



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

*Influences of Company Size on Retirement Readiness*

**TRANSAMERICA CENTER**  
FOR RETIREMENT STUDIES®

June 2018  
TCRS 1364-0618

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

Welcome to this compendium of insights and findings from the *18<sup>th</sup> Annual Transamerica Retirement Survey of Workers* from the Transamerica Center for Retirement Studies® (TCRS).

This report is an exploration of retirement preparedness of American workers that offers perspectives on retirement confidence, access to employer-sponsored retirement benefits, savings rates, and planning-related activities. It is comprised of these chapters:

- ***Influences of Demographics on Retirement Preparations.*** These chapters are demographic segmentation analyses by employer size, generation, gender, household income, level of education, and ethnicity. Each chapter presents a concise set of 38-40 key measures for each demographic segment.

We hope that you find this compendium to be a helpful source of retirement-related research and survey data. If you are seeking survey data that you do not find in this report, please contact TCRS at [info@transamericacenter.org](mailto:info@transamericacenter.org) and we will do our best to assist you.

Thank you.

# About Transamerica Center for Retirement Studies®

- Transamerica Center for Retirement Studies® (TCRS) is a division of Transamerica Institute® (The Institute), a nonprofit, private foundation. TCRS is dedicated to educating the public on emerging trends surrounding retirement security in the United States. Its research emphasizes employer-sponsored retirement plans, including companies and their employees, unemployed and underemployed workers, and the implications of legislative and regulatory changes. For more information about TCRS, please refer to [www.transamericacenter.org](http://www.transamericacenter.org).
- The Institute is funded by contributions from Transamerica Life Insurance Company and its affiliates and may receive funds from unaffiliated third parties.
- TCRS and its representatives cannot give ERISA, tax, investment or legal advice. This material is provided for informational purposes only and should not be construed as ERISA, tax, investment or legal advice. Interested parties must consult and rely solely upon their own independent advisors regarding their particular situation and the concepts presented here.
- Although care has been taken in preparing this material and presenting it accurately, TCRS disclaims any express or implied warranty as to the accuracy of any material contained herein and any liability with respect to it.

# About the Survey

- Since 1998, Transamerica Center for Retirement Studies® has conducted national surveys of U.S. business employers and workers regarding their attitudes toward retirement. The overall goals for the study are to illuminate emerging trends, promote awareness, and help educate the public.
- The Harris Poll was commissioned to conduct the 18th Annual Retirement Survey for Transamerica Center for Retirement Studies. Transamerica Center for Retirement Studies is not affiliated with The Harris Poll.
- The Harris Poll is one of the longest running surveys in the U.S. tracking public opinion, motivations and social sentiment since 1963 that is now part of Harris Insights & Analytics, a global consulting and market research firm that delivers social intelligence for transformational times. Harris Insights & Analytics works with clients in three primary areas; building twenty-first-century corporate reputation, crafting brand strategy and performance tracking, and earning organic media through public relations research. Our mission is to provide insights and advisory to help leaders make the best decisions possible. To learn more, please visit [www.theharrispoll.com](http://www.theharrispoll.com).

# Worker Survey Methodology

- A 25-minute, online survey was conducted in English between August 9 – October 28, 2017 among a nationally representative sample of 6,372 workers using the Harris online panel. Respondents met the following criteria:
  - U.S. residents, age 18 or older
  - Full-time or part-time workers in a for-profit company employing five or more people
- Data were weighted as follows:
  - Census data were referenced for education, age by gender, race/ethnicity, region, household income, and number of employees by company size. Results were weighted where necessary to bring them into line with the population of US residents age 18+, employed full time in a for-profit company with 5+ employees or employed part time in a for profit company.
  - The weighting also adjusts for attitudinal and behavioral differences between those who are online versus those who are not, those who join online panels versus those who do not, and those who responded to this survey versus those who did not.
- Data before 2017 is from full-time or part-time workers in a for-profit company employing 10 or more people
- Percentages are rounded to the nearest whole percent. Differences in the sums of combined categories/answers are due to rounding.
- This report focuses on full-time and part-time workers combined.

# Demographic Breakout Terminology and Sample Sizes

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

## All Workers

- Refers to all workers age 18 and older

## Base Size

N=6,372

## Company Size

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

N=3,428

N=2,944

## Generation

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

N=2,593

N=1,586

N=2,076

## Gender

- *Women:*
- *Men:*

N=3,917

N=2,432

## Household Income

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

N=2,508

N=2,351

N=1,241

## Education

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

N=1,107

N=1,834

N=2,488

N=943

## Race

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

N=3,949

N=1,037

N=789

N=467





# Influences of Company Size on Retirement Readiness

## *Detailed Findings*

# Influences of Company Size on Retirement Readiness

Access to retirement benefits can improve the long-term financial health and wealth of workers. Large companies (500+ employees) typically offer more robust benefits, including retirement benefits, to their employees than small companies (5 to 499 employees). Increasing access to retirement benefits among all workers, especially those in small companies, can help them achieve higher levels of retirement readiness.

## Forty Indicators of Retirement Readiness

- **Confidence in Retiring Comfortably.** Retirement confidence is relatively consistent between workers of small and large companies, with 61 percent being “very” or “somewhat” confident.
- **Recovery From the Great Recession.** Workers of small and large companies report similar stages of financial recovery from the Great Recession. more than four in 10 workers in small companies (42 percent) and in large companies (43 percent) say they were either were “not impacted” or have “fully recovered.” Yet, one in five workers of small companies (20 percent) and 18 percent of workers in large companies say they have “not yet begun to recover” or feel they may “never recover.”
- **Building a Large Enough Nest Egg?** About half of workers in small companies (52 percent) and large companies (52 percent) agree they are building a large enough nest egg.
- **Retirement Dreams Include Leisure and Work.** Workers of both small companies (68 percent) and large companies (71 percent) most frequently cite traveling as a retirement dream. Other frequently cited dreams include spending more time with family and friends (56 percent small companies, 58 percent large companies), and pursuing hobbies (50 percent for both small and large companies). Interestingly, 31 percent of workers in small companies and 28 percent in large companies dream of doing some sort of work in retirement.



# Influences of Company Size on Retirement Readiness

- **Retirement Beliefs, Preparations, and Involvement.** Most workers in small companies (79 percent) and large companies (80 percent) agree that people in their generation will have a much harder time in achieving financial security compared to their parent's generation. Workers in small companies (76 percent) and large companies (77 percent) share a similar level of concern that Social Security will not be there for them when they are ready to retire.
- **Expected Retirement Age.** The majority of both small company workers (55 percent) and large company workers (52 percent) plan to work past age 65 or do not plan to retire. Large company workers (25 percent) are somewhat more likely than small company workers (23 percent) to expect to retire before age 65. A similar percentage of small company workers (22 percent) and large company workers (23 percent) expect to retire at age 65.
- **Planning to Work in Retirement.** Almost three in five (59 percent) workers in small companies plan to work full- or part-time in retirement, while just over half (53 percent) of large company workers plan to do so. Over the past five years, small company workers have been consistently more likely to say they plan to work in retirement.
- **Reasons for Working in Retirement.** Across company size, workers who plan to work in retirement and/or past age 65 share both financial and healthy-aging reasons for doing so: 83 percent of workers in both large and small companies say they plan to do it for financial reasons while around three in four workers in small companies (75 percent) and large companies (73 percent) say they plan to do so for healthy-aging reasons.
- **Retirement Transitions: Phased Versus Immediate.** Many workers across company size envision a transition into retirement by changing work patterns (e.g., reducing work hours with more leisure time to enjoy life or working in a different capacity that is less demanding and/or brings greater personal satisfaction, a finding that is higher for small companies. More large company workers (24 percent) than small company workers (21 percent) plan to immediately stop working and retire once they reach a specific age or amount of money.

# Influences of Company Size on Retirement Readiness

- **Phased Retirement and Compensation-Related Expectations.** Among workers who envision a phased transition into retirement, most are conscious about how changes in their work arrangements may affect their compensation, job title, and employee benefits. Workers in small companies (80 percent) are somewhat more likely than workers in large companies (78 percent) to agree that “If I reduce my work hours at my current employer, I would expect to be paid the same hourly rate for hours worked that I am earning now.” Furthermore workers in larger companies (81 percent) are more likely than workers in smaller companies (76 percent) to say they would expect their job title to change if they were to take on a new role with fewer responsibilities at their current employer.
- **Perceptions of Older Workers.** Workers in small and large companies share similar perceptions – positive or negative – about workers age 50 and older compared to younger workers in today’s workforce. A strong majority of workers in small (84 percent) and large companies (83 percent) have positive perceptions about older workers, namely they are more knowledgeable and responsible. However, more than half of workers across company sizes have negative perceptions with older workers having higher healthcare costs being cited most frequently.
- **Age That Workers Consider a Person to Be “Old.”** Workers in small and large companies have similar perceptions of when they consider a person to be “old.” The median age for those who provided an age is 70 for both workers of large and small companies. Four in 10 workers in small companies (40 percent) and in large companies (39 percent) feel that it depends on the person.
- **Age That Workers Consider a Person to Be “Too Old” to Work.** Workers in small and large companies have similar perceptions of when they consider a person to be “too old” to work. More than half of workers in small and large companies are most likely to say it depends on the person. Among those who provided a specific age, workers say age 75 (median) is when a person is considered too old to work.
- **Level of Concern About Health in Older Age.** Workers in small companies (72 percent) are equally as likely as those in large companies (73 percent) to be “very” or “somewhat” concerned about their health in older age.

# Influences of Company Size on Retirement Readiness

- **Engagement in Health-Related Activities on a Consistent Basis.** Workers in small and large companies do many health-related activities on a consistent basis. However, small company workers are slightly more likely to engage in health-related activities compared to large company workers. Of concern, only about a quarter of workers across company size consider their long-term health when making lifestyle decisions.
- **Planning to Live to Age ...** Both small and large company workers share similar expectations regarding age they are planning to live to. Large company workers are planning to live to an age of 90 (median) and 13 percent of them are planning to become centenarians. Small company workers are also planning to live to age 90 (median) with 15 percent planning to live to 100+.
- **Current Financial Priorities.** A majority of workers in both small (63 percent) and large (69 percent) companies indicate that “paying off debt” (NET) is a current financial priority. A majority of workers in small companies (55 percent) cite saving for retirement as a current priority, while a significantly more (64 percent) workers in large companies cite retirement savings as a financial priority. Approximately two in five workers of both small and large companies cite paying off credit card or consumer debt as a priority.
- **Greatest Financial Priority Right Now.** Financial priorities among workers of small and large companies are similarly shared. The top three most frequently cited priorities among workers are “paying off debt”(NET) (28 percent small, 32 percent large), saving for retirement” (21 percent small, 20 percent large), and “just getting by” (18 percent small, 17 percent large).
- **Types of Household Debt.** The most frequently cited types of household debt are credit card (63 percent in large company workers; 57 percent for small company workers), mortgage (46 percent in large company workers; 39 percent in small company workers), and car loan (43 percent in large company workers; 38 percent in small company workers).

# Influences of Company Size on Retirement Readiness

- **Estimated Emergency Savings.** Workers of both small and large companies lack emergency savings that could help cover the cost of a major financial setback (e.g., unemployment, medical bills, home repairs, auto repairs, other). Workers in small companies have saved just \$5,000 (median) for such emergencies while workers in large companies have saved even less, \$3,000 (median). More than one-third of small company (36 percent) and large company workers (39 percent) have saved less than \$5,000. Of concern, one in five workers are "not sure" how much they have saved in emergency savings: 23 percent of small company workers and 25 percent of large company workers.
- **Saving for Retirement / Age Started Saving.** More large company workers (79 percent) than small company workers (73 percent) are saving for retirement at work through employer sponsored plans, such as a 401(k) or similar plan. The median age at which workers started saving is relatively consistent between small (age 28) and large (age 27) company workers.
- **Expected Sources of Retirement Income.** Self-funded savings including retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) and other savings and investments are the most frequently cited source of retirement income expected by workers of both company sizes: 78 percent of small company workers and 86 percent of large company workers. This is closely followed by Social Security as an expected source of retirement income for 72 percent of small company workers and 76 percent of large company workers.
- **Expected Primary Source of Income in Retirement.** Workers of large companies (41 percent) are more likely to expect to rely on retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) as their *primary* source of income in retirement compared to workers of small companies (32 percent). Expectations that "working" will be their primary source of income is higher among workers of small companies compared to those in large companies (16 percent and 13 percent, respectively).

# Influences of Company Size on Retirement Readiness

- **Importance of Retirement Benefits Compared to Other Benefits.** The vast majority of workers across small and large companies believe that retirement benefits are important. Large company workers (91 percent) are somewhat more likely than those of small companies (86 percent) to value a 401(k) or similar plan as an important benefit. This trend has remained consistent over the past five years.
- **Retirement Benefits Currently Offered.** A majority of workers are offered a 401(k) or similar employee-funded retirement plan in the workplace; however, access is greater among workers of large companies (82 percent) compared to those of small companies (59 percent). Relatively few workers are offered a traditional company-funded defined benefit plan. Of note, a third of small company workers say their employer does not offer any retirement benefits, compared to 11 percent of large company workers.
- **Retirement Plan Participation.** Among workers who are offered a 401(k) or similar plan, the participation rate is similar among large company workers (78 percent) and small company workers (81 percent). This trend has remained consistent over the past five years.
- **Retirement Plan Contribution Rate.** Among workers who participate in a 401(k) or similar plan, the median contribution rate is directionally higher among small company workers (10 percent) than large company workers (8 percent). The average contribution rate among workers in small companies contributing to their qualified plan increased slightly compared to previous years.
- **Appeal of Automatic Enrollment.** Automatic enrollment is a retirement plan feature that eliminates the decision-making and action steps normally required of employees to enroll and to start contributing to the plan. It simply automatically enrolls employees into a plan and they only need to take action if they desire to opt out and not contribute to the plan. Workers in small companies (82 percent) are more likely than workers in large companies (79 percent) to find automatic enrollment into a 401(k), 403(b) or similar retirement plan as “very” or “somewhat” appealing. Workers in smaller companies feel the appropriate default contribution rate for such a plan feature would be 10 percent while workers in large companies believe 6 percent is appropriate.

# Influences of Company Size on Retirement Readiness

- **Likelihood of Using Automatic Escalation.** More than seven in 10 workers in both small companies (76 percent) and large companies (73 percent) say they would be “very” or “somewhat” likely to use a plan feature that automatically increases their contribution rate to their 401(k) or similar plan by 1% each year. About three in 10 workers across company sizes would be “very” likely to use this plan feature.
- **Use of Professionally Managed Offerings.** “Professionally managed” accounts refers to a managed account service, strategic allocation funds, and/or target date funds. Many plan participants in both small (61 percent) and large companies (57 percent) are using some form of professionally managed offering in their 401(k) or similar plans. Small business workers (45 percent) are slightly more likely to set their own asset allocation among the available funds compared to large company workers (42 percent).
- **Asset Allocation of Retirement Investments.** Among workers investing for retirement, those in both large and small companies (both 40 percent) most frequently indicate that their retirement savings are invested in relatively equal mix of stocks and investments such as bonds, money market funds and cash. A concerning one in five say that they are “not sure” how their savings are invested.
- **Retirement Plan Leakage: Loans and Withdrawals.** “Leakage” from retirement plans in the form of loans and withdrawals can severely inhibit the growth of participants’ long-term retirement savings. Twenty-five percent of small company and 34 percent of large company workers have taken some form of loan, early withdrawal, and/or hardship withdrawal from a 401(k), similar plan or IRA.
- **Total Household Retirement Savings.** Workers of large companies report higher levels of total household savings in retirement accounts compared to those of small companies. Large company workers have saved \$78,000 (estimated median), while small company workers have saved \$62,000 (estimated median). Large company workers (31 percent) are also slightly more likely than small company workers (28 percent) to say that they have saved \$250,000 or more, a consistent finding over the past five years. Retirement savings have been increasing incrementally among small and large company workers since 2012.



# Influences of Company Size on Retirement Readiness

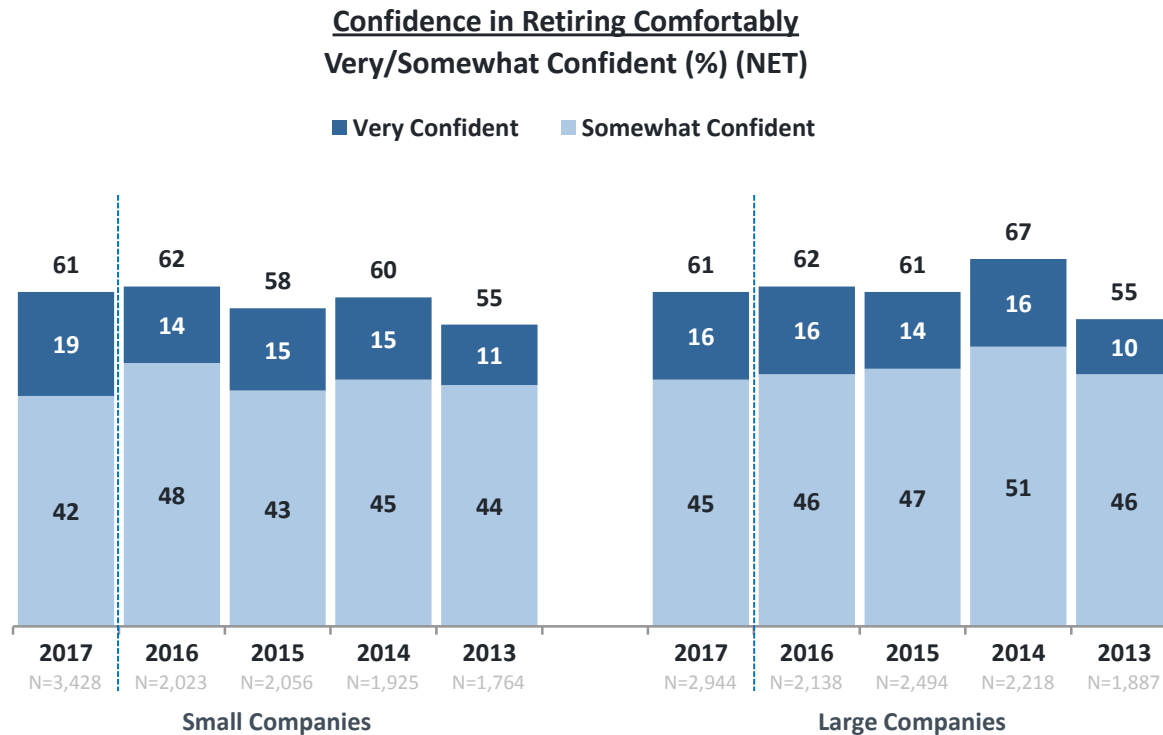
- **Estimated Retirement Savings Needs.** Workers of both large and small companies believe that they will need to save \$500,000 (median) to feel financially secure when they retire. This year's survey finding is consistent with last year's, but a major decrease from 2015 when workers indicated they would need to save \$1,000,000 (median).
- **Basis for Estimating Retirement Savings Needs.** Among those who provided an estimate of their retirement savings needs, just under half of workers of both small (45 percent) and large companies (49 percent) say that they "guessed" these needs. Approximately more one in five estimated the amount based on current living expenses, and fewer than 10 percent used a retirement calculator.
- **Retirement Strategy: Written, Unwritten, or None.** Most workers of both small and large companies (64 percent small, 60 percent large) say that they have some form of retirement strategy, either written or unwritten. However, only 17 percent of small company workers and 14 percent of large company workers have a written plan.
- **Confidence that Financial Strategy Will Enable Travel Goals.** Travel is the top retirement dream among workers in small and large companies. Among workers who dream of traveling in retirement, most are confident their current financial strategy will allow them to meet their retirement travel goals including 58 percent of small company workers and 57 percent of large company workers. However, relatively few workers are "very" confident (21 percent small companies, 19 percent large companies). Interestingly, some workers haven't given much thought to it (14 percent small companies, 15 percent large companies).
- **Professional Financial Advisor Usage.** Small company workers (45 percent) who are investing for retirement are more likely to use a professional financial advisor to help manage their retirement savings or investments compared to large company workers (33 percent). This gap has been relatively consistent over the past five years.

# Influences of Company Size on Retirement Readiness

- **Awareness of Saver's Credit.** The IRS Saver's Credit is a tax credit available to eligible taxpayers who are saving for retirement in a qualified retirement plan or IRA. Workers in small companies (37 percent) are more likely to be aware of the credit, compared to workers in large companies (32 percent).
- **Awareness of the IRS' Free File Program.** Fewer than half of workers in small and large companies (44 percent for both) are aware of the IRS' Free File program that offers federal income tax preparation software for free to eligible tax filers.

# Confidence in Retiring Comfortably

Retirement confidence is relatively consistent between workers of small and large companies, with 61 percent being “very” or “somewhat” confident.



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

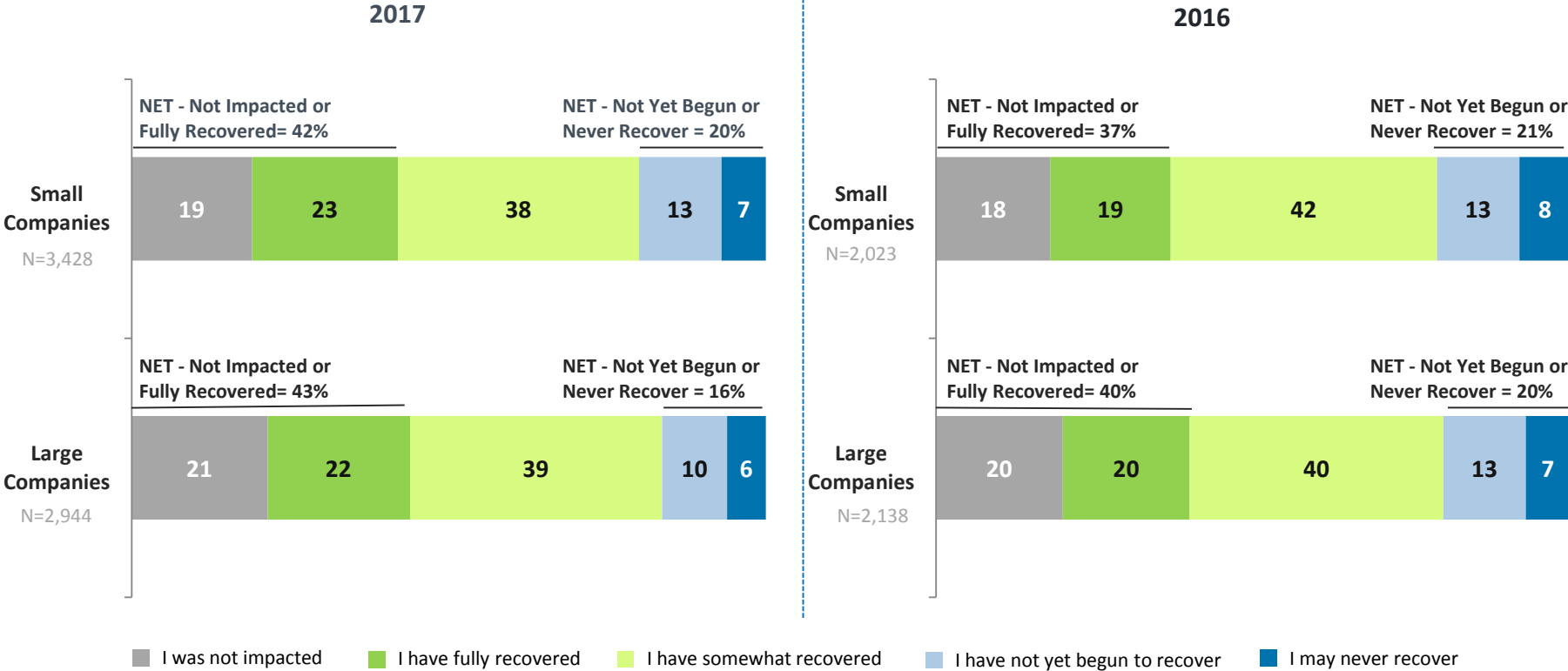
BASE: ALL QUALIFIED RESPONDENTS

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

# Recovery From the Great Recession

Workers of small and large companies report similar stages of financial recovery from the Great Recession. more than four in 10 workers in small companies (42 percent) and in large companies (43 percent) say they were either were “not impacted” or have “fully recovered.” Yet, one in five workers of small companies (20 percent) and 18 percent of workers in large companies say they have “not yet begun to recover” or feel they may “never recover.”

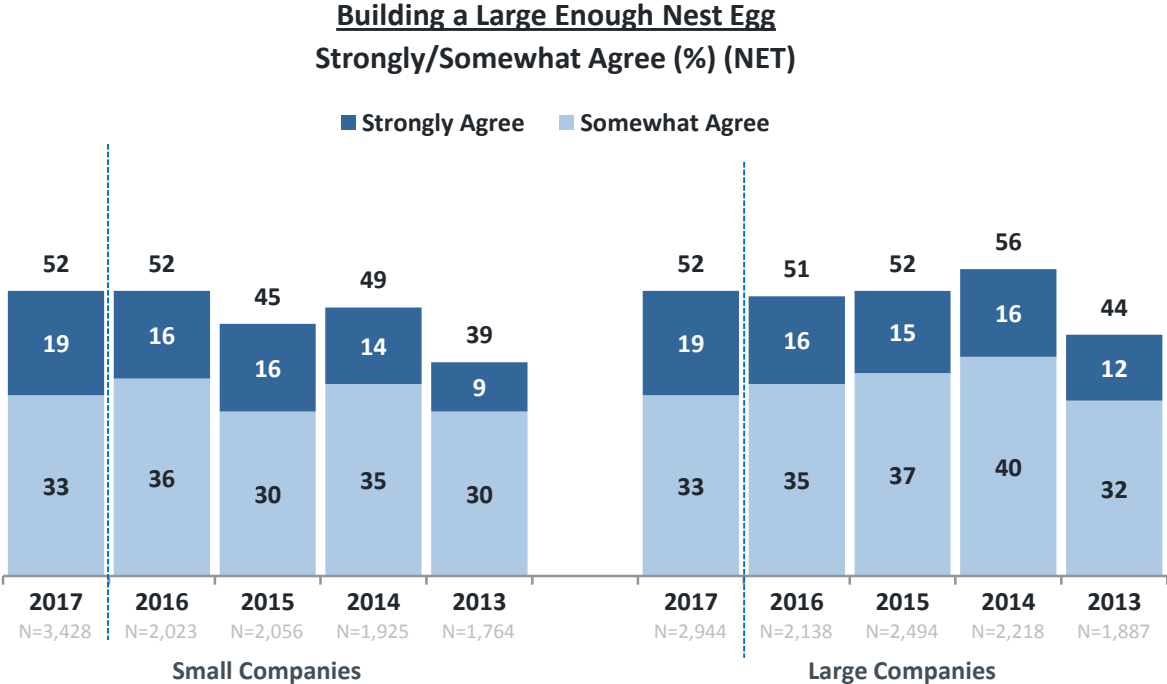
**How would you describe your financial recovery from the Great Recession? (%)**



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

# Building a Large Enough Nest Egg?

About half of workers in small companies (52 percent) and large companies (52 percent) agree they are building a large enough nest egg. These findings are relatively consistent with last year.



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

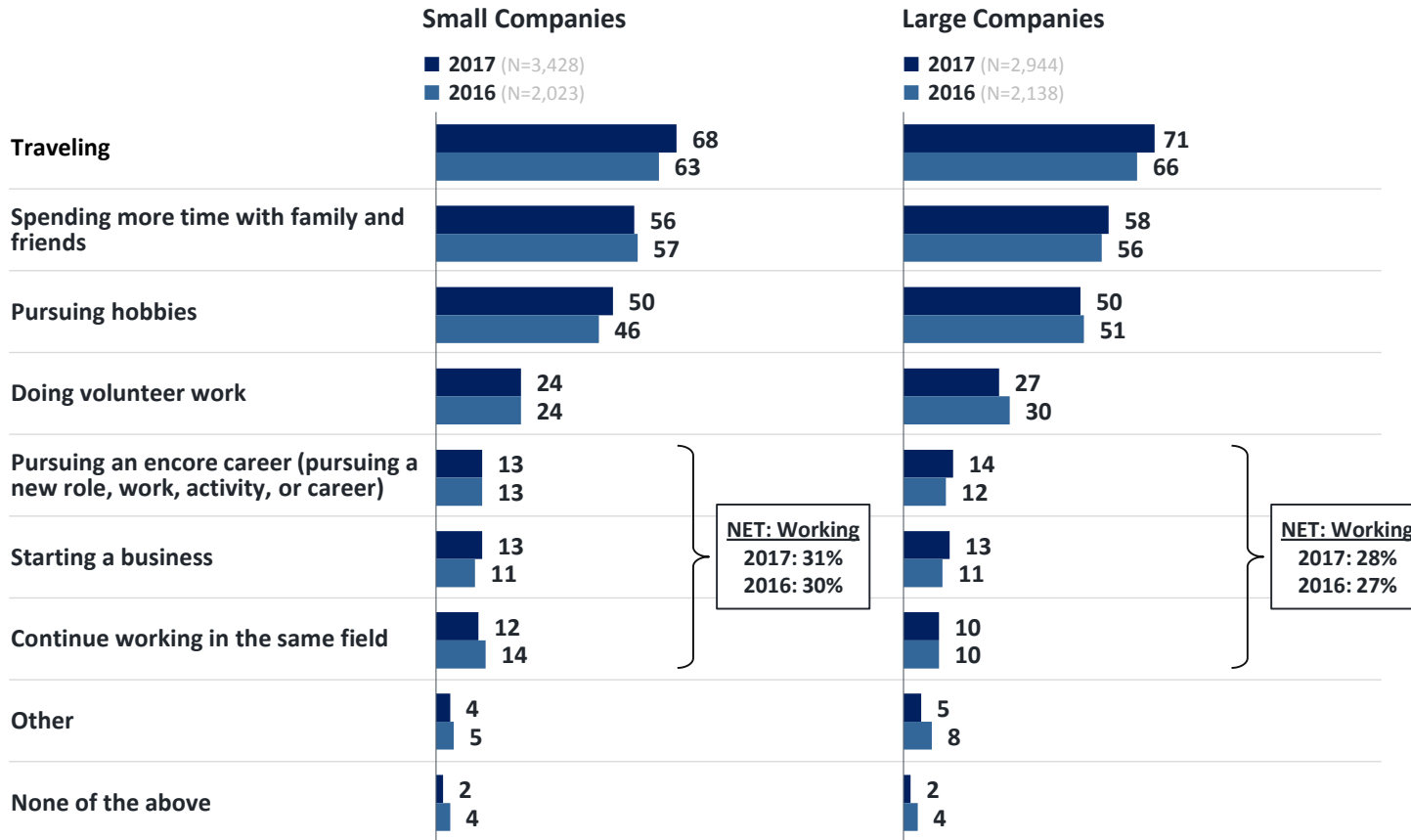
BASE: ALL QUALIFIED RESPONDENTS

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

# Retirement Dreams Include Leisure and Work

Workers of both small companies (68 percent) and large companies (71 percent) most frequently cite traveling as a retirement dream. Other frequently cited dreams include spending more time with family and friends (56 percent small companies, 58 percent large companies), and pursuing hobbies (50 percent for both small and large companies). Interestingly, 31 percent of workers in small companies and 28 percent in large companies dream of doing some sort of work in retirement.

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



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

BASE: ALL QUALIFIED RESPONDENTS

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



# Retirement Beliefs, Preparations, and Involvement

Most workers in small companies (79 percent) and large companies (80 percent) agree that people in their generation will have a much harder time in achieving financial security compared to their parent's generation. Workers in small companies (76 percent) and large companies (77 percent) share a similar level of concern that Social Security will not be there for them when they are ready to retire. Social Security will not be there for them when they are ready to retire.

## How Much Do You Agree or Disagree? Strongly/Somewhat Agree (%) (NET)

\*\*Compared to my parent's generation, people in my generation will have a much harder time in achieving financial security

\*\*I am concerned that when I am ready to retire, Social Security will not be there for me

\*My current employer is supportive of its employees working past 65

I do not know as much as I should about retirement investing

I would like to receive more information and advice from my employer on how to reach my retirement goals

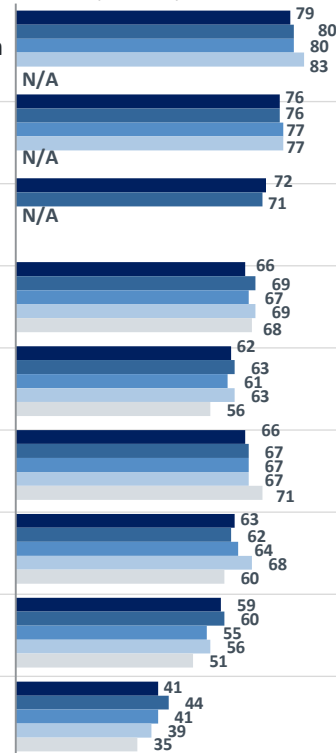
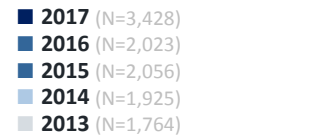
I could work until age 65 and still not have enough money saved to meet my retirement needs

I am currently very involved in monitoring and managing my retirement savings

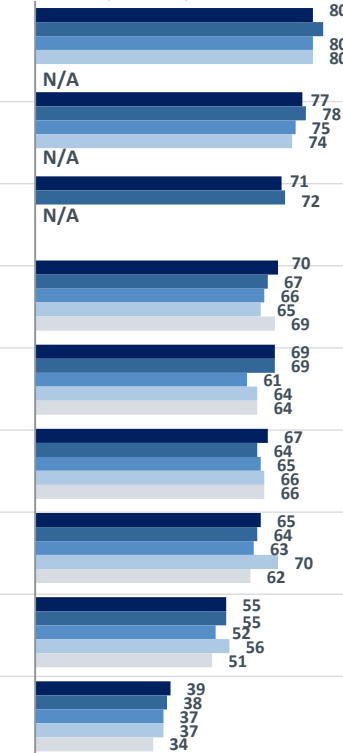
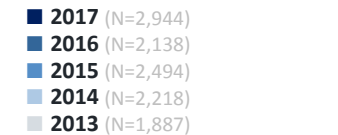
I would prefer to rely on outside experts to monitor and manage my retirement savings plan

I prefer not to think about or concern myself with retirement investing until I get closer to my retirement date

### Small Companies



### Large Companies



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

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

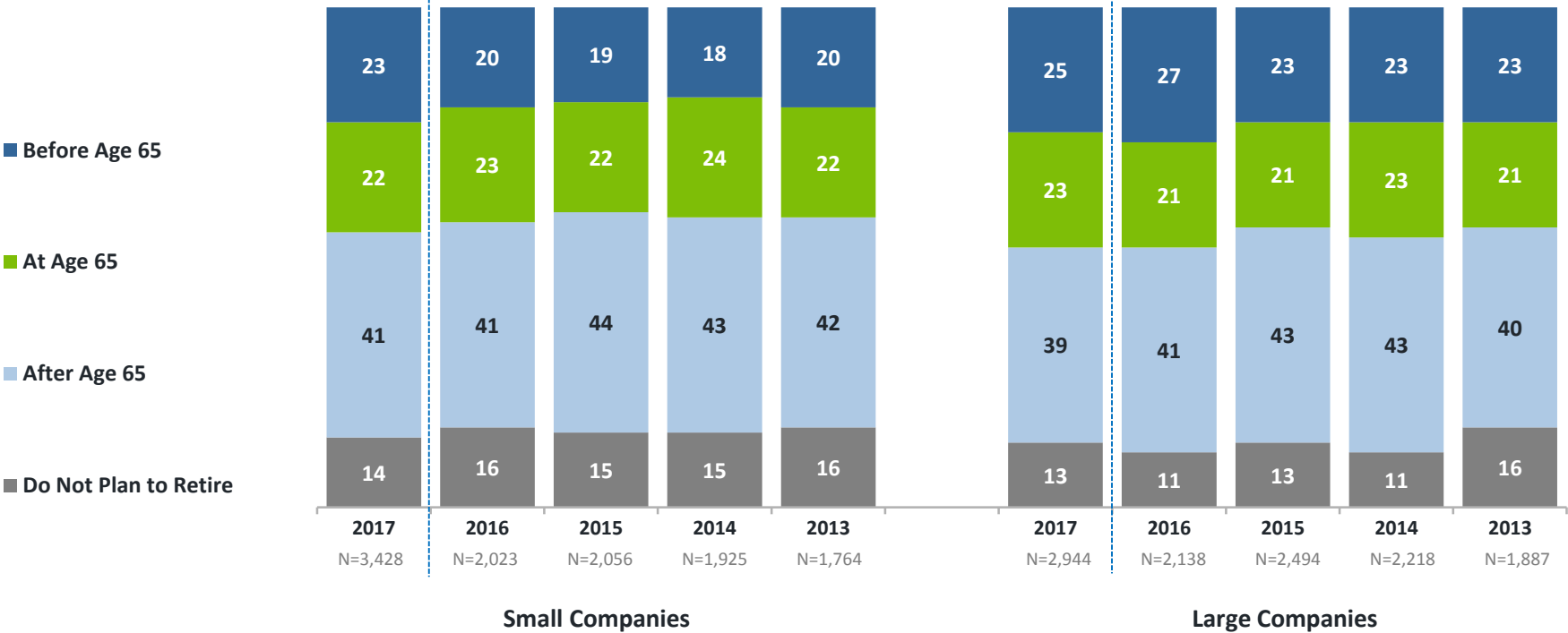
BASE: ALL QUALIFIED RESPONDENTS

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

# Expected Retirement Age

The majority of both small company workers (55 percent) and large company workers (52 percent) plan to work past age 65 or do not plan to retire. Large company workers (25 percent) are somewhat more likely than small company workers (23 percent) to expect to retire before age 65. A similar percentage of small company workers (22 percent) and large company workers (23 percent) expect to retire at age 65.

**Age Expecting to Retire (%)**



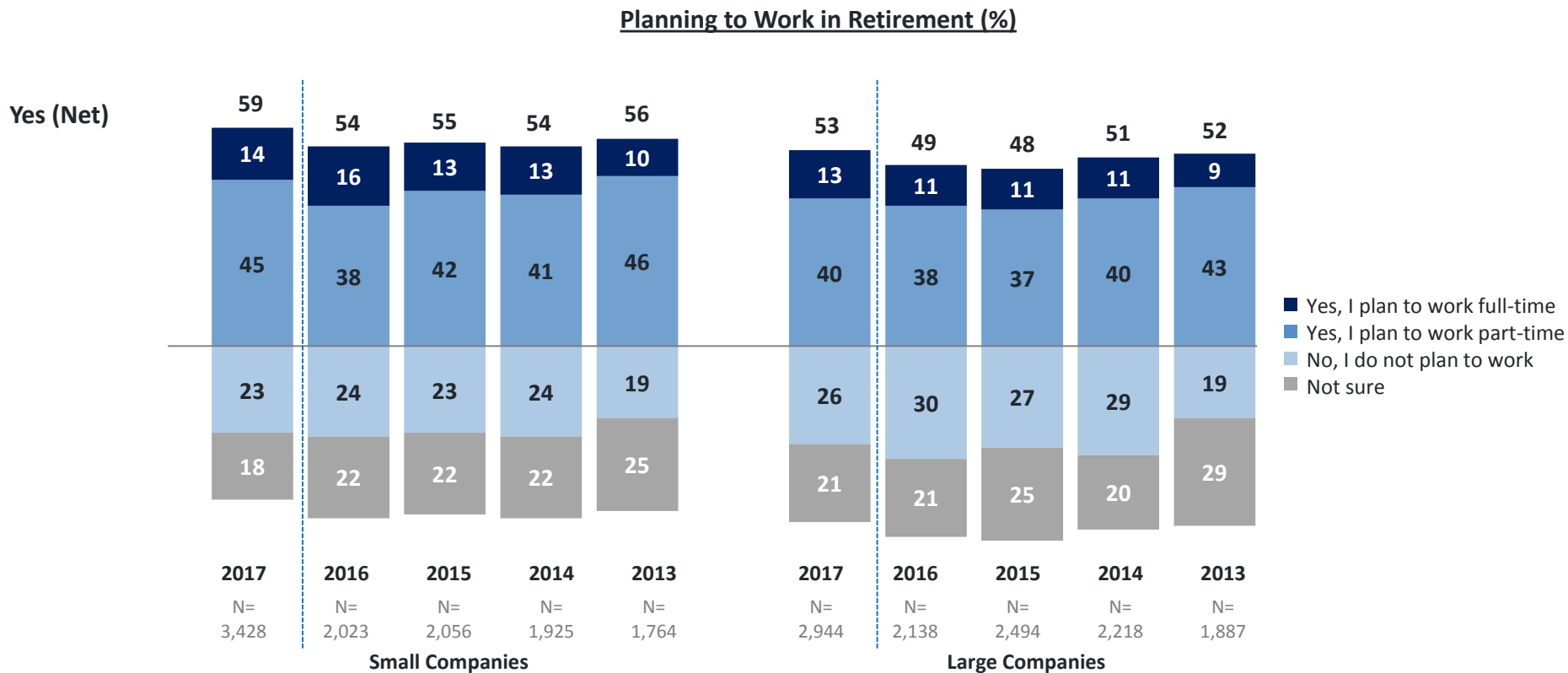
† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

BASE: ALL QUALIFIED RESPONDENTS

Q910. At what age do you expect to retire?

# Planning to Work in Retirement

Nearly three in five (59 percent) workers in small companies plan to work full- or part-time in retirement, while just over half (53 percent) of large company workers plan to do so. Over the past five years, small company workers have been consistently more likely to say they plan to work in retirement.



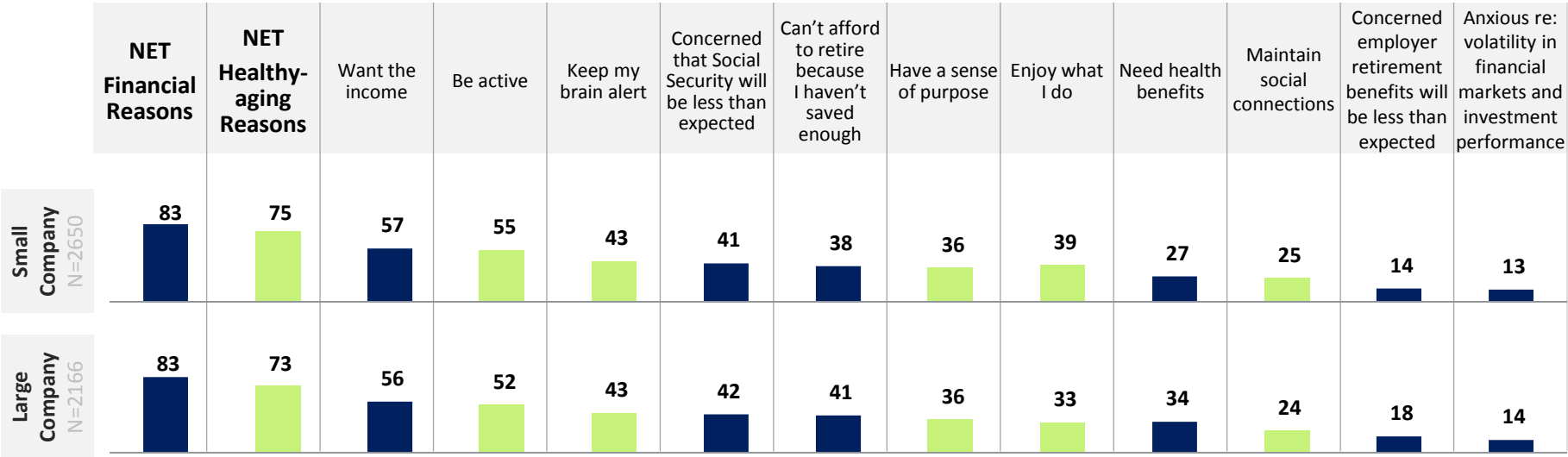
*Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.*

**BASE: ALL QUALIFIED RESPONDENTS**

Q1525. Do you plan to work after you retire?

# Reasons for Working in Retirement

Across company size, workers who plan to work in retirement and/or past age 65 share both financial and healthy-aging reasons for doing so: 83 percent of workers in both large and small companies say they plan to do it for financial reasons while around three in four workers in small companies (75 percent) and large companies (73 percent) say they plan to do so for healthy-aging reasons.



New question added in 2017

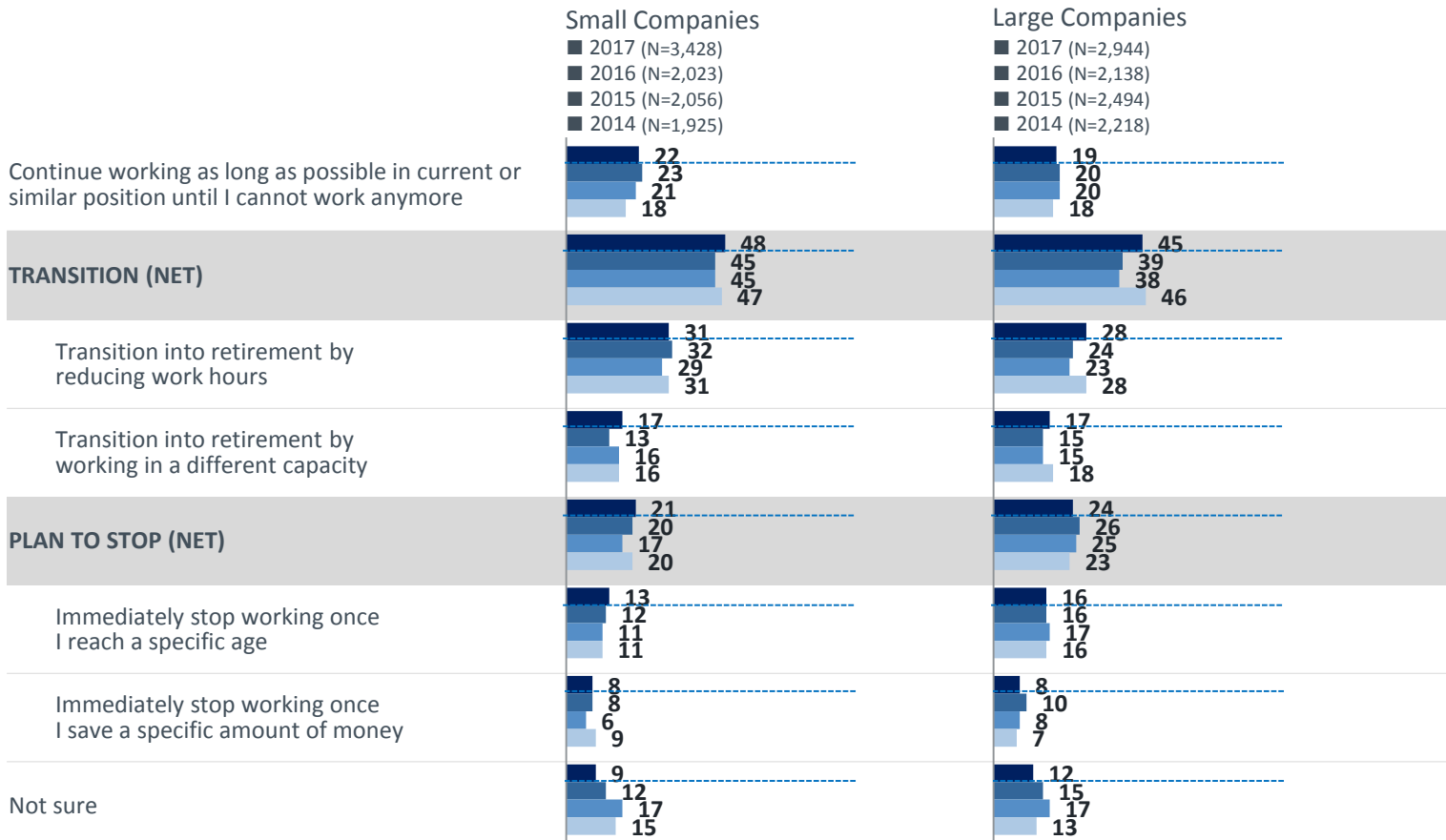
BASE: PLAN ON RETIRING AFTER 65 AND/OR WORKING AFTER RETIREMENT

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

# Retirement Transitions: Phased Versus Immediate

Many workers across company size envision a transition into retirement by changing work patterns (e.g., reducing work hours with more leisure time to enjoy life or working in a different capacity that is less demanding and/or brings greater personal satisfaction, a finding that is higher for small companies. More large company workers (24 percent) than small company workers (21 percent) plan to immediately stop working and retire once they reach a specific age or amount of money.

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



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

BASE: ALL QUALIFIED RESPONDENTS

Q1545. How do you envision transitioning into retirement?

# Phased Retirement and Compensation-Related Expectations

Among workers who envision a phased transition into retirement, most are conscious about how changes in their work arrangements may affect their compensation, job title, and employee benefits. Workers in small companies (80 percent) are somewhat more likely than workers in large companies (78 percent) to agree that “If I reduce my work hours at my current employer, I would expect to be paid the same hourly rate for hours worked that I am earning now.” Furthermore workers in larger companies (81 percent) are more likely than workers in smaller companies (76 percent) to say they would expect their job title to change if they were to take on a new role with fewer responsibilities at their current employer.

## In thinking about your vision of transitioning into retirement, to what extent do you agree or disagree with the following statements?

Strongly/Somewhat Agree (%) (NET)

Small Company  
N=1,628

Large Company  
N=1,385

If I reduce my work hours at my current employer, I would expect to be paid the same hourly rate for hours worked that I am earning now.



If I were to take on a new role with fewer responsibilities at my current employer, I would expect my job title to change.



If I were to take on a new role with fewer responsibilities at my current employer, I would expect to be paid the market rate for the duties involved, even if it means a reduction in my current level of pay.



If I were to shift from full-time to part-time at my current employer, I would expect to receive the same employee benefits that I have now.



New question added in 2017

BASE: RESPONDENTS WHO ENVISION A PHASED TRANSITION INTO RETIREMENT

Q1546. In thinking about your vision of transitioning into retirement, to what extent do you agree or disagree with the following statements?



# Perceptions of Older Workers

Workers in small and large companies share similar perceptions – positive or negative – about workers age 50 and older compared to younger workers in today’s workforce. A strong majority of workers in small (84 percent) and large companies (83 percent) have positive perceptions about older workers, namely they are more knowledgeable and responsible. However, more than half of workers across company sizes have negative perceptions with older workers having higher healthcare costs being cited most frequently.

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

	Small Companies N=3,428	Large Companies N=2,944
<b>NET – Positive perceptions</b>	<b>84</b>	<b>83</b>
Bring more knowledge, wisdom, and life experience	60	64
Are more responsible, reliable, and dependable	57	56
Are a valuable resource for training and mentoring	49	50
Are an important source of institutional knowledge	41	44
Are more adept at problem-solving	36	32
Are better at getting along with others in a team environment	31	30
<b>NET – Negative perceptions</b>	<b>52</b>	<b>55</b>
Have higher healthcare costs	27	28
Command higher wages and salaries	17	22
Are less open to learning and new ideas	18	21
Have higher disability costs	13	15
Have outdated skill sets	13	13
Are less productive	10	10
Other	1	1
<b>None</b>	<b>8</b>	<b>8</b>

New question added in 2017

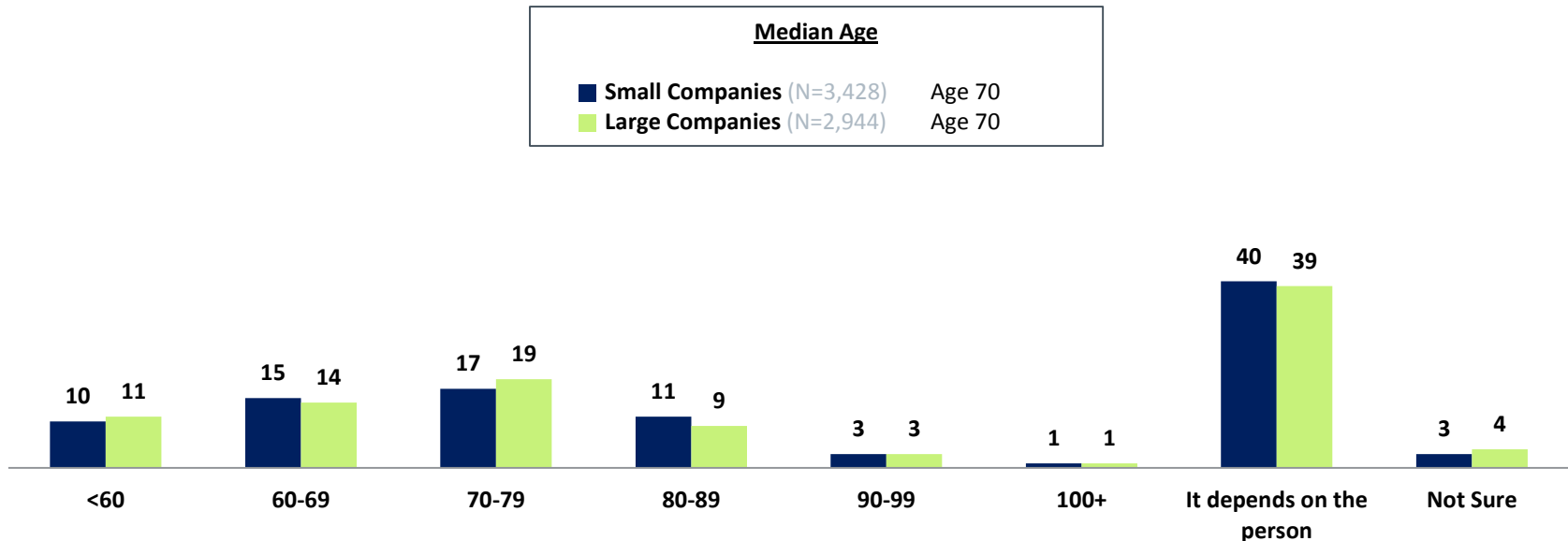
BASE: ALL QUALIFIED RESPONDENTS

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

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

Workers in small and large companies have similar perceptions of when they consider a person to be “old.” The median age for those who provided an age is 70 for both workers of large and small companies. Four in 10 workers in small companies (40 percent) and in large companies (39 percent) feel that it depends on the person.

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



New question added in 2017

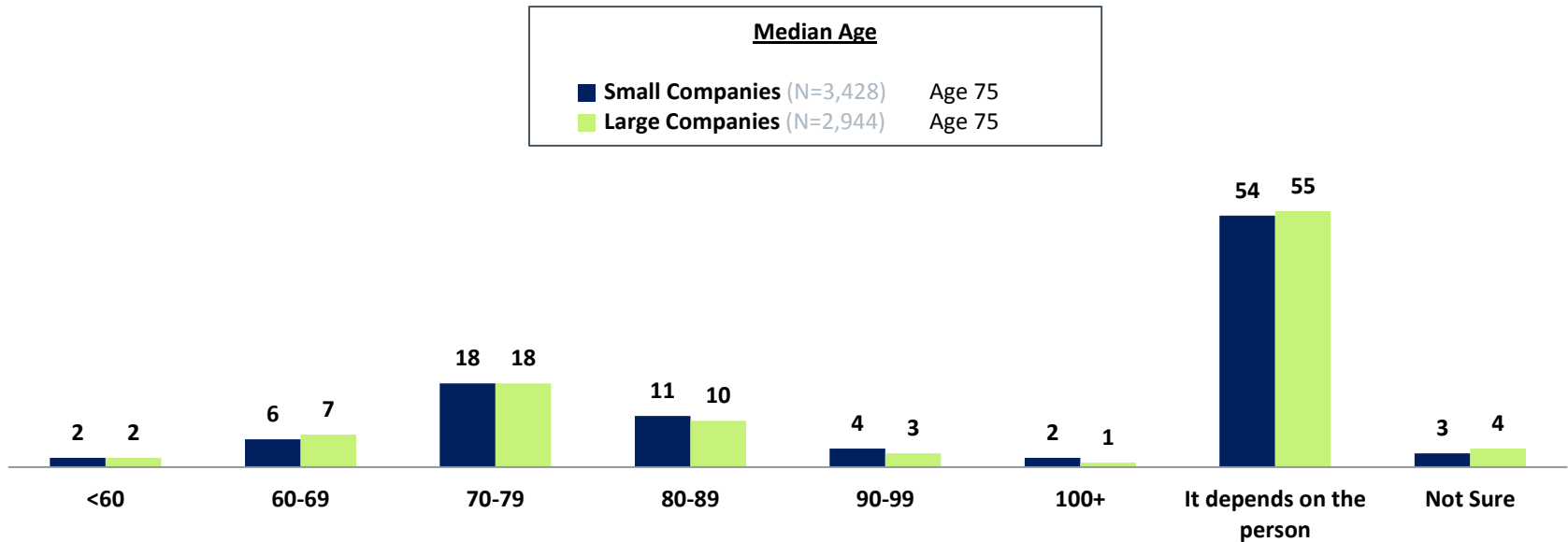
BASE: ALL QUALIFIED RESPONDENTS

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

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

Workers in small and large companies have similar perceptions of when they consider a person to be “too old” to work. More than half of workers in small and large companies are most likely to say it depends on the person. Among those who provided a specific age, workers say age 75 (median) is when a person is considered too old to work.

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



New question added in 2017

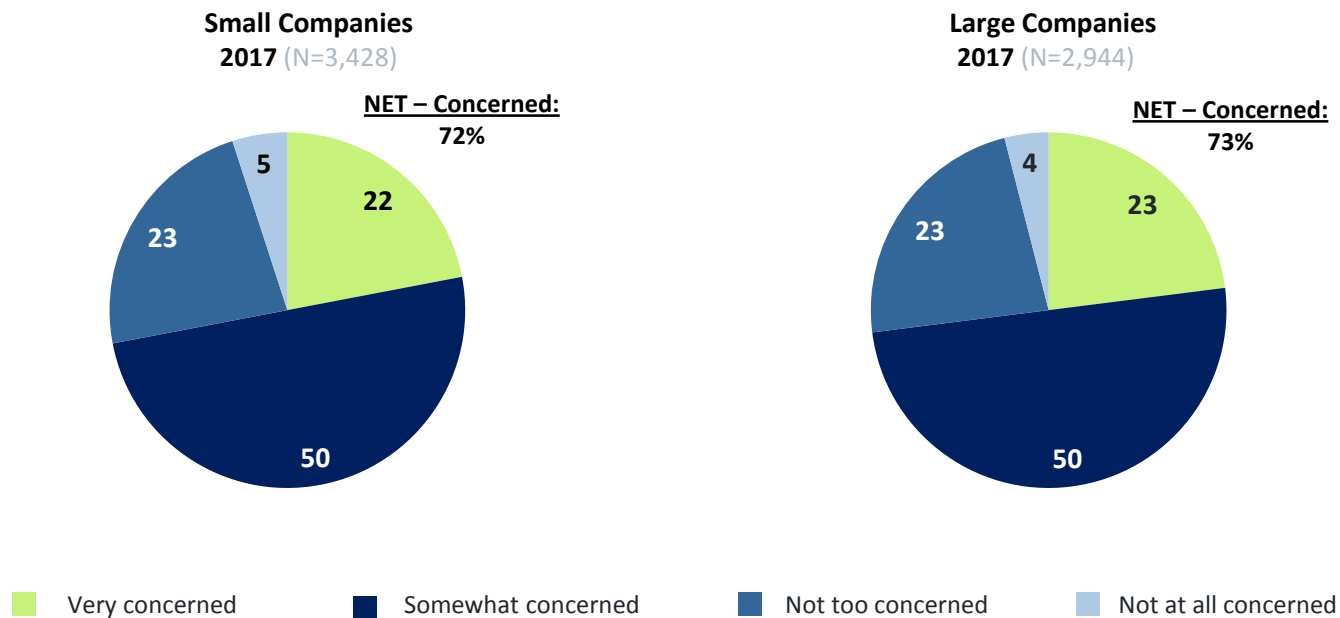
BASE: ALL QUALIFIED RESPONDENTS

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

# Level of Concern About Health in Older Age

Workers in small companies (72 percent) are equally as likely as those in large companies (73 percent) to be “very” or “somewhat” concerned about their health in older age.

## Concerned About Health in Older Age (%)



New question added in 2017

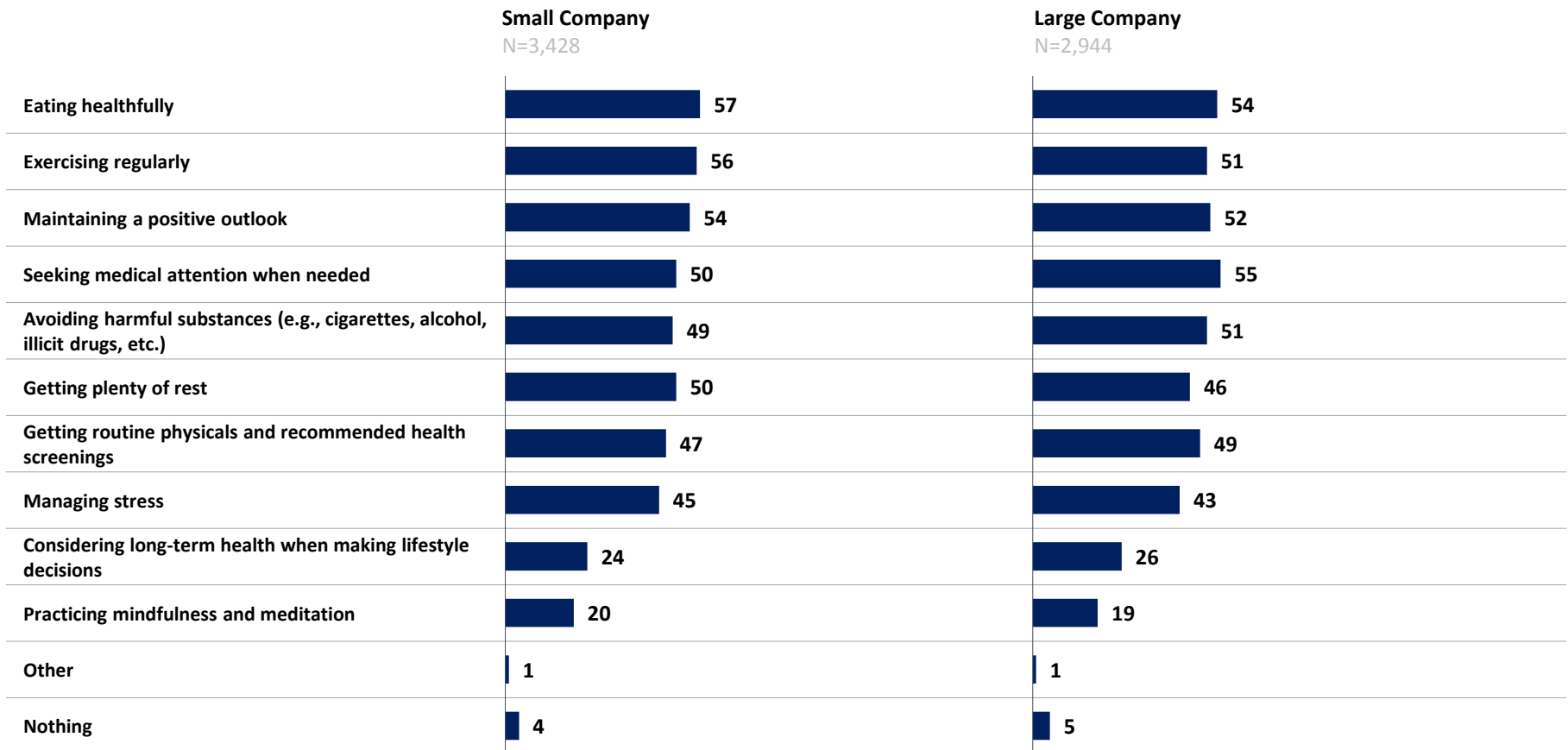
BASE: ALL QUALIFIED RESPONDENTS

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

# Engagement in Health-Related Activities on a Consistent Basis

Workers in small and large companies do many health-related activities on a consistent basis. However, small company workers are slightly more likely to engage in health-related activities compared to large company workers. Of concern, only about a quarter of workers across company size consider their long-term health when making lifestyle decisions.

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



*New question added in 2017*

BASE: ALL QUALIFIED RESPONDENTS

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

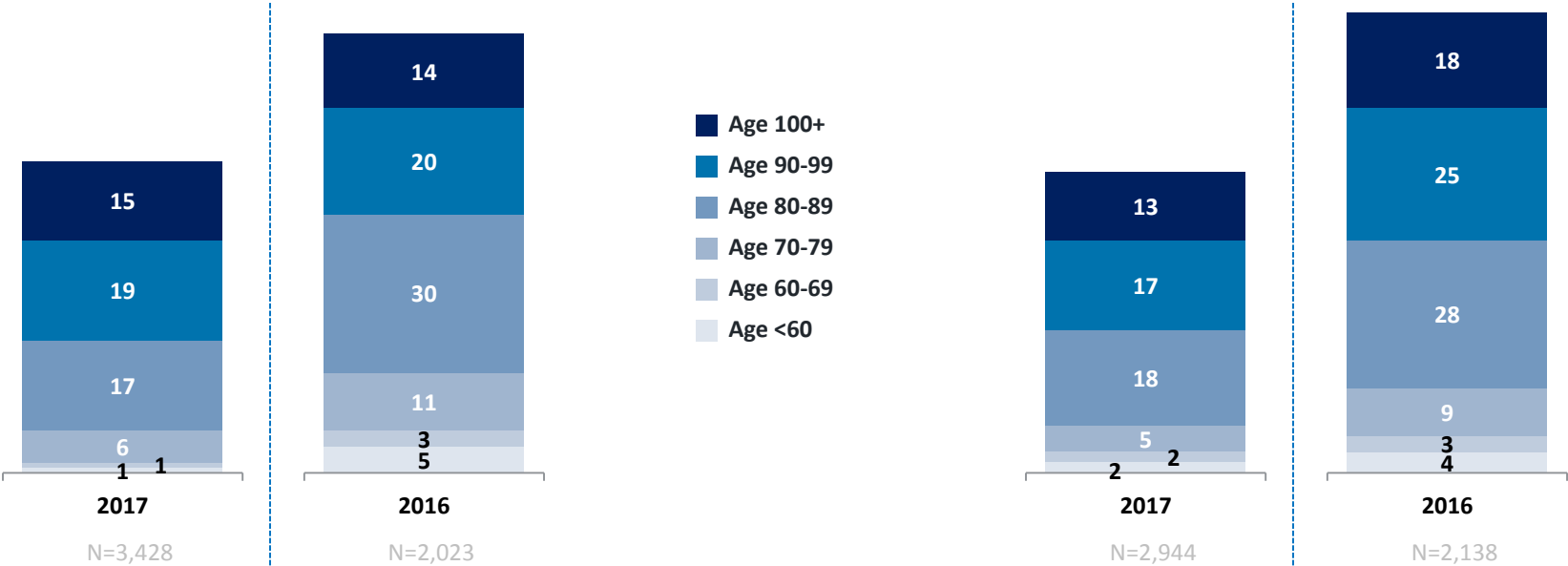
# Planning to Live to Age ...

Both small and large company workers share similar expectations regarding age they are planning to live to. Large company workers are planning to live to an age of 90 (median) and 13 percent of them are planning to become centenarians. Small company workers are also planning to live to age 90 (median) with 15 percent planning to live to 100+.

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

**Small Company**

**Large Company**



<b>Not sure</b>	<b>41</b>	<b>17</b>
<b>Median</b>	<b>Age 90</b>	<b>Age 85</b>

<b>Not sure</b>	<b>43</b>	<b>14</b>
<b>Median</b>	<b>Age 90</b>	<b>Age 89</b>

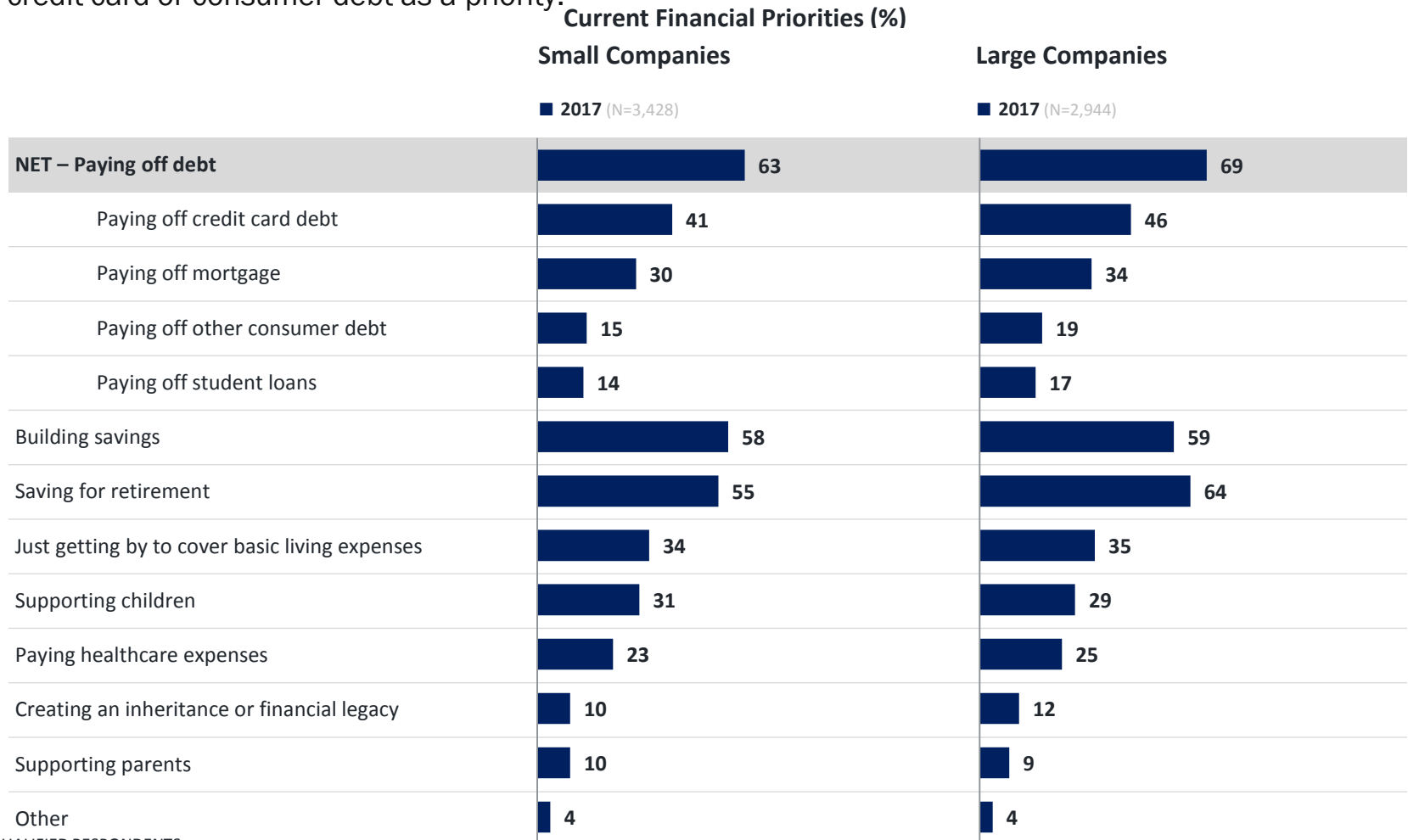
Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

BASE: ALL QUALIFIED RESPONDENTS

Q2850. What age are you planning to live to?

# Current Financial Priorities

A majority of workers in both small (63 percent) and large (69 percent) companies indicate that “paying off debt” (NET) is a current financial priority. A majority of workers in small companies (55 percent) cite saving for retirement as a current priority, while significantly more (64 percent) workers in large companies cite retirement savings as a financial priority. Approximately two in five workers of both small and large companies cite paying off credit card or consumer debt as a priority.



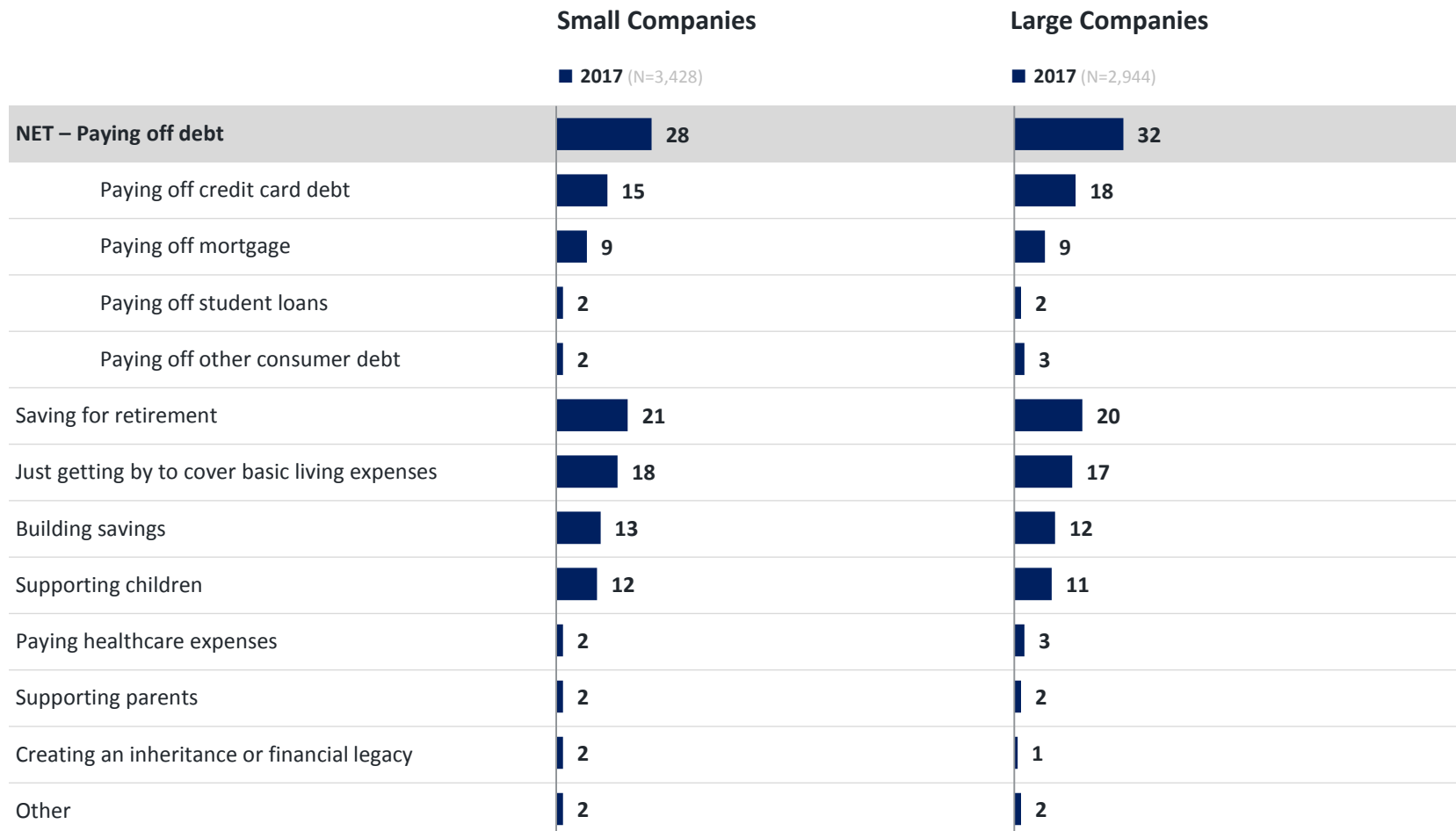
BASE: ALL QUALIFIED RESPONDENTS

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

# Greatest Financial Priority Right Now

Financial priorities among workers of small and large companies are similarly shared. The top three most frequently cited priorities among workers are “paying off debt”(NET) (28 percent small, 32 percent large), saving for retirement” (21 percent small, 20 percent large), and “just getting by” (18 percent small, 17 percent large).

## Greatest Financial Priority Right Now (%)



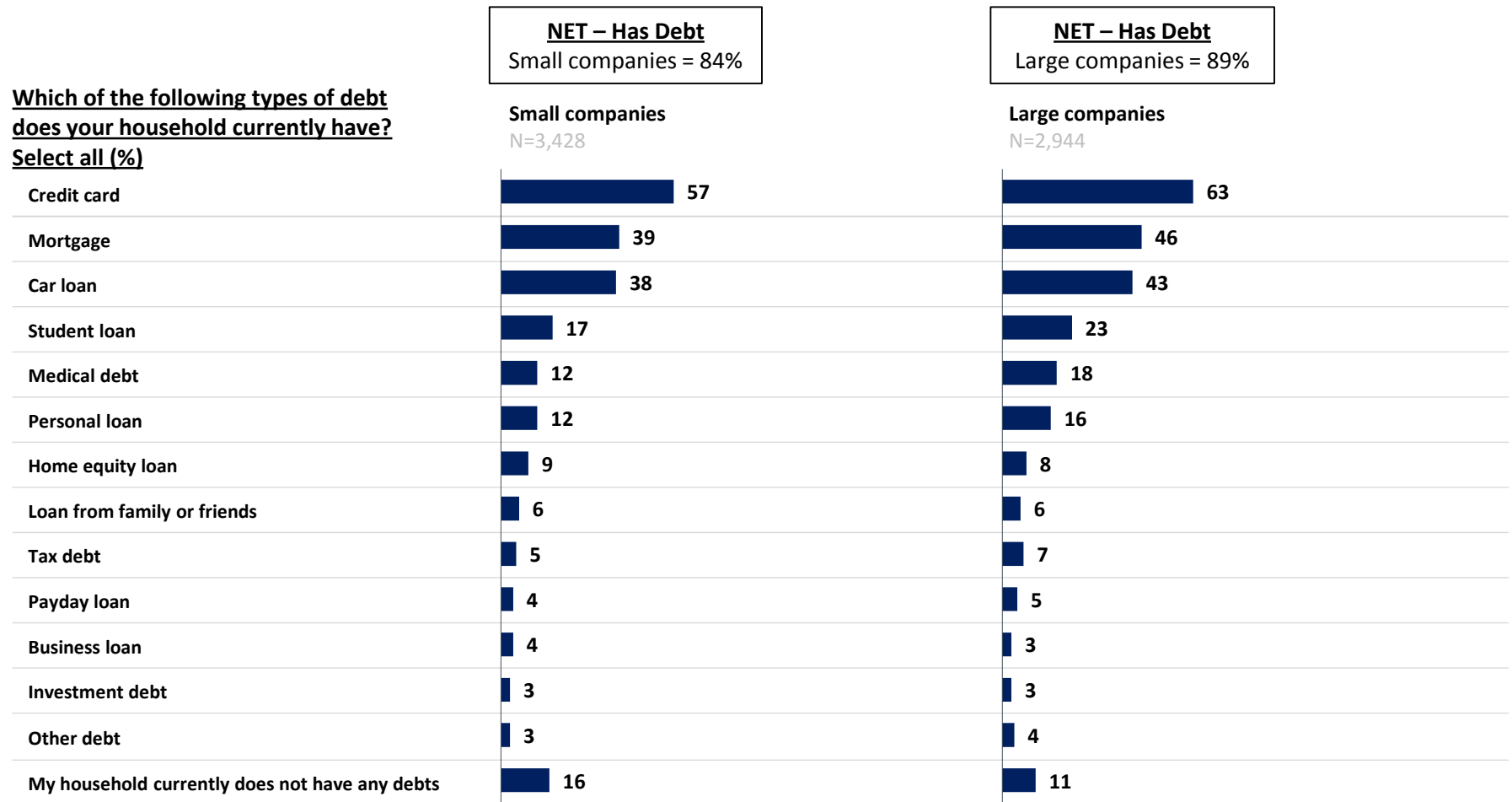
BASE: ALL QUALIFIED RESPONDENTS

Q2640. Which one of the following is your greatest financial priority right now?



# Types of Household Debt

The most frequently cited types of household debt are credit card (63 percent in large company workers, 57 percent for small company workers), mortgage (46 percent in large company workers, 39 percent in small company workers), and car loan (43 percent in large company workers, 38 percent in small company workers).



New question added in 2017

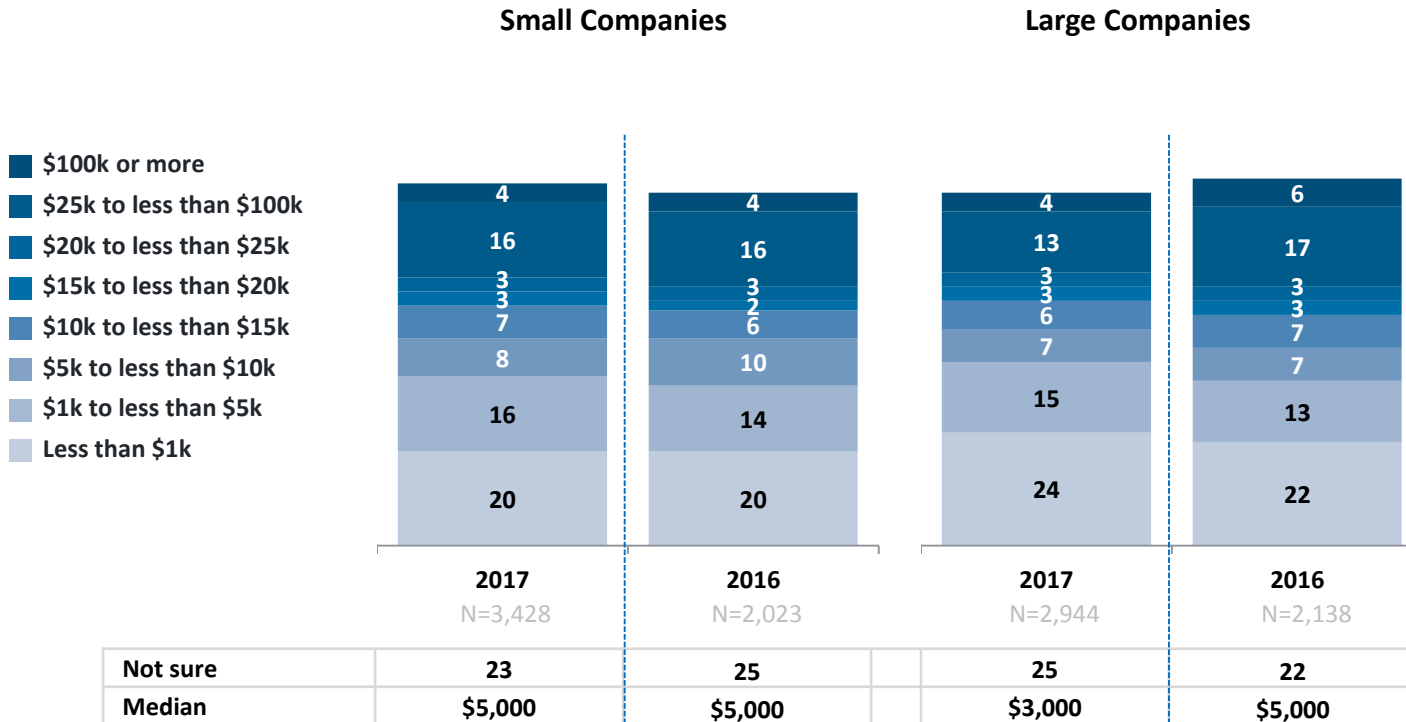
BASE: ALL QUALIFIED RESPONDENTS

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

# Estimated Emergency Savings

Workers of both small and large companies lack emergency savings that could help cover the cost of a major financial setback (e.g., unemployment, medical bills, home repairs, auto repairs, other). Workers in small companies have saved just \$5,000 (median) for such emergencies while workers in large companies have saved even less, \$3,000 (median). More than one-third of small company (36 percent) and large company workers (39 percent) have saved less than \$5,000. Of concern, one in five workers are "not sure" how much they have saved in emergency savings: 23 percent of small company workers and 25 percent of large company workers.

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



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

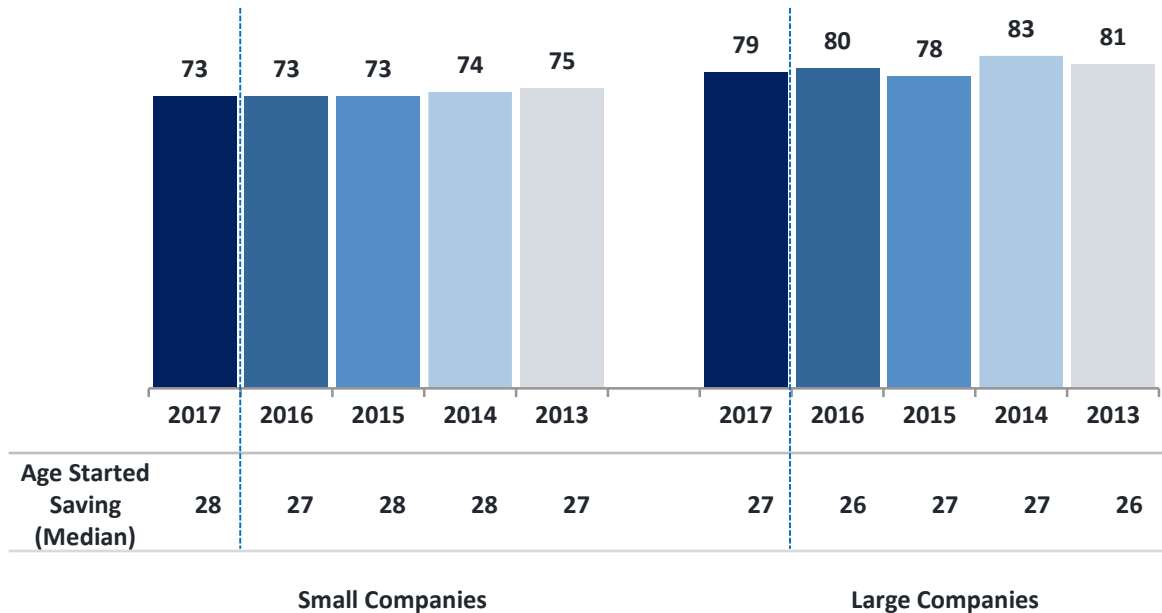
BASE: ALL QUALIFIED RESPONDENTS

Q2825. How much do you have in emergency savings specifically to cover the cost of unexpected major financial setbacks (e.g., unemployment, medical bills, home repairs, auto repairs, other)?

# Saving for Retirement / Age Started Saving

More large company workers (79 percent) than small company workers (73 percent) are saving for retirement at work through employer sponsored plans, such as a 401(k) or similar plan. The median age at which workers started saving is relatively consistent between small (age 28) and large (age 27) company workers.

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



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

**BASE: THOSE CURRENTLY OFFERED QUALIFIED PLAN**

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

**BASE: ALL QUALIFIED RESPONDENTS**

Q740. Are you currently saving for retirement outside of work, such as in an IRA, mutual funds, bank account, etc.?

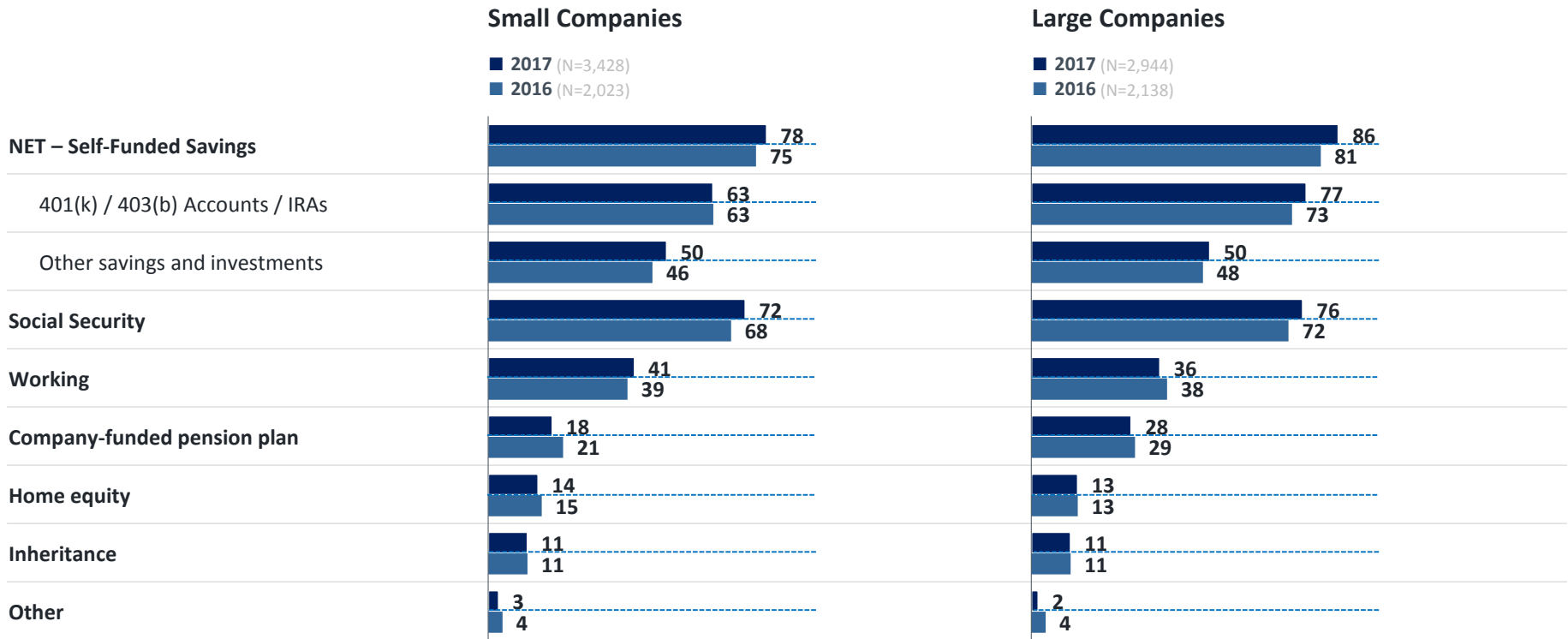
**BASE: INVESTING FOR RETIREMENT**

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

# Expected Sources of Retirement Income

Self-funded savings including retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) and other savings and investments are the most frequently cited source of retirement income expected by workers of both company sizes: 78 percent of small company workers and 86 percent of large company workers. This is closely followed by Social Security as an expected source of retirement income for 72 percent of small company workers and 76 percent of large company workers.

## Expected Sources of Income During Retirement (%)



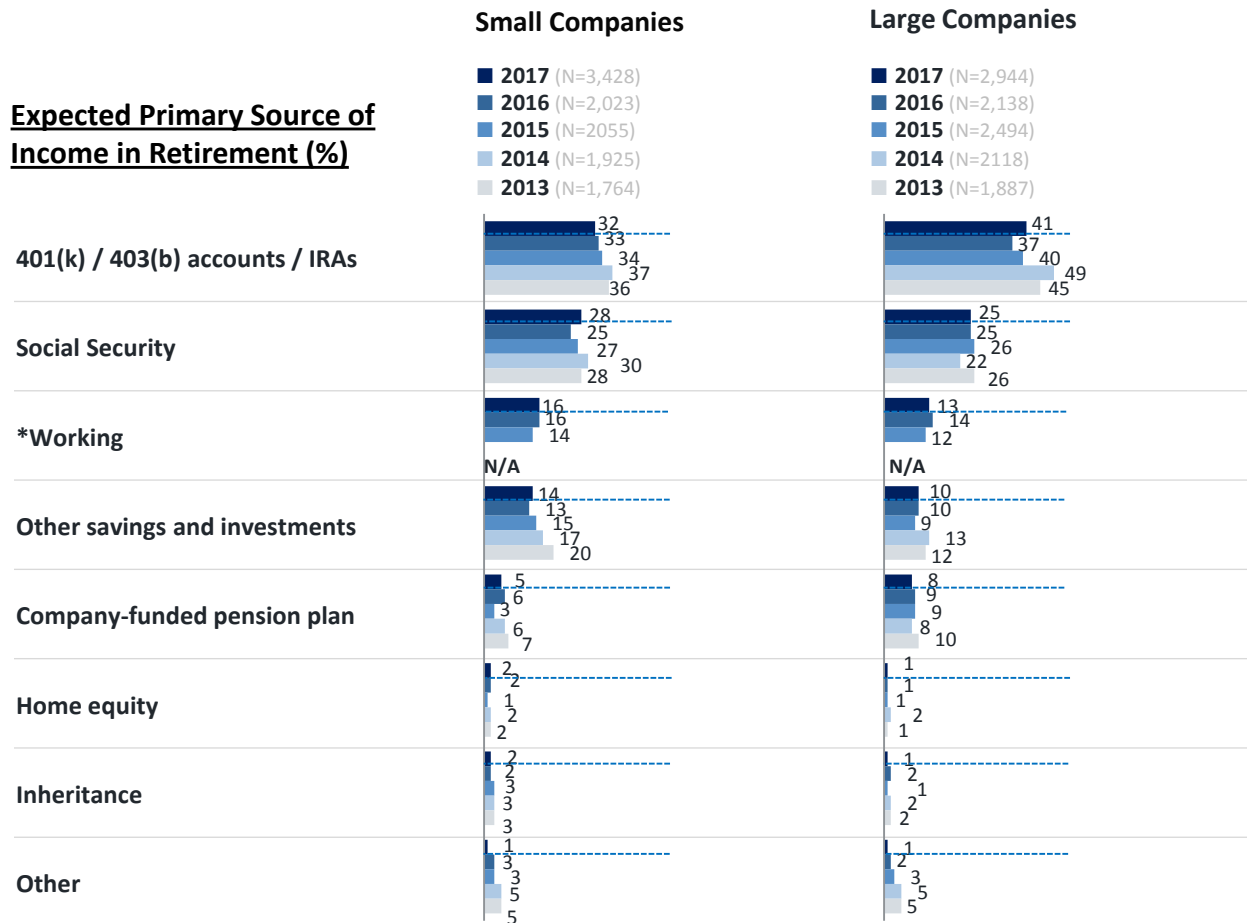
† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

BASE: ALL QUALIFIED RESPONDENTS

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

# Expected Primary Source of Income in Retirement

Workers of large companies (41 percent) are more likely to expect to rely on retirement accounts (e.g., 401(k)s, 403(b)s, IRAs) as their *primary* source of income in retirement compared to workers of small companies (32 percent). Expectations that “working” will be their primary source of income is higher among workers of small companies compared to those in large companies (16 percent and 13 percent, respectively).



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

BASE: ALL QUALIFIED RESPONDENTS

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

# Importance of Retirement Benefits Compared to Other Benefits

The vast majority of workers across small and large companies believe that retirement benefits are important. Large company workers (91 percent) are somewhat more likely than those of small companies (86 percent) to value a 401(k) or similar plan as an important benefit. This trend has remained consistent over the past five years.

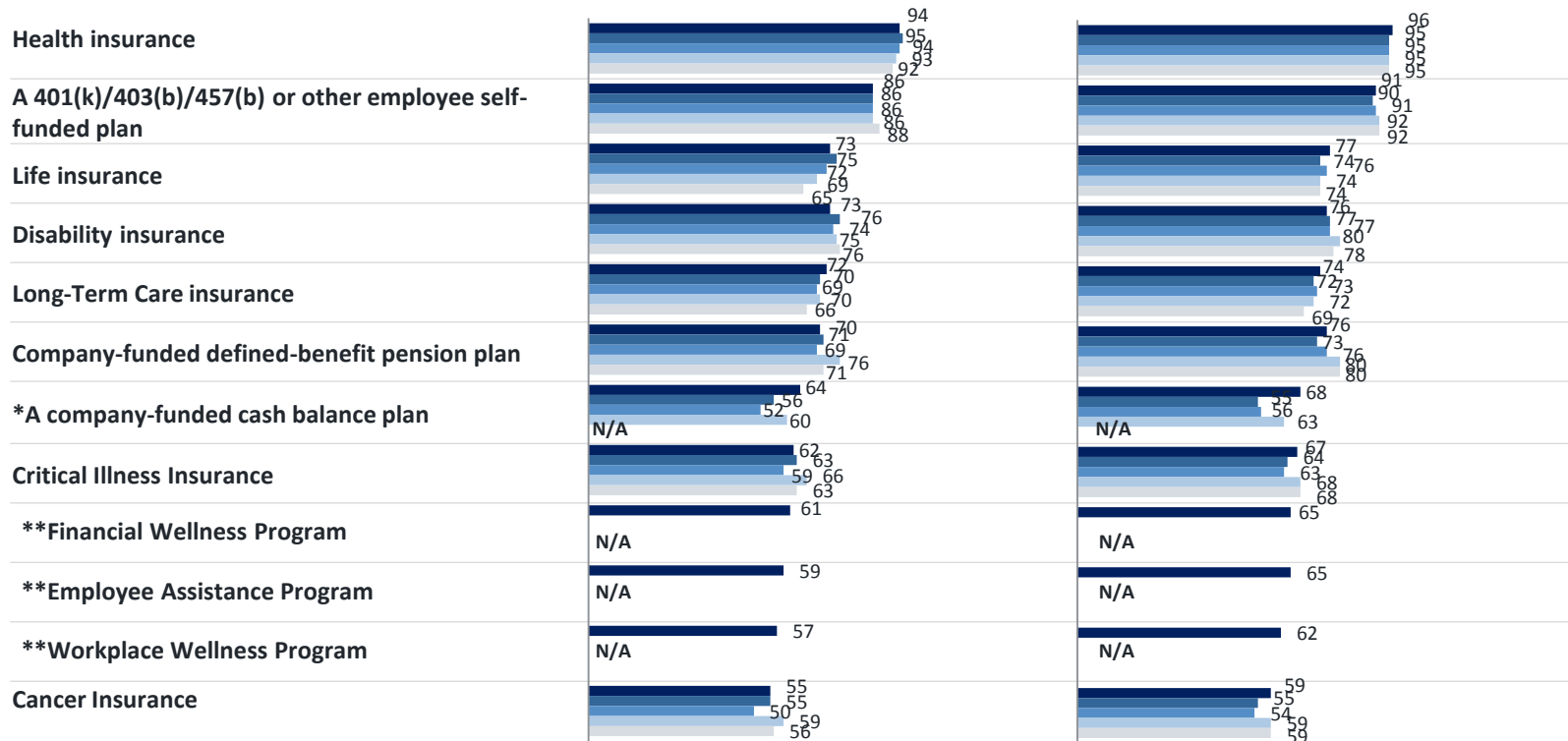
## Very/Somewhat Important (%) (NET)

### Small Companies

■ 2017 (N=3,428)  
■ 2016 (N=2,023)  
■ 2015 (N=2,056)  
■ 2014 (N=1,925)  
■ 2013 (N=1,764)

### Large Companies

■ 2017 (N=2,944)  
■ 2016 (N=2,138)  
■ 2015 (N=2,494)  
■ 2014 (N=2,218)  
■ 2013 (N=1,887)



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

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

BASE: ALL QUALIFIED RESPONDENTS

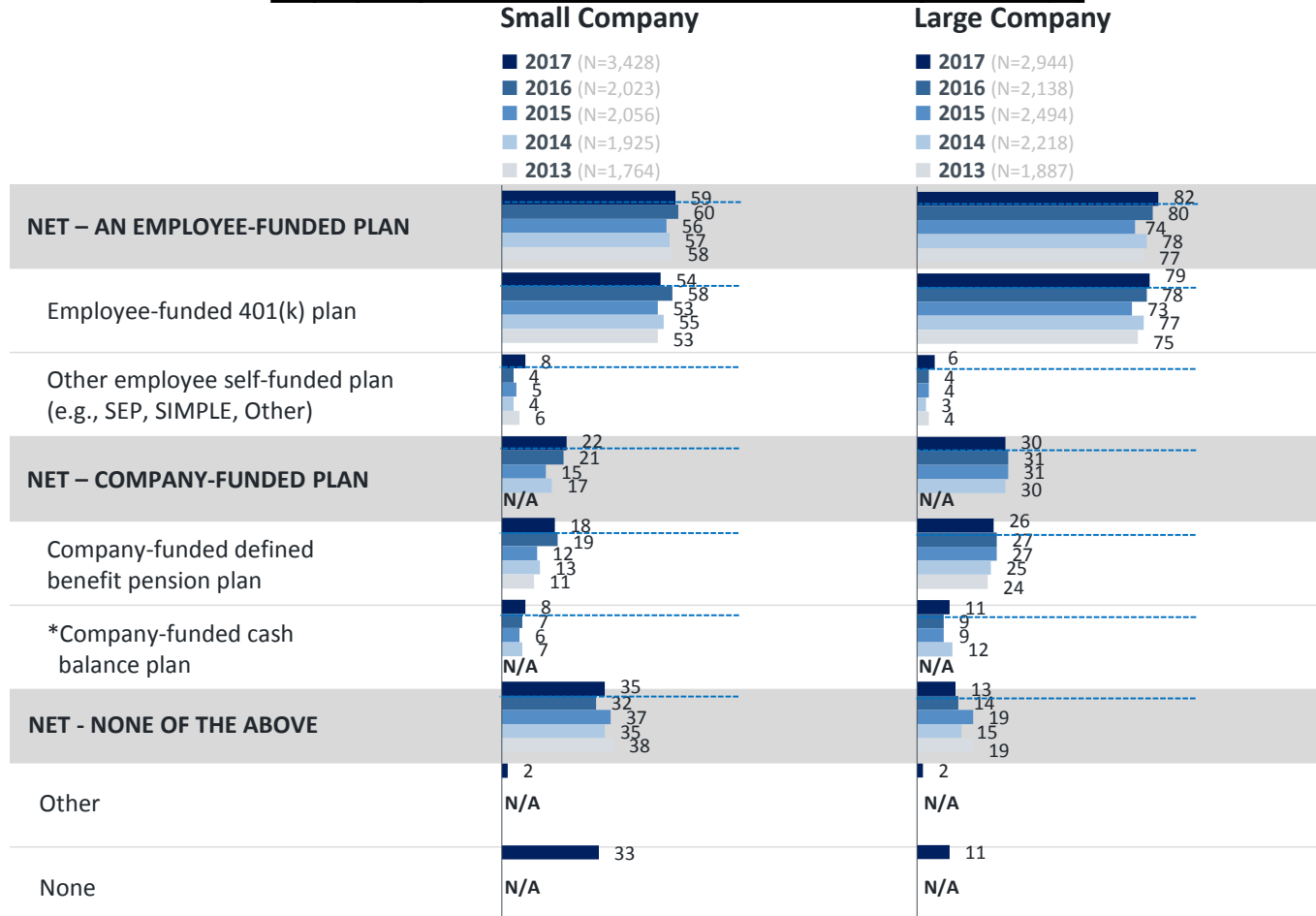
Q1171. Businesses typically offer a number of different benefits for their workers.

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

# Retirement Benefits Currently Offered

A majority of workers are offered a 401(k) or similar employee-funded retirement plan in the workplace; however, access is greater among workers of large companies (82 percent) compared to those of small companies (59 percent). Relatively few workers are offered a traditional company-funded defined benefit plan. Of note, a third of small company workers say their employer does not offer any retirement benefits, compared to 11 percent of large company workers.

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



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

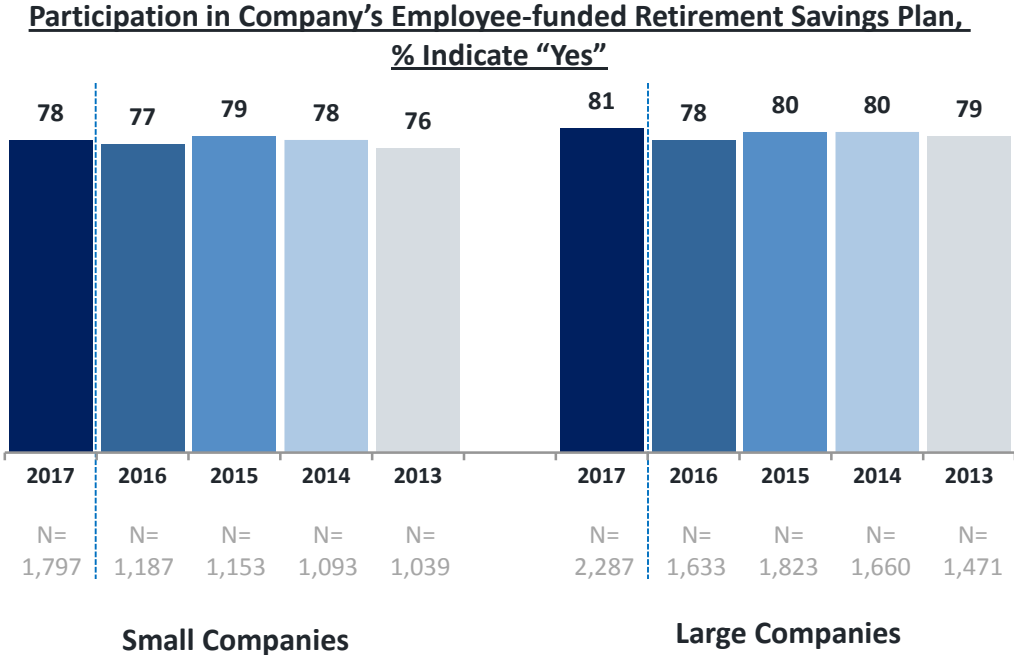
\*added in 2014

BASE: ALL QUALIFIED RESPONDENTS

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

# Retirement Plan Participation

Among workers who are offered a 401(k) or similar plan, the participation rate is similar among large company workers (78 percent) and small company workers (81 percent). This trend has remained consistent over the past five years.



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

**BASE: THOSE CURRENTLY OFFERED QUALIFIED PLAN**

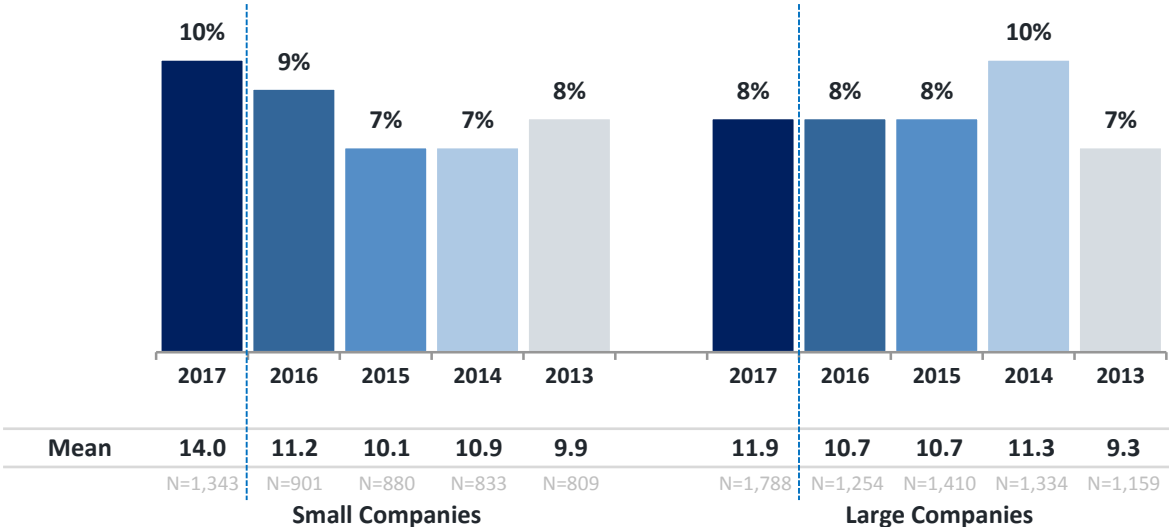
Q1190. Do you currently participate in, or have money invested in your company's employee-funded retirement savings plan?



# Retirement Plan Contribution Rate

Among workers who participate in a 401(k) or similar plan, the median contribution rate is directionally higher among small company workers (10 percent) than large company workers (8 percent). The average contribution rate among workers in small companies contributing to their qualified plan increased slightly compared to previous years.

**Contribution Rate, Median %**



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

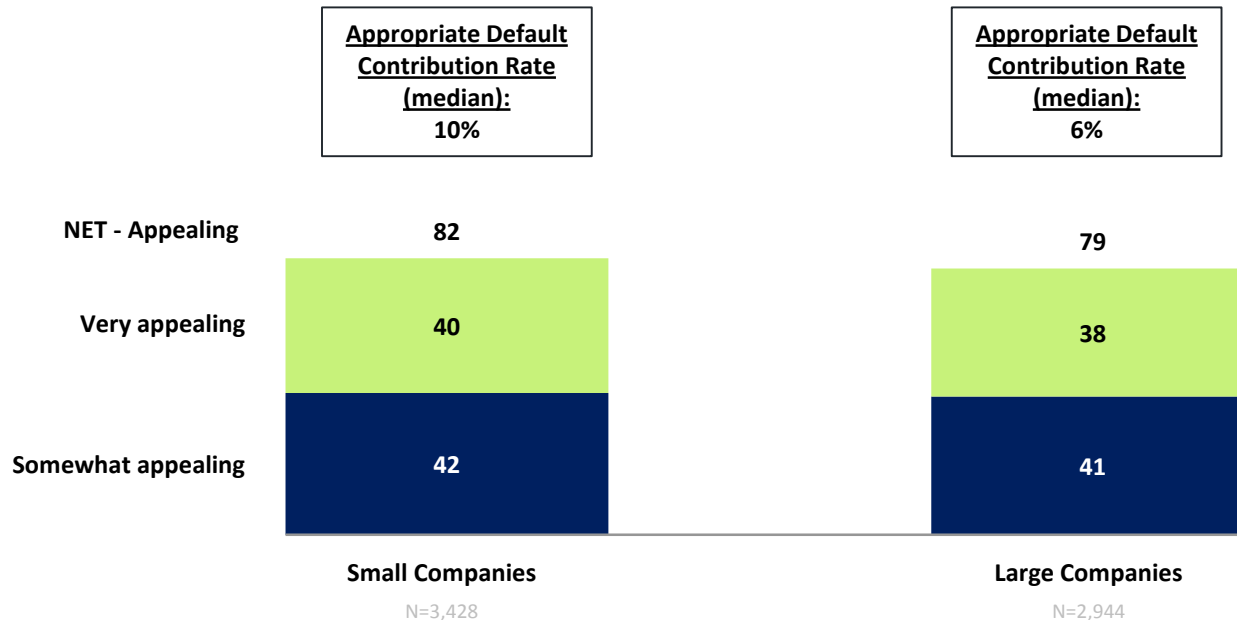
**BASE: CURRENTLY PARTICIPATES IN QUALIFIED PLAN**

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

# Appeal of Automatic Enrollment

Automatic enrollment is a retirement plan feature that eliminates the decision-making and action steps normally required of employees to enroll and to start contributing to the plan. It simply automatically enrolls employees into a plan and they only need to take action if they desire to opt out and not contribute to the plan. Workers in small companies (82 percent) are more likely than workers in large companies (79 percent) to find automatic enrollment into a 401(k), 403(b) or similar retirement plan as “very” or “somewhat” appealing. Workers in smaller companies feel the appropriate default contribution rate for such a plan feature would be 10 percent while workers in large companies believe 6 percent is appropriate.

## Appeal of Automatic Enrollment (%)



New question added in 2017

BASE: ALL QUALIFIED RESPONDENTS

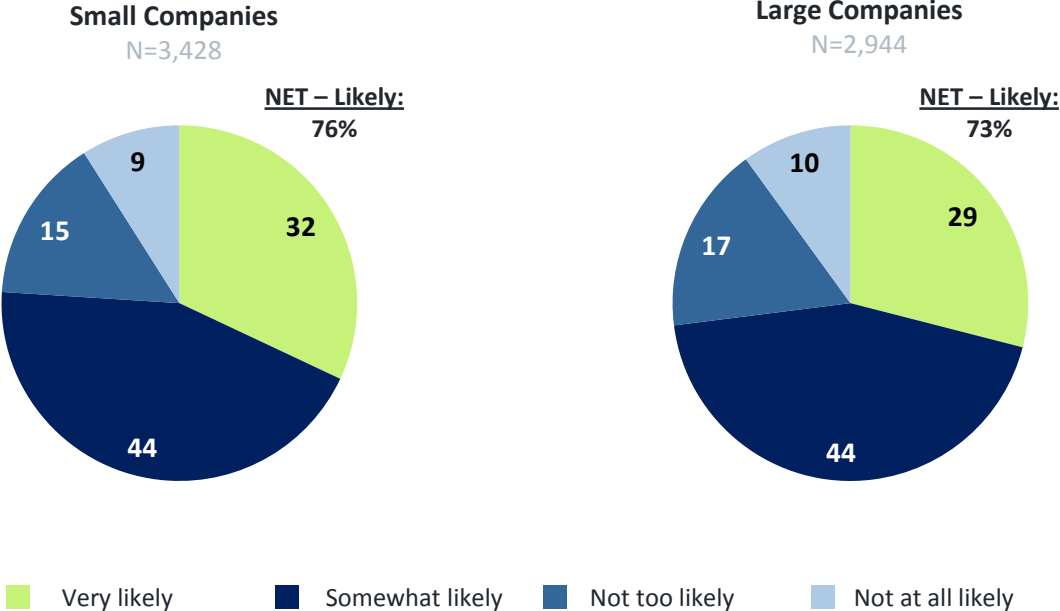
Q635. Imagine that your current employer automatically enrolled you into a 401(k), 403(b) or similar retirement plan, deducting a percentage of each paycheck, and investing it for your future retirement. How appealing would this seem to you?

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

# Likelihood of Using Automatic Escalation

More than seven in 10 workers in both small companies (76 percent) and large companies (73 percent) say they would be “very” or “somewhat” likely to use a plan feature that automatically increases their contribution rate to their 401(k) or similar plan by 1% each year. About three in 10 workers across company sizes would be “very” likely to use this plan feature.

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



New question added in 2017

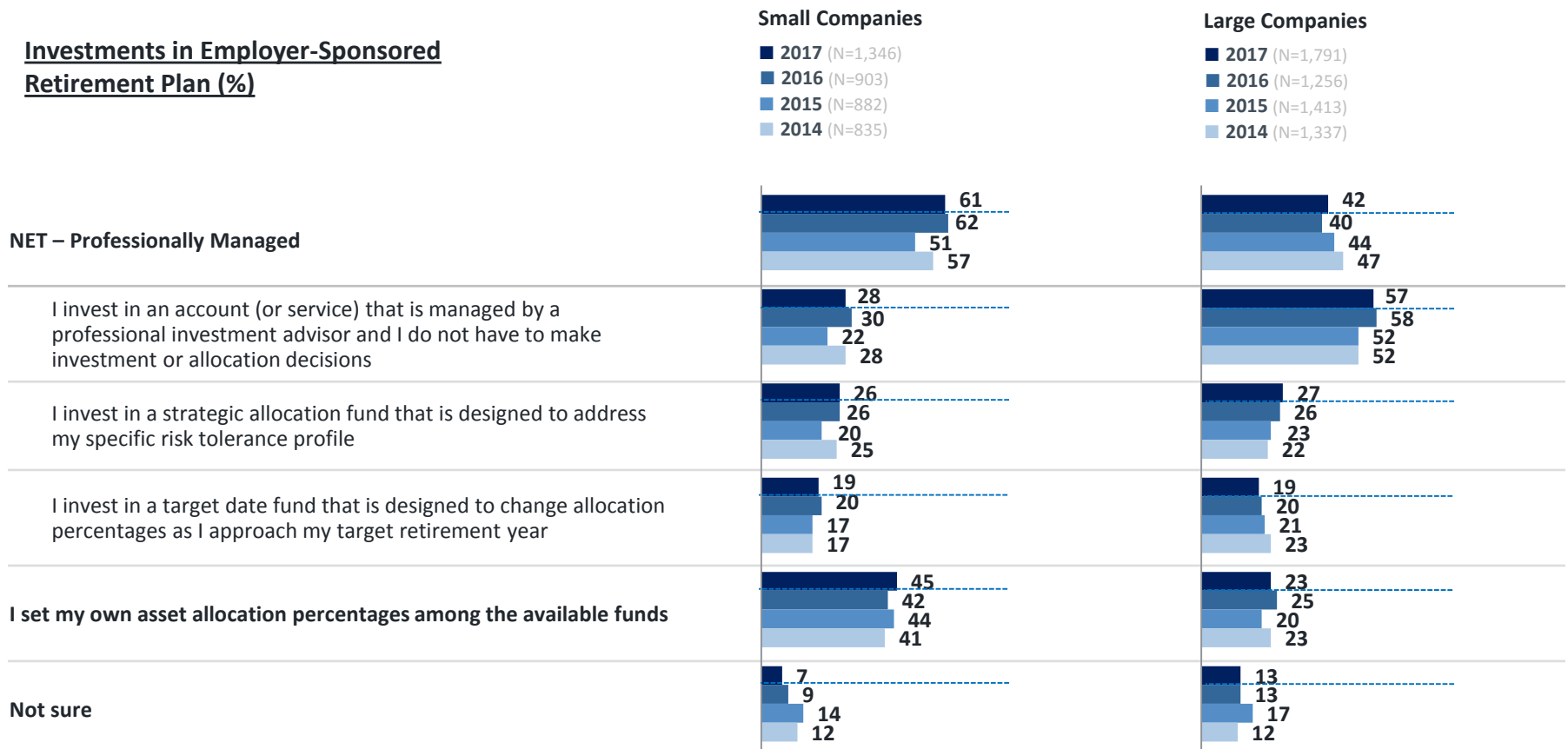
BASE: ALL QUALIFIED RESPONDENTS

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

# Use of Professionally Managed Offerings

“Professionally managed” accounts refers to a managed account service, strategic allocation funds, and/or target date funds. Many plan participants in both small (61 percent) and large companies (57 percent) are using some form of professionally managed offering in their 401(k) or similar plans. Small business workers (45 percent) are slightly more likely to set their own asset allocation among the available funds compared to large company workers (42 percent).

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



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

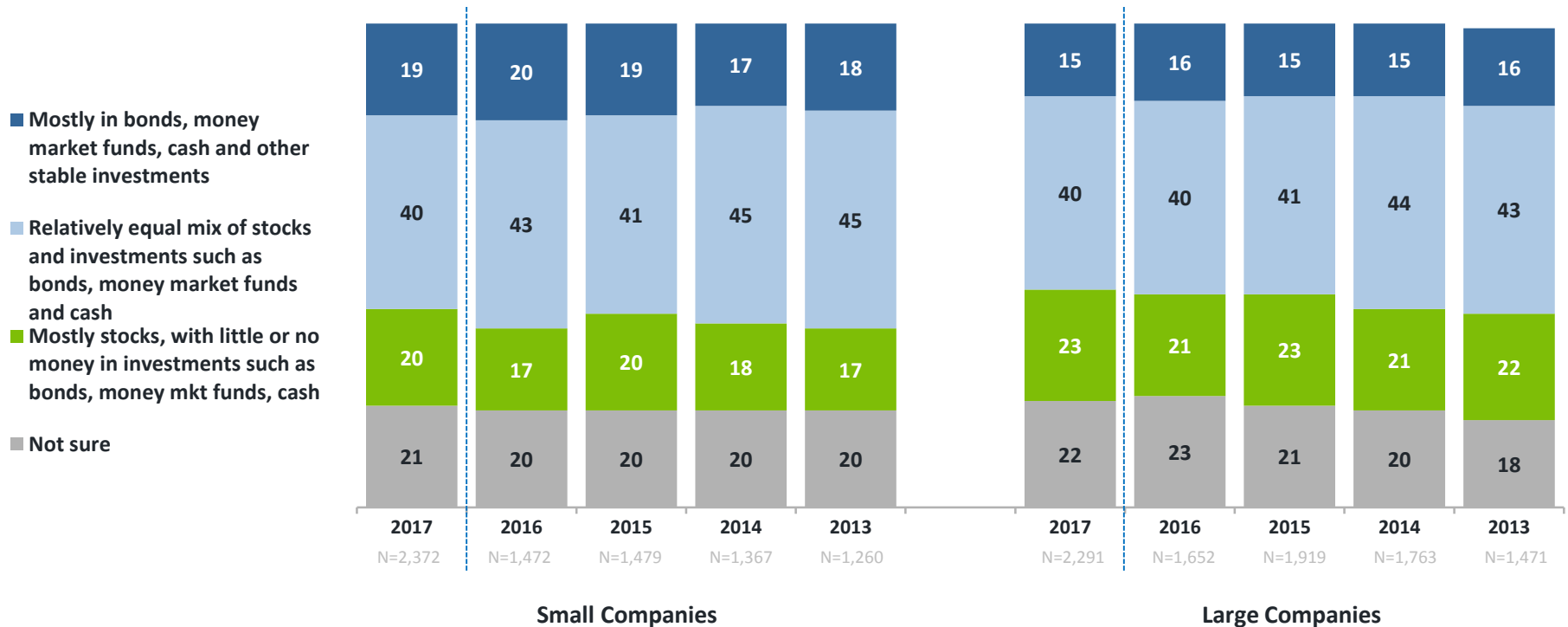
BASE: PARTICIPATING IN QUALIFIED PLAN

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

# Asset Allocation of Retirement Investments

Among workers investing for retirement, those in both large and small companies (both 40 percent) most frequently indicate that their retirement savings are invested in relatively equal mix of stocks and investments such as bonds, money market funds and cash. A concerning one in five say that they are “not sure” how their savings are invested. Asset allocation-related trends have been directionally consistent in recent years.

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



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

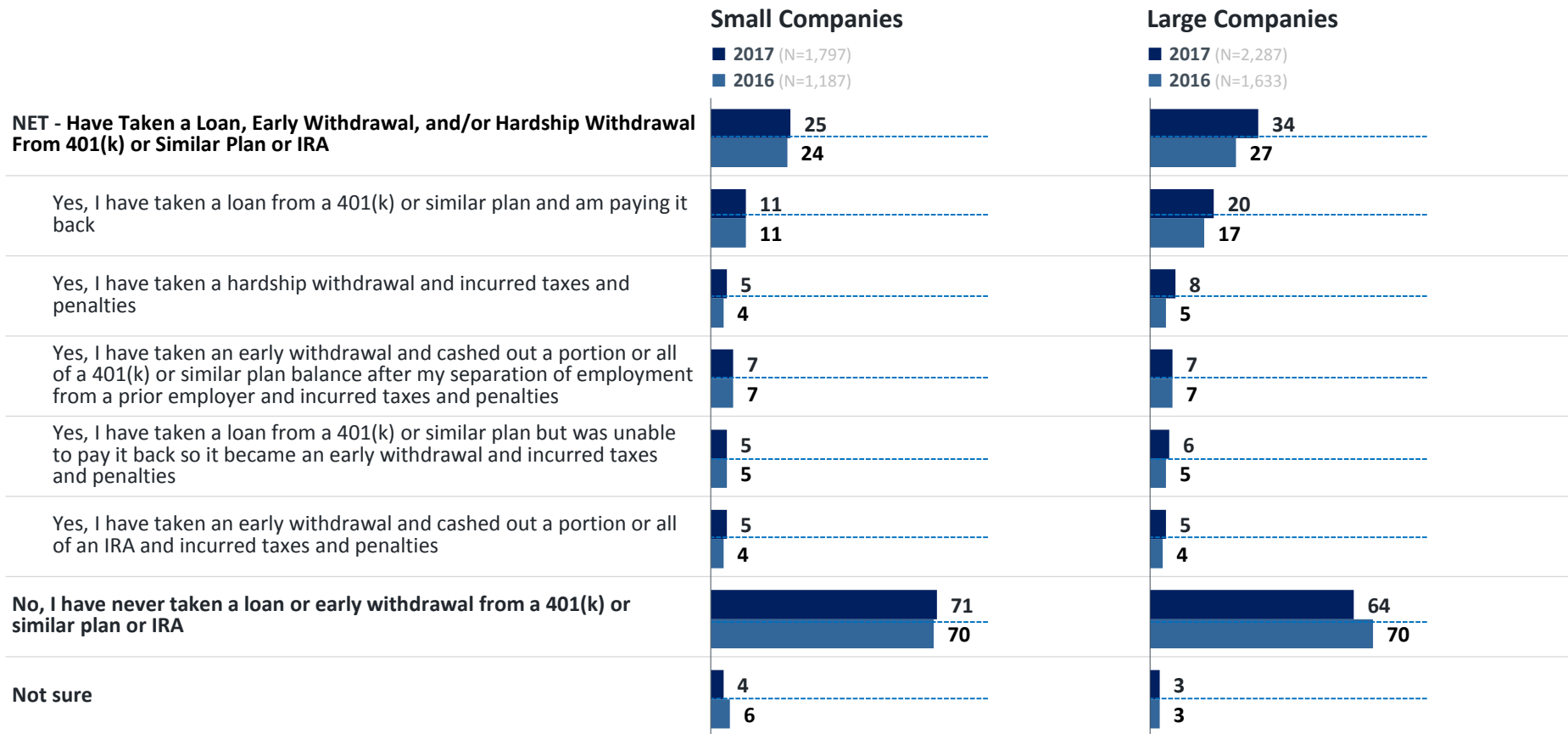
BASE: INVESTING FOR RETIREMENT

Q770. How is your retirement savings invested?

# Retirement Plan Leakage: Loans and Withdrawals

“Leakage” from retirement plans in the form of loans and withdrawals can severely inhibit the growth of participants’ long-term retirement savings. Twenty-five percent of small company and 34 percent of large company workers have taken some form of loan, early withdrawal, and/or hardship withdrawal from a 401(k), or similar plan or IRA.

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



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

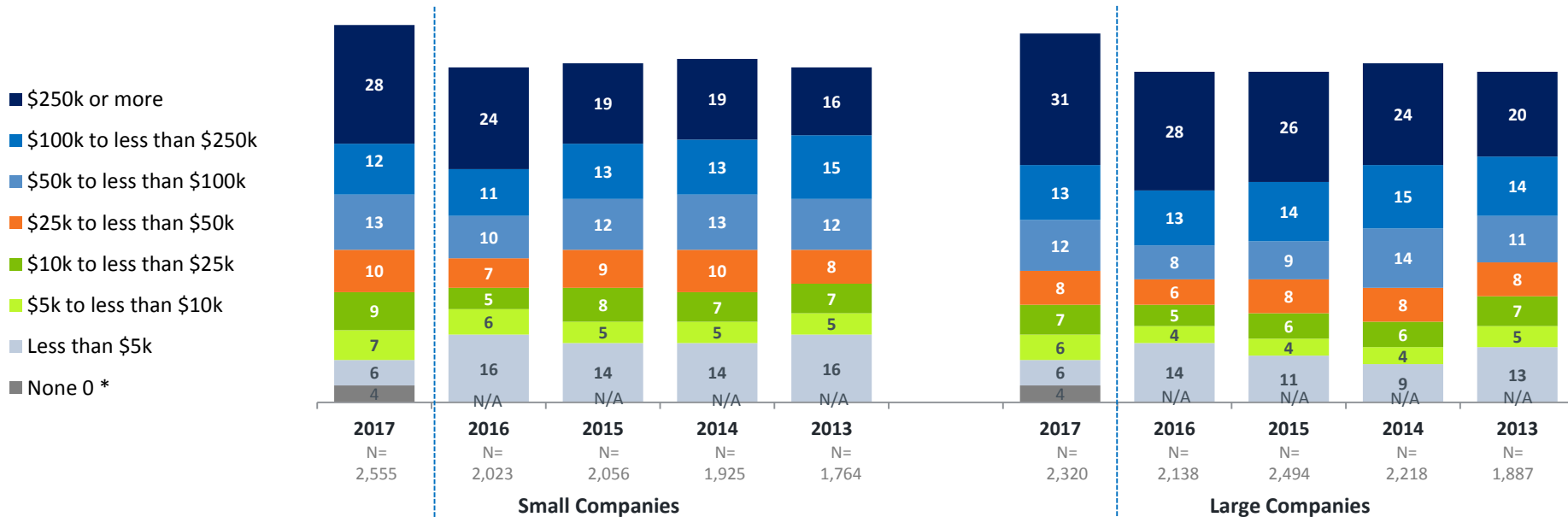
BASE: ALL QUALIFIED RESPONDENTS

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

# Total Household Retirement Savings

Workers of large companies report higher levels of total household savings in retirement accounts compared to those of small companies. Large company workers have saved \$78,000 (estimated median), while small company workers have saved \$62,000 (estimated median). Large company workers (31 percent) are also slightly more likely than small company workers (28 percent) to say they have saved \$250,000 or more, a consistent finding over the past five years. Retirement savings have been increasing incrementally among small and large company workers since 2012.

**Total Household Retirement Savings by Company Size (%)**



	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013
<b>Not sure</b>	7	12	10	8	9	9	12	12	10	11
<b>Decline to answer</b>	4	9	10	11	12	4	10	10	10	11
<b>Estimated Median</b>	\$62,000	\$56,000	\$50,000	\$51,000	\$47,000	\$78,000	\$87,000	\$79,000	\$73,000	\$58,000

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

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

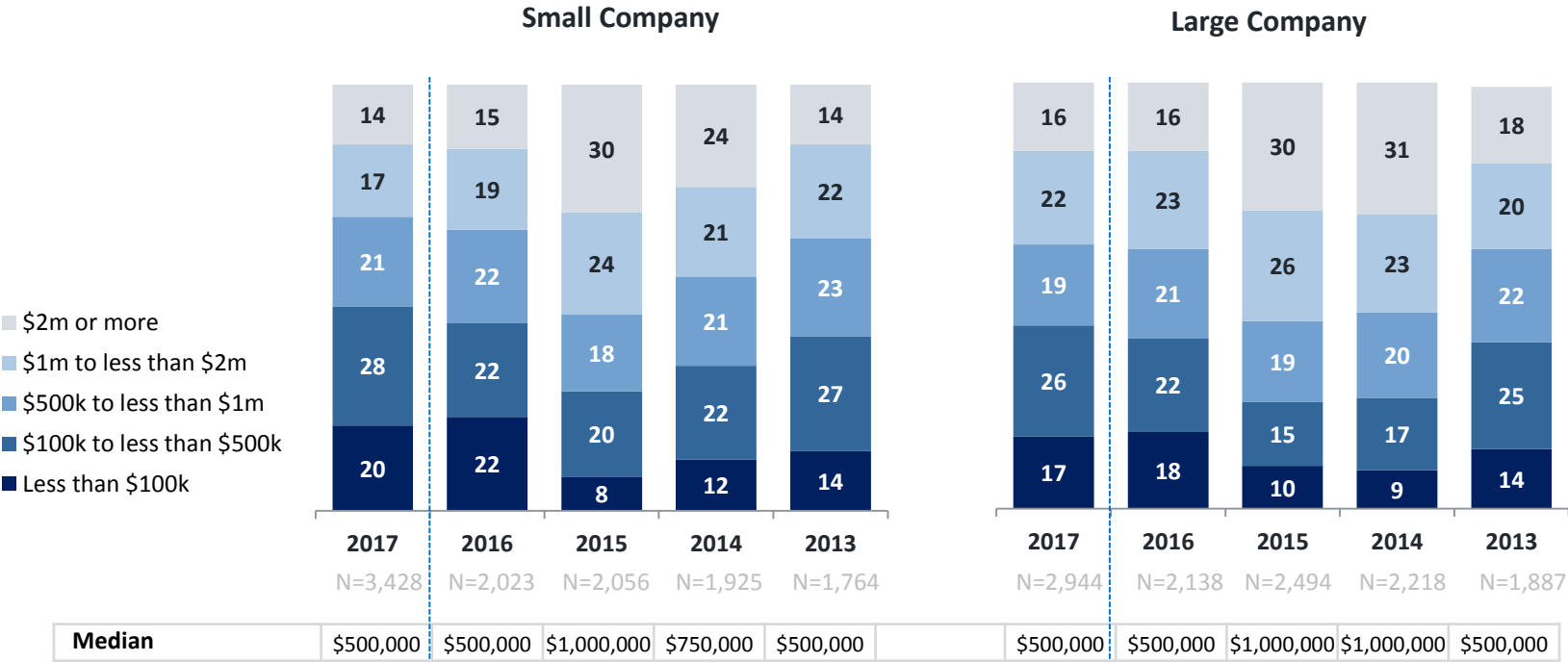
\*added in 2017

BASE: ALL QUALIFIED RESPONDENTS

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

# Estimated Retirement Savings Needs

Workers of both large and small companies believe that they will need to save \$500,000 (median) to feel financially secure when they retire. This year's survey finding is consistent with last year's, but a major decrease from 2015 when workers indicated they would need to save \$1,000,000 (median).



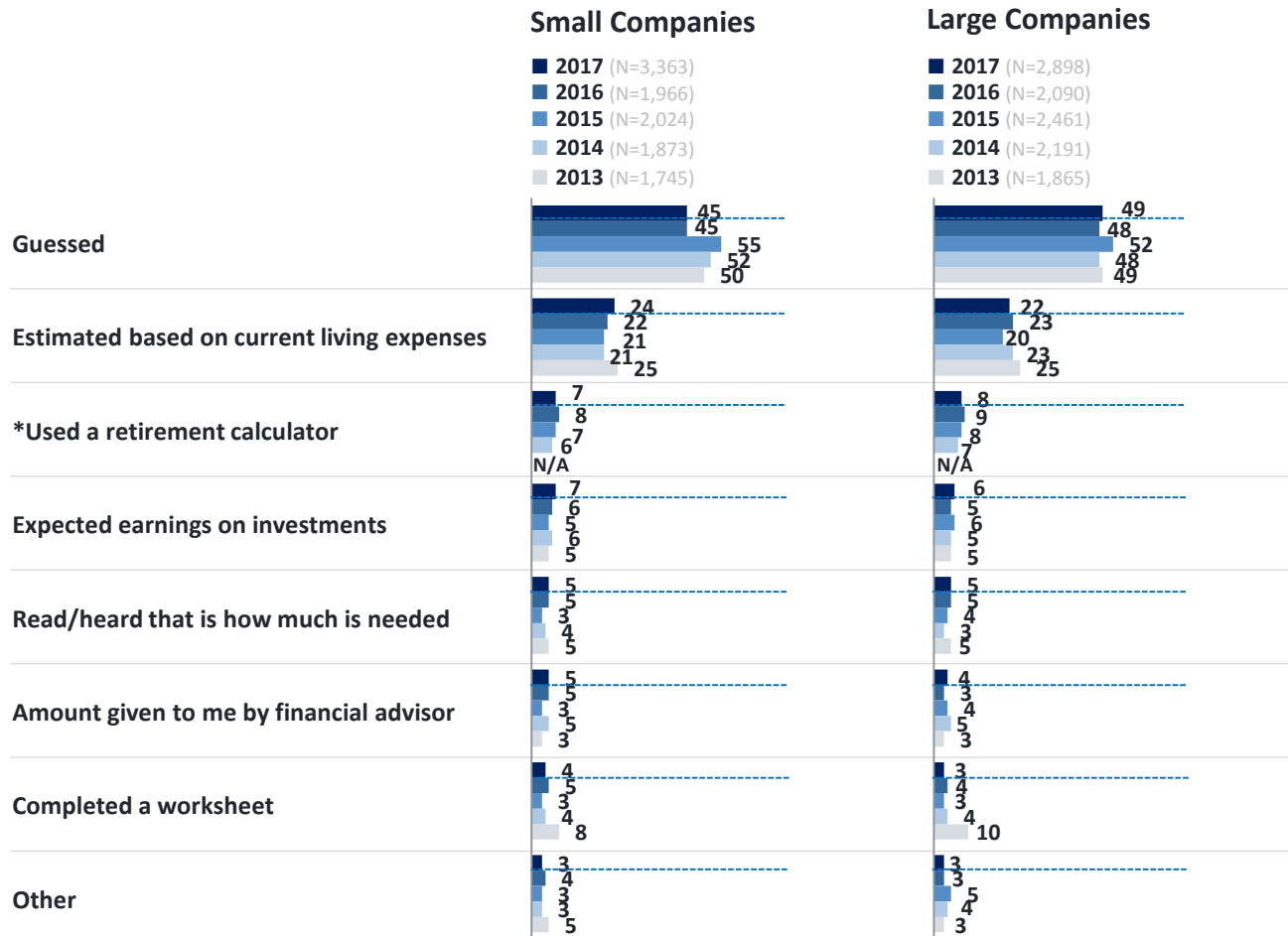
Note: The median is estimated based on the approximate midpoint of the range of each response category.

† Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.  
 BASE: ALL QUALIFIED RESPONDENTS  
 Q890. Thinking of what money can buy today, how much money do you believe you will need to have saved by the time you retire in order to feel financially secure?



# Basis for Estimating Retirement Savings Needs

Among those who provided an estimate of their retirement savings needs, just under half of workers of both small (45 percent) and large companies (49 percent) say that they “guessed” these needs. Approximately more one in five estimated the amount based on current living expenses, and fewer than 10 percent used a retirement calculator.



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

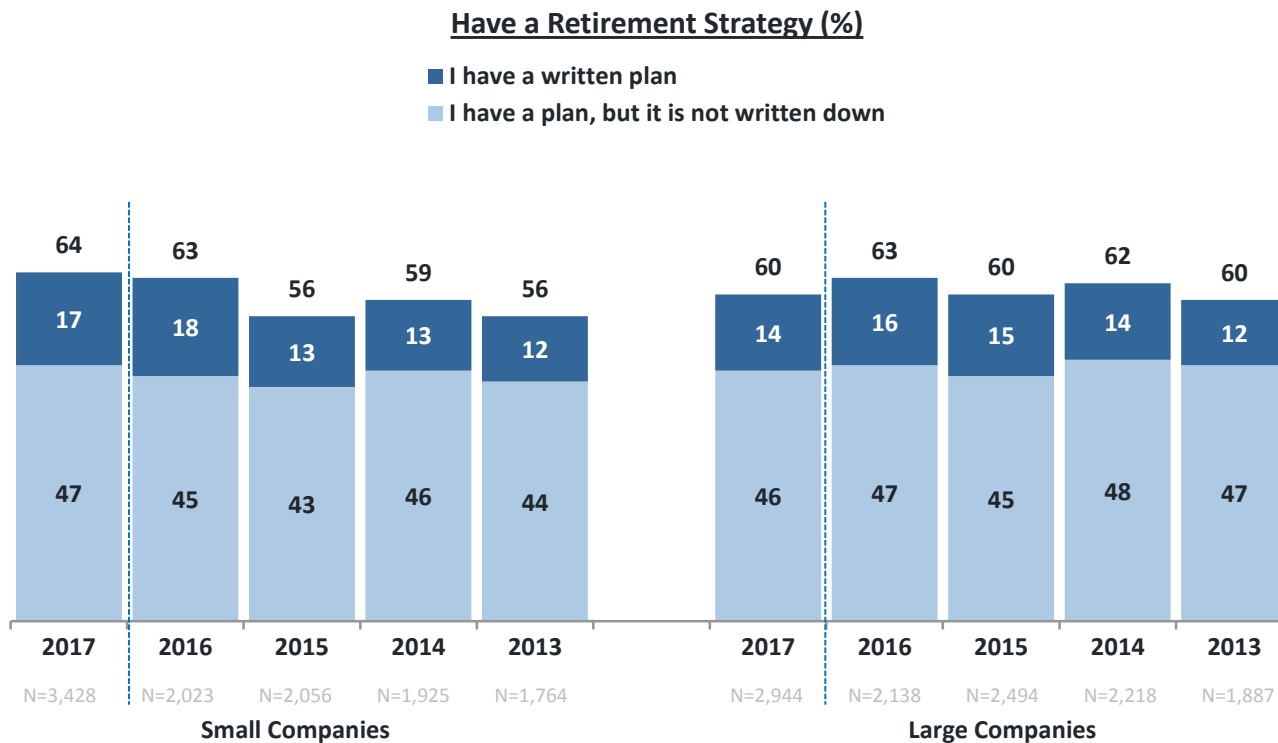
\*added in 2014

BASE: PROVIDED AN ESTIMATE OF SAVINGS NEEDED

Q900. How did you arrive at that number?

# Retirement Strategy: Written, Unwritten, or None

Most workers of both small and large companies (64 percent small, 60 percent large) say that they have some form of retirement strategy, either written or unwritten. However, only 17 percent of small company workers and 14 percent of large company workers have a written plan.



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

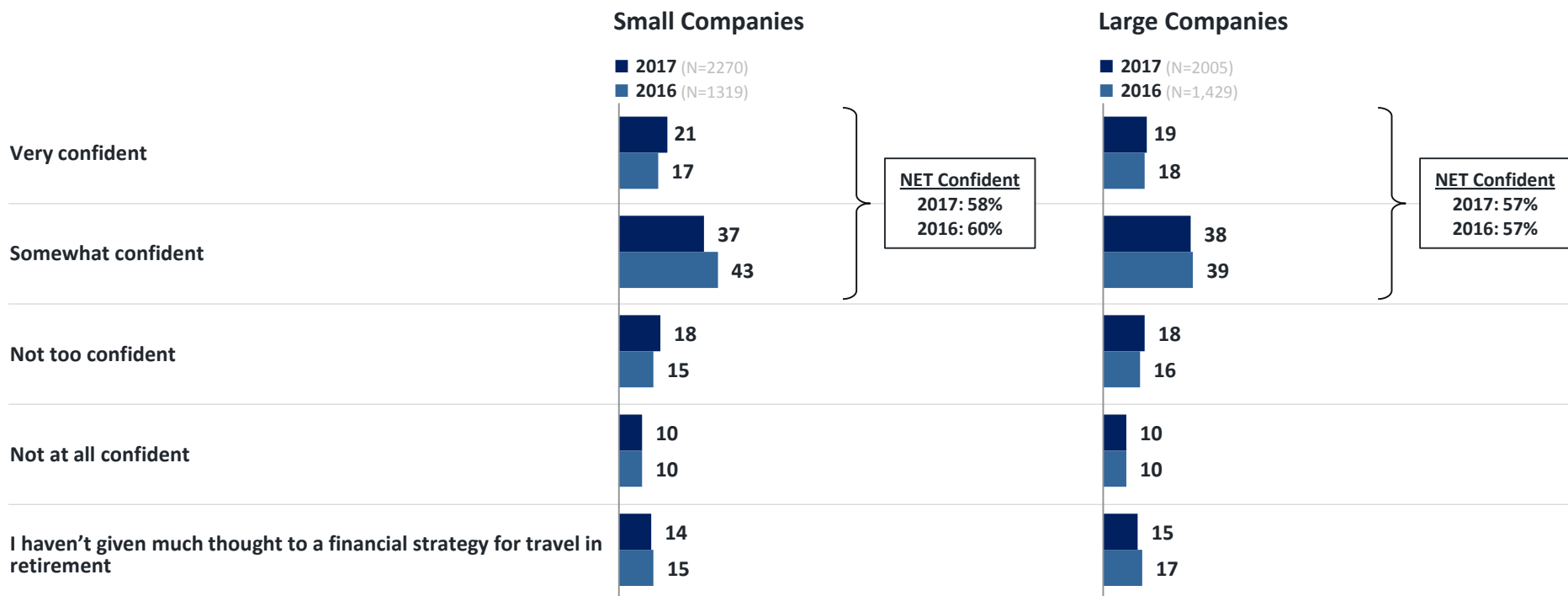
**BASE: ALL QUALIFIED RESPONDENTS**

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

# Confidence that Financial Strategy Will Enable Travel Goals

Travel is the top retirement dream among workers in small and large companies (see page 79). Among workers who dream of traveling in retirement, most are confident their current financial strategy will allow them to meet their retirement travel goals including 58 percent of small company workers and 57 percent of large company workers. However, relatively few workers are “very” confident (21 percent small companies, 19 percent large companies). Interestingly, some workers haven’t given much thought to it (14 percent small companies, 15 percent large companies).

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



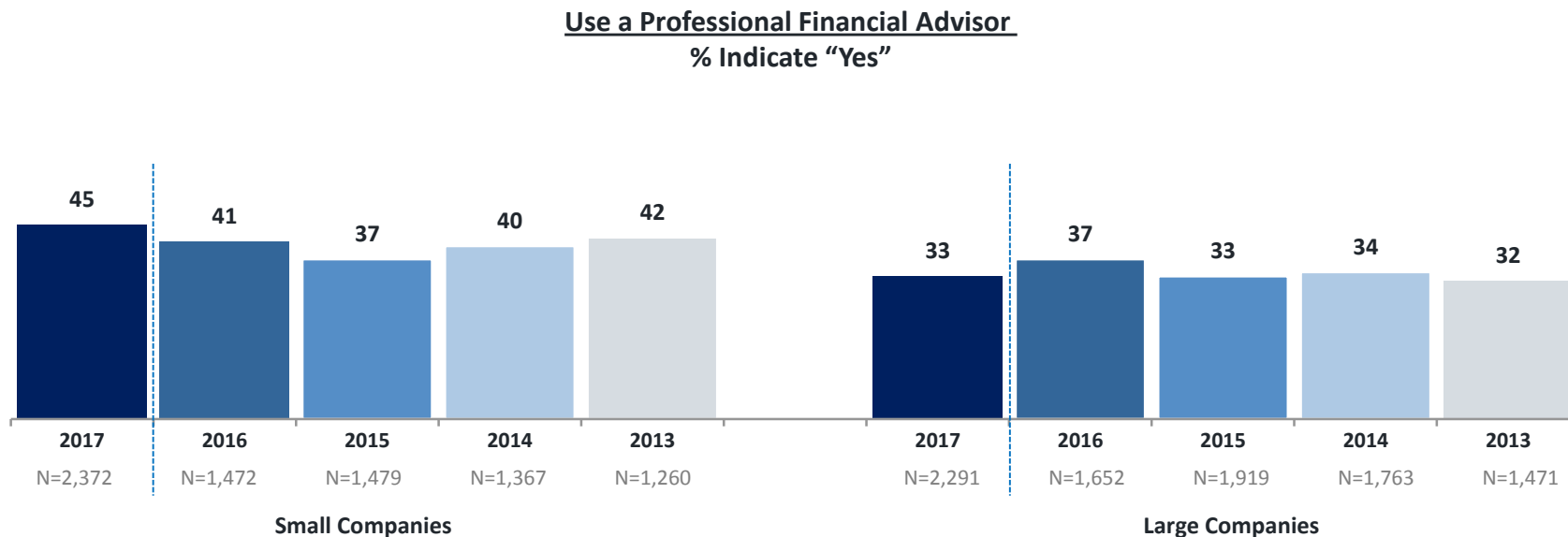
Note: Data prior to 2017 shows results among workers in companies with 10+ workers. Data for 2017 shows results among workers in companies with 5+ workers.

BASE: THOSE WHO DREAM OF TRAVELING IN RETIREMENT

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

# Professional Financial Advisor Usage

Small company workers (45 percent) who are investing for retirement are more likely to use a professional financial advisor to help manage their retirement savings or investments compared to large company workers (33 percent). This gap has been relatively consistent over the past five years.



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

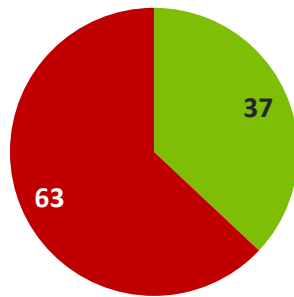
BASE: INVESTING FOR RETIREMENT

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

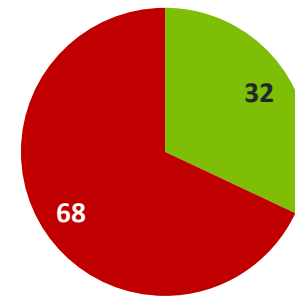
# Awareness of Saver's Credit

The IRS Saver's Credit is a tax credit available to eligible taxpayers who are saving for retirement in a qualified retirement plan or IRA. Workers in small companies (37 percent) are more likely to be aware of the credit, compared to workers in large companies (32 percent), a finding similar to last year.

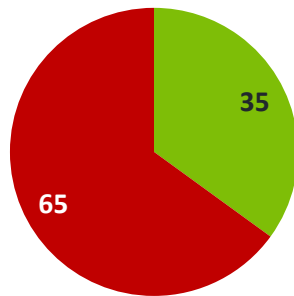
**Small Companies**  
2017 (N=3,428)



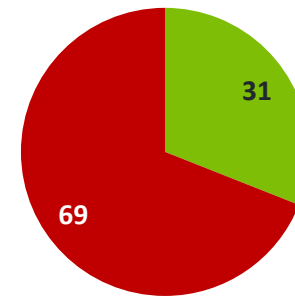
**Large Companies**  
2017 (N=2,944)



**Small Companies**  
2016 (N=2,023)



**Large Companies**  
2016 (N=2,138)



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

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

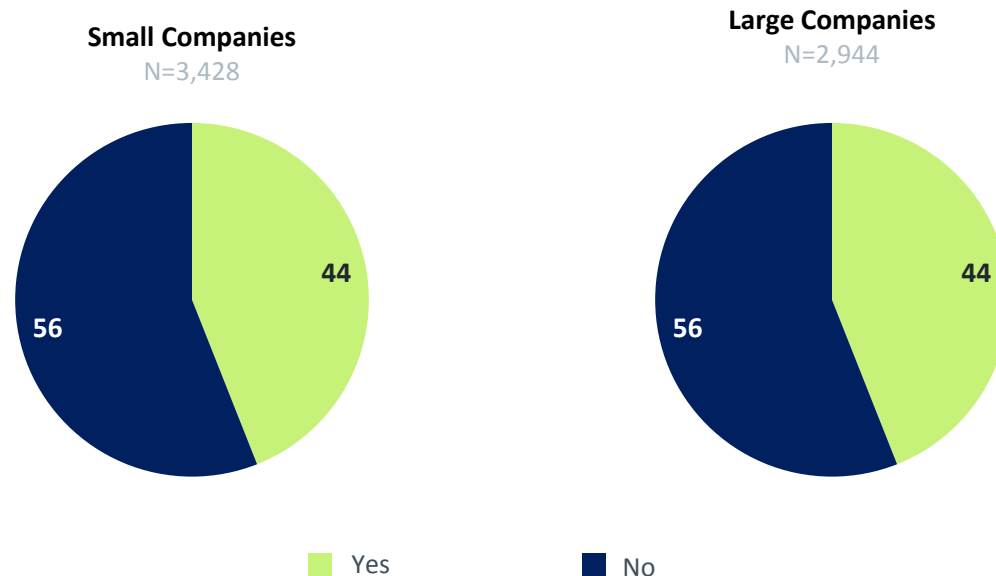
BASE: ALL QUALIFIED RESPONDENTS

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

# Awareness of the IRS' Free File Program

Fewer than half of workers in small and large companies (44 percent) are aware of the IRS' Free File program that offers federal income tax preparation software for free to eligible tax filers.

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



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