



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

*Influences of Household Income on Retirement Readiness*

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# Welcome to the 18<sup>th</sup> Annual Transamerica Retirement Survey

Welcome to this compendium of insights and findings from the *18<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:

- ***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 38-40 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 Transamerica Center for Retirement Studies®

- 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).
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- 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, 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.
- The Harris Poll was commissioned to conduct the 18th Annual Retirement Survey for Transamerica Center for Retirement Studies. Transamerica Center for Retirement Studies is not affiliated with The Harris Poll.
- The Harris Poll is one of the longest running surveys in the U.S. tracking public opinion, motivations and social sentiment since 1963 that is now part of Harris Insights & Analytics, a global consulting and market research firm that delivers social intelligence for transformational times. Harris Insights & Analytics works with clients in three primary areas; building twenty-first-century corporate reputation, crafting brand strategy and performance tracking, and earning organic media through public relations research. Our mission is to provide insights and advisory to help leaders make the best decisions possible. To learn more, please visit [www.theharrispoll.com](http://www.theharrispoll.com).

# Worker Survey Methodology

- A 25-minute, online survey was conducted in English between August 9 – October 28, 2017 among a nationally representative sample of 6,372 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 five or more people
- 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 5+ 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.
- Data before 2017 is from full-time or part-time workers in a for-profit company employing 10 or more people
- 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.

# Demographic Breakout Terminology and Sample Sizes

*Demographic characteristics are self-identified by respondents. This report uses the following terminology:*

## All Workers

- Refers to all workers age 18 and older

## Base Size

N=6,372

## Company Size

- *Small Company:* 5 to 499 employees
- *Large Company:* 500 or more employees

N=3,428

N=2,944

## Generation

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

N=2,593

N=1,586

N=2,076

## Gender

- *Women:*
- *Men:*

N=3,917

N=2,432

## Household Income

- *Less than \$50,000:*
- *\$50,000 - \$99,999:*
- *\$100,000 or more:*

N=2,508

N=2,351

N=1,241

## Education

- *High School or less:*
- *Some College or Trade School:*
- *College Graduate:*
- *Some Graduate School or Graduate Degree:*

N=1,107

N=1,834

N=2,488

N=943

## Race

- *White:*
- *Hispanic:*
- *African American:*
- *Asian/Pacific:*

N=3,949

N=1,037

N=789

N=467



# Influences of Household Income on Retirement Readiness

## *Detailed Findings*

# Influences of Household Income on Retirement Readiness

Retirement readiness increases with higher levels of workers' household income (HHI). Lower income workers have less access to benefits and they are more likely to depend on Social Security as their primary source of income during retirement. Higher income workers also face long-term retirement risks including potentially inadequate savings. Workers across levels of HHI share concerns that their generation will have a more difficult time achieving financial security compared to their parent's generation.

## Forty Indicators of Retirement Readiness

- **Confidence in Retiring Comfortably.** Retirement confidence varies dramatically by workers' household income. Seventy-six percent of workers with HHI of \$100k+ are "very" or "somewhat" confident that they will be able to fully retire with a comfortable lifestyle, compared to 62 percent of workers with HHI of \$50k to \$99k and just 46 percent of workers with HHI of less than \$50k. Over the past five years, workers with higher HHI have reported consistently greater levels of retirement confidence.
- **Recovery From the Great Recession.** Financial recovery from the Great Recession improves with higher levels of household income. In 2017, workers with HHI of \$100k+ are more likely to say they have "fully recovered" (35 percent), compared to workers with HHI of \$50k to \$99k (22 percent) and those with HHI of less than \$50k (13 percent). Thirty percent of workers with HHI of less than \$50k have "not yet begun to recover" or feel they may "never recover," compared to 18 percent of workers with HHI of \$50k to \$99k and 12 percent of those with HHI of \$100k+.
- **Building a Large Enough Nest Egg?** Workers' level of agreement that they are building a large enough retirement nest egg rises with higher levels of household income. Sixty-nine percent of workers with HHI of \$100k+ either "strongly" or "somewhat" agree that they are building a large enough retirement nest egg, compared to 52 percent of workers with HHI of \$50k to \$99k and just 38 percent of workers with a HHI of less than \$50k. Over the past five years, workers with a higher HHI have consistently reported higher levels of agreement.



# Influences of Household Income on Retirement Readiness

- **Retirement Dreams Include Leisure and Work.** “Traveling” is the most frequently cited retirement dream among workers across levels of household income, including 60 percent of workers with HHI less than \$50k, 67 percent of workers with HHI \$50k to \$99k, and 80 percent of workers with HHI of \$100k or more. “Spending more time with family and friends” is second most frequently cited retirement dream (51 percent of HHI less than \$50k, 57 percent of HHI \$50k to \$99k, and 61 percent of HHI of \$100k or more). About one-third of workers across income levels also dream of some form of continued work in retirement.
- **Retirement Beliefs, Preparations, and Involvement.** Across levels of household income, at least three out of four workers agree that their generation will have a much harder time achieving financial security compared to their parent’s generation. Workers with HHI of less than \$50k (77 percent) and those with HHI of \$50k to \$99k (78 percent) are more likely to be concerned that Social Security will not be there for them when they are ready to retire, compared to workers with HHI of \$100k+ (73 percent).
- **Expected Retirement Age.** Regardless of their level of household income, around half of workers are expecting to work past age 65 or do not plan to retire. Fifty-eight percent of workers with HHI of less than \$50k are most likely to expect to do so, followed by 55 percent of workers with HHI of \$50k to \$99k and 47 percent of those earning \$100k+.
- **Planning to Work in Retirement.** More than half of workers plan to continue working in retirement, a finding which is relatively consistent across levels of household income: 57 percent of those with HHI less than \$50k, 59 percent of those with HHI \$50k to \$99k and 53 percent of those with HHI \$100k or more. Most workers who are planning to work in retirement say that they will do so on a part-time basis.
- **Reasons for Working in Retirement.** Among workers planning to retire after age 65 and/or working after retirement, those with lower household incomes are more likely to do because of financial reasons (87 percent for those with HHI less than \$50k, 82 percent for those with HHI \$50k to \$99k, and 81 percent for those with HHI \$100k or more), while those with higher HHIs are more likely to do for healthy-aging reasons (68 percent for those with HHI less than \$50k, 73 percent for those with HHI \$50k to \$99k, and 82 percent for those with HHI \$100k or more).

# Influences of Household Income on Retirement Readiness

- **Retirement Transitions: Phased Versus Immediate.** Across levels of household income, most workers envision continuing to work in some capacity into retirement by changing work patterns (e.g., reducing work hours or working in a different capacity), including 44 percent of workers with HHI of \$100k+, 49 percent of those with HHI of \$50k to \$99k, and 47 percent of those with HHI of less than \$50k.
- **Phased Retirement and Compensation-Related Expectations.** Workers across household incomes have mixed feelings regarding compensation-related expectations of a phased retirement. As HHI increases, workers are more likely to expect to be paid the market rate for the duties involved, even if it means a reduction in their current level of pay or to expect their job title to change if they were to take on a new role with fewer responsibilities.
- **Perceptions of Older Workers.** Both positive and negative perceptions of older workers increase with higher levels of household income. Eighty-six percent of workers with HHI of \$100k+ more frequently cite positive perceptions while 60 percent have negative perceptions. For workers with an HHI of \$50k to \$99K, 83 percent hold positive perceptions while 54 percent hold negative ones. Finally, for workers with an HHI of less than \$50k, 81 percent view older workers positively compared with 49 percent who view them negatively.
- **Age That Workers Consider a Person to Be “Old.”** Workers across household income levels say age 70 (median) is the age when a person is considered to be “old.” However, many workers say that it depends on the person (39 percent of those with an HHI of less than \$50k, 42 percent of those with \$50k to \$99k, and 37 percent of those with \$100k+).
- **Age That Workers Consider a Person to Be “Too Old” to Work.** Regardless of household income levels, workers have similar thoughts on the age a person is considered to be “too old” to work. More than half of workers say that it depends on the person (52 percent of those with HHI of less than \$50k, 53 percent of those with HHI of \$50k to \$99k, and 55 percent of those with HHI of \$100k+). For those who provided an age, the median age for all three HHI groups is 75.

# Influences of Household Income on Retirement Readiness

- **Level of Concern About Health in Older Age.** Workers with household income less than \$100,000 are more likely to say they are “very” or “somewhat” concerned about their health in older age than those with HHI of \$100k+. Seventy-four percent of workers with HHI less than \$50k and 75 percent of workers with HHI of \$50k to \$99k say they are concerned, compared to 70 percent of those with HHI of \$100k or more.
- **Engagement in Health-Related Activities on a Consistent Basis.** Workers with higher levels of household income are more likely to engage in health-related activities such as eating healthfully, exercising regularly, and seeking medical attention when needed. Only 22 percent of workers with HHI less than \$50k and 25 percent with HHI \$50k to \$99k are considering long term health when making lifestyle decisions. Workers with lower levels of HHI (7 percent of those with less than \$50,000) are more likely to be engaging in no health-related activities on a consistent basis (compared to 4 percent of those with HHI of \$50k to 99k and 2 percent of those with HHI 100k+).
- **Planning to Live to Age ...** Workers across levels of household income share similar expectations regarding the age they are planning to live to, each with a median age of 90. More than one in eight workers are planning to become centenarians, including 15 percent of those with HHI of \$100k+, 13 percent with HHI of \$50k to \$99k and 16 percent with HHI of less than \$50k. Many are not sure of the age they are planning to live to including 42 percent with HHI less than \$50k, 44 percent HHI \$50k to \$99,999k, 35 percent HHI \$100k+.
- **Current Financial Priorities.** Workers’ financial priorities differ by levels of household income. Workers with HHI of \$100k+ (72 percent) most frequently cite “saving for retirement” as a financial priority right now while those with HHI \$50k to \$99k (69 percent) and HHI of less than \$50k (62 percent) most frequently cite “paying off debt” (NET).
- **Greatest Financial Priority Right Now.** Workers with HHIs of less than \$50k (34 percent) most frequently cite “just getting by to cover basic living expenses” as their *greatest* financial priority, while those with HHI \$50k to \$99k (31 percent) and those with HHI of \$100k+ (32 percent) cite “paying off debt”(NET). Unsurprisingly the percentage of those workers who deemed saving for retirement as their greatest priority increased with higher levels of HHI.

# Influences of Household Income on Retirement Readiness

- **Types of Household Debt.** The most common type of household debt held across all levels of household incomes is credit card debt, with 56 percent with HHI less than \$50k, 63 percent with HHI \$50k to \$99k, and 60 percent with HHI of \$100k+ having this type of debt. The biggest difference in debt type is found in mortgages – only 23 percent of those with HHI of less than \$50k have mortgages compared to 45 percent of those with HHI of \$50K to \$99k and 57 percent of those with HHI of \$100k+.
- **Estimated Emergency Savings.** Workers across levels of household income lack emergency savings that could help cover the cost of a major financial setback (e.g., unemployment, medical bills, home repairs, auto repairs, other). Workers with a HHI of less than \$50k have saved a concerning \$0 (median) and 37 percent have saved less than \$1,000 for such emergencies. Workers with a HHI of \$50k to \$99k have saved \$5,000 (median) and 20 percent have saved less than \$1,000. Workers with HHIs of \$100k or more have saved \$14,000 (median) and 11 percent have saved less than \$1,000 for such emergencies.
- **Saving for Retirement / Age Started Saving.** The majority of workers are saving for retirement through an employer-sponsored retirement plan and/or outside of work; however, the proportion of savers varies dramatically by household income. Ninety percent of workers with HHI of \$100k+ are saving for retirement, and 81 percent of workers with HHI of \$50k to \$99k, compared to 59 percent of those with HHI of less than \$50k. Workers across levels of HHI started saving for retirement in their mid- to late-twenties.
- **Expected Sources of Retirement Income.** Across levels of household income, the majority of workers expect retirement income from self-funded savings including retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) and other savings and investments: 92 percent of workers with HHI of \$100k+, 86 percent of those with HHI of \$50k to \$99k, and 67 percent of those with HHI of less than \$50k. Nearly half of workers with HHI of less than \$50k (47 percent) expect income from working, compared to those with HHI of \$50k to \$99k (39 percent) and those with HHI of \$100k+ (32 percent).

# Influences of Household Income on Retirement Readiness

- **Expected Primary Source of Income in Retirement.** Workers with higher levels of HHI are more likely to expect to rely on retirement accounts – such as 401(k)s, 401(b)s, or IRAs – as their *primary* source of income in retirement, including 49 percent of workers with HHI of \$100k+ and 38 percent of those with HHI of \$50k to \$99k. Workers with HHI of less than \$50k are more likely to cite Social Security (39 percent) or working (22 percent) as their expected primary source of retirement income.
- **Importance of Retirement Benefits Compared to Other Benefits.** More than 80 percent of workers across all levels of household income value a 401(k), 401(b), 457(b) or similar plan as an important benefit. Workers with higher household incomes are more likely to believe such benefits are important, a steady trend over the past five years.
- **Retirement Benefits Currently Offered.** Most workers are offered a 401(k) or similar employee-funded retirement plan in the workplace; however, access to a plan increases with higher levels of household income. Only 59 percent of workers with HHI of less than \$50k are offered employee-funded retirement plans, compared to 72 percent of those with HHI of \$50k to \$99k and 80 percent of those with HHI of \$100k+.
- **Retirement Plan Participation.** Among workers who are offered a 401(k) or similar plan, the participation rate increases significantly with higher levels of household income. Sixty-six percent of workers with HHI of less than \$50k participate in their employer's plan, compared to 81 percent with HHI of \$50k to \$99k and 90 percent with HHI of \$100k+. This trend has remained consistent over the past five years.

# Influences of Household Income on Retirement Readiness

- **Retirement Plan Contribution Rate.** Among workers who participate in a 401(k) or similar plan, those with higher household incomes contribute more. Workers with HHI of \$100k+ contribute 10 percent (median) of their annual pay, while those with HHI of \$50k to 99k contribute 8 percent (median) and those with HHI less than \$50k contribute 6 percent (median). This trend has been consistent over the past five years.
- **Appeal of Automatic Enrollment.** Workers with higher levels of household income are more likely to find automatic enrollment as a plan feature appealing, as 85 percent of those with \$100k+ find it “very” or “somewhat” appealing, compared to 81 percent of those with HHI \$50k to \$99k and 78 percent of those with HHI less than \$50k. When it comes to the appropriate contribution rate for such a plan, workers with HHI \$100k+ think it should be 9 percent (median) while those with both HHI \$50k to \$99k and less than \$50k believe the appropriate default contribution rate should be 6 percent (median).
- **Likelihood of Using Automatic Escalation.** Workers with household income of \$50k to \$99k (77 percent) and those with HHI of \$100k+ (78 percent) are more likely than those with less than \$50k (70 percent) to say they are “very” or “somewhat” likely to use a feature that automatically increases their contribution by 1 percent each year.
- **Use of Professionally Managed Offerings.** “Professionally managed” accounts refers to a managed account service, strategic allocation funds, and/or target date funds. At least four in ten plan participants, across levels of household income, use some form of professionally managed offering in their 401(k) or similar plans: 45 percent of workers with HHI of less than \$50k, 59 percent of those with HHI of \$50k to \$99k, and 67 percent of those with HHI of \$100k+. Workers with HHI of \$100k+ (47 percent) are somewhat more likely to set their own asset allocation percentage among the available funds, compared to those with HHI of less than \$50k (42 percent) and those with HHI of \$50k to \$99k (40 percent).

# Influences of Household Income on Retirement Readiness

- **Asset Allocation of Retirement Investments.** Workers across levels of household income who are investing for retirement, most frequently say that their retirement savings are invested in a relatively equal mix of stocks and investments such as bonds, money market funds and cash: However, responses are higher among those with HHI of \$100k+ (48 percent), compared to those with HHI of \$50k to \$99k (39 percent) and those with HHI of less than \$50k (30 percent). Workers with HHI of less than \$50k are the most uncertain as to how their retirement savings are invested.
- **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. About one in three workers across levels of household income have taken some form of loan, early withdrawal, and/or hardship withdrawal from a 401(k) or similar plan — 31 percent of workers with HHI of less than \$50k, 33 percent of those with HHI of \$50k to \$99k, and 35 percent of those with HHI of \$100k+.
- **Total Household Retirement Savings.** Workers with a household income of \$100k+ have saved \$215,000 (estimated median) in total household retirement accounts, compared to \$61,000 for those with HHI of \$50k to \$99k and just \$11,000 for those with HHI of less than \$50k (estimated medians). A concerning 24 percent of workers with HHI of less than \$50k have less than \$5,000 in household retirement savings.
- **Estimated Retirement Savings Needs.** Workers’ estimated retirement savings needs increase with higher levels of household income. Workers with HHI of less than \$50k believe they need to save \$200,000 (median) to feel financially secure in retirement, whereas those with HHI of \$100k+ will need \$1 million. Workers with HHI of \$50k to \$99k have an estimated retirement savings needs of \$500,000 (median) this year.
- **Basis for Estimating Retirement Savings Needs.** Many workers are guessing their retirement savings needs. Among those who provided an estimate of their retirement savings needs, workers with a household income of less than \$50k (57 percent) are more likely to have guessed the amount, compared to those with HHI of \$50k to \$99k (48 percent) and those with HHI of \$100k+ (34 percent). Few workers across levels of HHI indicate that they have used a retirement calculator to estimate their savings needs.

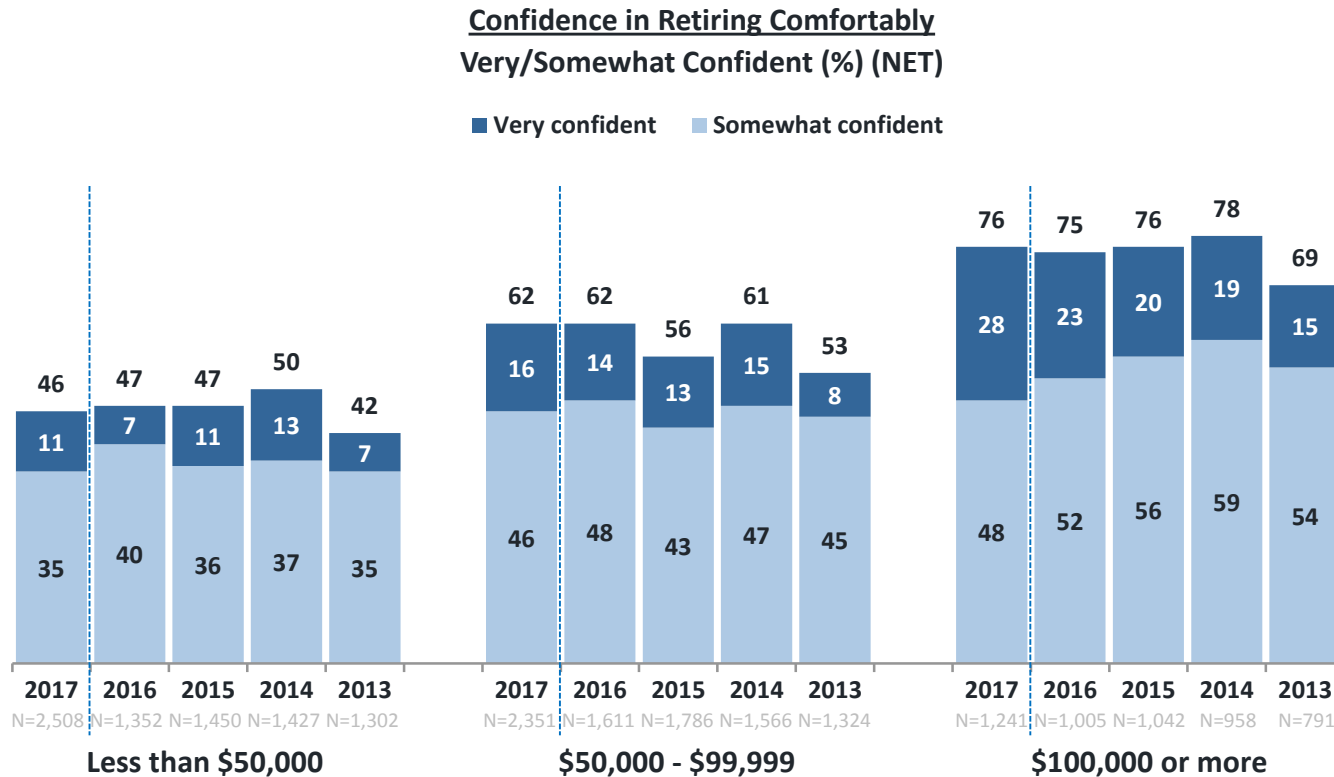
# Influences of Household Income on Retirement Readiness

- **Retirement Strategy: Written, Unwritten, or None.** The likelihood of a worker having a retirement strategy, either written or unwritten, increases with higher levels of HHI. Seventy-eight percent of workers with HHI of \$100k+ have some form of a retirement strategy, compared to 63 percent of those with HHI of \$50k to \$99k and just 49 percent of those with HHI of less than \$50k. In terms of having a *written* strategy, relatively few workers across HHIs have one. Over the past five years, workers with HHI of less than \$100k have been consistently less likely to have a written plan, compared to those with HHI of \$100k+.
- **Confidence that Financial Strategy Will Enable Travel Goals.** Workers' confidence that their current financial strategy will enable them to realize their travel goals increases with higher levels of household income. Among those who dream of traveling in retirement, 69 percent of workers with HHI of \$100k+ are confident, compared to 59 percent of those with HHI of \$50k to \$99k and 42 percent of those with HHI of less than \$50k.
- **Professional Financial Advisor Usage.** Among those investing for retirement, use of a professional financial advisor increases with higher levels of household income. Forty-nine percent of workers with HHI of \$100K+ use an advisor, compared to 37 percent of those with HHI of \$50k to \$99k and 29 percent of those with HHI of less than \$50k.
- **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; however, few workers who are potentially eligible to claim the credit are aware of it. Only 28 percent of workers with HHI of less than \$50k are aware of the Saver's Credit, compared to 35 percent of those with HHI of \$50k to \$99k and 45 percent of those with HHI of \$100k+.
- **Awareness of the IRS' Free File Program.** Similar proportions of workers across levels of household income lack awareness of the IRS' Free File Program: 56 percent of workers with HHI less than \$50k, 54 percent of those with HHI \$100k+, and 55 percent of those with HHI \$50k to \$99k, are unaware of the Free File Program that offers federal income tax preparation for free to eligible tax filers.



# Confidence in Retiring Comfortably

Retirement confidence varies dramatically by workers' household income (HHI). Seventy-six percent of workers with HHI of \$100k+ are “very” or “somewhat” confident that they will be able to fully retire with a comfortable lifestyle, compared to 62 percent of workers with HHI of \$50k to \$99k and just 46 percent of workers with HHI of less than \$50k. Over the past five years, workers with higher HHI have reported consistently greater levels of retirement confidence.



† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

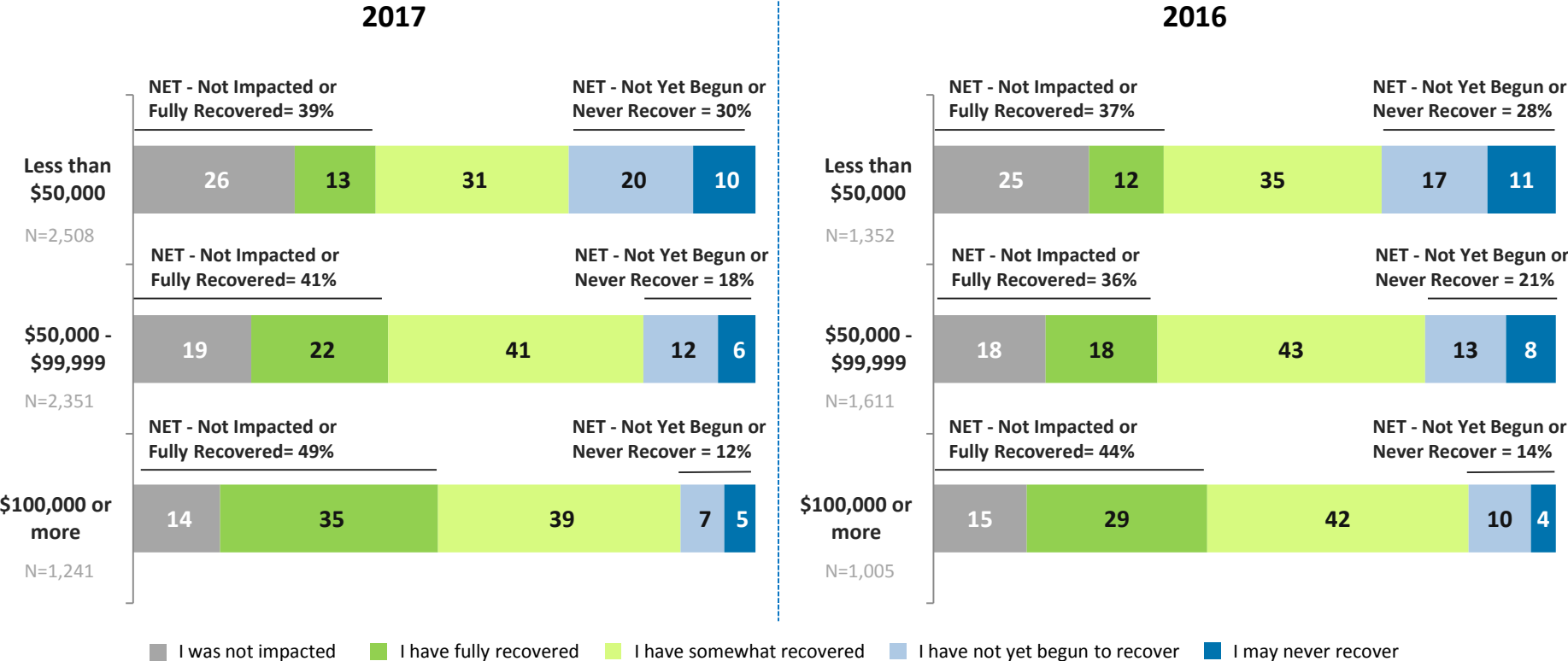
BASE: ALL QUALIFIED RESPONDENTS

Q880. How confident are you that you will be able to fully retire with a lifestyle you consider comfortable?

# Recovery From the Great Recession

Financial recovery from the Great Recession improves with higher levels of household income (HHI). In 2017, workers with HHI of \$100k+ are more likely to say they have “fully recovered” (35 percent), compared to workers with HHI of \$50k to \$99k (22 percent) and those with HHI of less than \$50k (13 percent). Thirty percent of workers with HHI of less than \$50k have “not yet begun to recover” or feel they may “never recover,” compared to 18 percent of workers with HHI of \$50k to \$99k and 12 percent of those with HHI of \$100k+.

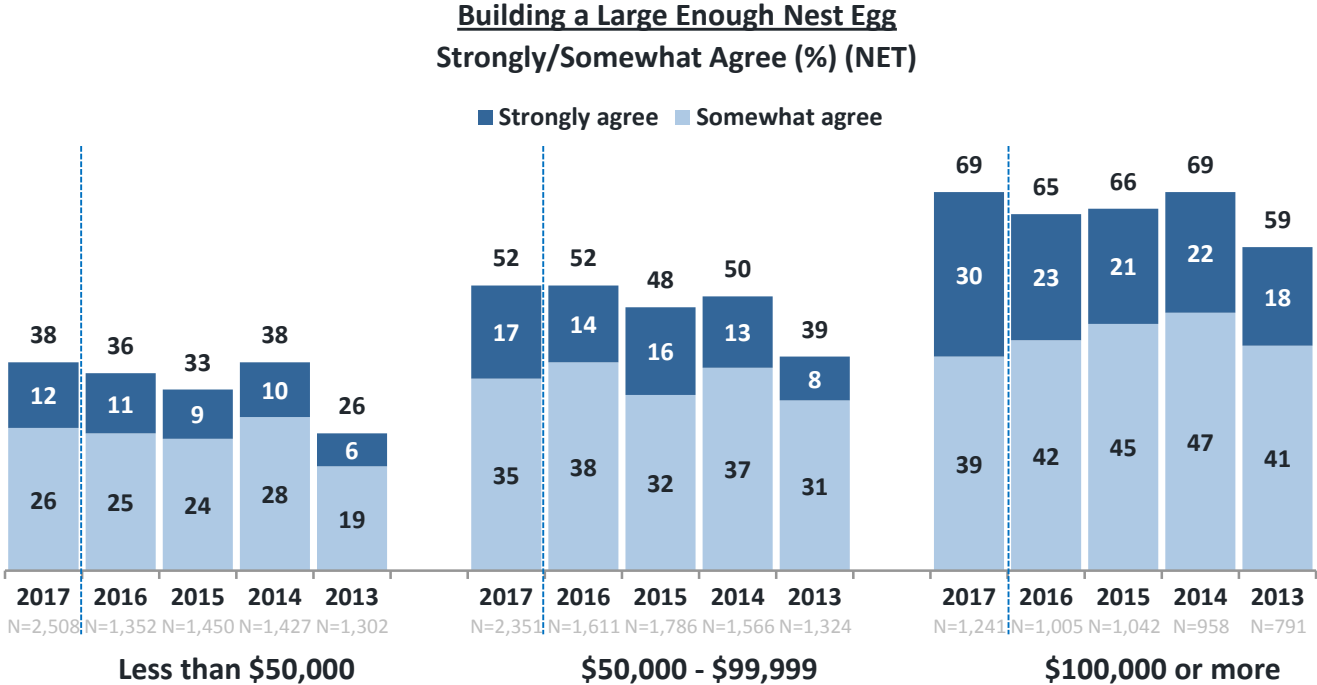
**How would you describe your financial recovery from the Great Recession? (%)**



† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.  
 BASE: ALL QUALIFIED RESPONDENTS  
 Q2655. How would you describe your financial recovery from the deep recession in recent years, which is commonly referred to as the “Great Recession”?

# Building a Large Enough Nest Egg?

Workers' level of agreement that they are building a large enough retirement nest egg rises with higher levels of household income (HHI). Sixty-nine percent of workers with HHI of \$100k+ either “strongly” or “somewhat” agree that they are building a large enough retirement nest egg, compared to 52 percent of workers with HHI of \$50k to \$99k and just 38 percent of workers with HHI of less than \$50k. Over the past five years, workers with a higher HHI have consistently reported higher levels of agreement.



† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

BASE: ALL QUALIFIED RESPONDENTS

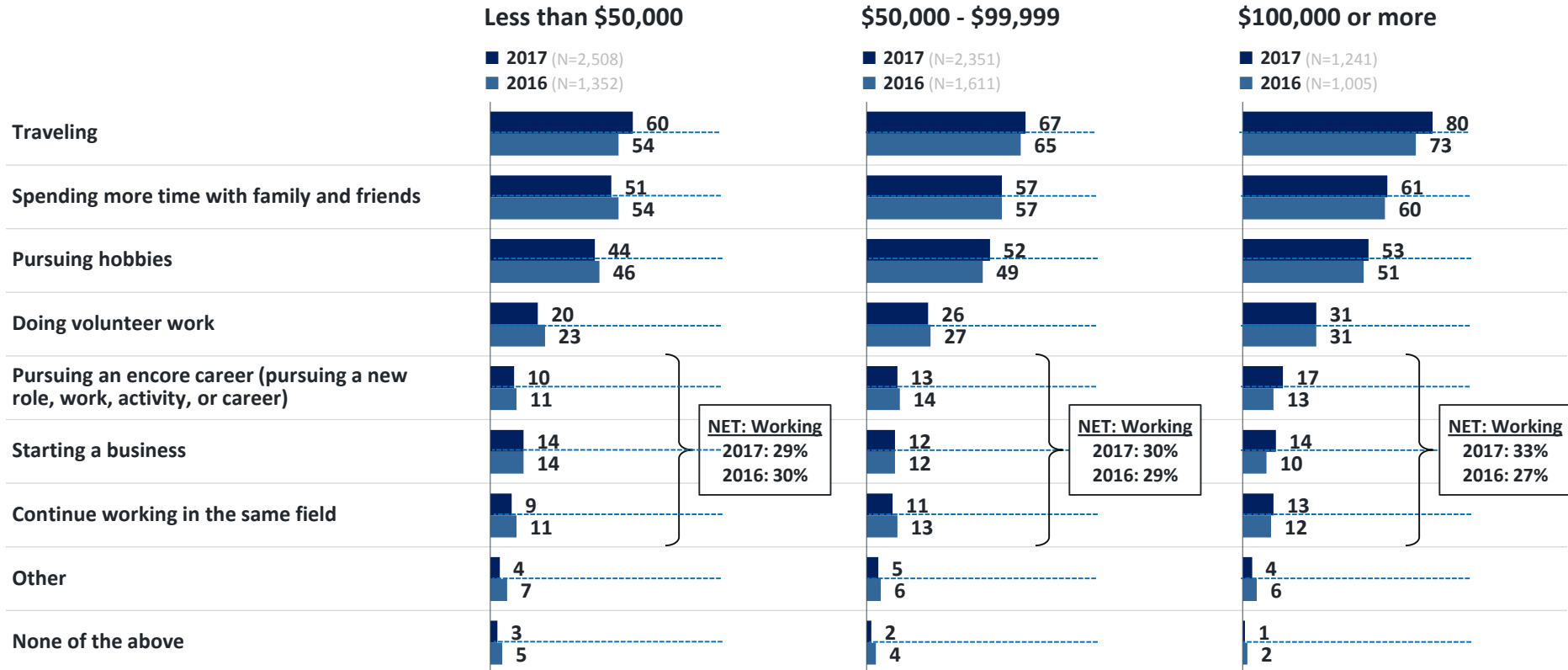
Q800. How much do you agree or disagree that you are currently building a large enough retirement nest egg?

# Retirement Dreams Include Leisure and Work

“Traveling” is the most frequently cited retirement dream among workers across levels of household income (HHI), including 60 percent of workers with HHI less than \$50k, 67 percent of workers with HHI \$50k to \$99k, and 80 percent of workers with HHI of \$100k or more. “Spending more time with family and friends” is second most frequently cited retirement dream (51 percent of HHI less than \$50k, 57 percent of HHI \$50k to \$99k, and 61 percent of HHI of \$100k or more). About one-third of workers across income levels also dream of some form of continued work in retirement.

## How do you dream of spending your retirement?

Please select all that apply. (%)



† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

BASE: ALL QUALIFIED RESPONDENTS

Q1418. How do you dream of spending your retirement? Select all.

# Retirement Beliefs, Preparations, and Involvement

Across levels of household income (HHI), at least three out of four workers agree that their generation will have a much harder time achieving financial security compared to their parent's generation. Workers with HHI of less than \$50k (77 percent) and those with HHI of \$50k to \$99k (78 percent) are more likely to be concerned that Social Security will not be there for them when they are ready to retire, compared to workers with HHI of \$100k+ (73 percent).

## 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

\*\*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

Do not know as much as I should about retirement investing

Like more info and advice from my company on how to reach my goals

Could work until age 65 and still not have enough money saved

Very involved in monitoring and managing my retirement savings

Prefer to rely on outside experts to monitor and manage my plan

Prefer not to think about or concern myself with it until closer to retirement

Less than \$50,000

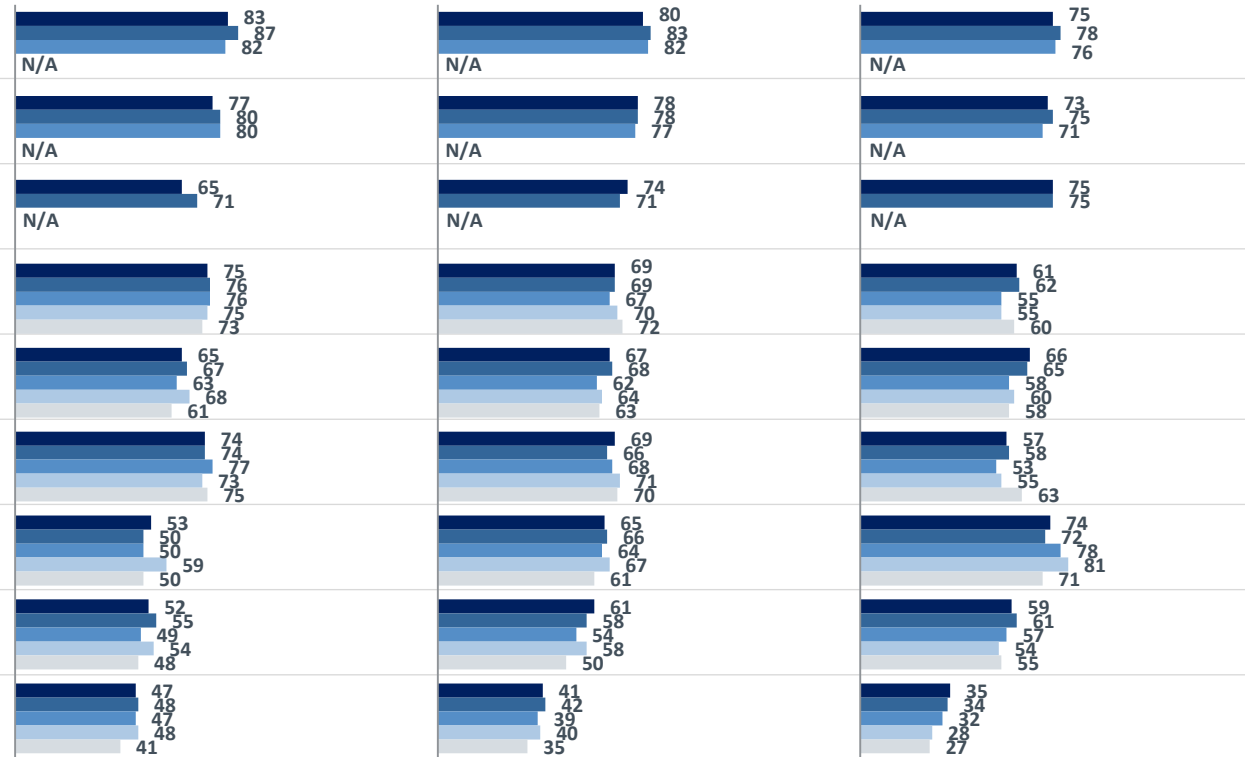
\$50,000 - \$99,999

\$100,000 or more

■ 2017 (N=2,508)  
■ 2016 (N=1,352)  
■ 2015 (N=1,450)  
■ 2014 (N=1,427)  
■ 2013 (N=1,302)

■ 2017 (N=2,351)  
■ 2016 (N=1,611)  
■ 2015 (N=1,786)  
■ 2014 (N=1,566)  
■ 2013 (N=1,324)

■ 2017 (N=1,241)  
■ 2016 (N=1,005)  
■ 2015 (N=1,042)  
■ 2014 (N=958)  
■ 2013 (N=791)



Note: Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

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

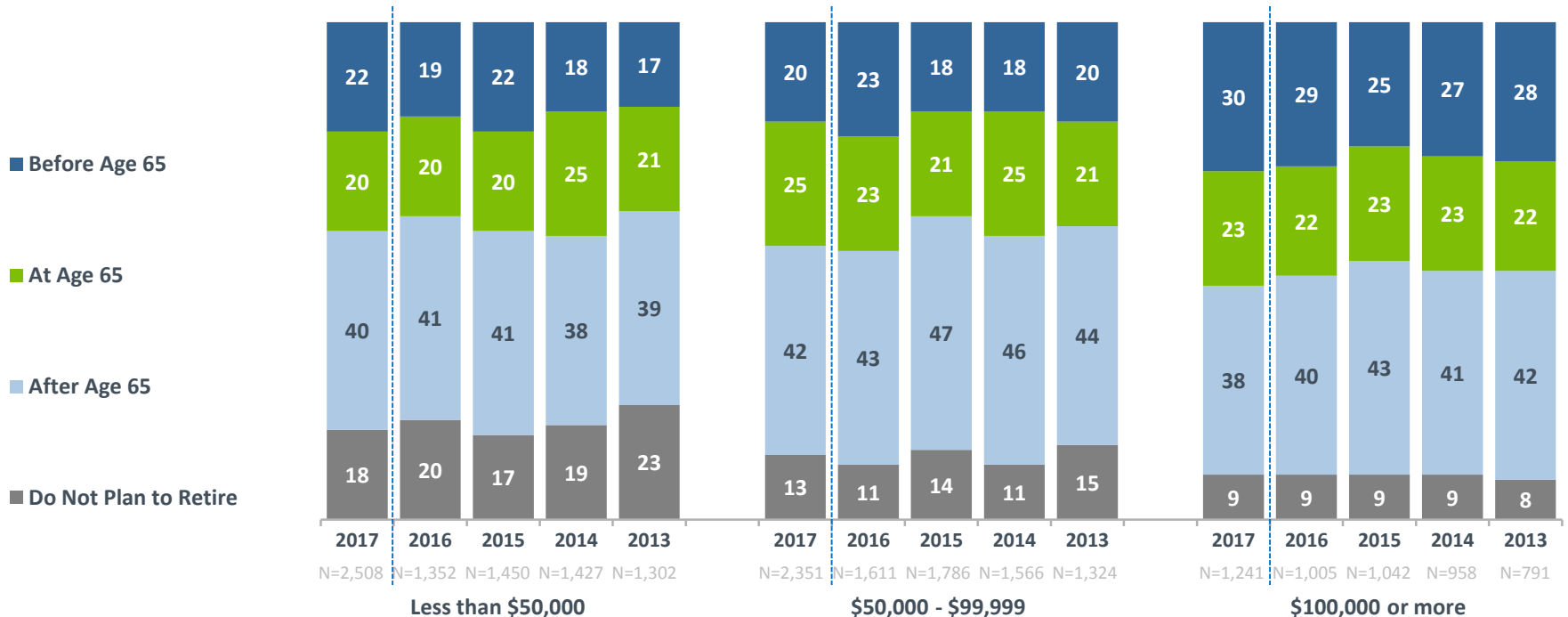
BASE: ALL QUALIFIED RESPONDENTS

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

# Expected Retirement Age

Regardless of their level of household income (HHI), around half of workers are expecting to work past age 65 or do not plan to retire. Fifty-eight percent of workers with HHI of less than \$50k are most likely to expect to do so, followed by 55 percent of workers with HHI of \$50k to \$99k and 47 percent of those earning \$100k+.

**Age Expecting to Retire (%)**



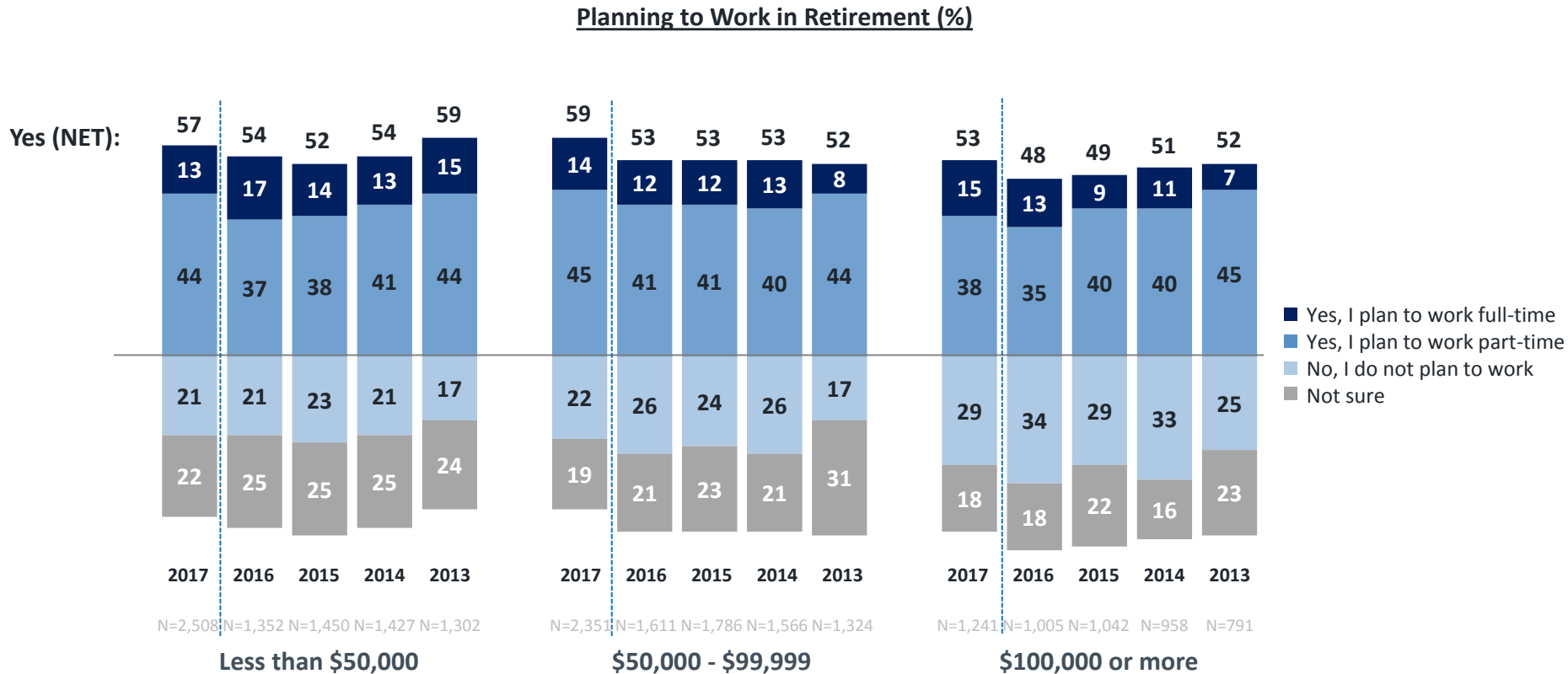
† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

BASE: ALL QUALIFIED RESPONDENTS

Q910. At what age do you expect to retire?

# Planning to Work in Retirement

More than half of workers plan to continue working in retirement, a finding which is relatively consistent across levels of household income (HHI): 57 percent of those with HHI less than \$50k, 59 percent of those with HHI \$50k to \$99k and 53 percent of those with HHI \$100k or more. Most workers who are planning to work in retirement say that they will do so on a part-time basis.



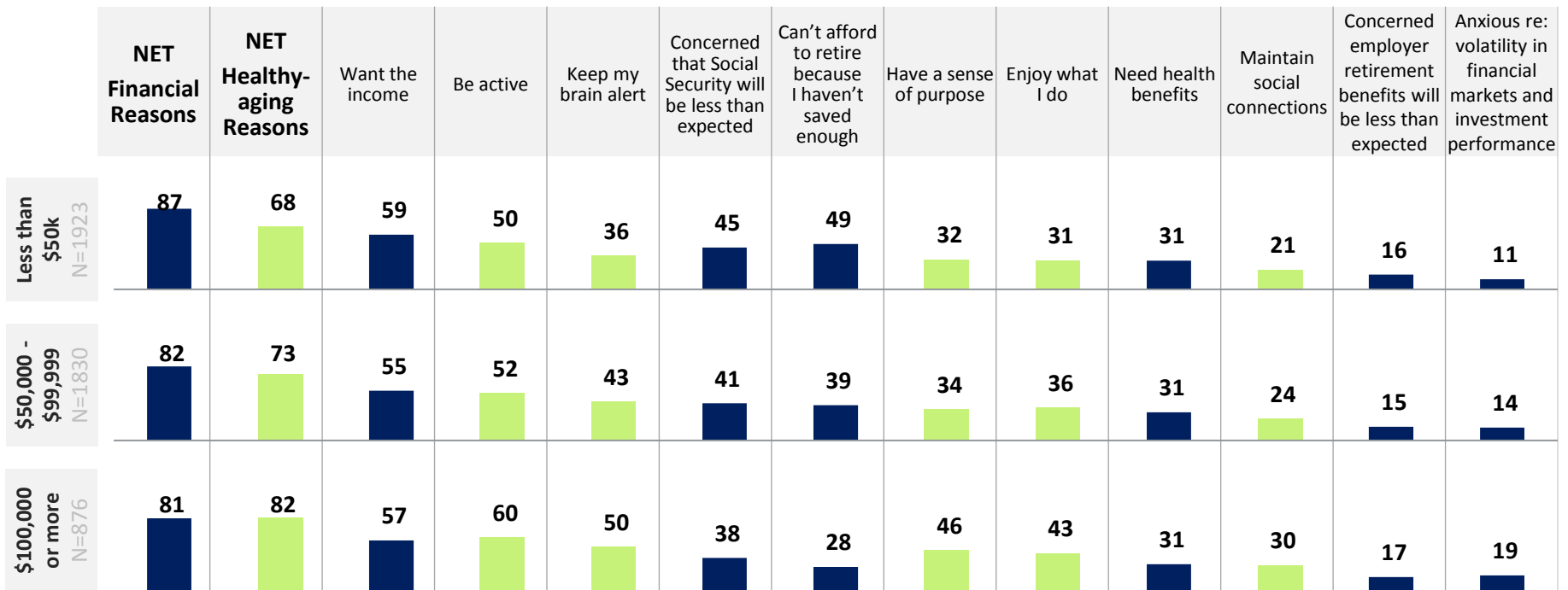
† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

BASE: ALL QUALIFIED RESPONDENTS

Q1525. Do you plan to work after you retire?

# Reasons for Working in Retirement

Among workers planning to retire after age 65 and/or working after retirement, those with lower household incomes (HHI) are more likely to do because of financial reasons (87 percent for those with HHI less than \$50k, 82 percent for those with HHI \$50k to \$99k, and 81 percent for those with HHI \$100k or more), while those with higher HHIs are more likely to do for healthy-aging reasons (68 percent for those with HHI less than \$50k, 73 percent for those with HHI \$50k to \$99k, and 82 percent for those with HHI \$100k or more).



New question added in 2017

BASE: PLAN ON RETIRING AFTER 65 AND/OR WORKING AFTER RETIREMENT

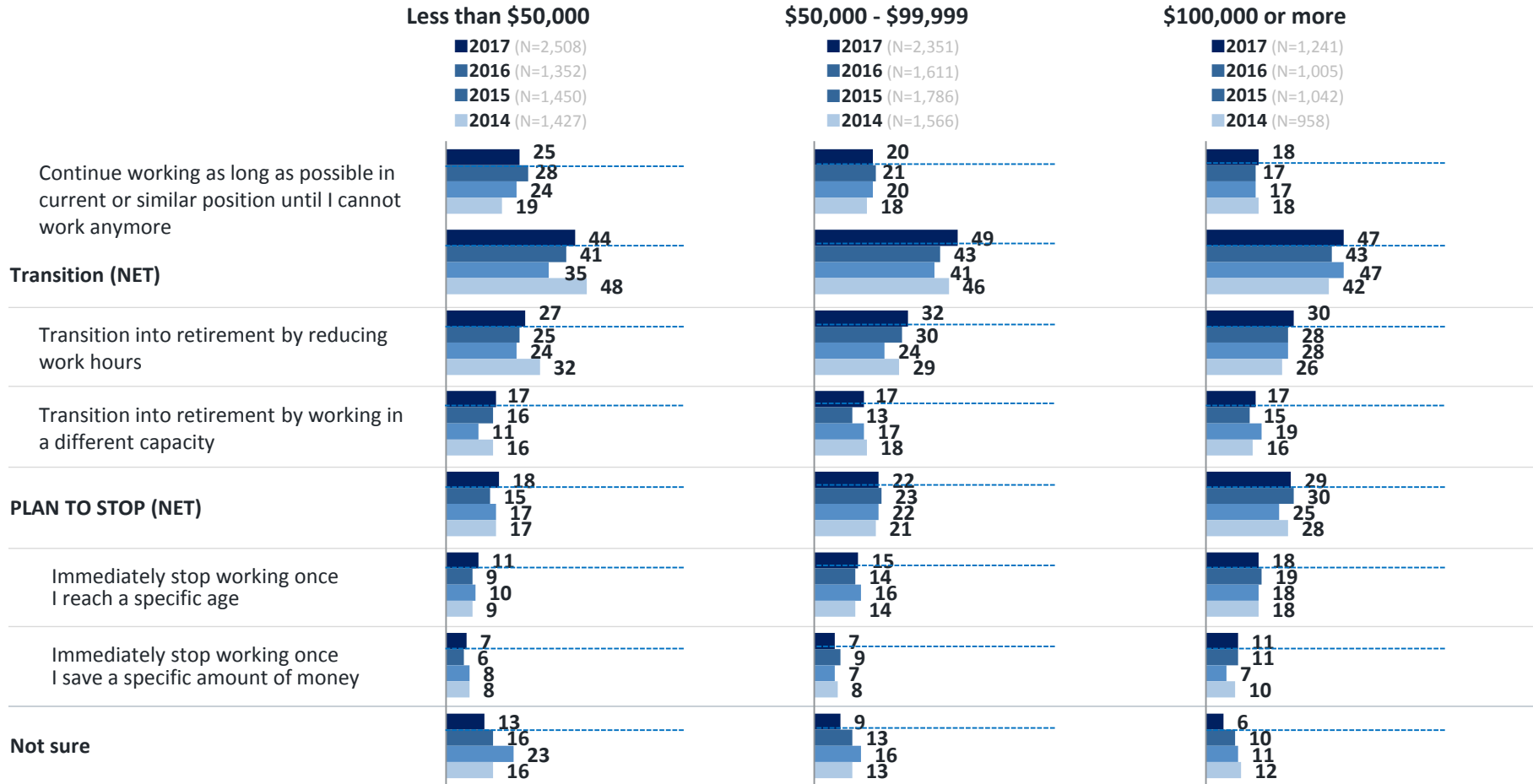
Q1530x1. What are your reason(s) for working in retirement or past age 65? Select all.



# Retirement Transitions: Phased Versus Immediate

Across levels of household income (HHI), most workers envision continuing to work in some capacity into retirement by changing work patterns (e.g., reducing work hours or working in a different capacity), including 44 percent of workers with HHI of \$100k+, 49 percent of those with HHI of \$50k to \$99k, and 47 percent of those with HHI of less than \$50k.

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



† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

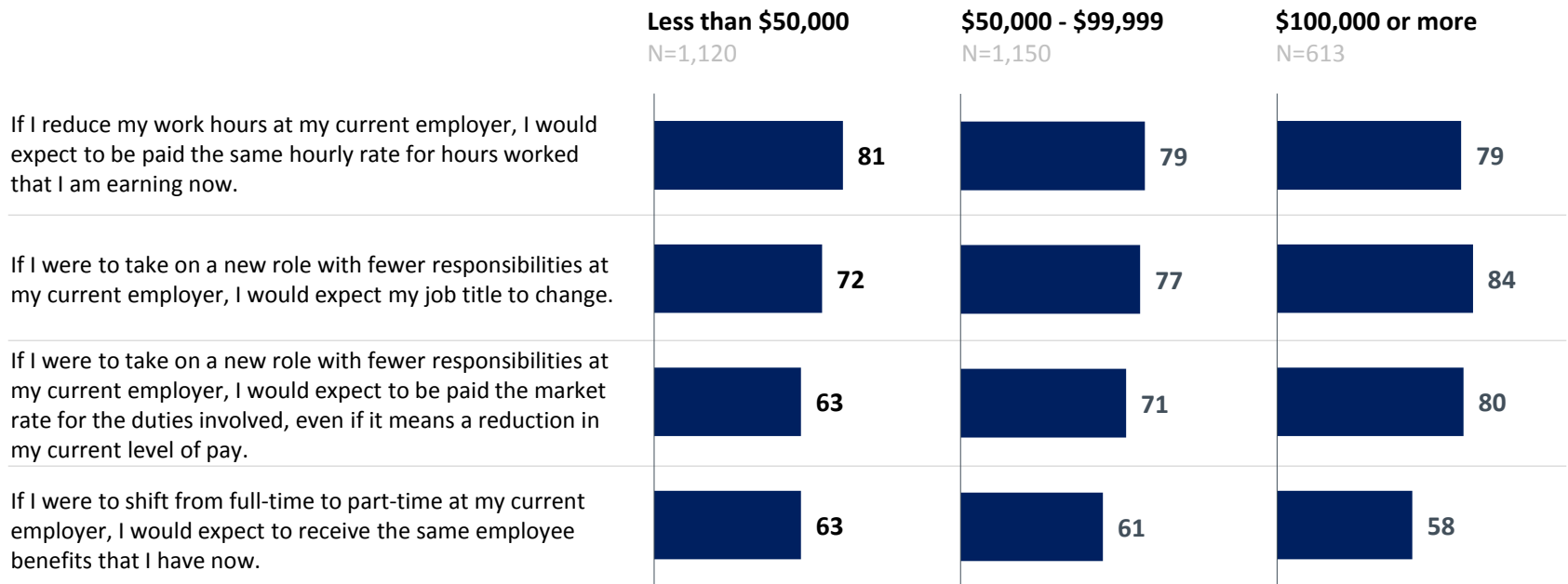
BASE: ALL QUALIFIED RESPONDENTS

Q1545. How do you envision transitioning into retirement?

# Phased Retirement and Compensation-Related Expectations

Workers across household incomes (HHI) have mixed feelings regarding compensation-related expectations of a phased retirement. As HHI increases, workers are more likely to expect to be paid the market rate for the duties involved, even if it means a reduction in their current level of pay or to expect their job title to change if they were to take on a new role with fewer responsibilities.

**In thinking about your vision of transitioning into retirement, to what extent do you agree or disagree with the following statements?**  
**Strongly/Somewhat Agree (%) (NET)**



# Perceptions of Older Workers

Both positive and negative perceptions of older workers increase with higher levels of household income (HHI). Eighty-six percent of workers with HHI of \$100k+ more frequently cite positive perceptions while 60 percent have negative perceptions. For workers with an HHI of \$50k to \$99K, 83 percent hold positive perceptions while 54 percent hold negative ones. Finally, for workers with an HHI of less than \$50k, 81 percent view older workers positively compared with 49 percent who view them negatively.

## Perceptions of workers age 50+ compared to younger workers in today's workforce? (%)

	Less than \$50,000 N=2,508	\$50,000 - \$99,999 N=2,351	\$100,000 or more N=1,241
<b>NET – Positive perceptions</b>	<b>81</b>	<b>83</b>	<b>86</b>
Bring more knowledge, wisdom, and life experience	58	61	65
Are more responsible, reliable, and dependable	54	55	61
Are a valuable resource for training and mentoring	46	48	55
Are an important source of institutional knowledge	35	40	49
Are more adept at problem-solving	31	34	37
Are better at getting along with others in a team environment	29	31	33
<b>NET – Negative perceptions</b>	<b>49</b>	<b>54</b>	<b>60</b>
Have higher healthcare costs	25	28	32
Command higher wages and salaries	13	18	28
Are less open to learning and new ideas	16	19	22
Have higher disability costs	12	15	15
Have outdated skill sets	12	13	14
Are less productive	9	11	9
<b>Other</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>None</b>	<b>9</b>	<b>8</b>	<b>6</b>

New question added in 2017

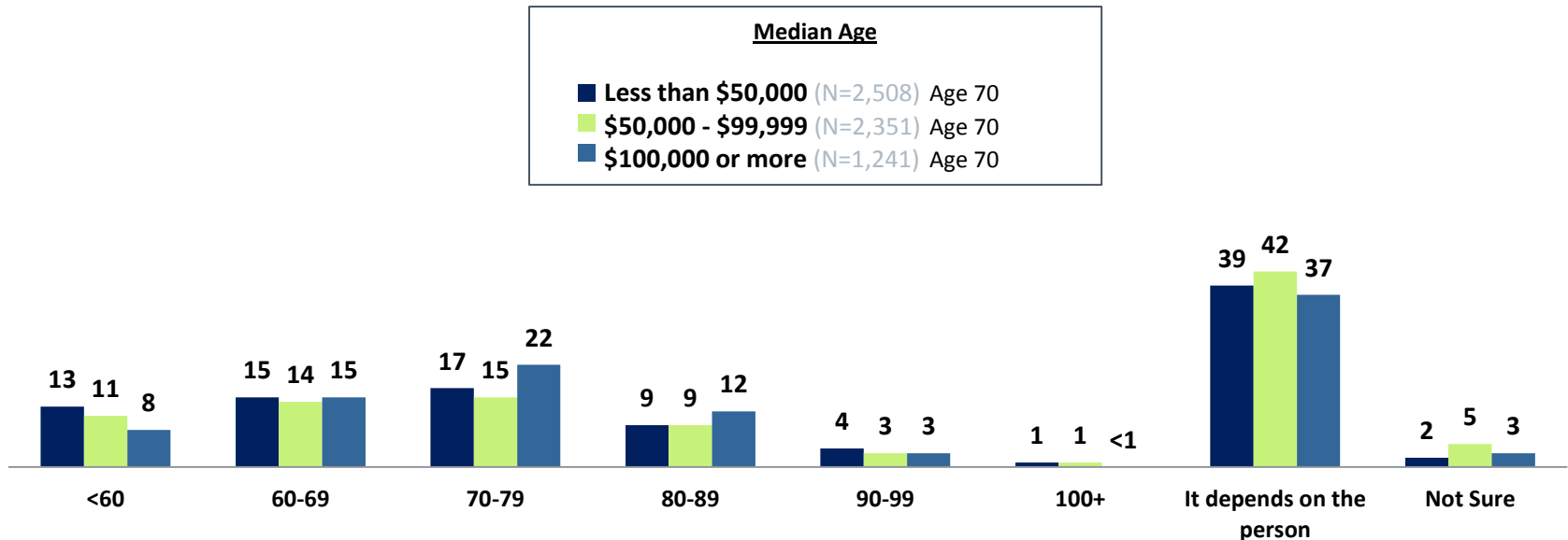
BASE: ALL QUALIFIED RESPONDENTS

Q1528. What are your perceptions of workers age 50 and older compared to younger workers in today's workforce? Select all.

# Age That Workers Consider a Person to Be “Old”

Workers across household income (HHI) levels say age 70 (median) is the age when a person is considered to be “old.” However, many workers say that it depends on the person (39 percent of those with an HHI of less than \$50k, 42 percent of those with \$50k to \$99k, and 37 percent of those with \$100k+).

**Age When Person is Considered “Old” (%)**



New question added in 2017

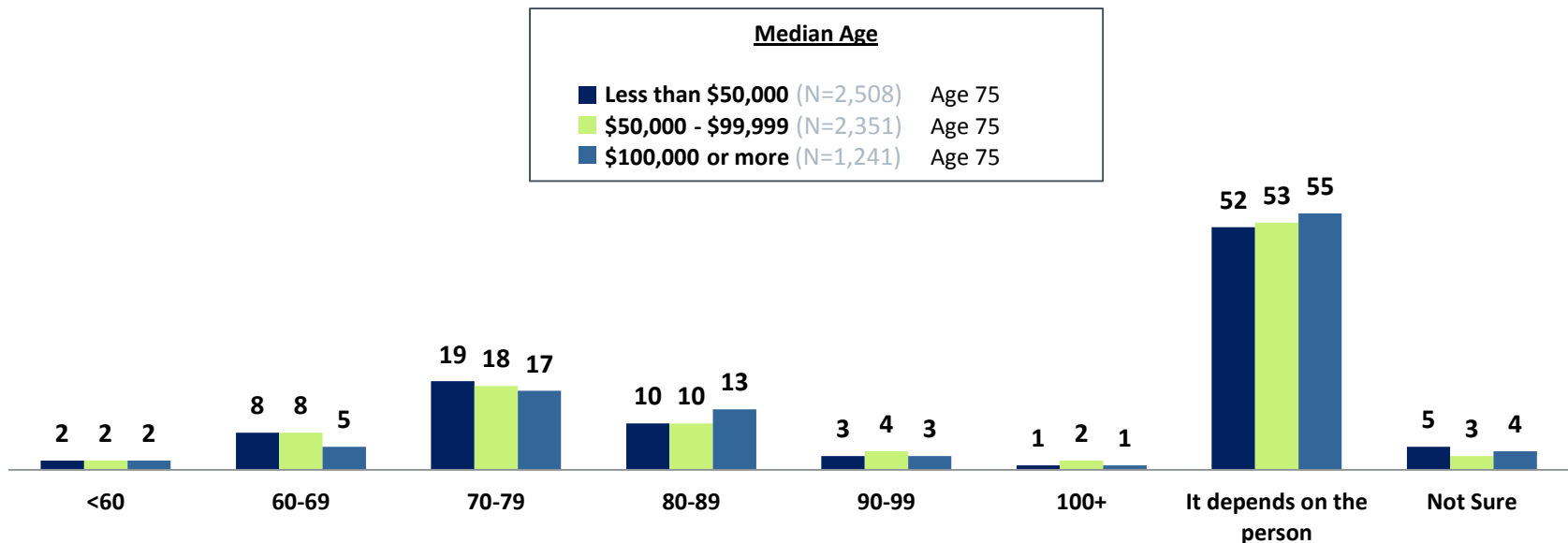
BASE: ALL QUALIFIED RESPONDENTS

Q1526. At what age do you consider a person to be “old”?

# Age That Workers Consider a Person to Be “Too Old” to Work

Regardless of household income (HHI) levels, workers have similar thoughts on the age a person is considered to be “too old” to work. More than half of workers say that it depends on the person (52 percent of those with HHI of less than \$50k, 53 percent of those with HHI of \$50k to \$99k, and 55 percent of those with HHI of \$100k+). For those who provided an age, the median age for all three HHI groups is 75.

**Age When Person is Considered “Too Old” to Work (%)**



New question added in 2017

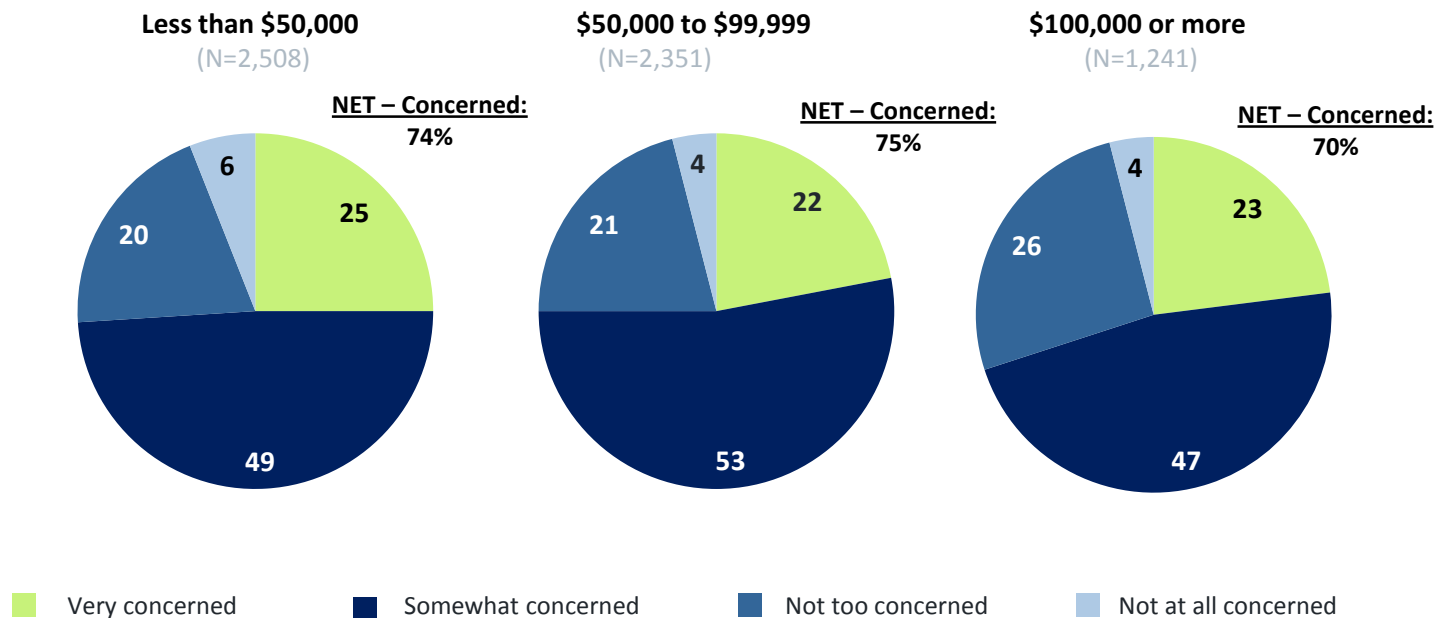
BASE: ALL QUALIFIED RESPONDENTS

Q1527. At what age do you consider a person to be “too old” to work?

# Level of Concern About Health in Older Age

Workers with household income (HHI) less than \$100,000 are more likely to say they are “very” or “somewhat” concerned about their health in older age than those with HHI of \$100k+. Seventy-four percent of workers with HHI less than \$50k and 75 percent of workers with HHI of \$50k to \$99k say they are concerned, compared to 70 percent of those with HHI of \$100k or more.

## Concerned About Health in Older Age (%)



New question added in 2017

BASE: ALL QUALIFIED RESPONDENTS

Q1445X1. How concerned are you about your health in older age?

# Engagement in Health-Related Activities on a Consistent Basis

Workers with higher levels of household income (HHI) are more likely to engage in health-related activities such as eating healthfully, exercising regularly, and seeking medical attention when needed. Only 22 percent of workers with HHI less than \$50k and 25 percent with HHI \$50k to \$99k are considering long term health when making lifestyle decisions. Workers with lower levels of HHI (7 percent of those with less than \$50,000) are more likely to be engaging in no health-related activities on a consistent basis (compared to 4 percent of those with HHI of \$50k to 99k and 2 percent of those with HHI 100k+).

## Engaging in Health-Related Activities on a Consistent Basis (%)

	Less than \$50,000 N=2,508	\$50,000 - \$99,999 N=2,351	\$100,000 or more N=1,241
Eating healthfully	46	60	60
Exercising regularly	45	53	63
Maintaining a positive outlook	48	52	58
Seeking medical attention when needed	45	53	59
Avoiding harmful substances (e.g., cigarettes, alcohol, illicit drugs, etc.)	44	49	54
Getting plenty of rest	46	49	53
Getting routine physicals and recommended health screenings	38	47	59
Managing stress	42	43	48
Considering long-term health when making lifestyle decisions	22	25	30
Practicing mindfulness and meditation	18	20	23
Other	1	1	1
Nothing	7	4	2

*New question added in 2017*

BASE: ALL QUALIFIED RESPONDENTS

Q1446. Which of the following health-related activities are you doing on a consistent basis? Select all.

# Planning to Live to Age ...

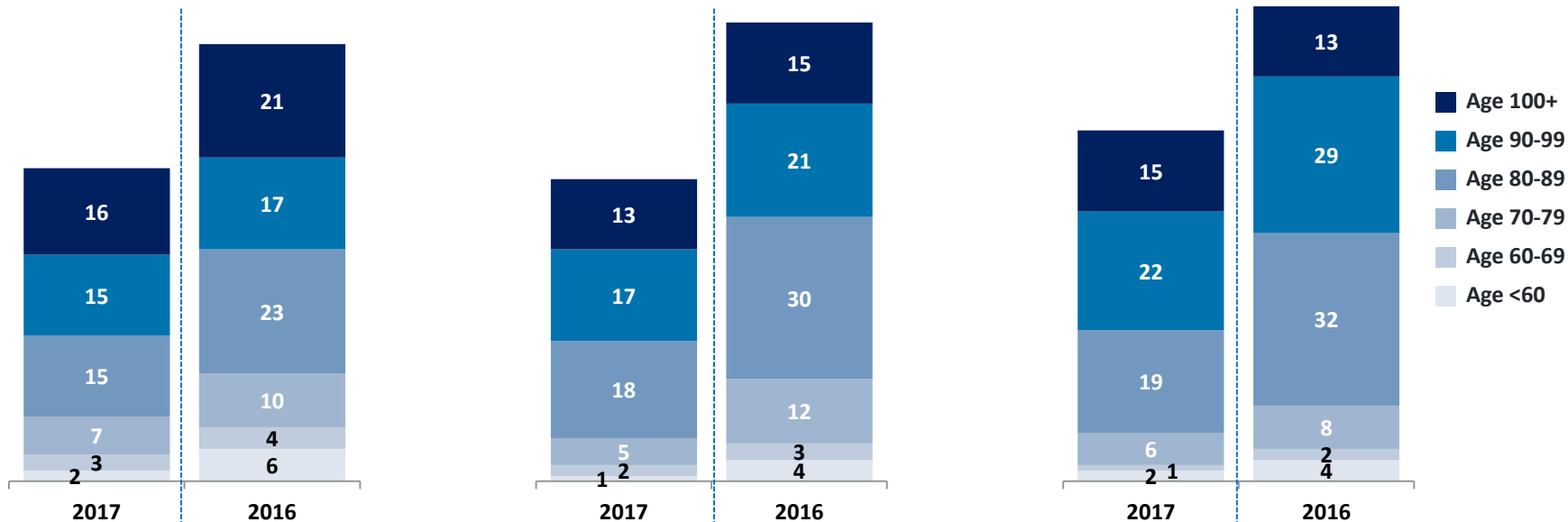
Workers across levels of household income (HHI) share similar expectations regarding the age they are planning to live to, each with a median age of 90. More than one in eight workers are planning to become centenarians, including 15 percent of those with HHI of \$100k+, 13 percent with HHI of \$50k to \$99k and 16 percent with HHI of less than \$50k. Many are not sure to what age they plan to live – 42 percent HHI less than \$50k, 44 percent HHI \$50k to \$99,999k, and 35 percent HHI \$100k+.

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

Less than \$50,000

\$50,000 - \$99,999

\$100,000 or more



- Age 100+
- Age 90-99
- Age 80-89
- Age 70-79
- Age 60-69
- Age <60

	N=2,508	N=1,352	N=2,351	N=1,611	N=1,241	N=1,005
<b>Not sure</b>	42	19	44	15	35	12
<b>Median</b>	Age 90	Age 87	Age 90	Age 85	Age 90	Age 88

† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

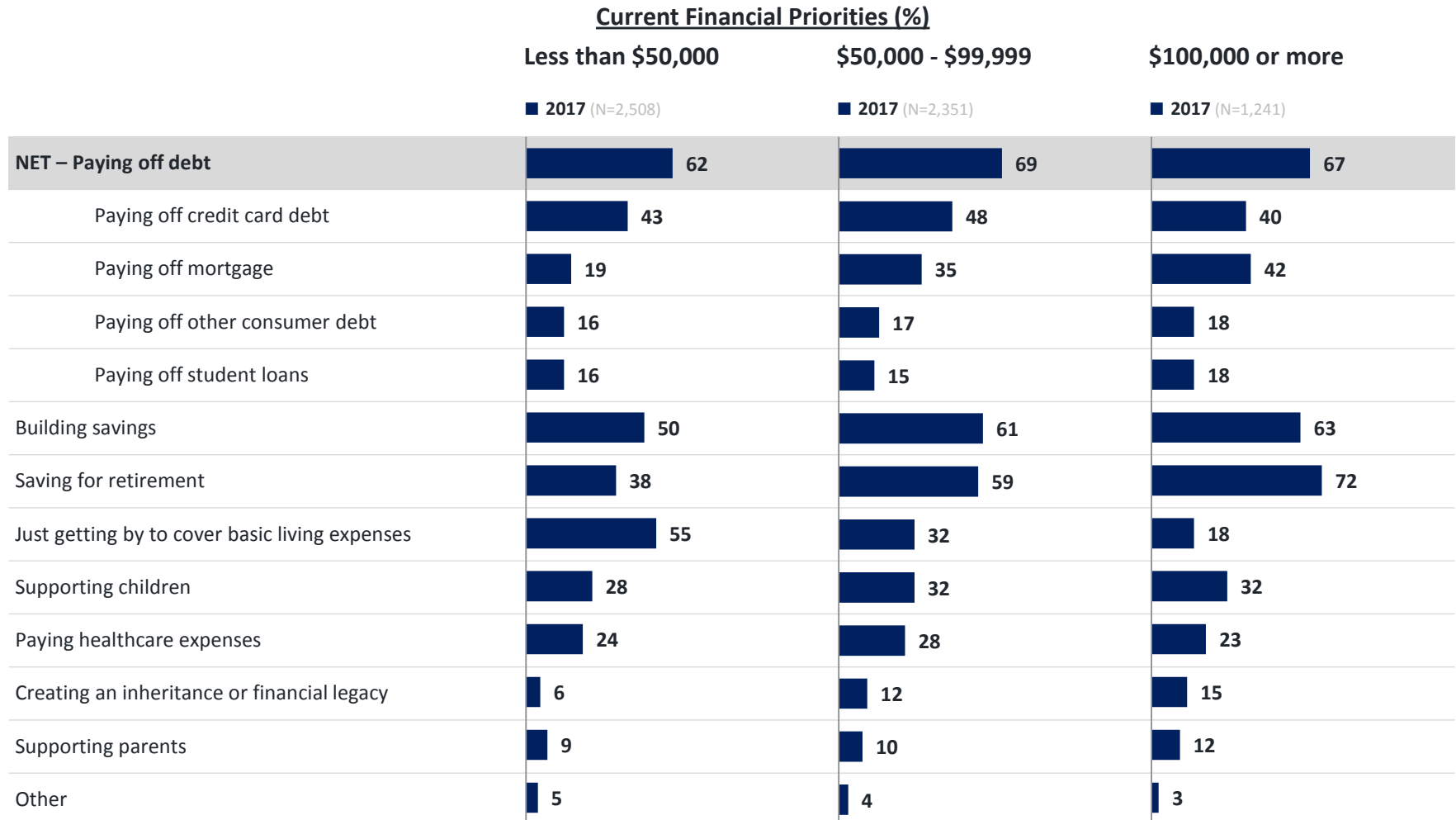
BASE: ALL QUALIFIED RESPONDENTS

Q2850. What age are you planning to live to?



# Current Financial Priorities

Workers' financial priorities differ by levels of household income (HHI). Workers with HHI of \$100k+ (72 percent) most frequently cite “saving for retirement” as a financial priority right now while those with HHI \$50k to \$99k (69 percent) and HHI of less than \$50k (62 percent) most frequently cite “paying off debt” (NET).



BASE: ALL QUALIFIED RESPONDENTS

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

# Greatest Financial Priority Right Now

Workers with HHIs of less than \$50k (34 percent) most frequently cite “just getting by to cover basic living expenses” as their *greatest* financial priority, while those with HHI \$50k to \$99k (31 percent) and those with HHI of \$100k+ (32 percent) cite “paying off debt”(NET). Unsurprisingly the percentage of those workers who deemed saving for retirement their greatest priority increased with higher levels of HHI.

## Greatest Financial Priority Right Now (%)

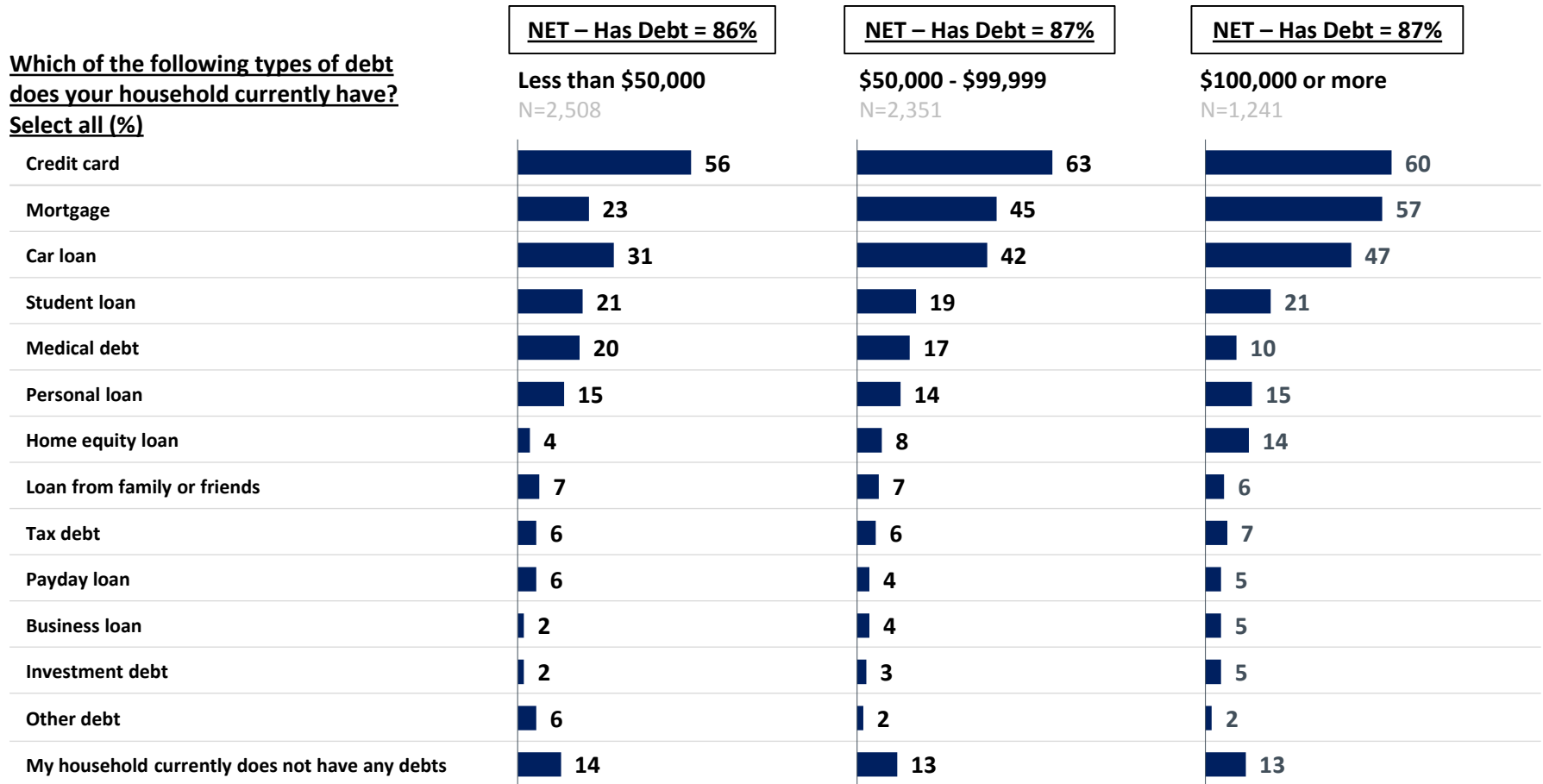
Less than \$50,000      \$50,000 - \$99,999      \$100,000 or more

■ 2017 (N=2,508)      ■ 2017 (N=2,351)      ■ 2017 (N=1,241)

	Less than \$50,000	\$50,000 - \$99,999	\$100,000 or more
<b>NET – Paying off debt</b>	<b>24</b>	<b>31</b>	<b>32</b>
Paying off credit card debt	13	17	16
Paying off mortgage	6	10	10
Paying off student loans	3	2	3
Paying off other consumer debt	2	2	3
Saving for retirement	10	18	31
Just getting by to cover basic living expenses	34	16	5
Building savings	12	13	12
Supporting children	13	13	12
Paying healthcare expenses	2	3	2
Supporting parents	2	2	2
Creating an inheritance or financial legacy	1	2	2
Other	2	2	1

# Types of Household Debt

The most common type of household debt held across all levels of household incomes is credit card debt, with 56 percent with an HHI less than \$50k, 63 percent with HHI \$50k to \$99k, and 60 percent with HHI of \$100k+ having this type of debt. The biggest difference in debt type is found in mortgages – only 23 percent of those with HHI of less than \$50k have mortgages compared to 45 percent of those with HHI of \$50K to \$99k and 57 percent of those with HHI of \$100k+.



New question added in 2017

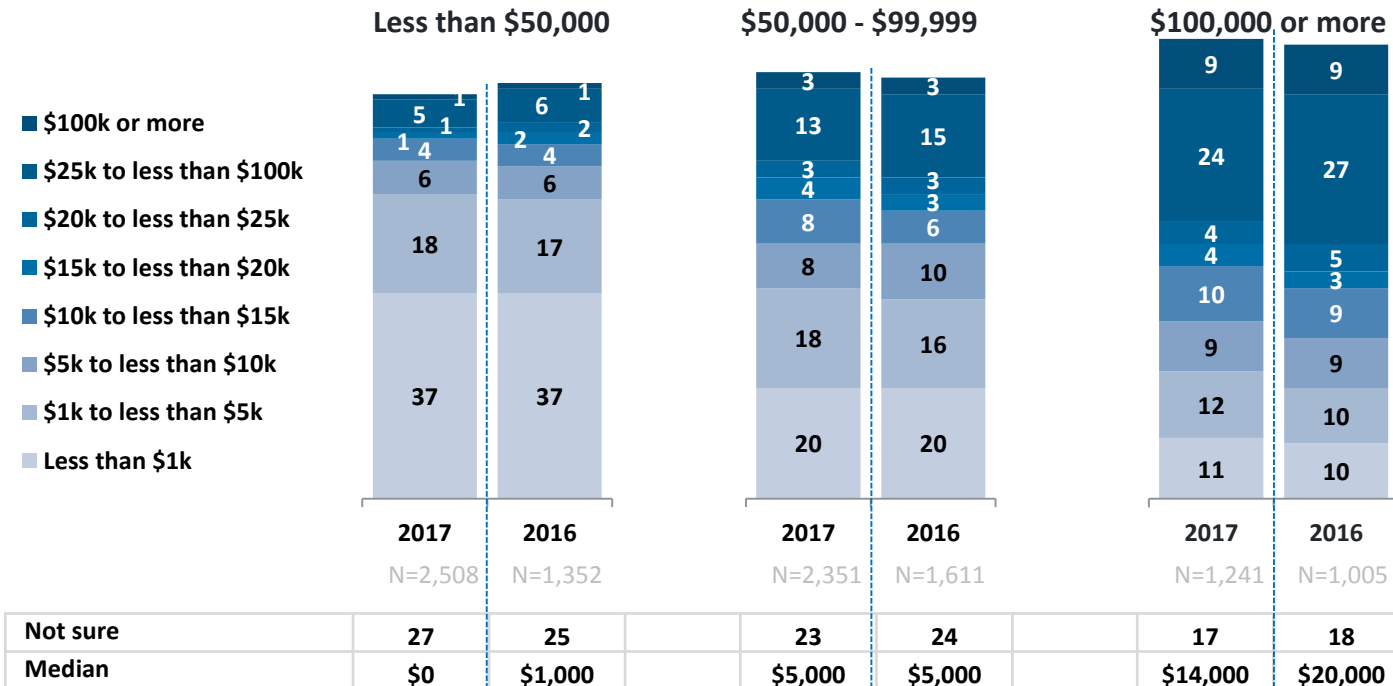
BASE: ALL QUALIFIED RESPONDENTS

Q1286. Which of the following types of debt does your household currently have? Select all.

# Estimated Emergency Savings

Workers across levels of household income (HHI) lack emergency savings that could help cover the cost of a major financial setback (e.g., unemployment, medical bills, home repairs, auto repairs, other). Workers with a HHI of less than \$50k have saved a concerning \$0 (median) and 37 percent have saved less than \$1,000 for such emergencies. Workers with a HHI of \$50k to \$99k have saved \$5,000 (median) and 20 percent have saved less than \$1,000. Workers with HHIs of \$100k or more have saved \$14,000 (median) and 11 percent have saved less than \$1,000 for such emergencies.

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



*Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.*

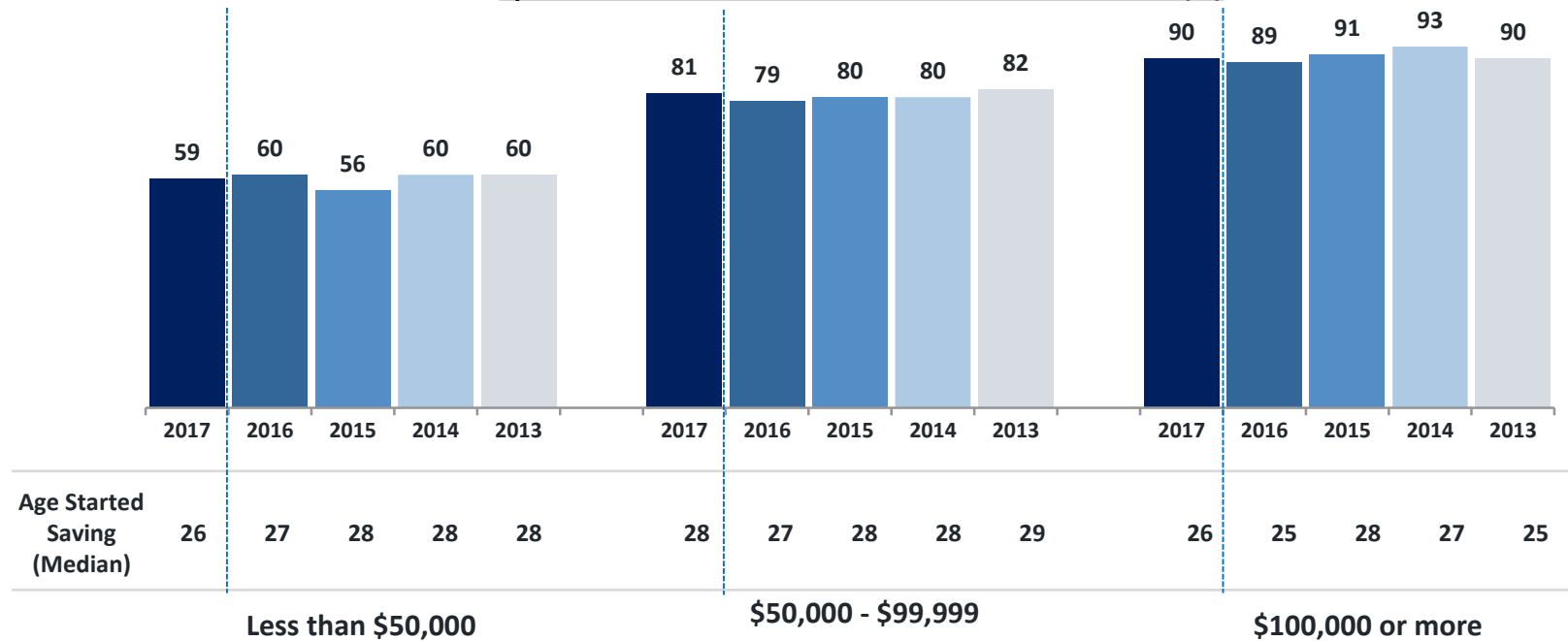
**BASE: ALL QUALIFIED RESPONDENTS**

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)?

# Saving for Retirement / Age Started Saving

The majority of workers are saving for retirement through an employer-sponsored retirement plan and/or outside of work; however, the proportion of savers varies dramatically by household income (HHI). Ninety percent of workers with HHI of \$100k+ are saving for retirement, and 81 percent of workers with HHI of \$50k to \$99k, compared to 59 percent of those with HHI of less than \$50k. Workers across levels of HHI started saving for retirement in their mid- to late-twenties.

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



*Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.*

**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.?

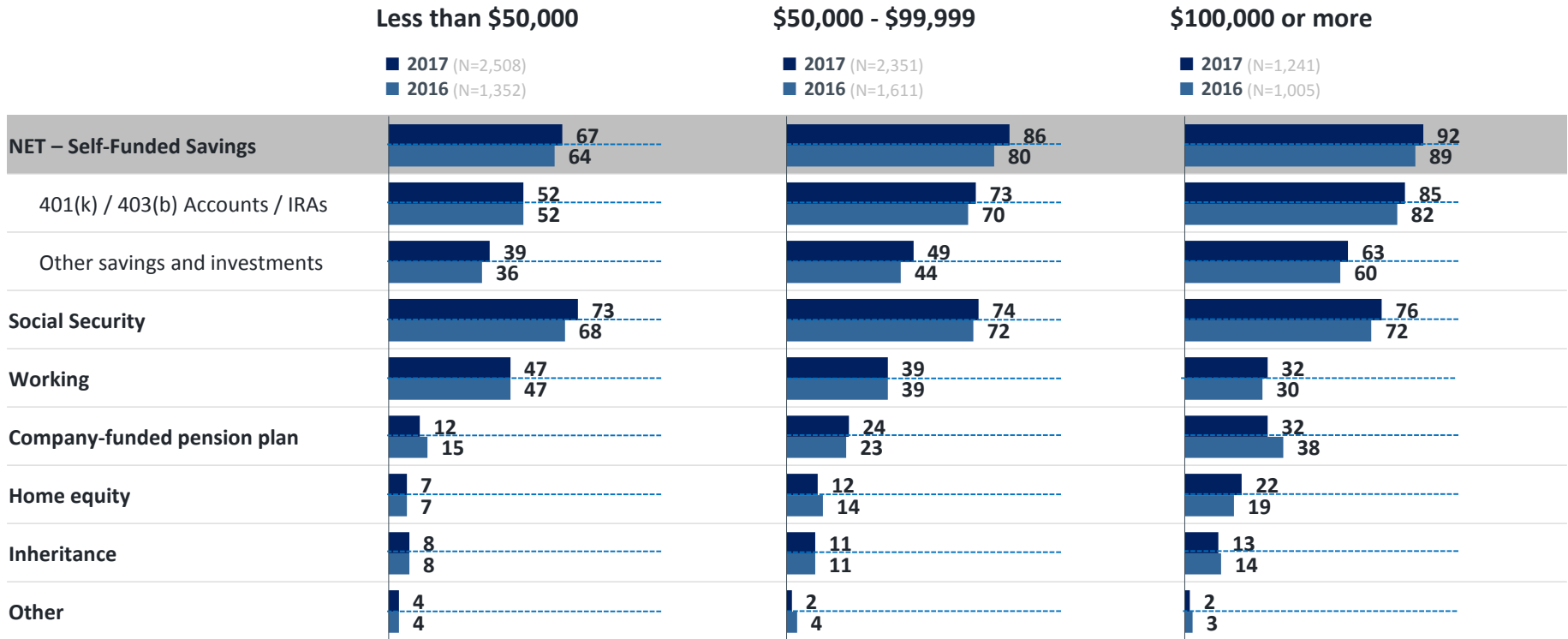
**BASE: INVESTING FOR RETIREMENT**

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

# Expected Sources of Retirement Income

Across levels of household income (HHI), the majority of workers expect retirement income from self-funded savings including retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) and other savings and investments: 92 percent of workers with HHI of \$100k+, 86 percent of those with HHI of \$50k to \$99k, and 67 percent of those with HHI of less than \$50k. Nearly half of workers with HHI of less than \$50k (47 percent) expect income from working, compared to those with HHI of \$50k to \$99k (39 percent) and those with HHI of \$100k+ (32 percent).

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



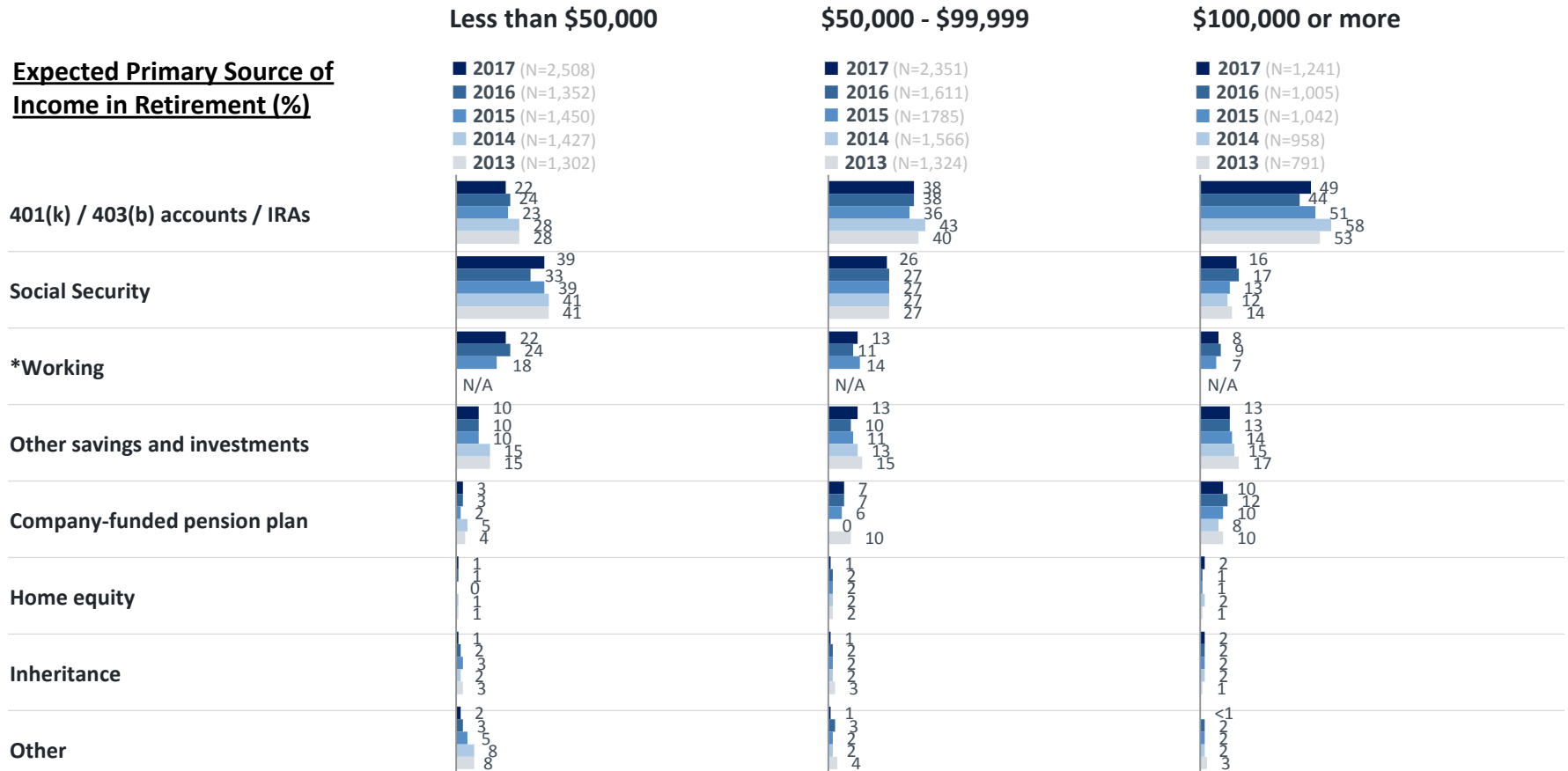
† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

BASE: ALL QUALIFIED RESPONDENTS

Q1145. Which one of the following do you expect to be sources of income to cover your living expenses after you retire? Select all.

# Expected Primary Source of Income in Retirement

Workers with higher levels of HHI are more likely to expect to rely on retirement accounts — such as 401(k), 401(b), or IRA — as their *primary* source of income in retirement, including 49 percent of workers with HHI of \$100k+ and 38 percent of those with HHI of \$50k to \$99k. Workers with HHI of less than \$50k are more likely to cite Social Security (39 percent) or working (22 percent) as their expected primary source of retirement income.



† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

\*added in 2015

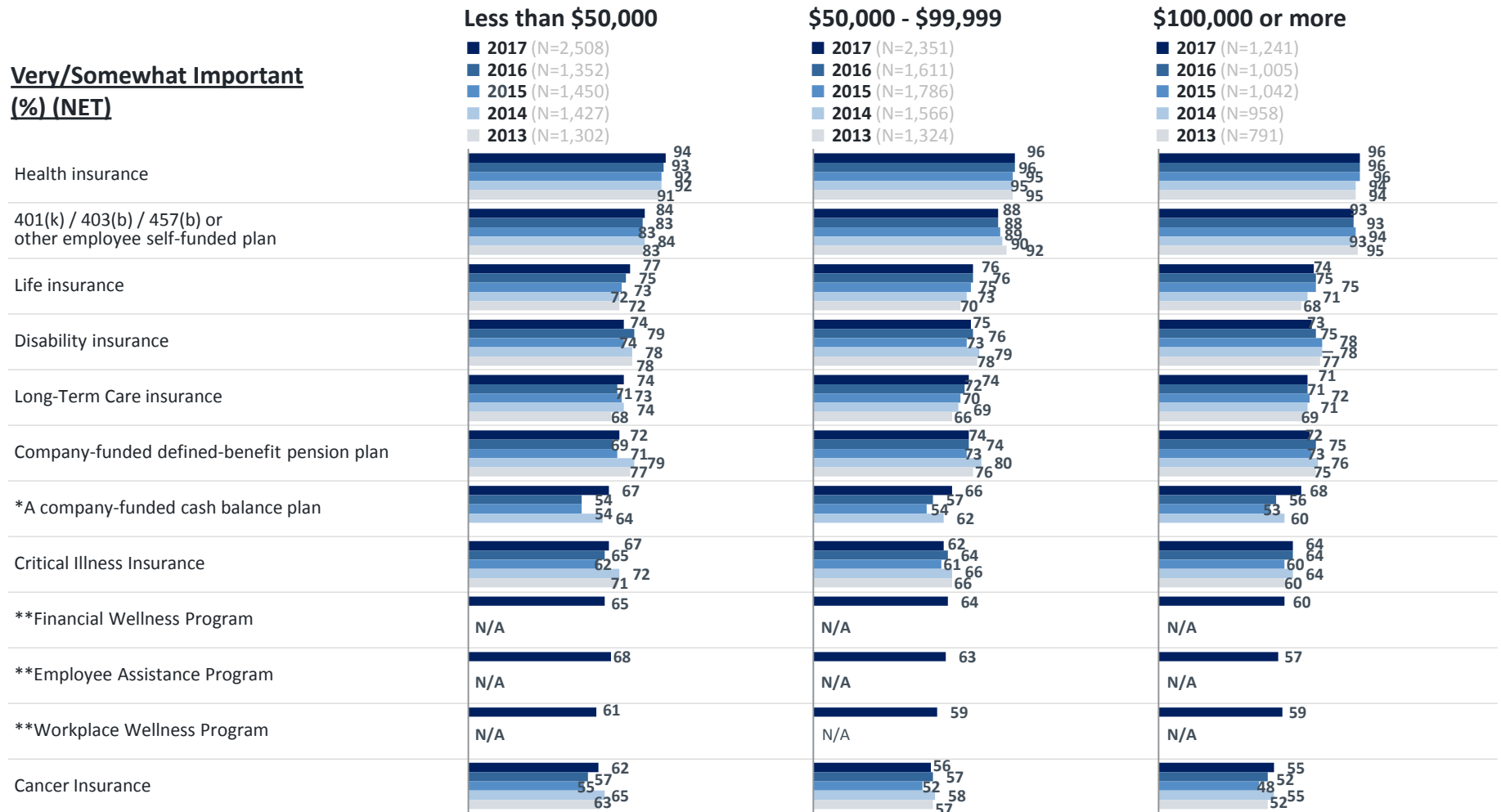
BASE: ALL QUALIFIED RESPONDENTS

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

# Importance of Retirement Benefits Compared to Other Benefits

More than 80 percent of workers across all levels of household income value a 401(k), 401(b), 457(b) or similar plan as an important benefit. Workers with higher household incomes are more likely to believe such benefits are important, a steady trend over the past five years.

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



Note: Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

\*added in 2014 \*\*added in 2017

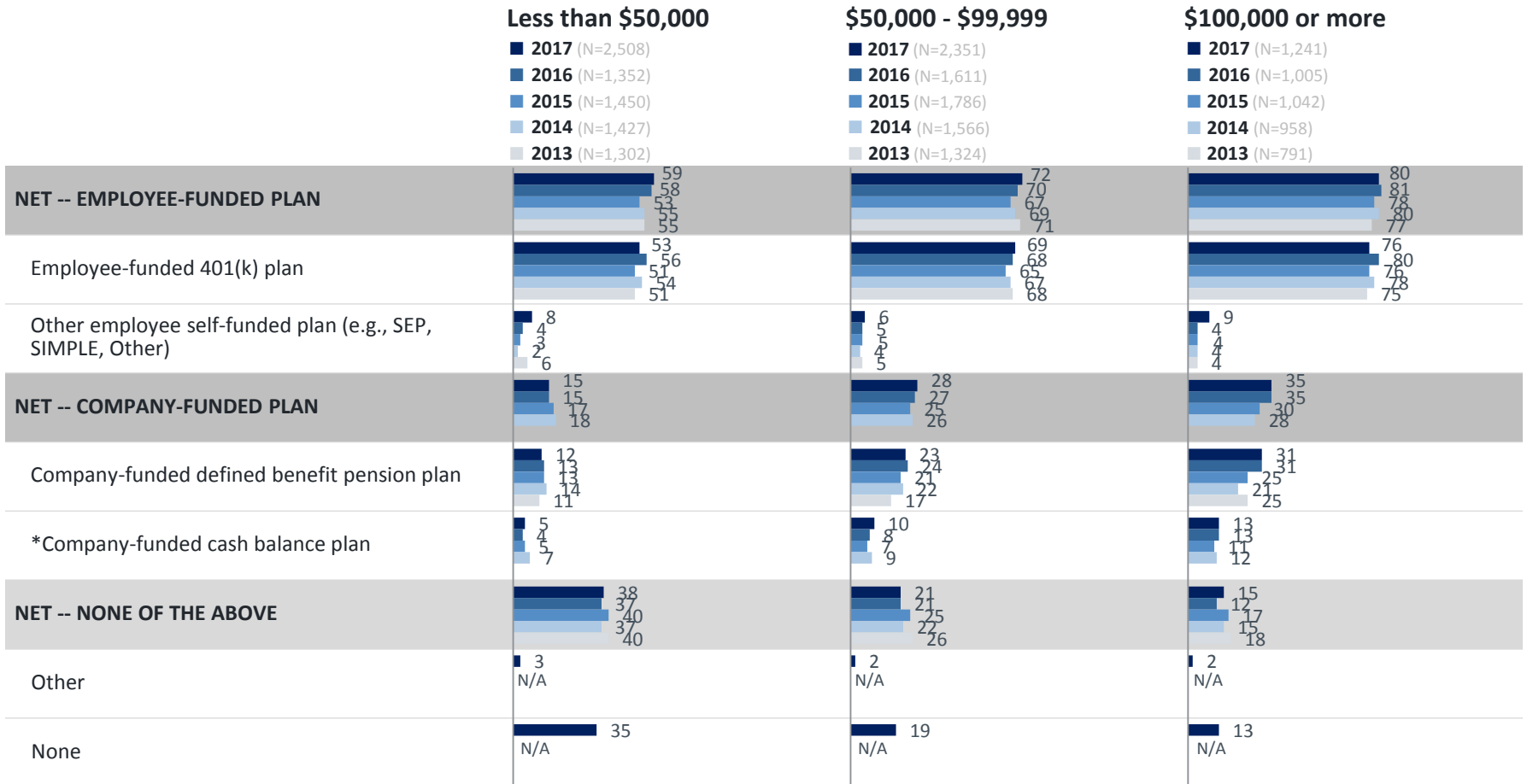
BASE: ALL QUALIFIED RESPONDENTS Q1170. Businesses typically offer a number of different benefits for their workers. For each of the following, please tell us how important that benefit is to you, personally.



# Retirement Benefits Currently Offered

Most workers are offered a 401(k) or similar employee-funded retirement plan in the workplace; however, access to a plan increases with higher levels of household income (HHI). Only 59 percent of workers with HHI of less than \$50k are offered an employee-funded retirement plan, compared to 72 percent of those with HHI of \$50k to \$99k and 80 percent of those with HHI of \$100k+.

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



Note: Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

\*added in 2014

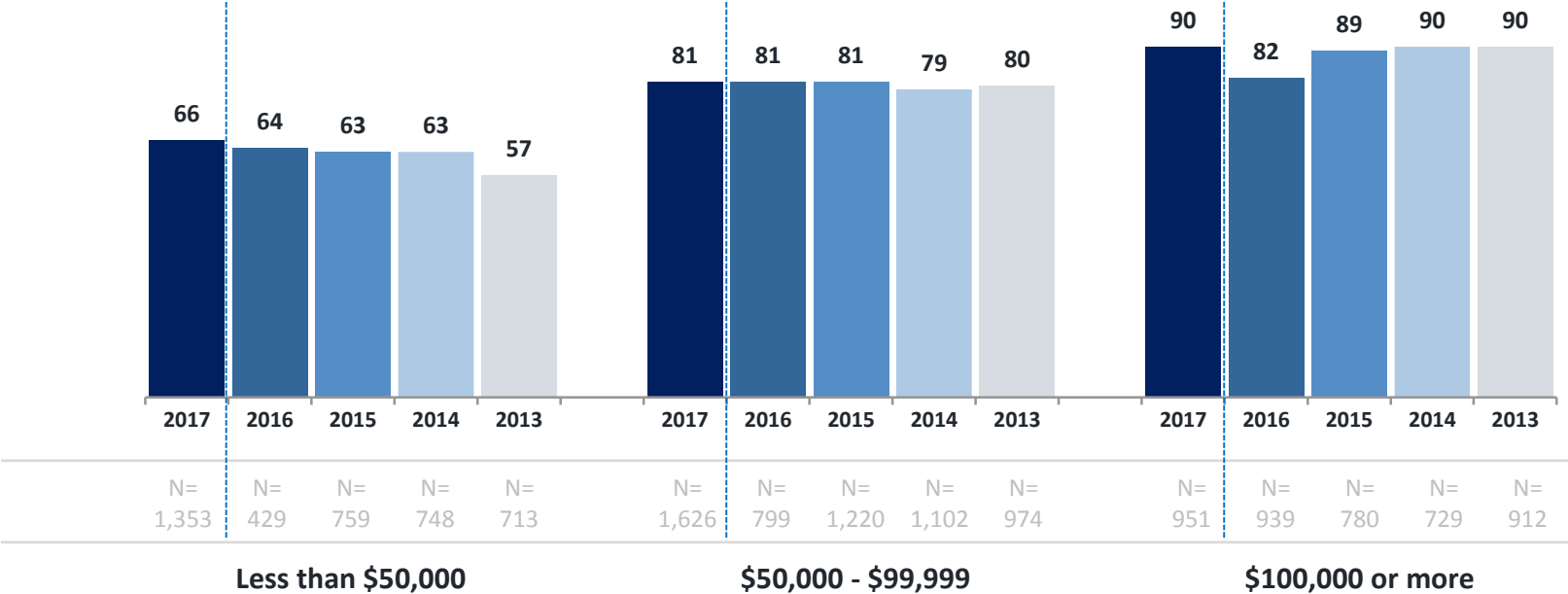
BASE: ALL QUALIFIED RESPONDENTS

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 significantly with higher levels of household income (HHI). Sixty-six percent of workers with HHI of less than \$50k participate in their employer’s plan, compared to 81 percent with HHI of \$50k to \$99k and 90 percent with HHI of \$100k+. This trend has remained consistent over the past five years.

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



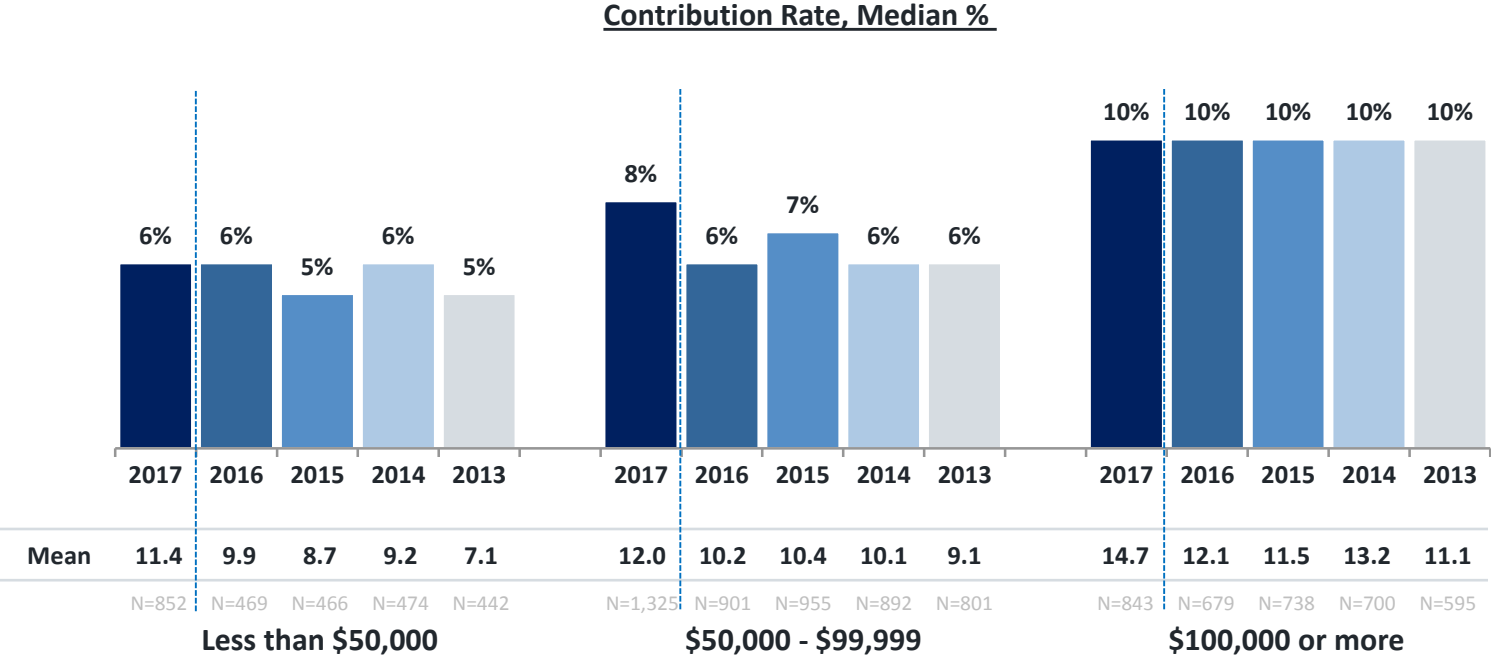
† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

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, those with higher household incomes (HHI) contribute more. Workers with HHI of \$100k+ contribute 10 percent (median) of their annual pay, while those with HHI of \$50k to 99k contribute 8 percent (median) and those with HHI less than \$50k contribute 6 percent (median). This trend has been consistent over the past five years.



† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

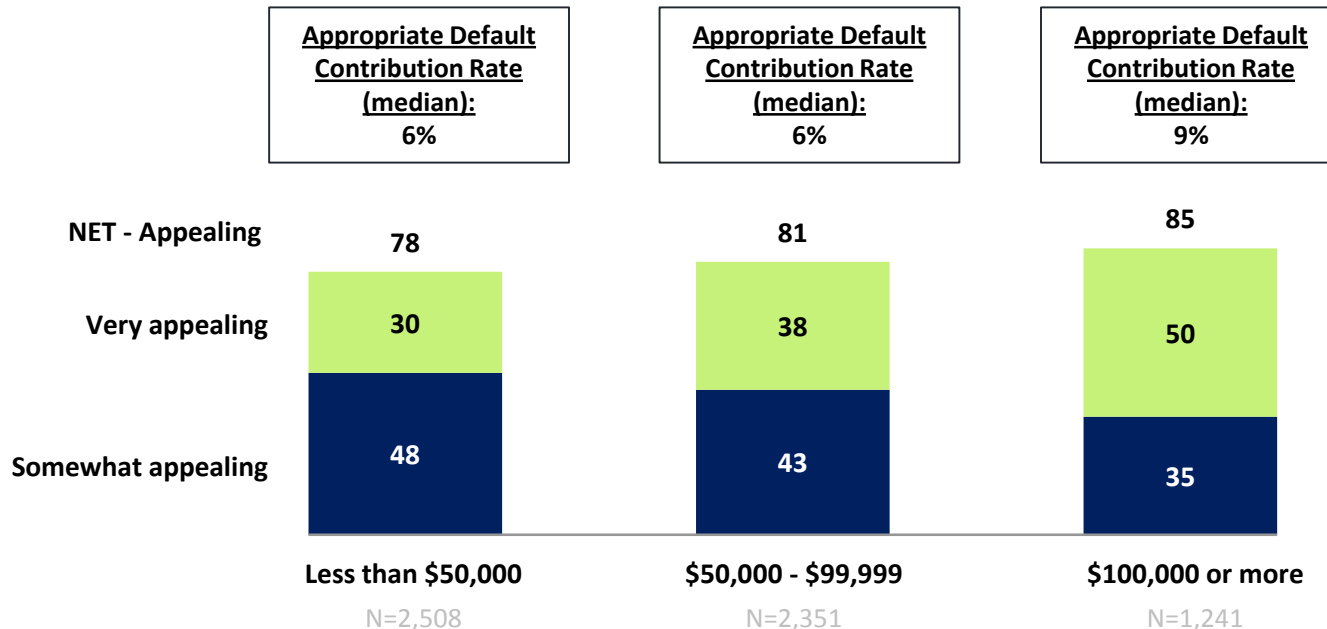
BASE: CURRENTLY PARTICIPATES IN QUALIFIED PLAN

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

# Appeal of Automatic Enrollment

Workers with higher levels of household income (HHI) are more likely to find automatic enrollment as a plan feature appealing, as 85 percent of those with \$100k+ find it “very” or “somewhat” appealing, compared to 81 percent of those with HHI \$50k to \$99k and 78 percent of those with HHI less than \$50k. When it comes to the appropriate contribution rate for such a plan, workers with HHI \$100k+ think it should be 9 percent (median) while those with both HHI \$50k to \$99k and less than \$50k believe the appropriate default contribution rate should be 6 percent (median).

**Appeal of Automatic Enrollment (%)**



*New question added in 2017*

BASE: ALL QUALIFIED RESPONDENTS

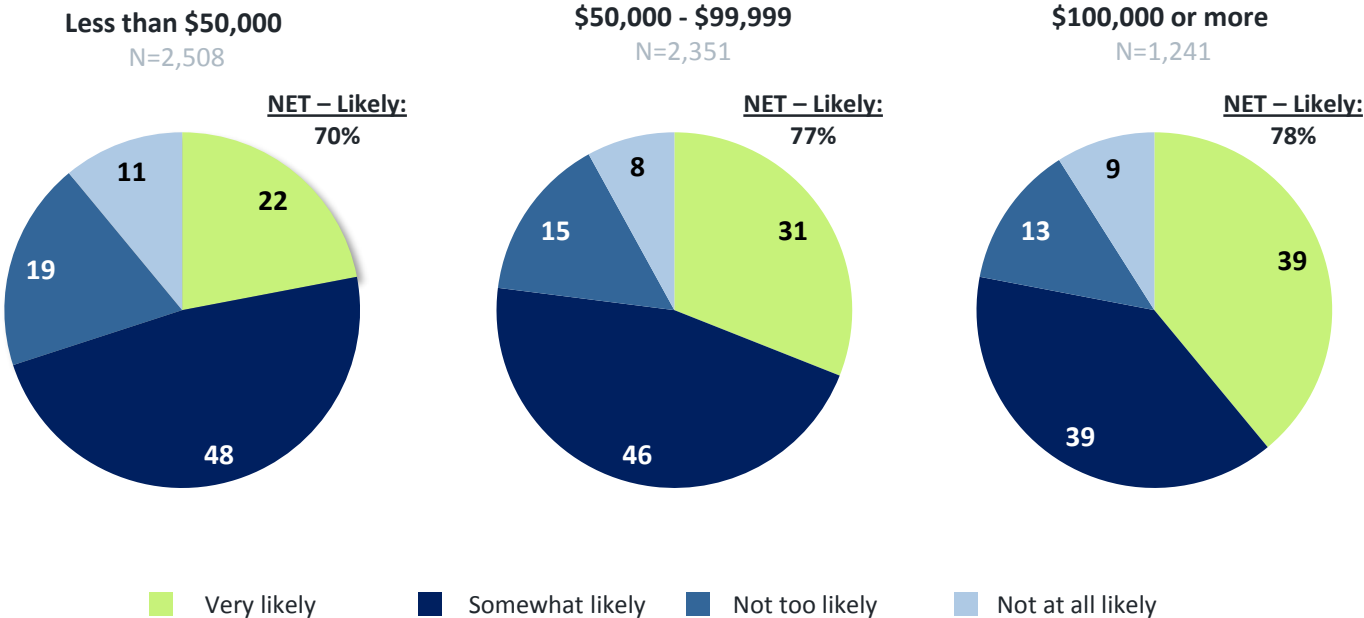
Q635. Imagine that your current employer automatically enrolled you into a 401(k), 403(b) or similar retirement plan, deducting a percentage of each paycheck, and investing it for your future retirement. How appealing would this seem to you?

Q636. Imagine that your current employer automatically enrolled you into a 401(k), 403(b) or similar retirement plan, what would you consider to be an appropriate percentage to deduct from your paycheck to be invested for your future retirement?

# Likelihood of Using Automatic Escalation

Workers with household income (HHI) of \$50k to \$99k (77 percent) and those with HHI of \$100k+ (78 percent) are more likely than those with less than \$50k (70 percent) to say they are “very” or “somewhat” likely to use a feature that automatically increases their contribution by 1 percent each year.

**Likelihood of Using a Feature That Automatically Increases Contribution by 1% Each Year, Until You Choose to Discontinue (%)**



New question added in 2017

BASE: ALL QUALIFIED RESPONDENTS

Q702. How likely would you be to use a feature in a 401(k) or similar plan where your employer would automatically increase your contribution rate (as a percentage of your salary) to the plan by 1% each year, until you choose to discontinue this increase?

# Use of Professionally Managed Offerings

“Professionally managed” accounts refers to a managed account service, strategic allocation funds, and/or target date funds. At least four in ten plan participants, across levels of household income (HHI), use some form of professionally managed offering in their 401(k) or similar plans: 45 percent of workers with HHI of less than \$50k, 59 percent of those with HHI of \$50k to \$99k, and 67 percent of those with HHI of \$100k+. Workers with HHI of \$100k+ (47 percent) are somewhat more likely to set their own asset allocation percentage among the available funds, compared to those with HHI of less than \$50k (42 percent) and those with HHI of \$50k to \$99k (40 percent).

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

### Less than \$50,000

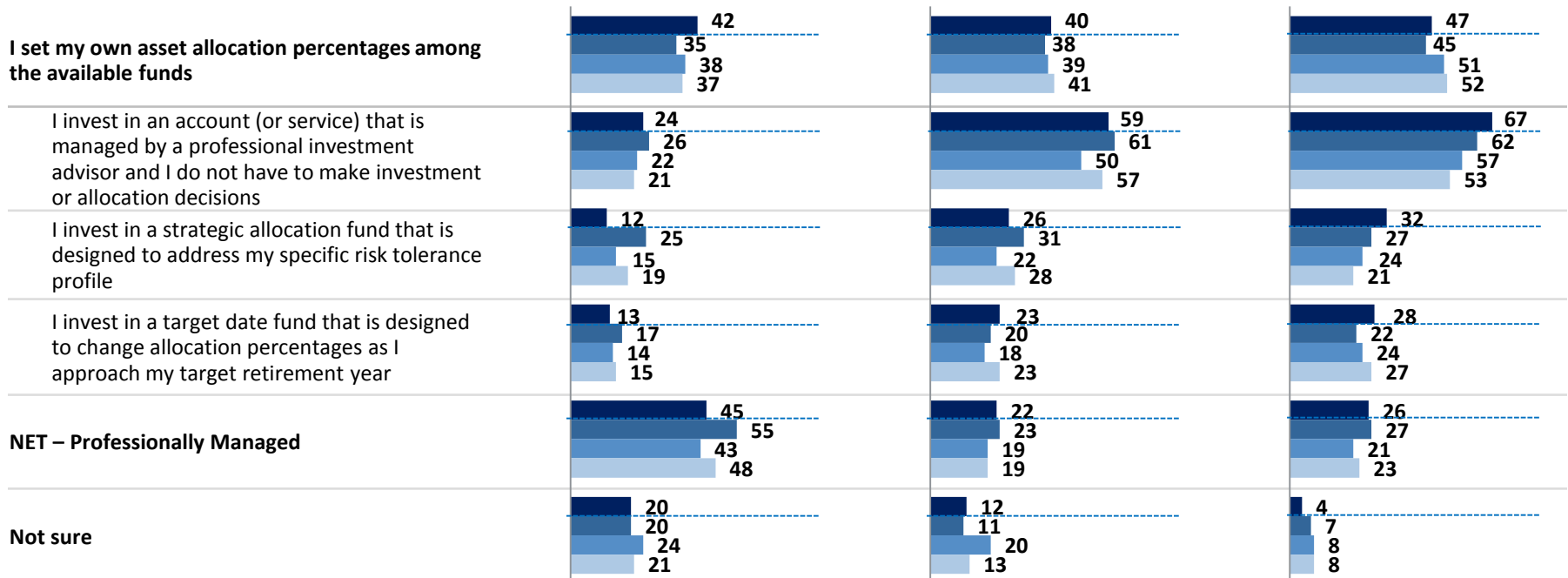
■ 2017 (N=853)  
 ■ 2016 (N=471)  
 ■ 2015 (N=466)  
 ■ 2014 (N=474)

### \$50,000 - \$99,999

■ 2017 (N=1,327)  
 ■ 2016 (N=901)  
 ■ 2015 (N=956)  
 ■ 2014 (N=893)

### \$100,000 or More

■ 2017 (N=845)  
 ■ 2016 (N=681)  
 ■ 2015 (N=741)  
 ■ 2014 (N=704)



† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

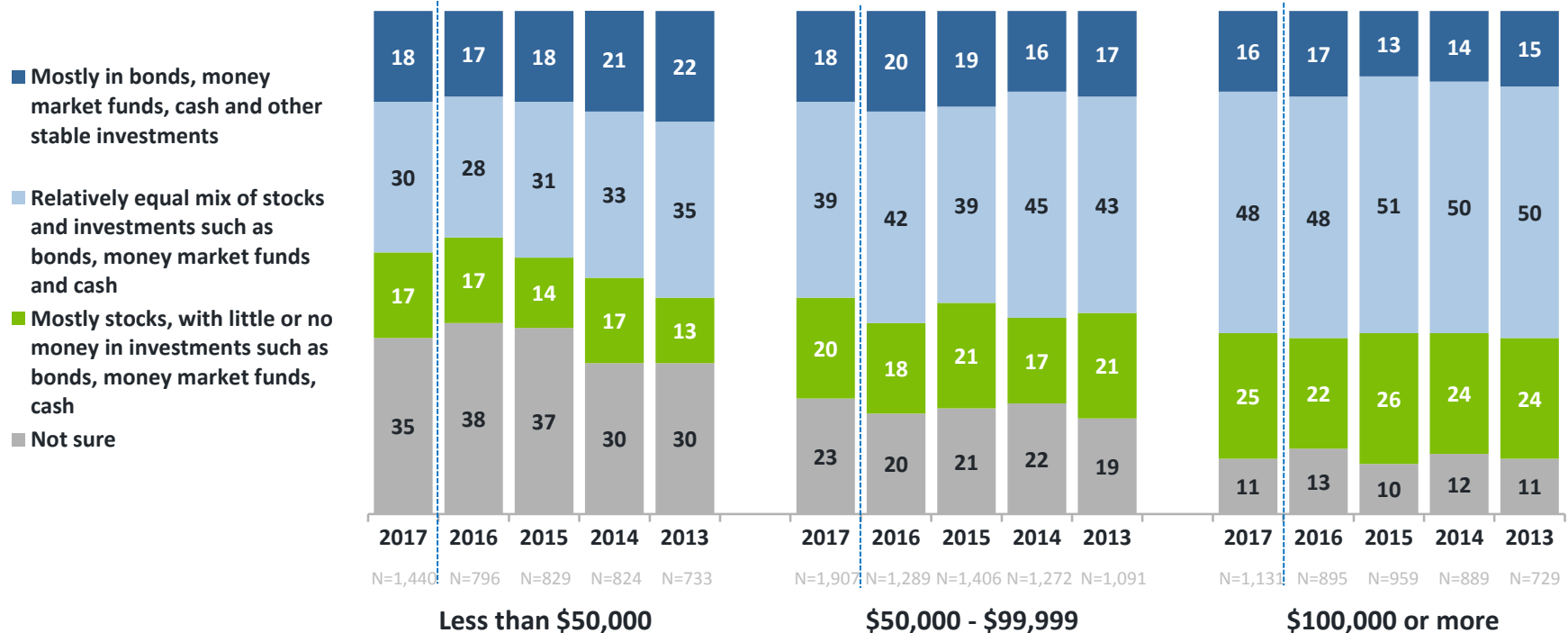
BASE: PARTICIPATING IN QUALIFIED PLAN

Q1466. What is your current approach to investing in your employer-sponsored retirement plan? Select all.

# Asset Allocation of Retirement Investments

Workers across levels of household income (HHI), who are investing for retirement, most frequently say that their retirement savings are invested in a relatively equal mix of stocks and investments such as bonds, money market funds and cash: However, responses are higher among those with HHI of \$100k+ (48 percent), compared to those with HHI of \$50k to \$99k (39 percent) and those with HHI of less than \$50k (30 percent). Workers with HHI of less than \$50k are the most uncertain as to how their retirement savings are invested.

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



† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

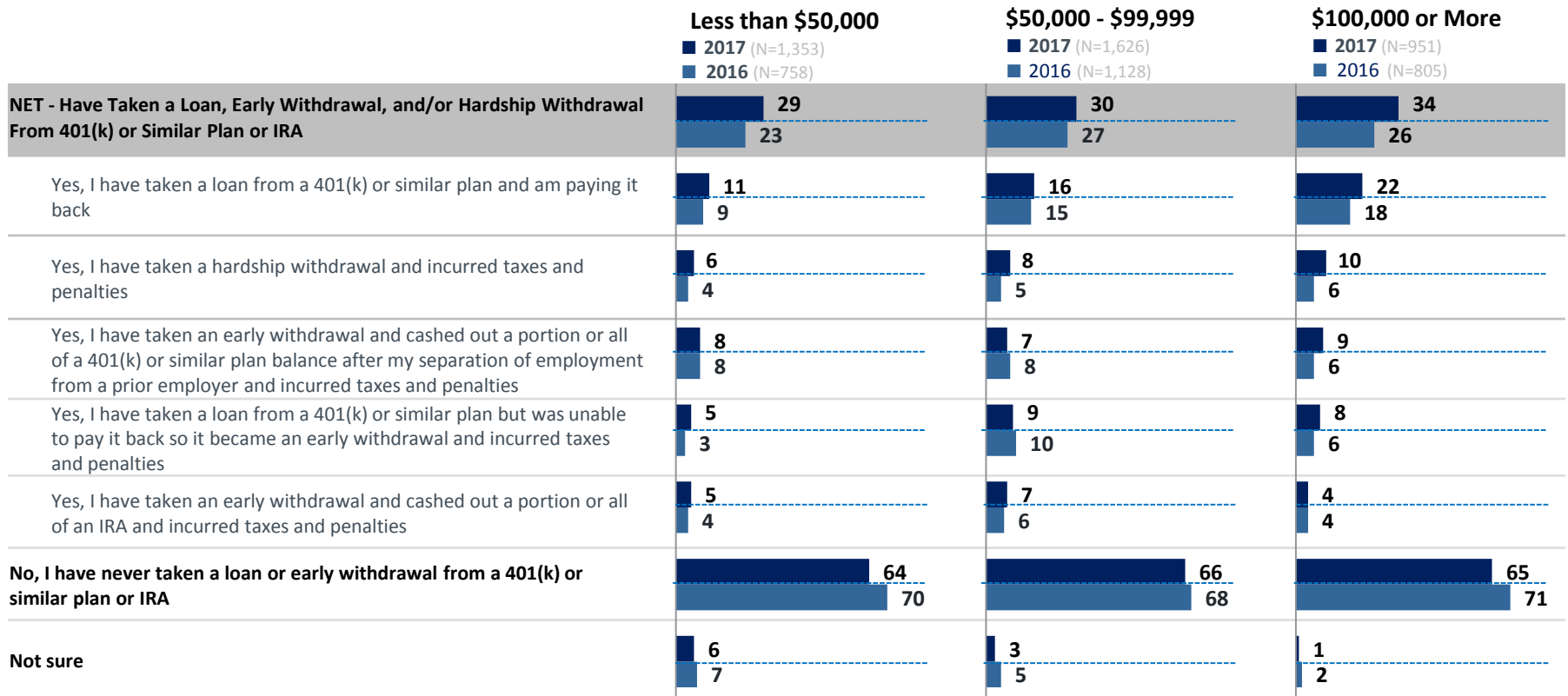
BASE: INVESTING FOR RETIREMENT

Q770. How is your retirement savings invested?

# 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. About one in three workers across levels of household income (HHI) have taken some form of loan, early withdrawal, and/or hardship withdrawal from a 401(k) or similar plan — 31 percent of workers with HHI of less than \$50k, 33 percent of those with HHI of \$50k to \$99k, and 35 percent of those with HHI of \$100k+.

**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? (%)**



† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

BASE: All Qualified Respondents

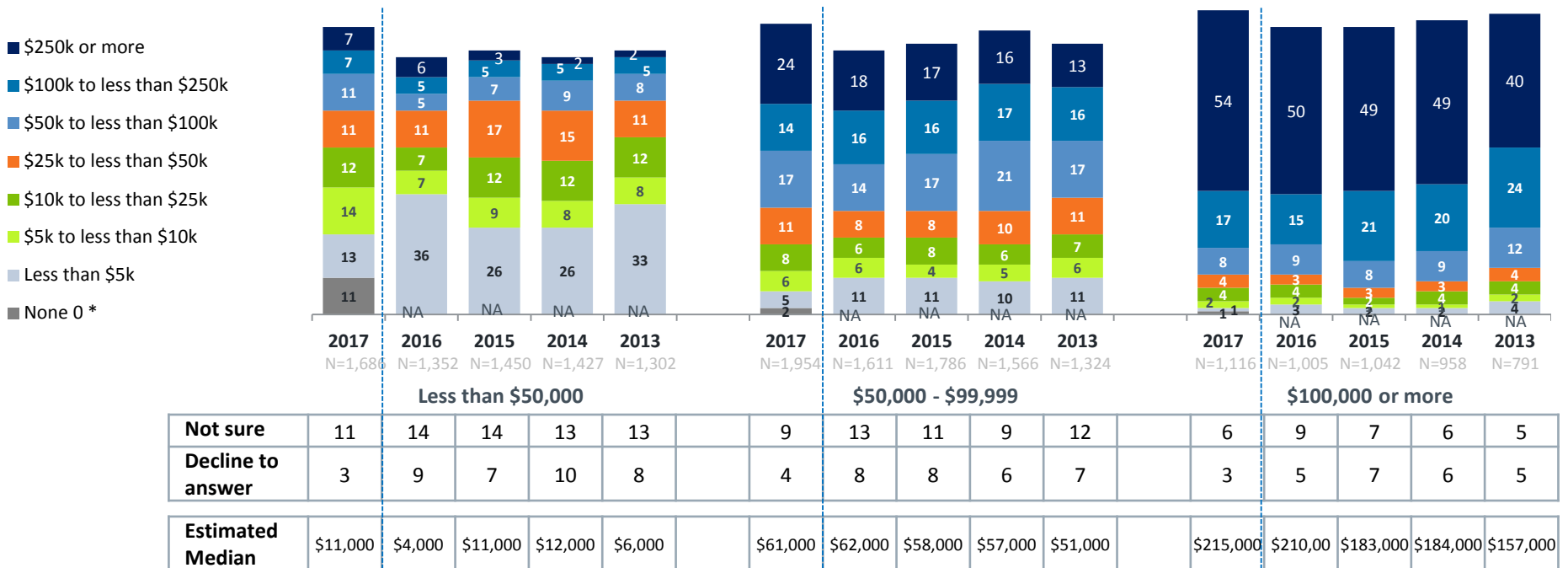
Q754. Have you ever taken any form of loan or early withdrawal from a qualified retirement account such as a 401(k) or similar plan or IRA? Select all.



# Total Household Retirement Savings

Workers with a household income (HHI) of \$100k+ have saved \$215,000 (estimated median) in total household retirement accounts, compared to \$61,000 for those with HHI of \$50k to \$99k and just \$11,000 for those with HHI of less than \$50k (estimated medians). A concerning 24 percent of workers with HHI of less than \$50k have less than \$5,000 in household retirement savings.

**Total Household Retirement Savings by Level of Household Income (%)**



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

! Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

\*added in 2017

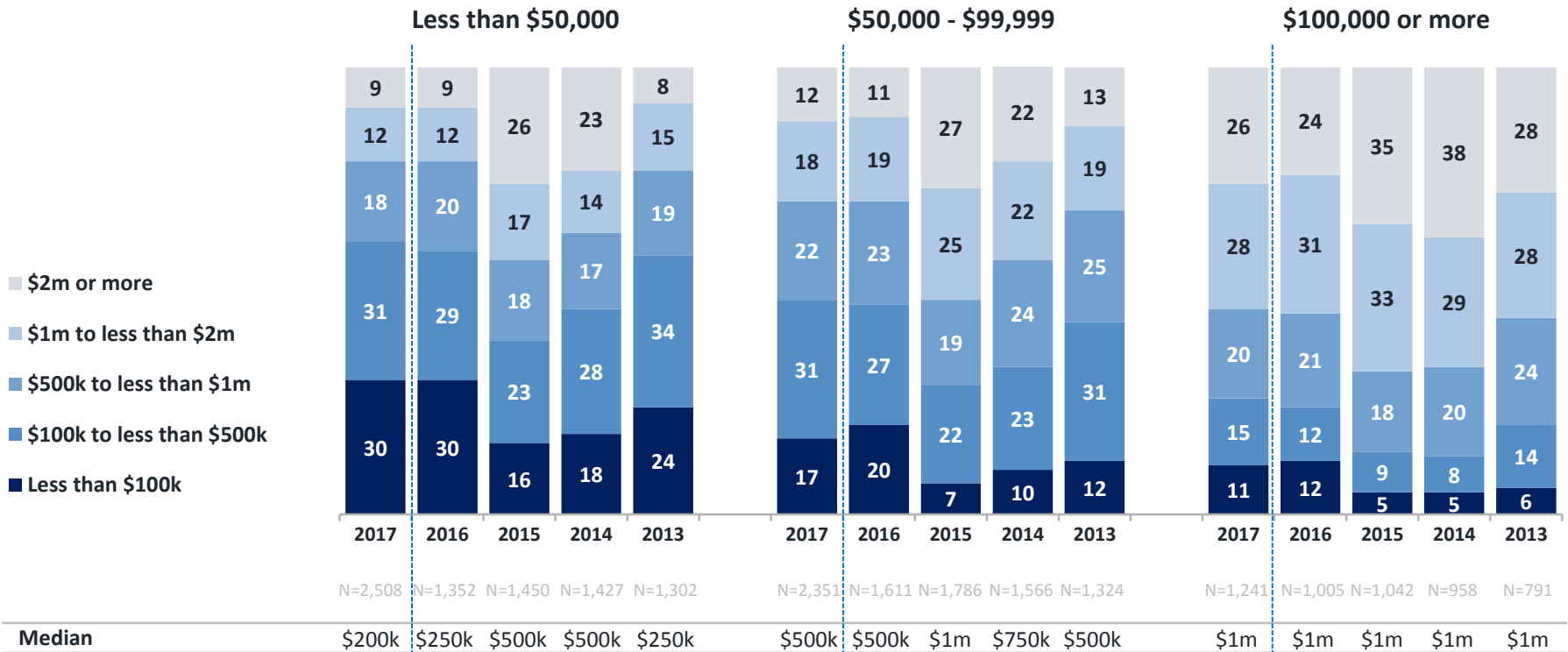
BASE: ALL QUALIFIED RESPONDENTS

Q1300. Approximately how much money does your household have saved in all of your retirement accounts? Please include IRAs, 401(k)s, 403(b)s, and any other savings for retirement to which you and/or your spouse or partner have contributed funds.

# Estimated Retirement Savings Needs

Workers' estimated retirement savings needs increase with higher levels of household income (HHI). Workers with HHI of less than \$50k believe they need to save \$200,000 (median) to feel financially secure in retirement, whereas those with HHI of \$100k+ will need \$1 million. Workers with HHI of \$50k to \$99k have an estimated retirement savings needs of \$500,000 (median) this year.

**Estimated Retirement Savings Needs (%)**



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

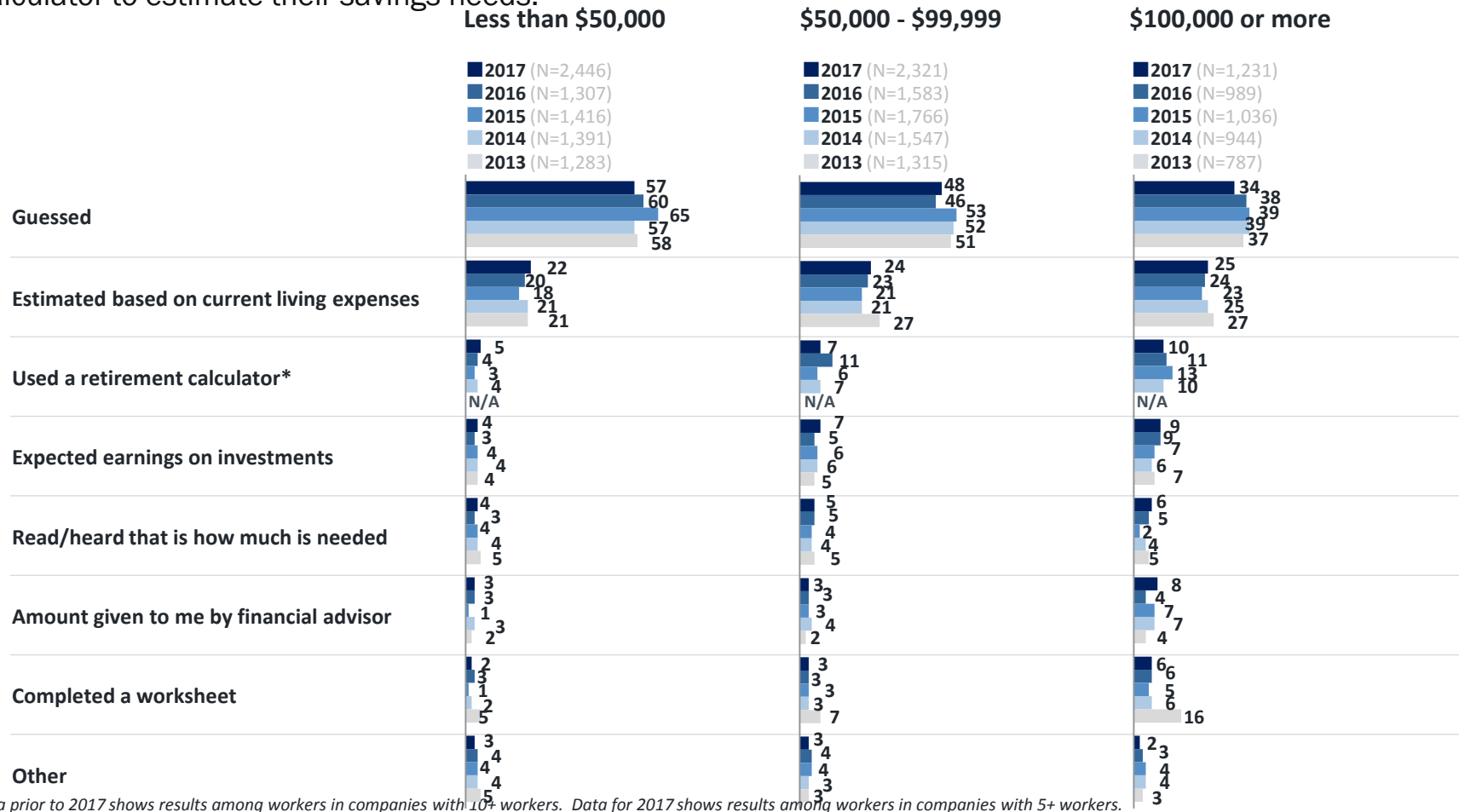
† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

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. Among those who provided an estimate of their retirement savings needs, workers with a household income (HHI) of less than \$50k (57 percent) are more likely to have guessed the amount, compared to those with HHI of \$50k to \$99k (48 percent) and those with HHI of \$100k+ (34 percent). Few workers across levels of HHI indicate that they have used a retirement calculator to estimate their savings needs.



Note: Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

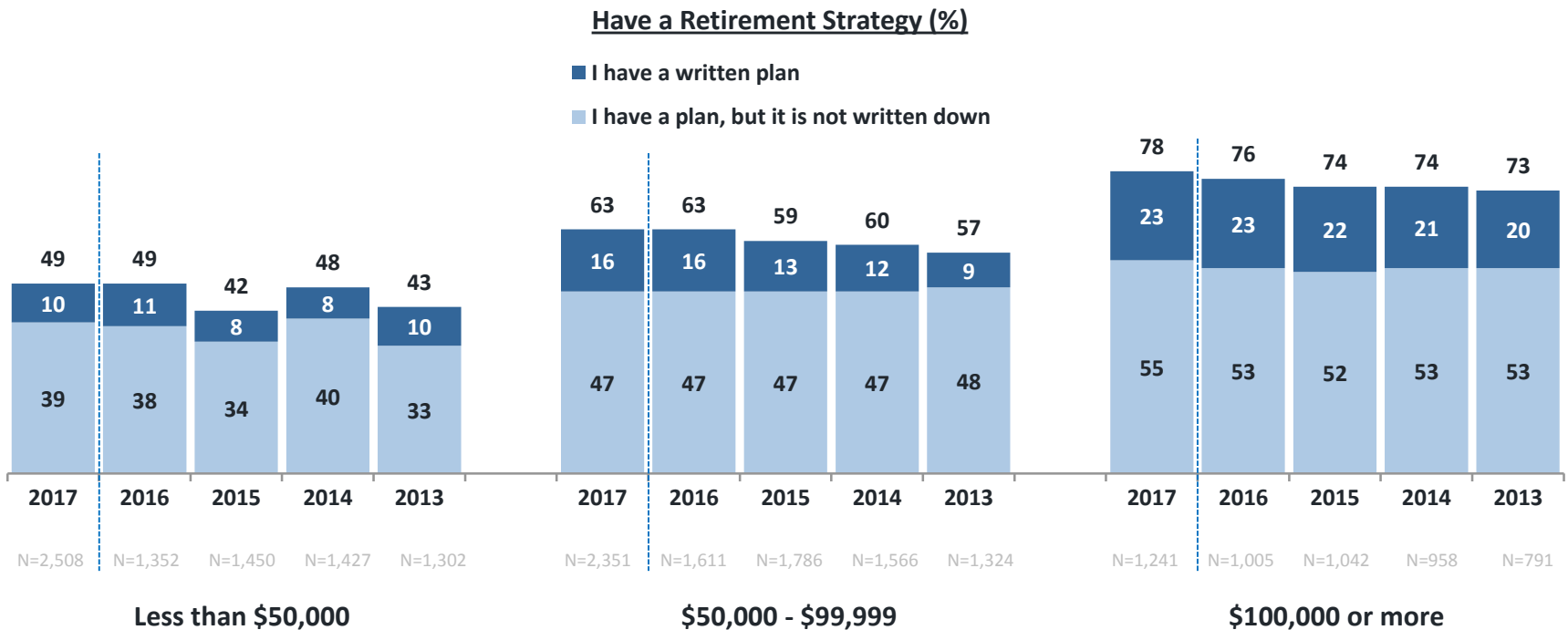
\*added in 2014

BASE: PROVIDED ESTIMATE OF MONEY NEEDED FOR RETIREMENT

Q900. How did you arrive at that number?

# Retirement Strategy: Written, Unwritten, or None

The likelihood of a worker having a retirement strategy, either written or unwritten, increases with higher levels of household income (HHI). Seventy-eight percent of workers with HHI of \$100k+ have some form of a retirement strategy, compared to 63 percent of those with HHI of \$50k to \$99k and just 49 percent of those with HHI of less than \$50k. In terms of having a *written* strategy, relatively few workers across HHIs have one. Over the past five years, workers with HHI of less than \$100k have been consistently less likely to have a written plan, compared to those with HHI of \$100k+.



† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

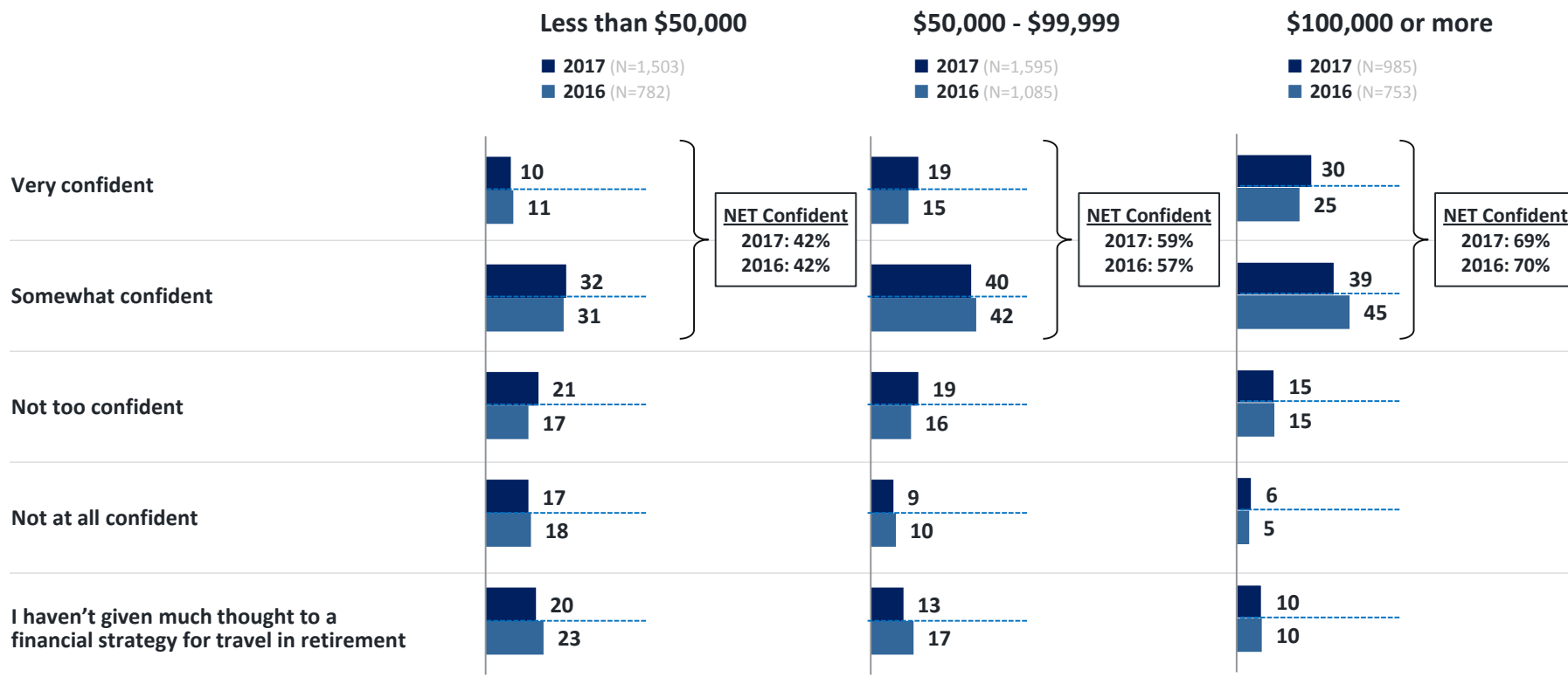
BASE: ALL QUALIFIED RESPONDENTS

Q1155. Which of the following best describes your retirement strategy?

# Confidence that Financial Strategy Will Enable Travel Goals

Workers' confidence that their current financial strategy will enable them to realize their travel goals increases with higher levels of household income (HHI). Among those who dream of traveling in retirement, 69 percent of workers with HHI of \$100k+ are confident, compared to 59 percent of those with HHI of \$50k to \$99k and 42 percent of those with HHI of less than \$50k.

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



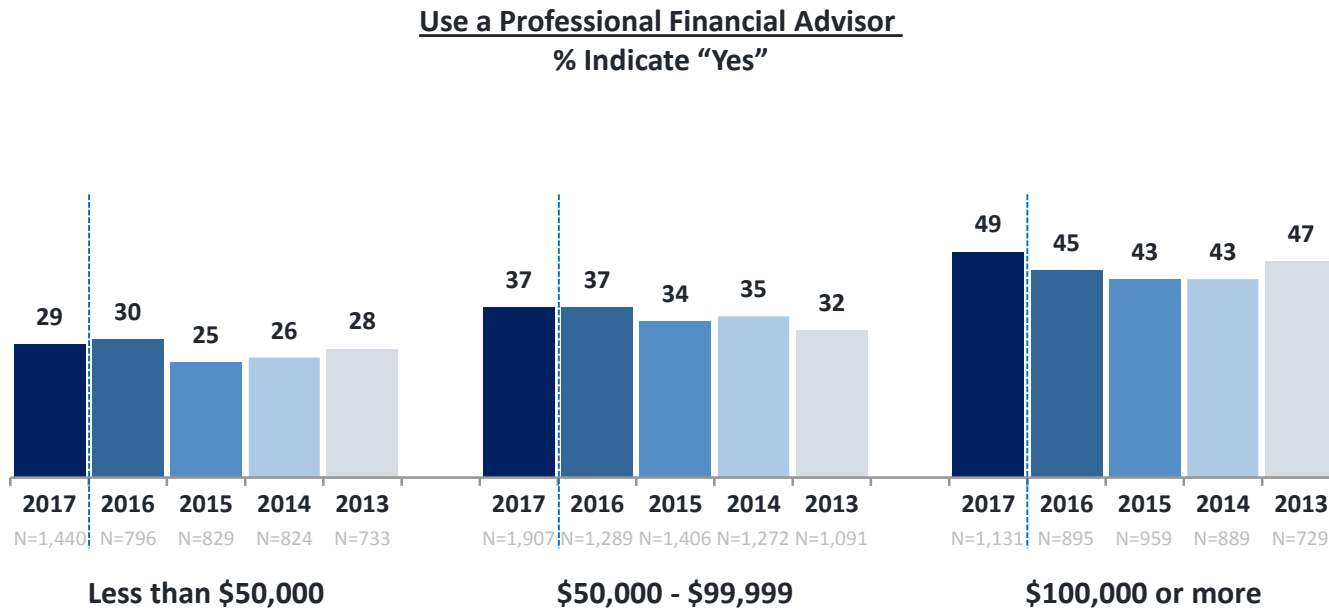
† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

BASE: THOSE WHO DREAM OF TRAVELING IN RETIREMENT

Q2845. How confident are you that your current financial strategy will allow you to meet your travel goals throughout retirement?

# Professional Financial Advisor Usage

Among those investing for retirement, use of a professional financial advisor increases with higher levels of household income (HHI). Forty-nine percent of workers with HHI of \$100K+ use an advisor, compared to 37 percent of those with HHI of \$50k to \$99k and 29 percent of those with HHI of less than \$50k.



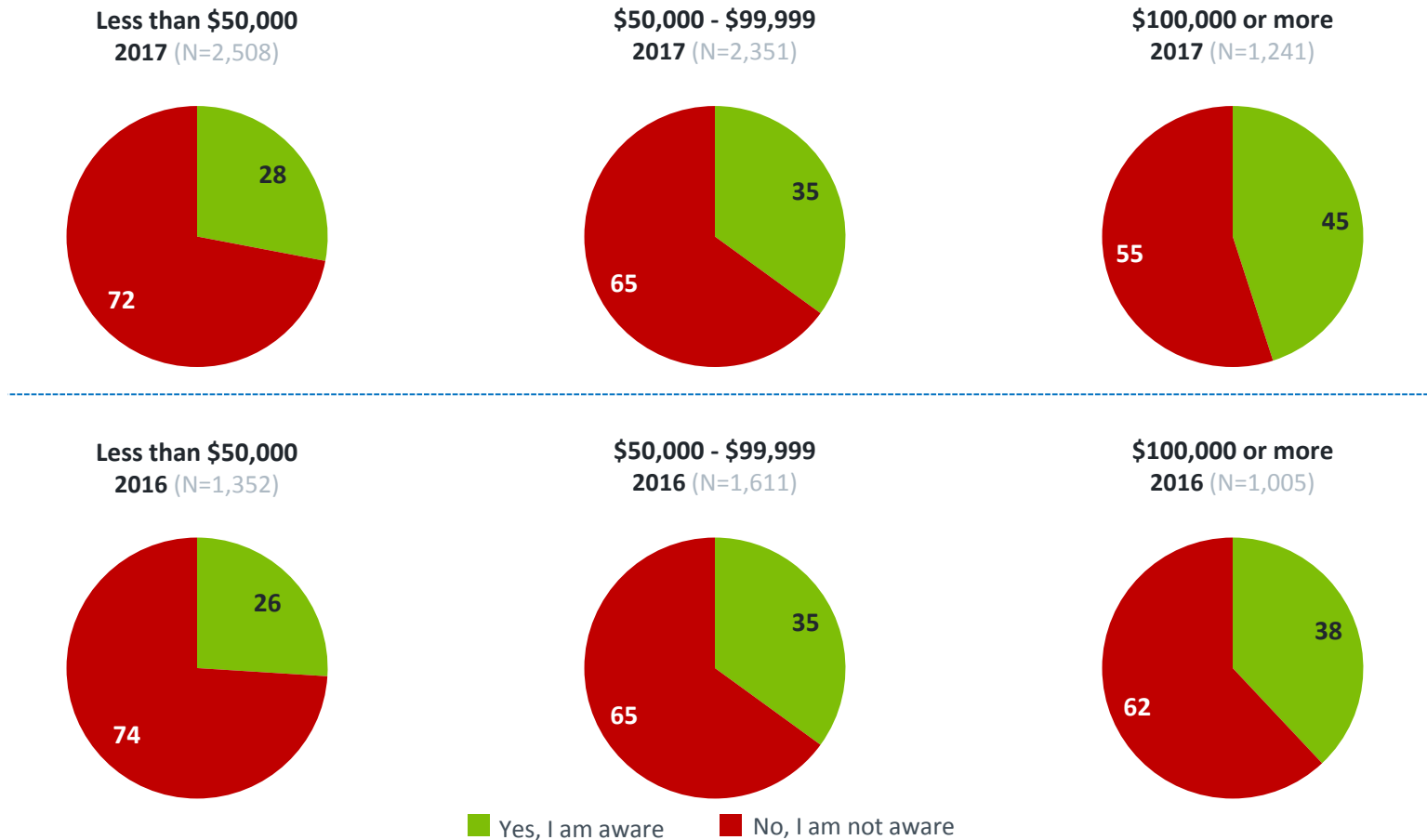
*Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.*

**BASE: INVESTING FOR RETIREMENT**

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

# 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; however, few workers who are potentially eligible to claim the credit are aware of it. Only 28 percent of workers with HHI of less than \$50k are aware of the Saver's Credit, compared to 35 percent of those with HHI of \$50k to \$99k and 45 percent of those with HHI of \$100k+.



■ Yes, I am aware   ■ No, I am not aware

† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

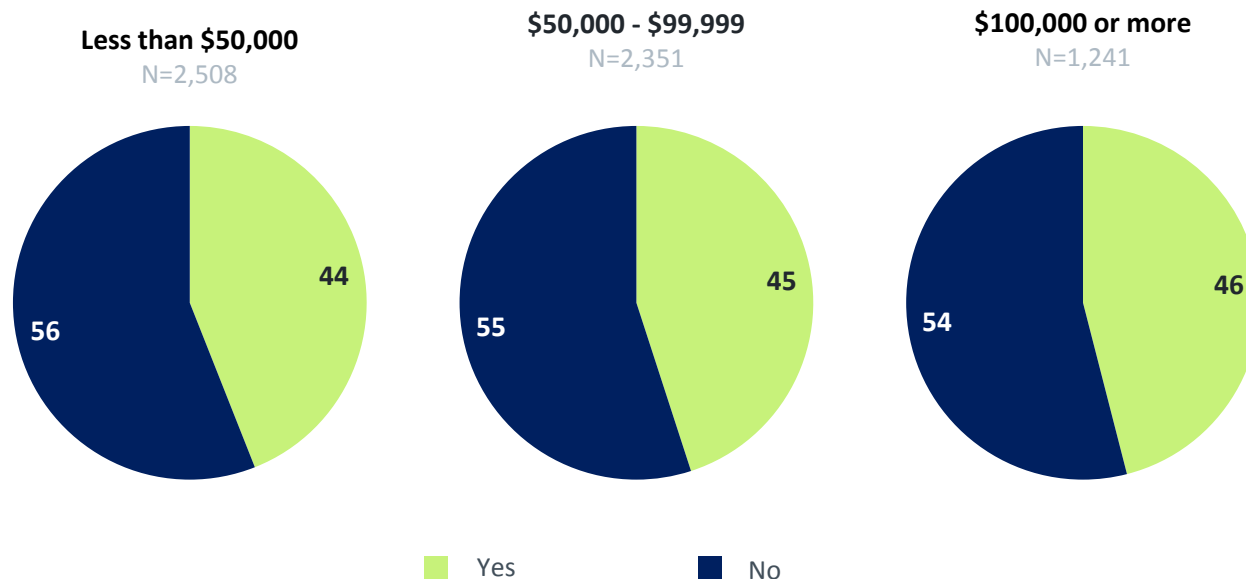
BASE: ALL QUALIFIED RESPONDENTS

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?

# Awareness of the IRS' Free File Program

Similar proportions of workers across levels of household income (HHI) lack awareness of the IRS' Free File Program: Fifty-six percent of workers with HHI less than \$50k, 54 percent of those with HHI \$100k+, and 55 percent of those with HHI \$50k to \$99k, are unaware of the Free File Program that offers federal income tax preparation for free to eligible tax filers.

**Awareness of the IRS' Free File Program (%)**



New question added in 2017

BASE: ALL QUALIFIED RESPONDENTS

Q2821. Are you aware of the IRS' Free File program that offers federal income tax preparation software for free for eligible tax filers?



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