
Economic conditions lift interest in retirement plans: Nationwide

By Editorial Staff *Thu, Sep 28, 2017*

Competition for the best workers and confidence in the economy are causing more business owners to start offering retirement plans or enhance the ones they have, according to a new survey by Nationwide.

Amid the nation's ongoing debate about whether states should offer public-option workplace savings plans or if all employers should be required to offer access to such plans, a new survey by Nationwide suggests that small business owners want to promote retirement readiness among their employees.

According to Nationwide's third annual survey of more than 1,000 business owners across the country with up to 299 employees, a tight labor market, competition for good employees and confidence about the economy are causing more business owners to start offering retirement plans or enhance the ones they have.

Half of business owners who offer a 401(k) plan intend to increase retirement plan contributions, with 55% percent of them citing rising sales or revenue as the reason. Of business owners who currently don't offer a plan but intend to offer one in the near future, 36% say it's because they expect sales revenue to increase in the next 12 to 24 months. Additionally, 30% of business owners plan to introduce retirement benefits as a result of continued economic improvement.

Among business owners who offer retirement benefits, 85% of Millennials plan to increase contributions to their employees' 401(k) plans, compared to 31% of Boomers and 49% of Gen X business owners. Millennial business owners are also more likely to feel they should provide retirement benefits, with 70% of them stating agreement versus 47% for all business owners. Only 39% of business owners believe their employees are on track to retire, and 72% of business owners surveyed think the U.S. is facing a retirement readiness crisis.

Nationwide commissioned a 20-minute, online survey by Edelman Intelligence among a sample of 1,069 U.S. small business owners in May 2017. Small business owners are defined as having between 1-299 employees, 18 years or older and self-reported being a sole or partial owner of their business.

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