MO DEFERRED COMP

SIMPLY PUT

Retirement Savings Education, Simplified · Third Quarter 2026 Newsletter

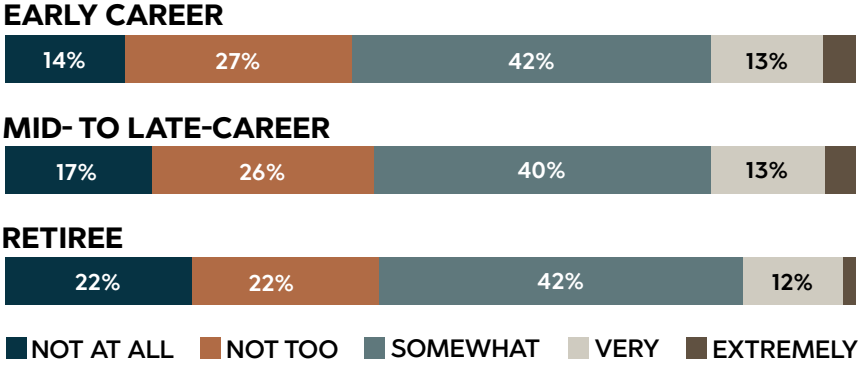
How State of Missouri Employees Think, Plan and Prepare for Retirement:
Four Key Retirement & Savings Survey Takeaways

1 Retirement Doesn't Automatically Bring Financial Confidence

About two in five early-career (41%) and mid- to late-career (43%) employees are not confident they are saving enough for retirement. That uncertainty continues after leaving the workforce. Among retirees with less than $100,000 saved, 44% are not confident they saved enough.

While employees tend to understand their retirement benefits better as their careers progress, that knowledge doesn't always translate into financial confidence.

How confident are you that you saved enough money to be financially prepared throughout your retirement?



2 Most Employees Haven't Done the Math

More than half of early-career (58%) and mid- to late-career (57%) employees haven't calculated how much they should be saving. And roughly seven in ten don't know how much of their retirement income will come from their pension and Social Security.

In fact, 37% of early-career employees aren't sure what their primary source of retirement income will be. Among the retirees surveyed, defined benefit pensions (45%) and Social Security (34%) are the most commonly reported primary income sources.

About the Surveys

In 2026, MO Deferred Comp conducted three online Retirement and Savings Surveys, gathering feedback from more than 7,600 employees and retirees on saving, financial confidence, retirement planning and benefits.

AWARENESS SURVEY

1,423

Active employees age 35 and under

READINESS SURVEY

5,567

Active employees age 36 and older

RETIREE SURVEY

2,102

Terminated employees with a balance age 47 and older

Unless otherwise noted, retiree results include only those with less than $100,000 saved across all retirement accounts. While not representative of all retirees, their experiences provide valuable insight into retirement challenges and opportunities for education and support.

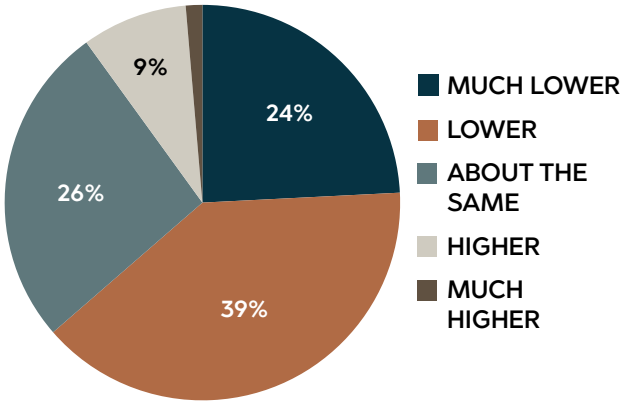
3 Retirement Expenses May Be Higher Than Expected

Among retirees with less than $100,000 saved, 70% say their defined benefit pension and Social Security are either barely enough to cover expenses (32%), require them to dip into savings (24%), or leave them relying on family for financial support (14%).

And those expenses are not necessarily shrinking. In fact, 44% say their expenses are higher than when they were working, while another 38% say they are about the same.

Despite financial challenges, fewer than half of mid- to late-career employees (45%) and just 30% of early-career employees have met with a MO Deferred Comp financial education professional.

How does your current retirement income (defined benefit pension, Social Security, & savings) compare to your pay while working?



4 Retirement Doesn't Always Go According to Plan

Among the retirees surveyed, only 49% retired when they originally planned. Another 40% retired earlier than expected, while 11% retired later.

For those who retired early, the most common reasons were job dissatisfaction, job loss or organizational changes (38%), followed by health or family circumstances (34%). Just 8% retired early because they felt financially ready.

Meanwhile, many current employees expect to continue working in retirement, including 38% of early-career and 45% of mid- to late-career employees.

Why have you delayed your retirement?

21%
HEALTH INSURANCE PREMIUMS ARE TOO HIGH IN RETIREMENT.

18%
I CANNOT AFFORD TO RETIRE.

Reminder! New Roth Catch-Up Rules for 2026

Are you age 50 or older and earning more than $150,000 a year? New IRS rules may affect how you save for retirement. Beginning in 2026, employees whose 2025 Social Security (FICA) wages exceeded $150,000 must make any age-based catch-up contributions to MO Deferred Comp on an after-tax Roth basis. Regular contributions can still be made pre-tax or Roth. Learn who is affected, what the changes mean, and what steps you may need to take.

What We Learned, Where We Go Next

The survey results tell an important story: saving for retirement is only part of the equation. Understanding how much you will need, knowing where your retirement income will come from, and preparing for the unexpected are just as important. Whether you are just starting your career, approaching retirement, or somewhere in between, it's never too early or too late to take a closer look at your financial future. MO Deferred Comp is here to help with simple savings tools, educational resources, and personalized guidance to help you make informed decisions and feel more confident about retirement.