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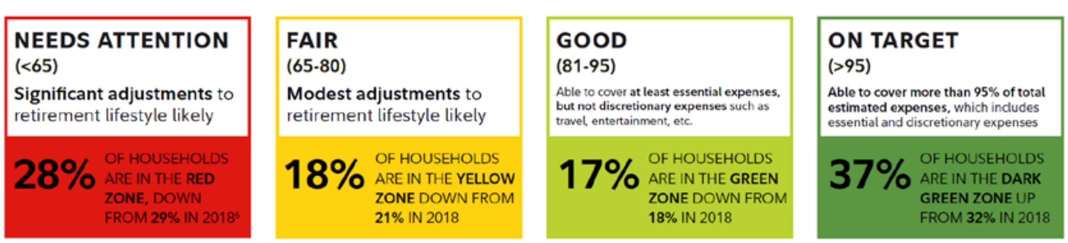
FIDELITY® STUDY: AMERICA'S RETIREMENT SCORE IMPROVES, WITH MORE FAMILIES IN THE GREEN, ALTHOUGH MANY HOUSEHOLDS ARE FALLING BEHIND AND MILLENNIALS CONTINUE TO OUTPACE GENERATION X ON PREPAREDNESS

- *Three Steps Can Substantially Increase Retirement Readiness*
- *15 Years of Improvement: American Retirement Savers Increase Readiness by 21 Points Due in Large Part to Threefold Increase in Savings Levels*
- *Want to Know Where You Stand? Check out the Fidelity Retirement Score℠*

BOSTON, January 30, 2020 — According to Fidelity Investments®' biennial Retirement Savings Assessment, American savers have steadily improved their retirement readiness over the last 15 years to have 83 percent of the income Fidelity estimates they will need over the course of their expected retirement years. As a result, America's retirement score[1] has moved to green at 83. Fidelity Investments, the nation's retirement leader, works with more than 22,000 employers and 30 million people, who have entrusted Fidelity with more than $4.2 trillion in retirement assets[2].

Even with this improvement, the study reveals 28% of those surveyed are in the red, meaning significant adjustments to their planned retirement lifestyle are likely if they don't take action to make up the shortfall. Fidelity's Retirement Savings Assessment is built upon comprehensive data from more than 3,200 survey responses that are run through the extensive retirement planning platform Fidelity uses every day with customers[3]. The end result: a numerical indicator showing whether savers are on target to meet estimated income needs. The score places households into four categories (linked to a numerical range or percentage) on the retirement preparedness spectrum, based on a household's ability to cover their estimated retirement expenses[4] in a down market[5]:



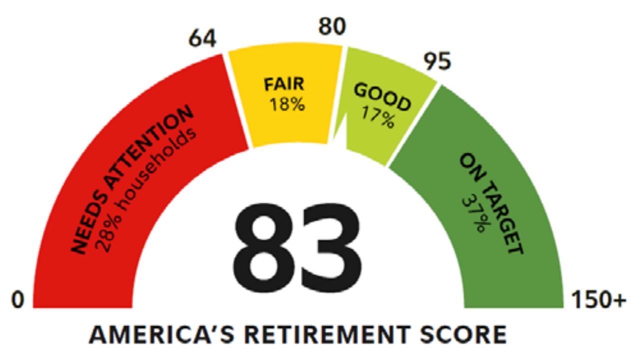
"We are encouraged that the typical American household saving for retirement is now in the green when it comes to affording their planned lifestyle in retirement, which is a testament to the hard work many families have made taking control of their finances," said Melissa Ridolfi, vice president of retirement and college leadership at Fidelity Investments.

"Although many still have a ways to go, the good news is that for the average saver—regardless of age or income level—these findings suggest there's a positive impact to knowing where you stand and then taking appropriate action to get on a path to even greater retirement readiness," continued Ridolfi.

What's Moved Investors Into the Green?

Today's results represent a significant improvement from when the study was first conducted back in 2006, when the score (then known as the "retirement readiness index") was at 62, placing the median American household deep in the red. Much of the improvement over the course of 15 years can be attributed to two important factors:

- **Investors are saving more.** The median savings rate has been increasing steadily: now at 10.0%[6], which is an improvement over 2018 levels of 8.8% and up significantly from 3.6% in 2006. Boomers saved the most, stashing away 11.7% of their salaries, an increase from 9.9% in 2018. Millennials also increased their median savings rate, improving from 7.5% in 2018 to 9.7% in 2020, a level that is now on par with Generation X, who still improved from 8.6% in 2018. Despite this, all savings levels are still well below Fidelity's suggested total savings rate of at least 15 percent[7], which includes employer contributions.
- **Asset allocation has improved.** The percentage of respondents allocating their assets in a manner Fidelity considers age appropriate[8] was at 60%, which is a two percentage point increase from 2018 levels and a notable improvement over 2006 levels, when less than half—48%—allocated their assets in an age-appropriate manner. One reason: this past decade, many workplace retirement plans have begun defaulting employees into target date funds and managed accounts.



Moving Deeper Into the Green: Three Accelerators to Improve Retirement Readiness

Many people may not be planning adequately for retirement because they are unsure where to start or are concerned their personal retirement income goal may be unattainable. However, the findings clearly demonstrate actions people can take to gain better control over their financial future and boost retirement preparedness. These include:

RAISE SAVINGS

Even **small increases** in savings can make a **big difference**

*By adjusting the savings rate **to at least 15%** (which includes any employer contributions), the Retirement Score increases:*

+12 POINTS, FROM 83 TO 95

REVIEW ASSET MIX

Although you can't anticipate market behavior, you can **build potential for long-term growth** into portfolios through investment choices and exposure to various asset classes.

This can provide growth and **outpace inflation, while limiting downside risk.**

*By replacing portfolios appearing to be either **too conservative or too aggressive with age appropriate allocation,** the Score increases:*

+4 POINTS, FROM 83 TO 87

REVISIT RETIREMENT PLAN

The longer you can wait, the **more time to build savings.** Also, waiting until at least you're entitled to full Social Security Retirement benefits[9] (between 66-67) may **help increase monthly benefit.**

For example if you can delay claiming social security to age 70 compared to claiming at age 65 **your benefits can increase by 30 percent[10].**

*By **adjusting the expected retirement age past the median reported age of 65 to full benefit age,** the score increases:*

+17 POINTS, FROM 83 TO 100

IF ALL 3 RECOMMENDATIONS WERE APPLIED, THE TOTAL SCORE JUMPS: 33 POINTS, TO 116

These are median scores for the population. Individual results may vary.

"The fact the Retirement Score moves so dramatically when all three 'accelerators' are applied is a demonstration of the profound impact these steps can have on retirement preparedness," said Ridolfi. "While these actions taken separately are clearly helpful, taking action to improve your preparedness on several fronts can have a multiplier effect, which could help bring you from good to great."

"Everyone's situation is different, so it's important to take steps that make sense for you—retiring later may not be an option, for example, in which case, it may make more sense to re-evaluate how much you plan to spend in retirement. Probably the biggest mistake one can make is to do nothing at all," added Ridolfi.

Understanding Financial Basics Can Help Improve Retirement Readiness

Fidelity's study uncovered another way to possibly improve one's Retirement Score: strengthen your general understanding of financial basics. As part of the survey, Fidelity asked respondents three questions designed to test overall financial knowledge, which were related to important concepts around simple interest, inflation and equity risk. More than half of survey respondents (52%) were unable to answer all three questions successfully. Those who did tended to have higher Retirement Scores: the median Retirement Score for those who answered all three correctly was 89, marking an 11-point improvement over those who had at least one answer wrong. The median Retirement Score was lower for those answering all three incorrectly: 70, five points away from the red zone.

For those preferring a less "do it yourself" approach, securing a professional financial advisor may also have a significant positive impact. This year, 23% of respondents reported working with a paid professional financial advisor, which is slightly higher than 2018 levels (22%). For those who do have an advisor, the median Retirement Score is 89; for those who don't, the score is 81. This positive impact is seen regardless of income level: for those making under $100,000, the Retirement Score increases from 80 to 87 with an advisor; for those making over $100,000, the Score increases from 83 to 89.

Generation Shift: Retirement Scores—and What Each Generation "Needs to Know"

One interesting aspect of Fidelity's Retirement Savings Assessment is it provides comparative views of preparedness across generations. The following table demonstrates how retirement readiness stacks up by age, along with the most significant actions each generation[11] can focus on and "must know" financial concepts that can have the greatest impact on retirement readiness.

BABY BOOMERS
(**AGES** 55-73 **BORN** 1946-64)

2020 SCORE

87

WHERE TO FOCUS ATTENTION

In shape to cover essentials, but have less time to act and fewer options to make up shortfall.

Most powerful steps: consider working longer. Also, know that the retirement decisions you make will have a profound impact on your comfort level--so choose wisely. Finally, consider working in retirement if you can.

WHAT TO KNOW

- Where you stand with regard to retirement readiness
- How your Social Security decisions will impact your Score
- What your income sources will be (Social Security, pensions, IRAs, etc.)
- How much to withdraw

GENERATION X
(**AGES** 39-54 **BORN** 1965-80)

2020 SCORE

80

WHERE TO FOCUS ATTENTION

The Gen-Xers score has actually declined since 2018 —from 83 to 80, which makes them the only generation in the yellow.

For this generation, the most powerful step is to **increase savings.**

WHAT TO KNOW

- Most Gen. X-ers are entering peak income years. Learn how to maximize this and turn that extra income into savings.
- Individuals age 50 and above can leverage catchup contributions to boost savings.

MILLENNIAL
(**AGES** 25-38 **BORN** 1981-94)

2020 SCORE

82

WHERE TO FOCUS ATTENTION

This is the second time Millennials surpassed Gen. X-ers in terms of retirement preparedness, in part due to increased savings rate in the past two years from 7.5% to 9.7%.

Millennials have the benefit of time on their side to save and invest, and should continue to focus on improving their saving levels to achieve their life goals, which includes retirement. In addition, they could be investing more aggressively.

WHAT TO KNOW

- Learn the value of proper asset allocation
- Understand the importance of tax advantaged vehicles

These are median scores for the population. Individual results may vary.

Wondering Where You Stand? Check out the Fidelity Retirement Score℠

Every individual's retirement vision is unique and to help investors know where they stand, Fidelity created the Fidelity Retirement Score, which shows the percentage a user or household is anticipated to have saved as compared to the income amount Fidelity estimates they may need in retirement. Fidelity customers and those who sign up for guest access can get their score in the Planning and Guidance Center. A high-level version of the score is also available to everyone at www.fidelity.com/score by answering just six short questions. Both tools allow savers to easily model changes to see how that may impact their score and view steps for improving retirement preparedness based on their score.

In addition, Fidelity offers a variety of resources:

- Educational Fidelity Viewpoints® articles, including "Retirement savings: Who's on target?," "The three A's of successful saving" and a Retirement Roadmap Special edition devoted exclusively to retirement planning. For those who want to work on financial literacy, there's a series of four quick, easy lessons designed to boost people's confidence in making informed investing decisions. Finally "The SECURE Act and you" offers an overview on recently-passed legislation designed to create even more opportunities for Americans to enhance their retirement savings.
- Seminars and online learning modules to help learn about key retirement issues and how to prepare for them.
- Fidelity's Financial Wellness offering provides help and advice for all employees, with particular focus on workplace retirement. Fidelity's solutions help engage employees with targeted support to encourage better decisions – helping employees save for, transition to, and enjoy retirement.
- Visit one of Fidelity's 197 Investor Centers or call 1-800- FIDELITY (1-800-343-3548) for a consultation with an investment professional.

About the Fidelity Investments Retirement Savings Assessment

The findings in this study are the culmination of a year-long research project that analyzed the overall retirement readiness of American households based on data such as workplace and individual savings accounts, Social Security benefits, pension benefits, inheritances, home equity and business ownership. The analysis for working Americans projects the retirement income for the typical household, compared to projected income need, and models the estimated effect of specific steps to help improve preparedness based on the anticipated length of retirement.

Data for the Fidelity Investments Retirement Savings Assessment were collected through a national online survey of 3,234 working households earning at least $20,000 annually with respondents age 25 to 74, from August 14 through September 11, 2019. All respondents expect to retire at some point and have already started saving for retirement. Data collection was completed by Ipsos Public Affairs, LLC using the KnowledgePanel®, a nationally representative online panel. The responses were benchmarked and weighted against the 2019 Current Population Survey by the Bureau of Labor Statistics. Ipsos Public Affairs, LLC is an independent research firm not affiliated with Fidelity Investments. Fidelity Investments was not identified as the survey sponsor.

Fidelity's Retirement Score is calculated through Fidelity's proprietary financial planning engine. Of note, Fidelity continually enhances and evolves the retirement readiness methodology, guidance tools and product offerings. This year's survey processing includes enhancements including, but not limited to, demographic weighting, retirement income projections and social security estimates. To enable a direct comparison, the previously reported Retirement Score results were recalculated using the enhanced methodology.

This analysis is for educational purposes and does not reflect actual investment results. An investor's actual account balance and ability to withdraw assets during retirement at any point in the future will be determined by the contributions that have been made, any plan or account activity, and any investment gains or losses that may occur. For more information on Fidelity Investments® Retirement Savings Assessment, an executive summary can be found on Fidelity.com.

About Fidelity Investments
Fidelity's mission is to inspire better futures and deliver better outcomes for the customers and businesses we serve. With assets under administration of $8.3 trillion, including discretionary assets of $3.2 trillion as of December 31, 2019, we focus on meeting the unique needs of a diverse set of customers: helping more than 30 million people invest their own life savings, 22,000 businesses manage employee benefit programs, as well as providing more than 13,500 financial advisory firms with investment and technology solutions to invest their own clients' money. Privately held for more than 70 years, Fidelity employs more than 40,000 associates who are focused on the long-term success of our customers. For more information about Fidelity Investments, visit www.fidelity.com/about.

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IMPORTANT: The projections or other information generated by the Fidelity Retirement Score and Fidelity's Planning & Guidance Center Retirement Analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Your results may vary with each use and over time.

Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

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[1] This number represents the median Retirement Score derived from the Retirement Savings Assessment.
[2] As of September 30, 2019.
[3] Fidelity's planning tools are powered by its proprietary financial planning engine.
[4] Planned lifestyle is the estimate Fidelity has calculated based on the respondent information related to current income, savings, age and expected retirement age. The survey assumes that 80 percent of estimated retirement expenses are essential. Expenses are based on data from the Consumer Expenditure Survey 2011.

Score	**Assessment**
<65	Significant adjustments to plan are required to sufficiently cover your estimated retirement expenses in an underperforming market
65–80	Modest adjustments to plan are required to sufficiently cover your estimated retirement expenses in an underperforming market
81–95	On track to cover most of your estimated retirement expenses in an underperforming market
>95	On track to cover 95% or more of your estimated expenses, even in an underperforming market

[5] Fidelity uses an underperforming market for planning projections based on Monte Carlo simulations and its asset liability model. Underperforming market conditions mean that in 9 out of 10 market scenarios the hypothetical portfolio performed at least as well, while 1 out of 10 times the hypothetical portfolio failed to perform as well. Using underperforming markets as a planning measure leads to conservative results. Using a lower confidence level would improve results, but also increase the risk that investors would fall short of projections.
[6] Previously reported 2018 numbers have been recalculated for a fair comparison.
[7] Fidelity's suggested total pre-tax savings goal of 15% of annual income (including employer contributions) is based on our research, which indicates that most people would need to contribute this amount from an assumed starting age of 25 through an assumed retirement age of 67 to potentially support a replacement annual income rate equal to 45% of preretirement annual income (assuming no pension income) through age 93. The income replacement target is based on the Consumer Expenditure Survey 2011 (BLS), Statistics of Income 2011 Tax Stats, IRS 2014 tax brackets, and Social Security Benefit Calculators. The 45% income replacement target (excluding Social Security and assuming no pension income) from retirement savings was found to be fairly consistent across a salary range of $50,000-$300,000; therefore, the savings rate suggestions may have limited applicability if your income is outside that range. Individuals may need to save more or less than 15% depending on retirement age, desired retirement lifestyle, assets saved to date, and other factors.
[8] Age appropriate asset allocation involves investing in a mix of stocks and fixed-income investments to align with one's risk-tolerance, age and time horizon. "Appropriate" refers to what Fidelity considers to be an appropriate mix, derived from data reported in the Retirement Savings Assessment about an individual's equity allocation distribution that is placed into four categories, based on that person's age. Those categories are "On track": within 25 percent on target date equity allocation; "Aggressive": an equity percentage more than 25 percent above the age-appropriate target equity; "Conservative": an equity percentage less than 25 percent below the age-appropriate equity target; as well as a category for assets held in a Target Date Fund.
[9] As defined by the Social Security Administration website. Fidelity has not been involved in the preparation of the content supplied at this unaffiliated site and does not guarantee or assume any responsibility for its content.
[10] The basis for this increase: comparing one's Social Security income at full retirement age of 67 against one's projected Social Security income at the "early eligibility age" of 62. If you can wait even longer to collect your Social Security benefit, you will be eligible for delayed retirement credits which will increase your benefit an additional eight percent each year up until age 70 (for those born after 1942).
[11] These numbers represent the median Retirement Scores by generation, based on the average age of household.