in a bank account (71%), a 401(k), 403(b), 457(b) or similar plan (43%), an IRA (38%), a brokerage account (37%), a primary residence (35%), and a life insurance policy (34%). Fewer than one in six are investing in an annuity (15%), cryptocurrency (14%), HSA (12%), real estate other than primary residence (11%), business ownership (8%), or NFTs (5%). Those with HHI of \$100k to \$199k are generally more likely to be investing in these ways than those with HHI of \$50k to \$99k.
- **Not Retired: Estimated Retirement Savings Needs.** Among those who are not yet retired, people estimate they will need \$500,000 (median) by the time they retire in order to feel financially secure. Those with HHI of \$100k to \$199k estimate they will need to save \$890,000 compared with just \$500,000 among those with HHI of \$50k to \$99k. More than four in 10 middle-class people who are not yet retired (41%) estimate they will need to save \$1 million or more, including 31% of those with HHI of \$50 to \$99k and 49% of those with HHI of \$100k to \$199k.
- **Not Retired: Basis of Estimated Retirement Savings Needs.** Among those providing an estimate, half of middle-class people who are not yet retired (50%) guessed the amount they need to save for retirement while 37% based their estimate on current living expenses, 18% on expected investment earnings, 12% on reading/hearing how much is needed, and 10% who were given the amount by a financial advisor. Fewer than one in five (18%) arrived at their estimate by using a calculator (13%) and/or completing a worksheet (8%). Those with HHI of \$50k to \$99k were more likely to have guessed their needs than those with HHI of \$100k to \$199k (55%, 46%, respectively). Thirteen percent of those with HHI of \$100k to \$199k had the amount given by a financial advisor, compared with just 8% of those with HHI of \$50k to \$99k.
- **Financial Strategy for Retirement.** Fewer than one in four people in the middle class (24%) have a financial strategy for retirement in the form of a written plan. Almost half (48%) have a plan that is not written down, while 28% do not have a plan. People with HHI of \$100k to \$199k are more likely to have a written plan than those with HHI of \$50k to \$99k (27%, 21%, respectively).
- **Frequency (or Infrequency) of Conversations About Retirement.** Fewer than one in five people in the middle class (17%) frequently discuss saving, investing, and planning for retirement with family and close friends, while 58% occasionally discuss it, and 25% never discuss it. People with HHI of \$100k to \$199k are more likely to frequently discuss it than those with HHI of \$50k to \$99k (19%, 15%, respectively).



# Key Highlights

## *Saving, Planning, and Investing for Retirement (cont.)*

- **Not Retired: Tapping Into Retirement Savings.** A concerning percentage of middle-class people who are not yet retired are tapping into their retirement savings before they retire. Thirty-three percent have taken a loan, early withdrawal, and/or hardship withdrawal from their 401(k) or similar plan or IRA, including 26% who have taken a loan and 18% who have taken an early and/or hardship withdrawal. Seventeen percent have taken a loan and paid it back in full, while 8% have taken a loan and are paying it back, and 6% have taken a loan that they were unable to pay back. Those with HHI of \$100k to \$199k are more likely to be tapping into their savings than those with HHI of \$50k to \$99k.
- **Reasons for Taking 401(k) Loans.** Among those in the middle class who have taken a loan from their 401(k) or similar plan, the most frequently cited reason for doing so is a financial emergency (28%). One in five people cite paying off debt (22%), including credit card debt (21%) and/or other debt (1%). Other reasons include everyday expenses (21%), medical bills (20%), unplanned major expenses (19%), home improvements (18%), purchase of a primary residence (16%), the purchase of a vehicle (15%), college tuition (12%), avoiding eviction (10%), burial or funeral expenses (7%), or some other purpose (10%).
- **Reasons for Hardship Withdrawals From 401(k)s.** Among those in the middle class who have taken a hardship withdrawal from a 401(k) or similar plan, the reasons for doing so include expenses and losses incurred due to a disaster in a federally declared disaster area (18%), paying for certain medical expenses (17%), covering costs related to purchase of a principal residence (15%), payment of tuition and related educational fees (13%), expenses for qualified repairs to damage of principal residence (11%), payments to prevent eviction from one's principal residence (10%), and burial or funeral expenses (9%).
- **Not Retired: Total Household Savings in Retirement Accounts.** As of late 2023, among those who are not yet retired, people in the middle class have saved \$66,000 (estimated median) in total household retirement accounts. Savings increase with household income. Those with HHI of \$50k to \$99k have saved \$36,000 in total household retirement accounts, compared with those with HHI of \$100k to \$199k who have saved \$129,000 (estimated medians). Twenty-five percent of middle-class people have saved \$250,000 or more, including 13% of those with HHI of \$50k to \$99k and 36% of those with HHI of \$100k to \$199k.

# Key Highlights

## *Saving, Planning, and Investing for Retirement (cont.)*

- **Retirees: Total Household Savings and Home Equity.** As of late 2023, middle-class retirees reported \$186,000 in total household savings excluding home equity (estimated median). Savings increase with household income. Those with HHI of \$50k to \$99k have \$120,000 in total savings excluding home equity, compared with those with HHI of \$100k to \$199k who saved \$349,000 (estimated medians). Five percent of middle-class retirees have no household savings. Middle-class retirees reported \$177,000 in home equity (estimated median). Home equity also increases with household income. Retirees with HHI of \$50k to \$99k have \$140,000 in home equity, compared with those with HHI of \$100k to \$199k who have \$254,000 in home equity (estimated medians). Fifteen percent of middle-class retirees have no home equity.
- **Not Retired: 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. Among those who are not yet retired, fewer than half of people in the middle class (45%) are aware of the Saver's Credit.
- **Not Retired: Catch-Up Contribution Awareness.** Catch-Up Contributions allow individuals aged 50 and older to contribute to a 401(k), 403(b), or similar plan or IRA an additional amount over and above the plan or IRA-contribution limit. Among those who are not yet retired, only 53% of people in the middle class are aware of catch-up contributions, including 47% of those with HHI of \$50k to \$99k and 59% of those with HHI of \$100k to \$500k. Age 50+ people in the middle class are slightly more likely to be aware of catch-up contributions.
- **Level of Understanding About Social Security Benefits.** Only one in four people in the middle class (25%) know “a great deal” about Social Security benefits. Thirty-one percent of those who are age 60+ indicate they know a “great deal” and only 28% who expect to primarily rely on Social Security in retirement indicate they know a “great deal.”
- **Level of Understanding About Medicare Benefits.** Only one in five people in the middle class (21%) know “a great deal” about Medicare benefits. Among those who are age 60+, almost three in 10 (29%) know “a great deal” about them.
- **Professional Financial Advisor Usage.** One in three people in the middle class (34%) use a professional financial advisor. People with HHI of \$100k to \$199k are more likely to use a professional advisor than those with HHI of \$50k to \$99k (40%, 27%, respectively).

The middle class has yet to fully engage in retirement planning. By taking steps such as increasing their knowledge of personal finance, learning about retirement investing, formulating a written retirement strategy, and opening lines of communication with family and close friends, they can set forth goals and a roadmap for achieving them. Those needing assistance may want to consider consulting with a professional financial advisor.

# Key Highlights

## *Public Policy Priorities for Strengthening the U.S. Retirement System*

Millions of middle-class Americans are at risk of not achieving a financially secure retirement – and the situation is intensifying. Many are inadequately saving, through no fault of their own. Most are concerned that Social Security will not be there for them when they are ready to retire.

This election year, we have an opportunity to engage in a policy dialogue on ways to strengthen the U.S. retirement system so that everyone can achieve a financially secure retirement. The survey asked the middle class what should be done, and these are their responses:

- **Outlook of Future Generations of Retirees.** Half of people in the middle class (51%) think that future generations of retirees will be worse off than those currently in retirement, while 26% think they will be about the same, 14% think they will be better off, and 10% “don’t know.” People with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to think future generations will be better off (15%, 12%, respectively).
- **Retirement Security Priorities for the President and Congress.** The middle class’s top priorities for the President and Congress to help people have a financially secure retirement include addressing Social Security’s funding shortfalls (65%), addressing Medicare’s funding shortfalls (53%), making out-of-pocket health care expenses and prescription drugs more affordable (50%), ensuring all workers can save for retirement in the workplace (47%), and educating Americans early by implementing a financial literacy curriculum in schools (40%). Other often-cited priorities include innovating solutions to make long-term care services and supports more affordable (39%), increasing access to affordable housing (39%), and supporting family caregivers by implementing policies such as paid family and medical leave, tax credits of out-of-pocket caregiving costs, and Social Security credits for time spent caregiving (37%). Twenty-eight percent cite providing and/or subsidizing broad and access and another 28% cite creating incentives for ongoing training and education.
- **How to Address Social Security’s Funding Shortfall.** The survey asked people in the middle class about actions that Congress should take to address Social Security’s estimated funding shortfall and it garnered responses for increasing the maximum earning subject to payroll taxes (41%), increasing the Social Security payroll tax rate (37%), preserving retirement benefit payments for retirees in greatest need (31%), and raise the retirement age (24%). Only 4% of them say Congress should “do nothing” while 22% say they “don’t know.” People with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to cite increasing the maximum earnings subject to payroll taxes (43%, 38%, respectively) and raising the raising the retirement age (26%, 22%). In contrast, 24% of those with HHI of \$50k to \$99k indicate they “don’t know” compared with 19% of those with HHI of \$100k to \$199k.

# Key Highlights

## *Public Policy Priorities for Strengthening the U.S. Retirement System (cont.)*

Now is the time for the President and Congress to restore retirement confidence and hope among Americans by addressing Social Security, Medicare, access to workplace retirement plans, financial literacy, and other drivers of retirement security. 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 middle-class Americans save, invest, and protect their savings.

The American middle class is navigating a dynamic environment that offers the gift of increased longevity, but also the need to fund it. Many are not saving enough, and the nation's social safety nets, such as Social Security and Medicare, are under strain. A concerted effort among policymakers, industry, employers, and individuals is needed to innovate solutions so that current and future generations can retire with dignity.

**Catherine Collinson**

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

# Recommendations for the Middle Class

People in the middle class are navigating a turbulent economy and inflationary environment which are making it even more difficult to achieve and maintain a secure retirement. People could improve their long-term outlook by safeguarding their health, managing their personal finances, focusing on employment, and planning for longer lives. Action steps include:

1. **Prioritize physical and mental health.** Eat healthy, exercise regularly, and get plenty of rest. Explore ways to manage stress and work-life balance. Consider health implications when making lifestyle decisions. Your health is your wealth.
2. **Invest in your own human capital by pursuing professional development to help ensure continued employment now and in the future.** Take proactive steps to stay employed in the new world of work by learning new skills, honing current skills, and staying current with employers' needs.
3. **If employed, learn about your employer's business practices and benefit offerings** that can support your work-life balance, provide health care coverage and other forms of insurance, encourage workplace wellness, promote financial wellness, and facilitate saving for retirement. Job seekers should consider employee benefits as part of an overall compensation package.
4. **Engage in financial planning to gain a full understanding of your 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. Learn how your finances could be impacted by inflation and increased interest rates. If you delayed mortgage, rent, or student loan payments during the pandemic, learn your obligations regarding past-due payments and explore potential financial assistance that might be available.
5. **Build emergency savings and create a backup plan,** in the event of an unplanned major expense, job loss, or in case retirement comes early or unexpectedly due to unforeseen circumstances.
6. **Calculate retirement savings needs, develop a retirement strategy, and write it down.** Factor in living expenses, health care, government benefits, inflation, investment returns, years in retirement, potential long-term care needs, as well as funds for pursuing retirement dreams. 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.
7. **Save and invest for retirement** in an employer-sponsored retirement plan, if available, or contribute to a tax-advantaged account such as a Traditional or Roth IRA. If self-employed, explore other tax-advantage options that are available including SIMPLE IRAs, Solo/Individual 401(k), SEP IRAs, and more. Save as much as you can. Strive to live within your means and set aside additional savings. Learn about tax incentives to save including the Saver's Credit and Catch-up Contributions.
8. **Avoid taking loans and early withdrawals from retirement accounts.** Both can severely inhibit the long-term growth of your retirement plan balance. Before tapping into retirement savings, explore all possible alternatives to determine best option.
9. **Get savvy about Social Security and Medicare.** Learn about Social Security claiming strategies that can help maximize long-term benefits, and get informed about Medicare eligibility and coverage options to insure against medical expenses.
10. **Beware of scams.** Be hypervigilant about suspicious text messages, email, calls, or ghost job postings. Properly secure personal devices (e.g., phones, tablets, computers), personal information, user ids, and passwords. Beware of AI-generated voice and video phishing. When receiving requests from a family member or friend for gift cards or cash transfers, contact them directly to confirm they are the true requestor.

# Recommendations for Employers

Employers play a vital societal role in supporting the long-term health and financial well-being of their employees. Amid the rapidly transforming workplace, employers can enhance their supportive business practices and benefit offerings to better align with employees' needs – and ultimately, to stand out in today's highly competitive and evolving landscape. Specific opportunities include:

1. **Offer flexible work arrangements to support work-life balance** ranging from employees' personal responsibilities such as parenting, home-schooling, and caregiving, to professional development such as continuing education and volunteering.
2. **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.
3. **Sponsor a retirement plan or join a pooled plan arrangement** such as a pooled employer plan (PEP), multiple employer plan (MEP), 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 PEP, MEP, or GoP.
4. **Consult with your benefits advisors and retirement plan provider to learn about the SECURE 2.0 Act of 2022** and new provisions that may be appropriate for your plan. These new provisions include matching contributions based on qualified student loan payments, emergency savings accounts, and designating employer contributions as Roth. There are also new provisions for in-service withdrawals for emergency personal expenses, qualified disaster relief, to victims of domestic abuse, and to terminally ill participants. Also, be sure to learn about the new law's plan administration-related rules including self-certification of hardship withdrawals and updated Required Minimum Distribution (RMD) rules.
5. **Extend benefits eligibility to part-time workers**, including health insurance and retirement plan offerings. For part-time workers who are 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 and SECURE 2.0, consider providing them with the ability to contribute to an IRA through payroll deduction.
6. **Promote the benefits your company offers**, including health, wellness, and retirement benefits. Increasing awareness of these offerings could help employees increase their physical, mental, and financial well-being.
7. **Encourage professional development and lifelong learning opportunities for workers of all ages** to keep their skills up to date or learn new skills to help them remain employable in the evolving job market.
8. **Cultivate an age-friendly work environment** by offering opportunities, work arrangements, and training and tools needed for employees of all ages to be successful. Encourage mentorships, cross-training, professional development, and succession planning across all ages.
9. **Adopt and promote policies to accommodate workers with special needs** (e.g., assistive technologies, remote work opportunities, etc.) to promote even higher workforce participation.
10. **Offer pre-retirees greater levels of assistance in planning their transition into retirement**, including education about retirement income strategies, 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.
11. **Enable 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

Policymakers have an opportunity to future proof and strengthen the U.S. retirement system so that all Americans can retire with dignity. Recommendations for policymakers that directly and indirectly promote retirement security include:

1. **Provide guidance on certain key provisions of SECURE 2.0 to ensure a successful implementation, including:**
  - a. ***Opportunities for Expanding Retirement Plan Coverage***, including small business tax credits for establishing retirement plans or joining multiple employer plans (MEPs) or pooled employer plans (PEPs); the formation of 403(b) MEPs and PEPs; and increased inclusion of part-time workers in retirement plans by reducing the long-term employment requirements.
  - b. ***Enhanced retirement plan features that further facilitate retirement savings among workers***, including increased catch-up contribution limits; the lost-and-found participant database; expansion of automatic enrollment and automatic increases; ability for employers to make matching contributions based on student loan repayments; and the addition of emergency savings accounts.
  - c. ***The Saver's Match, a new government matching contribution*** for low- to moderate-income retirement savers that will replace the current Saver's Credit .
2. **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 work and retirement.
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. **Ensure that all workers can save for retirement in the workplace** in an employer-sponsored retirement plan, IRA, or other program.
7. **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.
8. **Encourage employers to implement age-friendly business practices.** Create incentives and remove disincentives for employers to hire and retain older workers, offer phased retirement, and create opportunities for encore careers.
9. **Increase access to affordable housing** to enhance financial security for Americans of all ages.
10. **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.

***The Retirement Outlook of the American Middle Class  
Detailed Findings***

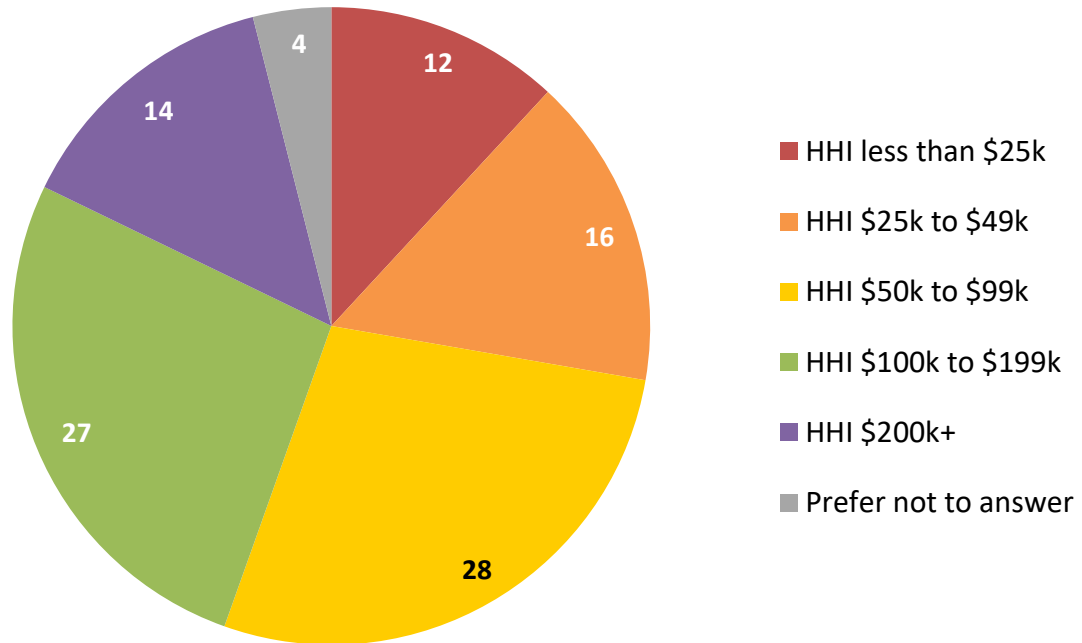
## *Defining the Middle Class*

# Defining the Middle Class

Transamerica Institute and Transamerica Center for Retirement Studies broadly defines the “middle class” as people with an annual household income (HHI) between \$50,000 and \$199,999. The middle class represents 55% of the U.S. adult general population. For reporting and analytical purposes, TCRS offers a further segmentation of the middle class by household income of \$50,000 to \$99,999 (28%) and \$100,000 to \$199,999 (27%).

## How much total combined income did all members of your household earn before taxes last year? (%)

**All Middle Class: 55%**  
NET = HHI \$50k to \$99k (28%)  
+ HHI \$100k to \$199k (27%)



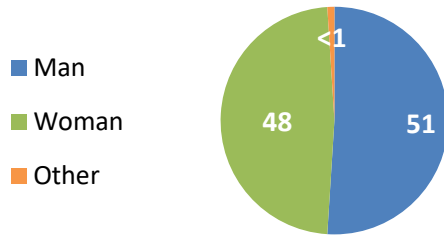
*Note: Results may not total to 100% due to rounding.*

# A Portrait of the Middle Class

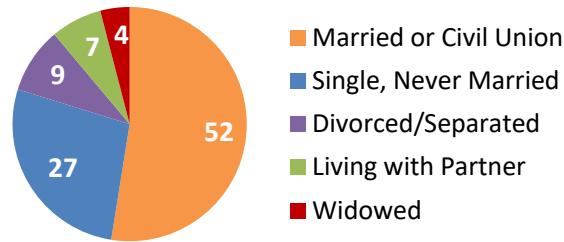
The middle-class population has slightly more men (51%) than women (48%). Millennials are more prevalent (30%) than Baby Boomers (28%), Generation X (26%), Generation Z (13%), and the Silent Generation (4%). More than half are married (52%), employed (58%), White (64%), and live in the suburbs (53%). See appendix for more details.

## The Middle Class - Household Income \$50k and \$199k (%)

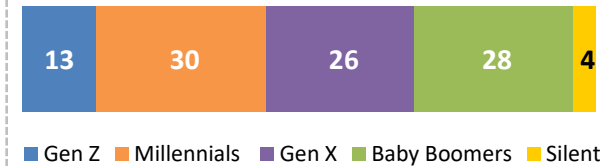
**GENDER**



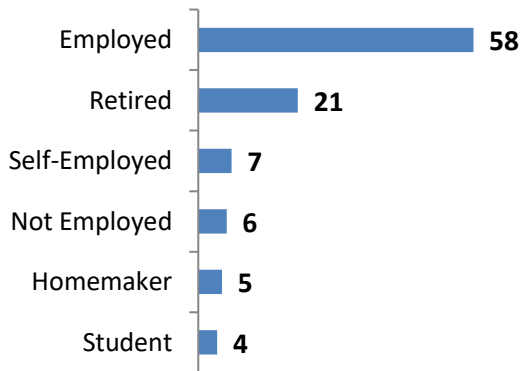
**MARITAL STATUS**



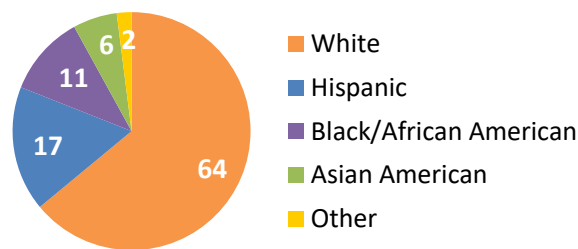
**GENERATION**



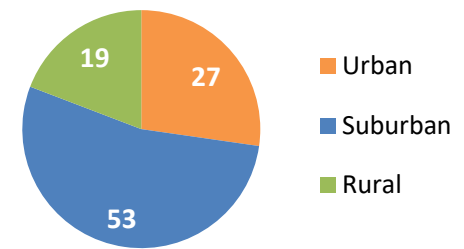
**EMPLOYMENT**



**RACE AND ETHNICITY**



**URBANICITY**



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

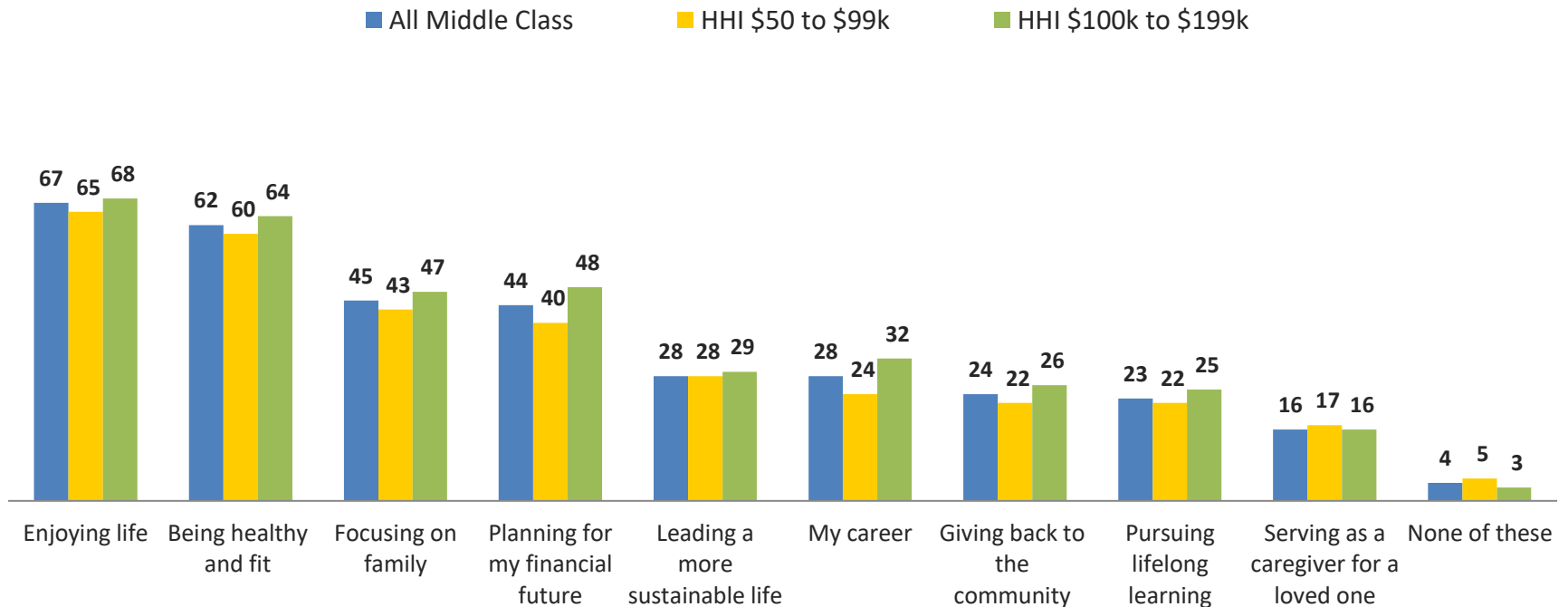
# *Happiness, Healthy Aging, and Longevity*



# Top Life Priorities

The middle class's top priorities in life include enjoying life (67%), being healthy and fit (62%), focusing on family (45%), planning for their financial future (44%), leading a more sustainable life (28%), their career (28%), giving back to the community (24%), pursuing lifelong learning (23%), and serving as a caregiver (16%). People with HHI of \$100k to \$199k are somewhat more likely than those with HHI of \$50k to \$99k to mention many of these priorities.

**Which of the following are currently your top priorities in life? Select All. (%)**



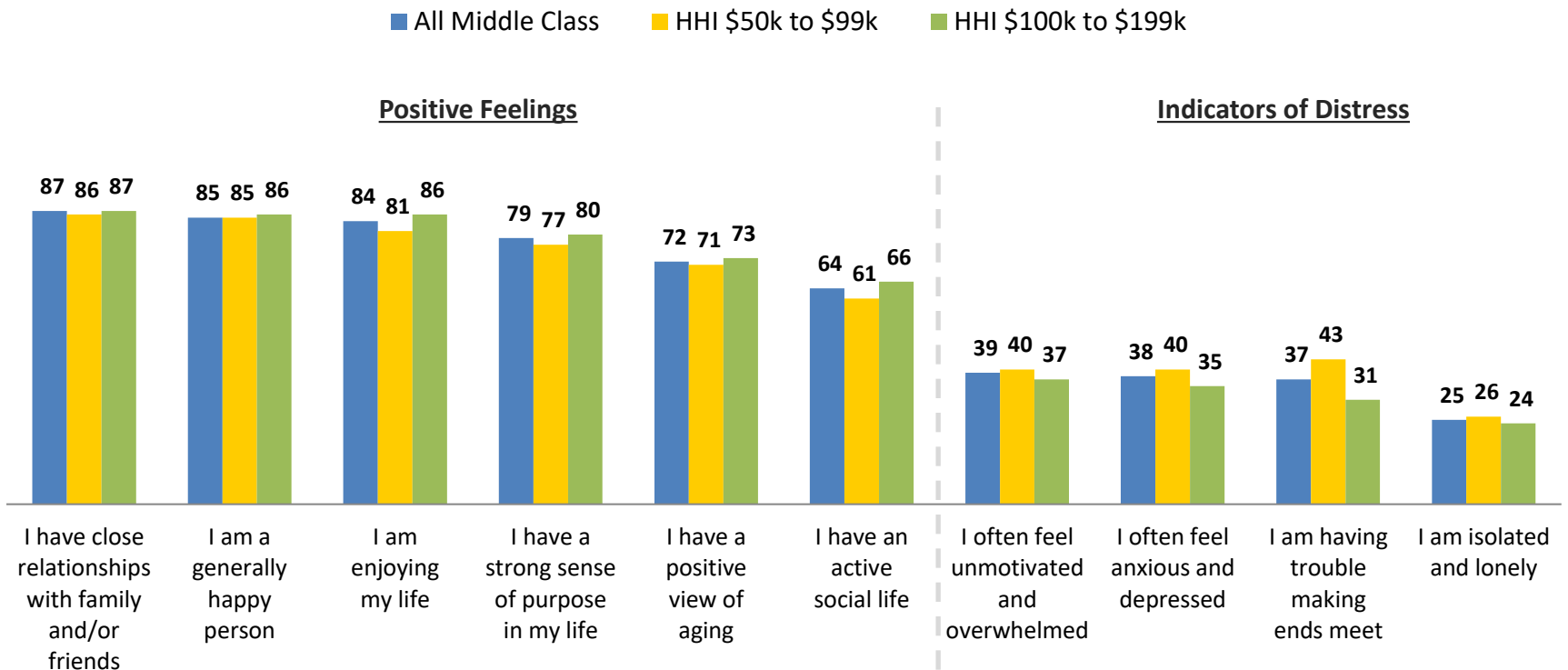
Responses not shown for "Other" (All Middle Class: 2%, HHI \$50k to \$99k: 2%, HHI \$100k to \$199k: 1%).

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS  
Q2022A. Which of the following are currently your top priorities in life? Select all.

# Outlook on Life

Most people in the middle class have positive feelings about life including having close relationships with family and friends (87%), being generally happy (85%), enjoying life (84%), having a strong sense of purpose (79%), having a positive view of aging (72%), and having an active social life (64%). Some people are also experiencing distress such as often feeling unmotivated and overwhelmed (39%), often feeling anxious and depressed (38%), having trouble making ends meet (43%), and being isolated and lonely (25%). Of concern, 43% people with HHI between \$50k and \$99k are having trouble making ends meet, compared with 31% of those with HHI between \$100k and \$199k.

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

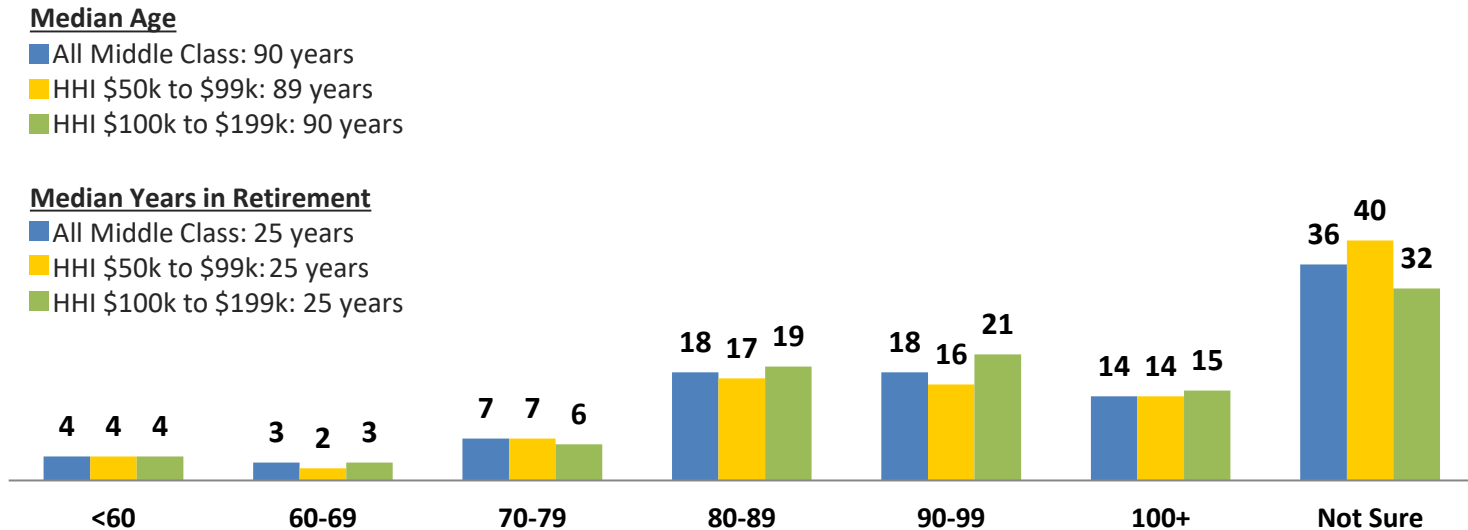


# Age Planning to Live

The potential for people to live longer than ever before has implications for time spent in the workforce relative to retirement, life and career planning, and alternative pathways into retirement. The middle class plans to live to age 90 (median). One in seven people in the middle class (14%) are planning to live to age 100 or older. More than one in three people (36%) are “not sure,” a reasonable answer given the nature of the question. The survey compared people’s planned life expectancy with their expected retirement age and found that they plan to spend 25 years in retirement (median).

People with HHI of \$50k to \$99k are planning to live to age 89 compared with those of HHI of \$100k to \$199k who are planning to live to age 90 (medians). People with HHI of \$50k to \$99k are more likely to be “not sure” than those with HHI of \$100k to \$199k (40%, 32%, respectively).

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



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

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS

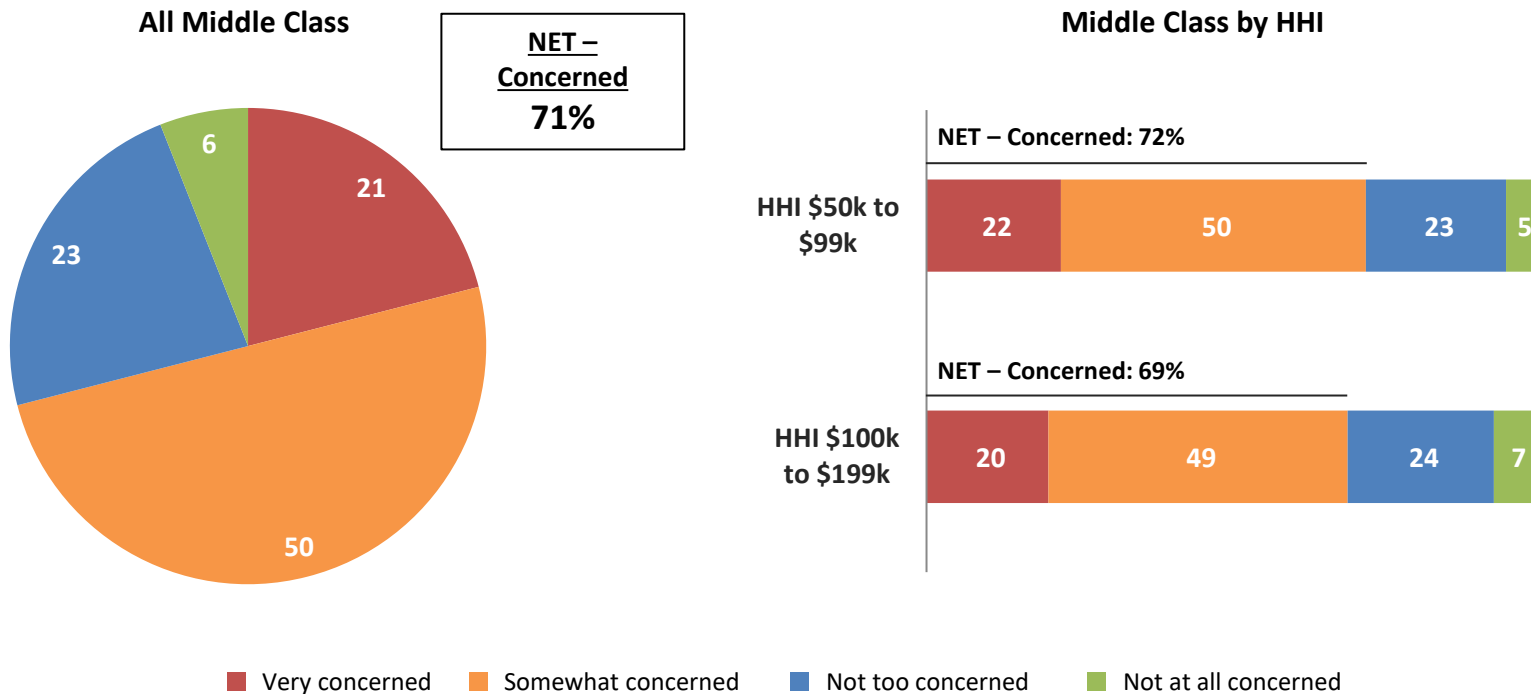
Q2850. What age are you planning to live to?

Q910. At what age do you expect to retire?

# Concerns About Health in Older Age

More than seven in 10 people in the middle class (71%) are concerned about their health in older age, including 21% who are very concerned and 50% who are somewhat concerned. Twenty-three percent of people are not too concerned and 6% are not at all concerned about their health in older age. These findings are consistent between people with HHI of \$50k to \$99k and those with HHI of \$100k to \$199k.

**How concerned are you about your health in older age? (%)**



# Engagement in Healthy Activities

People in the middle class share the opportunity to safeguard their health. Their five most often-cited healthy activities on a consistent bases include eating healthy (58%), exercising regularly (58%), getting enough sleep (56%), socializing with family and friends (56%), and seeking medical attention when needed (52%). Fewer than half are maintaining a positive outlook (49%), getting plenty of rest (48%), getting routine physicals and recommended health screenings (48%), avoiding harmful substances (45%), and managing stress (43%). Only one in five people (21%) are considering long-term health when making lifestyle decisions. People with HHI of \$100k to \$199k are slightly more likely than those with HHI of \$50k to \$99k to engage in healthy activities.

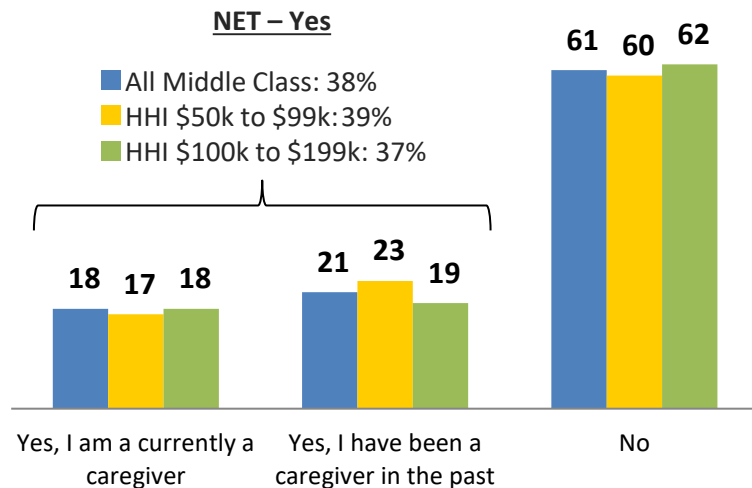
<b>Engaging in Health-Related Activities on a Consistent Basis (%)</b>	<b>All Middle Class</b>	<b>HHI \$50k to \$99k</b>	<b>HHI \$100k to \$199k</b>
Eating healthy	58	55	61
Exercising regularly	58	55	61
Getting enough sleep	56	54	57
Socializing with family and friends	56	54	58
Seeking medical attention when needed	52	52	52
Maintaining a positive outlook	49	48	50
Getting plenty of rest	48	48	49
Getting routine physicals and recommended health screenings	48	47	49
Avoiding harmful substances (e.g., cigarettes, alcohol, illicit drugs, etc.)	45	44	45
Managing stress	43	43	44
Getting recommended vaccinations (e.g., flu, shingles, MMR)	41	41	42
Spending time in nature	38	37	39
Practicing mindfulness and meditation	23	22	23
Seeking mental health support when needed	21	21	22
Considering long-term health when making lifestyle decisions	21	18	25
Other	1	1	1
Nothing	2	3	2

# Caregiving Experience

Amid population aging and the skyrocketing cost of long-term care, many people will be called upon to serve as a caregiver. Almost four in 10 people in the middle class who are not yet retired (38%) are currently serving and/or have served as a caregiver for a relative or friend during their career (excluding parenting responsibilities). Among them, 80% have made one or more adjustments to their work situation due to their caregiving responsibilities. Almost four in 10 retired people (39%) have dedicated a significant amount of time serving as a caregiver since they retired.

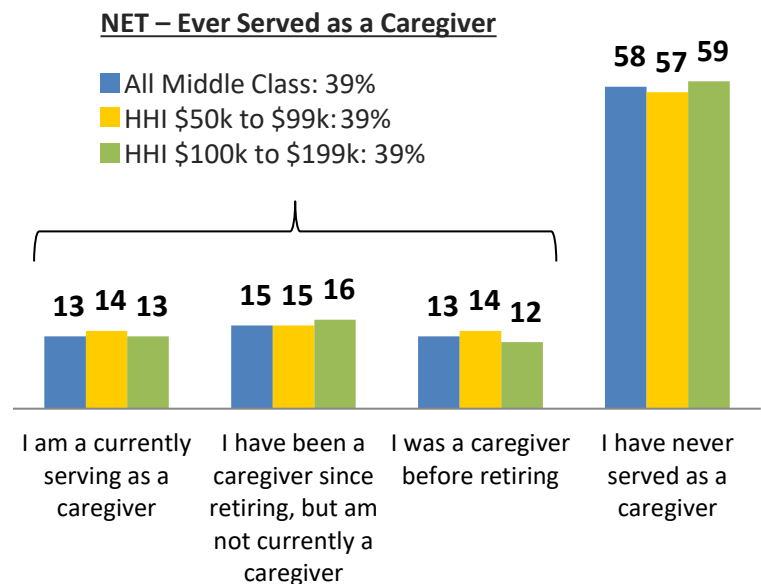
## Are you currently serving or have you served as a caregiver for a relative or friend during the course of your working career (excluding parenting responsibilities)?

Not Retired (%)



## Since retiring, have you dedicated a significant amount of time serving as a caregiver to a family member or friend who needs help taking care of themselves?

Retired (%)



Note: Responses not shown for "Not Sure" responses of less than 5%.

**MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – NOT RETIRED**

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.

**MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – NOT RETIRED AND SERVED AS A CAREGIVER**

Q2505x1. Which of the following have you done as a result of becoming a caregiver? Select all.

**MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – RETIREES**

Q2755R. Since retiring, have you dedicated a significant amount of time serving as a caregiver to a family member or friend who needs help taking care of themselves? Select all.



# Retirees: Plans for Long-Term Care

More than half of retirees in the middle class (54%) plan to rely on family and friends if they need help with daily activities and/or nursing care, including 37% who plan to rely on their spouse, 30% who plan to rely on family members, and 4% who plan to rely on friends. Twenty-eight percent plan to move to an assisted living community, while 27% plan to use a professional, paid in-home caregiver, and 11% plan to move to a nursing home. Nine percent plan to seek reduced-fee services from a community organization. Almost one in four (23%) do not have long-term care plans. The findings are generally consistent among middle class retirees with an exception being that retirees with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to plan to use a professional, paid in-home caregiver (33%, 23%, respectively).

**If your health declines and you need help with daily activities and/or nursing care, what are your plans for receiving such care? Select all.**

Retired (%)

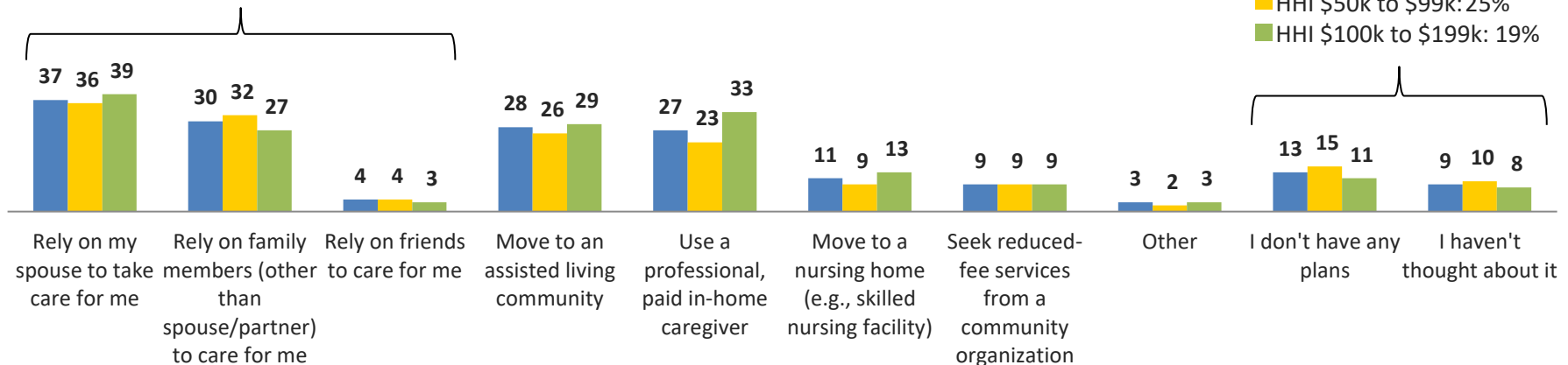
■ All Middle Class    ■ HHI \$50 to \$99k    ■ HHI \$100k to \$199k

**NET – Rely on Family and Friends**

■ All Middle Class: 54%  
 ■ HHI \$50k to \$99k: 53%  
 ■ HHI \$100k to \$199k: 55%

**NET – Don't Have Plans**

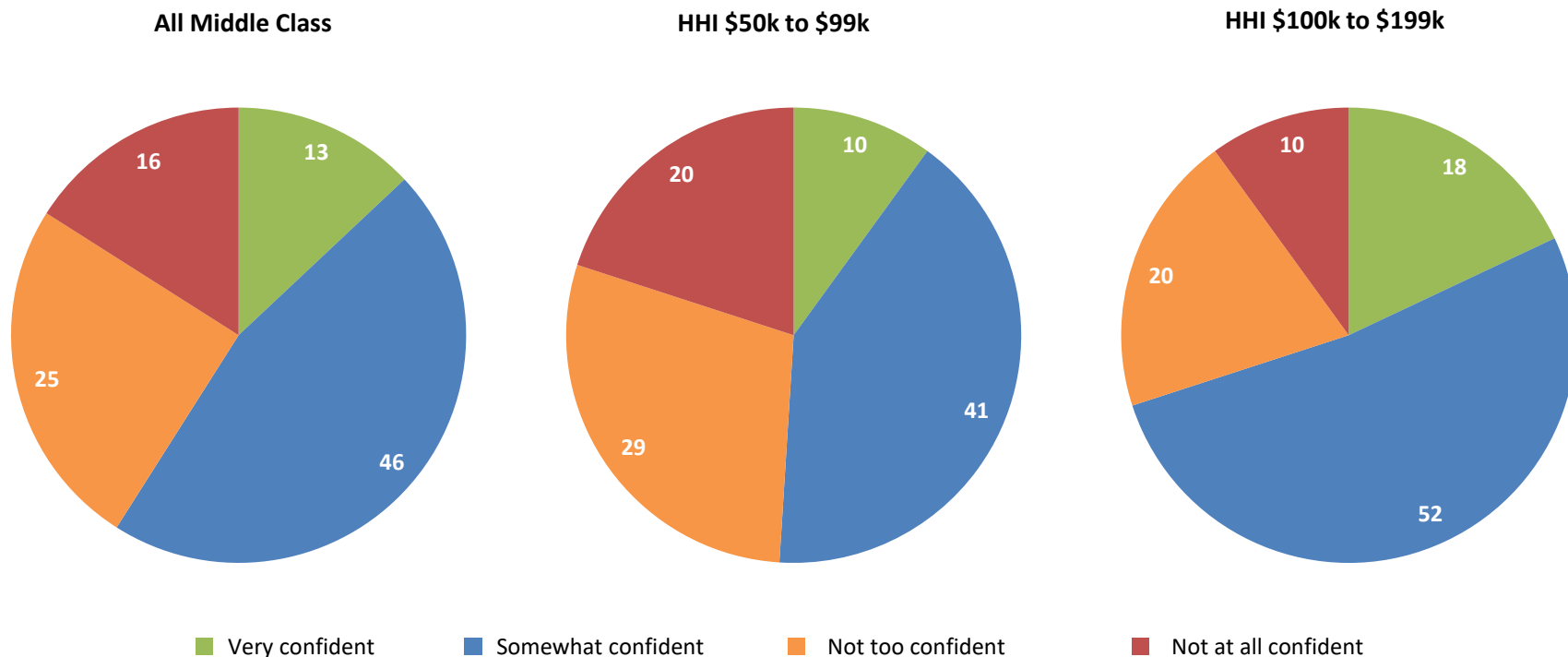
■ All Middle Class: 23%  
 ■ HHI \$50k to \$99k: 25%  
 ■ HHI \$100k to \$199k: 19%



# Retirees: Lack of Confidence in Ability to Afford Long-Term Care

Few retirees in the middle class (13%) are very confident they will be able to afford long-term care, if needed, while 46% are somewhat confident, 25% are not too confident, and 16% are not at all confident. Retirees with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to be very confident (18%, 10%, respectively). Conversely, retirees with HHI of \$50k to \$99k are more likely than those with HHI of \$100k to \$199k to be not at all confident (20%, 10%).

**Level of Confidence re: Ability to Afford Long-Term Care**  
Retired (%)



MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – RETIREES

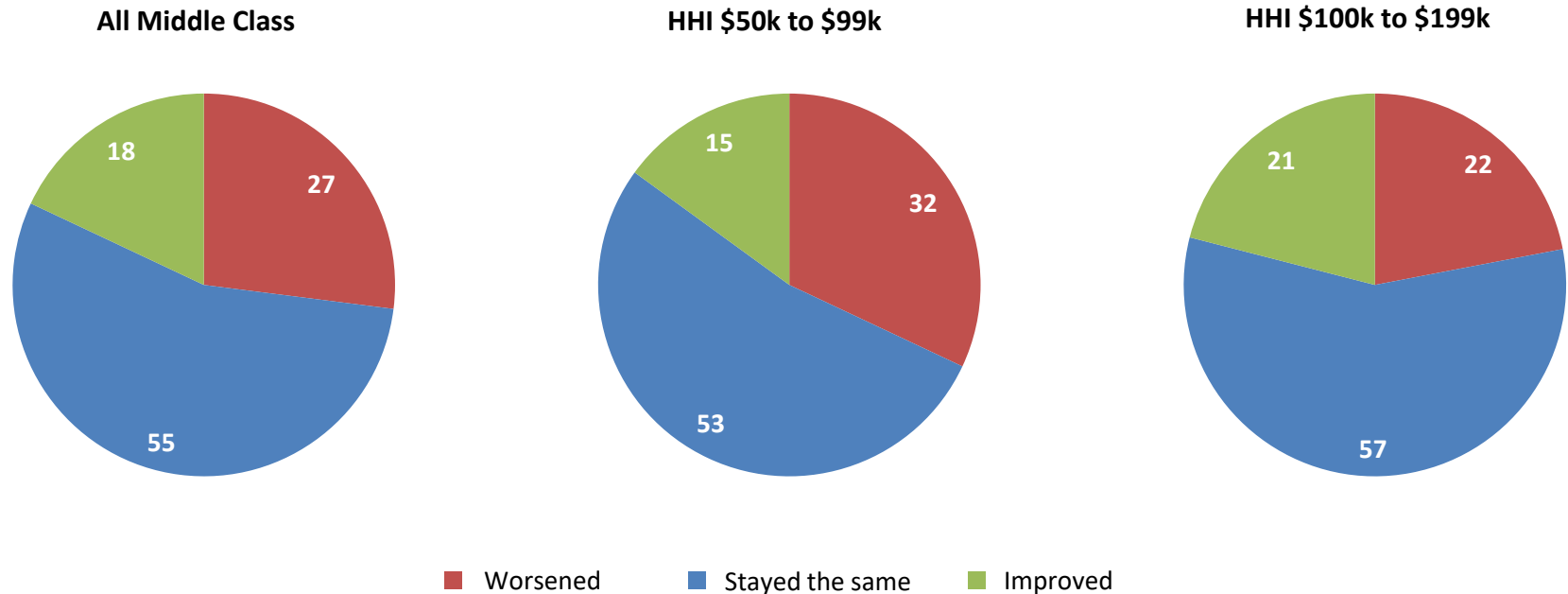
Q2780R. How confident are you that you will be able to afford long-term care, if needed (e.g., an assisted living community, skilled nursing facility, professional paid in-home care)?

## *Current Personal Finances and Employment*

# Changes to Finances Since the Pandemic Began

More than one in four people in the middle class (27%) indicate their financial situation has worsened since the pandemic began, while 55% say that it has stayed the same and 18% say that it has improved. People with HHI of \$50k to \$99k are more likely than those with HHI of \$100k to \$199k to indicate their financial situation has worsened (32%, 22%, respectively). Conversely, 21% of those HHI of \$100k to \$199k say their financial situation has improved, compared with just 15% of those with HHI of \$50k to \$99k.

## How has your financial situation changed since the pandemic began? (%)

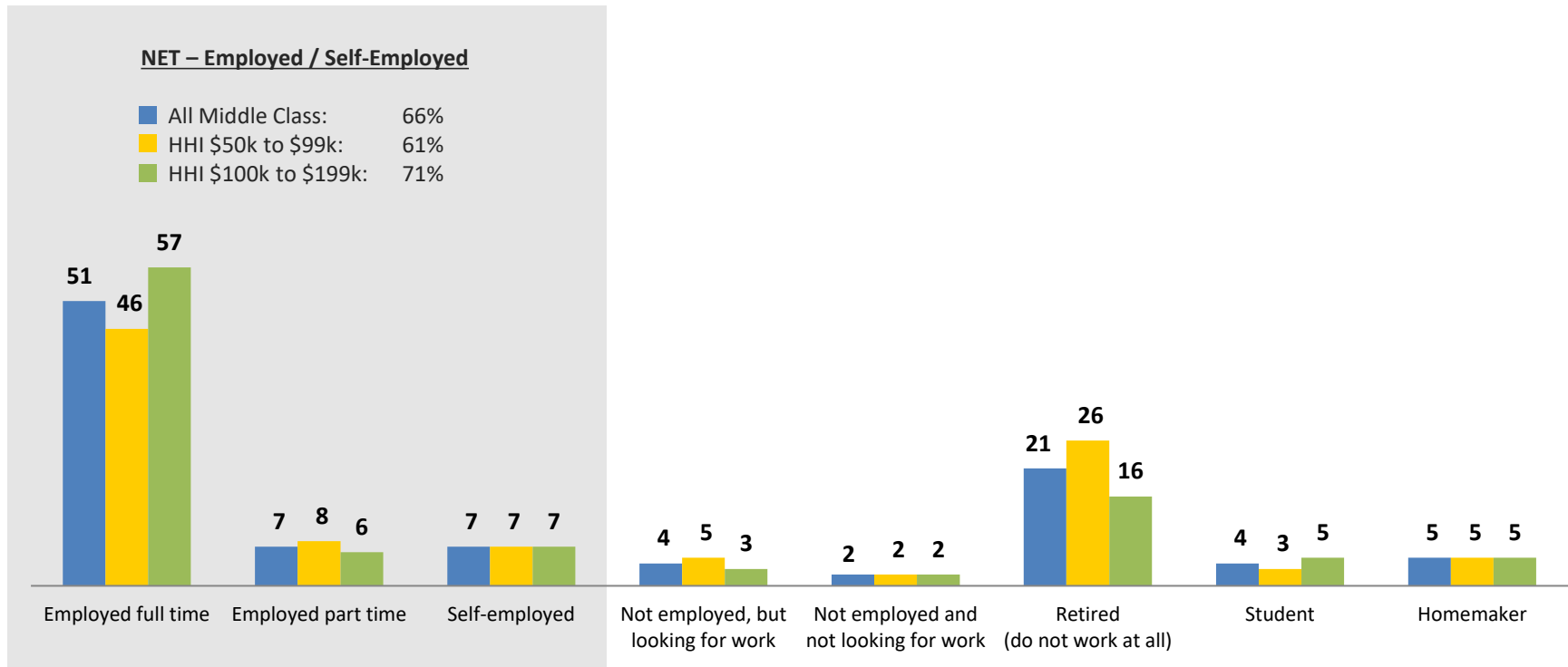


*Note: Results may not total 100% due to rounding.*

# Employment Status

Two in three people in the middle class (66%) are either employed (58%) or self-employed (7%), while 21% are retired, 6% are not employed, 5% are homemakers, and 4% are students. People with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to be employed (63%, 54%, respectively). In contrast, more than one in four people with HHI of \$50k to \$99k (26%) are retired, compared with just 16% of those with HHI of \$100k to \$199k.

**Which one of the following describes your employment status? (%)**



Note: Net calculations may not add up due to rounding.

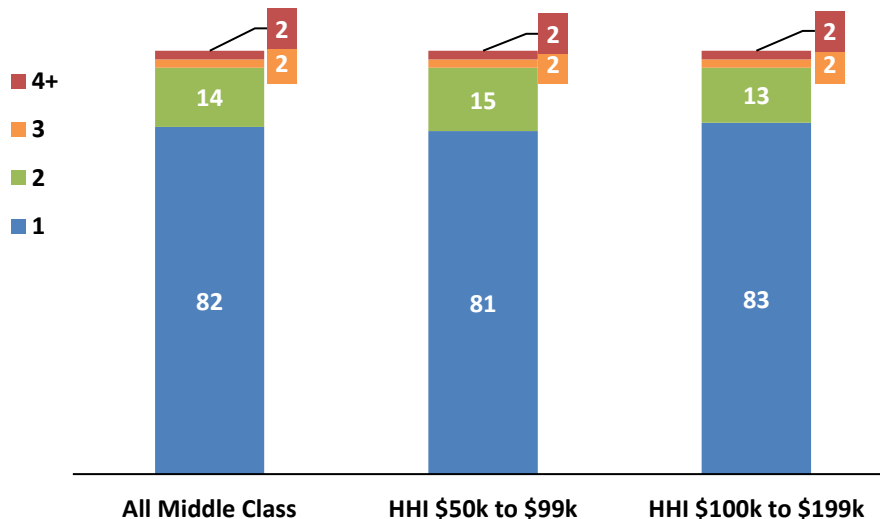
# Employed Workers: Number of Jobs/Employers and Side Hustles

More than eight in 10 employed workers in the middle class (82%) are currently working at one job or employer, while 18% have two or more jobs. Thirty-nine percent of employed workers in the middle class indicate they have a “side hustle” as a means of making money in addition to their main form of employment or income. These findings are consistent between employed workers with HHI of \$50k to \$99k and those with HHI of \$100k to \$199k.

## How many jobs or employers are you currently working for?

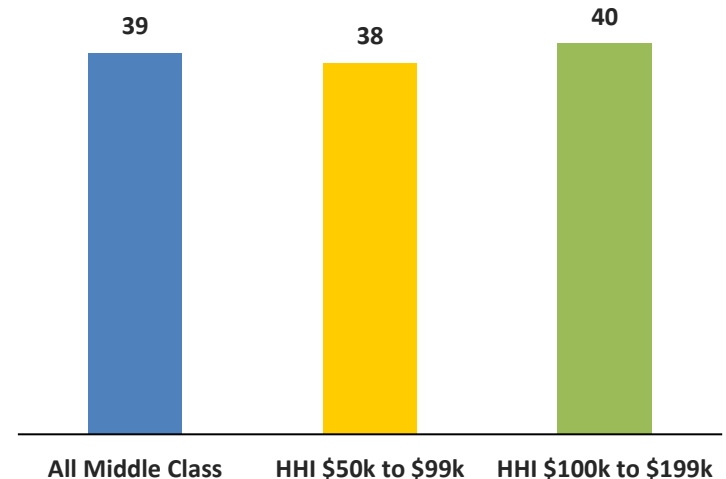
Employed Workers (%)

<b>NET 2+ Jobs:</b>	<b>18%</b>	<b>19%</b>	<b>17%</b>
---------------------	------------	------------	------------



## Do you currently have a “side hustle” (a means of making money in addition to your main form of employment or income)?

Employed Workers - Yes (%)





# Current Financial Priorities

People in the middle class face competing financial priorities including paying off debt (59%), saving for retirement/continuing to save for retirement (49%), building emergency savings (42%), saving for a major purchase or life event (31%), and just getting by to cover basic living expenses (31%). People with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to cite saving for retirement/continuing to save for a retirement as a priority (56%, 42%, respectively). In contrast, people with HHI of \$50k to \$99k are more likely than those with HHI of \$100k to \$199k to cite just getting by to cover basic living expenses as a priority (36%, 25%, respectively).

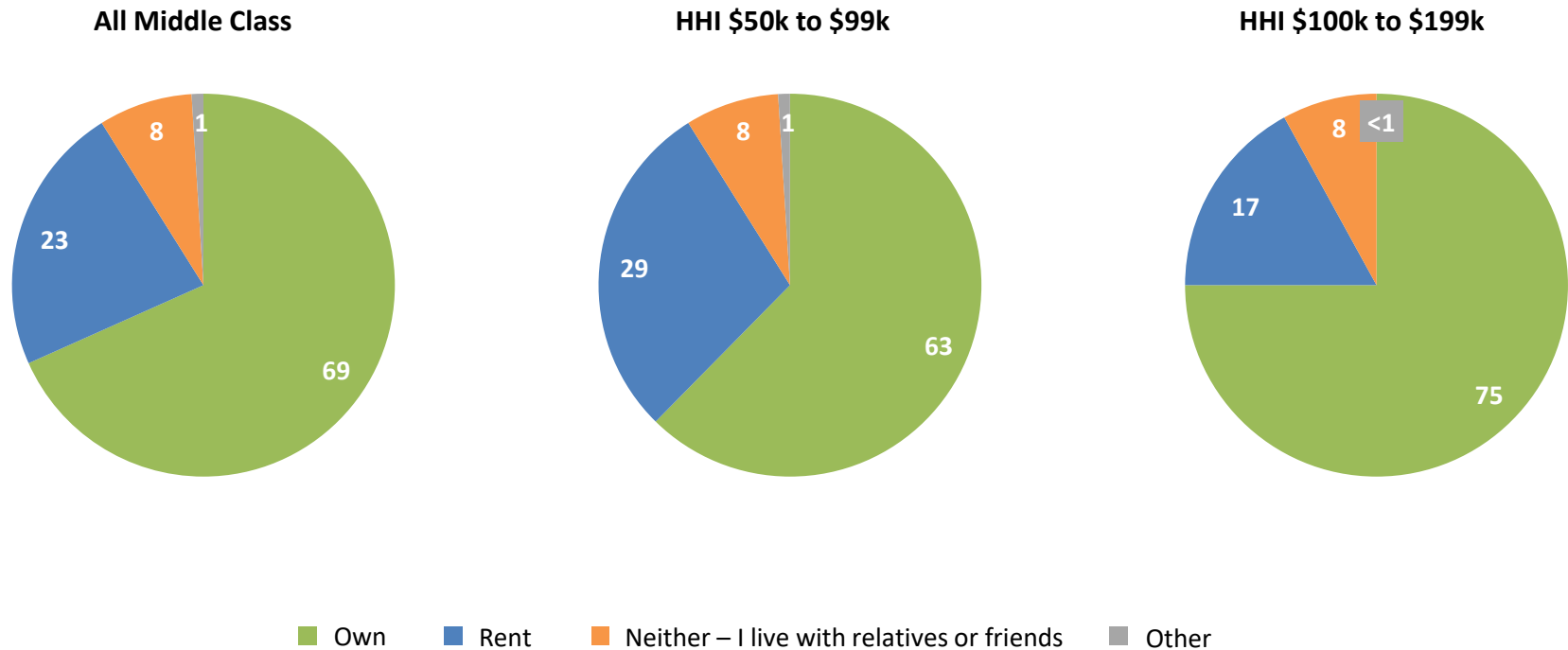
## Financial Priorities Right Now (%)

	All Middle Class	HHI \$50k to \$99k	HHI \$100k to \$199k
<b>NET – Paying off debt</b>	<b>59</b>	<b>58</b>	<b>59</b>
Paying off credit card debt	39	40	37
Paying off mortgage	28	24	32
Paying off student loans	14	12	16
Paying off other consumer debt	13	13	13
Saving for retirement/continuing to save for retirement	49	42	56
Building emergency savings	42	42	42
Saving for a major life purchase or life event	31	28	34
Just getting by to cover basic living expenses	31	36	25
Supporting children	27	25	29
Paying health care expenses	19	19	19
Creating an inheritance or financial legacy	17	14	19
Contributing to an education fund	15	12	19
Supporting parents	10	9	11
Paying long-term care expenses	6	5	7
Supporting grandchildren	5	4	5
Other	4	4	4

# Homeownership, Renting, or Living With Others

Almost seven in 10 people in the middle class own their home (69%), while 23% rent, and 8% live with relatives or friends. Homeownership increases with household income. Only 63% of those with HHI of \$50k to \$99k own their home, compared with 75% of those with HHI of \$100k to \$199k.

Do you own or rent your home? (%)

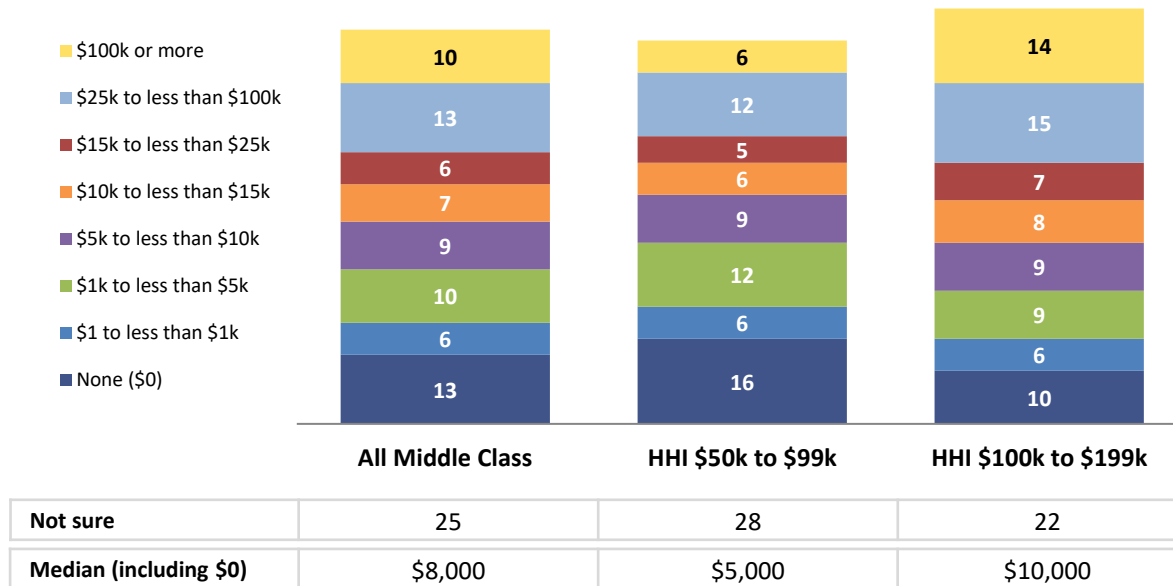


Note: Results may not total to 100% due to rounding.

# Emergency Savings

Emergency savings are needed to cover unexpected financial setbacks, such as unemployment, medical bills, home repairs, auto repairs, and other unexpected expenses. Emergency savings could also help prevent people from tapping into their retirement savings to cover such expenses. People in the middle class have saved \$8,000 (median) in emergency savings as of late 2023. People with HHI of \$50k to \$99k have saved just \$5,000 compared with those of HHI of \$100k to \$199k who have saved \$10,000 (medians). Of concern, approximately one in seven people in the middle class (13%) have no emergency savings, including 16% of those with HHI of \$50k to \$99k and 10% of those with HHI of \$100k to \$199k. Twenty-five percent of people in the middle class are “not sure” how much they have saved, including 28% with HHI of \$50k to \$99k and 22% with HHI of \$100k to \$199k.

**2023 Total Emergency Savings (%)**



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

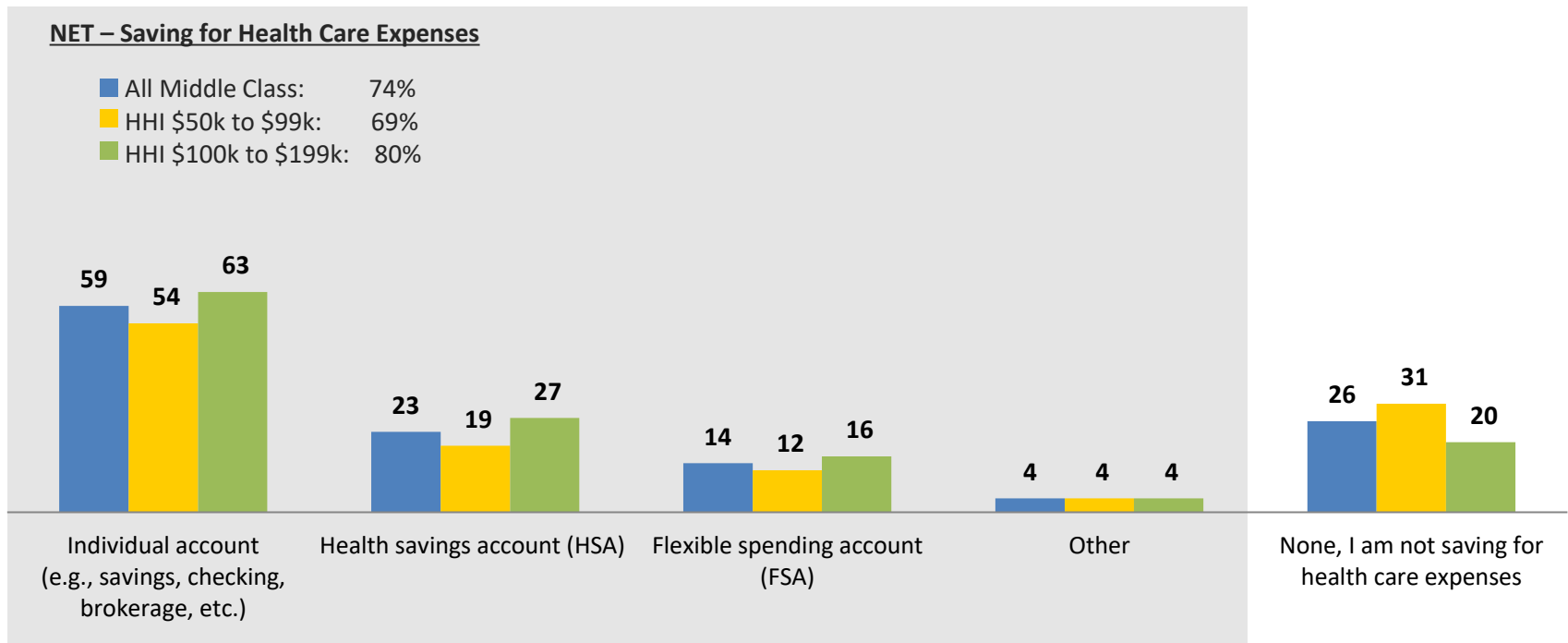
MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS

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

Almost three in four people in the middle class (74%) are saving for health care expenses. Fifty-nine percent are saving in an individual account (e.g., savings, checking, brokerage, etc.), 23% are saving in a health savings account (HSA), 14% are saving in a flexible spending account (FSA), and 4% through other means. People with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to be saving for health care expenses (80%, 69%, respectively) . A concerning 26% of people in the middle class are not saving for health care expenses, including 31% of those with HHI of \$50k to \$99k and 20% with HHI of \$100k to \$199k.

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



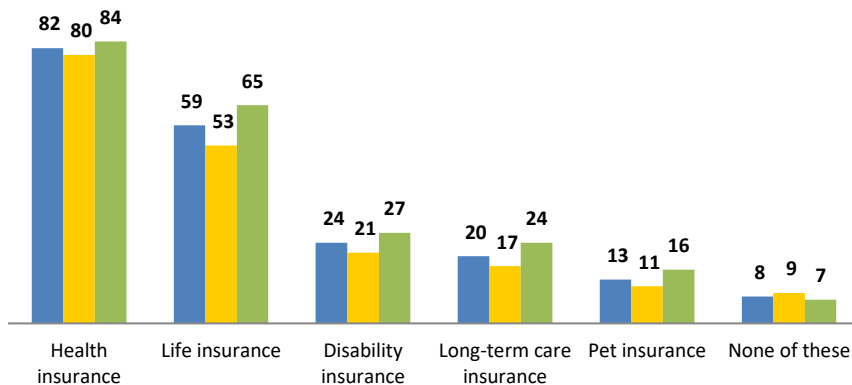
# Insurance Coverage

Medical insurance, life insurance, and other types of insurance can help people mitigate the cost of unexpected financial setbacks and protect their savings. Among those in the middle class who are not retired, 82% have health insurance, 59% have life insurance, and 24% have disability insurance. By comparison, 97% of retired people in the middle class have health insurance and 57% have life insurance. People with HHI of \$100k to \$199k are slightly more likely to have different types of insurance coverage than those with HHI of \$50k to \$99k.

**Which of the following types of insurance do you have for yourself? Select all.**

Not Retired (%)

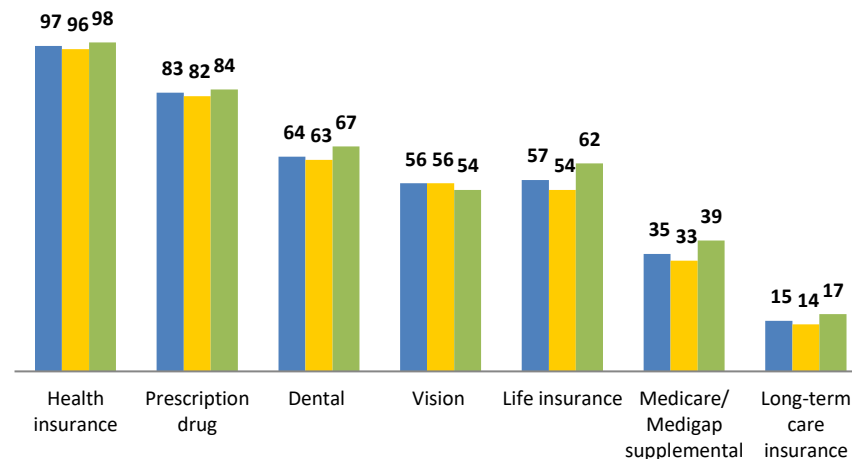
■ All Middle Class   ■ HHI \$50k to \$99k   ■ HHI \$100k to \$199k



**Which of the following types of insurance do you currently have? Select all.**

Retired (%)

■ All Middle Class   ■ HHI \$50k to \$99k   ■ HHI \$100k to \$199k



Note: Responses for Retired are not shown for "Other" (3%) and "None" (1%).

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – NOT RETIRED

Q1177. Which of the following types of insurance do you have for yourself? Select all.

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – RETIREES

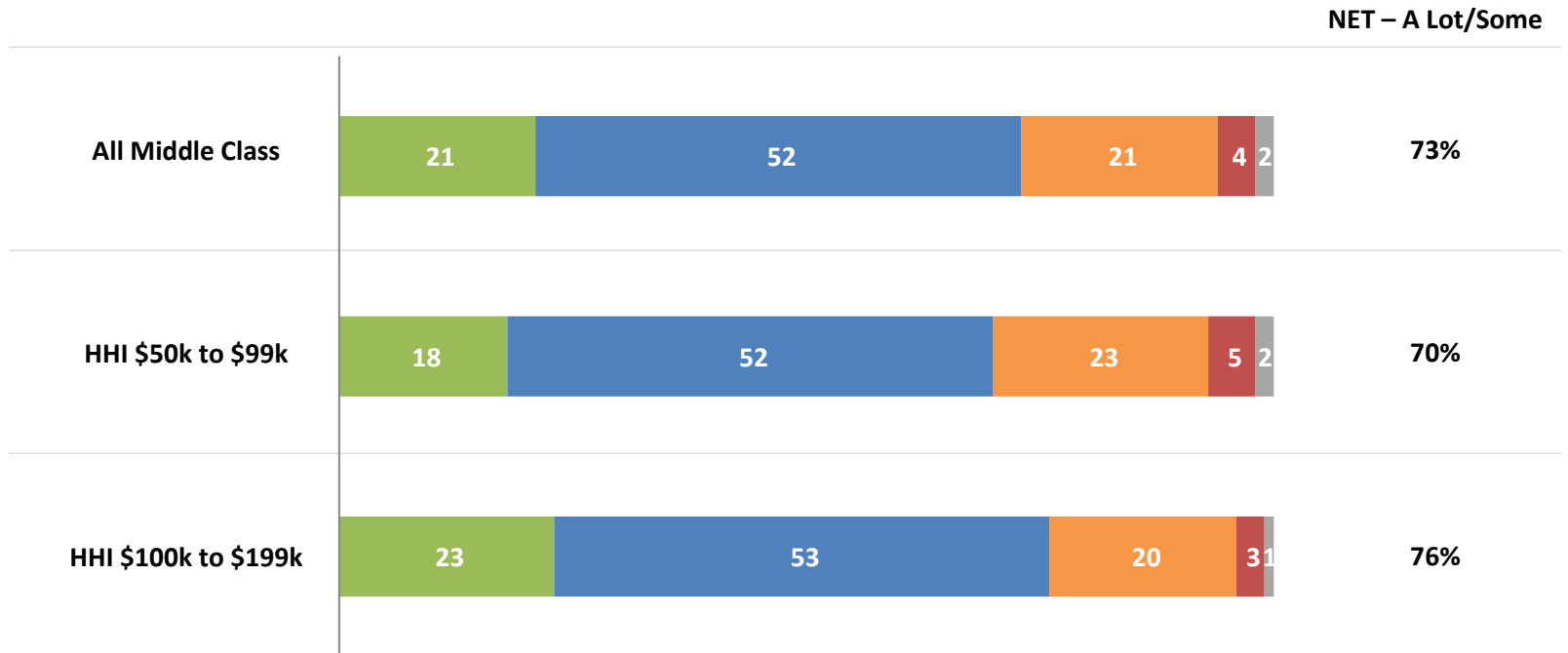
Q775R. Which of the following types of insurance do you currently have? Select all.

# Working Knowledge About Personal Finance

Only one in five people in the middle class (21%) say they have “a lot” of working knowledge about personal finance. Many (52%) indicate they have “some” working knowledge, while 21% describe their level of knowledge as being “not too much” and 4% say they know “nothing.” People with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to say they have “a lot” of working knowledge (23%, 18%, respectively).

**How much of a working knowledge do you have about personal finance (e.g., managing money, investments, debt, risk, taxes)? (%)**

■ A lot   
 ■ Some   
 ■ Not too much   
 ■ Nothing   
 ■ Not sure



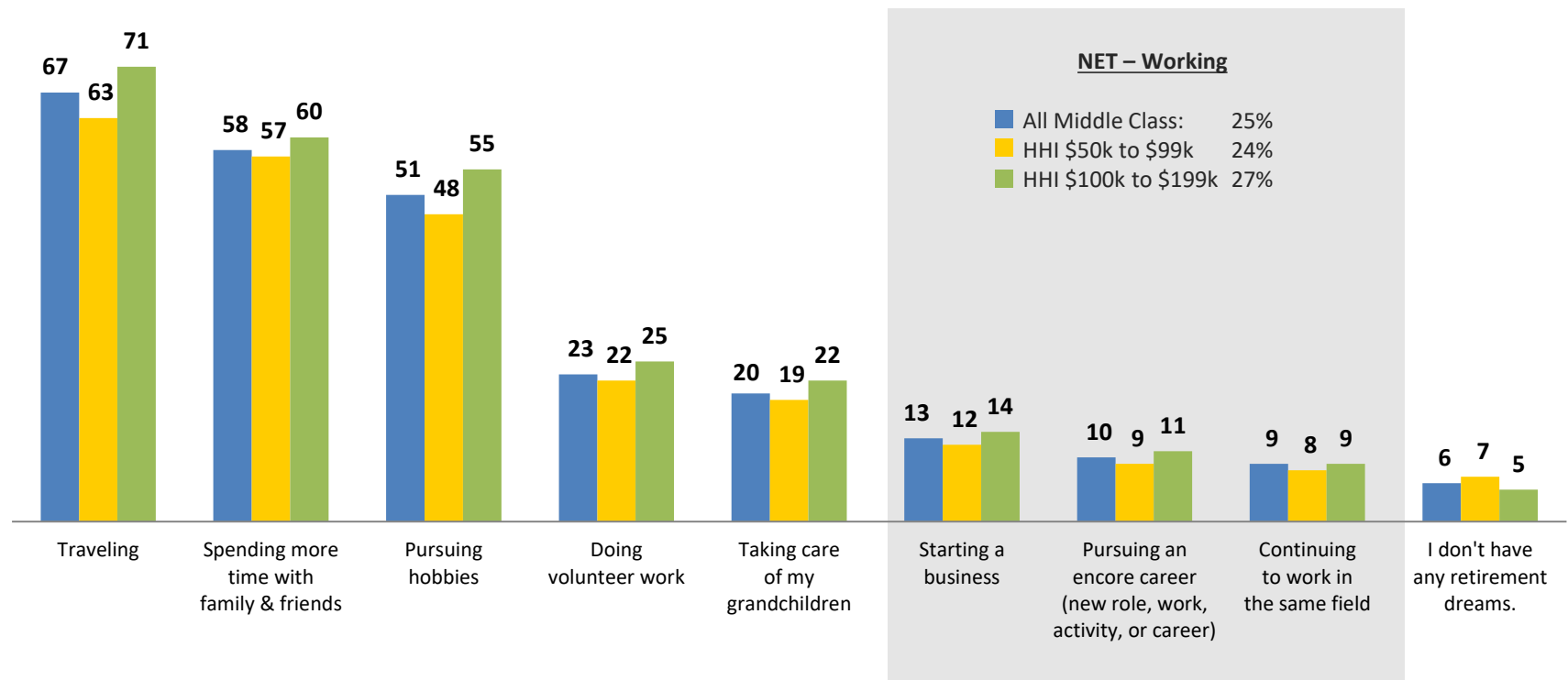
# *Retirement Dreams, Fears, and Expectations*



# Retirement Dreams

The top five retirement dreams among people in the middle class include traveling (67%), spending more time with family and friends (58%), pursuing hobbies (51%), doing volunteer work (23%), and taking care of their grandchildren (20%). One in four people in the middle class (25%) dream of doing some form of paid work in retirement such as starting a business (13%), pursuing an encore career (10%), and/or continuing to work in the same field (9%). People with HHI of \$100k to \$199k are generally more likely to cite these retirement dreams than those with HHI of \$50k to \$99k.

**How do you dream of spending your retirement? Select all. (%)**



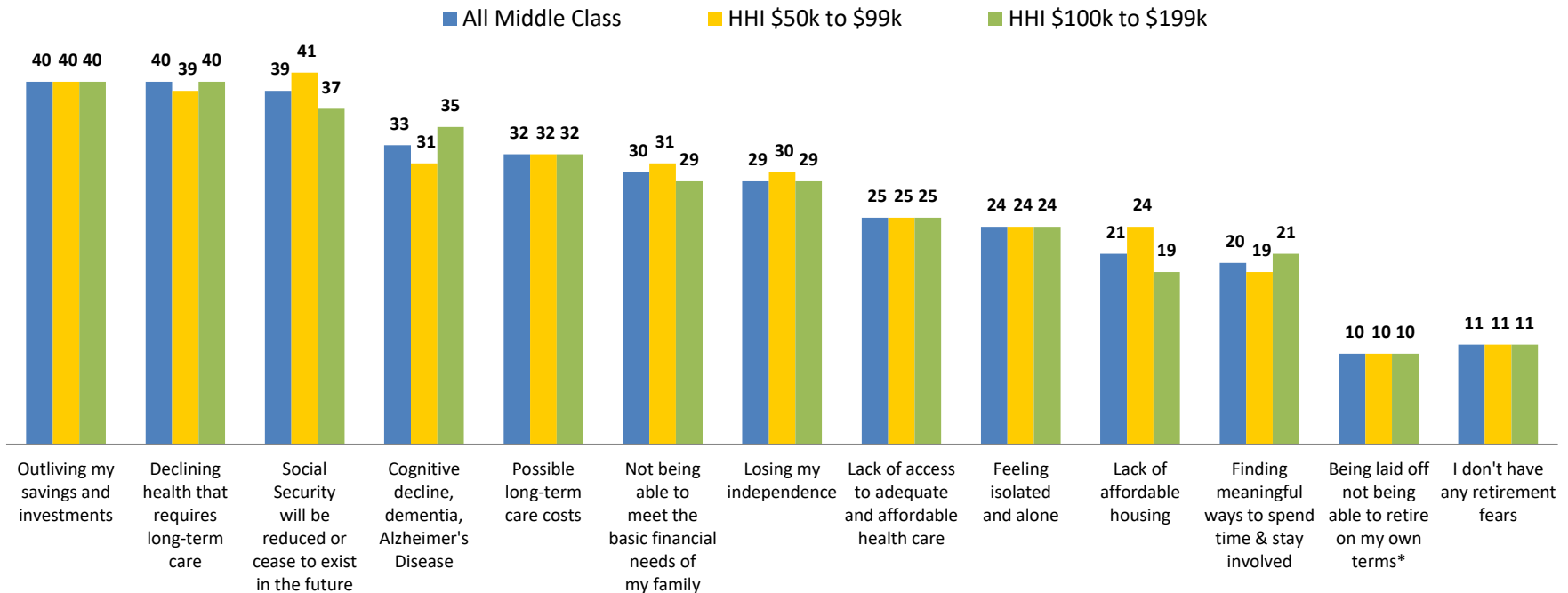
Note: Responses not shown for "Other" (All Middle Class: 2%, HHI \$50k to \$99k: 2%, HHI \$100k to \$199k: 2%).

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS  
 Q1418. How do you dream of spending your retirement/Before you retired, how did you ...? Select all.

# Greatest Retirement Fears

The top five greatest retirement fears among people in the middle class include outliving their savings and investments (40%), declining health that requires long-term care (40%), Social Security will be reduced or cease to exist in the future (39%), cognitive decline, dementia, Alzheimer’s disease (33%), and possible long-term care costs (32%). People with HHI of \$50k to \$99k are more likely to fear that Social Security will be reduced or cease to exist in the future than those with HHI of \$100k to \$199k (41%, 37%, respectively). People with HHI of \$100k to \$199k are more likely to fear cognitive decline, dementia, Alzheimer’s disease than those with HHI of \$50k to \$99k ( 35%, 31%). A noteworthy 24% of people with HHI of \$50k to \$99k cite lack of affordable housing as a greatest retirement fear, compared with 19% of those with HHI of \$100k to \$199k.

**What are your greatest fears about retirement? Select all. (%)**



\*Being laid off shows responses for people who are not retired

Note: Responses not shown for "Other" (All Middle Class: 1%, HHI \$50k to \$99k 1%, HHI \$100k to \$199k: <1%).

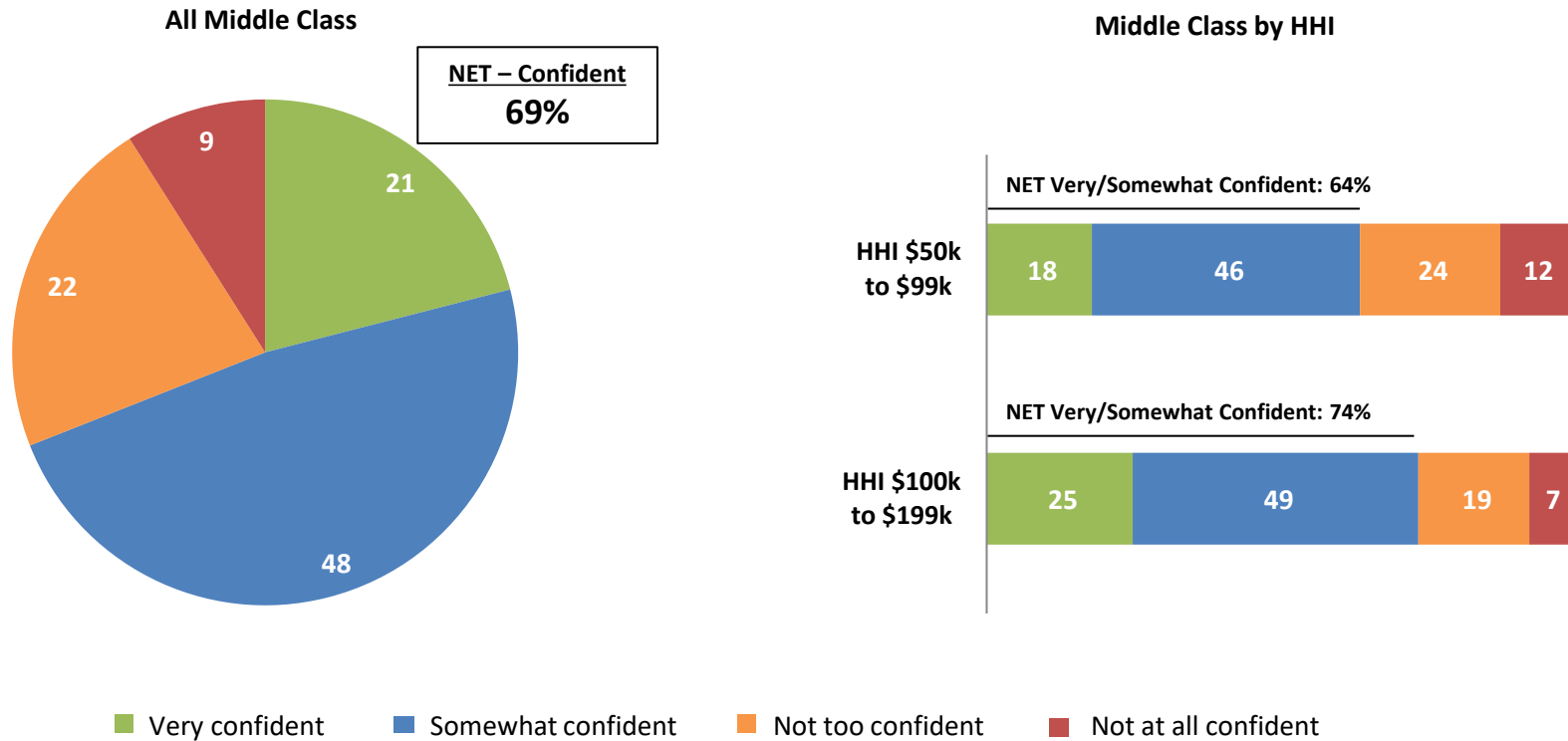
MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS

Q1422. What are your greatest fears about retirement? Since entering retirement, what ...?Select all.

# Retirement Confidence

Almost seven in 10 people in the middle class (69%) are confident that they will be able to fully retire with a comfortable lifestyle, including 21% who are very confident and 48% who are somewhat confident. Twenty-two percent are not too confident and 9% are not at all confident. Those with HHI of \$100k to \$199k are more likely to be very confident than those with HHI of \$50k to \$99k (25%, 18%, respectively).

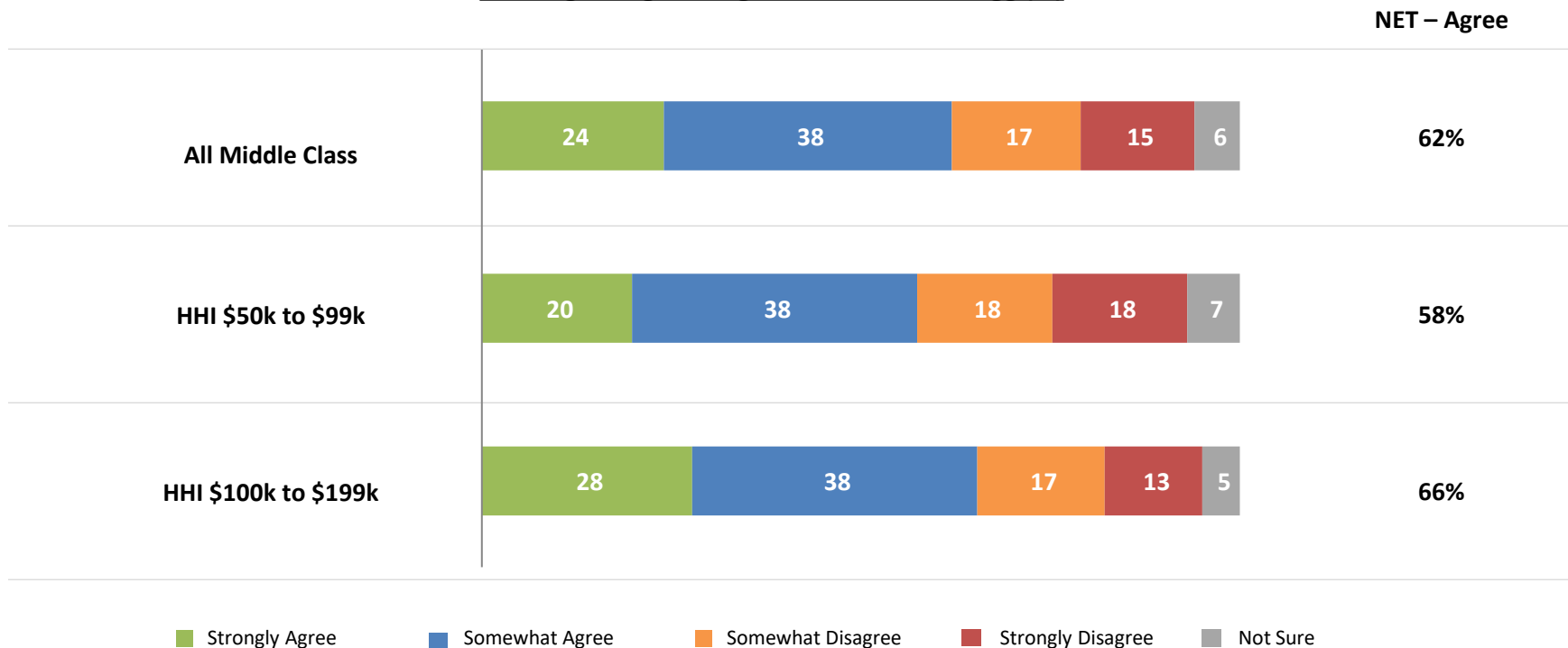
**How confident are you that you will be able to fully retire with a lifestyle you consider comfortable? (%)**



# Retirement Nest Egg

More than six in 10 people in the middle class (62%) agree that they are currently building a large enough retirement nest egg, including 24% who strongly agree and 38% who somewhat agree. Seventeen percent of people somewhat disagree, 15% strongly disagree, and 6% are “not sure.” People with HHI of \$100k to \$199k are more likely to strongly agree than those with HHI of \$50k to \$99k (28%, 20%, respectively).

**Building a Large Enough Retirement Nest Egg (%)**



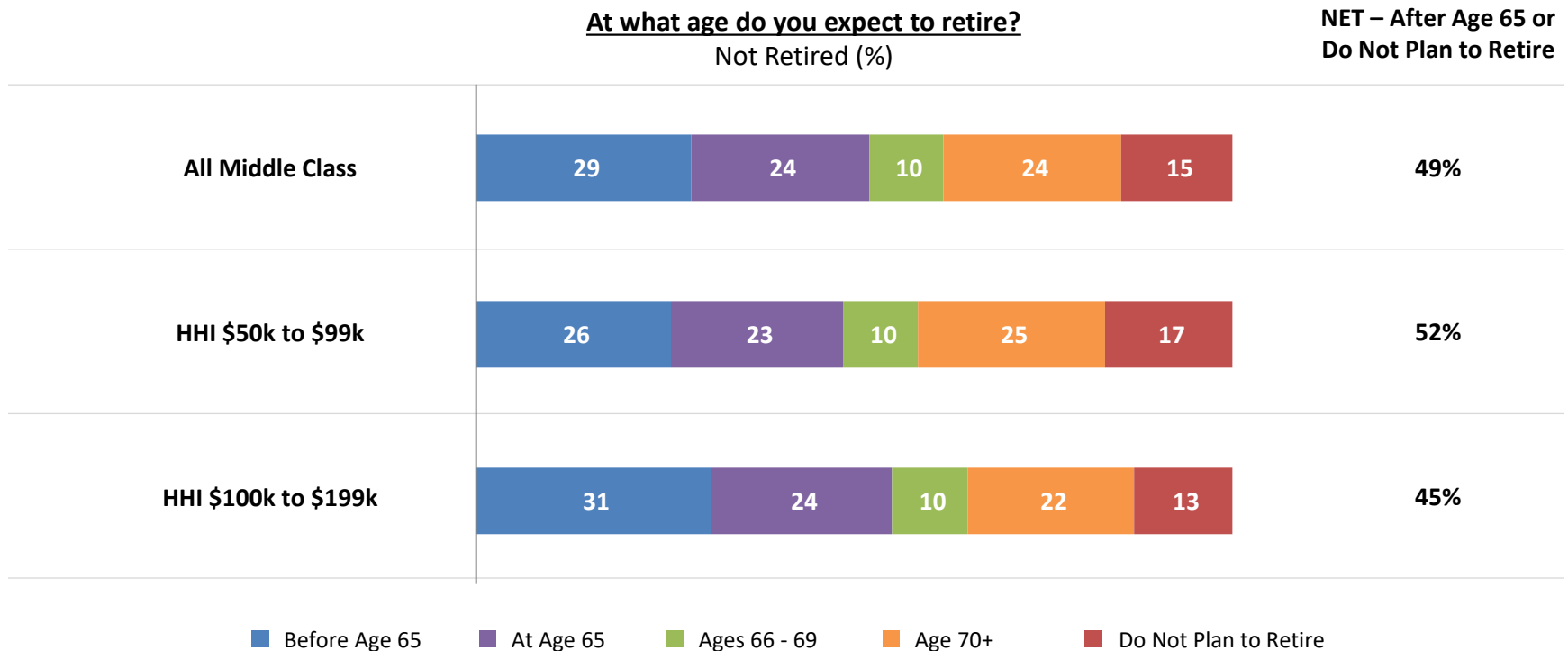
*Note: Results may not total 100% due to rounding.*

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS

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

# Not Retired: Expected Retirement Age

Among those who are not yet retired, almost half of people in the middle class (49%) expect to work beyond traditional retirement age including 34% who expect to retire after age 65 and 15% who do not plan to retire. Those with HHI of \$50k to \$99k are more likely to expect to work beyond traditional retirement age or do not plan to retire than those with HHI of \$100k to \$199k (52%, 45%, respectively).



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

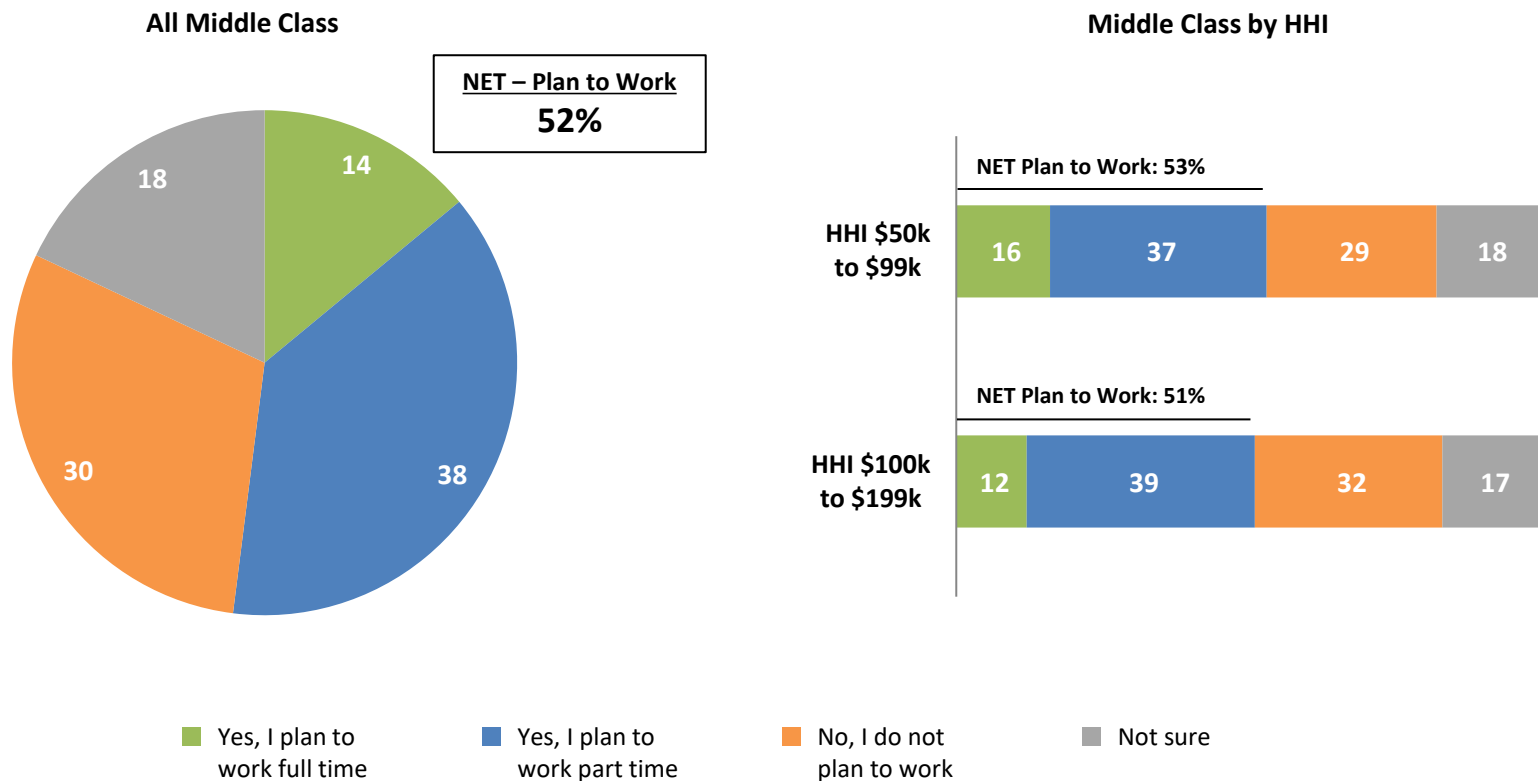
MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – NOT RETIRED  
Q910. At what age do you expect to retire?

# Not Retired: Plans to Work in Retirement

Among those who are not yet retired, more than half of people in the middle class (52%) plan to work after they retire, including 14% who plan to work full time and 38% who plan to work part time. People with HHI of \$50k to \$99k are more likely to be planning to work full time than those with HHI of \$100k to \$199k (16%, 12%, respectively).

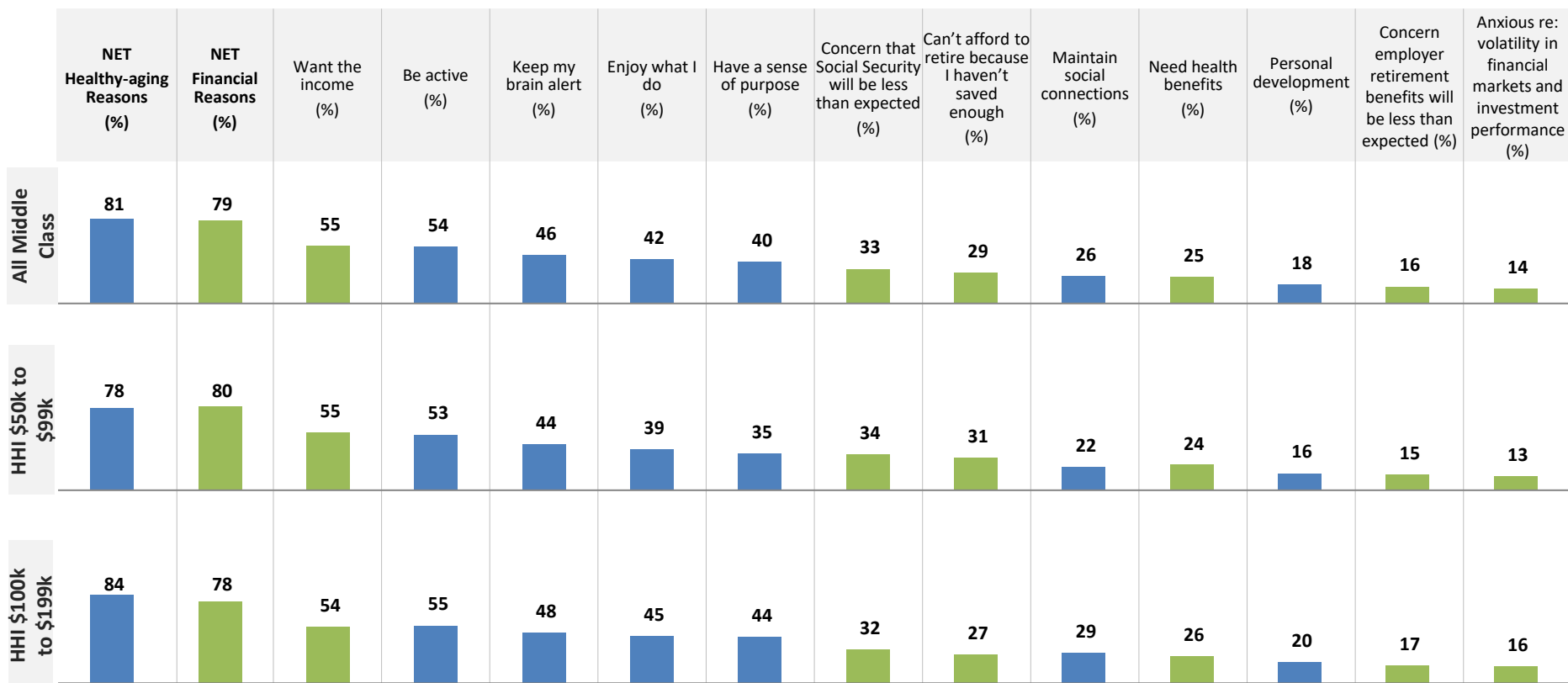
## Do you plan to work after you retire?

Not Retired (%)



# Not Retired: Reasons for Working in Retirement

Among those who expect to retire after age 65 and/or plan to work in retirement, people in the middle class cite healthy aging (81%) and financial (79%) reasons for doing so. The top healthy aging-related reasons include being active (54%), keeping their brain alert (46%), and enjoying what they do (42%). The top financial reasons include wanting the income (55%), concerns that Social Security will be less than expected (33%), and can't afford to retire because they haven't saved enough (29%). Those with HHI of \$50k to \$99k are slightly more likely to cite financial (80%) than healthy-aging reasons (78%), while those with HHI of \$100k to \$199k are more likely to cite healthy-aging reasons (84%) than financial reasons (78%).



Note: Responses not shown for "None of the above" (All Middle Class: 3%, \$50k to \$99k: 5%, \$100k to \$199k: 2%).

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – NOT RETIRED AND PLAN ON RETIRING AFTER 65 AND/OR WORKING AFTER RETIREMENT

Q1530x1. What are your reason(s) for working in retirement or past age 65? Select all.

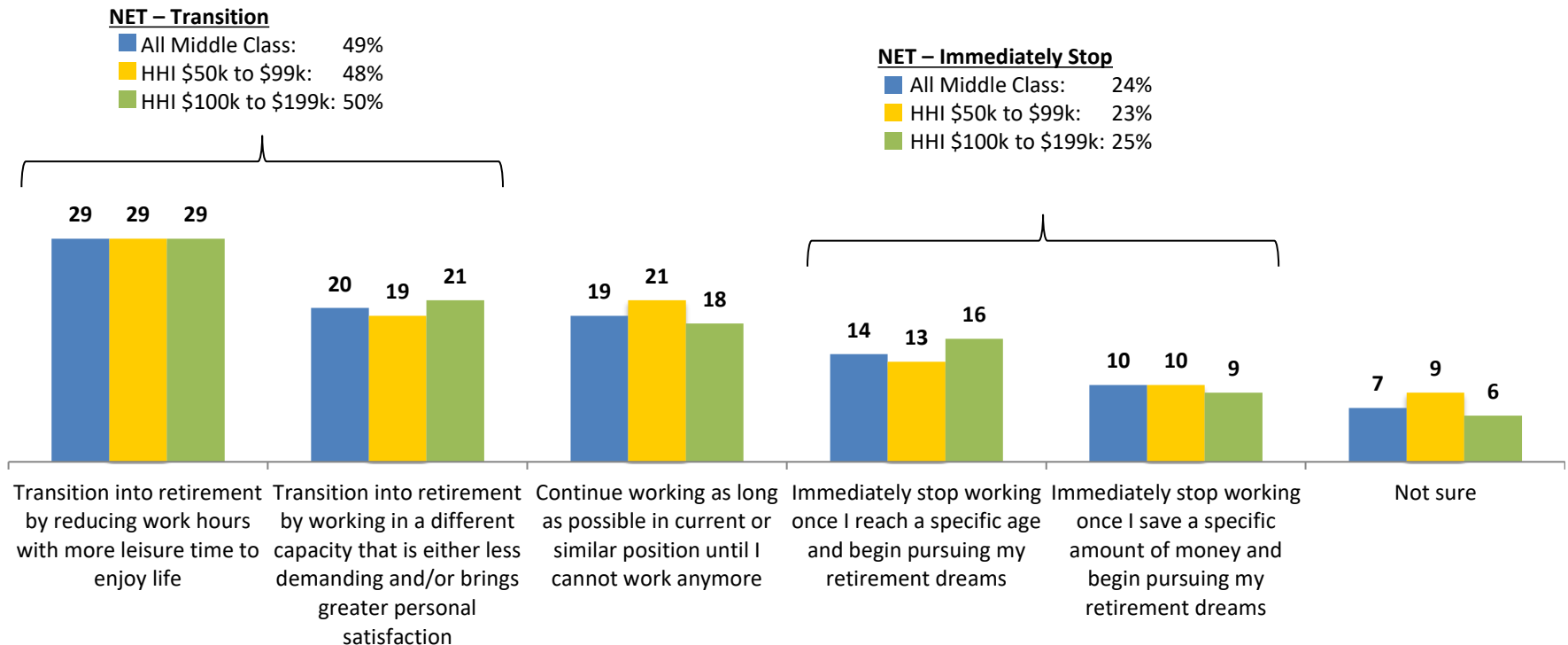


# Employed Workers: Transitioning Into Retirement

Among employed workers, nearly half of those in the middle class (49%) envision transitioning into retirement by reducing their hours with more leisure time to enjoy life (29%) or working in a different capacity that is either less demanding and/or brings greater personal satisfaction (20%). Fewer than one in four workers (24%) envision they will immediately stop working either when they reach a specific age (14%) or when they have saved a specific amount of money (10%). Almost one in five workers (19%) envision working as long as possible in a current or similar position until they cannot work anymore. These visions are similarly shared by those with HHI of \$50k to \$99k and those with HHI of \$100k to \$199k.

## How do you envision transitioning into retirement?

Employed Workers (%)

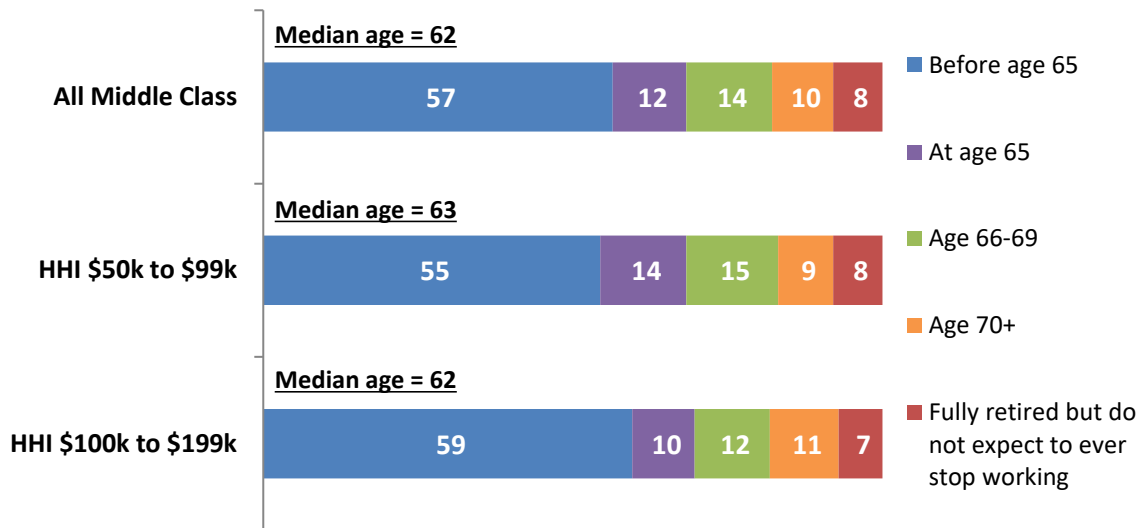


Note: Results may not total 100% due to rounding.

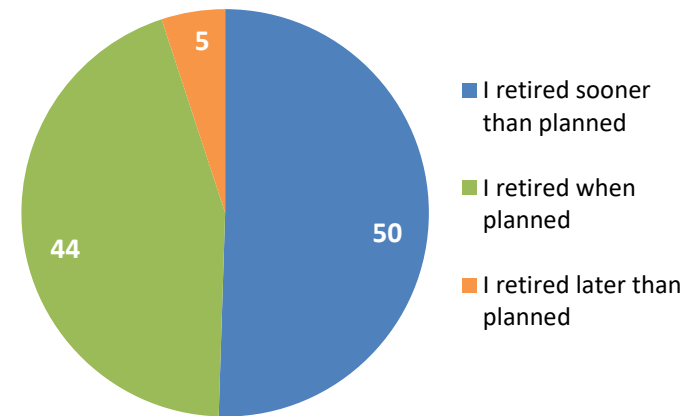
# Retirees: Age They Retired

More than half of middle-class retirees (57%) indicate they retired before the age of 65, while 12% retired at age 65, 14% retired between ages 66 and 69, and 10% retired at age 70 or older. Eight percent consider themselves to be fully retired but do not expect to ever stop working. The median age that retirees retired is 62. Regarding the timing of their retirement, half of retirees (50%) indicate they retired sooner than planned – and among them, 48% did so due to employment-related reasons and 37% for personal health-related reasons. Forty-four percent of retirees retired when planned and 5% retired later than planned. These experiences are similarly shared between retirees with HHI of \$50k to \$99k and those with HHI of \$100k to \$199k.

**At what age did you consider yourself fully retired or no longer working?**  
Retirees (%)



**Did you enter into retirement when you had planned?**  
Retirees (%)



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

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – RETIREES

Q915R. At what age do you consider yourself fully retired or no longer working?

Q1547. Did you enter into retirement when you had planned?

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – RETIREES RETIRED SOONER THAN PLANNED

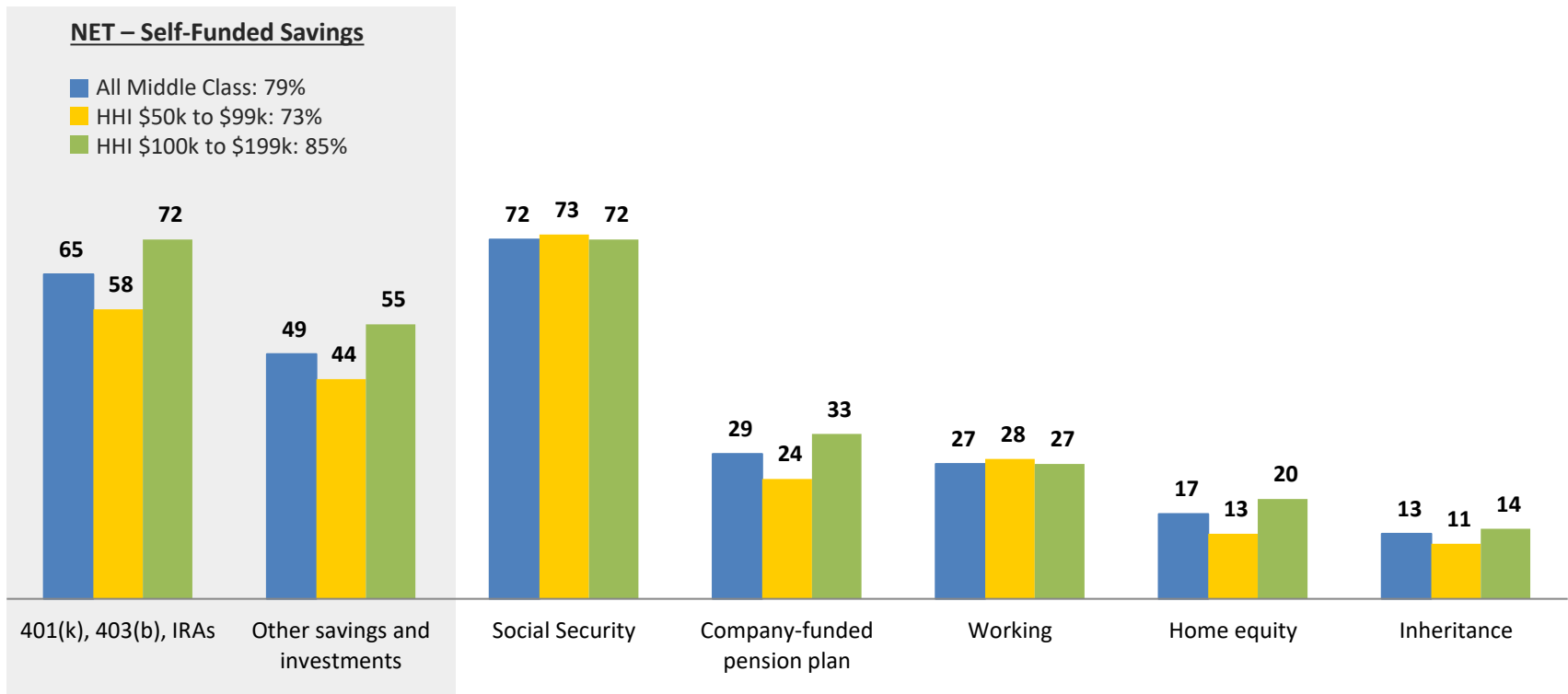
Q1548R. What were your reasons for retiring sooner than planned? Select all.

# *Saving, Planning, and Investing for Retirement*

# Expected Sources of Retirement Income

People in the middle class expect diverse sources of retirement income with the most often cited including self-funded savings from 401(k), 403(b), IRAs or other savings and investments (net 79%), Social Security (72%), a company-funded pension plan (29%), income from working (27%), home equity (17%), and an inheritance (13%). Those with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to expect retirement income from 401(k), 403(b), or IRAs (72%, 58%, respectively), other savings and investments (55%, 44%), company-funded pension (33%, 24%), home equity (20%, 13%), and inheritance (14%, 11%).

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



*Note: Responses not shown for "Other" (All Middle Class: 2%, HHI \$50k to \$99k: 3%, HHI \$100k to \$199k: 2%). Additionally, responses not shown for business owners' responses for income from my business (3%) and sale of my business (1%).*

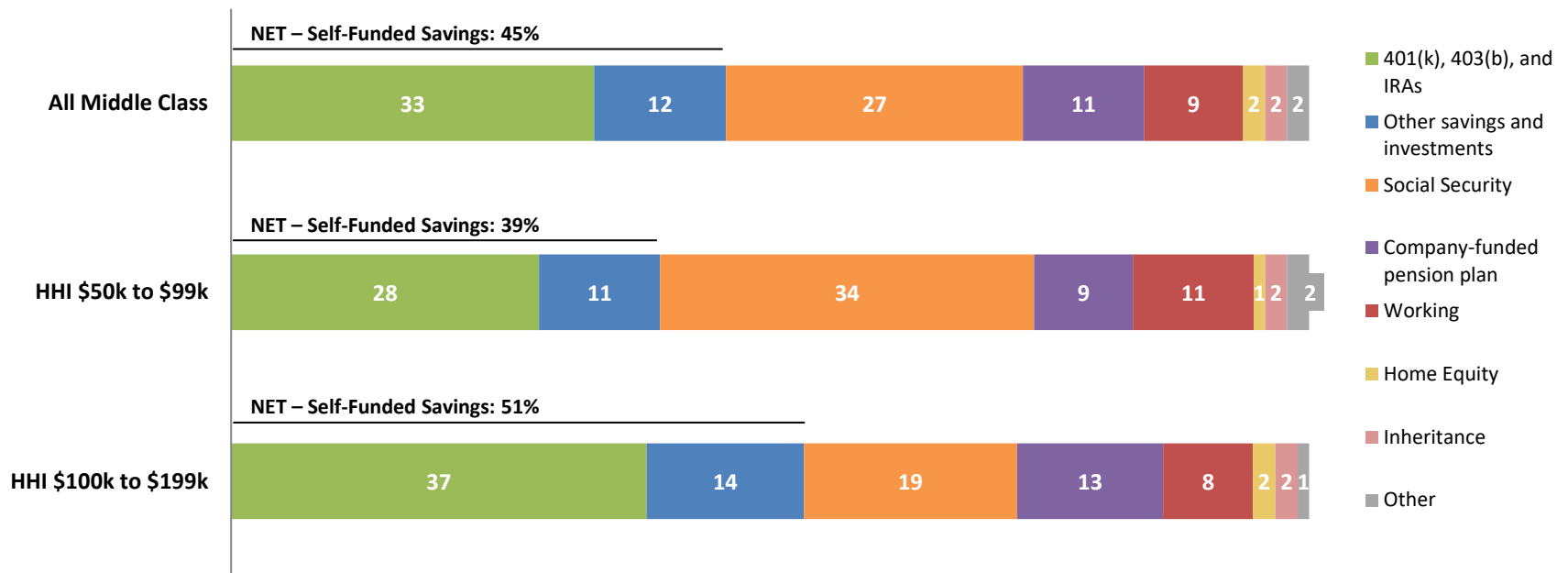
MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS

Q1145. Which of the following do you expect to be sources of income to cover your living expenses after you retire? / Over the course of your retirement, what will be all of your sources of income to cover your living expenses? Select all.

# Expected Primary Source of Retirement Income

Many people in the middle class expect self-funded savings, including 401(k)s, 403(b)s, IRAs and/or other savings and investments (45%), to be their *primary source* of income in retirement. Twenty-seven percent expect their primary source of income to be Social Security, while 11% are expecting it to be from a company-funded pension plan and 9% from continued work. Only 2% are expecting their primary source of retirement income to come from home equity or from an inheritance. People with HHI of \$50k to \$99k are more likely to expect to primarily rely on Social Security than those with HHI of \$100k to \$199k (34%, 19%, respectively) or working (11%, 8%). In contrast, people with HHI of \$100k to \$199k are more likely to expect to primarily rely on savings from 401(k), 403(b), IRAs (37%, 28%), other savings and investments (14%, 11%), or a company-funded pension plan (13%, 9%).

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



Note: Results may not total 100% due to rounding. Additionally, responses not shown for business owners' responses for income from my business (1%) and sale of my business (1%).

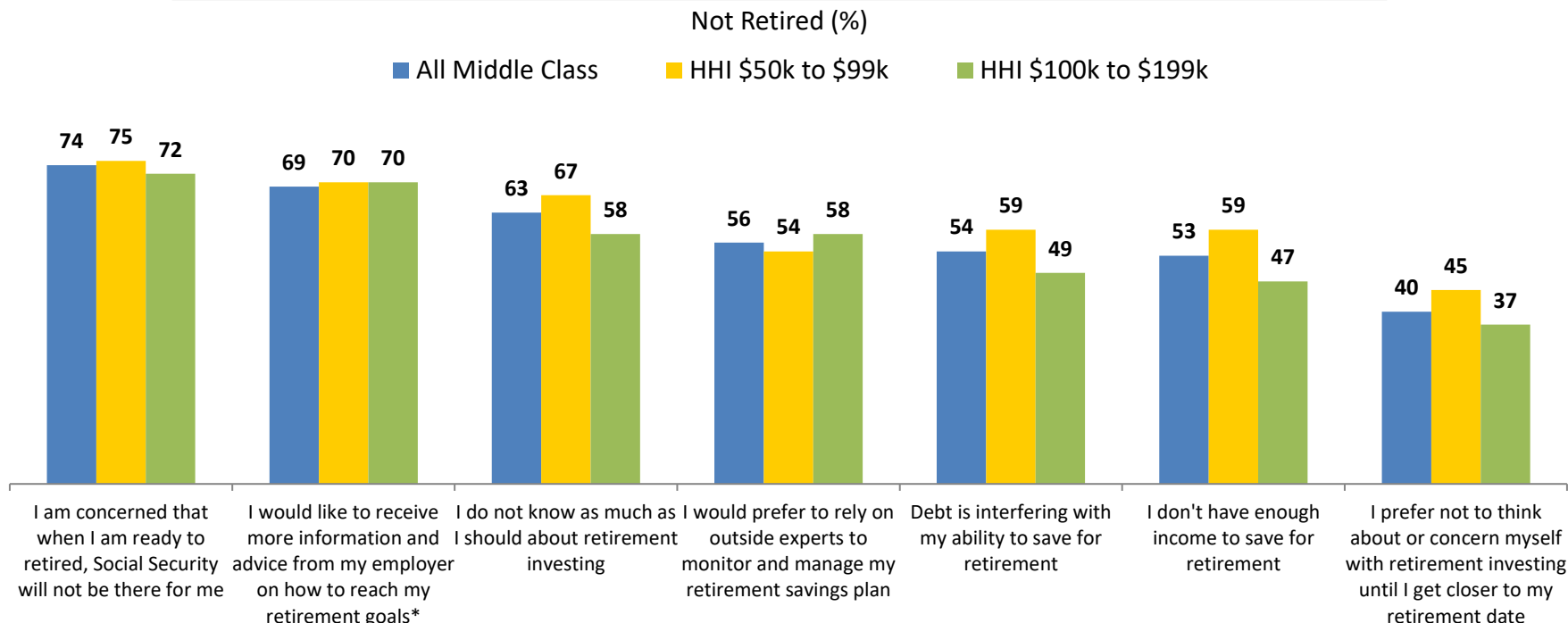
MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS

Q1150. Which one of the following do you expect to be your primary source of income to cover your living expenses after you retire? / Over the course of your retirement, what will be your primary source of income?

# Not Retired: Retirement Attitudes, Beliefs, and Concerns

Among those who are not yet retired, almost three out of four people in the middle class (74%) are concerned that Social Security will not be there for them when they are ready to retire. Sixty-three percent feel they do not know as much as they should about retirement investing, 56% would prefer to rely on outside experts to monitor and manage their retirement savings plan, 54% indicate debt is interfering with their ability to save for retirement, 53% do not have enough income to save for retirement, and 40% prefer not to think about or concern themselves with retirement investing until they get closer to their retirement date. Among employed workers, 69% would like to receive more information and advice from their employers on how to achieve their retirement goals. People with HHI of \$50k to \$99k are generally more likely than those with HHI of \$100k to \$199k to have these attitudes and beliefs.

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



\*Statement was only asked of employed workers.

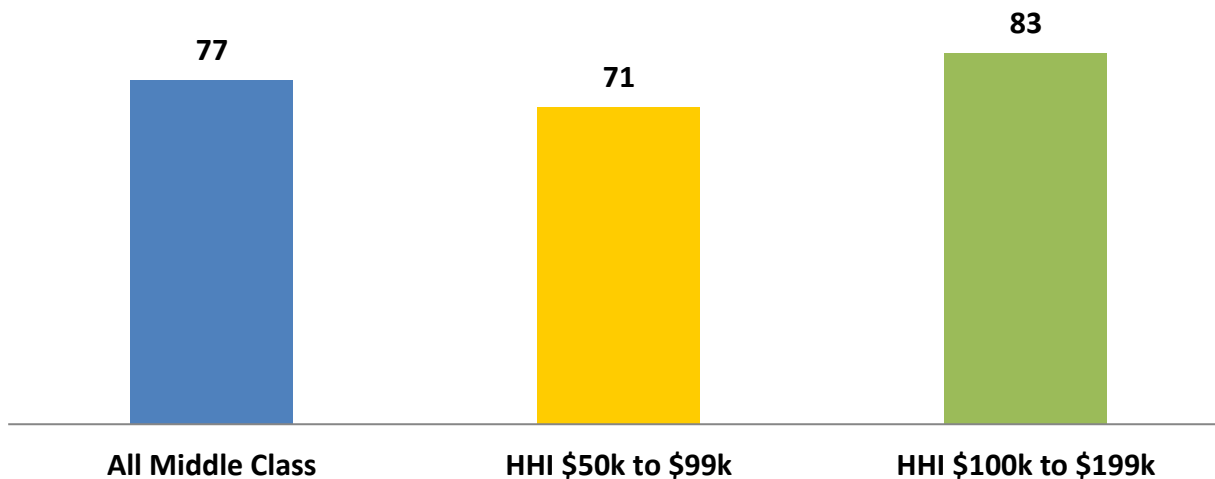
MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – NOT RETIRED

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

# Not Retired: Saving for Retirement and Age Started Saving

Among those who are not yet retired, more than three in four people in the middle class (77%) are saving for retirement through employer-sponsored plans, such as a 401(k) or similar plan, and/or outside the workplace, including 71% of those with HHI of \$50k to \$99k and 83% of those with HHI of \$100k to \$199k. They started saving for retirement at age 26 (median).

**Saving For Retirement Through an Employer-Sponsored Retirement Plan  
and/or Outside of Work**  
Not Retired (%)



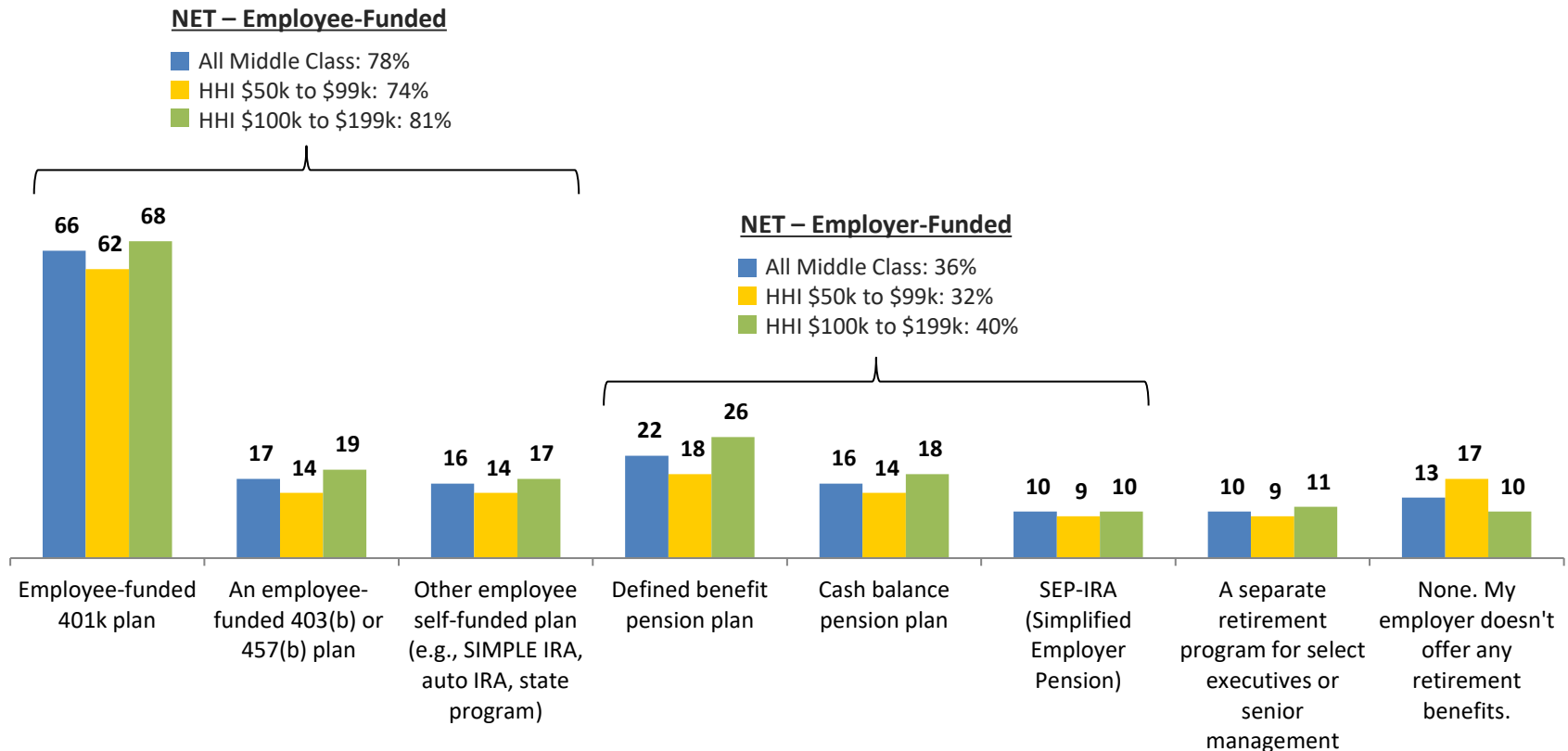
<b>Age Started Saving (Median)</b>	<b>26 years</b>	<b>27 years</b>	<b>26 years</b>
------------------------------------	-----------------	-----------------	-----------------

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – NOT RETIRED EMPLOYED WORKERS CURRENTLY OFFERED QUALIFIED PLAN  
Q1190. Do you currently participate in, or have money invested in your company’s employee-funded retirement savings plan?  
MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – NOT RETIRED  
Q740. Are you currently saving for retirement outside of work, such as in an IRA, mutual funds, bank account, etc.?  
MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – NOT RETIRED INVESTING FOR RETIREMENT  
Q790. At what age did you first start saving for retirement?

# Employed Workers: Retirement Benefits Offered by Employers

More than three in four employed workers in the middle class (78%) are offered an employee-funded 401(k) or similar plan by their employers, while 36% are offered an employer-funded plan (i.e., defined benefit pension plan, cash balance pension plan, SEP-IRA). Workers with HHI of \$100k to \$199k are more likely to be offered retirement benefits than those with HHI of \$50k to \$99k. Thirteen percent of workers are not offered any retirement benefits, including 17% with HHI of \$50k to \$99k and 10% of those with HHI of \$100k to \$199k.

**Retirement Benefits Offered by Employers**  
Employed Workers (%)



Note: Chart excludes "other" response of 1%.

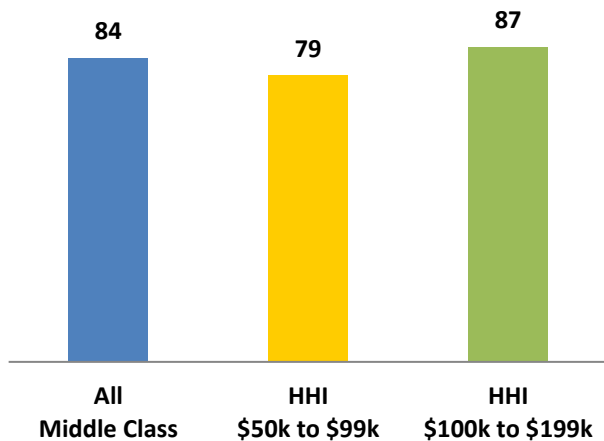


# Employed Worker: Plan Participation, Contributions, and Super Savers

Among employed middle-class workers who are offered an employee-funded 401(k) or similar plan by their employers, more than eight in 10 (84%) participate in the plan including 79% of those with HHI of \$50k to \$99k and 87% of those with HHI of \$100k to \$199k. Among those who participate in their employers' plans, the median annual salary contribution rate is 10%. A remarkable 44% of middle-class workers participating in a plan are super savers who are saving more than 10% of their annual salary in the plan.

## Participate in 401(k) or Similar Plan

Offered a Plan - Yes (%)

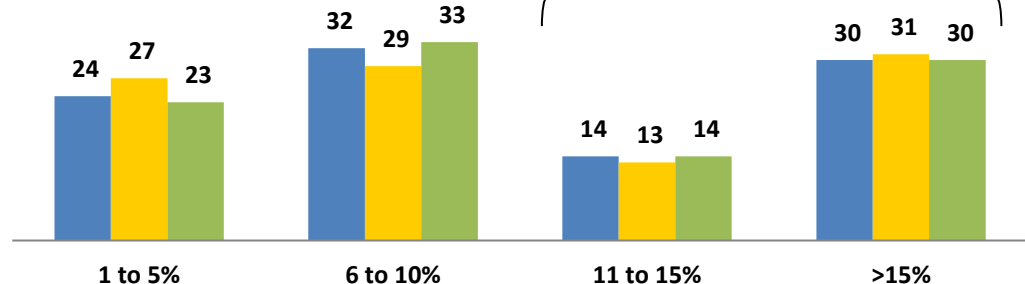


## What percentage of your salary are you contributing to your company-sponsored plan this year?

Workers Currently Participating in a 401(k) or Similar Plan (%)

### Salary Contribution% (Median)

- All Middle Class: 10%
- HHI \$50k to \$99k: 10%
- HHI \$100k to \$199k: 10%



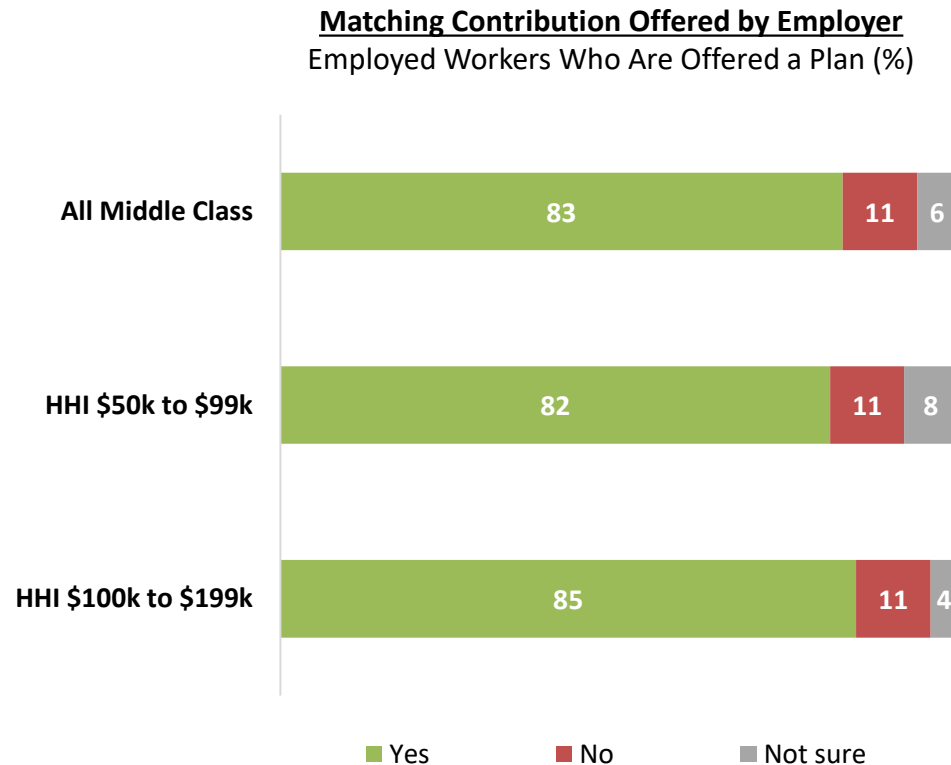
### Contribute > 10 Percent

- All Middle Class: 44%
- HHI \$50k to \$99k: 44%
- HHI \$100k to \$199k: 44%

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – EMPLOYED WORKERS CURRENTLY OFFERED A PLAN Q1190. Do you currently participate in, or have money invested in your company's employee-funded retirement savings plan?  
MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – EMPLOYED WORKERS OFFERED AND CURRENTLY PARTICIPATE IN A PLAN Q601. What percentage of your salary are you saving for retirement through your company-sponsored plan this year?

# Employed Workers: Matching Contribution Offered by Employer

Among those who are offered a 401(k) or similar plan, most middle-class workers (83%) are offered a matching contribution as part of the plan, a finding that is similar between those with HHI of \$50k to \$99k and those with HHI of \$100k to \$199k.



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

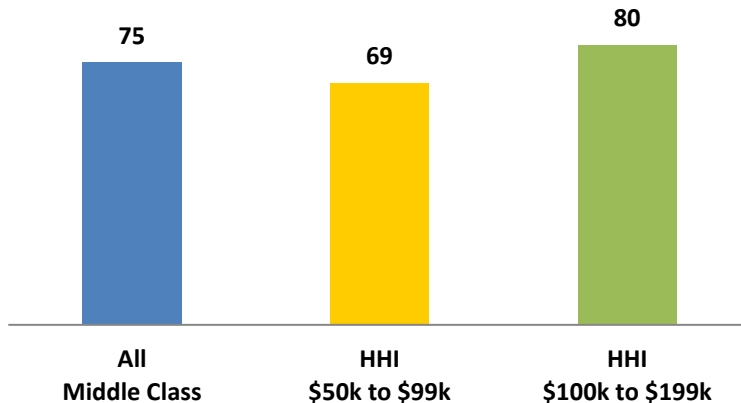
MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – EMPLOYED WORKERS WHO ARE CURRENTLY OFFERED A PLAN  
Q630. Does your company offer you, personally, a matching contribution as part of its 401(k), 403(b), 457 (b), or other company-sponsored retirement plan?

# Employed Workers: Awareness and Usage of Roth 401(k) Provision

Among employed middle-class workers who are offered a 401(k) or similar plan, three in four (75%) are aware of the Roth 401(k)/Roth 403(b) option, including 69% of workers with HHI of \$50k to \$99k and 80% of workers with HHI of \$100k to \$199k. Further, among those who are aware of the Roth option, almost half (48%) are offered the option and contribute to it.

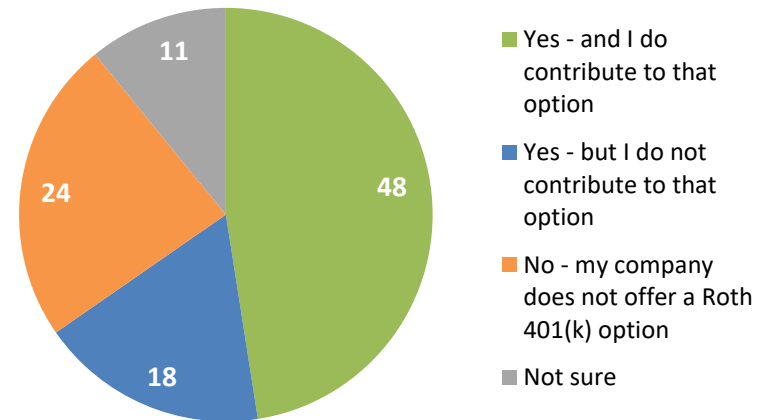
## Aware of the Roth Option

Employed Workers Offered a Plan – Yes (%)



## Does your employer offer a Roth 401(k) option to you, personally?

Aware and Offered Roth Option (%)



MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – EMPLOYED WORKERS CURRENTLY OFFERED A PLAN

Q605. Are you aware of the Roth 401(k)/403(b) option?

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – EMPLOYED WORKERS OFFERED A PLAN AND AWARE OF ROTH OPTION

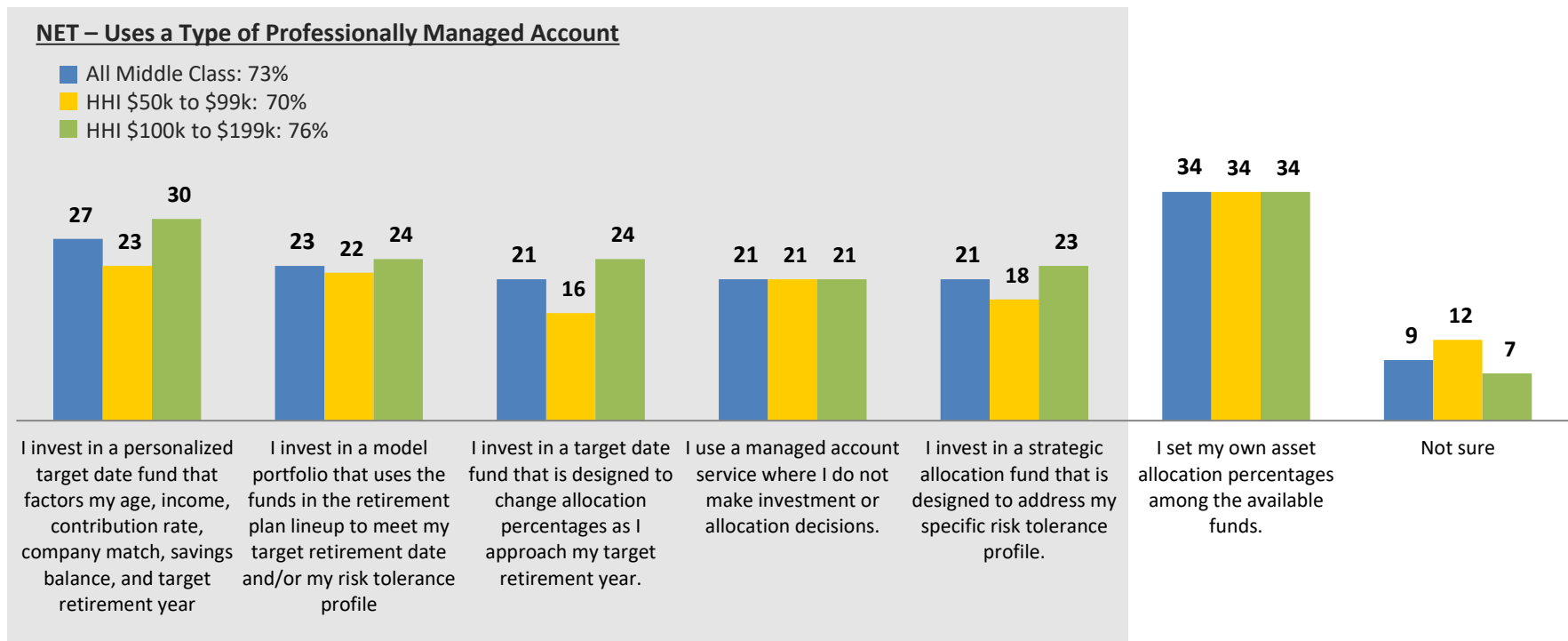
Q610. Does your employer offer a Roth 401(k) option to you, personally?

# Employed Workers: Professionally Managed Account Usage

“Professionally managed” accounts include target date funds, model portfolio services, managed account services, and/or strategic allocation funds. Most middle-class plan participants (73%) use a professionally managed offering in their 401(k) or similar plans, including 27% who use a personalized target date fund, 23% who use model portfolios, 21% who use a general target date fund, 21% who use a managed account service, and 21% who use strategic allocation funds. One in three plan participants (34%) set their own asset allocation percentage among the available funds. Nine percent are “not sure.”

## What is your current approach to investing in your employer-sponsored retirement plan?

Employed Workers Participating in a Plan (%)

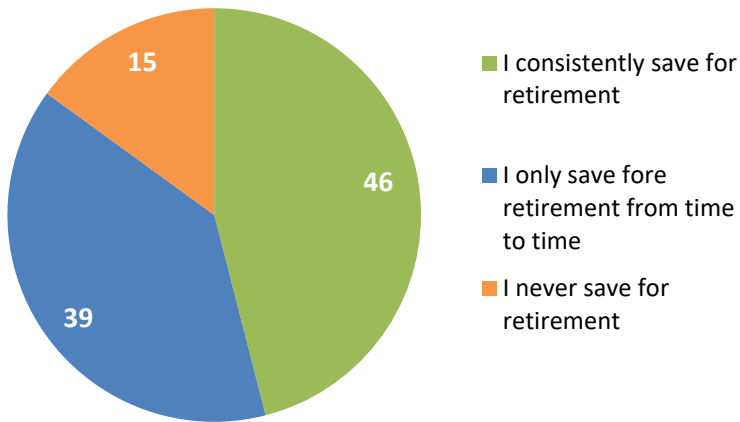


# Self-Employed: Saving for Retirement

Among self-employed people in the middle class, 46% indicate they consistently save for retirement while 39% say they occasionally save and 15% say they never save. Among those who are currently saving for retirement, many are using tax-advantaged retirement arrangements including 43% who are using a Traditional or Roth IRA, 36% a 401(k), 23% a Solo 401(k)/Individual 401(k), 10% a SEP IRA, and 8% a SIMPLE IRA. Twenty-five percent are not using a tax-advantaged arrangement. Among the self-employed who are currently saving for retirement, they are saving 20% of their annual personal income (median).

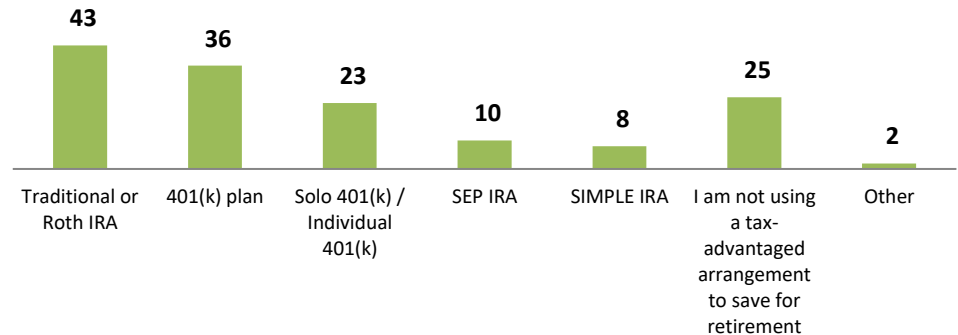
**Which of the following best describes your approach to saving for retirement?**

Self-Employed (%)



**Which of the following tax-advantaged retirement arrangements are you using to save for retirement? Select all.**

Self-Employed Currently Saving for Retirement (%)



Note: Charts only depict self-employed among all middle class. They are not offered by HHI due to sample size limitations.

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – SELF-EMPLOYED

Q5120SE. Which of the following best describes your approach to saving for retirement?

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – SELF-EMPLOYED AND CURRENTLY SAVING FOR RETIREMENT

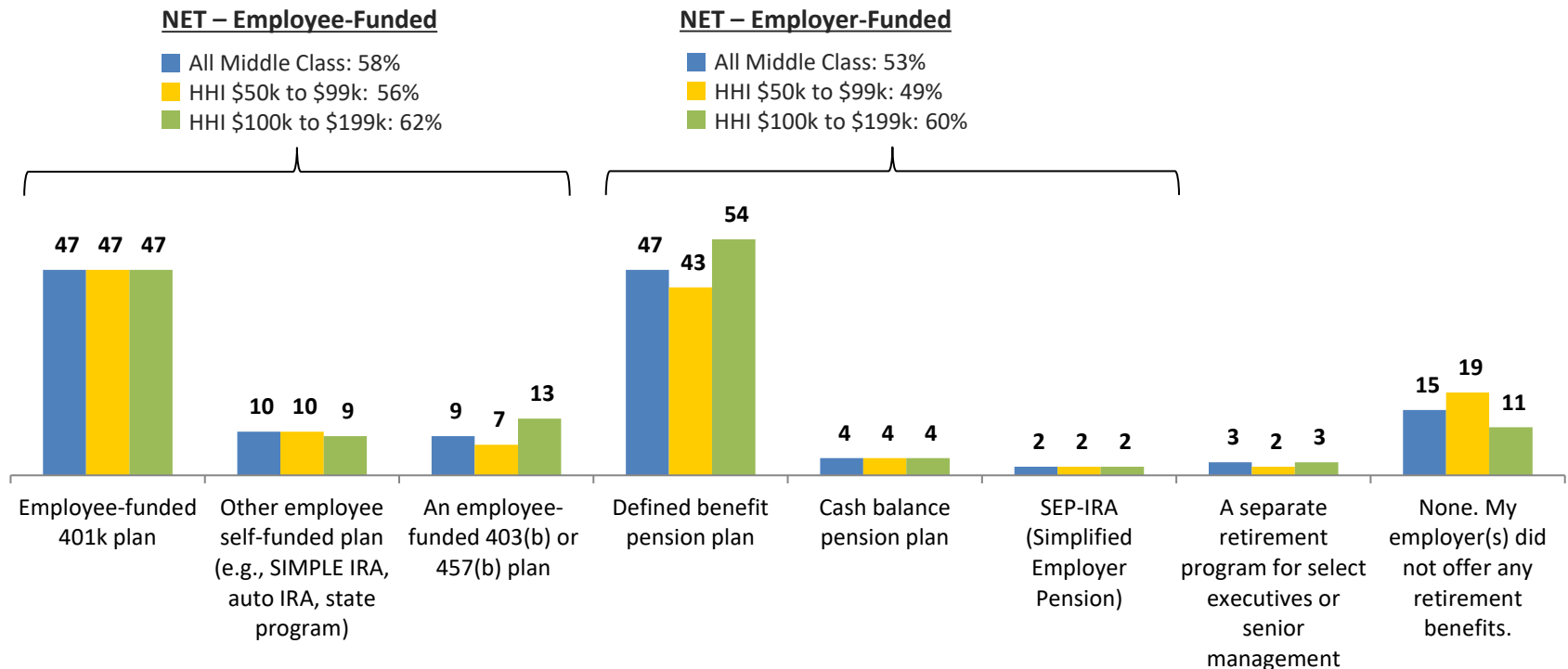
Q5135SE. Which of the following tax-advantaged retirement arrangements are you using to save for retirement? Please select all that apply.

Q5130SE. How much are you saving for retirement as a percentage of your personal annual income?

# Retirees: Retirement Benefits Offered by Employers

Almost six in 10 middle-class retirees (58%) participated in an employee-funded 401(k) or similar plan, while half (53%) participated in an employer-funded plan (i.e., defined benefit pension plan, cash balance pension plan, SEP-IRA) for the majority of their working career. Retirees with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to have participated in an employer-funded plan (60%, 49%, respectively). Fifteen percent of retirees were not offered any retirement benefits for most of their career, a finding that is more prevalent among retirees with HHI of \$50k to \$99k than those with HHI of \$100k to \$199k (19%, 11%).

**Participated in Retirement Benefits Offered by Employers for Majority of Career**  
Retirees (%)



Note: Chart excludes "other" response for all middle class: 7%, HHI \$50k to \$99k: 7%, HHI \$100k to \$199k: 6%.

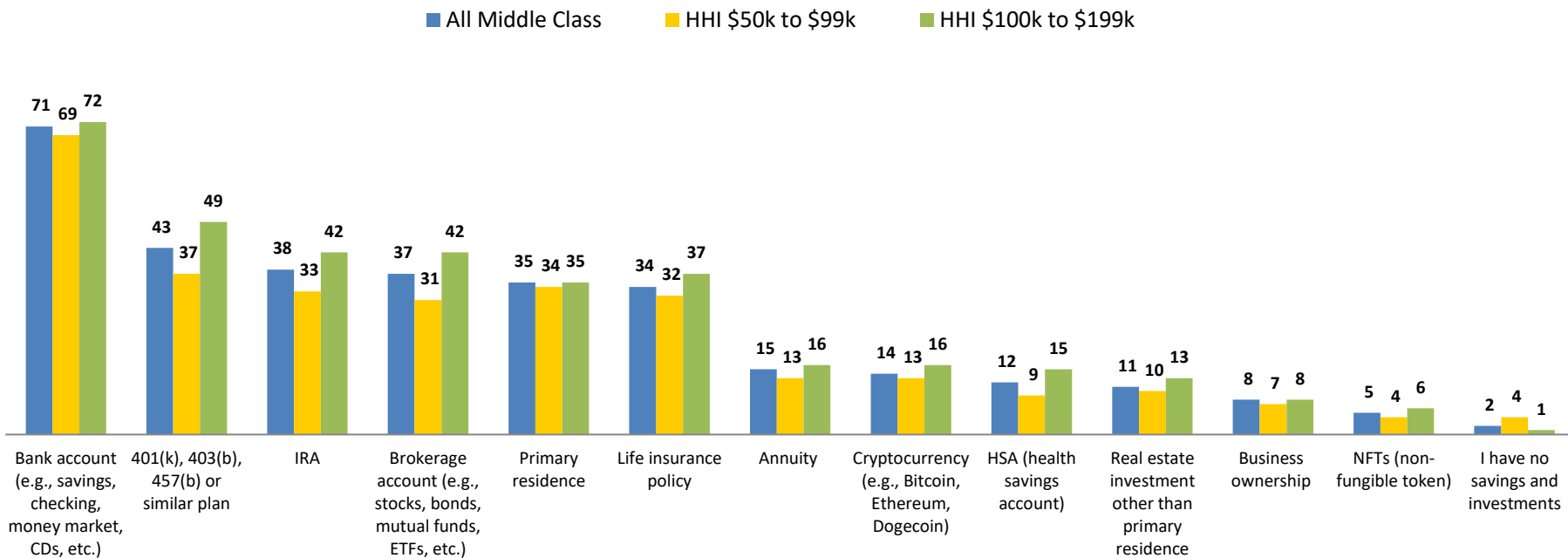
MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – RETIREES

Q1180r. Which of the following retirement benefits at your employer(s) did you participate in for the majority of your working career? Select all.

# Types of Retirement Savings & Investments

People in the middle class who are saving for retirement outside the workplace or who are retired are investing in a variety of ways with the most common being in a bank account (71%), a 401(k), 403(b), 457(b) or similar plan (43%), an IRA (38%), a brokerage account (37%), a primary residence (35%), and a life insurance policy (34%). Fewer than one in six are investing in an annuity (15%), cryptocurrency (14%), HSA (12%), real estate other than primary residence (11%), business ownership (8%), or NFTs (5%). Those with HHI of \$100k to \$199k are generally more likely to be investing in these ways than those with HHI of \$50k to \$99k.

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



Note: Responses not shown for "Other investments" (All Middle Class: 2%, HHI \$50k to \$99k: 3%, HHI \$100k to \$199k: 2%).

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – NOT RETIRED WHO ARE SAVING OUTSIDE OF THE WORKPLACE OR RETIRED Q750. What types of savings and investments do you currently have that are specifically for retirement? Select all.

# Not Retired: Estimated Retirement Savings Needs

Among those who are not yet retired, people estimate they will need \$500,000 (median) by the time they retire in order to feel financially secure. Those with HHI of \$100k to \$199k estimate they will need to save \$890,000 compared with just \$500,000 among those with HHI of \$50k to \$99k. More than four in 10 middle-class people who are not yet retired (41%) estimate they will need to save \$1 million or more, including 31% of those with HHI of \$50 to \$99k and 49% of those with HHI of \$100k to \$199k.

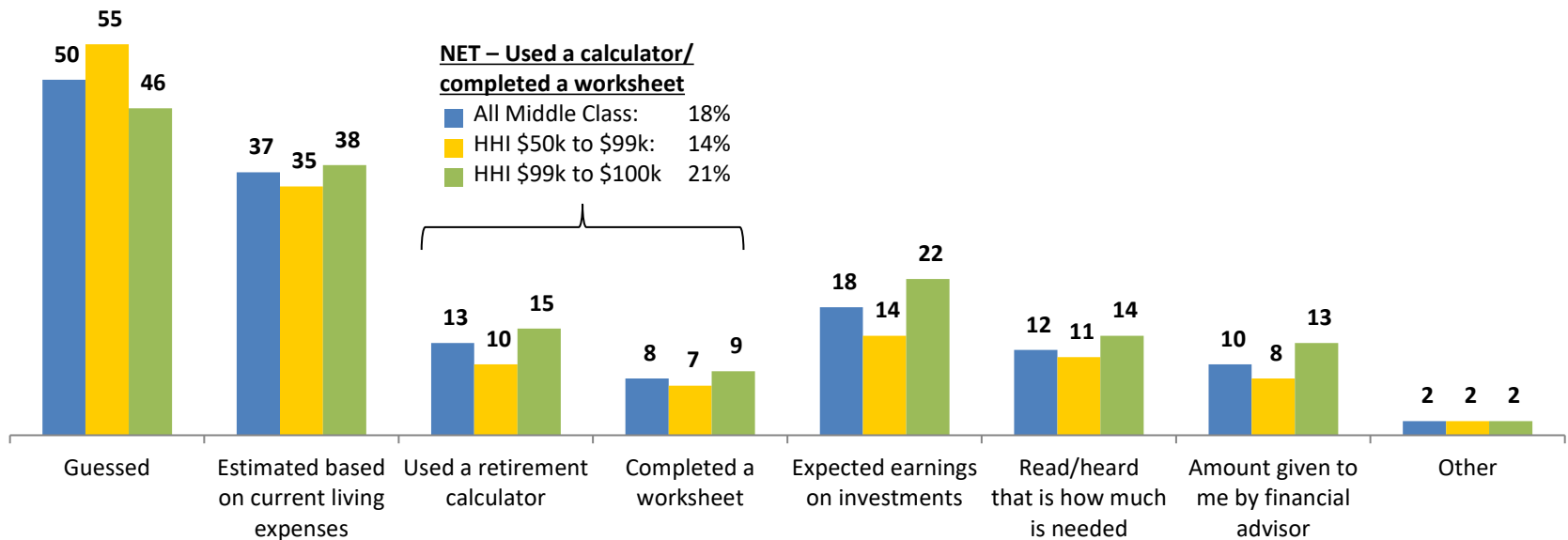
Estimated Retirement Savings Needs	All Middle Class	HHI \$50k to \$99k	HHI \$100k to \$199k
Less than \$100k	16%	21%	12%
\$100k to less than \$500k	23%	28%	19%
\$500k to less than \$1m	20%	20%	20%
\$1m to less than \$2m	20%	17%	23%
\$2m or more	21%	14%	26%
<b>Median (including \$0)</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$890,000</b>



# Not Retired: Basis of Estimated Retirement Savings Needs

Among those providing an estimate, half of middle-class people who are not yet retired (50%) guessed the amount they need to save for retirement while 37% based their estimate on current living expenses, 18% on expected investment earnings, 12% on reading/hearing how much is needed, and 10% who were given the amount by a financial advisor. Fewer than one in five (18%) arrived at their estimate by using a calculator (13%) and/or completing a worksheet (8%). Those with HHI of \$50k to \$99k were more likely to have guessed their needs than those with HHI of \$100k to \$199k (55%, 46%, respectively). Thirteen percent of those with HHI of \$100k to \$199k had the amount given by a financial advisor, compared with just 8% of those with HHI of \$50k to \$99k.

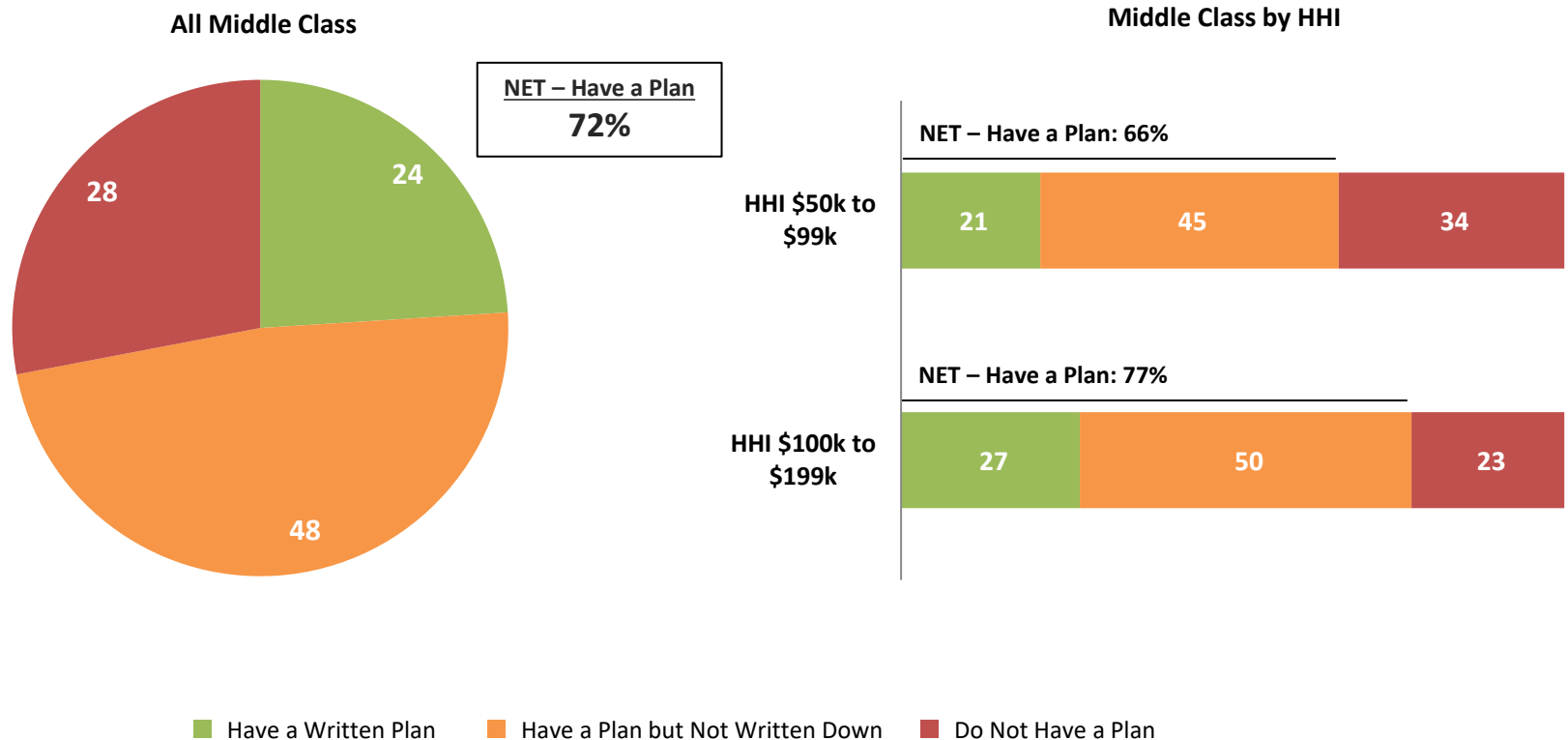
**Basis of Estimating Retirement Savings Goal**  
Not Retired Who Provided an Estimate (%)



# Financial Strategy for Retirement

Fewer than one in four people in the middle class (24%) have a financial strategy for retirement in the form of a written plan. Almost half (48%) have a plan that is not written down, while 28% do not have a plan. People with HHI of \$100k to \$199k are more likely to have a written plan than those with HHI of \$50k to \$99k (27%, 21%, respectively).

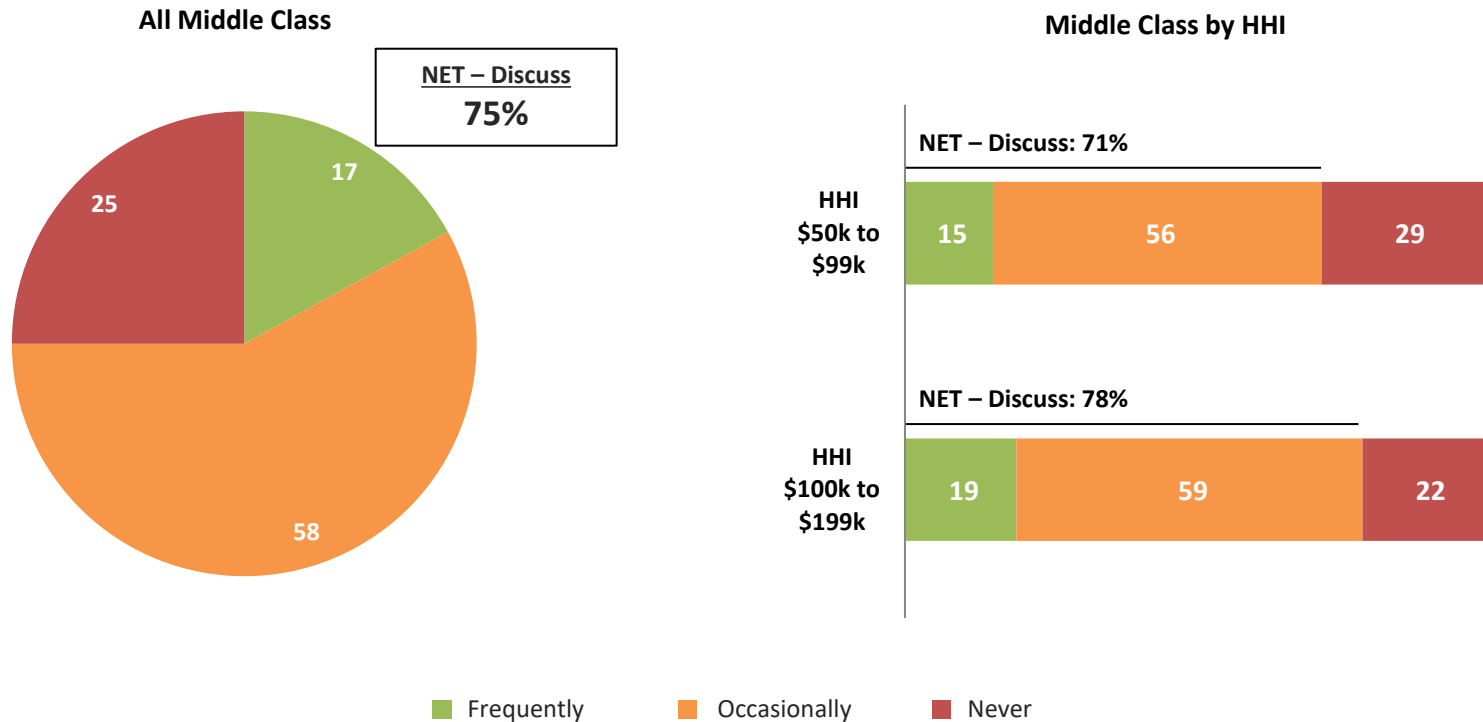
## How would you describe your financial strategy for retirement? (%)



# Frequency (or Infrequency) of Conversations About Retirement

Fewer than one in five people in the middle class (17%) frequently discuss saving, investing, and planning for retirement with family and close friends, while 58% occasionally discuss it, and 25% never discuss it. People with HHI of \$100k to \$199k are more likely to frequently discuss it than those with HHI of \$50k to \$99k (19%, 15%, respectively).

How frequently do you discuss saving, investing, and planning for retirement with family and close friends? (%)



MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS

Q1515. How frequently do you discuss saving, investing and planning for retirement with family and close friends? / How frequently do you discuss your retirement savings, investments, and financial situation with family and close friends?

# Not Retired: Tapping Into Retirement Savings

A concerning percentage of middle-class people who are not yet retired are tapping into their retirement savings before they retire. Thirty-three percent have taken a loan, early withdrawal, and/or hardship withdrawal from their 401(k) or similar plan or IRA, including 26% who have taken a loan and 18% who have taken an early and/or hardship withdrawal. Seventeen percent have taken a loan and paid it back in full, while 8% have taken a loan and are paying it back, and 6% have taken a loan that they were unable to pay back. Those with HHI of \$100k to \$199k are more likely to be tapping into their savings than those with HHI of \$50k to \$99k.

<b>Taken Loan, Early Withdrawal, Hardship Withdrawal (%)</b>	<b>All Middle Class</b>	<b>HHI \$50k to \$99k</b>	<b>HHI \$100k to \$199k</b>
<b>TOTAL NET – Have Taken a Loan, Early Withdrawal, and/or Hardship Withdrawal From 401(k) or Similar Plan or IRA</b>	<b>33</b>	<b>31</b>	<b>34</b>
<b>NET – Have Taken a Loan</b>	<b>26</b>	<b>23</b>	<b>28</b>
<b>NET – Have Taken an Early and/or Hardship Withdrawal</b>	<b>18</b>	<b>17</b>	<b>19</b>
Yes, I have taken a loan from a 401(k) or similar plan and paid it back in full	17	15	19
Yes, I have taken a loan from a 401(k) or similar plan and am paying it back	8	8	8
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	6	5	7
Yes, I have taken a hardship withdrawal and incurred taxes and penalties	7	7	8
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	7	6	7
Yes, I have taken an early withdrawal and cashed out a portion or all of an IRA and incurred taxes and penalties	5	4	5
<b>No, I have never taken a loan or early withdrawal from a 401(k) or similar plan or IRA</b>	<b>62</b>	<b>63</b>	<b>61</b>
<b>Not sure</b>	<b>5</b>	<b>6</b>	<b>4</b>

# Reasons for Taking 401(k) Loans

Among those in the middle class who have taken a loan from their 401(k) or similar plan, the most frequently cited reason for doing so is a financial emergency (28%). One in five people cite paying off debt (22%), including credit card debt (21%) and/or other debt (1%). Other reasons include everyday expenses (21%), medical bills (20%), unplanned major expenses (19%), home improvements (18%), purchase of a primary residence (16%), the purchase of a vehicle (15%), college tuition (12%), avoiding eviction (10%), burial or funeral expenses (7%), or some other purpose (10%).

Reasons for Taking Loan From Retirement Plan (%)	All Middle Class	HHI \$50k to \$99k	HHI \$100k to \$199k
<b>A financial emergency</b>	28	28	27
<b>NET - Paying Off Debt</b>	<b>22</b>	<b>20</b>	<b>23</b>
Pay off credit card debt	21	19	22
Pay off other debt	1	1	1
<b>Everyday expenses</b>	21	20	22
<b>Medical bills</b>	20	19	20
<b>Unplanned major expenses (e.g., home or car repair, etc.)</b>	19	21	18
<b>Home improvements</b>	18	16	19
<b>Purchase of primary residence</b>	16	13	18
<b>Purchase of a vehicle</b>	15	16	14
<b>College tuition</b>	12	9	13
<b>Avoid eviction</b>	10	9	12
<b>Burial or funeral expense</b>	7	7	7
<b>Some other purpose</b>	10	8	11

# Reasons for Hardship Withdrawals From 401(k)s

Among those in the middle class who have taken a hardship withdrawal from a 401(k) or similar plan, the reasons for doing so include expenses and losses incurred due to a disaster in a federally declared disaster area (18%), paying for certain medical expenses (17%), covering costs related to purchase of a principal residence (15%), payment of tuition and related educational fees (13%), expenses for qualified repairs to damage of principal residence (11%), payments to prevent eviction from one’s principal residence (10%), and burial or funeral expenses (9%).

Primary Reason for Hardship Withdrawal (%)	All Middle Class
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	18
Pay for certain medical expenses for you, your spouse, children, dependents, or primary beneficiaries under the plan	17
Cover the costs related to the purchase of a principal residence	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	13
Expenses for repairs of damage to your principal residence that would qualify for the casualty deduction under the Internal Revenue Code	11
Payments to prevent your eviction from your principal residence	10
Burial or funeral expenses for your spouse, children, dependents, or primary beneficiaries under the plan	9
Other	7

*Note: Sample sizes by HHI are too small to report for this survey question.*

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – NOT RETIRED WHO HAVE TAKEN A HARDSHIP WITHDRAWAL  
 (Total N=341, HHI \$50K to \$99k N=156; HHI \$100k to \$199k N= 185)

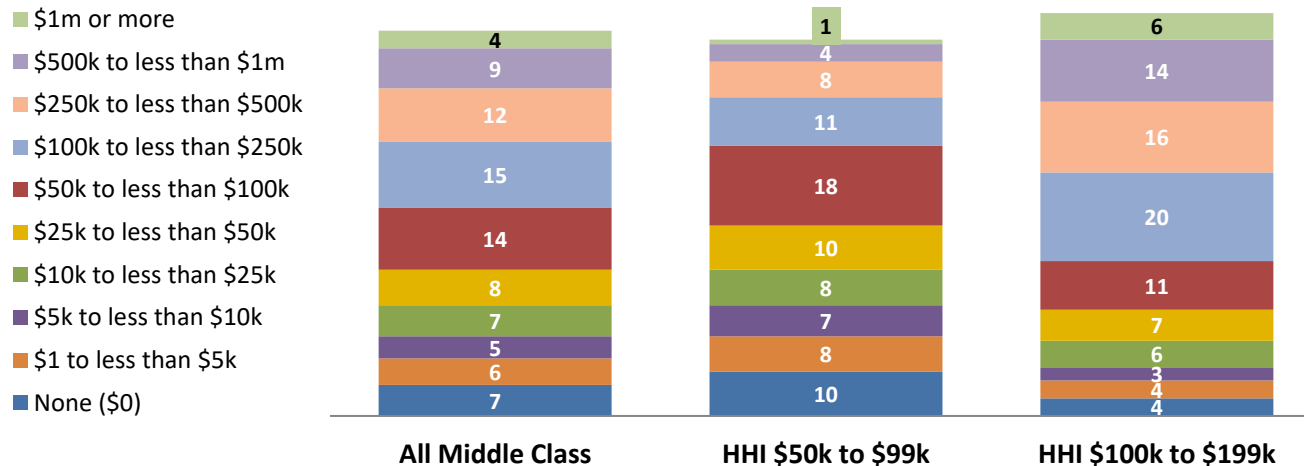
Q1465. What is the primary reason you have taken a hardship withdrawal from your employee-funded retirement savings plan?

# Not Retired: Total Household Savings in Retirement Accounts

As of late 2023, among those who are not yet retired, people in the middle class have saved \$66,000 (estimated median) in total household retirement accounts. Savings increase with household income. Those with HHI of \$50k to \$99k have saved \$36,000 in total household retirement accounts, compared with those with HHI of \$100k to \$199k who have saved \$129,000 (estimated medians). Twenty-five percent of middle-class people have saved \$250,000 or more, including 13% of those with HHI of \$50k to \$99k and 36% of those with HHI of \$100k to \$199k.

## 2023 Total Household Savings in Retirement Accounts

Not Retired (%)



<b>Not sure</b>	9	10	9
<b>Decline to answer</b>	3	3	3
<b>Estimated Median (including \$0)</b>	\$66,000	\$36,000	\$129,000

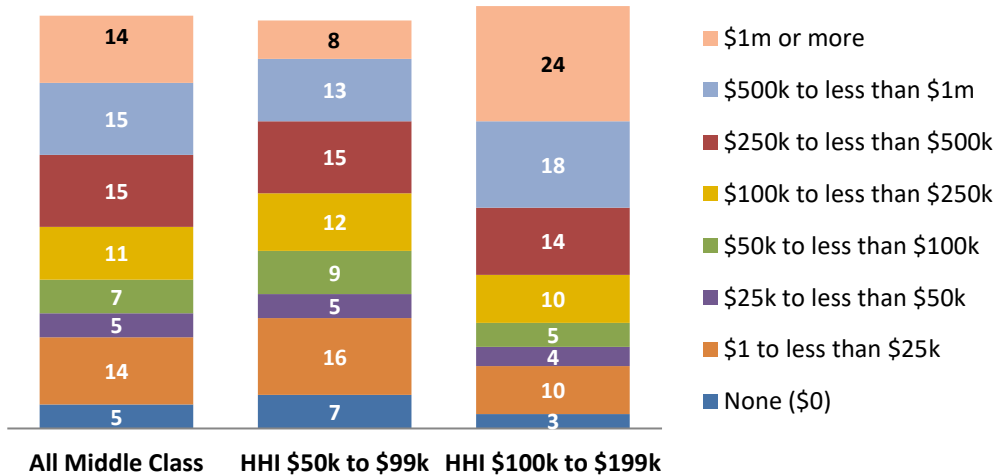
Notes: 1) The median is estimated based on the approximate midpoint of the range of each response category. Non-responses are excluded from the estimate. 2) Results may not total 100% due to rounding.

# Retirees: Total Household Savings and Home Equity

As of late 2023, middle-class retirees reported \$186,000 in total household savings excluding home equity (estimated median). Savings increase with household income. Those with HHI of \$50k to \$99k have \$120,000 in total savings excluding home equity, compared with those with HHI of \$100k to \$199k who saved \$349,000 (estimated medians). Five percent of middle-class retirees have no household savings. Middle-class retirees reported \$177,000 in home equity (estimated median). Home equity also increases with household income. Retirees with HHI of \$50k to \$99k have \$140,000 in home equity, compared with those with HHI of \$100k to \$199k who have \$254,000 in home equity (estimated medians). Fifteen percent of middle-class retirees have no home equity.

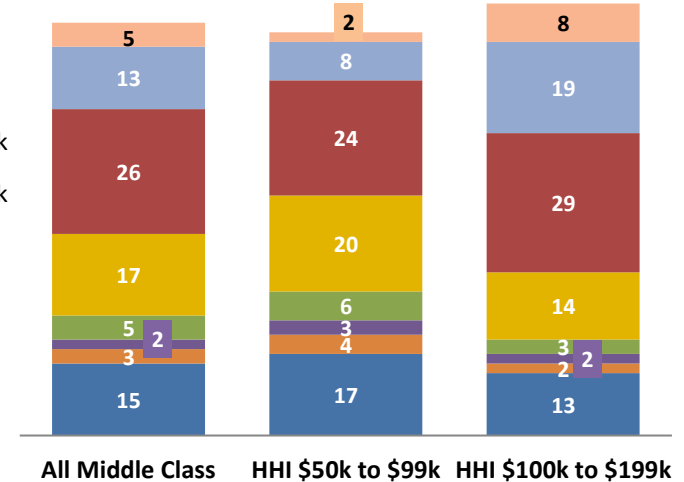
**2023 Household Savings Excluding Home Equity**

Retirees (%)



**2023 Home Equity**

Retirees (%)



7	8	6	Not sure	8	9	7
7	8	6	Decline to answer	6	7	4
<b>\$186,000</b>	<b>\$120,000</b>	<b>\$349,000</b>	<b>Estimated Median (including \$0)</b>	\$177,000	\$140,000	\$254,000

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.

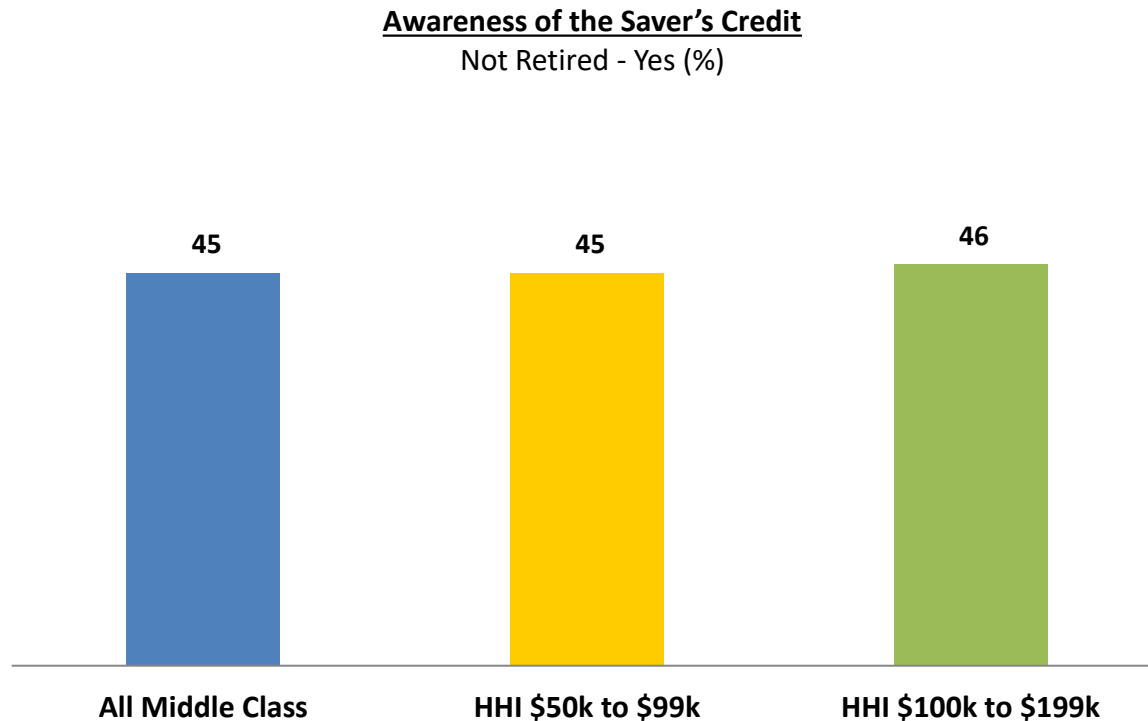
MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – RETIREES

Q1310R. Approximately how much money does your household currently have in the following? 1. Household savings excluding home equity. Please include IRAs, 401(k)s, bank accounts, brokerage accounts, etc., and any other savings in your household. 2. Home equity.



# Not Retired: 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. Among those who are not yet retired, fewer than half of people in the middle class (45%) are aware of the Saver's Credit.

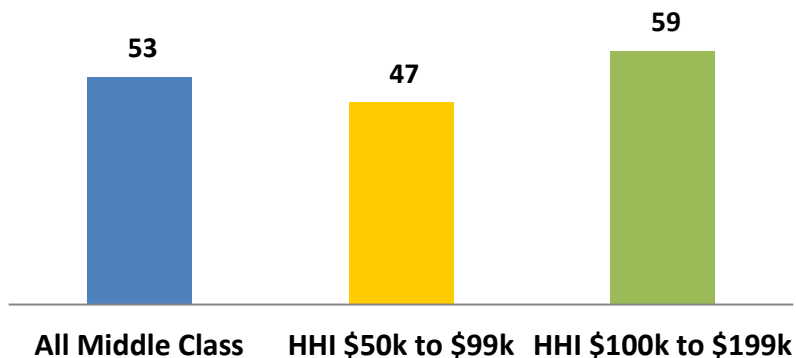


# Not Retired: Catch-Up Contribution Awareness

Catch-Up Contributions allow individuals aged 50 and older to contribute to a 401(k), 403(b), or similar plan or IRA an additional amount over and above the plan or IRA-contribution limit. Among those who are not yet retired, only 53% of people in the middle class are aware of catch-up contributions, including 47% of those with HHI of \$50k to \$99k and 59% of those with HHI of \$100k to \$500k. Age 50+ people in the middle class are slightly more likely to be aware of catch-up contributions.

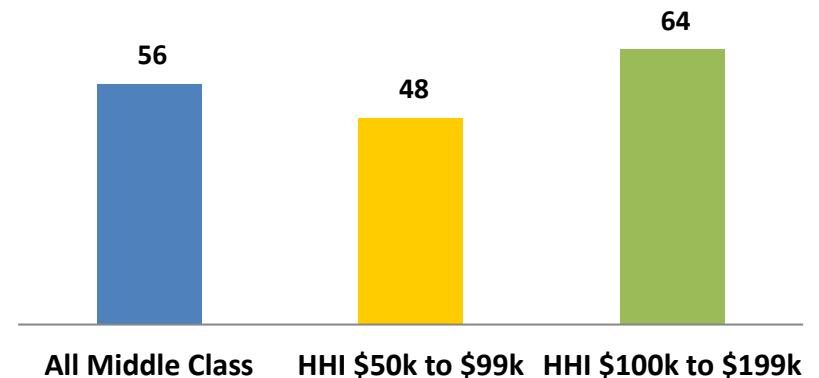
**Awareness of Catch-Up Contributions**

Not Retired - Yes (%)



**Awareness of Catch-Up Contributions**

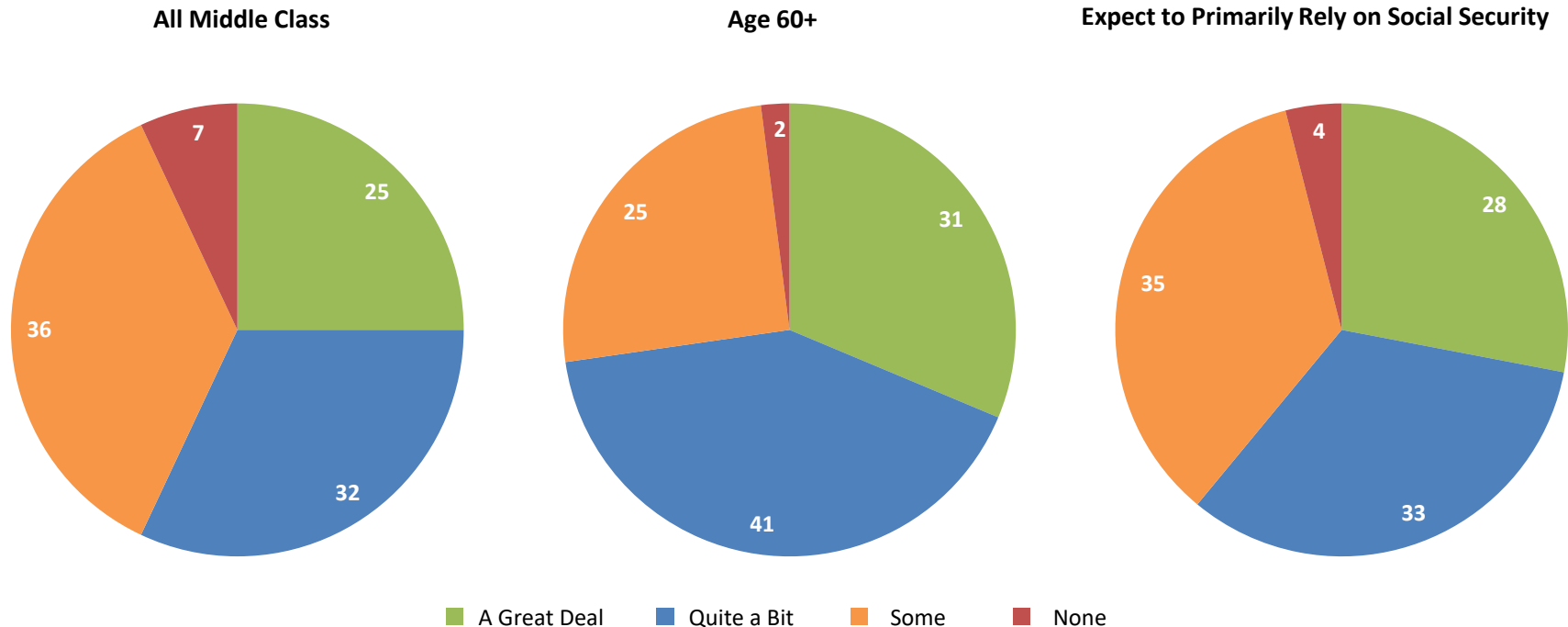
Age 50+ Not Retired - Yes (%)



# Level of Understanding About Social Security Benefits

Only one in four people in the middle class (25%) know “a great deal” about Social Security benefits. Thirty-one percent of those who are age 60+ indicate they know a “great deal” and only 28% who expect to primarily rely on Social Security in retirement indicate they know a “great deal.”

## Level of Understanding re: Social Security Benefits (%)



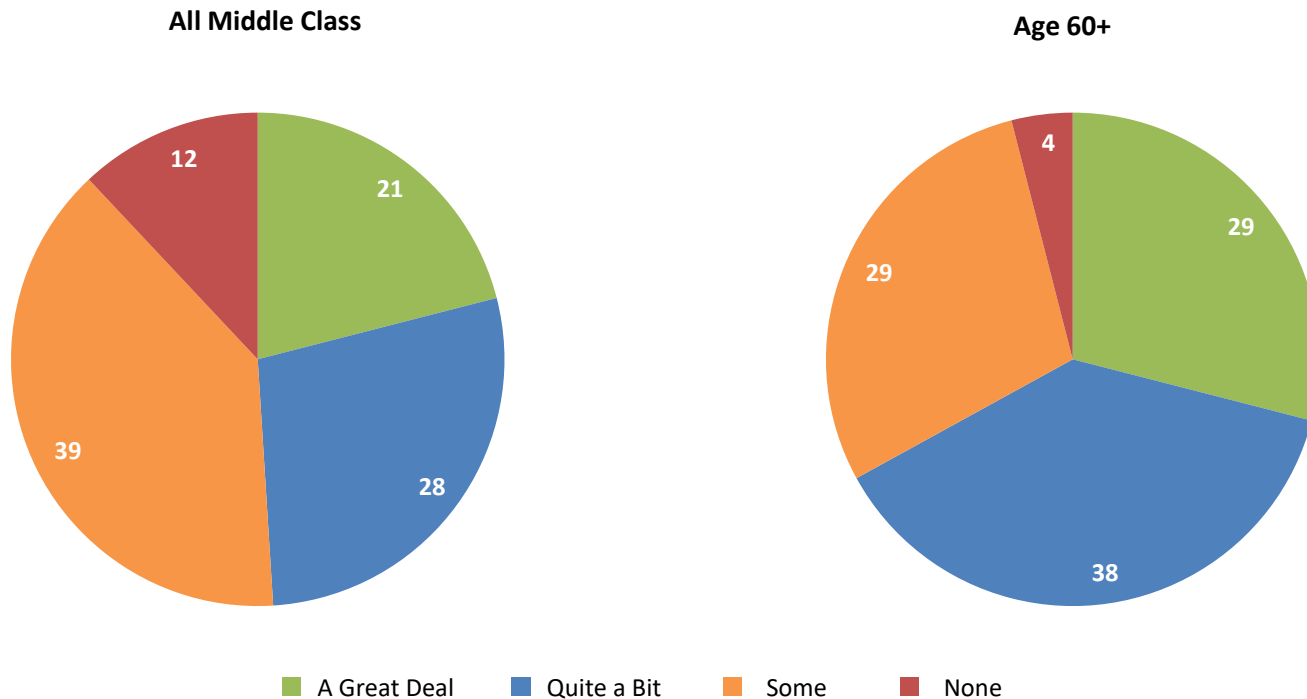
Note: Results may not total 100% due to rounding.

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS  
 Q1540. How good of an understanding do you have of the following government benefits? Social Security.

# Level of Understanding About Medicare Benefits

Only one in five people in the middle class (21%) know “a great deal” about Medicare benefits. Among those who are age 60+, almost three in 10 (29%) know “a great deal” about them.

Level of Understanding re: Medicare Benefits (%)

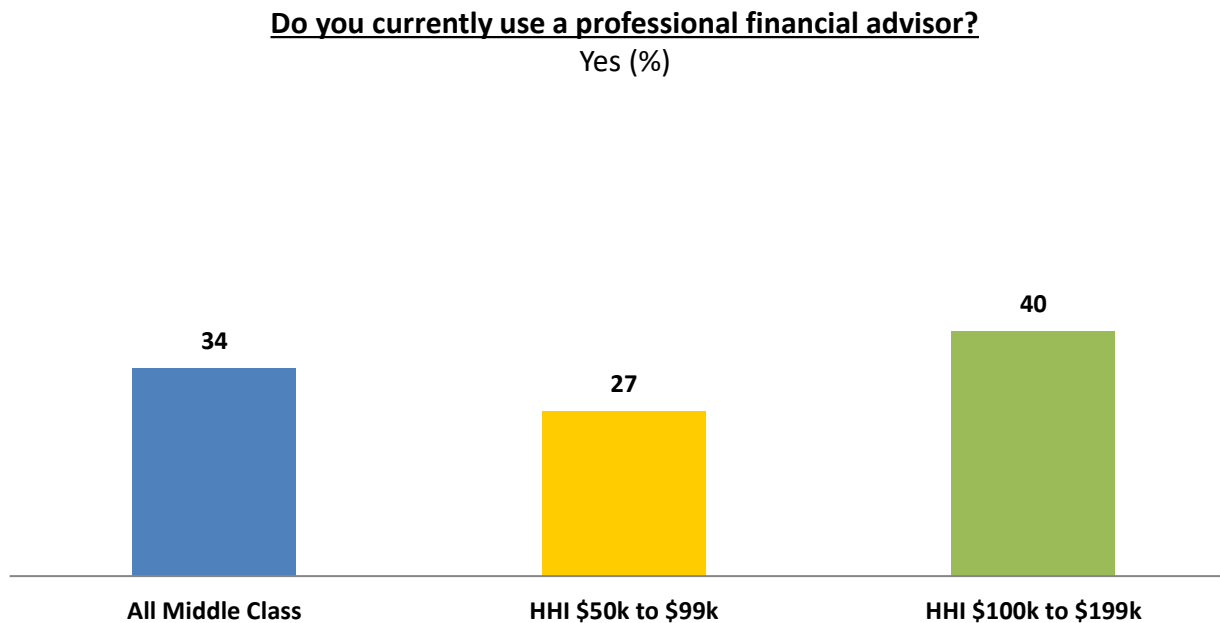


*Note: Results may not total 100% due to rounding.*

MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS  
Q1540. How good of an understanding do you have of the following government benefits? Medicare.

# Professional Financial Advisor Usage

One in three people in the middle class (34%) use a professional financial advisor. People with HHI of \$100k to \$199k are more likely to use a professional advisor than those with HHI of \$50k to \$99k (40%, 27%, respectively).

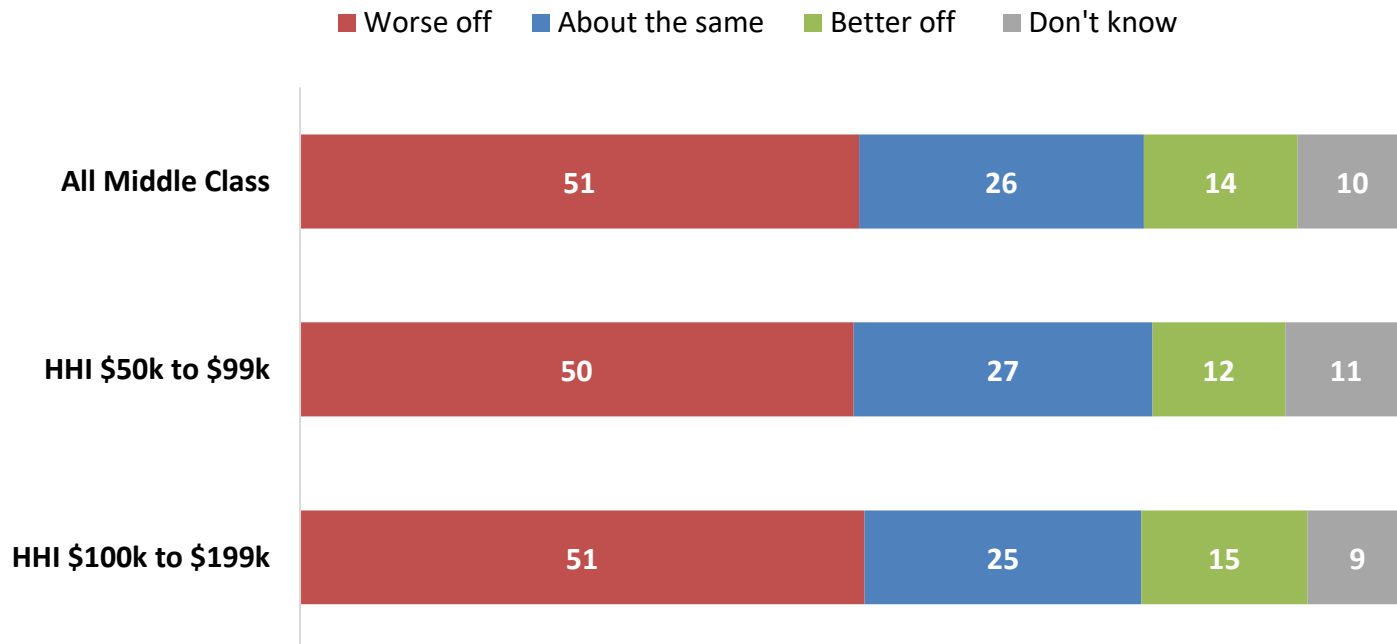


***Public Policy Priorities for Strengthening  
the U.S. Retirement System***

# Outlook of Future Generations of Retirees

Half of people in the middle class (51%) think that future generations of retirees will be worse off than those currently in retirement, while 26% think they will be about the same, 14% think they will be better off, and 10% “don’t know.” People with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to think future generations will be better off (15%, 12%, respectively).

**Do you think that future generations of retirees will be better off or worse off than those currently in retirement? (%)**



# Retirement Security Priorities for the President and Congress

The middle class's top priorities for the President and Congress to help people have a financially secure retirement include addressing Social Security's funding shortfalls (65%), addressing Medicare's funding shortfalls (53%), making out-of-pocket health care expenses and prescription drugs more affordable (50%), ensuring all workers can save for retirement in the workplace (47%), and educating Americans early by implementing a financial literacy curriculum in schools (40%). Other often-cited priorities include innovating solutions to make long-term care services and supports more affordable (39%), increasing access to affordable housing (39%), and supporting family caregivers by implementing policies such as paid family and medical leave, tax credits of out-of-pocket caregiving costs, and Social Security credits for time spent caregiving (37%). Twenty-eight percent cite providing and/or subsidizing broadband access and another 28% cite creating incentives for ongoing training and education.

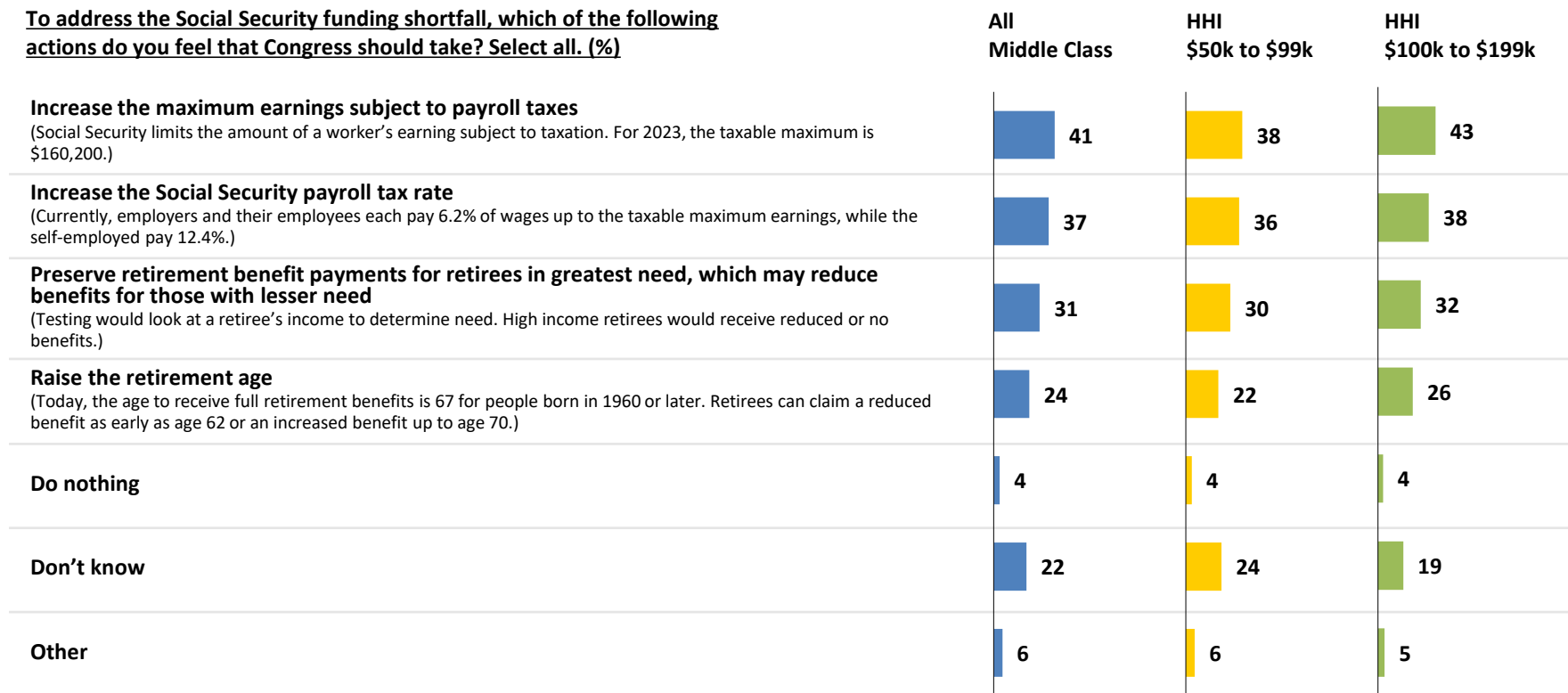
Priorities for the President and Congress to Help People Have a Financially Secure Retirement (%)	All Middle Class	HHI \$50k to \$99k	HHI \$100k to \$199k
Address Social Security's funding shortfalls to ensure it can pay guaranteed benefits to future generations of retirees.	65	64	66
Address Medicare's funding shortfalls to ensure future generations of retirees have access to affordable health care insurance.	53	51	54
Make out-of-pocket health care expenses and prescription drugs more affordable.	50	50	50
Ensure all workers can save for retirement in the workplace through employer-sponsored retirement plans, IRAs, or other savings programs.	47	47	47
Educate Americans early by implementing a financial literacy curriculum in the schools.	40	37	42
Innovate solutions to make long-term care services and supports more affordable.	39	37	41
Increase access to affordable housing to enhance financial security for Americans of all ages.	39	40	37
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.	37	36	38
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.	28	27	29
Create incentives for individuals to obtain ongoing training and education to keep their job skills up to date and relevant.	28	27	28



# How to Address Social Security’s Funding Shortfall

The survey asked people in the middle class about actions that Congress should take to address Social Security’s estimated funding shortfall and it garnered responses for increasing the maximum earning subject to payroll taxes (41%), increasing the Social Security payroll tax rate (37%), preserving retirement benefit payments for retirees in greatest need (31%), and raise the retirement age (24%). Only 4% of them say Congress should “do nothing” while 22% say they “don’t know.” People with HHI of \$100k to \$199k are more likely than those with HHI of \$50k to \$99k to cite increasing the maximum earnings subject to payroll taxes (43%, 38%, respectively) and raising the raising the retirement age (26%, 22%). In contrast, 24% of those with HHI of \$50k to \$99k indicate they “don’t know” compared with 19% of those with HHI of \$100k to \$199k.

**To address the Social Security funding shortfall, which of the following actions do you feel that Congress should take? Select all. (%)**



MIDDLE CLASS BASE: 24TH ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS

Q2023C. The Social Security trust fund for retirement is expected to be depleted by 2033. If Congress does not act by then, Social Security will only be able to pay 77% of scheduled retirement benefits. To address this funding shortfall, which of the following actions do you feel that Congress should take? Select all.

# *Appendix*

# 24th Annual Survey: Detailed Portrait of the Middle Class

Characteristics		All Middle Class (%) n=5,726	HHI \$50k to \$99k (%) n=3,045	HHI \$100k to \$199k (%) n=2,681
<b>Gender*</b>	Male	51	49	54
	Female	48	51	46
	Transgender	<1	<1	<1
<b>Marital Status</b>	Married/Living with partner	59	52	66
	Divorced/Separated/Widowed	14	17	10
	Never married	27	30	24
<b>Household Size</b>	1 household member	11	13	8
	2 household members	36	38	34
	3 household members	21	21	21
	4 household members	18	14	22
	5+ household members	14	13	16
<b>Generation</b>	Generation Z (Born 1997 to 2012)	13	12	14
	Millennial (Born 1981 to 1996)	30	30	30
	Generation X (Born 1965 to 1980)	26	23	28
	Baby Boomer (Born 1946 to 1964)	28	31	25
	Silent Generation (Born 1928 to 1945)	4	4	3
	Median Age	47 years	49 years	46 years
<b>Employment Status</b>	Employed worker	58	54	63
	Self-employed	7	7	7
	Not employed	6	7	5
	Student	4	3	5
	Homemaker	5	5	5
	Retired	21	26	16
<b>Educational Attainment</b>	Less than college degree	60	72	49
	College degree or more	40	28	51

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

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

# 24th Annual Survey: Detailed Portrait of the Middle Class (contd.)

Characteristics		All Middle Class (%) n=5,726	HHI \$50k to \$99k (%) n=3,045	HHI \$100k to \$199k (%) n=2,681
<b>Race &amp; Ethnicity</b>	White	64	61	66
	Hispanic	17	19	16
	Black/African American	11	12	9
	Asian American	6	5	7
	Other	2	2	2
<b>Region</b>	Northeast	17	16	19
	Midwest	21	22	21
	South	38	40	36
	West	24	23	25
<b>Urbanicity</b>	Urban	27	27	27
	Suburban	53	51	56
	Rural	19	22	16
<b>LGBTQ+ Status</b>	LGBTQ+	9	9	9
	Did not identify as LGBTQ+	90	90	90
	Decline to Answer	1	1	1
<b>Military Status</b>	Active duty, enlisted member of U.S. military	<1	<1	<1
	Reserve duty, enlisted member of U.S. military	1	1	1
	Veteran	10	11	9
	None of these	89	88	90
<b>Health Status</b>	Excellent	17	14	20
	Good	59	58	60
	Fair	22	25	18
	Poor	2	3	2
<b>Pet Ownership</b>	Dog	54	52	57
	Cat	35	35	34
	Both dog and cat	68	67	70
	No pets	30	32	28

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

# Learn More About the Middle Class: Suggested Reading

1. Bernard, T. S., & Russell, K. (2019, October 3). *The middle-class crunch: A look at 4 family budgets*. The New York Times. <https://www.nytimes.com/interactive/2019/10/03/your-money/middle-class-income.html>
2. Brennan, M. (2024, May 23). *Steady 54% of Americans Identify as Middle Class*. Gallup News. <https://news.gallup.com/poll/645281/steady-americans-identify-middle-class.aspx>
3. Davidson, P. (2018, October 30). *Whopping 62 percent of jobs don't support middle-class life after accounting for cost of living*. USA Today. <https://www.usatoday.com/story/money/2018/10/30/jobs-62-percent-fall-short-middle-class-standard-us/1809629002/#>
4. Dickler, J. (2023, January 18). *Amid inflation, more middle-class Americans struggle to make ends meet*. CNBC. <https://www.cnbc.com/2023/01/18/amid-inflation-more-middle-class-americans-struggle-to-make-ends-meet.html>
5. Fowers, A., Guskin, E., & Clement, S. (2024, February 15). *How Americans define a middle-class lifestyle — and why they can't reach it*. The Washington Post. <https://www.washingtonpost.com/business/2024/02/15/middle-class-financial-security/#>
6. Kaplan, J. (2024, February 20). *Meet the “forgotten middle” of Americans over 75 facing a rocky retirement*. Business Insider. <https://www.businessinsider.in/policy/economy/news/meet-the-forgotten-middle-of-americans-over-75-about-to-face-a-rocky-retirement/articleshow/107861685.cms>
7. Kasakove, S., & Gebeloff, R. (2022, July 6). *The shrinking of the middle-class neighborhood*. The New York Times. <https://www.nytimes.com/2022/07/06/us/economic-segregation-income.html>
8. Kochhar, R. (2018, September 6). *The American middle class is stable in size, but losing ground financially to upper-income families*. Pew Research Center. <https://www.pewresearch.org/short-reads/2018/09/06/the-american-middle-class-is-stable-in-size-but-losing-ground-financially-to-upper-income-families/>
9. Kochhar, R. (2024, May 31). *The state of the American middle class*. Pew Research Center. <https://www.pewresearch.org/race-and-ethnicity/2024/05/31/the-state-of-the-american-middle-class/>
10. Kochhar, R., & Sechopoulos, S. (2022, April 20). *Covid-19 pandemic pinches finances of America's lower- and middle-income families*. Pew Research Center. <https://www.pewresearch.org/social-trends/2022/04/20/covid-19-pandemic-pinches-finances-of-americas-lower-and-middle-income-families/#:~:text=The%20financial%20hardships%20caused%20by,income%20households%20fell%20by%202.1%25.>
11. Reeves, R.V., Guyot, K., & Krause, E. (2018, May 7). *Defining the middle class: Cash, credentials, or culture?* Brookings Institution. <https://www.brookings.edu/articles/defining-the-middle-class-cash-credentials-or-culture/>
12. Schwabish, Johnathan (2019, September 10). *How We Define “Middle Class” Has Broad Implications*. Urban Institute. <https://www.urban.org/urban-wire/how-we-define-middle-class-has-broad-implications>
13. Semuels, A., & Luscombe, B. (2022, April 28). *The economy is great. The middle class is mad*. Time. <https://time.com/6171292/middle-class-falling-behind-economy/>

**TRANSAMERICA CENTER**  
**FOR RETIREMENT STUDIES®**