

Research Source Deck

Retirement Savings Plan Perceptions & Misconceptions Among U.S. Employees

Source: Lincoln Financial Group and Civic Science (March 2020)

Survey Methodology

Retirement Savings Plan Perceptions & Misconceptions Among U.S. Employees

- The study was conducted by Lincoln Financial Group and CivicScience. The goal of this research is to understand U.S. employees' perceptions of retirement savings and identify any misconceptions about saving for retirement. Responses were gathered from 3/16/2020 – 3/23/2020 using the CivicScience market intelligence platform. The number of responses varied by question, with response counts ranging from 866 to 1,691. Data are weighted to represent the total U.S. adult population. If this study were a random survey, the margin of error would be within +/- 4 percentage points at a confidence level of 95%.

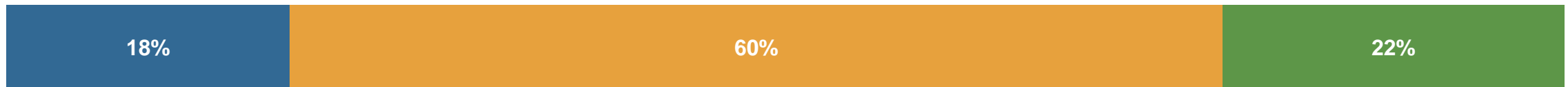
Contributions & Employer Match

MISCONCEPTION: *As a general rule, if you save enough in your workplace retirement plan to meet the employer match, you are probably saving enough to be on track for a comfortable retirement*

60% of employed U.S. adults correctly identify this statement as false, but 18% believe saving the amount their employer matches is enough to be on track, and 22% say they don't know. It is possible if an employee works for an employer with a very generous retirement plan offering, meeting the match would be enough to be on track; however, most often this is not the case.

Responses among all employed US adults

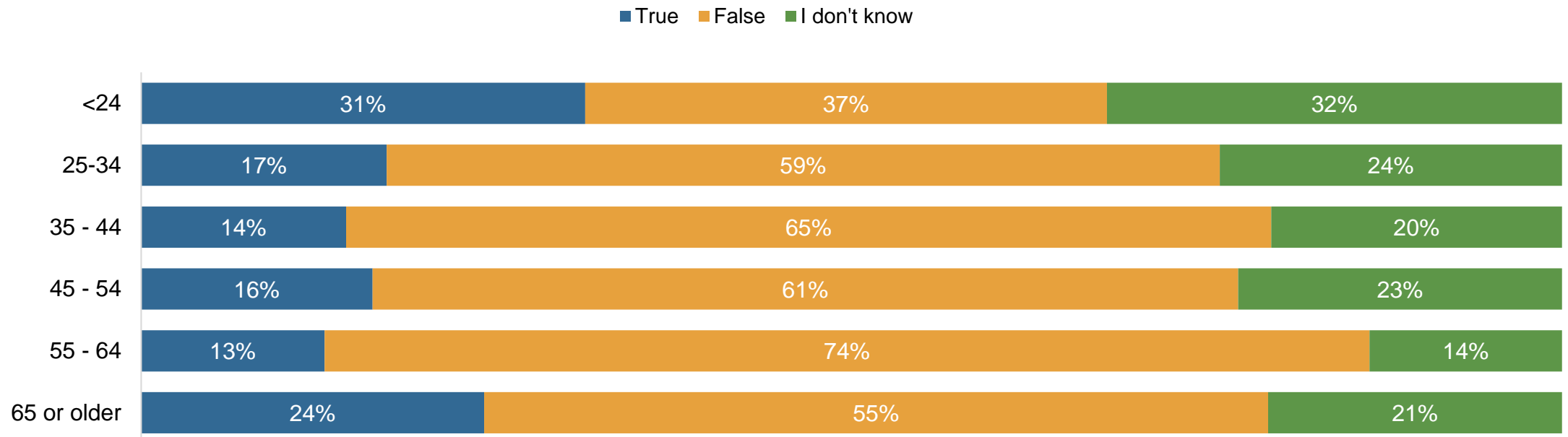
■ True ■ False ■ I don't know



MISCONCEPTION: *As a general rule, if you save enough in your workplace retirement plan to meet the employer match, you are probably saving enough to be on track for a comfortable retirement*

Employed Americans under the age of 24 are much more likely to feel that saving the amount their employer matches is enough to be on track; they are also more likely to say they don't know whether or not meeting the match is enough to be on track.

Responses among all employed US adults, by Age

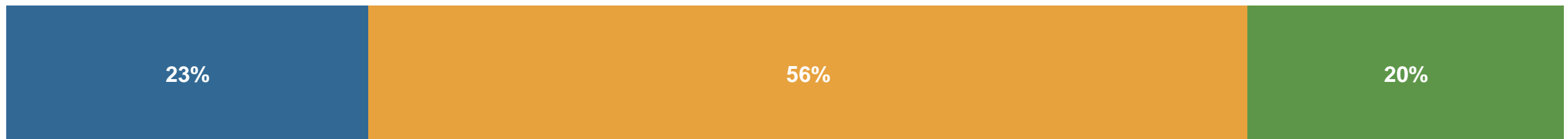


MISCONCEPTION: *You can only change the amount you contribute to your workplace retirement plan during open enrollment at work (the time you sign up for benefits each year)*

56% of employed US Adults correctly identified this statement as false, but nearly one in four believe that you can only change the amount you contribute to your retirement plan during open enrollment, and 20% say they don't know.

Responses among all employed U.S. adults

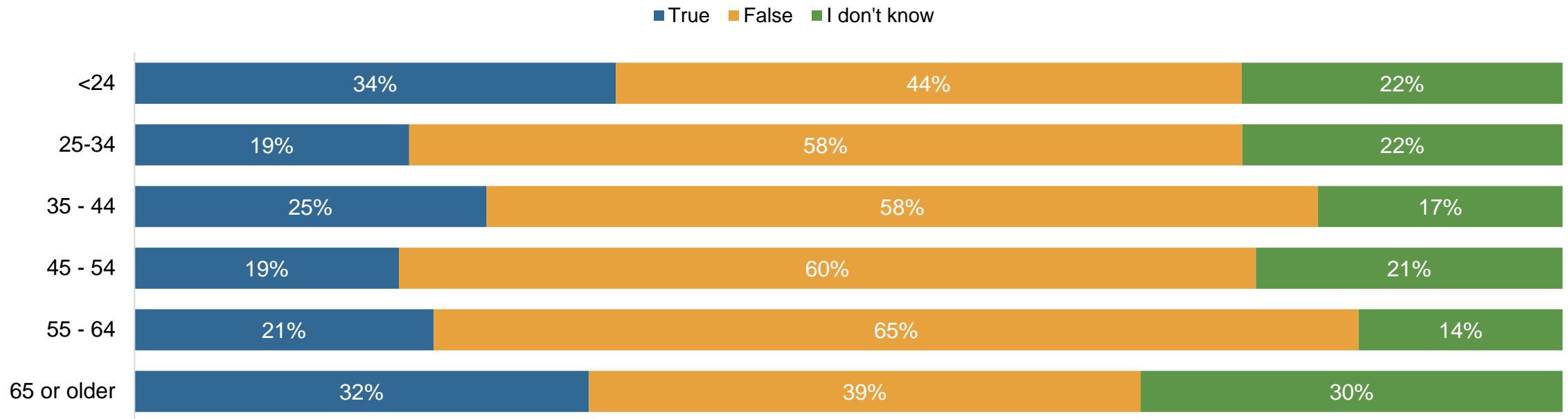
■ True ■ False ■ I don't know



MISCONCEPTION: *You can only change the amount you contribute to your workplace retirement plan during open enrollment at work (the time you sign up for benefits each year)*

Employees under the age of 24 and over the age of 65 are most likely to incorrectly believe that changes to retirement plan contributions are only possible during the enrollment period.

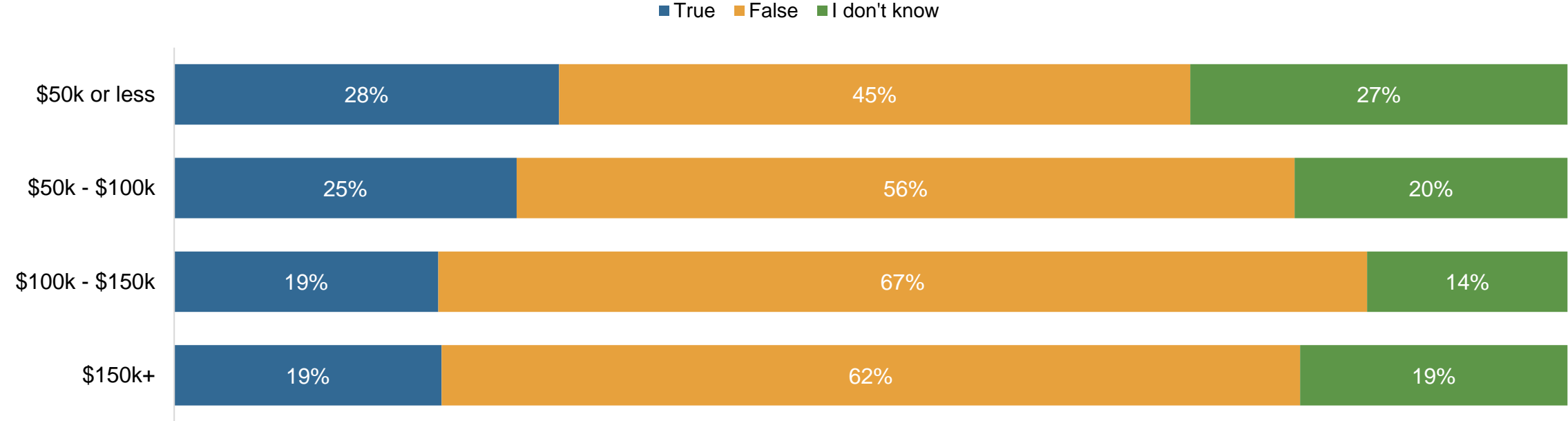
Responses among all employed U.S. adults, by age



MISCONCEPTION: *You can only change the amount you contribute to your workplace retirement plan during open enrollment at work (the time you sign up for benefits each year)*

those who earn \$50k or less are also more likely to believe that contributions to a retirement plan are only possible during the enrollment period.

Responses from all employed U.S. adults, by income

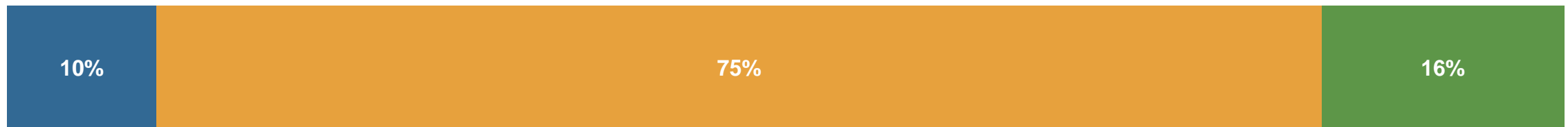


MISCONCEPTION: *The amount your employer will match is the maximum you are allowed to contribute to your workplace retirement plan*

75% of employed US adults correctly identified this statement as false, but 10% believe that the amount your employer will match is the maximum you can contribute, and 16% say they do not know.

Responses from all employed U.S. adults

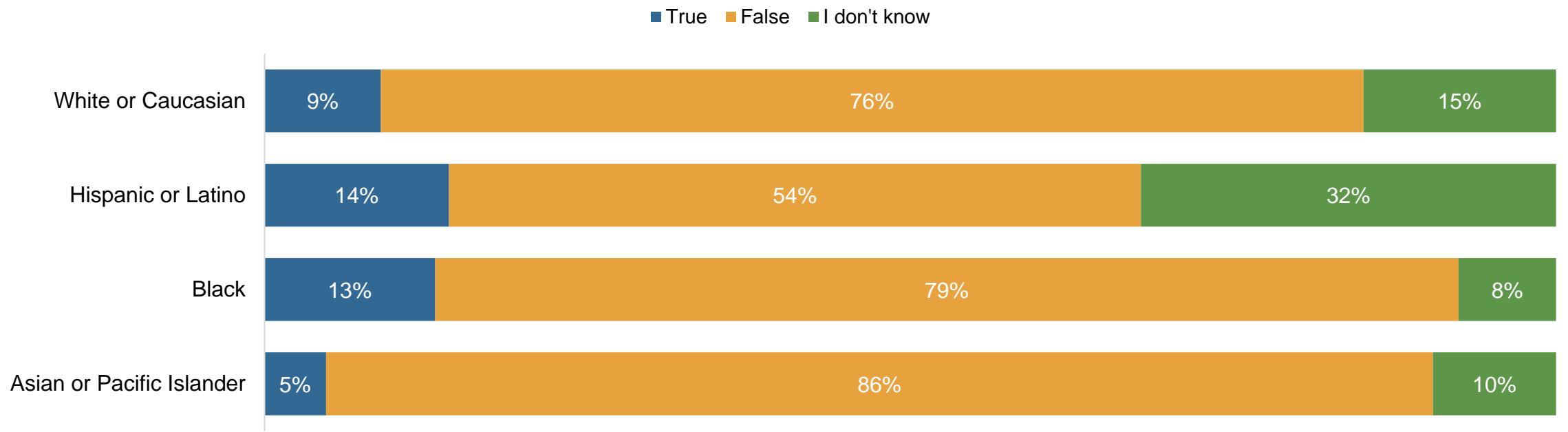
■ True ■ False ■ I don't know



MISCONCEPTION: *The amount your employer will match is the maximum you are allowed to contribute to your workplace retirement plan*

Individuals who identify as Hispanic or Latino are the most likely to not know if the amount their employer matches is the maximum allowed to contribute to the workplace retirement plan.

Responses from all employed U.S. adults, by race



PERCEPTION: *I don't know what I should be looking for when I get the quarterly statement from my workplace retirement savings plan or log in to view my balance online.*

37% of employed U.S. adults agree with this statement

Responses from employed U.S. adults

■ Agree ■ Disagree

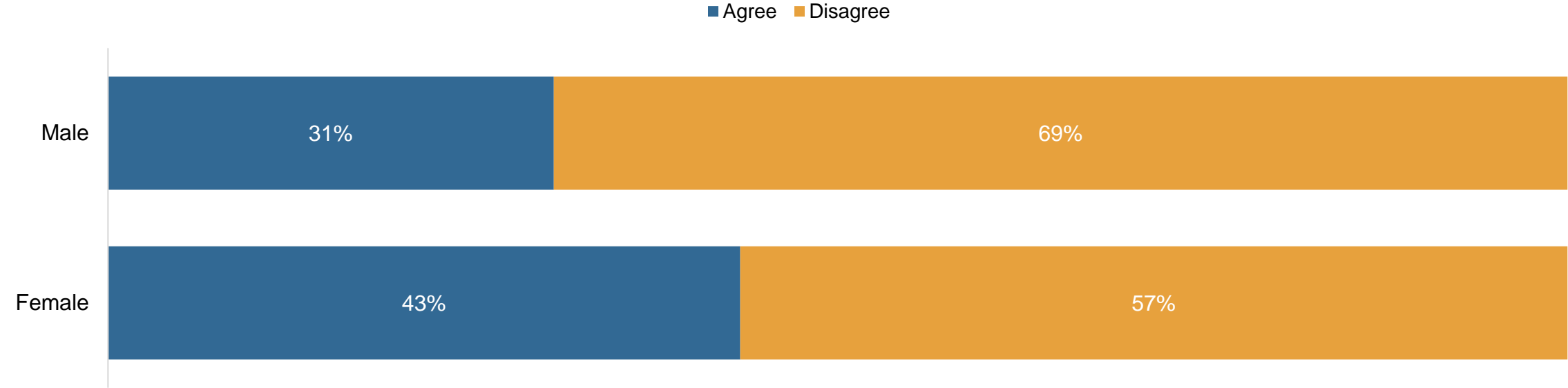


**Excludes individuals who responded "This does not apply to me."*

PERCEPTION: *I don't know what I should be looking for when I get the quarterly statement from my workplace retirement savings plan or log in to view my balance online*

Women are more likely to agree that they don't know what they should be looking for in their quarterly statement from their workplace retirement savings plan or when they log in to view their balance online.

Responses from employed U.S. adults, by gender

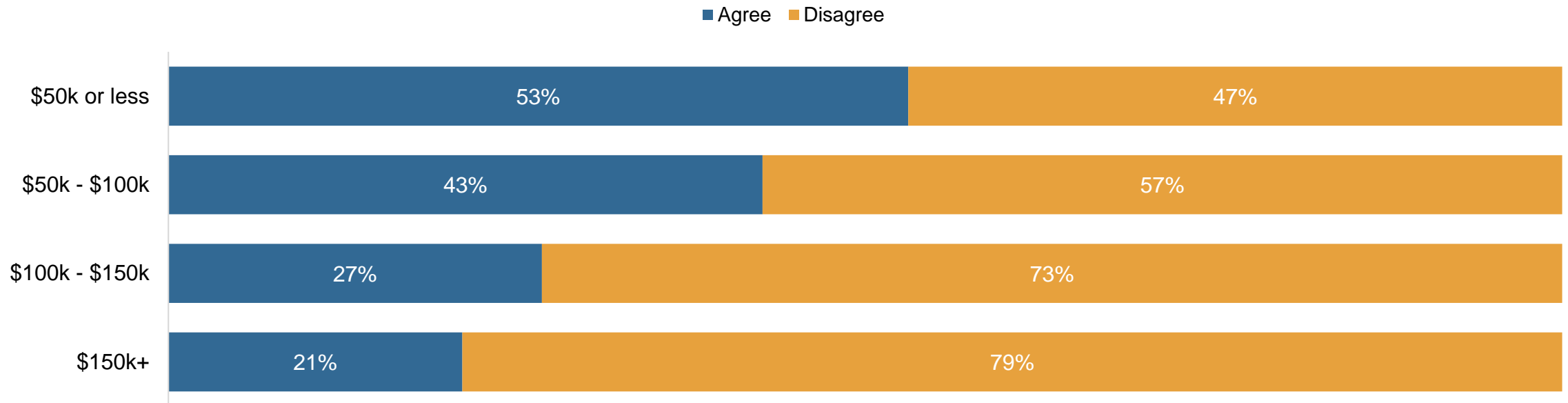


*Excludes individuals who responded "This does not apply to me."

PERCEPTION: *I don't know what I should be looking for when I get the quarterly statement from my workplace retirement savings plan or log in to view my balance online*

Individuals earning less than \$50k annually were also more likely to agree that they don't know what they should be looking for in their quarterly statement from their workplace retirement savings plan or when they log in to view their balance online.

Responses from employed U.S. adults, by income



*Excludes individuals who responded "This does not apply to me."

Rollovers

PERCEPTION: *I've thought about moving money from an old employer's 401(k) into my current employer's 401(k), but it seems like it would be too much of a hassle*

48% of employed US adults agree with the statement.

Responses from employed U.S. adults

■ Agree ■ Disagree



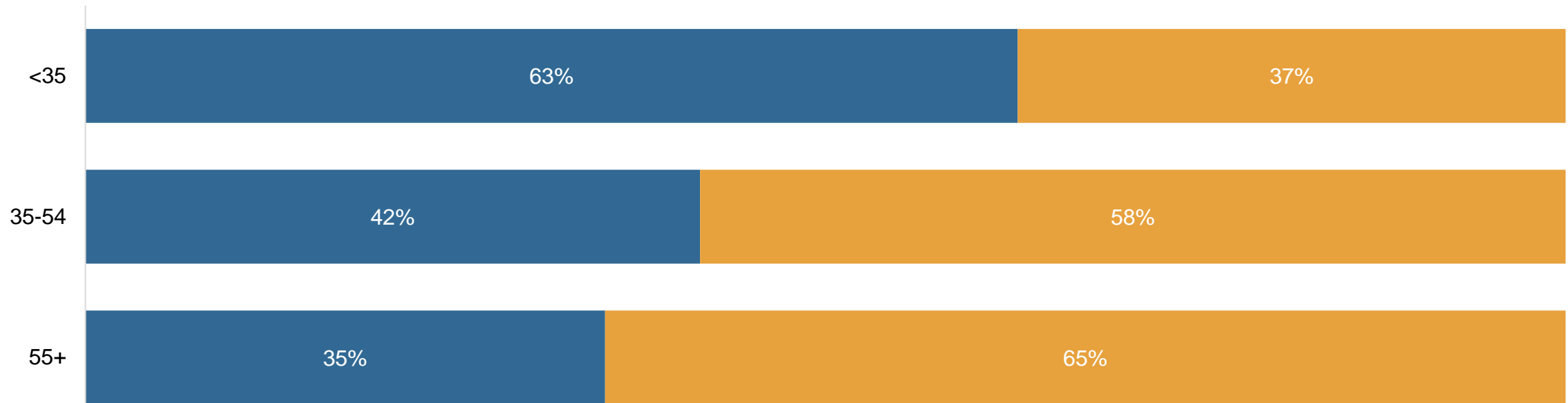
**Excludes individuals who responded "This does not apply to me."*

PERCEPTION: *I've thought about moving money from an old employer's 401(k) into my current employer's 401(k), but it seems like it would be too much of a hassle.*

Employees under the age of 35 are more likely to believe that moving money from an old employer's 401(k) into a current employer's 401(k) is a hassle.

Responses by employed U.S. adults, by age

■ Agree ■ Disagree



*Excludes individuals who responded "This does not apply to me."

PERCEPTION: *I've thought about moving money from an old employer's 401(k) into my current employer's 401(k), but I don't know who to contact to get started*

33% of employed US adults agree with the statement.

Responses from employed U.S. adults

■ Agree ■ Disagree



**Excludes individuals who responded "This does not apply to me."*

PERCEPTION: *I've thought about moving money from an old employer's 401(k) into my current employer's 401(k), but I don't know who to contact to get started*

Employees under the age of 35 are more likely to say they have thought about moving money to a new employer's 401(k) but didn't know who to contact.

Responses from employed U.S. adults, by age

■ Agree ■ Disagree



*Excludes individuals who responded "This does not apply to me."

Savings Decisions

PERCEPTION: *Paying down my student loan debt as quickly as possible is more important than saving for my retirement*

47% of employed US adults agree with the statement.

Responses from employed U.S. adults

■ Agree ■ Disagree



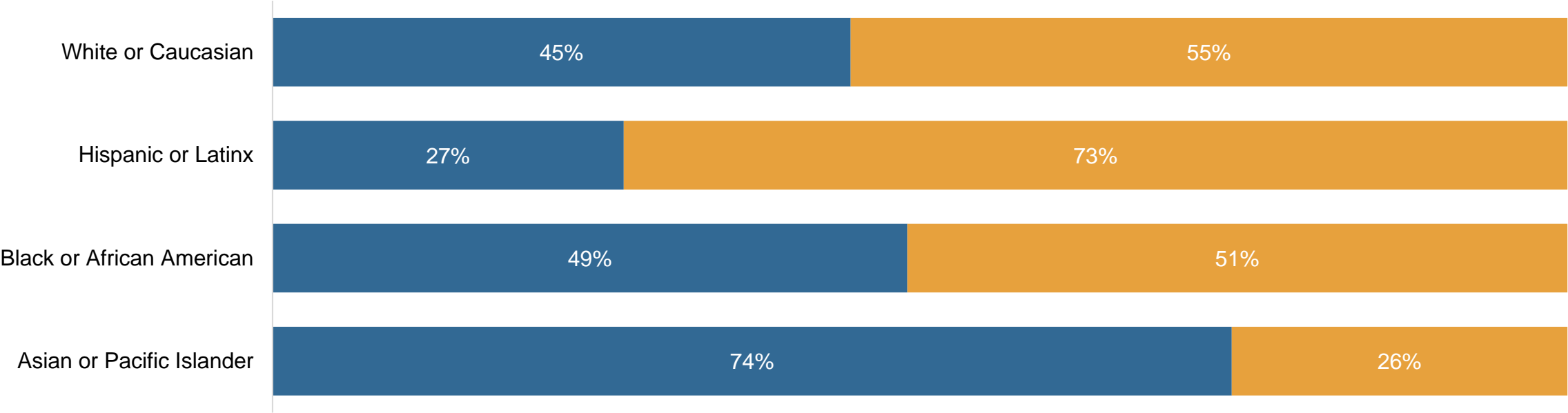
**Excludes individuals who responded "This does not apply to me."*

PERCEPTION: *Paying down my student loan debt as quickly as possible is more important than saving for my retirement*

There are significant differences in prioritizing student loan debt vs. retirement savings when we look across race and ethnicity.

Responses from employed U.S. adults, by race

■ Agree ■ Disagree



*Excludes individuals who responded "This does not apply to me."

PERCEPTION: *Saving for my child's education is more important than saving for retirement right now because my children will be in college sooner than I will retire*

36% of employed US adults with children agree with the statement.

Responses from employed US adults with children

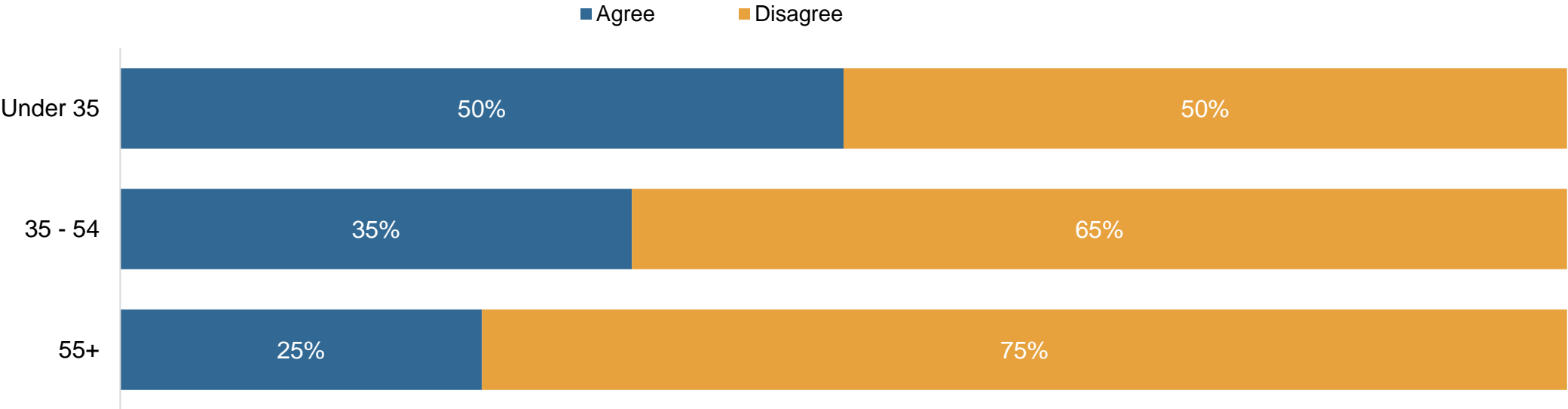


**Excludes individuals who responded "This does not apply to me."*

PERCEPTION: *Saving for my child's education is more important than saving for retirement right now because my children will be in college sooner than I will retire*

Employees under the age of 35 are the most likely to believe that saving for their children's education is more important right now than saving for retirement

Responses from employed US Adults with children, by Age

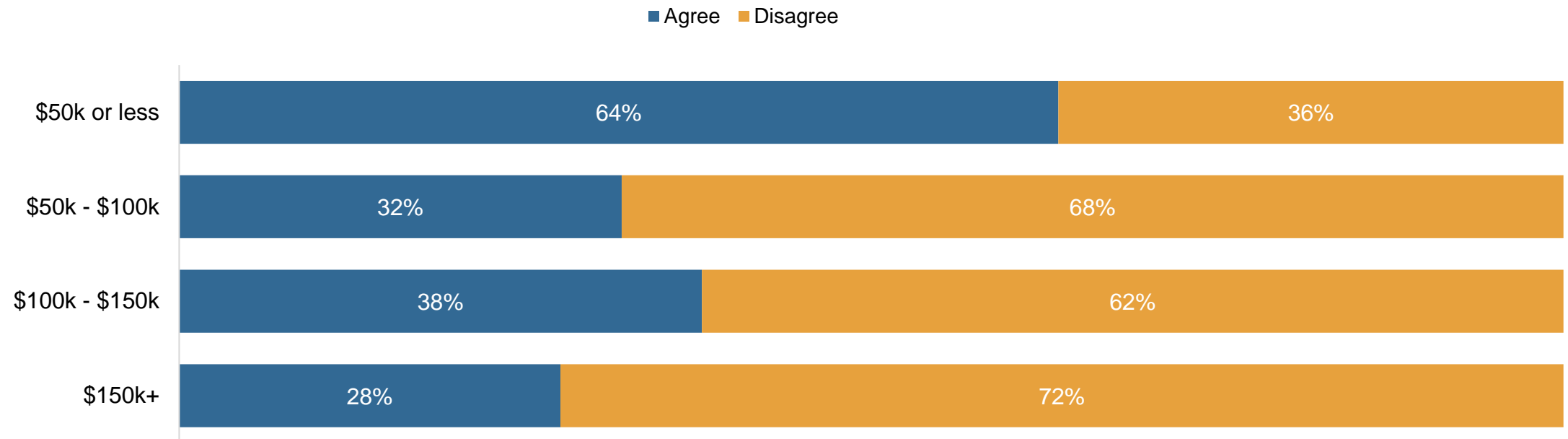


*Excludes individuals who responded "This does not apply to me."

PERCEPTION: *Saving for my child's education is more important than saving for retirement right now because my children will be in college sooner than I will retire*

Employees earning less than \$50k annually are significantly more likely to say that saving for their child's education is more important than saving for their retirement.

Responses from employed US Adults with children, by income



*Excludes individuals who responded "This does not apply to me."

PERCEPTION: *I don't need to worry about saving for retirement because I don't ever plan to stop working.*

48% of employed US adults disagree with the statement.

Responses from employed U.S. adults

■ Agree ■ Disagree

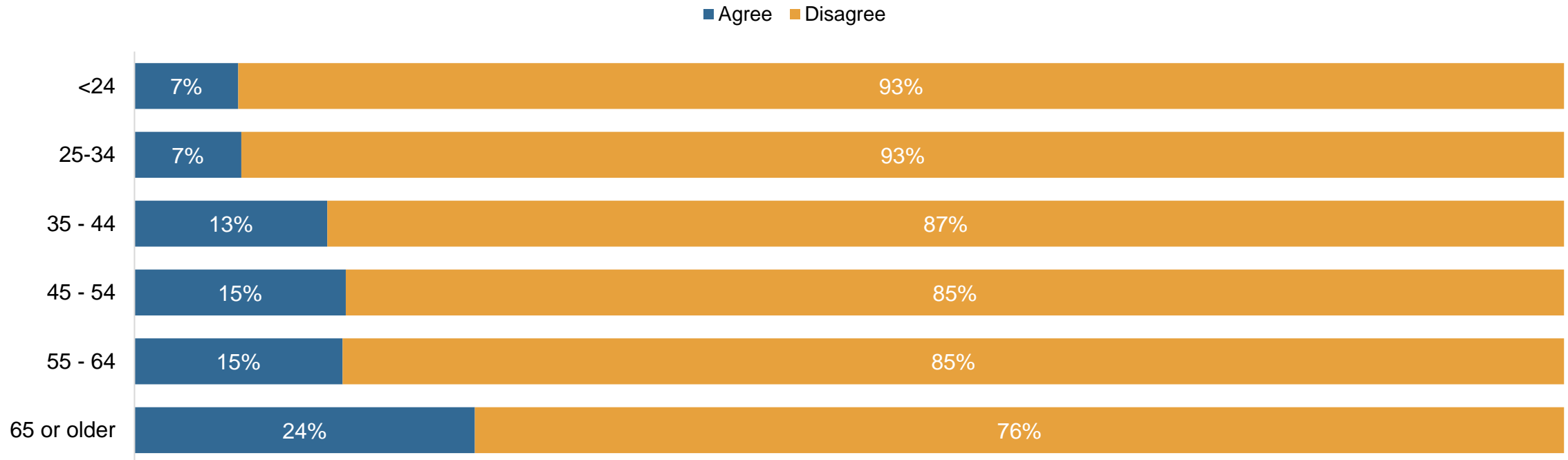


**Excludes individuals who responded "This does not apply to me."*

PERCEPTION: *I don't need to worry about saving for retirement because I don't ever plan to stop working*

Employed adults 65 or older are much more likely than younger employees to agree with this statement.

Responses from employed U.S. adults, by age



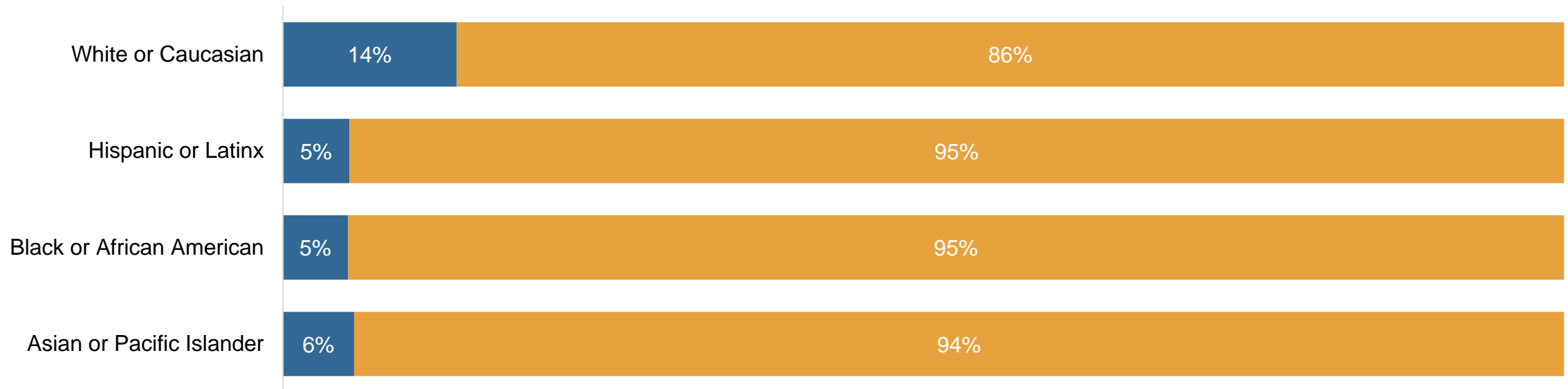
*Excludes individuals who responded "This does not apply to me."

PERCEPTION: *I don't need to worry about saving for retirement because I don't ever plan to stop working*

Individuals who identify as White or Caucasian are nearly 3x more likely to say they do not need worry about retirement because they do not plan to stop working, compared to individuals of other races/ethnicities.

Responses from employed U.S. adults, by race

■ Agree ■ Disagree



*Excludes individuals who responded "This does not apply to me."

For more information

Lincoln Financial Group Media Relations:

Lucy MacNichol

Retirement Communications

Lucy.macnichol@lfg.com

267-884-2738

Holly Fair

External Communications

Holly.fair@lfg.com

484-843-3787



LincolnFinancial.com

LCN-3489548-031121

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates, including The Lincoln National Life Insurance Company, Fort Wayne, IN, and Lincoln Life & Annuity Company of New York, Syracuse, NY. Variable products distributed by broker-dealer/affiliate Lincoln Financial Distributors, Inc., Radnor, PA. Securities and investment advisory services offered through other affiliates. Affiliates are separately responsible for their own financial and contractual obligations.