

# Retirement at a Glance

April | 2025



## DON'T SMOKE

Non-smoker couples who are in excellent health, the odds of both living to at least 85 more than doubles to 46%



Source: JP Morgan

Based on the national average, the odds of both members of a couple living to the age of 85 are just 20%, but for **non-smoker couples who are in excellent health, the odds of both living to at least 85 more than doubles to 46%**. (Source: JP Morgan)

**1 GETTING MORE ACTIVE** – Trading activity in 401(k) plans during the first half of March was four times the historical average and reached the highest level since October 2020, according to Alight Solutions. Despite the sharp increase in trading, the activity represented just 0.43% of total account balances, indicating that most investors have continued to stick with their plans. (Source: WSJ)

**2 WORKING LONGER (FOR YOURSELF)** – 36% of employed Americans don't expect to retire until after they reach 70, if at all. That compares to **55% of self-employed workers who plan to wait until they reach 70 to retire**. Within both groups, more than half expect to be working at least on a part-time basis in retirement. (Source: Transamerica)

**3 NOT EVENLY DISTRIBUTED** – 71% of Americans over the age of 70 receive income from retirement plans, but the percentages vary widely across the income spectrum. **94% of those in the fourth and fifth highest income quintiles receive income from retirement plans compared to just 21% in the lowest income quintile**. (Source: ICI)

**4 MOST AND LEAST RELIANT ON SSI** – **23% of elderly households in the US rely on Social Security for at least 90% of their income**. States with the highest percentage of elderly households reliant on Social Security include Mississippi (39%), Kentucky (35%) and West Virginia (34%), while elderly households in Alaska (12%), Hawaii (12%) and Oregon (14%) are the least reliant. (Source: Georgetown University CRI)

**5 RISING CONTRIBUTIONS** – **4.8% of 401(k) holders took early withdrawals due to economic hardship** in 2024. That was up from 3.6% in 2023 and was the highest percentage since at least 2018. In total, the share of 401(k) holders with outstanding loans in 2024 was unchanged from 2023 at 13%. (Source: WSJ)

**6 FULL GARNISHMENT** – On 3/7, the **Social Security Administration announced that it would reinstate its policy of fully garnishing monthly benefits to recover overpayments** versus a policy initiated in early 2024 of just a 10% garnishment rate. The move is expected to result in \$7 billion in recovered payments over the next ten years. (Social Security Administration)

**7 OFFLOADING PENSION RISKS** – **US Pension Risk Transfer volumes exceeded \$50 billion in 2024**, representing a 14% increase from 2023 and was just 1% below the record high set in 2022. **There were a record 794 individual transfer deals completed** during the year with the largest being IBM's \$6 billion transfer in September, covering 32,000 retirees. (Source: LIMRA)

**8 BAD ESTIMATES** – General advice for retirement planning says to save ten years' worth of income and never withdraw over 4% of savings annually. **Most Americans overestimate how much they need to save and how much they can withdraw in retirement**. Over half believe they need to save 30 years' worth of income and could withdraw 10% of their savings annually. (Source: Money)

**9 HEAVY INTO TARGETS** – **61.8% of 401(k) participants at Fidelity are fully invested in target date mutual funds (TDFs)**, but across generations the allocations vary widely. 81.5% of Gen Z (age 13–28) 401(k) account holders have all their assets in TDFs compared to just 44.2% of Baby Boomers (age 61–79). (Source: Fidelity)

**Q QUESTION:** Only 15% of US adults over the age of 65 have long-term care insurance, but what percentage will need long-term care at some point in their life?

Keep in mind that all investments, including mutual funds, carry a certain amount of risk including the possible loss of the principal amount invested.

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