

2020 401(k) Participant Survey

Retirement Saving and Spending

September 2020

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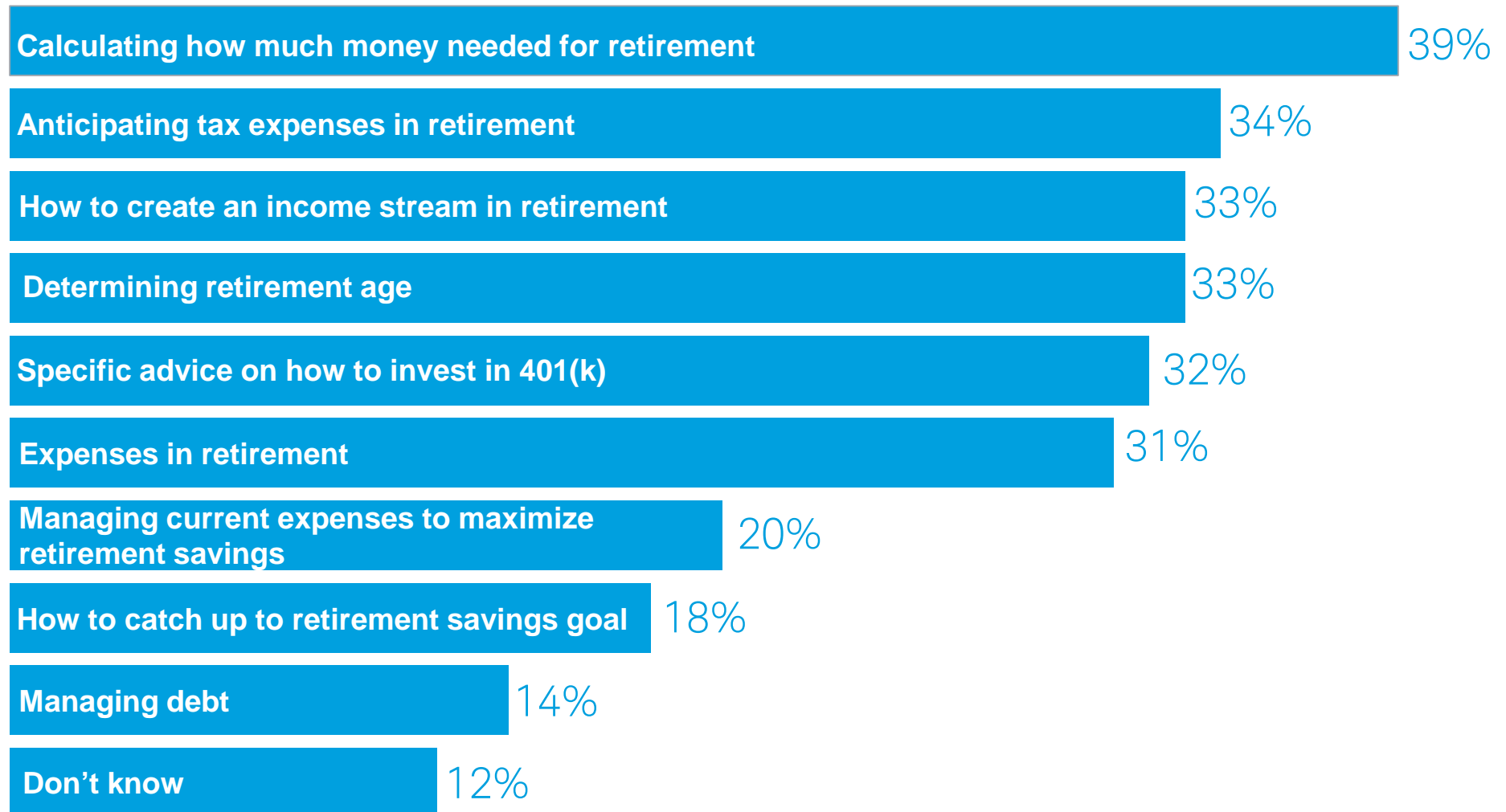
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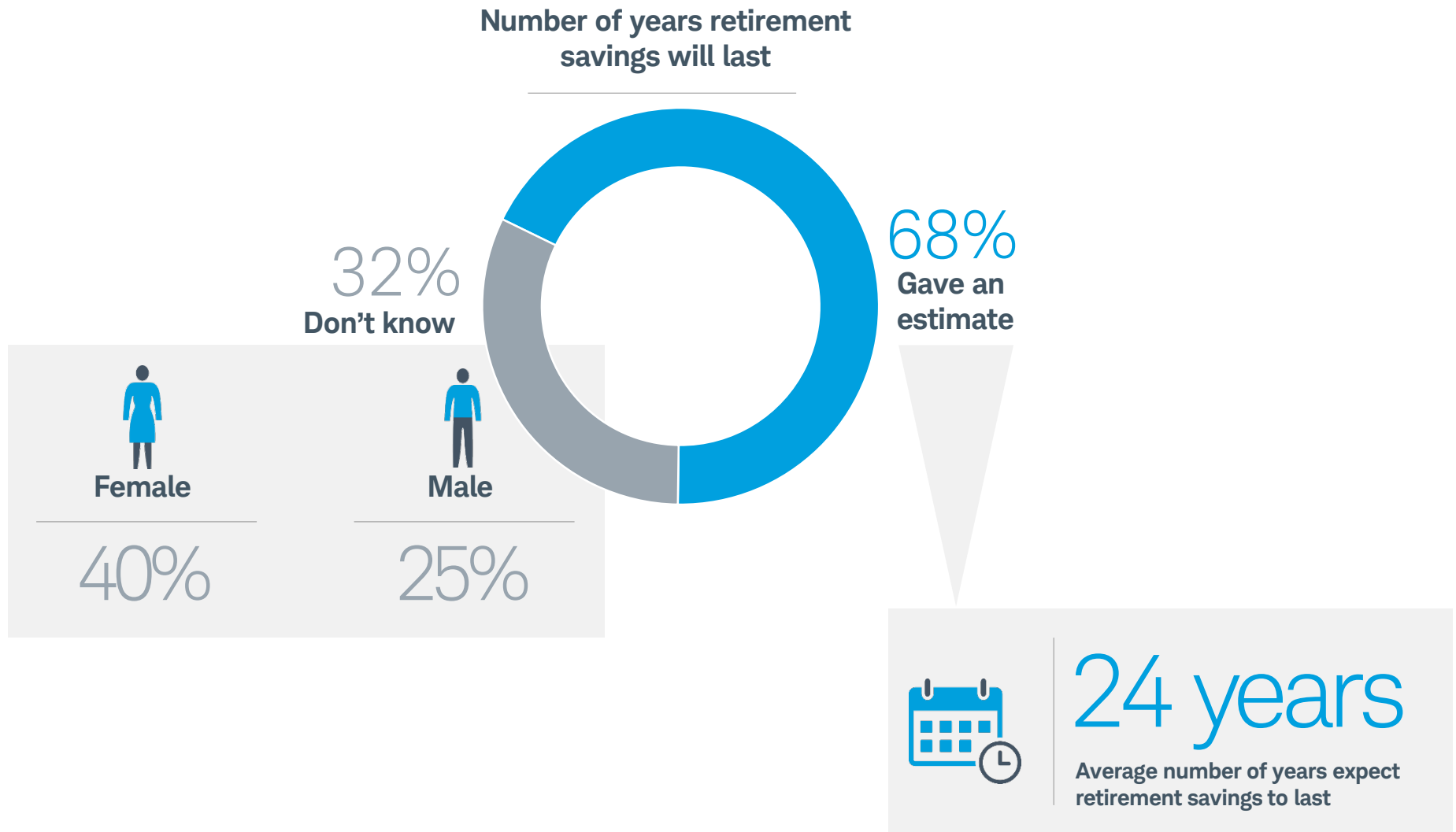
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Participants want help calculating how much money they need to retire, plus managing taxes and creating income in retirement

Areas would like help with retirement planning



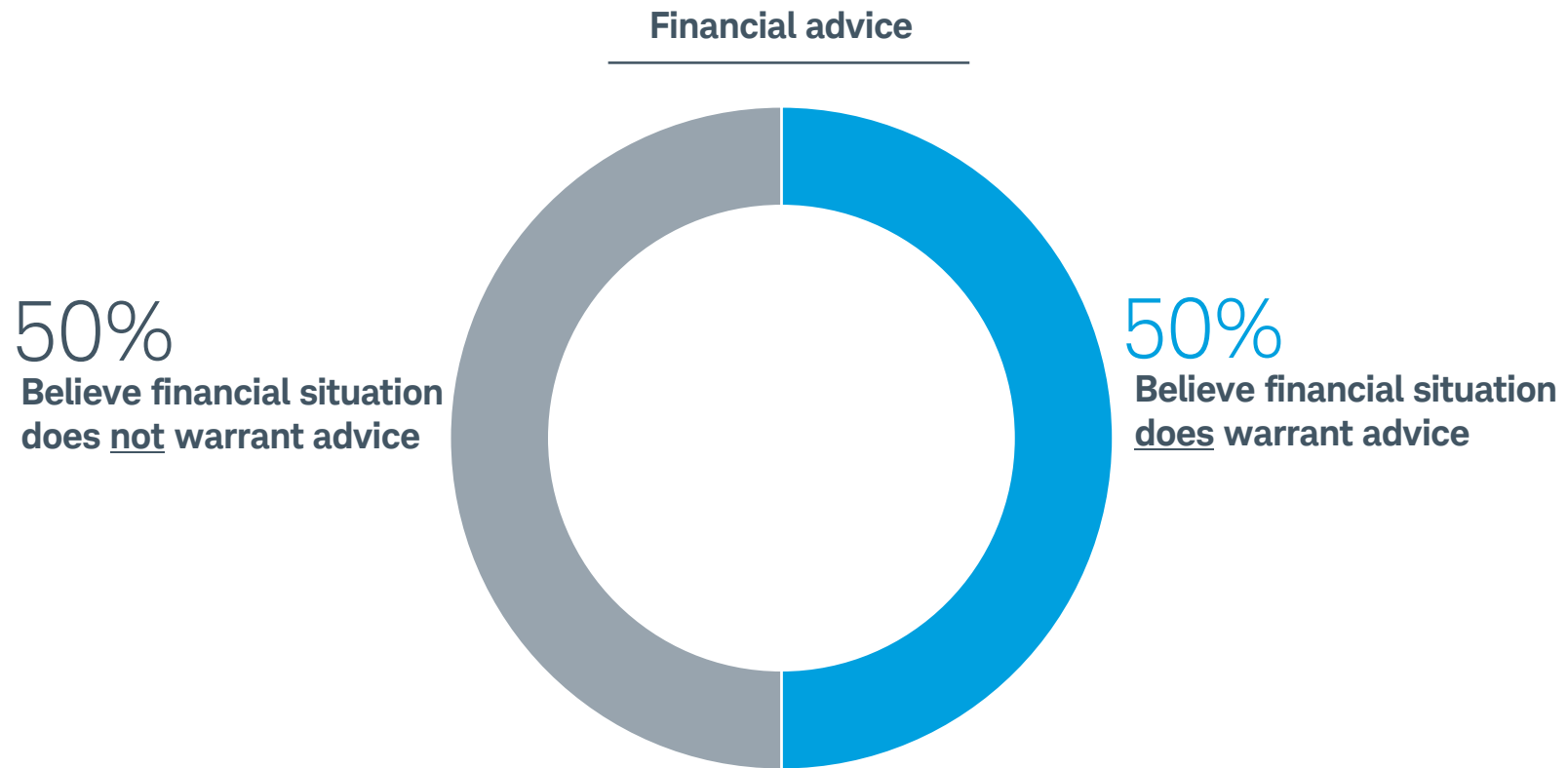
Almost a third of participants do not know how many years their savings will last in retirement—uncertainty is higher among women



On average, survey participants expect to retire at age 65 and think they need \$1.9M saved for retirement

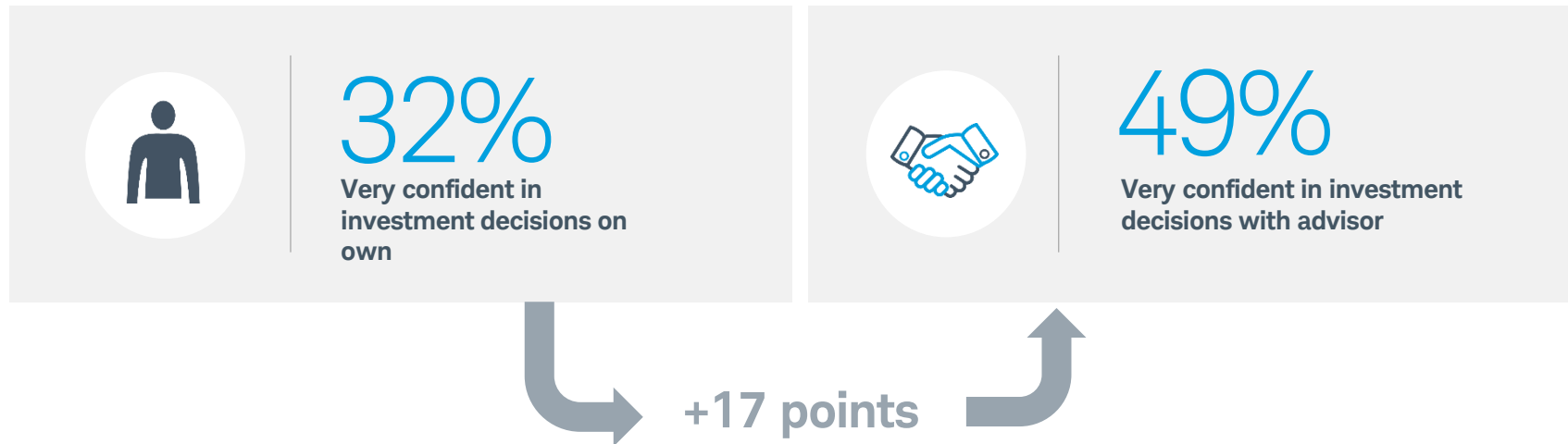


Half of participants believe their financial situations warrants advice



Confidence increases with the help of a financial advisor

Confidence in investment decisions



Q. How confident are you in your ability to make the right 401(k) investment decisions on your own? (Base: Total = 1,000)

Q. How confident would you be in your ability to make the right 401(k) investment decisions if you had the help of a financial professional? (Base: Total = 1,000)

Retirement

Participants' 401(k) will be their primary source of income in retirement followed by Social Security

56%

of retirement income expected to come from multiple other sources besides 401(k)

Retirement Income Sources



44%

of retirement income expected to come from 401(k)

Own 401(k) 35%
Partner's 401(k) 9%

Q. Thinking about the different sources of income for your retirement, what percentage do you expect to come from each source listed? (Base: Total = 1,000)

Over one-quarter of participants contribute the maximum to their 401(k); on average participants contribute about \$10,600



Contributed the max
allowed to 401(k) in
2019

26%



Average amount contributed to
401(k) in 2019

\$10,562

A 20% increase year-over-year.


In 2018, participants
contributed an average of
\$8,788 to their 401(k)s.

Q. In 2019, approximately how much did you contribute to your 401(k)? (Base: Total = 1,000)

Q. In 2019, approximately how much did you contribute to your 401(k) in terms of dollars? Do not include any contributions from your employer like matches or profit sharing. (Base: Total = 1,000)

Outside their 401(k), participants are more likely to be saving for retirement in a savings account than investing

Top methods for investing/saving for retirement

Methods			
	1	Saving in savings account	57%
	2	Investing in IRA	48%
	3	Investing in brokerage account	38%
	4	Saving in HSA	24%

More than three-quarters of participants are offered an HSA; almost half currently take advantage of it



77%

Are offered an HSA by their employer

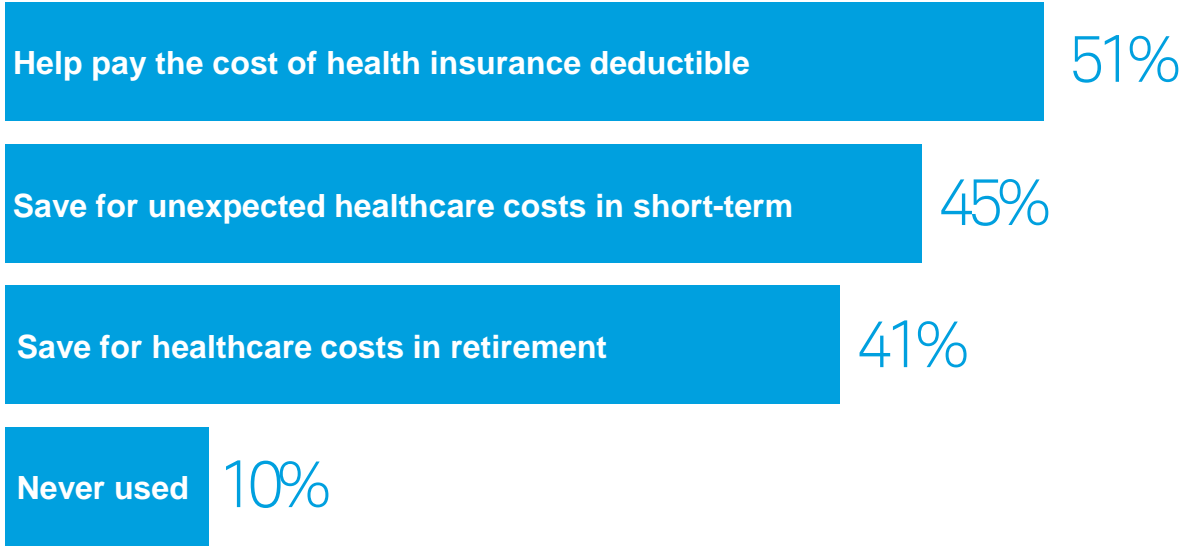


45%

Use HSA offered by their employer

Two in five participants who are using an HSA are using it to help save for healthcare costs in retirement

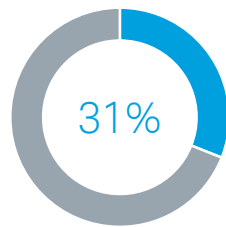
Currently utilize HSA to...



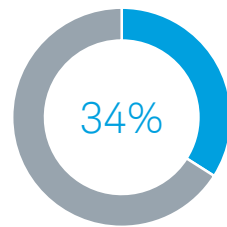
Q. In which of the following ways, if any, do you currently utilize your Health Savings Account (HSA)? (Base: Those who have an HSA = 451)

One third of those using an HSA contributed enough to meet current health costs and then set aside savings for retirement

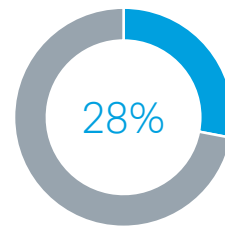
How HSA was spent in 2019



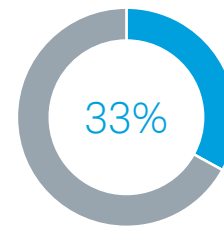
Enough to cover deductible



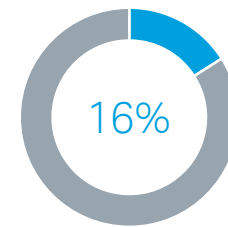
Enough to cover expected expenses



Enough to cover unexpected expenses



Enough to meet needs and set aside for the future/retirement



I did not contribute last year



44%

Used all or most of their HSA funds last year

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.
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- The study was conducted from May 28 through June 11, 2020.
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- 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.

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