

Fidelity Investments'® Retirement Mindset Study

A FEW WORDS ABOUT THE STUDY

The Fidelity Investments'® Retirement Mindset Study examines the different attitudes Americans have toward retirement, including their top concerns, whether they have a documented plan in place for retirement, and, if not, what's holding them back from taking action. This is the first year Fidelity has conducted the study.

KEY FINDINGS

WHILE MANY AMERICANS ARE CONFIDENT ABOUT THEIR CURRENT FINANCIAL HEALTH, THEY LACK CONFIDENCE IN THEIR RETIREMENT FUTURE

62%

of respondents **feel confident about their current financial health**

65%

of respondents **are more confident today** than they were this time last year, **and yet:**

75%

of respondents range from **feeling only somewhat confident to not confident at all** about their retirement finances

WITH ALL THIS CONFIDENCE ABOUT THEIR CURRENT FINANCIAL HEALTH, WHY THE UNCERTAINTY ABOUT RETIREMENT? THE ANSWER MAY BE A LACK OF PLANNING

When asked if they had a financial plan in place for retirement, **only 18%** have one documented

"I have a comprehensive **written plan**" (18%)

"I have **thought about it** in great detail but have **no written plan**" (23%)

"I have a general **idea in my head** but have **no written plan**" (27%)

"I have **not yet begun** to think about it" (21%)

"I don't think a plan **is necessary**" (11%)

MORE AMERICANS CONSIDER THEMSELVES "PLANNERS" RATHER THAN HAVING A "GO WITH THE FLOW" PERSONALITY TYPE, YET A LACK OF RETIREMENT PLANNING IS PREVALENT AMONG BOTH

54%

VS

31%

of respondents identify themselves as **proactive "planners"**

of respondents identify themselves as the **"go with the flow"** type

70%

VS

57%

of **"planners"** say they **are confident** about their financial health

of those in the **"go with the flow"** category feel **confident** about their financial health

 76%

of Americans who consider themselves **"planners"** **don't have a retirement plan** in place

 82%

of the **general population** don't have a plan in place

 90%

of the **"go with the flow"** respondents don't have a plan in place



WHAT CAUSES PEOPLE TO TAKE ACTION WHEN IT COMES TO THEIR FINANCES? THE ANSWER IS UNCLEAR

The study sought to discover whether there were particular life events or economic situations that motivate people to take action and gain more control over their finances. **Surprisingly, life events that generally have financial consequences did not rise to the top (e.g., divorce, death of a family member, or job loss)**

Instead, the motivators inspiring both the general population and planners to take action are somewhat vague

“THERE WAS NO SPECIFIC EVENT/JUST FELT LIKE IT’S WHAT I NEEDED TO DO”

31% of “planners”
31% of “go with the flow”
30% of general population

One in four of the general population say they have yet to get control of their finances

“I HAVEN’T YET GAINED CONTROL OVER MY FINANCES”

19% of “planners”
30% of “go with the flow”
25% of general population

WHAT RETIREMENT UNKNOWNNS WORRY PEOPLE THE MOST? HEALTH CARE IS CONCERN NO. 1

Which one of the economic “what ifs” that can’t be predicted worry people the most?

38%

Rising health care / Long-term care costs

28%

Social Security benefits

10%

Inflation

Many also worry about other factors that could impact their lifestyle in retirement

49% WORRY ABOUT:

“Having to **downsize my home or move** due to high cost of living” (7%)

“Adjusting my lifestyle to fit a **fixed income**” (18%)

“**Outliving** my assets” (24%)

STUDY RESULTS SUGGEST: HAVING A PLAN CAN HELP

REASONS FOR NOT CREATING A RETIREMENT PLAN

23% “I’ve never thought of having to prepare a plan”

22% “I don’t know where to begin”

20% “I feel like I am too far behind for it to make a difference”

However, you don’t need to be a planner to have a plan, and having a plan comes with a host of benefits. **Those with a plan are not only more confident in their long-term retirement prospects, but also their overall financial health**

RETIREMENT CONFIDENCE SCALE

WITH A PLAN

9

WITHOUT A PLAN

5

When asked how financially prepared they feel for retirement on a scale of 1-10 (where 10 is completely confident), those with a plan in place average a **9**, versus those without a plan averaging a **5**



89%



56%

of those **with a plan** feel confident about their current financial health

of those **without a plan** feel confident about their current financial health

HOW HAVING A RETIREMENT PLAN IN PLACE MAKES PEOPLE FEEL

- 49% Feel in control
- 43% Feel good about themselves
- 30% Feel relieved
- 10% Still feel stressed

ONLY
4%

of people **with a comprehensive written financial plan** say they haven't yet gained control over their finances for retirement



30%

of those **without a plan**

ONLY
3%

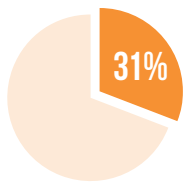
of people **with a comprehensive written financial plan** say they don't feel like they are on the right track for retirement



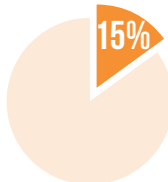
46%

of those **without a plan**

WORKING WITH A FINANCIAL PROFESSIONAL CAN INSPIRE GREATER CONFIDENCE



of **"planners"** have a one-on-one relationship with a paid **financial professional**



of those that identify as **"go with the flow"** have a one-on-one relationship with a paid **financial professional**

NO. 1 REASON THOSE WITH A PLAN FEEL THEY ARE ON TRACK FOR SAVING FOR RETIREMENT IS BECAUSE THEY HAVE ENGAGED A FINANCIAL PROFESSIONAL

ANOTHER KEY TO SUCCESS: STARTING SMALL

Sometimes a "baby step" is all it takes to get started on your way to planning for a better retirement. **We gave a list of such steps and asked which would be most helpful**



said "starting to save whatever I can each month" was **the most helpful**

A LOOK AT RETIREMENT PLANNING BY GENERATION

A lack of planning spreads across **all generations**

- 79% of **boomers** are without a plan for retirement
- 81% of **Generation X** are without a plan for retirement
- 87% of **millennials** are without a plan for retirement



of boomers say **"I'VE NEVER THOUGHT OF HAVING TO PREPARE A FINANCIAL PLAN"** when asked for the main reason those without a plan in place had yet to create one

Other reasons given:

BOOMERS GEN X MILLENNIALS TOTAL

"I don't know where to begin"	12%	24%	33%	22%
"I'm overwhelmed"	12%	20%	27%	19%
"I feel like I'm too far behind for it to make a difference"	24%	21%	14%	20%
"I've never thought of having to prepare a financial plan"	31%	19%	17%	23%



When presented with a series of life events and asked which event (if any) most inspired them to gain more control over their retirement finances, **the reasons by generation were:**

	BOOMERS	GEN X	MILLENNIALS	TOTAL
"No specific event / just felt like it's what I needed to do"	38%	27%	21%	30%
"Grew tired of being anxious and feeling stressed out about my finances"	6%	10%	14%	10%
"Saw a parent, friend, or family member struggle financially"	6%	8%	10%	8%
"Promotion / increase in salary"	2%	4%	7%	4%
"Death of a family member"	6%	5%	1%	4%
"N/A - I haven't yet gained control over my finances"	21%	27%	29%	25%

When asked what one thing gives people confidence they are on the right track in saving for retirement, **saving what they can in a retirement account** is No. 1 across the board among those with some confidence they are on the right track.



When asked to choose among a number of baby steps that would be most helpful to plan for a better retirement, **the three generations had interesting differences**

	Boomers	Gen X	Millennials	Total
Talking to a close friend	2%	4%	9%	5%
Talking to a financial professional	22%	17%	15%	18%
Using online planning tools	4%	9%	9%	7%

MILLENNIALS MOST VALUE THEIR FRIENDS AND ONLINE INFORMATION AS COMPARED TO THEIR GENERATIONAL COUNTERPARTS; OLDER GENERATIONS GIVE MORE CREDENCE TO FINANCIAL PROFESSIONALS

Other **baby steps** considered helpful include:

	BOOMERS	GEN X	MILLENNIALS	TOTAL
Talking to a family member	7%	6%	8%	7%
Educating myself through research	15%	17%	15%	15%
Having a specific 'to do' list to guide me	18%	13%	11%	14%
Starting to save whatever I can each month	32%	34%	32%	33%



DEMOGRAPHICS



ABOUT THE FIDELITY RETIREMENT MINDSET STUDY

This study presents the findings of an online survey, consisting of 1,429 adults, 23 to 74 years of age and older. Fielding for this survey was completed between February 25 and March 2, 2019 by Brookmark Research Services, which is not affiliated with Fidelity Investments. The results of this survey may not be representative of all adults meeting the same criteria as those surveyed for this study. The margin of error is +/- 2.6% at the 95% confidence level.

Generations were defined as follows:

Millennials: born 1981-1996

Generation X: born 1965-1980

Boomers: born 1946-1964

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