

2022 401(k) Participant Study - Gen Z/Millennial Focus October 2022

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How workers save for retirement

Outside of their 401(k), participants are still more likely to be saving for retirement in a savings account than investing, although a quarter are investing in cryptocurrencies

Top Methods for Investing/Saving for Retirement

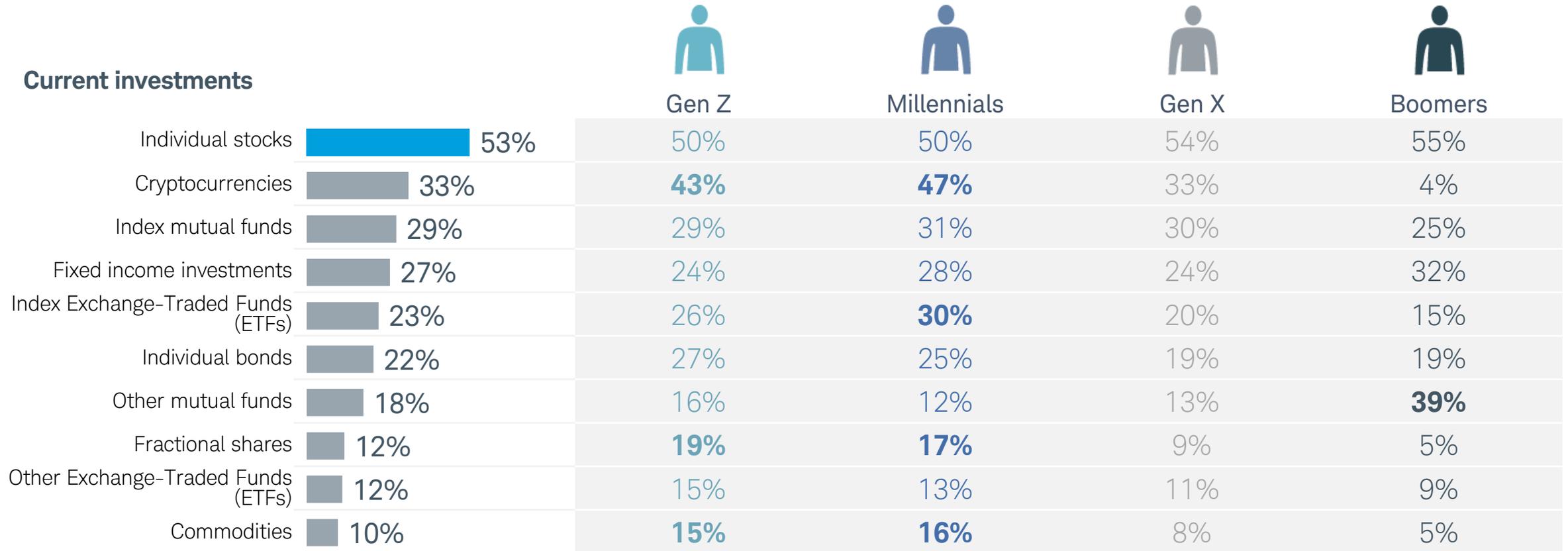
Methods						
			Gen Z	Millennials	Gen X	Boomers
1	Saving in savings account	61%	65%	56%	65%	61%
2	Saving in HSA	39%	30%	40%	40%	38%
3	Investing in an IRA	33%	30%	29%	31%	47%
4	Investing in brokerage account	29%	28%	25%	26%	41%
5	Investing in cryptocurrency	25%	31%	35%	25%	4%

Which of the following methods are you using to save or invest for retirement? (Base: Total = 1,000; Gen Z = 156; Millennials = 358; Gen X = 376; Boomers = 210)

Note: Bold numbers highlight results that are significantly higher than two or three other generations.

Broad range of investments

Younger 401(k) participants own a broader range of investments

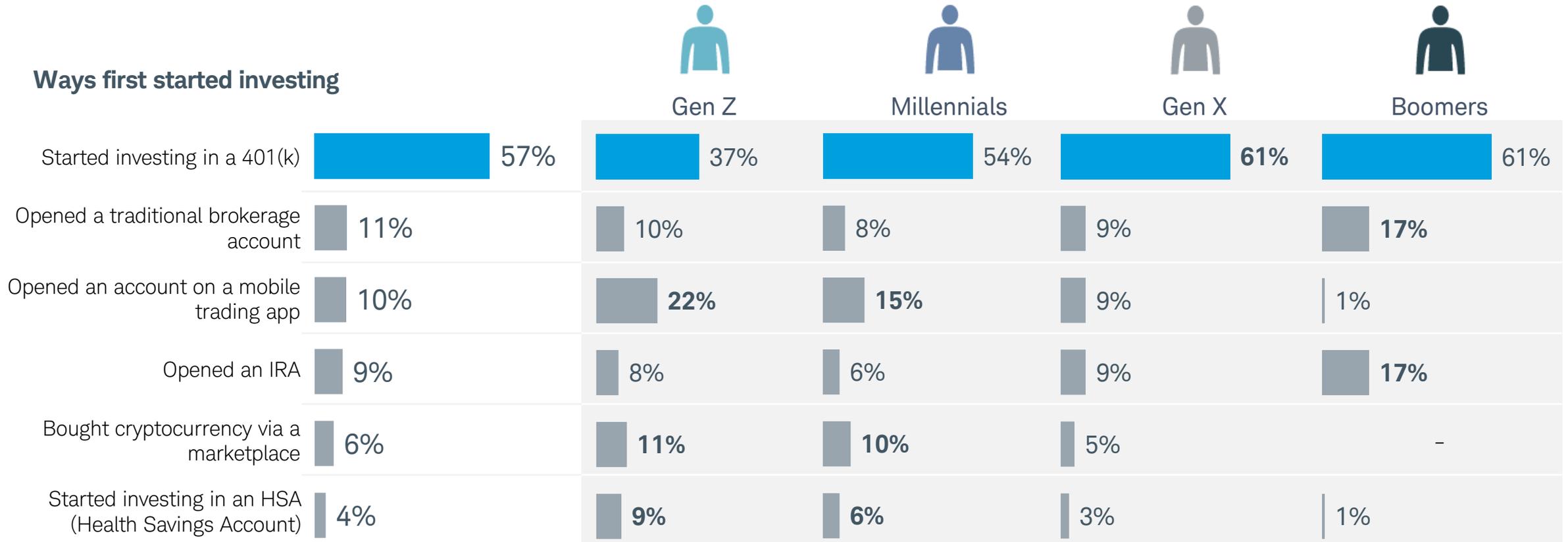


What types of investments do you currently own outside of your 401(k)? (Base: Total = 1,000; ; Gen Z = 156; Millennials = 358; Gen X = 376; Boomers = 210)

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New ways to start investing

401(k) plans are the primary way most participants started investing, but fewer Gen Z workers first got involved in investing via their 401(k)



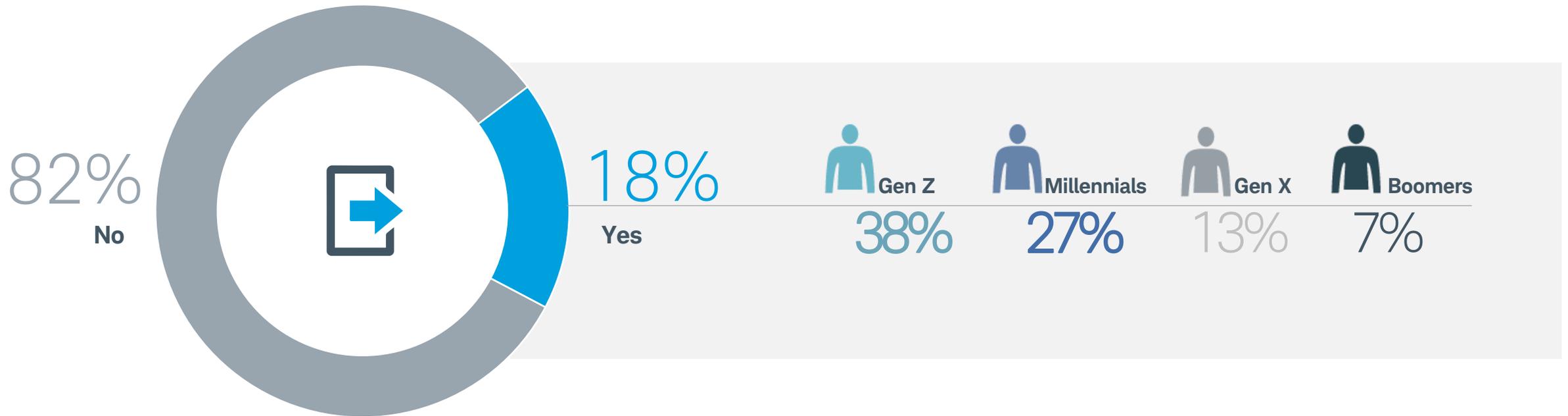
In which of the following ways did you first get involved in investing? (Base: Total = 1,000; Gen Z = 156; Millennials = 358; Gen X = 376; Boomers = 210)

Note: Bold numbers highlight results that are significantly higher than two or three other generations.

The Great Reshuffle

Almost one in five employees changed employers in the past 12 months

Changed employer in past 12 months

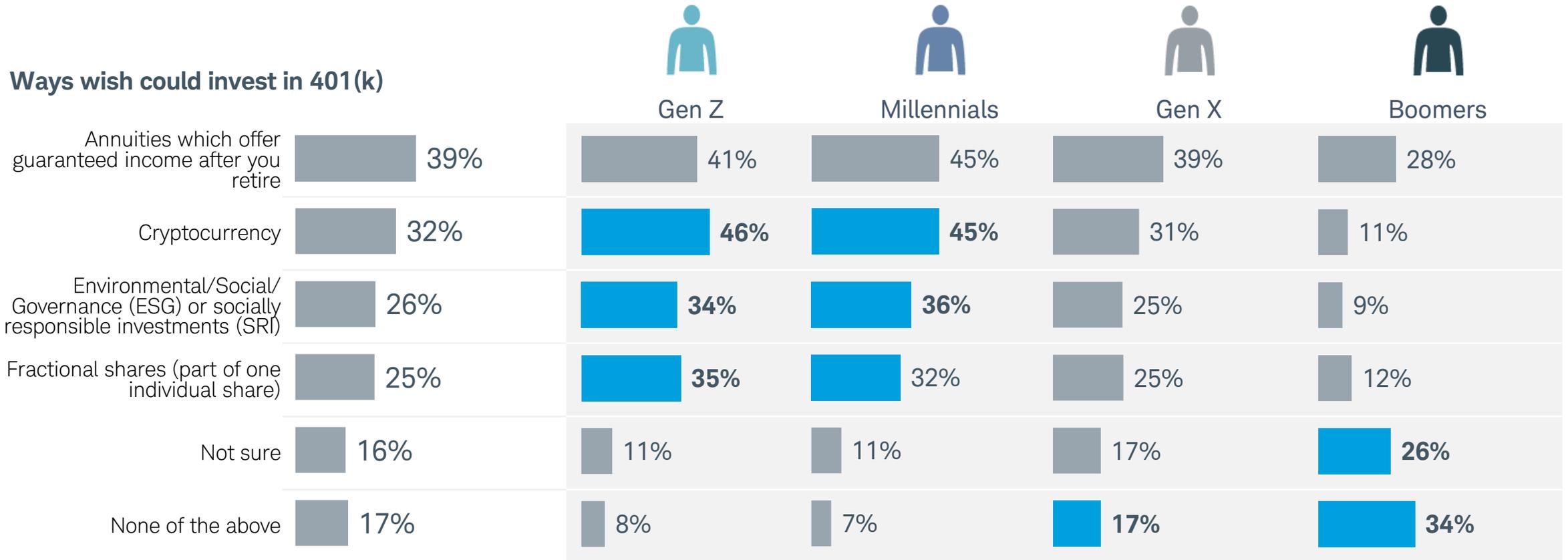


Did you change employer in the past 12 months? (Base: Total = 1,000; Gen Z = 156; Millennials = 358; Gen X = 376; Boomers = 210)

Note: Bold numbers highlight results that are significantly higher than two or three other generations.

More investment choices

Younger workers say they want a wider range of investments in their 401(k)s



When looking at your current 401(k) investment choices, do you wish you could invest in any of the following? (Base: Total = 1,000; Gen Z = 156; Millennials = 358; Gen X = 376; Boomers = 210)

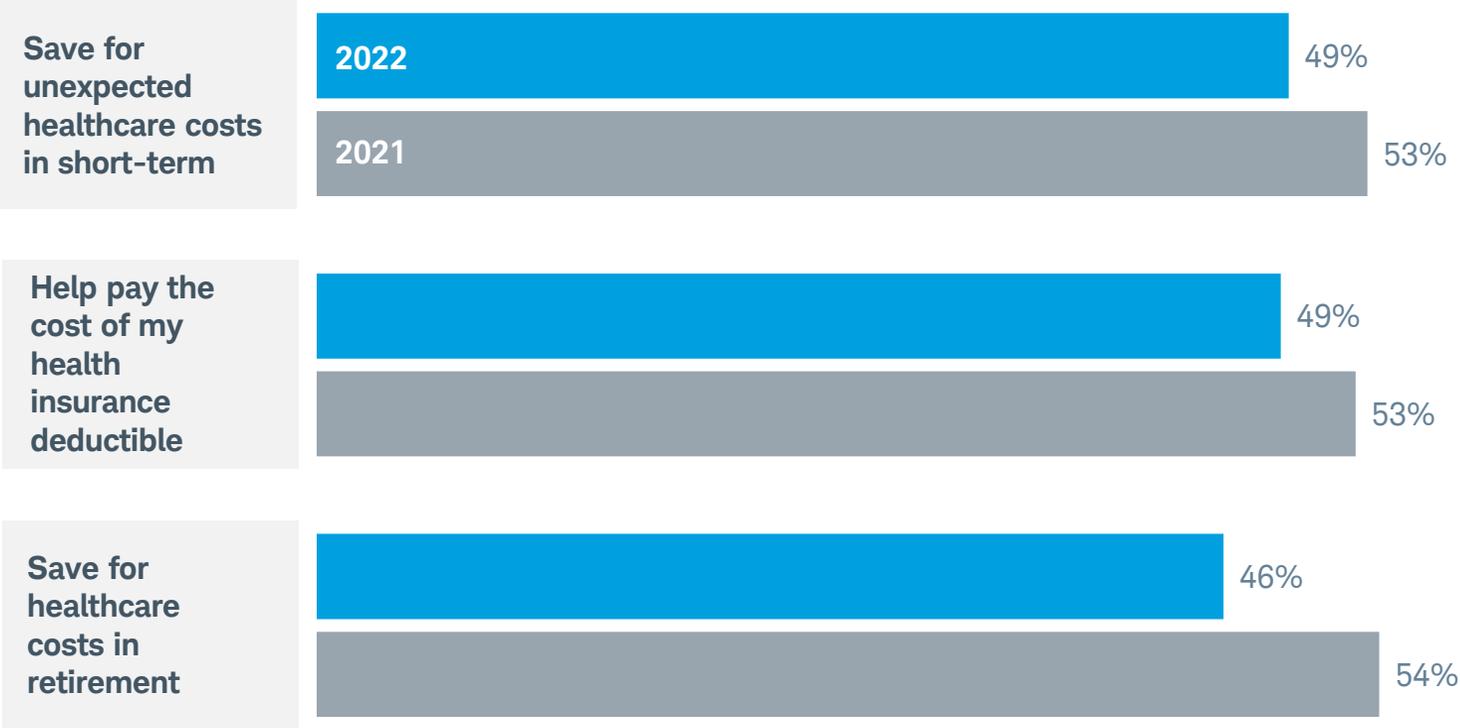
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Health Savings Accounts

Almost eight in ten participants are offered an HSA and about half take advantage of it



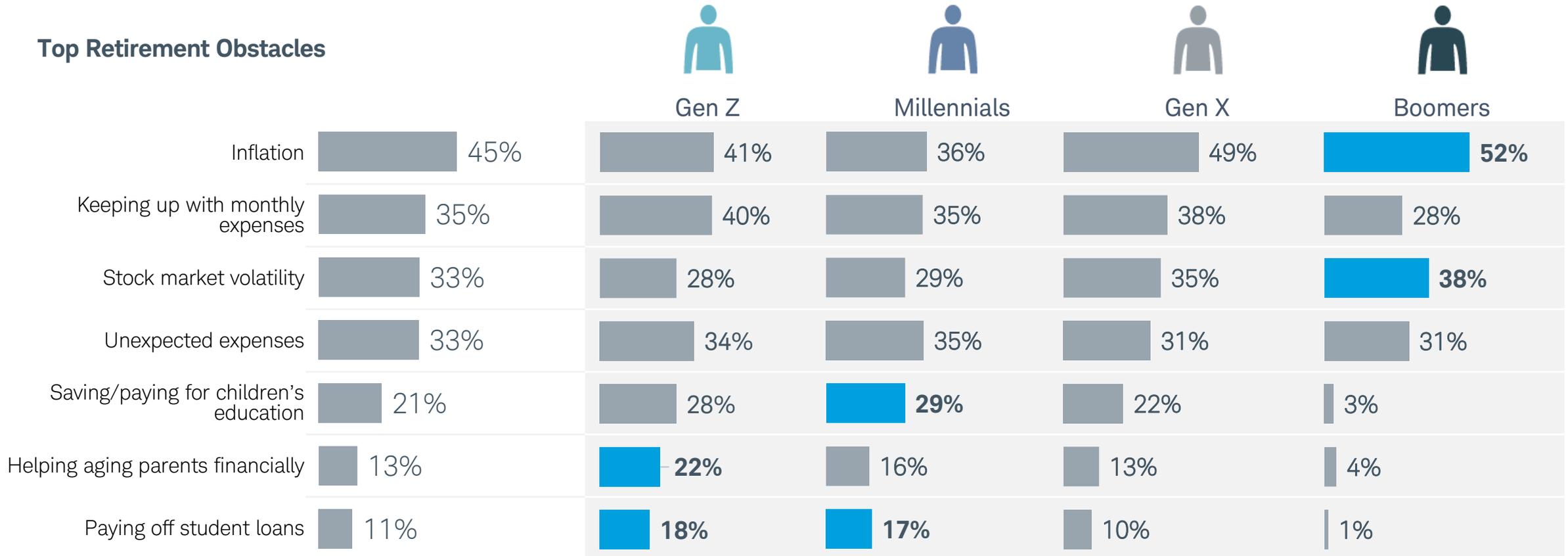
Currently Utilize HSA for...



Which of the benefits listed below are offered by your employer and, if offered, have you used? (Base: Total = 1,000)
 In which of the following ways, if any, do you currently utilize your Health Savings Account (HSA)? (Base: Those who have an HSA 2022 = 483; 2021 = 488)

Obstacles to retirement

Gen Z and Millennial workers are more likely than older workers to cite education costs and supporting family members as obstacles to saving for retirement



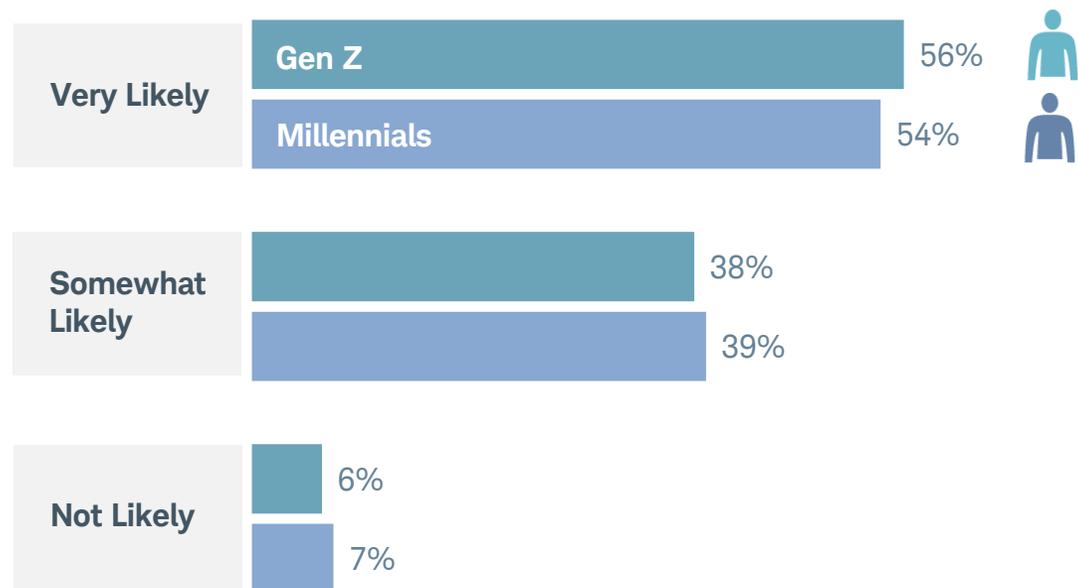
Thinking about your own efforts to save for a comfortable retirement, which of the following are obstacles you face, if any? (Base: Total = 1,000; Gen Z = 156; Millennials = 358; Gen X = 376; Boomers = 210)

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Retirement goals

Most younger workers feel they are very likely to meet their retirement goals

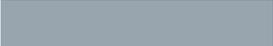
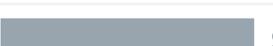
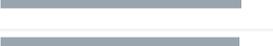
Likelihood to achieve retirement savings goals



How many years do you expect your retirement savings to last? (Base: Gen Z = 156; Millennials = 358)
How likely do you think you are to achieve your retirement savings goals? (Base: Gen Z = 156; Millennials = 358)
How much do you think you need to have saved for retirement? (Base: Gen Z = 156; Millennials = 358)

Open to wellness tools

Younger generations are more open to financial wellness tools, including online tools to help save for retirement, build an emergency savings fund, and manage debt

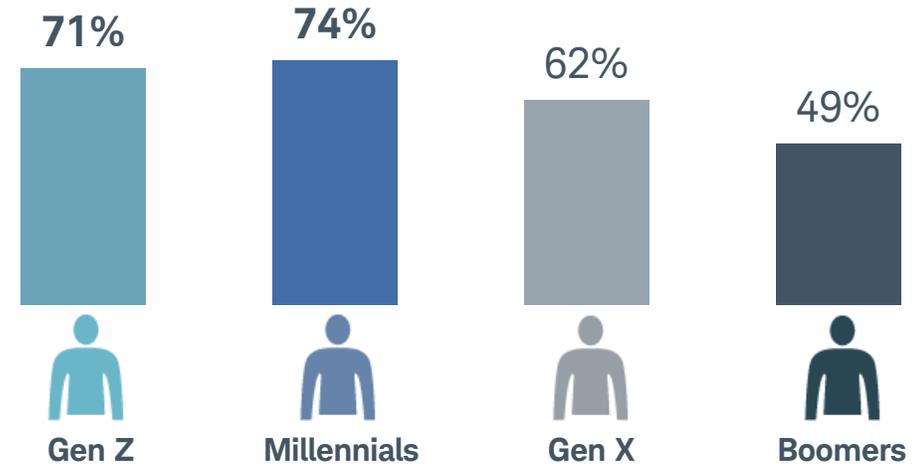
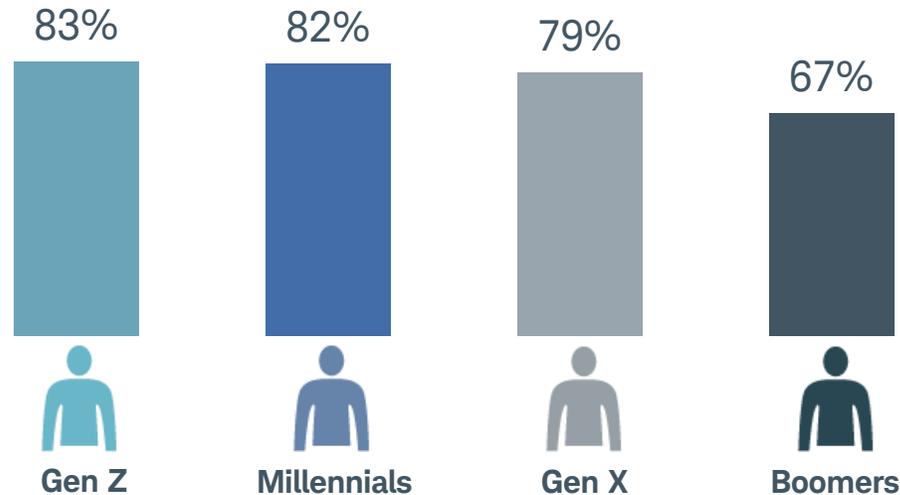
Openness to wellness tools (Very/Somewhat likely)		 Gen Z	 Millennials	 Gen X	 Boomers
Online tools to help me save for retirement	 88%	90%	93%	87%	81%
Online tools to help turn retirement savings into income stream	 86%	90%	90%	87%	76%
Online assessment tool to give overall financial picture/action plan	 85%	87%	89%	86%	74%
Help from a financial professional to develop a financial plan	 82%	88%	90%	80%	70%
Meetings with financial advisor to confirm on track w/ retirement plan	 79%	84%	85%	78%	70%
Webinars about retirement planning	 78%	80%	79%	79%	75%
Online tools to help start and build an emergency savings fund	 77%	85%	86%	78%	60%
Online tools to help with budgeting and debt management	 76%	87%	88%	76%	52%
Webinars about investing strategies	 74%	80%	81%	71%	65%

How likely would you be to use the following financial wellness tools or resources, if offered to you by your employer? (Base: Total = 1,000; Gen Z = 156; Millennials = 358; Gen X = 376; Boomers = 210)

Note: Bold numbers highlight results that are significantly higher than two or three other generations.

More Personalization

Younger participants are more interested in personalized investment advice for their 401(k) and feel it is important for their investments to reflect their values



For each of the statements below, please indicate whether you agree or disagree. (Base: Total = 1,000; Gen Z = 156; Millennials = 358; Gen X = 376; Boomers = 210)

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Following Advice

Fewer Boomers than all other generations say they are 'Very likely' to follow either human or computer-generated advice, but especially the latter



31%

Very likely to follow computer-generated recommendations for financial advice



Gen Z

42%



Millennials

41%



Gen X

31%



Boomers

11%



57%

Very likely to follow human professional recommendations for financial advice



Gen Z

60%



Millennials

62%



Gen X

60%



Boomers

39%

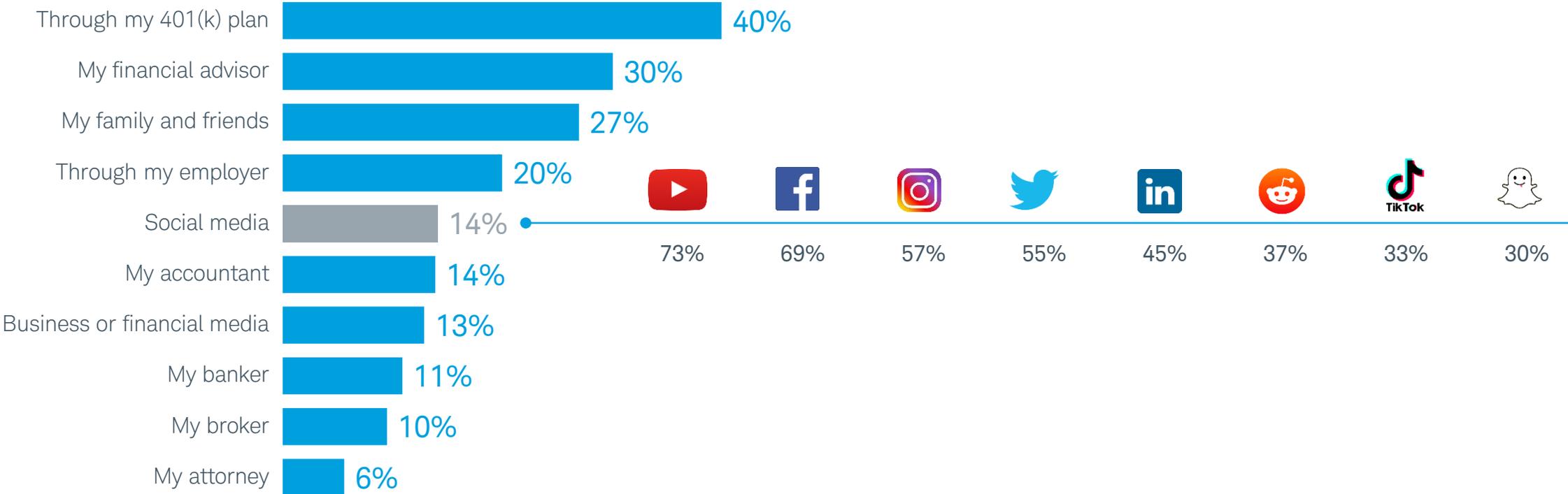
If you received the following types of financial advice, how likely are you to follow it? (Base: Total = 1,000; Gen Z = 156; Millennials = 358; Gen X = 376; Boomers = 210)

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Sources of advice

Plan participants' primary source of advice is through their 401(k), followed by their financial advisor, family and friends, and their employer

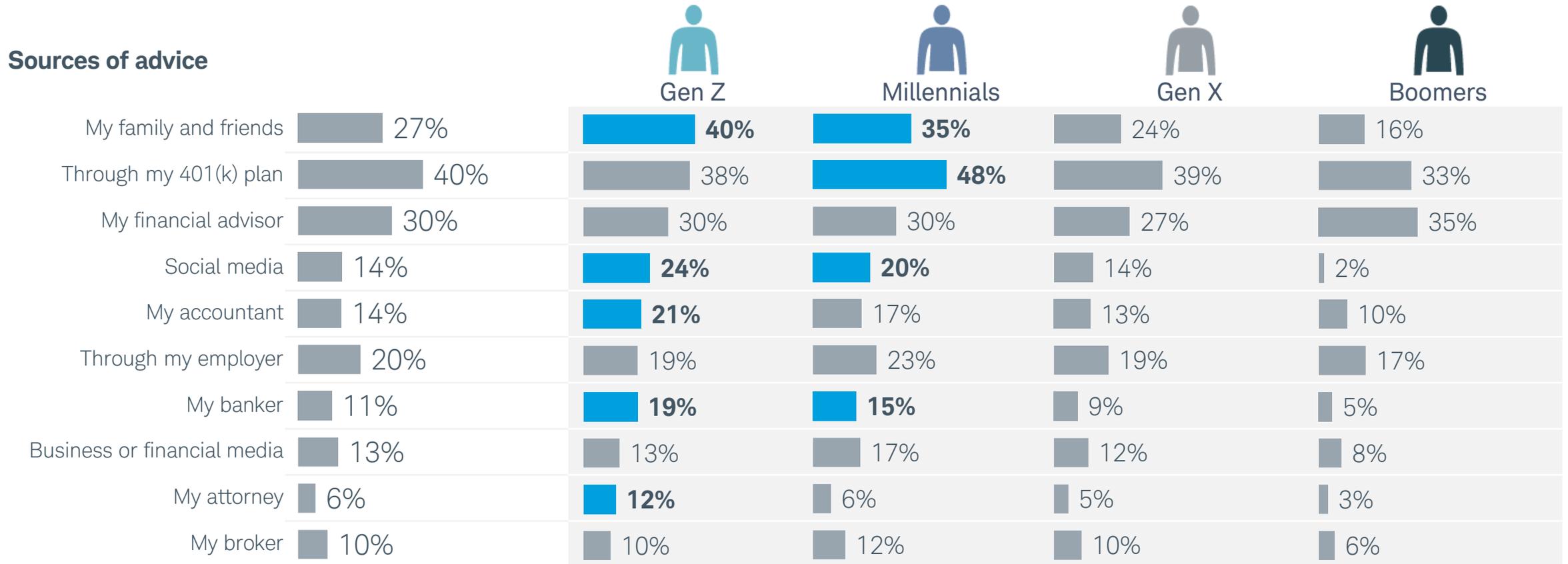
Sources of advice



Which of the following, if any, are you currently using for financial advice? (Base: Total = 1,000)
 You indicated you are using social media for financial advice. Which of the following social media channels do you use to get this type of information? (Base: Use social media for advice = 141)

Sources of advice

More than a third of younger workers seek advice from family and friends, and they are more likely to use social media for financial advice than older generations



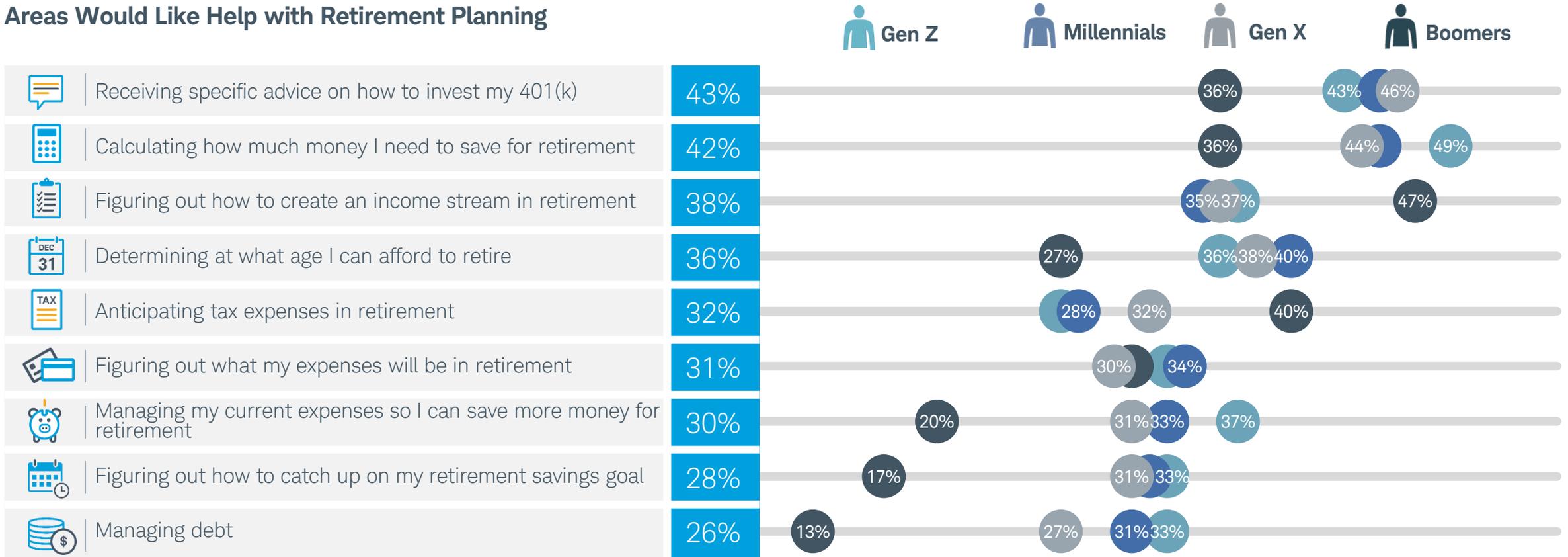
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Where workers need help

Participants are looking for help on how to invest their 401(k) and setting specific savings targets for retirement with differences by generation

Areas Would Like Help with Retirement Planning



If you could get help with retirement planning, what would you like help with? (Base: Total = 1,000; Gen Z = 156; Millennials = 358; Gen X = 376; Boomers = 210)

Methodology

- The 401(k) Participant Study is an online study conducted for Schwab Retirement Plan Services, Inc. (SRPS) by Logica Research.
 - Logica Research is neither affiliated with, nor employed by SRPS.
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- The study was conducted from April 4 through April 19, 2022.
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- 1,000 401(k) plan participants completed the survey.
 - Ages 21-70
 - Work for companies with 25+ employees that have 401(k) plans
 - Currently contribute to their companies' 401(k) plans
 - In order to analyze Gen Z results against other generations, an additional 100 plan participants aged 21 to 25 completed the survey.
 - Survey respondents were not asked to indicate whether they had 401(k) accounts with Schwab Retirement Plan Services, Inc.
 - The typical (median) survey length was 10 minutes.

Disclosures

Schwab Retirement Plan Services, Inc. provides recordkeeping and related services with respect to retirement plans.

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