Non-retired Americans are feeling less financially confident two years into the pandemic

Key findings from our 2022 Retirement Risk Readiness Study

The latest Retirement Risk Readiness Study from Allianz Life Insurance Company of North America (Allianz Life) shows how the pandemic has caused divergent experiences for retirees and their younger counterparts.

Two years into the pandemic, current retirees feel resilient – while younger Americans who are still balancing careers, family, and saving are concerned about their financial futures. In addition, people who have yet to retire are feeling financially fatigued, potentially putting their retirement at risk.

But as the financial aftershocks from the pandemic continue, both groups will need to make sure they are taking the necessary steps to mitigate risks to their retirement security.

Non-retirees are more fearful of running out of money than death.

63% of non-retirees
46% of retirees

The Allianz Life Retirement Risk Readiness Study was conducted by Allianz Life via an online survey in February 2022. The nationally representative sample included 1,000 individuals age 25+ in the contiguous U.S. with an annual household income of $50k+ (single) / $75k+ (married/partnered) OR investable assets of $150k.

Three categories of Americans were surveyed to get different perspectives on retirement: pre-retirees who are 10 years or more from retirement; near-retirees who are within 10 years of retirement; and those already retired.
Non-retired Americans are more worried about their financial futures when compared with retirees.

They feel less confident about being able to financially support all the things they want to do in life.

![Chart showing the percentage of non-retired Americans feeling less confident about their financial future compared to retirees.](chart)

And they are worried they won’t have enough money to do all the things they want to do in retirement.

![Chart showing the percentage of non-retired Americans worried about not having enough money for retirement compared to retirees.](chart)

They are more worried about the rising cost of living and being able to afford necessities.

![Chart showing the percentage of non-retired Americans worried about the rising cost of living compared to retirees.](chart)

They are also more concerned about running out of money before they die.

![Chart showing the percentage of non-retired Americans concerned about running out of money in retirement compared to retirees.](chart)

Retirees are feeling more relaxed about financial woes than they were last year.

![Chart showing the percentage of retirees feeling more relaxed about financial woes compared to non-retirees.](chart)

Fewer retired earlier than expected.

42% in 2022, 68% in 2021.

The level of worry about a number of financial risks is lower than last year.

![Chart showing the percentage of retirees worried about various financial risks compared to non-retirees.](chart)

The market will take a downturn and hurt their nest egg.

Health care costs will be so high, they can’t afford needed care.

The rising cost of living will prevent them from enjoying retirement.

52% say they have a plan to address the rising cost of living in retirement.
People who have yet to retire have made some unfavorable financial decisions during the pandemic and want to improve their decision-making.

Financial decisions by non-retirees during the pandemic:

- **34%** took money out of an investment account (e.g., 401k, IRA) and moved it to cash
- **39%** reduced the amount they are putting into retirement accounts
- **54%** spent too much money on non-necessities

Among those 10+ years from retirement:

- **48%** would like to make a formal financial plan with a financial professional.
- **48%** are interested in a financial product that provides guaranteed retirement income.

The Great Resignation continues and will likely affect retirement security down the road for non-retirees making career changes.

When asked *how likely* they are to take any of the following actions, non-retirees said:

- **39%** would take a new position at current company
- **32%** would leave their current employer and take a new job at another company
- **28%** would leave their current employer and go into business for themselves

How worried are non-retirees that a change in employment will ...

- **Make it harder** to pay for necessities like housing or food: 57%
- **Make them cut back** on non-essentials, like entertainment: 57%
- **Reduce the amount** they can save for retirement: 60%
- **Cause them to stop saving** for retirement completely: 56%
Inflation is a big concern for people who are not yet retired.

78% of all respondents expect that inflation will get worse over the next 12 months.

59% of non-retirees agree their income is not keeping up with the rising cost of living.

Non-retirees are concerned the cost of living will:

- Affect ability to pay for necessities, like housing or food (57%)
- Affect ability to save as much for retirement as they should (66%)
- Make living the retirement lifestyle they envision unattainable (61%)

What have non-retirees had to do – or expect to do – because of the rising cost of living?

- Find a job that pays more money (53%)
- Reduce spending on necessities, like housing and food (52%)
- Dip into savings to make ends meet (49%)
- Stop or reduce saving for retirement (45%)
- Stop or reduce saving for children’s college education (52%)

But retirees are feeling the pinch, too, with 40% saying their retirement income is not keeping up with rising expenses.

Ask your financial professional about strategies that can help address the top concerns revealed in the study.

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