

Generation Z on Track Toward Retirement Success

Generation Z Enters the Workforce Eager to Save and Invest in 401(k) Plans
401(k) Plan Features Help Employers Attract an Enterprising Generation of Workforce Entrants

Executive Summary



Generation Z Eager to Save and Invest in 401(k) Plans

Members of Generation Z ages 16-23, are eager to earn money and save even though some have yet to begin their careers. These older teens and young adults are receptive to retirement plan communication and education and have exciting potential to be financially prepared for retirement by age 70.

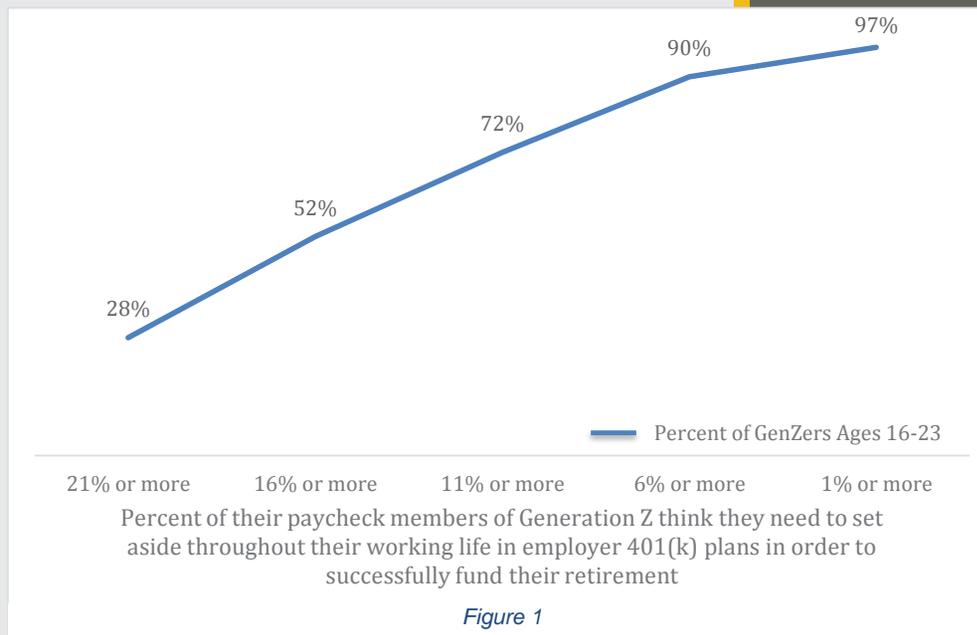
Findings suggest standard 401(k) plan practices create obstacles to the retirement success of workforce entrants. Employers eager to attract enterprising workers should consider plan features and communication methods that appeal to an eager Generation Z:

- Immediate eligibility allows this group to save right away as they expect to;
- No entry age requirement so they reap greater benefits of the time value of money;
- Auto enrollment at a 15+% default contribution rate that many deem necessary;
- Communicate that saving less than 25% of pay toward retirement may be adequate;
- Dialogue on social media with savers who receive all information on their Wi-Fi-connected mobile handheld devices.

Employers and their advisors stand to benefit from making it easy and convenient for these young adults to save and espouse constructive financial habits at a critical time in their lives.

More key findings on Generation Z

- On average, Gen Z members believe *young workers should save 28% of income* for future use.
- 83% say it's important to save, and 76% want to be more financially educated.
- Almost half have heard of 401(k)s through family, friends, and the media, and are eager to learn more.
- 50% believe it's right to save for retirement in a 401(k) when they have a job,
- 12% of 22-23-year-olds are already enrolled in a retirement savings plan



Communicate On Their Own Terms

It is critical to communicate the right message to these young adults before they enter the workforce so their initial 401(k) plan decisions set them on a constructive path. Many will likely abide by their original plan choices for their entire career. By ages 22-23, roughly four in 10 Generation Z members are already working full-time jobs. By 2020, Generation Z will make up 20% of the workforce. Now is the time to act to set this generation on a path to success

More than half in Generation Z come from families that save, and most Gen Z members already have a savings account and a debit card. And although few have ever attended a personal finance literacy education session, they recognize the importance of saving and they want to know more about 401(k) plans.

More than 98% own a handheld mobile device (iPhone or Android). To communicate with this new generation, employers need to rely on social media platforms such as Facebook and Pinterest. It is where members of this Generation share opinions on products and services with peers.

Employers can reach new hires, job applicants, interns, and students with coveted skill sets via mobile devices and encourage them to spread the word on the beneficial impact the company's 401(k) plan will have on their lifestyle for years to come.

Constructive Attitudes

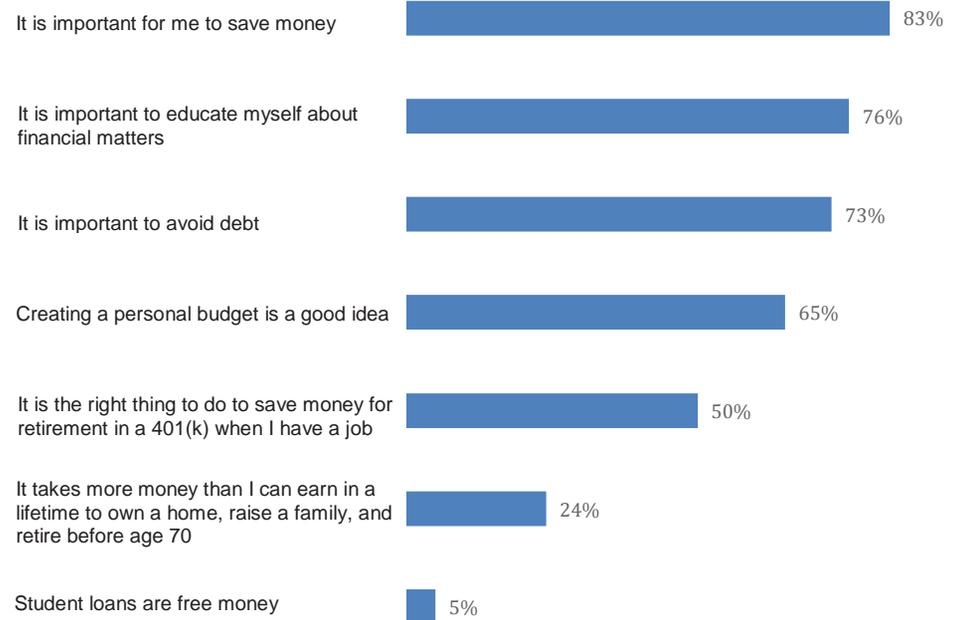


Figure 2

■ Percent of GenZers Ages 16-23



You may purchase results of the study “Generation Z on Track Toward Retirement Success” at <https://www.tinyurl.com/genzretires>. For additional information, please contact Brian Neligan, Director of Research at bneligan@eachenterprise.com or (203)(203) 609-1377.

Reproduction of any part of this 4-page executive summary without written permission from EACH Enterprise, LLC is prohibited. Infringement creates an obligation for the offender to purchase study results at current price.

About This Research

Questionnaire administered to 2000 members of Generation Z ages 16-23 between 13 and June 20, 2017. Sample stratified by 2-year age band (16-17, 18-19, 20-21, 22-23) to examine the evolution of this generation in transition from high-school to work workforce entry.



Gen Z Retires is a multi-year co-sponsored initiative with a goal of setting Generation Z, currently 23 years and younger, on a course to achieve retirement success by age 70. It involves a comprehensive range of marketing activities designed to place and maintain Generation Z on a course to achieve retirement success. The strategic initiative goes beyond financial literacy, tapping into the behaviors, preferences and hot buttons of this cohort, including their needs, wants and dreams, always with an eye towards leading them to make responsible financial decisions. Your involvement demonstrates your long-term commitment to the retirement success of working Americans. The initiative is collectively staffed and managed by EACH Enterprise.

Learn more at www.genzretires.com



EACH Enterprise, LLC is dedicated to the institutional retirement plans market, serving investment management firms, recordkeeping service providers, and advisory firms. EACH Enterprise is a proven leader in providing PR based marketing solutions to organizations in the retirement plan industry. Since 2007, EACH Enterprise has been organizing roundtables and studies to support participant strategy in the retirement plans sector. EACH Enterprise is esteemed for its thought leadership and collaborative approach to solving industry problems. EACH Enterprise does not provide investment, legal, or tax advice, nor does it function as a retirement plan advisor.

Learn more at www.eachenterprise.com



ALL RIGHTS RESERVED
© EACH Enterprise, LLC 2017