

**Executive Summary**

# Insights into Retirement Planning Behavior

December 2016

# Introduction

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In support of its new [Behavioral Finance Institute for Innovation](#), Voya Financial conducted a brief consumer survey to gain insights into how people think and act when it comes to certain retirement plan behaviors and decisions.

Specific questions asked in the survey addressed the themes of “time spent” and “trade-offs” that are made in the decision process. They covered the following topics:

- Do you spend enough time making important decisions regarding your retirement plan?
- Have you reviewed or made adjustments to your retirement plan in the last year?
- After a major life change that impacted your financial future, have you reviewed or adjusted your retirement plan?
- Which activity would you be more likely to avoid the longest due to the amount of thinking it required?
- Would you rather wait in line at the Department of Motor Vehicles (DMV) or research your retirement plan options?

Voya’s survey was conducted by ORC International from October 6 – 9, 2016. A randomly selected sample of 1,004 men and women (18 years old and older) nationwide were interviewed by telephone — half were conducted by landline and the other half by mobile. The margin of error for the sample of 1,004 is +/- 3 percentage points at the 95% confidence level.

## Do you spend enough time on important retirement planning decisions?

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- ▶ ***Spending time to plan for one's financial future is an important part of the retirement planning process, yet most Americans do not take the time to do it.***

Many Americans do not spend enough time planning for their future. Voya's survey asked people how they would characterize the amount of time spent on making important decisions related to a retirement plan. Here's what they told us.



## Have you reviewed your retirement plan lately?

- ▶ **Americans are prone to taking a “set it and forget it” approach when it comes to their retirement plans.**

Retirement planning is often treated as a “one-time” event. To find out how this activity compares to other items that require attention, Voya’s survey asked respondents whether they had made adjustments to any of the following items in the last year — 1) insurance, such as auto or home, 2) retirement plans, such as re-balancing or re-allocating assets in their 401(k), 3) phone, cable, and/or internet service, 4) a will, or 5) social media account profiles, such as updating photos or changing personal information.

- Only one-in-five (**20%**) said they reviewed or made adjustments to their retirement plan in the last year. Interestingly, more than twice as many reviewed or made adjustments to their phone, cable and/or internet service (**43%**) or social media account profiles (**43%**).
- Just over one-third (**36%**) reviewed their personal insurance, such as auto or home. A smaller number (**14%**) reviewed their will, while one-quarter (**25%**) have not made changes to any of the above.
- During the past year, millennials were nearly four times as likely (**63%**) to update their social media profiles than they were to review or make adjustments to a retirement plan (**17%**). A much smaller number (**11%**) did not have a retirement plan.
- With regards to gender, slightly more men (**22%**) have reviewed or revised their retirement plans within the past year compared to women (**18%**).



## Have you adjusted or reviewed your retirement plan after a major life event?

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- ▶ **Major life events can have a huge impact on your finances. Surprisingly, half of Americans did not take the time to adjust their financial future when such a significant event occurred.**

Getting married, divorced, having a baby, changing or losing a job — these are all major events that can impact your life and, ultimately, affect the decisions you make with your personal finances. Voya's survey asked individuals who experienced such an event, whether they also revisited or reviewed their retirement plan at any of those times. The survey found the following:

- Over half (**53%**) did not review their retirement plan after experiencing a major life event that impacted their finances.
- More than one-third (**35%**) did revisit or review their retirement plan after a major life event.
- A smaller group (**7%**) did not have a retirement plan, while (**4%**) had not yet experienced an event that impacted their finances.

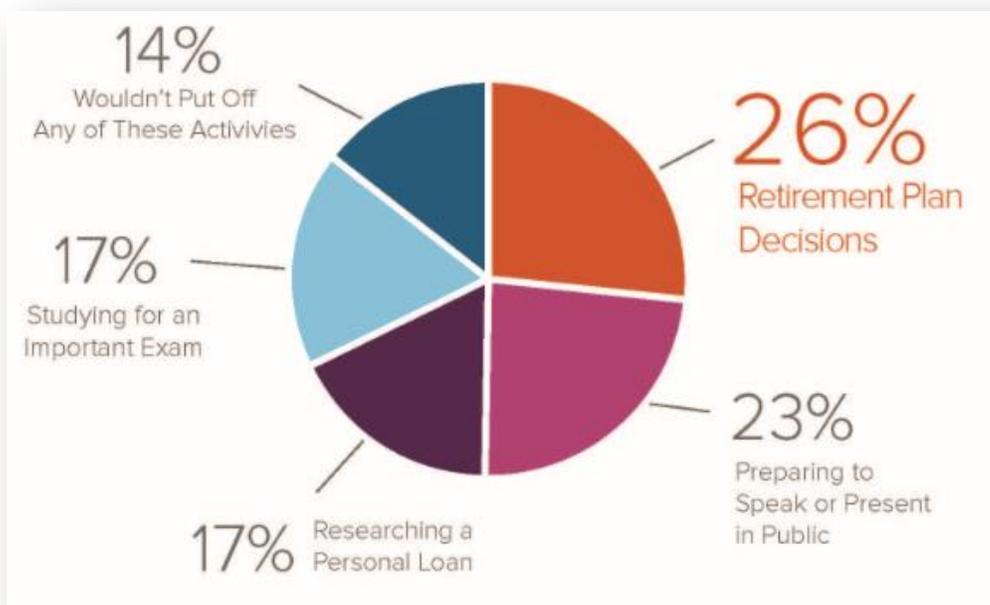


# What activity would you put off the longest due to the amount of thinking required?

► **Procrastination is a common theme when it comes to taking time to plan for retirement.**

Voya's survey asked individuals to identify which one of the following activities they would put off the longest due to the amount of thinking it required — 1) studying for an important exam, 2) preparing to speak or present in public, 3) making retirement plan decisions, such as investment choices, how much to save or reviewing performance, or 4) researching a personal loan for a home, car or other major purchase. While public speaking is an unpleasant experience for many people, the survey found that a greater number would rather put off their retirement plan decisions.

- More than one quarter (**26%**) admitted they would procrastinate longer when faced with a retirement plan decision than they would studying for an important exam, researching a personal loan or preparing to speak in public.
- Just under a quarter (**23%**) said they would be more inclined to put off preparing to speak or present in public.
- Fewer (**17%**) would put off researching a personal loan or studying for an important exam (**17%**).
- A much smaller group (**14%**) would not put off any of these activities.
- Interestingly, nearly as many Boomers (**26%**) as millennials (**30%**) said they would put off making retirement decisions longer than they would other activities.



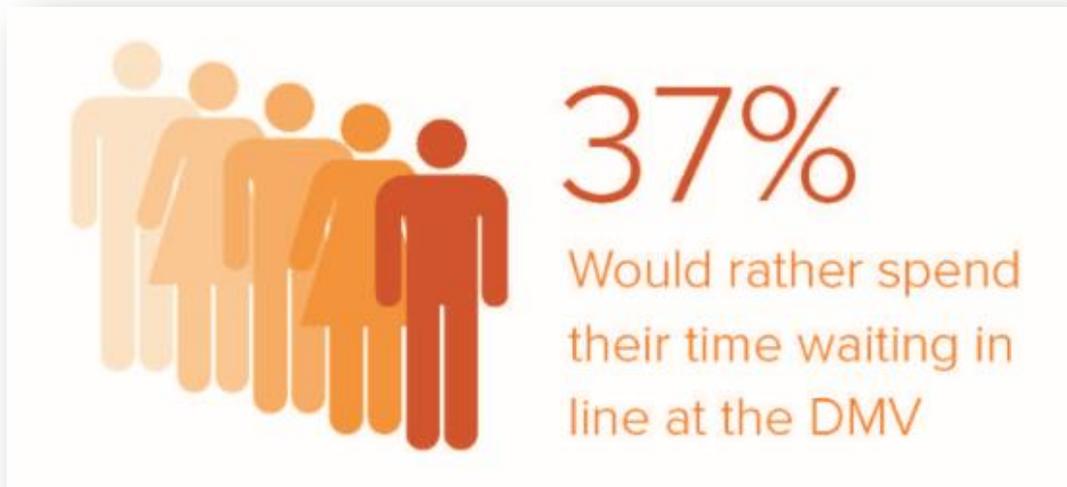
## Would you rather wait in line at the DMV or review your retirement plan?

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- ▶ *One might expect that many individuals would be inclined to put off planning for their financial future. Yet, it was surprising to learn just how far some people would go to avoid the experience — more than one-third admitted they would rather wait in line at the DMV than review their plans.*

Voya's survey asked individuals to identify which one of the following two activities they would rather do — wait in line at the Department of Motor Vehicles (DMV), or research their retirement plans, including their future assets and fund allocations or performance.

- While over half (**57%**) would rather research their retirement plan, review retirement assets and fund allocations, or review their plan performance, a surprising number — more than one-third (**37%**) — would rather spend their time waiting in line at the DMV than researching or reviewing their plan options.
- When it comes to a generational gap, a higher percentage (**43%**) of Gen X Americans would rather wait in line at the DMV than research or review their retirement plans compared to more than one third (**34%**) of millennials and Baby Boomers (**35%**).



## About Voya

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At Voya, our vision is to be America's Retirement Company™. The results of this latest consumer survey help us to better understand how to improve retirement saving, planning and investing outcomes, so our customers can get ready to retire better.

As a leading provider of retirement products and services in the U.S., Voya offers retirement customers a suite of accessible, compelling and easy-to-use educational resources for retirement readiness planning — from field and phone-based financial professionals, to a number of innovative digital capabilities, including Voya's [myOrangeMoney®](#) online interactive experience and an [online budget](#) tool. These resources are available to help individuals with a broad range of activities, such as understanding retirement income needs, to budgeting and helping protect one's financial security.

Through its research activities, Voya Financial aims to gain insights that can lead to large scale solutions to help improve retirement outcomes. In support of these efforts, Voya launched the Behavioral Finance Institute for Innovation, a research initiative focused on gaining deeper insights into the behaviors and decisions of Americans regarding their financial and retirement planning activities. The Institute's work will be differentiated by its ability to merge behavioral science with the speed and scale of the digital world. For more information on Voya's Behavioral Finance Institute for Innovation, please visit [Voya.com/behavioralfinance](http://Voya.com/behavioralfinance).

### About Voya Financial®

Voya Financial, Inc. (NYSE: VOYA), helps Americans plan, invest and protect their savings — to get ready to retire better. Serving the financial needs of approximately 13 million individual and institutional customers in the United States, Voya is a *Fortune 500* company that had \$11 billion in revenue in 2015. The company had \$480 billion in total assets under management and administration as of September 30, 2016. With a clear mission to make a secure financial future possible — one person, one family, one institution at a time — Voya's vision is to be America's Retirement Company™. The company is equally committed to conducting business in a way that is socially, environmentally, economically and ethically responsible — Voya has been recognized as one of the 2016 World's Most Ethical Companies® by the Ethisphere Institute, and as one of the Top Green Companies in the U.S., by *Newsweek* magazine. For more information, visit [voya.com](http://voya.com). Follow Voya Financial on [Facebook](#) and Twitter [@Voya](#).

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