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New Numbers on the Non-College Retirement Challenge



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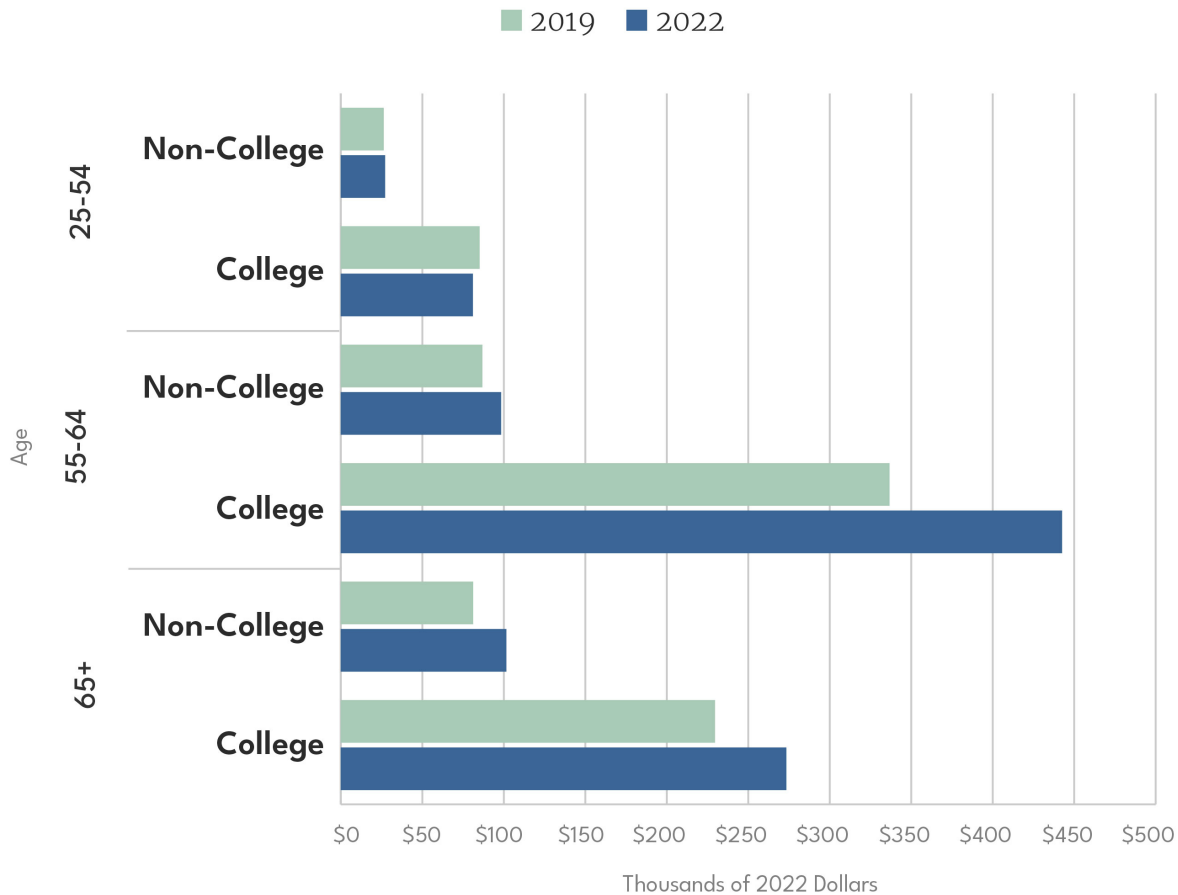
A college degree often determines how prepared—or not—Americans are for retirement.¹ Our [research](#) shows that retirees without a degree have lower incomes, fewer assets, poorer health, and are far more reliant on federal safety net programs. Newly released data from the Federal Reserve’s Survey of Consumer Finances sheds new light on the non-college retirement challenge. Three key trends emerged:

- **Non-college seniors have more savings than before the pandemic but are still falling behind the college educated.** In 2022, the typical non-college senior with retirement savings had \$102,000, compared to \$273,000 for those with a degree.² Since 2019, real retirement assets rose by \$20,000 for non-college seniors.³ But for seniors with a degree, retirement assets increased by \$40,000.⁴
- **Many non-college workers near retirement remain unprepared.** Between 2019 and 2022, the share of non-college workers ages 55–64 with some type of retirement account—including IRAs, 401(k) plans, and defined benefit pensions—fell slightly from 67% to 65%.⁵ And the percentage with any retirement savings dipped from 57% to 56%.⁶ In comparison, among college-educated workers approaching retirement, 90% had some type of retirement plan in 2022 and 83% had retirement savings.⁷

- Non-college workers aged 25–54 are still saving at much lower rates than those with a degree.** In 2022, 49% of workers without a four-year degree had retirement savings and 56% had some type of retirement plan. This is an improvement over 2019, when only 46% of non-college workers in this age category had any retirement savings and 53% had some type of retirement account. But the college-educated remained far ahead: 77% had retirement savings and 83% had a retirement plan.



Median Retirement Savings in 2019 and 2022



Source: Author’s calculations based on Board of Governors of the U.S. Federal Reserve System. “Survey of Consumer Finances.” Dataset, Federal Reserve, 2022, <https://www.federalreserve.gov/econres/scfindex.htm>. Accessed 25 Oct. 2023. Estimates are for households with retirement savings.

Overall, non-college seniors have slightly more savings, and younger non-college workers began saving at higher rates. However, those closest to retirement showed no signs of improvement. And the college-educated continued to demonstrate they may enjoy a leisurely retirement. As these data show, policymakers must continue working towards ensuring retirement security for all. Giving everyone the chance to save and have their employer chip in with Universal Private Retirement accounts would be a good step.

ENDNOTES

1. Colavito, Anthony. “Peaceful or Stressful? America has Two Kinds of Retirement.” *Third Way*, 12 Sep. 2023, <https://www.thirdway.org/report/peaceful-or-stressful-america-has-two-kinds-of-retirement>. Accessed 25 Oct. 2023.
2. Author’s calculations based on Board of Governors of the U.S. Federal Reserve System. “Survey of Consumer Finances.” Dataset, *Federal Reserve*, 2022, <https://www.federalreserve.gov/econres/scfindex.htm>. Accessed 25 Oct. 2023.
3. Author’s calculations based on Board of Governors of the U.S. Federal Reserve System. “Survey of Consumer Finances.” Dataset, *Federal Reserve*, 2022, <https://www.federalreserve.gov/econres/scfindex.htm>. Accessed 25 Oct. 2023.
4. Author’s calculations based on Board of Governors of the U.S. Federal Reserve System. “Survey of Consumer Finances.” Dataset, *Federal Reserve*, 2022, <https://www.federalreserve.gov/econres/scfindex.htm>. Accessed 25 Oct. 2023.
5. Retirement accounts include personal accounts like Individual Retirement Accounts, employer-sponsored defined contribution plans like 401(k)s, and employer-provided defined benefit plans such as a traditional pension. An individual is defined as having a retirement account if they or someone in their household owns one, is currently receiving payments from one, or has accrued the rights to one in the future.
6. Author’s calculations based on Board of Governors of the U.S. Federal Reserve System. “Survey of Consumer Finances.” Dataset, *Federal Reserve*, 2022, <https://www.federalreserve.gov/econres/scfindex.htm>. Accessed 25 Oct. 2023.
7. Author’s calculations based on Board of Governors of the U.S. Federal Reserve System. “Survey of Consumer Finances.” Dataset, *Federal Reserve*, 2022, <https://www.federalreserve.gov/econres/scfindex.htm>. Accessed 25 Oct. 2023.