



Important Finding

2017 Study

...a trend in how participants view the kind of advice and support they want in helping with their financial priorities.

Key Finding #1

Participants and the Advice They Want

In *Retirement Savings and Spending 3*, the third of our annual participant surveys, T. Rowe Price examines the attitudes and behaviors of 401(k) plan participants to provide insights for plan sponsors and their advisors. One important finding in the 2017 study shows a new trend in how participants view the kinds of advice and support they want for helping with their financial priorities.

“Investment advice? I’m good, thanks.”

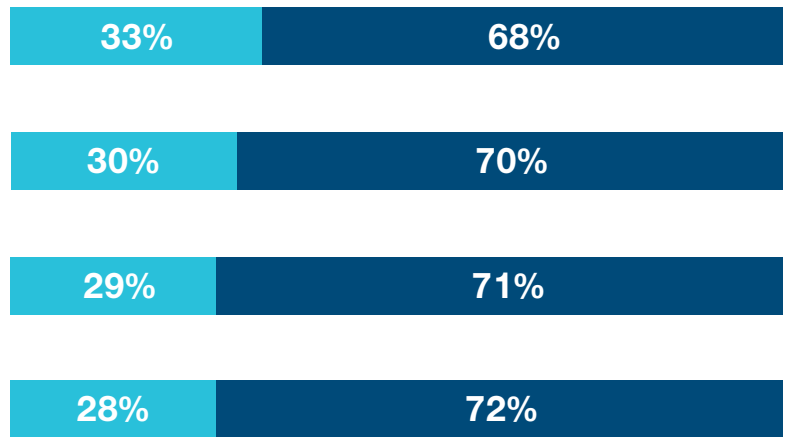
We shared four financial priorities related to saving for retirement (listed in the chart below) with the survey participants. For each priority that they indicated was a major or minor objective, we asked participants about four types of advice and support: selecting investments, figuring out how much to save, tracking progress and adjusting as necessary, and prioritizing the objective against other objectives.

Saving for retirement through previous 401(k)s or other workplace retirement plans held by you or other members of your household¹

Saving for retirement outside your workplace plan or plans including traditional contributory (not rollover) IRAs and savings accounts

Managing to a plan which targets a specific income for your retirement

Saving for retirement through your current 401(k) or other workplace retirement plans currently held by you or other members of your household.



■ OK without advice or support to achieve this objective
■ Advice or support would be helpful

The results were surprising. While we thought most participants would want advice and support—and they did—we expected the majority to need investment help. Instead, the type of advice most often cited was tracking progress. Fewer than one in four respondents cite investment support in their current 401(k) or other workplace retirement plans as important.

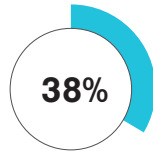


Investment support was cited as important by fewer than one in four.

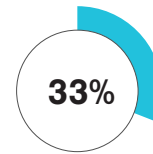
What kind of advice or support would be useful for saving in your current 401(k)?

The Plan Design Factor

Two other findings in the survey might provide answers to why fewer participants are seeking help in selecting investments. In 2017, **38% of respondents indicated that they were at least partially invested in target date products.**




When asked about their satisfaction with the target date investments they own, **33% indicated they were very satisfied with their target date products, up a full 10 percentage points in two years.**² Increased use of and satisfaction with target date products—where investment allocations automatically adjust over time—could explain why fewer participants believe they need investment support.





Keep Me on Track

The shift in retirement plan participants' advice needs may well prove to be good news for both plan sponsors and financial professionals. With the right choice of plan provider, plan sponsors can effectively offer the kind of advice a participant wants—tracking progress and adjusting as necessary—regardless of the participant's account balance. And those advisors who work directly with participants may increase their clients' satisfaction by helping them establish goals and then emphasizing goal-tracking in their interactions with participants.

Actions for Sponsors and Financial Professionals

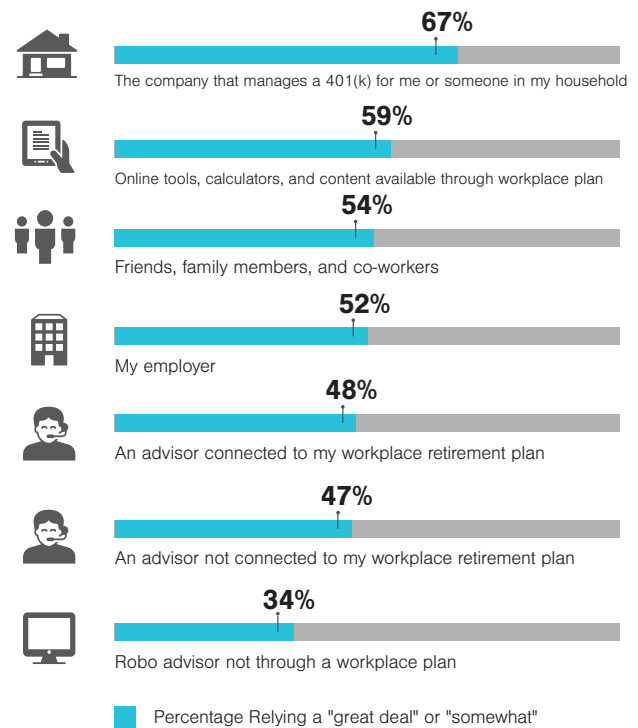
 Focus on core plan design to maximize employee satisfaction with your benefit program. When evaluating target date investment options, consider such important factors as inflation, longevity, market risk, and participant demographics.

 Work with your relationship manager to establish a long-term roadmap for plan design that includes innovations such as auto-increase and higher default deferral rates for auto-enrollment. We believe that participants are focused more on tracking outcomes because two primary decisions—enrolling in the plan and choosing how much to save—are automatic processes in plans with auto enrollment and increase.

 Maximize your employees' appreciation and engagement levels by selecting a plan provider that offers a robust suite of both financial wellness content and online tracking tools, including help with budgeting and guidance on saving for pre-retirement financial needs. Then work with your provider to develop a communications plan to promote the resources to participants.

Who Helps?

We asked participants whom they rely on when seeking advice and support for their lifetime financial goals. The answer was surprising. The top source of advice was their employer's 401(k) plan provider. This has important implications for plan sponsors who are seeking to maximize employee engagement and satisfaction via their suite of employee benefits. Choice of provider can be a critical factor given employees' reliance on it for support and advice.



The majority of surveyed participants say they rely somewhat or a great deal on the provider of their employer's 401(k) plan for advice and support.

About the Study

T. Rowe Price engaged Brightwork Partners to conduct a national study of 3,022 adults aged 18 and older who have never retired and are currently contributing to a 401(k) plan or are eligible to contribute and have a balance of at least \$1,000. The online survey was conducted from March 3–14, 2017.

For more information on these and other findings from *Retirement Savings and Spending 3*, please contact your T. Rowe Price representative.

²Those owning target date or a blend of target date and target risk products.