Self-employment Survey
Understanding the Financial Challenges Unique to Self-employed Americans
<table>
<thead>
<tr>
<th>TABLE OF CONTENTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RESEARCH METHOD</td>
<td>03</td>
</tr>
<tr>
<td>KEY FINDINGS</td>
<td>04</td>
</tr>
<tr>
<td>BECOMING SELF-EMPLOYED</td>
<td>06</td>
</tr>
<tr>
<td>CHALLENGES OF RUNNING A SMALL BUSINESS</td>
<td>15</td>
</tr>
<tr>
<td>IMPACT OF TECHNOLOGY</td>
<td>22</td>
</tr>
<tr>
<td>THE CHANGING BUSINESS CLIMATE</td>
<td>28</td>
</tr>
<tr>
<td>FINANCIAL ADVICE</td>
<td>40</td>
</tr>
<tr>
<td>SAVING FOR RETIREMENT</td>
<td>44</td>
</tr>
<tr>
<td>APPENDIX</td>
<td>58</td>
</tr>
</tbody>
</table>

Millions of investors and independent registered investment advisors (RIAs) have turned to TD Ameritrade’s (NYSE: AMTD) technology, people and education to help make investing and trading easier to understand and do. Online or over the phone. In a branch or with an independent RIA. First-timer or sophisticated trader. Our clients want to take control, and we help them decide how - bringing Wall Street to Main Street for more than 39 years. An official sponsor of the 2014 and 2016 U.S. Olympic and Paralympic Teams, as well as an official sponsor of the National Football League, TD Ameritrade has time and again been recognized as a leader in investment services. Please visit the TD Ameritrade’s newsroom or www.amtd.com for more information.

Brokerage services provided by TD Ameritrade, Inc., member FINRA [www.FINRA.org] /SIPC ( www.SIPC.org)
This survey was conducted by Head Solutions Group on behalf of TD Ameritrade Holding Corporation.

The statistical margin of error for the total sample of N=1,505 American adults within the target group is +/- 2.5%. This means that, in 19 out of 20 cases, survey results will differ by no more than 2.5 percentage points in either direction from what would have been obtained by the opinions of all target group members in the U.S. Sample was drawn from major regions in proportion to the U.S. Census. Generations used in this report are defined according to the Pew Research Center. Millennials (born 1981 to 1997, ages 18 to 34 in 2015), Generation X (born 1965 to 1980, ages 35 to 50 in 2015) and Baby Boomers (born 1946 to 1964, ages 51 to 69 in 2015).

Note: Percentages may not add up to 100 due to rounding.
Key Findings

Self-employment is a rewarding employment choice for many Americans, but can come with a personal and financial cost. In the last 3 to 5 years many have seen the costs of running their business go up, profits decrease and their ability to save for retirement impeded, leaving many self-employed Americans far behind with their savings goals.

Self-employed Americans say that their businesses are hurting, and they don’t expect that political or economic developments, or a new President, will help them

- The business climate is perceived as unfavorable: 6 out of 10 self-employed say the business climate is moving faster now than 3 to 5 years ago
- Three in 10 self-employed businesses have been hurt by the fast moving pace of change:
  - Profits are decreasing for one quarter (28%)
  - Cost of business has increased for one in three self-employed (32%)
- Recent government policies have hurt businesses of self-employed Americans who say that:
  - The effect of government regulations has become worse (27%)
  - Rising healthcare costs have reduced their ability to save (26%)
- Over 6 in 10 (64%) do not believe that small businesses will be part of the next President’s top 5 priorities
  - Reducing healthcare costs is the most desired Presidential priority for half (51%) of self-employed

The business and political climates are impeding self-employed Americans’ ability to save for retirement. They have a Plan B: continue to work into retirement years or rely on social security

- Six in 10 (61%) self-employed are anxious about saving money for retirement and over half (55%) feel they are behind with their retirement savings
- Half (48%) say that unpredictable income and too many personal expenses (38% all, 49% Millennials) are the main barriers to regular saving for retirement
- Six out of 10 (59%) are not making regular contributions to their retirement savings
- Although they are behind in their retirement savings, 6 out of 10 (57%) of self-employed expect to fund their retirement with their own savings while half (51%) expect to rely, at least partially, on social security to fund their retirement
- If, once they reach their intended retirement age, they do not have enough money to fund their retirement, continuing to work is plan B for most self-employed (76%)
- As they are facing the challenges of saving for retirement, it is concerning to see that only 3 in 10 (28%) report having received professional financial advice in the past 12 months. Half of those not receiving advice (53%) prefer to rely on their own expertise or do not believe that professional advice would be helpful (25%)
Key Findings (Continued)

Self-employment is a rewarding employment choice for many Americans, but can come with a personal and financial cost. In the last 3 to 5 years many have seen the costs of running their business go up, profits decrease and their ability to save for retirement impeded, leaving many self-employed Americans far behind with their savings goals.

The challenges of self-employment are numerous and self-employment comes with financial risks and personal sacrifices.

- Many self-employed take financial risks to start their business, with 1 in 4 (27%) relying on personal borrowing.
- Personal borrowing also keeps one fifth (22%) of self-employed businesses running. Very few turn to small business loan/credits and even fewer turn to federal grants or loans (respectively 8%, 2%).
- Two-thirds (63%) feel they have sacrificed the benefits of traditional employment: many have to work long hours (52%), are never able to completely turn off (41%) and are under constant financial pressure (40%).
- When asked to make comparisons to how they felt a year ago, 6 in 10 (59%) say they are more anxious about earning a steady income, while half are more anxious about expanding their business (53%) and fulfilling their business’ financial commitments (47%).

Yet, despite all of this, becoming self-employed is a rewarding choice for many.

- Three quarters (76%) of self-employed Americans have had a taste of traditional employment before venturing out on their own.
- Over 4 in 10 (43%) believe that they would be in a job they either don’t enjoy or would be overqualified for if they were not self-employed.
- Furthermore, 7 out of 10 (72%) say being self-employed has been more financially rewarding than expected and half (50%) are willing to sacrifice short term comfort for future success.
Becoming Self-employed
Three in 4 (76%) self-employed spent time traditionally-employed before starting their self-employed careers
One-fifth (21%) of self-employed are in the professional and business services sector

In which sector is your business?

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional and business services</td>
<td>21%</td>
</tr>
<tr>
<td>Retail</td>
<td>10%</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>8%</td>
</tr>
<tr>
<td>Construction</td>
<td>6%</td>
</tr>
<tr>
<td>Education/Educational services</td>
<td>5%</td>
</tr>
<tr>
<td>Information technology</td>
<td>4%</td>
</tr>
<tr>
<td>Financial services</td>
<td>4%</td>
</tr>
<tr>
<td>Leisure and hospitality</td>
<td>3%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>2%</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>2%</td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>1%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>33%</td>
</tr>
</tbody>
</table>

Q100. Base: All (N=1,505)
The vast majority (90%) of self-employed do not import or export goods or services.

Q110. Base: All (N=1,505)

- **90%**: Neither imports nor exports goods and/or services
- **6%**: Imports goods and/or services
  - Boomers: 3%
  - Gen X: 5%
  - Millennials: 9%
- **6%**: Exports goods and/or services
  - Boomers: 3%
  - Gen X: 5%
  - Millennials: 9%
Personal borrowing is the most common source of start-up funds, for 1 in 4 (27%) self-employed. One in 5 (22%) self-employed Millennials used a gift or loan from their family.

When you initially started your current business, which of the following sources of funding, if any, did you use?

<table>
<thead>
<tr>
<th>Source of Funding</th>
<th>Boomer</th>
<th>Gen X</th>
<th>Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal borrowing</td>
<td>27%</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>Financial gift/loan from parents/family friends</td>
<td>11%</td>
<td>3%</td>
<td>6%</td>
</tr>
<tr>
<td>Small business loan/credit (bank)</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Investments for shares/ownership</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Federal/state grants/loans</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Short-term online loans</td>
<td>1%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Crowd-sourced funding</td>
<td></td>
<td></td>
<td>55%</td>
</tr>
</tbody>
</table>

Q260a. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
A third (34%) of self-employed have had to rely on credit cards to help them reach their goals, including 4 in 10 (41%) self-employed Millennials.

Which, if any, of the following types of support have you relied upon to help you achieve your goals? %, Top 5 sources, plus None

<table>
<thead>
<tr>
<th>Type of Support</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit card</td>
<td>37%</td>
</tr>
<tr>
<td>Personal/unsecured loans and/or personal line of credit</td>
<td>14%</td>
</tr>
<tr>
<td>Living with your parents/other family members for free/for a small amount of rent</td>
<td>13%</td>
</tr>
<tr>
<td>A financial gift from parents/other family members that you didn't/don't need to repay</td>
<td>15%</td>
</tr>
<tr>
<td>Small business loan and/or business line of credit</td>
<td>6%</td>
</tr>
<tr>
<td>None of the above</td>
<td>38%</td>
</tr>
</tbody>
</table>

Q210. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
2013 Base: Q360, All self-employed (N=1,507).
Two-thirds (63%) of self-employed feel they have sacrificed the benefits of traditional employment

Which of the following sacrifices have you had to make to be self-employed/a small business owner?

<table>
<thead>
<tr>
<th>Sacrifice</th>
<th>Boomer</th>
<th>Gen X</th>
<th>Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td>The benefits of traditional employment</td>
<td>63%</td>
<td>52%</td>
<td>67%</td>
</tr>
<tr>
<td>Working long hours</td>
<td>51%</td>
<td>54%</td>
<td>53%</td>
</tr>
<tr>
<td>Never able to completely turn off</td>
<td>36%</td>
<td>40%</td>
<td>48%</td>
</tr>
<tr>
<td>Constant financial pressure</td>
<td>34%</td>
<td>40%</td>
<td>46%</td>
</tr>
<tr>
<td>Prioritize business over personal life</td>
<td>36%</td>
<td>39%</td>
<td>39%</td>
</tr>
<tr>
<td>Put aside personal well-being</td>
<td>33%</td>
<td>37%</td>
<td>39%</td>
</tr>
<tr>
<td>Spend less time with family</td>
<td>28%</td>
<td>29%</td>
<td>31%</td>
</tr>
<tr>
<td>Carry a lot of debt instead of saving money</td>
<td>19%</td>
<td>23%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Q220. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
Four in 10 (43%) self-employed, rising to half (48%) of self-employed Millennials, believe that if they were not running their own business they would be in a job they didn’t like, or would be overqualified for.
For 7 in 10 (72%) self-employed, being self-employed has been more financially-rewarding than expected

To what extent has being self-employed turned out the way you expected when you first became self-employed, in terms of being able to live a financially comfortable life?

12% Worse than expected (1–4) 72% Better than expected (6-10)

Boomers: 77%
Gen X: 71%
Millennials: 68%

Q275. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
Challenges Of Running A Small Business
Six out of 10 (59%) of self-employed are somewhat/much more anxious about earning a steady income now than a year ago

Compared to 12 months ago, to what extent are you more anxious about the following aspects of being self-employed or running a small business? Your ability to...

- Fulfil your business' financial commitments
  - No more anxious than 12 months ago (1) 42%
  - Slightly more anxious (2 to 3) 10%
  - Somewhat more anxious (4-7) 35%
  - Much more anxious (8 to 10) 12%

- Expand your business
  - No more anxious than 12 months ago (1) 35%
  - Slightly more anxious (2 to 3) 12%
  - Somewhat more anxious (4-7) 41%
  - Much more anxious (8 to 10) 12%

- Earn a steady income
  - No more anxious than 12 months ago (1) 29%
  - Slightly more anxious (2 to 3) 13%
  - Somewhat more anxious (4-7) 40%
  - Much more anxious (8 to 10) 19%

Q310. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
One in 5 (22%) self-employed are using personal borrowing to run their current business, and more than 1 in 10 (13%) self-employed Millennials are using money from their family.

Which of the following sources of funding, if any, are you currently using to run your current business?

Boomer | Personal borrowing | 22% | Small business loan/credit (bank) | 8% | Financial gift/loan from parents/family friends | 8% | Investments for shares/ownership | 3% | Short-term online loans | 3% | Crowd-sourced funding | 2% | Federal/state grants/loans | 2% | None | 65% | None | 72

Gen X | Personal borrowing | 8% | Small business loan/credit (bank) | 8% | Financial gift/loan from parents/family friends | 8% | Investments for shares/ownership | 3% | Short-term online loans | 3% | Crowd-sourced funding | 2% | Federal/state grants/loans | 2% | None | 65% | None | 69

Millennials | Personal borrowing | 26 | Small business loan/credit (bank) | 9 | Financial gift/loan from parents/family friends | 13 | Investments for shares/ownership | 6 | Short-term online loans | 4 | Crowd-sourced funding | 5 | Federal/state grants/loans | 3 | None | 55

Q260b. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
One in 5 (20%) self-employed would turn to their family if they needed additional funds for their business, rising to 1 in 3 (31%) self-employed Millennials.

If you needed to access additional funding for your current business, which of the following sources would you be most likely to use?

- Personal borrowing: 40%
- Small business loan/credit (bank): 38%
- Financial gift/loan from parents/family friends: 20%
- Crowd-sourced funding: 8%
- Investments for shares/ownership: 8%
- Short-term online loans: 7%
- Federal/state grants/loans: 5%
- None: 22%

<table>
<thead>
<tr>
<th>Source</th>
<th>Boomer</th>
<th>Gen X</th>
<th>Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal borrowing</td>
<td>41</td>
<td>41</td>
<td>37</td>
</tr>
<tr>
<td>Small business loan/credit</td>
<td>41</td>
<td>39</td>
<td>34</td>
</tr>
<tr>
<td>Financial gift/loan from</td>
<td>9</td>
<td>20</td>
<td>31</td>
</tr>
<tr>
<td>parents/family friends</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crowd-sourced funding</td>
<td>3</td>
<td>8</td>
<td>14</td>
</tr>
<tr>
<td>Investments for shares/</td>
<td>3</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>ownership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term online loans</td>
<td>3</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Federal/state grants/loans</td>
<td>3</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>None</td>
<td>27</td>
<td>22</td>
<td>19</td>
</tr>
</tbody>
</table>

Q261. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
On average, self-employed hold over $7,000 in student loan debt, rising to over $15,000 for self-employed Millennials.
Half (50%) of self-employed are willing to sacrifice short-term comfort for future success, rising to 6 in 10 (58%) Millennials

Which of the following statements best describes how you view the balance between living a comfortable life now and committing resources to your business?

- I am willing to make sacrifices for my business now in order to have a more comfortable life in the future
- I want to be able live comfortably now, even if it means that I may not be developing or growing my business as fast as
- I don't know

Boomers: 49%
Gen X: 34%
Millennials: 32%

Q300. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
For self-employed, being financially secure is the most important evidence of a comfortable life

Which of the following do you consider to be important aspects of living a comfortable life?

- Not having to worry about money or debt: 84%
- Having savings put aside for an emergency/a rainy day: 82%
- Having time to relax away from work: 74%
- Having enough discretionary income to afford things I want but don’t necessarily need: 66%
- Being able to take regular vacations: 65%
- Owning a home: 65%

Q305. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
Impact of Technology
Technology is essential for self-employed to communicate and manage their business, and particularly so for self-employed Millennials.

Which of the following roles, if any, does technology play in your business? It allows me to...

- Communicate: 77%
- Manage my business: 74%
- Collect/find information: 68%
- Build tools/ products/ solutions that are part of my business offering: 40%
- None of the above: 7%

<table>
<thead>
<tr>
<th></th>
<th>Communicate</th>
<th>Manage my business</th>
<th>Collect/find information</th>
<th>Build tools/ products/ solutions that are part of my business offering</th>
<th>None of the above</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boomers</td>
<td>77</td>
<td>69</td>
<td>67</td>
<td>32</td>
<td>7</td>
</tr>
<tr>
<td>Gen X</td>
<td>75</td>
<td>75</td>
<td>68</td>
<td>40</td>
<td>8</td>
</tr>
<tr>
<td>Millennials</td>
<td>80</td>
<td>79</td>
<td>68</td>
<td>48</td>
<td>5</td>
</tr>
</tbody>
</table>

Q130. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
More than half (54%) of self-employed are more reliant on technology now than 4 years ago

Q140. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
Two-thirds (67%) of self-employed have seen the cost of keeping up-to-date with technology increase in the past 4 years

Compared to 4 years ago, to what extent has the cost of keeping up-to-date with the technology your business requires increased?

Q150. Base: All (N=1,505)
One in 5 (22%) of self-employed feel their businesses could not have existed 20 years ago as its existence has been made possible by technological advancements, rising to 1 in 4 (28%) of Millennials.

Q160. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
One in 5 self employed (20%) are running a start up, rising to a third (32%) of self-employed Millennials

Q120. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
The Changing Business Climate
The business climate is moving faster now than 3-5 years ago, for most self-employed (57%)
Three in 10 (28%) self-employed has seen their profits decrease over the past 3 to 5 years.

Compared to 3 to 5 years ago, to what extent has the dollar value of profit that you make from your business increased or decreased?

- **28% Decreased (1–4)**
  - Boomers: 34%
  - Gen X: 28%
  - Millennials: 22%

- **42% Increased (6-10)**
  - Boomers: 37%
  - Gen X: 39%
  - Millennials: 50%

Q322. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
Over the past 3 to 5 years, 1 in 3 (32%) self-employed say the cost of doing business has increased, and one in four (27%) believe that the effect of government regulations has become worse.

Q321. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
Six in 10 (61%) self-employed are somewhat/much more anxious about saving money for retirement now than a year ago.

Q310. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
A raise in the minimum wage to $15 would not impact the majority (70%) of self-employed

In what ways do you think an increase in the minimum wage to $15 could affect your business?

- It could limit the growth of my business: 17%
- It could reduce my personal profit/income/ability to save: 17%
- It could reduce my ability to expand my work force: 17%
- It could reduce my willingness to take on risk/make investments/develop new products or services: 10%
- It could drive me to seek a full or partial workforce that is outside of the United States: 4%
- It will have no impact – I don’t employ anyone and do not intend to employ anyone: 54%
- It will have no impact – I pay more than $15 per hour to people who work for my company: 16%

Q340. Base: All (N=1,505)
Slightly more (49%) self-employed support a rise in the minimum wage to $15 compared to 4 out of 10 who do not support it (40%).

Q342. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
You may be aware that there was a change in 2012 in the way the federal government defines a small business, which means that larger small businesses (those with under 500 employees) can now apply for government grants and funding that was previously only available to small businesses with fewer than 20 employees. Which of the following best describes how you feel about this change?

- I think this is an unfair change that makes it harder for the smallest small businesses to succeed
- I think this change is fair because all small businesses may need access to government support
- I don’t care about this change because my business does not/will not apply for government grants or funding
- None of the above

Q330. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
A quarter (26%) of self-employed say that rising healthcare costs have reduced their ability to save, though two-thirds (65%) say that their business has not been affected.

Over the past few years, the cost of health insurance has risen for some businesses. How has the rising cost of health insurance impacted your business, if at all?

- It has reduced my personal profit/income/ability to save: 26%
- It has limited the growth of my business: 10%
- It has reduced my ability to expand my work force: 10%
- It has reduced my willingness to take on risk/make investments/develop new products or services: 8%
- It has meant some staff have had their working hours reduced in order to avoid qualification for health insurance: 6%
- There has been no impact on my business: 65%

Q350. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
Even though most self-employed have not been affected by rising healthcare costs, **reducing** healthcare costs is the most desired Presidential priority, for half (51%) of self-employed

Other than cutting taxes, which of the following would be the best way the next President could help self-employed and small business owners?

- Reduce the cost of healthcare to self-employed and small businesses: 51%
- Increase the number of grants/loans available to self-employed and small businesses: 16%
- Improve the education of the workforce: 12%
- Prevent increases to the minimum wage: 10%
- Make it easier to restructure/reduce the workforce of self-employed and small businesses: 6%
- Reduce access to small business loans by companies that have more than 100 employees: 4%

Q360. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
Few self-employed (19%) expect the next President to have helping small business owners within his or her top 3 priorities.

Q361. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
Financial Advice
One in 4 (28%) self-employed has received professional financial advice in the past 12 months, falling to 1 in 5 (20%) self-employed Millennials. One in 10 (9%) self-employed has used a robo-advisor.

In the past 12 months, have you received any financial advice or guidance, or researched anything related to your long term savings and investments, in any of the following ways?

- I have had discussions with a spouse or partner or parents/guardians: 38%
- I have searched for information online: 34%
- I have had discussions with a professional financial planner or financial advisor: 28%  
  - Boomers: 39%  
  - Gen X: 25%  
  - Millennials: 20%
- I have read financial/investment books, magazines, watched/heard television/radio programs: 24%
- I have had discussions with family members: 23%
- I have had discussions with a lawyer or accountant: 17%
- I have used an online, automated tool to create and/or manage an investment portfolio: 9%  
  - Boomers: 6%  
  - Gen X: 10%  
  - Millennials: 12%

+29% None of the above

Q400. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503). Multiple responses allowed.
Retirement planning (73%) and investment management (68%) are the most common topics of discussion with a professional financial planner or advisor.

Q412. Base: All receiving professional financial advice in the past 12 months (n=422)
Self-employed who have not received professional advice prefer to rely on their own expertise (53%), or do not believe professional advice would provide a benefit (25%)

Why have you not used a professional financial advisor or financial planner in the past 12 months?

- I prefer to manage my own finances: 53%
- I don't think a financial advisor or financial planner would add value beyond what I can do for myself: 25%
- Financial advisors and financial planners are too expensive/not worth the cost: 25%
- I don't trust financial advisors or financial planners to give fair/unbiased advice: 15%
- I haven't been able to find a good financial advisor or planner: 9%
- I prefer to use online providers or automated tools (such as 'robo-advisors'): 6%

Q420. Base: All not receiving professional financial advice in the past 12 months (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503). Multiple responses allowed.
Saving for Retirement
Over half (55%) of self-employed are currently saving for retirement, dropping to under half (43%) of self-employed Millennials, who are more likely to be saving for unforeseen emergencies (52%).

Which of the following, if any, are you currently saving or investing for?

- Retirement: 55%
- Unforeseen emergency: 45%
- Vacation: 32%
- Home Improvements: 22%
- Car, or other vehicle: 20%
- Nothing in particular: 17%
- Down-payment on property: 16%
- Education for children: 16%
- Home Improvements: 32%
- Car, or other vehicle: 20%
- Nothing in particular: 17%
- Down-payment on property: 16%
- Education for children: 16%

Q500. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
Self-employed are most likely to only be saving for retirement, when they can afford it (41%). One in 4 (26%) self-employed saves a fixed amount of money for retirement on a regular basis.

Q510. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
Half of self-employed (48%) say that unpredictable income and expenses are the largest barrier to regular saving for retirement. Having too many personal expenses is also a barrier for half of self-employed Millennials (49%)

Which of the following, if any, prevent you from being able to save or invest the amount of money you want to save or invest for retirement each month?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Boomers</th>
<th>Gen X</th>
<th>Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not being able to predict my income and/or expenses</td>
<td>48%</td>
<td>46%</td>
<td>55%</td>
</tr>
<tr>
<td>Having too many personal expenses</td>
<td>38%</td>
<td>27%</td>
<td>49%</td>
</tr>
<tr>
<td>Needing to prioritize investment in my business above saving for retirement</td>
<td>17%</td>
<td>13%</td>
<td>21%</td>
</tr>
<tr>
<td>Not having enough time to pay attention to/learn about saving/investing for my retirement</td>
<td>9%</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>Not having an automatic or easy way to save for retirement</td>
<td>8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not having a good relationship with someone whose financial advice I can trust</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q525. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503). Multiple responses allowed.
A lack of income is the main barrier to saving for retirement, for 57% of self-employed. This was also the top reason in 2013, though for 78%. One in four (37%) Millennials has not started to save for retirement.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>I can't currently afford to save for retirement</td>
<td>57%</td>
<td>78%</td>
</tr>
<tr>
<td>I haven't started saving for retirement yet</td>
<td>29%</td>
<td>28%</td>
</tr>
<tr>
<td>I will live on the profits from my business, which will keep running</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>I am too young to need to be saving for retirement</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>My spouse/partner will fund my retirement so I don't need to save</td>
<td>6%</td>
<td>8%</td>
</tr>
</tbody>
</table>
Over half (55%) of self-employed feel they are behind with their retirement savings.

Q565. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
Not being able to save as much as desired is the main reason why self-employed feel behind with their retirement savings (56%), followed by being unable to save regularly (44%, 50% for self-employed Millennials)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
<th>Millennials</th>
<th>Gen X</th>
<th>Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am unable to save as much as I want to</td>
<td>56%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am unable to save regularly</td>
<td>44%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have had to use money I would normally have put aside for retirement to support my business</td>
<td>32%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I started saving for retirement later than I should have</td>
<td>29%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I do not have a regular savings plan for retirement</td>
<td>26%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I haven't yet started saving for retirement</td>
<td>16%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q566. Base: All who are behind with their retirement saving (n=832, Boomers n=252, Gen X n=290, Millennials n=290). Multiple responses allowed.
Three in 10 (31%) self-employed have a specific savings goal for retirement, and the average goal is $1.1mln

Do you have a specific savings goal for retirement?

---

% with savings goal

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boomers</td>
<td>31</td>
<td>29</td>
</tr>
<tr>
<td>Gen X</td>
<td>29</td>
<td>34</td>
</tr>
<tr>
<td>Millennials</td>
<td>33</td>
<td>33</td>
</tr>
</tbody>
</table>

Mean Savings Goal:

- $1,100,000

Mean Savings Goal (2013):

- $1,600,000

---

Q570. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
Q571. Base: All with a specific savings goal ((n=468, Boomers n=157, Gen X n=147, Millennials n=164)
On average, self-employed with a savings goal have saved 31% of it, the same as seen in 2013.

Q572. Base: All with a specific savings goal ((n=468, Boomers n=157, Gen X n=147, Millennials n=164)
On average, self-employed Boomers are $335,000 away from their retirement target, meaning a potential $1.7 trillion collective ‘retirement gap’

Q571/Q572. Base: All Self-employed Boomers with a specific savings goal (n=157)

1. Calculated by multiplying individual savings targets (Q571, slide 51) by how far away from target (i.e. 100% minus current savings progress, Q572, slide 52)

Potential “Retirement Gap” Calculation

Self-employed Boomers who have retirement savings targets are, on average, $335,000 short of the target

And if there are 5 million self-employed Boomers

And if the average savings shortfall is $335,000 across all self-employed Boomers (i.e. not just those with a savings target)

Then 5 million self-employed Boomers x $335,000

= $1.7 Trillion ‘Retirement Gap’
On average, self-employed are putting away $400 a month in non-retirement savings or investments.

Q530. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)

1. Average savings calculation excludes lowest and highest 5% (i.e. excludes outliers)
Three-quarters (75%) of self-employed say that the recent stock market volatility has not changed the way they save or invest for retirement

Has the economic and stock market volatility seen in recent months changed how you save or invest for retirement in any of the following ways?

- I have decreased the amount of money I invest in the stock market 10%
- I have sold some investments and am holding the funds in cash 7%
- I have increased the amount of money I invest in the stock market 6%
- I have sold some higher-risk investments and purchased lower-risk investments in their place 5%
- I have sold some lower-risk investments and purchased higher-risk investments in their place 3%
- The recent stock market volatility has not changed the way I save or invest for my retirement 75%

Q540. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503). Multiple responses allowed, excluding the bottom option (“...has not changed the way I save or invest...”)
As seen in 2013, most (57%) of self-employed expect that the savings they make during their working life will fund their retirement, even when, as we have seen, most are behind with their retirement savings.

<table>
<thead>
<tr>
<th>Source of Retirement Funds</th>
<th>2013</th>
<th>Boomers</th>
<th>Gen X</th>
<th>Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working and saving money myself before I retire</td>
<td>57%</td>
<td>59%</td>
<td>49%</td>
<td>31%</td>
</tr>
<tr>
<td>Social security / pensions from the government</td>
<td>51%</td>
<td>51%</td>
<td>49%</td>
<td>35%</td>
</tr>
<tr>
<td>Investments in my IRA</td>
<td>37%</td>
<td>49%</td>
<td>49%</td>
<td>35%</td>
</tr>
<tr>
<td>The retirement funds of my spouse/partner</td>
<td>28%</td>
<td>34%</td>
<td>24%</td>
<td>26%</td>
</tr>
<tr>
<td>The profits from my business, which will keep running when I retire</td>
<td>25%</td>
<td>30%</td>
<td>21%</td>
<td>15%</td>
</tr>
<tr>
<td>Investments (excluding real estate, IRA, 401(k))</td>
<td>23%</td>
<td>29%</td>
<td>21%</td>
<td>18%</td>
</tr>
<tr>
<td>Real estate investments</td>
<td>23%</td>
<td>30%</td>
<td>21%</td>
<td>16%</td>
</tr>
<tr>
<td>Investments in my 401(k), 403(b) or other retirement plan</td>
<td>22%</td>
<td>26%</td>
<td>21%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Q580. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)  
Continuing to work is plan B for most self-employed (76%) if they do not hit their retirement savings target, followed by cutting back their outgoings (48%).

If, by the time you reach your intended retirement age, you do not have enough money to fund your retirement, which of the following, if any, will you do?

- **Continue working**: 76%
- **Reduce outgoings and expenditures**: 48%
- **Sell or downsize my home**: 32%
- **Rely on my spouse's savings/retirement funds**: 18%
- **Rely on support from children/family-members**: 5%

<table>
<thead>
<tr>
<th></th>
<th>Boomers</th>
<th>Gen X</th>
<th>Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continue working</td>
<td>72</td>
<td>78</td>
<td>78</td>
</tr>
<tr>
<td>Reduce outgoings and expenditures</td>
<td>47</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>Sell or downsize my home</td>
<td>31</td>
<td>34</td>
<td>32</td>
</tr>
<tr>
<td>Rely on my spouse's savings/retirement funds</td>
<td>14</td>
<td>18</td>
<td>23</td>
</tr>
<tr>
<td>Rely on support from children/family-members</td>
<td>2</td>
<td>4</td>
<td>10</td>
</tr>
</tbody>
</table>

Q590. Base: All (N=1,505, Boomers n=500, Gen X n=502, Millennials n=503)
Survey sample characteristics (100% Self-employed)

Base: All Self-employed (N=1,505)
Survey sample characteristics (Continued)

Type of Self-Employment

- Entrepreneur: 29
- One-person enterprise: 36
- Consultant/Freelance: 19
- Contractor: 9
- Broker/agent: 3
- Other: 5

Sectors

- Professional and business services: 21
- Retail: 10
- Health care and social assistance: 8
- Construction: 6
- Education/Educational services: 5
- Information technology: 4
- Financial services: 4
- Leisure and hospitality: 3
- Agriculture: 2
- Wholesale trade: 2
- Transportation and warehousing: 1
- Manufacturing: 1
- Other: 33

Base: All Self-employed (N=1,505)