



NEWS RELEASE

T. ROWE PRICE: SECURE 2.0 COULD BOOST THE FINANCIAL WELLNESS LANDSCAPE FOR RETIREMENT SAVERS

BALTIMORE, June 13, 2023 – T. Rowe Price, a global investment management firm and a leader in retirement, today published a new white paper focused on how the primary sources of financial stress—specifically, the lack of emergency savings and the burden of student loan debt—can negatively affect an individual’s retirement savings. Additionally, the paper provides insights on how provisions in the recently passed SECURE 2.0 Act retirement legislation could help with these challenges. The findings are based on multiple studies conducted by T. Rowe Price, with a focus on the firm’s annual Retirement Savings and Spending study, which surveys a national representative group of 401(k) participants.

Key insights from the Retirement Savings and Spending survey featured in the paper include:

- Fifty-five percent of survey respondents stated that they are not saving enough for retirement or are not sure if they are. Among these respondents, 62% indicated that they were saving all they could afford.
- Fourteen percent of respondents stated that they were likely to tap into their workplace retirement accounts to cover emergency expenses. The survey also found that respondents who took multiple small loans and hardship withdrawals had significantly lower contribution rates and lower retirement plan account balances than their peers who did not take loans or hardship withdrawals.
- Ten percent of respondents who took two or more loans also had taken hardship withdrawals. These workers had an average account balance of \$26,000, about one-quarter of the account balance of their peers with no loans.
- Among those surveyed, roughly one in four reported that they had outstanding college debt. Retirement savers with student loans had lower average contribution rates than those without loans.

More details on the specific SECURE 2.0 provisions that could improve retirement savers’ financial wellness, including provisions on emergency savings and student loans, as well as more insights from T. Rowe Price’s annual study can be found [here](#).

“Short-term financial responsibilities can be a significant source of financial stress and a potential barrier to saving for retirement,” said Rachel Weker, vice president, senior retirement strategist at T. Rowe Price. “But postponing retirement saving and taking repeated loans or hardship withdrawals can really damage financial wellness. Employers can implement meaningful changes that could have a positive impact on retirement savings for many Americans by helping to address these shorter-term financial challenges. Secure 2.0 provides sponsors additional options to consider for their financial wellness programs.”



ABOUT T. ROWE PRICE

Founded in 1937, T. Rowe Price (NASDAQ: TROW) helps people around the world achieve their long-term investment goals. As a large global asset management company known for investment excellence, retirement leadership, and independent proprietary research, the firm is built on a culture of integrity that puts client interests first. Investors rely on the award-winning firm for its retirement expertise and active management approach of equity, fixed income, alternatives, and multi-asset investment capabilities. T. Rowe Price manages USD\$1.35 trillion in assets under management as of May 31, 2023, and serves millions of clients globally. News and other updates can be found on [Facebook](#), [Instagram](#), [LinkedIn](#), [Twitter](#), [YouTube](#), and [troweprice.com/newsroom](https://www.troweprice.com/newsroom).

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