



GEORGETOWN UNIVERSITY  
 McCourt School of Public Policy  
 Center for Retirement Initiatives

## FAST FACT SHEET # 16

### What Does the Federal Reserve Tell Us about How Well Americans Saved and Prepared for Retirement in 2018?

Source: U.S. Federal Reserve, "Report on the Economic Well-Being of U.S. Households in 2018," May 2019\*

- ✓ Thirty-six (36) percent of non-retired adults think their retirement saving is on track; forty-four (44) percent think it is not on track; the rest are not sure (p. 47).
- ✓ One-quarter of non-retired adults have no retirement savings or pension whatsoever (p. 4), including 13 percent of non-retired adults age 60 and older (p. 47).
- ✓ A "defined contribution" plan, such as a 401(k) or 403(b) plan, is the most-common type among non-retirees who have retirement savings — over half of the non-retirees who have retirement savings have a "defined contribution" plan, which is more than twice as frequent as traditional "defined benefit" plans (p. 47).
- ✓ Blacks (36 percent) and Hispanics (39 percent) are more likely than whites (21 percent) to have no retirement savings, and are less likely to view their retirement savings as on track (pp. 47–48).
- ✓ Five percent of non-retirees have borrowed money from their retirement accounts in the year before the survey; 4 percent have permanently withdrawn funds; 1 percent have both borrowed money and permanently withdrawn funds from their retirement accounts (p. 49).
- ✓ Six in 10 non-retirees who hold self-directed retirement savings accounts, such as a 401(k) or IRA, expressed little or no comfort with managing their investments (p. 4).
- ✓ On average, people answer fewer than three out of five financial literacy questions correctly, with those expressing more comfort managing their retirement accounts getting higher scores (p. 49).
- ✓ Nearly half of retirees in 2018 retired before age 62, and one-fourth between 62 and 64. Black (61 percent) and Hispanic (55 percent) retirees are more likely to have retired before age 62 than white retirees (45 percent) (p. 50).
- ✓ Four in 10 people who retired before age 62 say poor health contributed to their retirement. More than one-fifth of those who retired before age 65 say lack of available work contributed to their retirement (p. 50).
- ✓ Retirees' economic well-being varies considerably by the reasons for retirement — nine in 10 retirees who say doing things other than work was important in their retirement decision are at least doing okay financially, while only around half of those who retired due to poor health are doing okay (pp. 50–51).

\* The Federal Reserve conducted its sixth annual Survey of Household Economics and Decisionmaking (SHED) in October and November 2018. The full report can be found [here](#).