

COVID-19 fuels uncertainty about retirement

The COVID-19 pandemic has raised fresh concerns about Americans' retirement preparations, with some saying the pandemic has permanently impacted their ability to save for retirement, according to the *2020 Wells Fargo Retirement Survey*. The study found that 58 percent of workers impacted by the pandemic say they now do not know if they have enough saved to retire because of COVID-19, compared to 37 percent of all workers.

The study found that overall working men report median retirement savings of \$120,000, which compares to \$60,000 for working women. Yet for those impacted by COVID-19, men reported median retirement savings of \$60,000, which compares to \$21,000 for women.

“With individual investors now largely responsible for saving and funding their own retirement, disruptive events and economic downturns can have an outsized impact on their outlook,” said Nate Miles, head of retirement for Wells Fargo Asset Management. “Our study shows that even for the most disciplined savers, working Americans are not saving enough for retirement. The good news is that for many of today’s workers, there is still time to save and prepare.”

Women and younger workers. Wells Fargo found that women and younger generations are falling behind in saving for retirement. Women are less sure if they will be able to save enough for retirement, and appear to be in a more precarious financial situation than men. Barely half of working women (51 percent) said they are saving enough for retirement, or that they are confident they will have enough savings to live comfortably in retirement (51 percent). Women impacted by COVID-19 have saved less than half for retirement than men and are much more pessimistic about their financial lives. In addition, women impacted by COVID-19 are less likely to have access to an employer-sponsored retirement savings plan (59 percent) and are less likely to participate (77 percent).

Similarly, though Generation Z workers started saving at an earlier age and are participating in employer-based savings programs at a greater rate than other generations, they are nonetheless worried about their future. Fifty-two percent of Generation Z workers say they don’t know if they’ll be able to save enough to retire because of COVID-19, 50 percent said they are much more afraid of life in retirement due to COVID-19, and 52 percent say the pandemic took the joy out of looking forward to retirement.

SOURCE: www.wellsfargo.com