2025 NFP U.S.

Retirement Trend Report

Closing the comprehension gap for improved retirement readiness in the American workforce.

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A Letter from Stephen and Jessica

For both employees and employers across the U.S., retirement readiness is falling well short of where it needs to be. Despite the long-standing message to "start early and save often," only one in three workers feels confident they'll be able to retire comfortably.

The issue isn't a lack of effort. Many employees are trying to save, especially younger workers, but economic pressures, rising costs and a lack of clarity about retirement needs have made progress difficult. Two in five workers are either deprioritizing retirement or are unable to save at all. Even among those trying, most aren't sure what "being on track" actually looks like.*

This lack of confidence carries an emotional weight that shouldn't be underestimated. With more than half of employees associating retirement planning with feelings of fear, overwhelm or unpreparedness,* the connective tissue between financial insecurity and overall wellbeing is laid bare. Because money problems rarely stay confined to the realm of finance and often affect health, relationships and family dynamics, it's clear that when people fall behind financially, every aspect of life feels the strain.

This creates a real opportunity for employers to step in. Not just with traditional benefits, but with education, tools and access that help employees take control of their financial future. The days of simply offering a 401(k) and a match are behind us. Today, it's about delivering clarity, personalization and trust.

However, clarity is often lacking. Many employees don't fully understand what they're offered, let alone how to use it. This can leave valuable benefits underutilized and employers under-recognized. When participation lags, the programs meant to drive retention, engagement and wellbeing instead become line-item costs with little visible return. For finance and operations leaders already under pressure to show ROI, improving benefit awareness and utilization isn't just nice to have; it's what separates the organizations investing in results from those simply spending on benefits.

Because when it comes to preparing for the future, the time to act is always sooner than we expect.

With appreciation,

Stephen Jans
Managing Director
National Practice Leader
Wealth Management

Jessica Espinoza
Managing Director
National Practice Leader
Retirement Advisory

*Respondent data as of February 24, 2025.

Key Takeaways

Crisis in Confidence

1 in 3 employees feels confident they'll be able to retire comfortably. Just 32% of employees feel on track. That's a wide gap in confidence.

Emotional Weight of Financial Stress

>50%

of employees associate retirement planning with fear, overwhelm or unpreparedness, underscoring the close link between financial insecurity and overall wellbeing.

Effort Isn't the Issue, Guidance Is

42%

of employees say they're unable or unwilling to save for retirement consistently due to competing financial pressures. Many simply lack a clear understanding of what "ready" means.

Employers Hold the Key

76%

of employees are actively engaged when they understand their retirement benefits. Access alone isn't enough. It's education and clarity that drive participation.

Facts and figures are from NFP's 2025 Retirement Benchmarking Survey unless otherwise indicated.

The majority of respondents (74%) represented organizations with 1,000 employees or fewer. See "About the Data" on page 16 for a full overview of the survey population.

The Awareness Gap

1 in 3

employees say they don't fully understand their retirement benefits or how to use them. Lack of awareness means employers often don't get full credit or full value for the programs they provide. Closing the gap turns benefits from a cost into a measurable driver of engagement and ROI.

Reframing Financial Guidance

89% **trust employer-provided consultants.**

81% **trust independent advisors.**

Trust is high, yet engagement remains low. Employees want support that's approachable, not intimidating.

From Offering to Engaging

The traditional 401(k) is still the cornerstone, but modern retirement culture depends on digital tools, one-on-one guidance and personalized education that meet employees where they are.

A Shared Responsibility

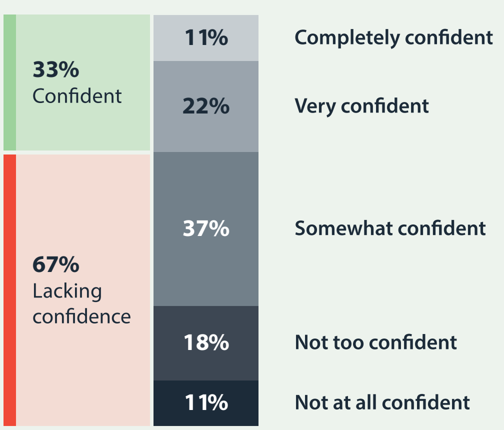
Retirement readiness is a collective effort. Employers, employees and advisors each have a role to play in building a workplace where financial confidence is achievable and sustainable.

Retirement Preparedness

A Confidence Crisis

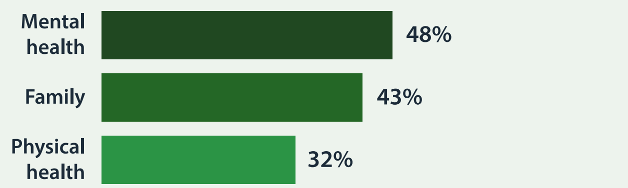
Retirement anxiety is real, widespread and deeply personal. For many employees, the concept of retirement feels more like a looming threat than a goal to look forward to. With 67% of workers lacking confidence in their ability to retire comfortably, this widespread uncertainty reflects not just a lack of savings, but a lack of clarity around what retirement readiness actually looks like. Only one-third of employees feels confident enough to call their progress "very" or "completely" on track.

Confidence in Ability to Retire Comfortably

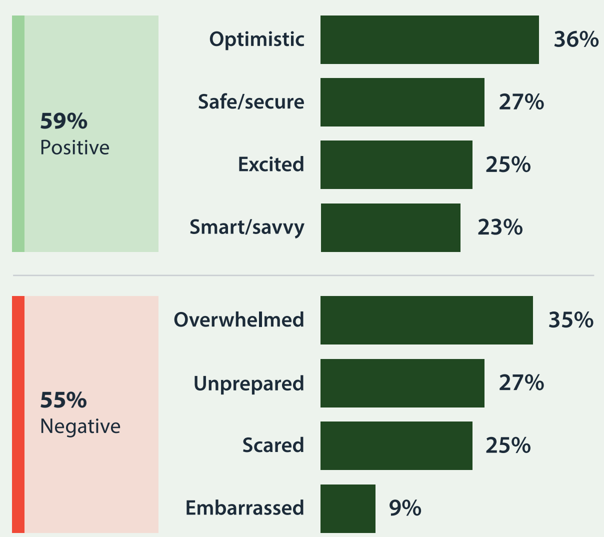


The challenge isn't just financial. It's emotional. When people feel financially insecure, that stress spreads into their physical health, mental outlook and relationships. Financial wellness and overall wellbeing are so deeply connected that one rarely improves without the other.

Employees Say Retirement Insecurity Impacts…



Feelings About Retirement Planning



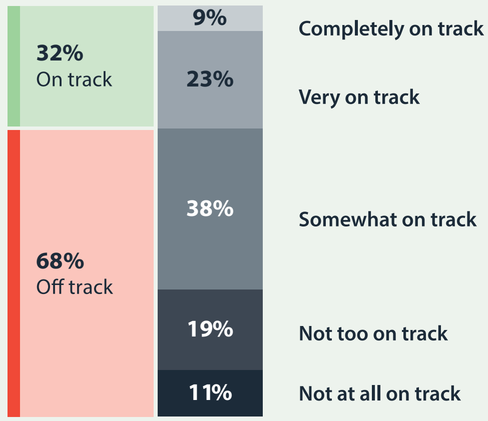
These aren't isolated concerns. They reveal just how fully financial stress can shape a person's overall quality of life.

Confidence: The Bridge Between Aspiration and Readiness

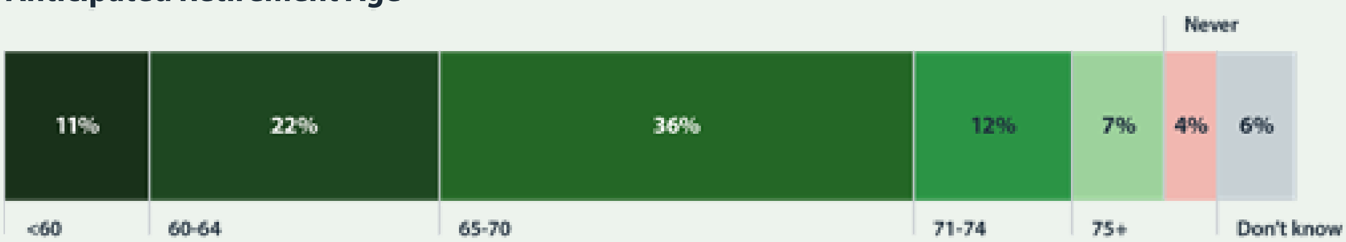
Confidence without clarity is a risky mix. Although most employees hope to retire around age 68, fewer than 30% have even a rough estimate of what they'll need. Even so, just as many say they feel on track. In reality, many are simply guessing, often underestimating what retirement will actually cost.

This disconnect fuels a cycle of anxiety and inaction, with employees avoiding planning because they feel behind, only to feel even further behind because they've never truly planned.

Retirement Savings Progress



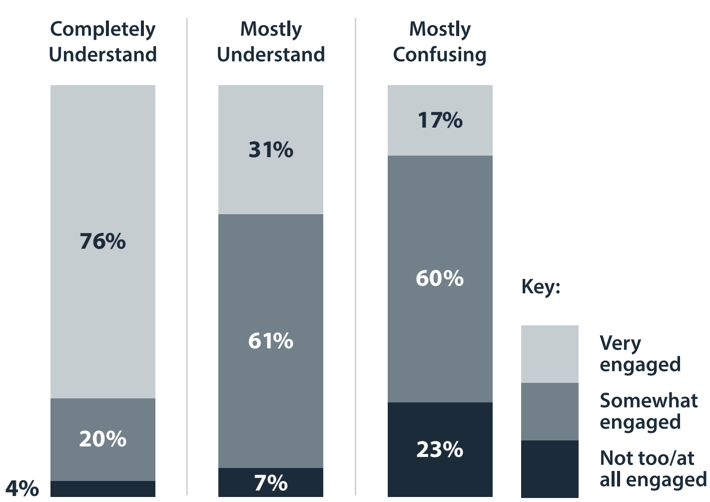
Anticipated Retirement Age



68 Median Anticipated Retirement Age

Engagement in Account Management

(By Understanding of Options)



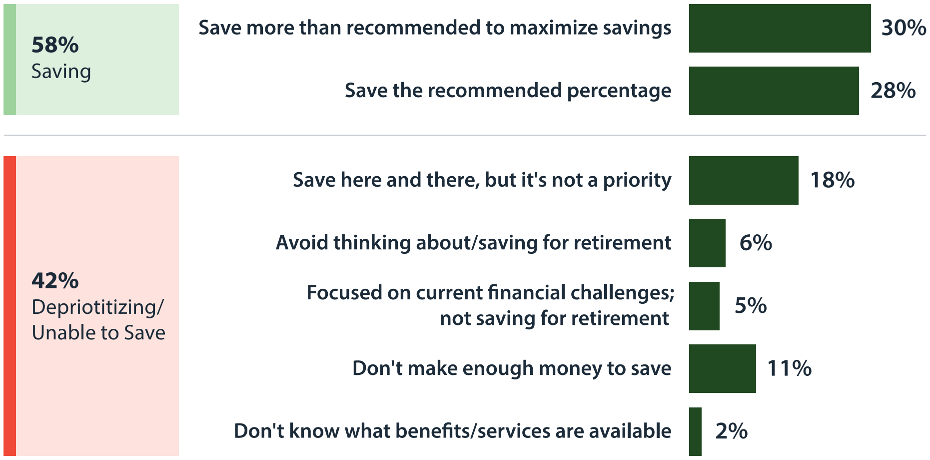
This shows that confidence isn't just a nice-to-have. It's a predictor of action. Employees who feel informed and empowered are more likely to contribute regularly, make smart investment choices and stay engaged over the long term. The problem? Too few feel that way.

It's the reason why employers must move beyond simply *offering* a plan and start helping employees *understand* their plan.

Economic Realities and Planning Pressures

In today's economy, workers face a constant financial balancing act. Many want to prioritize retirement, but short-term needs often take precedence. While 58% of employees are actively trying to save, **42% are either unable or unwilling to do so consistently,** often because today's financial pressures leave little room to plan for tomorrow.

Who Saves? Planning Approaches and Challenges



Nearly one in five is consciously choosing current spending over future security. Why? Because for many, the future feels too uncertain and the present too demanding. Whether it's managing debt, covering everyday expenses or trying to keep up with rising costs, the ever-present now keeps pushing retirement planning to the sidelines.

This isn't just about poor habits. It's an ideal that feels out of reach. When employees are navigating high costs, limited income or a lack of financial guidance, long-term planning can feel abstract or even impossible. Making retirement readiness more tangible and more achievable starts with better guidance and support.

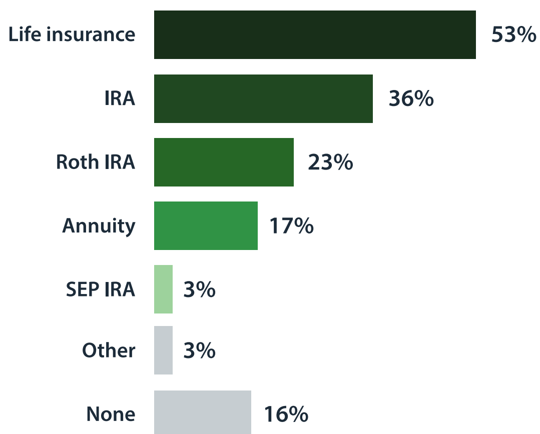
And employers are in a powerful position to provide it.

What Employees Expect in Retirement

Retirement income isn't what it used to be. The era of guaranteed pensions and full reliance on Social Security has faded, replaced by a more personalized and unfortunately, less certain approach to planning. Today's workers are navigating a fragmented system with differing expectations for how they'll fund their retirement.

Roughly four in ten expect to rely on personal investment accounts like 401(k)s or IRAs while **one in five still anticipate Social Security as their primary income source.** Others are counting on savings accounts, part-time work or a combination of all three. Many are supplementing these core sources with other investment vehicles, such as brokerage accounts, annuities and HSAs, highlighting just how individualized and piecemeal modern retirement planning has become.

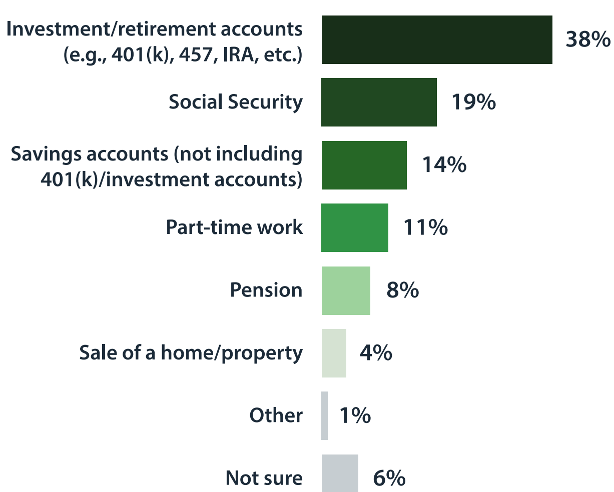
Other Investment Vehicles Held *(By Age)*



	<35	35-54	55+
Life insurance	57%	55%	47%
IRA	36%	34%	40%
Roth IRA	26%	22%	21%
Annuity	18%	15%	19%
SEP IRA	5%	3%	2%
Other	1%	2%	6%
None	11%	17%	21%

These numbers reflect both ambition and vulnerability. While many are striving toward investment-based retirement, too few have the financial literacy, tools or support to make that future a reality. The path forward may be more self-directed, but it shouldn't be solitary.

Anticipated Primary Retirement Income Source *(By Age)*



	<35	35-54	55+
Investment/retirement accounts (e.g., 401(k), 457, IRA, etc.)	37%	44%	31%
Social Security	11%	15%	32%
Savings accounts (not including 401(k)/investment accounts)	23%	14%	5%
Part-time work	14%	9%	10%
Pension	4%	7%	14%
Sale of a home/property	6%	3%	3%
Other	0%	1%	1%
Not sure	5%	8%	4%
Investable Assets (IA) Held	**66% <$100k**	**50% <$100k**	**62% <$250k**

The Employer's Role

Moving from Offering to Engaging

None of this is to suggest that employers haven't made important strides in providing retirement options. Today, 86% offer at least one investment vehicle and the vast majority include a 401(k). But as we've alluded to throughout, access alone isn't enough.

Retirement Investment Vehicles: Access and Usage

Resources	Offered	Contributing (among those aware of vehicle being offered by employer): Enrolled, contributing	Enrolled, not contributing	Not enrolled
401(k)	73%	76%	11%	13%
HSA (health savings account)	48%	47%	15%	39%
Pension	36%	71%	14%	16%
Simple IRA	29%	53%	19%	28%
Employee stock ownership plan	26%	52%	22%	26%
Long-term incentive plans	24%	55%	21%	24%
403(b)	18%	49%	17%	34%
Government 457	12%	50%	24%	26%
Nonqualified deferred compensation plan	12%	42%	22%	37%
Not-for-profit 457(b)	10%	38%	27%	36%
Employers offering 1+ investment vehicle(s)	86%			

Key: Enrolled, contributing · Enrolled, not contributing · Not enrolled

1 in 4
are unaware of additional investment vehicles offered by their employer, beyond a traditional 401(k)

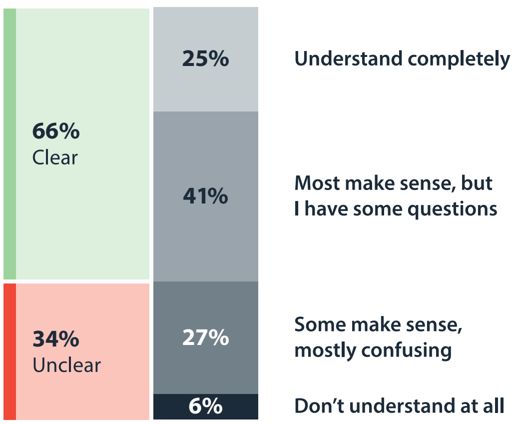
7 in 10
employees (71%) contribute to 1+ employer-sponsored investment vehicle(s)

8 in 10
trust employer-provided collateral

2 in 10
have used employer-provided collateral

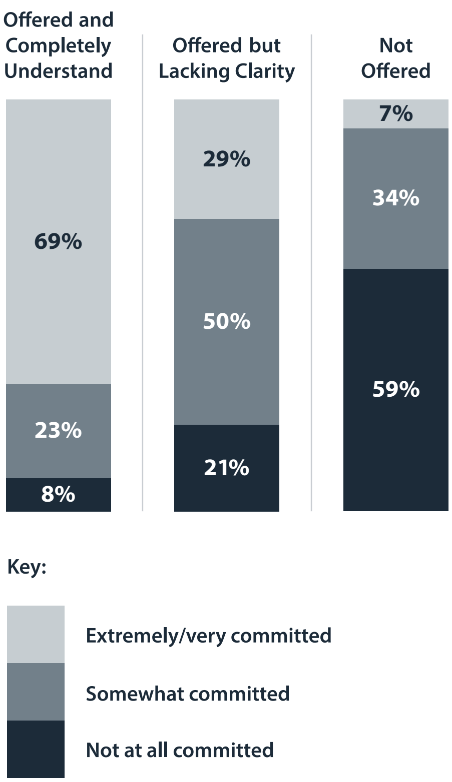
One of the clearest patterns to emerge is this: when employees understand their benefits, they're far more likely to use them. Unfortunately, despite broad availability, many employees remain in the dark. This disconnect not only limits employee participation but also prevents employers from realizing the full return on the benefits they've invested in.

Understanding of Investment Vehicles

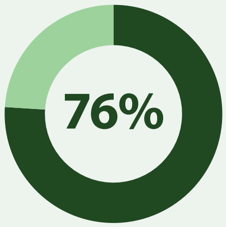


Employee Perception of Employer Commitment to Retirement Success

(By Employer Offering and Employee Understanding)



Yet, among employees who do understand their options, **76% are actively engaged.** That tells a clear story — awareness and education are just as important as the benefits themselves.



The 401(k) may still be the foundation, but it's no longer enough. Today's employees are also counting on long-term incentive opportunities, employer contributions or savings matches and clear education on how these benefits actually work. Again, it's not just about offering more. It's about explaining retirement benefits better and engaging employees more meaningfully.

Reconsidering the Role of Financial Professionals

Even when employers offer strong retirement benefits, one resource remains notably underused: financial professionals. As perhaps the most valuable support available to employees, many workers still hesitate to engage with one even though doing so could significantly strengthen their long-term financial outlook.

Surprisingly, trust isn't the problem. Most employees have a positive view of financial professionals, with the vast majority expressing trust in advisors.

Where Employees Go for Financial Advice

(By Resource and Degree of Trust)

Resources Provided by Employer	Use	Trust a lot	Trust a fair amount	Don't trust very much
Collateral shared by employer	17%	34%	45%	21%
Financial consultant and collateral by employer	41%	50%	39%	11%

Resources Not Provided by Employer	Use	Trust a lot	Trust a fair amount	Don't trust very much
Family	37%	45%	37%	18%
Independent financial consultant/advisor	29%	39%	42%	19%
Friends	27%	29%	45%	26%
Spouse/partner	24%	62%	29%	9%
Traditional news media	18%	18%	35%	47%
Collateral shared by financial institutions/investment banks	16%	31%	46%	23%
Non-traditional news media	13%	15%	34%	51%
Social media/influencers	13%	13%	22%	65%

Key: Trust a lot; Trust a fair amount; Don't trust very much

4 in 10
have access and have used a financial advisor through their employer

5 in 10
have access and trust a financial advisor through their employer

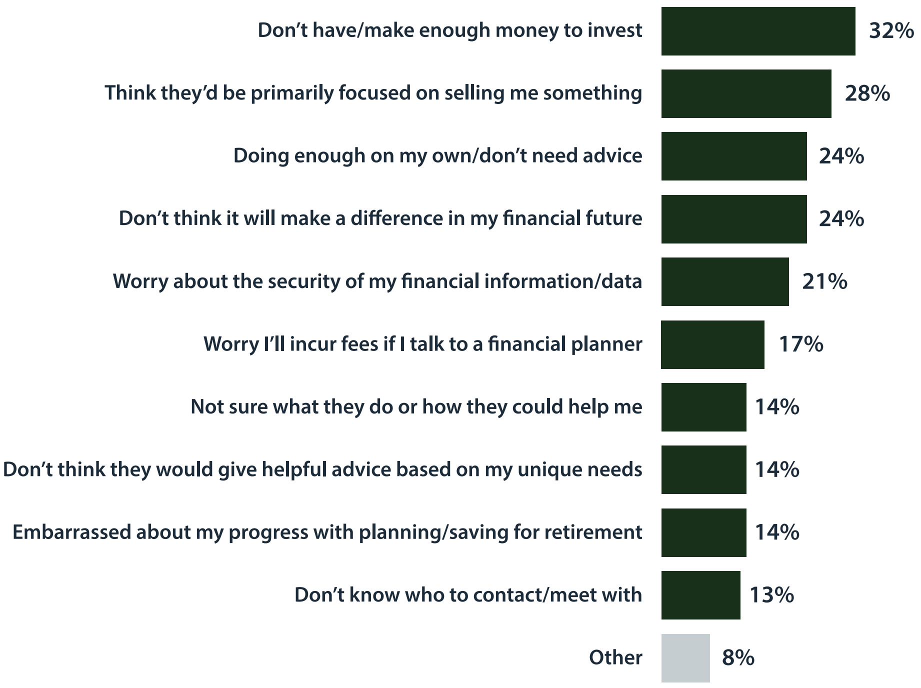
Note that:

89% trust employer-provided consultants at least a fair amount.

81% feel similarly about independent advisors.

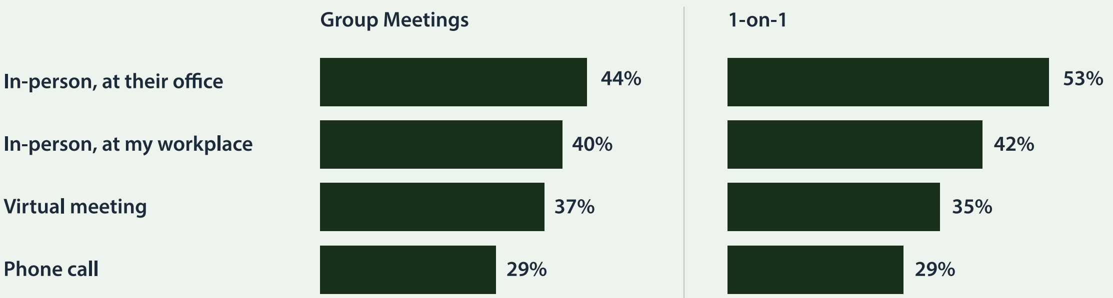
With trust established, it's clear that the foundation for meaningful engagement is there. So why aren't more employees reaching out? The issue isn't credibility, it's perception. Employees hesitate for reasons that are emotional and practical.

Why Employees Don't Meet with Financial Advisors



Like many things related to finance, these concerns, whether accurate or not, shape behavior. If financial guidance feels intimidating, inaccessible or transactional, employees will most likely opt out, leaving all of that valuable support untouched. **That's why format matters.**

Preferred Format for Financial Advisor Meetings



These preferences show that comfort, privacy and flexibility are paramount. This is where employers can make a meaningful difference: by reshaping the experience.

Employees don't want to be pitched to. They want to feel supported. When financial professionals are introduced as genuine partners focused solely on helping employees succeed in their financial lives, not on selling products or offering jargon-filled advice, they become far more approachable. **With thoughtful positioning and clear communication, financial professionals can:**

- Help employees create personalized savings strategies.
- Clarify fiduciary responsibilities and ensure confidentiality.
- Build trust by offering support that meets employees where they are.

When that happens, employees aren't just informed. They're empowered. It's a win-win that builds lasting confidence in their financial future and in their employer as well.

Employers Can Encourage Financial Planning Meetings by Helping Employees…

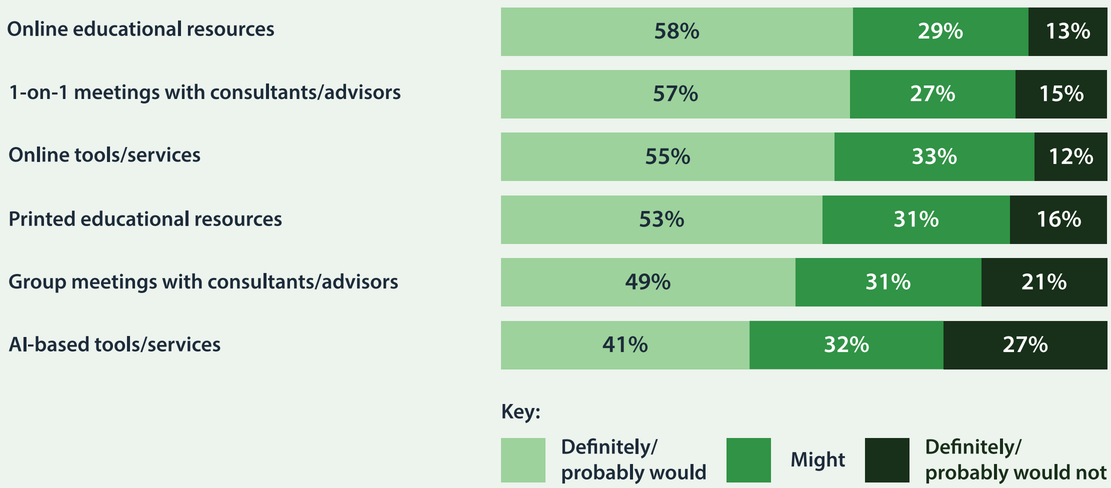
	Among those open to meeting with a professional		Among those NOT open to meeting with a professional	
	Group	**1-on-1**	**Group**	**1-on-1**
Stay aware of resources/tools	57%	47%	33%	29%
Understand other considerations (e.g. tax/estate planning	53%	55%	34%	33%
Understand what benefits/services are available	53%	58%	34%	36%
Use available resources	48%	55%	30%	34%
Understand how much to set aside	47%	63%	29%	39%
Select investment options	43%	61%	27%	37%
Understand where they stand compared to peers	42%	46%	20%	33%
Set goals based on specific needs and income	38%	67%	27%	42%
Other	5%	3%	1%	3%

Engagement that Works: Tools, Formats and Follow-Through

Beyond one-on-one financial guidance, the format and delivery of retirement education can make or break employee engagement. Employees are more likely to participate when resources are accessible, tailored and easy to understand on their own time.

The most-used educational formats reflect this need for flexibility and relevance:

How Employees Prefer to Access Financial Planning Information



Group sessions and printed materials still have a place, but they're no longer the centerpiece. Personalization, convenience and clarity are driving participation. **The most effective approaches are those that:**

- Offer digital tools employees can explore at their own pace.
- Supplement one-on-one support with on-demand learning.
- Invite spouses or partners to participate when appropriate.
- Provide a clear sense of what to expect from each interaction.

When financial education feels approachable and relevant, employees are more likely to engage and stay engaged.

What Employees Offer / What Employees Value

Resources	Offered	Helpful (Extremely/Very)
Online tools/services	52%	55%
Printed education resources	43%	53%
Online educational resources	41%	54%
1-on-1 meetings with consultants/advisors	36%	64%
Group meetings with consultants/advisors	35%	55%
AI-based tools/services	23%	62%

When analyzed in the context of other educational resources, survey data shows **one-on-one meetings and online tools** are the most impactful areas of investment for employers.

NFP Recommends

Creating a Retirement Culture That Works

A strong retirement culture doesn't happen by accident, it's built through consistent effort, clear communication and a shared sense of purpose. When employers, employees and financial professionals each play their part, the result is a workplace that supports long-term financial wellbeing for everyone involved.

For Employers

Build trust by keeping retirement resources visible and accessible, not just during enrollment, but all year long. Prioritize education over promotion and make sure employees know their conversations with financial advisors are confidential. Flexibility also matters. Offer consultation options that accommodate different preferences and comfort levels.

For Employees

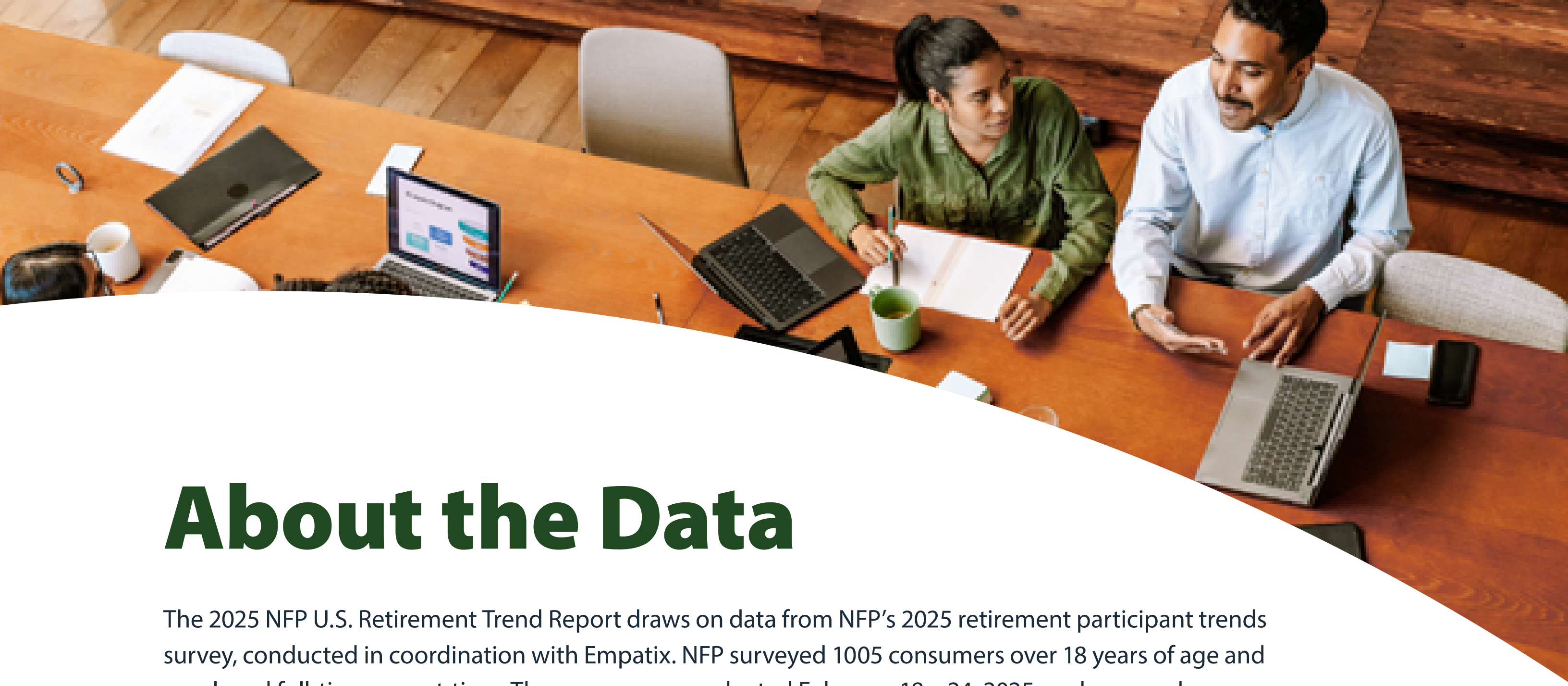
Start now, even if it feels small. Use the tools your employer provides and don't let uncertainty hold you back from asking questions or seeking help. You don't need to be wealthy to get support, you just need to begin. Think of retirement not as a future event, but as an active part of your financial life today.

For Financial Professionals

This is already the fiduciary standard, but it bears repeating: approach every conversation as a chance to empower, not to sell. Address misconceptions with empathy and honesty. Simplify the complex and focus on what matters most to each individual. Retirement planning isn't one-size-fits-all. The best advisors offer tailored support that meets people where they are and helps them move forward with clarity and confidence.

Retirement readiness can no longer be treated as a personal problem to be solved behind closed doors. It's a business issue, a wellbeing issue and a trust issue all wrapped up in one. It requires shared commitment and proactive efforts from employers, employees and advisors alike to create a culture where long-term financial health is both prioritized and achievable

When employers provide the right tools, when advisors act as true partners and when employees feel seen and supported, the future stops being something to fear and becomes something to plan for.



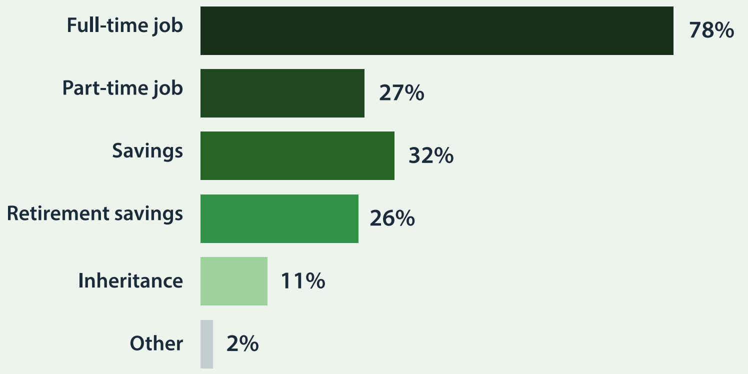
About the Data

The 2025 NFP U.S. Retirement Trend Report draws on data from NFP's 2025 retirement participant trends survey, conducted in coordination with Empatix. NFP surveyed 1005 consumers over 18 years of age and employed full-time or part-time. The survey was conducted February 18 – 24, 2025, and spanned a representative mix of demographics, including gender, age, income, geography and employer size and type. Note that due to rounding conventions, the data in some charts may not add to 100%. Also, many charts display data from multiple choice questions not meant to add to 100%.

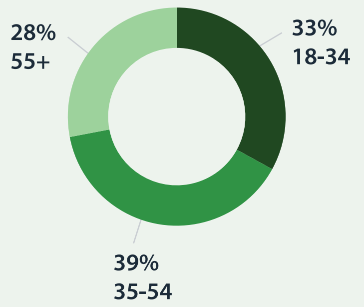
For full information on the methodology for each NFP survey, contact **marketing@nfp.com.**

Employee Profile: Demographics

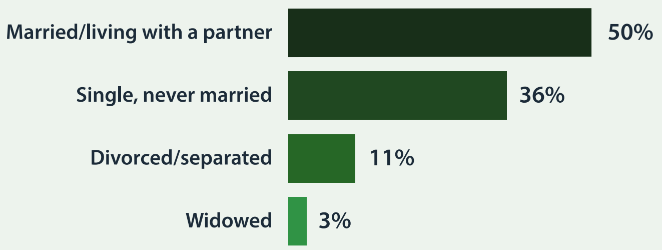
Income Sources



Age

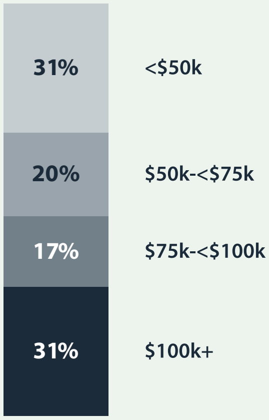


Marital Status

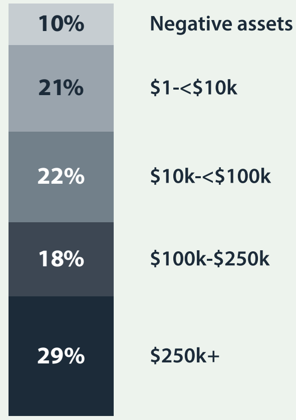


Gender

Household Income



Assets



Employee Profile: Employment

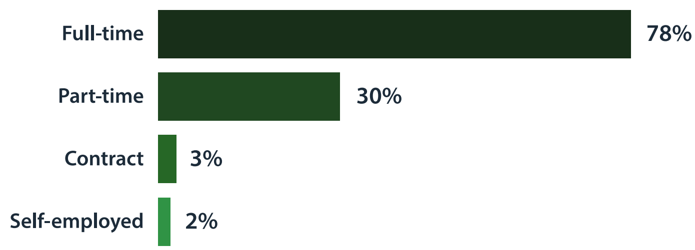
Employer Size

0-9	**10%**
10-49	**17%**
50-99	**14%**
100-499	**20%**
500-999	**13%**
1,000-4,999	**13%**
5,000+	**14%**

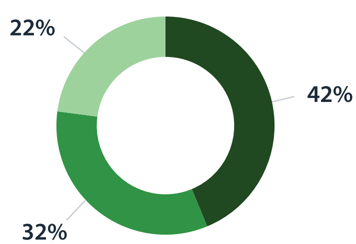
Industry

Healthcare	**14%**
Retail and Wholesale Trade	**10%**
Construction	**9%**
Education	**9%**
Manufacturing	**7%**
Financial Services	**6%**
Professional Services	**5%**
Hospitality	**5%**
Agriculture, Food and Beverage	**4%**
Transportation/Trucking	**4%**
Government/Public Entity	**3%**
All Other (Real Estate, Nonprofit, Media and Communications, Life Sciences, Pharmacy, Other)	**21%**

Employment Status



Job Type



Key:

White collar
(Office, cubicle or other professional, desk-based environment including remote)

Gray collar
(Job that typically requires in-person interaction with customers and/or the public regularly in a non-office setting)

Blue collar
(Job that requires physical labor/skilled trade)

About Stephen Jans

Stephen is the national practice leader and managing director of Wealth Management and Financial Education at NFP, and brings over 30 years of experience in the financial services industry to his role. A seasoned leader and strategic advisor, Stephen is known for his ability to guide companies, clients and individuals through complex financial landscapes. Stephen's leadership is marked by a deep commitment to service, integrity and results.

Stephen has been instrumental in shaping national financial education initiatives and delivering customized wealth management solutions that align with both organizational goals and personal aspirations. His approach emphasizes education, empowerment and long-term planning, helping clients make informed decisions that support financial wellbeing.

He holds Securities Series 6, 63, and 65 registrations through Kestra Investment Services, LLC, along with Life, Accident and Health Insurance licenses.

About Jessica Espinoza

As NFP's national practice leader and managing director of Retirement Advisory, Jessica Espinoza directs strategy, leads operations and oversees the investments for NFP's retirement business nationwide.

Since joining NFP in 2006, Jessica has played a key role in shaping the firm's investment philosophy and service model. She began her career in client service, which provided a strong foundation in plan design, compliance, and investment menu construction. She later led retirement operations in the Atlantic region. Jessica also serves on NFP's Global Retirement Investment Committee.

A graduate of the Robert H. Smith School of Business at the University of Maryland, Jessica holds a FINRA Series 7 General Securities Representative license and is a Registered Investment Advisor. She is also a CFA Charterholder. Jessica has been recognized by the National Association of Plan Advisors as one of the Top Women Advisors from 2017 through 2023, and as one of NAPA's Top Plan Advisors Under 40 in 2019 and 2020.

About NFP

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