



# 17<sup>th</sup> Annual Transamerica Retirement Survey

*Influences of Company Size on Retirement Readiness*

**TRANSAMERICA CENTER**  
FOR RETIREMENT STUDIES®

December 2016

# Welcome to the 17<sup>th</sup> Annual Transamerica Retirement Survey

Welcome to this compendium of insights and findings from the *17<sup>th</sup> Annual Transamerica Retirement Survey of Workers* from the Transamerica Center for Retirement Studies® (TCRS).

This report is an exploration of retirement preparedness of American workers that offers perspectives on retirement confidence, access to employer-sponsored retirement benefits, savings rates, and planning-related activities. It is comprised of these chapters:

- ***The American Worker – An Overview.*** This chapter contains a comprehensive set of more than 50 key measures of retirement preparedness and 5-year trend analysis looking at overall survey findings among workers of for-profit companies of 10 or more employees.
- ***Influences of Demographics on Retirement Preparations.*** These chapters are demographic segmentation analyses by employer size, generation, gender, household income, level of education, and ethnicity. Each chapter presents a concise set of approximately 30 key measures for each demographic segment.

We hope that you find this compendium to be a helpful source of retirement-related research and survey data. If you are seeking survey data that you do not find in this report, please contact TCRS at [info@transamericacenter.org](mailto:info@transamericacenter.org) and we will do our best to assist you.

Thank you.

# 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](http://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 1998, 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 17th 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 around the world. 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](mailto:ConsumerInsightsNAInfo@Nielsen.com).

# Worker Survey Methodology

- A 25-minute, online survey was conducted between April 8 – May 6, 2016 among a nationally representative sample of 4,161 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
- A supplementary survey among 1,198 workers, with the same criteria as above, was fielded from August 1 – 8, 2016 for a subset of questions. Those questions have been marked in the report where they appear.
- 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.
- This report focuses on full-time and part-time workers combined.

# Terminology

*This report uses the following terminology:*

## Generation

- *Millennial:* Born 1979 - 2000
- *Generation X:* Born 1965 - 1978
- *Baby Boomer:* Born 1946 - 1964

## Company Size

- *Small Company:* 10 to 499 employees
- *Large Company:* 500 or more employees

## All Workers

- Refers to all workers age 18 and older



# Influences of Company Size on Retirement Readiness

## *Detailed Findings*

# Influences of Company Size on Retirement Readiness

Access to retirement benefits can improve the long-term financial health and wealth of workers. Large companies (500+ employees) typically offer more robust benefits, including retirement benefits, to their employees than small companies (10 to 499 employees). Increasing access to retirement benefits among all workers, especially those in small companies, can help them achieve higher levels of retirement readiness.

## Thirty Indicators of Retirement Readiness

- **Recovery From the Great Recession.** Workers of small and large companies report similar stages of financial recovery from the Great Recession. Nearly four in ten workers in small companies (37 percent) and in large companies (40 percent) say they were either “not impacted” or have “fully recovered.” One in five workers of both company sizes say they have “not yet begun to recover” or feel they may “never recover.”
- **Confidence in Retiring Comfortably.** Retirement confidence is relatively consistent between workers of small and large companies, with 62 percent being “somewhat” or “very” confident.
- **Building a Large Enough Nest Egg?** About half of workers in small companies (52 percent) and large companies (51 percent) agree they are building a large enough nest egg.
- **Retirement Dreams Include Leisure and Work.** Workers of both small companies (63 percent) and large companies (66 percent) most frequently cite traveling as a retirement dream. Other frequently cited dreams include spending more time with family and friends (57 percent small companies, 56 percent large companies), and pursuing hobbies (46 percent small companies, 51 percent large companies). Interestingly, 30 percent of workers in small companies and 27 percent in large companies dream of doing some sort of work in retirement.
- **Age Planning to Live to.** Both small and large company workers share similar expectations regarding age they are planning to live to. Large company workers are planning to live to an older age of 89 (median) — and 18 percent of them are planning to become centenarian. Small company workers are planning to live to age 85 (median) with 14 percent planning to live to 100+.



# Influences of Company Size on Retirement Readiness

- **Retirement Beliefs.** Most workers in small companies (80 percent) and large companies (83 percent) agree that people in their generation will have a much harder time in achieving financial security compared to their parent's generation. Most workers in small companies (76 percent) and large companies (78 percent) are concerned that Social Security will not be there when they retire.
- **Current Financial Priorities.** Most workers in both small (61 percent) and large (53 percent) companies indicate that saving for retirement is a current financial priority. More than 40 percent say “just getting by - covering basic living expenses” is a priority. Approximately two in five workers of both small and large companies cite paying off credit card or consumer debt as a priority.
- **Greatest Financial Priority Right Now.** Financial priorities among workers of small and large companies are similarly shared. The top three most frequently cited priorities among workers are “saving for retirement” (25 percent small, 27 percent large), “just getting by” (20 percent small, 23 percent large), and “paying off debt” (15 percent small, 19 percent large).
- **Expected Sources of Retirement Income.** Self-funded savings including retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) and other savings and investments are the most frequently cited source of retirement income expected by workers of both company sizes: 75 percent of small company workers and 81 percent of large company workers. This is closely followed by Social Security as an expected source of retirement income for 68 percent of small company workers and 72 percent of large company workers.
- **Expected Primary Source of Income in Retirement.** Workers of large companies (37 percent) are more likely to expect to rely on retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) as their primary source of income in retirement compared to workers of small companies (33 percent). Expectations that “working” will be their primary source of income is similarly shared among workers of small and large companies (16 and 14 percent, respectively).
- **Percentage Saving for Retirement / Age They Started to Save.** More large company workers (80 percent) than small company workers (73 percent) are saving for retirement at work through their employer and/or outside of work. The median age at which workers started saving is relatively consistent between small (age 27) and large (age 26) company workers.

# Influences of Company Size on Retirement Readiness

- **Importance of Retirement Benefits Compared to Other Benefits.** Most workers of small and large companies believe that retirement benefits are important. Large company workers (90 percent) are somewhat more likely than those of small companies (86 percent) to value a 401(k) or similar plan as an important benefit.
- **Retirement Benefits Currently Offered.** Most workers are offered a 401(k) or other self-funded plan by their employers; however, access is greater among workers of large companies (80 percent) compared to those of small companies (60 percent). Relatively few workers are offered a traditional company-funded defined benefit plan.
- **Retirement Plan Participation.** Among workers who are offered a 401(k) or similar plan, the participation rate is similar among large company workers (78 percent) and small company workers (77 percent).
- **Retirement Plan Contribution Rate.** Among workers who participate in a 401(k) or similar plan, the median contribution rate is directionally lower among large company workers (8 percent) than small company workers (9 percent).
- **Approach to Investing in Retirement Plan.** “Professionally managed” accounts refers to a managed account service, strategic allocation funds, and/or target date funds. Many plan participants in both small (62 percent) and large companies (58 percent) are using some form of professionally managed offering in their 401(k) or similar plans. Small business workers (42 percent) are slightly more likely to set their own asset allocation among the available funds compared to large company workers (40 percent).
- **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 those who are currently participating in a plan, 25 percent of small company and 28 percent of large company workers have taken some form of loan, early withdrawal, and/or hardship withdrawal from a 401(k).

# Influences of Company Size on Retirement Readiness

- **Estimated Emergency Savings.** Workers of both small and large companies lack emergency savings that could help cover the cost of a major financial setback (e.g., unemployment, medical bills, home repairs, auto repairs, other). Both groups reported having saved just \$5,000 (median) for such emergencies. More than one-third of small company (34 percent) and large company workers (35 percent) have saved less than \$5,000. Of concern, one in five workers are unsure how much they have saved in emergency savings: 25 percent of small company workers and 22 percent of large company workers.
- **Estimated Retirement Savings Needs.** Workers of both large and small companies believe that they will need to save \$500,000 (median) to feel financially secure when they retire.
- **Basis for Estimating Retirement Savings Needs.** Among those who provided an estimate of their retirement savings needs, almost half of workers of both small (45 percent) and large companies (48 percent) say that they “guessed” how much they need to save. Approximately one in five estimated the amount based on current living expenses, and fewer than 10 percent used a retirement calculator.
- **Asset Allocation of Retirement Investments.** Workers of both large and small companies (40 and 43 percent, respectively) most frequently indicate that their retirement savings are invested in relatively equal mix of stocks and investments such as bonds, money market funds and cash. A concerning one in five say that they are “not sure” how their savings are invested.
- **Retirement Strategy: Written, Unwritten, or None.** Most workers of both small and large companies (63 percent) say that they have some form of retirement strategy, either written or unwritten. However, only 18 percent of small company workers and 16 percent of large company workers have a written plan.
- **Confidence that Financial Strategy Will Enable Travel Goals.** Among workers who dream of traveling in retirement, most are confident their current financial strategy will allow them to meet their retirement travel goals including 60 percent of small company workers and 57 percent of large company workers. However, relatively few workers are “very” confident (17 percent small companies, 18 percent large companies). Interestingly, some workers haven’t given much thought to it (15 percent small companies, 17 percent large companies).

# Influences of Company Size on Retirement Readiness

- **Professional Financial Advisor Usage.** Small company workers (41 percent) are more likely to use a professional financial advisor to help manage their retirement savings or investments compared to large company workers (37 percent).
- **Total Household Retirement Savings.** Workers of large companies report higher levels of total household savings in retirement accounts compared to those of small companies. Large company workers have saved \$87,000 (estimated median), while small company workers have saved \$56,000 (estimated median). Large company workers (28 percent) are also more likely than small company workers (24 percent) to say that they have saved \$250,000 or more.
- **Expected Retirement Age.** The majority of both small company workers (57 percent) and large company workers (52 percent) plan to work past age 65 or do not plan to retire. Large company workers (27 percent) are more likely than small company workers (20 percent) to expect to retire before age 65. A similar percentage of small company workers (23 percent) and large company workers (21 percent) expect to retire at age 65.
- **Expectations of Working in Retirement.** More than half (54 percent) of workers in small companies plan to work full- or part-time in retirement, while just under half (49 percent) of large company employees plan to do so.
- **Retirement Transitions: Phased Versus Immediate.** Many workers are planning to either transition into retirement by changing work patterns (e.g., shifting from full- to part-time or working in a different capacity) or planning to continue working until they cannot work any longer, with workers of small companies being somewhat more likely to be planning for both of these scenarios. More large company workers (26 percent) than small company workers (20 percent) plan to immediately stop working and retire once they reach a specific age or amount of money.

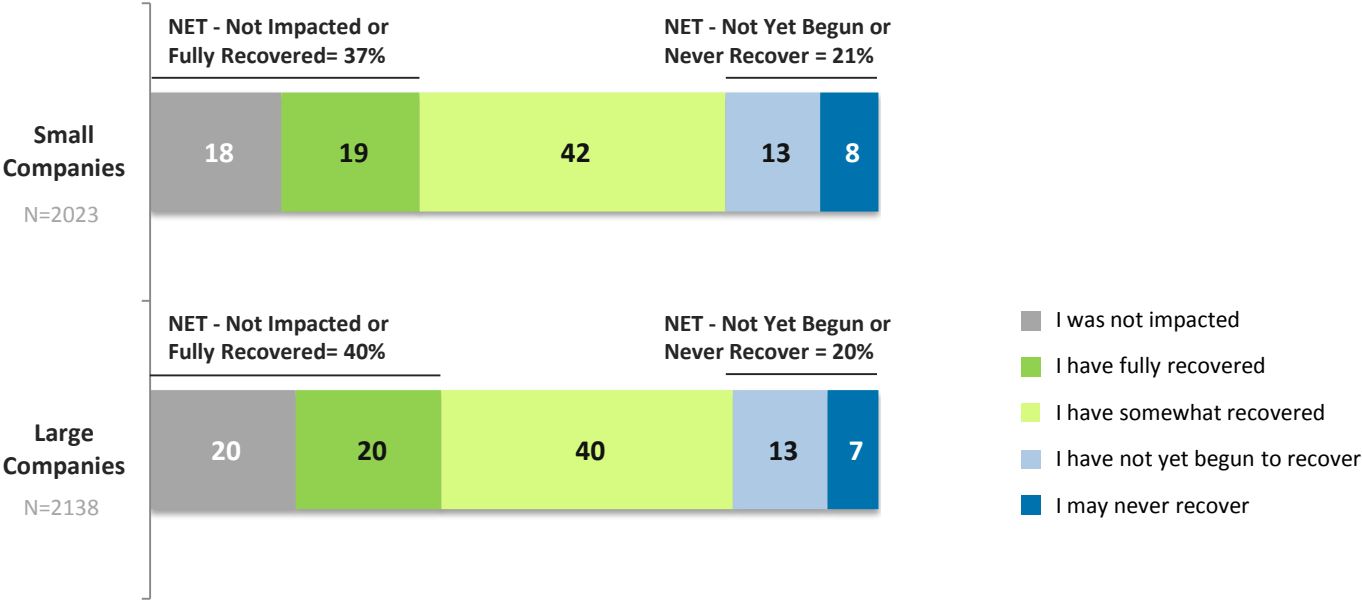
# Influences of Company Size on Retirement Readiness

- **Awareness of the Saver's Credit.** The IRS Saver's Credit is a tax credit available to eligible taxpayers who are saving for retirement in a qualified retirement plan or IRA. Workers in small companies (35 percent) are somewhat more likely to be aware of the credit, compared to workers in large companies (31 percent).
- **Retirement Security Priorities for the New President and Congress.** With the November 2016 election in mind, workers across company size most frequently cite fully funding Social Security as a priority for the new President and Congress to help Americans prepare for a financially secure retirement: 55 percent of small company workers and 61 percent of large company workers. Other top cited responses include “encouraging 401(k) plans to offer the option to pay retirement benefits in a form that guarantees retirees a set monthly income for life,” and “encouraging employers with a 401(k) or similar plan to enable their part-time workers to participate in the plan.”

# Recovery From the Great Recession

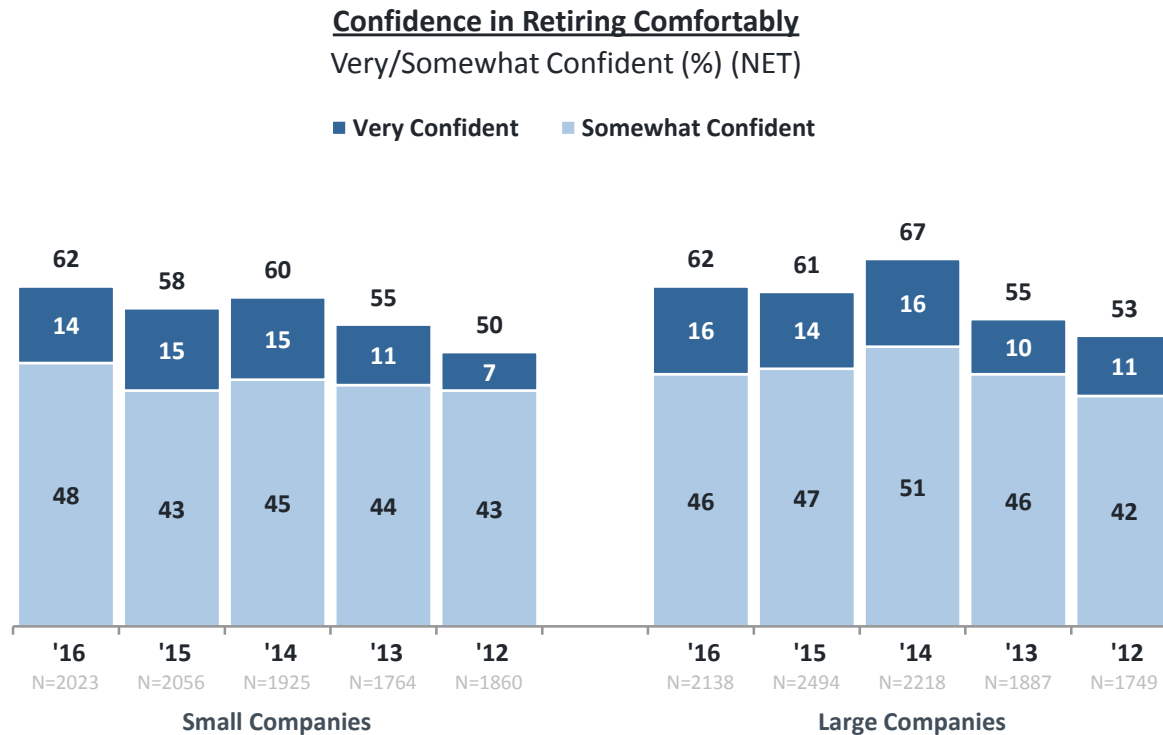
Workers of small and large companies report similar stages of financial recovery from the Great Recession. Nearly four in ten workers in small companies (37 percent) and in large companies (40 percent) say they were either were “not impacted” or have “fully recovered.” One in five workers of both company sizes say they have “not yet begun to recover” or feel they may “never recover.”

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



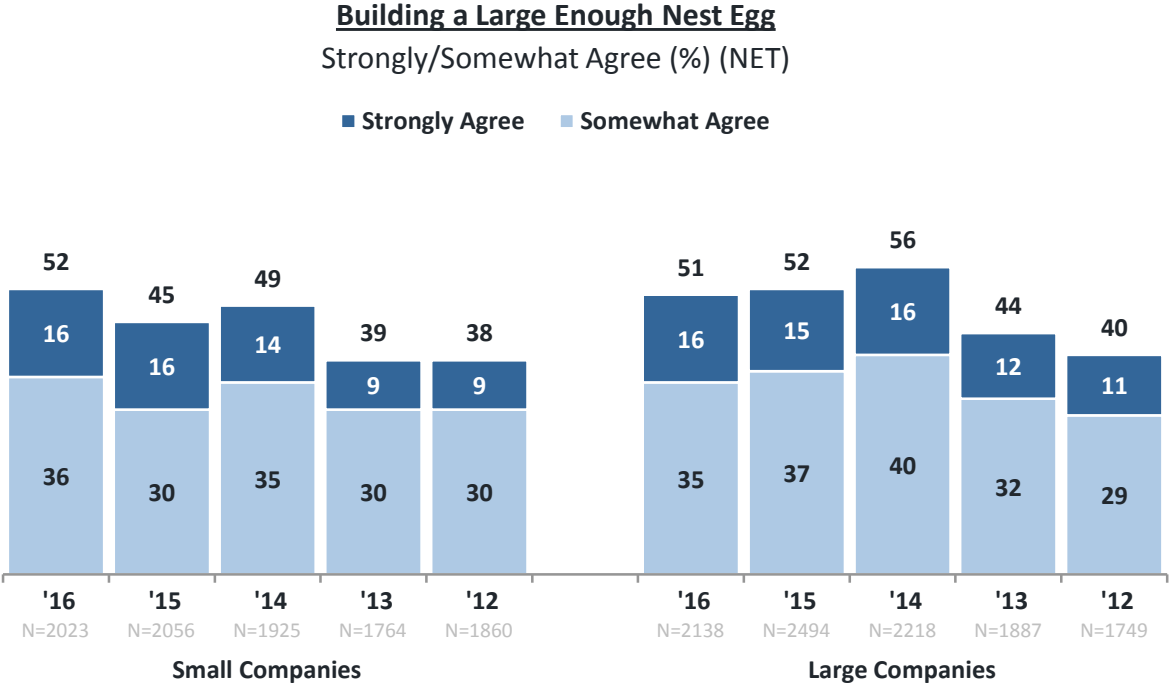
# Confidence in Retiring Comfortably

Retirement confidence is relatively consistent between workers of small and large companies, with 62 percent being “somewhat” or “very” confident. Confidence among small company workers has increased since last year while remained much the same among large company workers.



# Building a Large Enough Nest Egg?

About half of workers in small companies (52 percent) and large companies (51 percent) agree they are building a large enough nest egg. The percentage of workers who agree they are building a large enough nest egg has increased since 2012. Among small company workers, it has increased significantly since last year.

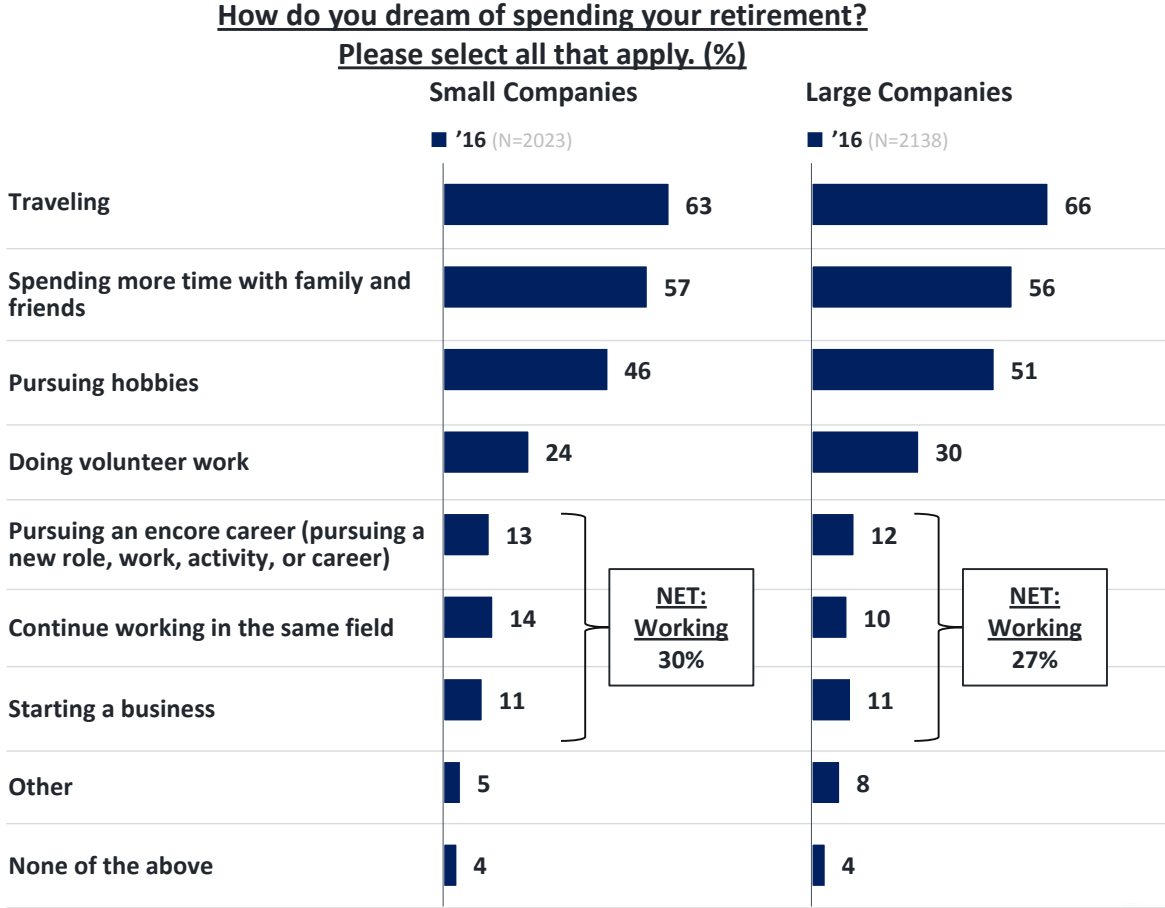


BASE: ALL QUALIFIED RESPONDENTS  
Q800. How much do you agree or disagree that you are currently building a large enough retirement nest egg?



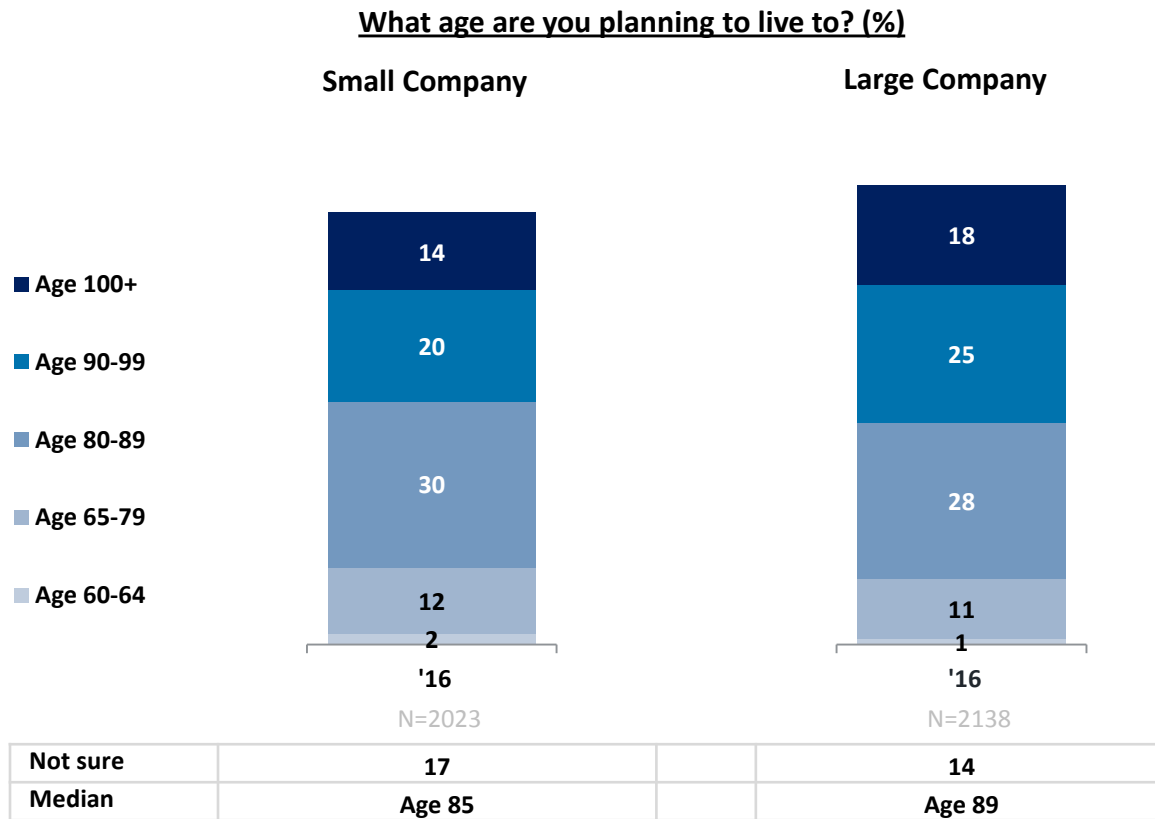
# Retirement Dreams Include Leisure and Work

Workers of both small companies (63 percent) and large companies (66 percent) most frequently cite traveling as a retirement dream. Other frequently cited dreams include spending more time with family and friends (57 percent small companies, 56 percent large companies), and pursuing hobbies (46 percent small companies, 51 percent large companies). Interestingly, 30 percent of workers in small companies and 27 percent in large companies dream of doing some sort of work in retirement.



# Age Planning to Live to

Both small and large company workers share similar expectations regarding age they are planning to live to. Large company workers are planning to live to an older age of 89 (median) – and 18 percent of them are planning to become centenarian. Small company workers are planning to live to age 85 (median) with 14 percent planning to live to 100+.



# Retirement Beliefs

Most workers in small companies (80 percent) and large companies (83 percent) agree that people in their generation will have a much harder time in achieving financial security compared to their parent's generation. Most workers in small companies (76 percent) and large companies (78 percent) are concerned that Social Security will not be there when they retire. Workers of small and large companies similarly agree on other attitudes and behaviors related to retirement investing.

## How Much Do You Agree or Disagree?

Strongly/Somewhat Agree (%) (NET)

\*\*Compared to my parent's generation, people in my generation will have a much harder time in achieving financial security

\*\*I am concerned that when I am ready to retire, Social Security will not be there for me

\*My current employer is supportive of its employees working past 65

I do not know as much as I should about retirement investing

I could work until age 65 and still not have enough money saved to meet my retirement needs

I am currently very involved in monitoring and managing my retirement savings

I would like to receive more information and advice from my company on how to reach my retirement goals

I would prefer to rely on outside experts to monitor and manage my retirement savings plan

\*I am satisfied with the retirement plan my company offers

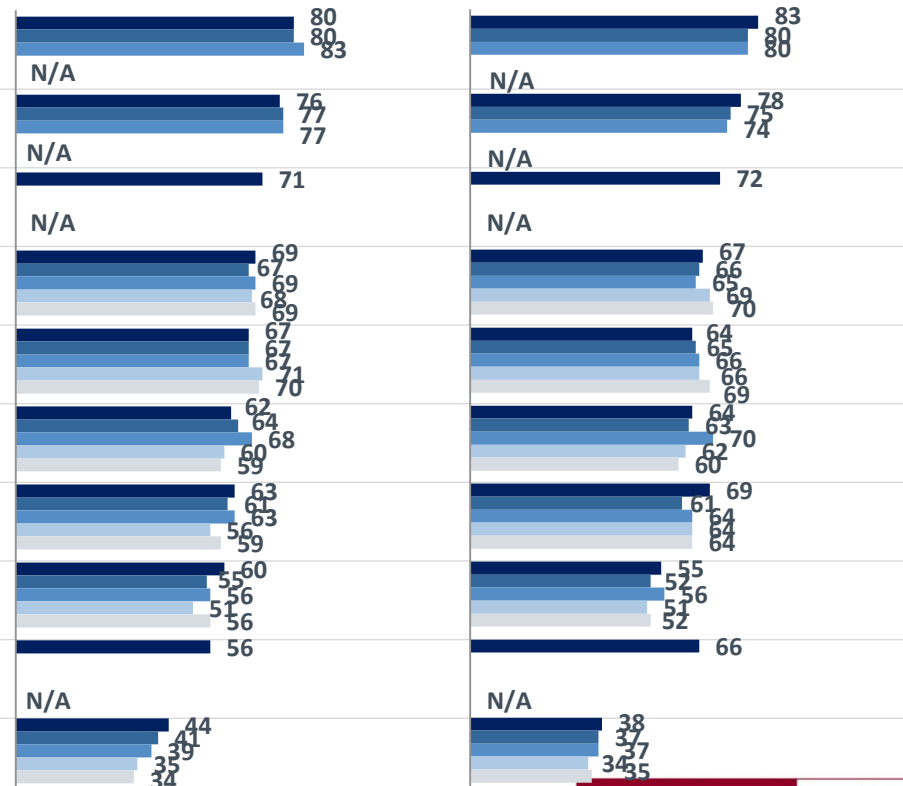
I prefer not to think about or concern myself with retirement investing until I get closer to my retirement date

### Small Companies

- '16 (N=2023)
- '15 (N=2056)
- '14 (N=1925)
- '13 (N=1764)
- '12 (N=1860)

### Large Companies

- '16 (N=2138)
- '15 (N=2494)
- '14 (N=2218)
- '13 (N=1887)
- '12 (N=1749)



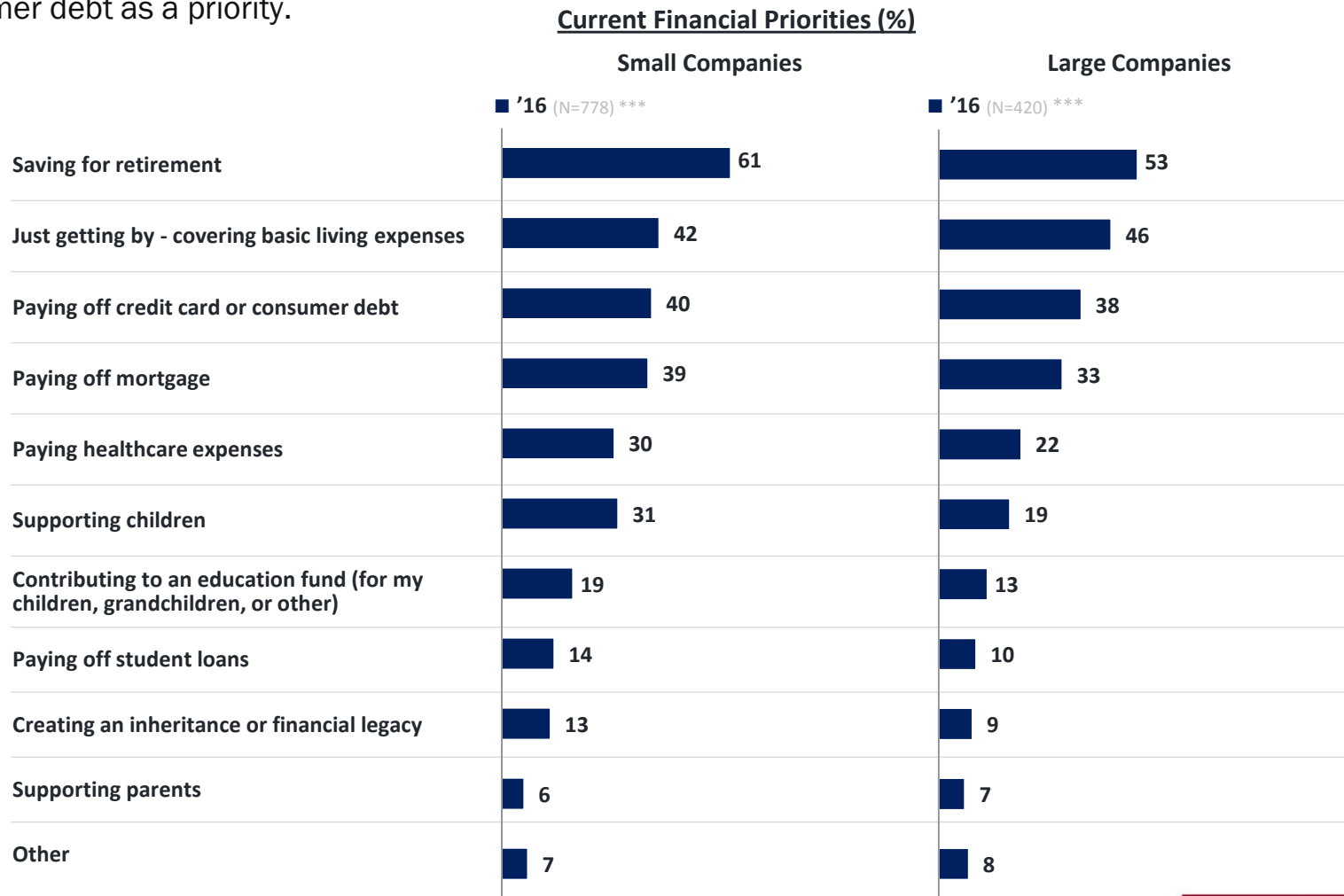
\*added in 2016 \*\*added in 2014

BASE: ALL QUALIFIED RESPONDENTS

Q930. How much do you agree or disagree with each of the following statements regarding retirement investing?

# Current Financial Priorities

Most workers in both small (61 percent) and large (53 percent) companies indicate that saving for retirement is a current financial priority. More than 40 percent say “just getting by - covering basic living expenses” is a priority. Approximately two in five workers of both small and large companies cite paying off credit card or consumer debt as a priority.



\*\*\*Note: This question is based on a supplementary survey. See methodology for more information.

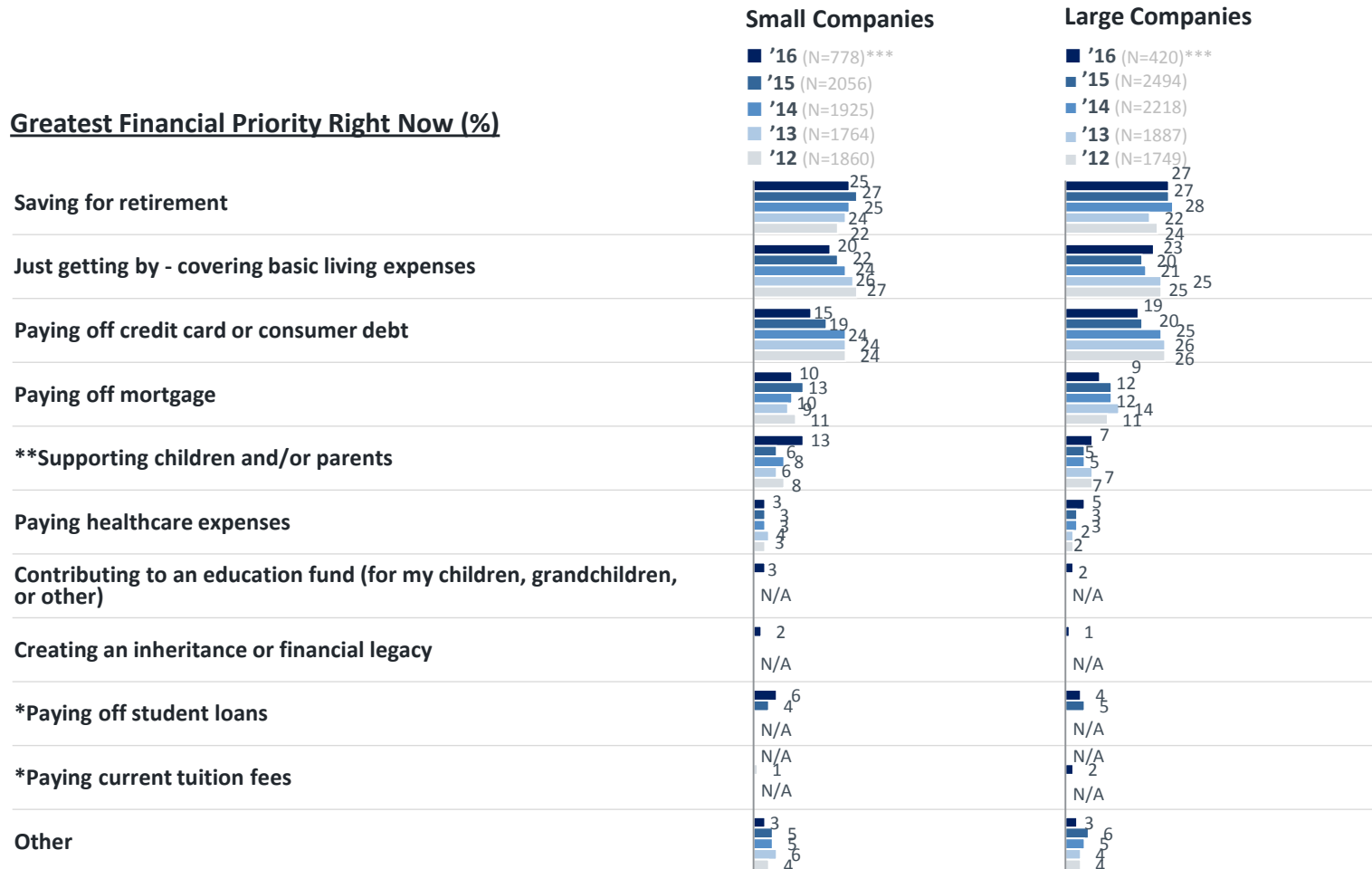
BASE: ALL QUALIFIED RESPONDENTS

Q2639. Which of the following are your financial priorities right now? Select all.

# Greatest Financial Priority Right Now

Financial priorities among workers of small and large companies are similarly shared. The top three most frequently cited priorities among workers are “saving for retirement” (25 percent small, 27 percent large), “just getting by” (20 percent small, 23 percent large), and “paying off debt” (15 percent small, 19 percent large).

## Greatest Financial Priority Right Now (%)



\*added in 2015 \*\*shown as two separate answers in 2016

\*\*\* Note: This question is based on a supplementary survey. See methodology for more information.

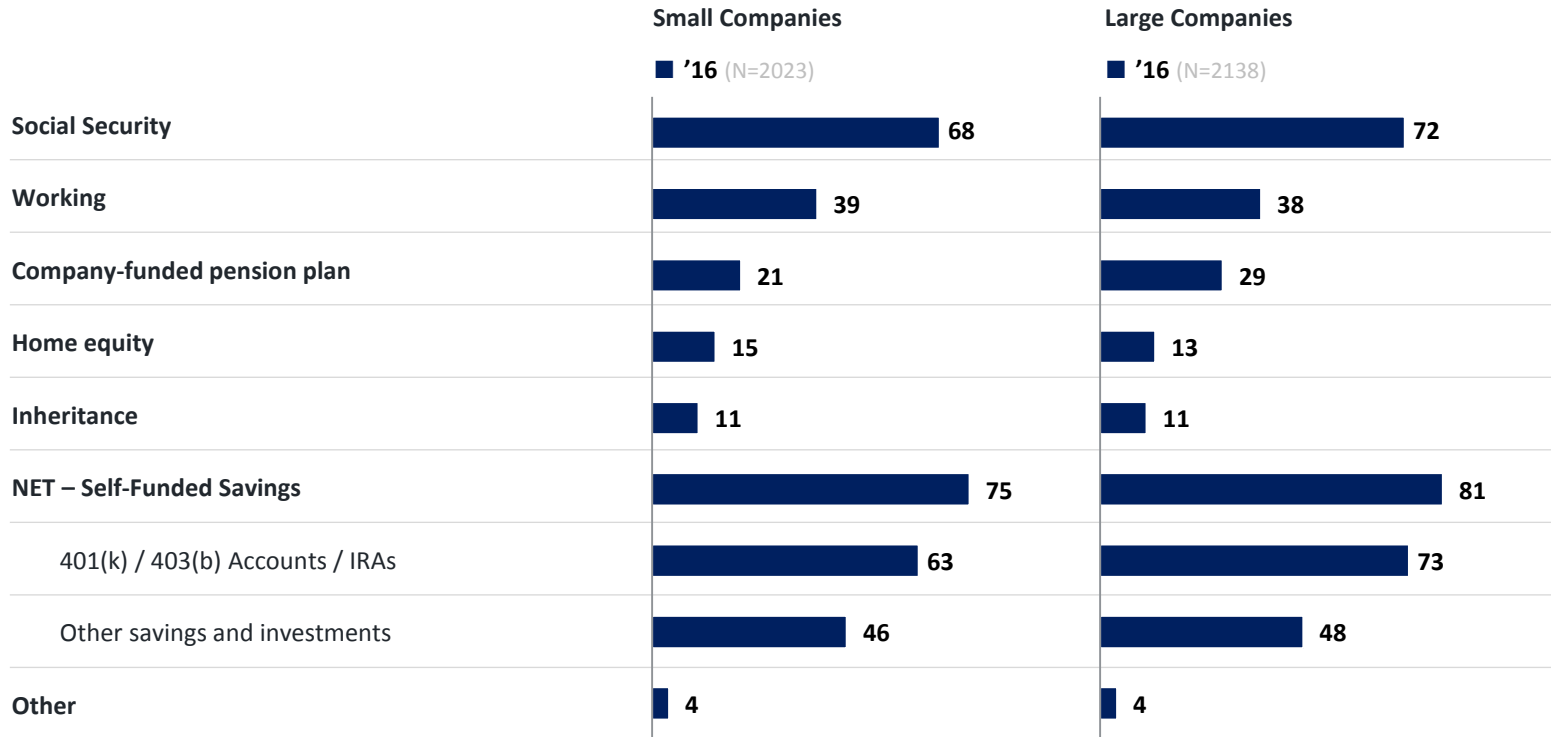
BASE: ALL QUALIFIED RESPONDENTS

Q2640. Which one of the following is your greatest financial priority right now?

# Expected Sources of Retirement Income

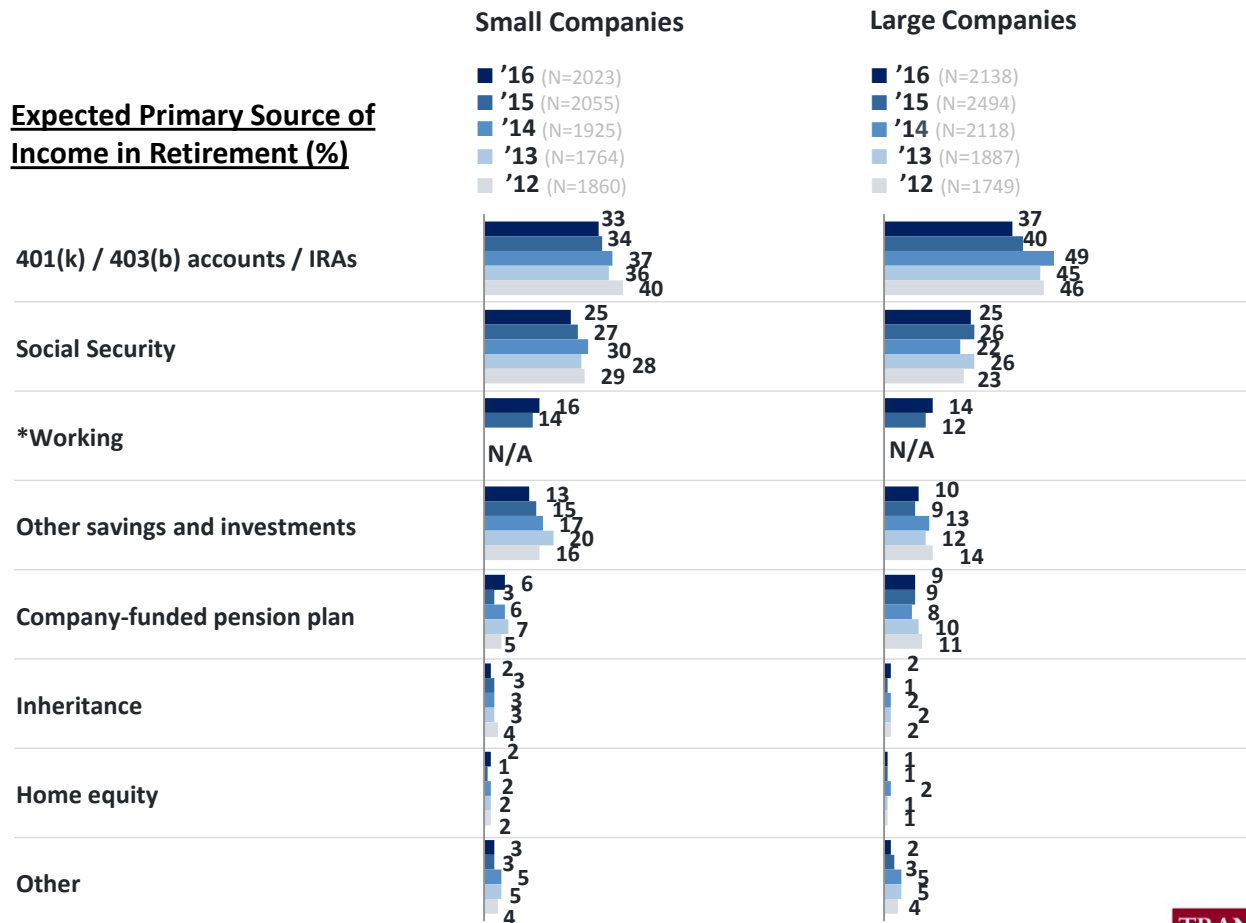
Self-funded savings including retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) and other savings and investments are the most frequently cited source of retirement income expected by workers of both company sizes: 75 percent of small company workers and 81 percent of large company workers. This is closely followed by Social Security as an expected source of retirement income for 68 percent of small company workers and 72 percent of large company workers.

**Expected Sources of Income During Retirement (%)**



# Expected Primary Source of Income in Retirement

Workers of large companies (37 percent) are more likely to expect to rely on retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) as their primary source of income in retirement compared to workers of small companies (33 percent). Expectations that “working” will be their primary source of income is similarly shared among workers of small and large companies (16 and 14 percent, respectively).



\*added in 2015

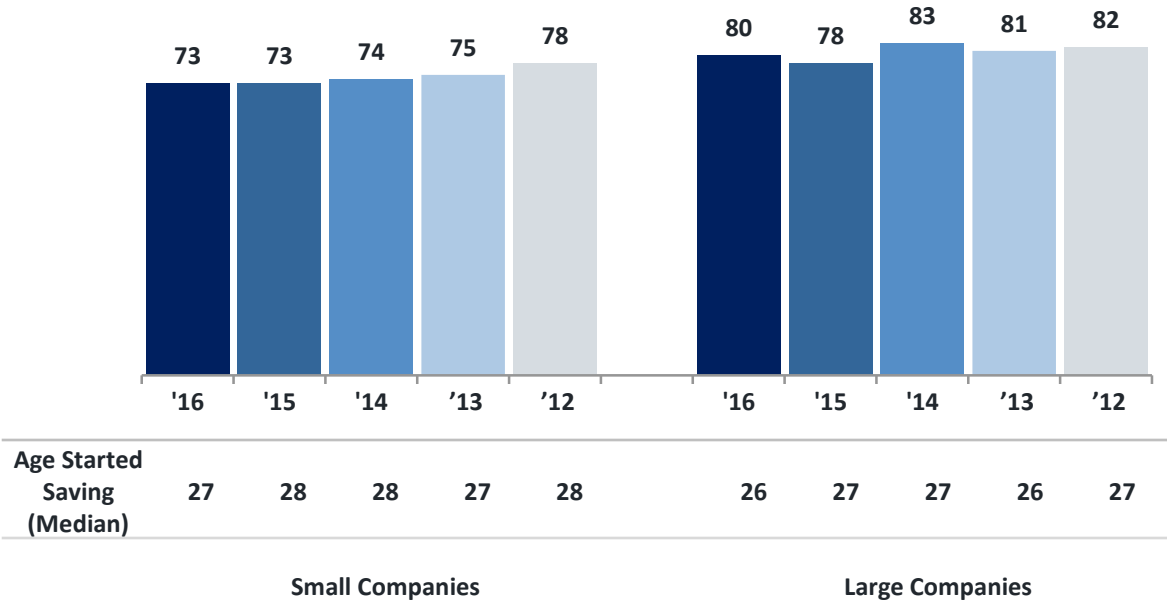
BASE: ALL QUALIFIED RESPONDENTS

Q1150. Which one of the following do you expect to be your primary source of income to cover your living expenses after you retire?

# Percentage Saving for Retirement / Age They Started to Save

More large company workers (80 percent) than small company workers (73 percent) are saving for retirement at work through their employer and/or outside of work. Both are consistent with previous years. The median age at which workers started saving is relatively consistent between small (age 27) and large (age 26) company workers.

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



BASE: THOSE 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?



# Importance of Retirement Benefits Compared to Other Benefits

Most workers of small and large companies believe that retirement benefits are important. Large company workers (90 percent) are somewhat more likely than those of small companies (86 percent) to value a 401(k) or similar plan as an important benefit. This trend has remained consistent over the past five years.

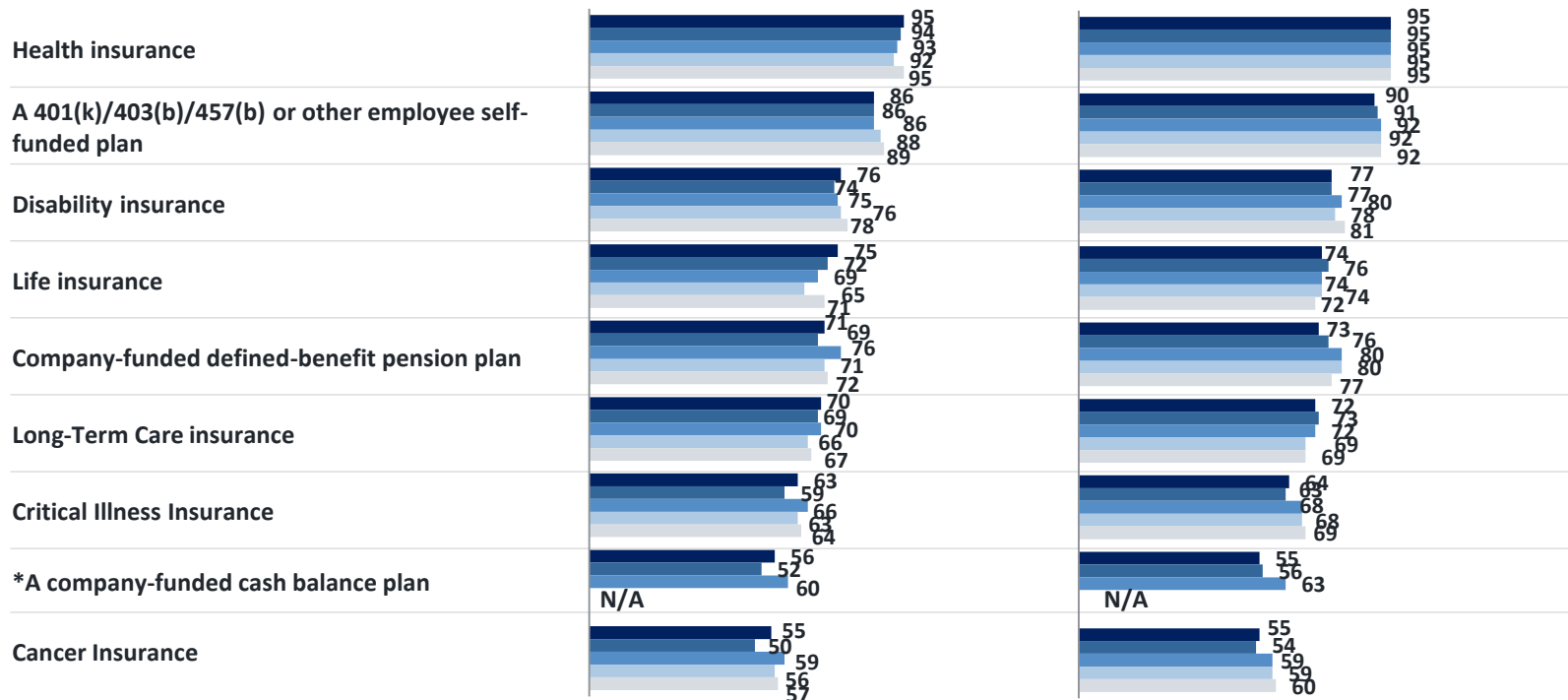
**Very/Somewhat Important**  
**(%) (NET)**

## Small Companies

■ '16 (N=2023)  
■ '15 (N=2056)  
■ '14 (N=1925)  
■ '13 (N=1764)  
■ '12 (N=1860)

## Large Companies

■ '16 (N=2138)  
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■ '12 (N=1749)



\*added in 2014

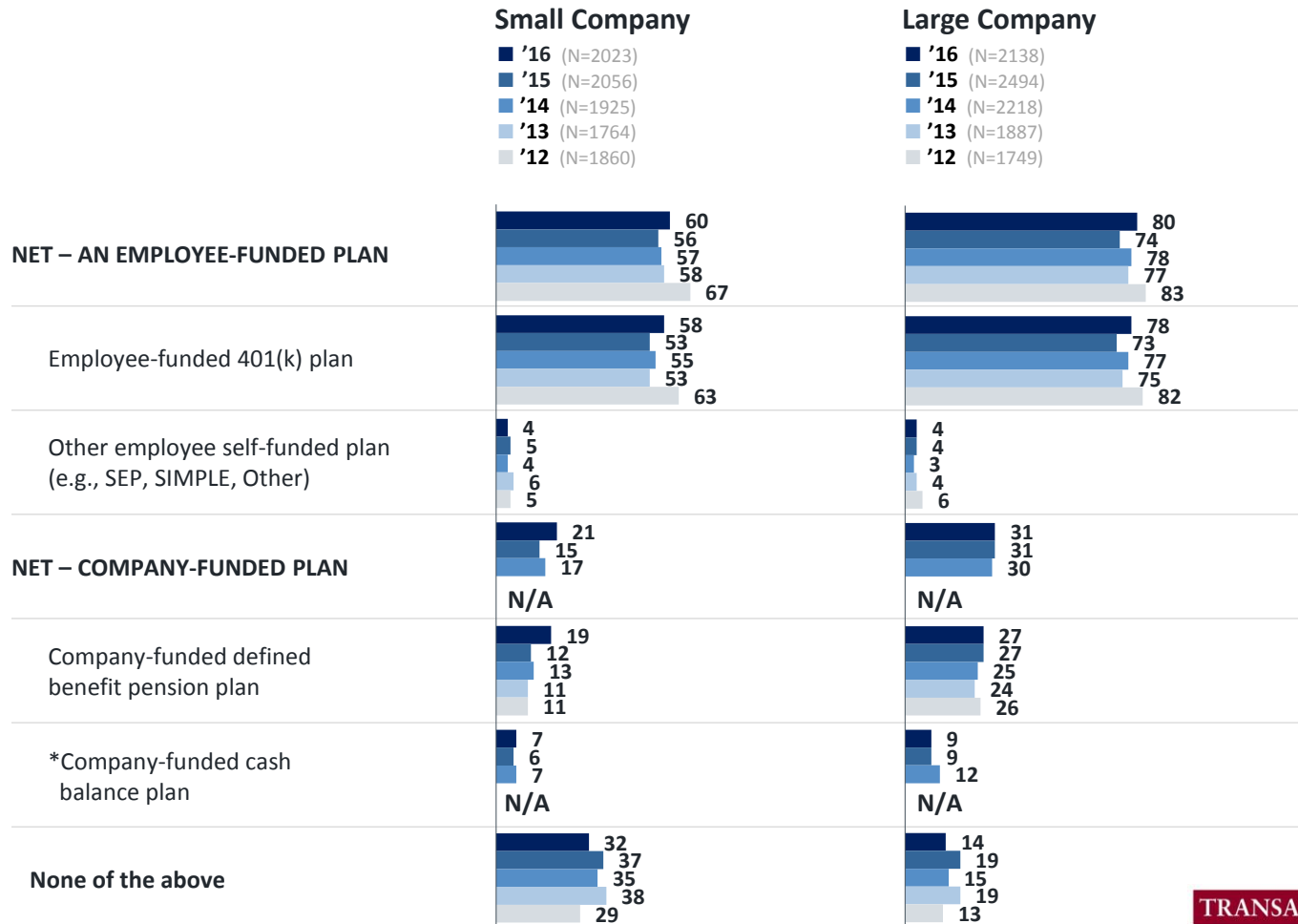
BASE: ALL QUALIFIED RESPONDENTS

Q1171. Businesses typically offer a number of different benefits for their workers. For each of the following, please tell us how important that benefit is to you, personally.

# Retirement Benefits Currently Offered

Most workers are offered a 401(k) or other self-funded plan by their employers; however, access is greater among workers of large companies (80 percent) compared to those of small companies (60 percent). Relatively few workers are offered a traditional company-funded defined benefit plan. Retirement benefit offerings have fluctuated slightly over the last five years.

**Employer-Sponsored Retirement Benefits Currently Offered (%)**



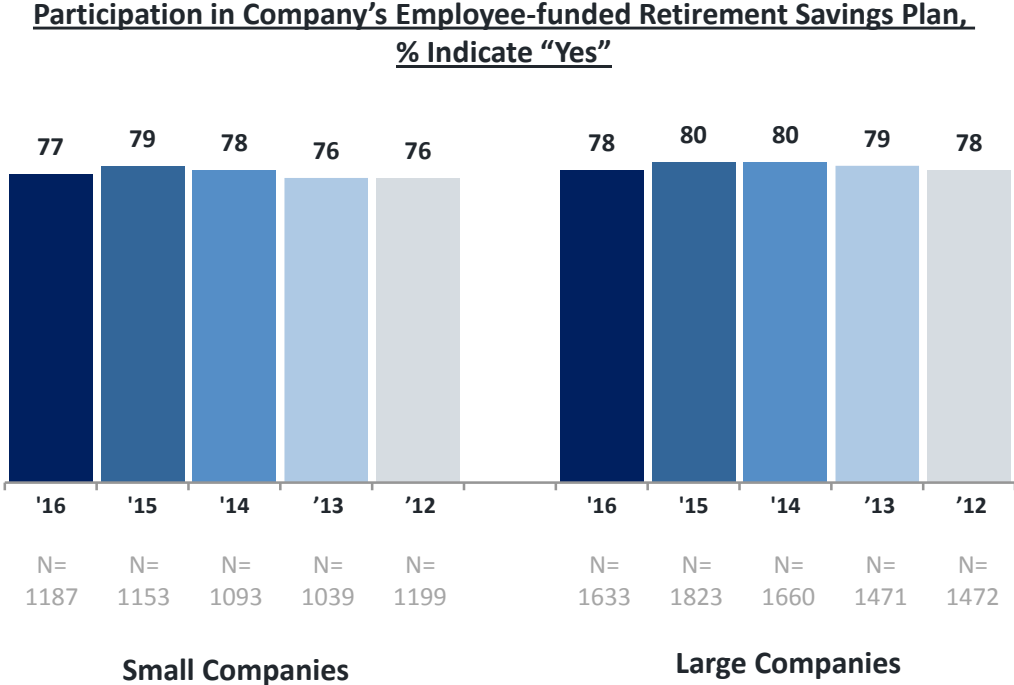
\*added in 2014

BASE: ALL QUALIFIED RESPONDENTS

Q1180. Which of the following retirement benefits does your company currently offer to you, personally? Select all.

# Retirement Plan Participation

Among workers who are offered a 401(k) or similar plan, the participation rate is similar among large company workers (78 percent) and small company workers (77 percent). This trend has remained consistent over the past five years.

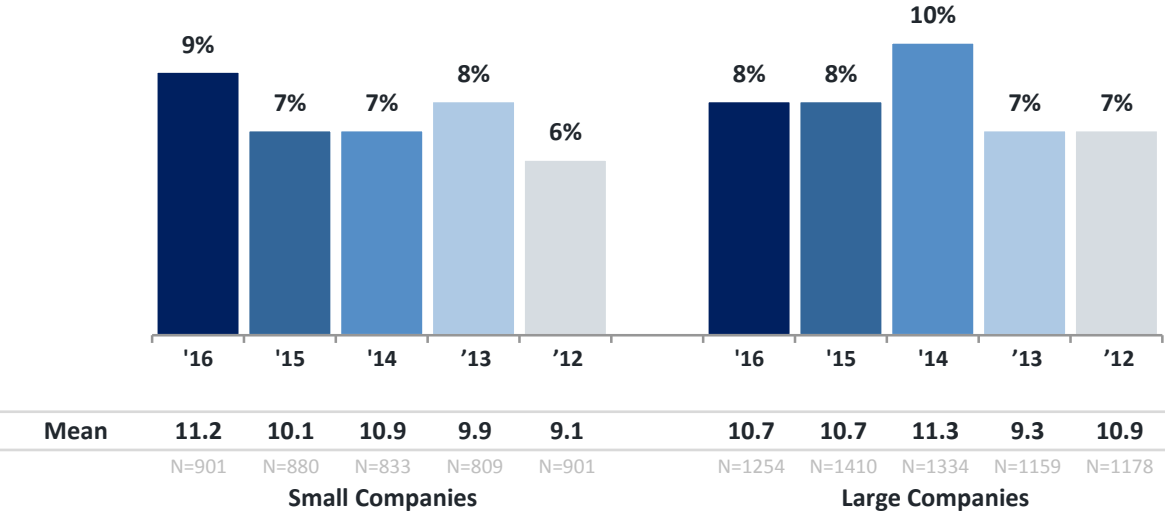


BASE: THOSE CURRENTLY OFFERED QUALIFIED PLAN  
Q1190. Do you currently participate in, or have money invested in your company's employee-funded retirement savings plan?

# Retirement Plan Contribution Rate

Among workers who participate in a 401(k) or similar plan, the median contribution rate is directionally lower among large company workers (8 percent) than small company workers (9 percent). The average contribution rate among workers in small companies contributing to their qualified plan increased slightly compared to previous years.

**Contribution Rate, Median %**



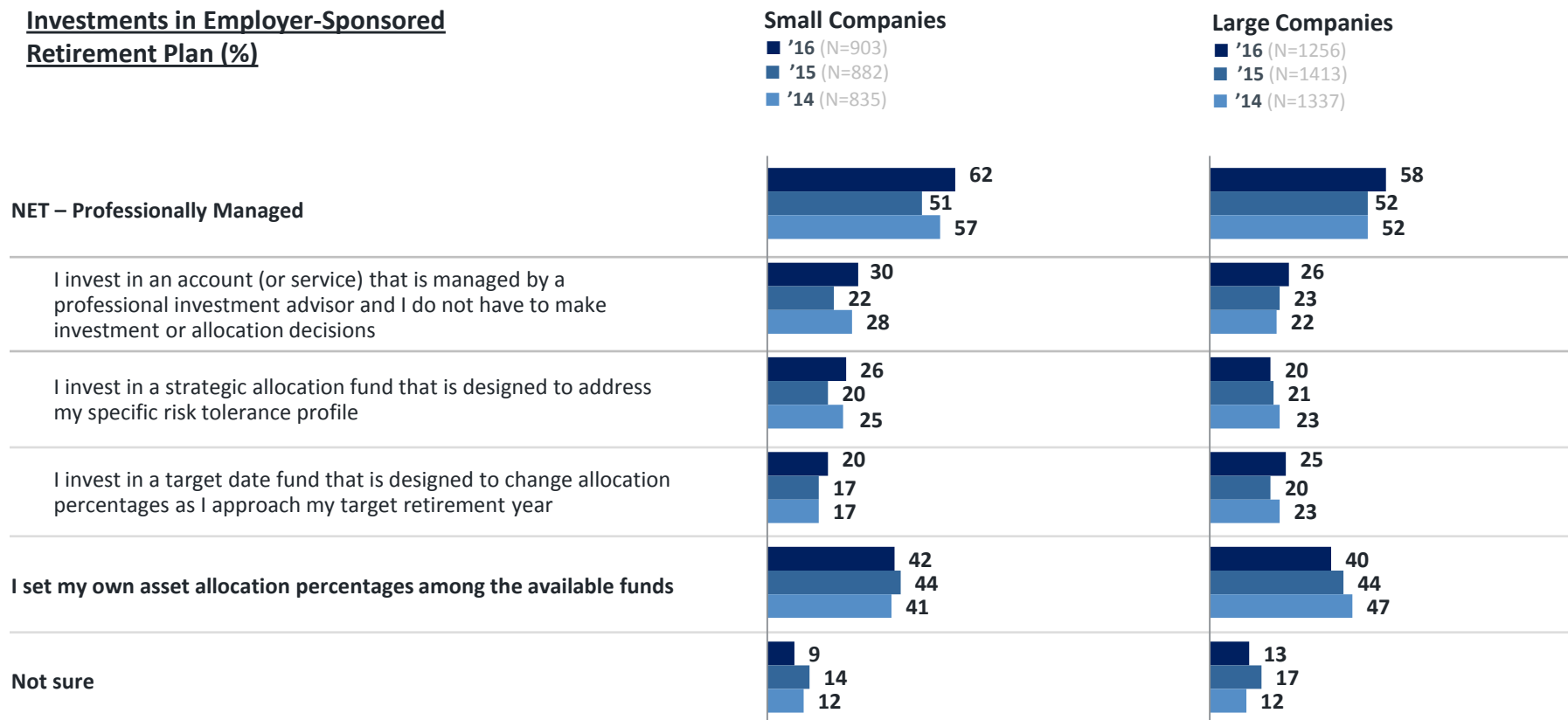
BASE: CURRENTLY PARTICIPATES IN QUALIFIED PLAN

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

# Approach to Investing in Retirement Plan

“Professionally managed” accounts refers to a managed account service, strategic allocation funds, and/or target date funds. Many plan participants in both small (62 percent) and large companies (58 percent) are using some form of professionally managed offering in their 401(k) or similar plans. Small business workers (42 percent) are slightly more likely to set their own asset allocation among the available funds compared to large company workers (40 percent).

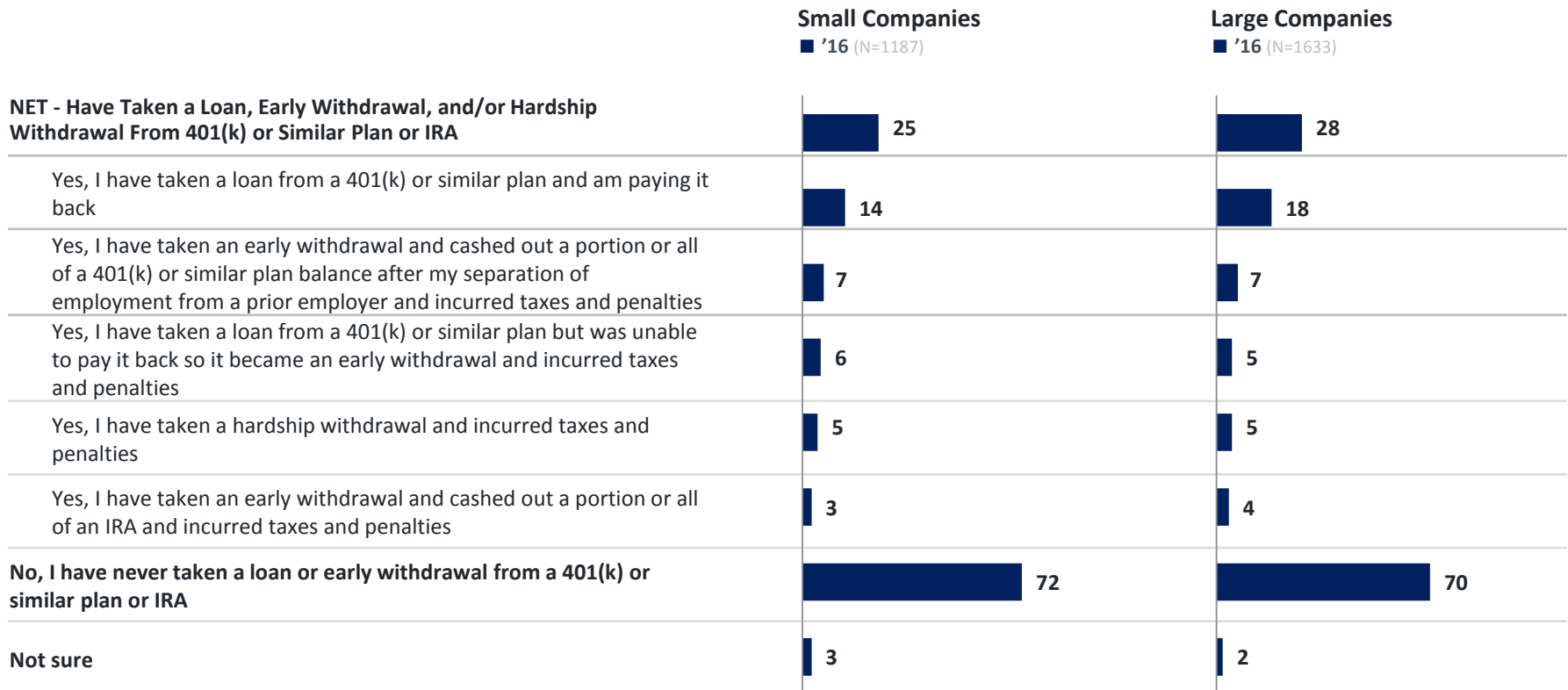
## Investments in Employer-Sponsored Retirement Plan (%)



# 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 those who are currently participating in a plan, 25 percent of small company and 28 percent of large company workers have taken some form of loan, early withdrawal, and/or hardship withdrawal from a 401(k).

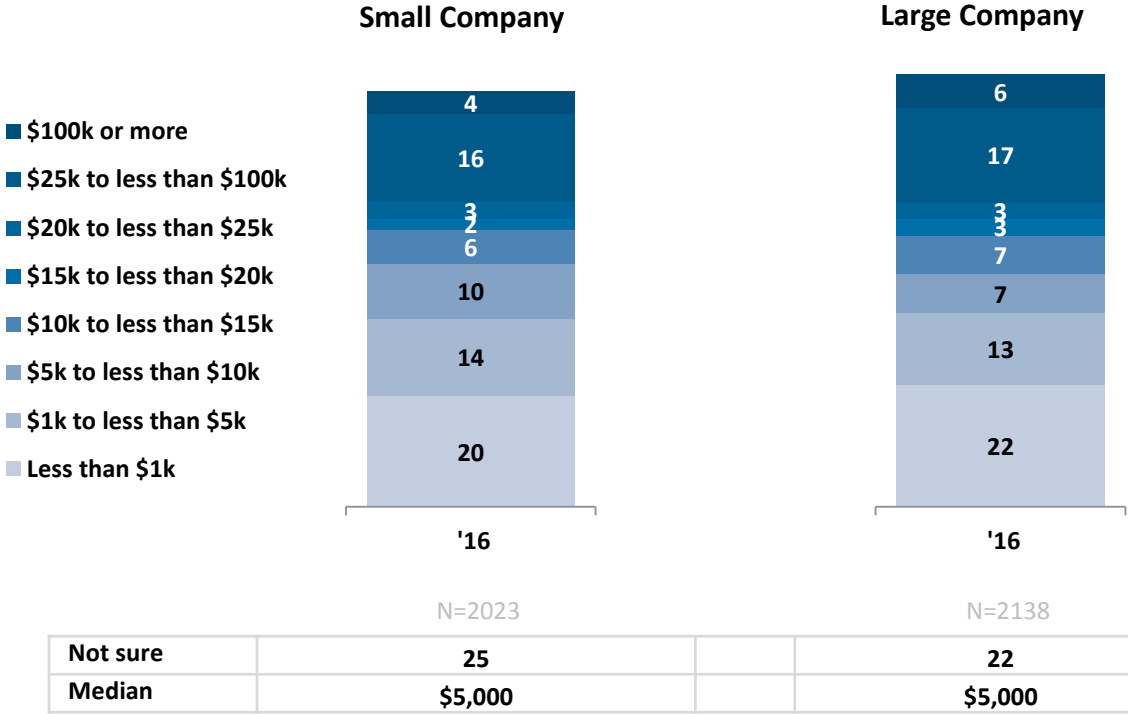
## Have you ever taken any form of loan or early withdrawal from a qualified retirement account such as a 401(k) or similar plan or IRA? (%)



# Estimated Emergency Savings

Workers of both small and large companies lack emergency savings that could help cover the cost of a major financial setback (e.g., unemployment, medical bills, home repairs, auto repairs, other). Both groups reported having saved just \$5,000 (median) for such emergencies. More than one-third of small company (34 percent) and large company workers (35 percent) have saved less than \$5,000. Of concern, one in five workers are unsure how much they have saved in emergency savings: 25 percent of small company workers and 22 percent of large company workers.

**How much do you have in emergency savings to cover the cost of unexpected major financial setbacks? (%)**

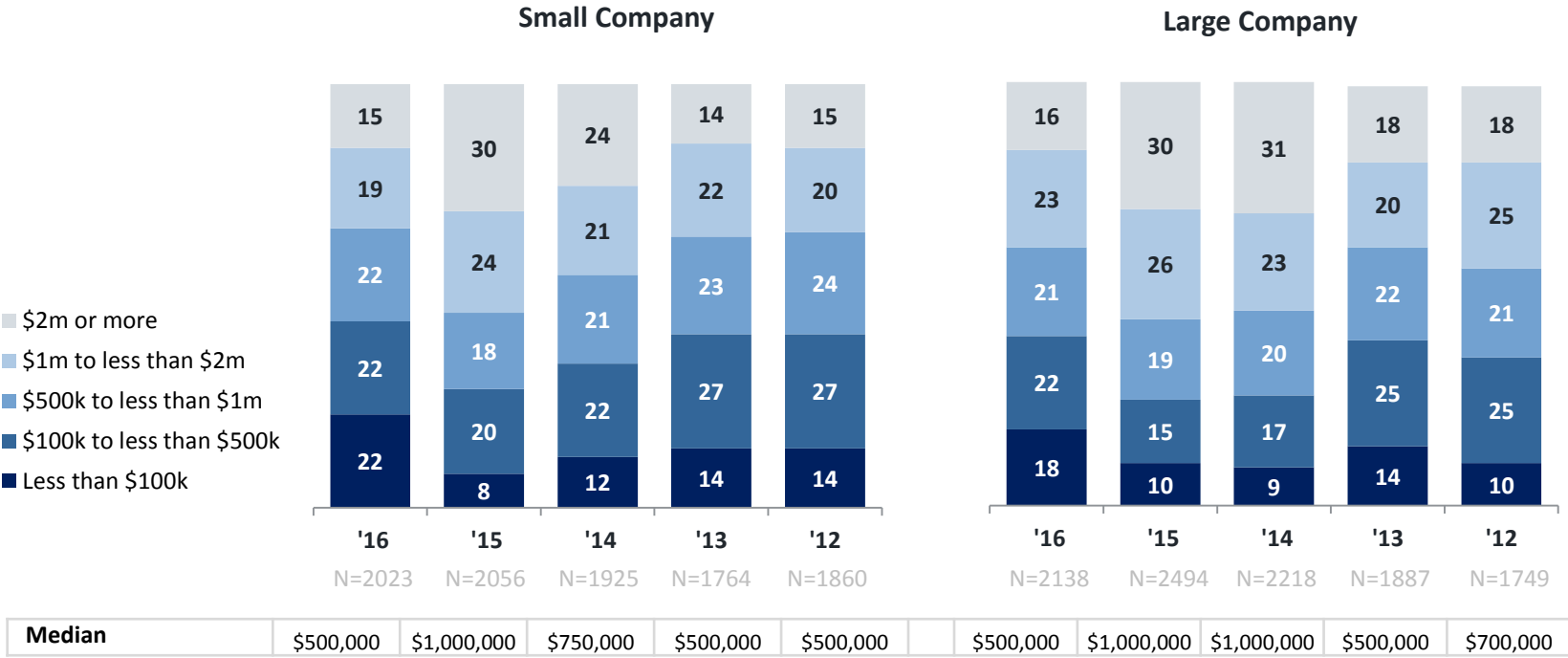


BASE: ALL QUALIFIED RESPONDENTS

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

# Estimated Retirement Savings Needs

Workers of both large and small companies believe that they will need to save \$500,000 (median) to feel financially secure when they retire. This year's survey finding represents a major decrease in estimated savings needs since last year when workers indicated they would need to save \$1,000,000 (median).



Note: The median is estimated based on the approximate midpoint of the range of each response category.

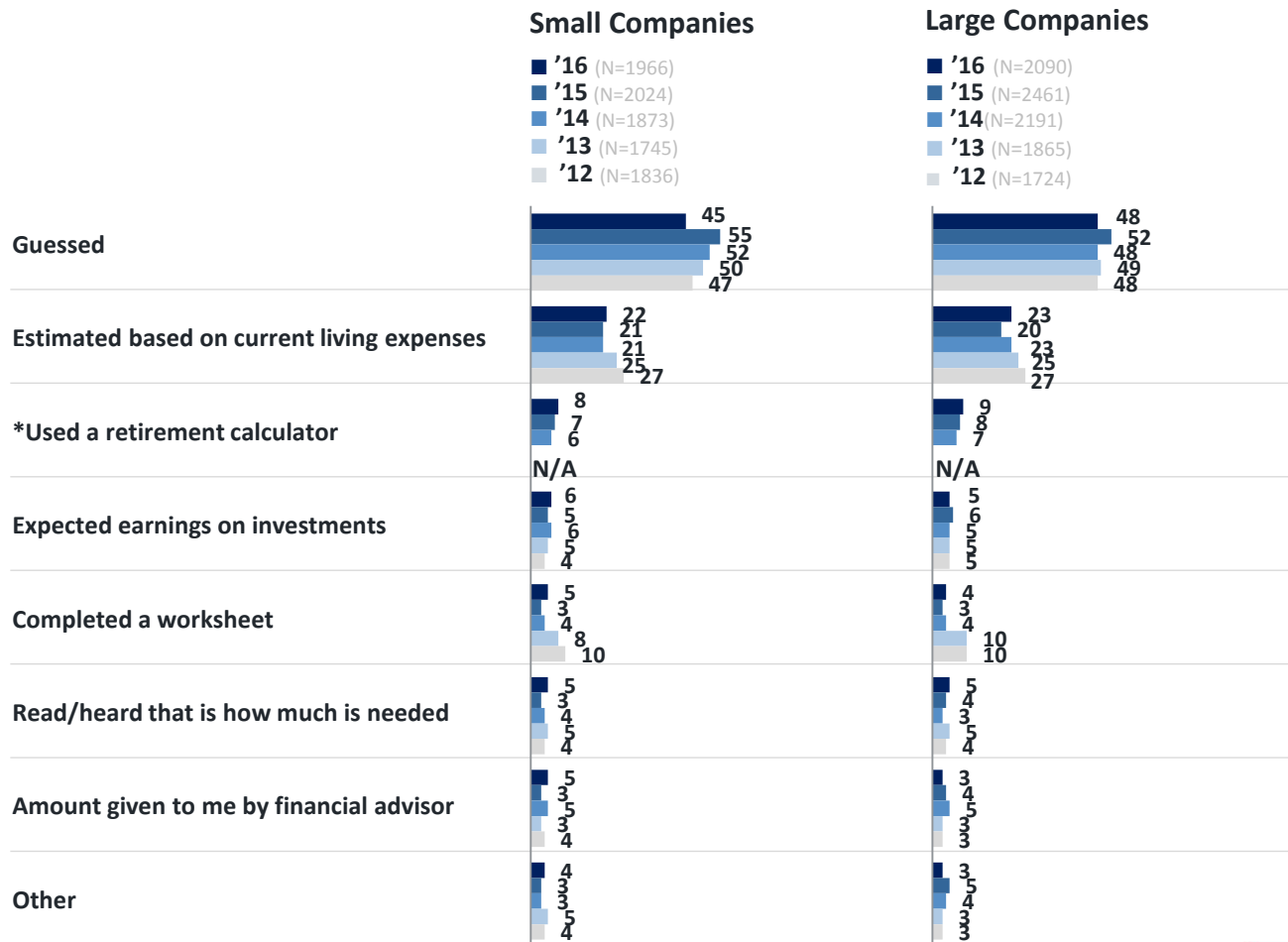
BASE: ALL QUALIFIED RESPONDENTS

Q890. Thinking 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?



# Basis for Estimating Retirement Savings Needs

Among those who provided an estimate of their retirement savings needs, almost half of workers of both small (45 percent) and large companies (48 percent) say that they “guessed” how much they need to save. Approximately one in five estimated the amount based on current living expenses, and fewer than 10 percent used a retirement calculator.



\*added in 2014

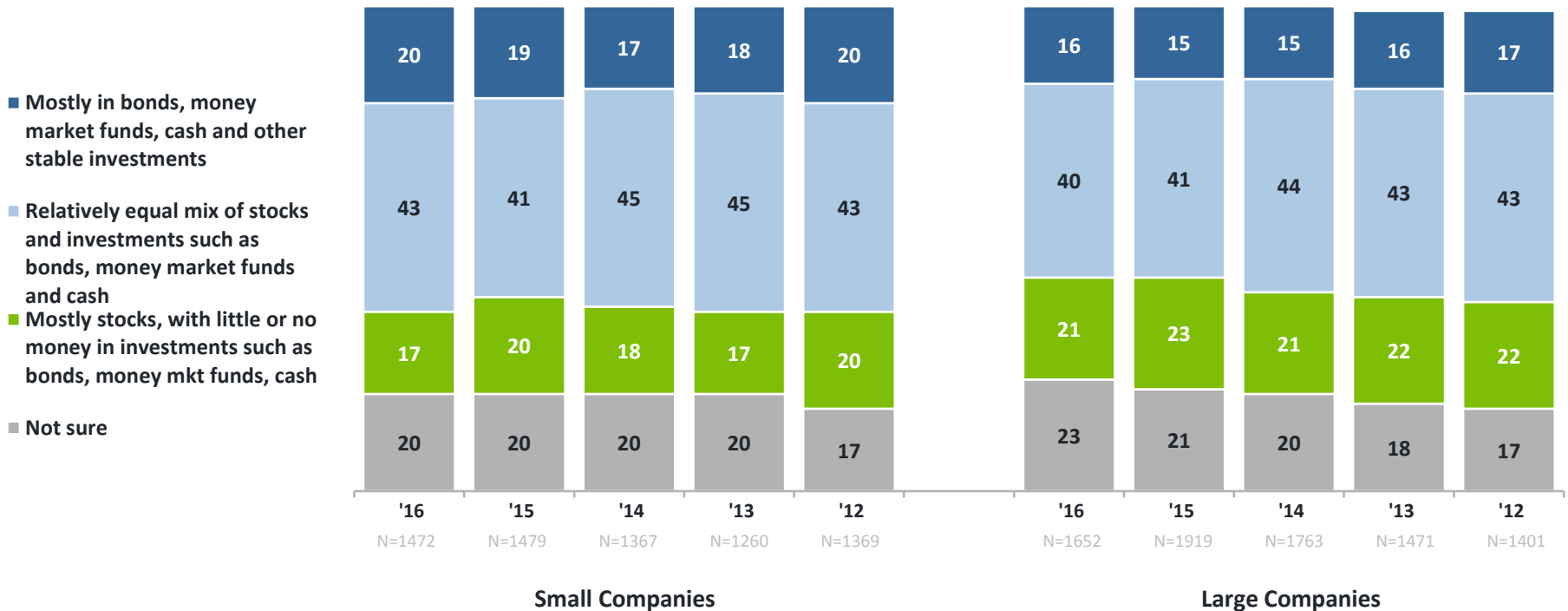
BASE: PROVIDED AN ESTIMATE OF SAVINGS NEEDED

Q900. How did you arrive at that number?

# Asset Allocation of Retirement Investments

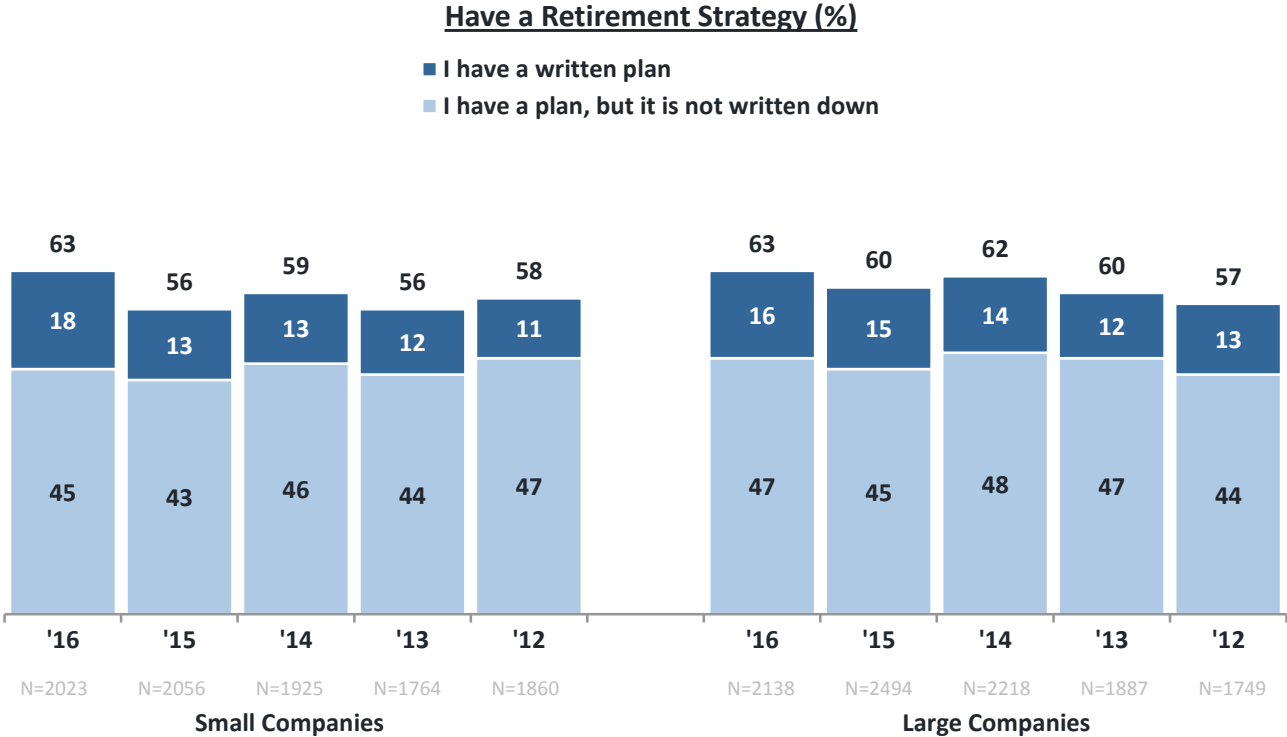
Workers of both large and small companies (40 and 43 percent, respectively) most frequently indicate that their retirement savings are invested in relatively equal mix of stocks and investments such as bonds, money market funds and cash. A concerning one in five say that they are “not sure” how their savings are invested. Asset allocation-related trends have been directionally consistent in recent years.

**How Retirement Savings Are Invested (%)**



# Retirement Strategy: Written, Unwritten, or None

Most workers of both small and large companies (63 percent) say that they have some form of retirement strategy, either written or unwritten. However, only 18 percent of small company workers and 16 percent of large company workers have a written plan. While the proportion of workers who have a written plan is directionally higher this year, it remains low.

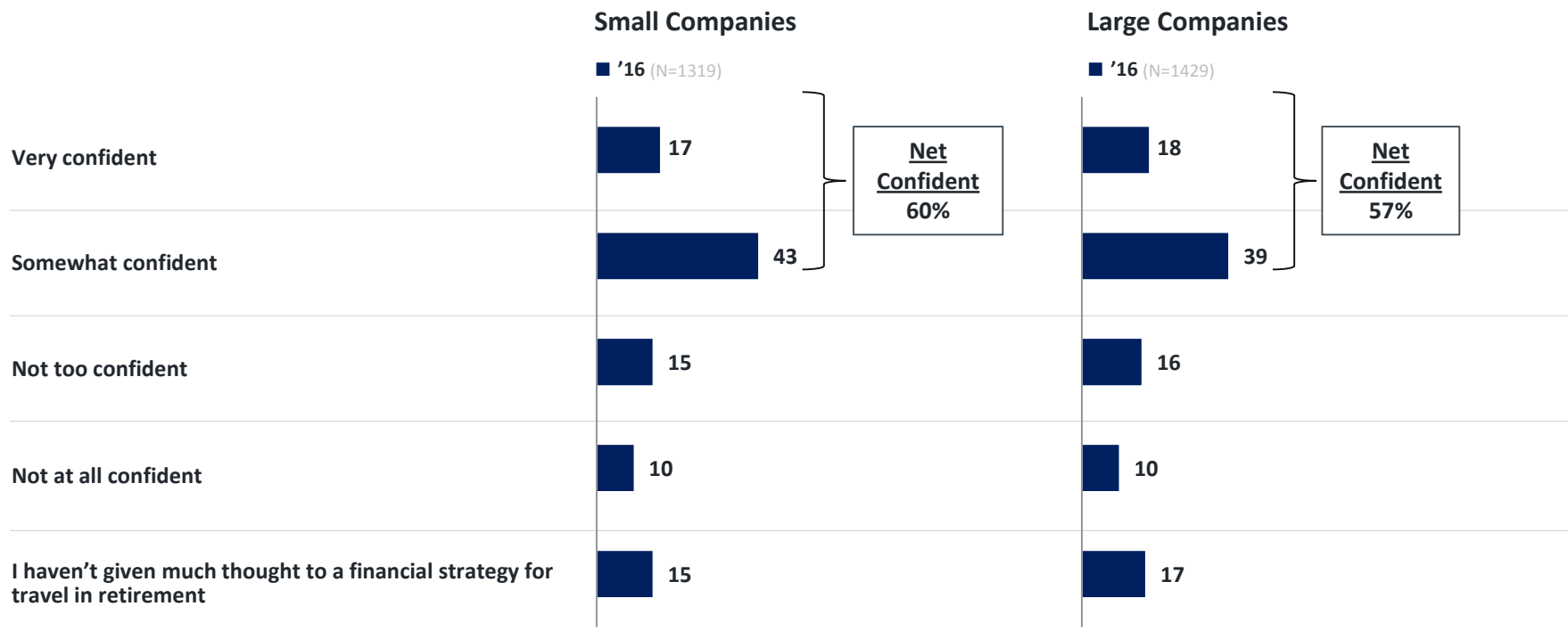


BASE: ALL QUALIFIED RESPONDENTS  
 Q1155. Which of the following best describes your retirement strategy?

# Confidence that Financial Strategy Will Enable Travel Goals

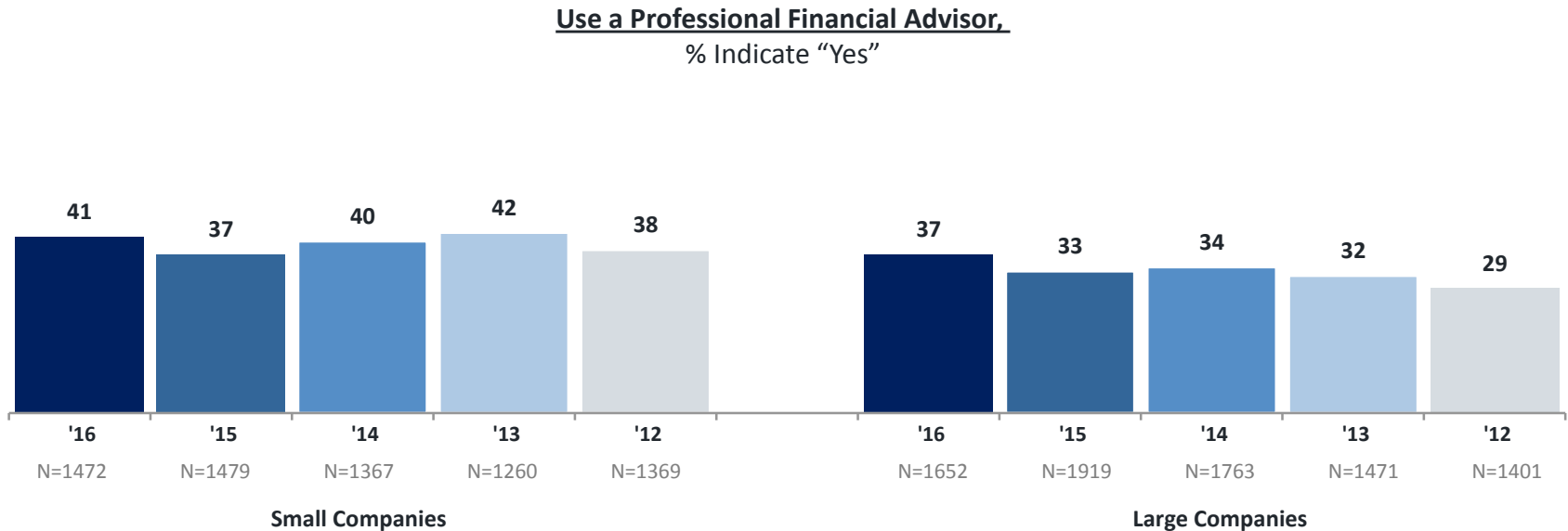
Among workers who dream of traveling in retirement, most are confident their current financial strategy will allow them to meet their retirement travel goals including 60 percent of small company workers and 57 percent of large company workers. However, relatively few workers are “very” confident (17 percent small companies, 18 percent large companies). Interestingly, some workers haven’t given much thought to it (15 percent small companies, 17 percent large companies).

**Confidence That Current Financial Strategy Will Meet Retirement Travel Goals (%)**



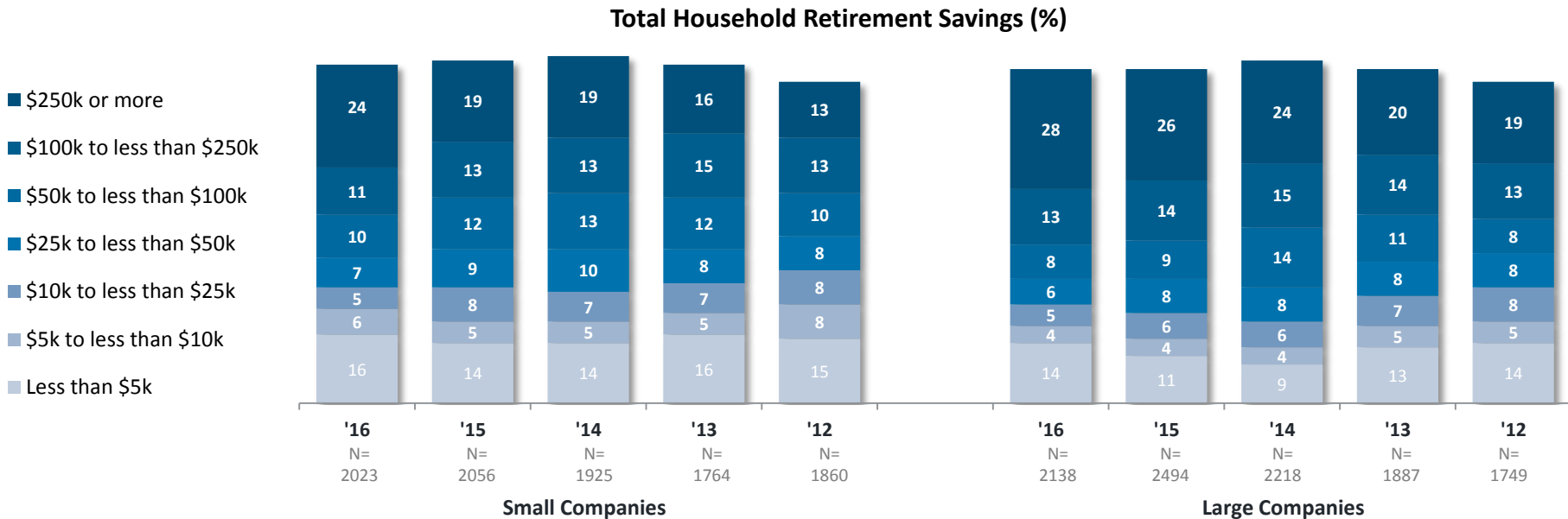
# Professional Financial Advisor Usage

Small company workers (41 percent) are more likely to use a professional financial advisor to help manage their retirement savings or investments compared to large company workers (37 percent). This gap has been relatively consistent over the past five years.



# Total Household Retirement Savings

Workers of large companies report higher levels of total household savings in retirement accounts compared to those of small companies. Large company workers have saved \$87,000 (estimated median), while small company workers have saved \$56,000 (estimated median). Large company workers (28 percent) are also more likely than small company workers (24 percent) to say that they have saved \$250,000 or more. Retirement savings have increased among small and large company workers since 2012.



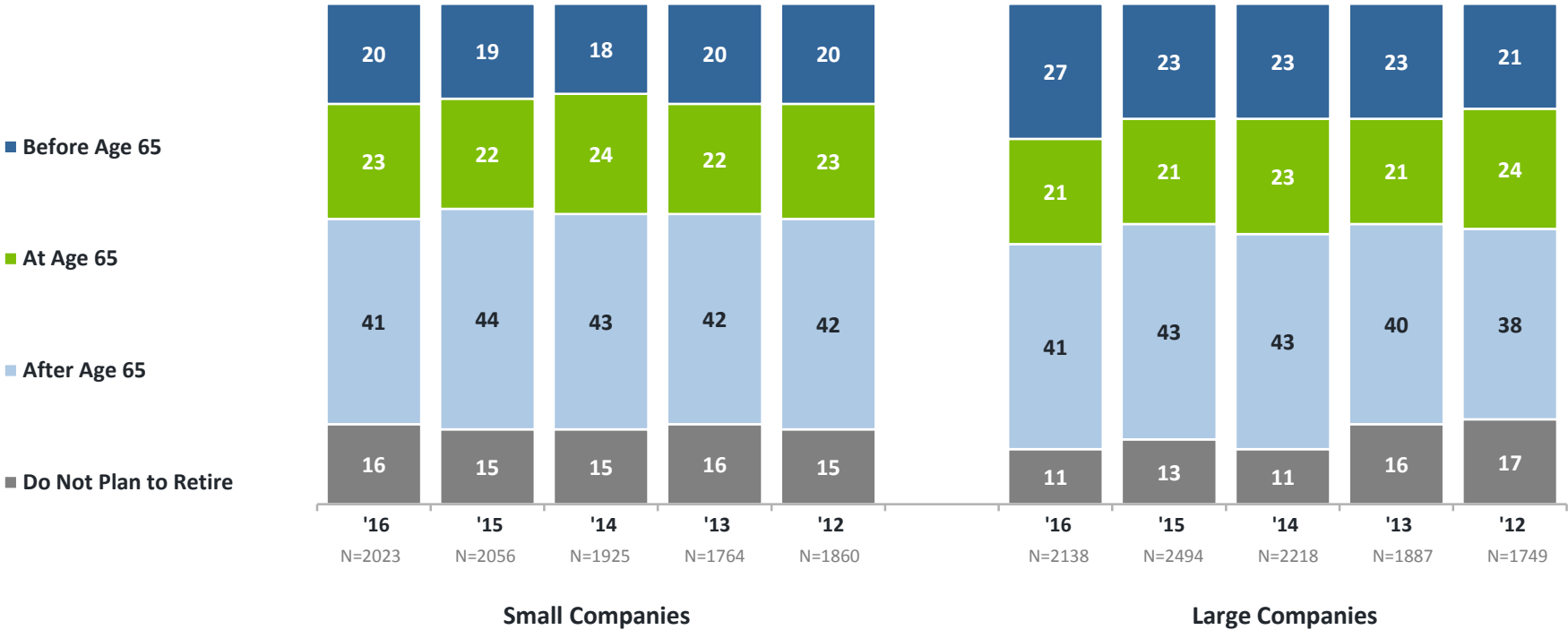
<b>Not sure</b>	12	10	8	9	12	12	12	10	11	12
<b>Decline to answer</b>	9	10	11	12	13	10	10	10	11	13
<b>Estimated Median</b>	\$56,000	\$50,000	\$51,000	\$47,000	\$35,000	\$87,000	\$79,000	\$73,000	\$58,000	\$53,000

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

# Expected Retirement Age

The majority of both small company workers (57 percent) and large company workers (52 percent) plan to work past age 65 or do not plan to retire. Large company workers (27 percent) are more likely than small company workers (20 percent) to expect to retire before age 65. A similar percentage of small company workers (23 percent) and large company workers (21 percent) expect to retire at age 65. These trends have been relatively consistent since 2012.

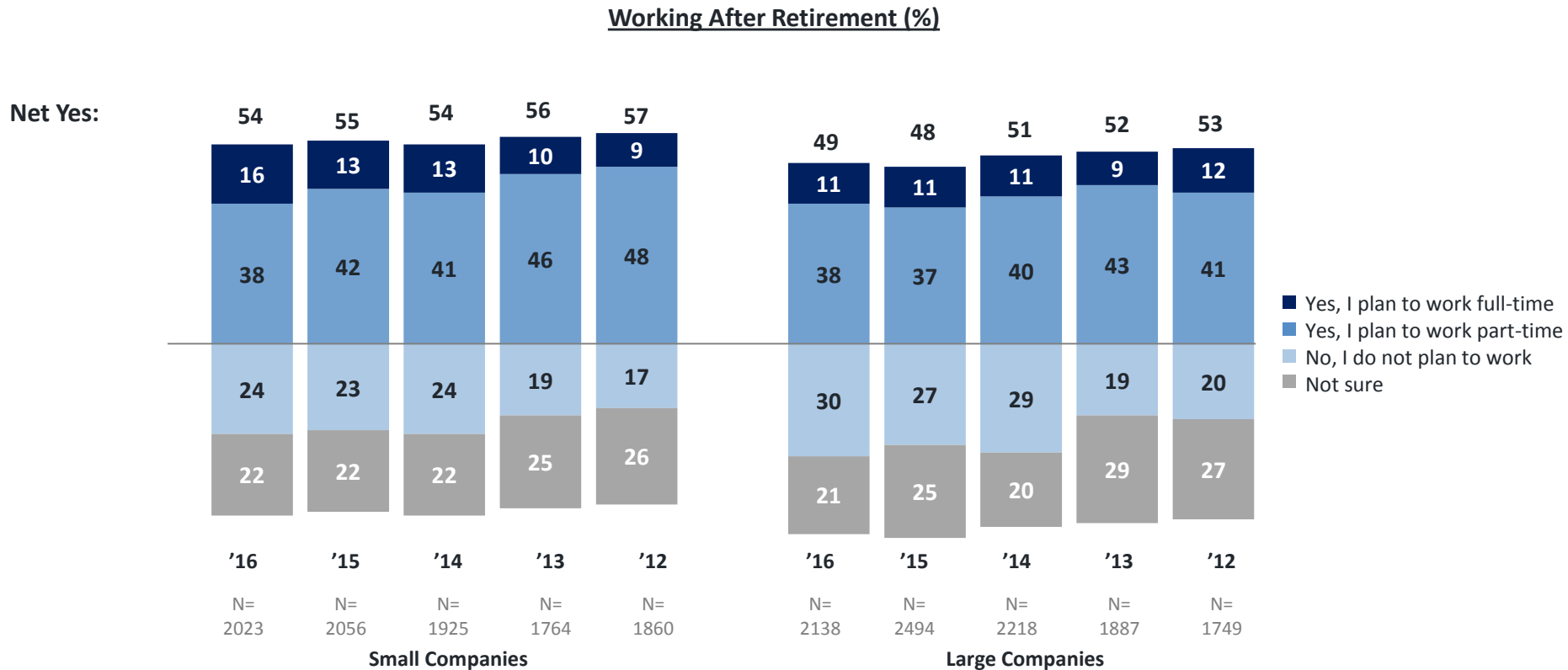
**Age Expected to Retire (%)**



BASE: ALL QUALIFIED RESPONDENTS  
Q910. At what age do you expect to retire?

# Expectations of Working in Retirement

More than half (54 percent) of workers in small companies plan to work full- or part-time in retirement, while just under half (49 percent) of large company employees plan to do so. Over the past five years, small company workers have been consistently more likely to say they plan to work in retirement, although this gap is slightly smaller this year.

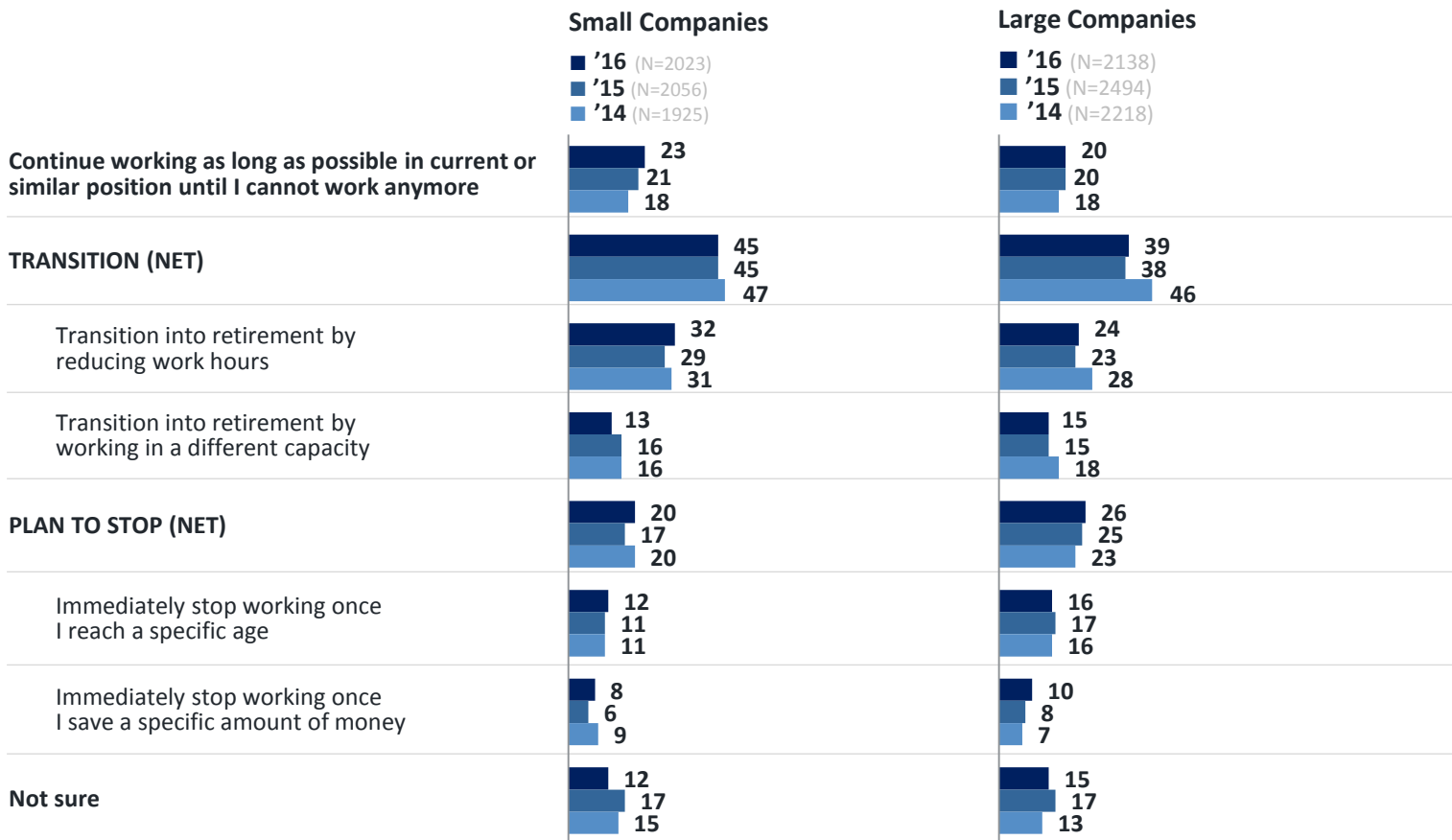




# Retirement Transitions: Phased Versus Immediate

Many workers are planning to either transition into retirement by changing work patterns (e.g., shifting from full- to part-time or working in a different capacity) or planning to continue working until they cannot work any longer, with workers of small companies being somewhat more likely to be planning for both of these scenarios. More large company workers (26 percent) than small company workers (20 percent) plan to immediately stop working and retire once they reach a specific age or amount of money.

**How do you envision transitioning into retirement? (%)**



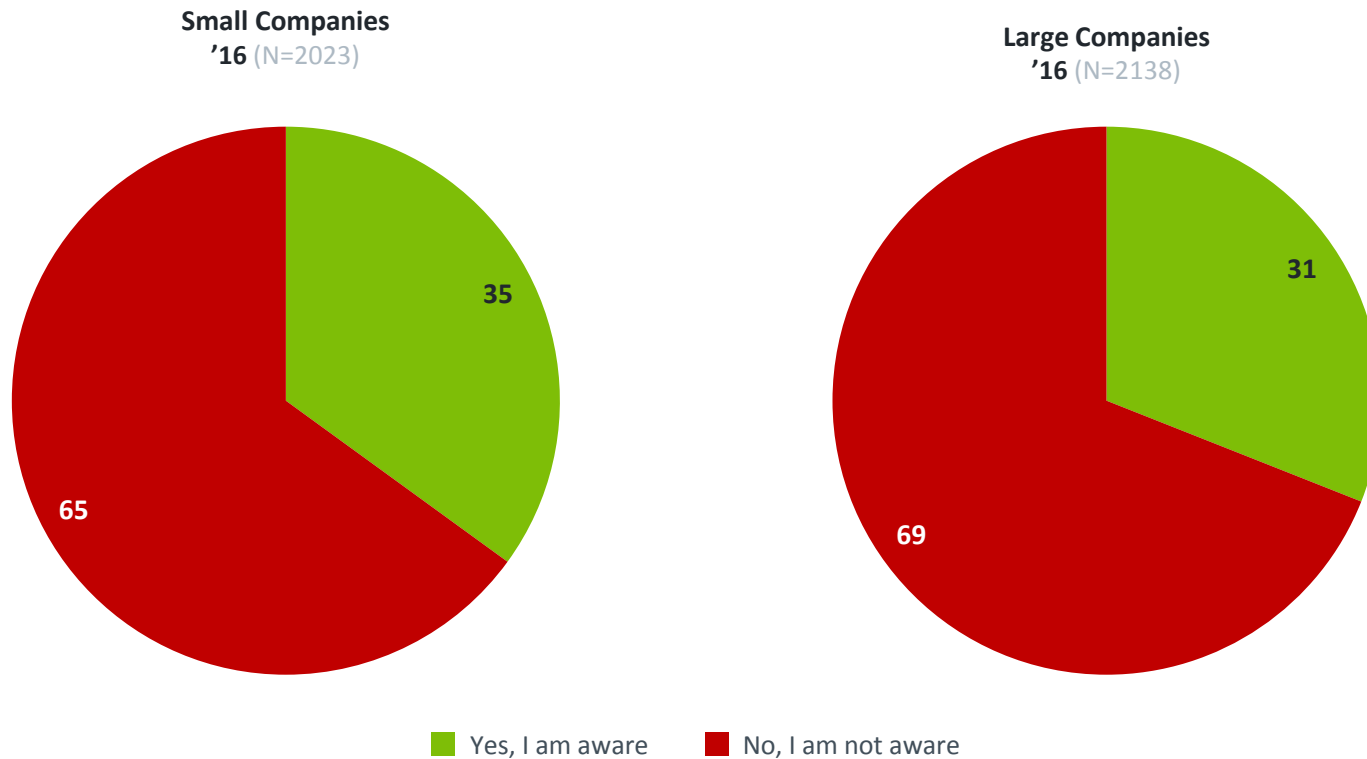
New in 2014.

BASE: ALL QUALIFIED RESPONDENTS

Q1545. How do you envision transitioning into retirement?

# Awareness of Saver's Credit

The IRS Saver's Credit is a tax credit available to eligible taxpayers who are saving for retirement in a qualified retirement plan or IRA. Workers in small companies (35 percent) are somewhat more likely to be aware of the credit, compared to workers in large companies (31 percent).



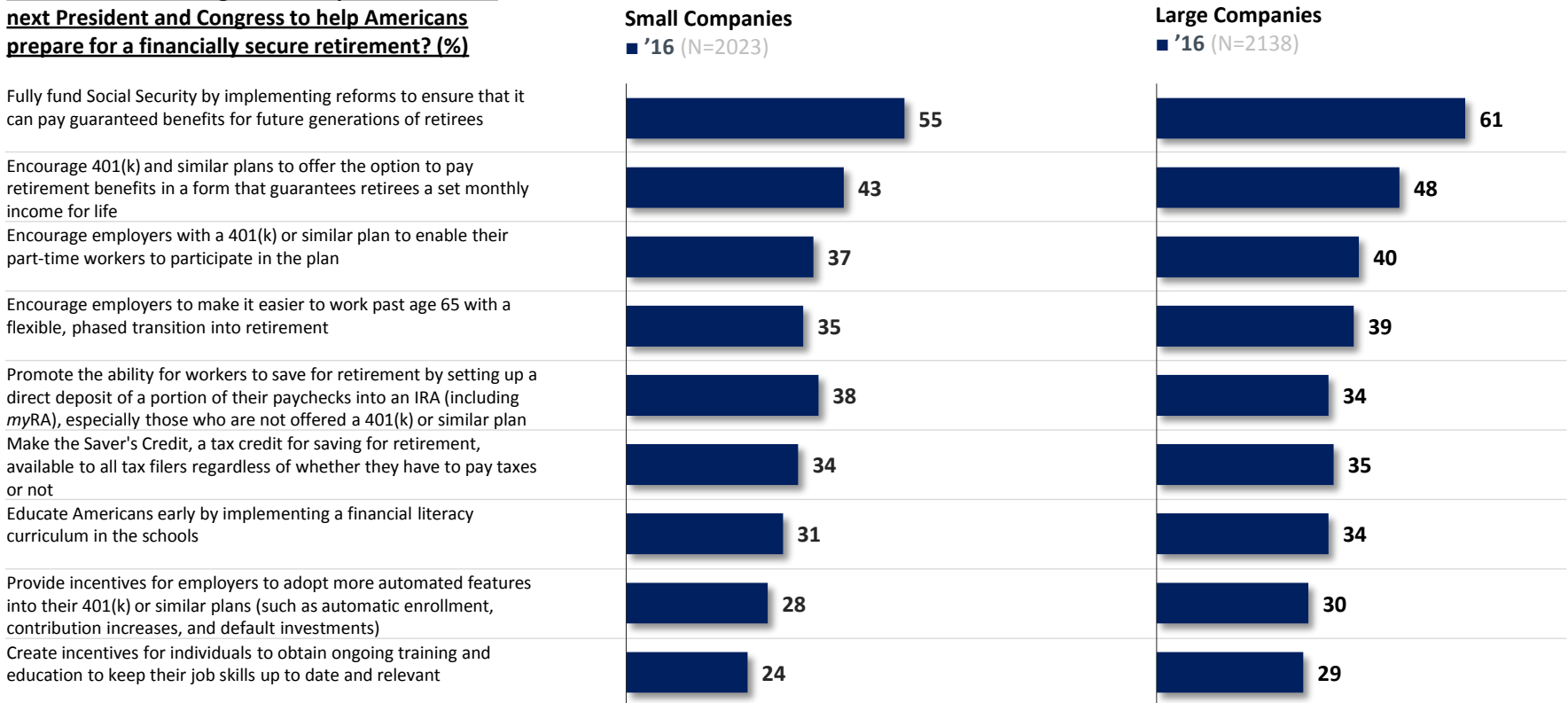
BASE: ALL QUALIFIED RESPONDENTS

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?

# Retirement Security Priorities for the New President and Congress

With the November 2016 election in mind, workers across company size most frequently cite fully funding Social Security as a priority for the new President and Congress to help Americans prepare for a financially secure retirement: 55 percent of small company workers and 61 percent of large company workers. Other top cited responses include “encouraging 401(k) plans to offer the option to pay retirement benefits in a form that guarantees retirees a set monthly income for life,” and “encouraging employers with a 401(k) or similar plan to enable their part-time workers to participate in the plan.”

**Which of the following should be priorities for the next President and Congress to help Americans prepare for a financially secure retirement? (%)**



Note: Responses not shown for less than five percent who said “other.”

BASE: ALL QUALIFIED RESPONDENTS

Q1427. With the November 2016 election in mind, which of the following should be priorities for the next President and Congress to help Americans prepare for a financially secure retirement? Select all.

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