

2021 401(k) Participant Study

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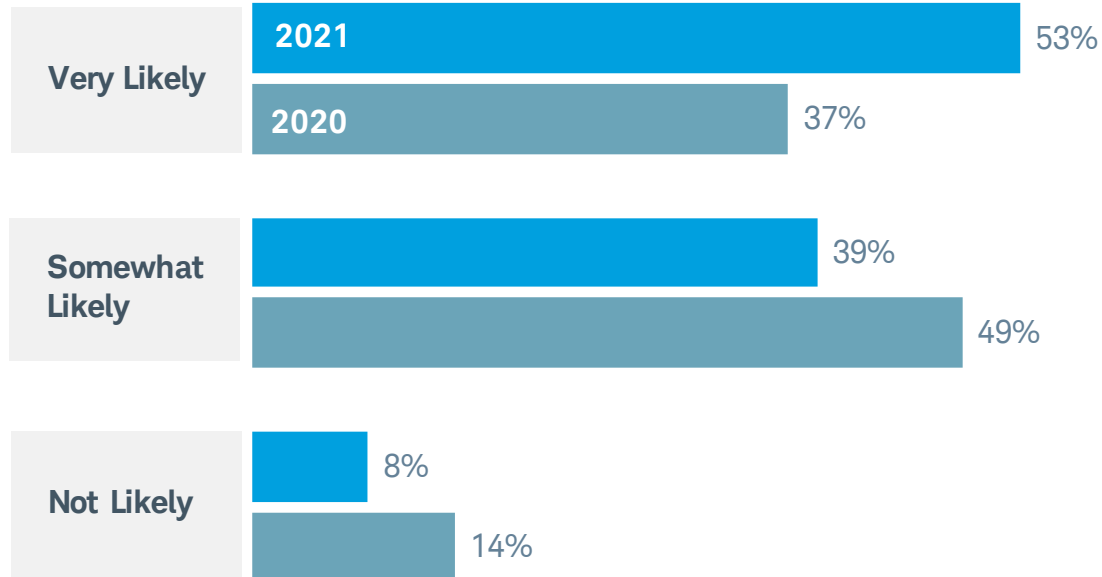
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Retirement

Plan participants are more positive in 2021 about meeting their retirement goals than they were last year at the beginning of the pandemic. Almost three in ten believe their lifestyle in retirement will improve. On average, participants think they need \$1.9 million saved for retirement.

Likelihood to achieve retirement savings goals



How likely do you think you are to achieve your retirement savings goals? (Base: Those age 25-70 in 2021 = 960; Those age 25-70 in 2020 = 1,000)
Which of the following statements best describe how you feel about your expected retirement lifestyle? (Base: Total = 1,000)
How much do you think you need to have saved for retirement? (Base: Total = 1,000)

Current Financial Health

The vast majority of participants say they are doing fine financially

Current Financial Health

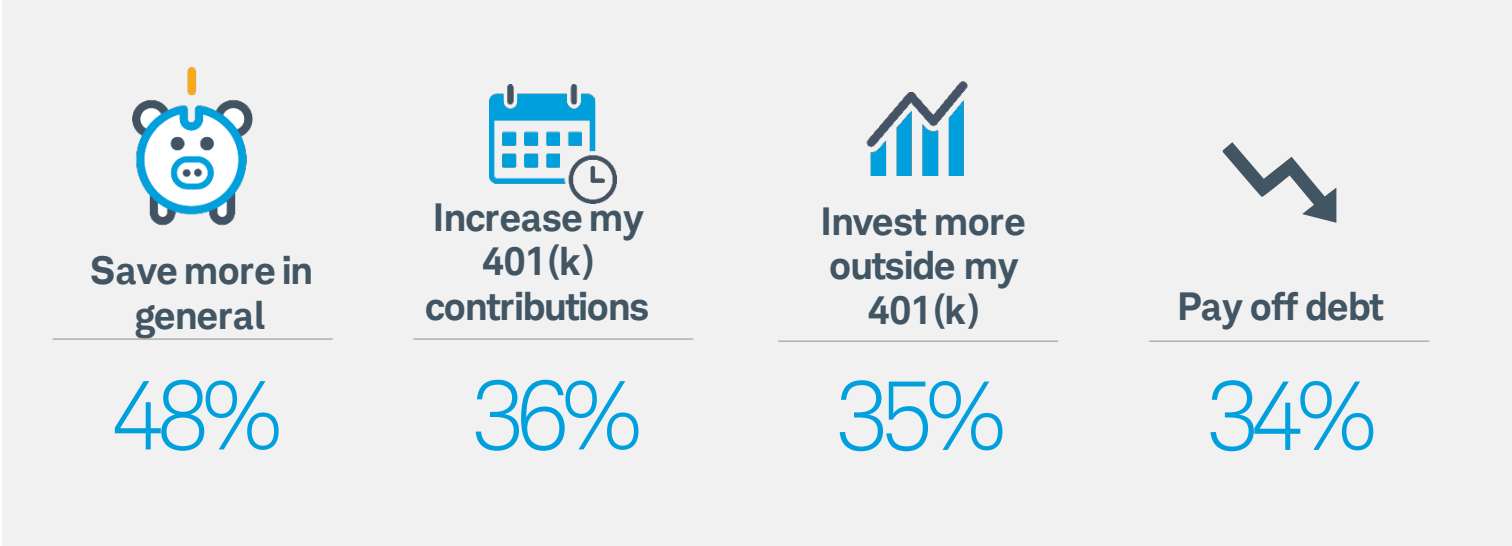


How would you describe your personal financial health right now? (Base: Total = 1,000)

Savings and Debt Behaviors

In COVID's wake, many plan participants intend to save more, increase their 401(k) contributions, invest outside of their retirement account and pay off debt going forward

Top Behaviors Going Forward: More Likely to ...



Now please think about how your behaviors have changed, if at all, due to COVID-19. Going forward are you more or less likely to ...? (Base: Total = 1,000)

Savings Obstacles

Market volatility is participants' main obstacle for retirement saving in 2021

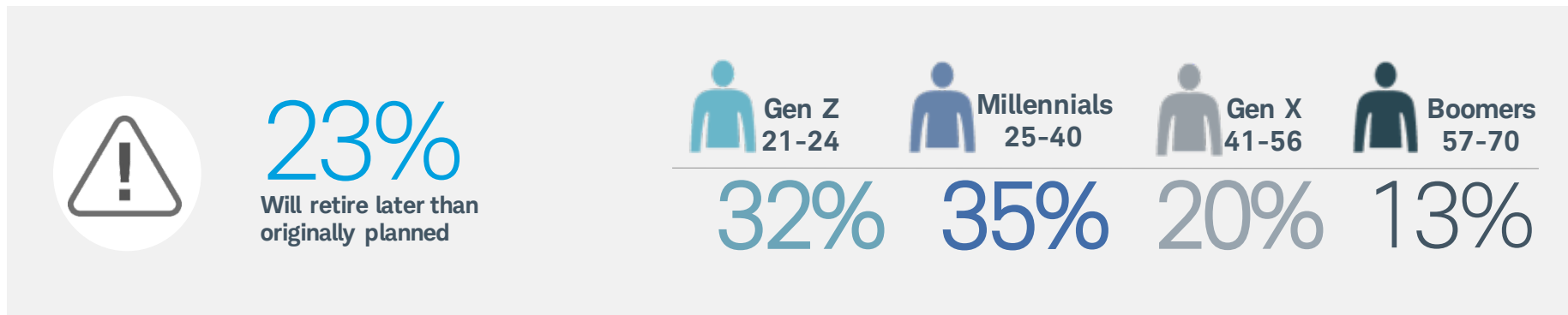
Top Retirement Savings Obstacles



Thinking about your own efforts to save for a comfortable retirement, which of the following are obstacles you face, if any? (Base: Total = 1,000)

Impact of COVID-19

Despite doing well financially, more than one-fifth say their retirement is delayed due to COVID-19. Boomers are least likely to delay their retirement.

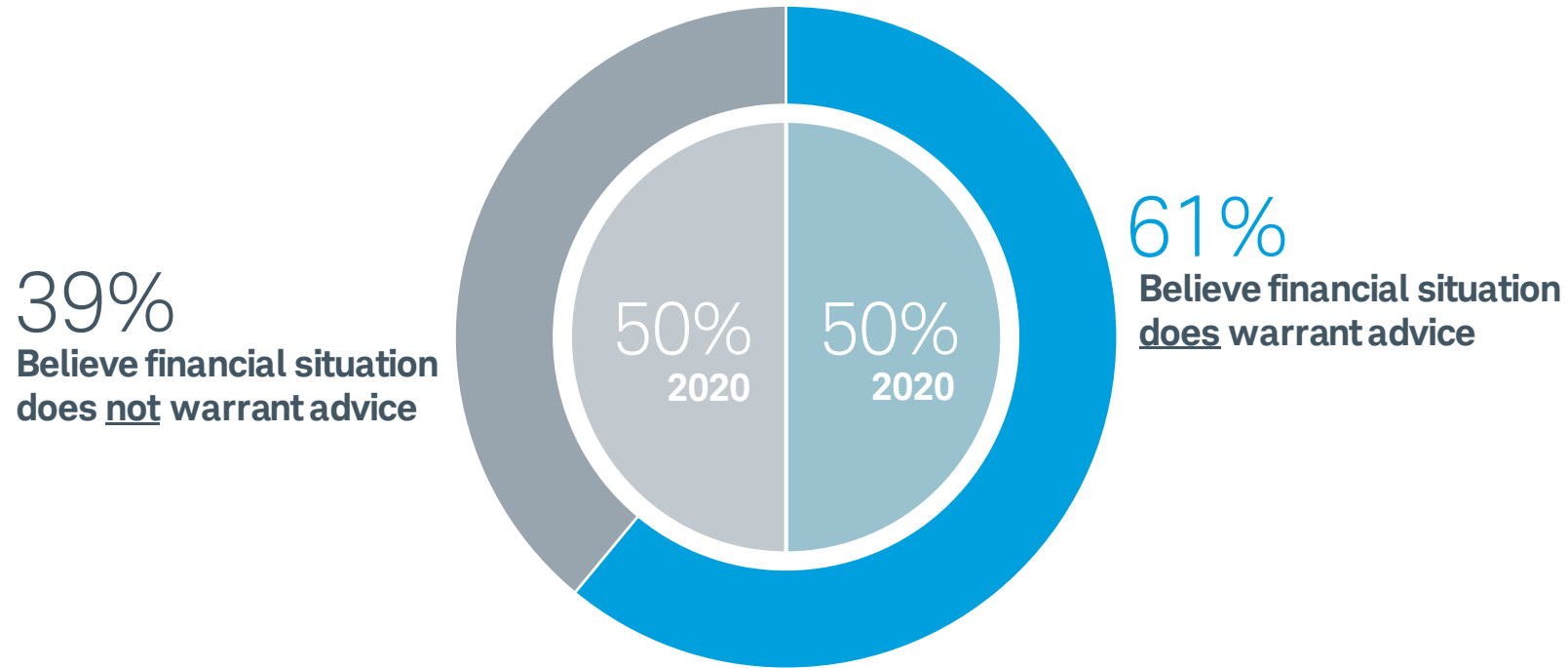


Is this later than you originally planned as a result of the coronavirus pandemic? (Base: Total = 1,000; Gen Z = 140; Millennials = 299; Gen X = 375; Boomers = 286)

Advice

Over six in ten participants believe their financial situation warrants professional advice, an increase compared to 2020










Financial Advice



Do you think your current financial situation warrants financial advice from a professional? (Base: Those who are 25 to 70 2021= 960; Those age 25-70 in 2020 = 1,000)

Advice

Participants are looking for help setting specific retirement targets and how to invest their 401(k)

		2020	2021
Areas Would Like Help with Retirement Planning 	 Calculating how much I need to save for retirement	39%	44%
	 Receiving specific advice on how to invest 401(k)	32%	39%
	 Figuring out how to create an income stream in retirement	33%	35%
	 Anticipating tax expenses in retirement	34%	35%
	 Figuring out what my expenses will be in retirement	31%	33%
	 Determining at what age I can afford to retire	33%	33%
	 Figuring out how to catch up on retirement savings goal	18%	22%
	 Managing expenses so can save more for retirement	20%	22%

If you could get help with retirement planning, what would you like help with? (Base: Those 25 to 70 2021 = 960; Those age 25-70 in 2020 = 1,000)

Participants More Confident with Professional Help

Confidence in 401(k) investment decisions is on the increase since 2019 among plan participants, and higher overall with the help of a financial professional

Confidence in Investment Decisions



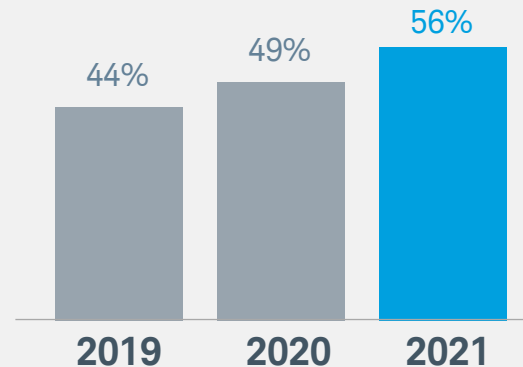
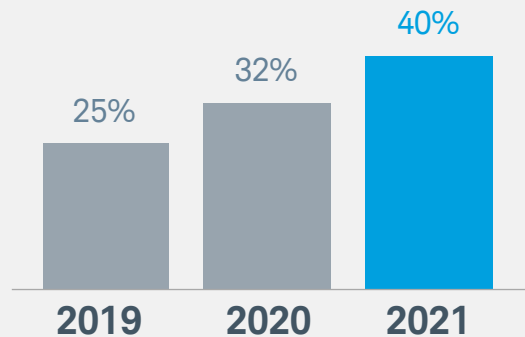
40%

Very confident in investment decisions on own



56%

Very confident in investment decisions with professional help



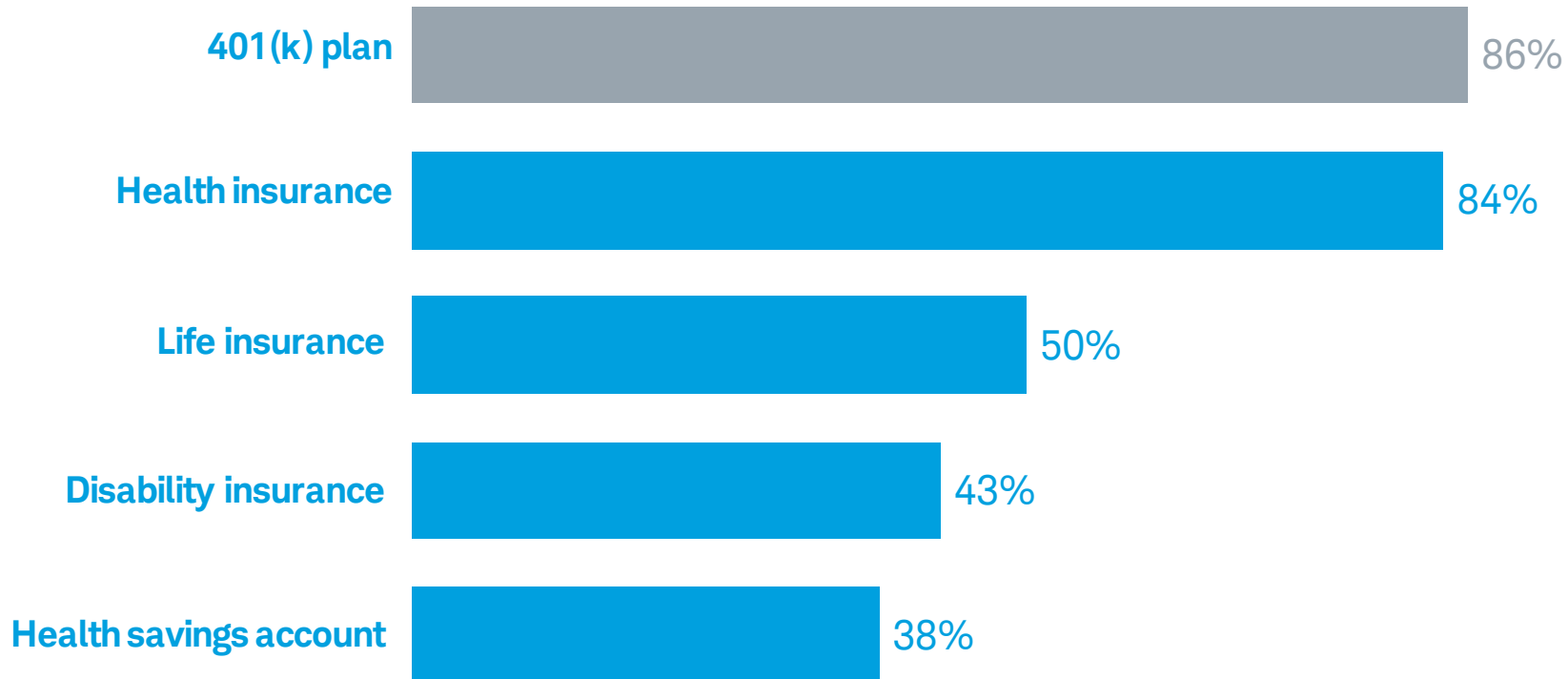
How confident are you in your ability to make the right 401(k) investment decisions on your own? (Base: Those who are 25 to 70 2021 = 960; Those age 25-70 in 2020 = 1,000; Those age 25-70 in 2019 = 1,000)

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: Those who are 25 to 70 2021 = 960; Those age 25-70 in 2020 = 1,000; Those age 25-70 in 2019 = 1,000)

Top Five Workplace Benefits

401(k) plans are a must-have benefit for those seeking a new job, along with health insurance

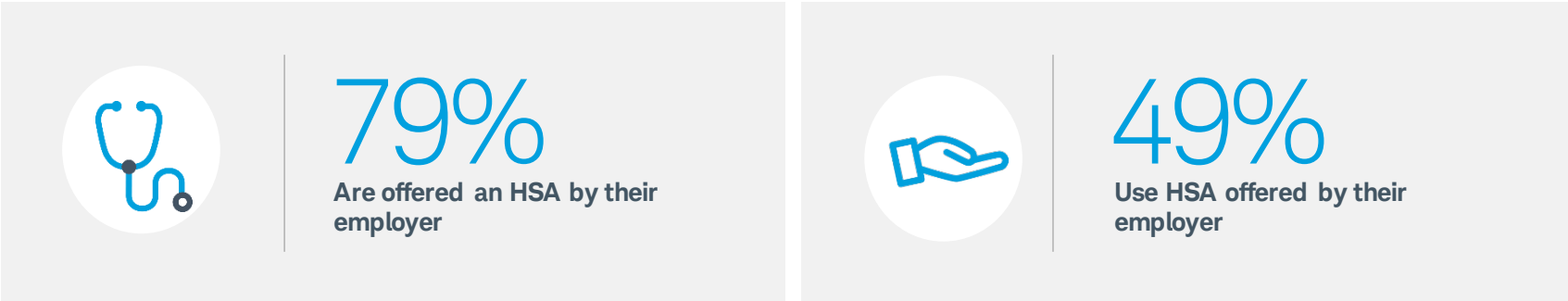
Considered a *Must Have* Benefit When Looking for New Job (Top 5)



If you were looking for a new job, which benefits or work options would you see as “must haves,” “nice to haves” and which don’t you care about? (Base: Total = 1,000)

Health Savings Accounts

Almost eight in ten participants are offered an HSA; less than half take advantage of it

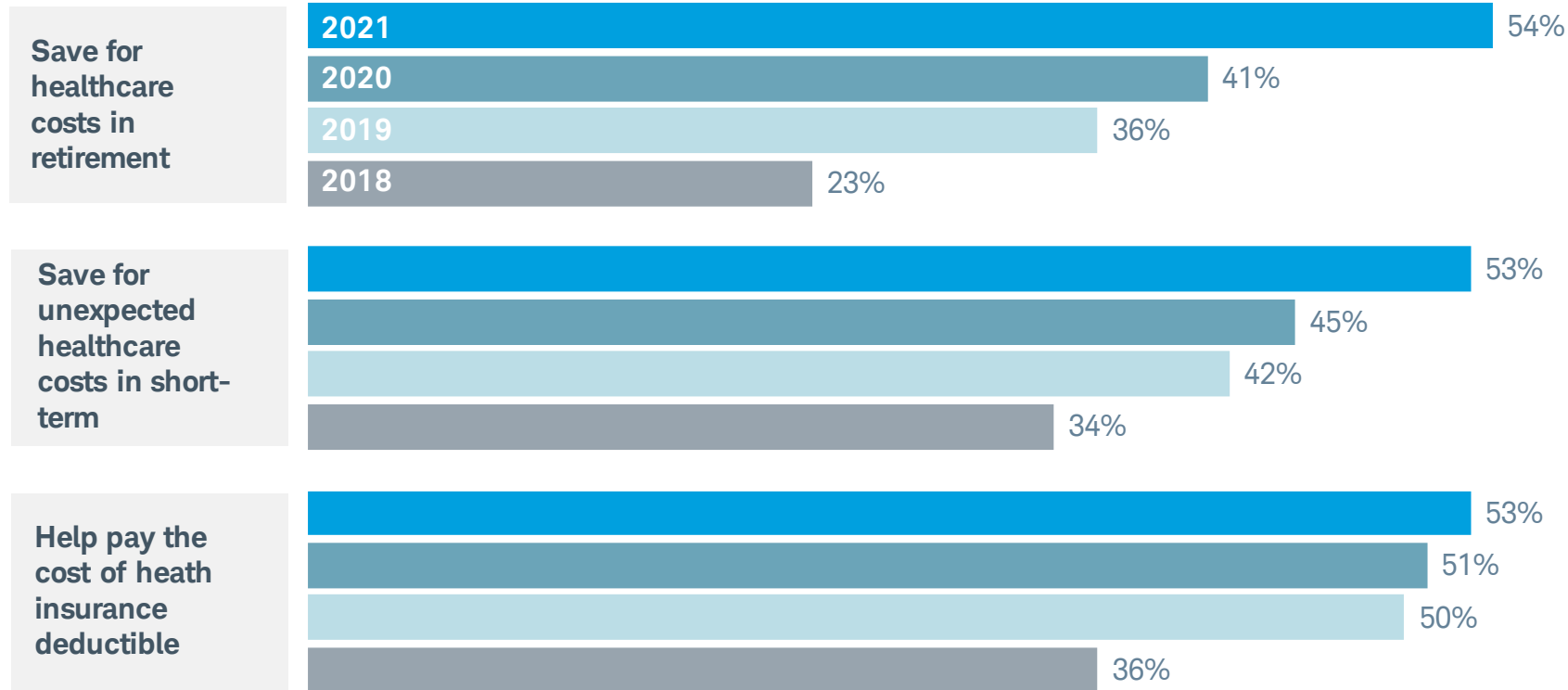


Which of the benefits listed below are offered by your employer and, if offered, have you used? (Base: Total = 1,000)

Health Savings Accounts

More than half of participants with an HSA are using it to pay for their deductible, to save for the short term, or for healthcare costs in retirement, an increase since 2018

Currently Utilize HSA for...



In which of the following ways, if any, do you currently utilize your Health Savings Account (HSA)? (Base: Those who are 25 to 70 and have an HSA 2021 = 476; 2020 = 451; 2019 = 425; 2018 = 808)

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 study was conducted from April 1 through April 15, 2021.
- 1,000 401(k) plan participants completed the survey.
 - Ages 21-70
 - Work for companies with 25+ employees that have 401(k) plans
 - Currently contribute to their companies' 401(k) plans
- 100 additional Gen Z plan participants completed the survey. For past surveys, respondents were 25 to 70 years old, so for comparing 2021 results to previous waves, the 2021 data was rebased on those aged 25 to 70.
- 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 11 minutes.

Disclosures

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

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