

2023 401(k) Participant Study - Gen Z Focus

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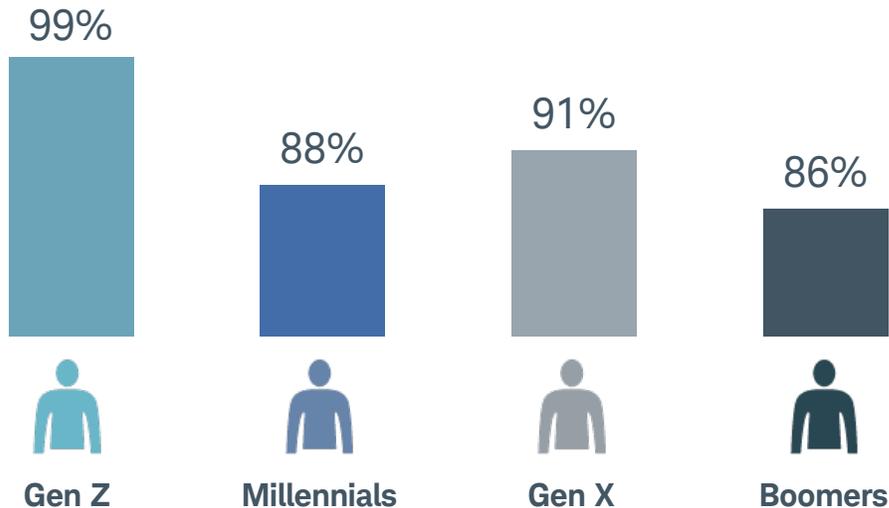
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Retirement obstacles

Gen Z is facing obstacles to save for a comfortable retirement

Generations Facing Retirement Obstacles



Gen Z Retirement Obstacles

 Inflation	54%
 Keeping up with expenses	36%
 Unexpected expenses	31%
 Helping aging parents financially	30%
 Saving/paying for children's education	28%
 Stock market volatility	27%
 Paying off credit card debt	25%

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 age

Participants are delaying their retirement by two years on average – Gen Z is still optimistic they will retire sooner than other generations



2023

Average age expect to retire

66 years

2022

Average age expect to retire

64 years

Average Age Expect to Retire



Gen Z

61 years



Millennials

64 years



Gen X

65 years



Boomers

68 years

Financial stress divide

For most participants, their ability to do their job is not affected by financial stress; younger generations are more impacted

Impact of Stress on Ability to Do Job

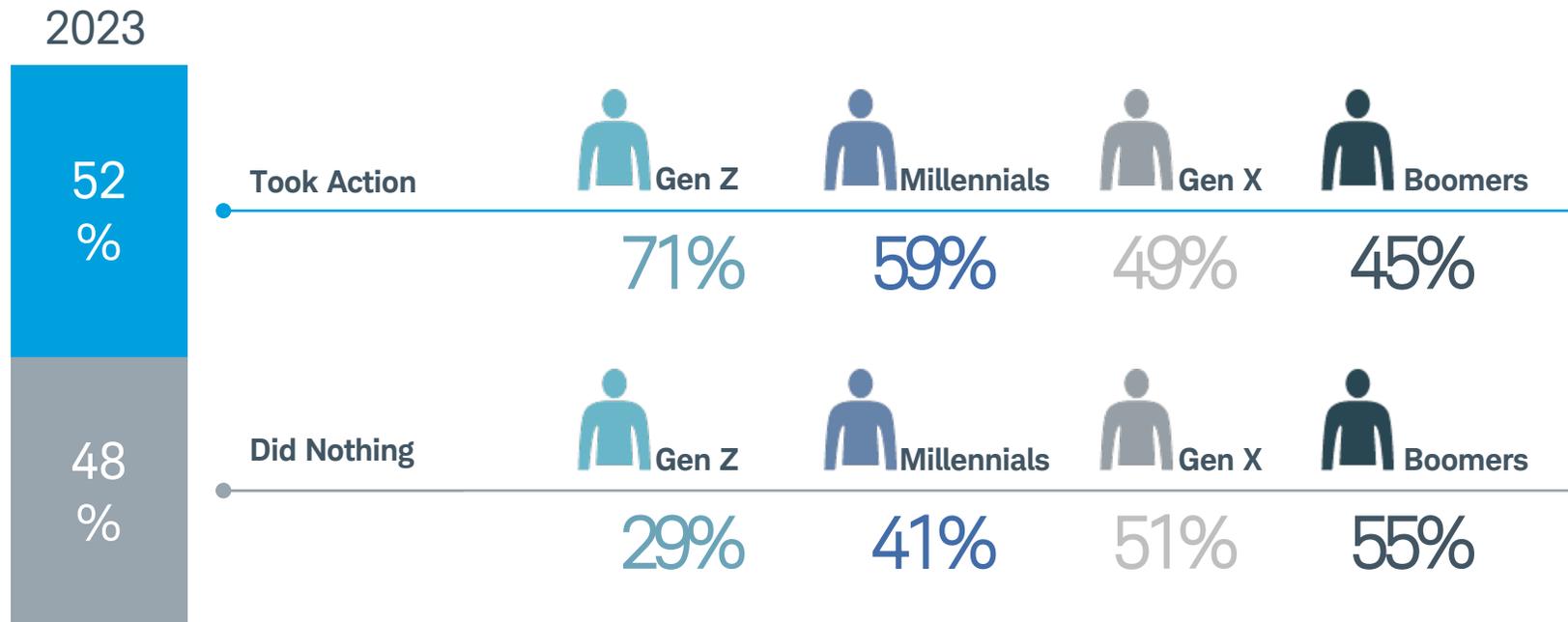


Has stress about your financial situation impacted your ability to do your job over the last 12 months? (Base: Total = 1,000)

Financial stress – employers' actions

Over half of employers took action to help employees manage financial stress this year

Employers' Actions to Help Employees Manage Financial Stress

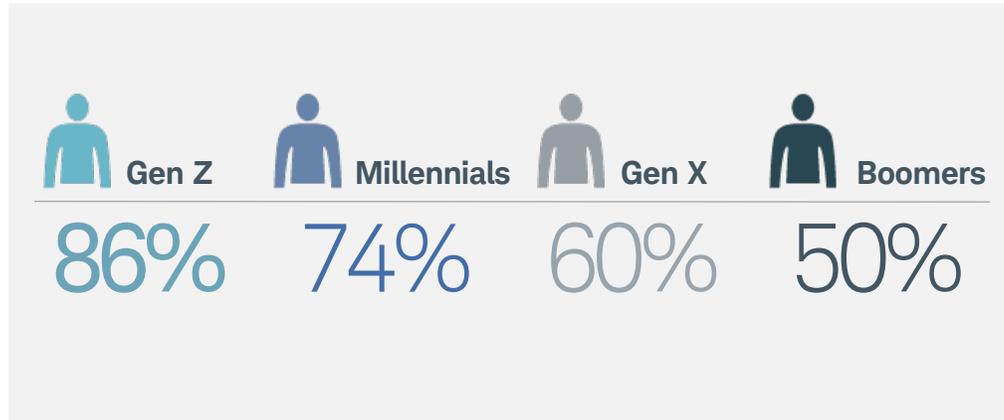


What has your employer done in the past year, if anything, that helped you manage your financial stress? (Base: Total = 1,000)

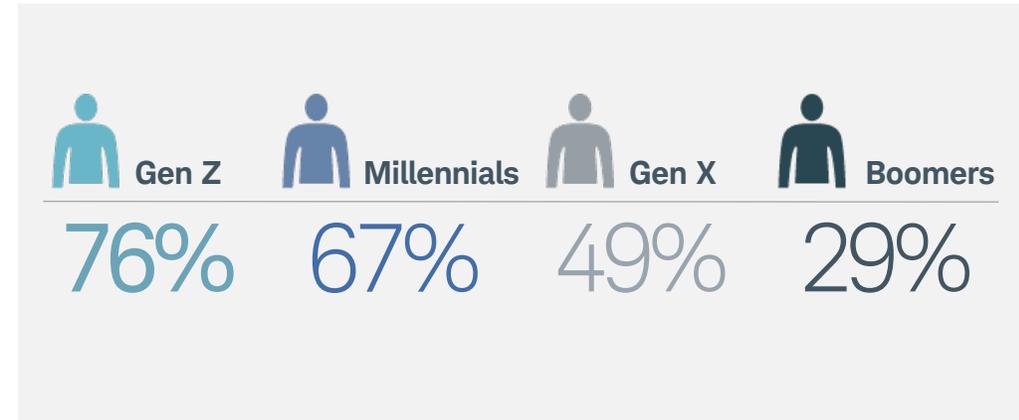
Forgoing salary raise

Younger participants are more willing to give up a percentage of their salary raise for better benefits or a more flexible work arrangement

Willingness to Forgo Salary Raise for Better Benefits



Willingness to Forgo Salary Raise for a More Flexible Work Arrangement



Thinking about salary (e.g., annual earnings, bonuses) and benefits (e.g., health insurance, 401(k) plan, life insurance, health savings account, disability, etc.), which of the following applies to you? (Base: Total = 1,000)
Thinking about salary (e.g., annual earnings, bonuses) and flexible work arrangements (e.g., hybrid or remote setting, flexible hours), which of the following applies to you? (Base: Total = 1,000)

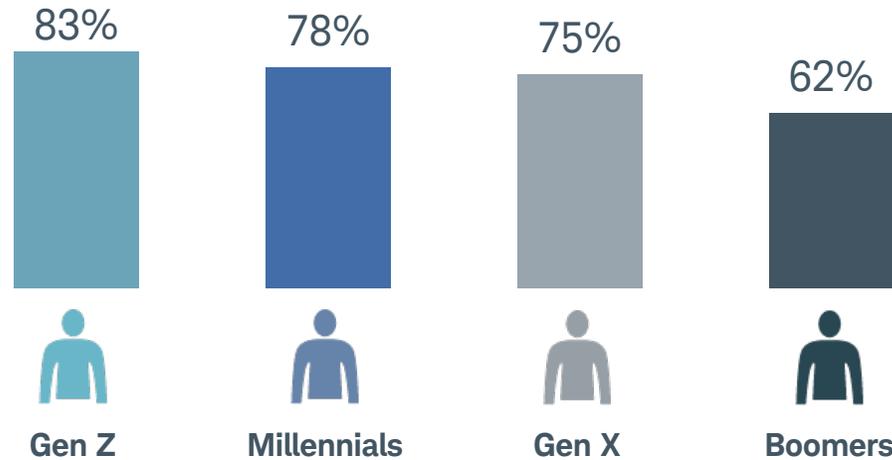
Personalized Advice

Gen Z is more likely to want personalized investment advice and needs help choosing investments for their 401(k)



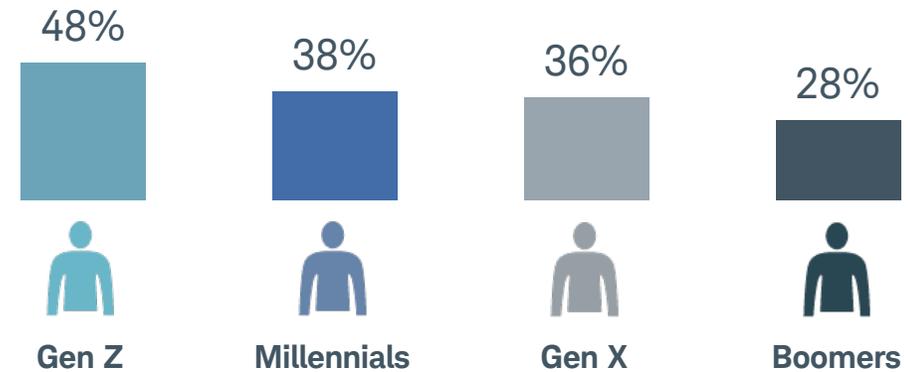
73%

I would like personalized investment advice for my 401(k)



35%

I do not know what investments to choose for my 401(k) to have enough for retirement

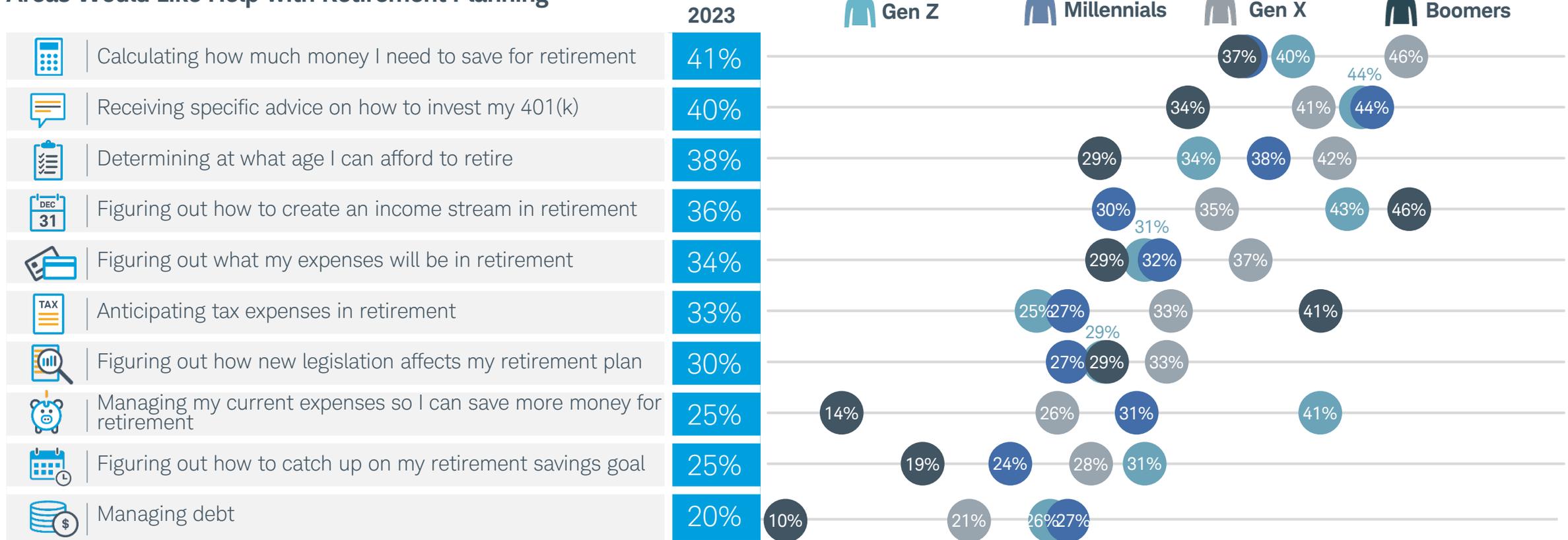


For each of the statements below, please indicate whether you agree or disagree. (Base: Total = 1,000)

Planning

Participants need the most help determining their retirement savings goal and optimizing their 401(k) investments

Areas Would Like Help with Retirement Planning



If you could get help with retirement planning, what would you like help with? (Base: Total = 1,000)

Advice need

More than half of participants say their financial situation warrants professional advice, especially Gen Z

Financial Advice



Do you think your current financial situation warrants financial advice from a professional? (Base: Total = 1,000)

Advice preferences

Gen Z is tapping into several sources of advice, including family and friends and resources through their 401(k) plan.

Top 5 Sources of Advice

	 Gen Z	 Millennials	 Gen X	 Boomers
1	Family and friends 52%	Through my 401(k) 41%	Through my 401(k) 38%	My financial advisor 44%
2	Through my 401(k) 37%	Family and friends 27%	My financial advisor 30%	Through my 401(k) 37%
3	Through my employer 31%	My financial advisor 25%	Family and friends 24%	Family and friends 22%
4	My financial advisor 30%	Through my employer 22%	Through my employer 22%	Through my employer 19%
5	Social media 28%	Business or financial media 17%	Business or financial media 12%	Through my accountant 12%

Which of the following, if any, are you currently using for financial advice? (Base: Total = 1,000)

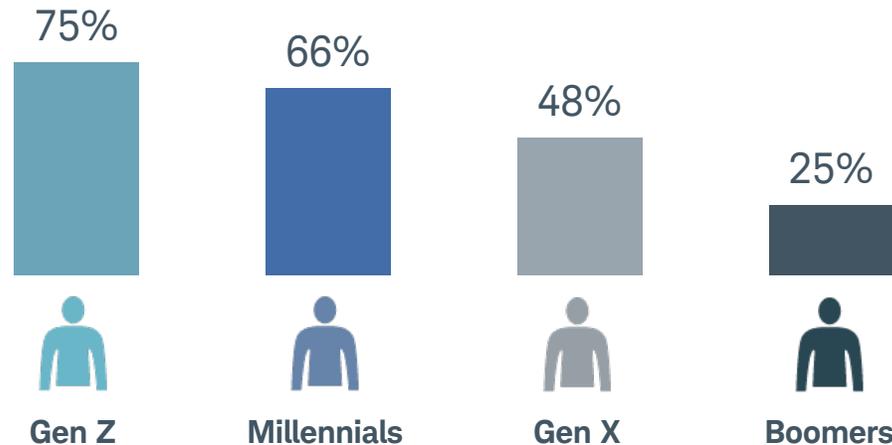
AI advice

Gen Z is most comfortable using AI-based digital tools for financial planning – Boomers are least likely to ever consider using AI-based digital tools for financial planning



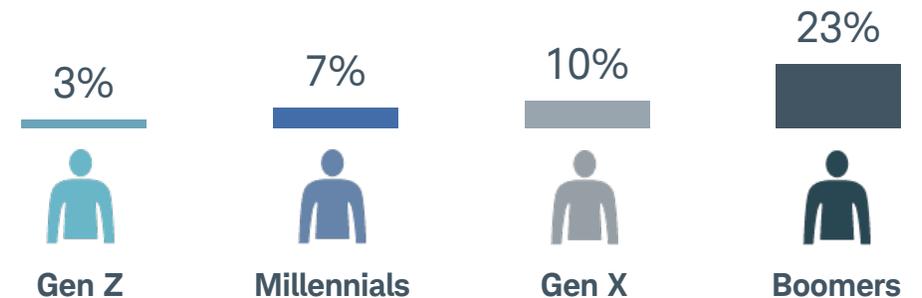
49%

are comfortable asking artificial intelligence (AI) tools for help with financial planning



12%

never anticipate being comfortable asking artificial intelligence (AI) tools for help with financial planning



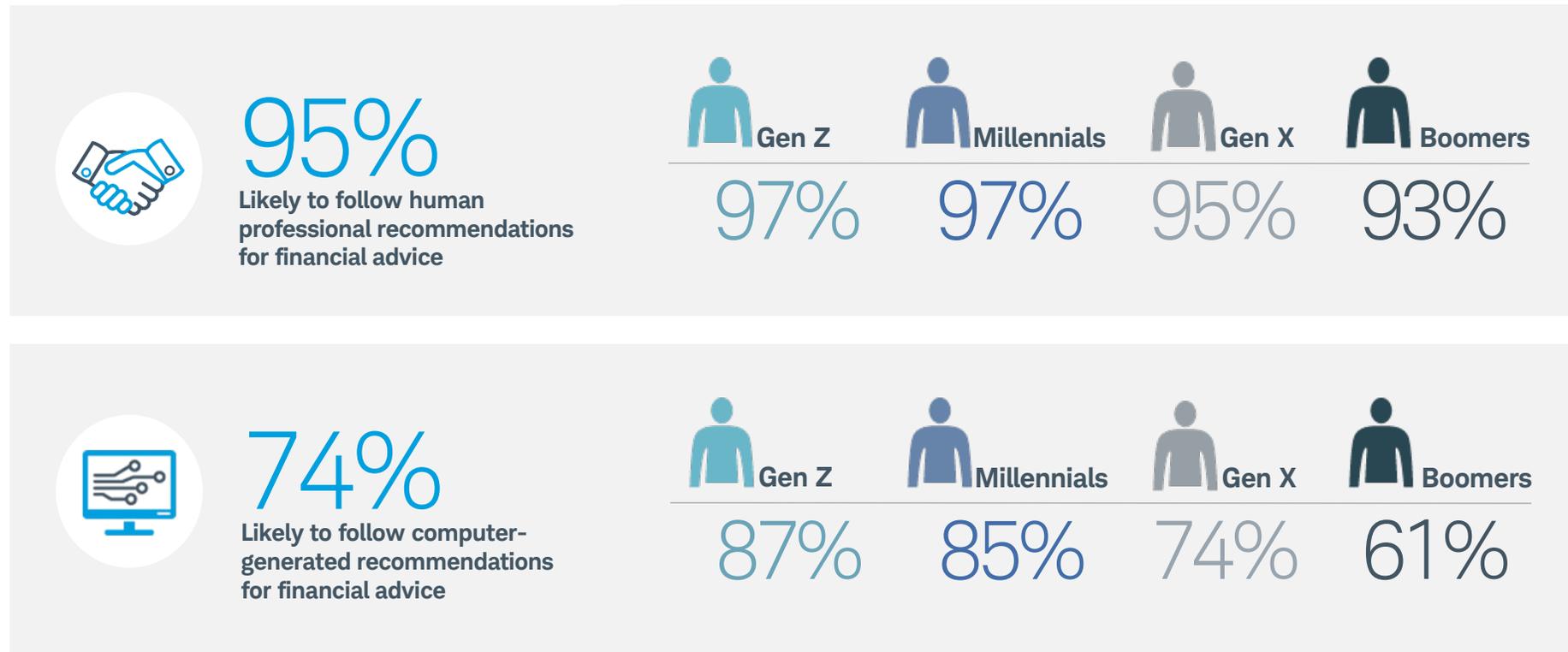
How comfortable are you today asking artificial intelligence tools (e.g., an AI-based digital tool like ChatGPT) for help with financial planning? (Base: Total = 1,000)

When do you anticipate being comfortable asking artificial intelligence tools (e.g., AI-based digital tools like ChatGPT) for help with financial planning? (Base: Total = 1,000)

Human advice

Across generations, plan participants are more likely to follow financial advice from a human than computer-generated advice

Likely to Follow...



If you received the following types of financial advice, how likely are you to follow it? (Base: Total = 1,000)

Methodology

- The 2023 401(k) Participant study is an online study conducted by Logica Research.
- The study was conducted from April 19 through May 2, 2023.
- 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
- In order to analyze Gen Z results against other generations, an additional 100 plan participants aged 21 to 26 completed the survey.
- Survey respondents include participants served by approximately 15 different retirement plan providers.
- The typical (median) survey length was 10 minutes.

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