

Fact Sheet

Rethinking Retirement: A New Role for Employers

Four American Generations Share Their Views on Life's Third Act

Schwab talked to thousands of American adults—across four generations—about their hopes and dreams for their later years and how they see themselves—and society—responding to the financial and social challenges of retirement. We heard from:

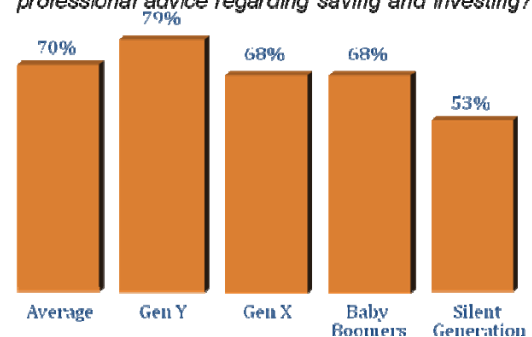
- Silent Generation: Retired people (ages 63 to 83);
- Baby Boomers: The next generation of retirees (ages 44 to 62);
- Generation X (ages 32 to 43); and
- Generation Y (ages 21 to 31).

While most respondents understand the increasing necessity of financial self-reliance in today's world, there is still a strong desire for assistance from their employers in helping them to navigate financial matters extending beyond simply offering a competitive retirement plan. In fact, many respondents are looking to their employers for advice on financial matters that are completely separate from their employer-sponsored plan.

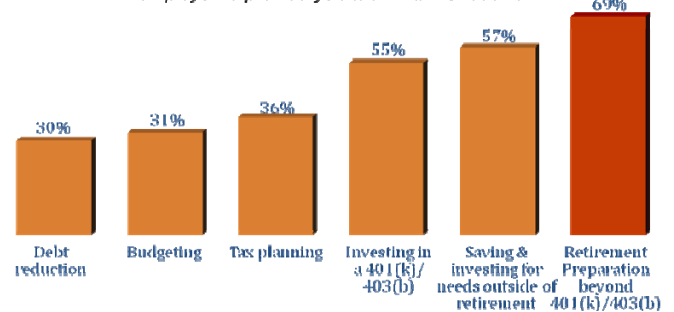
A call for more advice

- Seventy percent of respondents say they would like their employer to provide them with professional advice regarding saving and investing. This is even more pronounced among the youngest working generation, with 79 percent of Generation Y respondents saying that they would like help from their employer.
- Perhaps signifying a change in the role of the workplace in educating Americans about fiscal matters, the most common area that respondents would like assistance from their employer is on retirement preparation *beyond* the 401(k) or 403(b) plan. Second to that are saving and investing needs outside of retirement all together. Help investing in a 401(k) or 403(b) is also popular, though in third place. Interestingly, about one-third of respondents would also like their employers to help them with debt reduction, budgeting and tax planning.

Would you like your employer to provide you with professional advice regarding saving and investing?



In which of the following areas would you like your employer to provide you with financial advice?



- While most respondents agree on wanting more advice, the majority also feel strongly that they want to continue to hold the reins. Three-quarters of all respondents said they would like to handle

decision-making related to their 401(k) or 403(b) themselves, getting help when needed. This is especially true of Generation Y, even though they are also the generation most amenable to receiving advice. Only 9 percent of total respondents want to make all the decisions themselves without any advice.

- Non-whites are more likely to want their employers to provide them with professional advice regarding saving and investing. More than 80 percent of Asians and African Americans say they would like their employer to provide them with professional advice regarding saving and investing.

Other interesting findings pertaining to employer-sponsored retirement plans:

- **Barriers to participation.** When asked their reasons for not saving more in their employer’s plan, respondents overwhelmingly cite the need for money for day-to-day expenses and to pay down debt as the top two reasons. And this concern about debt reduction is not limited to the youngest generations. Thirty-two percent of young boomers (ages 44-53) cite debt reduction as the biggest barrier to participation, the highest response of any generation group.
- **Popularity of the employer match.** When asked what benefits would be the most valuable in a 401(k) or 403(b) plan, the employer match is by far the most popular choice among respondents. But, perhaps surprisingly, a full 30 percent of respondents say they would find it most valuable for their employer to automatically increase their savings rate every year, indicating that some workers recognize the benefits of using automatic features to encourage good savings habits.

Most Valuable Benefit Employer Can Offer to Help with Retirement Savings	Total	Gen Y	Gen X	Boomers	Silent Gen
	N=2813	N=698	N=771	N=1058	N=286
Match at least some percentage of my own contribution to plan	65%	67%	63%	67%	70%
Provide access to helpful professional advice	34%	32%	33%	35%	39%
Plan would automatically adjust and rebalance based on my age and time until retirement	33%	32%	32%	34%	30%
Automatically increase the percentage of my salary that I contribute to the plan on an annual basis	30%	30%	31%	29%	30%
Automatically enroll me in a carefully selected retirement plan	21%	28%	18%	17%	22%

About the Study

This landmark, cross-generational study was initiated by Charles Schwab in consultation with Age Wave. All data collection and analysis was conducted online in the United States by Harris Interactive. All interviews were conducted online from March 28 to April 22, 2008. A total of 3,866 were conducted among 21-83 year olds. The sample is representative by age, gender, race, income, investable assets, education and region for each of the four generations studied. An oversample was conducted by generation among the major non-White ethnic groups (Hispanics, African Americans and Asians) to ensure adequate representation by ethnicity across all generations. No estimates on theoretical sampling error can be calculated; a full methodology is available.

About Charles Schwab

The Charles Schwab Corporation (Nasdaq: SCHW) is a leading provider of financial services, with more than 300 offices and 7.2 million client brokerage accounts, 1.3 million corporate retirement plan participants, 332,000 banking accounts, and \$1.4 trillion in client assets as of April 30, 2008. Through its operating subsidiaries, the company provides a full range of securities brokerage, banking, money management and financial advisory services to individual investors and independent investment

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About Age Wave

Age Wave is the world's leader in market analysis and innovative insights concerning the boomer and mature adult sectors. Drawing on thirty+ years experience, Age Wave has developed a unique understanding of the population's expectations, attitudes, hopes and fears regarding retirement and maturity-related lifestyle and workstyle issues. Under the leadership of Dr. Ken Dychtwald, Age Wave has overseen hundreds of

cutting-edge research, training, and consulting assignments worldwide across a variety of industry sectors including financial services, healthcare, food and beverage, retail, travel, media, communications real estate and technology. The company's client list has become a who's who of global corporate and government leadership. www.agewave.com.

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