Goldman Sachs Asset Management

Plan Sponsor Retirement Survey

Working Together to Develop Solutions

Retirement Survey & Insights Report 2025

Over the past five years, in our annual Retirement Survey & Insights Report, our participant-focused research has consistently identified competing financial priorities as a growing reality making retirement savings affordability a central concern for savers.

Plan sponsors are pivotal to America's retirement system, significantly influencing how millions of individuals save and prepare for their financial futures. Therefore, we also surveyed retirement plan sponsors to understand how they approach the challenges faced by their employees, and what benefits and plan design enhancements they may be considering to ensure their employees can reach retirement prepared.

At Goldman Sachs Asset Management, we are committed to understanding these challenges and supporting clients with innovative insights to drive the next generation of plan design enhancements, enabling savers and retirees to optimize their retirement benefits.

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Methodology and Respondents

We evaluated survey responses from plan sponsors, in both human resources and finance roles, to understand how they approach plan design and what investment, advice and retirement income features they may be considering to support a growing list of employee needs. Survey respondents spanned 250 plan sponsors that offer a 401(k) or 403(b) plan and have at least $300M in plan assets (44% of our plan sponsor sample had above $1B in plan assets). Respondents were senior level decision makers that were responsible for plan design and/or administration for selecting and/or evaluating plan providers.

Throughout this report, we also highlight responses from our *2025 Retirement Survey & Insights Report*, which surveyed over 5,000 retired and working individuals.

Respondents

250
total respondents

Plan Size

56%
Plans with less than $1B

44%
Plans with more than $1B

Organizational Role

66%
Finance role

34%
Human Resource role

Source: Goldman Sachs Asset Management. As of July 2025. Views represent those of survey respondents. Results compiled in July 2025. Percentages may not add up to 100% due to rounding.

Introduction

The increasing pressure of ongoing financial needs has significantly reshaped the reality of individual retirement preparedness. Given the pivotal role of workplace retirement plans in this context, a critical question emerges: how are plan sponsors adapting plan design, benefits delivery, and employee engagement to support these evolving needs?

This document introduces our inaugural survey of human resources and financial professionals working for 250 U.S. organizations sponsoring defined contribution plans with assets exceeding $300 million. Our objective is to gain comprehensive insights into their perspectives on program strategy, identify the primary challenges hindering employee retirement readiness, and understand how they are evaluating the myriad of new and evolving solutions designed to address these complex issues.

Plan Sponsor Perspectives

In the first section, we delve into how plan sponsors view their benefits strategy to support their employee needs. While plan sponsors broadly prioritize employee financial stability, retirement readiness, and optimizing existing benefits, their strategic approaches diverge.

Investment Menu Innovation

The second section examines how plan sponsors are navigating a rapidly evolving investment landscape, which may involve evaluating additional solutions such as personalized investments, inflation-protected products and alternative assets like private markets.

Retirement Income Remains a Top Consideration

The third section explores how sponsors assess both guaranteed and non-guaranteed retirement income choices to help employees get ready for retirement. This section covers topics including investment alternatives, insurance offerings, and other plan design features.

Advice & Managed Accounts

The fourth section answers what plan sponsors are looking for in education and advice services that can not only provide a more personalized retirement planning experience but can account for additional planning factors.

SECTION 01

Plan Sponsor Perspectives

When creating retirement and benefits programs, plan sponsors may choose from different philosophical frameworks. Grasping these diverse approaches is essential because they greatly shape the types and levels of resources and services provided to employees. To set the stage for the following sections of this report, we will begin by exploring these various philosophies.

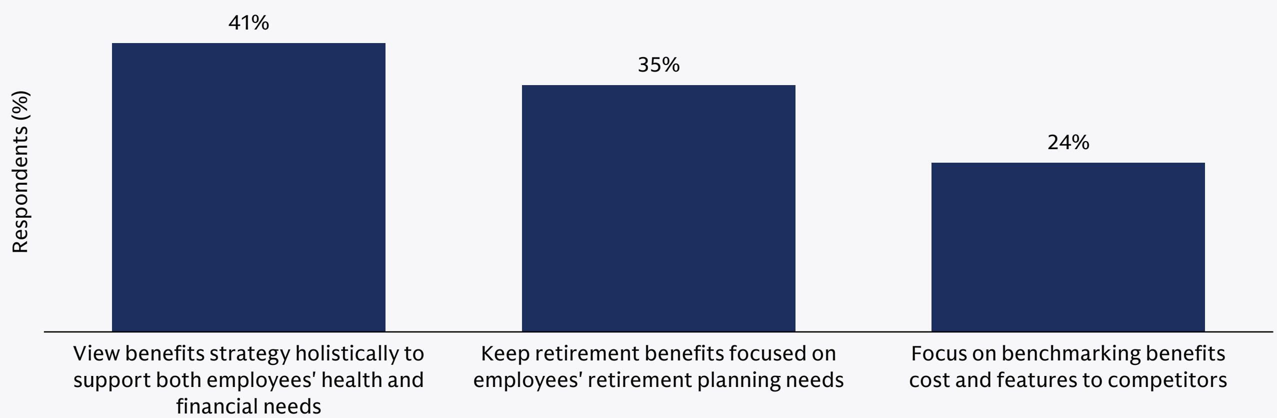
Holistic Support for Health and Financial Needs is Top Philosophy

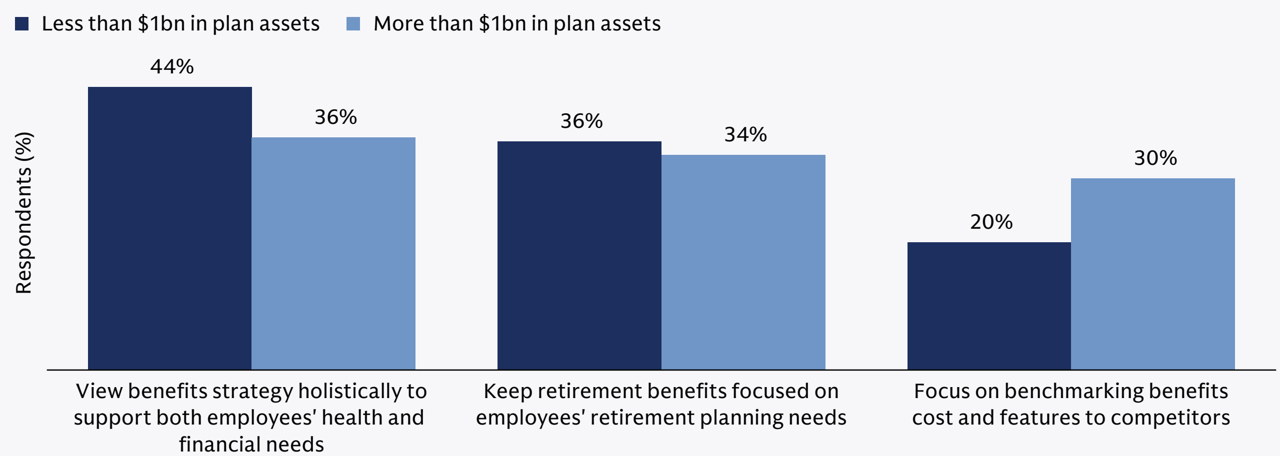
Plan sponsors possess diverse perspectives on the function of retirement plans within their overall employee benefits packages, with a holistic approach representing the most prevalent choice.

41% take a holistic approach, incorporating retirement into broader benefits for employee health and finances; 35% focus solely on retirement savings; and 24% benchmark costs and features for industry competitiveness.

Notably, when plan sponsors are segmented by defined contribution plan asset size, those with more than $1 billion in plan assets are more inclined to prioritize benchmarking as their primary objective, rather than adopting a more holistic perspective on employee well-being.

How Would You Best Describe Your Organization's Benefit Philosophy?





Top Priorities are Financial Stability, Retirement Readiness and Maximizing Employee Benefits

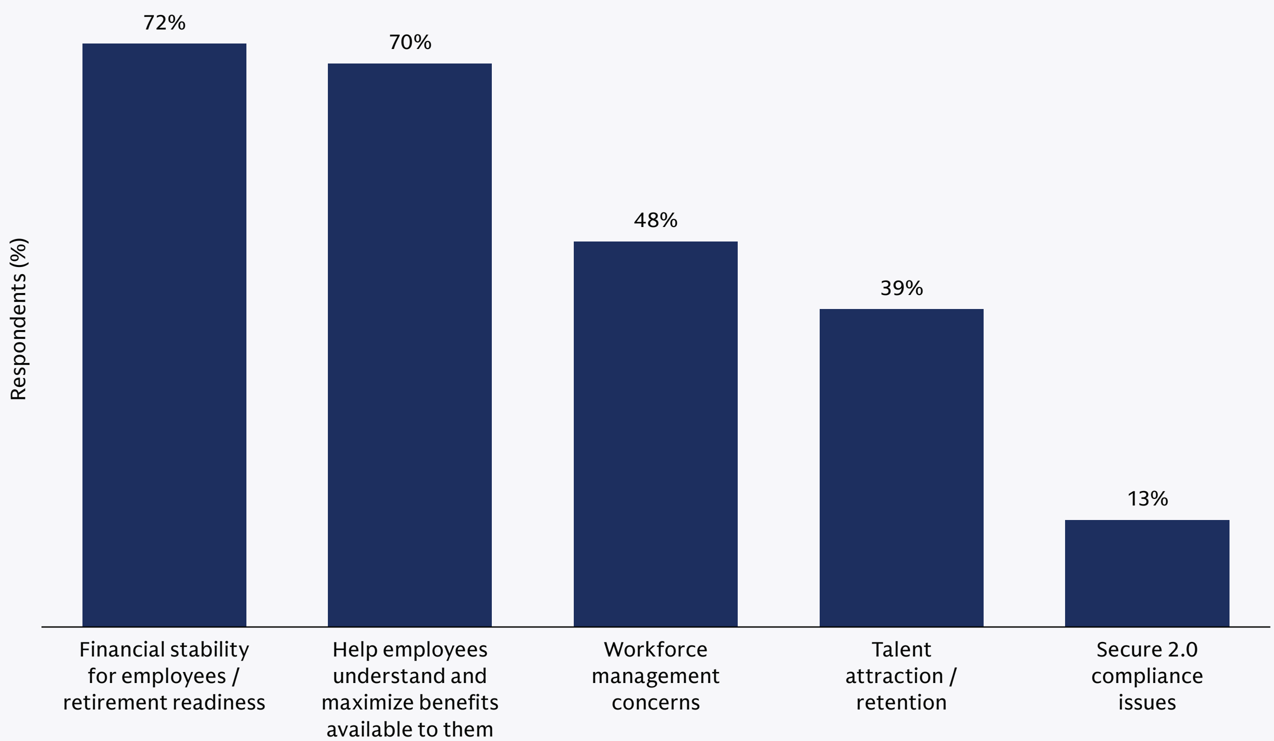
Employers are increasingly recognizing the profound impact of financial well-being on their workforce. Financial stress can lead to decreased motivation, reduced productivity, and increased healthcare costs. To address this, many employers are implementing comprehensive financial benefit programs that enhance plan design, and offer additional education, tools, and resources to help employees manage their money, reduce debt, and save for the future.

The top priorities among our survey respondents—approximately 70%—include enhancing employee financial stability and retirement preparedness, as well as promoting greater awareness and utilization of the current benefits.

Through clear communication, integrated education and benefits delivery, these sponsors can seek to improve optimization of existing offerings.

What are your organization's current top priorities in relation to your benefits program?

(Select all that apply)



Gaps in Plan Design May Lead to Retirement Savings Inadequacy

Ninety percent of plan sponsors believe there is an unmet need and/or demographic trend within their retirement plan offerings that requires attention. While there are many employee needs that plan sponsors believe are not being met, over half are concerned about the retirement readiness of their older employees and employees being able to save given other financial pressures.

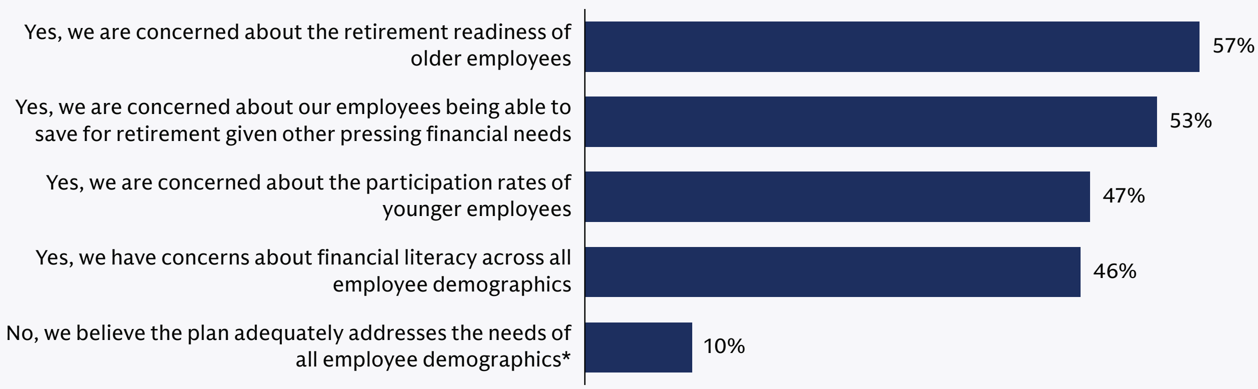
Sponsors attribute competing priorities and lack of investment confidence as the primary reasons employees struggle to keep their retirement savings on track.

A comparison between plan sponsor responses and those of surveyed working individuals reveals that both groups identify competing priorities as a significant obstacle to sufficient retirement preparation.

These findings underscore the need for employers to rethink plan design and the services offered to help employees navigate their financial journeys and achieve retirement security. What is available today doesn't seem to alleviate these challenges.

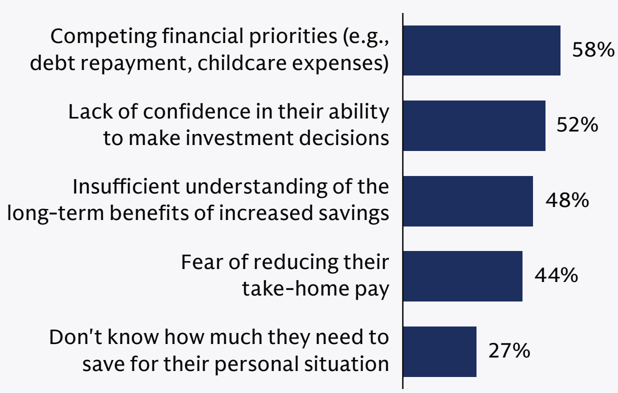
Are there any specific demographic trends or employee needs that you believe are not being adequately addressed by your organization's 401(k) plan / 403(b) plan?

(Select all that apply)



*Sponsors who answered no are excluded from the other responses in this question.

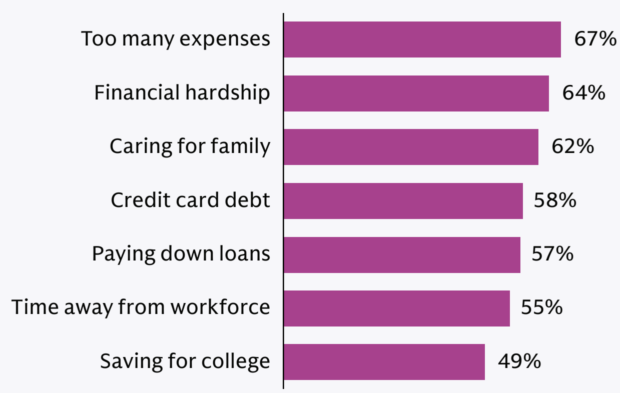
What are the top barriers you think prevent employees from saving sufficiently for their retirement?



2025 RETIREMENT SURVEY: WORKING RESPONDENTS

How strongly do the below affect your ability to save for retirement?

(Percentage who chose Extremely, Very, or Moderately)

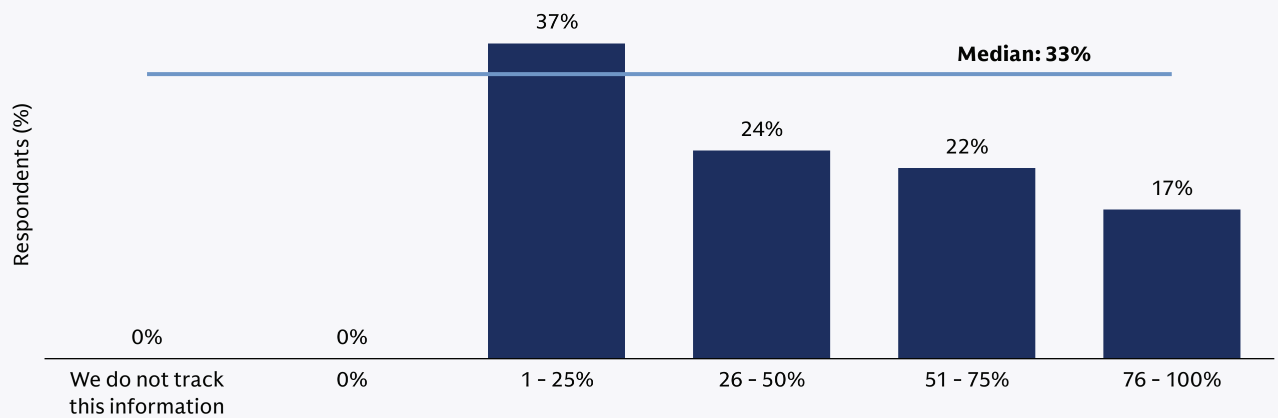


Plan Sponsors Believe Only 33% are On Track for Retirement

A notable disparity exists between plan sponsors' and employees' perceptions of what constitutes being ready for retirement. Plan sponsors estimate that a median of 33% of their employees are on track for retirement, with only approximately 40% of sponsors believing that more than half of their workforce is adequately prepared. This indicates a cautious outlook from the employer perspective.

In contrast, a significant majority of working individuals, 68%, report a more optimistic view of their own retirement preparedness, believing they are on or ahead of schedule for retirement. However, this optimism is further contradicted because 58% of these same working respondents express the belief they will outlive their savings. This gap highlights a critical area where personalized planning can help as many savers need more realistic planning assumptions that reflect their unique circumstances.

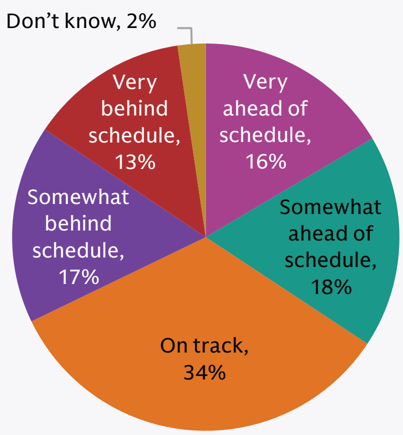
What percentage of your employees do you believe are on track for retirement?



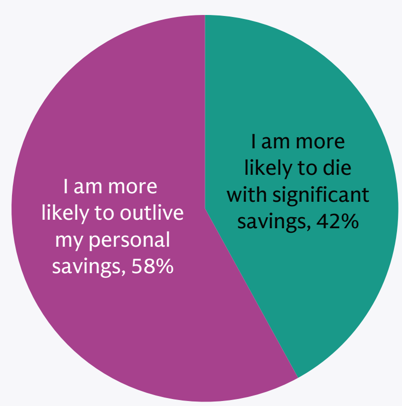
2025 RETIREMENT SURVEY: WORKING RESPONDENTS

What would you say your retirement savings are at this moment?

Please select one.



Please assess the likelihood you will either (i) outlive your savings or (ii) your savings will outlive you.



SECTION 02

Investment Menu Innovation

We investigated the investment menu considerations plan sponsors are evaluating as the investment landscape within retirement plans is undergoing substantial evolution. Our goal is to understand their perspectives on investment innovation, what strategies are under consideration and what barriers hinder the adoption across key investment trends.

Sponsors Consider Investment Menu Changes

Plan sponsors' top considerations for the next 12 months include enhancing inflation protection options (45%), adding personalized investment solutions like managed accounts (43%), and integrating private market strategies, specifically private equity or private credit (42%).

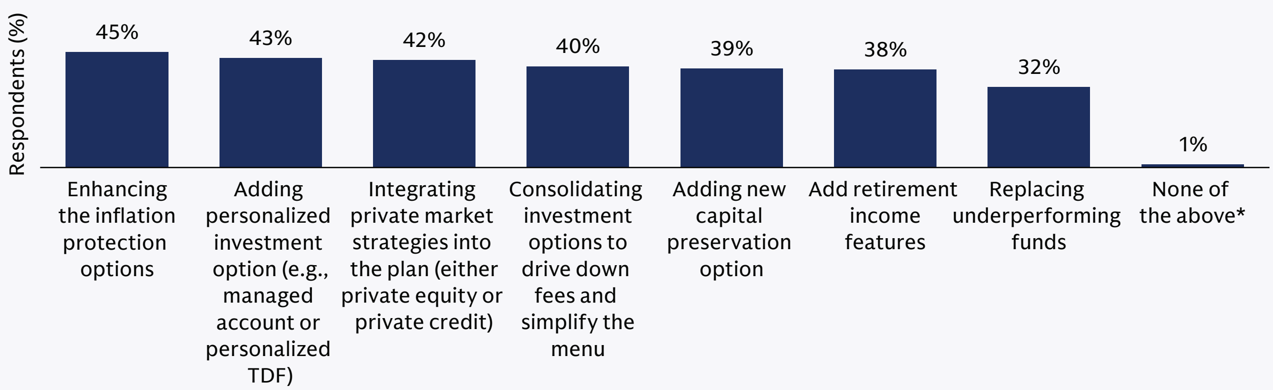
Due to the inflation spike and interest rate volatility during the post-COVID era, plan sponsors are showing increasing interest in inflation-protecting strategies which may include a broader basket of asset classes such as Treasury Inflation-Protected Securities (TIPS), real estate, commodities and infrastructure.

Personalized investment remains top of mind as plan sponsors seek to offer tailored strategies. Private market strategies are an emerging but significant trend and plan sponsors are exploring their potential to enhance returns and diversification.

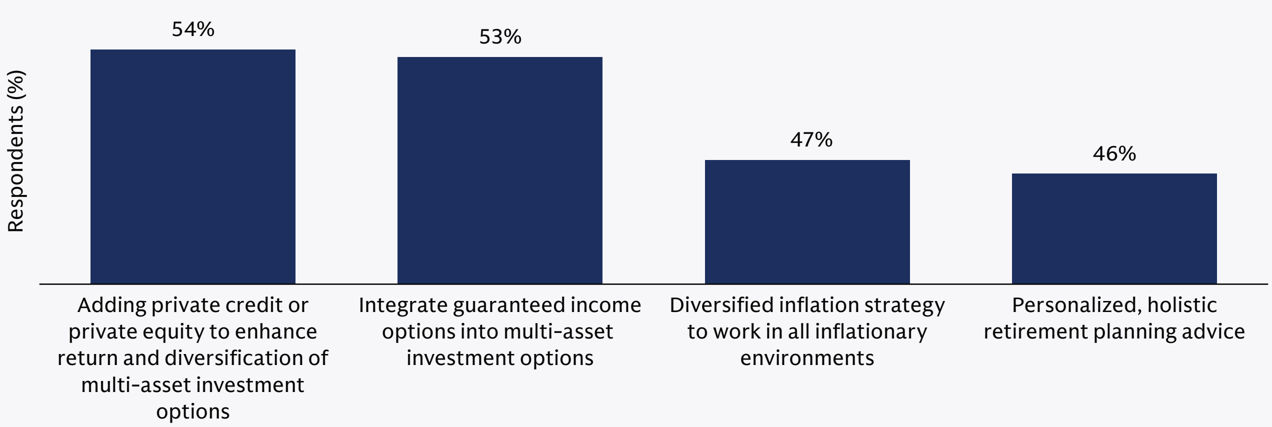
These insights signal a clear focus towards more sophisticated, personalized, and protective investment solutions for retirement plan participants.

What are the top investment menu changes your organization is considering making in the next 12 months?

Select all that apply.



What investment menu innovations would you like the industry to focus on?



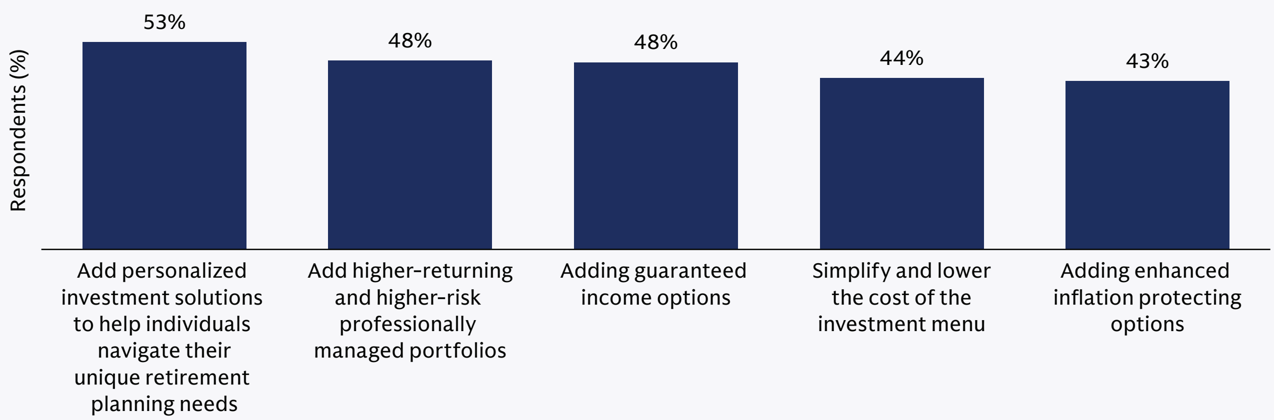
Personalized Investment Solutions is Most Desired Enhancement For Plan Participants

Plan sponsors have accurately identified what their participants want to support their retirement preparation. Personalized investment solutions is the top menu enhancement for both plan sponsors and participants.

Additionally, both plan sponsors and participants agree that higher-return, higher-risk portfolios are the second most desired enhancement.

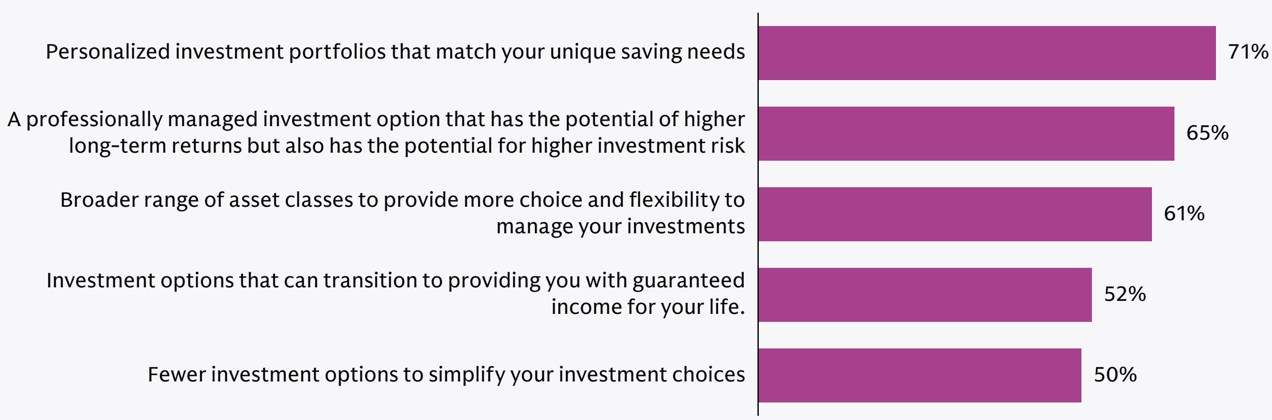
However, while plan sponsors also view guaranteed options as a top feature, plan participants prefer a broader range of asset classes as a higher priority to guaranteed options. In general, however, these preferences indicate a move toward more advanced and participant-focused retirement planning features.

Which plan design changes do you think are most desired by your plan participants?



2025 RETIREMENT SURVEY: WORKING RESPONDENTS

What investment menu enhancements to your employer-provided 401(k) plan would be most beneficial to help you manage your savings?



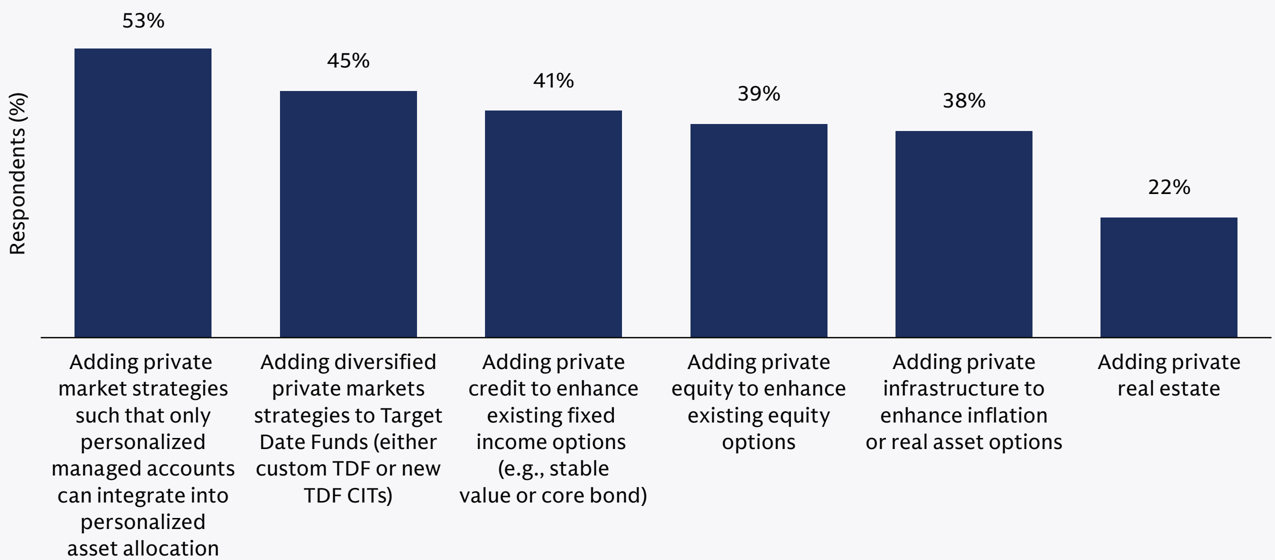
Percentages may not add up to 100% due to rounding.

Private Market Investments Most Likely Considered As Part of Managed Account or Target Date Fund

Plan sponsors are exploring avenues within retirement plans to integrate private markets. Top consideration is given to integration through managed account options (53%) and the second most likely approach is to add diversified private market strategies to Target-Date Funds (TDFs) or custom TDF series within the plan (45%). These methods aim to provide participants with diversified exposure and potentially enhanced returns but through professionally managed options.

Recognizing these challenges, the White House recently issued an Executive Order titled "Democratizing Alternative Assets for 401(k) Investors," initiating the process of developing new regulations that would provide plan sponsors with greater flexibility to assess and potentially incorporate these asset classes into defined contribution plans moving forward.

What are the top ways your organization would consider integrating private market strategies into your investment menu?



SECTION 03

Retirement Income Remains Top Consideration

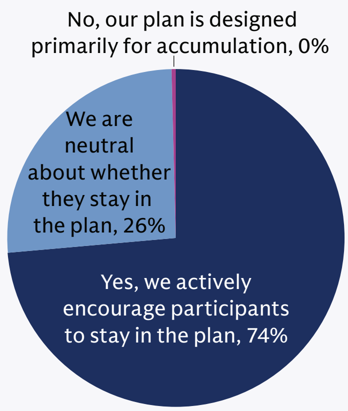
Retirement income continues to be a complex challenge for the industry, with a growing number of plan sponsors considering ways to offer solutions that extend beyond the accumulation phase. This section aims to illuminate the current sentiment of plan sponsors and the specific challenges they seek to address through various solutions for their plan participants.

74% of Plan Sponsors Encourage Participants to Stay In Plan; Account Consolidation May be Key to Retention

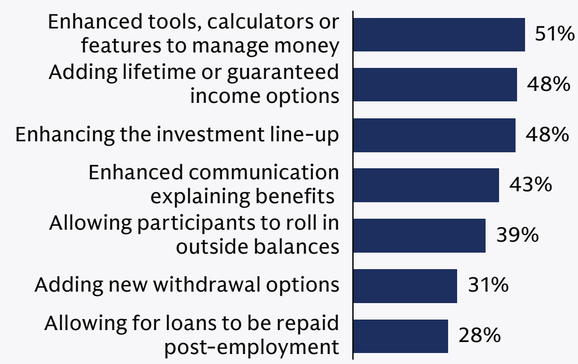
Plan sponsors are increasingly focused on retaining participants' assets post-termination or retirement, with 74% indicating a desire to do so. To encourage retention, sponsors primarily enhance tools for managing retirement finances (51%), add lifetime income options (48%), and broaden investment lineups for retirees (48%). Other strategies include improved communication on in-plan benefits, allowing rollovers into their plans, and introducing new withdrawal options.

In our Retirement Survey & Insights Report which surveys working and retired individuals, 53% of retirees consolidated their savings into an Individual Retirement Account (IRA), with 63% citing simplification and account consolidation as the primary reason. This suggests that plan sponsors may need to offer ways to consolidate retirement plan benefits as individuals are looking for a more streamlined way to manage their savings collectively.

Does your organization's 401(k) plan / 403(b) plan seek to retain participants' assets in the plan after termination or retirement?

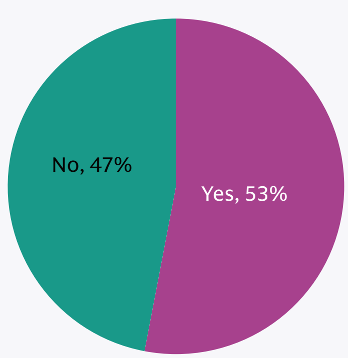


How are you encouraging participants to stay in the 401(k) plan / 403(b) plan?

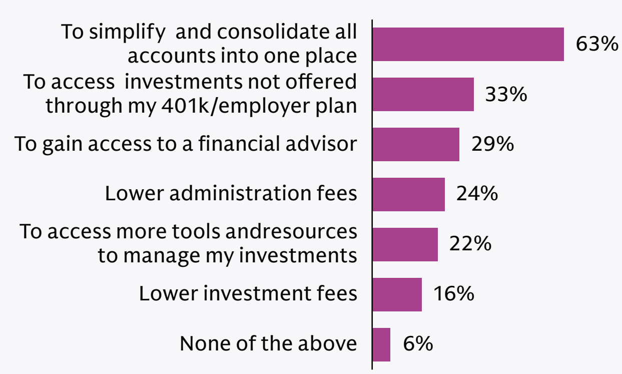


2025 RETIREMENT SURVEY: RETIRED RESPONDENTS

Upon retirement, did you consolidate your retirement accounts to an IRA?



What were the primary reasons you consolidated your savings into an IRA?

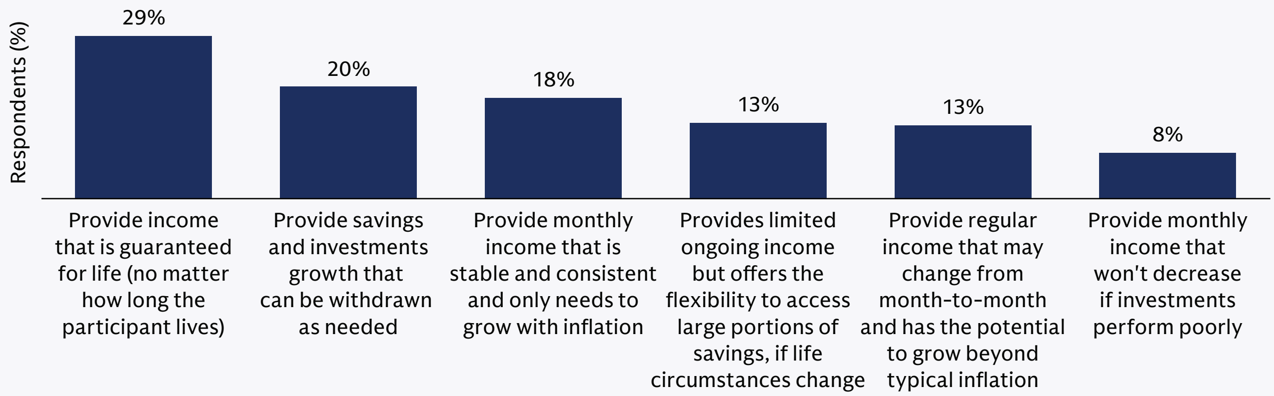


Providing Income that is Guaranteed For Life is Top Retirement Income Objective

Retirement income strategies involve several trade-offs making it essential to understand the primary motivations behind offering these solutions. Among plan sponsors, the top objective is to provide income that is guaranteed for life (29%) relative to other stable income or growth-oriented options. Next in importance are investments that provide growth (20%), and the third ranked option is stable and consistent income that only needs to grow with inflation.

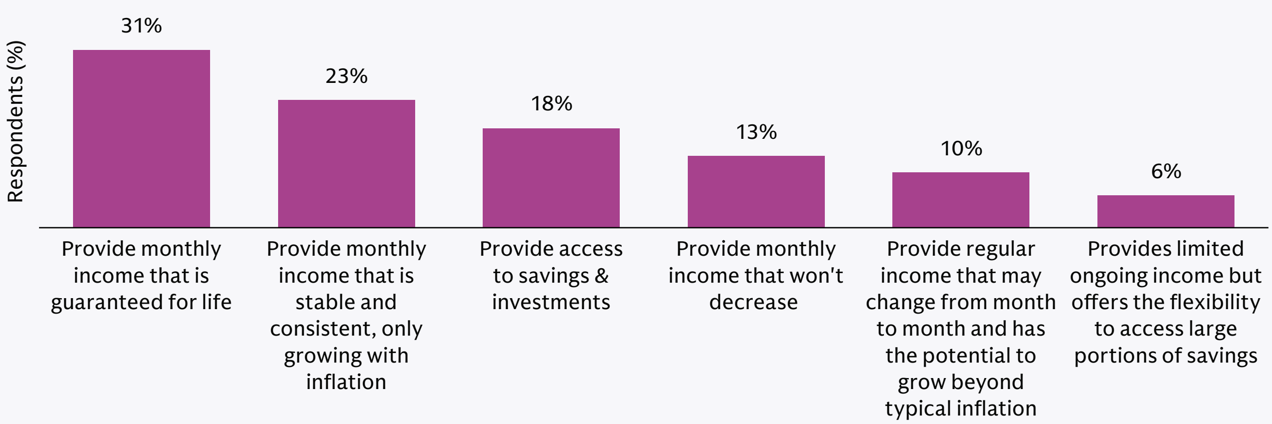
Importantly, plan sponsors' responses closely match those of both working and retired individuals, demonstrating a strong alignment between sponsors and participants.

As a plan sponsor, what would be your primary goal for offering retirement income in your organization's 401(k) Plan / 403(b) Plan?



2025 RETIREMENT SURVEY: WORKING & RETIRED RESPONDENTS

If you could select a retirement income strategy for your personal savings to complement your social security income, which best aligns with your needs?

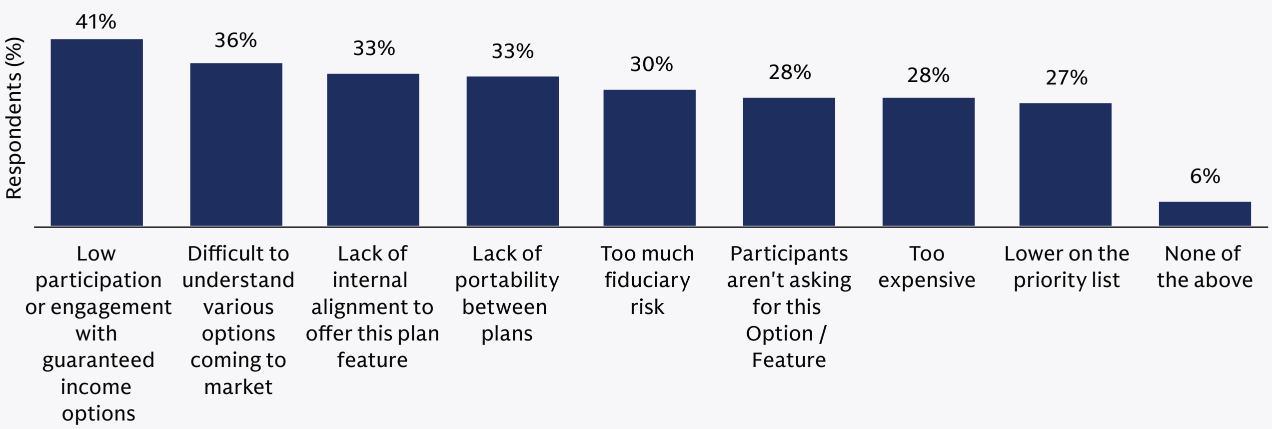


Low Participation is Top Barrier to Offering Guaranteed Income

An inquiry into the primary impediments to offering guaranteed income solutions revealed several key challenges for plan sponsors. The most frequently cited barrier was low participant engagement (41%), indicating a struggle to motivate participants to utilize these options, often due to the inherent complexity of understanding annuities and other guaranteed income products. Furthermore, plan sponsors expressed concerns regarding the difficulty in understanding new market offerings (36%) and a lack of organizational alignment to offer these options coupled with portability issues, which jointly constituted the third most significant obstacle (33%).

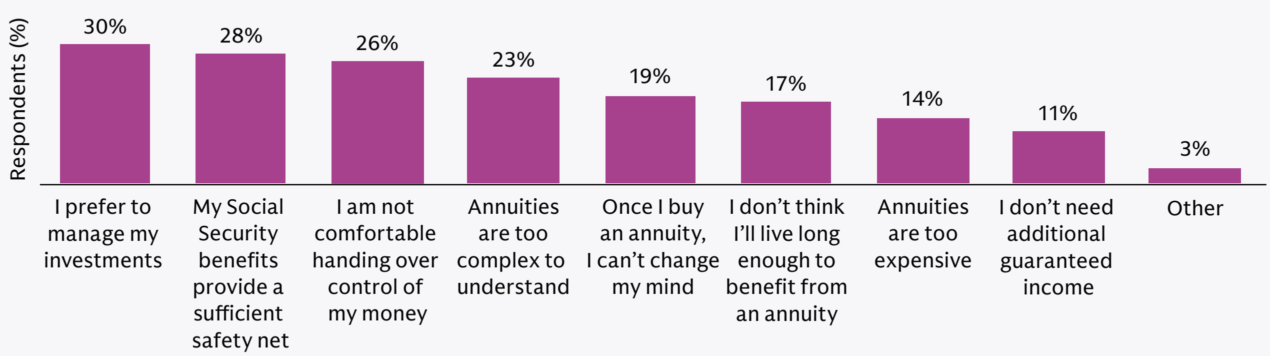
In both the working and retired cohorts, a significant number of respondents expressed a preference for maintaining financial autonomy in retirement (i.e., managing their investments themselves). Also, the second key reason for not utilizing guaranteed income is that for some Social Security provides a sufficient income. This perspective, among others, contributes to the slow adoption of guaranteed income options among plan participants.

What are the biggest barriers to offering guaranteed income options in your plan?



2025 RETIREMENT SURVEY: WORKING & RETIRED RESPONDENTS

Which of the following are the three most important reasons why you prefer not to rely on annuity income during retirement?



SECTION 04

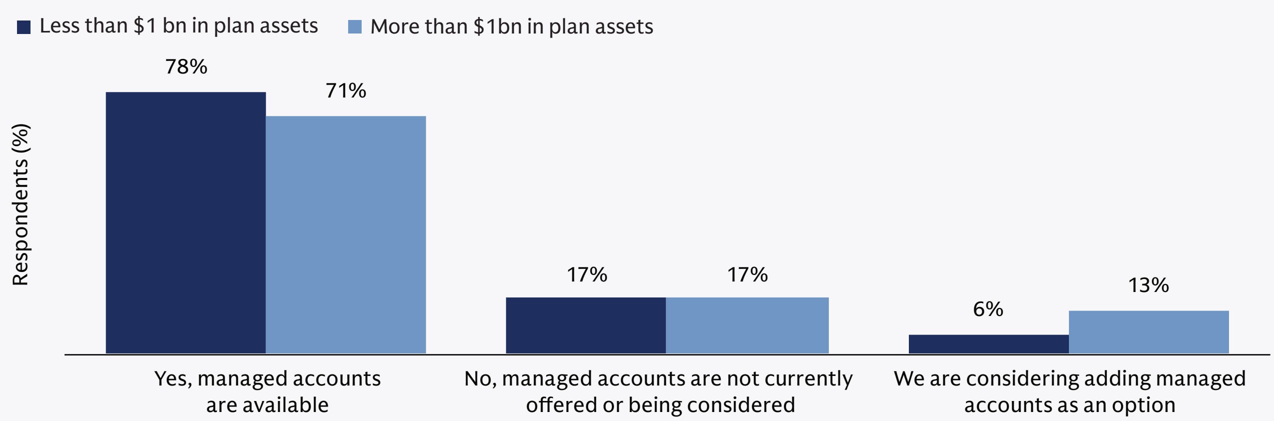
Advice & Managed Accounts

The increasing complexity of retirement savings challenges and the sophistication of emerging plan design solutions necessitate a growing emphasis on comprehensive education and advice services. This section explores the key features of managed account platforms and their capacity to address comprehensive financial needs, alongside the specific services plan sponsors prioritize for their employees.

Access to Personalized Managed Accounts Continues to Grow

The adoption of in-plan advice, particularly managed accounts, is becoming a prevalent strategy among plan sponsors. Currently, three-quarters (75%) of plan sponsors offer in-plan advice, with an additional 9% actively considering the integration of managed accounts. A smaller segment, comprising 17% of sponsors, indicates no current plans to add managed accounts to their offerings. This trend underscores the recognition among plan sponsors of the value in providing professional guidance and advice within their retirement savings plans.

Does your 401(k) plan / 403(b) plan offer managed accounts as a retirement planning service for participants?



Percentages may not add up to 100% due to rounding.

Custom Configuration to Plan is Top Desired Capability

When evaluating retirement planning and managed account programs, plan sponsors prioritize specific features. The foremost consideration, cited by 59% of respondents, is the capacity to customize and configure advice and investments to align with key retirement plan features offered by the specific company, such as company stock, pension benefits, or guaranteed income options. This shows that employers want employees to maximize the value of their current benefits, a key priority identified earlier in this report.

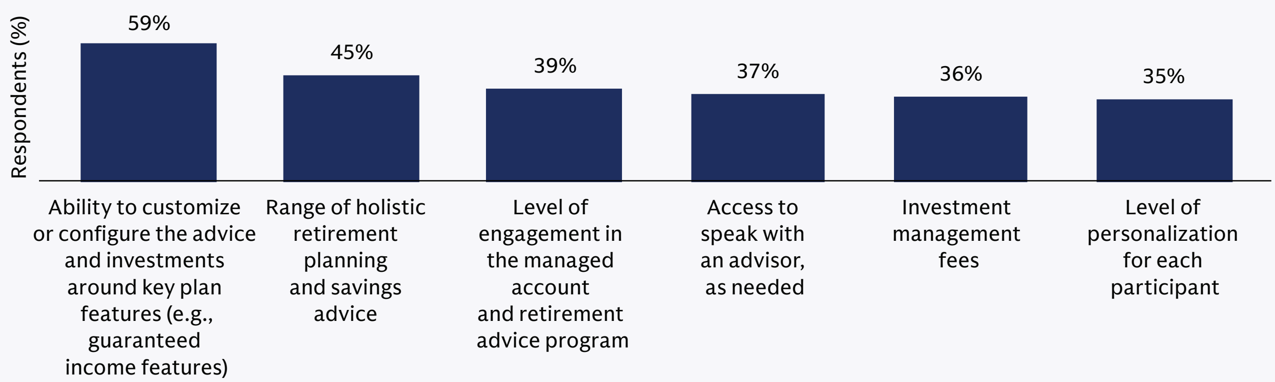
Following this, 45% of plan sponsors emphasize the importance of a broad spectrum of retirement planning and savings advice that extends beyond the investment portfolio. The third most significant factor, at 39%, is the ability of the managed account service provider to engage participants.

One of the perceived challenges with offering in-plan advice is that managed accounts have historically been viewed as an investment-only solution. However, the leading feature, according to 44% of plan sponsor respondents, is the provision of integrated digital financial tools, comprehensive education, and robust retirement planning functionalities.

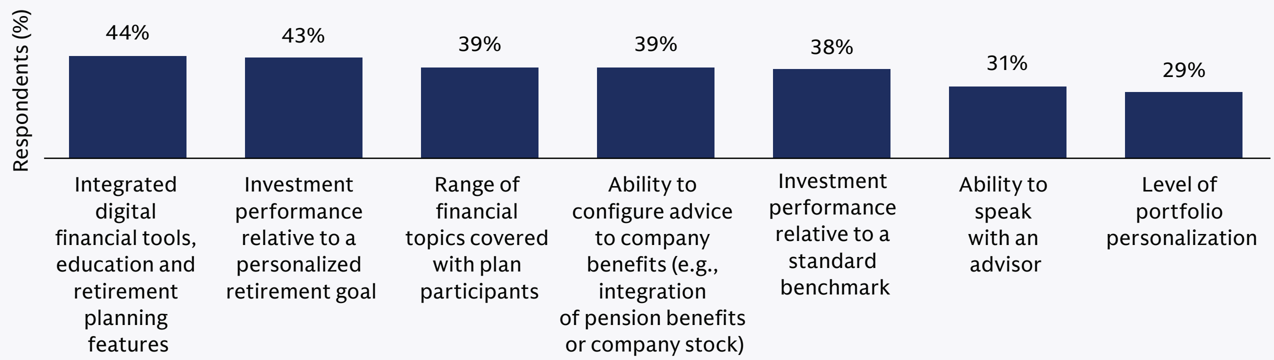
43% of sponsors highlight investment performance relative to personalized retirement goals as a key value driver as well as the breadth of financial education and topics (39%,) offered to participants.

All of these priorities illustrate the importance of broader education and advice within the context of providing a personalized investment solution.

What features of the retirement planning / managed account program are / would be most important to your organization?



What features / services of a holistic retirement planning service which includes managed accounts, do you believe provides the most value to plan participants?



Conclusion

This study highlights that sponsors are acutely aware of the financial challenges hindering individuals' adequate retirement preparation. Consequently, they are increasingly prioritizing personalized investment and advice solutions, enhanced participant engagement, and the evaluation of innovative strategies to foster improved retirement outcomes.

Goldman Sachs Asset Management is dedicated to understanding the complexities of managing these programs and supporting the strategic priorities that drive continuous enhancement of workplace retirement plans.

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