

PwC's 8th annual

Employee Financial Wellness Survey

2019 results

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About this survey

PwC's 8th annual Employee Financial Wellness Survey was conducted during the last two weeks of January 2019 and tracks the financial and retirement well-being of working U.S. adults nationwide. This year it incorporates the views of 1,686 full-time employed adults. Participants have been categorized by generation using the following age groups: 18-22 (Gen Z), 23-37 (Millennials), 38 to 58 (Gen X), and 59 to 75 (Baby Boomers). Representation of these generations has been adjusted from last year in order to better reflect the workforce population, i.e., more Millennials and fewer Baby Boomers were surveyed than last year, and a small percentage of Gen Z employees were added in 2019. Given the small sample size for Gen Z, those results are only directional in nature.

Citations of this survey report should read "PwC's 8th annual Employee Financial Wellness Survey, PwC US, 2019."

Foreword

We are pleased to present insights from our 8th annual Employee Financial Wellness Survey which tracks the financial well-being of full-time employed U.S. adults. Our workforce is changing, and our survey population reflects that evolution with more Millennials and fewer Baby Boomers as compared to last year as well as a small sampling of Gen Z employees who are just beginning to enter the workforce.

With a strong economy, why are employees so stressed?

With reports indicating a solid economy and a jobless rate at a 49-year low, one would presume we'd see less stress among U.S. employees. However, this year's survey shows quite the opposite, with more employees than ever admitting to being stressed about their finances. When asked what they feel causes them the most stress, more employees cite financial matters than any other life stressor combined.

So what's driving employee financial stress? Once again, cash flow and debt challenges continue to plague employees, inhibiting their ability to save sufficiently. As a result, many find themselves stressed about being able to meet even a rather small unexpected expense—which once again was cited as a top financial concern. Despite continued low unemployment and nominal wage growth, fewer employees feel their compensation is keeping up with their cost of living. While consumer spending is a key contributor to a growing economy, our survey finds that many employees are struggling just to cover everyday expenses, with nearly half reporting difficulty meeting their household expenses on time each month. Seeing fewer employees able to meet basic expenses if they were out of work for an extended period is especially concerning should we begin to see unemployment numbers rise as some are predicting. This may be of particular concern for Baby Boomers who may be at risk of longer periods of unemployment. Debt also continues to be a key concern, as more employees are carrying balances on their

credit cards, in addition to many still burdened with student debt. As a result, we believe that employee anxiety will continue to mount without a greater emphasis on increasing savings and improving longer-term financial well-being.

The far-reaching impact of financial stress

Overall, the differences in financial well-being are striking in employees who say they're stressed about their finances versus those who say they aren't feeling stress. Stressed employees are more likely to carry credit card balances and nearly four times as likely to have difficulty making minimum payments. They are nearly five times as likely to say their finances have been a distraction at work. On the retirement front, stressed employees show signs of being far less prepared. They have saved less, are more likely to raid retirement plans before retirement, and are nearly three times as likely to say they expect to spend the majority of their time working in retirement because they'll need to financially. We foresee critical issues for organizations if the root causes of this financial stress are not addressed. While some studies show that upwards of 80% of employers report having a financial wellness program in place, our results show that a majority are still traditional retirement education and planning programs lacking focus on the key areas causing employee stress. As a result, a failure to address some of the more immediate financial concerns may actually undermine efforts to better prepare employees for retirement.

The new retirement

More than 80% of today's employees believe they will be working during retirement. One-third of employees expect to work in retirement because they will need to financially. These emerging trends will likely change the definition of retirement as we know it, leading to longer periods of employment and a more gradual transition into retirement. The implications of the changing face of retirement and the factors fueling it are areas of particular interest for us to research further.

As we've seen in prior years, half of all Baby Boomers are planning to postpone retirement, largely because they haven't saved enough and because of growing concerns around healthcare costs in retirement. Even among Baby Boomers planning to retire within the next five years, only 43% know how much income they will need in retirement. The absence of a solid plan for retirement not only raises stress levels but also may make it more difficult to achieve financial stability in retirement, which may be fueling the growing number of bankruptcy claims among retirees. These results seem to be an indictment of current retirement education programs and may require employers to rethink their approach to preparing employees for retirement.

The growing sandwiched generation

With life expectancies extending, we also find employees sandwiched in the middle, their personal finances impacted simultaneously by caring for both their children and parents. Our survey results show that nearly half of employees with adult children are willing to sacrifice their own financial well-being for their kids, and forty-two percent of employees

with adult children are already providing them with financial support. This is resulting in greater debt and a strain on their ability to support themselves in retirement, with 48% of employees who provide financial support to adult children saying they think it's likely they'll need to raid their retirement plans for non-retirement expenses. Among employees providing financial support for parents, that number is even higher with 60% saying they'll need to take money from their retirement plans. In order to curb this use of retirement plans for current expenses, employers will need to focus more attention not only on individual employee personal finances, but also on the family unit as a whole, addressing the challenges of emotional decision-making versus sound financial planning.

Student loans a continuing concern

The burden of student loans continues to hinder employee financial wellness. Nearly half of all Millennial employees have at least one student loan, and 80% of them say that their student loan is impacting their ability to meet their other financial goals. Even Baby Boomers are not exempt; while just 10% of Baby Boomers have a student loan, the effect may be more significant given that they are nearing retirement. Given the impact of student loans on employee financial well-being, some employers (albeit a small number) have started to embrace student loan repayment benefits as a way to help their employees and retain talent.

What about Gen Z?

Gen Z is just starting to enter the workforce. While our results are only directional in nature due to the small Gen Z sample size, they seem to be stressed about finances on par with their Millennial counterparts. However, they seem to be slightly more optimistic than Millennials regarding how their generation is doing financially. They are in line with Millennials with one-third rating job security as the factor that would most help them achieve future financial goals. It will be interesting to see what's ahead for Gen Z in years to come as they enter the workforce in greater numbers and whether there are notable differences in their spending, saving, and investing habits compared to their older colleagues.

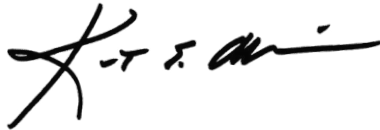
Digital solutions on the rise

As a society, we're becoming more digital every day, and that trend has extended into financial wellness programs where helpful online tools and robo-advisors abound. Yet the majority of employees tell us that when it comes to getting help with their personal finances, they want to make their own decisions and have a person with whom they can validate their choices. When asked what employer benefit they don't currently have that they would like to see added in the future, again this year more than one in four employees says a financial wellness benefit with access to unbiased counselors. In our work designing and implementing financial wellness programs, we find that employees crave the element of human connection. Successful financial wellness programs find the optimal way to shape the relationship between technology and human interaction, delivering the motivation employees need to achieve their goals.

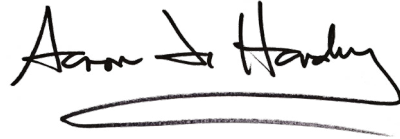
Future of financial wellness programs

More employees are using the services their employers provide to assist them with personal finances—71% of those with employer-provided services say they've used the benefit, and those numbers have increased in recent years, particularly among Millennials and Baby Boomers. Since many employees still wait to seek financial help until they need to make a decision or when they are already in crisis, it will be incumbent upon programs to engage employees on a continuous basis, helping with planning and prevention, in addition to intervening when issues may be more severe and options more limited.

As evidenced by our results, many employer programs are still ineffective in addressing the key financial challenges employees are facing, and as a result, financial stress is on the rise. With so many providers positioning their products and services as financial wellness solutions, it is no wonder there is confusion among employers and employees alike. Many employers have simply renamed retirement education programs; some may offer a variety of financial wellness “point” solutions, but our results suggest that a minority truly have a cohesive and holistic financial wellness program. In order to tackle the issues highlighted in our survey, employers will need to take a hard look at their programs to determine whether they effectively address the variety of financial challenges their employees are facing while motivating employees to engage and change behaviors to improve overall financial well-being and retirement readiness.



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About the PwC Employee Financial Education and Wellness practice

PwC's Employee Financial Education and Wellness practice works with clients to design and deliver financial wellness programs tailored to employee needs and specific employer objectives. Employees may be stressed over organizational shifts, market conditions, personal life events, or benefits changes. Our goal is to empower employees to make educated decisions to improve their financial well-being.

Employees define financial wellness

Employees indicate that financial wellness means being stress free and achieving financial stability.

What does financial wellness mean to you?



Not being stressed about my finances was also the top answer by generation

Millennials

38%

Gen X

34%

Baby Boomers

25%

Top financial concerns

Consistent with prior years, emergency savings is the most frequently cited financial concern for Millennial and Gen X employees.

What are your top financial concerns?*

	Millennials	Gen X	Baby Boomers
Not having enough emergency savings for unexpected expenses	62%	55%	44%
Not being able to retire when I want to	18%	38%	52%
Not being able to meet monthly expenses	41%	31%	21%
Not being able to keep up with my debts	29%	20%	14%
Being laid off from work	17%	17%	12%
Losing my home	5%	6%	3%
Not being able to pay for college	4%	5%	0%
Other	5%	5%	14%

* Employees could choose up to two answers to this question.



What would most help you achieve your future financial goals?

Millennial and Gen X employees both seek job security, while Baby Boomers' top priorities are split between more affordable healthcare and a rising stock market.

Top answer by generation

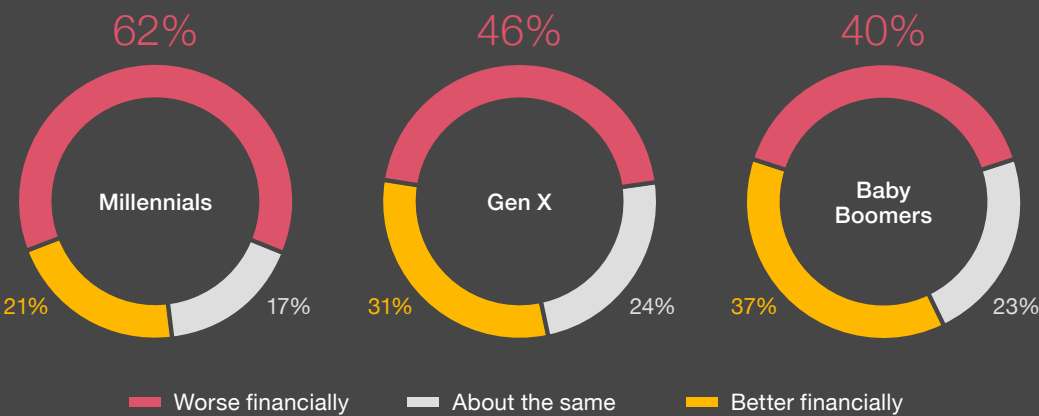
Millennials	
Better job security	31%
Gen X	
Better job security	25%
Baby Boomers	
Lower healthcare costs	27%
Rising stock market	24%

** Respondents could choose one answer from among the following eight responses: rising stock market, improved housing market, better job security, lower education costs, lower inflation, lower healthcare costs, assistance from a personal financial planner or coach, other.*

Nearly two-thirds of Millennials feel they are doing worse financially as compared to their parents.

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Overall, how do you feel your generation is doing financially as compared to the prior generation (e.g., your parents)?



Employer benefits

37% say that their compensation is keeping up with the rising cost of their living expenses.

	2018	2019
Millennials	53%	▼ 36%
Gen X	46%	▼ 36%
Baby Boomers	50%	▼ 42%

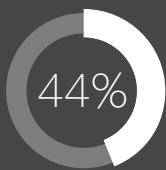
Only 30% of women say their compensation is keeping up with their cost of living as compared to 43% of men.

58% believe their employer's benefit plans are competitive with those offered by other organizations.

	2019
Millennials	54%
Gen X	63%
Baby Boomers	58%

77% say they have a good understanding of employer benefit and savings plans and the role those plans play in their overall financial well-being.

	2019
Millennials	71%
Gen X	80%
Baby Boomers	84%



of employees believe their employer cares about their financial well-being.

Millennials (46%) and Gen X (44%) are more likely to say that their loyalty to their company is influenced by how much the company cares about their financial well-being as compared to **Baby Boomers (30%)**.

Millennials (81%) and Gen X (75%) are more likely to be attracted to another company that cares more about their financial well-being than **Baby Boomers (52%)**.



As was the case last year, one in four employees ranks a financial wellness benefit with access to unbiased counselors as the most desired employer benefit.

What employer benefit would you most like to see added in the future (if you do not already have it)?



Top answer by generation

Millennials

37%

Student loan repayment benefit

Gen X

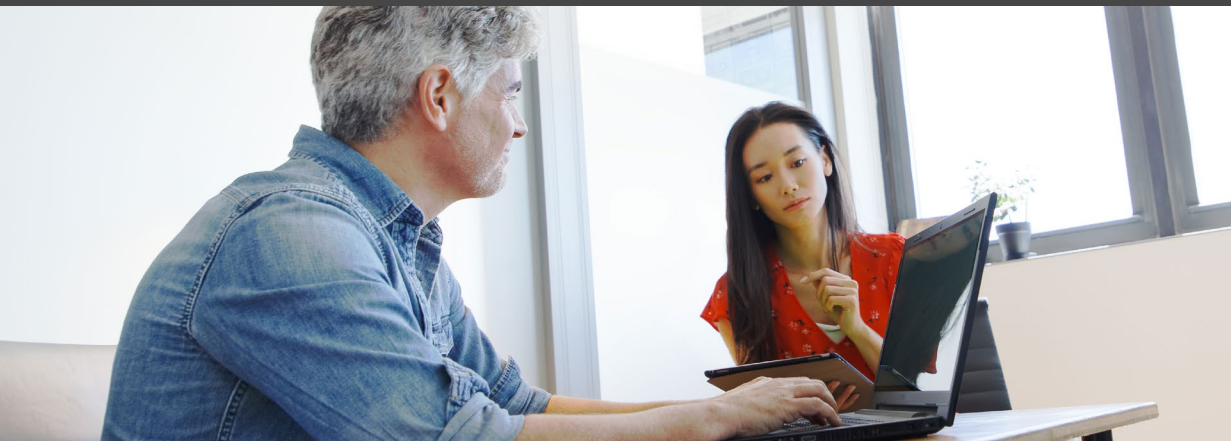
30%

Financial wellness benefit with access to unbiased counselors

Baby Boomers

28%

Financial wellness benefit with access to unbiased counselors



Which of the following resources do you most trust for your financial advice and education?

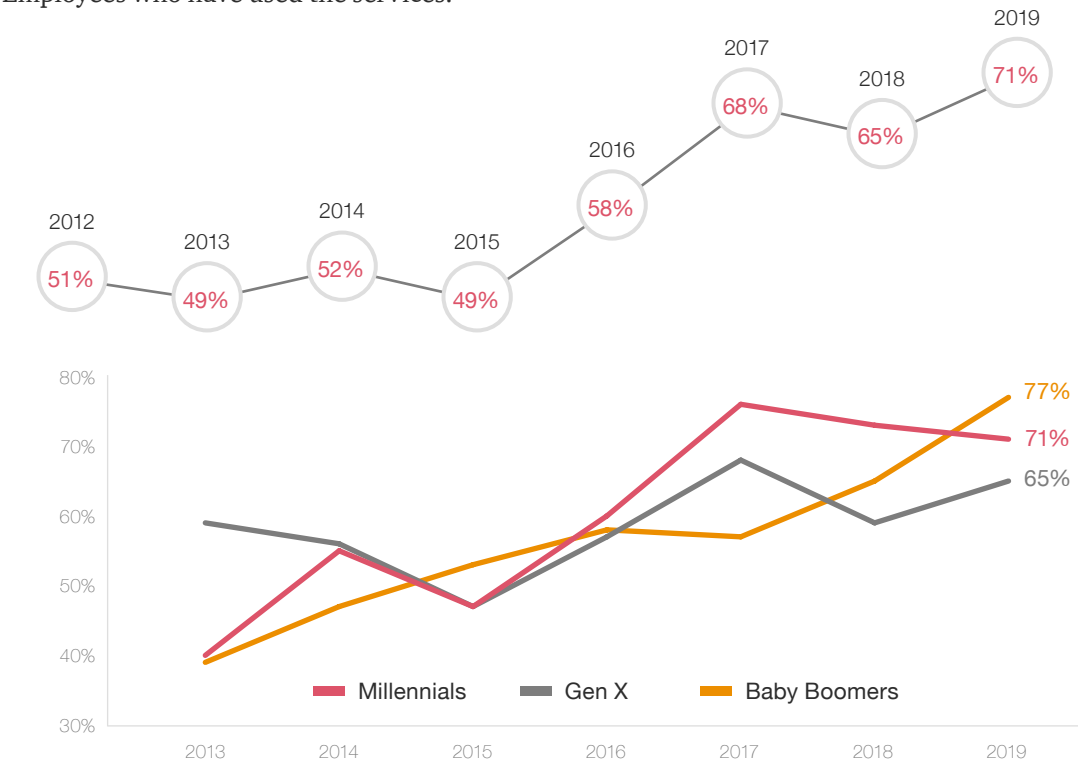
	All employees	Millennials	Gen X	Baby Boomers
Friends and/or family	26%	30%	22%	21%
Independent Financial Planner (who doesn't sell any investment or insurance products)	25%	24%	28%	24%
Broker or investment advisor	18%	12%	22%	25%

Other answer choices included attorney, accountant, insurance agent, and Internet site(s) not affiliated with a financial advisor.

Millennials are most likely to trust friends and family for financial information, whereas Gen X is most likely to recognize the value of an independent financial planner who does not sell products.

24% say their employer offers services to assist them with personal finances and more than two-thirds (71%) say they've used the services.

Employees who have used the services:



Employees tend to get help from their financial wellness program to address spending and debt, both of which can be obstacles to reaching goals like retirement.

My employer financial wellness program has helped me*:

	2019
Prepare for retirement	47%
Get my spending under control	29%
Pay off debt	29%
Save more for major goals (purchases, home, education)	29%
Better manage my investments/asset allocation	29%
Better manage healthcare expenses/save for future healthcare expenses	18%
None of these	6%
Other	0%

* Employees could choose as many answers as applicable.

When are you most likely to seek financial help or guidance?

When I have to make an important financial decision like buying a home or making saving and investing decisions.	35%
When I find myself in financial crisis (debt issues, unexpected expenses, job or income loss, lack of cash flow)	26%
Other	18%
When I am experiencing a life event like marriage, birth, death, divorce, or job change	10%
Never. I handle my own finances.	8%
On an ongoing basis as I have a financial advisor	3%

When it comes to getting help with my personal finances:

57%

I want to make my own decisions, but want someone to validate that decision.

31%

I want specific advice (I want to be told what to do).

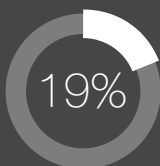
12%

I don't need anyone else's help.



Lifestages

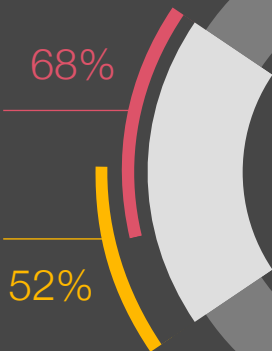
Providing financial support for parents or in-laws



Nearly one in five employees is providing financial support for parents or in-laws.

Among those providing financial support for parents or in-laws, more than two-thirds also provide non-financial care.

In addition, more than half of employees who provide financial support to parents or in-laws also have dependent children.



Employees who provide financial support for parents or in-laws face additional debt and retirement challenges

	Employees <i>who provide</i> financial support to parents or in-laws	Employees <i>who do not provide</i> financial support to parents or in-laws
Credit and debt Consistently carry credit card balances	72%	56%
Retirement Think it's likely they will need to use money held in retirement plans for expenses other than retirement	60%	46%
Productivity Finances have been a distraction at work	50%	32%

Providing financial support for adult children

42% of employees who have children over 21 provide financial support to their adult children.

Nearly half are willing to sacrifice their own financial well-being for their kids.

When it comes to my adult children:

I will help them only in times of emergency.	50%
I will sacrifice my own financial well-being to make sure they are financially stable throughout their lives.	44%
Once they reach adulthood, they are on their own.	6%

Employees who provide financial support to adult children face additional challenges

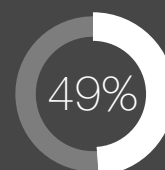
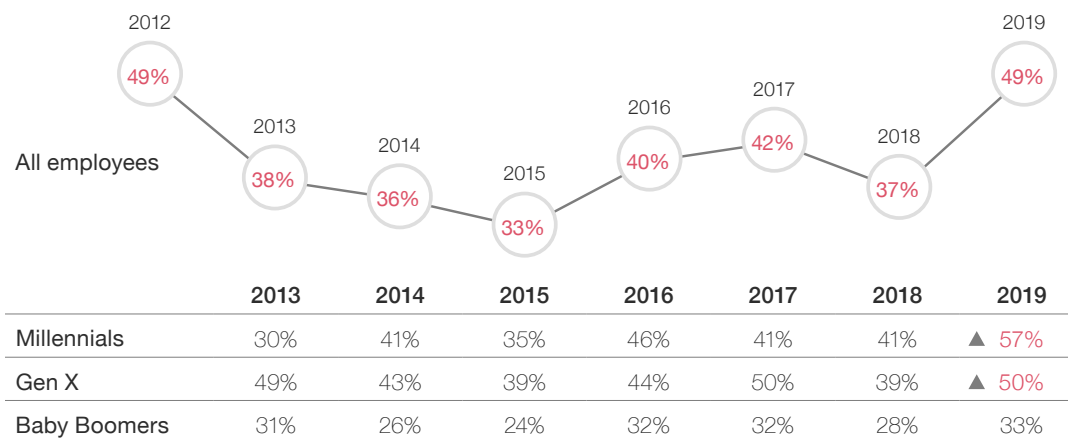
	Employees <i>who provide</i> financial support to adult children	Employees <i>who do not provide</i> financial support to adult children
Credit and debt Consistently carry credit card balances	65%	50%
Retirement Think it's likely they will need to use money held in retirement plans for expenses other than retirement	48%	41%



Cash and debt management

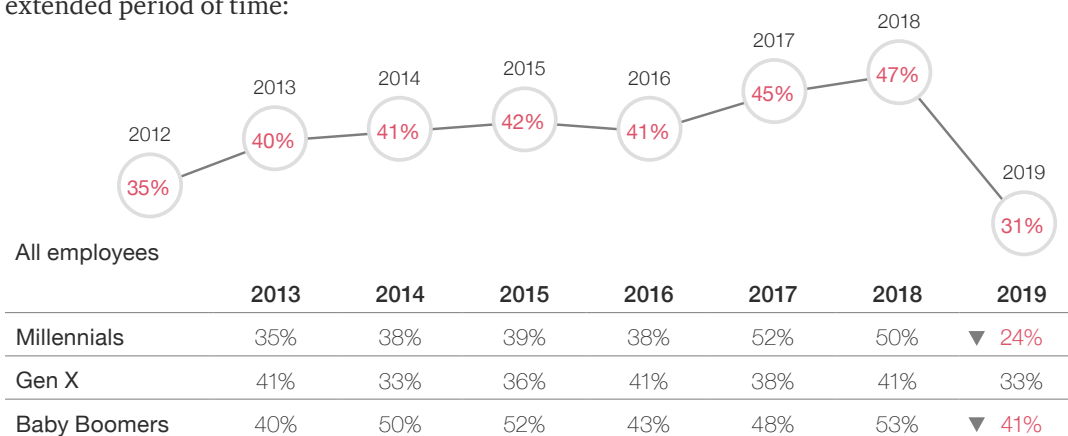
Overall, more employees are experiencing cash and debt issues. Many more Millennials are finding it difficult to meet household expenses. More employees across all generations are carrying credit card balances, with particularly large increases among Gen X and Baby Boomers. Employees continue to be deficient in emergency savings; less than half have saved even \$1,000 to deal with unexpected expenses.

Employees who find it difficult to meet their household expenses on time each month:

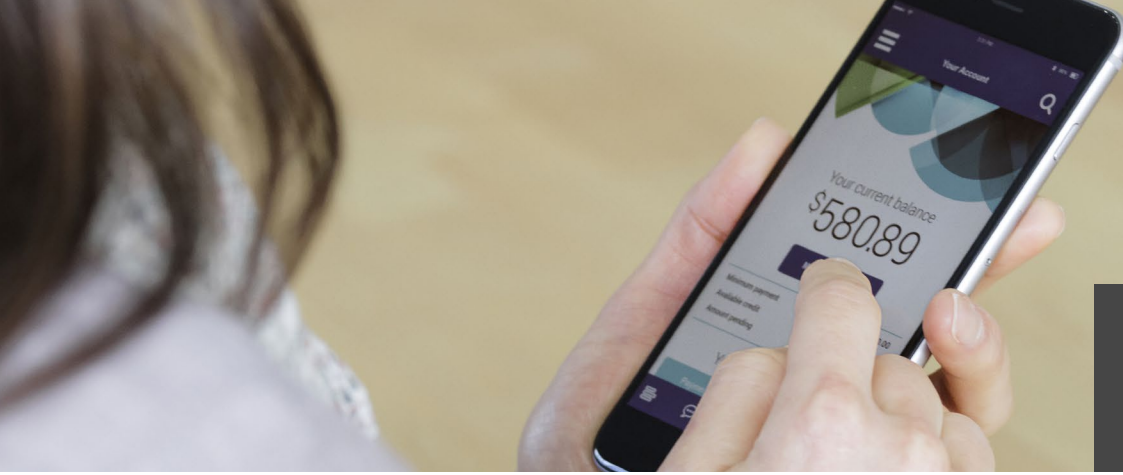


Nearly half of all employees say they find it difficult to meet household expenses on time each month.

Employees who would be able to meet their basic expenses if they were out of work for an extended period of time:



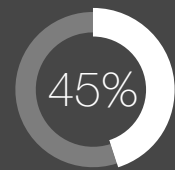
Only 24% of women would be able to meet their basic expenses if they were out of work for an extended period of time versus 38% of men.



51% of women have less than \$1,000 for unexpected expenses vs. 38% of men

Employees who have less than \$1,000 saved to deal with unexpected expenses:

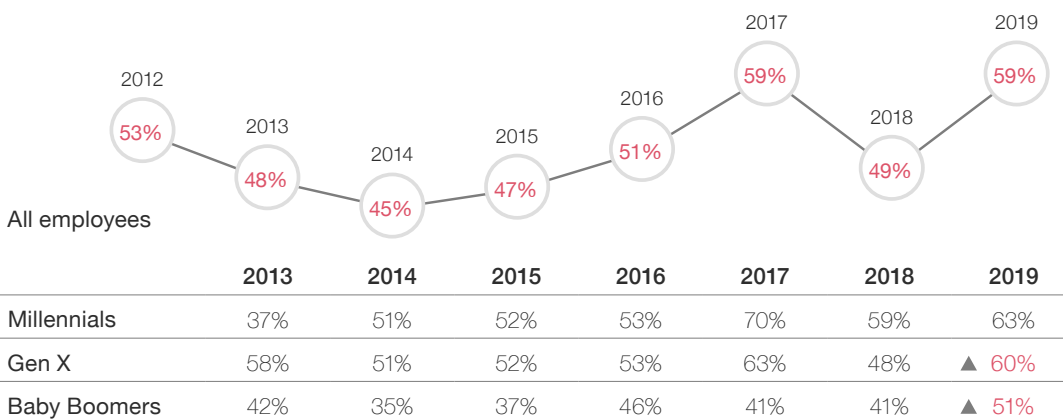
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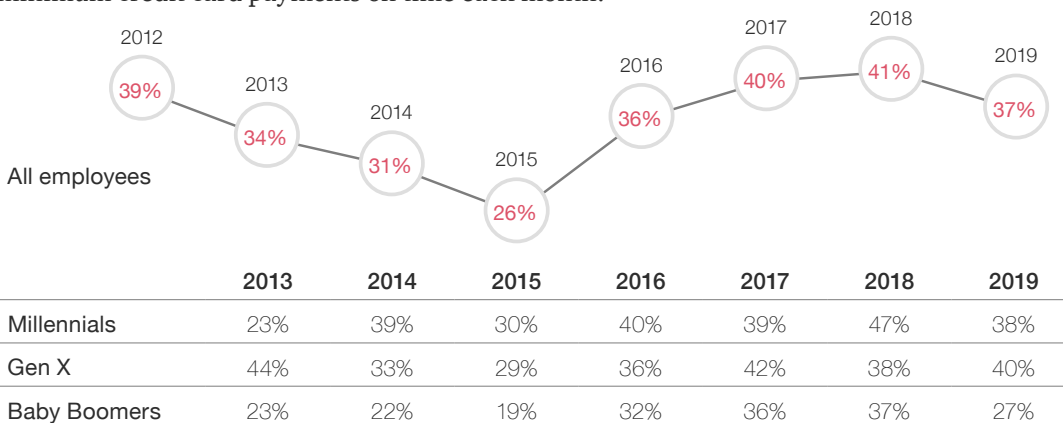
Forty-five percent of employees overall have less than \$1,000 saved for unexpected expenses.

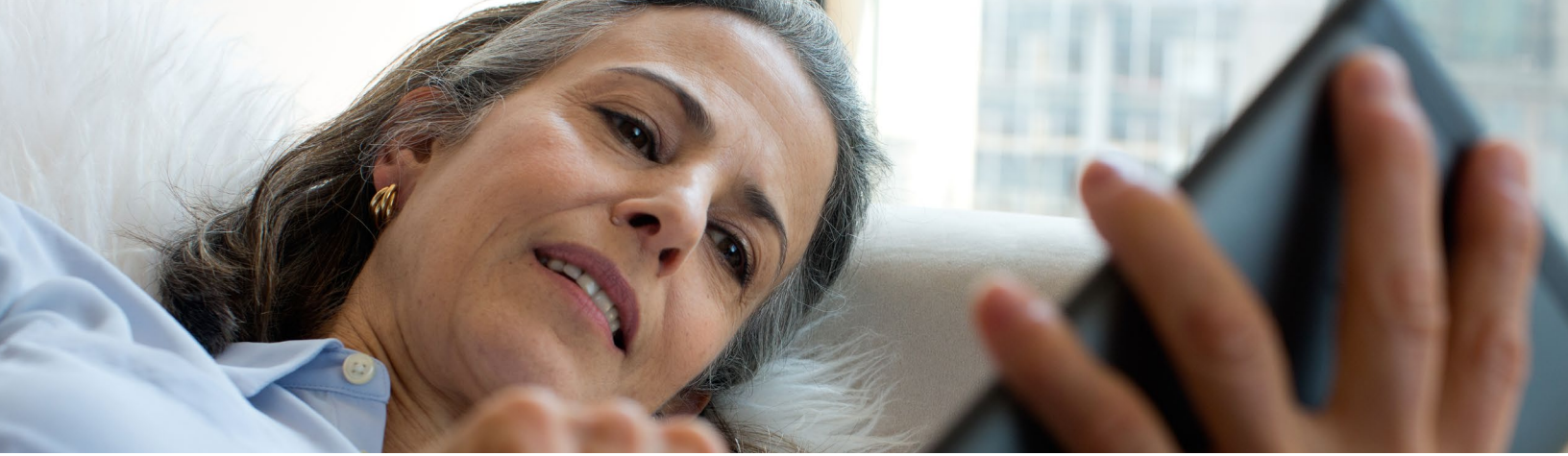
Millennials	52%
Gen X	43%
Baby Boomers	31%

Employees who consistently carry balances on their credit cards:



Of employees who consistently carry balances, those who find it difficult to make their minimum credit card payments on time each month:





How much employees owe in total on their credit cards (among those who consistently carry balances):

	All employees	Millennials	Gen X	Baby Boomers
Less than \$2,500	34%	41%	25%	31%
Between \$2,500 and \$5,000	20%	22%	22%	16%
Between \$5,000 and \$7,500	17%	16%	17%	20%
Between \$7,500 and \$10,000	10%	6%	12%	14%
More than \$10,000	20%	14%	25%	22%

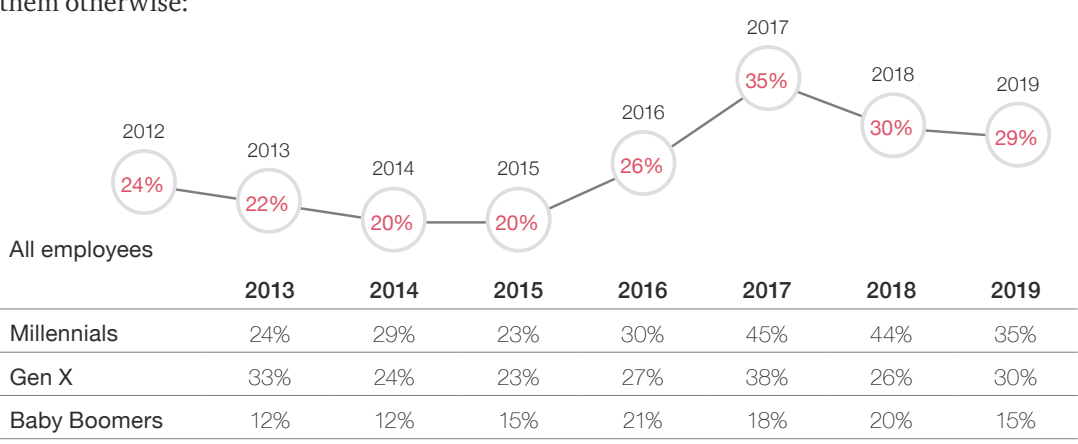
☆ New for 2019

How long employees have been carrying these credit card balances (among those who consistently carry balances):

	All employees	Millennials	Gen X	Baby Boomers
Less than 1 year	34%	41%	27%	29%
Between 1 and 3 years	39%	41%	40%	37%
Between 3 and 5 years	15%	11%	17%	24%
More than 5 years	12%	6%	17%	12%

☆ New for 2019

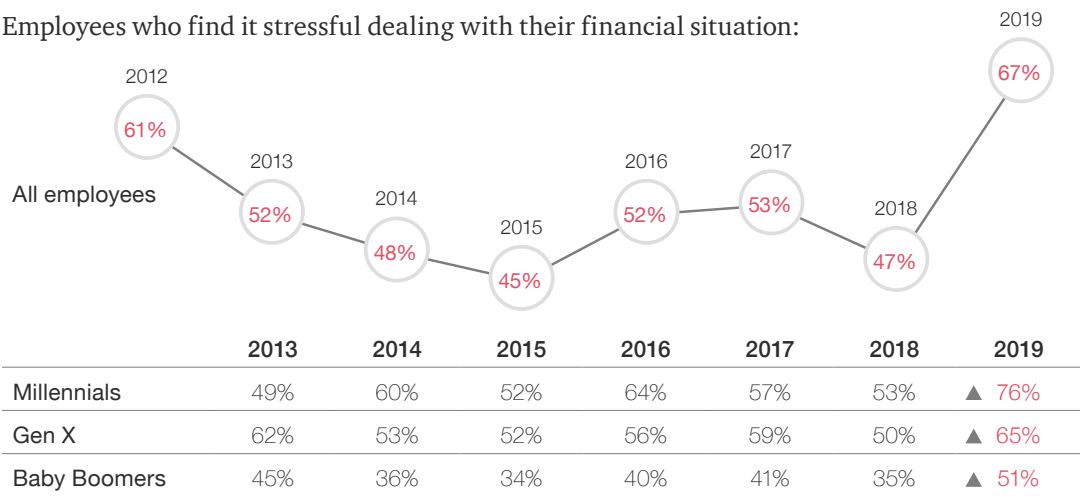
Employees using credit cards to pay for monthly necessities because they can't afford them otherwise:



Financial stress

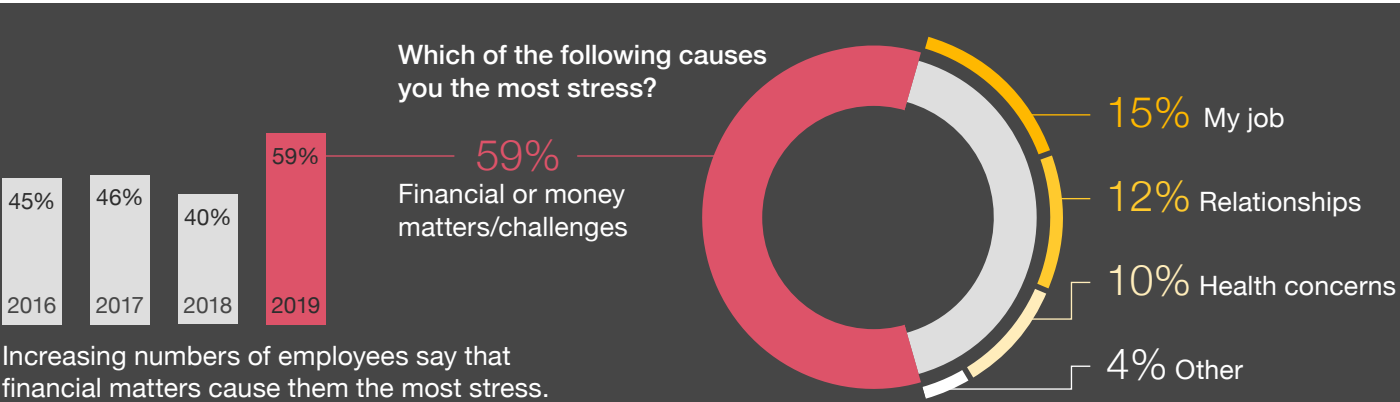
More employees than ever before report that they are stressed dealing with their financial situation.

Employees who find it stressful dealing with their financial situation:



The number of employees stressed about their finances increased across all generations, particularly among Millennials. 71% of Millennials say that their stress level related to financial issues has increased over the last 12 months.

When asked what causes them the most stress in their lives, more employees say financial matters than those who answer with any other life stressor combined.



65% of women and 52% of men said that financial matters cause them the most stress.

Financial matters was the top choice for cause of stress across all generations:

Millennials	67%
Gen X	59%
Baby Boomers	43%

One-third of employees is distracted by finances while at work

Thirty-five percent of employees report that issues with personal finances have been a distraction at work.

Nearly half (49%) of those who are distracted by their finances at work say that they spend three hours or more at work each week thinking about or dealing with issues related to their personal finances.

Employees who say that issues with personal finances have been a distraction at work:

Millennials	49%
Gen X	31%
Baby Boomers	16%

Employees admit that financial worries have impacted their health, relationships, productivity, and time away from work.

Which of the following have been impacted by your financial worries?*



* Employees could choose as many answers as applicable. Thirty-three percent say none of these.

One in five employees admits that productivity at work has been impacted by financial worries.



Stressed employees continue to show signs of being in worse financial shape as compared to other employees.

	Employees who are stressed about their finances	Employees who are not stressed about their finances
Retirement		
Have saved less than \$50,000 for retirement	68%	41%
Think it's likely will need to use money held in retirement plans for expenses other than retirement	56%	35%
Expect to spend the majority of time in retirement working because they'll need to financially	42%	15%

☆ New for 2019

Credit and debt		
Consistently carry credit card balances	67%	42%
Find it difficult to make minimum credit card payments on time each month*	45%	12%

* Asked of those who consistently carry credit card balances

Emergency savings		
Able to meet basic expenses if out of work for an extended period of time	19%	56%
Have less than \$1,000 saved to deal with unexpected expenses	57%	21%

☆ New for 2019

Stressed employees are more likely to be distracted and less productive than other employees. They are also more likely to leave for another employer that cares more about their financial well-being.

Finances have been a distraction at work	47%	10%
Spend three hours or more at work each week thinking about or dealing with personal finance issues*	49%	30%
Productivity at work has been impacted by financial worries**	26%	10%
Would be attracted to another company that cares more about financial well-being	78%	63%

* Asked of those who say finances have been a distraction at work

** As noted on page 19, employees could choose as many answers as applicable to the question, "Which of the following have been impacted by your financial worries?"

Stress also impacts employee health and relationships.

Health has been impacted by financial worries**	40%	18%
Relationships at home have been impacted by financial worries**	38%	18%

** As noted on page 19, employees could choose as many answers as applicable to the question, "Which of the following have been impacted by your financial worries?"

Student loans

Employees who have a student loan(s):

Millennials	49%
Gen X	26%
Baby Boomers	10%

Student loans impact employees’ ability to reach their goals.

How much of an impact are student loans having on your ability to meet your other financial goals?*

	Significant impact	Moderate impact
Among the 49% of Millennials with student loans	43%	37%
Among the 26% of Gen X with student loans	42%	27%
Among the 10% of Baby Boomers with student loans	50%	20%

** Answer choices included significant impact, moderate impact, little impact, or no impact.*

49% of Millennial employees have a student loan(s) and 80% of them say that their student loans have a moderate or significant impact on their ability to meet their other financial goals.



Among the 10% of Baby Boomers with student loans, 40% say the loans are for their own education expenses.

Retirement confidence

Less than half of Baby Boomers and just one-third of Millennial and Gen X employees are confident about retirement.

Employees who are confident they will be able to retire when they want to:

	2013	2014	2015	2016	2017	2018	2019
Millennials	36%	40%	41%	36%	54%	50%	▼ 35%
Gen X	33%	32%	38%	37%	40%	41%	34%
Baby Boomers	37%	48%	51%	51%	53%	55%	49%

37% of employees overall are confident they'll be able to retire when they want – 32% of women and 43% of men.



Concerns about retirement

Consistent with prior years, employees' biggest concerns about retirement relate to running out of money and healthcare.

What are your biggest concerns about retirement?*

	2013	2014	2015	2016	2017	2018	2019
Running out of money	45%	44%	43%	45%	42%	40%	51%
Healthcare costs	38%	33%	32%	28%	27%	28%	28%
Not being able to maintain my standard of living	26%	26%	26%	22%	17%	17%	25%
Not being able to meet monthly expenses	21%	20%	17%	20%	19%	17%	25%
Health issues	25%	23%	26%	29%	33%	33%	24%

* Respondents could choose up to two answers to this question. Additional answer choices included don't know what I'll do with my free time, managing my investments in retirement, not leaving any assets upon my death for family, charity, etc., meeting education expenses for children, other expenses for children, and other.

Less than half (42%) of employees think Social Security will be available when they retire, while 28% think benefits will be reduced, and 30% think it will not be available.

Most frequently cited answers by generation

Millennials

Running out of money	59%
Not being able to maintain my standard of living	26%
Not being able to meet my monthly expenses	25%

Gen X

Running out of money	51%
Healthcare costs	32%
Not being able to maintain my standard of living	25%
Not being able to meet monthly expenses	25%

Baby Boomers

Running out of money	39%
Healthcare costs	34%
Health issues	32%

Retirement savings

Sixty-five percent of employees are currently saving for retirement – 57% of Millennials, 70% of Gen X, and 77% of Baby Boomers.

How much are you saving for retirement as compared to last year?*

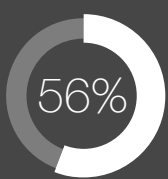
	More	Less	About the same
Millennials	51%	16%	33%
Gen X	42%	14%	43%
Baby Boomers	44%	12%	44%

* Asked of those who are currently saving for retirement

Retirement savings levels continue to be low across all generations.

Excluding the equity in your home, how much have you (and your spouse/partner, if applicable) saved for retirement?

	Millennials	Gen X	Baby Boomers
Less than \$50,000	79%	48%	39%
Between \$50,000 and \$100,000	11%	17%	17%
Between \$100,000 and \$200,000	7%	12%	12%
Between \$200,000 and \$300,000	1%	9%	7%
Between \$300,000 and \$500,000	2%	7%	9%
More than \$500,000	1%	7%	17%



More than half (56%) of Baby Boomers say they have \$100,000 or less saved for retirement.

Based on basic retirement planning guidelines, \$100,000 of savings provides only around \$4,000 per year over 30 years of retirement.*

* Assumes \$100,000 at retirement, 4% yearly draw down in retirement, for 30 years.

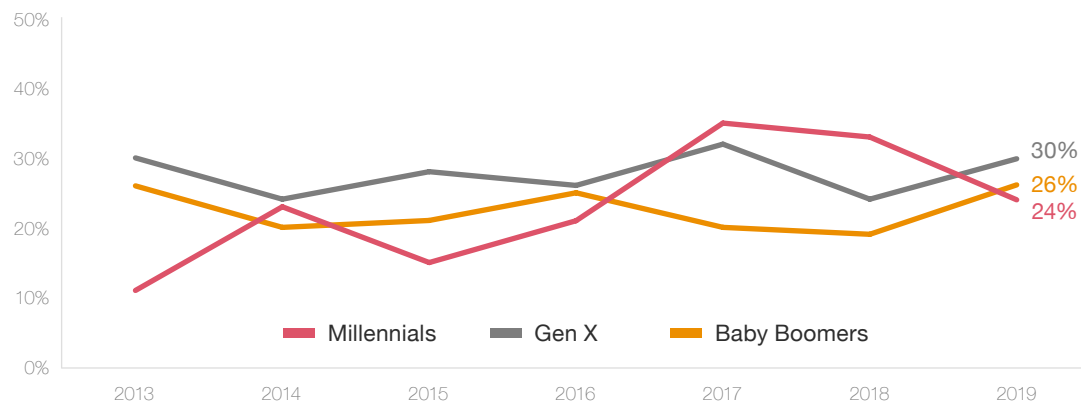
Only 38% of women have examined whether they're on track to meet their retirement goals versus 52% of men.



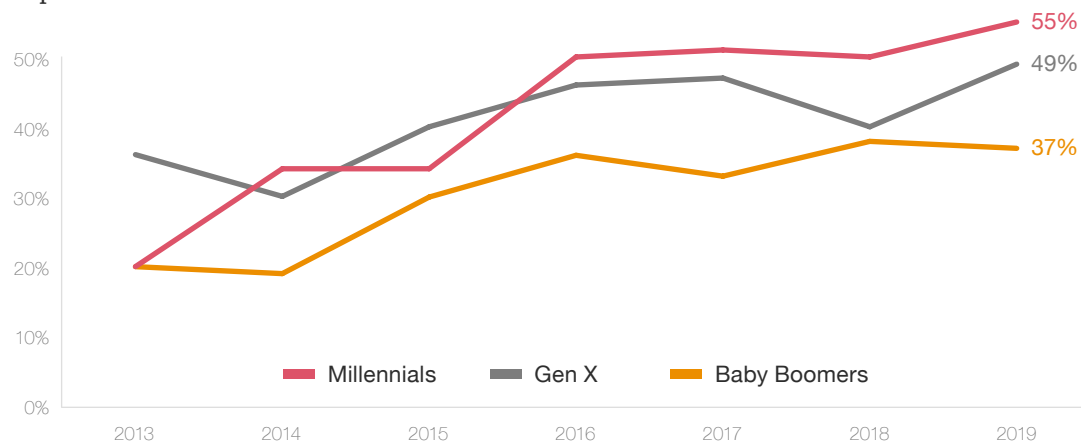
Withdrawing money prior to retirement

More than one in four (27%) of all employees has already withdrawn money held in retirement plans to pay for expenses other than retirement and nearly half (49%) think it's likely they'll need to use money held in retirement plans for expenses other than retirement.

Employees who have already withdrawn money from their retirement plans



Employees who think it's likely they'll need to use money held in retirement plans for expenses other than retirement



Why are employees withdrawing money from their retirement plans?

Among the 49% of employees who think it’s likely they’ll need to use money in their retirement plans for other expenses, the majority continue to withdraw retirement funds to deal with unexpected expenses or medical bills, while very few are taking the money to pay for education expenses or to buy a home.

What is the main reason you think it’s likely that you’ll need to use money held in your retirement plans to pay for expenses other than retirement?

	Millennials	Gen X	Baby Boomers
To deal with an unexpected expense	56%	53%	54%
To pay medical bills	20%	20%	27%
To pay off credit cards	9%	10%	8%
To pay for education expenses	4%	6%	3%
To buy a home	5%	4%	0%
Other	5%	6%	8%



Nearly one-third (32%) of employees is not currently saving for retirement.

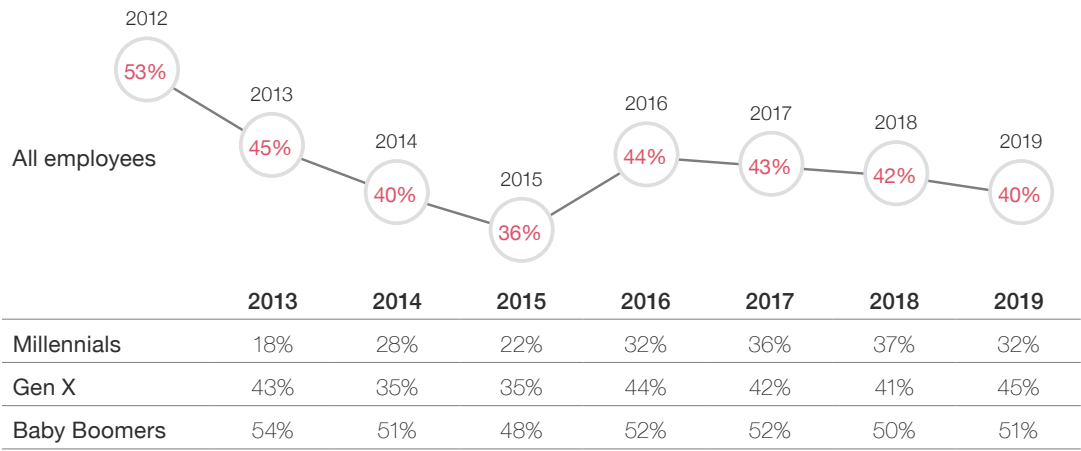
As in prior years, among the 32% of employees not currently saving for retirement, the most frequently cited reasons are too many other expenses (78%), followed by having debt to pay off (50%).*

** Respondents could choose up to two reasons for not saving for retirement from among these options: too many other expenses, debt to pay off, income is lower than last year, don't know how much to save, don't know how to save, other.*

Delayed retirements

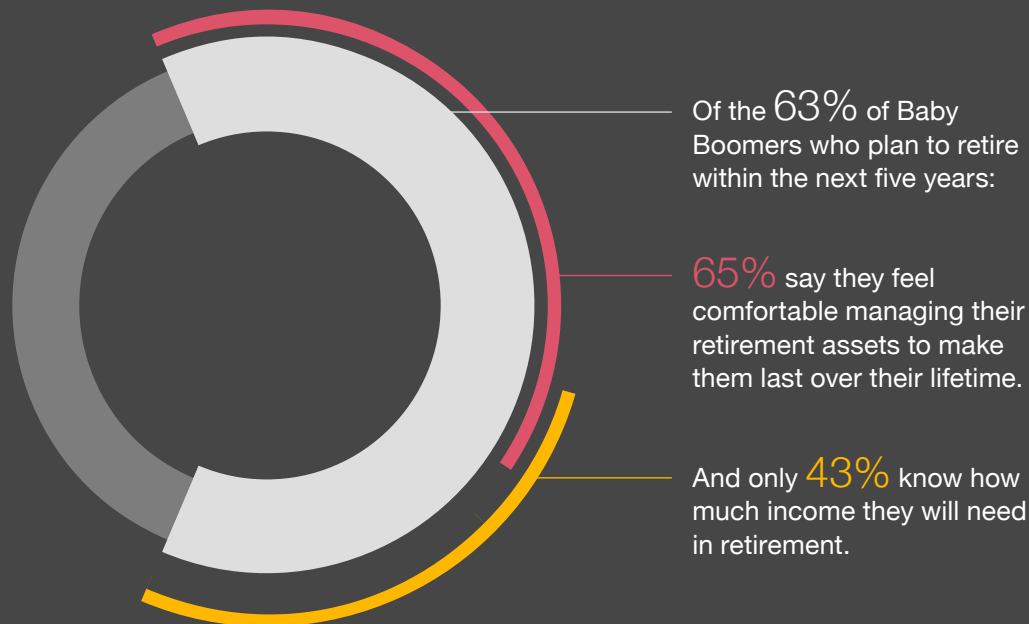
Forty percent of all employees plan to retire later than they previously planned.

Employees planning to postpone retirement



Baby Boomers and retirement

Consistent with prior years, half of all Baby Boomers (51%) are planning to postpone their retirement. Less than half (46%) of Baby Boomers are confident they'll be able to cover medical expenses in retirement.



Baby Boomers' most frequently cited reasons for delaying retirement*

Haven't saved enough	47%
Don't want to retire yet	35%
Too much debt	25%
Need to keep healthcare coverage	22%

* Respondents could choose up to two reasons for planning to postpone retirement from among these options: haven't saved enough to retire, need to keep healthcare coverage, don't want to retire yet, too much debt, retirement investments have declined in value, still supporting children/grandchildren, other.

Only one-third of Baby Boomers think their savings and Social Security will be enough.

Do you believe your current retirement plans and Social Security will be sufficient to support you in retirement?

Yes	33%
No	39%
I don't know	28%

Healthcare and retirement

Employees across all generations are concerned that healthcare costs will impact their retirement.

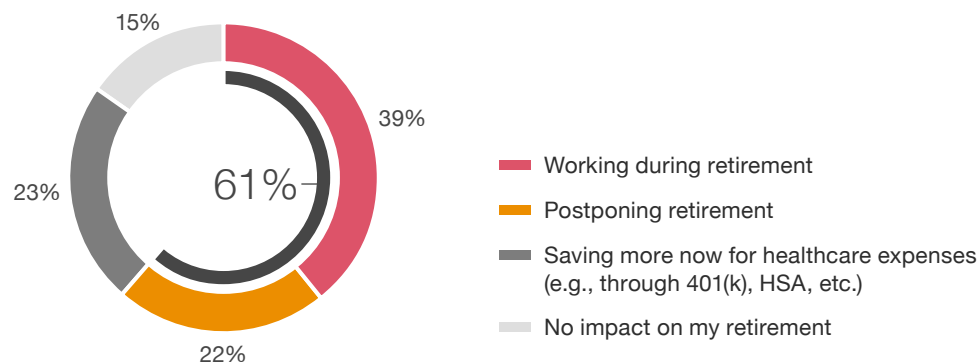
Employees who think healthcare costs will impact their retirement:

Millennials	73%
Gen X	70%
Baby Boomers	61%

Only 39% of employees are confident they will be able to cover medical expenses in retirement.

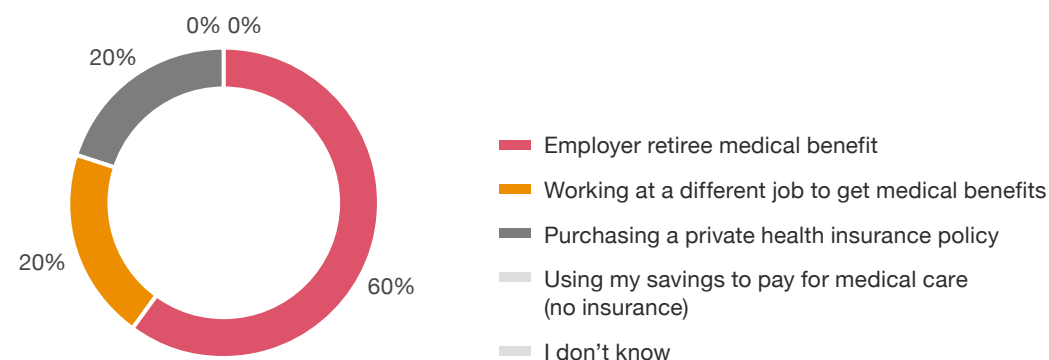
Nearly two-thirds (61%) of employees either plan to work during retirement or postpone their retirement due to a lack of retiree medical coverage.

With fewer employers offering retiree medical coverage, what is the main impact you see on your plans for retirement?



Seventy-five percent of employees who plan to retire within the next five years before age 65 say they have a plan for covering healthcare expenses prior to becoming eligible for Medicare. The majority of them (60%) are counting on employer retiree medical benefits.

What is the main way you plan to address healthcare expenses prior to age 65?



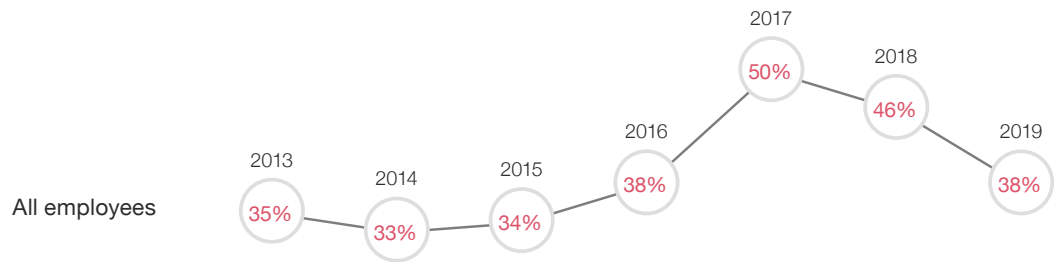
Healthcare costs

The vast majority (85%) of employees believe that healthcare costs will rise over the next several years, and with the possibility of changes to the Affordable Care Act, 53% are more concerned about their ability to save for future healthcare expenses.

Health Savings Accounts (HSA)

Sixty percent of employees with health insurance are covered by a high or mid-deductible healthcare plan, yet only 38% of them are contributing to the HSA.

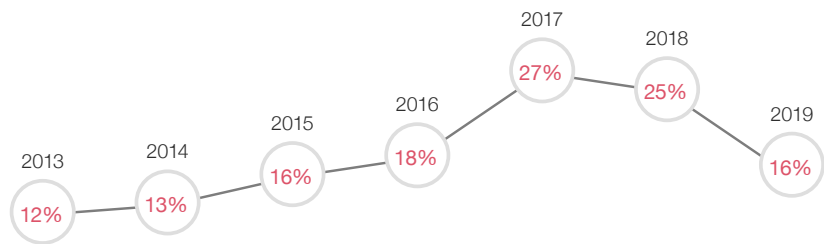
Employees with a high or mid-deductible healthcare plan who contribute to their HSA:



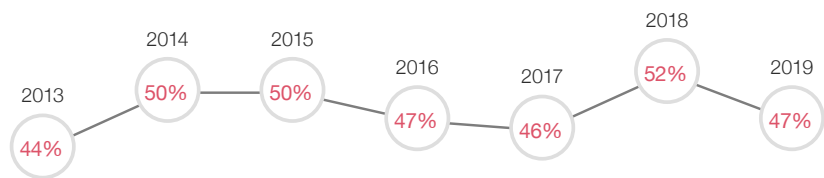
Fewer than one in five employees is using the Health Savings Account (HSA) exclusively as an opportunity to save for retirement.

I plan to use the funds in my HSA for:

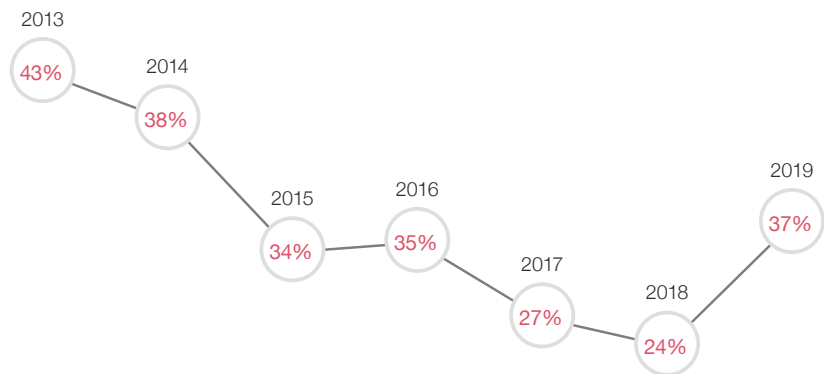
Future retirement healthcare costs



Immediate or near-term healthcare costs



Both immediate/near-term healthcare costs and future retirement healthcare costs





☆ New for 2019

Life in retirement

More than 80% of today's employees believe they will be working during retirement.

Which option best describes what you'll be doing when you retire?

	All employees	Millennials	Gen X	Baby Boomers
Working part-time	50%	51%	47%	52%
Working full-time	32%	29%	36%	27%
Not working for money	18%	19%	16%	21%

One-third of today's employees expect to be working in retirement because they will need to financially. Half of all Baby Boomers expect to be working in retirement, either out of necessity or because they want to work.

What do you expect you'll do with the majority of your time in retirement?

	All employees	Millennials	Gen X	Baby Boomers
Working because I'll need to financially	33%	32%	36%	29%
Traveling	17%	19%	16%	12%
Enjoying activities I like to do	16%	17%	16%	18%
Working because I'll want to	15%	11%	16%	21%
A different career/job than what I currently do	5%	6%	5%	5%
Volunteering	5%	5%	5%	7%
Don't Know	5%	6%	5%	4%
Caregiving (e.g., for grandchildren or other family members)	3%	4%	2%	3%

Investing

50%

of employees are comfortable selecting investments that are right for them (40% of women versus 60% of men).

17%

of employees have more than 10% of their investments in one company stock.

45%

of employees have reviewed their investment portfolio within the last 12 months.

28%

of employees have had their asset allocation reviewed by a financial professional within the last 12 months.

Employees’ comfort with selecting investments does not appear to grow as they age:

Millennials	48%
Gen X	51%
Baby Boomers	51%

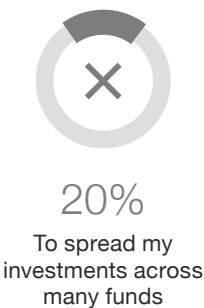
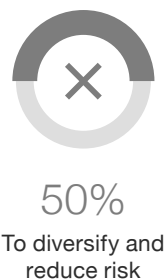
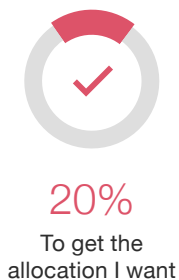
Although target date funds are widely used, employees still don't seem to understand how to invest in them.

53% of employees who are investing in target date funds in their retirement plans say they’re invested in more than one target date fund.

Why are employees investing in multiple target date funds?

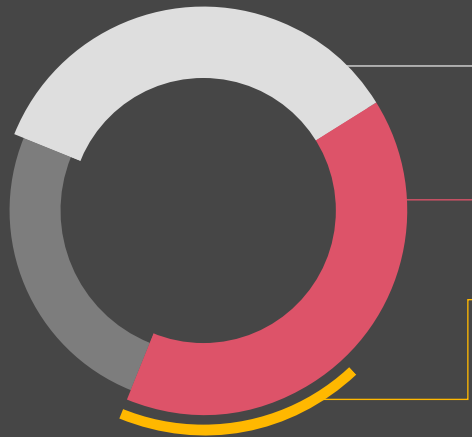
Only one in five employees (20%) understands how to use multiple target date funds in a portfolio.

Why are you investing in multiple target date (lifecycle) funds?



Education planning

Forty-nine percent of employees plan to fund education expenses for children or grandchildren and 29% plan to fund education expenses for themselves or a spouse/partner.



Among these employees:

35% have investigated how much they'll need to meet their education funding goal.

40% are saving for education expenses.

45% of those saving for education expenses are contributing to a tax-advantaged education savings plan.



Risk management

Disaster preparedness

Forty percent of employees have not taken any steps to prepare financially for a natural disaster. Only one out of four is prepared to cover six months' worth of expenses.

How have you prepared financially for a natural disaster?*

☆ New for 2019

Have enough cash savings to cover my expenses for 6 months if I couldn't work	26%
Have a current inventory of household property	15%
Confirmed what is covered/not covered for natural disasters as part of my homeowners insurance	19%
Made sure that my homeowners policy includes any home improvements or high value items (jewelry, artwork, etc.)	18%
Evaluated whether I should have a separate flood insurance policy	12%
Evaluated whether I should have a separate earthquake insurance policy	7%
Home appraisal to make sure that my homeowners insurance reflects current replacement costs	9%
Have a "go bag" with important documents	17%
Evaluated life insurance needs	16%
None of these	40%

* Employees could select as many answers as applicable. If they had not taken any of these actions, they were instructed to select "None of these."



Life insurance

Thirty-eight percent of all employees have evaluated their life insurance needs within the last 12 months.

Millennials	31%
Gen X	43%
Baby Boomers	45%

Disability insurance

Forty-five percent of all employees indicate that they are covered by disability insurance.

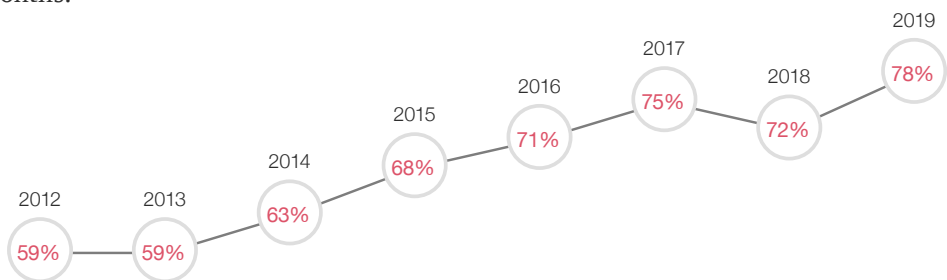
Millennials	37%
Gen X	55%
Baby Boomers	45%

Property insurance

Thirty-five percent of all employees have evaluated their property insurance needs within the past 12 months.

Millennials	27%
Gen X	39%
Baby Boomers	46%

One way to be vigilant regarding possible instances of identity theft is to review credit reports regularly. Increasing numbers of employees have checked their credit report in the last 12 months:



Less than half of all employees (41%) are confident that their needs, and the needs of those who depend on them for financial support, would be met if they were to become disabled or die.

Identity theft

20% of employees say they have been a victim of identity theft.

57% say they would know what to do if their identity were stolen.

Estate planning

Many employees don't have important documents in place.

Employees who have a will

Millennials	13%
Gen X	31%
Baby Boomers	53%

Employees who have a living will

Millennials	20%
Gen X	30%
Baby Boomers	44%

Employees who have durable power of attorney for financial matters

Millennials	15%
Gen X	23%
Baby Boomers	37%

Employees who have durable power of attorney for healthcare matters

Millennials	17%
Gen X	23%
Baby Boomers	40%

Employees who have up-to-date beneficiary forms

Millennials	48%
Gen X	70%
Baby Boomers	80%

28% of all employees have a will. Of those who have a will, 69% say they have reviewed it and made any necessary updates within the last five years.

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