Enhancing Financial Confidence in Retirement

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The State of Financial Confidence

Just three-in-ten respondents say they are very confident they will always feel financially secure, including during retirement. Baby boomers and men overall are more likely than younger respondents and women to be confident in these areas.

Confidence in financial aspects of retirement

- **Never be a financial burden on your children or anyone else**: 20% extremely confident, 19% confident, 22% somewhat confident, 17% not at all confident, 10% neutral, 6% slightly not confident, 5% very not confident.
- **Maintain a good standard of living throughout retirement**: 15% extremely confident, 20% confident, 22% somewhat confident, 20% not at all confident, 10% neutral, 7% slightly not confident, 5% very not confident.
- **Always feel financially secure, including throughout your retirement**: 12% extremely confident, 19% confident, 21% somewhat confident, 19% not at all confident, 15% neutral, 8% slightly not confident, 7% very not confident.
- **Never run out of money during retirement**: 12% extremely confident, 16% confident, 21% somewhat confident, 18% not at all confident, 14% neutral, 9% slightly not confident, 10% very not confident.
- **Be able to financially support loved ones if they need help**: 12% extremely confident, 12% confident, 22% somewhat confident, 21% not at all confident, 15% neutral, 10% slightly not confident, 8% very not confident.
- **Retire when you want to (Among workers)**: 11% extremely confident, 14% confident, 21% somewhat confident, 21% not at all confident, 13% neutral, 9% slightly not confident, 11% very not confident.
Confidence in a financially secure retirement grows with age as boomers, especially those in their 60s, are more likely than millennials and Gen Xers to express confidence in maintaining their lifestyle in retirement, never running out of money and the ability to always be financially secure.

**Confidence in financial aspects of retirement by generation (% very confident)**

- **Retire when you want to (Among workers)**
  - Baby boomers: 19%
  - Gen X: 25%
  - Millennials: 39%

- **Never run out of money during retirement**
  - Baby boomers: 15%
  - Gen X: 20%
  - Millennials: 45%

- **Always feel financially secure, including throughout your retirement**
  - Baby boomers: 22%
  - Gen X: 21%
  - Millennials: 48%

- **Maintain a good standard of living throughout retirement**
  - Baby boomers: 22%
  - Gen X: 28%
  - Millennials: 53%

- **Never be a financial burden on your children or anyone else**
  - Baby boomers: 28%
  - Gen X: 32%
  - Millennials: 56%
Key drivers of feeling financially secure are long-term planning and the ability to invest effectively. Two-in-five respondents selected saving regularly for retirement as a financial confidence booster—almost twice as many as the next action, saving aggressively.

### The most important or impactful financial confidence boosters

<table>
<thead>
<tr>
<th>Factor</th>
<th>1st Rank</th>
<th>2nd Rank</th>
<th>3rd Rank</th>
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<tbody>
<tr>
<td>Saving regularly for retirement</td>
<td>23%</td>
<td>17%</td>
<td>40%</td>
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<tr>
<td>Saving aggressively</td>
<td>10%</td>
<td>11%</td>
<td>21%</td>
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<tr>
<td>Understanding how to pay down or eliminate my debt</td>
<td>9%</td>
<td>11%</td>
<td>20%</td>
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<tr>
<td>Expecting/receiving guaranteed lifetime income from a traditional pension plan</td>
<td>13%</td>
<td>6%</td>
<td>18%</td>
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<td>Having diversified investments</td>
<td>6%</td>
<td>9%</td>
<td>15%</td>
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<td>Knowing I have a clear plan I can follow to meet my financial goals</td>
<td>6%</td>
<td>8%</td>
<td>14%</td>
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<td>Working with a Financial Advisor</td>
<td>7%</td>
<td>6%</td>
<td>13%</td>
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<td>Watching my investments grow</td>
<td>5%</td>
<td>8%</td>
<td>13%</td>
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<tr>
<td>An investment, e.g. an annuity, that provides guaranteed monthly income for life</td>
<td>5%</td>
<td>6%</td>
<td>11%</td>
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<tr>
<td>Financial planning offered through my employer by a plan provider or third party (Among workers)</td>
<td>6%</td>
<td>4%</td>
<td>10%</td>
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<tr>
<td>An investment, such as a fixed annuity, that is not impacted by market fluctuations</td>
<td>3%</td>
<td>4%</td>
<td>8%</td>
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<tr>
<td>Saving for healthcare costs that might occur during retirement</td>
<td>3%</td>
<td>4%</td>
<td>7%</td>
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<tr>
<td>The ability to regularly see and track my progress</td>
<td>5%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Using tools and projections to look at where I will be</td>
<td>3%</td>
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While there are tangible ways to mitigate financial uncertainty, many are not taking action to improve their financial confidence. More than 60 percent of respondents haven’t created a written financial plan for retirement; over half reported not saving as much as they should have in 2018, including 22 percent who report they saved “much less” than they should have; and almost two-thirds (64%) don’t rely on a financial advisor for advice on achieving their financial goals.

Is amount saved for retirement in 2018 enough?
(Asked among workers with any retirement savings)

NET: Less than enough: 52%
NET: More than enough: 12%

60% of Gen Xers saved less than enough, compared to only 26% of baby boomers.
Of those who participate in a company retirement plan, nearly seven-in-ten (69%) cite guaranteed income for life as one of their top two goals for their retirement plan, and almost half (45%) say that guaranteed income for life is their very top goal.

Employer-sponsored retirement plan goals
(Asked among workers contributing to a plan)
There are steps you can take to improve your financial picture today and in the future:

- **Prepare for the unexpected.** Creating a financial plan provides you with the confidence to weather unexpected hiccups like medical bills and market volatility.

- **Consider the benefits of lifetime income.** Lifetime income adds to feelings of financial security and makes it easier to save for retirement. It also protects against running out of money in retirement.

- **Consult a financial advisor.** Working with a professional can help to ensure greater confidence in your ability to always be financially secure, never run out of money and maintain your lifestyle in retirement.
The 2019 TIAA Lifetime Income Survey was conducted by Greenwald & Associates in May and June 2019 via an online survey of 901 Americans between the ages of 25 and 73. Survey results have been weighted by education, gender, income and race.

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