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Majority of American Workers Feel Behind on Retirement Savings

More than one third believe they will need more than \$1 million to retire comfortably

NEW YORK - September 25, 2024 - Nearly 3 in 5 of Americans in the workforce (i.e. those working full or part-time, or temporarily unemployed) say they are behind where they should be with their retirement savings (57%), including 35% who think they are significantly behind, according to a new Bankrate survey. Notably, over 1 in 5 Americans did not contribute to their retirement savings last year and are not contributing now (21%). Click here for more information:

<https://www.bankrate.com/retirement/retirement-savings-survey/>

Older workers are more likely to feel behind on retirement savings than younger workers. Among those who think they are behind include 68% of Gen X workers (ages 44-59) and 66% of baby boomer workers (ages 60-78), compared to 53% of millennial workers (ages 28-43) and 40% of Gen Z workers (ages 18-27).

“A good number of these workers who feel or are behind on their savings are many years, or even decades away from traditional retirement age,” said Bankrate Senior Economic Analyst Mark Hamrick. “Those who strive to prioritize retirement savings, as they should, have reason to believe they can achieve their goal. It takes information, focus and hard work, but the good news is that it can be done.”

Comparatively, 22% of workers say they are right on track with their retirement savings, while 15% say they are ahead of where they should be. Younger workers tend to have a more positive outlook on retirement savings compared to older workers, including 29% of Gen Z and 23% of millennials who say they are on track with their retirement savings, compared to 18% of Gen X, and 20% of baby boomers. This sentiment is further reinforced by 22% of Gen Z and 17% of millennials who say they are ahead of where they should be compared to 11% of Gen X and just 10% of baby boomers.

As to how much workers are contributing to their retirement savings now compared to a year ago, most workers are contributing more or about the same amount.

Retirement savings contributions now compared to a year ago	Workers overall	Gen Z Workers (ages 18-27)	Millennial Workers (ages 28-43)	Gen X Workers (ages 44-59)	Baby Boomer Workers (ages 60-78)
Contributing more	27%	30%	27%	29%	17%
Contributing about the same	36%	30%	35%	39%	39%
Contributing less	16%	14%	17%	15%	21%
Did not contribute to their retirement savings last year and are not contributing now	21%	26%	20%	17%	24%

Overall, 35% of workers think they will need more than \$1 million to retire and live comfortably, with 40% of millennial workers thinking the same, followed by Gen X (37%), Gen Z (31%), and baby boomer workers (22%). Nearly 1 in 4 workers (23%) say they don't know how much they will need, with Gen Z workers most likely to feel this way (28%), followed by baby boomers (26%), millennials (21%), and Gen X workers (20%).

Among workers with a retirement goal in mind, the sentiment is nearly split down the middle for those who believe it is likely they will be able to save that much (49%, including 17% who say it is very likely) versus those who believe it is not likely (48%, including 25% who say it is not at all likely). Younger workers are more likely to feel confident about their ability to save the amount they need to retire comfortably, with 56% of Gen Z and 53% of millennials saying it is likely, compared to 44% of Gen X and 43% of baby boomers.

“While I appreciate candor, it is quite suboptimal that nearly 1 in 4 American workers say they don't know how much it will take to fund their retirement and live comfortably, added Hamrick. “Among the first necessary or helpful steps along the journey toward success is to identify a goal and to have a plan and process. Fortunately, free online retirement calculators like those available at Bankrate can help jump start the process of identifying a savings target, beginning with regular contributions through a workplace retirement plan, or one that is self-directed.”

<https://www.bankrate.com/retirement/retirement-calculator/>

Methodology:

Bankrate commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. The total sample size was 2,445 U.S. adults, of whom 1,279 are working full-time, part time, or temporarily unemployed (i.e. in the workforce). Fieldwork was undertaken between August 19-21, 2024. 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.

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