

2017 Workplace Benefits Report
Supplement:

A closer look at Millennials



Millennials have become the largest segment of the U.S. workforce. In fact, today, more than one-in-three American workers is a Millennial.¹ For this reason, the Millennial generation is often singled out to examine how their needs and wants differ from those of others.

As part of our *2017 Workplace Benefits Report*, a nationwide study of the financial attitudes and behaviors of employees, Bank of America Merrill Lynch looked specifically at the responses of Millennials to help educate employers about this generation.

Broadly, Millennials are positive about the future with 70% optimistic about their financial prospects.² However, this optimism is tempered with concerns about their ability to meet all of their financial goals. Millennials' sense of realism about their situation leads to a generation of employees who are more engaged with their finances, demonstrated by the fact that Millennials spend more work hours per week on financial issues than any other generation.

Our research shows that Millennials want help that goes beyond retirement topics and empowers them to more effectively manage their finances today, while still saving for the future. They also tend to be more engaged and participate at higher levels in employer-sponsored savings plans and want to get help with financial matters in the workplace. Employers who embrace their role in supporting their employees' financial wellness may be better positioned to build more loyal and productive workforces.

The data in this supplement can help educate employers about how Millennials are approaching their finances and offers actionable ideas that can help address the needs of Millennial employees.

Though optimistic, Millennials are also realistic about their situation²

57% express significant doubts about the economy

43% express similar doubts about the job market

59% report being worried about finding a career path that will support the lifestyle they've envisioned for themselves

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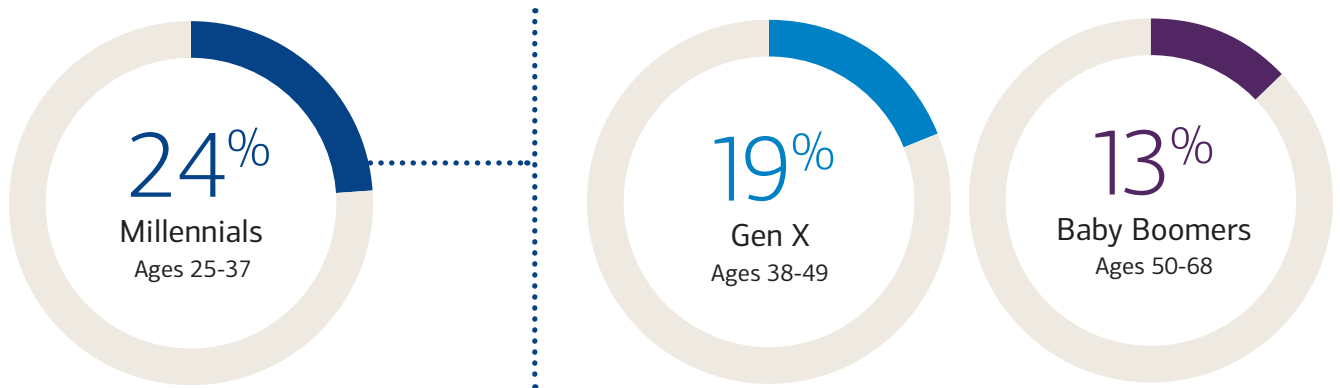
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Millennials expect to fund their own retirement³

While young, this generation is thinking about retirement, among other things. Millennials expect that 65% of their retirement income will come from personal sources, compared to 55% for Generation Xers and 40% for Baby Boomers.



Millennials also expect that 24% of their retirement income will come from continued work, compared to 19% for Generation Xers and 13% for Baby Boomers.



Millennials know they need to take control of their finances to fund their own retirement, but they also feel like they are lacking the skills to do so effectively.

Millennials feel that high school and college fell short in providing them adequate financial education²



4 in 10

Millennials who attended college disagree that it prepared them for the real world

In school, they wish they had learned more about how to:

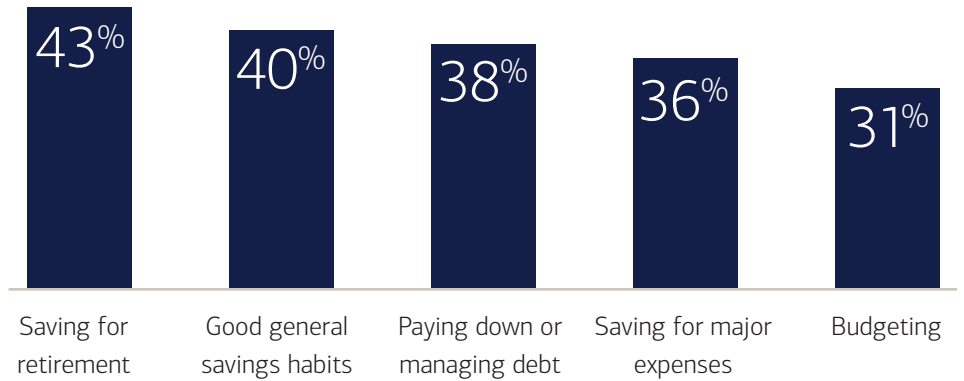


Lack of confidence affects their behavior in the workplace⁴

Millennials are looking for help across financial wellness topics, including saving for retirement, good general savings habits and even budgeting.



Among Millennials, significant numbers say they need help managing:



And Millennials' focus on engaging with their finances means they are doing so during working hours. In fact, on average, they are spending 4 hours a week on personal financial matters at work—and 60% of them are spending more than 3 hours a week.

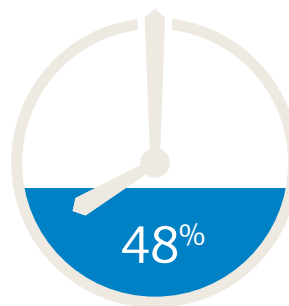
3+ hours

a week at work on personal financial matters

With Millennials spending an average of 4 hours a week



Millennials
Ages 18-34



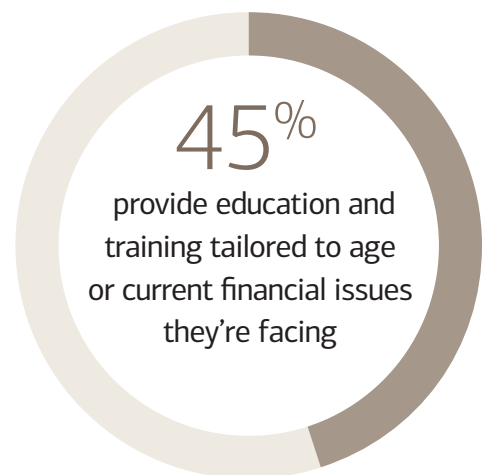
Gen X
Ages 35-50



Baby Boomers
Ages 51-69

Millennials are looking to employers to provide help⁴

40% of employees want their employer to provide access to a financial professional to help them manage their financial matters. Millennials are even more open to getting help in the workplace. They want their employers to:

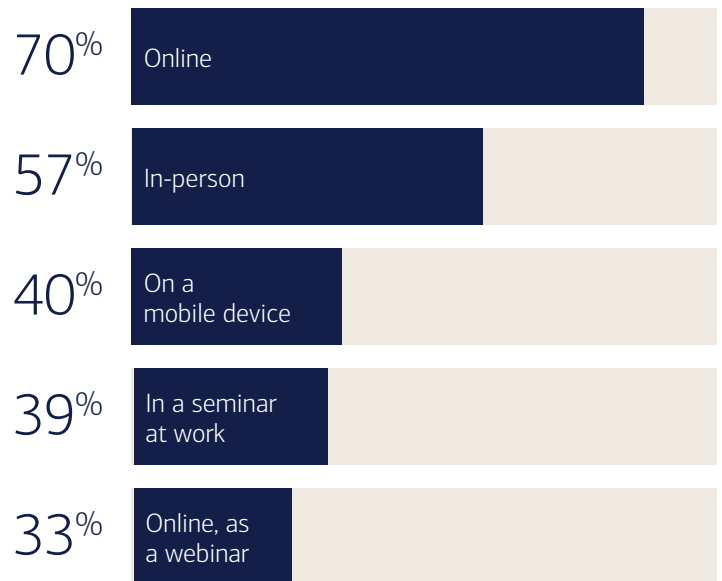


Advice needs to come in a variety of ways⁵

When asked what they would like their employer to provide, Millennials responded:



And they want to help across channels:



Action steps for employers

Taking time to understand how Millennials approach their finances and their work life can help employers better serve this group of employees. It starts with understanding what topics they want help with and then creating a strategy to provide financial support on these topics in a way that they can relate. Employers who want to create deeper connections with Millennial employees may want to consider:



Providing expanded financial wellness education that goes beyond just saving for retirement and provides support for a range of financial needs—including budgeting, and debt and student loan management. Employers can go further by adding education around using health savings accounts to save for future healthcare expenses.



Actively promoting financial tools and services offered to employees to make sure every employee, not just Millennials, understand the full breadth of the benefits that they have access to. And encourage employees to take advantage of these benefits by offering access and time during working hours to help establish a culture of financial wellness in the workplace.



Focusing on how plan design can enhance employee engagement by asking what services employees value and making sure you offer more than self-guided tools, but a range of resources that includes in-person meetings, seminars, webinars, and even mobile enabled tools.

Whereas 42% of Millennials nationwide have not yet started saving for retirement,³ in Bank of America Merrill Lynch plans, 82% of Millennials are contributing—a level of engagement we attribute to plan design and the fact that we offer broad financial education and access to financial professionals to those employees who want personalized help.⁶

Asking Millennial employees directly about what topics they want help with and their expectations about the role of the employer can be a powerful tool. This type of engagement as part of a well-rounded financial wellness program demonstrates a level of commitment by the employer to support employees in pursuing their best financial lives.

Learn more

At Bank of America Merrill Lynch, our mission is to work with employers to help employees live their best financial lives. For more information about how we can help, call us at 877.902.8730. You can also visit us online at benefitplans.baml.com

About the Workplace Benefits Report

Boston Research Technologies conducted an online survey with a national sample of 1,242 employees who responded between September 22 and October 7, 2016, on behalf of Bank of America Merrill Lynch. To qualify for the survey, employees had to be current participants in a 401(k) plan; the plan did not have to be provided by Bank of America Merrill Lynch. Bank of America Merrill Lynch was not identified as the sponsor of the study.

Respondent demographics broke down as follows:

Male: 48%

Female: 52%

Millennial (ages 18 – 34): (total number) 355

Generation X (ages 35 – 50): 460

Baby Boomers (ages 51 – 69): 427

This report is designed to provide general information for plan fiduciaries to assist with planning strategies for their retirement plan and is for discussion purposes only. Bank of America is prohibited by law from giving legal or tax advice, and recommends consulting with an independent actuary, attorney and/or tax advisor before making any changes.

¹ Data from Pew Research and the U.S. Census Bureau, 2015. Millennials defined as those ages 18 – 34.

² Bank of America/USA TODAY Better Money Habits Report, October 2016. The Bank of America/USA Today Better Money Habits Millennial Report was conducted online among 1,001 adults during the period of October 9 – October 20, 2014 by GfK Public Affairs and Corporate Communication, using GfK's KnowledgePanel®, a statistically representative sample source used to yield results that are projectable to the American population. To qualify, Millennials had to be 18 to 34 years old. The margin of sampling error is plus or minus 3.5 percentage points at the 95 percent confidence level.

³ Merrill Lynch/Age Wave *New Challenges, New Solutions* Retirement Study, 2016: This research study was conducted in partnership with Age Wave and executed by TNS via online data collection methodology. The survey included 5,424 respondents. Findings in this report are based on the analysis of 3,303 respondents age 25+, representative of the U.S. national population across age, income, gender, and Census region, unless otherwise noted. The generational distribution of the 3,303 is: 785 Silent Generation (age 69-89), 2,153 Boomers (age 50-68), 192 Generation Xers (age 38-49), and 173 Millennials (age 25-37). Where noted, results from an additional sample of 2,121 affluent respondents age 50+ with at least \$250,000 in investable assets (including liquid cash and investments, but excluding real estate) are included. This research was completed in 2014. Qualitative research (seven focus groups) was also conducted among both pre-retirees and retirees prior to the quantitative research.

⁴ 2017 Workplace Benefits Report. Millennials defined as those ages 18 – 34.

⁵ Data from 2016 *Workplace Benefits Report*. Millennials defined as those ages 18 – 34.

⁶ 2017 Plan Wellness Scorecard, Bank of America Merrill Lynch. Millennials defined as those ages 21 – 34.