

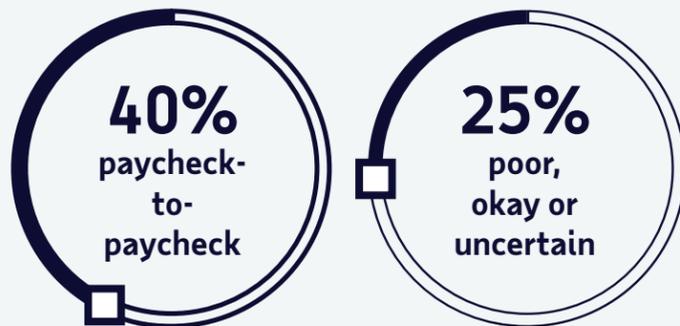
# RETIREMENT PLAN LOANS AND WITHDRAWALS



Employer retirement plans are a benefit meant to help workers achieve a secure financial future. However, unexpected expenses and debt are driving some workers to use plan loans and withdrawals to cover these financial obligations. Here's a look at the average participant, and their loan and withdrawal activity in their 401(k) plan.



My financial situation is...



Better money management may help increase retirement savings

2 in 3 contribute 6% or less to a 401(k)



70% prefer saving for retirement over spending today



61% would cut spending to save \$5,000 more in their 401(k)

## WAYS TO IMPROVE

- Review your plan health data to determine whether your participants are struggling financially
- Promote financial wellness programs to enhance employees' financial resilience through financial literacy, emergency savings, debt relief and other financial goals.
- Consider plan features that can enhance participants' financial well-being such as emergency savings accounts, student loan matching contributions, plan loans, and emergency and qualified disaster withdrawals.

## Loan and withdrawal activity

21% have taken a loan

17% have made a withdrawal

10% took a withdrawal because their plan didn't offer loans

## Top financial concerns

22% debt

18% saving for retirement

18% saving money in general

16% daily living expenses

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The research for this white paper was conducted on behalf of ADP Retirement Services by Retirement Insights, LLC. An online survey collected the data from a national sample of 1,000 women. Demographic data such as household income, gender, race, ethnicity, and geography was considered to reflect the US population of women. The research was completed in June 2024.

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