



## LM Federal Credit Union

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Wealth Management &  
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# Despite Concerns, Retirement Confidence Remains Steady

Nearly three quarters of workers and 77% of retirees in a recent survey said they remain at least somewhat confident that they will experience a comfortable retirement, according to the Employee Benefit Research Institute. Nevertheless, a third of workers and a quarter of retirees felt less confident this year due to the economic effects of the COVID-19 pandemic, with many respondents citing inflation as the reason.

Not surprisingly, those feeling less confident were also more likely to report poor health, lower income and saving rates, and higher debt. Women were much more likely than men to report lower confidence levels.

In the 2022 Retirement Confidence Survey, more retirees reported higher-than-expected expenses overall compared to 2021, with notable jumps in the housing and travel, entertainment, and leisure categories.

Despite these findings, 67% of workers and 72% of retirees were at least somewhat confident they will have enough money to keep up with the rising cost of living during retirement, and similar percentages were at least somewhat confident they would have enough money to last a lifetime. The majority of retirees said their retirement lifestyle has generally met their expectations, while a quarter actually said they're experiencing a better-than-expected retirement.

## Top financial-planning priorities

When asked about their top three long-term financial-planning priorities, saving and investing for retirement made the list for both workers and retirees.

### Workers

1. Saving and investing for retirement (59%)
2. Planning for future health and long-term care needs (36%)
3. Developing a strategy for drawing income in retirement (30%)

### Retirees

1. Planning for future health and long-term care needs (48%)
2. Saving and investing for retirement (32%)
3. Being able to leave an inheritance to your children or other family members and developing a strategy for drawing income in retirement (tied at 31%)

## Savings and confidence hurdles

The survey also highlighted a few challenges workers and retirees face when it comes to achieving a comfortable retirement. More than four in 10 workers said that college savings or payments are limiting how much they can save, and nearly half said that debt has had a negative impact. Similarly, more than a quarter of retirees said debt has hampered their ability to live comfortably.

Nearly four in 10 workers and two in 10 retirees do not know where to go for financial guidance. More than a third of workers and 21% of retirees said they rely on family and friends, while just 29% of workers and 38% of retirees said they work with a financial professional. Of those workers not currently working with a financial professional, 45% said they expect to do so in the future, up from 38% in 2021.

On the positive side, both workers and retirees who work with financial professionals said they were their most trusted resource.



*For more information on this year's Retirement Confidence Survey, please visit [www.ebri.org](http://www.ebri.org).*

*All investing involves risk, including the possible loss of principal, and there is no guarantee that any investment strategy will be successful.*

*There is no assurance that working with a financial professional will improve investment results.*

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