

# *Employee Financial Wellness Survey* 2016 results

April 2016



**pwc**

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April 2016

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## ***About this survey***

*PwC's Employee Financial Wellness Survey tracks the financial and retirement well-being of working U.S. adults nationwide. This year it incorporates the views of 1,600 full-time employed adults representative of the U.S. population by age and gender. The margin of error is +/- 3%. Survey participants are these ages in 2016: 21 to 34 (Millennials\*), 35 to 55 (Gen X) and 56 to 73 (Baby Boomers). New questions added to the 2016 survey are highlighted throughout the report.*

*\*In prior years, this report referred to Millennials as Gen Y. Going forward, the term used will be Millennials.*

# Foreword

I am pleased to present insights from the 2016 edition of PwC's Employee Financial Wellness Survey which tracks the financial well-being of full-time employed U.S. adults nationwide.

After several years of improvements, this election year marks the first time we are seeing a downward slide in many of the key indicators of employee financial wellness. Despite having moved away from the edge of the financial cliff brought on by the Great Recession, many employees never fully regained stable footing due to cash flow and debt challenges and their lack of emergency savings. With recent volatility in the stock market, a less than robust economy, continued stagnation of wages, talk of rising interest rates, and confusion on the political landscape, it comes as no surprise that survey respondents are more worried about the future. Fifty-two percent indicate they are stressed about their finances and 45% say that their stress has increased over the last 12 months.

## ***Increased financial responsibilities add to financial woes***

The survey shows an increase in those providing financial support for parents or in-laws with 22% now financially responsible (compared to 16% in 2015). Added financial burdens have a negative impact on employees both at work and in their personal lives. From an employer standpoint, this has potentially significant repercussions for productivity and the company's bottom line. With a large aging population living longer, many are left without adequate long-term healthcare protection; financial responsibility appears to be carrying over to the next generation.

## ***Millennial employees burdened by their personal finances***

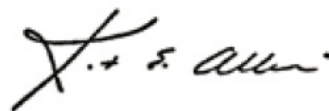
In 2015, Millennials surpassed Gen X to become the largest share of the U.S. workforce. But when it comes to personal finances, we find that Millennial employees tend to be in worse shape than their older counterparts. They are more likely to be stressed about their finances and distracted by their finances while at work. Nearly half of the full-time employed Millennials we surveyed find it difficult to meet their household expenses on time each month. Forty-two percent of Millennial employees have student loans and 79% tell us that their student loans have a moderate or a significant impact on their ability to meet their other financial goals.

Given the growing concern around student loans, we delved deeper into the issue this year and discovered that student debt appears to have a dramatic effect on employee financial well-being. We compared those who say that their student debt has a moderate or significant impact on their ability to meet their financial goals to all other employees. Some of the differences include higher stress (81% vs 46%), more difficulty meeting household expenses (65% vs 35%), greater use of credit cards to pay for monthly expenses they couldn't otherwise afford (41% vs 22%), more likely to be distracted at work due to their finances (50% vs 23%), and more likely to raid their retirement funds (57% vs 40%). Our results support that the concern around student debt is not only justified, but possibly has even greater ramifications than initially thought.

## ***A rising tide: The growing importance of financial well-being***

Overall, this year's survey highlights just how fragile the situation is with regard to employees and their personal financial well-being. While business executives may be more positive on the future outlook of the economy, most employees are not feeling that same optimism. With 45% of employees saying that financial matters cause them the most stress in their lives—nearly as many as those whose top stress is their job, health, or relationships combined—financial wellness is emerging as a key factor in an employee's overall well-being. Couple that with the impact that employees say financial stress is having on their health, relationships, productivity on the job, and attendance at work, and it's no wonder more and more employers are extending their health and well-being initiatives to include financial well-being.

Due to the growing concerns around the potential long-term impact of these issues, we continue to encourage employers to take a hard look at the financial wellness programs they have in place to ensure they are adequately addressing their employees' needs and producing the behavioral change necessary to improve employee financial well-being. Early signs from those companies that have initiated a holistic and fully integrated financial wellness program have been encouraging with measurable improvements in areas such as cash and debt management, savings, risk management, retirement preparedness, financial stress, and productivity.



Kent E. Allison  
Partner & National Practice Leader

# Financial well-being

Gender differences for top financial concerns:

**60%**

of women cited not having enough emergency savings for unexpected expenses vs.



**50%**

of men



Millennial employees who are concerned about not being able to meet monthly expenses:

**23%**

in 2015

increased to

**35%**

in 2016



## Top financial concerns

When asked about overall financial concerns, not having enough emergency savings for unexpected expenses and not being able to retire when they want to were again the most frequently cited issues.

Top financial concerns*	2012	2013	2014	2015	2016
Not having enough emergency savings for unexpected expenses	54%	49%	50%	51%	55%
Not being able to retire when I want to	37%	45%	42%	40%	37%
Not being able to meet monthly expenses	25%	22%	21%	19%	25%
Being laid off from work	22%	19%	20%	19%	20%
Not being able to keep up with my debts	14%	15%	15%	14%	15%
Other	4%	5%	7%	8%	6%
Not being able to pay for college	6%	5%	5%	7%	5%
Losing my home	7%	4%	4%	4%	5%

\*Employees could choose up to two answers to this question.

## Generational differences for top financial concerns

After emergency savings which is the most frequently cited concern for all generations, Baby Boomers understandably more frequently cite retirement as a concern as compared to Millennials who more frequently cite meeting current expenses.

Top financial concerns*	All employees	Millennials	Gen X	Baby Boomers
Not having enough emergency savings for unexpected expenses	55%	60%	56%	50%
Not being able to retire when I want to	37%	25%	37%	45%
Not being able to meet monthly expenses	25%	35%	25%	17%
Being laid off from work	20%	20%	22%	16%
Not being able to keep up with my debts	15%	21%	14%	11%
Other	6%	5%	4%	10%
Not being able to pay for college	5%	4%	8%	3%
Losing my home	5%	5%	6%	4%

\*Employees could choose up to two answers to this question.

***What would most help you achieve your future financial goals?***

Like last year, job security is more important to achieving future financial goals for Millennials and Gen X, whereas lower healthcare costs and a rising stock market are more important for Baby Boomers.

**What would most help you achieve your future financial goals?**

	All employees	Millennials	Gen X	Baby Boomers
Better job security	23%	33%	26%	12%
Lower healthcare costs	19%	13%	17%	26%
Rising stock market	16%	9%	14%	23%
Lower inflation	15%	12%	15%	17%
Assistance from a personal financial planner or coach	8%	9%	9%	6%
Lower education costs	7%	12%	8%	2%
Improved housing market	7%	9%	6%	5%
Other	6%	3%	6%	9%

***The majority of each generation predicts that the next generation will be worse off financially.***

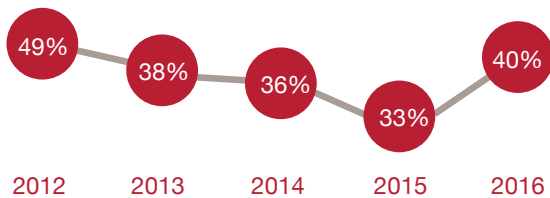
**Overall, do you think the next generation will be better or worse off financially than your generation?**

Prediction for next generation	All employees	Millennials	Gen X	Baby Boomers
Better financially	23%	28%	23%	19%
Worse financially	56%	51%	55%	59%
About the same	21%	21%	22%	21%

## Cash and debt management

Employees who find it difficult to meet their household expenses on time each month:

### All employees



### By income

Even among those employees earning \$100,000 or more, 20% find it difficult to meet household expenses on time each month.

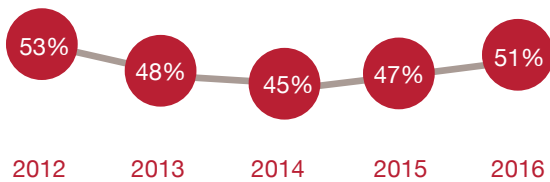
### By generation

	2013	2014	2015	2016
Millennials	30%	41%	35%	46%
Gen X	49%	43%	39%	44%
Baby Boomers	31%	26%	24%	32%

large increase for Millennials in 2016

Employees who consistently carry balances on their credit cards:

### All employees



### By income

Forty-three percent of employees earning \$100,000 or more consistently carry balances on their credit cards (as compared to 32% last year).

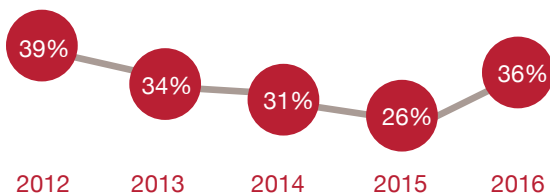
### By generation

	2013	2014	2015	2016
Millennials	37%	51%	52%	53%
Gen X	58%	51%	52%	53%
Baby Boomers	42%	35%	37%	46%

large increase for Baby Boomers in 2016

Of employees who consistently carry balances, those who find it difficult to make their minimum credit card payments on time each month:

### All employees



### By income

The percentage of employees who find it difficult to make their minimum credit card payments on time each month increased across all income levels, and even among those earning \$100,000 or more, 27% find it difficult.

### By generation

	2013	2014	2015	2016
Millennials	23%	39%	30%	40%
Gen X	44%	33%	29%	36%
Baby Boomers	23%	22%	19%	32%

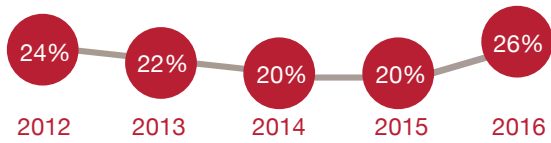
large increase for Baby Boomers in 2016

Of the employees consistently carrying balances on their credit cards, 67% have developed a plan to reduce their debt (72% last year). The majority (75%) say they developed their debt reduction plan on their own and only 14% used help from a financial professional. Eighty-three percent of those with a debt reduction plan say they have been following their plan on a consistent basis.

**More than one in four employees are using credit cards for monthly necessities they can't afford otherwise**

Employees using credit cards to pay for monthly necessities because they can't afford them otherwise:

**All employees**



**By income**

*Even among those employees earning \$100,000 or more, 22% use credit cards to pay for monthly necessities they can't afford otherwise.*

**By generation**

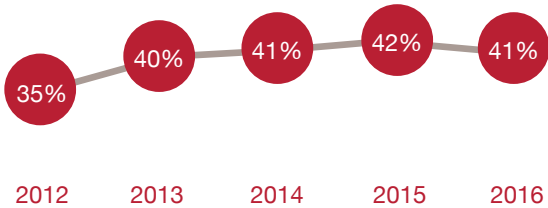
	2013	2014	2015	2016
Millennials	24%	29%	23%	30%
Gen X	33%	24%	23%	27%
Baby Boomers	12%	12%	15%	21%

**Using credit cards for monthly necessities they can't afford otherwise is an issue across income levels:**



Less than half of all employees would be able to meet their basic expenses if they were out of work for an extended period of time:

**All employees**



**By gender**

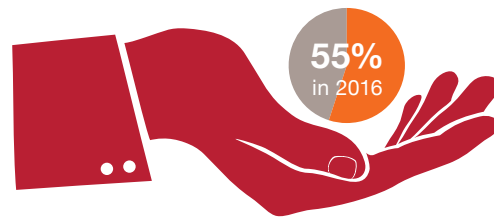
Only **36%** of women would be able to meet their basic expenses if they were out of work for an extended period of time vs. **45%** of men.

**By generation**

	2013	2014	2015	2016
Millennials	35%	38%	39%	38%
Gen X	41%	33%	36%	41%
Baby Boomers	40%	50%	52%	43%

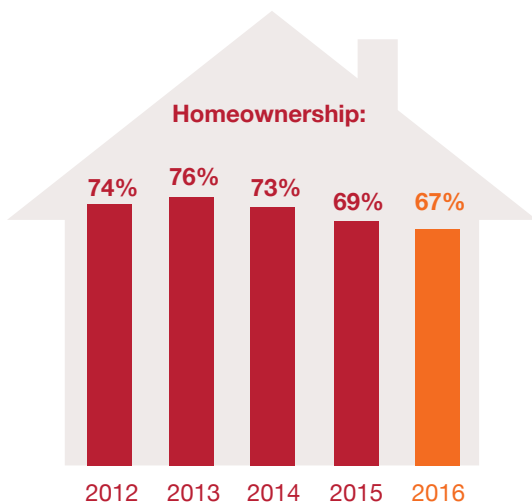
**Spending habits**

More than half (55%) of employees have changed their spending behavior in the past 12 months in order to save money on day-to-day necessities (up from 48% last year).



**Homeownership**

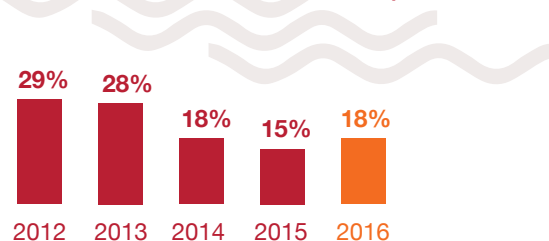
Sixty-seven percent of employees own their primary residence and 69% of them have a mortgage. Of those with a mortgage, 97% are current on their payments.



***Eighteen percent of employees who are homeowners with a mortgage say the outstanding balance of their mortgage is greater than the current value of their home.***

Of the 18%, 59% have attempted to modify the terms of their mortgage with their lenders (consistent with 60% last year), 33% have received a foreclosure notice within the last 24 months (also 33% last year) and some are considering pursuing a foreclosure, deed in lieu of foreclosure, or short sale to remedy their situation.

**Homeowners with an underwater mortgage (outstanding balance of their mortgage is greater than the value of their home):**





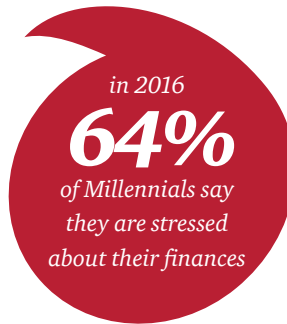
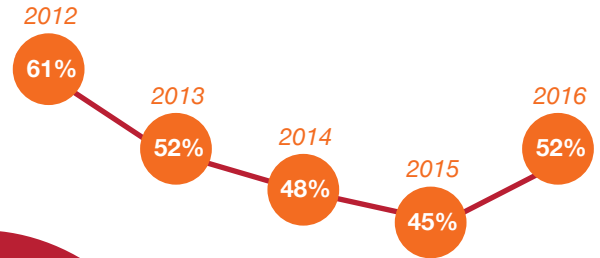
## Financial stress

Employee financial stress rose this year with more than half (52%) of employees reporting that they find dealing with their financial situation stressful. Nearly half (45%) say that their stress level related to financial issues increased over the last 12 months.

**By generation:** Financial stress increased across all generations, although it rose the most for Millennials.

Financial stress	2013	2014	2015	2016
Millennials	49%	60%	52%	64%
Gen X	62%	53%	52%	56%
Baby Boomers	45%	36%	34%	40%

### Financial stress by year



### Financial challenges/money matters cause employees the most stress in their lives



**By generation:** Financial matters was the top choice for cause of stress across all generations, particularly for Millennials:

**Millennials: 51%**

**Gen X: 46%**

**Baby Boomers: 38%**

### Which of the following causes you the most stress?



**By gender:** **49%** of women and **41%** of men said that financial matters cause them the most stress.

## Finances while at work

**28%** More than one in four employees report that issues with personal finances have been a distraction at work (up from 20% last year).

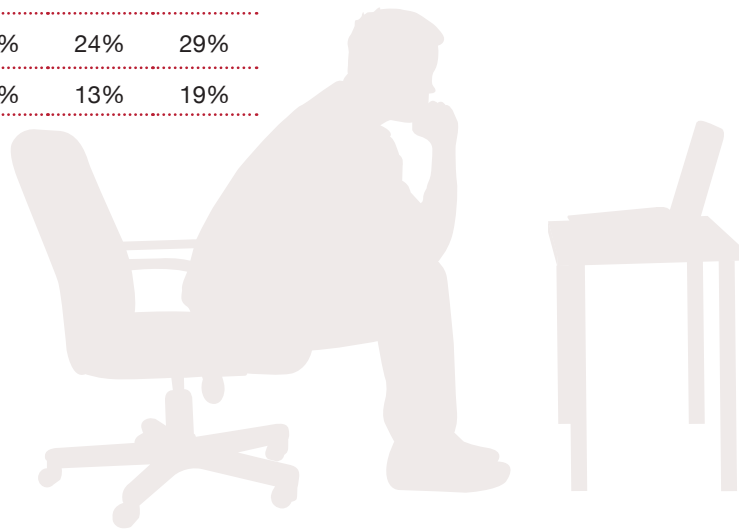
**46%** of those who are distracted by their finances at work say that at work each week they spend three hours or more thinking about or dealing with issues related to their personal finances (up from 37% last year).

*Finances are more likely to be a distraction at work for Millennials and Gen X employees.*

**By generation:** Employees who say that issues with personal finances have been a distraction at work:

Finances while at work	2013	2014	2015	2016
Millennials	19%	35%	22%	37%
Gen X	32%	29%	24%	29%
Baby Boomers	16%	12%	13%	19%

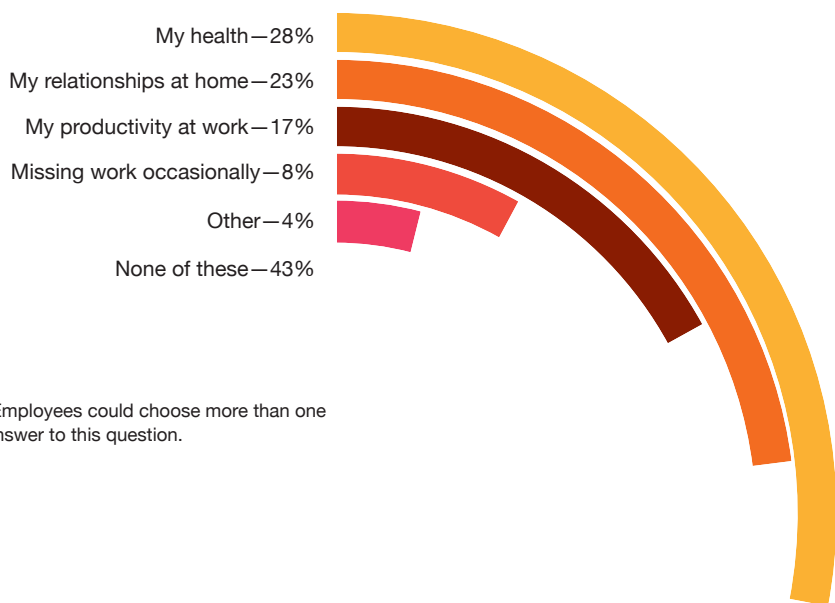
Up from 22% last year  
**37%** of Millennials say they are distracted about finances at work.



Employees admit that financial worries have impacted their health, relationships, productivity, and time away from work.



Which of the following have been impacted by your financial worries?\*



\*Employees could choose more than one answer to this question.

**By generation:**

Millennials (25%) are more likely than older employees (16% of Gen X and 11% of Baby Boomers) to say that their productivity at work has been impacted by their financial worries.

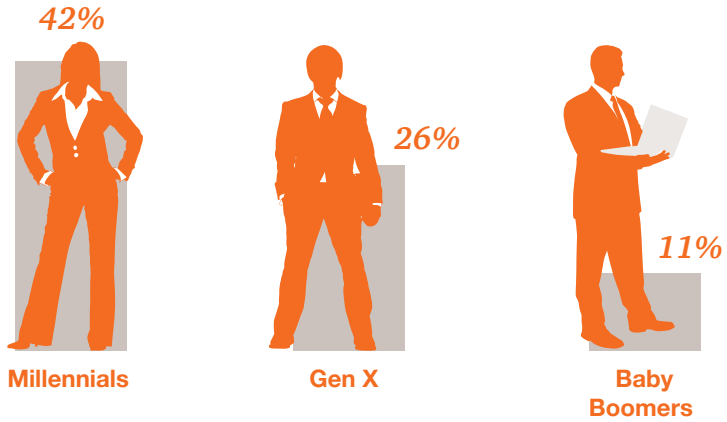
Millennials (12%) are also more likely to have missed worked occasionally due to their financial worries than Gen X (8%) or Baby Boomers (4%).



# Student loans



## Employees who have a student loan(s):



**42%** of Millennial employees have a student loan(s) and **79%** of them say that their student loans have a moderate or significant impact on their ability to meet their other financial goals.

Among employees with student loans, a large percentage report that the student loans are having a moderate or significant impact on their ability to meet their other financial goals:

### How much of an impact are student loans having on your ability to meet your other financial goals?

	Significant impact	Moderate impact	Little impact	No impact
Millennials	35%	44%	17%	5%
Gen X	31%	35%	25%	9%
Baby Boomers	51%	29%	16%	5%

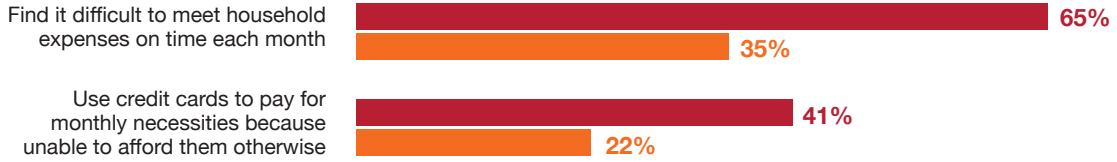
Employees impacted by student loans are in worse financial shape than other employees.



- Employees with student loans who said that the loans have a moderate or a significant impact on their ability to meet their other financial goals
- All other employees



**Cash flow**



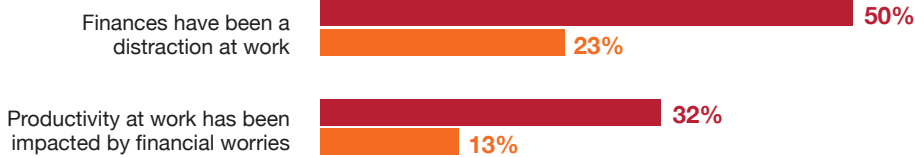
**Credit and debt**



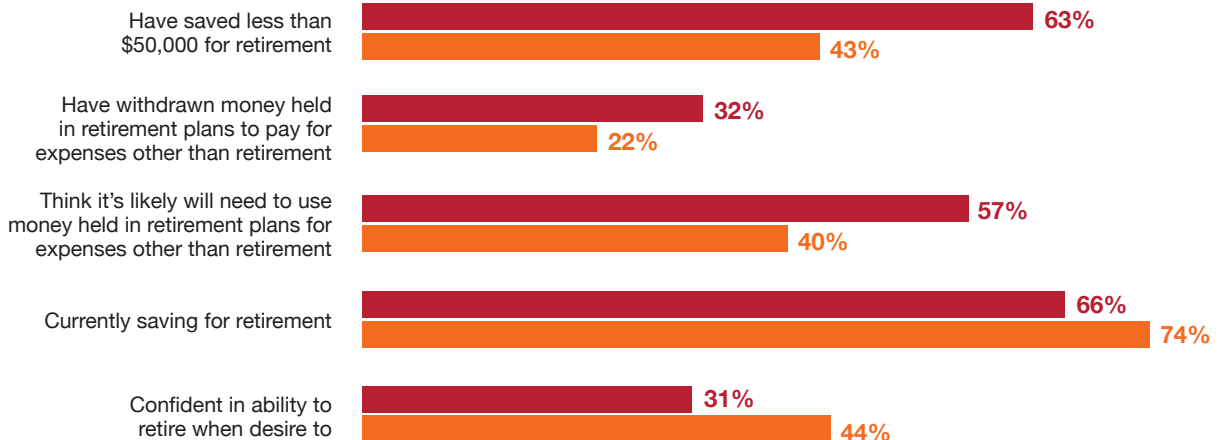
**Financial stress**



**Productivity**



**Retirement**



# Planning for the future

## Retirement confidence

**42%**

of employees are confident they'll be able to retire when they want (43% in 2015)

## Baby Boomers and retirement

Of the 61% of Baby Boomers who plan to retire within the next five years, less than half of them—

**45%**

—know how much income they will need in retirement.

**53%**

of Baby Boomers are confident they will be able to cover their medical expenses in retirement.

## Retirement

Retirement confidence is consistent with last year for Baby Boomers and Gen X employees and down slightly for Millennials.

**By generation:** Employees who are confident they will be able to retire when they want to:

	2013	2014	2015	2016
Millennials	36%	40%	41%	36%
Gen X	33%	32%	38%	37%
Baby Boomers	37%	48%	51%	51%

Running out of money is employees' biggest concern about retirement, followed by health issues and healthcare costs.

Concerns about retirement*	All employees	Millennials	Gen X	Baby Boomers
Running out of money	45%	53%	50%	33%
Health issues	29%	29%	27%	30%
Healthcare costs	28%	20%	25%	38%
Not being able to maintain my standard of living	22%	22%	23%	21%
Not being able to meet my monthly expenses	20%	21%	21%	18%
I don't know what I'll do with my free time in retirement	15%	17%	12%	18%
Managing my investments in retirement	5%	4%	5%	5%
Not leaving any assets upon my death for my family, charity, etc.	5%	4%	5%	6%
Meeting education expenses for child/children	3%	5%	3%	2%
Other expenses for children (e.g., wedding expenses)	3%	4%	3%	1%
Other	3%	1%	3%	4%

\*Respondents could choose up to two answers to this question.



**Saving for retirement**

Seventy-three percent of employees are currently saving for retirement (down from 77% in 2015).

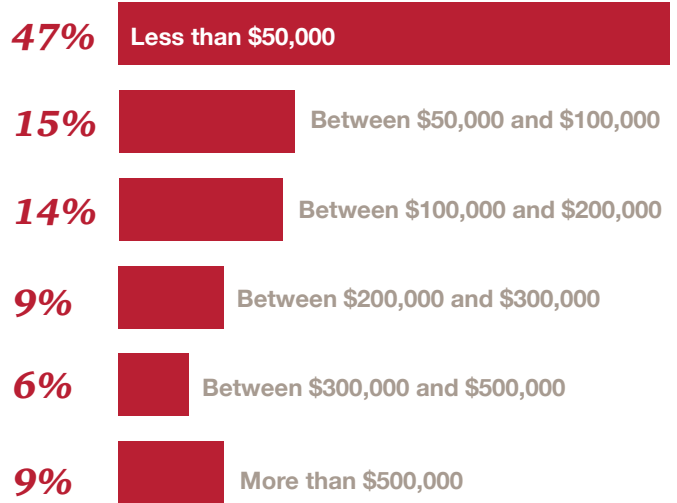
**By generation:** Millennials (60%), Gen X (76%), and Baby Boomers (79%) are currently saving for retirement.

**However, nearly half of all employees have saved less than \$50,000 for their retirement.**



*54% of women and 40% of men have saved less than \$50,000 for retirement.*

**Excluding the equity in your home, how much have you (and your spouse/partner, if applicable) saved for retirement?**



**By generation:** Excluding the equity in your home, how much have you (and your spouse/partner, if applicable) saved for retirement?

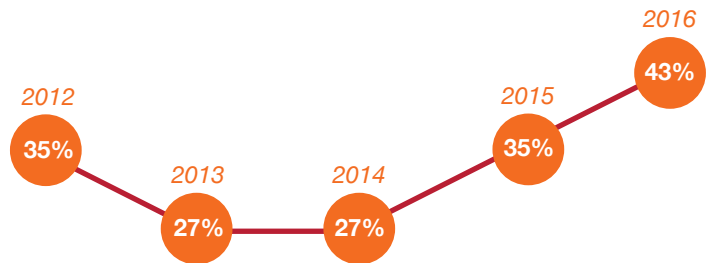
	Millennials	Gen X	Baby Boomers
Less than \$50,000	63%	46%	37%
Between \$50,000 and \$100,000	14%	16%	13%
Between \$100,000 and \$200,000	9%	16%	14%
Between \$200,000 and \$300,000	8%	9%	12%
Between \$300,000 and \$500,000	2%	6%	9%
More than \$500,000	4%	8%	15%

Nearly one quarter (24%) of all employees has already withdrawn money held in retirement plans to pay for expenses other than retirement and 43% think it's likely they'll need to do so (up from 35% last year).

Unfortunately, the percentage of employees who think it's likely they'll need to use money from their retirement plans for non-retirement expenses continues to grow:



**43%** of employees think it's likely they'll need to use money from their retirement plans for non-retirement expenses.



**By generation:** While the percentage of employees who think it's likely they'll need to use money held in retirement plans for other expenses increased across all generations, the largest increase is for Millennials.



Employees who **have already withdrawn** money held in their retirement plans to pay for expenses other than retirement:

	2013	2014	2015	2016
Millennials	11%	23%	15%	21%
Gen X	30%	24%	28%	26%
Baby Boomers	26%	20%	21%	25%

Employees who **think it's likely** they'll need to use money held in retirement plans for expenses other than retirement:

	2013	2014	2015	2016
Millennials	20%	34%	34%	50%
Gen X	36%	30%	40%	46%
Baby Boomers	20%	19%	30%	36%

a large increase in 2016



**More than one in four employees (26%) are not currently saving for retirement.**

Among the 26% of employees not currently saving for retirement, once again, the most frequently cited reason is too many other expenses, followed by debt.

Reasons for not saving for retirement*	2012	2013	2014	2015	2016
I have too many other expenses	59%	73%	70%	63%	75%
I have debt to pay off	48%	48%	49%	46%	42%
My income is lower than last year	29%	13%	15%	16%	17%
I don't know how to save for retirement	7%	6%	6%	9%	6%
I don't know how much to save for retirement	6%	6%	7%	8%	6%
Other	4%	6%	7%	8%	4%

\*Respondents could choose up to two answers to this question.

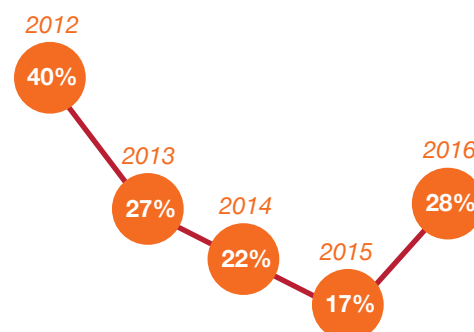
**More than one in four employees (28%) are saving less for retirement than last year.**

Among the 28% of employees saving less for retirement than last year, other expenses or increased expenses are again the top reasons cited.

Reasons for saving less for retirement than last year*	2012	2013	2014	2015	2016
I have too many other expenses	25%	19%	24%	28%	32%
My expenses have increased since last year	23%	29%	35%	27%	26%
My income is lower than last year	19%	18%	13%	16%	14%
I have debt to pay off	13%	18%	11%	15%	13%
My retirement accounts have lost value	9%	6%	5%	3%	6%
Other	2%	2%	4%	5%	5%
I'm uncomfortable with the volatility in the markets	5%	2%	2%	2%	2%
My employer reduced or eliminated the 401(k) match they were offering	3%	2%	3%	3%	1%
I don't know how to select appropriate investments	1%	3%	1%	1%	1%
I don't know how to save for retirement	1%	0%	1%	0%	1%

\*Respondents could choose up to two answers to this question.

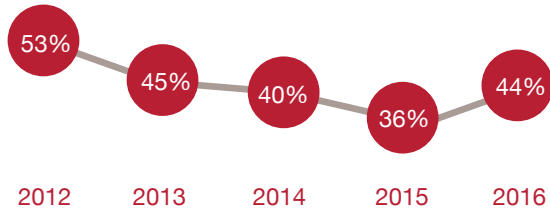
Regrettably, there is a large increase in the percentage of employees who are saving less for retirement than last year:



## Delayed retirements

Forty-four percent of all employees plan to retire later than they previously planned (up from 36% last year).

### Employees planning to postpone retirement

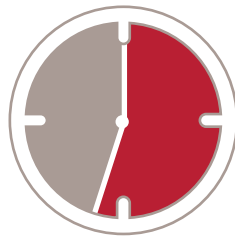


	2013	2014	2015	2016
Millennials	18%	28%	22%	32%
Gen X	43%	35%	35%	44%
Baby Boomers	54%	51%	48%	52%

Baby Boomers continue to most frequently cite not having saved enough as one of their reasons for delaying retirement.

Baby Boomers' reasons for delaying retirement*	2013	2014	2015	2016
I haven't saved enough to retire	51%	44%	41%	48%
I don't want to retire yet (prefer to continue working, not ready for the lifestyle change of being retired, etc.)	30%	36%	38%	27%
I have too much debt	23%	20%	18%	23%
I need to keep my healthcare coverage	30%	27%	19%	23%
My retirement investments have declined in value	26%	20%	18%	20%
I am still supporting my children/grandchildren	6%	9%	11%	10%
Other	6%	3%	5%	4%

\*Respondents could choose up to two answers to this question.



**More than half (55%)** of all employees would consider a partial retirement (working a reduced schedule) if their employer offered one.

More than half of all employees think Social Security benefits will either not be available or will be reduced when they retire.

**When you retire, do you think it's likely that Social Security benefits will be available to you as a source of retirement income?**

	All employees	Millennials	Gen X	Baby Boomers
Yes	44%	26%	37%	66%
Yes, but the benefit will be reduced	28%	27%	33%	22%
No	28%	46%	30%	12%

**Employees continue to desire guaranteed retirement income streams although very few have that option.**

Half of all employees say they would be willing to sacrifice a portion of their future pay increases for guaranteed retirement income.

**I would be willing to sacrifice a portion of my future pay increases for:**

	2014	2015	2016
Guaranteed retirement income for my life (and my spouse/partner's life)	48%	51%	50%
None of these	27%	25%	18%
Better healthcare benefits	13%	11%	17%
More job security	12%	14%	15%

Nearly three-quarters of all employees say they prefer a retirement plan with guaranteed fixed monthly payments for their life over a plan where they can take a lump sum at retirement and invest the funds themselves.

**Which one of these statements best reflects your view on retirement plans?**

	2014	2015	2016
I prefer a retirement plan that provides me with a guaranteed fixed monthly payment that lasts for the rest of my life (and the life of my spouse or partner).	77%	74%	72%
I prefer a retirement plan that allows me to take the balance in a lump sum at retirement where I am responsible for investing the funds to generate the income I need.	23%	26%	28%

## Retirement responsibility

Who do you feel should have primary responsibility for supporting you in retirement?



## Investing

- Consistent with prior years, only **half** of all employees (52%) are comfortable selecting investments that are right for them (42% of women vs. 61% of men).
- **One in five** employees (21%) has more than 10% of their investments in one company stock.
- **Half** (53%) of employees have reviewed their investment portfolio within the last 12 months.
- **One-third** (35%) report that their asset allocation has been reviewed by a financial professional within the last 12 months.

**Nearly half** (49%) of employees who are investing in target date funds in their retirement plans say they're invested in more than one target date fund.



### Why are employees investing in multiple target date funds?

Only **18%** say that it's to get the allocation they want. Unfortunately, more than half (54%) think that by doing so they're diversifying and reducing risk and another 26% say it's to spread their investments across many funds.

### Why are you investing in multiple target date (lifecycle) funds?

To diversify and reduce risk	54%
To spread my investments across many funds	26%
To get the allocation I want	18%
I don't know	2%



## Risk management and insurance

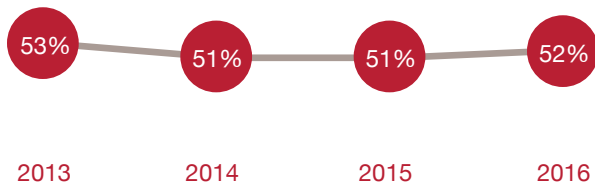
The majority (82%) of employees believe that health care costs will rise over the next several years.

### Health Savings Accounts

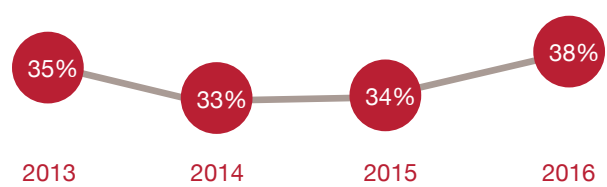
**The majority of employees are not taking advantage of contributing to their Health Savings Account (HSA).**

More than half of all employees with health insurance are covered by a high or mid-deductible health care plan, yet only 38% of those with a high or mid-deductible plan contribute to a Health Savings Account (HSA).

Employees who are covered by a high or mid-deductible health care plan:



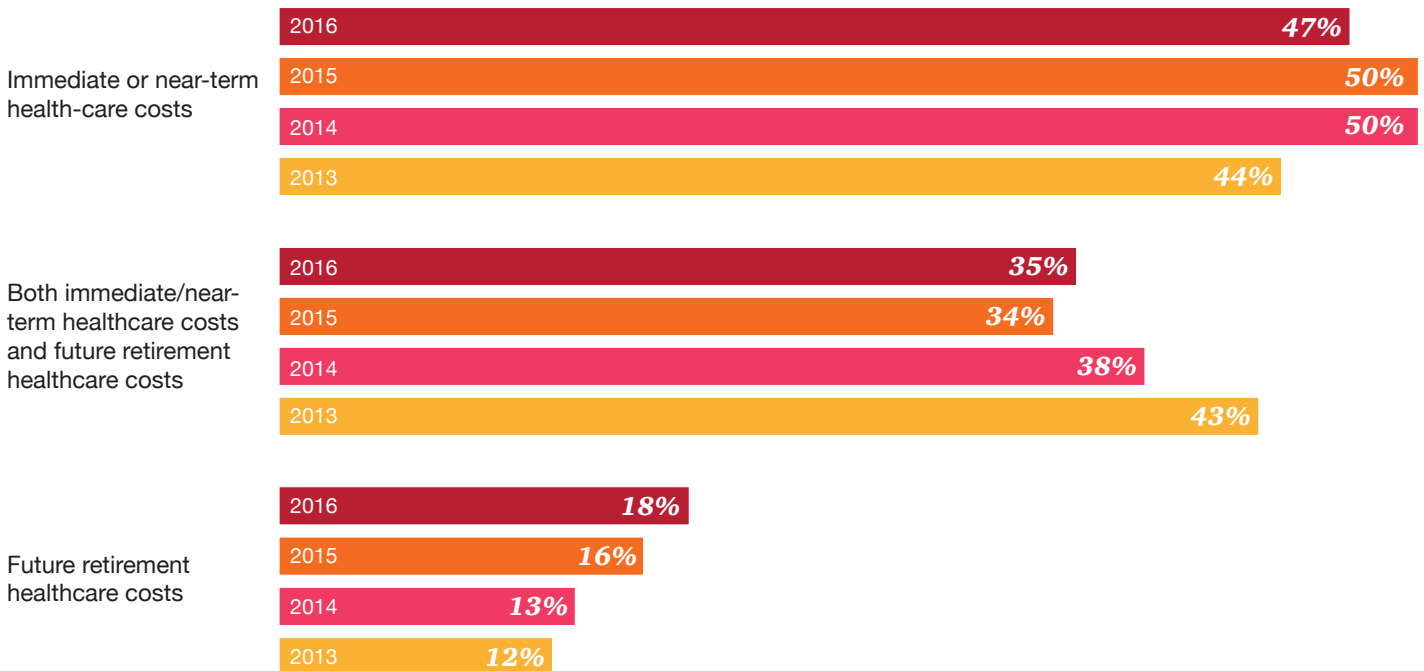
Employees with a high or mid-deductible health care plan who contribute to their HSA:



**The majority of employees are not using their HSA as an opportunity to save for retirement.**

In fact, only 18% of employees who are contributing to a Health Savings Account (HSA) plan to use the funds for future healthcare costs in retirement.

**I plan to use the funds in my Health Savings Account (HSA) for:**



**Life insurance**

**50% of employees have evaluated their life insurance needs** within the last 12 months. More Baby Boomers (58%) have evaluated their life insurance needs as compared to Gen X and Millennials (48% and 41% respectively).

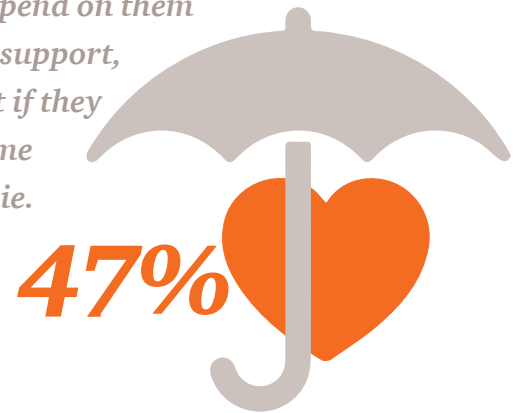
**Disability insurance**

**52% of employees indicate that they are covered by disability insurance.** While more than half of Baby Boomers and Gen X are covered (both 56%), fewer Millennial employees (42%) indicate that they have disability insurance coverage.

**Property insurance**

**41% of employees have evaluated their property insurance needs** within the past 12 months. While more than half of Baby Boomers have evaluated their property insurance needs (55%), only 37% of Gen X and 30% of Millennial employees have done so.

Less than half of all employees (47%) are confident that their needs, and the needs of those who depend on them for financial support, would be met if they were to become disabled or die.



home risk  
security property  
employer retirement  
disability financial estate insurance  
deductible generational taxes employee  
benefits education expenses savings  
college healthcare gender work  
family survivor

## Estate planning

**39% of employees have a will.** The percentage of those who have a will increases with age, but even by age 55 to 64, only 50% have a will.

**By generation:** Baby Boomers (56%), Gen X (36%) and Millennials (19%) have a will.

➤ Of those employees who have a will, **71%** say they have reviewed it and made any necessary updates within the last five years.

➤ **36%** of employees have a living will.

**By generation:** Baby Boomers (49%), Gen X (34%), and Millennials (22%) have a living will.

➤ **30%** have a durable power of attorney for financial matters and **31%** for healthcare matters.

**By generation:** Baby Boomers (38%), Gen X (29%), and Millennials (21%) have a durable power of attorney for financial matters.

**By generation:** Baby Boomers (40%), Gen X (30%), and Millennials (21%) have a durable power of attorney for healthcare matters.

➤ **72%** indicate that their beneficiary forms are up-to-date.

**By generation:** Baby Boomers (82%), Gen X (75%), and Millennials (55%) indicate that their beneficiary forms are up-to-date.

**39% of employees have a will.**



*The percentage of those who have a will increases with age, but even by age 55 to 64, only 50% have a will.*

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## Education planning

Of those employees who plan to fund education expenses for children, grandchildren, themselves, or a spouse/partner:

➤ **44%** have investigated how much they'll need to meet their education funding goal.

➤ **52%** are saving for education expenses.

➤ **52%** are contributing to a tax-advantaged education savings plan.



# Other

## Employer benefits

- ▶ 57% believe their employer's benefit plans are competitive with those offered by other organizations.

**By generation:** 50% of Millennials, 59% of Gen X and 59% of Baby Boomers believe their employer's benefit plans are competitive with those offered by other organizations.

- ▶ 70% say they have a good understanding of their employer benefit and savings plans and the role they play in their overall financial well-being.

**By generation:** 58% of Millennials, 72% of Gen X and 76% of Baby Boomers say they have a good understanding of their employer benefit and savings plans and the role they play in their overall financial well-being.

- ▶ 66% say they review their benefit elections every year and make changes if needed.

**By generation:** 58% of Millennials, 69% of Gen X and 70% of Baby Boomers say they review their benefit elections every year and make changes if needed.

- ▶ 32% say their employer offers services to assist them with their personal finances and more than half of them (58%) say they've used the services.

**By generation:** 60% of Millennials, 57% of Gen X and 58% of Baby Boomers say they've used the services their employer provides to assist them with their personal finances.


**44%** *of employees believe their employer cares about their financial well-being.*



**New for 2016**

*Millennials (54%) are more likely to say that their loyalty to their company is influenced by how much the company cares about their financial well-being as compared to Gen X (44%) and Baby Boomers (36%).*

*Millennials (77%) and Gen X (73%) are more likely to be attracted to another company that cares more about their financial well-being than Baby Boomers (55%).*





### **Most trusted resource for financial advice and education**

Millennial employees regard friends and family as their most trusted source for financial advice. Gen X and Baby Boomers are equally likely to look to friends and family, an independent financial planner, or a broker/investment advisor.

#### **Which of the following resources do you most trust for your financial advice and education?**

	<b>All employees</b>	<b>Millennials</b>	<b>Gen X</b>	<b>Baby Boomers</b>
Friends and/or family	27%	31%	25%	26%
Independent Financial Planner (who does not sell any investment or insurance products)	22%	15%	24%	24%
Broker or investment advisor	19%	15%	21%	19%
Attorney	12%	14%	11%	11%
Accountant	9%	11%	8%	8%
Internet site(s) not affiliated with a financial advisor	8%	7%	8%	8%
Insurance agent	5%	8%	4%	5%



## Lifestages

**Parents:** More than one in five employees (22%) provide financial support for parents or in-laws (up from 16% last year). More than one in five (22%) provide care for parents or in-laws (up from 14% last year).



**Children:** Among Gen X employees, 59% have dependent children and 55% of them are paying dependent care expenses, yet only half (52%) of those paying dependent care expenses are contributing to a dependent care flexible spending account.

Among Millennial employees, 49% have dependent children and 67% of them are paying dependent care expenses, yet only half (52%) of those paying dependent care expenses are contributing to a dependent care flexible spending account.

## Identity theft

**17%** of employees say they have been a victim of identity theft (consistent with prior years).

**60%** say they would know what to do if their identity were stolen.





[www.pwc.com/us/financialeducation](http://www.pwc.com/us/financialeducation)

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## **About the PwC Employee Financial Education and Wellness practice**

*Employees may be stressed over organizational shifts, market conditions, personal life events, or benefits changes. PwC's Employee Financial Education and Wellness practice works with clients to design and deliver customized financial wellness programs tailored to employee needs and specific employer objectives. Our goal is to empower employees to make educated decisions to improve their financial well-being.*

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