



2018 Financial Freedom Survey

February 2018

Methodology



Who:

This report presents the findings of a study fielded using ORC International's Telephone CARAVAN® Omnibus Survey.

The study was conducted using two probability samples: randomly selected landline telephone numbers and randomly selected mobile (cell) telephone numbers. The combined sample consists of 1,017 adults (18 years old and older) living in the continental United States. Of the 1,017 interviews, 416 were from the landline sample and 601 from the cell phone sample. The margin of error for the sample of 1,017 is +/- 3.07% at the 95% confidence level. Smaller subgroups will have larger error margins.

Surveys are collected by trained and supervised US based interviewers using ORC International's computer assisted telephone interviewing (CATI) system. Final data is adjusted to consider the two sample frames and then weighted by age, gender, region, race/ethnicity and education to be proportionally representative of the US adult population.



When:

Interviews took place February 8 – 11, 2018.

ISO 20252 Certification

ORC International is ISO 20252 certified. To achieve certification, ORC International passed a comprehensive, on-site audit. The certification establishes globally recognized terms, definitions, and service requirements for project management in research organizations. Processes outlined in ISO 20252 are designed to produce transparent, consistent, well documented and error-free methods of conducting and managing research projects. Adherence and certification to such standards provides a basis of confidence for clients and other constituencies that the work produced is being executed with quality processes and controls in place. The internationally recognized standard also provides a basis for subcontractor evaluation.

Methodology (Cont'd)



Trending:

Where applicable, results have been compared to the 2014, 2015, 2016 & 2017 Financial Freedom surveys.

- The 2014 survey was conducted using two probability samples: randomly selected landline telephone numbers and randomly selected mobile (cell) telephone numbers. The combined sample consists of 1,008 adults (18 years of age and older) living in the continental United States. Of the 1,008 interviews, 658 were from the landline sample and 350 from the cell phone sample. Interviewing for this CARAVAN® Survey was completed on February 13-16, 2014.
- The 2015 survey was conducted using two probability samples: randomly selected landline telephone numbers and randomly selected mobile (cell) telephone numbers. The combined sample consists of 1,023 adults (18 years of age and older) living in the continental United States. Of the 1,023 interviews, 521 were from the landline sample and 502 from the cell phone sample. Interviewing for this CARAVAN® Survey was completed on January 8-11, 2015.
- The 2016 survey was conducted using two probability samples: randomly selected landline telephone numbers and randomly selected mobile (cell) telephone numbers. The combined sample consists of 1,005 adults (18 years of age and older) living in the continental United States. Of the 1,005 interviews, 505 were from the landline sample and 500 from the cell phone sample. Interviewing for this CARAVAN® Survey was completed on January 21-24, 2016.
- The 2017 survey was conducted using two probability samples: randomly selected landline telephone numbers and randomly selected mobile (cell) telephone numbers. The combined sample consists of 1,003 adults (18 years of age and older) living in the continental United States. Of the 1,003 interviews, 503 were from the landline sample and 500 from the cell phone sample. Interviewing for this CARAVAN® Survey was completed on January 12-15, 2017.

ISO 20252 Certification

ORC International is ISO 20252 certified. To achieve certification, ORC International passed a comprehensive, on-site audit. The certification establishes globally recognized terms, definitions, and service requirements for project management in research organizations. Processes outlined in ISO 20252 are designed to produce transparent, consistent, well documented and error-free methods of conducting and managing research projects. Adherence and certification to such standards provides a basis of confidence for clients and other constituencies that the work produced is being executed with quality processes and controls in place. The internationally recognized standard also provides a basis for subcontractor evaluation.

Executive Summary

• **Planning/Saving for Retirement**

- Two-thirds (65%) of Americans are confident that they are saving enough to live comfortably throughout retirement, with three in ten (30%) being very confident.
 - Americans continue to be less confident in 2018 that they are saving enough compared to a few years ago (65% in 2018 vs. 72% in 2015).
 - The Silent generation is more confident that they are saving enough to live comfortably throughout retirement.
 - Men are more likely than women to be very confident that they are saving enough.
- Seven in ten (69%) of those who are not retired currently save a percentage of their income for retirement, with 31% saving 5.1% to 15%.
 - The number of employed Americans who are currently saving a percentage of their income for retirement is up slightly from 2016 and 2017 levels (78% in 2018 vs. 75% in 2017 and 2016).
- Nearly all (90%) Americans that are not retired believe they SHOULD be contributing a percentage of their income for retirement. 39 percent believe they should be saving 5.1% to 15%, while the same proportion believe they should be saving more than 15%.
 - Significantly more of those who are employed in 2018, 2017 and 2016 believe they should be saving more than 15% of their income for retirement than in 2014 (42%, 42% and 39% vs. 30%).

Executive Summary (Cont'd)

• **Planning/Saving for Retirement (cont'd.)**

- Four out of five (81%) of those who are not already retired expect to retire at some point. A third (36%) expect to retire by age 64, while nearly half (45%) expect to do so at age 65 or older.
- The top two sources for funding retirement among Americans are Social Security (54%) and a 401(k) (46%). Three in ten also said a pension plan (30%) and investment portfolio (27%) as one of their top 3 sources.
 - Real estate is less likely to be picked as one of the top 3 sources for funding retirement this year compared to 2015 (17% vs. 22%).
 - Older Americans are more likely to pick Social Security and pension plans, while younger Americans are more likely to pick 401(k) and IRAs.
 - Women are more likely to say Social Security and Inheritance, while more men said real estate.
- Those who are not retired and not saving for retirement were asked about their number one reason for not saving. The top answer by far is thinking that they do not earn enough money (41%). Planning on Social Security is a distant second (18%).

Executive Summary (Cont'd)

- **Planning/Saving for Retirement (cont'd.)**

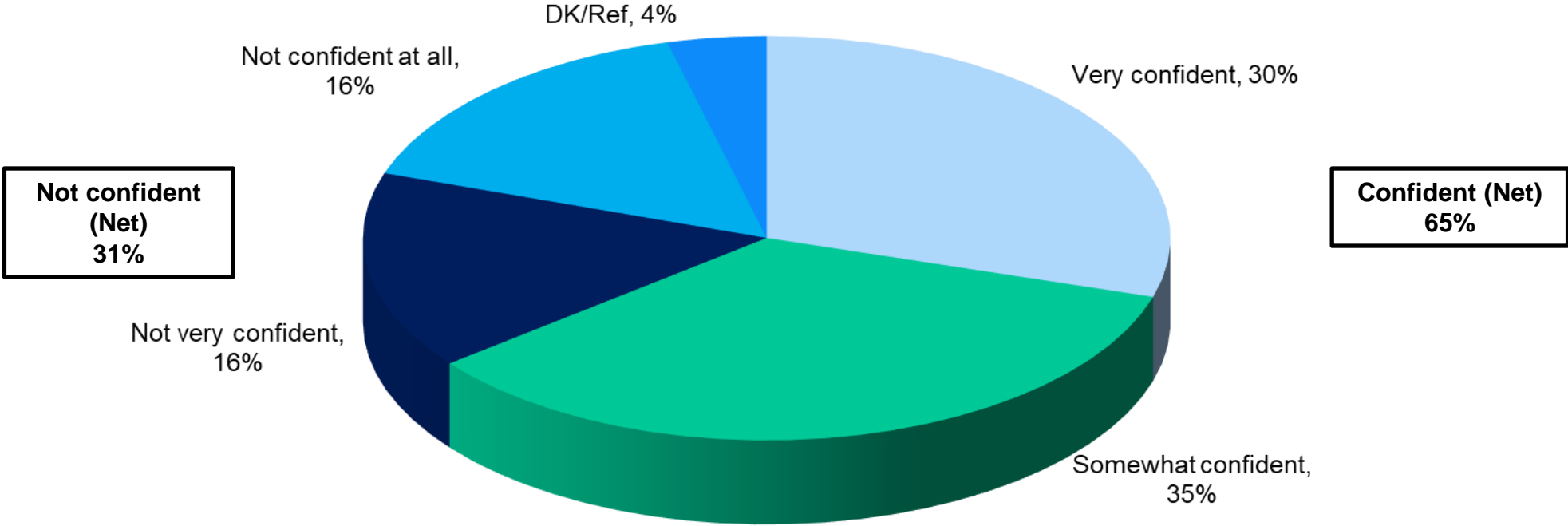
- Among those who are not currently retired and have a spouse or significant other, nearly two-thirds (64%) ever discuss retirement planning with their spouse or significant other. Two in five (39%) do so quarterly or more.
 - Discussions with spouses and significant others about retirement planning are happening less frequently now than in 2014 (64% vs. 71%).

Detailed Findings

Planning/Saving for Retirement

Two-thirds (65%) of Americans are confident that they are saving enough to live comfortably throughout retirement, with three in ten (30%) being very confident.

Confidence in Saving Enough to Live Comfortably in Retirement

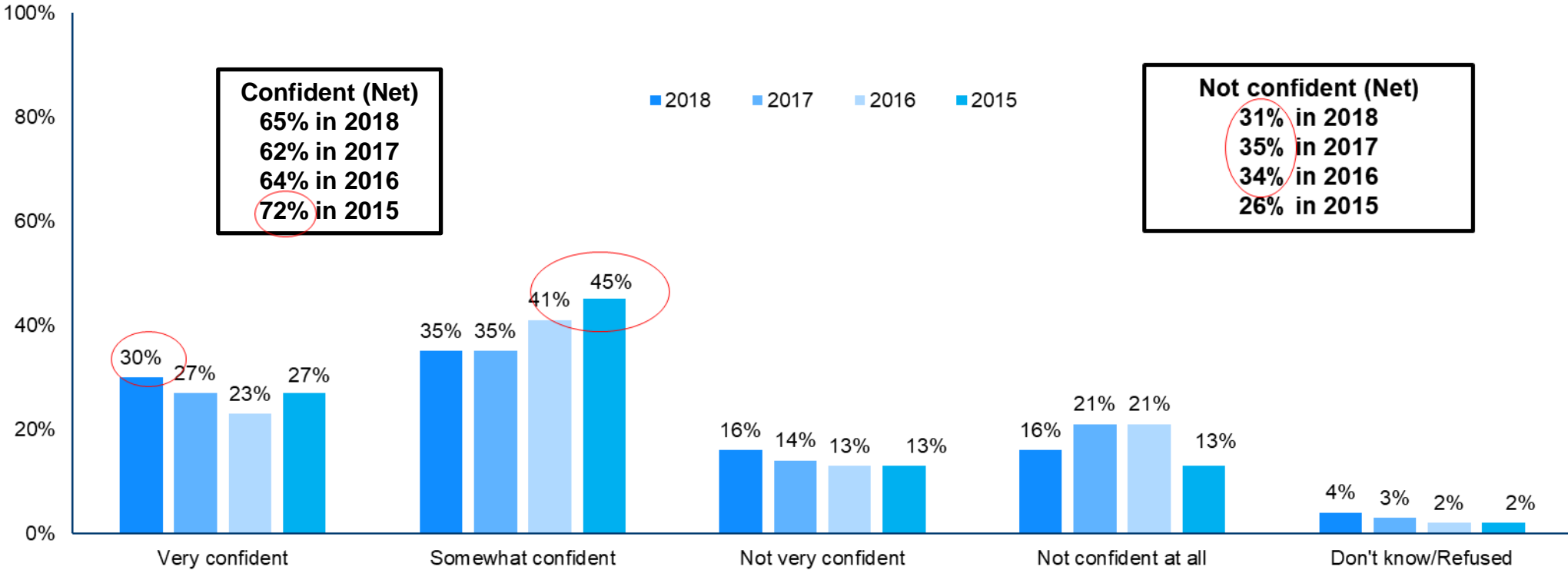


F13: How confident are you that you're investing and saving enough to live comfortably throughout retirement? Are you... (Base=Total=1,017)



Americans continue to be less confident in 2018 that they are saving enough to live comfortably throughout retirement than they were a few years ago (65% in 2018 vs. 72% in 2015).

Confidence in Saving Enough to Live Comfortably in Retirement

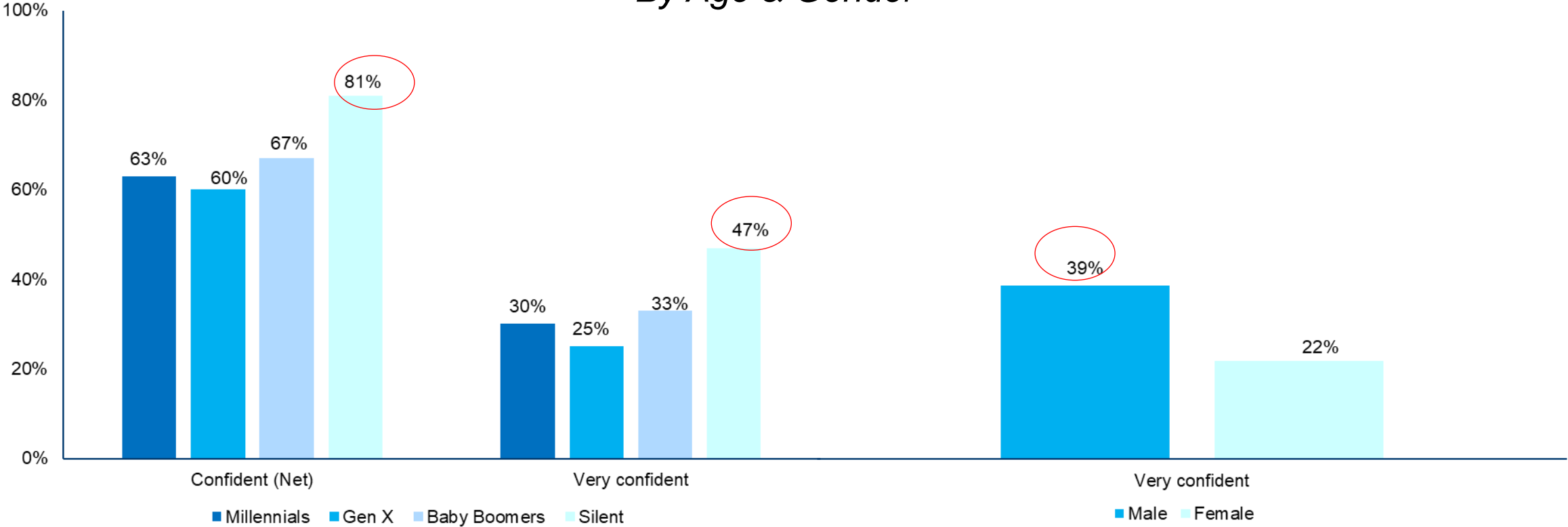


F13: How confident are you that you're investing and saving enough to live comfortably throughout retirement? Are you... (Base=Total=2018=1,017; 2017=1,003; 2016=1,005; 2015=1,023)



The Silent generation is more confident, particularly very confident, that they are saving enough to live comfortably throughout retirement compared to the other generations. Men are more likely than women to be very confident that they are saving enough (39% vs. 22%).

Confidence in Saving Enough to Live Comfortably in Retirement By Age & Gender

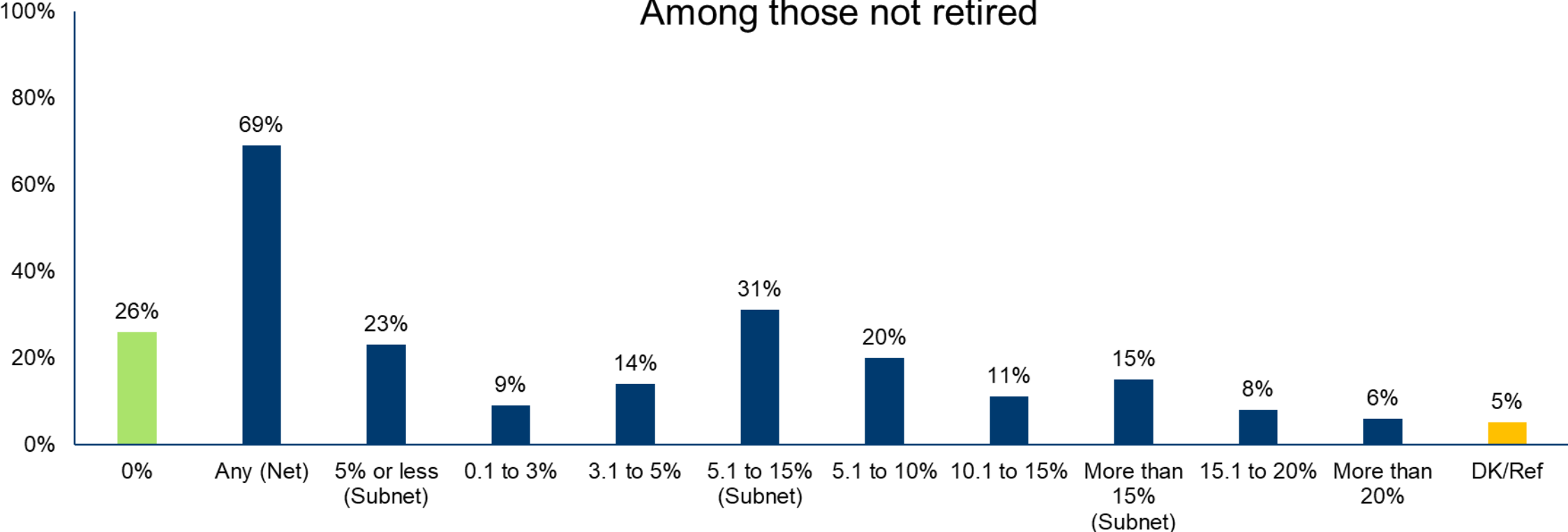


F13: How confident are you that you're investing and saving enough to live comfortably throughout retirement? Are you... (Base=Total, Millennials=212, Gen X=217, Baby Boomers=362, Silent=149, Male=506, Female=511)



Seven in ten (69%) of those who are not retired currently save a percentage of their income for retirement. One in five (23%) save 5% or less, another three in ten (31%) save 5.1 to 15%, and fewer (15%) save more than 15%.

Percentage of Income Currently Save for Retirement Among those not retired

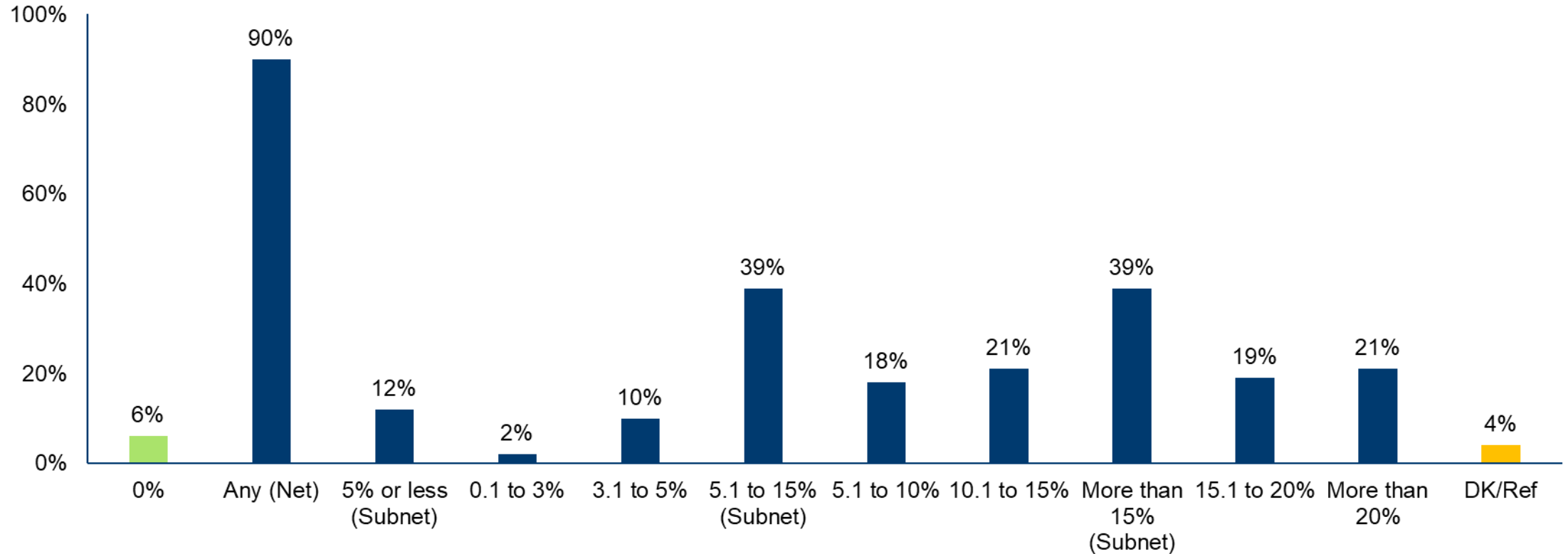


F17: What percentage of your income do you currently save for retirement? Would you say... (Base=Not retired=687)



Nearly all (90%) Americans that are not retired believe they should be contributing a percentage of their income for retirement. 39 percent believe they should be saving 5.1 to 15%, while the same proportion (39%) believe they should be saving more than 15%.

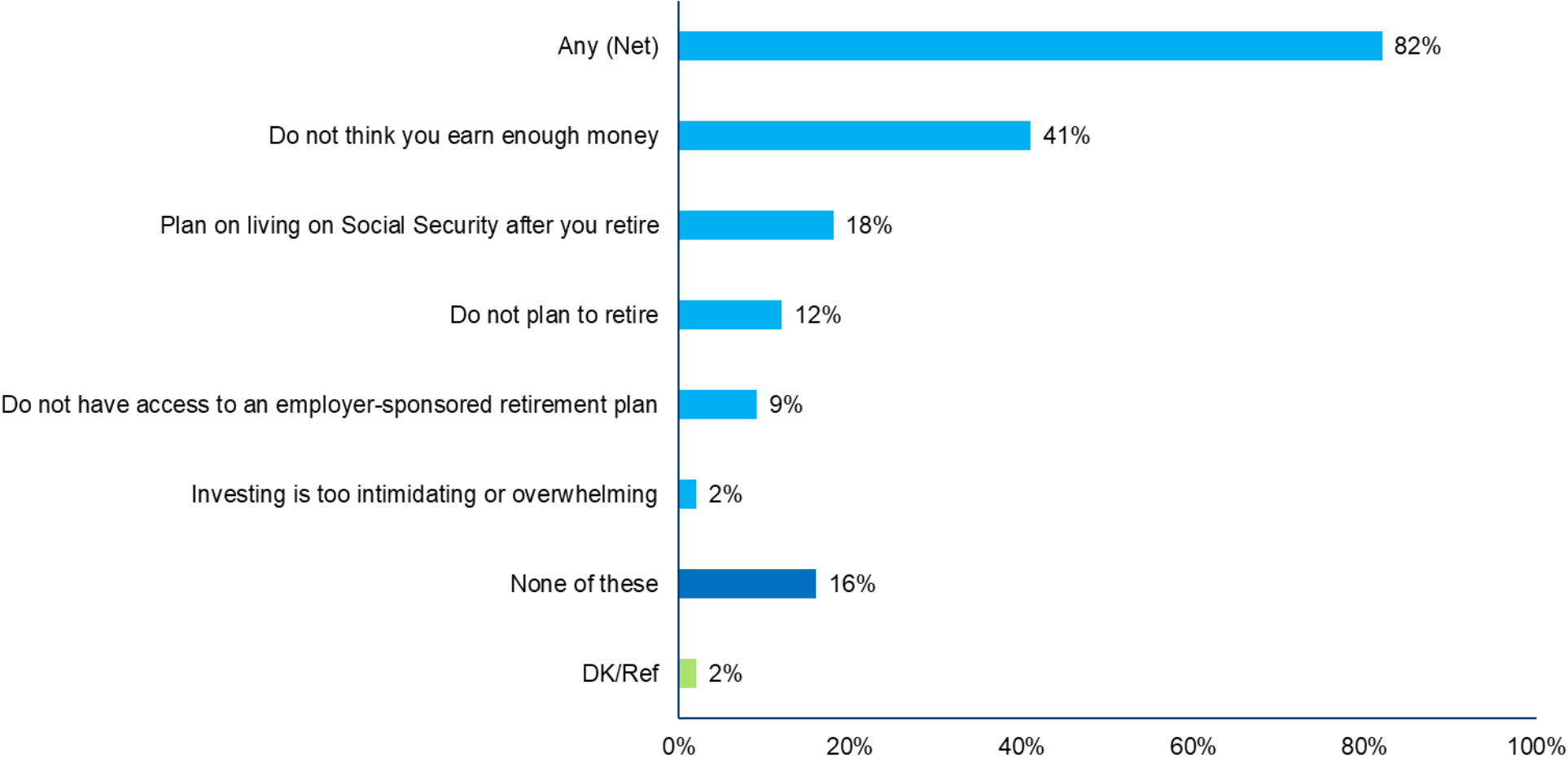
Percentage of Income Think They SHOULD Save for Retirement



F18: What percentage of your income do you THINK you should be saving for retirement? Would you say... (Base=Not retired=687)

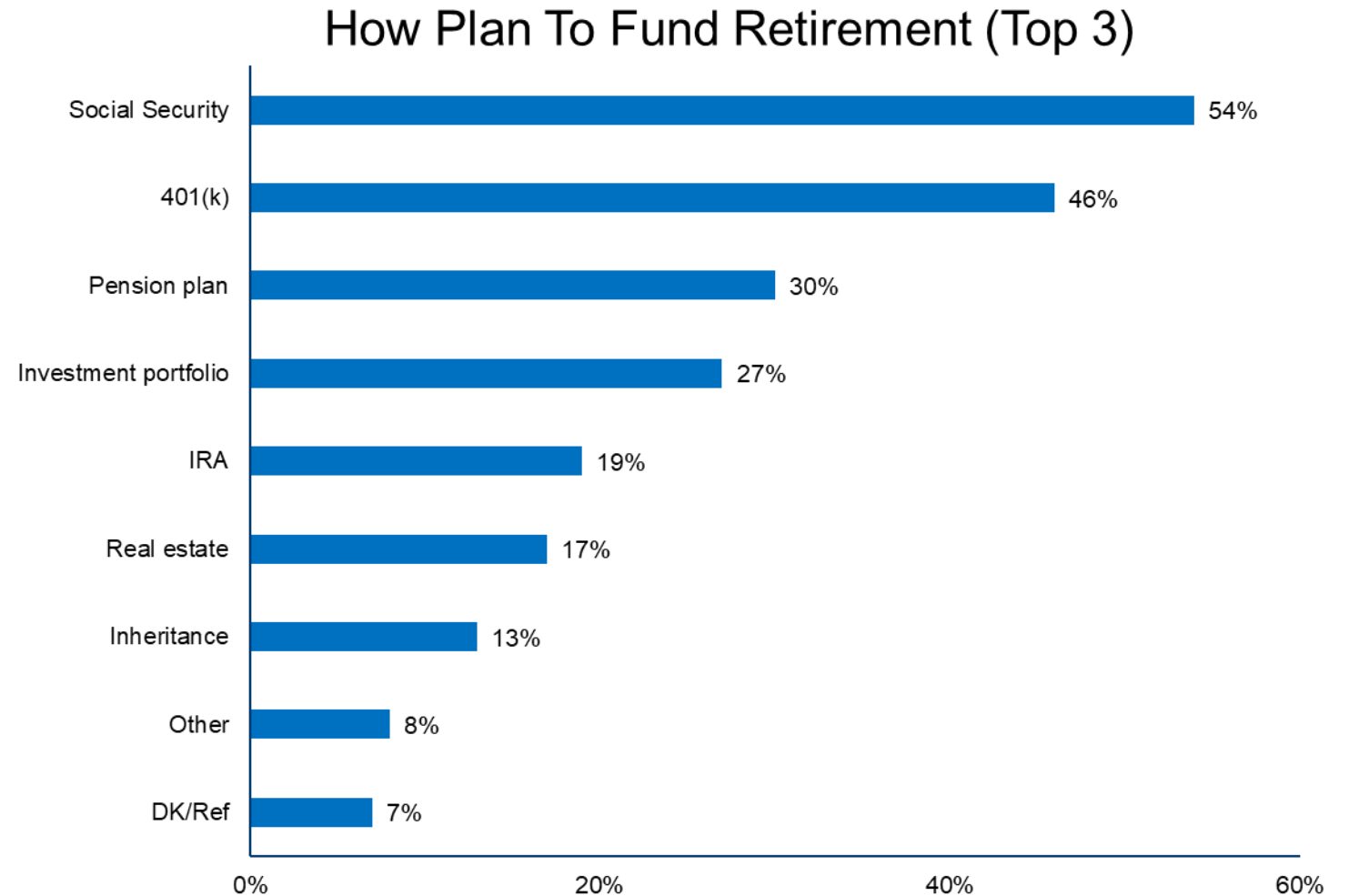
Those who are not retired and not saving for retirement were asked about their number one reason for not saving. The top answer by far is thinking they do not earn enough money (41%). Planning on Social Security is a distant second (18%).

Number One Reason Not Saving for Retirement



F45: Which of the following is the number one reason you are NOT saving for retirement? Would you say... (Base=Not retired and not saving for retirement=144)

The top two sources for funding retirement among Americans are Social Security (54%) and a 401(k) (46%). Three in ten also said pension plan (30%) and investment portfolio (27%) as one of their top 3 sources.

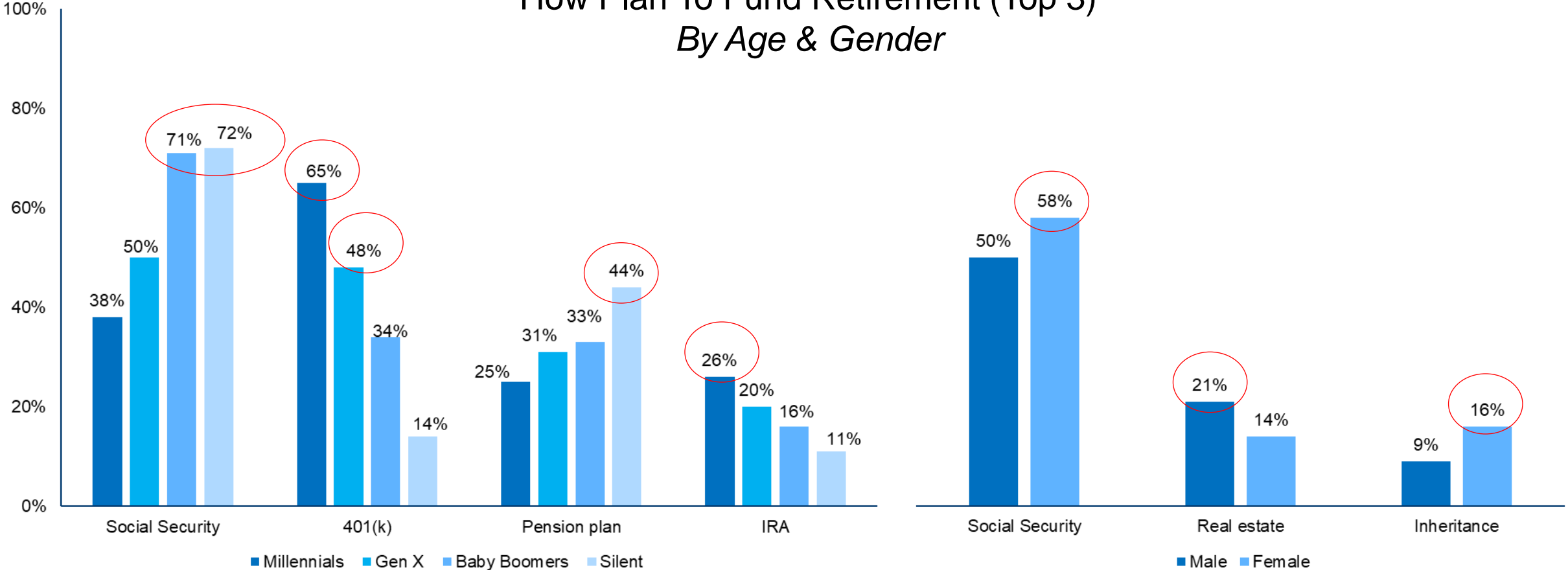


F8: How do you plan to fund your retirement? Please pick your top 3 sources. Would you say... (Base=Total=1,017)



Older Americans are more likely to pick Social Security and Pension plans as one of their top 3 sources for funding their retirement. Younger Americans are more likely to pick 401(k) and IRAs. Women are more likely to say Social Security and Inheritance, while more men said real estate.

How Plan To Fund Retirement (Top 3)
By Age & Gender

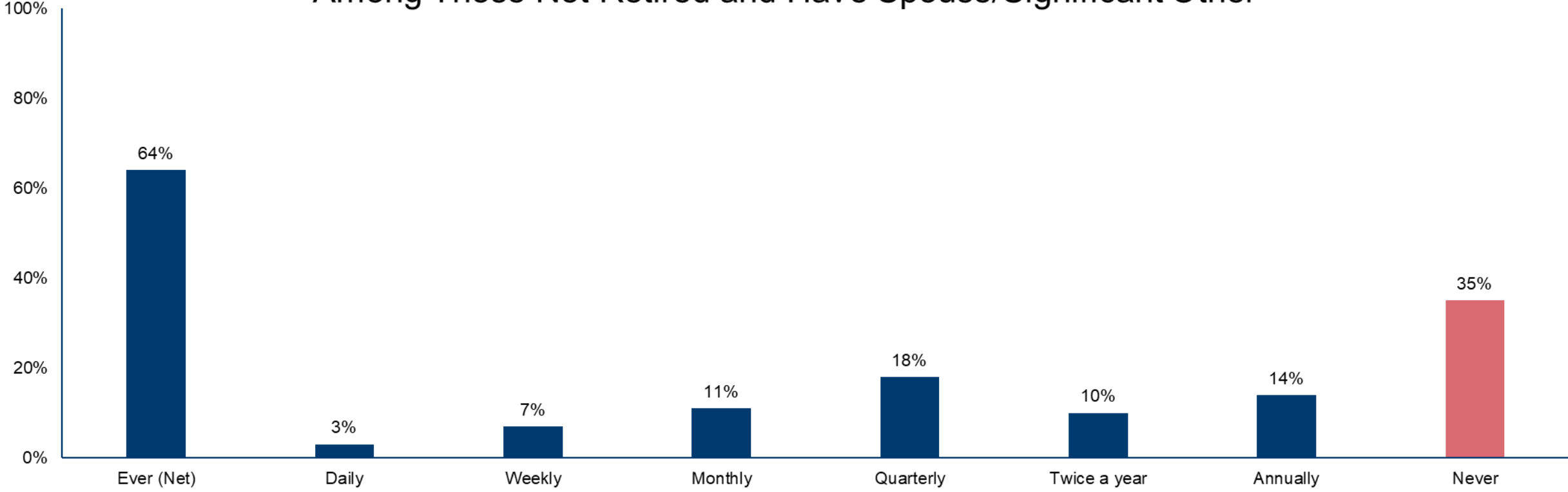


F8: How do you plan to fund your retirement? Please pick your top 3 sources. Would you say... (Base=Total, Millennials=212, Gen X=217, Baby Boomers=362, Silent=149, Male=506, Female=511)



Among those who are not currently retired and have a spouse or significant other, nearly two-thirds (64%) ever discuss retirement planning with their spouse or significant other. Two in five (39%) do so quarterly or more.

How Often Discuss Retirement Planning With Spouse/Significant Other Among Those Not Retired and Have Spouse/Significant Other

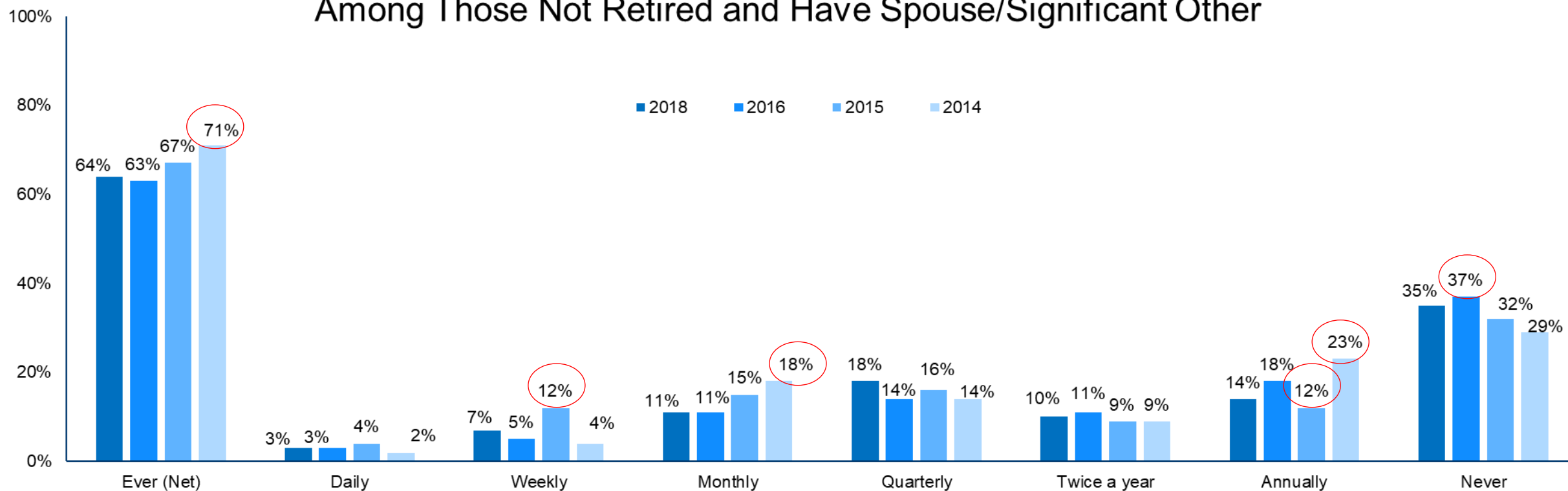


F16: On average, how often do you and your spouse or significant other discuss retirement planning? Would you say... (Base=Not retired and have a spouse or significant other=594)



Discussions with spouses and significant others about retirement planning are happening less frequently now than in 2014 (64% vs. 71%).

How Often Discuss Retirement Planning With Spouse/Significant Other Among Those Not Retired and Have Spouse/Significant Other



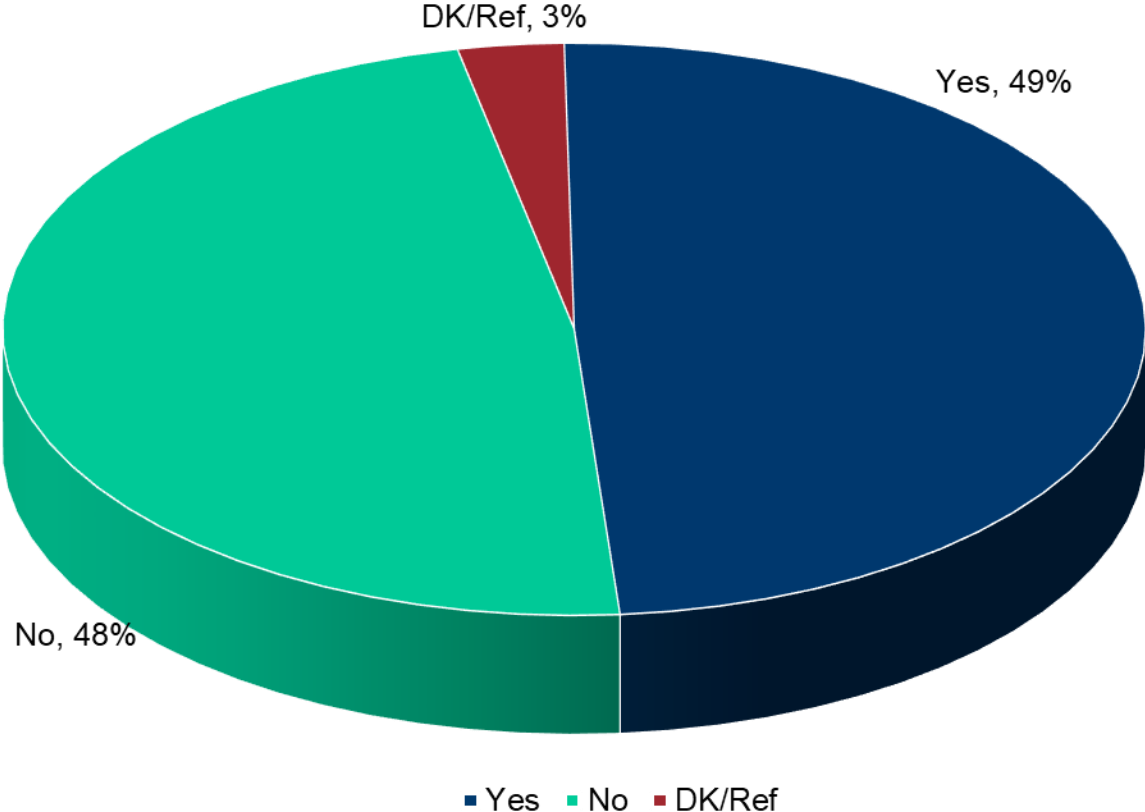
F16: On average, how often do you and your spouse or significant other discuss retirement planning? Would you say... (Base=Not retired and have spouse or significant other=2018=594; 2016=585; 2015=621; 2014=441)

Detailed Findings

Long-Term Financial Planning

Half (49%) of Americans have a long-term financial plan.

Have Long-Term Financial Plan

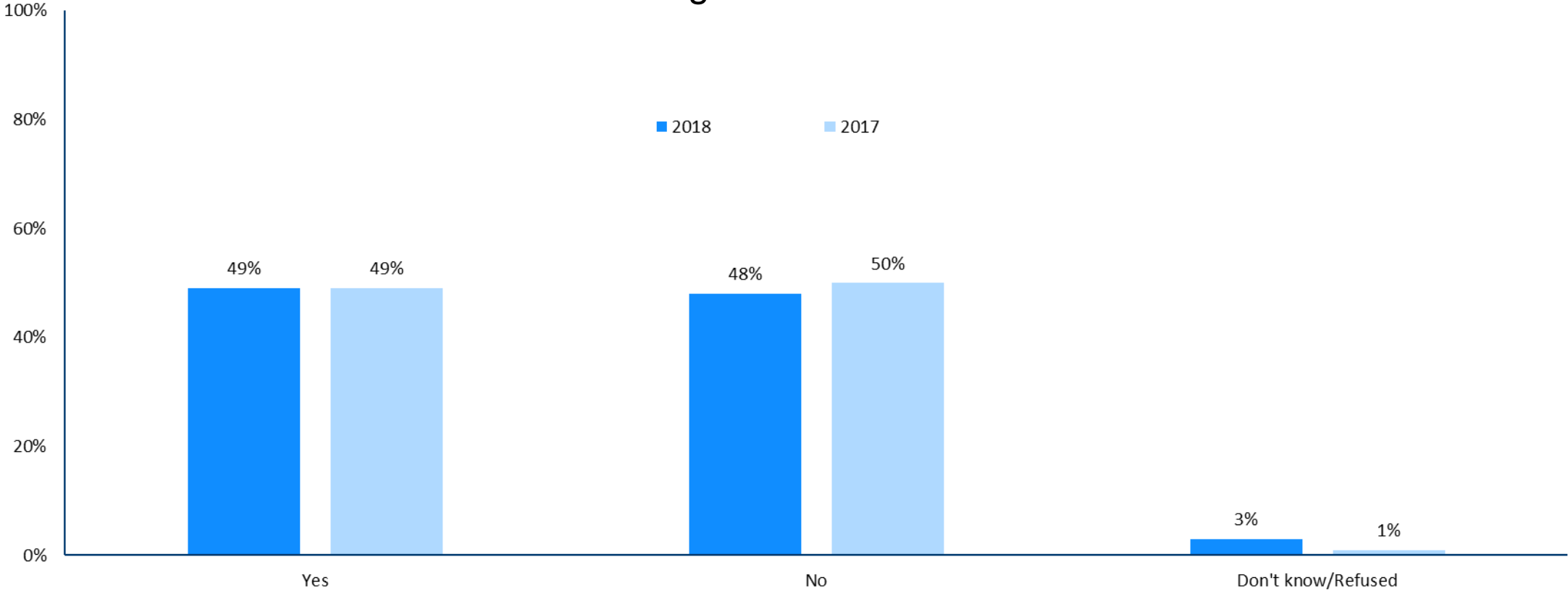


F36: Do you have a long-term financial plan? (Base=Total=1,017)



The same proportion of Americans have a long-term financial plan as did last year (both 49%).

Have Long-Term Financial Plan

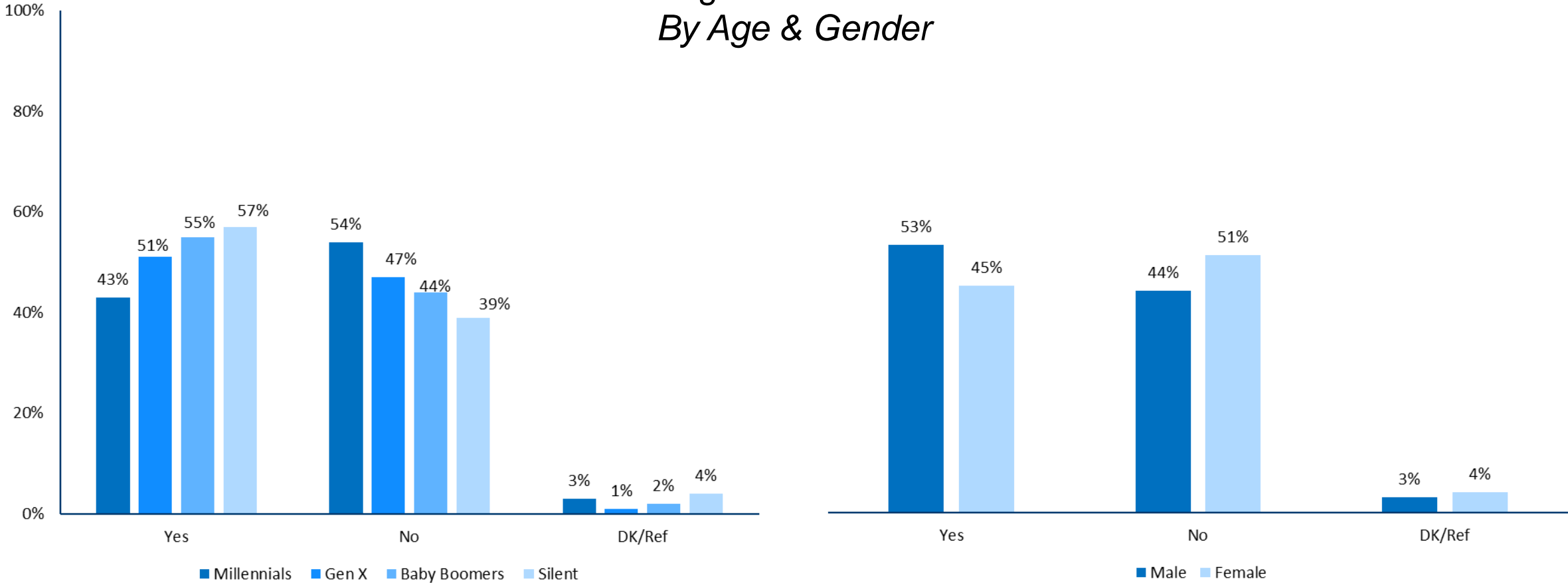


F36: Do you have a long-term financial plan? (Base=Total=2018=1,017; 2017=1,003)



Millennials (43%) are least likely to have a long-term financial plan. Men are more likely than women to say they have a long-term financial plan (53% vs. 45%).

Have Long-Term Financial Plan *By Age & Gender*



F36: Do you have a long-term financial plan? (Base=Total, Millennials=212, Gen X=217, Baby Boomers=362, Silent=149, Male=506, Female=511)

