

American Workers Regret Not Saving Enough; Look to Their Workplace for Help

2018 SURVEY OF RETIREMENT SAVERS





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Workers Regret Their Retirement Savings Habits and Still Rely on Employers

2018 SURVEY OF RETIREMENT SAVERS

In our sixth national study of retirement savers, we continue to find that investors of all ages rely heavily on their employers for planning and saving for retirement. This year's findings also further punctuate the biggest savings challenges workers face is the ability to do it well enough and early enough at a time when they are juggling other financial obligations.

KEY FINDINGS



Regret Still Lingers

Regret continues to be a recurring theme as investors look back at how they have saved for retirement. Many admit to saving less than they should have, especially during their first five years of working.



Retirement Savings Is a Priority

Many investors look to the future with anticipation, tempered with concerns about not having enough money. Both play into the high importance workers place on saving for retirement and their workplace retirement plans.



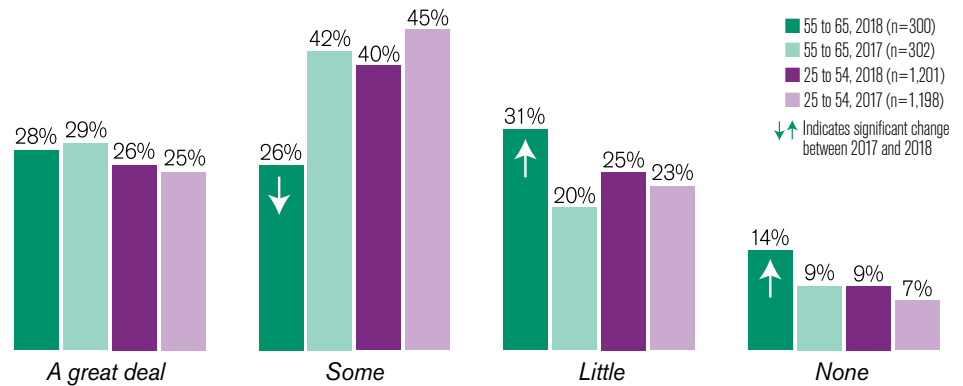
Employers Play an Important Role

Workers look to their employers for a nudge to start saving earlier and more. Their continued support for automatic plan features and investing options can inform employers as they consider ways to improve retirement outcomes.

Most Participants Regret Not Saving Enough or Starting Earlier

9 in 10 participants are troubled by at least a little regret about how they have saved for their future. Nearly eight in ten participants believe they could have saved more in the past.

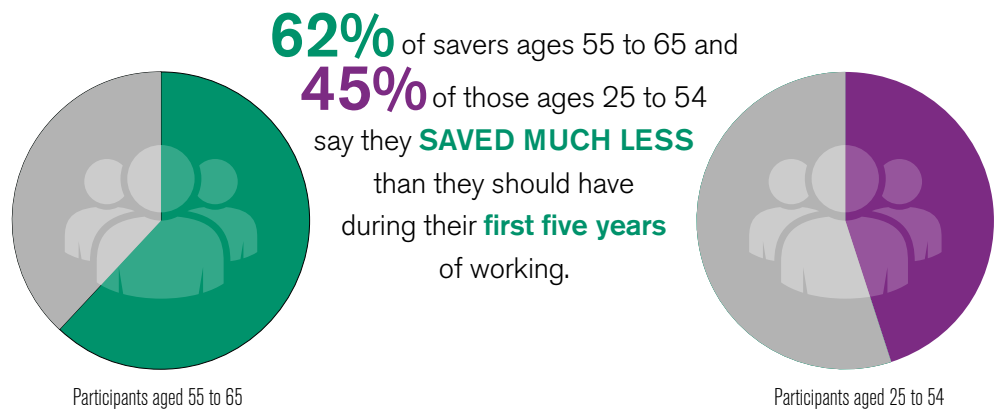
Thinking about the job you have done in saving money for retirement, how much regret do you have about not doing a better job?



Some **80%** believe they could have saved more.

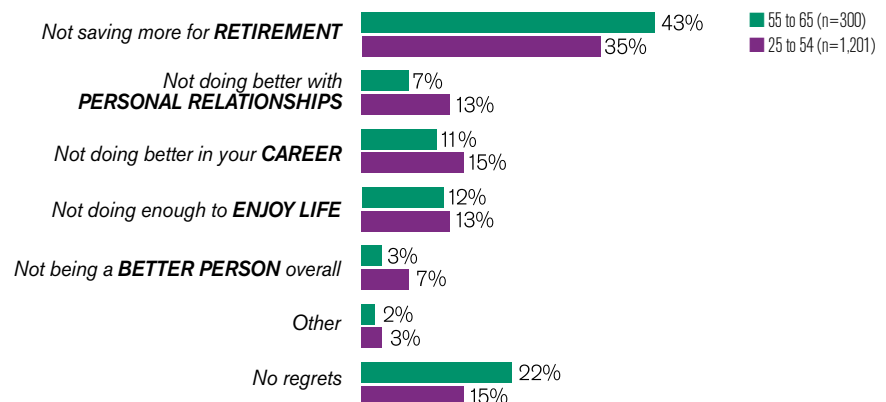
How would you evaluate your retirement savings during different time periods of working?

>90% said it would be at least somewhat important to tell their earlier selves to save more.



The fact that the first five years stands out indicates the awareness people have about the idea of compounding and the value of starting early. BUT, they are also self-aware and understand the important role habits—good or bad—play.

Looking back, what's your biggest regret?

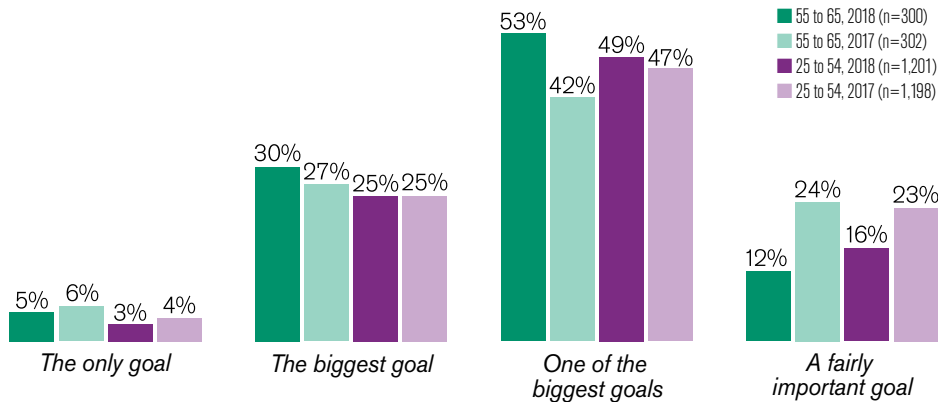


Participants grade themselves for saving: **C+**

The Majority of Participants Say Saving for Retirement Is an Important Goal

Nearly ALL participants consider retirement savings to be an important goal, with three-quarters identifying it as one of their biggest financial goals. Still, their current financial situations pose real barriers to saving more.

When you think about saving for future goals, how big of a goal is retirement savings to you?



RETIREMENT VS. COLLEGE SAVINGS

64%

of pre-retirees say retirement is a **higher priority.**

47%

of younger participants say **both** are equally important.

Which is worse: TO SAVE TOO LITTLE and not have enough money in retirement, or TO SAVE TOO MUCH and lose the opportunity to enjoy your money now?



Individuals are **FIVE TIMES MORE LIKELY** to say it's **WORSE TO SAVE TOO LITTLE FOR RETIREMENT** than to **miss out on something today.**

Indicate if the following are reasons for you not saving more now.

AGES 55-65 (n=300)	Reason	AGES 25-54 (n=1,201)
62%	Don't earn enough	71%
56%	Debt	75%
56%	Unexpected expenses	70%
57%	More focused on enjoying today	67%
45%	Put it off	54%
39%	Unsure how to invest	55%
24%	Lack advice about how much to save	43%

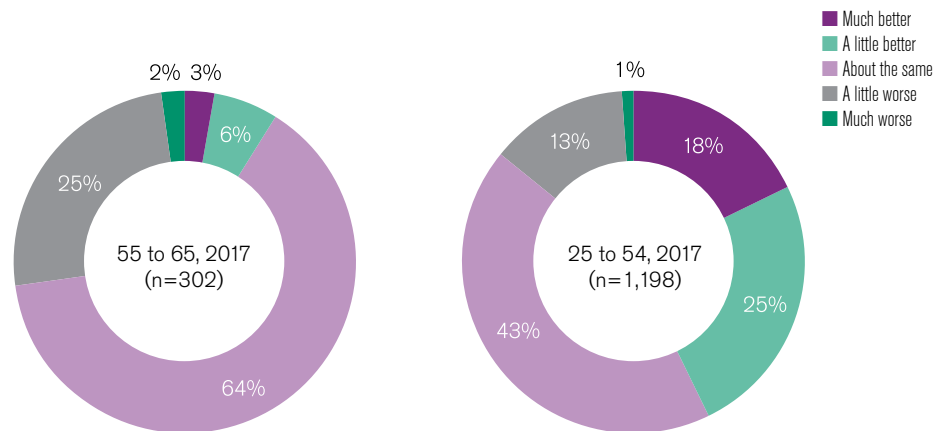
Debt

was most often named the primary reason for not saving more now.

Participants Have Expectations and Concerns About Retirement

Even though they regret past savings habits, participants overall expect their standard of living to remain on par with what they experience today. Still, about one-fifth expect their standard of living to be worse.

Financially speaking, do you expect your standard of living in retirement to be...?



When thinking about retirement, what excites and concerns you the most?



70% are more concerned about **affording retirement** than how they will **spend their time.**



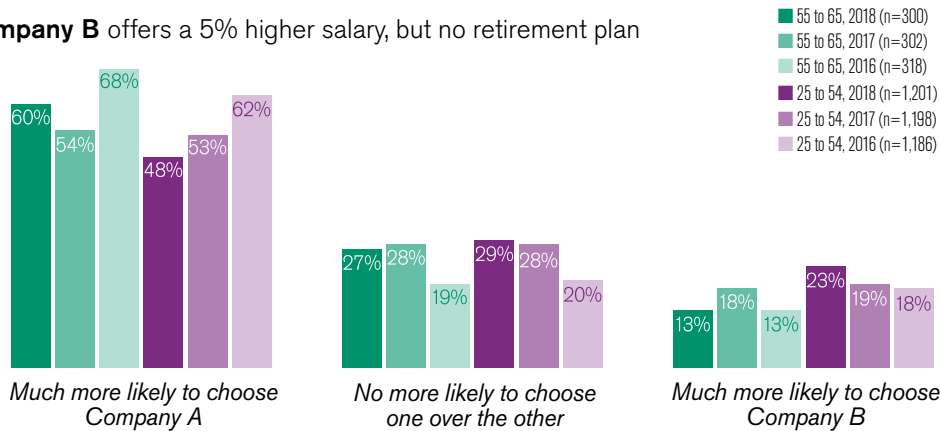
Participants Value Their Employer's Retirement Plan Most

Given the importance participants place on saving for retirement, it's no surprise how much they value their employer's retirement plan. Retirement benefits also influence perceptions workers have about companies in the marketplace.

Suppose you were going to take a new job soon. Which company would you accept an offer from?

Company A offers a retirement plan

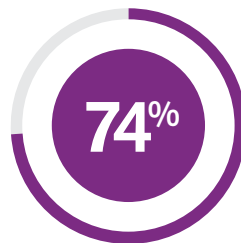
Company B offers a 5% higher salary, but no retirement plan



Suppose your company offered EITHER a 100% MATCH ON 3% OF YOUR CONTRIBUTION OR a 3% HIGHER SALARY. Which would you choose?



91% of pre-retirees (age 55-65) would take the match over the higher salary



74% of participants 25-54 would take the match over the higher salary

Now suppose the options are EITHER a 100% MATCH ON 6% OR a 6% HIGHER SALARY. Which would you choose?



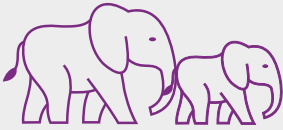
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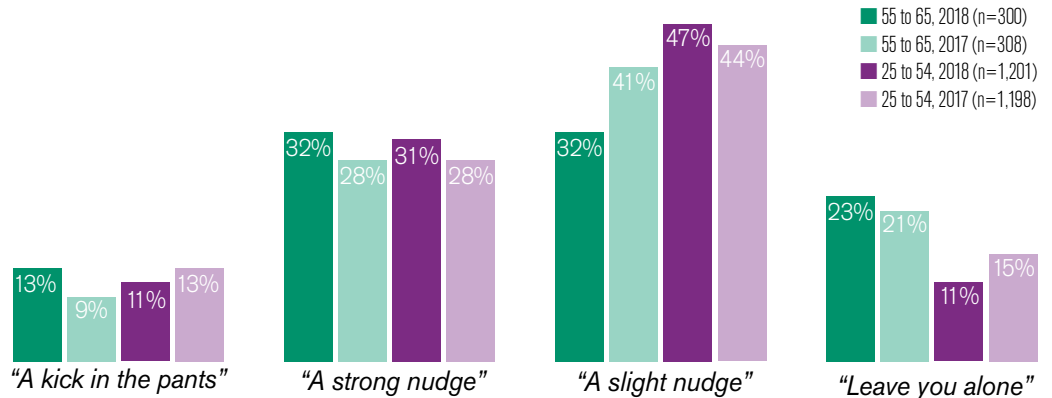
69% of participants 25-54 would take the match over the higher salary

Employers Play an Important Role in Helping Their Workers Save

The majority of employees look to their employers for help in retirement saving. That includes offering plan features that provide the nudge they need to start early and save more—especially employer matches.



A **MAJORITY** of participants want a **SLIGHT** or **STRONG NUDGE** from their employers.



Participants Overwhelmingly Support Plan Features That Can Help Them Save

Employees believe they would have more savings today if automatic enrollment had been available to them. They also show some support for help from their employers with regards to choosing investments.

2/3rds

feel **POSITIVE** about a company that offers auto enrollment, automatic increases, and target-date funds.

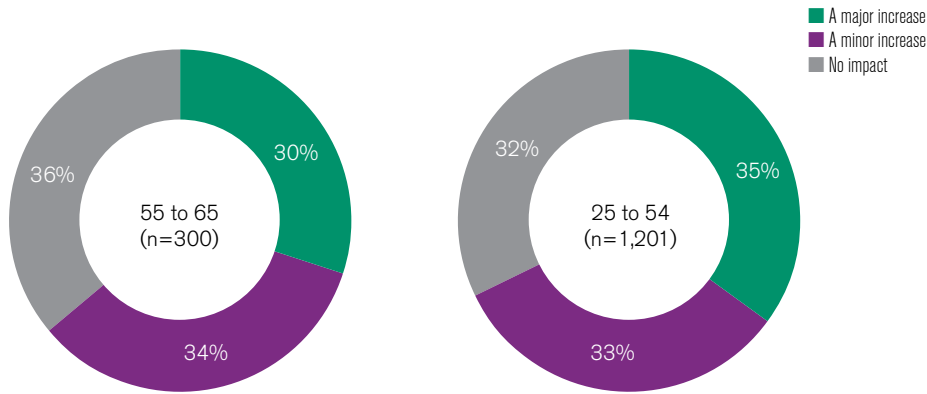
Over **70%** support

- Automatic enrollment at 6%
- Automatic increases
- Retroactive automatic enrollment
- Default into target-date funds

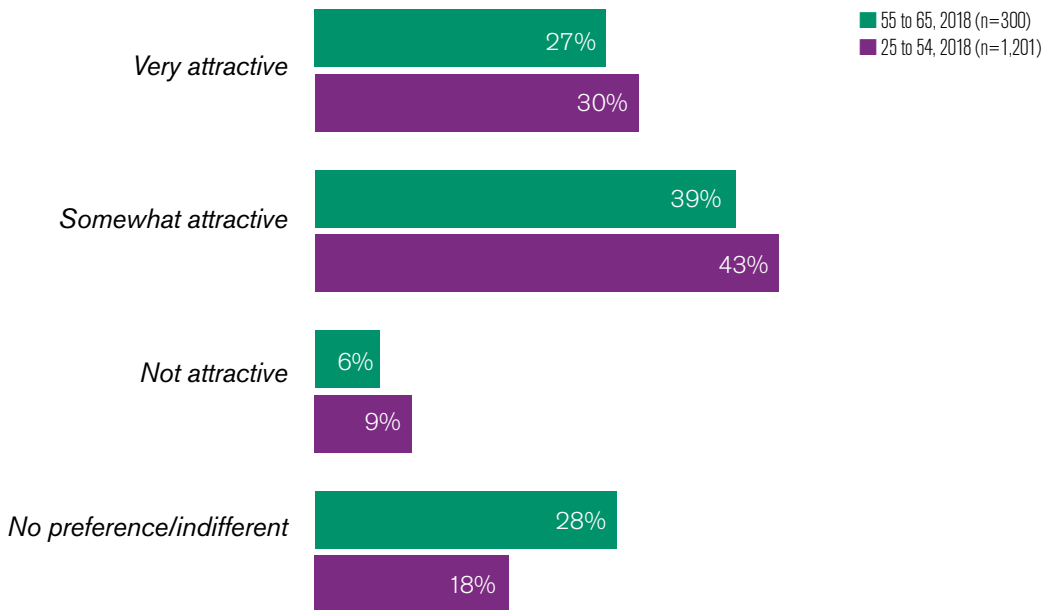
Participants Depend on Employer Resources to Help Them Save

Seven in ten depend on employer resources to make intelligent retirement choices, with younger participants relying on them more than their older counterparts. Many also would welcome advice services as an employee benefit.

What impact would automatic enrollment have had on your retirement savings today?



How attractive would it be for your employer to offer holistic financial advice to employees?





SUMMARY

Many Americans consider retirement their primary savings goal, though many acknowledge that they have not saved adequately as the result of not starting earlier or saving enough. This has led to the considerable remorse they feel about not saving enough when they look back at their earlier efforts. Regardless of history and current patterns, participants accept that not taking advantage of their employer's retirement plan is done so at their own risk.

The bright spots are participants' views of their employers and the retirement benefits they are offered. Participants would overwhelmingly welcome stronger encouragement—specifically established default saving rates and investment choices—from their employers. More than 80 percent of participants are looking for at least a “slight nudge” from their employers in this regard. They also show interest in employers offering holistic financial advice to help inform their investment choices.

Employers and their providers have a great opportunity to influence their participants' ability to retire. Over the past two decades, academic research and practical application have shown the effectiveness of progressive defaults on saving. Our own research of participants' views over the past six years shows that employees support the same type of intervention.

SURVEY METHODOLOGY

The survey was conducted by Mathew Greenwald & Associates on behalf of American Century Investments in May 2018. Survey included 1,501 full-time individuals between 25 and 65 saving through their employer's retirement plan and/or an Individual Retirement Account (IRA). The data was weighted to reflect the makeup of key demographics (gender, income, and education) among all American private sector investors between the ages of 25 and 65 (according to estimates from the 2012 U.S. Consumer Population Survey).

This information is for educational purposes only. It is not intended to provide, and should not be relied upon for, investment, accounting, legal or tax advice.



Managing Money, Making An Impact

American Century Investments® is a leading asset manager focused on delivering investment results and building long-term client relationships while supporting research that can improve human health and save lives. It's how we and our clients together **Prosper With Purpose**®.

Every day people are increasingly focused on investing to make the world a better place for themselves, their families, their organizations and the world at large. It is possible to live a more meaningful and impactful life and give back something that's more valuable than money.

When you invest with us, you can also invest in the future of others and have the potential to impact the lives of millions. That's possible because of the distinct relationship with the Stowers Institute for Medical Research, which owns more than 40% of American Century. Our dividend payments provide ongoing financial support for the Institute's work of uncovering the causes, treatments and prevention of life-threatening diseases, like cancer.

Together we can become a powerful force for good.

