



Many Americans are Prioritizing Travel and Weight Loss over Growing their Nest Egg

New Study from Capital One Investing Finds Fewer Working Americans are Saving for Retirement Compared to 2015

McLean, VA — March 3, 2016 — Nine in 10 working Americans believe they should be investing for retirement, but only three quarters (75 percent) are taking any action, with many prioritizing other goals, like weight loss and travel, over increasing their retirement savings, according to Capital One Investing's 2016 Financial Freedom Survey.

The annual study measuring current sentiment and behaviors related to investing and retirement, and tracking America's progress on the path to financial independence found a lower percentage of Americans are investing for retirement this year compared to last (down five percentage points in 2016) and fewer are confident they are investing enough to live comfortably throughout retirement (down eight percentage points in 2016).

"The current environment is tough for many investors, with market volatility, uncertainty about the economy, and other ongoing challenges and concerns continuing to impede confidence and willingness to invest for the future," said Yvette Butler, president of Capital One Investing, a full-service brokerage committed to serving and empowering America's everyday investors.

"It's critical we get more Americans focused on their financial plans to help build a more stable future. That's why at Capital One Investing we're reimagining how to best engage and support investors with the goal of designing accessible solutions that make investing more intuitive."

Following are key findings uncovered by the 2016 Financial Freedom Survey:

Most investors, including millennials, want access to both human support and digital investing tools when planning for the future.

- While they recognize the benefits of robo-advised investing platforms, investors still value human advice and interactions, with more than half (52 percent) of investors using a financial advisor.
- When there are market fluctuations, three-quarters of investors would prefer to receive advice from a financial advisor, either by phone, email or in-person.
- Three-quarters of Americans think there are benefits of robo-advised investing, with a third (33 percent) saying they most value 24-hour access and a quarter most valuing the ability to independently manage and maintain control of a portfolio but 31 percent of millennials question investing algorithms' accuracy and 30 percent of Generation X think a lack of human oversight is a drawback.
- Millennial and Generation X investors are more likely than other generations to go to a website or use an app for financial planning and most value the benefits of robo-advice.

- Investors who consider themselves “self-directed” also value advice, with more than a third preferring to work with an advisor to create a portfolio (39 percent), do financial planning work (34 percent) or rebalance a portfolio (36 percent).
- When there are market fluctuations, nearly half of self-directed investors (45 percent) prefer financial advice from a financial advisor.

Confidence and trust continue to present major roadblocks for investors.

- Forty-two percent of Americans say industry jargon prevents them from investing with confidence. Forty-one percent of investors say a lack of transparency in pricing causes them to lack confidence (down from 52 percent in 2015).
- Half of investors say a lack of knowledge or experience causes them to lack confidence and 60 percent of millennial investors say this causes them to feel less confident about investing (compared to 47 percent of Generation X and 46 percent of Baby Boomers).
- Female investors are more likely to report that a lack of investing knowledge or experience (56 percent) and investing’s complexity (42 percent) make them feel less confident.

Many investors are putting other goals, like [travel and weight loss](#), ahead of increasing their retirement savings in 2016.

- Only 16 percent of Americans named increasing their retirement savings as their top priority in 2016. Meanwhile, more than a quarter (27 percent) of Americans said travel to a new destination is their top goal, and 23 percent said they most hoped to achieve weight loss.
- Only one in 10 (11 percent) millennials say growing their retirement nest egg is their top goal, compared to 31 percent who are prioritizing travel and 22 percent who most hope to buy a home.
- Compared to other generations, Baby Boomers are most likely to prioritize retirement savings, but they also put weight loss ahead of saving (21 percent compared to 30 percent).

Fewer working Americans are investing for retirement, with 75 percent contributing a portion of their income to retirement today, compared to 80 percent a year ago.

- Fewer are confident they are investing enough to live comfortably throughout retirement (64 percent vs. 72 percent in 2015).
- Thirty-nine percent of working Americans say they think they should be saving more than 15 percent of their income, but only 15 percent are doing so.
- Nearly two-thirds (64 percent) are confident they are investing enough for retirement, but just over a quarter (26 percent) of working Americans are only investing five percent or less of their income.
- Sixty-one percent of millennials are confident they are saving enough, but 29 percent of working millennials are saving 5 percent or less for retirement.

Majority (76 percent) of Americans think saving for retirement is more challenging today than it was for their grandparents.

- Eight-five percent of millennials feel this way, along with 72 percent of Generation X and 73 percent of Baby Boomers.

- Among those who agree, approximately two-thirds think it's more difficult because investing today is more complex and confusing and they can't rely on Social Security.
- More than half say issues including the higher costs of investment advice and the lack of pension plans contribute to these challenges. In addition, four in five (83 percent) Americans think companies (of all sizes) should be required to offer their employees retirement savings plans.
- Nearly seven in 10 (69 percent) women who agree that saving now is more difficult than for their grandparents' generation say it's because investing today is more complex and confusing and because you can't rely on Social Security today.

Fewer and fewer Americans are discussing retirement planning with their partner.

- Compared to 2014, fewer non-retired Americans are discussing retirement planning with a spouse or significant other (down 8 percentage points in 2016).
- Thirty-nine percent say they make financial decisions with their spouse or significant other. In addition, 19 percent of non-retired Americans discuss retirement planning on a monthly basis or more often.

“Everyday Americans know how important it is to build a solid financial foundation, but we continue to see investors defer these plans and pursue other goals,” said Butler. “Recognizing Americans’ concerns and ambivalence, Capital One Investing is building out its investing platform to support all investors as they take responsibility for their financial future.”

Survey Methodology

The study was conducted by ORC International using their Telephone CARAVAN Omnibus on January 21-24, 2016 using two probability samples: randomly selected landline telephone numbers and randomly selected mobile (cell) telephone numbers. The combined sample consists of 1,005 adults (18 years old and older) living in the continental United States. Of the 1,005 interviews, 505 were from the landline sample and 500 from the cell phone sample. The margin of error for the sample of 1,005 is +/- 3.09% at the 95% confidence level. Smaller subgroups will have larger error margins.

About Capital One Investing

Capital One Investing is a full-service brokerage offering a range of investment services including fully self-directed digital accounts and advised accounts. At Capital One Investing, our goal is to provide a transparent, accessible, straightforward investing experience through both self-directed and advised accounts and educating and empowering individual investors to help them get on the path to financial freedom.

For content around the Financial Freedom Survey and more, visit our hub:

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