2025 State of Retirement Planning

The **2025 State of Retirement Planning study**, which has been conducted since 2019, examines how people are viewing and planning for retirement. This year, the study focuses on individuals approaching retirement as well as those recently entering retirement, to compare expectations against reality. The focus is timely, as it comes during a period where a record-number[1] of Americans begin the final stretch to reaching traditional retirement age.

Where Americans stand when it comes to their retirement projections

72% of retirees feel retirement is going as planned.

67% **Two-thirds** of Americans in their planning years express confidence about their retirement prospects—however, this is **down 7 percentage points** from last year.

Gen X is the **least confident** about retiring on their own terms.

Confidence in retiring when and how they want

Generation	Confident	Not confident
Gen Z	75%	20%
Millennials	71%	26%
Gen X	53%	45%
Boomers	68%	30%

Remainder of respondents were either uncertain on how they felt or had not yet started planning.

[1] Historical and Projected Population Estimates 1940-2100 Office of the Chief Actuary: Social Security Administration, 2023, https://www.ssa.gov/OACT/HistEst/Population/2023/SSPopDec_TR2023.xlsx.

Retirees: How the "golden years" are going

Most retirees report positive feelings about their retirement. About **7-in-10** say:

- Their retirement is going as planned (**72%**)
- They saved and planned appropriately for a comfortable retirement (**70%**)
- Retirement is more enjoyable than they expected (**69%**)

For close to **60% of retirees**—including more women than men (**63% vs. 54%**)—spending has decreased.

Spending in retirement	Total	Men	Women
Greatly increased	4%	4%	4%
Somewhat increased	8%	6%	10%
Stayed about the same	30%	36%	23%
Somewhat decreased	35%	34%	37%
Greatly decreased	23%	20%	26%

The top 3 sources of retirement income for retirees today include

Social Security (77%)

Pensions (48%)

Personal savings (checking/ savings account) (41%)

7-in-10

However, **7-in-10** retirees say rising cost-of-living has eaten into their savings—with health care expenses being a major concern.

Of those who say they did not plan for health care costs appropriately, **more than half (57%)** say health care is more expensive than they anticipated. **4-in-10 (43%)** say Medicare covers less than they thought.

If retirees could go back in time, actions they would've prioritized include:

38%
Started saving earlier

22%
Prepared for inflation and rising living costs

20%
Managed debt better (e.g., paying off mortgages, credit cards, loans)

19%
Managed spending better / spent less

19%
Waited longer to retire

The next generation of retirees: Inflection point

Not surprisingly, today's retirees are the last to report in large numbers that predictable sources of income like pensions will be a primary way to fund retirement.

61%

of Americans in their planning years say retirement savings from IRAs, 401(k)s, or other workplace and small business plans will be one of their biggest income streams—compared to **about half** of today's retirees.

As Americans shift toward relying more on individual savings as a primary source of retirement income, outliving savings is a concern—**62% are uncertain whether their retirement savings will last forever**.

In particular, Gen X—a group most likely to be sandwiched taking care of children and aging parents—**struggle the most** with balancing living expenses, saving, and estimating retirement income.

Women are also more likely than men to struggle with managing unexpected life events, such as family emergencies (**27% women vs. 23% men**).

Top challenges preparing for retirement

Saving enough money overall

Gen Z	Gen X	Millennials	Boomers
37%	45%	41%	36%

Dealing with inflation and rising living costs

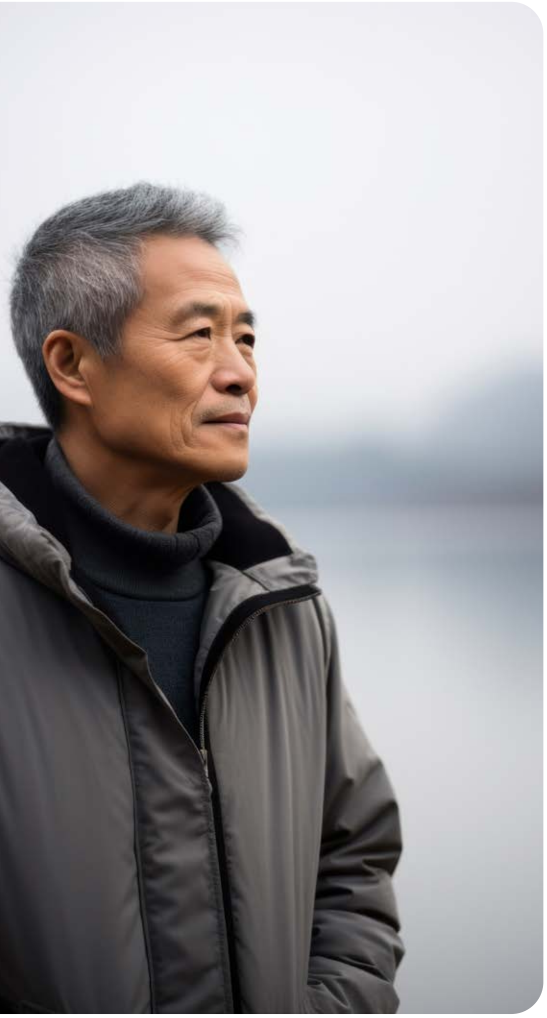
Gen Z	Gen X	Millennials	Boomers
30%	37%	34%	47%

Balancing current expenses with saving for retirement

Gen Z	Gen X	Millennials	Boomers
24%	30%	23%	18%

Estimating how much money will be needed in retirement

Gen Z	Gen X	Millennials	Boomers
24%	26%	24%	20%



Lessons from today's retirees

Even though retirement income will look different for the next generation of retirees, today's retirees can offer helpful perspectives. Here are their suggestions, according to the study:

Top tips for those just starting to plan for retirement

66%
Start saving as early as possible, even small amounts

42%
Pay down high-interest debt before focusing heavily on retirement savings

58%
Take advantage of employer-sponsored retirement plans—such as a 401(k)

41%
Educate yourself about Social Security and retirement benefits

37%
Consult a financial advisor to create a plan

Top tips for those 5 to 10 years from retirement

63%
Pay off remaining debts (e.g., mortgage, credit cards)

43%
Maximize contributions to retirement accounts (e.g., catch-up contributions)

39%
Plan for health care costs, including Medicare and long-term care

36%
Prepare for potential inflation and rising costs in retirement

35%
Practice living on a retirement budget to prepare for reduced income

Recharting retirement

If you're saving for retirement, a good way to help achieve success is by saving consistently and investing appropriately for your age.

For instance: investing in a 401(k) or an IRA. If you're enrolled in an HSA-eligible plan, consider a health savings account (HSA), too.

Think about ways to beat inflation, control health care costs, and consider sources of predictable income such as Social Security or an income annuity to cover essential expenses.

Fidelity suggests saving 15% of your income annually, including any match you get from your employer.

In your 20s

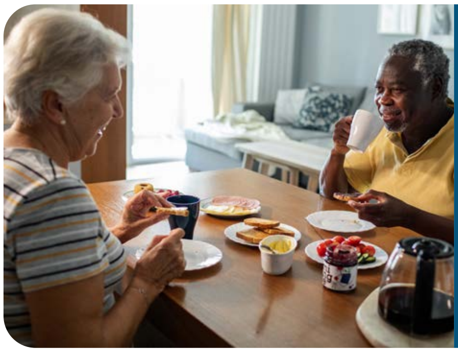
Focus on saving as much as you can in tax-advantaged accounts and investing for potential compounding growth.

In your 30s and 40s

Focus on amping up savings in tax-advantaged accounts and continuing to invest for long-term growth potential.

In your 50s and 60s

Focus on catchup contributions, diversifying investments, and ensuring you have a retirement income plan.



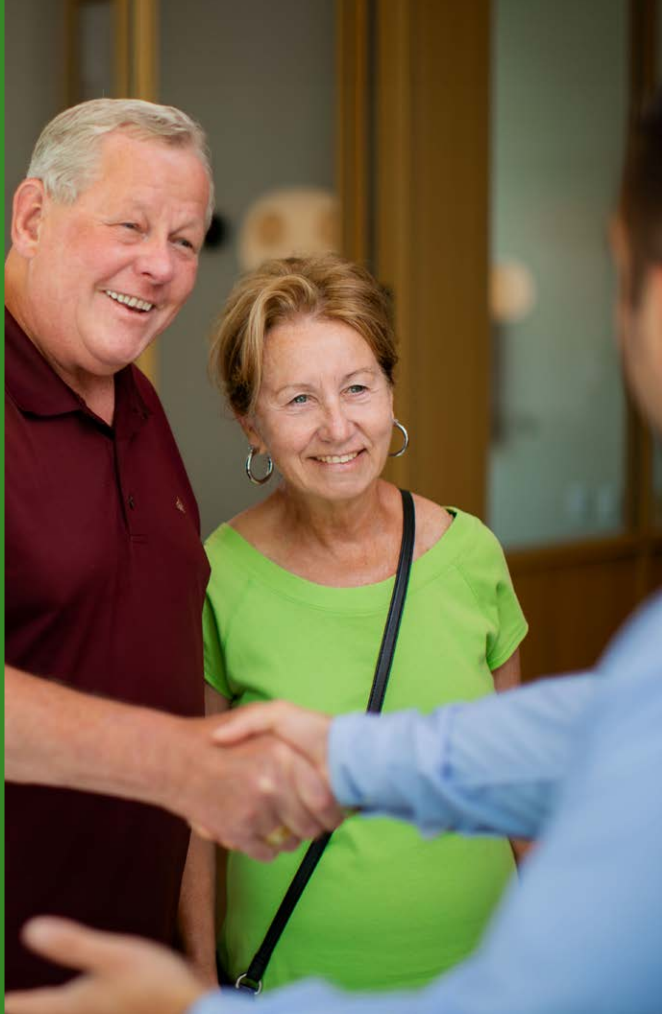
Going from saving to living in retirement

Aim to have saved 10 times your annual salary by the age you plan to retire, **withdrawing no more than 4% to 5% of your savings each year**. Plan to cover essential expenses through guaranteed income sources that keep up with inflation (such as annuities) and cover discretionary expenses through savings or investment income.[1]

[1] Fidelity has developed a series of salary multipliers in order to provide participants with one measure of how their current retirement savings might be compared to potential income needs in retirement. The salary multiplier suggested is based solely on your current age. In developing the series of salary multipliers corresponding to age, Fidelity assumed age-based asset allocations consistent with the equity glide path of a typical target date retirement fund, a 15% savings rate, a 1.5% constant real wage growth, a retirement age of 67 and a planning age through 93. The replacement annual income target is defined as 45% of pre-retirement annual income and assumes no pension income. This target is based on Consumer Expenditure Survey (BLS), Statistics of Income Tax Stat, IRS tax brackets and Social Security Benefit Calculators. Fidelity developed the salary multipliers through multiple market simulations based on historical market data, assuming poor market conditions to support a 90% confidence level of success. These simulations take into account the volatility that a typical target date asset allocation might experience under different market conditions. Volatility of the stocks, bonds and short-term asset classes is based on the historical annual data from 1926 through the most recent year-end data available from Ibbotson Associates, Inc. Stocks (domestic and foreign) are represented by Ibbotson Associates SBBI S&P 500 Total Return Index, bonds are represented by Ibbotson Associates SBBI U.S. Intermediate Term Government Bonds Total Return Index, and short term are represented by Ibbotson Associates SBBI 30-day U.S. Treasury Bills Total Return Index, respectively. It is not possible to invest directly in an index. All indices include reinvestment of dividends and interest income. All calculations are purely hypothetical and a suggested salary multiplier is not a guarantee of future results; it does not reflect the return of any particular investment or take into consideration the composition of a participant's particular account. The salary multiplier is intended only to be one source of information that may help you assess your retirement income needs. Remember, past performance is no guarantee of future results. Performance returns for actual investments will generally be reduced by fees or expenses not reflected in these hypothetical calculations. Returns also will generally be reduced by taxes.

Want more information?

To help people, Fidelity offers an online retirement planning hub for more tips and resources. Additional resources include retirement strategies for every age and educational webinars. For those who want advice, Fidelity offers a range of options from digital advice through Fidelity Go® and Managed FidFolios℠ to Personalized Portfolios. People can also get help at one of Fidelity's Investor Centers or by phone at 1-800-FIDELITY (1-800-343-3548). For more advanced retirement planning and active investment management, dedicated advisor support is also available through Fidelity Wealth Management services. Plus, for those with Fidelity workplace retirement accounts, there is access to one-on-one appointments, phone consultations and workshops through their employers.



About the 2025 State of Retirement Planning Study

This study presents the findings of a national online survey, consisting of 2,001 adult financial decision makers age 18 plus who own at least one investment account. The generations are defined as: Baby Boomers (ages 60 to 78), Gen X (ages 44 to 59), Millennials (ages 28 to 43) and Gen Z (ages 18 to 27). Interviewing was conducted December 10 to 17, 2024 by Big Village, which is not affiliated with Fidelity Investments. The results may not be representative of all adults meeting the same criteria as those surveyed.

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