

2014 MILLENNIALS RESEARCH STUDY

In response to interest about the financial needs and challenges of younger employees, Voya Financial™ conducted an online survey among roughly 2000 young adults aged 20-34 years old, “Millennials” working full- or part-time with household income of at least \$20,000 for those employed full-time. This survey was conducted January 14 – 27, 2014 and survey samples were weighted to reflect US census data for this age group.

KEY FINDINGS

Nearly two in three Millennials believe it will be more difficult for their generation to match the same lifestyle that their parents were able to achieve. Sixty-nine percent believe their generation has a harder time getting a good start in life compared to previous generations.

For nearly three in five Millennials (57%), paying off debt (particularly student loans) takes a greater priority in their financial lives over saving for retirement. Forty-one percent of Millennials have held off saving for retirement due to lack of available funds.

The majority of Millennials have no idea how much they need to save for retirement. Two-thirds have no idea how much they will need to have saved by the time they retire (including 64% of current plan participants.)

Perhaps for this reason, the financial topic of greatest interest to Millennials is how to prepare for retirement. Nearly nine in ten (85%) express interest in learning more about planning for retirement, and over half (51%) wish they had learned about this topic in high school or college.

At least two in five Millennials are interested in receiving advice on retirement saving and investing topics from either their employer or workplace plan provider.

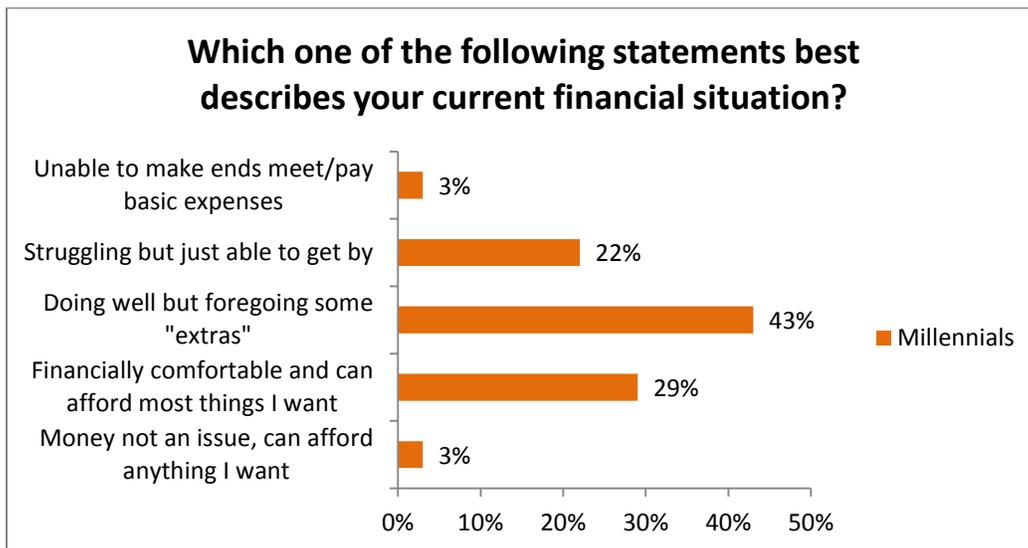
When working with a financial advisor, Millennials express a surprisingly strong preference for face-to-face interaction over other channels when communicating or getting financial advice. Fifty-seven percent of Millennials say their most preferred communication channel would be face to face, followed by e-mail (18%), online tools/calculators (12%) and phone (9%).

Millennials who are contributing to a workplace retirement plan report higher levels of being financially comfortable and feeling confident about saving for retirement. Thirty-seven percent of those contributing to a workplace retirement plan report being financially comfortable (vs. only 22% who don't contribute to a plan.) Nearly three quarters (74%) who are contributing to a workplace plan report feeling confident about being able to save enough for retirement vs. slightly less than half of those who are not currently contributing to a plan.

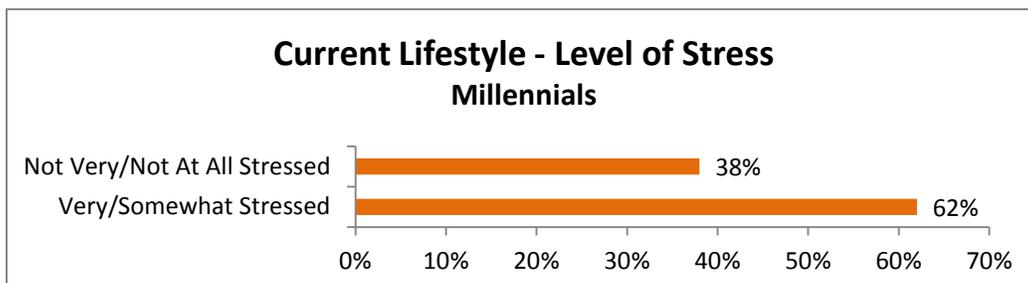
EXECUTIVE SUMMARY

Millennials are a true barometer of today’s economic environment - some are surviving while others are struggling, and many are feeling stressed.

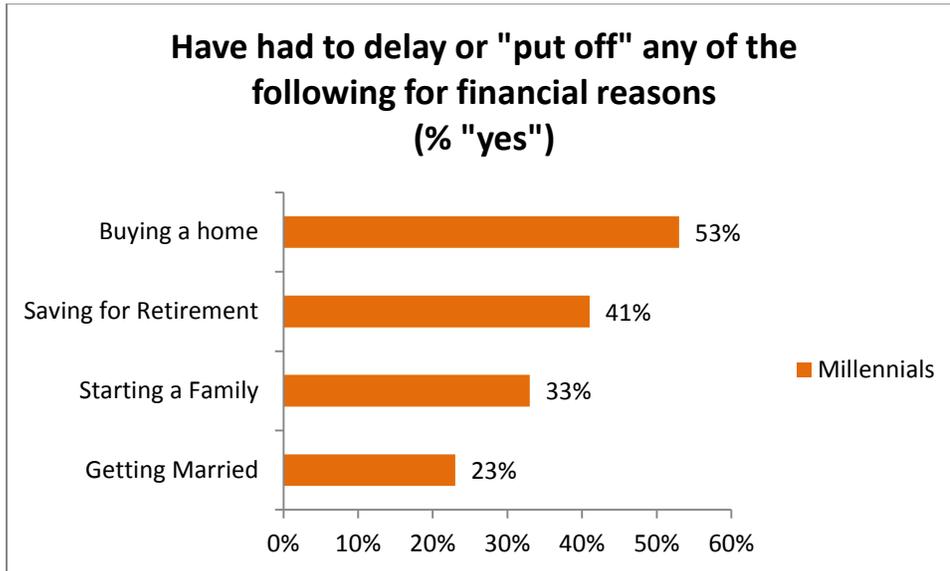
- While a third of Millennials report that they are financially comfortable and can afford most things they want, more than half of Millennials report foregoing “extras” in their current financial situation or are struggling to get by and make ends meet.
 - 32% of all Millennials in the study report that money is not an issue, are financially comfortable and can afford most things that they want.
 - Nearly half (43%) report they are “doing well” but are foregoing some “extras” in their lives.
 - One in four Millennials (25%) report they are struggling to get by and are unable to make ends meet to pay basic expenses.



- Just over three in five Millennials (62%) report lifestyles that are very or somewhat stressful.
 - Millennial groups who are most likely to report stressful lifestyles include those with children (70%), Women (60%) and those with fewer than \$25K in investable assets (65%).



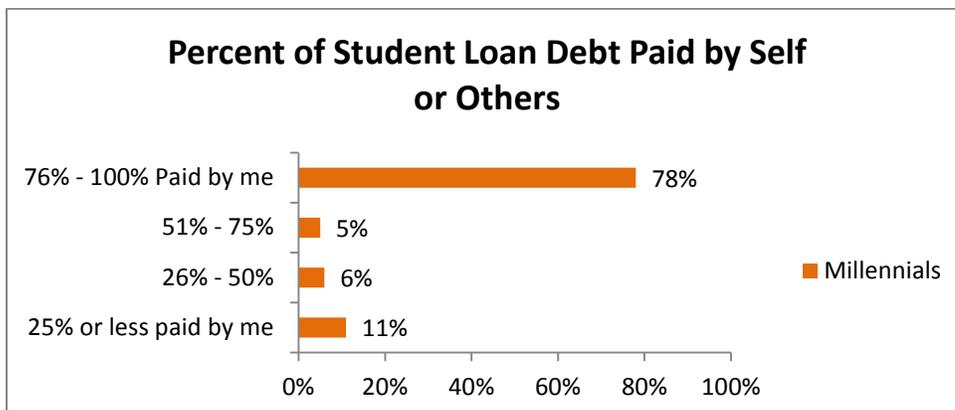
- Financial challenges have forced many Millennials to delay certain personal milestones.
 - More than half (53%) have put off buying a home and four in ten (41%) have put off saving for retirement.



- Sixty-nine percent of Millennials believe they will have a harder time getting a good start in life compared to the generations that preceded them.

Many Millennials report carrying the primary burden for paying off their student loans, which takes priority in their financial lives over saving for retirement.

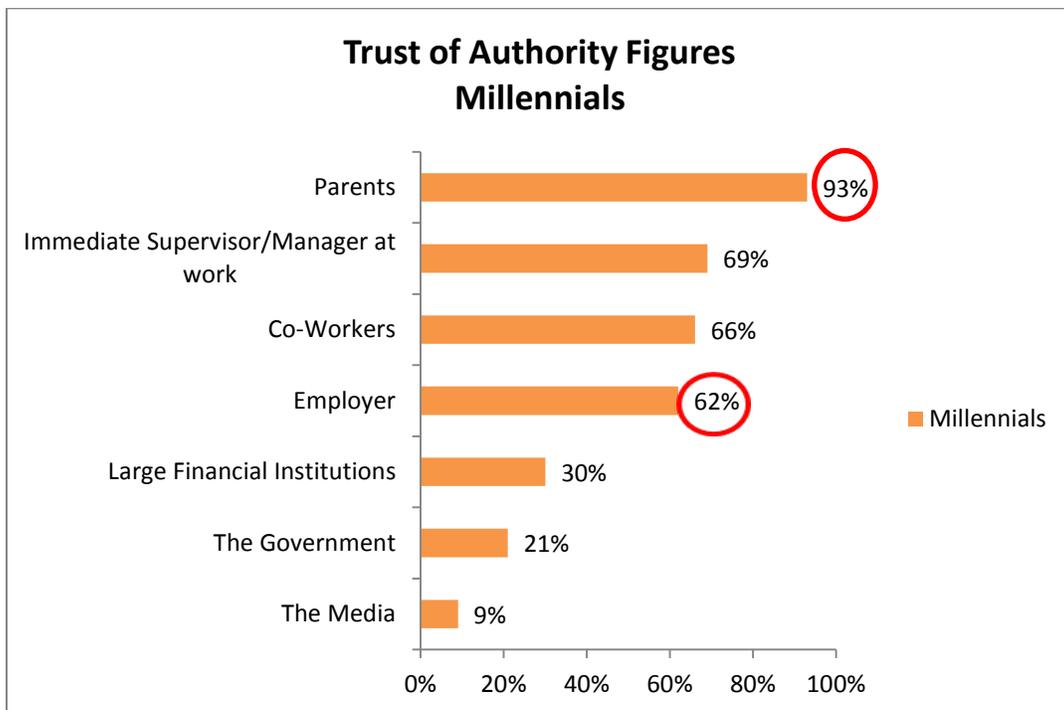
- The majority of Millennials with student loans are paying most of those loans off themselves.
 - Four in five (83%) are responsible for the majority of their student loan debt, with 78% expecting to pay off more than 75-100% of their loans.



- For nearly three in five Millennials (57%), paying off debt takes a greater priority over saving for retirement.
 - Not surprisingly, reducing debt is a much higher priority for Millennials who are not contributing to a workplace retirement plan (73% vs. 48% for those who are contributing to a plan.)

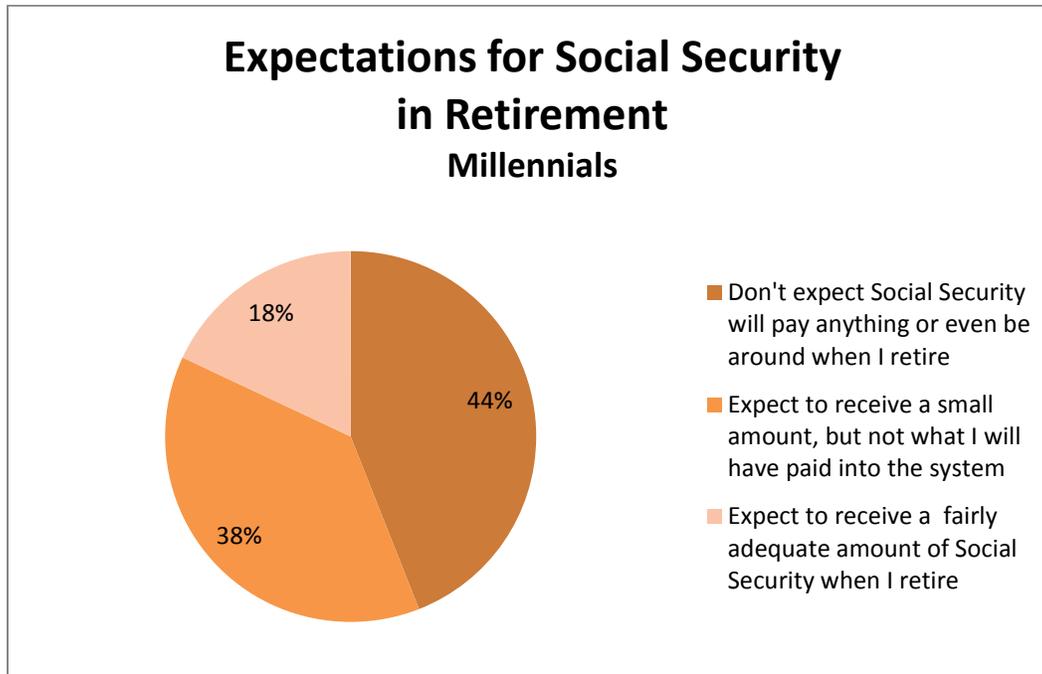
Millennials truly value the benefits of solid employment in a weak economy

- Millennials place high importance on the fulfillment they receive from work over just receiving a paycheck.
 - Three in ten report enjoying their job so much that they would be willing to stay for less pay.
 - While the media has portrayed Millennials as entrepreneurial, only a third (31%) believe they need to start their own business to be truly happy.
- Many report high levels of trust in their employer at all levels, second only to trust in one’s parents.
 - Over 60% of Millennials report trusting their employer and immediate supervisor at work, at more than double the levels they trust financial institutions, the government or the media.



For many Millennials, retirement is far off – and not yet in focus

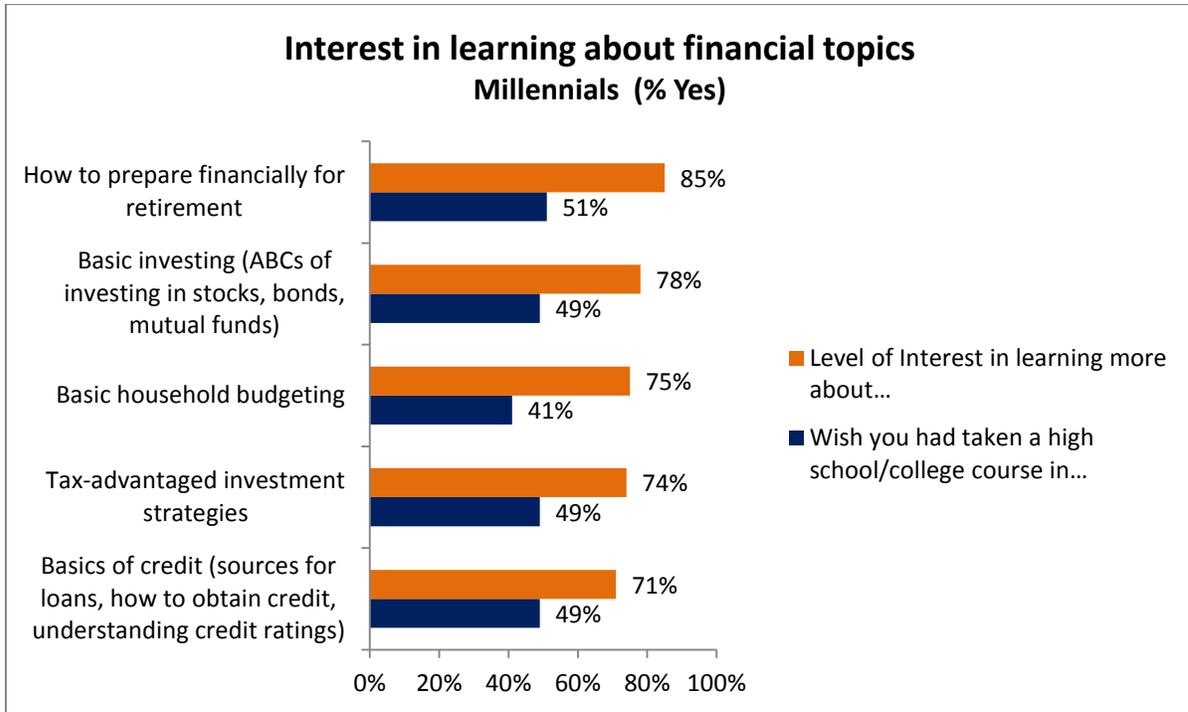
- The majority have no idea how much they need to save – and have low expectations for traditional sources of retirement income.
 - Two-thirds have no idea how much they will need to have saved by the time they retire.
 - Forty-four percent do not believe that Social Security will pay much at all when they retire – or may no longer exist.



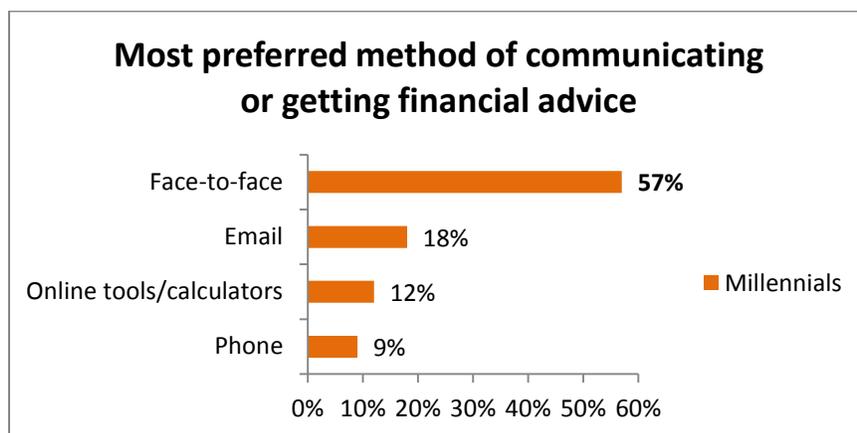
Many are confident and interested in investing- and would welcome information from their employer or retirement plan provider.

- Two in five Millennials make investment decisions entirely on their own without consulting others.
 - Half (52%) consult with others (parents, investment professionals, friends) before making investment decisions.
 - Only one in ten delegate financial and investment decisions to someone else.
- Roughly half (55%) of Millennials report that the best retirement savings advice they have received to date is the importance of starting early – even if saving only a small amount.
 - Still, one in five Millennials report they have received no helpful advice from either their employer or workplace retirement plan provider.

- Half of all Millennials express strong interest in learning how to better invest or manage their finances.
 - The financial topic of greatest interest is how to prepare financially for retirement (85%).
 - Half (51%) wish they had learned this in high school or college, and only 16% said that they did.
 - Learning about basic investment strategies is a close second among topics of interest to them.

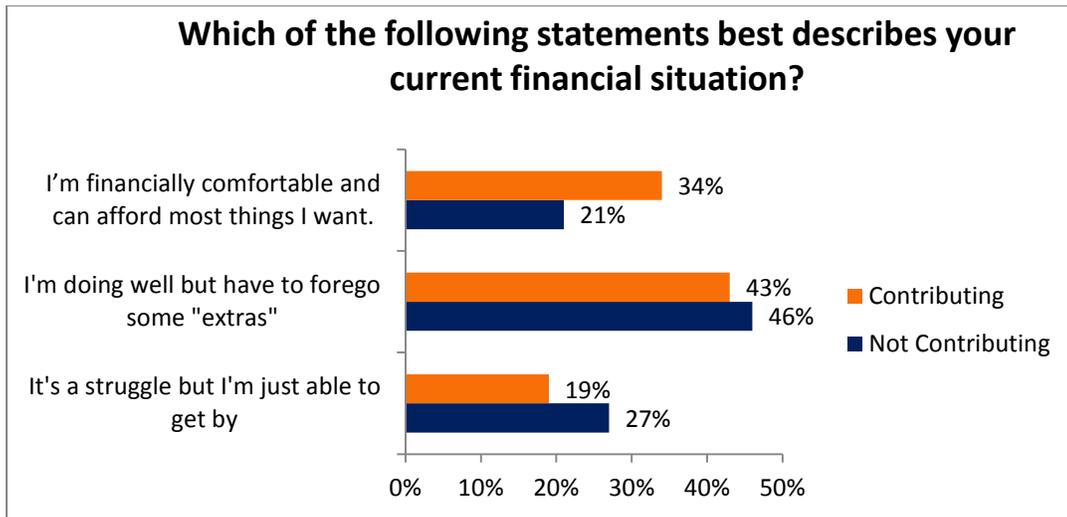


- Millennials show a strong preference for face-to-face interactions when communicating or getting financial advice vs. other methods of communications.
 - A surprising majority prefer face-to-face interaction (57%) followed by e-mail (18%), online tools or calculators (12%) and phone (9%).

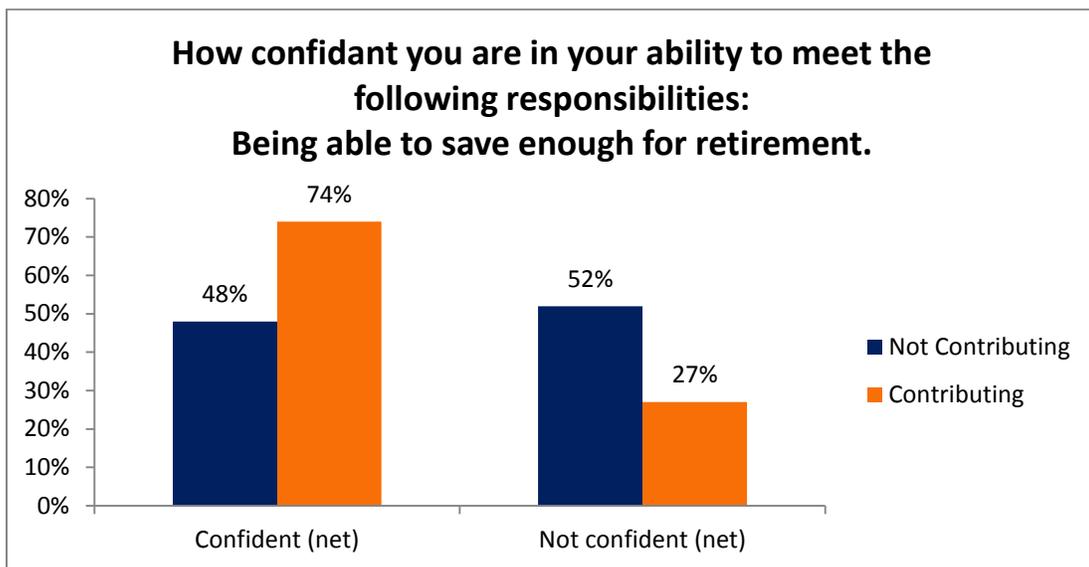


Millennials who are actively contributing to a workplace retirement plan report higher levels of being financially comfortable and secure in saving for retirement than those who do not.

- Those who are contributing to a defined contribution retirement plan through work report being more financially comfortable than those who are not.
 - 34% of those contributing to a workplace retirement plan report being financially comfortable vs. only 21% of those who are not contributing to a plan.
 - A much higher percentage of Millennials who are not contributing to a DC plan (27%) report it is a struggle to make ends meet vs. only 19% for those who are contributing to a DC plan.



- Millennials who are already contributing to a workplace retirement plan are significantly more confident in their ability to save enough for retirement vs. those who aren't contributing to a plan.



CONCLUSIONS

Today's Millennials are facing a much tougher entry into adult life than did their Boomer parents. In the face of tougher economic circumstances, including a more challenging job market as well as starting off with higher college debt, Millennials are coming to appreciate the benefits of a good job and the benefits that come along with it – including the opportunity to save in a workplace retirement plan. Based on the results of this study, saving for the future is already on the minds of today's Millennial workers – and many are looking for more information and help from their employer to start creating a plan that will lead to a more confident future. Millennials who have started saving are already reaping the benefits of starting early, in terms of feeling more confident about their future. Employers have the opportunity to encourage and educate their young workers on the benefits of saving now and keeping their savings on track as their careers progress.

For more information, visit www.VoyaRetirementResearchInstitute.com

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