



## TIAA-CREF Borrowing Against Your Future Survey Executive Summary

June 18, 2014



Financial Services

# Nearly One-Third of Americans Have Taken Out A Loan From Their Retirement Plan Savings

*43 percent of those who have taken loans have taken two or more*

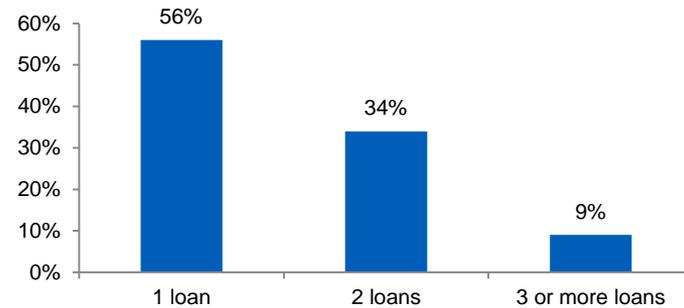
A new study by TIAA-CREF shows that nearly one-third (29 percent) of Americans who participate in a retirement plan say they have taken out a loan from the savings in their plan. Among those who took out a loan, 43 percent have taken out two or more loans.

Forty-four percent of those who have borrowed against their retirement plan savings regret the decision. An additional 23 percent of respondents do not regret taking out the loan but would not do it again in the future.

The findings come from TIAA-CREF's Borrowing Against Your Future Survey, which was conducted among a sample of 1,000 adults who are currently contributing to a retirement plan, conducted by an independent research firm between May 19, 2014 and May 28, 2014.

The following pages outline Americans' attitudes and behaviors related to borrowing from retirement plan savings and the long-term implications of these loans.

How many loans have you taken from retirement plans?\*



*\*Out of the 29 percent of survey respondents who said they have taken out a loan from the savings in their plan.*

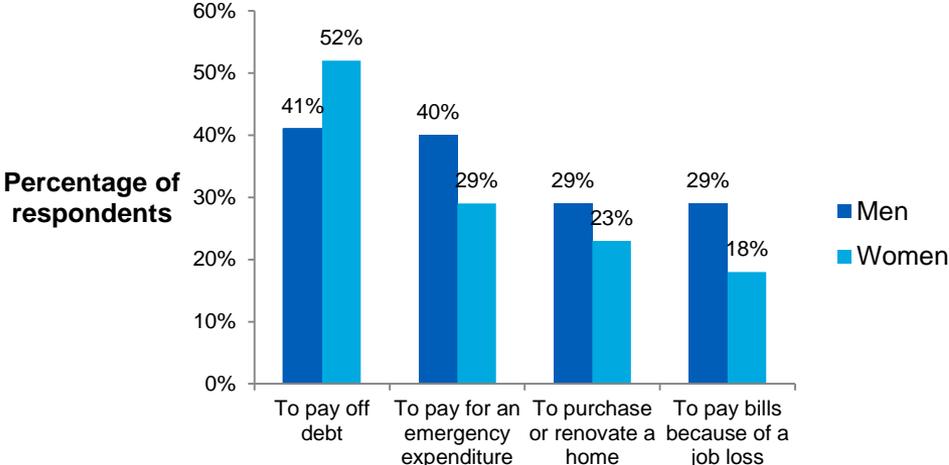
# Borrowing Against the Future

Survey respondents' actions contradicted their beliefs: Paying off debt was the top reason for taking out a loan from retirement plan savings, cited by 46 percent of respondents, yet only 26 percent of respondents said paying off debt was a good reason to take out a loan.

Women were more likely than men (52 percent vs. 41 percent) to take out a loan to pay off debt; however, men were more likely (40 percent vs. 29 percent) to take out a loan to pay for an emergency expenditure — the No. 2 reason overall for taking a loan (35 percent).

Respondents making less than \$35,000 a year were far more likely to cite paying bills in the event of job loss or an emergency (56 percent) and paying off debt (36 percent) as good reasons to take out a loan.

Why did you take a loan from the savings in your retirement plan?

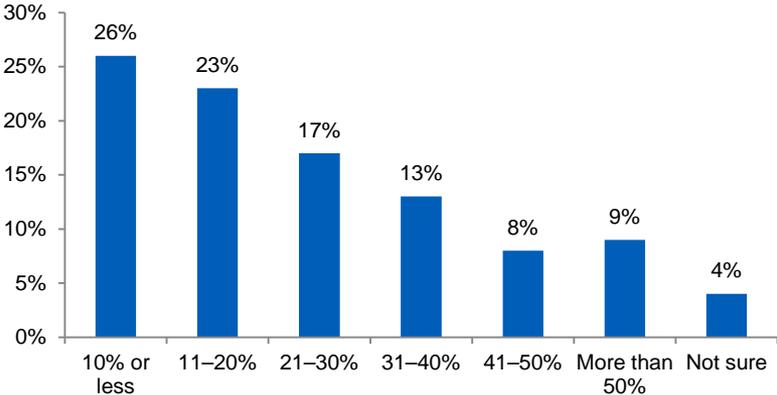


# Borrowing Against the Future

Nearly half (47 percent) of those who have taken out a loan from their retirement plan savings borrowed more than 20 percent of their savings, with 9 percent of respondents borrowing more than 50 percent.

In addition to borrowing funds from retirement savings plans, many Americans are also contributing less to their plans while they are paying back the loan. More than half of respondents (57 percent) who took out loans decreased their contribution rate during the payback period. Those age 18-34 were the most likely to decrease their contribution amount (81 percent). Forty-eight percent of women kept the same contribution rate while paying back the loan, compared to only 39 percent of men.

How much of your savings did you borrow?



# TIAA-CREF Offers a Variety of Retirement Solutions

TIAA-CREF has prepared an article for plan sponsors, "[Are your employees borrowing from their futures?](#)" that goes into more detail on how plan sponsors can encourage employees to safeguard their retirement savings.

Resources for individuals can also be found in the TIAA-CREF [Advice and Guidance Center](#).

*The findings come from TIAA-CREF's Borrowing Against Your Future Survey, which was conducted among a sample of 1,000 adults who are currently contributing to a retirement plan, conducted by an independent research firm between May 19, 2014 and May 28, 2014.*

*The survey was conducted by KRC Research online among a sample of 1,000 employed adults, age 18 years and older, currently contributing to an employer-sponsored retirement plan. Data was weighted by key demographic variables to ensure the sample is representative of the employed population contributing to defined-contribution plans.*

*Respondents for this survey were selected from among those who have volunteered to participate in online surveys and polls. Because the sample is based on those who initially self-selected for participation, no estimates of sampling error can be calculated. All sample surveys and polls may be subject to multiple sources of error, including, but not limited to, sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options.*

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