



# 2023 U.S. Retirement Market Outlook

Three Themes Shaping the Retirement Landscape

Volatile markets have created new challenges for retirement savers. We are closely watching these themes impacting the U.S. retirement industry.



**Access and Adequacy**  
Getting investors on track and helping them stay there



**Financial Wellness**  
The need for “holistic” services



**The Investment Landscape**  
Inflation is driving investor risks

## 1 Access and Adequacy



Day-to-day living expenses and debt are common barriers to saving.

This has particularly impacted savings for Black, Hispanic, and female workers.

### Many investors are under-saving for retirement.

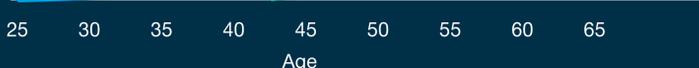
Competing financial priorities often prevent investors from saving early, persistently, and at the right level.



**Participant A** began saving at age 25



**Participant B** began saving in their 40s



For illustrative purposes only. This does not represent an actual investment or participant. Investing is subject to risk including possible loss of principal and fluctuation. There is no assurance that any objective will be met.

Source of savings trends noted: T. Rowe Price Retirement Savings and Spending Study, 2021

### Solving this problem is a business imperative for employers.

- In a tight labor market, a strong retirement plan can attract and retain talent.
- A well-designed plan might help address financial disparities and aim to better align with diversity, equity, and inclusion strategies.



## Lawmakers are considering policy changes that may:

- Help to boost 401(k) participation and saving rates
- Encourage emergency savings



## 2 Financial Wellness

### Employers are offering more holistic financial wellness programs that:

- Go beyond just saving and investing
- Are more personalized and specific to lifestage
- Address investors' competing financial priorities



### This is being driven by:

- Younger workers expecting more from employers
- Companies looking to attract/retain talent
- New technologies making solutions easier to deliver

## 3 The Investment Landscape

### Inflation is driving many investor risks:

- Rising interest rates
- Potential slowing of corporate earnings
- Fear of full-blown recession

### Employers can consider modifications to their retirement plans to help mitigate the effects of market volatility by offering:

- A suite of well-diversified investment options\*
- More dynamic fixed income strategies
- More actively managed investment options to pursue better returns

\*Diversification cannot assure a profit or protect against loss in a declining market.



For more information, read the **T. Rowe Price 2023 U.S. Retirement Market Outlook**.