



8th Annual Survey of Retirement Plan Participants

Perspectives gathered at the start of a pandemic

ACI-1807498

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Boomer
1946-1964



Gen X
1965-1979



Millennial
1980-1994

Themes



**Strong Feelings About
Goals, Savings Behavior,
Regrets and Expectations**



**“Extreme” or “Uber”
401(k) Plans**



**Piqued Interest in Retirement
Income, ESG and Holistic Advice**



Risk and Worry



Sentiments

Nearly all call retirement “an important goal”

For 1/3, it's the
“biggest goal”



Men and those with assets of \$100k or more

Half worry a “great deal” about saving for retirement



Boomer

1. *Saving enough for retirement*
2. *Health / living a healthy enough lifestyle*
3. *Having enough for the next unexpected expense*



Gen X

1. *Saving enough for retirement*
2. *Having enough for the next unexpected expense*
3. *TIE*
 - *Health / living a healthy enough lifestyle*
 - *Paying / saving for housing*
 - *Investing properly for goals*

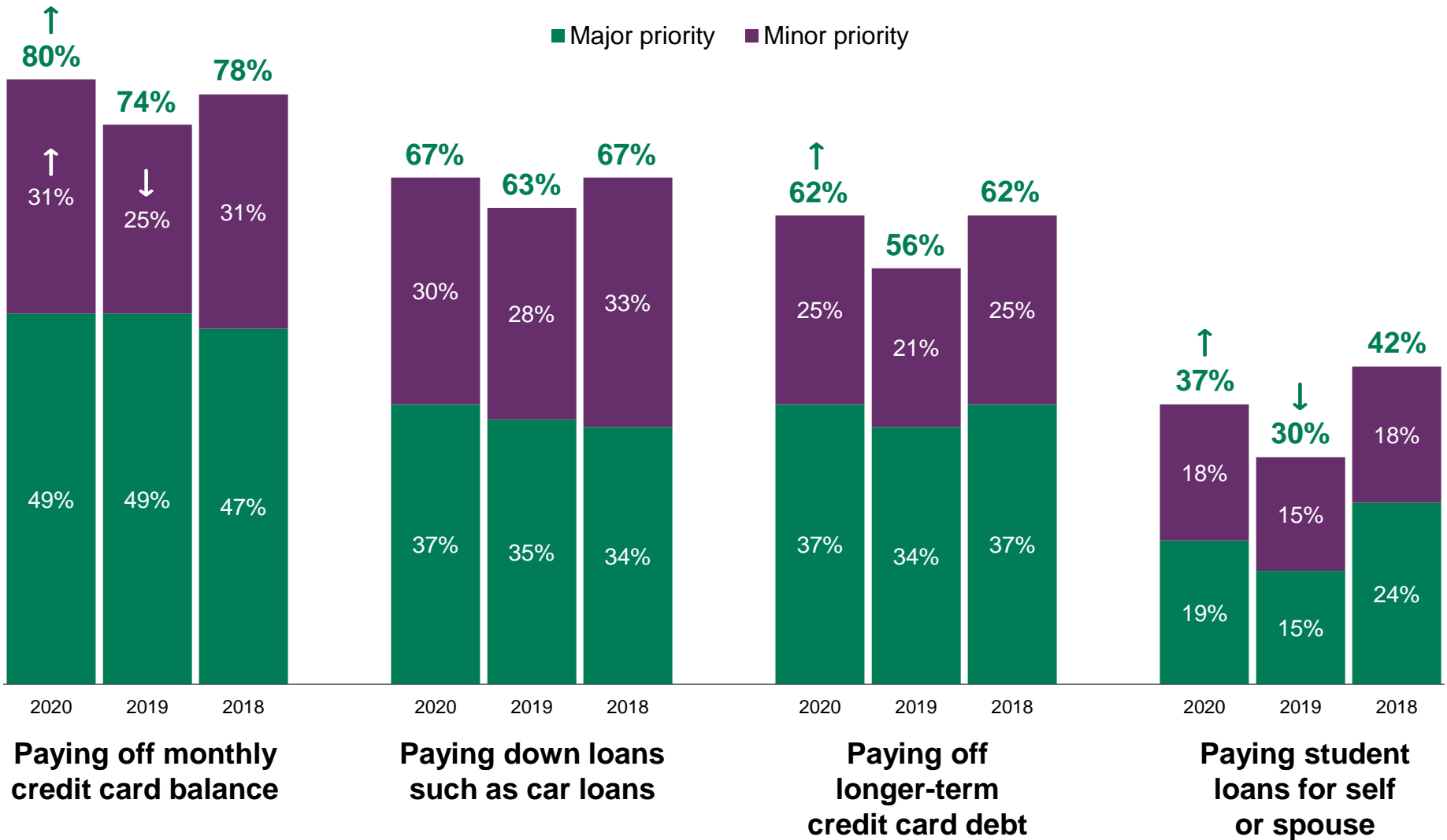


Millennial

1. *Having enough for the next unexpected expense*
2. *Saving enough for retirement*
3. *Health / living a healthy enough lifestyle*

Debt continues to win the financial obligation war

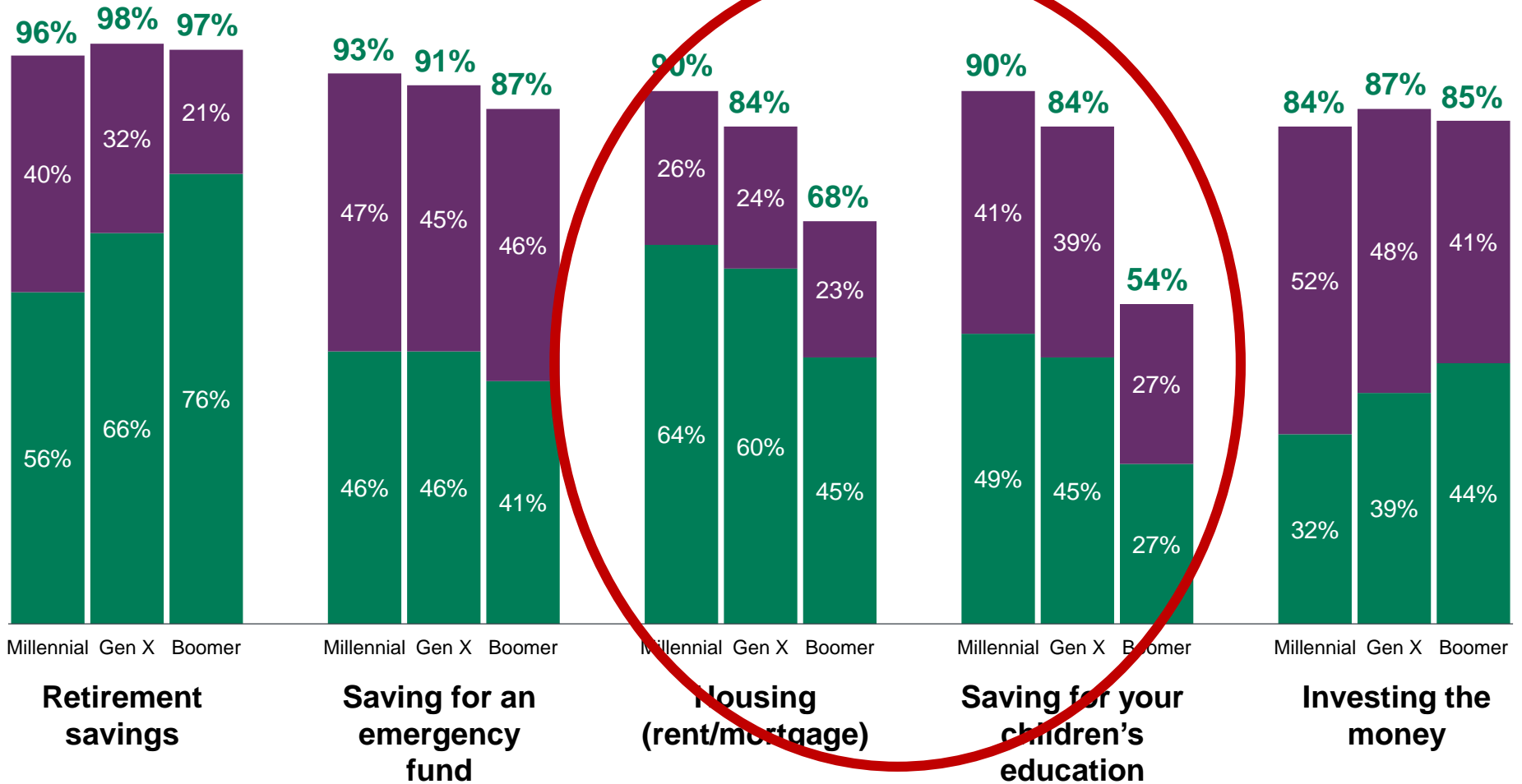
Importance of Financial Obligations



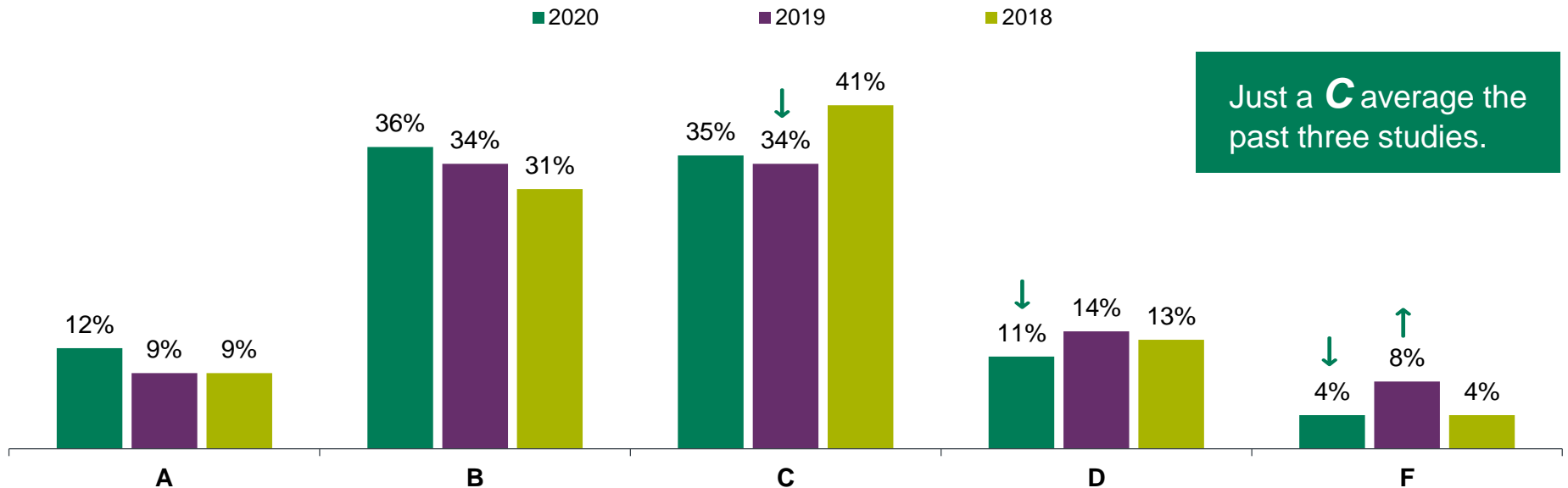
Financial priorities are influenced by generation

Importance of Financial Obligations

■ Major priority ■ Minor priority



Grade for the Job Done on Retirement Saving



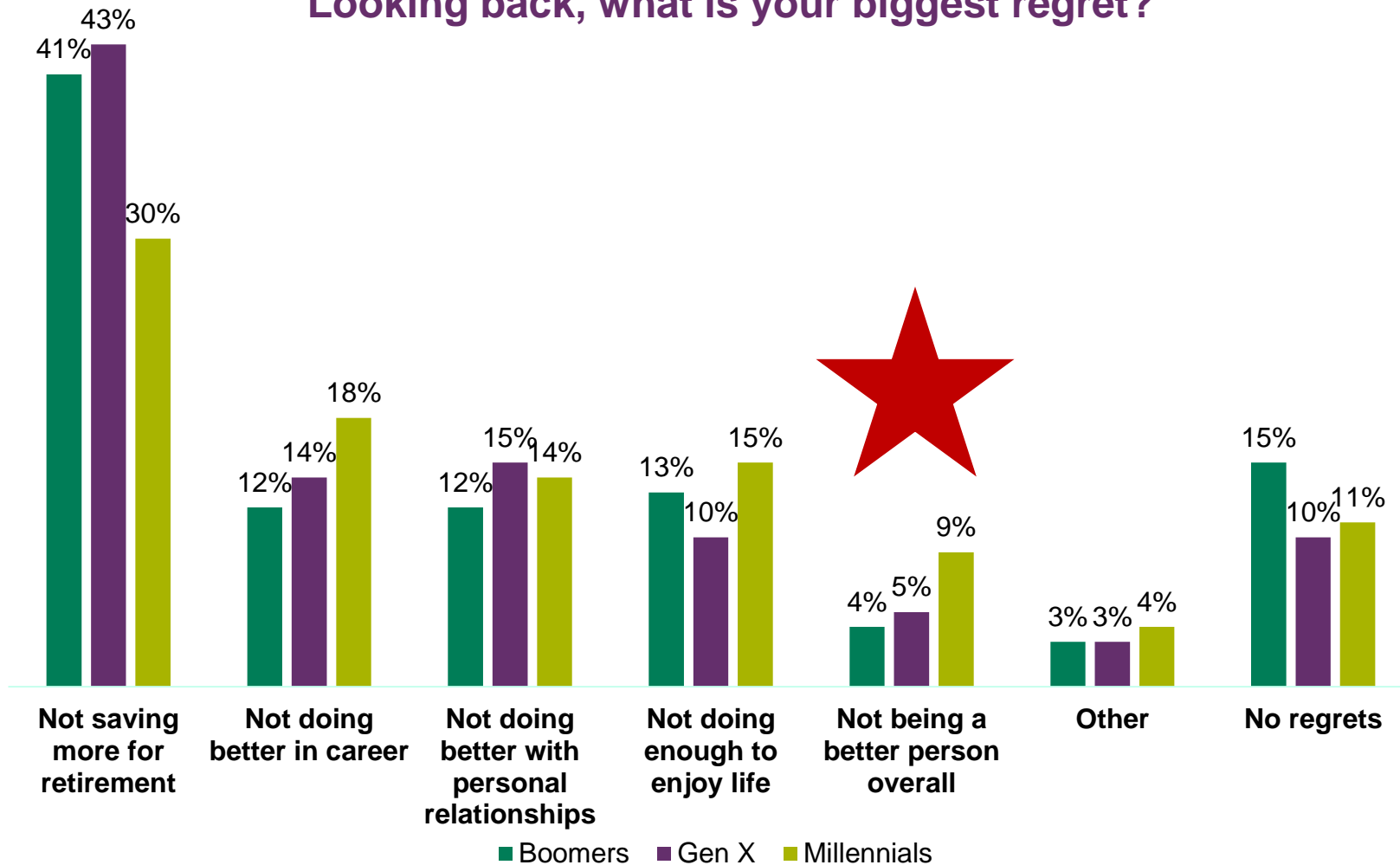
Just a **C** average the past three studies.

Six in 10 Boomers give themselves an “A” or “B”

Those with assets over \$100k are more likely to give an “A” or “B”

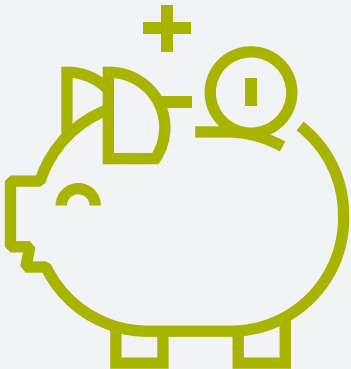
Eight in 10 have at least “a little” regret

Looking back, what is your biggest regret?

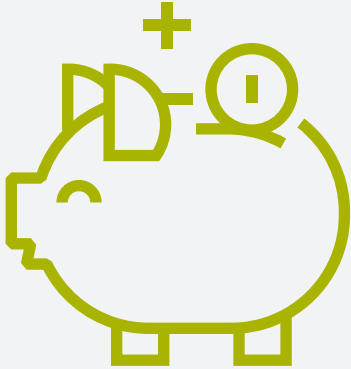


Seven in 10 say they saved less than they should have in their younger years

First Five Years of Working



In my 20s



When thinking about retirement, what excites you the most?



Travel



Time with Family

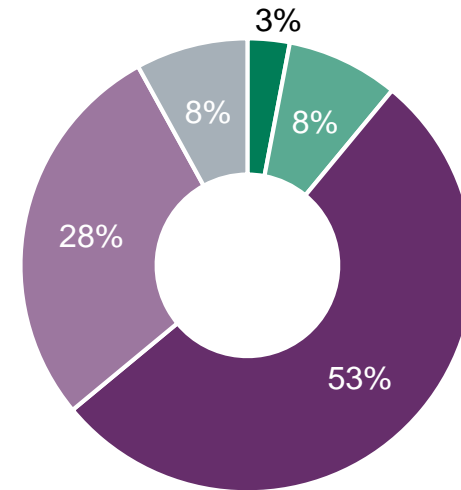
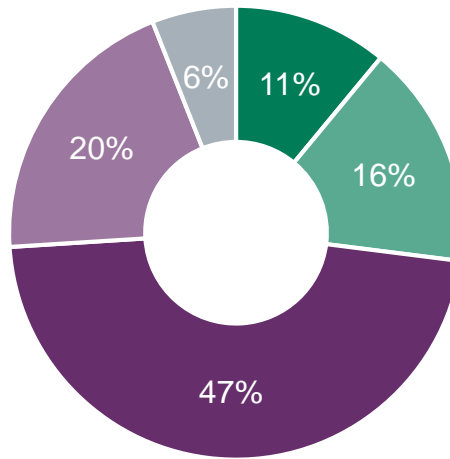
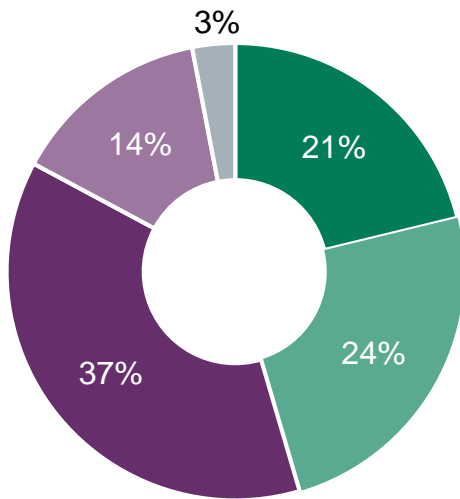


Less Stress

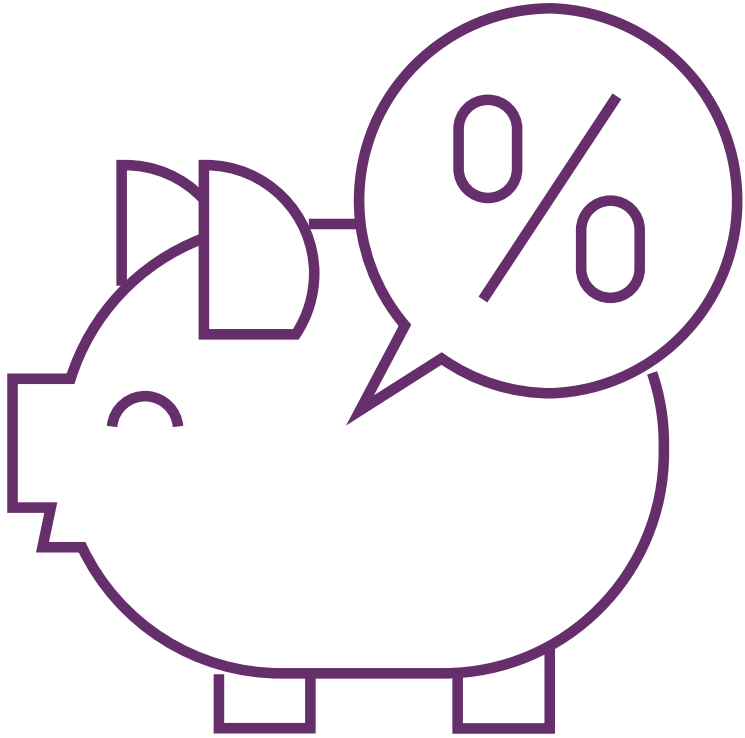


Standard of living expectations differ

Millennials are much more optimistic than Boomers



Much better than it is now A little better than it is now About the same as it is now A little worse than it is now Much worse than it is now



Uber 401(k) Plans



Retirement benefits are highly valued



90%

believe their employer-sponsored retirement plan
is one of the most important benefits



Wide support for automatic features

7 in 10 support automatic enrollment at 6%

2/3 believe their employer should automatically enroll employees into their plan at a set percent **and** increase it automatically each year



Wide support for automatic features

60%

Feel more positively about a company
that offers automatic enrollment, automatic
increase and target-date investments

*“People won’t miss that amount [and that is an advantage]... They won’t miss the minimal amount that comes out of their check...**I personally don’t see any [downsides].** I think they can opt out of that if they want...people probably don’t even realize it and it’s just working to their benefit, **so it’s kind of like helping without their knowledge.**”*

Owner; \$10 million to \$24.9 million plan assets

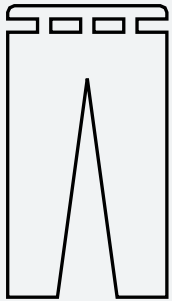
“No...I wouldn’t make peoples’ decisions for them. It’s not my money. I don’t know what they need to spend money on.”

Owner; \$10 million to \$24.9 million plan assets

Participants are looking for a push

Best Description of Desired Action From Employer to Encourage Retirement Saving

13%



Kick in the pants

29%



Strong nudge

37%



Slight nudge

21%



Leave me alone

Four in ten participants think employers should structure retirement plans to be totally automatic

Enrollment, Contributions, & Defaults Investments for Retirement Plans



“No, I don’t think we would do that...Salary increases haven’t been huge.”

Director of Global Benefits; \$4 billion plan assets

“We’re always talking about where it automatically adds 1% every year... but that’s just another thing that we always seem to stall on...So we are looking at that at this point...I’m in favor of it.”

Benefits Manager; \$50 million to \$74.9 million plan assets

Retirement Contribution Match vs. Salary Increase

70% support for 3% contribution over salary increase

78%



Boomer

71%



Gen X

66%



Millennial

Retirement Contribution Match vs. Salary Increase

65% support for 6% contribution over salary increase

76%



Boomer

67%



Gen X

57%



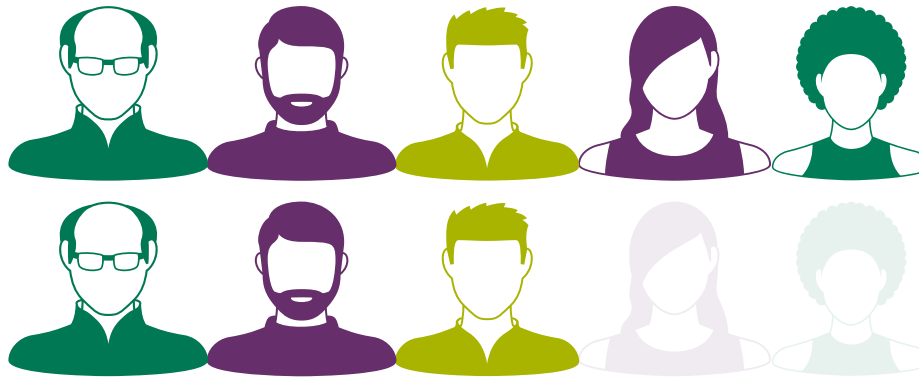
Millennial



Special Features

Participants support retirement income

8 in 10 would be more likely to leave assets in the plan to draw income



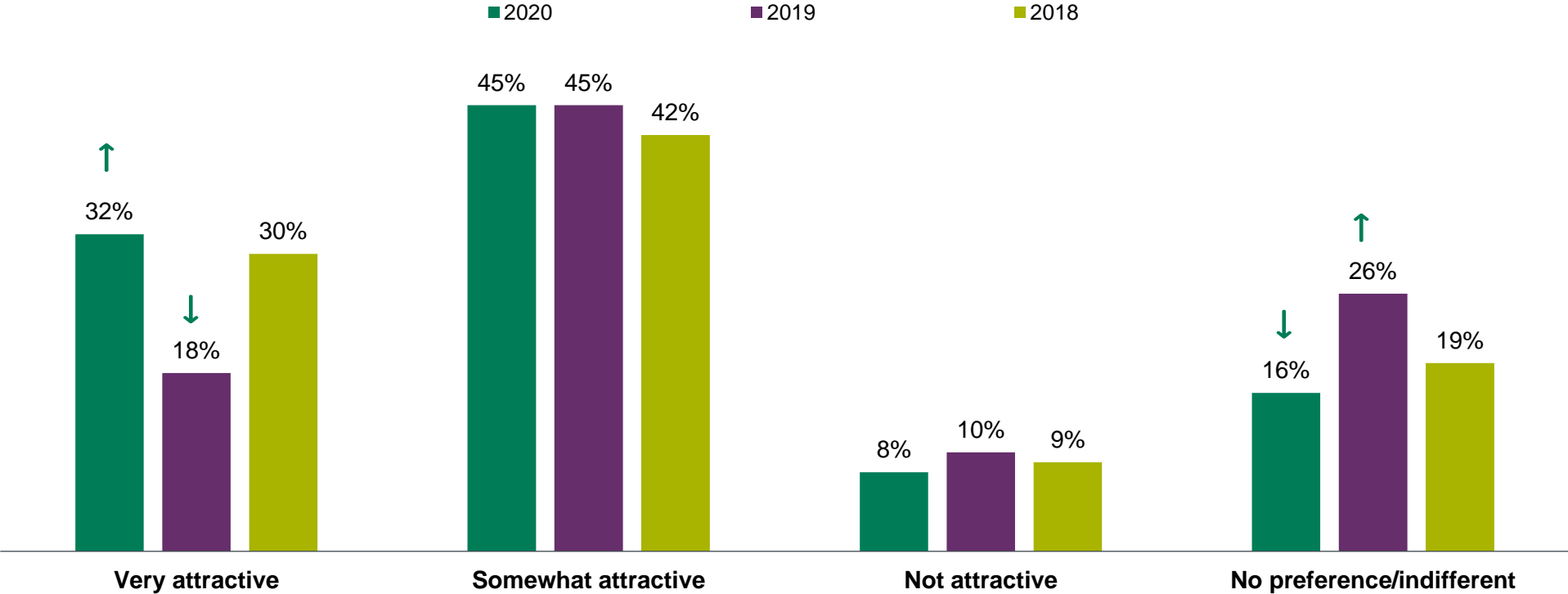
“An [advantage would be a] steady stream of income once you retire...obviously you’re not making any money except Social Security...or a pension or whatever. A lot of people I think would really benefit by having a steady income stream, especially the people who don’t manage their money very well...[you’ll] know what you’re going to be getting at all times.”

Benefits Manager; \$50 million to \$74.9 million in plan assets

“Honestly, I have no idea what the obstacles would be. I’ve never looked into it.”

Benefits Manager; \$50 million to \$74.9 million plan assets

Attractiveness of Holistic Financial Advice



At least “somewhat attractive” for holistic advice



Boomer

66%



Gen X

73%

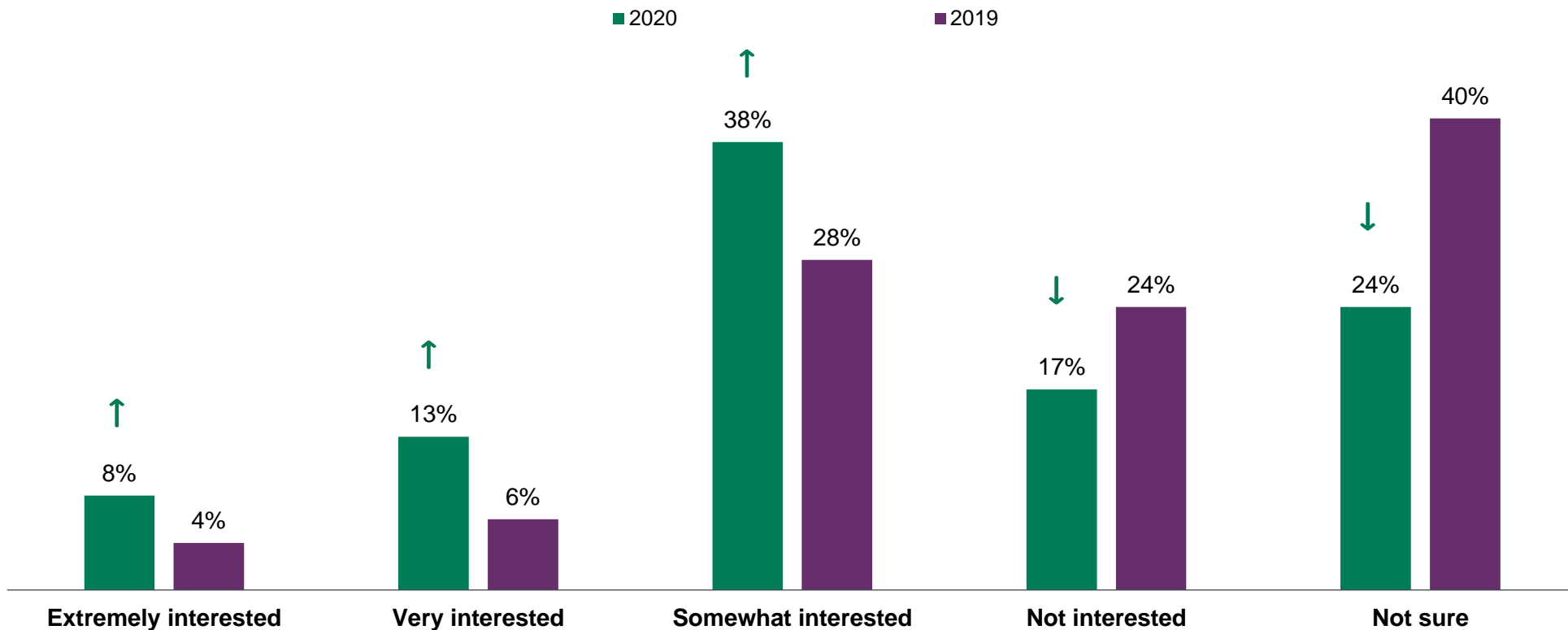


Millennial

85%

Interest in ESG is growing

Interest in Having an ESG as Part of Retirement Savings Plan



A strategy or emphasis on environmental, social and governance factors (“ESG”) may limit the investment opportunities available to a portfolio. Therefore, the portfolio may underperform or perform differently than other portfolios that do not have an ESG investment focus. A portfolio’s ESG investment focus may also result in the portfolio investing in securities or industry sectors that perform differently or maintain a different risk profile than the market generally or compared to underlying holdings that are not screened for ESG standards.

Interest in ESG is growing



Men are more likely to be “extremely” or “very interested” ***even if performance is worse than the average product.***



Participants with an **income of \$100k or more** are more likely to be "extremely interested"



Millennials are twice as likely to be at least “very interested” than Baby Boomers

“I think [employees would be interested] because most of them have grandchildren and children...we’re [all] in the same mind set as far as making as little impact on the footprint as we can.”

Owner; \$10 million to \$24.9 million plan assets

“I just don’t think there’s an appetite...we just had not brought those up or the investment counseling consultant firm hasn’t brought them to us. It just hasn’t been on the radar. We have enough as it is.”

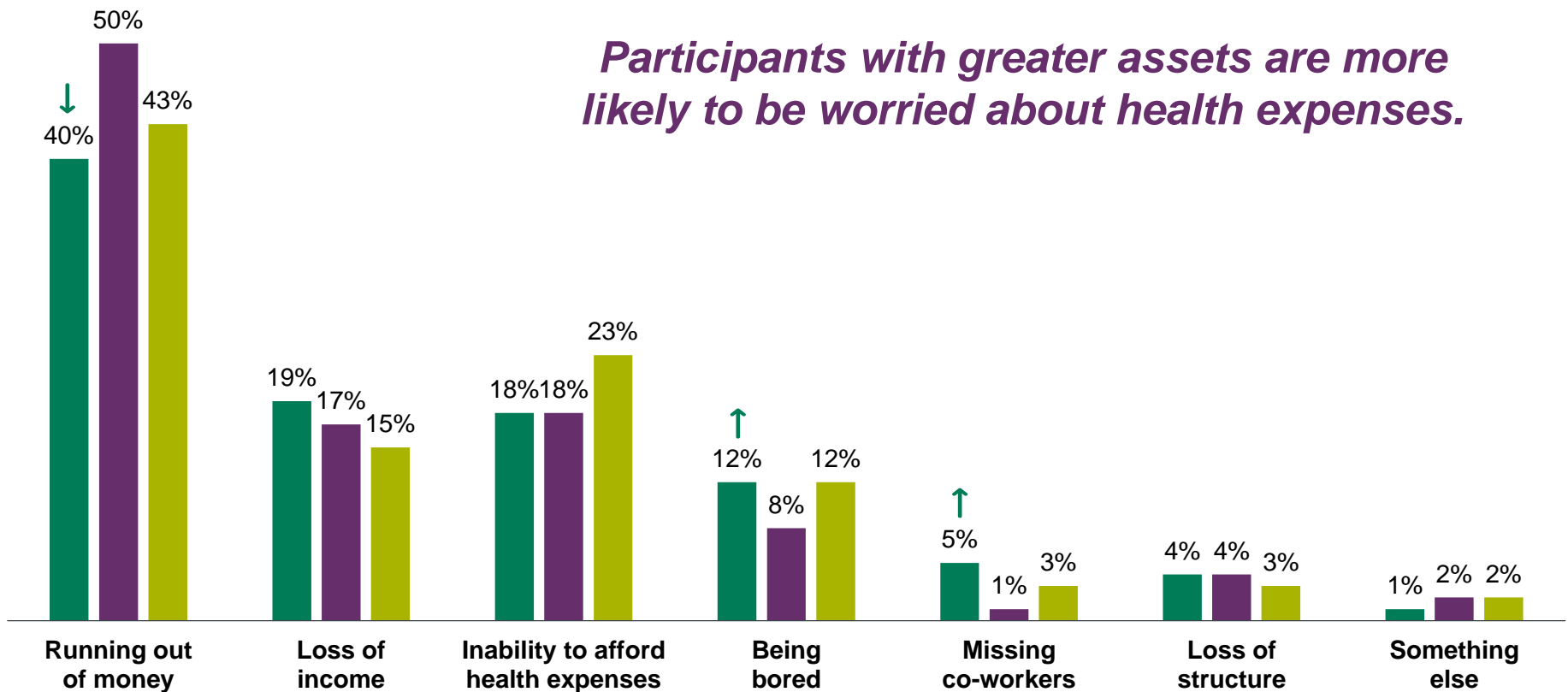
Director of Global Benefits; \$4 billion plan assets



Risk and Worry

Concerns About Retirement

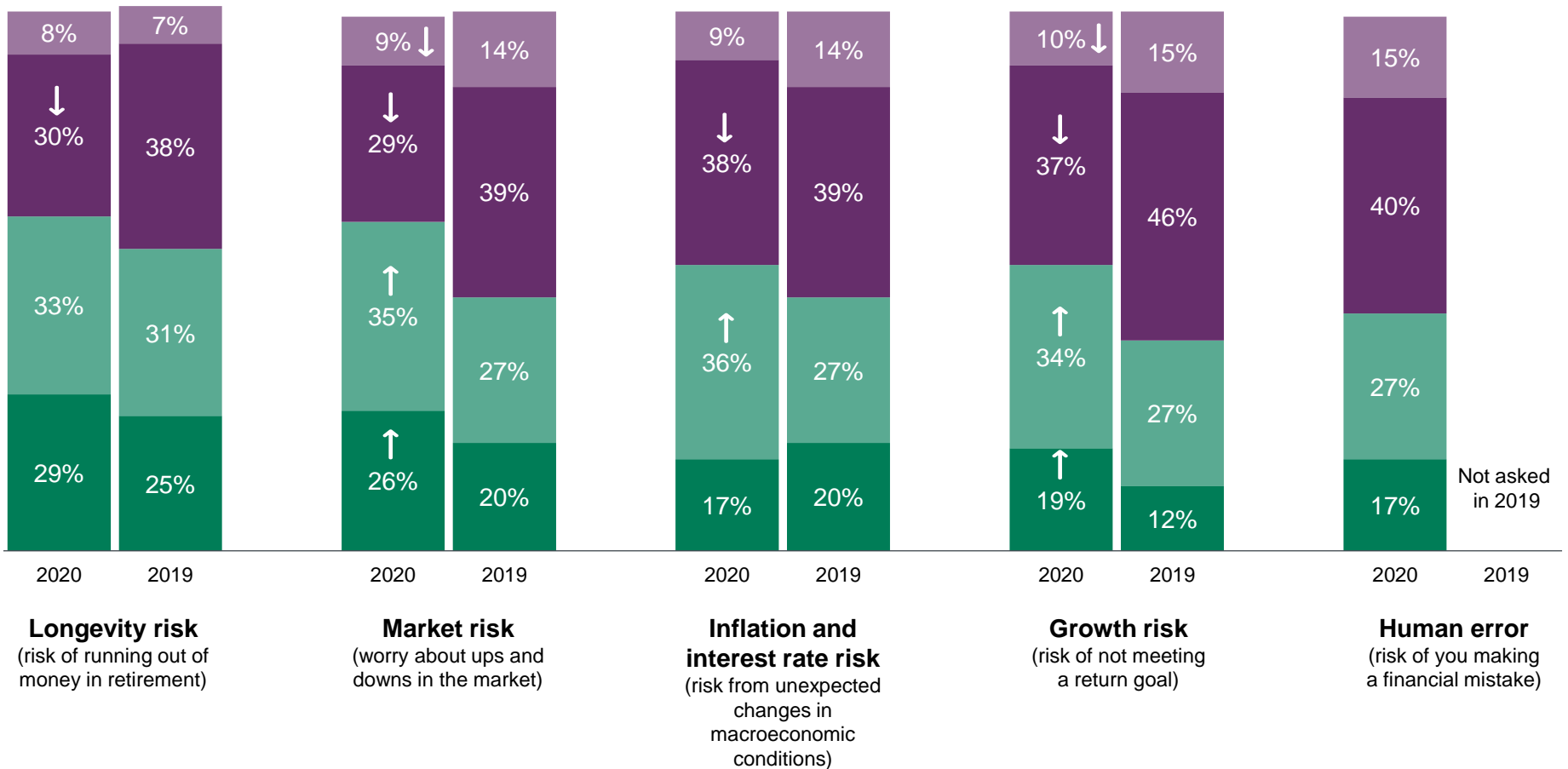
■ 2020 ■ 2019 ■ 2018



Concern over market risk and growth risk has risen significantly

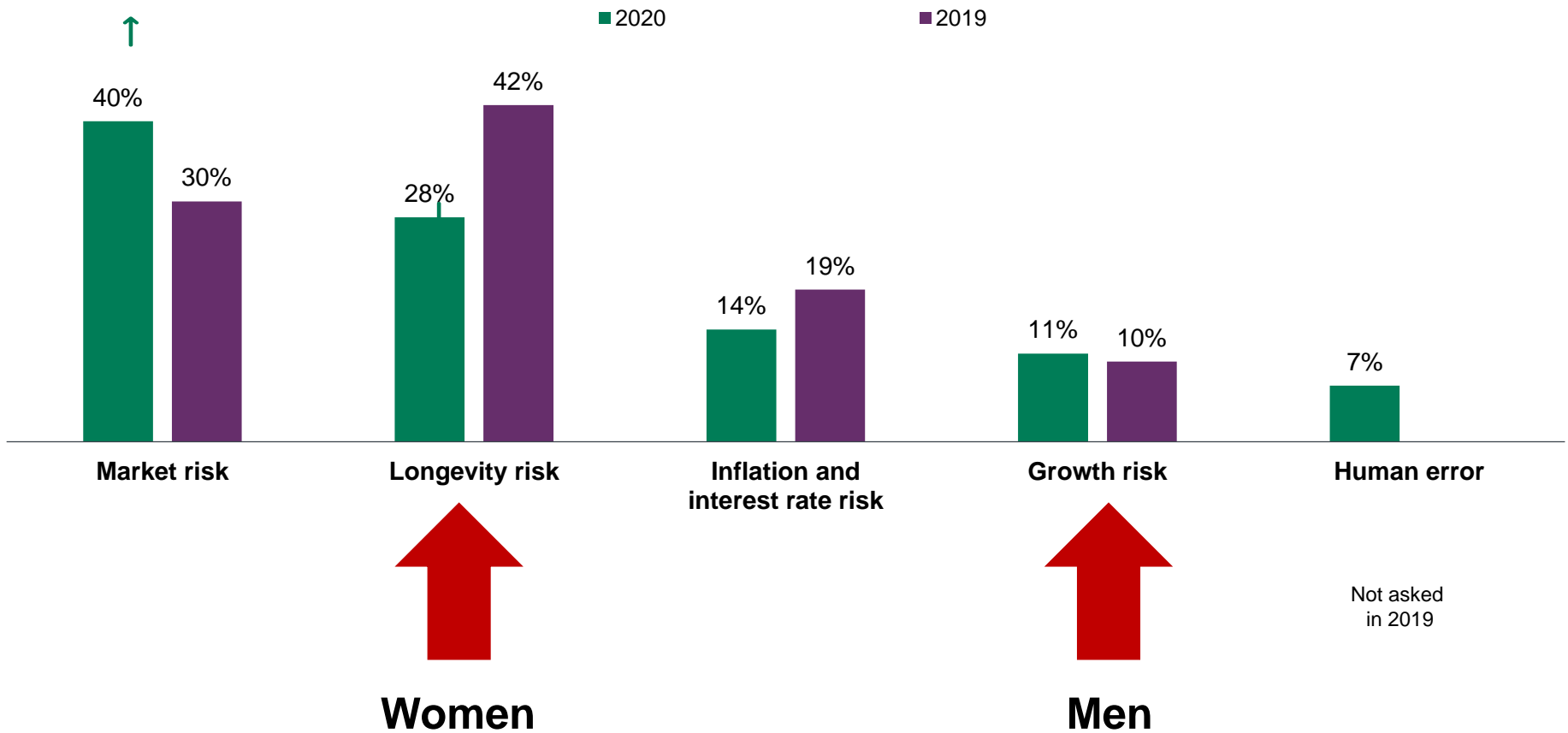
Level of Concern About Different Types of Risks

■ Extremely concerned
 ■ Very concerned
 ■ Somewhat concerned
 ■ Not concerned



Four in ten are most concerned about market risk, a significant increase from last year

Risk Category of Most Concern





Summary

- ▶ Regardless of generation, emotions run high on finances, including retirement saving plans.
- ▶ Embrace automatic features
- ▶ Keep evaluating plan investments and additional services through the lens of participants.
 - ESG, retirement income and holistic advice
- ▶ Consider risk in all its forms



Important Information

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Methodology:

The survey was conducted between March 10 and 31, 2020. Survey included 1,508 full-time workers between 25 and 65 saving through their employer's retirement plan. The data were weighted to reflect the makeup of key demographics (gender, income, and education) among all American private sector participants between 25 and 65. Plan sponsor interviews were conducted between May 27 and June 9, 2020. Respondents worked in Finance, Investments, Human Resources, or Employee Benefits with at least considerable influence in the company's decision making for defined contribution plans with assets of at least \$10 million under management.

Percentages in the tables and charts may not total 100 due to rounding and/or missing categories.

Data collection and analysis were completed by Mathew Greenwald and Associates of Washington, D.C.

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