These Are Americans' Top Questions About Retirement. Do You Know the Answers?

Edited by Becca Stanek

Edited by Patrick Villanova, CEPF®

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Many Americans are unsure how to approach retirement planning, and new data helps explain why. In Northwestern Mutual's 2025 Planning & Progress Study,[1] 43% of adults said that one of their top questions is how much money they'll need to retire comfortably. Others worry about the future of Social Security, inflation during retirement and the risk of outliving their savings. These findings offer a snapshot of the concerns shaping retirement decisions today.

A financial advisor can answer your retirement questions and help you create a plan to retire with confidence. Connect with an advisor.

America's Top Questions About Retirement

Retirement continues to raise more questions than answers for many Americans. The Northwestern Mutual study asked respondents to identify their top three questions associated with retirement, revealing widespread uncertainty about savings targets, government programs, taxes, market volatility and healthcare costs.

Here are the nine most common questions Americans have about retirement:

1. How Much Money Will I Need to Retire Comfortably?

This was the most commonly cited question, chosen by 43% of respondents. The answer depends on lifestyle expectations, geographic location, health and longevity. The study found that the average amount Americans believe they will need to retire comfortably is $1.26 million, down from $1.46 million the year before.

annually, but how much you'll actually need can vary widely. Calculating future expenses and comparing them to likely income sources like Social Security, pensions and investment withdrawals can help in determining a more accurate target.

2. Will Social Security Be There When I Qualify for It?

Roughly one-third of respondents (33%) worry that Social Security may not be available by the time they retire. While the system faces funding challenges, benefits are unlikely to disappear entirely. Even if the Social Security trust funds are depleted (as projected around the mid-2030s), payroll taxes would continue to fund 81% of scheduled benefits.[2] For planning purposes, some people assume they'll receive a reduced benefit rather than the full amount.

3. What If Inflation Rises When I'm Retired?

Inflation was a primary concern for 30% of respondents, especially given how it can erode purchasing power over a multi-decade retirement. To help protect against rising costs, retirees may own inflation-sensitive assets in their portfolios. These can include Treasury Inflation-Protected Securities (TIPS), dividend-paying stocks, real estate investment trusts (REITs) or commodities-focused funds.

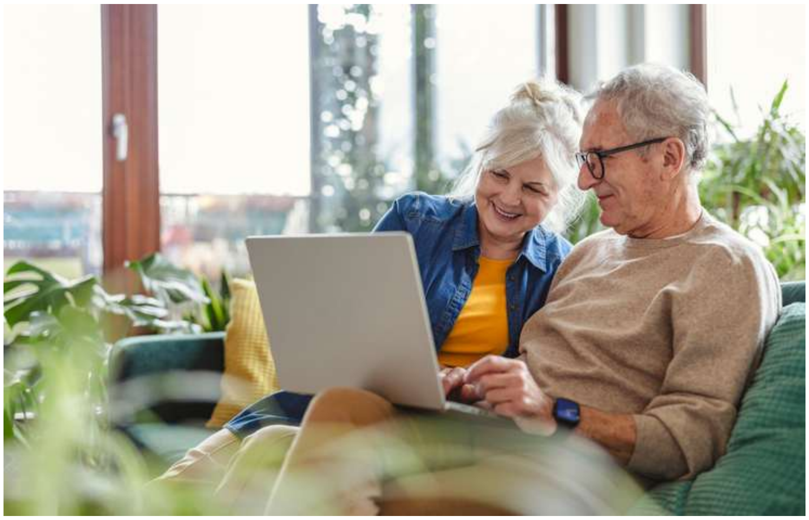
Another approach is to build in annual increases to your withdrawal amounts, so your spending keeps pace with inflation. If your retirement income includes fixed payments from a pension or annuity, you may want to explore whether inflation-adjusted versions are available. Separately tracking core expenses like housing, food and healthcare can also help identify which categories are most exposed to future price increases.

4. Is It Possible I Could Outlive My Savings?

This concern was shared by 27% of adults, reflecting uncertainty about how long savings will need to last. One way to address longevity risk is to use a structured withdrawal plan, such as the 4% rule or a dynamic withdrawal strategy that adjusts for market performance and age. You might also consider products that provide lifetime income, such as a single premium immediate annuity or deferred income annuity, which can supplement Social Security.

planning horizon and adds a margin of safety. Reducing unnecessary expenses and delaying retirement, even by a few years, are other ways to extend the life of your portfolio.

5. How Can I Plan for Potential Long-Term Care Needs?



Long-term care was a concern cited by 26% of respondents. These services, which may include care at a nursing home, assisted living facility or at home, can be costly and are not fully covered by Medicare. For example, the monthly median cost of a semi-private room in a nursing home is $9,277, while a home health aide typically costs $6,483 per month, according to CareScout.[3]

Options to consider include purchasing long-term care insurance, getting a hybrid life/long-term care policy or earmarking assets for future care. Discussing care preferences with family and documenting them in writing are also important parts of the planning process.

6. How Will Taxes Impact Me in Retirement?

Taxes remain top of mind for 25% of adults. Distributions from traditional IRAs and 401(k)s are treated as taxable income, whereas Roth accounts allow tax-free withdrawals provided certain conditions are satisfied. Up to 85% of your Social Security benefits may be taxable depending on your total income. Meanwhile, capital gains taxes may apply when selling investments.

Understanding which accounts to draw from first and how to manage taxable income can help reduce your tax bill over time.

7. How Should I Budget for Healthcare Expenses?

Medicare covers many services, but not everything. You'll need separate coverage for dental, vision and long-term care.

Fidelity Investments estimates that a 65-year-old who retires in 2025 could spend $172,500 on healthcare in retirement.[4] Planning for out-of-pocket expenses, supplemental insurance premiums and potential unexpected costs is key. Tools like a health savings account (HSA) or a dedicated healthcare fund can help cover gaps.

8. Will I Have Enough to Leave Behind Assets for Loved Ones or Charitable Causes I Care About?

Nineteen percent of respondents are thinking ahead to what they might leave behind. One way to approach this is to estimate the gap between expected lifetime expenses and projected assets. Then, you can earmark any surplus for heirs or charities. Designating beneficiaries on accounts like IRAs, 401(k)s and life insurance policies is a basic but essential step.

For more complex goals, consider setting up a revocable trust, which can offer more control over asset distribution and help avoid probate. Donor-advised funds and charitable remainder trusts may also support philanthropic giving while providing tax benefits.

9. What If the Stock Market Drops When I'm Retired?

Concern about market downturns in retirement was cited by 14% of adults, and for good reason: losses early in retirement can accelerate portfolio depletion. To reduce the impact, some retirees use a "bucket strategy" that segments savings into short-term (1–3 years), medium-term (3–10 years) and long-term (10+ years) categories, drawing from cash and bonds during downturns and allowing equities time to recover.

Others adopt a flexible withdrawal plan like the "guardrails" approach, which adjusts annual spending up or down based on portfolio performance. Holding a few years' worth of expenses in low-volatility assets can reduce the need to sell investments at a loss.

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Are Americans Asking the Right Retirement Questions?

The Northwestern Mutual study reveals that Americans are actively thinking about retirement. However, some of the most impactful questions often go unasked. While concerns about savings targets, Social Security and inflation are valid, fewer people seem to consider questions like:

- How will I transition psychologically into retirement?
- What if my partner or I need to stop working sooner than expected?
- How will I manage cash flow in the early years vs. later stages of retirement?

Another area that people commonly overlook is account structure, such as whether funds are in taxable, tax-deferred or tax-free accounts. This can influence everything from withdrawal strategy to legacy planning.

Some retirees also forget to plan for how they'll spend their time, how often they'll relocate or how to handle caregiving responsibilities. Expanding the scope of retirement planning to include these kinds of questions may not change the savings target, but it often results in a more flexible and resilient plan.

Bottom Line

Retirement planning involves more than setting a savings goal. It requires considering a range of financial and lifestyle factors that can shift over time. Questions about healthcare, taxes, long-term care and market fluctuations reflect how many moving parts are involved. Taking time to explore each concern and understand the trade-offs can make the road ahead feel more manageable, even if the answers vary from person to person.

Retirement Planning Tips

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- A well-diversified portfolio helps manage risk and can provide more stable returns. Invest in a mix of asset types, such as stocks, bonds and real estate, to reduce exposure to any single market fluctuation. Diversifying across different sectors and geographic regions also enhances your investment's resilience.

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Article Sources

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