



Healthy to Retire

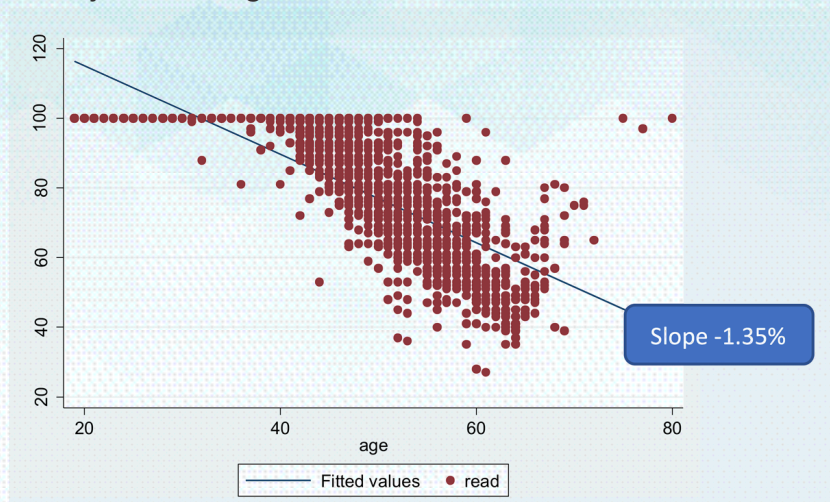
Quantifying an Employer's Cost for a Workforce Delaying Retirement

Case study: Innovu analysis of 2,800-employee trucking company, 2016-17

Reports indicate that 35% of the U.S. population has \$0 savings, 69% have less than \$1,000 in savings, and 85% have less than \$10,000 in savings.

Let's contrast these statistics with a retirement readiness calculation. A US worker earning \$70,000 per year, such as an experienced truck driver, will need approximately \$50,000 (~70%) in each year of retirement. With a remaining life expectancy of 20 years, that equates to \$1,000,000 needed over this 20-year period.

Innovu tested the retirement readiness of a 2,800-employee trucking agency and found that each year that an employee aged in place with this 2,800-employee trucking company meant that they reduced their readiness to retire by 1.35%. For example, an employee at age 62 is 1.35% less ready to financially retire than they were at age 61.



In addition, for every 1 year that an employee over the age of 60 ages in place with the trucking company, the company's medical and pharmaceutical expenses for that employee increase by 5.5%.

To quantify the comparative difference in cost between employees over the age of 60 who are increasingly less ready to retire versus a comparable worker under the age of 40, the company's 5-year net present value expense in income paid, medical cost, and pharmaceutical cost for older workers is \$17 million.