



TIAA-CREF Investment Options Survey Executive Summary

February 26, 2014

TIAA-CREF Survey: One-Third of Americans Are Not Familiar with Their Retirement Plan Investment Options

Additionally, more than one-third are dissatisfied with the number of investment options offered by their employer's retirement plan

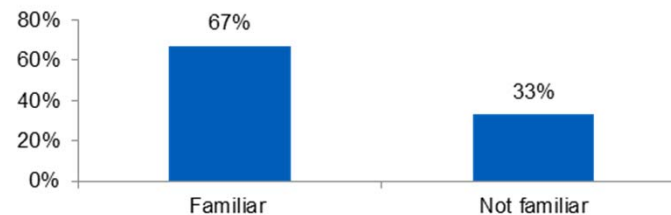
One-third (33 percent) of Americans who participate in a retirement plan say they are not familiar with the investment options in their plan, according to a new TIAA-CREF survey, and another 36 percent feel they do not have the correct number of investment choices in their plan to make the right investment decisions.

The survey also revealed that people are looking to their employers for guidance on investment options and other aspects of their retirement savings strategies, with 81 percent of full- or part-time workers stating they trust the financial information offered by their employer.

The findings come from TIAA-CREF's Investment Options Survey, conducted by an independent research firm between January 3 and 5, 2014. Polling was among a national random sample of 1,017 adults, age 18 years and older.

The following pages outline Americans' beliefs and understanding of their retirement plan investment options and identify opportunities for plan sponsors to design the right plan for their employees to help them achieve retirement security.

How familiar are you with all the investment options in your retirement plan?

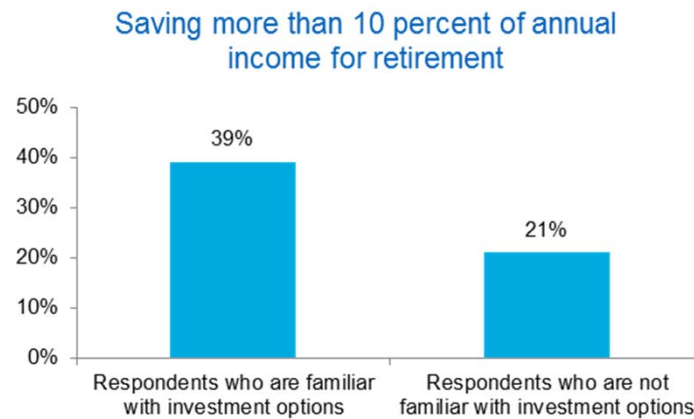


Many Americans Are Not Familiar with Plan Options

One-third of survey respondents who participate in a retirement plan say they are either not that familiar (15 percent) or not familiar at all (18 percent) with the investment options available to them. Only 28 percent were very familiar with their investment options.

The findings also show a pronounced difference between male and female respondents, with 37 percent of women stating they are not familiar with their investment options compared to 29 percent of men. Generational differences also are apparent, with 43 percent of Gen Y respondents stating they are not familiar with their plan options compared to only 24 percent of baby boomers (ages 55 to 64).

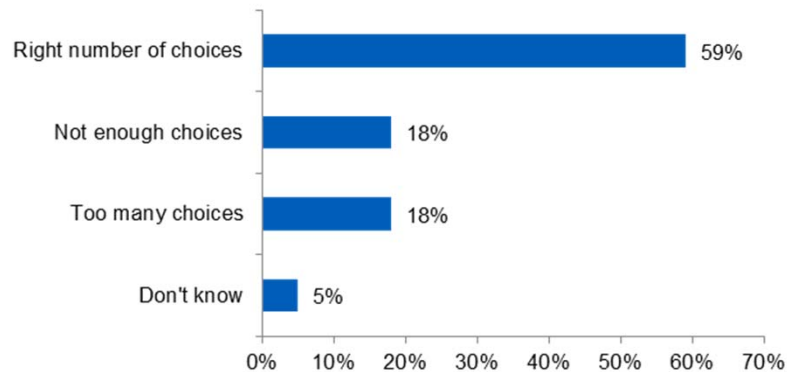
This lack of understanding could harm respondents' retirement readiness. The survey shows that people who are familiar with investment options are almost twice as likely to be saving more than 10 percent of annual income for retirement (39% vs. 21%). Most experts recommend saving at least 10-15 percent of annual income for retirement.



Having the Right Number of Choices

The survey revealed that getting the number of investment choices right is critical. While 59 percent of respondents said that the number of investment choices in their retirement plan is about right and provides the opportunity to make investment decisions that are right for them, more than one-third (36 percent) of respondents disagree. Eighteen percent feel overwhelmed by too many investment choices, while another 18 percent feel they have too few choices and may not be getting the most out of their plan.

How do you feel about your retirement plan investment choices?

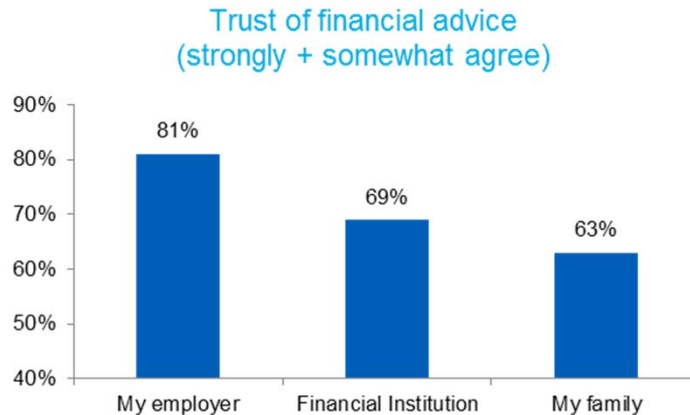


The survey also showed that the number of investment choices in a retirement plan makes a crucial difference in participants' confidence regarding the adequacy of their retirement savings. Those who feel they have the wrong amount of investment choices are far more likely to be concerned about running out of money in retirement.

In fact, 65 percent of people who stated they have too many investment choices are concerned about running out of money in retirement, as are the 55 percent of respondents who stated they don't have enough choices. By contrast, 40 percent of respondents who feel they have the right number of investment choices are "not at all concerned" about running out of money in retirement.

Leading the Way to Better Preparedness

The good news is that plan sponsors are well-positioned to provide employees with communication, education, and advice about their choices. The survey found that 81 percent of respondents trust financial information offered by their employer, a greater percentage than those who trusted financial information offered by a traditional financial institution, such as a bank or retirement plan provider (69 percent), or their own family (63 percent).



Educating Employees About Options

Plan sponsors can provide [education](#) about options such as lifecycle funds, which can help employees who feel overwhelmed by choices, while offering a broad, diversified set of investments to those who want to ensure they are getting the most from their plans.

Lifecycle funds are professionally managed, age-appropriate, diversified mutual funds in which the asset allocation within the fund is automatically adjusted over time to become more conservative as retirement nears, yet provide the equity exposure necessary to portfolios as people live longer. They can relieve employees of the need to make complicated investment, portfolio allocation and rebalancing decisions.

Explore Further

TIAA-CREF has been offering personalized retirement plan financial advice since 2005 at no additional cost to clients of all income brackets and life stages. The company currently offers in-person financial services at more than 65 offices across the country, in addition to phone representatives who are licensed and trained to provide advice. These services provide individuals with a suggested asset class mix and investment recommendations on retirement plan assets, to support their success in reaching their retirement income goals.

For more information on the survey, visit ttaa-cref.org. For more information on TIAA-CREF's Advice and Guidance offerings, visit our [Advice and Guidance Center](#), which includes information tailored for women, Gen Yers and all plan participants.

The survey was conducted by KRC Research by phone among a national random sample of 1,017 adults, age 18 years and older, between January 3-5, 2014. The margin of error for the entire sample is plus or minus 3.1 percentage points.

You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877-518-9161 or log on to www.ttaa-cref.org for product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

Diversification is a technique to help reduce risk. There is no guarantee that diversification will protect against a loss of income.

Please note, the target date for lifecycle funds is the approximate date when investors plan to start withdrawing their money. The principal value of the fund(s) is not guaranteed at any time, including at the target date.

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