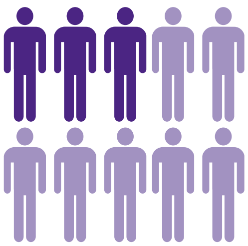
MONEY UNDER 35

MILLENNIALS: FROM ADULTING TO RETIREMENT

Navient's *Money Under 35*, a national study conducted by global research firm Ipsos, provides a snapshot of the financial lives of young Americans aged 22 to 35 across all levels of educational attainment. Financial experts are universally concerned that Americans are not saving, or not saving enough, for retirement. Millennials, the large majority of whom are not saving for retirement, are no exception. In this special report, we take a closer look at how millennials are preparing for their post-career lives.



JUST 3 IN 10 YOUNG AMERICANS ARE SAVING FOR RETIREMENT

These patterns are relatively stable over the three years of the *Money Under 35* study.

	2015	2016	2017
Percent saving	29%	29%	31%
Believe saving can wait	39%	44%	38%

NEARLY 4 IN 10 BELIEVE THAT SAVING FOR RETIREMENT CAN WAIT

Young adults with access to a 401(k) match program save significantly more for retirement.

Has 401(k) match at work	% saving for retirement	Average amount saved
YES	61%	$32,851
NO	31%	$18,879

SAVING FOR RETIREMENT BY EDUCATION LEVEL

45%	BACHELOR'S DEGREE HOLDERS
38%	ADVANCED DEGREE HOLDERS
31%	ASSOCIATE DEGREE HOLDERS
25%	THOSE WHO HAVE SOME COLLEGE, NO DEGREE
25%	THOSE WITH A HIGH SCHOOL EDUCATION OR LESS

Student debt is not preventing young adults who have completed a degree from saving for retirement. However, those who do not have student loans are able to save more. For example, bachelor's degree holders who have paid off their student loans have saved nearly twice as much as those who are working on repayment ($47,297 vs. $25,301 respectively).

DEGREE HOLDER, BORROWED FOR COLLEGE — **42%** ARE SAVING

DEGREE HOLDER, STILL HAS STUDENT LOANS — **38%** ARE SAVING

NO DEGREE — **25%** ARE SAVING

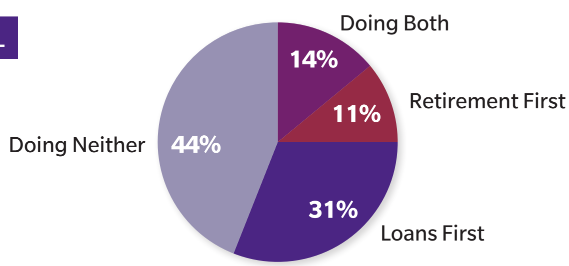
RETIREMENT SAVINGS, STUDENT LOAN PAYMENTS OR BOTH?

To evaluate the short-term impacts of these financial trade-offs more closely, young adults who borrowed for college were grouped into one of four categories based on their behavior: Retirement First, Loans First, Doing Both or Doing Neither.[1]

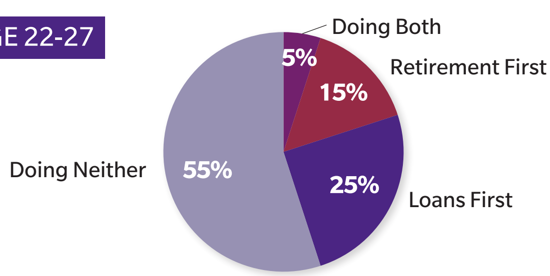
More than half (55%) of young adults aged 22 to 27 are neither saving for retirement nor making significant progress repaying their student loans, but with age comes progress. Age 28 appears to be the tipping point at which those with student loans have paid off most or all of their original balance and are more likely to be saving for retirement. Just 5 percent of young adults aged 22 to 27 are in this "Doing Both" group, jumping to 20 percent of those aged 28 to 35.

Retirement savings and student loan payment trade off behavior

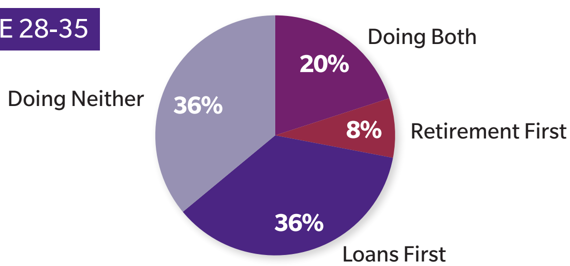
ALL



AGE 22-27

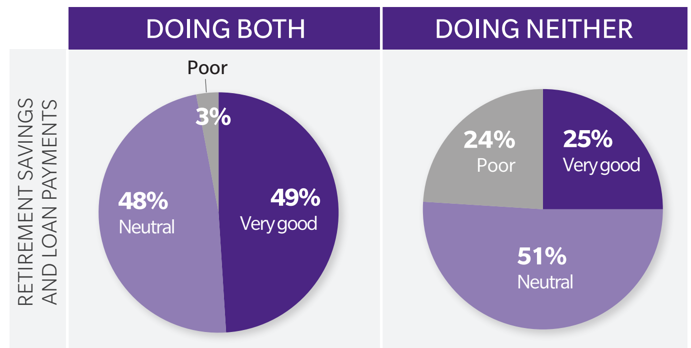


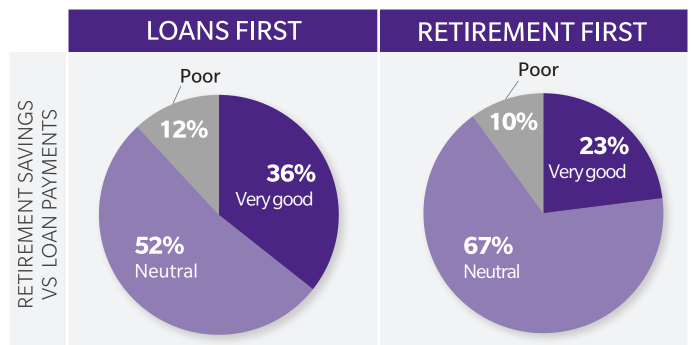
AGE 28-35



Half of young adults (49%) who are "Doing Both" rate their financial health as "very good."[2] For those who are choosing to focus on one of these financial goals over the other, those on team "Loans First" are more likely to rate their current financial health as "very good" than those on team "Retirement First."

Self-reported financial health





[1] "Retirement First" young adults have money saved for retirement and currently owe more than 50% of their original student loan balance. "Loans First" have paid off 50-100% of their student loan balance but do not have money saved for retirement. "Doing Both" have retirement savings and have paid off 50-100% of their student loan balance. "Doing Neither" do not have money saved for retirement and currently owe more than 50% of their original student loan balance.

[2] Self-rated on a scale of 1-10. "Very good" = 10/9/8; "Neutral" = 7/6/5/4; "Poor" = 3/2/1.

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