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Three ways 401(k) plan sponsors can help improve participants' retirement readiness

In the fall of 2025, Nuveen and the TIAA Institute surveyed over 2,100 participants in 401(k) plans about their retirement preparedness. The research explored participants' understanding of retirement concepts as well as their withdrawal planning experiences with employer-provided tools and education. The findings shed light on three ways plan sponsors can take an active role in preparing employees to convert their retirement savings into income.¹



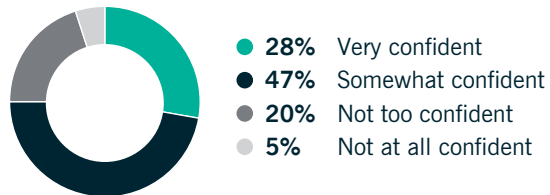
NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

#1: Ease the burden

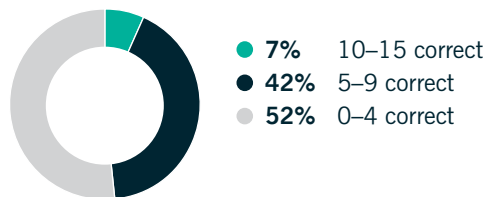
One-in-four 401(k) participants are not confident they'll retire when they want, with the lifestyle they desire—and only 28% are very confident.

Confidence and education gaps exist

Participant confidence in timing and quality of retirement



On average, 401(k) participants correctly answered just one-third of 15 questions on retirement fluency topics. More than half correctly answered four questions or fewer, and only 7% correctly answered 10 or more.



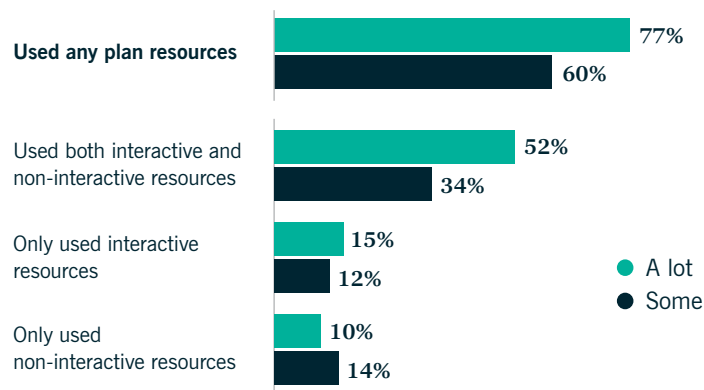
To address gaps in confidence and knowledge, plan sponsors should provide education related to saving for retirement and withdrawing for retirement income. Education should include information on annuities and other retirement-related topics such as Social Security, Medicare and long-term care.

#2: Provide tools and resources to encourage plan engagement

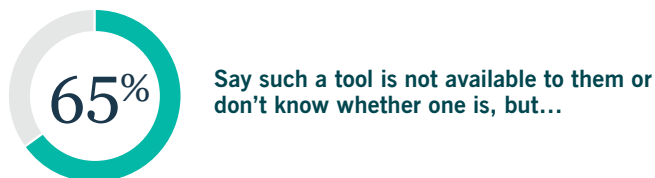
Two-thirds of participants who have thought a lot about converting their 401(k) savings into retirement income report being very confident in choosing the best way to do so, compared to the less than one-in-three participants who have only thought about it some. The key differentiator between the two groups is greater use of plan-provided resources, including both interactive and non-interactive tools.² Furthermore, while plan resources can boost participant confidence in retirement savings conversion, many participants don't know what tools exist—but they are interested in using them if available.

Usage and awareness are key

Use of plan-provided resources among those who have thought about withdrawal planning a lot vs. some



Among participants who didn't use plan-provided interactive tools for withdrawal planning



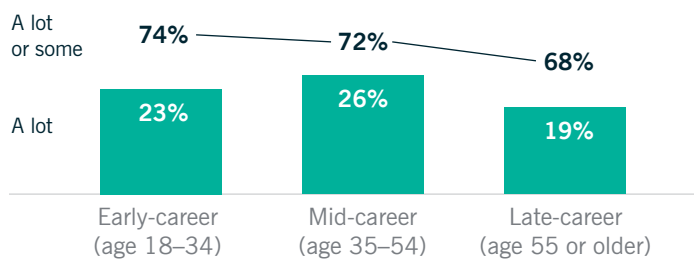
Plan sponsors should offer a full range of complementary interactive and non-interactive tools, supported by a strong communications strategy to drive awareness and usage.

#3: Meet participants where they are in the planning cycle

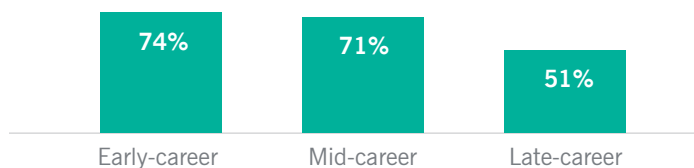
In general, employees at various stages of their careers think about withdrawal planning differently. Surprisingly, despite their proximity to their retirement age, only about two-thirds of late-career 401(k) participants have given serious thought about how to withdraw retirement income from their 401(k) savings. And those who *have* thought about it are less likely than their younger peers to use plan-provided resources, both interactive and non-interactive, in the process.

Engagement varies by career stage

How much participants have considered how they will withdraw money from their 401(k) for retirement



Use of any plan-provided resource among those who have given withdrawal planning some or a lot of thought



Interactive tools enable customization across life stages and increase engagement. Thus, plan sponsors should tailor communications by age cohort while providing and promoting interactive resources designed for participants at different points in their careers.

How to incorporate survey insights into plan design

Providing tools and resources to boost employee understanding and confidence is crucial, but integrating a lifetime income solution into the plan menu may be the most important step for a plan sponsor.



Add lifetime income to the plan menu

Lifetime income solutions are highly sought after and can be intuitive for participants,³ and they can be straightforward for plan sponsors to implement.



Use target date funds with embedded lifetime income

With set-it-and-forget-it glidepaths, target date strategies are a strong fit for lifetime income options, particularly as a Qualified Default Investment Alternative (QDIA), making saving and income generation simple and promoting early planning.

About the TIAA Institute

Since 1998, the TIAA Institute has helped advance the ways individuals and institutions plan for financial security and organizational effectiveness. The Institute conducts in-depth research, provides access to a network of thought leaders and enables those it serves to anticipate trends, plan future strategies and maximize opportunities for success. To learn more, visit tiaainstitute.org.

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For more information, visit nuveen.com/participant-perspectives-2026.

Endnotes

- 1 Source for all data unless otherwise stated: Nuveen and TIAA Institute, “401(k) participant behavior: Knowledge and action,” 2026.
- 2 Interactive tools give personalized and dynamic feedback based on the participant’s unique situation; non-interactive resources include educational resources that are not specific to the individual.
- 3 Source: Nuveen and the TIAA Institute, “Retirement savings to retirement income: 401(k) participant perspectives,” 2025.

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