



# T.RowePrice

## NEWS RELEASE

### T. ROWE PRICE: INVESTORS WITH A FORMAL FINANCIAL PLAN HAVE DOUBLE THE WEALTH ENTERING RETIREMENT

*Working with a financial advisor leads to more confidence and better outcomes in retirement*

BALTIMORE (March 19, 2024) – T. Rowe Price, a global investment management firm and a leader in retirement, today published a new report that reveals the importance of financial planning for retirement. The report shows a correlation between individuals with a formal financial plan and having two to four times more wealth when entering retirement compared to those without one. Individuals with a financial plan are also more likely to contribute more toward their retirement and work with a financial advisor.

The report also found that the demand for financial planning services is strongest among individuals who are within one to five years of their retirement date, and 38 percent of respondents over the age of 50 indicate that not having enough money was their most significant obstacle to starting retirement planning.

“The retirement industry has historically focused on helping savers climb the hill of contributing toward their future retirement,” said Bill Meyer, head of Retiree, Inc. at T. Rowe Price. “However, given the number of complex financial decisions facing retirees on the other side of that hill, the need for better planning and guidance through retirement is clear. Ultimately, having a formal financial plan tailored to one’s specific needs can help not only with wealth accumulation, but also with making retirement savings last longer.”

Additional key insights from the report include:

- Survey respondents with a formal plan reported 60 percent higher confidence about their financial outlook
- Seven in ten pre-retirees who responded to the survey were in the process of forming a retirement plan or thinking about it
- Sixty percent of survey respondents indicated that their employers are the primary source for financial education and guidance
- Forty percent of respondents stated that they are willing to engage a financial advisor and are interested in using digital planning tools to help with income, savings, and spending

Meyer continued, “Advances in technology have given investors greater access to effective and convenient solutions for personalized financial planning, and we expect the demand to increase, especially for tools involving retirement income.”

Plan sponsors can meet this need by providing digital services and financial wellness programs that address the impending needs of pre-retirees and families in retirement. These types of solutions are not only valued by participants but could also be a catalyst for driving better retirement outcomes.

The insights from the report are based on T. Rowe Price’s annual Retirement Savings and Spending study, which surveys a national representative group of 401(k) participants. The report with more details on the importance of financial planning for retirement can be [found here](#). Retirement Income was a key theme in T. Rowe Price’s [2024 U.S. Retirement Market Outlook](#).

## ABOUT T. ROWE PRICE

Founded in 1937, T. Rowe Price (NASDAQ – GS: TROW) helps individuals and institutions 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. Clients rely on the award-winning firm for its retirement expertise and active management of equity, fixed income, alternatives, and multi-asset investment capabilities. T. Rowe Price has \$1.51 trillion in assets under management as of February 29, 2024, and serves millions of clients globally. News and other updates can be found on [Facebook](#), [Instagram](#), [LinkedIn](#), [X](#), [YouTube](#), and [troweprice.com/newsroom](https://www.troweprice.com/newsroom).

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## IMPORTANT INFORMATION

The Retirement Savings and Spending Study is a nationally representative online survey of 401(k) plan participants and retirees. The survey has been fielded annually since 2014. The 2023 survey was conducted between July 24, 2023, and August 13, 2023. It included 3,041 401(k) participants, full-time or part-time workers who never retired, currently age 18 or older, and are either contributing to a 401(k) plan or eligible to contribute with a balance of \$1,000 or more. The survey also included 1,176 retirees who have retired with a Rollover IRA or left a 401(k) plan balance.

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