



Society of Actuaries
College & Retirement Savings

June 2023

Contents

1 Background & methodology

2 Research objectives

3 Executive summary

4 Detailed findings





Background and methodology

Background & methodology

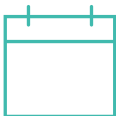


Market:
US



Sample:
1,000 Consumers who

- Are aged 25-80
- Regularly save for retirement
- Currently save at least \$500 a year for someone else's college education



Timings:
May 26 – June 5, 2023

Methodology in detail

A 10-minute online survey conducted by Opinium, speaking to 1,000 US consumers who both regularly save for retirement and are currently saving at least \$500 a year for someone else's college education ("college and retirement savers").

Weighting was informed by averaging demographic fallout of this sample with observed, nationally representative omnibus data of those regularly saving for retirement and someone else's college (by age/gender, region, race, and ethnicity).

Questionnaire outline

Screeners and demographics

Ensures we are speaking to the right people and capturing whose education our audience is saving for

The saving landscape

What and who are our audience saving for?

Challenges related to saving for both retirement and college

How does saving for both impact each component? What is the inter-relationship of these two saving goals?

Overall financial health and well-being trade-offs

How has saving for these two expensive, time-intensive goals impacted people's overall financial freedom and health?

Research objectives

A reminder of your research objectives

Get a snapshot of how families plan to pay for **someone else's college education and their own retirement** ----->

-----> Understand the financial impact of saving for retirement and college education on retirement and beneficiary education plans ----->

-----> Use this knowledge to capture the impact of saving for both goals, including trade-offs and sacrifices needed to do so

Executive Summary

Main findings

Saving for college & retirement strains college plans

Retirement plans are impacted by saving for college

College and retirement **savers' daily lives are** impacted by saving

Beneficiaries' college plans are often limited by the financial constraints of saving for multiple large goals at once

Over half of college and retirement savers have moderately or significantly delayed retirement in order to save for both retirement and college

A majority of college and retirement savers have had to make lifestyle or career changes in response to saving for both college and retirement



Detailed findings

Exploring Americans' college savings and retirement plans

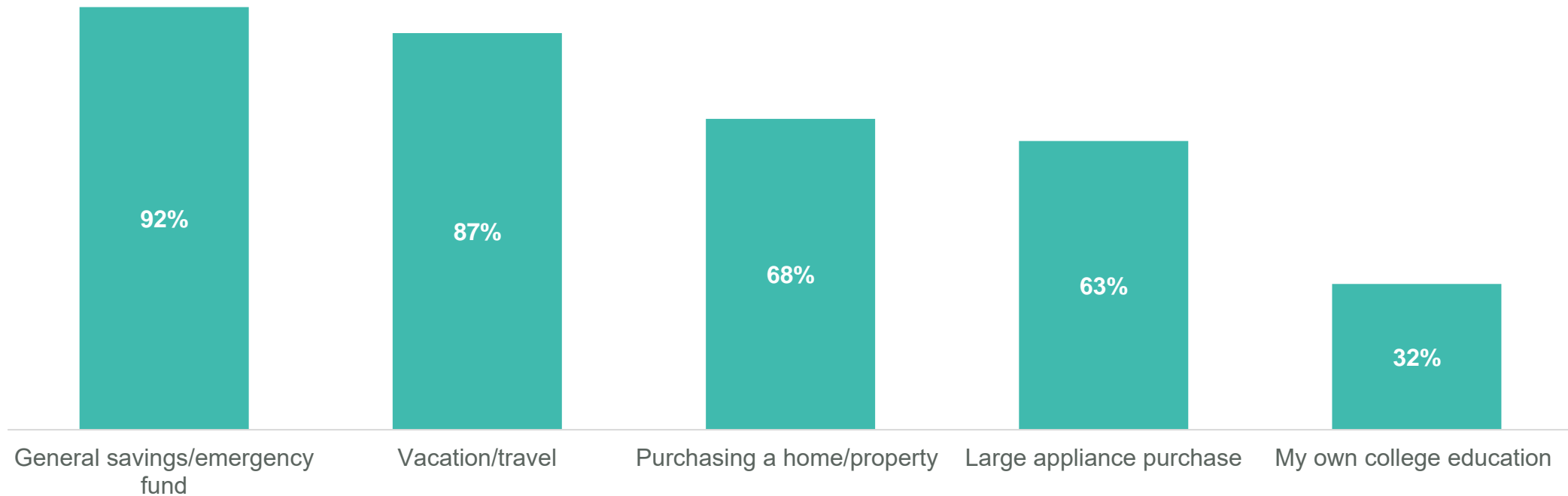


General savings habits

What are college and retirement savers prioritizing when they save money?

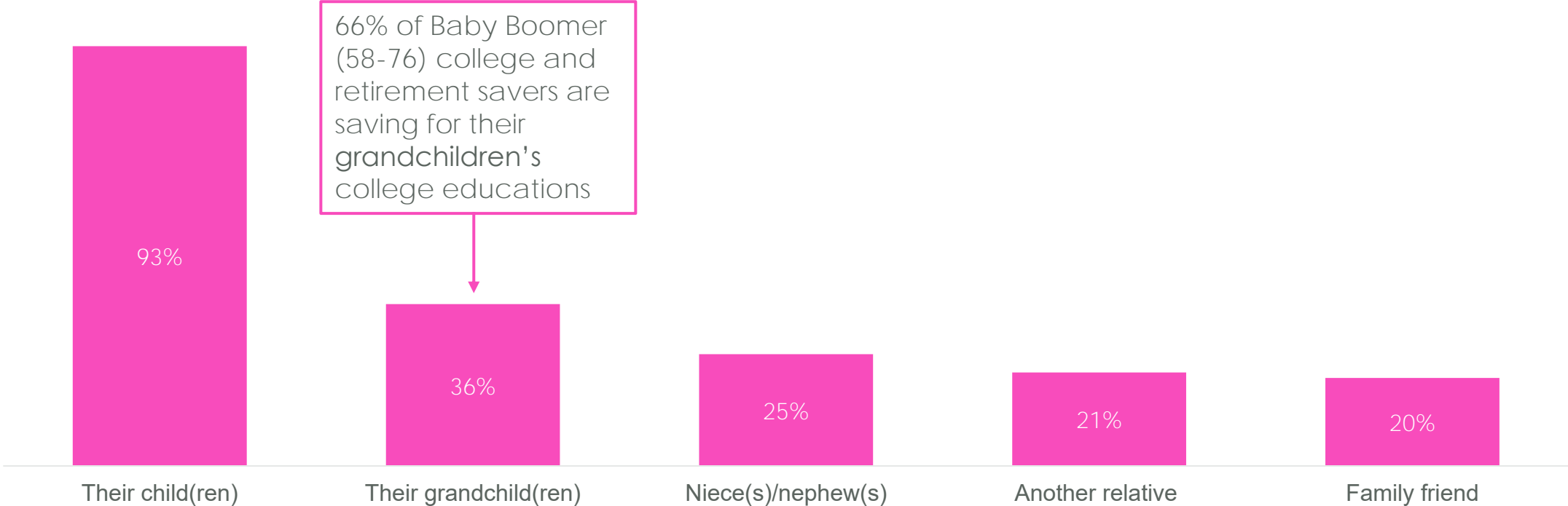
College and retirement savers have a wide range of saving goals

College & retirement savers are saving for...



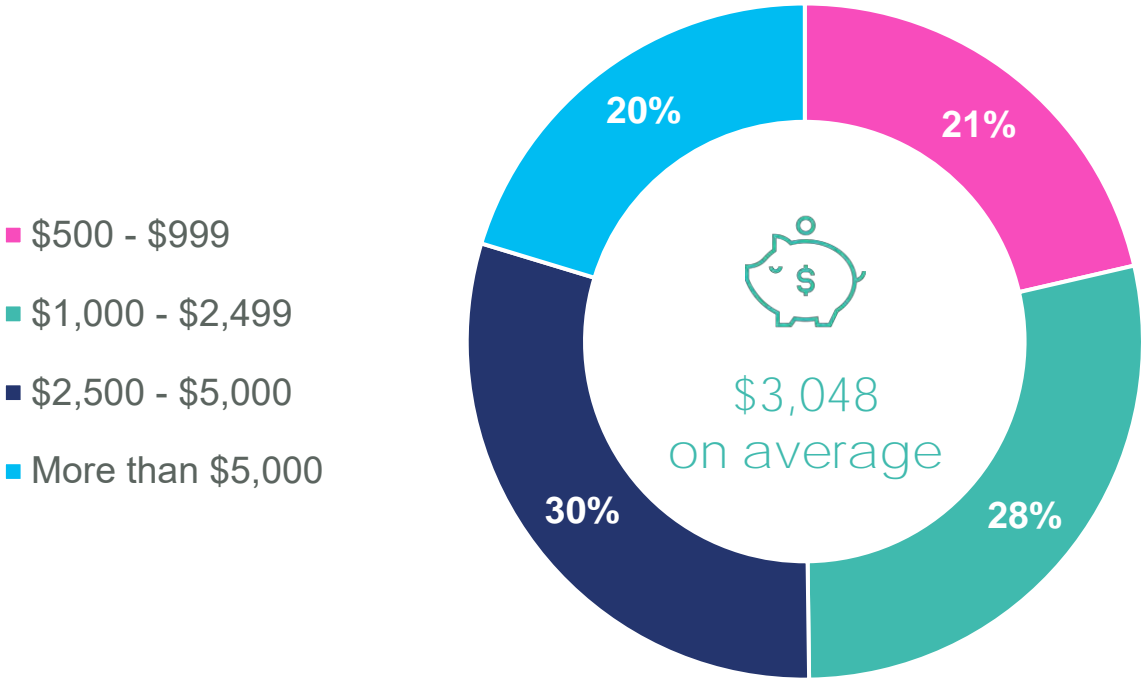
The vast majority of college and retirement savers are saving for their own children's college education

Whose educations are college and retirement savers saving for?



Q2. You mentioned that you are currently saving for someone else's college education. For each of the following, please indicate whether you are currently saving for their college education. Base: All college and retirement savers (1,000)

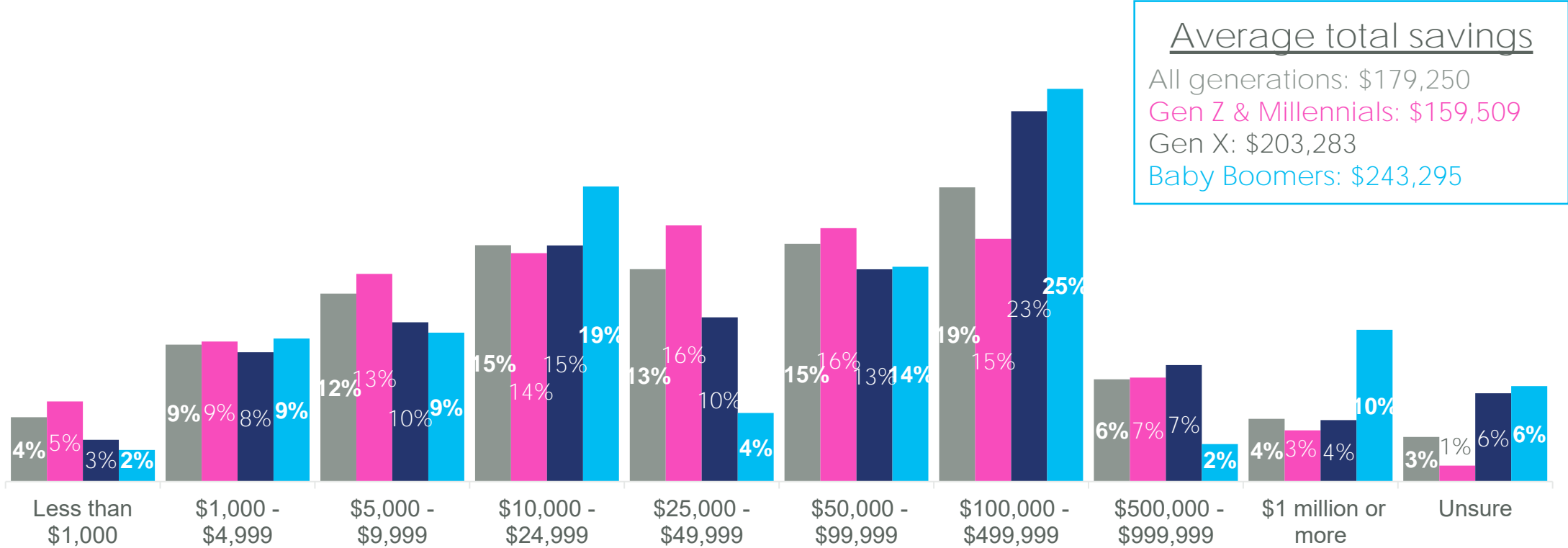
On average, college and retirement savers save about \$3,000 a year for their beneficiaries' college educations



36% of college and retirement savers with household incomes of \$150k or more save over \$5,000 a year for college

The average college and retirement saver has less than \$200,000 saved for retirement

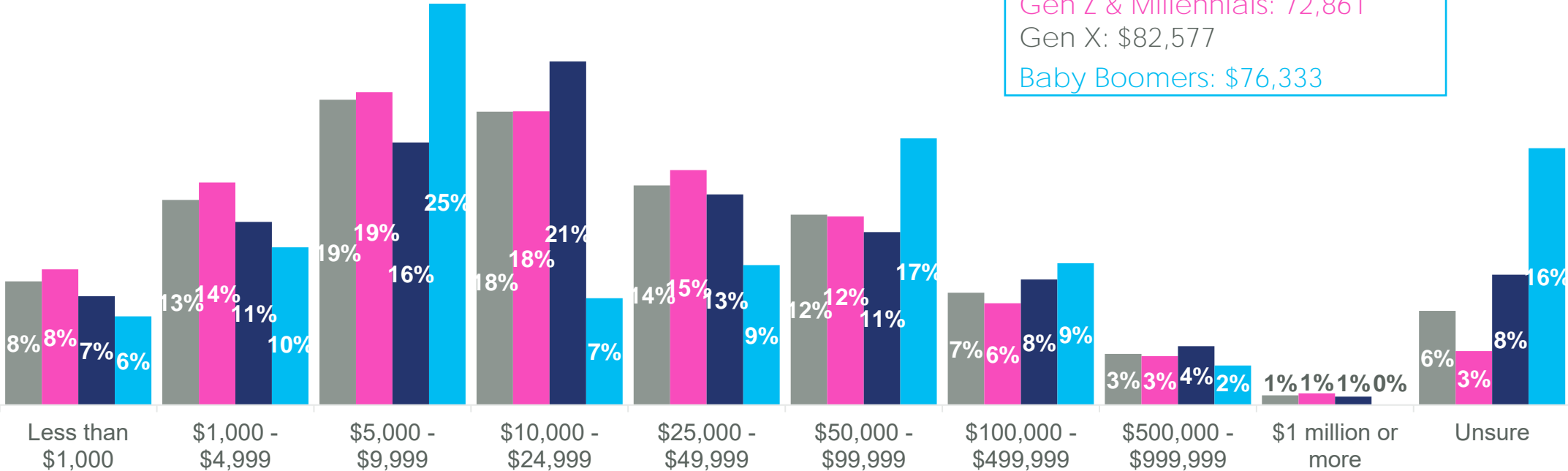
College and retirement savers' total retirement savings, by generation



Gen X has the most saved, on average, for their beneficiaries' college educations

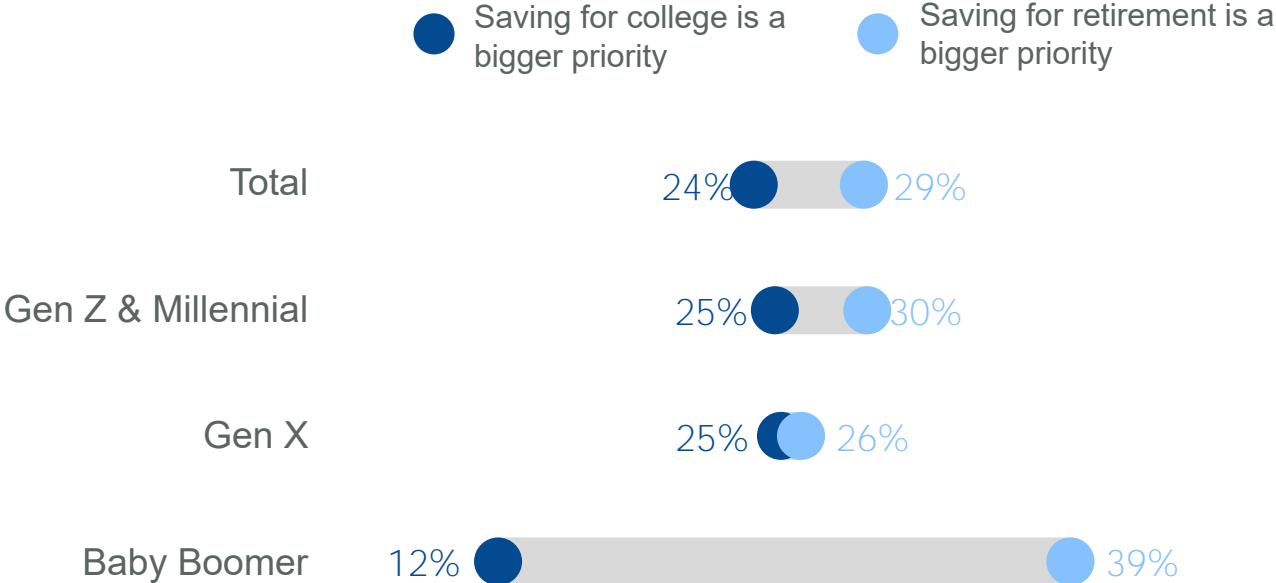
College and retirement savers' total college savings, by generation

Average total savings
 All generations: \$76,016
 Gen Z & Millennials: 72,861
 Gen X: \$82,577
 Baby Boomers: \$76,333



Saving for retirement over college is a much larger priority for Baby Boomers than other generations

Relative prioritization of saving for college versus retirement, by generation



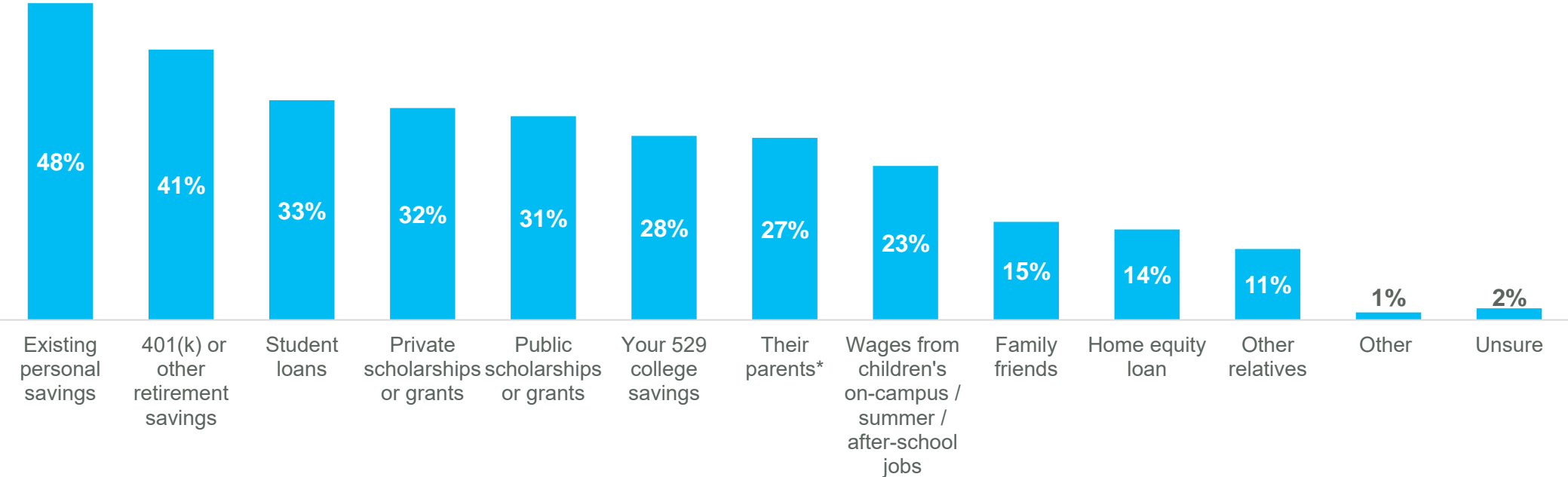


Tradeoffs: Paying for college

How college and retirement savers plan to contribute to their beneficiaries' educations

Two-fifths of college and retirement savers plan on using retirement funds to help pay for college

College & retirement savers anticipate that college funds will come from...



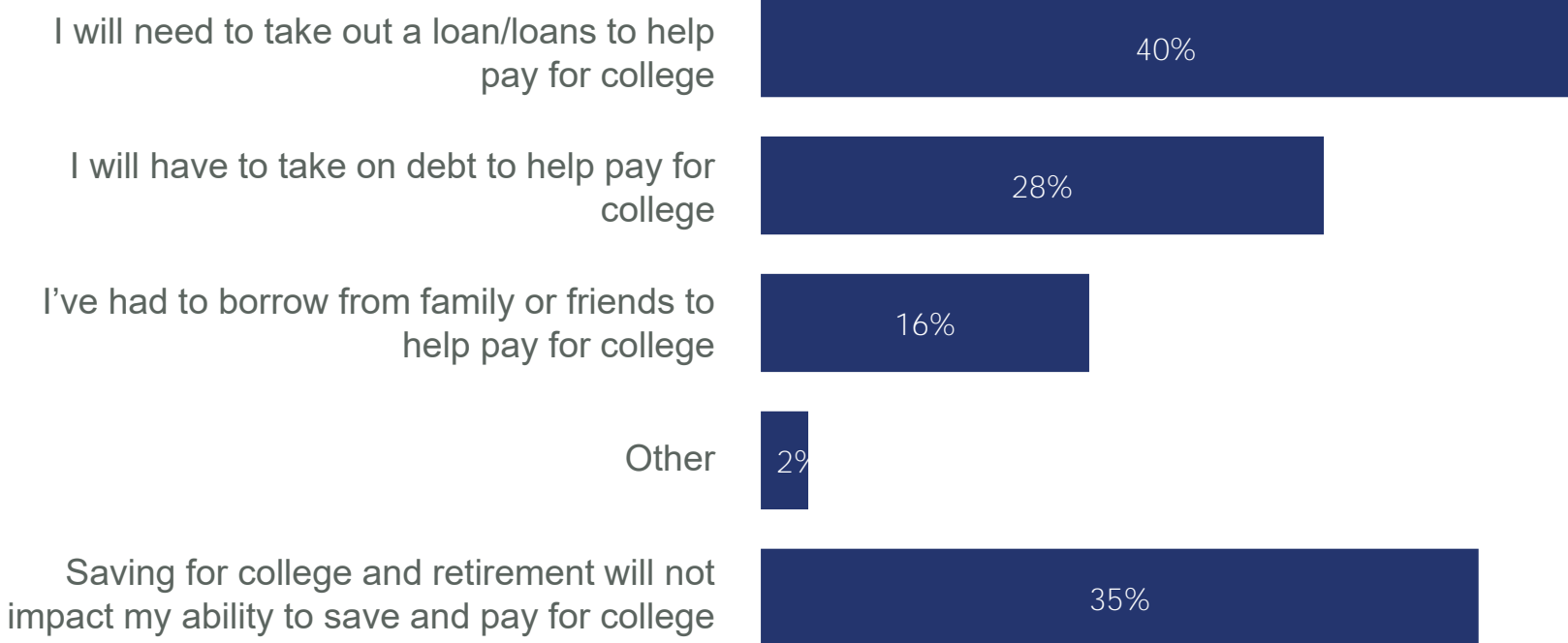
Q4. Please indicate from who/where you anticipate the funds to pay for these individuals' education will come from? Please select all that apply.

Base: All college and retirement savers (1,000).

* Note: answer selection "their parents" was only shown to people not saving money for their own children's education.

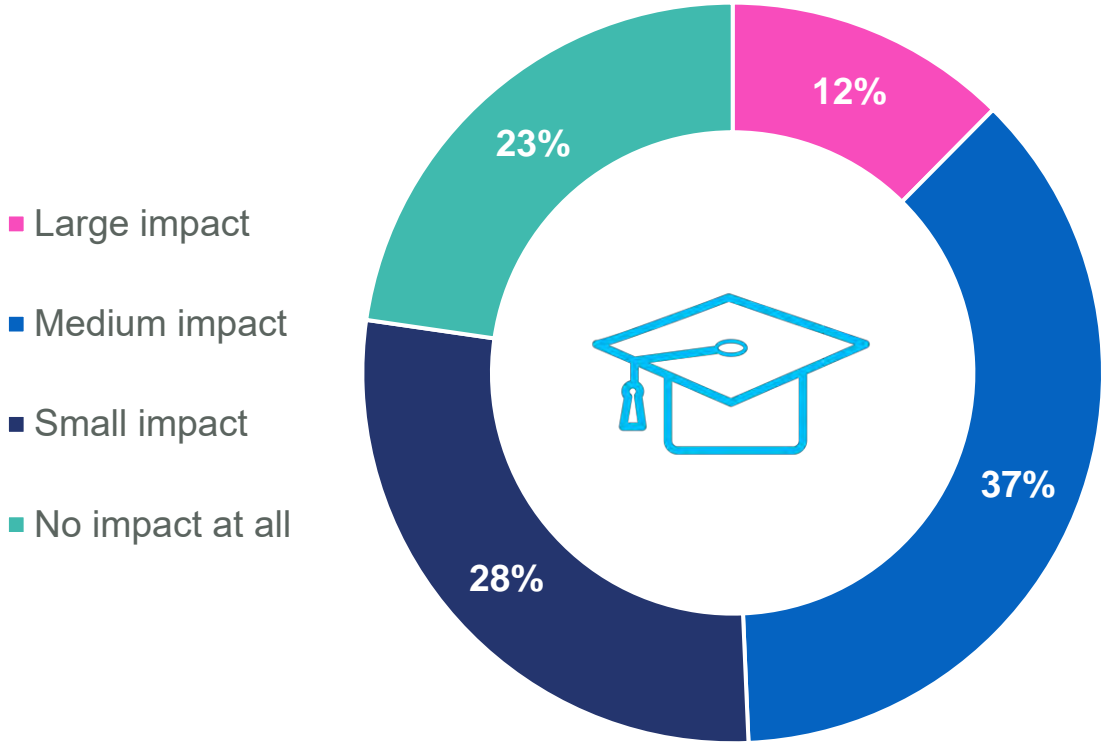
Nearly two-thirds of college and retirement savers report that saving for college and retirement has impacted their ability to pay for college

Impact of saving for both college and retirement on paying for college



Half of college and retirement savers' beneficiaries have had their college options impacted to a medium or large degree due to saving for both college and retirement

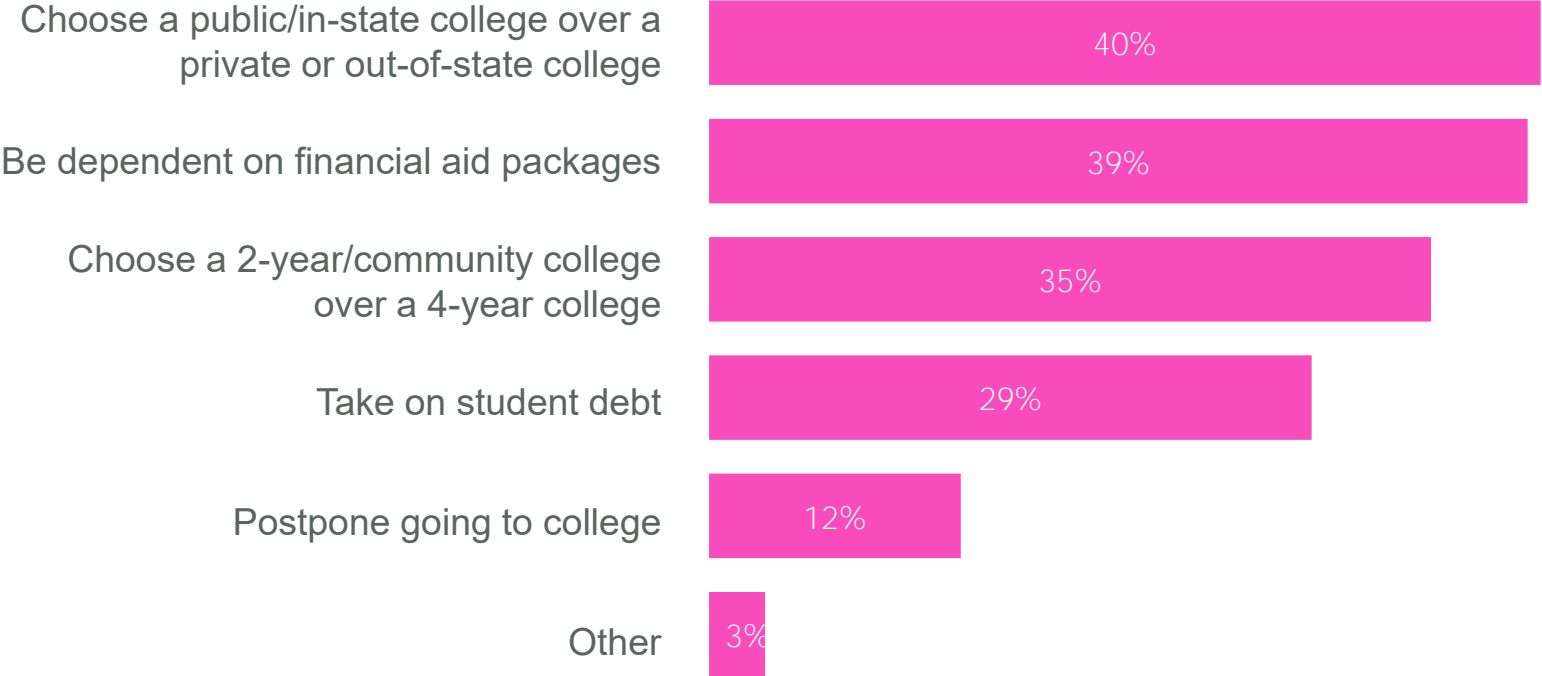
Impact of saving for both college and retirement **on beneficiaries' college experiences**



49% of beneficiaries have or will experience a medium or large impact on their college options.

College and retirement savers report their beneficiaries' college options being broadly limited

Ways that beneficiaries had to change college options due to saving for both college and retirement





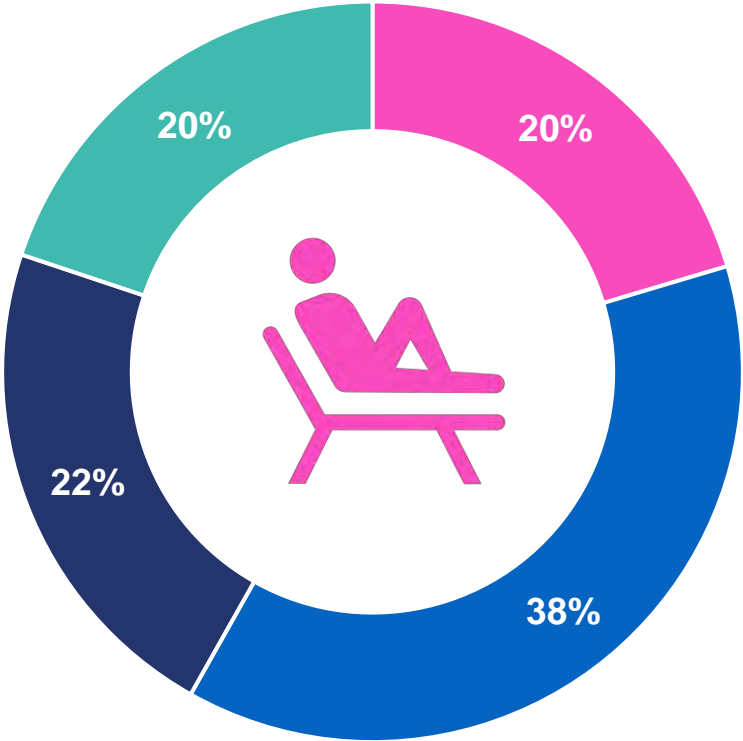
Tradeoffs: Retirement

How saving for college is impacting college and retirement savers' ability to retire

The majority of college and retirement savers have delayed retirement due to also saving for college

Impact of saving for both college and retirement on retirement plans

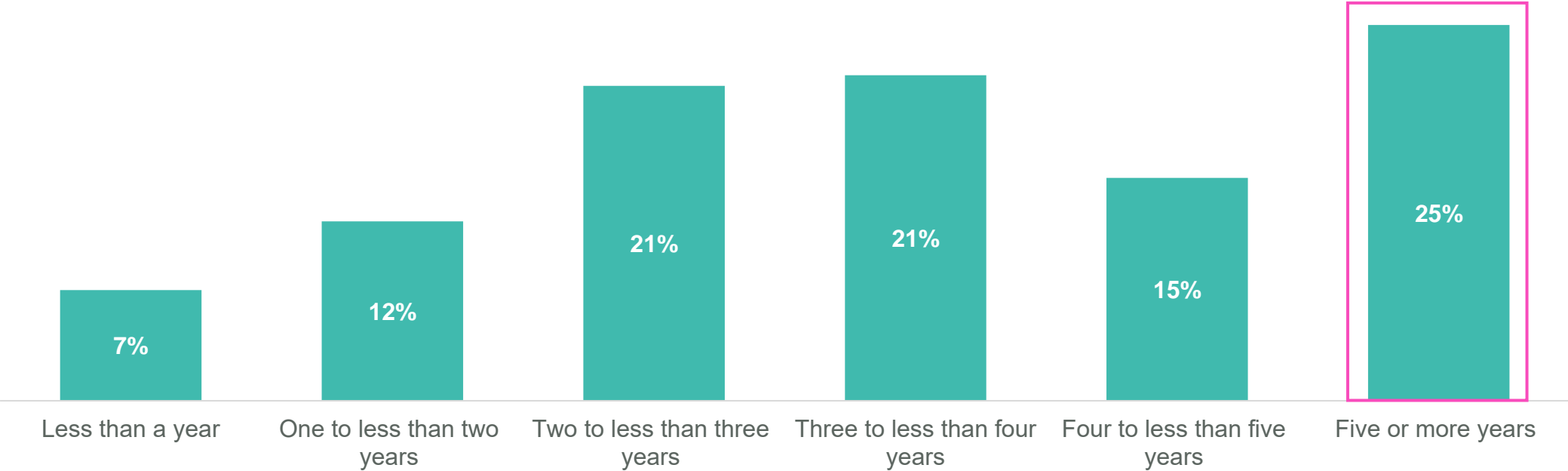
- Large impact – delayed my retirement plans a lot
- Medium impact – delayed my retirement plans moderately
- Small impact – delayed my retirement plans a little
- No impact at all – did not delay my retirement plans at all



58% of college and retirement savers say their retirement plans have been moderately or significantly delayed by also saving for college

A quarter of college and retirement savers who experienced a large or medium impact to their retirement have delayed retirement by five or more years

Delay to Retirement, in Years
Among those who reported a large impact to their retirement savings

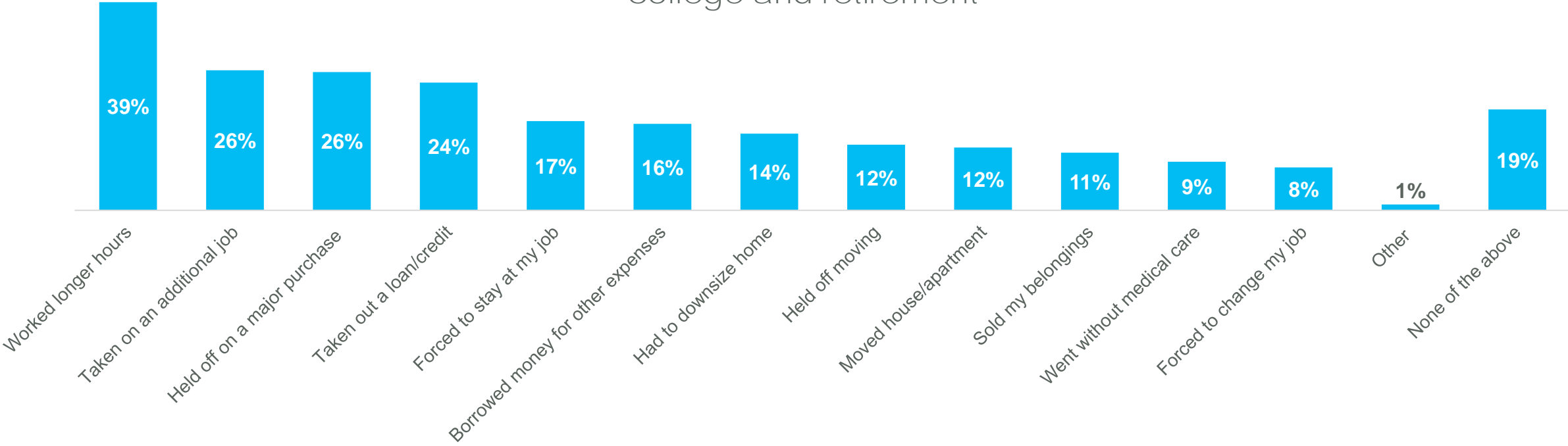




Tradeoffs: overall financial health

Two fifths of college and retirement savers have worked longer hours in response to help achieve their saving goals

College & retirement savers' financial choices made in response to saving for both college and retirement

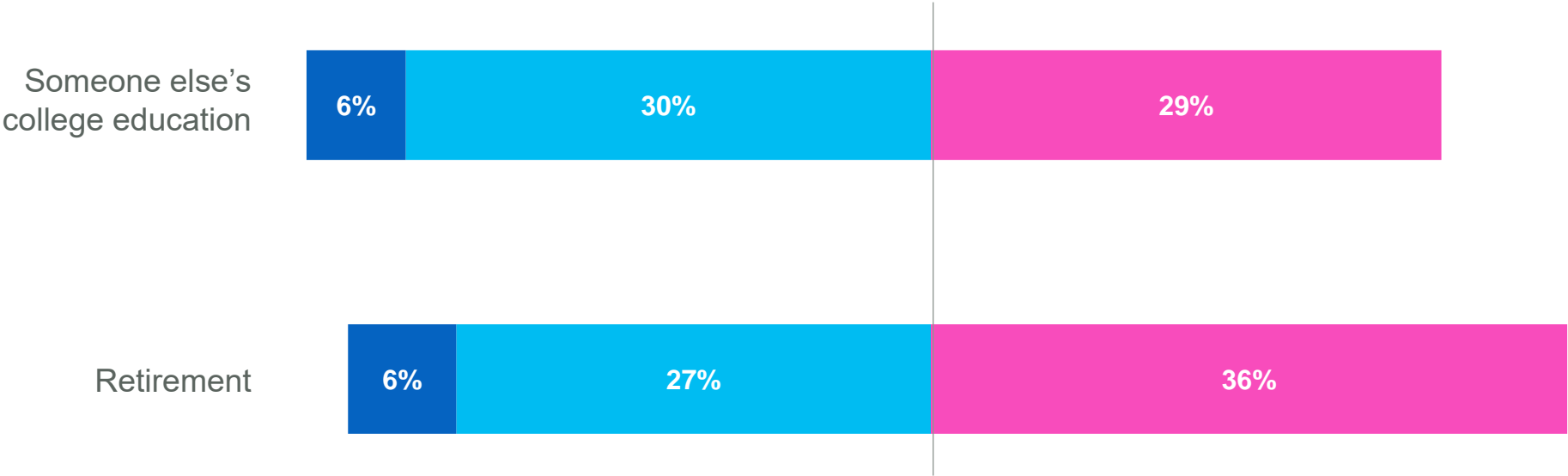


Q7. Which of the following have you had to do in response to saving for both college and retirement, if any? Please select all that apply. Base: all college and retirement savers (1,000).

COVID-19 pandemic had a mixed impact on college and retirement savers' ability to save for college and retirement

Impact of COVID-19 pandemic on saving for...

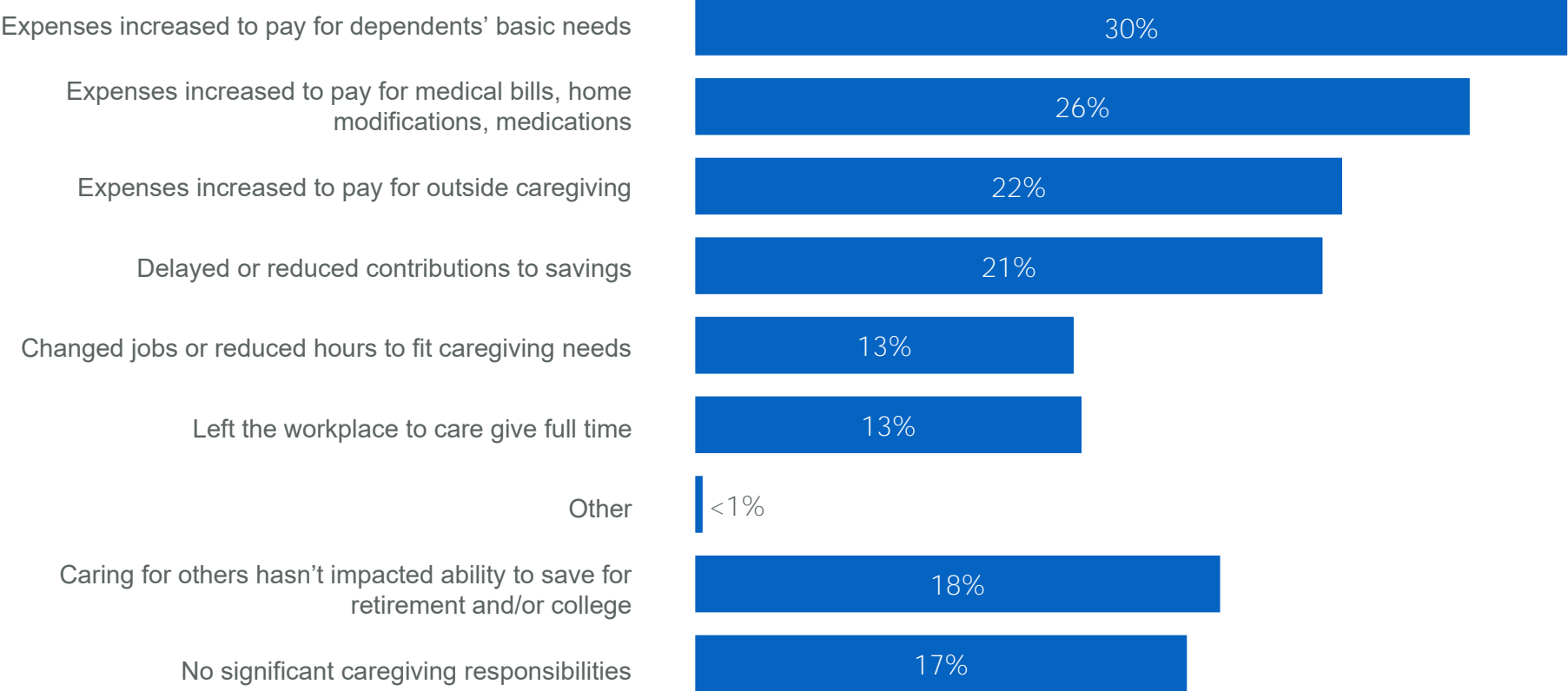
■ Unable to save at all ■ Reduced ability to save ■ Increased ability to save



Q9. Which of the following have you had to do in response to saving for both college and retirement, if any? Please select all that apply. Base: all college and retirement savers (1,000).

Increased expenses from caregiving limit college and retirement savers' ability to save

Impact of caregiving responsibilities on college and retirement savings abilities



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