Aging and Retirement

What Retirement Plan Features do Employees Really Want?

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Executive Summary

Employees have traditionally looked forward to retirement as a well-deserved break after a lifetime of work. It is unsurprising, then, that the ability to retire would be top of mind for employees. In an analysis of a series of employee surveys conducted by Deloitte Consulting LLP, employees ranked ability to retire as the single highest area of concern out of a list of 19 potential stressors.[1] It would also stand to reason that employees would be highly concerned with the retirement plan benefits and features that will support them in retirement.

The choice of retirement plan offerings in the U.S. has often boiled down to Defined Benefit ("DB") or Defined Contribution ("DC") with employers largely in control of benefit offerings. Recent experience has shown that employers have a strong preference for DC plans over DB plans, with traditional DB pension plans being extensively closed or frozen and replaced with 401(k) DC plans. Employees, meanwhile, often have little say and largely need to accept the decisions of their employers.

Many employers, however, are finding themselves with a heightened need to attract and retain talent. As a result, companies are trying to create benefit packages that are competitive and that stand out from the competition. Considering this trend, the questions remain: What type of retirement benefits do employees really want? What retirement plan features will help attract and retain employees?

This report presents the findings of an online survey of U.S. adults conducted in August 2022 by Deloitte Consulting, LLP on behalf of the Society of Actuaries Research Institute ("SOA") and SOA Retirement Section. The purpose of the study was to gain insight into the features of retirement plans that are important to employees, rather than employers, and where they may make trade-offs for the features they find most important. This study also hopes to illuminate educational gaps and opportunities in areas where plan participants may not always make the "correct" choices.

The survey focused on the following topic areas:

- Planning for retirement
- Availability and funding of retirement vehicles
- Accessing retirement benefits
- Savings and financial fragility
- Risk tolerance
- Leaving a legacy
- Health and wellness

[1] Between June 2020 and November 2022, Deloitte Consulting LLP administered a series of surveys to more than 47,000 U.S. employees through their companies. Each survey tested employee concerns over a panel of 19 employee stressors from inside and outside the workplace.

KEY FINDINGS

Planning for Retirement

Active respondents expect to retire at a median age range of 65-67, though a portion expect not to retire at all. Most respondents under age 35 expect to be able to retire before age 62, even if they do not have any retirement savings. Additionally, most active respondents plan to partially retire by reducing their schedule, rather than fully retiring at once. In contrast, most retired respondents indicated that they fully retired by stopping work all at once.

Respondents primarily rely on financial advisors, financial websites, and financial institutions for advice on both saving for retirement and spending down in retirement. Younger respondents are much more likely to rely on friends and family and/or social media and influencers for financial advice. In addition, respondents expressed a desire for more easily accessible financial education, wanting both online resources, as well as in-person meetings.

Availability and Funding of Retirement Vehicles

The most common type of employer-provided retirement benefit is a retirement savings plan with employer contributions, yet just under half of active respondents indicated that they have one available through their current employer. A handful of respondents (5%) were unsure what retirement plans they have available through their employer, and respondents aged 18-24 were five times more likely than others not to know what their employers offer.

Respondents overwhelmingly expect to rely on Social Security as a primary source of retirement income. Younger respondents are much less likely to expect to rely on Social Security for retirement income, and instead have a higher tendency to plan on part-time work or support from family to help bolster their retirement income.

Respondents don’t like the idea of sharing the cost of retirement benefits with employers and are especially upset if they need to contribute over 50% of the total benefit cost.

The ability to enhance retirement benefits through additional contributions is a “nice to have” but is not particularly meaningful to most respondents.

Accessing Retirement Benefits

Respondents are very concerned with the age at which they are able to access their full unreduced retirement benefits, with a preference for the earliest age possible. However, there is diminishing marginal preference for retirement at ages earlier than 67.

Respondents may not feel confident that they will live more than 20 years after retirement, as they would rather receive retirement payments that stop 20 years after retirement (irrespective of their time of death) than to receive an annuity that provides retirement payments until their time of death. Surprisingly, this sentiment is even shared by respondents expecting to retire at age 55 or earlier. It seems that respondents may be more worried about mortality risk causing them to “miss out” on potential benefits than they are about longevity risk leaving them with insufficient income late in life.

Most respondents would prefer the ability to withdraw retirement funds early with a 10% penalty over an opportunity to take a penalty-free loan that must be paid back. Additionally, many respondents may not trust themselves to leave their retirement benefits alone and would rather not have early access to retirement money at all as opposed to having access while paying a 10% penalty and repaying the withdrawals.

Savings and Financial Fragility

While most respondents do not have issues with debt, over a quarter face challenges with monthly finances due to debt burden. Additionally, fewer than half of respondents are comfortable with the size of their savings, and nearly a quarter don't have enough savings for an emergency or unexpected expense. Furthermore, fewer than half of respondents have retirement savings and believe they are on course to achieve their desired retirement income. 19% of respondents don't have any retirement savings at all. As expected, there is a strong correlation between these categories.

Respondents with burdensome debt, minimal household savings, or minimal retirement savings tend to be disproportionately expecting to rely on Social Security as their top source of retirement income. They are also relatively more open to fixed monthly retirement payments (vs. full flexibility of withdrawal timing), to variable benefit amounts (vs. fixed benefits that don't change over time), and to the idea of having benefits tied to an employer's financial performance. These respondents are also more willing to share the cost of retirement benefits with their employer. This population tends to skew more heavily towards respondents who are either under age 35, Black/African American, Hispanic/Latino, without a college degree, with a household income of under $50,000 annually, or self-employed (especially as it relates to a lack of retirement savings).

Risk Tolerance

Respondents want the flexibility of a DC benefit and the stability of a DB benefit. They prefer the flexibility of withdrawing money in any pattern of their choosing, rather than relying on a fixed monthly payment. But, if they were receiving payments in regular installments, they would prefer the stability of a fixed benefit amount over a variable benefit that could change over time.

Respondents have mixed levels of comfort picking retirement investments. Respondents want to have some sense of control over their retirement investments, but many do not feel comfortable making investments themselves and would rather be able to rely on a professional investment advisor. Some would prefer their retirement benefits not to be dependent on investment returns at all.

Respondents do not want their retirement benefits to be tied to employer financial performance.

While respondents are worried about inflation and would like cost-of-living increases to their retirement benefits, this feature had a relatively middling amount of influence on respondent preferences in aggregate relative to the other attributes tested.

Leaving a Legacy

Respondents are highly concerned with the ability to leave behind retirement benefits for a surviving spouse or partner. Most respondents would trade both a fully employer-paid retiree medical benefit and an annual 1% cost-of-living increase to their retirement benefit for the ability to pass their full retirement benefit amount to a surviving spouse. Respondents also show interest in the ability to bequeath a portion of their retirement benefit to give to family members, friends, charities, etc.

Health and Wellness

Respondents are interested in employer-provided retiree medical benefits, though it is generally of middling concern compared to other items tested. Respondents would find value in employers simply providing access to a medical plan after retirement, even if the respondents are responsible for the whole premium. Though interestingly, respondents aged 65-74 are more concerned with having subsidized benefits than other age groups. Respondents are also interested in employer-provided dental and vision benefits after retirement but are relatively less interested if the benefit is not also subsidized by their employer.

Respondents value a 50% subsidy on employer-provided retiree dental and vision benefits as much as they would value a 50% subsidy on employer-provided retiree medical benefits. This trade-off may represent a cost-effective opportunity area for employer investment.

Protection of benefits upon disability is a very minimal concern relative to the other attributes tested and it is not particularly meaningful to most respondents.

AREAS OF OPPORTUNITY FOR EMPLOYERS

Financial Advice

Relatively few respondents look to their employers as sources of advice related to retirement savings. This is especially true as it pertains to post-retirement spending and investing advice, but also holds true for pre-retirement saving and investing advice. This could represent an opportunity area for employers to provide enhanced education and financial well-being offerings to help bridge any gaps that are causing their employees to seek information elsewhere as they help employees plan for and transition into retirement.

Retirement Education

When asked what types of retirement plans respondents have available through their employers, 25% of respondents aged 18-24 were unsure what their employers offer. This could represent an opportunity area for employers to seek out ways to engage and educate their younger workforce.

Respondents were asked to rank up to three of their top income sources that they intend to rely on during retirement. While respondents overwhelming expect to rely on Social Security as their primary source of income, younger respondents indicate a much lower intent to rely on Social Security. While open-ended comments expressed concerns about the future of the Social Security system, it could also be that younger employees lack a strong understanding of the Social Security system and there may be an opportunity for employers to provide financial learning to educate their workforce.

Cost Sharing

The concept of required participant contributions was tested through the survey. Five potential levels were tested, with employees being responsible for either 0%, 25%, 50%, 75%, or 100% of the total cost of their retirement benefits, and their employers paying any remaining cost. While there is an initial shock when introducing employee contributions, there is a relatively small drop in preference when moving from 25% to 50% in required employee contributions. There is again a larger drop in preference when moving from an employee making 50% to 75% contributions and again from 75% to 100%. This implies that a 50/50 cost share between employees and employers may be a “sweet spot” that could represent a good value in the trade-off between employer costs and employee preferences.

Retirement Age

The concept of a normal retirement age was tested through the survey. Five potential levels were tested, with employees having access to their full unreduced retirement benefit as early as ages 62, 65, 67, 70, or 72. Unsurprisingly, employee preference drops as retirement age increases. Interestingly, though, the drop in preference is particularly steep when moving later than age 67. This change in the gradient implies that permitting full benefits at age 67 could represent a good value in the trade-off between employer costs and employee preferences. It is possible that, despite wishes from many to retire earlier, age 67 may not be seen as unreasonable. Potentially this view could stem from many associating this with the Social Security Normal Retirement Age

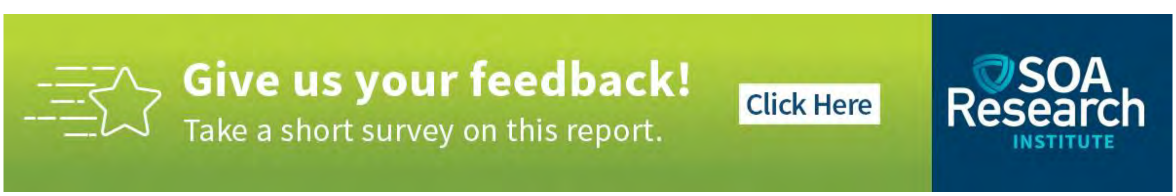
Post-Retirement Medical, Dental, and Vision Benefits

The concept of employer-provided medical benefits during retirement was tested through the survey. Four potential levels were tested, with the employer either providing no access to such a plan, or providing access and covering either 0%, 50%, or 100% of the premiums. Analysis of the change in preference across these levels implies that respondents find value in employers simply providing access to a medical plan after retirement, even if the respondents are responsible for the whole premium. This could potentially be an efficient investment in retiree wellness that employers can consider, though it is important to note that employees may not have an appreciation of the full cost of an unsubsidized retiree medical benefit and therefore may be undervaluing an employer subsidy.

Additionally, there is a relatively linear increase in respondent preference as the employer-paid portion of this benefit increases. This implies that each additional dollar spent by employers on this benefit would have a fairly equal increase in respondent preferences.

The concept of employer-provided dental and vision benefits during retirement was also tested through the survey. Four potential levels were tested, with the employer either providing no access to such a plan, or providing access and covering either 0%, 50%, or 100% of the premiums. Analysis of the change in preference across these levels implies that while respondents find some value in employers simply offering them access to a retiree dental and vision plan, they would find the most value if employers were able to aid the costs with a subsidy.

Additionally, there is a decrease in marginal preference as employer-paid premiums increase, indicating that respondents may be relatively more content with a partial subsidy for post-retirement dental and vision benefits when considering the cost. Also of note, an employer offering to pay 50% of the premium for a retiree dental and vision plan yields a higher increase in preference than offering to pay 50% of the premium for a retiree medical plan. Given the difference in costs between these two types of benefits, employers may find that offering a partially subsidized retiree dental and vision benefit could be a more efficient use of benefit spending.



Section 1: Background, Introduction and Methodology

1.1 BACKGROUND

The choice of retirement plan offerings in the U.S. has often boiled down to Defined Benefit ("DB") or Defined Contribution ("DC") with employers largely in control of benefit offerings. Recent experience has shown that employers have a strong preference for DC plans over DB plans, with traditional DB pension plans being extensively closed or frozen and replaced with 401(k) DC plans. Employees, meanwhile, often have little say and largely need to accept the decisions of their employers.

Many employers, however, are finding themselves with a heightened need to attract and retain talent. As a result, companies are trying to create benefit packages that are competitive and that stand out from the competition. Considering this trend, the questions remain: What type of retirement benefits do employees really want? What retirement plan features will help attract and retain employees?

1.2 INTRODUCTION

This report presents the findings of an online survey of U.S. adults conducted in August 2022 by Deloitte Consulting, LLP ("Deloitte") on behalf of the Society of Actuaries Research Institute ("SOA") and Retirement Section. The purpose of the study was to gain insight into the features of retirement plans that are important to employees, rather than employers, and where they may make trade-offs for the features they find most important. This study also attempts to illuminate educational gaps and opportunities in areas where plan participants may not always make the "actuarially correct" choices.

The questionnaire for the study was designed by Deloitte, in collaboration with the SOA's Aging and Retirement Strategic Research Program Steering Committee and its Project Oversight Group appointed by that committee. The posted questionnaire, which lists all survey questions and a summary of responses, is included in Appendix A.

The survey was conducted between August 17 and August 31, 2022, utilizing Dynata's[2] online consumer panel. Results were collected from U.S. adults aged 18 or older who were either currently employed ("active") or retired. Throughout the data collection process, the respondent population was monitored to ensure close alignment to categorical targets for age, gender, race and ethnicity for the U.S. adult population based on demographics from the 2020 Census. No oversampling quotas were in the data collection process, and no weighting was applied to the sample data collected.

All data collected was thoroughly reviewed and cleaned to remove respondents who failed any of a number of reasonability checks. This cleansing included removing those who sped through the survey, those who failed one of many internal consistency or attention checks, and those who provided nonsensical open-ended responses. A final sample of 2,493 respondents was used for analysis (2,374 active and 119 retired). The focus of the data collection was on those who are currently employed, resulting in a relatively small sample of retired respondents.

The survey took an average of 17 minutes to complete. Separate versions of the survey were administered for active and retired respondents, but the questions were substantively the same. Respondents completed two screening questions to enter the survey, one asked for their current age and one for their current employment status. These questions were used to disqualify respondents who were under age 18 or who described themselves as

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[2] Dynata is one of the world's leading providers of first-party survey panelists, with 30+ million vetted and verified panel participants in the Americas.

unemployed, students, or homemakers. These questions were also used to categorize respondents as active or retired.

1.3 METHODOLOGY

The survey utilized conjoint analysis as well as select, ranking, and open-ended questions. Conjoint analysis is a research technique that applies statistical analysis to respondent choices and trade-offs and is used to measure the value placed on each of the different components or features of products or services. Conjoint analysis works by breaking a product or service down into its components: “attributes” and “levels.” Attributes are broader categories to test, and within each attribute varying levels are evaluated. These components are varied to build many hypothetical packages with different combinations of attributes and levels.

This study utilized Choice-Based Conjoint analysis (“CBC”), which requires respondents to make a series of trade-offs by evaluating the pros and cons of multiple hypothetical packages and selecting their preferred option. Analysis of these trade-offs reveals the implicit value (“utility”) that respondents place on each individual level tested in the study.

The CBC attributes in this study were different retirement plan features, with each attribute having varying levels tested. In total, 15 attributes were included in the study with each attribute having two to five levels. A full list of attributes and levels is included in Appendix B.

In the CBC portion of the survey, each respondent completed a series of choice tasks. In each choice task, participants were shown two hypothetical packages of retirement plan features and asked to choose a preferred package. Each of the two hypothetical packages would share the same four attributes but would have differences in the levels shown for each attribute. Respondents completed a total of 16 choice tasks, each with a different combination of hypothetical packages containing varying attributes and levels. A total of 300 different versions of the conjoint questionnaire were used, each designed to be optimally efficient in terms of level balance, orthogonality, and overlap.

The CBC data was analyzed using hierarchical Bayesian (“HB”) estimation, which leverages Bayesian statistics to provide individual respondent-level models. This analysis was performed using *Lighthouse Studio*, published by Sawtooth Software, Inc.

1.3.1 CONJOINT UTILITY SCORES

HB estimation leads to a set of utility scores for each level tested for each individual respondent, which can be used to help understand the importance of each attribute and level relative to the others tested and the extent to which they influence respondent choices. Utilities can also be used to simulate shares of respondent preference when comparing two or more hypothetical packages of features.

A primary focus of the analysis in this paper is in understanding the relative utility amongst the various levels tested within each attribute. Several figures are presented throughout this report that each illustrate the relative utility of the levels tested within a specific attribute. Each such figure presents the average of individual respondent utility scores that have been normalized and zero-centered on an individual level. This normalization process scales respondent utilities to ensure that each respondent has an essentially equal weighting on the mean.

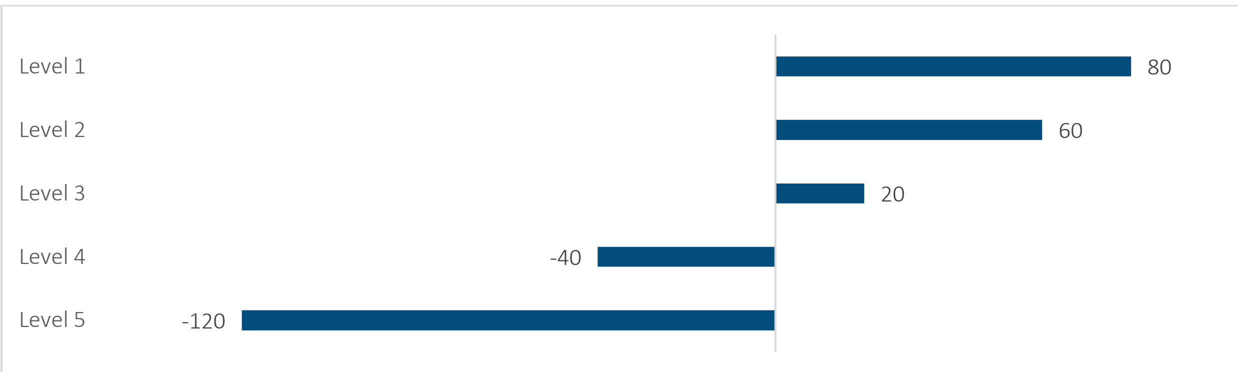
It is important to note that utility scores are interval data. Utility scores can be categorized and ranked, or could be added or subtracted, but they cannot be multiplied or divided. They also lack a “true zero” that represents a total absence of the variable.

Because the utility scores have been zero-centered, they can take positive or negative values. It should be noted that positive utility scores do not necessarily indicate that a level is "good," nor do negative scores indicate that a level is "bad." Instead, these may mean that certain levels are favored relative to other levels tested within the same attribute. That determination can be made by comparing utilities across levels within an attribute.

Important Note

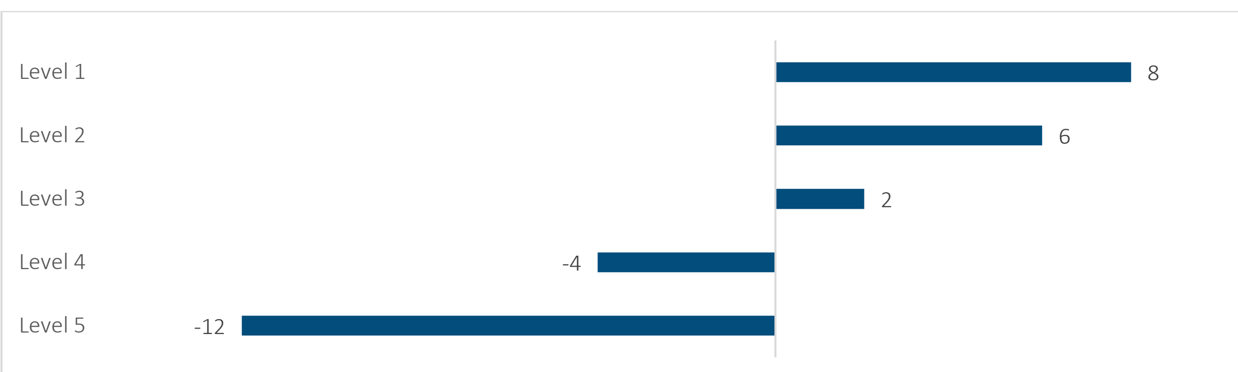
Utility scores for each attribute are scaled to an arbitrary constant, and as such they cannot be directly compared across attributes. However, differences between utility scores within one attribute can be compared to differences between utility scores from another attribute, as this is an addition operation. Put another way, a +10 increase in utility score has the same impact on respondent preference, no matter the attribute in which the increase occurs.

Example 1



Example 1 above shows an attribute where five levels were tested. In this example, there is a clear preference for Level 1, with decreasing preference until reaching the least preferred Level 5. You can compare the magnitude of each bar within this example to see the relative level of preference for one level over another. For instance, you can say that Level 2 is preferred over Level 3 because the utility score is higher. You cannot, however, say that Level 2 is three times more preferred than Level 3 because these scores are interval data. Instead, you could compare and say that the increase in preference when moving from Level 3 to Level 2 is twice as much as the increase in preference when moving from Level 2 to Level 1 (i.e., 40 is twice as much as 20).

Example 2



Example 2 above shows a different attribute where five levels were tested. In this example, the utilities follow the same pattern as in Example 1, except each utility score is tenfold lower than in Example 1.

Just as with Example 1, here you can compare and say that the increase in preference when moving from Level 3 to Level 2 is twice as much as the increase in preference when moving from Level 2 to Level 1 (i.e., 4 is twice as much as 2). An important distinction, though, is that you cannot compare the absolute values of the utility scores across levels. A utility score of 80 in Example 1 is not 10 times more influential or important than a utility score of 8 in Example 2. Instead, you can compare the differences in utility scores between these two examples. For instance, you could say that the increase in preference when moving from Level 3 to Level 2 in Example 1 is ten times higher than the increase in preference when moving from Level 3 to Level 2 in Example 2 (i.e., 40 is ten times more than 4).

In addition to comparisons of relative utilities across levels, this paper also touches on the relative influence of each attribute in relation to other attributes tested. The relative influence considers the full range of levels tested within each attribute and the influence those have on respondent preferences. This analysis is accomplished by comparing the total range of utility scores within each attribute from the most favorable to the most unfavorable level.

Section 2: Relative Influence of Conjoint Attributes

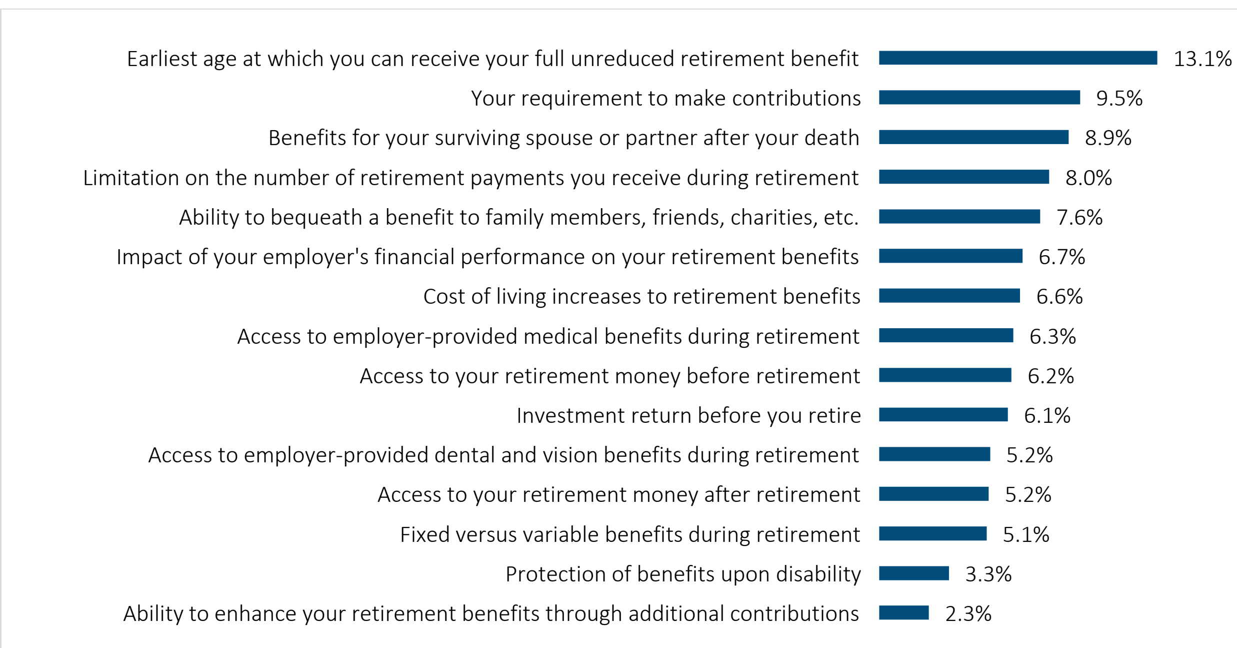
The relative influence of conjoint attributes helps us understand the influence that each attribute has on respondent choices, relative to the other attributes tested. This measure considers the full range of levels tested within each attribute and the influence those have on respondent preferences. In other words, the relative influence considers not just the extent to which respondents pick hypothetical packages containing "good" or favorable levels, but also the extent to which respondents avoid picking packages containing "bad" or unfavorable levels.

While the relative influence provides a convenient overview and way to quickly compare the variations across each attribute tested, it is important to note that it is based on the levels chosen in the survey design. For example, if a more extremely favorable level was added to a single attribute, respondents would be more likely to want that benefit and its utility would be very high, which in turn would inflate the relative influence of the whole attribute. Therefore, it should not be misinterpreted as a measure of importance.

When viewing the relative influence of conjoint attributes, attributes are displayed in rank order from most to least influential on respondent preferences. The percentages sum to 100% and indicate the relative degree to which the tested levels influenced a respondent's choice. For example, an attribute with 10% relative influence is twice as influential on respondent choice than an attribute with 5%. It is also important to reiterate that a low level of relative influence does not mean that an attribute is unimportant. It just means that the levels tested for that attribute had relatively less impact on respondent preferences than for others.

Figure 1 shows the relative influence of each of the attributes tested in the CBC portion of the survey. Each attribute is discussed in further detail in later sections of this report.

Figure 1
RELATIVE INFLUENCE OF CONJOINT ATTRIBUTES



Section 3: Planning for Retirement

Understanding how respondents plan for and prepare for retirement can provide valuable context as we examine their preferences around specific retirement plan features. To this end, respondents were asked several questions to better understand when they plan to retire, if they plan to work a reduced schedule before retiring fully, where they look for retirement savings advice, and what resources they would value to aid in retirement planning.

Section highlights:

- Active respondents expect to retire at a median age range of 65-67, though a portion expect not to retire at all. Most respondents under age 35 expect to be able retire before age 62, even if they don't currently have any retirement savings at all.
- Most active respondents plan to partially retire by reducing their schedule, rather than fully retiring at once. In contrast, most retired respondents stopped working fully rather than transitioning into retirement with a partial schedule.
- Respondents primarily rely on financial advisors, financial websites, and financial institutions for advice on both saving for retirement and spending down in retirement.
- Respondents expressed a desire for more easily accessible financial education, wanting both online resources, as well as in-person meetings.

3.1 EXPECTED RETIREMENT AGE

Active respondents expect to retire at a median age range of 65-67. 42% expect to retire before age 65, while 8% expect not to retire at all (Figure 2). The actual retirement age for retired respondents skewed younger, with 55% indicating that they retired before age 65 (Figure 3). The median retirement age for retirees was 63.

Researcher Observation

While this could point towards a trend of workers retiring later than prior generations, it is also possible that workers could be retiring earlier than expected due to unforeseen circumstances such as personal health issues, job loss or elimination, or the need to provide care for family members.

Figure 2
EXPECTED RETIREMENT AGE (ACTIVE RESPONDENTS)

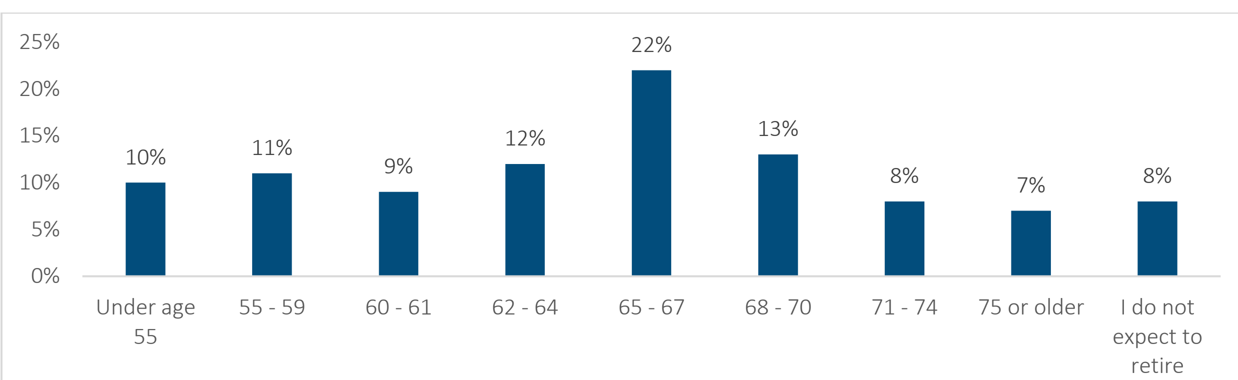
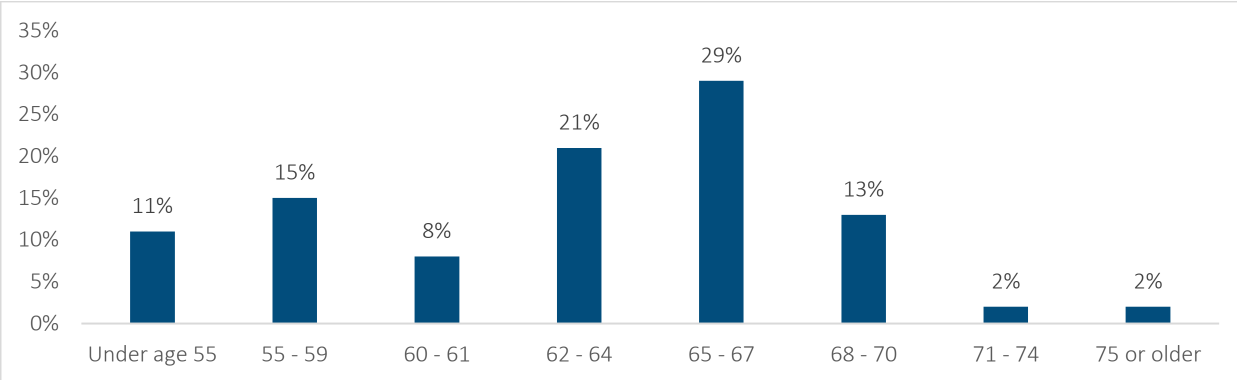


Figure 3
ACTUAL RETIREMENT AGE (RETIRED RESPONDENTS)



Survey results indicate that the younger generation expects to be able to retire early. 31% of respondents aged 18-24 expect to retire before age 55, while 67% expect to retire before age 62. Similarly, 22% of respondents aged 25-34 expect to retire before age 55, while 54% expect to retire before age 62. This sentiment remains even amongst respondents who do not have any retirement savings.

Researcher Observation

It is difficult to say what may be leading to this sentiment. It may be a sign of youthful optimism or perhaps a lessened desire for material items and a greater value placed on free time. It could also be an indication of a general lack of understanding and may signal a need for additional financial literacy and retirement readiness education. This may be supported by the fact that respondents with no more than a high school diploma or those with a household income of less than $25,000 annually have a disproportionately high expectation that they can retire before age 55.

It could also be the case that these respondents intend to ease into retirement with a reduced schedule before retiring completely, which would make an early retirement a more realistic expectation. Of note, 75% of respondents aged 18-24 and 72% of respondents aged 25-34 plan to take a partial retirement before stopping work completely. There is concern of an impending talent shortage as the population ages, but there may be a societal opportunity to make a market as on the other side there also seems to be a desire amongst many to work longer and ease into retirement.

Figure 4 below highlights the expected retirement age for active respondents under age 35, split by their reported level of retirement savings. Unsurprisingly, those who feel they are on course with their desired retirement savings are more likely to expect to retire early. Interestingly, though, a complete lack of retirement savings does not tend to deter respondents from believing they will be able to retire before age 62.

Figure 4

EXPECTED RETIREMENT AGE BY LEVEL OF RETIREMENT SAVINGS (ACTIVE RESPONDENTS UNDER AGE 35)

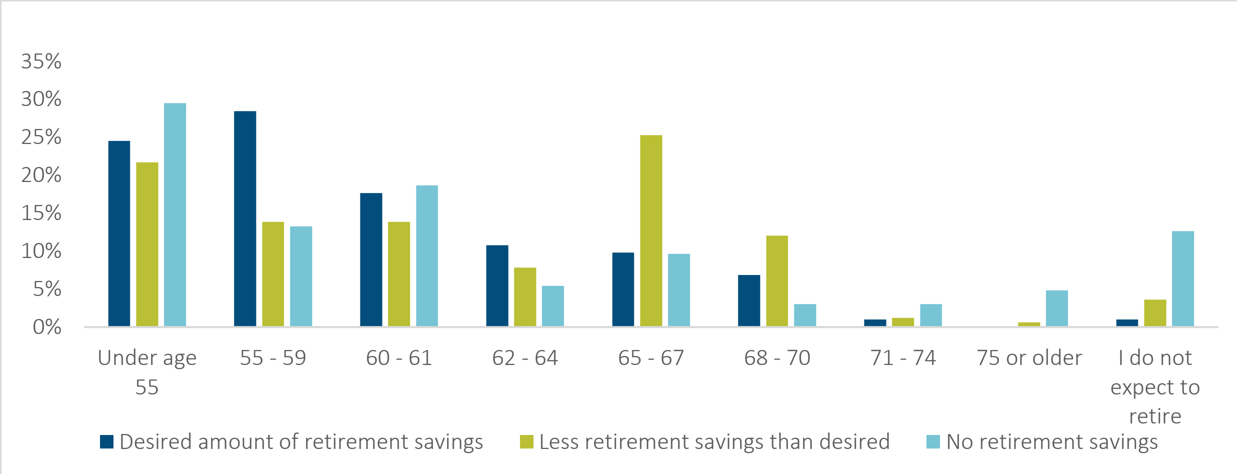
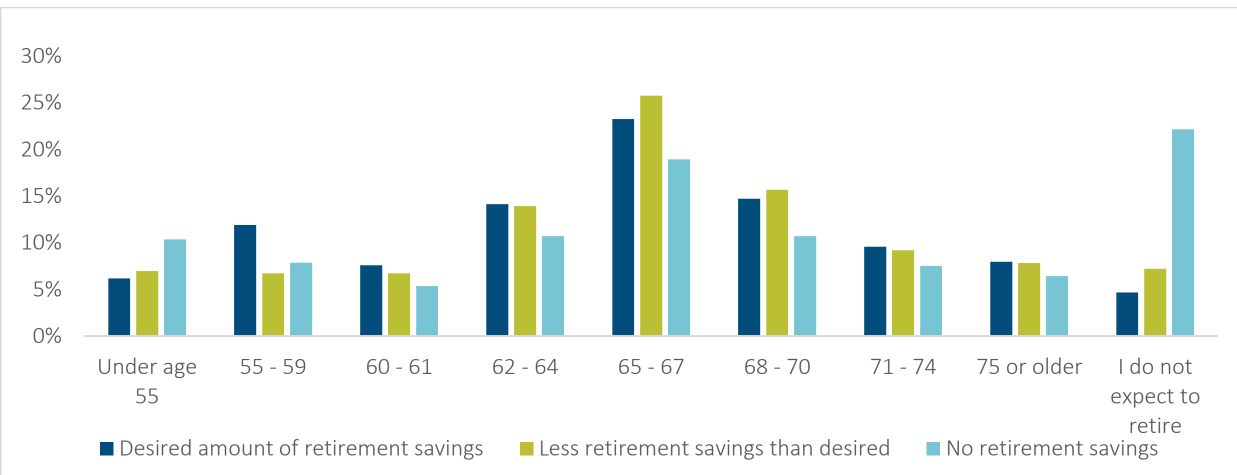


Figure 5 below highlights the expected retirement age for active respondents aged 35 or older, split by their reported level of retirement savings. While there is still a disproportionately high contingent with no retirement savings who expect to be able to retire before age 55, many in this cohort feel less than confident in their ability to retire early – if at all.

Figure 5

EXPECTED RETIREMENT AGE BY LEVEL OF RETIREMENT SAVINGS (ACTIVE RESPONDENTS AGED 35 AND OLDER)



3.2 FULL VS. PARTIAL RETIREMENT

Active respondents who indicated that they intend to retire were asked a follow-up question to understand how they plan to retire from their primary occupation. 38% indicated that they plan to take a full retirement and stop working all at once. 62% indicated that they plan to partially retire by reducing the number of days/hours worked before stopping completely (Figure 6). Conversely, 62% of retired respondents stopped working for pay all at once, while 38% reduced their number of days/hours before stopping completely.

Figure 6

FULL VS. PARTIAL RETIREMENT (ACTIVE RESPONDENTS)

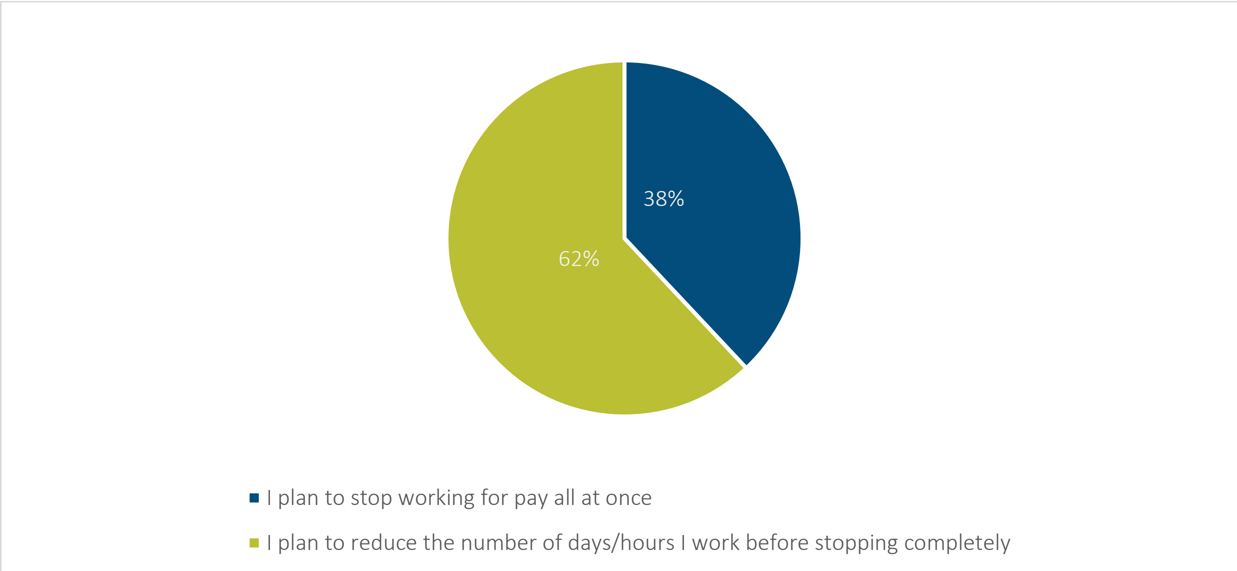


Figure 7 below highlights the plans for a full vs. partial retirement for active respondents, split by their expected retirement age. An inflection point exists where those who expect to retire between ages 62 and 64 are most likely to plan on taking a full retirement. Those who expect to retire either under age 55 or at age 75 or older are the most likely to plan on taking a partial retirement.

Figure 7

FULL VS. PARTIAL RETIREMENT (ACTIVE RESPONDENTS) BY EXPECTED RETIREMENT AGE

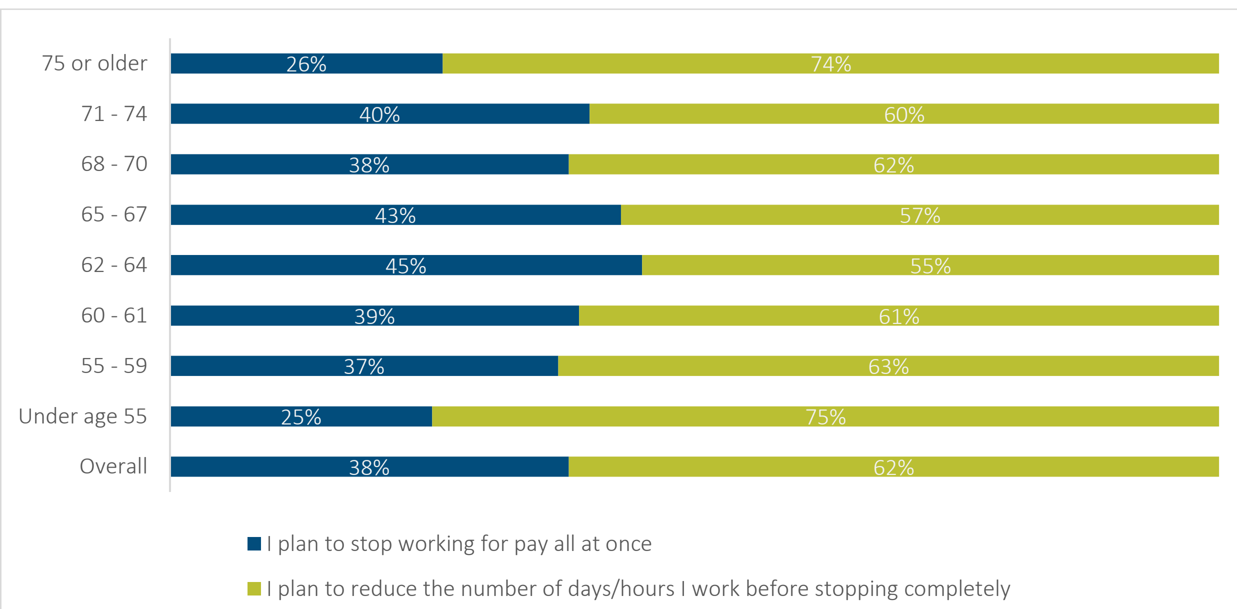


Table 1 below highlights selected demographic segments that are planning for a partial retirement at higher rates than the aggregate population. Unsurprisingly, respondents with a lower household income, or who are burdened with debt, or who lack retirement or other savings are more likely to plan for a partial retirement. Interestingly, those who are aged 75 or older or who are self-employed, gig workers and/or contractors are more likely to plan for a partial retirement. While this may be the result of a discomfort with their financial situation, it could also be an indication that these populations have higher satisfaction with their occupations and are more willing to continue working.

Table 1

PERCENTAGE OF ACTIVE RESPONENTS PREFERRING A PARTIAL RETIREMENT – SELECTED DEMOGRAPHIC SEGMENTATION

Demographic Segment	% Preferring Partial Retirement
Age 18-24	75%
Age 25-34	72%
Age 75 and older	70%
Race – Black/African American	71%
Household Income - Less than $25,000	82%
Household Income - $25,000 - $34,999	73%
Household Income - $35,000 - $49,999	72%
Self-employed, gig worker and/or contractor	82%
Debt is a major problem for me in managing my finances	80%
Debt payments are usually manageable for me, but they occasionally cause a challenge in my monthly budget	71%
I do not have retirement savings	79%
I do not have enough savings for an emergency or unexpected expense	73%
Total of all active respondents	**62%**

Also of note, active respondents who are currently employed as a labor or trade union member are more likely to plan to stop working for pay all at once, with 47% expressing this sentiment (compared to 38% for the aggregate population). Those who currently work for an employer with 5,000 or more employees expressed a similar sentiment, with 48% planning to take a full retirement.

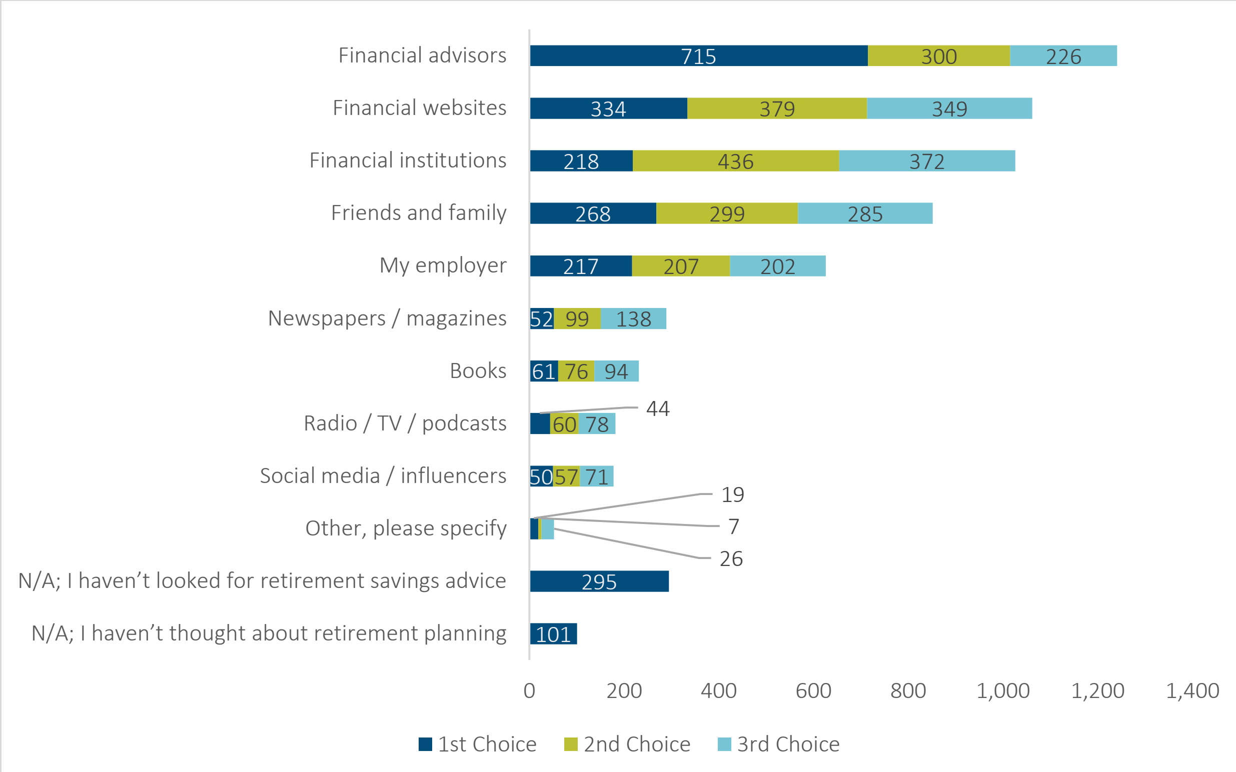
3.3 SOURCES OF RETIREMENT SAVINGS ADVICE – PRE-RETIREMENT ACCUMULATING AND INVESTING

Respondents were asked to rank up to three of their top sources of where they look for advice related to accumulating and investing retirement savings while they are working. Figure 8 below shows the number of times each option was picked as first, second, or third choice amongst active respondents. Two “none” options were also amongst the answer choices, each being an exclusive answer choice when selected.

Respondents primarily rely on financial advisors, financial institutions, and financial websites as their top sources of advice. Friends and family followed closely as another key source of advice, and more respondents choose friends and family as their top choice over financial institutions. While many also seek advice from their employers, this could be an opportunity area for employers to provide enhanced education and financial well-being offerings to help bridge any gaps that are causing their employees to seek information elsewhere. And while the results are not included in Figure 8 below, a similar trend and similar results were observed when a comparable question was asked to retired respondents.

Figure 8

SOURCES OF ADVICE FOR ACCUMULATING AND INVESTING RETIREMENT SAVINGS BEFORE RETIREMENT (ACTIVE RESPONDENTS)



Younger respondents are much more likely to rely on friends and family and/or social media and influencers for financial advice. 40% of respondents aged 18-24 and 46% of respondents aged 25-34 list friends and family in their top three sources of advice, compared to just 36% for the overall population. Even more strikingly, 23% of respondents aged 18-24 and 18% of respondents aged 25-34 list social media and influencers in their top three sources of advice, compared to just 7% for the overall population. This group is also less likely to rely on financial advisors than the overall population.

Respondents who work for larger employers tend to be more likely to rely on their employer as a source of financial advice. 32% of respondents who work at companies of 500 or more employees list their employer in their top three sources of advice, compared to just 26% of respondents who work at companies with between 10 and 499 employees.

Area of Opportunity for Employers

There may be an opportunity for smaller employers to offer a differentiated employee benefit through a robust financial literacy and education offering.

12% of respondents noted that they haven't sought any retirement savings advice and a further 4% have not thought about retirement planning at all. Unsurprisingly, it is predominantly the younger respondents who have not yet begun any retirement planning. Interestingly, respondents aged 65 and older were the least likely of any age group to have sought out retirement savings advice. 15% of respondents aged 65-74 and 20% of respondents aged 75 or older say that they haven't looked for retirement savings advice, compared to just 11% of respondents younger than age 65.

3.4 SOURCES OF RETIREMENT SAVINGS ADVICE – POST-RETIREMENT SPENDING DOWN AND INVESTING

Respondents were also asked to rank up to three of their top sources of where they look for advice related to spending down and investing retirement savings after retiring. Figure 9 below shows the number of times each option was picked as first, second, or third choice amongst active respondents. Two "none" options were also amongst the answer choices, each being an exclusive answer choice when selected.

Respondents tended to rely on similar sources for both pre-retirement and post-retirement retirement savings advice. Respondents primarily rely on financial advisors, financial institutions, and financial websites as their top sources of advice for spending down and investing after retirement. Friends and family followed closely as another key source of advice, and more respondents choose friends and family as their top choice over financial institutions.

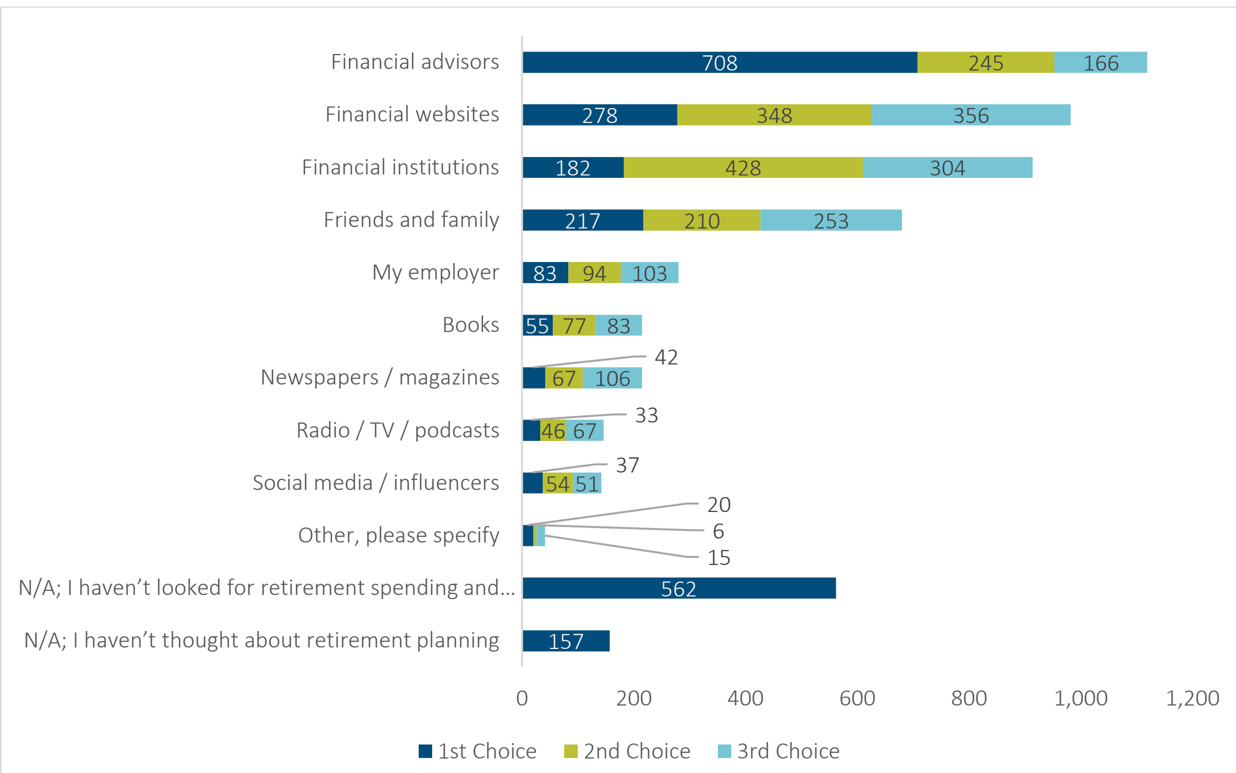
Area of Opportunity for Employers

Relatively few respondents seek post-retirement spending and investing advice from their employers, which could represent an opportunity area for employers to provide enhanced education and financial well-being offerings to help bridge any gaps as they help employees plan for and transition into retirement.

And while the results are not included in Figure 9 below, a similar trend and similar results were observed when a comparable question was asked to retired respondents.

Figure 9

SOURCES OF ADVICE FOR SPENDING DOWN AND INVESTING MONEY DURING RETIREMENT (ACTIVE RESPONDENTS)



24% of respondents noted that they haven't sought any post-retirement spending and investment advice and a further 7% have not thought about retirement planning at all. Unsurprisingly, it is predominantly the younger respondents who have not yet begun any retirement planning. Interestingly, respondents aged 75 and older were the least likely of any age group to have sought out retirement spending and investing advice. 30% of respondents aged 75 or older say that they haven't looked for post-retirement spending and investment advice, compared to 24% of respondents younger than age 75.

3.5 RESOURCES FOR RETIREMENT PREPAREDNESS

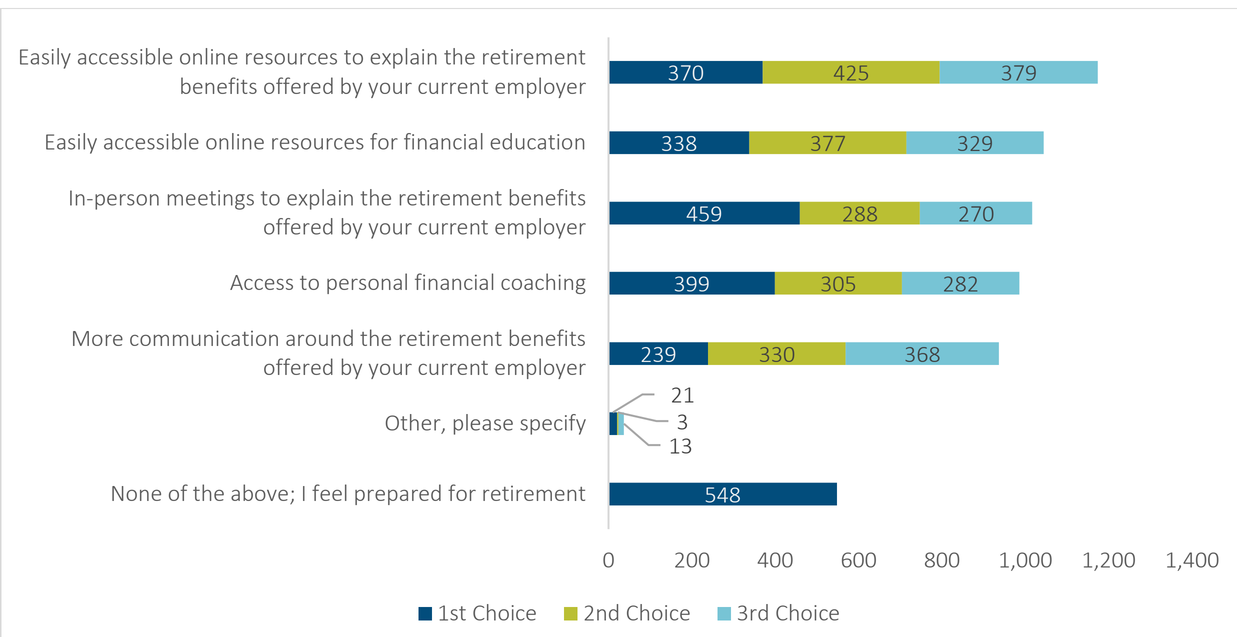
Respondents were asked to rank up to three resources that would most help their retirement preparedness if provided by their employer. Figure 10 below shows the number of times each option was picked as first, second, or third choice amongst active respondents. One "none" option was also amongst the answer choices and was an exclusive answer choice when selected. And while the results are not included in Figure 10 below, similar trends and similar results were observed when a comparable question was asked to retired respondents.

Results were spread somewhat evenly across the potential answer choices. The most universally desired is to have easily accessible online resources to explain the retirement benefits offered by a current employer. While such access was not the most highly selected as a first choice, the largest number of respondents ranked this in their top three. Respondents similarly have a strong desire for easily accessible online resources for financial education. It seems clear that respondents have an interest in easy-to-access, on-demand resources, and having these available for employees could be a differentiator for an employer.

The single top choice for the highest number of respondents was to have employers offer in-person meetings to explain their retirement benefit offerings. This is of particularly high interest to respondents who are currently employed as labor or trade union members, with 26% selecting this as their first choice compared to just 19% for the overall population. There is also a desire for employers to provide access to personal financial coaching resources, and respondents aged 25-44 tended to be amongst the most interested. For those with a household income of $100,000 or more annually, access to personal financial coaching tended to be more desired than easily accessible online resources for financial education.

Figure 10

MOST HELPFUL RESOURCES TO AID IN RETIREMENT PREPAREDNESS (ACTIVE RESPONDENTS)



Section 4: Availability and Funding of Retirement Vehicles

This section focuses on how respondents pay for their retirement. To this end, respondents were asked several questions to better understand what types of retirement plans are offered by their employers, what types of retirement plans they contribute to through their employer, and what sources of income they plan to rely on during retirement. The conjoint section of the survey contained attributes that tested the concept of required participant contributions to retirement plans and the concept of using voluntary participant contributions to enhance retirement benefits.

Section highlights:

- The most common type of employer-provided retirement benefit is a retirement savings plan with employer contributions, though fewer than half of active respondents have one available through their current employer.
- Respondents aged 18-24 were five times more likely to not know what retirement plans they have available through their employer when compared to the aggregate population.
- Respondents overwhelmingly expect to rely on Social Security as a primary source of retirement income. Younger respondents are much less likely to intend to rely on Social Security for retirement income and, instead, have a higher tendency to expect to rely on part-time work or support from family to help bolster their retirement income.
- Respondents don't like the idea of sharing the cost of retirement benefits with employers and are especially upset if they need to contribute over 50% of the total benefit cost.
- The ability to enhance retirement benefits through additional contributions is a "nice to have" but is not particularly meaningful to most respondents.

4.1 ACCESS TO RETIREMENT PLANS THROUGH AN EMPLOYER

Respondents were asked what types of retirement plans were made available through their employer. Active respondents were asked about both current and past employers, while retired respondents were asked about all past employers. Respondents were able to select all answer choices that applied. One "none" option and one "not sure" option were also amongst the answer choices, each being an exclusive answer choice when selected.

Figure 11 below shows the percentage that selected each option for active respondents. The most commonly provided plan was a retirement savings plan with employer contributions. 49% have such a plan available through a current employer and 26% had one through a past employer, with a total of 59% having access through either a current or past employer. Retirement savings plans with employer contributions tended to be more common amongst those with a bachelor's degree or higher, those with a household income of $75,000 or more, those working at companies with 500 or more employees, and those working in the private sector.

27% of respondents have a pension plan available through a current employer and 17% had one available through a past employer. In total, 39% of active respondents had access to a pension plan through either a current or past employer. Pension plans tended to be more common amongst those with a bachelor's degree or higher, those with a household income of $75,000 or more, those working at companies with 250 or more employees, and those working in the public sector. They are also more common amongst those who have been employed as a labor or trade union member.

16% of respondents indicated that they do not have access to any retirement plans through either a current or former employer. This response was most common amongst those without a college degree, those with a household income of less than $50,000, and those working at companies with fewer than 50 employees. It was also more common amongst those who are currently working part-time or who are self-employed. Additionally, 5% of respondents are not sure what retirement plans are available through their employer.

Area of Opportunity for Employers

Concerningly, if not unsurprisingly, 25% of respondents aged 18-24 don't know what their employers offer. This could represent an opportunity area for employers to seek out ways to engage and educate their younger workforce.

Figure 11
ACCESS TO RETIREMENT PLANS THROUGH AN EMPLOYER (ACTIVE RESPONDENTS)

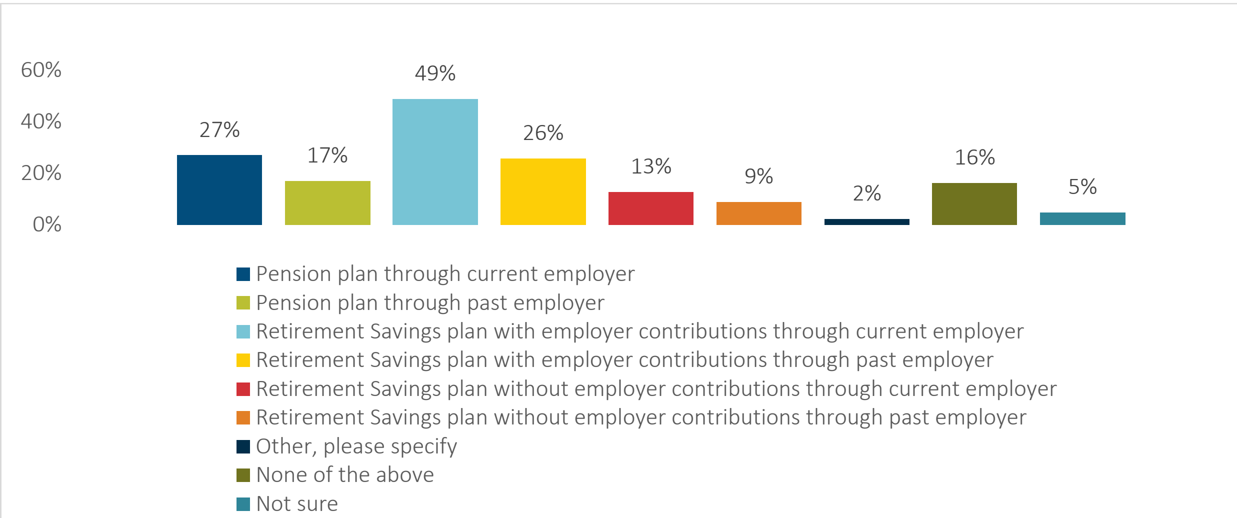
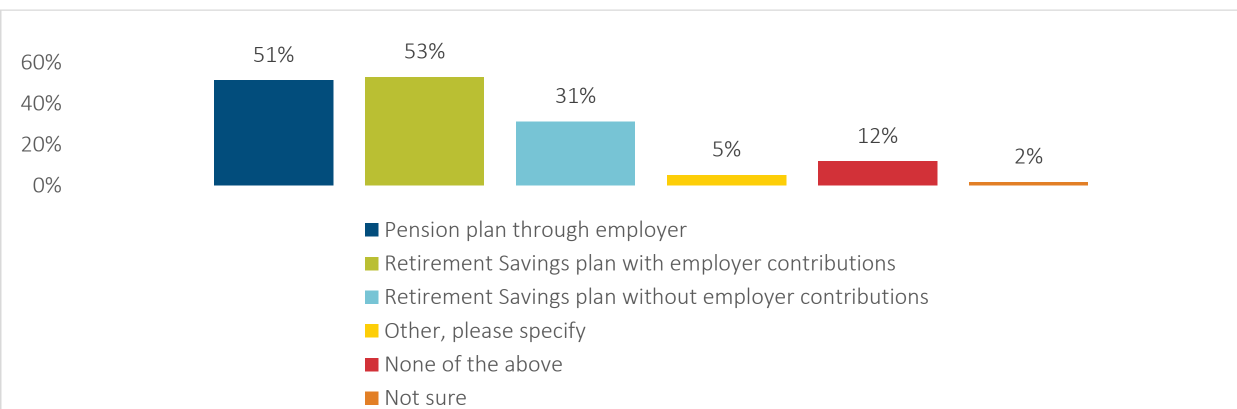


Figure 12 below shows the percentage that selected each option for retired respondents. Just as with actives, the most commonly provided plan was a retirement savings plan with employer contributions. However, retirees were much more likely than today's employees to have had access to a pension plan with 51% stating they received a pension when they were in the workforce.

Figure 12
ACCESS TO RETIREMENT PLANS THROUGH AN EMPLOYER (RETIRED RESPONDENTS)



4.2 CONTRIBUTIONS TO RETIREMENT PLANS THROUGH AN EMPLOYER

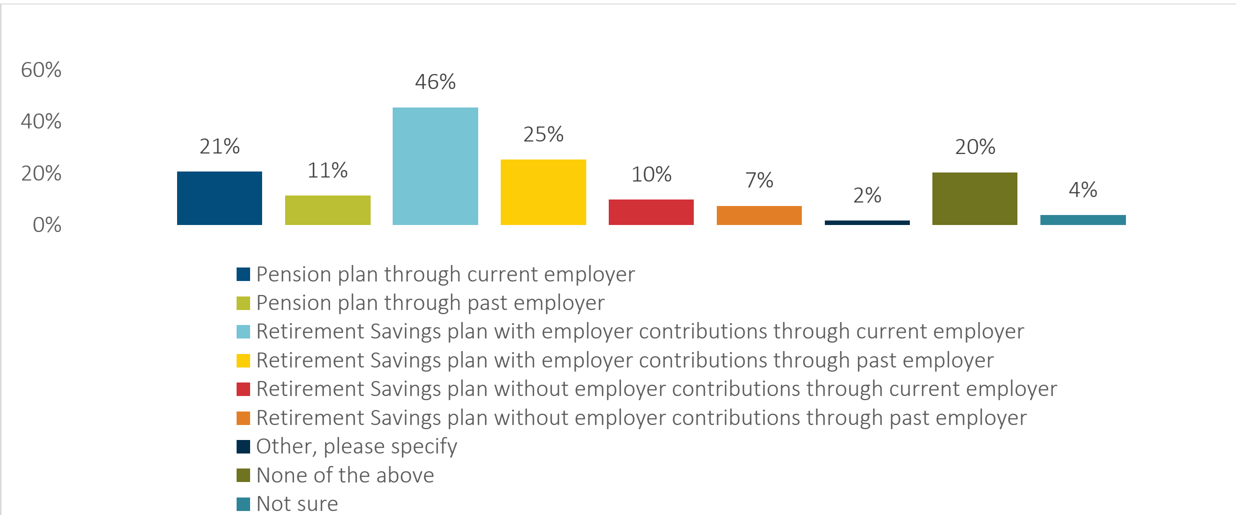
Respondents were asked what types of retirement plans they have contributed to through their employer. Active respondents were asked about both current and past employers, while retired respondents were asked about all past employers. Respondents were able to select all answer choices that applied. One "none" option and one "not sure" option were also amongst the answer choices, each being an exclusive answer choice when selected.

Figure 13 below shows the percentage that selected each option for active respondents. It was most common for respondents to have contributed to a retirement savings plan with employer contributions. 46% have contributed to such a plan through a current employer, which when coupled with the results from the prior question indicates a 93% participation rate. Rates of participation tended to be lower amongst those who are younger than age 35, as well those who say that debt is a major problem for them in managing their finances. Additionally, 21% of respondents indicated they have contributed to a pension plan through their current employer. This was especially common amongst those working in the public sector and those who are currently employed as a labor or trade union member.

And while the results are not included in Figure 13 below, similar trends and similar results were observed when a comparable question was asked to retired respondents.

Figure 13

CONTRIBUTION TO RETIREMENT PLANS THROUGH AN EMPLOYER (ACTIVE RESPONDENTS)



4.3 EXPECTED SOURCES OF RETIREMENT INCOME

Respondents were asked to rank up to three of their top income sources that they intend to rely on during retirement. Figure 14 below shows the number of times each option was picked as first, second, or third choice amongst active respondents.

Respondents overwhelmingly expect to rely on Social Security as a primary source of retirement income, with 73% listing it as one of their top three sources. Withdrawals from various investment vehicles are also expected to be key sources of income, with 50% intending to rely on withdrawals from employer retirement savings plans, 40% relying on withdrawals from Individual Retirement Accounts ("IRAs"), and 34% relying on withdrawals from other personal investments such as stocks and bonds. Relatively fewer respondents intend to rely on monthly payments from an employer pension plan, but that unpopularity is likely due to the relative infrequency of this type of benefit offering. Nonetheless, of those who did select monthly payments from an employer pension plan, that option was disproportionately selected as the single top choice, most likely because those with a pension benefit recognize its value. Additionally, 37% listed part-time work as one of their top three choices, potentially indicating that many are concerned about insufficient income and savings during their retirement years.

Younger respondents are much less likely to intend to rely on Social Security for retirement income. This sentiment is further supported from a review of open-ended comments, where many expressed concerns about the future of the Social Security system and their ability to rely on it. In fact, the intended reliance on Social Security for retirement income decreases steadily as age decreases, with this expectation coming from 93% of respondents aged 65 or older, but only from 44% of respondents aged 18-24.

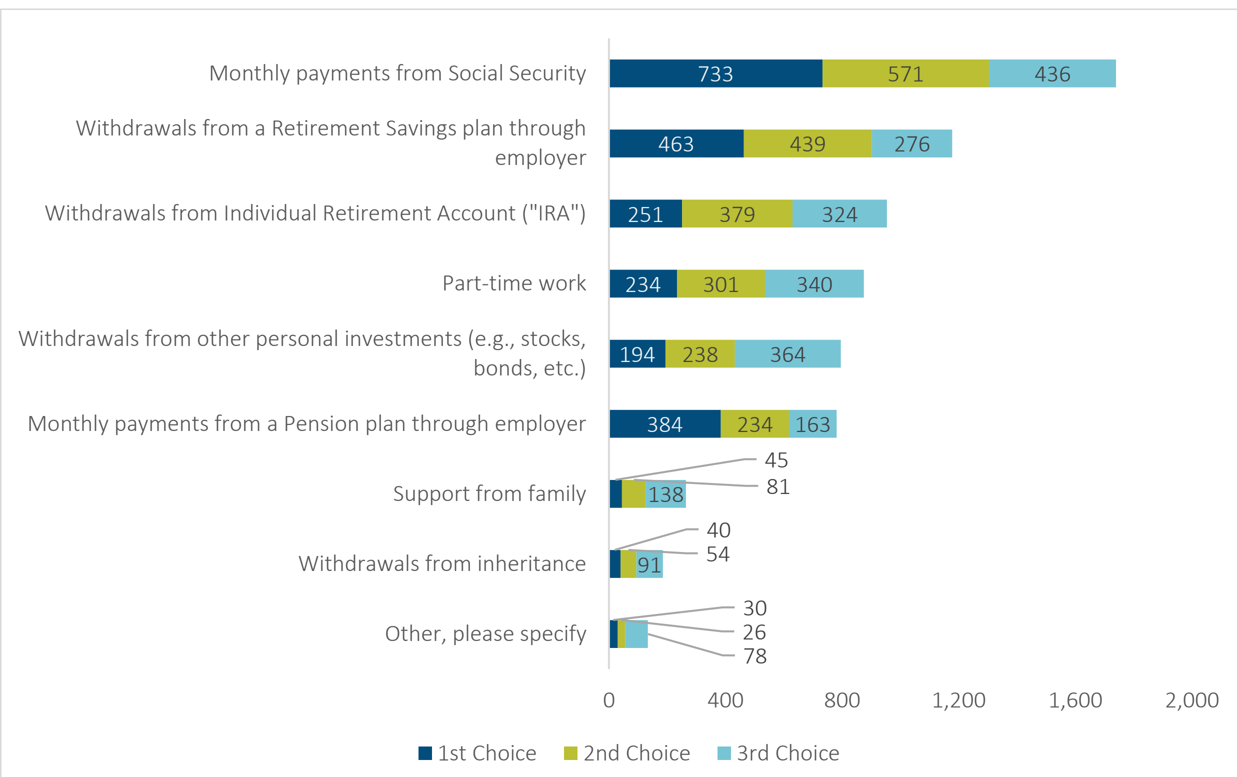
Researcher Observation and Area of Opportunity for Employers

It could also be that younger employees lack a strong understanding of the Social Security system and there may be an opportunity for employers to provide financial learning, including information on the Social Security system, to educate their workforce.

Younger cohorts instead have a higher tendency to rely on part-time work or support from family to help bolster their retirement income.

Black/African American, Hispanic/Latino, and Asian/Pacific Islander respondents all have a lower expectation to rely on Social Security than White respondents. A relatively higher proportion of Black/African American and Hispanic/Latino instead expect to rely on part-time work for retirement income. Asian/Pacific Islander respondents, on the other hand, have the lowest expected reliance on part-time work, with only 21% listing it in their top three (compared to 37% for the overall population). Instead, Asian/Pacific Islander respondents intend to rely more heavily on withdrawals from retirement savings plans through employers, IRAs, and other personal investments.

Figure 14
EXPECTED SOURCES OF RETIREMENT INCOME (ACTIVE RESPONDENTS)

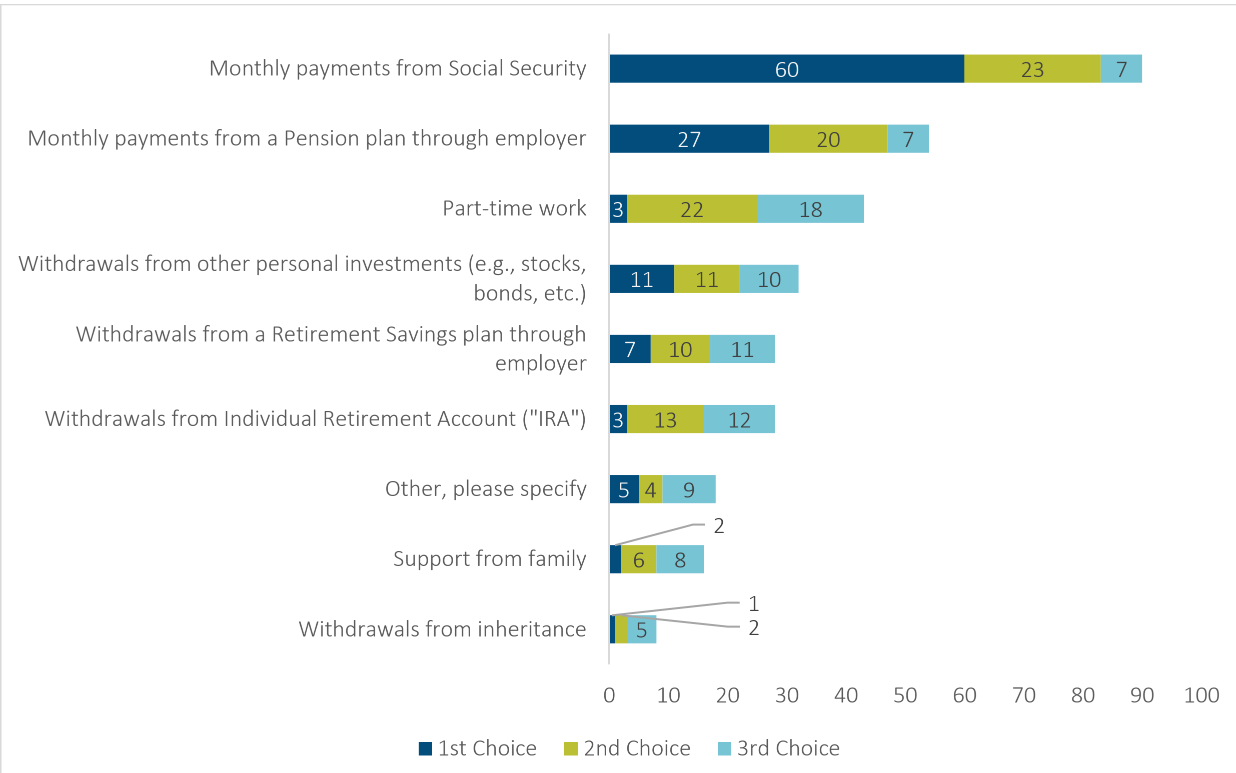


Retired respondents saw a similar question and were asked to rank up to three of their top income sources that they rely on during retirement. Figure 15 below shows the number of times each option was picked as first, second, or third choice amongst retired respondents.

Retired respondents have an even higher reliance on Social Security as a primary source of retirement income, with 76% listing it as one of their top three sources and 50% listing it as the single source of income they rely upon most. Unsurprisingly, those with lower levels of income were the most likely to indicate that Social Security is the single source of income that they rely upon most. Retired respondents have a higher reliance on payments from an employer-provided pension plan than active respondents, which makes sense given the number of employers who have been shifting away from DB offerings. Additionally, 36% selected part-time work as one of their top three choices. This is similar to the portion of active respondents expecting to rely on part-time work, but for retirees it is more heavily relied upon than withdrawals from various investments such as employer retirement savings plans, IRAs, and other personal investments.

Figure 15

SOURCES OF RETIREMENT INCOME (RETIRED RESPONDENTS)



4.4 REQUIREMENT TO MAKE CONTRIBUTIONS

The concept of required participant contributions was tested through the conjoint section of the survey. The attribute tested was “Your requirement to make contributions” and there were five levels associated with this attribute:

- Level 1: You do not have to make any contributions from your salary towards your retirement benefits. Your employer contributes 100% of the cost.

- Level 2: You are required to contribute 25% of the cost of your retirement benefits each year until retirement, while your employer contributes the remaining 75% of the cost.
- Level 3: You are required to contribute 50% of the cost of your retirement benefits each year until retirement, while your employer contributes the remaining 50% of the cost.
- Level 4: You are required to contribute 75% of the cost of your retirement benefits each year until retirement, while your employer contributes the remaining 25% of the cost.
- Level 5: You are required to contribute 100% of the cost of your retirement benefits each year until retirement. Your employer does not contribute any of the cost.

Across all respondents, this attribute had the second-highest amount of influence on respondent preferences relative to the other attributes tested. This tended to be relatively more influential on respondent choices as education level increases, or as age increases, or amongst Asian/Pacific Islanders, or those working in the public sector, or those who are self-employed. This tended to be relatively less influential on respondent choices amongst Black/African American respondents or those who are currently employed as a labor or trade union member.

Figure 16 below shows the average conjoint utility scores for this attribute. As can be expected, respondents are most interested in having all retirement benefit costs paid by their employer and their preference decreases as their requirement to make contributions towards their retirement benefits increases.

Moving from 0% to 25% employee contributions has a stepwise decrease in utility of 33 and moving from 25% to 50% has a stepwise decrease of 26. However, when moving from 50% to 75% and from 75% to 100% the stepwise decrease in utility widens to 41 and 42, respectively.

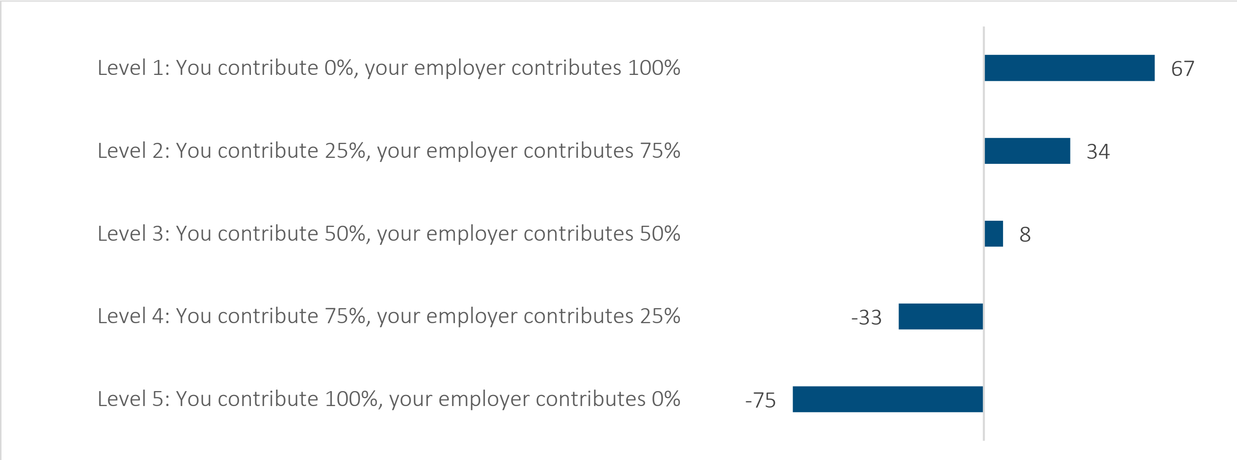
The smallest change in utility occurs when employee contributions increase from 25% to 50%. While there is an initial hurdle when first moving from zero employee contributions, there is less resistance when moving towards a 50% cost share. However, respondents become much more resistant if they are required to contribute more than 50% of the cost, as evidenced by the relatively larger stepwise decrease in utility beyond this level.

Researcher Observation and Area of Opportunity for Employers

This implies that a 50/50 cost share between employees and employers may be a "sweet spot" that could represent a good value in the trade-off between employer costs and employee preferences.

Figure 16

AVERAGE CONJOINT UTILITY SCORES: YOUR REQUIREMENT TO MAKE CONTRIBUTIONS



4.5 ABILITY TO ENHANCE BENEFITS THROUGH ADDITIONAL CONTRIBUTIONS

The concept of voluntary participant contributions was tested through the conjoint section of the survey. The attribute tested was “Ability to enhance your retirement benefits through additional contributions” and there were two levels associated with this attribute:

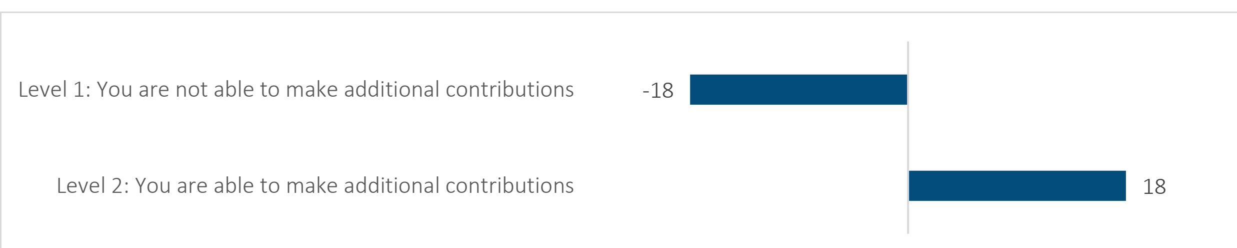
- Level 1: You are not able to make additional contributions to receive enhanced benefits at retirement.
- Level 2: You are able to make additional contributions to receive enhanced benefits at retirement.

Across all respondents, this attribute had the lowest amount of influence on respondent preferences relative to the other attributes tested. There were no significant differences in the relative influence across different demographic segments.

Figure 17 below shows the average conjoint utility scores for this attribute. As can be expected, respondents prefer having the ability to make additional voluntary contributions to enhance their retirement benefits over not having the ability to do so. But this is ultimately more of a “nice to have” feature and it is not particularly meaningful to most respondents.

Figure 17

AVERAGE CONJOINT UTILITY SCORES: ABILITY TO ENHANCE YOUR RETIREMENT BENEFITS THROUGH ADDITIONAL CONTRIBUTIONS



Section 5: Accessing Retirement Benefits

This section focuses on preferences around accessing retirement benefits, both before and during retirement. The conjoint section of the survey contained attributes that tested the concept of a normal retirement age, the concept of a guaranteed period of retirement benefit payments, and the concept of early access to retirement benefits.

Section highlights:

- Respondents are very concerned with the age at which they are able to access their full unreduced retirement benefits, with a preference for the earliest age possible. However, there is diminishing marginal preference for retirement at ages earlier than 67.

- Respondents seem more worried about mortality risk causing them to “miss out” on potential benefits than they are about longevity risk leaving them with insufficient income late in life.

- Most respondents would prefer the ability to withdraw retirement funds early with a 10% penalty than to take a penalty-free loan that must be paid back.

- Many respondents may not trust themselves to leave their retirement benefits alone and would rather have no early access to retirement money at all than to have access but need to pay a 10% penalty and repay the withdrawals.

5.1 AGE REQUIREMENT TO ACCESS TO FULL RETIREMENT BENEFIT

The concept of a normal retirement age was tested through the conjoint section of the survey. The attribute tested was “Earliest age at which you can receive your full unreduced retirement benefit” and there were five levels associated with this attribute:

- Level 1: Age 62.

- Level 2: Age 65.

- Level 3: Age 67.

- Level 4: Age 70.

- Level 5: Age 72.

Additionally, the attribute contained hover text to explain that there would be a penalty if a retirement benefit was received at an earlier age and the benefit amount would be reduced.

Across all respondents, this attribute had the highest amount of influence on respondent preferences relative to the other attributes tested. This characteristic tended to be relatively more influential on respondent choices amongst younger respondents, Black/African American respondents, those who are working in the public sector, and those who are currently employed as a labor or trade union member. Perhaps not surprisingly, it is especially influential for those who expect to retire before age 65. The age-based access to retirement benefits tended to be relatively less influential on respondent choices amongst Asian/Pacific Islanders, those with a master’s degree or higher, those who are working for a company with fewer than 10 employees, and those who are employed part-time.

Figure 18 below shows the average conjoint utility scores for this attribute. As can be expected, respondents are most interested in having access to their full unreduced retirement benefit at an earlier age and their preference decreases as that age increases.

Moving from age 62 to 65 has a stepwise decrease in utility of 18 and moving from age 65 to age 67 has a stepwise decrease of 38. However, when moving from age 67 to age 70 and from age 70 to age 72 the stepwise decrease in utility widens to 69 and 71, respectively.

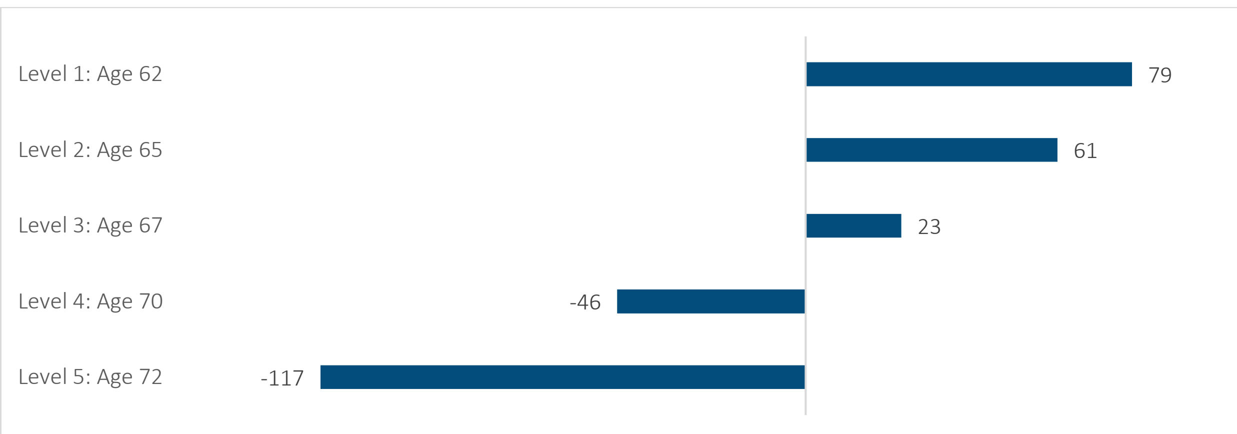
The smallest change in utility occurs when the earliest retirement age increases from age 62 to age 65. Moving from age 65 to 67 is more than twice as impactful as the move from 62 to 65. And the drop in preference is nearly doubled again with the stepwise moves from age 67 to 70 and from 70 to 72.

Researcher Observation and Area of Opportunity for Employers

This change in the gradient implies that permitting full benefits at age 67 could represent a good value in the trade-off between employer costs and employee preferences. It is possible that, despite wishes from many to retire earlier, age 67 may not be seen as unreasonable. Potentially this view could stem from many associating this with the Social Security Normal Retirement Age.

Figure 18

AVERAGE CONJOINT UTILITY SCORES: EARLIEST AGE AT WHICH YOU CAN RECEIVE YOUR FULL UNREDUCED RETIREMENT BENEFIT



5.2 LIMITATION ON BENEFIT PAYMENTS DURING RETIREMENT

The concept of a guaranteed period of retirement benefit payments was tested through the conjoint section of the survey. The attribute tested was “Limitation on the number of retirement payments you receive during retirement” and there were five levels associated with this attribute:

- Level 1: Retirement payments stop 10 years after you retire, irrespective of your time of death.
- Level 2: Retirement payments stop 20 years after you retire, irrespective of your time of death.
- Level 3: Retirement payments stop at your time of death.
- Level 4: Retirement payments stop at the later of your time of death or 10 years after you retire.

- Level 5: Retirement payments stop at the later of your time of death or 20 years after you retire.

Across all respondents, this attribute had a relatively large amount of influence on respondent preferences relative to the other attributes tested. This tended to be relatively more influential on respondent choices for those working in the public sector but was otherwise fairly consistent across other demographic segments.

Figure 19 below shows the average conjoint utility scores for this attribute. As can be expected, respondents are most interested in having retirement payments that stop at the later of their time of death or 20 years after they retire since it is the most generous level.

The next two most preferred levels were retirement payments that stop 20 years after retirement, irrespective of their time of death (Level 2), followed by retirement payments stop at the later of their time of death or 10 years after they retire (Level 4). 67% of respondents preferred Level 2 over Level 4, and this preference was consistent across demographic segments. This tendency suggests that respondents may not feel confident that they will live more than 20 years after retirement. These two levels are approximately equivalent for anybody retiring at age 65.5, so for many this sentiment also makes sense financially.[3] Surprisingly, though, this sentiment is even shared by respondents expecting to retire at age 55 or earlier.

Researcher Observation

It seems that respondents may be more worried about mortality risk causing them to "miss out" on potential benefits than they are about longevity risk leaving them with insufficient income late in life.

The second lowest level was to have payments that stop at their time of death (i.e., a traditional annuity). The least preferred level was to have retirement payments that stop 10 years after retirement, irrespective of their time of death.

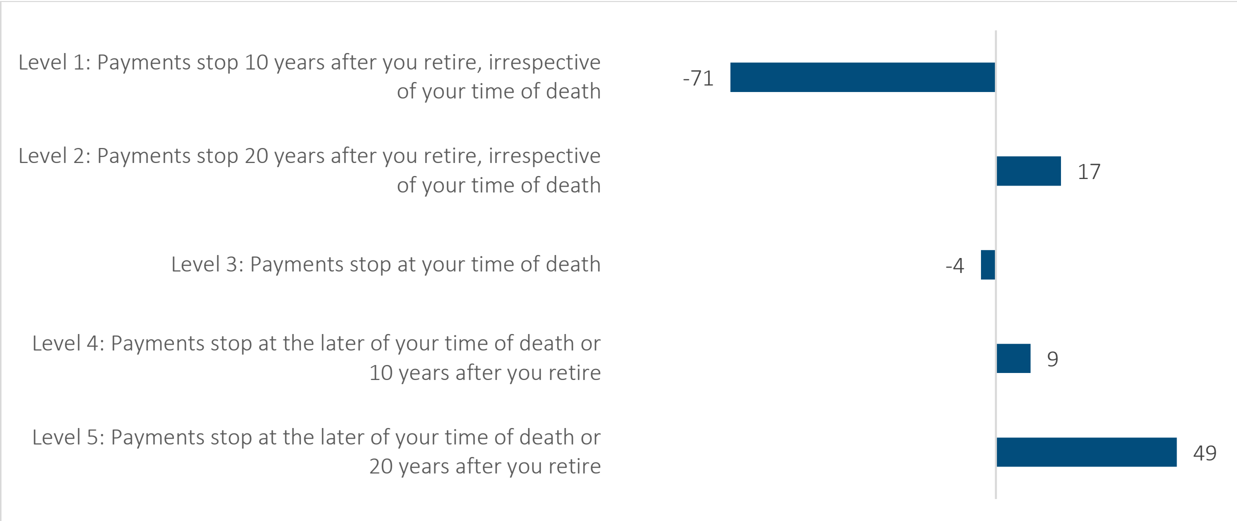
Researcher Observation

This indicates that respondents expect to live more than 10 years after retirement, though as noted earlier many are not confident that they will live more than 20 years after retirement.

[3] Actuarial equivalence for purposes of this comparison was based on the Internal Revenue Code § 417(e)(3)(B) Applicable Mortality Table for the calendar year beginning in 2023 and the Internal Revenue Code § 417(e)(3)(D) Applicable Segment Rates for October 2022.

Figure 19

AVERAGE CONJOINT UTILITY SCORES: LIMITATION ON THE NUMBER OF RETIREMENT PAYMENTS RECEIVED DURING RETIREMENT



5.3 ACCESS TO RETIREMENT MONEY BEFORE RETIREMENT

The concept of early access to retirement benefits was tested through the conjoint section of the survey. The attribute tested was "Access to your retirement money before retirement" and there were five levels associated with this attribute:

- Level 1: You are not able to access any of your retirement money before retirement.
- Level 2: You can access your retirement money prior to retirement, but you pay a 10% penalty on withdrawals and are required to repay any withdrawals.
- Level 3: You can access your retirement money prior to retirement, but you pay a 10% penalty on withdrawals. You are not required to repay any withdrawals.
- Level 4: You can access your retirement money prior to retirement with no penalty, but you are required to repay any withdrawals.
- Level 5: You can access your retirement money prior to retirement with no penalty and you are not required to repay any withdrawals.

Across all respondents, this attribute had a relatively middling amount of influence on respondent preferences relative to the other attributes tested. This feature tended to be relatively more influential on respondent choices for respondents aged 18-24 but was otherwise fairly consistent across other demographic segments.

Figure 20 below shows the average conjoint utility scores for this attribute. As can be expected, respondents are most interested in having access to their retirement money prior to retirement with no penalty and no requirement to repay any withdrawals since it is the most generous level.

The next most preferred is to access retirement money prior to retirement with a 10% penalty on withdrawals and no requirement to repay withdrawals. 60% of respondents preferred this over having the ability to access retirement money prior to retirement with no penalty but a requirement to repay withdrawals. This choice means that most respondents would prefer to pay a 10% penalty rather than be required to pay the withdrawals back.

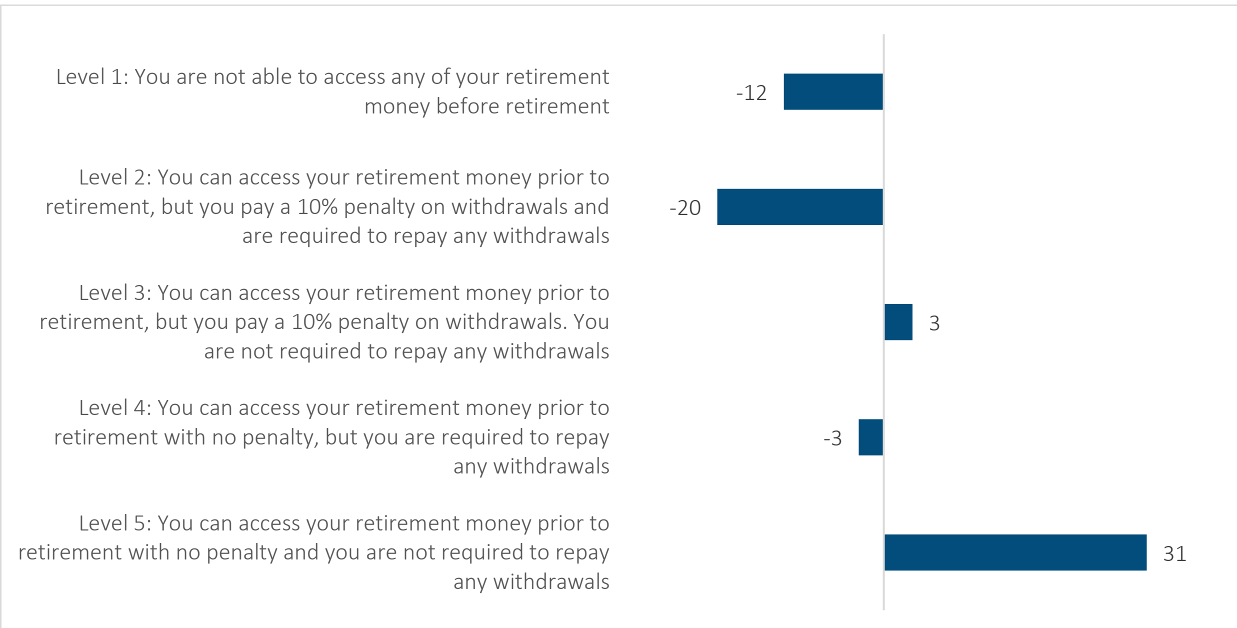
The least preferred is to have access to retirement money prior to retirement with a 10% penalty on withdrawals and a requirement to repay withdrawals (Level 2). This preference may not necessarily be surprising, given the severity of the conditions for this withdrawal, but interestingly this option was viewed less favorably than having no access whatsoever to retirement money before retirement (Level 1) by 57% of respondents.

Researcher Observation

This stratification implies that these respondents might not trust themselves to leave their benefits alone because they would prefer to have no access at all over especially unfavorable withdrawal terms.

Respondents aged 25-34, Black/African American respondents, and those with a household income of less than $25,000 were all relatively more likely to prefer Level 2 over Level 1 than the aggregate population, indicating that these populations may be more likely to have situations where they need access to all of their financial resources.

Figure 20
AVERAGE CONJOINT UTILITY SCORES: ACCESS TO YOUR RETIREMENT MONEY BEFORE RETIREMENT



Section 6: Savings and Financial Fragility

This section focuses on understanding the current financial situation of respondents. To this end, respondents were asked several questions to better understand their financial fragility, their current level of non-retirement household savings, and their current level of retirement savings.

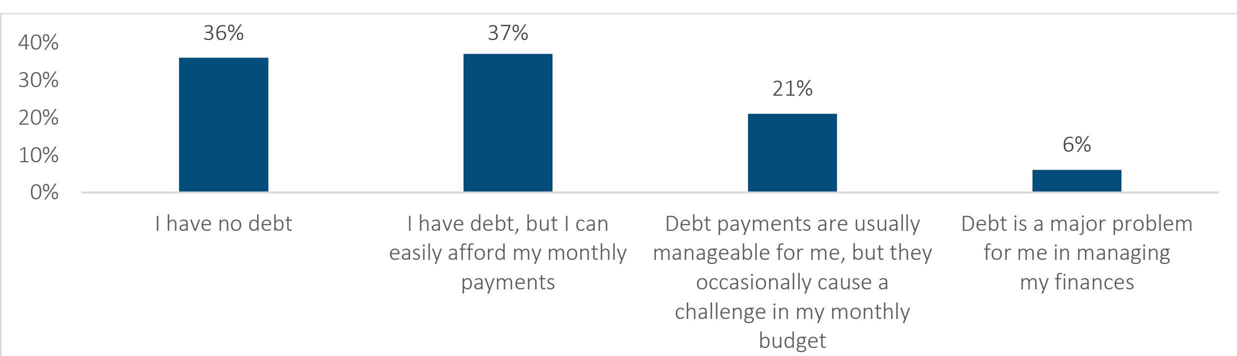
Section Highlights:

- While most respondents do not have issues with debt, over a quarter face challenges with monthly finances due to debt burden
- Fewer than half of respondents are comfortable with the size of their household savings, and nearly a quarter don't have enough household savings for an emergency or unexpected expense
- Fewer than half of respondents have retirement savings and believe they are on course to achieve their desired retirement income. 19% of respondents don't have any retirement savings at all.
- There is a strong correlation between debt burden and being on track to achieve desired savings or retirement savings. Respondents with higher levels of debt, minimal household savings, or minimal retirement savings tend to be:
    - Disproportionately expecting to rely on monthly payments from Social Security as their single top source of retirement income.
    - Relatively more open to receiving fixed monthly retirement payments.
    - Relatively more open to receiving variable benefit amounts that could increase or decrease from year to year, as opposed to fixed amounts that don't change over time.
    - Relatively more open to the idea of having benefits tied to an employer's financial performance.
    - Relatively more willing to share the cost of retirement benefits with their employer.

6.1 CURRENT FINANCIAL SITUATION

Respondents were asked to select an option that best describes their current financial situation. 36% indicated that they have no debt and 37% indicated that they have debt but can easily afford monthly payments. However, 27% face challenges with monthly finances due to debt burden with 21% saying that debt payments occasionally cause a challenge and 6% saying that debt is a major problem (Figure 21).

Figure 21
CURRENT FINANCIAL SITUATION



Perhaps unsurprisingly, responses varied significantly across demographic segments.

Black/African American respondents have more challenges with debt than the aggregate population, with 31% indicating that debt payments occasionally cause a challenge and 9% indicating that debt is a major problem. Asian/Pacific Islander respondents are less troubled with debt than the aggregate population, with only 11% indicating that debt payments occasionally cause a challenge and 4% indicating that debt is a major problem.

Self-employed and retired respondents are less likely to have debt than those who are employed in the public or private sector. Additionally, respondents working in the public sector are slightly more challenged by debt than those in the private sector, with 26% of public sector respondents saying that debt payments occasionally cause a challenge in their monthly budget while 19% of private sector respondents indicated the same.

As level of education increases, the percentage of respondents with no debt increases. Those who have not attained an associate degree or bachelor's degree are the most burdened by debt. Similarly, those with a household income of under $50,000 are more burdened by debt than those with higher incomes.

Researcher Observation

Respondents that do not expect to retire are more burdened by debt, with 24% indicating that debt payments occasionally cause a challenge and 15% indicating that debt is a major problem. These respondents may feel that their debt burden is holding them back from saving enough to be able to retire comfortably.

Figure 22 below shows current financial situation split by gender. Male respondents tend to have less debt and are more likely to easily afford payments. Female respondents are more burdened due to debt.

Figure 22
CURRENT FINANCIAL SITUATION SPLIT BY GENDER

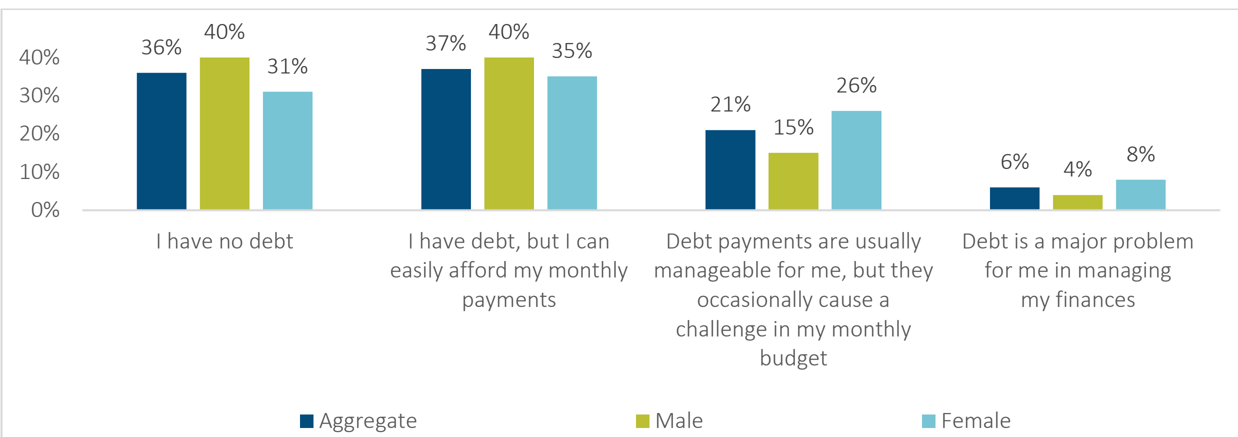


Figure 23 below shows the current financial status split by age. As age increases, the level of challenges due to debt tends to decrease. That said, respondents aged 18-24 actually have fewer challenges due to debt than several of the older cohorts, though that could be because this group is young enough to have not yet accumulated much debt.

Figure 23

CURRENT FINANCIAL SITUATION SPLIT BY AGE

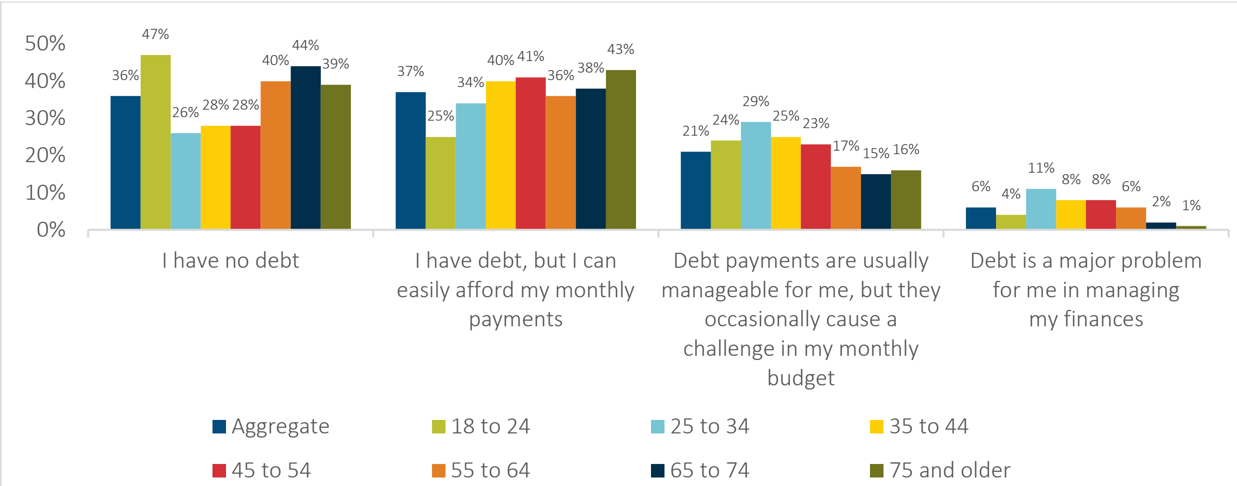
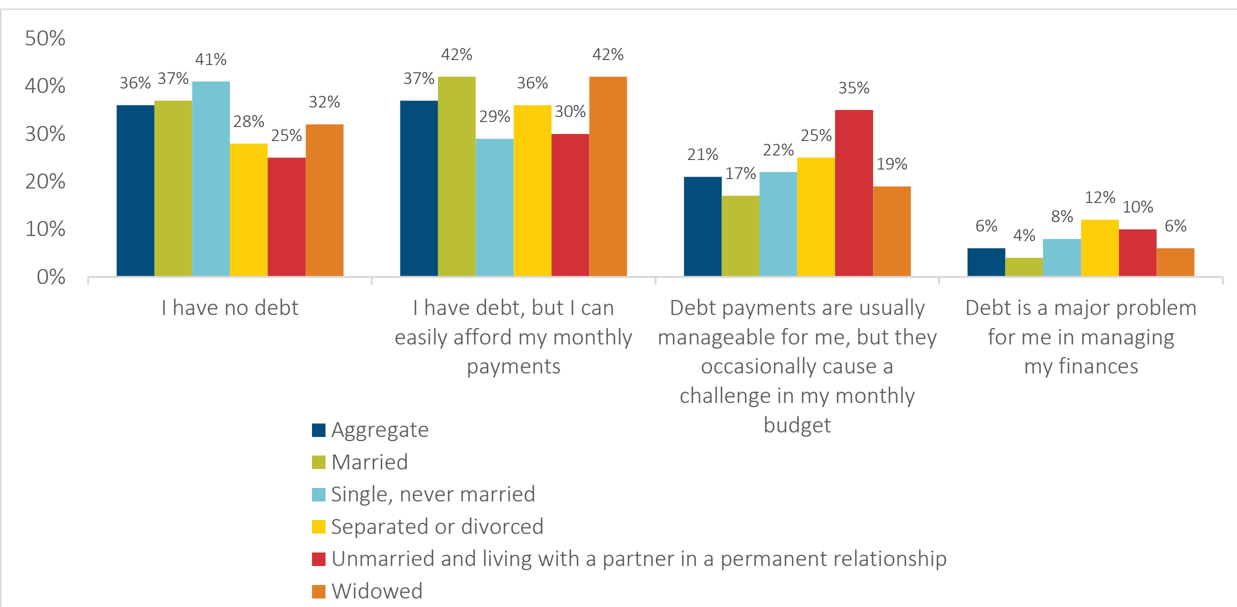


Figure 24 below shows the current financial situation split by marital status. Debt is less of a problem across married respondents, and instead they have a higher portion of debt with monthly payments they can easily afford. While debt is more of a challenge for single respondents that have never been married, it is even more challenging for respondents that are separated or divorced, with 25% responding that debt is occasionally a problem and 12% saying it's a major problem. Debt is the most challenging for unmarried participants living with a partner in a permanent relationship. It is important to note, though, that this cohort tends to be disproportionately young and without a college degree, which likely explains why they are not in the same boat as married respondents.

Figure 24

CURRENT FINANCIAL SITUATION SPLIT BY MARITAL STATUS

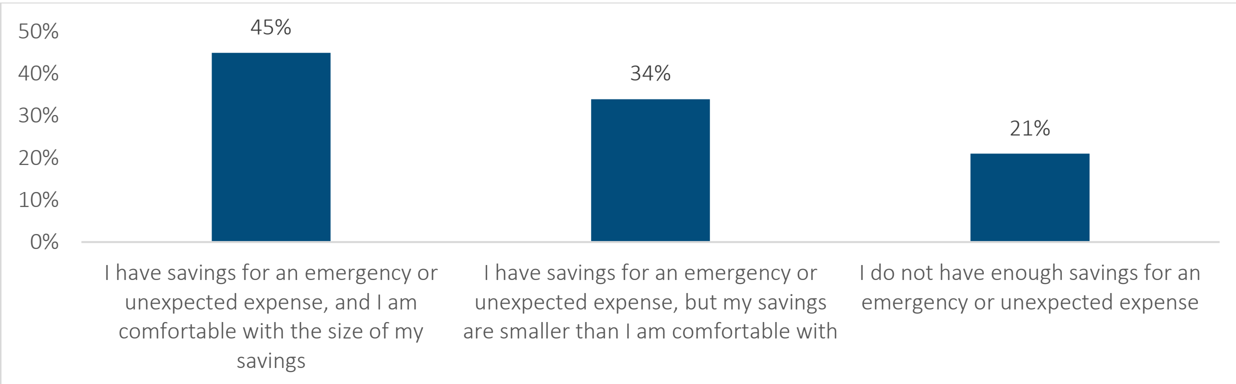


6.2 HOUSEHOLD SAVINGS

Respondents were asked to select an option that best describes their current level of non-retirement household savings. 45% of respondents indicated that they are comfortable with the size of their savings, 34% of respondents indicated that they have savings, but those savings are smaller than they are comfortable with, and 21% of respondents indicated that they do not have enough savings for an emergency or unexpected event (Figure 25).

Figure 25

COMFORT WITH CURRENT HOUSEHOLD SAVINGS



Once again, responses varied significantly across demographic segments.

Black/African American respondents are less comfortable with their savings size than the aggregate population, with 29% saying they do not have enough savings for an emergency or unexpected expense and 31% saying they have savings, but those savings are smaller than they are comfortable with. Asian/Pacific Islander respondents are more comfortable with their savings size than the aggregate population, with only 8% saying they do not have enough savings for an emergency or unexpected expense and 59% indicating they are comfortable with the size of their savings.

Respondents who are self-employed as gig workers and/or contractors have lower levels of savings than those who are self-employed in other fields, as well as those working in the public sector or private sector. Public sector respondents also appear to be saving at lower rates than private sector respondents, with 26% of public sector respondents indicating that they do not have enough savings for an emergency or unexpected expense while 17% of private sector respondents indicate the same.

As can be expected, as household income increases so does the level of comfort with savings for an emergency or unexpected event. 60% of respondents with a household income of under $25,000 do not have enough savings for an emergency or unexpected event, with only 17% saying they are comfortable with their level of savings. As a point of comparison, only 8% of respondents with a household income between $75,000 and $99,999 do not have enough savings for an emergency or unexpected event and 52% say they are comfortable with their level of savings. The level of comfort with savings also increases with respondent age, likely due to incomes increasing with age and due to having had a longer timeframe to accumulate savings.

Researcher Observation

Respondents that do not expect to retire are less comfortable with their level of savings, with 37% indicating that they do not have enough savings for an emergency or unexpected event and only 29% being comfortable with the size of their savings. These respondents may feel that they will never be in the financial situation they need to be able to retire comfortably.

Figure 26 below shows comfort with current household savings split by gender. Male respondents tend to be more comfortable with their level of savings. Female respondents are more likely not to have enough savings for an emergency or unexpected expense.

Figure 26
COMFORT WITH CURRENT HOUSEHOLD SAVINGS SPLIT BY GENDER

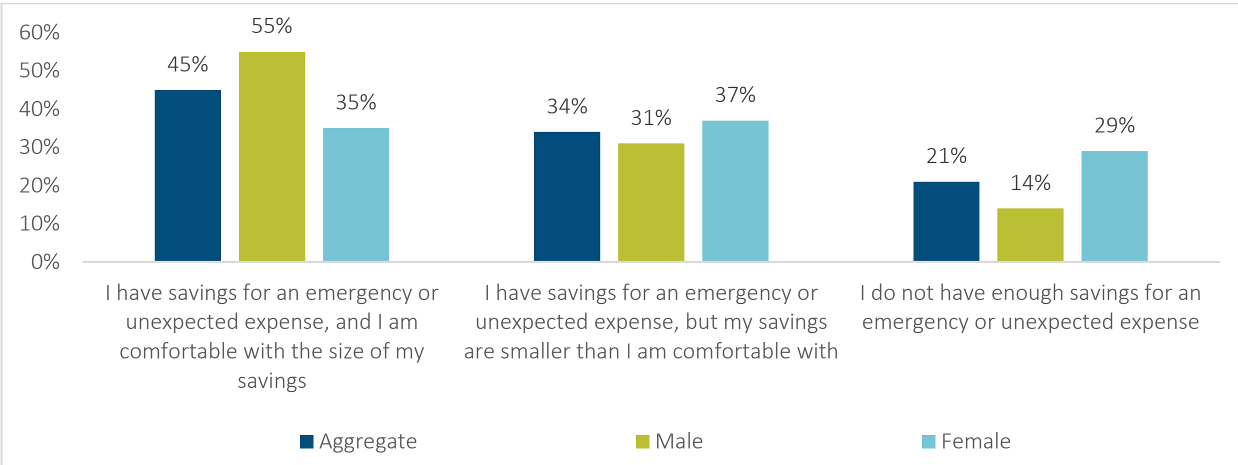


Figure 27 shows comfort with current household savings split by marital status. Married respondents are more likely to be comfortable with their current level of savings. Single respondents that have never been married and those who are separated or divorced are more likely than married respondents to not have enough savings for an emergency or unexpected expense. Unmarried participants living with a partner in a permanent relationship are the most likely to not have savings. It is important to note, though, that this cohort tends to be disproportionately young and without a college degree, which likely explains why they are not in the same boat as married respondents.

Figure 27
COMFORT WITH CURRENT HOUSEHOLD SAVINGS SPLIT BY MARITAL STATUS

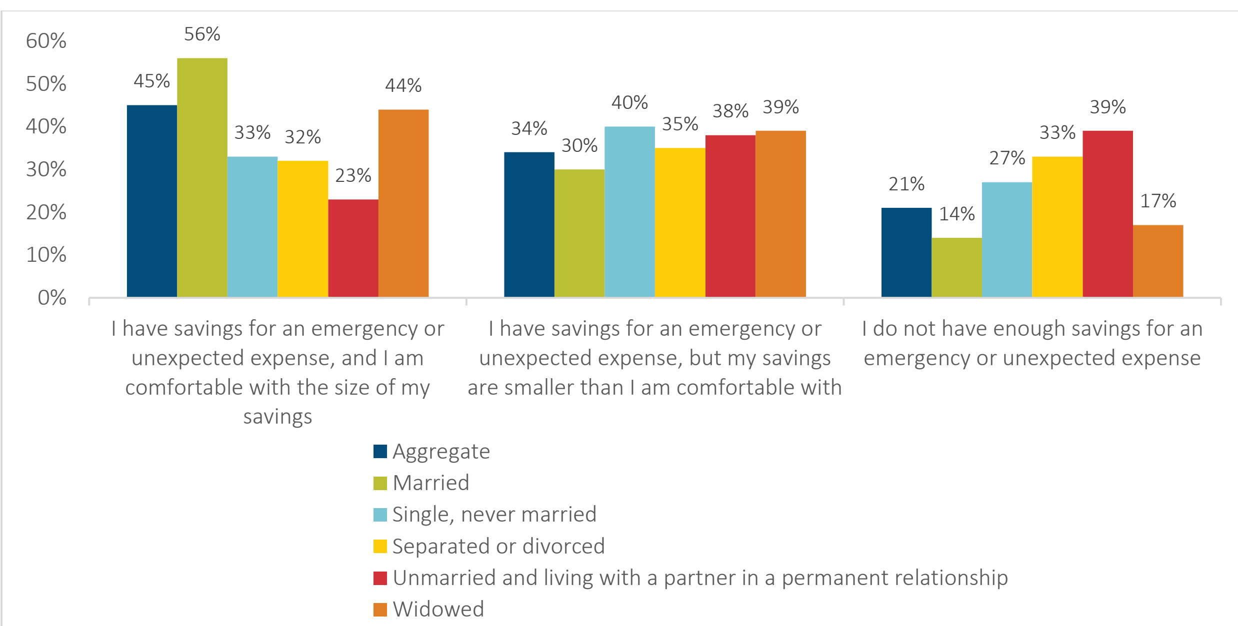
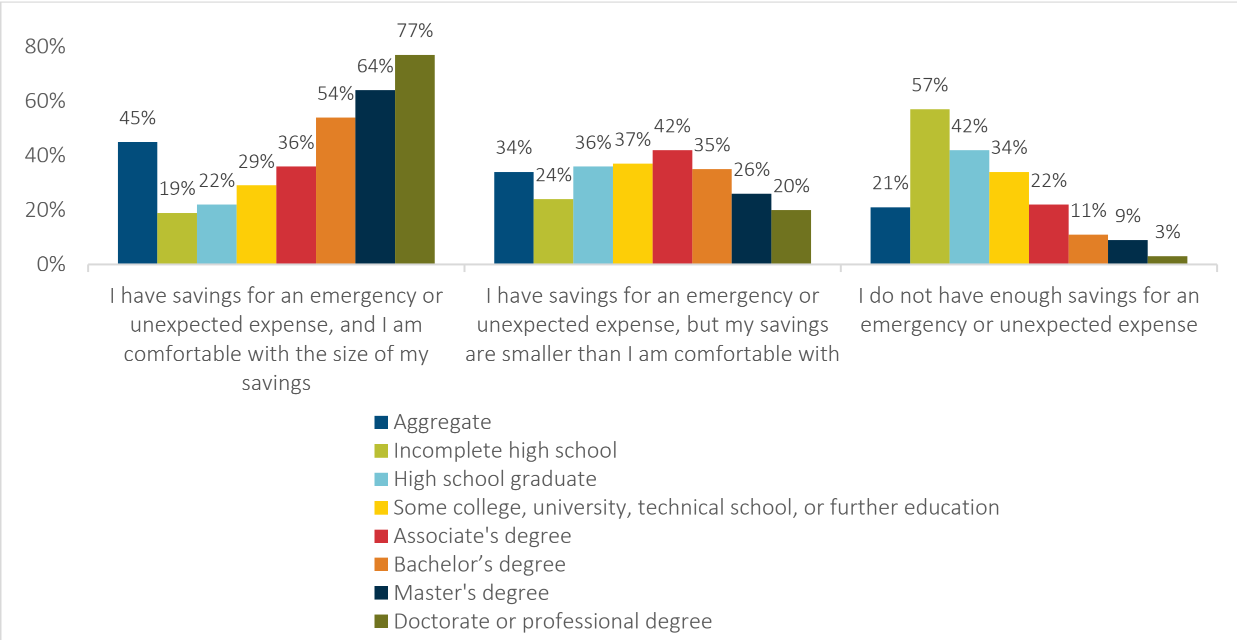


Figure 28 shows comfort with current household savings split by education level. As the level of education increases, so does the comfort with the size of their savings.

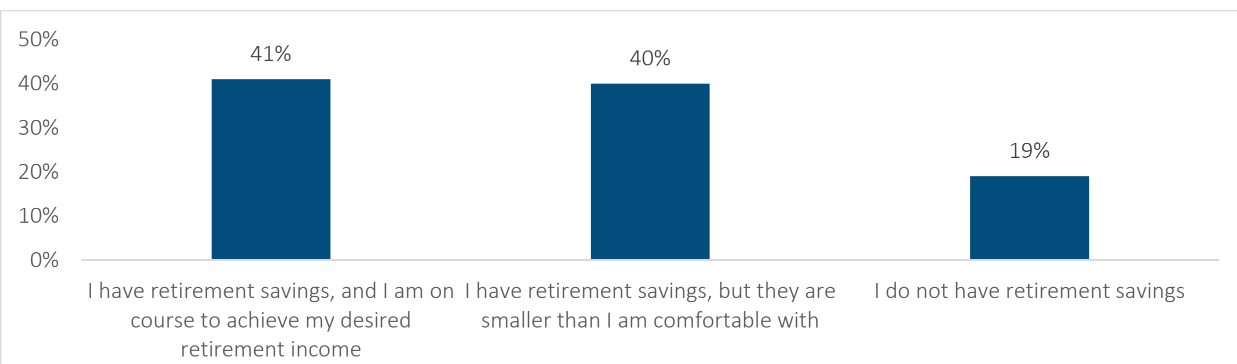
Figure 28
COMFORT WITH CURRENT HOUSEHOLD SAVINGS SPLIT BY EDUCATION LEVEL



6.3 RETIREMENT SAVINGS

Respondents were asked to select an option that best describes their current level of retirement savings. 41% of respondents indicated that they have retirement savings and are on course to achieve their desired retirement income, 40% of respondents indicated that they have retirement savings, but those savings are smaller than they are comfortable with, and 19% of respondents indicated that they do not have retirement savings at all (Figure 29)

Figure 29
CURRENT LEVEL OF RETIREMENT SAVINGS



Once again, responses varied significantly across demographic segments.

Black/African American respondents are less on track with their retirement savings goals, with only 32% having retirement savings and being on course to achieve their desired retirement income and 28% indicating they do not have any retirement savings at all. Asian/Pacific Islander respondents are more on track with their retirement savings, with 47% indicating that they are on course to achieve their desired retirement income and only 13% having no retirement savings at all.

Self-employed respondents and those who are employed part-time are less likely to have retirement savings, with 30% of each segment indicating that they do not have any retirement savings. Those who are self-employed are also less likely to have retirement savings than those working in the public sector or in the private sector, with only 19% of public sector respondents and 14% of private sector respondents indicating that they do not have any retirement savings at all.

As can be expected, as household income increases so does the level of retirement savings. 64% of respondents with a household income of under $25,000 do not have any retirement savings at all, with only 11% saying they are on course to achieve their desired retirement income. As a point of comparison, only 6% of respondents with a household income between $75,000 and $99,999 indicated that they have no retirement savings at all and 49% say they have retirement savings and are on course to achieve their desired retirement income. The level of retirement savings also increases with respondent age, likely due to incomes increasing with age and due to having a longer timeframe to accumulate retirement savings.

Researcher Observation

Respondents that do not expect to retire have lower levels of retirement savings, with 44% indicating that they do not have any retirement savings at all. It may be that these respondents feel that they are too far behind in their retirement savings to be able to retire comfortably, though there could also be a portion of respondents that are not saving for retirement because they expect not to retire.

Unsurprisingly, respondents who plan to fully retire and stop working all at once are more on track with their retirement savings than those who plan to partially retire and reduce their days worked before stopping completely. 54% of those planning to retire fully have retirement savings and are on course to achieve their desired retirement income, while only 35% of those who plan to partially retire feel the same.

Researcher Observation

It is likely that many of those who plan to partially retire and reduce their days worked are planning to do so because they have not been meeting their retirement savings objectives and feel that a full retirement is unfeasible.

Figure 30 below shows the current level of retirement savings split by gender. Male respondents tend to feel more on course to achieve their desired retirement income. Female respondents are more likely not to have any retirement savings at all.

Figure 30
CURRENT LEVEL OF RETIREMENT SAVINGS SPLIT BY GENDER

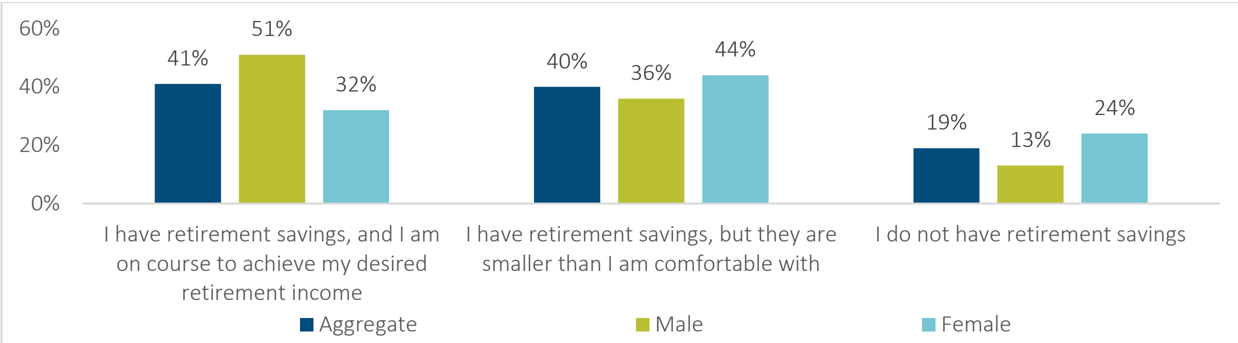


Figure 31 shows current level of retirement savings split by marital status. Married respondents are more likely to be on track to achieve their desired retirement income. Single respondents that have never been married and those who are separated or divorced are about equally likely to be on track to achieve their desired retirement income, though single participants are more likely than separated or divorced participants to have no retirement savings at all. Unmarried participants living with a partner in a permanent relationship are the most likely to not have retirement savings. Interestingly, when compared to married respondents, those who are unmarried and living with a partner in a permanent relationship are less likely to have retirement savings or be on track to achieve their desired retirement income than are their similarly aged married counterparts.

Figure 31
CURRENT LEVEL OF RETIREMENT SAVINGS SPLIT BY MARITAL STATUS

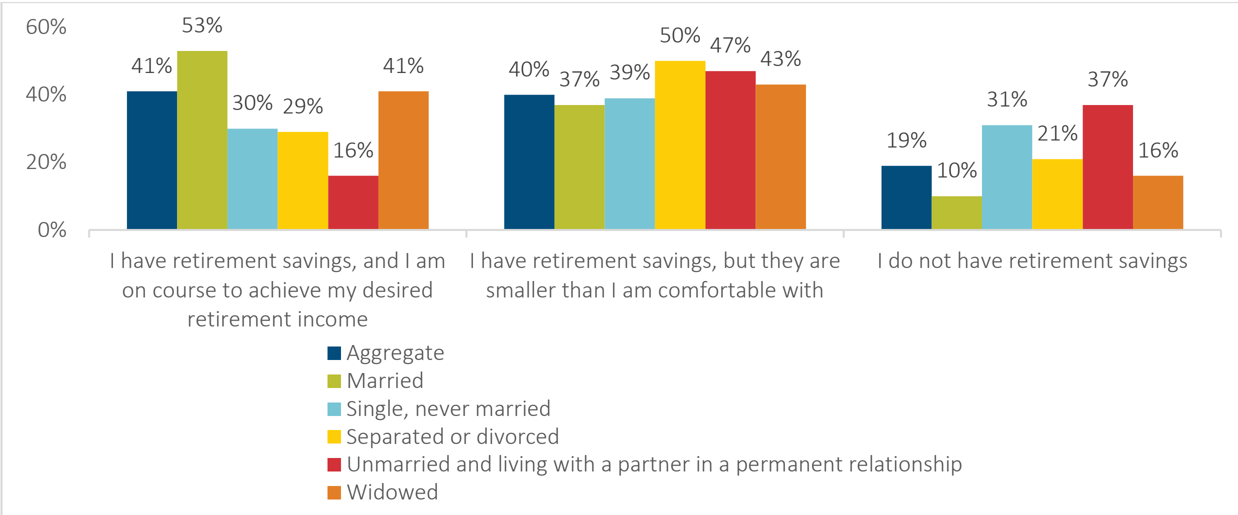
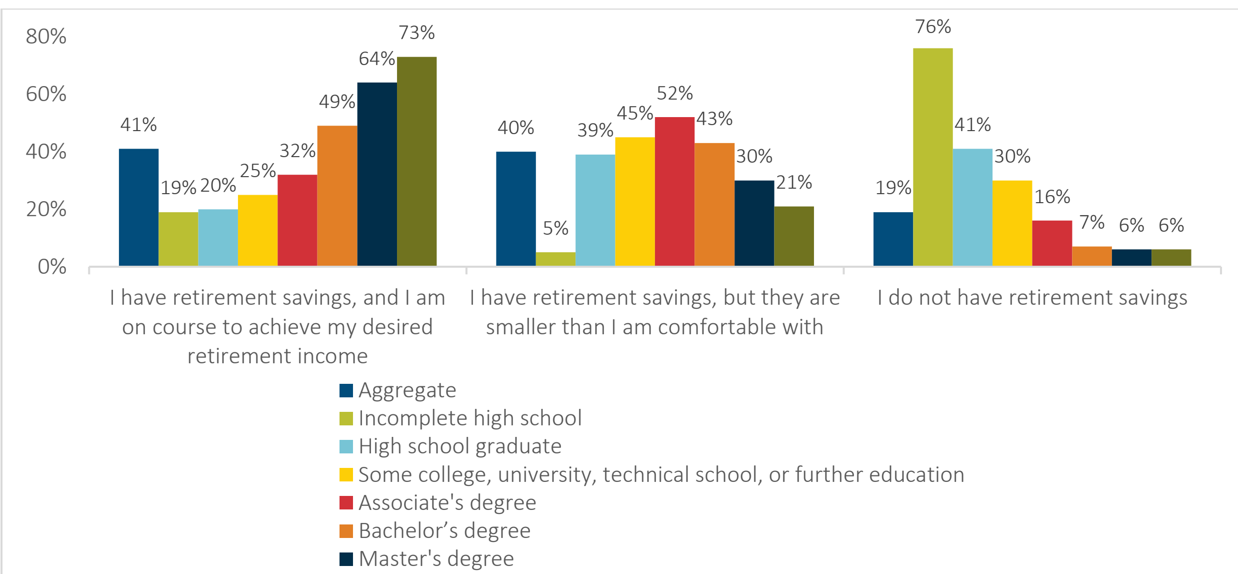


Figure 32 shows the current level of retirement savings split by education level. As the level of education increases, so does the likelihood that they are on course to achieve their desired retirement income.

Figure 32
CURRENT LEVEL OF RETIREMENT SAVINGS SPLIT BY EDUCATION LEVEL



6.4 CORRELATION BETWEEN DEBT, HOUSEHOLD SAVINGS, AND RETIREMENT SAVINGS

Unsurprisingly, there is a strong correlation between having no debt and being on track to achieve desired savings or retirement savings. 82% of respondents who answer that debt is a major problem for them in managing their finances also say that they do not have enough savings for an emergency or unexpected expense (Figure 33). Similarly, 59% of these respondents also answer that they have no retirement savings at all (Figure 34).

Researcher Observation

It is worth noting that respondents who say that debt is a major problem are more likely to have retirement savings than to have enough savings to pay for an emergency or unexpected expense. This could be driven by respondents having retirement savings through employer-provided benefit plans.

Figure 33

CORRELATION BETWEEN CURRENT FINANCIAL SITUATION AND COMFORT WITH CURRENT HOUSEHOLD SAVINGS

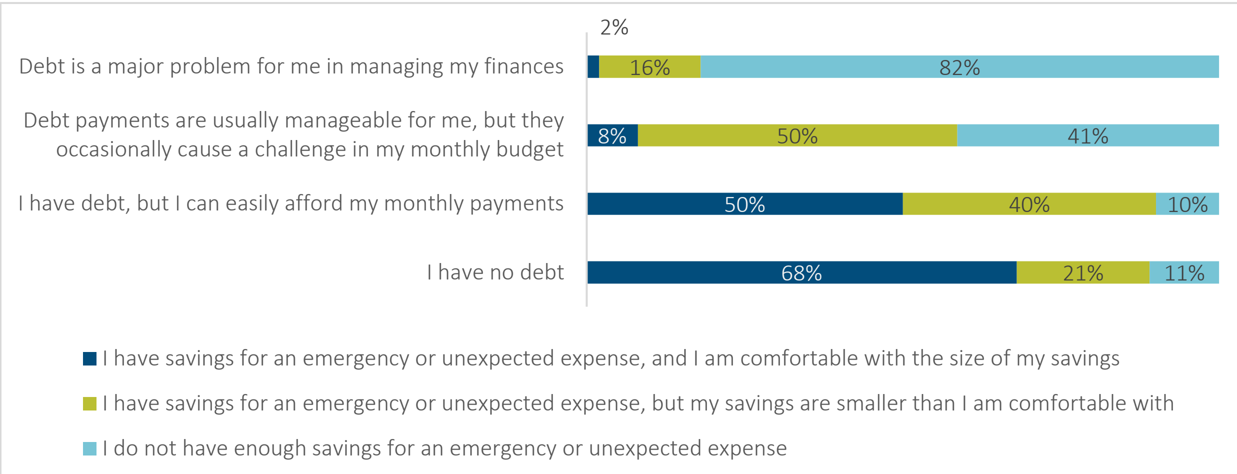
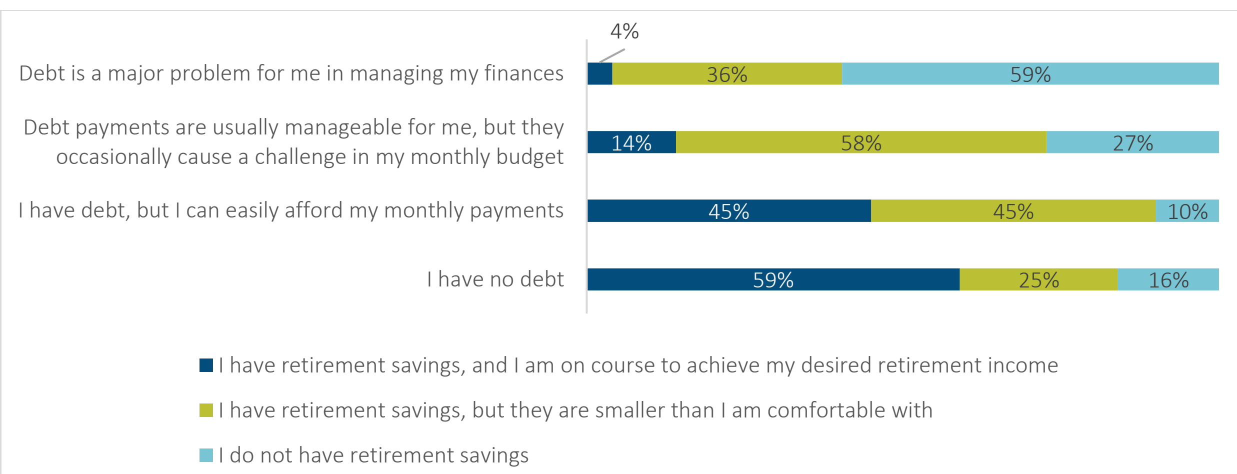


Figure 34

CORRELATION BETWEEN CURRENT FINANCIAL SITUATION AND CURRENT LEVEL OF RETIREMENT SAVINGS



Respondents with higher levels of debt, minimal household savings, or minimal retirement savings disproportionately expect to rely on monthly payments from Social Security as their single top source of retirement income. These respondents likely feel they have few other options.

Respondents with higher levels of debt, minimal household savings, or minimal retirement savings tend to be relatively more willing to share the cost of retirement benefits with their employer. They also tend to be relatively more open to the idea of having benefits tied to an employer's financial performance, receiving variable benefit amounts that could increase or decrease from year to year, or receiving fixed monthly retirement payments. While their overall preferences in each of these areas align with that of the aggregate population, they don't hold as strong of a conviction.

Researcher Observation

This could indicate that these respondents have a stronger need for employer-provided benefits, even if delivered in a less-preferred way, because they have been less successful in accumulating savings on their own.

Section 7: Risk Tolerance

This section focuses on respondent preferences around factors that may impact the value of their retirement benefit and their ability to manage their retirement income. The conjoint section of the survey contained attributes that tested the concept of flexibility to access retirement benefits in any pattern, the concept of variable retirement benefit payment amounts, the concept of picking retirement investments, the concept of retirement benefits being tied to employer financial performance, and the concept of cost-of-living adjustments to retirement benefits.

Section highlights:

- Respondents want the flexibility of a DC benefit and the stability of a DB benefit. They prefer the flexibility of withdrawing money in any pattern of their choosing, rather than relying on a fixed monthly payment. But, if they were receiving payments in regular installments, they would prefer the stability of a fixed benefit amount over a variable benefit that could change over time.

- Respondents have mixed levels of comfort picking retirement investments. Respondents want to have some sense of control over their retirement investments, but many do not feel comfortable making investments themselves and would rather be able to rely on a professional investment advisor. Some would prefer their retirement benefits not to be dependent on investment returns at all.

- Respondents do not want their retirement benefits to be tied to employer financial performance.

- While respondents are worried about inflation and would like cost-of-living increases to their retirement benefits, this ultimately had a relatively middling amount of influence on respondent preferences in aggregate relative to the other attributes tested.

7.1 ACCESS TO RETIREMENT MONEY AFTER RETIREMENT

The concept of flexibility to access retirement benefits in any pattern was tested through the conjoint section of the survey. The attribute tested was “Access to your retirement money after retirement” and there were three levels associated with this attribute:

- Level 1: After you retire, you can only receive your retirement money in monthly payments.

- Level 2: After you retire, 50% of your retirement money can be withdrawn in any pattern that you choose, and you receive your remaining retirement money in monthly payments.

- Level 3: After you retire, you can withdraw your retirement money in any pattern that you choose until your money runs out.

Additionally, the attribute contained hover text to explain that monthly payments would be payable over the respondent’s lifetime.

Across all respondents, this attribute had a relatively low amount of influence on respondent preferences relative to the other attributes tested. This tended to be relatively more influential on respondent choices for respondents aged 18-24 but was otherwise fairly consistent across other demographic segments.

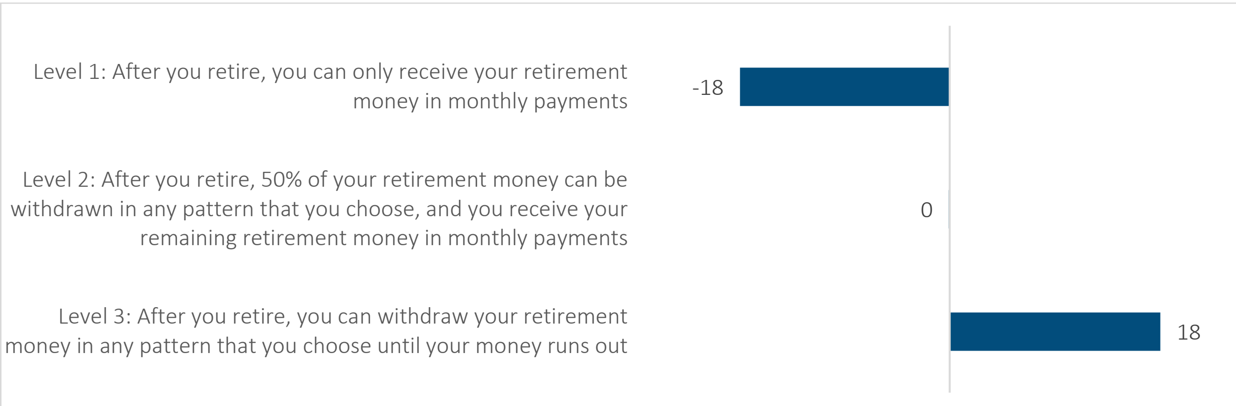
Figure 35 below shows the average conjoint utility scores for this attribute. Respondents generally prefer to have the flexibility to withdraw their retirement money in any pattern until it runs out over the stability of receiving that retirement money in steady monthly payments. It is important to note, though, that 25% of respondents actually have the opposite opinion and would prefer to have monthly payments instead of having full access to withdraw in any pattern.

Researcher Observation

These respondents may not feel confident in their ability to appropriately manage their withdrawals.

Figure 35

AVERAGE CONJOINT UTILITY SCORES: ACCESS TO YOUR RETIREMENT MONEY AFTER RETIREMENT



7.2 FIXED VERSUS VARIABLE BENEFIT AMOUNTS

The concept of fixed versus variable benefits during retirement was tested through the conjoint section of the survey. The attribute tested was "Fixed versus variable benefits during retirement" and there were three levels associated with this attribute:

- Level 1: After you retire, your benefit is a fixed amount and will not change.
- Level 2: After you retire, 50% of your benefit is fixed, while the other 50% could increase or decrease from year to year.
- Level 3: After you retire, your benefit is variable and could increase or decrease from year to year.

Across all respondents, this attribute had a relatively low amount of influence on respondent preferences relative to the other attributes tested. There were no significant differences in the relative influence across different demographic segments.

Figure 36 below shows the average conjoint utility scores for this attribute. Respondents generally prefer to have fixed benefit amounts that will not change over variable benefits that could increase or decrease from year to year. It is important to note, though, that 24% of respondents actually have the opposite opinion and would prefer to have variable payments instead of having full access to withdraw in any pattern.

Researcher Observation

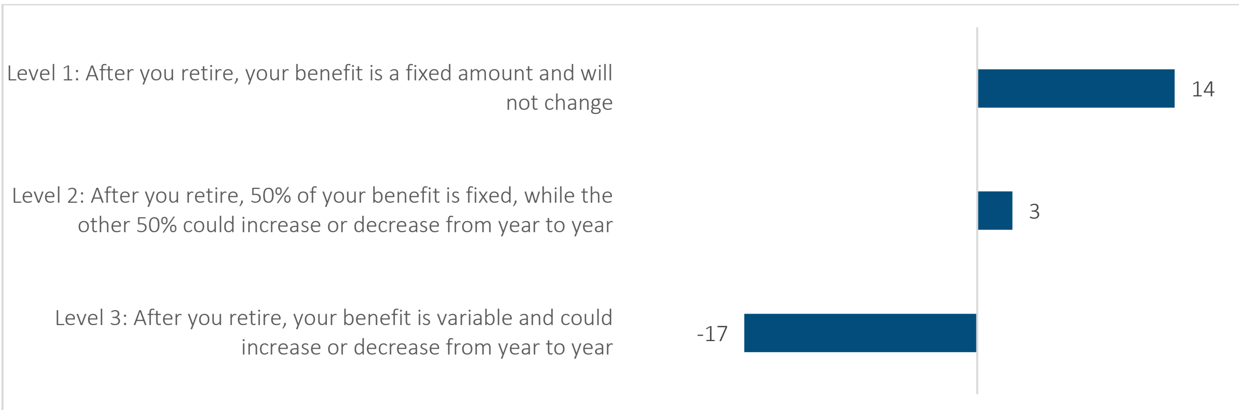
These respondents may be more optimistic for more potential benefit increases over decreases in the long run, especially if they expect variable benefits to increase with market returns.

Moving from 100% of the benefit amount being fixed to 50% fixed and 50% variable has a stepwise decrease in utility of 11. Moving from the benefit amount being 50% fixed and 50% variable to 100% variable has a stepwise decrease in utility of 20.

Researcher Observation

This implies that there could be some tolerance for a portion of retirement benefits to have a variable component, though the closer you move towards fully variable benefits the steeper the decrease in preference.

Figure 36
AVERAGE CONJOINT UTILITY SCORES: FIXED VERSUS VARIABLE BENEFITS DURING RETIREMENT



7.3 PICKING RETIREMENT INVESTMENTS

The concept of picking retirement investments was tested through the conjoint section of the survey. The attribute tested was "Investment return before you retire" and there were five levels associated with this attribute:

- Level 1: The value of your benefit at retirement is not dependent on investment returns.
- Level 2: The value of your benefit at retirement is dependent on investment returns and you pick all investments by yourself.
- Level 3: The value of your benefit at retirement is dependent on investment returns and you choose an investment advisor who picks all investments for you.
- Level 4: The value of your benefit at retirement is dependent on investment returns. A fiduciary (chosen by the plan sponsor) picks all investments for you, and you cannot change any investments.
- Level 5: The value of your benefit at retirement is dependent on investment returns. A fiduciary (chosen by the plan sponsor) picks all initial investments for you, but you can change any investments if desired.

Additionally, the attribute contained hover text to explain the terms "investment advisor" and "fiduciary" to respondents.

Across all respondents, this attribute had a relatively middling amount of influence on respondent preferences in aggregate relative to the other attributes tested. There were no significant differences in the relative influence across different demographic segments.

Figure 37 below shows the average conjoint utility scores for this attribute. Overall, respondents have mixed levels of comfort picking retirement investments. The most preferred in aggregate was to have their retirement benefits independent of investment returns (Level 1). This separation of benefits from investment experience was the most preferred option for 31% of respondents. There is also strong preference to have a fiduciary pick initial investments but to have the ability to change investments if desired (Level 5). This initial support with optionality was the most preferred option for 32% of respondents. These preferences indicate that Level 1 was a less polarizing choice than Level 5 because it still ranked highly amongst those who did not have it as a first choice, resulting in a higher average conjoint utility score.

Researcher Observation

The overall implication is that even the respondents who would prefer to have retirement benefits depend on investment return are somewhat on the fence about it.

The third-most preferred option was for respondents to have an investment advisor picking all retirement investments for them but with respondents able to choose their investment advisor (Level 3). This option was slightly preferred over respondents being responsible for picking all investments themselves (Level 2), with 54% of respondents preferring Level 3 over Level 2. Additionally, 39% of respondents preferred Level 3 over Level 5 (which also allowed respondents to pick their own investments).

Researcher Observation

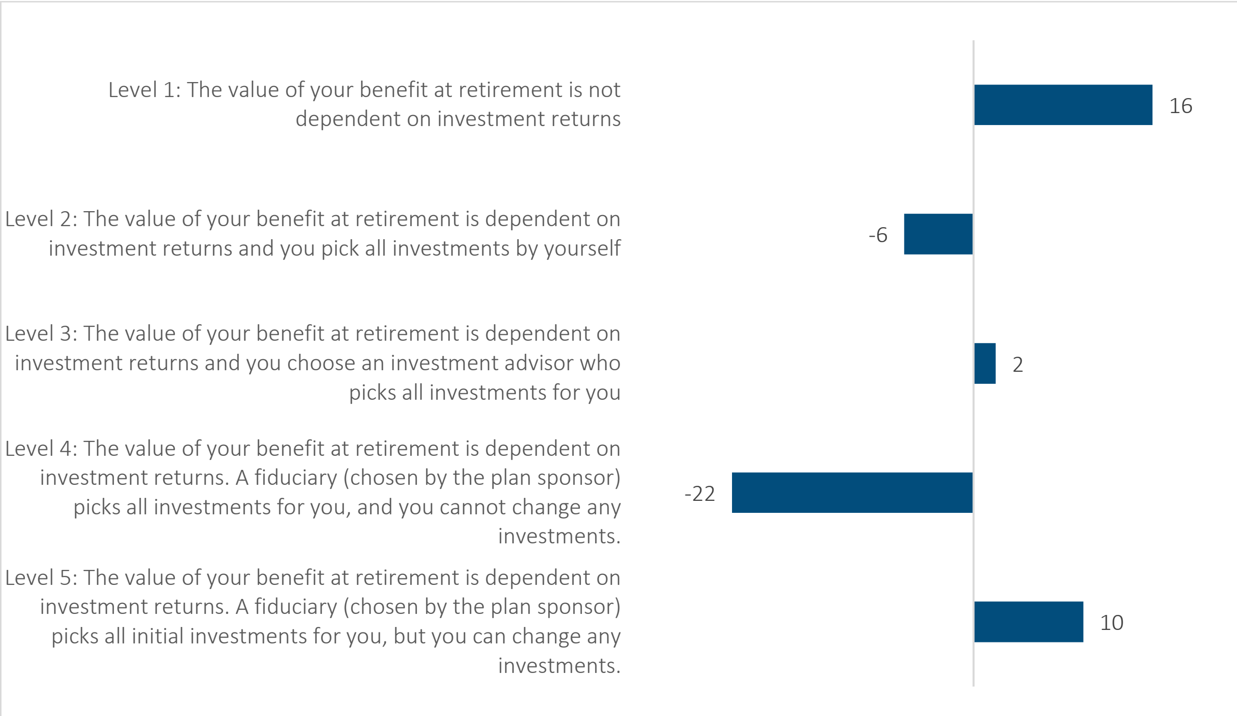
This ranking implies that many do not feel comfortable making investments themselves and would rather be able to rely on a professional. In particular, respondents would prefer an investment advisor over a fiduciary, though this choice could also reflect that respondents have relatively more familiarity with the concept of an investment advisor than they do with that of a fiduciary.

The least preferred option was to have a fiduciary pick all investments, with no ability to change investments if desired (Level 4). Of all the options with benefits depending on investment return, this was the only one where respondents had no say over their investment options or the party investing on their behalf.

Researcher Observation

This implies that respondents want to have some sense of control over their retirement investments, even if they don't always feel comfortable utilizing it.

Figure 37
AVERAGE CONJOINT UTILITY SCORES: INVESTMENT RETURN BEFORE YOU RETIRE



7.4 BENEFITS TIED TO EMPLOYER PERFORMANCE

The concept of retirement benefits being tied to employer financial performance was tested through the conjoint section of the survey. The attribute tested was "Impact of your employer's financial performance on your retirement benefits" and there were three levels associated with this attribute:

- Level 1: None of your retirement benefits are tied to your employer's financial performance.
- Level 2: 50% of your retirement benefits are tied to your employer's financial performance and 50% are not.
- Level 3: All of your retirement benefits are tied to your employer's financial performance.

Across all respondents, this attribute had a middling amount of influence on respondent preferences relative to the other attributes tested. There were no significant differences in the relative influence across different demographic segments.

Figure 38 below shows the average conjoint utility scores for this attribute. Respondents widely prefer that their retirement benefits be separated from employer financial performance. It is important to note, though, that 14% of respondents actually have the opposite opinion and would prefer to have their retirement benefits tied to their employer's financial performance.

Researcher Observation

These respondents may be more optimistic about their employer's prospects and think that tying benefits to employer performance could result in higher benefits.

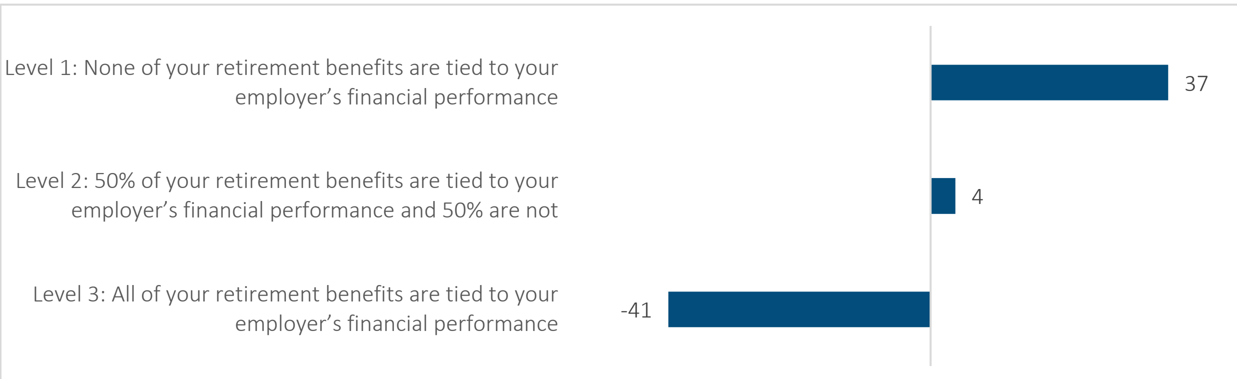
Moving from none of the retirement benefit being tied to employer financial performance to 50% has a stepwise decrease in utility of 33. Moving from 50% of the retirement benefit being tied to employer financial performance to 100% has a stepwise decrease in utility of 45.

Researcher Observation

This implies that there could be some tolerance for a portion of retirement benefits to be tied to employer financial performance, though the closer you move towards fully dependent on employer financial performance the steeper the decrease in preference.

Figure 38

AVERAGE CONJOINT UTILITY SCORES: IMPACT OF YOUR EMPLOYER'S FINANCIAL PERFORMANCE ON YOUR RETIREMENT BENEFITS



7.5 COST-OF-LIVING ADJUSTMENTS

The concept of cost-of-living adjustments ("COLAs") to retirement benefits was tested through the conjoint section of the survey. The attribute tested was "Cost-of-living increases to retirement benefits" and there were five levels associated with this attribute:

- Level 1: None.
- Level 2: Increased by 1% each year.
- Level 3: Adjusted for actual inflation each year, but not more than 3%.
- Level 4: Increased by 3% each year.
- Level 5: Adjusted for actual inflation each year.

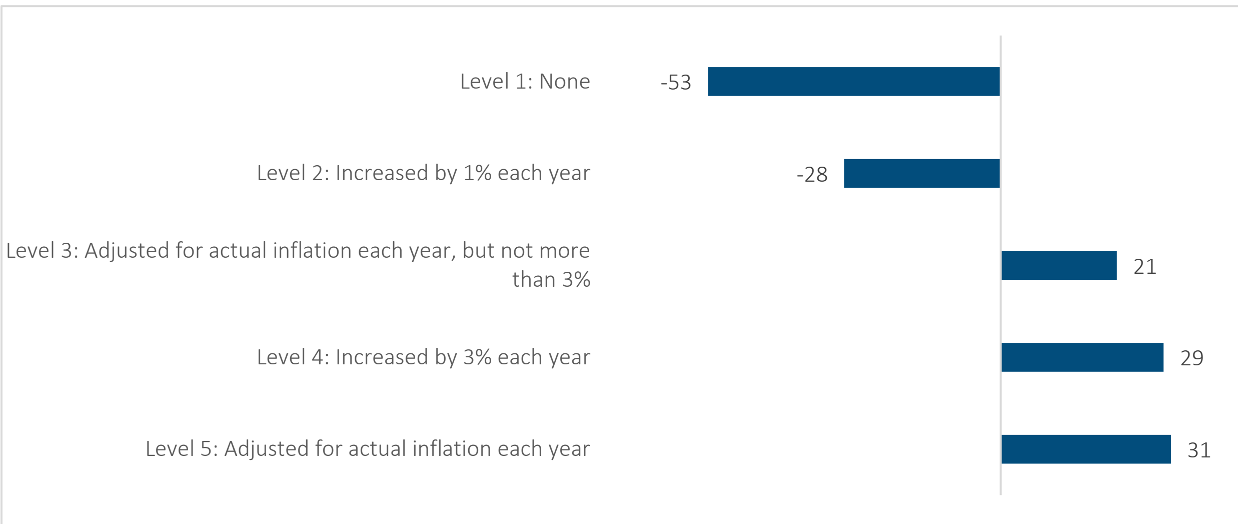
Across all respondents, this attribute had a relatively middling amount of influence on respondent preferences in aggregate relative to the other attributes tested and there were no significant differences in the relative influence across different demographic segments. It is important to note that a middling level of relative influence does not mean that inflation is not a topic of concern amongst respondents. In fact, several respondents specifically noted worries about inflation in open-ended comments. This prioritization only means that despite respondents' concerns, there are other benefit features in the conjoint testing that have a higher influence on respondent choices.

Figure 39 below shows the average conjoint utility scores for this attribute. Ranking highest, respondents had essentially equal preference for cost-of-living increases to retirement benefits that either were adjusted for actual inflation each year or are a flat 3% annually. And on the individual level, 51% of respondents would prefer a flat 3% COLA over adjustments for actual inflation, and 49% prefer the opposite. This ordering implies that despite the recent high-inflation environment, respondents expect inflation to be about 3% on average.

The next level in descending order of preference were adjustments for actual inflation each year, but more than 3% annually. And below that was a flat 1% annually. It is unsurprising that a COLA equal to actual inflation but limited to 3% would rank lower than either an adjustment for inflation with no cap or a flat 3%, because it is less generous than either of the other two options. With all three of those choices being significantly preferred over a flat 1% COLA, it is clear that respondents feel that there is a significant jump in value when moving beyond 1%. Unsurprisingly, the least preferred option was to have no COLA available – the least valuable option as long as inflation is expected to be positive.

Figure 39

AVERAGE CONJOINT UTILITY SCORES: COST-OF-LIVING INCREASES TO RETIREMENT BENEFITS



Section 8: Leaving a Legacy

This section focuses on respondent preferences around being able to leave financial resources to others upon their death. The conjoint section of the survey contained attributes that tested the concept of benefits for surviving spouses or partners, as well as the concept of bequeathing a benefit. These concepts both had a relatively large amount of influence on respondent preferences relative to the other attributes tested, indicating that respondents are highly concerned with their ability to leave something behind when they pass.

Section highlights:

- Respondents are highly concerned with the ability to leave behind retirement benefits for a surviving spouse or partner. Most respondents would trade a fully employer-paid retiree medical benefit and an annual 1% cost-of-living increase to their retirement benefit for the ability to pass their full retirement benefit amount to a surviving spouse.

- Respondents are interested in the ability to bequeath a portion of their retirement benefit to give to family members, friends, charities, etc., and this attribute had a relatively large amount of influence on respondent preferences relative to the other attributes tested.

8.1 BENEFITS FOR A SURVIVING SPOUSE

The concept of leaving retirement benefits behind for a surviving spouse or partner after death was tested through the conjoint section of the survey. The attribute tested was "Benefits for your surviving spouse or partner after your death" and there were three levels associated with this attribute:

- Level 1: Does not receive any of your retirement benefits.

- Level 2: 50% of the retirement benefits that you were receiving.

- Level 3: 100% of the retirement benefits that you were receiving.

Across all respondents, this attribute had amongst the highest amounts of influence on respondent preferences relative to the other attributes tested. This feature tended to be relatively more influential on respondent choices amongst married respondents, those aged 25-34, those with a household income of $125,000 or more, and those who are self-employed. Benefit continuation tended to be relatively less influential on respondent choices amongst respondents who are single and have never been married, those who are separated or divorced, those aged 18-24, those working in the public sector, and those who are currently employed as a labor or trade union member.

Figure 40 below shows the average conjoint utility scores for this attribute. As can be expected, respondents most prefer to be able to leave their surviving spouse or partner 100% of the retiree benefit they were receiving. To put this preference into perspective, most respondents would trade a fully employer-paid retiree medical benefit and an annual 1% cost-of-living increase to their retirement benefit for the ability to pass their full retirement benefit amount to a surviving spouse.

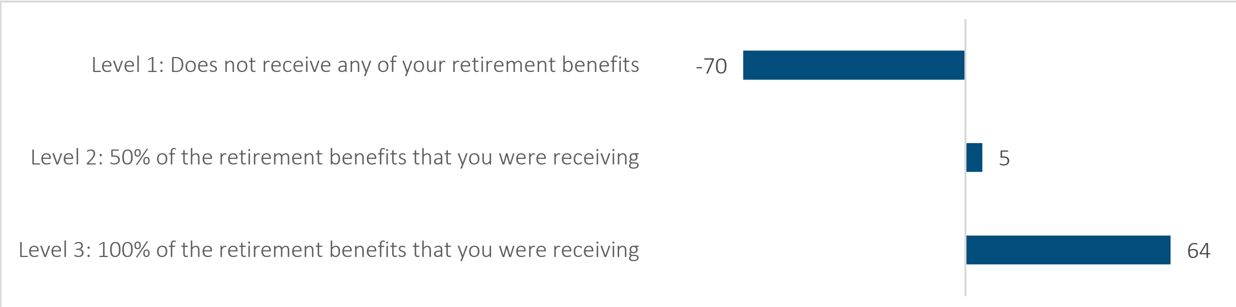
Moving from a 100% survivor benefit to a 50% survivor benefit has a stepwise decrease in utility of 59. Moving from a 50% survivor benefit to no survivor benefit has a stepwise decrease in utility of 75.

Researcher Observation

This diminishing marginal preference as the surviving spouse benefit increases implies that respondents would be happy even if only a portion of their retirement benefit was passed on to a surviving spouse.

Figure 40

AVERAGE CONJOINT UTILITY SCORES: BENEFITS FOR YOUR SURVIVING SPOUSE OR PARTNER AFTER YOUR DEATH



8.2 BEQUEATHING A BENEFIT

The concept of bequeathing a portion of a retirement benefit was tested through the conjoint section of the survey. The attribute tested was "Ability to bequeath a benefit to family members, friends, charities, etc." and there were three levels associated with this attribute:

- Level 1: You cannot bequeath any of your retirement benefits.
- Level 2: Up to 50% of your retirement benefit can be bequeathed.
- Level 3: Up to 100% of your retirement benefit can be bequeathed.

Additionally, the attribute contained hover text to explain that bequeathing a benefit would mean giving away a portion of the respondent's retirement benefit to family members, friends, charities, etc.

Across all respondents, this attribute had a relatively large amount of influence on respondent preferences relative to the other attributes tested. This feature tended to be relatively more influential on respondent choices amongst married respondents, those aged 75 or older, those with a household income of $125,000 or more, and those who are self-employed. It was relatively less influential on respondent choices amongst respondents who are single and have never been married, those who are unmarried and living with a partner in a permanent relationship, and those aged 18-24.

Figure 41 below shows the average conjoint utility scores for this attribute. As can be expected, respondents prefer to be able to have the option to bequeath up to 100% of their retirement benefit to family members, friends, charities, etc.

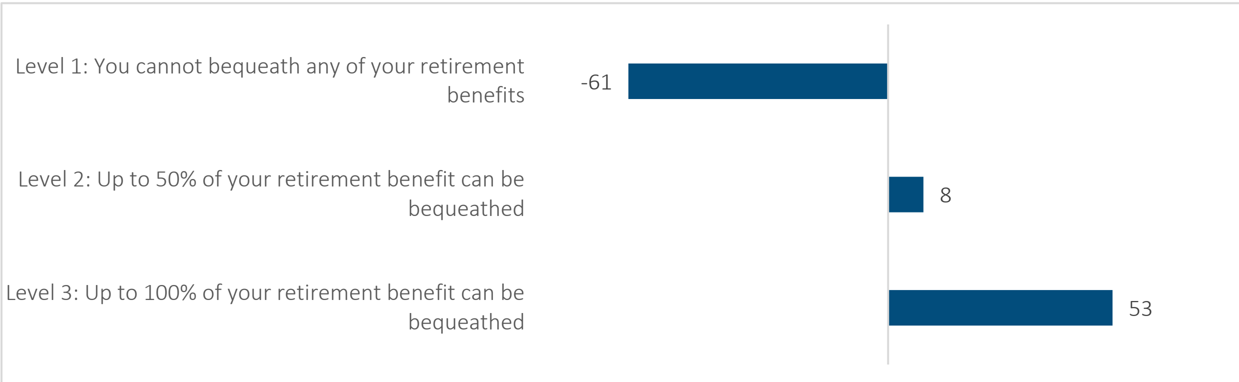
Moving from the ability to bequeath up to 100% of a retirement benefit to the ability to bequeath up to 50% of a retirement benefit has a stepwise decrease in utility of 45. Moving from the ability to bequeath up to 50% of a retirement benefit to having no ability to bequeath any portion of a retirement benefit has a stepwise decrease in utility of 69.

Researcher Observation

This diminishing marginal preference as the portion of a retirement benefit that can be bequeathed increases implies that respondents would be happy even if only a portion of their retirement benefit was able to be bequeathed to family members, friends, charities, etc.

Figure 41

AVERAGE CONJOINT UTILITY SCORES: ABILITY TO BEQUEATH A BENEFIT TO FAMILY MEMBERS, FRIENDS, CHARITIES, ETC.



Section 9: Health and Wellness

This section focuses on respondent preferences around health and wellness. The conjoint section of the survey contained attributes that tested the concept of employer-provided medical benefits during retirement, the concept of employer-provided dental and vision benefits during retirement, and the concept of protecting benefits in the event of disability.

Section highlights:

- Respondents are interested in employer-provided retiree medical benefits, though it's generally of middling concern compared to other items tested. Respondents would find value in employers simply providing access to a medical plan after retirement, even if the respondents are responsible for the whole premium.
- Respondents are interested in employer-provided dental and vision benefits after retirement, but are relatively less interested if the benefit is not also subsidized by their employer
- Respondents value a 50% subsidy on employer-provided retiree dental and vision benefits nearly as much as they would value a 50% subsidy on employer-provided retiree medical benefits. This may represent a cost-effective opportunity area for employer investment.
- Protection of benefits upon disability is a very minimal concern relative to the other attributes tested and it is not particularly meaningful to most respondents.

9.1 RETIREE MEDICAL BENEFITS

The concept of employer-provided medical benefits during retirement was tested through the conjoint section of the survey. The attribute tested was "Access to employer-provided medical benefits during retirement" and there were four levels associated with this attribute:

- Level 1: None.
- Level 2: Your employer provides you with access to a medical plan after retirement (excluding dental and vision benefits), but you pay the full premium.
- Level 3: Your employer provides you with access to a medical plan after retirement (excluding dental and vision benefits), but you pay 50% of the premium.
- Level 4: Your employer provides you with access to a medical plan after retirement (excluding dental and vision benefits) and pays 100% of the premium.

Across all respondents, this attribute had a relatively middling amount of influence on respondent preferences relative to the other attributes tested. This feature tended to be relatively more influential on respondent choices amongst respondents aged 65-74 but was otherwise fairly consistent across other demographic segments.

Figure 41 below shows the average conjoint utility scores for this attribute. As can be expected, respondents are most interested in having access to an employer-provided retiree medical plan with 100% of the premium paid by the employer, and their preference decreases as the employer-paid portion decreases. The most unfavorable option is if employers offered no such benefit at all.

Moving from an employer providing access but paying for 0% of premiums to an employer paying 50% of the premium has a stepwise increase in utility of 33. Moving from an employer paying 50% of the premium to paying 100% of the premium has a stepwise increase of 36.

Researcher Observation and Area of Opportunity for Employers

This relatively linear increase implies that each additional dollar spent by employers on this benefit would have a fairly equal increase in respondent preferences.

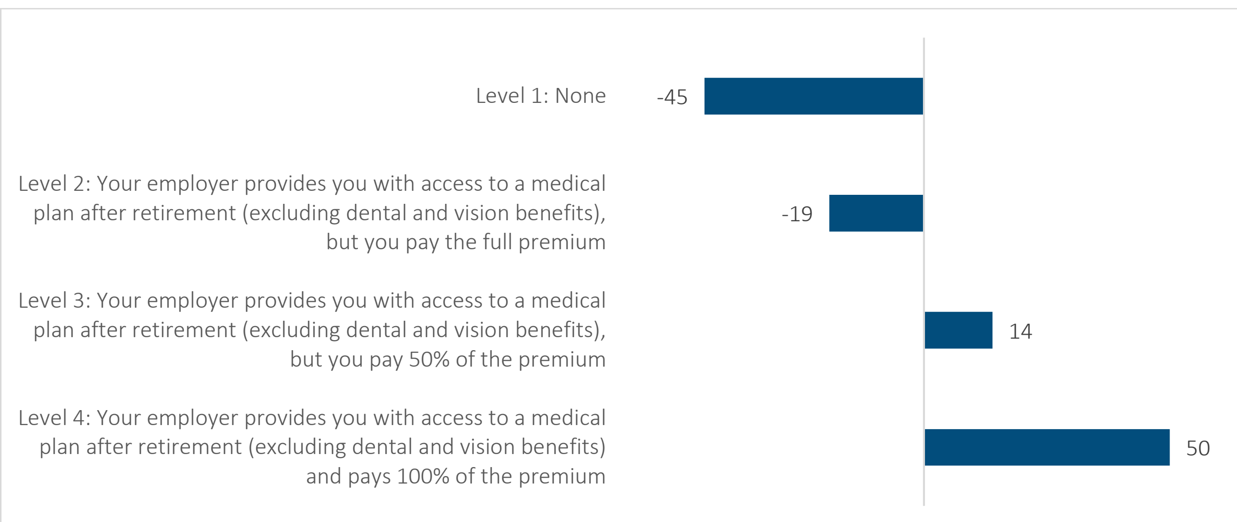
Moving from an employer not providing any access to retiree medical benefits to an employer providing access but paying for 0% of premiums has a stepwise increase in utility of 26. This increase in preference is nearly as high as the increase in preference from an employer increasing their subsidy by 50% of premiums.

Researcher Observation and Area of Opportunity for Employers

This implies that respondents find value in employers simply providing access to a medical plan after retirement, even if the respondents are responsible for the whole premium. This could potentially be an efficient investment in retiree wellness that employers can consider, though it is important to note that employees may not have an appreciation of the full cost of an unsubsidized retiree medical benefit and therefore may be undervaluing an employer subsidy.

Figure 41

AVERAGE CONJOINT UTILITY SCORES: ACCESS TO EMPLOYER-PROVIDED MEDICAL BENEFITS DURING RETIREMENT



9.2 RETIREE DENTAL AND VISION BENEFITS

The concept of employer-provided dental and vision benefits during retirement was tested through the conjoint section of the survey. The attribute tested was “Access to employer-provided dental and vision benefits during retirement” and there were four levels associated with this attribute:

- Level 1: None.
- Level 2: Your employer provides you with access to a dental and vision plan after retirement, but you pay the full premium.

- Level 3: Your employer provides you with access to a dental and vision plan after retirement, but you pay 50% of the premium.

- Level 4: Your employer provides you with access to a dental and vision plan after retirement and pays 100% of the premium.

Across all respondents, this attribute had a relatively low amount of influence on respondent preferences relative to the other attributes tested. There were no significant differences in the relative influence across different demographic segments.

Figure 42 below shows the average conjoint utility scores for this attribute. As can be expected, respondents are most interested in having access to an employer-provided retiree dental and vision plan with 100% of the premium paid by the employer, and their preference decreases as the employer-paid portion decreases. The most unfavorable option is if employers offered no such benefit at all.

Moving from an employer providing access but paying for 0% of premiums to an employer paying 50% of the premium has a stepwise increase in utility of 37. Moving from an employer paying 50% of the premium to paying 100% of the premium has a stepwise increase of 30.

Researcher Observation and Area of Opportunity for Employers

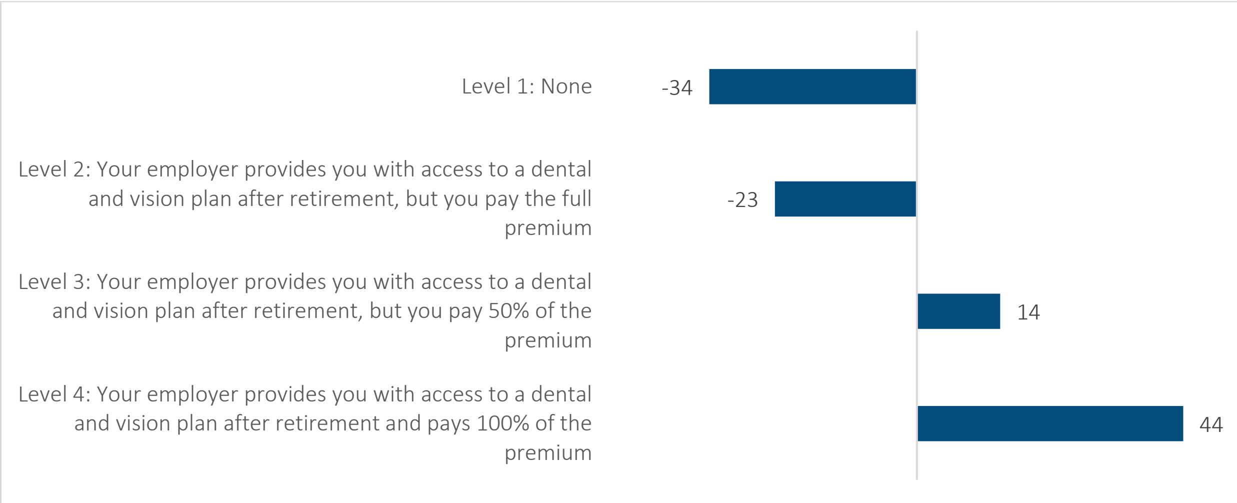
There is a decrease in marginal preference as employer-paid premiums increase, indicating that respondents may be relatively more content with a partial subsidy when considering the cost. Also of note, an employer offering to pay 50% of the premium for a retiree dental and vision plan yields a higher increase in preference than offering to pay 50% of the premium for a retiree medical plan. Given the difference in costs between these two types of benefits, employers may find that offering a partially subsidized retiree dental and vision benefit could be a more efficient use of benefit spending.

Moving from an employer not providing any access to retiree dental and vision benefits to an employer providing access but paying for 0% of premiums has a stepwise increase in utility of 11.

Researcher Observation and Area of Opportunity for Employers

This increase in preference is relatively low compared to the increase in preference gained when an employer subsidizes premiums which implies that while respondents do find some value in employers simply offering them access to a retiree dental and vision plan, they would find the most value if employers were able to aid the costs with a subsidy.

Figure 42
AVERAGE CONJOINT UTILITY SCORES: ACCESS TO EMPLOYER-PROVIDED DENTAL AND VISION BENEFITS DURING RETIREMENT



9.3 DISABILITY BENEFITS

The concept of protecting benefits in the event of disability was tested through the conjoint section of the survey. The attribute tested was "Protection of benefits upon disability" and there were two levels associated with this attribute:

- Level 1: You do not continue to earn incremental benefits / contributions after you become disabled.
- Level 2: You continue to earn incremental benefits / contributions after you become disabled.

Across all respondents, this attribute had one of the lowest amounts of influence on respondent preferences relative to the other attributes tested. Disability benefits tended to be relatively more influential on respondent choices for respondents aged 75 or older but was otherwise fairly consistent across other demographic segments.

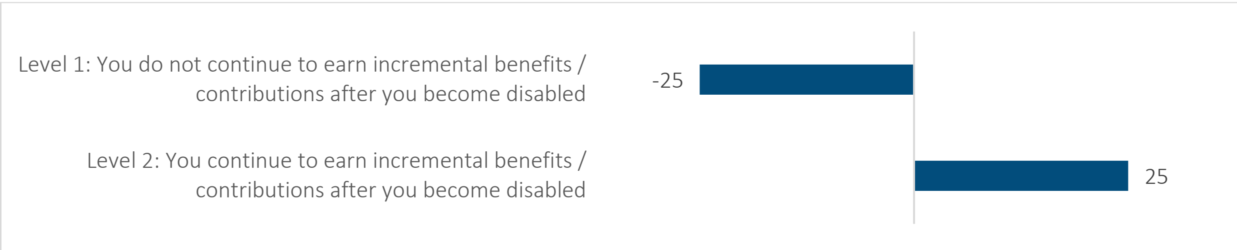
Researcher Observation and Area of Opportunity for Employers

The relatively low level of significance placed on disability benefits is perhaps unsurprising, but there may be a general lack of knowledge and awareness about disability from those who have not experienced it personally. The risk of disability may be higher than many realize, and this could represent an opportunity for employers to provide additional education around disability, financial risks, and coverage to help bridge any gaps.

Figure 43 below shows the average conjoint utility scores for this attribute. As can be expected, respondents prefer continuing to earn incremental benefits /contributions after they become disabled over not continuing to do so. But this is ultimately a very minimal concern relative to the other attributes tested and it is not particularly meaningful to most respondents.

Figure 43

AVERAGE CONJOINT UTILITY SCORES: PROTECTION OF BENEFITS UPON DISABILITY



Section 10: Choice Simulator Tool

The data underlying this report has been incorporated into an Excel dashboard that can be used to model results and simulate employee preferences. The dashboard shows the relative influence of conjoint attributes, and also includes a tool that allows the user to build packages including varying retirement plan features and compare respondent preferences across packages. These results can all be filtered and segmented on a variety of demographic inputs. The tool, *"What Retirement Plan Features do Employees Really Want - Choice Simulator Tool.xlsm"*, can be found at the Society of Actuaries website, soa.org.

Figure 44 below shows an illustrative screenshot of the relative influence of conjoint attributes from the dashboard. In this example, the results have been filtered into two demographic segments for comparison. The first includes only married men, aged 18 to 44. The second includes only single women, aged 35 to 64.

Figure 44

EXCEL DASHBOARD: SCREENSHOT OF RELATIVE INFLUENCE OF CONJOINT ATTRIBUTES AND DEMOGRAPHIC SEGMENTATION

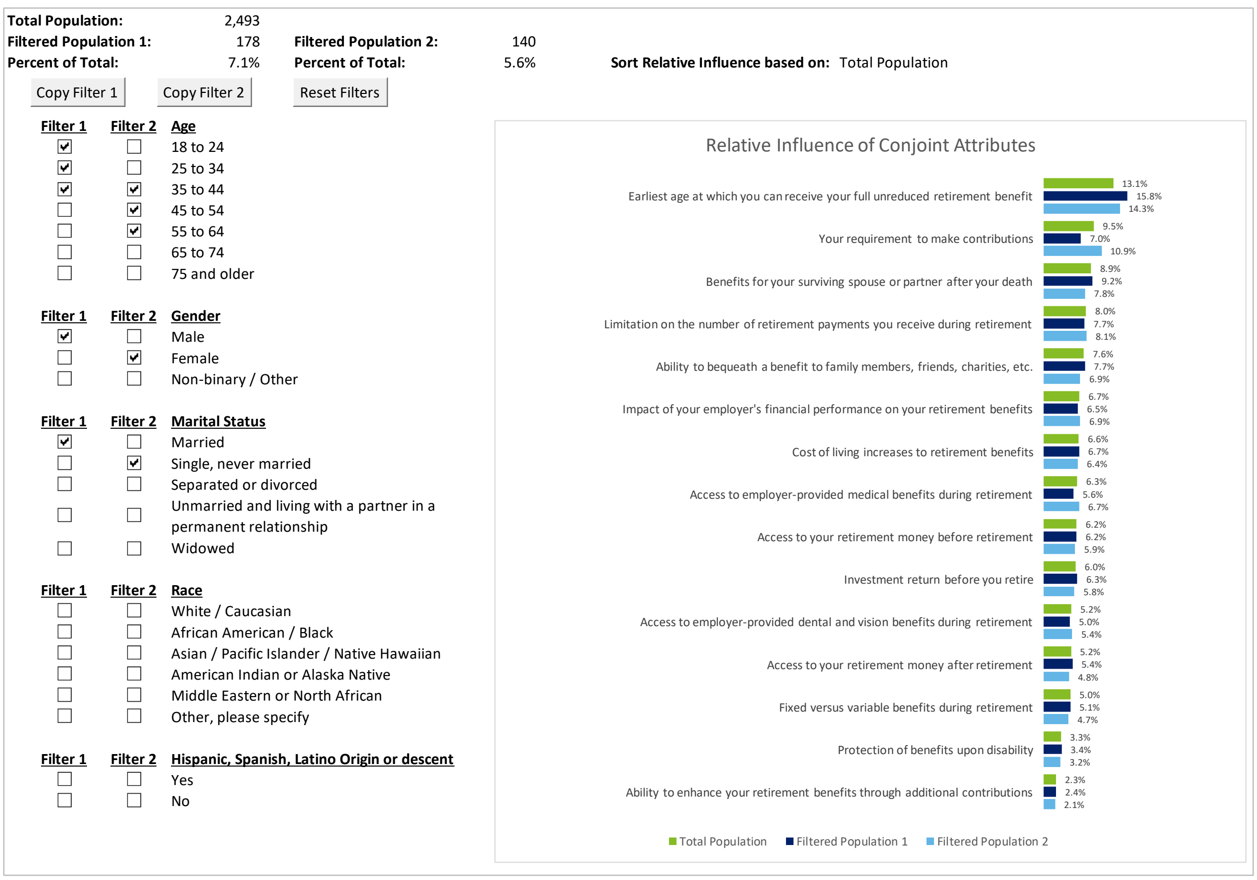


Figure 45 below shows an illustrative screenshot of the respondent choice simulator tool from the dashboard. This example includes two packages that are being compared.

Package 1 has unreduced benefits at age 62, no benefits for a surviving spouse, a cost-of-living increase to benefits of 3% each year, and no access provided to medical benefits during retirement. Package 2 has unreduced benefits at age 70, 100% of benefits payable to a surviving spouse until their death, no cost of living increases to benefits, and employer provided access to medical benefits with 50% of the premiums paid by the employer. All other retirement plan features are equal between the two packages.

Two measures of results are shown. The First Choice basis only gives consideration to a respondent's single most preferred package of all options shown. On a First Choice basis, Package 1 is most preferred by 49.7% of respondents and Package 2 is most preferred by 50.3% of respondents.

The Estimated Share of Preference basis estimates the probability that a respondent will pick each package, and shares of the respondent's preference are allocated across multiple packages. On an Estimated Share of Preference basis, Package 1 is most preferred by 49.7% of respondents and Package 2 is most preferred by 50.3% of respondents.

Figure 45

EXCEL DASHBOARD: SCREENSHOT OF RESPONDENT CHOICE SIMULATOR TOOL – EXAMPLE 1

Respondent Choice Simulator Tool - Filtered Population 1

Note, results simulated in this tab are based on Filtered Population 1 from the selections made on the "Demographic Filters" tab.

	Package 1	Package 2
Include Package?	☑	☑
% Indicating Package as First Choice[1]:	**49.7%**	**50.3%**
Estimated Share of Preference[2]:	**49.7%**	**50.3%**
Earliest age at which you can receive your full unreduced retirement benefit	Age 62	Age 70
Access to your retirement money after retirement	Monthly payments only	Monthly payments only
Fixed versus variable benefits during retirement	100% fixed, 0% variable	100% fixed, 0% variable
Benefits for your surviving spouse or partner after your death	0% to surviving spouse	100% to surviving spouse
Ability to bequeath a benefit to family members, friends, charities, etc.	0% can be bequeathed	0% can be bequeathed
Limitation on the number of retirement payments you receive during retirement	10-year certain only	10-year certain only
Investment return before you retire	Benefits are not dependent on investment return	Benefits are not dependent on investment return
Cost of living increases to retirement benefits	Increased by 3% each year	No adjustment
Your requirement to make contributions	0% employee-paid, 100% employer-paid	0% employee-paid, 100% employer-paid
Ability to enhance your retirement benefits through additional contributions	You are not able to make additional contributions	You are not able to make additional contributions
Protection of benefits upon disability	You do not continue to earn benefits after disabilit	You do not continue to earn benefits after disabilit
Access to your retirement money before retirement	No access before retirement	No access before retirement
Impact of your employer's financial performance on your retirement benefits	0% of benefits tied to employer performance	0% of benefits tied to employer performance
Access to employer-provided medical benefits during retirement	No access	You have access and pay 50% of premiums
Access to employer-provided dental and vision benefits during retirement	No access	No access

Figure 46 below shows another illustrative screenshot of the respondent choice simulator tool from the dashboard with two packages being compared.

Package 1 is intended to emulate a typical DB benefit offering and includes access to money after retirement in the form of monthly payments only, 100% fixed benefits during retirement, no ability to bequeath benefits, benefits that are not dependent on investment return, no employee contributions towards retirement benefits, no ability to make additional contributions to enhance retirement benefits, continued earning of benefits after becoming disabled, and no access to benefits before retirement.

Package 2 is intended to emulate a typical DC benefit offering and includes access to money after retirement in any pattern desired, 100% variable benefits during retirement, the ability to bequeath 100% of benefits, benefits that are dependent on investment return and the employee picks all the investments themselves, a 50/50 cost share between employee and employer, the ability to make additional contributions to enhance retirement benefits, no continuation of benefit earning after becoming disabled, and access to benefits before retirement with a 10% penalty and no requirement to repay.

All other retirement plan features are equal between the two packages. On a First Choice basis, Package 1 is most preferred by 40.8% of respondents and Package 2 is most preferred by 59.2% of respondents. On an Estimated Share of Preference basis, Package 1 is most preferred by 42.3% of respondents and Package 2 is most preferred by 57.7% of respondents.

Researcher Observation

In this example respondents are swayed enough by the additional features of Package 2 that they overlook the fact that they are required to pay for half of the cost of their benefits, they don't earn a disability benefit, and that their benefits are variable and depend on investment returns. Respondents value the ability to withdraw their benefits in any pattern, the ability to bequeath benefits, their ability to make additional contributions, and their ability to withdraw money early with a 10% penalty.

Figure 46

EXCEL DASHBOARD: SCREENSHOT OF RESPONDENT CHOICE SIMULATOR TOOL – EXAMPLE 2

Respondent Choice Simulator Tool - Filtered Population 1

Note, results simulated in this tab are based on Filtered Population 1 from the selections made on the "Demographic Filters" tab.

	Package 1	Package 2
Include Package?	☑	☑
% Indicating Package as First Choice[1]:	**40.8%**	**59.2%**
Estimated Share of Preference[2]:	**42.3%**	**57.7%**
Earliest age at which you can receive your full unreduced retirement benefit	Age 65	Age 65
Access to your retirement money after retirement	Monthly payments only	Withdraw in any pattern
Fixed versus variable benefits during retirement	100% fixed, 0% variable	0% fixed, 100% variable
Benefits for your surviving spouse or partner after your death	100% to surviving spouse	100% to surviving spouse
Ability to bequeath a benefit to family members, friends, charities, etc.	0% can be bequeathed	Up to 100% can be bequeathed
Limitation on the number of retirement payments you receive during retirement	Single life annuity	Single life annuity
Investment return before you retire	Benefits are not dependent on investment return	You pick all investments by yourself
Cost of living increases to retirement benefits	No adjustment	No adjustment
Your requirement to make contributions	0% employee-paid, 100% employer-paid	50% employee-paid, 50% employer-paid
Ability to enhance your retirement benefits through additional contributions	You are not able to make additional contributions	You are able to make additional contributions
Protection of benefits upon disability	You continue to earn benefits after becoming disa	You do not continue to earn benefits after disabilit
Access to your retirement money before retirement	No access before retirement	10% penalty and no requirement to repay
Impact of your employer's financial performance on your retirement benefits	0% of benefits tied to employer performance	0% of benefits tied to employer performance
Access to employer-provided medical benefits during retirement	No access	No access
Access to employer-provided dental and vision benefits during retirement	No access	No access

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Appendix A: Posted Survey

1. Please indicate your current age:
   [Open-Ended; selected segmentation shown below]

	Percentage	Count
18 to 24	7%	171
25 to 34	11%	263
35 to 44	15%	381
45 to 54	19%	476
55 to 64	26%	638
65 to 74	20%	497
75 or older	3%	67

Note, those who indicated that they were under age 18 were screened out from the survey

2. Please indicate which of the following best describes your current employment status:

	Percentage	Count
Employed full-time	65%	1,612
Employed part-time	18%	445
Self-employed	13%	317
Partially retired and working part-time	2%	46
Fully retired	3%	73
Unemployed	0%	0
Student	0%	0
Homemaker	0%	0

Note, those who selected "Unemployed," "Student," or "Homemaker" were screened out from the survey

3. [If employed full-time, employed part-time, or self-employed; Q2 = 1, 2 or 3]
   Which of the following best describes your primary work industry:

	Percentage	Count
Public sector	38%	892
Private sector	49%	1,155
Self-employed Gig worker and/or Contractor	6%	148
Self-employed other	8%	179

*Hover text, **public sector**: "Public sector organizations are owned and controlled by the government (e.g., teachers, law enforcement officers, social workers, etc.)."*

*Hover text, **private sector**: "Private sector organizations are owned and managed by individuals or private companies."*

4. **[If employed full-time, employed part-time, or self-employed; Q2 = 1, 2 or 3]**
Please indicate if you are employed as a member of a **labor or trade union**:

	Percentage	Count
I am currently employed as a labor or trade union member	10%	249
I am not currently employed as a labor or trade union member, but was in a past job	16%	375
I have never been employed as a labor or trade union member	74%	1,750

*Hover text, **labor or trade union**: "A labor or trade union is an organization formed by workers in a particular trade, industry, or company for the purpose of improving pay, benefits, and working conditions."*

5. **[If employed full-time, employed part-time, or self-employed; Q2 = 1, 2 or 3]**
At what age do you plan or expect to stop working/retire from your primary occupation?

	Percentage	Count
Under age 55	10%	248
55 - 59	11%	252
60 - 61	9%	206
62 - 64	12%	296
65 - 67	22%	527
68 - 70	13%	314
71 - 74	8%	185
75 or older	7%	158
I do not expect to retire	8%	188

6. **[If employed full-time, employed part-time, or self-employed; Q2 = 1, 2 or 3], AND**
[If expecting to retire; Q5 ≠ 9]
You said that you plan to stop working/retire at *[Q5 response]*.
Which statement best describes how you plan to retire from your primary occupation?

	Percentage	Count
I plan to stop working for pay all at once	38%	830
I plan to reduce the number of days/hours I work before stopping completely	62%	1,356

7. **[If employed full-time, employed part-time, or self-employed; Q2 = 1, 2 or 3]**
Which of the following types of retirement plans have been available through your employer(s) (select all that apply):

	Percentage	Count
Pension plan through current employer	27%	639
Pension plan through past employer	17%	404
Retirement Savings plan with employer contributions through current employer	49%	1,159
Retirement Savings plan with employer contributions through past employer	26%	609
Retirement Savings plan without employer contributions through current employer	13%	302
Retirement Savings plan without employer contributions through past employer	9%	210
Other, please specify *[Open-Ended]*	2%	53
None of the above *[Exclusive]*	16%	383
Not sure *[Exclusive]*	5%	112

*Hover text, **Pension**: "A pension plan is a defined benefit retirement plan offered by some employers where an employer makes contributions to a pool of funds set aside for the employee's future benefit. The primary form of payment of a pension plan is in lifetime income."*

*Hover text, **Retirement Savings**: "Retirement Savings plans typically include 401(k), 403(b), and/or 457(b) plans which are offered by many employers and allow employees to make tax-deferred contributions from their paychecks into an investment account. The employer may also make contributions into the account, such as matching the employee's contribution up to a certain percentage."*

8. **[If employed full-time, employed part-time, or self-employed; Q2 = 1, 2 or 3]**
Which of the following types of retirement plans have you contributed to through your employer(s) (select all that apply):

	Percentage	Count
Pension plan through current employer	21%	488
Pension plan through past employer	11%	269
Retirement Savings plan with employer contributions through current employer	46%	1,081
Retirement Savings plan with employer contributions through past employer	25%	600
Retirement Savings plan without employer contributions through current employer	10%	233
Retirement Savings plan without employer contributions through past employer	7%	174
Other, please specify *[Open-Ended]*	2%	38
None of the above *[Exclusive]*	20%	483
Not sure *[Exclusive]*	4%	87

*Hover text, **Pension**: "A pension plan is a defined benefit retirement plan offered by some employers where an employer makes contributions to a pool of funds set aside for the employee's future benefit. The primary form of payment of a pension plan is in lifetime income."*

*Hover text, **Retirement Savings**: "Retirement Savings plans typically include 401(k), 403(b), and/or 457(b) plans which are offered by many employers and allow employees to make tax-deferred contributions from their paychecks into an investment account. The employer may also make contributions into the account, such as matching the employee's contribution up to a certain percentage."*

9. **[If employed full-time, employed part-time, or self-employed; Q2 = 1, 2 or 3]**
Please rank up to three sources of income that you intend to rely on during retirement, with 1 being your top source of income and 3 being your third highest source of income:
[Randomized List Order]

Monthly payments from Social Security
Monthly payments from a **Pension** plan through employer
Withdrawals from a **Retirement Savings** plan through employer
Withdrawals from **Individual Retirement Account** ("IRA")
Withdrawals from other personal investments (e.g., stocks, bonds, etc.)
Part-time work
Withdrawals from inheritance
Support from family
Do not select this option
Other, please specify *[Open-Ended]*

Note, those who selected "do not select this option" were terminated from the survey.

*Hover text, **Pension**: "A pension plan is a defined benefit retirement plan offered by some employers where an employer makes contributions to a pool of funds set aside for the employee's future benefit. The primary form of payment of a pension plan is in lifetime income."*

*Hover text, **Retirement Savings**: "Retirement Savings plans typically include 401(k), 403(b), and/or 457(b) plans which are offered by many employers and allow employees to make tax-deferred contributions from their paychecks into an investment account. The employer may also make contributions into the account, such as matching the employee's contribution up to a certain percentage."*

*Hover text, **Individual Retirement Account**: "An IRA is a savings account with tax advantages that an individual can open in order to save and invest long-term."*

10. **[If partially retired and working part-time or fully retired, Q2 = 4 or 5]**
Which of the following best described your primary work industry before retirement:

	Percentage	Count
Public sector	47%	56
Private sector	39%	46
Self-employed Gig worker and/or Contractor	5%	6
Self-employed other	9%	11

*Hover text, **public sector**: "Public sector organizations are owned and controlled by the government (e.g., teachers, law enforcement officers, social workers, etc.)."*

*Hover text, **private sector**: "Private sector organizations are owned and managed by individuals or private companies."*

11. [If partially retired and working part-time or fully retired, Q2 = 4 or 5]
Please indicate if you were employed as a member of a **labor or trade union** in your primary job before retirement:

	Percentage	Count
I retired from employment as a labor or trade union member	19%	23
I did not retire from employment as a labor or trade union member, but was a labor or trade union member in a past job	15%	18
I have never been employed as a labor or trade union member	66%	78

Hover text, ***labor or trade union****: "A labor or trade union is an organization formed by workers in a particular trade, industry, or company for the purpose of improving pay, benefits, and working conditions."*

12. [If partially retired and working part-time or fully retired, Q2 = 4 or 5]
At what age did you stop working/retire from your primary occupation?
[Open-Ended; selected segmentation shown below]

	Percentage	Count
Under age 55	11%	13
55 - 59	15%	18
60 - 61	8%	9
62 - 64	21%	25
65 - 67	29%	35
68 - 70	13%	15
71 - 74	2%	2
75 or older	2%	2

13. [If partially retired and working part-time or fully retired, Q2 = 4 or 5]
Which statement comes closest to describing how you retired from your primary occupation?

	Percentage	Count
I stopped working for pay all at once	62%	74
I reduced the number of days/hours I worked for pay before stopping completely	38%	45

14. **[If partially retired and working part-time or fully retired, Q2 = 4 or 5]**
Which of the following types of retirement plans have you had available through your employer(s) when you were employed (select all that apply):

	Percentage	Count
Pension plan through employer	51%	61
Retirement Savings plan with employer contributions	53%	63
Retirement Savings plan without employer contributions	31%	37
Other, please specify *[Open-Ended]*	5%	6
None of the above *[Exclusive]*	12%	14
Not Sure *[Exclusive]*	2%	2

Hover text, ***Pension****: "A pension plan is a defined benefit retirement plan offered by some employers where an employer makes contributions to a pool of funds set aside for the employee's future benefit. The primary form of payment of a pension plan is in lifetime income."*

Hover text, ***Retirement Savings****: "Retirement Savings plans typically include 401(k), 403(b), and/or 457(b) plans which are offered by many employers and allow employees to make tax-deferred contributions from their paychecks into an investment account. The employer may also make contributions into the account, such as matching the employee's contribution up to a certain percentage."*

15. **[If partially retired and working part-time or fully retired, Q2 = 4 or 5]**
Which of the following types of retirement plans have you contributed to through your employer(s) when you were employed (select all that apply):

	Percentage	Count
Pension plan through employer	38%	46
Retirement Savings plan with employer contributions	55%	66
Retirement Savings plan without employer contributions	25%	30
Other, please specify *[Open-Ended]*	3%	3
None of the above *[Exclusive]*	15%	18
Not sure *[Exclusive]*	3%	3

Hover text, ***Pension****: "A pension plan is a defined benefit retirement plan offered by some employers where an employer makes contributions to a pool of funds set aside for the employee's future benefit. The primary form of payment of a pension plan is in lifetime income."*

Hover text, ***Retirement Savings****: "Retirement Savings plans typically include 401(k), 403(b), and/or 457(b) plans which are offered by many employers and allow employees to make tax-deferred contributions from their paychecks into an investment account. The employer may also make contributions into the account, such as matching the employee's contribution up to a certain percentage."*

16. **[If partially retired and working part-time or fully retired, Q2 = 4 or 5]**
Please rank up to three sources of income that you rely on during retirement, with 1 being your top source of income and 3 being your third highest source of income:
[Randomized List Order]

Monthly payments from Social Security
Monthly payments from a **Pension** plan through employer
Withdrawals from a **Retirement Savings** plan through employer
Withdrawals from **Individual Retirement Account** ("IRA")
Withdrawals from other personal investments (e.g., stocks, bonds, etc.)
Part-time work
Withdrawals from inheritance
Support from family
Do not select this option
Other, please specify *[Open-Ended]*

Note, those who selected "do not select this option" were terminated from the survey.

*Hover text, **Pension**: "A pension plan is a defined benefit retirement plan offered by some employers where an employer makes contributions to a pool of funds set aside for the employee's future benefit. The primary form of payment of a pension plan is in lifetime income."*

*Hover text, **Retirement Savings**: "Retirement Savings plans typically include 401(k), 403(b), and/or 457(b) plans which are offered by many employers and allow employees to make tax-deferred contributions from their paychecks into an investment account. The employer may also make contributions into the account, such as matching the employee's contribution up to a certain percentage."*

*Hover text, **Individual Retirement Account**: "An IRA is a savings account with tax advantages that an individual can open in order to save and invest long-term."*

17. Based only on the retirement plan features shown (assuming everything else remains the same), decide which package you would choose.
[Choice Based Conjoint Exercise]

Respondents were shown two hypothetical packages of retirement plan features and asked to choose a preferred package. Each of the two hypothetical packages would share the same four attributes but would have differences in the levels shown for each attribute. Respondents completed a total of 16 choice tasks, each with a different combination of hypothetical packages containing varying attributes and levels. A total of 300 different versions of the conjoint questionnaire were used, each designed to be optimally efficient in terms of level balance, orthogonality, and overlap.

18. Please indicate which of the following best describes your current financial situation:

	Percentage	Count
I have no debt	36%	889
I have debt, but I can easily afford my monthly payments	37%	927
Debt payments are usually manageable for me, but they occasionally cause a challenge in my monthly budget	21%	519
Debt is a major problem for me in managing my finances	6%	158

19. Please indicate which of the following best describes your current level of savings:

	Percentage	Count
I have savings for an emergency or unexpected expense, and I am comfortable with the size of my savings	44%	1,110
I have savings for an emergency or unexpected expense, but my savings are smaller than I am comfortable	34%	848
I do not have enough savings for an emergency or unexpected expense	22%	535

20. Please indicate which of the following best describes your current level of retirement savings:

	Percentage	Count
I have retirement savings, and I am on course to achieve my desired retirement income	41%	1,027
I have retirement savings, but they are smaller than I am comfortable with	40%	1,004
I do not have retirement savings	19%	462

21. **[If employed full-time, employed part-time, or self-employed; Q2 = 1, 2 or 3]**
Please rank up to three sources where you look for advice related to **accumulating** and **investing** retirement savings while you are working, with 1 being your top source of advice and 3 being your third-most preferred source of advice:
[Randomized List Order]

Books
Newspapers / magazines
Radio / TV / podcasts
Friends and family
Social media / influencers
Financial advisors
Financial institutions
Financial websites
My employer
Other, please specify *[Open-Ended]*
None of the above; I haven't looked for retirement savings advice *[Exclusive]*
None of the above; I haven't thought about retirement planning *[Exclusive]*

*Hover text, **accumulating**: "Accumulating retirement savings refers to the build-up of funds and benefits that are for use during retirement."*

*Hover text, **investing:** "Investing retirement savings refers to the returns you receive on the funds and benefits that are for use during retirement."*

22. **[If employed full-time, employed part-time, or self-employed; Q2 = 1, 2 or 3]**
Please rank up to three sources where you look for advice related to how to **spend down** and **invest** your money after you retire, with 1 being your top source of advice and 3 being your third-most preferred source of advice:
[Randomized List Order]

Books
Newspapers / magazines
Radio / TV / podcasts
Friends and family
Social media / influencers
Financial advisors
Financial institutions
Financial websites
My employer
Other, please specify *[Open-Ended]*
None of the above; I haven't looked for retirement spending and investment advice *[Exclusive]*
None of the above; I haven't thought about retirement planning *[Exclusive]*

*Hover text, **spend down**: "Spend down refers to how you use the money you accumulated for use during retirement."*

*Hover text, **invest:** "Investing your money during retirement refers to the returns you receive on the funds and benefits that are for use during retirement."*

23. **[If employed full-time, employed part-time, or self-employed; Q2 = 1, 2 or 3]**
Please rank up to three items out of the following which would help you feel more prepared for retirement if offered by your current employer, with 1 being the most helpful and 3 being the third-most helpful:
[Randomized List Order]

More communication around the retirement benefits offered by your current employer
Easily accessible online resources for financial education
Easily accessible online resources to explain the retirement benefits offered by your current employer
In-person meetings to explain the retirement benefits offered by your current employer
Access to personal financial coaching
Do not select this option
Other, please specify *[Open-Ended]*
None of the above; I feel prepared for retirement *[Exclusive]*

Note, those who selected "do not select this option" were terminated from the survey.

24. [If partially retired and working part-time or fully retired, Q2 = 4 or 5]
Please rank up to three sources where you looked for advice related to **accumulating** and **investing** retirement savings while you were working, with 1 being your top source of advice and 3 being your third-most preferred source of advice:
[Randomized List Order]

Books
Newspapers / magazines
Radio / TV / podcasts
Friends and family
Social media / influencers
Financial advisors
Financial institutions
Financial websites
My employer
Other, please specify *[Open-Ended]*
None of the above; I didn't look for retirement savings advice before retiring *[Exclusive]*

*Hover text, **accumulating:** "Accumulating retirement savings refers to the build-up of funds and benefits that are for use during retirement."*

*Hover text, **investing:** "Investing retirement savings refers to the returns you receive on the funds and benefits that are for use during retirement."*

25. [If partially retired and working part-time or fully retired, Q2 = 4 or 5]
Please rank up to three sources where you look for advice related to how to **spend down** and **invest** your money during retirement, with 1 being your top source of advice and 3 being your third-most preferred source of advice:
[Randomized List Order]

Books
Newspapers / magazines
Radio / TV / podcasts
Friends and family
Social media / influencers
Financial advisors
Financial institutions
Financial websites
My employer
Other, please specify *[Open-Ended]*
None of the above; I haven't looked for retirement spending and investment advice *[Exclusive]*

*Hover text, **spend down:** "Spend down refers to how you use the money you accumulated for use during retirement."*

*Hover text, **invest:** "Investing your money during retirement refers to the returns you receive on the funds and benefits that are for use during retirement."*

26. [If partially retired and working part-time or fully retired, Q2 = 4 or 5]
Please rank up to three items out of the following that would have helped you feel more prepared for retirement if offered by your employer, with 1 being the most helpful and 3 being the third-most helpful: ***[Randomized List Order]***

More communication around the retirement benefits offered by your current employer
Easily accessible online resources for financial education
Easily accessible online resources to explain the retirement benefits offered by your current employer
In-person meetings to explain the retirement benefits offered by your current employer
Access to personal financial coaching
Do not select this option
Other, please specify *[Open-Ended]*
None of the above; I was prepared for retirement *[Exclusive]*

Note, those who selected "do not select this option" were terminated from the survey.

27. Please describe in detail what aspect of retirement most concerns you.
[Open-Ended]

28. Please indicate your gender:

	Percentage	Count
Male	48%	1,193
Female	52%	1,292
Non-binary / Other	0%	8

29. How would you define your current marital status?

	Percentage	Count
Married	52%	1,289
Single, never married	22%	554
Separated or divorced	14%	355
Unmarried and living with a partner in a permanent relationship	7%	186
Widowed	4%	109

30. In what year were you born?
[Open-Ended]

Note, this question was used solely as a consistency check. Those who entered a year of birth that did not align to their age, as provided in Question 1, were terminated from the survey.

31. Which of the following describes your race or ethnicity (select all that apply)?

	Percentage	Count
White / Caucasian	78%	1,997
African American / Black	12%	301
Asian / Pacific Islander / Native Hawaiian	6%	142
American Indian or Alaska Native	2%	56
Middle Eastern or North African	0%	7
Other, please specify *[Open-Ended]*	3%	70

32. Are you of Hispanic, Spanish, or Latino origin or descent?

	Percentage	Count
Yes	9%	220
No	91%	2,273

33. What is the highest level of education you completed?

	Percentage	Count
Incomplete high school	1%	21
High school graduate	16%	391
Some college, university, technical school, or further education	21%	532
Associate degree	11%	269
Bachelor’s degree	29%	734
Master's degree	16%	396
Doctorate or professional degree	6%	150

34. Which of the following categories best represents your current household annual income (before taxes)?

	Percentage	Count
Less than $25,000	8%	199
$25,000 - $34,999	9%	233
$35,000 - $49,999	13%	330
$50,000 - $74,999	22%	538
$75,000 - $99,999	14%	360
$100,000 - $124,999	10%	237
$125,000 - $149,999	8%	192
$150,000 or more	15%	382
Prefer not to answer	1%	22

35. Which of the following best describes the number of employees working for your employer:

	Percentage	Count
1	10%	251
2 - 5	6%	146
6 - 9	4%	105
10 - 49	11%	275
50 - 99	8%	195
100 - 249	9%	225
250 - 499	7%	173
500 - 999	9%	214
1,000 - 2,499	7%	181
2,500 - 4,999	6%	139
5,000 - 9,999	6%	154
10,000 - 24,999	5%	117
25,000 or more	13%	318

Appendix B: Conjoint Attributes and Levels

Attribute	Level 1	Level 2	Level 3	Level 4	Level 5
Earliest age at which you can receive your **full unreduced retirement benefit**	Age 62	Age 65	Age 67	Age 70	Age 72
Access to your retirement money <ins>after</ins> retirement	After you retire, you can only receive your retirement money in **monthly payments**	After you retire, 50% of your retirement money can be withdrawn in any pattern that you choose, and you receive your remaining retirement money in **monthly payments**	After you retire, you can withdraw your retirement money in any pattern that you choose until your money runs out		
Fixed versus variable benefits during retirement	After you retire, your benefit is a fixed amount and will not change	After you retire, 50% of your benefit is fixed, while the other 50% could increase or decrease from year to year	After you retire, your benefit is variable and could increase or decrease from year to year		
Benefits for your surviving spouse or partner after your death	Does not receive any of your retirement benefits	50% of the retirement benefits that you were receiving	100% of the retirement benefits that you were receiving		
Ability to **bequeath** a benefit to family members, friends, charities, etc.	You cannot **bequeath** any of your retirement benefits	Up to 50% of your retirement benefit can be **bequeathed**	Up to 100% of your retirement benefit can be **bequeathed**		
Limitation on the number of retirement payments you receive during retirement	Retirement payments stop **10 years** after you retire, irrespective of your time of death	Retirement payments stop **20 years** after you retire, irrespective of your time of death	Retirement payments stop at your time of death	Retirement payments stop at the <ins>later</ins> of your time of death or 10 years after you retire	Retirement payments stop at the <ins>later</ins> of your time of death or 20 years after you retire
Investment return before you retire	The value of your benefit at retirement <ins>is not</ins> dependent on investment returns	The value of your benefit at retirement is dependent on investment returns and you pick all investments by yourself	The value of your benefit at retirement is dependent on investment returns and you choose an **investment advisor** who picks all investments for you	The value of your benefit at retirement is dependent on investment returns. A **fiduciary** (chosen by the plan sponsor) picks all investments for you, and you <ins>cannot</ins> change any investments.	The value of your benefit at retirement is dependent on investment returns. A **fiduciary** (chosen by the plan sponsor) picks all initial investments for you, but you <ins>can</ins> change any investments if desired.

Cost-of-living increases to retirement benefits	None	Increased by 1% each year	Adjusted for actual inflation each year, but not more than 3%	Increased by 3% each year	Adjusted for actual inflation each year
Your requirement to make contributions	You do not have to make any contributions from your salary towards your retirement benefits. Your employer contributes 100% of the cost.	You are required to contribute 25% of the cost of your retirement benefits each year until retirement, while your employer contributes the remaining 75% of the cost.	You are required to contribute 50% of the cost of your retirement benefits each year until retirement, while your employer contributes the remaining 50% of the cost.	You are required to contribute 75% of the cost of your retirement benefits each year until retirement, while your employer contributes the remaining 25% of the cost.	You are required to contribute 100% of the cost of your retirement benefits each year until retirement. Your employer does not contribute any of the cost.
Ability to enhance your retirement benefits through additional contributions	You are not able to make additional contributions to receive enhanced benefits at retirement	You are able to make additional contributions to receive enhanced benefits at retirement			
Protection of benefits upon disability	You do not continue to earn incremental benefits / contributions after you become disabled	You continue to earn incremental benefits / contributions after you become disabled			
Access to your retirement money before retirement	You are not able to access any of your retirement money before retirement	You can access your retirement money prior to retirement, but you pay a 10% penalty on withdrawals and are required to repay any withdrawals	You can access your retirement money prior to retirement, but you pay a 10% penalty on withdrawals. You are not required to repay any withdrawals.	You can access your retirement money prior to retirement with no penalty, but you are required to repay any withdrawals	You can access your retirement money prior to retirement with no penalty and you are not required to repay any withdrawals
Impact of your employer's financial performance on your retirement benefits	None of your retirement benefits are tied to your employer's **financial performance**	50% of your retirement benefits are tied to your employer's **financial performance** and 50% are not	All of your retirement benefits are tied to your employer's **financial performance**		
Access to employer-provided medical benefits during retirement	None	Your employer provides you with access to a medical plan after retirement (excluding dental and vision benefits), but you pay the full **premium**	Your employer provides you with access to a medical plan after retirement (excluding dental and vision benefits), but you pay 50% of the **premium**	Your employer provides you with access to a medical plan after retirement (excluding dental and vision benefits) and pays 100% of the **premium**	

Access to employer-provided dental and vision benefits during retirement	None	Your employer provides you with access to a dental and vision plan after retirement, but you pay the full **premium**	Your employer provides you with access to a dental and vision plan after retirement, but you pay 50% of the **premium**	Your employer provides you with access to a dental and vision plan after retirement and pays 100% of the **premium**	

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