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NEW SURVEY FINDS AMERICANS ARE WITHDRAWING SIGNIFICANT AMOUNTS FROM RETIREMENT ACCOUNTS TO COVER LIVING EXPENSES DURING THE PANDEMIC

Washington, DC, January 6, 2021: Nearly 60% of Americans withdrew or borrowed money from an IRA or 401(k) during the pandemic, and nearly two-thirds (63%) used those retirement savings to cover basic living expenses, according to a new poll released today by *Kiplinger's Personal Finance* magazine and industry-leading digital wealth management company, Personal Capital, an Empower Company.

The national poll, which was conducted from November 4-10, 2020, also found that the amounts people withdrew or borrowed were significant. Thirty-two percent (32%) of respondents said they withdrew \$75,000 or more from a retirement account, while 58% of those who took loans borrowed between \$50,000 and \$100,000. Additionally, more than a third (35%) said they now plan to work longer due to the financial impact the pandemic has had on their plans for retirement. View detailed survey findings [here](#).

“The past year rocked the confidence of most Americans saving for retirement,” said Mark Solheim, Editor of *Kiplinger Personal Finance*. “With many people dipping into their retirement savings or planning to work longer, 2020 will have a lasting impact for years to come.”

“Last year presented many challenges,” said Jay Shah, President of Personal Capital. “The pandemic not only created a global health crisis, it impacted the financial outlooks and retirement plans of many. To support people today and beyond, we continue to invest in our free financial tools and publish educational content about a vast array of financial topics. We believe financial empowerment is one key that will help enable people and families to be more confident about their financial futures.”

In addition to covering everyday living expenses, forty-one percent (41%) of those polled said they used their distribution, or loan, to pay medical expenses, while:

- 32% said the money was used for home repairs,
- 26% used the money for auto repairs,
- 23% paid tuition, and
- 21% helped family members.

A provision in the CARES Act allowed people under the age of 59½ affected by the coronavirus to take a distribution of up to \$100,000 from an IRA, 401(k), or similar account without penalty. It also permitted loans of up to \$100,000.

Pandemic-induced market volatility also left nearly three-quarters of respondents (74%) somewhat to very worried about their investments. Nearly half (48%) said they check their portfolio or retirement account balances either daily or weekly. Men were more than three times as likely as women to say they check their balances daily: 35% of men versus 11% of women.

A few investors (19%) responded to the bear market early in 2020 by shifting to a more conservative portfolio — 9% of respondents sold investments to boost their cash cushions and 6% sold all of their stocks. As of the survey date, current asset allocations for investment portfolios or retirement accounts remained conservative, with investors typically holding just 36% in stocks and a remarkable percentage in cash (24%).

Indeed, the global pandemic and its impact on the market and economy was a learning moment for investors, who reported these top five takeaways:

- My portfolio strategy was able to weather the bad times.
- I need to have more cash reserves.
- I need to diversify more.
- I took on more risk than necessary.
- I need to rebalance my portfolio more often.

The survey also asked respondents to weigh in on working from home, the impact of remote work on their spending, and plans for relocation.

Respondents indicated that two-thirds (66%) of workers LOVE working from home, with only 6% expressing dislike of the home office experience. For additional insight on workers' sentiment about the work-from-home experience and its impact, please see the following fact sheet [here](#).

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Methodology:

The Kiplinger-Personal Capital national poll about **Retirement Planning in the Age of COVID-19** was conducted on November 4-10, 2020, with 744 respondents. The online survey has a +/- 3.6% margin of error and a 95% confidence level. Respondents were screened for age (40 to 74), retirement savings of at least \$50,000, and employment status (not fully retired).

About Kiplinger's Personal Finance

For a century, the Kiplinger organization has led the way in personal finance and business forecasting. Founded in 1920 by W.M. Kiplinger, the company developed one of the nation's first successful newsletters in modern times. *The Kiplinger Letter*, launched in 1923, remains the longest continuously published newsletter in the United States. In 1947, Kiplinger created the nation's first personal finance magazine. Today, The Kiplinger Washington Editors, Inc., is a wholly-owned subsidiary of Dennis Publishing, Ltd. Become a fan of Kiplinger on [Facebook](#) or [Kiplinger.com](#) and follow Kiplinger on [Twitter](#) and [LinkedIn](#).

About Personal Capital

Personal Capital, an Empower Company is a remote-delivery, industry-leading digital wealth management company that helps people transform their financial lives through technology and advisory services. The

company's state-of-the-art tools and technology provide investors with a complete financial picture, utilized by millions of users and tens of thousands of clients. Its registered investment advisors provide expert guidance, and customized strategies, based on a personal understanding of an investor's financial picture and goals. Personal Capital currently manages more than \$16 billion in assets (as of 12/17/20), virtually delivered from offices across the United States. For more information, please visit www.personalcapital.com or connect with us on [Facebook](#), [Twitter](#) or [LinkedIn](#).

Advisory services are offered for a fee by Personal Capital Advisors Corporation ("PCAC"), a registered investment adviser with the Securities and Exchange Commission. Registration does not imply a certain level of skill or training. PCAC is a wholly owned subsidiary of Personal Capital Corporation ("PCC"), an Empower company. PCC is a wholly owned subsidiary of Empower Holdings, LLC.

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