

# I&R Thought Leadership: Emotions & Life Purpose

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## Executive Summary

November 2017

# Methodology

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- 492 respondents were sourced from an online panel of consumers, and screened to be:
  - Household investment/financial decision-makers aged 25-75
  - In the PNC footprint
  - Not working in advertising, PR, market research/marketing, or financial services
  - With investable assets of \$50,000+ (self-reported, excludes 401k/403b retirement) if under 44 yrs. old; \$100k+ if 44+ yrs. old
  - **Sample sizes (n) by age segment: 25-34=53; 35-44=67; 45-54=66; 55-64=141; 65-75=165.**
- Survey results are balanced in accordance of the US Census population distribution for age and gender within PNC's footprint to ensure representativeness. No weighting was required.
- Data was collected online from 8/15/17 to 8/20/17
- Average survey length was 12 minutes

# Key Findings

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Storylines

Overall, successful savers are fairly confident about their retirement planning. However, their goals evolve as they age.

Evidence of that confidence includes **72%** believing their life goals are achievable

- **Stability and security** are the most important life goals, though the focus moves to non-financial aspects when thinking about retirement goals



56% of those who are currently not retired see “**spending more time with my family**” as a retirement goal, which shifts to only **44%** among those who are already retired

- Having the **desired money** or reaching the **desired age** are impactful triggers for retirement



Only 36% consider “**Travel somewhere**” an overall *life* goal, but when asked in the context of *retirement* goals, that shifts to **72%**

**Travel** is the second highest category for **expected spending in retirement**, behind basic living expenses

## Age plays a variety of roles in determination of life and retirement goals.



One quarter of **respondents between the ages of 25 and 34**, also identified as Millennials in this report, identified **“fear or worry”** as an impediment to pursuing life and retirement goals.

Millennials also expressed more interest in family-related retirement and life goals than almost any other age group, including those mostly comprised of retired individuals.

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Respondents age **35-44 (Gen Xers)** significantly differed from other age groups when it came to **health and wellness-related finances**.

While “Enjoy life (i.e., have fun)” rated as a popular top life goal for every other age group, **“Feel stable and secure”** emerged as **the top aspiration of respondents age 45-54**.

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Though they care about their kids and grandkids, respondents age **65-75 (Older Baby Boomers)** intend to set aside ample time and money for **their own pleasure and enjoyment**. They're not looking to leave all of their money behind.

## Detailed Findings

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# About seven in 10 respondents consider their life goals achievable and themselves confident about living the retirement to which they aspire. Hurdles that stand in the way of life and retirement goals are similar.

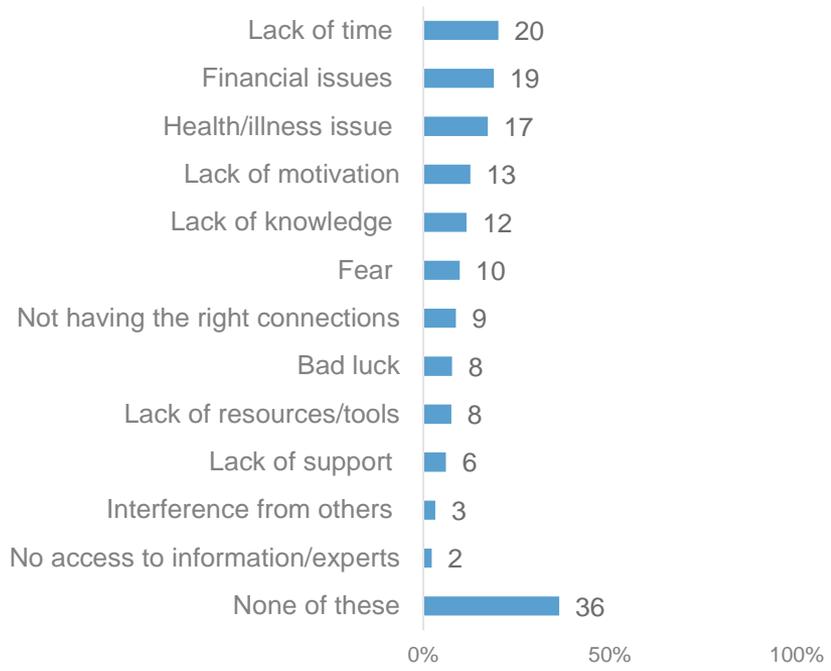
## How Achievable Are Your Life Goals? (Based on your life right now and future planning)



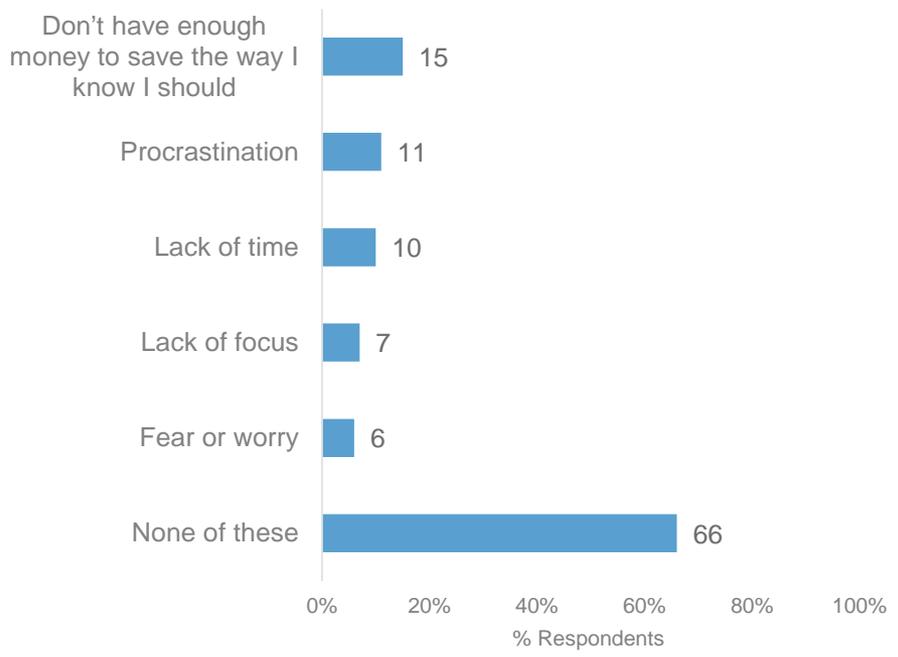
## Confidence in Living the Retirement you Aspire to



### Hurdles to Achieving Life Goals

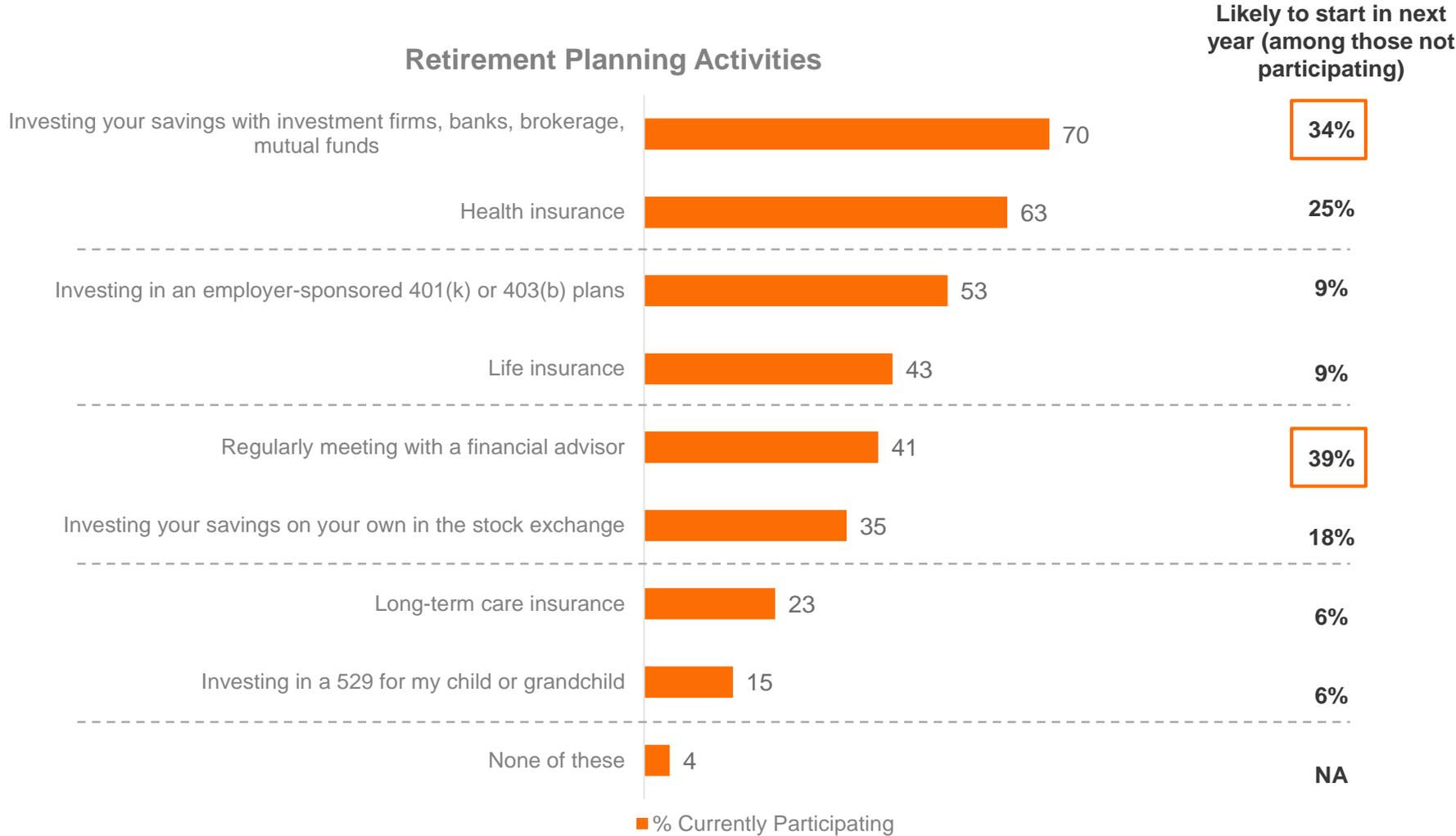


### Hurdles to Setting/Meeting Retirement Savings Goals



Base: All Respondents (n=492) • Q10: Based on where you are in your life right now and how you are planning for the future, how achievable are your goals? Q11: Is there anything in the list below that has already stood in your way or caused a setback as you work to achieve these goals?  
 Base: All respondents (n=492) • Q26: Has any of the following kept you from setting or meeting retirement savings goals? Q27: Overall, how confident are you that you will be living the retirement you aspire to?

# Most are currently investing savings with investment firms and have health insurance to prepare for retirement



Base: All respondents (n=492) • Q29: How much of a role should your bank play in enticing you to save more? Base: Those who are not currently participating in each activity as part of their retirement planning (n-sizes vary per activity) • Q25: You mentioned that you are not currently doing the following as part of your current retirement planning. How likely are you to do the following in the next year?

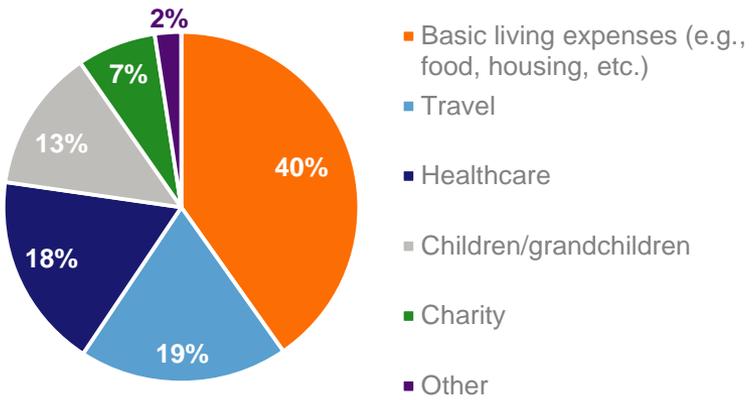
# Two-thirds of respondents have monitored their retirement plan against their goals or worked with advisors to set goals.

<b>Investment Activities</b>	<b>% Have Ever</b>
<b>Regularly monitored your overall retirement plan against your goal</b>	77%
<b>Worked with an advisor to set retirement goals</b>	63%
<b>Asked friends or family their opinion/advice about retirement planning</b>	43%
<b>Advised/coached others on how to set retirement goals</b>	30%
<b>Used a coach, such as a behavioral or personal coach (not fitness related)</b>	7%
<b>Joined an investment club</b>	6%

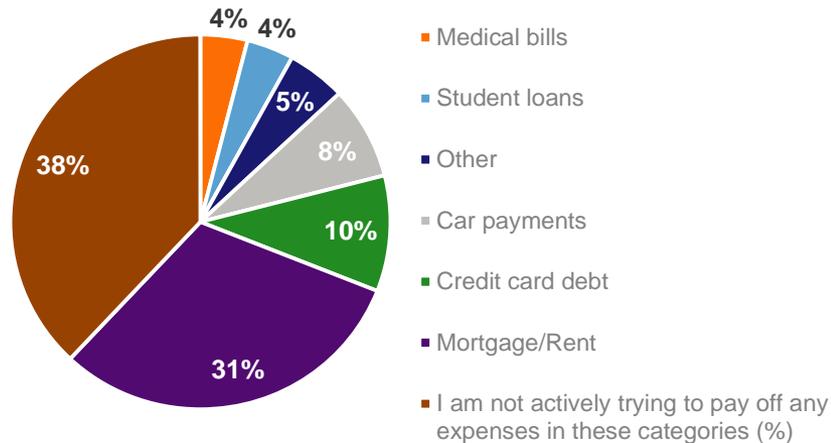
Base: All respondents (n=492) • Q28: Have you ever?

# Almost half (45%) of the non-retired respondents have been saving for retirement for 20 years or more, primarily driven by investors 45 years or older

Expected Spending in Retirement



Expenses Actively Paying Off Before Investing More In Retirement



Length of Saving for Retirement	25-34 years old	35 to 44 years old	45 to 54 years old	55 to 64 years old
Less than 1 year	0%	3%	0%	0%
1 year to less than 5 years	25%	9%	3%	2%
5 years to less than 10 years	47%	12%	5%	4%
10 years to less than 15 years	23%	25%	14%	7%
15 years to less than 20 years	2%	30%	25%	20%
20 years or more	4%	19%	51%	67%
I am not saving for retirement	0%	1%	2%	0%

Base: Those who are not currently retired (n=310) • Q17: How long have you been saving for retirement? Q15: Think about how you might spend your money in retirement. Below are some common categories in which you might spend. Allocate 100 points among them based on how much you plan to spend in each of the categories. Q21: Which of the following expenses, if any, are you actively trying to pay off before investing more in your retirement?

# Age-Based Segmentation

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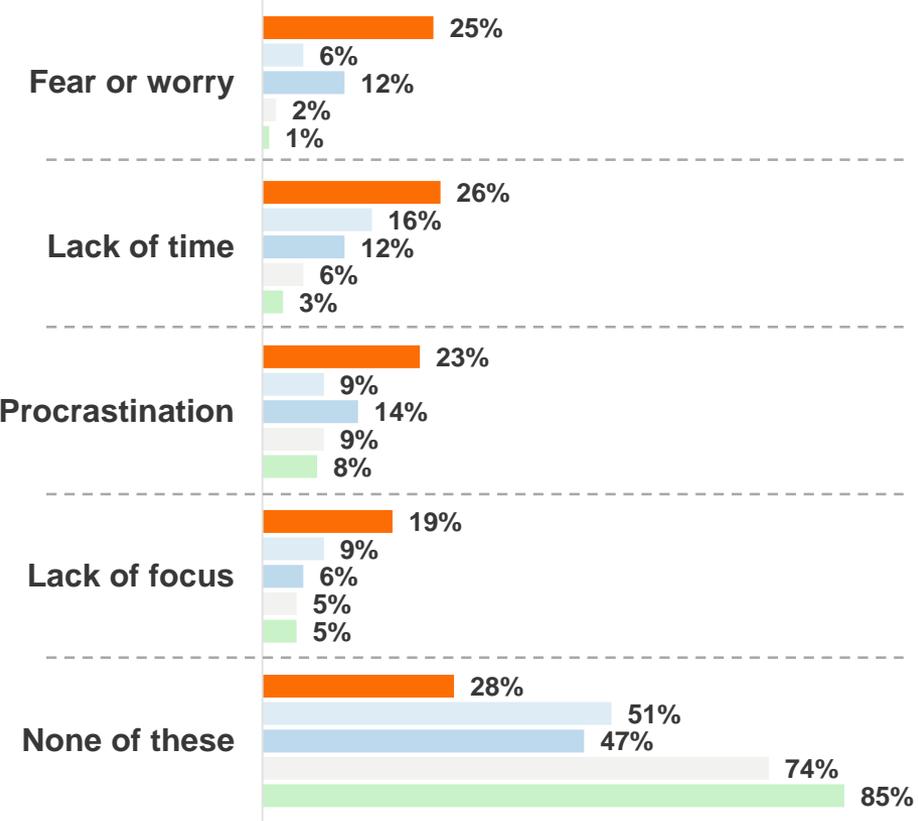
A quarter of respondents in the 25-34 (Millennial) age range worry their lack of financial literacy will doom their efforts to save for retirement and ultimately attain the life goals they hope to achieve.

# Fear a Millennial road block to retirement

**68%** Respondents age 25-34 who consider their life goals "achievable"

Impeding retirement planning/saving

N=53-165



Standing in way of life goals

N=53-165



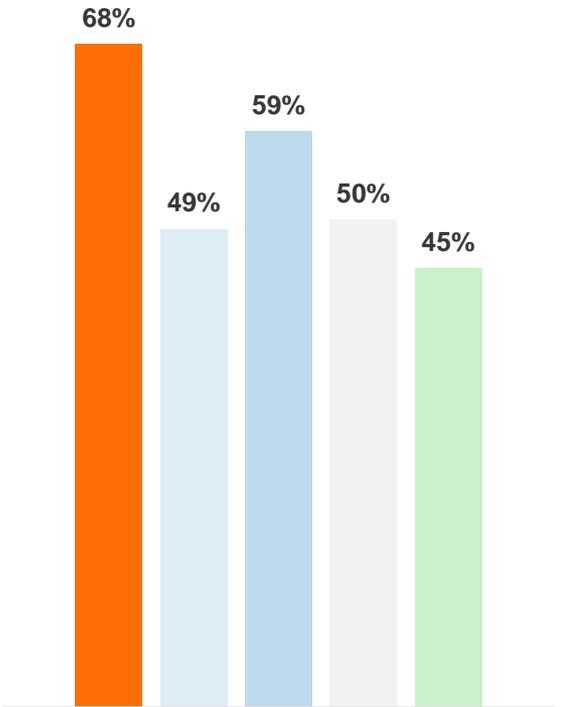
Age ranges ■ 25-34 ■ 35-44 ■ 45-54 ■ 55-64 ■ 65-75

Q10: Based on where you are in your life right now and how you are planning for the future, how achievable are your goals?  
 Q11: Is there anything in the list below that has already stood in your way or caused a setback as you work to achieve these (life) goals?  
 Q26: Has any of the following kept you from setting or meeting retirement savings goals?

Though stereotyped as members of a self-obsessed generation, Millennial respondents indicated a relative eagerness to share their time and money with their family, particularly upon retirement.

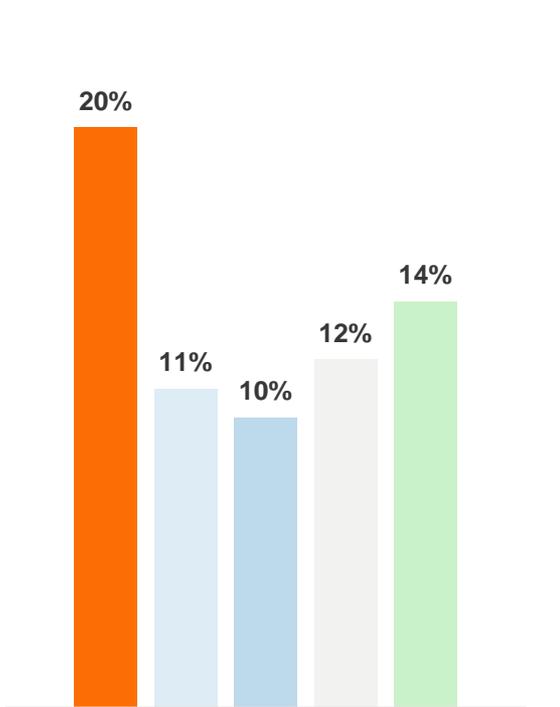
## Millennial generosity with family and future generations

Family time as a retirement goal  
N=53-165



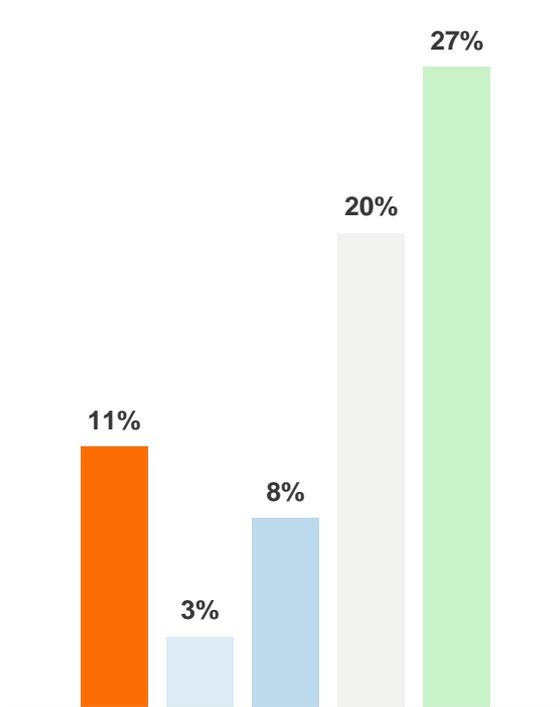
Spend more time with my family

Spending money on family when retired  
N=53-165



% on children/grandchildren

Leaving money as a top-3 life goal  
N=53-165



Leave money for my loved one

Age ranges 25-34 35-44 45-54 55-64 65-75

Q7: Please take a moment to think about your personal goals and what you hope to accomplish in your life. Using this list of possible goals, drag and drop up to three that you most hope to accomplish in your life into the spaces provided.  
 Q14: Think about the goals that you have specifically for when you're retired. Which of the following goals do you have for retirement? Select up to five.  
 Q15: Think about how you might spend your money in retirement. Below are some common categories in which you might spend. Allocate 100 points among them based on how much you plan to spend in each of the categories.  
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Even though their wellness has not jeopardized their pursuit of life goals, respondents age 35-44 still expect to shoulder late-life healthcare costs. They're less inclined to concentrate on materialistic late-life aspirations.

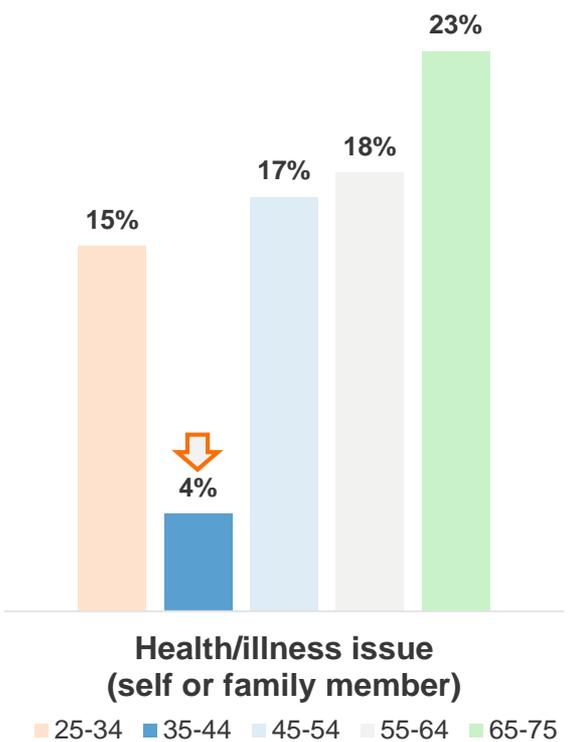
**Gen X mindful of health expenses**

**28%**

Respondents age 35-44 who said investing in a 529 for their child or grandchild is part of their current retirement plan.

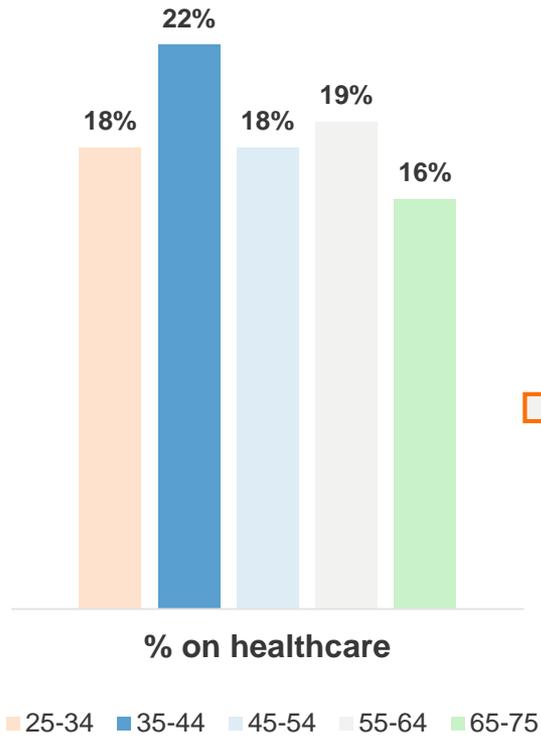
**Health a low hurdle for Gen X to clear when pursuing life goals**

N=53-165



**Spend money on healthcare when retired**

N=53-165



**Gen Xers view inherited money, materialism differently than other generations**

N=53-165

	“Leave money for my loved one” as Top-3 life goal	“Make improvements to things I have” as a retirement goal
25-34	11%	19%
35-44	3%	6%
45-54	8%	15%
55-64	20%	20%
65-75	27%	26%

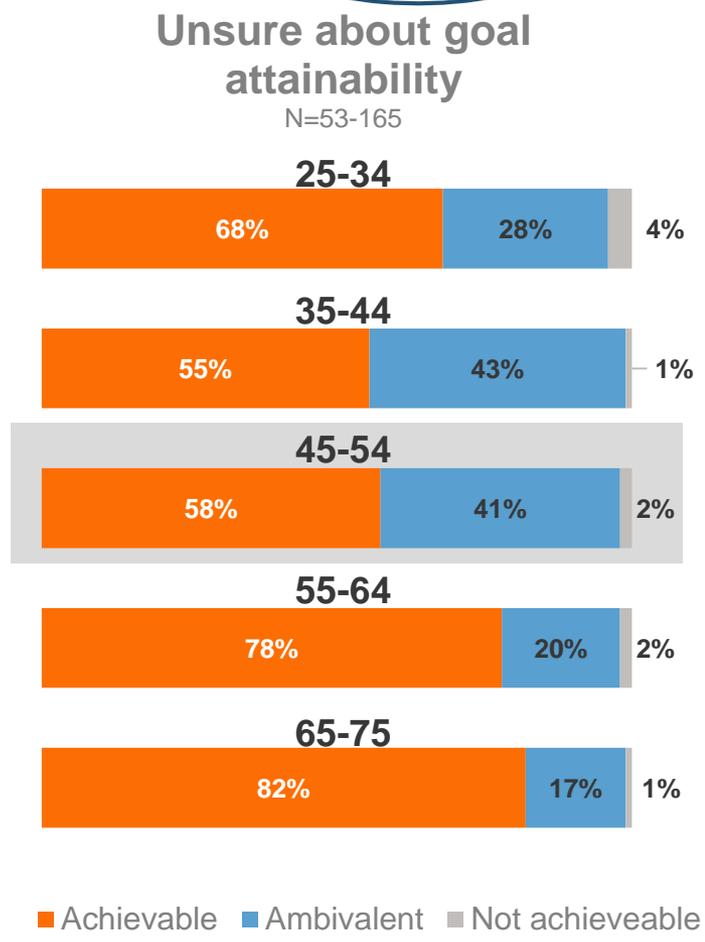
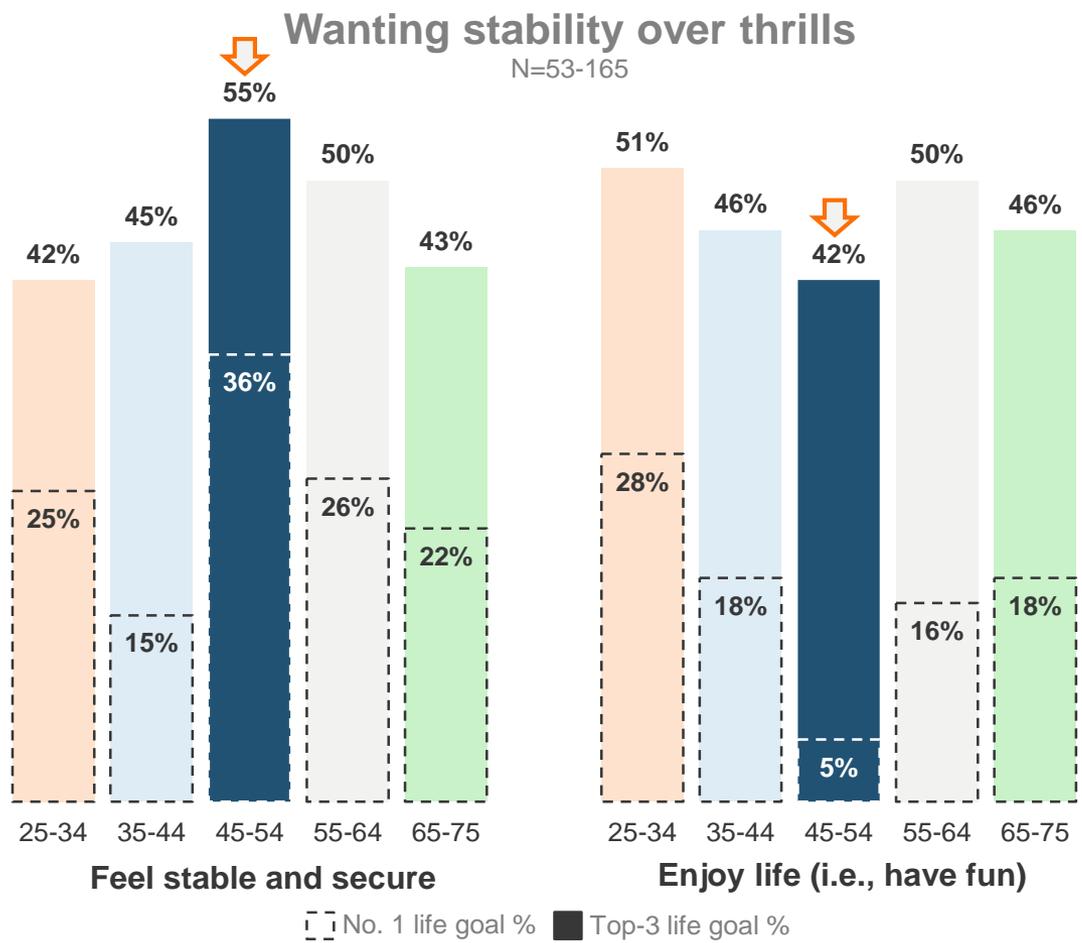
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 Q14: Think about the goals that you have specifically for when you're retired. Which of the following goals do you have for retirement?  
 Q15: Healthcare - Think about how you might spend your money in retirement. Below are some common categories in which you might spend. Allocate 100 points among them based on how much you plan to spend in each of the categories.

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Respondents in the 45-54 age range indicated a relative uneasiness with their financial outlook, and their anxieties were reflected in the life goals they prioritized compared to the ones sought by other age groups.

# Modest goals for middle-age respondents

**17%** Respondents age 45-54 who chose "Bad luck" as an impediment to their life goals



Q7: Please take a moment to think about your personal goals and what you hope to accomplish in your life. Using this list of possible goals, drag and drop up to three that you most hope to accomplish in your life into the spaces provided.  
 Q10: Based on where you are in your life right now and how you are planning for the future, how achievable are your goals?  
 Q11: Is there anything in the list below that has already stood in your way or caused a setback as you work to achieve these goals?

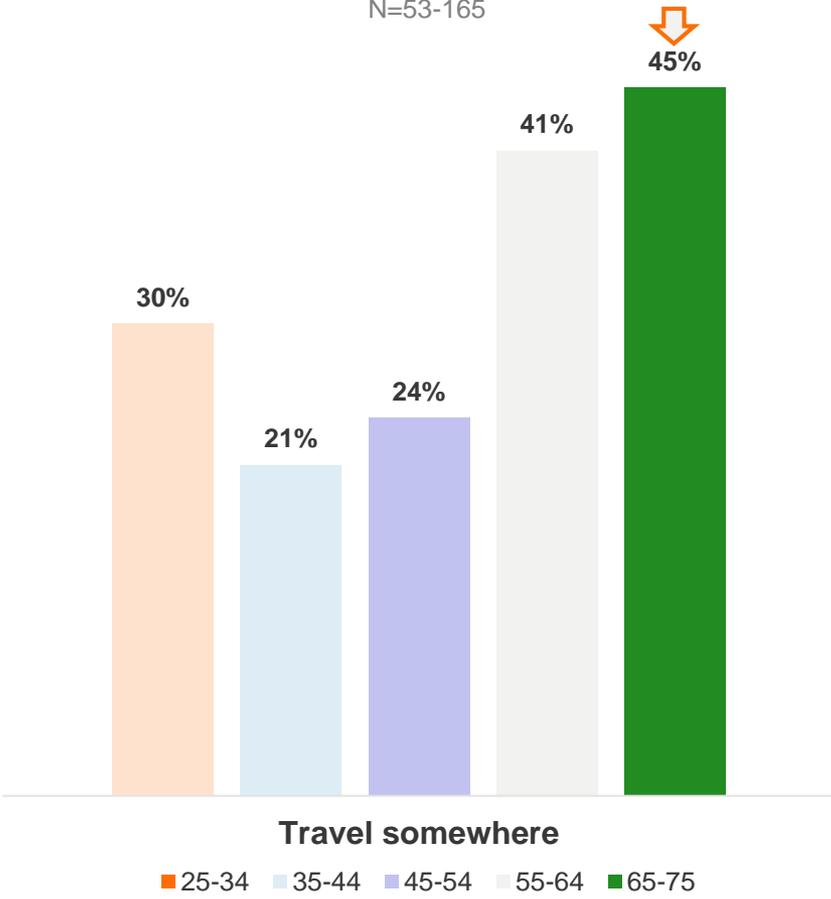
# Respondents in the 65-75 age range aspire to celebrate their ample free time and financial flexibility.

## Older Boomers look to seize more “Me time”

**18%** How much respondents age 65-75 spend on food per month.

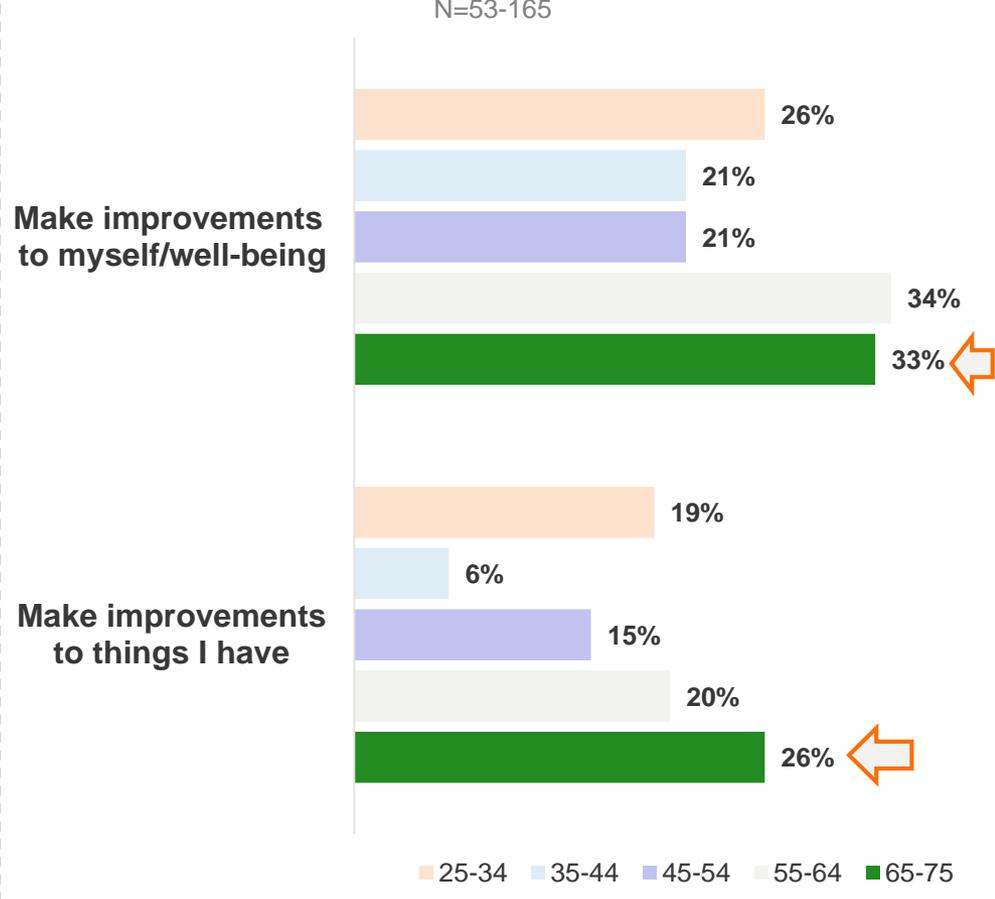
### Travel as a top-3 life goal

N=53-165



### Retirement goals

N=53-165

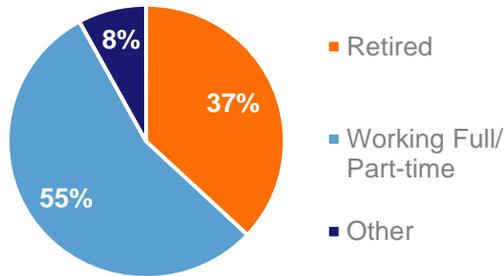


Q7: Please take a moment to think about your personal goals and what you hope to accomplish in your life. Using this list of possible goals, drag and drop up to three that you most hope to accomplish in your life into the spaces provided.  
 Q14: Think about the goals that you have specifically for when you're retired. Which of the following goals do you have for retirement?  
 Q23: Please now think about how you spend your money in a given month. Approximately what percentage of your take-home pay or after-tax income goes to each of the categories listed below each month?

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# A greater percentage of non-retired respondents than retirees indicated a desire to spend more time with their family as a retirement goal. Less than half of retirees chose increased family time as a retirement goal.

Retirement Status



Non-Retired



Retired

Retirement Goal

Retirement Goals  
% Selected

Retirement Goals  
% Selected

Retirement Goal	Non-Retired Retirement Goals % Selected	Retired Retirement Goals % Selected
Become more financially secure/get out of debt	20%	21%
Live comfortably	77%	83%
Travel somewhere	70%	77%
Make improvements to myself/well-being	25%	37%
Make improvements to things I have	14%	29%
Spend more time with my family	56%	44%
Participate in charitable acts	28%	35%
Purchase something	7%	4%
Accomplish/Establish something	17%	15%

Shading indicates 5+pts. higher than comparison column

Base: All Respondents (n=492) • Q14: Now, think about the goals that you have specifically for when you're retired. Which of the following goals do you have for retirement? Select up to five.

# Appendix

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# Lists of life goals and retirement goals provided in survey

## Life Goal Options

- Enjoy life (i.e., have fun)
- Feel stable and secure
- Have peace of mind (i.e., no worries, balance, feeling complete)
- Travel somewhere (e.g., somewhere I've never been, somewhere that's special to me, etc.)
- Feel like I made a difference (i.e., make an impact, feel helpful)
- Leave money for my loved one
- Make improvements to myself/well-being (e.g., lose weight, quit smoking or drinking, become more organized, lead a healthier and more balanced life, etc.)
- Make improvements to things I have (e.g., home improvements, improve my career, etc.)
- Create relationships (e.g., find a spouse, adopt a child, commit more energy to family and friends, become a good role model, etc.)
- Participate in charitable acts (e.g., make a difference in the world, make an impact on my community, teach someone a new skill)
- Have lots of money
- Feel fulfilled and proud (i.e., overcome my fears, more confidence, admired)
- Purchase something I've been saving for (e.g., a home, car, electronics, etc.)
- Earn something I've been working towards (e.g., a higher level of education, retirement, a promotion at work, etc.)
- Accomplish/Establish something (e.g., start a new business, take up a new hobby, do something extreme for the first time, run a marathon, etc.)
- Have lots of stuff
- Another goal, not listed

## Retirement Goal Options

- Live comfortably
- Travel somewhere
- Spend more time with my family
- Participate in charitable acts
- Make improvements to myself/well-being
- Become more financially secure/get out of debt
- Make improvements to things I have
- Accomplish something (i.e. master a skill, learn something new, gain importance or power)
- Purchase something
- Another goal not listed above