

Social Security: The knowledge gap, pessimism, and no popular fix

The Social Security knowledge gap could affect retirement decisions, highlighting the need for comprehensive retirement education. Plan sponsors and advisors can help.

How much do workers know about Social Security?

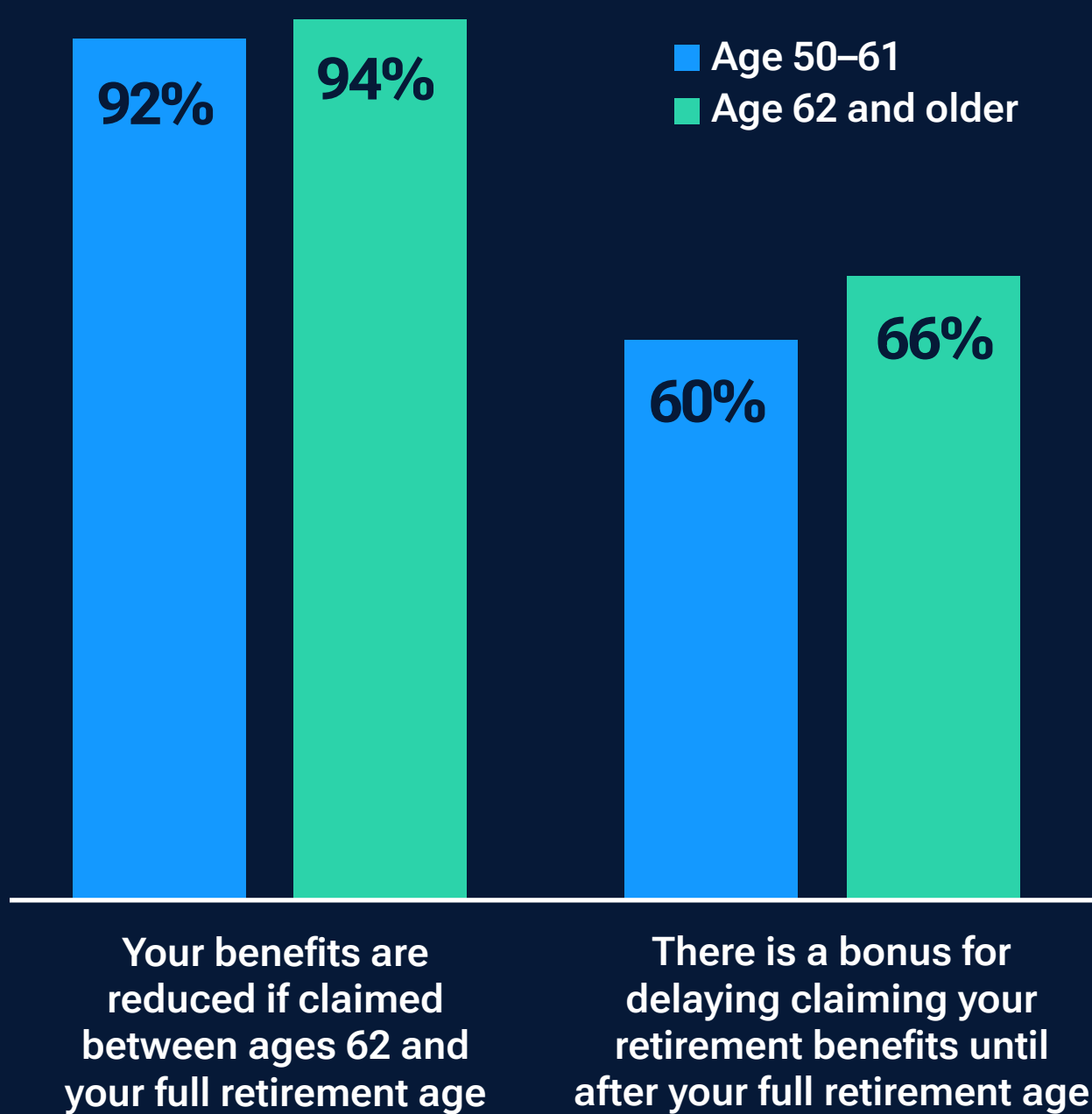
Most workers over age 50 did not know their full retirement age

Most knew that there is a penalty for claiming early, but far fewer understood the benefit of delaying until AFTER full retirement age

Only 1 in 3 of those between ages 50 to 61 knew their approximate Social Security benefit amount



Percentage of workers correctly identifying that the statements are true

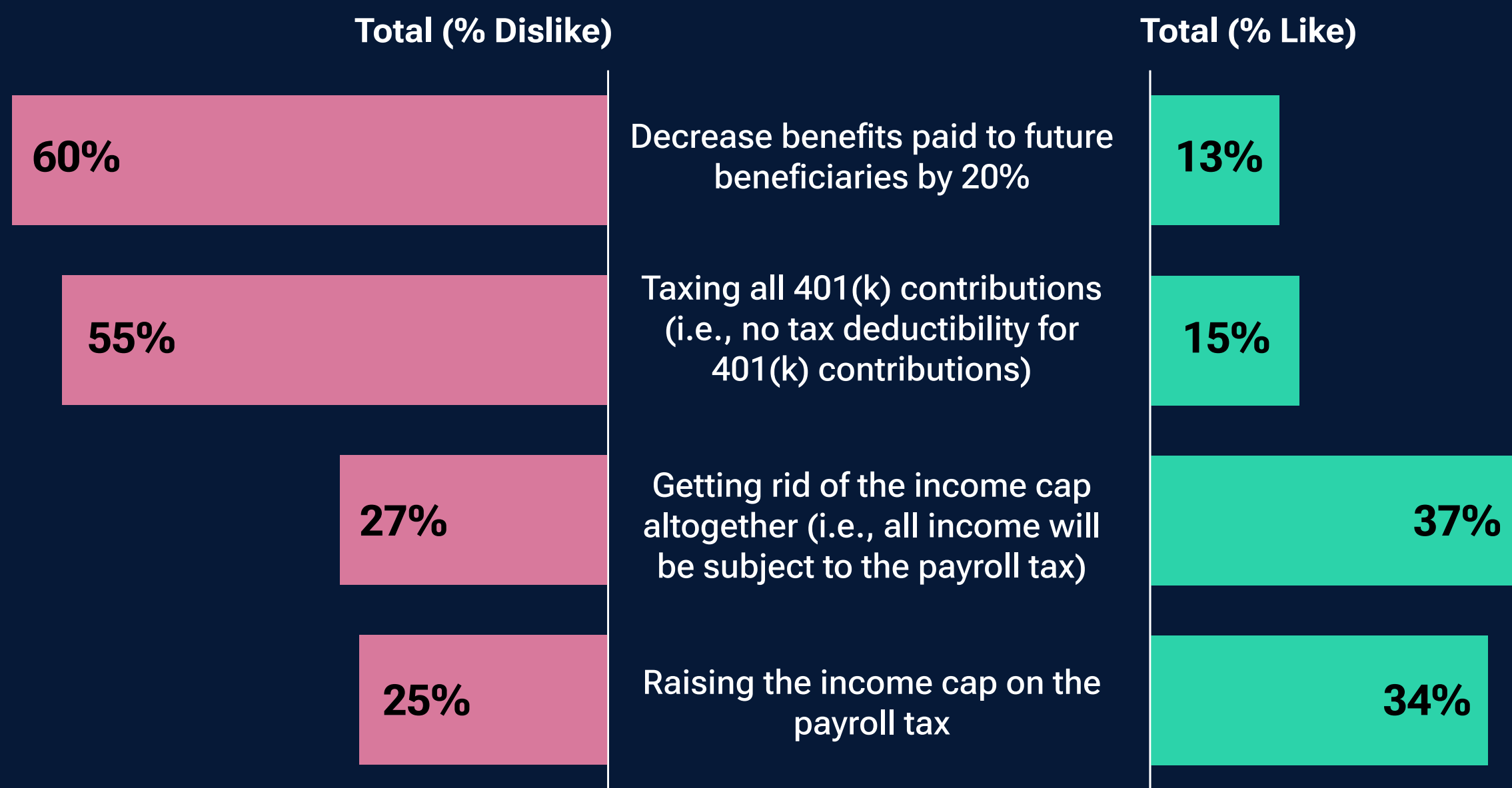


Source: T. Rowe Price 2024 Retirement Savings and Spending Study.

What do workers think about the future of Social Security benefits?

Only 38% expressed confidence in Social Security's ability to pay current scheduled benefits, but there is no consensus on how to fix it

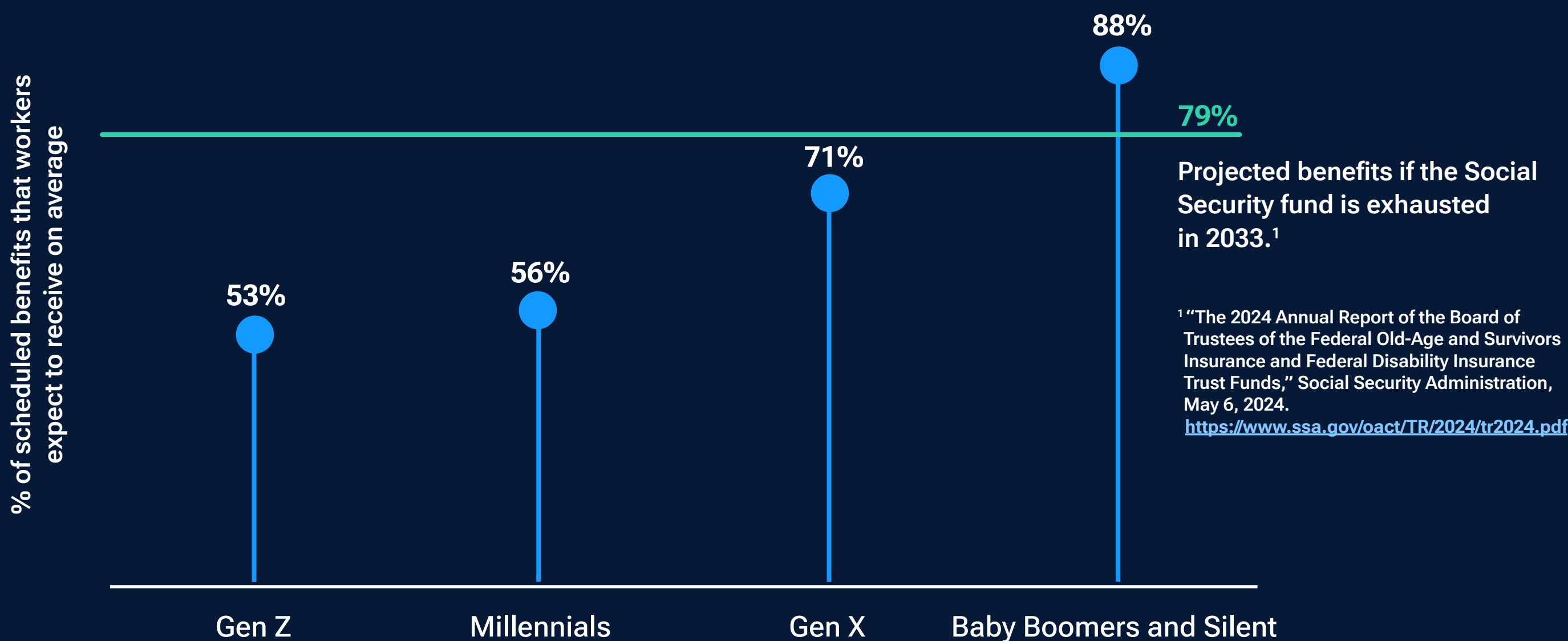
Most potential solutions to address Social Security's long-term outlook are unappealing



Source: T. Rowe Price 2024 Retirement Savings and Spending Study.

Younger workers may be too pessimistic about Social Security

Expected benefits versus projected benefits



Source: T. Rowe Price 2024 Retirement Savings and Spending Study.

Takeaways

For individuals

- Claiming age matters—retiring does not mean Social Security benefits must be claimed.
- Approach program changes cautiously and stay informed about potential benefit adjustments.

For plan sponsors

- Enhance education efforts to help address the widespread knowledge gap.
- Integrated guidance is important as retirement income solutions are closely linked to Social Security claiming strategies.
- Tools such as retirement income calculators can help with Social Security claiming decisions.

For advisors

- Comprehensive education and retirement strategies can demystify complex terms and provide customized claiming strategies.
- Integrating Social Security with other income sources—such as pensions, 401(k)s, and IRAs—can help clients optimize their overall retirement income.
- Reassure clients about Social Security's viability, and help clients make informed decisions without overreacting to uncertainties.

Explore more retirement trends in the [T. Rowe Price 2025 U.S. Retirement Market Outlook](#).

The T. Rowe Price 2024 Retirement Savings and Spending Study was conducted between July 17, 2024, and August 7, 2024. It included 3,005 401(k) participants, full-time or part-time workers who never retired, currently age 18 or older, and either contributing to a 401(k) plan or eligible to contribute and have a balance of \$1,000+. NMG Consulting administered the survey on behalf of T. Rowe Price.

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