



May 2018

# Employee Financial Wellness Survey 2018 results

*Click on a topic to go directly to that section.*

**About this survey** **2**

**Foreword** **2**

Employees define financial wellness ...5

Top financial concerns .....6

What would most help you achieve  
your future financial goals? .....7

Employer benefits .....9

Lifestages .....13

Cash and debt management .....17

Financial stress .....22

Finances while at work .....25

Student loans ..... 27

Retirement confidence .....30

Concerns about retirement .....31

Retirement savings .....32

Withdrawing money prior  
to retirement ..... 34

Delayed retirements .....36

Investing ..... 38

Education planning .....39

Risk management .....40

Estate planning ..... 44

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## ***About this survey***

PwC's 2018 Employee Financial Wellness Survey was conducted during the last two weeks of February and tracks the financial and retirement well-being of working U.S. adults nationwide. This year it incorporates the views of 1,600 full-time employed adults. The margin of error is +/- 3%. Participants have been categorized by generation using the following age groups: 21 to 36 (Millennials), 37 to 57 (Gen X) and 58 to 75 (Baby Boomers).

## ***Foreword***

We are pleased to present insights from our 2018 edition of PwC's Employee Financial Wellness Survey which tracks the financial well-being of full-time employed U.S. adults.

### ***Economy influencing employee behaviors and attitudes***

Overall, with the market at all-time highs, salaries and bonuses beginning to increase, interest rates still at historical lows, and the potential for a windfall for some from tax reform, more employees appear to be shifting their focus away from the worries of day-to-day financial issues. While there are still many who are struggling, this year's survey results continue to show a trend towards the positive. But buoyed by the positivity that a wage increase or job stability brings, will employees choose to spend more, or will they increase savings and shore up areas that have historically caused them stress?

While the results of this year's survey are trending positive, the recent volatility in the stock market indicates some continued concern about the economic and contentious political environment. In 2018 more uncertainty could be on the horizon with the likelihood of interest rates rising to stave off inflation and help keep the economy growing. However, these could pose a threat to people with adjustable rate mortgages and those carrying credit card balances or other variable-rate loans, particularly those who historically have found it difficult to make their minimum payments. While we found fewer employees consistently carrying credit card balances as compared to last year, the percentage of those finding it difficult to make their minimum payments held steady. While some have benefited from the recent tax reform, others may be impacted negatively because mortgage interest or home equity debt may no longer offer the tax benefits they once did.

### ***Confidence and stress***

We find that even with a more favorable backdrop, employees still aren't confident in their ability to reach their goals. Less than half are confident they'll be able to retire when they want, and nearly two-thirds either say their retirement plans and Social Security won't be sufficient to support them in retirement or they aren't sure. Fairly consistent with recent prior years, close to half of all employees say they are stressed about their finances. And when asked what causes them the most stress in their lives, nearly twice as many say financial matters as compared to job stress; in fact, more employees say financial stress than health concerns and relationships combined.

### ***Healthcare concerns***

Amid ongoing uncertainty around healthcare in the U.S., healthcare emerges as an even bigger concern weighing on employees. For the first time, we find that among Baby Boomers' reasons for delaying retirement, needing to keep healthcare coverage is a more popular choice than simply not wanting to retire. Overall, when looking at employees' retirement concerns, we see that worries

over health issues and healthcare costs combined are even more prevalent than the fear of running out of money. A growing number of employees, now more than one in five, would be willing to sacrifice future pay increases for better healthcare benefits. And that's not surprising as increasing numbers of younger employees are experiencing the financial impact of helping older parents and loved ones navigate the daunting expenses of healthcare, assisted living, and nursing homes while simultaneously trying to tackle their own financial challenges and goals.

### *Caring for parents and adult children*

Nearly one in four employees is providing financial support for parents or in-laws, and they face additional financial challenges as compared to other employees – more than twice as many use credit cards to pay for monthly necessities they couldn't otherwise afford and nearly three times as many say that their finances have been a distraction at work or that their productivity at work has been impacted by their financial worries. They are also more than twice as likely to have withdrawn money held in retirement plans to pay for non-retirement expenses. With a large aging population in the U.S. and greater longevity, we expect these challenges to continue to increase for Gen X and Millennial employees caring for aging loved ones.

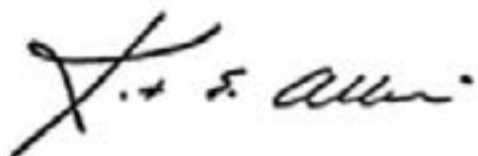
This year we also examined the financial burden faced by employees who support their adult children. Among those with adult children, 42% provide financial support to their adult children and more than half are willing to sacrifice their own financial well-being to do so. That willingness sometimes comes with dire consequences as those providing financial support to adult children find themselves nearly three times as likely to use credit cards for monthly necessities they couldn't otherwise afford, twice as likely to find it difficult to make minimum payments on their credit card balances, and twice as likely to report that their finances have been a distraction at work. Preliminary results of our analysis of those employees supporting both parents and adult children show they may have it the toughest as they are caught in the middle and may find themselves unable to provide for their own financial well-being.

### *Role of employer benefits*

Employees are consistent – year over year and across generations – when they define financial wellness in terms of aspirational goals like freedom from stress and financial worry, and making choices to enjoy life. Interestingly, more than half of all employees want to make their own financial decisions but are looking to have someone to help validate that decision. Over the past six years, growing numbers of employees are using the services their employer provides to assist them with their personal finances, and 25% of those who don't have an employer benefit that provides access to unbiased financial counselors say it's the employer benefit they would like to see added. We find that employees who use these services get help with a wide array of financial needs and are most likely to seek financial help when they have an important decision to make or upon finding themselves in financial crisis. The more employers can encourage employees to use the services on an ongoing basis, the more positive the outcome, as studies continue to show that those who engage in financial planning on a continuous basis are far better off than those who do not.

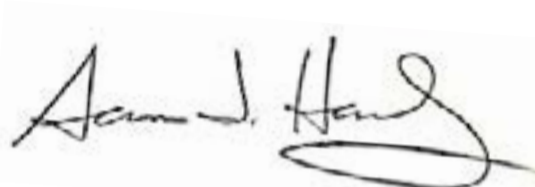
While few employees define financial wellness in terms of retirement, clearly the continued concerns around retirement savings sufficiency is a pressing issue for employees and employers alike. Our survey continues to show employees raiding their retirement funds, and there is an alarming general trend upwards in terms of employees who think it's likely they'll need to use money in their retirement plans for non-retirement expenses in the future. Retirement plan funds have become a safety valve for many who don't have money set aside for an emergency or unexpected expense.

While some employers are looking to address this growing concern through plan design changes that further restrict loans and withdrawals, they may only exacerbate the situation if employees then seek less favorable ways to meet their needs. It remains to be seen whether U.S. plans will follow some of the international retirement plan models with mandatory employee and employer contributions, provisions against using money prior to retirement, and annuity features that provide a buffer for employees struggling to make their money last. However, it is our continued belief that it will take a combination of strategic plan redesign, along with an increased focus on promoting healthier employee financial management behaviors, to solve the issue, and neither will be a sole solution.



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*About the PwC Employee Financial Education and Wellness practice*

Employees may be stressed over organizational shifts, market conditions, personal life events, or benefits changes. 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. Our goal is to empower employees to make educated decisions to improve their financial well-being.

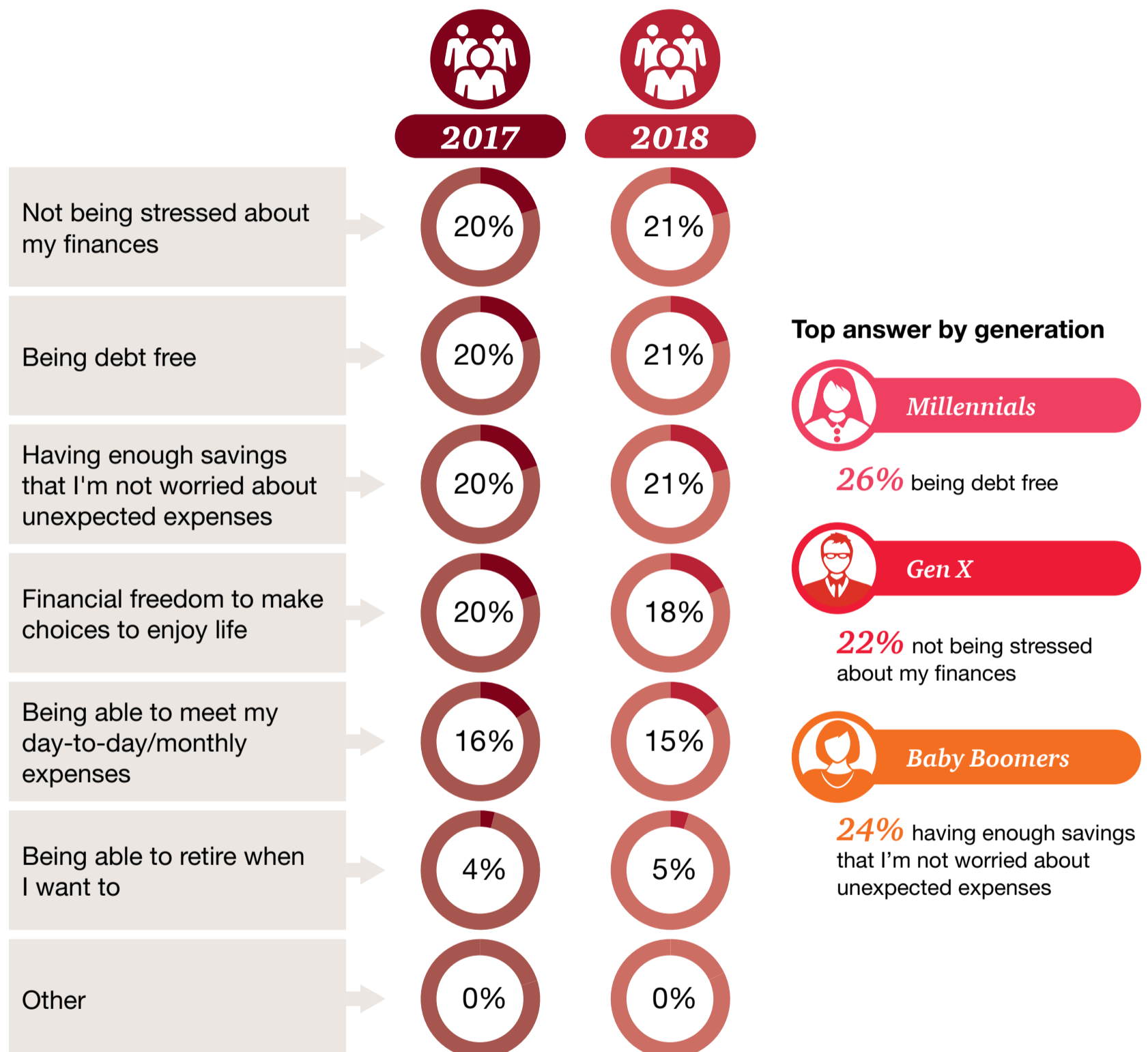
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# Employees define financial wellness

Consistent with last year, employees continue to indicate that financial wellness means achieving financial stability and addressing the issues that cause them the most stress.




What does financial wellness mean to you?



# Top financial concerns

**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	48%	51%	41%
Not being able to retire when I want to	25%	39%	46%
Not being able to meet monthly expenses	30%	23%	17%
Being laid off from work	19%	19%	15%
Not being able to keep up with my debts	16%	13%	9%
Losing my home	8%	6%	5%
Not being able to pay for college	4%	7%	2%
Other	10%	7%	17%

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

## Gender differences for top financial concerns



**52% of women** cited not having enough emergency savings for unexpected expenses versus **42% of men**

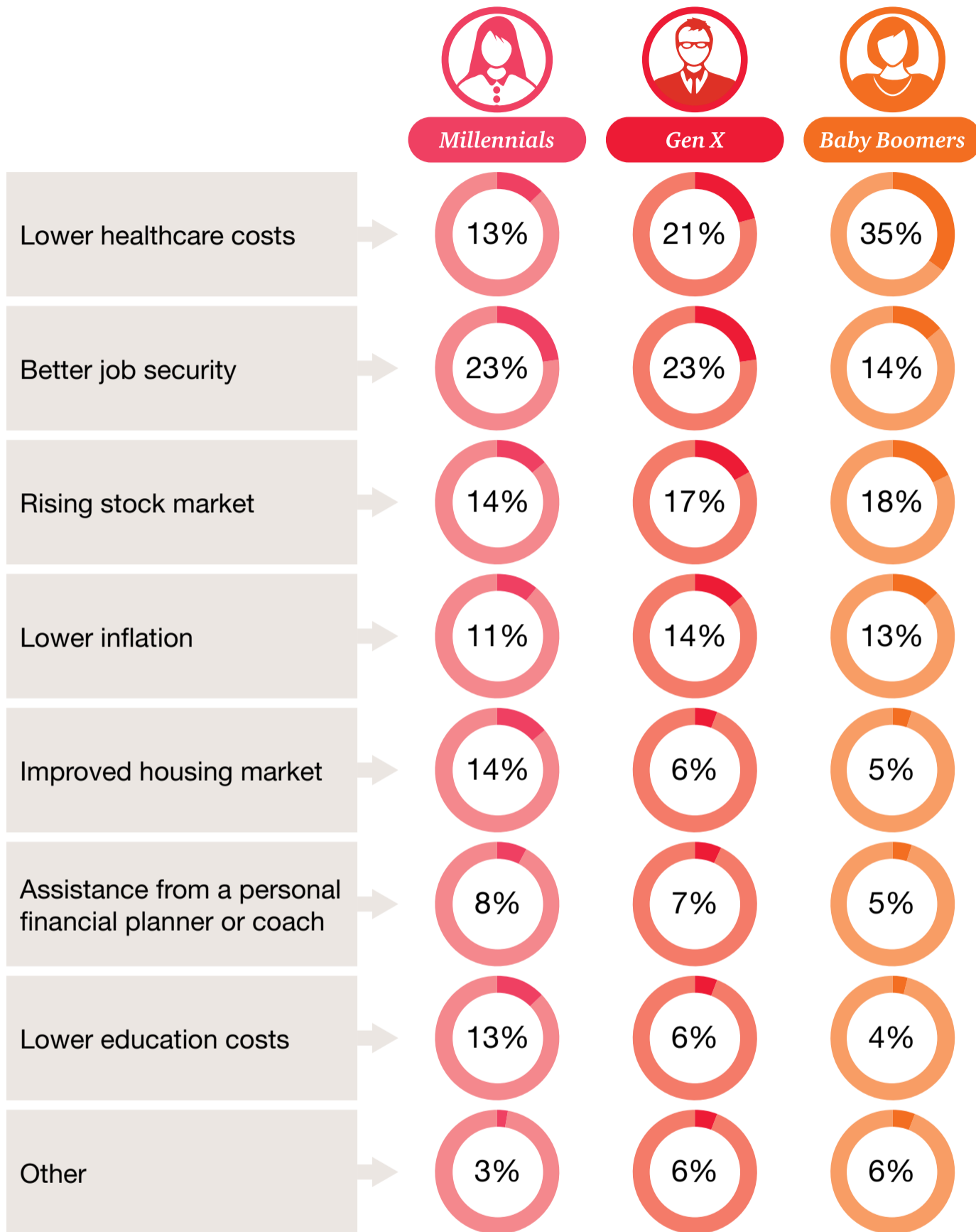
# What would most help you achieve your future financial goals?

More affordable healthcare is now the top choice overall, and better job security is a close second. Like last year, job security continues to be more important for Millennials and Gen X, whereas lower healthcare costs are more important for Baby Boomers.

● All employees



## What would most help you achieve your future financial goals?



**22% of employees** say they would be willing to sacrifice future pay increases for better healthcare benefits (up from 13% in 2014).



# Employer benefits



Employees who say that their compensation is keeping up with the rising cost of their living expenses:



Only 43% of women say their compensation is keeping up with their cost of living as compared to 55% of men.

60% believe their employer's benefit plans are competitive with those offered by other organizations.



79% say they have a good understanding of employer benefit and savings plans and the role those plans play in their overall financial well-being.



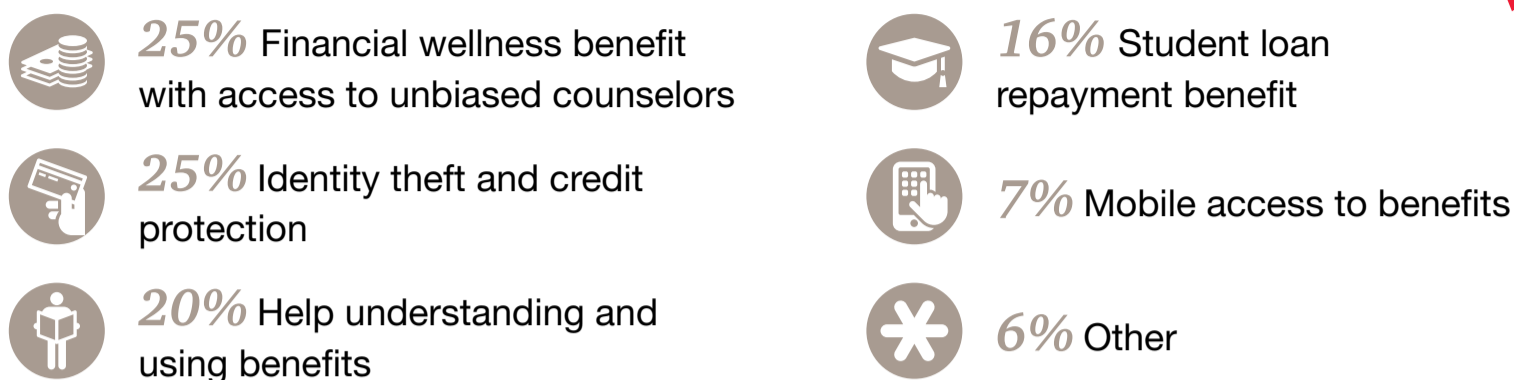
49% of employees believe their employer cares about their financial well-being.

Millennials (56%) 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 Gen X (41%) and Baby Boomers (35%).

Millennials (67%) and Gen X (68%) are more likely to be attracted to another company that cares more about their financial well-being than Baby Boomers (50%).



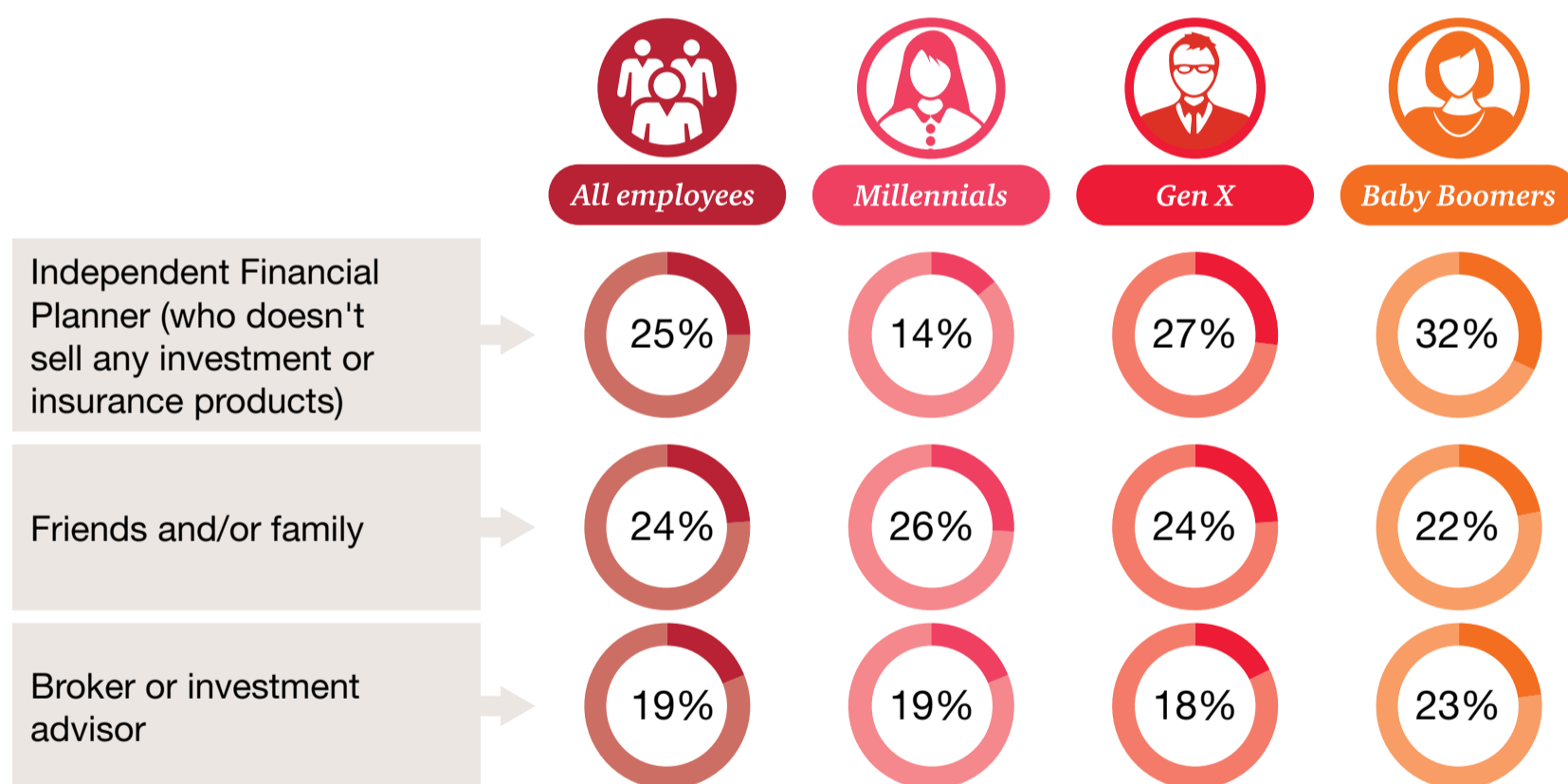
## What employer benefit would you most like to see added in the future (if you do not already have it)?



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



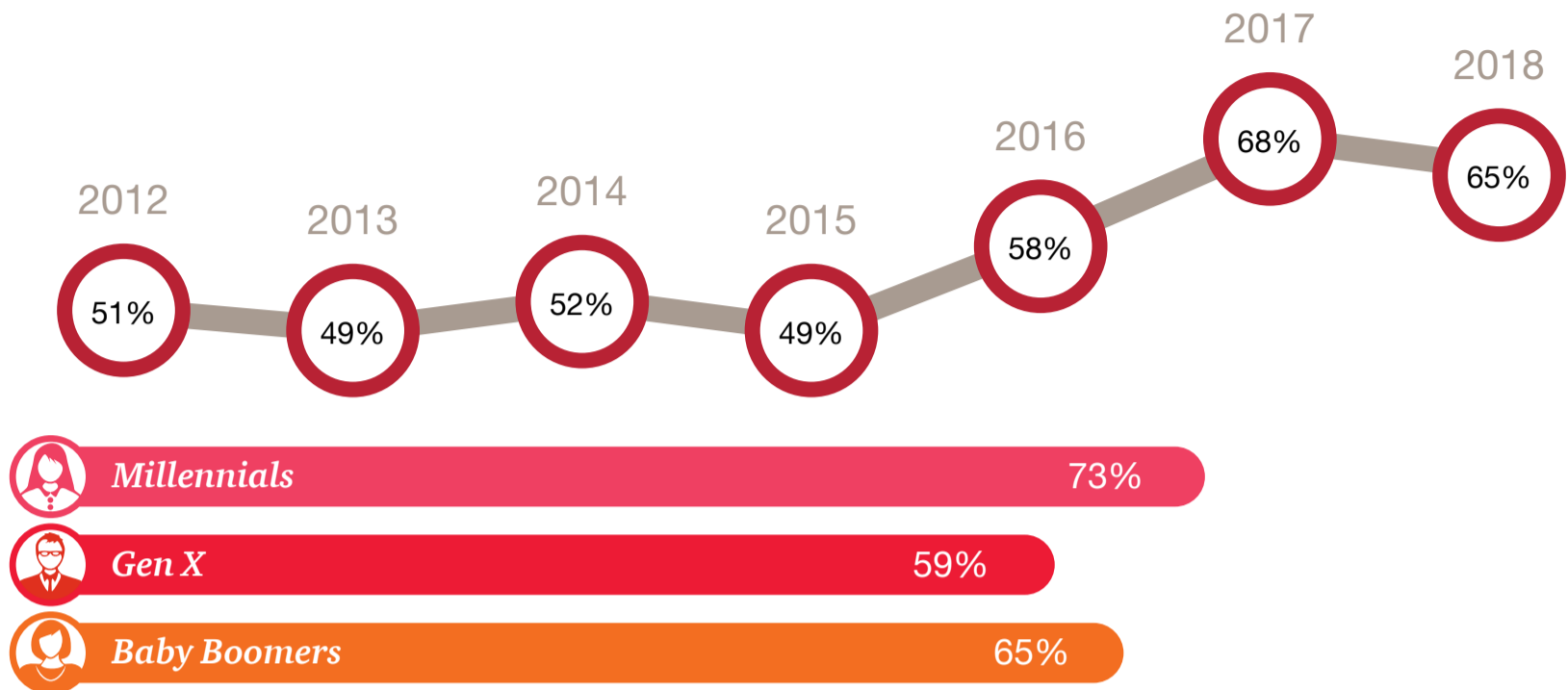
*Baby Boomers and Gen X employees are more likely than Millennials to recognize the value of an independent financial planner who does not sell investment or insurance products.*



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

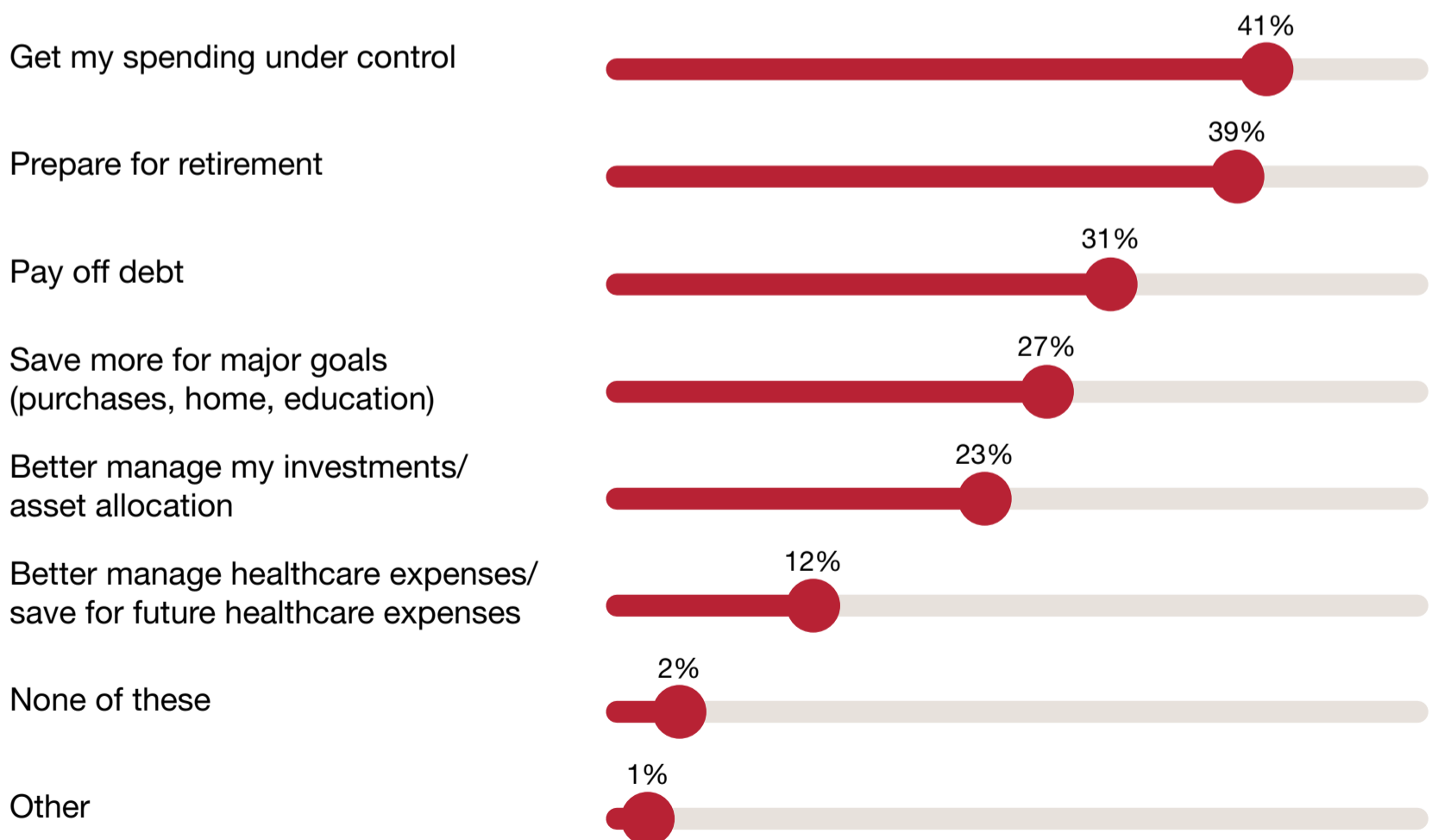
**35% say their employer offers services to assist them with personal finances and nearly two-thirds (65%) say they've used the services.**

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\*:



\* Employees could choose as many answers as applicable.

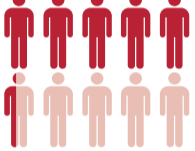




## When are you most likely to seek financial help or guidance?

-  **42%** When I have to make an important financial decision like buying a home or making saving and investing decisions.
-  **22%** Never. I handle my own finances.
-  **21%** When I find myself in financial crisis (debt issues, unexpected expenses, job or income loss, lack of cash flow)
-  **14%** When I am experiencing a life event like marriage, birth, death, divorce, or job change.
-  **1%** Other



## When it comes to getting help with my personal finances:

-  **54%** I want to make my own decisions, but want someone to validate that decision.
-  **32%** I want specific advice (I want to be told what to do).
-  **15%** I don't need anyone else's help.

# Lifestages



## Providing financial support for adult children



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

**More than half (53%)** are willing to sacrifice their own financial well-being for their kids.

### When it comes to my adult children:



**53%** I will sacrifice my own financial wellbeing to make sure they are financially stable throughout their lives.



**42%** I will help them only in times of emergency.



**5%** Once they reach adulthood, they are on their own.

Among those employees supporting adult children who are willing to sacrifice their own financial well-being, **nearly twice as many (34%) say they've already withdrawn money from their retirement plans** as compared to those who did not indicate a willingness to sacrifice their own financial well-being (18%).

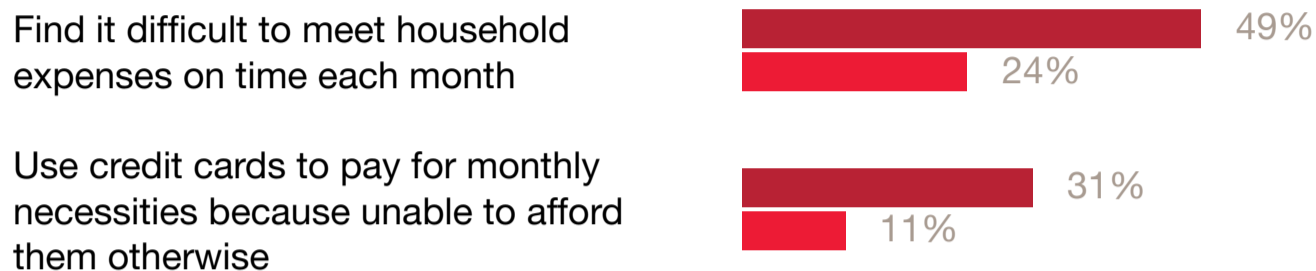




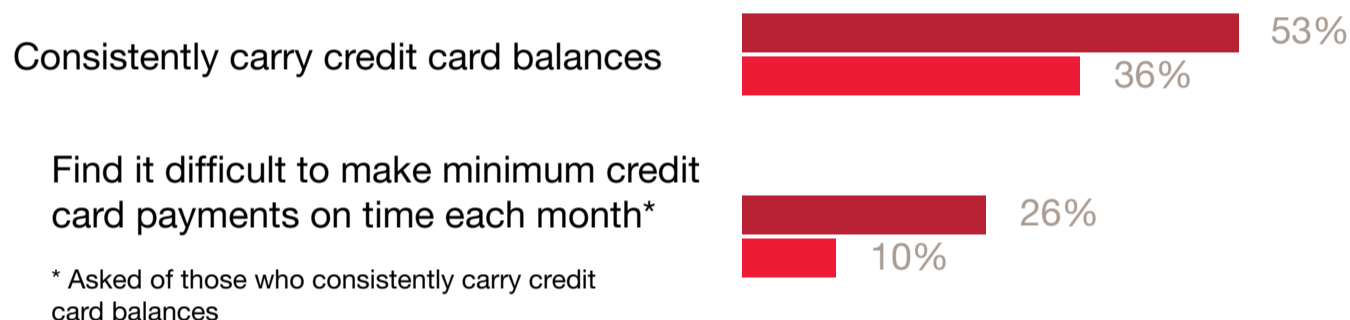
## Employees who provide financial support to adult children face additional challenges

- Employees **who provide** financial support to adult children
- Employees **who do not provide** financial support to adult children

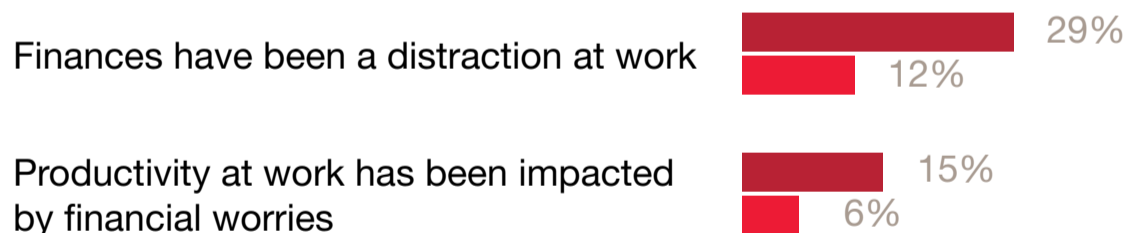
### Cash flow



### Credit and debt



### Productivity



### Retirement



## Providing financial support for parents or in-laws



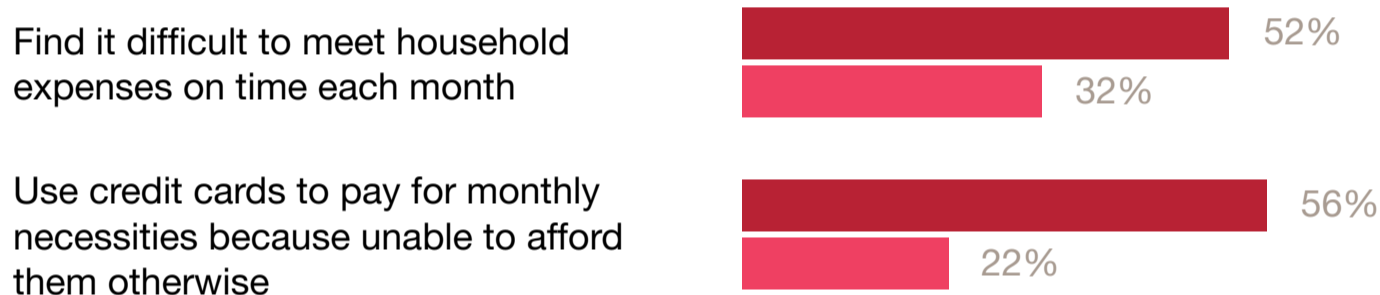
**23% of employees** are providing financial support for parents or in-laws.

*Sixty-one percent* of employees who provide financial support to parents or in-laws also have dependent children and half of them are paying dependent care expenses. In addition, *74% also provide non-financial care* for their parents or in-laws.

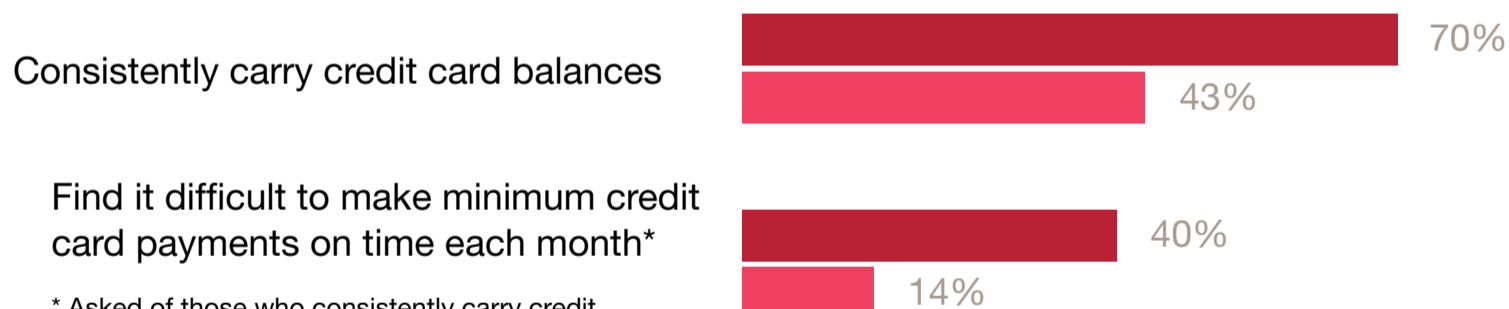
## Employees who provide financial support for parents or in-laws face additional challenges

- Employees **who provide** financial support to parents or in-laws
- Employees **who do not provide** financial support to parents or in-laws

### Cash flow

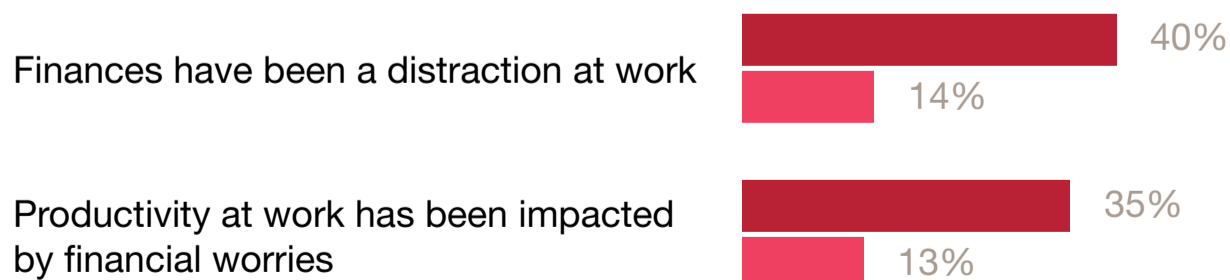


### Credit and debt



\* Asked of those who consistently carry credit card balances

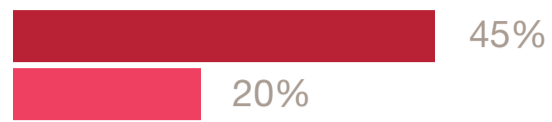
### Productivity



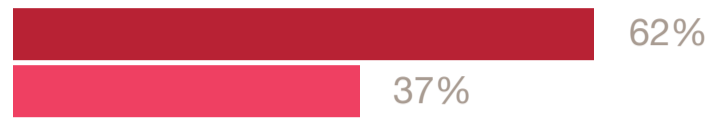
## Retirement



Have withdrawn money held in retirement plans to pay for expenses other than retirement



Think it's likely they will need to use money held in retirement plans for expenses other than retirement

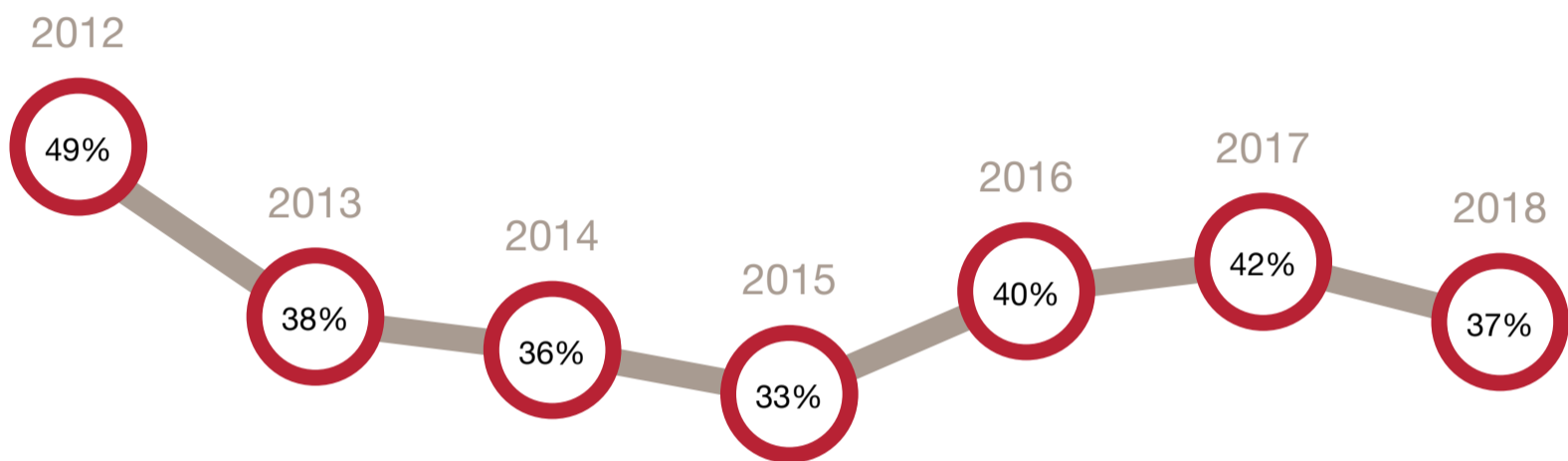


# Cash and debt management

*Fewer employees overall are having cash and debt issues this year. There is a particularly large decrease in Gen X employees who have difficulty meeting their monthly expenses. Fewer Millennial and Gen X employees are carrying credit card balances, although the number who find it difficult to make their minimum payments has actually increased among Millennials. Fewer employees overall (and Gen Xers in particular) are using credit cards to pay for monthly necessities they can't otherwise afford.*

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

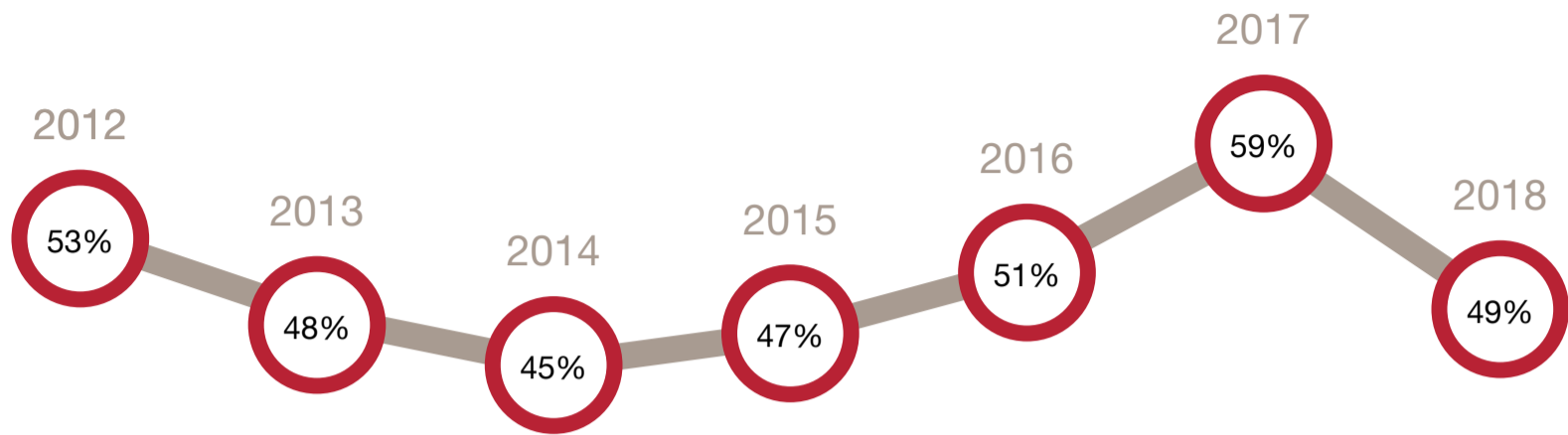
● **All employees**



	2013	2014	2015	2016	2017	2018
● <b>Millennials</b>	30%	41%	35%	46%	41%	41%
● <b>Gen X</b>	49%	43%	39%	44%	<b>50%</b>	<b>↓ 39%</b>
● <b>Baby Boomers</b>	31%	26%	24%	32%	32%	28%

Employees who consistently carry balances on their credit cards:

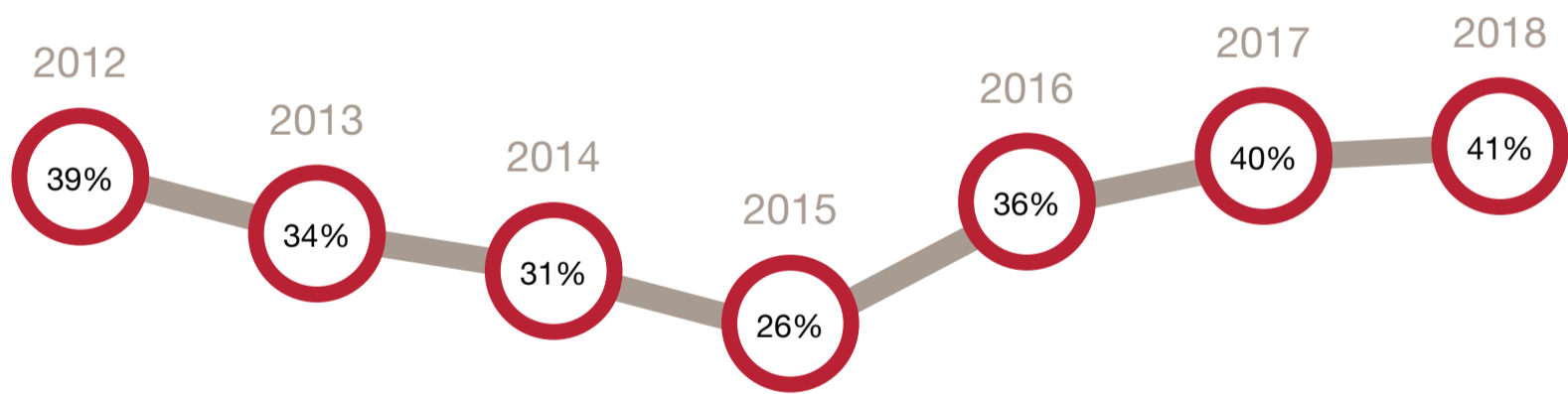
● All employees



	2013	2014	2015	2016	2017	2018
● Millennials	37%	51%	52%	53%	<b>70%</b>	↓ <b>59%</b>
● Gen X	58%	51%	52%	53%	<b>63%</b>	↓ <b>48%</b>
● Baby Boomers	42%	35%	37%	46%	41%	41%

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

● All employees



	2013	2014	2015	2016	2017	2018
● Millennials	23%	39%	30%	40%	<b>39%</b>	↑ <b>47%</b>
● Gen X	44%	33%	29%	36%	42%	38%
● Baby Boomers	23%	22%	19%	32%	36%	37%

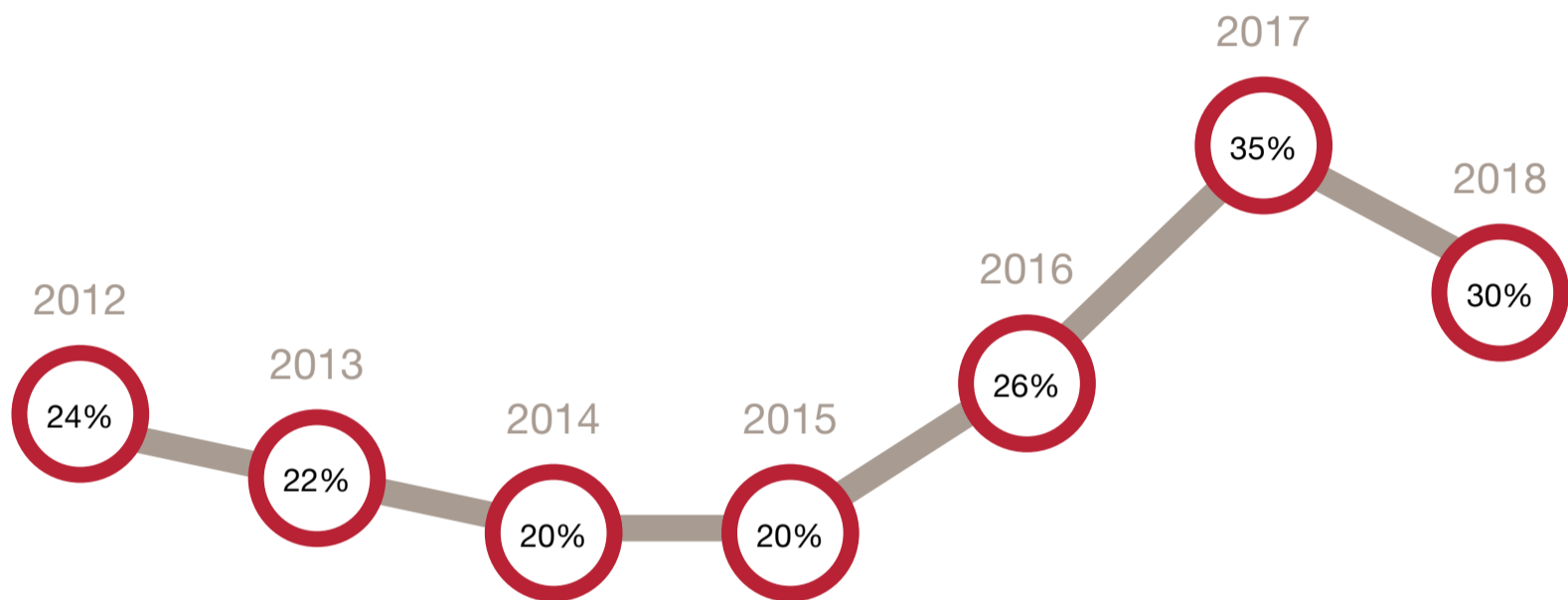




*Of the employees consistently carrying balances on their credit cards, 70% have developed a plan to reduce their debt. Nearly three-quarters (72%) say they developed their debt reduction plan on their own and only 16% used help from a financial professional. Eighty-six percent of those with a debt reduction plan say they have been following their plan on a consistent basis.*

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

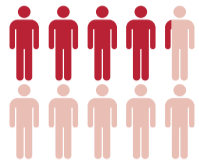
● **All employees**



	2013	2014	2015	2016	2017	2018
● <b>Millennials</b>	24%	29%	23%	30%	45%	44%
● <b>Gen X</b>	33%	24%	23%	27%	<b>38%</b>	↓ <b>26%</b>
● <b>Baby Boomers</b>	12%	12%	15%	21%	18%	20%

**Cash and debt challenges are an issue even for those employees at the highest income level (\$100,000+) of those surveyed.**

Among employees earning \$100,000 or more:



**42%** Consistently carry credit card balances



More than one-third (**37%**) of those who consistently carry credit card balances find it difficult to make their minimum payments each month.



**23%** Use credit cards to pay for monthly necessities because they can't afford them otherwise



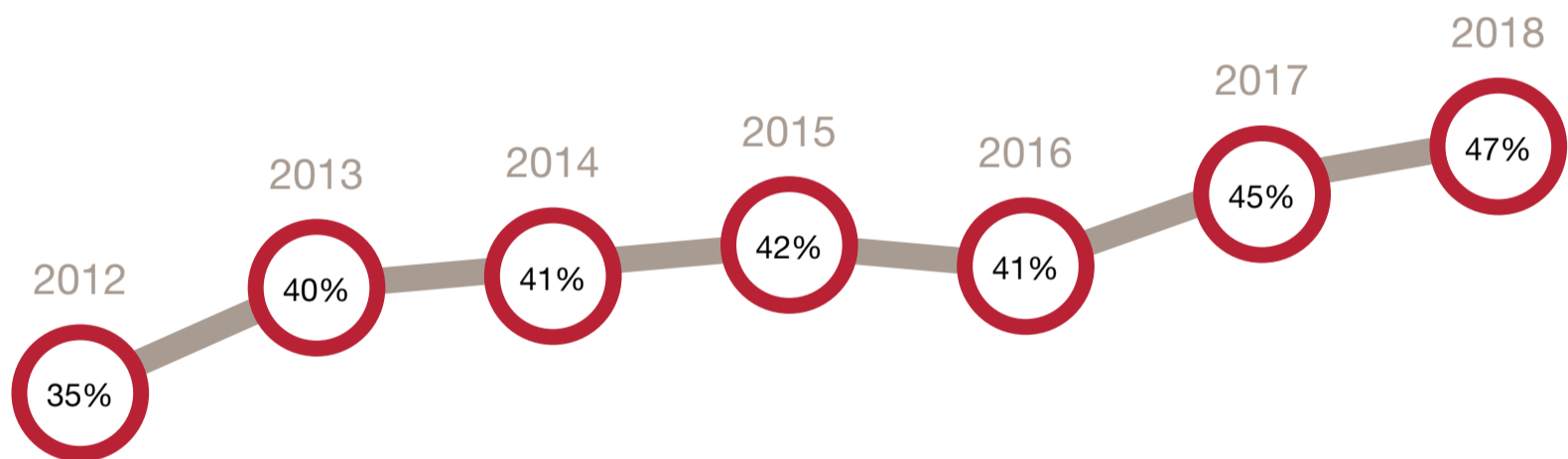
**21%** Find it difficult to meet household expenses on time each month

**Emergency savings**

*Less than half of all employees are prepared with emergency savings.*

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

**All employees**



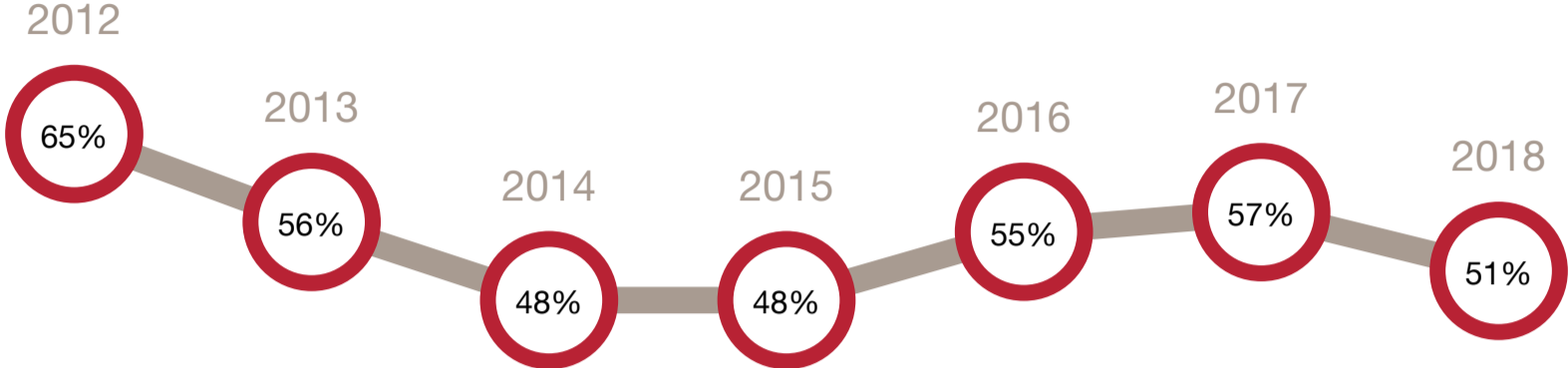
	2013	2014	2015	2016	2017	2018
<b>Millennials</b>	35%	38%	39%	38%	52%	50%
<b>Gen X</b>	41%	33%	36%	41%	38%	41%
<b>Baby Boomers</b>	40%	50%	52%	43%	48%	53%



**Only 40% of women** would be able to meet their basic expenses if they were out of work for an extended period of time versus **54% of men**.

# Spending habits

More than half (51%) of employees have changed their spending behavior in the past 12 months in order to save money on day-to-day necessities.

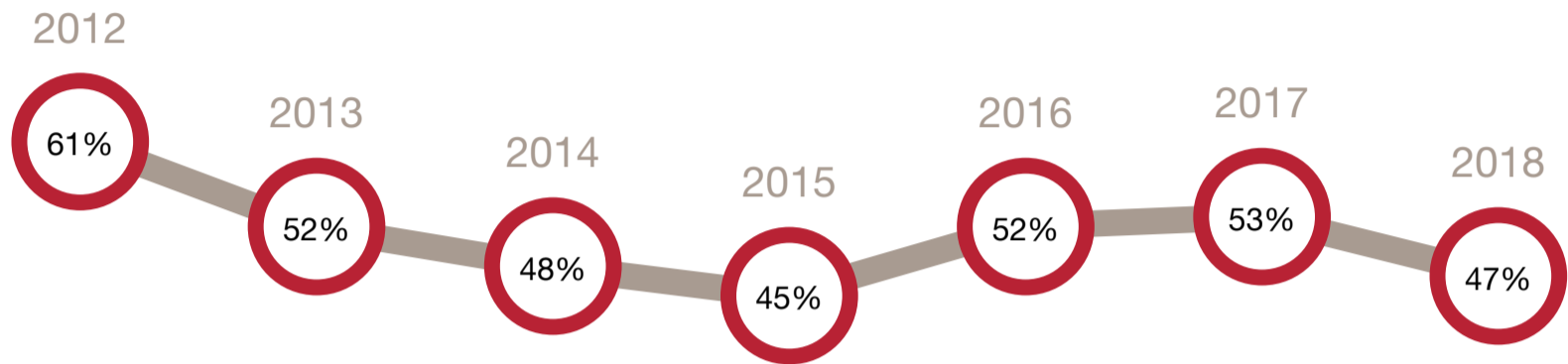


# Financial stress

Nearly half (47%) of employees report that they are stressed dealing with their financial situation, and 41% say that their stress level related to financial issues has increased over the last 12 months.

Employees who find it stressful dealing with their financial situation:

● All employees



While fewer employees report financial stress this year, still half of Millennial and Gen X employees are stressed about their finances.

	2013	2014	2015	2016	2017	2018
● Millennials	49%	60%	52%	64%	57%	53%
● Gen X	62%	53%	52%	56%	59%	50%
● Baby Boomers	45%	36%	34%	40%	41%	35%

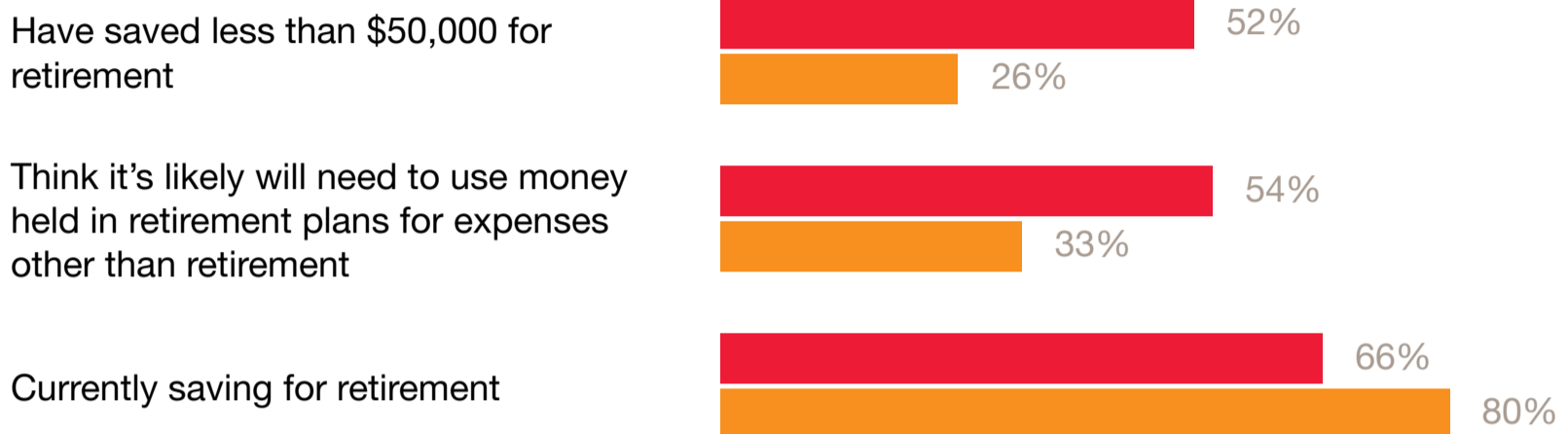


## Stressed employees continue to show signs of being in worse financial shape as compared to other employees.

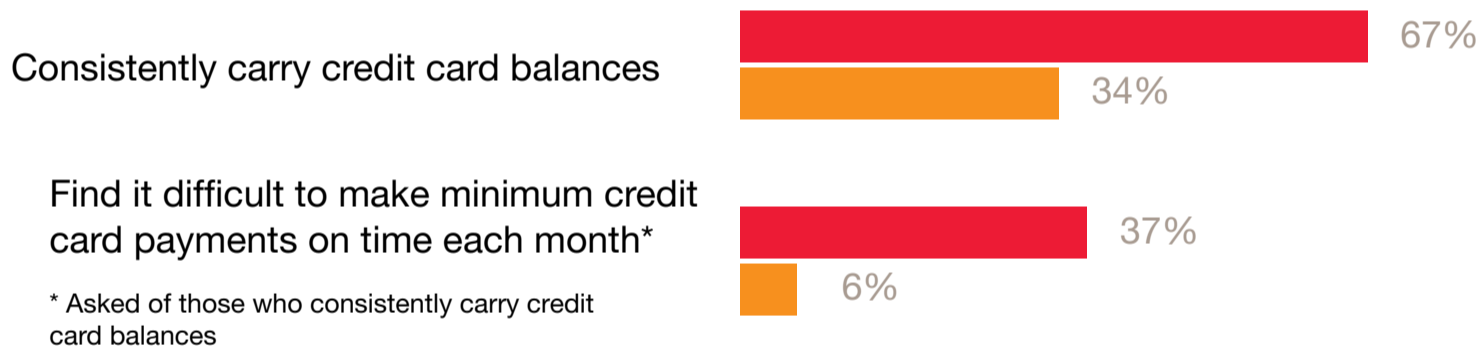
● Employees who are **stressed** about their finances

● Employees who are **not stressed** about their finances

### Retirement



### Credit and debt



*Rising interest rates may particularly be an issue for those carrying credit card balances who are already finding it difficult to make their minimum payments.*

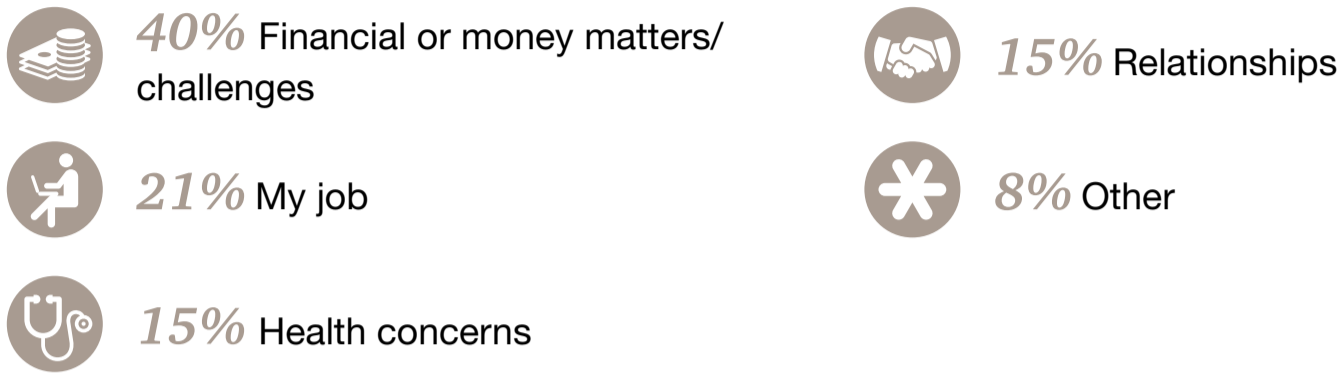
### Emergency savings





## Financial challenges/money matters cause employees the most stress in their lives

### Which of the following causes you the most stress?



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



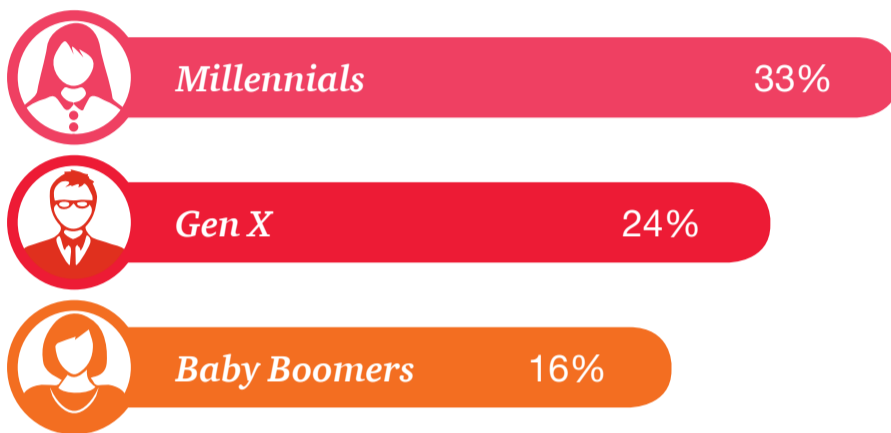
# Finances while at work



25% of employees report that issues with personal finances have been a distraction at work.

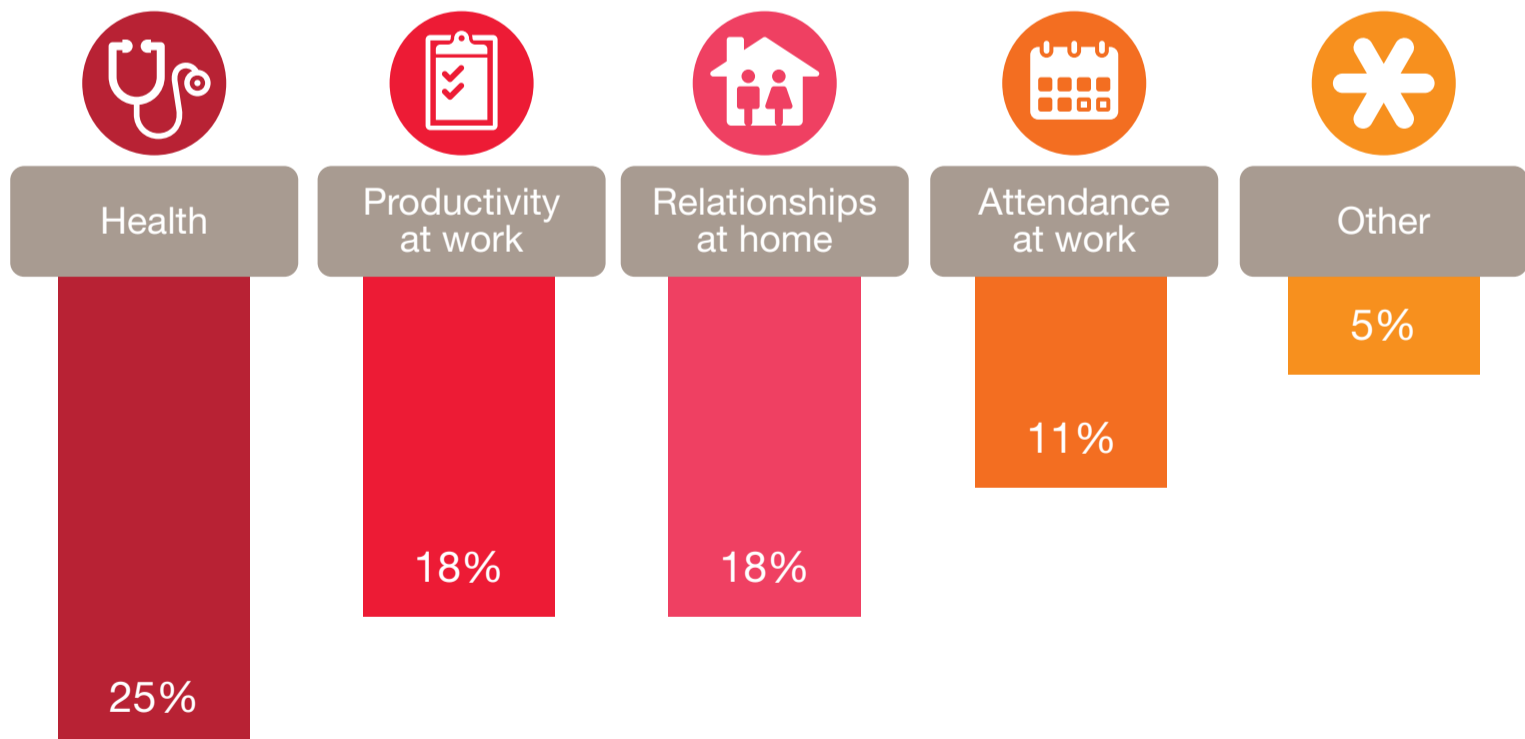
43% of those who are distracted by their finances at work say that they spend three hours or more at work each week thinking about or dealing with issues related to their personal finances.

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



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

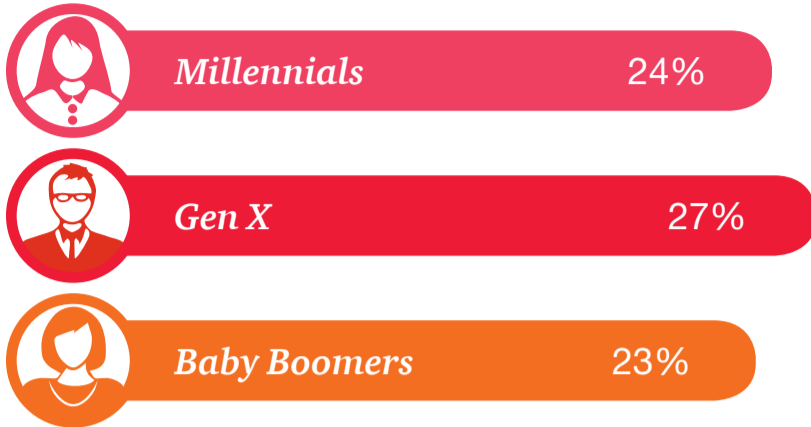
Which of the following have been impacted by your financial worries?\*



\* Employees could choose as many answers as applicable. Forty-two percent say none of these.

## Financial worries impact employee health across all generations.

My health has been impacted by my financial worries:

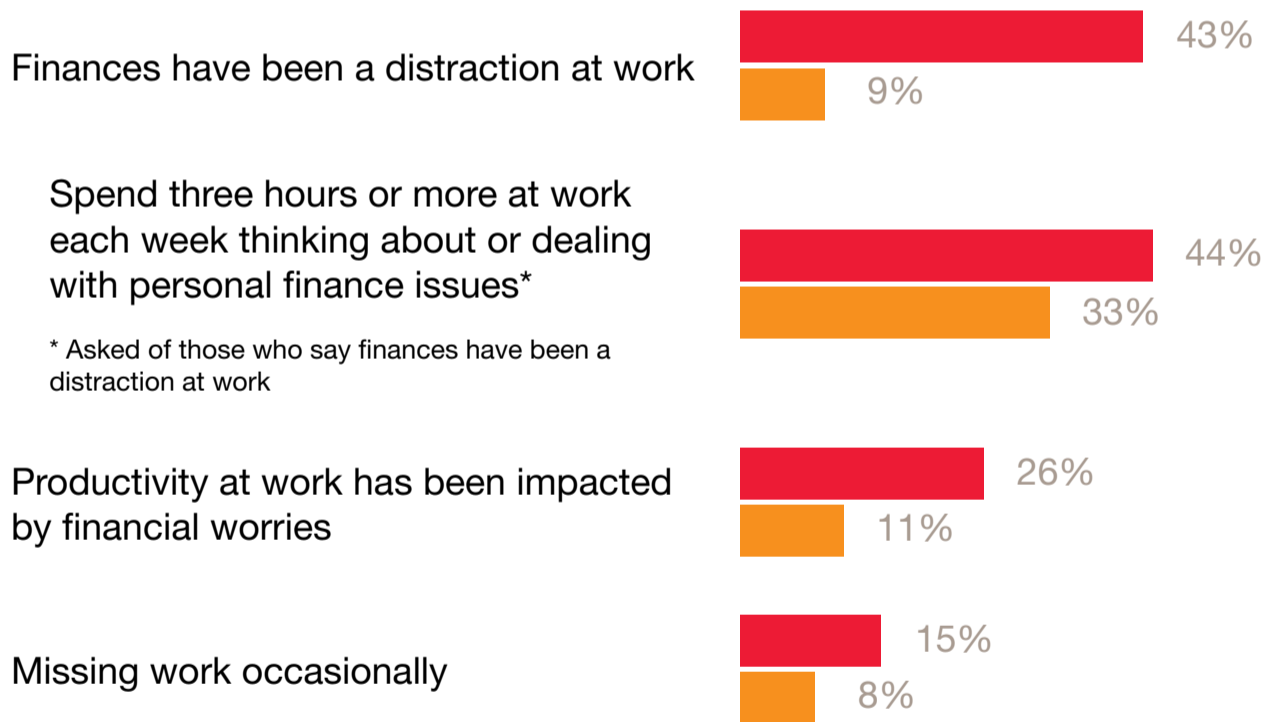


**27% of Millennials** and **18% of Gen X** say that their productivity at work has been impacted by financial worries.

**19% of Millennials** and **10% of Gen X** say they have missed work occasionally due to financial worries.

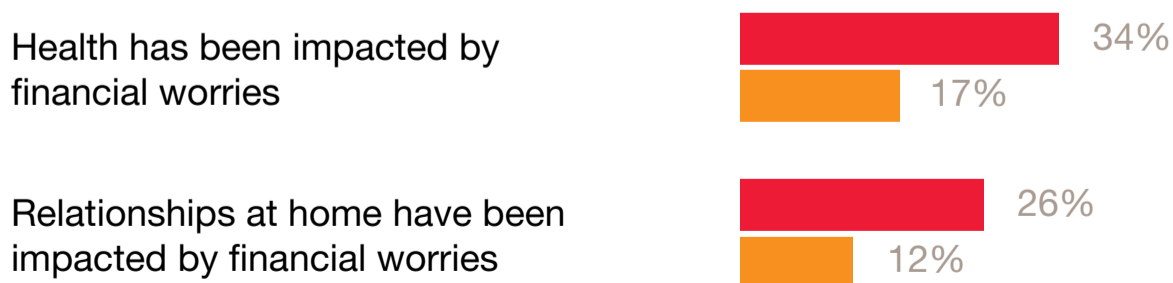
## Stressed employees are less productive than other employees

● Employees who are **stressed** about their finances      ● Employees who are **not stressed** about their finances



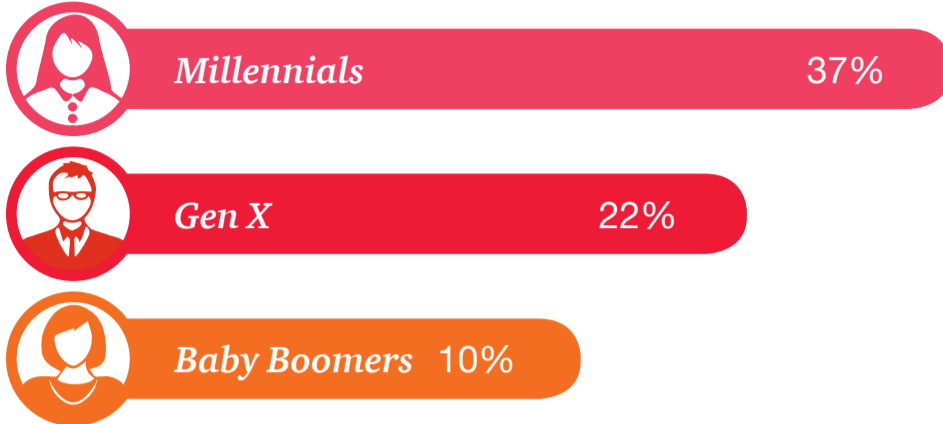
\* Asked of those who say finances have been a distraction at work

## Stress also impacts employee health and relationships



# Student loans

Employees who have a student loan(s):



**37%** of Millennial employees have a student loan(s) and **81%** of them say that their student loans have a moderate or significant impact on their ability to meet their other financial goals.

## 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?\*

### Among the 37% of Millennials with student loans



### Among the 22% of Gen X with student loans



### Among the 10% of Baby Boomers with student loans



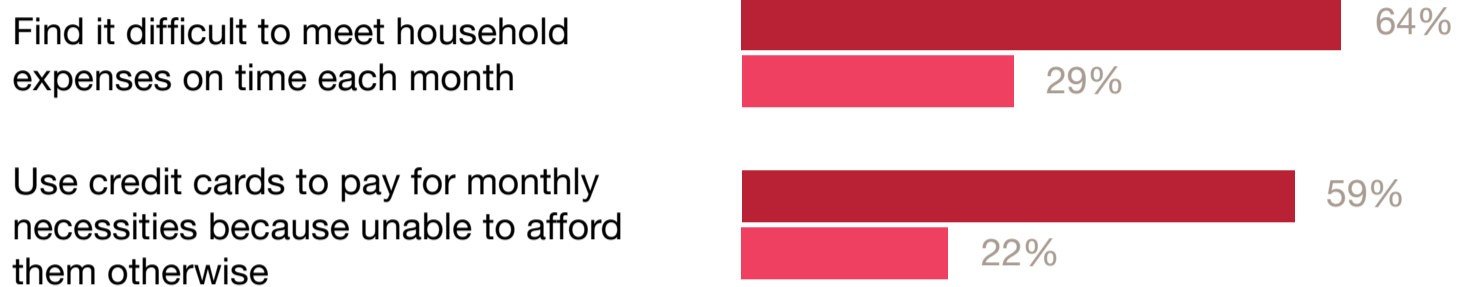
\* Answer choices included significant impact, moderate impact, little impact, or no impact.

Among the **10% of Baby Boomers** with student loans, **51%** say the loans are for their own education expenses.

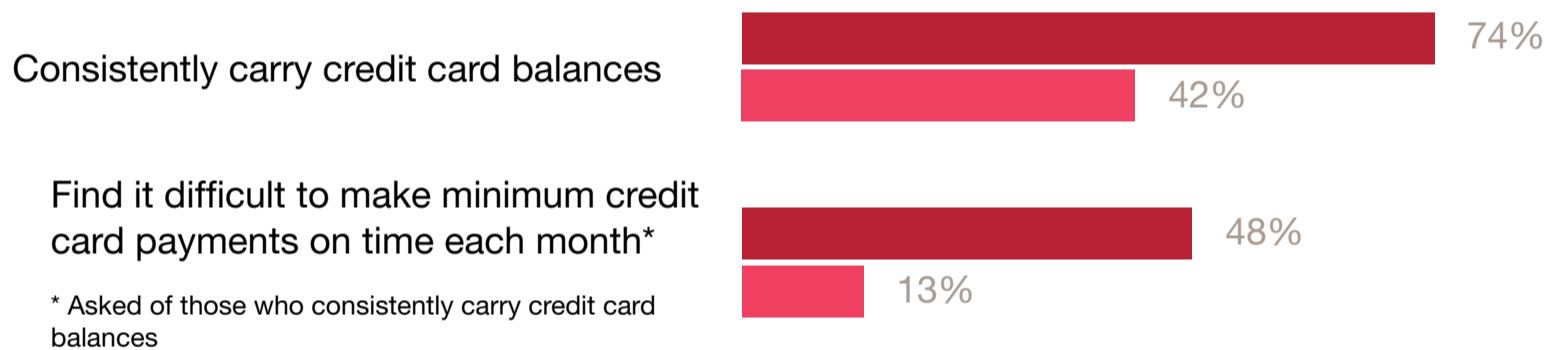
## Employees impacted by student loans are in worse financial shape than other employees.

- Employees with student loans who said that the loans have a moderate or a significant impact on their ability to meet their other financial goals
- All other employees

### Cash flow



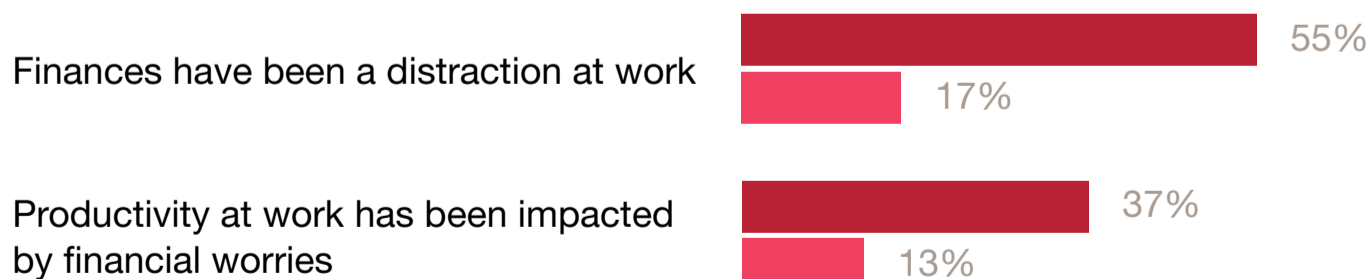
### Credit and debt



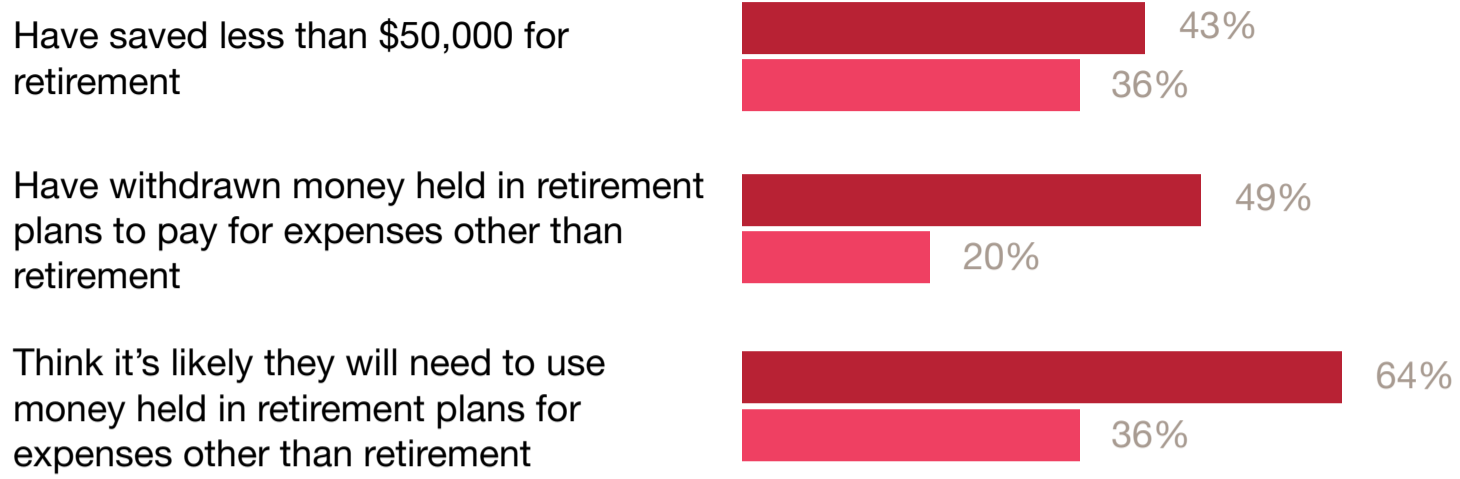
### Financial stress



### Productivity






## Retirement



# Retirement confidence

*Fewer Gen X employees are confident in their ability to retire as compared to Baby Boomers and Millennial employees.*

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

	2013	2014	2015	2016	2017	2018
 <b>Millennials</b>	36%	40%	41%	36%	54%	50%
 <b>Gen X</b>	33%	32%	38%	37%	40%	41%
 <b>Baby Boomers</b>	37%	48%	51%	51%	53%	55%

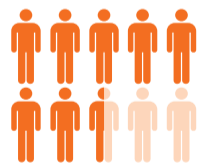
*47% of employees are confident they'll be able to retire when they want.*



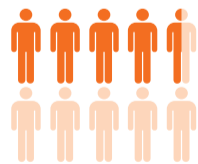
## Baby Boomers and retirement



Of the **59% of Baby Boomers** who plan to retire within the next five years:



**75%** say they feel comfortable managing their retirement assets to make them last over their lifetime.



Yet only **45%** know how much income they will need in retirement. And only half (52%) of Baby Boomers are confident they'll be able to cover medical expenses in retirement.



## Concerns about retirement

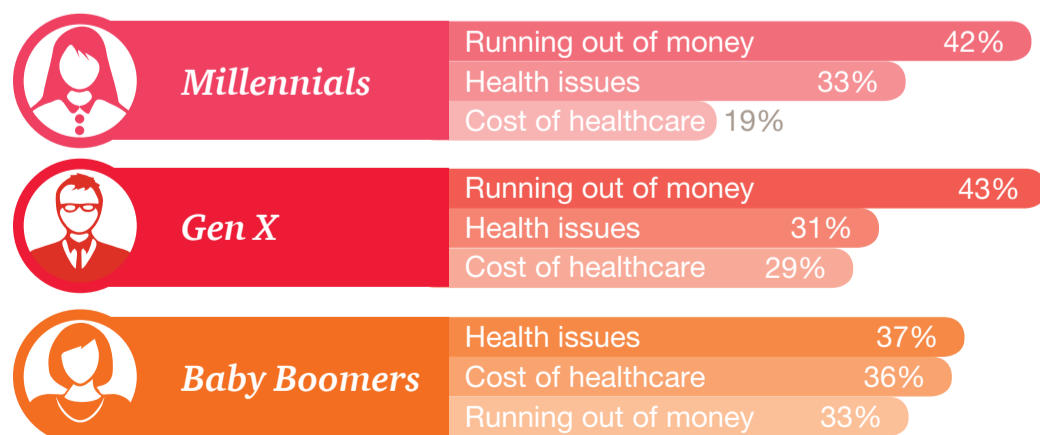
**Consistent with prior years, running out of money is employees' biggest concern about retirement, followed by health issues and healthcare costs. Health issues and healthcare costs continue to be a major concern across all generations, and even Millennials are concerned about health issues in line with their older colleagues.**

What are your biggest concerns about retirement?\*

	2013	2014	2015	2016	2017	2018
Running out of money	45%	44%	43%	45%	42%	40%
Health issues	25%	23%	26%	29%	33%	33%
Healthcare costs	38%	33%	32%	28%	27%	28%
Not being able to maintain my standard of living	26%	26%	26%	22%	17%	17%
Not being able to meet monthly expenses	21%	20%	17%	20%	19%	17%
Don't know what I'll do with my free time	11%	13%	13%	15%	15%	15%
Managing my investments in retirement	3%	5%	6%	5%	7%	5%
Not leaving any assets upon my death for family, charity, etc.	4%	5%	6%	5%	4%	5%
Meeting education expenses for children	4%	3%	4%	3%	4%	3%
Other expenses for children	2%	2%	2%	3%	2%	3%
Other	3%	4%	4%	3%	3%	4%

\* Respondents could choose up to two answers to this question.

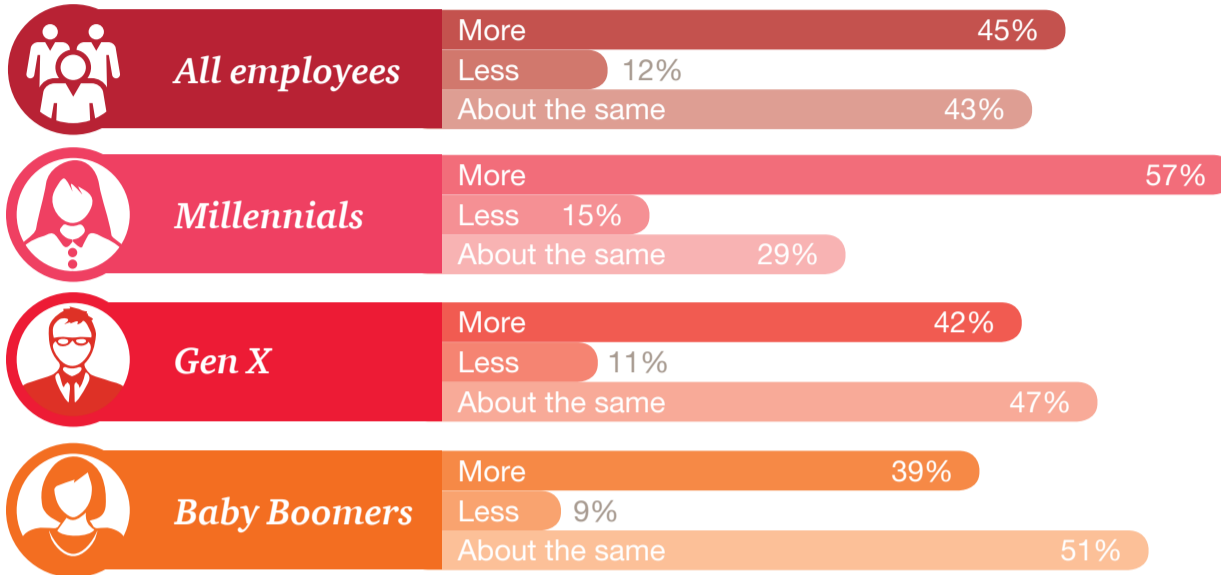
### Most frequently cited answers by generation



# Retirement savings

Seventy-three percent of employees are currently saving for retirement -- 65% of Millennials, 75% of Gen X, and 79% of Baby Boomers.

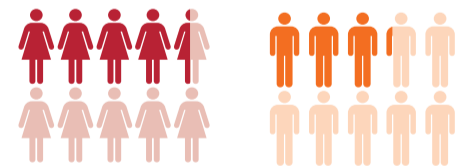
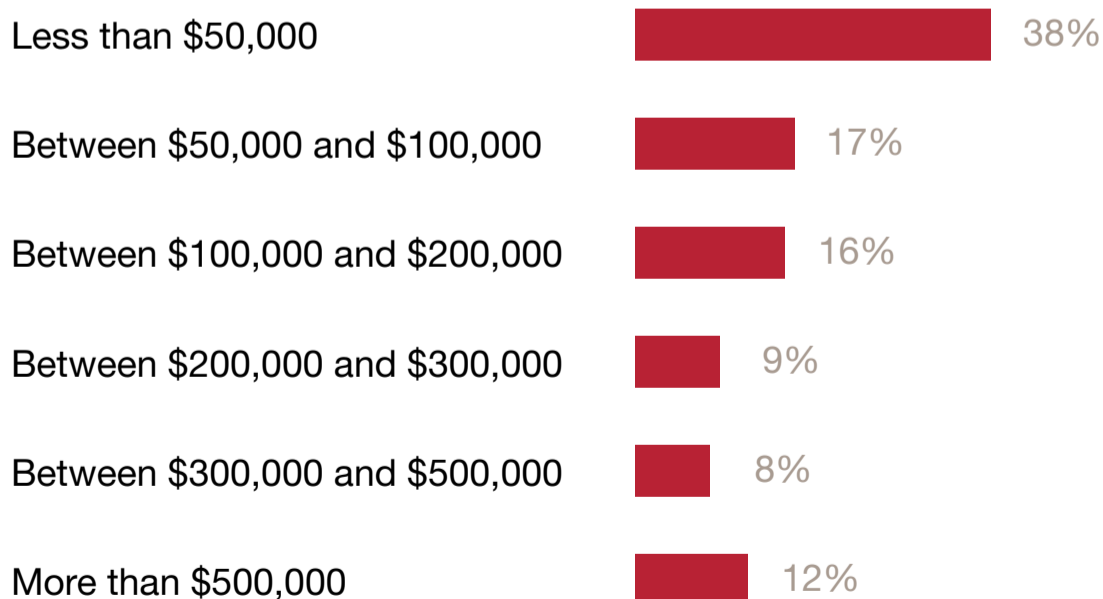
## How much are you saving for retirement as compared to last year?



Smaller gender gap than in prior years — **49% of women** have examined whether they're on track to meet their retirement goals versus **58% of men**

## However, 38% of all employees have saved less than \$50,000 for their retirement.

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



**45% of women** and **32% of men** have saved less than \$50,000 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?

Less than \$50,000



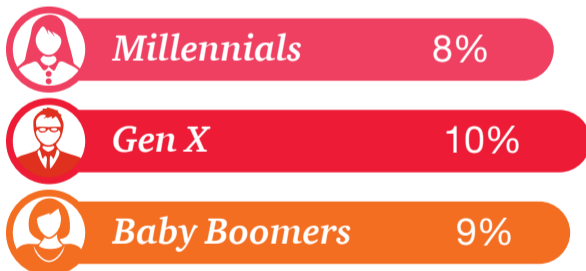
Between \$50,000 and \$100,000



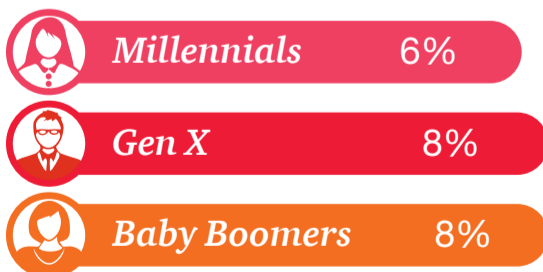
Between \$100,000 and \$200,000



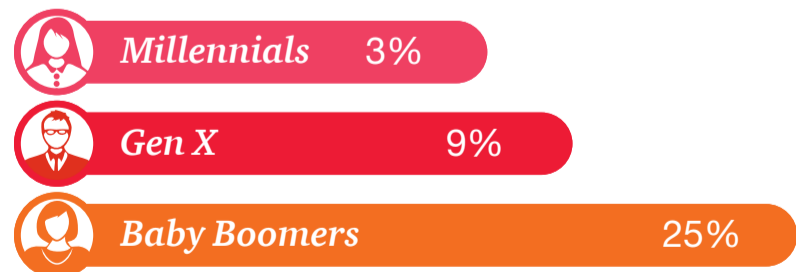
Between \$200,000 and \$300,000



Between \$300,000 and \$500,000



More than \$500,000



**Forty-three percent of Baby Boomers** say they have \$100,000 or less saved for retirement.

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

\* Assumes \$100,000 at retirement, an overall 8% rate of return, 4% yearly draw down in retirement, for 30 years.



# Withdrawing money prior to retirement

More than one in four (26%) of all employees has already withdrawn money held in retirement plans to pay for expenses other than retirement and 42% think it's likely they'll need to use money held in retirement plans for expenses other than retirement.



Millennials

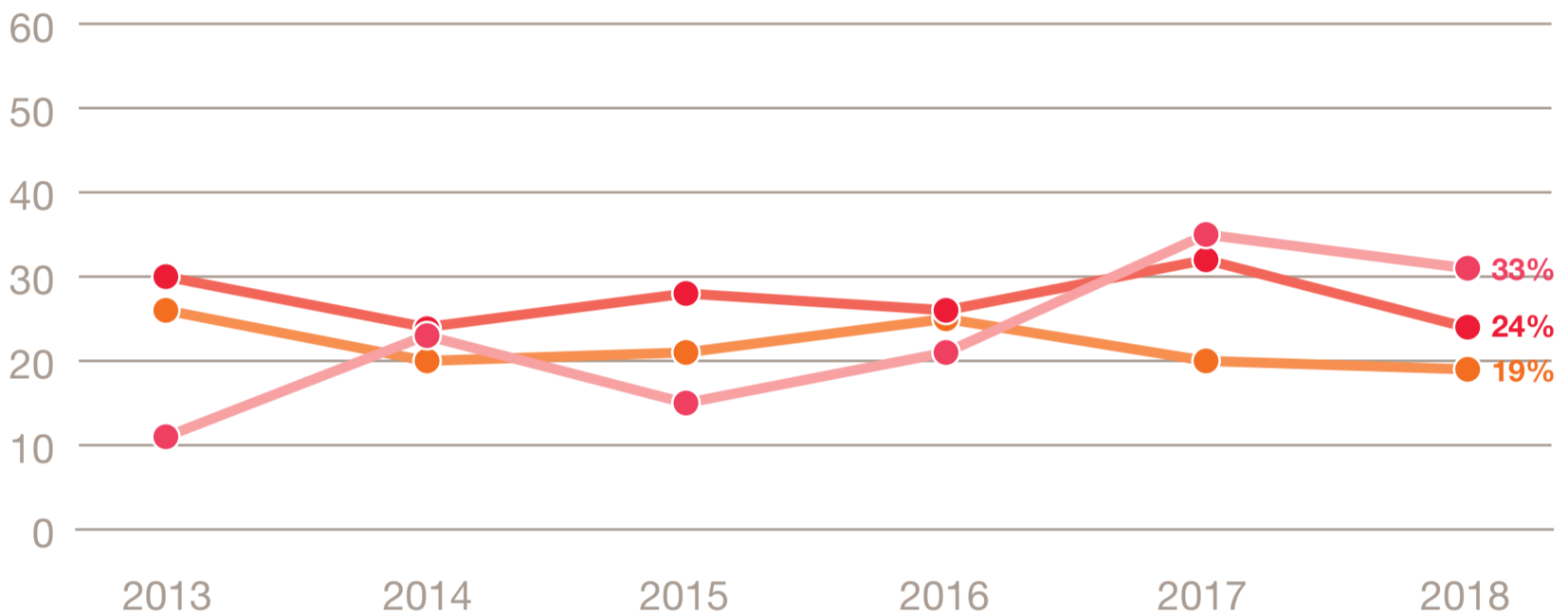


Gen X

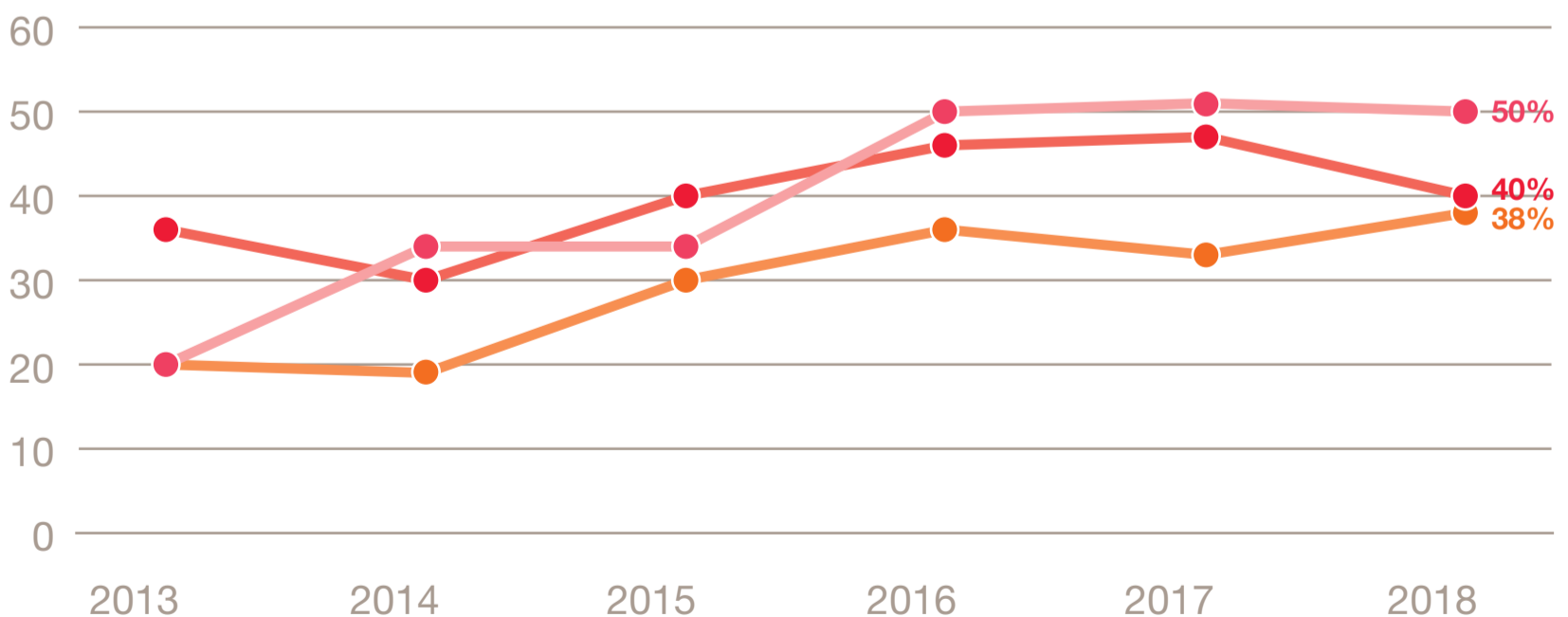


Baby Boomers

Employees who have already withdrawn money from their retirement plans

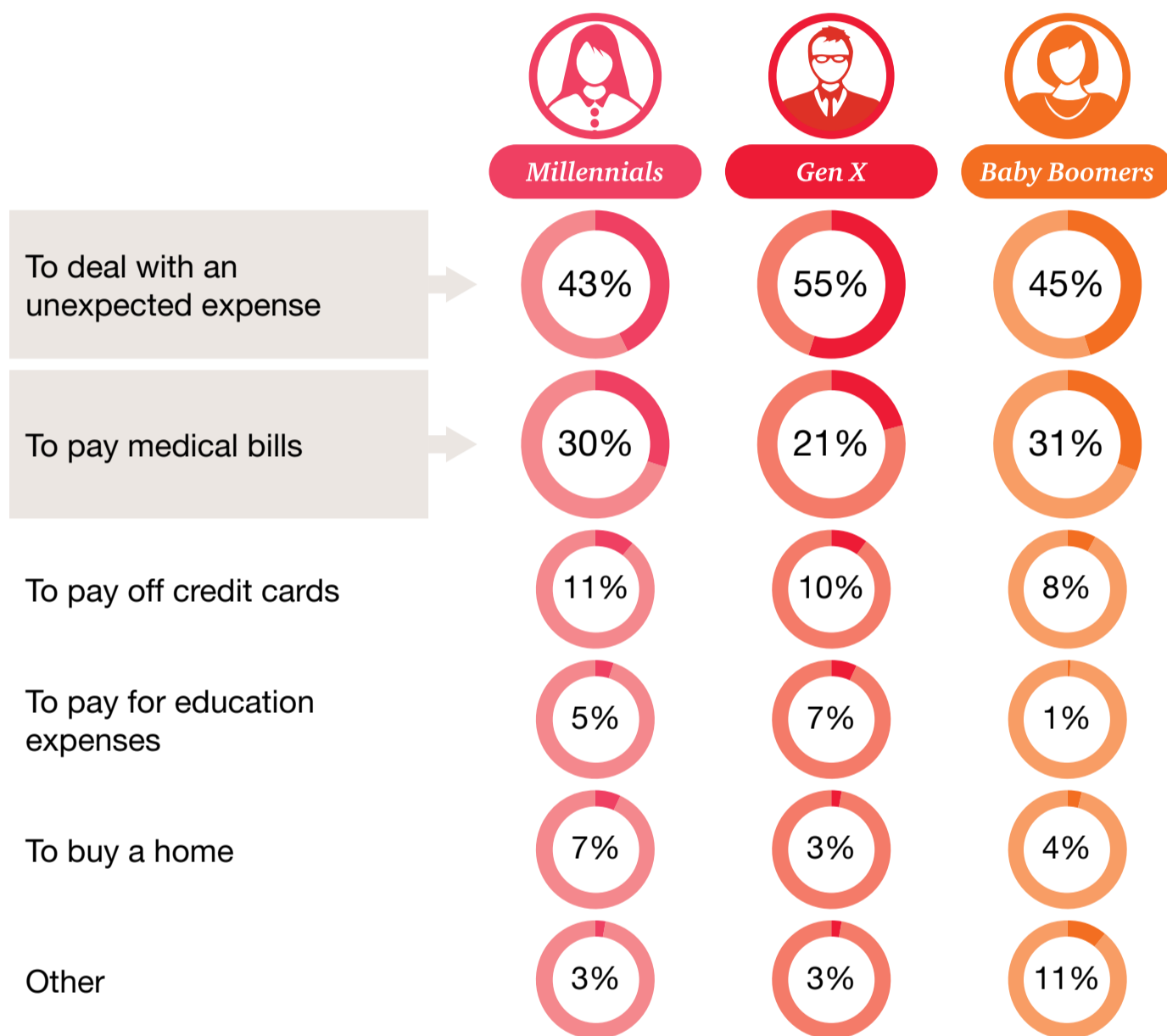


Employees who think it's likely they'll need to use money held in retirement plans for expenses other than retirement

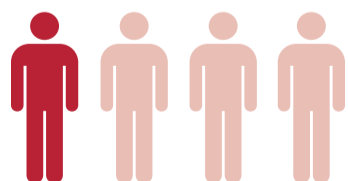


**Why are employees withdrawing money from their retirement plans? Among the 42% of employees who think it's likely they'll need to use money in their retirement plans for other expenses, the majority are withdrawing retirement funds to deal with unexpected expenses or medical bills, while very few are 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?



**More than one in four employees (27%) is not currently saving for retirement.**



As in prior years, among the 27% of employees not currently saving for retirement, the most frequently cited reasons are too many other expenses (57%), followed by having debt to pay off (39%).\*

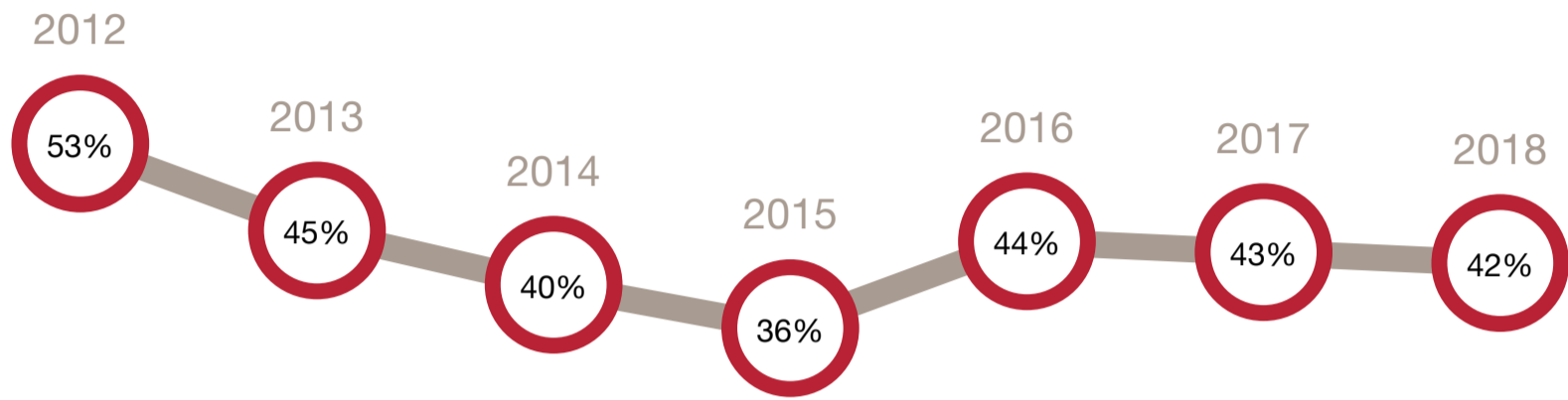
\*Respondents could choose up to two reasons for not saving for retirement from among these options: too many other expenses, debt to pay off, income is lower than last year, don't know how much to save, don't know how to save, other.

# Delayed retirements

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

Employees planning to postpone retirement

**All employees**



	2013	2014	2015	2016	2017	2018
<b>Millennials</b>	18%	28%	22%	32%	36%	37%
<b>Gen X</b>	43%	35%	35%	44%	42%	41%
<b>Baby Boomers</b>	54%	51%	48%	52%	52%	50%

**For the first time, needing to keep healthcare coverage was a more popular choice than simply not wanting to retire.**

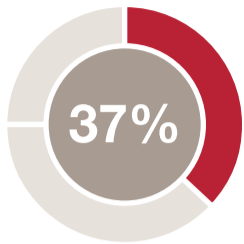
Baby Boomers' most frequently cited reasons for delaying retirement\*



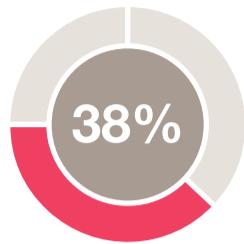
\* Respondents could choose up to two reasons for planning to postpone retirement from among these options: haven't saved enough to retire, need to keep healthcare coverage, don't want to retire yet, too much debt, retirement investments have declined in value, still supporting children/grandchildren,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



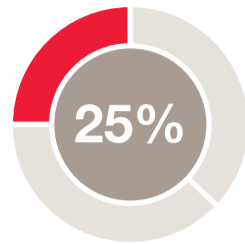
***Do you believe your current retirement plans and Social Security will be sufficient to support you in retirement?***



Yes



No



I don't know



*Only half (47%) of employees think Social Security will be available when they retire, while 27% think benefits will be reduced, and 25% think it will not be available.*

***Overall, 61% of employees think healthcare costs will impact their retirement.***

Employees who think healthcare costs will impact their retirement:





# Investing

53% of employees are comfortable selecting investments that are right for them (45% of women versus 62% of men).

25% of employees have more than 10% of their investments in one company stock.

53% of employees have reviewed their investment portfolio within the last 12 months.

36% of employees have had their asset allocation reviewed by a financial professional within the last 12 months.



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



61% 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 four employees (26%) understands how to use multiple target date funds in a portfolio.

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



26% To get the allocation I want



56% To diversify and reduce risk



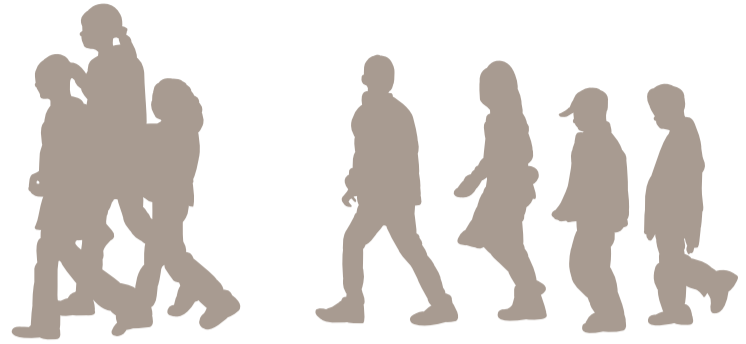
16% To spread my investments across many funds



2% I don't know

# Education planning

**Forty-three percent of employees plan to fund education expenses for children or grandchildren and 25% plan to fund education expenses for themselves or a spouse/partner.**



Among these employees:



**47%** have investigated how much they'll need to meet their education funding goal.



**59%** are saving for education expenses.

**58%** of those saving for education expenses are contributing to a tax-advantaged education savings plan.

# Risk management

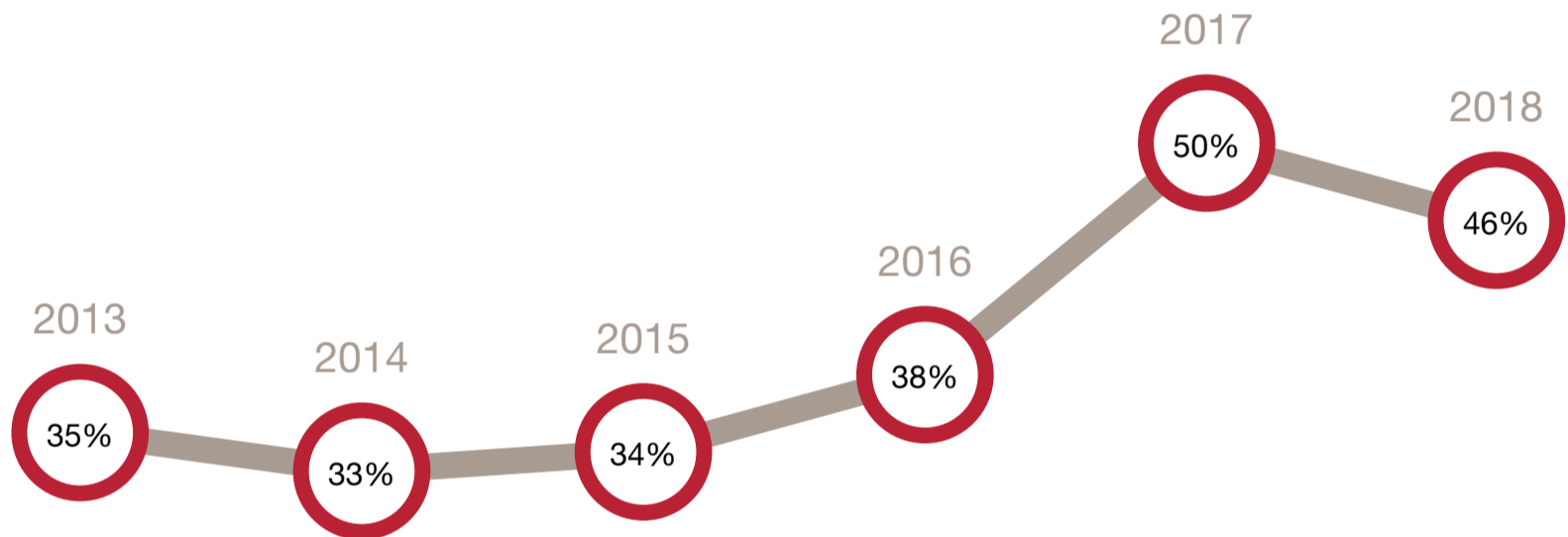
The vast majority (80%) of employees believe that healthcare costs will rise over the next several years, and with the possibility of changes to the Affordable Care Act, 44% are more concerned about their ability to save for future healthcare expenses.

## Health Savings Accounts

More than half (52%) of the 88% of employees with health insurance are covered by a high or mid-deductible healthcare plan, and while the percentage who contribute to their Health Savings Account (HSA) has increased since 2013, still only 46% are contributing.

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

● All employees

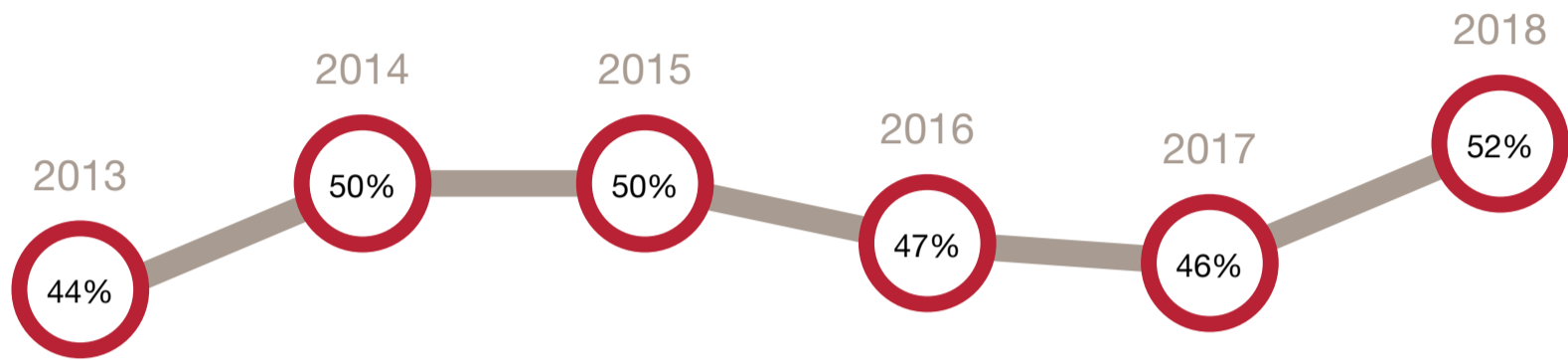


## *The majority of employees are not using their Health Savings Account (HSA) as an opportunity to save for retirement.*

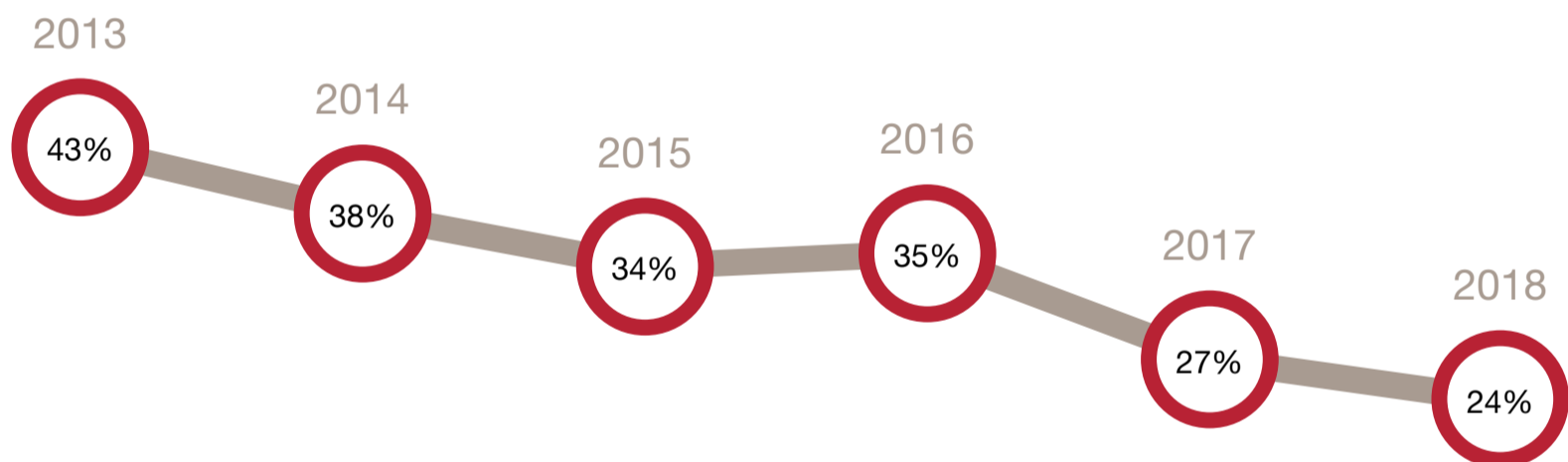
While the percentage of employees who plan to use HSA funds for future healthcare costs in retirement has risen since 2013, it's still relatively small at 25%.

### *I plan to use the funds in my HSA for:*

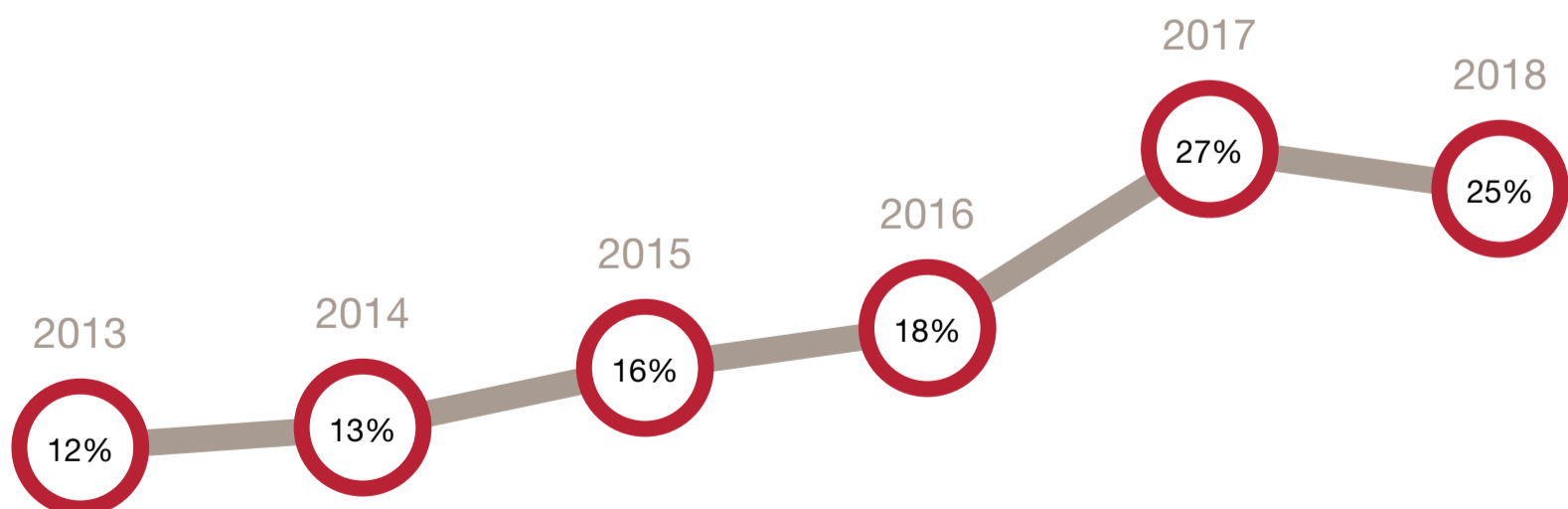
#### **Immediate or near-term healthcare costs**



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



#### **Future retirement healthcare costs**



## Life insurance

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



## Disability insurance

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



## Property insurance

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



**Less than half of all employees (47%)** 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



Nearly one in five employees is aware that he or she has been a victim of identity theft.



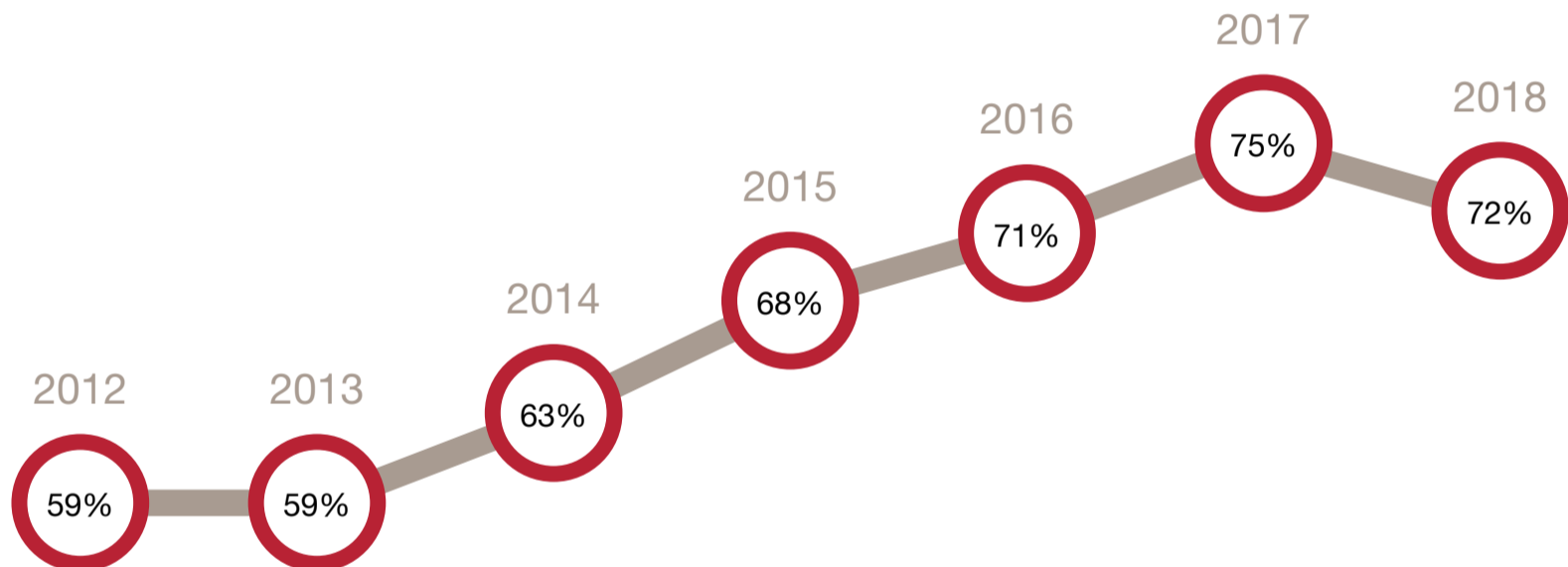
17% of employees say they have been a victim of identity theft.



56% say they would know what to do if their identity were stolen.

One way to be vigilant regarding possible instances of identity theft is to review credit reports regularly.

### Employees who have checked their credit report in the last 12 months:



# Estate planning

Many employees don't have important documents in place.

## Employees who have a will



**43% 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.

## Employees who have a living will



## Employees who have durable power of attorney for financial matters



## Employees who have durable power of attorney for healthcare matters



## Employees who have up-to-date beneficiary forms







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