2022 401(k) Participant Study

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Retirement obstacles
Inflation is the main obstacle to saving for a comfortable retirement in 2022

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)

### Top Retirement Obstacles

<table>
<thead>
<tr>
<th>Obstacle</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>45%</td>
</tr>
<tr>
<td>Keeping up with monthly expenses</td>
<td>35%</td>
</tr>
<tr>
<td>Stock market volatility</td>
<td>33%</td>
</tr>
<tr>
<td>Unexpected expenses</td>
<td>33%</td>
</tr>
<tr>
<td>Paying off credit card debt</td>
<td>24%</td>
</tr>
<tr>
<td>Saving/paying for children's education</td>
<td>21%</td>
</tr>
</tbody>
</table>

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)
Retirement goals

Just under half of workers feel they are very likely to meet their retirement goals, fewer than last year. On average, workers think they need $1.7 million saved for retirement.

How likely do you think you are to achieve your retirement savings goals? (Base: Total = 1,000)

Likelihood to achieve retirement savings goals

<table>
<thead>
<tr>
<th>Likelihood</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Likely</td>
<td>47%</td>
<td>53%</td>
</tr>
<tr>
<td>Somewhat Likely</td>
<td>40%</td>
<td>39%</td>
</tr>
<tr>
<td>Not Likely</td>
<td>13%</td>
<td>8%</td>
</tr>
</tbody>
</table>

How much do you think you need to have saved for retirement? (Base: Total = 1,000)

Average amount think needed saved for retirement: $1.7M
Workers’ 401(k) will be their primary source of income in retirement followed by Social Security.

<table>
<thead>
<tr>
<th>Source</th>
<th>Expected Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own 401(k)</td>
<td>30%</td>
</tr>
<tr>
<td>Partner's 401(k)</td>
<td>7%</td>
</tr>
<tr>
<td>Social Security</td>
<td>17%</td>
</tr>
<tr>
<td>Savings and investments</td>
<td>14%</td>
</tr>
<tr>
<td>Pension/defined benefit plan</td>
<td>13%</td>
</tr>
<tr>
<td>Part-time work</td>
<td>6%</td>
</tr>
<tr>
<td>Annuities/insurance</td>
<td>4%</td>
</tr>
<tr>
<td>Real estate income</td>
<td>4%</td>
</tr>
<tr>
<td>Inheritance</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
</tbody>
</table>

63% of retirement income expected to come from multiple other sources besides 401(k).
Inflation’s impact
Inflation is impacting workers’ wallets, and many have had to reduce spending as well as their savings.

Impact of Inflation on Spending, Saving and Investing

79% Impacted by Inflation

Top Ways Impacted
1. I am reducing the number of purchases I make - 34%
2. I am saving less in general - 33%
3. I am buying cheaper products - 32%
4. I am spending more in general - 30%
5. I am paying off debt less/more slowly - 21%
6. I am saving less in my emergency fund - 20%
7. I am investing less outside of my 401(k) - 18%
8. I have reduced my 401(k) contributions - 15%

How is inflation currently impacting your saving and spending habits, if at all? Because of inflation...? (Base: Total = 1,000)
Retirement

One third of plan participants do not know how long their savings are likely to last, but those who do expect their savings to last 23 years on average. One quarter say the pandemic will delay their retirement.

**Number of years retirement savings will last**

- **33%** Don't know
- **67%** Gave an estimate

**Average number of years expect retirement savings to last**: 23 years

**24%** Will retire later than originally planned as a result of the pandemic

How many years do you expect your retirement savings to last? (Base: Total = 1,000)
Is this later than you originally planned as a result of the coronavirus pandemic? (Base: Total = 1,000)
Financial stress
Over a quarter of workers have had their financial situation impact their work

Has stress about your financial situation impacted your ability to do your job over the last 12 months? (Base: Total = 1,000)

- Yes, financial stress has impacted: 26%
- No, financial stress has not impacted: 59%
- Have not been under financial stress: 15%
Employers address worker concerns
Six in ten employers took action to help manage workers’ financial stress

Employers’ actions to help employees manage financial stress

- Increased pay: 32%
- Increased 401(k) match: 23%
- Provided additional bonus: 20%
- Increased current employee benefits: 15%
- Added new employee benefits: 11%
- Decreased hours to allow for better work-life balance: 11%

What has your employer done in the past year, if anything, that helped you manage your financial stress? (Base: Total = 1,000)
Advice and confidence
Workers’ confidence in their ability to make 401(k) investment decisions increases with the help of a financial professional

Confidence in Investment Decisions

- 38% Very confident in investment decisions on own
- 55% Very confident in investment decisions with professional help

+17 points

How confident are you in your ability to make the right 401(k) investment decisions on your own? (Base: Total = 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: Total = 1,000)
Where workers need help
Workers are looking for help on how to invest their 401(k) and setting specific savings targets for retirement

**Areas Would Like Help with Retirement Planning**

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving specific advice on how to invest my 401(k)</td>
<td>43%</td>
</tr>
<tr>
<td>Calculating how much money I need to save for retirement</td>
<td>42%</td>
</tr>
<tr>
<td>Figuring out how to create an income stream in retirement</td>
<td>38%</td>
</tr>
<tr>
<td>Determining at what age I can afford to retire</td>
<td>36%</td>
</tr>
<tr>
<td>Anticipating tax expenses in retirement</td>
<td>32%</td>
</tr>
<tr>
<td>Figuring out what my expenses will be in retirement</td>
<td>31%</td>
</tr>
<tr>
<td>Managing my current expenses so I can save more money for retirement</td>
<td>30%</td>
</tr>
<tr>
<td>Figuring out how to catch up on my retirement savings goal</td>
<td>28%</td>
</tr>
<tr>
<td>Managing debt</td>
<td>26%</td>
</tr>
</tbody>
</table>

If you could get help with retirement planning, what would you like help with? (Base: Total = 1,000)
Perceived barriers to advice
A belief that advice is too expensive and limited are two of the top reasons workers say they don’t seek financial advice through their employers.

Which of the following, if any, are reasons you would not consider getting financial advice through your employer? (Base: Total = 1,000)

Reasons for not seeking advice via employer

- 25% I already have a financial advisor
- 23% It is too expensive
- 22% The advice would be limited to products available through my benefits at work
- 19% I am not aware that my employer offers financial advice as a benefit
- 18% I have confidentiality issues going through my finances via my employer
- 15% I don't have enough money to talk to an advisor
- 11% I don't have time
Methodology

- The 401(k) Participant Study is an online study conducted for Schwab Retirement Plan Services, Inc. (SRPS) by Logica Research.
- Logica Research is neither affiliated with, nor employed by SRPS.
- The study was conducted from April 4 through April 19, 2022.

- 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
- 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 10 minutes.
Disclosures

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

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