

Addressing the needs of the millennial workforce

Plan sponsors are tasked with finding solutions for a diverse, multi-generational workforce that help employees get on the path toward income for life in retirement.

Employees have a common desire to optimize their current finances while establishing a plan to never run out of income in retirement. However, the needs between each generation vary.

Let's look at those born between 1981-1996¹

Meet James:

56M 1 of 56 million millennials currently working or looking for work across the country¹

He has student loans to repay, but he's optimistic about his career and has a lot of passion

While he's **participating in his workplace retirement plan**, he isn't sure how much to contribute vs. how much money to keep on hand for today's expenses



Things that are top-of-mind for millennials like James:

Getting ahead on his student loan payments so he can put a stronger focus on saving for the future.

69% In 2018, 69% of college students who took out loans graduated on average with **\$29,800** in debt²

Achieving work/life balance, fitting in to workplace culture, growing in his role, and a flexible, tech-forward work environment

75% Millennials will make up 75% of the workforce by 2025, suggesting employers should rethink how they meet the work/life balance needs of this generation³

Figuring out how he can save more money and protect his investments.

37% of millennials report not saving for retirement on a monthly basis⁴

Having access to relevant financial education programs, content, and guidance.

11% Just 11% of millennials demonstrate a relatively high level of financial literacy⁵

James' current and future financial needs include:

- › Affording basic necessities—housing, food, healthcare, emergency fund
- › Getting ahead on student loan payments
- › Managing credit card debt
- › Contributing to his company's retirement plan to get on the path toward monthly income for life in retirement

Millennials are similar to Gen Xers and baby boomers in that they are looking to save enough money to get themselves on the path toward income for life in retirement. However, many millennials do not fully understand how to **balance short-term financial priorities with building their foundation for retirement.**

How plan sponsors can help millennials build their path toward retirement

- Provide flexible benefits**, such as student loan/debt reduction assistance, flex time, telecommuting, overall wellness programs—and of course health insurance and a flexible design for their retirement savings.
- Make it easy for millennials to participate in your retirement plan** by providing automatic enrollment and deferral increases. Consider re-enrollment for those who opt out.
- Optimize matching contributions** to encourage and incentivize employees to achieve greater savings.
- Encourage millennials to plan for retirement by contributing to fixed and variable annuities early.** They're early on in their paths toward retirement, so both may make sense for planning ahead to secure income for life in retirement.*
- Offer comprehensive financial literacy programs with personalized advice.** Show millennials the benefits of longer term investment goals, how to balance debt, and build savings.
- Leverage technology.** As digital natives, one of the best way to engage millennials is through technology-based learning platforms and customized, technology-based services.

Your employee base is changing—are your benefits still meeting their diverse needs?

Discover more about this modern workforce

GET STARTED



¹ Millennials are the largest generation in the U.S. labor force. Fry, Richard. Pew Research Center, 2018.
² Look at the shocking student loan debt statistics for 2018. Student loan news, 2018.
³ The evolving definition of work-life balance. Kuhl, Alan. Forbes, 2018.
⁴ Retirement vs. coffee, driving, Netflix & more: Where do millennials put their money? Brown, Missy. Level up, 2018.
⁵ Millennial financial literacy and financial use. Who knows what in the digital era. TIAA Institute, 2018.

* In retirement, your employees can convert savings into a stream of lifetime income payments. Options include choosing between receiving guaranteed fixed income payments or variable income payments that change based on investment returns. This material is for informational or educational purposes only and does not constitute investment advice under ERISA. This material does not take into account any specific objectives or circumstances of any particular investor or suggest any specific course of action. Investment decisions should be made based on the investor's own objectives and circumstances. Annuity account options are available through contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals and offer a variety of income options, including lifetime income. All annuity guarantees are subject to the claims paying ability of the underlying issuer. Payments from the variable annuity accounts are not guaranteed and will rise or fall based on investment performance. If you choose to invest in the variable investment products, your money will also be subject to the risks associated with investing in securities, including loss of principal.

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