

Retirement Times

Retirement Savings Rate Reached an All-time High in 2025



U.S. retirement savings metrics continued to strengthen in 2025, with 45% of participants increasing their contributions and the average total savings rate reaching a record 12.1%, according to Vanguard's How America Saves 2026. Average account balances rose 13% year over year. Moreover, during periods of market volatility, only 5% of participants made investment changes, while only 1% of those invested entirely in a single target date fund (TDF) did so.

The findings suggest participants are continuing to build stronger savings habits and are showing a willingness to stay the course during uncertain times.

Automatic Features Drive More Savings

The use of automatic enrollment has more than tripled since 2006. Among plans that offered auto-enrollment in 2025, some 70% included automatic annual deferral increases. Auto-enrollment continued to have a significant impact on plan participation. Vanguard found that plans with auto-enrollment had a 94% participation rate, compared to 64% for plans relying on voluntary enrollment — a 30% increase. Plans are also implementing higher default contribution rates. Some 62% of plans now default employees at a deferral rate of 4% or higher, compared to 43% of plans in 2015.

Auto features also contributed to higher overall savings. Looking across all eligible employees, including those who never enrolled, automatic enrollment plans produced an average savings rate of 12.2%, compared to 7.5% for voluntary enrollment plans. The gap reflects substantially higher participation in automatically enrolled plans.

TDFs Also Help

Some 96% of all Vanguard managed plans now offer TDFs in their plan line-ups, and 98% of plans use TDFs as the qualified default investment alternative (QDIA). Furthermore, Vanguard data shows that some 84% of participants used TDFs when offered, and 73% of target-date investors had their entire account invested in a single TDF.

TDF investors showed notable discipline during a volatile period. During the spring of 2025, 21% of trading days saw a change in stock prices of $\pm 1\%$, and 2% saw a change of $\pm 3\%$.

TDFs are investment vehicles designed to provide investors with a retirement savings over time by automatically adjusting the TDF asset allocation mix along the risk spectrum as the investor approaches retirement age. The TDF includes a year (vintage) in its name, which is generally when the investor plans to start redeeming from the TDF, unless it is a retirement vintage designed for those who are retired. Generally, the TDF initially has more exposure to equities early on and more exposure to fixed income the TDF approaches its target date. A TDF is not guaranteed at any time, including at and after the target date; it does not guarantee sufficient income in retirement.

Sources:

<https://corporate.vanguard.com/content/corporatesite/us/en/corp/who-we-are/pressroom/press-release-vanguards-twenty-fifth-how-america-saves-reveals-quiet-retirement-revolution-061626.html>

<https://workplace.vanguard.com/content/iig-transformation/pdf/how-america-saves-2026.html>

SECURE 2.0 Plan Amendments Are Due by Year-End

Qualified retirement plans must adopt written amendments for SECURE 2.0 changes by December 31, 2026. The deadline applies broadly, and even plans that elected no optional provisions must amend for mandatory changes like the increase in the required minimum distribution age.



Collectively bargained plans have until December 31, 2028, and governmental plans until December 31, 2029.

The amendment formalizes changes that many plans have already been administering operationally since each provision took effect. Topics plan sponsors and their advisors should review together include auto-enrollment and escalation rules, catch-up contribution changes, Roth designation requirements, long-term part-time employee eligibility, emergency and hardship distribution updates, and the updated cashout threshold.

Participant Notice Requirements

ERISA plans must also provide a Summary of Material Modifications to participants within 210 days after the close of the plan year in which the amendment is adopted. For calendar-year plans amending in 2026, that deadline is July 29, 2027.

Next Steps

Now is the time for plan sponsors to sit down with their advisor and legal counsel to confirm which provisions apply, verify

that current plan operations match the amended terms, and execute the amendment before year-end.

Sources:

<https://www.irs.gov/pub/irs-drop/n-24-02.pdf>

Younger Workers Look to Employers for Retirement Help



Younger employees are placing greater responsibility on employers to help them prepare for retirement, according to J.P. Morgan Asset Management's 2026 Defined Contribution Plan Participant Survey. Among Gen Z participants, 86% said employers have at least some responsibility to help employees save for retirement. That view was shared by 76% of Millennials, 71% of Gen X, and 61% of Baby Boomers.

Expectations follow a similar generational pattern when the questions become more specific. More than three-

fourths of Gen Z participants agreed that employers should provide financial education and decision-support resources and coaching to support retirement planning, compared with 70% of Millennials, 66% of Gen X, and 56% of Boomers. These expectations suggest that plan design features — such as automatic enrollment, target-date funds, and simplified investment menus — may be increasingly important to younger participants.

A Growing Workplace Role

The results point to an evolving view of the employer-sponsored plan. For many younger workers, access to a retirement account alone may no longer satisfy expectations. They also appear to want clearer explanations, simpler decisions, and more support in understanding how plan features work.

That support can take several forms. Well-designed plan features, for example, may help reduce the number of decisions participants face. The survey found that 96% of participants who were automatically enrolled viewed the experience positively, while 97% said the same about automatic contribution escalation. Target-date funds also received favorable marks from 90% of respondents.

The findings suggest employers could address some of that demand through broad-based resources, including digital tools, group education, and communications from human resources or benefits teams. Meanwhile, 53% of participants said their employers offer a financial wellness program, and 71% considered such programs extremely or very important.

Expectations Meet Uncertainty

The demand for help comes amid considerable uncertainty. Only 48% of participants were highly confident about how much to contribute, and just 39% felt confident navigating plan investment options — underscoring the value of well-designed defaults like target-date funds. More than half said they were willing to spend time planning for retirement but didn't know where to begin.

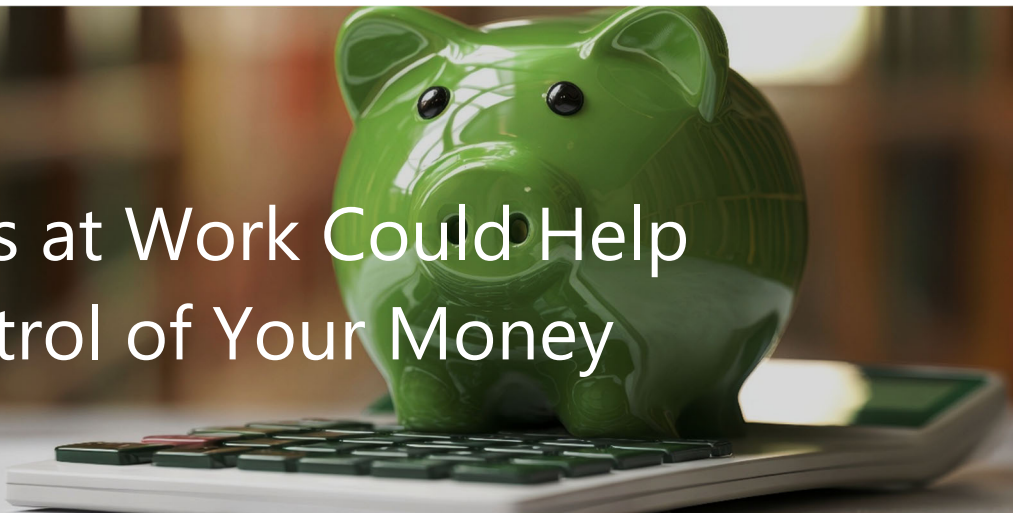
J.P. Morgan surveyed 1,716 defined contribution plan participants and 512 retirees. The findings suggest that as younger generations become a larger share of the workforce, retirement support may increasingly be viewed as a central part of the benefit rather than an optional addition.

Sources:

<https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/ri-ppsr-2026.pdf>

PARTICIPANT CORNER

Financial Tools at Work Could Help You Take Control of Your Money

A green piggy bank is positioned on top of a white calculator. The background is a blurred indoor setting with warm lighting.

A little practical guidance can go a long way, whether you're trying to make a budget, pay down debt, save more, or simply feel less stressed about money. And while that kind of help may seem hard to come by, useful financial tools and assistance may be closer than you think.

Many employers offer financial wellness and planning resources as part of their workplace benefits. Although these programs can't guarantee better outcomes, a recent study found that employees who participated in financial education provided by their employer were more likely to report several positive financial behaviors and attitudes.

Feeling confident they could achieve a financial goal. Confidence isn't only about the size of your paycheck. In the study, 87% of workers who took part in workplace financial education said they felt confident they could reach a financial goal, compared with 73% of those who hadn't. In fact, 82% of workers earning under \$100,000 who participated were just as confident as higher income workers who didn't participate.

Being satisfied with the state of their personal finances. More than half of participants (55%) said they were satisfied with their current financial situation, compared with 36% of nonparticipants. Among those earning less than \$100,000, participants

came close to matching the satisfaction reported by higher-earning nonparticipants: 45% versus 50%.

Spending less than they earned. This one key habit is foundational to building financial stability. Forty-five percent of workers who participated said they spent less than their household income during the prior year, versus 38% of those who didn't. The gap was especially noticeable among workers earning less than \$100,000: 40% of participants reported spending less than they earned, compared with 33% of those who didn't participate.

Understanding everyday money concepts better. Questions about savings, inflation, investing, loans, and mortgages can feel complicated. But workers who participated scored higher on questions covering these topics — even after the researchers took differences in income, education, gender, and background into account.

Explore the Resources Available to You

Workplace financial education can take many forms, from webinars and educational materials to financial apps, group classes and one-on-one sessions. Your employer may offer some or all of these resources.

While these programs can't promise better outcomes or solve every financial challenge that comes your way, they can provide practical information, help support healthier financial habits, and give you a clearer starting point for making decisions about your money. If your employer offers these kinds of resources, taking a look could be a simple step toward feeling more confident about what comes next.

Source: <https://www.ebri.org/content/full/from-the-break-room-to-the-bank--the-relationship-between-workplace-based-financial-education-and-financial-capability>

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ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

August 17, 2026



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Dear ,

The communication submitted appears consistent with applicable standards.

Reviewed by,

William W. Brill
Principal Analyst

This year's Advertising Regulation Conference will be held October 15-16 in Washington, D.C. For more information and to register, please visit our website at: <https://www.finra.org/events-training/conferences-events/2026-finra-advertising-regulation-conference>

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