



# 10<sup>th</sup> Annual Retirement Savers Survey

Reflection, Risk and Resolve

2877107

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# Discussion

- Expectations, Worries and Regrets
- Perceptions of Employers and Plan Features
- The New Normal? Risk and Volatility
- The Next Act



# Defining Generations at Work



**Boomer**  
**1946-1964**



**Gen X**  
**1965-1979**



**Millennial**  
**1980-1994**



A photograph of a man and a woman sitting at a table, looking at a tablet together. The man is pointing at the screen. The image has a blue overlay. The text "Expectations, Worries and Regrets" is written in white on the right side.

# Expectations, Worries and Regrets



# Most People Consider Themselves “Average” Savers

Three-quarters have graded their retirement savings efforts a C+ on average.

3.4 (C+)

Average 2020

3.6 (B-)

Average 2021

3.5 (C+)

Average 2022



**Men**, those with **incomes of \$100k or more**, and those with **assets of \$500k or more** are most likely to give themselves an A or B.

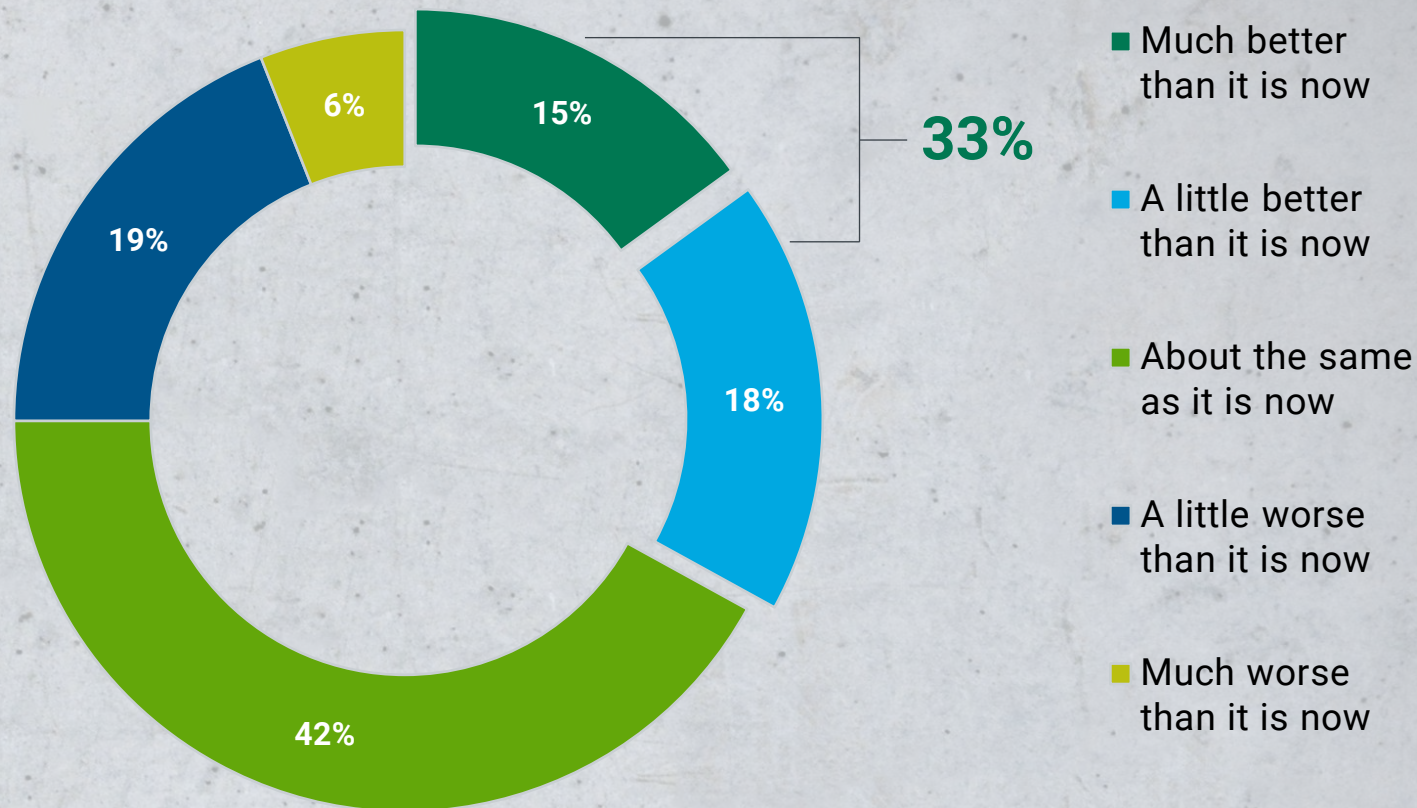


# One in Three Expect a Better Standard of Living, Up from Last Year

## Retirement Expectations



Half of Millennials expect it to be better, **driving the increase.**





# Market Volatility, Housing Costs and Credit Card Debt Trigger Worries

Retirement Concerns	
Market volatility	41% (New)
Housing expenses	37%↑
Balancing work and family	35%
Credit card debt	34%↑
Losing my job	30%

Percentage of participants who indicated the topic caused a great deal of worry or kept them up at night.



**Not so worrisome** are paying off **student loans** and **supporting family members**. Millennials actually worry more about childcare and eldercare.

Q7. To what extent do the following cause you to worry or be concerned? 2022 (n=1,509); 2021 (n=1,500), 2020 (n=1,508)  
↑=Significantly higher than previous year, ↓=significantly lower than previous year



# Employer Worries: Volatility and Employee Retirement Readiness

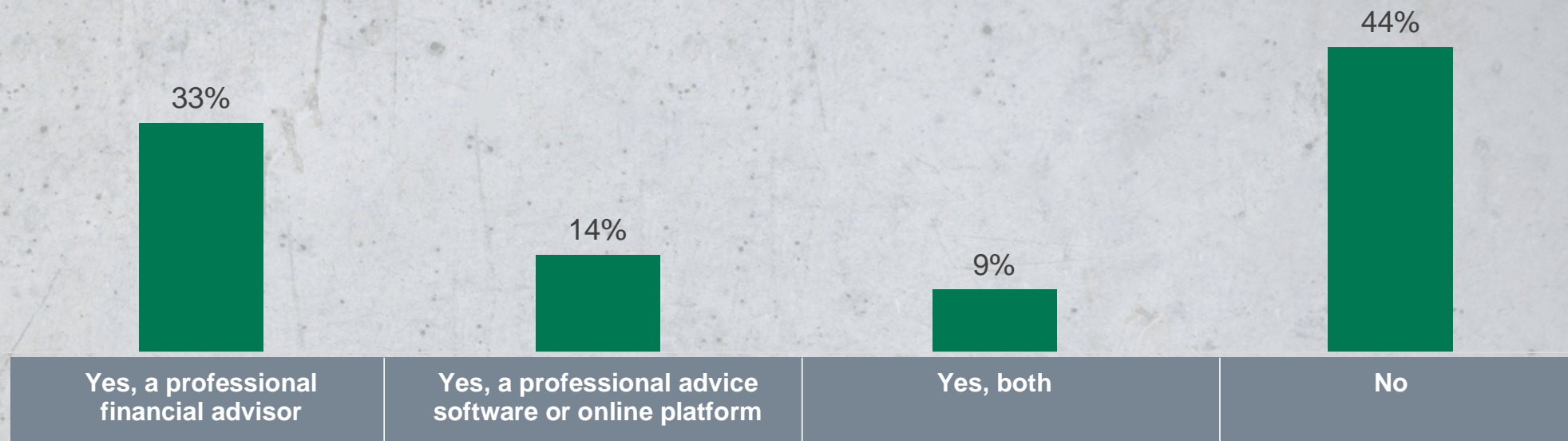
Most concerning are market volatility for those about to retire, employee savings habits and proper asset allocation of those who choose their own investments

## Plan Sponsor Concerns

Market volatility for those closest to retirement	67%
Employees won't be ready for retirement	66%
Employees aren't properly allocated	64%
Retiring employees won't be able to make their savings last	63%
Plan costs and fees aren't competitive	60%



# One-Third Work With an Advisor; 10% Use Online Advice/Software



**Men** are more likely to work with an advisor, use advice software, or both.

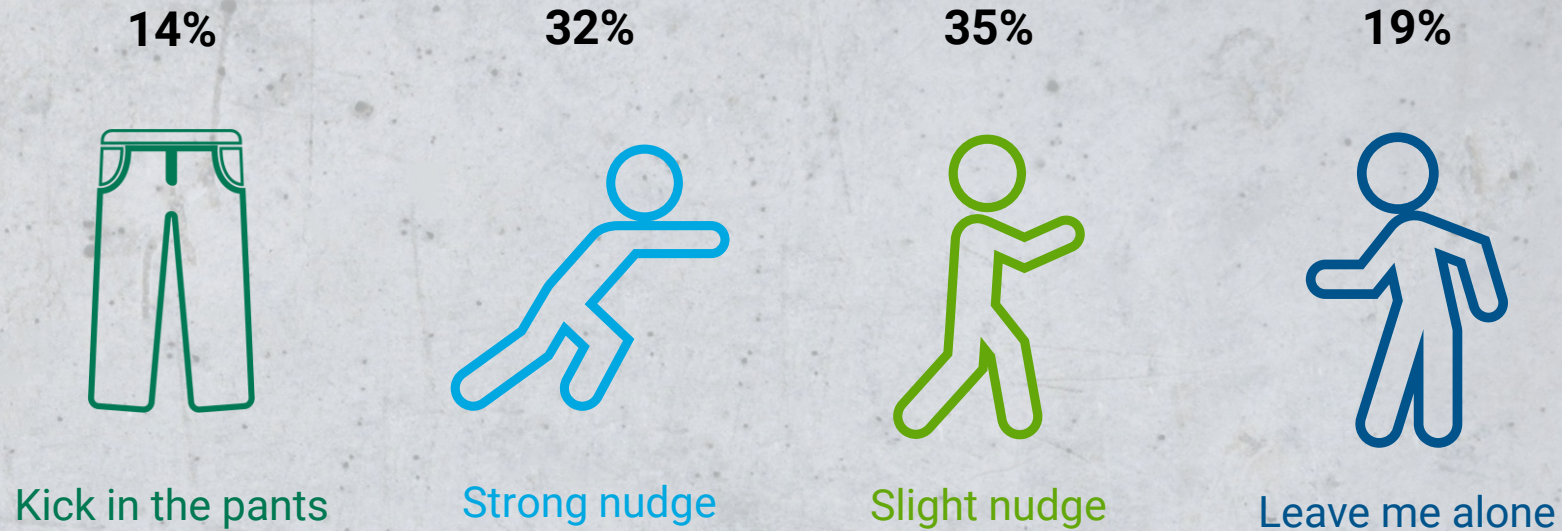




# Perceptions of Employers and Plan Features



# Four in Ten Want a “Kick in the Pants” or “Strong Nudge” to Save More

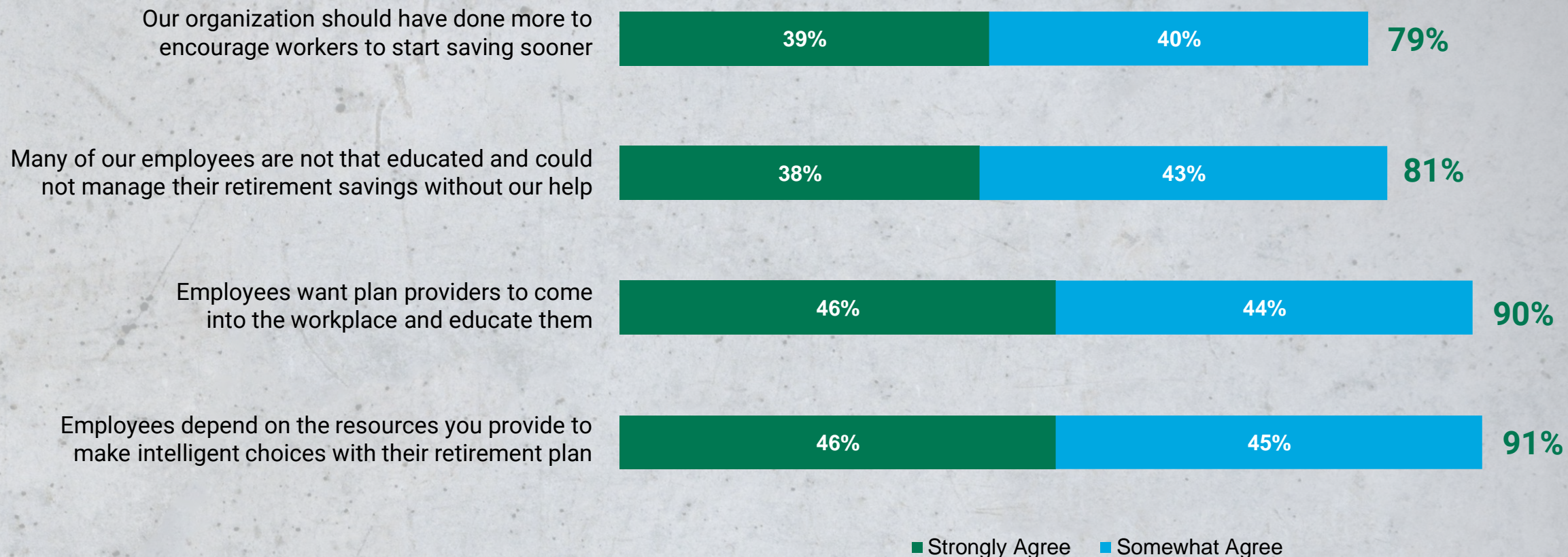


**Boomers** are more likely than Millennials and Gen Xers to **want to be left alone**. Among **Millennials**, **85% want at least a slight nudge**



# Plan Sponsors Agree: We Need Help Educating Employees

Most concur that employees want and need retirement education from employers and plan providers





# Most Want Retirement Contributions Over Education Cost Help

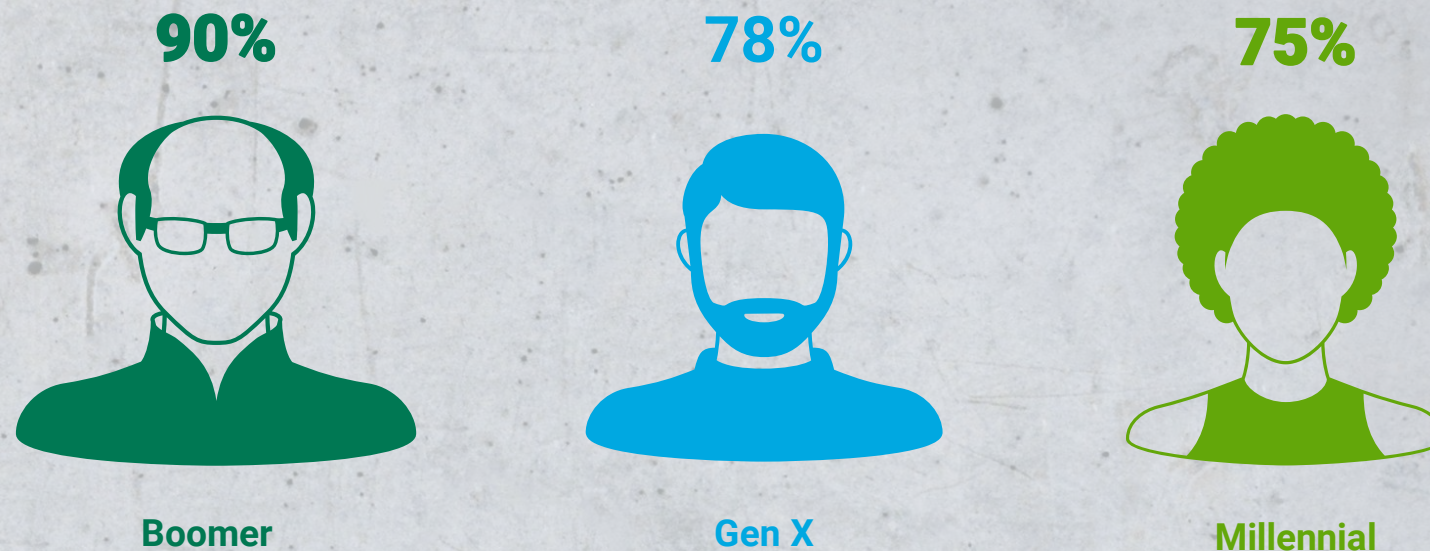
## Employer Contribution Preference



Even with concerns about student loan debt, **employer retirement contributions** are the overwhelming preference for all generations—even among millennials.



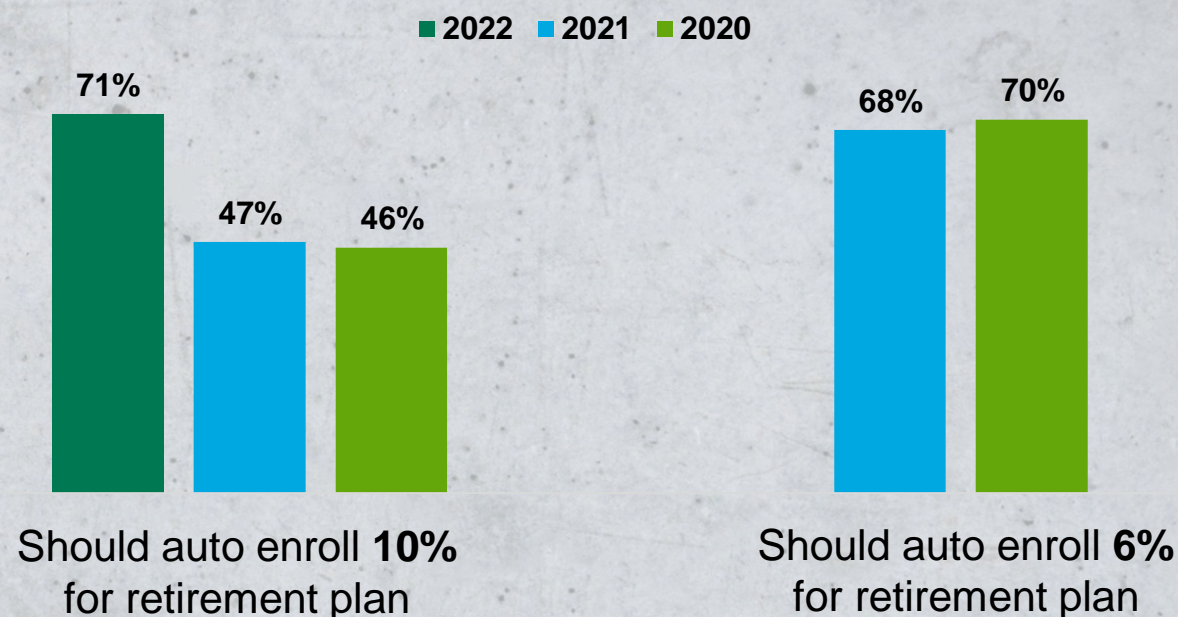
# Most Want Retirement Contributions Over Education Cost Help



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# More Participants Agree With Auto-Enroll at a 10% Default



The majority of participants of **all generations** support auto enroll at 10%.

*\*NOTE: Respondents were asked **only** about 10% auto enroll in 2022 survey.*



# Interest In Environmental, Social, and Governance (ESG) Investing Varies Among Generations, and Is Growing



Environmental

**61% express** interest in ESG investments as part of their retirement plan, up from half last year.



Social

**Men** are more likely to be interested in ESG.



Governance

**Millennials (71%)** and **Gen Xers (62%)** are most interested. Less than half of **Boomers (44%)** are interested.



# ESG Is More Attractive If Performance Is Comparable

58%

would only be interested if  
performance is comparable

30%

would be interested only if  
performance is better

11%

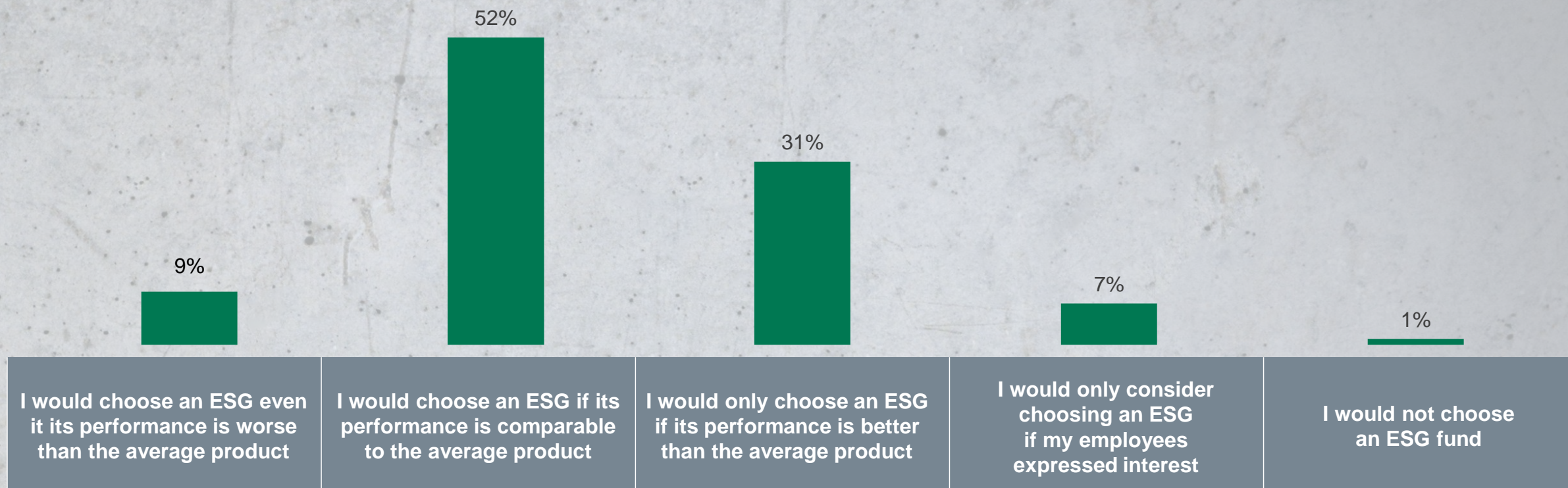
would be interested even  
if performance is worse



**Boomers** are more likely to have interest in an ESG with comparable performance to the average product. **Gen X** is more likely to have interest only if an ESG's performance is better.



# Plan Sponsors Agree on ESG With Comparable Performance



**Plan Sponsors** and **Participants** are on the same page about environmental, social and governance (ESG) investments.





# **The New Normal? Risk and Volatility**



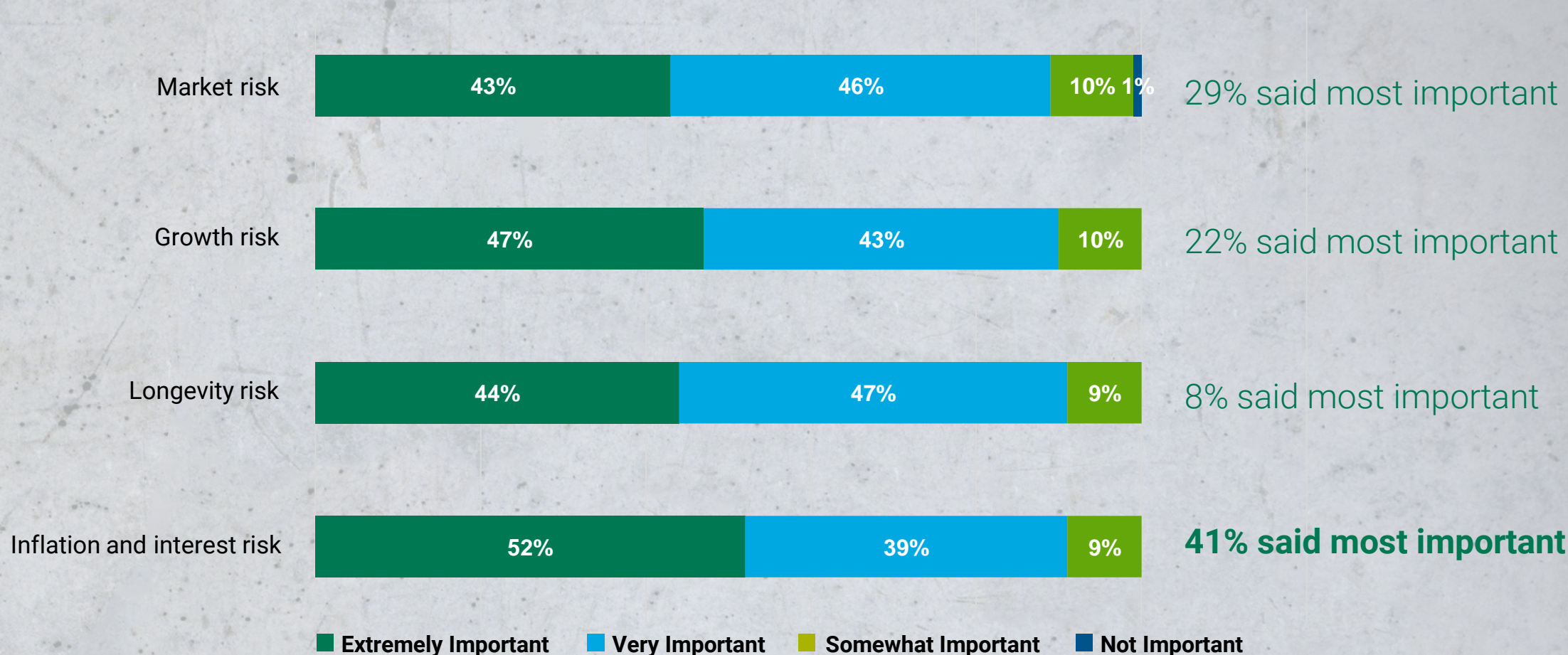
# Inflation & Interest Rate Risk Concerns Increased Significantly

Risk	2022	2021	Increase
Inflation & Interest Rate	64%	49%	15%
Longevity	58%	58%	0%
Market	53%	51%	2%
Growth	49%	43%	6%
Human Error	42%	39%	3%



# Plan Sponsors Think Target Date Funds Address Most Important Risks

Inflation and Interest rates are the most important risks to address with target-date investors





# Participants Are Split on Taking More/Less Risk in Today's Environment

Today's market is so volatile that people my age need to be more conservative with their money 56%

You must take significant investment risk in today's economy to see significant gains 55%

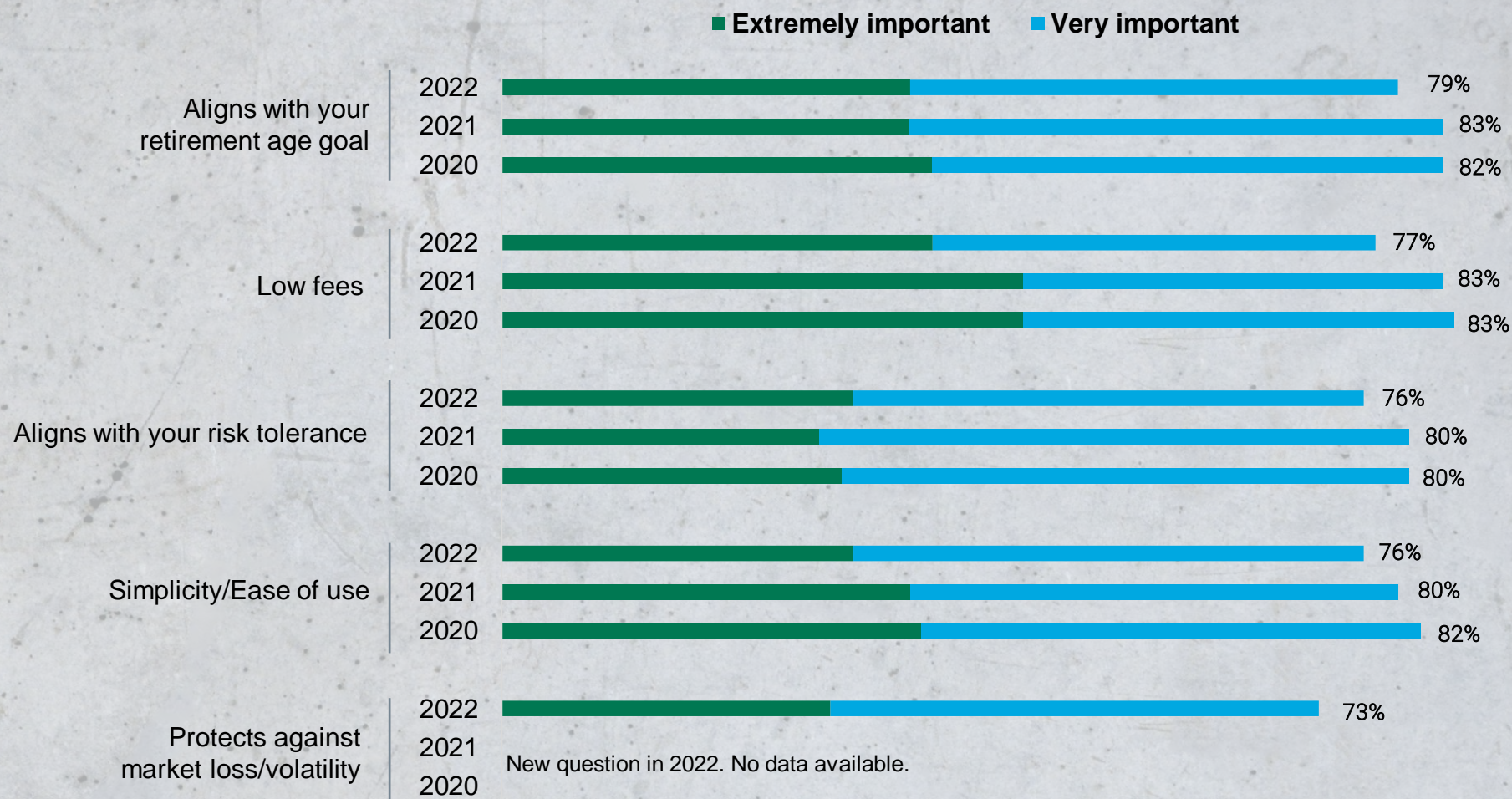
I would be interested in purchasing insurance to protect my retirement income 54%

People my age need to take more investment risk than prior generations to achieve the same outcome 52%

I tend to be more aggressive with my investments compared to others my age 39%



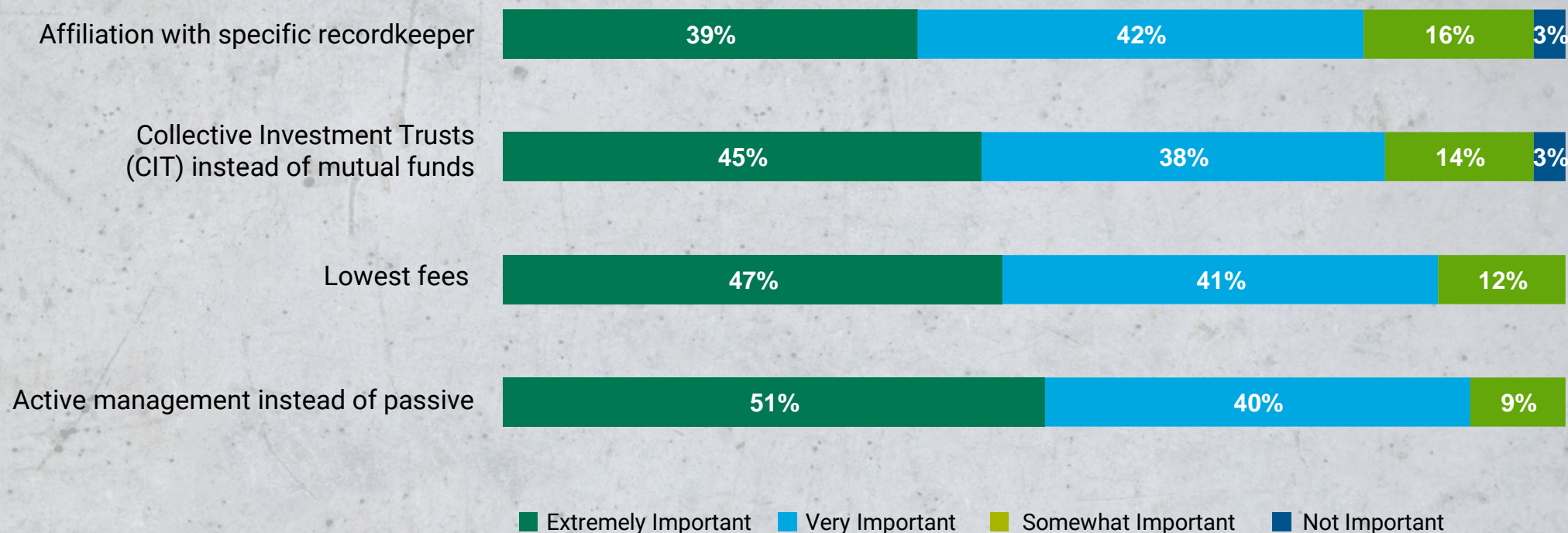
# Retirement Age Alignment and Low Fees Top List for Investments



**3/4** want an investment that has an amount of risk that matches their risk tolerance.



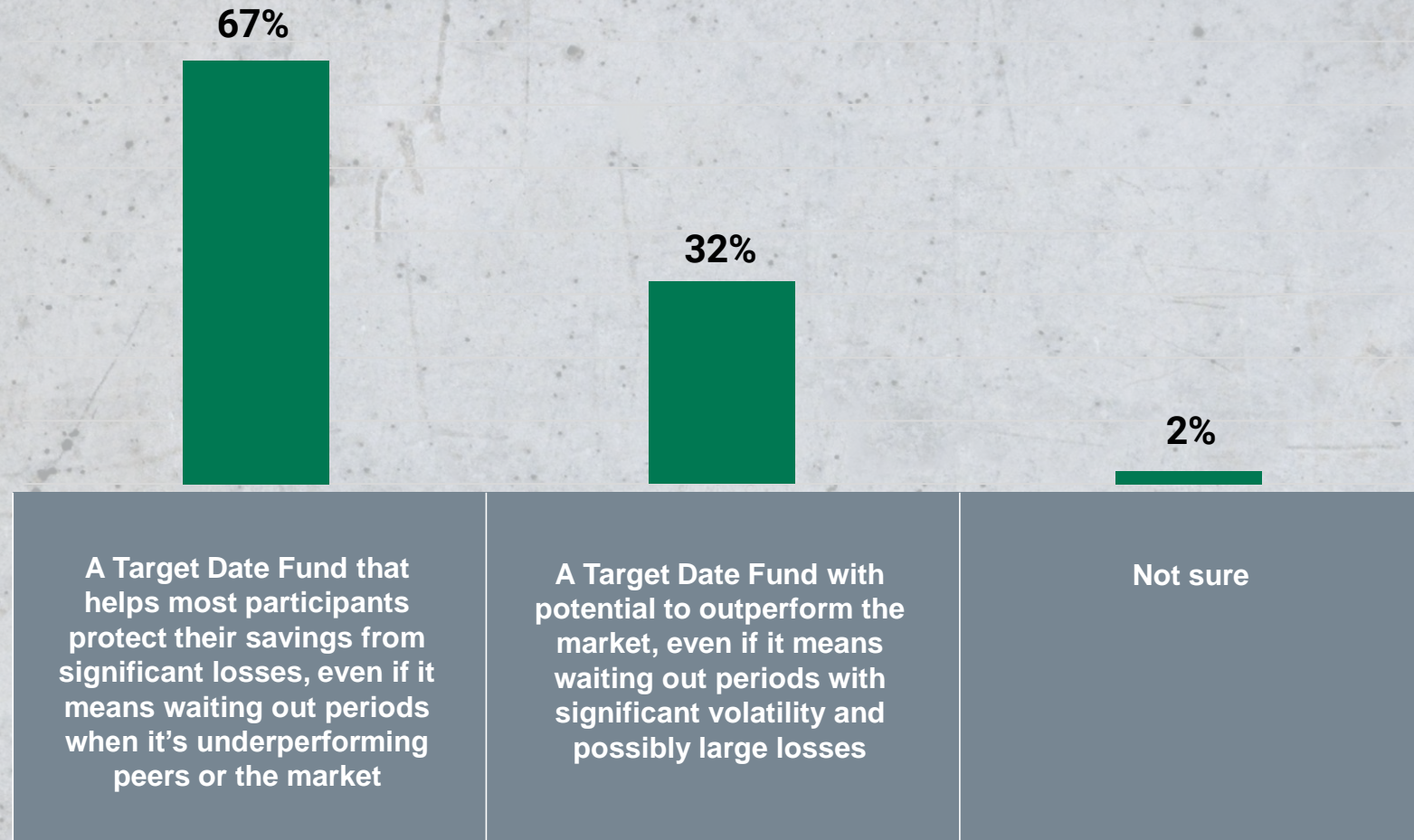
# Plan Sponsors: Active Management is Most Important TDF Attribute



**These factors** are consistent with what plan sponsors want **for all investments in their plan.**



# Plan Sponsors Were Asked “Would You Rather?” About TDFs



**2/3** prefer a **target date fund** that **protects against significant losses** compared to one that has the **potential to outperform**.



# The Next Act





# Most People Need Help Drawing Down

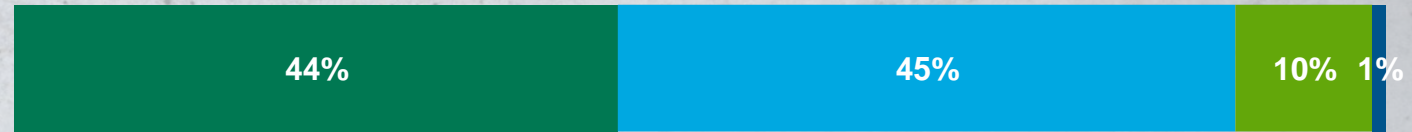


**Women** and those with **assets below \$500k** are more likely to say they need a ton of help, **while men** are more likely to say they just need a little bit of guidance.



# Nearly All Sponsors Agree They Should Offer Income Features

Our participants need help turning their balance into a reliable income stream



We believe it's important to provide features that allow them to turn their balance into a reliable income stream



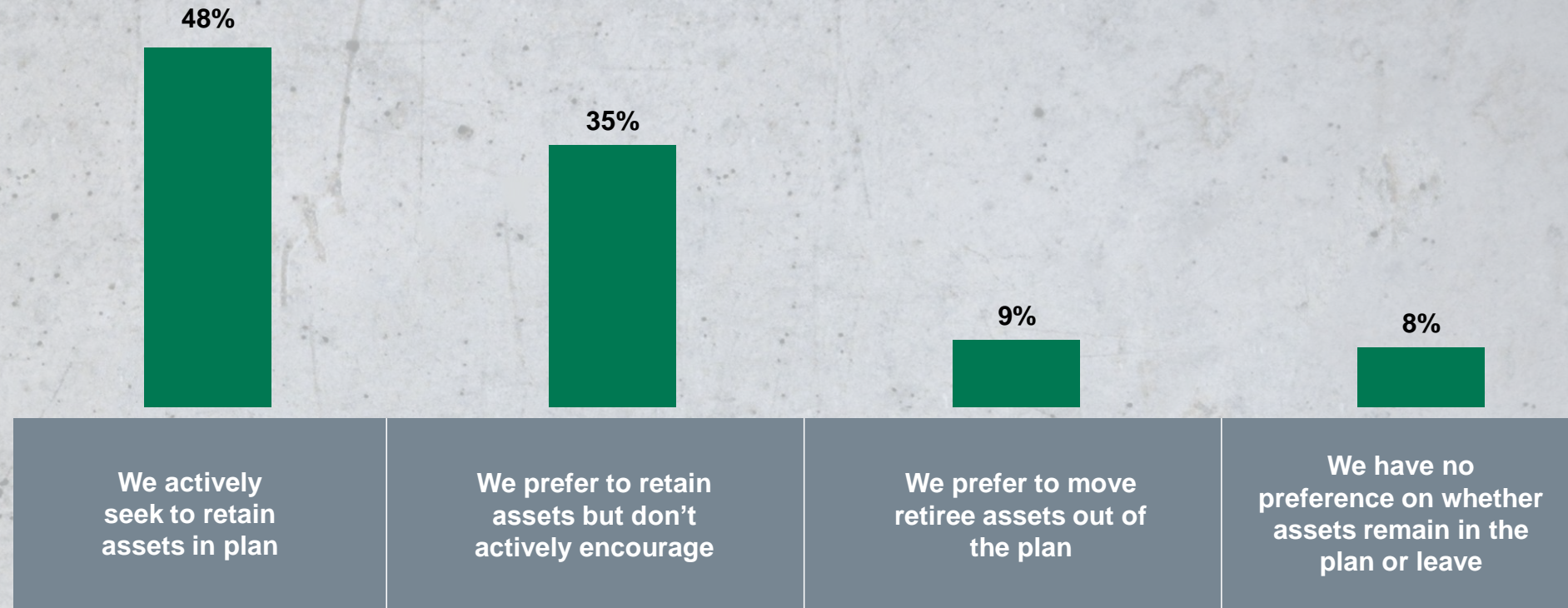
Strongly Agree   Somewhat Agree   Somewhat Disagree   Strongly Disagree



Nearly **90%** of employers believe participants **need help** turning their balances into a **steady income stream**.



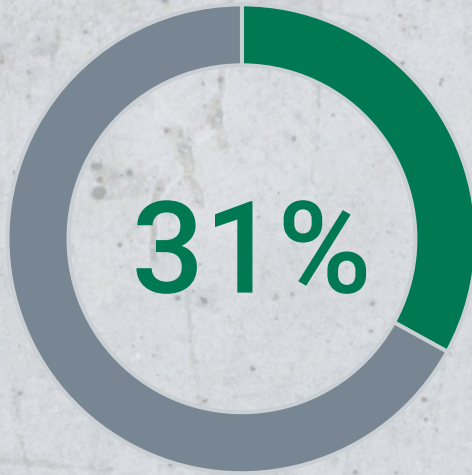
# 4 in 5 Plan Sponsors Prefer Participants Keep Assets in the Plan



This is **consistent with what participants have said in past surveys** if an in-plan feature is offered.



# One-Third Have Realistic Expectations About Generating Income



expect to generate  
5% of income from  
their Defined  
Contribution plans.

**40%** expect to generate 6% or more.

**15%** just don't know.

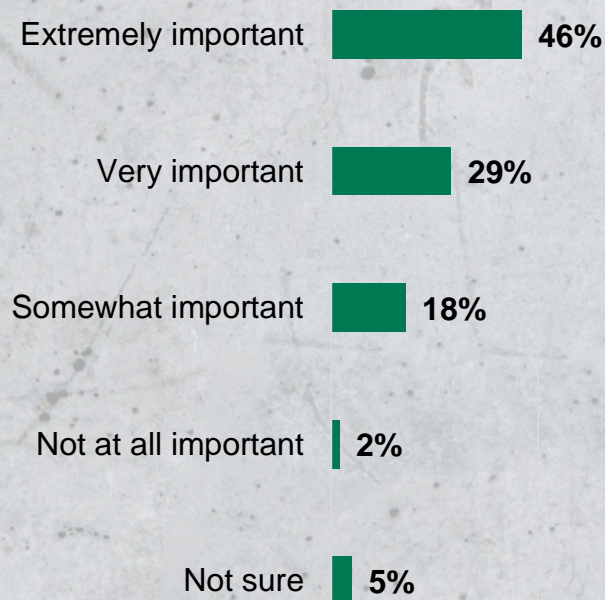


**Boomers** are more likely than Gen X and Millennials to **expect less than 4%**. Those with **\$100k or more** are **likely to expect 6%**.



# Protecting Savings In a Market Crash Is Significantly Important

## Importance of Protecting Value of Entire Workplace Retirement Savings



82% of participants want their account value protected before age 65.



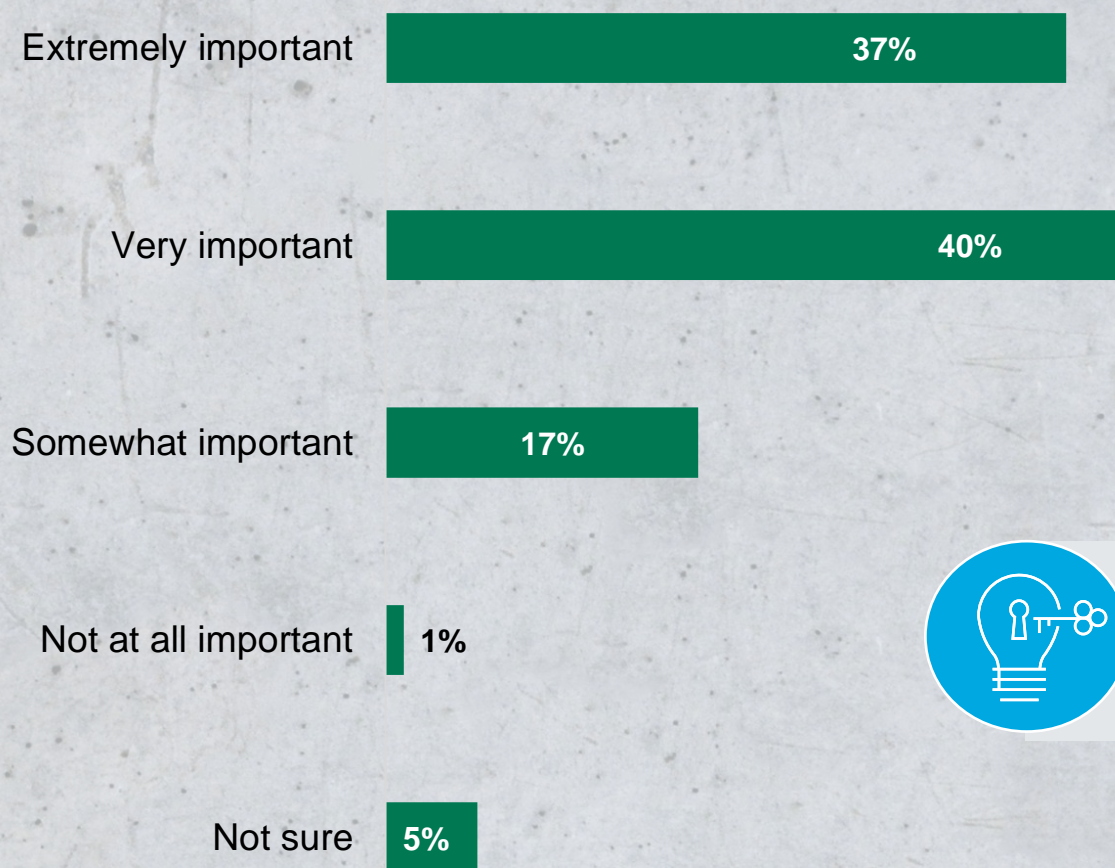
**Boomers** were more likely to say **protecting assets was** extremely or very **important**, and to say the **right age to start is 60 and above**.

Q44. In the event of a stock market crash, how important is it to protect the value of your **entire** workplace retirement savings account balance to generate income when you retire? 2022 (n=1,509)

Q43. At what age do you think your assets' ability to generate income should be automatically protected against market losses? 2022 (n=383)



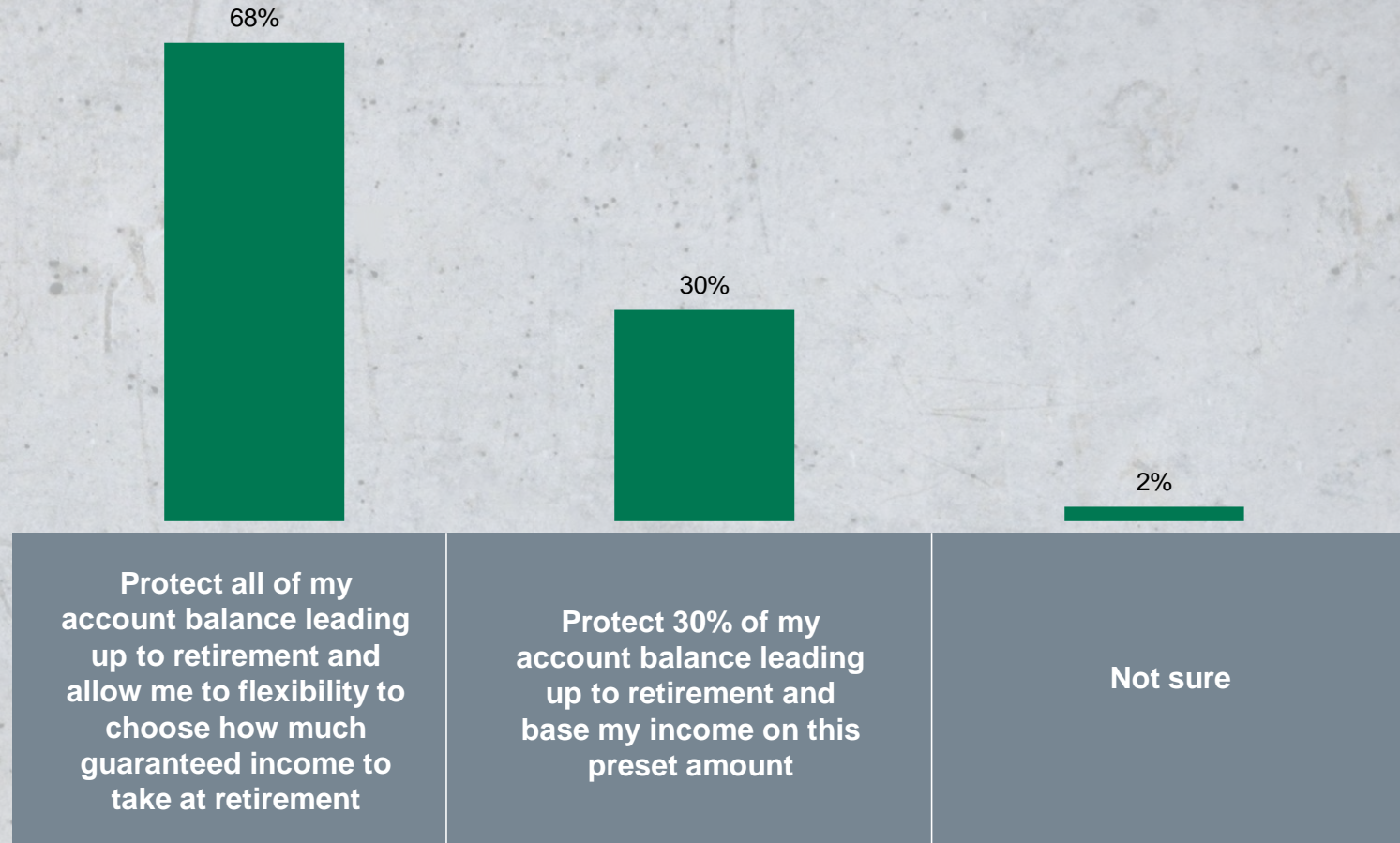
# Three-Quarters Want 100% Account Control & Flexibility in Retirement



**Millennials** are more likely to say they want control over their accounts compared to **Boomers**.



# Clear Choice: Protect All & Let Me Choose Guaranteed Income Amount





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# Summary

- Intentions are good but saving/investing is a slog – automate as much as possible
- Participants rely on their employers and advisors for help – keep on keeping on
- Volatility presents opportunity to revisit investment menus – is it time for a target-date deep dive?
- Accumulation battles may be won – it's time to focus on decumulation



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# Methodology

The participant survey was conducted between December 7, 2022, and January 4, 2023. Survey included 1,509 full-time workers between 25 and 65 saving through their employer's retirement plan. The data were weighted to reflect the makeup of key demographics (gender, income, and education) among all American private sector participants between 25 and 65.

This sponsor survey was conducted between August 22 and September 12, 2022. Survey included 508 plan sponsor representatives holding a job title of Director or higher, and having considerable influence when it comes to making decisions about their company's retirement plan (either 401(k), 403(b), or 457 plans). The data were weighted to reflect the makeup of the total defined contribution population by plan asset size.

Percentages in the tables and charts may not total 100 due to rounding and/or missing categories.

Data collection and analysis were completed by Greenwald Research of Washington, D.C.

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Environmental, Social and Governance (ESG) refers to how a company's practices affect nature (climate change, carbon emissions, renewable energy, etc.), its relationship to stakeholders (such as employee relations, working conditions, human rights practices, etc.) and its corporate leadership, policies and structure (including management diversity, compliance policies corruption prevention, etc.).

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