



A Retirement Security Retrospective: 2007 Versus 2017

Select Findings from the Transamerica Annual Retirement Survey

TRANSAMERICA CENTER
FOR RETIREMENT STUDIES®

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About the Author

[Catherine Collinson](#) serves as CEO and president of nonprofits [Transamerica Institute](#)[®] and [Transamerica Center for Retirement Studies](#)[®], and is a retirement and market trends expert and champion for Americans who are at risk of not achieving a financially secure retirement. Catherine oversees all research, publications and outreach initiatives, including the Annual Transamerica Retirement Survey. Catherine also serves as executive director of the [Aegon Center for Longevity and Retirement](#) based in the Netherlands.

With more than two decades of retirement services experience, Catherine has become a nationally recognized voice on retirement trends for the industry. She has testified before Congress on matters related to employer-sponsored retirement plans among small business, which featured the need to raise awareness of the [Saver's Credit](#) among those who would benefit most from the important tax credit.

Catherine is regularly cited by top media outlets on retirement-related topics. Her expert commentary has appeared in major publications, including: USA Today, Time, Next Avenue, Forbes, U.S. News & World Report, The New York Times, and CBS MoneyWatch. She co-hosts the [ClearPath: Your Roadmap to Health & Wealth](#) radio show on Baltimore's WYPR, an NPR news station.

In 2018, Catherine was recognized an [Influencer in Aging](#) by PBS [Next Avenue](#) for her work in continuing to push beyond traditional boundaries and change our society's understanding of what it means to grow older. In 2016, she was honored with a Hero Award from the [Women's Institute for a Secure Retirement](#) (WISER) for her tireless efforts in helping improve retirement security among women. In 2015, Catherine joined the Advisory Board of the [Milken Institute's Center for the Future of Aging](#).

She is employed by Transamerica Corporation. Since joining the organization in 1995, she has held a number of positions with responsibilities including in the incorporation of Transamerica Center for Retirement Studies as a nonprofit private foundation in 2007 and its expansion into Transamerica Institute in 2013, as well as the creation of the Aegon Center for Longevity and Retirement in 2015.

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, retirees and the implications of legislative and regulatory changes. For more information about TCRS, please refer to www.transamericacenter.org.
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Methodology: Annual Transamerica Retirement Survey of Workers

2007

- A 16-minute online survey was conducted within the U.S. by The Harris Poll for TCRS between October 11 and November 21, 2007 among a nationally representative sample of 3,627 workers, including 3,012 who worked in for-profit companies, of whom, 2,048 who were offered a 401(k) or similar plan. Potential respondents were targeted based on employment status, company type, and company size. Respondents met the following criteria:
 - U.S. residents, age 18 or older
 - Full-time or part-time workers in companies employing 10 or more employees
- Results were weighted as needed using the Census Bureau's Current Population Survey to ensure each quota group had a representative sample based on the number of employees at companies in each employee size range and type.
- This report focuses on workers in for-profit companies.

2017

- A 25-minute online survey was conducted within the U.S. by The Harris Poll for TCRS between August 9 and October 28, 2017 among a nationally representative sample of 6,372 workers, including 5,619 who work for employers with 10 or more employees, of whom, 3,820 are offered a 401(k) or similar plan. Potential respondents were targeted based on employment status and company size. Respondents met the following criteria:
 - U.S. residents, age 18 or older
 - Full-time or part-time workers in a for-profit company employing 5 or more employees
- 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.
- This report focuses on workers in companies with 10 or more employees.

Methodology: Annual Transamerica Retirement Survey of Employers

2007

- An 18-minute telephone study was conducted within the U.S. by The Harris Poll for TCRS between October 11 and November 21, 2007 among a nationally representative sample of 652 employers, including 567 that offer a 401(k) or similar plan. Potential respondents were targeted based on job title and met the following criteria:
 - Business executives at for-profit companies who make decisions about employee benefits at their company
 - Employ 10 or more employees
- Results were weighted as needed using weighting targets from the Dun & Bradstreet database for ensuring each quota group had a representative sample based on the number of companies in each employee size range.

2017

- A 21-minute online survey was conducted within the U.S. by The Harris Poll for TCRS between November 15 and December 15, 2017 among a nationally representative sample of 1,825 employers, including 1,512 with 10 or more employees, of which, 1,254 offer a 401(k) or similar plan. Potential respondents were targeted based on job title and met the following criteria:
 - Business executives at for-profit companies who make decisions about employee benefits at their company
 - Employ five employees or more employees across all locations
- Quotas were set for large and small companies and results were statistically weighted as needed by using targets from the Dun & Bradstreet database to ensure each quota group is a representative sample based on the number of companies in each employee size range.
- This report focuses on employers with 10 or more employees.

NOTE: On the following pages “N” denotes sample size.

Executive Summary

The Great Recession officially lasted from December 2007 to June 2009¹ but its after effects continue to linger today. Questions continue to be asked about the status of the recovery among employers and workers. How has retirement security changed? What are areas in need of improvement? [Transamerica Center Retirement Studies](#) (TCRS) prepared this report based on findings from its annual retirement survey of workers and employers to help answer these questions.²

Many workers and employers were still recovering from the Great Recession in 2017, according to TCRS' [18th Annual Retirement Survey](#). Fifty-eight percent of workers indicated that they are still financially recovering. Almost half of employers said their companies are still recovering (49 percent)³. Although discouraging, these findings do not tell the entire story.

The annual retirement survey delves deeply into the topic of employer benefit offerings and workers' retirement preparations. A comparison of the 2007 and 2017 survey findings illustrates the resilience of the U.S. retirement system, especially with regard to 401(k) or similar plans, and that retirement security among many workers has improved since 2007. However, it should be underscored that many workers can do much more to adequately prepare themselves for retirement – even if they have recovered from the recession – and they need support from their employers and policymakers.

Workers' Savings Has Increased Yet Many Are Not Adequately Planning

American workers encountered a myriad of challenges over the past decade, including high rates of unemployment, dramatic shifts in home values, volatility in the financial markets, and the double-edged sword of a low interest rate environment that provides for favorable lending rates, but nominal investment returns on savings accounts and other conservative investments.

Among workers, in 2017 TCRS' annual retirement survey found that retirement confidence had recovered and slightly surpassed its 2007 pre-recession levels. Among those offered a 401(k) or similar plan by their employers, plan participation rates and contribution rates remain strong. Among all workers, household retirement savings have dramatically increased since 2007, although retirement plan leakage in the form of plan loans and early withdrawals is an issue. An ongoing opportunity for workers is to further engage in retirement planning-related activities. Specific findings include:

- **Retirement Confidence Has Recovered** from its lows during the Great Recession. However, it has stalled since 2014. In 2017, 61 percent of workers indicated they were confident that they will be able to fully retire with a comfortable lifestyle, including 16 percent who were “very confident” and 45 percent who were “somewhat confident.”

¹ National Bureau of Economic Research

² Unless specifically noted, the survey findings through the report reflect a base of workers and employers of companies with 10 or more employees

³ Reflects a base of workers and employers of companies of 5 or more employees

Executive Summary (continued)

- **Plan Participation and Salary Deferral Rates Remain Strong.** Among workers who were offered a 401(k) or similar plan by their employers, approximately eight in 10 participated or had money invested in the plan. This survey finding remained relatively consistent between the years 2007 (77 percent) and 2017 (80 percent). The amount that plan participants were contributing to the plan was also consistent at 8 percent (median) of annual pay in 2007 and 9 percent (median) in 2017; however, the amount dipped slightly during the years of the recession and its early aftermath.
- **Most Participants Use Professionally Managed Offerings.** “Professionally managed” accounts refer to a managed account service, strategic allocation funds, and/or target date funds. In 2017, the majority of plan participants (58 percent) used some form of professionally managed offering in their 401(k) or similar plans. *Please note: This question was not asked in 2007.*
- **Retirement Plan Leakage Is an Issue.** Leakage from retirement plans, through loans or withdrawals, can severely inhibit the growth of participants’ long-term retirement savings. By 2017, 30 percent of workers had taken some form of loan and/or early withdrawal from a 401(k) or similar plan or IRA. The proportion of workers who had taken loans (20 percent) was slightly higher than those who had taken early withdrawals (18 percent). *Note: This survey question was restructured in 2017 so comparative data for 2007 is not available.*
- **Household Retirement Savings.** Savings in all household retirement accounts have dramatically increased since their pre-recession levels – from \$47,000 in 2007 to \$70,000 in 2017 (estimated medians), with Millennials experiencing a four-fold increase (\$9,000 to \$36,000), followed by Generation X (\$32,000 to \$71,000) and Baby Boomers (\$75,000 to \$157,000) whose accounts had more than doubled. While this growth is impressive, in many instances, workers were not saving enough to fully fund their retirement income needs. (Note: Totals include “Mature” workers, those born before 1946. In 2007 N=586 and in 2017 N=75.)
- **Estimated Retirement Savings Needs.** In 2017, workers estimated they would need \$500,000 (median) in retirement, an amount that was less than the \$650,000 (median) found among workers in 2007.
- **Basis of Estimate.** Almost half of workers (49 percent) who provided an estimate of their retirement savings needs indicated they guessed the amount needed. Twenty-two percent estimated this goal based on their current living expenses. Just 10 percent used a retirement calculator or completed a worksheet. For the most part, these findings had not changed since 2007.
- **Many Workers Still Lack a Retirement Strategy.** The percentage of workers who reported having some form of retirement strategy slightly increased from 53 percent in 2007 to 61 percent in 2017. Nevertheless, in 2017, only 15 percent of workers had a written retirement strategy (the other 46 percent had an unwritten retirement strategy).

Executive Summary (continued)

- **Workers Want Employers to Offer More Retirement Information.** Sixty-seven percent of workers in 2017 agreed with the statement, “I would like to receive more information and advice from my company on how to reach my retirement goals,” with 21 percent saying they “strongly agree” and 46 percent saying they “somewhat agree.” These percentages had increased from 56 percent in 2007 (with 14 percent agreeing strongly and 42 percent agreeing somewhat).
- **Many Workers Prefer to Rely on Outside Experts for Retirement Planning.** In 2017, 57 percent of workers agreed with the statement, “I would prefer to rely on outside experts to monitor and manage my retirement savings plan,” with 15 percent saying they “strongly agree” and 42 percent saying they “somewhat agree.” These findings represent a slight increase from 2007, when 50 percent of workers agreed with the statement.
- **Use of Professional Financial Advisors Has Increased Slightly.** Among workers investing for retirement, 38 percent indicated they use a professional advisor to help manage their retirement savings or investments in 2017. This was a slight increase from 32 percent in 2007.
- **Awareness of the Saver’s Credit is Growing.** The Saver’s Credit is a tax credit for eligible taxpayers who meet certain income requirements and are saving for retirement in a qualified retirement plan or IRA. Only 35 percent of workers indicated they were aware of the Saver’s Credit in 2017. While this finding was a noteworthy improvement from 2007 (23 percent), there is still much more that can be done to further increase awareness of the Saver’s Credit.

Employers’ Offering of 401(k) or Similar Plans Held Steady – And Some Have Enhanced Their Plans

Employers’ offering of 401(k) or similar plan offerings have remained consistent since 2007 – and some employers have enhanced their plans by adding additional plan features.

- **Importance of Retirement Benefits in Attracting Employees.** Among those that offered a 401(k) or similar plan to their employees in 2017, 89 percent of employers indicated that the plan was important for attracting and retaining employees, including 44 percent that said it was “very important” and 45 percent that said it was “somewhat important.” These findings represent an increase from 2007 when 84 percent of employers said that the plan was important.
- **401(k) or Similar Plan Sponsorship Rates Hold Steady.** Seventy-two percent of employers offered a 401(k) or similar plan, a survey finding that was unchanged from 2007. However, 401(k) plan sponsorship rates had slightly increased. Two out of three employers (66 percent) offered a 401(k) plan to their employees in 2017, compared to 62 percent of employers in 2007.

Executive Summary (continued)

- **Offering of Matching Contributions Has Modestly Increased.** Among those that offer a 401(k) plan, in 2017, the vast majority of employers (84 percent) offered a matching contribution to the plan, which represented a modest increase from 2007 when 80 percent indicated that they offer a match.
- **Adoption of Roth 401(k) Feature Has More Than Doubled.** The Roth option enables participants to contribute to their 401(k) plan on an after-tax basis with qualified tax-free withdrawals at retirement age. It complements the long-standing ability for participants to contribute to the plan on a tax-deferred basis in which their savings is taxed when they take withdrawals from the plan at retirement. The Roth option first became available to plan sponsors to adopt as part of their 401(k) plans in 2006. By 2007, almost one in five 401(k) plan sponsors (19 percent) had adopted the Roth feature as part of their plans. Ten years later, in 2017, almost half of plan sponsors (48 percent) had adopted the Roth 401(k) option.
- **Automatic Enrollment Is Flat.** Automatic enrollment is a feature that eliminates the decision-making and action steps normally necessary for employees to enroll and start contributing to the plan. Instead, it automatically enrolls employees into their plan with the ability for them to opt out and stop contributing. Approximately one in five 401(k) plan sponsors offered automatic enrollment, a survey finding that remained relatively flat between 2007 (23 percent) and 2017 (20 percent). However, among employers that offered automatic enrollment, the default contribution rate increased from 3 percent (median) in 2007 to 5 percent (median) in 2017.
- **Automatic Escalation Is More Prevalent.** By 2017, four in ten 401(k) plan sponsors (40 percent) adopted automatic escalation, a plan feature that automatically increases participants' contribution rates annually. *Please note: This survey question was not asked in 2007.*
- **Professionally Managed Services / Asset Allocation Suites.** Professionally managed services such as managed accounts and asset allocation suites, including target date and target risk funds, had become ubiquitous options in 401(k) or similar plans, with 85 percent of all employers offering them in 2017. Such offerings enable plan participants to invest in professionally managed services or funds that are essentially tailored to their goals, years to retirement, and/or risk tolerance profile, and can help participants with asset allocation without their having to become investment experts themselves.

Executive Summary (continued)

- **Increasing Retirement Plan Access Continues to Be an Opportunity.** Among companies that did not offer a 401(k) or similar plan in 2017, only 27 percent said that they were likely to begin sponsoring a plan in the next two years. The most frequently cited reasons among companies *not* planning to do so included: company is not big enough (58 percent), concerns about cost (41 percent), and employees are not interested (22 percent). There may be cause for optimism with regard to the future, however, 25 percent of those not likely to offer a plan said that they would consider joining a multiple employer plan (MEP) offered by a reputable vendor who handles many of the fiduciary and administrative duties at a reasonable cost.⁴

Our nation's retirement system and, specifically 401(k) plans, demonstrated strong resilience throughout the Great Recession and subsequent economic recovery. Plan sponsorship rates among employers remained steady – and some employers enhanced their plans with additional features. Workers' plan participation and contribution rates also remained strong. Savings in all household retirement accounts have dramatically increased since their pre-recession levels in 2007, with Millennials experiencing a four-fold increase, followed by Generation X and Baby Boomers whose accounts have more than doubled. However, more work can and should be done by workers, employers, and policymakers to further improve retirement security in the U.S.

Catherine Collinson
CEO & President
Transamerica Institute® and Transamerica Center for Retirement Studies®

⁴ Reflects a base of workers and employers of companies of 5 or more employees

Recommendations for Workers

Workers should do as much as they possibly can to improve their retirement prospects and increase the likelihood of long-term success. Ten important action steps include:

1. **Create a budget** that includes income, living expenses, paying off debt, and financial goals such as building short-term savings and long-term retirement savings.
2. **Save for retirement.** Start saving as early as possible and save consistently over time. At the same time, create an emergency savings fund in order to avoid taking loans and early withdrawals from retirement accounts.
3. **Consider retirement benefits as part of total compensation** when evaluating employment opportunities.
4. **Participate in employer-sponsored retirement plans, if available.** Take full advantage of matching employer contributions, and defer as much as possible. If not offered a plan, consider contributing to an IRA or other similar account on a consistent basis.
5. **Calculate retirement savings needs, develop a retirement strategy, and write it down.** Factor in living expenses, healthcare, long-term care needs, and government benefits – as well as funds for pursuing retirement dreams such as travel, time with family, and hobbies. Seek assistance from a professional financial advisor, if needed.
6. **Get educated about retirement investing,** including a basic understanding of asset allocation principles and the role of diversification. Learn about professionally managed accounts, target date funds, and strategic allocation funds – and how they can help you meet your retirement goals.
7. **Take advantage of the Saver's Credit and catch-up contributions.** Check if you qualify for this tax credit available to eligible tax filers who contribute to a 401(k) or similar plan, or IRA. If you are age 50 or older, make catch-up contributions if available through your employer's retirement plan or through an IRA.
8. **Be proactive to help ensure continued employment even in retirement.** Take proactive steps to stay employed and maximize opportunities by keeping your job skills up to date, staying current on employment trends and marketplace needs, and even going back to school to learn new skills.
9. **Be sure to have a backup plan** in the event of job loss or in case retirement comes early due to an unforeseen circumstance.
10. **Take good care of yourself and safeguard your health.** Consider the long-term health implications when making lifestyle decisions.

Recommendations for Employers

Employers play a vital role in helping Americans save for retirement. Working with HR professionals and employee benefits advisors, employers may help improve their employees' retirement outlook by pursuing these possible opportunities:

1. **Offer a retirement plan or achieve efficiencies by joining a multiple employer plan (MEP).** If a plan is not already in place, take advantage of the tax credit available for starting a retirement plan or joining a MEP.
2. **Offer other health and welfare benefits that can enhance and protect workers' long-term financial security.** Benefits such as health insurance, disability insurance, life insurance, employee assistance programs, workplace wellness and financial wellness programs, long-term care and other insurance can help protect employees' overall security.
3. **Extend retirement plan eligibility to part-time workers** or, if not practical, provide workers the ability to contribute by payroll deduction to an IRA.
4. **Consider adding automatic enrollment and escalation features** to increase retirement plan participation and salary deferral rates, if needed.
5. **Limit the number of loans available in the retirement plan.** Educate employees about the ramifications of taking loans and withdrawals from retirement accounts. Educate employees about the need to prepare for emergencies and non-routine expenses to avoid incurring excessive debt.
6. **Structure matching contribution formulas to promote higher salary deferrals** e.g., instead of matching 100 percent of the first three percent of deferrals, change the match to 50 percent of the first six percent of deferrals.
7. **Provide education about saving and investing that is easy to understand.** Offer information about the Saver's Credit, calculating a retirement savings goal, principles of saving and investing. For new hires, provide education about the plan and, if available, the option to roll over their accounts from previous employers into the plan.
8. **Offer pre-retirees greater levels of assistance in planning their transition into retirement** – including education about retirement income strategies for managing savings to last their lifetime; retirement plan distribution options; and the need for a backup plan if forced into retirement sooner than expected (e.g., health issues, job loss, family obligations). Provide information about Social Security and Medicare.
9. **Create opportunities for workers to phase into retirement** by allowing for a transition from full-time to part-time and/or working in different capacities.
10. **Foster an aging-friendly work environment and adopt diversity and inclusion business practices** that include age among other commonly referenced demographic factors (e.g., gender, race, religion, sexual orientation).

Recommendations for Policymakers

Workplace retirement savings plans successfully help millions of workers save for retirement. Even so, much more can and should be done to improve the current retirement system. Recommendations for policymakers include:

1. **Preserve and enhance existing tax and other incentives for workers to save for retirement.**
2. **Expand retirement plan coverage for all workers including part-time workers by:**
 - a. Expanding the tax credit for employers to start a plan;
 - b. Implementing reforms to multiple employer plans (MEPs) thereby facilitating the opportunity for employers and sole proprietors/independent contractors to join them; and,
 - c. Providing additional safe harbors for 401(k) and similar plans for purposes of non-discrimination testing.
3. **Encourage employer adoption of automatic enrollment and increase default contribution rates** by establishing a tax credit for adding automatic enrollment to a new or existing plan, as well as removing the contribution cap on automatic enrollment and automatic escalation.
4. **Illustrate savings as retirement income on retirement plan account statements** by requiring them to state participant account balances in terms of a guaranteed monthly income as well as a lump sum to help educate about savings needs.
5. **Expand the availability of financial advice to workers** by providing additional liability safeguards to employers in offering the advice.
6. **Facilitate retirement savings to last a lifetime.** Proposals that help participants both manage their investment risk and build retirement savings to last their lifetime are encouraged, including facilitating employers' offering of guaranteed retirement income solutions.
7. **Expand the Saver's Credit** by making it refundable and/or raising the income eligibility requirements so that more tax filers are eligible. Make it easier to claim by adding it to the Form 1040EZ.
8. **Address workers' competing financial needs** with the goal to prevent leakage from retirement accounts and encourage savings. For example, reforms could include permitting employer matching of student loan debt repayments and/or establishing a limited emergency savings account.
9. **Identify and implement public reforms** that create new incentives and remove disincentives for employers to retain older workers and offer phased retirement programs.

***A Retirement Security Retrospective:
2007 Versus 2017***

Many Are Still Recovering From the “Great Recession”

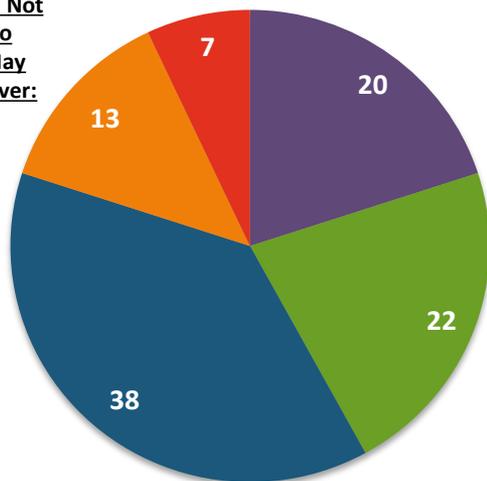
In 2017, more than half of workers (58 percent) indicated that they had not yet fully recovered from the deep recession commonly referred to as the “Great Recession,” including 38 percent who had somewhat recovered, 13 percent who had not yet begun to recover, and seven percent who believed they may never recover. Approximately half of employers said their companies were still recovering (49 percent).

Status of Recovery From the Great Recession in 2017 (%)

All Workers (%)

N=5,619

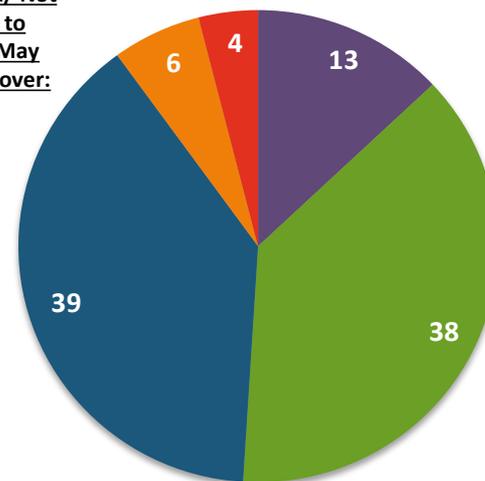
NET – Somewhat Recovered/ Not Yet Begun to Recover/ May Never Recover: 58%



All Employers (%)

N=1,512

NET – Somewhat Recovered/ Not Yet Begun to Recover/ May Never Recover: 49%



Not Impacted
 Fully Recovered
 Somewhat Recovered
 Not Yet Begun to Recover
 May Never Recover

EMPLOYER BASE: EMPLOYERS WITH 10 OR MORE EMPLOYEES/ ALL QUALIFIED RESPONDENTS

Q3645. Regardless if you think the Great Recession has ended or not, how would you describe your company’s financial recovery from the Great Recession?

WORKER BASE: THEIR EMPLOYER HAS 10 OR MORE EMPLOYEES/ 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”?

Worker Survey Findings

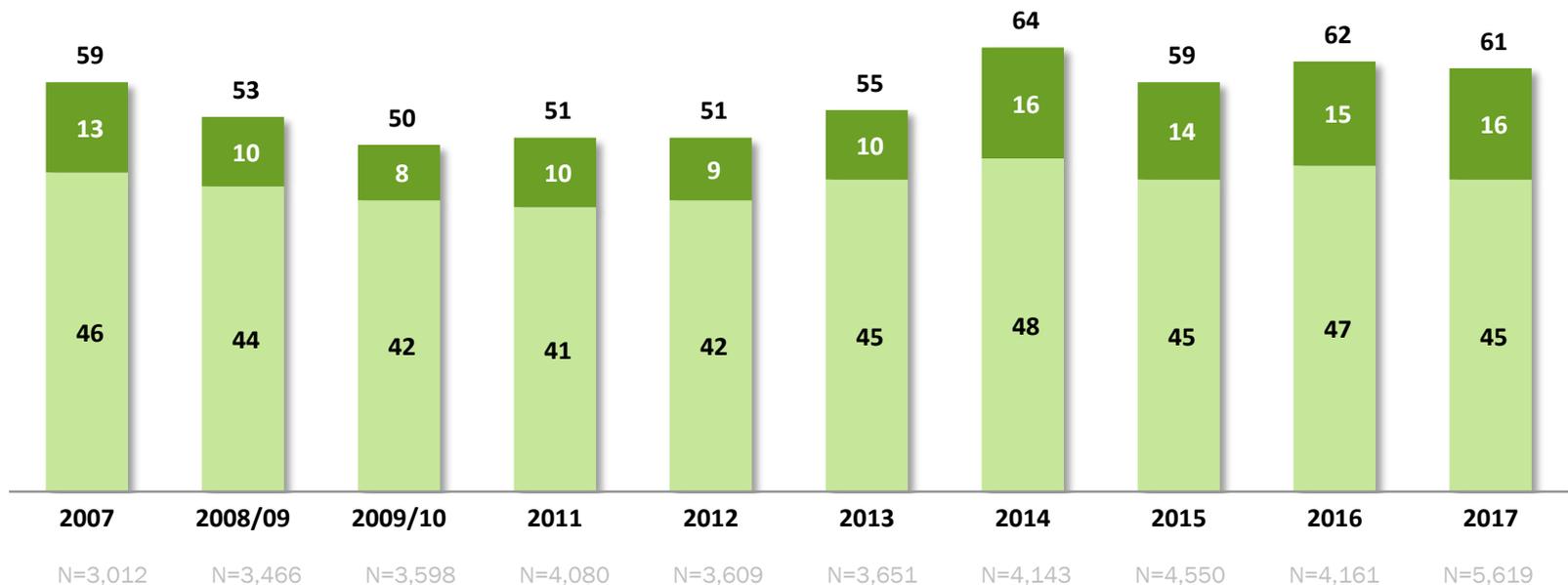
Retirement Confidence

Retirement confidence has recovered from its lows during the Great Recession. However, it has stalled since 2014. In 2017, 61 percent of workers indicated they were confident that they will be able to fully retire with a comfortable lifestyle, including 16 percent who were “very confident” and 45 percent who were “somewhat confident.”

How confident are you that you will be able to fully retire with a lifestyle you consider comfortable? Top 2 Box (Very/Somewhat Confident)
All Workers (%)

■ Very confident

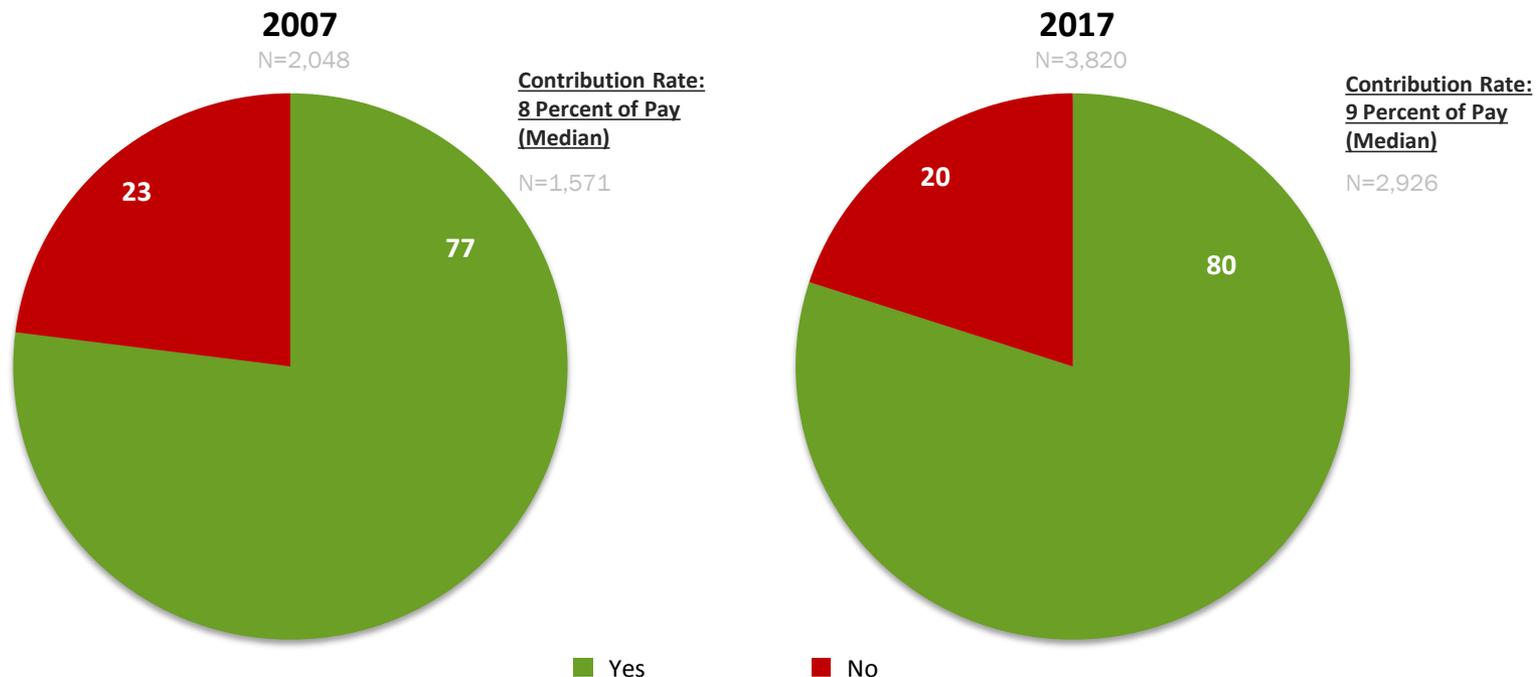
■ Somewhat confident



Plan Participation and Salary Deferral Rates Remain Strong

Among workers who were offered a 401(k) or similar plan by their employers, approximately eight in 10 participated or had money invested in the plan. This survey finding remained relatively consistent between the years 2007 (77 percent) and 2017 (80 percent). The amount that plan participants were contributing to the plan was also consistent at 8 percent (median) of annual pay in 2007 and 9 percent (median) in 2017; however, the amount dipped slightly during the years of the recession and its early aftermath.

Participate or Have Money Invested in Their Employer's 401(k) Plan Workers Who Are Offered a 401(k) or Similar Plan (%)



WORKER BASE: THEIR EMPLOYER HAS 10 OR MORE EMPLOYEES / CURRENTLY OFFERED A 401(K) OR SIMILAR PLAN

Q1190/Q590. Do you currently participate in, or have money invested in your company's employee-funded retirement savings plan?

WORKER BASE: THEIR EMPLOYER HAS 10 OR MORE EMPLOYEES / CURRENTLY OFFERED A 401(K) OR SIMILAR PLAN / PARTICIPATING IN THE PLAN

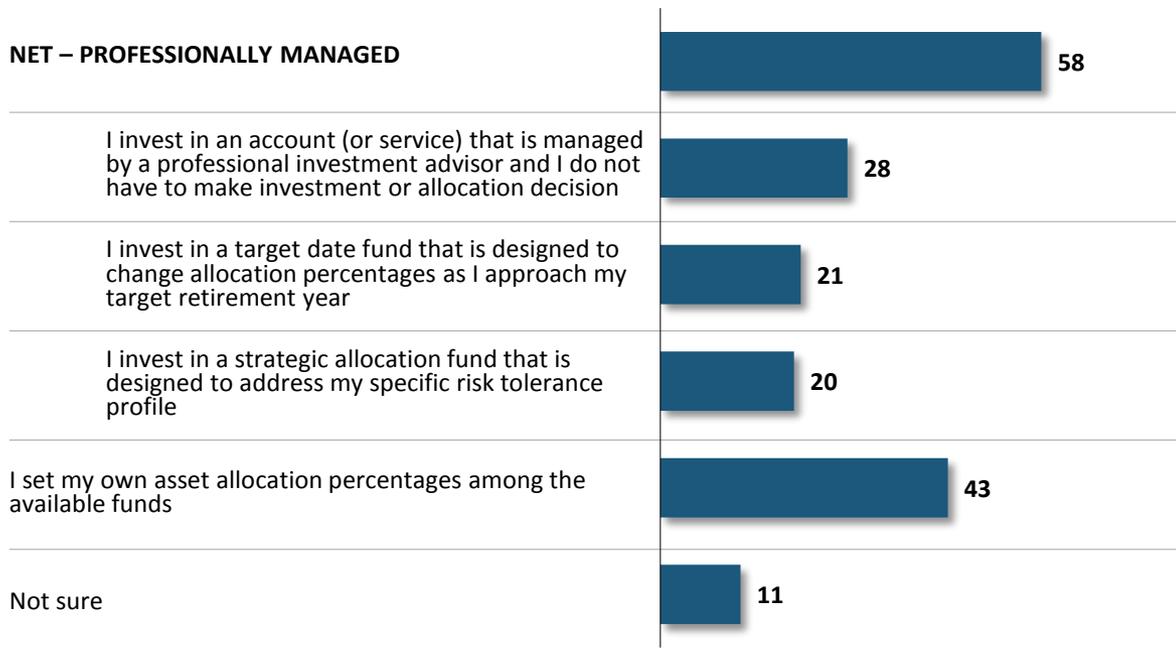
Q601/Q600. What percentage of your salary are you saving for retirement through your company-sponsored plan this year?

Most Participants Use Professionally Managed Offerings

“Professionally managed” accounts refer to a managed account service, strategic allocation funds, and/or target date funds. In 2017, the majority of plan participants (58 percent) used some form of professionally managed offering in their 401(k) or similar plans. *Please note: This question was not asked in 2007.*

What is your current approach to investing in your employer-sponsored retirement plan? Workers Participating in Employer’s 401(k) or Similar Plan in 2017 (%)

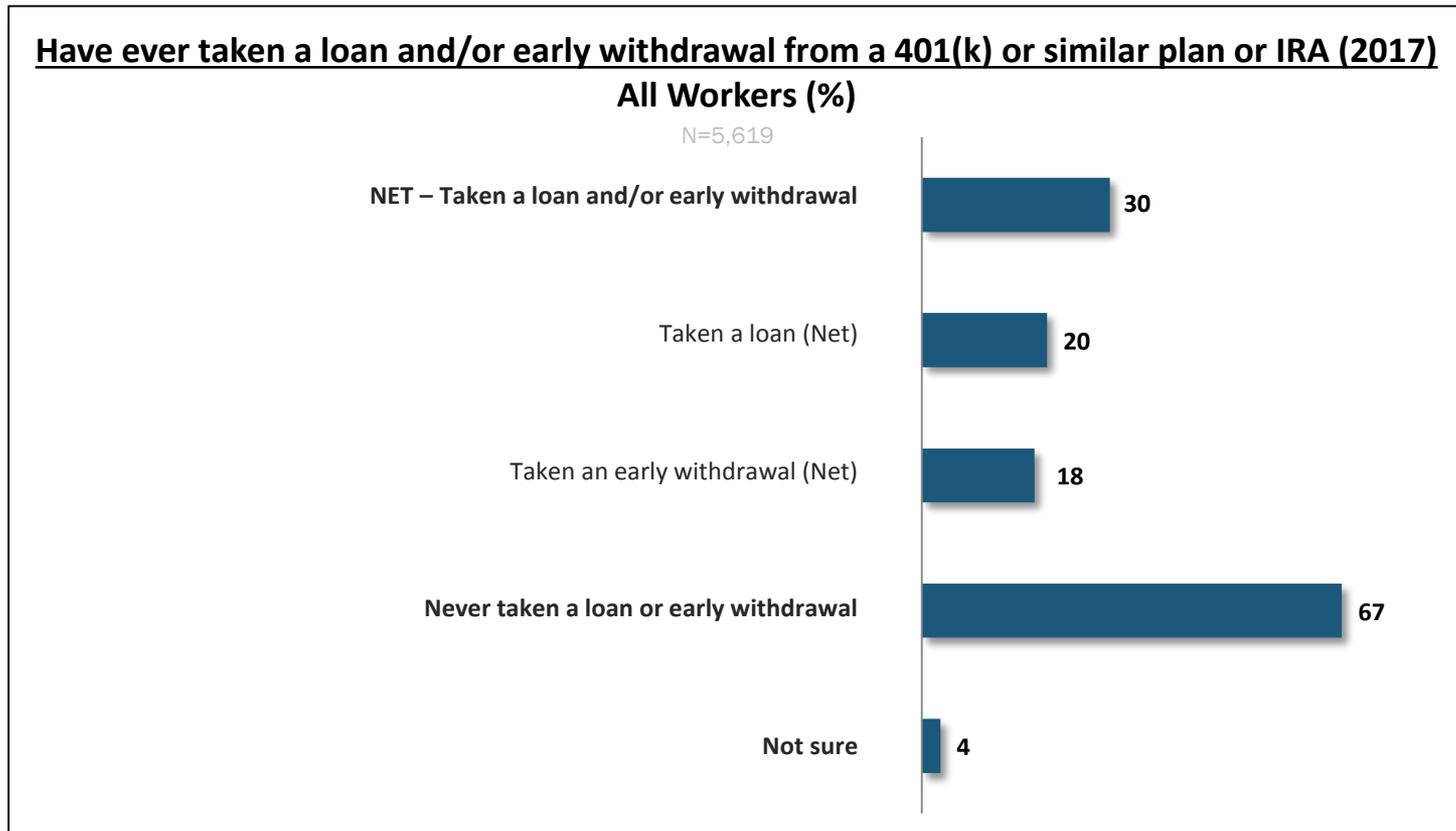
N=2,932



*Note: This survey question was not asked in 2007.

Retirement Plan Leakage Is an Issue

Leakage from retirement plans, through loans or withdrawals, can severely inhibit the growth of participants' long-term retirement savings. By 2017, 30 percent of workers had taken some form of loan and/or early withdrawal from a 401(k) or similar plan or IRA. The proportion of workers who had taken loans (20 percent) was slightly higher than those who had taken early withdrawals (18 percent). *Note: This survey question was restructured in 2017 so comparative data for 2007 is not available.*



**Note: This survey question was dramatically restructured in 2017 so comparative data for 2007 is not available.*

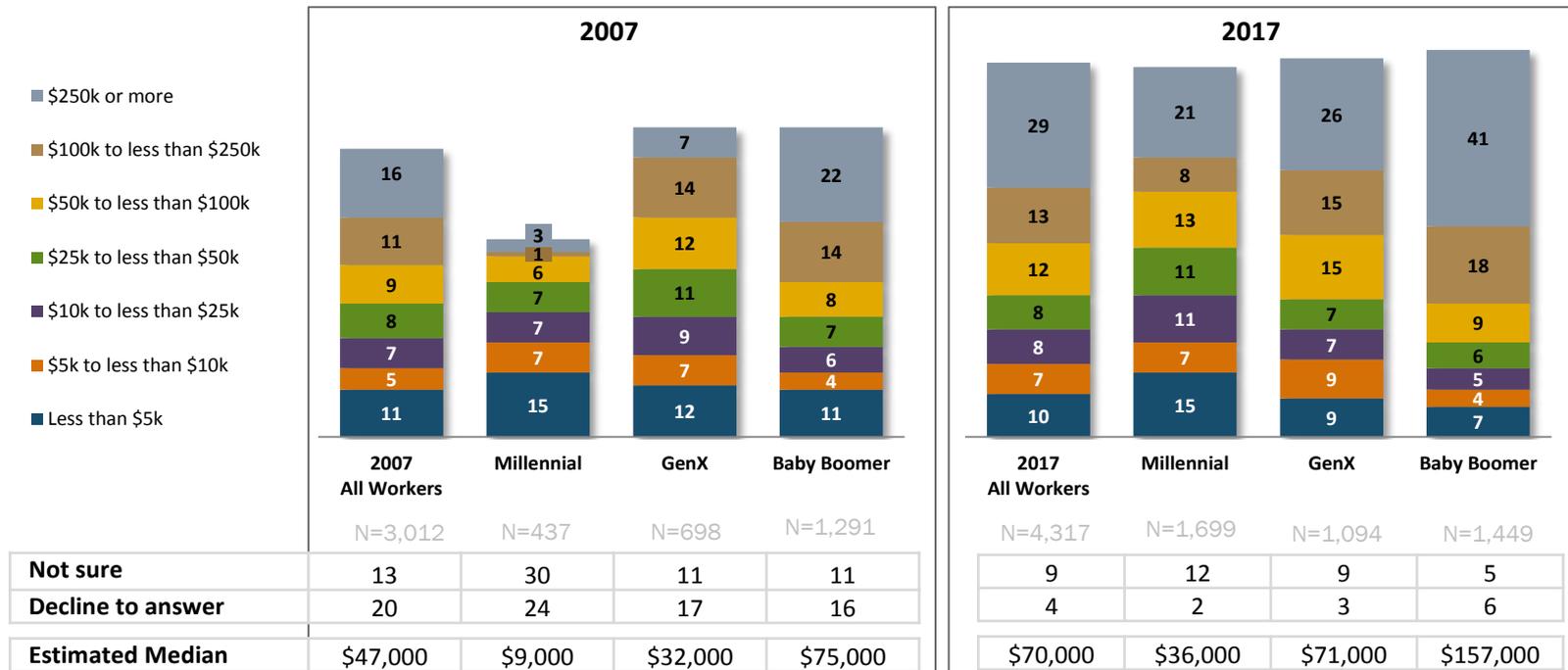
WORKER BASE: THEIR EMPLOYER HAS 10 OR MORE EMPLOYEES/ ALL QUALIFIED RESPONDENTS

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.

Household Retirement Savings

Savings in all household retirement accounts have dramatically increased since their pre-recession levels – from \$47,000 in 2007 to \$70,000 in 2017 (estimated medians), with Millennials experiencing a four-fold increase (\$9,000 to \$36,000), followed by Generation X (\$32,000 to \$71,000) and Baby Boomers (\$75,000 to \$157,000) whose accounts had more than doubled. While this growth is impressive, in many instances, workers were not saving enough to fully fund their retirement income needs. (Note: Totals include “Mature” workers, those born before 1946. In 2007 N=586 and in 2017 N=75.)

Total Household Retirement Savings by Generation
All Workers (%)



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

WORKER BASE: THEIR EMPLOYER HAS 10 OR MORE EMPLOYEES / ALL QUALIFIED RESPONDENTS.

Note: In 2017, the sample for this question is based on a subset of the total in order to ensure that the correct responses were asked of a representative sample.

Q1300. Approximately how much money does your household have saved in all of your retirement accounts?

Estimated Retirement Savings Needs

In 2017, workers estimated they would need \$500,000 (median) in retirement, an amount that was less than the \$650,000 (median) found among workers in 2007.

All Workers (%)

Estimated Retirement Savings Needs	2007 N=3,012	2017 N=5,619
< \$500k	33%	45%
\$500k to \$1m	22%	21%
\$1m to \$2m	22%	19%
\$2m or More	21%	15%
Not Sure	2%	N/A
Median	\$650,000	\$500,000

**Note: "Not Sure" was not offered as a possible response in 2017.*

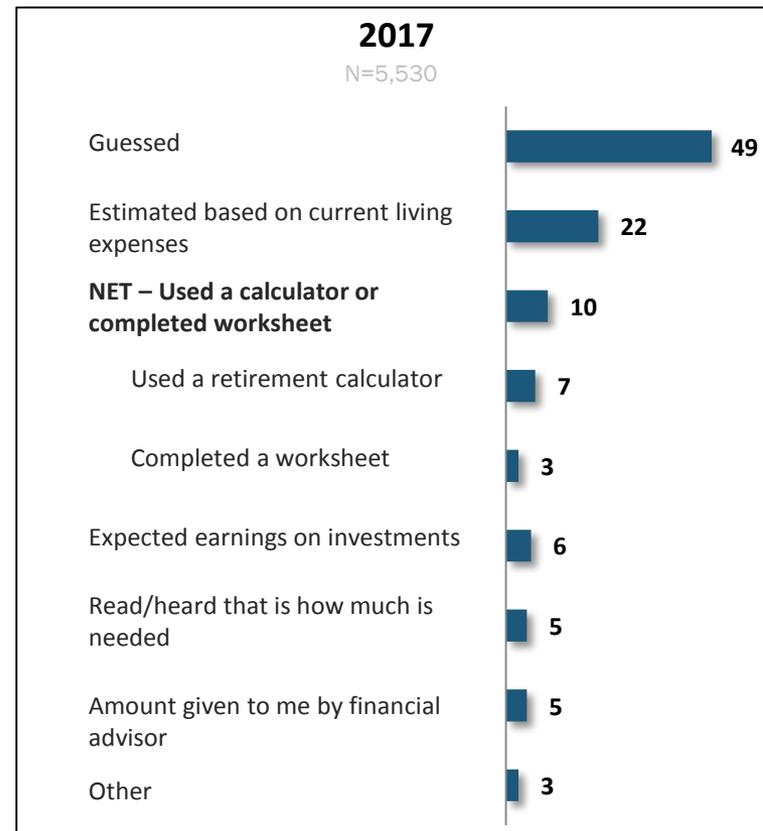
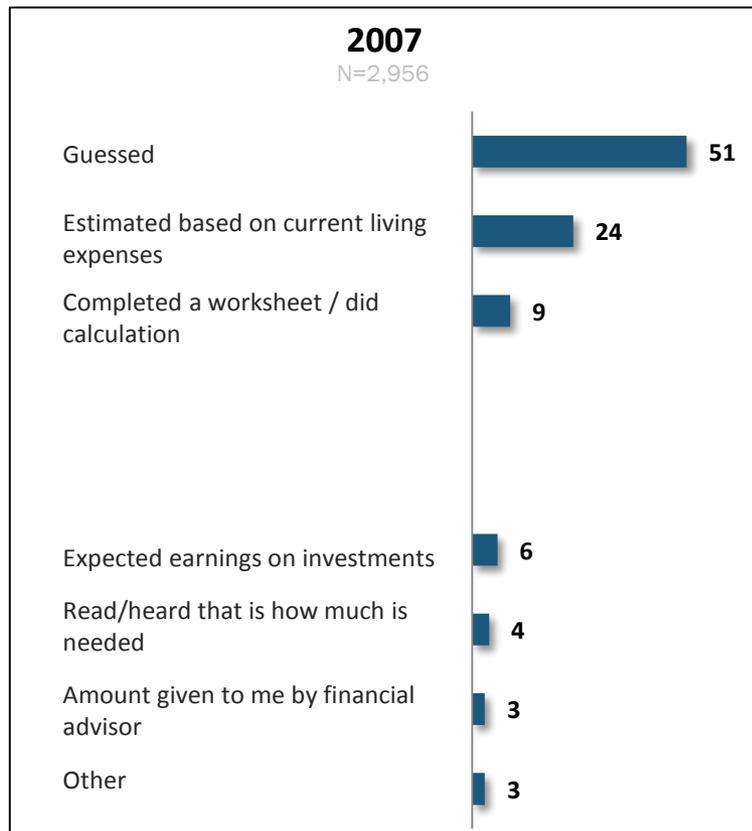
WORKER BASE: THEIR EMPLOYER HAS 10 OR MORE EMPLOYEES / ALL QUALIFIED RESPONDENTS

Q890. Thinking in terms of what money can buy today, how much money do you believe you will need to have saved by the time you retire in order to feel financially secure?

Basis of Estimate

Almost half of workers (49 percent) who provided an estimate of their retirement savings needs indicated they guessed the amount needed. Twenty-two percent estimated this goal based on their current living expenses. Just 10 percent used a retirement calculator or completed a worksheet. For the most part, these findings had not changed since 2007.

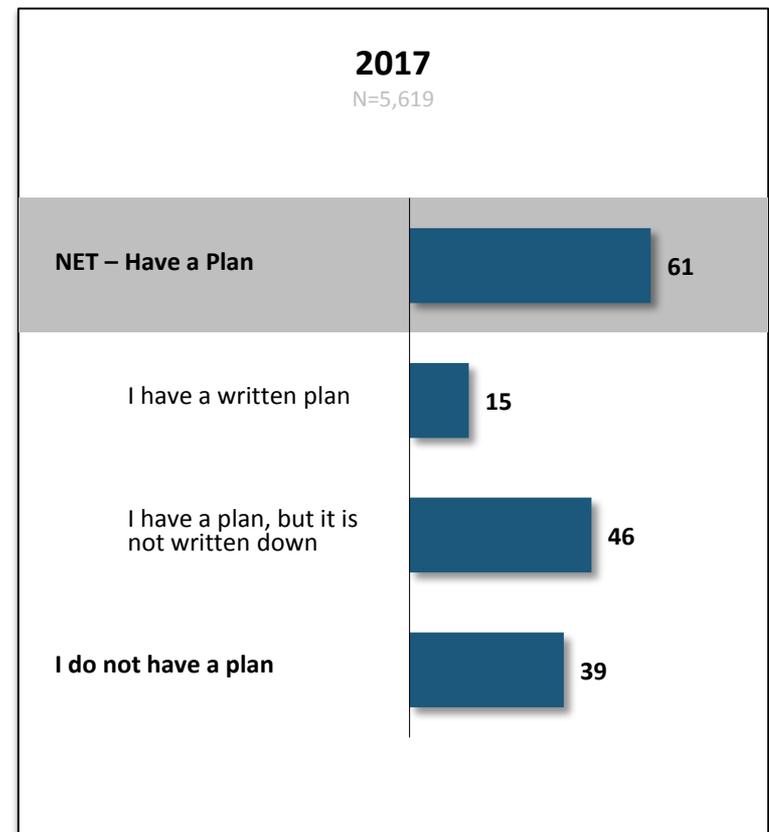
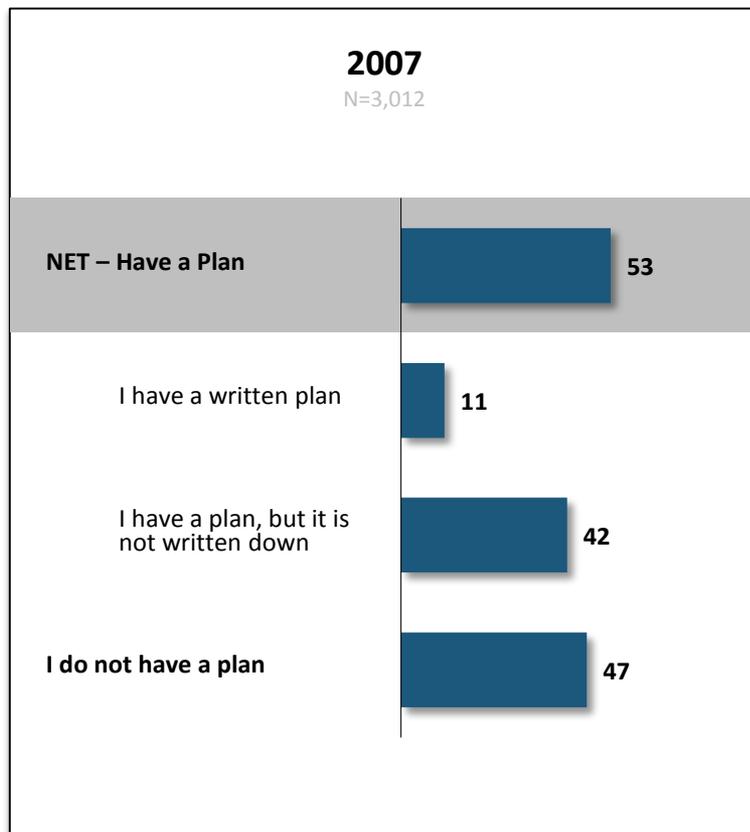
Basis of Estimating Retirement Savings Goal All Workers (%)



Many Workers Still Lack a Retirement Strategy

The percentage of workers who reported having some form of retirement strategy slightly increased from 53 percent in 2007 to 61 percent in 2017. Nevertheless, in 2017, only 15 percent of workers had a written retirement strategy (the other 46 percent had an unwritten retirement strategy).

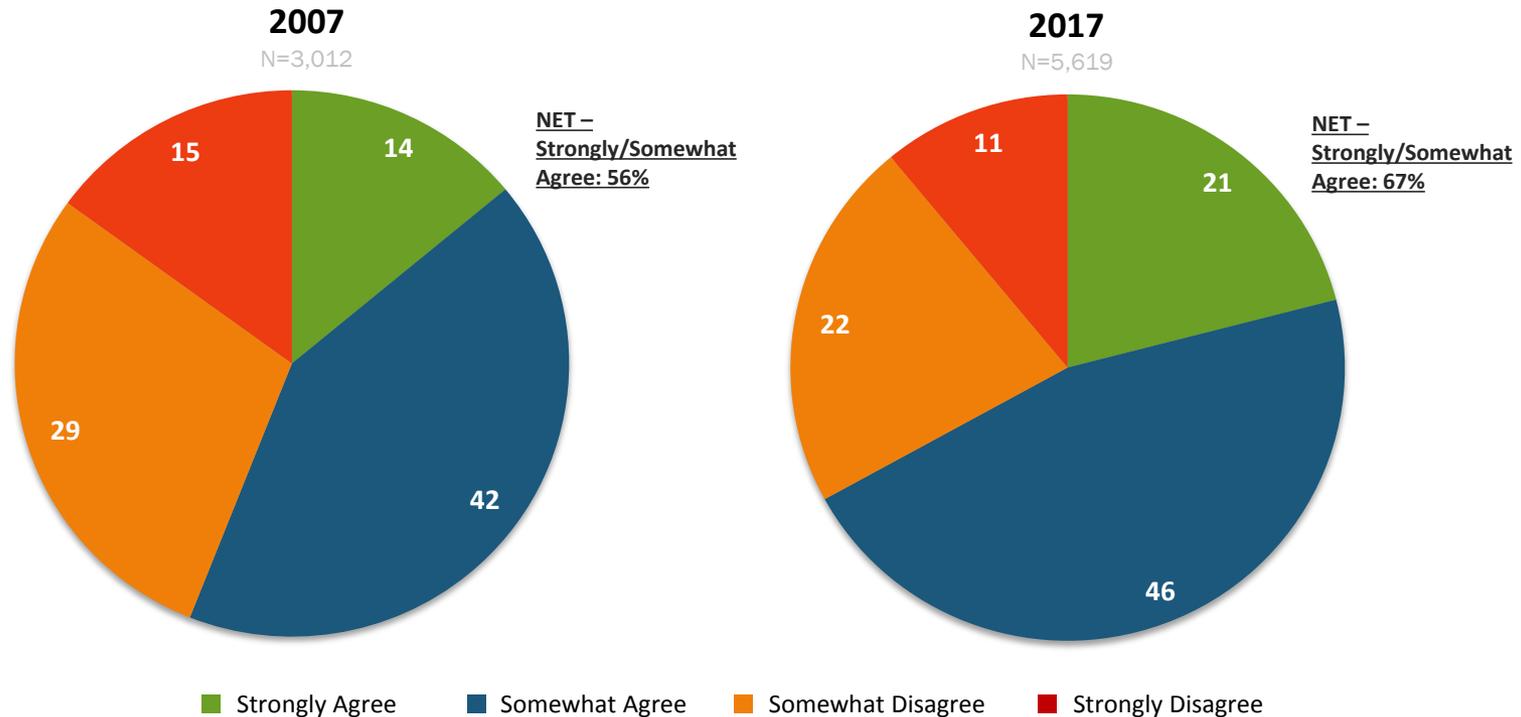
Retirement Strategy All Workers (%)



Workers Want Employers to Offer More Retirement Information

Sixty-seven percent of workers in 2017 agreed with the statement, “I would like to receive more information and advice from my company on how to reach my retirement goals,” with 21 percent saying they “strongly agree” and 46 percent saying they “somewhat agree.” These percentages had increased from 56 percent in 2007 (with 14 percent agreeing strongly and 42 percent agreeing somewhat).

“I would like to receive more information and advice from my employer on how to reach my retirement goals”
All Workers (%)



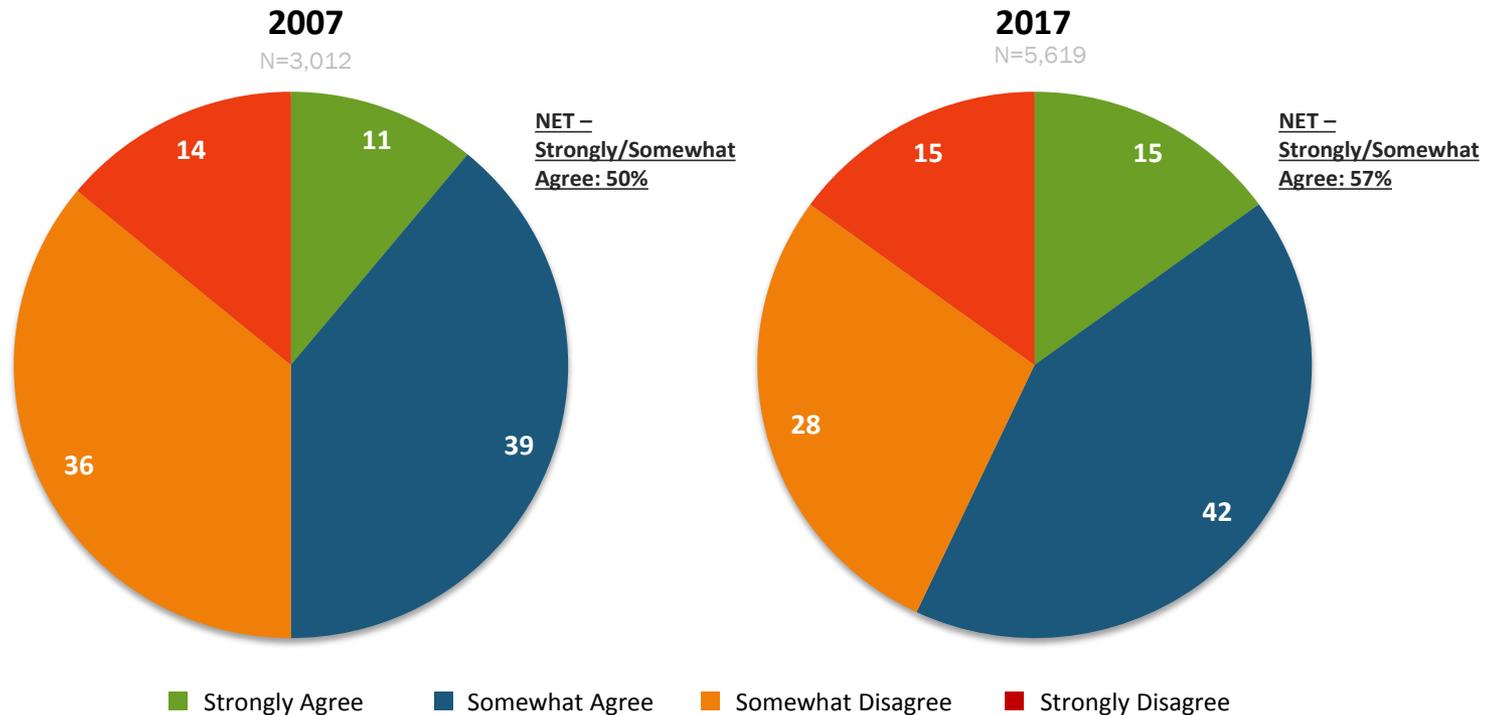
WORKER BASE: THEIR EMPLOYER HAS 10 OR MORE EMPLOYEES / ALL QUALIFIED RESPONDENTS

Q931_6. How much do you agree or disagree with... “I would like to receive more information and advice from my employer (2017), my company (2007) on how to reach my retirement goals.”

Many Workers Prefer to Rely on Outside Experts for Retirement Planning

In 2017, 57 percent of workers agreed with the statement, “I would prefer to rely on outside experts to monitor and manage my retirement savings plan,” with 15 percent saying they “strongly agree” and 42 percent saying they “somewhat agree.” These findings represent a slight increase from 2007, when 50 percent of workers agreed with the statement.

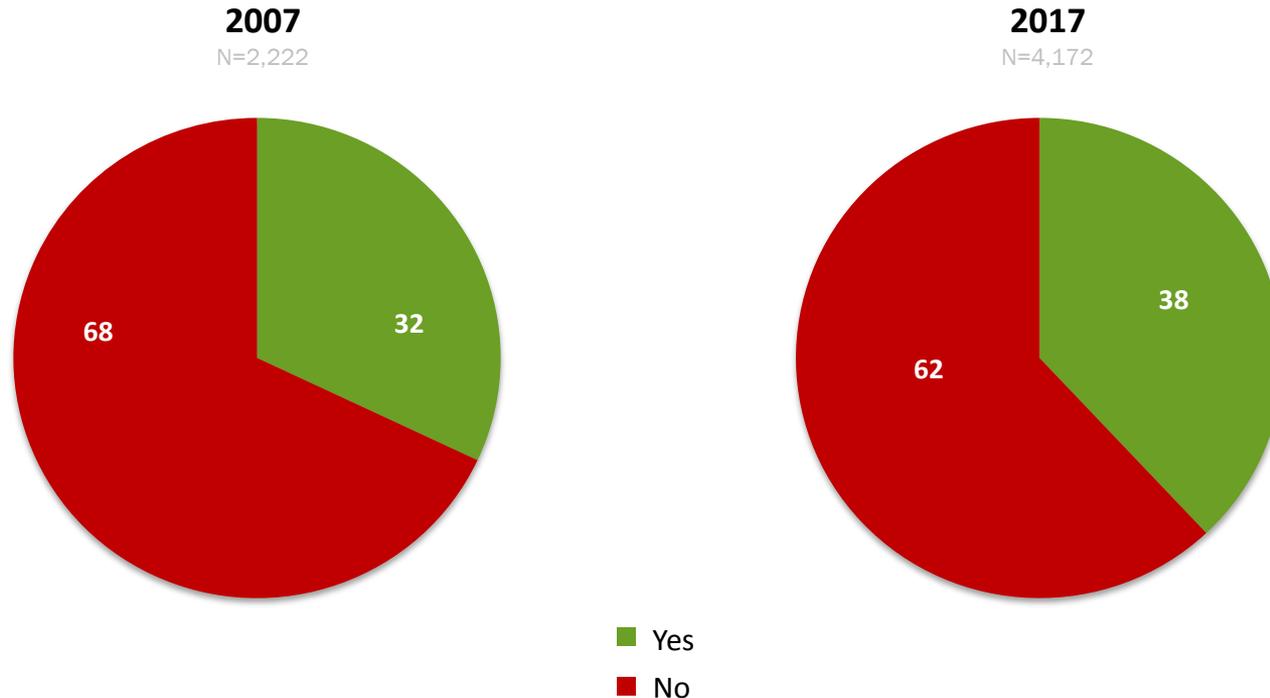
“I would prefer to rely on outside experts to monitor and manage my retirement savings plan”
All Workers (%)



Use of Professional Financial Advisors Has Increased Slightly

Among workers investing for retirement, 38 percent indicated they use a professional advisor to help manage their retirement savings or investments in 2017. This was a slight increase from 32 percent in 2007.

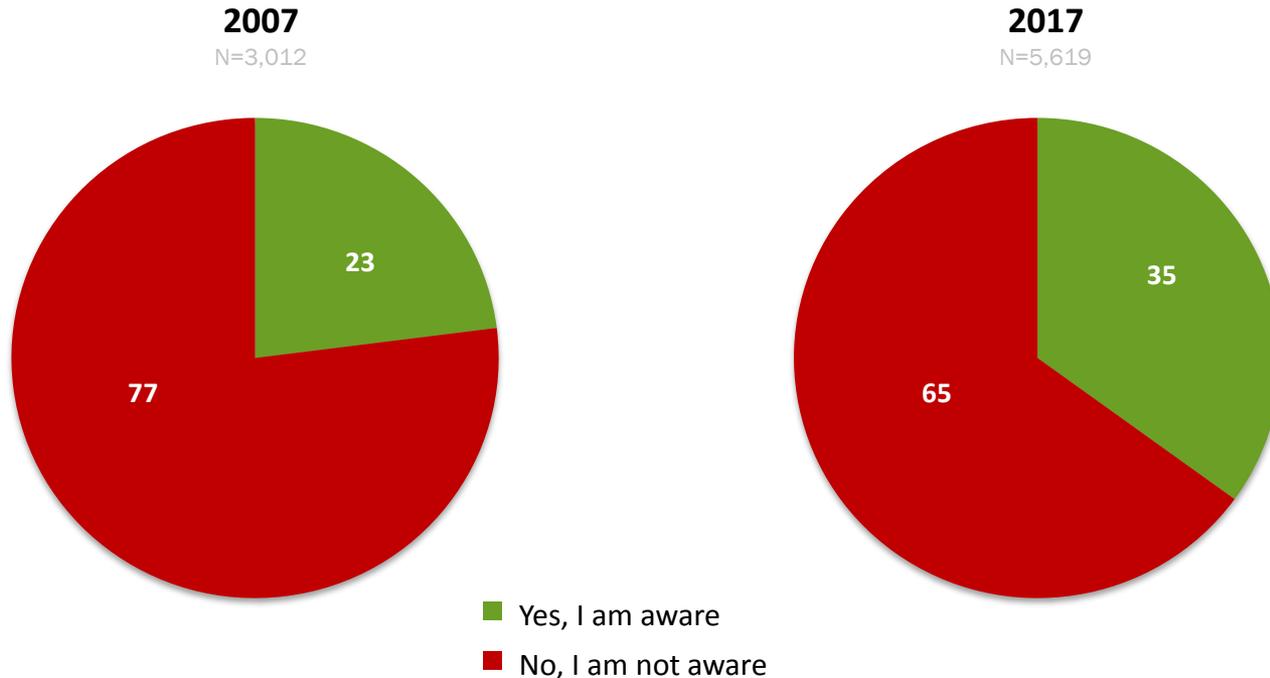
Use of a Professional Financial Advisor to Help Manage Retirement Savings or Investments All Workers (%)



Awareness of the Saver's Credit Is Growing

The Saver's Credit is a tax credit for eligible taxpayers who meet certain income requirements and are saving for retirement in a qualified retirement plan or IRA. Only 35 percent of workers indicated they were aware of the Saver's Credit in 2017. While this finding was a noteworthy improvement from 2007 (23 percent), there is still much more that can be done to further increase awareness of the Saver's Credit.

Awareness of the Saver's Credit All Workers (%)



WORKER BASE: THEIR EMPLOYER HAS 10 OR MORE EMPLOYEES / ALL QUALIFIED RESPONDENTS

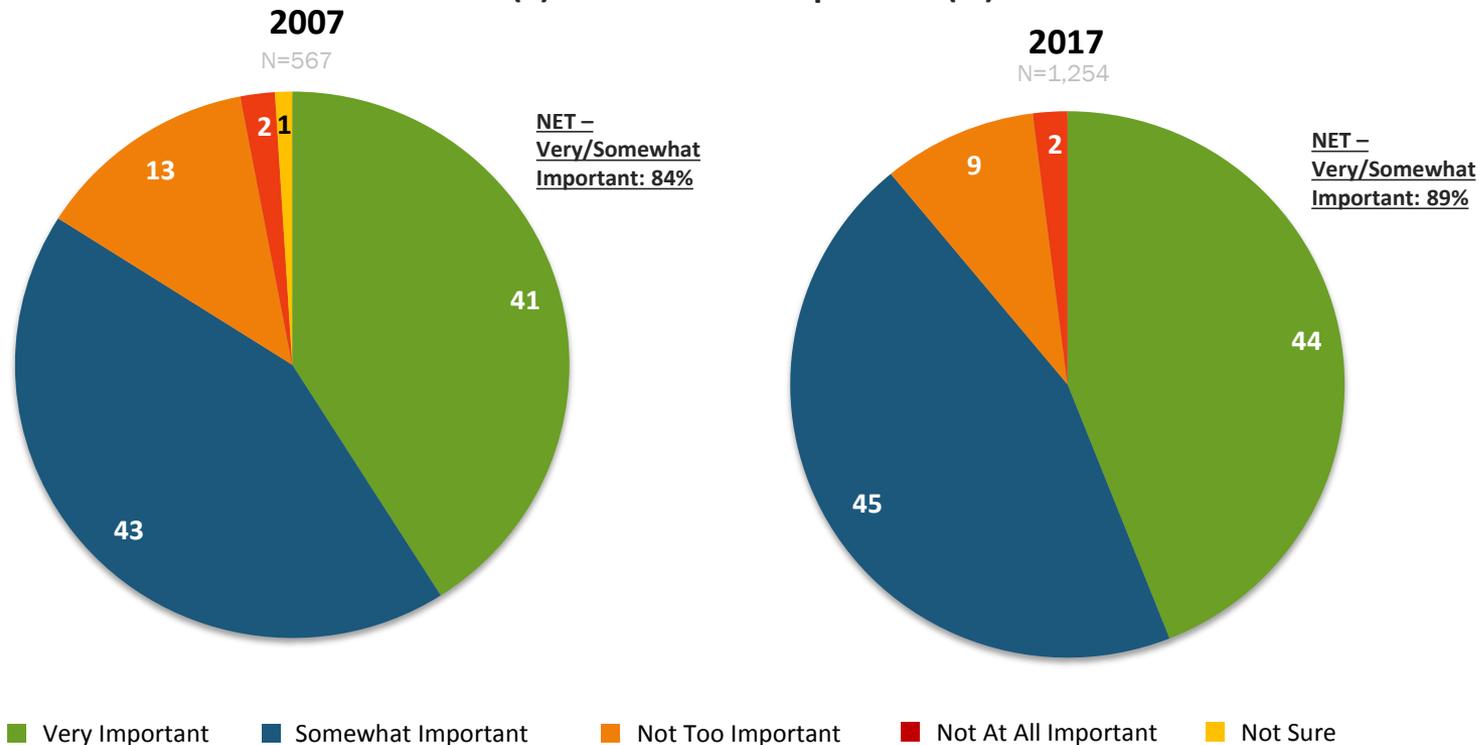
Q1120. Are you aware of a tax credit called the "Saver's Credit," which is available to individuals and households who meet certain income requirements, for making contributions to an IRA or a company-sponsored retirement plan such as a 401(k) plan or 403(b) plan?

Employer Survey Findings

Importance of Retirement Benefits in Attracting Employees

Among those that offered a 401(k) or similar plan to their employees in 2017, 89 percent of employers indicated that the plan was important for attracting and retaining employees, including 44 percent that said it was “very important” and 45 percent that said it was “somewhat important.” These findings represent an increase from 2007 when 84 percent of employers said that the plan was important.

Importance of Employee-Funded Retirement Plan in Attracting and Retaining Employees 401(k) or Similar Plan Sponsors (%)

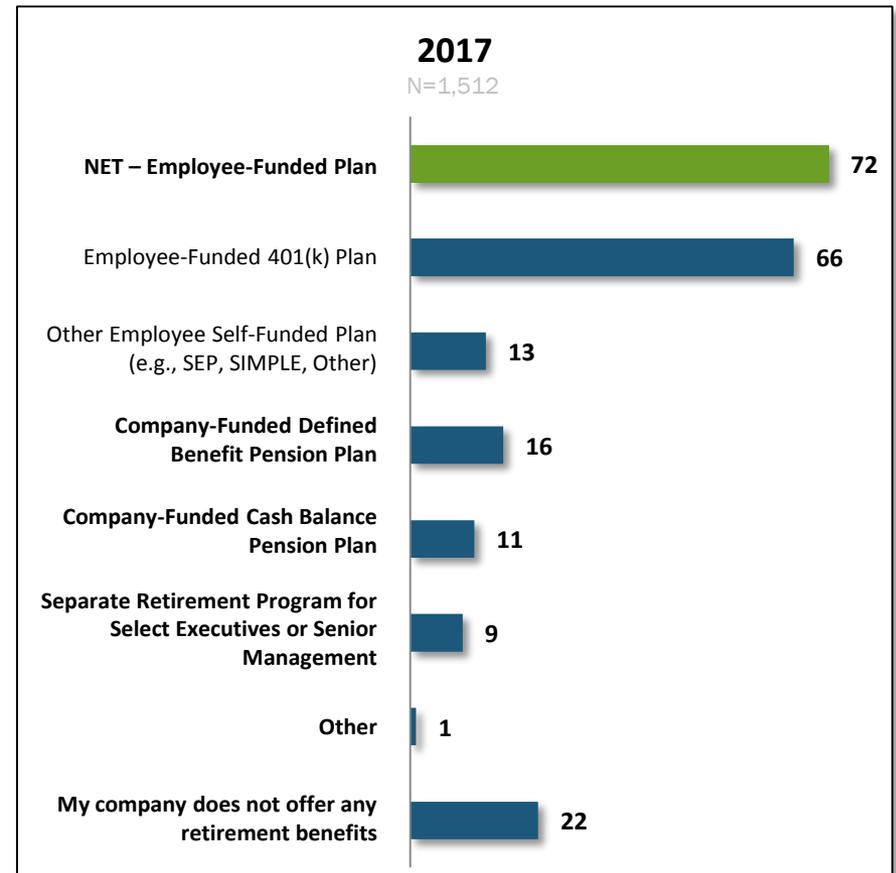
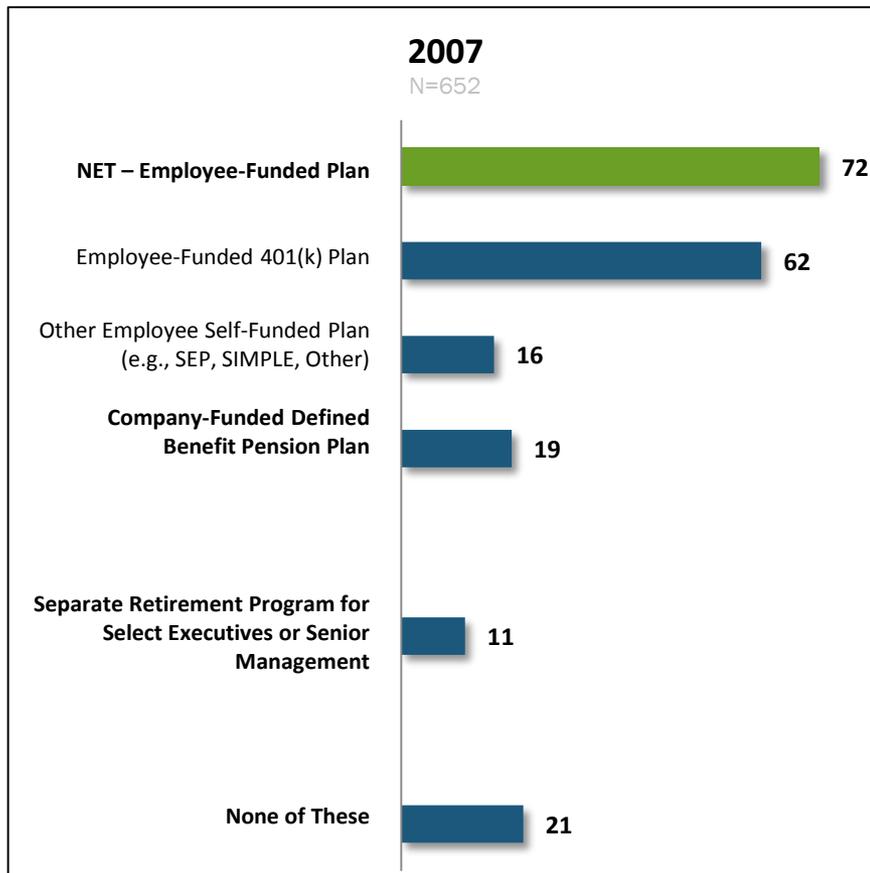


*Note: “Not Sure” and “Refused” was not offered as a possible response in 2017.

401(k) or Similar Plan Sponsorship Rates Hold Steady

Seventy-two percent of employers offered a 401(k) or similar plan, a survey finding that was unchanged from 2007. However, 401(k) plan sponsorship rates had slightly increased. Two out of three employers (66 percent) offered a 401(k) plan to their employees in 2017, compared to 62 percent of employers in 2007.

Retirement Benefits Offered to Employees Employers With 10+ Employees (%)



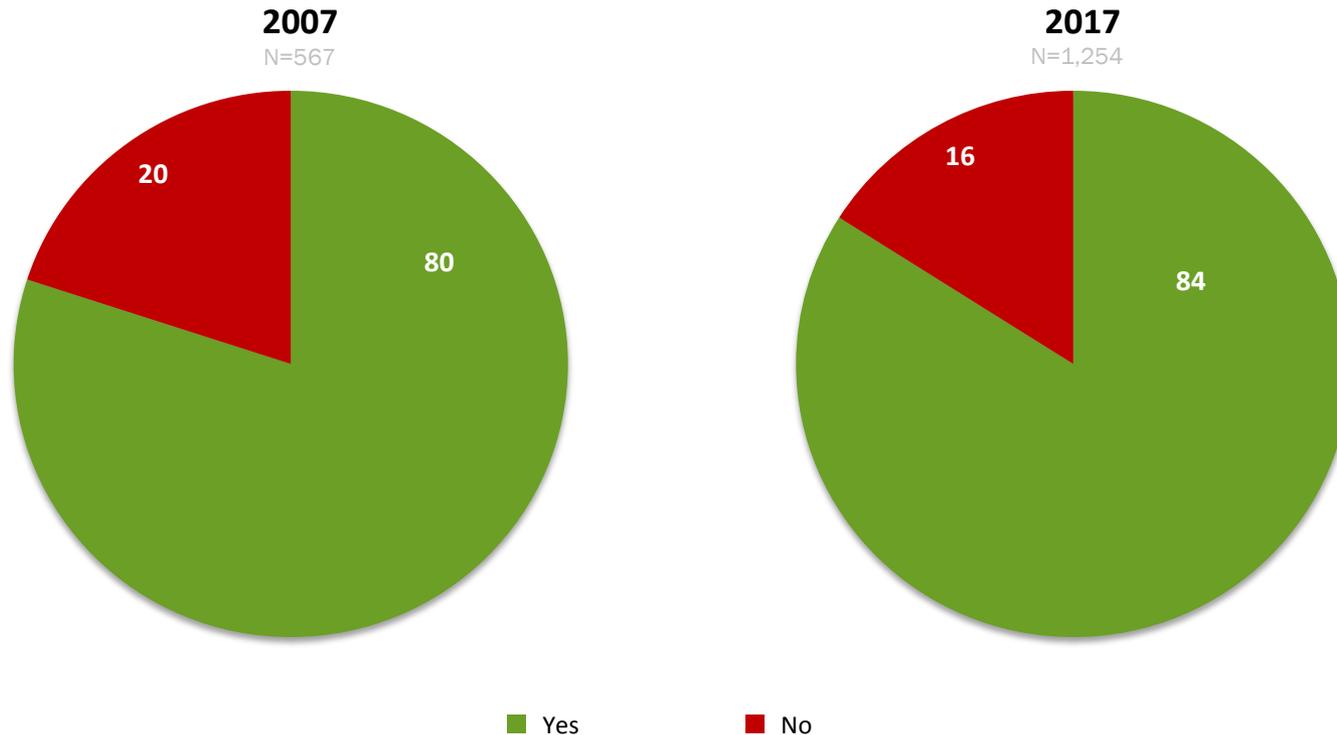
*Note: "Company-Funded Cash Balance Pension Plan" and "Other" were not offered as possible responses in 2007. "Not sure" and "Refused" were not offered in 2017.

EMPLOYER BASE: EMPLOYERS WITH 10 OR MORE EMPLOYEES/ ALL QUALIFIED RESPONDENTS
Q530. Which of the following retirement benefits does your company offer? Select all that apply.

Offering of Matching Contributions Has Modestly Increased

Among those that offer a 401(k) or similar plan, in 2017, the vast majority of employers (84 percent) offered a matching contribution to the plan, which represented a modest increase from 2007 when 80 percent indicated that they offered a match.

Offers a Matching Contribution 401(k) or Similar Plan Sponsors (%)



**Note: "Not Sure" and "Refused" was not offered as a possible response in 2017.*

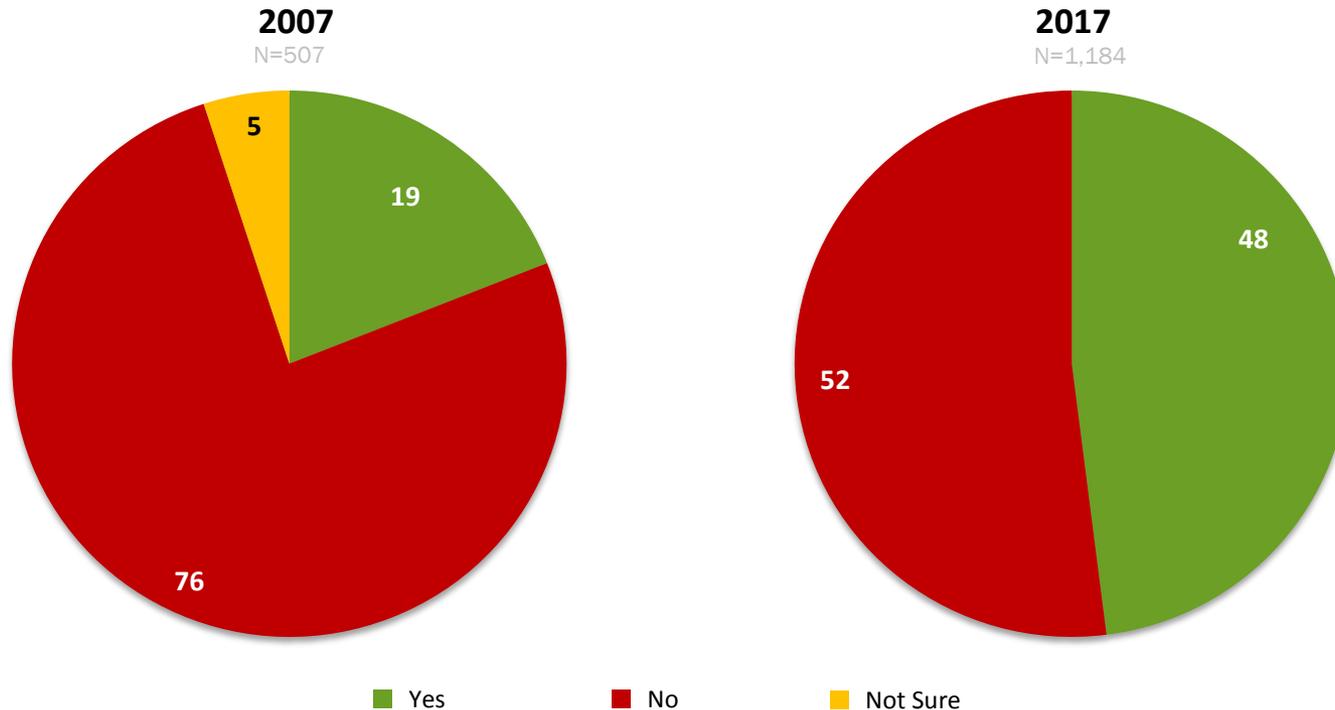
EMPLOYER BASE: EMPLOYERS WITH 10 OR MORE EMPLOYEES / OFFERS 401(K) OR SIMILAR PLAN

Q640. Does your company offer a matching contribution as part of its 401(k) or other company-sponsored retirement plan?

Adoption of Roth 401(k) Feature Has More Than Doubled

The Roth option enables participants to contribute to their 401(k) plan on an after-tax basis with qualified tax-free withdrawals at retirement age. It complements the long-standing ability for participants to contribute to the plan on a tax-deferred basis in which their savings is taxed when they take withdrawals from the plan at retirement. The Roth option first became available to plan sponsors to adopt as part of their 401(k) plans in 2006. By 2007, almost one in five 401(k) plan sponsors (19 percent) had adopted the Roth feature as part of their plans. Ten years later, in 2017, almost half of plan sponsors (48 percent) had adopted the Roth 401(k) option.

**Offers Roth 401(k) Feature
401(k) Plan Sponsors (%)**

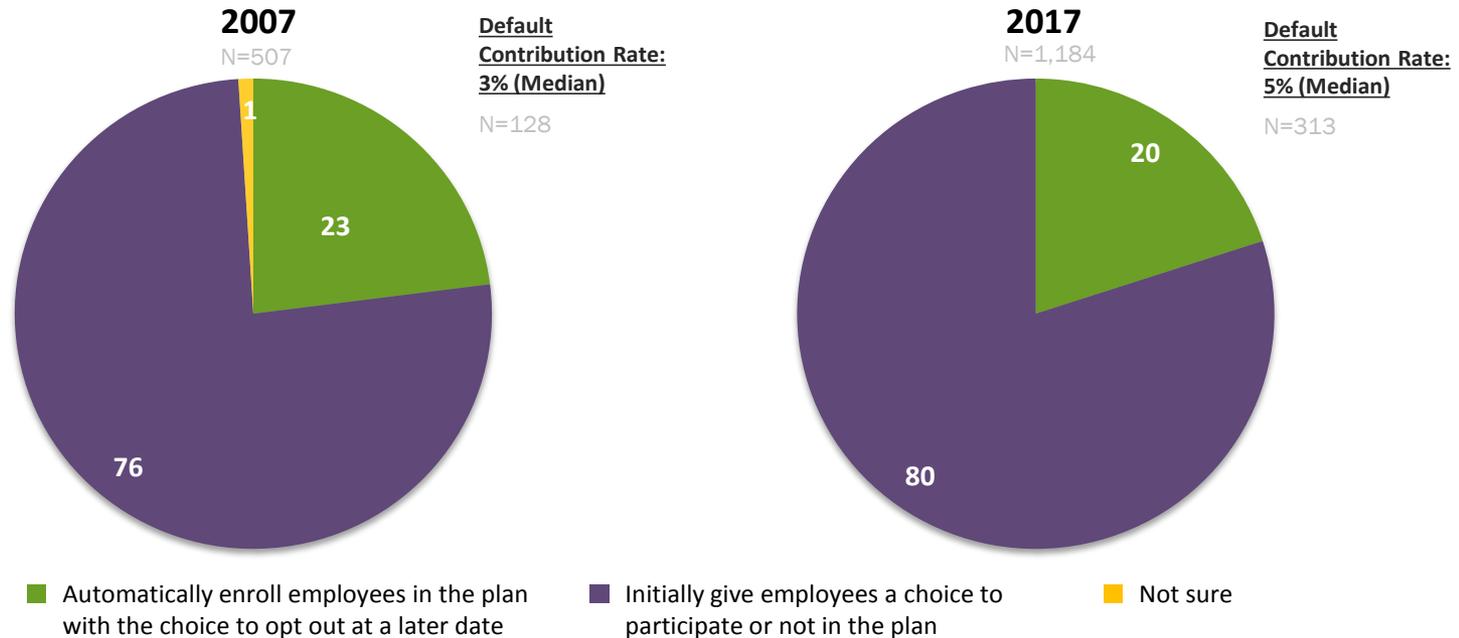


**Note: "Not Sure" and "Refused" was not offered as a possible response in 2017.*

Automatic Enrollment Is Flat

Automatic enrollment is a feature that eliminates the decision-making and action steps normally necessary for employees to enroll and start contributing to the plan. Instead, it automatically enrolls employees into their plan with the ability for them to opt out and stop contributing. Approximately one in five 401(k) plan sponsors offered automatic enrollment, a survey finding that remained relatively flat between 2007 (23 percent) and 2017 (20 percent). However, among employers that offered automatic enrollment, the default contribution rate increased from 3 percent (median) in 2007 to 5 percent (median) in 2017.

Adoption of Automatic Enrollment 401(k) Plan Sponsors (%)



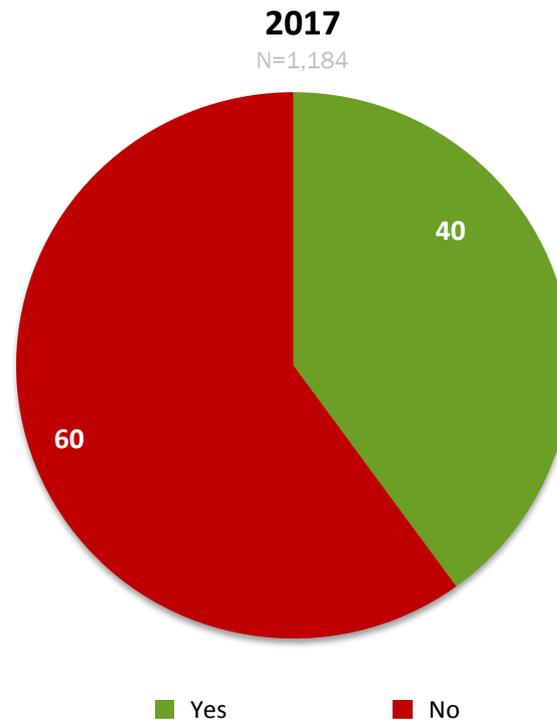
*Note: "Not Sure" and "Refused" was not offered as a possible response in 2017.

EMPLOYER BASE: EMPLOYERS WITH 10 OR MORE EMPLOYEES / OFFERS 401(K) PLAN Q1025. When a new employee qualifies to join the employee-funded 401(k) plan, are they (A) initially given a choice to participate or not participate in the plan, or (B) automatically enrolled in the plan with the choice to opt out at a later date?
 EMPLOYER BASE: EMPLOYERS WITH 10 OR MORE EMPLOYEES / AUTOMATICALLY ENROLLS NEW EMPLOYEES INTO THE 401(K) PLAN Q1027. What is the default employee-funded 401(k) plan contribution rate (excluding the company match)?

Automatic Escalation Is Prevalent

By 2017, four in ten 401(k) plan sponsors (40 percent) adopted automatic escalation, a plan feature that automatically increases participants' contribution rates annually. *Please note: This survey question was not asked in 2007.*

Adoption of Automatic Escalation 401(k) Plan Sponsors (%)



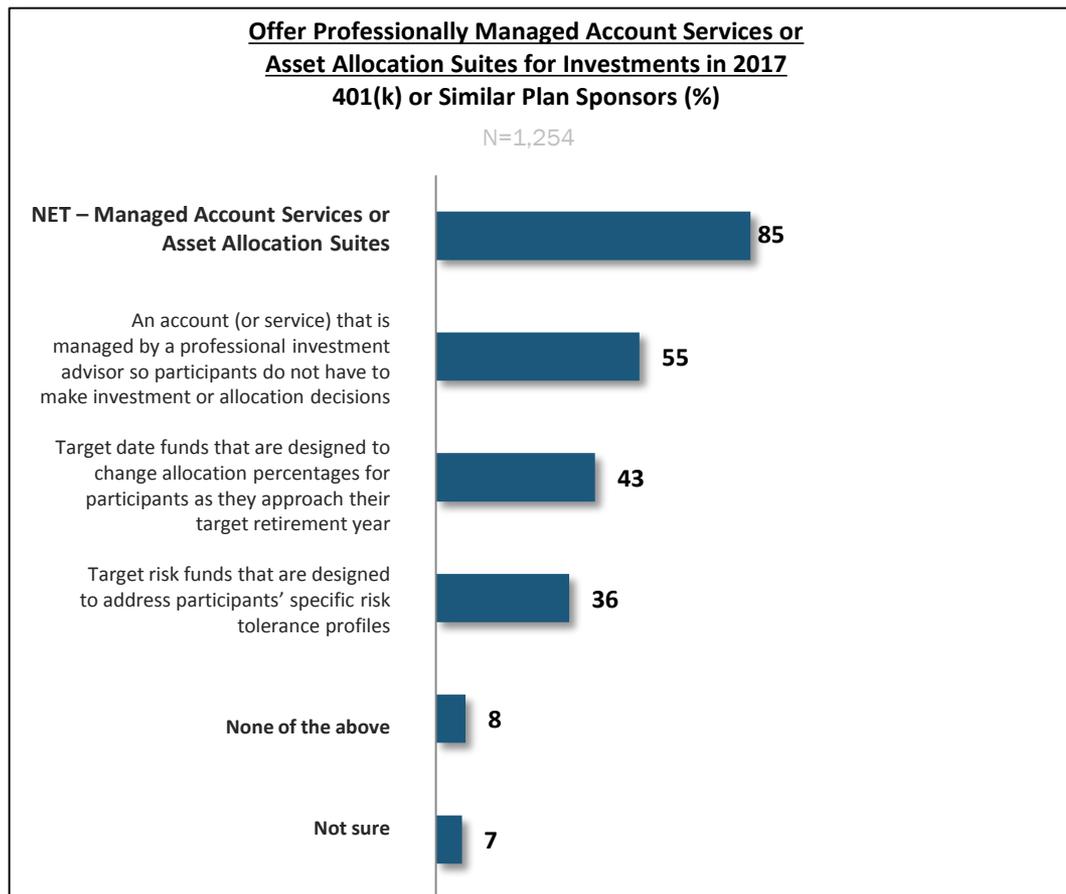
**Note: This survey question was not asked in 2007.*

EMPLOYER BASE: EMPLOYERS WITH 10 OR MORE EMPLOYEES / OFFERS 401(K) PLAN

Q1031. Does your plan have a provision to automatically increase participants' contribution rates annually, such as on a date set forth by the plan, their anniversary date of hire, or anniversary of first contribution to the plan?

Professionally Managed Services / Asset Allocation Suites

Professionally managed services such as managed accounts and asset allocation suites, including target date and target risk funds, had become ubiquitous options in 401(k) or similar plans, with 85 percent of all employers offering them in 2017. Such offerings enable plan participants to invest in professionally managed services or funds that are essentially tailored to their goals, years to retirement, and/or risk tolerance profile, and can help participants with asset allocation without their having to become investment experts themselves.



*Note: This survey question was not asked in 2007.

EMPLOYER BASE: EMPLOYERS WITH 10 OR MORE EMPLOYEES / OFFERS 401(K) OR SIMILAR PLAN

Q3591. Which of the following professionally managed services or asset allocation suites does your plan's investments include? Select all that apply.

Increasing Retirement Plan Access Continues to Be an Opportunity

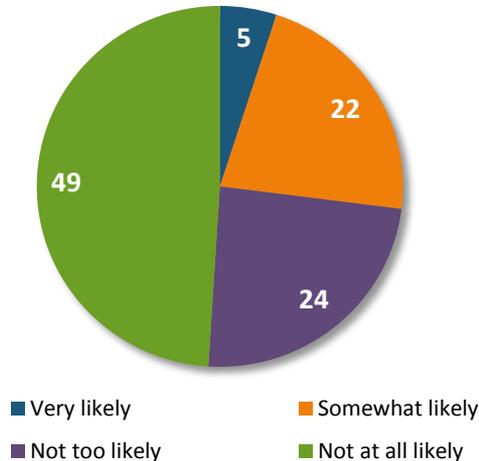
Among companies that did not offer a 401(k) or similar plan in 2017, only 27 percent said that they were likely to begin sponsoring a plan in the next two years. The most frequently cited reasons among companies *not* planning to do so included: company is not big enough (58 percent), concerns about cost (41 percent), and employees are not interested (22 percent). There may be cause for optimism with regard to the future, however, 25 percent of those not likely to offer a plan said that they would consider joining a multiple employer plan (MEP) offered by a reputable vendor who handles many of the fiduciary and administrative duties at a reasonable cost.

Employers With 5+ Employees

Likelihood to Begin Sponsoring a 401(k) or Similar Plan Within the Next Two Years (%)

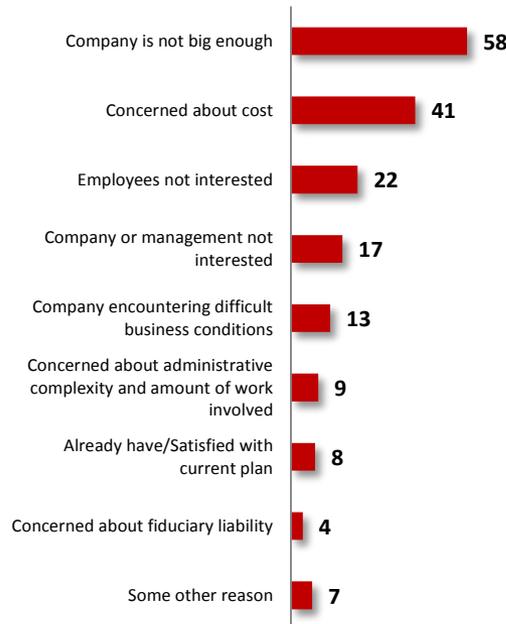
N=407

NET – Likely = 27%



Most Frequently Cited Reasons for NOT Planning to Offer a Plan (%)

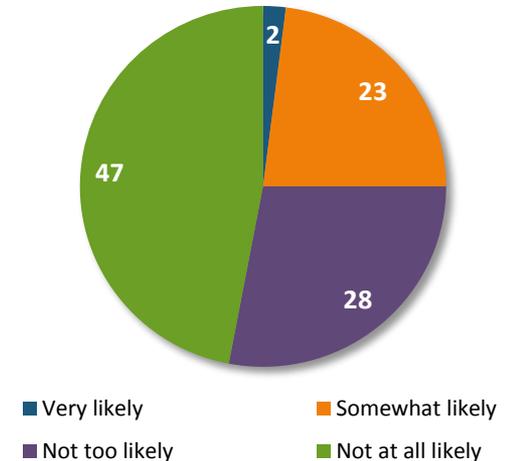
N=281



As an Alternative, Likelihood to Consider Joining a Multiple Employer Plan (%)

N=281

NET – Likely = 25%



*Note: This survey question was not asked in 2007. The 2017 base reported on this slide is for employers with 5 or more employees.

EMPLOYER BASE: DOES NOT OFFER 401(K) OR OTHER SELF-FUNDED PLAN

Q600. How likely is your company to begin offering an employee-funded retirement plan package like a 401(k) to its employees in the next two years?

EMPLOYER BASE: DOES NOT OFFER 401(K) OR OTHER SELF-FUNDED PLAN; NOT LIKELY TO OFFER 401(K) OR OTHER PLAN IN THE NEXT TWO YEARS

Q610. Why is your company not likely to offer a plan in the next two years? Select all that apply.

Q1605. As an alternative to establishing a stand-alone 401(k) plan, if your company had the ability to join a multiple employer plan which is offered by a reputable vendor who handles many of the fiduciary and administrative duties at a reasonable cost, how likely would you be to consider it?

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