



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

*Influences of Generation on Retirement Readiness*

**TRANSAMERICA CENTER**  
FOR RETIREMENT STUDIES®

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# 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 Generation on Retirement Readiness

## *Detailed Findings*



# Influences of Generation on Retirement Readiness

Baby Boomers, Generation X, and Millennials face unique circumstances as well as common challenges in achieving long-term financial security. Baby Boomers (born 1946 to 1964) have re-written societal rules at every stage of their life – and are now trailblazing a new brand of retirement. Generation X (born 1965 and 1978) entered the workforce in the late 1980s and were making their first appearance and defined benefit plans were beginning to disappear. Millennials (born 1979 to 2000) are a digital do-it-yourself generation of retirement savers that will be self-funding a greater portion of their future retirement income compared to older generations. All three generations face risks and opportunities for improving their long-term retirement outlook.

## Thirty Indicators of Retirement Readiness

- **Recovery From the Great Recession.** Financial recovery from the Great Recession varies across generations. Millennial workers (27 percent) are most likely to say they were not impacted,” followed by Generation X (17 percent) and Baby Boomers (12 percent). All three generations are similarly likely to say they have fully recovered, including Millennials (19 percent), Generation X (20 percent), and Baby Boomers (18 percent). Baby Boomers (25 percent) are more likely than Generation X (22 percent) and Millennials (16 percent) to say they have not yet begun to recover or may never recover.
- **Confidence in Retiring Comfortably.** More than half of workers are “somewhat” or “very” confident that they will be able to retire comfortably; confidence is highest among Millennials (68 percent) and Baby Boomers (62 percent) and notably lower among Generation X (56 percent). Relatively few workers of all three generations are “very” confident, including 18 percent of Millennials, 12 percent of Generation X, and 15 percent of Baby Boomers.
- **Building a Large Enough Nest Egg?** About half of Generation X (47 percent) and Baby Boomers (51 percent) either “somewhat” or “strongly” agree that they are building a large enough retirement nest egg, and slightly more Millennials (56 percent) agree. Among all three generations, fewer than one in five “strongly” agree.

# Influences of Generation on Retirement Readiness

- **Retirement Dreams Include Leisure and Work.** Workers across generations most frequently cite traveling as a retirement dream, including Millennials (70 percent), Generation X (64 percent), and Baby Boomers (59 percent). The second most frequently cited retirement dream is spending more time with family and friends (63 percent Millennials, 54 percent Generation X, 51 percent Baby Boomers). Interestingly, 34 percent of Millennials, 23 percent of Generation X, and 25 percent of Baby Boomer workers dream of doing some sort of work in retirement.
- **Age Planning to Live to.** Workers across generations share similar expectations regarding the age they are planning to live to. Millennials are planning to live to an older age of 89 (median) – and 21 percent of them are planning to become centenarians. Both Generation X and Baby Boomers are planning to live to age 85 (median) with only 13 percent planning to live to 100+.
- **Retirement Beliefs.** Across generations, four out of five workers agree that their generation will have a much harder time achieving financial security compared to their parent’s generation. Generation X (86 percent) and Millennials (81 percent) are more likely than Baby Boomers (67 percent) to be concerned that Social Security will not be there for them when they are ready to retire.
- **Current Financial Priorities.** Saving for retirement is the most frequently cited current financial priority across generations, including Baby Boomers workers (65 percent), Generation X (56 percent), and Millennials (54 percent). Among the three generations, Millennial workers (52 percent) are more likely identify “just getting by – covering basic living expenses” than Generation X (40 percent) and Baby Boomer workers (39 percent).
- **Greatest Financial Priority Right Now.** Baby Boomers are most likely to cite “saving for retirement” as their greatest financial priority right now (39 percent), compared to Generation X (31 percent) and Millennials (12 percent).

# Influences of Generation on Retirement Readiness

- **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 Millennials (79 percent) and Generation X (76 percent), while Baby Boomers are most likely to expect to rely on Social Security (87 percent).
- **Expected Primary Source of Income in Retirement.** Millennial (43 percent) and Generation X (38 percent) workers most frequently cite 401(k)s, 403(b)s, or IRAs to be their expected primary source of retirement income, while Baby Boomers (34 percent) are more likely to expect to rely on Social Security during retirement. Approximately one in seven Millennials (16 percent) and Generation X (17 percent) expect “working” to be their primary source of retirement income.
- **Percentage Saving for Retirement/ Age They Started to Save.** The majority of workers across all three generations are saving for retirement through an employer-sponsored plan and/or outside of work. Baby Boomers (83 percent) are most likely to be saving, followed by Generation X (77 percent) and Millennials (72 percent). In terms of the median age that they started saving, Millennials started at a younger age (age 22) compared to Generation X (age 28) and Baby Boomers (age 35).
- **Importance of Retirement Benefits Compared to Other Benefits.** The vast majority of workers — including 91 percent of Millennials, 91 percent of Generation X, and 84 percent of Baby Boomers — believe that a 401(k) or similar plan is a “somewhat” or “very” important employee benefit.
- **Retirement Benefits Currently Offered.** Most workers are offered a 401(k) or similar plan by their employers. Baby Boomers (73 percent) and Generation X (76 percent) are more likely to be offered such benefits compared to Millennials (66 percent). Few workers are offered a company-funded defined benefit plan.
- **Retirement Plan Participation.** Among workers who are offered a 401(k) or similar plan, the participation rate increases with age. Seventy-two percent of Millennial workers participate in their employer’s plan, compared to 80 percent of Generation X and 80 percent of Baby Boomers.

# Influences of Generation on Retirement Readiness

- **Retirement Plan Contribution Rate.** Among workers who participate in a 401(k) or similar plan, Baby Boomers contribute 10 percent (median) of their annual pay, while Generation X and Millennial workers contribute 7 percent.
- **Approach to Investing in Retirement Plan.** “Professionally managed” accounts refers to a managed account service, strategic allocation funds, and/or target date funds. The majority of plan participants across generations use some form of professionally managed offering in their 401(k) or similar plans: 60 percent of Millennials, 62 percent of Generation X, and 59 percent of Baby Boomers. Millennials (42 percent) and Baby Boomers (44 percent) are more likely to set their own asset allocation percentage among the available funds compared to Generation X (36 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 participants who are currently participating in a plan, Generation X (30 percent) and Baby Boomers (28 percent) workers are more likely to have taken some form of loan, early withdrawal, and/or hardship withdrawal from a 401(k), compared to Millennials (22 percent).
- **Estimated Emergency Savings.** Many workers lack emergency savings that could help cover the cost of a major financial setback (e.g., unemployment, medical bills, home repairs, auto repairs, other). Emergency savings are low across the three generations, including Millennials at \$2,000 (median), Generation X at \$5,000 (median), and Baby Boomers at \$10,000 (median). Moreover, one in four Millennials (25 percent) and Generation X (24 percent) have saved less than \$1,000. Baby Boomers (30 percent) are more likely to have saved more than \$25,000.
- **Estimated Retirement Savings Needs.** Workers across generations believe that they will need to have saved \$500,000 (median) in order to feel financially secure when they retire.
- **Basis for Estimating Retirement Savings Needs.** Many workers are “guessing” their retirement savings needs including 49 percent of Millennials, 52 percent of Generation X, and 42 percent of Baby Boomers. Fewer than one in ten say they have used a retirement calculator to estimate their needs.

# Influences of Generation on Retirement Readiness

- **Asset Allocation of Retirement Investments.** Workers across generations most frequently cite that their retirement savings are invested in a relatively equal mix of stocks and investments such as bonds, money market funds and cash; however, the response rate is higher among Baby Boomers (49 percent) and Generation X (44 percent) compared to Millennials (32 percent). A concerning 25 percent of Millennials are “not sure” how their savings are invested.
- **Retirement Strategy: Written, Unwritten, or None.** The majority of workers across all generations has a retirement strategy including 64 percent of Baby Boomers, 60 percent of Generation X and 65 percent of Millennials. Workers in all generations are far less likely to have a written 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 travel goals, including 58 percent of Millennials, 54 percent of Generation X, and 63 percent of Baby Boomer workers. However, relatively few across generations are “very” confident (19 percent Millennials, 13 percent Generation X, 20 percent Baby Boomers). Interestingly, some workers say that they haven’t given it much thought: 20 percent Millennials, 17 percent Generation X, 10 percent Baby Boomers.
- **Professional Financial Advisor Usage.** Baby Boomers (40 percent) and Generation X (39 percent) workers are somewhat more likely than Millennials (36 percent) to use a financial advisor to help manage retirement savings and investments.
- **Total Household Retirement Savings.** Baby Boomer workers have the highest reported total household retirement savings at \$147,000 (estimated median) compared to Generation X (\$69,000) and Millennials (\$31,000). Thirteen percent of Millennials are not sure what their total household retirement savings are.
- **Expected Retirement Age.** Sixty-six percent of Baby Boomers expect to either work past age 65 (51 percent) or do not plan to retire (15 percent). Fifty-five percent of Generation X share these expectations including 41 percent who plan to work past age 65 and 14 percent who do not plan to retire. In contrast, the majority of Millennials (60 percent) expect to either retire at age 65 (25 percent) or sooner (35 percent).

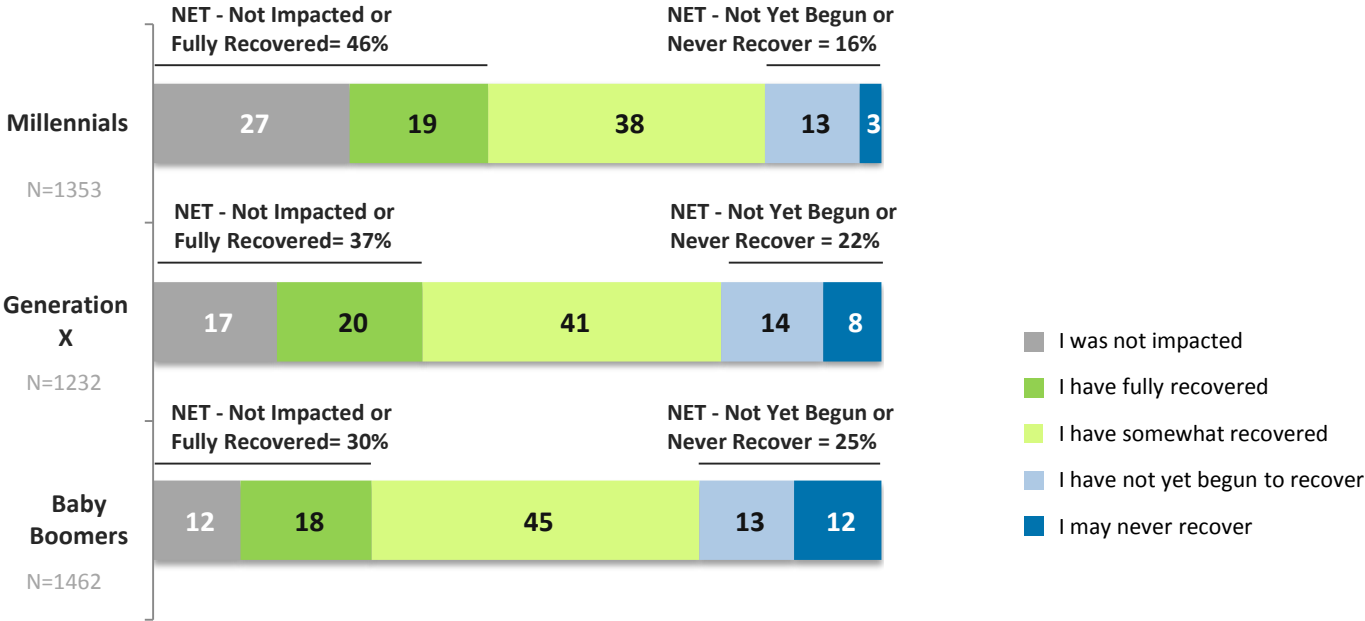
# Influences of Generation on Retirement Readiness

- **Expectations of Working in Retirement.** Many workers plan to continue working after they retire, including 50 percent of Baby Boomers, 51 percent of Generation X, and 52 percent of Millennials. Among those planning to work, most plan to do so on a part-time basis.
- **Retirement Transitions: Phased Versus Immediate.** Many workers across the three generations are planning either transition into retirement changing work patterns (e.g., shifting from full-time to part-time or working in a different capacity) or planning to continue working until they cannot work any longer. Baby Boomers (26 percent) are more likely to be planning to immediately stop working when they reach a certain age or savings goal compared to Generation X (22 percent) and Millennials (22 percent).
- **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. Level of awareness about the credit is highest among Millennials (38 percent), followed by Generation X (30 percent) and Baby Boomers (29 percent).
- **Retirement Security Priorities for the New President and Congress.** Workers across generations 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. However, there are differences of opinion among generations about other priorities. Baby Boomers (73 percent) are more likely to cite fully funding Social Security compared to other generations. Millennials (39 percent) are more likely to cite “educating Americans early by implementing a financial literacy curriculum in schools.” Generation X (48 percent) is slightly more likely to cite “encouraging 401(k) plans to offer the option to pay retirement benefits in a form that guarantees retirees a set monthly income for life.”

# Recovery From the Great Recession

Financial recovery from the Great Recession varies across generations. Millennial workers (27 percent) are most likely to say they were not impacted,” followed by Generation X (17 percent) and Baby Boomers (12 percent). All three generations are similarly likely to say they have fully recovered, including Millennials (19 percent), Generation X (20 percent), and Baby Boomers (18 percent). Baby Boomers (25 percent) are more likely than Generation X (22 percent) and Millennials (16 percent) to say they have not yet begun to recover or may never recover.

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



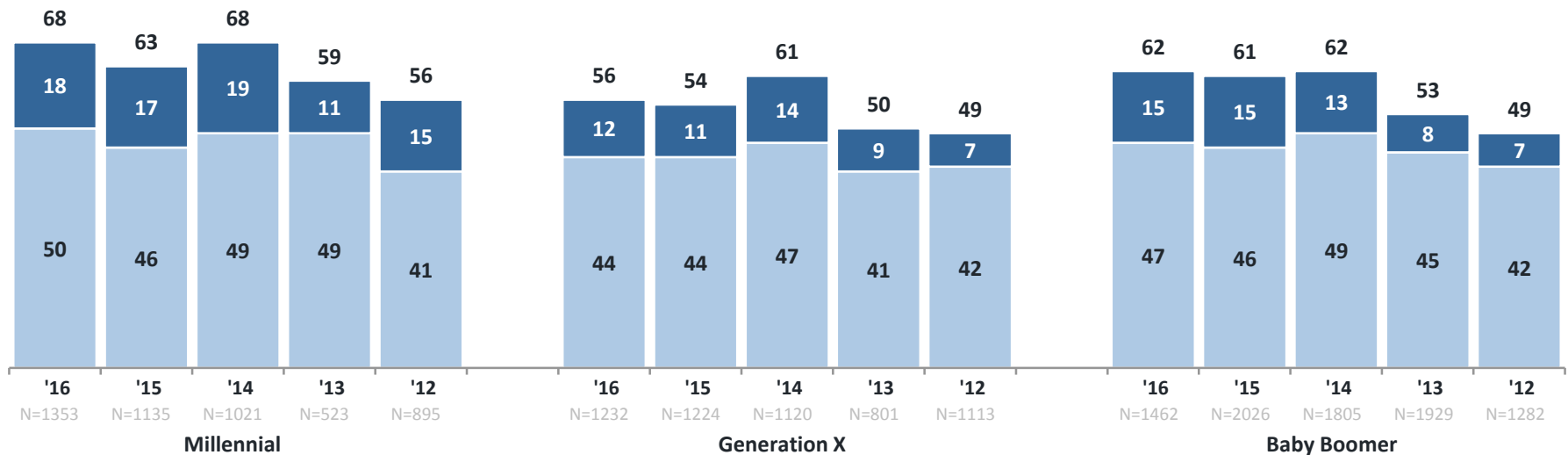
# Confidence in Retiring Comfortably

More than half of workers are “somewhat” or “very” confident that they will be able to retire comfortably; confidence is highest among Millennials (68 percent) and Baby Boomers (62 percent) and notably lower among Generation X (56 percent). Relatively few workers of all three generations are “very” confident, including 18 percent of Millennials, 12 percent of Generation X, and 15 percent of Baby Boomers.

## Confidence in Retiring Comfortably

Very/Somewhat Confident (%) (NET)

■ Very confident ■ Somewhat confident



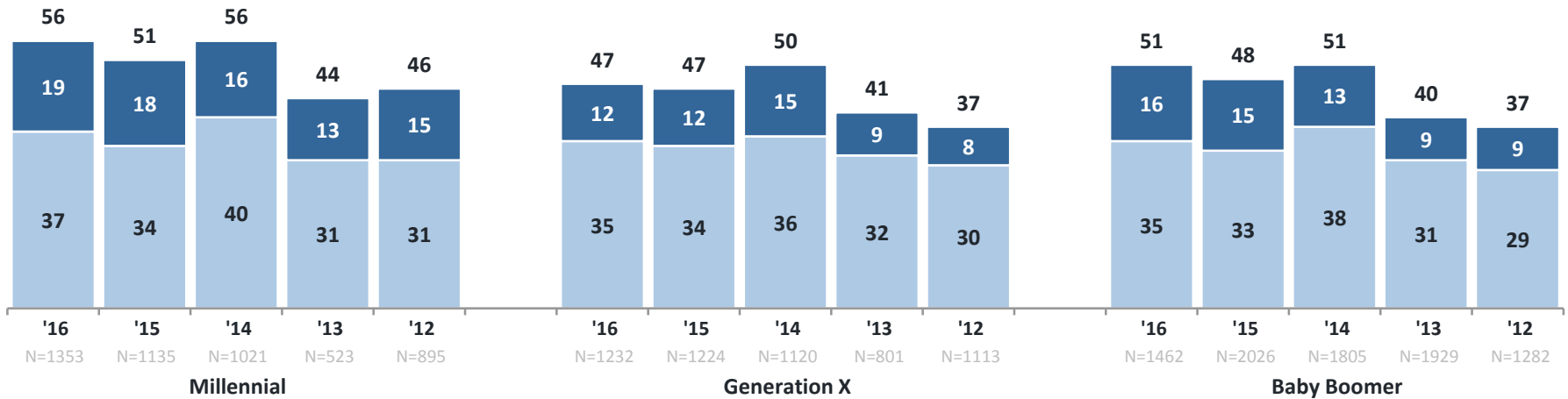


# Building a Large Enough Nest Egg?

About half of Generation X (47 percent) and Baby Boomers (51 percent) either “somewhat” or “strongly” agree that they are building a large enough retirement nest egg, and slightly more Millennials (56 percent) agree. Among all three generations, fewer than one in five “strongly” agree. Level of agreement rose between 2011 and 2014 and then dropped in the past year.

**Building a Large Enough Nest Egg**  
Strongly/Somewhat Agree (%) (NET)

■ Strongly agree ■ Somewhat agree

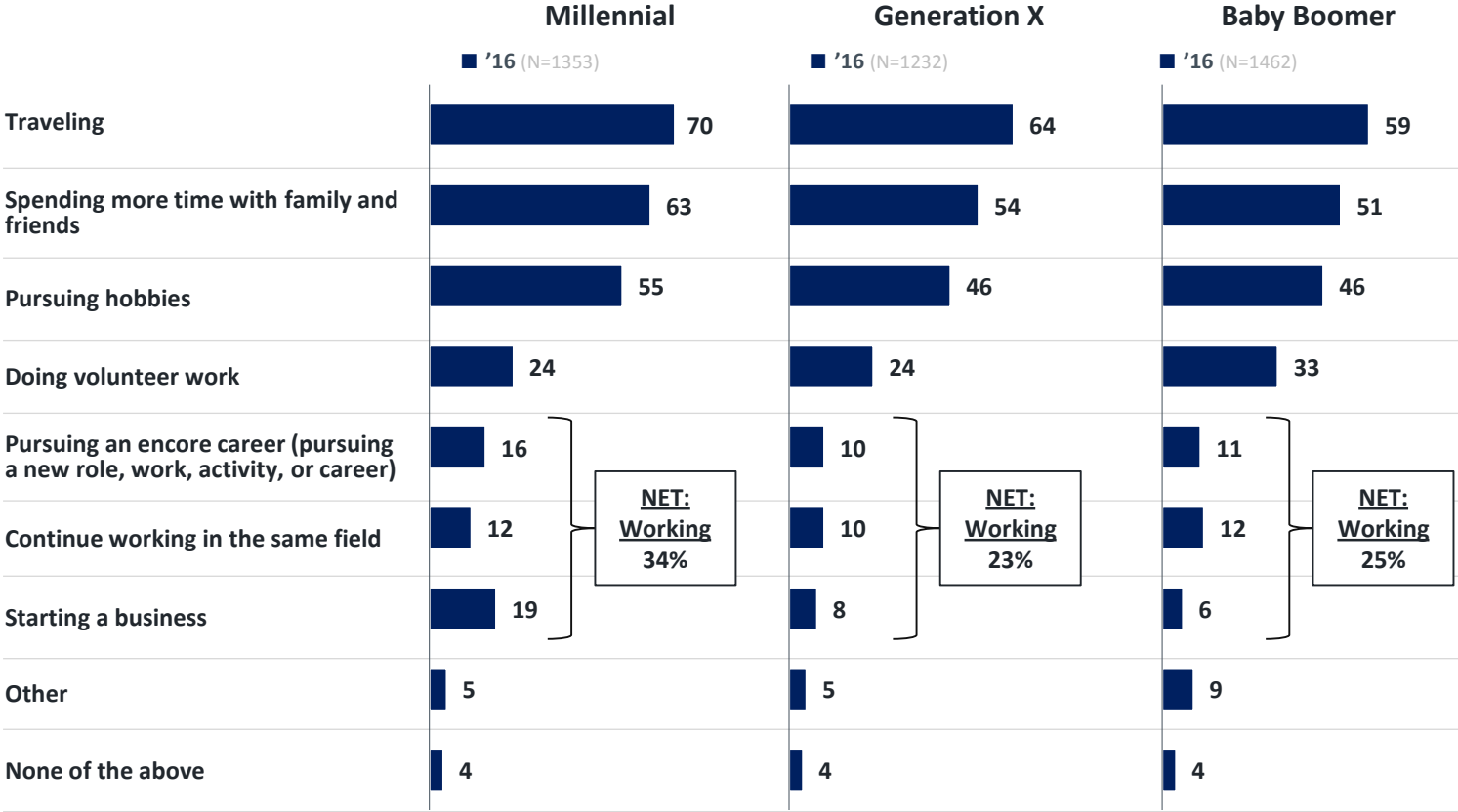


# Retirement Dreams Include Leisure and Work

Workers across generations most frequently cite traveling as a retirement dream, including Millennials (70 percent), Generation X (64 percent), and Baby Boomers (59 percent). The second most frequently cited retirement dream is spending more time with family and friends (63 percent Millennials, 54 percent Generation X, 51 percent Baby Boomers). Interestingly, 34 percent of Millennials, 23 percent of Generation X, and 25 percent of Baby Boomer workers dream of doing some sort of work in retirement.

**How do you dream of spending your retirement?**

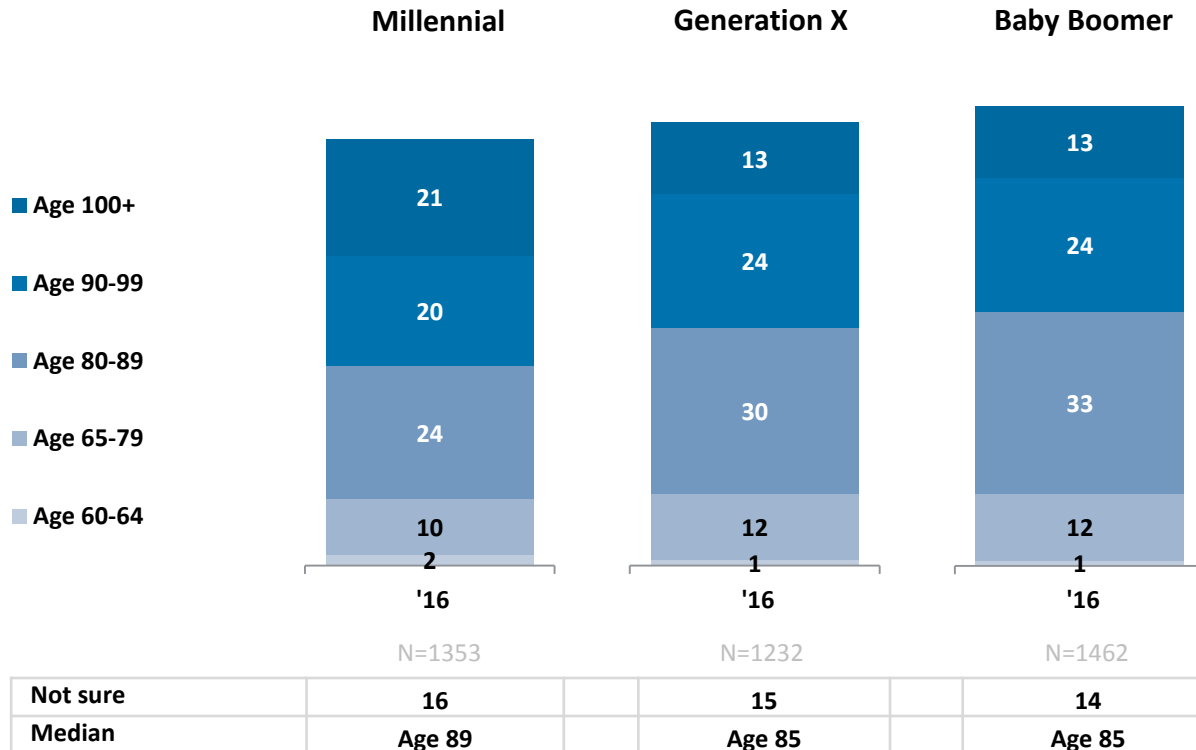
**Please select all that apply. (%)**



# Age Planning to Live to

Workers across generations share similar expectations regarding the age they are planning to live to. Millennials are planning to live to an older age of 89 (median) – and 21 percent of them are planning to become centenarians. Both Generation X and Baby Boomers are planning to live to age 85 (median) with only 13 percent planning to live to 100+.

**What age are you planning to live to? (%)**

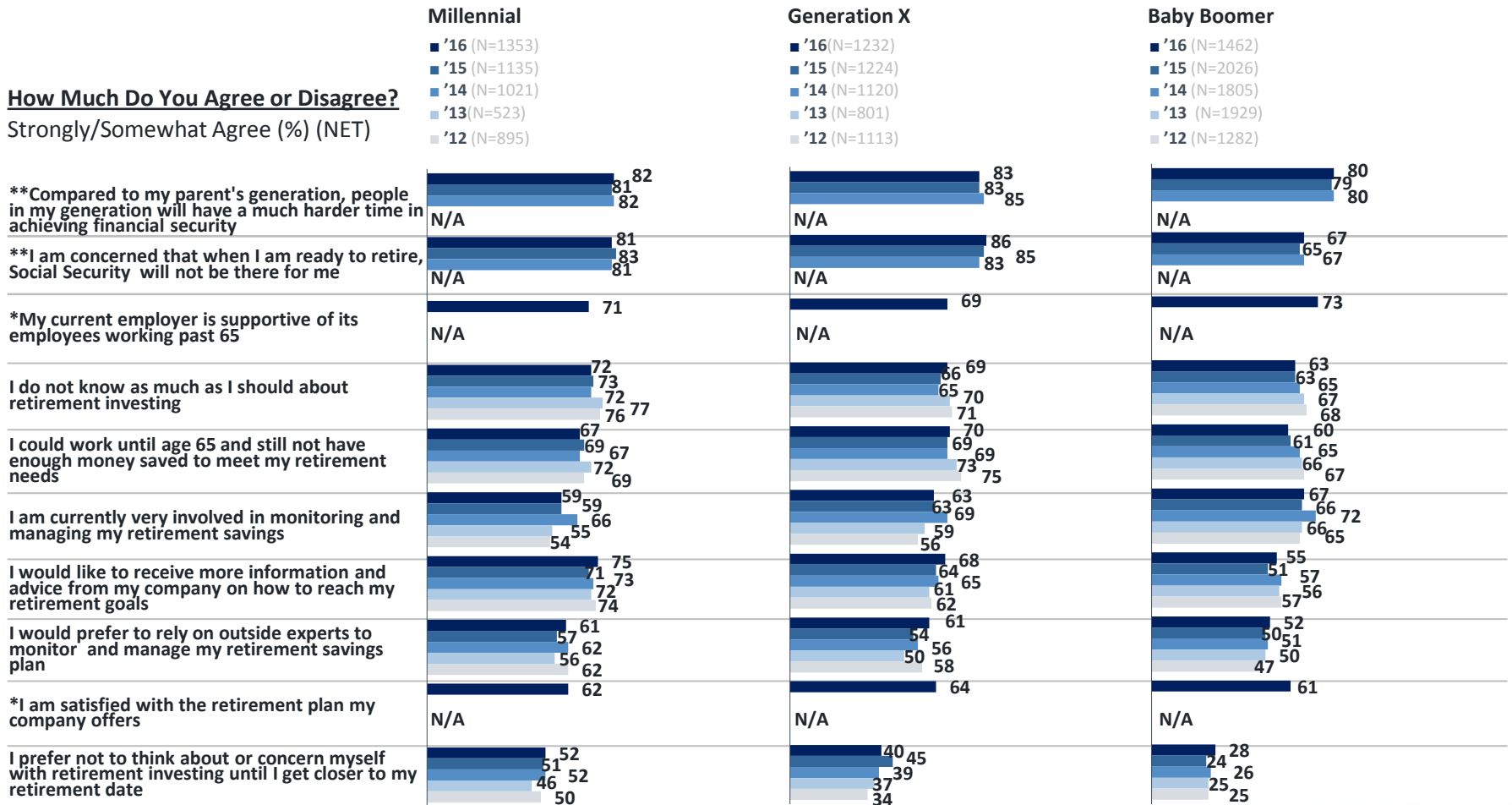


# Retirement Beliefs

Across generations, four out of five workers agree that their generation will have a much harder time achieving financial security compared to their parent's generation. Generation X (86 percent) and Millennials (81 percent) are more likely than Baby Boomers (67 percent) to be concerned that Social Security will not be there for them when they are ready to retire. With regards to their retirement-related preparations, Millennials tend to lag behind the older generations.

## How Much Do You Agree or Disagree?

Strongly/Somewhat Agree (%) (NET)



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

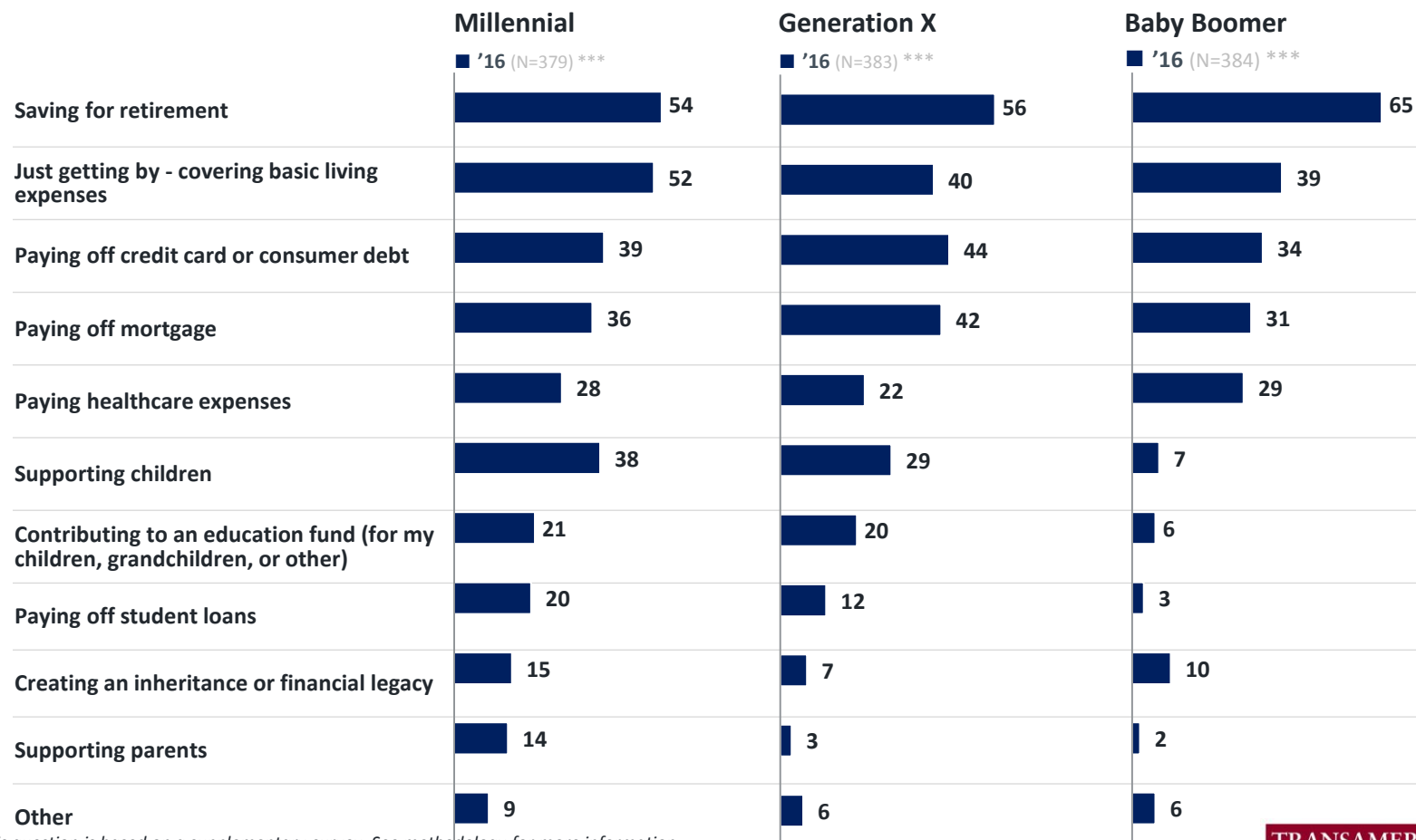
BASE: ALL QUALIFIED RESPONDENTS

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

# Current Financial Priorities

Saving for retirement is the most frequently cited current financial priority across generations, including Baby Boomers workers (65 percent), Generation X (56 percent), and Millennials (54 percent). Among the three generations, Millennial workers (52 percent) are more likely identify “just getting by – covering basic living expenses” than Generation X (40 percent) and Baby Boomer workers (39 percent).

**Current Financial Priorities (%)**



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

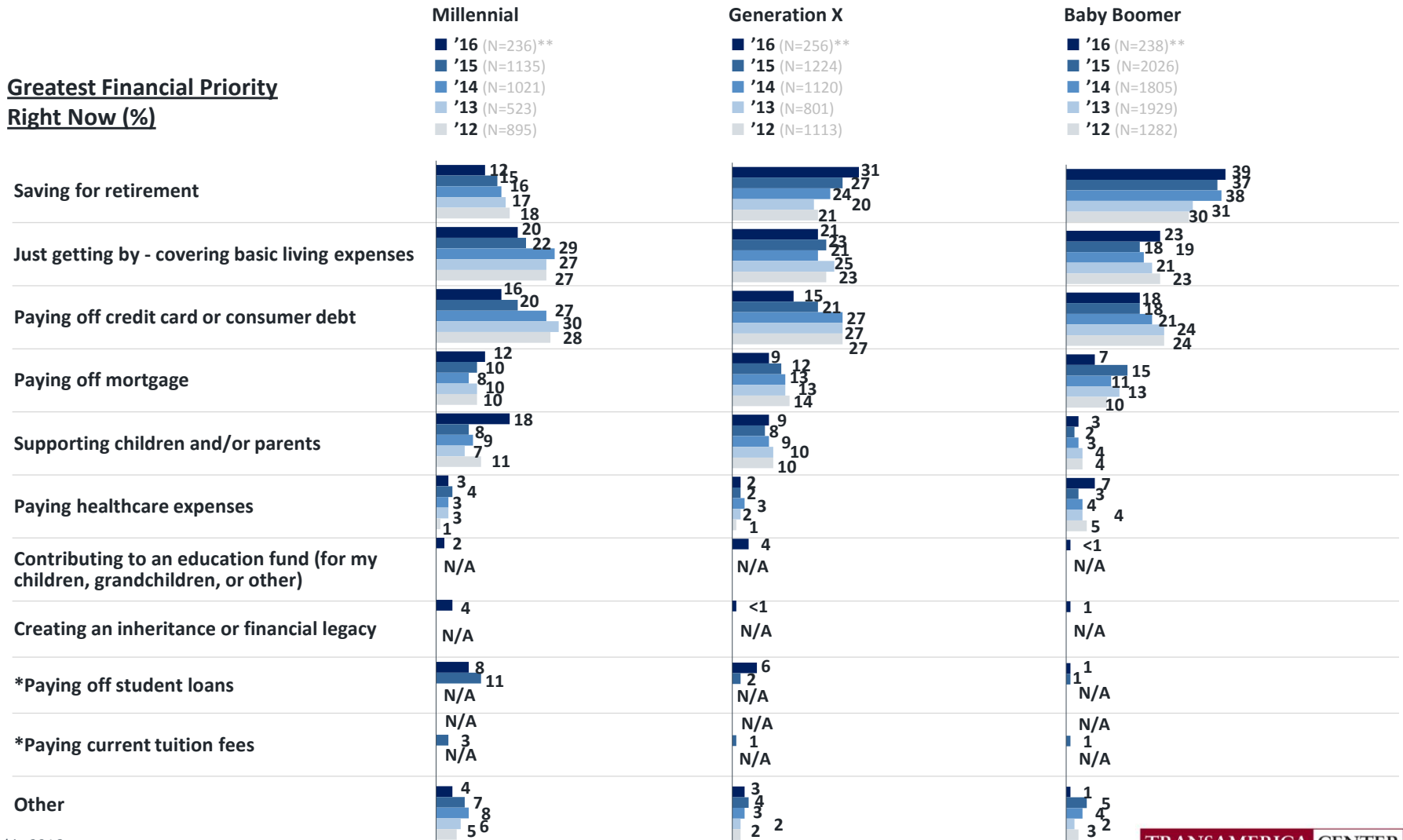
BASE: ALL QUALIFIED RESPONDENTS

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

# Greatest Financial Priority Right Now

Baby Boomers are most likely to cite “saving for retirement” as their greatest financial priority right now (39 percent), compared to Generation X (31 percent) and Millennials (12 percent).

## Greatest Financial Priority Right Now (%)



\*added in 2016

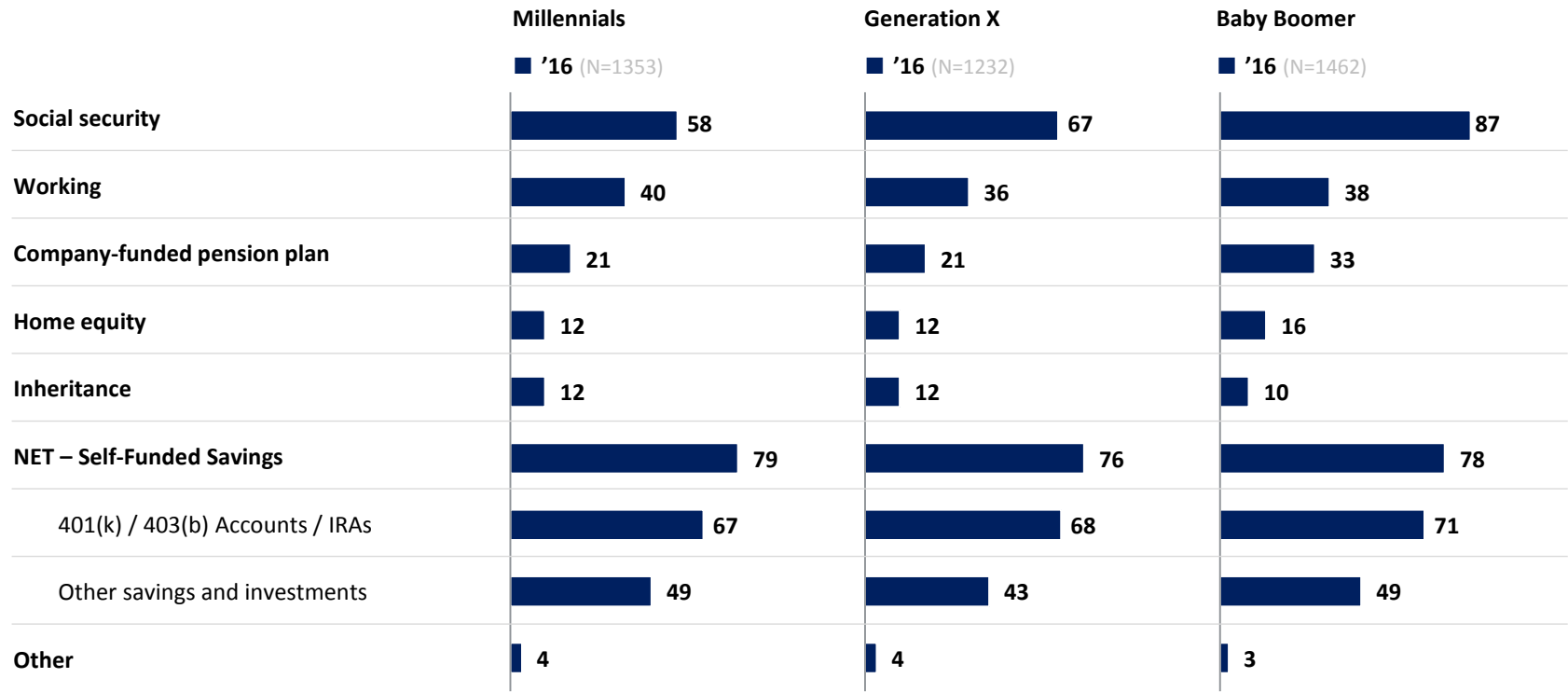
\*\*This question is based on a supplementary survey. See methodology for more information.

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 Millennials (79 percent) and Generation X (76 percent), while Baby Boomers are most likely to expect to rely on Social Security (87 percent).

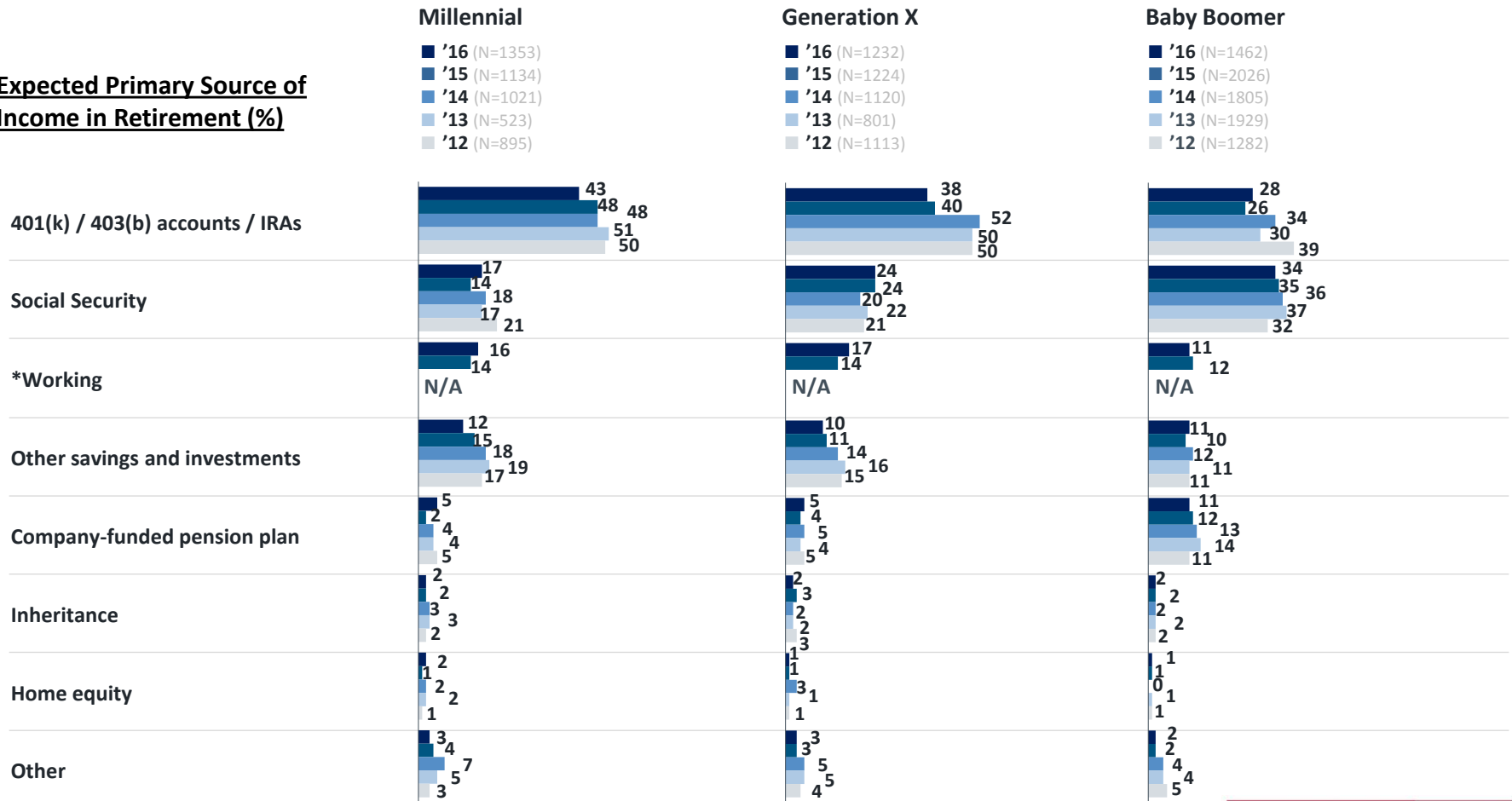
**Expected Sources of Income During Retirement (%)**



# Expected Primary Source of Income in Retirement

Millennial (43 percent) and Generation X (38 percent) workers most frequently cite 401(k)s, 403(b)s, or IRAs to be their expected primary source of retirement income, while Baby Boomers (34 percent) are more likely to expect to rely on Social Security during retirement. Approximately one in seven Millennials (16 percent) and Generation X (17 percent) expect “working” to be their primary source of retirement income.

## Expected Primary Source of Income in Retirement (%)



\*added in 2015

BASE: ALL QUALIFIED RESPONDENTS

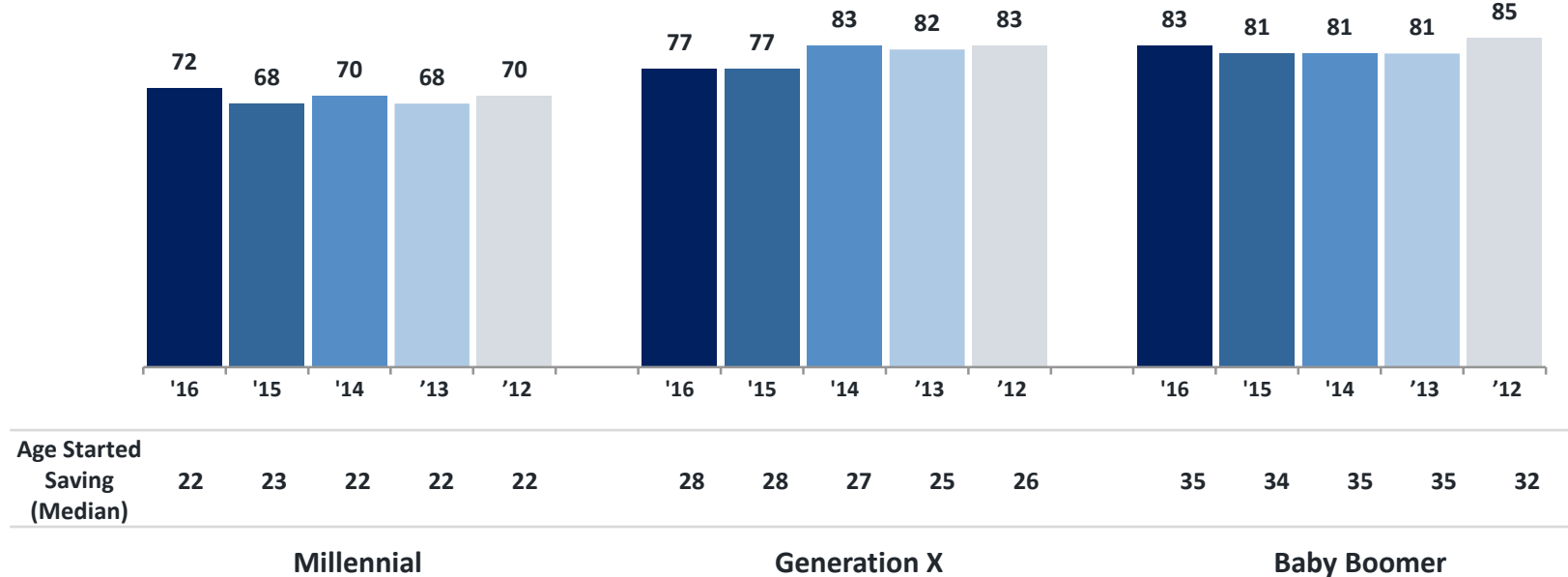
Q1150. Which one of the following do you expect to be your primary source of income to cover your living expenses after you retire?



# Percentage Saving for Retirement/ Age They Started to Save

The majority of workers across all three generations are saving for retirement through an employer-sponsored plan and/or outside of work. Baby Boomers (83 percent) are most likely to be saving, followed by Generation X (77 percent) and Millennials (72 percent). In terms of the median age that they started saving, Millennials started at a younger age (age 22) compared to Generation X (age 28) and Baby Boomers (age 35).

**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

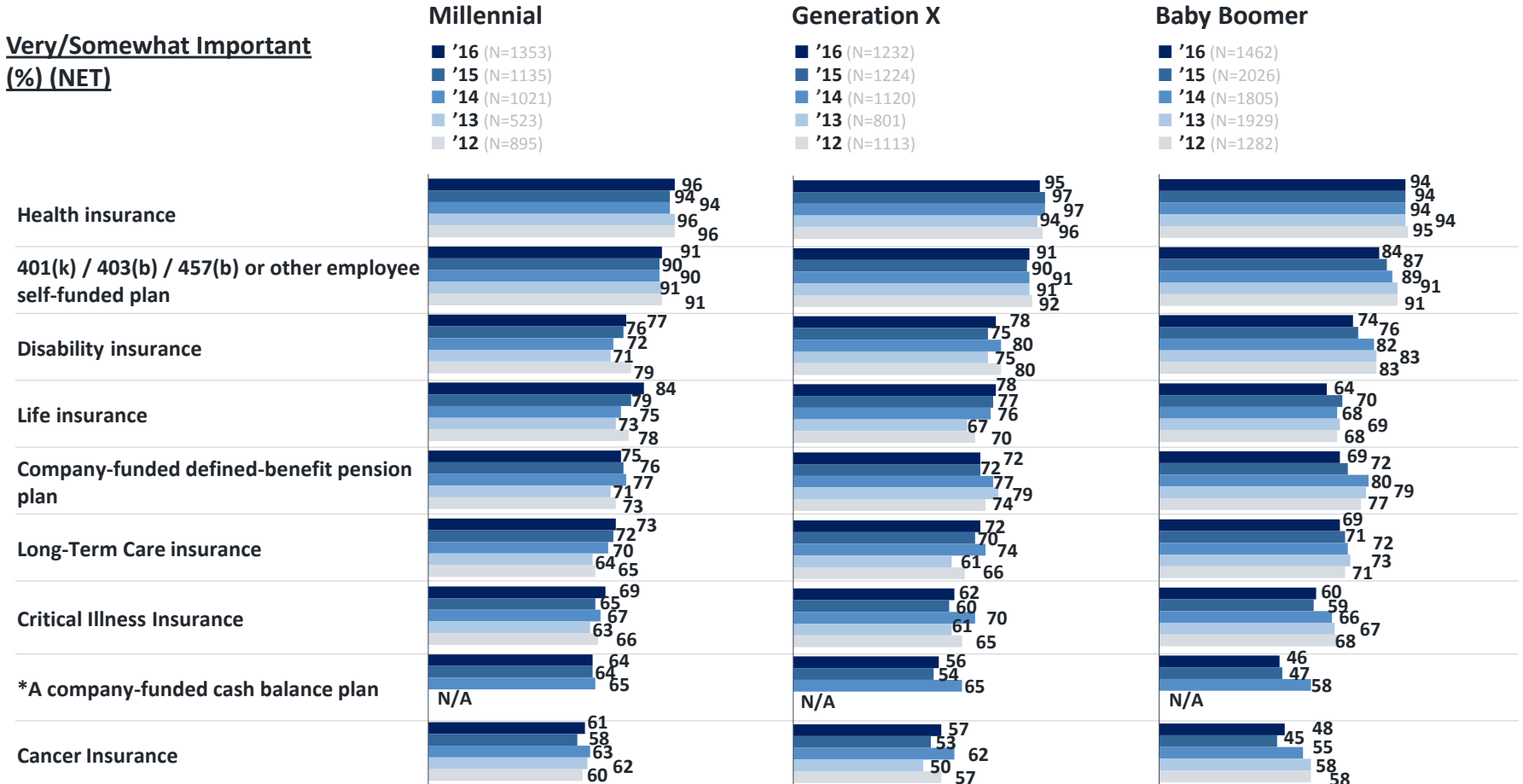
Q740. Are you currently saving for retirement outside of work, such as in an IRA, mutual funds, bank account, etc.?

BASE: INVESTING FOR RETIREMENT

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

# Importance of Retirement Benefits Compared to Other Benefits

The vast majority of workers — including 91 percent of Millennials, 91 percent of Generation X, and 84 percent of Baby Boomers — believe that a 401(k) or similar plan is a “somewhat” or “very” important employee benefit. This trend has remained consistent over time.



\*added in 2014

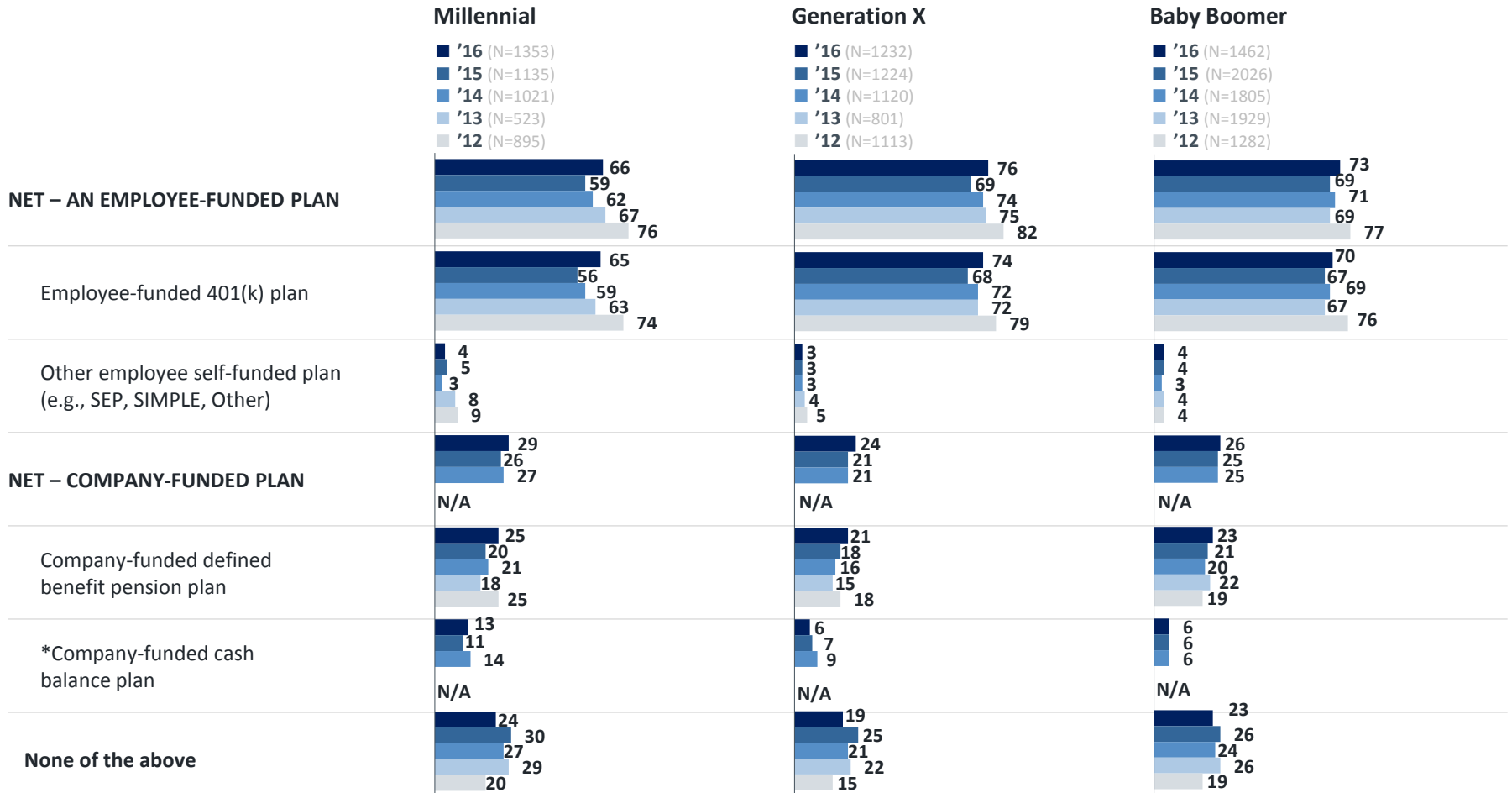
BASE: ALL QUALIFIED RESPONDENTS

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 similar plan by their employers. Baby Boomers (73 percent) and Generation X (76 percent) are more likely to be offered such benefits compared to Millennials (66 percent). Few workers are offered a company-funded defined benefit plan.

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



\*added in 2014

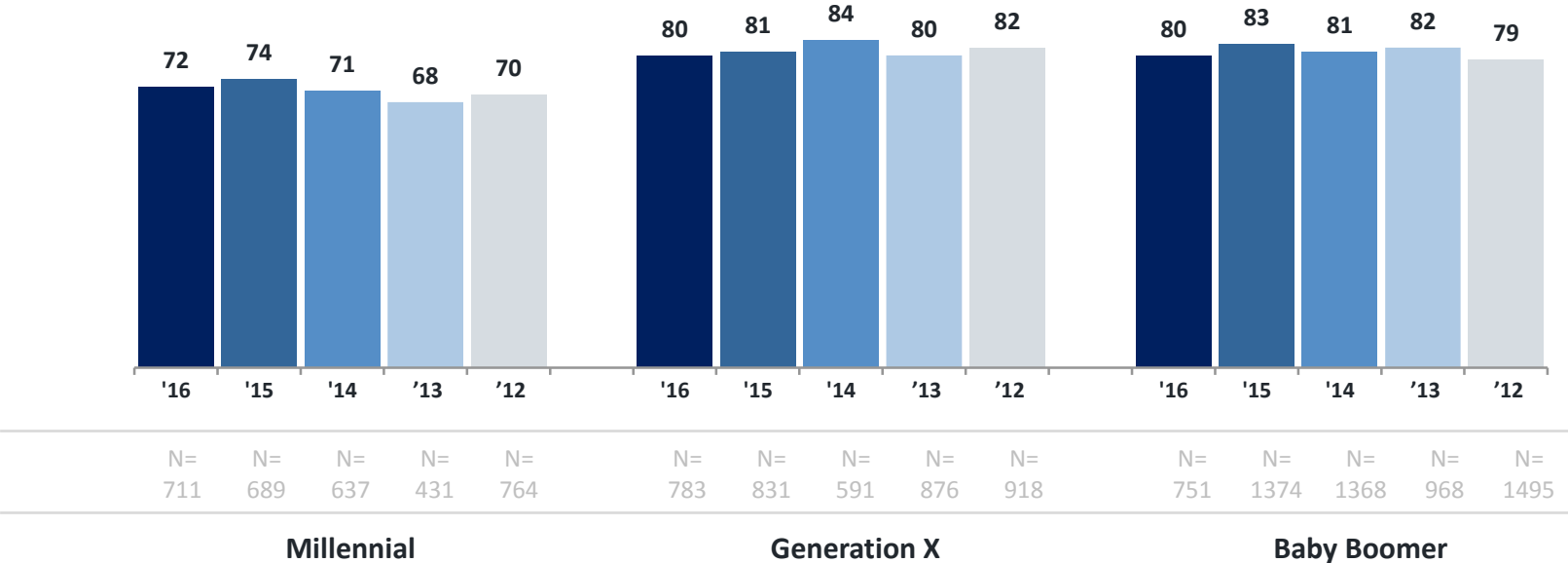
BASE: ALL QUALIFIED RESPONDENTS

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 increases with age. Seventy-two percent of Millennial workers participate in their employer’s plan, compared to 80 percent of Generation X and 80 percent of Baby Boomers. This trend has remained relatively consistent over the past five years.

**Participation in Company’s Employee-funded Retirement Savings Plan,  
% Indicate “Yes”**



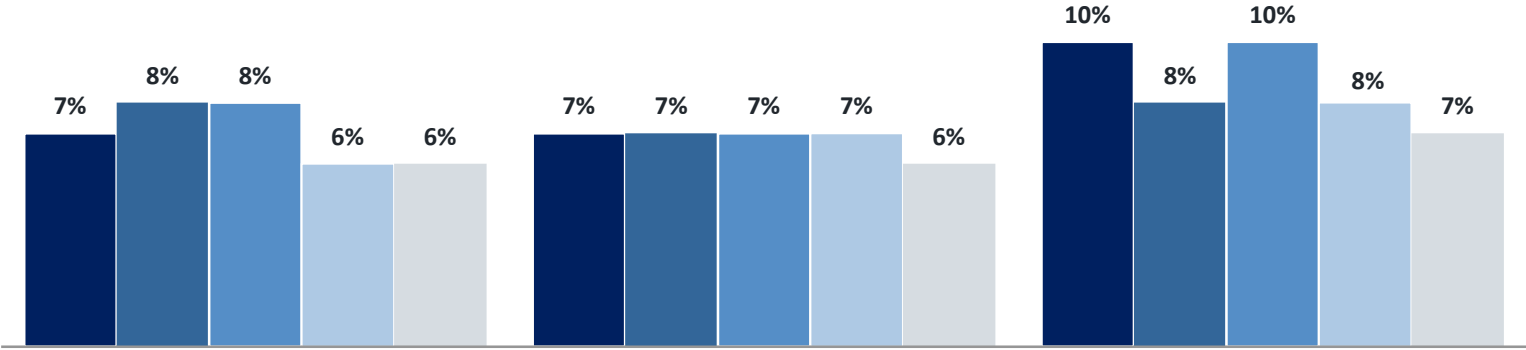
BASE: THOSE CURRENTLY OFFERED QUALIFIED PLAN

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, Baby Boomers contribute 10 percent (median) of their annual pay, up from 8 percent (median) last year. Generation X and Millennial workers contribute 7 percent, which is a slight decrease for Millennials.

Contribution Rate, Median %



Mean	12.8	11.9	12.0	9.3	12.7	9.3	9.2	11.0	8.9	8.6	10.9	10.6	10.5	9.3	9.0
	N=655	N=499	N=446	N=260	N=483	N=699	N=657	N=662	N=479	N=722	N=771	N=1078	N=991	N=1107	N=773
	<b>Millennial</b>					<b>Generation X</b>					<b>Baby Boomer</b>				

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. The majority of plan participants across generations use some form of professionally managed offering in their 401(k) or similar plans: 60 percent of Millennials, 62 percent of Generation X, and 59 percent of Baby Boomers. Millennials (42 percent) and Baby Boomers (44 percent) are more likely to set their own asset allocation percentage among the available funds compared to Generation X (36 percent). Millennials (42 percent) and Baby Boomers (44 percent) are more likely to set their own asset allocation percentage among the available funds compared to Generation X (36 percent).

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

### Millennials

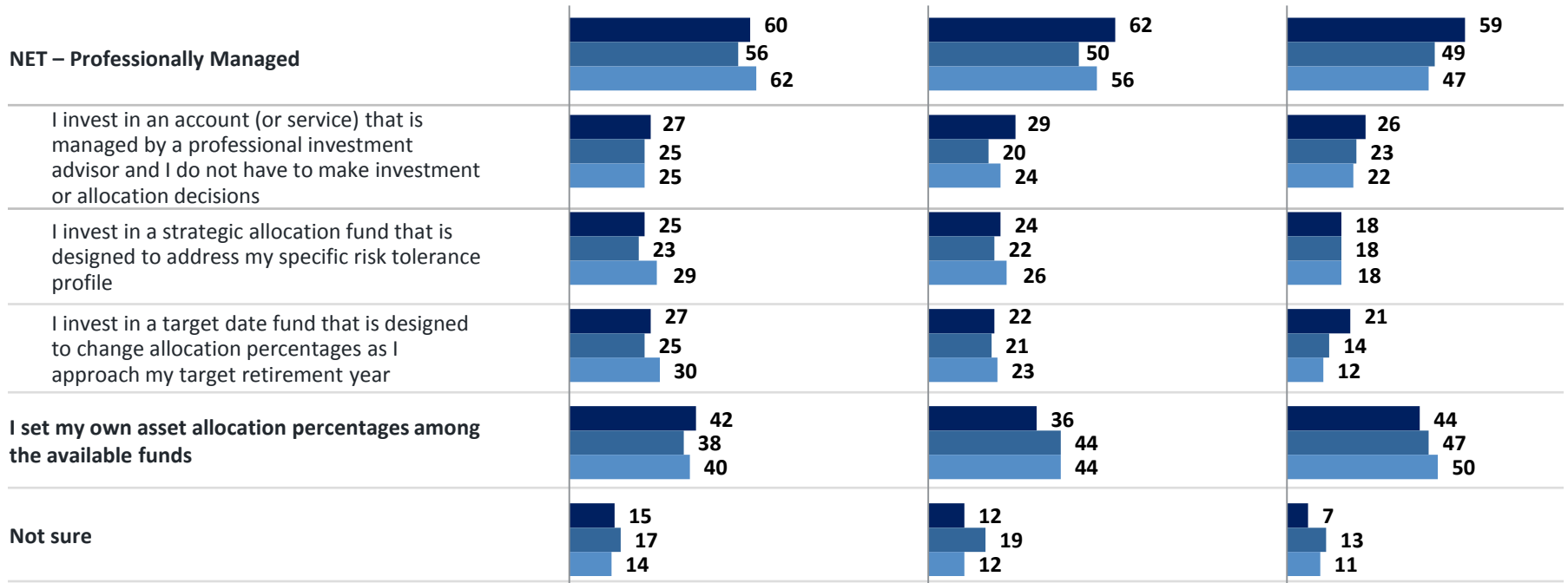
■ '16 (N=655)  
■ '15 (N=500)  
■ '14 (N=448)

### Generation X

■ '16 (N=699)  
■ '15 (N=658)  
■ '14 (N=665)

### Baby Boomer

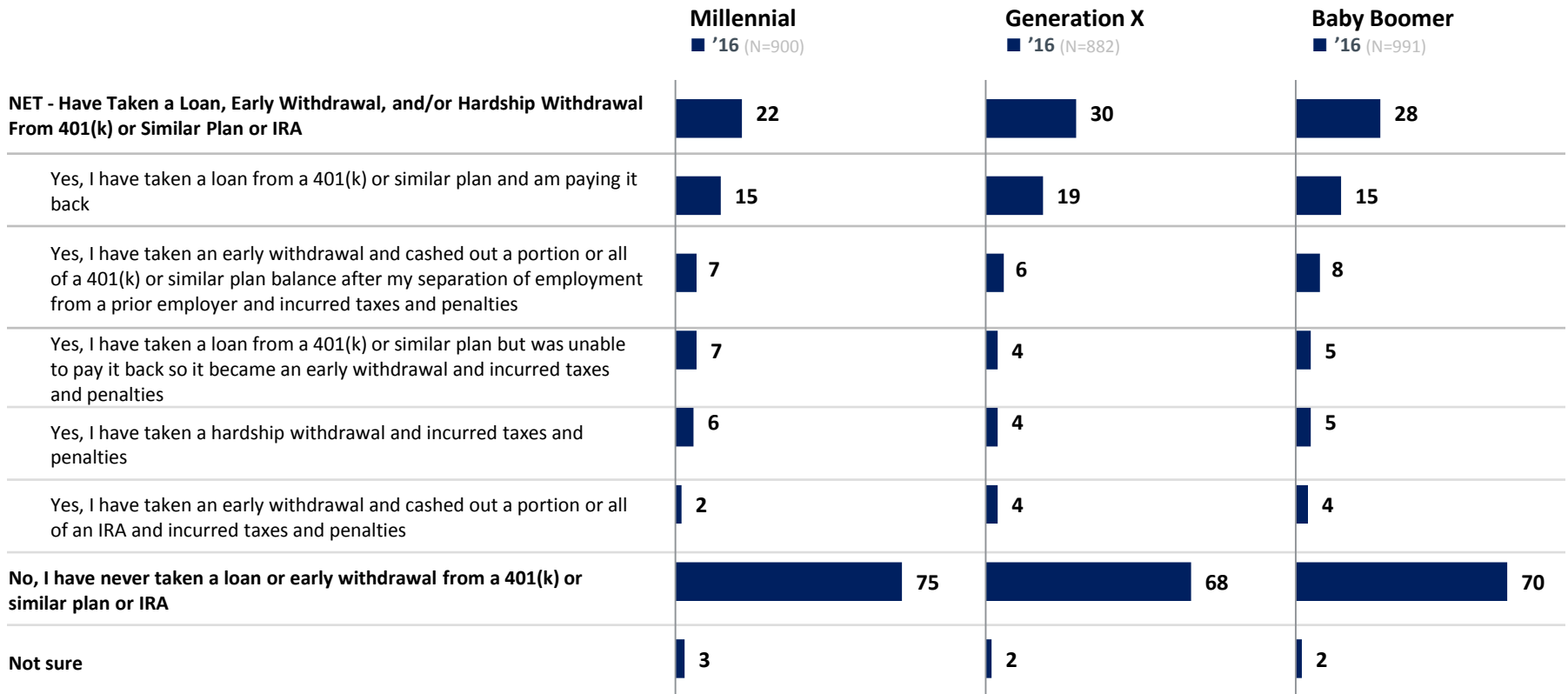
■ '16 (N=775)  
■ '15 (N=1081)  
■ '14 (N=991)



# 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, Generation X (30 percent) and Baby Boomers (28 percent) workers are more likely to have taken some form of loan, early withdrawal, and/or hardship withdrawal from a 401(k), compared to Millennials (22 percent).

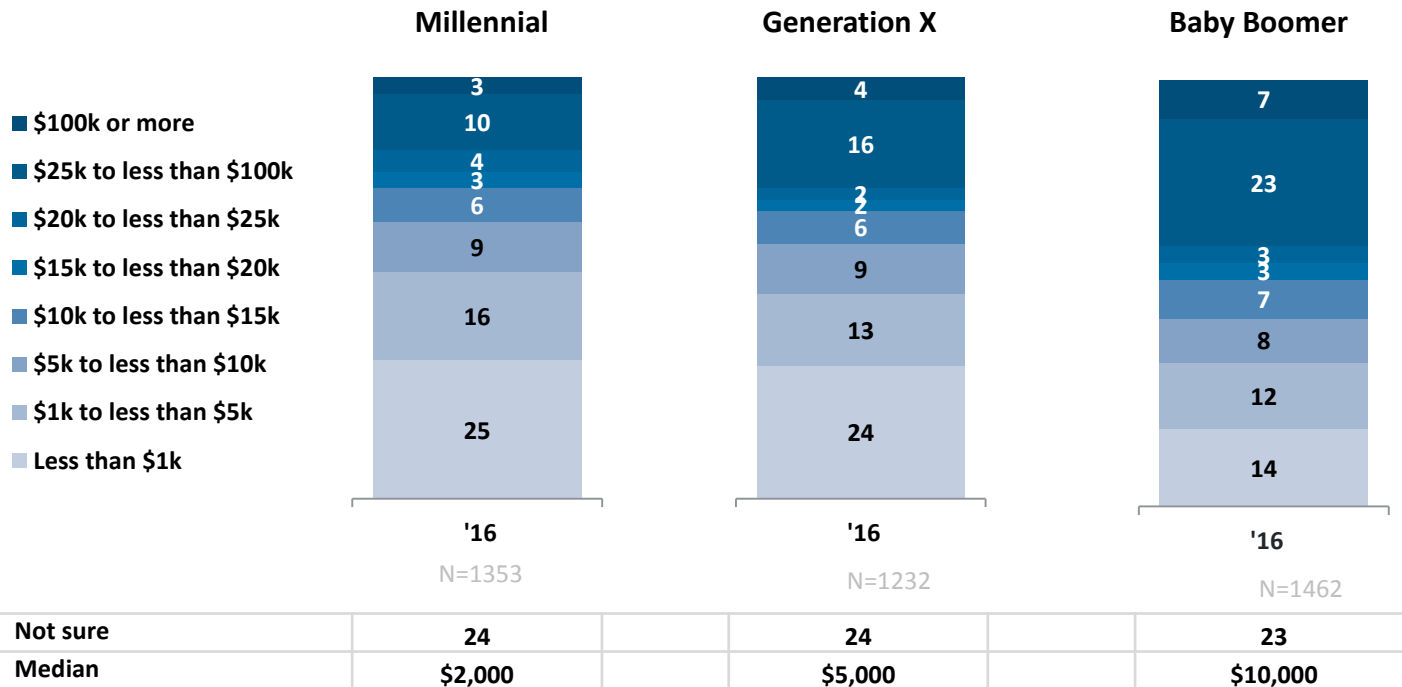
## Have you ever taken any form of loan or early withdrawal from a qualified retirement account such as a 401(k) or similar plan or IRA? (%)



# Estimated Emergency Savings

Many workers lack emergency savings that could help cover the cost of a major financial setback (e.g., unemployment, medical bills, home repairs, auto repairs, other). Emergency savings are low across the three generations, including Millennials at \$2,000 (median), Generation X at \$5,000 (median), and Baby Boomers at \$10,000 (median). Moreover, one in four Millennials (25 percent) and Generation X (24 percent) have saved less than \$1,000. Baby Boomers (30 percent) are more likely to have saved more than \$25,000.

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



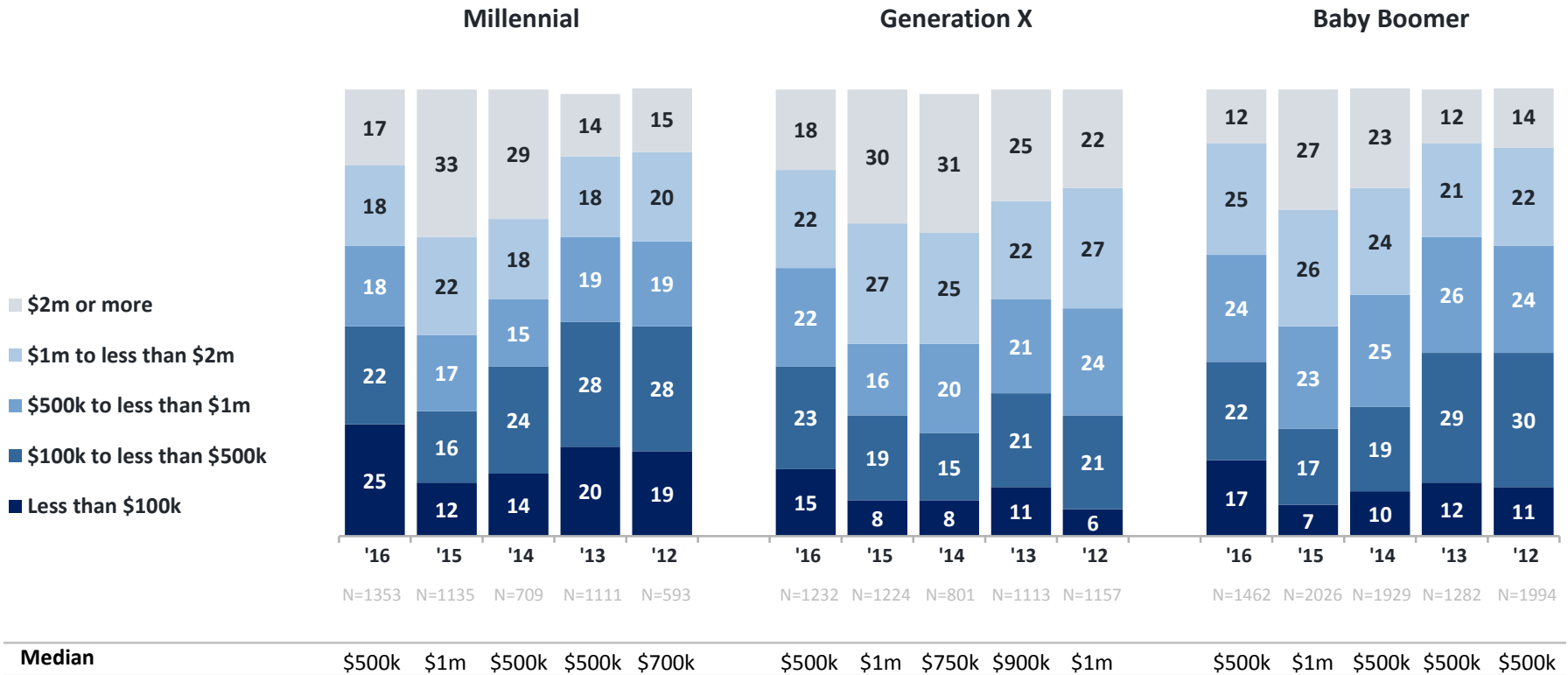
BASE: ALL QUALIFIED RESPONDENTS

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 across generations believe that they will need to have saved \$500,000 (median) in order to feel financially secure when they retire. Across all three generations, this is a big drop from last year when workers estimated they would need \$1 million (median).



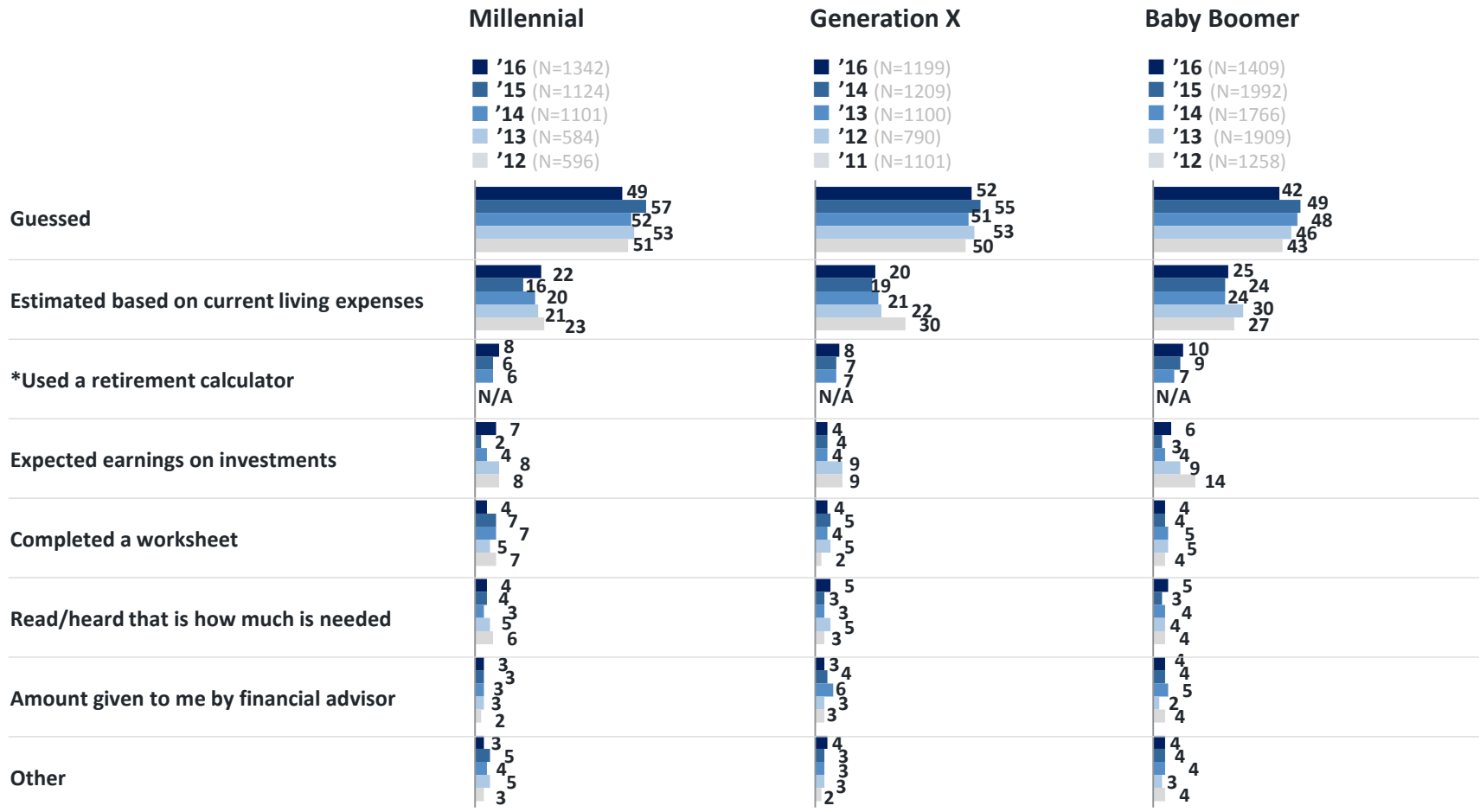
Note: The median is estimated based on the approximate midpoint of the range of each response category.

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

Many workers are “guessing” their retirement savings needs including 49 percent of Millennials, 52 percent of Generation X, and 42 percent of Baby Boomers. Fewer than one in ten say they have used a retirement calculator to estimate their needs.



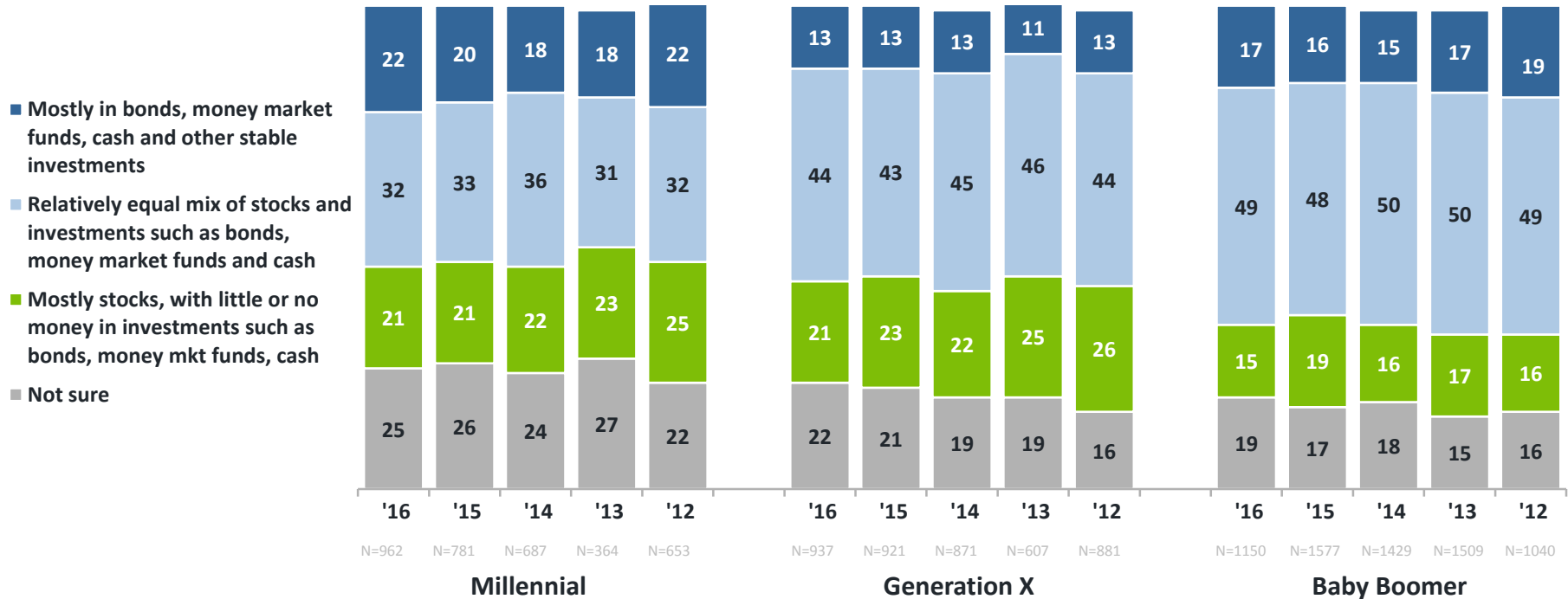
\*added in 2014

BASE: PROVIDED ESTIMATE OF MONEY NEEDED FOR RETIREMENT Q900. How did you arrive at that number?

# Asset Allocation of Retirement Investments

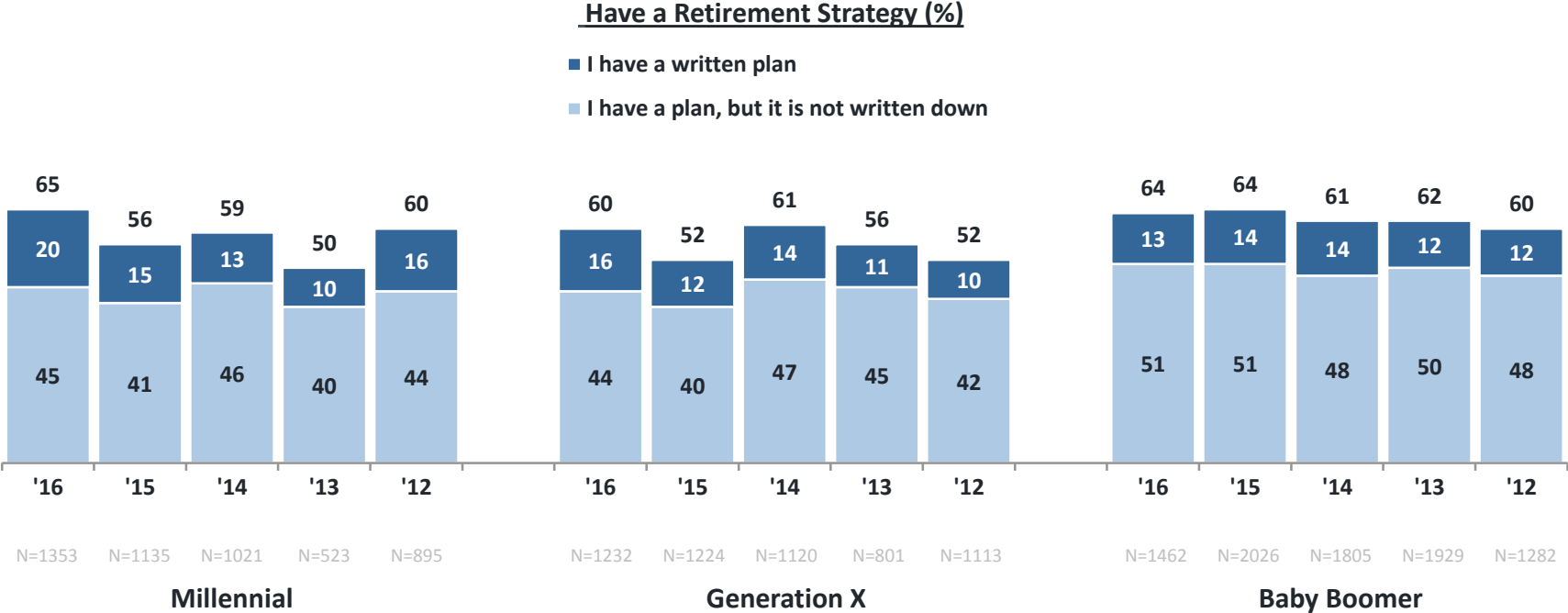
Workers across generations most frequently cite that their retirement savings are invested in a relatively equal mix of stocks and investments such as bonds, money market funds and cash; however, the response rate is higher among Baby Boomers (49 percent) and Generation X (44 percent) compared to Millennials (32 percent). A concerning 25 percent of Millennials 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

The majority of workers across all generations has a retirement strategy including 64 percent of Baby Boomers, 60 percent of Generation X and 65 percent of Millennials. The proportion of Generation X and Millennial workers with a strategy have both increased considerably since last year. Workers in all generations are far less likely to have a written strategy.

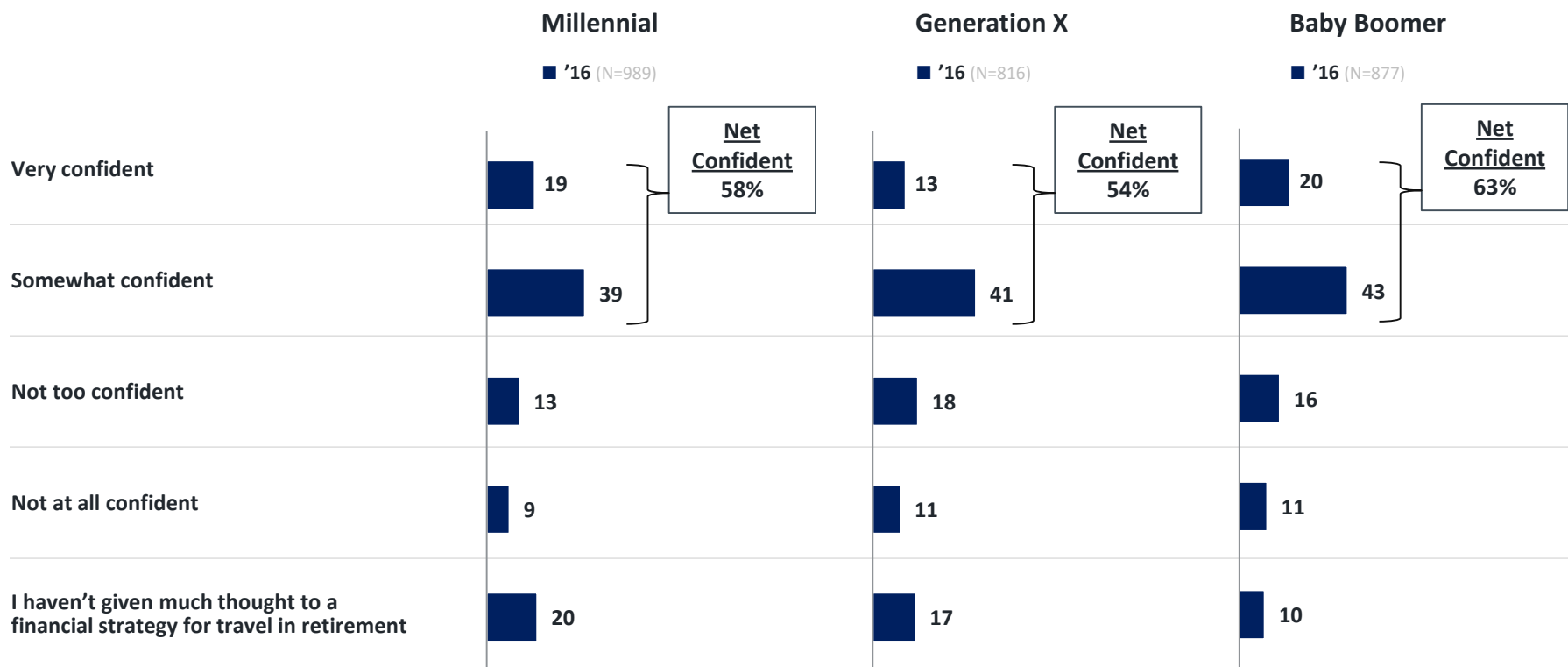


BASE: ALL QUALIFIED RESPONDENTS  
 Q1155. Which of the following best describes your retirement strategy?

# 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 travel goals, including 58 percent of Millennials, 54 percent of Generation X, and 63 percent of Baby Boomer workers. However, relatively few across generations are “very” confident (19 percent Millennials, 13 percent Generation X, 20 percent Baby Boomers). Interestingly, some workers say that they haven’t given it much thought: 20 percent Millennials, 17 percent Generation X, 10 percent Baby Boomers.

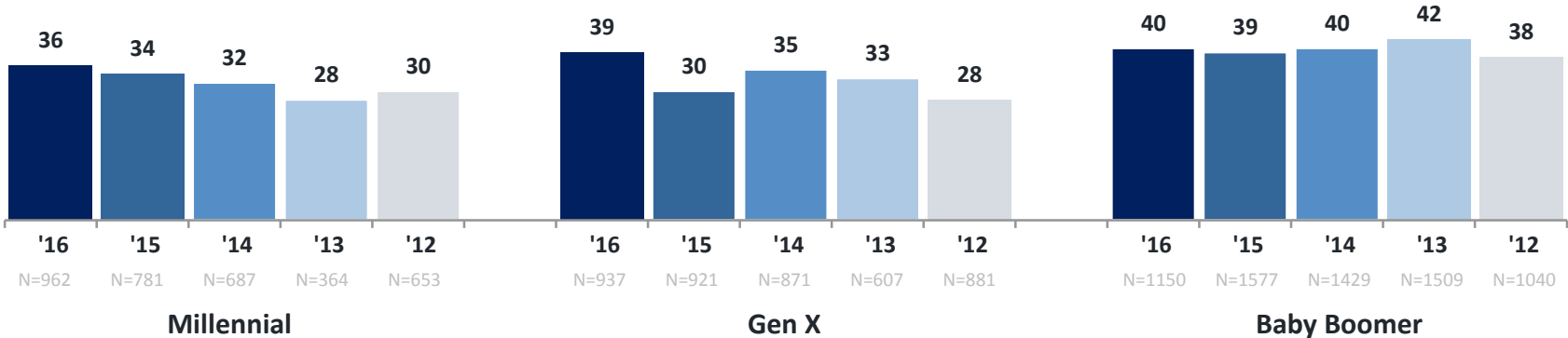
**Confidence That Current Financial Strategy Will Meet Retirement Travel Goals (%)**



# Professional Financial Advisor Usage

Baby Boomers (40 percent) and Generation X (39 percent) workers are somewhat more likely than Millennials (36 percent) to use a financial advisor to help manage retirement savings and investments. Since last year, more Generation X and Millennial workers use financial advisors.

Use a Professional Financial Advisor,  
% Indicate “Yes”

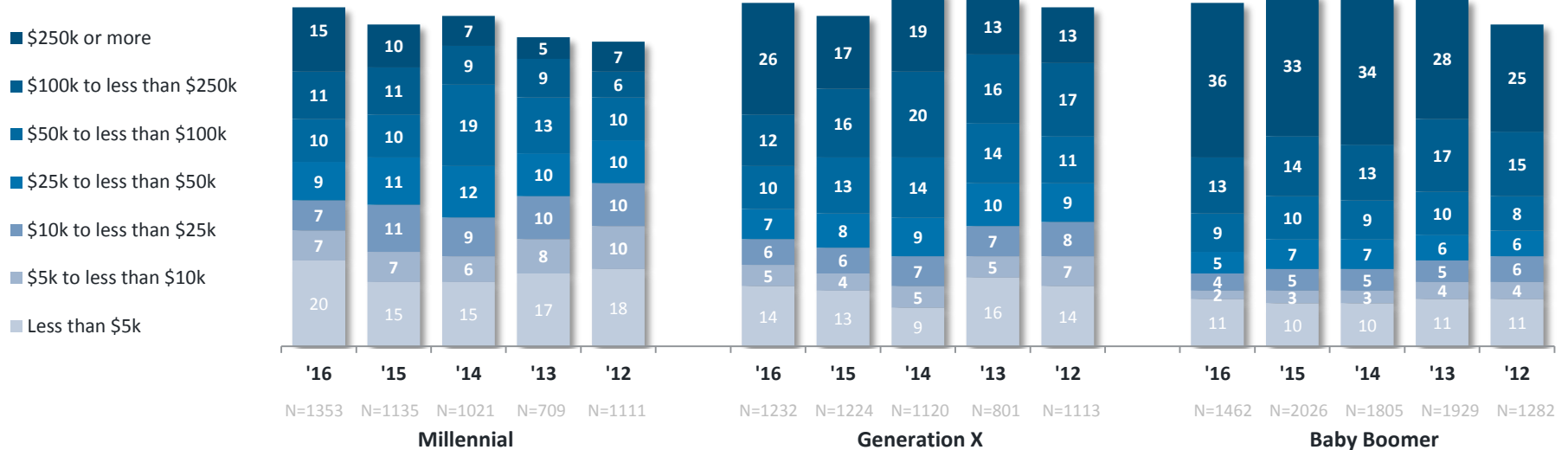


BASE: INVESTING FOR RETIREMENT  
Q860. Do you use a professional financial advisor to help manage your retirement savings or investments?

# Total Household Retirement Savings

Baby Boomer workers have the highest reported total household retirement savings at \$147,000 (estimated median) compared to Generation X (\$69,000) and Millennials (\$31,000). Among Baby Boomers, their reported retirement savings is the highest it has been in the past five years. Thirteen percent of Millennials are not sure what their total household retirement savings are.

Total Household Retirement Savings (%)



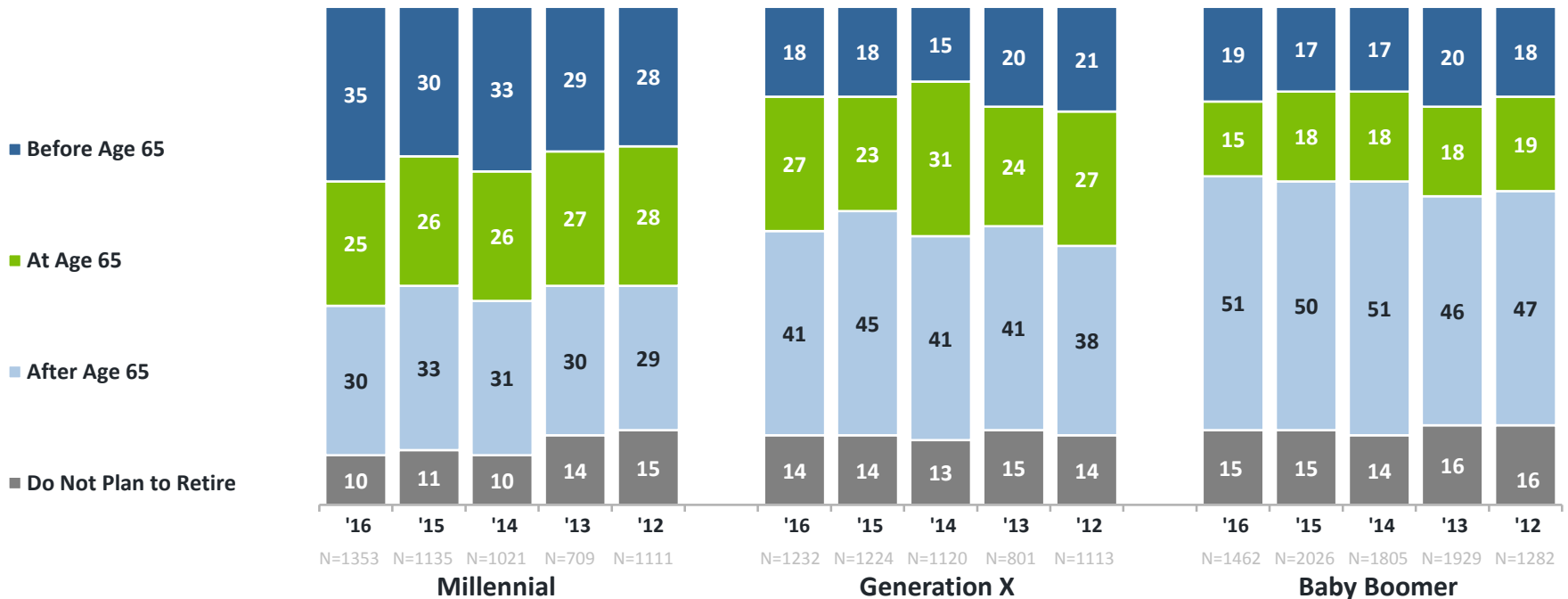
<b>Not sure</b>	13	17	14	19	18		10	11	8	8	10		8	7	7	6	9
<b>Decline to answer</b>	8	8	9	9	11		10	12	9	11	11		12	11	12	13	16
<b>Estimated Median</b>	\$31,000	\$25,000	\$32,000	\$19,000	\$14,000		\$69,000	\$61,000	\$70,000	\$45,000	\$42,000		\$147,000	\$132,000	\$127,000	\$103,000	\$99,000

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

Sixty-six percent of Baby Boomers expect to either work past age 65 (51 percent) or do not plan to retire (15 percent). Fifty-five percent of Generation X share these expectations including 41 percent who plan to work past age 65 and 14 percent who do not plan to retire. In contrast, the majority of Millennials (60 percent) expect to either retire at age 65 (25 percent) or sooner (35 percent).

**Age Expected to Retire (%)**

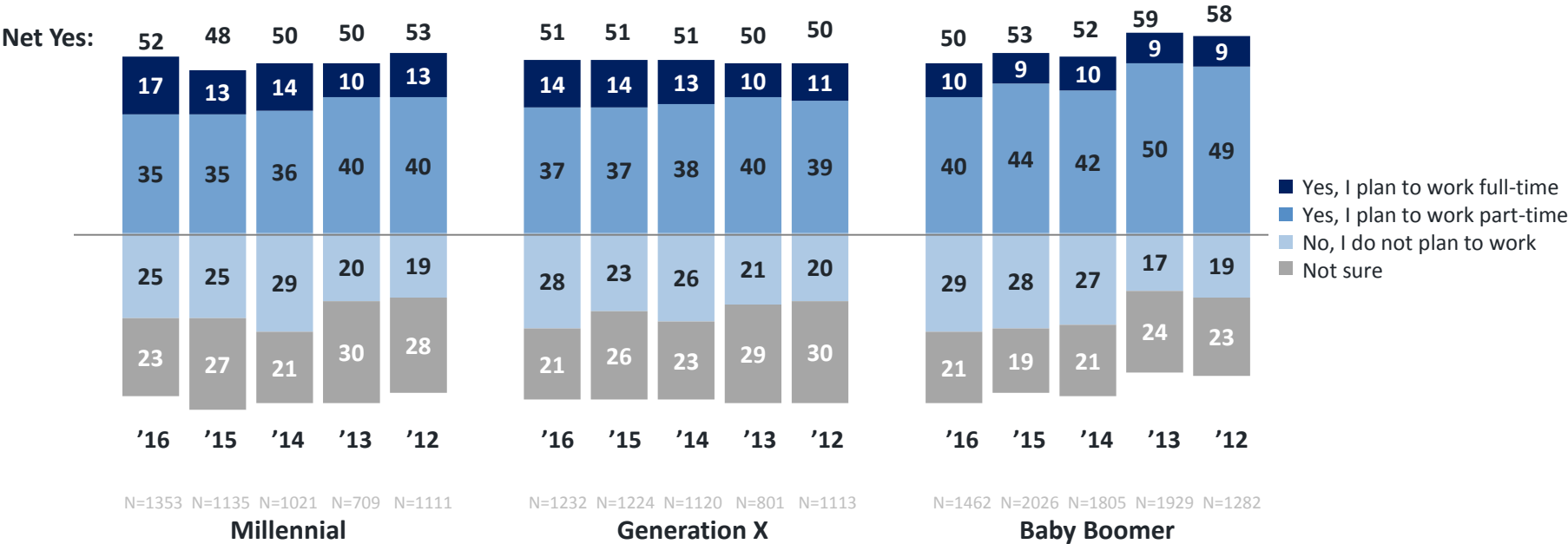




# Expectations of Working in Retirement

Many workers plan to continue working after they retire, including 50 percent of Baby Boomers, 51 percent of Generation X, and 52 percent of Millennials. Among those planning to work, most plan to do so on a part-time basis.

Working After Retirement (%)

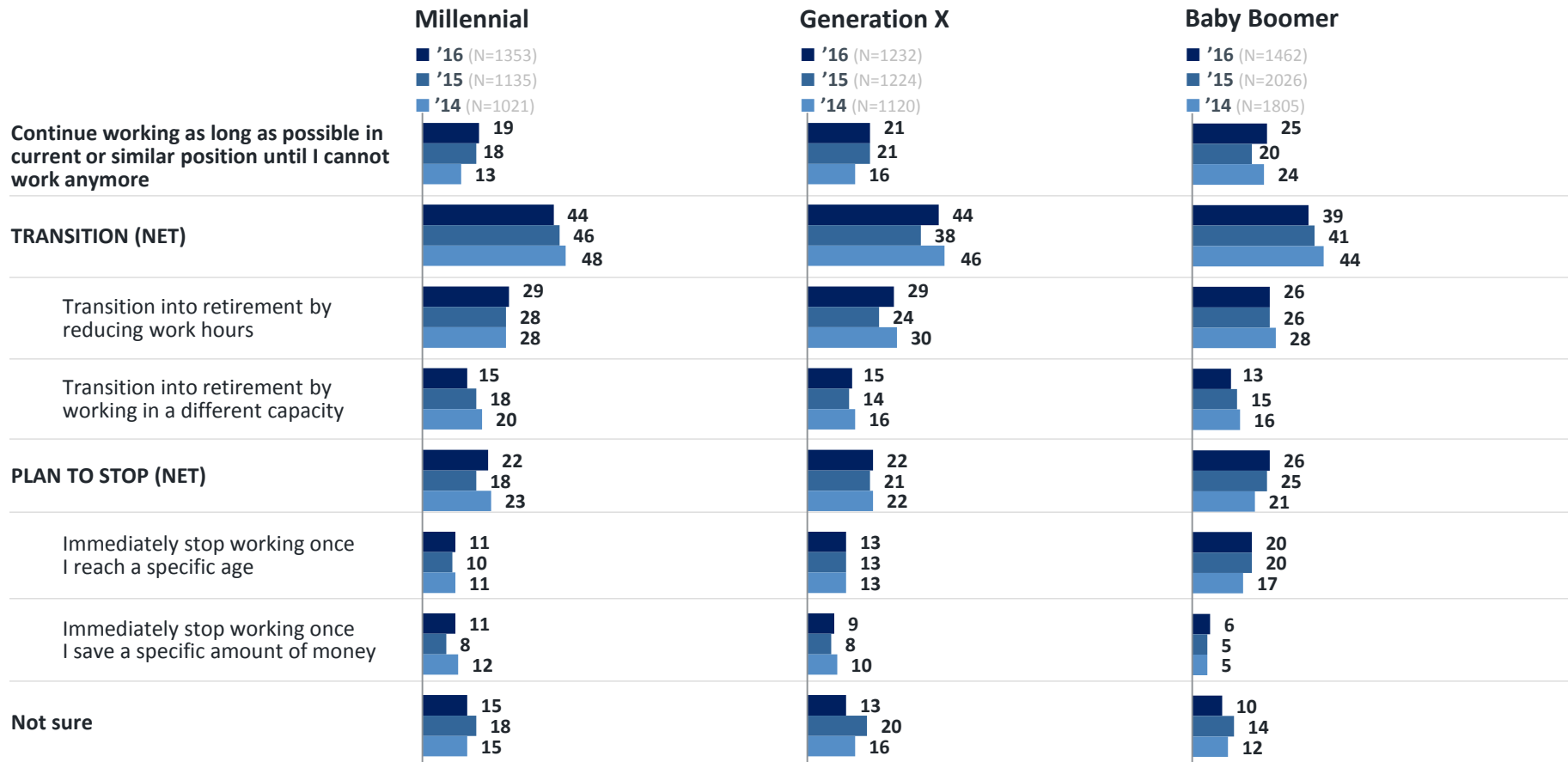


BASE: ALL QUALIFIED RESPONDENTS  
Q1525. Do you plan to work after you retire?

# Retirement Transitions: Phased Versus Immediate

Many workers across the three generations are planning either transition into retirement changing work patterns (e.g., shifting from full-time to part-time or working in a different capacity) or planning to continue working until they cannot work any longer. Baby Boomers (26 percent) are more likely to be planning to immediately stop working when they reach a certain age or savings goal compared to Generation X (22 percent) and Millennials (22 percent).

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



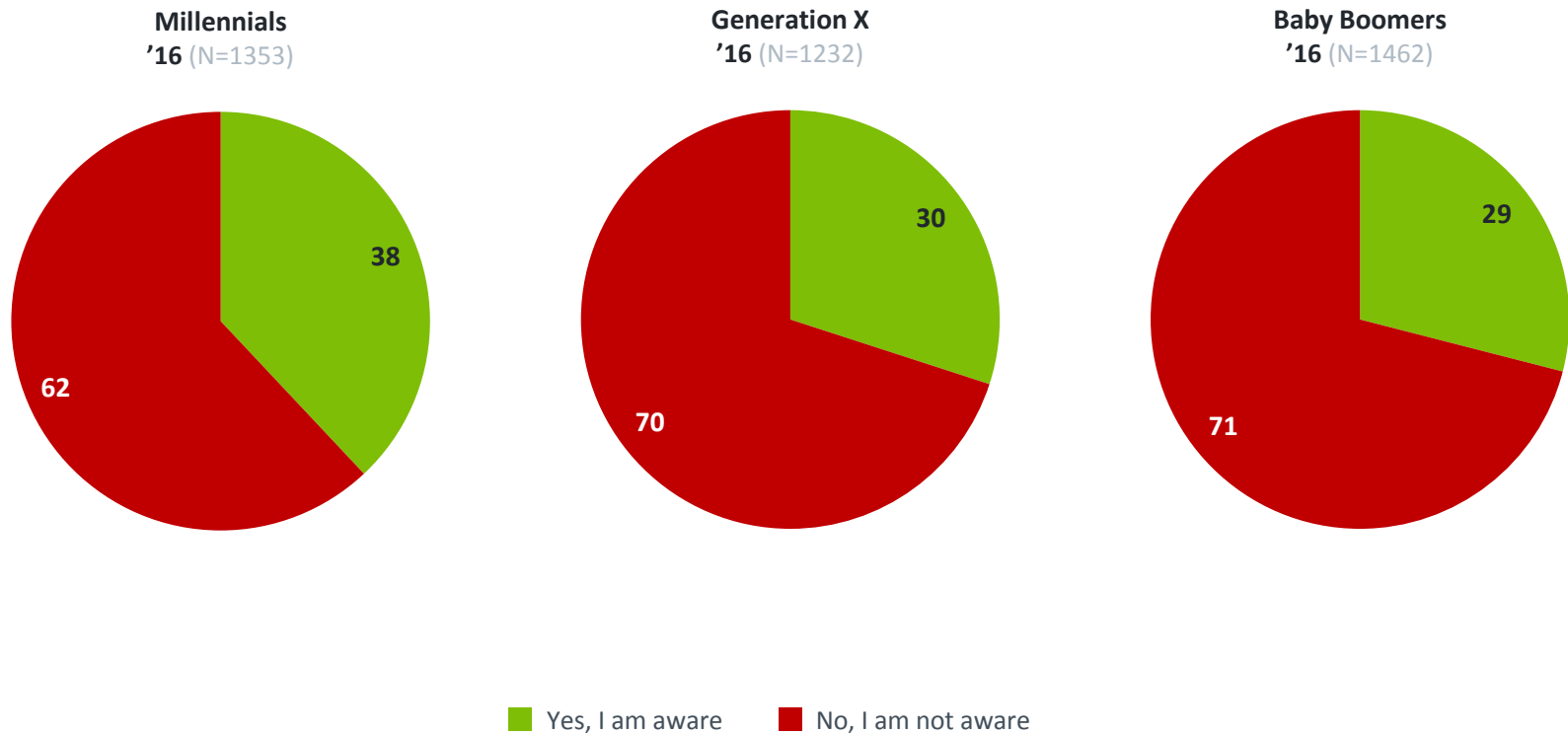
New in 2014.

BASE: ALL QUALIFIED RESPONDENTS

Q1545. How do you envision transitioning into retirement?

# 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. Level of awareness about the credit is highest among Millennials (38 percent), followed by Generation X (30 percent) and Baby Boomers (29 percent).



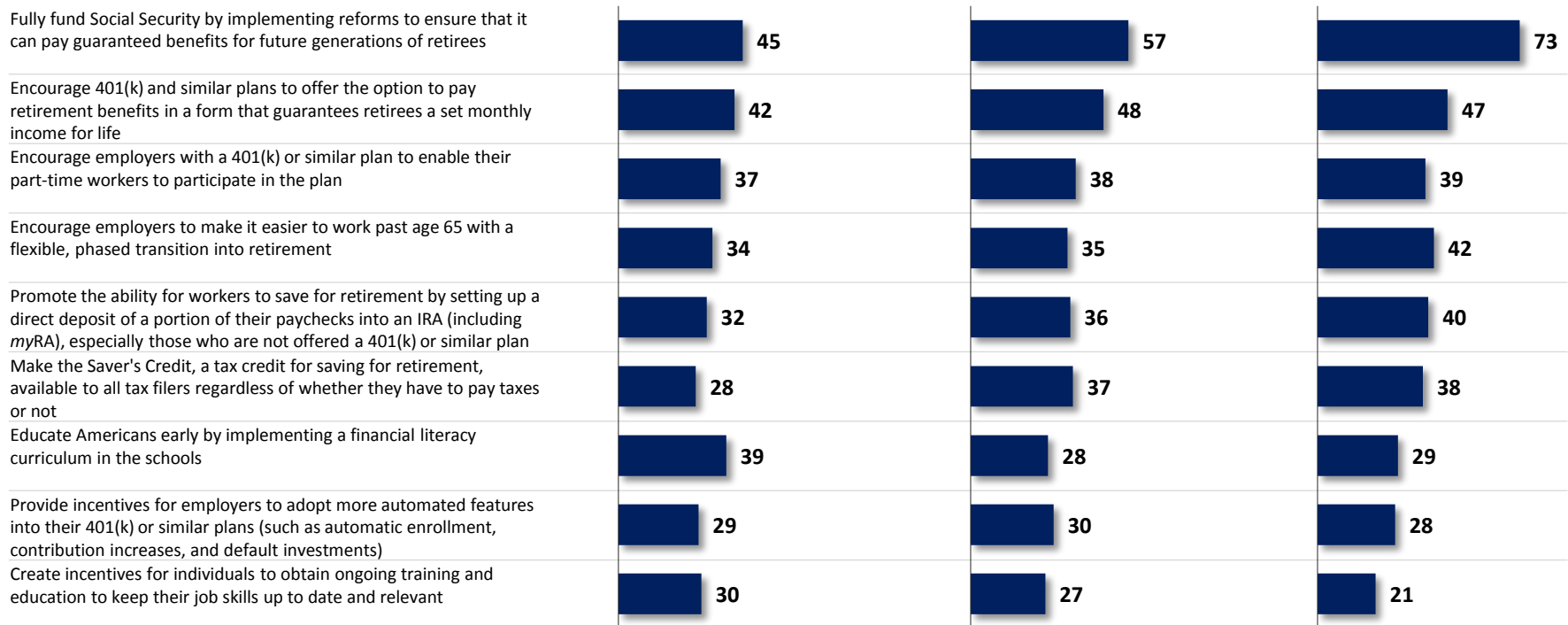
BASE: ALL QUALIFIED RESPONDENTS

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

Workers across generations 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. However, there are differences of opinion among generations about other priorities. Baby Boomers (73 percent) are more likely to cite fully funding Social Security compared to other generations. Millennials (39 percent) are more likely to cite “educating Americans early by implementing a financial literacy curriculum in schools.” Generation X (48 percent) is slightly more likely to cite “encouraging 401(k) plans to offer the option to pay retirement benefits in a form that guarantees retirees a set monthly income for life.”

## 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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