Americans Believe They Will Need $1.46 Million to Retire Comfortably, Up More Than 15% Since Last Year, According to Northwestern Mutual 2026 Planning & Progress Study

'Magic number' for retirement jumps $200K

Longevity pressure persists: Nearly half of Americans believe it is somewhat or very likely they will outlive their savings

Retirement, reworked: Half of Millennials and Gen X expect to work in retirement

AI anxiety: One-third of Americans feel somewhat or extremely pessimistic about the potential impact of AI on their careers; for Gen Z, it's nearly half

MILWAUKEE, April 1, 2026 /PRNewswire/ -- Today, as Northwestern Mutual designates April 1 "4/01K Day," the leading financial services company is announcing that Americans' 'magic number' to retire comfortably in 2026 climbed to $1.46 million – $200K more than last year and in line with 2024 estimates. This increase comes as 46% of Americans say they don't expect to be financially prepared for retirement and nearly half (48%) believe it is somewhat or very likely they will outlive their savings.

All U.S. adults	**2026**	**2025**	**2024**	**2023**	**2022**
Expected amount needed to retire comfortably	**$1.46M**	$1.26M	$1.46M	$1.27M	$1.25M

These are the latest findings from Northwestern Mutual's 2026 Planning & Progress Study, the company's proprietary research series that explores Americans' attitudes, behaviors, and beliefs toward money, financial decision-making, and the broader issues impacting long-term financial security.

"The new 'magic number' reflects a convergence of factors – from persistent inflation and longer life expectancies to uncertainty about the future of Social Security," said John Roberts, chief field officer at Northwestern Mutual. "Retirement is increasingly complex, and Americans are responding by setting higher expectations for what they'll need. What matters now is pairing those expectations with a thoughtful, comprehensive financial plan that will enable them to reach their unique goals."

Perhaps unsurprisingly, American millionaires – people with more than $1 million in investable assets – have higher expectations for retirement income and savings. High-net-worth Americans believe they will need to save at least $2.67 million, on average, in order to retire comfortably.

While there is no universal retirement number for everyone, Northwestern Mutual generally recommends that people aim to replace around 80% of their pre-retirement income. However, each person's retirement need depends on their individual goals and circumstances, such as when they want to retire, where they'll live, and what kind of lifestyle they want to maintain throughout their retirement years.

Retirement Preparedness by the Numbers

Even as retirement targets climb, nearly a quarter (23%) of those with retirement savings say they have just one year or less of their current annual income set aside for it.

Gen X'ers, many of whom are nearing retirement, are the least confident in their retirement preparedness – but they have made some progress. Nearly half (49%) of Gen X'ers have at least 4x their current annual income or more saved – an improvement over the 41% who said the same last year. And nearly half (49%) of Gen X'ers say they expect to be financially prepared for retirement when the time comes – up slightly from 46% last year. However, one in five Gen X'ers (20%) say financial challenges or concerns have already caused them to delay retirement, the most of any generation surveyed.

Gen Z continues to be the most confident generation, with 58% expecting to be financially prepared for retirement, though that figure has declined from 63% in 2025.

As a multiple of your current annual income, approximately how much do you have saved for retirement?

Of those with retirement savings	All	Gen Z	Millennials	Gen X	Boomers+
Less than 1x my income	15 %	25 %	20 %	12 %	7 %
1x	8 %	11 %	10 %	6 %	5 %
2x	13 %	17 %	18 %	12 %	6 %
3x	15 %	14 %	19 %	14 %	10 %
4x	7 %	6 %	6 %	10 %	7 %
5x	8 %	6 %	8 %	10 %	7 %
6x	4 %	2 %	4 %	6 %	4 %
7x	4 %	4 %	3 %	4 %	5 %
8x	4 %	2 %	2 %	3 %	5 %
9x	2 %	2 %	1 %	3 %	3 %
10x	4 %	2 %	1 %	4 %	8 %
More than 10x my income	10 %	4 %	3 %	9 %	21 %
Not sure	7 %	4 %	4 %	7 %	11 %

Think they will be financially prepared for retirement when the time comes (among non-retirees)	All	Gen Z	Millennials	Gen X	Boomers+
2026	54 %	58 %	55 %	49 %	55 %
2025	54 %	63 %	54 %	46 %	56 %

Longevity and Retirement Timelines Converge

On average, U.S. adults say they started saving for retirement at age 31 and plan to retire at 65. Across generations though, Americans are saving sooner, planning to retire earlier, and expecting to live longer. In fact, more than a quarter (27%) of Americans believe it's likely they'll live to 100.

Digging deeper, Gen Z'ers started saving at 22, aim to retire at 61, and a third (32%) think it's likely they'll live to 100. Conversely, Gen X'ers started saving at 32, aim to retire at 67, and less than a quarter (22%) think it's likely they'll live to 100.

Surprisingly, 26% of Gen X'ers say they have not started saving for retirement yet.

	Age started saving	Age to retire	Difference between starting and retirement age
All	31	65	34 years
Gen Z	22	61	39 years
Millennials	28	64	36 years
Gen X	32	67	35 years

The prospect of a longer retirement comes with additional financial pressures. Nearly half (48%) of Americans think it's somewhat or very likely they will outlive their savings. This concern is greatest among Millennials (55%) and Gen X (50%).

However, more than a third of Americans (36%) say they have not taken any steps to address this possibility.

In your opinion, what is the likelihood you could outlive your savings?	All	Gen Z	Millennials	Gen X	Boomers+
Net Likely	**48 %**	**45 %**	**55 %**	**50 %**	**40 %**
Very likely	19 %	16 %	21 %	20 %	16 %
Somewhat likely	29 %	29 %	34 %	30 %	24 %
Net Unlikely	**42 %**	**41 %**	**35 %**	**41 %**	**52 %**
Very unlikely	25 %	26 %	19 %	22 %	32 %
Somewhat unlikely	17 %	15 %	16 %	19 %	20 %
Don't know	**10 %**	**14 %**	**10 %**	**9 %**	**8 %**

Americans with a financial advisor say they plan to retire at age 63.7, on average, roughly two-and-a-half years sooner than Americans without an advisor (age 66.1). Moreover, nearly three in four Americans with an advisor (74%) believe they will be financially prepared for retirement when the time comes. Just 43% of Americans without an advisor agree.

"These figures paint a picture of retirement that may stretch 30 to 40 years or longer," said Roberts. "As people plan to live longer, their money needs to work longer, too. Planning for longevity isn't just about accumulating more – it's about building a strategy that can sustain income, manage risk, and adapt over time. That's where professional guidance from a trusted advisor can make a significant difference."

Northwestern Mutual recommends several "retirement saving rules of thumb" to help people begin to think about how much they may want to save. For example:

The 25x Rule suggests saving roughly 25 times a person's expected annual spending. Someone with $1.46 million saved would be able to generate about $58,000 in annual retirement income.

The $1,000-a-Month Rule notes that every $1,000 of desired monthly retirement spending translates to $300,000 the individual should have saved. A $1.46 million nest egg would provide approximately $4,800 in retirement income per month.

The 4 Percent Rule suggests that an individual may withdraw 4% of their retirement savings in the first year and withdraw the same amount (adjusted for inflation) for about the next 30 years. Four percent of $1.46 million is approximately $58,000 in annual retirement income.

"These rules of thumb can certainly give Americans a ballpark estimate for their own wealth management goals," said Roberts. "But they don't factor in the big risks to retirement – like increasing health care costs or a long-term care event. They also don't consider any unique estate planning goals that Americans hope to provide to the next generation. These blind spots can leave people vulnerable. That's why having a conversation with a trusted advisor about a comprehensive financial plan is so important."

The Future of Work in Retirement

As retirement horizons extend, many Americans are adjusting not only how they save – but how long they plan to work. Four in 10 (41%) Americans say they are planning to work or are currently working during their retirement years. Among Millennials and Gen X'ers, the number rises to 50%. Across most generations, the percentage planning to work in retirement increased year over year, with Boomers+ being the only exception – declining from 30% in 2025 to 24% in 2026.

Planning to continue working (or currently working) during your retirement years	All	Gen Z	Millennials	Gen X	Boomers+
2026	41 %	42 %	50 %	50 %	24 %
2025	40 %	39 %	45 %	48 %	30 %

For many, the motivation to work in their retirement years extends beyond income. The leading reason people say they plan to work in retirement is to continue feeling useful / stimulated (56%). Financial motivations follow closely. Nearly half (48%) say they want additional income to fund their preferred retirement lifestyle, and 47% say they will need the additional income to afford retirement.

What are the reasons you continued / plan to continue working during your retirement years?	**All**	**Gen Z**	**Millennials**	**Gen X**	**Boomers+**
Continue to feel useful / stimulated	56 %	51 %	53 %	58 %	66 %
Want the additional income to fund my preferred retirement lifestyle	48 %	43 %	46 %	50 %	53 %
Need the additional income to afford retirement	47 %	42 %	47 %	51 %	43 %
Meet new people / be part of a community	27 %	32 %	31 %	22 %	21 %
Pursue a new or more fulfilling career	18 %	33 %	20 %	12 %	7 %

AI's Impact on Careers

As more Americans envision longer careers – whether by choice or necessity – broader questions about the future of work come into sharper focus. One of the most prominent is the impact of artificial intelligence (AI).

When asked to describe how they felt about the potential impact of AI on their careers, one-third (33%) of Americans say they are somewhat or extremely pessimistic. For Gen Z'ers, many of whom are early on in their careers, the number is significantly higher – 46%. On the other hand, about a quarter (23%) of Americans say they are somewhat or extremely optimistic about AI's potential impact on their careers.

Which of the following best describes how you feel about the potential impact of artificial intelligence (AI) on your career?	All	Gen Z	Millennials	Gen X	Boomers+
PESSIMISTIC (NET)	**33 %**	**46 %**	**32 %**	**33 %**	**26 %**
Extremely pessimistic	13 %	18 %	10 %	14 %	13 %
Somewhat pessimistic	20 %	28 %	22 %	19 %	13 %
OPTIMISTIC (NET)	**23 %**	**24 %**	**33 %**	**24 %**	**12 %**
Somewhat optimistic	15 %	14 %	21 %	17 %	10 %
Extremely optimistic	8 %	10 %	12 %	6 %	2 %

"AI is moving quickly, and it's natural for people – especially younger workers – to feel uncertain about what that means for their careers and their financial futures," said Roberts. "At the same time, technological change has the potential to open new doors, create efficiencies, and eliminate redundancies in the workplace. For example, in the financial services industry, we believe the future is human plus digital, with technology enhancing the advisor and client relationship. Financial planning is often an emotional discussion about people's greatest goals and biggest concerns in life. These conversations are complex, delicate, and deeply personal. Clients want to discuss their options with a trusted financial advisor who understands them and how to navigate these big financial decisions at a human level."

Plans for Spending and Social Security

Among pre-retirees (age 45+ and not yet retired), a majority (55%) expect to spend less per month in retirement than they do today. About a third (34%) expect to spend the same, while 11% expect to spend more. High-net-worth individuals are more likely to expect their spending to remain the same in retirement (48%) rather than decline (38%).

Do you expect to spend more, less or the same per month in retirement as you are currently spending?	**Pre-retirees (age 45+ and not retired)**	**HNW**

More	11 %	14 %
Less	55 %	38 %
The same	34 %	48 %

"Expectations and reality don't always match when it comes to retirement spending," said Roberts. "Many people assume their spending will naturally decline in retirement, but that's not always how it plays out. Healthcare costs, longevity, and lifestyle choices can all influence spending patterns. That's why it's important to plan for multiple scenarios and build flexibility into a retirement strategy."

When asked about plans for claiming Social Security, only three in 10 Gen X'ers (30%) and 21% of Boomers+ say they plan to delay receiving their benefits as long as possible to maximize their monthly benefit. Less than half of Gen X'ers (43%) and Boomers+ (41%) say they will start receiving their benefit when they hit their full retirement age, while more than a quarter of Gen X (27%) and 39% of Boomers+ say they will start to receive payments as soon as they're eligible, even though their monthly benefit may be reduced.

When do you plan to start receiving your Social Security benefits?	**Gen X**	**Boomers+**
As soon as I'm able to, even though my monthly benefit may be reduced	27 %	39 %
Once I hit my full retirement age, so I qualify for my full benefit	43 %	41 %
I plan to delay as long as possible so I can maximize my monthly benefit	30 %	21 %

Social Security remains a top retirement "burning question" for Americans – above other major planning challenges such as outliving life savings, planning for long-term care, managing taxes, and budgeting for healthcare.

Americans' Top "Burning Questions" About Retirement	2026
How much money will I need to retire comfortably?	40 %
Will Social Security be there when I qualify for it?	33 %
Is it possible I could outlive my savings?	28 %
How can I plan for potential long-term care needs?	27 %
What if inflation rises when I'm retired?	24 %
How should I budget for healthcare expenses?	24 %
How will taxes impact me in retirement?	23 %
Will I have enough to leave behind assets for loved ones or charitable causes I care about?	19 %
What if the stock market drops when I'm retired?	12 %

Advice Drives Confidence in Retirement Planning

Across every measure in the study, individuals who work with a financial advisor report significantly greater feelings of clarity and preparedness in their retirement planning than those who don't have an advisor.

% Yes	Financial Advisor	No Financial Advisor
I have a good understanding of how inflation could impact retirement and have factored that into my financial plans	73 %	50 %
I have a good understanding of how taxes could impact my retirement and have factored that into my financial plans	70 %	46 %
I have a good understanding of how potential drops in the stock market could impact my retirement and have factored that into my financial plans	73 %	43 %
I have a plan to address healthcare costs in retirement	68 %	38 %
I have enough life insurance protection in place to take care of my loved ones if something happened to me	64 %	38 %
I know how much money I will need to retire comfortably	66 %	36 %
I will have enough to leave behind an inheritance or gift to loved ones and/or charitable causes I care about	65 %	34 %
I have planned for the potential that Social Security may or may not be in place when I qualify for it	62 %	35 %
I have planned for the possibility that I could outlive my savings	57 %	32 %
I have a plan to address long-term care needs in retirement	58 %	31 %

401K Contribution Limits Increase in 2026

A 401(k) is the primary retirement savings vehicle for a large majority of Americans, thanks to its tax benefits. According to 2025 data from the Investment Company Institute, there were about 70 million active participants in 401(k) plans in 2025. Each year, the IRS limits how much money Americans (and their employers) are able to contribute to a 401(k).

In 2026, individuals can contribute $24,500 to their 401(k), 403(b), governmental 457 plans, and the federal government's Thrift Savings Plan, up from $23,500 for 2025. Americans aged 50 and older who have maxed out their regular contribution may make an additional $8,000 in catch-up contributions, up from $7,500 in 2025.

Americans contributing to a SIMPLE 401(k) plan (a retirement savings plan offered by companies with 100 or fewer employees), can contribute $17,000 in 2026 – an increase from the $16,500 limit in 2025. Catch-up contributions for most SIMPLE 401(k) plans are $4,000 for Americans aged 50 or older and $5,250 for ages 60–63. Higher SIMPLE contribution limits may apply for plans with 25 or fewer employees or plans that meet certain requirements under the SECURE 2.0 Act.

To learn more about criteria and eligibility requirements, visit the U.S. Internal Revenue Service website.

In forthcoming data sets, Northwestern Mutual's 2026 Planning & Progress Study will explore wide-ranging issues facing Americans spanning financial independence, money and relationships, financial risks, and more.

About the 2026 Northwestern Mutual Planning & Progress Study

The 2026 Planning & Progress Study was conducted by The Harris Poll on behalf of Northwestern Mutual among 4,375 U.S. adults aged 18 or older. The survey was conducted online between January 5 and January 21, 2026. Data are weighted where necessary by age, gender, race/ethnicity, region, education, marital status, household size, household income, and propensity to be online to bring them in line with their actual proportions in the population. A complete survey methodology is available.

About Northwestern Mutual

Northwestern Mutual has been helping people and businesses achieve financial security for more than 165 years. Through a comprehensive planning approach, Northwestern Mutual combines the expertise of its financial professionals with a personalized digital experience and industry-leading products to help its clients plan for what's most important. With more than $780 billion of total assets[1] managed across the company's institutional portfolio as well as retail investment client portfolios, more than $40 billion in revenues, and $2.5 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to more than five million people with life insurance, disability income insurance, long-term care insurance, annuities, and brokerage and advisory services. Northwestern Mutual ranked 109 on the 2025 *FORTUNE* 500 and was recognized by *FORTUNE®* as one of the "World's Most Admired" life insurance companies in 2026.

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[1] Includes investments and separate account assets of Northwestern Mutual as well as retail investment assets held or managed for clients.

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