



Wishful Thinking or Within Reach? Three Generations Prepare for “Retirement”

18th Annual Transamerica Retirement Survey of Workers

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About the Author

[Catherine Collinson](#) serves as CEO and president of [Transamerica Institute](#)® and [Transamerica Center for Retirement Studies](#)®, and is a retirement and market trends expert and champion for Americans who are at risk of not achieving a financially secure retirement. Catherine oversees all research, publications and outreach initiatives, including the Annual Transamerica Retirement Survey. In 2015, Catherine was also named executive director of the [Aegon Center for Longevity and Retirement](#).

With two decades of retirement services experience, Catherine has become a nationally recognized voice on retirement trends for the industry. She has testified before Congress on matters related to employer-sponsored retirement plans among small business, which featured the need to raise awareness of the [Saver's Credit](#) among those who would benefit most from the important tax credit.

Catherine is regularly cited by top media outlets on retirement-related topics. Her expert commentary has appeared in major publications, including: USA Today, Time, Next Avenue, Forbes, U.S. News & World Report, The New York Times, and CBS MoneyWatch. She co-hosts the [ClearPath: Your Roadmap to Health & Wealth](#) radio show on Baltimore's WYPR, an NPR news station. In 2015, Catherine joined the Advisory Board of the [Milken Institute's Center for the Future of Aging](#). In 2016, she was honored with a Hero Award from the [Women's Institute for a Secure Retirement](#) (WISER) for her tireless efforts in helping improve retirement security among women.

She is employed by Transamerica Corporation. Since joining the organization in 1995, she has held a number of positions with responsibilities including in the incorporation of Transamerica Center for Retirement Studies as a nonprofit private foundation in 2007 and its expansion into Transamerica Institute in 2013, as well as the creation of the Aegon Center for Longevity and Retirement in 2015.

About Transamerica Center for Retirement Studies®

- Transamerica Center for Retirement Studies® (TCRS) is a division of Transamerica Institute® (The Institute), a nonprofit, private foundation. TCRS is dedicated to educating the public on emerging trends surrounding retirement security in the United States. Its research emphasizes employer-sponsored retirement plans, including companies and their employees, retirees and the implications of legislative and regulatory changes. For more information about TCRS, please refer to www.transamericacenter.org.
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About the Survey

- Since 1998, Transamerica Center for Retirement Studies® (TCRS) has conducted a national survey of U.S. business employers and workers regarding their attitudes toward retirement. The overall goals for the study are to illuminate emerging trends, promote awareness, and help educate the public. It has grown to be one of the longest running and largest national surveys of its kind.

Methodology: Worker Survey

- The analysis contained in this report was prepared internally by the research team at Transamerica Center for Retirement Studies® (TCRS).
- A 25-minute, online survey was conducted between August 9 and October 28, 2017 among a nationally representative sample of 6,372 workers by Harris Poll for TCRS. Respondents met the following criteria:
 - U.S. residents, age 18 or older
 - Full-time or part-time workers in a for-profit company employing 5 or more people.
- Data were weighted as follows:
 - Census data were referenced for education, age by gender, race/ethnicity, region, household income, and number of employees by company size. Results were weighted where necessary to bring them into line with the population of US residents age 18+, employed full-time or part-time in a for-profit company with 5+ employees.
 - The weighting also adjusts for attitudinal and behavioral differences between those who are online versus those who are not, those who join online panels versus those who do not, and those who responded to this survey versus those who did not.
- Percentages are rounded to the nearest whole percent. Differences in the sums of combined categories/answers are due to rounding.
- This report focuses on full-time and part-time workers combined.
- The base includes:
 - 2,593 Millennial workers
 - 1,586 Generation X workers
 - 2,076 Baby Boomer workers
 - 117 workers who were born prior to 1946

Terminology

This report uses the following terminology:

Generation

Millennial: Born 1979 - 2000

Generation X: Born 1965 - 1978

Baby Boomer: Born 1946 - 1964

All Workers

Refers to all workers aged 18 and older

Key Highlights

Today's workers are expecting to live long lives and, in doing so, they are disrupting retirement as we once knew it. Many are envisioning retirement as a new chapter in life that involves continued work but with more free time to pursue personal interests. The big question is whether their vision is wishful thinking or within their reach. [The 18th Annual Transamerica Retirement Survey](#), one of the largest and longest running surveys of its kind, finds that workers across generations share a compelling vision of retirement, yet many still have major fears and concerns. Fifty-seven percent of Generation X and 55 percent of Baby Boomers cite outliving their savings and investments as one of their greatest retirement fears. Forty-seven percent of Millennials fear that they will be unable to meet the basic financial needs of their family when they retire. Seventy-six percent of all workers are concerned that Social Security will not be there for them when they are ready to retire.

A Portrait of Three Unique Generations

The retirement landscape is constantly evolving. Societally, as the way that we live and work continues to change, we should expect widely held assumptions about retirement to change. Our research examines three generations currently represented in the workforce: Baby Boomers, Generation X, and Millennials. The landscape is now changing so rapidly that it is clear that their retirement will be different from their parents' generation and from each other's as well.

Millennials: A Digital DIY Retirement Generation. Millennial workers (born 1979 - 2000) are a digital do-it-yourself generation of retirement savers. Eight in 10 are concerned that Social Security will not be there for them when they are ready to retire. Unlike their parents' generation, many expect their primary source of retirement income to be self-funded through retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) or other savings and investments. They are getting an early and strong start with their retirement savings, but they need to learn more about investing. And they are hungry for more information on how to achieve their retirement goals.

Almost one in five Millennials (18 percent) who provided an estimate are planning to live to age 100 or older, which has implications for their working years, as well as when and how they retire – and how much they need to save. Fifty-six percent of Millennials expect their primary source of retirement income to be self-funded through accounts such as 401(k)s, 401(b)s, and IRAs or other savings.

Seventy-one percent of Millennials are already saving for retirement in a company-sponsored 401(k) or similar plan, and/or outside the workplace. Of those who are saving, they began at age 24 (median), an age that is younger than found among older generations. Among those who are participating in a 401(k) or similar plan through their employers, Millennials are contributing 10 percent (median) of their annual salary.

A clear opportunity for Millennials is to get savvy about their savings. One in four who are saving say they are "not sure" how their retirement savings are invested. Some good news is that 76 percent of Millennials, including both retirement savers and non-savers, would like to receive more information and advice from their employers on how to achieve their retirement goals.

Key Highlights

A Portrait of Three Unique Generations (continued)

Generation X: The Stoic and Struggling 401(k) Savers. Generation X (born 1964 to 1978) entered the workforce in the late 1980s just as 401(k) plans were making their first appearance and defined benefit plans were beginning to disappear. Generation X workers are the first generation to have access to 401(k) plans for the majority of their working careers; they have high plan participation rates, but many should be saving more. For better or worse, some have taken loans and early withdrawals. Their retirement confidence is lacking and many are behind on their savings; however, it's important for them to know that they still have time to catch up before they retire.

Eighty percent of Generation X workers are saving for retirement in a company-sponsored 401(k) or similar plan and/or outside of the workplace. Age 30 is the age (median) that they started saving for retirement. Among those who are participating in a 401(k) or similar plan through their employer, eight is the percentage of their annual salaries (median) that they are contributing. A concerning 34 percent of all Generation X workers have taken a loan, early withdrawal, and/or hardship withdrawal from their retirement account(s). Generation X workers have saved \$72,000 (estimated median) in all household retirement accounts. Just 14 percent are “very confident” that they will be able to fully retire with a comfortable lifestyle.

Baby Boomers: Trailblazers of the New Retirement. Baby Boomers (born 1946 to 1964) are the generation that has re-written societal rules at every stage of their life. Now, they are trailblazing a new brand of retirement. Many were already mid-career when the retirement landscape shifted from defined benefit plans to 401(k) or similar plans. They have not had a time horizon of 40-plus years to save in 401(k)s. Many were also hit hard during the Great Recession and, unlike younger generations, they have less time to financially recover before they retire. Baby Boomer workers are planning to work to older ages than previous generations, yet few have a backup plan if forced into retirement unexpectedly.

To illustrate Baby Boomer workers’ vision of retirement: only 26 percent plan to immediately stop working and retire, i.e., when they reach a certain age or savings goals. Two-thirds plan to or already are working past age 65 or do not plan to retire. Fifty-four percent plan to continue working after they retire and most for financial and healthy aging-related reasons.

However, many may not be laying the necessary groundwork for success. Of concern, only 42 percent are proactively keeping their skills up to date so they can continue working past 65 or in retirement, if needed. Only 28 percent have a backup plan for retirement income if unable to work prior to their planned retirement.

Thirty-eight percent of Baby Boomer workers expect social Security to be their primary source of income when they retire. Thirty-nine percent expect their primary source of retirement income to be self-funded accounts such as 401(k)s, 403(b)s, and IRAs or other savings. Baby Boomers workers have saved \$164,000 (estimated median) in all household retirement accounts (median).

Key Highlights

Workers' Visions of Retiring and Retirement

Today's workers envision fully retiring after age 65 and pursuing a retirement in which work and leisure are not a mutually exclusive proposition. Many share retirement dreams such as travel, spending more time with family and friends, pursuing hobbies. Many also share expectations of continued work for both financial and healthy-aging related reasons. The survey findings underscore the question of whether workers are adequately preparing themselves to achieve success.

- **Workers Are Dreaming of an Active Retirement.** “Traveling” (70 percent) is workers’ most frequently cited retirement dream, followed by “spending more time with family and friends” (57 percent), “pursuing hobbies” (50 percent), and “doing volunteer work” (26 percent). Three in ten workers (30 percent) dream of doing some form of work in retirement, including “pursuing an encore career” (13 percent), “starting a business” (13 percent) and/or “continuing to work in the same field” (11 percent).
- **Workers Across Generations Share Similar Retirement Dreams.** Across generations, workers share the same top three retirement dreams: traveling, spending more time with family and friends, and pursuing hobbies. A noteworthy percentage of workers are dreaming of some form of paid or volunteer work in retirement: Baby Boomers (30 percent) are more likely to dream of “doing volunteer work,” while Millennials are more likely to dream of “starting a business” (21 percent). All three generations are similarly likely to dream of pursuing an encore career, including Millennials (15 percent), Generation X (13 percent), and Baby Boomers (11 percent).
- **Travel in Retirement May Be out of Financial Reach.** Among workers who are dreaming of travel when they retire, for many, their dreams may be beyond their financial reach. Only 58 percent are very or somewhat confident that their current financial strategy will allow them to meet their travel goals throughout their retirement. Baby Boomers (63 percent) and Millennials (59 percent) are significantly more likely than Generation X (52 percent) to be confident. Some workers (14 percent) say they haven’t given it much thought, a finding that is more common among Millennials (18 percent) compared to Baby Boomers and Generation X (both 11 percent).
- **Retirement Fears Range from Financial to Health-Related.** Workers’ six most frequently cited fears about retirement are “outliving my savings and investments” (52 percent), “Social Security will be reduced or cease to exist in the future” (48 percent), “declining health that requires long-term care” (44 percent), “not being able to meet the basic financial needs of my family” (42 percent), “lack of access to adequate and affordable healthcare” (38 percent), and “cognitive decline, dementia, Alzheimer’s disease” (35 percent). Approximately one in five workers cite other fears including “finding meaningful ways to spend time and stay involved” (21 percent), “feeling isolated and alone” (20 percent), and “being laid off – not being able to retire on my own terms” (18 percent).

Key Highlights

Workers' Visions of Retiring and Retirement (continued)

- **Retirement Fears Abound Across Generations.** “Outliving my savings and investments” is the most frequently cited retirement fear among Generation X (57 percent) and Baby Boomer workers (55 percent), while “not being able to meet the basic financial needs of my family” is the most frequently cited fear among Millennials (47 percent). Generation X (53 percent) and Baby Boomers (51 percent) are more likely than Millennials (43 percent) to fear that “Social Security will be reduced or cease to exist in the future.” “Declining health that requires long-term care” is a fear that tends to increase with workers’ age, with more Baby Boomers (49 percent) citing it as a fear compared to Generation X (45 percent) and Millennials (41 percent).
- **Important Criteria for Deciding Where to Live in Retirement.** Where workers decide to live in retirement can influence their ability to achieve their dreams and mitigate any fears. When thinking about where they want to live in retirement, workers most frequently cite affordable cost of living (71 percent) as a very important criterion in their decision-making, followed by proximity to family and friends (54 percent), good weather (49 percent), a low crime rate (49 percent), access to healthcare and hospitals (43 percent), and leisure and recreational activities (41 percent). Ironically, although more than half of workers plan to continue working after they retire, only 25 percent have identified employment opportunities as a being a very important criterion for deciding where they want to live in retirement.
- **More than Half of Workers Expect to Work Past Age 65.** More than half of workers (53 percent) expect to work past age 65 or do not plan to retire. However, expectations differ across generations. Sixty-six percent of Baby Boomer workers either expect to or are already working past age 65 or do not plan to retire. Many of Generation X (56 percent) also plan to do so. In contrast, the majority of Millennials (59 percent) plan to retire at 65 or sooner.
- **More than Half of Workers Plan to Work in Retirement.** More than half of workers (56 percent) plan to work after they retire, including 42 percent who plan to work part-time and 14 percent full-time. Just one in four workers (24 percent) do not plan to work after they retire. Twenty percent are not sure. Baby Boomers, Generation X, and Millennials share similar expectations of working in retirement; however, Millennials (19 percent) are significantly more likely than Generation X (11 percent) and Baby Boomers (8 percent) to plan to work full-time when they retire.
- **Workers Envision a Variety of Ways to Transition Into Retirement.** Forty-seven percent of workers envision a phased transition into retirement during which they will reduce work hours with more leisure time to enjoy life (30 percent), or work in a different capacity that is less demanding and/or brings greater personal satisfaction (17 percent). Only 23 percent expect to immediately stop working when they retire, and 10 percent are “not sure.” Twenty percent plan to continue working as long as possible until they cannot work any more.

Key Highlights

Workers' Visions of Retiring and Retirement (continued)

- **Phased Retirement and Compensation-Related Expectations.** Among workers who envision a phased transition into retirement, most have realistic expectations regarding how changes in their work arrangements may affect their job title, compensation, and benefits. Four in five workers (79 percent) say that if they were to reduce their work hours at their current employer, they would expect to be paid the same hourly rate for hours worked that they are earning now. Also, four in five (78 percent) say that if they were to take on a new role with fewer responsibilities they would expect their job title to change. Seven in 10 (71 percent) say that if they were to take on a new role with fewer responsibilities at their current employer, they would expect to be paid the market rate for the duties involved, even if it means a reduction in their current level of pay. However, three in five workers (60 percent) say that if they shift from full- to part-time at their current employer, they would expect to receive the same level of employee benefits, which is an expectation that may not be realistic because many employers do not offer benefits to part-time workers.
- **Employment-Related Scenarios for Transitioning Into Retirement.** More than half of workers (54 percent) think they will stay with their current employer when they are working past age 65 or transitioning into retirement. Baby Boomers (68 percent) are more likely to expect this than Generation X (52 percent) and Millennials (46 percent). In contrast, Millennials are more likely to think they will either start their own business or change employers while transitioning into retirement (29 and 24 percent, respectively) compared to Generation X (18 and 19 percent, respectively) and Baby Boomers (9 and 14 percent, respectively).
- **Reasons for Working in Retirement Include Financial and Health.** Among workers who plan to work in retirement and/or past age 65, their reasons for doing so are more often financial (83 percent) than healthy-aging related (75 percent). The top financial reasons include “wanting the income” (57 percent) and “concerned that Social Security will be less than expected” (41 percent). The top healthy-aging reasons for working in retirement are “being active” (54 percent) and “keeping my brain alert” (43 percent).
- **Reasons for Working in Retirement by Generation.** Across generations, workers who plan to work in retirement and/or past age 65 more often plan to do so for financial reasons than for healthy-aging reasons. Generation X workers (85 percent) who plan to work in retirement and/or past age 65 are somewhat more likely to cite financial reasons than Baby Boomers (84 percent) or Millennials (81 percent). Millennials (78 percent) are somewhat more likely to cite healthy-aging reasons for working in retirement compared to Baby Boomers (74 percent) and Generation X (69 percent).

Key Highlights

Workers' Visions of Retiring and Retirement (continued)

- **At What Age Do You Consider a Person to Be “Old”?** Today’s workers consider a person to be “old” at age 70 (median), a finding that increases with workers’ age. Millennials consider a person to be old at age 65 (median), Generation X consider a person old at age 70 (median) and Baby Boomers consider it to be at age 75 (median). However, four in ten workers have a more pragmatic approach and say it depends on the person, including 33 percent of Millennials, 37 percent of Generation X and 52 percent of Baby Boomers.
- **Workers’ Perceptions of “Older” Workers.** Ageism is a common concern in today’s society, especially with so many workers planning to extend their working lives beyond age 65. The survey explored workers’ perceptions of “older workers,” age 50 and older. A strong majority of all workers (84 percent) including Baby Boomers (94 percent), Generation X (83 percent), and Millennials (77 percent) share positive perceptions. However, more than half of workers (54 percent) have one or more negative perceptions, including higher healthcare costs (28 percent), higher wages and salaries (20 percent), and less open to learning and new ideas (19 percent). Therefore, it is important for workers, especially older workers, to be aware of these perceptions and strive to overcome them.
- **At What Age Do You Consider a Person to Be “Too Old” To Work?** When asked the age at which they consider a person to be “too old” to work, more than half of workers (54 percent) say “it depends on the person.” Across generations, Baby Boomers are most likely to say it depends on the person (69 percent), followed by Generation X (54 percent) and Millennials (44 percent). Among those who provided a specific age, workers say age 75 (median) is “too old” to work. Millennials consider a person to be “too old” to work at age 70 (median), while Baby Boomers and Generation X both say age 75 (median).
- **Are Workers Taking Enough Proactive Steps to Work Past 65?** Aspirations and expectations of working past age 65 require that workers remain healthy enough to do so and have access to employment opportunities. The survey asked workers what steps they are taking to help ensure they can continue working. Workers most often cite staying healthy (62 percent), performing well at their current job (56 percent) and keeping their job skills up to date (46 percent). Baby Boomers are more likely to cite staying healthy (68 percent) and performing well at their current job (59 percent) than the younger generations. Millennials are more likely to cite going back to school and learning new skills (22 percent) than Generation X (10 percent) and Baby Boomers (4 percent).

Key Highlights

Workers' Visions of Retiring and Retirement (continued)

- **Many Workers Plan on Both Long Lives and Long Retirements.** Across the three generations, today's workers are planning to live to age 90 (median). Almost one in five Millennials (18 percent) are planning to live to age 100 or older, a finding that is higher than for Generation X (13 percent) and Baby Boomers (10 percent). An implication for increased longevity is potentially more time spent in retirement. The survey compared workers' planned life expectancy with their expected retirement age and found that Millennial workers plan to spend 25 years in retirement (median), which is somewhat longer than Generation X (23 years median) and Baby Boomers (20 years median).
- **Seven in Ten Are Concerned About Their Health in Older Age.** Seventy-three percent of workers are either very or somewhat concerned about their health in older age, a finding which is consistent across generations. Interestingly, the two younger generations, Millennials (27 percent) and Generation X (24 percent), are more likely to be "very concerned" about their health in older age when compared to Baby Boomers (17 percent).
- **Workers Can Do More to Safeguard Their Long-Term Health.** With regard to health-related activities that workers say they are doing on a consistent basis, the only activities garnering a majority response rate, indeed a small majority, are eating healthfully (56 percent), exercising regularly (54 percent), maintaining a positive outlook (53 percent), and seeking medical attention when needed (53 percent). Baby Boomers are typically more likely to engage in health-related activities compared to Millennials and Generation X. Only one in four workers (25 percent) say that they consider their long-term health when making lifestyle decisions, a finding that is consistent across the three generations.

Workers across generations share similar dreams and visions regarding their future retirement. They are already planning to live long lives which could turn out to be even longer with advances in medicine. This vision of retirement is a chapter in life that includes continued work with time for family and friends, travel, hobbies and other personal interests, and it is a vision to which we all can aspire. However, this vision requires careful financial planning and preparation. It also requires keeping job skills up to date and relevant. Most of all, it requires taking good care of ourselves and safeguarding our health.

Many workers may already be facing major obstacles toward achieving this vision of retirement. It's important to offer encouragement that each step taken today can help improve one's situation – and that many small steps taken together can have a big impact over the long run.

Key Highlights

The Fragile Financial Well-Being of Workers

At a time in which healthcare, education and housing costs are soaring but real wages have not caught up, millions of Americans are facing strong financial headwinds. Many are still recovering from the deep recession commonly referred to as the “Great Recession” and its aftereffects. The need to balance short-term needs with long-term financial security presents a major challenge that comes with difficult trade-offs.

- **Many Have Not yet Fully Recovered from the Great Recession.** Fewer than half of workers (44 percent) say they have either “fully recovered” (24 percent) or were “not impacted” (20 percent) by what is commonly referred to as the Great Recession. Thirty-seven percent have “somewhat recovered,” 12 percent have “not yet begun to recover,” and seven percent feel they “may never recover.” Millennial workers (49 percent) are most likely to say they have either “fully recovered” or were “not impacted,” followed by Baby Boomers (40 percent) and Generation X (39 percent). Almost one in four Generation X workers (23 percent) have “not yet begun to recover” or feel they “may never recover” compared to 18 percent of Baby Boomers and 17 percent of Millennials.
- **Workers Face Competing Financial Priorities.** Financial priorities change by life stage although some are common to all. Paying off one or more types of debt is a current financial priority for 66 percent of all workers, with Generation X (72 percent) being the likeliest of the three generations to cite that as a priority, followed by Millennials (67 percent) and Baby Boomers (59 percent). In terms of specific financial priorities, Baby Boomers frequently cite saving for retirement (72 percent) as a priority, while Generation X frequently cites building savings and saving for retirement as priorities (both 61 percent). Millennials also frequently cite building savings (62 percent) as a current priority.
- **Workers’ Greatest Financial Priority Right Now.** In terms of their greatest financial priority right now, the five most frequently cited priorities among workers are saving for retirement (20 percent), just getting by to cover basic living expenses (17 percent), paying off credit card debt (16 percent), building savings (13 percent), and supporting children (12 percent). Generation X and Baby Boomers most frequently cite saving for retirement as their greatest financial priority but with a higher response found among Baby Boomers (37 percent) compared to Generation X (21 percent). Millennials are more likely to cite just getting by to cover living expenses (20 percent) as their greatest financial priority.

Key Highlights

The Fragile Financial Well-Being of Workers (continued)

- **Household Debt Is Pervasive Across Generations.** Debt poses a significant financial risk to workers across generations. The most frequently cited types of debt among workers are credit card (59 percent), mortgage (43 percent) and car loan (40 percent). Generation X has the highest rate of all three of these types of debts among the three generations. Baby Boomers are most likely to indicate they are debt-free (19 percent), followed by Millennials (13 percent), and Generation X (8 percent). Millennials are the most likely to have student loans (28 percent), compared to Generation X (20 percent) and Baby Boomers (8 percent). Alarmingly, 8 percent of Millennials have payday loans.
- **Dipping Into Retirement Savings Is Not Uncommon.** A concerning percentage of workers are dipping into their retirement savings before they retire. This “leakage” from retirement accounts in the form of loans and withdrawals can severely inhibit the growth of participants’ long-term retirement savings. Among workers who are currently participating in a 401(k) or similar plan, almost three in 10 (29 percent) have taken some form of loan, early withdrawal, and/or hardship withdrawal from a 401(k) or similar plan or IRA: Generation X (34 percent) is most likely to have taken a loan or withdrawal; Millennials (28 percent) are slightly less likely; Baby Boomers (26 percent) are least likely. The frequency of taking loans (20 percent) exceeds that of taking an early withdrawal and/or hardship withdrawal (18 percent).
- **Paying Off Debt Tops the List of Reasons for Taking 401(k) Loans.** Among those who have taken a loan from their 401(k) or similar plan, the most frequently cited reasons are “paying off debt” (35 percent) and “a financial emergency” (24 percent). Millennials (43 percent) and Generation X (34 percent) are more likely to cite “paying off debt” as a reason, while Baby Boomers are less likely at (22 percent).
- **Reasons for Hardship Withdrawals from 401(k)s.** Among the eight percent of workers who have taken a hardship withdrawal from a 401(k) or similar plan, one in four (23 percent) say their primary reason for doing so is payment to prevent eviction from their principal residence. Other primary reasons for the hardship withdrawal are payments for certain medical expenses (17 percent) and covering the costs related to the purchase of a principal residence (15 percent). *Please note: the findings for the generations reflect small sample bases and should be considered as directional in nature.*
- **Many Workers Lack Adequate Emergency Savings.** Many workers lack emergency savings that could help cover the cost of a major financial setback (e.g., unemployment, medical bills, home repairs, auto repairs, other). Thirty-six percent of workers have set aside less than \$5,000 for emergencies. Forty-four percent of Millennials have saved less than \$5,000, compared to 38 percent of Generation X and 24 percent of Baby Boomers. Moreover, approximately one in four Millennials (27 percent) and one in five Generation X (21 percent) have saved less than \$1,000. In contrast, Baby Boomers (27 percent) are more likely to have saved more than \$25,000.

Key Highlights

The Fragile Financial Well-Being of Workers (continued)

- **Are Retirement Savings Adequate?** Despite the confidence-shaking events during the Great Recession and its aftermath, the good news is that household retirement savings increased from 2007 to 2017. However, in many instances, this growth in savings is still inadequate to fully fund an individual's or family's retirement income needs. Baby Boomers have saved \$164,000 (estimated median) in total household retirement accounts compared to \$75,000 in 2007. Savings shortfalls are prompting many to work past age 65 and the need to continue to work in retirement.

Many workers are not saving enough to amass the financial resources required to support their vision of retirement, while others are at risk of poverty. Given increases in longevity, working as long as possible is a practical solution. However, it's unclear whether employment opportunities will be available. According to the Bureau of Labor Statistics, only approximately one in five Americans age 65 and older was employed in 2016.¹

Workers' Financial Preparations for Retirement

The survey delves deeply into workers' financial outlook for retirement, including both their sentiments and preparations, with the objective of identifying opportunities for improving their prospects for long-term success.

- **Retirement Confidence Has Stalled.** Retirement confidence has recovered from its lows during the Great Recession. However, it has stalled since 2014. In 2017, 62 percent of workers are confident that they will be able to fully retire with a comfortable lifestyle, including 18 percent who are "very confident" and 44 percent who are "somewhat confident." Millennials (76 percent) are somewhat more likely to be of retirement confidence than Baby Boomers (62 percent) and Generation X (55 percent). However, across generations, relatively few Millennials (22 percent), Generation X (14 percent), and Baby Boomers (16 percent) say they are "very confident."
- **Building a Large Enough Nest Egg?** Only 54 percent of workers agree that they are currently building a large enough retirement nest egg, including 20 percent who "strongly agree" and 34 percent who "somewhat agree." Of the generations, Generation X (16 percent) are somewhat less likely to "strongly agree," compared to Millennials (24 percent) and Baby Boomers (17 percent).

¹ United States Bureau of Labor Statistics, Employment Status of the Civilian Noninstitutional Population by Age, Sex, and Race, 2016.

Key Highlights

Workers' Financial Preparations for Retirement (continued)

- **Most Believe That They Could Not Save Enough By Age 65.** Sixty-five percent of workers agree with the statement, “I could work until age 65 and still not have enough money saved to meet my retirement needs,” including 32 percent who “strongly agree” and 33 percent who “somewhat agree.” More Generation X workers (69 percent) and Millennials (68 percent) agree with the statement when compared to Baby Boomers (59 percent).
- **Most Say They Will Have a Much Harder Time Than Their Parents.** Almost four in five workers (79 percent) agree with the statement, “Compared to my parents’ generation, people in my generation will have a much harder time in achieving financial security,” including 41 percent who “strongly agree” and 38 percent who “somewhat agree.” Millennials are slightly more likely to agree with this statement (83 percent) than Generation X (80 percent) and significantly more likely than Baby Boomers (75 percent).
- **Many Are Expecting a Decrease in Their Standard of Living.** Three in ten workers (30 percent) are expecting their standard of living to “decrease” when they retire. More Baby Boomers (39 percent) expect their standard of living to “decrease” compared to Millennials (20 percent) and Generation X (36 percent). Of the three generations, Millennials are more optimistic with 33 percent saying they expect their standard of living to “increase” when they retire, compared to just 14 percent of Generation X and 8 percent of Baby Boomers.
- **The Retirement Income Pyramid Includes Working.** For decades, the United States’ retirement system has been characterized as a “three-legged” stool which includes Social Security, employer pensions, and personal savings. Today’s workers are expecting greater diversity in their sources of retirement income including, notably, the 39 percent who cite “working.”
- **Workers Are Expecting Diverse Sources of Retirement Income.** Self-funded savings including retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) and other savings and/or investments are the most frequently cited source of retirement income expected by workers across generations (82 percent). Seventy-four percent of workers expect retirement income from Social Security, however, there is a wide disparity across generations. Ninety-one percent of Baby Boomers expect income from Social Security, a finding that is higher than Generation X (76 percent) and Millennials (61 percent). Thirty-nine percent of workers expect retirement income from “working,” an expectation that is similarly shared across the generations.

Key Highlights

Workers' Financial Preparations for Retirement (continued)

- **Primary Source of Retirement Income Varies by Generation.** Millennials (56 percent), Generation X (49 percent), and Baby Boomers (39 percent) most frequently cite their *primary* source of expected income in retirement to be self-funded savings including 401k(s), 403(b)s, IRAs and/or other savings and investments. However, Millennials (41 percent) and Generation X (40 percent) more frequently cite retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) compared to Baby Boomers (29 percent). (It should be noted that 401(k)s did not become readily available until the 1990s, a time at which Baby Boomers were already well into their careers and, therefore, they have not had as much time to save in them.) In contrast, Baby Boomers (38 percent) are more likely to expect Social Security to be their primary income source compared to Generation X (26 percent) and Millennials (17 percent). More Millennials (17 percent) and Generation X (15 percent) expect “working” to be their primary source of retirement income compared to Baby Boomers (9 percent). More Baby Boomers (11 percent) expect a company-funded pension to be their primary source of retirement income compared to Generation X and Millennials (5 percent and 4 percent, respectively).
- **Three in Four Workers Are Concerned About Social Security.** Seventy-six percent of workers agree with the statement, “I am concerned that when I am ready to retire, Social Security will not be there for me,” including 38 percent each who “strongly agree” and “somewhat agree.” Generation X (83 percent) and Millennials (80 percent) are more likely to agree than Baby Boomers (65 percent). Generation X (46 percent) and Millennials (41 percent) are also more likely than Baby Boomers (27 percent) to “strongly agree.”
- **Three in Four Workers Are Saving for Retirement.** Seventy-seven percent of workers are saving for retirement through employer-sponsored plans, such as a 401(k) or similar plan, and/or outside the workplace. Baby Boomers (85 percent) and Generation X (80 percent) are more likely than Millennials (71 percent) to be saving for retirement. Among those saving for retirement, Millennials started saving at age 24 (median), Generation X started at age 30 (median), and Baby Boomer started at age 35 (median).
- **Majority Are Currently Saving for Retirement Outside of Work.** Fifty-nine percent of workers are saving for retirement outside of work. Baby Boomers (68 percent) are most likely to do so, with Generation X (57 percent) and Millennials (55 percent) being somewhat less likely to be saving outside of work.
- **Workers’ Estimated Retirement Savings Needs.** Today’s workers estimate they will need \$500,000 (median) in retirement, a survey finding that is shared by Generation X and Baby Boomers, but with Millennials estimating they will need only \$400,000 (median). Generation X (40 percent) and Baby Boomers (39 percent) are more likely than Millennials (30 percent) to say they will need more \$1 million or more.

Key Highlights

Workers' Financial Preparations for Retirement (continued)

- **Workers Are Guessing Their Retirement Savings Needs.** Almost half of workers (47 percent) who provided an estimate of their retirement savings needs indicate they guessed those needs. Twenty-three percent estimated this goal based on their current living expenses. Just 11 percent used a retirement calculator or completed a worksheet. Responses are relatively consistent among the three generations, noting that Millennials and Generation X (both 47 percent) are slightly more likely to have guessed, while Baby Boomers (27 percent) are more likely to have estimated their needs based on current living expenses.
- **Most Are Very Involved in Monitoring and Managing Their Retirement Savings.** Sixty-five percent of workers agree that they are very involved in monitoring and managing their retirement savings, with 26 percent “strongly agreeing” and 39 percent “somewhat agreeing.” Workers’ level of agreement increases with age. More Baby Boomers (71 percent) than Generation X (64 percent) and Millennials (61 percent) agree that they are very involved in monitoring and managing their savings.
- **How Workers’ Retirement Savings Are Invested.** Workers most frequently say their retirement savings are invested in a relatively equal mix of stocks and investments such as bonds, money market funds, and cash (40 percent). Baby Boomers (47 percent) are most likely to invest in this way, while Millennials (35 percent) are least likely. Counter to conventional investing and asset allocation principles, Millennials (20 percent) are more likely than other generations to be invested mostly in bonds, money market funds, cash and other stable investments. One in five workers (22 percent) say they are “not sure” how their retirement savings is invested, with Millennials (26 percent) somewhat more likely to say this.
- **Few Have a Written Strategy for Retirement.** Achieving retirement readiness is more than just saving enough; it involves planning for both the expected and, moreover, the unexpected. One of the most important secrets to attaining retirement readiness is having a well-defined written strategy about retirement income needs, costs and expenses, and risk factors. The majority of workers (63 percent) have a retirement strategy, but only 16 percent have a written plan (the other 47 percent have a plan but it is not written down). Responses are fairly similar among generations, with Baby Boomers (66 percent) slightly more likely than Generation X (62 percent) and Millennials (63 percent) to have a plan.
- **Retirement Strategy: Components.** A worker’s retirement strategy must consider a broad range of factors that could impact his/her retirement savings, ability to generate income in retirement, and protection of savings. Many workers with a retirement strategy have considered on-going living expenses, savings and income needs, government benefits, healthcare costs, and investment returns. However, few have factored in inflation, tax planning, long-term care, and estate planning, with even fewer having factored in contingency plans. Baby Boomers typically have factored more components into their strategies, but are still lacking.

Key Highlights

Workers' Financial Preparations for Retirement (continued)

- **Few Have a Backup Plan if Retirement Happens Unexpectedly.** Delaying retirement and/or continuing to work in retirement is an effective way to continue generating income, bridge savings shortfalls, and stay active and involved. However, only 28 percent of workers have a backup plan for retirement income if forced into retirement sooner than expected. Millennials (32 percent) and Baby Boomers (28 percent) are slightly more likely to have a backup plan compared to Generation X (21 percent).
- **Frequency (or Infrequency) of Conversations About Retirement.** Retirement is a family matter that calls for important conversations. However, just 15 percent of workers “frequently” discuss saving, investing, and planning for retirement with family and close friends. While 58 percent “occasionally” discuss it, 27 percent “never” discuss it. Of concern are Generation X (30 percent) and Baby Boomers (31 percent) who “never” discuss it. Counterintuitively, Millennials (21 percent) are the most likely of the three generations to “frequently” discuss it, despite retirement being far off for this generation.
- **Many Can Become More Familiar With Spouse’s/Partner’s Savings.** Among workers who are married or living with a partner, 58 percent say their spouse or partner is saving in a retirement plan and 68 percent are familiar with their spouse’s or partner’s savings, with only 38 percent being “very familiar.” Baby Boomers (75 percent) are more likely to be “very” or “somewhat familiar” with their spouse’s or partner’s savings compared to Generation X (63 percent) and Millennials (66 percent).
- **Commonly Used Sources of Information for Retirement.** Workers, to a greater or lesser extent, rely on many sources of information for retirement planning and investing. Millennials (45 percent) most frequently cite “family and friends.” Baby Boomers (35 percent) most frequently cite a “financial planner/broker.” Generation X (33 percent) most frequently cite financial websites (Yahoo! Finance, Morningstar, etc.).
- **Two-Thirds Feel That They Don’t Know as Much as They Should.** Sixty-eight percent of workers agree with the statement, “I do not know as much as I should about retirement investing,” including 29 percent who “strongly agree” and 39 percent who “somewhat agree.” Level of agreement decreases with age: Millennials (73 percent) are more likely to agree when compared to Generation X (65 percent) and Baby Boomers (63 percent).
- **More Than Half Would Prefer to Rely on Outside Experts.** Almost six in ten workers (57 percent) agree with the statement, “I would prefer to rely on outside experts to monitor and manage my retirement savings plan,” including 16 percent who “strongly agree” and 41 percent who “somewhat agree.” Millennials (63 percent) and Generation X (59 percent) are more likely to agree than Baby Boomers (47 percent).

Key Highlights

Workers' Financial Preparations for Retirement (continued)

- **Financial Advisor Services Vary by Generation.** Among workers who use a financial advisor, they most often use their advisors to make retirement investment recommendations (69 percent), followed by general financial planning (48 percent), calculating a retirement savings goal (47 percent), recommending other retirement-related product needs including health, life, and long-term care insurance (43 percent), and tax preparation (33 percent). Baby Boomers (84 percent) and Generation X (75 percent) most often use their advisors for making retirement investment recommendations, while Millennials (57 percent) most often use their advisors for general financial planning. Millennials (47 percent) are most likely compared to older generations to use their financial advisors for tax preparation.
- **Four in Ten May Be Procrastinating Thinking About Retirement.** Forty percent of workers agree with the statement, “I prefer not to think about or concern myself with retirement investing until I get closer to my retirement date,” including 12 percent who “strongly agree” and 28 percent who “somewhat agree.” As may be expected, younger workers are more likely to be procrastinators than older workers. Millennials (54 percent) are most likely to agree followed by Generation X (34 percent) and Baby Boomers (25 percent).

Despite the all-too-real challenge of saving, many workers are overlooking opportunities that may help them improve their long-term financial prospects. Raising awareness and encouraging workers to take greater action can help bring their retirement dreams and expectations closer within reach.

The Vital Role of Employers in Helping Workers Save, Invest, Plan, and Retire

Employers play an invaluable role in helping workers to save, invest, plan and prepare for retirement. Employer-sponsored retirement benefits such as 401(k) or similar plans encourage savings while offering the convenience of payroll deduction, access to institutional investments and advice, educational offerings, and even matching contributions.

The survey findings illustrate the important influence that employers have on their workers' future retirement. Employer sponsorship rates of 401(k) or similar plans are already high – yet with room for further growth. Many plan sponsors have the opportunities to enhance their plans with the addition of “automatic” plan features such as automatic enrollment and automatic escalation. Furthermore, many can offer other non-retirement health and welfare benefits that could help workers protect their nest eggs while they are working, and even into their retirement years.

Of importance, the survey's findings highlight that plan sponsors are already doing much to help their workers save for retirement; however, relatively few offer counseling and distribution options for pre-retirees' retirement savings. Employers can do much more in terms of offering phased retirement options, including flexible work arrangements.

Key Highlights

The Vital Role of Employers in Helping Workers Save, Invest, Plan, and Retire (continued)

- **Workers Highly Value Retirement Benefits.** Employers take note: Workers highly value retirement benefits. Eighty-eight percent of workers value a 401(k) or similar retirement plan as an important benefit. Four in five workers (81 percent) say that retirement benefits offered by a prospective employer will be a major factor in their decision whether to accept an offer. Six in 10 workers (59 percent) say they would be likely to switch employers for a nearly identical job with a similar employer that offered a retirement plan/a better retirement plan. Flight risk is greatest among the 70 percent of Millennials who share this sentiment. The majority of Generation X (57 percent) would be likely to switch also. Baby Boomers (44 percent) are less likely to switch employers for a retirement plan/a better retirement plan.
- **Workers' Access to Employer-Sponsored Retirement Benefits.** Seventy-one percent of workers have access to a 401(k) or similar employee-funded retirement plan in the workplace. Generation X workers (75 percent) are most likely to have access to a plan, compared to Millennials (68 percent) and Baby Boomers (71 percent).
- **Full-Time Workers Are More Likely to Have Access to a 401(k).** Full-time workers (77 percent) are far more likely to have access to a 401(k) or similar employee-funded plan compared to part-time workers (47 percent). Among full-time workers, Millennials (73 percent) are somewhat less likely to have benefits compared to Generation X (80 percent) and Baby Boomers (79 percent).
- **Having Access to a 401(k) Inspires Workers to Save.** Workers who are offered a 401(k) or similar retirement plan by their employer are more likely to save and invest for retirement in the plan and/or outside of work (89 percent) compared to those who do not have access to such plans (49 percent), a finding which is generally consistent by generation.
- **Plan Participation and Salary Deferral Rates.** Eighty-one percent of workers who are offered a 401(k) or similar plan participate in that plan. Participation rates are highest among Generation X and Baby Boomers (both 85 percent) with Millennials (75 percent) lagging behind them. Participants are contributing 10 percent (median) of their annual salary into their plans. Contribution rates are highest among Millennials and Baby Boomers at 10 percent each (median) with lower rates among Generation X (8 percent).
- **Contribution Rates to 401(k) or Similar Plan.** While most workers participating in a 401(k) or similar retirement plan are contributing 10 percent of their salaries or less, 35 percent are saving more than 10 percent. These “super savers” include 39 percent of Millennials, 30 percent of Generation X, and 36 percent of Baby Boomers. Twenty-two percent of plan participants are saving more than 15 percent of their annual pay into the plan.

Key Highlights

The Vital Role of Employers in Helping Workers Save, Invest, Plan, and Retire (continued)

- **Millennials Are More Likely to be Contributing to a Roth 401(k).** Seventy-five percent of workers who are offered a 401(k) or similar plan are aware of the Roth 401(k) option, which enables them to pay income taxes now and take withdrawals at retirement age tax-free. Among those who are aware, 58 percent say they are offered it by their employer including 39 percent who contribute to it. Millennials who are aware are most likely to be offered a Roth 401(k) feature and contribute to it (52 percent), compared to Generation X (37 percent) and Baby Boomers (23 percent).
- **Majority of Participants Use Professionally Managed Offerings.** “Professionally managed” accounts refer to a managed account service, strategic allocation funds, and/or target date funds. The majority of plan participants (59 percent) are using some form of professionally managed offering in their 401(k) or similar plans. Millennials (63 percent) and Generation X (60 percent) are somewhat more likely to be using these types of accounts than Baby Boomers (53 percent).
- **Retirement Plan Features: Appeal of Automatic Enrollment** Automatic enrollment is a retirement plan feature that eliminates the decision-making and action steps normally required of employees to enroll and to start contributing to the plan. It simply automatically enrolls employees into a plan and they only need to take action if they desire to opt out and not contribute to the plan. Across the generations, 81 percent of workers find automatic enrollment appealing, with Generation X (83 percent) and Millennials (82 percent) somewhat more likely to find it appealing than Baby Boomers (77 percent). Millennial workers consider an appropriate default contribution rate to be 10 percent, a higher rate than Generation X and Baby Boomers (both 6 percent). If an employer has not yet adopted automatic enrollment as part of its 401(k) plan, it is a feature worthy of consideration.
- **Retirement Plan Features: Appeal of Automatic Escalation.** The majority of workers across the generations (75 percent) say they would be likely to use an automatic feature that would automatically increase their retirement plan contribution by 1 percent each year. Millennials (78 percent) and Generation X (75 percent) are more likely than Baby Boomers (71 percent) to say they would be likely to use this feature. Some workers (9 percent) are not at all likely to use this feature, a finding that is more common among Baby Boomers (12 percent) compared to Generation X and Millennials (8 percent both). If an employer has not yet adopted automatic escalation as part of its 401(k) plan, it is also a feature worthy of consideration.
- **Two-Thirds Want More Retirement Education and Advice.** The majority of workers (66 percent) would like more education and advice from their employers on how to reach their retirement goals. This desire is highest among Millennials (76 percent), while also strong among Generation X (65 percent) and Baby Boomers (52 percent).

Key Highlights

The Vital Role of Employers in Helping Workers Save, Invest, Plan, and Retire (continued)

- **Workers' Views on Retirement Provider's Tools and Resources.** Workers who are offered a 401(k) or similar plan find many of the plan provider's tools and resources to be helpful. Millennials are likely to find most of the tools offered to be helpful and especially those that are technology-based. Two dramatic examples: (1) 81 percent of Millennials find mobile apps to manage their accounts to be helpful, compared to just 53 percent of Baby Boomers and (2) 67 percent of Millennials find information on social media to be helpful compared to just 29 percent of Baby Boomers.
- **Motivators to Inspire Learning: Make It Easier to Understand.** Employers, with their retirement plan providers, play an invaluable role in offering retirement and financial-related education to their employees. They may be able to fine-tune their offerings even more. When workers were asked what would motivate them to learn more about saving and investing for retirement, the most frequently cited motivators related to making it easier to understand (57 percent), a finding that is shared by Millennials (64 percent), Generation X (57 percent), and Baby Boomers (48 percent). "Larger tax breaks and incentives for saving in a retirement plan" and "a financial advisor" were also frequently cited motivators across generations.
- **Incentives to Save: Saver's Credit & Catch-Up Contributions.** Thirty-seven percent of workers indicate that greater tax breaks and incentives would be a motivator for them to learn more about saving and investing for retirement. Two meaningful incentives include: the Saver's Credit, a tax credit for eligible taxpayers who save for retirement in a qualified retirement plan or IRA; and catch-up contributions, which allow workers age 50 and older to contribute to a qualified plan an additional amount over and above the plan- or IRA-contribution limit. Yet only 36 percent of workers are aware of the Saver's Credit. All Baby Boomers are now over age 50 and Generation X began turning 50 in 2015. Catch-up contributions are now a noteworthy and relevant incentive for them; however, only 46 percent of Generation X and 63 percent of Baby Boomers are aware of the incentive.
- **Awareness of the IRS' Free File Program.** The IRS' Free File is a program started in 2003 that offers federal income tax preparation software for free for eligible tax filers. A concerning 55 percent of workers are unaware of this program. Awareness tends to decrease by generation, with Millennials the most aware (46 percent) followed by Generation X (45 percent) and Baby Boomers (43 percent).

Key Highlights

The Vital Role of Employers in Helping Workers Save, Invest, Plan, and Retire (continued)

- **Retirement Knowledge: Social Security Benefits.** A strong knowledge of government benefits is important for all future retirees and especially important for workers nearing retirement. Yet only 20 percent of Baby Boomers know “a great deal” about Social Security benefits. Moreover, among workers who expect Social Security to be their primary source of income when they retire, only 19 percent know a “great deal” about Social Security benefits.
- **Are Today’s Employers Aging-Friendly?** More than half of workers (56 percent) consider their employers to be “aging-friendly” by offering opportunities, work arrangements, and training and tools needed for employees of all ages to be successful in their current role or contribution to the company. Twenty-one percent of workers say their employers are not aging-friendly, and 23 percent are “not sure.” These findings are similar across three generations.
- **Seven in Ten Say Their Employers Support Working Past Age 65.** Seventy-two percent of workers agree with the statement, “My current employer is supportive of its employees working past 65,” including 29 percent who “strongly agree” and 43 percent who “somewhat agree.” Level of overall agreement is fairly consistent across three generations. However, Baby Boomers (34 percent) are somewhat more likely to “strongly agree” when compared to Millennials and Generation X (both 27 percent).
- **Employers Do Little to Facilitate Transitioning Into Retirement.** Workers may encounter difficulties in accomplishing a phased transition into retirement at their current employers. Only 37 percent of workers indicate their employers offer flexible work-related programs such as accommodating flexible work schedules and arrangements (24 percent), enabling employees to reduce work hours and shift from full-time to part-time (21 percent), and/or enabling employees to take positions that are less stressful or demanding (16 percent). Interestingly, Millennials (43 percent) are more likely than Generation X (34 percent) and Baby Boomers (30 percent) to indicate their employers offer flexible work-related programs.
- **A Gap: Importance of Benefits to Workers vs. Benefits Offered by Employer.** In addition to retirement benefits, health and welfare benefits can enhance workers’ financial security (e.g., health insurance, disability insurance, life insurance, employee assistance programs, workplace wellness, financial wellness programs, long-term care and other insurance). These benefits can bring insurance protections, mitigate out-of-pocket expenses, and provide the possibility of additional resources in a time of need. Most workers believe these benefits are important; however, a significant gap exists between the percentages of workers believing them to be important compared to who are actually offered them by their employers. This represents an opportunity for employers to increase the competitiveness of their compensation and benefits packages, while helping their employees achieve greater long-term financial security.

Key Highlights

The Vital Role of Employers in Helping Workers Save, Invest, Plan, and Retire (continued)

- **The Employee Benefits Gap Spans All Three Generations.** The importance of various types of health and welfare benefits varies by generation (e.g., health insurance, disability insurance, life insurance, employee assistance programs, workplace wellness, financial wellness programs, long-term care and other insurance). While more than 90 percent of workers across all three generations consider health insurance to be important, Millennials are more likely than Generation X and Baby Boomers to find the other types of health and welfare benefits listed to be important. Across generations, a significant gap exists between the percentages of workers believing them to be important compared to who are actually offered them by their employers.

Wishful thinking or within reach? Workers' vision of living a long, healthy life with an active retirement is not impossible. However, workers can and should do more to improve their outlook by planning, preparing, keeping job skills up to date, and safeguarding their health.

Workers' ability to achieve success is also highly dependent on a robust employment market for workers of all ages, an employment environment that embraces older workers, employers' offering of retirement benefits along with other health and welfare benefits, adoption of phased retirement programs by employers, and the preservation of safety nets such as Social Security and Medicare. From a societal perspective, we're all in this together.

Catherine Collinson

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Recommendations for Workers

Workers should do as much as they possibly can to improve their retirement prospects and achieve their vision of retirement. As the retirement landscape continues to evolve, Baby Boomers, Generation X, and Millennials will likely face different challenges and opportunities. However, the proactive tactics to help prepare are fundamentally common to all. Ten action steps include:

- 1. Create a budget** that includes income, living expenses, paying off debt, and financial goals such as building short-term savings and long-term retirement savings.
- 2. Save for retirement.** Start saving as early as possible and save consistently over time. Avoid taking loans and early withdrawals from retirement accounts.
- 3. Consider retirement benefits as part of total compensation** when evaluating employment opportunities.
- 4. Participate in employer-sponsored retirement plans, if available.** Take full advantage of matching employer contributions, and defer as much as possible. If not offered a plan, consider contributing to an IRA.
- 5. Calculate retirement savings needs, develop a retirement strategy, and write it down.** Factor in living expenses, healthcare and long-term care needs, and government benefits – as well as funds for pursuing retirement dreams such as travel, time with family, and hobbies. Seek assistance from a professional financial advisor, if needed.
- 6. Get educated about retirement investing.** Whether relying on the expertise of professional advisors or taking a more do-it-yourself approach, gain the knowledge to ask questions and make informed decisions. Also learn about Social Security and government benefits.
- 7. Take advantage of the Saver's Credit and catch-up contributions.** Check if you qualify for the Saver's Credit tax credit available to eligible tax filers who contribute to a 401(k) or similar plan or IRA. If you are age 50 or older, make catch-up contributions if available through your employer's retirement plan or through an IRA.
- 8. Be proactive to help ensure continued employment even in retirement.** Take proactive steps to stay employed and maximize opportunities by keeping job skills up to date, staying current on employment trends and marketplace needs, and even going back to school to learn new skills.
- 9. Be sure to have a backup plan** in the event of job loss or in case retirement comes early due to an unforeseen circumstance.
- 10. Take good care of yourself and safeguard your health.** Consider the long-term health implications when making lifestyle decisions.

Recommendations for Employers

Employers play a vital role in helping Americans save for retirement. Working with HR professionals and employee benefits advisors, employers may help improve their employees' retirement outlook by pursuing these possible opportunities:

- 1. Offer a retirement plan or achieve efficiencies by joining a multiple employer plan (MEP).** If a plan is not already in place, take advantage of the tax credit available for starting a retirement plan or joining a MEP.
- 2. Offer other health and welfare benefits that can enhance and protect workers' long-term financial security.** Benefits such as health insurance, disability insurance, life insurance, employee assistance programs, workplace wellness and financial wellness programs, long-term care and other insurance can help protect employees' overall security.
- 3. For employers who offer a retirement plan, extend eligibility to part-time workers.** Seek expertise of retirement specialists familiar with plan design on how to best accomplish this. If extending eligibility to part-time workers is unfeasible, promote the ability for workers to save for retirement in an IRA as an alternative.
- 4. Add automatic enrollment and escalation features** to increase retirement plan participation and salary deferral rates.
- 5. Discourage loans and withdrawals from retirement accounts.** Limit the number of loans available in the retirement plan. Ensure participants are educated about the ramifications of taking loans and early withdrawals. Allow for an extended loan repayment time for terminated participants.
- 6. Structure matching contribution formulas to promote higher salary deferrals.** Consider, for example, matching 50 percent of the first six percent of deferrals instead of matching 100 percent of the first three percent of deferrals.
- 7. Provide education regarding saving and investing that is easy to understand and meet the needs of employees.** Offer information and guidance the Saver's Credit tax credit, how to calculate a retirement savings goal, principles of saving and investing, and, for pre-retirees, ways to generate retirement income from savings to last throughout their lifetimes.
- 8. Offer pre-retirees greater levels of assistance in planning their transition into retirement.** Include education about distribution options, retirement income strategies, and the need for a backup plan if forced into retirement sooner than expected (e.g. health issues, job loss, family obligations). Provide information about Social Security and Medicare.
- 9. Create opportunities for workers to phase into retirement** by offering flexible work arrangements and by allowing for a transition from full-time to part-time and/or working in different capacities.
- 10. Foster an aging-friendly work environment and adopt diversity and inclusion business practices** that include age among other commonly referenced demographic factors (e.g., gender, race, religion, sexual orientation).

Recommendations for Policymakers

Workplace retirement savings plans serve as the preferred method of saving for retirement for millions of workers. However, given changes in employment trends and workers' needs to extend their working lives beyond age 65, much more should be done to improve the current retirement system. Recommendations for policymakers include:

- 1. Preserve and enhance existing incentives for workers to save for retirement** including tax-deferred savings, existing contribution limits to qualified retirement plans and IRAs, and the Saver's Credit.
- 2. Expand retirement plan coverage for all workers including part-time workers by:**
 - a. Expanding the tax credit for employers to start a plan;
 - b. Implementing reforms to MEPs thereby facilitating the opportunity for employers to join them; and,
 - c. Providing additional safe harbors for 401(k) and similar plans for purposes of non-discrimination testing.
- 3. Encourage adoption of automatic enrollment and increase default contribution rates.** A new auto enrollment safe harbor, under which employees are enrolled at six percent (increasing to eight percent, then 10 percent), which also provides a tax credit for adopting it, can drive up plan sponsor adoption rates and participant savings rates.
- 4. Reduce leakage from retirement accounts** by extending the 401(k) loan repayment period for terminated plan participants and eliminating the six-month suspension period following hardship withdrawals.
- 5. Illustrate savings as retirement income on retirement plan account statements.** Require retirement plan statements to state participant account balances in terms of lifetime income as well as a lump sum to help educate about savings needs.
- 6. Facilitate retirement savings to last a lifetime.** Proposals that help participants both manage their investment risk and build retirement savings to last their lifetime are encouraged, including facilitating the offering of in-plan annuities and annuities as a distribution option.
- 7. Expand the Saver's Credit** by making it refundable and/or raising the income eligibility requirements so that more tax filers are eligible.
- 8. Identify and implement public policy reforms** that remove disincentives and possibly create new incentives for employers to retain older workers and offer phased retirement programs.

*Wishful Thinking or Within Reach?
Three Generations Prepare for “Retirement”*

Detailed Findings

A Portrait of Three Unique Generations

Millennials: A Digital DIY Retirement Generation

Millennial workers (born 1979 - 2000) are a digital do-it-yourself generation of retirement savers. Most are concerned that Social Security will not be there for them when they get ready to retire. Unlike their parents' generation, many expect their primary source of retirement income to be self-funded through retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) or other savings and investments. They are getting an early and strong start with their retirement savings, but they need to learn more about investing. And they are hungry for more information on how to achieve their retirement goals.

18%

are planning to live to 100 or older.

p. 54

71%

are already saving for retirement in a company-sponsored 401(k) or similar plan, and/or outside the workplace.

p. 77

Age 24

is the age (median) that Millennial investors started saving for retirement.

p. 77

10

is the percentage of their annual salaries (median) that Millennial participants are contributing to 401(k) or similar plans.

p. 99

8-in-10

80 percent are concerned that Social Security will not be there for them when they are ready to retire.

p. 76

56%

expect their primary source of retirement income to be self-funded through accounts such as 401(k)s, 403(b)s, and IRAs or other savings.

p. 75

1-in-4

say that they are "not sure" how their retirement savings are invested.

p. 82

76%

would like to receive more information and advice from their employers on how to achieve their retirement goals.

p. 105

Generation X: The Stoic and Struggling 401(k) Savers

Generation X (born 1964 to 1978) entered the workforce in the late 1980s just as 401(k) plans were making their first appearance and defined benefit plans were beginning to disappear. Generation X workers are the first generation to have access to 401(k) plans for the majority of their working careers; they have high plan participation rates, but many should be saving more. For better or worse, some have taken loans and early withdrawals. Their retirement confidence is lacking and many are behind on their savings; however, it's important for them to know that they still have time to catch up before they retire.

Only 39%

have either fully recovered or were not impacted by the Great Recession.

p. 58

80%

are saving for retirement in a company-sponsored 401(k) or similar plan and/or outside the workplace.

p. 77

Age 30

is the age (median) that Generation X started saving for retirement.

p. 77

Eight

is the percentage of their annual salaries (median) that Generation X participants are contributing to 401(k) or similar plans.

p. 99

34%

have taken a loan, early withdrawal, and/or hardship withdrawal from their retirement savings.

p. 62

\$72,000

is the amount saved in all household retirement accounts (median).

p. 66

83%

are concerned that Social Security will not be there for them when they are ready to retire.

p. 76

Just 14%

are “very confident” that they will be able to fully retire with a comfortable lifestyle.

p. 68

Baby Boomers: Trailblazers of the New Retirement

Baby Boomers (born 1946 to 1964) are the generation that has re-written societal rules at every stage of their life. Now, they are trailblazing a new brand of retirement. Many were already mid-career when the retirement landscape shifted from defined benefit plans to 401(k) or similar plans. They have not had a full 40-year time horizon to save in 401(k)s. Many were also hit hard during the Great Recession and, unlike younger generations, they have less time to financially recover before they retire. Baby Boomer workers are planning to work to older ages than previous generations, yet few have a backup plan if forced into retirement unexpectedly.

1-in-4

only 26 percent plan to immediately stop working and retire, i.e., when they reach a certain age or savings goal.

p. 45

Two-Thirds

plan to or already are working past age 65 or do not plan to retire.

p. 43

54%

plan to continue working after they retire and most for financial and healthy aging-related reasons.

pp. 44, 49

<Half

42% are proactively keeping their skills up to date so they can continue working past 65 or in retirement if needed.

p. 53

28%

have a backup plan for retirement income if unable to work prior to their planned retirement.

p. 85

38%

expect Social Security to be their primary source of income when they retire.

p. 75

2-in-5

39 percent expect their primary source of retirement income to be self-funded accounts such as 401(k)s, 403(b)s, and IRAs or other savings.

p. 75

\$164,000

is the amount saved in all household retirement accounts (median).

p. 66

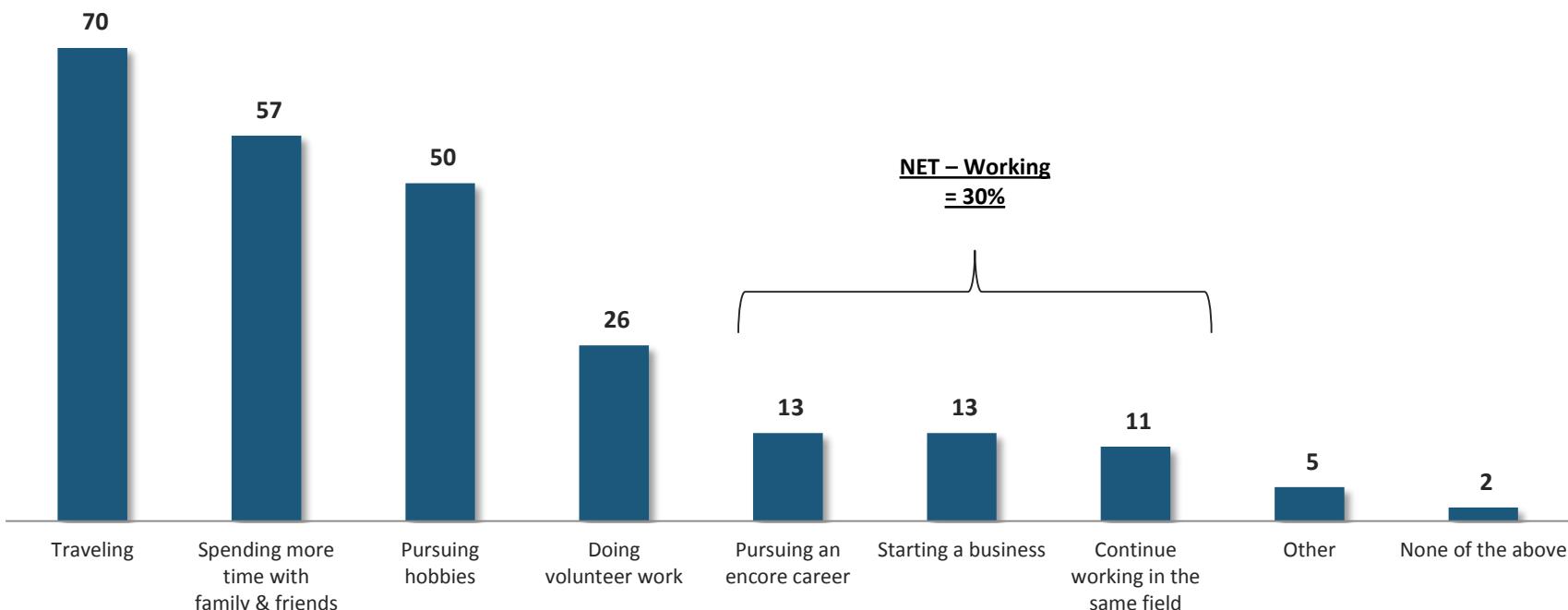
Workers' Visions of Retiring and Retirement

Workers Are Dreaming of an Active Retirement

“Traveling” (70 percent) is workers’ most frequently cited retirement dream, followed by “spending more time with family and friends” (57 percent), “pursuing hobbies” (50 percent), and “doing volunteer work” (26 percent). Three in ten workers (30 percent) dream of doing some form of work in retirement, including “pursuing an encore career” (13 percent), “starting a business” (13 percent) and/or “continuing to work in the same field” (11 percent).

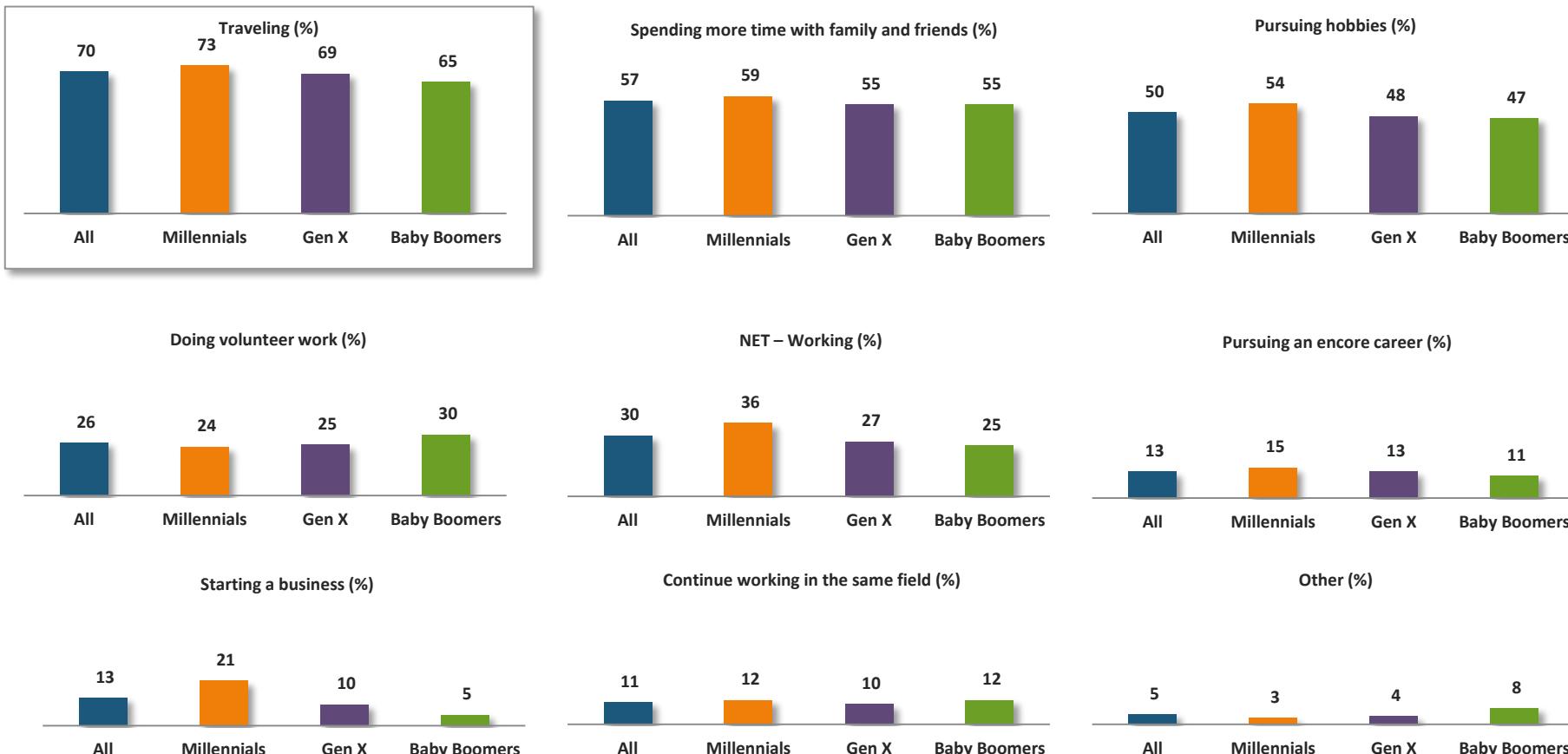
How do you dream of spending your retirement?

All Workers (%)



Workers Across Generations Share Similar Retirement Dreams

Across generations, workers share the same top three retirement dreams: traveling, spending more time with family and friends, and pursuing hobbies. A noteworthy percentage of workers are dreaming of some form of paid or volunteer work in retirement: Baby Boomers (30 percent) are more likely to dream of “doing volunteer work,” while Millennials are more likely to dream of “starting a business” (21 percent). All three generations are similarly likely to dream of pursuing an encore career, including Millennials (15 percent), Generation X (13 percent), and Baby Boomers (11 percent).



Note: Responses not shown for the less than 5 percent who said “none of the above.”

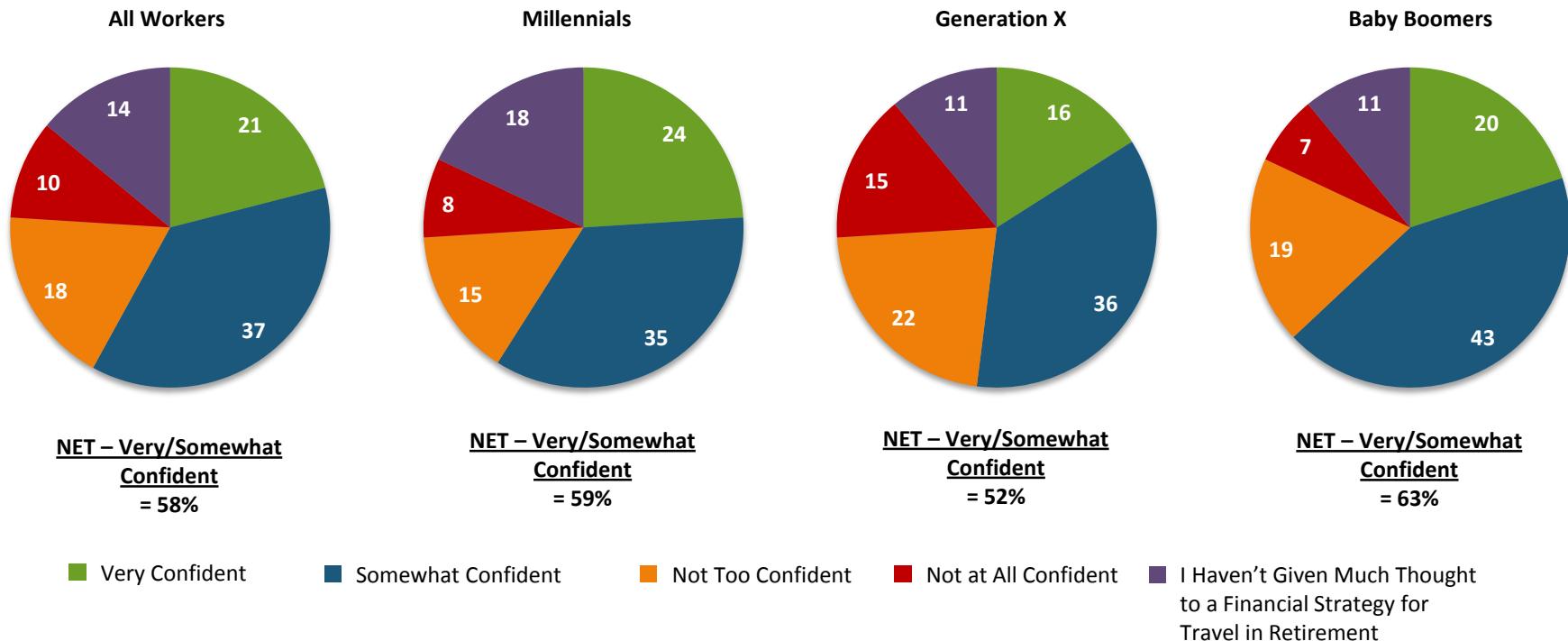
BASE: ALL QUALIFIED RESPONDENTS

Q1418. How do you dream of spending your retirement? Select all.

Travel in Retirement May Or May Not Be in Reach

Among workers who are dreaming of travel when they retire, for many, their dreams may be beyond their financial reach. Only 58 percent are very or somewhat confident that their current financial strategy will allow them to meet their travel goals throughout their retirement. Baby Boomers (63 percent) and Millennials (59 percent) are significantly more likely than Generation X (52 percent) to be confident. Some workers (14 percent) say they haven't given it much thought, a finding that is more common among Millennials (18 percent) compared to Baby Boomers and Generation X (both 11 percent).

Confidence in Financial Ability to Meet Travel Goals in Retirement (%)



BASE: ALL QUALIFIED RESPONDENTS WHO DREAM OF TRAVELING IN RETIREMENT

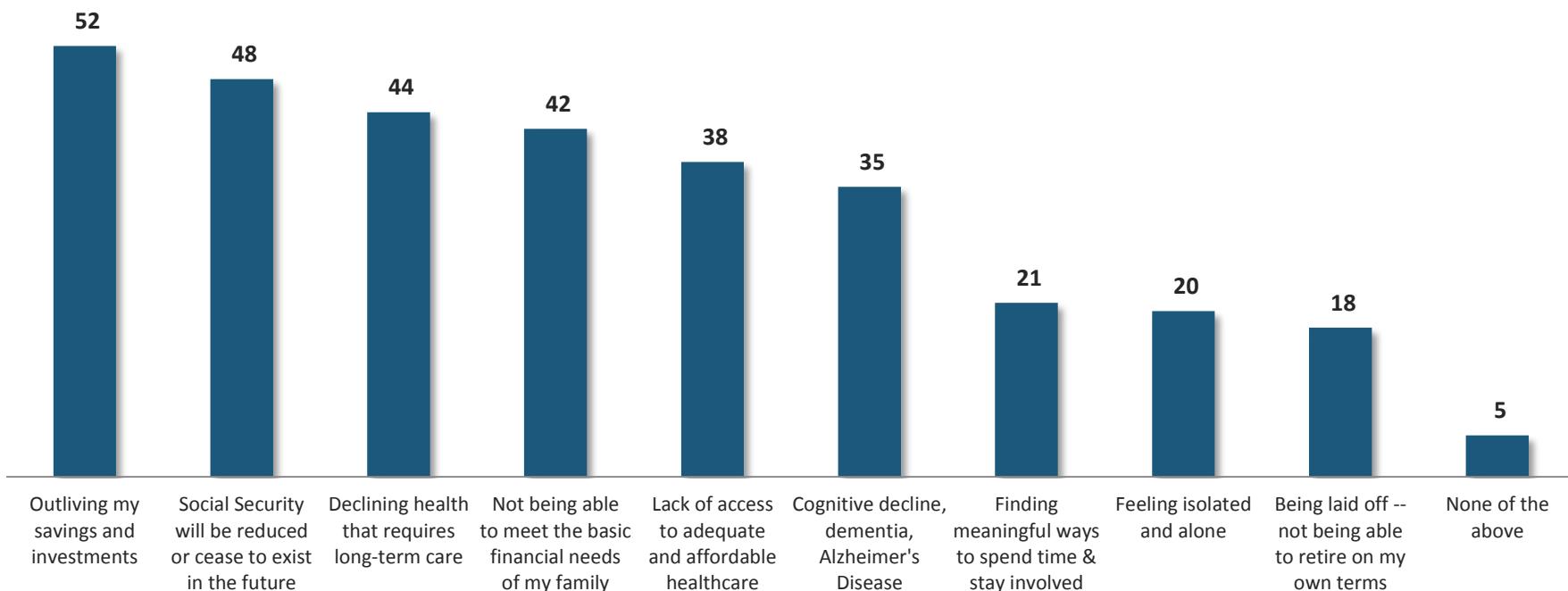
Q2845. How confident are you that your current financial strategy will allow you to meet your travel goals throughout your retirement? If you haven't given much thought to this, please just indicate so.

Retirement Fears Range from Financial to Health-Related

Workers' six most frequently cited fears about retirement include "outliving my savings and investments" (52 percent), "Social Security will be reduced or cease to exist in the future" (48 percent), "declining health that requires long-term care" (44 percent), "not being able to meet the basic financial needs of my family" (42 percent), "lack of access to adequate and affordable healthcare" (38 percent), and "cognitive decline, dementia, Alzheimer's disease" (35 percent). Approximately one in five workers cite other fears including "finding meaningful ways to spend time and stay involved" (21 percent), "feeling isolated and alone" (20 percent), and "being laid off – not being able to retire on my own terms" (18 percent).

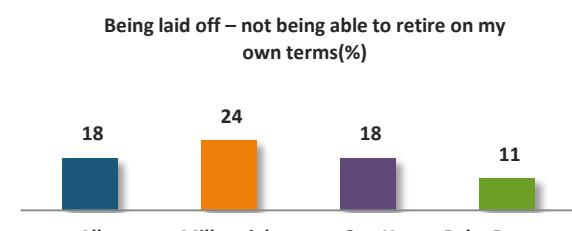
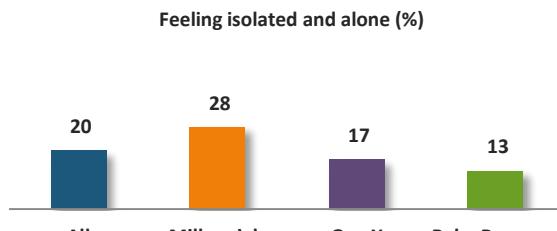
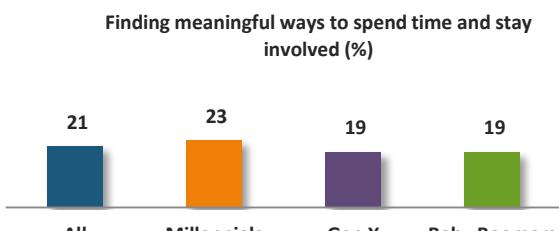
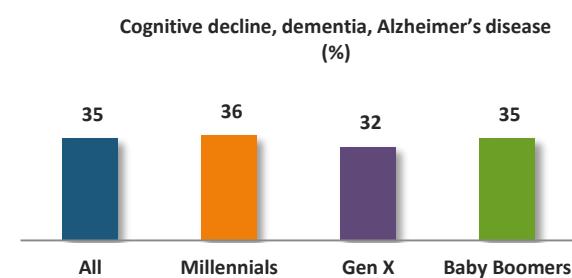
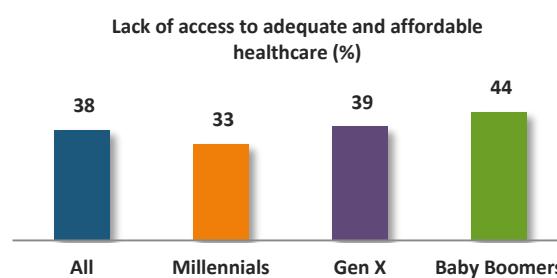
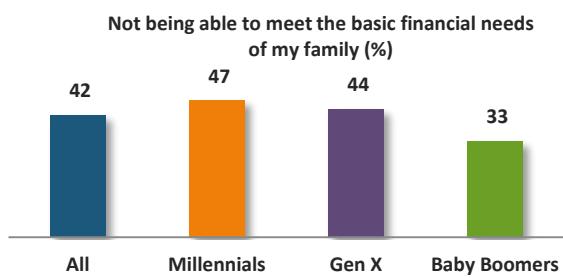
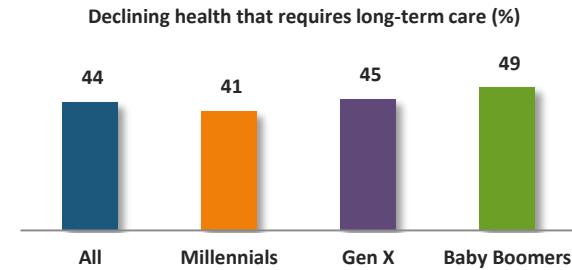
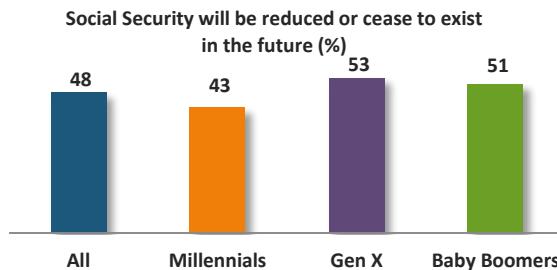
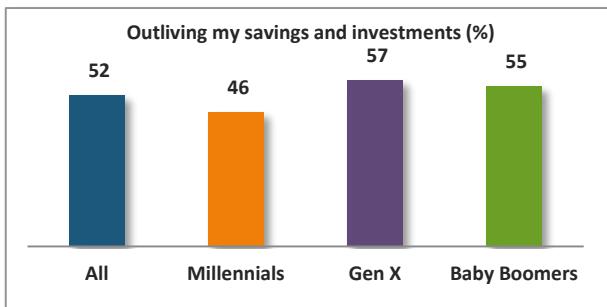
What are your greatest fears about retirement?

All Workers (%)



Retirement Fears Abound Across Generations

“Outliving my savings and investments” is the most frequently cited retirement fear among Generation X (57 percent) and Baby Boomer workers (55 percent), while “not being able to meet the basic financial needs of my family” is the most frequently cited fear among Millennials (47 percent). Generation X (53 percent) and Baby Boomers (51 percent) are more likely than Millennials (43 percent) to fear that “Social Security will be reduced or cease to exist in the future.” “Declining health that requires long-term care” is a fear that tends to increase with workers’ age, with more Baby Boomers (49 percent) citing it as a fear compared to Generation X (45 percent) and Millennials (41 percent).



Note: responses not shown for the less than 10 percent who said “none of the above.”

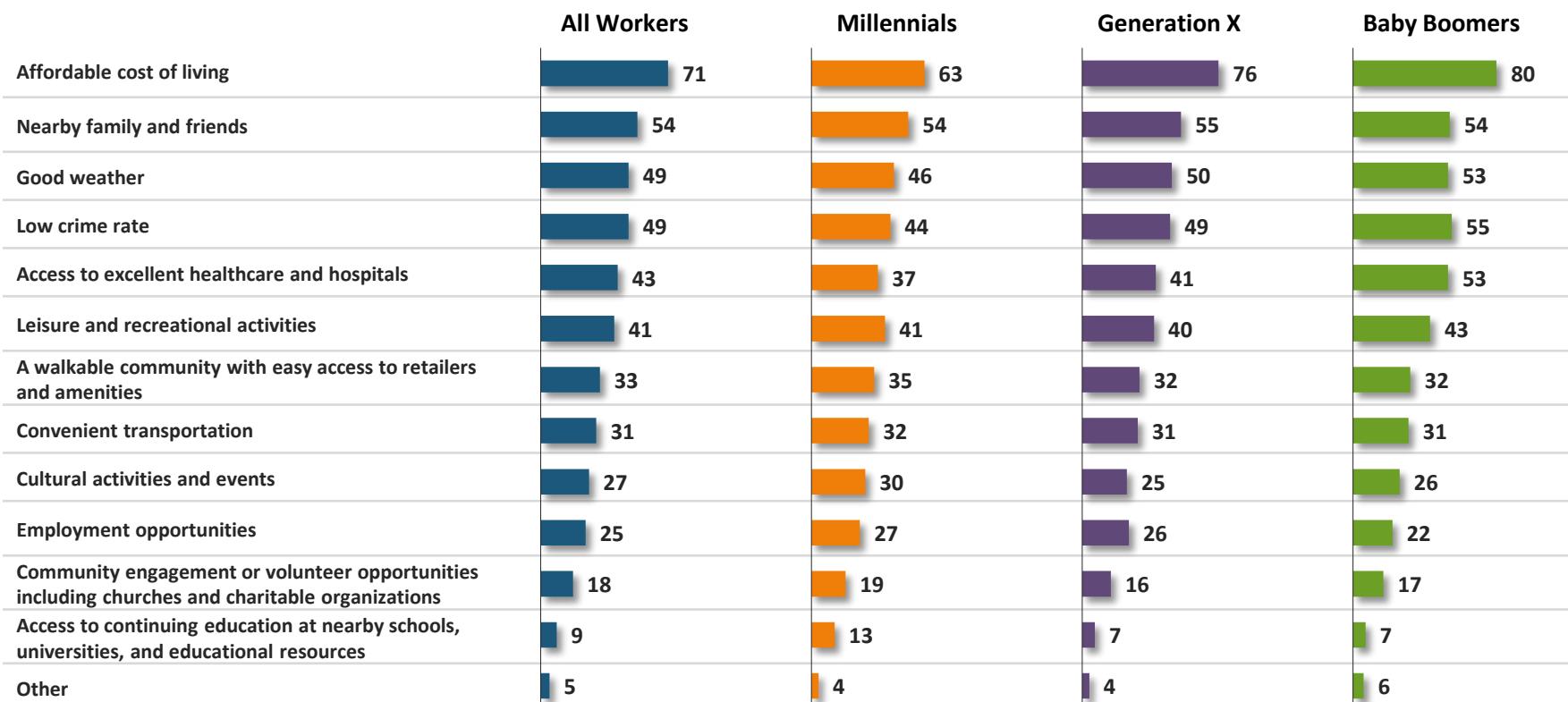
BASE: ALL QUALIFIED RESPONDENTS

Q1422. What are your greatest fears about retirement? Select all.

Important Criteria for Deciding Where to Live in Retirement

Where workers decide to live in retirement can influence their ability to achieve their dreams and mitigate any fears. When thinking about where they want to live in retirement, workers most frequently cite affordable cost of living (71 percent) as a very important criterion in their decision-making, followed by proximity to family and friends (54 percent), good weather (49 percent), a low crime rate (49 percent), access to healthcare and hospitals (43 percent), and leisure and recreational activities (41 percent). Ironically, although more than half of workers plan to continue working after they retire ([see page 43](#)), only 25 percent have identified employment opportunities as a being a very important criterion for deciding where they want to live in retirement.

Very Important Criteria for Choosing Where to Live in Retirement (%)



BASE: ALL QUALIFIED RESPONDENTS

Q2725. When thinking about where you want to live in retirement, which of the following criteria will be very important in your decision-making? Select all.

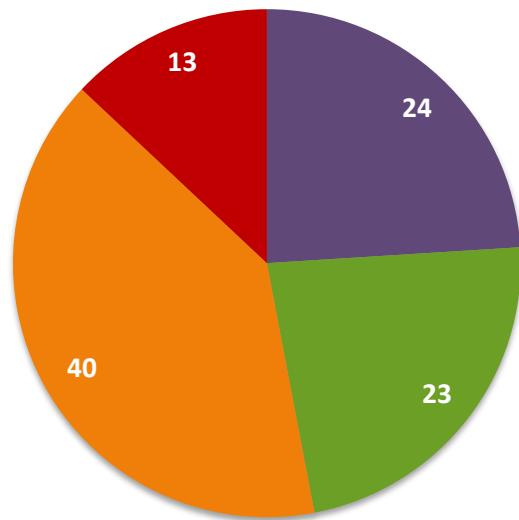
More than Half of Workers Expect to Work Past Age 65

More than half of workers (53 percent) expect to work past age 65 or do not plan to retire. However, expectations differ across generations. Sixty-six percent of Baby Boomer workers either expect to or are already working past age 65 or do not plan to retire. Many of Generation X (56 percent) also plan to do so. In contrast, the majority of Millennials (59 percent) plan to retire at 65 or sooner.

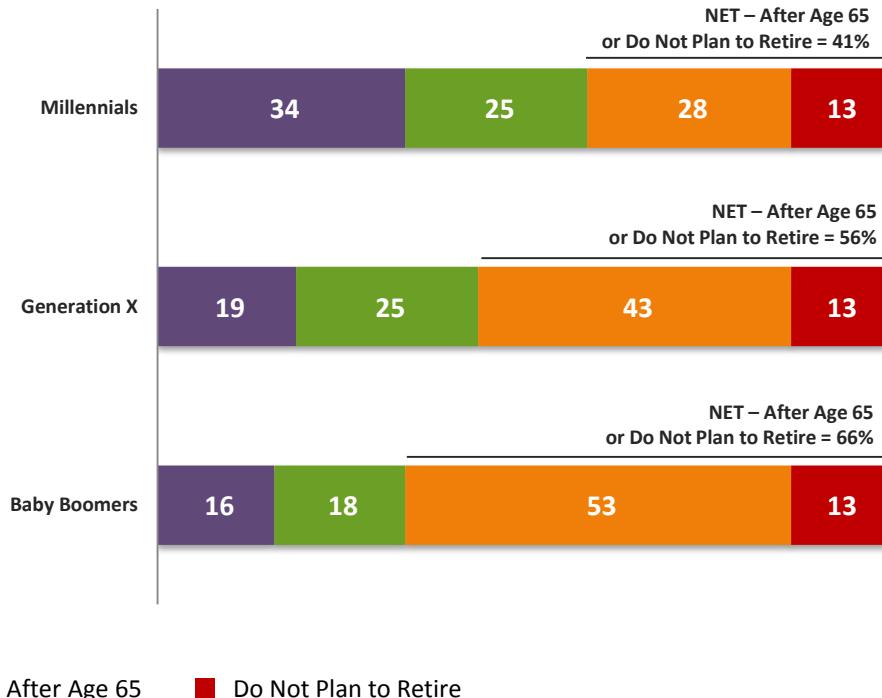
At what age do you expect to retire?

All Workers (%)

NET – After Age 65 or Do Not Plan to Retire = 53%



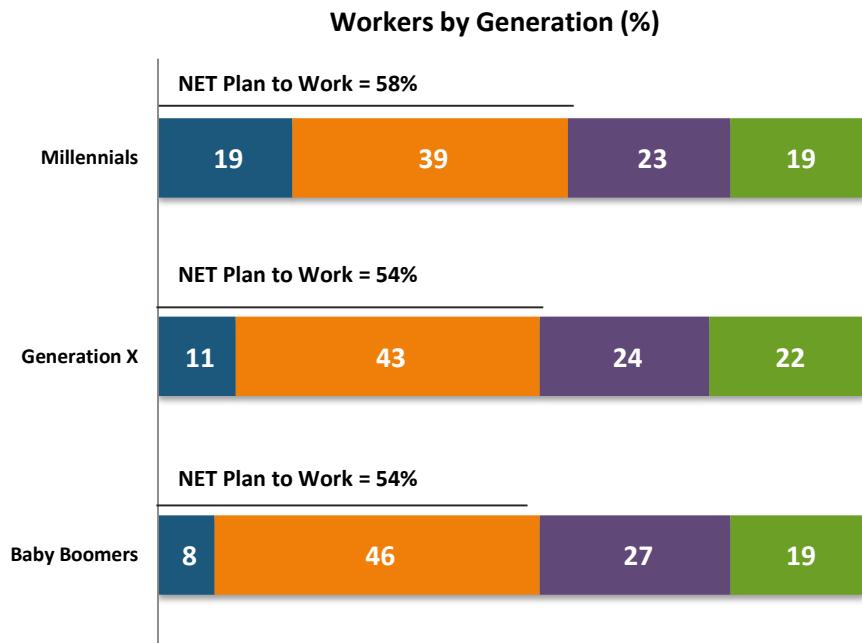
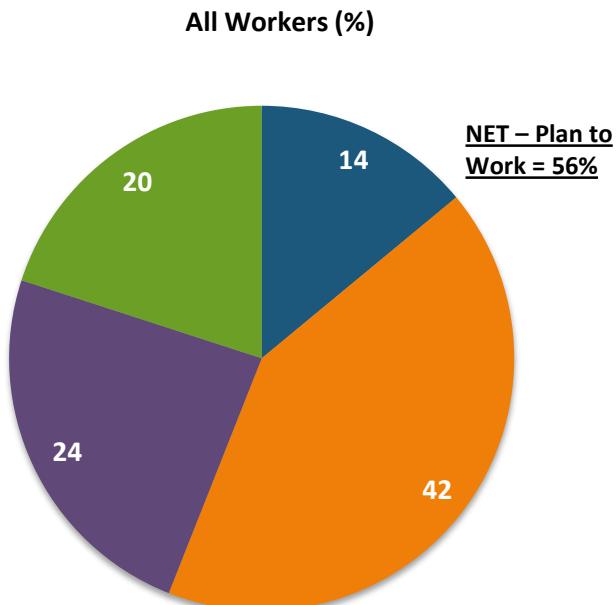
Workers by Generation (%)



More than Half of Workers Plan to Work in Retirement

More than half of workers (56 percent) plan to work after they retire, including 42 percent who plan to work part-time and 14 percent full-time. Just one in four workers (24 percent) do not plan to work after they retire. Twenty percent are not sure. Baby Boomers, Generation X, and Millennials share similar expectations of working in retirement; however, Millennials (19 percent) are significantly more likely than Generation X (11 percent) and Baby Boomers (8 percent) to plan to work full-time when they retire.

Do you plan to work after you retire?



■ Yes, I plan to work full-time

■ Yes, I plan to work part-time

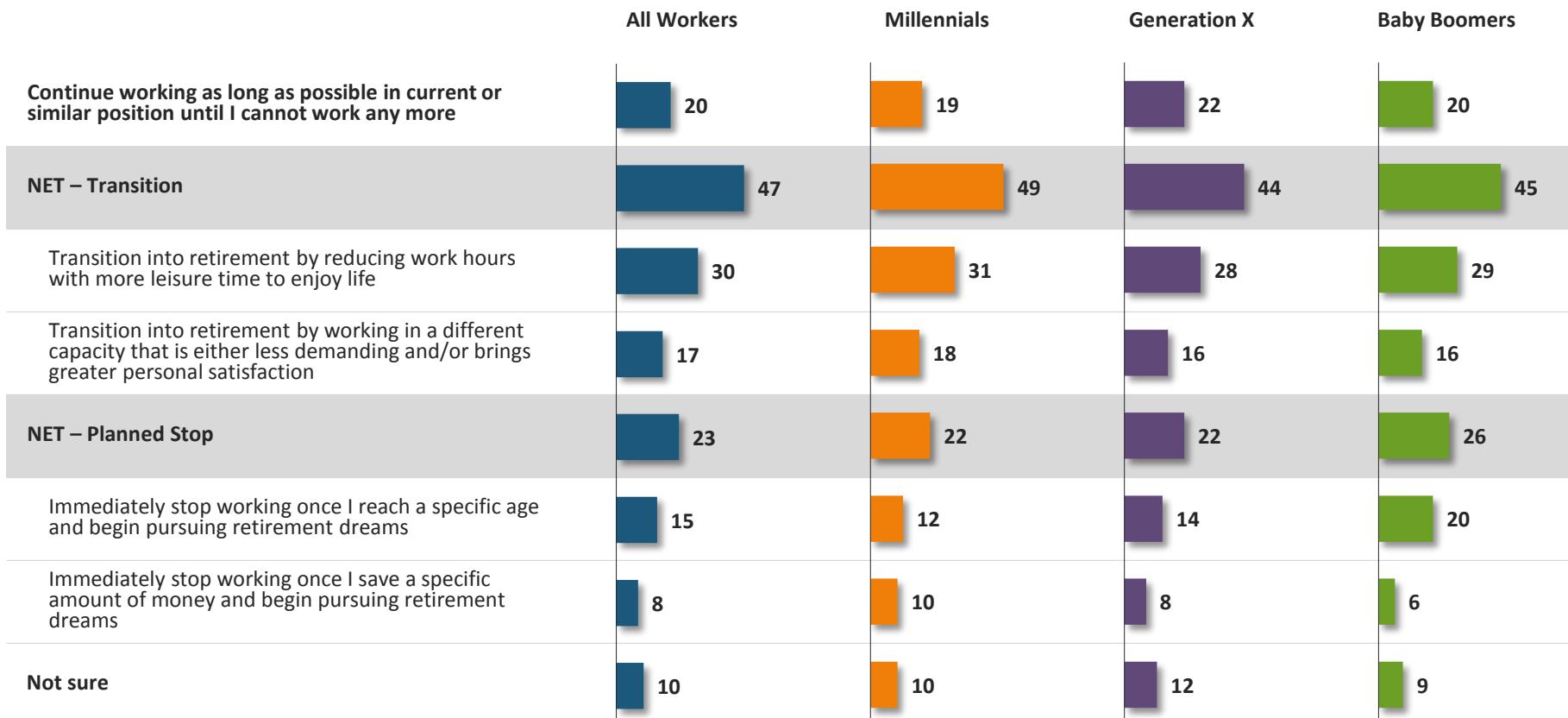
■ No, I do not plan to work

■ Not sure

Workers Envision a Variety of Ways to Transition Into Retirement

Forty-seven percent of workers envision a phased transition into retirement during which they will reduce work hours with more leisure time to enjoy life (30 percent), or work in a different capacity that is less demanding and/or brings greater personal satisfaction (17 percent). Only 23 percent expect to immediately stop working when they retire, and 10 percent are “not sure.” Twenty percent plan to continue working as long as possible until they cannot work any more.

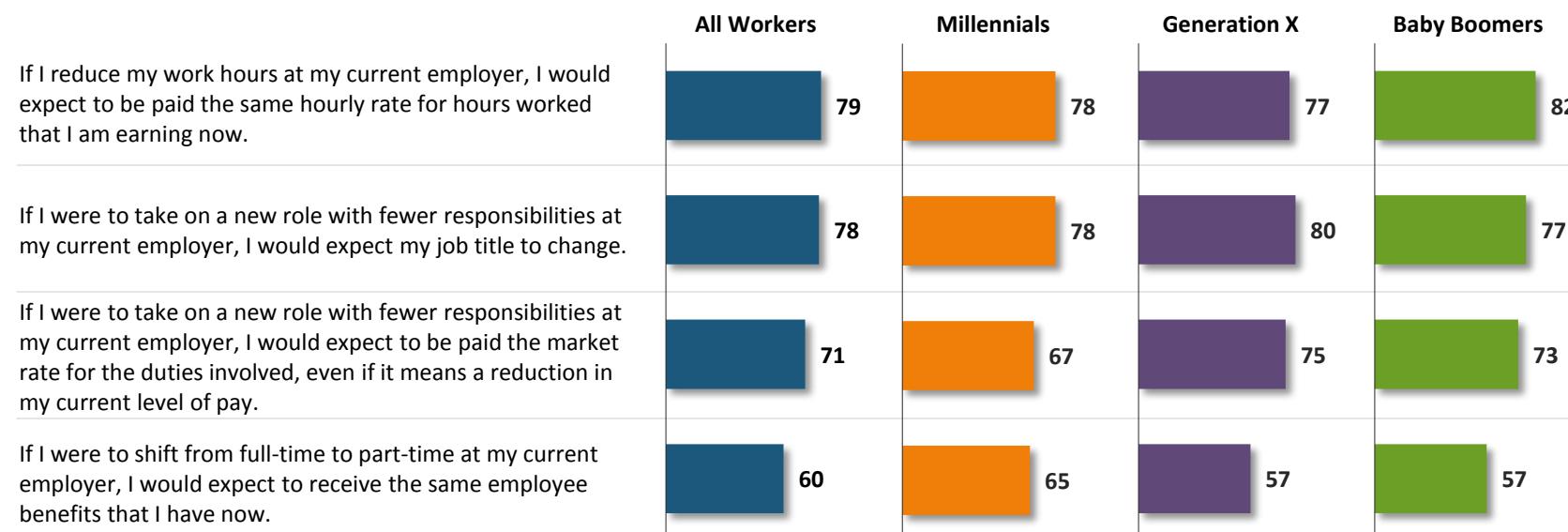
How do you envision transitioning into retirement? (%)



Phased Retirement and Compensation-Related Expectations

Among workers who envision a phased transition into retirement, most have realistic expectations regarding how changes in their work arrangements may affect their job title, compensation, and benefits. Four in five workers (79 percent) say that if they were to reduce their work hours at their current employer, they would expect to be paid the same hourly rate for hours worked that they are earning now. Also, four in five (78 percent) say that if they were to take on a new role with fewer responsibilities they would expect their job title to change. Seven in 10 (71 percent) say that if they were to take on a new role with fewer responsibilities at their current employer, they would expect to be paid the market rate for the duties involved, even if it means a reduction in their current level of pay. However, three in five workers (60 percent) say that if they shift from full- to part-time at their current employer, they would expect to receive the same level of employee benefits, which is an expectation that may not be realistic because many employers do not offer benefits to part-time workers.

In thinking about your vision of transitioning into retirement, to what extent do you agree or disagree with the following statements? (NET - Agree %)



New question added in 2017

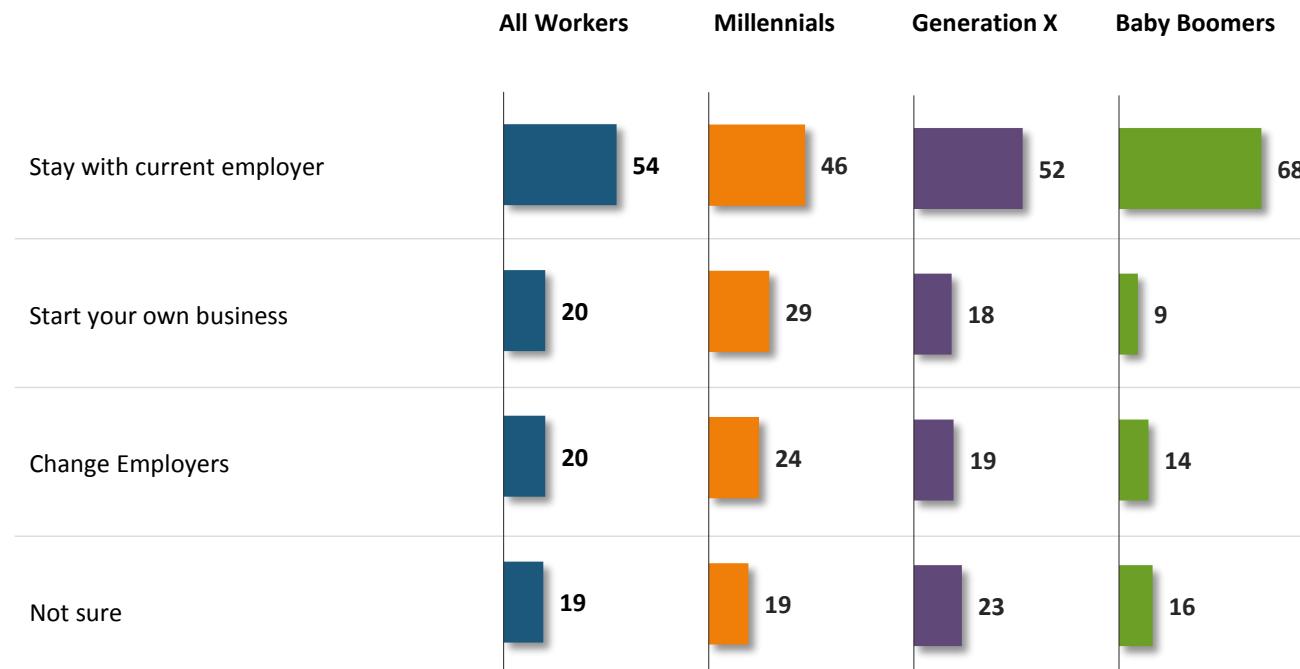
BASE: RESPONDENTS WHO ENVISION A PHASED TRANSITION INTO RETIREMENT

Q1546. In thinking about your vision of transitioning into retirement, to what extent do you agree or disagree with the following statements?

Employment-Related Scenarios for Transitioning Into Retirement

More than half of workers (54 percent) think they will stay with their current employer when they are working past age 65 or transitioning into retirement. Baby Boomers (68 percent) are more likely to expect this than Generation X (52 percent) and Millennials (46 percent). In contrast, Millennials are more likely to think they will either start their own business or change employers while transitioning into retirement (29 and 24 percent, respectively) compared to Generation X (18 and 19 percent, respectively) and Baby Boomers (9 and 14 percent, respectively).

When you think about working past 65 or working while you transition into retirement, which one of the following would you prefer? (%)

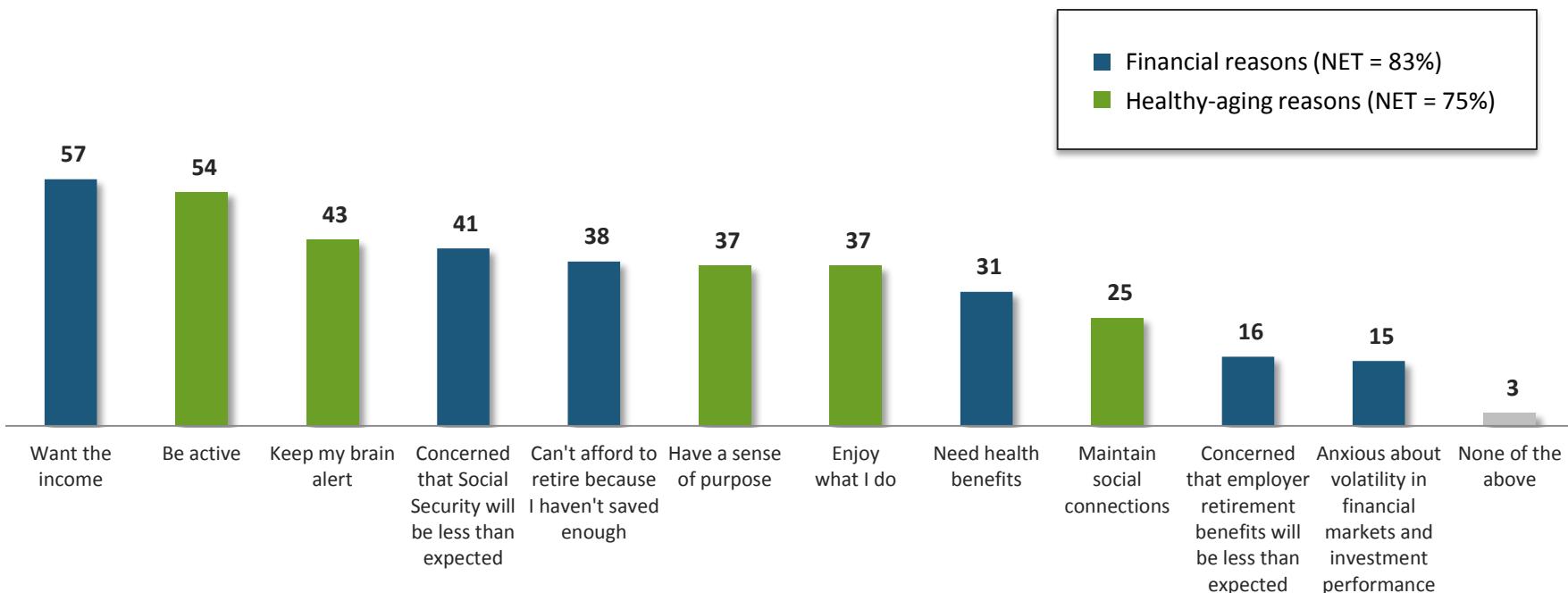


Reasons for Working in Retirement Include Financial and Health

Among workers who plan to work in retirement and/or past age 65, their reasons for doing so are more often financial (83 percent) than healthy-aging related (75 percent). The top financial reasons include “wanting the income” (57 percent) and “concerned that Social Security will be less than expected” (41 percent). The top healthy-aging reasons for working in retirement are “being active” (54 percent) and “keeping my brain alert” (43 percent).

What are your reason(s) for working in retirement or past age 65?

All Workers (%)



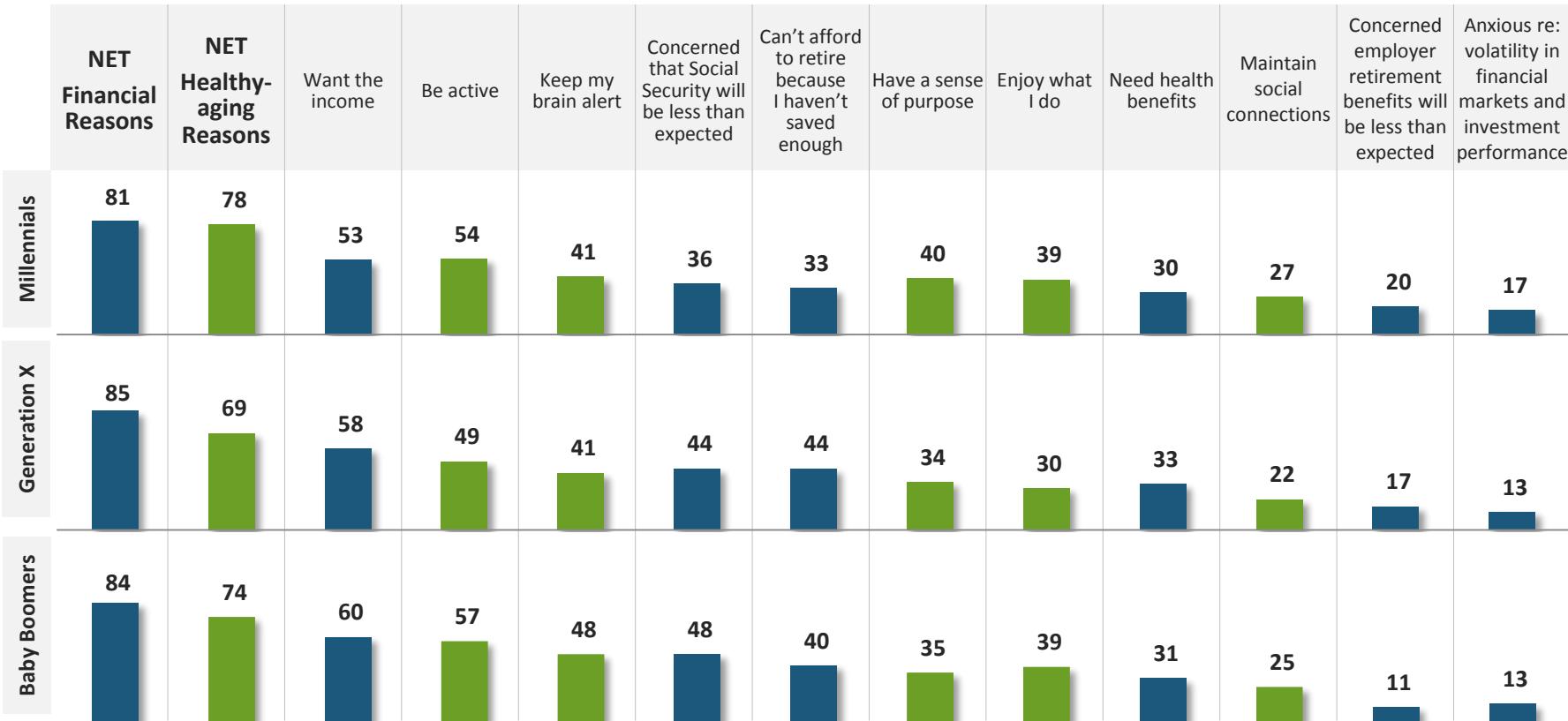
New question added in 2017

BASE: PLAN ON RETIRING AFTER 65 AND/OR WORKING AFTER RETIREMENT

Q1530x1. What are your reason(s) for working in retirement or past age 65? Select all.

Reasons for Working in Retirement by Generation

Across generations, workers who plan to work in retirement and/or past age 65 more often plan to do so for financial reasons than for healthy-aging reasons. Generation X workers (85 percent) who plan to work in retirement and/or past age 65 are somewhat more likely to cite financial reasons than Baby Boomers (84 percent) or Millennials (81 percent). Millennials (78 percent) are somewhat more likely to cite healthy-aging reasons for working in retirement compared to Baby Boomers (74 percent) and Generation X (69 percent).



Note: Responses not shown for the less than 5 percent who said "none of the above."

New question added in 2017

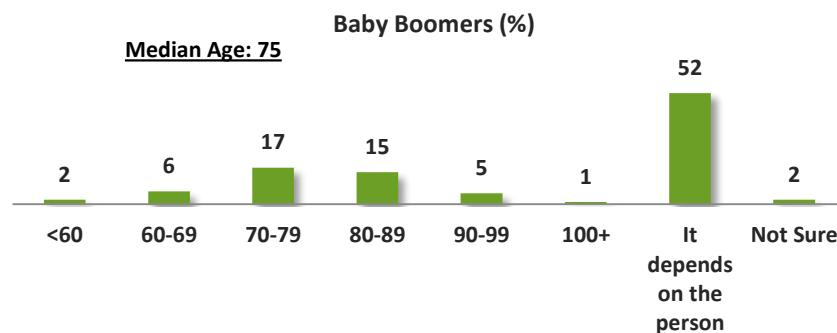
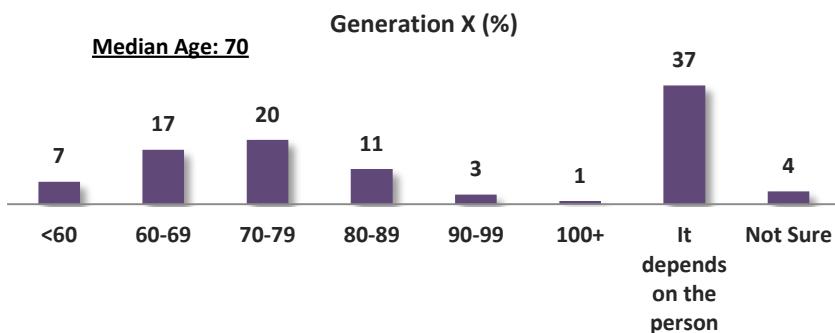
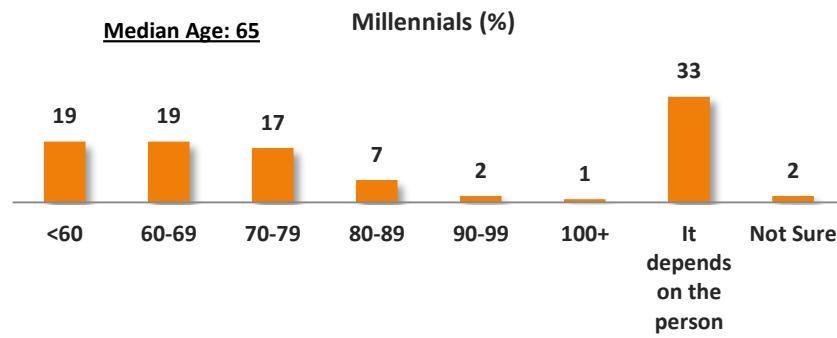
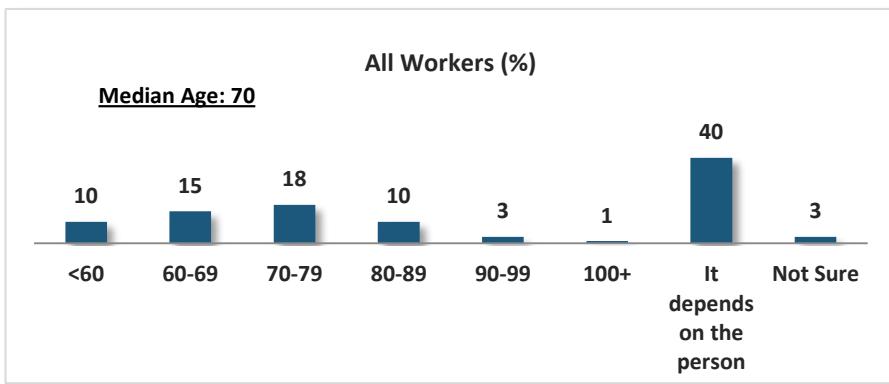
BASE: PLAN ON RETIRING AFTER 65 AND/OR WORKING AFTER RETIREMENT

Q1530x1. What are your reason(s) for working in retirement or past age 65? Select all.

At What Age Do You Consider a Person To Be “Old”?

Today's workers consider a person to be “old” at age 70 (median), a finding that increases with workers' age. Millennials consider a person to be old at age 65 (median), Generation X consider a person old at age 70 (median) and Baby Boomers consider it to be at age 75 (median). However, four in ten workers have a more pragmatic approach and say it depends on the person, including 33 percent of Millennials, 37 percent of Generation X and 52 percent of Baby Boomers.

Age When a Person Is Considered “Old” (%)



New question added in 2017

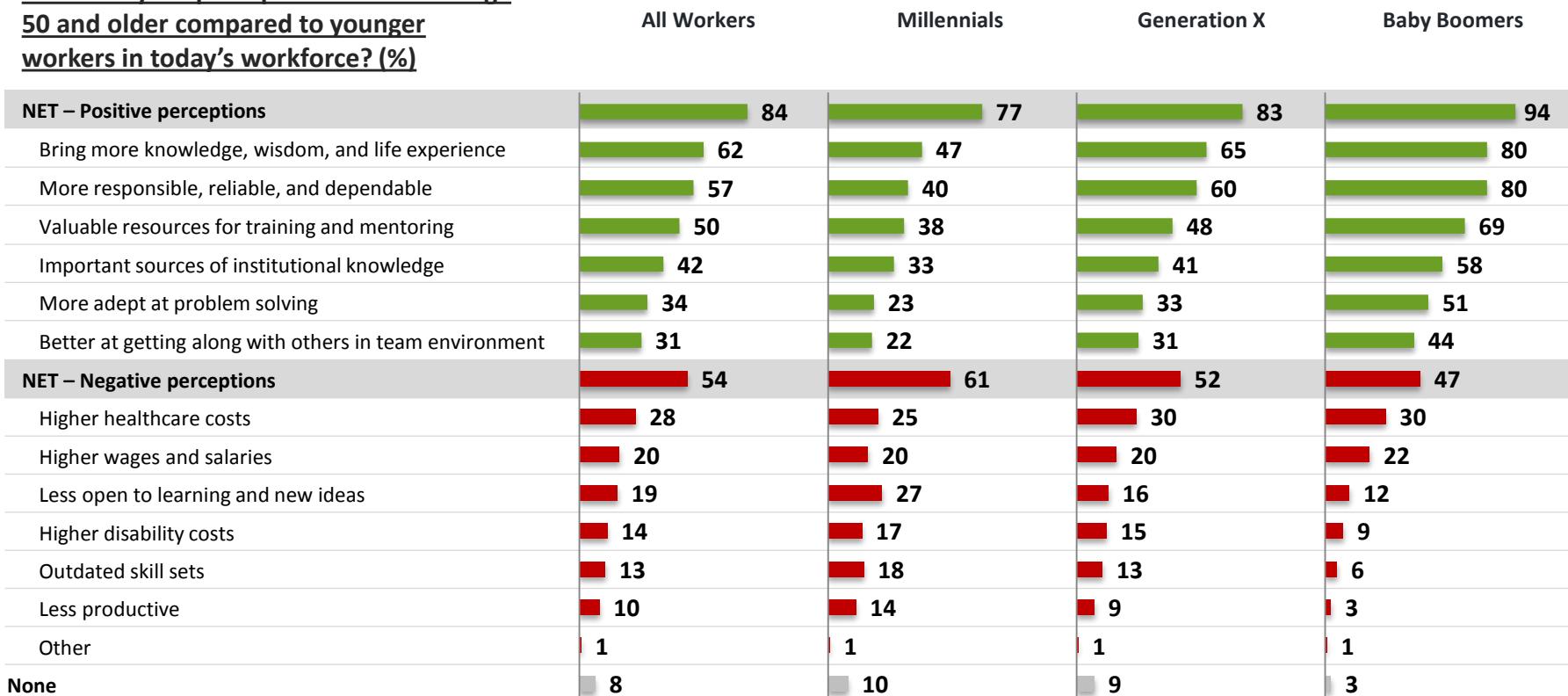
BASE: ALL QUALIFIED RESPONDENTS

Q1526. At what age do you consider a person to be “old”?

Workers' Perceptions of "Older" Workers

Ageism is a common concern in today's society, especially with so many workers planning to extend their working lives beyond age 65. The survey explored workers' perceptions of "older workers," age 50 and older. A strong majority of all workers (84 percent) including Baby Boomers (94 percent), Generation X (83 percent), and Millennials (77 percent) share positive perceptions. However, more than half of workers (54 percent) have one or more negative perceptions, including higher healthcare costs (28 percent), higher wages and salaries (20 percent), and less open to learning and new ideas (19 percent). Therefore, it is important for workers, especially older workers, to be aware of these perceptions and strive to overcome them.

What are your perceptions of workers age 50 and older compared to younger workers in today's workforce? (%)



New question added in 2017

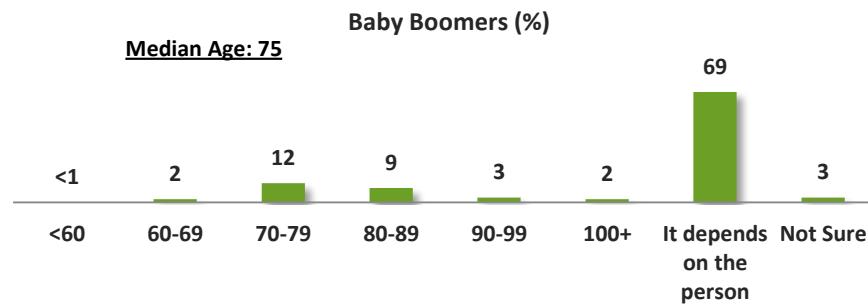
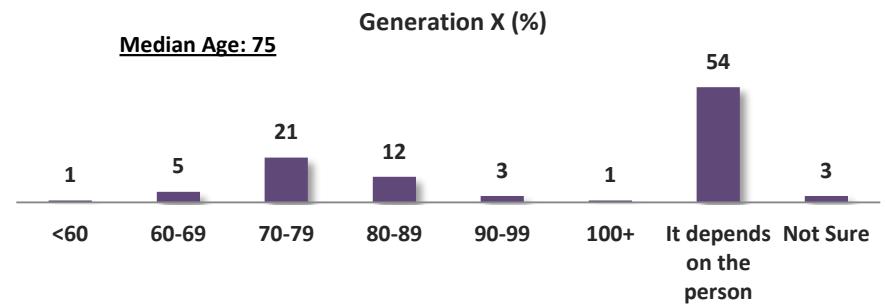
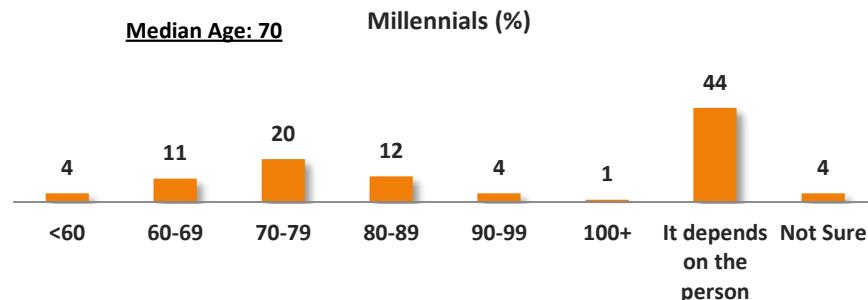
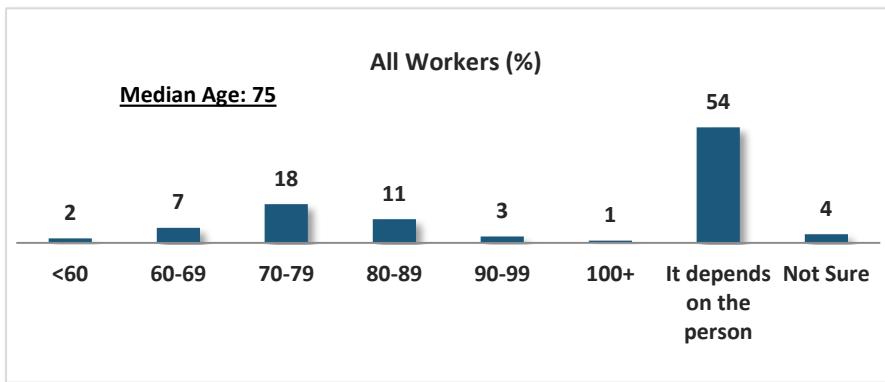
BASE: ALL QUALIFIED RESPONDENTS

Q1528. What are your perceptions of workers age 50 and older compared to younger workers in today's workforce? Select all.

At What Age Do You Consider a Person To Be “Too Old” to Work?

When asked the age at which they consider a person to be “too old” to work, more than half of workers (54 percent) say “it depends on the person.” Across generations, Baby Boomers are most likely to say it depends on the person (69 percent), followed by Generation X (54 percent) and Millennials (44 percent). Among those who provided a specific age, workers say age 75 (median) is “too old” to work. Millennials consider a person to be “too old” to work at age 70 (median), while Baby Boomers and Generation X both say age 75 (median).

Age When Person is Considered “Too Old” to Work (%)



New question added in 2017

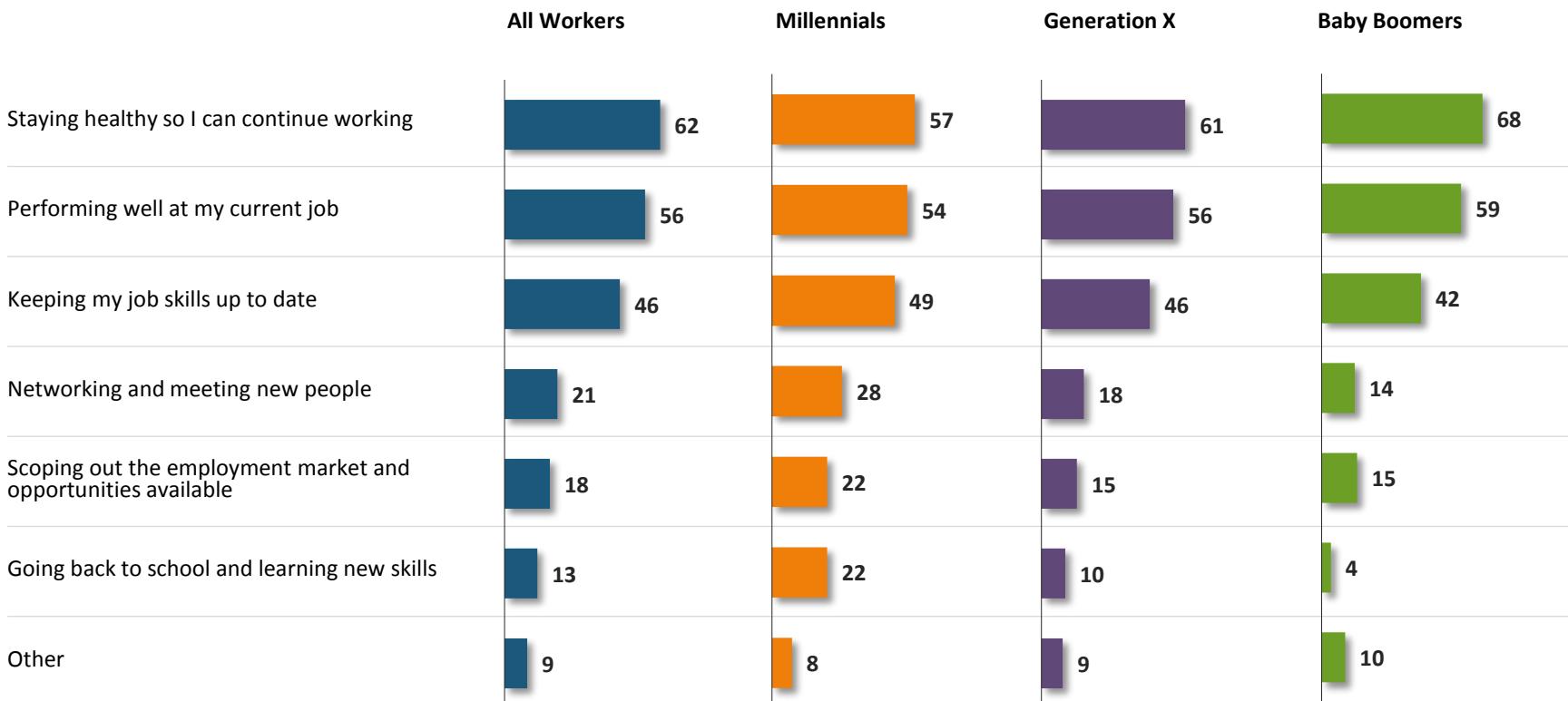
BASE: ALL QUALIFIED RESPONDENTS

Q1527. At what age do you consider a person to be “too old” to work?

Are Workers Taking Enough Proactive Steps to Work Past 65?

Aspirations and expectations of working past age 65 require that workers remain healthy enough to do so and have access to employment opportunities. The survey asked workers what steps they are taking to help ensure they can continue working. Workers most often cite staying healthy (62 percent), performing well at their current job (56 percent) and keeping their job skills up to date (46 percent). Baby Boomers are more likely to cite staying healthy (68 percent) and performing well at their current job (59 percent) than the younger generations. Millennials are more likely to cite going back to school and learning new skills (22 percent) than Generation X (10 percent) and Baby Boomers (4 percent).

Have you taken any steps to ensure that you'll be able to continue working past 65 or in retirement, if needed? (%)



Many Workers Plan on Both Long Lives and Long Retirements

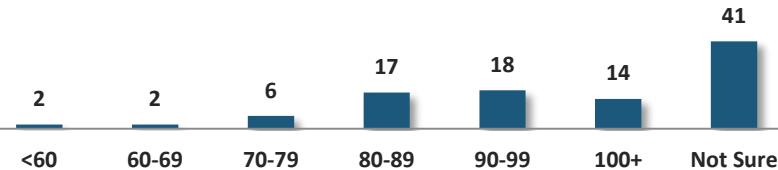
Across the three generations, today's workers are planning to live to age 90 (median). Almost one in five Millennials (18 percent) are planning to live to age 100 or older, a finding that is higher than that of Generation X (13 percent) and Baby Boomers (10 percent). An implication for increased longevity is potentially more time spent in retirement. The survey compared workers' planned life expectancy with their expected retirement age and found that Millennial workers plan to spend 25 years in retirement (median), a finding that is somewhat higher than Generation X (23 years median) and Baby Boomers (20 years median).

What age are you planning to live to?

All Workers (%)

Median Age: 90

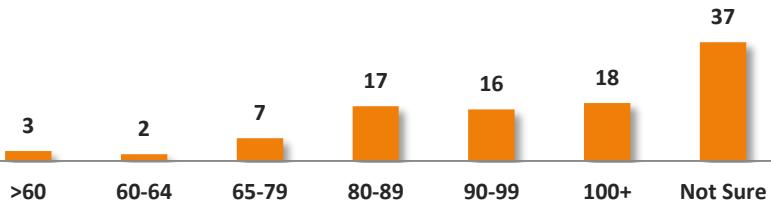
Median Years in Retirement: 23



Millennials (%)

Median Age: 90

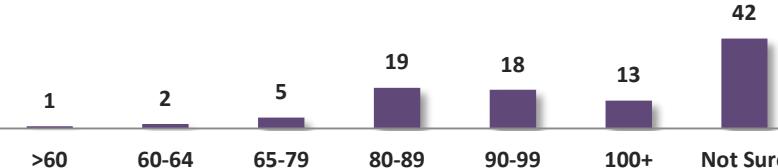
Median Years in Retirement: 25



Generation X (%)

Median Age: 90

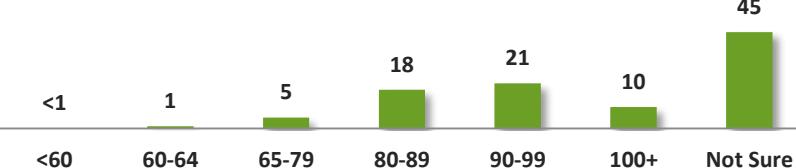
Median Years in Retirement: 23



Baby Boomers (%)

Median Age: 90

Median Years in Retirement: 20



BASE: ALL QUALIFIED RESPONDENTS

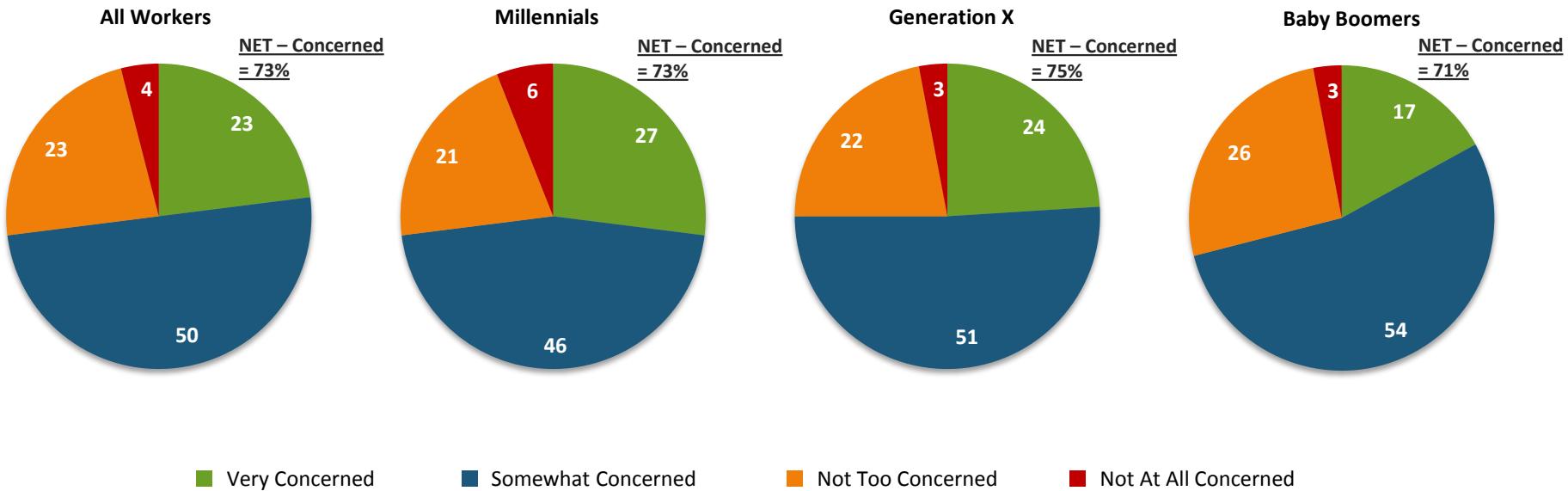
Q2850. What age are you planning to live to?

Q910. At what age do you expect to retire?

Seven in Ten Are Concerned About Their Health in Older Age

Seventy-three percent of workers are either very or somewhat concerned about their health in older age, a finding which is consistent across generations. Interestingly, the two younger generations, Millennials (27 percent) and Generation X (24 percent), are more likely to be “very concerned” about their health in older age when compared to Baby Boomers (17 percent).

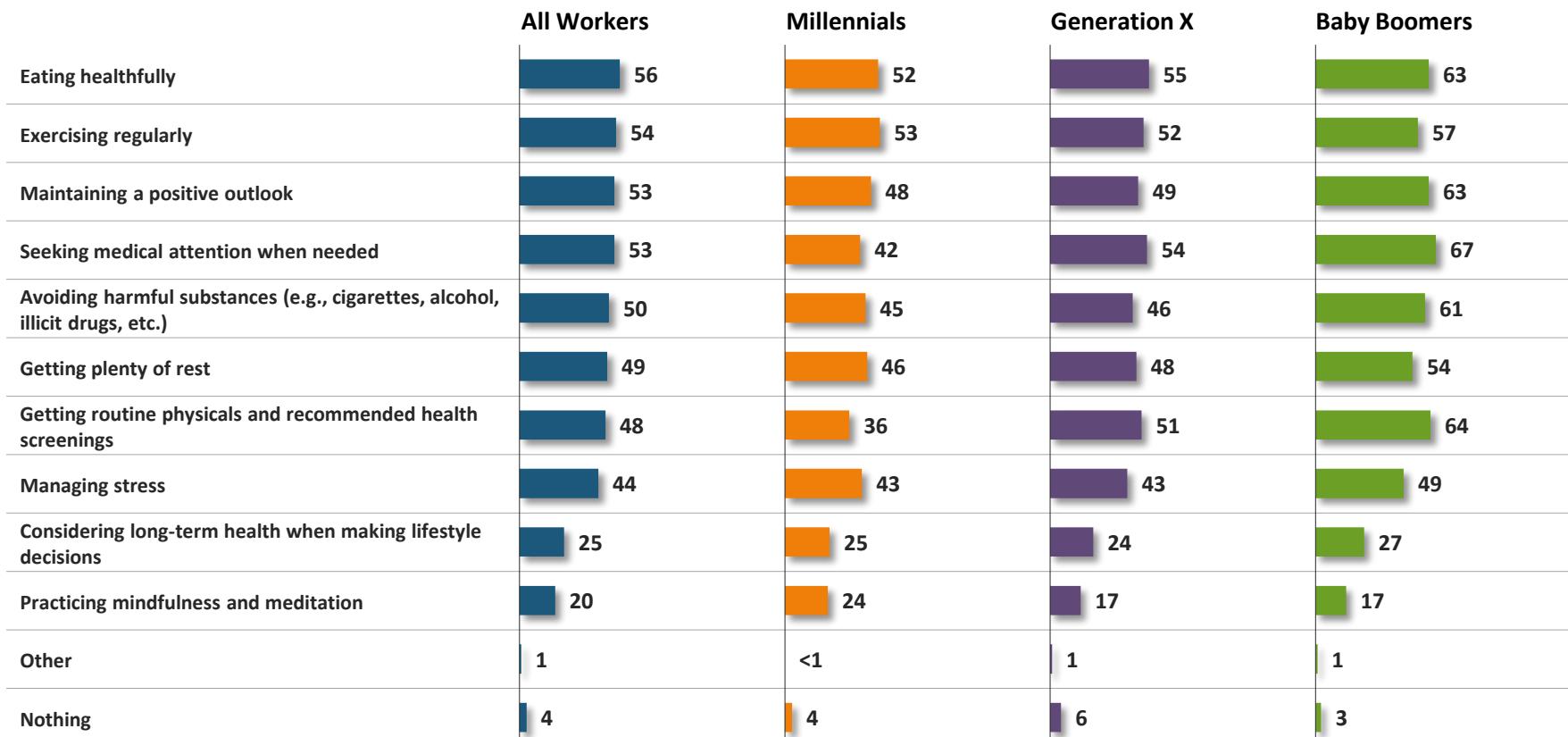
Concerned About Health in Older Age (%)



Workers Can Do More to Safeguard Their Long-Term Health

With regard to health-related activities that workers say they are doing on a consistent basis, the only activities garnering a majority response rate, indeed a small majority, are eating healthfully (56 percent), exercising regularly (54 percent), maintaining a positive outlook (53 percent), and seeking medical attention when needed (53 percent). Baby Boomers are typically more likely to engage in health-related activities compared to Millennials and Generation X. Only one in four workers (25 percent) say that they consider their long-term health when making lifestyle decisions, a finding that is consistent across the three generations.

Engaging in Health-Related Activities on a Consistent Basis (%)



New question added in 2017

BASE: ALL QUALIFIED RESPONDENTS

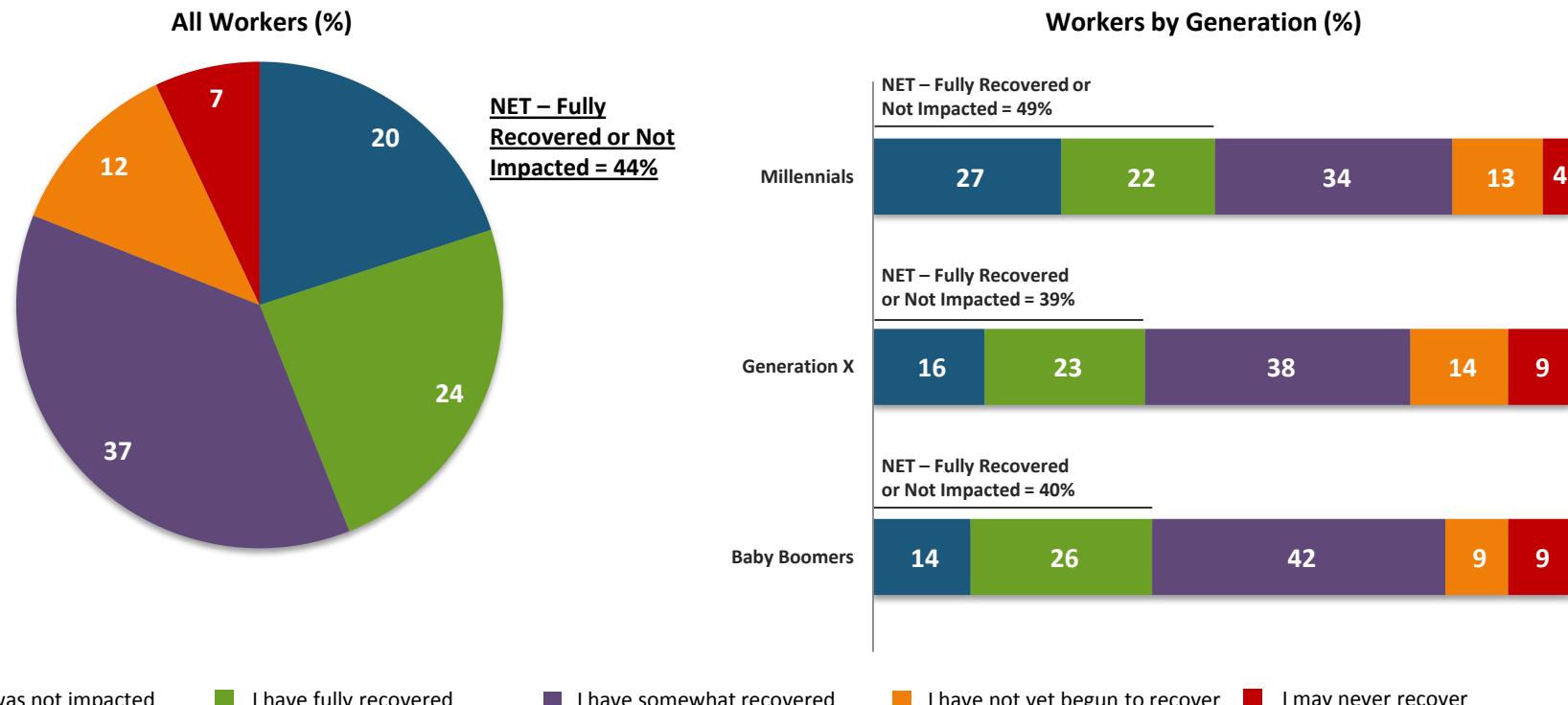
Q1446. Which of the following health-related activities are you doing on a consistent basis? Select all.

The Fragile Financial Well-Being of Workers

Many Have Not yet Fully Recovered from the Great Recession

Fewer than half of workers (44 percent) say they have either “fully recovered” (24 percent) or were “not impacted” (20 percent) by what is commonly referred to as the Great Recession. Thirty-seven percent have “somewhat recovered,” 12 percent have “not yet begun to recover,” and seven percent feel they may “never recover.” Millennial workers (49 percent) are most likely to say they have either “fully recovered” or were “not impacted,” followed by Baby Boomers (40 percent) and Generation X (39 percent). Almost one in four Generation X workers (23 percent) have “not yet begun to recover” or feel they “may never recover” compared to 18 percent of Baby Boomers and 17 percent of Millennials.

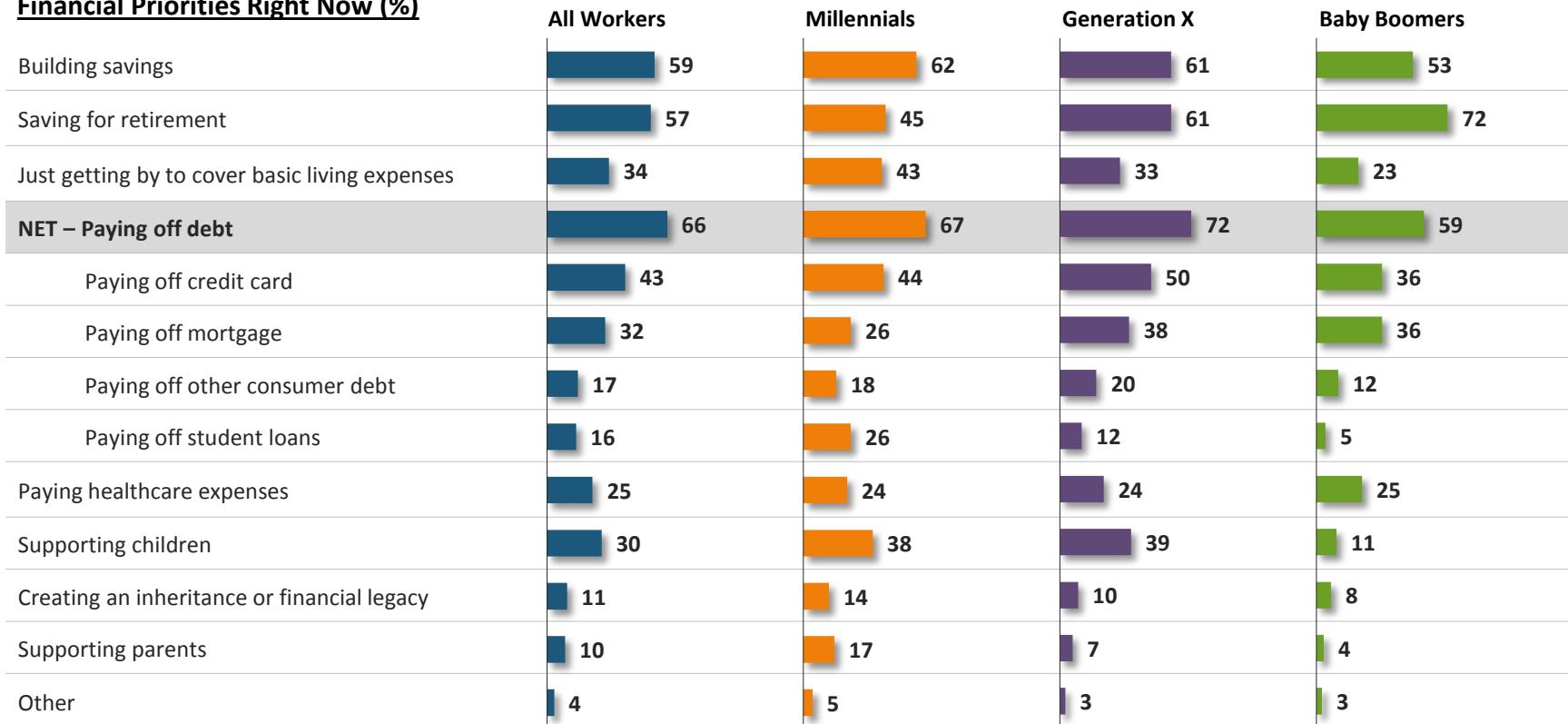
How would you describe your financial recovery from the Great Recession?



Workers Face Competing Financial Priorities

Financial priorities change by life stage although some are common to all. Paying off debt (NET) is a current financial priority found among 66 percent of all workers with Generation X (72 percent) being the likeliest of the three generations, followed by Millennials (67 percent) and Baby Boomers (59 percent). In terms of specific financial priorities, Baby Boomers frequently cite saving for retirement (72 percent) as a priority while Generation X frequently cites building savings and saving for retirement as priorities (both 61 percent). Millennials also frequently cite building savings (62 percent) as a current priority.

Financial Priorities Right Now (%)



Workers' Greatest Financial Priority Right Now

In terms of their greatest financial priority right now, the five most frequently cited priorities among workers are saving for retirement (20 percent), just getting by to cover basic living expenses (17 percent), paying off credit card debt (16 percent), building savings (13 percent), and supporting children (12 percent). Generation X and Baby Boomers most frequently cite saving for retirement as their greatest financial priority but with a higher response found among Baby Boomers (37 percent) compared to Generation X (21 percent). Millennials are more likely to cite just getting by to cover living expenses (20 percent) as their greatest financial priority.

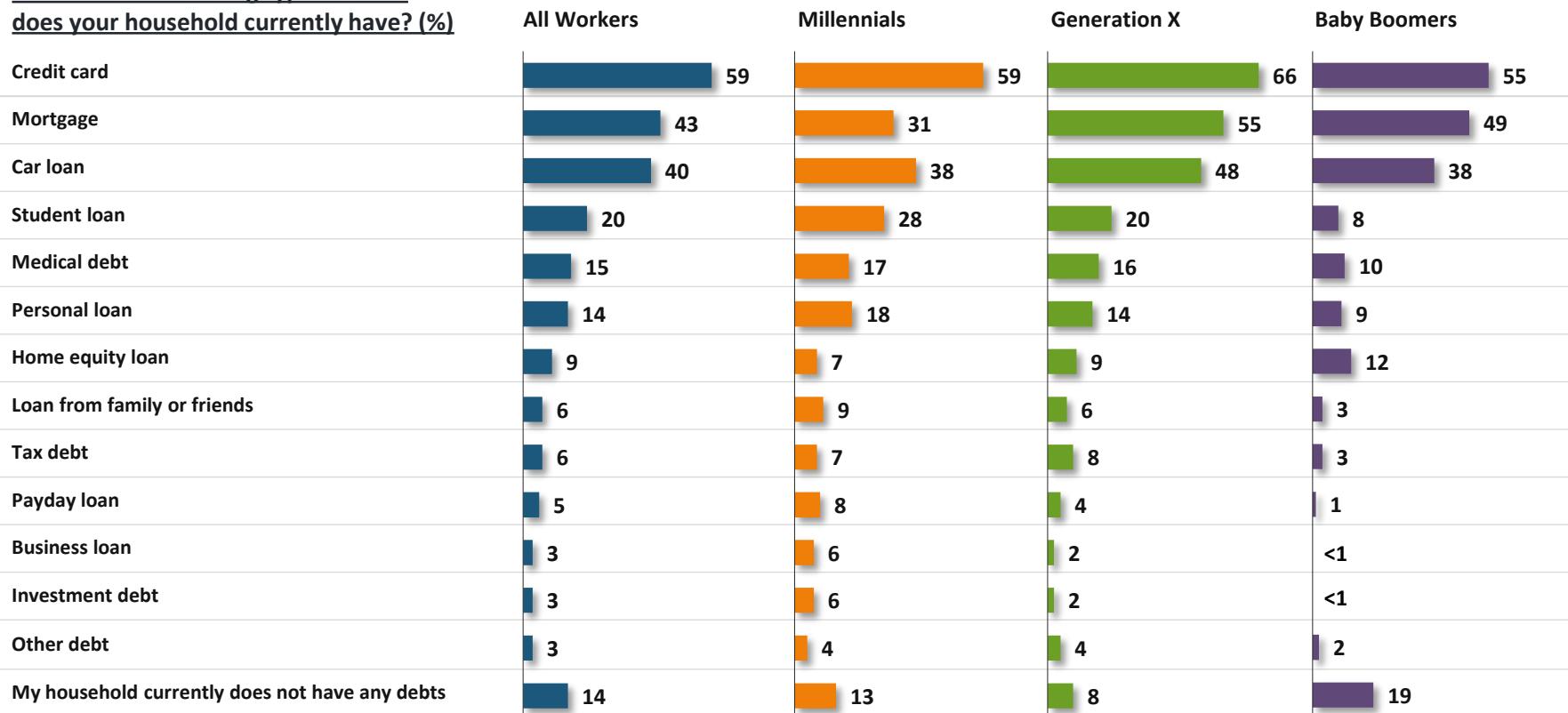
Greatest Financial Priority Right Now	All Workers	Millennials	Generation X	Baby Boomers
Saving for retirement	20%	9%	21%	37%
Just getting by to cover basic living expenses	17%	20%	18%	11%
Paying off credit card debt	16%	13%	20%	16%
Building savings	13%	17%	11%	8%
Supporting children	12%	18%	13%	2%
Paying off mortgage	9%	6%	9%	14%
Paying off student loans	2%	5%	1%	1%
Paying healthcare expenses	2%	2%	2%	4%
Paying off other consumer debt	2%	3%	2%	2%
Supporting parents	2%	4%	1%	1%
Creating an inheritance or financial legacy	2%	2%	1%	1%
Other	3%	1%	1%	3%

Note: Financial priorities selected by 20% or more of the subgroup are highlighted.

Household Debt Is Pervasive Across Generations

Debt poses a significant financial risk to workers across generations. The most frequently cited types of debt among workers are credit card (59 percent), mortgage (43 percent) and car loan (40 percent). Generation X has the highest rate of all three of these types of debts among the three generations. Baby Boomers are most likely to indicate they are debt-free (19 percent), followed by Millennials (13 percent), and Generation X (8 percent). Millennials are the most likely to have student loans (28 percent), compared to Generation X (20 percent) and Baby Boomers (8 percent). Alarmingly, 8 percent of Millennials have payday loans.

Which of the following types of debt does your household currently have? (%)



New question added in 2017

BASE: ALL QUALIFIED RESPONDENTS

Q1286. Which of the following types of debt does your household currently have? Select all.

Dipping Into Retirement Savings Is Not Uncommon

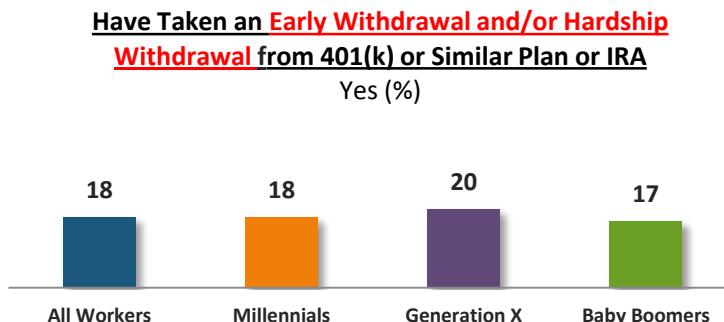
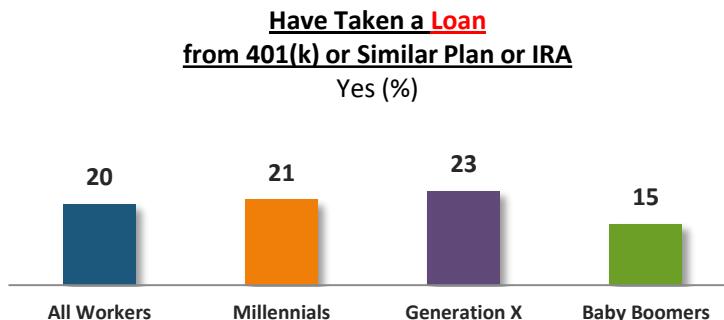
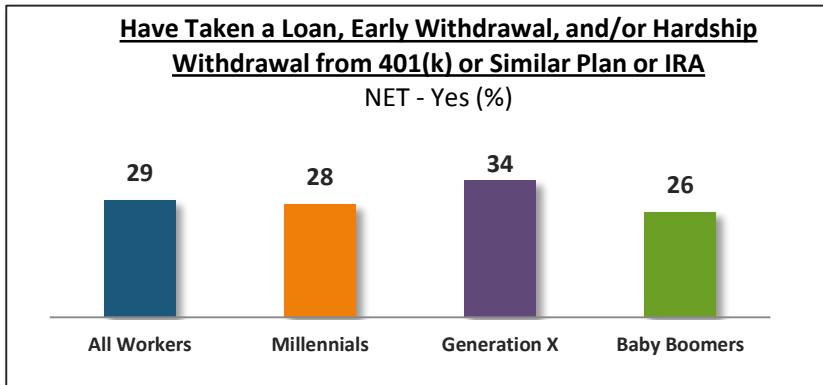
A concerning percentage of workers are dipping into their retirement savings before they retire.

This “leakage” from retirement accounts in the form of loans and withdrawals can severely inhibit the growth of participants’ long-term retirement savings.

Almost three in 10 (29 percent) have taken some form of loan, early withdrawal, and/or hardship withdrawal from a 401(k) or similar plan or IRA:

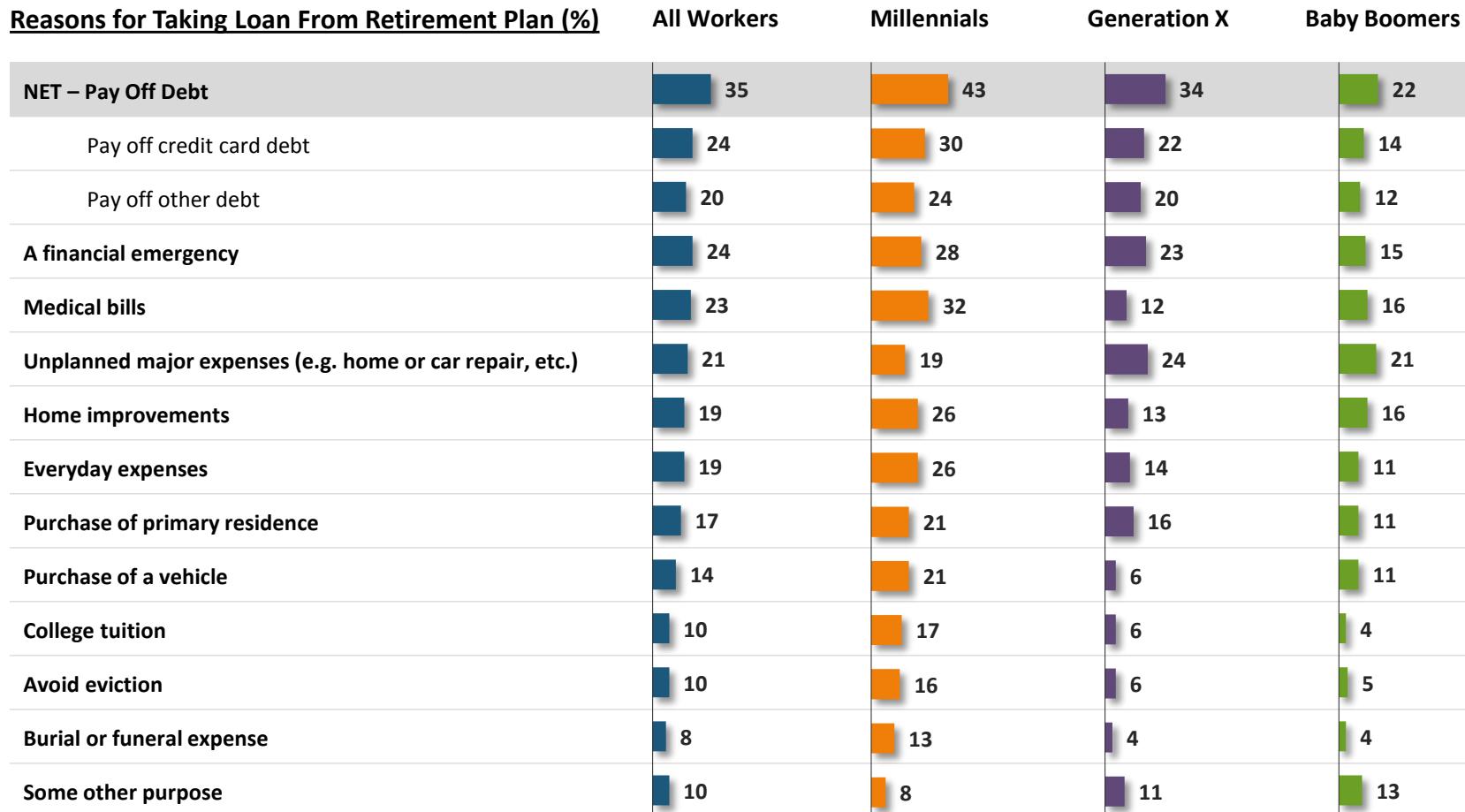
- Generation X (34 percent) is most likely to have taken a loan or withdrawal.
- Millennials (28 percent) are slightly less likely.
- Baby Boomers (26 percent) are least likely.

The frequency of taking loans (20 percent) exceeds that of taking an early withdrawal and/or hardship withdrawal (18 percent).



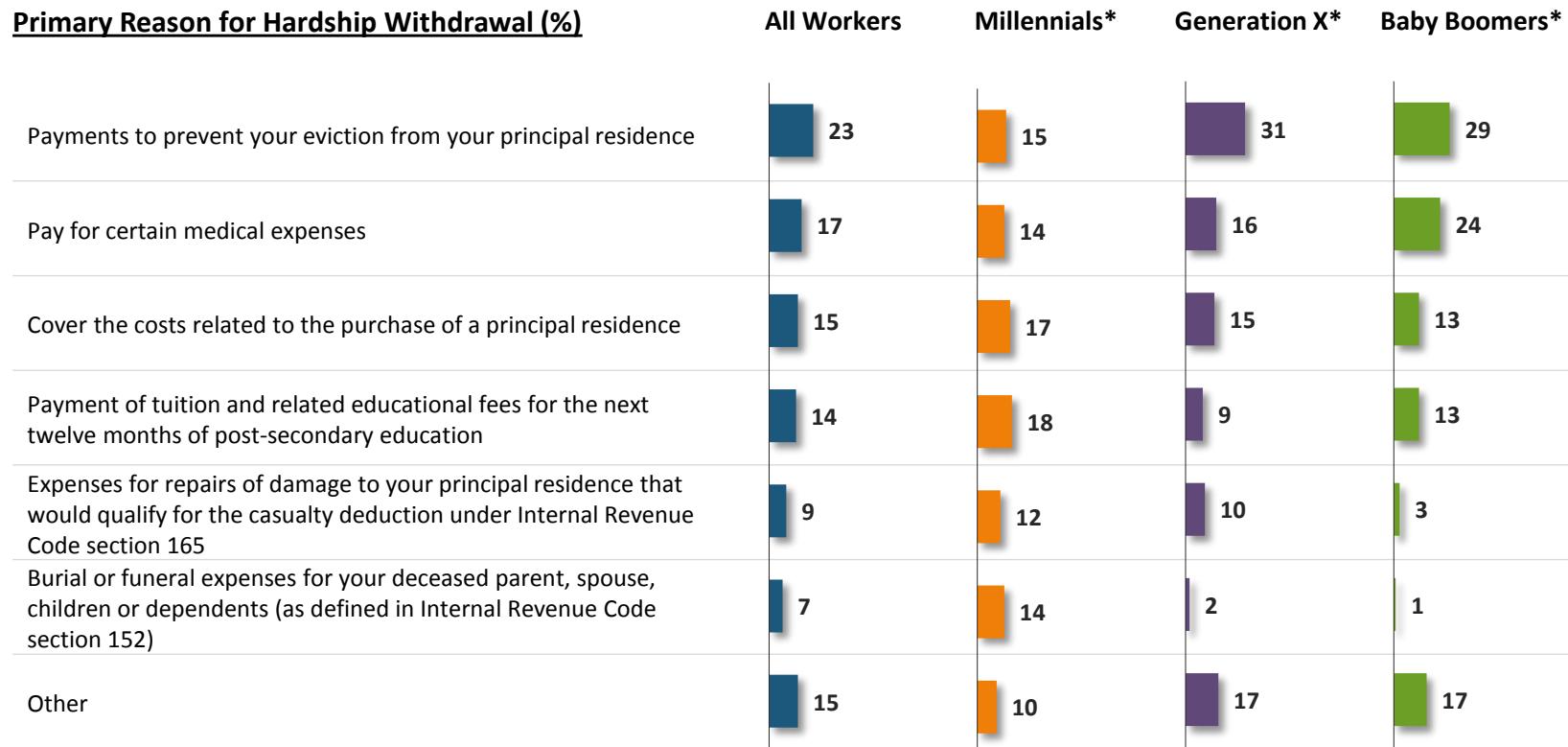
Paying Off Debt Tops the List of Reasons for Taking 401(k) Loans

Among those who have taken a loan from their 401(k) or similar plan, the most frequently cited reasons are “paying off debt” (35 percent) and “a financial emergency” (24 percent). Millennials (43 percent) and Generation X (34 percent) are more likely to cite “paying off debt” as a reason, while Baby Boomers are less likely at (22 percent).



Reasons for Hardship Withdrawals from 401(k)s

Among the eight percent of workers who have taken a hardship withdrawal from a 401(k) or similar plan, one in four (23 percent) say their primary reason for doing so is payment to prevent eviction from their principal residence. Other primary reasons for the hardship withdrawal are payments for certain medical expenses (17 percent) and covering the costs related to the purchase of a principal residence (15 percent). *Please note: the findings for the generations reflect small sample bases and should be considered as directional in nature.*

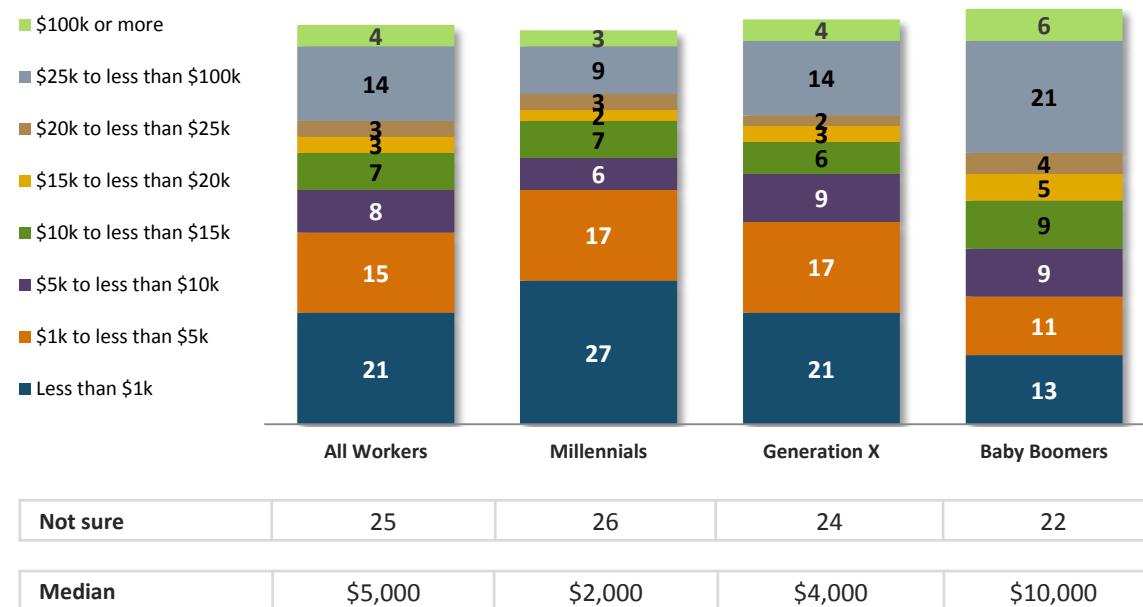


*Note: Base sizes are small with fewer than 200 respondents

Many Workers Lack Adequate Emergency Savings

Many workers lack emergency savings that could help cover the cost of a major financial setback (e.g., unemployment, medical bills, home repairs, auto repairs, other). Thirty-six percent of workers have set aside less than \$5,000 for emergencies. Forty-four percent of Millennials have saved less than \$5,000, compared to 38 percent of Generation X and 24 percent of Baby Boomers. Moreover, approximately one in four Millennials (27 percent) and one in five Generation X (21 percent) have saved less than \$1,000. In contrast, Baby Boomers (27 percent) are more likely to have saved more than \$25,000.

Total Household Emergency Savings (%)



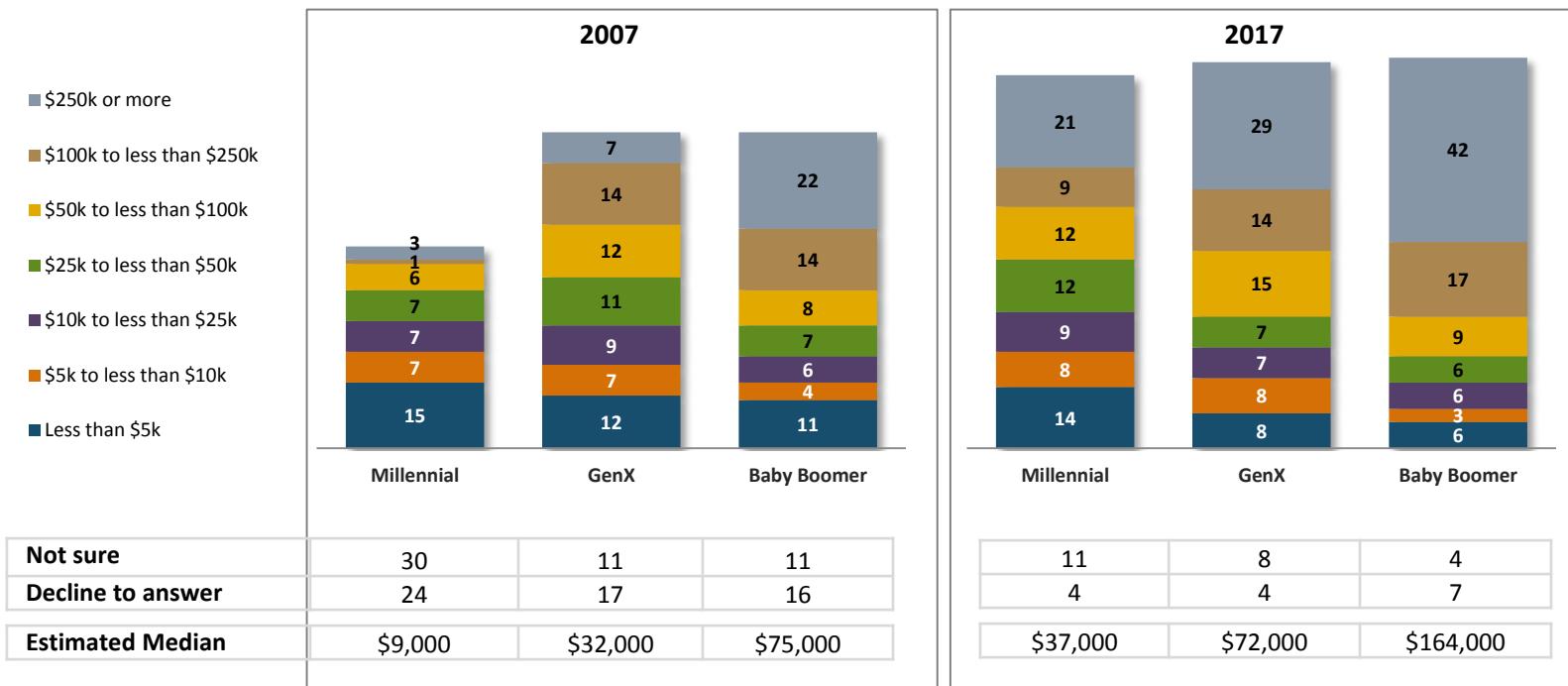
BASE: ALL QUALIFIED RESPONDENTS

Q2825. How much do you have in emergency savings specifically to cover the cost of unexpected major financial setbacks (e.g., unemployment, medical bills, home repairs, auto repairs, other)?

Are Retirement Savings Adequate?

Despite the confidence-shaking events during the Great Recession and its aftermath, the good news is that household retirement savings increased from 2007 to 2017. However, in many instances, this growth in savings is still inadequate to fully fund an individual's or family's retirement income needs. Baby Boomers have saved \$164,000 (estimated median) in household retirement accounts compared to \$75,000 in 2007. Savings shortfalls are prompting many to work past age 65 and the need to continue to work in retirement.

Total Household Retirement Savings by Generation (%)



Note: The median is estimated based on the approximate midpoint of the range of each response category. Non-responses are excluded from the estimate.

Note: In 2007 the sample was among workers in for-profit companies of 10 or more employees and in 2017 it was among workers in for-profit companies of five or more employees.

BASE: ALL QUALIFIED RESPONDENTS.

Note: The sample for this question is based on a subset of the total in order to ensure that the correct responses were asked of a representative sample.

Q1300. Approximately how much money does your household have saved in all of your retirement accounts?

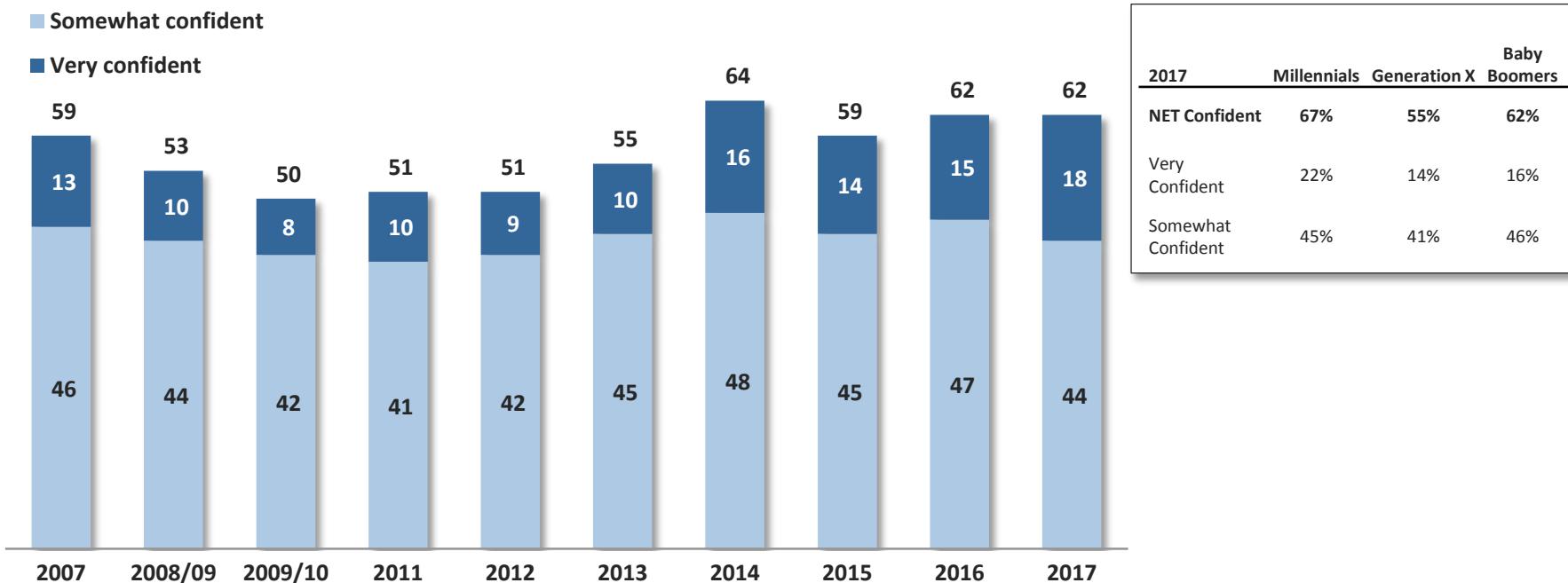
Workers' Financial Preparations for Retirement

Retirement Confidence Has Stalled

Retirement confidence has recovered from its lows during the Great Recession. However, it has stalled since 2014. In 2017, 62 percent of workers are confident that they will be able to fully retire with a comfortable lifestyle, including 18 percent who are “very confident” and 44 percent who are “somewhat confident.” Millennials (76 percent) are somewhat more likely to be of retirement confidence than Baby Boomers (62 percent) and Generation X (55 percent). However, across generations, relatively few Millennials (22 percent), Generation X (14 percent), and Baby Boomers (16 percent) say they are “very confident.”

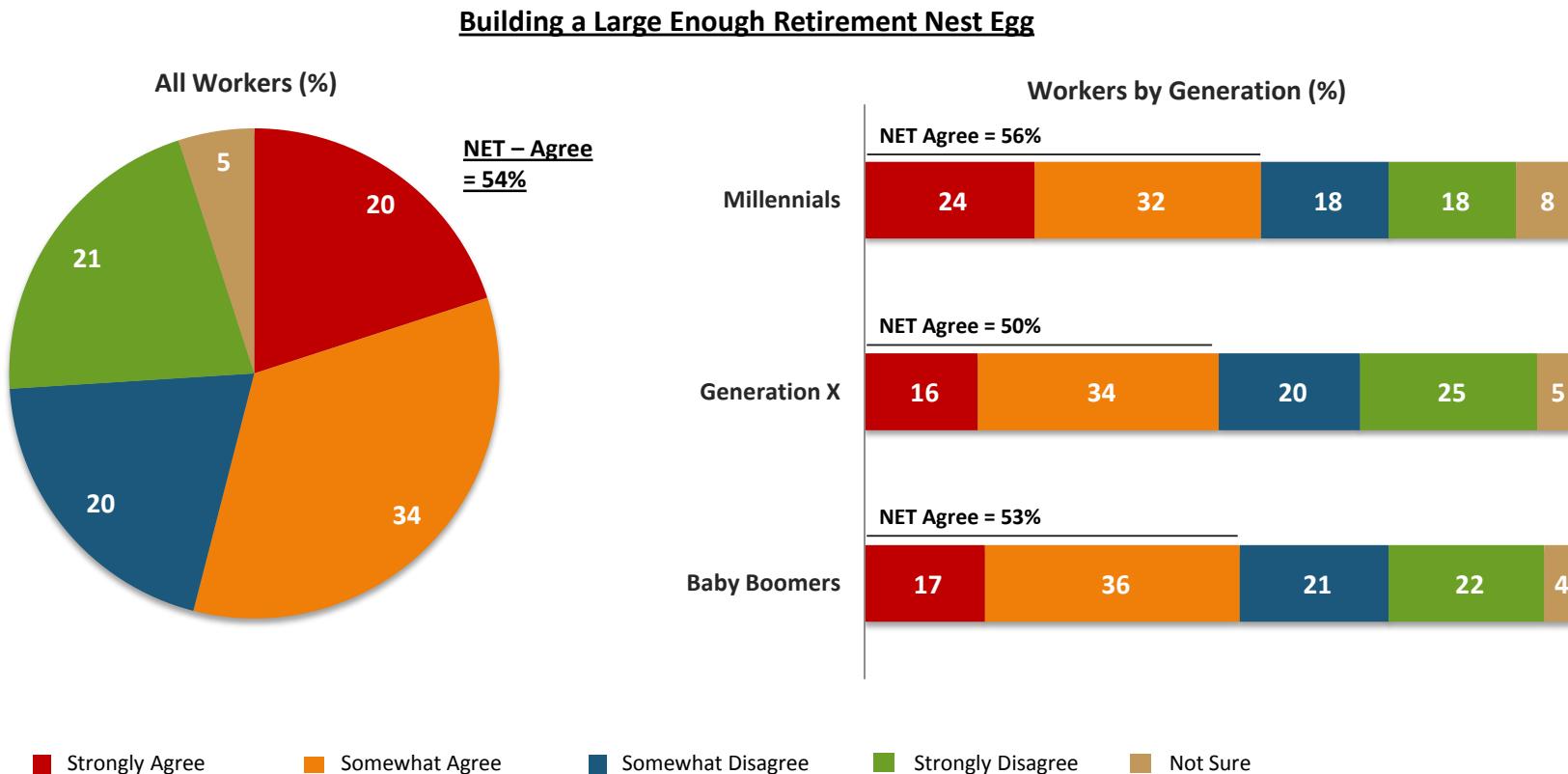
How confident are you that you will be able to fully retire with a lifestyle you consider comfortable?

Top 2 Box (Very/Somewhat Confident) (%)



Building a Large Enough Nest Egg?

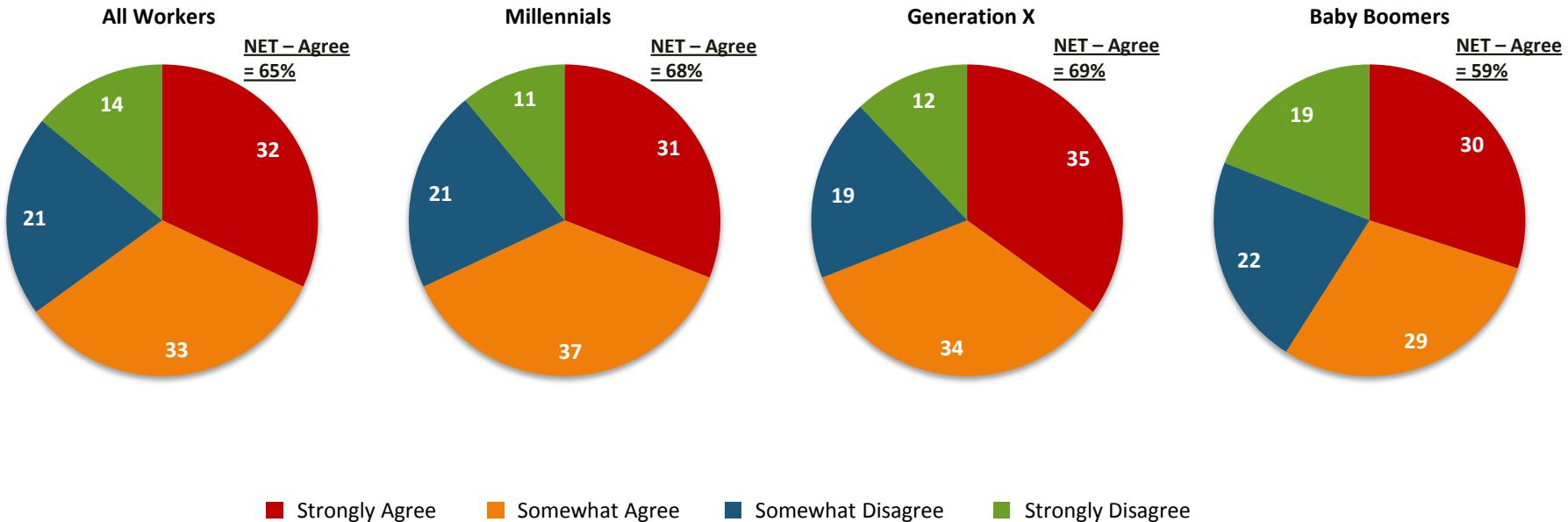
Only 54 percent of workers agree that they are currently building a large enough retirement nest egg, including 20 percent who “strongly agree” and 34 percent who “somewhat agree.” Of the generations, Generation X (16 percent) are somewhat less likely to “strongly agree,” compared to Millennials (24 percent) and Baby Boomers (17 percent).



Most Believe that They Could Not Save Enough by Age 65

Sixty-five percent of workers agree with the statement, “I could work until age 65 and still not have enough money saved to meet my retirement needs,” including 32 percent who “strongly agree” and 33 percent who “somewhat agree.” More Generation X workers (69 percent) and Millennials (68 percent) agree with the statement when compared to Baby Boomers (59 percent).

“I could work until age 65 and still not have enough money saved to meet my retirement needs.” (%)



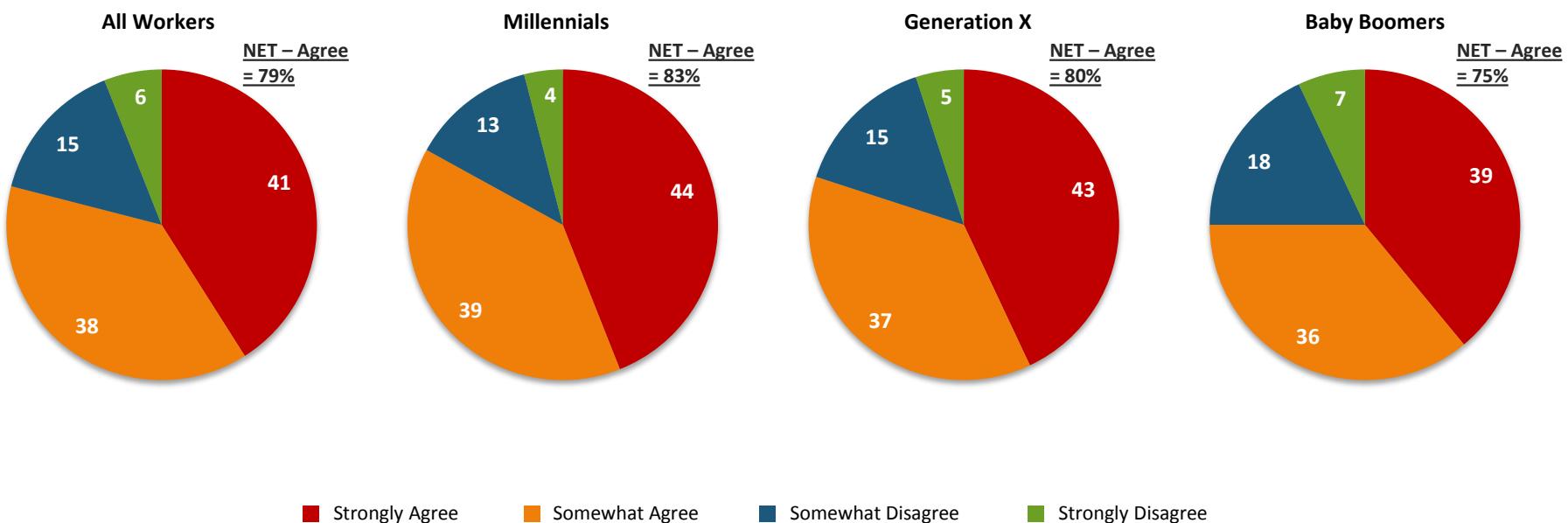
BASE: ALL QUALIFIED RESPONDENTS

Q931. How much do you agree or disagree with each of the following statements regarding retirement? “I could work until age 65 and still not have enough money saved to meet my retirement needs”

Most Say They Will Have a Much Harder Time than Their Parents

Almost four in five workers (79 percent) agree with the statement, “Compared to my parents’ generation, people in my generation will have a much harder time in achieving financial security,” including 41 percent who “strongly agree” and 38 percent who “somewhat agree.” Millennials are slightly more likely to agree with this statement (83 percent) than Generation X (80 percent) and significantly more likely than Baby Boomers (75 percent).

“Compared to my parents’ generation, people in my generation will have a much harder time in achieving financial security.” (%)



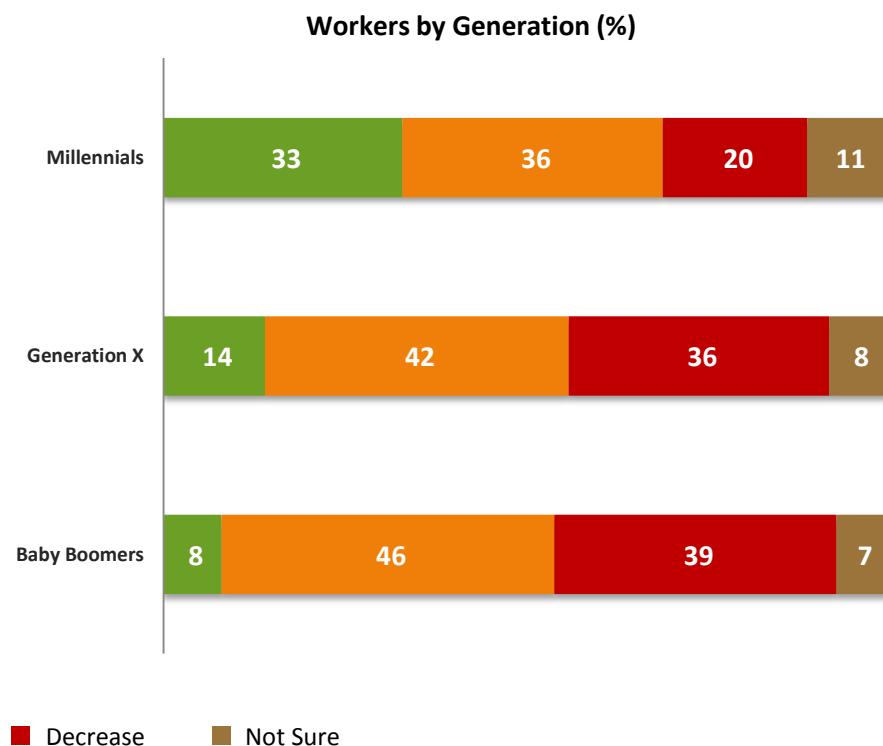
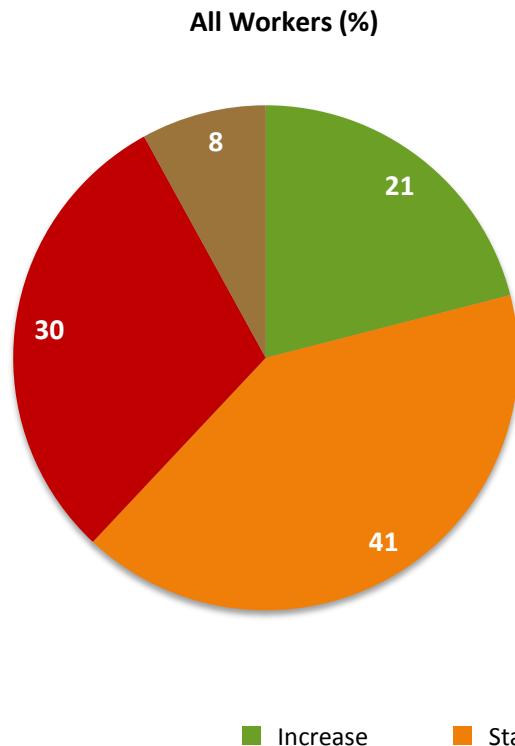
BASE: ALL QUALIFIED RESPONDENTS

Q931. How much do you agree or disagree with each of the following statements regarding retirement? “Compared to my parents’ generation, people in my generation will have a much harder time in achieving financial security.”

Many Are Expecting a Decrease in Their Standard of Living

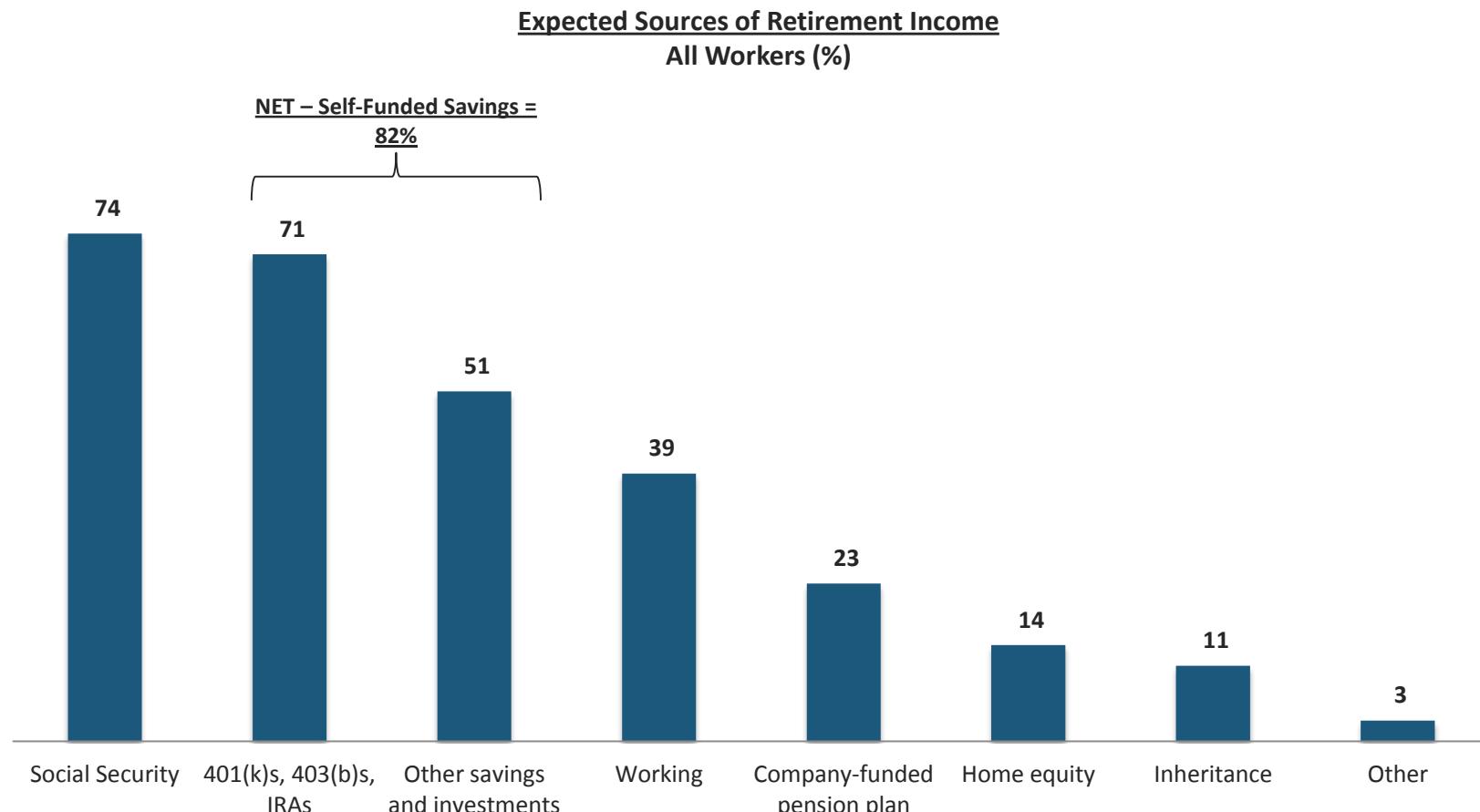
Three in ten workers (30 percent) are expecting their standard of living to “decrease” when they retire. More Baby Boomers (39 percent) expect their standard of living to “decrease” compared to Millennials (20 percent) and Generation X (36 percent). Of the three generations, Millennials are more optimistic with 33 percent saying they expect their standard of living to “increase” when they retire, compared to just 14 percent of Generation X and 8 percent of Baby Boomers.

Do you expect your standard of living to increase, decrease, or stay the same when you retire?



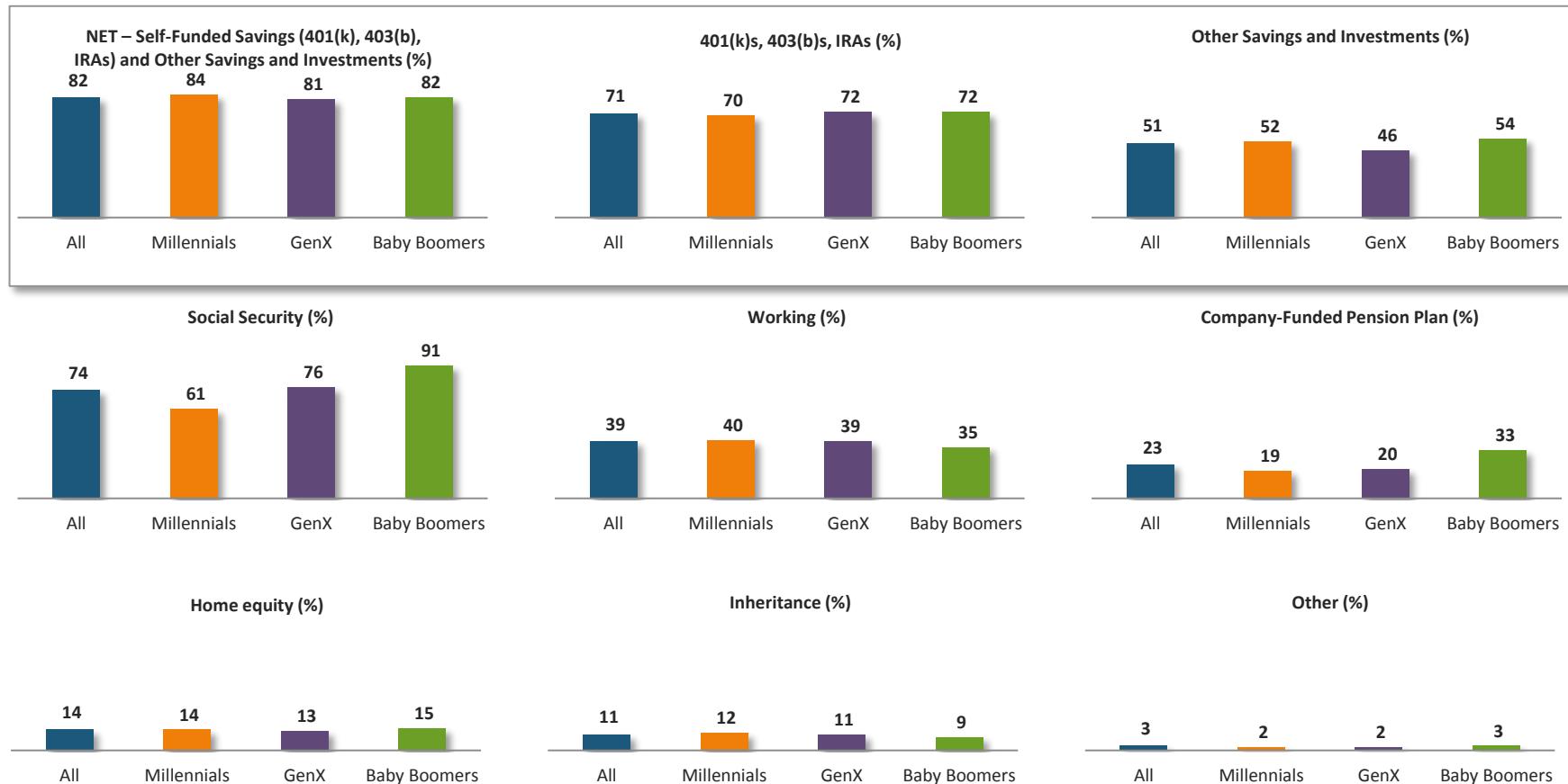
The Retirement Income Pyramid Includes Working

For decades, the United States' retirement system has been characterized as a "three-legged" stool which includes Social Security, employer pensions, and personal savings. Today's workers are expecting greater diversity in their sources of retirement income including, notably, the 39 percent who cite "working."



Workers Are Expecting Diverse Sources of Retirement Income

Self-funded savings including retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) and other savings and/or investments are the most frequently cited source of retirement income expected by workers across generations (82 percent). Seventy-four percent of workers expect retirement income from Social Security, however, there is a wide disparity across generations. Ninety-one percent of Baby Boomers expect income from Social Security, a finding that is higher than Generation X (76 percent) and Millennials (61 percent). Thirty-nine percent of workers expect retirement income from “working,” an expectation that is similarly shared across the generations.

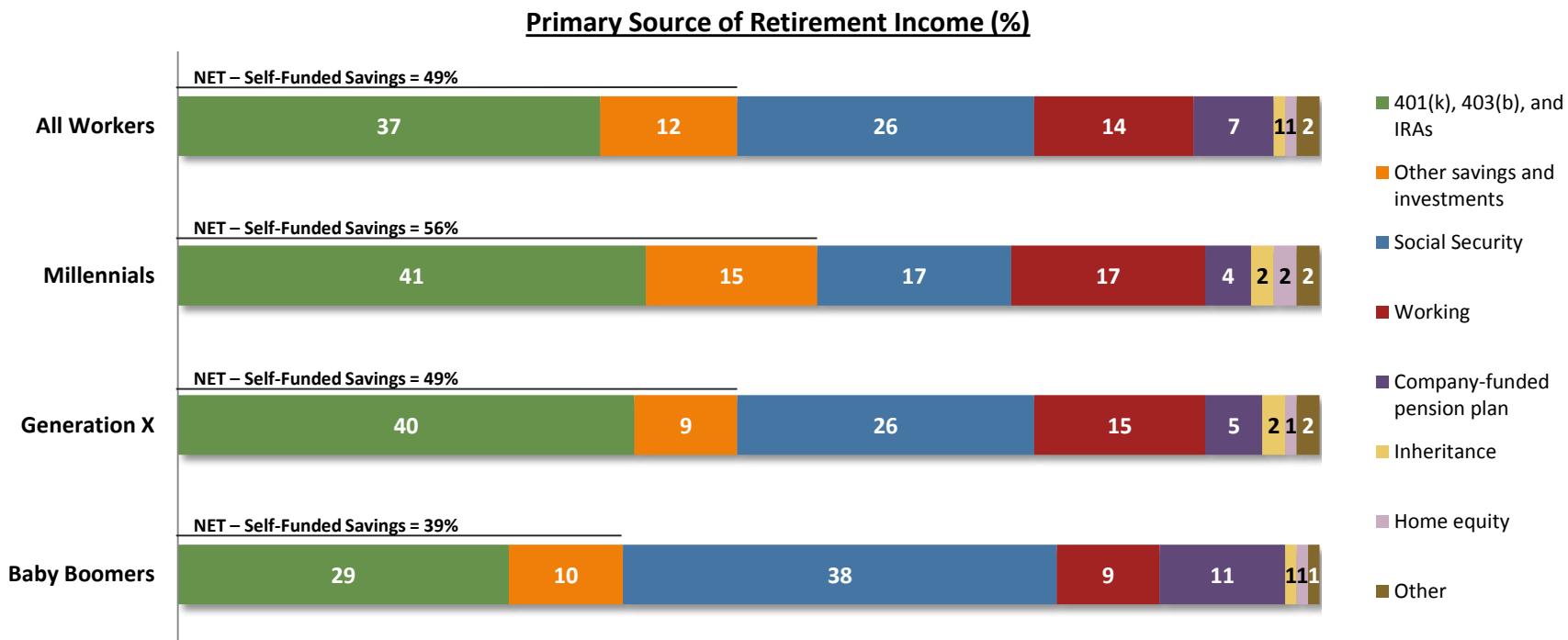


BASE: ALL QUALIFIED RESPONDENTS

Q145. Which of the following do you expect to be sources of income to cover your living expenses after you retire? Select all.

Primary Source of Retirement Income Varies by Generation

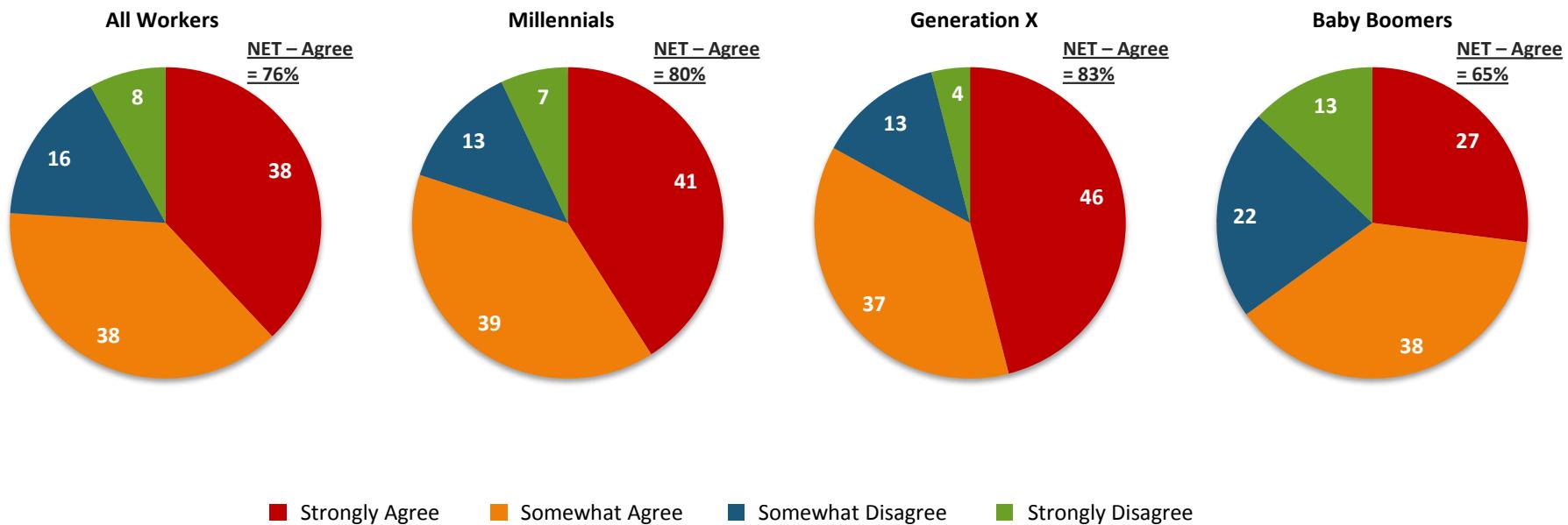
Millennials (56 percent), Generation X (49 percent), and Baby Boomers (39 percent) most frequently cite their *primary* source of expected income in retirement to be self-funded savings including 401k(s), 403(b)s, IRAs and/or other savings and investments. However, Millennials (41 percent) and Generation X (40 percent) more frequently cite retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) compared to Baby Boomers (29 percent). (It should be noted that 401(k)s did not become readily available until the 1990s, a time at which Baby Boomers were already well into their careers and, therefore, they have not had as much time to save in them.) In contrast, Baby Boomers (38 percent) are more likely to expect Social Security to be their primary income source compared to Generation X (26 percent) and Millennials (17 percent). More Millennials (17 percent) and Generation X (15 percent) expect “working” to be their primary source of retirement income compared to Baby Boomers (9 percent). More Baby Boomers (11 percent) expect a company-funded pension to their primary source of retirement income compared to Generation X and Millennials (5 percent and 4 percent respectively).



Three in Four Workers Are Concerned About Social Security

Seventy-six percent of workers agree with the statement, “I am concerned that when I am ready to retire, Social Security will not be there for me,” including 38 percent each who “strongly agree” and “somewhat agree.” Generation X (83 percent) and Millennials (80 percent) are more likely to agree than Baby Boomers (65 percent). Generation X (46 percent) and Millennials (41 percent) are also more likely than Baby Boomers (27 percent) to “strongly agree.”

“I am concerned that when I am ready to retire, Social Security will not be there for me.” (%)



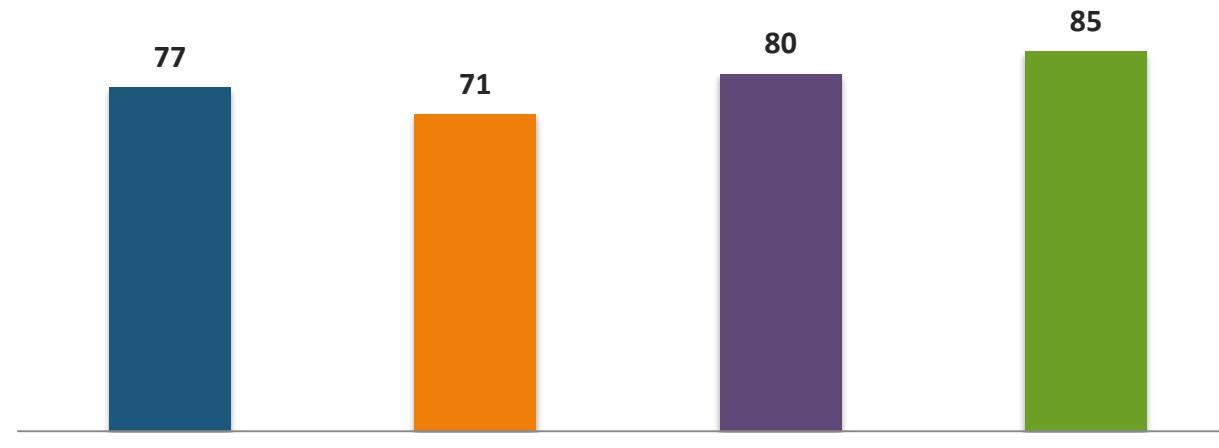
BASE: ALL QUALIFIED RESPONDENTS

Q931. How much do you agree or disagree with each of the following statements regarding retirement? “I am concerned that when I am ready to retire, Social Security will not be there for me”

Three in Four Workers Are Saving for Retirement

Seventy-seven percent of workers are saving for retirement through employer-sponsored plans, such as a 401(k) or similar plan, and/or outside the workplace. Baby Boomers (85 percent) and Generation X (80 percent) are more likely than Millennials (71 percent) to be saving for retirement. Among those saving for retirement, Millennials started saving at age 24 (median), Generation X started at age 30 (median), and Baby Boomer started at age 35 (median).

Workers Who Are Saving For Retirement Through an Employer-Sponsored Retirement Plan and/or Outside of Work (%)



Age Started Saving (Median)	27 years	24 years	30 years	35 years

BASE: CURRENTLY OFFERED QUALIFIED PLAN

Q1190. Do you currently participate in, or have money invested in your company's employee-funded retirement savings plan?

BASE: ALL QUALIFIED RESPONDENTS

Q740. Are you currently saving for retirement outside of work, such as in an IRA, mutual funds, bank account, etc.?

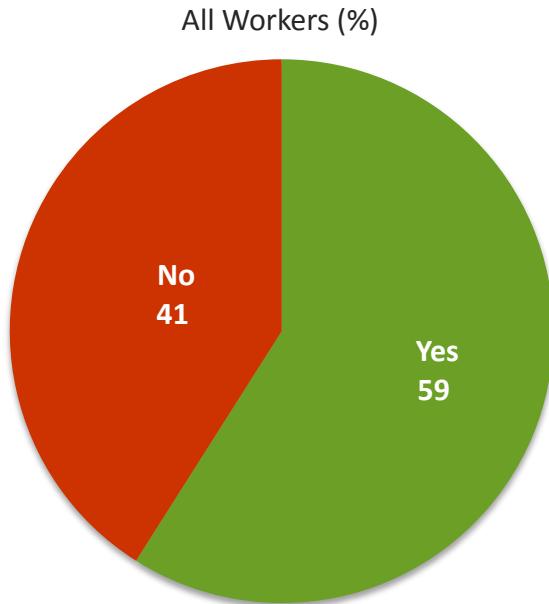
BASE: INVESTING FOR RETIREMENT

Q790. At what age did you first start saving for retirement?

Majority Are Currently Saving for Retirement Outside of Work

Fifty-nine percent workers are saving for retirement outside of work. Baby Boomers (68 percent) are most likely to do so, with Generation X (57 percent) and Millennials (55 percent) being somewhat less likely to be saving outside of work.

Saving for Retirement Outside of Work



Generation	Saving Outside of Work (Yes %)
Millennials	55%
Generation X	57%
Baby Boomers	68%

Workers' Estimated Retirement Savings Needs

Today's workers estimate they will need \$500,000 (median) in retirement, a survey finding that is shared by Generation X and Baby Boomers, but with Millennials estimating they will need only \$400,000 (median). Generation X (40 percent) and Baby Boomers (39 percent) are more likely than Millennials (30 percent) to say they will need more \$1 million or more.

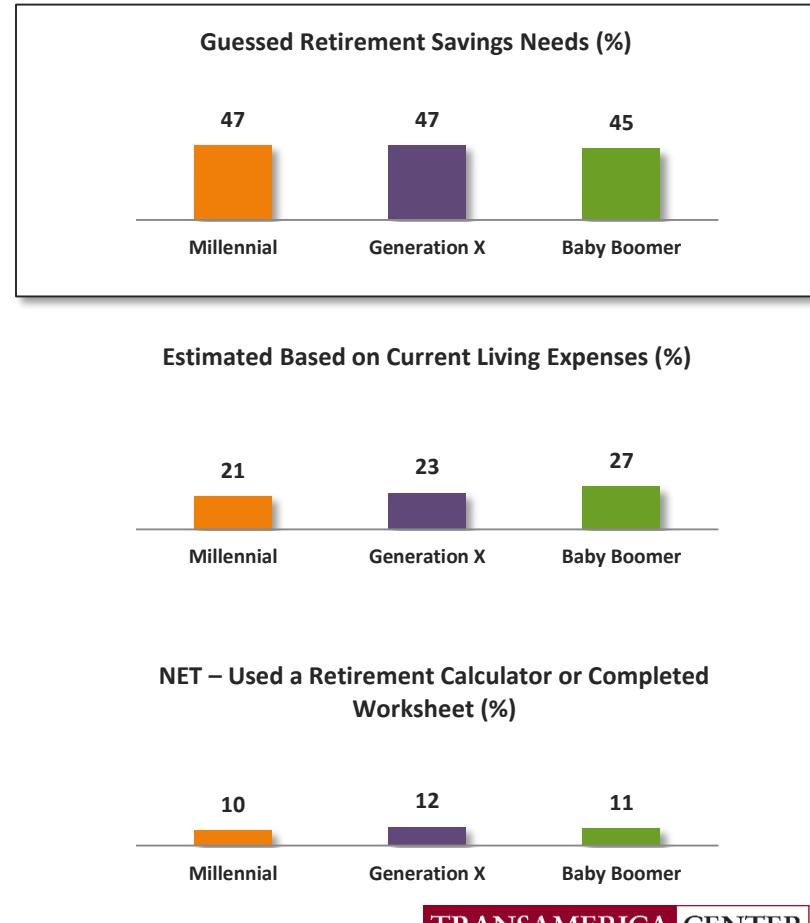
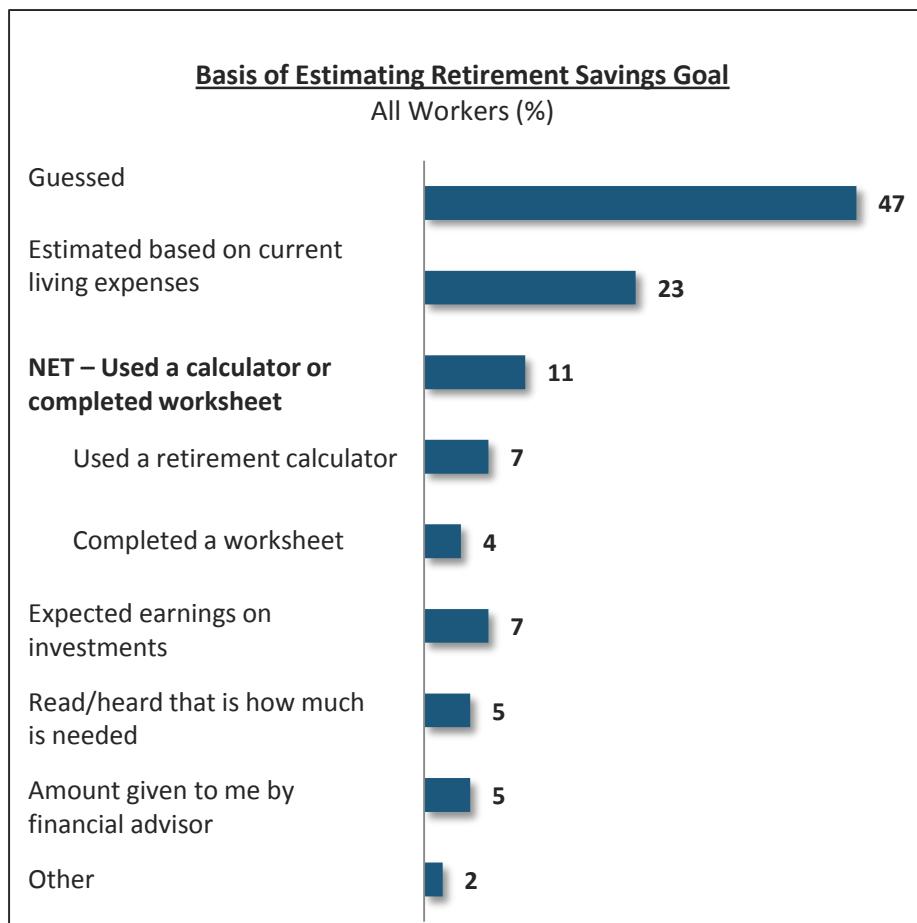
Estimated Retirement Savings Needs	All Workers	Millennials	Generation X	Baby Boomers
< \$500k	44%	52%	39%	38%
\$500k to \$1m	20%	18%	21%	23%
\$1m to \$2m	20%	15%	22%	24%
\$2m or More	16%	15%	18%	15%
Median	\$500,000	\$400,000	\$500,000	\$500,000

BASE: ALL QUALIFIED RESPONDENTS

Q890. Thinking in terms of what money can buy today, how much money do you believe you will need to have saved by the time you retire in order to feel financially secure?

Workers Are Guessing Their Retirement Savings Needs

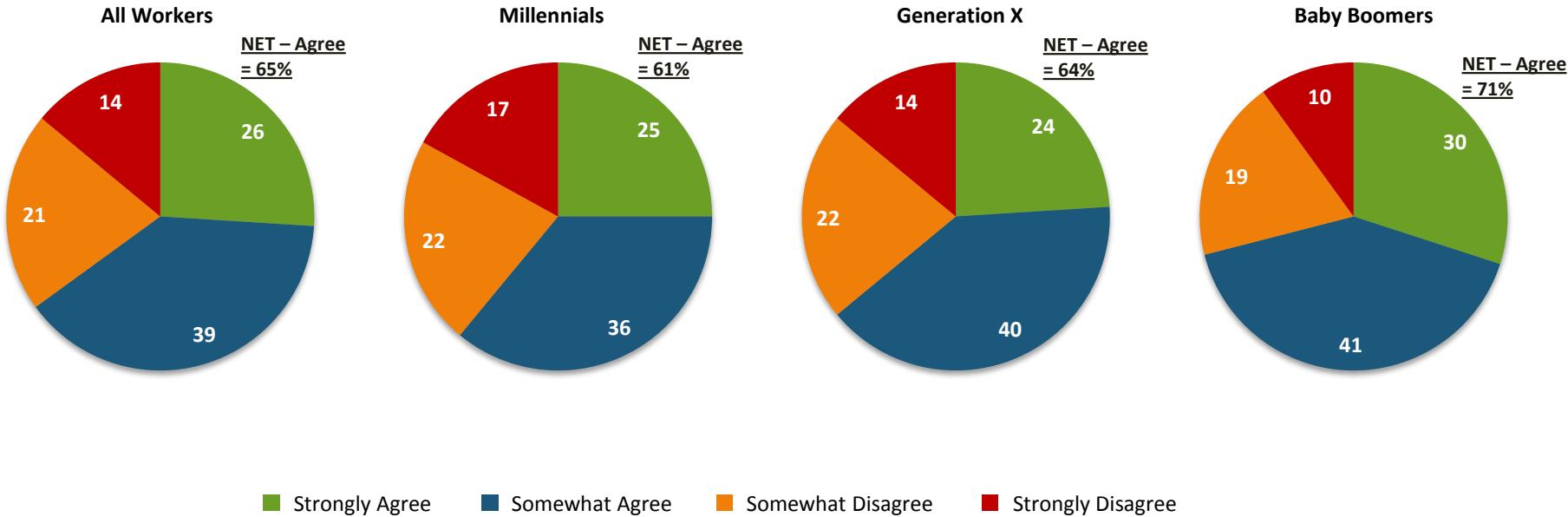
Almost half of workers (47 percent) who provided an estimate of their retirement savings needs indicate they guessed those needs. Twenty-three percent have estimated this goal based on their current living expenses. Just 11 percent used a retirement calculator or completed a worksheet. Responses are relatively consistent among the three generations, noting that Millennials and Generation X (both 47 percent) are slightly more likely to have guessed, while Baby Boomers (27 percent) are more likely to have estimated their needs based on current living expenses.



Most Are Very Involved in Monitoring and Managing Their Savings

Sixty-five percent of workers agree that they are very involved in monitoring and managing their retirement savings, with 26 percent “strongly agreeing” and 39 percent “somewhat agreeing.” Workers’ level of agreement increases with age. More Baby Boomers (71 percent) than Generation X (64 percent) and Millennials (61 percent) agree that they are very involved in monitoring and managing their savings.

“I am currently very involved in monitoring and managing my retirement savings.” (%)



BASE: ALL QUALIFIED RESPONDENTS

Q931. How much do you agree or disagree with each of the following statements regarding retirement? “I am currently very involved in monitoring and managing my retirement savings”

How Workers' Retirement Savings Are Invested

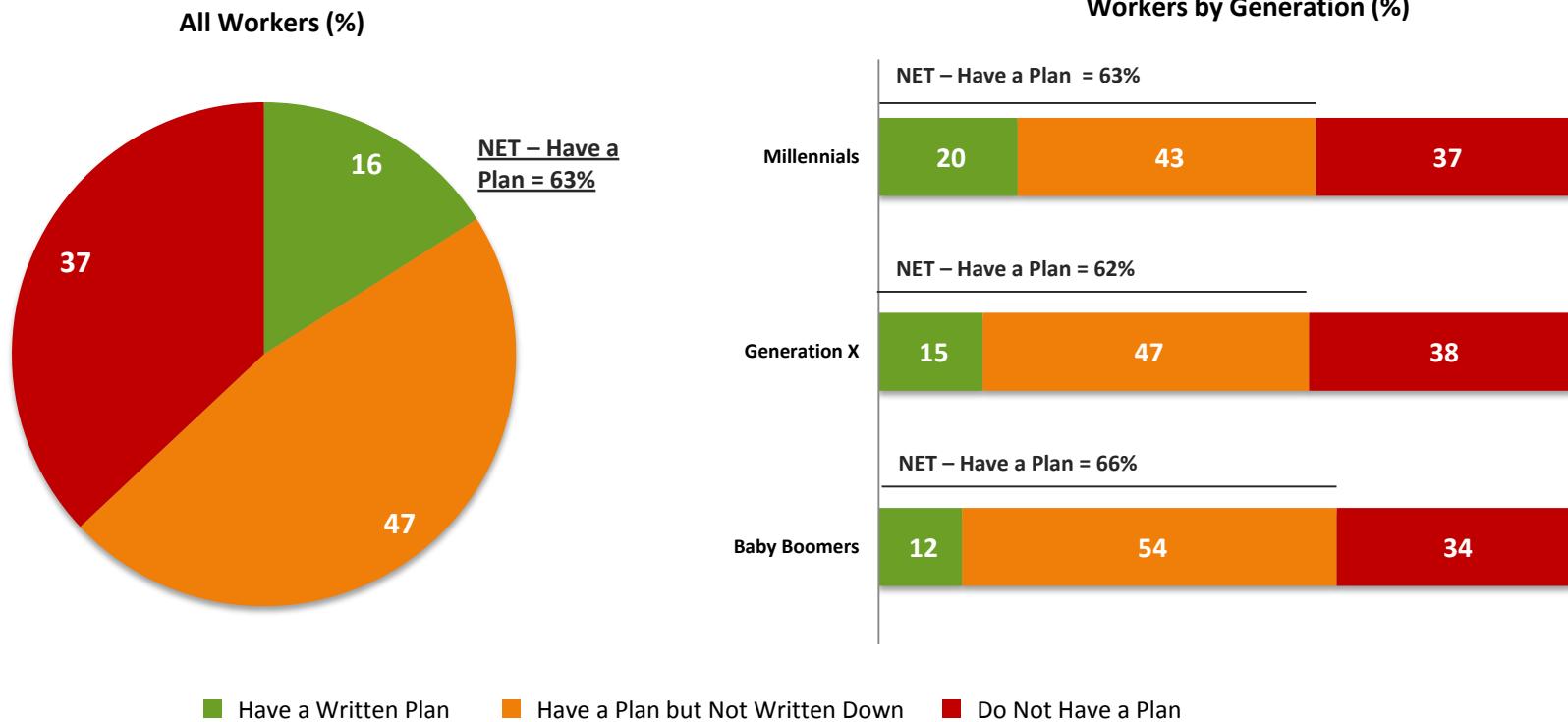
Workers most frequently say their retirement savings are invested in a relatively equal mix of stocks and investments such as bonds, money market funds, and cash (40 percent). Baby Boomers (47 percent) are most likely to invest in this way, while Millennials (35 percent) are least likely. Counter to conventional investing and asset allocation principles, Millennials (20 percent) are more likely than other age ranges to be invested mostly in bonds, money market funds, cash and other stable investments. One in five workers (22 percent) say they are “not sure” how their retirement savings is invested, with Millennials (26 percent) somewhat more likely to say so.



Few Have a Written Strategy for Retirement

Achieving retirement readiness is more than just saving enough; it involves planning for both the expected and, moreover, the unexpected. One of the most important secrets to attaining retirement readiness is having a well-defined written strategy about retirement income needs, costs and expenses, and risk factors. The majority of workers (63 percent) have a retirement strategy, but only 16 percent have a written plan (the other 47 percent have a plan but it is not written down). Responses are fairly similar among generations, with Baby Boomers (66 percent) slightly more likely than Generation X (62 percent) and Millennials (63 percent) to have a plan.

How would you describe your retirement strategy?



Retirement Strategy: Components

A worker's retirement strategy must consider a broad range of factors that could impact his/her retirement savings, ability to generate income in retirement, and protection of savings. Many workers with a retirement strategy have considered on-going living expenses, savings and income needs, government benefits, healthcare costs, and investment returns. However, few have factored in inflation, tax planning, long-term care, and estate planning, with even fewer having factored in contingency plans. Baby Boomers typically have factored more components into their strategies, but are still lacking.

Components of Strategy	All Workers	Millennials	Generation X	Baby Boomers
Social Security & Medicare benefits	58%	44%	57%	77%
On-going living expenses	54%	44%	55%	65%
Total retirement savings & income needs	49%	40%	50%	60%
Healthcare costs	48%	41%	50%	56%
Retirement budget that includes basic living expenses	48%	39%	47%	60%
Plan to help ensure savings last throughout retirement	42%	39%	41%	45%
Investment returns	39%	34%	39%	46%
Inflation	30%	26%	29%	36%
Long-term care needs	30%	33%	23%	29%
Pursuing retirement dreams	27%	31%	23%	25%
Tax planning	23%	25%	18%	25%
Estate planning	19%	21%	15%	20%
Contingency plans for retiring sooner than expected and/or savings shortfalls	16%	19%	15%	13%
Other	2%	2%	2%	3%
Not sure	4%	5%	5%	3%

Note: Components of retirement strategy selected by 40% or more of the subgroup are highlighted

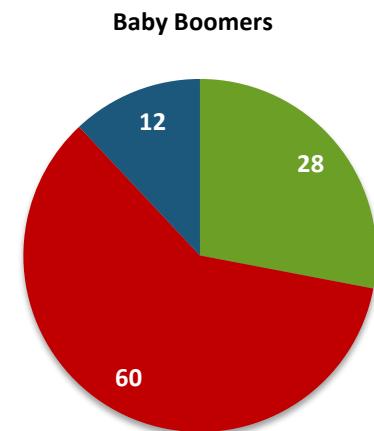
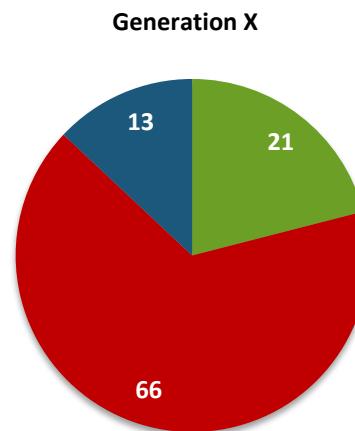
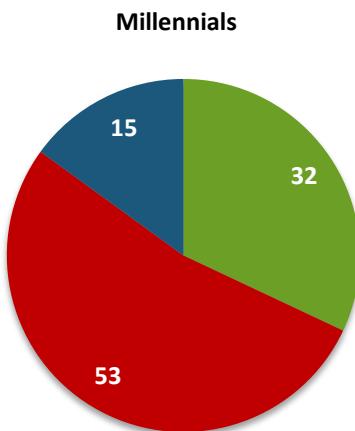
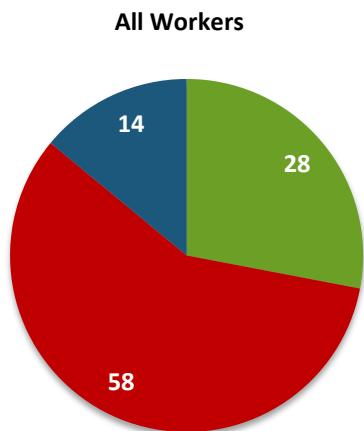
BASE: HAS RETIREMENT STRATEGY

Q1510. Which of the following have you factored into your retirement strategy? Select all.

Few Have a Backup Plan if Retirement Happens Unexpectedly

Delaying retirement and/or continuing to work in retirement is an effective way to continue generating income, bridge savings shortfalls, and stay active and involved. However, only 28 percent of workers have a backup plan for retirement income if forced into retirement sooner than expected. Millennials (32 percent) and Baby Boomers (28 percent) are slightly more likely to have a backup plan compared to Generation X (21 percent).

Have a Backup Plan if Retire Sooner Than Expected (%)



■ Yes

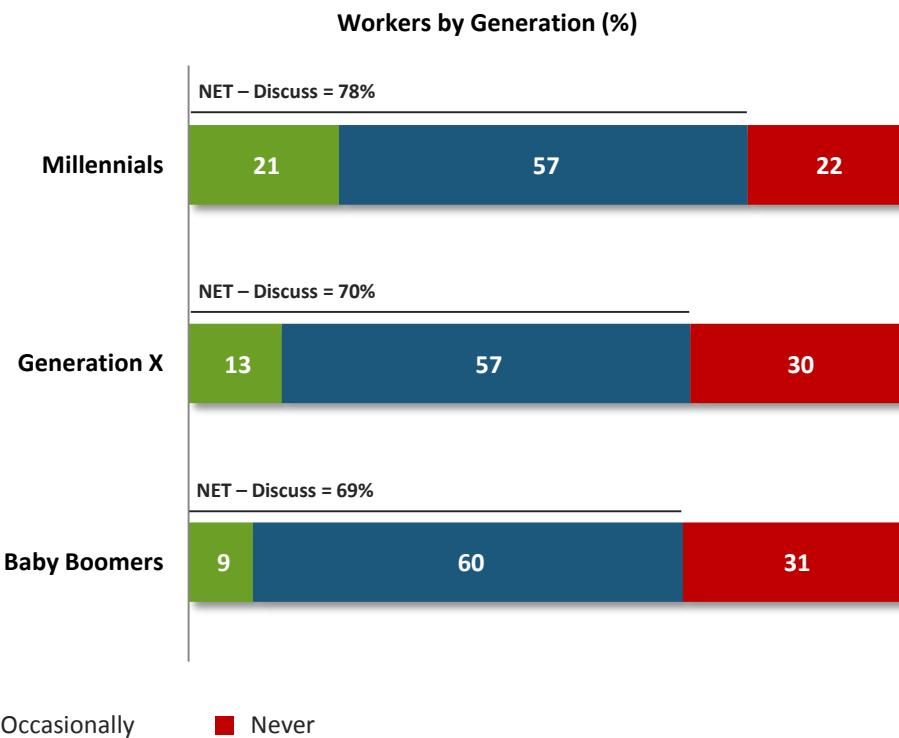
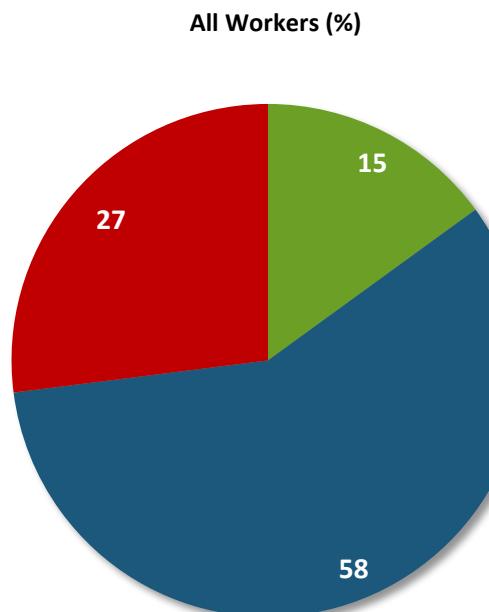
■ No

■ Not Sure

Frequency (or Infrequency) of Conversations About Retirement

Retirement is a family matter that calls for important conversations. However, just 15 percent of workers “frequently” discuss saving, investing, and planning for retirement with family and close friends. While 58 percent “occasionally” discuss it, 27 percent “never” discuss it. Of concern are Generation X (30 percent) and Baby Boomers (31 percent) who “never” discuss it. Counterintuitively, Millennials (21 percent) are the most likely of the three generations to “frequently” discuss it.

How frequently do you discuss saving, investing, and planning for retirement with your family and friends?

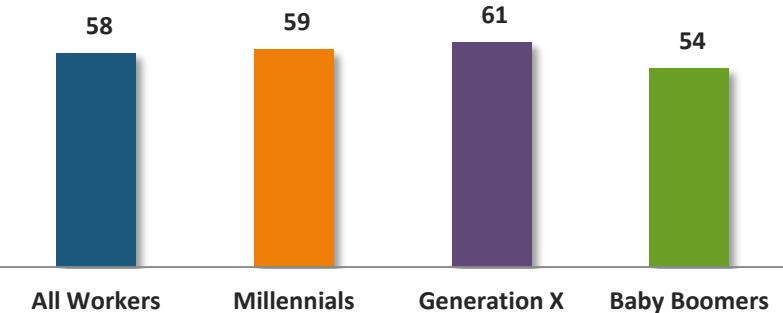


Many Can Become More Familiar with Spouse's/Partner's Savings

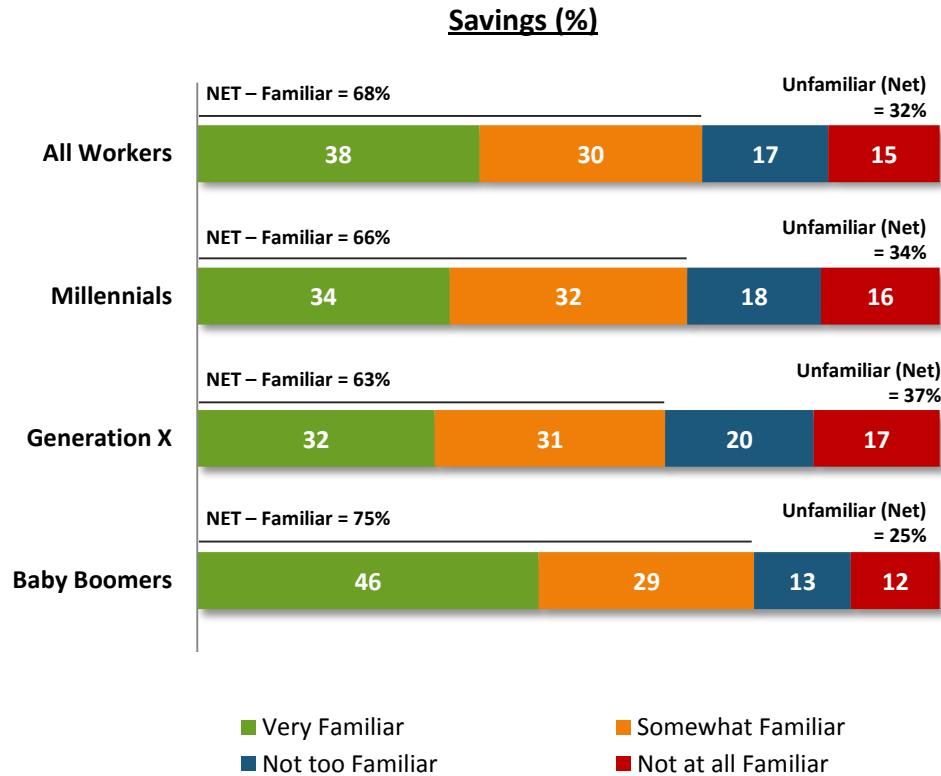
Among workers who are married or living with a partner, 58 percent say their spouse or partner is saving in a retirement plan and 68 percent are familiar with their spouse's or partner's savings, with only 38 percent being "very familiar." Baby Boomers (75 percent) are more likely to be "very" or "somewhat familiar" with their spouse's or partner's savings compared to Generation X (63 percent) and Millennials (66 percent).

Is spouse/partner saving in a retirement plan?

Yes (%)



Level of Familiarity with Spouse's/Partner's Retirement Savings (%)



BASE: MARRIED OR LIVING WITH PARTNER

Q850. Is your spouse or partner currently putting money into a retirement plan of his or her own?

Q1520. How familiar are you with your partner's retirement plan and savings?

Commonly Used Sources of Information for Retirement

Workers, to a greater or lesser extent, rely on many sources of information for retirement planning and investing. Millennials (45 percent) most frequently cite “family and friends.” Baby Boomers (35 percent) most frequently cite a “financial planner/broker.” Generation X (33 percent) most frequently cite financial websites (Yahoo! Finance, Morningstar, etc.).

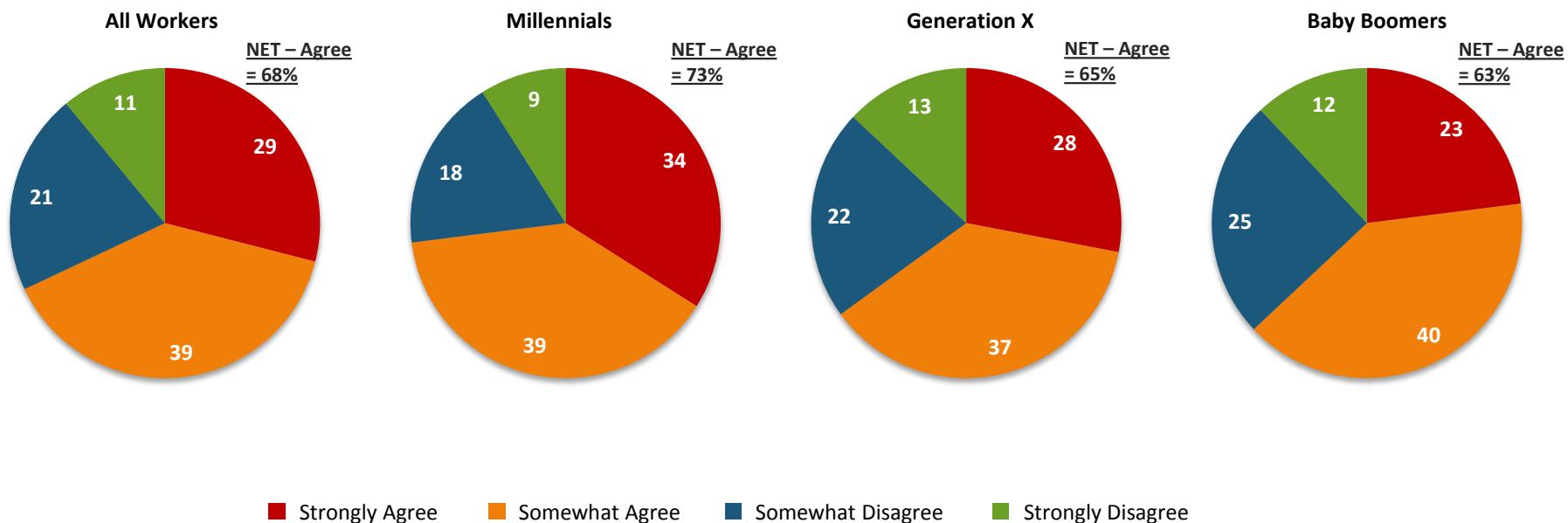
What sources of information do you rely on for retirement planning and investing?	Workers			
	All Workers	Millennials	Generation X	Baby Boomers
Friends/Family	35%	45%	32%	24%
Financial Websites (Yahoo! Finance, Morningstar, etc.)	33%	35%	33%	29%
Financial Planner/Broker	28%	24%	27%	35%
Retirement Plan Provider Website	23%	21%	25%	26%
Online Newspapers, Magazines, and Blogs	20%	24%	18%	16%
Employer	20%	24%	20%	16%
Retirement Calculators	16%	13%	19%	20%
Print Newspapers and Magazines	15%	15%	12%	18%
Financial-related Television Shows	14%	15%	12%	15%
Accountant	13%	16%	8%	12%
Plan Provider Printed Material (i.e., Brochures)	12%	11%	12%	13%
Online Social Media (Facebook, Twitter, etc.)	7%	12%	4%	3%
Insurance Agent	6%	10%	4%	4%
Lawyer	5%	9%	4%	2%
Other	4%	4%	3%	6%
None	15%	14%	17%	16%

Note: Source of information selected by 20% or more of the subgroup are highlighted

Two-Thirds Feel that They Don't Know as Much as They Should

Sixty-eight percent of workers agree with the statement, “I do not know as much as I should about retirement investing,” including 29 percent who “strongly agree” and 39 percent who “somewhat agree.” Level of agreement decreases with age: Millennials (73 percent) are more likely to agree when compared to Generation X (65 percent) and Baby Boomers (63 percent).

“I do not know as much as I should about retirement investing.” (%)



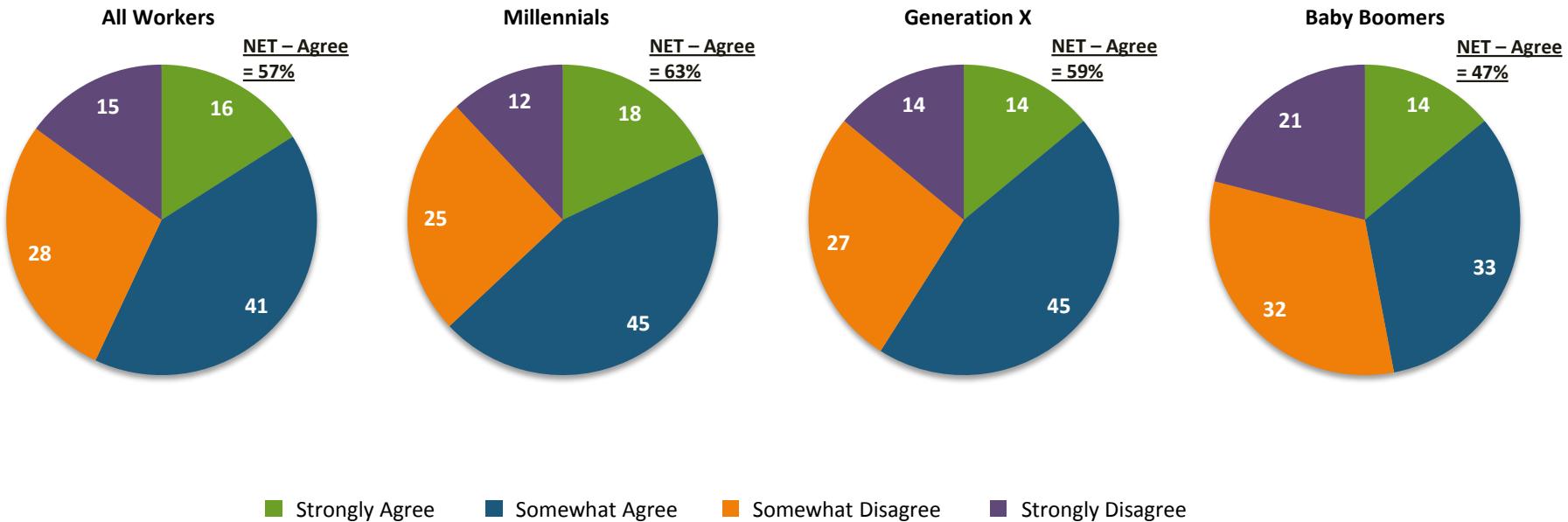
BASE: ALL QUALIFIED RESPONDENTS

Q931. How much do you agree or disagree with each of the following statements regarding retirement? “I do not know as much as I should about retirement investing”

More Than Half Would Prefer to Rely on Outside Experts

Almost six in ten workers (57 percent) agree with the statement, “I would prefer to rely on outside experts to monitor and manage my retirement savings plan,” including 16 percent who “strongly agree” and 41 percent who “somewhat agree.” Millennials (63 percent) and Generation X (59 percent) are more likely to agree than Baby Boomers (47 percent).

“I would prefer to rely on outside experts to monitor and manage my retirement savings plan.” (%)



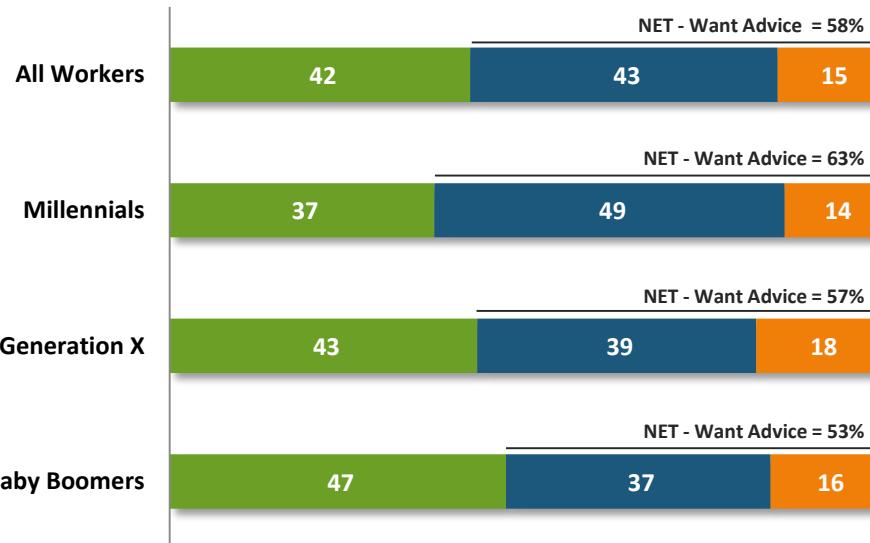
BASE: ALL QUALIFIED RESPONDENTS

Q931. How much do you agree or disagree with each of the following statements regarding retirement? “I would prefer to rely on outside experts to monitor and manage my retirement savings plan”

Most Want Some Form of Advice yet Few Have an Advisor

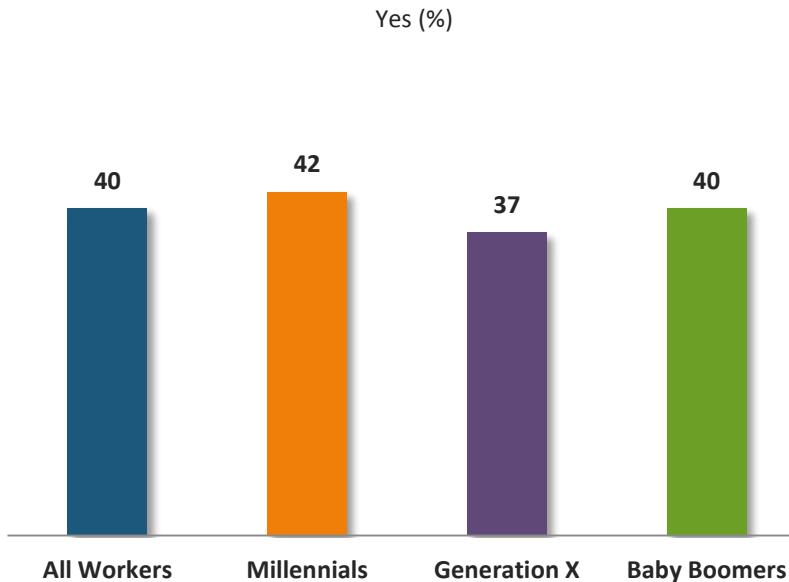
Most workers (58 percent) say they want some level of advice when saving and investing for retirement, with 43 percent seeking education and advice but ultimately making their own decisions and 15 percent wanting someone to make decisions on their behalf. In contrast to this desire for advice, only 40 percent of workers who are saving and investing for retirement actually use a professional financial advisor to help them manage their savings and investments.

How would you describe yourself when it comes to saving and investing for retirement? (%)



- Do it myself: I do my own research and make my own decisions
- Educate me: I seek advice but make my own final decisions
- Just do it for me: I want someone else to make the decisions on my behalf

Do you use a professional financial advisor to help manage your retirement savings or investments?



BASE: ALL QUALIFIED RESPONDENTS

Q705. How would you describe yourself when it comes to saving and investing for retirement?

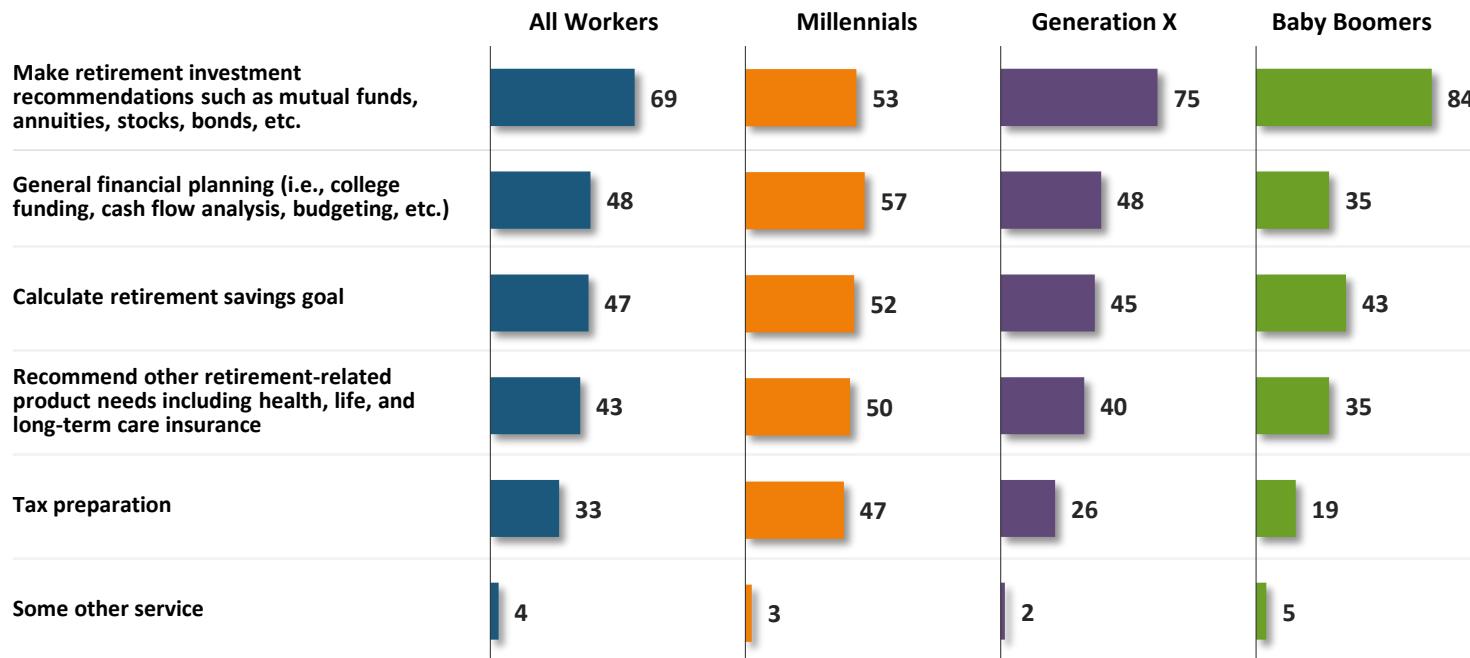
BASE: INVESTING FOR RETIREMENT

Q860. Do you use a professional financial advisor to help manage your retirement savings or investments?

Financial Advisor Services Vary by Generation

Among workers who use a financial advisor, they most often use their advisors to make retirement investment recommendations (69 percent), followed by general financial planning (48 percent), calculating a retirement savings goal (47 percent), recommending other retirement-related product needs including health, life, and long-term care insurance (43 percent), and tax preparation (33 percent). Baby Boomers (84 percent) and Generation X (75 percent) most often use their advisors for making retirement investment recommendations, while Millennials (57 percent) most often use their advisors for general financial planning. Millennials (47 percent) are most likely compared to older generations to use their financial advisors for tax preparation.

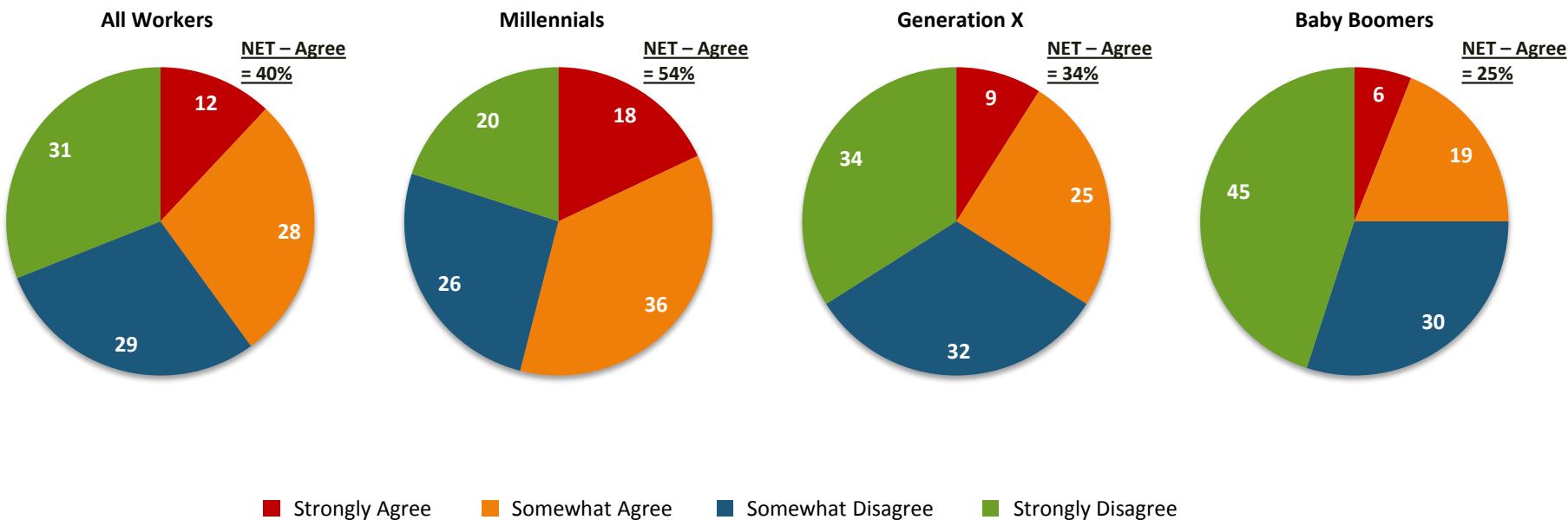
What types of services do you use your professional financial advisor to perform? (%)



Four in Ten May Be Procrastinating About Retirement

Forty percent of workers agree with the statement, “I prefer not to think about or concern myself with retirement investing until I get closer to my retirement date,” including 12 percent who “strongly agree” and 28 percent who “somewhat agree.” As may be expected, younger workers are more likely to be procrastinators than older workers. Millennials (54 percent) are most likely to agree followed by Generation X (34 percent) and Baby Boomers (25 percent).

“I prefer not to think about or concern myself with retirement investing until I get closer to my retirement date.” (%)



BASE: ALL QUALIFIED RESPONDENTS

Q931. How much do you agree or disagree with each of the following statements regarding retirement? “I prefer not to think about or concern myself with retirement investing until I get closer to my retirement date”

*The Vital Role of Employers in
Helping Workers Save, Invest, Plan, and Retire*

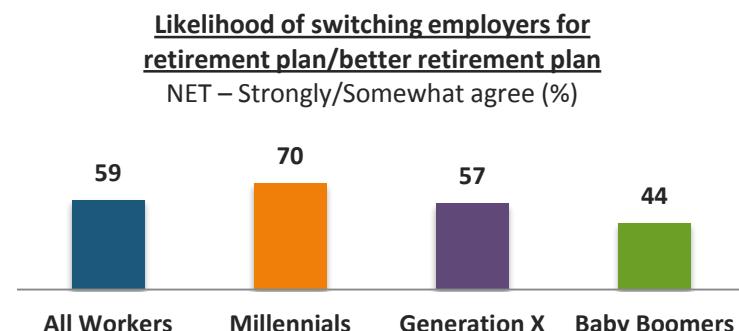
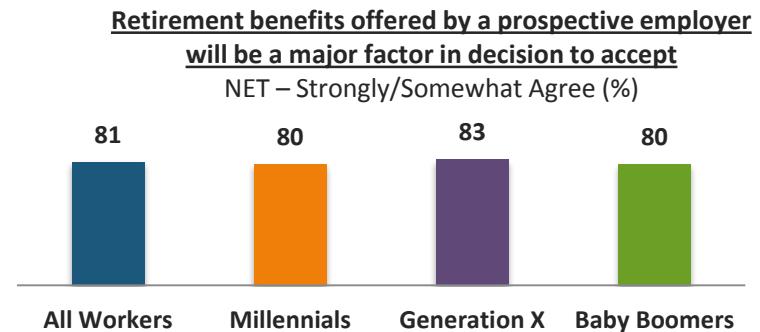
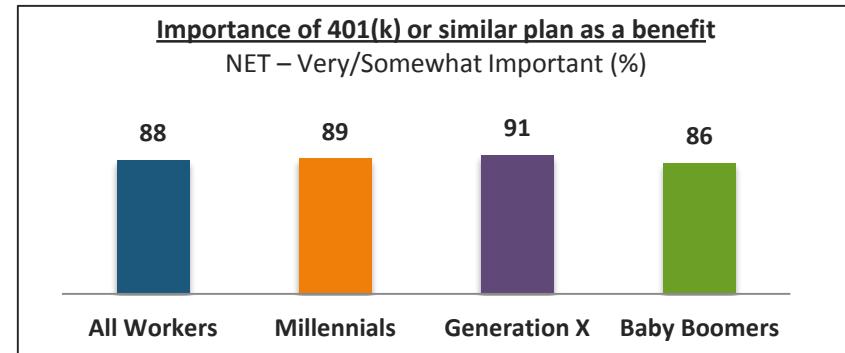
Workers Highly Value Retirement Benefits

Employers take note: Workers highly value retirement benefits.

Eighty-eight percent of workers value a 401(k) or similar retirement plan as an important benefit.

Four in five workers (81 percent) say that retirement benefits offered by a prospective employer will be a major factor in their decision whether to accept an offer.

Six in ten workers (59 percent) say they would be likely to switch employers for a nearly identical job with a similar employer that offered a retirement plan/ better retirement plan. Flight risk is greatest among the 70 percent of Millennials who share this sentiment. The majority of Generation X (57 percent) would be likely to switch also. Baby Boomers (44 percent) are less likely to switch employers for a retirement plan/ a better retirement plan.



BASE: ALL QUALIFIED RESPONDENTS

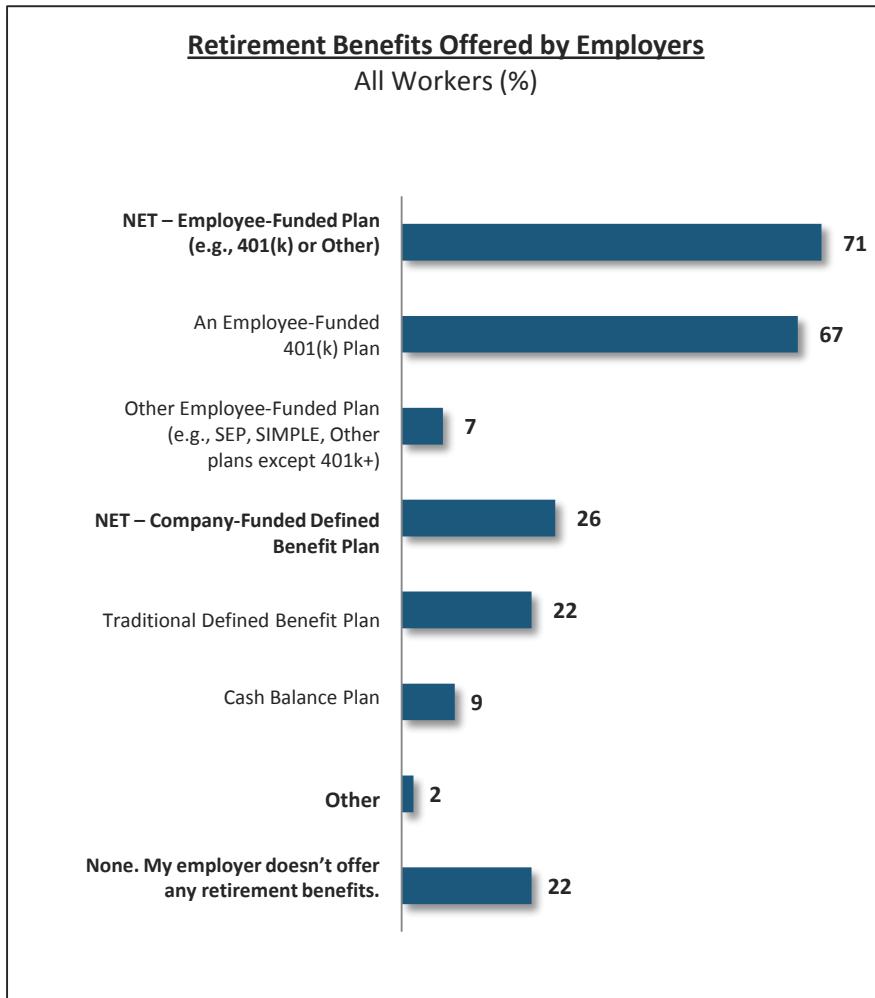
Q1171. Please tell us how important that benefit is to you, personally. 5. A 401(k)/403(b)/457(b) or other employee self-funded plan.

Q831. How much do you agree or disagree with the following statement? The next time I look for a job, all things being equal, the retirement savings program offered by the prospective employer will be a major factor in my final decision.

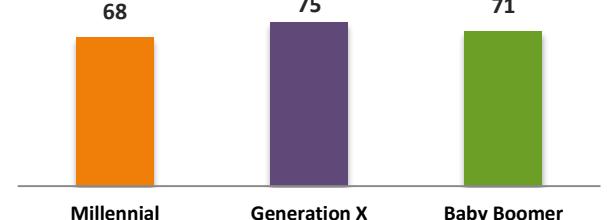
Q730. How likely would you be to leave your current employer to take a nearly identical job, with a similar employer, if that employer offered you a (better) retirement plan (than offered by your current employer)?

Workers' Access to Employer-Sponsored Retirement Benefits

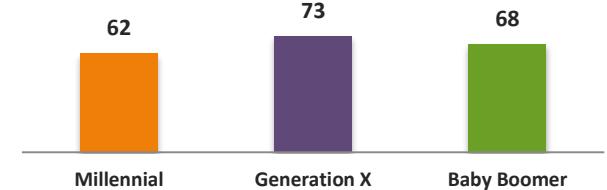
Seventy-one percent of workers have access to a 401(k) or similar employee-funded retirement plan in the workplace. Generation X workers (75 percent) are most likely to have access to a plan, compared to Millennials (68 percent) and Baby Boomers (71 percent).



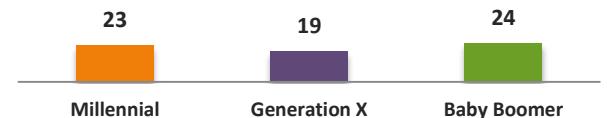
NET – Employee-Funded Plan (e.g., 401(k) or Other) (%)



An Employee-Funded 401(k) Plan (%)



NET – None. My employer doesn't offer any retirement benefits (%)

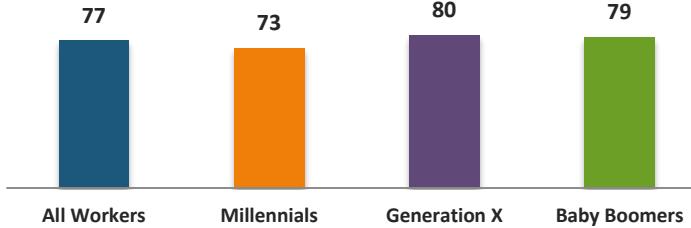


Full-Time Workers Are More Likely to Have Access to a 401(k)

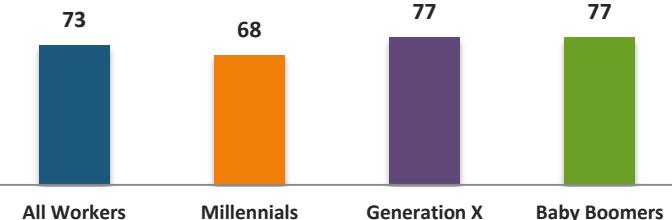
Full-time workers (77 percent) are far more likely to have access to a 401(k) or similar employee-funded plan compared to part-time workers (47 percent). Among full-time workers, Millennials (73 percent) are less likely to have benefits compared to Generation X (80 percent) and Baby Boomers (79 percent).

Full-Time Workers

NET – Employee-Funded 401(k) or Similar Plan (%)

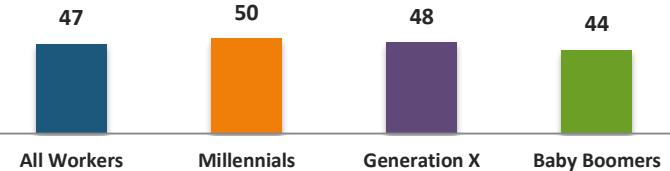


An Employee-Funded 401(k) Plan (%)

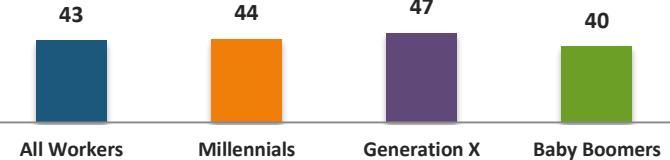


Part-Time Workers

NET – Employee-Funded 401(k) or Similar Plan (%)



An Employee-Funded 401(k) Plan (%)

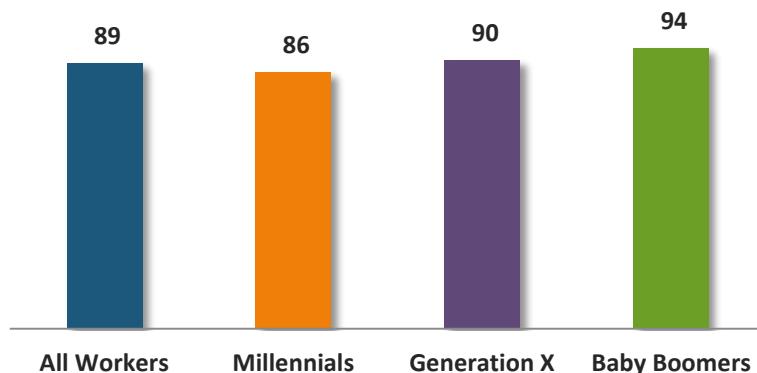


Having Access to a 401(k) Inspires Workers to Save

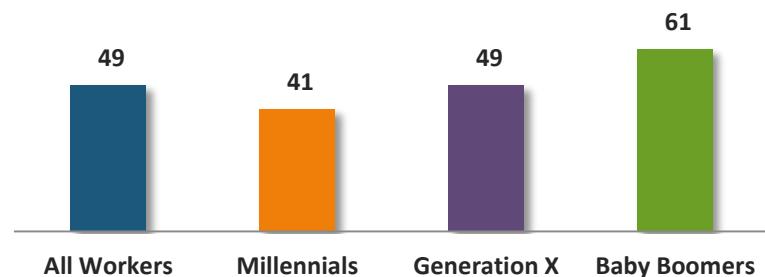
Workers who are offered a 401(k) or similar retirement plan by their employer are more likely to save and invest for retirement in the plan and/or outside of work (89 percent) compared to those who do not have access to such plans (49 percent), a finding which is generally consistent by generation.

Saving for Retirement (in an Employer-Sponsored Plan and/or Outside of Work)

Among Those **Offered** a 401(k) or Similar Plan (%)



Among Those **Not Offered** a 401(k) or Similar Plan (%)



BASE: CURRENTLY OFFERED QUALIFIED PLAN / NOT CURRENTLY OFFERED QUALIFIED PLAN

Q1190. Do you currently participate in, or have money invested in your company's employee-funded retirement savings plan?

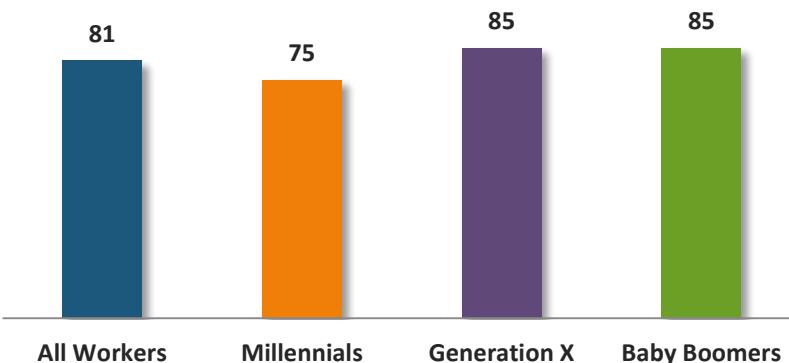
Q740. Are you currently saving for retirement outside of work, such as in an IRA, mutual funds, bank account, etc.?

Plan Participation and Salary Deferral Rates

Eighty-one percent of workers who are offered a 401(k) or similar plan participate in that plan. Participation rates are highest among Generation X and Baby Boomers (both 85 percent) with Millennials (75 percent) lagging behind them. Participants are contributing 10 percent (median) of their annual salary into their plans. Contribution rates are highest among Millennials and Baby Boomers at 10 percent each (median) with lower rates among Generation X (8 percent).

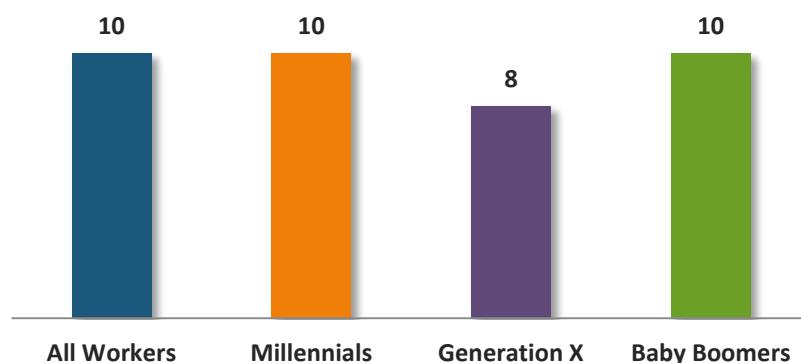
Participates in 401(k) or Similar Plan

Yes (%)



Percentage of Annual Salary Saved in Plan

Median (%)



BASE: CURRENTLY OFFERED QUALIFIED PLAN

Q1190. Do you currently participate in, or have money invested in your company's employee-funded retirement savings plan?

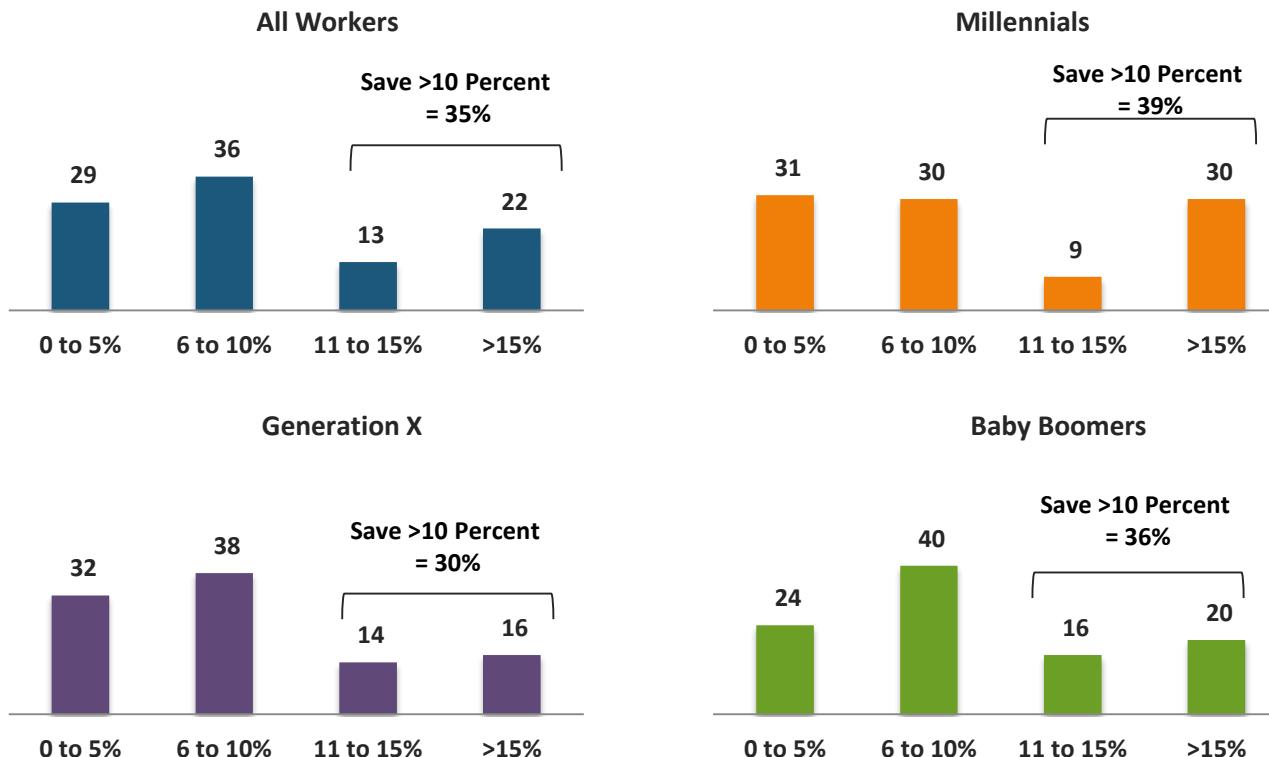
BASE: CURRENTLY PARTICIPATES IN QUALIFIED PLAN

Q601. What percentage of your salary are you saving for retirement through your company-sponsored plan this year?

Contribution Rates to 401(k) or Similar Plan

While most workers participating in a 401(k) or similar retirement plan are contributing 10 percent of their salaries or less, 35 percent are saving more than 10 percent. These “super savers” include 39 percent of Millennials, 30 percent of Generation X, and 36 percent of Baby Boomers. Twenty-two percent of plan participants are saving more than 15 percent of their annual pay into the plan.

What percentage of your salary are you contributing to your 401(k) or similar plan? (%)

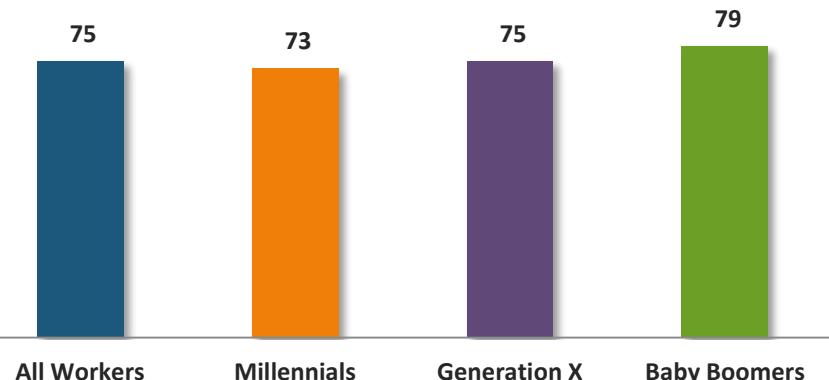


Millennials Are More Likely to be Contributing to a Roth 401(k)

Seventy-five percent of workers who are offered a 401(k) or similar plan are aware of the Roth 401(k) option, which enables them to pay income taxes now and take withdrawals at retirement age tax-free. Among those who are aware, 58 percent say they are offered it by their employer including 39 percent who contribute to it. Millennials who are aware are most likely to be offered a Roth 401(k) feature and contribute to it (52 percent), compared to Generation X (37 percent) and Baby Boomers (23 percent).

Are you aware of the Roth 401(k) option?

Yes (%)



Does your employer offer a Roth 401(k) option to you, personally? (%)

NET – Yes = 58%

All Workers



NET – Yes = 73%

Millennials



NET – Yes = 55%

Generation X



NET – Yes = 42%

Baby Boomers



■ Yes, and I do contribute

■ No, my company does not offer it

■ Yes, but I do not contribute

■ Not sure

BASE: CURRENTLY OFFERED QUALIFIED PLAN

Q605. Are you aware of the Roth 401(k)/403(b) option?

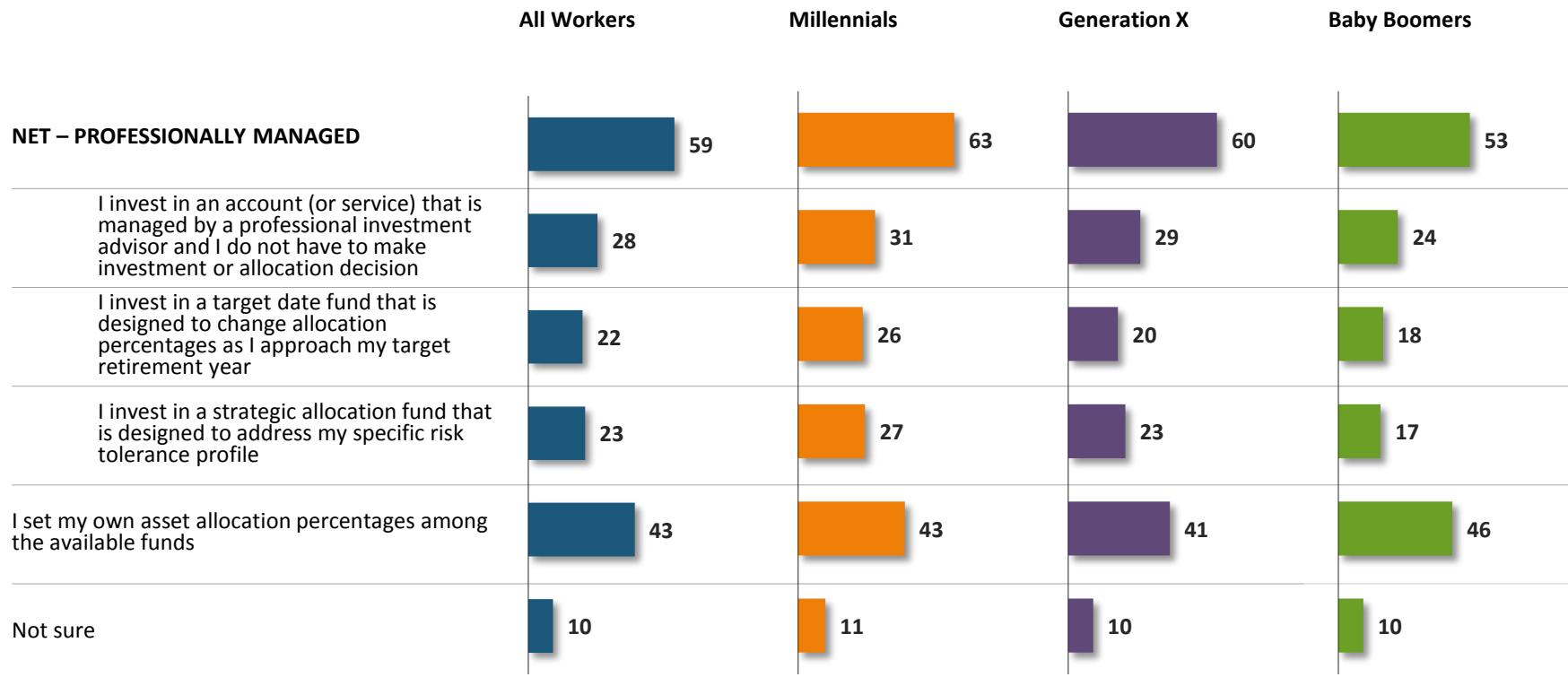
BASE: AWARE OF ROTH 401(K) OPTION

Q610. Does your employer offer a Roth 401(k) option to you, personally?

Majority of Participants Use Professionally Managed Offerings

“Professionally managed” accounts refer to a managed account service, strategic allocation funds, and/or target date funds. The majority of plan participants (59 percent) are using some form of professionally managed offering in their 401(k) or similar plans. Millennials (63 percent) and Generation X (60 percent) are somewhat more likely to be using these types of accounts than Baby Boomers (53 percent).

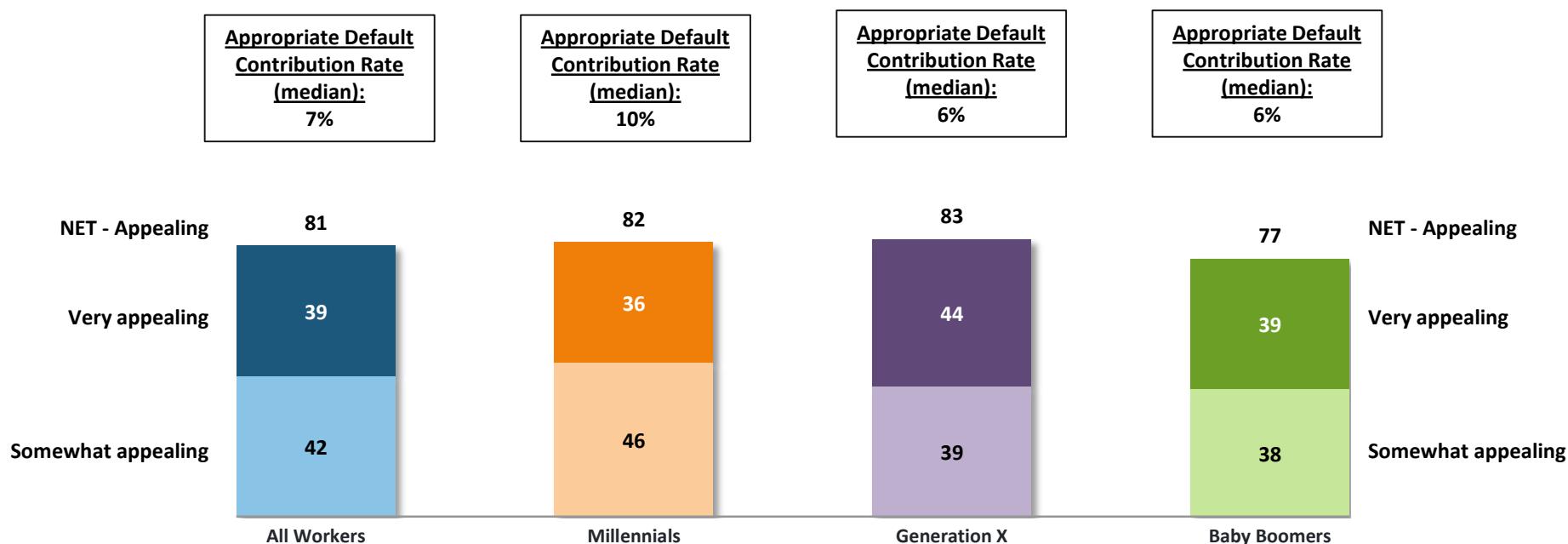
What is your current approach to investing in your employer-sponsored retirement plan? (%)



Retirement Plan Features: Appeal of Automatic Enrollment

Automatic enrollment is a retirement plan feature that eliminates the decision-making and action steps normally required of employees to enroll and to start contributing to the plan. It simply automatically enrolls employees into a plan and they only need to take action if they desire to opt out and not contribute to the plan. Across the generations, 81 percent of workers find automatic enrollment appealing, with Generation X (83 percent) and Millennials (82 percent) somewhat more likely to find it appealing than Baby Boomers (77 percent). Millennial workers consider an appropriate default contribution rate to be 10 percent, a higher rate than Generation X and Baby Boomers (both 6 percent). If an employer has not yet adopted automatic enrollment as part of its 401(k) plan, it is a feature worthy of consideration.

Appeal of Automatic Enrollment (%)



New questions added in 2017

BASE: ALL QUALIFIED RESPONDENTS

Q635. Imagine that your current employer automatically enrolled you into a 401(k), 403(b) or similar retirement plan, deducting a percentage of each paycheck, and investing it for your future retirement. How appealing would this seem to you?

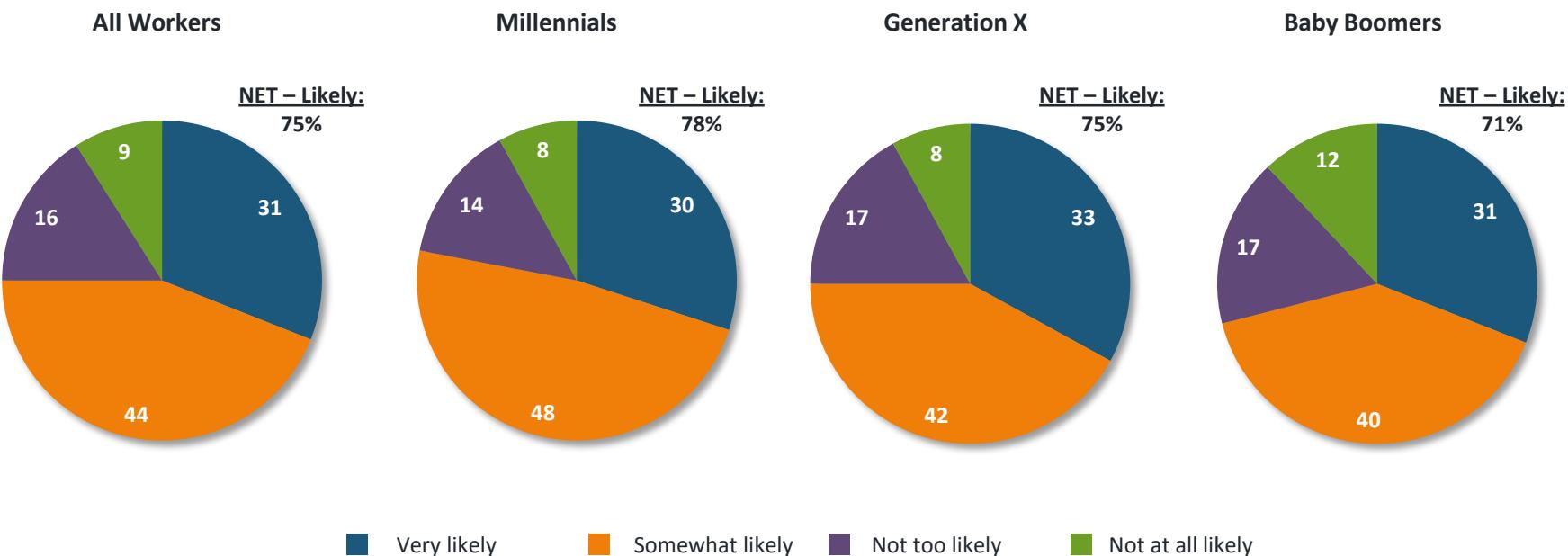
Q636. Imagine that your current employer automatically enrolled you into a 401(k), 403(b) or similar retirement plan, what would you consider to be an appropriate percentage to deduct from your paycheck to be invested for your future retirement?

Retirement Plan Features: Likelihood of Using Automatic Escalation

The majority of workers across the generations (75 percent) say they would be likely to use an automatic feature that would automatically increase their retirement plan contribution by 1 percent each year.

Millennials (78 percent) and Generation X (75 percent) are more likely than Baby Boomers (71 percent) to say they would be likely to use this feature. Some workers (9 percent) are not at all likely to use this feature, a finding that is more common among Baby Boomers (12 percent) compared to Generation X and Millennials (8 percent both). If an employer has not yet adopted automatic escalation as part of its 401(k) plan, it is also a feature worthy of consideration.

Likelihood of Using a Feature That Automatically Increases Contribution by 1% Each Year, Until You Choose to Discontinue (%)



New question added in 2017

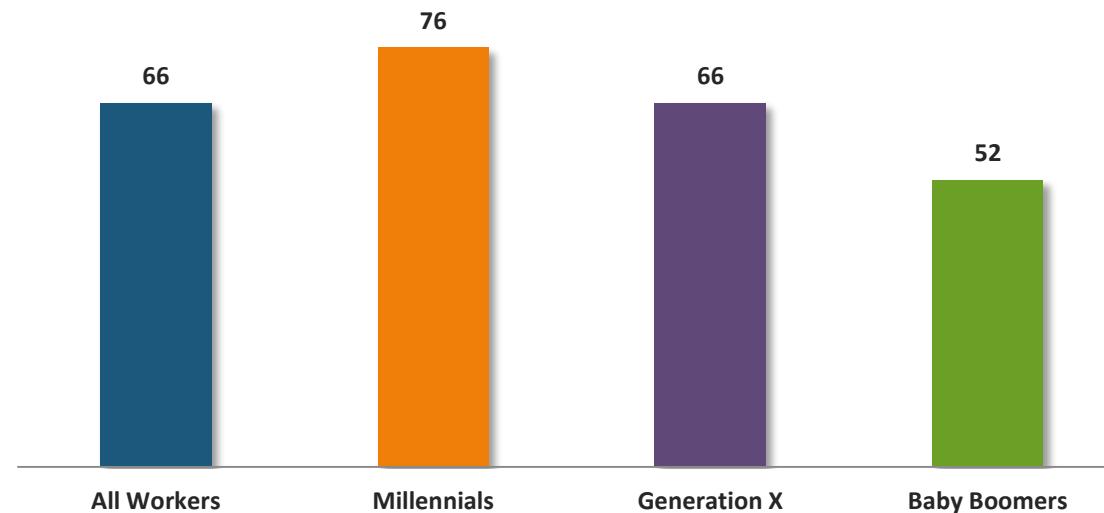
BASE: ALL QUALIFIED RESPONDENTS

Q702. How likely would you be to use a feature in a 401(k) or similar plan where your employer would automatically increase your contribution rate (as a percentage of your salary) to the plan by 1% each year, until you choose to discontinue this increase?

Two-Thirds Want More Retirement Education and Advice

The majority of workers (66 percent) would like more education and advice from their employers on how to reach their retirement goals. This desire is highest among Millennials (76 percent), while also strong among Generation X (66 percent) and Baby Boomers (52 percent).

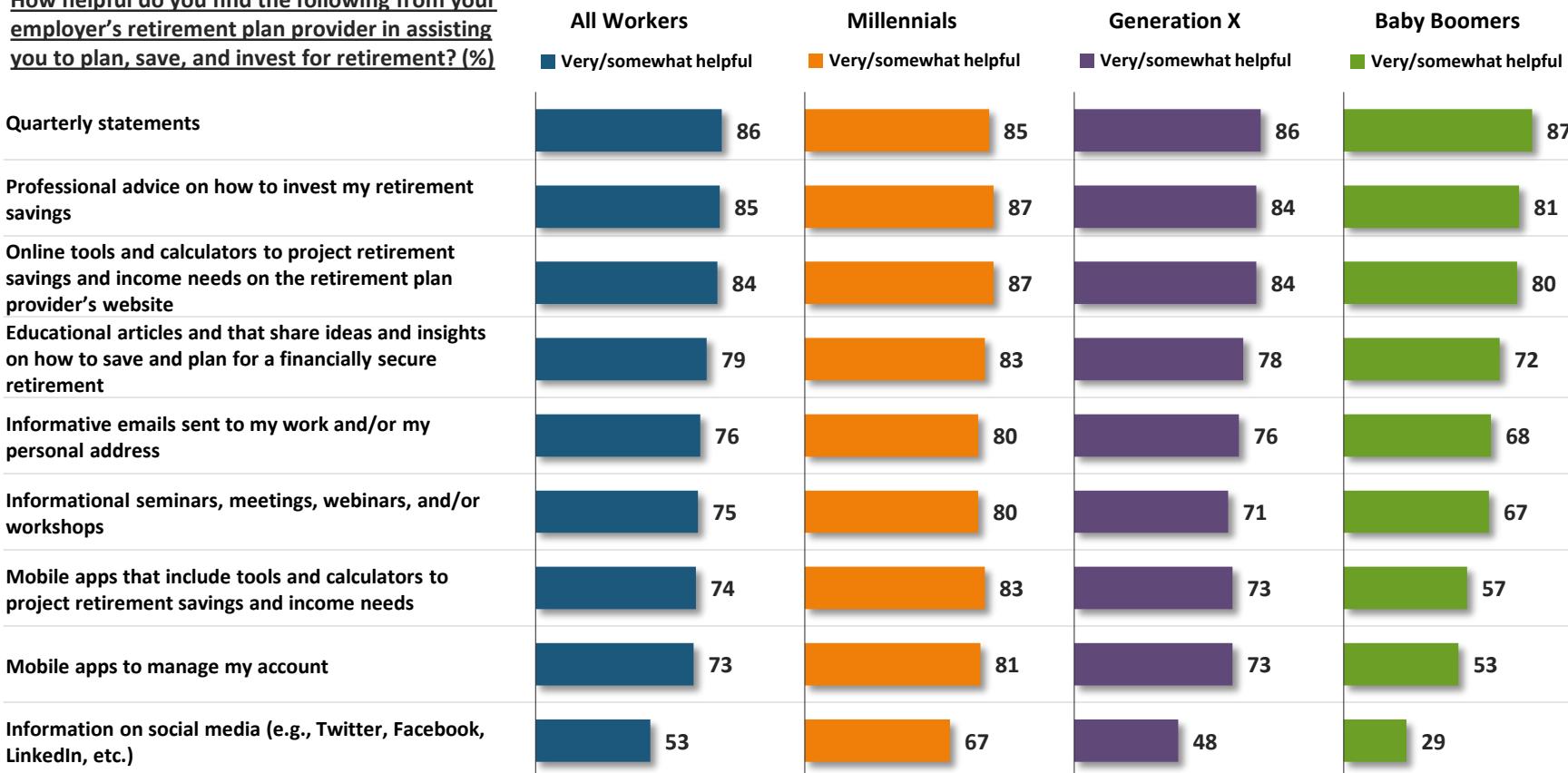
**"I would like to receive more information and advice from my company on
how to achieve my retirement goals."**
NET – Strongly/Somewhat Agree (%)



Workers' Views on Retirement Provider's Tools and Resources

Workers who are offered a 401(k) or similar plan find many of the plan provider's tools and resources to be helpful. Millennials are likely to find most of the tools offered to be helpful and especially those that are technology-based. Two dramatic examples: (1) 81 percent of Millennials find mobile apps to manage their accounts to be helpful, compared to just 53 percent of Baby Boomers and (2) 67 percent of Millennials find information on social media to be helpful compared to just 29 percent of Baby Boomers.

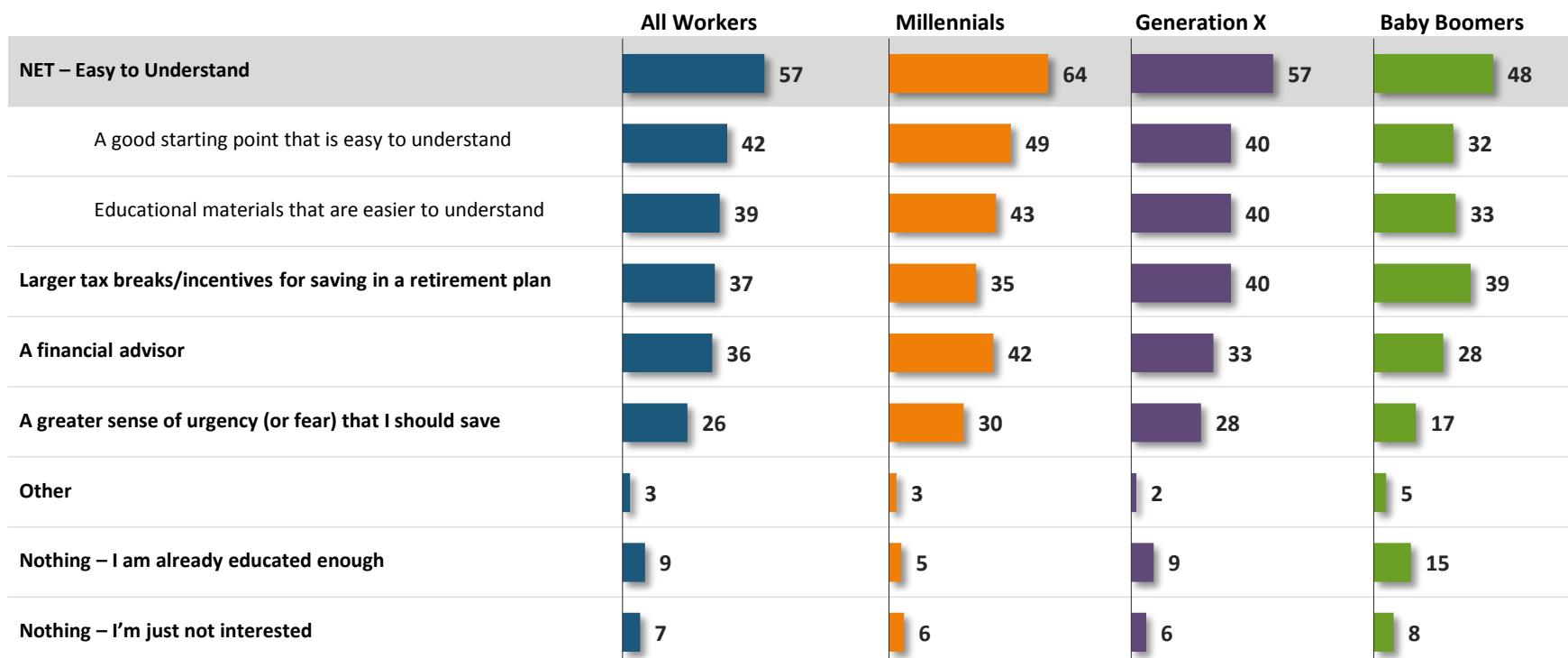
How helpful do you find the following from your employer's retirement plan provider in assisting you to plan, save, and invest for retirement? (%)



Motivators to Inspire Learning: Make It Easier to Understand

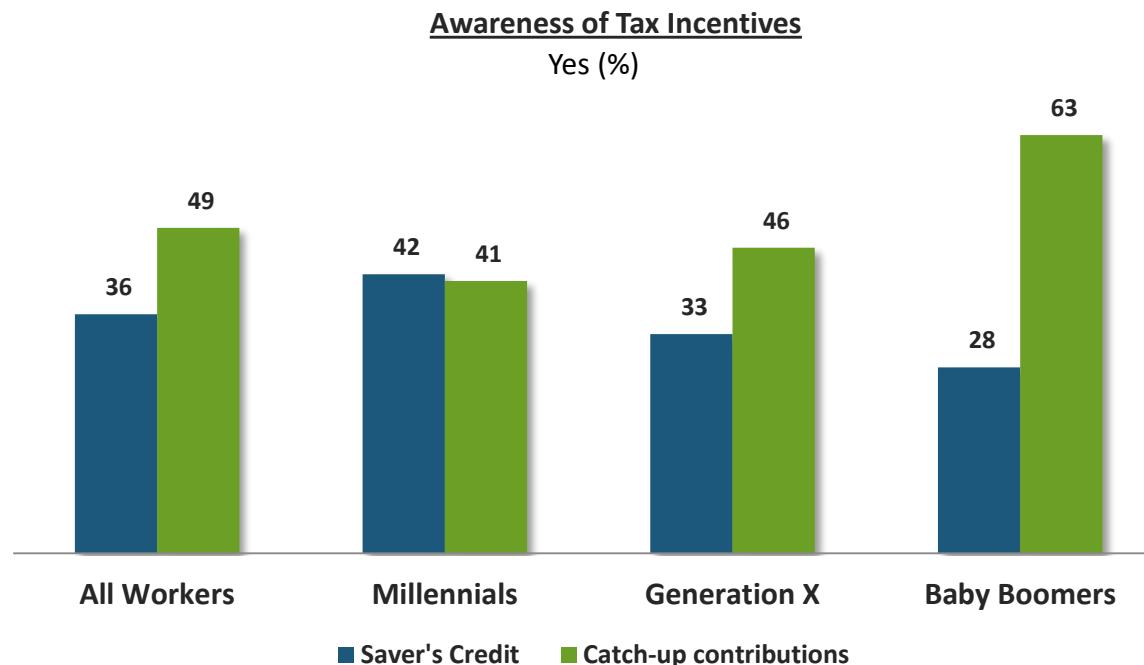
Employers, with their retirement plan providers, play an invaluable role in offering retirement and financial-related education to their employees. They may be able to fine-tune their offerings even more. When workers were asked what would motivate them to learn more about saving and investing for retirement, the most frequently cited motivators related to making it easier to understand (57 percent), a finding that is shared by Millennials (64 percent), Generation X (57 percent), and Baby Boomers (48 percent). “Larger tax breaks and incentives for saving in a retirement plan” and “a financial advisor” were also frequently cited motivators across generations. Several specific opportunities for employers to raise awareness are highlighted on the following three pages ([pages 108, 109, 110](#)).

What would motivate you to learn more about saving and investing for retirement? (%)



Incentives to Save: Saver's Credit & Catch-Up Contributions

Thirty-seven percent of workers indicate that greater tax breaks and incentives would be a motivator for them to learn more about saving and investing for retirement ([see page 107](#)). Two meaningful incentives include: the Saver's Credit, a tax credit for eligible taxpayers who save for retirement in a qualified retirement plan or IRA; and catch-up contributions, which allow workers age 50 and older to contribute to a qualified plan an additional amount over and above the plan- or IRA-contribution limit. Yet only 36 percent of workers are aware of the Saver's Credit. All Baby Boomers are now over age 50 and Generation X began turning 50 in 2015. Catch-up contributions are now a noteworthy and relevant incentive for them; however, only 46 percent of Generation X and 63 percent of Baby Boomers are aware of the incentive.



BASE: ALL QUALIFIED RESPONDENTS

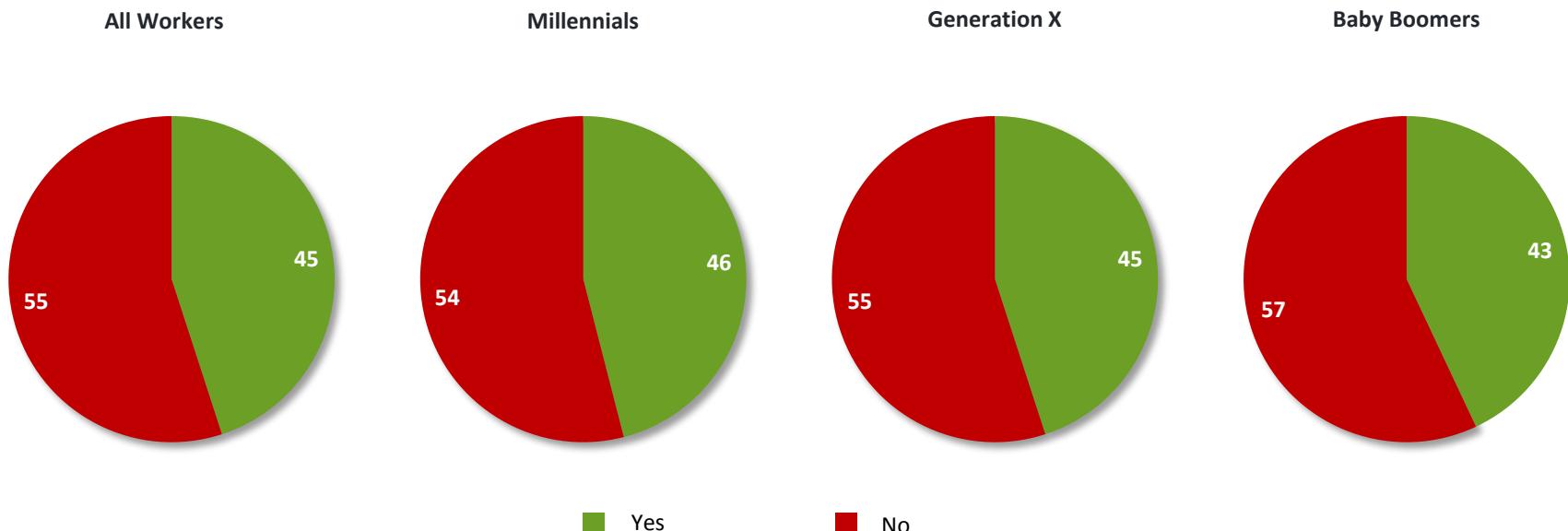
Q1120. Are you aware of a tax credit called the "Saver's Credit," which is available to individuals and households, who meet certain income requirements, for making contributions to an IRA or a company-sponsored retirement plan such as a 401(k) plan or 403(b) plan?

Q1000. Are you aware that people age 50 and older may be allowed to make catch-up contributions to their 401(k)/403(b)/457(b) plan or IRA?

Awareness of the IRS' Free File Program

The IRS' Free File is a program started in 2003 that offers federal income tax preparation software for free for eligible tax filers. A concerning 55 percent of workers are unaware of this program. Awareness tends to decrease by generation, with Millennials the most aware (46 percent) followed by Generation X (45 percent) and Baby Boomers (43 percent).

Awareness of the IRS' Free File Program (%)



New question added in 2017

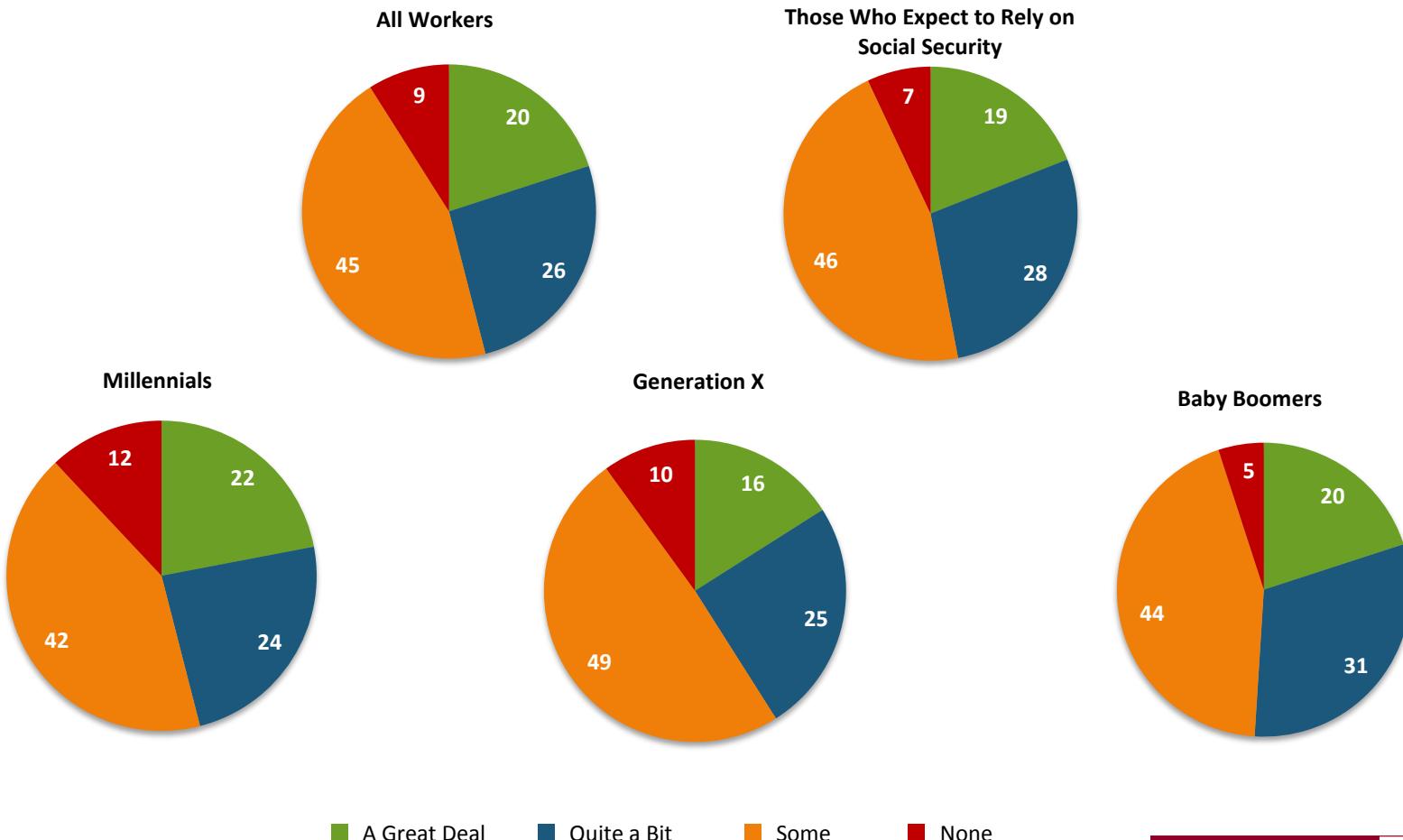
BASE: ALL QUALIFIED RESPONDENTS

Q2821. Are you aware of the IRS' Free File program that offers federal income tax preparation software for free for eligible tax filers?

Retirement Knowledge: Social Security Benefits

A strong knowledge of government benefits is important for all future retirees and especially important for workers nearing retirement. Yet only 20 percent of Baby Boomers know “a great deal” about Social Security benefits. Moreover, among workers who expect Social Security to be their primary source of income when they retire, only 19 percent know a “great deal” about Social Security benefits.

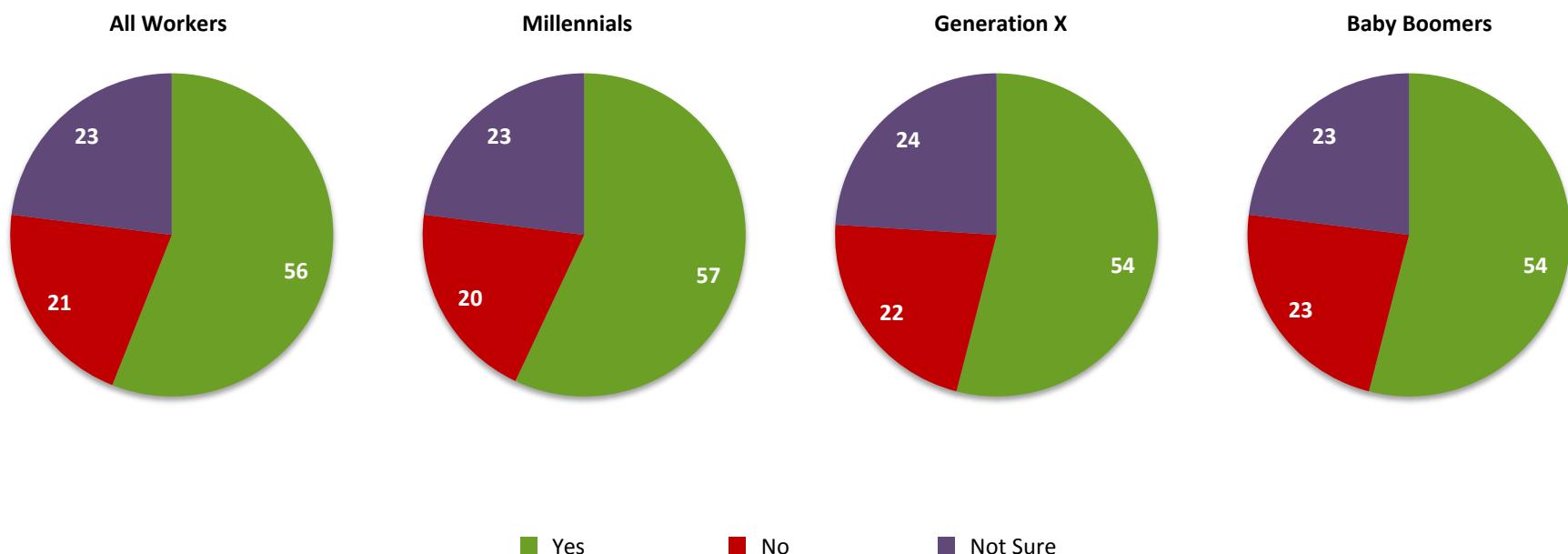
Level of Understanding re: Social Security Benefits (%)



Are Today's Employers Aging-Friendly?

More than half of workers (56 percent) consider their employers to be “aging-friendly” by offering opportunities, work arrangements, and training and tools needed for employees of all ages to be successful in their current role or contribution to the company. Twenty-one percent of workers say their employers are not aging-friendly, and 23 percent are “not sure.” These findings are similar across three generations.

Is your employer aging-friendly? (%)



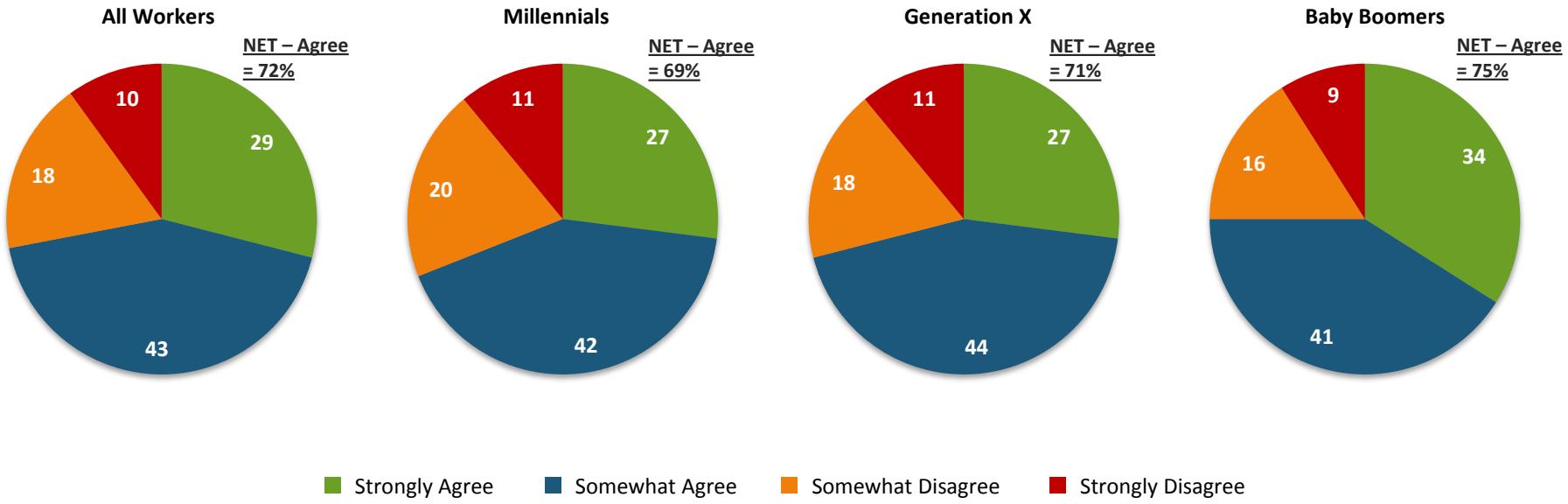
BASE: ALL QUALIFIED RESPONDENTS

Q2745. Do you consider your employer to be “aging friendly” (for example offering opportunities, work arrangements, and training and tools needed for employees of all ages to be successful in their current role or contribution to the company)?

Seven in Ten Say Their Employers Support Working Past Age 65

Seventy-two percent of workers agree with the statement, “My current employer is supportive of its employees working past 65,” including 29 percent who “strongly agree” and 43 percent who “somewhat agree.” Level of overall agreement is fairly consistent across three generations. However, Baby Boomers (34 percent) are somewhat more likely to “strongly agree” when compared to Millennials and Generation X (both 27 percent).

“My current employer is supportive of its employees working past 65.” (%)



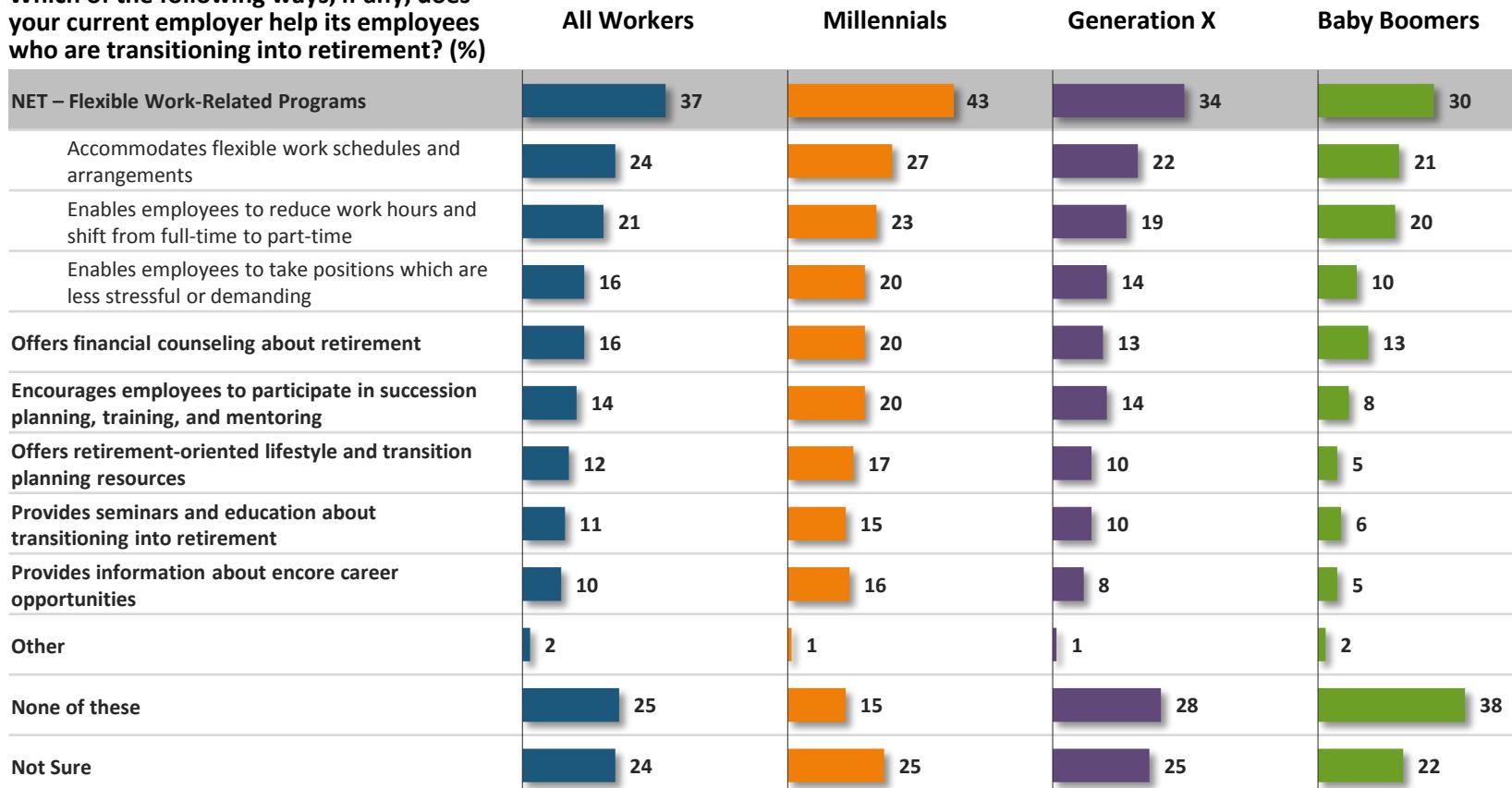
BASE: ALL QUALIFIED RESPONDENTS

Q931. How much do you agree or disagree with each of the following statements regarding retirement? “My current employer is supportive of its employees working past 65”

Employers Do Little to Facilitate Transitioning Into Retirement

Workers may encounter difficulties in accomplishing a phased transition into retirement at their current employers. Only 37 percent of workers indicate their employers offer flexible work-related programs such as accommodating flexible work schedules and arrangements (24 percent), enabling employees to reduce work hours and shift from full-time to part-time (21 percent), and/or enabling employees to take positions that are less stressful or demanding (16 percent). Interestingly, Millennials (43 percent) are more likely than Generation X (34 percent) and Baby Boomers (30 percent) to indicate their employers offer flexible work-related programs.

Which of the following ways, if any, does your current employer help its employees who are transitioning into retirement? (%)



A Gap: Importance of Benefits to Workers vs. Benefits Offered by Employer

In addition to retirement benefits, health and welfare benefits can enhance workers' financial security (e.g., health insurance, disability insurance, life insurance, employee assistance programs, workplace wellness, financial wellness programs, long-term care and other insurance). These benefits can bring insurance protections, mitigate out-of-pocket expenses, and provide the possibility of additional resources in a time of need. Most workers believe these benefits are important; however, a significant gap exists between the percentages of workers believing them to be important compared to who are actually offered them by their employers. This represents an opportunity for employers to increase the competitiveness of their compensation and benefits packages, while helping their employees achieve greater long-term financial security.

Type of Employee Benefit	All Workers		
	Important (NET) – Very/Somewhat Important	Offered by Employer	The Gap: Importance vs. Offered
Health Insurance	95%	77%	-18
Disability Insurance	75%	45%	-30
Life Insurance	76%	55%	-21
Long-Term Care Insurance	73%	20%	-53
Critical Illness Insurance	64%	13%	-51
Cancer Insurance	57%	8%	-49
Workplace Wellness Program	60%	25%	-35
Financial Wellness Program	63%	14%	-49
Employee Assistance Program	62%	28%	-34

BASE: ALL QUALIFIED RESPONDENTS

Q1171. For each of the following, please tell us how important that benefit is to you, personally.

Q1175. Which of the following does your company offer to you, personally?

The Employee Benefits Gap Spans All Three Generations

The importance of various types of health and welfare benefits varies by generation (e.g., health insurance, disability insurance, life insurance, employee assistance programs, workplace wellness, financial wellness programs, long-term care and other insurance). While more than 90 percent of workers across all three generations consider health insurance to be important, Millennials are more likely than Generation X and Baby Boomers to find the other types of health and welfare benefits listed to be important. Across generations, a significant gap exists between the percentages of workers believing them to be important compared to who are actually offered them by their employers.

Type of Employee Benefit	Millennials			Generation X			Baby Boomers		
	NET Important	Offered by Employer	The Gap: Importance vs. Offered	NET Important	Offered by Employer	The Gap: Importance vs. Offered	NET Important	Offered by Employer	The Gap: Importance vs. Offered
Health Insurance	95%	77%	-18	97%	81%	-16	94%	76%	-18
Disability Insurance	77%	36%	-41	74%	52%	-22	72%	52%	-20
Life Insurance	84%	51%	-33	76%	60%	-16	65%	59%	-6
Long-Term Care Insurance	76%	19%	-57	71%	23%	-48	70%	21%	-49
Critical Illness Insurance	72%	14%	-58	60%	14%	-46	58%	9%	-49
Cancer Insurance	66%	8%	-58	53%	9%	-44	48%	7%	-41
Workplace Wellness Program	69%	23%	-46	58%	27%	-31	47%	27%	-20
Financial Wellness Program	73%	16%	-57	61%	12%	-49	51%	12%	-39
Employee Assistance Program	74%	23%	-51	58%	30%	-28	48%	34%	-14

BASE: ALL QUALIFIED RESPONDENTS

Q1171. For each of the following, please tell us how important that benefit is to you, personally.

Q1175. Which of the following does your company offer to you, personally?

Appendix

A Portrait of Workers by Generation

Characteristics	All Workers (%) n=6,372	Millennials (%) n=2,539	Generation X (%) n=1,586	Baby Boomers (%) n=2,076
Gender				
• Male	52	49	53	55
• Female	48	50	47	45
• Transgender	<1	<1	0	<1
Marital Status				
• Married or Partnership	65	60	69	69
• Not married	35	40	31	31
Work Status				
• Full-Time	80	78	86	77
• Part-Time	20	22	14	23
Number of Jobs Currently Held				
• One	87	82	90	93
• Two or more	13	18	10	7
Level of Education				
• Less Than High School Diploma	<1	1	1	<1
• High School Diploma	30	31	26	30
• Some College or Trade School	30	27	31	36
• College Graduate or More	40	41	42	34
Annual Household Income				
• Less than \$25,000	8	11	7	5
• \$25,000 to \$49,999	19	22	18	16
• \$50,000 to \$99,999	35	34	37	36
• \$100,000+	33	28	35	38
• Decline to Answer	5	5	3	5
• Estimated Median	\$65,000	\$56,000	\$70,000	\$74,000
General Health (Self-Described)				
• Excellent	20	24	17	15
• Good	58	54	58	68
• Fair	20	21	23	16
• Poor	2	1	2	1
Sexuality				
• LGBT	8	12	7	5
• Did not identify as LGBT	90	87	92	93
• Decline to Answer	2	2	1	2

BASE: ALL QUALIFIED RESPONDENTS

Q2800. Gender, Q364. Marital Status, Q1600. Work Status, Q2775. Number of Jobs Currently Held, Q1230. Education Level, Q1280. Annual HHI, Q2770. General Health, Q2805. Sexual Orientation

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