

Rethinking the road to retirement

New US insights on confidence, income,
and the realities of leaving the workforce



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Our Global Retirement Reality Report series examines how people experience retirement planning and what that means for the institutions supporting them. For 2026, we focused on the United States and surveyed both pre-retirees and recent retirees to explore how they are navigating the shift from saving to generating income in retirement.

The findings reveal a central tension among respondents aged 45 and older—a group broadly within 20 years of a typical retirement age. They want independence, financial security, and reliable income, yet many lack confidence in how to achieve their goals. Respondents report feeling uncertain about when they will retire, how inflation will affect them, how savings will translate into spending, and what

they will do with their workplace retirement savings. Recent retirees show why this matters: retirement often arrives earlier than planned, and key decisions can be difficult to reverse.

For plan sponsors, the answers reveal an opportunity to help people turn savings into a flexible income strategy, even when retirement does not go to plan.

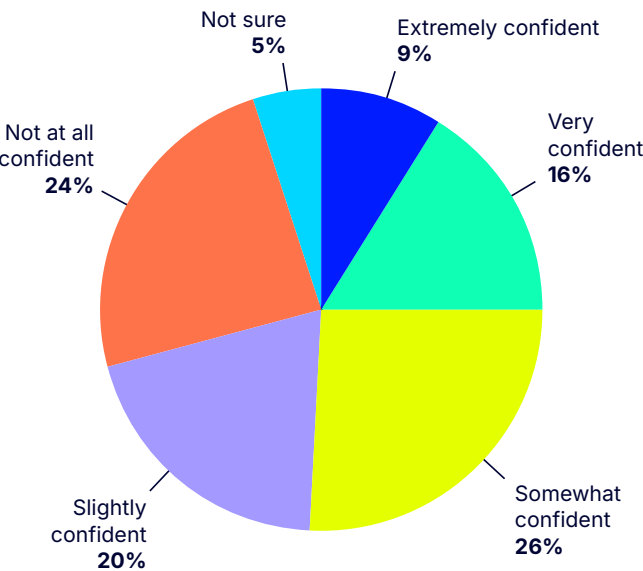
Retirement confidence is low

Roughly one-third describe themselves as generally positive, but with some financial or personal concerns. Readiness is also low: of pre-retirees, only 21% feel optimistic about their financial preparation, 24% are highly confident they can retire on schedule, and just 31% of retirees felt prepared when retirement arrived.

These broad findings also reveal meaningful differences by gender and by access to retirement income sources, including pensions and other workplace benefits. Among retirees, men report greater financial preparedness than women. Among pre-retirees, women and non-union members report less optimism and confidence than men and union members.

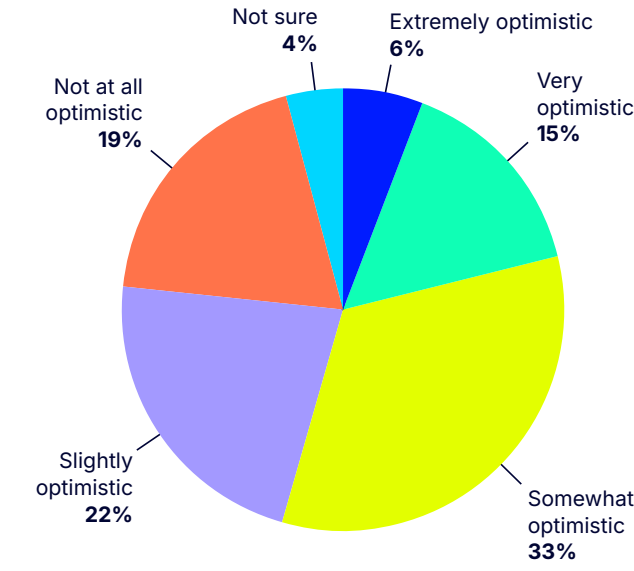
Figure 1: How optimistic are respondents about retirement?

Confidence in ability to fully retire
(Pre-retirees)



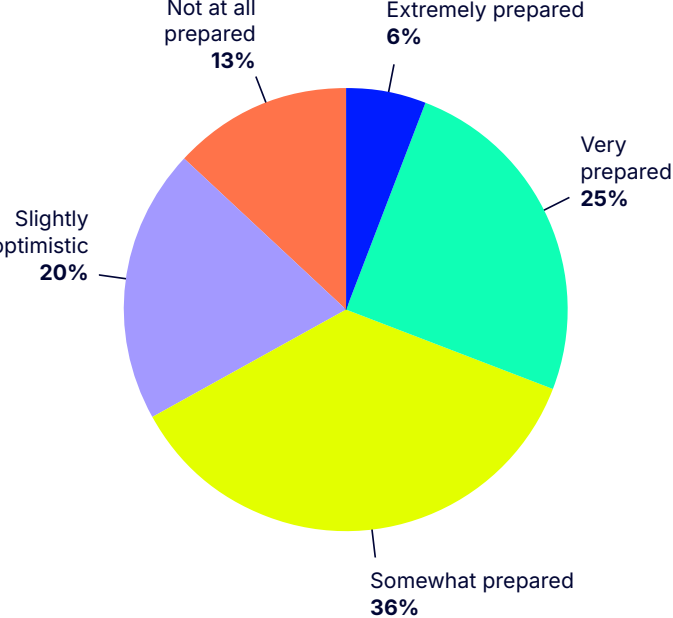
Extremely/very confident (net)
24%

Optimism about financial preparedness
for retirement (Pre-retirees)



Extremely/very optimistic (net)
21%

Financial preparedness prior to retirement
(Retirees)



Extremely/very prepared (net)
31%

Concerns span both near- and long-term risks. Among pre-retirees who feel unprepared, 59% cite unexpected costs such as medical expenses, and 52% cite insufficient savings. For retirees, the leading reason is retiring earlier than planned, often due to factors outside of their control. Across all segments, inflation, healthcare costs, and uncertainty about Social Security are the top barriers to confidence.

“I’m uncertain how much I will need to live. I am trying to figure that out now.”

– Age 55–64; Female; Union member

“I don’t feel confident in being able to plan and ensure I have the funds for retirement.”

– Age 55–64; Female; Non-union member

Source: State Street Investment Management. Survey of 4,040 pre-retirees and retirees in July, 2026.

Retirement does not always arrive on schedule

Expected and actual retirement ages diverge sharply. Pre-retirees expect to retire at 66 on average; yet 38% of retirees left the workforce at 62. Forty percent of pre-retirees expect to work past 65, but only 21% of retirees did. This difference is not surprising, and likely reflects both shifting views of retirement as well as financial realities, including retirees’ greater likelihood of having pension income.

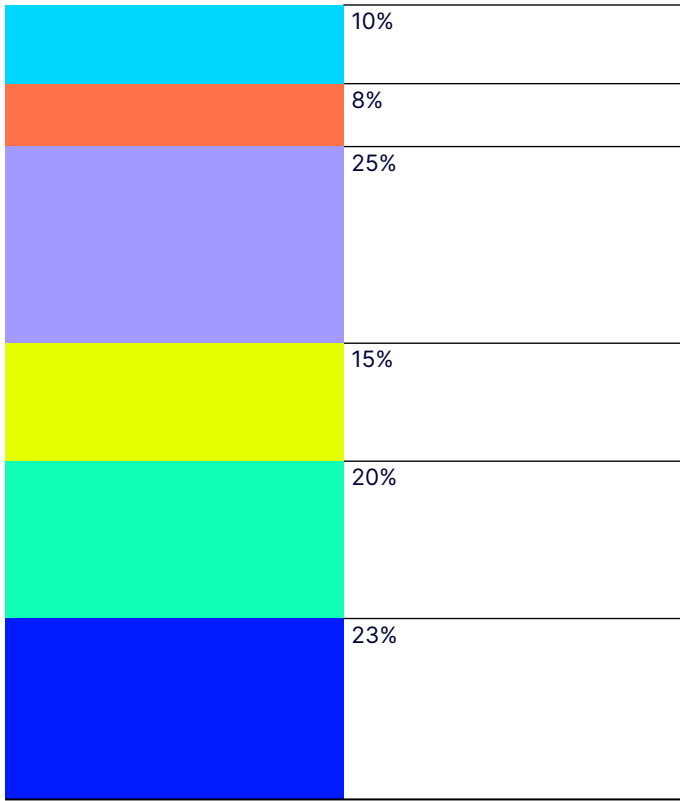
Personal circumstances factor in as well. Just over one-third of retirees stopped working when planned; 58% retired early, most often because of health. Job loss, difficulty finding suitable work, and burnout also led to early retirement for many. Women were more likely to cite employment challenges and caregiving responsibilities, and less likely to say they had saved enough to be able to retire early.

Expectations can change quickly. Nearly one-third of pre-retirees have revised their outlook in the past six months; of these, 72% now expect to work longer, either full or part-time. Yet the levels of earlier-than-expected retirement show that this may not be an option. Income strategies must work before, at, and after the expected retirement date, with enough flexibility to absorb an earlier transition.

Figure 2: Expectations versus reality

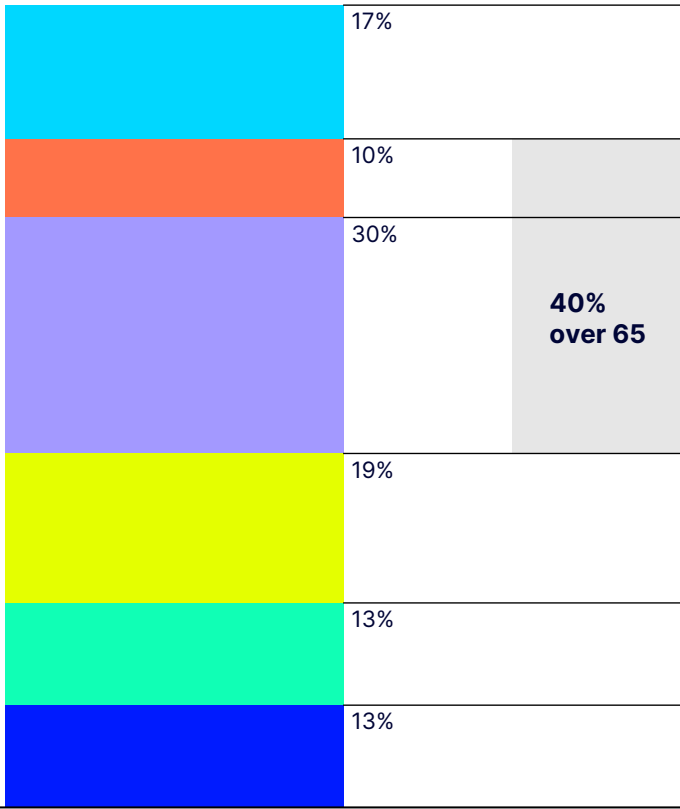
Age plan to retire/retired
Mean age

64.1



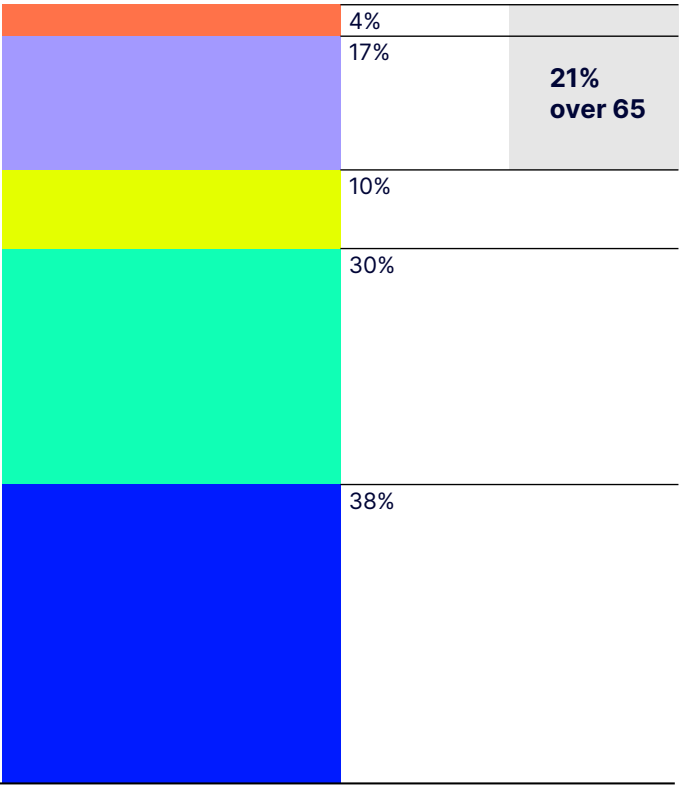
Total

65.9



Pre-retirees

61.9



Retirees

■ Under 62 ■ 62 – 64 ■ 65 ■ 66 – 70 ■ Over 70 ■ Don't know / Don't plan to retire

21% over 65

40% over 65

“I was laid off, so I never went back.”

– Age 65–74; Male; Union member

“I was forced to retire. I lost my job.”

– Age 75+; Female; Non-union member

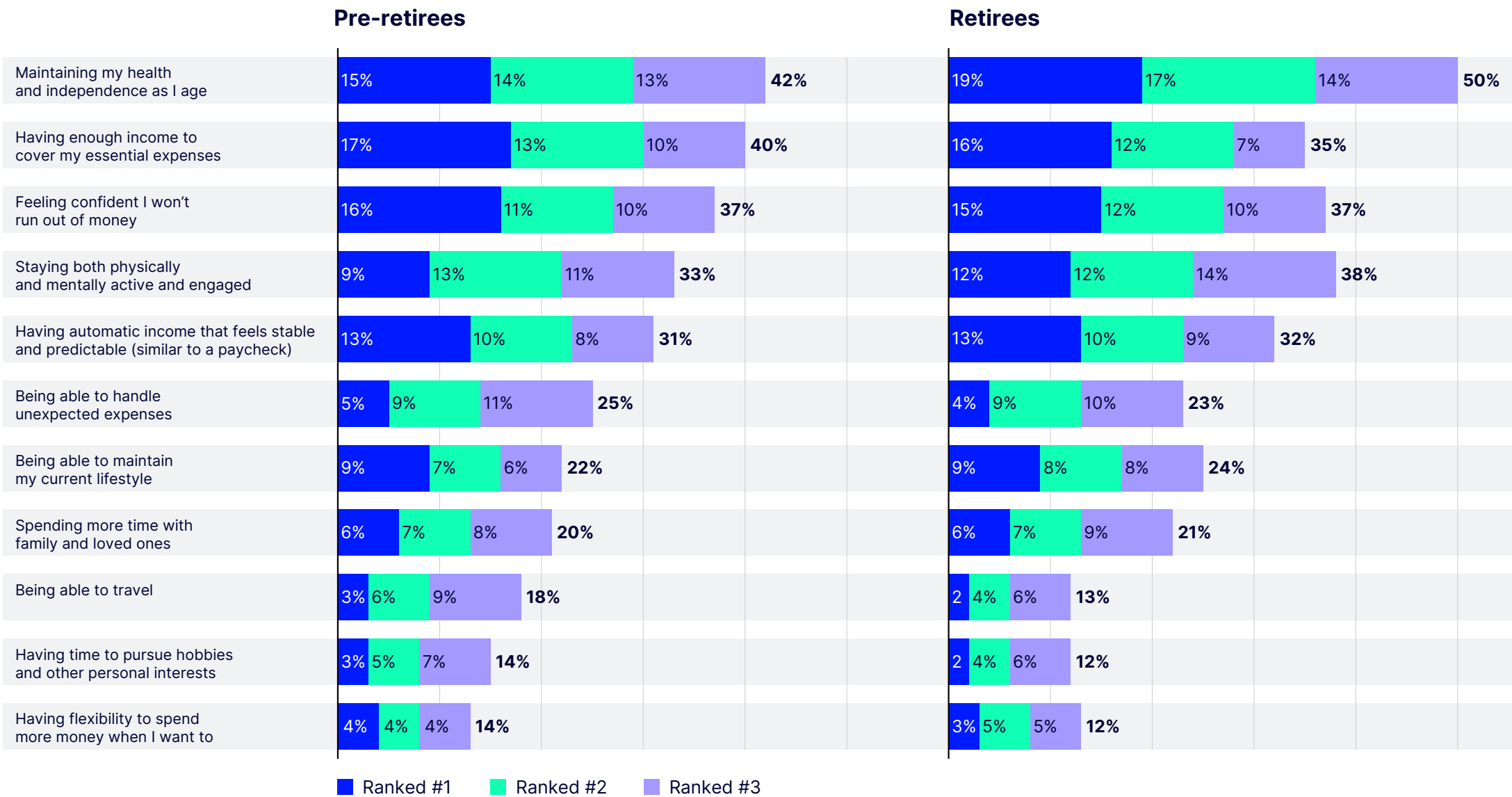
Source: State Street Investment Management. Survey of 4,040 pre-retirees and retirees in July, 2026.

Success means independence backed by dependable income

Regardless of age, our respondents report that, to them, a successful retirement starts with health and independence. Financial priorities follow: covering essential expenses, knowing money will last, and receiving automatic, predictable, paycheck-like income. Thirty-one percent rank having automatic income among their top three measures of success, with women and union members valuing it even more.

Low debt, adequate savings, and a clear retirement plan are the strongest confidence builders. For retirees, a pension or steady automatic income also matters.

Figure 3: What makes retirement “successful”?



Source: State Street Investment Management. Survey of 4,040 pre-retirees and retirees in July, 2026.

Retirement income expectations are shifting

Social Security, workplace plan balances, and personal savings anchor retirement income, but pre-retirees and retirees rank them differently. Half of retirees name Social Security as their primary source, versus 26% of pre-retirees. Pre-retirees put their 401(k) or 403(b) first, and nearly half expect part-time work to contribute.

Uncertainty about inflation and the economy, healthcare costs, and the future of Social Security may be contributing to a lack of planning around workplace savings. Only about one-third expect to have roughly the right savings to fund their retirement, while one-quarter are unsure what awaits them. Thirty-seven percent of pre-retirees do not know what they will do with their employer plan. Retirees were far more likely to roll assets into an IRA or take cash than buy an annuity.

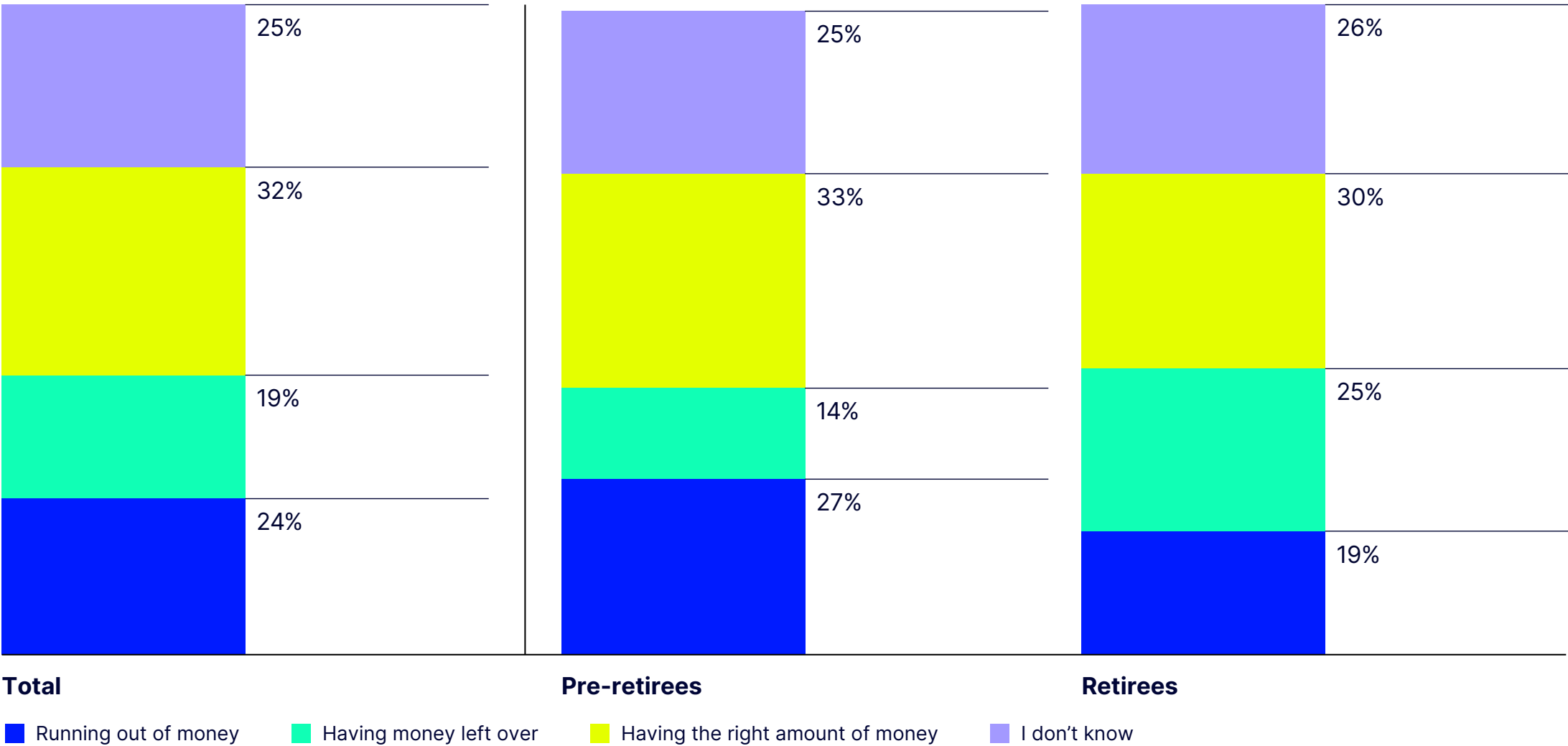
“I wish I knew if Social Security will be there for the rest of my life. I wish I knew if ACA insurance will be available and affordable for three more years. I wish I knew what the future holds for Medicare.”

– Age 55–64; Female; Non-union member

Why decline an annuity? Nearly half of those who wouldn’t purchase an annuity say they want to stay invested. Pre-retirees value growth and access; retirees often say no better option was presented. The challenge may be less about demand for income than finding solutions that combine income with control. While only a small percentage of respondents chose or will choose an annuity, the most cited reason among them is that they want an automatic monthly payment.

Figure 4: Will there be enough money?

Likely retirement scenario



Source: State Street Investment Management. Survey of 4,040 pre-retirees and retirees in July, 2026.

Confidence in money management can mask a planning gap

Three in four respondents say they feel confident managing their finances, including 80% of retirees and 72% of pre-retirees. Yet only 41% have or are developing a retirement plan. Day-to-day financial confidence does not necessarily mean savings, Social Security, healthcare costs, and withdrawals have been coordinated into a sustainable strategy.

Money management preferences vary by life stage. About half of retirees prefer to manage their finances themselves, while nearly half of pre-retirees want professional guidance.

Both groups want practical support: clear information, flexible withdrawals, and spending tools.

A stronger retirement experience must support different levels of engagement. Some participants want advice; others prefer to act independently. Both need simple language, decision support, and a focused set of choices that still works when retirement begins unexpectedly.

Yet only 28% of workers use employer resources, underscoring the need for stronger engagement and education.

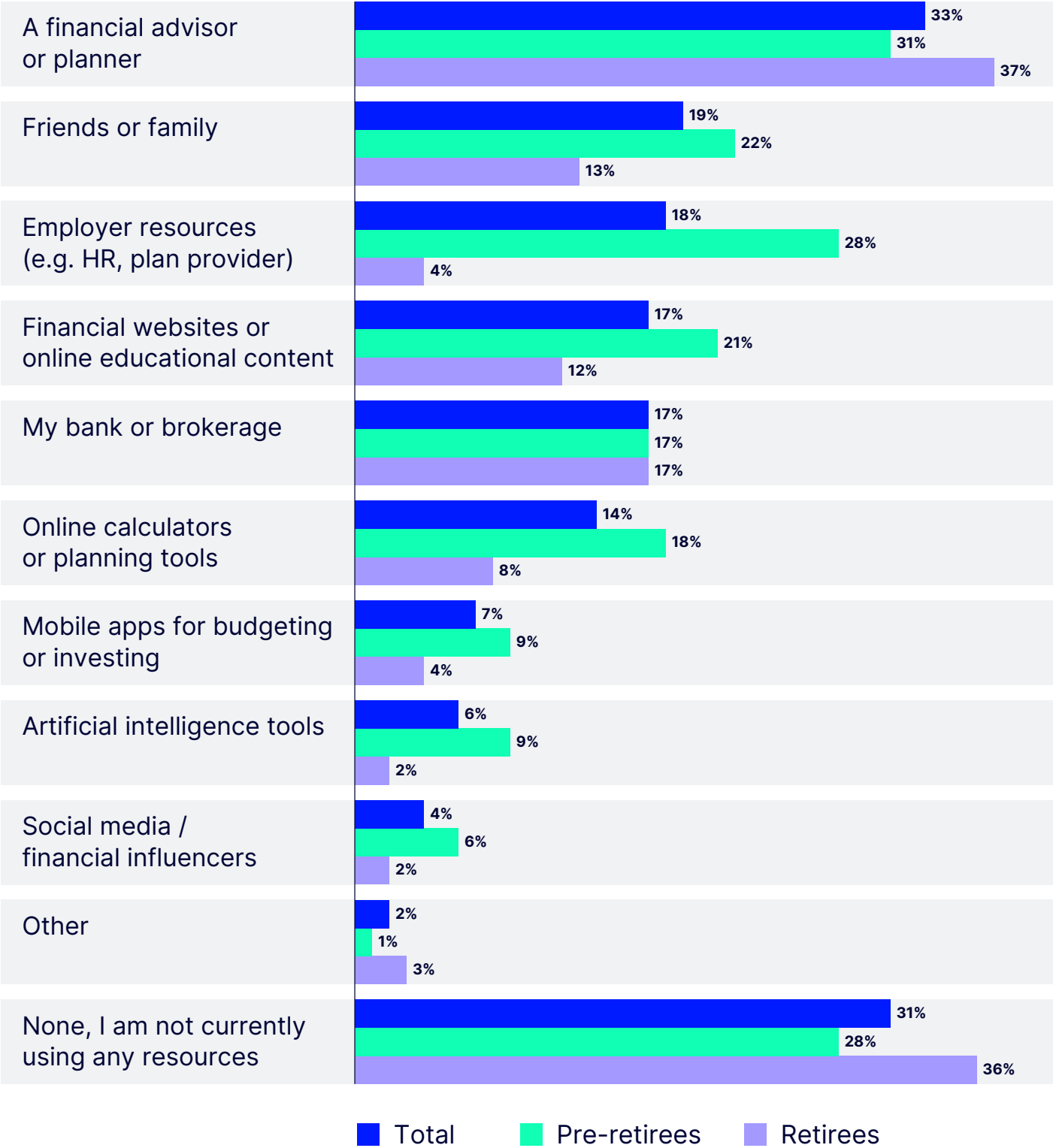
“Online tools and employer guides meet my needs for basic budgeting, but they fall short because they do not offer personalized advice for market uncertainty and unexpected inflation.”

– Age 45–54; Male; Non-union member

“They answer my questions, but they don’t offer any information on questions I don’t even know to ask yet. I’m very confused about the process.”

– Age 55–64; Female; Union member

Figure 5: What resources are being used?



Source: State Street Investment Management. Survey of 4,040 pre-retirees and retirees in July, 2026.

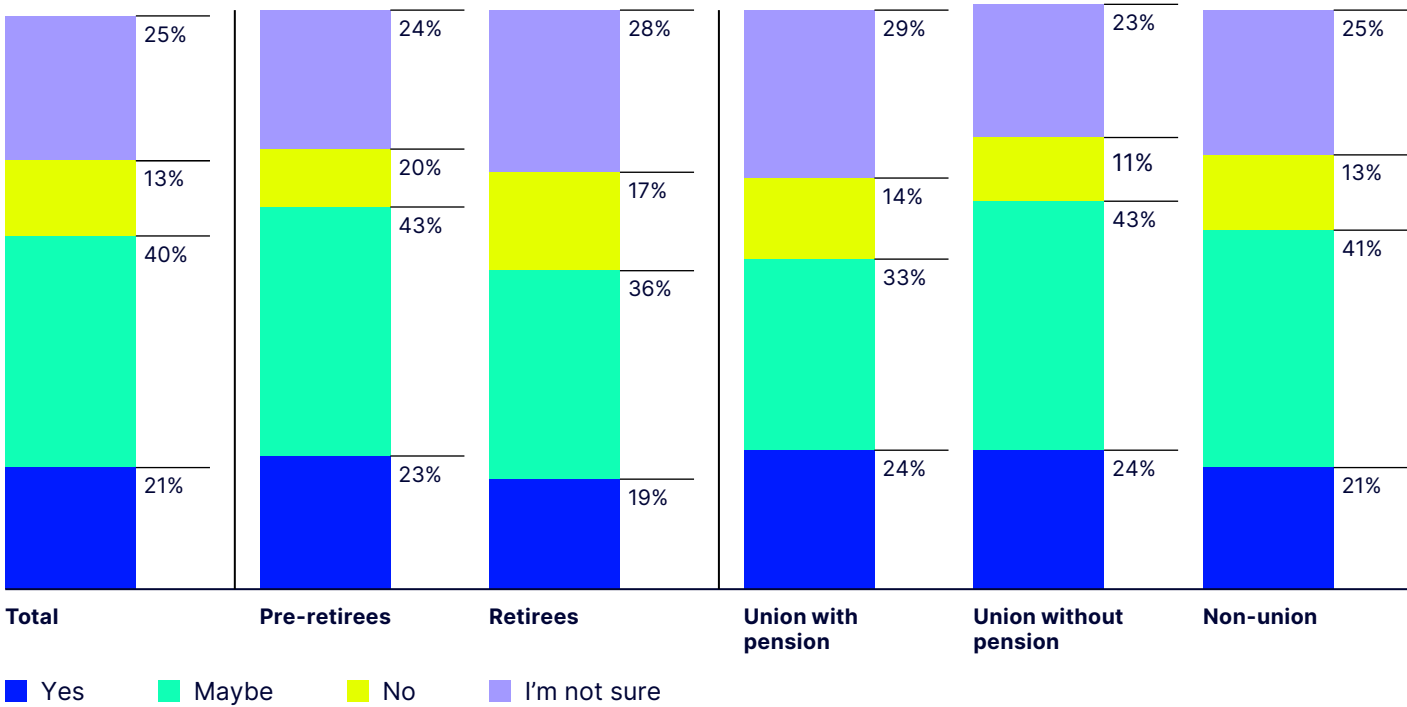
Participants want income without giving up control

Participants do not see accumulation and income as separate goals; they want a plan that helps them achieve both. Nearly half believe employer-sponsored plans should support both saving and retirement income. Half of pre-retirees say income generation is important, rising to 61% among union members without a pension. Interest is clear, but commitment to a specific guaranteed income product is not.

While 13% of participants say they would not purchase such a product, 40% say they would consider an employer-sponsored guaranteed income product and 21% would buy one. Interest is higher among pre-retirees: 23% say they would purchase such a product, and an additional 43% would consider it.

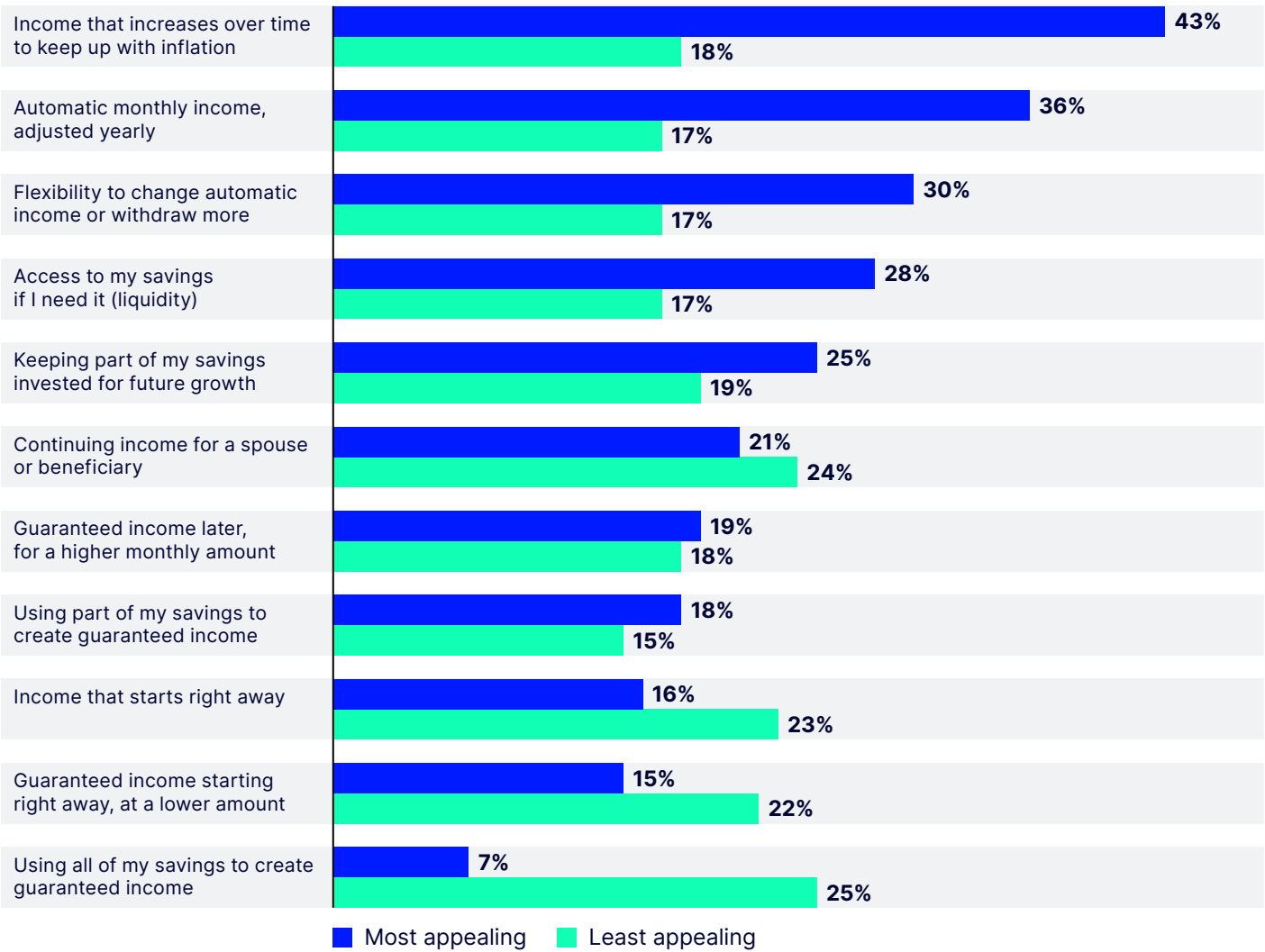
Timing preferences for receiving guaranteed income are also mixed: 30% prefer the guaranteed income to begin immediately, while 32% want it later. Education can help clarify the role, trade-offs, and timing of different options.

Figure 6: Interest in income products



Source: State Street Investment Management. Survey of 4,040 pre-retirees and retirees in July, 2026.

Figure 7: What product features would be most appealing?



Source: State Street Investment Management. Survey of 4,040 pre-retirees and retirees in July, 2026.

“I want to maintain a balance between annuity income and total return from the market.”

– Age 45–54; Male; Non-union member

“I want to keep control over my money.”

– Age 75+; Female; Non-union member

Inflation protection is the most appealing feature in an income product; locking up their entire savings is the least. Participants favor automation, flexibility, access, growth potential, and liquidity. Their preferences point to a hybrid approach: use part of savings for guaranteed income while keeping the rest invested and accessible. Some favor professional management with a guarantee; others want more direct control.

Helping turn retirement expectations into more resilient outcomes

For plan sponsors, saving is only part of the challenge. Participants also need help navigating an uncertain transition, weighing income sources, and balancing predictability with control. Recent retirees make the stakes clear: when retirement comes early, a simple, adaptable income framework matters even more.

At State Street, we believe retirement income solutions should be simple, impactful, and flexible, helping provide participants with greater predictability and confidence as they move from saving to spending. By combining an intuitive participant experience with meaningful income and the flexibility to adapt to individual circumstances, plan sponsors can better support participants before, during, and after retirement.

Learn more about our retirement income approach and how **IncomeWise** can help turn target date savings into more predictable lifetime income.

About this survey

Methodology and approach

Online survey fielded: July 10-21, 2026

Total surveyed 4,040

2,447 employed, pre-retiree

1,593 retiree

811 union member

Quotas and weighting

20% of sample current or former union members

Data is weighted to age, gender, region, and education to be a representative audience

US residents:

- Aged 45+
- Employed either full-time, part-time, or retired
- Must participate/have participated in defined contribution (DC) plan – 401(k)/403(b)

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ID4844300-9119534.1.2.AM.RTL Exp. 9/30/2027