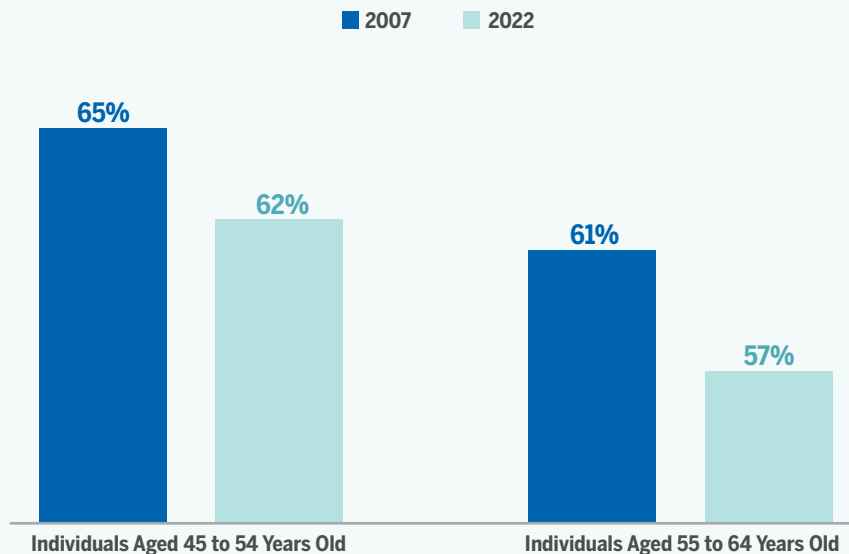


Ready for Retirement?

Every three years, the Federal Reserve publishes an exhaustive survey of consumer finances. The most recent survey contained some surprising data with respect to retirement. As an industry, we have made some progress over the years, but much work remains to be done to ensure Americans are ready for retirement.

% of U.S. Households with a Retirement Account



Source: Federal Reserve Survey of Consumer Finances, October 2023.

- According to the Federal Reserve's Survey of Consumer Finances (SCF), just over half of U.S. families have retirement accounts (54.3%), as of 2022. In the chart above, while the proportion of families with a retirement account closer to retirement (between 55-64 years old) is slightly higher than the national average, it is actually down from 61% in 2007. Similarly, the proportion of families with a retirement account between 45-54 years old also saw a slight decline since 2007. Interestingly, the SCF revealed that prior to the 2008 global financial crisis (GFC), retirement was the most important reason families saved. After the GFC, however, there appears to have been a behavioral shift around savings, as families have prioritized liquidity (e.g., money set aside to cover an unexpected job loss or home repair) over retirement.
- While the median value of retirement savings is \$86,900, those families closer to retirement (55-64 years old) had a median retirement asset of \$185,000, according to the SCF. However, the Bureau of Labor Statistics found that the average American 65 years and older spends approximately \$57,818 per year in retirement. In our view, both the proportion of those saving for retirement and the amount saved may need improvement for those planning to retire, regardless of social security benefits.
- We have previously [made the case](#) that Americans may begin to save more in the near-term given a below-average post-pandemic savings rate. The bigger picture, however, is that savings rates may need to increase to meet the financial goals for those families preparing for retirement.

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The Federal Reserve Board's Survey of Consumer Finances (SCF) collects information about family income, net worth, balance sheet components, credit use, and other financial outcomes.

The Bureau of Labor Statistics (BLS) is an agency within the United States Department of Labor. It is responsible for collecting, analyzing, and disseminating important statistical data related to the U.S. labor market, economy, and workforce. This includes information on employment, unemployment, wages, inflation, and productivity, among other topics. The BLS provides insights for policymakers, businesses, and the general public to make informed decisions and understand trends in the labor market and the broader economy.

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