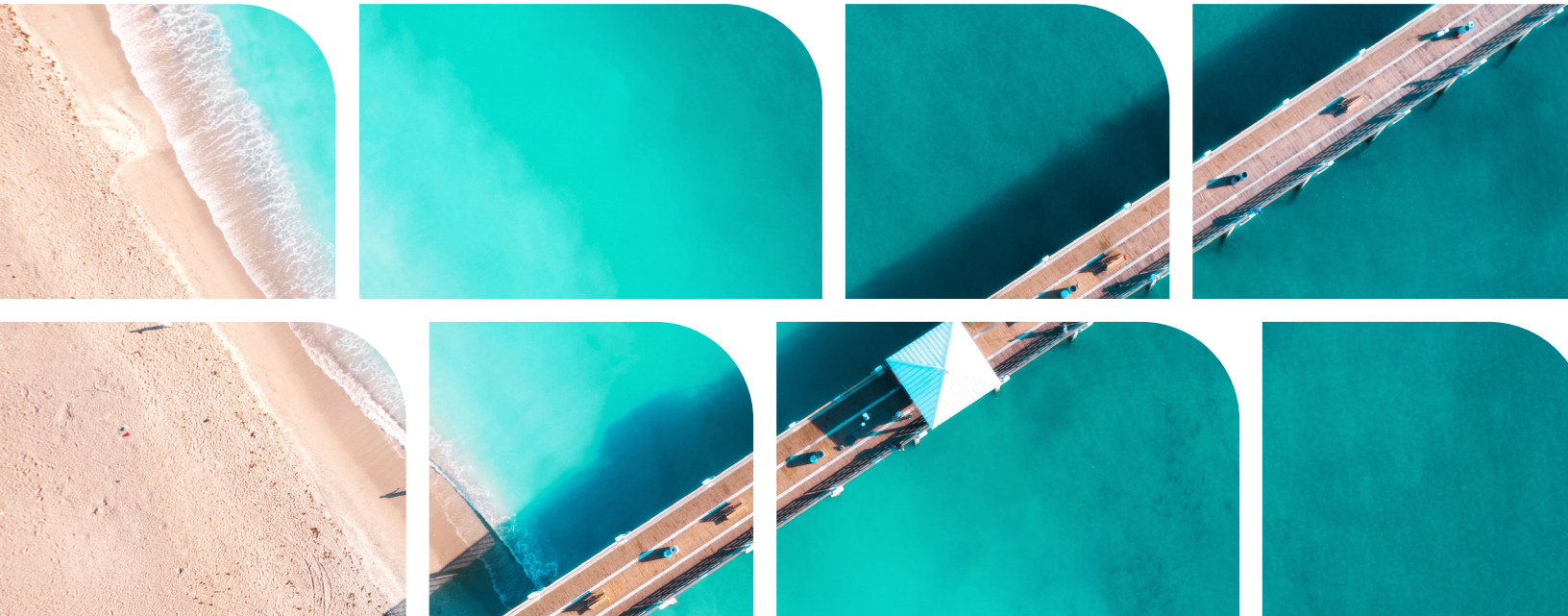


# nuveen

A TIAA Company

## 401(k) participant behavior: knowledge and action



### Insights on participant retirement preparedness and implications for plan sponsors

With over \$8 trillion in assets spread across 725,000 plans serving 80 million active participants, 401(k) plans surpass pensions as the primary employer-provided retirement savings vehicle in the private sector.<sup>1</sup> Plan sponsors are focused on helping participants prepare for their post-work years, with nearly 90% of large institutional consultants saying the top priority for their plan sponsor clients is to find solutions for income generation during participants' retirement.<sup>2</sup> The pursuit of lifetime income has become a challenge for the defined contribution (DC) industry, and the insights that plan sponsors need can be found in their participants' perspectives and behaviors.

Nuveen has long been at the forefront of exploring and developing lifetime income solutions to improve retirement

outcomes for 401(k) participants. To continue moving the industry forward, Nuveen collaborated with the TIAA Institute in the fall of 2025 to survey over 2,100 participants on their retirement preparedness. The survey covered topics including participants' retirement fluency and longevity literacy, planning for withdrawals during retirement and experiences with employer tools and education. The findings, which complement those from a 2024 Nuveen and TIAA Institute study showing strong demand for lifetime income solutions including annuities,<sup>3</sup> suggest many participants are unprepared for the transition from saving to spending. This challenge presents opportunities for plan sponsors to strengthen participants' retirement readiness through better tools, education and plan design.

***This executive summary briefly explores the three main findings and implications for DC plan sponsors from the Nuveen and TIAA Institute 2025 Participant Sentiment Survey on Lifetime Income. Access the full report at [nuveen.com/participant-perspectives-2026](https://nuveen.com/participant-perspectives-2026).***

1 Source: EBSA, 2025.

2 Source: PIMCO 2024 18th Annual Defined Contribution Consulting Study

3 Source: Nuveen and the TIAA Institute, 2024, "Retirement savings to retirement income: 401(k) participant perspectives"

**FINDING #1:**

## Too many 401(k) participants are planning in the dark

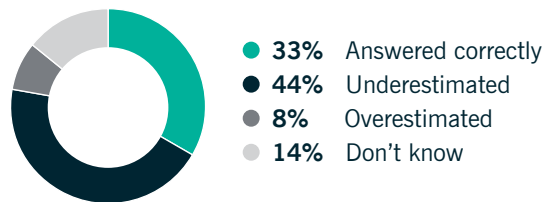
A 401(k) participant’s financial wellbeing in retirement depends on accumulated savings and how that savings is converted to income—and a range of other decisions as well. Furthermore, they make decisions not knowing how long retirement will last. Retirement fluency and longevity literacy enable appropriate decision-making in this context. Unfortunately, both tend to be poor among 401(k) participants.

The survey assessed participants’ retirement fluency with fifteen questions covering five topics: Social Security benefits, Medicare benefits, saving for retirement, making retirement withdrawals from savings, and long-term care. 401(k) participants correctly answered only 32% of the questions, on average.

In terms of longevity literacy, only one-third of 401(k) participants can correctly identify how long individuals typically live after reaching age 65.

### Longevity literacy among 401(k) participants is lagging

**Q: On average in the U.S., how long will a 65-year-old live?**



Source: Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income (2025).

### Implications for plan sponsors

Poor retirement fluency and longevity literacy signal knowledge gaps that can lead to suboptimal decisions, which lower financial wellbeing in retirement. Employers should provide clear, robust educational resources on retirement- and longevity-specific topics, delivered through multiple approaches, including interactive tools tailored to participants’ career stages.

**FINDING #2:**

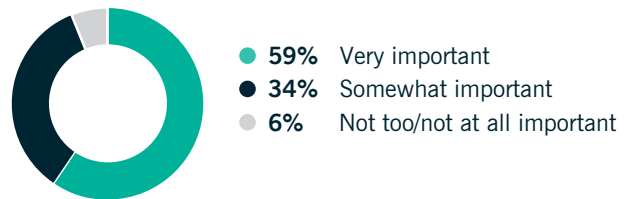
## There is a withdrawal planning gap

Withdrawal planning and preparation vary significantly among plan participants. While most (71%) say they have thought about how they will withdraw money from their 401(k) income in retirement, far fewer participants have given the issue serious consideration. Only 22% say they have thought about withdrawal strategies “a lot,” while about half have thought about it “some,” and the remainder have given it little to no thought.

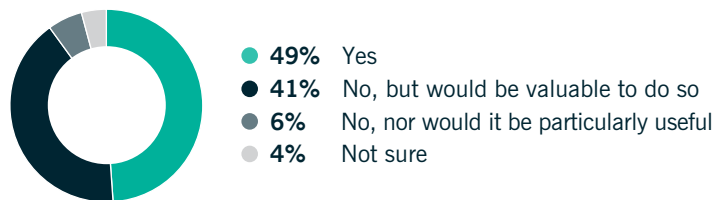
This gap is significant because withdrawal decisions are among the most complex and consequential choices retirees face, requiring careful planning before retirement. Given the importance of these decisions, most participants believe help from their employers would be valuable.

### Participants expect more from their employers

**Q: How important is it for employers to provide resources to help employees determine how best to withdraw money from their 401(k) during retirement?**



**Q: Do employers have a responsibility to provide employees with guidance on withdrawing money from their 401(k) during retirement?**



Responses from among those who have thought about retirement withdrawals a lot or some. Totals may not add due to rounding.

Source: Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income (2025).

### Implications for plan sponsors

Plan sponsors should meet participants’ expectations when it comes to helping them plan for withdrawals. The fact that most participants think it’s important for an employer to do so—and about half think it’s the employer’s responsibility—underscores the desire not only for information, but for structured guidance that can translate abstract concepts into practical decisions.

Employers should provide comprehensive withdrawal planning resources designed to foster understanding, engagement and confidence. Also, given participant demand for lifetime income solutions including annuities<sup>4</sup> employers should ensure content covers annuitization options.

4 Source: Nuveen and the TIAA Institute, 2024, “Retirement savings to retirement income: 401(k) participant perspectives”

**FINDING #3:**

## The participant experience is critical

Access to planning tools alone is not enough. What differentiates participants who have thought “a lot” about withdrawal planning from those who have thought “some” or “little-to-none” is greater use of plan provided resources—and a better experience with those resources. Engagement is driven not just by availability, but by quality.

A positive participant experience is characterized by tools that participants perceive as helpful, engaging and trustworthy. Survey results showed that participants who think about withdrawal planning some or a lot report a positive experience across all these factors, but more so among those who’ve thought about it a lot.

In addition, the use of plan-provided resources appears to improve retirement withdrawal confidence. Among those who have done at least some withdrawal planning and who used both interactive and non-interactive resources, more than half are very confident that they’ll choose the best way to withdraw money when they retire. On the other hand, only about a quarter of participants who did not use these resources said they are very confident.

### Confidence is bolstered by employer-provided resources

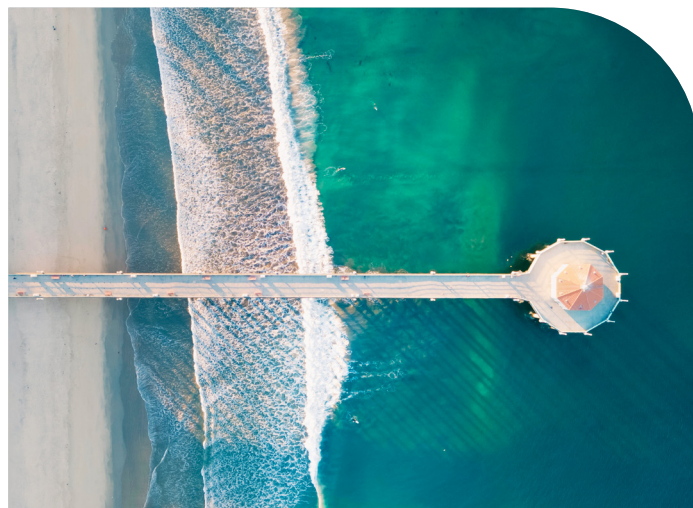
**Q: Are you confident that you will choose the best way to withdraw money from your 401(k) to provide yourself with income during retirement?**

	<b>Very confident</b>
Those who used both interactive and non-interactive withdrawal resources	<b>53%</b>
Those who used interactive only	<b>39%</b>
Those who used non-interactive only	<b>38%</b>
Those who did not use either type of withdrawal resource	<b>28%</b>

Responses from among those who have thought about retirement withdrawals a lot or some.  
Source: Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income (2025).

### Implications for plan sponsors

When employees believe that their employer is providing helpful, unbiased resources to support long-term financial wellbeing, it strengthens the employer’s value proposition. Thus, plan sponsors should carefully evaluate not only what resources are offered, but how participants experience them. Plan sponsors that provide tools with intuitive design, clear communication and thoughtful integration across the participant journey can boost confidence and build trust while supporting better retirement outcomes. The result: participants are more likely to view their retirement plan as a benefit rather than an obligation, increasing satisfaction and confidence.



## Solutions that may help enhance 401(k) plans

Findings from the survey suggest that improving outcomes will require more than education, tools and resources. Participants also need investment solutions that help them plan for and sustain income throughout retirement. This is especially important given the wide range of participation styles—from highly engaged planners to those who prefer auto-enrollment and default options.

Lifetime income solutions and target date funds can play a critical role. Target date funds provide age appropriate asset allocation and are widely used as default investment options. When embedded with a lifetime income feature, they can offer a pathway from accumulation to income that supports stability and predictability in retirement.

These solutions can complement personalized planning efforts for participants who are actively engaged, while helping manage risk and support income sustainability for those who are less engaged. In both cases, lifetime income options can help address longevity risk and reduce uncertainty about retirement spending.

Plan sponsors should consider the benefits of adding lifetime income options, including target date funds embedded with a lifetime income solution, in their 401(k) plans. Doing so can create a more diversified and robust retirement solution, support a broad range of participant needs and help bridge the gap between saving and spending in retirement.

## Strategic implications for plan sponsors

### 1 Few participants plan seriously for retirement income—401(k) plan design can encourage it

Only 22% of participants have thought “a lot” about withdrawal planning. For the majority who arrive at retirement without a strategy, education alone won’t close the gap. Embedding lifetime income within default investment structures, such as target date funds with guaranteed income built in, protects disengaged participants while still serving those who actively plan. Default-ready design is not a workaround; it is the most equitable solution available.

### 2 Starting the income journey earlier protects the participants from difficulty later

Limited engagement, longevity underestimation and deferred planning all point to the same conclusion: solutions must begin building toward guaranteed income earlier in the accumulation phase—well before participants are ready to think about it themselves. Target date structures engineered to incorporate lifetime income earlier in the glidepath address this directly.

### 3 Focusing on the participant experience can motivate planning and help shape outcomes

The participant experience is itself a reflection of the plan sponsor’s commitment to its workforce. Retirement tools and resources that are designed well and properly communicated reinforce the employer’s role as a steward of financial wellbeing and drive better engagement, confidence and retirement outcomes for participants.

## About the TIAA Institute

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Nuveen, the investment manager of TIAA, offers a comprehensive range of outcome-focused investment solutions designed to secure the long-term financial goals of institutional and individual investors. Nuveen has \$1.4 trillion in assets under management as of December 31, 2025, and operations in over 25 countries. Its investment specialists offer deep expertise across a comprehensive range of traditional and alternative investments through a wide array of vehicles and customized strategies. For more information, please visit [nuveen.com](https://nuveen.com).

## For more information, visit [nuveen.com/participant-perspectives-2026](https://nuveen.com/participant-perspectives-2026).

### Endnotes

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income refers to the income received from a guaranteed-interest annuity contract, not income provided by a defined benefit pension plan. Converting some or all of your savings to income benefits (referred to as “annuitization”) is a permanent decision. Once income benefit payments have begun, you are unable to change to another option.

### Important information on risk

**Past performance is no guarantee of future results. All investments carry a certain degree of risk, including the possible loss of principal, and there is no assurance that an investment will provide positive performance over any period of time. Certain products and services may not be available to all entities or persons. There is no guarantee that investment objectives will be achieved.**

The target date fund is a fund of funds subject to the risks of its underlying investments in proportion to each fund’s allocation. There is no guarantee the target date fund investment objectives will be achieved. The fund’s investments are adjusted from more aggressive to more conservative over time as the target retirement date approaches. The principal value of a target-date fund isn’t guaranteed at any time, including at the target-date, and will fluctuate with market changes.

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