Educational Matters: 
The Impact of Educational Attainment on Worker Retirement Outlook

December 2010
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The Transamerica Center for Retirement Studies® (“The Center”) is a non-profit private foundation dedicated to educating the public on emerging trends surrounding retirement security in the United States. The Center’s research emphasizes employer-sponsored retirement plans, issues faced by small to mid-sized companies and their employees, and the implications of legislative and regulatory changes.

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• Since 1999, the Transamerica Center for Retirement Studies® 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.

• Harris Interactive was commissioned to conduct the Eleventh Annual Retirement Survey for Transamerica Center for Retirement Studies®. Transamerica Center for Retirement Studies® is not affiliated with Harris Interactive.
Methodology – Worker Survey

• A 21-minute, online survey was conducted between December 3, 2009 – January 18, 2010 among a nationally representative sample of 3,598 for-profit workers using the Harris online panel. Respondents met the following criteria:
  • All U.S. residents, age 18 or older
  • Full-time workers or part-time workers in a for-profit company employing 10 or more people

• Data were weighted:
  • To account for differences between the population available via the Internet versus by telephone
  • To ensure that each quota group had a representative sample based on the number of employees at companies in each employee size range

• Percentages were rounded to the nearest whole percent. Differences in the sums of combined categories/answers are due to rounding
Methodology - Definitions

For this research report, the sample population includes workers age 25 and over who work full-time or part-time in a for-profit company employing 10 or more people.

The following terms are used to describe a worker’s highest level of education:

- *All Workers* refers to all workers regardless of level of educational attainment (and includes those with less than high school graduation)
- *High School* refers to high school graduate
- *Some College* refers to some college or trade school
- *College Degree* refers to a bachelor’s degree
- *Post Grad* refers to some graduate school or graduate degree
Educational Matters: The Impact of Educational Attainment on Worker Retirement Outlook

December 2010
• In 2009, 87 percent of adults 25 and older had a high school diploma or more, with 30 percent holding at least a bachelor’s degree¹

• The U.S. Bureau of Labor Statistics reports that workers with higher levels of educational attainment earn more and are less likely to be unemployed:
  • Unemployment rate for those with only a high school diploma was 9.7 percent in 2009 compared to 5.2 percent who held bachelor’s degree compared to 3.9 percent with a master’s degree
  • Median weekly earnings in 2009 ranged from $626 for those with only a high school diploma compared to $1,025 for those with a bachelor’s degree and $1,257 for those with a master’s degree
  • Level of education not only impacts American workers throughout their participation in the workforce – it also influences their retirement outlook

The 11th Annual Transamerica Retirement Survey found that level of education plays a vital role in workers’ ability to save and plan for retirement.

• The 11th Annual Transamerica Retirement Survey found that:
  – Over half of workers with a college degree expect their primary source of income in retirement to come from 401(k), 403(b), and IRA accounts compared to over one-third of those with only a high school diploma who expect to live on Social Security
  – Workers with only a high school diploma are less likely to have access to a company-sponsored 401(k) or similar plan compared to those with a college degree
  – Of those workers who have access to a 401(k) or similar plan, workers with only a high school diploma have a lower participation rate versus those with a college degree

• Importantly, the 11th Annual Transamerica Retirement Survey found important opportunities to help workers of all levels of education to learn more about saving and investing for retirement

• Lastly, this report makes recommendations for workers, outreach initiatives, and public policy for improving retirement security
Summary of Findings
The 11th Annual Transamerica Retirement Survey found that retirement confidence among workers increases with level of educational attainment.

Q880. How confident are you that you will be able to fully retire with a lifestyle you consider comfortable?

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Over half of workers with a college degree expect 401(k), 403(b), and IRAs to be their primary source of income in retirement – compared to one-third of workers with only a high school diploma who expect to rely on Social Security.

Q550. Which of the following do you expect to be your primary source of income to cover your living expenses after you retire?

Note: See full range of responses to this question on page 23.

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Workers with at least a college degree are more likely than those with just a high school degree to consider a 401(k) plan as an important employee benefit. Further, retirement plan coverage among workers increases with level of educational attainment.

Q571. Considers a 401(k) or similar retirement plan an important benefit.

Q580. Is Currently Offered a 401(k) or similar plan by employer.

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Plan Participation & Contribution Rates

For workers who are offered a 401(k) or similar plan by their employer, those with higher levels of educational attainment are more likely to participate in the plan and, for the most part, are more likely to contribute a greater percentage of their annual pay.

Weighted Base: Those With Retirement Plans Offered to Them: High School – 473; Some College - 730; College Grad - 763; Post Grad - 450
Although many workers agree that they could work until age 65 and not save enough to meet retirement needs, level of agreement decreases with educational attainment. Many workers plan to work past age 70 or not retire at all; however, those with a college degree are less likely to plan to work longer.

Q931. “I could work until age 65 and not save enough to meet my retirement needs.”

Q910. Expected retirement age: plan to work past age 70 or not retire at all

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Most workers agree that they do not know as much as they should about retirement investing; however, the frequency of agreement decreases with level of educational attainment. Very few workers know “a great deal” about asset allocation principles.
Workers’ level of educational attainment also correlates with their reliance on available sources of information for retirement planning and investing. Workers with only a high school education most frequently rely on “family and friends” or “none” compared to those with a college degree who more frequently rely on a wider range of available resources. Over half of workers with post-graduate education rely on financial websites as a source.

<table>
<thead>
<tr>
<th>Q825. What sources of information do you rely on for retirement planning and investing? Select all that apply.</th>
<th>High School</th>
<th>Some College</th>
<th>College Grad</th>
<th>Post Grad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Websites (Yahoo! Finance, Morningstar, Etc.)</td>
<td>18%</td>
<td>27%</td>
<td>42%</td>
<td>53%</td>
</tr>
<tr>
<td>Friends / Family</td>
<td>27%</td>
<td>25%</td>
<td>38%</td>
<td>31%</td>
</tr>
<tr>
<td>Financial Planner / Broker</td>
<td>21%</td>
<td>28%</td>
<td>33%</td>
<td>44%</td>
</tr>
<tr>
<td>Print newspapers and magazines</td>
<td>18%</td>
<td>22%</td>
<td>27%</td>
<td>42%</td>
</tr>
<tr>
<td>Retirement plan provider website</td>
<td>17%</td>
<td>25%</td>
<td>29%</td>
<td>37%</td>
</tr>
<tr>
<td>Plan provider printed material (i.e., brochures)</td>
<td>10%</td>
<td>17%</td>
<td>22%</td>
<td>25%</td>
</tr>
<tr>
<td>Retirement calculators</td>
<td>9%</td>
<td>14%</td>
<td>22%</td>
<td>26%</td>
</tr>
<tr>
<td>Financial-related television shows</td>
<td>11%</td>
<td>15%</td>
<td>17%</td>
<td>22%</td>
</tr>
<tr>
<td>Employer</td>
<td>13%</td>
<td>15%</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>Accountant</td>
<td>4%</td>
<td>9%</td>
<td>9%</td>
<td>16%</td>
</tr>
<tr>
<td>None</td>
<td>32%</td>
<td>19%</td>
<td>10%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Note: Chart excludes de minimus responses (i.e., insurance agent, lawyer, other)
Note: Sources of information selected by more than 20% of the subgroup are highlighted

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Workers of all levels of education identified larger tax breaks along with a good starting point and educational materials that are easier to understand as motivators to learn more. Workers with only a high school education are far more likely to be disinterested (15 percent).

<table>
<thead>
<tr>
<th>Q2040. Motivators to Learn More about Saving &amp; Investing for Retirement</th>
<th>High School</th>
<th>Some College</th>
<th>College Grad</th>
<th>Post Grad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Larger tax breaks / incentives for saving in a retirement plan</td>
<td>43%</td>
<td>54%</td>
<td>49%</td>
<td>53%</td>
</tr>
<tr>
<td>Educational materials that are easier to understand</td>
<td>35%</td>
<td>43%</td>
<td>38%</td>
<td>32%</td>
</tr>
<tr>
<td>A good starting point that is easy to understand</td>
<td>33%</td>
<td>36%</td>
<td>32%</td>
<td>25%</td>
</tr>
<tr>
<td>A financial advisor</td>
<td>21%</td>
<td>27%</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>A greater sense of urgency (or fear) that I need to save</td>
<td>21%</td>
<td>19%</td>
<td>26%</td>
<td>23%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Nothing – I am already educated enough</td>
<td>9%</td>
<td>9%</td>
<td>12%</td>
<td>19%</td>
</tr>
<tr>
<td>Nothing – I am just not that interested</td>
<td>15%</td>
<td>9%</td>
<td>5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Note: Motivators selected by more than 20% of the subgroup are highlighted

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
The 11th Annual Transamerica Retirement Survey found that many workers are at risk of achieving a financially secure retirement. However, retirement confidence among workers increases with level of educational attainment. Workers with only a high school diploma are at even greater risk.

**Workers**
- Factor retirement benefits when evaluating job opportunities
- Get educated about saving and investing for retirement
- Calculate a savings goal – and start saving towards achieving that goal

**Retirement Plan Providers, Employers, Media, and Government**
- Promote available tax incentives to increase awareness, including:
  - Saver’s Credit
  - Catch-Up Contributions

**Policy Makers**
- Pursue legislation to expand retirement plan coverage, especially among lower paid, less educated workers
- Incorporate financial literacy education, including retirement planning, into junior high and high school curriculums
Detailed Findings: Current Outlook
Retirement confidence increases with workers’ level of education. College graduates show higher levels of confidence than those workers with only a high school education.

Q880. How confident are you that you will be able to fully retire with a lifestyle you consider comfortable?

- **Very confident**
  - High School: 5%
  - Some College: 11%
  - College Grad: 35%
  - Post Grad: 40%

- **Somewhat confident**
  - High School: 12%
  - Some College: 31%
  - College Grad: 42%
  - Post Grad: 52%

- **Not too confident**
  - High School: 23%
  - Some College: 33%
  - College Grad: 32%
  - Post Grad: 23%

- **Not at all confident**
  - High School: 28%
  - Some College: 24%
  - College Grad: 14%
  - Post Grad: 13%

*Net Confident*
- High School -- 40%
- Some College -- 45%
- College Grad -- 53%
- Post Grad -- 64%

*Net Not Confident*
- High School -- 60%
- Some College -- 55%
- College Grad -- 47%
- Post Grad -- 36%

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Only those workers with post graduate education most frequently cite “saving for retirement” as their greatest financial priority right now. College graduates are most likely to cite “paying off debt” while high school graduates are “just getting by and covering basic living expenses.”

Q500. Which of the following is your greatest financial priority right now?

- **Just getting by - covering basic living expenses**
  - High School: 13%
  - Some College: 19%
  - College Grad: 20%
  - Post Grad: 29%

- **Paying off debt (consumer debt, i.e., credit card)**
  - High School: 10%
  - Some College: 25%
  - College Grad: 26%
  - Post Grad: 23%

- **Saving for retirement**
  - High School: 13%
  - Some College: 23%
  - College Grad: 33%

- **Paying off mortgage**
  - High School: 13%
  - Some College: 6%
  - College Grad: 10%

- **Supporting children and/or family**
  - High School: 6%
  - Some College: 6%

- **Paying healthcare expenses**
  - High School: 3%
  - Some College: 5%

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Most college grads are more likely to expect their primary source of income in retirement to be 401(k), 403(b), or IRAs while over one-third of high school grads (36 percent) expect to rely on Social Security.

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
College graduates reported that they first started saving for retirement at age 26 compared to those without a college education who waited until age 30.

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

Median Age (Years)
- High School: 30
- Some College: 30
- College Grad: 26
- Post Grad: 27

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
The vast majority of workers view a 401(k) or similar retirement plan as an important benefit. However, the perceived importance of these retirement benefits increases with workers’ level of education.

Q571. How important is a 401(k), 403(b) or other employee self-funded plan to you, personally?

Net Important
High School – 86%
Some College – 90%
College Grad – 94%
Post Grad – 93%

Net Not Important
High School – 14%
Some College – 10%
College Grad – 6%
Post Grad – 7%
When facing hypothetical job offers, slightly over half of workers indicated that they would select a job with a higher than expected salary but poor retirement benefits. Interestingly, workers with a post graduate education were most likely to select a higher salary (58 percent).

Q830. Suppose that two job offers come your way. Which of the following would you select?

A higher than expected salary, but poor retirement benefits

- High School: 47%
- Some College: 55%
- College Grad: 58%
- Post Grad: 53%

Excellent retirement benefits, but only meets minimum salary requirements

- High School: 45%
- Some College: 42%
- College Grad: 53%
- Post Grad: 53%

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
College graduates are significantly more likely to have access to workplace retirement benefits. Thirty-six percent of high school graduates reported having no retirement benefits.

Q580. Which of the following retirement benefits does your company currently offer to you, personally?

- An employee-funded 401(k) plan
- Other employee-funded plan (e.g., SIMPLE, SEP, other)
- A company-funded defined benefit plan
- None of the above

![Bar chart showing the percentages of different retirement benefits by education level.]

Net EE-Funded Plan
High School – 60%
Some College – 71%
College Grad – 78%
Post Grad – 83%

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Plan Participation and Contribution Rates

Retirement plan participation and contribution rates increase with level of education. Eighty-seven percent of workers with a post graduate education participate in their company’s plan compared to only 63 percent of high school graduates.

Q. 590. Do you currently participate in, or have money invested in your company’s employee-funded retirement savings plan?

Contribution Rate (% of Salary)
- High School (Median): 5%
- Some College (Median): 6%
- College Grad (Median): 8%
- Post Grad (Median): 7%

Weighted Base: Those With Retirement Plans Offered to Them: High School – 473; Some College - 730; College Grad - 763; Post Grad - 450
College graduates are more likely to be offered a matching contribution through their company’s retirement plan. Only 59 percent of high school graduates are offered a matching contribution.
Workers with only a high school education have the highest levels of having taken a loan from their 401(k) plan in the last twelve months. Hardship withdrawal rates are low across all levels of education.
Workers with higher levels of education are more likely to be saving for retirement outside of work. Slightly over half of those with only a high school education (52 percent) reported saving outside of work.

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

Yes
- High School: 52%
- Some College: 59%
- College Grad: 71%
- Post Grad: 84%

No
- High School: 48%
- Some College: 41%
- College Grad: 29%
- Post Grad: 16%

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Workers of all levels of education most frequently cited that their retirement savings are invested in a “relative equal mix of stocks and investments such as bonds, money market funds, and cash.” However, over one-fourth of workers with only a high school education (26 percent) indicated that they are “not sure” how their savings are invested.

Q770. How is your retirement savings invested?

<table>
<thead>
<tr>
<th>Category</th>
<th>High School</th>
<th>Some College</th>
<th>College Grad</th>
<th>Post Grad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relatively equal mix of stocks and investments such as bonds, money market funds and cash</td>
<td>40%</td>
<td>41%</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>Mostly in stocks, with little or no money in investments such as bonds, money market funds and cash</td>
<td>35%</td>
<td>28%</td>
<td>32%</td>
<td>19%</td>
</tr>
<tr>
<td>Mostly in bonds, money market funds, cash and other stable investments</td>
<td>17%</td>
<td>15%</td>
<td>21%</td>
<td>19%</td>
</tr>
<tr>
<td>Not sure</td>
<td>8%</td>
<td>12%</td>
<td>20%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Weighted Base: Investing for Retirement: High School - 553; Some College - 819; College Grad - 862; Post Grad - 508
College graduates estimate they will need to save $1 million for retirement – which is twice as much as those workers who are not college graduates.

**Median Amount**
- High School: $400k
- Some College: $500k
- College Grad: $1m
- Post Grad: $1m

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**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?**

- Less than $100k
  - High School: 4%
  - Some College: 7%
  - College Grad: 10%
  - Post Grad: 17%

- $100k to < $500k
  - High School: 14%
  - Some College: 17%
  - College Grad: 27%
  - Post Grad: 34%

- $500k to < $1M
  - High School: 20%
  - Some College: 26%
  - College Grad: 28%

- $1M to < $2M
  - High School: 23%
  - Some College: 28%
  - College Grad: 31%

- $2M or More
  - High School: 6%
  - Some College: 14%
  - College Grad: 25%
  - Post Grad: 35%

---

*Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543*
Workers’ most frequently cited basis for their estimated retirement savings needs was they “guessed.” However, workers with only a high school education were nearly twice as likely to have guessed compared to those with post graduate education.

Q900. How did you arrive at that number?

- **Guessed**: High School - 31%, Some College - 26%, College Grad - 47%, Post Grad - 52%
- **Estimate based on current living expenses**: High School - 29%, Some College - 26%, College Grad - 31%, Post Grad - 29%
- **Completed a worksheet / did a calculation**: High School - 5%, Some College - 13%, College Grad - 19%, Post Grad - 19%
- **Read / heard that is how much is needed**: High School - 3%, Some College - 4%, College Grad - 8%, Post Grad - 12%
- **Expected earnings on investments**: High School - 2%, Some College - 4%, College Grad - 4%, Post Grad - 6%
- **Amount given to me by a financial advisor**: High School - 3%, Some College - 4%, College Grad - 4%, Post Grad - 4%
- **Other**: High School - 3%, Some College - 4%, College Grad - 4%, Post Grad - 3%

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
The majority of workers agree that they are very involved in managing and monitoring their retirement savings. However, those with post graduate education are more likely to “strongly agree” (35 percent) compared to those with only a high school education (16 percent).
Many workers across all levels of education expect to work until age 70 or older – or do not plan to retire. Nearly one-fourth of workers with only a high school education (24 percent) do not plan to retire.

Q910. At what age do you expect to retire?

Net 70+/Do Not Plan To Retire
High School: 48%
Some College: 45%
College Grad: 32%
Post Grad: 38%

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Over one-third of workers reported having $50,000 or less in total household retirement savings accounts.

Q1300. Approximately how much money has your household saved in all of your retirement accounts? Please include IRAs, 401(k)s, 403(b)s, and any other savings for retirement to which you and/or your spouse or part have contributed funds.

- Less than $5k: 15%
- $5k to $10k: 7%
- $10k to $25k: 8%
- $25k to $50k: 11%
- $50k to $100k: 13%
- $100k to $250k: 13%
- $250k or more: 12%
- Not sure: 13%
- Decline to answer: 17%

Net $0 to $50k Overall – 35%

Weighted Base: All Qualified Respondents: 3598
Total household retirement savings increases with level of educational attainment. Twenty-three percent of workers with only a high school education have saved $5,000 or less compared to 27 percent of workers with post-graduate education who have saved $250,000 or more.

<table>
<thead>
<tr>
<th>Q1300. Total Household Savings in Retirement Accounts</th>
<th>High School</th>
<th>Some College</th>
<th>College Grad</th>
<th>Post Grad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $5,000</td>
<td>23%</td>
<td>18%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>$5,000 to less than $10,000</td>
<td>9%</td>
<td>5%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>$10,000 to less than $25,000</td>
<td>5%</td>
<td>8%</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>$25,000 to less than $50,000</td>
<td>8%</td>
<td>7%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>$50,000 to less than $100,000</td>
<td>9%</td>
<td>10%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>$100,000 to less than $250,000</td>
<td>10%</td>
<td>12%</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>$250,000 or more</td>
<td>5%</td>
<td>10%</td>
<td>14%</td>
<td>27%</td>
</tr>
<tr>
<td>Not sure</td>
<td>15%</td>
<td>11%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>Decline to answer</td>
<td>15%</td>
<td>19%</td>
<td>17%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Median Amount
High School: $13,088
Some College: $28,098
College Grad: $55,309
Post Grad: $101,502

Note: Highlighted stats illustrate increases in retirement savings commensurate with level of education.
The majority of workers agree that they could work until age 65 and still have not saved enough to meet their retirement needs. Workers with only a high school education are more likely to agree (75 percent) compared to those with a college degree (60 percent).
Detailed Findings: Opportunities
Although relatively few workers have a written plan for their retirement strategy, workers with a post-graduate education are four times more likely to have one than those with only a high school diploma.

Q. 555. Which of the following best describes your retirement strategy?

- I have a written plan
  - High School: 4%
  - Some College: 6%
  - College Grad: 11%
  - Post Grad: 16%

- I have a plan, but it is not written down
  - High School: 38%
  - Some College: 47%
  - College Grad: 51%
  - Post Grad: 56%

- I do not have a plan
  - High School: 28%
  - Some College: 38%
  - College Grad: 47%
  - Post Grad: 58%

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
The survey identified specific areas of opportunity that would help to motivate workers to learn more about saving and investing for retirement. Topping the list were tax incentives, educational materials that are easier to understand, and a good starting point that is easy to understand.

Q2040. What would motivate you to learn more about saving and investing for retirement? Select all that apply.

- Larger tax breaks/incentives for saving in a retirement plan: 49%
- Educational materials that are easier to understand: 37%
- A good starting point that is easy to understand: 32%
- A financial advisor: 25%
- A greater sense of urgency (or fear) that I need to save: 23%
- Nothing - I am already educated enough: 11%
- Other: 4%
- Nothing - I’m just not interested: 9%

Weighted Base: All Qualified Respondents: 3598
Workers of all levels of education identified larger tax breaks along with a good starting point and educational materials that are easier to understand as motivators to learn more. Workers with only a high school education are far more likely to be disinterested (15 percent).

<table>
<thead>
<tr>
<th>Q2040. Motivators to Learn More about Saving &amp; Investing for Retirement</th>
<th>High School</th>
<th>Some College</th>
<th>College Grad</th>
<th>Post Grad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Larger tax breaks / incentives for saving in a retirement plan</td>
<td>43%</td>
<td>54%</td>
<td>49%</td>
<td>53%</td>
</tr>
<tr>
<td>Educational materials that are easier to understand</td>
<td>35%</td>
<td>43%</td>
<td>38%</td>
<td>32%</td>
</tr>
<tr>
<td>A good starting point that is easy to understand</td>
<td>33%</td>
<td>36%</td>
<td>32%</td>
<td>25%</td>
</tr>
<tr>
<td>A financial advisor</td>
<td>21%</td>
<td>27%</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>A greater sense of urgency (or fear) that I need to save</td>
<td>21%</td>
<td>26%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Nothing – I am already educated enough</td>
<td>9%</td>
<td>9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nothing – I am just not that interested</td>
<td></td>
<td></td>
<td>5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Note: Motivators selected by more than 20% of the subgroup are highlighted

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Q2040. What would motivate you to learn more about saving and investing for retirement? Select all that apply.

- Larger tax breaks/incentives for saving in a retirement plan: 49%
- Educational materials that are easier to understand: 37%
- A good starting point that is easy to understand: 32%
- A financial advisor: 25%
- A greater sense of urgency (or fear) that I need to save: 23%
- Nothing - I am already educated enough: 11%
- Nothing - I'm just not interested: 9%
- Other: 4%

Weighted Base: All Qualified Respondents: 3598
While workers most frequently cite tax incentives as a motivator to learn more about saving and investing, relatively few workers are aware of important tax incentives that already exist. Of note, only 12 percent of workers with only a high school education are aware of the Saver’s Credit, a credit for which they are most likely to be eligible, and only 37 percent are aware of Catch-Up Contributions.

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Motivators: Education That’s Easy to Understand

Q2040. What would motivate you to learn more about saving and investing for retirement? Select all that apply.

- Larger tax breaks/incentives for saving in a retirement plan: 49%
- Educational materials that are easier to understand: 37%
- A good starting point that is easy to understand: 32%
- A financial advisor: 25%
- A greater sense of urgency (or fear) that I need to save: 23%
- Nothing - I am already educated enough: 11%
- Other: 4%
- Nothing - I’m just not interested: 9%

Weighted Base: All Qualified Respondents: 3598
The vast majority of workers describe themselves as making their own decisions about saving and investing for retirement. Workers with only a high school diploma are most likely to indicate that they want someone else to make decisions on their behalf (16 percent).

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

- **Educate me**: I seek advice, but make my own final decisions
  - High School: 54%
  - Some College: 55%
  - College Grad: 55%
  - Post Grad: 52%

- **Do it myself**: I do my own research and make my own decisions
  - High School: 40%
  - Some College: 39%
  - College Grad: 35%
  - Post Grad: 32%

- **Just do it for me**: I want someone else to make decisions on my behalf
  - High School: 16%
  - Some College: 13%
  - College Grad: 10%
  - Post Grad: 12%

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Most workers agree that they do not know as much as they should about retirement investing; however, workers with higher levels of education report higher levels of retirement knowledge.

Q931_2. “I do not know as much as I should about retirement investing.”
Level of agreement.

Net Agree
High School: 70%
Some College: 72%
College Grad: 65%
Post Grad: 58%

Net Disagree
High School: 30%
Some College: 28%
College Grad: 35%
Post Grad: 42%

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Few workers know “a great deal” regarding asset allocation principles as they relate to retirement investing. Workers with post graduate education are most likely to know “a great deal” (13 percent). Workers with only a high school diploma are mostly likely to report “none” (42 percent).
Most workers would like to receive more information and advice from their employers on how to reach their retirement goals. College graduates were most likely to “strongly agree” (15 percent) while workers with only a high school education were most likely to “strongly disagree” (19 percent).

Q931_6. “I would like to receive more information and advice from my company on how to reach my retirement goals.” Level of agreement.

**Net Agree**
- High School: 53%
- Some College: 55%
- College Grad: 56%
- Post Grad: 53%

**Net Disagree**
- High School: 47%
- Some College: 45%
- College Grad: 44%
- Post Grad: 47%

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
The perceived helpfulness of employer-based retirement education increases with workers’ level of education. More of the highly educated workers find the information helpful than those with only a high school diploma.

<table>
<thead>
<tr>
<th>Q2036. How helpful do you find the following in assisting you to plan, save, and invest for retirement? Net Helpful</th>
<th>High School</th>
<th>Some College</th>
<th>College Grad</th>
<th>Post Grad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information on the retirement plan provider’s website</td>
<td>40%</td>
<td>55%</td>
<td>58%</td>
<td>63%</td>
</tr>
<tr>
<td>Brochures and information received in the mail and/or with</td>
<td>37%</td>
<td>44%</td>
<td>50%</td>
<td>51%</td>
</tr>
<tr>
<td>statements from the retirement plan provider</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informative emails sent to my work and/or my personal address</td>
<td>32%</td>
<td>38%</td>
<td>41%</td>
<td>44%</td>
</tr>
<tr>
<td>from the retirement plan provider</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informational seminars, meetings, and/or workshops by the</td>
<td>27%</td>
<td>33%</td>
<td>37%</td>
<td>39%</td>
</tr>
<tr>
<td>retirement plan provider</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brochures and fliers received from my employer</td>
<td>29%</td>
<td>33%</td>
<td>36%</td>
<td>32%</td>
</tr>
<tr>
<td>Informational seminars, meetings, and/or workshops by my</td>
<td>23%</td>
<td>30%</td>
<td>32%</td>
<td>35%</td>
</tr>
<tr>
<td>employer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informative emails sent to my work and/or my personal</td>
<td>27%</td>
<td>29%</td>
<td>31%</td>
<td>34%</td>
</tr>
<tr>
<td>address from my employer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information on my employer’s website</td>
<td>23%</td>
<td>29%</td>
<td>29%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Note: Educational materials with more than 30% of the subgroup are highlighted

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Workers’ level of educational attainment also correlates with their reliance on available sources of information for retirement planning and investing. Workers with only a high school education most frequently rely on “family and friends” or “none” compared to those with a college degree who more frequently rely on a wider range of available resources. Over half of workers with post-graduate education rely on financial websites as a source.

Q825. What sources of information do you rely on for retirement planning and investing? Select all that apply.

<table>
<thead>
<tr>
<th>Source of Information</th>
<th>High School</th>
<th>Some College</th>
<th>College Grad</th>
<th>Post Grad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Websites (Yahoo! Finance, Morningstar, Etc.)</td>
<td>18%</td>
<td>27%</td>
<td>42%</td>
<td>53%</td>
</tr>
<tr>
<td>Friends / Family</td>
<td>27%</td>
<td>25%</td>
<td>38%</td>
<td>31%</td>
</tr>
<tr>
<td>Financial Planner / Broker</td>
<td>21%</td>
<td>28%</td>
<td>33%</td>
<td>44%</td>
</tr>
<tr>
<td>Print newspapers and magazines</td>
<td>18%</td>
<td>22%</td>
<td>27%</td>
<td>42%</td>
</tr>
<tr>
<td>Retirement plan provider website</td>
<td>17%</td>
<td>25%</td>
<td>29%</td>
<td>37%</td>
</tr>
<tr>
<td>Plan provider printed material (i.e., brochures)</td>
<td>10%</td>
<td>17%</td>
<td>22%</td>
<td>25%</td>
</tr>
<tr>
<td>Retirement calculators</td>
<td>9%</td>
<td>14%</td>
<td>22%</td>
<td>26%</td>
</tr>
<tr>
<td>Financial-related television shows</td>
<td>11%</td>
<td>15%</td>
<td>17%</td>
<td>22%</td>
</tr>
<tr>
<td>Employer</td>
<td>13%</td>
<td>15%</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>Accountant</td>
<td>4%</td>
<td>9%</td>
<td>9%</td>
<td>16%</td>
</tr>
<tr>
<td>None</td>
<td>32%</td>
<td>19%</td>
<td>10%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Note: Chart excludes de minimus responses (i.e., insurance agent, lawyer, other)
Note: Sources of information selected by more than 20% of the subgroup are highlighted

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Q2040. What would motivate you to learn more about saving and investing for retirement? Select all that apply.

- Larger tax breaks/incentives for saving in a retirement plan: 49%
- Educational materials that are easier to understand: 37%
- A good starting point that is easy to understand: 32%
- A financial advisor: 25%
- A greater sense of urgency (or fear) that I need to save: 23%
- Nothing - I am already educated enough: 11%
- Other: 4%
- Nothing - I’m just not interested: 9%

Weighted Base: All Qualified Respondents: 3598
Financial advisors have an opportunity to play a greater role in helping more workers plan and save for retirement.

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

- **Yes**: High School - 26%, Some College - 27%, College Grad - 33%, Post Grad - 37%
- **No**: High School - 74%, Some College - 73%, College Grad - 67%, Post Grad - 63%

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Q2040. What would motivate you to learn more about saving and investing for retirement? Select all that apply.

- Larger tax breaks/incentives for saving in a retirement plan: 49%
- Educational materials that are easier to understand: 37%
- A good starting point that is easy to understand: 32%
- A financial advisor: 25%
- A greater sense of urgency (or fear) that I need to save: 23%
- Nothing - I am already educated enough: 11%
- Other: 4%
- Nothing - I'm just not interested: 9%

Weighted Base: All Qualified Respondents: 3598
While most workers disagree with the statement that they prefer not to think about retirement investing until they get closer to their retirement date, nearly four-in-ten workers (38 percent) with only a high school education agree that they would prefer to wait.

Q931_4. “I prefer not to think about or concern myself with retirement investing until I get closer to my retirement date.” Level of agreement.

Net Agree
High School: 38%
Some College: 28%
College Grad: 30%
Post Grad: 21%

Net Disagree
High School: 62%
Some College: 72%
College Grad: 70%
Post Grad: 79%

Weighted Base: All Qualified Respondents: High School – 783; Some College - 1022; College Grad - 977; Post Grad - 543
Detailed Findings: Recommendations
The 11th Annual Transamerica Retirement Survey found opportunities for workers of all levels of education to improve their retirement outlook.

**All Workers**
- Calculate a retirement savings goal
- Check and adjust current level of savings to increase chances of reaching goal
- For those planning to work beyond the traditional retirement age, develop contingency plans if unable to work

**High School & Some College**
- Start saving now
- Tune in – learn about the need to plan and save for retirement
- Factor retirement benefits when evaluating job opportunities
- Consider pursuing and completing a higher education

**College Degree & Post Graduate**
- Learn more about retirement investing
- Formulate and document a retirement savings strategy
Recommendations for Educational Outreach

The 11th Annual Transamerica Retirement Survey found that the retirement services industry (including retirement plan providers, financial institutions, and professionals) as well as the media have an important opportunity to more fully engage workers of all levels of education.

- Offer a good starting point and educational materials that are easier to understand
- Create targeted campaigns for less educated workers who lack awareness of the need to save for retirement and who may also lack basic financial literacy skills
- Develop a method for workers to evaluate understanding and build a curriculum based on their current level of financial and retirement literacy
- Promote a dialogue among workers, family, and friends – to put saving for retirement at the forefront
The 11th Annual Transamerica Retirement Survey also highlights important public policy issues for legislators and regulators. Many workers are at risk of achieving a financially secure retirement and workers with lower levels of educational attainment are at greatest risk. Policy makers can help workers improve their retirement outlook by pursuing the following recommendations.

- Promote available tax incentives to increase awareness, including:
  - Saver’s Credit
  - Catch-Up Contributions

- Pursue legislation to expand retirement plan coverage, especially among lower paid, less educated workers, including:
  - Additional incentives and safe harbors for qualified defined contribution plans
  - Increase appeal and expand use of multiple employer plans
  - Payroll-deducted automatic IRAs

- Incorporate financial literacy education, including retirement planning, into junior high and high school curriculums