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## The Retirement Planning Gap Affecting Two in Three Investors



Despite the importance of retirement planning, a staggering 67% of investors admit to spending no time at all working on it in a typical month, according to a recent survey conducted by the Nationwide Retirement Institute. That's a vast majority of investors failing to take even small steps toward securing their financial future. For plan sponsors, this presents both a challenge and an opportunity.

### Not Just a Problem for Younger Generations

One might expect pre-retirees to be more engaged in retirement planning, yet the data shows that 53% of investors ages 55 to 65 still spend zero time in a typical month on it. While 47% of pre-retirees are taking action, the fact that more than half remain disengaged is concerning. This group is at a critical point where informed decisions on saving, Social Security, and investment strategies can make or break retirement readiness.

Plan sponsors can play a key role in bridging this gap by facilitating regular retirement readiness check-ins and retirement planning workshops, as well as promoting the benefits of catch-up contributions. Employers can also initiate targeted communications and provide resources to support retirement income planning, including guidance on timing Social Security benefits and implementing retirement distribution strategies.

### Shifting Expectations

The Nationwide study indicates that the past five years have reshaped retirement expectations for 61% of investors, potentially a reflection of economic turbulence. Additionally, 46% of investors surveyed say they've delayed, changed, or canceled retirement plans due to economic conditions.

This means many participants may be rethinking their timelines and financial goals. Employers can provide critical support by offering flexible retirement options, recognizing that retirement doesn't have to be an all-or-nothing decision. Phased retirement programs can allow employees to gradually transition out of the workforce, giving them more options as their retirement window starts closing.



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## Meeting Participants Where They Are

With so many investors neglecting retirement planning, engagement efforts need to be proactive, frequent, and accessible. Plan sponsors can leverage a variety of strategies, including personalized omnichannel communications that speak to different life stages and financial concerns. Tailored messaging based on career stage, income level, retirement goals and timelines can help ensure relevance and boost engagement.

While automated savings strategies like auto-enrollment and auto-escalation are important, additional measures can help support those who may be overwhelmed or hesitant about investment risk. For example, traditional target date funds (TDFs) provide simplified portfolio management and help manage risk by gradually shifting asset allocations to more conservative investments as participants near retirement. But some newer TDFs offer even greater flexibility, offering multiple risk models to better align with participants' diverse financial situations and risk preferences. More personalized options can help give uncertain investors the confidence to take the first step toward meaningful retirement preparation.

Too many investors put their future at risk by failing to actively engage in retirement planning. A proactive approach can move hesitant investors off the sidelines, empowering them to make informed decisions that help guide them toward greater financial security.

### Sources

<https://www.nationwide.com/financial-professionals/blog/research-learning/articles/a-look-at-the-state-of-retirement-planning-across-the-country>

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