



**Living in the COVID-19 Pandemic:  
The Health, Finances, and Retirement Prospects of Four Generations**  
*21<sup>st</sup> Annual Transamerica Retirement Survey of Workers*

**TRANSAMERICA CENTER**  
FOR RETIREMENT STUDIES®

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# About the Authors

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With more than two decades of retirement industry experience, Catherine has become a nationally recognized voice on retirement trends. 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.

In 2018, Catherine was named an [Influencer in Aging](#) by PBS' [Next Avenue](#). 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. Catherine serves on the Advisory Board Leadership Council of the [Milken Institute's Center for the Future of Aging](#). She co-hosts the [ClearPath: Your Roadmap to Health & Wealth](#) radio show on Baltimore's WYPR, an NPR news station.

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# 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](http://www.transamericacenter.org).
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# About the Survey and Report

- Since 1998, Transamerica Center for Retirement Studies® (TCRS) has conducted a national survey 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. It has grown to be one of the longest running and largest national surveys of its kind.
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# Methodology: 21<sup>st</sup> Annual Transamerica Retirement Survey of Workers

- The analysis contained in this report was prepared internally by the research team at Transamerica Institute (TI) and Transamerica Center for Retirement Studies (TCRS).
- A 25-minute online survey was conducted within the U.S. by The Harris Poll on behalf of TI and TCRS between November 17 and December 29, 2020 among a nationally representative sample of 10,192 respondents. The data in this report is shown for a subsample of 3,109 workers in for-profit companies. Worker respondents met the following criteria:
  - U.S. residents, age 18 or older
  - Full-time or part-time in a for-profit company employing one (1) or more employees
- The base includes:
  - 301 Generation Z workers
  - 1,249 Millennial workers
  - 960 Generation X
  - 573 Baby Boomers
  - 26 workers who were born prior to 1946
- Data were weighted as follows:
  - Census data were referenced for education, age by gender, race/ethnicity, region, household income, education, employment, marital status, and size of household where necessary to align them with their actual proportions in the population.
  - 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 respond to surveys versus those who do not.
- Percentages are rounded to the nearest whole percent.

# Terminology

The report uses the following terminology:

## Generation\*

Generation Z: Born 1997 to 2012

Millennial: Born 1981 to 1996

Generation X: Born 1965 to 1980

Baby Boomer: Born 1946 to 1964

*\*Note: TCRS has updated its definition of birth years for generations to align with standard industry practice, as defined by [Pew Research Center](#). This is the first year that TCRS is using these definitions.*

## All Workers

Refers to all workers in a for-profit company and aged 18 and older

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# Key Highlights

Workers have been navigating a public health crisis that has disrupted their daily lives. They have been coping with concerns ranging from health and family to employment and finances. With the immediacy of these concerns and uncertainty about the future, it is surprising that their preparations for retirement, an abstract and distant time for many, have not been altogether forgotten. Nevertheless, many are at risk of not achieving a financially secure retirement, unless action is taken by policymakers, employers, and workers.

***Living in the COVID-19 Pandemic: The Health, Finances, and Retirement Prospects of Four Generations***, a collaboration between Transamerica Center for Retirement Studies and Transamerica Institute, examines the retirement outlook of Generation Z, Millennials, Generation X, and Baby Boomers. It focuses on the experiences of employed workers of for-profit companies and the impacts of the pandemic on their health, employment, financial well-being, and their ability to save and invest for retirement. The report is based on findings from the 21<sup>st</sup> Annual Transamerica Retirement Survey, one of the largest and longest running surveys of its kind. The survey was conducted in late 2020 when COVID-19 cases were surging, and many businesses were shuttered or operating at limited capacity because of the pandemic.



# Key Highlights

## A Portrait of Four Generations

The retirement landscape has been evolving due to increases in longevity, the dynamic nature of the workforce and employment trends, the transformation of employer-sponsored retirement benefits, and potential reforms to Social Security benefits. Even before the pandemic, these changes have been so significant that many of the underlying expectations and assumptions about retirement differ among the four generations currently in the workforce.

- **Generation Z (Born 1997 to 2012).** Generation Z are internet natives who are saving for retirement in employer-sponsored 401(k) or similar plans and through personal savings and investments. Generation Z workers are starting to save for retirement at an unprecedented young age. They will likely change employers many times throughout their careers and spend time in self-employment, which will require diligence on their part to manage and potentially consolidate their retirement accounts during these transitions. They began entering the workforce shortly before the COVID-19 pandemic when unemployment rates were at historic lows, but which subsequently skyrocketed at the onset of the pandemic. Generation Z will be entering their mid-30s in the 2030s when the Social Security trust fund is estimated to be depleted unless Congress implements reforms.
- **Millennials (Born 1981 to 1996).** Millennials are digital natives and retirement savers who will rely on self-funded savings more than their predecessors. Many entered the workforce around the time of the Great Recession — with higher levels of student debt than previous generations. Millennials are buying homes, getting married, and starting families at older ages than past generations. With the aging of Baby Boomers, many Millennials have been, or will be, called upon to serve as caregivers for their parents, which could detract from their employment and ability to save for retirement. Many Millennials expect their primary source of retirement income to be self-funded through retirement accounts (e.g., 401(k)s, 403(b)s, IRAs), or other savings and investments. Most are concerned that Social Security will not be there for them when they are ready to retire.
- **Generation X (Born 1965 to 1980).** Generation X entered the workforce in the late 1980s just as 401(k) plans were making their first appearance and defined benefit plans were beginning to disappear; as such, they are the first generation to have access to 401(k) plans for the majority of their working careers. Most are saving for retirement, but many are behind on their savings. The oldest Generation Xers are now in their mid-50s and the youngest are in their early 40s. Although they are in their sandwich years, during which they may be juggling their careers with raising children and caring for aging parents, there is no time like the present for them to fully engage in building their assets and long-term financial plans.

# Key Highlights

## A Portrait of Four Generations (cont.)

- **Baby Boomers (Born 1946 to 1964).** Baby Boomers are the generation that has re-written societal rules at every stage of their lives. They have also been redefining retirement for themselves and generations to follow. Working Baby Boomers are planning to work to older ages compared with previous generations. However, few have a backup plan if forced into retirement unexpectedly. Many were already mid-career when the retirement landscape shifted from defined benefit plans to 401(k) or similar plans. They have not had a time horizon of 40-plus years to save in 401(k)s. Amid the pandemic, Baby Boomers have faced health and employment-related risks that could be disruptive their retirement plans. Many Baby Boomers will be relying on Social Security as their primary form of income in retirement.\*

One thing that workers share across generations is that many are at risk of not achieving a financially secure retirement, an area of growing concern amid the pandemic and its inevitable aftereffects. Given the disruption of the pandemic on workers' employment, finances, health, and the increased strain on social safety nets, the retirement risks faced by workers are greater than ever before.

## Physical and Mental Health

Workers generally have positive sentiments about their lives amid the pandemic, but many are also struggling with anxieties and concerns about their physical and mental health. Younger generations, including Generation Z and Millennials, are even more likely to be concerned about their mental health.

- **Workers Are Generally Upbeat but Many Are Distressed.** Most workers share positive sentiments about life, such as having close relationships with family and/or friends (88 percent), being generally happy (86 percent), enjoying life (82 percent), and having a strong sense of purpose in life (82 percent). Seventy-four percent of workers have a positive view of aging and 64 percent have an active social life. However, a concerning proportion of workers are experiencing distress, such as often feeling anxious and depressed (40 percent), often feeling unmotivated and overwhelmed (39 percent), having trouble making ends meet (37 percent), and feeling isolated and lonely (31 percent).
- **Younger Generations Are More Likely to Be Distressed.** Half or more of Generation Z and Millennials indicate they often feel anxious and depressed (52 percent and 50 percent, respectively). Almost six in 10 Generation Z (59 percent) and 48 percent of Millennials say they often feel unmotivated and overwhelmed. Thirty-nine percent of Generation Z and almost half of Millennials (46 percent) have trouble making ends meet. Approximately four in 10 Generation Z and Millennials feel isolated and alone (41 percent and 38 percent, respectively).

*\*Note: In [TCRS' 2019 survey of retirees](#), 69 percent of retirees indicated that Social Security will be their primary source of income over the course of their retirement.*

# Key Highlights

## *Physical and Mental Health (cont.)*

- **Health and Financial-Related Anxieties Caused by the Pandemic.** More than eight in 10 workers (84 percent) have experienced one or more causes of anxiety during the pandemic. Sixty-eight percent cite health-related anxieties including the risk of contracting COVID-19 (44 percent), their family's health (40 percent), and their own health (32 percent). Forty-five percent cite financial-related anxieties such as their finances (32 percent), employment insecurity (23 percent), and housing expenses (17 percent). One-third of workers cite concerns about family and friends (35 percent) and uncertainty about the future (33 percent). Other causes of anxiety include social injustice (18 percent), strained relationships (16 percent), and their home environment (e.g., crowded conditions, multigenerational household, isolation, etc.) (14 percent).
- **Younger Generations More Likely to Cite Causes of Anxiety.** More than three in four workers across generations have experienced one or more causes of anxiety during the pandemic; however, Generation Z (91 percent) and Millennials (88 percent) are more likely than Generation X (81 percent) and Baby Boomers (78 percent) to have done so. Generation Z and Millennials (both 53 percent) are more likely than older generations to cite financial-related anxieties. Generation Z and Millennials are also more likely to cite other sources of anxiety during the pandemic such as social injustice, strained relationships, and their home environment. Generation Z is also more likely to cite uncertainty about the future as a cause of anxiety. Approximately one in five Baby Boomers (22 percent) and Generation X (19 percent) indicate nothing has caused them anxiety during the pandemic.
- **4 in 5 Workers Describe Themselves as Healthy.** Eighty-three percent of workers describe their general health as “excellent” or “good,” with 25 percent describing it as “excellent” and 58 percent as “good.” Fifteen percent describe their health as being “fair” and one percent as “poor.” Millennials, Generation Z, and Generation X are more likely to describe their general health as “excellent” (30 percent, 26 percent, and 25 percent, respectively), compared with Baby Boomers (17 percent).
- **Two-Thirds of Workers Are Concerned About Their Physical Health.** Sixty-six percent of workers are concerned about their physical health, including 29 percent who are “very concerned” and 37 percent who are “somewhat concerned.” Millennials (36 percent) are more likely to be “very concerned” than Generation X (27 percent), Generation Z (24 percent), and Baby Boomers (20 percent).
- **3 in 5 Workers Are Concerned About Their Mental Health.** Sixty percent of workers are concerned about their mental health, including 29 percent who are “very concerned” and 31 percent who are “somewhat concerned.” Millennials (38 percent) and Generation Z (36 percent) are significantly more likely to be “very concerned” than Generation X (27 percent) and Baby Boomers (14 percent).

# Key Highlights

## *Physical and Mental Health (cont.)*

- **Workers Can Do More to Safeguard Their Health.** When asked about health-related activities they are doing on a consistent basis, more than seven in 10 workers (71 percent) are engaging in pandemic-related activities, including taking COVID-19 precautions (62 percent) and socializing with family and friends remotely (43 percent). Fifty-six percent are eating healthy, and 55 percent are exercising regularly. Fewer than half are getting plenty of rest, maintaining a positive outlook, avoiding harmful substances, managing stress, getting routine physicals and recommended health screenings, or seeking medical attention when needed. *Note: The survey was conducted prior to the widespread availability of COVID-19 vaccinations.*
- **Baby Boomers Are Taking More Health Precautions.** While most workers are engaging in one or more forms of health-related activity on a consistent basis, Baby Boomers are more likely than younger generations to be taking COVID-19 precautions (75 percent), maintaining a positive outlook (59 percent), getting routine physicals and recommended screenings (59 percent), getting plenty of rest (54 percent), seeking medical attention when needed (53 percent), and avoiding harmful substances (51 percent). *Note: The survey was conducted prior to the widespread availability of COVID-19 vaccinations.*

While it is unclear when the pandemic will end, it is indeed clear that workers can take additional steps to protect their health, ranging from eating healthy, exercising regularly, getting plenty of rest, and managing stress, to continuing to take COVID-19 precautions, staying on top of recommended health screenings, and caring for their mental health.

## *Employment Impacts*

At the time of the survey in late 2020, many employed workers had experienced some sort of negative impact to their employment that could affect their income and financial well-being. At the same time, on a more positive note, most workers also received some type of support from their employers such as the ability to work remotely, safety measures for on-site workers, and/or flexible hours.

During the pandemic, a noteworthy proportion of workers across generations currently serving as caregivers for a relative or friend and, when doing so, have made adjustments to their work situation.

# Key Highlights

## *Employment Impacts (cont.)*

- **4 in 10 Personally Experienced Negative Employment Impacts.** Among those employed in late 2020, more than four in 10 workers (43 percent) personally experienced one or more negative impacts to their employment situation as a result of the pandemic, including reduced hours (27 percent), reduced salaries (14 percent), furloughs (10 percent), layoffs (8 percent), and early retirement (4 percent). More than one in three workers (37 percent) had no impacts on their employment.
- **Generation Z Is More Likely to Have Been Negatively Impacted.** Almost six in 10 Generation Z workers (59 percent) indicate their employment situation has been negatively impacted as a result of the pandemic, which is significantly more than among Millennials (51 percent), Generation X (39 percent), and Baby Boomers (30 percent). A reduction in work hours was the most often cited negative impact across generations, including Generation Z (43 percent), Millennials (33 percent), Generation X (23 percent), and Baby Boomers (16 percent). Nearly half of Baby Boomers (48 percent) had no employment impacts.
- **Almost 8 in 10 Say Employers Offered Support During Pandemic.** Seventy-nine percent of workers indicate their employer offered one or more types of support during the pandemic, such as allowing people to work remotely (41 percent), implementing safety measures for on-site workers (35 percent), and/or allowing flexible hours (35 percent). However, fewer than one in five workers say their employer provided emergency paid leave (19 percent), provided access to mental health support (18 percent), or maintained employee benefits for furloughed workers (17 percent). Sixteen percent of workers indicate their employer did nothing to support employees during the pandemic.
- **Employer Support Varies by Generation.** Baby Boomers, Generation X, and Millennials (45 percent, 44 percent, and 40 percent, respectively) are more likely than Generation Z (26 percent) to indicate their employers allowed people to work remotely amid the pandemic. Baby Boomers (72 percent) are somewhat less likely to be offered the possible types of support, compared with Millennials, Generation Z, and Generation X (84 percent, 78 percent, and 76 percent, respectively).
- **Most Are Offered Some Type of Alternative Work Arrangements.** Eighty-two percent of workers indicate their employers offer one or more types of alternative work arrangements. The most often cited types of alternative arrangements are flexible work schedules (45 percent), the ability to work remotely (41 percent), the ability to adjust work hours as needed (39 percent), and the ability to take unpaid leave of absence (37 percent).
- **Alternative Work Arrangements Vary by Generation.** Younger workers are generally more likely to be offered flexible work arrangements than older workers. Ninety percent of Generation Z and 88 percent of Millennials are offered one or more types of alternative work arrangement by their employers, compared with 80 percent of Generation X and 72 percent of Baby Boomers.

# Key Highlights

## *Employment Impacts (contd.)*

- **Almost 4 in 10 Workers Are and/or Have Been Caregivers.** Caregiving for a loved one can put the caregiver's own health, employment, and financial situation at risk. During their careers, 39 percent of workers have served as a caregiver for a relative or friend, including 24 percent who are currently caregivers and 17 percent who have been a caregiver in the past. Millennial and Generation X workers (30 percent and 26 percent, respectively) are more likely than Generation Z and Baby Boomer workers (18 percent and 12 percent, respectively) to be currently serving as caregivers.
- **Nearly 9 in 10 Caregivers Made Work Adjustments.** Among workers who are serving and/or have served as caregivers, 87 percent made one or more work-related adjustments as a result of becoming a caregiver (e.g., missed days of work, reduced hours, began working an alternative schedule). Millennial, Generation Z, and Generation X workers (93 percent, 91 percent, and 86 percent, respectively) are more likely to have made adjustments than Baby Boomers (68 percent).

As the economy reopens and employers envision return-to-the-office plans, workers can expect additional adjustments to their work arrangements. While their employers' plans may be largely out of their control, workers can pay close attention to employer announcements, policies, and offerings, so they can assess their options and plan accordingly.

## *Current Financial Situation*

Many workers' finances have been negatively impacted by the pandemic. They have adjusted their finances ranging from reducing day-to-day expenses and dipping into savings to accumulating new credit card debt. Younger generations, Generation Z and Millennials, have been especially impacted.

Workers face competing financial priorities, including paying off debt, saving for retirement, and building emergency savings. According to the survey's findings, emergency savings are low among workers, which could lead them to dip into their retirement savings by taking loans and or early withdrawals, including hardship withdrawals.

- **Many Workers' Finances Have Been Negatively Impacted.** Almost half of workers (49 percent) say their financial situation has been negatively impacted by the pandemic, including 18 percent who have been impacted "a great deal" and 31 percent who have been "somewhat" impacted. Generation Z and Millennials (both 58 percent) are significantly more likely to indicate their financial situation has been negatively impacted, compared with Generation X (46 percent) and Baby Boomers (34 percent).

# Key Highlights

## *Current Financial Situation (cont.)*

- **6 in 10 Are Dealing With Pandemic-Related Financial Strain.** Sixty percent of workers have made adjustments due to pandemic-related financial strain. The most often cited adjustments are reducing day-to-day expenses (32 percent), dipping into savings accounts (24 percent), and accumulating new credit card debt (17 percent). Approximately one in seven workers reduced or stopped contributing to retirement accounts (14 percent), forewent health care (14 percent), or borrowed money from others (13 percent). Nine percent moved, and seven percent stopped paying their rent or mortgage.
- **Younger Generations More Likely to Be Dealing With Financial Strain.** Millennials (71 percent), Generation Z (69 percent), and Generation X (59 percent) are more likely to have made adjustments due to pandemic-related financial strain, compared with Baby Boomers (40 percent). Approximately one-third of Millennials, Generation Z, and Generation X workers reduced day-to-day expenses (36 percent, 33 percent, and 33 percent, respectively). Approximately three in 10 Generation X (32 percent) and Millennials (29 percent) dipped into savings accounts. Of concern, approximately one in five Millennials and Generation X accumulated new credit card debt (20 percent and 18 percent, respectively).
- **Workers Face Competing Financial Priorities.** Sixty-two percent of workers cite paying off one or more forms of debt as a current financial priority. A striking 59 percent cite saving for retirement and 45 percent cite building emergency savings as priorities. One in three workers (33 percent) cite supporting children as a priority. Almost three in 10 workers (28 percent) indicate they are just getting by to cover basic living expenses. Other often-cited financial priorities among workers include paying health care expenses (23 percent) and contributing to an education fund (21 percent).
- **Financial Priorities Vary Across Generations.** Generation Z workers are more likely to indicate they are just getting by to cover basic living expenses (50 percent) and paying off student loans (35 percent) than older generations. Baby Boomers, Generation X, and Millennials are significantly more likely than Generation Z to cite saving for retirement as a financial priority (75 percent, 65 percent, 53 percent, and 33 percent, respectively). Building emergency savings is a priority for 50 percent of Generation X, 46 percent of Millennials, 42 percent of Generation Z, and 36 percent of Baby Boomers. A noteworthy 20 percent of Millennials and 17 percent of Generation Z cite supporting parents. Across generations, more than half of workers cite paying off one or more forms of debt as a priority.
- **More Than 3 in 4 Workers Have Health Care Expense Accounts.** Seventy-six percent of workers are currently saving or have funds saved to pay for health care expenses, including through an individual account such as savings, checking, or brokerage (58 percent), a health savings account (HSA) (31 percent), and/or a flexible spending account (FSA) (19 percent). A concerning one in four workers (24 percent) are not saving for health care expenses.

# Key Highlights

## *Current Financial Situation (contd.)*

- **Millennials Are More Likely to Be Saving for Health Care Expenses.** Millennials (82 percent) are more likely to be saving in one or more types of accounts for health care expenses, compared with Generation Z (72 percent), Generation X (72 percent), and Baby Boomers (73 percent). However, of concern, a segment of workers across generations are not saving for health care expenses, including 28 percent of Generation Z, 28 percent of Generation X, 27 percent of Baby Boomers, and 18 percent of Millennials.
- **Emergency Savings Are Alarmingly Low.** Emergency savings are needed to cover financial setbacks, such as unemployment, medical bills, home repairs, auto repairs, and other unexpected expenses. Having emergency savings could also help prevent workers from dipping into their retirement savings to cover such expenses. However, workers have alarmingly low emergency savings – they have set aside only \$5,000 (median). Notably, emergency savings increase with age: Generation Z workers have saved \$2,000, while Millennials have saved \$5,000, Generation X has saved \$6,000, and Baby Boomers have saved \$10,000 (medians).
- **Dipping Into Retirement Accounts Is Not Uncommon.** A concerning percentage of workers are dipping into their retirement savings before they retire. Loans and withdrawals from retirement accounts can severely inhibit the growth of their long-term savings. More than one-third of workers (34 percent) have ever taken a loan, early withdrawal, and/or hardship withdrawal from their 401(k) or similar plan or IRA, including 25 percent who have taken a loan and 25 percent who have taken an early and/or hardship withdrawal. Millennials (44 percent) are more likely to have ever dipped into retirement savings than Generation X (33 percent), Generation Z (30 percent), and Baby Boomers (17 percent).
- **Paying Off Debt Tops the List of Reasons for Taking 401(k) Loans.** Among those who have taken a loan from their 401(k) or similar plan, the most frequently cited reason for doing so is to pay off debt (41 percent), including credit card debt (32 percent) and/or other debt (19 percent). Other reasons include a financial emergency (32 percent), home improvements (30 percent), and medical bills (26 percent). Millennials (44 percent), Generation X (40 percent), and Baby Boomers (38 percent) are slightly more likely to cite paying off debt than Generation Z (31 percent).
- **Reasons for Hardship Withdrawals from 401(k)s.** Among those who have taken a hardship withdrawal from a 401(k) or similar plan, the most often-cited reasons for doing so are paying for certain medical expenses (21 percent), paying for tuition and related educational fees (18 percent), expenses and losses incurred due to a disaster in a federally declared disaster area (15 percent), and payments to prevent eviction from principal residence (12 percent).

# Key Highlights

## *Current Financial Situation (contd.)*

- **Relatively Few Workers Have Set Forth Legal Documentation.** When asked about the types of financial and medical-related legal documents they have set forth, workers most frequently cite a last will and testament (27 percent), a medical power of attorney or proxy (22 percent), and a power of attorney for finances (22 percent). Fewer than one in five workers have an advance directive or living will (18 percent), a trust (16 percent), funeral and burial arrangements (14 percent), and HIPAA waiver (13 percent). However, nearly half of workers (46 percent) do not have any legal documents in place.
- **Baby Boomers Are Generally More Likely to Have Legal Documents.** Baby Boomers are generally more likely than younger generations to have set forth legal documents, such as a last will and testament (46 percent), medical power of attorney or proxy (28 percent), power of attorney for finances (25 percent), advance directive or living will (25 percent), and funeral and burial arrangements (19 percent). Of concern, many workers across generations do not have any legal documents in place.

Given their financial strains, financial priorities and the need to build emergency savings, many workers could benefit from taking time to fully assess their situation, identify opportunities and vulnerabilities, and build financial plans. They could also set forth financial and medical-related legal documents outlining their wishes and designating a representative who can make decisions on their behalf if they are unable to do so. These documents are especially timely and relevant amid a pandemic.

## *Visions and Expectations of Retirement*

Despite the immediacy and intensity of the pandemic, most workers are keeping their sights set on their future retirement. They are planning on long lives and long retirements. Their retirement dreams range from travel and spending more time with family and friends, to pursuing hobbies and volunteerism. Some are even dreaming of doing paid work.

Many of today's workers expect to work beyond age 65 or do not plan to retire — and the majority plan to continue working at least part-time in retirement, a finding that is consistent with previous TCRS surveys. Most plan to do so for both healthy aging and financial-related reasons. Some workers indicate their expected retirement age has changed because of the pandemic.

- **Many Envision Long Lives and Long Retirements.** Today's workers are planning to live to age 88 (median) among those who provided an age when asked how long they are planning to live to. Thirteen percent are planning to live to age 100 or older. Thirty-eight percent are “not sure.” An implication for increased longevity is potentially more time spent in retirement. The survey compared workers' planned life expectancy with their expected retirement age and found that they plan to spend 25 years in retirement (median).

# Key Highlights

## *Visions and Expectations of Retirement (cont.)*

- **1 in 6 Generation Z and Millennials Plan to Be Centenarians.** Generation Z and Millennial workers are planning to live longer than their older counterparts. One in six Generation Z and Millennials (17 percent and 16 percent, respectively) are planning to live to age 100 or older, compared with Generation X (10 percent) and Baby Boomers (9 percent). Generation Z and Millennial workers also plan to spend more time in retirement (30 years and 27 years, respectively), which is somewhat longer than Generation X (23 years) and Baby Boomers (22 years) (medians).
- **Most Cite Positive Word Associations With “Retirement.”** Eighty-six percent of workers cite positive word associations with “retirement” compared with only 44 percent who cite negative words. Workers’ top three positive word associations are “freedom” (53 percent), “enjoyment” (49 percent), and “stress-free” (37 percent), while the top three negative word associations are “health decline” (19 percent), “financial insecurity” (18 percent), and “boredom” (18 percent).
- **All Four Generations Cite Positive Word Associations.** More than eight in 10 workers across generations cite one or more positive word associations with “retirement.” Workers from the four generations share the most often-cited positive words: “freedom,” “enjoyment,” and “stress-free.” However, Generation Z and Millennial workers (53 percent and 48 percent, respectively) are more likely to cite one or more negative word associations, compared with Generation X (41 percent) and Baby Boomers (34 percent).
- **Workers Are Dreaming of an Active Retirement.** Traveling (65 percent) is workers’ most frequently cited retirement dream, followed by spending more time with family and friends (59 percent), and pursuing hobbies (51 percent). A noteworthy 38 percent of workers dream of doing some form of paid work in retirement, such as starting a business (20 percent), pursuing an encore career (17 percent), and/or continuing to work in the same field (14 percent). More than one in four workers (26 percent) dream of doing volunteer work in retirement.
- **Workers Across Generations Share Similar Retirement Dreams.** Workers’ top three retirement dreams — traveling, spending more time with family and friends, and pursuing hobbies — are shared across generations. However, some dreams differ. Almost half of Millennials (49 percent) dream of doing some form of paid work in retirement (i.e., starting a business, pursuing an encore career, continue working in the same field), compared with significantly fewer Generation Z (37 percent), Generation X (36 percent), and Baby Boomers (21 percent).

# Key Highlights

## *Visions and Expectations of Retirement (cont.)*

- **Retirement Fears Range from Financial to Health-Related.** The most frequently cited retirement fears are outliving savings and investments (42 percent), declining health that requires long-term care (39 percent), a reduction in or elimination of Social Security in the future (38 percent), and possible long-term care costs (34 percent). Almost one in three workers fear cognitive decline/dementia/Alzheimer's Disease (32 percent) and not being able to meet the basic financial needs of their family (32 percent). Other fears include losing independence (29 percent), lack of access to adequate and affordable healthcare (29 percent), feeling isolated and alone (27 percent), affordable housing (22 percent), and finding meaningful ways to spend time and stay involved (21 percent).
- **Retirement Fears Vary Across Generations.** Workers' retirement fears range from financial to health-related but vary by generation. While workers across generations fear outliving their savings and investments to a greater or lesser extent, Baby Boomers (46 percent) are somewhat more likely than younger generations to fear declining health that requires long-term care. Baby Boomers and Generation X are more likely to fear reductions in or elimination of Social Security in the future (both 42 percent). Millennials and Generation Z are more likely to fear feeling isolated and alone (31 percent and 38 percent, respectively). Generation Z (44 percent) is significantly more likely to fear they will be unable to meet the basic needs of their families.
- **Pandemic Has Not Changed When Most Workers Expect to Retire.** More than six in 10 workers (61 percent) say that the pandemic has not changed when they expect to retire. Thirty-one percent say that it has changed their retirement expectations, including 22 percent who expect to retire later and 9 percent who expect to retire earlier. Millennials (28 percent) are more likely to say that they expect to retire later due to the pandemic, compared with Generation Z, Generation X, and Baby Boomers (19 percent, 19 percent, and 15 percent, respectively).
- **Almost Half of Workers Expect to Work Past Age 65.** Forty-nine percent of workers expect to work past age 65 or do not plan to retire. Expectations of doing so increase with age. More than seven in 10 Baby Boomers (72 percent) either expect to or are already working past age 65 or do not plan to retire, compared with 51 percent of Generation X, 37 percent of Millennials, and 36 percent of Generation Z. In contrast, approximately four in 10 Generation Z and Millennials (40 percent and 39 percent, respectively) plan to retire before age 65. Approximately one in eight workers across generations do not plan to retire.

# Key Highlights

## *Visions and Expectations of Retirement (cont.)*

- **More Than Half of Workers Plan to Work in Retirement.** Fifty-seven percent of workers plan to work after they retire, including 37 percent who plan to work part-time and 20 percent full-time. Just 27 percent do not plan to work after they retire, and 17 percent are not sure. Generation X and Millennials (61 percent and 59 percent, respectively) are more likely to be planning to work in retirement than Baby Boomers and Generation Z (both 47 percent).
- **Health and Financial Reasons for Working in Retirement.** Among workers who are or plan to work in retirement and/or past age 65, an equal proportion cite healthy-aging and financial reasons (both 80 percent). The most often cited healthy-aging reason is to be active (54 percent), while the top financial reason is wanting the income (53 percent). Other frequently cited healthy-aging reasons cluster around “keep my brain alert” (47 percent), “enjoy what I do” (40 percent), and “have a sense of purpose” (40 percent). Other frequently cited financial reasons cluster around “concerned that Social Security will be less than expected” (31 percent), “can’t afford to retire” (29 percent), and “need health benefits” (26 percent).
- **Generations Share Common Reasons for Working in Retirement.** Workers across generations similarly share financial and healthy aging-related reasons for working past age 65 and/or in retirement with some differences. Baby Boomers (67 percent) are somewhat more likely than other generations to indicate they want the income. Generation X and Baby Boomers (36 percent and 34 percent, respectively) are somewhat more likely to be concerned that Social Security benefits will be less than expected. Millennials and Generation Z (28 percent and 24 percent, respectively) are somewhat more likely to cite personal development as a reason.
- **Proactive Steps Taken to Help Ensure Continued Work.** Workers must be healthy enough and have access to employment opportunities to be able to work as long as they want and need. While more than eight in 10 workers have taken one or more proactive steps to continue working (84 percent), only 57 percent are staying healthy, 50 percent are keeping their job skills up to date, 29 percent are networking and meeting new people, and 26 percent are taking classes to learn new skills. Approximately one in five workers are scoping out the employment market (20 percent) or obtaining a new degree, certification, or professional designation (18 percent). Sixteen percent have not taken any steps.

# Key Highlights

## *Visions and Expectations of Retirement (cont.)*

- **Workers Across Generations Can Take More Proactive Steps.** Workers across generations have an opportunity to take more proactive steps to help ensure they can continue to work as long as they want and need. While it is encouraging that Generation Z and Millennials (90 percent and 89 percent, respectively) have taken one or more steps, relatively few are staying healthy so they can continue working (57 percent and 52 percent, respectively) or keeping their job skills up to date (both 54 percent), which are key ingredients for achieving success. Because retirement is becoming closer on the horizon, and many may be facing savings shortfalls that necessitate continued work, it is concerning that 26 percent of Baby Boomers and 18 percent of Generation X have not taken any steps.
- **Are Today's Employers Age Friendly?** Almost seven in 10 workers (67 percent) consider their employers to be “age friendly” by offering opportunities, work arrangements, and training and tools needed for employees of all ages to be successful in their current role or contribution to the company. Sixteen percent of workers say their employers are not age friendly and 17 percent are “not sure.” Millennial workers are somewhat more likely to characterize their employers as age friendly (72 percent) than Generation Z (66 percent), Generation X (65 percent), and Baby Boomers (60 percent).

As workers plan to extend their working lives beyond age 65, it is important they become more proactive about taking steps that can help protect their employability, such as protecting their health, keeping their job skills up to date, staying abreast of the employment market, and networking and meeting new people.

## *Retirement Savings, Planning, and Preparations*

Workers are expecting diverse sources of retirement income and many are concerned about the future of Social Security. It is remarkable that more than eight in 10 workers are saving for retirement in an employer-sponsored 401(k) or similar plan and/or outside the workplace, even as they are contending with pandemic-related financial strains. Despite the impressive number who are saving for retirement, many workers may not be saving enough, based on their reported household retirement savings.

While many workers are confident about their ability to fully retire with a comfortable lifestyle, relatively few are very confident. Most workers say their retirement confidence has stayed the same amid the pandemic.

# Key Highlights

## *Retirement Savings, Planning, and Preparations (cont.)*

- **Retirement Confidence Has Stayed the Same for Most Workers.** Almost two-thirds of workers (64 percent) indicate their confidence in their ability to retire comfortably has stayed the same in light of the pandemic. Sixteen percent of workers indicate their confidence has declined, while 11 percent say it has improved. Across generations, Baby Boomers (76 percent) are more likely than Generation Z, Generation X, and Millennials (64 percent, 62 percent, and 60 percent, respectively) to indicate their retirement confidence has stayed the same.
- **Almost 3 in 4 Workers Are Confident About Retirement.** Seventy-three percent of workers are confident that they will be able to fully retire with a comfortable lifestyle, including 24 percent who are “very” confident and 49 percent who are “somewhat” confident. While confidence is similar across generations, Millennials (30 percent) are more likely to be “very” confident than Baby Boomers (21 percent), Generation X (19 percent), and Generation Z (16 percent).
- **Almost 7 in 10 Think They Are Building a Large Enough Nest Egg.** Sixty-eight percent of workers agree that they are currently building a large enough retirement nest egg, including 30 percent who “strongly agree” and 38 percent who “somewhat agree.” Millennials (35 percent) are more likely to “strongly agree” than Baby Boomers, Generation X, and Generation Z (28 percent, 27 percent, and 19 percent, respectively).
- **Workers Are Expecting Diverse Sources of Retirement Income.** Eighty-two percent of workers expect self-funded savings to be sources of retirement income, including 401(k), 403(b), and IRAs (71 percent) and/or other savings and investments (48 percent). Two-thirds of workers (66 percent) cite Social Security, while 26 percent cite company-funded pension plans as sources of income. Almost four in 10 workers (37 percent) are expecting income from continued work. Fewer than one in five workers are expecting retirement income from home equity (18 percent) or an inheritance (14 percent).
- **Sources of Retirement Income Vary Somewhat by Generation.** Self-funded savings in retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) and/or other savings and investments are similarly cited as expected sources of retirement income by workers across generations. However, the survey finds some noteworthy differences with other expected sources. Baby Boomers (87 percent) are more likely to expect Social Security to be a source of income than younger generations. Millennials (40 percent) are somewhat more likely than other generations to cite retirement income from working. In most cases, Generation Z is somewhat less likely to cite any of the potential sources of retirement income, a finding that is not surprising given their younger age.

# Key Highlights

## *Retirement Savings, Planning, and Preparations (cont.)*

- **1 in 3 Baby Boomers Expect to Rely on Social Security.** Baby Boomers (34 percent) are more likely to expect Social Security to be their *primary* source of income in retirement, compared with Generation X (23 percent), Millennials (14 percent), and Generation Z (12 percent). In contrast, Generation Z (62 percent), Millennials (58 percent) and Generation X (51 percent) are more likely than Baby Boomers (43 percent) to cite self-funded savings, such as 401k(s), 403(b)s, IRAs and/or other savings and investments. Thirteen percent of all workers expect their primary source of retirement income to come from working, a finding that it is more often cited by Generation Z (17 percent), Millennials (16 percent), and Generation X (13 percent), compared with Baby Boomers (7 percent). *Note: 401(k)s did not become readily available until the 1990s, a time at which Baby Boomers were already well into their careers and, therefore, they have not had as much time to save in them.*
- **Almost 3 in 4 Workers Are Concerned About Social Security.** Seventy-three percent of workers agree with the statement, “I am concerned that when I am ready to retire, Social Security will not be there for me,” including 32 percent who “strongly agree” and 41 percent who “somewhat agree.” Generation X (77 percent), Millennials (77 percent), and Generation Z (70 percent) are more likely to agree than Baby Boomers (60 percent). Millennials (38 percent) and Generation X (36 percent) are more likely to “strongly agree” than Generation Z (22 percent) and Baby Boomers (19 percent).
- **Workers Should Learn More About Social Security Benefits.** A strong knowledge of government benefits is important for all future retirees and especially important for workers nearing retirement. Only 25 percent of all workers know “a great deal” about Social Security benefits— and only 21 percent of age 50-plus workers know “a great deal” about them. Moreover, among age 50-plus workers who expect to rely on Social Security as their primary source of income in retirement, only 20 percent know a “great deal” about Social Security benefits.
- **More than 8 in 10 Workers Are Saving for Retirement.** Eighty-two percent of workers are saving for retirement through employer-sponsored plans, such as a 401(k) or similar plan, and/or outside the workplace. Baby Boomers (84 percent), Generation X (84 percent), and Millennials (82 percent) are more likely than Generation Z (70 percent) to be saving. Among those saving for retirement, Generation Z started saving at age 19, Millennials at age 25, Generation X at age 30, and Baby Boomers at age 35 (medians).
- **Almost 7 in 10 Are Saving for Retirement Outside of Work.** Sixty-eight percent of workers are saving for retirement outside of work, such as in an IRA, mutual funds, bank account, etc. Baby Boomers (71 percent), Generation X (71 percent), and Millennials (69 percent) are more likely to be saving for retirement outside of work, compared with Generation Z (54 percent).

# Key Highlights

## *Retirement Savings, Planning, and Preparations (cont.)*

- **Workers Have a Variety of Retirement Savings & Investments.** Among workers who are saving for retirement outside of work, the most often cited types of savings and investments they currently have specifically for retirement, are a bank account such as savings, checking, money market, and CDs (66 percent), a 401(k) or similar plan (50 percent), and an individual retirement account (IRA) (41 percent). Some workers cite saving for retirement via a brokerage account (38 percent), life insurance policy (36 percent), and/or primary residence (27 percent). Fewer than one in five workers have a health savings account (HAS) (16 percent), an annuity (16 percent), and/or real estate investments other than their primary residence (15 percent).
- **Types of Retirement Savings & Investments by Generation.** Workers across generations who are saving for retirement outside of work most frequently utilize a bank account, 401(k) or similar plan, and/or IRA to save and invest specifically for retirement. However, there are noteworthy differences by generation. Generation X workers (40 percent) are somewhat more likely to cite a life insurance policy. Baby Boomers (38 percent) are more likely to cite their primary residence. Millennials are more likely to cite an HSA account. Generation Z workers who are saving for retirement outside of work report lower use for most of these types of retirement savings and investments, a finding that is not surprising given that they are just beginning to build their retirement nest eggs.
- **Are Workers Adequately Saving for Retirement?** Total household retirement savings among all workers is \$93,000 (estimated median). Baby Boomer workers have the most retirement savings at \$202,000, compared with Generation X (\$107,000), Millennials (\$68,000), and Generation Z (\$26,000) (estimated medians). The proportion of workers having saved \$250,000 or more increases with age: 11 percent of Generation Z, 25 percent of Millennials, 32 percent of Generation X, and 45 percent of Baby Boomers. In contrast, the proportion of workers who have saved less than \$25,000 directionally decreases with age: 37 percent of Generation Z, 27 percent of Millennials, 20 percent of Generation X, and 16 percent of Baby Boomers.
- **Almost Half Don't Have Enough Income to Save for Retirement.** Forty-eight percent of workers agree with the statement, "I don't have enough income to save for retirement," including 20 percent who "strongly agree" and 28 percent who "somewhat agree." Generation Z (55 percent), Millennials (49 percent), and Generation X (48 percent) are more likely to agree, compared with Baby Boomers (40 percent).
- **Fewer Than Half Are Aware of the Saver's Credit (Tax Credit).** The Saver's Credit is a tax credit for eligible taxpayers who save for retirement in a qualified retirement plan, IRA, or ABLE account. Fewer than half of workers (48 percent) are aware of it. Millennials (63 percent) are most likely to be aware of the Saver's Credit, compared with Generation Z (46 percent), Generation X (46 percent), and Baby Boomers (26 percent).

# Key Highlights

## *Retirement Savings, Planning, and Preparations (cont.)*

- **Debt Is Interfering With Ability to Save for Retirement.** Forty-nine percent of workers agree with the statement, “Debt is interfering with my ability to save for retirement,” including 20 percent who “strongly agree” and 29 percent who “somewhat agree.” Millennials (57 percent), Generation X (51 percent), and Generation Z (51 percent) are more likely to agree, compared with Baby Boomers (32 percent). Of concern, 24 percent of Millennials, 22 percent of Generation X, and 19 percent of Generation Z “strongly agree,” compared with 12 percent of Baby Boomers.
- **Workers Have a Limited Understanding of Asset Allocation Principles.** Fewer than four in 10 workers (38 percent) have “a great deal” or “quite a bit” of understanding of asset allocation principles as they relate to retirement investing, including 14 percent who know “a great deal” and 24 percent who know “quite a bit.” Millennials (19 percent) have “a great deal” of understanding, compared with Generation X (13 percent), Generation Z (9 percent), and Baby Boomers (8 percent). A concerning one in five workers (21 percent) have no understanding of asset allocation principles.
- **Many May Be Procrastinating Retirement Investing.** Forty percent of workers agree with the statement, “I prefer not to think about or concern myself with retirement investing until I get closer to my retirement date,” including 13 percent who “strongly agree” and 27 percent who “somewhat agree.” As may be expected, younger workers are more likely to agree with this statement than workers: Generation Z (54 percent), Millennials (48 percent), and Generation X workers (38 percent), compared with Baby Boomers (23 percent).
- **Workers’ Estimated Retirement Savings Needs.** Workers estimate they will need \$500,000 (median) by the time they retire in order to feel financially secure. This estimate is shared by Generation Z and Generation X. Baby Boomers estimate they will need \$750,000 and Millennials estimate they will need only \$300,000 (medians). Almost one in five workers (19 percent) estimate they will need to save \$2,000,000 or more, including Generation Z (12 percent), Millennials (18 percent), Generation X (22 percent), and Baby Boomers (19 percent).
- **Many Workers Are Guessing Their Retirement Savings Needs.** Among workers who provided an estimate of their retirement savings needs, 43 percent indicate they guessed on what it should be. Thirty-eight percent based their estimate on their current living expenses. Only 25 percent used a retirement calculator or completed a worksheet, with Millennials (29 percent) and Generation X (26 percent) being somewhat more likely than Baby Boomers (20 percent) and Generation Z (14 percent) to have done so. Millennials (19 percent) are more likely to have based their estimates on an amount given to them by a financial advisor, compared with Generation X (14 percent), Baby Boomers (10 percent), and Generation Z (8 percent).

# Key Highlights

## *Retirement Savings, Planning, and Preparations (cont.)*

- **One-Third Have a Written Financial Strategy for Retirement.** Achieving retirement security involves more than just saving and investing. It requires having a well-defined financial strategy. Most workers (76 percent) have some form of financial strategy for retirement, but only 33 percent have a written plan. The other 43 percent have a plan, but it is not written down. Millennials (39 percent) are more likely to have a written plan, compared with Generation X (32 percent), Generation Z (26 percent), and Baby Boomers (24 percent).
- **Many Don't Have a Backup Plan if Retirement Comes Unexpectedly.** As workers plan to extend their working lives and continue working in retirement, attention should be given to life's unforeseen circumstances, which could derail the best of intentions. Fewer than four in 10 workers (37 percent) have a backup plan for retirement income if they are unable to work before their planned retirement. Millennials (45 percent) are more likely to have backup plans, compared with Generation X (33 percent), Generation Z (32 percent), and Baby Boomers (30 percent).
- **Less Than Half Are Very Familiar with Spouse's/Partner's Savings.** Among workers who are married or living with a partner, 75 percent say they are familiar with their spouse's or partner's savings, yet only 48 percent are "very familiar." Millennials (79 percent) are somewhat more likely to be familiar with their spouse's or partner's savings, compared with Generation X (74 percent), Baby Boomers (70 percent), and Generation Z (66 percent).
- **Almost 4 in 10 Workers Use a Professional Financial Advisor.** Thirty-nine percent of workers use a professional financial advisor to help them manage their savings and investments. Millennials (43 percent), Baby Boomers (41 percent), and Generation X (38 percent) are more likely to use an advisor than Generation Z (22 percent).
- **A Wide Variety of Services Are Performed by Financial Advisors.** Among those who use a financial advisor, workers most frequently use them to make retirement investment recommendations (57 percent), followed by calculating a retirement savings goal (42 percent) and general financial planning (39 percent). Across generations, the use of financial advisor services varies. Baby Boomers (75 percent) and Generation X (66 percent) are more likely to use their financial advisors for retirement investment recommendations, compared with Millennials (45 percent) and Generation Z (29 percent).
- **Frequency (or Infrequency) of Conversations About Retirement.** Retirement is a family matter that calls for important conversations about plans, expectations, needs, and vulnerabilities. Fewer than one in four workers (24 percent) frequently discuss saving, investing, and planning for retirement with family and close friends, while 55 percent occasionally discuss it, and 22 percent never discuss it. Baby Boomers (13 percent) are less likely to frequently discuss it, compared with Millennials (31 percent), Generation Z (26 percent), and Generation X (22 percent).

# Key Highlights

## *Retirement Savings, Planning, and Preparations (cont.)*

In addition to saving and investing for retirement, workers can and should be taking additional planning-related action steps that could improve their current financial situation and long-term retirement outlook. For those needing assistance, they may want to consider consulting with a professional financial advisor.

## *The Importance of Employer-Sponsored Retirement Benefits*

Employers play a vital role in helping workers save and invest for retirement. Employer-sponsored retirement benefits, such as 401(k) or similar plans, have proven to be highly effective at encouraging savings through the convenience of payroll deductions, access to institutional investments and advice, educational offerings, and matching contributions. Employer sponsorship rates of 401(k) or similar plans are already high — yet with room for further growth. Expanding coverage to part-time workers can also help improve workers' retirement outcomes.

- **Workers Highly Value Retirement Benefits.** Workers highly value retirement benefits. Ninety-one percent of workers value a 401(k) or similar retirement plan as an important benefit, a finding which is similar across generations. More than four in five workers (84 percent) agree that the next time they look for a job, all things being equal, the retirement benefits offered by the prospective employer will be a major factor in their final decision to accept an offer or not. Generation X (87 percent) and Millennials (86 percent) are more likely to agree that retirement benefits will be a major decision-making factor, compared with Generation Z (78 percent) and Baby Boomers (76 percent).
- **3 in 4 Workers Are Offered a 401(k) or Similar Plan.** Seventy-five percent of workers have access to a 401(k) or similar employee-funded retirement plan in the workplace. Millennials (79 percent) are somewhat more likely than Generation X (75 percent), Generation Z (71 percent), and Baby Boomers (70 percent) to have access to an employee-funded plan. Of great concern is that almost one in five workers (18 percent) are not offered any retirement benefits.
- **Full-Time Workers Are More Likely to Be Offered a 401(k).** Full-time workers (80 percent) are far more likely to have access to a 401(k) or similar employee-funded plan compared with part-time workers (51 percent). Among part-time workers, Generation Z workers (61 percent) are significantly more likely, and Millennials (52 percent) are somewhat more likely to have benefits compared with Baby Boomers (42 percent) and Generation X (41 percent).

# Key Highlights

## *The Importance of Employer-Sponsored Retirement Benefits*

- **Having Access to a 401(k) Inspires Workers to Save.** Workers who are offered a 401(k) or similar retirement plan by their employer are more likely to save and invest for retirement in the plan and/or outside of work (91 percent) compared with those who do not have access to such plans (53 percent). Among workers who are not offered a plan, Baby Boomers are much more likely to be saving for retirement (64 percent) than Generation X (53 percent), Millennials (49 percent), and Generation Z (38 percent).
- **When Offered a Plan, Three in Four Participate.** Eighty-one percent of workers who are offered a 401(k) or similar plan participate in that plan. Participation rates are higher among Generation X (86 percent), Baby Boomers (81 percent), and Millennials (80 percent) than Generation Z (69 percent). Workers who participate in such a plan contribute 12 percent (median) of their annual salary into their plans. Generation Z and Millennials contribute 15 percent to their plans, while Generation X and Baby Boomers are contributing 10 percent (medians).
- **About Half Contribute 10 Percent or More to Retirement Plans.** Fifty-one percent of workers participating in a 401(k) or similar retirement plan contribute more than 10 percent of their salaries to their plan, with 37 percent contributing more than 15 percent, and 14 percent contributing 11 - 15 percent of their annual pay into the plan. Slightly less than half of workers participating in a plan (49 percent) save 10 percent or less.
- **More Than 2 in 5 Across Generations Are “Super Savers.”** “Super savers,” or workers who participate in a 401(k) or similar retirement plan and contribute more than 10 percent of their salaries into the plan, are found across generations. These “super savers” include 59 percent of Millennials, 58 percent of Generation Z, 46 percent of Generation X, and 42 percent of Baby Boomers.
- **6 in 10 Plan Participants Use Professionally Managed Accounts.** “Professionally managed” accounts refer to a managed account service, strategic allocation funds, and/or target date funds. The majority of plan participants (62 percent) use a professionally managed offering in their 401(k) or similar plans, including 29 percent who invest in strategic allocation funds, 28 percent in target date funds, and 25 percent who use a managed account service.
- **Professionally Managed Account Usage Varies by Generation.** Among those participating in a 401(k) or similar plan, Millennials (73 percent) are more likely to use one or more types of professionally managed account, compared with Generation Z (62 percent), Generation X (59 percent), and Baby Boomers (44 percent). However, the proportion of plan participants that indicate they set their own asset allocation percentage among the available funds is relatively similar across generations, including Baby Boomers (49 percent), Generation X (47 percent), Millennials (44 percent), and Generation Z (44 percent).

# Key Highlights

## *The Importance of Employer-Sponsored Retirement Benefits*

- **Almost Two-Thirds Want More Retirement Information and Advice.** Sixty-five percent of workers would like more information and advice from their employers on how to reach their retirement goals. This desire is highest among Millennials (78 percent), while also strong among Generation X (69 percent), Generation Z (66 percent), and, to a lesser extent, Baby Boomers (41 percent).
- **Employers Can Do More to Facilitate Retirement Transitions.** Workers may find it difficult to have a phased transition into retirement at their current employer — only 40 percent of workers indicate their employers offer opportunities such as accommodating flexible work schedules and arrangements (22 percent), enabling employees to reduce work hours and shift from full-time to part-time (20 percent), and/or enabling employees to take positions that are less stressful or demanding (18 percent). Only 21 percent of employers encourage employees to participate in succession planning, training, and mentoring. Fewer than one in five workers indicate their employers offer financial counseling about retirement, offer retirement-oriented lifestyle and transition planning resources, provide seminars and education about transitioning into retirement, or provide information about encore career opportunities.
- **Baby Boomers Less Likely to Have Retirement Transition Support.** Slightly fewer than one in four Baby Boomer workers (24 percent) say their employers offer one or more types of flexible transition arrangements for pre-retirees, compared with 52 percent of Millennials, 44 percent of Generation Z, and 36 percent of Generation X. One in four Baby Boomers (40 percent) say their employers do “nothing” to help pre-retirees transition into retirement.
- **An Opportunity to Close the Employee Benefits Gap.** In addition to retirement benefits, health and welfare benefits can enhance workers’ financial security. These benefits can bring insurance protections, mitigate out-of-pocket healthcare expenses, provide the possibility of additional resources in a time of need, and offer wellness help. Most workers believe these benefits are important; however, a significant gap exists between the percentage of workers who believe they are important and the percentage who are offered them by their employers. This represents an opportunity for employers to increase the competitiveness of their compensation and benefits packages, while helping their employees achieve greater long-term financial security.

# Key Highlights

## *The Importance of Employer-Sponsored Retirement Benefits*

- **The Employee Benefits Gap Applies to All Four Generations.** The importance of various types of health and welfare benefits varies by generation. While more than nine in 10 workers across the four generations consider health insurance to be important, Generation Z, Millennials, and Generation X are generally more likely than Baby Boomers to find the other types of health and welfare benefits listed to be important. Across generations, a significant gap exists between the percentages of workers who believe they are important compared with the percentage who are offered them by their employers.

Beyond offering retirement benefits, employers could profoundly influence their workers' financial security and preparations for older age in a number of other ways. These include offering health and welfare benefits, workplace wellness programs, flexible work arrangements to promote work-life balance, retirement planning and counseling services, and phased retirement alternatives — and fostering an age-friendly work environment in which employees of all ages are valued and can be successful.

The pandemic has exposed weaknesses and revealed opportunities for improving retirement security among workers. The insights gained can be applied toward effecting positive change for current and future generations.

Workers' ability to achieve a secure retirement ultimately depends on access to meaningful employment throughout their working years, the availability of retirement, and health and welfare benefits, and the preservation of safety nets such as Social Security and Medicare.

As we emerge from the pandemic, we have an unprecedented opportunity to strengthen the fabric of our retirement system — including how we live, work, retire, and age with dignity.

Catherine Collinson

CEO and President, Transamerica Institute® and Transamerica Institute®

# Recommendations for Workers

Workers across generations have been hard hit by the COVID-19 pandemic and recession. As we emerge from the pandemic, it is important for workers to focus on their physical and mental health, financial well-being, and their future retirement. Action steps include:

1. **Engage in financial planning to gain a full understanding of your financial situation.** Create a budget, prioritize expenses, set short- and long-term goals, learn about investing, and develop a retirement strategy to help improve your fiscal health. If you delayed mortgage or rent payments, learn what your obligation is to make past due payments and what financial assistance may be available to you.
2. **If possible, save or continue saving for retirement.** By starting as early as possible and consistently saving over time, even small amounts can add up over a decades-long working life. If you paused saving for retirement due to the pandemic, start saving again as soon as feasible.
3. **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, explore options to contribute to an IRA consistently. Job seekers should take retirement benefits into consideration as part of an overall compensation package.
4. **Avoid taking loans and early withdrawals from retirement accounts,** which can severely inhibit their long-term growth. Before tapping into retirement savings, explore all possible alternatives.
5. **Review your retirement savings portfolio to ensure investments are consistent with your risk profile and years to retirement.** Learn about professionally managed accounts, target date funds, and strategic allocation. Seek assistance from your retirement plan provider or a professional financial advisor, if needed.
6. **Calculate retirement savings needs, develop a retirement strategy, and write it down.** Factor in living expenses, health care, long-term care needs, and government benefits, as well as funds for pursuing retirement dreams.
7. **Take advantage of the Saver's Credit.** Check if you qualify for the Saver's Credit, a tax credit available to eligible taxpayers who contribute to a 401(k) or similar plan, an IRA, or an ABLE account.
8. **Be proactive to help ensure continued employment now and in retirement.** As the economy reopens, take proactive steps to stay employed and engage in the new landscape of work by learning new skills, honing current skills, and staying current on employment trends.
9. **Create 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 physical and mental health.** Continue to take precautions to mitigate the spread of COVID-19. Explore affordable ways to reduce stress and address anxiety. Consider health implications when making lifestyle decisions.
11. **Beware of scams.** Be hypervigilant about suspicious text messages, email, or calls – especially relating to COVID.

# Recommendations for Employers

Amid the pandemic, employers faced critical decisions about staffing, safety protocols, supporting employees, and more. Now, as the economy recovers from the pandemic and employers envision their post-pandemic workplaces, it is important to note the vital role employers play in supporting the long-term health and financial well-being of their employees. Employers have an opportunity to enhance their business practices and benefits offerings. Specific opportunities for consideration include:

1. **Clearly communicate changes to the workplace.** Transparent and frequent communication with employees may help alleviate anxiety about returning to the office.
2. **Offer flexible work arrangements that support work-life balance** and employees' personal responsibilities such as parenting, home-schooling, and caregiving.
3. **Offer health and welfare benefits that promote physical, mental, and financial health and well-being** such as health, disability, and life insurance; workplace wellness and financial wellness programs; and employee assistance programs.
4. **Offer a retirement plan or achieve efficiencies by joining a multiple employer plan (MEP), a pooled employer plan (PEP), or a group of plans (GOP).** If a plan is not already in place, take advantage of the tax credit available for starting a retirement plan or joining a MEP, PEP, or GOP.
5. **Extend benefits eligibility to part-time workers**, including health insurance and retirement plan offerings. For part-time workers not offered health insurance, provide information about the options available in the marketplace. For part-time workers who do not qualify as long-term employees for retirement benefits under the SECURE Act, considering providing them with the ability to contribute to an IRA through payroll deduction.
6. **Promote the benefits your company offers**, including retirement planning and educational resources available through your retirement plan provider, and health and wellness programs available through your employee benefit providers. Increasing awareness of these offerings may help employees increase their physical, mental, and financial well-being.
7. **Foster an age-friendly work environment and adopt diversity, equity and inclusion business practices** that include age among other demographic factors (e.g., gender, race, religion, sexual orientation).
8. **Encourage lifelong learning opportunities** for workers to keep their skills up to date or learn new skills to help them remain employable in a fast-changing job market.
9. **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., due to health issues, job loss, family obligations). Provide information about Social Security and Medicare.
10. **Create opportunities for workers to phase into retirement** by allowing for a transition from full-time to part-time, working in different capacities or different locations, or having a more flexible schedule.

# Recommendations for Policymakers

As policymakers are paving the way for the country's recovery from the pandemic, they have an opportunity to improve diversity, equity, and inclusion in all aspects of American life – including people's health and long-term financial well-being. It is now more urgent than ever to implement policy reforms to strengthen social safety nets, make it more affordable for employers to update their benefits and business practices, and help workers save and invest for the future. Recommendations include:

1. **Address Social Security and Medicare funding issues.** The sooner reforms are implemented to the programs, the more time people will have to adjust their financial plans for retirement.
2. **Ensure accessible and affordable health care** options are available to all Americans, including part-time, self-employed, and gig economy workers, as well as those not in the workforce.
3. **Engage leaders from across sectors and disciplines to collaborate, innovate and implement new financing and delivery models for long-term care** that are more accessible and affordable to those needing care and family caregivers who provide care.
4. **Support family caregivers** by providing Social Security credits to those who forego employment to provide care. Establish medical training programs for family caregivers. Encourage employers to help workers with caregiving responsibilities.
5. **Further incentivize small companies to offer employee benefits**, including retirement plans and health insurance. Strengthen small companies' tax credits for joining multiple employer plans (MEPs) or pooled employer plans (PEPs) and authorize the formation of 403(b) MEPs and PEPs. Expand inclusion of part-time workers in retirement plans by redefining long-term employment to two years of service.
6. **Enhance existing tax incentives for workers to save for retirement**, including increasing catch-up contribution limits; expanding automatic enrollment, automatic re-enrollment, and automatic increases; allowing employers to base retirement plan matches on employees' student loan repayments; and expanding and promoting the Saver's Credit.
7. **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 the broader use of Qualifying Longevity Annuity Contracts (QLACs) in retirement plans and Individual Retirement Accounts (IRAs).
8. **Encourage employers to implement age-friendly business practices as part of their DE&I efforts.** Create new incentives and remove disincentives for employers to hire and retain age 50+ employees, offer phased retirement programs, and create opportunities for encore careers.
9. **Address the digital divide.** Consider providing and/or subsidizing additional broadband access, particularly in rural and underserved urban areas. Internet access is key to timely dissemination of education and information and to engaging with financial and health-related service providers.
10. **Support lifelong learning ranging** from financial education in schools and in the workplace to ongoing professional development, including retraining and learning new job skills.

**Living in the COVID-19 Pandemic:  
The Health, Finances, and  
Retirement Prospects of Four Generations**  
*Detailed Findings*

## *A Portrait of Four Generations*

# Generation Z (Born 1997 to 2012)

Generation Z are internet natives who are saving for retirement in employer-sponsored 401(k) or similar plans and through personal savings and investments. Generation Z workers are starting to save for retirement at an unprecedented young age. They will likely change employers many times throughout their careers and spend time in self-employment, which will require diligence on their part to manage and potentially consolidate their retirement accounts during these transitions. They began entering the workforce shortly before the COVID-19 pandemic when unemployment rates were at historic lows, but which subsequently skyrocketed at the onset of the pandemic. Generation Z will be entering their mid-30s in the 2030s when the Social Security trust fund is estimated to be depleted unless Congress implements reforms.

**7 in 10**

76% are in good or excellent health, but 72% are concerned about their mental health.

Pg. 47, 49

**59%**

have experienced one or more negative employment impacts, due to the pandemic (e.g., reduced hours, reduced salaries, furloughs, layoffs).

Pg. 54

**69%**

have made adjustments due to pandemic-related financial strain.

Pg. 64

**1 in 3**

35% cite paying off student debt and 33% cite saving for retirement as financial priorities.

Pg. 66

**1 in 6**

17% are planning to live to age 100 or older.

Pg. 77

**70%**

are saving for retirement in a 401(k) or similar plan, and/or outside the workplace.

Pg. 101

**Age 19**

is the age (median) that Generation Z investors started saving for retirement.

Pg. 101

**15**

is the percentage of their annual salaries (median) that plan participants are contributing to 401(k) or similar plans.

Pg. 124

**\$26,000**

is the amount saved in all household retirement accounts (estimated median).

Pg. 105

**\$2,000**

is the amount of emergency savings to cover unexpected major financial setbacks (median).

Pg. 69

*Note: The survey interviewed Generation Z workers aged 18 to 23 in 2020.*

# Millennials (Born 1981 to 1996)

Millennials are also digital natives and retirement savers who will rely on self-funded savings more than their predecessors. Many entered the workforce around the time of the Great Recession — with higher levels of student debt than previous generations. Millennials are buying homes, getting married, and starting families at older ages than past generations. With the aging of Baby Boomers, many Millennials have been, or will be, called upon to serve as caregivers for their parents, which could detract from their employment and ability to save for retirement. Many Millennials expect their primary source of retirement income to be self-funded through retirement accounts (e.g., 401(k)s, 403(b)s, IRAs), or other savings and investments. Most are concerned that Social Security will not be there for them when they are ready to retire.

**86%**

are generally happy people, but 50% often feel anxious and depressed.

*Pg. 44*

**58%**

indicate their financial situation has been negatively impacted by the pandemic.

*Pg. 62*

**44%**

are currently or have served as a caregiver to a relative or friend during the course of their working career.

*Pg. 59*

**77%**

are concerned that Social Security will not be there for them when they are ready to retire.

*Pg. 99*

**3 in 10**

31% frequently discuss saving, investing, and planning for retirement with family and close friends.

*Pg. 118*

**82%**

are saving for retirement in a 401(k) or similar plan, and/or outside the workplace.

*Pg. 101*

**Age 25**

is the age (median) that Millennial investors started saving for retirement.

*Pg. 101*

**15**

is the percentage of their annual salaries (median) that plan participants are contributing to 401(k) or similar plans.

*Pg. 124*

**\$68,000**

is the amount saved in all household retirement accounts (estimated median).

*Pg. 105*

**\$5,000**

is the amount of emergency savings to cover unexpected major financial setbacks (median).

*Pg. 69*

# Generation X (Born 1965 to 1980)

Generation X entered the workforce in the late 1980s just as 401(k) plans were making their first appearance and defined benefit plans were beginning to disappear; as such, they are the first generation to have access to 401(k) plans for the majority of their working careers. Most are saving for retirement, but many are behind on their savings. The oldest Generation Xers are now in their mid-50s and the youngest are in their early 40s. Although they are in their sandwich years, during which they may be juggling their careers with raising children and caring for aging parents, there is no time like the present for them to fully engage in building their assets and long-term financial plans.

**83%**

are enjoying life and 83% consider themselves to be in good or excellent health.

*Pg. 44, 47*

**65%**

cite paying off debt and 65% cite saving for retirement as financial priorities.

*Pg. 66*

**4 in 10**

41% are currently or have served as a caregiver during the course of their working career.

*Pg. 59*

**19%**

are “very” confident they will be able to fully retire with a comfortable lifestyle.

*Pg. 94*

**32%**

have a financial strategy for retirement in the form of a written plan.

*Pg. 113*

**84%**

are saving for retirement in a 401(k) or similar plan, and/or outside the workplace.

*Pg. 101*

**Age 30**

is the age (median) that Generation X investors started saving for retirement.

*Pg. 101*

**10**

is the percentage of their annual salaries (median) that plan participants are contributing to 401(k) or similar plans.

*Pg. 124*

**\$107,000**

is the amount saved in all household retirement accounts (estimated median).

*Pg. 105*

**\$6,000**

is the amount of emergency savings to cover unexpected major financial setbacks (median).

*Pg. 69*

# Baby Boomers (Born 1946 to 1964)

Baby Boomers are the generation that has re-written societal rules at every stage of their lives. They have also been redefining retirement for themselves and generations to follow. Working Baby Boomer are planning to work to older ages compared with previous generations. However, few have a backup plan if forced into retirement unexpectedly. Many were already mid-career when the retirement landscape shifted from defined benefit plans to 401(k) or similar plans. They have not had a time horizon of 40-plus years to save in 401(k)s. Amid the pandemic, Baby Boomers have faced health and employment-related risks that could be disruptive their retirement plans. Many Baby Boomers will be relying on Social Security as their primary form of income in retirement\*.

**8 in 10**

83% have a strong sense of purpose in life and 82% consider themselves to be in good or excellent health.

*Pg. 44, 47*

**One-Fifth**

Only 21% are “very” confident they will be able to fully retire with a comfortable lifestyle.

*Pg. 94*

**7 in 10**

72% are currently working or expect to work past age 65 or do not plan to retire.

*Pg. 85*

**3 in 10**

Only 30% have a backup plan for retirement income if they are unable to work before their planned retirement.

*Pg. 114*

**34%**

expect to rely on Social Security as their primary source of income in retirement.

*Pg. 98*

**84%**

are saving for retirement in a 401(k) or similar plan, and/or outside the workplace.

*Pg. 101*

**Age 35**

is the age (median) that Baby Boomer investors started saving for retirement.

*Pg. 101*

**10**

is the percentage of their annual salaries (median) that plan participants are contributing to 401(k) or similar plans.

*Pg. 124*

**\$202,000**

is the amount saved in all household retirement accounts (estimated median).

*Pg. 105*

**\$10,000**

is the amount of emergency savings to cover unexpected major financial setbacks (median).

*Pg. 69*

\* Note: In [TCRS' 2019 survey of retirees](#), 69 percent of retirees indicated that Social Security will be their primary source of income over the course of their retirement.

# What I Am Doing Differently Amid COVID-19...

IDK

Age 22 Gen Z Male

I'm more focused on my money and checking my 401(k). I look for more work opportunities to make more money.

Age 49 Gen X Male

I'm not really doing anything different, just taking it day by day.

Age 57 Boomer Male

Just trying to be a better manager of money overall.

Age 57 Boomer Female

I am spending less and relying on my parents more.

Age 23 Gen Z Female

Budgeting

Age 30 Millennial Male

Trying to stay healthy both mentally and physically.

Age 29 Millennial Female

Meditation and yoga.

Age 49 Gen X Male

Trying to pay down credit card debt faster.

Age 49 Gen X Female

Keeping up communication with my friends, continue to do the things I love and exercise.

Age 19 Gen Z Female

I am taking time to move closer to retirement by saving more and reducing debt.

Age 62 Boomer Female

I am working from home and using the delivery service more frequently.

Age 31 Millennial Male

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q9000. What are you doing differently amid the coronavirus pandemic to support your health, financial security, and/or general well-being? Please be as descriptive as possible.

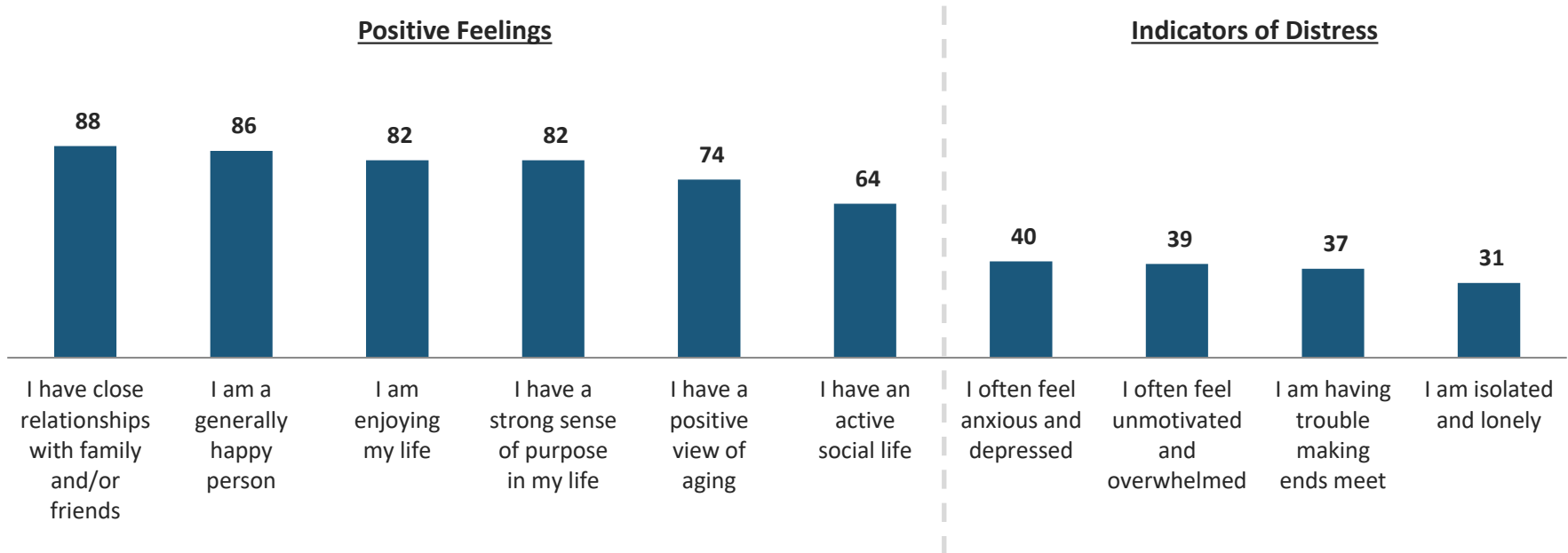
## *Physical and Mental Health*

# Workers Are Generally Upbeat but Many Are Distressed

Most workers share positive sentiments about life, such as having close relationships with family and/or friends (88 percent), being generally happy (86 percent), enjoying life (82 percent), and having a strong sense of purpose in life (82 percent). Seventy-four percent of workers have a positive view of aging and 64 percent have an active social life. However, a concerning proportion of workers are experiencing distress, such as often feeling anxious and depressed (40 percent), often feeling unmotivated and overwhelmed (39 percent), having trouble making ends meet (37 percent), and feeling isolated and lonely (31 percent).

**How much do you agree or disagree with the following statements? (NET – Strongly/Somewhat Agree) (%)**

All Workers



# Younger Generations Are More Likely to Be Distressed

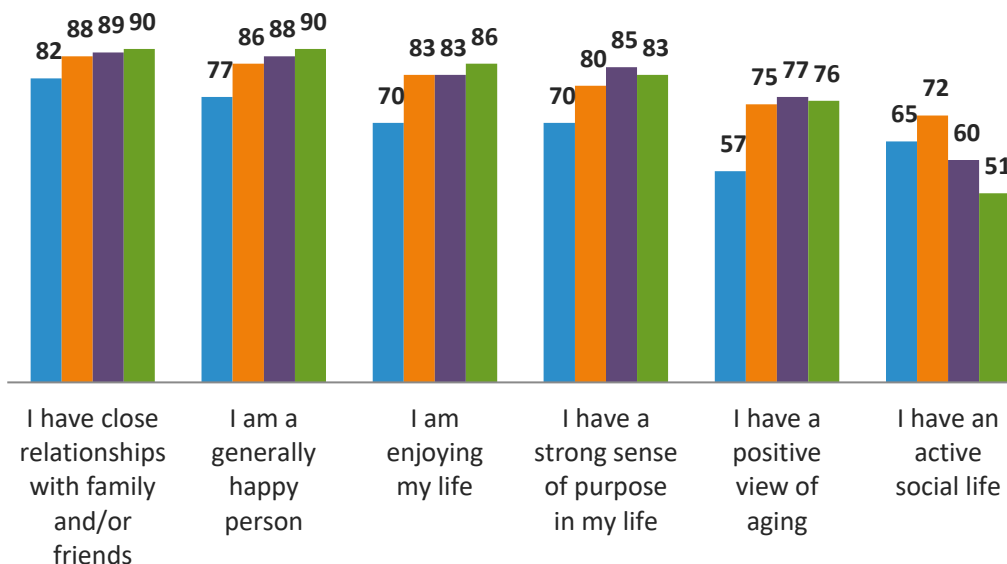
Half or more of Generation Z and Millennials indicate they often feel anxious and depressed (52 percent and 50 percent, respectively). Almost six in 10 Generation Z (59 percent) and 48 percent of Millennials say they often feel unmotivated and overwhelmed. Thirty-nine percent of Generation Z and almost half of Millennials (46 percent) have trouble making ends meet. Approximately four in 10 Generation Z and Millennials feel isolated and alone (41 percent and 38 percent, respectively).

## How much do you agree or disagree with the following statements? (NET – Strongly/Somewhat Agree) (%)

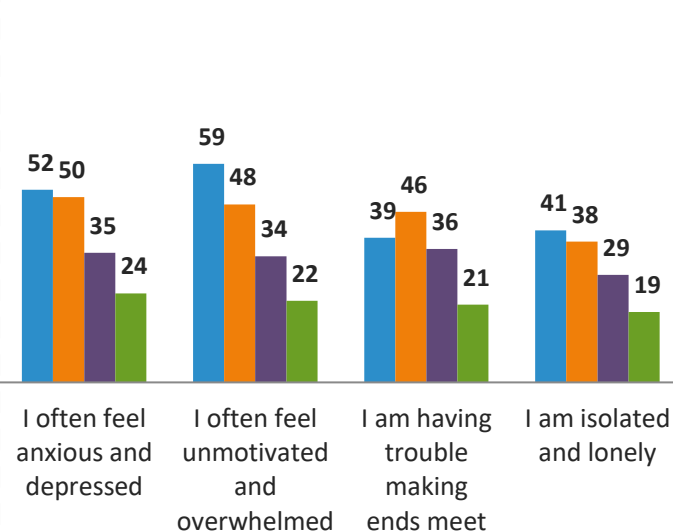
By Generation

■ Generation Z ■ Millennials ■ Generation X ■ Baby Boomers

### Positive Feelings



### Indicators of Distress

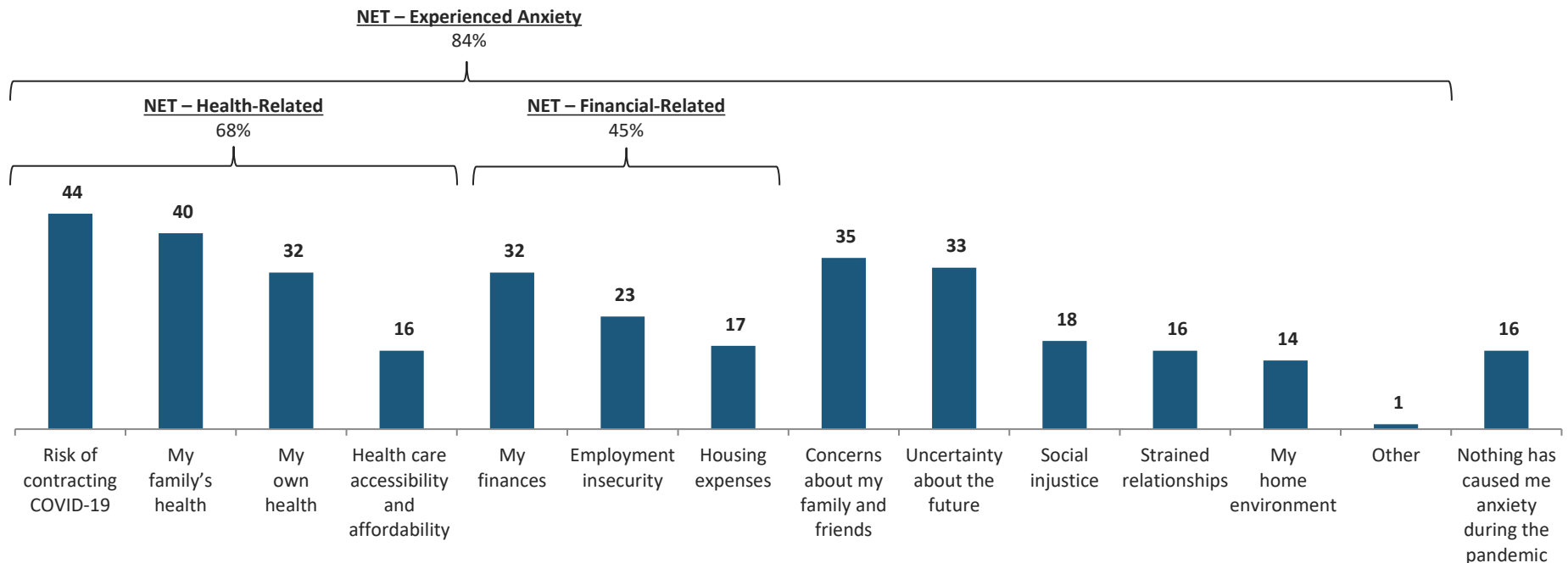


# Health and Financial-Related Anxieties Caused by the Pandemic

More than eight in 10 workers (84 percent) have experienced one or more causes of anxiety during the pandemic. Sixty-eight percent cite health-related anxieties including the risk of contracting COVID-19 (44 percent), their family's health (40 percent), and their own health (32 percent). Forty-five percent cite financial-related anxieties such as their finances (32 percent), employment insecurity (23 percent), and housing expenses (17 percent). One-third of workers cite concerns about family and friends (35 percent) and uncertainty about the future (33 percent). Other causes of anxiety include social injustice (18 percent), strained relationships (16 percent), and their home environment (e.g., crowded conditions, multigenerational household, isolation, etc.) (14 percent).

**Which of the following have caused you anxiety during the coronavirus pandemic? Select all.**

All Workers (%)



# Younger Generations More Likely to Cite Causes of Anxiety

More than three in four workers across generations have experienced one or more causes of anxiety during the pandemic; however, Generation Z (91 percent) and Millennials (88 percent) are more likely than Generation X (81 percent) and Baby Boomers (78 percent) to have done so. Generation Z and Millennials (both 53 percent) are more likely than older generations to cite financial-related anxieties. Generation Z and Millennials are also more likely to cite other sources of anxiety during the pandemic such as social injustice, strained relationships, and their home environment. Generation Z is also more likely to cite uncertainty about the future as a cause of anxiety. Approximately one in five Baby Boomers (22 percent) and Generation X (19 percent) indicate nothing has caused them anxiety during the pandemic.

## Which of the following have caused you anxiety during the coronavirus pandemic? Select all. (%)

By Generation

### NET – Experienced Anxiety

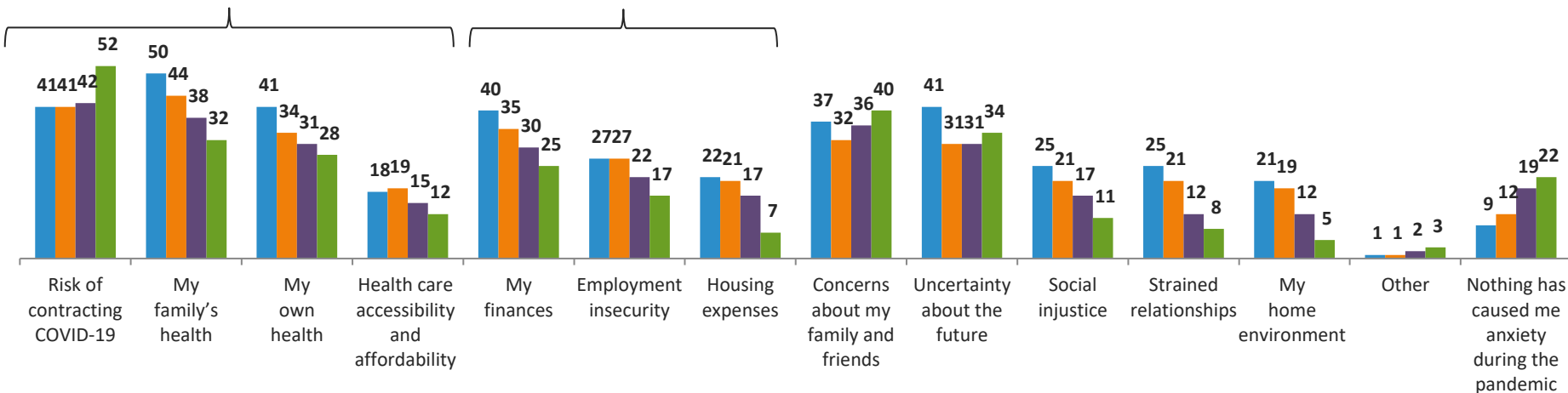
Generation Z:	91%
Millennials:	88%
Generation X:	81%
Baby Boomers:	78%

### NET – Health-Related

Generation Z:	73%
Millennials:	70%
Generation X:	65%
Baby Boomers:	65%

### NET – Financial-Related

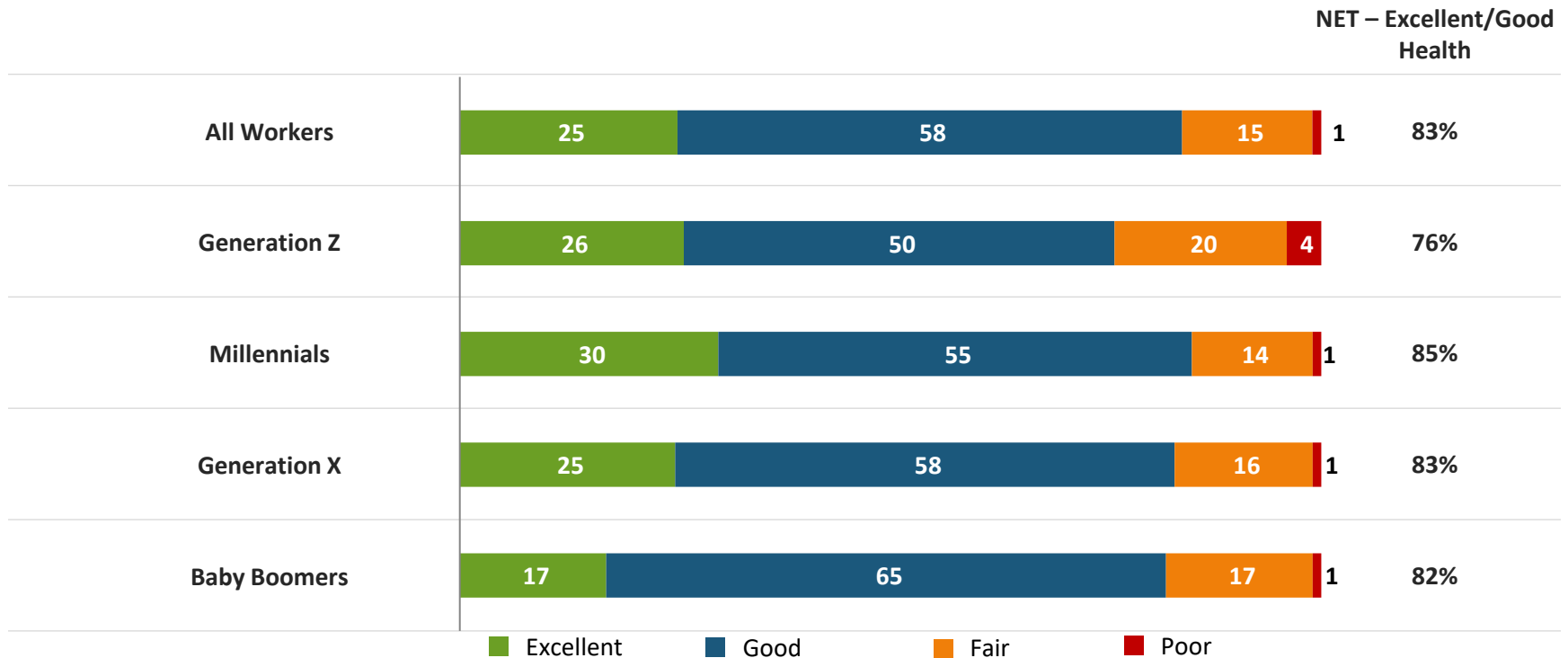
Generation Z:	53%
Millennials:	53%
Generation X:	43%
Baby Boomers:	31%



# 4 in 5 Workers Describe Themselves as Healthy

Eighty-three percent of workers describe their general health as “excellent” or “good,” with 25 percent describing it as “excellent” and 58 percent as “good.” Fifteen percent describe their health as being “fair” and one percent as “poor.” Millennials, Generation Z, and Generation X are more likely to describe their general health as “excellent” (30 percent, 26 percent, and 25 percent, respectively), compared with Baby Boomers (17 percent).

**Self-Described General Health (%)**



*Note: Results may not total 100% due to rounding.*

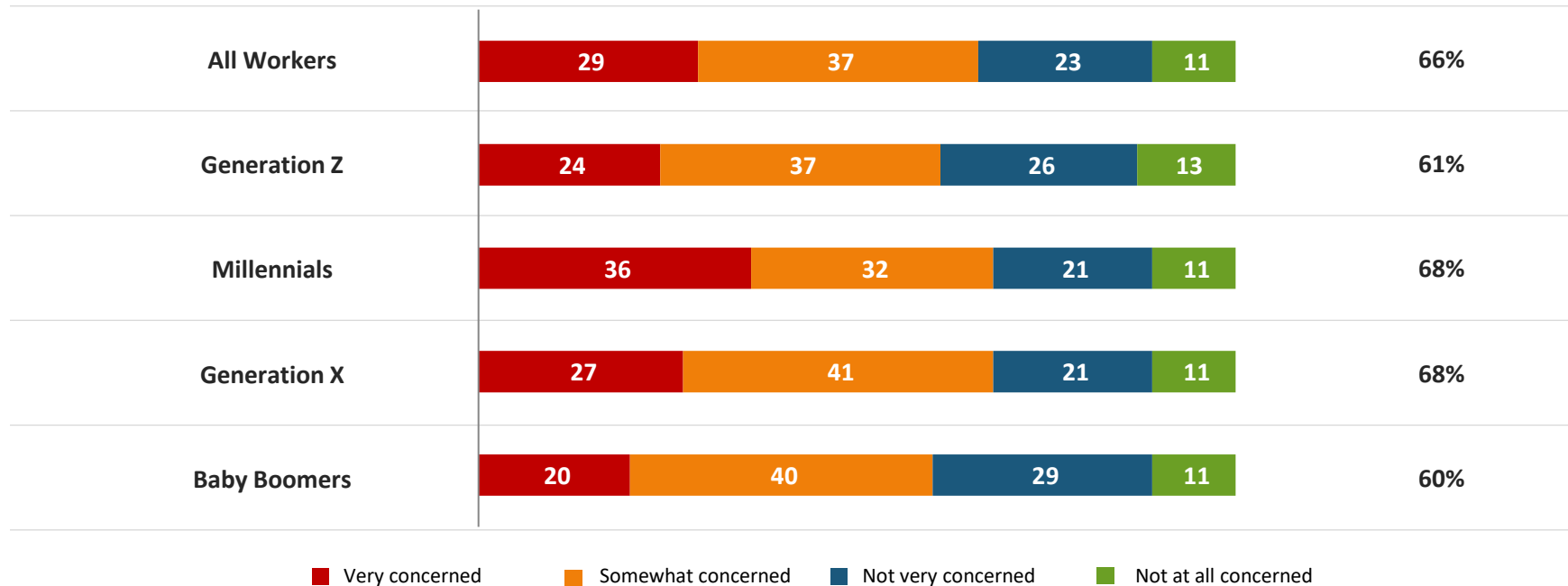
# Two-Thirds of Workers Are Concerned About Their Physical Health

Sixty-six percent of workers are concerned about their physical health, including 29 percent who are “very concerned” and 37 percent who are “somewhat concerned.” Millennials (36 percent) are more likely to be “very concerned” than Generation X (27 percent), Generation Z (24 percent), and Baby Boomers (20 percent).

## How concerned are you about maintaining each of the following? (%)

### Physical Health

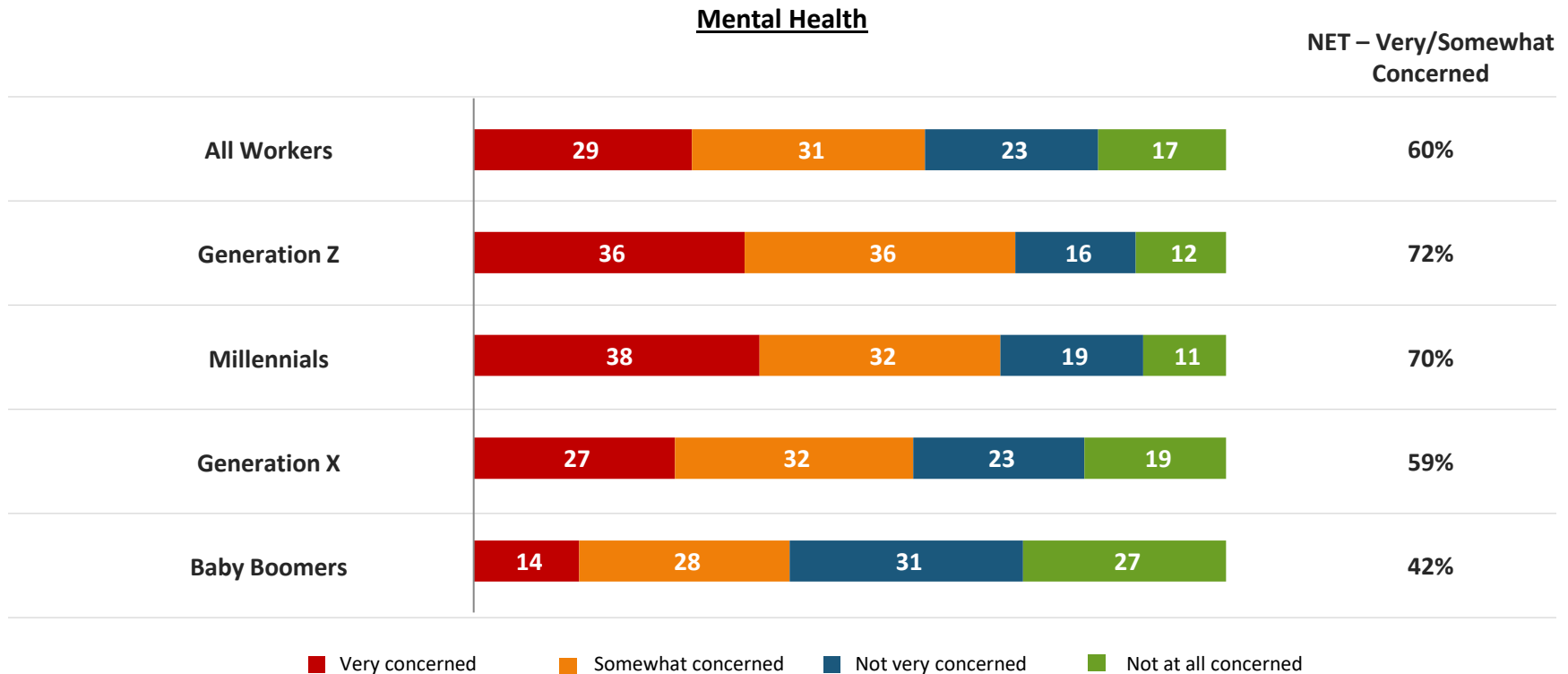
NET – Very/Somewhat Concerned



# 3 in 5 Workers Are Concerned About Their Mental Health

Sixty percent of workers are concerned about their mental health, including 29 percent who are “very concerned” and 31 percent who are “somewhat concerned.” Millennials (38 percent) and Generation Z (36 percent) are significantly more likely to be “very concerned” than Generation X (27 percent) and Baby Boomers (14 percent).

## How concerned are you about maintaining each of the following? (%)



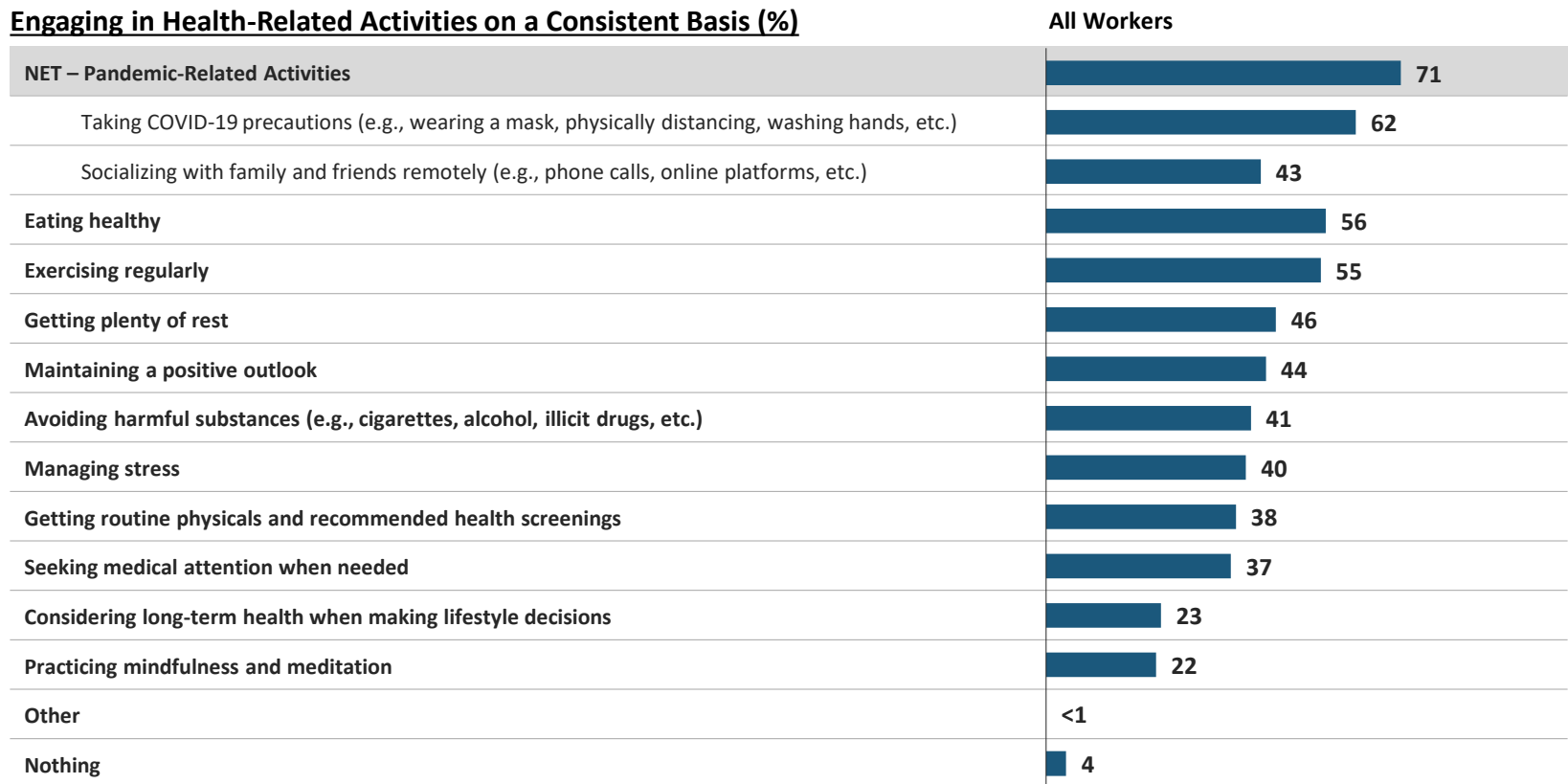
Note: Results may not total to 100% due to rounding.

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q1447. How concerned are you about maintaining each of the following? Mental health.

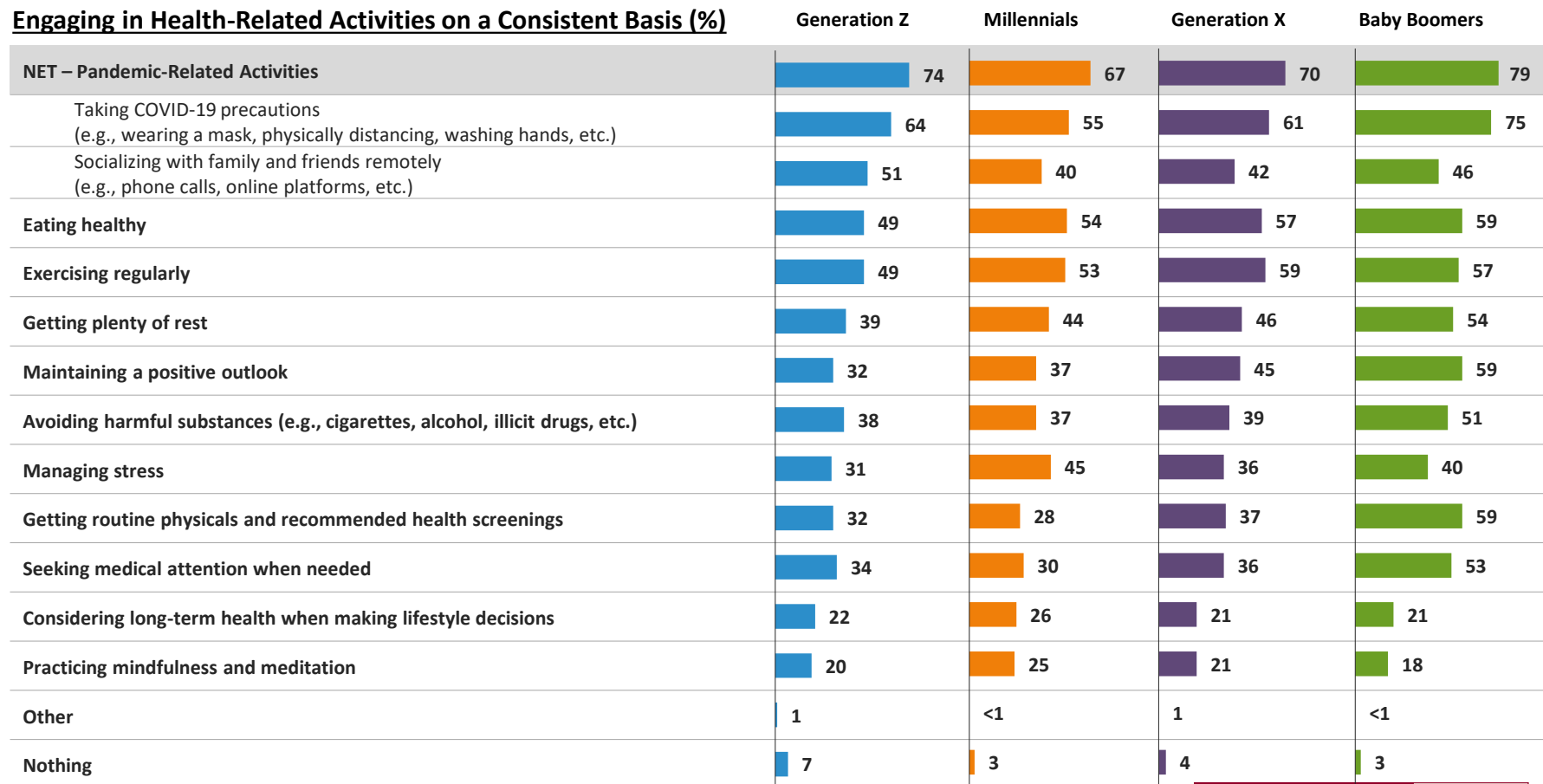
# Workers Can Do More to Safeguard Their Health

When asked about health-related activities they are doing on a consistent basis, more than seven in 10 workers (71 percent) are engaging in pandemic-related activities, including taking COVID-19 precautions (62 percent) and socializing with family and friends remotely (43 percent). Fifty-six percent are eating healthy, and 55 percent are exercising regularly. Fewer than half are getting plenty of rest, maintaining a positive outlook, avoiding harmful substances, managing stress, getting routine physicals and recommended health screenings, or seeking medical attention when needed. *Note: The survey was conducted prior to the widespread availability of COVID-19 vaccinations.*



# Baby Boomers Are Taking More Health Precautions

While most workers are engaging in one or more forms of health-related activity on a consistent basis, Baby Boomers are more likely than younger generations to be taking COVID-19 precautions (75 percent), maintaining a positive outlook (59 percent), getting routine physicals and recommended screenings (59 percent), getting plenty of rest (54 percent), seeking medical attention when needed (53 percent), and avoiding harmful substances (51 percent). *Note: The survey was conducted prior to the widespread availability of COVID-19 vaccinations.*



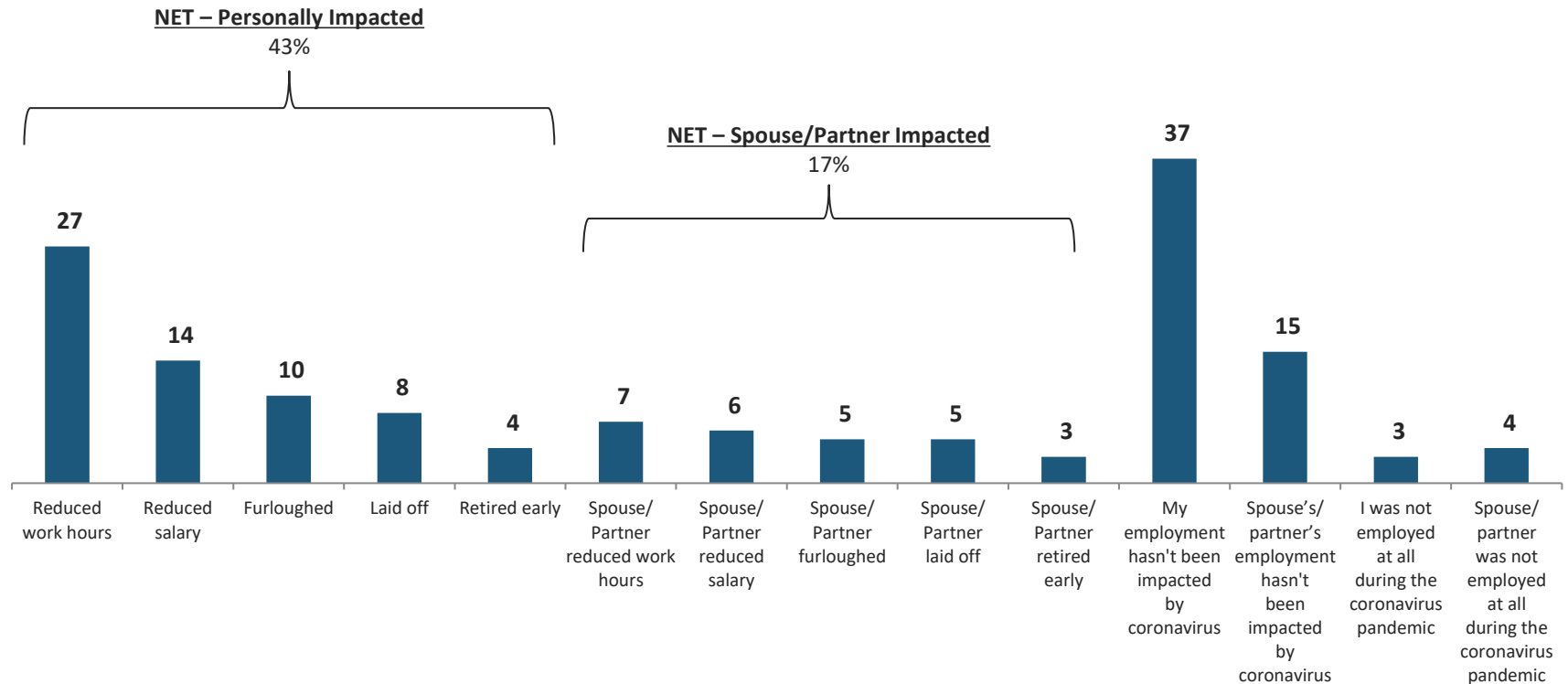
## *Employment Impacts*

# 4 in 10 Personally Experienced Negative Employment Impacts

Among those employed in late 2020, more than four in 10 workers (43 percent) personally experienced one or more negative impacts to their employment situation as a result of the pandemic, including reduced hours (27 percent), reduced salaries (14 percent), furloughs (10 percent), layoffs (8 percent), and early retirement (4 percent). More than one in three workers (37 percent) had no impacts on their employment.

**Have you or your spouse/partner experienced any of the following employment impacts as a result of the coronavirus pandemic? Select all.**

All Workers (%)



Note: Responses not shown for "Other employment impacts" (All Workers: 3%).

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q8825. Have you or your spouse/partner experienced any of the following employment impacts as a result of the coronavirus pandemic? Select all.

# Generation Z Is More Likely to Have Been Negatively Impacted

Almost six in 10 Generation Z workers (59 percent) indicate their employment situation has been negatively impacted as a result of the pandemic, which is significantly more than among Millennials (51 percent), Generation X (39 percent), and Baby Boomers (30 percent). A reduction in work hours was the most often cited negative impact across generations, including Generation Z (43 percent), Millennials (33 percent), Generation X (23 percent), and Baby Boomers (16 percent). Nearly half of Baby Boomers (48 percent) had no employment impacts.

**Have you or your spouse/partner/significant other experienced any of the following employment impacts as a result of the coronavirus pandemic? Select all.**

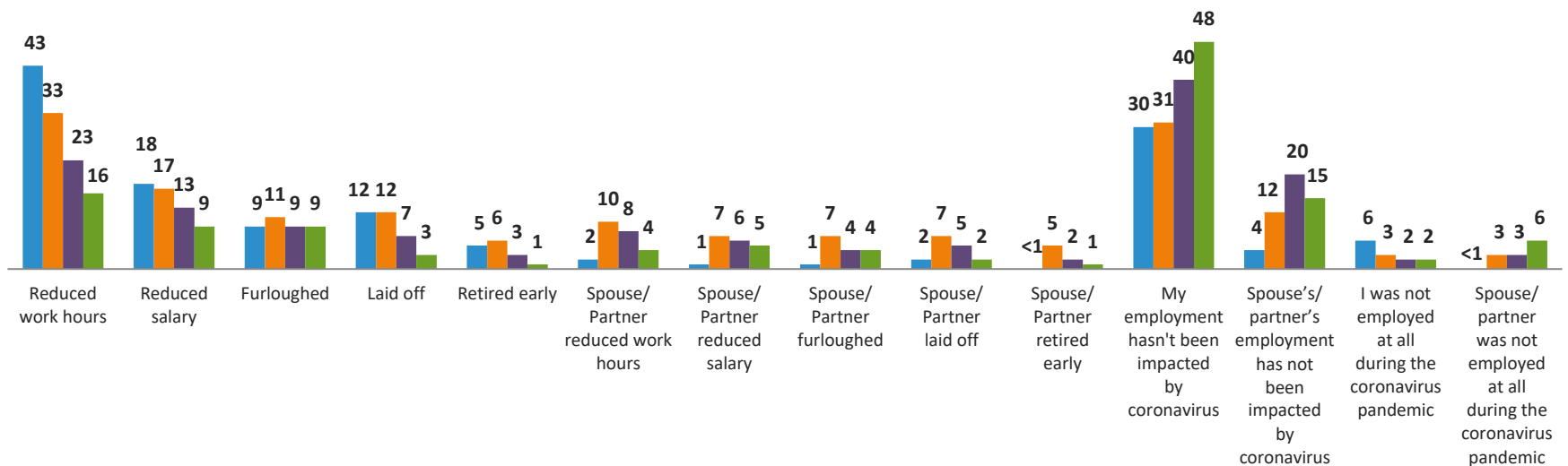
By Generation (%)

## NET – Personally Impacted

Generation Z:	59%
Millennials:	51%
Generation X:	39%
Baby Boomers:	30%

## NET – Spouse/Partner Impacted

Generation Z:	5%
Millennials:	23%
Generation X:	17%
Baby Boomers:	14%



Note: Responses not shown for "Other employment impacts" (Generation Z: 3%, Millennials: 1%, Generation X: 3%, Baby Boomers: 4%).

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q8825. Have you or your spouse/partner experienced any of the following employment impacts as a result of the coronavirus pandemic? Select all.

# Almost 8 in 10 Say Employers Offered Support During Pandemic

Seventy-nine percent of workers indicate their employer offered one or more types of support during the pandemic, such as allowing people to work remotely (41 percent), implementing safety measures for on-site workers (35 percent), and/or allowing flexible hours (35 percent). However, fewer than one in five workers say their employer provided emergency paid leave (19 percent), provided access to mental health support (18 percent), or maintained employee benefits for furloughed workers (17 percent). Sixteen percent of workers indicate their employer did nothing to support employees during the pandemic.

**What, if anything, has your employer done to support employees during the coronavirus pandemic? Select all. (%)**

**All Workers**

<b>NET – Employer Offered One or More Types of Support During the Pandemic</b>	<b>79</b>
Allowed people to work remotely	41
Implemented safety measures for on-site workers	35
Allowed flexible hours	35
Provided emergency paid leave (e.g., sick time, family and medical leave)	19
Provided access to mental health support	18
Maintained employee benefits for furloughed workers	17
Increased wages/pay for essential workers (e.g., employee appreciation pay, hazard pay)	14
Covered lost wages during quarantine and/or temporary closure	13
Provided severance for laid-off workers	11
Other	<1
<b>Nothing</b>	<b>16</b>
<b>Don't know</b>	<b>5</b>

# Employer Support Varies by Generation

Baby Boomers, Generation X, and Millennials (45 percent, 44 percent, and 40 percent, respectively) are more likely than Generation Z (26 percent) to indicate their employers allowed people to work remotely amid the pandemic. Baby Boomers (72 percent) are somewhat less likely be offered the possible types of support, compared with Millennials, Generation Z, and Generation X (84 percent, 78 percent, and 76 percent, respectively).

**What, if anything, has your employer done to support employees during the coronavirus pandemic? Select all. (%)**

	Generation Z	Millennials	Generation X	Baby Boomers
<b>NET – Any Employer Support During the Pandemic</b>	<b>78</b>	<b>84</b>	<b>76</b>	<b>72</b>
Allowed people to work remotely	26	40	44	45
Implemented safety measures for on-site workers	32	34	33	40
Allowed flexible hours	44	37	34	28
Provided emergency paid leave (e.g., sick time, family and medical leave)	25	21	21	11
Provided access to mental health support	17	22	18	11
Maintained employee benefits for furloughed workers	15	19	16	16
Increased wages/pay for essential workers (e.g., employee appreciation pay, hazard pay)	18	20	11	7
Covered lost wages during quarantine and/or temporary closure	15	17	13	8
Provided severance for laid-off workers	12	13	9	8
Other	1	<1	<1	<1
<b>Nothing</b>	<b>15</b>	<b>12</b>	<b>18</b>	<b>21</b>
<b>Don't know</b>	<b>7</b>	<b>4</b>	<b>6</b>	<b>6</b>

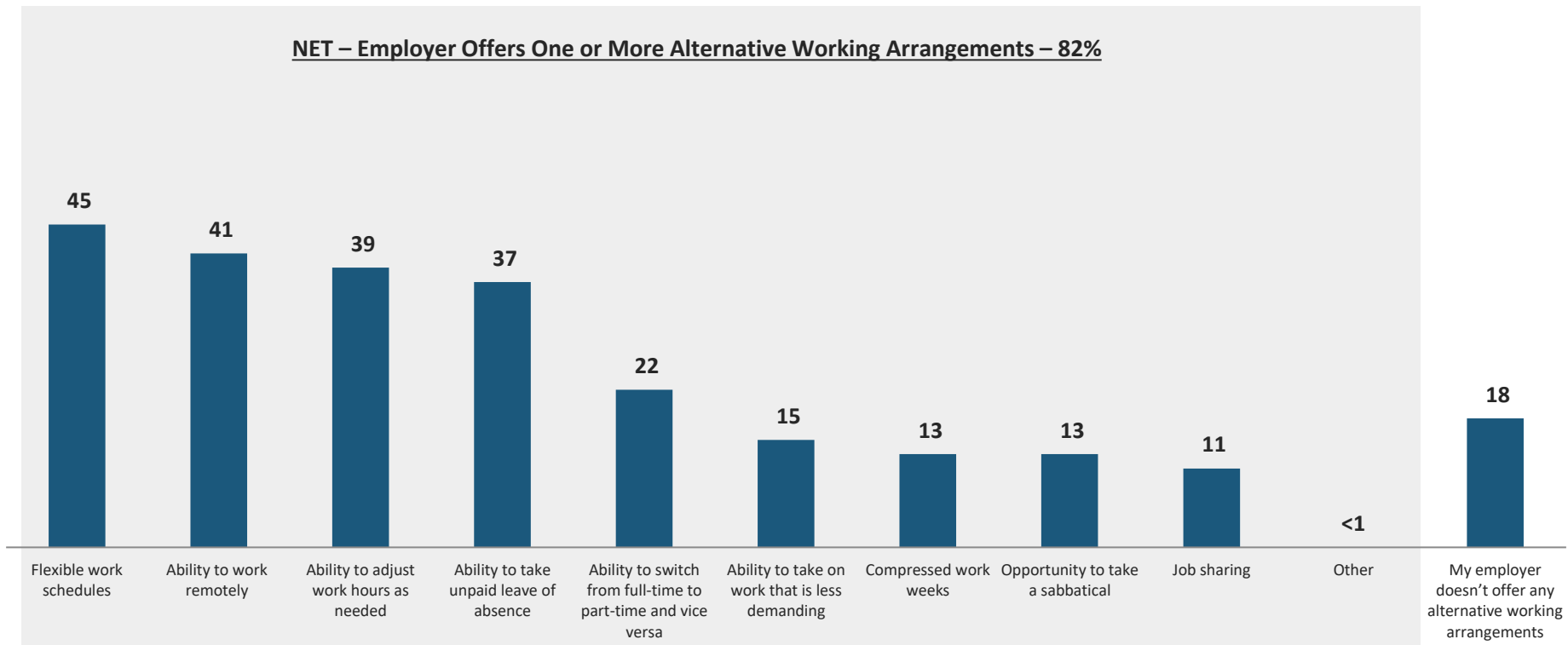
# Most Are Offered Some Type of Alternative Work Arrangements

Eighty-two percent of workers indicate their employers offer one or more types of alternative work arrangements. The most often cited types of alternative arrangements are flexible work schedules (45 percent), the ability to work remotely (41 percent), the ability to adjust work hours as needed (39 percent), and the ability to take unpaid leave of absence (37 percent).

## Which of these working arrangements does your employer offer?

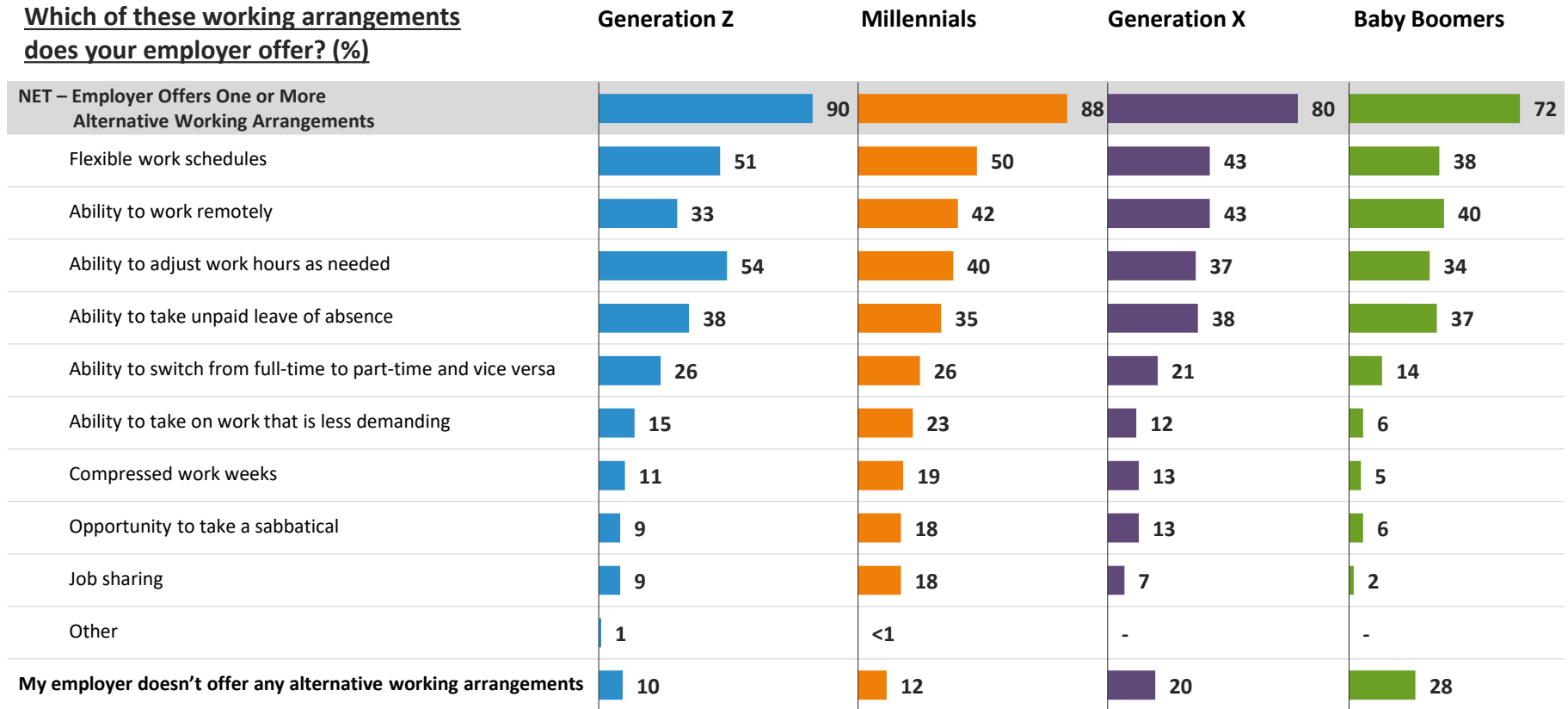
All Workers (%)

**NET – Employer Offers One or More Alternative Working Arrangements – 82%**



# Alternative Work Arrangements Vary by Generation

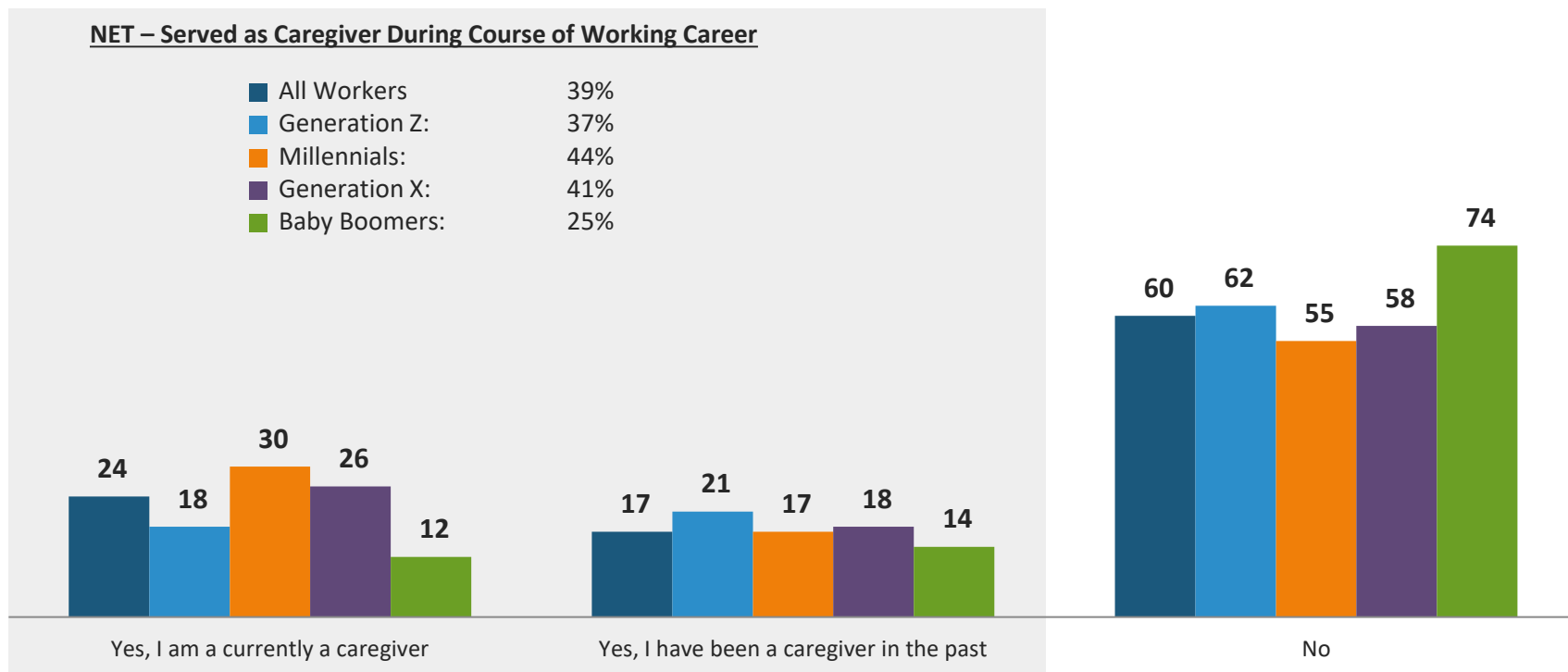
Younger workers are generally more likely to be offered flexible work arrangements than older workers. Ninety percent of Generation Z and 88 percent of Millennials are offered one or more types of alternative work arrangement by their employers, compared with 80 percent of Generation X and 72 percent of Baby Boomers.



# Almost 4 in 10 Workers Are and/or Have Been Caregivers

Caregiving for a loved one can put the caregiver's own health, employment, and financial situation at risk. During their careers, 39 percent of workers have served as a caregiver for a relative or friend, including 24 percent who are currently caregivers and 17 percent who have been a caregiver in the past. Millennial and Generation X workers (30 percent and 26 percent, respectively) are more likely than Generation Z and Baby Boomer workers (18 percent and 12 percent, respectively) to be currently serving as caregivers.

**Are you currently serving or have you served as a caregiver for a relative or friend during the course of your working career (excluding parenting responsibilities)? (%)**



*Note: Chart excludes "not sure" responses which are 1 percent among all four generations.*

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q2500x1. Are you currently serving or have you served as a caregiver for a relative or friend during the course of your working career (excluding parenting responsibilities)? Select all.

# Nearly 9 in 10 Caregivers Made Work Adjustments

Among workers who are serving and/or have served as caregivers, 87 percent made one or more work-related adjustments as a result of becoming a caregiver (e.g., missed days of work, reduced hours, began working an alternative schedule). Millennial, Generation Z, and Generation X workers (93 percent, 91 percent, and 86 percent, respectively) are more likely to have made adjustments than Baby Boomers (68 percent).

Work-related adjustments as a result of becoming a caregiver (%)	All Workers	Gen Z	Millennials	Gen X	Baby Boomers
<b>NET- Made one or more adjustments</b>	<b>87</b>	<b>91</b>	<b>93</b>	<b>86</b>	<b>68</b>
Missed days of work	33	36	33	33	29
Reduced my hours	25	23	32	22	16
Began working an alternative schedule	24	27	26	25	17
Took on additional hours to pay for cost of caregiving	23	22	30	21	3
Began to work remotely	22	21	26	22	10
Taken an unpaid leave of absence from my employer	19	16	20	21	13
Taken a paid leave of absence from my employer	17	16	22	15	6
Reduced job responsibilities or switched to a less demanding job	17	14	19	17	13
Started working as a contractor, freelancer, or in the gig economy	13	6	16	15	4
Transferred to a different location within my company	12	12	14	14	1
Forgone a promotion	11	9	14	10	6
Quit a job	9	9	12	7	5
Retired early	1	-	-	1	3
<b>None</b>	<b>10</b>	<b>3</b>	<b>4</b>	<b>12</b>	<b>29</b>
<b>I was not working when I started caregiving</b>	<b>3</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>3</b>

Note: Responses not shown for "Other" (All Workers: 1%, Generation Z: <1%, Millennials: 1%, Generation X: 1%, Baby Boomers: <1%).

BASE: 21ST ANNUAL SURVEY - SERVED AS A CAREGIVER

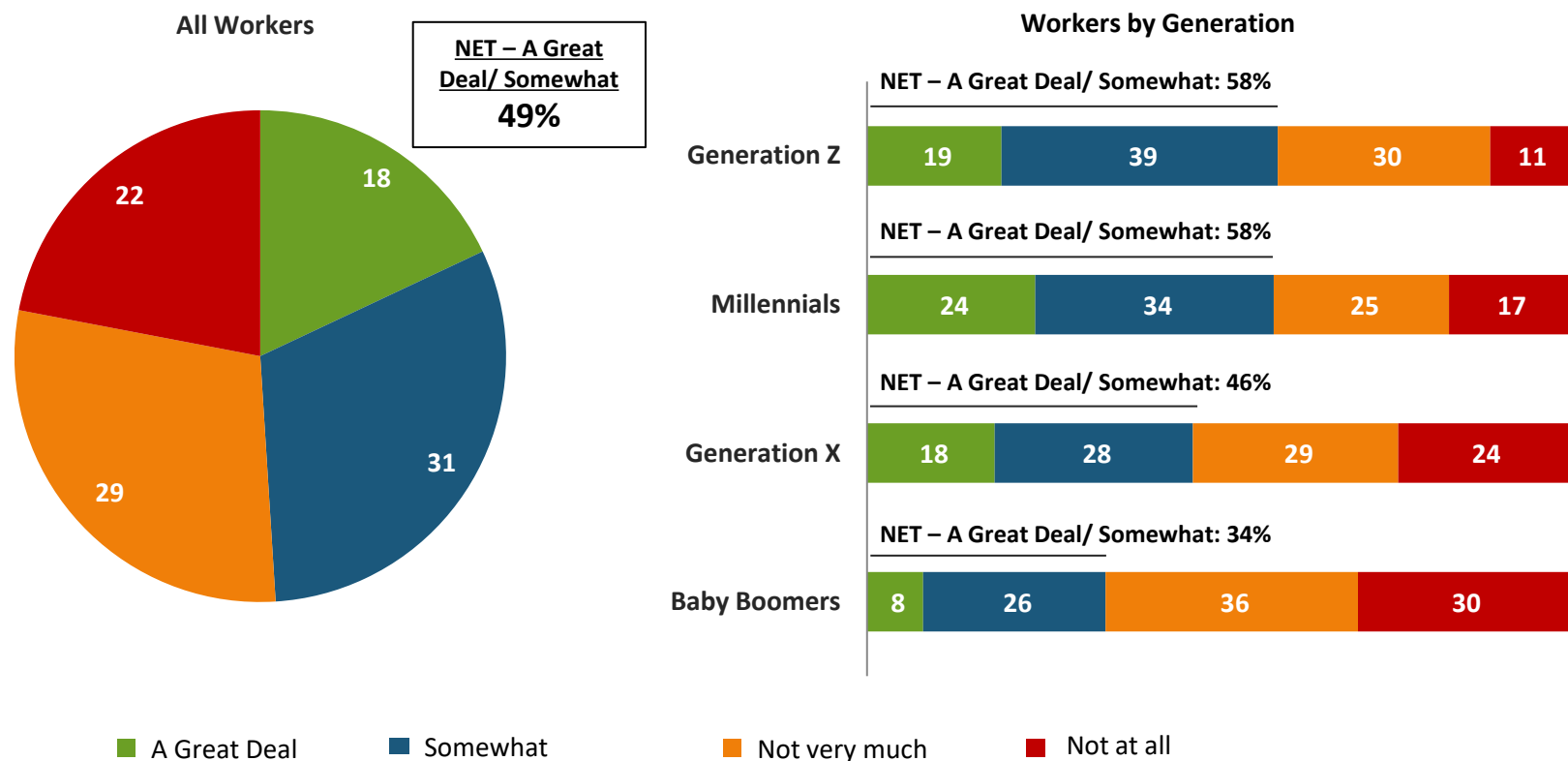
Q2505x1. Which of the following have you done as a result of becoming a caregiver? Select all.

## *Current Financial Situation*

# Many Workers' Finances Have Been Negatively Impacted

Almost half of workers (49 percent) say their financial situation has been negatively impacted by the pandemic, including 18 percent who have been impacted “a great deal” and 31 percent who have been “somewhat” impacted. Generation Z and Millennials (both 58 percent) are significantly more likely to indicate their financial situation has been negatively impacted, compared with Generation X (46 percent) and Baby Boomers (34 percent).

To what extent has your financial situation been negatively impacted by the pandemic? (%)



Note: Results may not total to 100% due to rounding.

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS  
Q9010. To what extent has your financial situation been negatively impacted by the pandemic?

# 6 in 10 Are Dealing With Pandemic-Related Financial Strain

Sixty percent of workers have made adjustments due to pandemic-related financial strain. The most often cited adjustments are reducing day-to-day expenses (32 percent), dipping into savings accounts (24 percent), and accumulating new credit card debt (17 percent). Approximately one in seven workers reduced or stopped contributing to retirement accounts (14 percent), forewent health care (14 percent), or borrowed money from others (13 percent). Nine percent moved and seven percent stopped paying their rent or mortgage. Nine percent moved and seven percent stopped paying their rent or mortgage.

**Which of the following, if any, have you done due to financial strain on you or members of your household because of the coronavirus pandemic? Select all. (%)**

**All Workers**

<b>NET – One or More Adjustments Due to Financial Strain From the Pandemic</b>	<b>60</b>
Reduced day-to-day expenses (e.g., groceries, cut cable, etc.)	32
Dipped into savings accounts	24
Accumulated new credit card debt	17
Reduced or stopped contributing to retirement accounts	14
Foregone health care (e.g., routine check ups, emergency care, medications, etc.)	14
Borrowed money from others	13
Moved (e.g., more affordable housing or location, sharing home with family or friends, etc.)	9
Stopped paying rent or mortgage	7
Other	<1
<b>None</b>	<b>40</b>

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q9015. Which of the following, if any, have you done due to financial strain on you or members of your household because of the coronavirus pandemic? Select all.

# Younger Generations More Likely to Be Dealing With Financial Strain

Millennials (71 percent), Generation Z (69 percent), and Generation X (59 percent) are more likely to have made adjustments due to pandemic-related financial strain, compared with Baby Boomers (40 percent). Approximately one-third of Millennials, Generation Z, and Generation X workers reduced day-to-day expenses (36 percent, 33 percent, and 33 percent, respectively). Approximately three in 10 Generation X (32 percent) and Millennials (29 percent) dipped into savings accounts. Of concern, approximately one in five Millennials and Generation X (32 percent and 18 percent, respectively) accumulated new credit card debt (20 percent and 18 percent, respectively).

**Which of the following, if any, have you done due to financial strain on you or members of your household because of the coronavirus pandemic? Select all (%)**

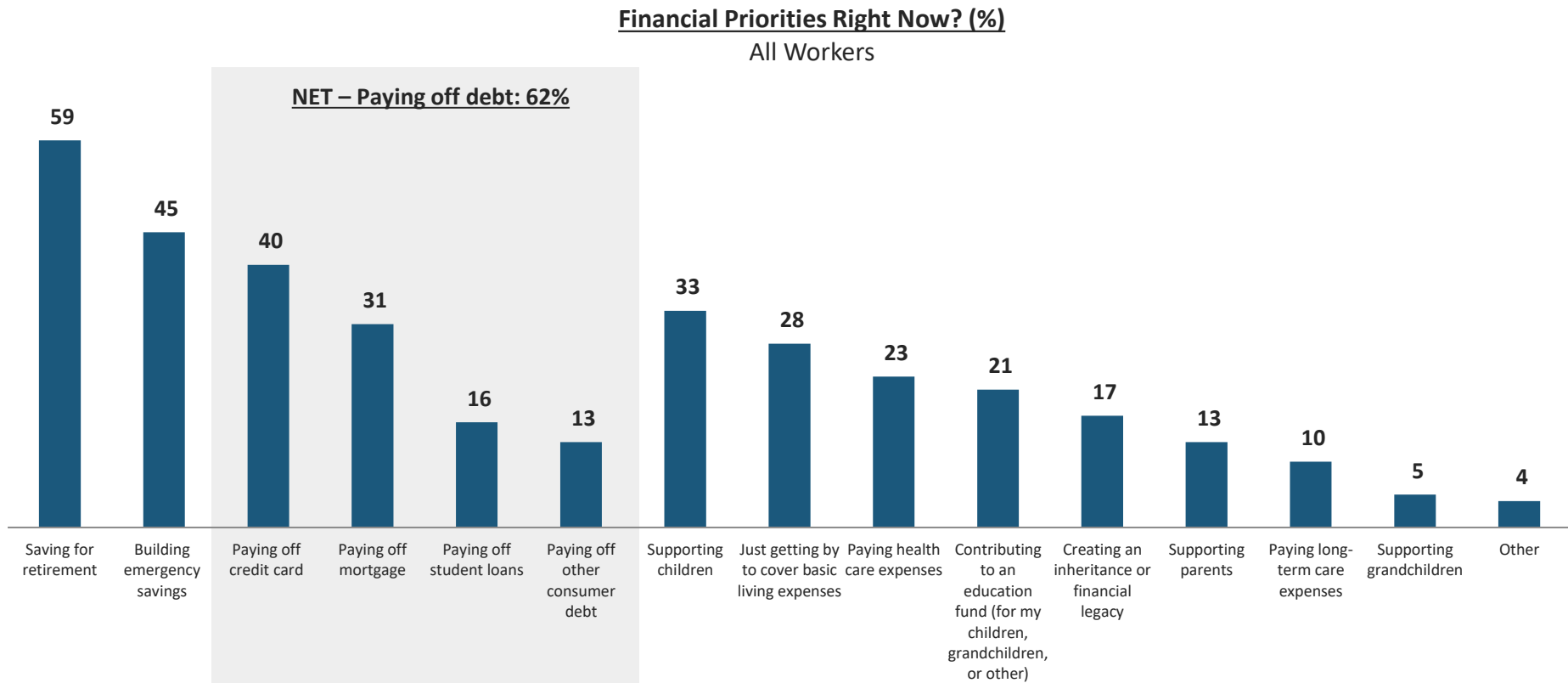
	Gen Z	Millennials	Gen X	Baby Boomers
<b>NET – One or More Adjustments Due to Financial Strain From the Pandemic</b>	69	71	59	40
Reduced day-to-day expenses (e.g., groceries, cut cable, etc.)	33	36	33	26
Dipped into savings accounts	32	29	22	15
Accumulated new credit card debt	14	20	18	10
Reduced or stopped contributing to retirement accounts	10	18	14	9
Foregone health care (e.g., routine check ups, emergency care, medications, etc.)	13	16	15	8
Borrowed money from others	23	20	10	1
Moved (e.g., more affordable housing or location, sharing home with family or friends, etc.)	15	13	7	1
Stopped paying rent or mortgage	6	11	6	1
Other	<1	<1	<1	<1
<b>None</b>	31	29	41	60

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q9015. Which of the following, if any, have you done due to financial strain on you or members of your household because of the coronavirus pandemic? Select all.

# Workers Face Competing Financial Priorities

Sixty-two percent of workers cite paying off one or more forms of debt as a current financial priority. A striking 59 percent cite saving for retirement and 45 percent cite building emergency savings as priorities. One in three workers (33 percent) cite supporting children as a priority. Almost three in 10 workers (28 percent) indicate they are just getting by to cover basic living expenses. Other often cited financial priorities among workers include paying health care expenses (23 percent) and contributing to an education fund (21 percent).



# Financial Priorities Vary Across Generations

Generation Z workers are more likely to indicate they are just getting by to cover basic living expenses (50 percent) and paying off student loans (35 percent) than older generations. Baby Boomers, Generation X, and Millennials are significantly more likely than Generation Z to cite saving for retirement as a financial priority (75 percent, 65 percent, 53 percent, and 33 percent, respectively). Building emergency savings is a priority for 50 percent of Generation X, 46 percent of Millennials, 42 percent of Generation Z, and 36 percent of Baby Boomers. A noteworthy 20 percent of Millennials and 17 percent of Generation Z cite supporting parents. Across generations, more than half of workers cite paying off one or more forms of debt as a priority.

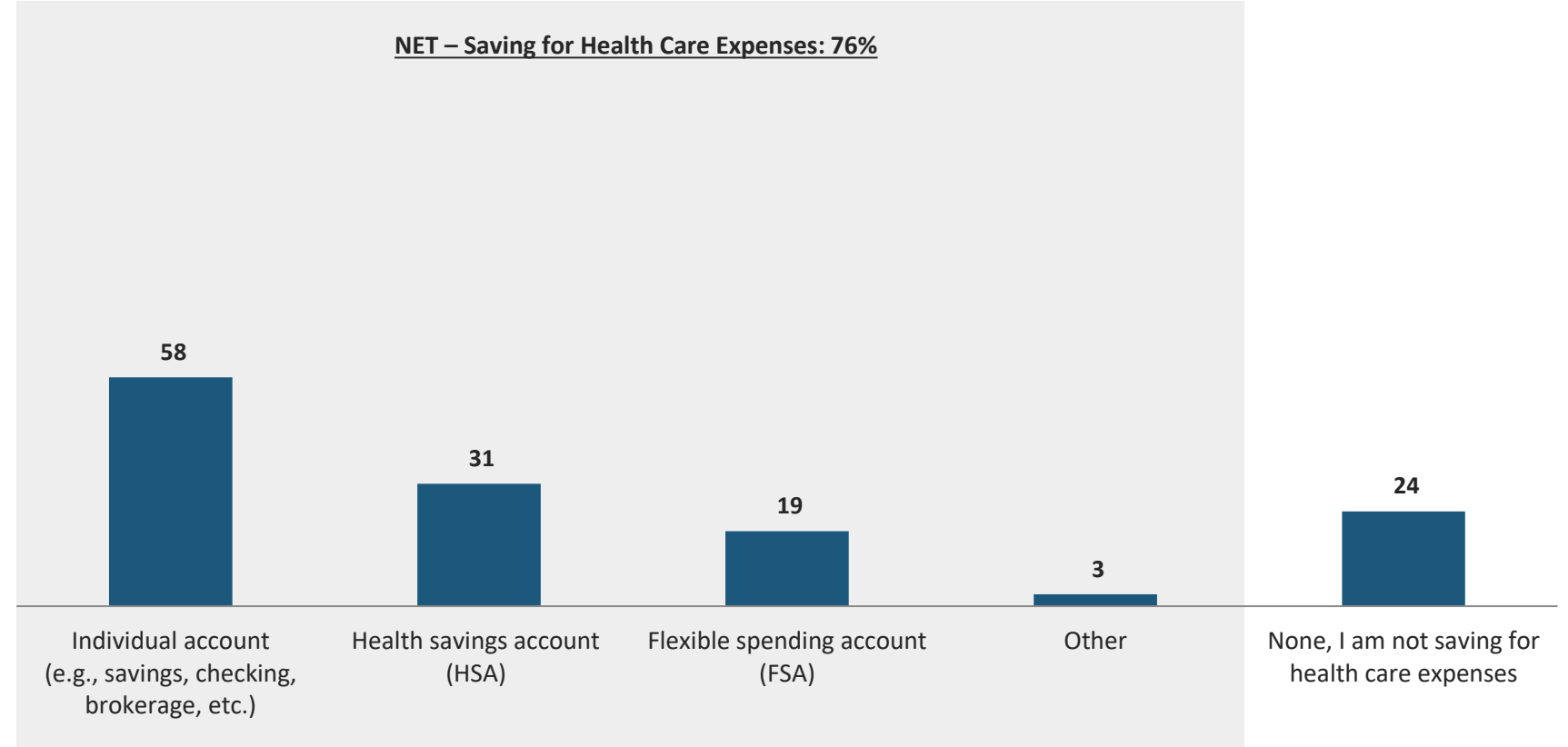
## Financial Priorities Right Now (%)

	Generation Z	Millennials	Generation X	Baby Boomers
Saving for retirement	33	53	65	75
Building emergency savings	42	46	50	36
<b>NET – Paying off debt</b>	<b>61</b>	<b>66</b>	<b>65</b>	<b>53</b>
Paying off credit card	29	43	42	37
Paying off mortgage	18	30	38	29
Paying off student loans	35	22	10	5
Paying off other consumer debt	8	16	13	10
Supporting children	13	42	43	11
Just getting by to cover basic living expenses	50	32	25	17
Paying health care expenses	19	26	23	15
Contributing to an education fund (for my children, grandchildren, or other)	13	25	27	7
Creating an inheritance or financial legacy	10	20	17	12
Supporting parents	17	20	11	3
Paying long-term care expenses	7	15	10	3
Supporting grandchildren	3	6	6	4
Other	6	5	2	2

# More Than 3 in 4 Workers Have Health Care Expense Accounts

Seventy-six percent of workers are currently saving or have funds saved to pay for health care expenses, including through an individual account such as savings, checking, or brokerage (58 percent), a health savings account (HSA) (31 percent), and/or a flexible spending account (FSA) (19 percent). A concerning one in four workers (24 percent) are not saving for health care expenses.

**In which of the following accounts, if any, are you saving or have funds saved to pay for health care expenses? Select all. (%)**  
All Workers



BASE: 21ST ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS  
q755H. In which of the following accounts, if any, are you currently saving or have funds saved to pay for health care expenses? Select all.

# Millennials Are More Likely to Be Saving for Health Care Expenses

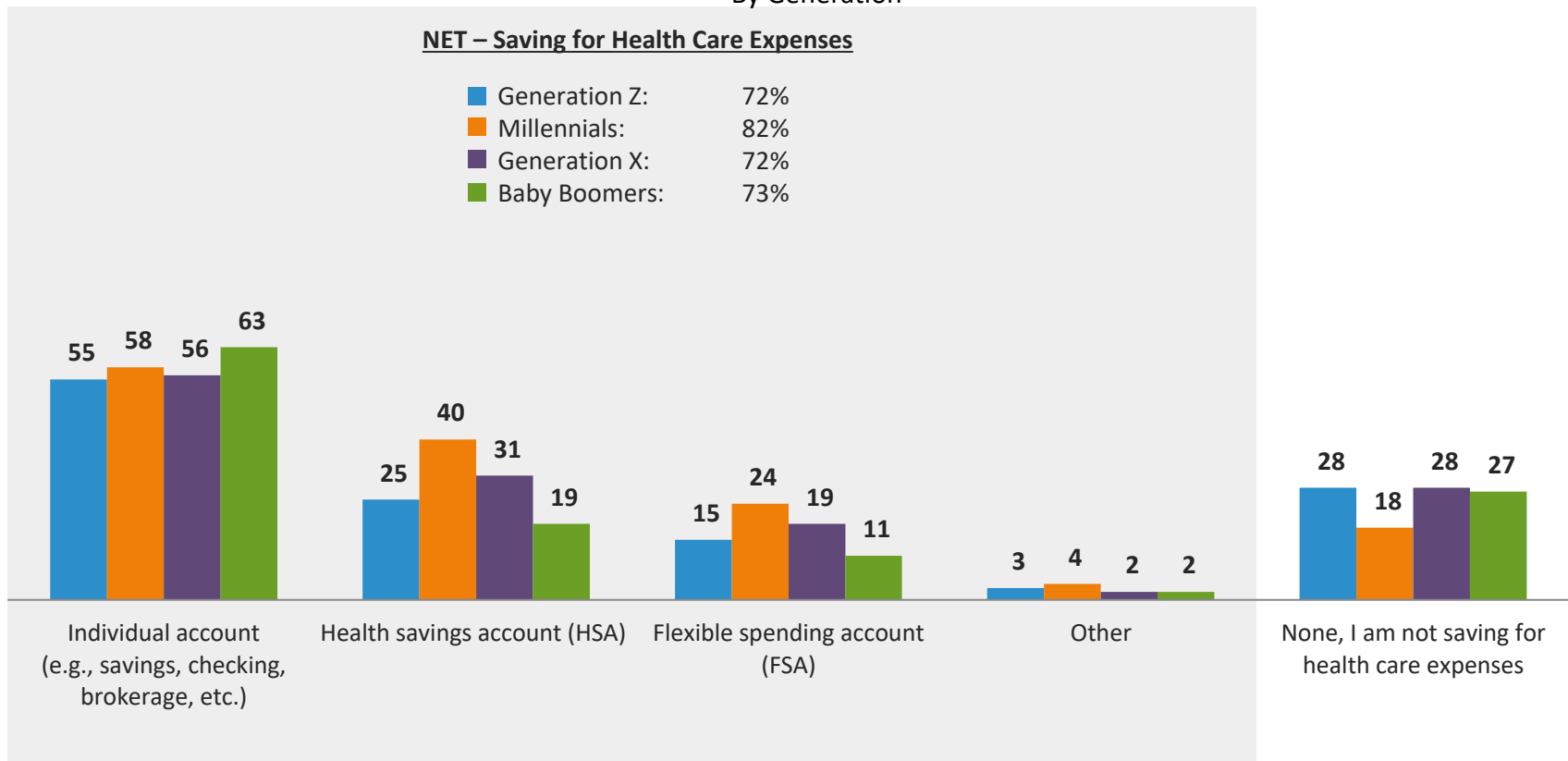
Millennials (82 percent) are more likely to be saving in one or more types of accounts for health care expenses, compared with Generation Z (72 percent), Generation X (72 percent), and Baby Boomers (73 percent). However, of concern, a segment of workers across generations are not saving for health care expenses, including 28 percent of Generation Z, 18 percent of Millennials, 27 percent of Baby Boomers, and 28 percent of Generation X.

**In which of the following accounts, if any, are you saving or have funds saved to pay for health care expenses? Select all. (%)**

By Generation

## NET – Saving for Health Care Expenses

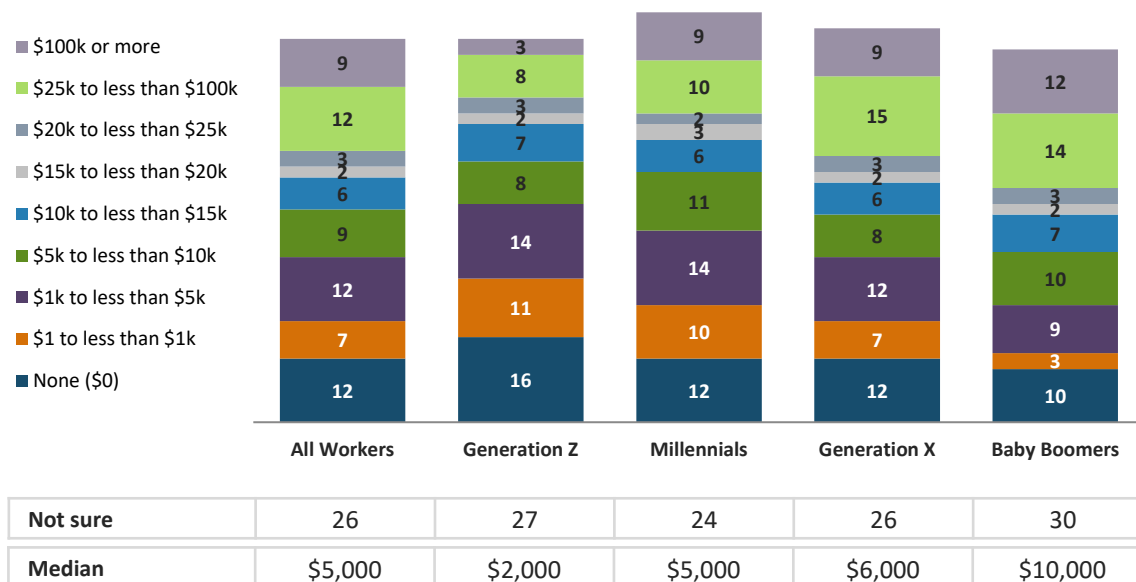
Generation Z:	72%
Millennials:	82%
Generation X:	72%
Baby Boomers:	73%



# Emergency Savings Are Alarmingly Low

Emergency savings are needed to cover financial setbacks, such as unemployment, medical bills, home repairs, auto repairs, and other unexpected expenses. Having emergency savings could also help prevent workers from dipping into their retirement savings to cover such expenses. However, workers have alarmingly low emergency savings – they have set aside only \$5,000 (median). Notably, emergency savings increase with age: Generation Z workers have saved \$2,000, while Millennials have saved \$5,000, Generation X has saved \$6,000, and Baby Boomers have saved \$10,000 (medians).

**2020 Total Household Emergency Savings (%)**



*Note: Percentages may not add up to 100% due to rounding.*

BASE: 21ST ANNUAL SURVEY - 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)?

# Dipping Into Retirement Accounts Is Not Uncommon

A concerning percentage of workers are dipping into their retirement savings before they retire. Loans and withdrawals from retirement accounts can severely inhibit the growth of their long-term savings. More than one-third of workers (34 percent) have ever taken a loan, early withdrawal, and/or hardship withdrawal from their 401(k) or similar plan or IRA, including 25 percent who have taken a loan and 25 percent who have taken an early and/or hardship withdrawal. Millennials (44 percent) are more likely to have ever dipped into retirement savings than Generation X (33 percent), Generation Z (30 percent), and Baby Boomers (17 percent).

Taken Loan, Early Withdrawal, Hardship Withdrawal (%)	All Workers	Gen Z	Millennials	Gen X	Baby Boomers
<b>TOTAL NET – Have Taken a Loan, Early Withdrawal, and/or Hardship Withdrawal From 401(k) or Similar Plan or IRA</b>	<b>34</b>	<b>30</b>	<b>44</b>	<b>33</b>	<b>17</b>
<b>NET – Have Taken a Loan</b>	<b>25</b>	<b>23</b>	<b>35</b>	<b>24</b>	<b>9</b>
<b>NET – Have Taken an Early and/or Hardship Withdrawal</b>	<b>25</b>	<b>21</b>	<b>35</b>	<b>22</b>	<b>12</b>
Yes, I have taken a loan from a 401(k) or similar plan and am paying it back	18	15	24	19	6
Yes, I have taken a loan from a 401(k) or similar plan but was unable to pay it back so it became an early withdrawal and incurred taxes and penalties	11	10	18	9	3
Yes, I have taken a hardship withdrawal and incurred taxes and penalties	12	10	18	11	4
Yes, I have taken an early withdrawal and cashed out a portion or all of a 401(k) or similar plan balance after my separation of employment from a prior employer and incurred taxes and penalties	9	6	13	9	4
Yes, I have taken an early withdrawal and cashed out a portion or all of an IRA and incurred taxes and penalties	6	6	8	5	4
<b>No, I have never taken a loan or early withdrawal from a 401(k) or similar plan or IRA</b>	<b>61</b>	<b>59</b>	<b>50</b>	<b>61</b>	<b>79</b>
<b>Not sure</b>	<b>6</b>	<b>11</b>	<b>6</b>	<b>6</b>	<b>4</b>

# Paying Off Debt Tops the List of Reasons for Taking 401(k) Loans

Among those who have taken a loan from their 401(k) or similar plan, the most frequently cited reason for doing so is to pay off debt (41 percent), including credit card debt (32 percent) and/or other debt (19 percent). Other reasons include a financial emergency (32 percent), home improvements (30 percent), and medical bills (26 percent). Millennials (44 percent), Generation X (40 percent), and Baby Boomers (38 percent) are slightly more likely to cite paying off debt than Generation Z (31 percent).

Reasons for Taking Loan From Retirement Plan (%)	All Workers	Gen Z	Millennials	Gen X	Baby Boomers
<b>NET- Paying Off Debt</b>	<b>41</b>	<b>31</b>	<b>44</b>	<b>40</b>	<b>38</b>
Pay off credit card debt	32	19	35	32	31
Pay off other debt	19	16	21	19	14
<b>A financial emergency</b>	<b>32</b>	<b>14</b>	<b>35</b>	<b>35</b>	<b>16</b>
<b>Home improvements</b>	<b>30</b>	<b>15</b>	<b>33</b>	<b>33</b>	<b>10</b>
<b>Medical bills</b>	<b>26</b>	<b>26</b>	<b>32</b>	<b>20</b>	<b>6</b>
<b>Purchase of a vehicle</b>	<b>23</b>	<b>21</b>	<b>25</b>	<b>24</b>	<b>14</b>
<b>Purchase of primary residence</b>	<b>23</b>	<b>21</b>	<b>25</b>	<b>24</b>	<b>9</b>
<b>Every day expenses</b>	<b>23</b>	<b>29</b>	<b>28</b>	<b>16</b>	<b>12</b>
<b>Unplanned major expenses (e.g., home or car repair, etc.)</b>	<b>19</b>	<b>11</b>	<b>20</b>	<b>20</b>	<b>16</b>
<b>College tuition</b>	<b>18</b>	<b>41</b>	<b>19</b>	<b>12</b>	<b>7</b>
<b>Burial or funeral expense</b>	<b>16</b>	<b>13</b>	<b>19</b>	<b>14</b>	<b>4</b>
<b>Avoid eviction</b>	<b>14</b>	<b>9</b>	<b>17</b>	<b>13</b>	<b>5</b>
<b>Some other purpose</b>	<b>1</b>	<b>0</b>	<b>&lt;1</b>	<b>2</b>	<b>9</b>

*Note: Percentages reported for Generation Z and Baby Boomers should be considered directional due to a small sample base.*

# Reasons for Hardship Withdrawals from 401(k)s

Among those who have taken a hardship withdrawal from a 401(k) or similar plan, the most often cited reasons for doing so are paying for certain medical expenses (21 percent), paying for tuition and related educational fees (18 percent), expenses and losses incurred due to a disaster in a federally declared disaster area (15 percent), and payments to prevent eviction from principal residence (12 percent).

Primary Reason for Hardship Withdrawal (%)	All Workers
Pay for certain medical expenses for you, your spouse, children, dependents, or primary beneficiaries under the plan	21
Payment of tuition and related educational fees for the next 12 months of post-secondary education for you, your spouse, children, dependents, or primary beneficiaries under the plan	18
Expenses and losses (including loss of income) incurred due to a disaster located in a federally declared disaster area that included your principal residence or principal place of employment	15
Payments to prevent your eviction from your principal residence	12
Expenses for repairs of damage to your principal residence that would qualify for the casualty deduction under the Internal Revenue Code	11
Cover the costs related to the purchase of a principal residence	10
Burial or funeral expenses for your spouse, children, dependents, or primary beneficiaries under the plan	6
Other	7

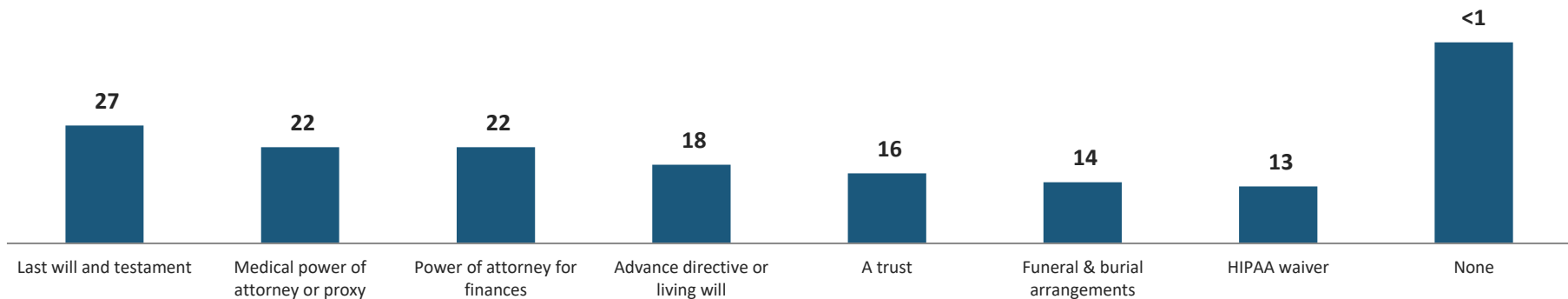
*Note: Sample sizes by generation are too small to report for this survey question.*

# Relatively Few Workers Have Set Forth Legal Documentation

When asked about the types of financial and medical-related legal documents they have set forth, workers most frequently cite a last will and testament (27 percent), a medical power of attorney or proxy (22 percent), and a power of attorney for finances (22 percent). Fewer than one in five workers have an advance directive or living will (18 percent), a trust (16 percent), funeral and burial arrangements (14 percent), and HIPAA waiver (13 percent). However, nearly half of workers (46 percent) do not have any legal documents in place.

**Which of the following legal documents have you set forth in writing? Select all. (%)**

All Workers



*Note: Responses not shown for "Other" (All Workers: <1%).*

**BASE: 21ST ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS**

**Q1517. Which of the following legal documents have you set forth in writing? Select all.**

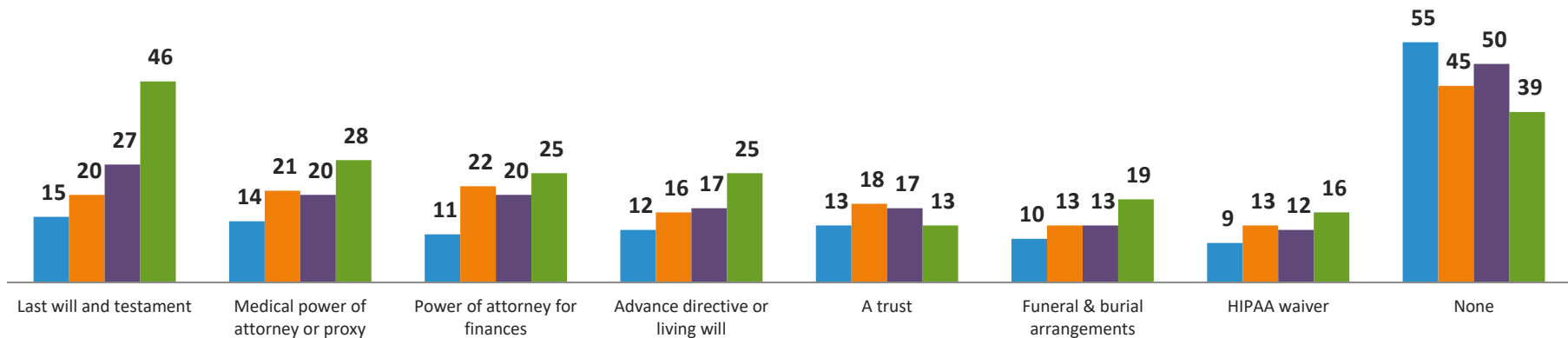
# Baby Boomers Are Generally More Likely to Have Legal Documents

Baby Boomers are generally more likely than younger generations to have set forth legal documents, such as a last will and testament (46 percent), medical power of attorney or proxy (28 percent), power of attorney for finances (25 percent), advance directive or living will (25 percent), and funeral and burial arrangements (19 percent). Of concern, many workers across generations do not have any legal documents in place.

## Which of the following legal documents have you set forth in writing? Select all. (%)

By Generation

■ Generation Z ■ Millennials ■ Generation X ■ Baby Boomers



Note: Responses not shown for "Other" (Generation Z: 0%, Millennials: <1%, Generation X: <1%, Baby Boomers: 1%).

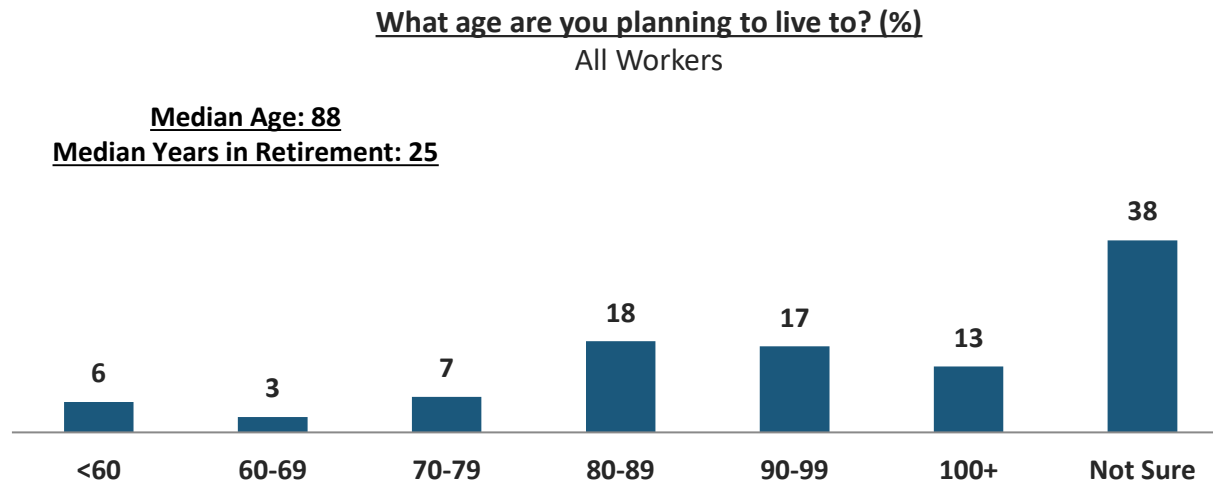
BASE: 21ST ANNUAL SURVEY – ALL QUALIFIED RESPONDENTS  
Q1517. Which of the following legal documents have you set forth in writing? Select all.

## ***Visions and Expectations of Retirement***

# Many Envision Long Lives and Long Retirements

Today's workers are planning to live to age 88 (median) among those who provided an age when asked how long they are planning to live to. Thirteen percent are planning to live to age 100 or older. Thirty-eight percent are "not sure."

An implication for increased longevity is potentially more time spent in retirement. The survey compared workers' planned life expectancy with their expected retirement age and found that they plan to spend 25 years in retirement (median).



Note: Results may not total to 100% due to rounding.

\*Median years in retirement calculation excludes those who said, "don't plan to retire."

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q2850. What age are you planning to live to?

Q910. At what age do you expect to retire?

# 1 in 6 Generation Z and Millennials Plan to Be Centenarians

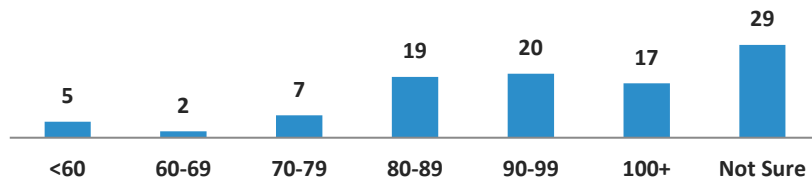
Generation Z and Millennial workers are planning to live longer than their older counterparts. One in six Generation Z and Millennials (17 percent and 16 percent, respectively) are planning to live to age 100 or older, compared with Generation X (10 percent) and Baby Boomers (9 percent). Generation Z and Millennial workers also plan to spend more time in retirement (30 years and 27 years, respectively), which is somewhat longer than Generation X (23 years) and Baby Boomers (22 years) (medians).

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

By Generation

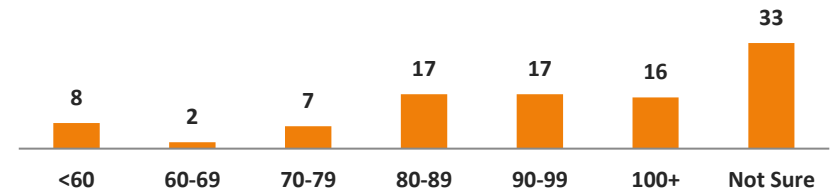
### Generation Z

**Median Age: 90**  
**Median Years in Retirement: 30**



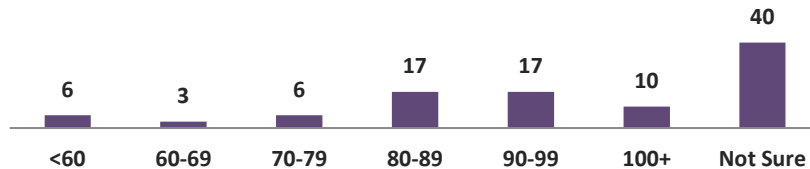
### Millennials

**Median Age: 89**  
**Median Years in Retirement: 27**



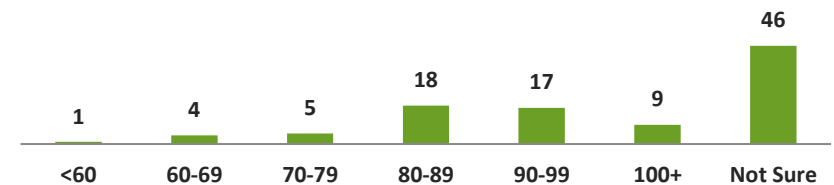
### Generation X

**Median Age: 85**  
**Median Years in Retirement: 23**



### Baby Boomers

**Median Age: 87**  
**Median Years in Retirement: 22**



Note: Results may not total to 100% due to rounding.

\*Median years in retirement calculation excludes those who said, "don't plan to retire."

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q2850. What age are you planning to live to?

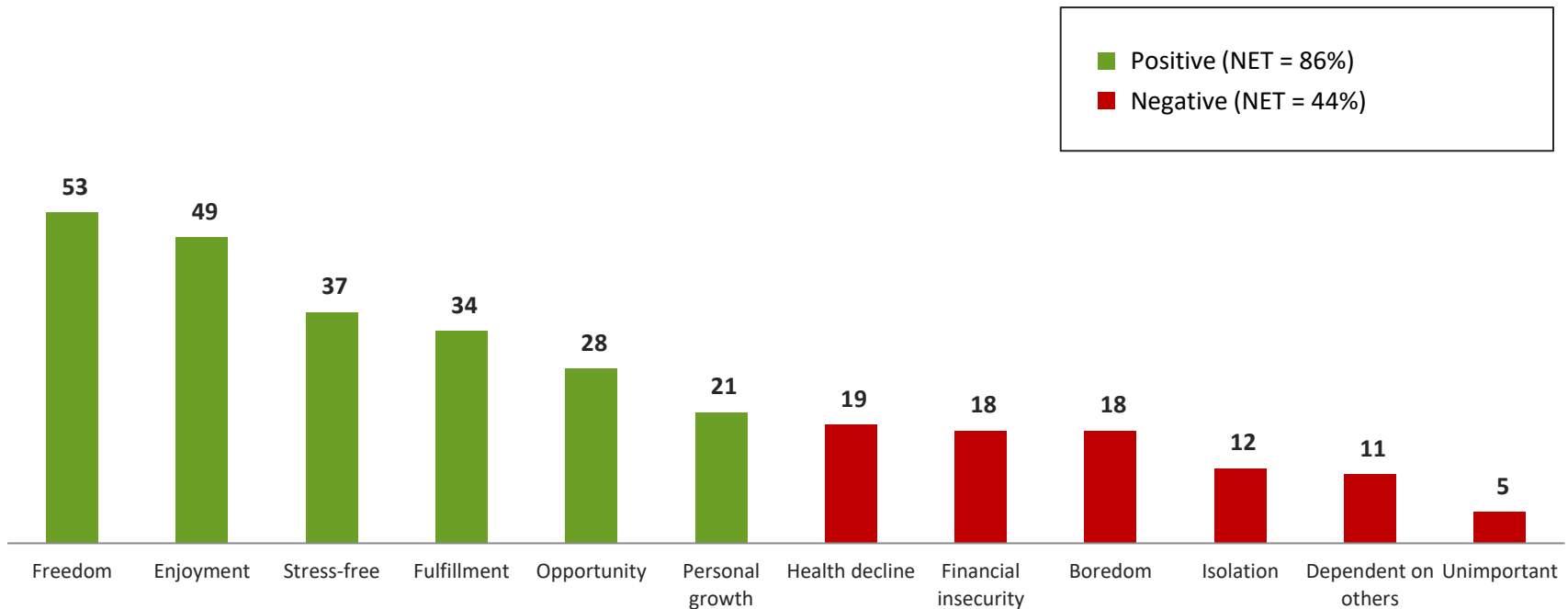
Q910. At what age do you expect to retire?

# Most Cite Positive Word Associations With “Retirement”

Eighty-six percent of workers cite positive word associations with “retirement” compared with only 44 percent who cite negative words. Workers’ top three positive word associations are “freedom” (53 percent), “enjoyment” (49 percent), and “stress-free” (37 percent), while the top three negative word associations are “health decline” (19 percent), “financial insecurity” (18 percent), and “boredom” (18 percent).

## Which of the following do you personally associate with the word “retirement”?

All Workers (%)



Note: Responses not shown for “Other” (All Workers: 1%).

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q5000. Which of the following do you personally associate with the word “retirement”? Select all.

# All Four Generations Cite Positive Word Associations

More than eight in 10 workers across generations cite one or more positive word associations with “retirement.” Workers from the four generations share the most often cited positive words: “freedom,” “enjoyment,” and “stress-free.” However, Generation Z and Millennial workers (53 percent and 48 percent, respectively) are more likely to cite one or more negative word associations, compared with Generation X (41 percent) and Baby Boomers (34 percent).



Note: Responses not shown for “Other” (Generation Z: 1%, Millennials: 1%, Generation X: 1%, Baby Boomers: 1%).

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

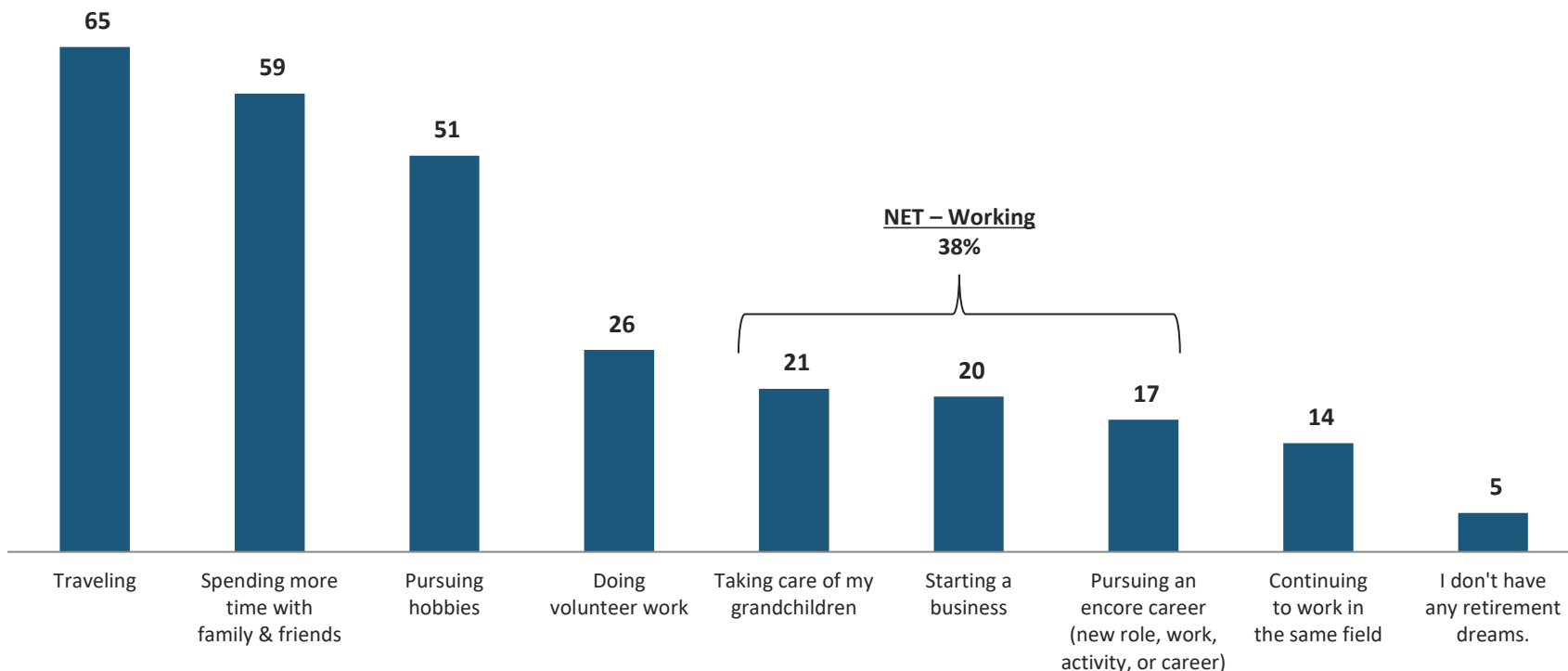
Q5000. Which of the following do you personally associate with the word “retirement”? Select all.

# Workers Are Dreaming of an Active Retirement

Traveling (65 percent) is workers' most frequently cited retirement dream, followed by spending more time with family and friends (59 percent), and pursuing hobbies (51 percent). A noteworthy 38 percent of workers dream of doing some form of paid work in retirement, such as starting a business (20 percent), pursuing an encore career (17 percent), and/or continuing to work in the same field (14 percent). More than one in four workers (26 percent) dream of doing volunteer work in retirement.

## How do you dream of spending your retirement? (%)

All Workers



Note: Responses not shown for "Other" (All Workers: 1%).

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

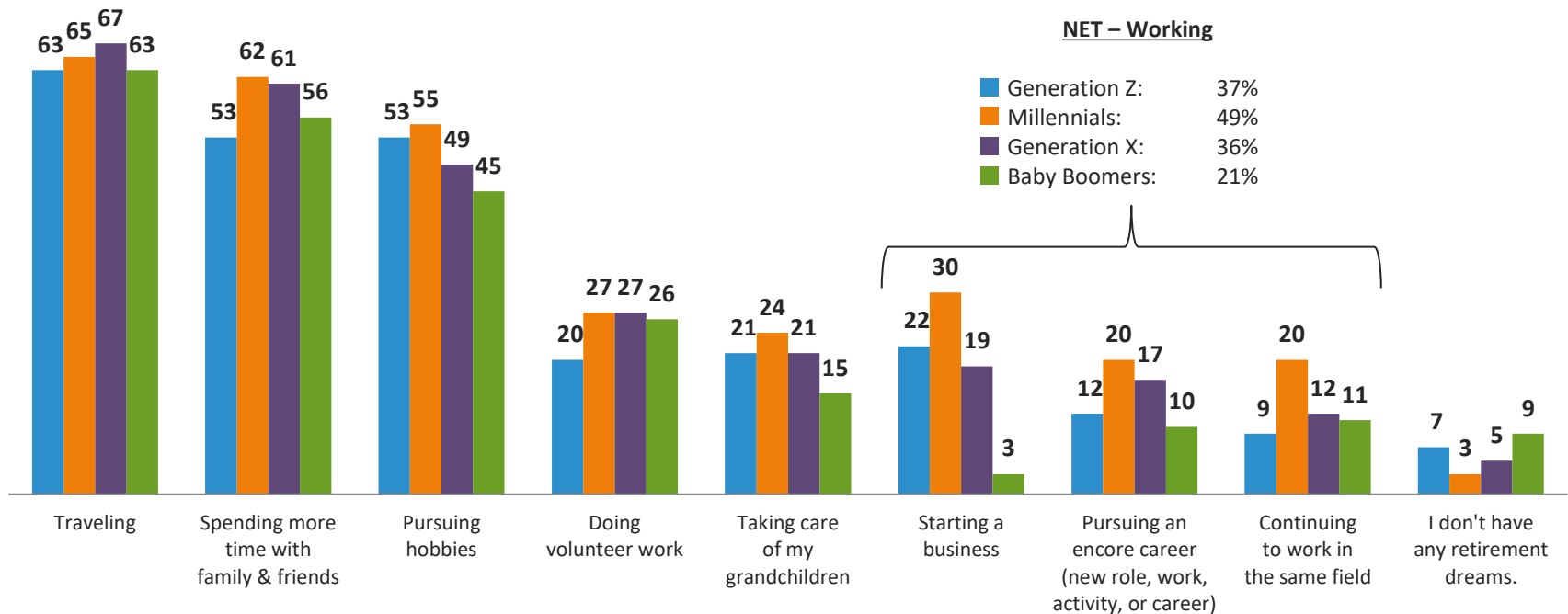
Q1418. How do you dream of spending your retirement? Select all.

# Workers Across Generations Share Similar Retirement Dreams

Workers' top three retirement dreams — traveling, spending more time with family and friends, and pursuing hobbies — are shared across generations. However, some dreams differ. Almost half of Millennials (49 percent) dream of doing some form of paid work in retirement (i.e., starting a business, pursuing an encore career, continue working in the same field), compared with significantly fewer Generation Z (37 percent), Generation X (36 percent), and Baby Boomers (21 percent).

## How do you dream of spending your retirement? (%)

By Generation



Note: Responses not shown for "Other" (Generation Z: <1%, Millennials: <1%, Generation X: <1%, Baby Boomers: 2%).

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

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

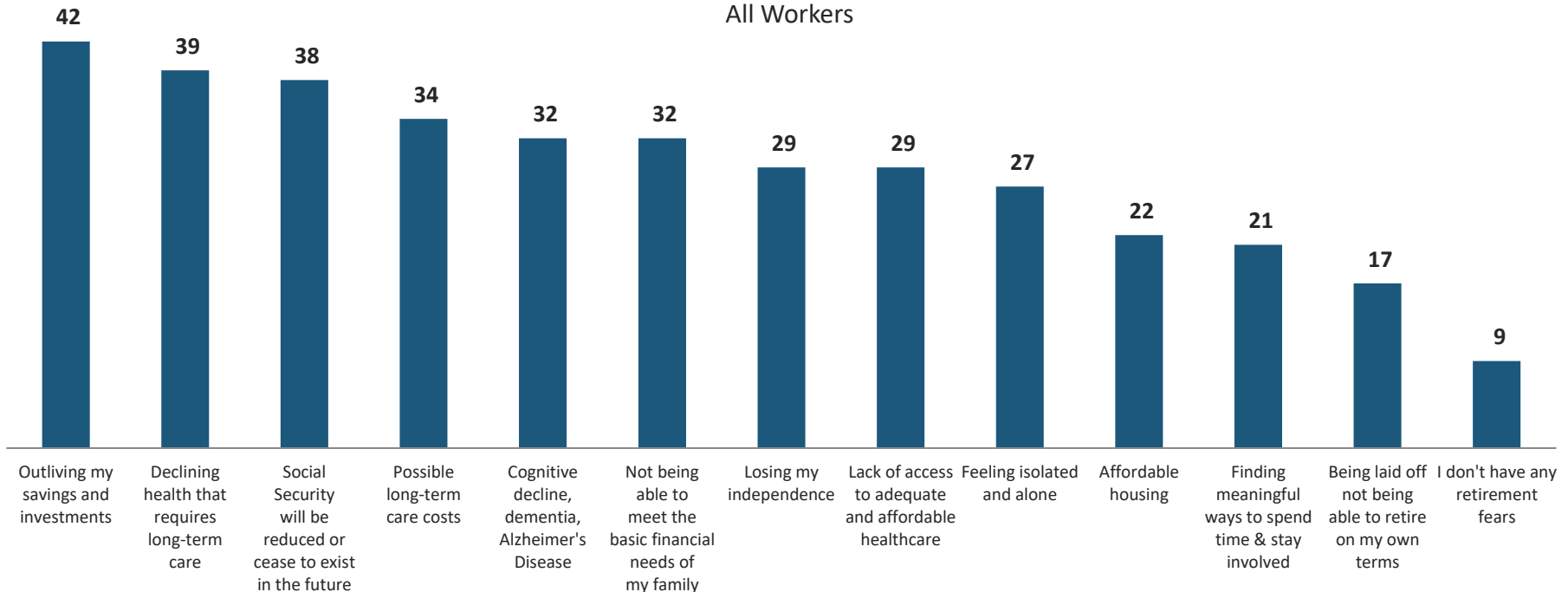
# Retirement Fears Range from Financial to Health-Related

The most frequently cited retirement fears are outliving savings and investments (42 percent), declining health that requires long-term care (39 percent), a reduction in or elimination of Social Security in the future (38 percent), and possible long-term care costs (34 percent).

Almost one in three workers fear cognitive decline/dementia/Alzheimer's Disease (32 percent) and not being able to meet the basic financial needs of their family (32 percent). Other fears include losing independence (29 percent), lack of access to adequate and affordable healthcare (29 percent), feeling isolated and alone (27 percent), affordable housing (22 percent), and finding meaningful ways to spend time and stay involved (21 percent).

**What are your greatest fears about retirement? (%)**

All Workers



Note: Responses not shown for "Other" (All Workers: <1%).

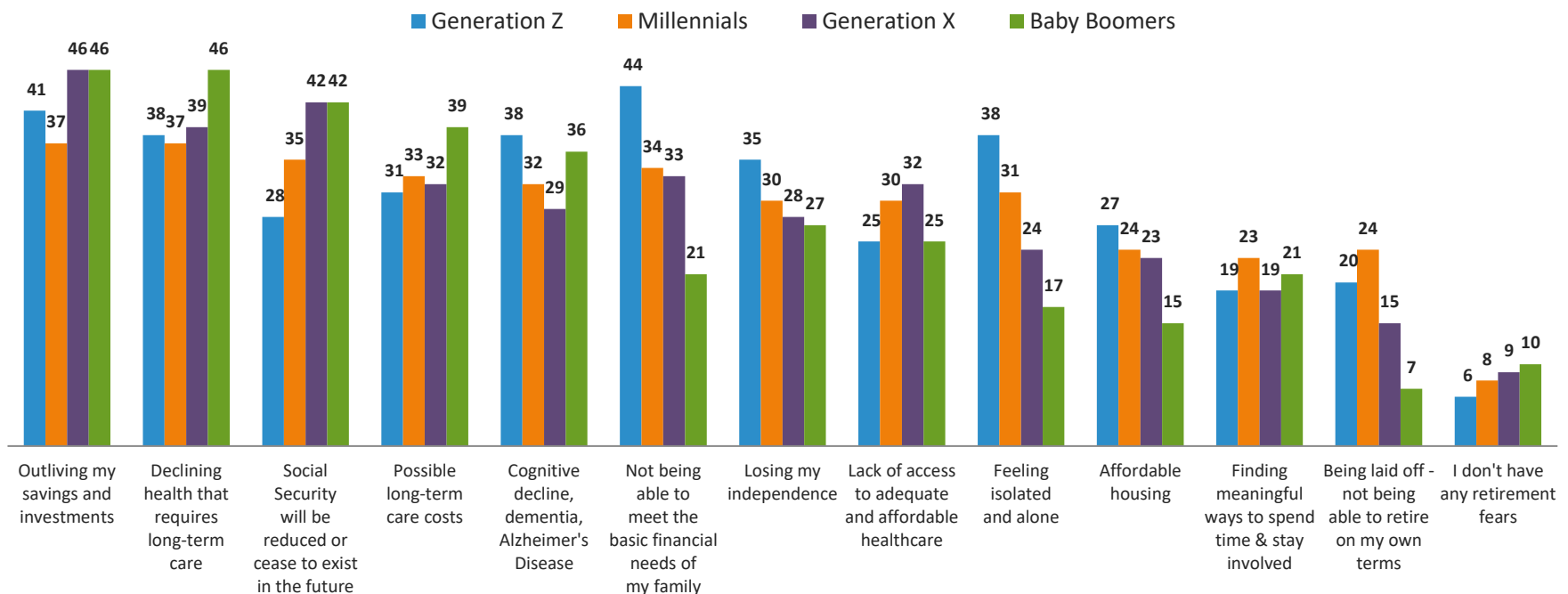
BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS  
Q1422. What are your greatest fears about retirement? Select all.

# Retirement Fears Vary Across Generations

Workers' retirement fears range from financial to health-related but vary by generation. While workers across generations fear outliving their savings and investments to a greater or lesser extent, Baby Boomers (46 percent) are somewhat more likely than younger generations to fear declining health that requires long-term care. Baby Boomers and Generation X are more likely to fear reductions in or elimination of Social Security in the future (both 42 percent). Millennials and Generation Z are more likely to fear feeling isolated and alone (31 percent and 38 percent, respectively). Generation Z (44 percent) is significantly more likely to fear they will be unable to meet the basic needs of their families.

## What are your greatest fears about retirement? (%)

By Generation



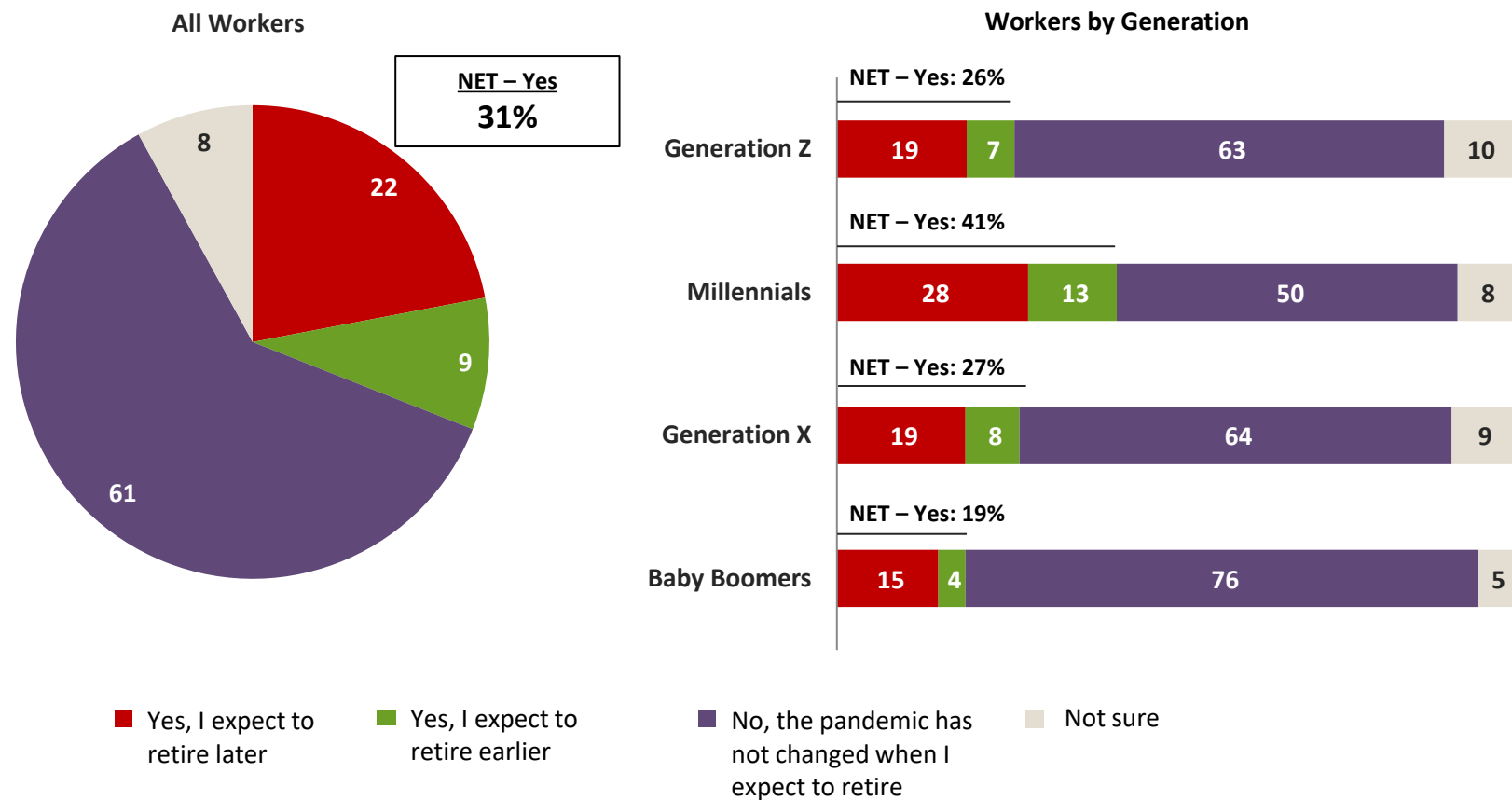
Note: Responses not shown for "Other" (Generation Z: 0%, Millennials: <1%, Generation X: <1%, Baby Boomers: <1%).

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS  
Q1422. What are your greatest fears about retirement? Select all.

# Pandemic Has Not Changed When Most Workers Expect to Retire

More than six in 10 workers (61 percent) say that the pandemic has not changed when they expect to retire. Thirty-one percent say that it has changed their retirement expectations, including 22 percent who expect to retire later and 9 percent who expect to retire earlier. Millennials (28 percent) are more likely to say that they expect to retire later due to the pandemic, compared with Generation Z, Generation X, and Baby Boomers (19 percent, 19 percent, and 15 percent, respectively).

**Has the coronavirus pandemic changed when you expect to retire? (%)**

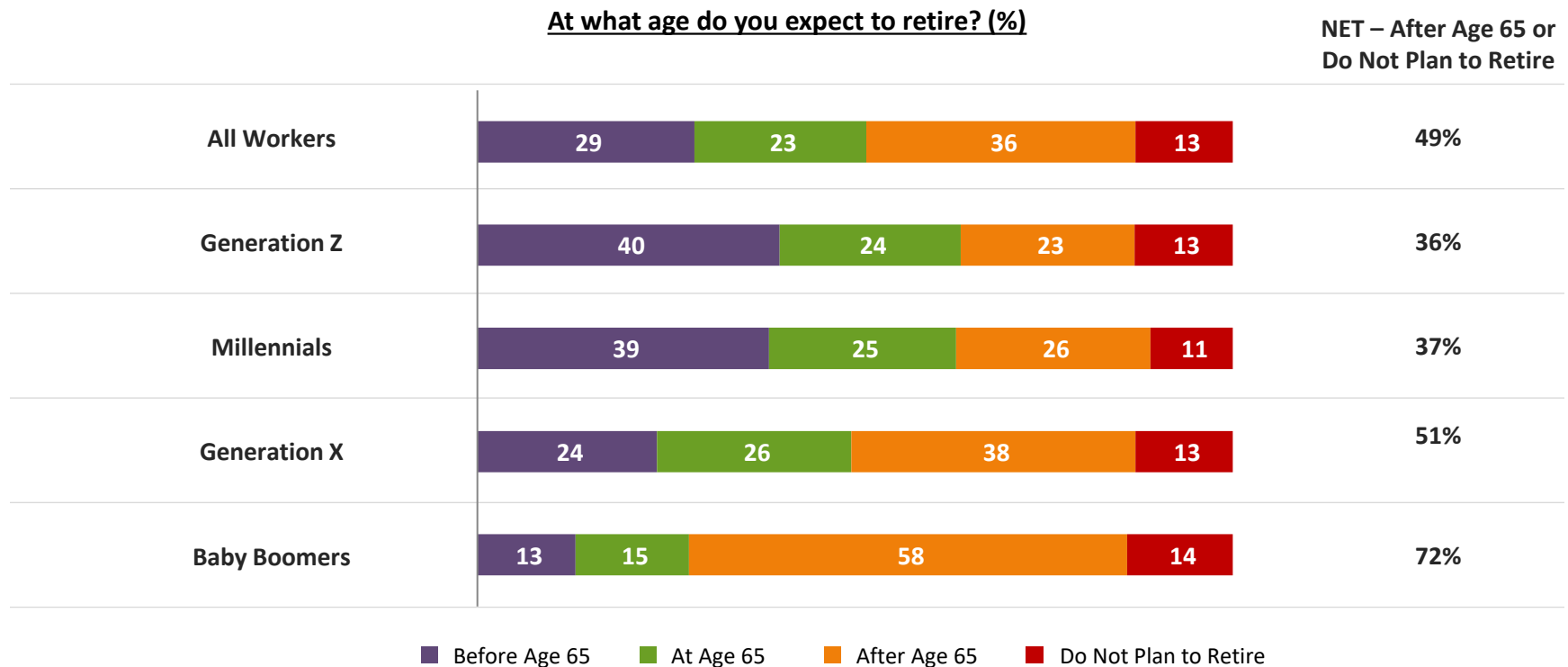


Note: Results may not total to 100% due to rounding.

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS  
Q9001. Has the coronavirus pandemic changed when you expect to retire?

# Almost Half of Workers Expect to Work Past Age 65

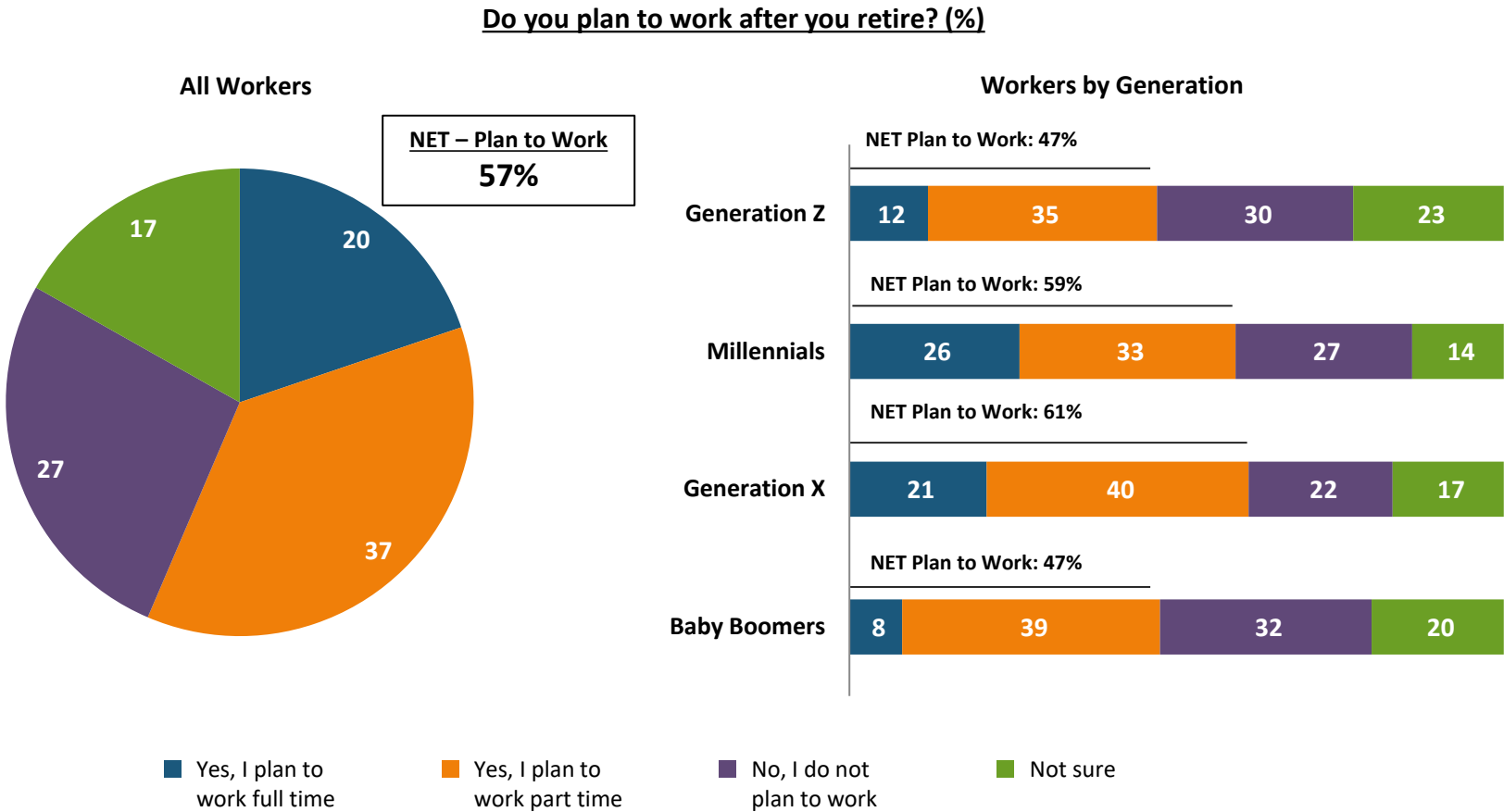
Forty-nine percent of workers expect to work past age 65 or do not plan to retire. Expectations of doing so increase with age. More than seven in 10 Baby Boomers (72 percent) either expect to or are already working past age 65 or do not plan to retire, compared with 51 percent of Generation X, 37 percent of Millennials, and 36 percent of Generation Z. In contrast, approximately four in 10 Generation Z and Millennials (40 percent and 39 percent, respectively) plan to retire before age 65. Approximately one in eight workers across generations do not plan to retire.



*Note: Some responses do not add up to 100% due to rounding.*

# More Than Half of Workers Plan to Work in Retirement

Fifty-seven percent of workers plan to work after they retire, including 37 percent who plan to work part-time and 20 percent full-time. Just 27 percent do not plan to work after they retire, and 17 percent are not sure. Generation X and Millennials (61 percent and 59 percent, respectively) are more likely to be planning to work in retirement than Baby Boomers and Generation Z (both 47 percent).



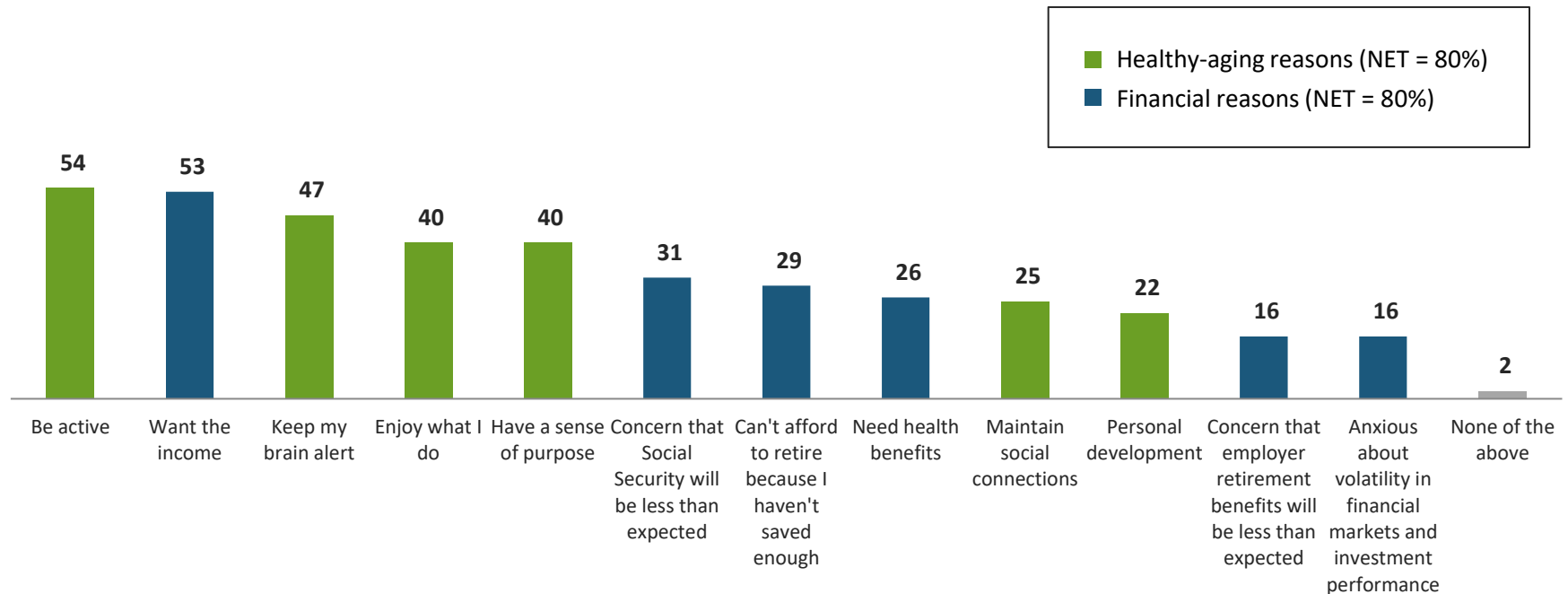
*Note: Some responses do not add up to 100% due to rounding.*

# Health and Financial Reasons for Working in Retirement

Among workers who are or plan to work in retirement and/or past age 65, an equal proportion cite healthy-aging and financial reasons (both 80 percent). The most often cited healthy-aging reason is to be active (54 percent), while the top financial reason is wanting the income (53 percent). Other frequently cited healthy-aging reasons cluster around “keep my brain alert” (47 percent), “enjoy what I do” (40 percent), and “have a sense of purpose” (40 percent). Other frequently cited financial reasons cluster around “concerned that Social Security will be less than expected” (31 percent), “can’t afford to retire” (29 percent), and “need health benefits” (26 percent).

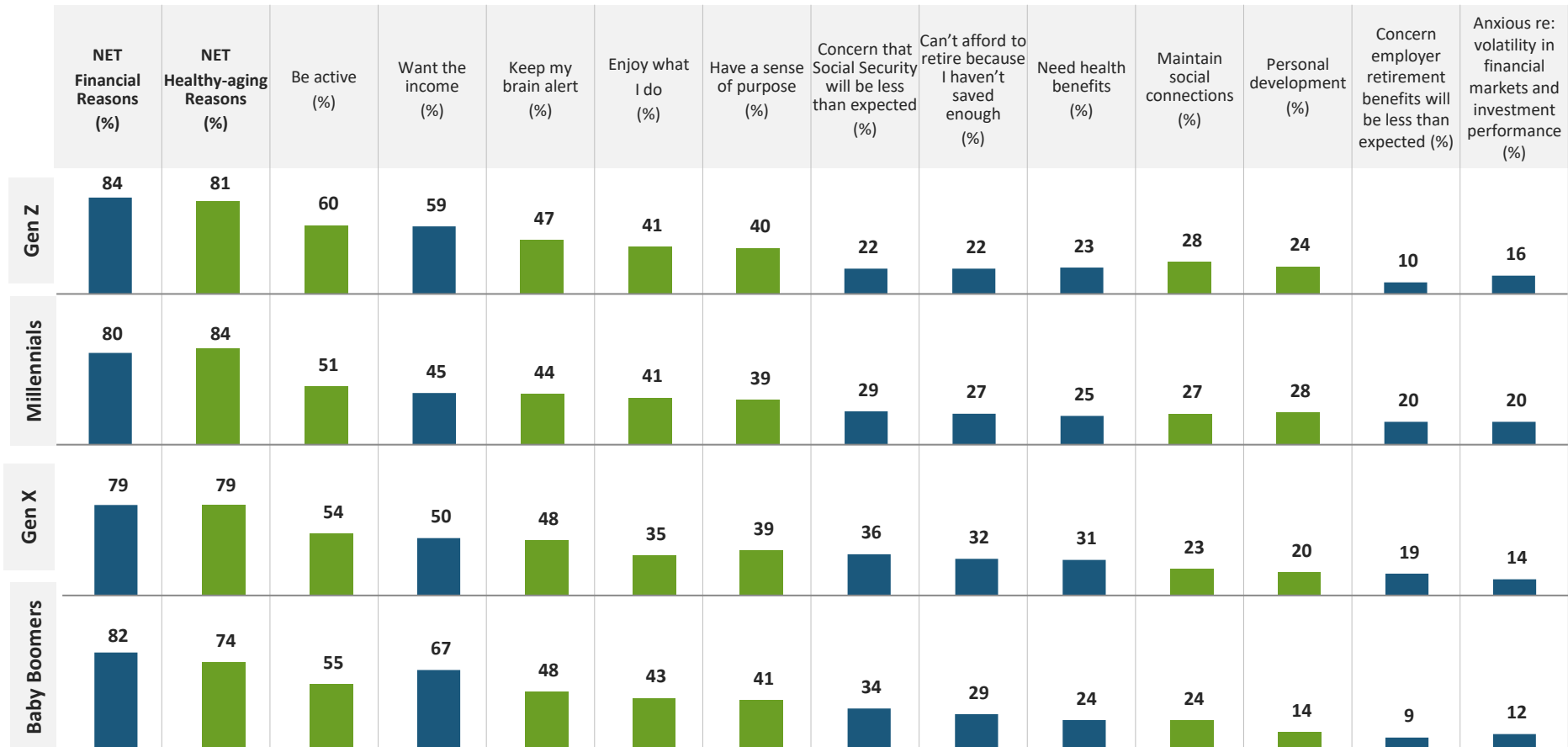
## What are your reason(s) for working in retirement or past age 65? (%)

All Workers



# Generations Share Common Reasons for Working in Retirement

Workers across generations similarly share financial and healthy aging-related reasons for working past age 65 and/or in retirement with some differences. Baby Boomers (67 percent) are somewhat more likely than other generations to indicate they want the income. Generation X and Baby Boomers (36 percent and 34 percent, respectively) are somewhat more likely to be concerned that Social Security benefits will be less than expected. Millennials and Generation Z (28 percent and 24 percent, respectively) are somewhat more likely to cite personal development as a reason.



Note: Chart excludes "none of the above" responses which were 4 percent or less across generations.

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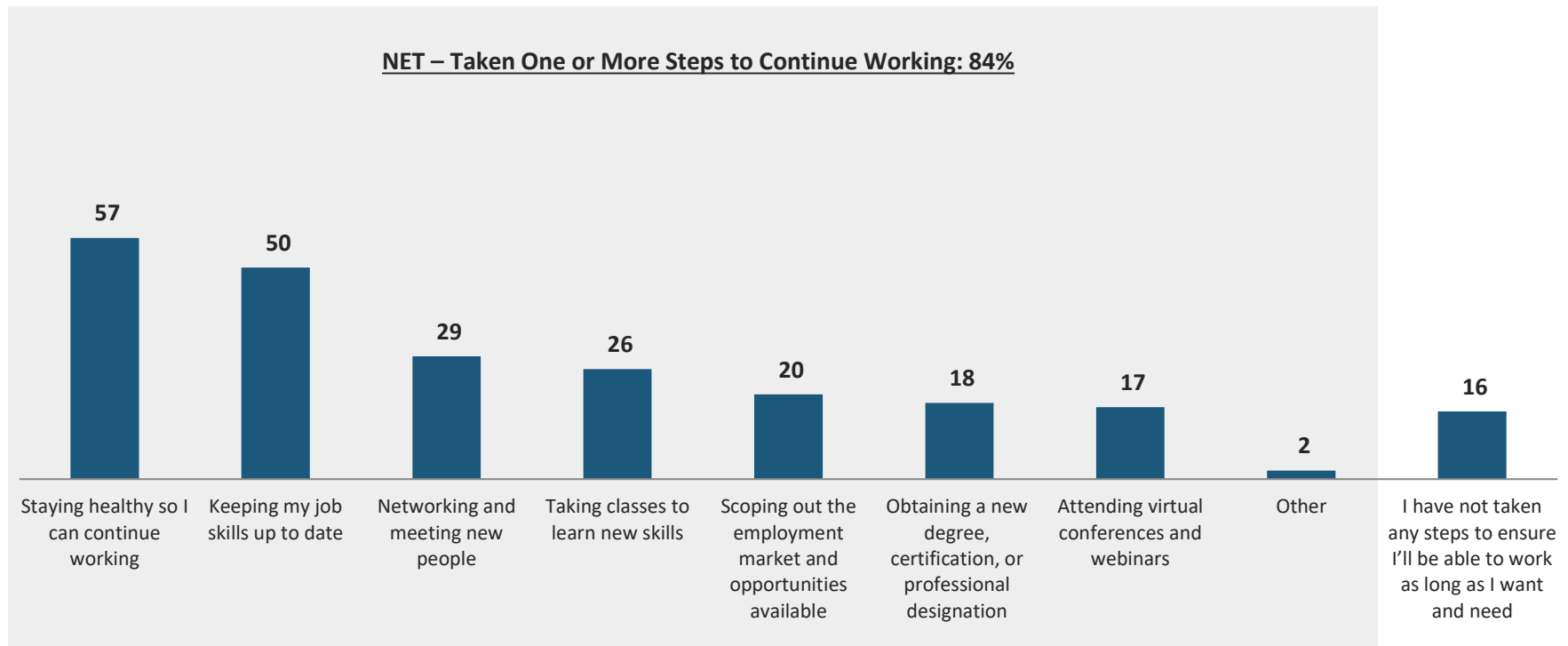
BASE: 21ST ANNUAL SURVEY - PLAN ON RETIRING AFTER 65 AND/OR WORKING AFTER RETIREMENT

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

# Proactive Steps Taken to Help Ensure Continued Work

Workers must be healthy enough and have access to employment opportunities to be able to work as long as they want and need. While more than eight in 10 workers have taken one or more proactive steps to continue working (84 percent), only 57 percent are staying healthy, 50 percent are keeping their job skills up to date, 29 percent are networking and meeting new people, and 26 percent are taking classes to learn new skills. Approximately one in five workers are scoping out the employment market (20 percent) or obtaining a new degree, certification, or professional designation (18 percent). Sixteen percent have not taken any steps.

**Which of the following steps, if any, have you taken to help ensure that you'll be able to work as long as you want and need? (%)**



# Workers Across Generations Can Take More Proactive Steps

Workers across generations have an opportunity to take more proactive steps to help ensure they can continue to work as long as they want and need. While it is encouraging that Generation Z and Millennials (90 percent and 89 percent, respectively) have taken one or more steps, relatively few are staying healthy so they can continue working (57 percent and 52 percent, respectively) or keeping their job skills up to date (both 54 percent), which are key ingredients for achieving success. Because retirement is becoming closer on the horizon, and many may be facing savings shortfalls that necessitate continued work, it is concerning that 26 percent of Baby Boomers and 18 percent of Generation X have not taken any steps.

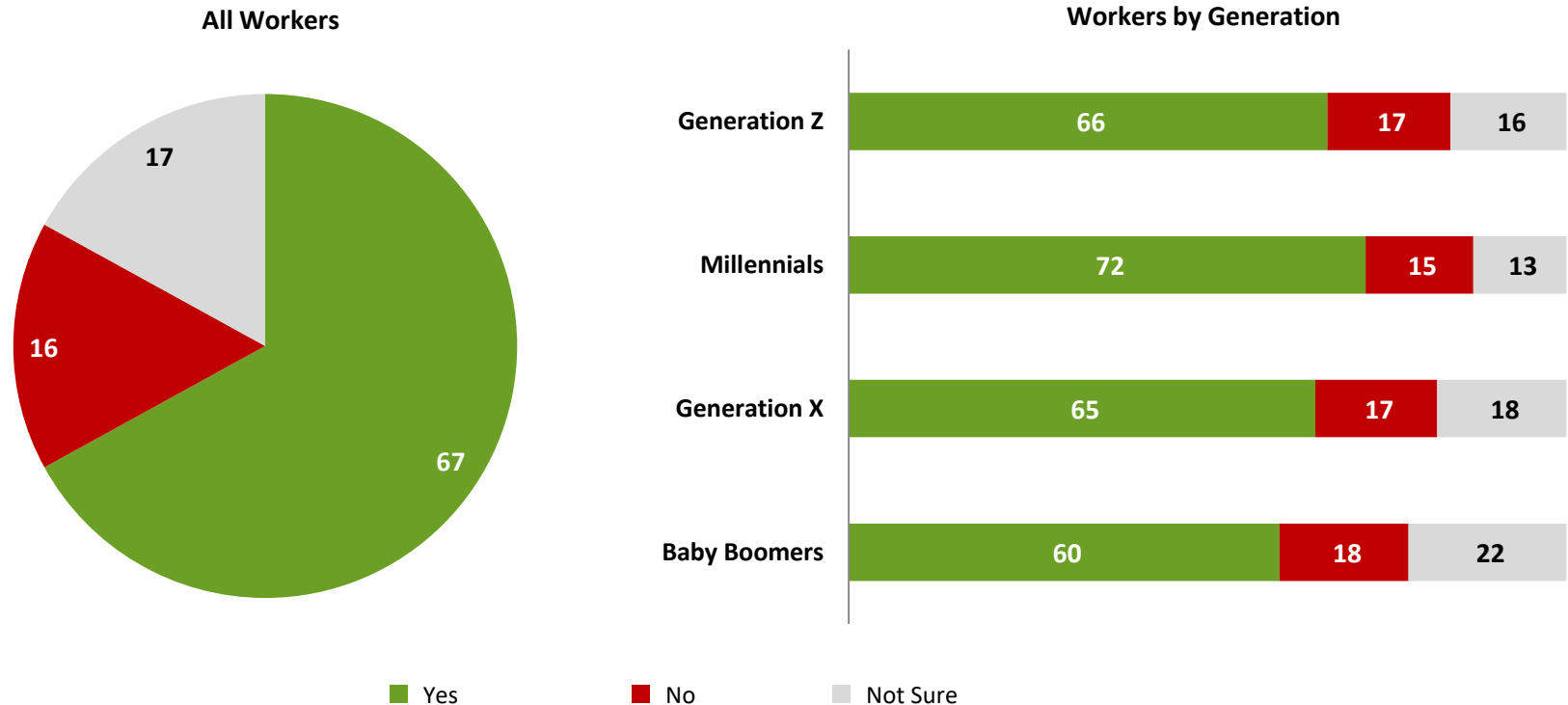
**Have you taken any steps to ensure that you'll be able to continue working as long as you want and need? (%)**

	Generation Z	Millennials	Generation X	Baby Boomers
<b>NET – Taken One or More Steps to Continue Working</b>	<b>90</b>	<b>89</b>	<b>82</b>	<b>74</b>
Staying healthy so I can continue working	57	52	59	62
Keeping my job skills up to date	54	54	49	42
Networking and meeting new people	35	37	29	14
Taking classes to learn new skills	33	36	22	9
Scoping out the employment market and opportunities available	24	27	18	9
Obtaining a new degree, certification, or professional designation	28	27	14	4
Attending virtual conferences and webinars	13	22	18	6
Other	3	2	2	2
I have not taken any steps to ensure I'll be able to work as long as I want and need	10	11	18	26

# Are Today's Employers Age Friendly?

Almost seven in 10 workers (67 percent) consider their employers to be “age friendly” by offering opportunities, work arrangements, and training and tools needed for employees of all ages to be successful in their current role or contribution to the company. Sixteen percent of workers say their employers are not age friendly and 17 percent are “not sure.” Millennial workers are somewhat more likely to characterize their employers as age friendly (72 percent) than Generation Z (66 percent), Generation X (65 percent), and Baby Boomers (60 percent).

**Do you consider your employer to be “age friendly”? (%)**



*Note: Results may not total 100% due to rounding.*

BASE: 20TH ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

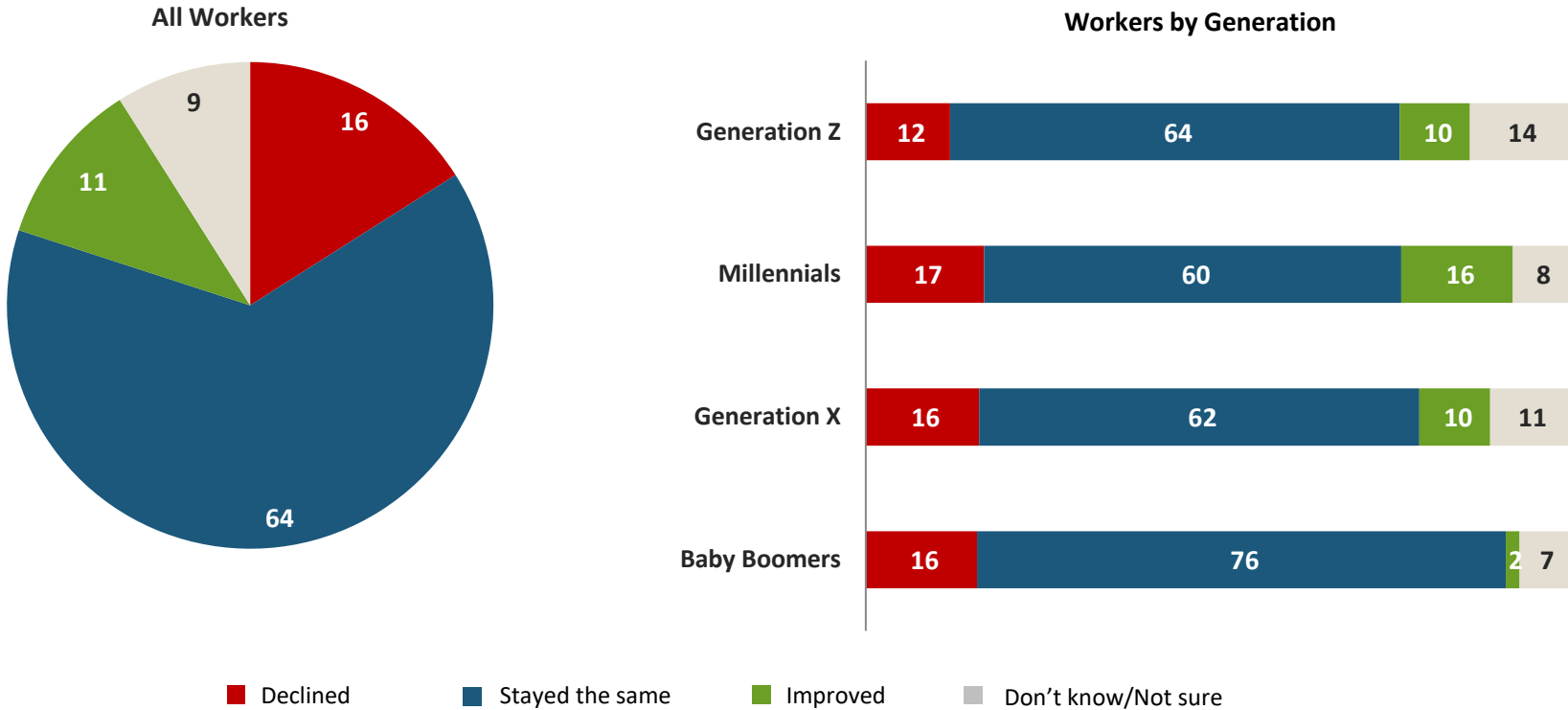
Q2745. Do you consider your employer to be “age friendly” (for example offering opportunities, work arrangements, and training and tools needed for employees of all ages to be successful in their current role or contribution to the company)?

## *Retirement Savings, Planning, and Preparations*

# Retirement Confidence Has Stayed the Same For Most Workers

Almost two-thirds of workers (64 percent) indicate their confidence in their ability to retire comfortably has stayed the same in light of the pandemic. Sixteen percent of workers indicate their confidence has declined, while 11 percent say it has improved. Across generations, Baby Boomers (76 percent) are more likely than Generation Z, Generation X, and Millennials (64 percent, 62 percent, and 60 percent, respectively) to indicate their retirement confidence has stayed the same.

How has your confidence in your ability to retire comfortably changed in light of the coronavirus pandemic? (%)

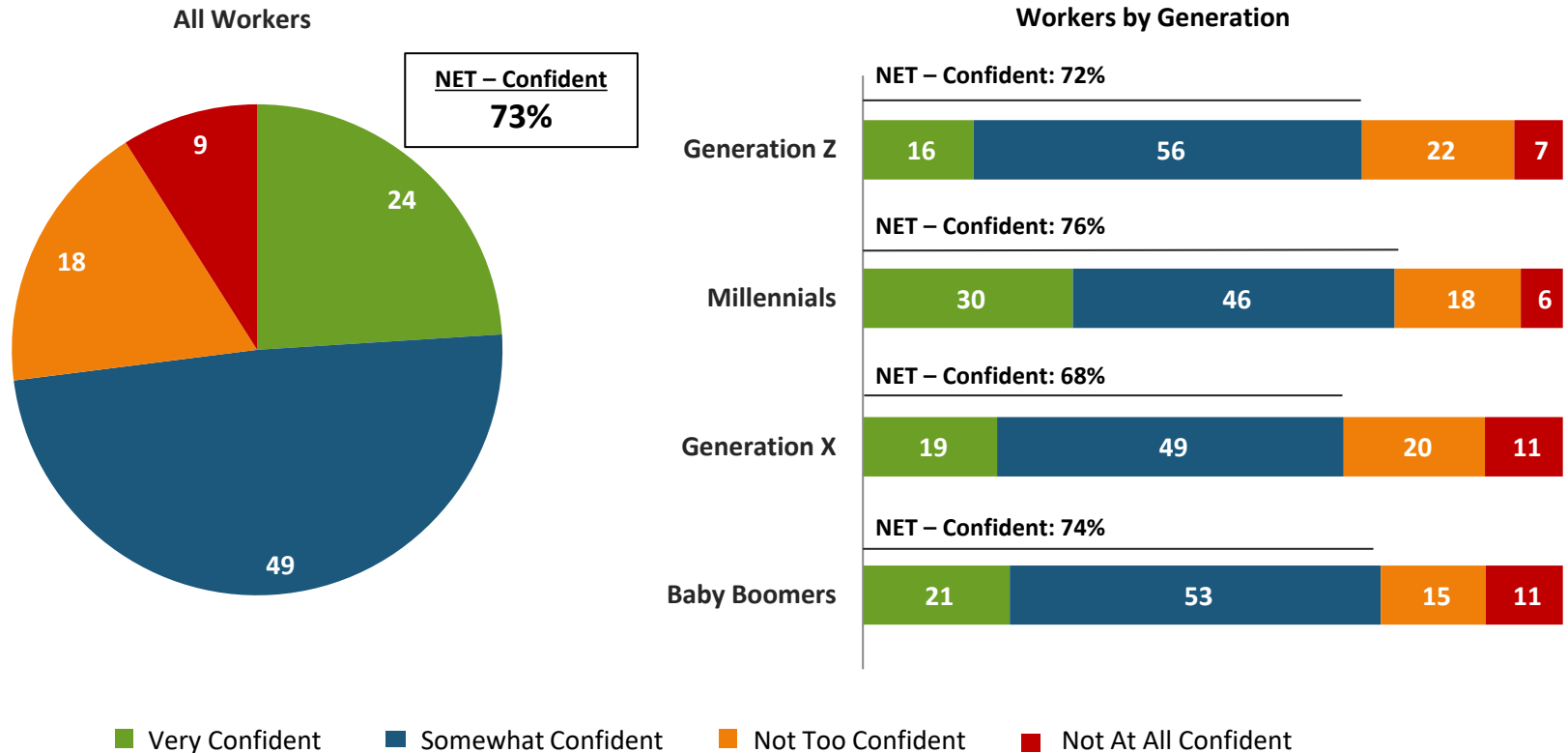


Note: Results may not total 100% due to rounding.

# Almost 3 in 4 Workers Are Confident About Retirement

Seventy-three percent of workers are confident that they will be able to fully retire with a comfortable lifestyle, including 24 percent who are “very” confident and 49 percent who are “somewhat” confident. While confidence is similar across generations, Millennials (30 percent) are more likely to be “very” confident than Baby Boomers (21 percent), Generation X (19 percent), and Generation Z (16 percent).

**How confident are you that you will be able to fully retire with a lifestyle you consider comfortable? (%)**

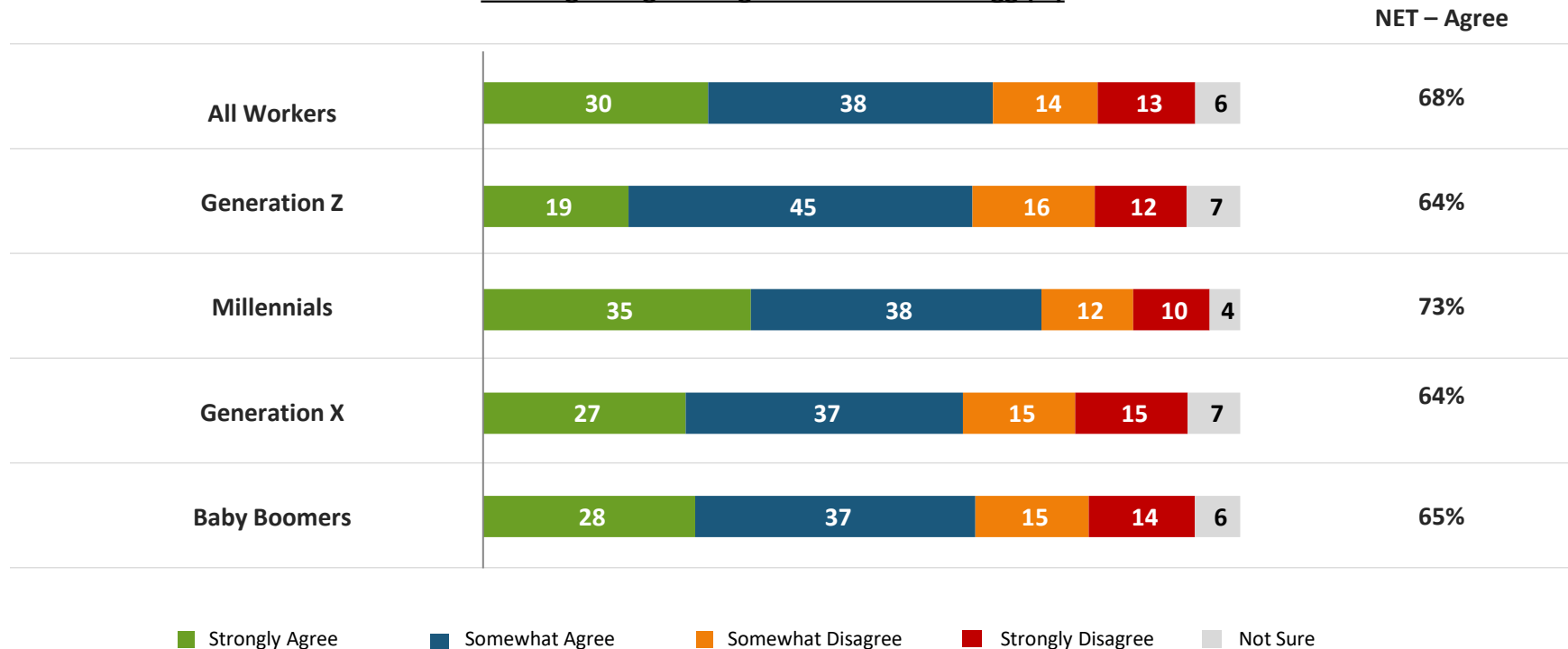


*Note: Results may not total 100% due to rounding.*

# Almost 7 in 10 Think They Are Building a Large Enough Nest Egg

Sixty-eight percent of workers agree that they are currently building a large enough retirement nest egg, including 30 percent who “strongly agree” and 38 percent who “somewhat agree.” Millennials (35 percent) are more likely to “strongly agree” than Baby Boomers, Generation X, and Generation Z (28 percent, 27 percent, and 19 percent, respectively).

**Building a Large Enough Retirement Nest Egg (%)**



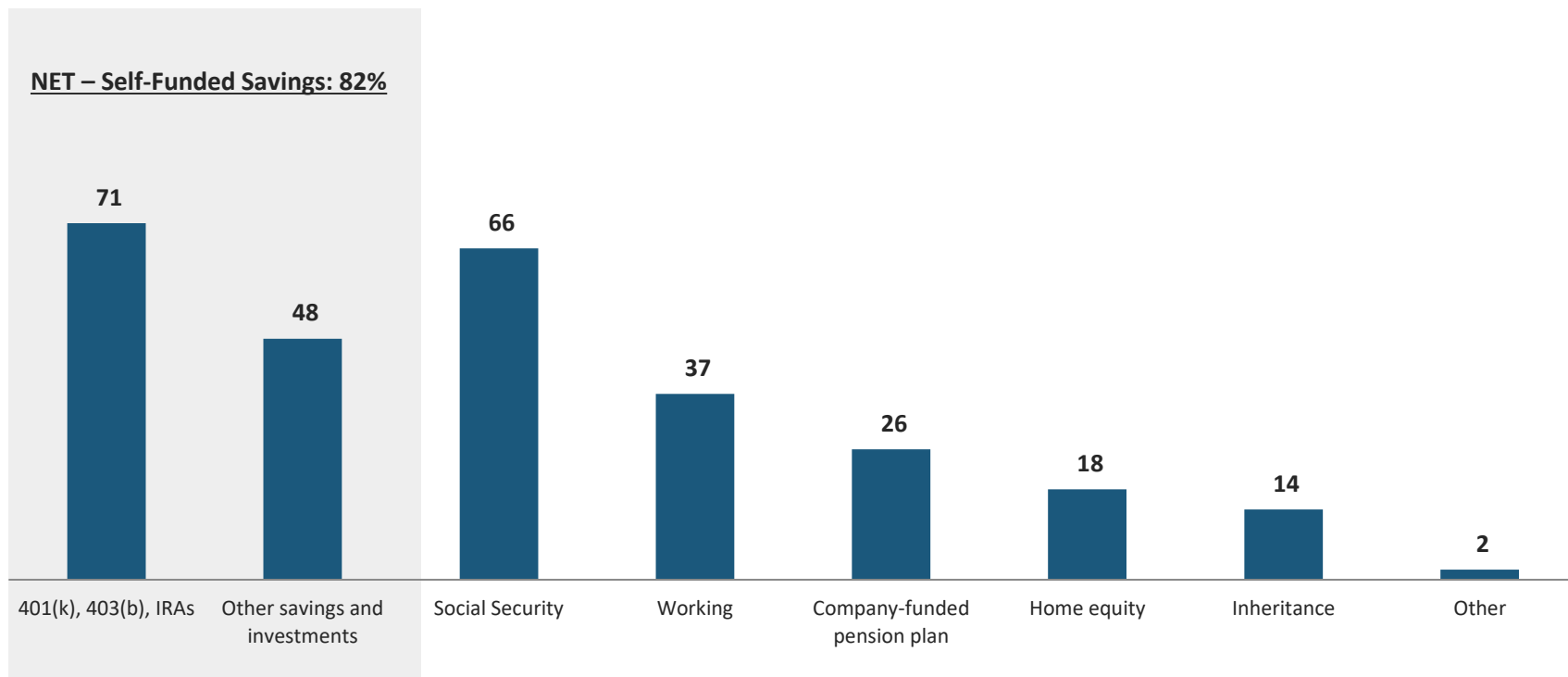
*Note: Results may not total 100% due to rounding.*

# Workers Are Expecting Diverse Sources of Retirement Income

Eighty-two percent of workers expect self-funded savings to be sources of retirement income, including 401(k), 403(b), and IRAs (71 percent) and/or other savings and investments (48 percent). Two-thirds of workers (66 percent) cite Social Security, while 26 percent cite company-funded pension plans as sources of income. Almost four in 10 workers (37 percent) are expecting income from continued work. Fewer than one in five workers are expecting retirement income from home equity (18 percent) or an inheritance (14 percent).

**Which of the following do you expect to be sources of income to cover your living expenses after you retire? (%)**

All Workers

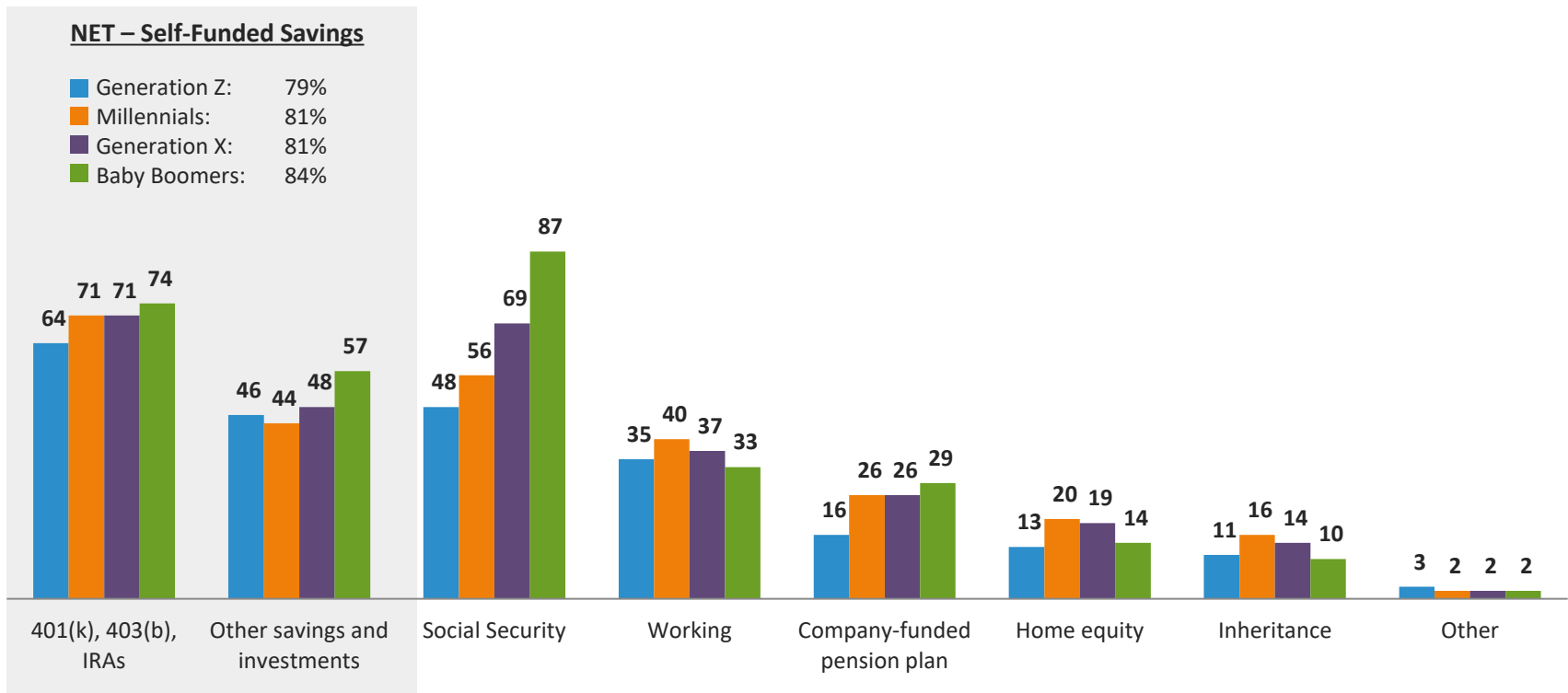


# Sources of Retirement Income Vary Somewhat by Generation

Self-funded savings in retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) and/or other savings and investments are similarly cited as expected sources of retirement income by workers across generations. However, the survey finds some noteworthy differences with other expected sources. Baby Boomers (87 percent) are more likely to expect Social Security to be a source of income than younger generations. Millennials (40 percent) are somewhat more likely than other generations to cite retirement income from working. In most cases, Generation Z is somewhat less likely to cite any of the potential sources of retirement income, a finding that is not surprising given their younger age.

**Which of the following do you expect to be sources of income to cover your living expenses after you retire? (%)**

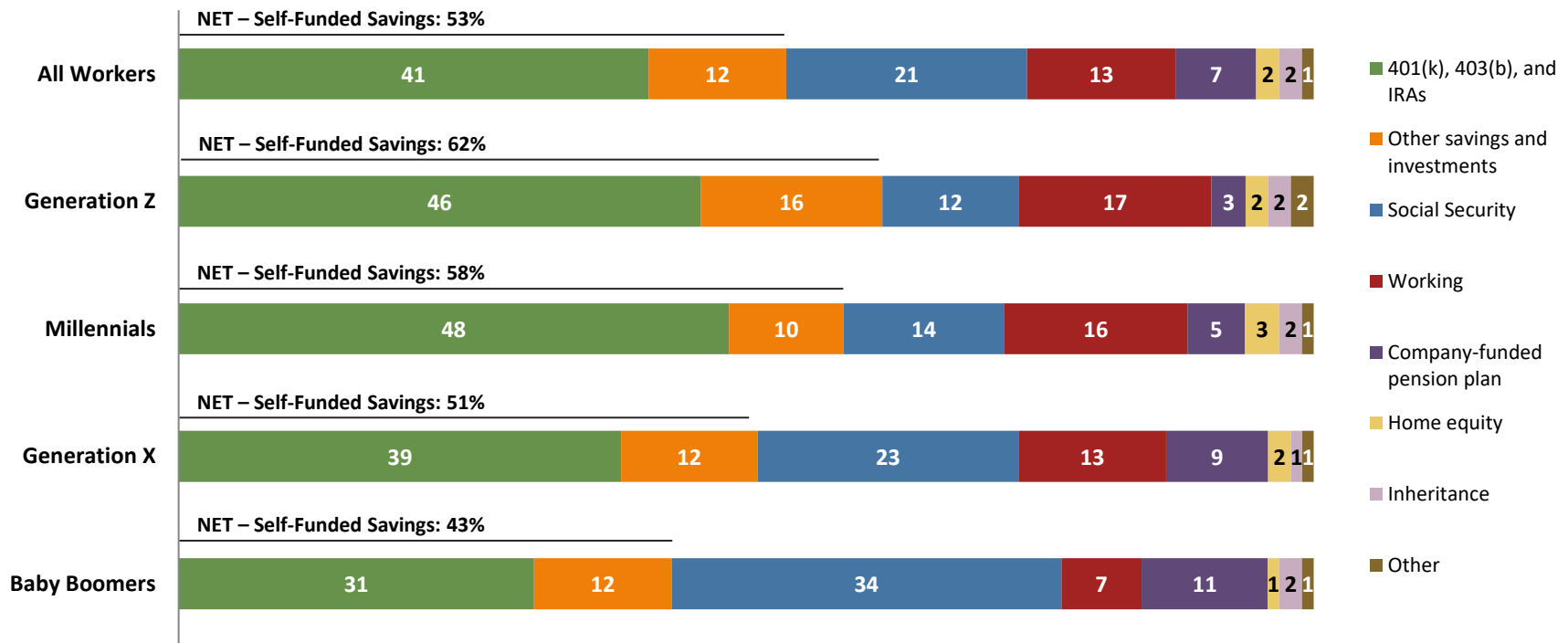
By Generation



# 1 in 3 Baby Boomers Expect to Rely on Social Security

Baby Boomers (34 percent) are more likely to expect Social Security to be their *primary* source of income in retirement, compared with Generation X (23 percent), Millennials (14 percent), and Generation Z (12 percent). In contrast, Generation Z (62 percent), Millennials (58 percent) and Generation X (51 percent) are more likely than Baby Boomers (43 percent) to cite self-funded savings, such as 401k(s), 403(b)s, IRAs and/or other savings and investments. Thirteen percent of all workers expect their primary source of retirement income to come from working, a finding that it is more often cited by Generation Z (17 percent), Millennials (16 percent), and Generation X (13 percent), compared with Baby Boomers (7 percent). *Note: 401(k)s did not become readily available until the 1990s, a time at which Baby Boomers were already well into their careers and, therefore, they have not had as much time to save in them.*

**Expected Primary Source of Retirement Income (%)**



*Note: Results may not total 100% due to rounding.*

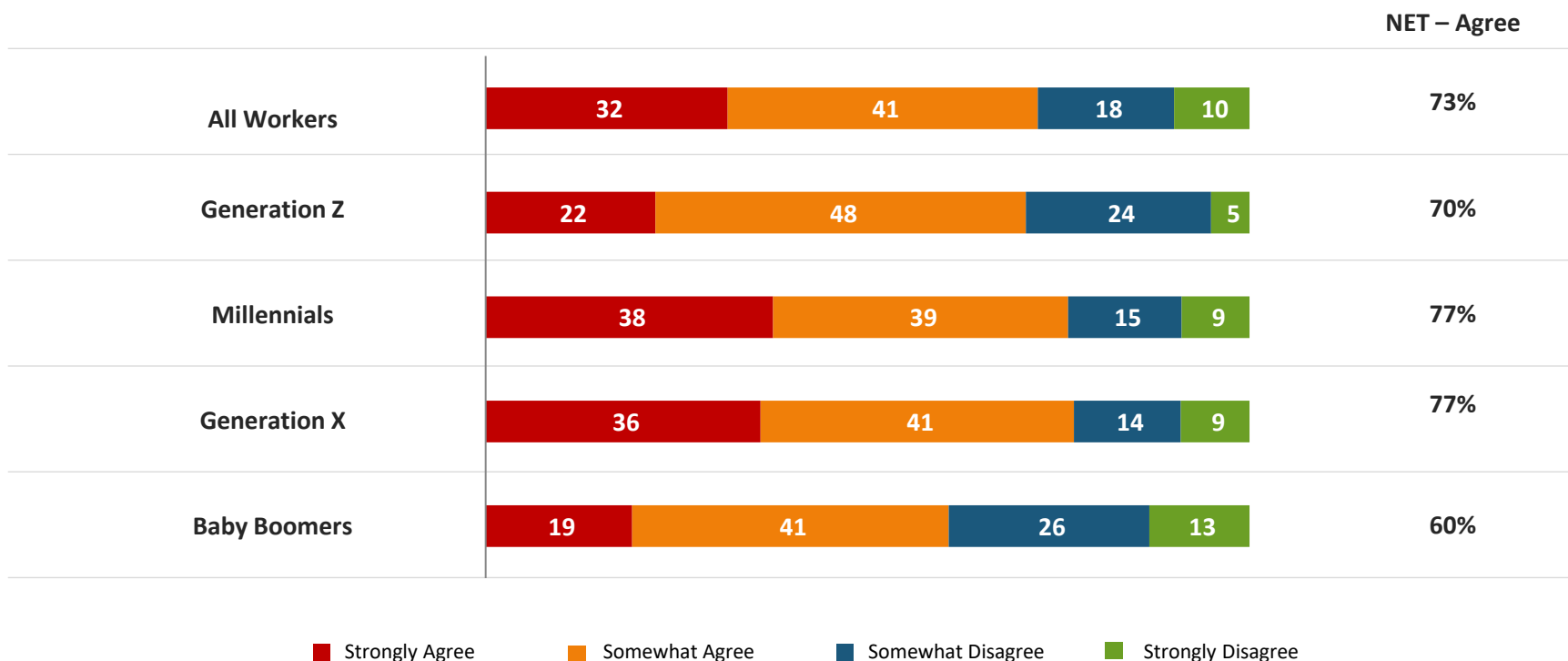
BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

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

# Almost 3 in 4 Workers Are Concerned About Social Security

Seventy-three percent of workers agree with the statement, “I am concerned that when I am ready to retire, Social Security will not be there for me,” including 32 percent who “strongly agree” and 41 percent who “somewhat agree.” Generation X (77 percent), Millennials (77 percent), and Generation Z (70 percent) are more likely to agree than Baby Boomers (60 percent). Millennials (38 percent) and Generation X (36 percent) are more likely to “strongly agree” than Generation Z (22 percent) and Baby Boomers (19 percent).

**“I am concerned that when I am ready to retire, Social Security will not be there for me.” (%)**



*Note: Results may not total 100% due to rounding.*

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

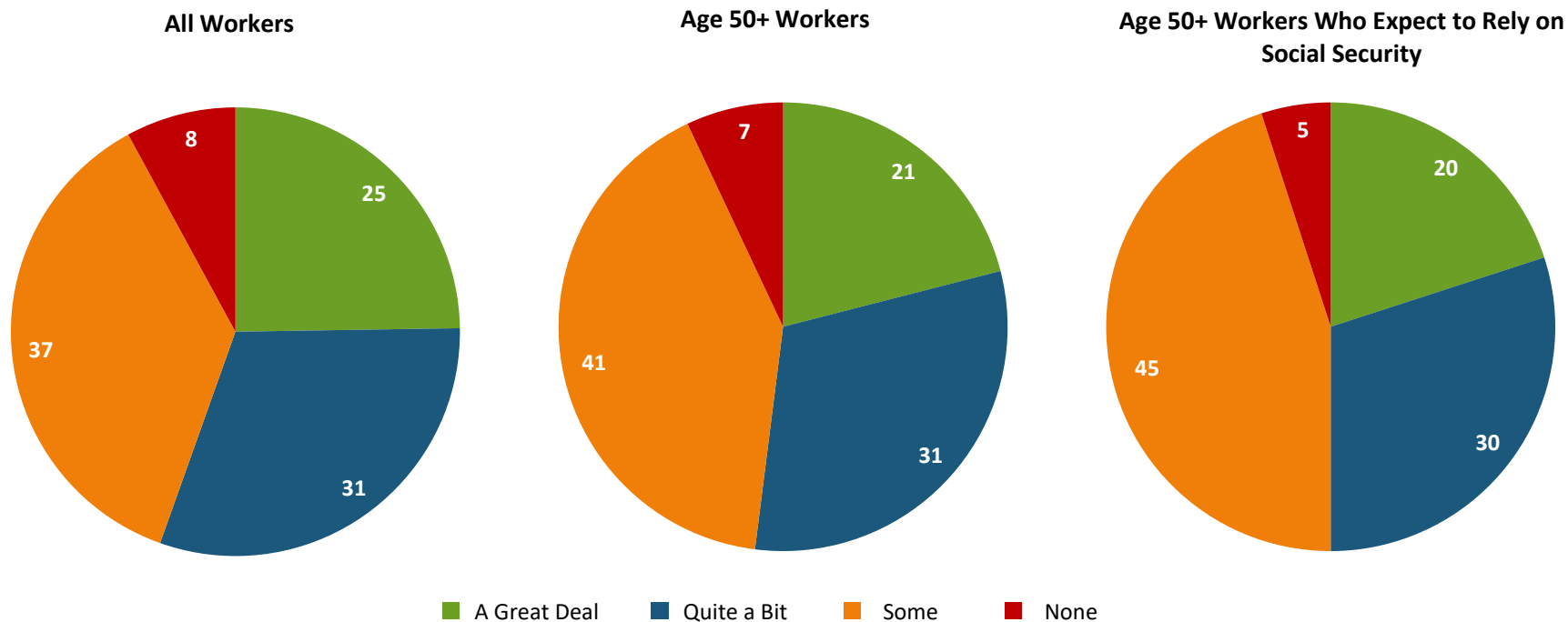
Q930. How much do you agree or disagree with each of the following statements regarding retirement?

“I am concerned that when I am ready to retire, Social Security will not be there for me.”

# Workers Should Learn More About Social Security Benefits

A strong knowledge of government benefits is important for all future retirees and especially important for workers nearing retirement. Only 25 percent of all workers know “a great deal” about Social Security benefits-- and only 21 percent of age 50-plus workers know “a great deal” about them. Moreover, among age 50-plus workers who expect to rely on Social Security as their primary source of income in retirement, only 20 percent know a “great deal” about Social Security benefits.

**Level of Understanding re: Social Security Benefits (%)**

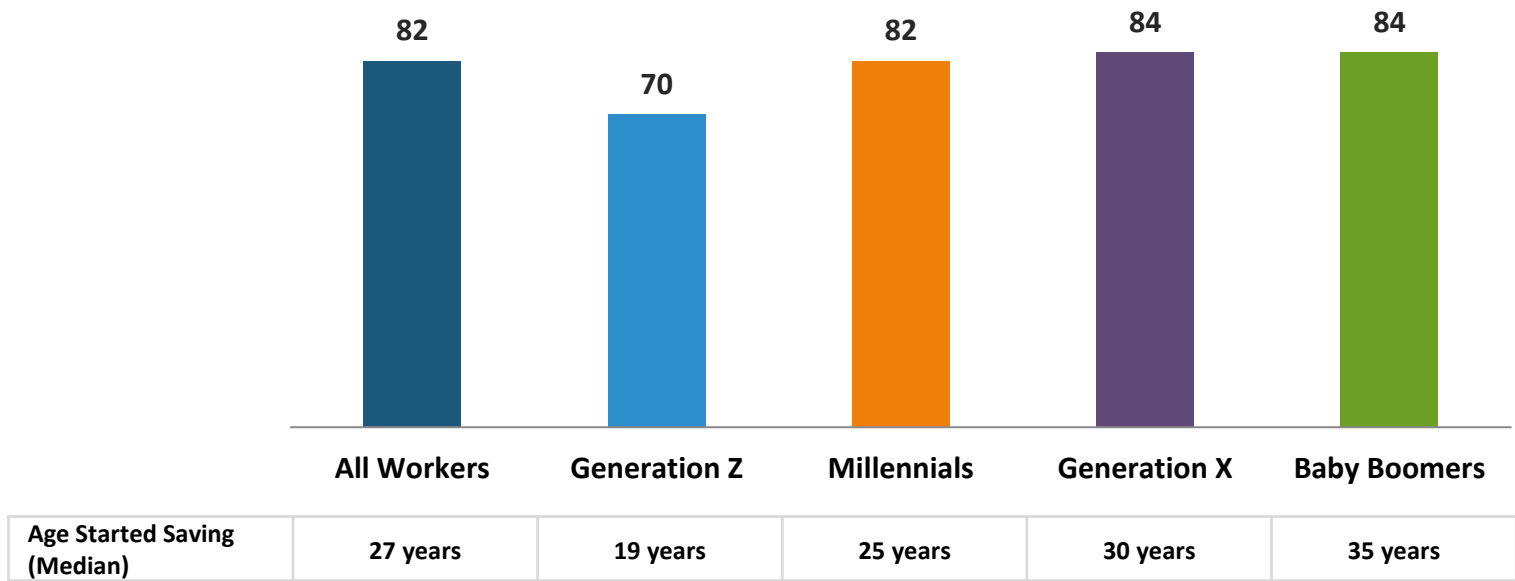


*Note: Results may not total 100% due to rounding.*

# More than 8 in 10 Workers Are Saving for Retirement

Eighty-two percent of workers are saving for retirement through employer-sponsored plans, such as a 401(k) or similar plan, and/or outside the workplace. Baby Boomers (84 percent), Generation X (84 percent), and Millennials (82 percent) are more likely than Generation Z (70 percent) to be saving. Among those saving for retirement, Generation Z started saving at age 19, Millennials at age 25, Generation X at age 30, and Baby Boomers at age 35 (medians).

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

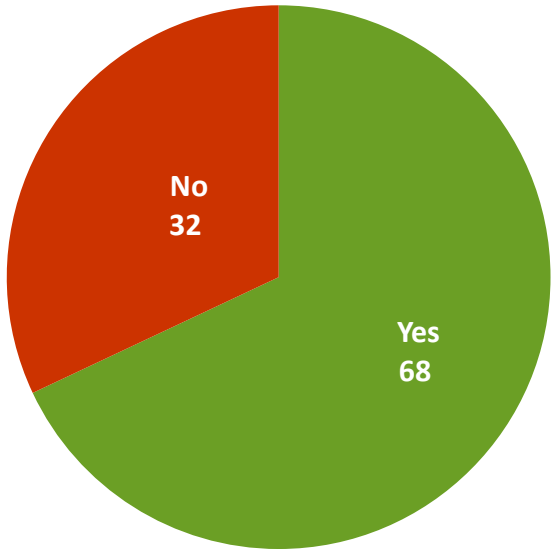


BASE: 21ST ANNUAL SURVEY - CURRENTLY OFFERED QUALIFIED PLAN  
Q1190. Do you currently participate in, or have money invested in your company's employee-funded retirement savings plan?  
BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS  
Q740. Are you currently saving for retirement outside of work, such as in an IRA, mutual funds, bank account, etc.?  
BASE: 21ST ANNUAL SURVEY - INVESTING FOR RETIREMENT  
Q790. At what age did you first start saving for retirement?

# Almost 7 in 10 Are Saving for Retirement Outside of Work

Sixty-eight percent of workers are saving for retirement outside of work, such as in an IRA, mutual funds, bank account, etc. Baby Boomers (71 percent), Generation X (71 percent), and Millennials (69 percent) are more likely to be saving for retirement outside of work, compared with Generation Z (54 percent).

**Saving for Retirement Outside of Work (%)**  
All Workers



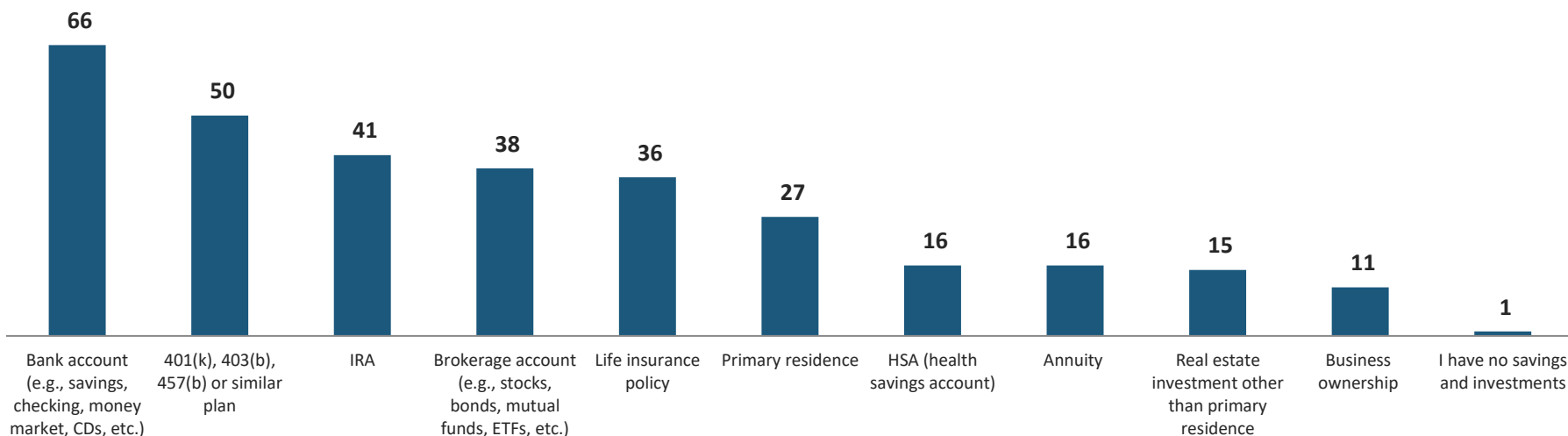
Generation	Saving Outside for Retirement of Work (Yes %)
Generation Z	54
Millennials	69
Generation X	71
Baby Boomers	71

# Workers Have a Variety of Retirement Savings & Investments

Among workers who are saving for retirement outside of work, the most often cited types of savings and investments they currently have specifically for retirement, are a bank account such as savings, checking, money market, and CDs (66 percent), a 401(k) or similar plan (50 percent), and an individual retirement account (IRA) (41 percent). Some workers cite saving for retirement via a brokerage account (38 percent), life insurance policy (36 percent), and/or primary residence (27 percent). Fewer than one in five workers have a health savings account (HAS) (16 percent), an annuity (16 percent), and/or real estate investments other than their primary residence (15 percent).

**What types of savings and investments do you currently have that are specifically for retirement? Select all. (%)**

All Workers



Note: Responses not shown for "Other investments" (All Workers: 1%)

BASE: 21ST ANNUAL SURVEY – THOSE WHO ARE SAVING OUTSIDE OF WORK

Q750. What types of savings and investments do you currently have that are specifically for retirement? Select all.

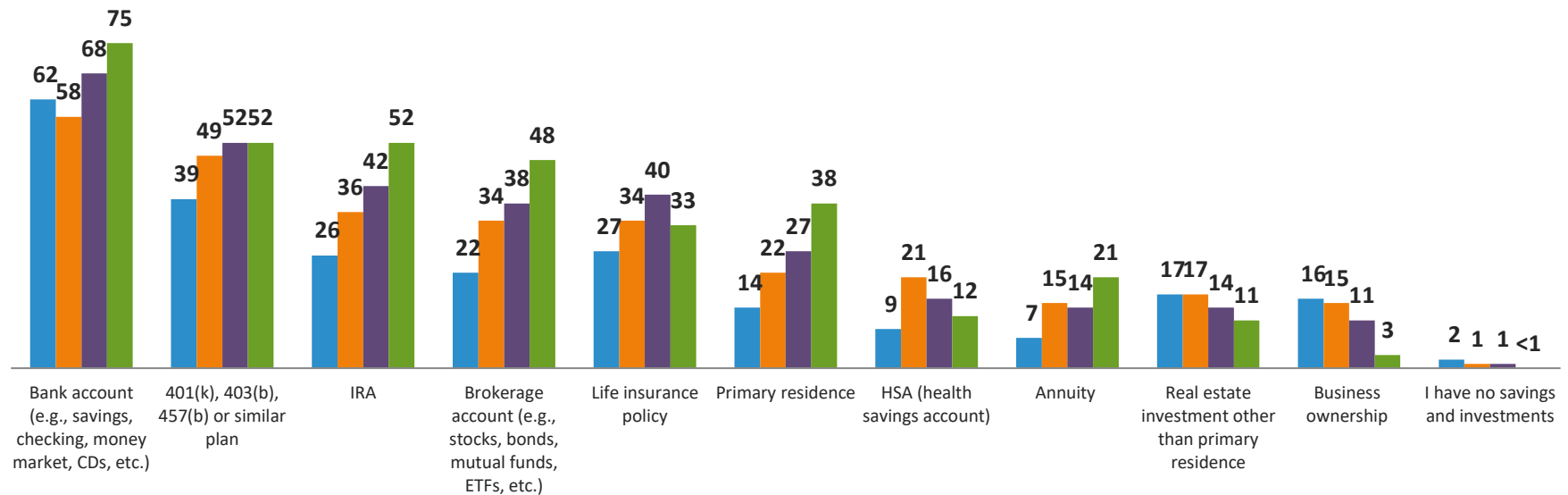
# Types of Retirement Savings & Investments by Generation

Workers across generations who are saving for retirement outside of work most frequently utilize a bank account, 401(k) or similar plan, and/or IRA to save and invest specifically for retirement. However, there are noteworthy differences by generation. Generation X workers (40 percent) are somewhat more likely to cite a life insurance policy. Baby Boomers (38 percent) are more likely to cite their primary residence. Millennials are more likely to cite an HSA account. Generation Z workers who are saving for retirement outside of work report lower use for most of these types of retirement savings and investments, a finding that is not surprising given that they are just beginning to build their retirement nest eggs.

## What types of savings and investments do you currently have that are specifically for retirement? Select all. (%)

By Generation

■ Generation Z ■ Millennials ■ Generation X ■ Baby Boomers



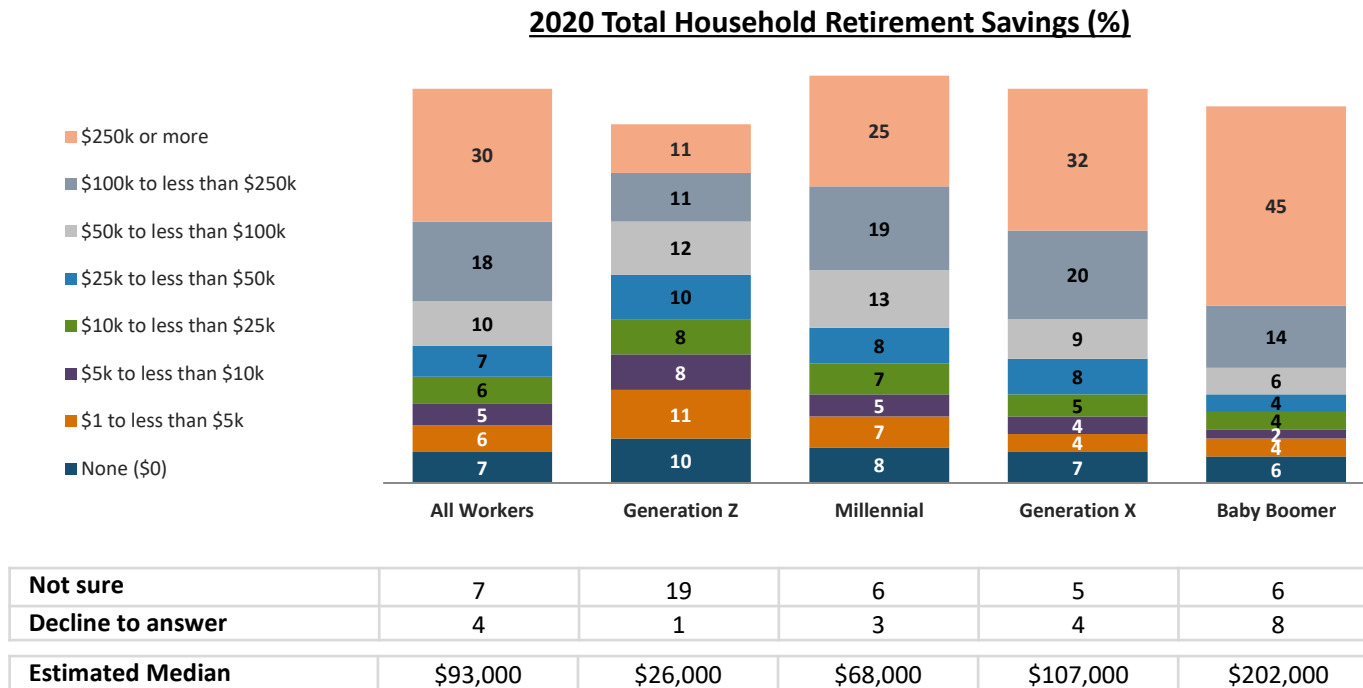
Note: Responses not shown for "Other investments" (Generation Z: 2%, Millennials: <1%, Generation X: <1%, Baby Boomers: 1%).

BASE: 21ST ANNUAL SURVEY – THOSE WHO ARE SAVING OUTSIDE OF WORK

Q750. What types of savings and investments do you currently have that are specifically for retirement? Select all.

# Are Workers Adequately Saving for Retirement?

Total household retirement savings among all workers is \$93,000 (estimated median). Baby Boomer workers have the most retirement savings at \$202,000, compared with Generation X (\$107,000), Millennials (\$68,000), and Generation Z (\$26,000) (estimated medians). The proportion of workers having saved \$250,000 or more increases with age: 11 percent of Generation Z, 25 percent of Millennials, 32 percent of Generation X, and 45 percent of Baby Boomers. In contrast, the proportion of workers who have saved less than \$25,000 directionally decreases with age: 37 percent of Generation Z, 27 percent of Millennials, 20 percent of Generation X, and 16 percent of Baby Boomers.

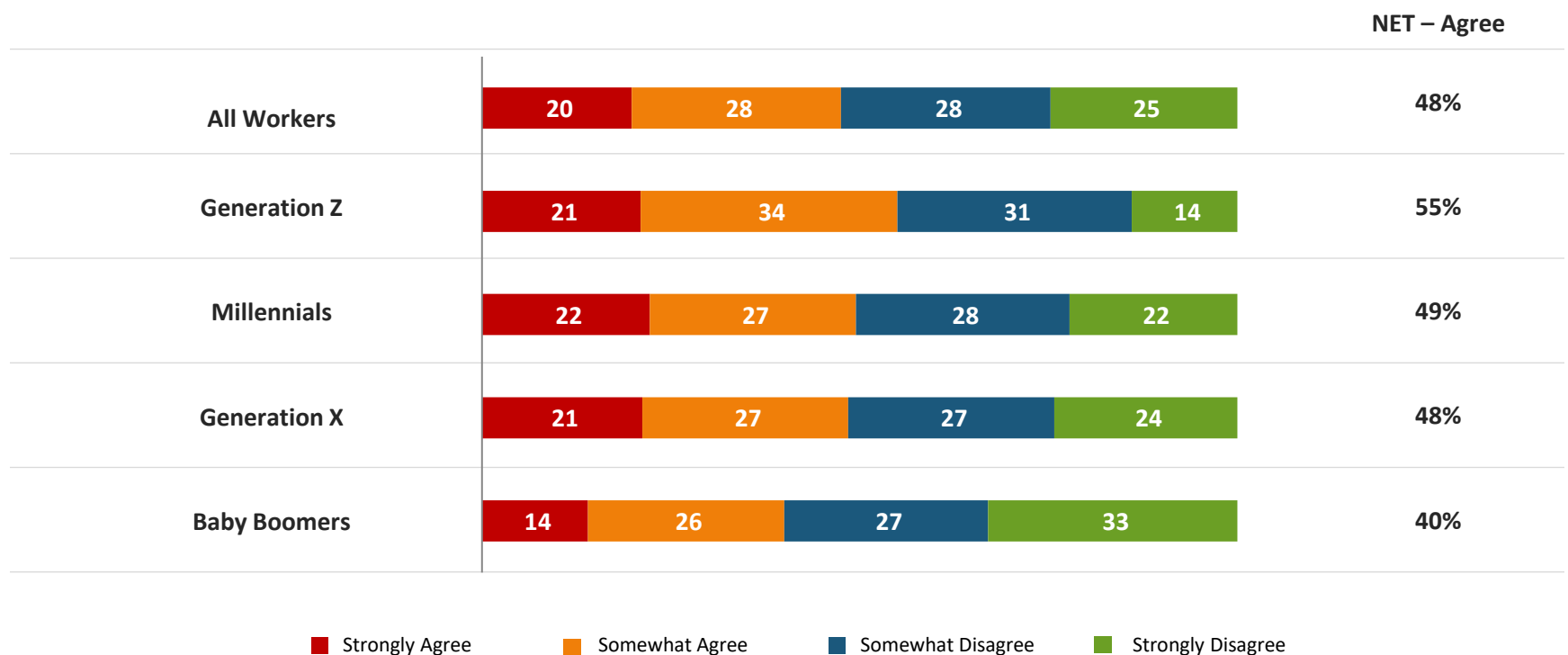


Notes: 1) The median is estimated based on the approximate midpoint of the range of each response category. Non-responses are excluded from the estimate. 2) Results may not total 100% due to rounding.

# Almost Half Don't Have Enough Income to Save for Retirement

Forty-eight percent of workers agree with the statement, “I don’t have enough income to save for retirement,” including 20 percent who “strongly agree” and 28 percent who “somewhat agree.” Generation Z (55 percent), Millennials (49 percent), and Generation X (48 percent) are more likely to agree, compared with Baby Boomers (40 percent).

## “I don’t have enough income to save for retirement.” (%)



*Note: Results may not total 100% due to rounding.*

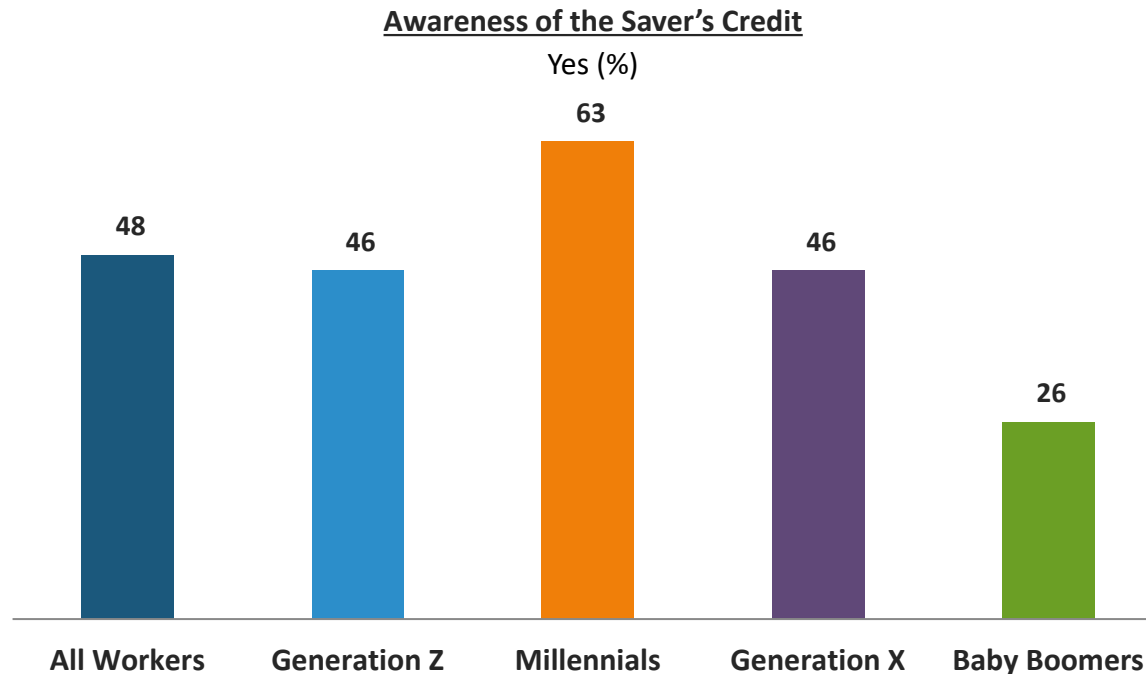
BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

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

“I don’t have enough income to save for retirement.”

# Fewer Than Half Are Aware of the Saver's Credit (Tax Credit)

The Saver's Credit is a tax credit for eligible taxpayers who save for retirement in a qualified retirement plan, IRA, or ABLE account. Fewer than half of workers (48 percent) are aware of it. Millennials (63 percent) are most likely to be aware of the Saver's Credit, compared with Generation Z (46 percent), Generation X (46 percent), and Baby Boomers (26 percent).

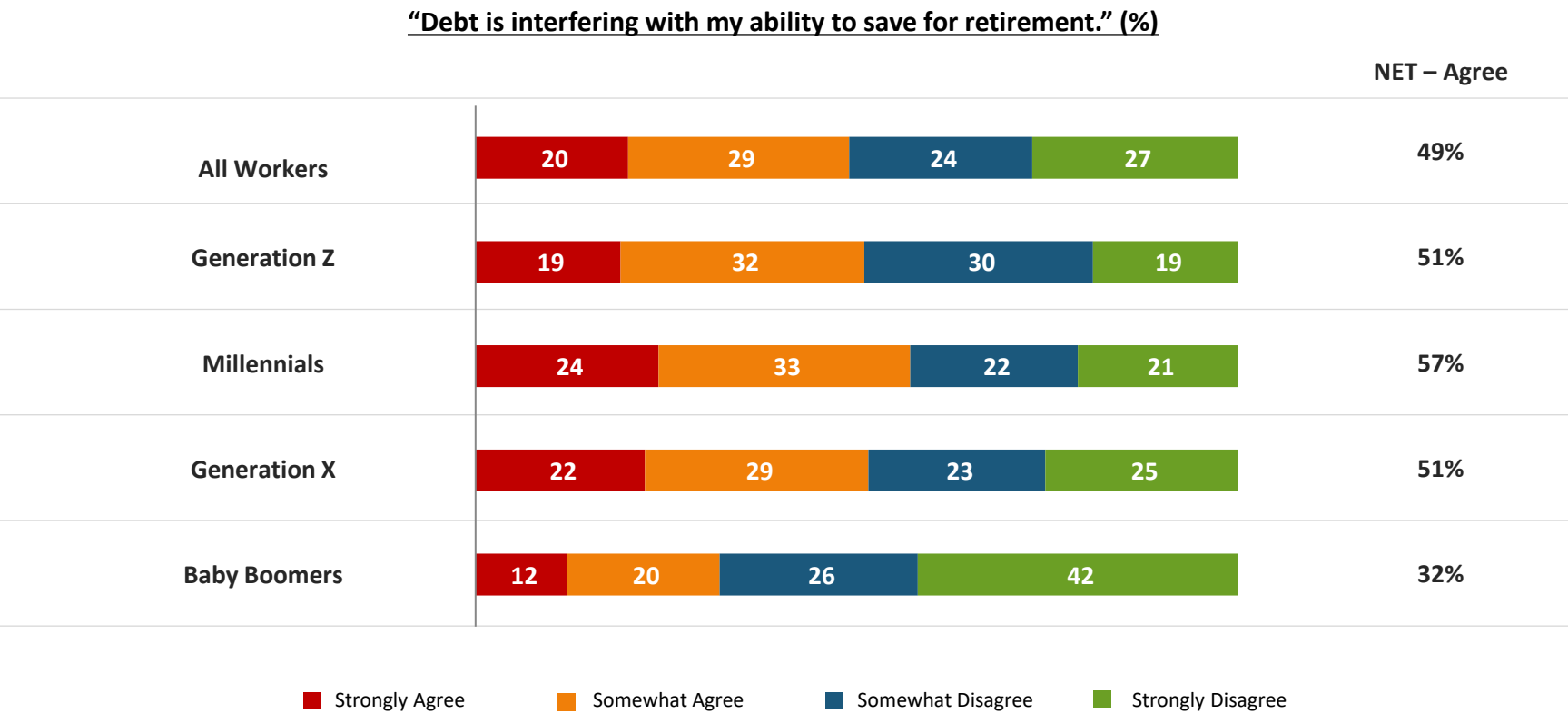


BASE: 20TH ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

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?

# Debt Is Interfering With Ability to Save for Retirement

Forty-nine percent of workers agree with the statement, “Debt is interfering with my ability to save for retirement,” including 20 percent who “strongly agree” and 29 percent who “somewhat agree.” Millennials (57 percent), Generation X (51 percent), and Generation Z (51 percent) are more likely to agree, compared with Baby Boomers (32 percent). Of concern, 24 percent of Millennials, 22 percent of Generation X , and 19 percent of Generation Z “strongly agree,” compared with 12 percent of Baby Boomers.



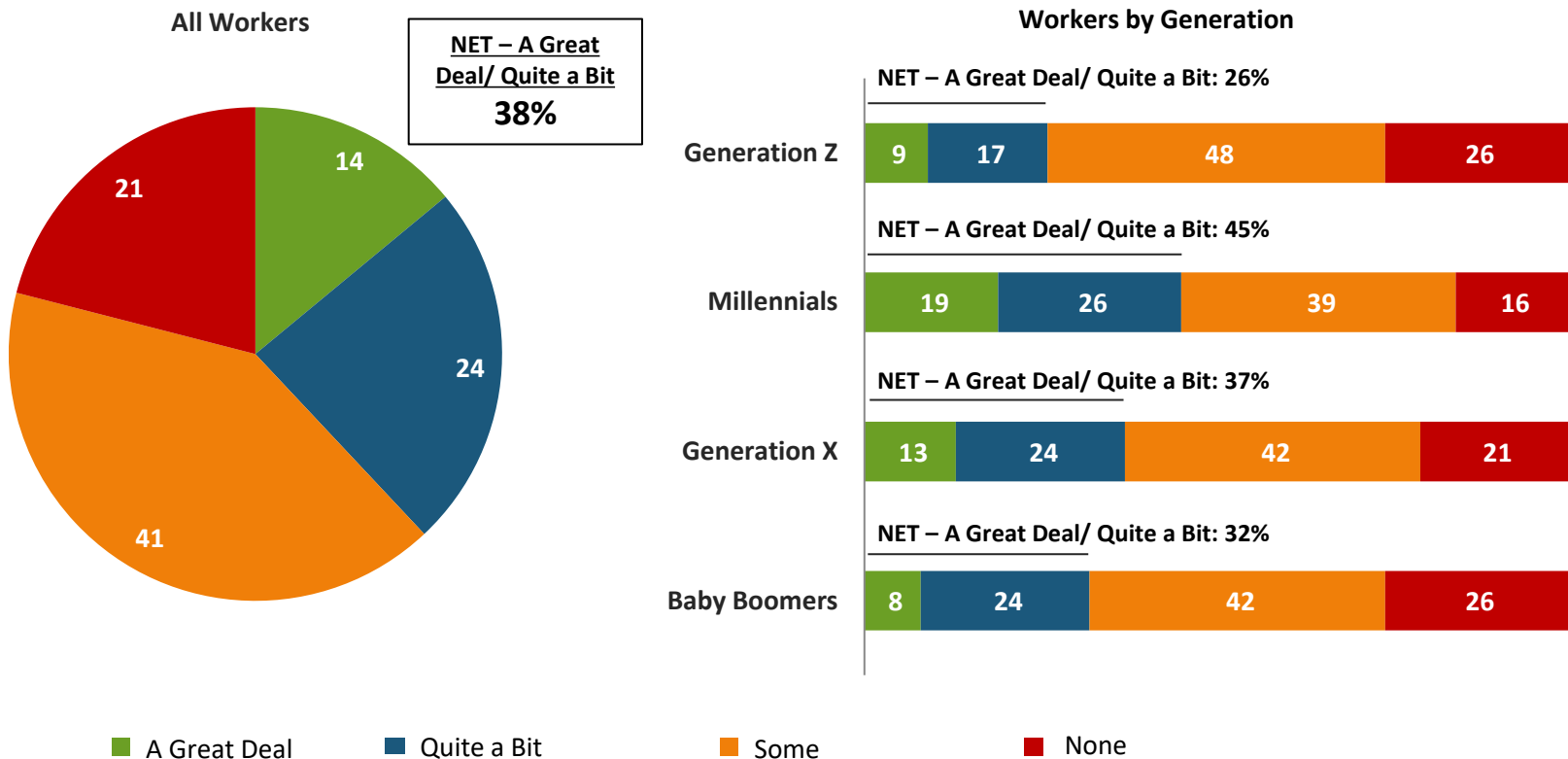
*Note: Results may not total 100% due to rounding.*

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS  
Q930. How much do you agree or disagree with each of the following statements regarding retirement?  
“Debt is interfering with my ability to save for retirement.”

# Workers Have a Limited Understanding of Asset Allocation Principles

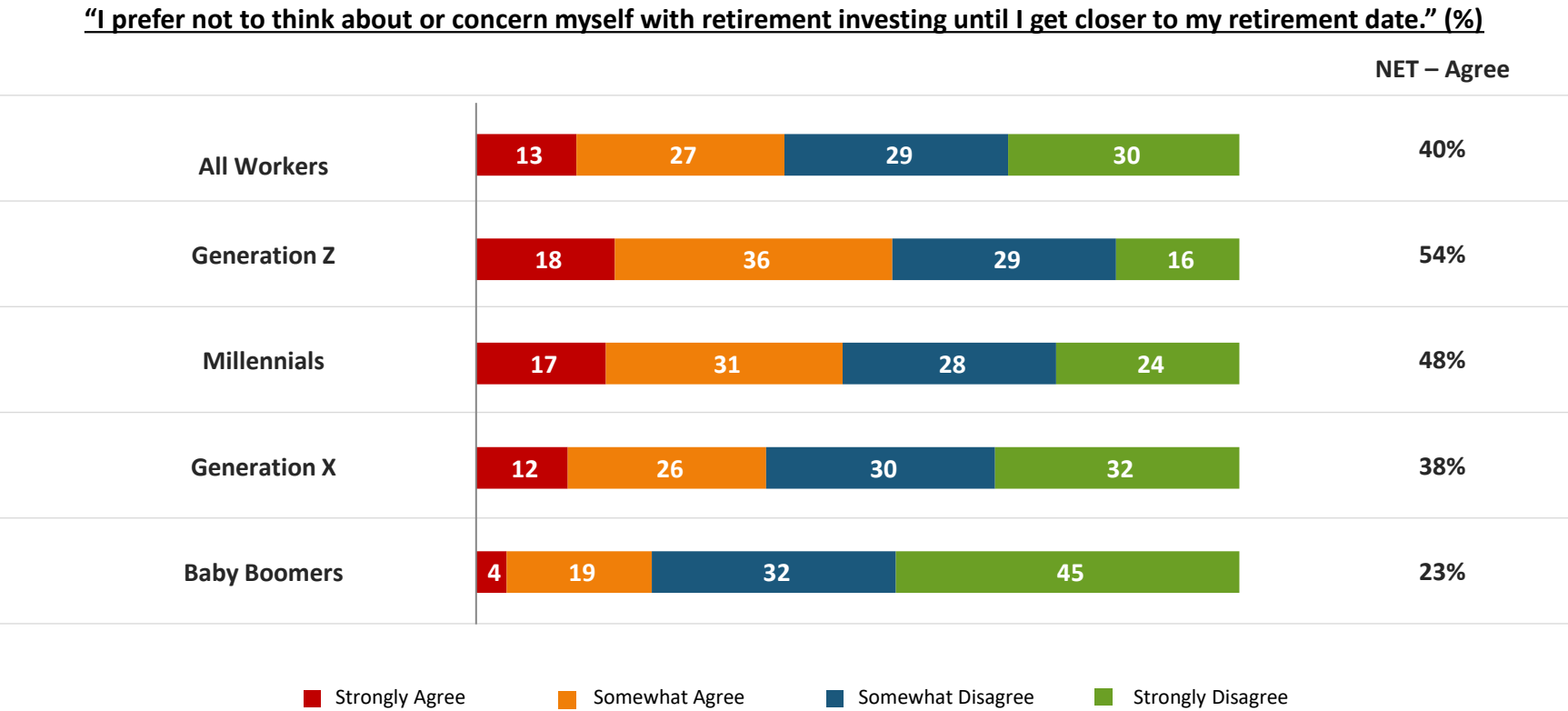
Fewer than four in 10 workers (38 percent) have “a great deal” or “quite a bit” of understanding of asset allocation principles as they relate to retirement investing, including 14 percent who know “a great deal” and 24 percent who know “quite a bit.” Millennials (19 percent) have “a great deal” of understanding, compared with Generation X (13 percent), Generation Z (9 percent), and Baby Boomers (8 percent). A concerning one in five workers (21 percent) have no understanding of asset allocation principles.

How much of an understanding do you have regarding asset allocation principles as they relate to retirement investing? (%)



# Many May Be Procrastinating Retirement Investing

Forty percent of workers agree with the statement, “I prefer not to think about or concern myself with retirement investing until I get closer to my retirement date,” including 13 percent who “strongly agree” and 27 percent who “somewhat agree.” As may be expected, younger workers are more likely to agree with this statement than workers: Generation Z (54 percent), Millennials (48 percent), and Generation X workers (38 percent), compared with Baby Boomers (23 percent).



*Note: Results may not total 100% due to rounding.*

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS  
Q930. How much do you agree or disagree with each of the following statements regarding retirement?  
“I prefer not to think about or concern myself with retirement investing until I get closer to my retirement date.”

# Workers' Estimated Retirement Savings Needs

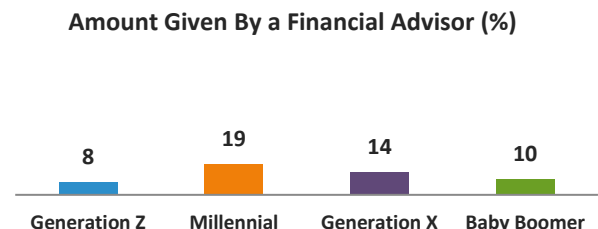
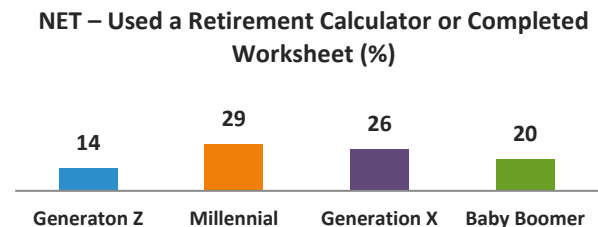
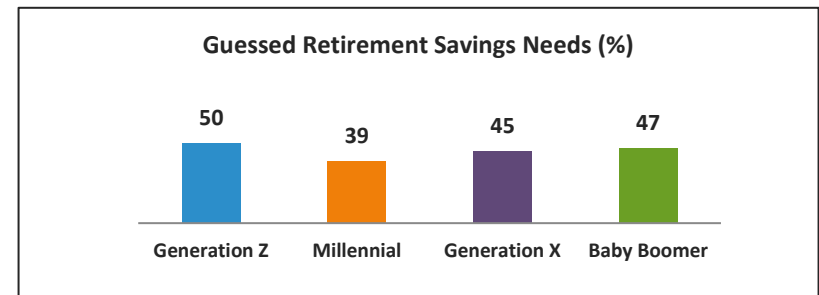
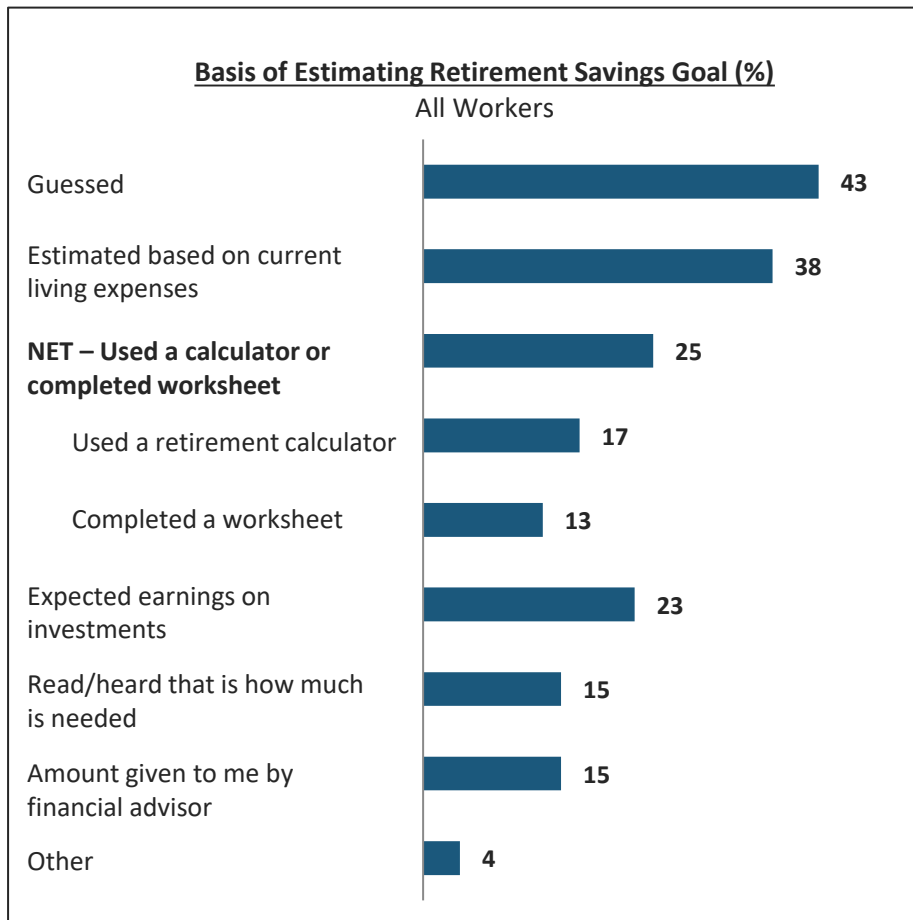
Workers estimate they will need \$500,000 (median) by the time they retire in order to feel financially secure. This estimate is shared by Generation Z and Generation X. Baby Boomers estimate they will need \$750,000 and Millennials estimate they will need only \$300,000 (medians). Almost one in five workers (19 percent) estimate they will need to save \$2,000,000 or more, including Generation Z (12 percent), Millennials (18 percent), Generation X (22 percent), and Baby Boomers (19 percent).

Estimated Retirement Savings Needs	All Workers	Generation Z	Millennials	Generation X	Baby Boomers
Less than \$100k	20%	27%	29%	15%	10%
\$100k to less than \$500k	24%	21%	26%	23%	23%
\$500k to less than \$1m	19%	25%	14%	19%	23%
\$1m to less than \$2m	18%	15%	13%	20%	24%
\$2m or more	19%	12%	18%	22%	19%
Median	\$500,000	\$500,000	\$300,000	\$500,000	\$750,000

*Note: Results may not total 100% due to rounding.*

# Many Workers Are Guessing Their Retirement Savings Needs

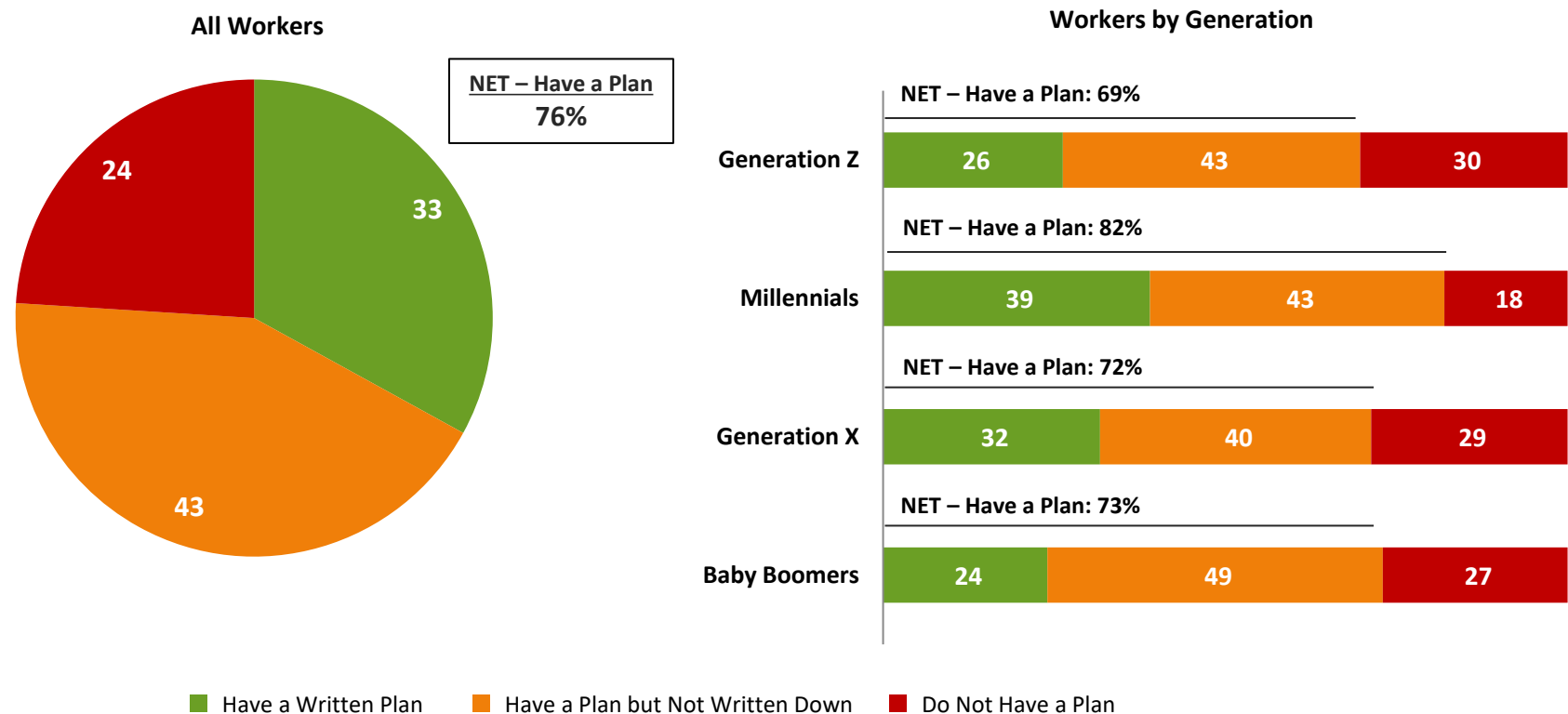
Among workers who provided an estimate of their retirement savings needs, 43 percent indicate they guessed on what it should be. Thirty-eight percent based their estimate on their current living expenses. Only 25 percent used a retirement calculator or completed a worksheet, with Millennials (29 percent) and Generation X (26 percent) being somewhat more likely than Baby Boomers (20 percent) and Generation Z (14 percent) to have done so. Millennials (19 percent) are more likely to have based their estimates on an amount given to them by a financial advisor, compared with Generation X (14 percent), Baby Boomers (10 percent), and Generation Z (8 percent).



# One-Third Have a Written Financial Strategy for Retirement

Achieving retirement security involves more than just saving and investing. It requires having a well-defined financial strategy. Most workers (76 percent) have some form of financial strategy for retirement, but only 33 percent have a written plan. The other 43 percent have a plan, but it is not written down. Millennials (39 percent) are more likely to have a written plan, compared with Generation X (32 percent), Generation Z (26 percent), and Baby Boomers (24 percent).

How would you describe your financial strategy for retirement? (%)

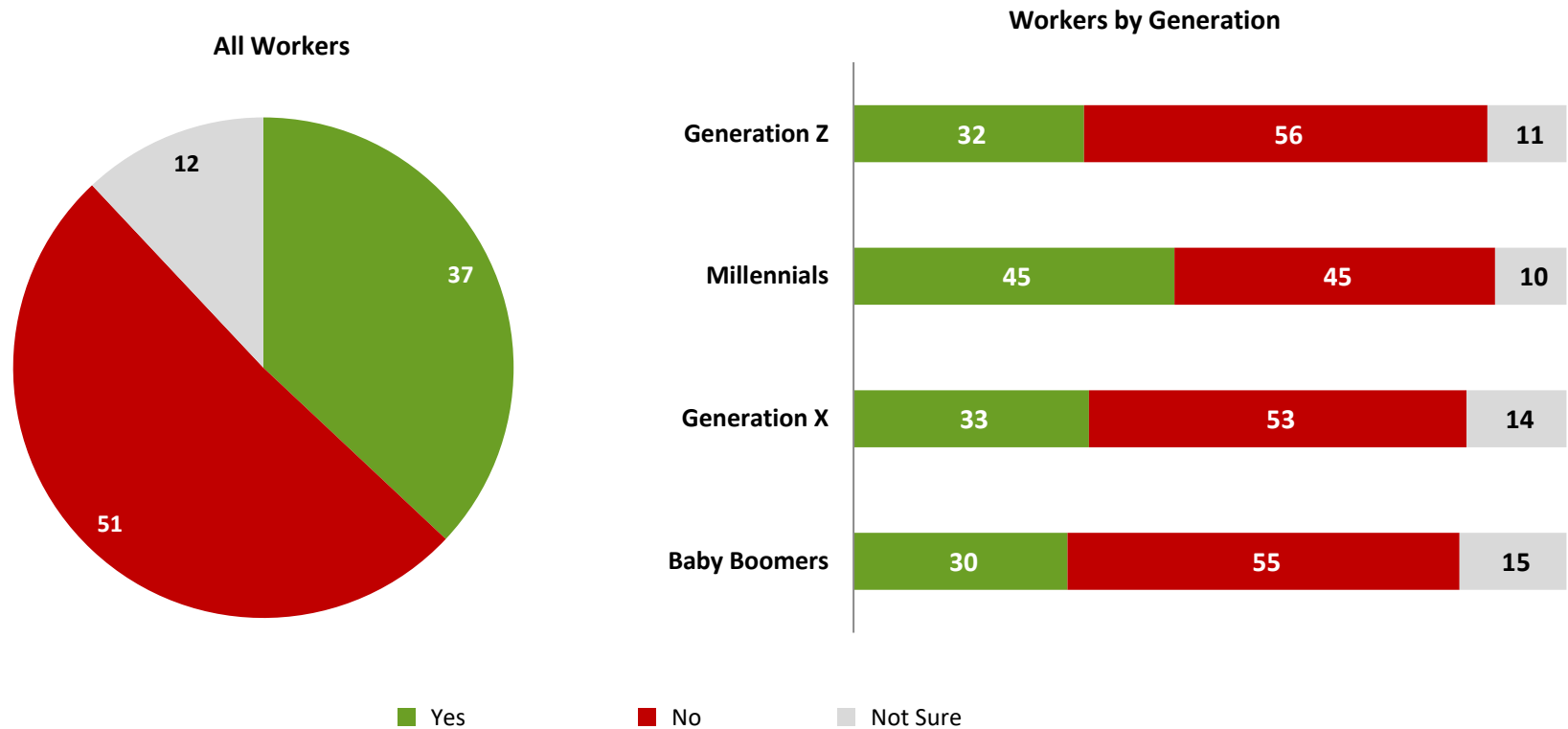


Note: Results may not total 100% due to rounding.

# Many Don't Have a Backup Plan if Retirement Comes Unexpectedly

As workers plan to extend their working lives and continue working in retirement, attention should be given to life's unforeseen circumstances, which could derail the best of intentions. Fewer than four in 10 workers (37 percent) have a backup plan for retirement income if they are unable to work before their planned retirement. Millennials (45 percent) are more likely to have backup plans, compared with Generation X (33 percent), Generation Z (32 percent), and Baby Boomers (30 percent).

Have a Backup Plan if Retire Sooner Than Expected (%)

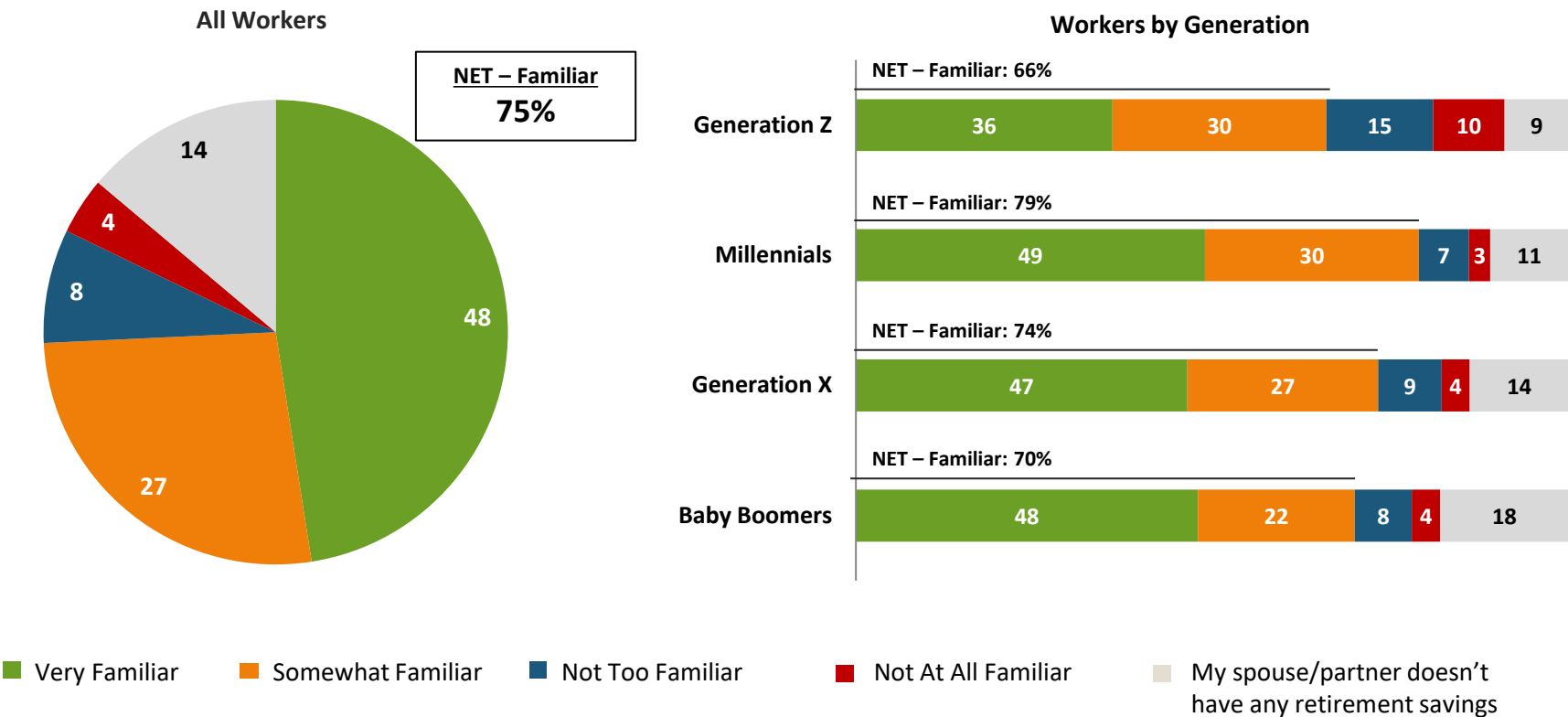


Note: Results may not total 100% due to rounding.

# Less Than Half Are Very Familiar with Spouse's/Partner's Savings

Among workers who are married or living with a partner, 75 percent say they are familiar with their spouse's or partner's savings, yet only 48 percent are "very familiar." Millennials (79 percent) are somewhat more likely to be familiar with their spouse's or partner's savings, compared with Generation X (74 percent), Baby Boomers (70 percent), and Generation Z (66 percent).

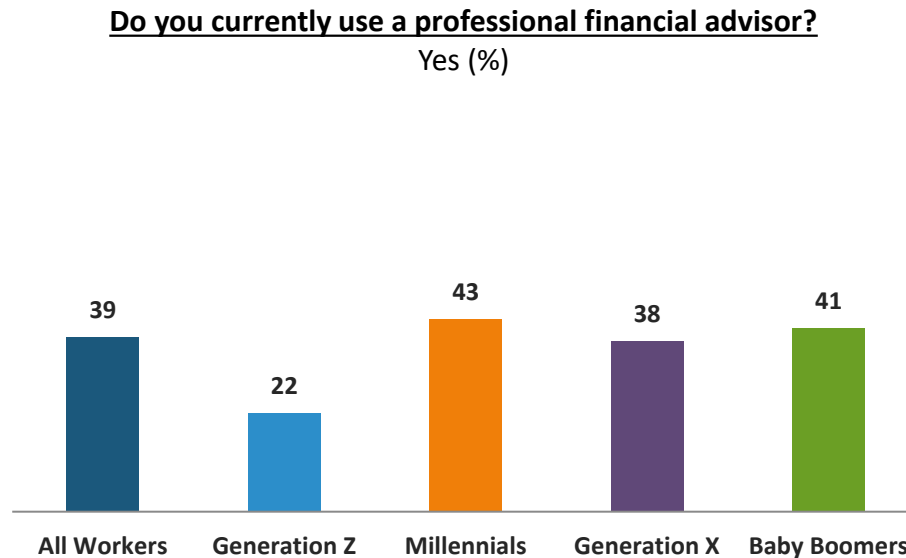
**Level of Familiarity with Spouse's/Partner's Retirement Savings (%)**



*Note: Results may not total 100% due to rounding.*

# Almost 4 in 10 Workers Use a Professional Financial Advisor

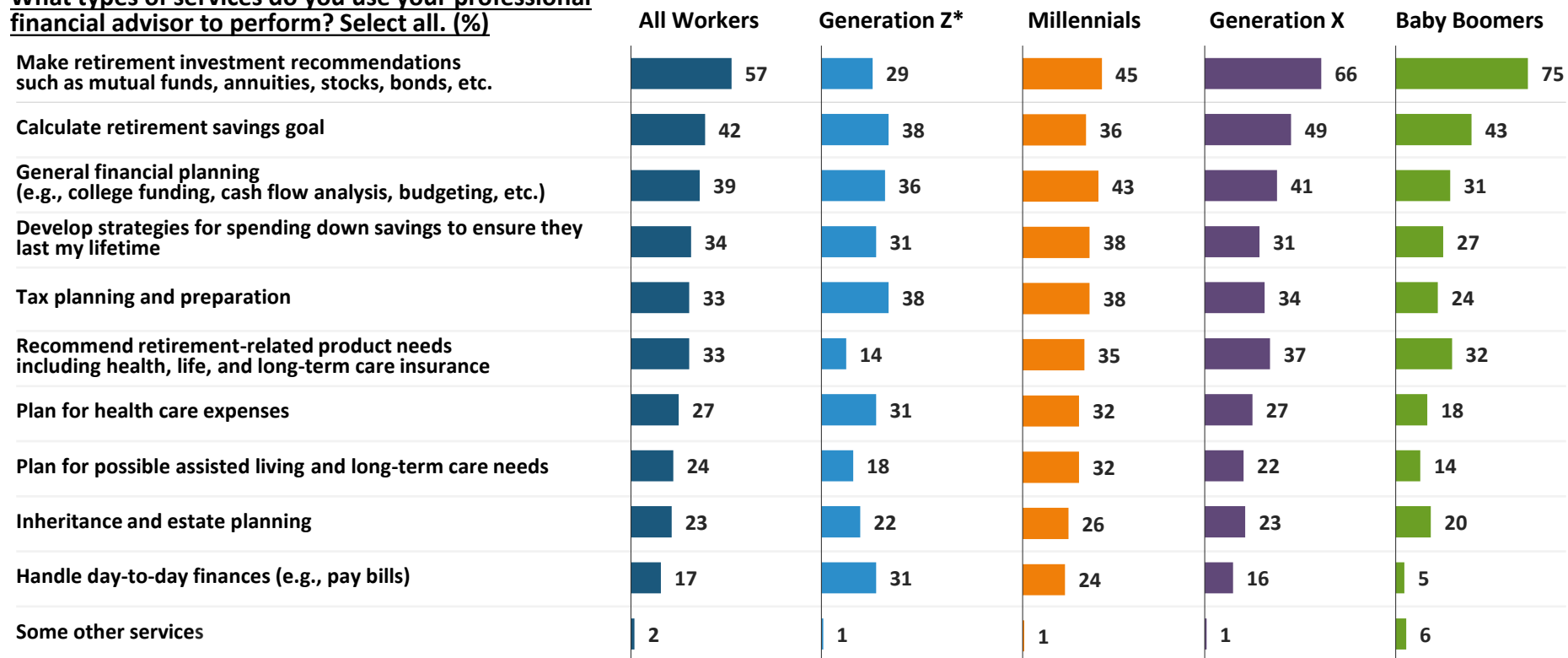
Thirty-nine percent of workers use a professional financial advisor to help them manage their savings and investments. Millennials (43 percent), Baby Boomers (41 percent), and Generation X (38 percent) are more likely to use an advisor than Generation Z (22 percent).



# A Wide Variety of Services Are Performed by Financial Advisors

Among those who use a financial advisor, workers most frequently use them to make retirement investment recommendations (57 percent), followed by calculating a retirement savings goal (42 percent) and general financial planning (39 percent). Across generations, the use of financial advisor services varies. Baby Boomers (75 percent) and Generation X (66 percent) are more likely to use their financial advisors for retirement investment recommendations, compared with Millennials (45 percent) and Generation Z (29 percent).

## What types of services do you use your professional financial advisor to perform? Select all. (%)



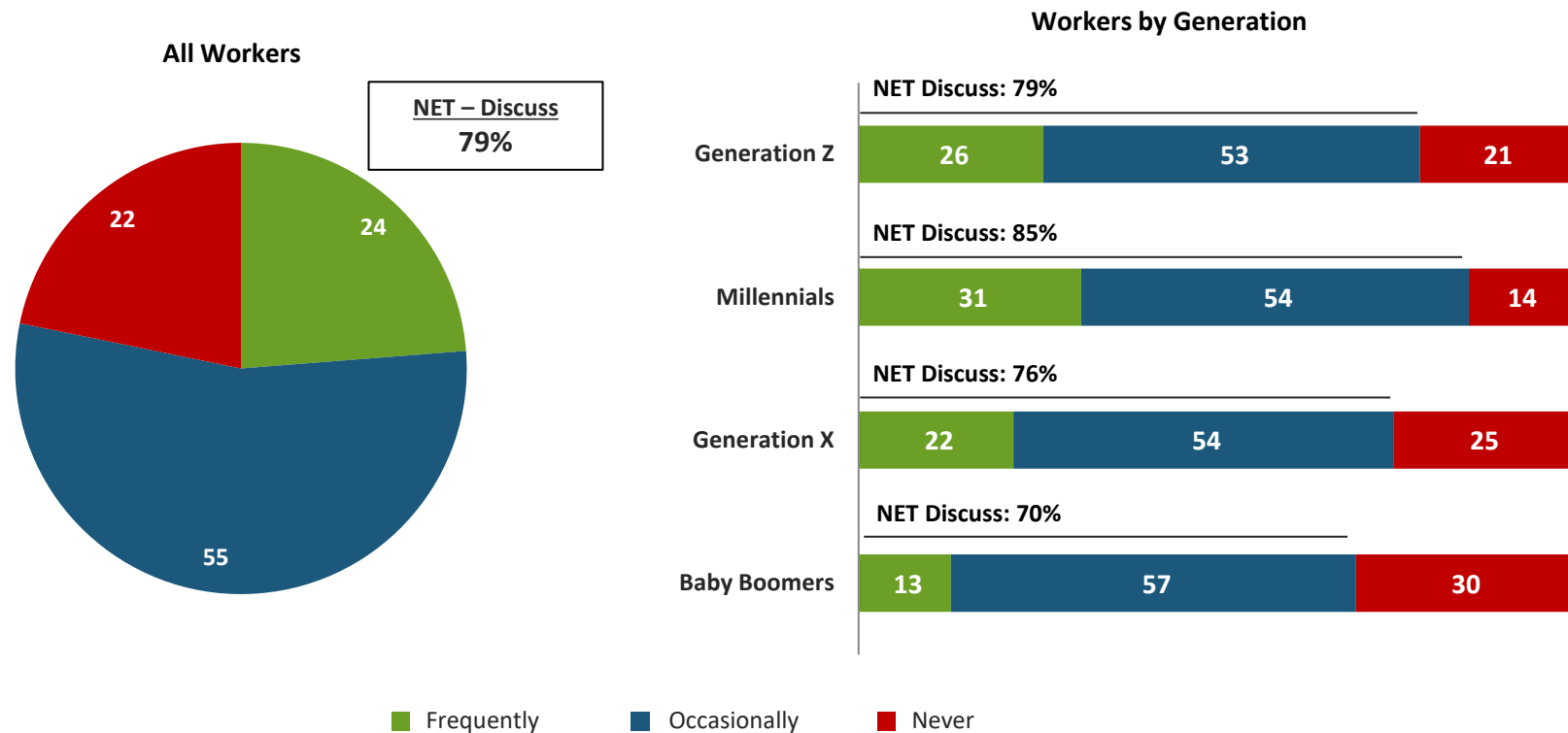
\*Note: Percentage reported for Generation Z should be considered directional due to a small sample base.

BASE: 21ST ANNUAL SURVEY - USE A FINANCIAL ADVISOR  
Q870. What types of services do you use your professional financial advisor to perform? Select all.

# Frequency (or Infrequency) of Conversations About Retirement

Retirement is a family matter that calls for important conversations about plans, expectations, needs, and vulnerabilities. Fewer than one in four workers (24 percent) frequently discuss saving, investing, and planning for retirement with family and close friends, while 55 percent occasionally discuss it, and 22 percent never discuss it. Baby Boomers (13 percent) are less likely to frequently discuss it, compared with Millennials (31 percent), Generation Z (26 percent), and Generation X (22 percent).

How frequently do you discuss saving, investing, and planning for retirement with family and close friends? (%)

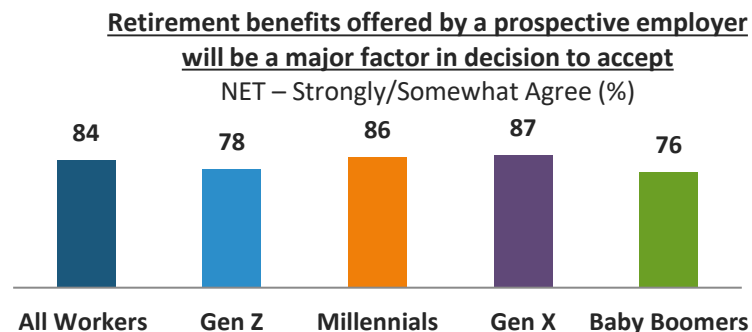
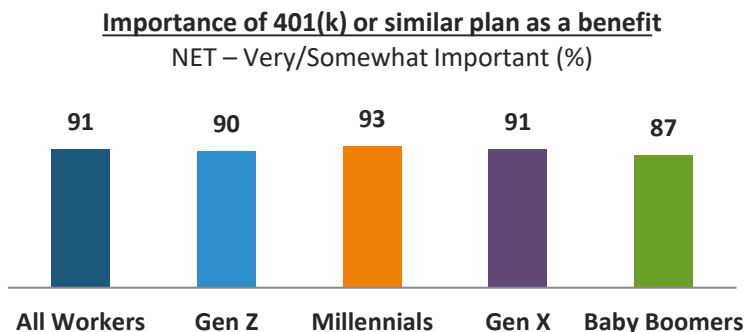


Note: Results may not total 100% due to rounding.

# ***The Importance of Employer-Sponsored Retirement Benefits***

# Workers Highly Value Retirement Benefits

Workers highly value retirement benefits. Ninety-one percent of workers value a 401(k) or similar retirement plan as an important benefit, a finding which is similar across generations. More than four in five workers (84 percent) agree that the next time they look for a job, all things being equal, the retirement benefits offered by the prospective employer will be a major factor in their final decision to accept an offer or not. Generation X (87 percent) and Millennials (86 percent) are more likely to agree that retirement benefits will be a major decision-making factor, compared with Generation Z (78 percent) and Baby Boomers (76 percent).



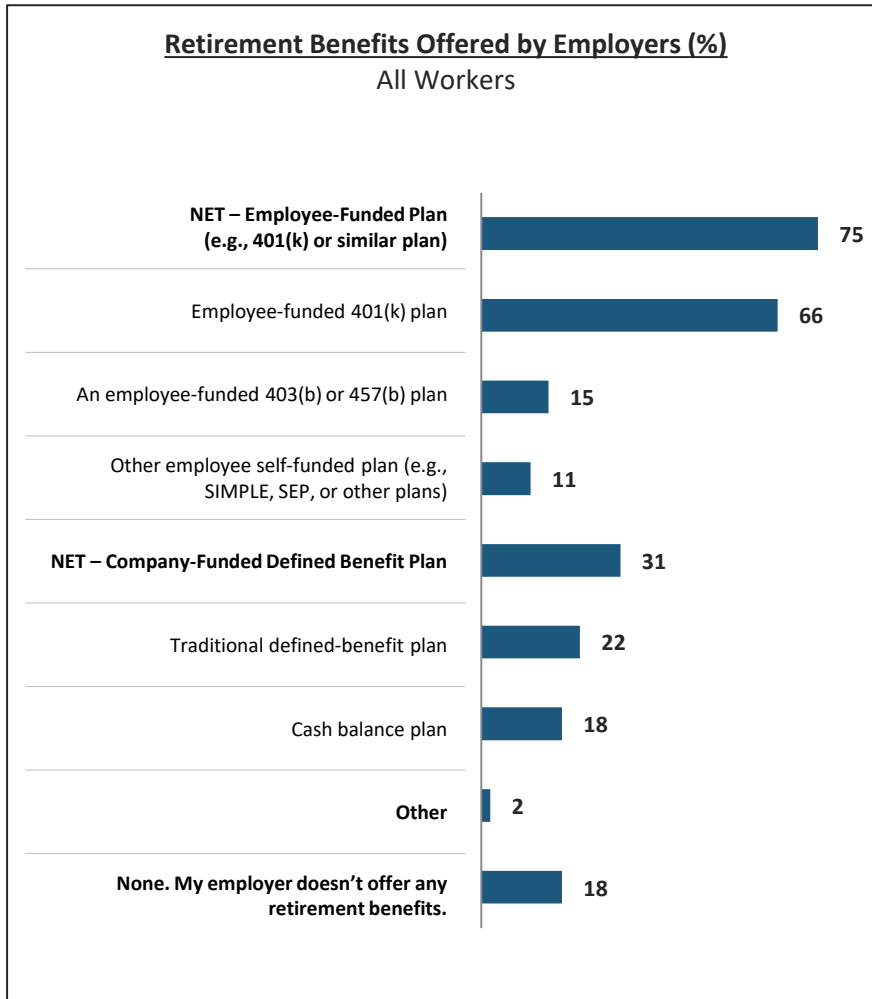
BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q1170. Please tell us how important that benefit is to you, personally. "A 401(k)/403(b)/457(b) or other employee self-funded plan."

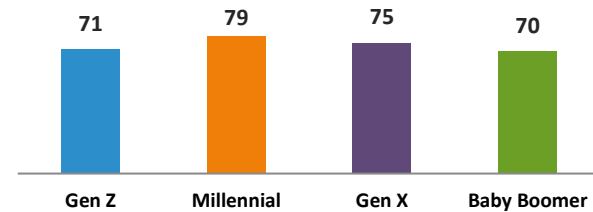
Q831. How much do you agree or disagree with the following statement? "The next time I look for a job, all things being equal, the retirement benefits offered by the prospective employer will be a major factor in my final decision."

# 3 in 4 Workers Are Offered a 401(k) or Similar Plan

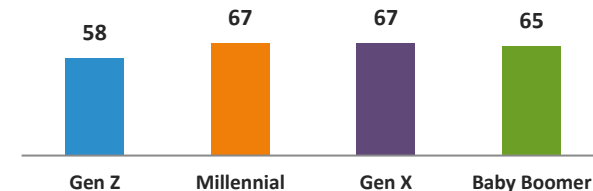
Seventy-five percent of workers have access to a 401(k) or similar employee-funded retirement plan in the workplace. Millennials (79 percent), are somewhat more likely than Generation X (75 percent), Generation Z (71 percent), and Baby Boomers (70 percent) to have access to an employee-funded plan. Of great concern is that almost one in five workers (18 percent) are not offered any retirement benefits.



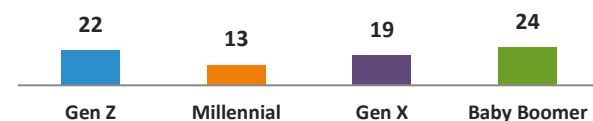
**NET – Employee-Funded Plan (e.g., 401(k) or Similar Plan) (%)**



**An Employee-Funded 401(k) Plan (%)**



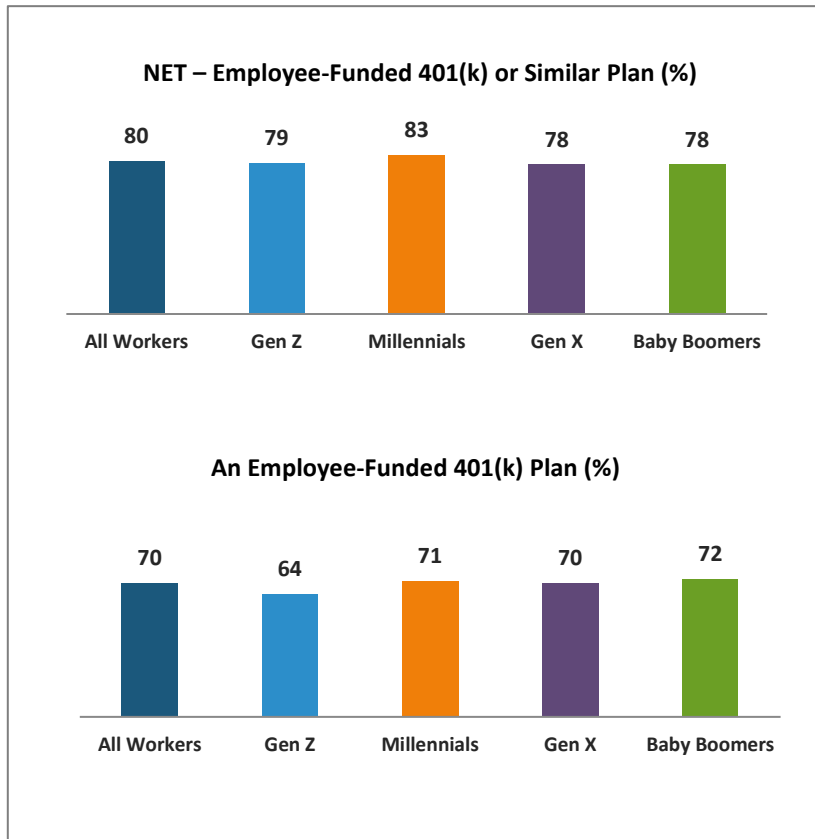
**None. My employer doesn't offer any retirement benefits. (%)**



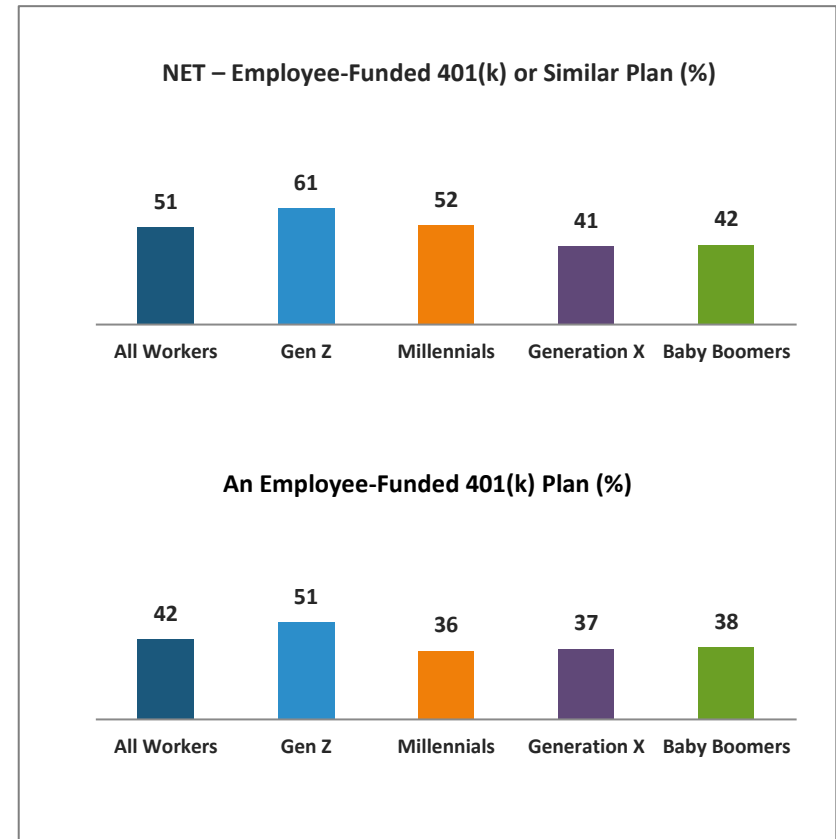
# Full-Time Workers Are More Likely to Be Offered a 401(k)

Full-time workers (80 percent) are far more likely to have access to a 401(k) or similar employee-funded plan compared with part-time workers (51 percent). Among part-time workers, Generation Z workers (61 percent) are significantly more likely, and Millennials (52 percent) are somewhat more likely to have benefits compared with Baby Boomers (42 percent) and Generation X (41 percent).

## Full-Time Workers



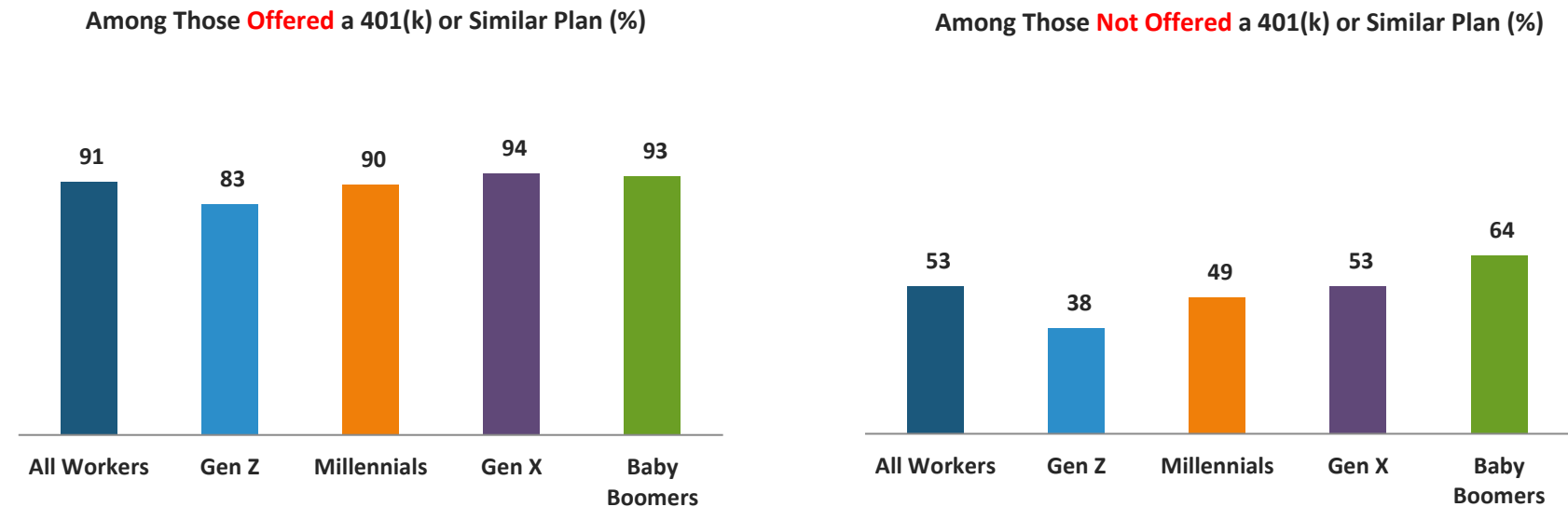
## Part-Time Workers



# Having Access to a 401(k) Inspires Workers to Save

Workers who are offered a 401(k) or similar retirement plan by their employer are more likely to save and invest for retirement in the plan and/or outside of work (91 percent) compared with those who do not have access to such plans (53 percent). Among workers who are not offered a plan, Baby Boomers are much more likely to be saving for retirement (64 percent) than Generation X (53 percent), Millennials (49 percent), and Generation Z (38 percent).

Saving for Retirement  
(in an Employer-Sponsored Plan and/or Outside of Work)



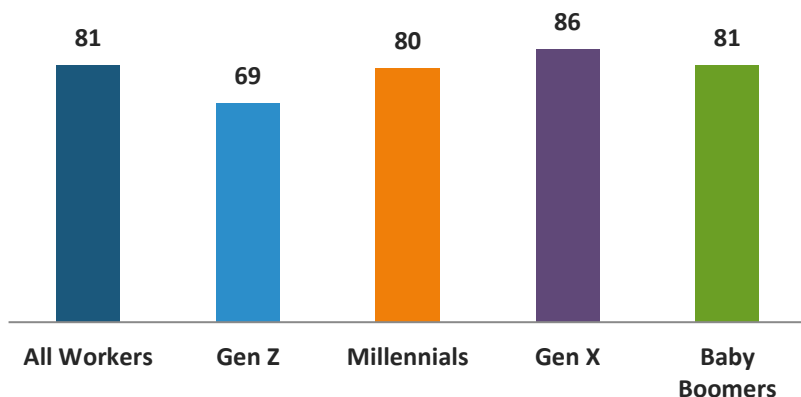
BASE: 21ST ANNUAL SURVEY - CURRENTLY OFFERED QUALIFIED PLAN / NOT CURRENTLY OFFERED QUALIFIED PLAN  
Q1190. Do you currently participate in, or have money invested in your company's employee-funded retirement savings plan?  
Q740. Are you currently saving for retirement outside of work, such as in an IRA, mutual funds, bank account, etc.?

# When Offered a Plan, Three in Four Participate

Eighty-one percent of workers who are offered a 401(k) or similar plan participate in that plan. Participation rates are higher among Generation X (86 percent), Baby Boomers (81 percent), and Millennials (80 percent) than Generation Z (69 percent). Workers who participate in such a plan contribute 12 percent (median) of their annual salary into their plans. Generation Z and Millennials contribute 15 percent to their plans, while Generation X and Baby Boomers are contributing 10 percent (medians).

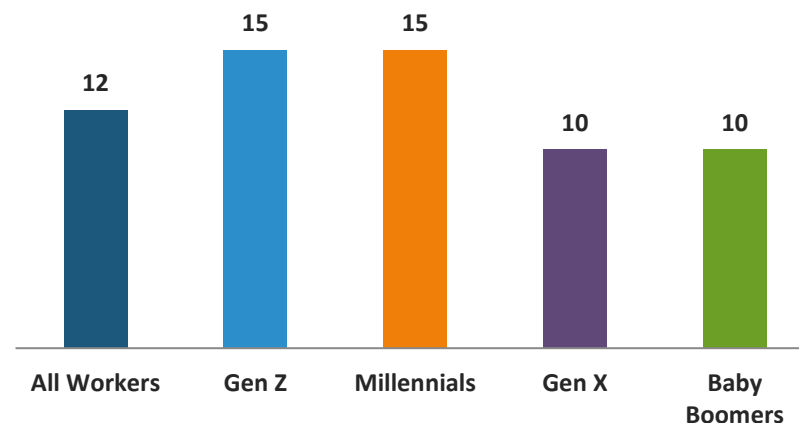
**Participates in 401(k) or Similar Plan**

Yes (%)



**Percentage of Annual Salary Saved in Plan**

Median (%)



BASE: 21ST ANNUAL SURVEY - CURRENTLY OFFERED QUALIFIED PLAN

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

BASE: 21ST ANNUAL SURVEY - CURRENTLY PARTICIPATES IN QUALIFIED PLAN

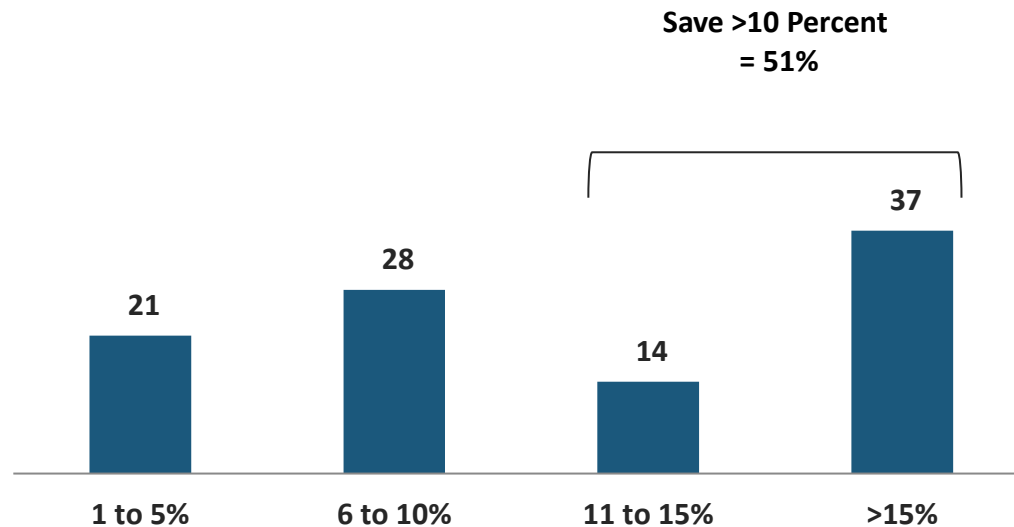
Q601. What percentage of your salary are you saving for retirement through your company-sponsored plan this year?

# About Half Contribute 10 Percent or More to Retirement Plans

Fifty-one percent of workers participating in a 401(k) or similar retirement plan contribute more than 10 percent of their salaries to their plan, with 37 percent contributing more than 15 percent, and 14 percent contributing 11 - 15 percent of their annual pay into the plan. Slightly less than half of workers participating in a plan (49 percent) save 10 percent or less.

## What percentage of your salary are you contributing to your company-sponsored plan this year? (%)

All Workers Currently Participating in a 401(k) or Similar Plan

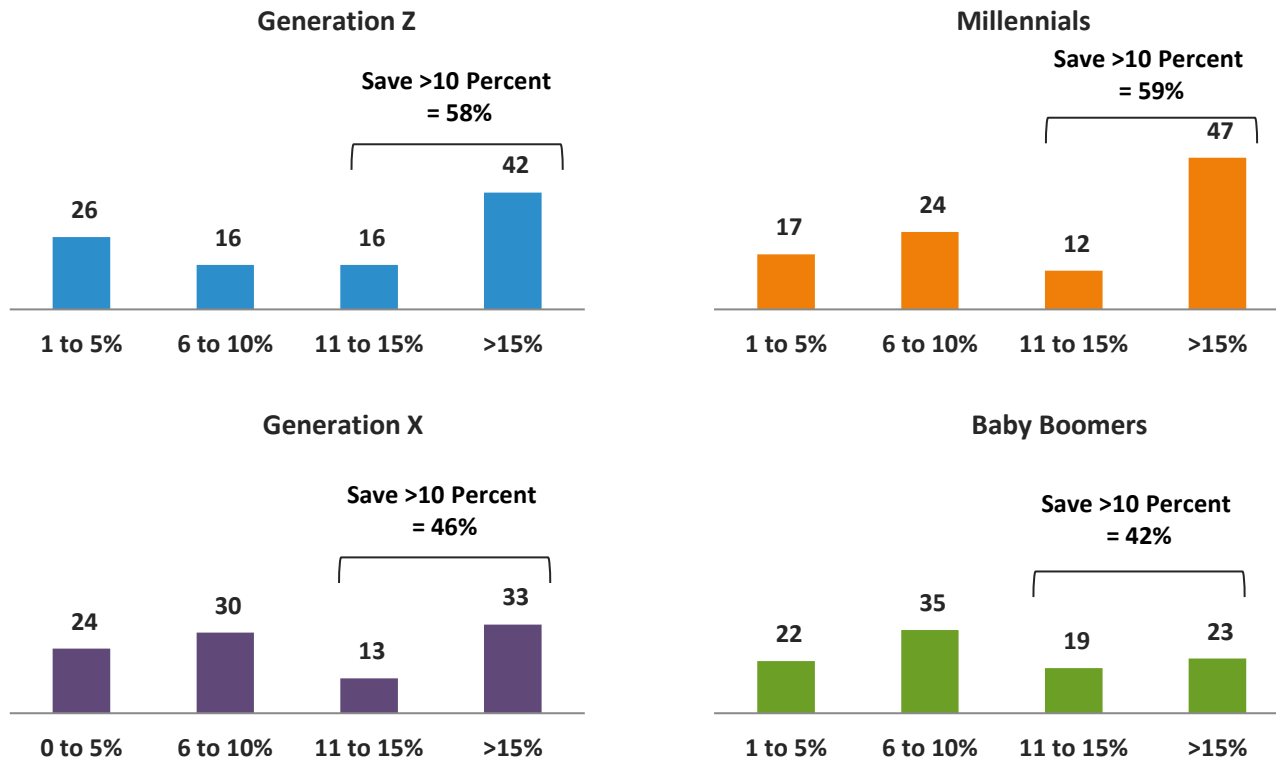


# More Than 2 in 5 Across Generations Are “Super Savers”

“Super savers,” or workers who participate in a 401(k) or similar retirement plan and contribute more than 10 percent of their salaries into the plan, are found across generations. These “super savers” include 59 percent of Millennials, 58 percent of Generation Z, 46 percent of Generation X, and 42 percent of Baby Boomers.

## What percentage of your salary are you contributing to your company-sponsored plan this year? (%)

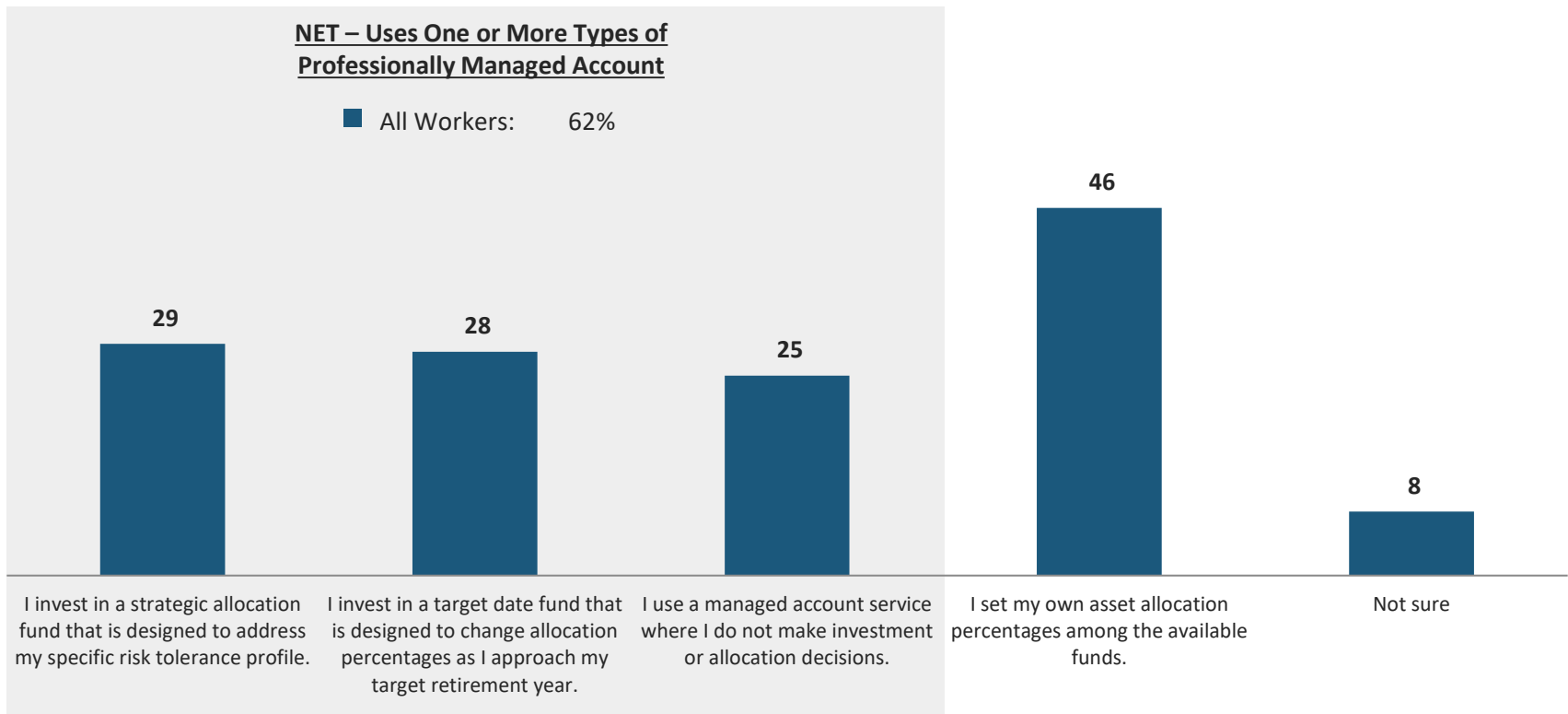
By Generation



# 6 in 10 Plan Participants Use Professionally Managed Accounts

“Professionally managed” accounts refer to a managed account service, strategic allocation funds, and/or target date funds. The majority of plan participants (62 percent) use a professionally managed offering in their 401(k) or similar plans, including 29 percent who invest in strategic allocation funds, 28 percent in target date funds, and 25 percent who use a managed account service.

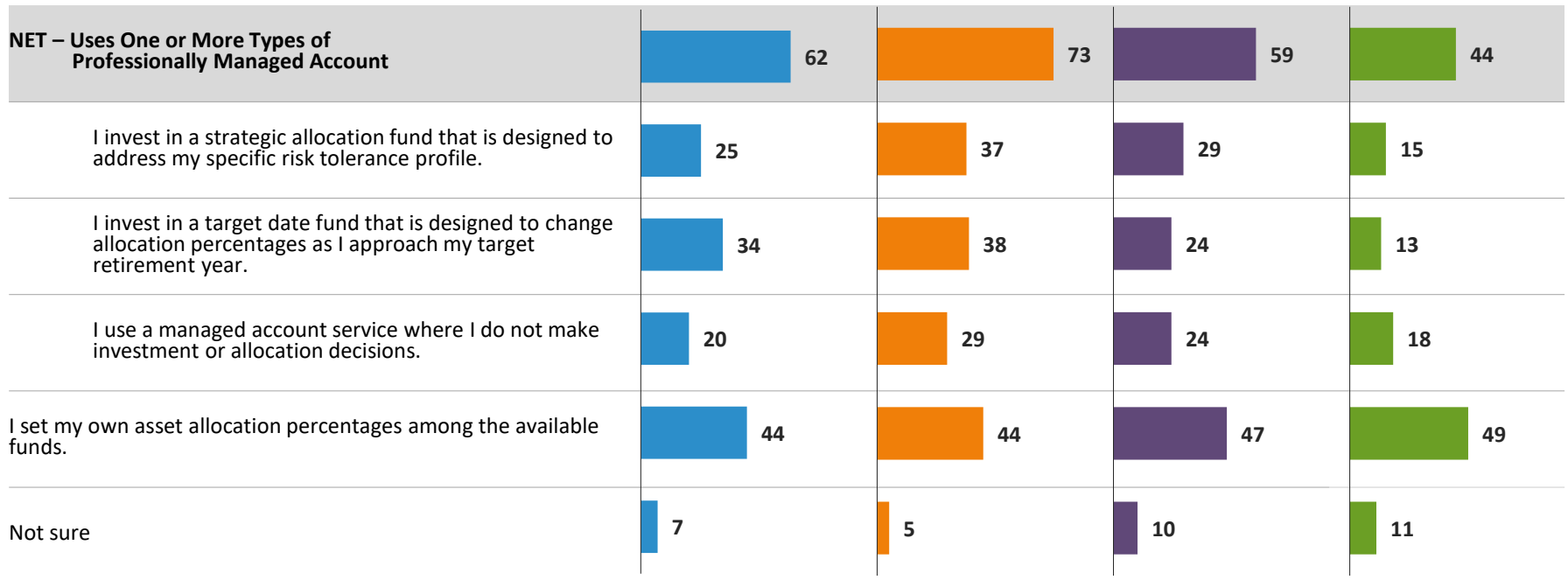
## What is your current approach to investing in your employer-sponsored retirement plan? (%)



# Professionally Managed Account Usage Varies by Generation

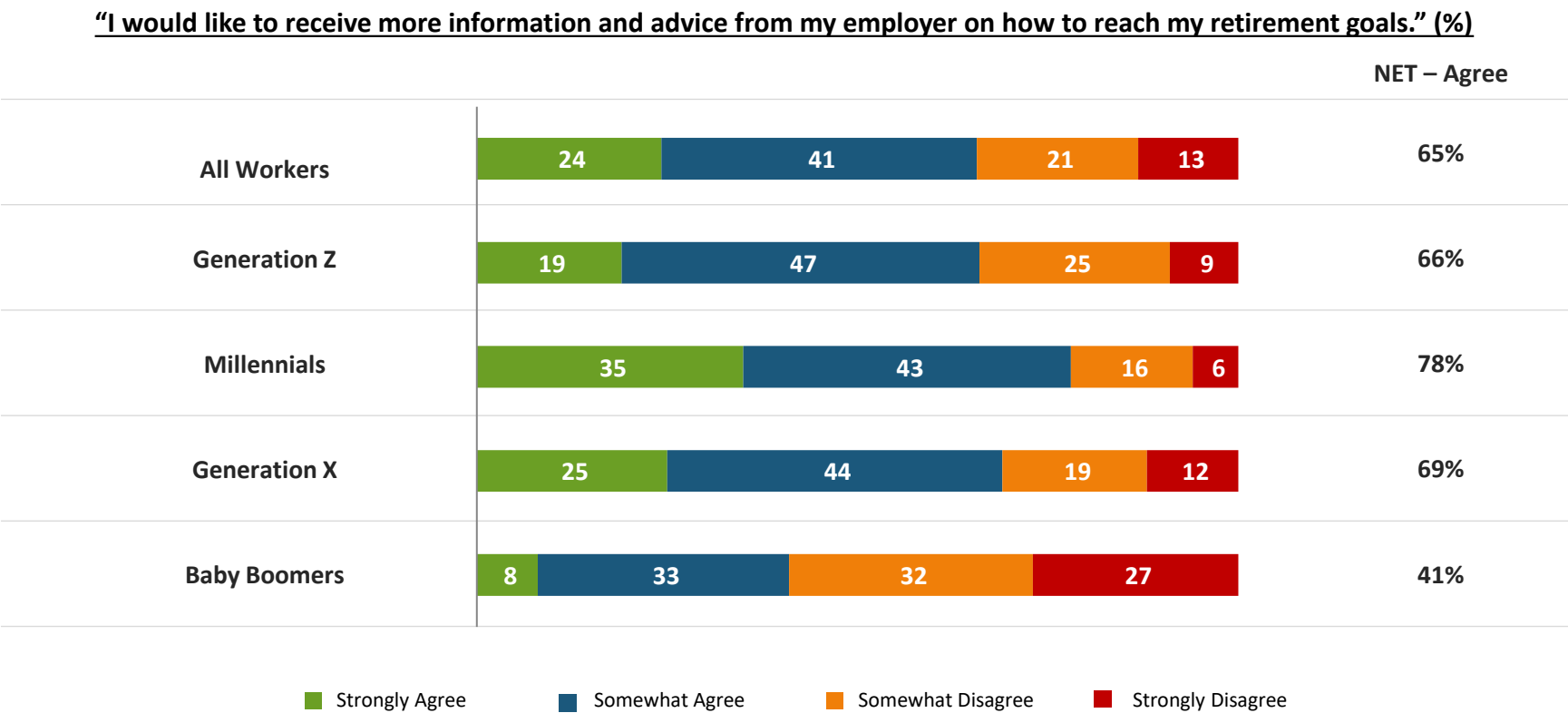
Among those participating in a 401(k) or similar plan, Millennials (73 percent) are more likely to use one or more types of professionally managed account, compared with Generation Z (62 percent), Generation X (59 percent), and Baby Boomers (44 percent). However, the proportion of plan participants that indicate they set their own asset allocation percentage among the available funds is relatively similar across generations, including Baby Boomers (49 percent), Generation X (47 percent), Millennials (44 percent), and Generation Z (44 percent).

## What is your current approach to investing in your employer-sponsored retirement plan? (%)



# Almost Two-Thirds Want More Retirement Information and Advice

Sixty-five percent of workers would like more information and advice from their employers on how to reach their retirement goals. This desire is highest among Millennials (78 percent), while also strong among Generation X (69 percent), Generation Z (66 percent), and, to a lesser extent, Baby Boomers (41 percent).



*Note: Results may not total 100% due to rounding.*

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS  
Q930. How much do you agree or disagree with each of the following statements regarding retirement?  
“I would like to receive more information and advice from my employer on how to reach my retirement goals.”

# Employers Can Do More to Facilitate Retirement Transitions

Workers may find it difficult to have a phased transition into retirement at their current employer — only 40 percent of workers indicate their employers offer opportunities such as accommodating flexible work schedules and arrangements (22 percent), enabling employees to reduce work hours and shift from full-time to part-time (20 percent), and/or enabling employees to take positions that are less stressful or demanding (18 percent). Only 21 percent of employers encourage employees to participate in succession planning, training, and mentoring. Fewer than one in five workers indicate their employers offer financial counseling about retirement, offer retirement-oriented lifestyle and transition planning resources, provide seminars and education about transitioning into retirement, or provide information about encore career opportunities.

**In which of the following ways, if any, does your current employer help its pre-retirees transition into retirement? (%)**



# Baby Boomers Less Likely to Have Retirement Transition Support

Slightly fewer than one in four Baby Boomer workers (24 percent) say their employers offer one or more types of flexible transition arrangements for pre-retirees, compared with 52 percent of Millennials, 44 percent of Generation Z, and 36 percent of Generation X. One in four Baby Boomers (40 percent) say their employers do “nothing” to help pre-retirees transition into retirement.

**In which of the following ways, if any, does your current employer help its employees who are transitioning into retirement? (%)**

	Generation Z	Millennials	Generation X	Baby Boomers
<b>NET – Flexible Transition Arrangements</b>	44	52	36	24
Accommodates flexible work schedules and arrangements	26	27	20	15
Enables employees to reduce work hours and shift from full-time to part-time	20	24	19	16
Enables employees to take positions which are less stressful or demanding	22	26	15	6
Encourages employees to participate in succession planning, training, and mentoring	22	30	18	9
Offers financial counseling about retirement	18	24	19	10
Offers retirement-oriented lifestyle and transition planning resources	16	25	16	6
Provides seminars and education about transitioning into retirement	16	21	17	9
Provides information about encore career opportunities	18	23	13	4
Other	3	1	2	1
Nothing	12	12	26	40
Not sure	25	16	23	26

# An Opportunity to Close the Employee Benefits Gap

In addition to retirement benefits, health and welfare benefits can enhance workers' financial security. These benefits can bring insurance protections, mitigate out-of-pocket healthcare expenses, provide the possibility of additional resources in a time of need, and offer wellness help. Most workers believe these benefits are important; however, a significant gap exists between the percentage of workers who believe they are important and the percentage who are offered them by their employers. This represents an opportunity for employers to increase the competitiveness of their compensation and benefits packages, while helping their employees achieve greater long-term financial security.

Type of Employee Benefit	All Workers (%)		
	Important (NET) – Very/Somewhat Important	Offered by Employer	The Gap: Importance vs. Offered
Health Insurance	95	73	-22
Life Insurance	83	53	-30
Long-Term Care Insurance	80	26	-54
Disability Insurance	77	35	-42
Critical Illness Insurance	76	19	-57
Financial Wellness Program	74	23	-51
Employee Assistance Program	70	33	-37
Workplace Wellness Program	70	30	-40
Cancer Insurance	65	11	-54

BASE: 21ST ANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q1170. For each of the following, please tell us how important that benefit is to you, personally.

Q1175. Which of the following does your company offer to you, personally? Select all.

# The Employee Benefits Gap Applies to All Four Generations

The importance of various types of health and welfare benefits varies by generation. While more than nine in 10 workers across the four generations consider health insurance to be important, Generation Z, Millennials, and Generation X are generally more likely than Baby Boomers to find the other types of health and welfare benefits listed to be important. Across generations, a significant gap exists between the percentages of workers who believe they are important compared with the percentage who are offered them by their employers.

Type of Employee Benefit	Generation Z (%)			Millennials (%)			Generation X (%)			Baby Boomers (%)		
	NET Important	Offered by Employer	The Gap: Importance vs. Offered	NET Important	Offered by Employer	The Gap: Importance vs. Offered	NET Important	Offered by Employer	The Gap: Importance vs. Offered	NET Important	Offered by Employer	The Gap: Importance vs. Offered
Health Insurance	93	64	-29	95	73	-22	98	78	-20	91	70	-21
Life Insurance	83	35	-48	87	56	-31	86	56	-30	72	51	-21
Long-Term Care Insurance	75	17	-58	85	34	-51	82	26	-56	70	18	-52
Disability Insurance	71	16	-55	80	34	-46	80	41	-39	68	39	-29
Critical Illness Insurance	79	19	-60	83	23	-60	75	19	-56	63	13	-50
Financial Wellness Program	79	23	-56	84	30	-54	74	22	-52	55	12	-43
Employee Assistance Program	73	29	-44	82	39	-43	71	31	-40	45	27	-18
Workplace Wellness Program	75	28	-47	80	34	-46	72	31	-41	46	21	-25
Cancer Insurance	64	10	-54	74	14	-60	64	10	-54	48	5	-43

BASE: 2STANNUAL SURVEY - ALL QUALIFIED RESPONDENTS

Q1170. For each of the following, please tell us how important that benefit is to you, personally.

Q1175. Which of the following does your company offer to you, personally?

## *Appendix*

# 21st Annual Survey: A Portrait of Workers by Generation

Characteristics		All Workers (%) n=3,109	Gen Z (%) n=301	Millennials (%) n=1,249	Generation X (%) n=960	Baby Boomers (%) n=573
<b>Gender*</b>	Male	59	58	61	62	52
	Female	40	40	38	36	47
	Transgender	1	1	1	<1	<1
<b>Marital Status</b>	Married/Living with partner	60	15	62	67	65
	Divorced/Separated/Widowed	12	1	4	16	22
	Never married	28	84	34	17	13
<b>Employment Status</b>	Full Time	84	55	87	92	78
	Part Time	16	45	13	8	22
<b>Educational Attainment</b>	Less than High School	3	6	3	3	2
	High School to Some College	50	72	43	48	56
	College Degree or More	47	23	54	49	42
<b>Annual Household Income</b>	Less than \$50,000	15	31	17	12	11
	\$50,000 to \$99,999	32	28	32	32	32
	\$100,000+	51	37	50	55	56
	Decline to Answer	2	3	2	2	1
	Estimated Median	\$91,000	\$70,000	\$88,000	\$96,000	\$94,000
<b>Work Arrangement</b>	Leave your home to go to work	49	61	43	49	57
	Work remotely (e.g., from home or anywhere)	40	29	42	41	38
	Equally leave home to go to work and work remotely	15	15	20	13	7
<b>LGBQ+ Status**</b>	LGBQ+	8	22	8	6	4
	Did not identify as LGBQ+	92	75	92	93	96
	Decline to Answer	1	2	<1	1	<1
<b>Race/Ethnicity</b>	White	77	70	75	75	87
	Black/African American	12	13	13	12	6
	Asian/Pacific Islander	8	10	9	8	5
	Hispanic	16	18	19	17	7
	Other	6	11	7	7	3
<b>Urbanicity</b>	Urban	39	30	52	36	24
	Suburban	47	49	38	51	55
	Rural	14	22	10	13	21

Note: Results may not total to 100% due to rounding.

\* Gender: Responses 1% or less for "Other" and "Prefer not to answer" are not shown.

\*\* LGBQ+ Status: Responses of 1% or less for "Not sure" are not shown.

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