



GEORGETOWN UNIVERSITY
 McCourt School of Public Policy
 Center for Retirement Initiatives

FAST FACT SHEET # 18

What Does the Federal Reserve Tell Us About How Well Americans Saved and Prepared for Retirement in 2019?

Source: U.S. Federal Reserve, "Report on the Economic Well-Being of U.S. Households in 2019, Featuring Supplemental Data from April 2020," May 2020*

- ✓ About one-half of retirees said they retired before age 62, with Black and Hispanic retirees more likely to have retired before age 62 (56 percent and 65 percent, respectively) than white retirees (48 percent) (p. 47).
- ✓ Forty-seven (47) percent of retirees indicated that health problems, caring for family, and forced retirements contributed to the timing of retirement (p. 47).
- ✓ Retirees with a high school degree or less were more than twice as likely to retire than those with a bachelor's degree or higher education level due to unanticipated or involuntary reasons (p. 48).
- ✓ Retirees forced into retirement were less likely to have income from private sources compared with those who chose when to retire (62 percent vs. 91 percent) (p. 49).
- ✓ While Social Security is an important source of income (77 percent of all retirees received income from Social Security), 8 in 10 retirees also reported having one or more sources of private income, including 59 percent from "pensions" (defined benefit [DB] or defined contribution [DC] plans) (p. 47–8).
- ✓ Among those with retirement savings, these savings were most frequently in DC plans, such as a 401(k) or 403(b) plans, with 55 percent of non-retired adults reporting they had money in such a plan — more than twice as common as traditional DB plans (22 percent) (p. 49).
- ✓ Twenty-five (25) percent of non-retirees reported they have no retirement savings, and fewer than 4 in 10 non-retirees felt that their retirement savings were on track (p. 48–9).
- ✓ Black and Hispanic non-retirees were less likely to have retirement savings and to view their retirement savings as on track. Among non-retirees, 80 percent of white respondents, 64 percent of Black respondents, and 61 percent of Hispanic respondents had some form of retirement savings (p. 50–1).
- ✓ In a test of financial literacy, only 35 percent of adults got all three questions correct, with more providing correct answers about interest and inflation than risk diversification (p. 51).
- ✓ Nearly 6 in 10 non-retirees with self-directed retirement savings expressed low levels of comfort about making investment decisions with their accounts (p. 51).

*The Federal Reserve conducted its seventh annual Survey of Household Economics and Decisionmaking (SHED) in October 2019. To obtain updated information in the midst of closures and stay-at-home orders, the Fed conducted a smaller supplemental survey in April 2020, focusing on labor market effects and households' overall financial circumstances at that time. The full report can be found [here](#).