



FIDELITY INSTITUTIONAL INSIGHTS

Plan Sponsor Attitudes Survey

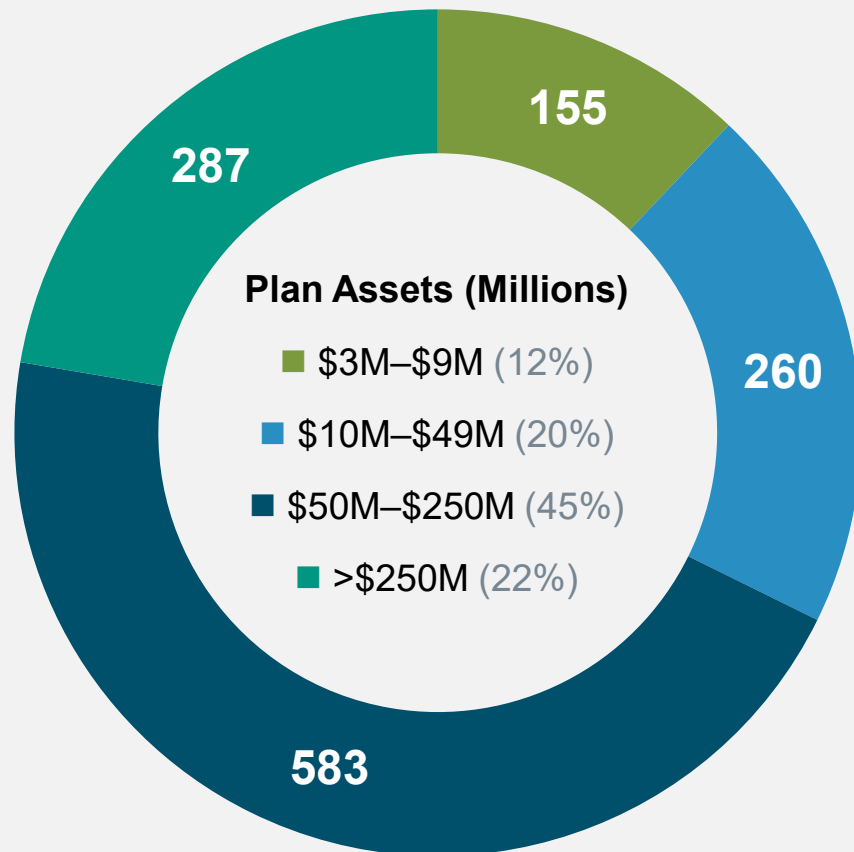
October 27th, 2022

Lauren (Gear) Wagner
Vice President, Retirement Director

Not FDIC Insured • May Lose Value • No Bank Guarantee

Survey Respondents: 1,285 Defined Contribution Plan Sponsors

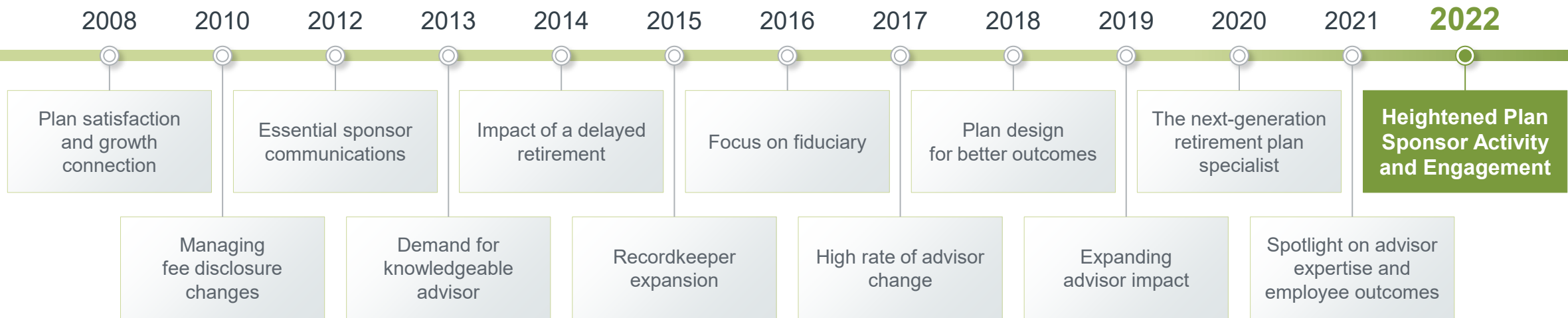
Across many industries and recordkeepers



Respondents are key decision-makers for:

Recordkeeper/Administrator	77%
Managing Plan Costs	78%
Hiring Plan Advisor	79%
Plan Features and Design	69%
Investment Lineup	65%

Fidelity's Plan Sponsor Attitudes Survey Has Tracked the Evolution of Our Industry



2021 RESEARCH FEATURED IN:

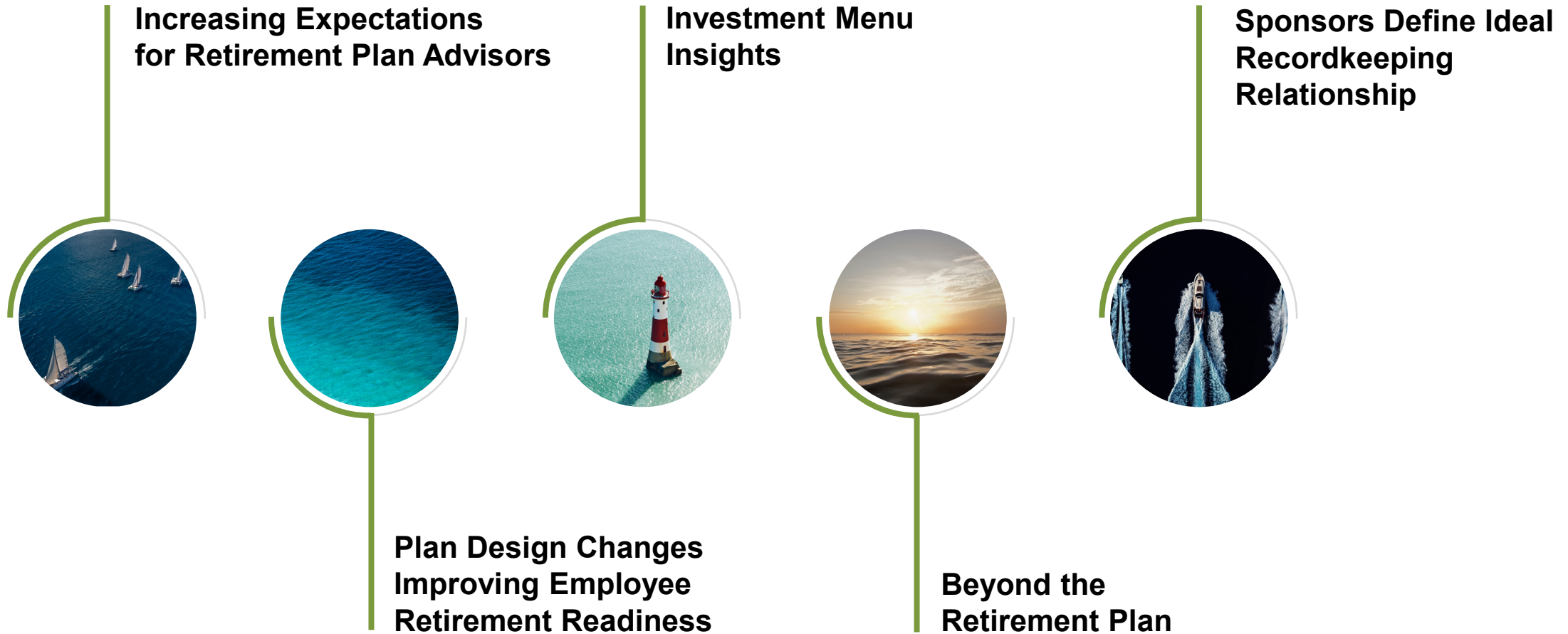
<i>Benefits Canada</i>	ThinkAdvisor	<i>Financial Advisor IQ</i>	NAPA Net	<i>401(k) Specialist</i>
<i>Financial Advisor Magazine</i>	<i>Ignites</i>	<i>Pensions & Investments</i>	RPA Convergence	401(k) TV

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Heightened Plan Sponsor Activity and Engagement



Plan Design Changes Improving Employee Retirement Readiness

Sponsors Increasingly Focused on Attracting and Retaining Talent



TOP GOALS FOR THE PLAN

Ensure participants save at a specific target rate throughout their working years (29%)

Provide adequate retirement savings to replace income from their working years (28%)

Attract and retain top employees to remain competitive in the workplace (27%, a 9-point increase from 2021)

Provide savings opportunities while working (16%)



TOP CONCERNS ABOUT THE PLAN

Whether the plan is effectively preparing employees for retirement (35%)

Whether the plan is helping to attract and retain top talent (25%, a 10-point increase from 2021)

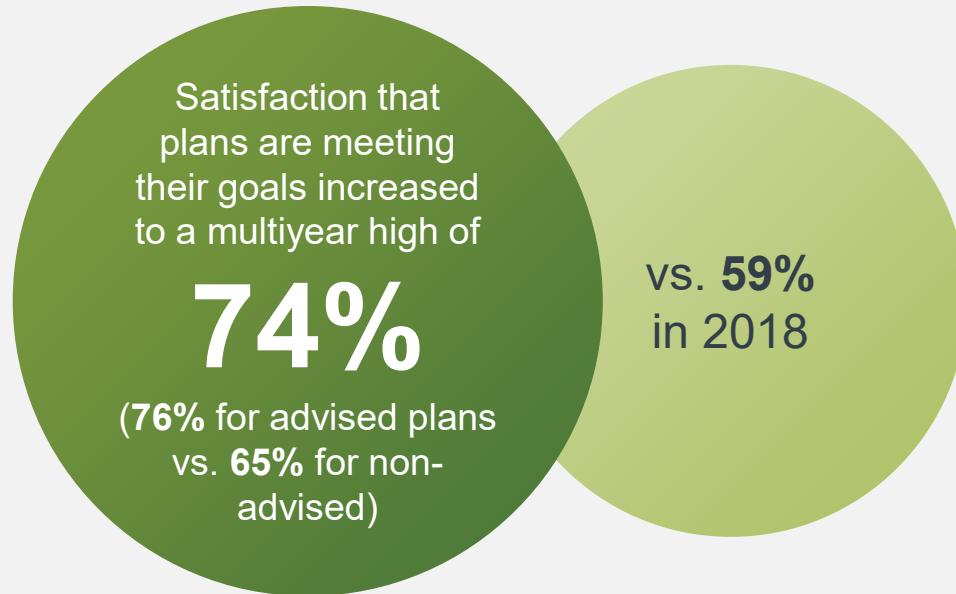
Reducing business costs related to the plan (17%)

Fiduciary responsibilities (12%)

Risk of litigation and liability (11%)

Sponsors Are Highly Satisfied That Plans Are Meeting Their Goals, Especially Advised Plans

% SATISFIED PLAN IS MEETING ITS GOALS



HOW DO YOU MEASURE THE SUCCESS OF YOUR PLAN?



Satisfaction reflects a rating of 6 or 7 on a 1 to 7 scale.

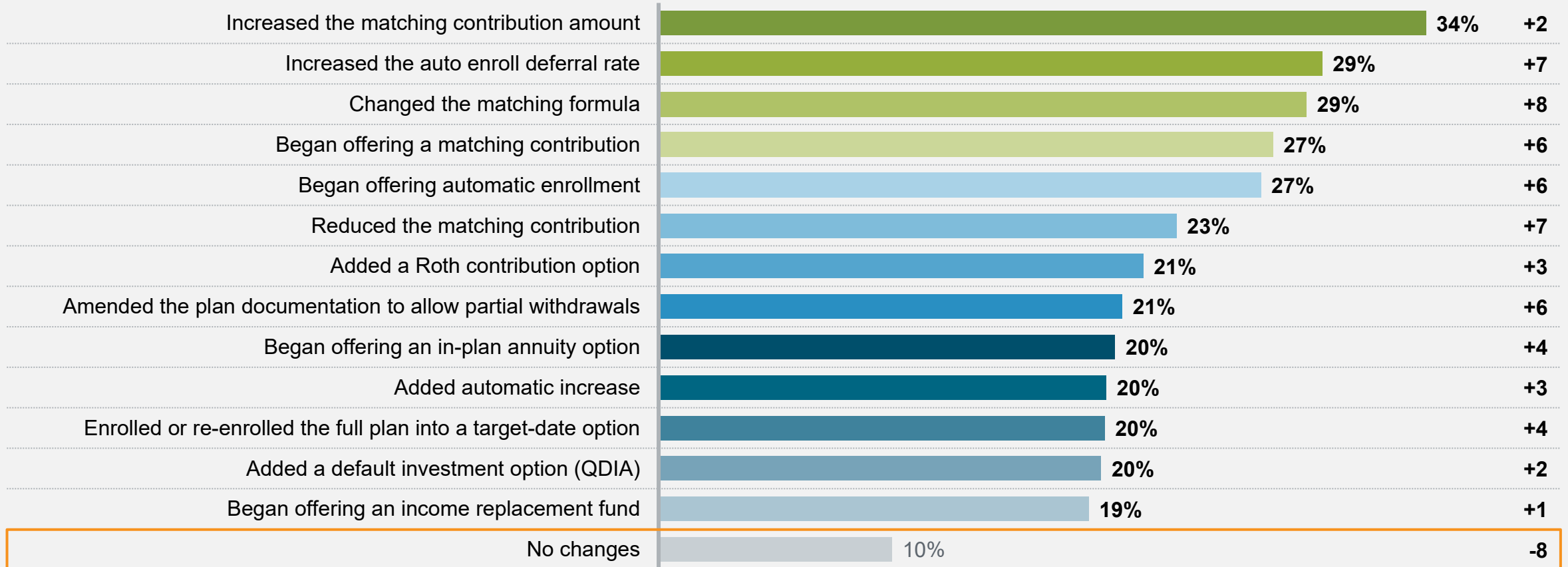
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Increasing Company Match Leads Recent Plan Design Changes

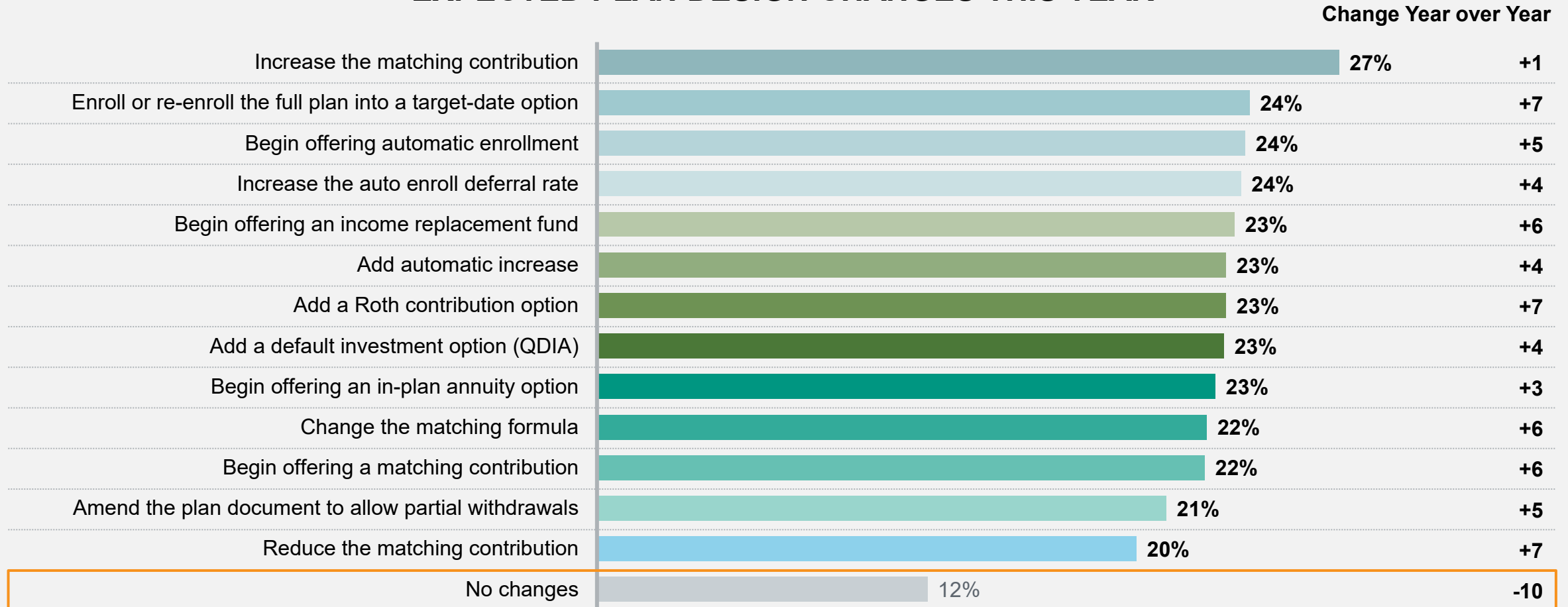
PLAN DESIGN CHANGES MADE IN THE PAST TWO YEARS

Change Year over Year

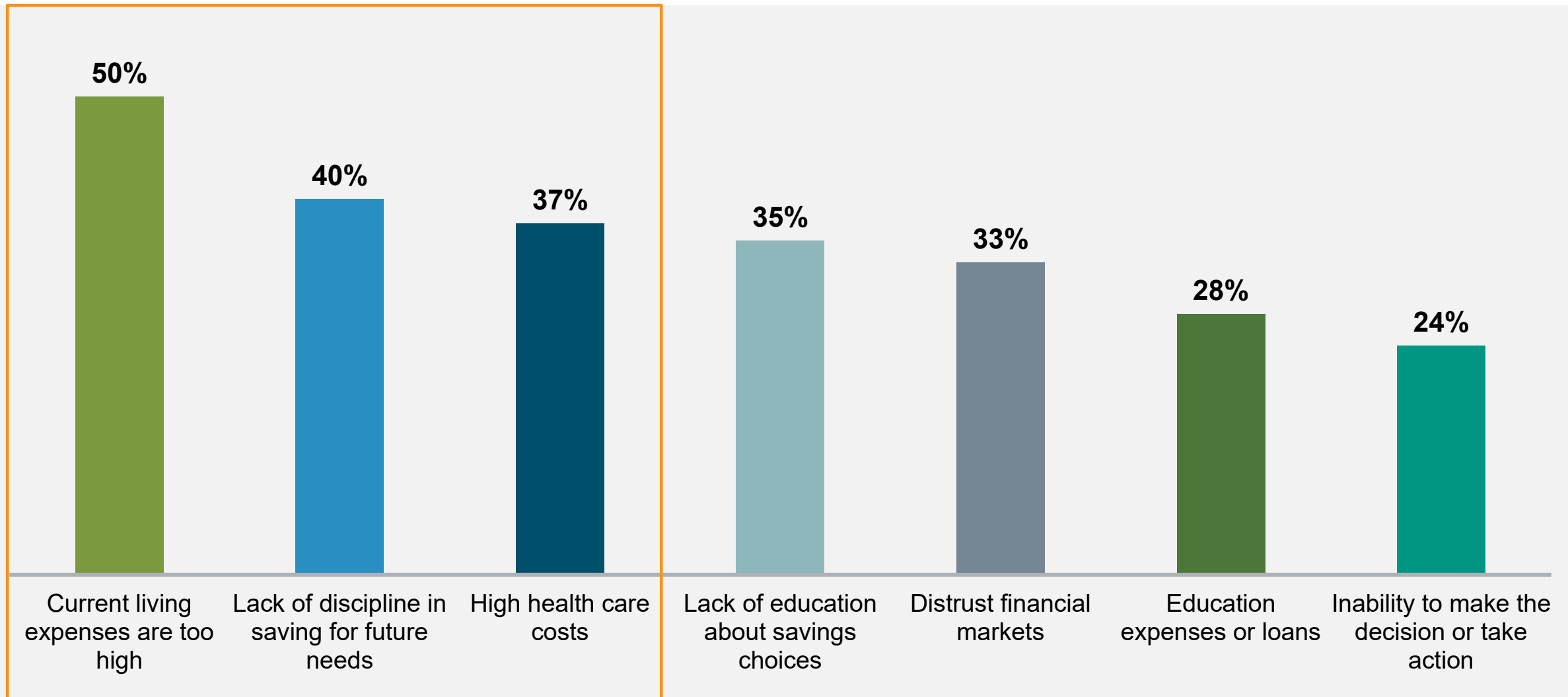


88% of Sponsors Expect to Make Plan Design Changes in 2022

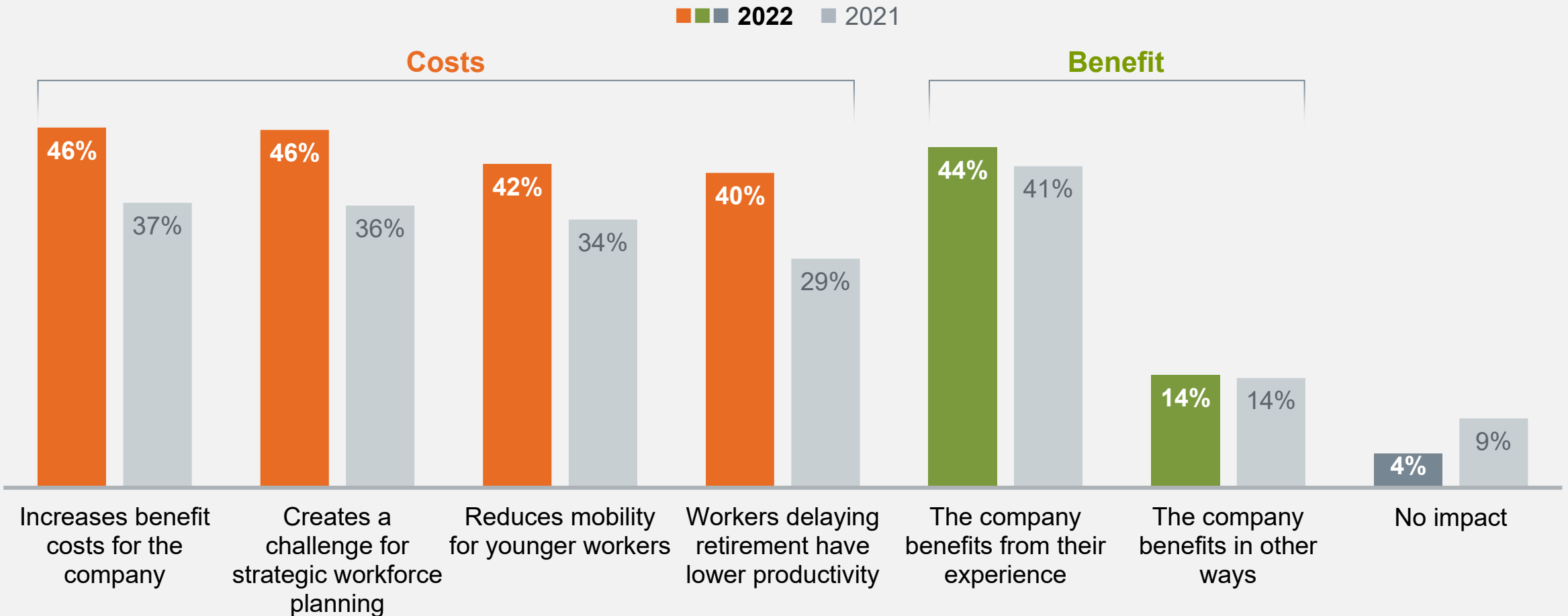
EXPECTED PLAN DESIGN CHANGES THIS YEAR



Competing Financial Priorities Are Headwinds to Employee Saving



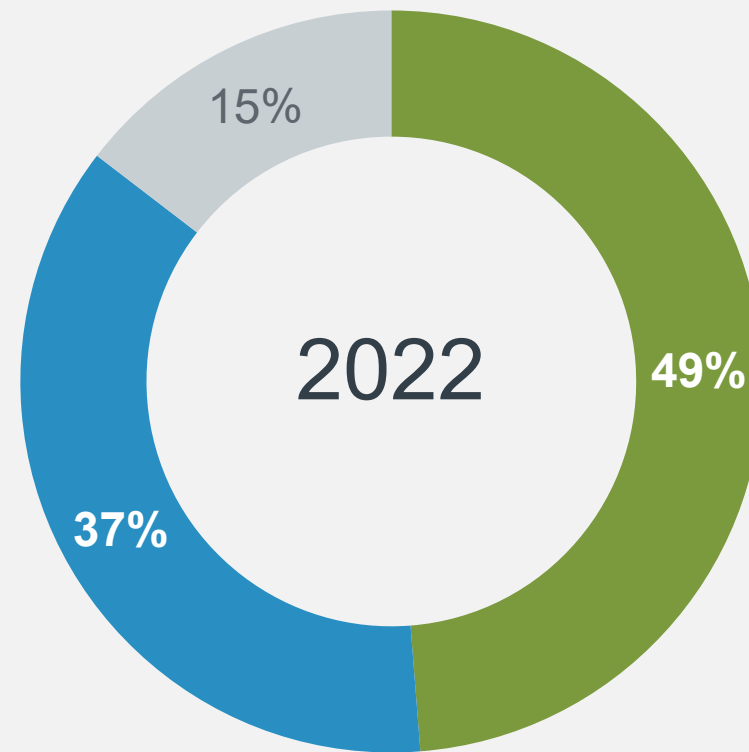
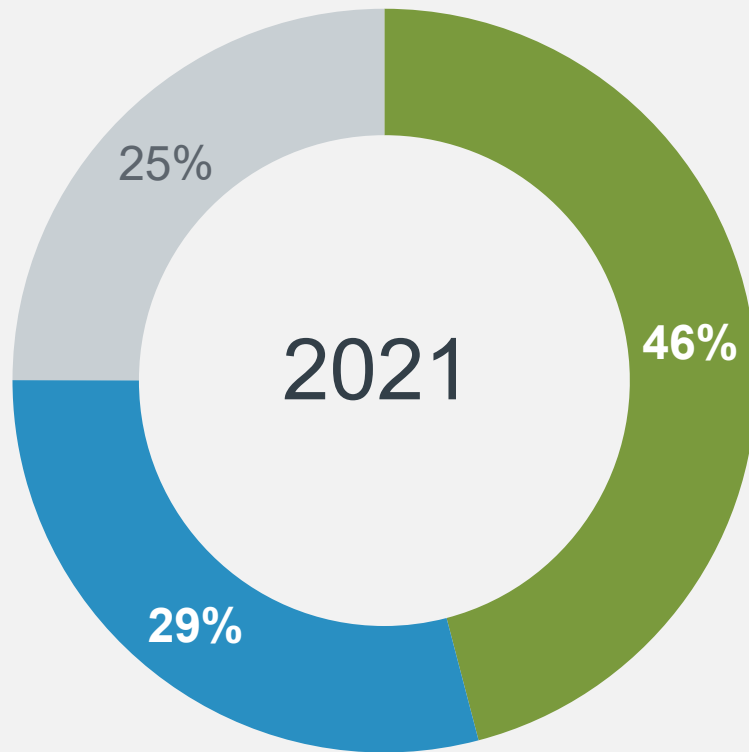
Plan Sponsors Increasingly Appear to Recognize the Drawbacks of Employees Working Beyond Retirement Age



Sponsor Preference on Assets Staying or Leaving the Plan

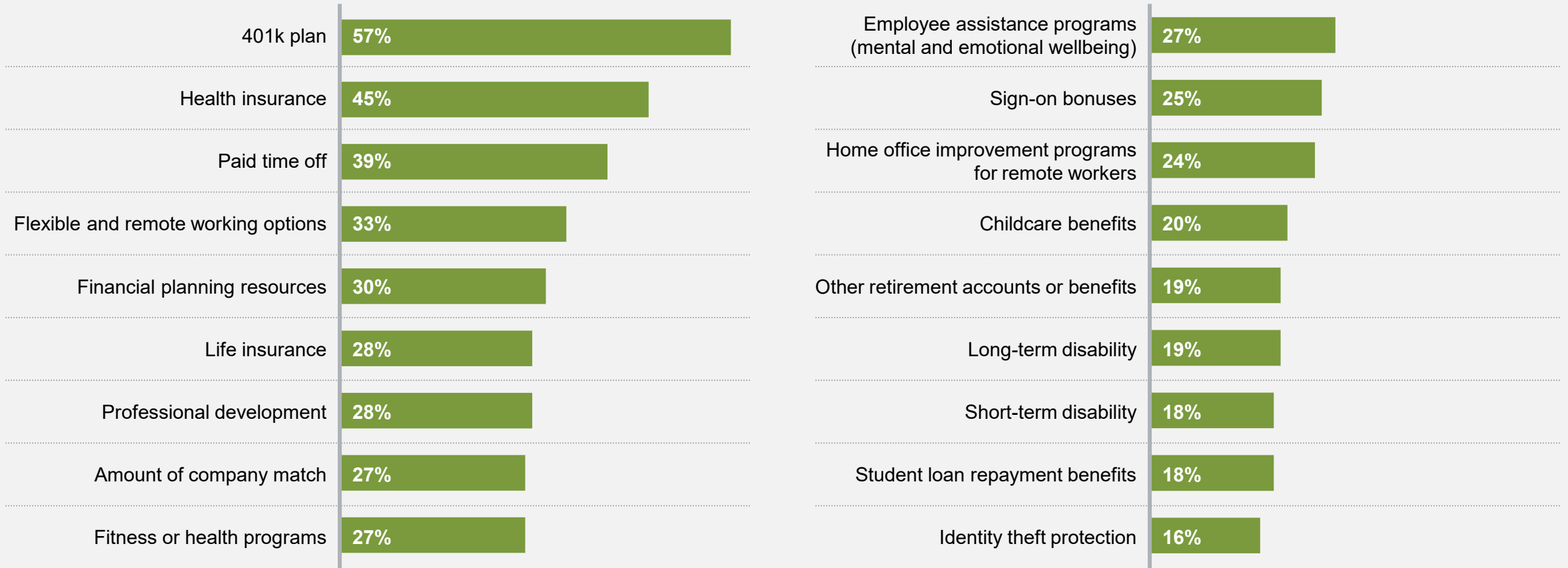
AFTER EMPLOYEES RETIRE, WHICH SITUATION DOES THE COMPANY PREFER?

■ Employees Keep Their Assets in the Plan ■ Employees Take Their Assets Out of the Plan ■ No Preference



Beyond the Retirement Plan

Evolving Benefits Landscape to Better Attract and Retain Talent



75% of sponsors promote their retirement plan to drive employee acquisition and retention

91% get help from their advisors to do so

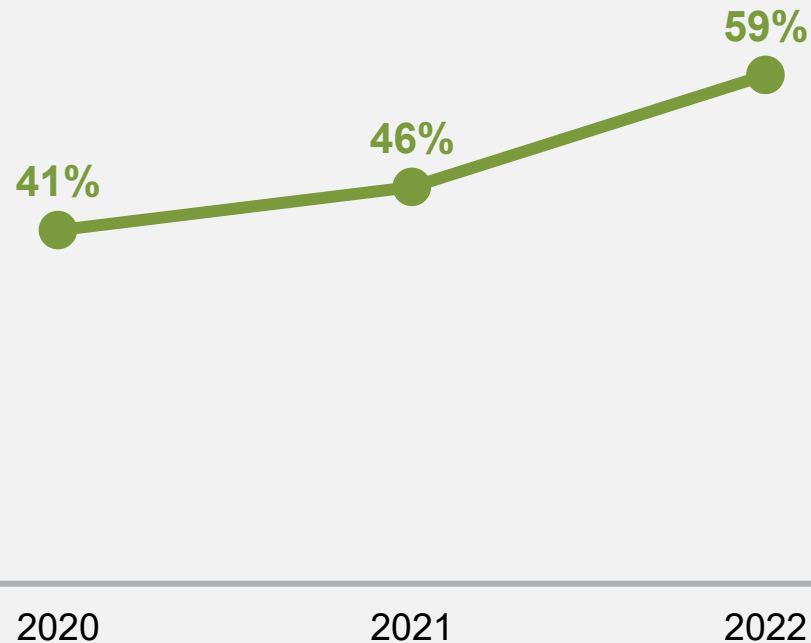
Respondents were asked to select the top five most important employee benefits their firms offer to attract and retain talent.

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Sponsors Report Higher Health Care Costs Affecting Other Benefits; 94% Are Making Changes as a Result

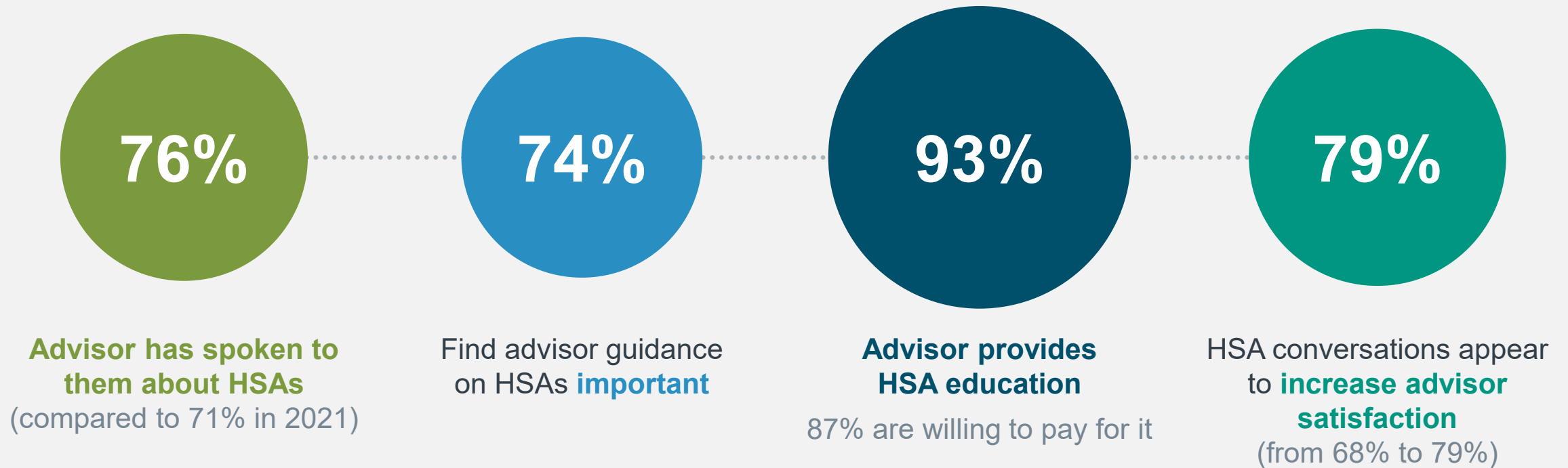
INCREASED HEALTH BENEFIT COSTS CAUSED REDUCTION OR DEFERMENT OF OTHER BENEFIT SPENDING



HOW ARE YOU ADDRESSING RISING HEALTH CARE COSTS?

Implementing wellness programs to help employees	57%
Making changes to our health plan to lower company premiums	53%
Having employees pay more for their healthcare	47%
Reducing other benefit plan costs/company retirement contributions	44%
We are not making changes based on healthcare costs	6%

Advisors Play a Key Role Providing Guidance on HSAs



HSA: Health savings account. Satisfaction reflects a rating of 6 or 7 on a 1 to 7 scale.

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Financial Wellness Programs Making an Impact

1

77% of sponsors reported **advisor has spoken to them about financial wellness programs**, compared to 71% in 2021

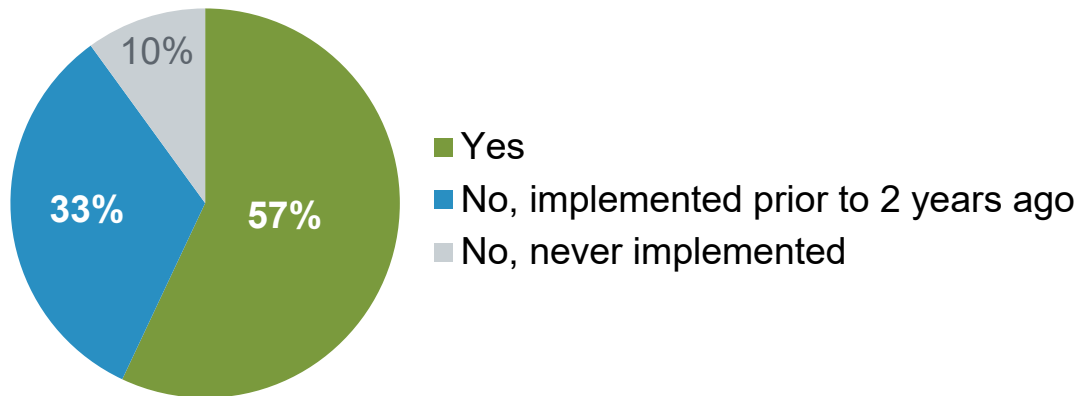
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Financial wellness conversations appear to **increase advisor satisfaction** from 65% to 80%

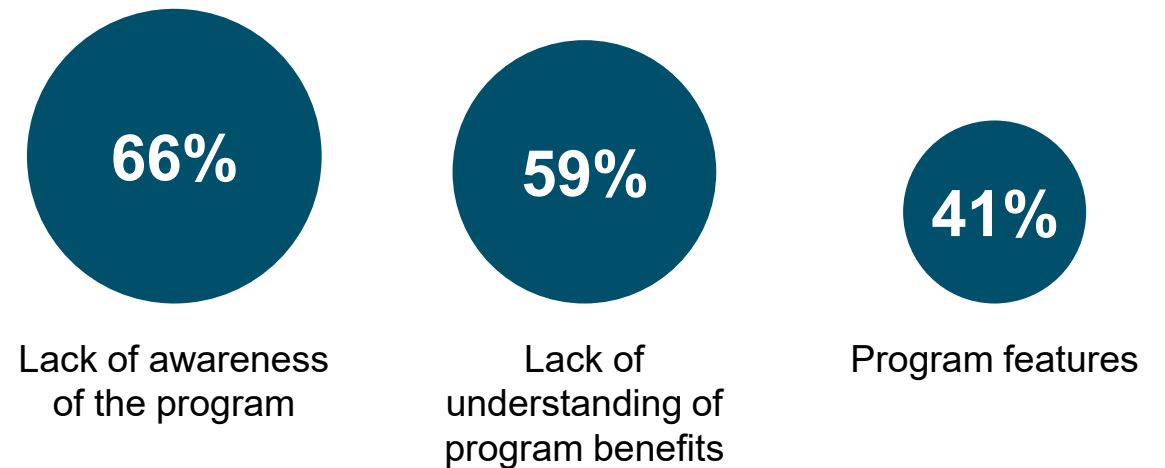
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74% of sponsors find financial wellness programs **very impactful**

HAVE YOU IMPLEMENTED A FINANCIAL WELLNESS PROGRAM IN THE PAST 2 YEARS?



REASONS SOME PROGRAMS LACKED IMPACT



Satisfaction reflects a rating of 6 or 7 on a 1 to 7 scale.

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Survey summary: Harris Insights and Analytics, an independent market research company, conducted an online survey of 1,285 plan sponsors on behalf of Fidelity. Fidelity Investments was not identified as the survey sponsor. The survey was conducted during the month of March 2022. Respondents were identified as the primary person responsible for managing their organization's 401(k) plan. All plan sponsors confirmed their plans had at least 25 participants and at least \$3 million in plan assets. Though the survey is broad in scope the experiences of the plan sponsors participating in the survey may not be representative of all plan sponsors.

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