



Addressing the retirement confidence gap

New survey finds an alarming amount of Americans struggle with financial literacy.

By [Brad Hearn](#), president of Retail Advice and Solutions.

Retirement is a monumental life goal, one that most Americans keep their eye on throughout their working life (and rightfully so!). 2023 is off to a shaky start, with up and down markets due to macroeconomic uncertainty leaving many feeling their retirement aspirations harder to reach with each passing day.

When it comes to reaching retirement, we set out to better understand how American workers are feeling and why. With our partner, OnePoll, we surveyed 2,000 adults across generations. One of the major findings?

There is a major void in confidence when it comes to financial security.

While 70% of Americans plan to retire, they're not sure they'll be able to. According to the survey, 40% of Americans who aren't confident they can retire say their primary concern is having enough savings. Moreover, 7 in 10 respondents feel they are behind on certain life goals they thought they'd reach by now.

What's behind this delta between retirement planning and financial confidence?

Financial literacy

Just like a mechanic popping the hood of your car at a body shop, we took a deeper dive into the data set to get a better sense of what's causing this confidence issue.

One possible cause to consider is lack of time; 26% of respondents said the fact that they never started planning for retirement will likely deter them entirely.

Yet another possible cause, with deeper roots, is a lack of knowledge when it comes to the most important products and solutions that can help deliver a secure financial future.

While more than 1 out of 4 respondents (26%) said they don't have a strong understanding of what to do when it comes to retirement planning, that reasonable data point becomes more alarming after some additional digging. More than half of Americans (59%) don't have a 401(k), one of the primary savings vehicles for retirement. Of those who do have a 401(k), 21% don't know how much money they have. Sixty-five percent of those surveyed don't have or don't know what an IRA is.

These eyebrow-raising data points underscore a major challenge for both consumers and our industry: How do we help customers understand and build their own personal financial knowledge and skill sets to instill that missing confidence?

Road ahead

Despite these somber findings, there are clear and present opportunities to help consumers get back

their confidence for the retirement they deserve, and it starts with expanding access.

To expand access is to take a more holistic approach when it comes to helping those achieve retirement. That approach includes technology, education, and products and solutions that actually meet the needs of consumers wherever they're at in life.

There are places people can turn to for help. Consumers can tap into online tools to get a better read on where they stand, and some next steps.

According to the survey, a majority of Americans appear willing to turn to different places for help. Sixty-five percent of respondents said they would use online tools and resources if there's an opportunity to connect remotely with a financial advisor, while a similar number (62%) said they would use these same tools if they could also connect with an advisor in person.

But the hybrid approach alone isn't a magic wand to instilling confidence in consumers. The solution will require a personalized approach to retirement planning that's guided by an individual's goals and current financial situation.

Introducing Prudential Stages



Prudential is ready to help. We've created [Prudential Stages for Retirement](#), an online experience that helps individuals envision their ideal retirement and benchmarks their retirement readiness with a personalized confidence score.

While in the Prudential Stages experience, consumers can set up an appointment with one of our trusted financial advisors, including virtual advisors who make it easy for you to get started with retirement planning from the comfort of your home.

Prudential advisors use their financial planning expertise to help define, refine and realize retirement goals. Whether consumers have a well thought-out retirement plan or need more guidance on what it might take to achieve the retirement they envision, our dedicated team of advisors are ready to help.

The road to retirement is often a bumpy one, but finding and instilling confidence in consumers is the key to their secured financial futures.