

# 2020 401(k) Participant Survey

August 2020

**Media contact:**

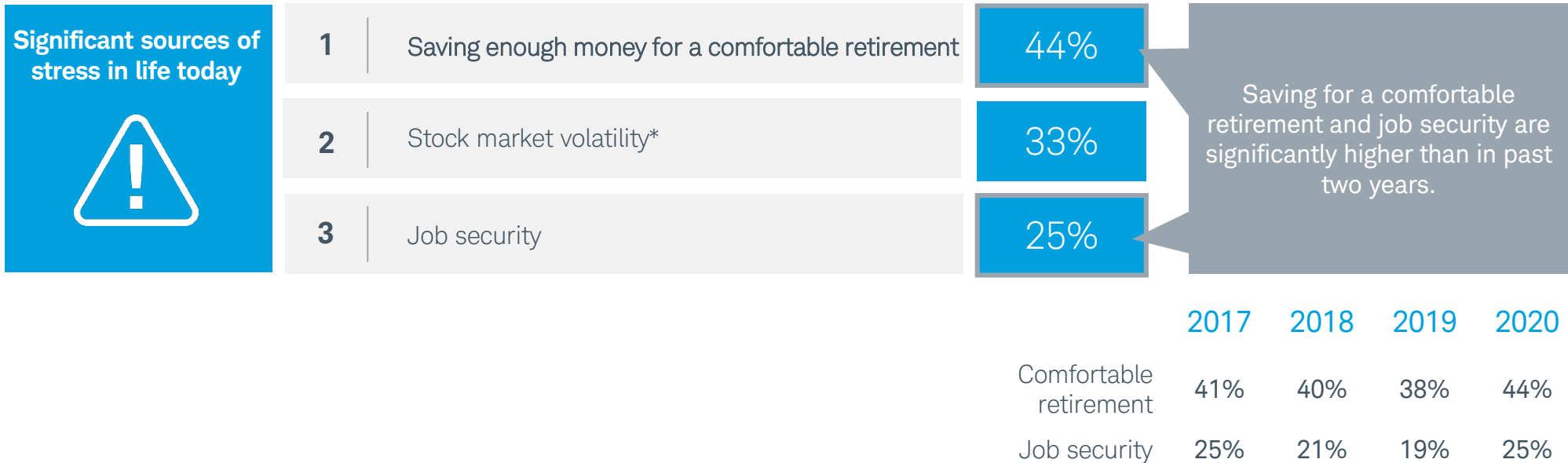
Mike Peterson

T: 330-908-4334

[mike.peterson@schwab.com](mailto:mike.peterson@schwab.com)

*charles*  
SCHWAB

# Saving enough for a comfortable retirement is the top source of financial stress and has trended up from prior years

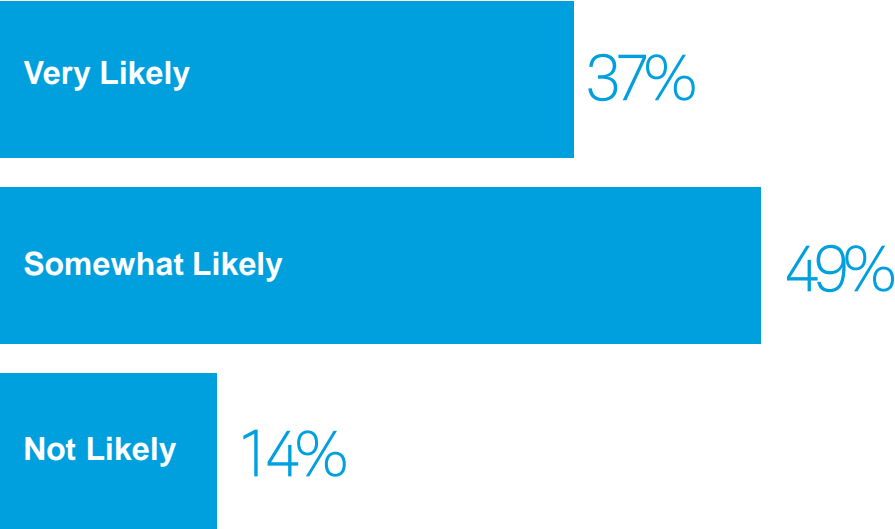


Q: Which of the following would you say is a significant source of stress in your life today, if any? (Base: Total = 1,000)  
 \*Stock Market volatility is new in 2020.

On average, survey participants think they need \$1.9M saved for retirement and just over a third feel that they are very likely to reach their retirement goals. For some, retirement timelines need to change.



**Likelihood to achieve retirement savings goals**



Q: How likely do you think you are to achieve your retirement savings goals? (Base: Total = 1,000)  
Q: How much do you think you need to have saved for retirement? (Base: Total = 1,000)  
Q: Is this later than you originally planned as a result of the coronavirus pandemic? (Base: Total = 1,000)

# Participant action is a combination of rebalancing, increasing contribution rates and changing equity exposure

## Taking Action

59%

Have not taken action with 401(k) account

None, I'm invested in a target date fund	10%
None, I use an advice/managed account service	8%
None	41%

41%

Have taken action with 401(k) account

Rebalanced my account	14%
Increased my contribution rate	12%
Increased my exposure to stock funds/equity	8%
Decreased my exposure to stock funds/equity	7%
Decreased my contribution rate	6%
Stopped contributing to my plan	5%



# Participant action is more likely if people speak to a financial professional first, and their actions are also more pronounced



25%

Have spoken to financial professional since COVID-19

33%

Have not taken action with 401(k) account



67%

Have taken action with 401(k) account

Rebalanced my account	26%
Increased my contribution rate	22%
Increased my exposure to stock funds/equity	17%
Decreased my exposure to stock funds/equity	13%
Decreased my contribution rate	11%
Stopped contributing to my plan	5%

# Almost half of survey participants use a health savings account (HSA) offered by their employer and of these, more than one in ten used it to pay for COVID-19 expenses



77%

Are offered an HSA by their employer



45%

Use HSA offered by their employer



13%

Have used HSA for coronavirus related expenses

Q: Which of the benefits listed below are offered by your employer and, if offered, have you used? (Base: Total = 1,000)

Q: Have you used your Health Savings Account (HSA) to pay for coronavirus related medical expenses? (Base: Those who have an HSA = 451)

# Methodology

- The 401(k) Participant study is an online study conducted for Schwab Retirement Plan Services, Inc. by Logica Research.
  - Logica Research is neither affiliated with, nor employed by, Schwab Retirement Plan Services, Inc.
  - The sampling error is +/- 3 percentage points at the 95% confidence level.
- 
- The study was conducted from May 28 through June 11, 2020.
- 
- 1,000 401(k) plan participants completed the survey.
    - Ages 25-70
    - Work for companies with 25+ employees that have 401(k) plans
  - Survey respondents were not asked to indicate whether they had 401(k) accounts with Schwab Retirement Plan Services, Inc.
  - The typical (median) survey length was 13 minutes.

# Disclosures

Schwab Retirement Plan Services, Inc. provides recordkeeping and related services with respect to retirement plans.

The material contained herein is for informational purposes only. None of the information constitutes a recommendation by Schwab Retirement Plan Services, Inc. This information is not intended to be a substitute for specific individualized tax, legal or investment planning advice. Where specific advice is necessary or appropriate, you should consult with a qualified tax advisor, CPA, financial planner or investment manager. Schwab Retirement Plan Services, Inc. does not guarantee the suitability of any particular information source. Certain information presented herein may be subject to change.

0720-0G0V

©2020 Schwab Retirement Plan Services, Inc. All rights reserved.