

MEMORANDUM

To: Alaska Senate Finance Committee

From: Teresa Ghilarducci, PhD. Professor of Economics, The New School for Social Research

Re: Evidence on Young Worker Preferences for Pensions and Retirement Security (Context for HB 78)

Date: March 3, 2026

Emerging research and national survey data indicate that younger workers are increasingly concerned about retirement security and show a strong interest in reliable retirement income. Multiple studies show that younger workers value financial security and express favorable views toward pension-like lifetime income and retirement support structures. This memo synthesizes key findings from major studies.

1. Charles Schwab 401(k) Participant Study (Private Sector, Gen Z and Millennials)

The Charles Schwab 401(k) Participant Study surveys large samples of 401(k) plan participants across generations. Gen Z workers report substantial financial stress due to inflation and monthly expenses. Nonetheless, they are more willing than older workers to forgo a salary raise in exchange for better benefits. (Charles Schwab 2023, 2).

Other evidence Gen Z and Millennials are oriented toward retirement security is that they express a strong interest in personalized retirement planning advice and view financial wellness support as beneficial. (Charles Schwab 2023, 3). The desire for retirement security is signaled by a concern about being able to retire. Nearly all Gen Z respondents (ages 21–26) report facing significant obstacles to saving for retirement, yet they express a desire to retire early—by about age 61— which is younger than other generational groups (Charles Schwab 2023, 1).

More evidence that younger workers think long term is that more than any other generation, Gen Z workers think their financial situation warrants advice from a professional (Gen Z (62%) vs. Millennials (56%), Gen X (56%), and Boomers (52%)). Gen Z is also much more likely than older workers to want more help managing their current expenses to save more for retirement (Gen Z (41%) vs. Millennials (31%), Gen X (26%), and Boomers (14%))

2. Generational Views of Retirement

The National Institute on Retirement Security's *Generational Views of Retirement in the United States* find All generations, including Millennials, hold favorable views of defined benefit pensions and broadly agree that pensions are superior to 401(k) plans for providing retirement security (2021, 3).

Gallup time series data show retirement insecurity increasing. In 2023 71% of nonretirees worried about retirement security up from 2002 when 54% were worried -- a 17-point increase in retirement anxiety over two decades (Gallup 2023). A smaller poll in 2025 showed anxiety decreasing a bit because of the rising stock market (Gallup 2025)..

Pew data show that in 2009 25% of adults said they were not confident about having enough money for retirement. By 2012 -- despite some economic recovery and rising stock prices -- that share had risen to 38%. And anxiety crept down to younger workers over time. In 2009, workers aged 50–64 were the most worried group. By 2011–2012 younger adults were the most concerned: 51% of those aged 35–44 expressed concern, compared to 41% of those 45–54 and 37% of those 55–64. Not surprisingly, adults under 35 and over 65 were the least worried in both periods, at around 25–27%.

In a very recent -- September 2025 -- Pew survey, 45% of adults under 65 said they were not confident they would have enough income and assets to last through retirement, or did not expect to be able to retire at all. Pew surveys show a sustained increase 2009 – 2025 in retirement anxiety. Workers, rather than near-retirees, now have the highest levels of concern. (The data do not directly measure preferences for specific plan types (pension vs. 401(k)), nor do they isolate workers under 40 as a distinct category in the trend series.)

3. Public Sector Workers and Pension Preferences

Surveys of public sector employees indicate that a high percentage of Millennial and younger government workers consider pension benefits a key reason they stay in their jobs. Younger cohorts, Millennials in particular, express higher levels of concern about achieving secure retirements. Only 27% of Millennial state and local employees say a compensation package without a pension is very competitive. When answering the question

“Do you think the overall compensation package offered by your current employer would be as competitive as it is if it did not include a pension and instead provided a retirement plan where the responsibility was on you to save for retirement.”

Millennials are more likely than Gen X and Boomers to say the compensation package would be competitive without a pension, but the number is low, 27%. And retirement concern does increase with age. Older workers are more concerned about retirement than younger workers, but younger workers are still very concerned.

- Millennials: 27% say “Yes, very competitive,” 41% “Yes, somewhat competitive,” 33% “No, not competitive.”
- Gen X: 19% say “Yes, very competitive,” 38% “Yes, somewhat competitive,” 43% “No, not competitive.”

- Boomers: 7% say “Yes, very competitive,” 35% “Yes, somewhat competitive,” 57% “No, not competitive.”

(NIRS 2019).

A thorough academic study by Yale political economists Jacob Hacker (2013) showed that older workers cared more about retirement security than younger and midlife adults but young adults registered retirement-related insecurity through exposure to wealth shocks (e.g., market losses, retirement account declines, benefit cuts).

Conclusion

Contemporary survey and peer-reviewed evidence show young workers value retirement security and view reliable lifetime income as important.

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