Los Angeles – December 13, 2017 – One in seven workers (14 percent) plans to live to age 100 or older, according to survey findings highlighted in Wishful Thinking or Within Reach: Three Generations Prepare for “Retirement,” a report released today by nonprofit Transamerica Center for Retirement Studies® (“TCRS”). The survey finds that workers who provided an estimate are planning to live to age 90 (median). Among all workers, only 18 percent are very confident that they will be able to fully retire with a comfortable lifestyle.

“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,” said Catherine Collinson, president of TCRS. “The big question is whether their vision is wishful thinking or within their reach.”

Travel (70 percent), spending more time with family and friends (57 percent), and pursuing hobbies (50 percent) top the list of workers’ most frequently cited retirement dreams. A noteworthy three in 10 workers cite some form of paid work as a retirement dream, including pursuing an encore career (13 percent), starting a business (13 percent), and/or continuing to work in the same field (11 percent). Twenty-six percent of workers dream of doing volunteer work in retirement.

The survey finds that more than half of workers (53 percent) expect to retire after age 65 or do not plan to retire and 56 percent plan to continue working at least part-time in retirement. Among them, 83 percent cite financial-related reasons for doing so, while 75 percent cite healthy aging-related reasons, such as “being active,” and “keeping my brain alert.”

As part of the 18th Annual Transamerica Retirement Survey, one of the largest and longest running surveys of its kind, 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.

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,” said Collinson. Almost four in five workers (79 percent) believe that their generation will have a much harder time achieving financial security in retirement compared to their parents’ generation. Millennials (83 percent) and Generation X (80 percent) are more likely to feel this way than Baby Boomers (75 percent). The survey’s findings illustrate the issues workers are facing:

- Paying off debt and saving for retirement are formidable competing priorities. Paying off debt is a financial priority found among two out of three workers. Generation X (72 percent) and Millennials (67 percent) are more likely to cite it than Baby Boomers (59 percent). In contrast, 57 percent of workers cite saving for...
retirement as a priority, with Baby Boomers (72 percent) being more likely than Generation X (61 percent) and Millennials (45 percent) to do so.

- **Many are not saving enough for retirement.** Baby Boomers have saved $164,000 (estimated median) in all household retirement accounts, Generation X has saved $72,000 (estimated median), and Millennials have saved $37,000 (estimated median) – these savings are needed to last two or more decades in retirement.

- **Approximately three in 10 workers have dipped into their retirement accounts.** Twenty-nine percent of workers have taken a loan, early withdrawal, and/or hardship withdrawal from a 401(k) or similar plan or IRA, a finding which is highest among Generation X (34 percent) and slightly lower among Millennials (28 percent) and Baby Boomers (26 percent). Among workers who have taken a loan, the most frequently cited reasons are to pay off debt (35 percent), a financial emergency (24 percent), and medical bills (23 percent).

- **Emergency savings are lacking.** 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). Workers have saved $5,000 (median) for such emergencies. Baby Boomers have saved $10,000 (median) which is more than Generation X ($4,000 median) and Millennials ($2,000 median).

“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,” said Collinson. “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.”

**Better Preparation Can Lead to Brighter Outcomes**

“Despite the all-too-real challenge of saving, many workers are overlooking opportunities that may help them improve their long-term financial prospects,” said Collinson. Specific missed opportunities include:

- **Resisting procrastination.** Forty percent of workers prefer not to think about or concern themselves with retirement investing until they get closer to their retirement date, a finding which is highest among Millennials (54 percent) followed by Generation X (34 percent) and Baby Boomers (25 percent).

- **Calculating retirement savings needs.** Forty-seven percent of workers who provided an estimate for their retirement savings needs did so by guessing, a survey finding that is consistent across the three generations of workers. Only seven percent have used a retirement calculator.

- **Formulating a written strategy for retirement.** Sixteen percent of workers have set forth a retirement strategy in writing. Ironically, Baby Boomers (12 percent) and Generation X (15 percent) are less likely than Millennials (20 percent) to have a written strategy.

- **Taking steps to be able to continue working past 65 or in retirement.** Less than half of workers (46 percent) are keeping their job skills up to date, a finding that is consistent across the three generations. Only 18 percent are scouting out the job market and opportunities available, a finding that is higher among Millennials (22 percent) than Generation X and Baby Boomers (both 15 percent).

“Wishful thinking or within reach? The 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. Success is also highly dependent on an employment market 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.”

Please visit TCRS at [www.transamericaforce.org](http://www.transamericaforce.org) to view the full survey results. Follow TCRS on Twitter [@TCRStudies](https://twitter.com/TCRStudies).

---

###

**About Transamerica Center for Retirement Studies**

Transamerica Center for Retirement Studies® (TCRS) is a division of Transamerica Institute®, a nonprofit, private foundation. Transamerica 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. For more information please refer to [www.transamericacenter.org](http://www.transamericacenter.org) and follow TCRS on Twitter at [@TCRSudies](https://twitter.com/TCRStudies).

**About the 18th Annual Transamerica Retirement Survey**

The analysis contained in *Wishful Thinking or Within Reach: Three Generations Prepare for “Retirement”* was prepared internally by the research team at TCRS. The 25-minute online survey was conducted within the U.S. by Harris Poll on behalf of TCRS between August 9 and October 28, 2017 among a nationally representative sample of 6,372 workers, including 2,593 Millennials (born 1979-2000), 1,586 Generation X (born 1965-1978), 2,076 Baby Boomers (born 1946-1964) and 117 workers who were born prior to 1946. Potential respondents were targeted based on employment status and company size. Respondents met the following criteria: U.S. residents, age 18 or older, full-time or part-time workers in for-profit companies with five or more employees. Results were weighted where necessary to bring them into line with the population of U.S. residents age 18+, employed full-time or part-time in a for-profit company with 5+ employees, and to adjust 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. No estimates of theoretical sampling error can be calculated.

TCRS 1356-1217