

TRANSAMERICA CENTER

FOR RETIREMENT STUDIES®

**Part-Time Workers: An Opportunity to
Expand Retirement Plan Coverage**

16th Annual Transamerica Retirement Survey

May 2016

Table of Contents

Part-Time Workers: An Opportunity to Expand Retirement Plan Coverage

- Introduction Page 3
- Access to 401(k) or Similar Retirement Plan Page 4
- Participation in 401(k) or Similar Retirement Plan Page 5
- Likelihood to Switch Jobs Page 6
- Appeal of Auto-Enrollment Into a 401(k) or Similar Plan Page 7
- Likelihood to Use Auto-Escalation Feature Page 8

Appendix Page 9

- About the Transamerica Center for Retirement Studies Page 10
- About the Survey Page 11
- Methodology Page 12

Introduction

Workplace retirement plans have been one of the most effective ways of encouraging Americans to save for retirement. The convenience of payroll deduction, tax incentives, availability of investment options, and educational offerings have made workplace retirement plans an attractive way to save. However, many workers including part-time workers do not have access to a plan.

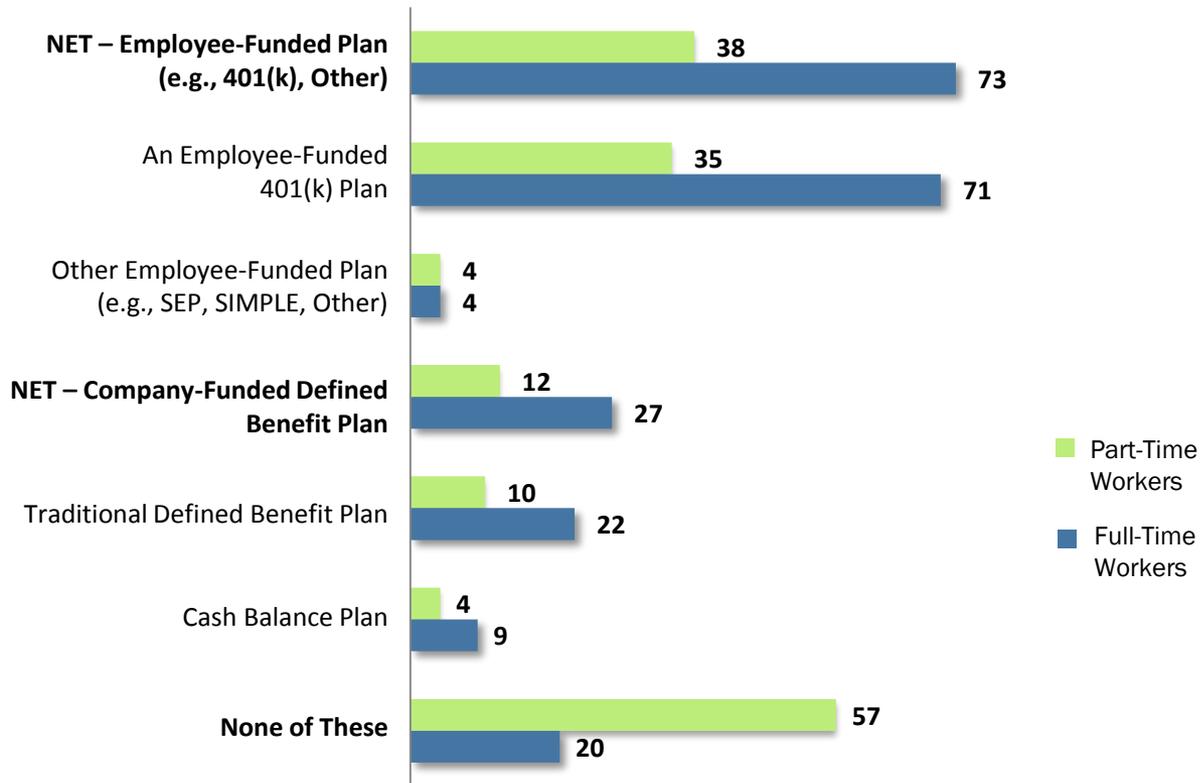
Transamerica Center for Retirement Studies' *16th Annual Retirement Survey of Workers* examines retirement preparations and expectations of American workers. This short report examines differences of retirement plan coverage among workers based on their work status (i.e., full-time, part-time) and illustrates the value of workplace retirement plans among part-time workers as supported by high participation and contribution rates, and gauges the appeal of automatic features.

Ultimately, the survey findings indicate that if more part-time workers were offered access to a 401(k) or similar plan, they would likely participate and save.

Access to 401(k) or Similar Retirement Plan by Work Status

Part-time workers (38 percent) are far less likely to have access to an employee-funded retirement plan at work compared to full-time workers (73 percent). Fifty-seven percent of part-time workers say they are offered “none of the above” retirement plans compared to just 20 percent of full-time workers.

Retirement Benefits Offered by Employers by Work Status (%)

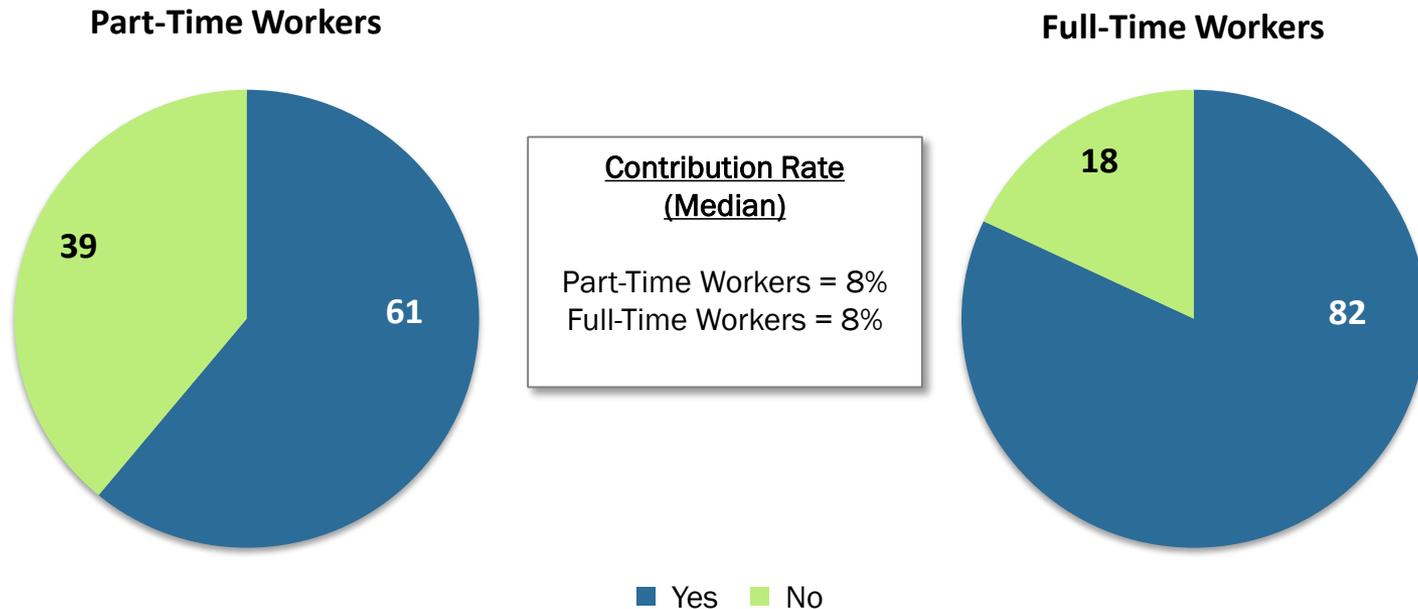


BASE: All Qualified Respondents (Part-Time Workers N=1,120; Full-Time Workers N=3,430)
 Q1180. Which of the following retirement benefits does your company currently offer to you, personally? Select all.

Participation in 401(k) or Similar Retirement Plan by Work Status

Of the those offered an employee-funded retirement plan, 61 percent of part-time workers participate in their employer's plan, compared to 82 percent of full-time workers. When participating in the plan, however, part-time workers contribute the same percentage of their salary as full-time workers at 8% (median).

Participation in a 401(k) or Similar Retirement Plan by Work Status (%)



BASE: Those With Qualified Plans Currently Offered To Them (Part-Time Workers N=425; Full-Time Workers N=2,551)

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

BASE: Those Participating in a Qualified Plan (Part-Time Workers N=212; Full-Time Workers N=2,169)

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

Likelihood to Switch Jobs

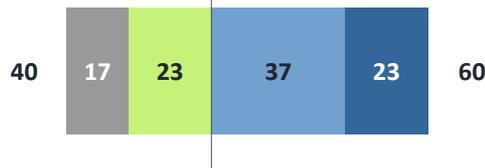
The majority (60 percent) of part-time workers would leave their current job *without* retirement benefits for a similar job *with* retirement benefits – including 23 percent of them who are “very likely” to do so. Half would leave their current job *with* retirement benefits for a similar job with *better* retirement benefits – including 13 percent of them who are “very likely” to do so. Full-time workers are similar.

Part-Time Workers

Among Those Who Are **NOT** Offered An Employer-Sponsored Retirement Plan (%)

◀ NOT LIKELY LIKELY ▶

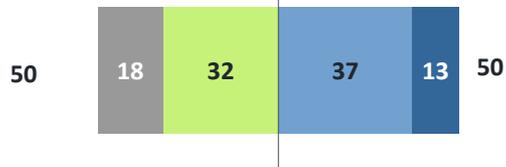
■ Not at all likely ■ Not too likely ■ Somewhat likely ■ Very likely



Among Those Who Are Offered An Employer-Sponsored Retirement Plan (%)

◀ NOT LIKELY LIKELY ▶

■ Not at all likely ■ Not too likely ■ Somewhat likely ■ Very likely

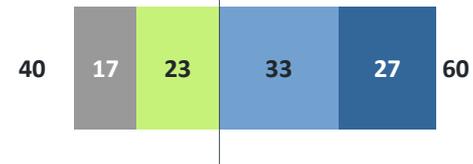


Full-Time Workers

Among Those Who Are **NOT** Offered An Employer-Sponsored Retirement Plan (%)

◀ NOT LIKELY LIKELY ▶

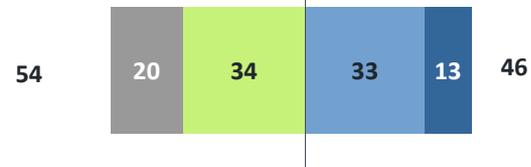
■ Not at all likely ■ Not too likely ■ Somewhat likely ■ Very likely



Among Those Who Are Offered An Employer-Sponsored Retirement Plan (%)

◀ NOT LIKELY LIKELY ▶

■ Not at all likely ■ Not too likely ■ Somewhat likely ■ Very likely



BASE: No Retirement Benefits (Part-Time Workers N=621; Full-Time Workers N=621)

BASE: Has Retirement benefits (Part-Time Workers N=499; Full-Time Workers N=2,809)

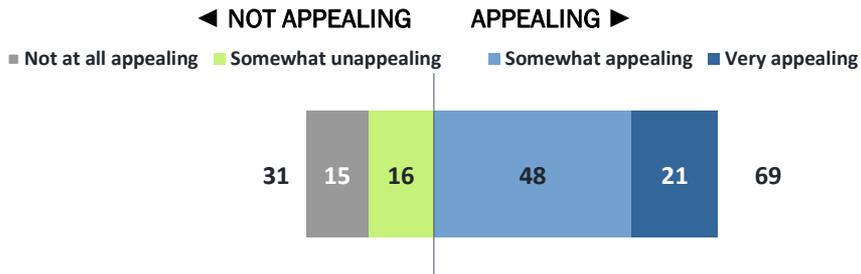
Q730. How likely would you be to leave your current employer to take a nearly identical job, with a similar employer, if that employer offered you [a retirement plan/a better retirement plan than that offered by your current employer]?

Appeal of Auto-Enrollment Into a 401(k) or Similar Plan

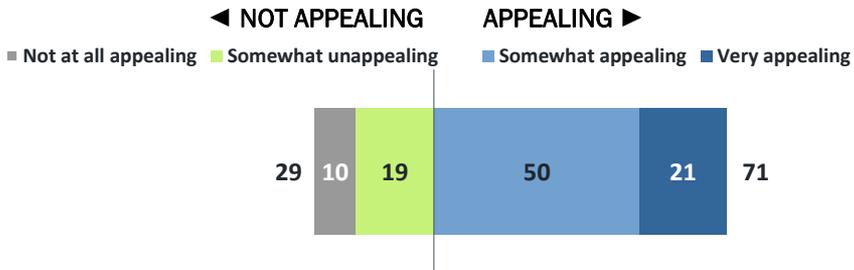
When presented with the concept of being automatically enrolled into a 401(k) or similar plan by having their employer deduct a portion of each paycheck and investing it in a retirement plan, the majority of part-time workers find it to be appealing (69 percent of those without retirement benefits; 71 percent of those with retirement benefits). One in five (21 percent) part-time workers indicate that it is “very appealing.”

Part-Time Workers

Among Those Who Are **NOT** Offered An Employer-Sponsored Retirement Plan (%)

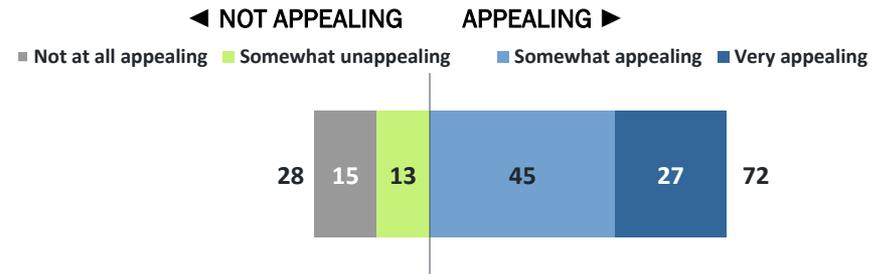


Among Those Who Are Offered An Employer-Sponsored Retirement Plan (%)

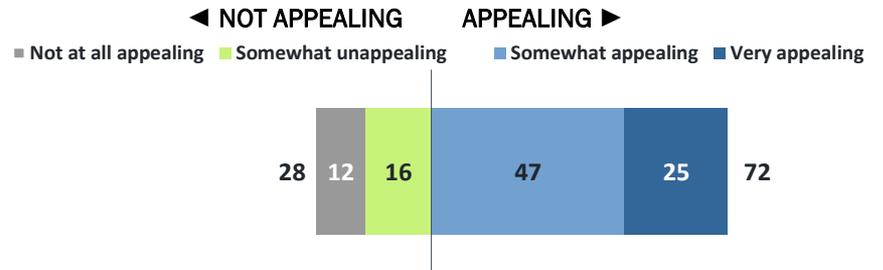


Full-Time Workers

Among Those Who Are **NOT** Offered An Employer-Sponsored Retirement Plan (%)



Among Those Who Are Offered An Employer-Sponsored Retirement Plan (%)



BASE: No Retirement Benefits (Part-Time Workers N=621; Full-Time Workers N=621)

BASE: Has Retirement Benefits (Part-Time Workers N=499; Full-Time Workers N=2,809)

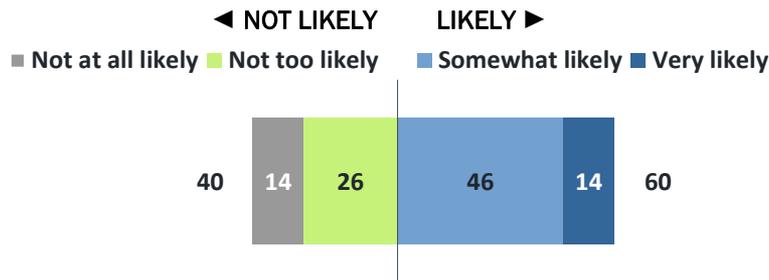
Q2750. Imagine that your current employer automatically enrolled you into a 401(k), 403(b) or similar retirement plan, deducting a percentage of each paycheck, and investing it for your future retirement. How appealing would this seem to you?

Likelihood to Use Auto-Escalation Feature

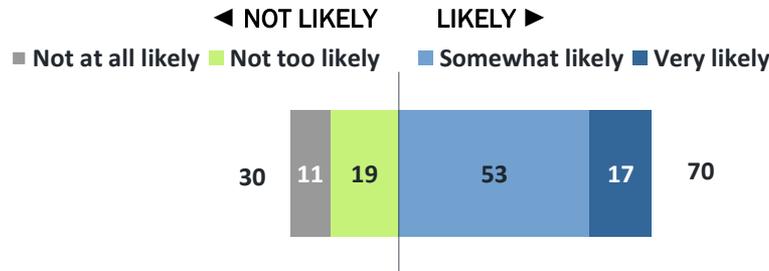
Among part-time workers who are *not offered* an employer-sponsored retirement plan, 60 percent say they would be likely to use an auto-escalation feature in a 401(k) or similar plan whereby their employer automatically increases their contribution rate to their retirement plan by 1% each year until they choose to discontinue the increase. Among those who *are offered* a plan, 70 percent say they would be likely to use such a feature.

Part-Time Workers

Among Those Who Are **NOT** Offered An Employer-Sponsored Retirement Plan (%)

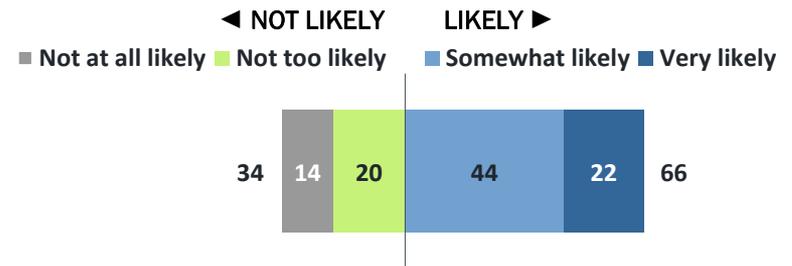


Among Those Who Are Offered An Employer-Sponsored Retirement Plan (%)

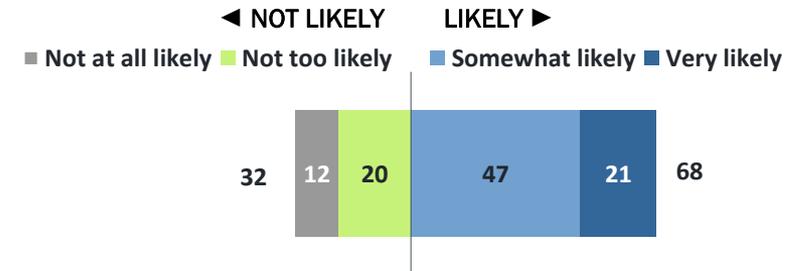


Full-Time Workers

Among Those Who Are **NOT** Offered An Employer-Sponsored Retirement Plan (%)



Among Those Who Are Offered An Employer-Sponsored Retirement Plan (%)



BASE: No Retirement Benefits (Part-Time Workers N=621; Full-Time Workers N=621)

BASE: Has Retirement Benefits (Part-Time Workers N=499; Full-Time Workers N=2,809)

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?

Appendix

About the Transamerica Center for Retirement Studies®

- The 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, unemployed and underemployed workers, and the implications of legislative and regulatory changes. For more information about TCRS, please refer to www.transamericacenter.org.
- The Institute is funded by contributions from Transamerica Life Insurance Company and its affiliates and may receive funds from unaffiliated third parties.
- TCRS and its representatives cannot give ERISA, tax, investment or legal advice. This material is provided for informational purposes only and should not be construed as ERISA, tax, investment or legal advice. Interested parties must consult and rely solely upon their own independent advisors regarding their particular situation and the concepts presented here.
- Although care has been taken in preparing this material and presenting it accurately, TCRS disclaims any express or implied warranty as to the accuracy of any material contained herein and any liability with respect to it.

About the Survey

- Since the Transamerica Center for Retirement Studies® has conducted national surveys 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.
- Nielsen and the Harris Poll were commissioned to conduct the 16th Annual Retirement Survey for Transamerica Center for Retirement Studies. Transamerica Center for Retirement Studies is not affiliated with Nielsen.
- Over the last five decades, Harris Polls have become media staples. With comprehensive experience and precise technique in public opinion polling, along with a proven track record of uncovering consumers' motivations and behaviors, The Harris Poll has gained strong brand recognition around the world. For more information contact: ConsumerInsightsNAInfo@nielsen.com.
- For more information about the survey contact info@transamericacenter.org or visit www.transamericacenter.org.

Survey Methodology

A 25-minute, online survey was conducted between February 18 – March 17, 2015 among a nationally representative sample of 4,550 workers using the Harris online panel. Respondents met the following criteria:

- U.S. residents, age 18 or older
- Full-time or part-time workers in a for-profit company employing 10 or more people
- Workers self-identified as working full-time or part-time

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 in a for-profit company with 10+ employees or employed part time in a for profit company.
- 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.

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