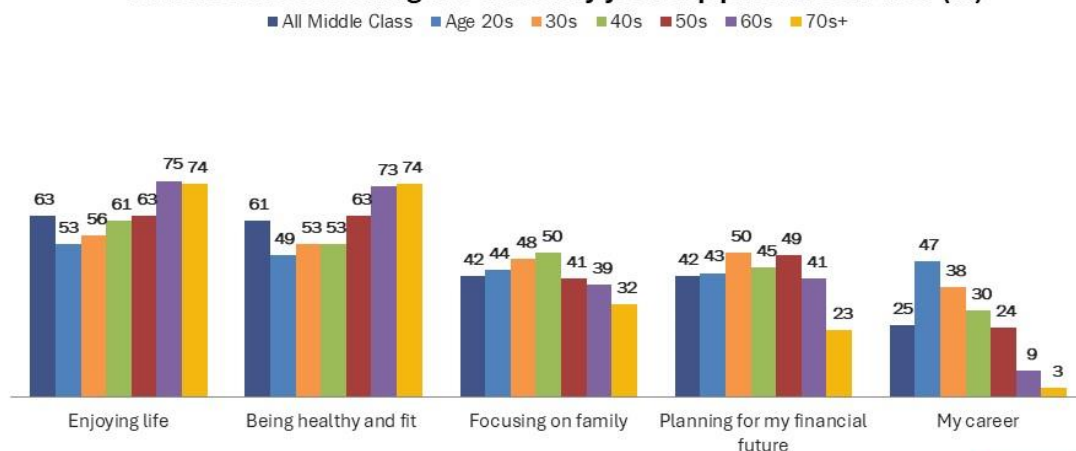


The American Middle Class and its Retirement Preparations, Prospects, and Perils

New report examines the road to retirement for people in the middle class across age ranges

LOS ANGELES – October 21, 2025 – More than six in 10 people in the American middle class cite enjoying life (63%) and being healthy and fit (61%) as top priorities in life, according to [*Retirement Throughout the Ages: The American Middle Class*](#), a survey-based research report published by nonprofit [Transamerica Center for Retirement Studies®](#) (TCRS) in collaboration with Transamerica Institute®. Other priorities include focusing on family (42%), planning their financial future (42%), and their career (25%). The report explores how priorities across age ranges influence the retirement outlook of the middle class.

Which of the following are currently your top priorities in life? (%)



Source: *Retirement Throughout the Ages: The American Middle Class*, nonprofit Transamerica Center for Retirement Studies, October 2025. See report for full set of response options for the survey question.

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“The middle class embodies the American dream, but their retirement outlook is unclear,” said [Catherine Collinson](#), CEO and president of Transamerica Institute and TCRS. “The middle class is working hard, caring for their families, and saving for the future while navigating an evolving economy, artificial intelligence (AI), the aging population and need for caregivers, and Social Security uncertainties.”

Twenties: Starting Strong but Strained

“Twentysomethings are under pressure. They’re embarking on careers, gaining financial footing, and worrying about technological advancements that may threaten their jobs. At the same time, many are being called upon to serve as caregivers for aging loved ones,” said Collinson.

Among people in the middle class, the survey finds:

- Almost half of twentysomethings cite their career as a top priority in life (47%). Eighty-six percent are employed or self-employed. Among those who are employed, one in three has two or more jobs (33%), and 58% have a side hustle. Fifty-two percent are worried that AI and robotics will make their job skills no longer needed. Fifty-five percent say they are having trouble making ends meet.
- Forty-three percent of twentysomethings are currently serving and/or have previously served as a caregiver for a relative or friend during their working career.
- More than three in four twentysomethings are saving for retirement in a 401(k) or similar plan and/or outside the workplace (77%). They started saving at age 21 (median).

- \$300k is the amount (median) that twentysomethings estimate they need to feel financially secure in retirement but, among those providing estimates, 47% guessed the amount. Only 17% say they have “a lot” of working knowledge about personal finance.
- Twentysomethings have saved \$43,000 in household retirement accounts (estimated median). Twenty-eight percent have taken an early withdrawal from a 401(k) or similar plan or IRA.

“Twentysomethings may be strained, but most are saving for retirement. They are getting a strong start with decades for their savings to compound and grow. However, they need to learn about personal finance because the better-informed decisions they make early on can have a long-term impact,” said Collinson.

Thirties: Focusing on Their Financial Future

“Thirtysomethings are progressing in their careers, starting families, serving as caregivers, and prioritizing finances. Yet, they can be doing more to strengthen their financial situations,” said Collinson.

Among people in the middle class, the survey finds:

- Half of thirtysomethings cite planning for their financial future as a top priority in life (50%).
- More than eight in 10 thirtysomethings are employed or self-employed (85%). Among those who are employed, 24% have two or more jobs, and 44% have a side hustle. Forty-six percent are worried that AI and robotics will make their job skills no longer needed.
- Four in 10 thirtysomethings are currently serving and/or have previously served as a caregiver for a relative or friend during their working career (41%).
- More than eight in 10 thirtysomethings are saving for retirement in a 401(k) or similar plan and/or outside the workplace (83%). They started saving at age 27 (median).
- \$500k is the amount (median) that thirtysomethings estimate they need to feel financially secure in retirement and, among those providing an estimate, 46% guessed the amount. Only 18% say they have “a lot” of working knowledge about personal finance, and 29% have a financial strategy for retirement in the form of a written plan.
- Thirtysomethings have saved \$54,000 in household retirement accounts (estimated median). Twenty-three percent have taken an early withdrawal from a 401(k) or similar plan or IRA.

“As thirtysomethings focus on their financial future, one of the most impactful things they can do is to create a financial plan and consult with a professional financial advisor, if needed. The financial plans they create today will serve as a roadmap throughout their working years and into retirement,” said Collinson.

Forties: Juggling Work, Family, and Finances

“Fortysomethings are in their sandwich years of juggling career, family, and finances. Out of necessity, they are making financial trade-offs between immediate needs and long-term goals. Most are saving for retirement, but many are at risk of falling behind,” said Collinson.

Among people in the middle class, the survey finds:

- Half of fortysomethings cite focusing on family as a top priority in life (50%).
- Eight in 10 fortysomethings are employed or self-employed. Among those who are employed (81%), 21% have 2 or more jobs, and 36% have a side hustle. Forty-four percent are worried that AI and robotics will make their job skills no longer needed.
- Almost four in 10 fortysomethings are currently serving and/or have previously served as a caregiver for a relative or friend during their working career (39%).
- Eight in 10 fortysomethings are saving for retirement in a 401(k) or similar plan and/or outside the workplace (80%). They started saving at age 30 (median).

- \$500k is the amount (median) that fortysomethings estimate they need to feel financially secure in retirement and, among those providing an estimate, 49% guessed the amount. Only 18% say that they have “a lot” of working knowledge about personal finance, and 24% have a financial strategy for retirement in the form of a written plan.
- Fortysomethings have saved \$73,000 in household retirement accounts (estimated median). Twenty-one percent have taken an early withdrawal from a 401(k) or similar plan or IRA.

“Fortysomethings are spread thin and could easily lose track of the time. Retirement is still a couple of decades away, but now is the time for them to formalize goals, create financial plans, make course corrections and seek the services of a professional advisor,” said Collinson.

Fifties: Entering the Retirement Danger Zone

“Fiftysomethings have entered the retirement danger zone. Many are falling short on their savings and their window of time before retirement is closing. The solution is to extend their working years, retire later in life, and save more. However, their ability to achieve success depends on factors that may be out of their control, such as health and access to employment opportunities,” said Collinson.

Among people in the middle class, the survey finds:

- Almost half of fiftysomethings cite planning for their financial future as a top priority in life (49%).
- Three in four fiftysomethings are employed or self-employed (76%), and 7% are now retired.
- Among those who are not yet retired, 32% are currently serving and/or have previously served as a caregiver for a relative or friend during their working career.
- Among those who are not yet retired, more than half expect to retire after the age of 65 or do not plan to retire (52%). However, only 44% are focused on performing well at their current job and 41% are keeping their job skills up to date.
- Almost eight in 10 fiftysomethings who are not yet retired are saving for retirement in a 401(k) or similar plan and/or outside the workplace (79%). They started saving at age 30 (median).
- \$600k is the amount (median) that fiftysomethings who are not yet retired estimate they need to save to feel financially secure in retirement and, among those providing an estimate, 55% guessed the amount. Just 21% have a financial strategy for retirement in the form of a written plan. Twenty-nine percent use a professional financial advisor.
- Among those who are not yet retired, fiftysomethings have saved \$112,000 in household retirement accounts (estimated median). Six percent have saved \$1,000,000 or more and 25% have saved less than \$50,000.

“Working longer can help bridge savings gaps but success is not guaranteed. Fiftysomethings must be hypervigilant about safeguarding their health and keeping their job skills up to date. It is also critical that they create a financial strategy for retirement that anticipates potential setbacks,” said Collinson.

Sixties: Retiring Ready or Not

“Sixtysomethings are exiting the workforce and prioritizing enjoyment of life. Some are retiring or are already retired, while others have plans for continued work. The question is whether they were financially ready to retire,” said Collinson.

Among people in the middle class, the survey finds:

- Three in four sixtysomethings cite enjoying life as a top priority (75%), and 89% indicate they are enjoying life.
- More than half of sixtysomethings are retired (52%) and 40% are still working. Among those who are not yet retired, almost half (49%) expect to retire at age 70 or older or do not plan to retire.
- Forty-six percent of sixtysomethings cite Social Security being reduced or ceasing to exist and 43% cite outliving their savings and investments as greatest retirement fears. Four in 10 sixtysomethings (40%)

expect Social Security to be their primary source of retirement income.

- Less than three in 10 have a “a lot” of working knowledge about personal finance (29%). Only one in four has a financial strategy for retirement in the form of a written plan (25%). Forty-three percent currently use a professional financial advisor.
- \$277,000 is the amount saved by sixtysomethings who are not yet retired in household retirement accounts (estimated median). Sixteen percent have saved \$1,000,000 or more and 19% have saved less than \$50,000.
- \$203,000 is the amount sixtysomething retirees have in total household savings excluding home equity (estimated median). Sixteen percent have \$1,000,000 or more and 26% have less than \$50,000.

“During their transition from work to retirement, sixtysomethings should engage in retirement planning and work with a professional financial advisor, if needed. By learning expert strategies, they could potentially maximize their income and Social Security benefits, minimize their tax liability, and, ultimately, ensure their savings last their lifetime,” said Collinson.

Age 70 and Older: Enjoying Life and Focusing on Health

“People in their seventies and older are enjoying retired life and focused on maintaining their health. They are faring well financially, but they are unprepared to pay for long-term care if their health deteriorates,” said Collinson.

Among people in the middle class, the survey finds:

- Almost three in four people age 70 and older cite enjoying life and being healthy and fit as top priorities in life (both 74%) – and 89% say they are enjoying life.
- Eighty-six percent of people age 70 and older are retired and 12% are working. Retirees retired at age 65 (median). Among those who are not yet retired, almost four in 10 do not plan to retire (38%).
- Roughly four in 10 people age 70 and older cite declining health that requires long-term care (45%), cognitive decline, dementia, Alzheimer's Disease (39%), and losing their independence (39%) as greatest retirement fears.
- Only 16% of retirees are “very confident” they will be able to afford long-term care. Almost half (49%) plan to receive such care from family and friends, if care is needed, and 22% do not yet have plans.
- Only one in four people who are age 70 and older has a financial strategy for retirement in the form of a written plan (25%). Forty-seven percent currently use a professional financial advisor.
- \$157,000 is the amount saved by people who are age 70 and older who are not yet retired in household retirement accounts (estimated median). Eighteen percent have saved \$1,000,000 or more and 27% have saved less than \$50,000.
- Retirees who are age 70 and older have \$286,000 in total household savings excluding home equity (estimated median). Eighteen percent have \$1,000,000 or more and 19% have less than \$50,000.

“People in their seventies and older experience declines in health and may eventually need assistance with daily activities. For those who haven’t yet explored available options for long-term care, it is crucial to have family discussions, research care providers, and anticipate the cost of such care. A proactive approach can make transitions easier – versus waiting until a crisis when emotions are running high and options may be limited,” said Collinson.

A Call to Action

“The American middle class is the heartbeat of our nation’s society and economy. They are working hard and saving for the future, but their ability to achieve a financially secure retirement is hanging in the balance,” said Collinson. “People in the middle class need more support from policymakers, the financial services industry, and employers. A collaborative approach to implement solutions can ensure that the middle class has access to workplace retirement benefits, products and services, social safety nets, and the know-how that is required for success.”

[**Retirement Throughout the Ages: The American Middle Class**](#) is part of TCRS' [**25th Annual Retirement Survey**](#), one of the largest and longest-running surveys of its kind. The report examines the employment, personal finances, and retirement expectations and preparations of U.S. residents who are in the middle class, and it offers detailed comparisons by age range. Transamerica Institute and TCRS broadly define "middle class" as those with an annual household income between \$50,000 and \$199,999. The report is a follow up to [**The Retirement Outlook of the American Middle Class**](#) published in 2024. To download these reports and other research, visit www.transamericainstitute.org. Follow on [LinkedIn](#), [Facebook](#), and X [@TI_insights](#) and [@TCRStudies](#).

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Transamerica Center for Retirement Studies® (TCRS) is a division of Transamerica Institute®, a nonprofit, private operating foundation. TCRS conducts one of the largest and longest-running annual retirement surveys of its kind. The information provided here is for educational purposes only and should not be construed as insurance, securities, ERISA, tax, investment, legal, medical, or financial advice or guidance. Please consult independent professionals for answers to your specific questions.

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About the 25th Annual Transamerica Retirement Survey

The analysis contained in ***Retirement Throughout the Ages: The American Middle Class*** was prepared internally by the research team at Transamerica Institute and TCRS. It is based on an online survey conducted within the U.S. by The Harris Poll on behalf of Transamerica Institute and TCRS between September 11 and October 17, 2024, among a nationally representative sample of 10,009 adults including 5,369 adults with a household income of \$50,000 to \$199,999. Data was weighted where necessary for age by gender, race/ethnicity, region, education, marital status, household size, household income, and smoking status. Respondents were selected from among those who have agreed to participate in our surveys. The sampling precision of Harris online polls is measured by using a Bayesian credible interval and the worker sample data is accurate to within ± 1.2 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest. Percentages are rounded to the nearest whole percent. Note: Some questions have reduced bases, see full report for details.

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