

Financial Wellness Survey

2025

Presented by

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Thrift Savings Plan

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
tsp.gov

Agenda



Survey Overview



Financial Wellness



Retirement Confidence



Barriers to Saving for Retirement



Retirement Planning



Emergency Savings



Money Management Practices and Confidence



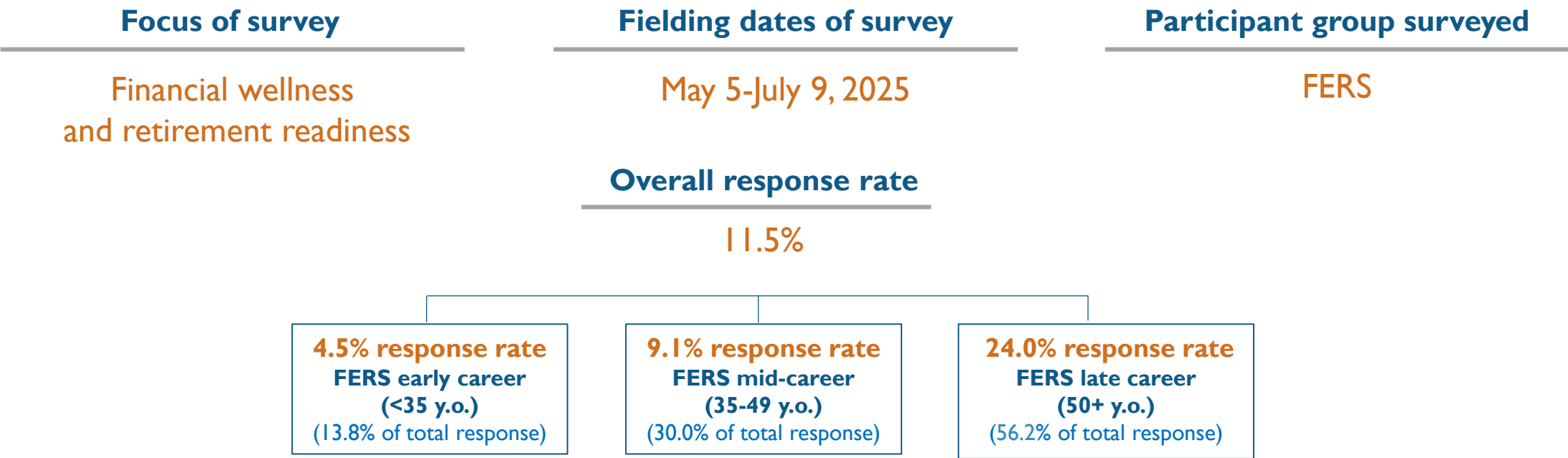
What the TSP Can Do To Help



Key Takeaways



Financial Wellness Survey Overview

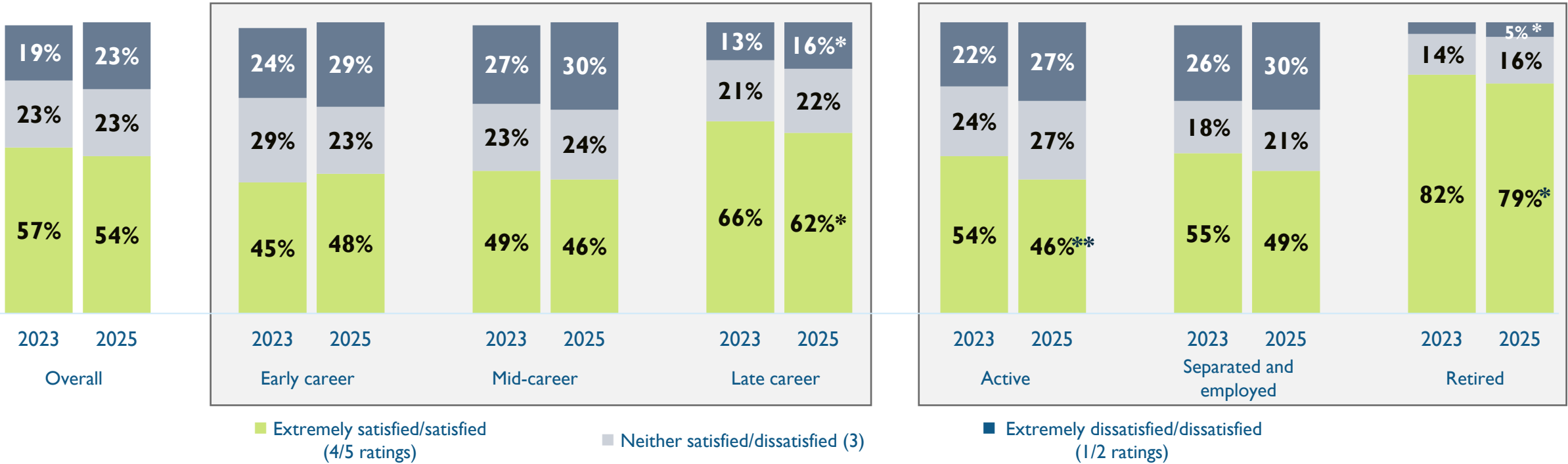


Key Takeaways

- The survey focused on financial wellness and retirement confidence.
- Survey was sent to 10,000 FERS participants across three career stages.
- Mail and web surveys were completed with postcard and email reminders.
- We oversampled early career cohort to increase number of respondents (more than twice as many as 2023).

Perceptions of Financial Wellness Increase With Tenure

Overall, thinking of your household's assets, debts and savings, are you satisfied or dissatisfied with your current financial condition?



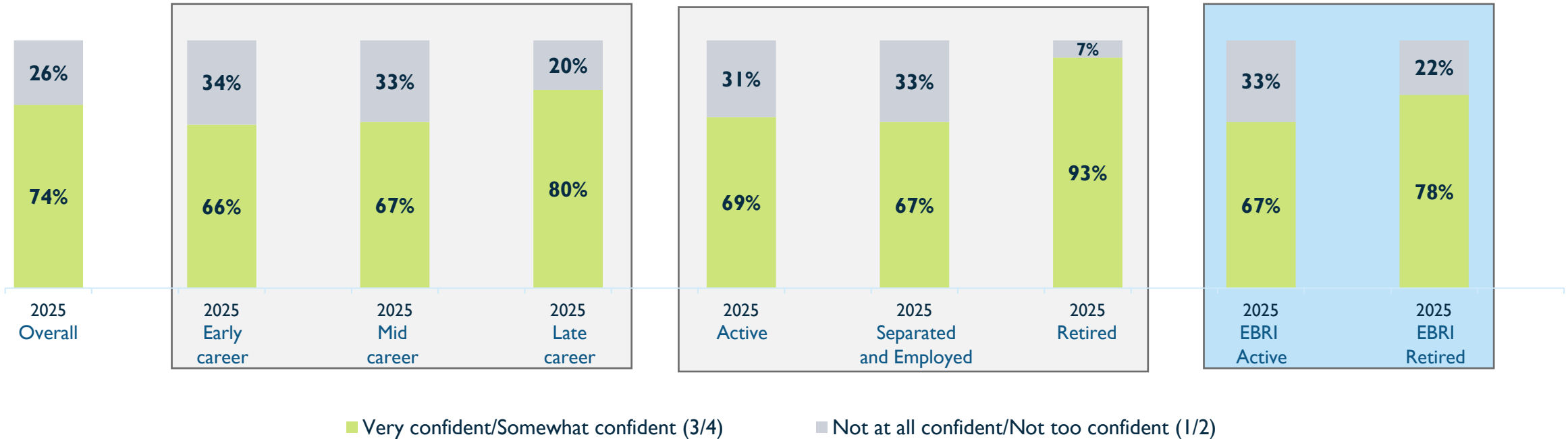
Key Takeaways

- Overall, more than half of participants are satisfied with their current financial condition.
- Late career and retired participants are more satisfied than other career groups.

*Indicates significant difference between groups
**Indicates significant difference compared to 2023

Retirement Confidence

Overall, how confident are you that you (and your spouse if you have one) have or will have enough money to live comfortably throughout your retirement years?



Key Takeaways

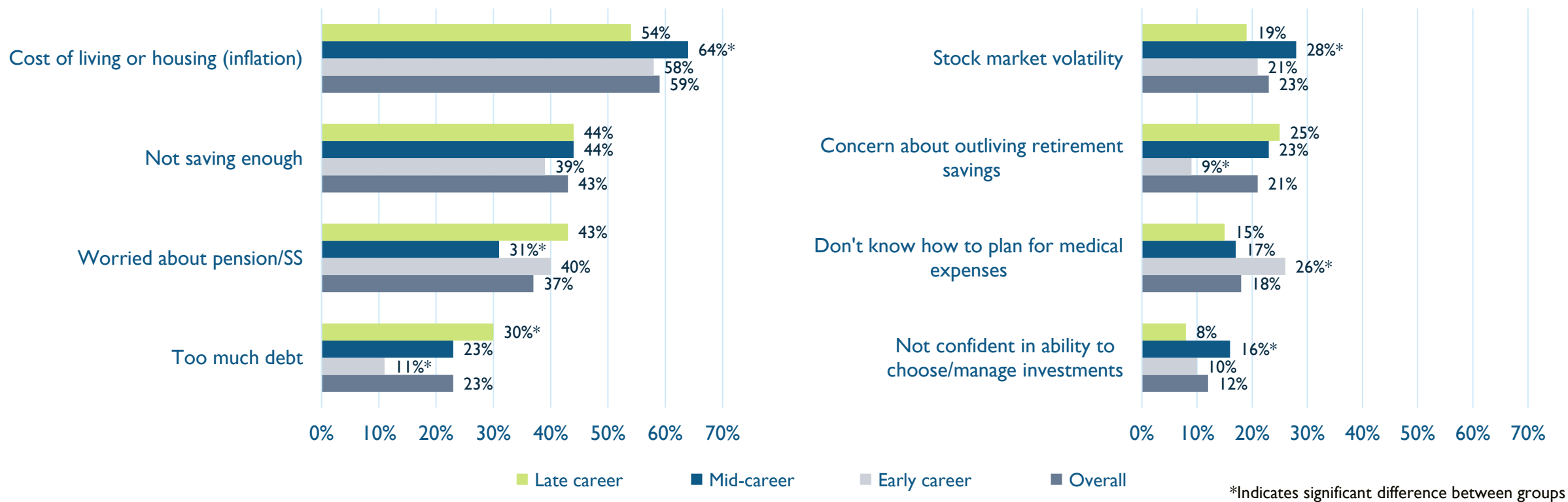
- Nearly three-quarters of all participants are confident or somewhat confident they are on track.
- Active TSP participants report confidence levels similar to other U.S. workers (based on an Employee Benefit Research Institute survey).

- TSP retirees are considerably more confident than their peers.

Note: Data may not total 100% due to “don’t know” responses and rounding. Percentages not shown if <5%.
EBRI data source: 2025 EBRI/Greenwald retirement confidence survey.

Barriers to Saving for Retirement (for Those Not Confident)

What are the primary reasons you are not confident that you have/are on track to have saved sufficient income for retirement? (Select up to three.)



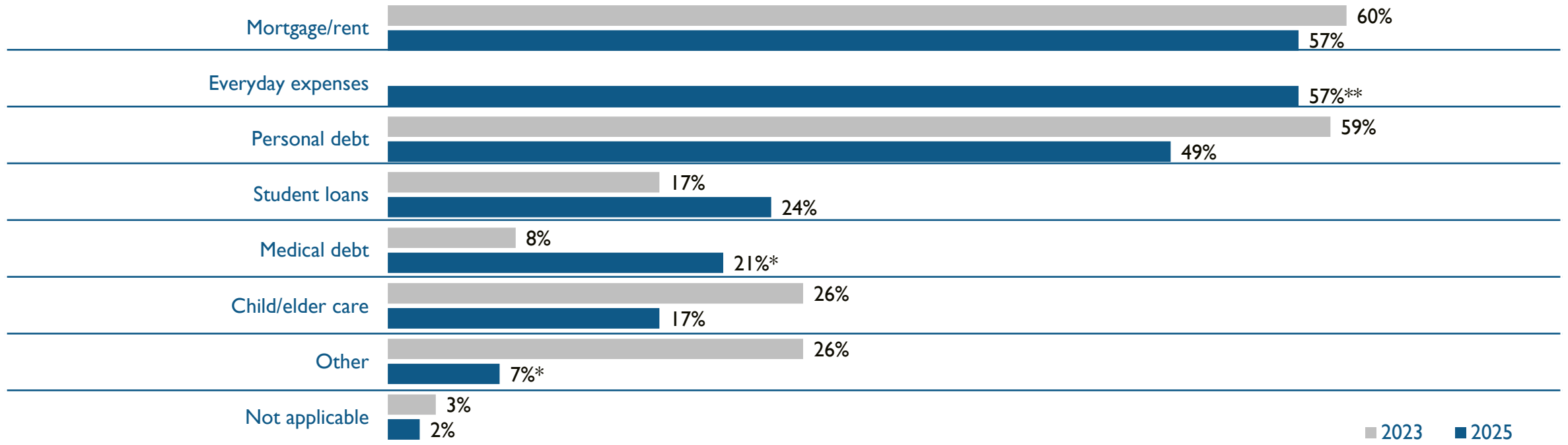
Key Takeaways

- Inflation and not saving enough are largest concerns.
- Concerns over pensions and Social Security were the third largest.
- Early career participants were less concerned about outliving their retirement savings but more concerned about not knowing how to plan for possible medical expenses.
- Late career participants were more likely to cite having too much debt.



Debts That Affect Retirement Saving (for Those Not Confident)

What kinds of debts and/or living expenses have most affected your ability to save as much as you would like for retirement? (Select up to three.)



Key Takeaways

- The top three debt categories preventing participants from saving as much as they want are housing, everyday living expenses and personal debt.
- Compared to 2023, significantly more participants reported that medical debt was affecting their ability to save as much as they would like for retirement.

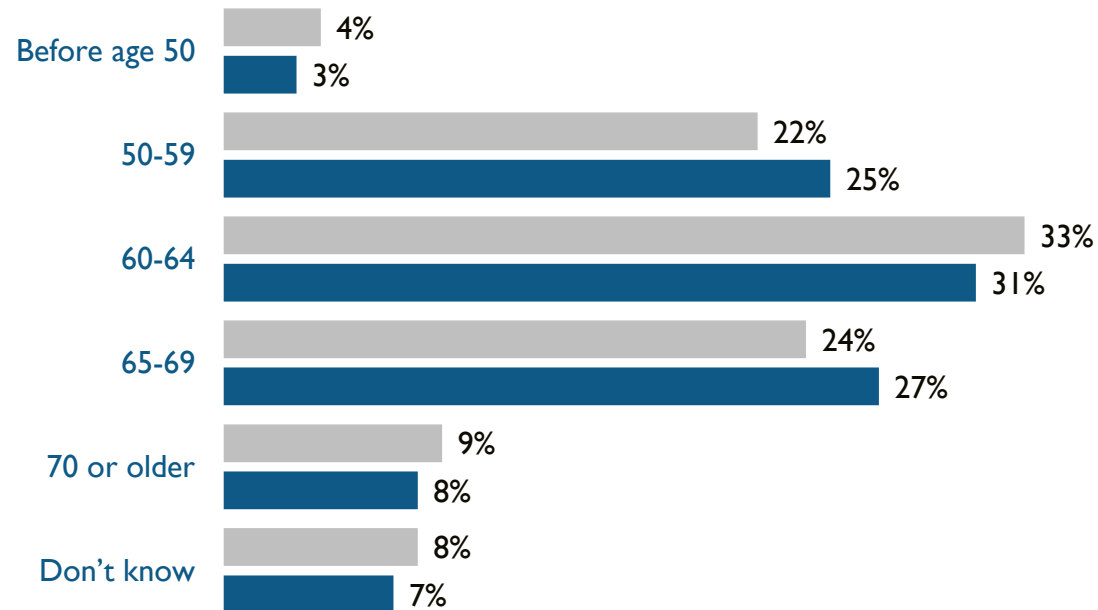
*Indicates significant difference compared to 2023

**Everyday expenses was not asked in 2023.

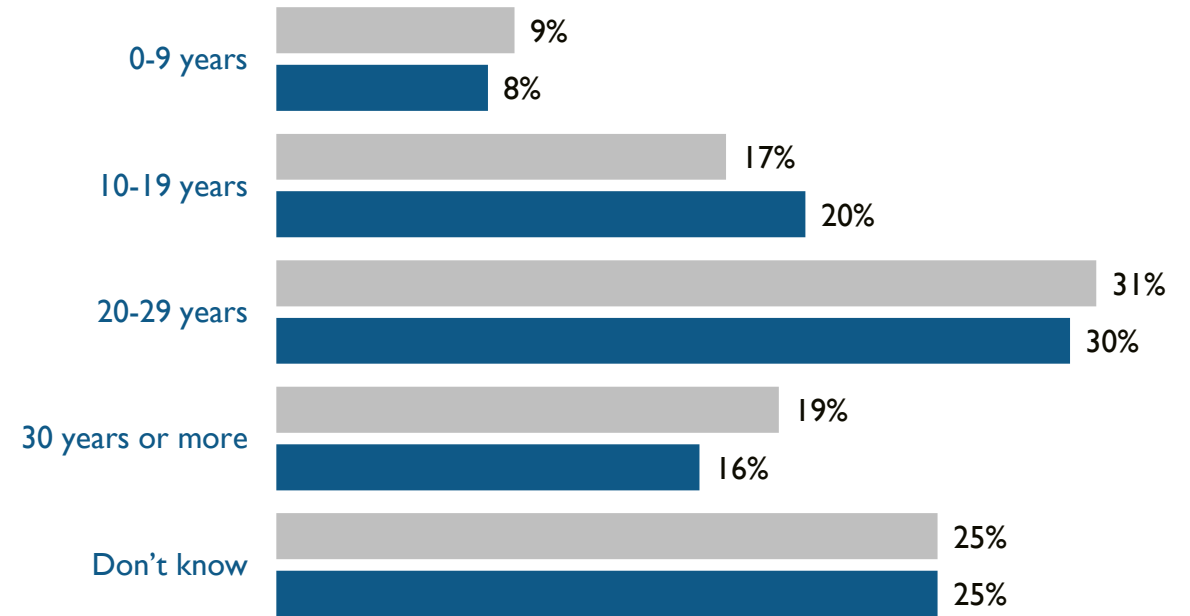


Retirement Planning: Retirement Age/Planning Horizon

At what age do you plan to/did you retire from full-time employment?



How many years do you think you will need your TSP to last in retirement?



■ 2023 ■ 2025



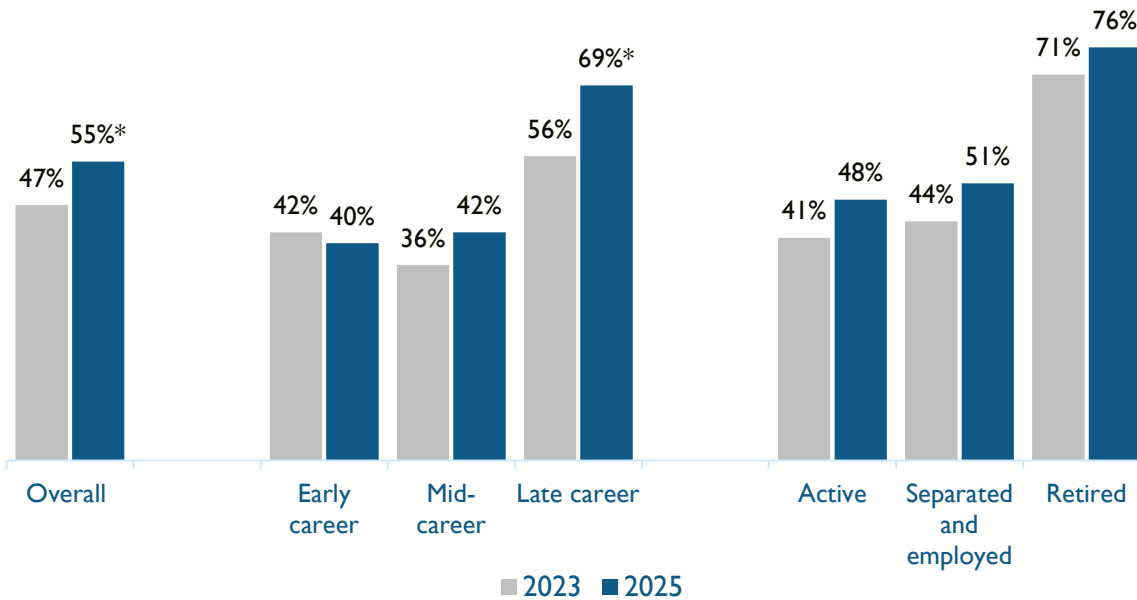
Key Takeaways

- Thirty-one percent of participants plan to retire between ages 60 and 64.
- Nearly half of participants say they need their TSP to last 20+ years.
- Twenty-five percent of participants don't know how long they expect to need their TSP to last in retirement, the same rate as in 2023.

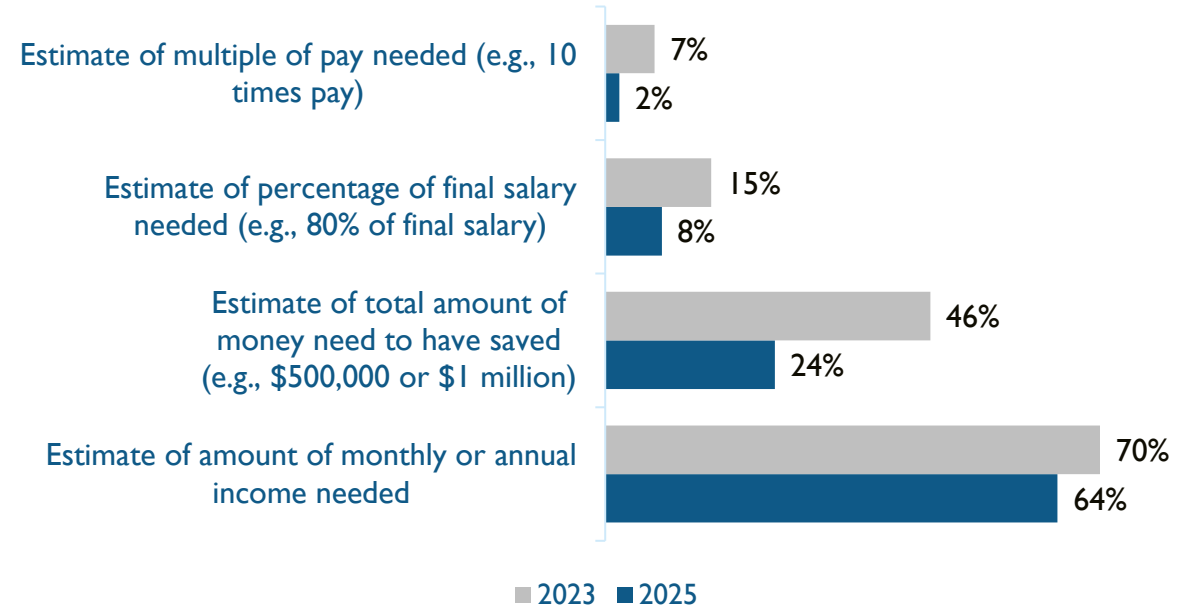


Retirement Planning: Amount Needed

Do you have an idea of how much money you need in retirement to retire comfortably? (% Who responded “Yes”)



How do you think about the amount of money you will need to retire comfortably? (n=667)



* Indicates significant difference between 2025-2023



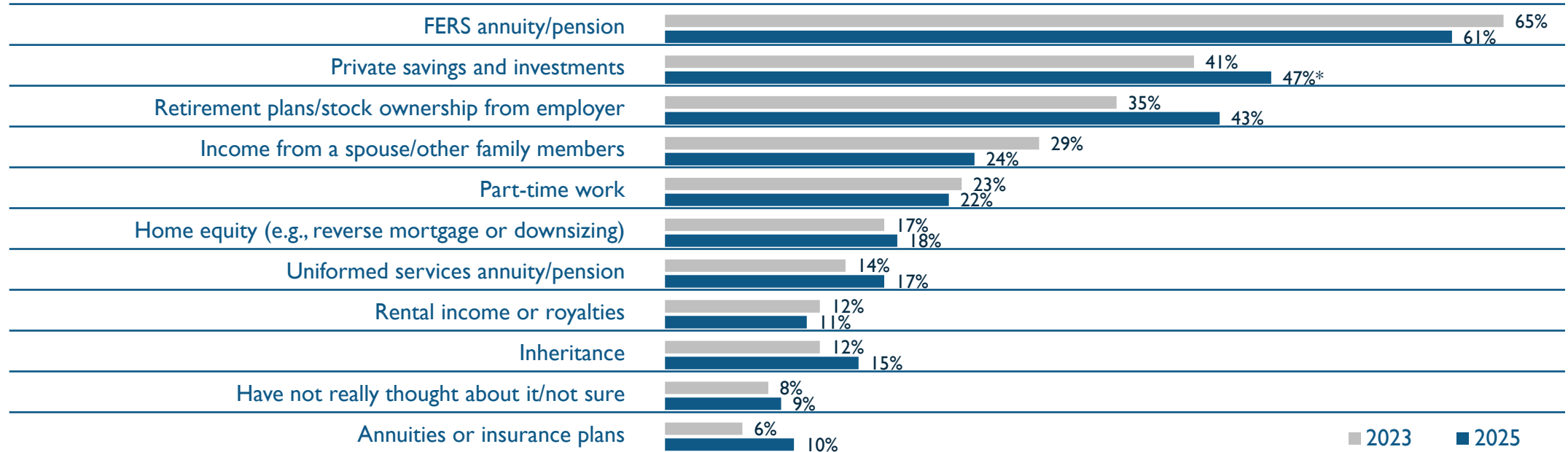
Key Takeaways

- Over half of participants feel they know how much they need for a comfortable retirement, significantly more than in 2023.
- 76% of those in retirement and 69% late in careers have an idea of how much they need for a comfortable retirement.

- Late-career participants are more likely to have an idea of how much money they need to retire comfortably in 2025 than they did in 2023.
- Overall, most indicate they think about their retirement saving needs in terms of monthly or annual amounts.

Retirement Income Sources

In addition to your TSP and Social Security, select the sources of income that you currently have or plan to have during retirement?



Key Takeaways

- Outside of the TSP and Social Security, the FERS annuity is the top source of retirement income.
- Nearly half report having private savings/investments to provide additional retirement income, an increase from 2023.

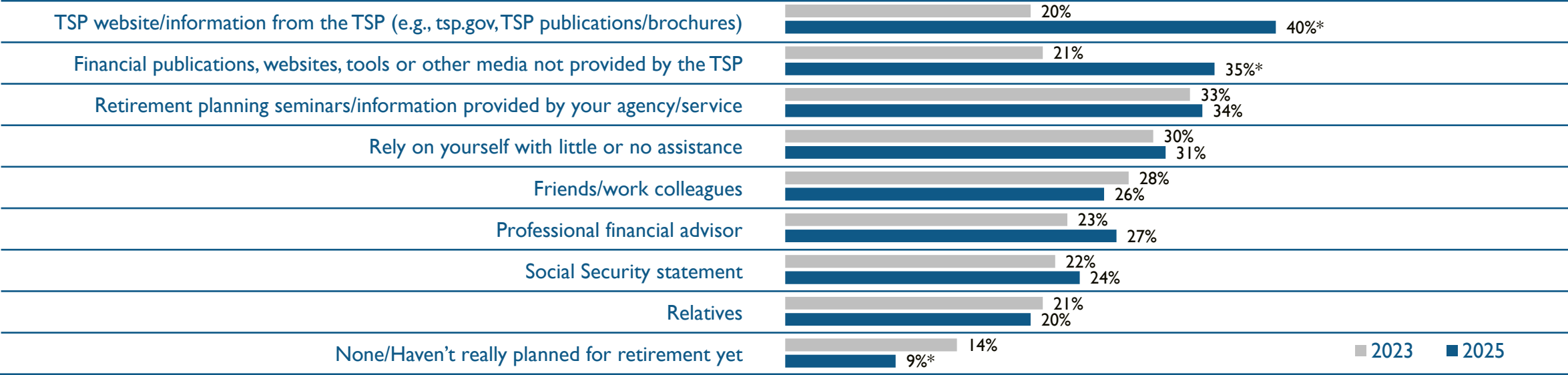
*Indicates significant difference compared to 2023

- Just 9% of all FERS participants haven't thought about this question.



Where do participants seek retirement planning guidance?

What are your top three sources of information for retirement planning guidance? (Select up to three options.)



*Indicates significant difference compared to 2023

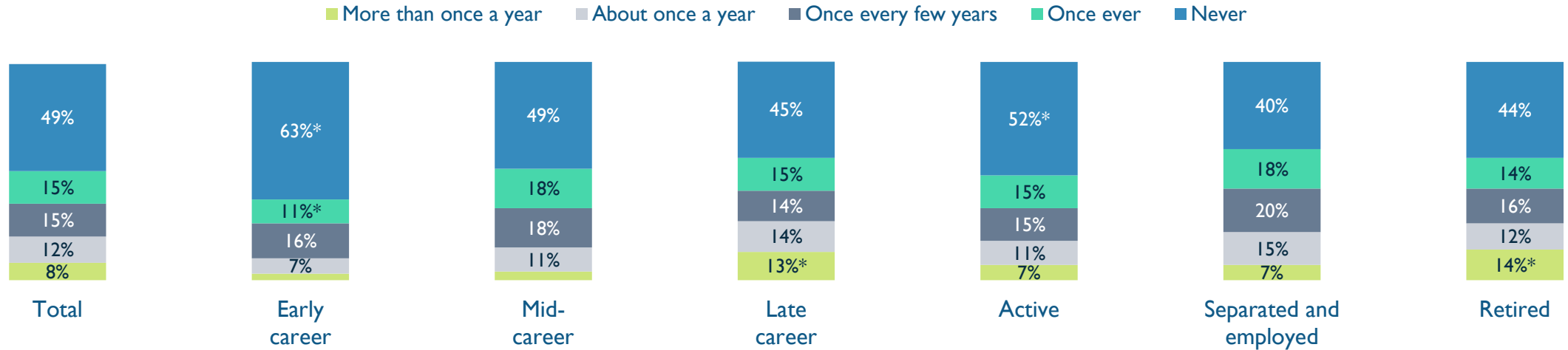


Key Takeaways

- Four in 10 participants use the TSP as a top source of information for retirement planning guidance, double 2023's percentage.
- Compared to 2023, more participants rely on publications outside the TSP.
- Over one-quarter of participants use financial advisors.
- Compared to 2023, participants are about one-third less likely to say they haven't planned for retirement yet.

Frequency of Advisor Interactions

How often, if ever, do you receive retirement planning advice from a professional financial and/or retirement planning advisor?



Frequency of Receiving Retirement Planning Advice

*Indicates significant difference between groups

Note: Data may not total 100% due to "don't know" responses and rounding.

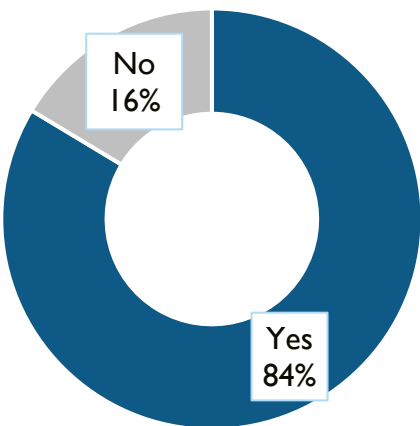


Key Takeaways

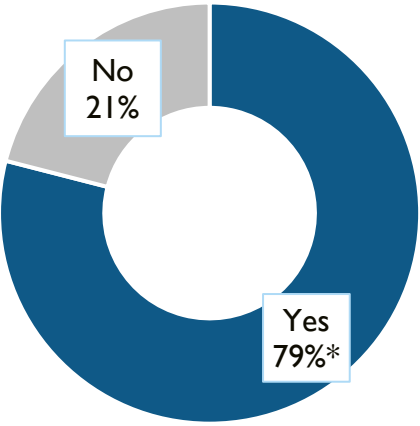
- Early-career and active participants are more likely than other groups to have never met with a financial or retirement planning advisor.
- Late-career and retired participants are more likely than other groups to receive professional retirement planning advice more than once a year.

Emergency Savings

Do you have savings or a fund set aside for emergencies?

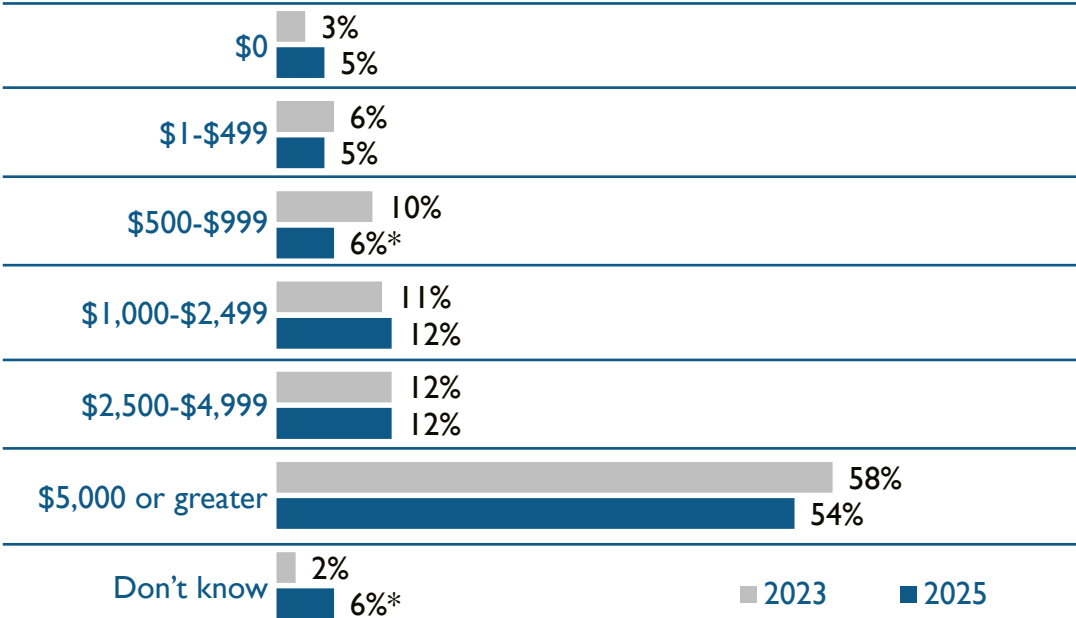


2023



2025

About how much of an unexpected one-time expense could you handle without taking out a loan, using a credit card or otherwise borrowing money to pay for it?



*Indicates significant difference compared to 2023



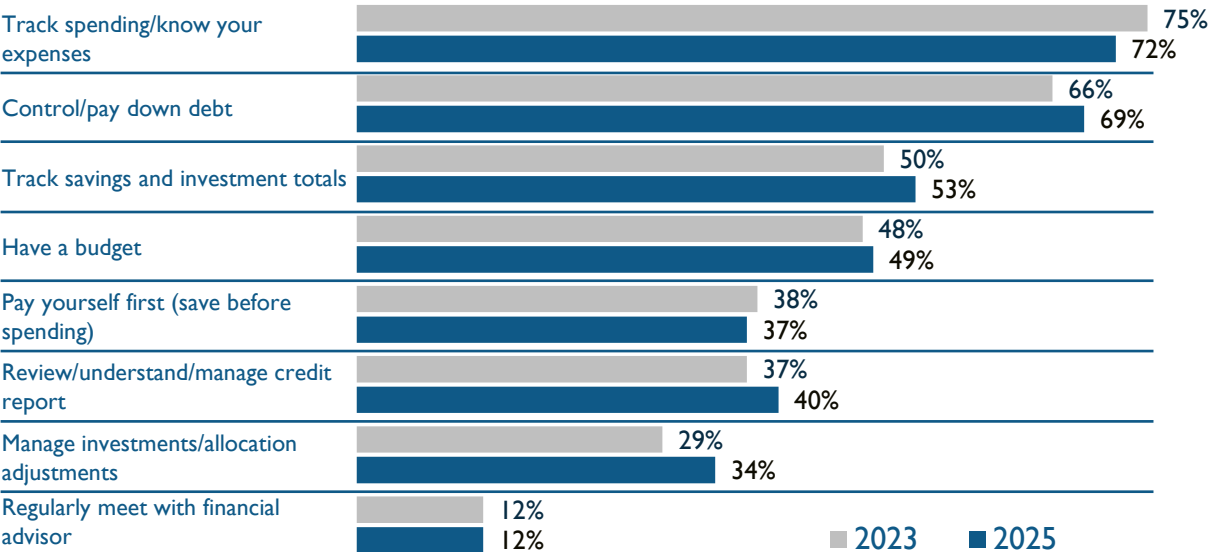
Key Takeaways

- Most participants (79%) report having an emergency fund, though this is slightly lower than 2023 (84%).
- Fifty-four percent report being able to handle a \$5,000+ expense.

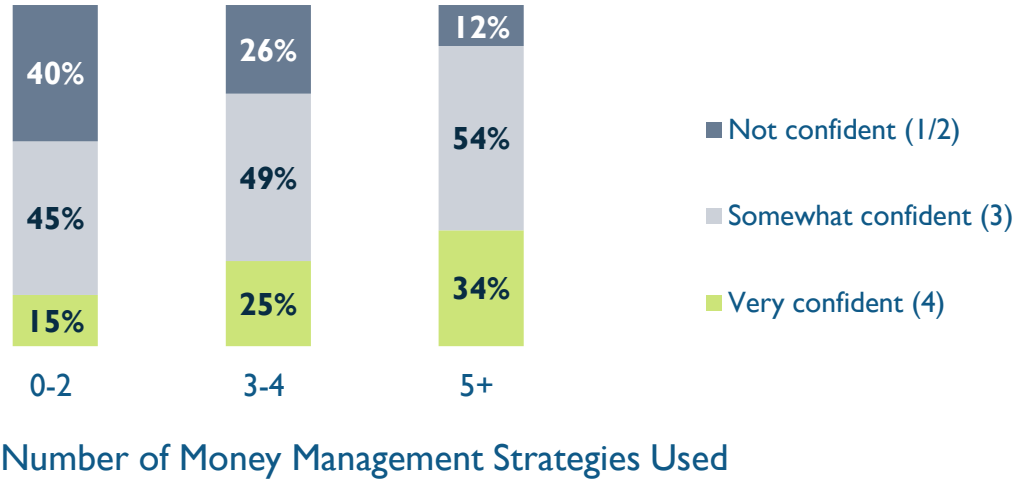
Note: Data may not total 100% due to “don’t know” responses and rounding.

Money Management Practices and Confidence

Which, if any, of the following money management practices do you use?
(Select all that apply.)



Overall, how confident are you that you (and your spouse if you have one) have/will have enough money to live comfortably throughout your retirement years?



Note: Percentages not shown if <5%.

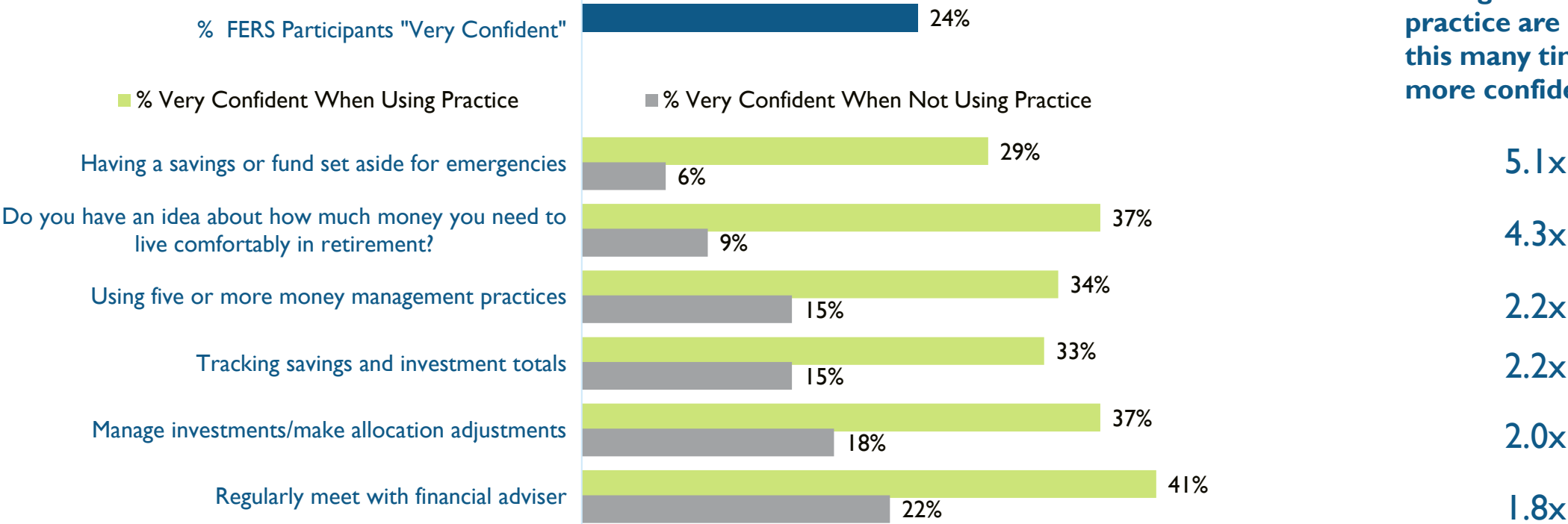


Key Takeaways

- Nearly three-quarters of participants are tracking their spending, and over two-thirds are paying down debt.
- 2023 and 2025 showed similar patterns of management practices.
- The more money management practices they use, the more likely respondents are to be confident in a comfortable retirement, though one doesn't necessarily cause the other.

Key Drivers of Extreme Confidence

Participants who use this money management practice are this many times more confident*:



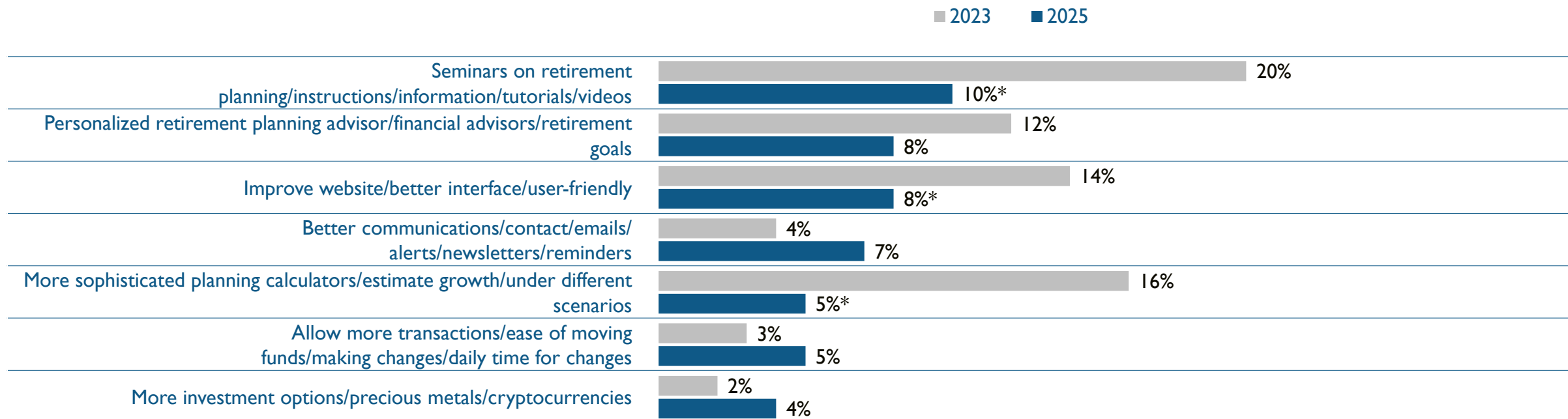
Key Takeaways

*Numbers may not be exact due to rounding

- Top two practices driving participants to be "very" confident: having an emergency fund and having an idea of how much money they'll need to live comfortably in retirement.
- Using more money management practices was associated with greater confidence. The most important money management practice associated with confidence was tracking savings and investment totals.
- These results emphasize the importance of setting a retirement goal and being engaged with managing finances and retirement planning.

What the TSP Can Do to Help

What can the TSP do, or provide, to assist you in understanding and reaching your retirement goals? (Open-ended response) (n=504)



*Indicates significant difference compared to 2023



Key Takeaways

- While lower than last year, top responses include more seminars on retirement planning, more personalized retirement planning, and making the website more user-friendly.
- The requests for more sophisticated planning calculators, seminars and improving the website have decreased since 2023.



Key Takeaways

Nearly three-quarters of participants are confident they are on track for retirement. Confidence for both active participants and retirees is higher than the general working population as measured in both the 2025 EBRI survey and the annual Gallup Financial Wellness Poll.

Financial wellness and retirement confidence increase with tenure. Retirees' perceptions are generally more positive than those of active employees.

Among participants with an idea of how much they need to retire comfortably, most think about the amount in terms of monthly or annual income. The second most common strategy is to estimate a total dollar amount.

Key Takeaways

42% of active participants have private savings/investments and 39% have retirement plans or stock ownership from a current or previous employer.

A majority of participants have an emergency fund and indicated that they could sustain an unexpected expense.

Key drivers of participant confidence in retirement include having an emergency fund and having an idea of much money is needed.

We help people retire with dignity

