

The Retirement Readiness of Three Unique Generations:
Baby Boomers, Generation X, and Millennials
15th Annual Transamerica Retirement Survey of Workers

TRANSAMERICA CENTER
FOR RETIREMENT STUDIES®

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The Retirement Readiness of Three Unique Generations:

Baby Boomers, Generation X, and Millennials

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About the Author

Catherine Collinson serves as President of the Transamerica InstituteSM 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 and outreach initiatives, including the Annual Transamerica Retirement Survey.

With over 15 years 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: The Wall Street Journal, U.S. News & World Report, USA Today, Money, The New York Times, The Huffington Post, Kiplinger's, CBS MoneyWatch, Los Angeles Times, Chicago Tribune, Employee Benefits News and HR Magazine. She has also appeared on PBS' "Nightly Business Report," NPR's "Marketplace" and CBS affiliates throughout the country. Catherine speaks at major industry conferences each year and also authors articles published in leading industry journals.

She is currently employed by Transamerica Retirement Solutions Corporation as Senior Vice President of Strategic Planning. Since joining the organization in 1995, she has been instrumental in identifying and evaluating short- and long-term strategic growth initiatives, developing business plans and building infrastructure to support the company's high-growth strategy.

About the Transamerica Center for Retirement Studies®

- The Transamerica Center for Retirement Studies® (TCRS) is a division of Transamerica InstituteSM (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.
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About the Survey

- Since 1998, 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. It has grown to be one of the longest running and largest national surveys of its kind.
- Harris Poll conducted the 15th Annual Retirement Survey on behalf of Transamerica Center for Retirement Studies. Transamerica Center for Retirement Studies is not affiliated with Harris Poll.
- On February 3, 2014, Nielsen acquired Harris Interactive and Harris Poll. Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence and mobile measurement. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands. For more information, visit www.nielsen.com.

Methodology: Worker Survey

- A 22-minute, online survey was conducted between February 21 – March 17, 2014 among a nationally representative sample of 4,143 workers by Harris Poll for Transamerica Center for Retirement Studies. 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.
- Data were weighted as follows:
 - 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 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 included 1,021 Millennials, 1,120 Generation X, 1,805 Baby Boomers, and 197 who were born prior to 1946.

Terminology

This report uses the following terminology:

Generation

Millennial: Born 1979 – 1996

Generation X: Born 1965 – 1978

Baby Boomer: Born 1946 – 1964

All Workers

Refers to all workers aged 18 and older

Key Highlights

The year 2014 represents a confluence of economic and demographic occurrences. The U.S. economy is recovering and American workers are moving forward with their lives. The last of the Baby Boomers will be turning 50 in 2014 – which means that Generation X is on the eve of the mid-century milestone birthday. Millennials have entered the workforce in full force. How do each of these generations view retirement? And what are they doing to prepare? The 15th Annual Transamerica Retirement survey takes an in depth look at the latest trends among these three very unique generations.

After the Storm: American Workers' Recovery from the Great Recession

Economists have pinpointed what is commonly referred to as the Great Recession as lasting from December 2007 through mid-2009 when the recovery first began. American workers also have opinions about the state of the U.S. economy and recovery:

- Only two percent of workers believe that the Great Recession has ended with a full economic recovery;
- Sixty-five percent of workers believe that the Great Recession has ended but with mixed views about the current state of the recovery; and,
- Thirty-five percent of workers believe the Great Recession has not yet ended. An even higher percentage of Baby Boomers (40 percent) believe that it has not ended.

Relatively few workers were unscathed by the Great Recession. However, the effects were felt differently among generations. Baby Boomers were hardest hit, with many reporting declines in home values (42 percent) and other investments (46 percent). Among Baby Boomers, Generation X, and Millennials, reports of layoffs (13 percent) and reductions in hours and/or wages (26 percent) were relatively consistent. Millennials, many of whom are just entering the workforce, were most likely to encounter difficulty in finding a job (26 percent).

The good news is that the majority of workers say that they are financially recovering: 14 percent have fully recovered and 44 percent have recovered somewhat. Another 15 percent say they were not impacted by the recession. Millennials are most likely to have fully recovered (17 percent) or were not impacted (21 percent). Baby Boomers are most likely to feel that they may never recover (13 percent).

Retirement confidence is rebounding in line with workers' financial recovery. Confidence levels now exceed those reported in 2007. Millennials, the generation least effected by the recession, have the highest levels of confidence. Confidence is lower among Generation X and Baby Boomers. Yet despite this rebound in confidence, many Baby Boomers (41 percent) and Generation X (34 percent) expect their standard of living to decrease when they retire. In contrast, 20 percent of Millennials expect their standard of living to decrease.

Key Highlights

A Snapshot of Three Unique Generations with Three Very Different Retirements Ahead of Them

Historians and economists have long written about the changing retirement landscape and how today's workers are facing retirement futures that will be very different than their parents. Our research has taken a look at three generations currently represented in the workforce: Baby Boomers, Generation X, and Millennials. It has become clear that their retirements will be different from each other's as the landscape evolves.

Baby Boomers: Pioneers of a New Retirement Paradigm

Baby Boomers are pioneering a new retirement paradigm and are proving that working in retirement and taking time for leisure are not mutually exclusive. 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 and enjoy the long-term compounding of investments. Many were also hit hard during the Great Recession and, unlike younger generations, they have less time to financially recover before they retire. Most plan to work past age 65 and most plan to continue working, at least on a part-time basis, when they retire. However, our research found that many need to be more proactive in taking steps to help ensure that they can continue working and have a backup plan if retirement happens unexpectedly.

Generation X: The 401(k) Generation

Who wants to be a millionaire? Generation X estimates their retirement savings needs to be one million dollars (median). They entered the workforce in the late 1980s just as 401(k)s were making their first appearance and defined benefit plans were beginning to disappear. Generation X is the first generation to have access to 401(k)s for most of their working careers, and they highly value them as an important benefit, have high plan participation rates, and, for better or worse, some have take loans and early withdrawals. They are behind on their savings, but they still have time to catch up.

Millennials: The Digital DIY Generation

Millennials are a digital do-it-yourself generation of retirement savers. Unlike their parents' generation, most expect their primary source of income in retirement to be self-funded through retirement accounts (e.g., 401(k)s, 403(b)s, IRS) or other savings and investments. The good news is that they are getting an early start with their savings and are taking advantage of the latest innovations that their employer-sponsored retirement plans have to offer. And they are hungry for more information on how to achieve their retirement goals especially if it's digitally available.

Key Highlights

Today's Vision and Expectations About Retirement

Today's vision of retirement is a radical departure from earlier generations. An extended working life past age 65, a phased transition into retirement, and even working part-time in retirement are not mutually exclusive with additional leisure time to enjoy life. In that regard, retirement dreams are alive and well. Millennials and Generation X are more likely than Baby Boomers to dream of travel or pursuing hobbies. Baby Boomers, on the other hand, are more likely to dream of spending more time at home with family.

The majority of workers plan to work past age 65 or do not plan to retire. However, expectations are quite different among generations. Sixty-five percent of Baby Boomer workers plan to continue working past age 65 or do not plan to retire. The majority of Generation X (54 percent) also plan to do so. In contrast, most Millennials (60 percent) plan to retire at 65 or sooner.

Most workers also envision a phased transition into retirement during which they will continue working, reduce hours, or work in a different capacity that is less demanding and/or brings greater personal satisfaction. Only 22 percent expect to immediately stop working when they retire. Baby Boomers, Generation X, and Millennials share similar expectations.

Most workers also plan to continue working after they retire, including 40 percent who plan to work part-time and 12 percent full-time. Only 27 percent of workers do not plan to work after they retire, and 21 percent are not sure. Again, Baby Boomers, Generation X, and Millennials share similar expectations.

However, the reasons for working in retirement vary by generation. Baby Boomers and Generation X (both 62 percent) plan to work for reasons related income or benefits, far more so than Millennials (49 percent). Interestingly, many Millennials (47 percent) plan to work in retirement for enjoyment.

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 ensure they can continue working and found that:

- Most workers (60 percent) are trying to stay healthy so they can continue working;
- Half (50 percent) are focused on performing well at their current job;
- Somewhat fewer (41 percent) are keeping job skills up-to-date;
- Just 19 percent are networking and meeting new people;
- Just 15 percent are scoping out the employment market and employment opportunities; and,
- Only 11 percent are going back to school to learn new skills.

Key Highlights

Today's Vision and Expectations About Retirement (continued)

Baby Boomers, the generation which started turning 65 in 2011, are more proactive than Generation X and Millennials about staying healthy and performing well at their current job, but less proactive about networking, scoping out the employment market, and going back to school. To further understand Baby Boomers' level of preparation to work longer and retire past 65, the survey found that 92 percent of Baby Boomers have taken one of the six steps identified; however, only one percent has taken all six of the steps.

A critical component of the phased retirement equation is whether employers are accommodating. Herein lies a tremendous disconnect: Few employers have practices and programs in place to facilitate a phased retirement. Just 21 percent of workers say their employers enable employees to reduce work hours and shift from full-time to part-time, and even fewer (14 percent) say their employers enable employees to take positions which are less stressful or demanding. The implication for workers is that a phased transition into retirement may require changing employers if their current employer does not accommodate them.

The Current State of Retirement Readiness

Most workers (58 percent) expect their primary source of income in retirement to be self-funded through retirement accounts or other savings and investments, including 66 percent of both Millennials and Generation X, and 46 percent of Baby Boomers. Generation X (52 percent) is most likely to cite retirement accounts such as 401(k)s, 403(b)s, or IRAs. Thirty-six percent of Baby Boomers to cite Social Security, up from 26 percent in 2007.

Self-funding requires saving and most workers are doing so. Seventy-eight percent of workers are saving for retirement either through retirement benefits, such as a 401(k) or similar plan, or outside the workplace. Seventy percent of Millennials are already saving for retirement and they are starting early: The median age they started saving is 22. The vast majority of Generation X (83 percent) and Baby Boomers (81 percent) are saving for retirement but started at an older age. Generation X started saving at age 27 (median), while Baby Boomers got the latest start at age 35 (median).

Given the imperative to save, it should be no surprise how many workers value retirement benefits. Eighty-nine percent value a 401(k) or similar plan as an important benefit. More than half (52 percent) say they would be likely to switch employers for a nearly identical job with a similar employer that offered better retirement benefits. Flight risk is greatest among Millennials, with 67 percent sharing this sentiment. The majority of Generation X (58 percent) would be likely to switch also. Baby Boomers (38 percent) are far less likely to switch employers for better benefits.

Key Highlights

The Current State of Retirement Readiness (continued)

Sixty-eight percent of workers have access to a 401(k) or similar employee-funded retirement plan in the workplace. Generation X (74 percent) are most likely to have access to a plan while Millennials (62 percent) are least likely. It should also be noted that full-time workers (75 percent) are far more likely to have access to a 401(k) or similar employee-funded plan compared to part-time workers (42 percent).

Four out of five workers who are offered a 401(k) or similar plan participate in that plan. Participation rates are highest among Generation X (84 percent) and Baby Boomers (81 percent) with Millennials (71 percent) lagging behind them. Workers are contributing 8 percent (median) of their annual salary into their plans. Contribution rates are highest among Baby Boomers (10 percent median) with lower rates among Millennials (8 percent) and Generation X (7 percent).

Our survey findings illustrate the power of an employer match. Among survey respondents whose employer offers a match, plan participation rates were 86 percent compared to only 72 percent of those who are not offered a match. Moreover, the annual salary contribution rate for those whose employers offer a match was nine percent (median) compared to only seven percent (median) of those not offered a match. The most profound differences were found among Millennials: 80 percent who are offered a match participate in the plan compared to only 65 percent who are not offered a match; the contribution rate is 10 percent (median) of annual salary for those offered a match and only five percent (median) for those who are not.

Most workers (54 percent) are using some form of professionally managed account in their 401(k) or similar plans.

“Professionally managed” accounts refer to a managed account service, strategic allocation funds, and/or target date funds. Millennials (62 percent) are mostly likely to use a professionally managed account and the majority of Generation X (56 percent) does so as well. Baby Boomers are least likely (47 percent) to use “professionally managed” accounts and more likely (50 percent) to be do-it-yourselfers, setting their own asset allocation percentages among available funds in the plan.

Six in ten workers are saving for retirement outside of work. Baby Boomers (64 percent) are most likely to do so. Generation X (58 percent) and Millennials (56 percent) are somewhat less likely to be saving outside of work.

“Leakage” from retirement plans in the form of loans and withdrawals severely inhibit the growth of workers’ long-term retirement savings. Among workers who are currently participating in a plan, 23 percent have taken some form of loan and/or early withdrawal from a 401(k) or similar plan or IRA:

- Generation X (27 percent) is most likely to have taken a loan or early withdrawal;
- Baby Boomers (23 percent) are somewhat less likely; and,
- Millennials (20 percent) are least likely.

Key Highlights

The Current State of Retirement Readiness (continued)

Despite the confidence-shaking events during the economic turbulence in recent years, household retirement savings increased from 2007 to 2014. However, in many instances, this growth in savings is still inadequate to fully fund an individual or family's retirement income needs. Baby Boomers have saved \$127,000 (estimated median) in household retirement accounts compared to \$75,000 in 2007. Savings shortfalls are prompting working past age 65 and the need to continue to work in retirement.

In stark contrast to current levels of savings, today's workers estimate they will need \$1 million dollars (median) in retirement. Generation X has estimated the highest need at \$1 million (median) followed by Baby Boomers and Millennials both at \$800,000 (median). Twenty-eight percent of workers believe they need to save \$2 million or more, with Generation X (31 percent) and Millennials (29 percent) more likely to think this.

However, many workers (50 percent) have guessed at how much they will need to save. Approximately one in five (22 percent) have estimated based on current living expenses. Just 11 percent have used a retirement calculator or completed a worksheet. Responses are consistent among Baby Boomers, Generation X, and Millennials.

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 (61 percent) have a retirement strategy, but only 14 percent have a written plan (the other 47 percent have a plan but it is not written down). The proportion having a plan is strikingly similar among Baby Boomers, Generation X, and Millennials.

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 strategy have considered on-going living expenses, savings and income needs, government benefits, healthcare costs, and investment returns. However, few have factored inflation, tax planning, long-term care, and estate planning. Few workers have contingency plans. Baby Boomers typically have factored more into their strategies but are still lacking.

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 24 percent of workers have a backup plan if forced into retirement sooner than expected. Baby Boomers (26 percent) are slightly more likely than other generations to have a backup plan and Generation X (22 percent) is least likely.

Key Highlights

The Current State of Retirement Readiness (continued)

A strong knowledge of government benefits is especially important for workers nearing retirement. Only 17 percent of Baby Boomers know “a great deal” about Social Security benefits. Moreover, only 16 percent of workers who expect Social Security to be their primary source of income when they retire know a ‘great deal’ about their benefits.

When asked what would motivate them to learn more about saving and investing for retirement, workers’ most frequently cited motivators related to making it easier to understand. Millennials (59 percent) were most likely to want saving and investing to be made easier to understand with Generation X (51 percent) and Baby Boomers (44 percent) sharing that sentiment.

The majority of workers (63 percent) would like more education and advice from their employers on how to reach their retirement goals. This desire is highest among Millennials (73 percent) with strong responses from Generation X (65 percent) and Baby Boomers (57 percent).

Workers participating in a 401(k) or similar plan find many of the resources and tools offered through the plan to be helpful. Among generations, there are similar levels of agreement on the helpfulness of tools offered. Millennials are most likely to find tools to be helpful – especially tools that are technology-based. A dramatic example: 71 percent of Millennials find mobile apps to manage their accounts to be helpful compared to just 47 percent of Baby Boomers.

Most workers (59 percent) say want some level of advice when saving and investing for retirement, with 44 percent seeking education and advice but ultimately make their own decisions and 15 percent wanting someone to make decisions on their behalf.

In contrast to this desire for advice, only 37 percent of workers who are saving and investing for retirement actually use a professional financial advisor to help them manage their savings and investments. Advisor usage is highest among Baby Boomers (40 percent) followed by Generation X (35 percent) and Millennials (32 percent).

Forty percent of workers indicated 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 low- to moderate-income workers 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 28 percent of all workers are aware of the Saver’s Credit. With the last of the Baby Boomers turning 50 this year and Generation X starting to turn 50 next year, Catch-Up Contributions are especially relevant for them; however, only 51 percent of Generation X and 64 percent of Baby Boomers are aware of the incentive.

Key Highlights

Recommendations for Workers

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 for retirement are fundamentally common to all. Seven tips toward achieving retirement readiness:

1. **Save for retirement.** Start saving as early as possible and save consistently over time. Avoid taking loans and early withdrawals from retirement accounts.
2. **Consider retirement benefits as part of total compensation.** Ask an employer for a plan if they don't offer one.
3. **Participate in employer-sponsored retirement plans, if available.** Take full advantage of matching employer contributions, and defer as much as possible.
4. **Calculate retirement savings needs, develop a retirement strategy, and write it down.** Factor in living expenses, healthcare needs, government benefits and long-term care. Envision future retirement and have a backup plan in case retirement comes early due to an unforeseen circumstance. Seek assistance from a professional financial advisor, if needed.
5. **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.
6. **Take advantage of the Saver's Credit.** Make Catch-up Contributions, if available.
7. **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.

Key Highlights

Recommendations for Employers

Working with their retirement plan professionals and providers, employers can help improve their workers' retirement outlook through these opportunities:

- 1. Offer a retirement plan along with other health & welfare benefits if not already in place.** Take advantage of the tax credit available for starting a plan.
- 2. For employers who offer a plan, extend eligibility to part-time workers.** Seek expertise of retirement specialists familiar with plan design on how to best accomplish this.
- 3. Proactively encourage participation in existing retirement plans.** Consider adding automatic enrollment and automatic escalation features to increase participation rates and salary deferral rates.
- 4. Discourage loans and withdrawals from retirement accounts.** Limit the number of loans available in the plan. Ensure participants are educated about the ramifications of taking loans and early withdrawals. Allow for an extended loan repayment time for terminated participants.
- 5. Consider structuring matching contribution formulas to promote higher salary deferrals** (e.g., instead of matching 100 percent of the first three percent of deferrals, change the match to 50 percent of the first six percent of deferrals or even 25 percent of the first 12 percent of deferrals).
- 6. Ensure educational offerings are easy-to-understand and meet the needs of employees.** Provide education on calculating a retirement savings goal, principles of saving and investing, and, for those nearing retirement, ways to generate retirement income and savings to last throughout his/her lifetime.
- 7. Offer pre-retirees greater levels of assistance in planning their transition into retirement** – including 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).
- 8. Create opportunities for workers to phase into retirement** by allowing for a transition from full-time to part-time and/or working in different capacities.
- 9. Promote incentives to save, including the Saver's Credit and Catch-Up Contributions.**

Key Highlights

Recommendations for Policymakers

Workplace retirement benefits play a vital role in helping workers save for retirement. The workplace retirement savings system has succeeded in serving as the preferred method of saving for retirement for millions of workers. However, more work can and should be done to improve the current system. Recommendations for policymakers include:

1. **Preserve 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 and facilitating the opportunity of employers to participate in existing plans by implementing reforms to multiple employer plans.
 - b. Additional safe harbors for 401(k) and similar plans for purposes of non-discrimination testing.
3. **Increase default contribution rates in plans using automatic enrollment.** The current minimum default contribution rate in the safe harbor, which ranges from three percent to six percent, sends a misleading message to plan participants that saving at those levels is sufficient to ensure a secure retirement. 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 savings needs.
6. **Facilitate retirement savings to last a lifetime.** Proposals that help participants both manage their investment risk and ensure their retirement savings will 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.

***The Retirement Readiness of Three Unique Generations:
Baby Boomers, Generation X, Millennials***

Detailed Findings

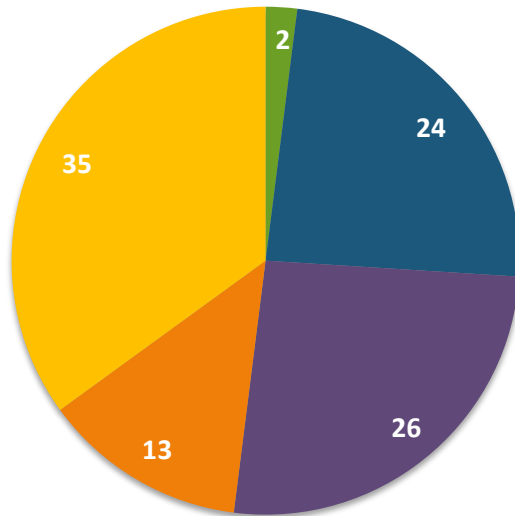
***After the Storm: American Workers' Recovery from the
Great Recession***

Workers Have Mixed Opinions on the Economic Recovery

Leading economists have pinpointed the duration of what is commonly referred to as the Great Recession as lasting from December 2007 through mid-2009 when the recovery first began. American workers also have opinions about the state of the U.S. economy and recovery: 35 percent believe the Great Recession has not yet ended and only two percent believe that it has ended with a full economic recovery. Sixty-five percent of workers believe that the recession has ended but with mixed views about the current state of the recovery. Baby Boomers, hit hard by the Great Recession, are most likely to believe it has not yet ended (40 percent).

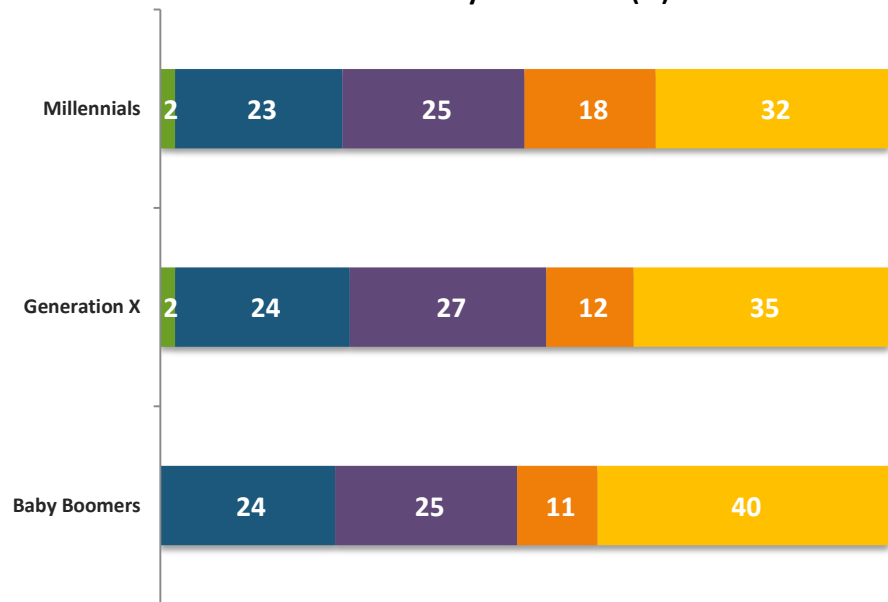
What is your opinion of the deep recession in recent years which is commonly called the Great Recession?

All Workers (%)



NET – The Great Recession has ended = 65%

Workers by Generation (%)



■ The Great Recession has ended and the economy has fully recovered

■ The Great Recession has ended and the economy is recovering.

■ The Great Recession has ended and the economy has stalled.

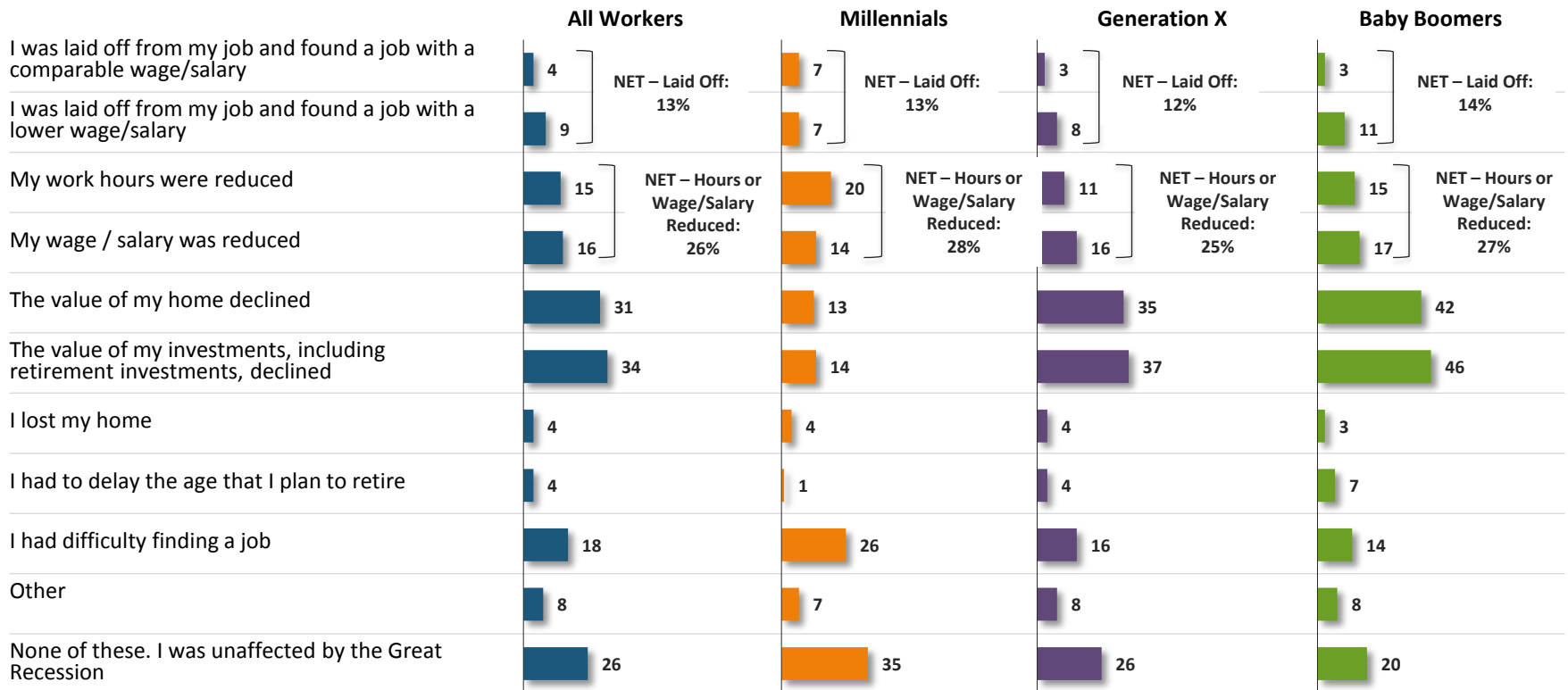
■ The Great Recession has ended but the economy is starting to decline again

■ The Great Recession has not yet ended

Vast Majority of Workers Negatively Hit by Great Recession

Baby Boomers, Generation X, and Millennials were negatively impacted by the Great Recession but in different ways. Baby Boomers were hardest hit with many reporting declines in home values (42 percent) and other investments (46 percent). Across the three generations, reports of layoffs (13 percent) and reductions in hours and/or wages (26 percent) were relatively consistent. Millennials, many of whom are just entering the workforce, were most likely to encounter difficulty in finding a job (26 percent). Only one in five (20 percent) Baby Boomers said they were unaffected by the Great Recession compared to 26 percent of Generation X and 35 percent of Millennials.

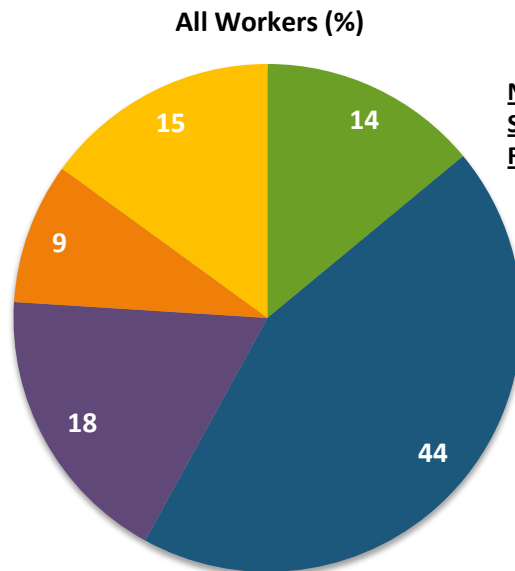
In what ways were you personally affected by the Great Recession? (%)



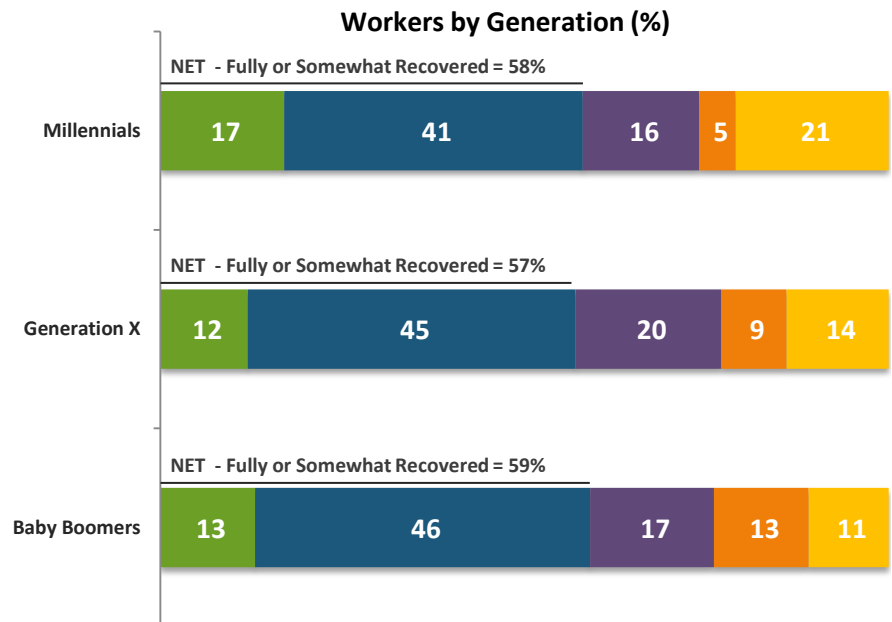
Good News: Most Are Recovering from Great Recession

The majority of workers say that they are financially recovering from the Great Recession: 14 percent have fully recovered and 44 percent have recovered somewhat. Eighteen percent have not yet begun to recover. Nine percent feel they may never recover. And 15 percent said they were not impacted. Millennials are most likely to have fully recovered (17 percent) or were not impacted (21 percent). Baby Boomers and Generation X share similar response rates in terms of the status of their recoveries; however, Baby Boomers are more likely to feel that they may never recover (13 percent).

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



NET – Fully or Somewhat Recovered = 58%



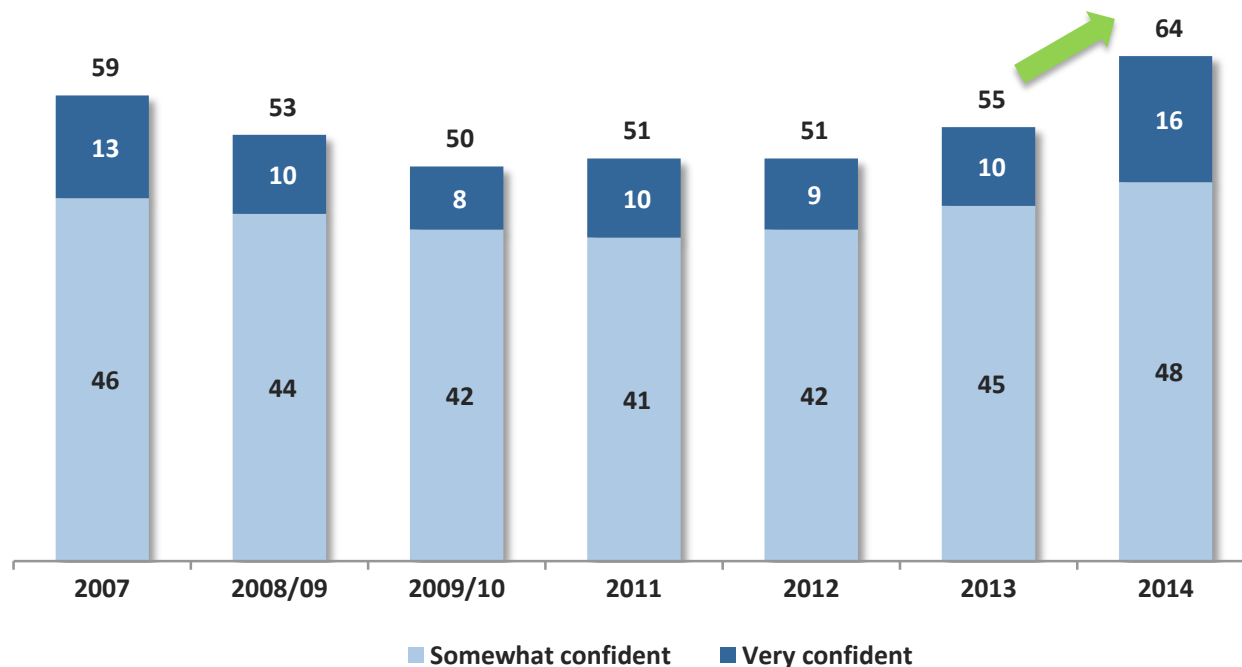
■ I have fully recovered
 ■ I have somewhat recovered
 ■ I have not yet begun to recover
 ■ I may never recover
 ■ I was not impacted

Retirement Confidence is Recovering

Retirement confidence is recovering in step with workers' financial recovery. Confidence levels have recovered and even exceed those reported in 2007. Millennials, the generation least impacted by the recession, have the highest levels of confidence with nearly one in five (19 percent) being "very confident" that they will be able to retire with a comfortable lifestyle. Confidence is lower among Generation X (14 percent) and Baby Boomers (13 percent).

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

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

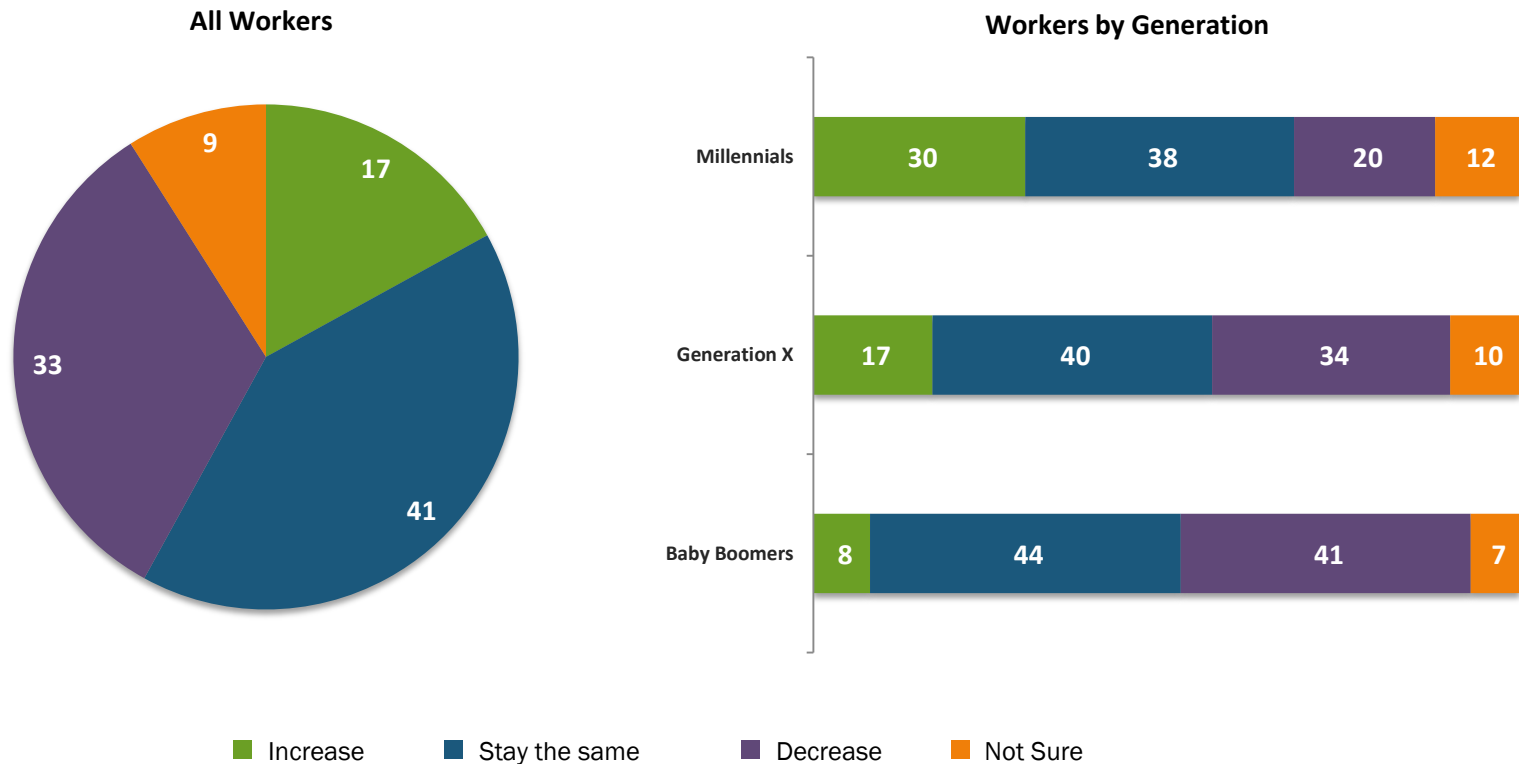


| 2014 | Millennials | Generation X | Baby Boomers |
|----------------------|-------------|--------------|--------------|
| NET Confident | 68% | 61% | 62% |
| Very Confident | 19% | 14% | 13% |
| Somewhat Confident | 49% | 47% | 49% |

Retirement Lifestyle Expectations

Despite higher levels of confidence, one in three (33 percent) workers expects their standard of living to decrease when the retire. This concern is higher among Baby Boomers (41 percent) and Generation X (34 percent). In contrast, 20 percent of Millennials expect their standard of living to decrease when they retire.

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



Snapshots of Three Unique Generations

Baby Boomers: Pioneers of a New Retirement Paradigm

Baby Boomers are pioneering a new 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 and enjoy the long-term the compounding of investments. Many were also hit hard during the Great Recession and, unlike younger generations, they have less time to financially recover before they retire. Baby Boomers are proving that working in retirement and taking time for leisure are not mutually exclusive. However, they should be more proactive in taking steps to help ensure that they can continue working and have a backup plan if retirement happens unexpectedly.

4 in 10

believe that the Great Recession has not yet ended.

p. 20

65%

plan to work past age 65 or do not plan to retire.

p.31

> Half

52 percent plan to continue working after they retire and most for reasons of income and health benefits.

p.33

41%

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

p.35

Only 14%

have a written strategy for retirement.

p.52

26%

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

p.54

\$127,000

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

p.49

36%

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

p.39

Generation X: The 401(k) Generation

Who wants to be a millionaire? Generation X estimates their retirement savings needs to be one million dollars (median). This generation entered the workforce in the late 1980s just as 401(k)s were making their first appearance and defined benefit plans were beginning to disappear. Generation X is the first generation to have access to 401(k)s for the majority of their working careers; they highly value them as an important benefit, have high plan participation rates, and, for better or worse, some have taken loans and early withdrawals. They are behind on their savings, but they still have time to catch up.

\$1 Million

is the estimated retirement savings needs (median) of Generation X.

p.50

2 in 3

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

p.39

27

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

p.40

91%

value 401(k) or similar plans as an important employee benefit.

p.41

84%

who are offered a 401(k) or similar plan by their employers participate in the plan.

p.44

Seven

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

p.44

27%

of participants have taken a loan or early withdrawal from their retirement savings.

p.48

\$70,000

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

p.49

Millennials: The Digital DIY Generation

Millennials are a digital do-it-yourself generation of retirement savers. Unlike their parents' generation, most expect their primary source of income in retirement to be self-funded through retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) or other savings and investments. The good news is that they are getting an early start with their savings and are taking advantage of the latest innovations that their employer-sponsored retirement plans have to offer. And they are hungry for more information on how to achieve their retirement goals especially if it's digitally available.

Two-Thirds

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

p.39

70%

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

p.40

22

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

p.40

60%

expect to retire at age 65 or sooner.

p.31

71%

who are offered a 401(k) or similar plan by their employers participate in the plan.

p.44

Eight

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

p.44

71%

of plan participants find mobile applications offered by their plan provider to be helpful.

p.58

73%

of those offered plans want more information and advice from their employers on how to achieve their retirement goals.

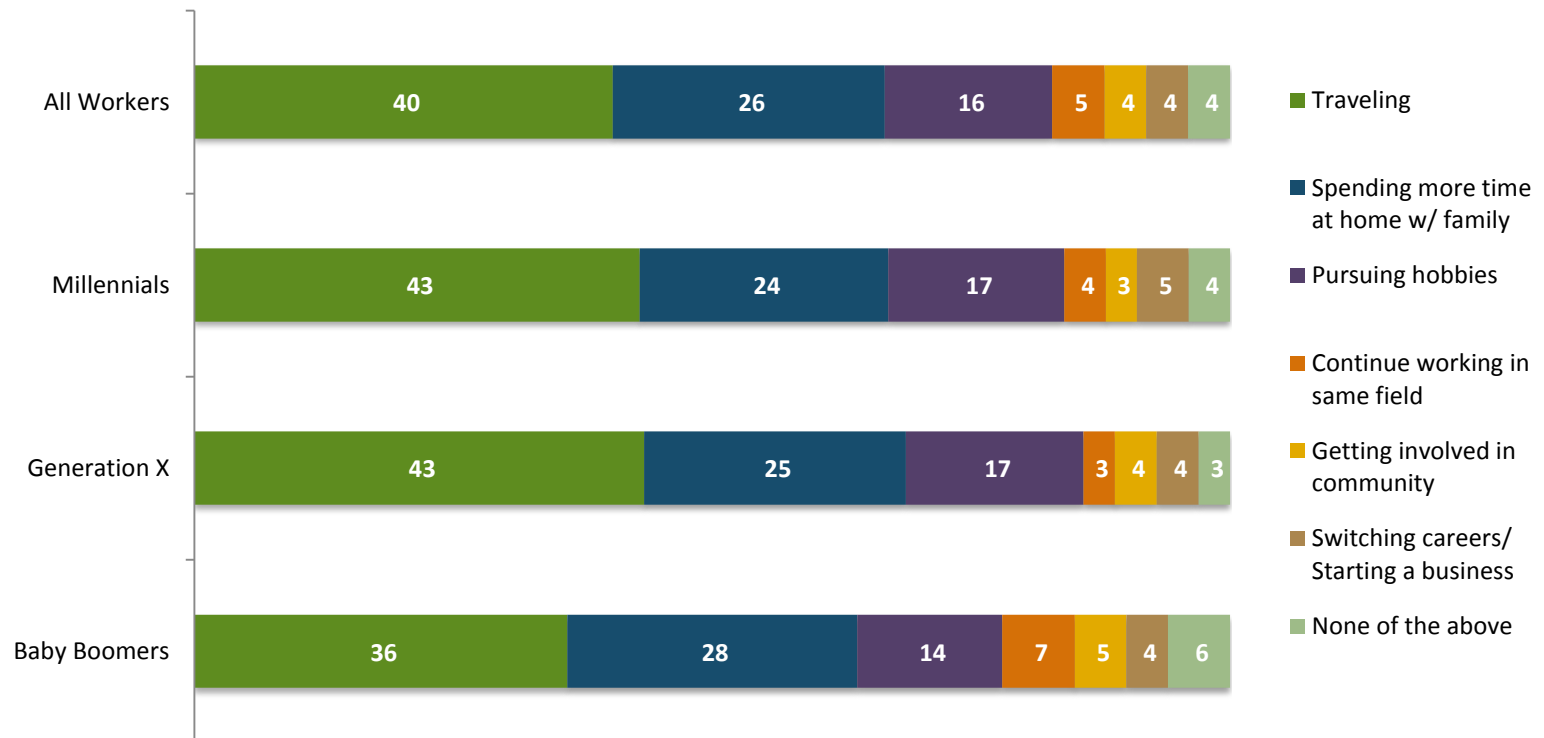
p.57

Today's Vision and Expectations About Retirement

Dreaming of Retirement

Today's vision of retirement is a radical departure from earlier generations. An extended working life past age 65, a phased transition into retirement, and even working part-time in retirement are not mutually exclusive with additional leisure time to enjoy life. In that regard, retirement dreams are alive and well. Workers of all ages most frequently cite traveling (40 percent), spending more time at home with family (26 percent) and pursuing hobbies (16 percent) as how they dream of spending their retirement. Millennials and Generation X share nearly identical responses and are more likely to dream of travel or pursuing hobbies. More Baby Boomers, on the other hand, dream of spending more time at home with family.

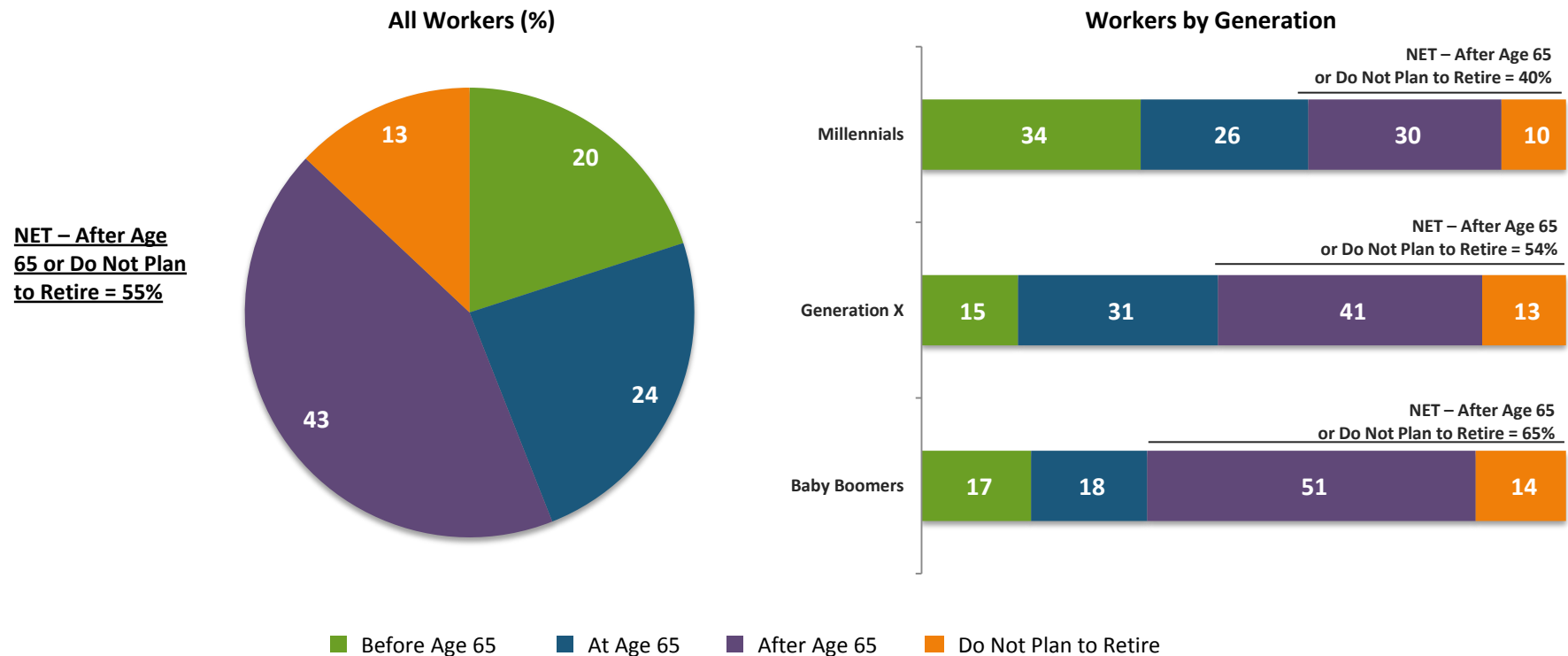
Which of the following best describes how you dream of spending your retirement? (%)



Majority of Workers Plan to Work Past 65 But ...

The majority of workers (55 percent) plan to work past age 65 or do not plan to retire. However, expectations are quite different among generations. Sixty-five percent of Baby Boomer workers plan to continue working past age 65 or do not plan to retire. Many of Generation X (54 percent) also plan to do so. In contrast, the majority of Millennials (60 percent) plan to retire at 65 or sooner.

At what age do you expect to retire? (%)



BASE: ALL QUALIFIED RESPONDENTS

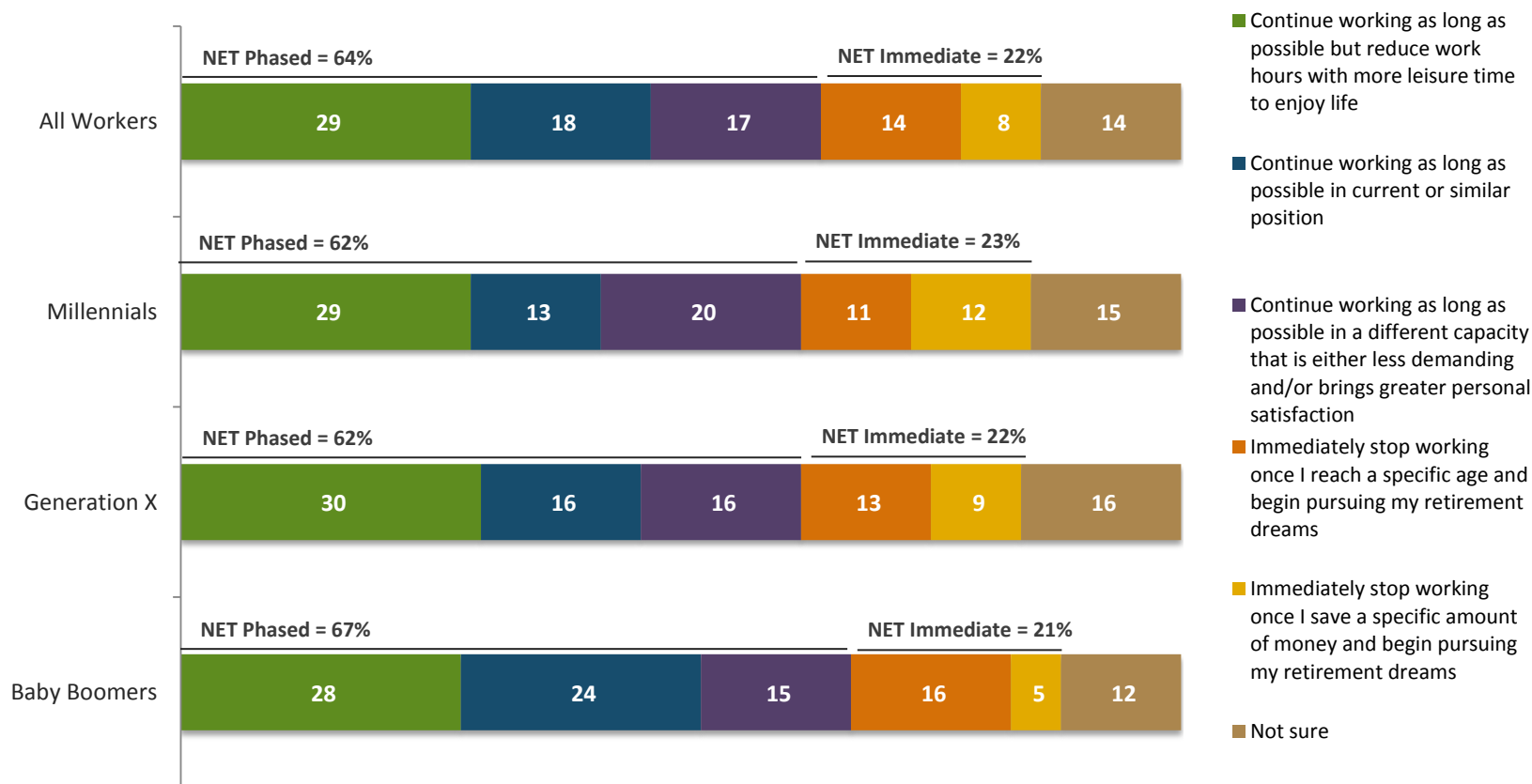
Q910. At what age do you expect to retire?

NOTE: Differences in the sums of combined categories/answers are due to rounding.

Majority Envision a Phased Versus Immediate Retirement

A strong majority (64 percent) of workers envision a phased transition into retirement during which they will continue working, reduce hours with more leisure time to enjoy life, or work in a different capacity that is less demanding and/or brings greater personal satisfaction. Only 22 percent expect to immediately stop working when they retire. Baby Boomers, Generation X, and Millennials share similar expectations.

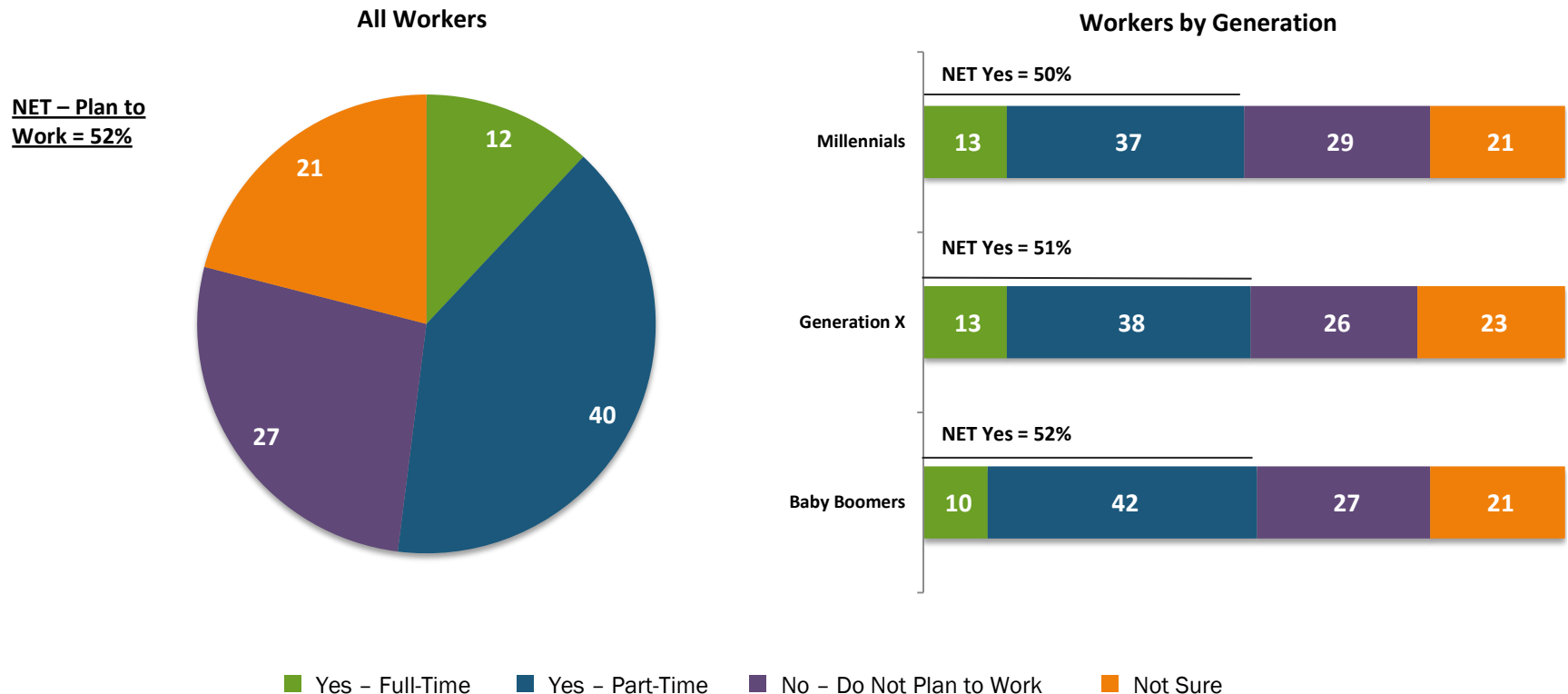
How do you envision transitioning into retirement? (%)



Many Workers Plan to Work in Retirement

Many workers (52 percent) plan to continue working after they retire, including 40 percent who plan to work part-time and 12 percent full-time. Only 27 percent of workers do not plan to work after they retire, and 21 percent are not sure. Baby Boomers, Generation X, and Millennials are strikingly similar in their expectations.

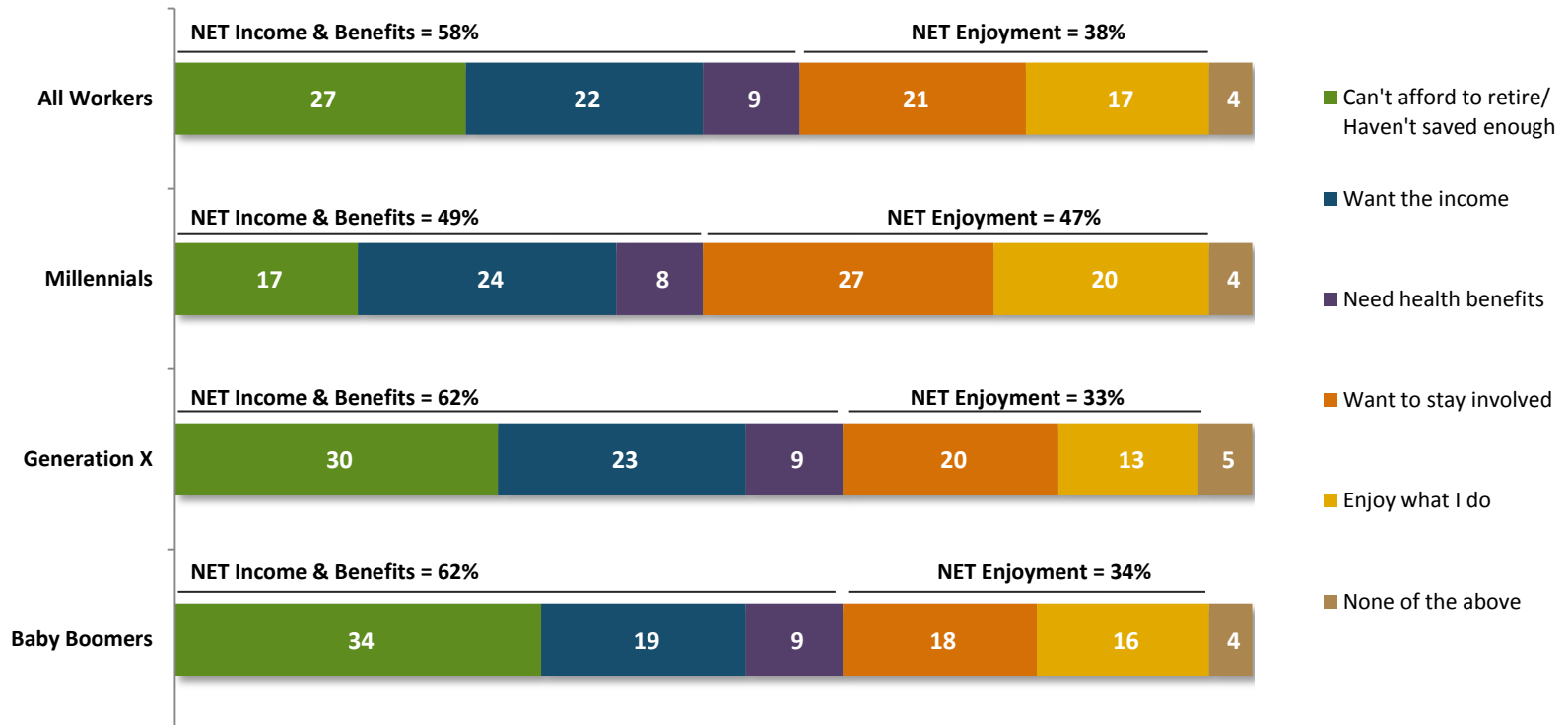
Do you plan to work after you retire? (%)



Reasons for Working Range from Need to Enjoyment

Fifty-eight percent of workers who plan to work in retirement and/or past age 65 cite reasons related to income and health benefits. Baby Boomers and Generation X (both 62 percent) plan to do so for those reasons, a higher response rate than that of Millennials (49 percent). Interestingly, many Millennials (47 percent) plan to work in retirement for enjoyment.

Main Reason for Working Past Age 65 and/or After Retirement (%)



Proactive Steps to Remain Employed

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. A majority says they are staying healthy (60 percent), while 50 percent are performing well at their current job and 41 percent are keeping job skills up-to-date. However, responses were much lower for networking (19 percent), scoping out the employment market (15 percent), and going back to school (11 percent). Baby Boomers, the generation nearing retirement, are only somewhat more proactive than other generations.

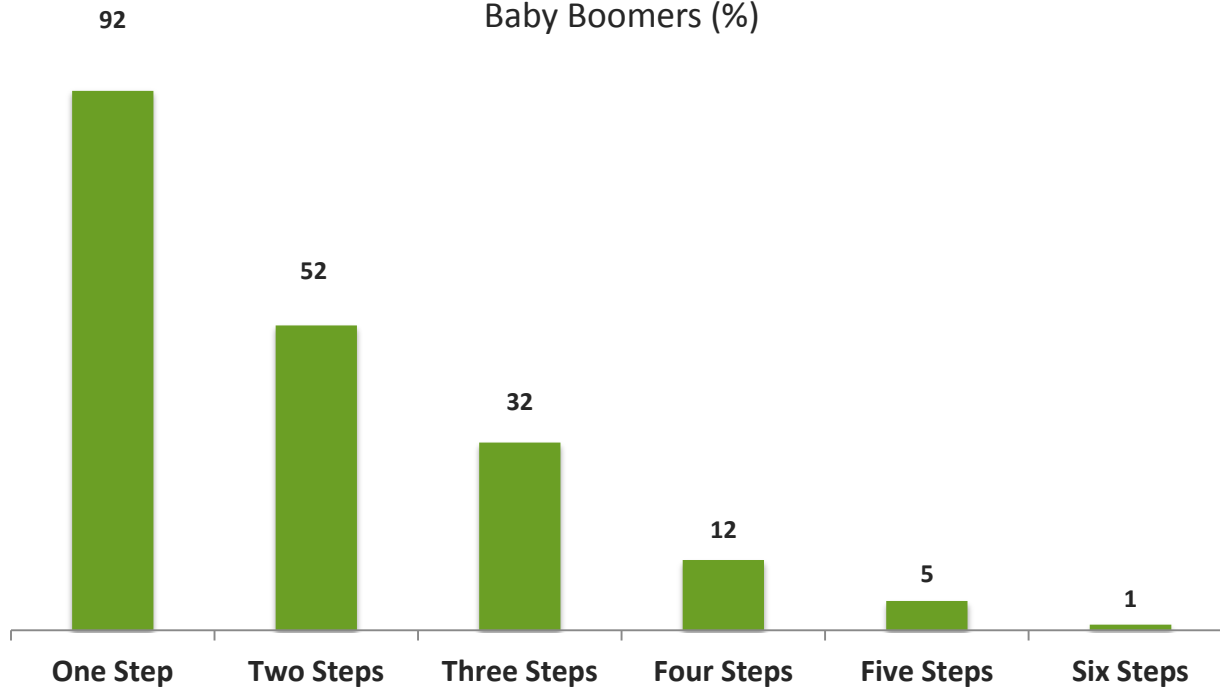
Have you taken any steps to ensure that you'll be able to continue working past 65 or in retirement, if needed? (%)



Are Baby Boomers Being Proactive to Stay Employed Past 65?

To better understand the extent to which Baby Boomers are proactively preparing themselves to help ensure continued employment, an analysis of the survey responses found that 92 percent of Baby Boomers have taken at least one of the six steps identified. Slightly more than half (52 percent) had taken two steps, 32 percent had taken three steps, 12 percent four steps, and five percent five steps. Only one percent of Baby Boomers have taken all six steps.

**Number of Proactive Steps Taken to Remain Employed
Past 65 or in Retirement**
Baby Boomers (%)



**Possible Proactive Steps
Listed in Question
(Select All That Apply)**

Staying healthy so I can continue working

Performing well at my current job

Keeping my job skills up-to-date

Networking and meeting new people

Scoping out the employment market and opportunities available

Going back to school and learning new skills

Few Employers Seen as Facilitating a Phased Retirement

Most workers envision a phased transition into retirement; however, few indicate their employers have practices and programs in support of such expectations. Just 21 percent of workers say their employers enable employees to reduce work hours and shift from full-time to part-time, and even fewer (14 percent) say their employers enable employees to take positions which are less stressful or demanding. Baby Boomers (34 percent) are most likely to indicate that their employers do “none of these” in reference to the listed practices and programs.

Workers’ Perceptions on Employers Helping Their Employees Transition into Retirement (%)

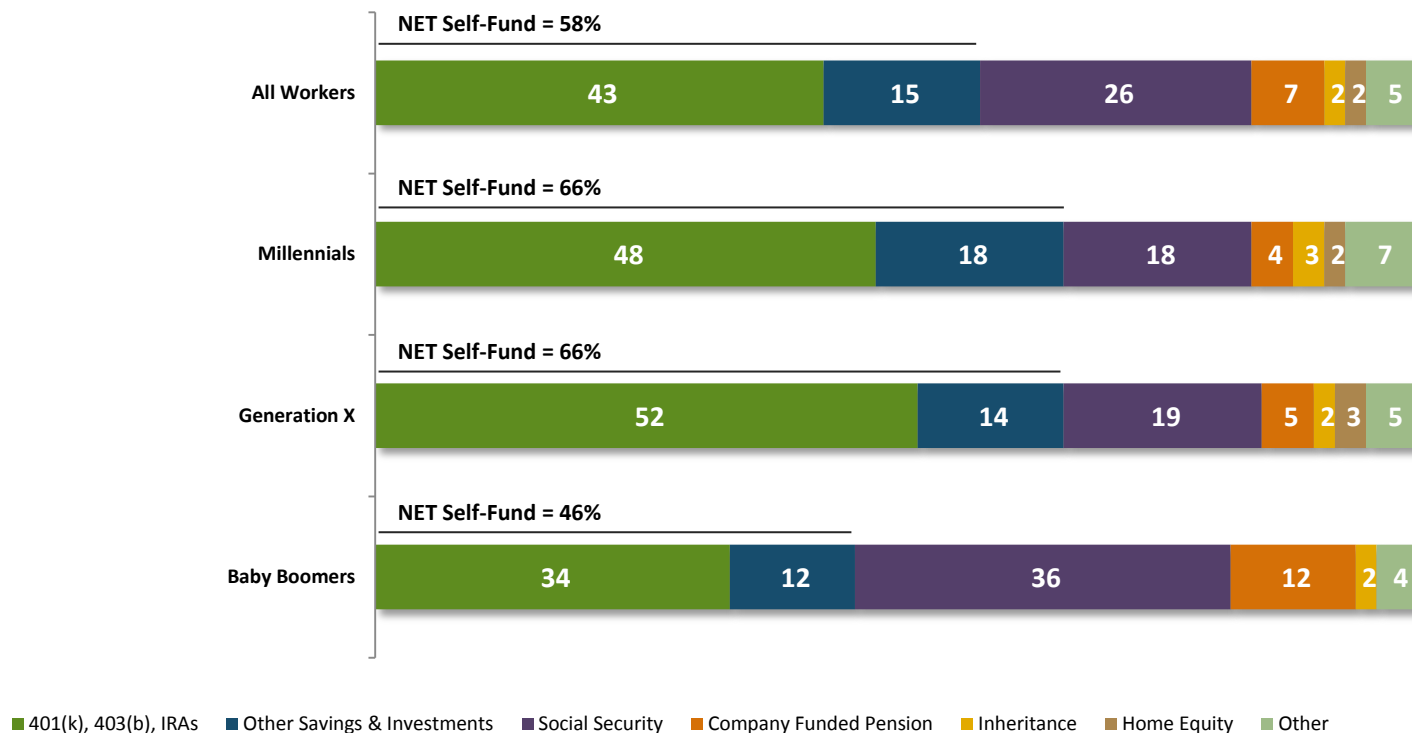


The Current State of Retirement Readiness

Most Workers Expect to Self-Fund Their Retirement

Most workers (58 percent) expect their primary source of income in retirement to be self-funded through retirement accounts or other savings and investments, including 66 percent of both Millennials and Generation X, and 46 percent of Baby Boomers. Generation X (52 percent) is most likely to cite retirement accounts such as 401(k)s, 403(b)s, or IRAs. Baby Boomers (36 percent) are most likely to cite Social Security, up from 26 percent in 2007.

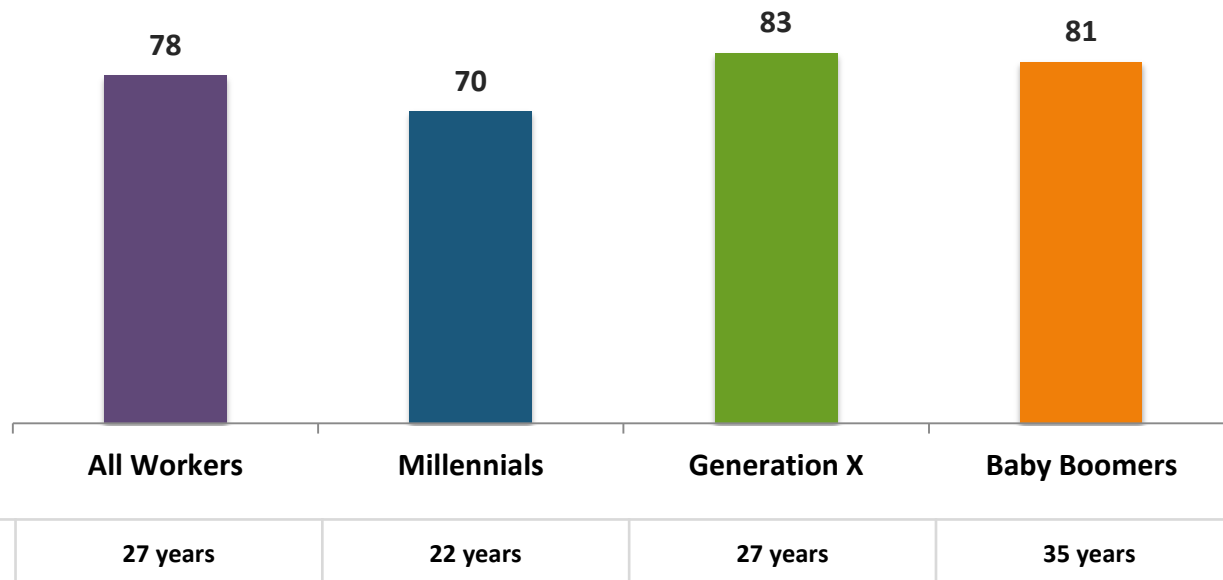
What Do You Expect to be Your Primary Source of Income in Retirement? (%)



Workers Are Saving for Retirement

Seventy-eight percent of workers are saving for retirement either through employer-sponsored plans, such as a 401(k)s or similar plans, or outside the workplace. The vast majority of Generation X (83 percent) and Baby Boomers (81 percent) are saving for retirement. Generation X investors started saving at age 27 (median) while Baby Boomer investors got a later start at age 35 (median). Seventy percent of Millennials are already saving for retirement and getting a strong head start: The median age when Millennial investors started saving is 22.

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



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?

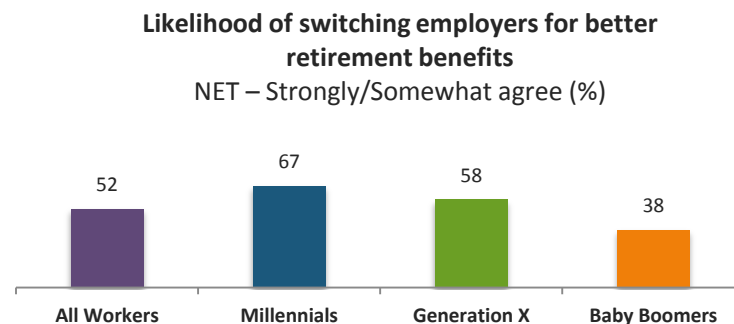
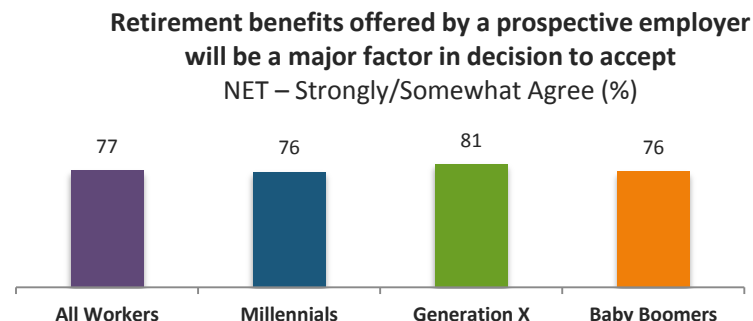
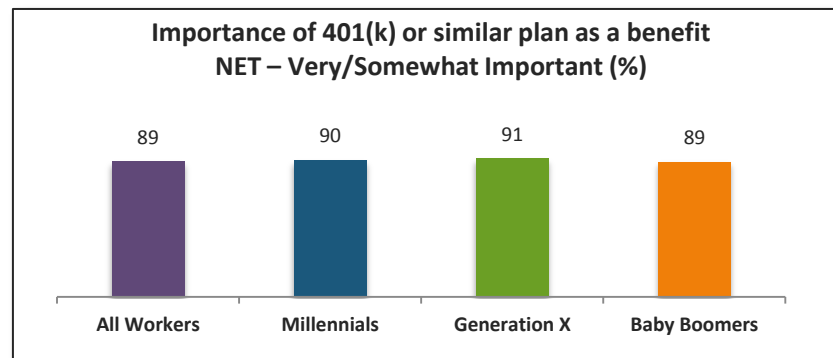
Workers Highly Value Retirement Benefits

Employers take note: Workers highly value retirement benefits.

Fully 89 percent of workers value a 401(k) or similar plan as an important benefit.

Three out of four (77 percent) say that retirement benefits offered by a prospective employer will be a major factor in their decision whether to accept an offer.

More than half (52 percent) say they would be likely to switch employers for a nearly identical job with a similar employer that offered better retirement benefits. Flight risk is greatest among the 67 percent of Millennials who share this sentiment. The majority of Generation X (58 percent) would be likely to switch also. Baby Boomers (38 percent) are far less likely to switch employers for better benefits.



BASE: ALL QUALIFIED RESPONDENTS

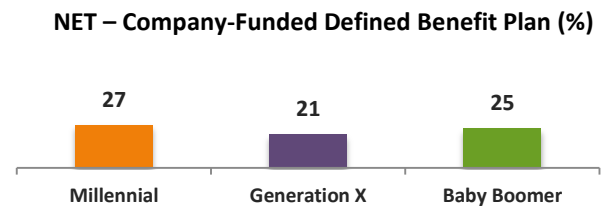
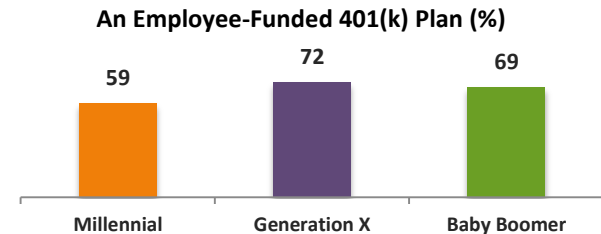
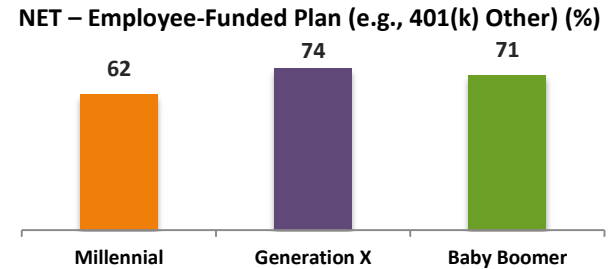
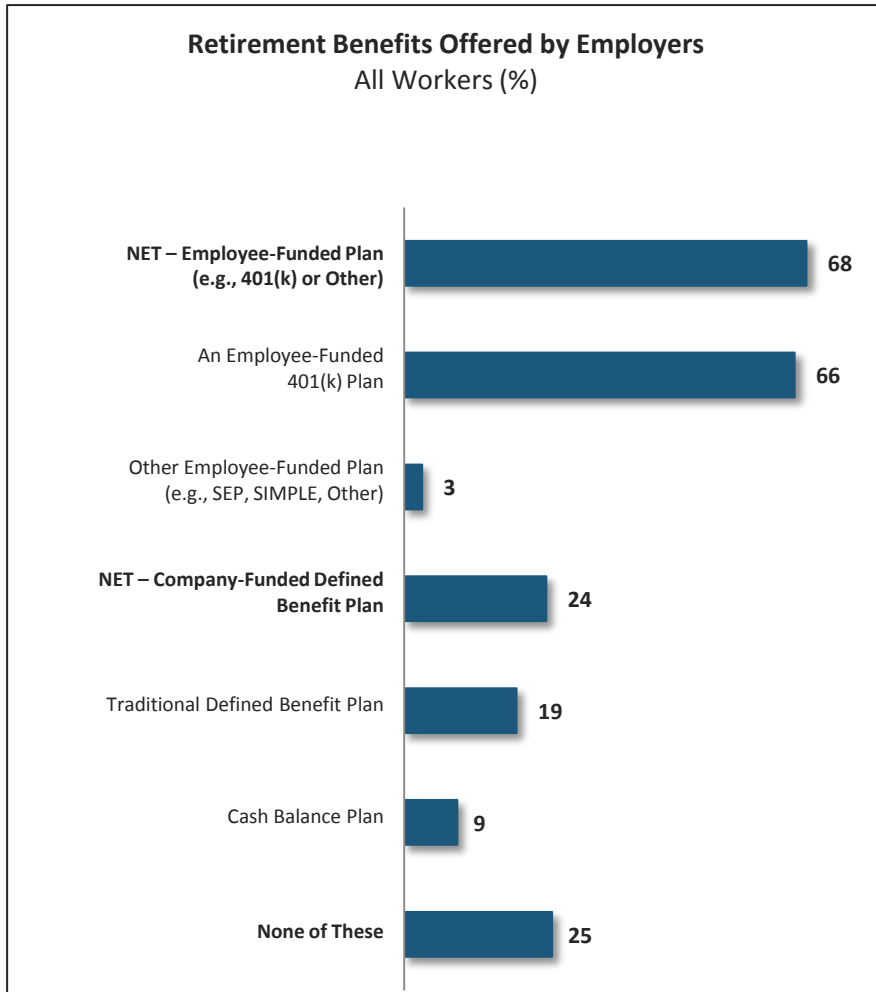
Q1171. Please tell us how important that benefit is to you, personally. 5. A 401(k)/403(b)/457(b) or other employee self-funded plan.

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 Stated Access to Retirement Benefits

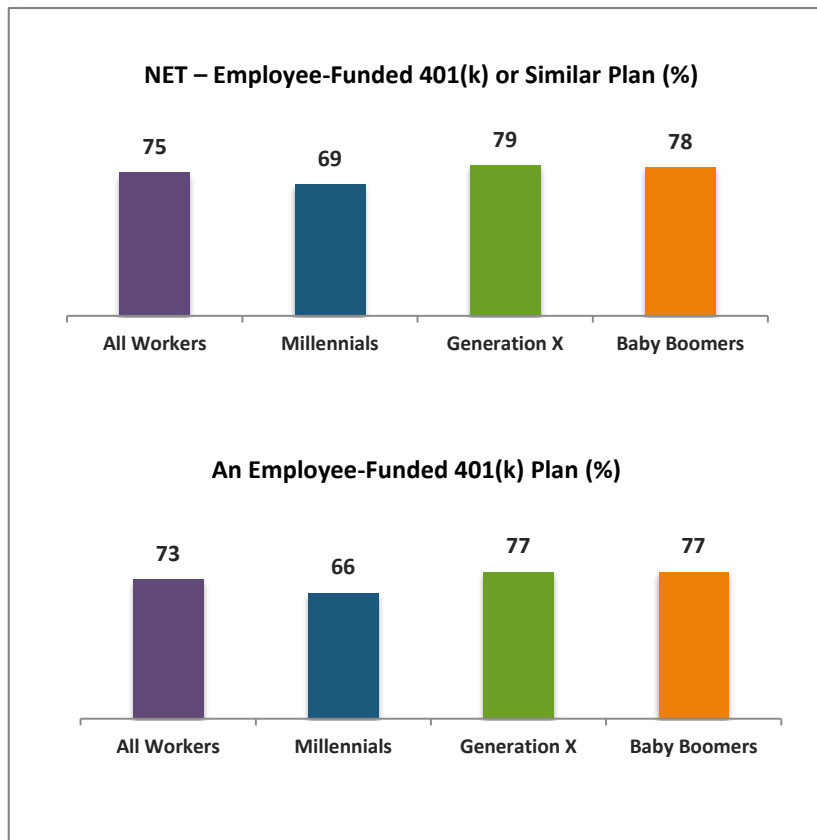
Sixty-eight percent of workers have access to a 401(k) or similar employee-funded retirement plan in the workplace. Generation X (74 percent) are most likely to have access to a plan while Millennials (62 percent) are least likely.



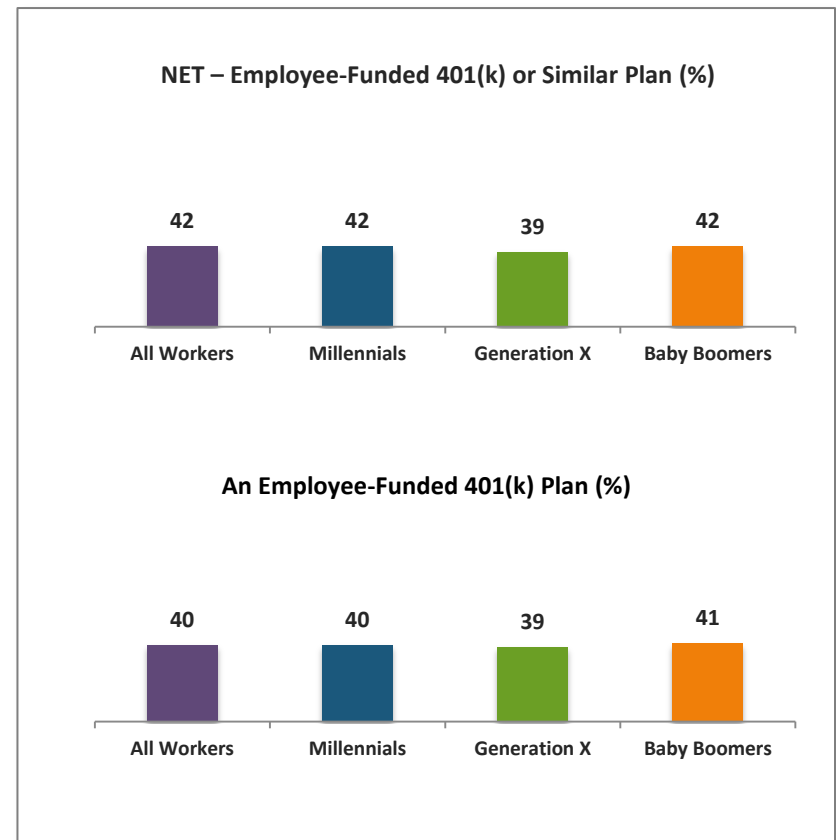
Workers Access to 401(k) or Similar Retirement Plans

Full-time workers (75 percent) are far more likely to have access to a 401(k) or similar employee-funded plan compared to part-time workers (42 percent). Among full-time workers, Millennials (69 percent) are less likely to have benefits compared to Generation X (79 percent) and Baby Boomers (78 percent).

Full-Time Workers



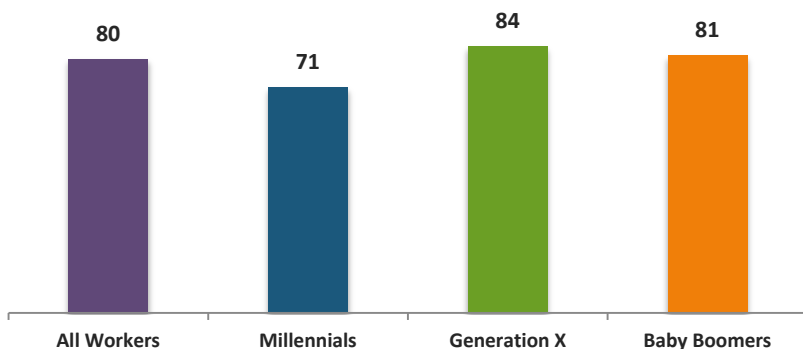
Part-Time Workers



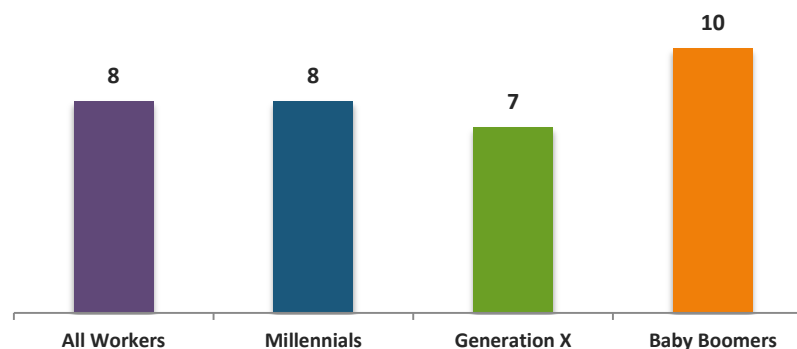
Plan Participation and Salary Deferral Rates

Four out of five workers who are offered a 401(k) or similar plan participate in that plan. Participation rates are highest among Generation X (84 percent) and Baby Boomers (81 percent) with Millennials (71 percent) lagging behind them. Participants are contributing eight percent (median) of their annual salary into their plans. Contribution rates are highest among Baby Boomers at 10 percent (median) with lower rates among Millennials (8 percent) and Generation X (7 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?

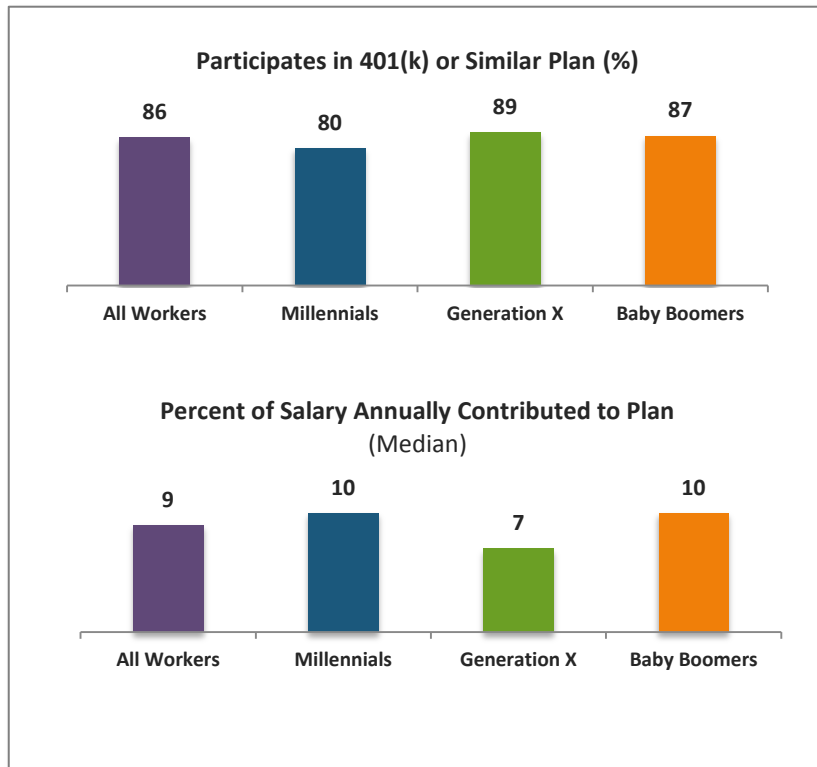
BASE: CURRENTLY PARTICIPATES IN QUALIFIED PLAN

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

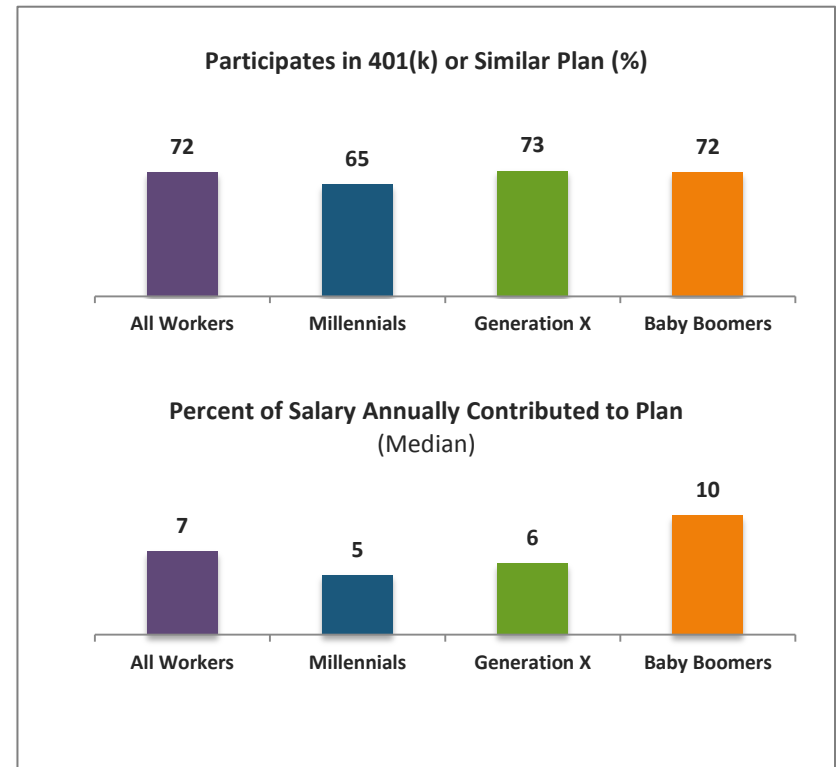
Matching Contributions Drive Participation and Savings

An employer's offering of a matching contribution increases both plan participation and contribution rates. Among workers whose employer offers a match, plan participation rates were 86 percent compared to only 72 percent for those who are not offered a match. Moreover, the annual salary contribution rate for those whose employers offer a match was nine percent (median) compared to only seven percent (median) of those not offered a match. The most profound differences were found among Millennials: 80 percent with a match participate in the plan compared to only 65 percent who are not offered a match; the contribution rate is 10 percent (median) of annual salary for those offered a match and only five percent (median) of those who are not.

Offered Matching Contribution



Not Offered Matching Contribution



BASE: EMPLOYER PROVIDES MATCH/ EMPLOYER DOES NOT PROVIDE MATCH

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

BASE: COMPANY MATCHES CONTRIBUTION/ COMPANY DOES NOT MATCH CONTRIBUTION

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

Majority of Participants Use Professionally Managed Accounts

The majority of plan participants (54 percent) are using some form of professionally managed account in their 401(k) or similar plans. “Professionally managed” accounts refers to a managed account service, strategic allocation funds, and/or target date funds. Millennial participants (62 percent) are mostly likely to use a professionally managed account and the majority of Generation X participants (56 percent) do so as well. Baby Boomers are least likely (47 percent) to use “professionally managed” accounts and more likely (50 percent) to be do-it-yourselfers, setting their own asset allocation percentages among available funds in the plan.

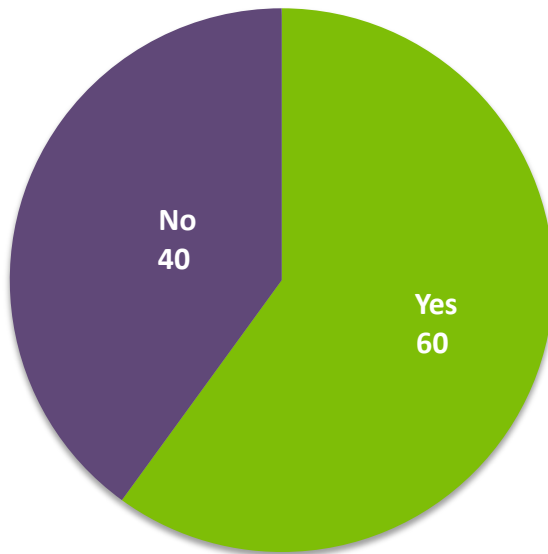
What is your current approach to investing in your employer-sponsored retirement plan? (%)



Majority Currently Saving Outside of Work

Six in ten workers are saving for retirement outside of work. Baby Boomers (64 percent) are most likely to do so, with Generation X (58 percent) and Millennials (56 percent) being somewhat less likely to be saving outside of work.

Saving for Retirement Outside of Work
All Workers (%)



| Generation | Saving Outside of Work (Yes %) |
|--------------|--------------------------------|
| Millennials | 56% |
| Generation X | 58% |
| Baby Boomers | 64% |

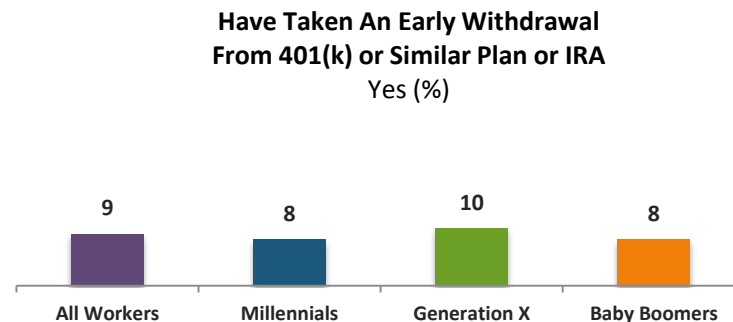
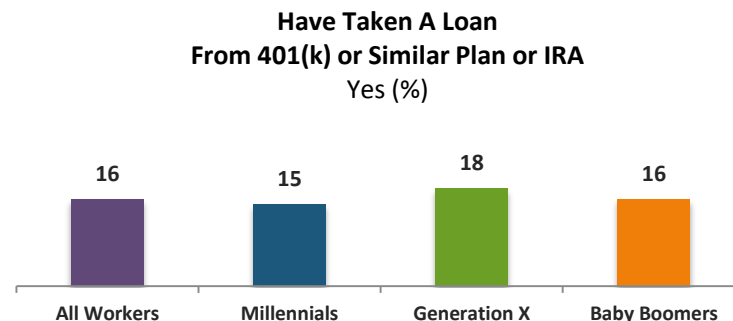
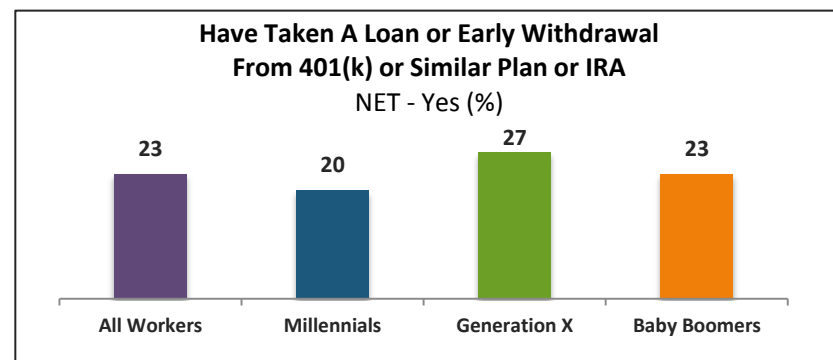
Retirement Plan Leakage: Loans and Withdrawals

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

Among participants who are currently participating in a plan, 23 percent have taken some form of loan and/or early withdrawal from a 401(k) or similar plan or IRA:

- Generation X (27 percent) is most likely to have taken a loan or early withdrawal.
- Baby Boomers (23 percent) are somewhat less likely.
- Millennials (20 percent) are least likely.

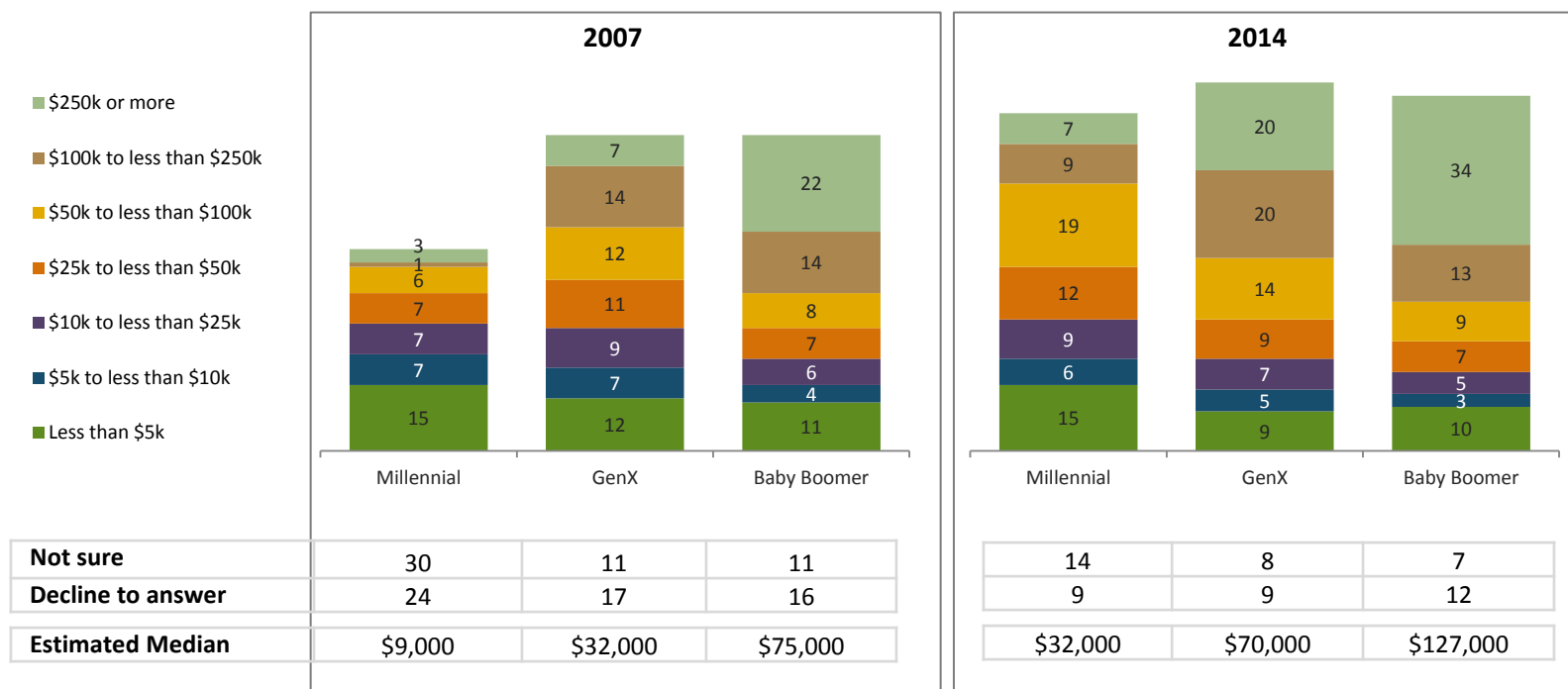
Among all participants, the frequency of taking loans (16 percent) exceeds that of early withdrawals (9 percent).



Household Retirement Savings Have Increased Since 2007

Despite the confidence-shaking events during the economic turbulence in recent years, household retirement savings increased from 2007 to 2014. However, in many instances, this growth in savings is still inadequate to fully fund an individual or family's retirement income needs. Baby Boomers have saved \$127,000 (estimated median) in household retirement accounts compared to \$75,000 in 2007. Savings shortfalls are prompting some 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.

Estimated Retirement Savings Needs

Today's workers estimate they will need \$1 million (median) in retirement. Generation X has estimated the highest need at \$1 million (median) followed by Baby Boomers and Millennials both at \$800,000 (median). Twenty-eight percent of workers believe they need to save \$2 million or more, with Generation X (31 percent) and Millennials (29 percent) more likely to think this.

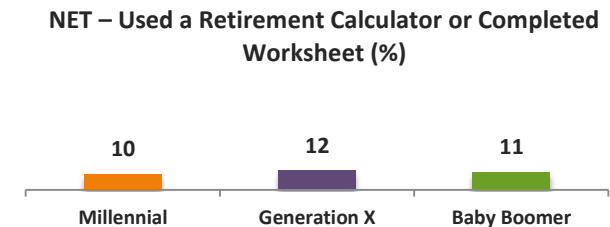
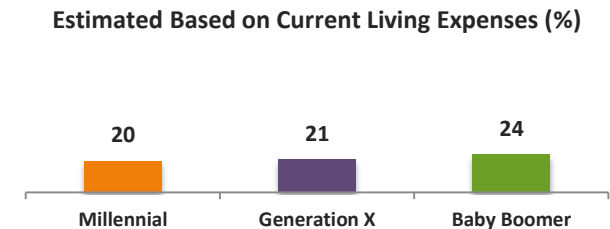
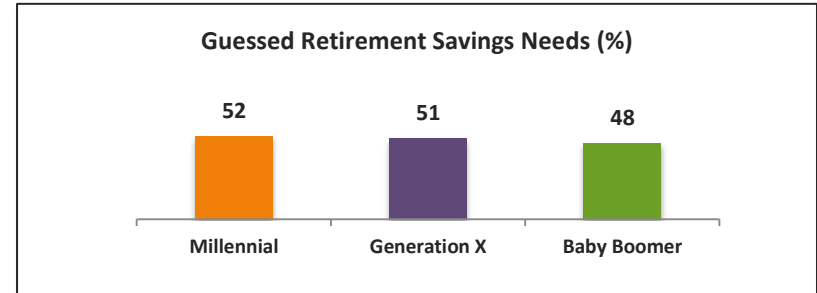
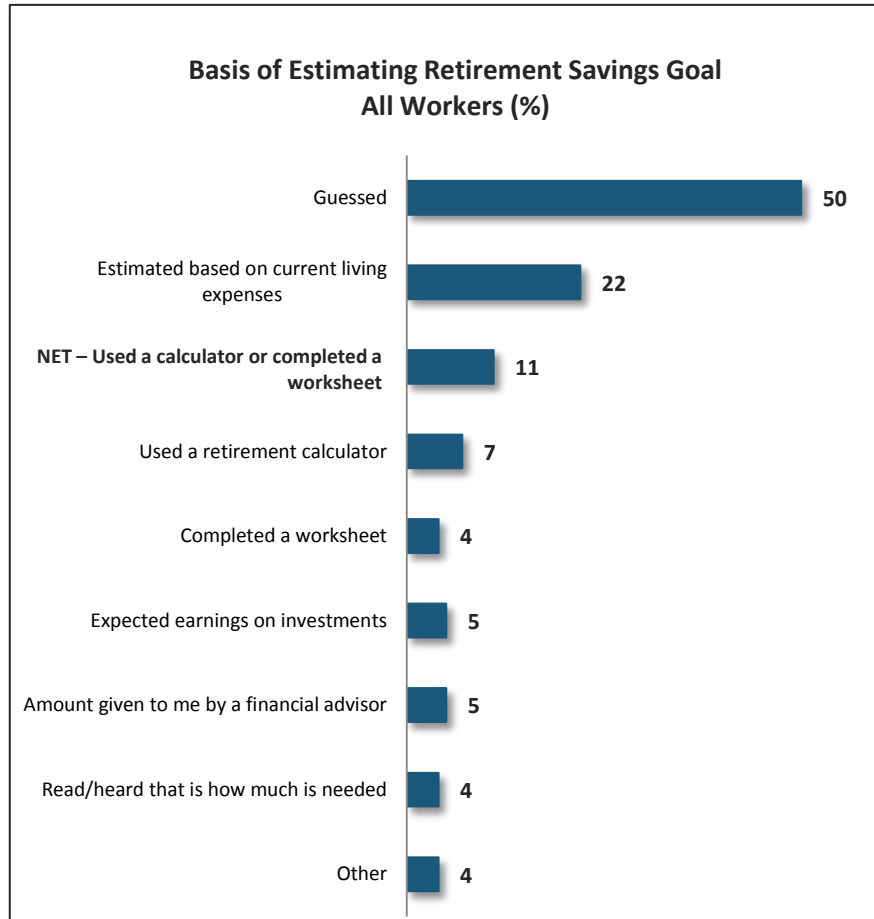
| Estimated Retirement Savings Needs | All Workers | Millennials | Generation X | Baby Boomers |
|------------------------------------|--------------------|------------------|--------------------|------------------|
| < \$500k | 29% | 38% | 24% | 28% |
| \$500k to \$1m | 20% | 15% | 20% | 25% |
| \$1m to \$2m | 22% | 18% | 25% | 24% |
| \$2m or More | 28% | 29% | 31% | 23% |
| Median | \$1,000,000 | \$800,000 | \$1,000,000 | \$800,000 |

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 Savings Needs

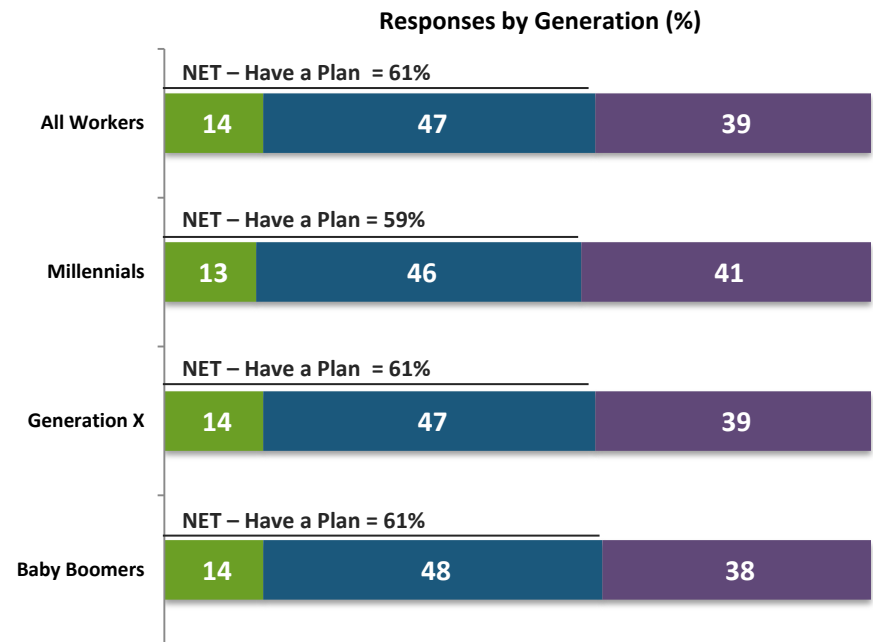
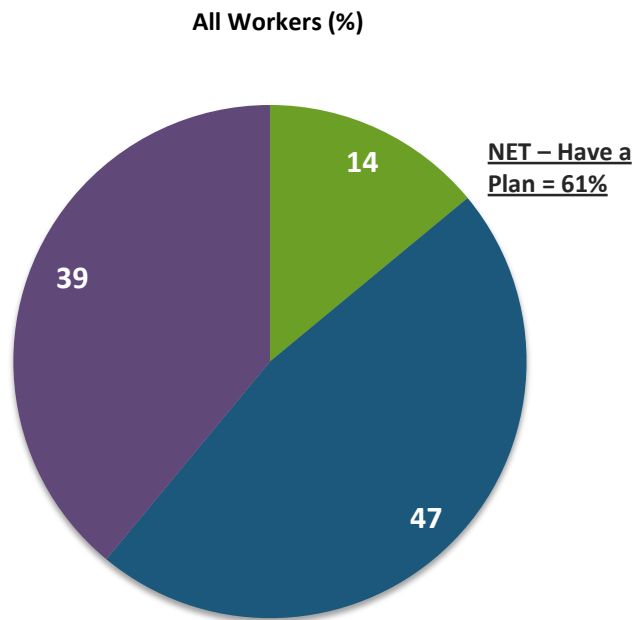
Half of all workers (50 percent) indicate they have guessed their retirement savings needs. Approximately one in five (22 percent) have estimated this goal based on their current living expenses. Just 11 percent have used a retirement calculator or completed a worksheet. Responses are consistent among Baby Boomers, Generation X, and Millennials.



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 (61 percent) have a retirement strategy, but only 14 percent have a written plan (the other 47 percent have a plan but it is not written down). Response rates are strikingly similar among Baby Boomers, Generation X, and Millennials.

How would you describe your retirement strategy? (%)



■ Have a Written Plan
 ■ Have a Plan but Not Written Down
 ■ Do Not 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 strategy have considered on-going living expenses, savings and income needs, government benefits, healthcare costs, and investment returns. However, few have factored inflation, tax planning, long-term care, and estate planning, with an even fewer percentage having factored contingency plans. Baby Boomers typically have factored more into their strategies but are still lacking.

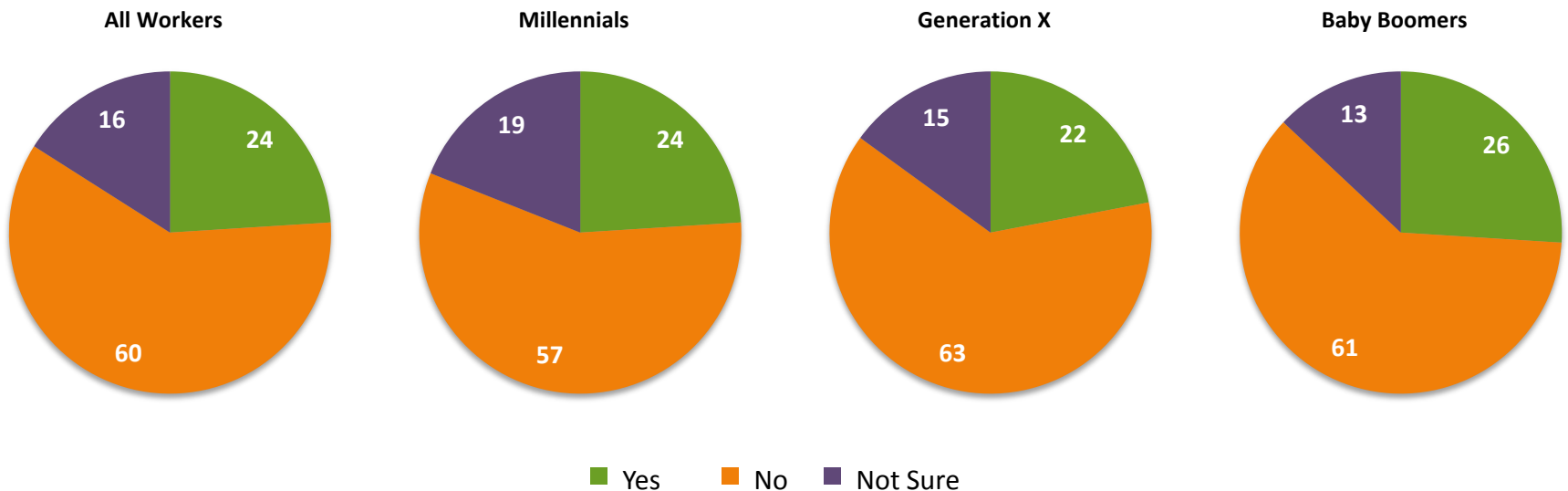
| Components of Strategy | All Workers | Millennials | Generation X | Baby Boomers |
|---|-------------|-------------|--------------|--------------|
| On-going living expenses | 58% | 48% | 56% | 66% |
| Total retirement savings & income needs | 57% | 52% | 56% | 61% |
| Social Security & Medicare benefits | 56% | 39% | 48% | 74% |
| Retirement budget that includes basic living expenses | 53% | 46% | 50% | 61% |
| Healthcare costs | 52% | 47% | 46% | 60% |
| Investment returns | 42% | 31% | 43% | 50% |
| Inflation | 33% | 26% | 39% | 35% |
| Pursuing retirement dreams | 29% | 37% | 22% | 27% |
| Tax planning | 25% | 28% | 24% | 24% |
| Long-term care insurance | 25% | 22% | 30% | 23% |
| Estate planning | 20% | 19% | 18% | 22% |
| Contingency plans for retiring sooner than expected and/or savings shortfalls | 17% | 19% | 19% | 14% |
| Other | 4% | 3% | 2% | 6% |
| Not sure | 6% | 7% | 9% | 4% |

Note: Components of retirement strategy selected by 50% or more of the subgroup are highlighted

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. Only 24 percent of workers have a backup plan for retirement income if forced into retirement sooner than expected. Baby Boomers (26 percent) are slightly more likely to have a backup plan and Generation X (22 percent) is least likely.

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

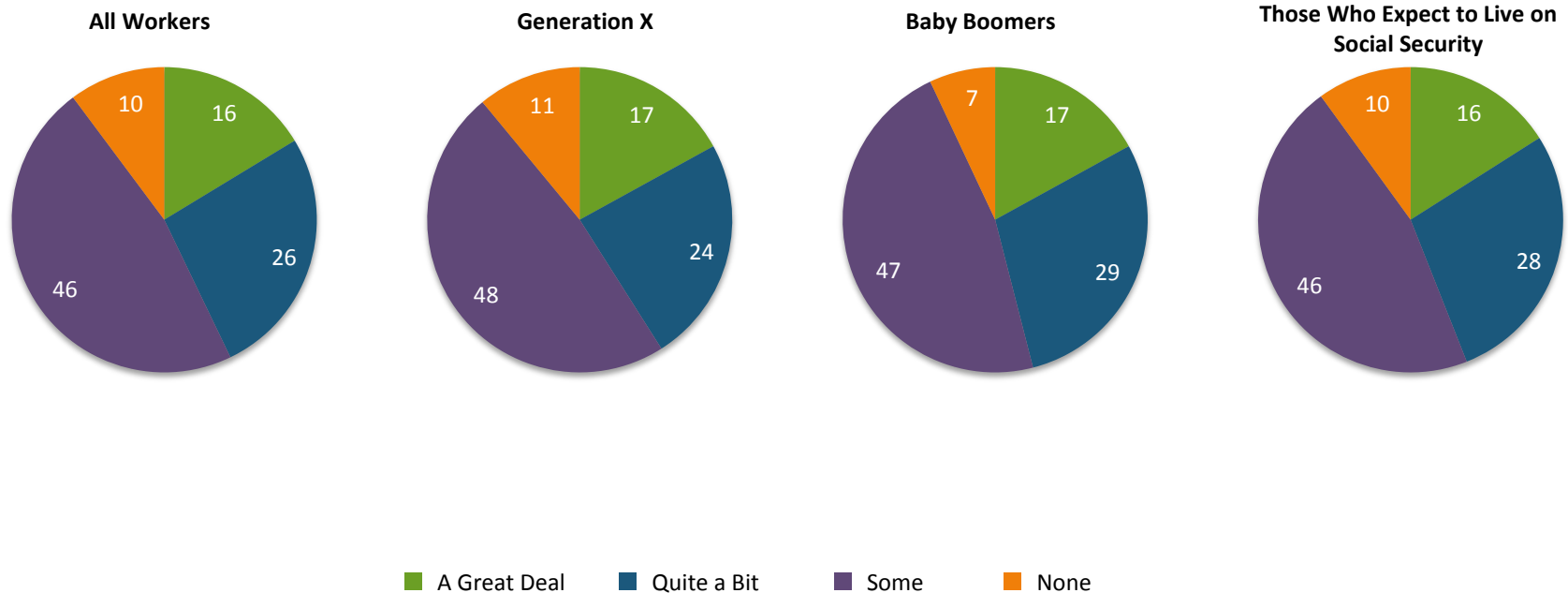


■ Yes ■ No ■ Not Sure

Retirement Knowledge: Social Security Benefits

A strong knowledge of government benefits is important for all future retirees and especially important for workers nearing retirement. Only 17 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 16 percent know a “great deal” about Social Security benefits.

Level of Understanding re: Social Security Benefits (%)



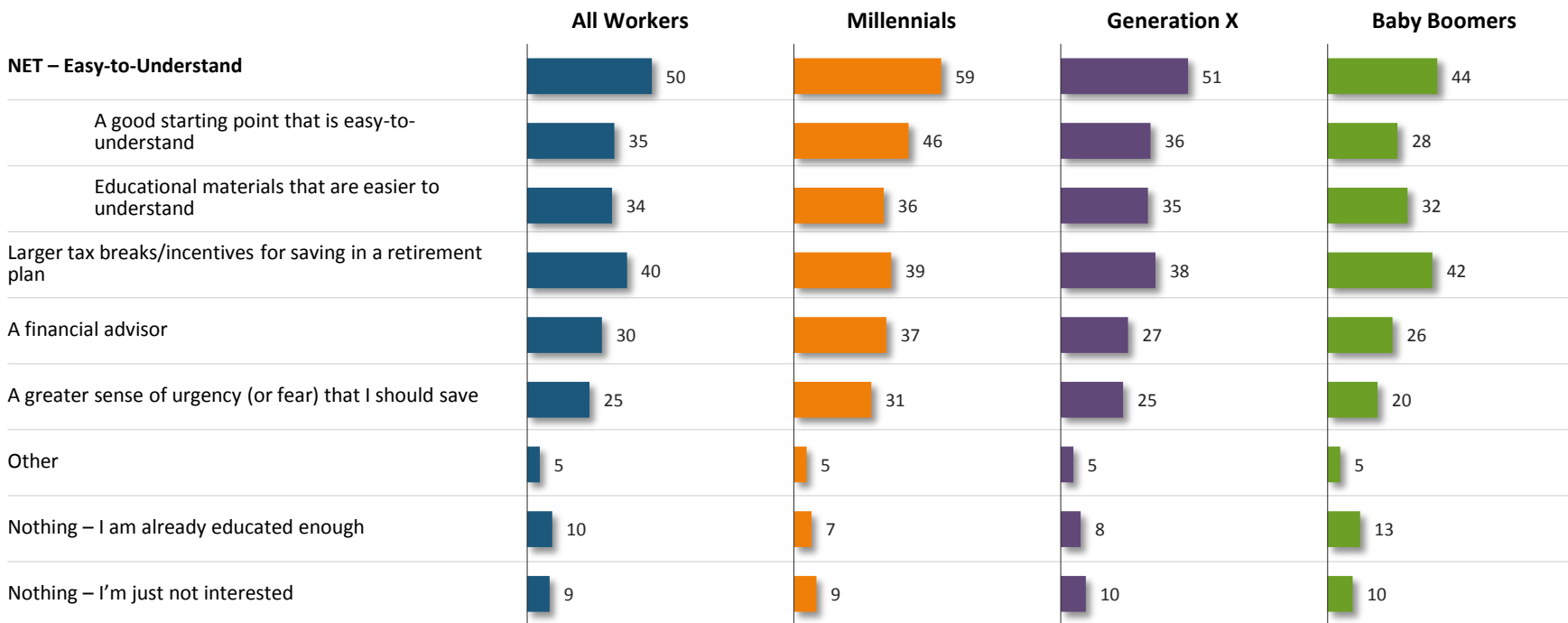
BASE: ALL QUALIFIED RESPONDENTS

Q1541. How good of an understanding do you have of Social Security?

Motivators to Inspire Learning: Make It Easier to Understand

When workers were asked what would motivate them to learn more about saving and investing for retirement, the most frequently cited motivators among workers of all generations were related to making it easier to understand. Millennials (59 percent) were most likely to want saving and investing to be made easier to understand with Generation X (51 percent) and Baby Boomers (44 percent) sharing that sentiment. Larger tax breaks and incentives for saving in a retirement plan, and a financial advisor were also frequently cited motivators across generations. Baby Boomers (42 percent) were somewhat more likely to mention larger tax breaks as a motivator among all three generations.

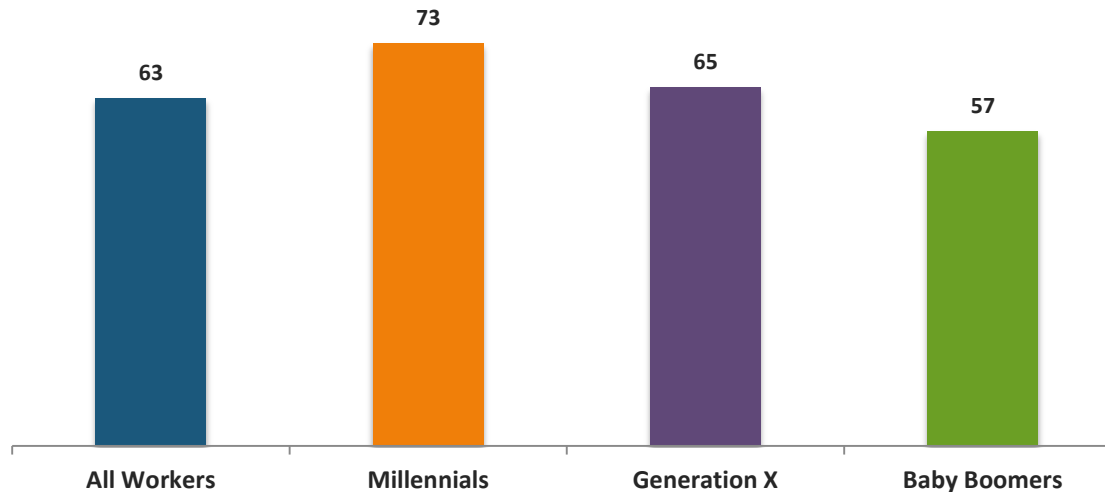
What would motivate you to learn more about saving and investing for retirement? (%)



Most Participants Want More Retirement Education and Advice

The majority of plan participants (63 percent) would like more education and advice from their employers on how to reach their retirement goals. This desire is highest among Millennials (73 percent) with strong responses from Generation X (65 percent) and Baby Boomers (57 percent).

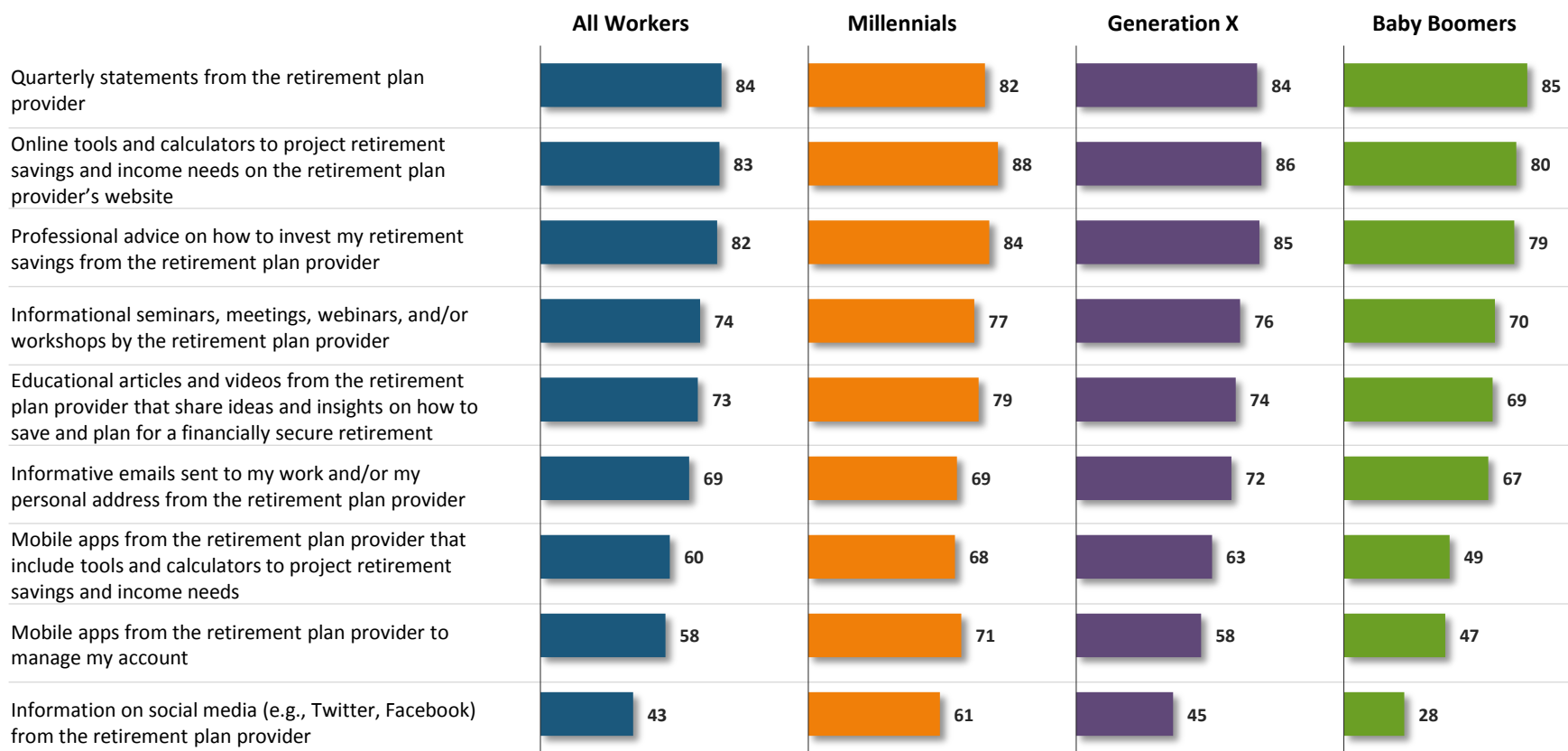
“I would like to receive more information and advice from my company on how to achieve my retirement goals.”
NET – Strongly/Somewhat Agree (%)



Helpfulness of Employer Offerings

Workers participating in a 401(k) or similar plan find many of the resources and tools offered through the plan to be helpful. Among generations, there are similar levels of agreement on the helpfulness of tools offered. Of note, Millennials are most likely to find tools to be helpful – especially tools that are technology-based. A dramatic example: 71 percent of Millennials find mobile apps to manage their accounts to be helpful compared to just 47 percent of Baby Boomers.

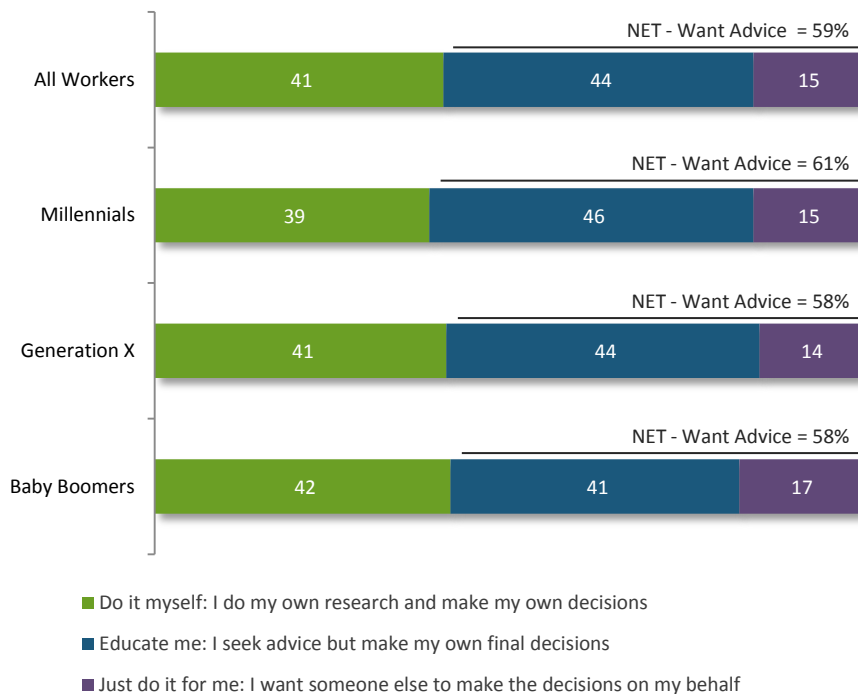
**How helpful do you find the following from your employer’s retirement plan provider?
NET – Very/Somewhat Helpful (%)**



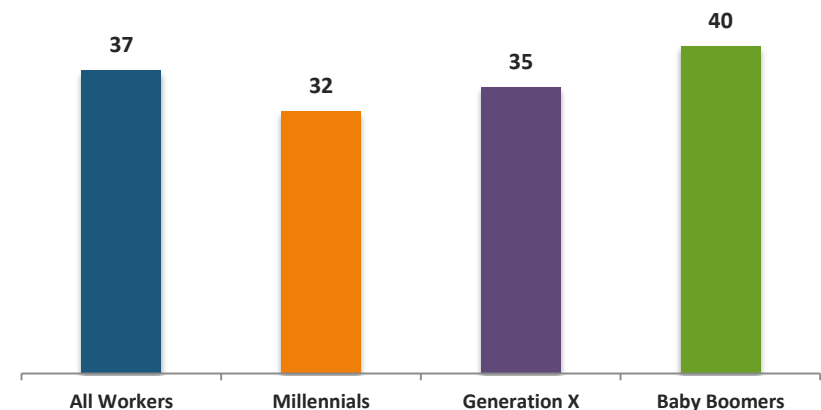
Most Want Some Form of Advice Yet Few Have an Advisor

Most workers (59 percent) say they want some level of advice when saving and investing for retirement, with 44 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 37 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 you use a professional financial advisor to help manage your retirement savings or investments?
Yes (%)



BASE: ALL QUALIFIED RESPONDENTS

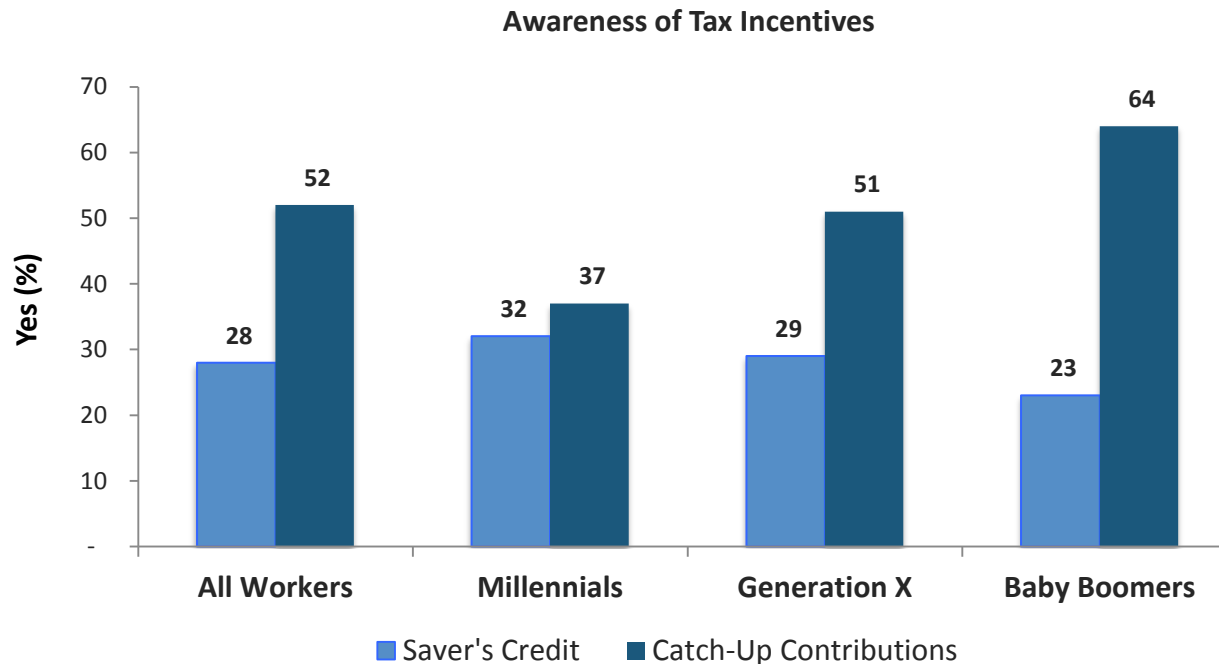
Q705. How would you describe yourself when it comes to saving and investing for retirement?

BASE: INVESTING FOR RETIREMENT

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

Incentives: Saver's Credit & Catch-Up Contributions

Forty percent of workers indicated that greater tax breaks and incentives would be a motivator for them to learn more about saving and investing for retirement (see page 56). Two meaningful incentives include: the Saver's Credit, a tax credit for low- to moderate-income workers 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 28 percent of all workers are aware of the Saver's Credit. With the last of the Baby Boomers turning 50 this year and Generation X starting to turn 50 next year, Catch-Up Contributions are a noteworthy and relevant incentive for them; however, only 51 percent of Generation X and 64 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?

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