Retired for how long?

Worker expectations for how long they'll live in retirement

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Foreword

The role of longevity literacy in a transforming society

Society is undergoing a remarkable transformation. Life expectancy has increased by 17 years since the inception of Social Security nearly 90 years ago—presenting both opportunities and challenges.

The critical challenge—and perhaps greatest opportunity—is enhancing both the length and quality of their lives. This means ensuring retirees have sufficient financial resources for longer lifespans while helping them maintain their physical and emotional wellbeing to match.

This requires reimagining our infrastructure and embracing technological innovations, like virtual reality for communication. It also requires evolving perspectives so that older workers are seen as a catalyst for broader economic growth. The economic impact is already substantial—AARP reports that Americans aged 50 and older contribute $8.3 trillion to the U.S. economy annually.

It's time to shed aging-related stigmas and embrace new paradigms. A longer life span offers expanded horizons—more years to pursue professional goals, create, explore, nurture relationships, and follow our passions.

However, longevity's benefits aren't universal or automatic. Significant disparities in life expectancy persist across socioeconomic, racial, and gender lines. Even for those who achieve greater longevity, quality of life remains a crucial concern, with challenges spanning health, social connections, and financial security.

The United Nations' declaration of the 2020s as "the decade of healthy aging" represents both a celebration and a call to action. Their initiative, "adding life to years," urges society to address critical areas including health, nutrition, social isolation, housing, long-term care, and digital equity.

While these challenges are global in scope, individuals must navigate their own aging journey—one where traditional roadmaps are being redrawn in real time. A crucial factor in planning and preparing for a successful retirement is longevity literacy, a clear, objective understanding of life expectancy. In fact, as this report shows longevity literacy has a significant impact on an individual's expectations for how long they will live in retirement.

Yet research reveals a concerning gap: The *Personal Finance* (*P-Fin*) *Index*, conducted by the TIAA Institute and the Global Financial Literacy Excellence Center (GFLEC) at Stanford University, found that over 40% of U.S. adults demonstrated poor longevity literacy by incorrectly answering three questions about life expectancy at age 65.

The TIAA Institute and GFLEC at Stanford University have maintained a long-standing partnership to study these critical issues alongside financial literacy, and this report represents our latest research in this ongoing series.

We welcome your engagement in this important dialogue and hope you find this research valuable.

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Executive summary

Workers can't know with certainty how long they'll be retired, which makes planning and preparing for retirement inherently difficult. With that said, workers have expectations about how long they'll live and when they'll retire, which means they have (implicit) expectations about how long they'll live in retirement. In the face of uncertainty, these expectations will likely influence retirement-related decisions and behavior.

This report examines these expectations, how they're determined, how they interact, and how they relate to decision-making. The resulting insights can better position retirement plan sponsors and providers to help workers achieve retirement income security.

Given expectations about lifespan and retirement age, an estimated 20% of U.S. workers anticipate a retirement of at least 30 years, and one-half expect to be retired for 20 years or more. Only 15% expect fewer than 10 years of retirement.

Workers' expected years in retirement are largely driven by their expected lifespans—in general, expected length of retirement increases by 11 months with a one-year increase in expected lifespan. While those who expect to live longer could tend to think they will work longer, expected retirement ages actually vary little with expected lifespans.

This is noteworthy because retiring at an older age can promote retirement readiness in multiple ways. However, not all workers can realistically extend their working career. Also, retirements can be unexpectedly triggered by unforeseen circumstances. With that said, helping workers understand the difference additional years of work can make in their retirement outcomes may influence their decisions and ultimately boost their financial security in retirement.

This raises the question: What underlies worker expectations about how long they'll live? It's readily apparent that perceptions matter; specifically, perceptions about how long others tend to live. The greater (or lower) an individual perceives population life expectancy to be in general, the longer (or shorter) that individual's expected lifespan tends to be—and the greater (or fewer) the individual's expected years in retirement. While 70% of those who overestimated general life expectancy among 65-year-olds anticipate living to at least age 90, 74% of those who underestimated age-65 life expectancy don't expect to live to 90.

Workers' expected years in retirement are largely driven by their expected lifespans.

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The influence of perceptions is noteworthy given that one-third of adults underestimate general life expectancy among 65-year-olds (and an additional one-quarter respond "don't know" when asked). Workers who expect relatively short lifespans due to misperceptions about general life expectancy are at risk of accumulating inadequate financial resources for retirement. Their retirement planning horizon is "too short." In addition, those with shorter expected lifespans appear less likely to plan and save for retirement. For example, about one-half of workers who expect to live fewer than 10 years in retirement are saving on a regular basis, compared with over 70% of those who anticipate a retirement of at least 20 years. Also, an intent to annuitize some retirement savings is 77% more common among savers who anticipate a retirement of 30 or more years (23% are likely to do so) compared with those expecting a retirement of fewer than 10 years (13%).

Planning and preparing for retirement, and subsequently living in retirement, should be grounded in expectations based on accurate information, as well as an understanding of the uncertainty involved.

Introduction

How long will you live in retirement? Individuals can't answer this question with certainty because they don't know how long they'll live in general, and this makes planning and preparing for retirement inherently difficult. However, individuals have expectations about how long they'll live and expectations about when they'll retire. So, at least implicitly, they have expectations about how long they'll live in retirement. Such expectations may in turn influence retirement-related decisions.

This report uses 2024 *TIAA Institute-GFLEC Personal Finance Index* (*P-Fin Index*)[1] survey data to examine several interrelated longevity and retirement questions.

- How many years do current workers expect to live in retirement, and how do expectations vary across the workforce?
- Does expected lifespan (i.e., how long an individual expects to live) impact expected retirement age (i.e., when an individual expects to retire from career employment)?
- What influences individuals' expectations regarding their lifespan?
- To what degree are financial preparations for retirement related to expected retirement age and expected years in retirement?

Resulting insights are important for the pursuit of retirement income security which involves both accumulating sufficient financial resources while working and then leveraging those resources most efficiently to live comfortably throughout a retirement of uncertain duration.[2]

Understanding worker expectations in this realm, what underlies those expectations, and how decisions link to those expectations can better position retirement plan sponsors and providers to help workers make appropriate decisions along multiple dimensions—including how much to save and accumulate for retirement; when to retire; when to begin Social Security benefit payments; and how to draw retirement income from retirement savings, including the use of annuities.

In addition to such insights, this report provides updated data on longevity literacy levels among all U.S. adults, where longevity literacy is an understating of how long individuals tend to live upon reaching age 65.

1 The 2024 *P-Fin Index* survey was completed from January 3 to January 23, 2024, by a sample of 3,876 U.S. adults, ages 18 and older, who were drawn from Ipsos's KnowledgePanel, a large-scale probability-based online panel. Asian, Black, and Hispanic Americans were quota sampled for at least 500 respondents each. Gen Z was also quota sampled for at least 500 respondents, enabling cross-generational comparisons across the Silent Generation, Baby Boomers, Gen X, Gen Y and Gen Z. The survey data were weighted to be nationally representative. For more information on the dataset, see Yakoboski et al. (2024).

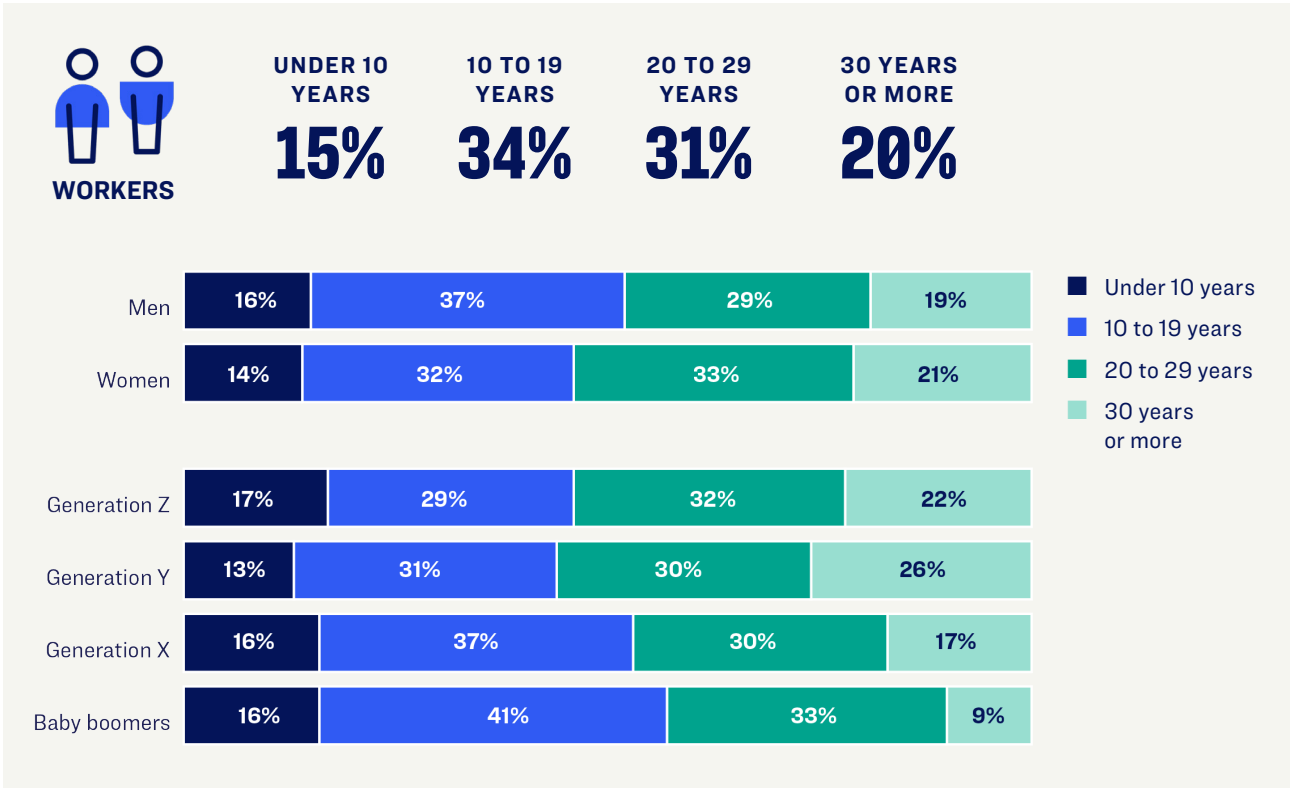
2 As a point of reference, average annual spending among older households (household head is age 65 or older) was $47,457 in 2020. Median annual spending among older households was $34,088, and spending at the 75th percentile was $53,172. Source: Expenditures of the Aged Chartbook, 2020, Social Security Administration, SSA Publication No. 13-11832 (January 2022).

Expected years in retirement

How long do people expect to live in retirement? According to our estimates, twenty years is the median expected length of retirement among current workers. Just over half (51%) expect to live in retirement for 20 years or more, with 20% anticipating at least 30 years of retirement. Just under half (49%) expect a retirement of less than 20 years, with 15% expecting under 10 years (Figure 1).

FIGURE 1. EXPECTED YEARS IN RETIREMENT

Among U.S. workers



Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

Gen Y and Gen Z workers tend to expect the longest retirements, driven by relatively large percentages who anticipate 30-plus-year retirements—26% of Gen Y and 22% of Gen Z. By comparison, only 17% of Gen X workers anticipate a retirement of at least 30 years. In addition, women tend to expect longer retirements than men: 54% of female workers expect to live in retirement at least 20 years compared with 48% of their male peers.

These figures for expected years in retirement are derived from responses to two questions—one asking expected retirement age and the other asking expected lifespan.[3]

- At what age do you realistically expect to retire from career employment?
- How long do you expect to live?

Two-thirds of workers expect to retire in their 60s and one-quarter expect to retire in their 70s. Only 3% expect to retire between ages 80 and 90 (Figure 2, top panel). In contrast, individuals' expected lifespan is more evenly distributed: 36% of workers expect to live to at least age 90, 43% expect to live into their 80s, and 21% don't expect to live to 80 (Figure 2, bottom panel). The findings of this decomposition suggest that differences in individuals' expected years in retirement may likely be driven by differences in their expectations regarding how long they will live.

FIGURE 2. EXPECTED RETIREMENT AGE AND EXPECTED LIFESPAN

Among U.S. workers

	Workers	Men	Women	Gen Z	Gen Y	Gen X	Baby boomers
At what age do you realistically expect to retire from career employment?							
Age 50 to 59	11%	11%	11%	14%	15%	10%	
Age 60 to 69	63%	63%	63%	66%	60%	69%	57%
Age 70 to 79	23%	23%	23%	19%	22%	20%	39%
Age 80 to 90	3%	3%	3%	1%	3%	1%	5%
How long do you expect to live?							
Under age 80	21%	23%	19%	27%	18%	26%	12%
Age 80 to 89	43%	44%	42%	41%	43%	44%	42%
Age 90 or older	36%	34%	39%	31%	39%	30%	46%

Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

The gender difference in expected years in retirement is completely driven by differences in expected lifespan. Almost 40% of employed women expect to live to at least age 90 compared with one-third of employed men. At the same time, no gender differences are reflected in expected retirement age.

Comparing expected retirement age and expected lifespan across generations is complicated because baby boomers range in age from 60 to 78. With that noted, Generations X, Y and Z show limited differences in expected retirement ages. However, Gen Y is more likely than Gens X and Z to expect to live to at least 90. Hence, Gen Y's greater expectations of longer retirements, as reported above, are largely driven by longer expected lifespans.

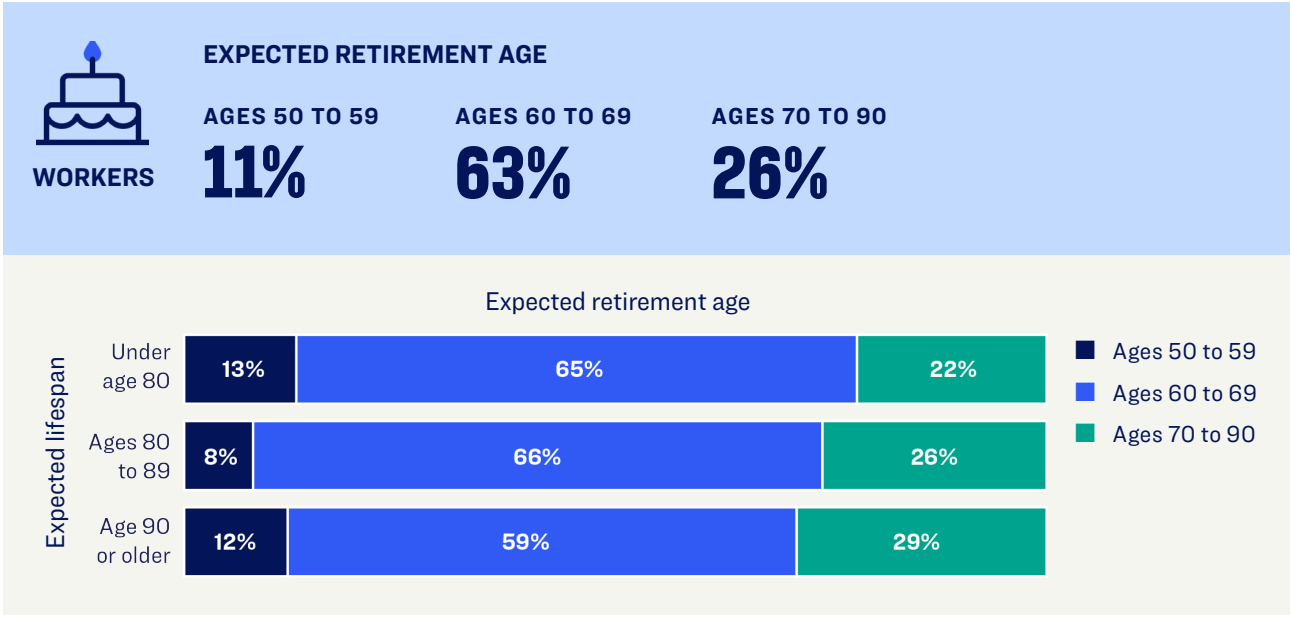
3 Tabulations are based on the subsample of workers with an expected retirement age in the 50 to 90 range, excluding those with an expected retirement age that exceeds expected lifespan. The subsample accounts for more than 97% of workers.

The role of expected lifespan

While workers' expected years in retirement are directly related to their expected lifespans, this would be mitigated to the extent that workers who expect to live longer also tend to think they'll work longer (i.e., retire at older ages). This relationship appears to be weak, however (Figure 3). Among those with an expected lifespan under age 80, 22% expect to retire at 70 or older. This figure rises to 26% among those with an expected lifespan in the 80 to 89 range and to 29% among those expecting to live at least to age 90.[4] Regression analysis confirms a small (but significant) relationship—controlling for other demographic variations, the expected retirement age increases by one month with a one-year increase in expected lifespan (Appendix Figure A1). Correspondingly, the share expecting to retire in their 60s varies little, ranging from 59% to 66%, indicating a likely influence from Social Security claiming ages as well as social norms.

FIGURE 3. EXPECTED RETIREMENT AGE BY EXPECTED LIFESPAN

Among U.S. workers



Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

With only a weak link between expected retirement age and expected lifespan, expected lifespan then drives expected years in retirement (Figure 4). Almost all (96%) workers who don't anticipate living until age 80 expect a retirement of under 20 years. In contrast, 39% with an expected lifespan in the 80 to 90 range expect to live 20 or more years in retirement, and 49% who anticipate living to 90 or older expect at least 30 years of retirement. Regression analysis supports these findings, revealing an essentially one-to-one relationship between expected years in retirement and expected lifespan—controlling for other demographic variations, expected years in retirement increases 11 months with a one-year increase in expected lifespan (Appendix Figure A2).

4 The difference between 22% and 29% is statistically significant at the 5% level.

FIGURE 4. EXPECTED YEARS IN RETIREMENT BY EXPECTED LIFESPAN

Among U.S. workers

Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

This raises the questions:

- How reasonable are individuals' expectations for their lifespans?
- What factors influence individuals' expectations for their lifespans?

The role of longevity perceptions

An individual's expected lifespan may depend on that person's own current health as well as observation of family longevity experience, e.g., parents' and grandparents' lifespans. It's also possible that subjective benchmarking relative to population experience determines expected lifespan, i.e., an individual's perception of how long others tend to live influences how long the individual expects to live. In other words, the greater an individual perceives general life expectancy to be, the greater that individual's expected lifespan. Whether accurate or not, perceptions matter in this case.

Data from the 2024 *P-Fin Index* survey provides evidence of the perception dynamic. Survey participants were asked how long a 65-year-old will live on average in the United States. The question was multiple choice with four response options: the correct answer, an overestimate of life expectancy, an underestimate, and "don't know."[5] The responses show that 70% of those who overestimated general life expectancy among 65-year-olds anticipate living to at least age 90 compared with 26% of those who underestimated life expectancy at 65 (Figure 5). Analogously, only 5% of the former have an expected lifespan under age 80 compared with 26% of the latter. These findings are consistent with

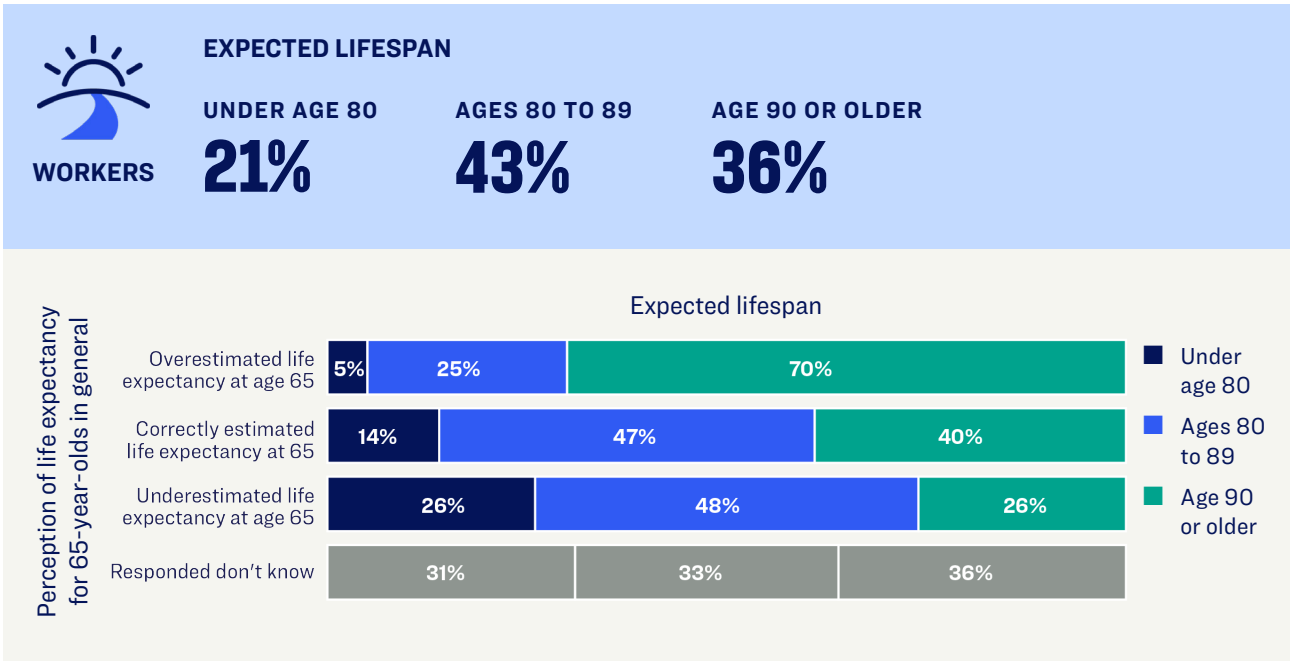
5 The survey used two versions of the question. Male respondents were asked about a 65-year-old man, and female respondents were asked about a 65-year-old woman.

workers benchmarking their lifespan expectations to their perceptions of life expectancy among 65-year-olds in general—those overestimating (or underestimating) age-65 life expectancy more often expect to have a longer (or shorter) lifespan.[6]

Regression analysis also supports the perception dynamic by showing that higher general population life expectancy estimates strongly correlate with greater individual expected lifespans (Appendix Figure A3). Vice versa, someone underestimating general life expectancy at age 65 is more likely to expect a shorter lifespan.

FIGURE 5. EXPECTED LIFESPAN BY LONGEVITY PERCEPTIONS

Among U.S. workers



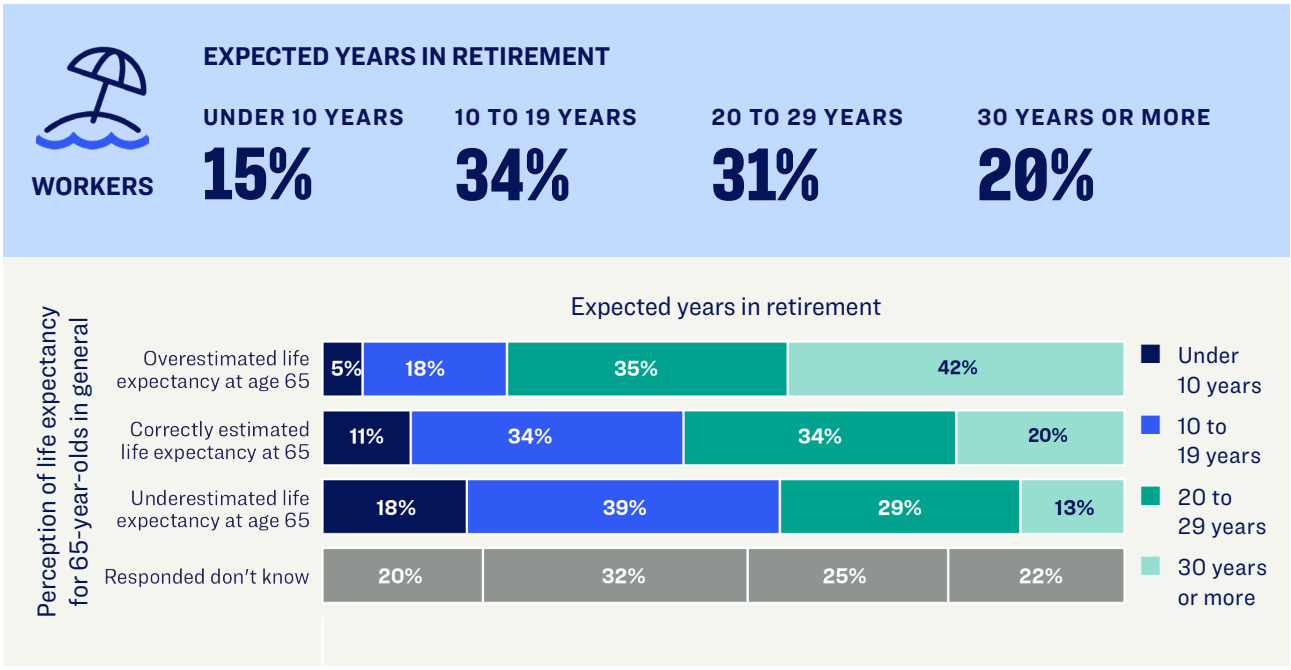
Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

6 Survey respondents were also asked the likelihood that a 65-year-old will live at least until age 90. The same dynamic regarding perceptions of longevity in general and own expected lifespan was readily apparent with this question as well.

It follows that perceptions of general population life expectancy indirectly impact workers' expected years in retirement through their own lifespan expectations. Figure 6 shows that overestimating (or underestimating) general population life expectancy is strongly correlated with greater (or fewer) expected years in retirement. Among those who overestimated general life expectancy among 65-year-olds, 42% expect to live at least 30 years in retirement, while 23% expect a retirement of under 20 years. In contrast, only 13% of those who underestimated age-65 general life expectancy anticipate 30-plus years in retirement, while 57% expect a retirement of less than 20 years.[7] This relationship is also evident in regression analysis (Appendix Figure A4). While controlling for other demographic variation, the regression findings provide evidence of a significant relationship between a worker's perception of general population life expectancy and that person's expected years in retirement.

FIGURE 6. EXPECTED YEARS IN RETIREMENT BY LONGEVITY PERCEPTIONS

Among U.S. workers



Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

7 The data shows no relationship between perceptions of general population life expectancy and workers' expected retirement ages. This isn't surprising given the weak relationship between expected lifespan and expected retirement age.

RETIREMENT FLUENCY

Knowledge that promotes financial well-being in retirement.

The *TIAA Institute-GFLEC Personal Finance Index* (*P-Fin Index*) has provided an annual barometer of financial literacy among U.S. adults since 2017. Aside from 28 core questions that gauge financial literacy, the underlying survey has continually evolved to address a range of financial security issues, from fintech use among millennials to the pandemic's impact on personal finances.

The 2022 *P-Fin Index* introduced the concept of longevity literacy—a basic understanding of how long individuals tend to live upon reaching retirement age—and examined its relationship with retirement readiness. Longevity has remained a survey component and was expanded on in 2024 with the concept of retirement fluency, i.e., knowledge that promotes financial well-being in retirement. Longevity literacy is one component of retirement fluency.

Five questions in the 2024 *P-Fin Index* survey were used to gauge basic retirement fluency. Each covered a distinct subject: Social Security benefits, Medicare coverage of healthcare expenses, employment-based retirement savings, ensuring lifetime income and longevity literacy. The five questions and their response options are detailed on the next page, with the correct answer to each in bold.

Questions measuring retirement fluency

Which statement about Social Security is false?

- **The amount someone receives in Social Security benefits depends upon his/her earnings during the last two years of full-time employment.**
- A worker receives Social Security benefit payments if he/she becomes disabled before retiring.
- Social Security benefit payments will continue as long as an individual is alive, no matter how long he/she lives.
- Don't know.

Susan worries about living a long life and running out of money. What is the best way for her to address that possibility?

- **Buy an annuity.**
- Buy life insurance.
- There is nothing she can do about this.
- Don't know.

On average, Medicare and other government programs cover how much of an individual's healthcare expenses in retirement?

- Over 90%.
- **About 2/3.**
- About 1/2.
- Don't know.

Latisha plans to start saving for retirement by setting aside $2,000 this year. Her employer offers a 401(k) plan and fully matches a worker's contributions up to $5,000 each year. Under which scenario does Latisha have the largest amount in retirement savings at year-end?

- **She contributes $2,000 to the 401(k) plan and invests the money in a mutual fund that earns a 5% return during the year.**
- She contributes $2,000 to an IRA (individual retirement account) and invests the money in a mutual fund that earns a 5% return during the year.
- It does not matter—she will have the same amount of year-end savings either way.
- Don't know.

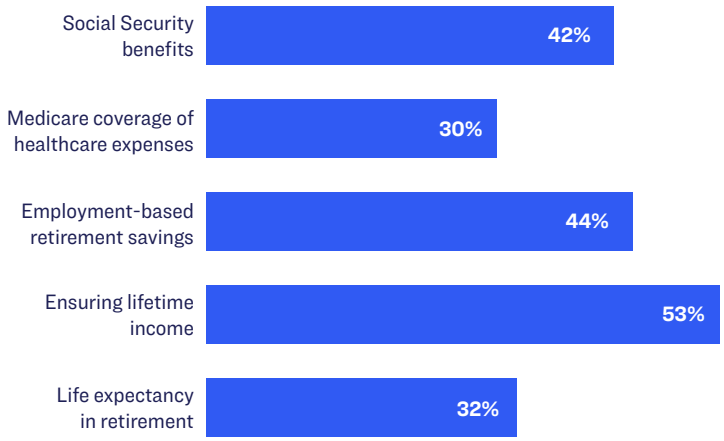
On average in the United States, how long will a 65-year-old man/woman live?

- Man age 79/Woman age 82.
- **Man age 84/Woman age 87.**
- Man age 89/Woman age 92.
- Don't know.

On average, U.S. adults correctly answered only two questions out of the five. Respondents struggled most with the Medicare coverage and longevity literacy questions. Only 30% of U.S. adults have a general understanding of Medicare's average coverage rate of healthcare expenses in retirement. Only 32% know how long people tend to live upon reaching retirement age, as this report discusses in detail. On the other hand, slightly more than half of all respondents (53%) know that annuities provide lifetime income.

RETIREMENT FLUENCY

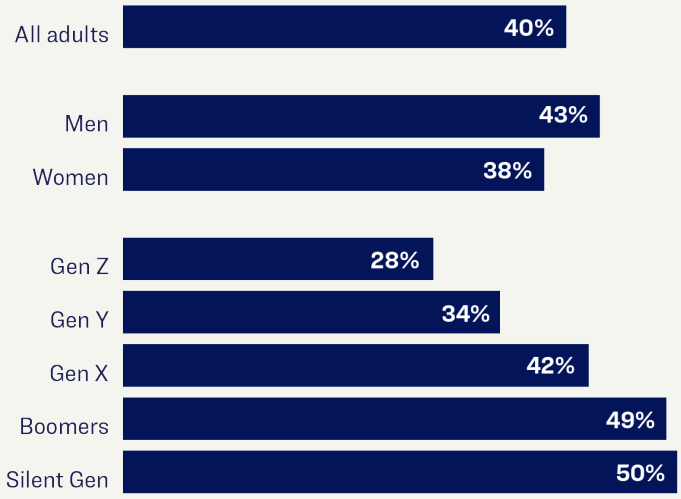
Percentage of U.S. adults correctly answering the *P-Fin Index* survey's retirement-related questions



Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

RETIREMENT FLUENCY

Percentage of retirement-related *P-Fin Index* survey questions answered correctly



Demographic variations in retirement fluency are apparent. On average, men correctly answer a greater share of the retirement fluency questions than women, 43% compared with 38%. Likewise, older generations tend to correctly answer more questions than younger generations. It's not surprising that generations closer to (and in) retirement are more knowledgeable about retirement-related topics. Still, only half of the questions were answered correctly by baby boomers and the Silent Generation, on average.

Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

Retirement income security is strongly linked to retirement fluency. Individuals with greater retirement fluency tend to be more confident they'll have enough money to live comfortably throughout retirement: 26% of those who correctly answered four or five of the retirement fluency questions are very confident in this regard, while only 7% aren't at all confident. These figures are essentially flipped among those who correctly answered none of the questions—10% are very confident and 29% are not at all confident. This demonstrates the importance of retirement fluency. Certainly, other factors also influence realizing a financially secure retirement, e.g., the opportunity to save through an employment-based retirement savings plan. At the same time, an ability to make sound retirement-related decisions matters too.

Expectations and retirement readiness

Working longer (i.e., retiring at an older age) can promote retirement readiness in multiple ways.

- Working longer can result in greater Social Security retirement benefits. An additional year of earnings may replace a previous year of lower earnings in the benefit calculation, thus increasing earned benefits.[8] In addition, while the receipt of benefit payments can begin at age 62, it may be delayed up until age 70, resulting in higher payments in return.[9]
- Working longer provides the opportunity to save more, as well as additional time for existing savings to grow. In addition, waiting to an older age to annuitize any savings would increase the resulting payments.
- Working longer also lessens the demand on retirement resources, including retirement savings. An additional year of work means one year less of living expenses that retirement resources must cover. Average annual spending of households in the 65 to 74 age range is approximately $52,000.[10] So, working to age 70 rather than retiring at 62, for example, would translate into approximately $400,000 of expenditures financed by eight years of earnings rather than retirement resources.[11]

But as shown earlier, workers with longer expected lifespans generally don't intend to work longer to any great extent—expected retirement ages vary little with expected lifespans. So, do workers with longer expected retirements (again, directly related to longer expected lifespans) compensate with more diligent planning and saving? Are they more likely to expect to annuitize some of their retirement savings?

Data from the 2024 *P-Fin Index* survey, while not conclusive, indicates they do. Saving for retirement is more common among those expecting longer retirements (Figure 7). About one-half (47%) of workers who expect to live less than 10 years in retirement are saving on a regular basis. In contrast, more than 70% of workers who anticipate a retirement of at least 20 years are saving, including 78% of those who expect 20 to 29 years in retirement.

8 Social Security retirement benefits are based on an individual's highest 35 years of earnings. Benefits are lower if an individual doesn't have 35 years of earnings; years with no earnings count as "0" in the benefit calculation.

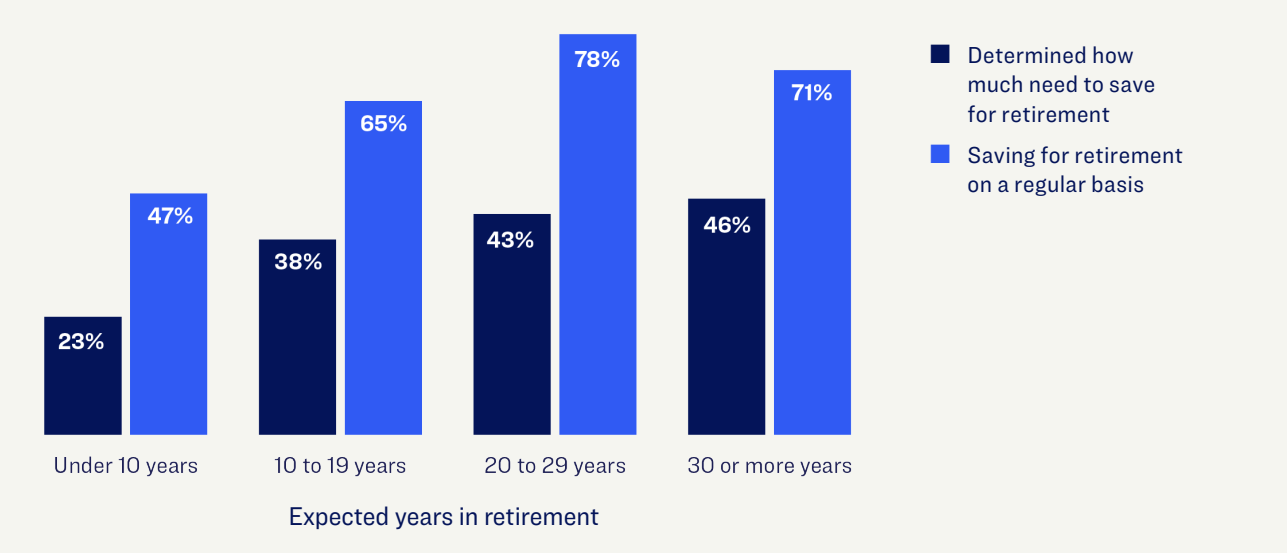
9 Benefit payments increase by approximately 7.5% for each year that their start is delayed. An individual who delays claiming from age 62 until 70 will receive payments that are 77% greater.

10 Source: Expenditures of the Aged Chartbook, 2020, Social Security Administration, SSA Publication No. 13-11832 (January 2022).

11 Median annual spending of households in the 65 to 74 age range is approximately $37,000 which translates into almost $300,000 over eight years.

FIGURE 7. RETIREMENT READINESS BY EXPECTED YEARS IN RETIREMENT

Among U.S. workers



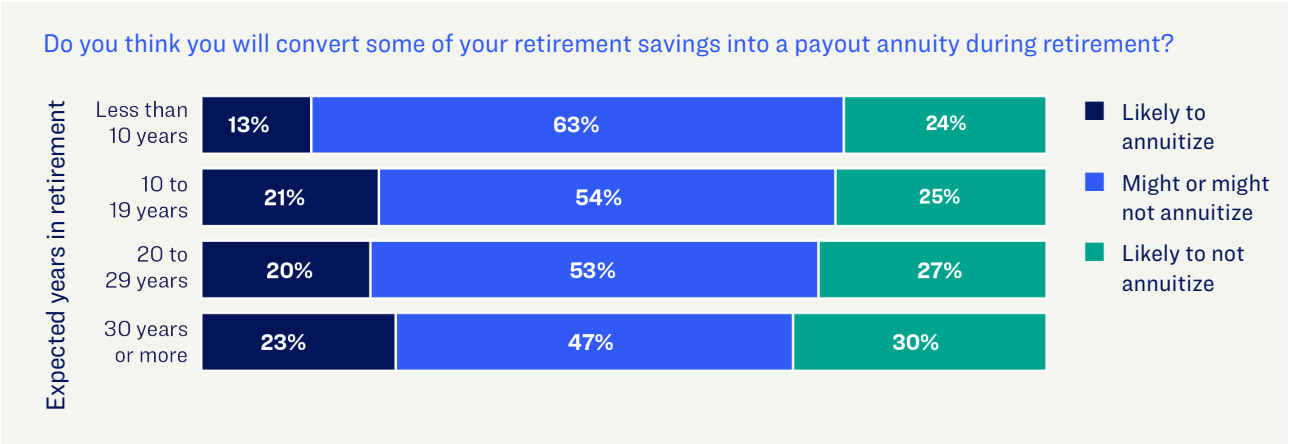
Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

Planning for retirement is also more common among workers with longer expected retirements (Figure 7). Almost one-half of those expecting to live 30-plus years in retirement have tried to determine how much they need to save and accumulate compared to one-quarter of workers who expect to live less than 10 years in retirement.

Finally, expectations about annuitizing retirement savings vary with expected years in retirement as well (Figure 8). An intent to annuitize some retirement savings is 77% more common among savers who anticipate a retirement of 30 or more years (23% are likely to do so) compared with those expecting a retirement of less than 10 years (13%); this difference is statistically significant at the 5% level. At the same time, while 30% of savers anticipating a 30-plus-year retirement are likely to not annuitize compared with 24% of those expecting a retirement of less than 10 years, this difference is not statistically significant.

FIGURE 8. ANNUITIZATION BY EXPECTED YEARS IN RETIREMENT

Among workers saving for retirement



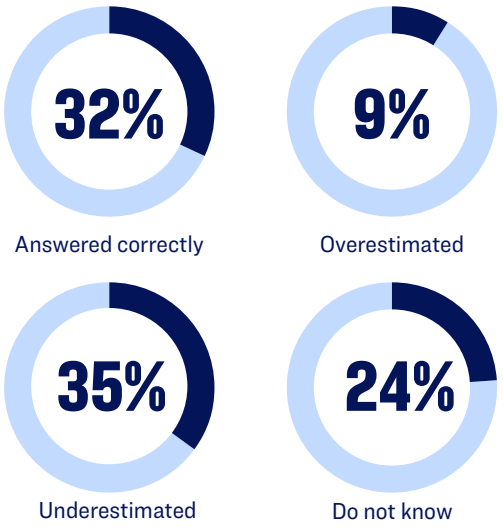
Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

Longevity literacy among all U.S. adults

Longevity literacy is an understanding of how long people tend to live upon reaching retirement age (age 65). Beyond knowing average life expectancy at retirement age, it involves understanding the likelihood that someone lives much longer than average after reaching retirement age, as well as the likelihood of living only a short while. The 2024 *P-Fin Index* survey included three multiple-choice questions indicative of longevity literacy, each related to the distribution of life expectancy among 65-year-olds in the U.S. Figure 9 shows the questions asked with the response options for each (correct answers are highlighted) and the percentage of U.S. adults choosing each response.[12]

FIGURE 9. LONGEVITY LITERACY AMONG U.S. ADULTS

Life expectancy at age 65



On average in the U.S., how long will a 65-year-old man live?

- About 14 more years (age 79)
- **About 19 more years (age 84)**
- About 24 more years (age 89)
- Don't know

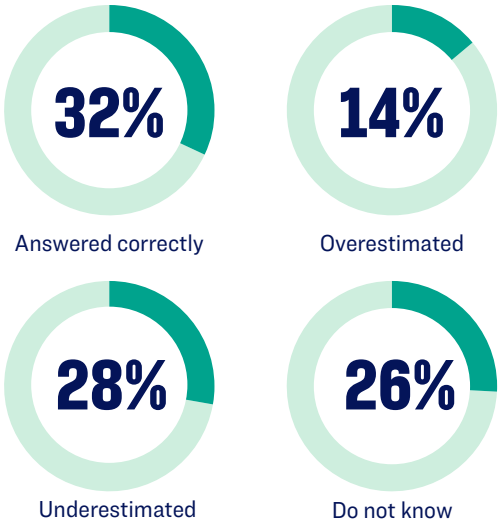
On average in the U.S., how long will a 65-year-old woman live?

- About 17 more years (age 82)
- **About 22 more years (age 87)**
- About 27 more years (age 92)
- Don't know

12 For consistency with previous reports on longevity literacy (Yakoboski et al., 2023a, 2023b), the following statistics refer to the total U.S. adult population.

FIGURE 9. LONGEVITY LITERACY AMONG U.S. ADULTS (CONTINUED)

Likelihood that a 65-year-old lives to 90



In the U.S., what is the likelihood that a 65-year-old man will live at least until age 90?

- About 10% (1 in 10)
- **About 30% (3 in 10)**
- About 50% (5 in 10)
- Don't know

In the U.S., what is the likelihood that a 65-year-old woman will live at least until age 90?

- About 20% (2 in 10)
- **About 40% (4 in 10)**
- About 60% (6 in 10)
- Don't know

Likelihood that a 65-year-old does not live past 70

In the U.S., what is the likelihood that a 65-year-old man will not live beyond age 70?

- About 1% (1 in 100)
- **About 5% (5 in 100)**
- About 10% (10 in 100)
- Don't know

In the U.S., what is the likelihood that a 65-year-old woman will not live beyond age 70?

- About 1% (1 in 100)
- **About 5% (5 in 100)**
- About 10% (10 in 100)
- Don't know

Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

Only 32% of adults correctly answered the question about how long a 65-year-old will live on average: 24% responded "don't know," 35% chose the response which underestimates life expectancy among 65-year-olds, and 9% chose the response which overestimates life expectancy.[13]

Reponses are very similar to the question about the likelihood that a 65-year old lives to an advanced age (age 90): 32% of adults answered correctly, 26% responded "don't know," 28% chose the response which underestimates the possibility, and 14% chose the overestimate response.[14] Regarding the likelihood that a 65-year-old dies relatively early (by age 70): 26% answered the question correctly, 34% responded "don't know," 30% chose the overestimate response,[15] and 10% chose the underestimate response.[16]

Figure 10 shows responses to the three questions among men and women and across generations. The only gender differences of note are that men more often underestimate age-65 life expectancy and more often overestimate the likelihood that a 65-year-old will not live beyond 70.

FIGURE 10. LONGEVITY LITERACY BY GENDER AND GENERATION

	U.S. adults	Men	Women	Gen Z	Gen Y	Gen X	Baby boomers	Silent Gen
On average in the U.S., how long will a 65-year-old man/woman live?								
Answered correctly	32%	30%	34%	28%	26%	32%	39%	40%
Overestimate	9%	8%	11%	8%	9%	8%	10%	17%
Underestimate	35%	40%	29%	36%	39%	36%	30%	23%
Do not know	24%	22%	26%	28%	26%	24%	21%	20%
In the U.S., what is the likelihood that a 65-year-old man/woman will live at least until age 90?								
Answered correctly	32%	34%	30%	33%	32%	29%	34%	28%
Overestimate	14%	13%	15%	12%	10%	14%	17%	21%
Underestimate	28%	29%	26%	23%	28%	31%	26%	25%
Do not know	26%	24%	28%	32%	29%	25%	23%	26%
In the U.S., what is the likelihood that a 65-year-old man/woman will not live beyond age 70?								
Answered correctly	26%	25%	27%	28%	27%	24%	27%	22%
Underestimate	10%	9%	12%	6%	9%	12%	12%	12%
Overestimate	30%	34%	26%	25%	29%	33%	32%	23%
Do not know	34%	32%	35%	41%	36%	31%	29%	42%

Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

13 These results are essentially unchanged from the 2023 *P-Fin Index* survey (Yakoboski et al., 2023b).

14 Again, these results are essentially unchanged from the 2023 *P-Fin Index* survey (Yakoboski et al., 2023b).

15 Overestimating the likelihood of early death is equivalent to underestimating average life expectancy and underestimating the likelihood of living to an advanced age in the sense that all underestimate lifespan.

16 Response options in the 2024 survey differed from those in the 2023 survey, so results can't be compared.

As for generational comparisons, the Silent Generation and baby boomers are most likely to correctly answer the average life expectancy question, while the Silent Gen is both most likely to overestimate and least likely to underestimate age 65 life expectancy. There are no significant generational differences in the likelihood of correctly answering the other two questions.

Aggregating responses across the three questions shows that very few adults demonstrate a complete understanding of the distribution of age 65 life expectancy. Even though the three questions were correctly answered by 32%, 32% and 26% of adults, there is little overlap among them—only 6% of adults correctly answered all three (Figure 11).

FIGURE 11. COMPOSITE LONGEVITY LITERACY LEVELS

Based on knowledge of:
- How long a 65-year-old will live on average
- Likelihood that a 65-year-old will live at least until age 90
- Likelihood that a 65-year-old will not live beyond age 70

	U.S. adults	Men	Women	Gen Z	Gen Y	Gen X	Baby boomers	Silent Gen
3 correct responses	6%	6%	7%	7%	5%	5%	8%	4%
No correct responses	43%	43%	43%	45%	45%	46%	39%	40%
3 "don't know" responses	18%	16%	19%	23%	20%	17%	14%	14%
3 responses that underestimate lifespan	8%	10%	6%	7%	9%	11%	6%	3%
3 responses that overestimate lifespan	2%	1%	2%	1%	1%	1%	2%	4%

Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

At the other end of the spectrum, 43% of adults answered none of the questions correctly. This includes 18% who responded "don't know" three times, 8% who answered all three questions with responses that underestimate lifespan at age 65, and 2% who answered all three questions with responses that overestimate lifespan at age 65. This indicates a fair amount of overlap among those responding "don't know" to the questions, but little overlap among those giving responses that underestimate lifespan at 65 or those giving responses that overestimate lifespan.

There is little difference between men and women—women are slightly more likely to respond "don't know" to all three questions while men are more likely to answer all three with the options that underestimate lifespan. Baby boomers and the Silent Generation are least likely to answer none of the three correctly; nonetheless, about 40% of each group does. Gen X and Gen Y are more likely than boomers and the Silent Generation to answer all three with the options that underestimate lifespan.

These findings, especially the fact that 43% of the U.S. adult population couldn't answer a single question correctly, are important given the retirement income security challenges confronting the United States. These challenges are heightened knowing that many adults lack longevity literacy, in addition to the well-established lack of financial literacy in America. Therefore, initiatives that help improve longevity literacy along with financial literacy can better promote retirement security.

Conclusion

Planning and preparing for retirement is multifaceted, covering such issues as how much to save and accumulate, when to retire, when to begin receiving Social Security benefits (which need not coincide with the beginning of retirement), how to convert savings into income to fund spending in retirement, and how much to spend over time. Such planning and preparing is difficult because of the inherent uncertainty involved, and maybe the most fundamental uncertainty is how long an individual will live in retirement.

Compounding the challenge is the reality that U.S. adults tend to have a very poor understanding of risk and uncertainty in the context of personal finances. Over eight years of the *P-Fin Index*, this has consistently been the area where functional knowledge is lowest.

In such an environment, expectations and perceptions will likely influence retirement-related decision-making. After all, while individuals don't know how long they'll live, they certainly have expectations about it and about when they'll retire. Examining this dynamic—the interaction of perceptions, expectations and decisions—provides insights that can better position retirement plan sponsors and providers to help workers make decisions that promote their retirement income security. Several findings stand out.

First, expected retirement ages vary little with expected lifespans, meaning that workers with longer expected lifespans generally don't intend to work longer than peers with shorter expected lifespans. This is noteworthy because retiring at an older age can promote retirement readiness in multiple ways—for example, additional time to save and grow existing savings, the potential for greater Social Security benefit payments, and less retirement spending in total because fewer years are spent in retirement. However, not all workers can realistically extend their working career due to the nature of their occupation. Also, retirements can be unexpectedly triggered by unforeseen circumstances. With that said, helping workers understand the difference that additional years of work can make in their retirement outcomes may influence their decisions and ultimately provide a significant boost to their financial security when they do retire.

Next, perceptions matter. No matter their accuracy, perceptions affect expectations and decisions. Worker perceptions of how long others tend to live directly influence how long they expect to live themselves. In other words, the lower an individual perceives population life expectancy to be in general, the shorter that individual's expected lifespan—and the fewer the individual's expected years in retirement. Such an individual is then at risk of accumulating inadequate financial resources for retirement. This should be a genuine concern given that one-third of all adults underestimate general life expectancy among 65-year-olds (and an additional one-quarter respond "don't know" to the question). Improving longevity literacy matters as well as financial literacy in the pursuit of retirement income security. Planning and preparing for retirement, and subsequently living in retirement, should be grounded in expectations based on accurate information, as well as an understanding of the uncertainty involved.

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Appendix – multivariate findings

FIGURE A1

Regression analysis Dependent variable: U.S. workers' expected retirement age in years	
Expected lifespan in years	0.084***
	(0.018)
Gender (Ref.: Male)	
Female	-0.584**
	(0.297)
Age (Ref.: Gen Z)	
Gen Y	0.723
	(0.518)
Gen X	1.226**
	(0.525)
Baby boomers	4.917***
	(0.573)
Race/Ethnicity (Ref.: White)	
Black	-1.211***
	(0.462)
Hispanic	-1.568***
	(0.430)
Asian	-1.109***
	(0.417)
Other	-0.113
	(0.856)
Education (Ref.: high school or less)	
Some college	0.178
	(0.415)
Bachelor's degree or higher	-0.171
	(0.421)

Regression analysis Dependent variable: U.S. workers' expected retirement age in years	
Income (Ref.: <$25K)	
$25–50K	-0.873
	(0.825)
$50–100K	-0.245
	(0.753)
>$100K	-1.655**
	(0.768)
Marital status (Ref.: married)	
Single	0.070
	(0.439)
Widowed/divorced/separated	0.708
	(0.502)
Children under age 18	
Yes	-0.255
	(0.329)
Constant	58.604***
	(1.679)
Observations	1,898
R-squared	0.120

Note: Estimated OLS regression coefficients are compared with the following reference values (Ref.): Male for the gender variable, White for the race/ethnicity variable, Gen Z for the age variable, household income of less than $25,000 for the income variable, having a high school degree or less for the educational attainment variable, and being married for the marital status variable. Robust standard errors in parentheses: *p<0.10, **p<0.05, ***p<0.01.
Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

FIGURE A2

Regression analysis Dependent variable: U.S. workers' expected years in retirement	
Expected lifespan in years	0.916***
	(0.018)
Gender (Ref.: Male)	
Female	0.584**
	(0.297)
Age (Ref.: Gen Z)	
Gen Y	-0.723
	(0.518)
Gen X	-1.226**
	(0.525)
Baby boomers	-4.917***
	(0.573)
Race/Ethnicity (Ref.: White)	
Black	1.211***
	(0.462)
Hispanic	1.568***
	(0.430)
Asian	1.109***
	(0.417)
Other	0.113
	(0.856)
Education (Ref.: high school or less)	
Some college	-0.178
	(0.415)
Bachelor's degree or higher	0.171
	(0.421)

Regression analysis Dependent variable: U.S. workers' expected years in retirement	
Income (Ref.: <$25K)	
$25–50K	0.873
	(0.825)
$50–100K	0.245
	(0.753)
>$100K	1.655**
	(0.768)
Marital status (Ref.: married)	
Single	-0.070
	(0.439)
Widowed/divorced/separated	-0.708
	(0.502)
Children under age 18	
Yes	0.255
	(0.329)
Constant	-58.604***
	(1.679)
Observations	1,898
R-squared	0.732

Note: Estimated OLS regression coefficients are compared to the following reference values (Ref.): Male for the gender variable, White for the race/ethnicity variable, Gen Z for the age variable, household income of less than $25,000 for the income variable, having a high school degree or less for the educational attainment variable, and being married for the marital status variable. Robust standard errors in parentheses: *p<0.10, **p<0.05, ***p<0.01.
Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

FIGURE A3

Regression analysis Dependent variable: U.S. workers' expected lifespan in years	
Age-65 general life expectancy (Ref.: correct)	
Underestimate	-3.087***
	(0.517)
Overestimate	6.453***
	(0.970)
Don't know	-1.601**
	(0.741)
Gender (Ref.: Male)	
Female	0.533
	(0.490)
Age (Ref.: Gen Z)	
Gen Y	0.251
	(0.899)
Gen X	-1.689*
	(0.947)
Baby boomers	0.547
	(0.993)
Race/Ethnicity (Ref.: White)	
Black	4.962***
	(0.882)
Hispanic	-0.027
	(0.730)
Asian	-1.200**
	(0.591)
Other	0.301
	(1.536)

Regression analysis Dependent variable: U.S. workers' expected lifespan in years	
Education (Ref.: high school or less)	
Some college	1.197
	(0.744)
Bachelor's degree or higher	2.981***
	(0.705)
Income (Ref.: <$25K)	
$25–50K	-2.015
	(1.601)
$50–100K	-0.749
	(1.473)
>$100K	0.537
	(1.481)
Marital status (Ref.: married)	
Single	-0.710
	(0.720)
Widowed/divorced/separated	-0.141
	(0.808)
Children under age 18	
Yes	-0.917*
	(0.550)
Constant	84.566***
	(1.734)
Observations	1,894
R-squared	0.128

Note: Estimated OLS regression coefficients are compared to the following reference values (Ref.): Male for the gender variable, White for the race/ethnicity variable, Gen Z for the age variable, household income of less than $25,000 for the income variable, having a high school degree or less for the educational attainment variable, and being married for the marital status variable. Robust standard errors in parentheses: *p<0.10, **p<0.05, ***p<0.01.
Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

FIGURE A4

Regression analysis Dependent variable: U.S. workers' expected years in retirement	
Age-65 general life expectancy (Ref.: correct)	
Underestimate	-3.185***
	(0.564)
Overestimate	6.498***
	(1.118)
Don't know	-0.976
	(0.814)
Gender (Ref.: Male)	
Female	0.987*
	(0.528)
Age (Ref.: Gen Z)	
Gen Y	-0.547
	(0.953)
Gen X	-2.848***
	(0.977)
Baby boomers	-4.543***
	(1.050)
Race/Ethnicity (Ref.: White)	
Black	5.682***
	(0.962)
Hispanic	1.414*
	(0.774)
Asian	-0.058
	(0.722)
Other	0.373
	(1.840)

Regression analysis Dependent variable: U.S. workers' expected years in retirement	
Education (Ref.: high school or less)	
Some college	0.933
	(0.789)
Bachelor's degree or higher	2.997***
	(0.777)
Income (Ref.: <$25K)	
$25–50K	-0.940
	(1.529)
$50–100K	-0.423
	(1.395)
>$100K	2.205
	(1.423)
Marital status (Ref.: married)	
Single	-0.792
	(0.788)
Widowed/divorced/separated	-0.893
	(0.821)
Children under age 18	
Yes	-0.615
	(0.591)
Constant	18.912***
	(1.656)
Observations	1,894
R-squared	0.127

Note: Estimated OLS regression coefficients are compared to the following reference values (Ref.): Male for the gender variable, White for the race/ethnicity variable, Gen Z for the age variable, household income of less than $25,000 for the income variable, having a high school degree or less for the educational attainment variable, and being married for the marital status variable. Robust standard errors in parentheses: *p<0.10, **p<0.05, ***p<0.01.
Source: *TIAA Institute-GFLEC Personal Finance Index* (2024).

About the authors

Paul Yakoboski is a senior economist with the TIAA Institute, where his research focuses on lifetime financial security, including issues related to financial literacy, longevity literacy, retirement saving and investing, and asset management during retirement. In addition, he researches workforce issues in the higher education and healthcare sectors. Prior to joining the TIAA Institute, Yakoboski held positions with the American Council of Life Insurers, the Employee Benefit Research Institute, and the U.S. Government Accountability Office. Yakoboski earned an MA and PhD in economics from the University of Rochester and a BS in economics from Virginia Tech.

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The Global Financial Literacy Excellence Center (GFLEC) is committed to advancing research and developing solutions that promote universal financial literacy. As part of Stanford University's Initiative for Financial Decision Making, GFLEC serves as a global hub for innovative research in financial literacy and personal finance. Founded in 2011 in Washington, D.C., the center is now housed at the Stanford Graduate School of Business, where it continues to develop tools to measure financial literacy and conduct research that informs educational programs, policy, and national strategies worldwide For more information, visit **www.gflec.org**.

FINANCIAL LITERACY AND RETIREMENT FLUENCY

New insights for improving financial well-being

The 2024 *TIAA Institute-GFLEC Personal Finance Index*

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Financial literacy, longevity literacy, and retirement readiness

The 2022 *TIAA Institute-GFLEC Personal Finance Index*

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Financial well-being and literacy in the midst of a pandemic

The 2021 *TIAA Institute-GFLEC Personal Finance Index*

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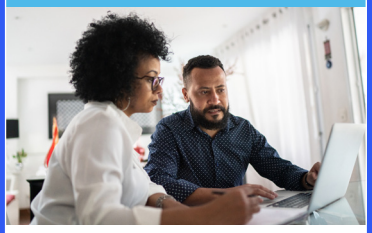

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Financial literacy and well-being in a five generation America

The 2021 *TIAA Institute-GFLEC Personal Finance Index*

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An unrecognized barrier to retirement income security: Poor longevity literacy

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The TIAA Institute-GFLEC Personal Finance Index: A New Measure of Financial Literacy

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Financial Literacy among U.S. Hispanics: New Insights from the *Personal Finance (P-Fin) Index*

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Millennial Financial Literacy and Fin-tech Use: Who Knows What in the Digital Era

New Insights from the 2018 *P-Fin Index*

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VOICES OF EXPERTISE AND EXPERIENCE

What we've learned from eight years of financial literacy data

Financial decisions touch every chapter of our lives, often with long-lasting consequences. Young adults have to think about college and how educational loans may impact them for decades to come, while older employees must decide how to turn their years of working into financially secure retirements. Indeed, every major life event—new job, marriage, the birth of a child, promotion—carries a financial component. Financial decisions are manifold, but one common factor links them: They're too often made with a limited understanding of basic financial concepts.

Many Americans struggle when answering a financial literacy quiz designed to assess overall personal finance knowledge and understanding. The TIAA Institute and Stanford University's Global Financial Literacy Excellence Center (GFLEC) partnered to collect this annual barometer of U.S. financial knowledge, and they've been following the results since 2017.[1] Eight years of the *TIAA Institute-GFLEC Personal Finance Index (P-Fin Index)* have taught us a lot.

Andrea Sticha, PhD
Stanford University
TIAA Institute Fellow

Every major life event carries a financial component.

Low financial literacy is persistent

Financial literacy among U.S. adults has remained stubbornly low over the past eight years. On average, Americans can answer only about half of the 28 questions in the quiz, which measures the knowledge needed for savvy financial decision-making on issues such as saving for retirement, managing debt or insuring against risks (see Figure 1). This is troubling given that the *P-Fin Index* gauges working knowledge required for the financial situations people routinely encounter during the normal course of life.

1 See Lusardi et al. (2017a) and Yakoboski et al. (2018a–2024). These reports are available on the TIAA Institute and GFLEC websites.

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Celebrating 8 years of the *P-Fin Index*

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