New Survey Shows that Only a Third of Older Americans Feel Fully Financially Prepared for Retirement

Thirty-two percent of Americans age 50 or older say that it’s likely they will outlive their savings

May 26, 2016, Chicago—About a third of Americans age 50 or older expect to outlive their retirement savings, according to a recent survey by The Associated Press-NORC Center for Public Affairs Research. A majority of older Americans have multiple retirement income sources, but over half say they feel more anxious than secure about the amount of savings they have set aside for retirement. A third of those who are still working are not currently saving for their retirement, and many have financial obligations that make saving a challenge.

This survey comes at a time when the size of the older population is larger than ever and aging rapidly. There is also high reliance on Social Security. According to the Administration on Aging, by 2040, there are expected to be 82.3 million people age 65 and older, which is more than double the age group’s population in 2000. Based on 2014 data, the Social Security Administration reported that 61 percent of Americans age 65 and older receive at least half of their income from Social Security, and nearly 20 percent receive all of their income from Social Security.

“Most low income older Americans expect to have to rely heavily on Social Security to fund their retirements, far more than higher income Americans,” said Trevor Tompson, director of The AP-NORC Center. “But it is worth noting that a full quarter of upper-income Americans, those with a household income of $100,000+, already count on or expect Social Security to be their biggest source of retirement income.”

Key findings from the survey from adults age 50 and older:

- When it comes to specific aspects of retirement, about half of Americans age 50 and older say they feel mostly anxious when it comes to the amount of savings they have for retirement (53 percent) and being able to pay for major unexpected medical expenses (50 percent).
- Four in 10 older Americans feel more anxious than excited about retirement. Those with lower household income levels, who sometimes lack the resources to pay their bills on time and/or carry
personal debt, are more likely to say that they feel more anxious than those who are in better shape financially.

- Older Americans with lower incomes are more likely than higher earners to say that they feel more anxious than secure about several specific aspects of retirement, including the size of their retirement savings and their ability to pay for housing and health care expenses in the future. For example, a majority of those with household incomes under $50,000 (58 percent) say they feel more anxious than secure about the amount of savings they have for retirement. But even among those with incomes of $100,000 or more, 40 percent are anxious about the overall savings.

- Two-thirds of working older Americans are currently saving money for retirement. Those with lower incomes are less likely to say that they are saving money for retirement than other older Americans (47 percent for those earning less than $50,000 vs. 90 percent of those earning $100,000 or more).

- Most Americans age 50 and older report that they have multiple sources of income for retirement, but a substantial minority (44 percent) expect that Social Security will provide the biggest portion of that income. Those who have lower incomes are more likely to plan to rely heavily on Social Security (54 percent for those with incomes of less than $50,000, compared with 25 percent for those with incomes of $100,000 or more) and also tend to report fewer sources overall.

- Only a third of older Americans who have retirement accounts or other retirement investments have high levels of confidence in how those investments are being managed. Confidence is low across the board no matter if people are managing their investments themselves, relying on a financial advisor, or having family help to manage their investments.

The 2016 study on working longer is a continuation of and expansion on a 2013 survey from The AP-NORC Center. The 2016 study extends the 2013 research and examines new topics, including older workers’ efforts to improve their career skills and their plans to adjust the parameters of work in the later stages of their working life. The survey also tracks a number of attitudes and behaviors that were examined in 2013 surrounding issues facing older workers.

**About the Survey**

This survey, funded by The Alfred P. Sloan Foundation, was conducted by The Associated Press-NORC Center for Public Affairs Research between the dates of March 8 and March 27, 2016. Staff from NORC at the University of Chicago, The Associated Press, and The Alfred P. Sloan Foundation collaborated on all aspects of the study. This work is part of The AP-NORC Center for Public Affairs Research Journalism Fellowship on the Economics of Aging and Work. The current fellow is journalist Adam Allington.

**Survey Methodology**

A total of 1,075 interviews were conducted for this survey with adults age 50 and older representing the 50 states and the District of Columbia. The majority of the data were collected using AmeriSpeak®, which is a probability-based panel designed to be representative of the U.S. household population. Interviews were conducted in English and Spanish. The combined response rate is 14.2 percent. The
overall margin of sampling error is +/- 3.9 percentage points at the 95 percent confidence level, including the design effect. The margin of sampling error may be higher for subgroups.

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About AmeriSpeak
NORC’s AmeriSpeak Panel is the most scientifically rigorous multi-client household panel in the United States. Panelists are interviewed online and by phone. AmeriSpeak households are selected randomly from NORC’s National Sample Frame, the industry leader in sample coverage. The National Frame is representative of over 99 percent of U.S. households and includes additional coverage of hard-to-survey population segments, such as rural and low-income households, that are underrepresented in other sample frames. More information about AmeriSpeak is available at AmeriSpeak.norc.org.

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