

15th Annual Transamerica Retirement Survey

Influences of Generation on Retirement Preparation

TRANSAMERICA CENTER
FOR RETIREMENT STUDIES®

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About the Transamerica Center for Retirement Studies®

- The Transamerica Center for Retirement Studies® (TCRS) is a division of Transamerica InstituteSM (The Institute), a nonprofit, private foundation. TCRS is dedicated to educating the public on emerging trends surrounding retirement security in the United States. Its research emphasizes employer-sponsored retirement plans, including companies and their employees, unemployed and underemployed workers, and the implications of legislative and regulatory changes. For more information about TCRS, please refer to www.transamericacenter.org.
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About the Survey

- Since 1998, the Transamerica Center for Retirement Studies® has conducted 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 15th Annual Retirement Survey for Transamerica Center for Retirement Studies. Transamerica Center for Retirement Studies is not affiliated with Nielsen.
- About Nielsen & The Harris Poll: On February 3, 2014, Nielsen acquired Harris Interactive and The Harris Poll. Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence and mobile measurement. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands. For more information, visit www.nielsen.com.

Worker Survey Methodology

- A 22-minute, online survey was conducted between February 21 – March 17, 2014 among a nationally representative sample of 4,143 workers using the Harris Poll. Respondents met the following criteria:
 - U.S. residents, age 18 or older
 - Full-time or part-time workers in a for-profit company employing 10 or more people
- Data were weighted as follows:
 - 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

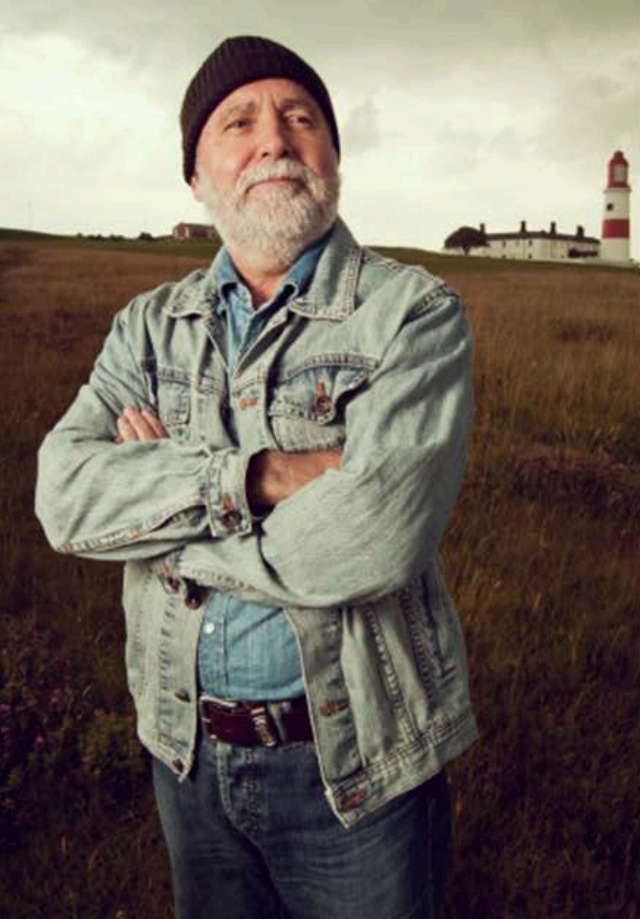
- *Millennial:* Born 1979 - 1996
- *Generation X:* Born 1965 - 1978
- *Baby Boomer:* Born 1946 - 1964

Company Size

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

All Workers

- Refers to all workers age 18 and older



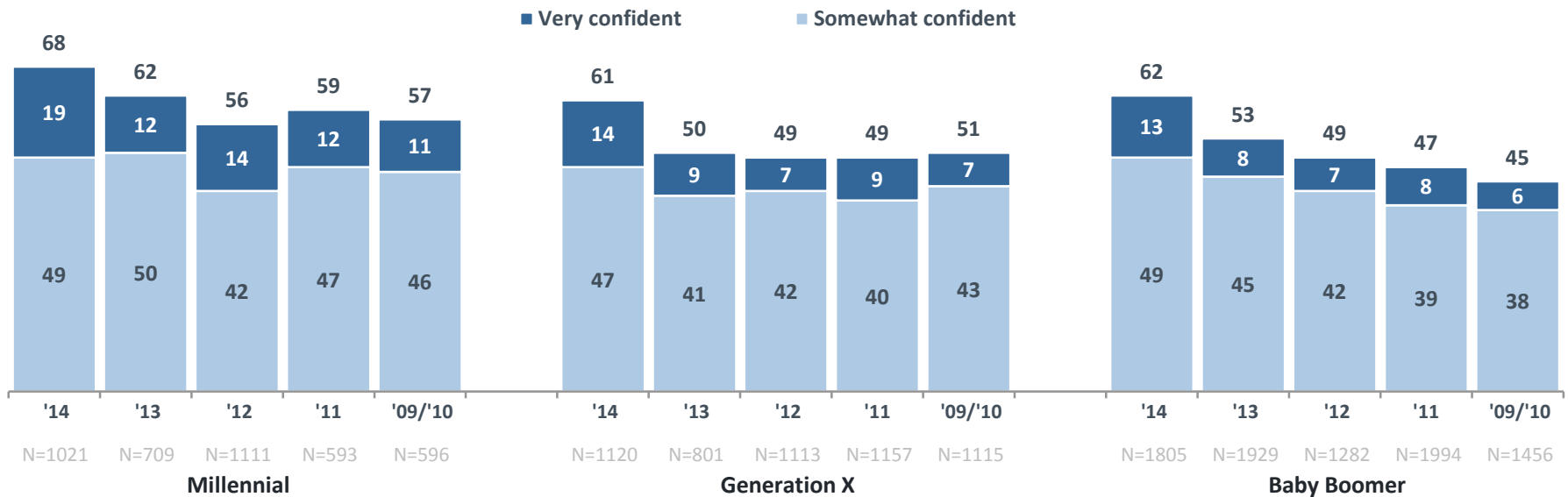
Influences of Generation on Retirement Preparation

Detailed Findings

Confidence in Retiring Comfortably

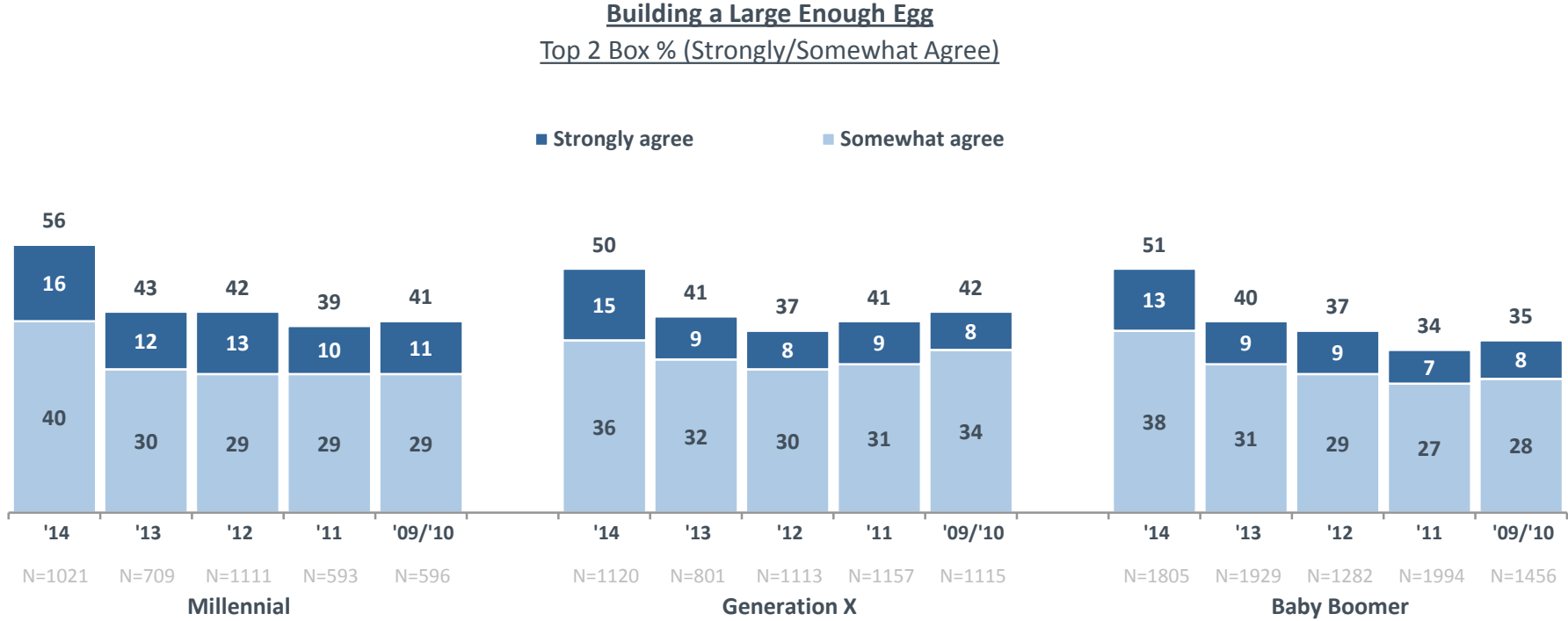
Since last year confidence in being able to retire comfortably has increased significantly among the generations, while no one generation is significantly more confident than the others.

Confidence in Retiring Comfortably
Top 2 Box % (Very/Somewhat Confident)



Building a Large Enough Nest Egg

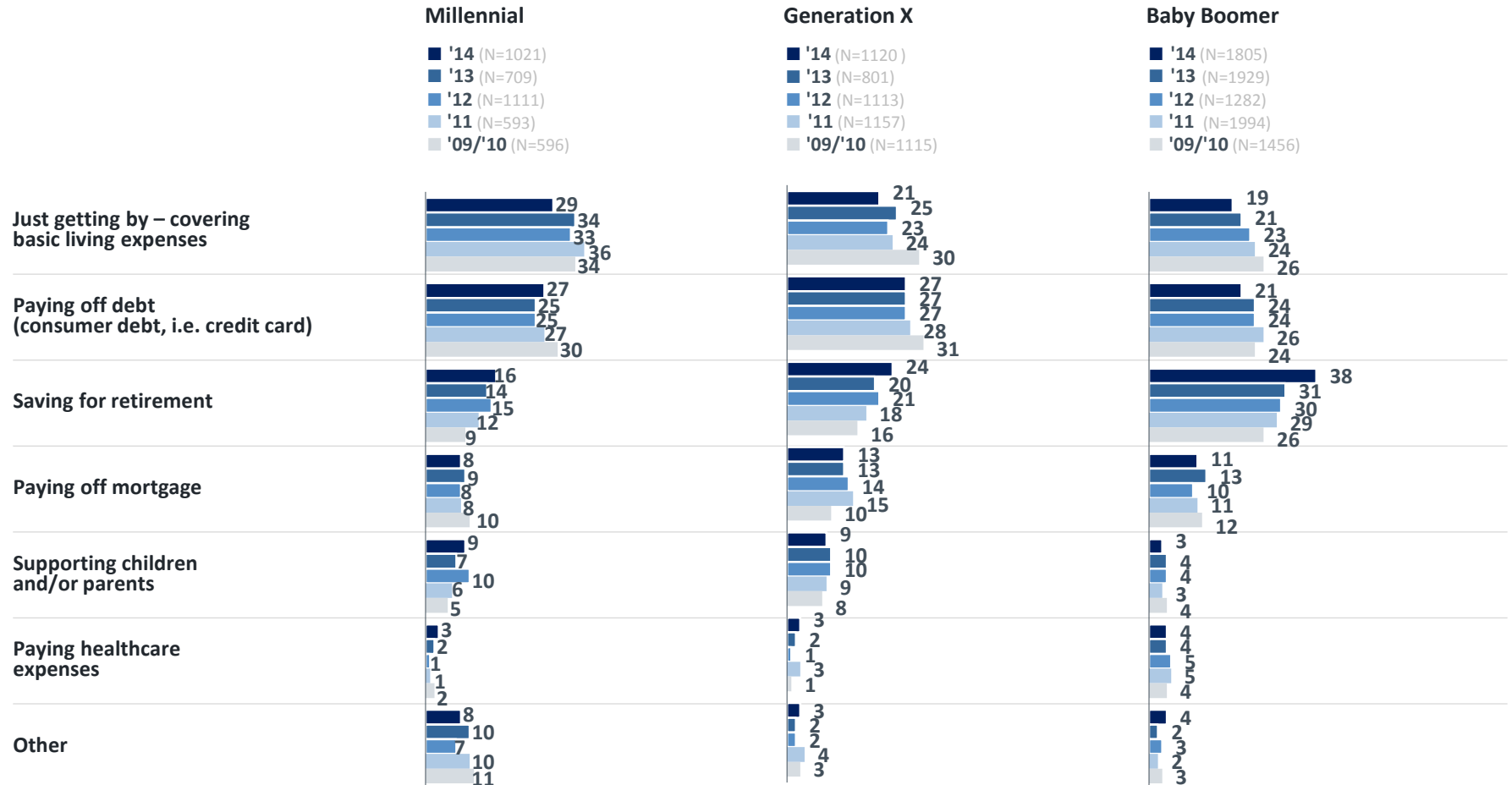
Additionally, among the generations, levels of agreement that they are currently building a large enough nest egg has also increased significantly since last year.



BASE: Full and Part-time
Q800. How much do you agree or disagree that you are currently building a large enough retirement nest egg?

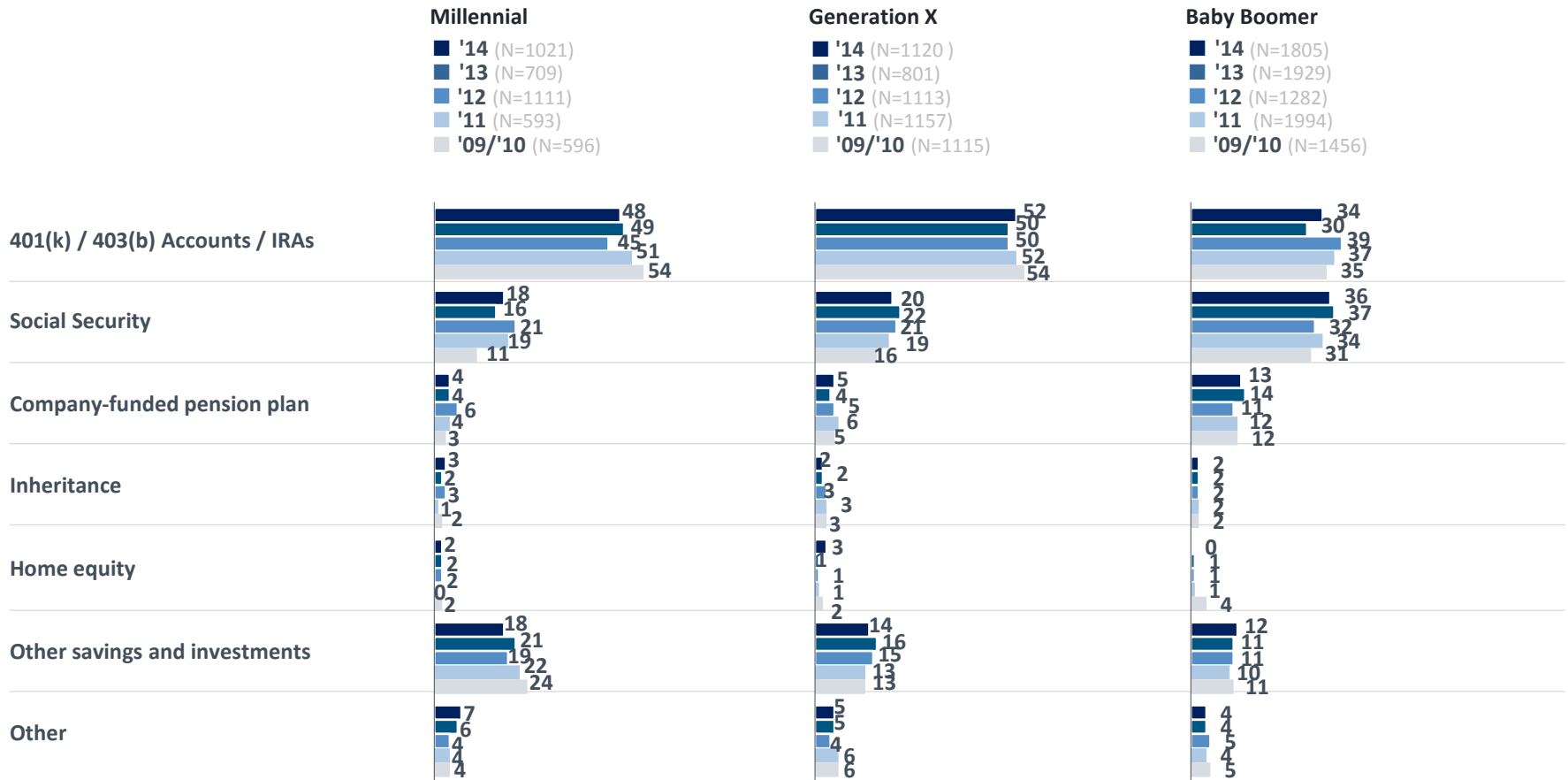
Greatest Financial Priority

Baby Boomer workers continue to be the generation who prioritize “saving for retirement” more than other financial priorities. Millennial and Generation X workers are more likely to prioritize “just getting by” or “paying off debt.”



Primary Source of Retirement Income

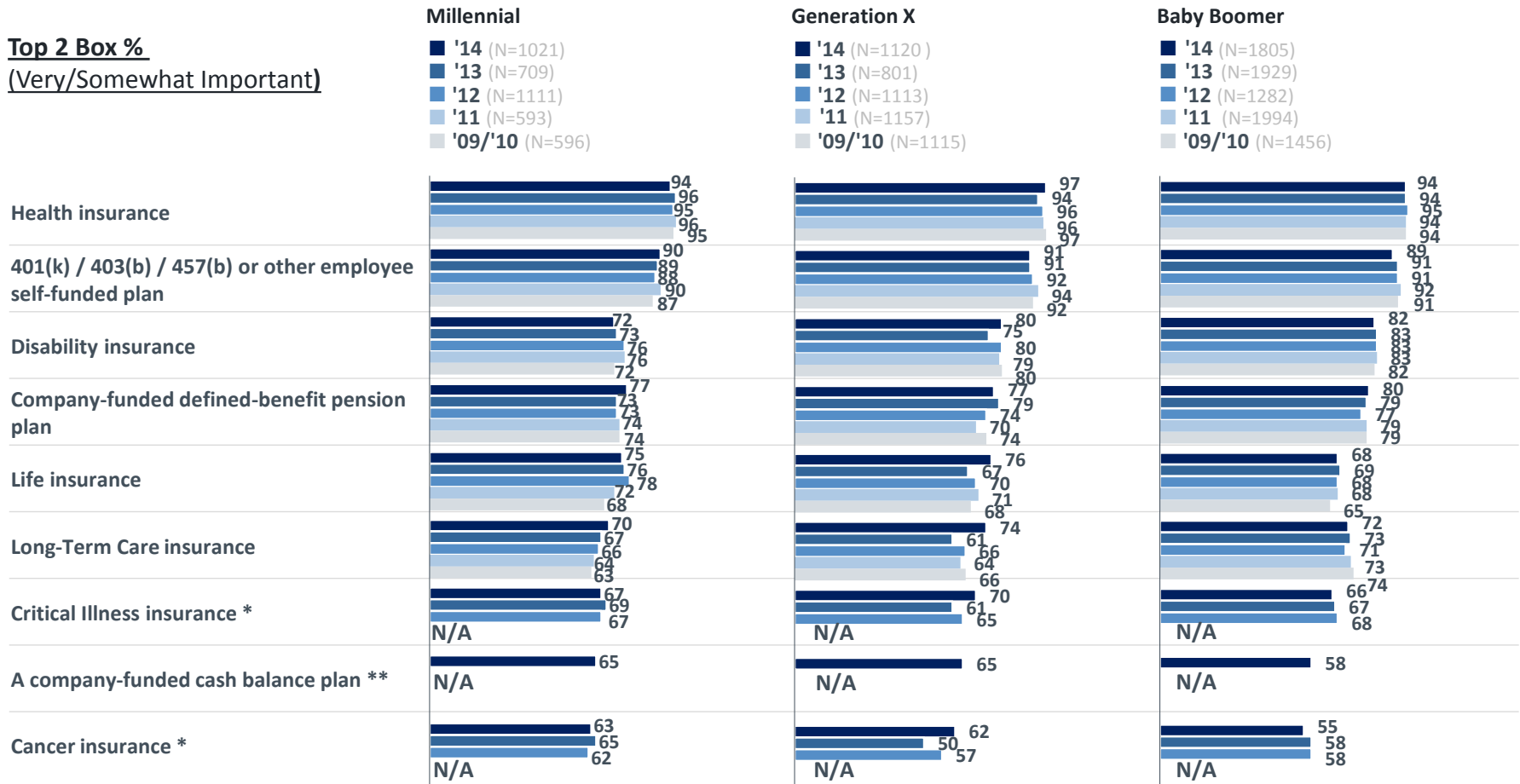
Baby Boomer workers are more likely to feel that Social Security or pensions will be their primary source of retirement income while younger generations (Millennials and Generation X) are more likely to look toward a 401(k) or similar plans as their primary source of retirement income.



Retirement Benefits: Importance Compared to Other Benefits

Younger generations (Millennials and Generation X) are more likely to indicate life insurance, company-funded cash balance plan, or cancer insurance are “very/somewhat” important benefits to them personally.

Top 2 Box % (Very/Somewhat Important)



*added in 2012; **added in 2014

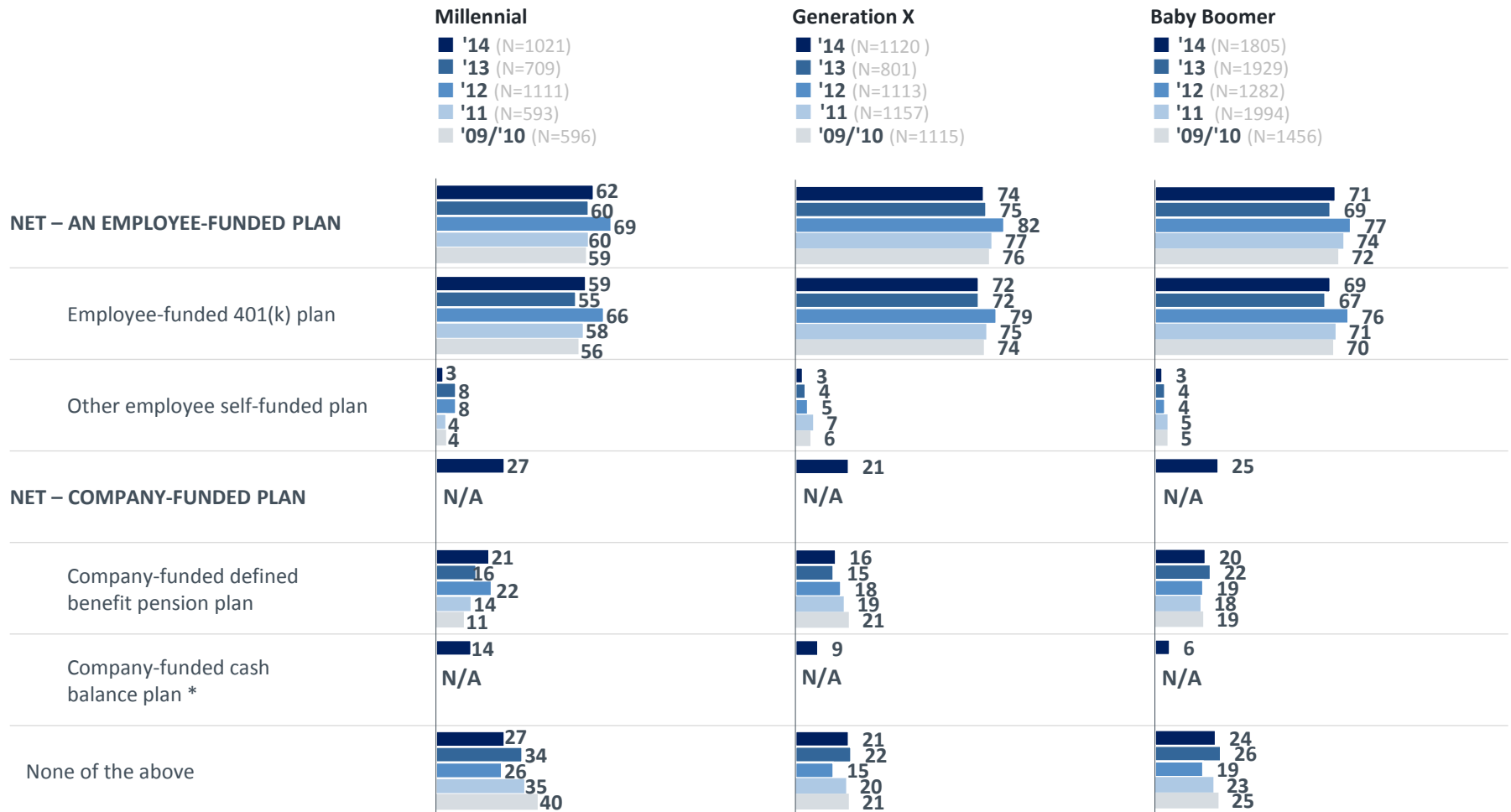
BASE: Full and Part-time

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

Millennial workers continue to be the least likely generation to have access to a retirement plan from their employer.



*added in 2014

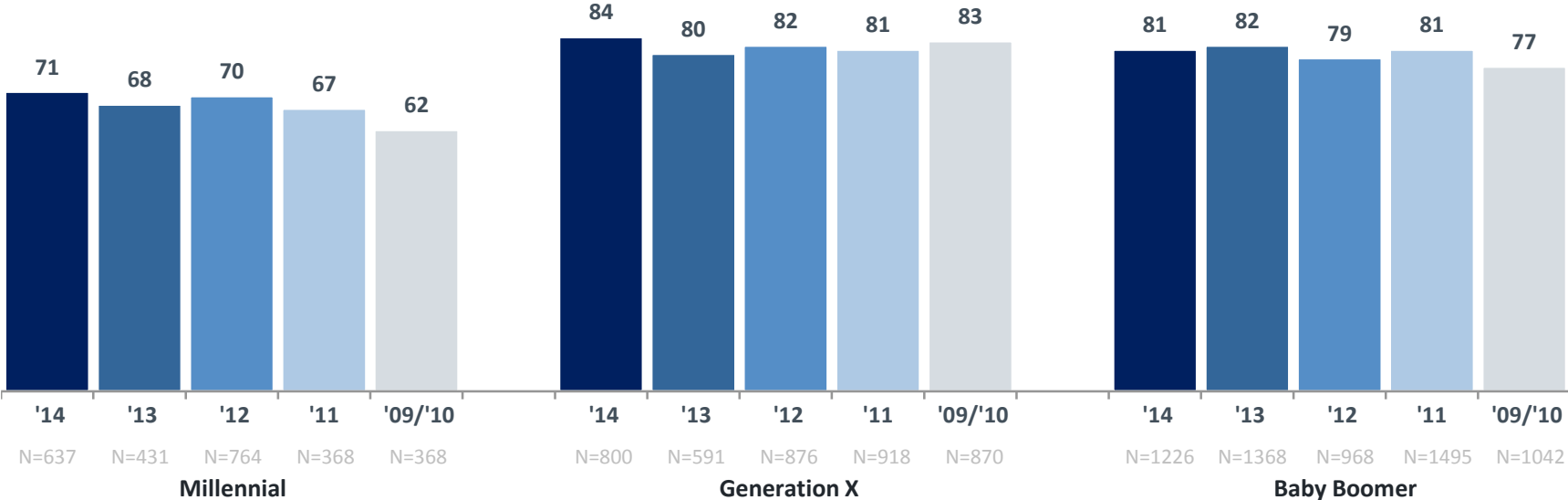
BASE: Full and Part-time

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

Retirement Plan Participation

In addition to being the least likely generation to have access to a retirement plan, among those who are offered an employee-funded retirement plan, Millennial workers are the least likely to participate in a plan.

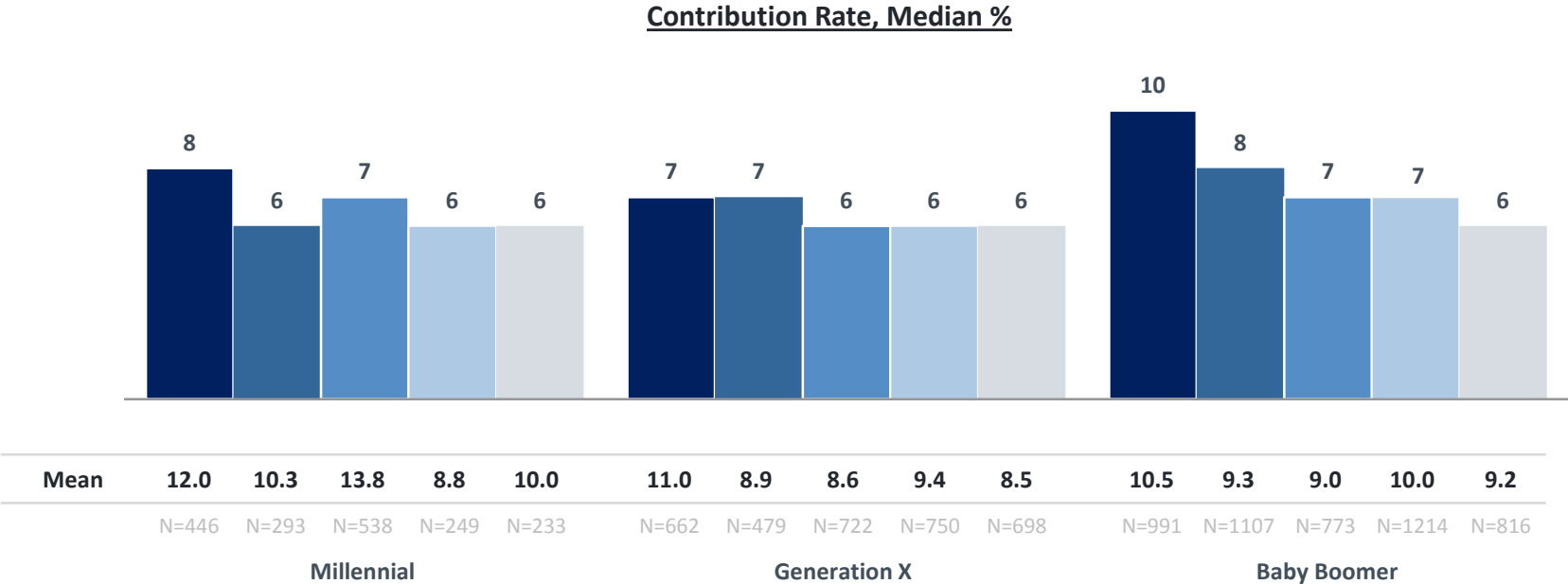
Participation in Company’s Employee-funded Retirement Savings Plan,
% Indicate “Yes”



BASE: Full and Part-time; Those With Qualified Plans Currently Offered To Them
Q1190. Do you currently participate in, or have money invested in your company’s employee-funded retirement savings plan?

Plan Contribution Rate

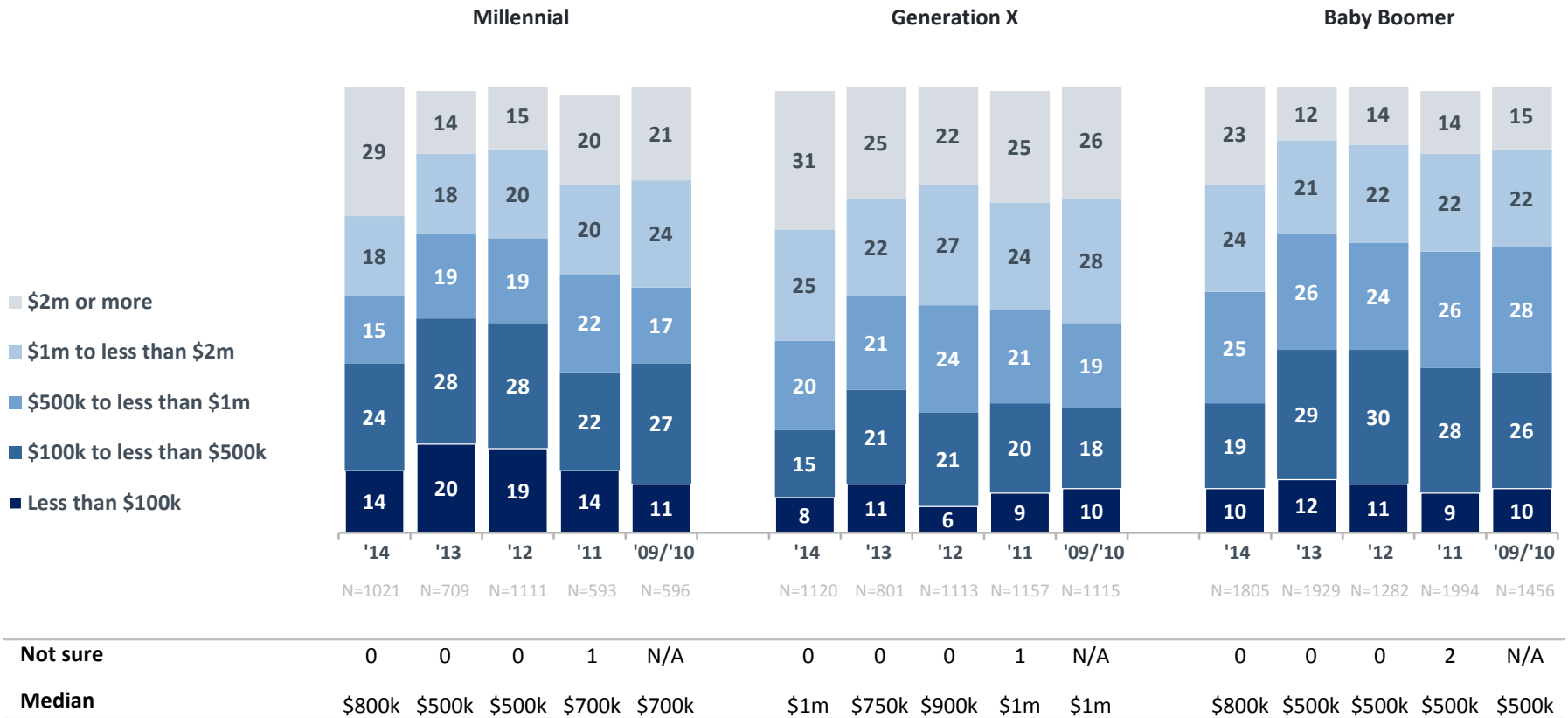
Among those with access to an employee-funded plan, the median contribution rates among the three generations of workers have increased since last year.



BASE: Full and Part-time; Currently Participating In Their Qualified Plan
 Q601. What percentage of your salary are you saving for retirement through your company-sponsored plan this year?

Estimated Retirement Savings Needs

A third of Millennial and Generation X workers estimate they will need to have saved \$2 million or more by the time they retire in order to feel financially secure. Baby Boomer workers, who are nearing retirement, estimate they will need \$800,000 (estimated median).



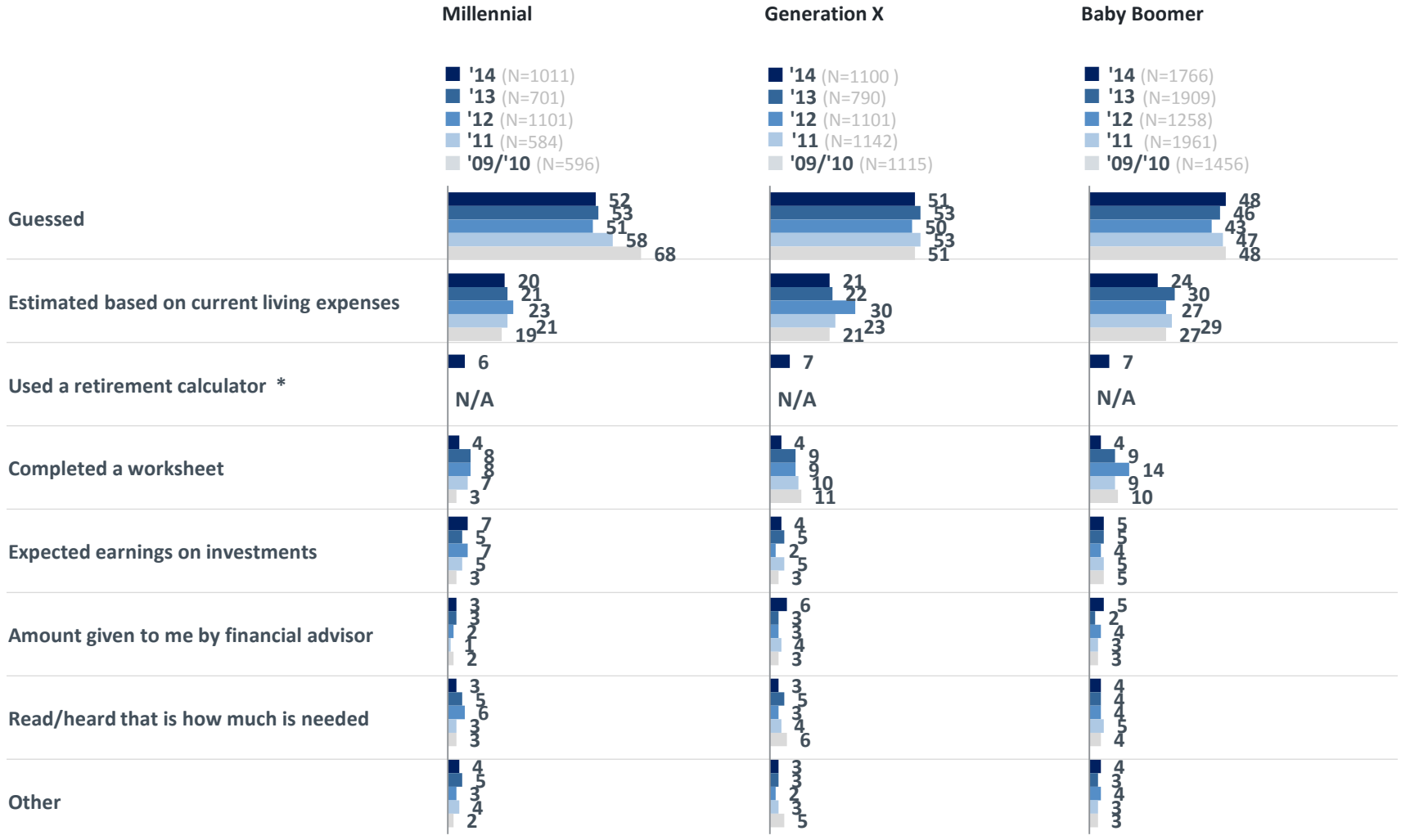
Note: The median is estimated based on the approximate midpoint of the range of each response category. Non-responses are excluded from the estimate.

BASE: Full and Part-time

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 of Estimated Retirement Savings Needs

Among those who provided an estimate of their retirement savings needs, half of Millennial and Generation X workers guessed at what this number should be.



*added in 2014

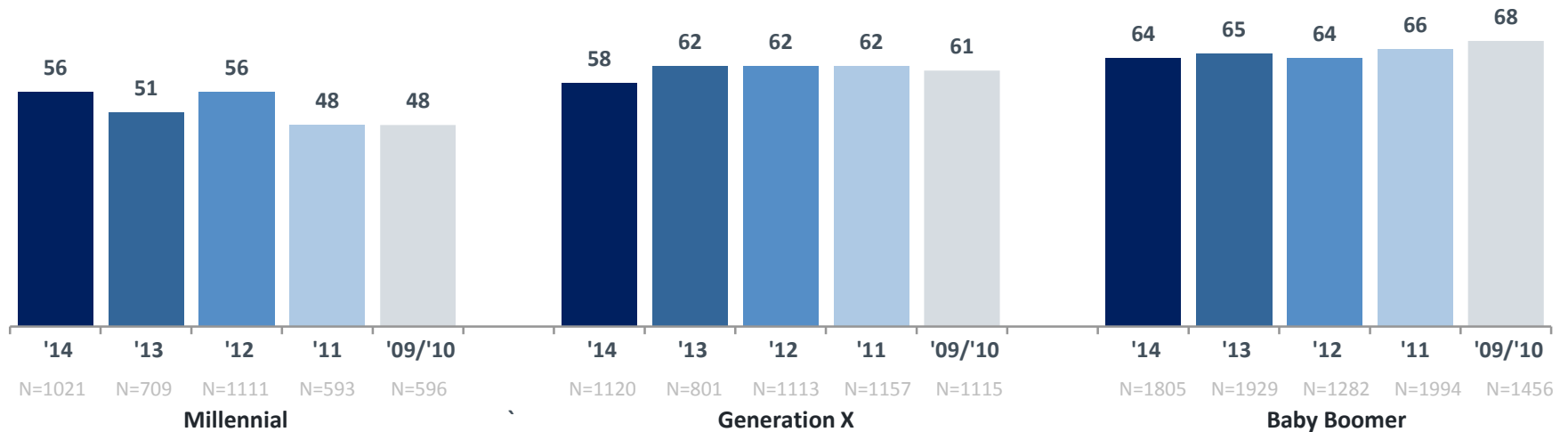
BASE: Full and Part-time; Provided Estimate of Money Needed Q900. How did you arrive at that number?

Saving Outside the Workplace

The level of those saving for retirement outside of the workplace is relatively steady among Millennial, Generation X, and Baby Boomer workers.

Incidence of saving outside of work increases directionally with age.

**Currently Saving for Retirement Outside of Work,
% Indicate "Yes"**

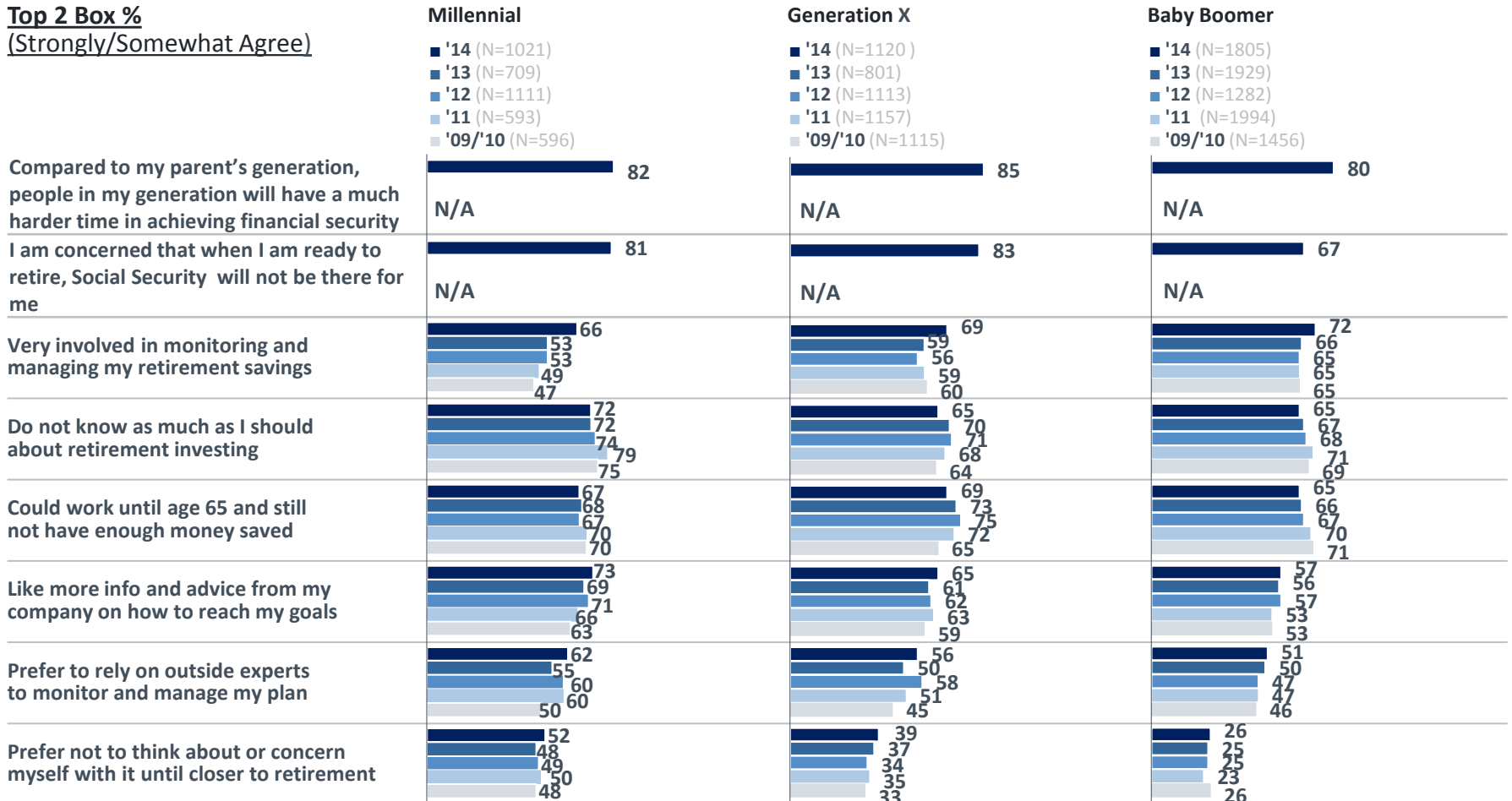


Retirement Preparation and Involvement

Millennial workers are more likely than Generation X or Baby Boomer workers to agree that they do not know as much as they should about retirement investing. Also, they would like more information/advice about how to reach retirement goals, they would prefer to rely on experts to monitor and manage their retirement savings plan, and they prefer not to concern themselves about retirement investing until they're closer to retirement.

Top 2 Box %

(Strongly/Somewhat Agree)

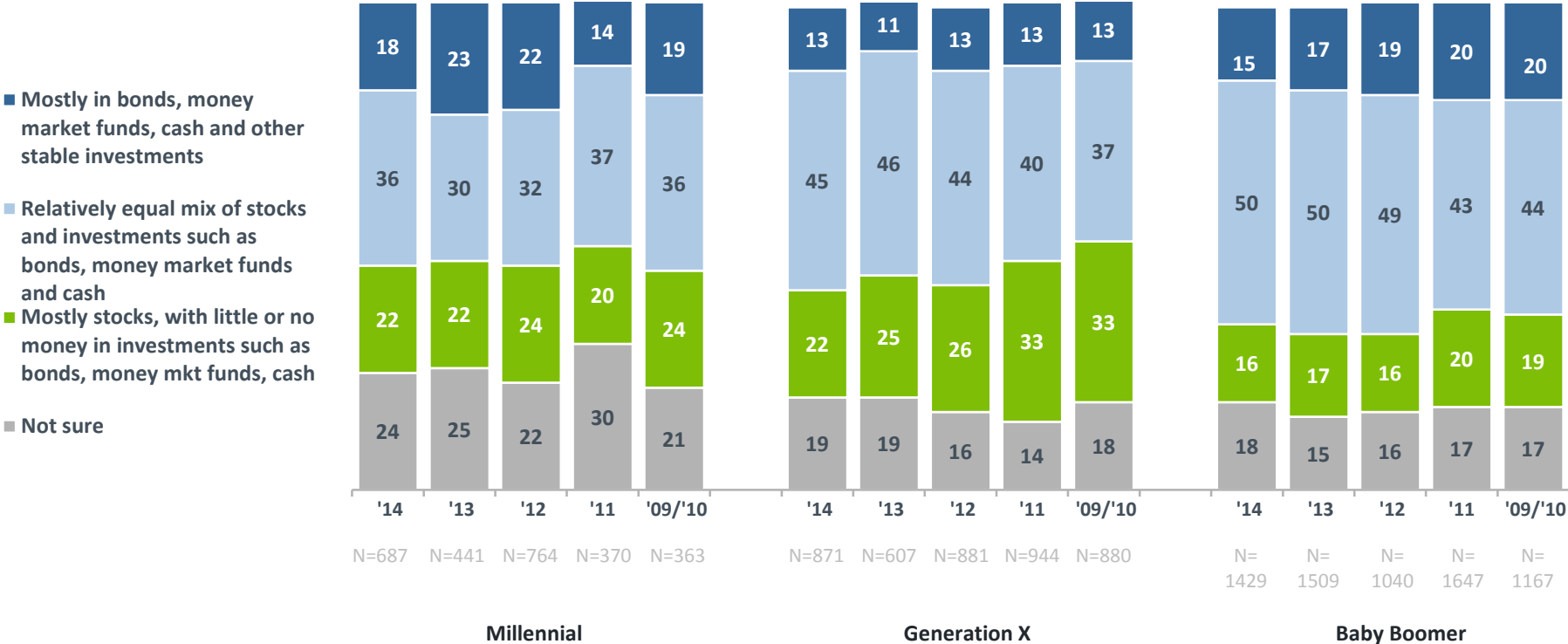


BASE: Full and Part-time

Q931. How much do you agree or disagree with each of the following statements regarding retirement investing?

Retirement Investments: Asset Allocation

About a quarter of Millennial workers currently saving for retirement are “not sure” how their savings are invested. Generation X and Baby Boomer workers are not much better, with about one-fifth of those generations also not sure.



BASE: Full and Part-time; Investing for retirement Q770. How is your retirement savings invested?

Information Sources: Retirement Planning & Investing

When making decisions regarding retirement planning and investing, Millennial workers are more likely than Generation X or Baby Boomer workers to be influenced by friends/family, online newspapers, magazine, and blogs, or an insurance agent. The use of a financial planner/broker increases with age as the reliance on family/friends decreases with age.

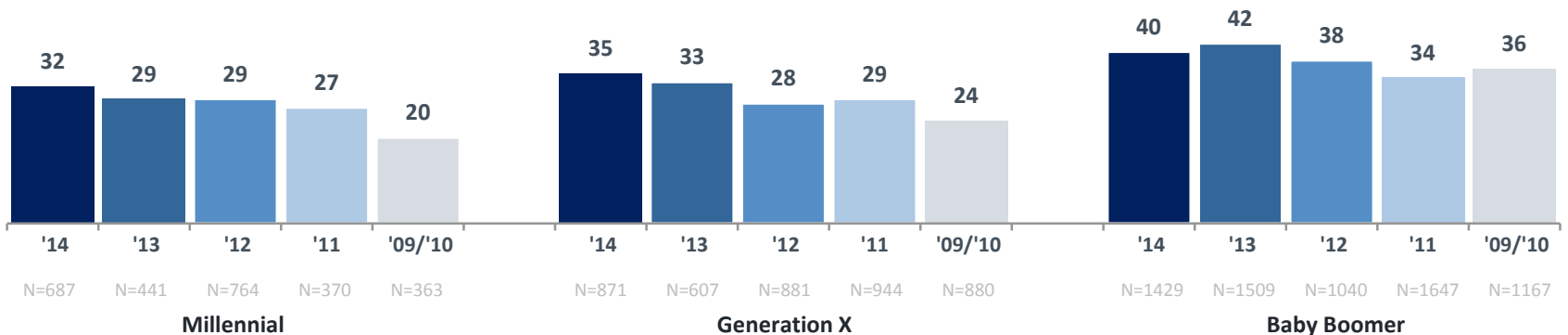
Single Most Influential Source (%)

	Millennial			Generation X			Baby Boomer		
	'14 N=1021	'13 N=709	'12 N=1111	'14 N=1120	'13 N=801	'12 N=1113	'14 N=1805	'13 N=1929	'12 N=1282
Financial Planner/Broker	10	10	12	18	19	17	28	28	26
Friends/Family	23	28	23	13	15	17	10	9	10
Financial websites	11	12	9	13	7	9	8	7	7
Retirement plan provider website	4	4	4	8	9	10	8	9	8
Employer	6	3	7	3	3	5	4	4	4
Online newspapers, magazines, and blogs	7	4	8	4	4	4	2	3	3
Financial-related tv shows	2	2	3	4	2	3	3	2	3
Retirement calculators	2	1	2	3	2	4	3	3	4
Accountant	3	4	1	2	3	2	2	2	3
Print newspapers/magazines	2	2	2	3	4	3	2	4	4
Plan provider printed material	0	2	2	2	4	3	2	4	3
Insurance agent	2	1	1	0	1	1	1	1	1
Lawyer	1	1	2	0	0	<1	0	0	<1
Online social media	0	1	1	0	0	<1	0	0	<1
Other	3	4	2	4	3	3	5	4	4
None	23	20	22	23	23	19	20	21	20

Use a Professional Financial Advisor

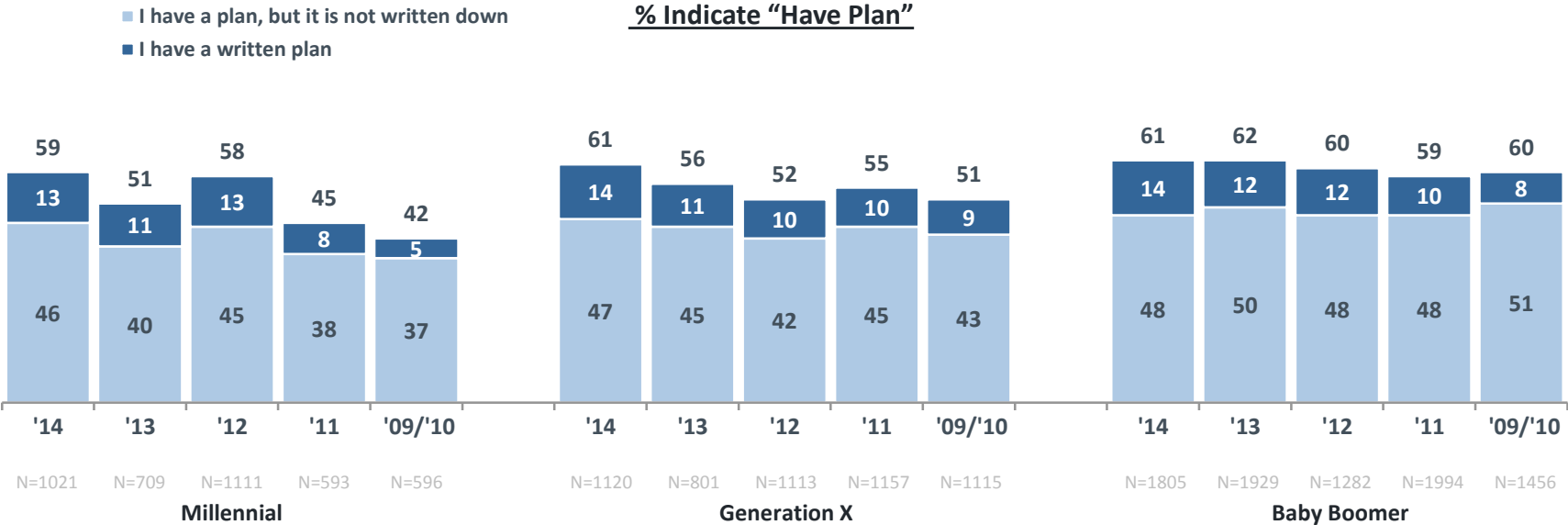
Incidence of using a professional financial advisor to help manage retirement savings/investing increases directionally from Millennial to Baby Boomer workers.

Use a Professional Financial Advisor,
% Indicate "Yes"



Retirement Strategy: Written Plan

Although most workers among the three generations have a retirement strategy, they have yet to write it down. Unfortunately, a small proportion of them have a written plan for retirement.



BASE: Full and Part-time
Q1155. Which of the following best describes your retirement strategy?

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