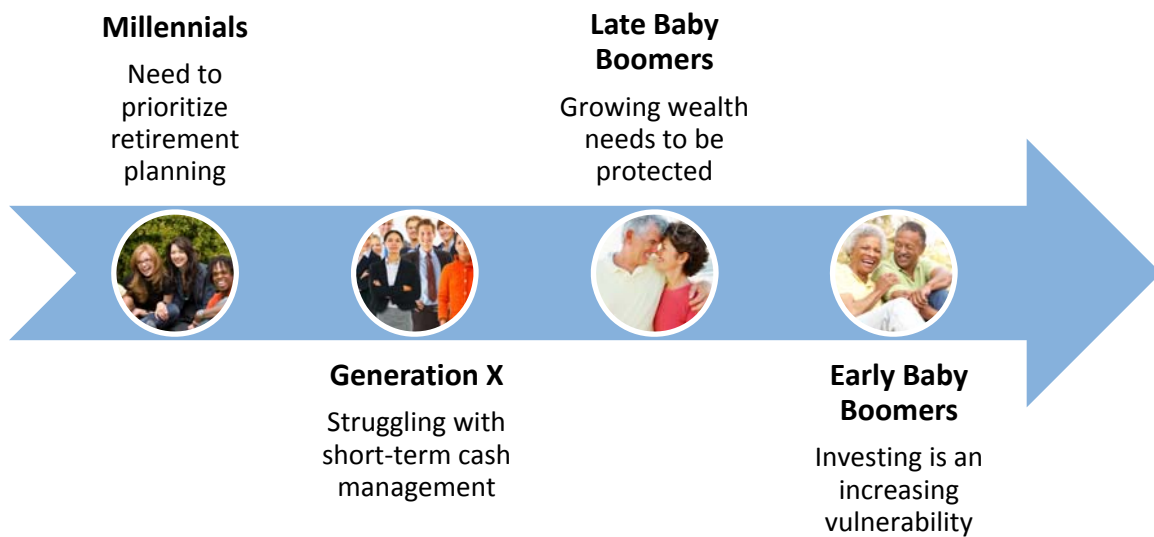


Executive Summary

Over the last few years, our research has documented how U.S. employees have generally emerged from the Great Recession with improvements in their day-to-day money management but with a continuing shortfall in their retirement readiness. However, the Great Recession has not left all age groups in the same place. Each generation faces its own unique set of strengths, weaknesses, opportunities, and challenges when it comes to planning for retirement:

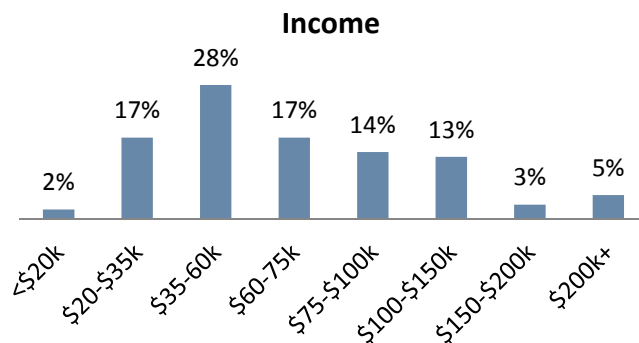
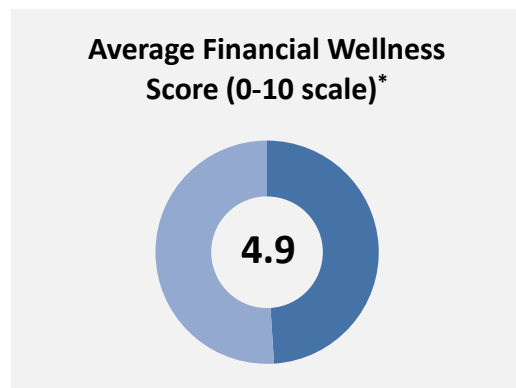
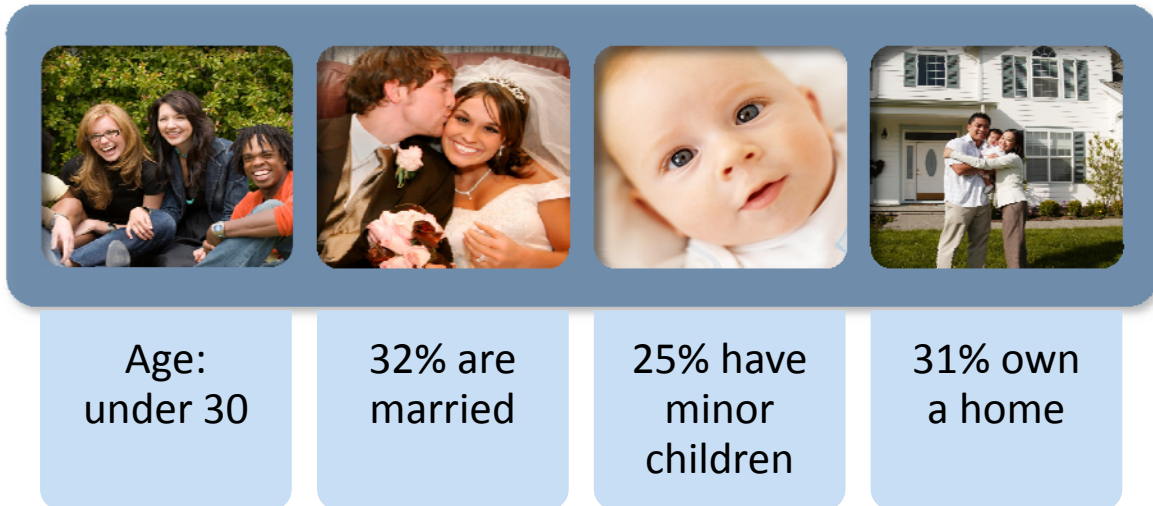
- Those under 30, commonly labeled the Millennial Generation, are doing a relatively good job managing their current cash flow but need a longer term perspective that makes planning for retirement more of a top priority.
- 30-44 year olds, which roughly correspond to Generation X, earn more income than Millennials but have been hit particularly hard by the Great Recession and are now struggling to balance saving for retirement with the immediate needs of raising a family and paying a mortgage.
- 45-54 year olds, who are mostly late Baby Boomers, are doing better than Generation Xers with their day-to-day money management, and are doing the most in providing for their families through life insurance and college savings, but are largely ignoring hidden threats posed to their own financial wellbeing, such as the cost of long-term care.
- Finally, 55-64 year-old early Baby Boomers are generally in the strongest financial shape across the board, but must focus more on managing their investment portfolios as they approach the critical distribution phase of their retirement planning.

In this report, we'll be examining both our primary data and outside research to explore each of these issues in more detail and highlight some future trends to look out for.



2012 Generational Research

Millennials



Strengths

Although they have the lowest median income, these 20-somethings have actually exhibited better cash management skills than the older and more established Generation Xers, and sometimes even more than late Boomers. Of employees under age 30 that completed an online financial wellness assessment:

- 73% have a handle on cash flow
- 88% are paying their bills on time each month
- 62% are regularly paying off their credit card balances in full

* See *About the Financial Wellness Score* for more information.

2012 Generational Research

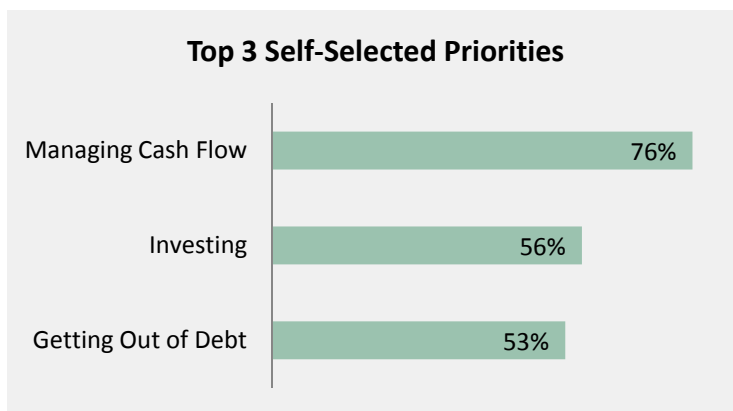
Despite a rough economy, most are comfortable with the amount of debt they have, and most either have a plan to pay off their debt, or consider their debt level insignificant.

This may be the result of having learned lessons from living through the Great Recession, coupled with fewer financial obligations around family and childcare. The availability of parental support has also increased, as 30% of young adults (ages 18 to 34) that are employed full time live with their parents or have moved back home temporarily in recent years. Since 1980, the percentage of young adults living in multi-generational households has steadily increased.

Weaknesses

This generation, more than any other, uses technology to influence their financial decisions. Research by The Boston Consulting Group (BCG), along with Barkley and Service Management Group, found that Millennials were nearly twice as likely as non-Millennials to purchase brands that have Facebook pages and mobile websites (33% v. 17%), and more than twice as likely to use a mobile device to read user reviews and to research products while shopping (50% v. 21%). While this use of technology has helped perpetuate Millennials' consumption behavior, it has done little to help with their savings behavior. In particular, when it comes to addressing their greatest vulnerability, saving for retirement:

- Only 83% are contributing to their retirement plan at work
- Only 29% have run a retirement projection
- Only 17% say they are on track to replace 80% of their income in retirement
- Only 74% are saving enough to capture the full company matching contribution, if available
- Only 26% contribute to a traditional or Roth IRA



In addition to falling short on retirement planning, Millennials suffer from a relative lack of investment knowledge. This group has the lowest percentages that are confident that their investments are allocated properly based on their risk tolerance and time horizon, and that have a general knowledge of stocks, bonds and mutual funds.

- Only 29% are confident their investments are allocated appropriately
- Only 65% say they have a general knowledge about investments
- Only 38% have taken a risk tolerance assessment
- Only 25% rebalance their investments

2012 Generational Research



Without improvements in both saving and investing behaviors, it is unlikely that this generation will be able to achieve their long-term goals with much success.

Opportunities

Millennials have two clear advantages over other generations: time and technology. With time on their side, Millennials have the opportunity to save earlier than the older groups, and to put the magic of compounding returns to work for much longer periods of time. This will require a greater focus on spending less and saving more for long-term goals like retirement.

Fortunately, this is where technology can help. Millennials have quickly learned how to take advantage of the internet to save money using budget-friendly websites like LivingSocial and Groupon. In the same way, Millennials can use websites like SaverNation and Upromise to build up savings toward long-term goals like retirement and college.

In addition to being fast adaptors of new technology, Millennials have also been fast adaptors to innovations in retirement plan design. According to Fidelity, nearly 50% of Millennials have been auto-enrolled in a workplace savings plan, and 49% hold all of their plan assets in a target-date fund. These and other plan design innovations such as auto-escalation and managed accounts are seen as favorable to a generation that favors speed, ease, efficiency, and convenience.

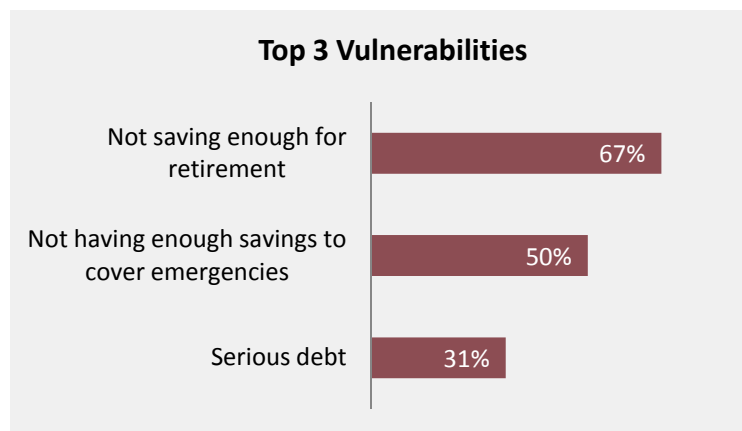
Threats

Perhaps the most glaring threat to Millennials is the changing landscape of the U.S. economy. Following years of deficit spending and a growing national debt, income tax rates and inflation are expected to increase in the future.

Income tax rates are already scheduled to increase next year, which The Heritage Foundation estimates will cost Millennials an extra \$1,099 in taxes.

Other bad news for this generation is the diminishing level of employer- and government-sponsored retirement benefits.

New York-based Towers Watson & Co. reports that only 30 of the Fortune 100 companies offer new salaried hires a defined-benefit plan, down from 90 in 1998. The Social Security Board of Trustees projects the trust fund to be exhausted by 2033, at which time only 75% of scheduled benefits are expected to be paid out. The most recent report from the Medicare Board of Trustees has Medicare running out of money nine years earlier, in 2024.



2012 Generational Research



Millennials, however, seem to be adjusting to the news, as 72% say they do not expect Social Security to be their main source of retirement income, and a full 42% think they will get no retirement income from Social Security at all, according to the Pew Research Center. Sadly, this has not translated into increased interest in saving for retirement particularly for those who do not have company-sponsored retirement plans. In a 2011 Scottrade survey, 55% of Millennials reported they hadn't even started saving for retirement. Awareness is one thing, but if Millennials do not pick up the pace, they will likely face a longer career, or a less-than-optimal lifestyle in retirement.

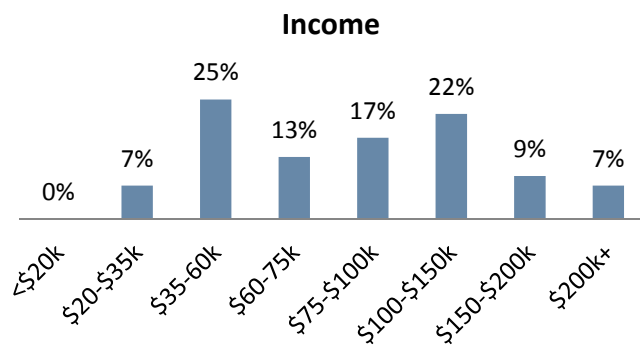
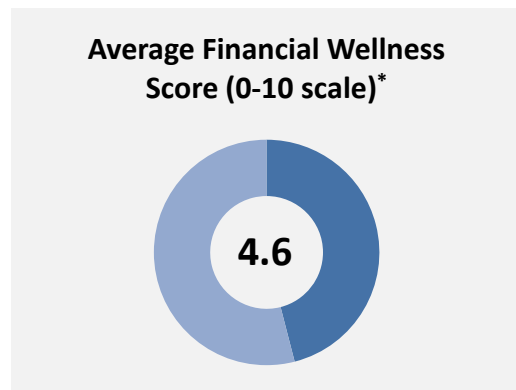
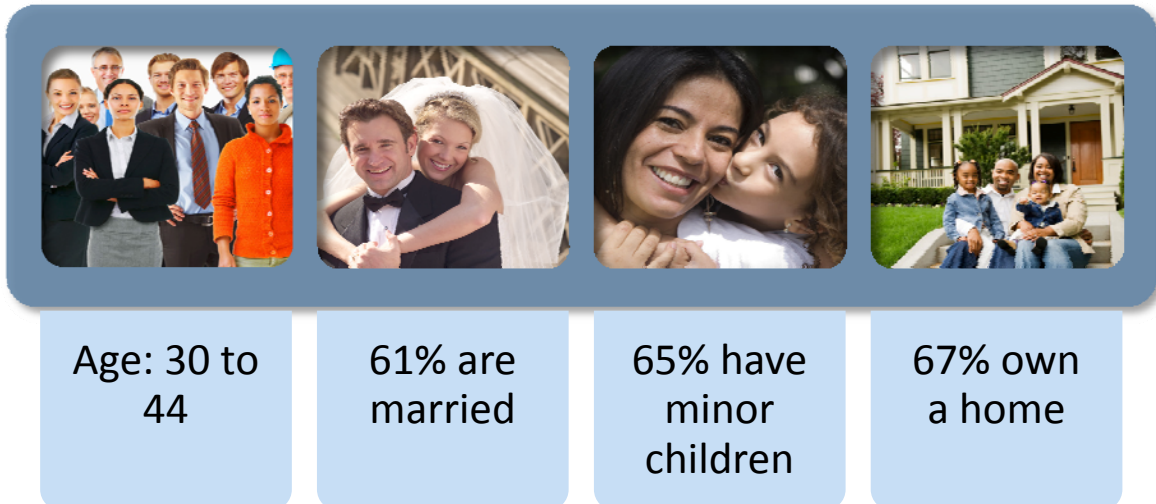
Educational Needs

It is often said that we tend to overestimate what can be accomplished in the short term and underestimate what can be done in the long term. This may be particularly true for Millennials, who have been relatively successful in their short-term focus on cash management, but have failed to address longer-term issues like investing and retirement.

To get Millennials on track, they need to bring their long-term goals into the present through modeling and projections. This generation favors the opinions and recommendations of peers and first-hand users over those of traditional experts. Seventy-five percent have created a profile on a social network and are more likely than any other generation to visit the website several times a day. An educational platform that allows Millennials to share their experiences with each other, that offers hands-on financial calculators and applications, and includes case studies, testimonials, and peer recommendations will resonate well with this group.

2012 Generational Research

Generation X



Strengths

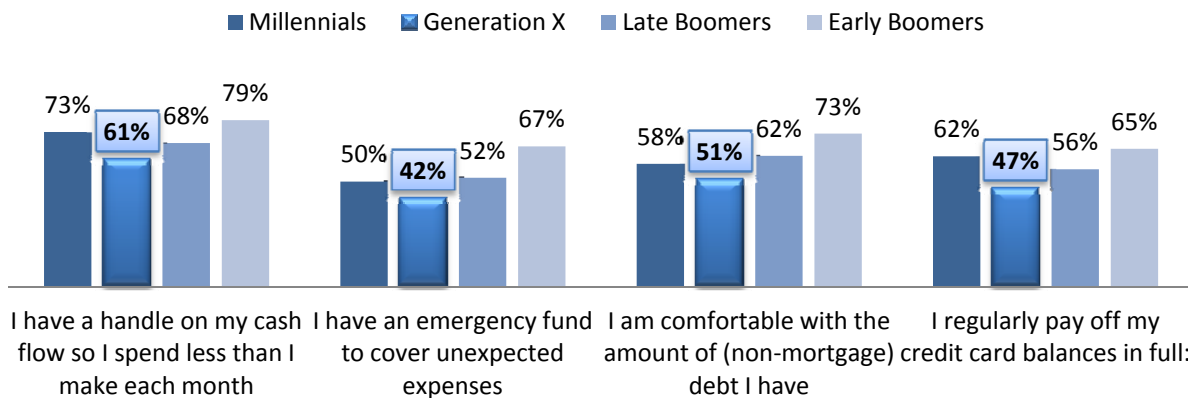
As 20-somethings become 30-somethings, their income tends to grow over time. For the 30-44 year old Generation Xers, their median household income is now in the \$75-100k range. Most are married, many with dual incomes, and own a home.

* See *About the Financial Wellness Score* for more information.

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Weaknesses

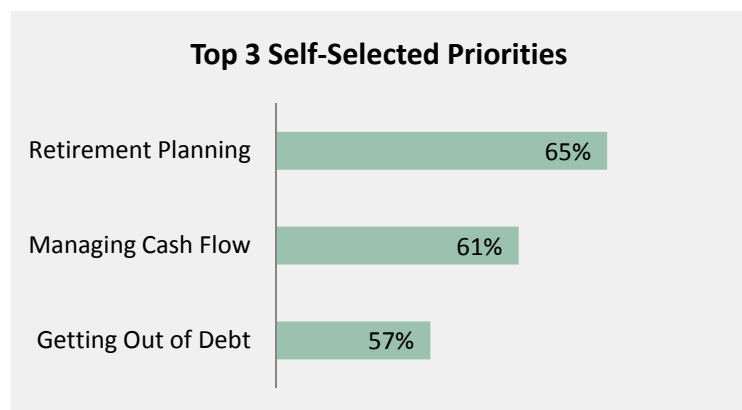
But despite their higher and increasingly dual incomes, Generation Xers are actually struggling more than most other age groups in the critical financial planning areas of money management, retirement planning, college planning, and investing. As a result, they have the lowest overall financial wellness of any generation:



So what makes the day-to-day financial life of Generation Xers so difficult? This is the age range where employees are most likely balancing saving for the future and paying down debt with the immediate obligations brought on by mortgage payments and young children.

- 67% of 30-44 year olds own a home compared to only 31% of those under 30. When the housing market collapsed, Generation Xers were more than twice as likely to own a home as Millennials but probably had less equity in their homes than Boomers.
- 65% have minor children, the most of any age group. Our previous stress report indicated that those with minor children reported significantly higher stress than those without. After all, studies have shown the cost of raising a child to average about \$200k over their lifetime.

While previous generations experienced similar challenges at this same stage of life, there is some evidence that this generation has it worse than previous ones. According to a Pew Research Center study, a household age 35-44 is 44% poorer than their counterparts of the same age in 1984. This may be a result of the Great Recession, which seems to have hit this age group the hardest. A recent census report found that people between 35 and 44 saw a 59% decline in median household net worth between 2005 and 2010, the largest drop of all age groups.



2012 Generational Research

Opportunities

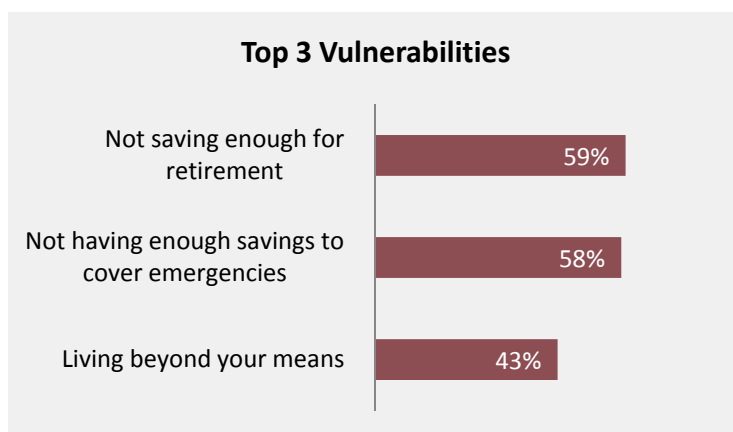
While Generation X may have gotten the short end of the stick following the Great Recession, there may be light at the end of the tunnel. In an article written for FDU Magazine, Greg Hammill, former Director of Intern and Student Programs at Fairleigh Dickinson University's Silberman College of Business, notes that when it comes to dealing with money, Generation Xers have a predisposition towards caution, conservatism and saving. In the workplace, Hammill describes this generation as skeptical and self-reliant. This predisposition to self-reliance and saving, along with the higher incomes associated with dual-income households, could be the impetus for getting this generation past their current financial challenges.

What may be holding Generation X back is not their desire to save, but their level of debt. Of employees between the ages of 30 and 44 that completed an online financial wellness assessment, 89% reported saving in their employer's retirement plan, but 49%—the most of any generation—indicated they were uncomfortable with the amount of debt they had. Like a millstone around their neck, this debt may be weighing down their opportunity to save for emergencies, college, and ultimately retirement.

What will also help this generation to recover is a realignment of financial priorities. Along with taxes, college planning was the only area that they put a greater priority on than was warranted by their vulnerabilities. As such, it may help Generation Xers to be aware of the plethora of available college financing options that make saving for college a lower priority than saving for their own goals like retirement, an emergency fund, and paying off debt.

Threats

This highlights their greatest threat, which is that they face relatively high financial obligations without the safety nets provided by the Boomers' assets or the Millennials' ability to get financial support from parents. Perhaps that's why during the financial crisis, 15% of Generation Xers made early withdrawals from their retirement accounts, 23% stopped contributing to those retirement accounts, and 22% stopped contributing to college accounts, according to a 2012 report by the Insured Retirement Institute.



Like the Millennials, Generation X will face the impending shortfalls of Medicare and Social Security, but unlike the Millennials, this generation will not have as much time for their savings to compound and grow. This, combined with the reduction in employer-sponsored retirement benefits, makes Generation X more likely to suffer shortfalls in their own savings unless drastic measures are taken.

2012 Generational Research



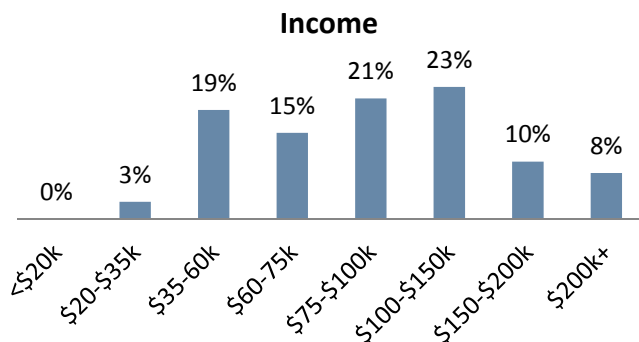
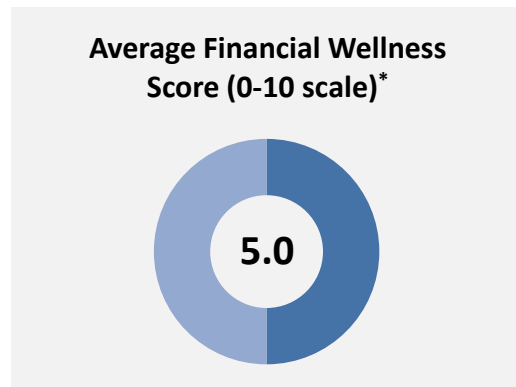
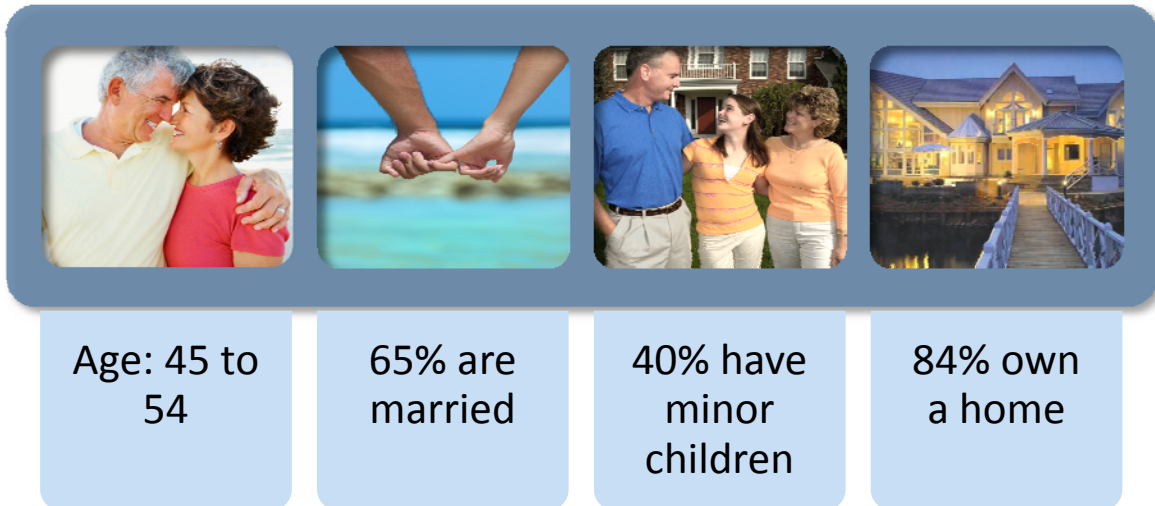
Educational Needs

Generation Xers can benefit from learning how to better prioritize and balance competing demands on their money. Since this generation tends to be the most skeptical, financial education that is conflict free with no hidden agenda appeals to them, so education should be delivered by unbiased financial educators. Generation Xers are also highly independent and like self-directed learning with tools they can try on for size. As such, offering education that includes a variety of tools they can choose from will appeal to them.

Holistic financial planning will be vital to Generation X, as employees will need to develop a financial plan that includes funding an emergency fund as well as having an understanding of how to meet their long-term goals when they are faced with competing priorities in growing their families as well as their financial future. Similar to the Millennials, Generation X would benefit from a deeper understanding of their investments so they don't simply rely on the default option but rather invest with confidence. They also have time to reap the benefits of auto-escalation in their retirement plans.

2012 Generational Research

Late Baby Boomers



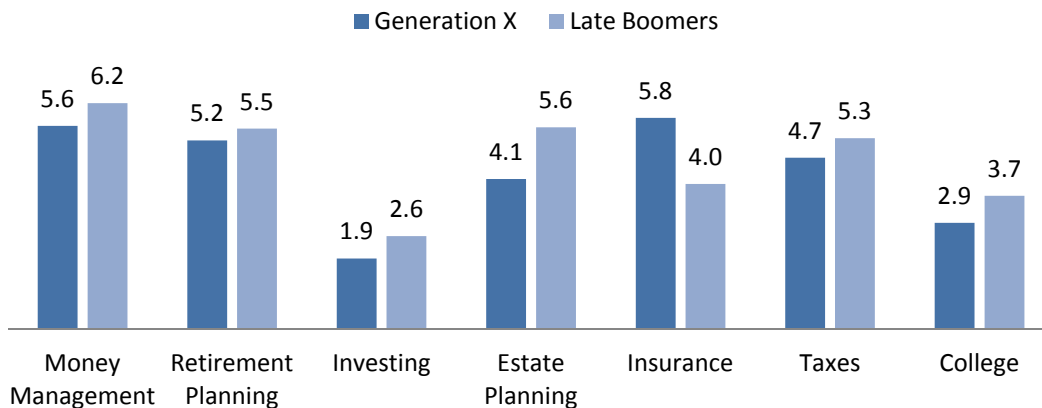
Strengths

By the time employees reach the ages of 45 to 54, they show an improvement over Generation X in every area of financial planning except insurance.

In particular, late Baby Boomers are doing relatively well when it comes to taking care of their families. They are the age group most likely to contribute to an education savings account and to have enough life insurance to replace their income, pay for college expenses, and create an emergency fund for their beneficiaries.

* See *About the Financial Wellness Score* for more information.

Financial Wellness Scores*

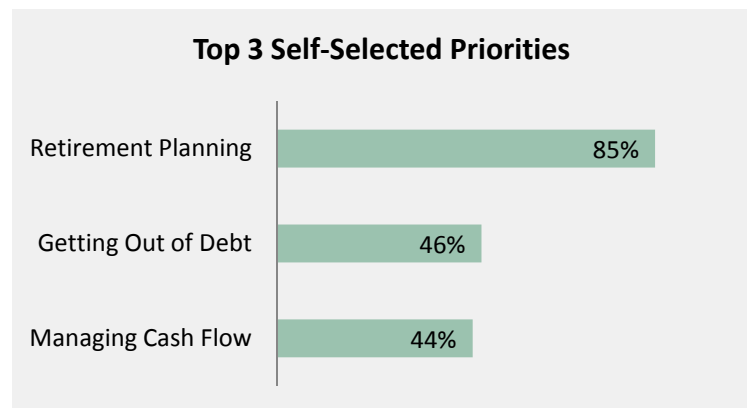


Weaknesses

Retirement remains the largest vulnerability with 82% unsure if they are on track for retirement. While this is a slight improvement from the 85% of Generation Xers that are unsure if they are on track, much remains to be done when it comes to saving for retirement.

- 75% don't contribute to an IRA
- 20% don't save enough in their company's retirement plan to even capture their employer's match
- 5% don't contribute to their company's retirement plan at all

There are also some residual cash flow issues.



- 48% do not have an emergency fund to cover unexpected expenses
- 32% do not have a handle on their cash flow
- 38% are uncomfortable with the amount of non-mortgage debt they have
- 44% do not regularly pay off their credit card balances in full.

* See *About the Financial Wellness Score* for more information.

2012 Generational Research

Here, the late Baby Boomers' strength in helping their families could be hurting their own cash flow. According to findings from the *Money Across Generations IISM* study conducted by Ameriprise Financial, 58% of Boomers in general claim to have financially assisted their elderly parents (22% with groceries, 15% with medical bills, and 14% with utilities). Since many are also taking care of children, they're often called the "sandwich generation." This description is especially apt for the late Boomers, 40% of whom have minor children, as opposed to only 11% of the early Boomers.

One area that this group prioritizes higher than their actual vulnerability is college funding. Like Generation Xers, late Boomers particularly need to understand the importance of prioritizing their own needs for retirement and emergency savings over education savings. After all, they won't have the option of applying for financial aid in retirement.

Finally, their priorities miss another big vulnerability: inadequate protection of their wealth, which was their third highest. This age group has a greater need for umbrella liability and long-term care insurance policies to protect the wealth that they are accumulating from the threats of lawsuits and long-term care costs, respectively. The fact that this oversight may be more from lack of knowledge than from lack of affordability is evidenced by the fact that insurance was ranked as their absolute lowest priority.

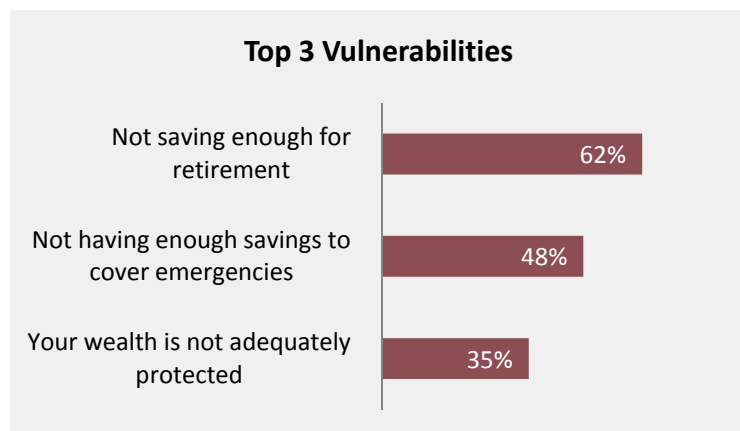
- 80% do not have umbrella liability insurance
- 90% do not have long-term care insurance

Opportunities

As their children leave the nest and they enter the highest earning phase of their careers, late Boomers should see an improvement in their cash flow, making it easier to save for retirement and purchase long term care insurance.

Threats

Compounding their lack of saving for retirement, this age group faces a unique squeeze when it comes to government entitlement programs. As previously stated, the Social Security trust fund is projected to run out in 2033, when they will be 66-75. The Medicare trust fund is projected to be depleted even earlier, in 2024, before all but the oldest members of this age group will still be too young to qualify. Medicaid is also in trouble, which could mean more stringent requirements for anyone without adequate long-term care insurance. Reform proposals have generally exempted those 55 and above from future benefit reductions, leaving this age group exposed to the full brunt of cuts without as much time as Millennials and Generation Xers to plan and prepare.



2012 Generational Research



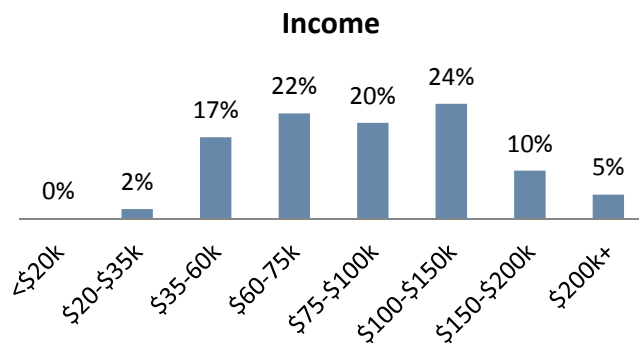
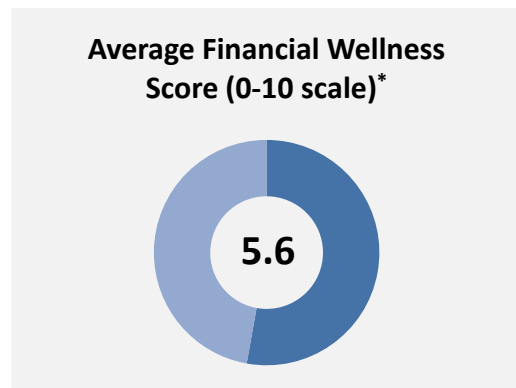
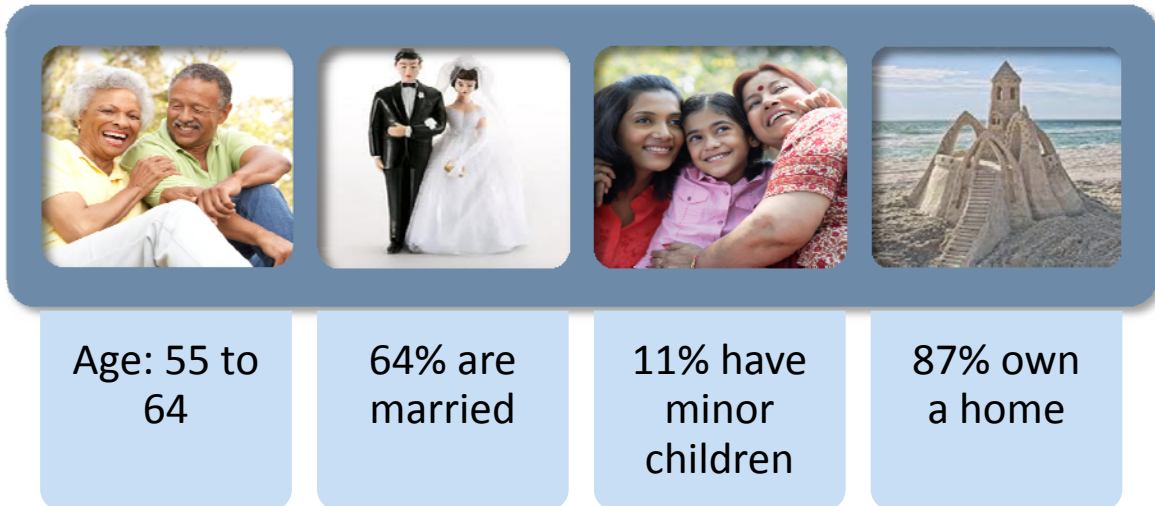
Educational Needs

This generation is being pulled off track by important urgent financial concerns such as education funding and helping family members, so they may be neglecting their “non-urgent” but vital financial priorities. Like Generation Xers, late Boomers particularly need to understand the importance of prioritizing their own needs for retirement and emergency savings over education savings. They also need to place protecting their wealth as a greater priority. Late Boomers would be best served by making financial education a process and not an event.

Attending financial workshops and running calculators are part of the process, but they also need comprehensive financial education which includes retirement planning as well as wealth protection and estate planning. Running an individualized “gap analysis” to show the difference between what they have saved and what they need to save is even more helpful when paired with personalized one-on-one meetings with a financial planner to explore alternative ways to close the gap such as relocating to a less expensive area and working part time in retirement.

2012 Generational Research

Early Baby Boomers



Strengths

At age 55-64, virtually all areas of financial planning continue to improve. In particular, 89% of early Baby Boomers are empty nesters, leading to the strongest cash management position of any of the age groups. They are the strongest age group in investing, taxes, and estate planning as well.

- 79% have a handle on their cash flow so that they spend less than they make each month
- 92% are paying their bills on time each month
- 73% are comfortable with the amount of non-mortgage debt they have

* See *About the Financial Wellness Score* for more information.

2012 Generational Research

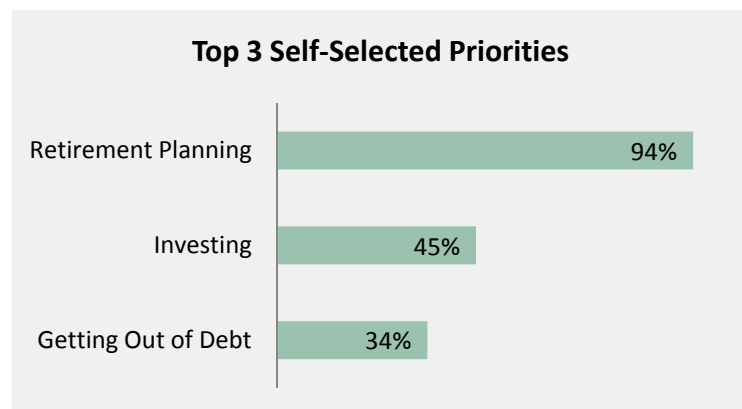
Early Boomers have also benefited from fortunate timing in a couple of ways. First, more of them were able to save and invest during the stock market boom from 1982-2000 than their younger counterparts. Since those good years helped cushion the blow from stock market declines during the Great Recession, a study by the Center for Retirement Research at Boston College concluded that a hypothetical portfolio of half equities and half bonds through February 2010 would have earned a rate of return for older Boomers (9.3%) that is about 40% higher than for younger Boomers (6.6%) and more than three times the return for Generation Xers (2.4%). Second, proposals to reduce entitlement benefits have tended to either exempt those ages 55 and above from cuts, or phase in higher retirement ages slowly over time, potentially bypassing many early Boomers.

Weaknesses

Despite their relative strength, retirement remains their biggest vulnerability. Seventy-five percent do not know if they are on track to retire. This is compounded by the fact that they don't have as much time to save as later generations. Many may have to retire later or with less income to spend in retirement.

Like the later Boomers, the greatest discrepancy between their priorities and vulnerabilities is the lack of wealth protection, which is second only to retirement as a vulnerability for them.

- 74% do not have umbrella liability insurance
- 84% do not have long-term care insurance



A single lawsuit or the need for long-term care could wipe out a lifetime of savings.

One area that remains a top vulnerability for this group in recent years is investing. This is potentially disconcerting since investing becomes more important the more money is at stake and the shorter the time you have to recover from a loss. The investment results of the first few years before and after retirement are particularly crucial in determining whether the portfolio will be able to last throughout the retiree's lifetime. Invest too aggressively and poor market returns early in retirement combined with income withdrawals can severely deplete a portfolio. Invest too conservatively and the portfolio's income may not keep pace with inflation.

2012 Generational Research

Opportunities

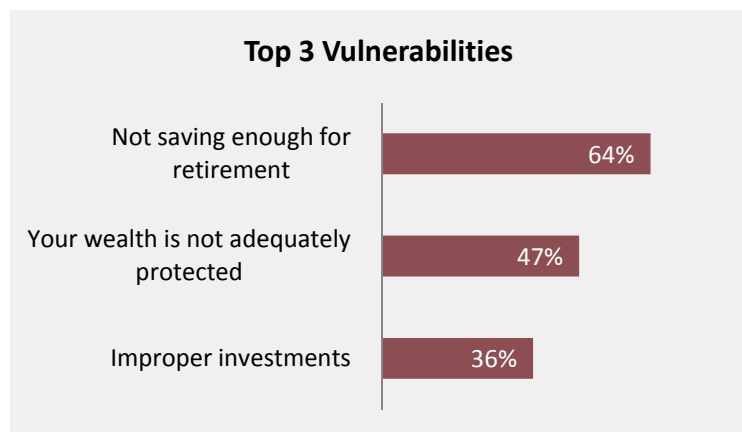
Unlike younger age groups who largely missed the stock market boom, suffered more under the Great Recession, and are facing cuts in entitlement programs, early Boomers have more control over their vulnerabilities in several ways. First, their relatively strong cash flow allows them to save more aggressively for retirement and purchase the insurance protection that they need. Second, with the right education and guidance, they can easily adjust their investment portfolios to match their risk tolerance and time horizons. Third, they are still young enough to be at the age when it's generally recommended to purchase a long-term care policy.

Finally, the new Patient Protection and Affordable Care Act will disproportionately benefit this age group since it limits the extent to which insurance companies can discriminate pricing based on age. This change will make it easier for early Boomers who may want to retire before they're eligible for Medicare at 65 but were discouraged from doing so due to the difficulty of getting health insurance outside their employer. The law will be particularly beneficial for those with pre-existing conditions, which will be required to be covered by insurers without costing higher premiums.

Threats

The biggest danger is for those early Boomers who are unable to save enough for retirement since they could be forced to work longer than they would like, take a part-time job in retirement, or find drastic ways to cut expenses like moving out of their home and perhaps to a lower cost area away from family and friends. An Associated Press-LifeGoesStrong.com poll last year revealed that 73% of Boomers already expect to work past retirement, 41% to scale back their lifestyle, and 31% to struggle financially.

The limited time they have to save for retirement may also be shorter than expected if they lose their job since many employers are reluctant to hire older workers. According to a report released by The NTAR Leadership Center, more than half of job seekers age 55 and up have been looking for work for 27 or more weeks, compared to less than 40% of younger job seekers, and many of the older workers who did find a new job took a pay cut. This puts an even greater premium on having an emergency fund, which a third of early Boomers still lack.



2012 Generational Research



A final potential threat is that early Boomers who wait too long to purchase adequate long-term care insurance could face unaffordable premiums or even become uninsurable if their health deteriorates. This would leave them with the prospect of having to spend down their assets before being able to qualify for Medicaid coverage. This is not a remote possibility. According to the National Clearinghouse for Long Term Care Information, about 70% of people over age 65 require some type of long-term care in their lifetime, and The 2012 MetLife Market Survey of Nursing Home, Assisted Living, Adult Day Services, and Home Care Costs found the average cost for a private room to be \$248 a day, or over \$90,000 a year.

Educational Needs

The key for Early Boomers is protecting their nest eggs as they approach retirement and to plan out a distribution strategy so their income is protected and will last a lifetime. Early Baby Boomers in particular need to sit down with a financial planner to determine when and how they can retire and what they need to do post retirement to make sure they don't run out of money. One-on-one meetings are the best way to accomplish what the Early Baby Boomer needs since every situation is different and the variables have layers of complexity.

Early Baby Boomers are particularly vulnerable to loss of wealth from a lawsuit or due to cost of long-term care, since they don't have any time to make up the loss. Insurance and wealth protection need to be part of their financial education.

Responses to Online Financial Planning Questionnaire

Breakdown by Generations

The charts below show how the different generations responded to financial planning questions on a personal financial wellness assessment. The questions are grouped into 7 key financial planning topics.

1. MONEY MANAGEMENT

	Millennials	Generation X	Late Boomers	Early Boomers
I have a handle on my cash flow so I spend less than I make each month.	73%	61%	68%	79%
I have an emergency fund to cover unexpected expenses.	50%	42%	52%	67%
I pay my bills on time each month.	88%	82%	87%	92%
I am comfortable with the amount of (non-mortgage) debt I have.	58%	51%	62%	73%
I regularly pay off my credit card balances in full.	62%	47%	56%	65%

2. RETIREMENT PLANNING

	Millennials	Generation X	Late Boomers	Early Boomers
I contribute to my retirement plan at work such as a 401(k), 457 or 403(b) plan.	83%	89%	95%	95%
I know I am on target to replace at least 80% of my income in retirement.	17%	15%	18%	25%
I capture the company matching funds in my retirement plan by saving up to the matching percentage.	74%	74%	80%	88%
I contribute to a traditional or Roth IRA.	26%	22%	25%	29%

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3. COLLEGE PLANNING

	Millennials	Generation X	Late Boomers	Early Boomers
I know how much I need to save for college costs and am on track to meet that need.	17%	14%	28%	41%
I currently contribute to a 529 Plan or other tax-advantaged savings account to save for college expenses.	6%	21%	26%	14%
I understand the financial aid options that may be available, including grants, scholarships, student loans, etc.	65%	56%	60%	60%

4. INVESTING

	Millennials	Generation X	Late Boomers	Early Boomers
I have general investment knowledge regarding stocks, bonds, and mutual funds.	65%	67%	73%	79%
I feel confident that my investments are allocated appropriately between stocks, bonds, and cash.	29%	30%	34%	41%
I have taken an assessment and I am aware of my conservative, moderate, or aggressive risk tolerance.	38%	39%	45%	49%
I rebalance my accounts to keep my asset allocation plans on track.	25%	27%	34%	38%
I look at my combined assets to develop a master asset allocation and avoid overlapping of investments	23%	20%	26%	31%
I have done a fee analysis on my portfolio.	17%	13%	18%	22%

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5. TAX PLANNING

	Millennials	Generation X	Late Boomers	Early Boomers
I understand the tax implications of my investment and retirement accounts.	33%	36%	40%	42%
I adjust my withholding each year so I neither owe nor receive a large refund.	38%	37%	38%	45%
To my knowledge, I maximize all available federal tax credits and deductions to reduce my tax liability.	37%	41%	46%	54%

6. INSURANCE

	Millennials	Generation X	Late Boomers	Early Boomers
I review my insurance coverage annually and I am confident that my health, auto, and home are adequately covered.	75%	75%	77%	81%
I carry enough life insurance to replace my income, pay for college expenses, and create an emergency fund for my beneficiaries.	26%	41%	53%	51%
I have Long-Term Disability insurance in place to replace my salary in case I am ill or have an accident and am unable to work at my current job.	60%	59%	63%	63%
I have an umbrella insurance policy to protect my assets from lawsuits.	N/A	N/A	20%	26%
I have a Long-Term Care insurance policy in place to protect against the cost of a nursing home stay.	N/A	N/A	10%	16%

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7. ESTATE PLANNING

	Millennials	Generation X	Late Boomers	Early Boomers
I have made sure beneficiary designations on my insurance and retirement plans are up to date.	68%	77%	84%	85%
I have written up legal documents such as a will or trust and made decisions about who should receive my assets and who should raise my children.	8%	17%	36%	50%
I have met with an estate planning attorney or financial planner to create an estate plan.	0%	2%	6%	6%

Key Areas to Watch

- 1) In 2010, neither Millennials nor Generation Xers made retirement their top priority despite it being the top vulnerability for every age group. Fortunately, that was rectified by Generation X starting in 2011, and hopefully better retirement plan design and increased education and awareness will cause Millennials to follow suit.
- 2) Without the safety nets of parental support or significant assets that other generations had, Generation X was particularly hit hard by the Great Recession at a time when raising families put the most stress on their budgets. The question is to what extent this was a unique generational event versus being merely a financially difficult stage in life that each generation must pass through. We'll see if they are able to catch up to the Baby Boomers over the next few years.
- 3) Baby Boomers have yet to recognize their growing need for wealth protection to match their rising net worth. This should be an increasing area of attention as fiscal pressures may limit Medicaid coverage even as long-term care costs continue to skyrocket.
- 4) Early Baby Boomers will also need to focus more on the management of their investment portfolios as they approach the distribution phase of their retirement planning and have a shorter time frame to recover from losses.
- 5) One area that almost all the age groups had in common was a drop in interest in taxes. For Millennials, it stayed #5 as a priority but dropped as a priority from #4 for Generation Xers, #3 for late Boomers, and #2 for early Boomers to #6 for all these age groups. This may be a result of the continuation of the Bush tax cuts and the implementation of the payroll tax holiday in 2011 and 2012. It will be interesting to see the effect of the possible expirations of those tax cuts on how taxes are prioritized in the future.

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About this Research

All of Financial Finesse's research is primary—based on tracking employees' most pressing financial concerns through their usage of our financial education services.

Trend analysis research is compiled by tracking questions received by planners through Financial Finesse's Financial Helpline and Ask-a-Planner services. Financial Wellness data is compiled by tracking employees' usage of Financial Finesse's Online Financial Wellness Assessment and Learning Center, which provides employees with a personalized financial education plan and analysis of their current financial wellness. Employers and employees are located across the country—in similar proportion to the demographics of the national population.

About the Financial Wellness Assessment

The Financial Wellness Assessment is a proprietary tool designed and developed by our Think Tank of CERTIFIED FINANCIAL PLANNER™ professionals used to measure employees' financial wellness. To get a realistic assessment of wellness in each category, planners determined the most important criteria for achieving financial success in that specific category. By asking key questions that determine employees' progress on these different actions, we are able to approximate their financial wellness in those areas.

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About the Financial Wellness Score

The Financial Wellness Score is measured on a scale of 0 to 10, with 0 indicating minimal financial wellness and 10 indicating optimal financial wellness. Scores are adjusted to consider age and income and determine how well employees are managing their finances based on these factors and the needs associated with different life stages and income levels. Employees who achieve a Financial Wellness Score within a specified range exhibit financial behavior as outlined in the following chart:

Wellness Score	Financial Behavior
9.0 or above	Employees have excellent financial skills and habits, and have achieved an optimal level of financial wellness. They are on track to meet their goals and fully prepared to weather unexpected challenges that arise.
7.0 to 8.9	Employees have good financial skills and habits, and are in a fairly good position to reach their goals, but there are additional actions they need to take to fully prepare for their goals and protect themselves from challenges that may arise.
5.0 to 6.9	Employees are demonstrating some personal financial skills, but have significant gaps in their overall financial planning and behaviors, and really need education and guidance to make decisions and develop financial habits that will allow them to achieve their goals.
3.0 to 4.9	Employees may be sabotaging their own goals through poor personal financial skills and are in need of more basic information.
Below 3.0	Employees are in dire need of guidance around basic personal financial skills to help keep them from experiencing serious financial consequences.

About Financial Finesse

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