



Principal® Survey Identifies Leading Disruptors of Retirement Industry By 2030

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Survey of plan sponsors, financial professionals reveals predictions, challenges, and opportunities for the future of retirement

DES MOINES, Iowa--(BUSINESS WIRE)-- A new survey from [Principal Financial Group®](#) identifies the leading disruptors to the retirement industry that employers and financial professionals believe will reshape plans, services, and solutions by 2030.

An aging workforce, Generation Z, the growing demand for personalized investment advice, and financial wellness are top of mind for more than 250 plan sponsors and 200 financial professionals that responded to the Principal® Future of Retirement Survey. Each are viewed as priorities in the next 5-7 years to help address the widening retirement gap that is approaching \$4 trillion in the U.S.¹

“Understanding the evolving needs of participants and employers is critical to building relevant and meaningful retirement plans, solutions, and advice,” said Chris Littlefield, president of Retirement and Income Solutions at Principal®. “We are relentlessly focused on what our customers need to help meet their financial and retirement goals. Whether it’s more customized products, holistic guidance, or mobile-friendly, digital tools and resources, we will continue to leverage our relationships with financial professionals and strategic partners to help innovate and enhance the customer experience.”

Competing generational needs

Employers are often choosing retirement plans to help meet the needs of five generations of Americans. More of Gen Z will enter the labor market in the next 5-7 years while the number of people aged 75 and older in the workforce is expected to grow 96.6 percent by 2030². To support an aging workforce, three out of four plan sponsors and financial professionals agree participants should have the ability to make recurring withdrawals from their employer-sponsored retirement savings as they take a phased approach to retirement.

“Choosing to retire is no longer a single-step life decision. Many individuals approaching 60-65 years of age need or prefer a phased retirement, working part-time to get relief from the 40-hour work week without fear of outliving their nest eggs,” Littlefield said.

On the opposite end of the workforce spectrum, 76% of plan sponsors agreed the expectations of millennial and Gen Z investors will be the driving change in retirement markets by 2030. In particular, the preference Gen Z has to conduct most financial business online is viewed by both financial professionals (55%) and plan sponsors (47%) as the top disruptor from this generation.

Personalization is paramount

According to the Principal® Future of Retirement Survey, one growing expectation to better serve participants is an ability to provide individualized advice. More than 70% of both plan sponsors and financial professionals agreed personalized investment portfolios and managed account services will be common offerings within defined contribution plans by 2030.

To offer more holistic and personal guidance, 78% of plan sponsors and 77% of financial professionals also agreed there will be a shift from improving the enrollment process for employees to improving the retirement process, which can include services such as advice, retirement planning, and creating retirement income.

Financial wellness programs are also expected to emerge as an additional plan resource to further personalize the participant experience by 2030, with 85% of plan sponsors and 90% of financial professionals agreeing plan sponsors will increase the adoption of them.

Outside of retirement savings programs, plan sponsors believe the top five financial wellness benefits that should be offered include helping participants establish a budget and financial plan, retirement income planning, credit card and debt counseling, healthcare planning for early retirees, and investment education.

For more insights into the Principal® Future of Retirement Survey, please visit www.principal.com.

About the Principal® Future of Retirement Survey

The Future of Retirement survey was an online survey conducted by Principal from October 25, 2022, to November 14, 2022, focused specifically on the views plan sponsors and financial professionals have on the future of the retirement industry. Respondents included 255 plan sponsors and 201 financial professionals.

Principal conducts periodic “pulse” surveys with customers and financial professionals to gain insight into timely topics. The survey findings reported here explore consumer concerns and possible actions surrounding saving and planning for retirement as well as financial behaviors related to market volatility and current events.

About Principal Financial Group®

Principal Financial Group® (Nasdaq: PFG) is a global financial company with 19,000 employees³ passionate about improving the wealth and well-being of people and businesses. In business for more than 140 years, we’re helping more than 62 million customers⁴ plan, protect, invest, and retire, while working to support the communities where we do business, and build a diverse, inclusive workforce. Principal® is proud to be recognized as one of America’s 100 Most Sustainable Companies⁵, a member of the Bloomberg Gender Equality Index, and a “Best Place to Work in Money Management⁶.” Learn more about Principal and our commitment to building a better future at [principal.com](https://www.principal.com).

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¹ Jack VanDerhei, Ph.D., “Impact of Five Legislative Proposals and Industry Innovations on Retirement Income Adequacy,” [ebri.org](https://www.ebri.org), January 20, 2022

² <https://www.bls.gov/opub/ted/2021/number-of-people-75-and-older-in-the-labor-force-is-expected-to-grow-96-5-percent-by-2030.htm>

³ As of December 31, 2022

⁴ As of December 31, 2022

⁵ Barron’s, 2022

⁶ Pensions & Investments, 2022



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Source: Principal Financial Group