

2022

State of Retirement Planning

A FEW WORDS ABOUT THE STUDY

The **2022 State of Retirement Planning study** examines the extent of the planning Americans have taken to reach their retirement goals. Conducted roughly two years since the start of the pandemic, this is a follow-up to a **study** conducted last year, and zeroes-in on the impact of Covid-19 and its socioeconomic ripple effects on retirement preparedness—including the smart (and perhaps not so smart) choices made during this time.

Where Americans stand on retirement planning:

GOOD NEWS:

79%

of Americans are confident they are in a place to be able to retire how and when they want.

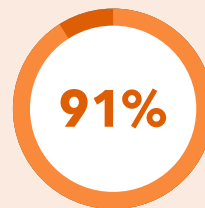
However...



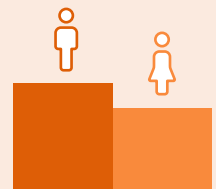
1 in 4

say they are now less confident than they were before the events of the past two years

And while



of those with a retirement plan in place feel at least somewhat confident



43% 33%

More men tend to number among the "very confident" than women

A general feeling of optimism is setting in — particularly among Next Gen investors.

65%

say 2022 is the year they put the pandemic behind them and focus on the future



This number increases to 74% among young investors.

Pandemic-related concerns continue to linger, although optimism is increasing

Despite the general unrest in the world, Americans are **expressing confidence they'll be able to achieve their financial goals**:

SOMEWHAT CONFIDENT/ VERY CONFIDENT	NEXT GEN	OLDER MILLENNIAL	GEN X	BOOMER
SHORT TERM FINANCIAL GOALS (such as paying current bills and keeping to your budget)	84%	86%	93%	95%
MEDIUM TERM FINANCIAL GOALS (such as making major purchases or saving for a home or college)	82%	82%	85%	89%
LONG TERM FINANCIAL GOALS (such as retirement)	83%	78%	79%	90%

'Next Gen' for this study is defined as respondents ages 18-35; 'Older Millennials' are ages 36-41

HOWEVER, MANY AMERICANS ARE STILL CONCERNED THEY'VE LOST FINANCIAL GROUND IN THEIR RETIREMENT PLANS.

71% are **very concerned about inflation's impact** on their retirement preparedness

31% **aren't sure how to keep up with inflation.** As a result, many savers feel they've fallen behind

Among those who have lost confidence in their retirement prospects, 79% believe the pandemic has negatively impacted their retirement plans-- here's how that breaks down.

	NEXT GEN	OLDER MILLENNIAL	GEN X	BOOMER	TOTAL
Less than one year before I'm back on track	8%	13%	12%	7%	10%
About one year before I'm back on track	21%	21%	6%	8%	14%
Two or three years before I'm back on track	31%	26%	38%	28%	32%
Four or five years before I'm back on track	15%	16%	14%	8%	13%
More than five years before I'm back on track	6%	6%	6%	4%	5%
I don't think I'll be able to get back on track	7%	3%	8%	7%	6%
I'm not sure	13%	15%	17%	39%	19%

RETIREMENT DECISIONS:

The good, the not-so-good and the downright ugly.

The 'return to normal' is characterized by what each generation needs to focus on over time.



Next Gen savers have time but need to ensure they are making smart retirement decisions.



Older Millennials have moved into their peak earnings years.



The oldest of Gen-Xers are now five years from retirement.

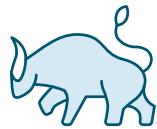


Most Boomers are making the transition into living in retirement.

How are people handling these priority shifts? The results are mixed. With more time on their hands, Americans took several strong financial actions to enhance their financial situation:

SURVEY SAYS:

Top actions taken by Americans these past 2 years:



43%

Remained invested in the stock market



31%

Paid down debt



20%

Redirected money to savings



17%

Revised or established a budget



18%

Built up retirement fund

But there were some decisions that may necessitate course correction. Let's look by generation.

For Next Gen, there are some concerns related to inaction:

55%

put their retirement planning on hold during the pandemic

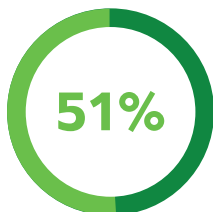
39%

perhaps as a result plan to retire later than expected

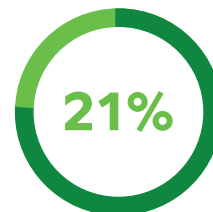
45%

don't see a point in saving until things return to normal

Further, the Great Resignation was clearly on the minds of many.



considered/are still considering quitting their present job—or actually did



who quit and had a 401(k) say they also cashed out of it

COMPARED TO OTHER GENERATIONS, GEN X-ERS ARE:

SURVEY SAYS:

For Gen-X, the view of retirement is by far the gloomiest.



Least likely to have given thought to when they want to retire



Least likely to know how much money they need to retire



Haven't thought about/vague idea plan best needed for retirement



of Gen X women have yet to create a retirement plan.

SURVEY SAYS:

For Boomers especially, drawing down too quickly on retirement savings is an area of concern:

When asked, **1 in 5**

respondents thought a financial professional would recommend a withdrawal rate of 10-15% of retirement savings every year. This is far above Fidelity's suggested rate of 4-5% annually.

This view was held by:

20% of Gen X | 15% of Boomers

a recipe for savings disaster.

Planning creates power, and power leads to purpose

For those that put retirement plans on pause during the pandemic, now may be the perfect time to move back into action. Here's one powerful reason: it can make you feel better.

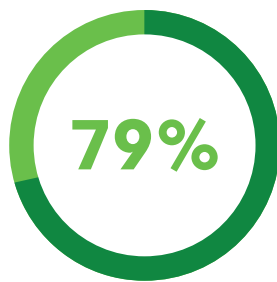
Planning for retirement is the only area where people tend to be more motivated by the planning rather than excited about when it happens:

Event	Motivated to Plan	Excited for When It Happens	Difference
OWNING A HOME	52%	70%	18%
WEDDING	26%	51%	25%
DREAM VACATION	58%	73%	15%
RETIREMENT	75%	70%	-5%

Not only this, having a retirement plan in place can have a profound impact on one's peace of mind and confidence.

Event	With Plan	Without Plan
Confident I'll be able to retire how and when I want	91%	67%
Know how much money I'll need to retire	84%	56%
Know what to do to keep up with inflation	77%	57%
Will have to retire later due to the pandemic	16%	29%

The power of planning unlocks the pursuit of passion—particularly among the next generation



know what they want to do when they retire, not just the when or how.



know which retirement savings strategies will help achieve their goals—a great step in the right direction.

...these are higher levels than older Millennials or Gen X-ers

The good news is, this doesn't have to all get figured out at once. For those 30 years away, having a plan is a lot simpler than those closer to retirement, who need to think and plan for more complex topics.

	CONTRIBUTIONS	TARGET ASSET MIX	RETIREMENT AGE	RETIREMENT INCOME	RETIREMENT EXPENSES
	How much should I save toward my retirement? What accounts should I put my savings into?	How should I invest in order to maximize the likelihood of reaching my goals?	When should I retire?	When should I claim social security benefits? Where is my money going to come from?	What kind of lifestyle can I afford to live in retirement?
GETTING STARTED 30+ years from retirement	✓	✓			
INTERMEDIATE 6-30 years from retirement	✓	✓	✓		✓
PRE-RETIREMENT 1-5 years from retirement	✓	✓	✓	✓	✓
RETIREE Household is retired		✓		✓	✓

WANT MORE INFORMATION?

For resources to guide your retirement planning journey, visit the [Fidelity Retirement Score](#) to help estimate how much you'll need to save for retirement, as well as educational content, including "[Boost your odds of a successful retirement](#)" and seminars and online learning modules around key retirement issues.

About the Fidelity Investments 2022 State of Retirement Planning Study

This study presents the findings of a national online survey, consisting of 2,622 adult financial decision makers. Respondents had at least one investment account. The generations are defined as: Baby Boomers (born 1946-64), Gen X (born 1965-80), Millennials (born 1981-96) and Gen Z (born 1997-2004). Next generation is defined as respondents ages 18-35. Interviewing for this survey was conducted February 5-February 17, 2022 by Ipsos America Inc., which is not affiliated with Fidelity Investments. The results of this survey may not be representative of all adults meeting the same criteria as those surveyed for this study.

About Fidelity Investments

Fidelity's mission is to inspire better futures and deliver better outcomes for the customers and businesses we serve. With assets under administration of \$11.8 trillion, including discretionary assets of \$4.5 trillion as of December 31, 2021, we focus on meeting the unique needs of a diverse set of customers. Privately held for 75 years, Fidelity employs more than 57,000 associates who are focused on the long-term success of our customers. For more information about Fidelity Investments, visit <https://www.fidelity.com/about-fidelity/our-company>.

Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

IMPORTANT: The projections or other information generated by the Planning & Guidance Center's Retirement Analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Your results may vary with each use and over time.

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