

401(k) Is Still Primary Route to Retirement For Many

- Education Series -

According to a Fidelity Investments survey of 1,000 current and former 401(k) plan participants, more than half said that if it were not for their workplace savings plan, they would not be saving for retirement. And nearly 20% of survey respondents reported no retirement savings at all outside of their 401(k).

23% of working respondents reported that they have taken advantage of the participant loan provision of their 401(k) plan, most often for an unforeseen emergency. Of those who had taken out a loan, only 29% said they would not do it again.

One fourth of all working respondents reported that they had decreased their deferral percentage, with nearly half of those admitting that they already regretted or expected to regret the decision.

More than one half of working respondents said they would contribute more if they could afford to.

Also, more than half of working respondents reported having increased their contribution rate within the last five years due to the incentive of the employer match or having extra funds available.

Whether it's used as a participant's only retirement savings, or as a last resort for emergency funds, on the road to retirement, the venerable 401(k) is still the vehicle in which many Americans plan to reach their goals.



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