



Engaging employees across generations to build retirement confidence

Today’s workforce crosses generations like never before. Millennials, Generation X, and baby boomers¹ are working side by side, and each group is looking to your retirement plan as their primary source of income in retirement. But how and when they engage, save and invest can vary. A one-size-fits-all program is not going to work anymore.

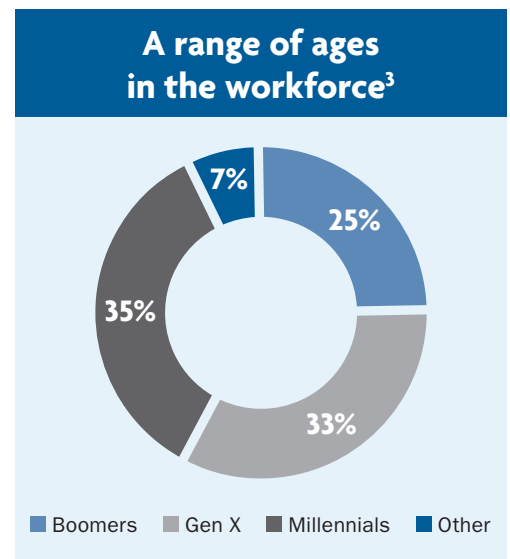
Build your plan around what all employees want: confidence in their personal financial future

Each generation has its own path toward financial stability in retirement. They also have different challenges. It’s increasingly important for plan sponsors to speak to employees in a way that:

- Feels personalized and relevant to them.
- Helps them understand how to save in a way that balances short-term needs with long-term goals.
- Builds confidence in their retirement no matter what age they are.

Interestingly, all three most often characterize retirement as “freedom,” “enjoyment,” and “stress-free.”² And, although millennials, Gen Xers, and boomers prioritize it differently, having dependable income in retirement that lasts a lifetime is important to everyone.

Consider how you can shape a benefits and engagement strategy that leverages generational similarities while acknowledging their differences. Engaging different groups of employees with the information that’s most important to them can help build employee confidence—and, by extension, improve your workforce management strategy.



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	Where they are	What they need
Millennials	Many millennials recognize that they will have a much harder time achieving financial security in retirement compared to their parents. More than half expect their retirement income to come from their retirement accounts (e.g., employer-sponsored plans). ⁴	Millennials want to know that they have the tools to create a dependable savings and income plan. They started saving at an earlier age than Gen X, and tend to save at higher rates than previous generations—even while saddled with unprecedented debt. ⁵ They don't necessarily trust that Social Security will be there for them. ⁶ The good news is that millennials are getting an early, strong start at saving. But they could use more context to better understand the trade off between what spending today and saving today could mean in retirement.
Generation X	Many Gen Xers find themselves caring for elderly parents while saving for exponentially increasing college costs—all while needing to fund their own retirement. Many also face competition from younger employees to make a valuable contribution to the organization.	Generation X is looking for help balancing saving for retirement, child care, elder care, and more. They were the first generation to have access to 401(k) plans for the majority of their working careers. In fact, more than three-quarters of Gen Xers are saving for retirement in an employer-sponsored plan. ⁷ But even with high plan participation rates, many should be saving more. They could use more education and personalized advice to help tackle their challenges.
Baby boomers	Baby boomers are making their own way to retirement. Some want a phased retirement, some are entering the gig economy, and others plan to work as long as they can. Most boomers feel they don't have much time to financially recover from the economic stagnation and market volatility in the first decade of the 21st century.	Boomers are looking for guidance and tools to rally towards—and live comfortably in—retirement. With nearly 8 in 10 boomers saving for retirement in an employer-sponsored plan, ⁸ consider how you can boost the communication and education services in your plan.

Saving for retirement is one thing. Preparing a retirement income plan is something else.⁹

- 55% of workers have not calculated how much money they will need to save by the time they retire.
- 49% of workers have not calculated how much monthly income they'll need in retirement.

Taking the next step: what you can do

There are several ways you can enhance your retirement program to meet employees where they are. Here are some to consider.

Offer flexible benefits to help employees across generations meet their individual needs.

Examples include: student loan assistance, retiree healthcare savings, commuter benefits, flex time, telecommuting, part-time options, employee assistance programs, 529 plans—and of course health insurance and retirement savings plans.

Optimize retirement plan design.

Make your retirement plan easy for employees to use. Consider automatic enrollment to get employees started, and automatic deferral increases to help keep saving. Optimize your matching contributions: Instead of matching 100% of compensation up to 6% of salary, consider 50% of compensation up to 12% of salary. This maintains your matching contribution budget, but will encourage employees to save more to receive the full match. Offer options that provide employees the opportunity for lifetime income, such as fixed or variable annuities, or a default option that includes a lifetime income component.

Effectively communicate benefits through social media and gaming.

Leverage technology to make employee engagement and action easy. Communicate your benefits in a way that reaches the right people with the right messages at the right time. Make it fun: Work with your retirement plan provider to set up educational games that drive knowledge and awareness.

Provide access to personalized advice.

Ensure your employees have access to personalized advice so they start strong, stay on track, and are comfortable retiring when they are ready. This can help employees better plan their transition to retirement—including how to convert retirement savings to income that lasts a lifetime.

Think outside the retirement box.

Consider multigenerational cross-mentoring programs so generations can learn from each other and transfer knowledge. Consider phased retirement or consultant-style relationships with retirees to help employees transition to retirement and ensure your organization doesn't suffer from a sudden knowledge and experience gap.



Advice can be a powerful tool

72% of millennials

68% of Generation X

55% of boomers

say they would feel more confident if they had advice through the retirement plan.¹⁰

Learn more about how TIAA can help you design and manage retirement plans and related benefits plans for a multigenerational workforce. Visit TIAA.org/plansponsors today.

Help drive better outcomes for your employees and your organization

It's important to help employees understand that, no matter what life stage they are in, contributing even a little to their retirement savings can take advantage of compounding over time. Employees can feel more confident knowing they have a path to follow toward dependable retirement income for life.

Ultimately, a solid retirement plan, that promotes the confidence of having income that never runs out, can help your organization achieve broader goals around employee productivity, better workforce management, and drive a more positive employee culture.



¹ Age categorization from Pew Research Center: Millennials born 1981-1996; Generation X born 1965-1980; baby boomers born 1946-1964.

^{2, 4, 6, 7, 8, 10} Transamerica Center for Retirement Studies, "19th Annual Transamerica Retirement Survey: What is 'Retirement'? Three Generations Prepare for Older Age," April 2019

³ Pew Research Center, "Millennials are the largest generation in the U.S. labor force," April 2018.

⁵ Alliance for Lifetime Income, "The Generational Divide in Retirement Readiness," March 2019.

⁹ 2019 TIAA Lifetime Income Survey.

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