

MILLENNIALS/GENERATION Y

Birth Years 1981-1997 | Ages 18-34 | Numbers ~75 Million

Retirement Focus: Feels like a luxury to save; many not focused at all

Traits

- Detachment from institutions
- High expectation for advancement

Believe in

- Being networked with friends
- America's future
- Financial security and a diverse workplace
- Technology as the solution
- Wealth as an important attribute

Needs

- More feedback
- More involvement in decision making
- Coaching relationships in the workplace

Constraints

- Highest level of student loan debt of all generations
- Underemployed or unemployed
- Large credit card debt
- Lifestyle purchases
- Day-to-day needs

Messaging

- Financial security, not retirement
- Saving a little early can help a lot
- Be kind to the future you

Education & Solutions

- Auto enrollment with auto escalation to build the habit of savings.
- Interactive education on financial basics. 87% of this group stay in default options
- Graphics and simple, less formal language to frame questions and information
- Clickable information that is mobile and easy to reach
- Information on the power of time and money

Deliver Education

- Online
- Digitally
- YouTube
- Facebook
- Email

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Generational Differences Ready or Not – Retirement?

Statistically, Americans are living longer (July 2014 estimates of over 70,000 centenarians (100+) ~ 80% were female). As a result, retirement income remains a growing concern, one that is shared by both employers and employees.

Employee populations are mixed primarily across three generations: Baby Boomers, Gen X and Millennials (aka Gen Y). Every age group needs to increasingly plan for their own retirement. What can employers do to communicate with and help their employees be better prepared for retirement?

This NAGDCA publication serves as a handy checklist for plan sponsors to better understand the behaviors, attitudes and communication preferences each demographic group has when it comes to retirement planning. Suggested communication points are included that plan sponsors might incorporate into participant materials and meetings.



Considerations

THE INTERNET



Every generation uses the Internet - HOW they use it varies significantly.

2015



As of this year, Millennials are now the largest living population, exceeding Baby Boomers.

RETIREMENT



66% of both Millennials and Gen X, expect their primary source of income in retirement to be self-funded through retirement accounts or other savings and investments.

TECHNOLOGY



Internet technology can be used effectively across generations - but needs to be used strategically.

~2030



By ~2030 nearly one in five Americans will be >62



Birth Years 1965-1980 | Ages 35-50 | Numbers ~66 Million

GENERATION X

Retirement Focus: Am I Saving Enough?

Education & Solutions

- How to pay themselves first
- Designing a budget & savings plan
- Reducing fixed expenses prior to retirement
- Gap analysis
- Power of time and money
- Tying savings to life events
- Dangers of leakage from retirement accounts to pay present needs

Constraints

- Gen X makes 12% less since 1974
- Wages barely keep up with inflation
- Women make less than men
- Home mortgages underwater
- Lost prior savings during stock market plunge
- Still have student loans of their own
- Saving for children's education
- Cashing out when changing jobs

Believe In

- Change
- Social diversity and human rights for all
- Independence and self-reliance
- Authenticity
- Higher education
- Volunteering
- Work toward long term change in systems
- Being on the leading edge of technology

Messaging

- Saving a little can help a lot
- Catch-up rules
- All aspects of retirement in planning

Deliver Education

- Online
- Digitally
- YouTube
- Facebook
- Email
- Networking

Needs

- Work-life balance
- Individual freedom, not drawn to teams
- Stability
- Challenge and responsibility
- Regular and specific feedback



Birth Years 1946-1964 | Ages 51-69 | Numbers ~75 Million

BABY BOOMERS

Retirement Focus: Do I Have Enough?

Education & Solutions

- Gap analysis for retirement decision making
- Distributions: options, timing, coordinating with other benefits or savings accounts
- Spend down and money management in retirement
- Downsizing in general
- Work opportunities in retirement to delay disbursement to accumulate for assets

Constraints

- Time for saving is shortened
- Commitments to care for aging parents may interrupt financial goals
- Under saved in the past
- Started families later and now spending on education
- Being defined by their work and retire later
- Saving for emergencies

Believe

- Hard work is the key to success
- Experience is more valuable than an educational degree
- They can change the system for the better

Believe In

- Hierarchy and seniority
- Doing a great job
- Being defined by their work and retire later
- than expected

Needs

- To be recognized for seniority
- To organize life around work and work around life
- Face time

Messaging

- It's not too late to save for retirement
- Use larger font size, more white space for easier reading

Deliver Education

- Online but supplement with face-to-face
- Email, search engines, news, blogs