



More than Half of American Workers are Behind on Their Retirement Savings

38% have never had a retirement account

NEW YORK – November 21, 2019 – More than half of American workers (52%) say they're behind where they should be in saving for retirement, according to a new study by Bankrate.com. Just 16% say they are right on track, and 11% feel they are ahead of where they should be in terms of saving. Another 20% of respondents say they don't know if they're on track or not. For more information, click here:

<https://www.bankrate.com/surveys/financial-security-poll-november-2019/>

“Getting your retirement savings on track begins by fully utilizing your tax-advantaged retirement savings options such as a workplace 401(k) and supplementing that with an IRA,” said Bankrate’s chief financial analyst, Greg McBride, CFA. “Aim to save at least 10% - and ideally 15% - of your income specifically for retirement. The best time to start is ‘today,’ and the worst time to start is ‘someday.’”

The tendency to be behind on retirement savings is highest among households with an annual income between \$30,000 - \$49,999 with 62% responding that they are behind where they should be versus 52% for households earning an income under \$30,000 per year and 48% for households with income of \$80,000 or more.

What’s concerning is the fact that those getting closer to retirement age, aren’t prepared. 57% of younger boomers (ages 55-64) and 63% of Generation X (ages 39-54) say they are behind on retirement savings.

Shockingly, 38% of U.S. workers have never had a retirement account, including 36% of those in Gen X (age 39-54) and 58% of those households with annual income below \$30,000.

Although financial experts routinely warn against the practice, nearly half of those with retirement accounts have withdrawn money before retirement age (49%), including 54% of Gen Xers, 51% of boomers (ages 55-73), and 60% of households with annual income below \$30,000.

“Early withdrawals from your retirement account deals a permanent setback to your retirement planning. In addition to the taxes and 10% early withdrawal penalty you may be subjected to, the money comes out but doesn’t go back in. You don’t get to make higher contributions in subsequent years to make up for what you’d taken out early,” McBride added.

The most common reasons for tapping retirement savings early are unemployment (33%), medical bills or other unplanned expenses (26%), and debt repayment (23%). Additionally, 17% dipped into retirement savings to purchase a home, and 12% made an early withdrawal to cover higher education expenses.

The retirement setback from early withdrawals is noticeable by respondents who have done so; 61% are behind where they should be on retirement savings, and just 18% say they are ahead of where they should be. Among those on track for retirement, only 31% have taken an early withdrawal compared to 52% that are behind.

Setting goals appears to have an impact on success in retirement savings. Of those that feel they are ahead of where they should be on retirement savings, 71% have a specific amount of retirement savings they're working to accumulate compared to 45% of those that are right on track and 26% of those that are behind.

Methodology:

Bankrate.com commissioned [YouGov Plc](#) to conduct a consumer survey. Total sample size was 2,697 adults. Fieldwork was undertaken on October 23-25, 2019. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

About Bankrate.com:

Bankrate.com provides consumers with the expert advice and tools needed to succeed throughout life's financial journey. For over two decades, Bankrate.com has been a leading personal finance destination. The company offers award-winning editorial content, competitive rate information, and calculators and tools across multiple categories, including mortgages, deposits, credit cards, retirement, automobile loans and taxes. Bankrate aggregates rate information from over 4,800 institutions on more than 300 financial products. With coverage of over 600 local markets, Bankrate generates rate tables in all 50 U.S. states.