

401(k) participant behavior: Knowledge and action

Findings from the *Nuveen and TIAA Institute
Participant Sentiment Survey on Lifetime Income*



Executive summary

This report examines two issues important for the retirement income security of today's 401(k) participants.

- First, how are 401(k) participants approaching retirement withdrawal planning in the current plan environment? That environment is characterized by heightened interest among plan sponsors, consultants, and public policymakers with incorporating lifetime income payout options, such as annuities, into plan design. But while the system moves in that direction, the reality remains that few plans currently include such retirement payout options.
- Second, what are retirement fluency and longevity literacy levels among 401(k) participants? An individual's standard of living during retirement is not solely determined by accumulated savings and how that savings is converted to income. Individuals make a range of decisions, while working and after retiring, that matter. Retirement fluency and longevity literacy enable appropriate decision-making.

About 70% of 401(k) participants report they have thought about, at least to some degree, how to convert their retirement savings to retirement income. Among these retirement withdrawal planners:

- 94% think it's important for employers to provide resources to help employees determine how best to make retirement withdrawals, while 49% feel it's an employer's responsibility to provide such guidance.
- 65% used plan-provided resources in considering how to make retirement withdrawals— 60% of these used both interactive and non-interactive resources, with the remaining 40% evenly split between using only one or the other.
- Interactive tools were more often rated very helpful (52%) and very engaging (46%) compared with non-interactive resources (43% and 38%, respectively), while trust ratings were equal.
- Interactive and non-interactive resources are complementary—53% of those who used both are very confident they'll choose the best way to withdraw money from their 401(k) compared with almost 40% of those who used only one or the other.

Retirement withdrawal planners can be divided into those who've thought a lot about how they'll convert their 401(k) savings into retirement income (30%) and those who've thought about it some (70%). Two-thirds (65%) of the former are very confident they'll choose the best way to do so, more than double the 29% very confident among the latter.

What distinguishes these two groups then? Greater use of plan-provided withdrawal planning resources and a better experience with those resources.

- 77% of those who've thought a lot about making retirement withdrawals used plan-provided resources compared with 60% of those who've thought about it some, and they more often used both interactive and non-interactive resources (52% versus 34%).
- Those who've thought a lot about making withdrawals are more than twice as likely to report finding both interactive and non-interactive resources very helpful and very engaging, and twice as likely to say they completely trusted the feedback and information provided by each.

Retirement fluency and longevity literacy among 401(k) participants tend to be poor.

Retirement fluency is assessed with 15 questions covering five topics:

- 1 Social Security benefits
- 2 Medicare benefits
- 3 Saving for retirement
- 4 Making retirement withdrawals from savings
- 5 Long-term care

- 401(k) participants correctly answered only 32% of the questions, on average.
- 52% of participants correctly answered fewer than one-third of the questions.
- Participants correctly answered a little more than one-third of the Social Security, Medicare, and saving for retirement questions, and about one-quarter of the long-term care and making retirement withdrawals questions, on average.

Poor retirement fluency signals knowledge gaps that can lead to suboptimal decisions, which lower financial well-being in retirement—for example, an uninformed decision about when Social Security benefits are claimed.

Longevity literacy among 401(k) participants is assessed with a multiple-choice question that gauges understanding of how long individuals typically live after reaching age 65. While 33% of 401(k) participants correctly answered the question, 44% chose the answer that underestimates age-65 life expectancy and 14% responded “don’t know.”

This too is a red flag. Workers’ perceptions of how long people typically live beyond age 65 shape their expectations about how long their retirement will last, which in turn influences their retirement saving and planning. Workers who expect a short retirement due to misperceptions of population life expectancy are planning and saving based on retirement horizons that are effectively too short, thus facing a greater risk of having inadequate resources.

The findings highlight the value of providing 401(k) participants access to both interactive and non-interactive withdrawal planning resources and exploring various avenues to drive use of both in concert with each other. Given poor retirement fluency and longevity literacy levels, there’s also value in expanding the range of topics covered beyond saving and investing for retirement and converting savings to income during retirement. Furthermore, careful consideration should be given to identifying the elements that make for a great experience across participants given the differences reported in terms of engagement, helpfulness, and trust.

Of course, getting 401(k) participants to carefully consider how they’ll convert retirement savings to retirement income should also become easier as more plans incorporate retirement income payout options.



Introduction

Today's 401(k) environment is characterized by significant buzz about lifetime income. The 401(k) system has reached the stage where individuals are approaching and entering retirement having spent a significant portion (maybe even all) of their work lives participating in a 401(k) plan.¹ This naturally drives an increasing focus on helping participants convert retirement savings to retirement income, something that wasn't a focus when the first plans were established in the early 1980s.

This in turn has manifested in growing interest among plan sponsors, plan consultants, and public policymakers with incorporating lifetime income payout options, such as annuities, into plan design. While this appears to be the not-so-distant future, today's reality remains that few plans include such retirement payout options.² But even in the absence of lifetime income payout options, 401(k) plans may provide their participants with retirement withdrawal planning resources.

Previous research by Nuveen and the TIAA Institute examined 401(k) participant perspectives on generating retirement income from 401(k) savings, including the value of in-plan annuities.³ This report complements that analysis by using data from the 2025 *Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income* to examine 401(k) participant behavior in the current environment.⁴ To what degree have 401(k) participants considered how they'll withdraw money from their 401(k) savings to provide income in retirement? Are they using plan-provided resources to do so? What's their experience with such resources?

This report also examines retirement fluency and longevity literacy among 401(k) participants. An individual's standard of living over the course of retirement depends on more than accumulated savings at the time of retirement and how that savings is subsequently used. So helping 401(k) participants achieve retirement income security involves more than providing plan-related guidance. Individuals make a range of decisions, while working and after retiring, that matter, and they make those decisions not knowing how long their retirement will last. Retirement fluency and longevity literacy enable appropriate decision-making in this context.

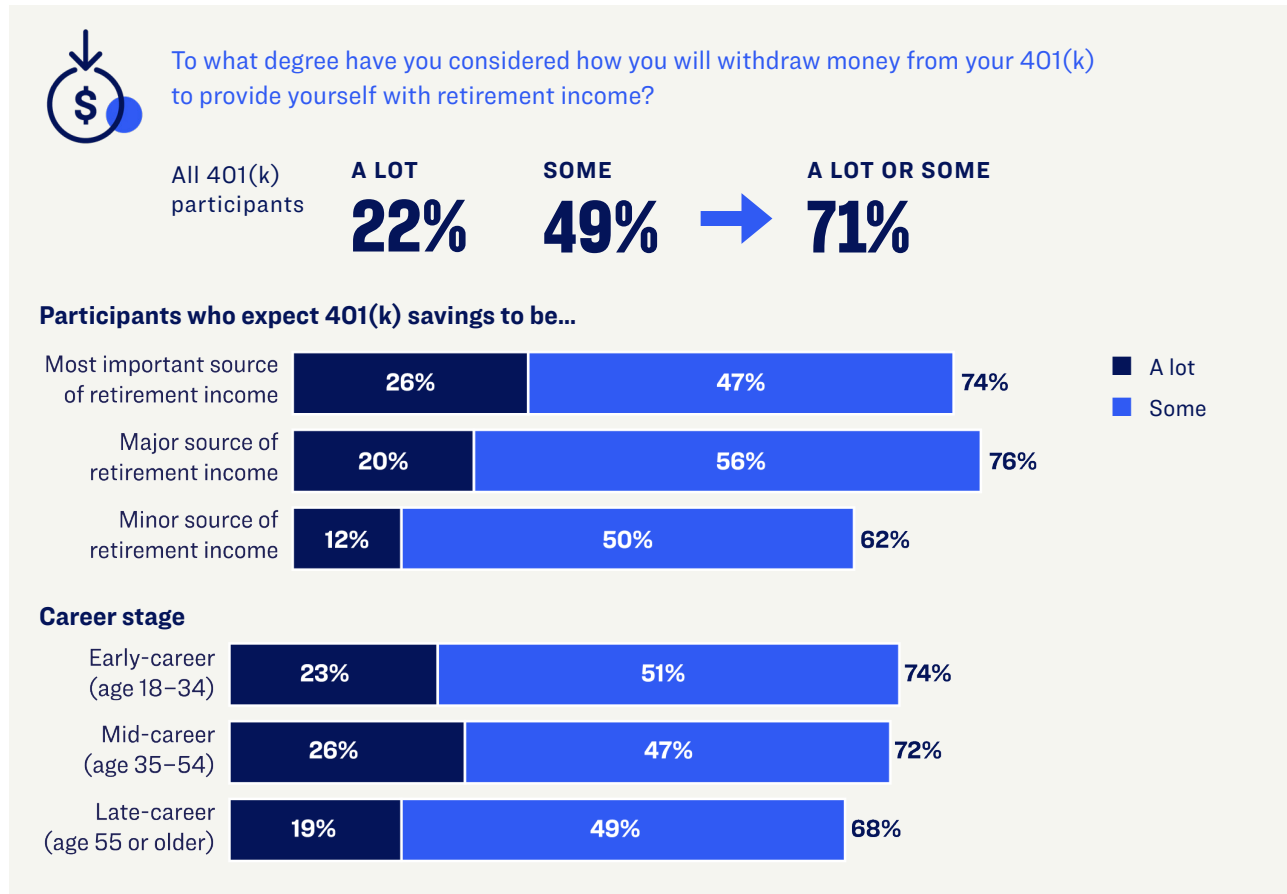


- 1 With more than 80 million active participants and almost \$8 trillion in assets spread across 725,000 plans, 401(k) plans are the dominant form of retirement savings plan in the private sector (EBSA, 2025).
- 2 A recent survey of plan sponsors found only 18% of 401(k) plans offer an annuity or annuity solution to plan participants. Meanwhile, three-quarters (76%) of 401(k) plan sponsors agree that including annuities in plans is likely to gain momentum in the next five years. Among 401(k) plans without an annuity or annuity solution, 37% plan to offer one in the next two years (TIAA, 2024). The Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 provided an impetus in this regard by creating a safe harbor for plan sponsors to use in electing annuity providers for annuity options in their plans.
- 3 More than 90% think it's important for 401(k) plans to provide a way for retirees to turn savings into fixed monthly payments guaranteed to continue throughout their lifetime. In fact, more than 90% would be interested in using a fixed annuity to provide themselves with lifetime income in retirement if included in their plan (Yakoboski, 2025).
- 4 More than 2,100 401(k) participants were surveyed online between 23 Oct and 25 Nov 2025. Sample quotas ensured approximately 1,000 late-career workers (age 55 or older), 500 mid-career (age 35-54), and 500 early-career (age 18-34). Survey responses were weighted to be reflective of the 401(k)-participant population.

Planning for retirement income

Converting retirement savings to retirement income may not be top of mind for most 401(k) participants. Nonetheless, 71% report they've thought about how to withdraw money from their 401(k) to provide themselves with income during retirement, including 22% who've thought a lot about it (Figure 1).⁵ Those who have thought about this some or a lot are referred to here as “withdrawal planners.”

FIGURE 1. RETIREMENT WITHDRAWAL PLANNING AMONG 401(K) PARTICIPANTS



Source: Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income (2025).

Not surprisingly, participants who expect 401(k) savings to be a more important source of retirement income are more likely to be withdrawal planners. One-quarter (26%) of those expecting 401(k) savings to be their most important source of retirement income have thought a lot about how to make retirement withdrawals, while only 12% of those expecting 401(k) savings to be a minor source of retirement income have done so.⁶

Despite their proximity to retirement age, only 19% of late-career 401(k) participants have thought a lot about how to withdraw retirement income from their 401(k) savings.⁷ Even among late-career participants who expect 401(k) savings to be their most important retirement income source, only 23% have thought a lot about this.

5 These figures are essentially identical to those from the 2024 Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income: 21% a lot and 47% some (Yakoboski, 2025).

6 Two-thirds (64%) of 401(k) participants expect 401(k) savings (from their current plan and any others in which they participate) to be their most important source of income during retirement, 12% expect it to be a major source of retirement income, and 24% expect it to be a minor source.

7 One-third (33%) of 401(k) participants are age 18–34 and are classified here as early-career; 30% are age 35–54 and are classified as mid-career; 37% are age 55 or older and are classified as late-career.

Resources used

Almost 60% of 401(k) withdrawal planners believe it’s very important for employers to provide resources to help employees determine how best to make retirement withdrawals (Table 1). In fact, 49% feel it’s an employer’s responsibility to provide such guidance. These sentiments are even stronger among those who’ve thought a lot about retirement withdrawals: 73% think it very important that employers provide such resources, and 61% consider it an employer responsibility.

TABLE 1. WITHDRAWAL PLANNERS’ EXPECTATIONS FOR EMPLOYERS

	Have thought about retirement withdrawals...	
	A lot or some	A lot
How important is it for employers to provide resources to help employees determine how best to withdraw money from their 401(k) during retirement?		
Very important	59%	73%
Somewhat important	34%	23%
Not too/not at all important	6%	3%
Do employers have a responsibility to provide employees with guidance on withdrawing money from their 401(k) during retirement?		
Yes	49%	61%
No, but would be valuable to do so	41%	32%
No, nor would it be particularly useful	6%	5%
Not sure	4%	2%

Source: Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income (2025).

So what has their experience been with withdrawal planning resources provided through plan websites and mobile apps? The survey examined this distinguishing between interactive and non-interactive tools and resources.

What is interactive and non-interactive?

Survey respondents were given the following descriptions:

Interactive tools ask about your situation (for example, age, income, current savings, or retirement goals) and then give personalized feedback or guidance (like how much to save, how to invest, or how much savings you’ll have at retirement). You can compare scenarios by changing your answers to see how the feedback or guidance change.

Non-interactive resources provide educational information that is not specific to you.



Two-thirds (65%) of 401(k) participants who've thought about making retirement withdrawals used a plan-provided resource to do so (Table 2). Utilization of interactive and non-interactive resources were equally common: Each was used by 52% of withdrawal planners, with 39% using both.

TABLE 2. USE OF PLAN-PROVIDED RESOURCES AMONG 401(K) WITHDRAWAL PLANNERS

	Used any plan resources	Used both interactive and non-interactive resources	Only used interactive resources	Only used non-interactive resources
All withdrawal planners	65%	39%	13%	13%
Degree of thought given to making retirement withdrawals				
A lot	77%	52%	15%	10%
Some	60%	34%	12%	14%
Career stage				
Late-career	51%	26%	13%	13%
Mid-career	71%	45%	14%	13%
Early-career	74%	48%	13%	13%

Source: Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income (2025).



Plan-provided withdrawal resources typically cover annuitization.

Most users of interactive tools (73%) and non-interactive resources (69%) reported that the content covered using an annuity to convert 401(k) savings into retirement income guaranteed for life.

Plan participants who've thought a lot about making retirement withdrawals more often used plan-provided resources: 77% compared with 60% of their peers who've thought about withdrawals some. They were also more often users of both interactive (67%) and non-interactive resources (62%).

Only half (51%) of late-career withdrawal planners used plan-provided resources. This contrasts with more than 70% of their younger peers. Late-career use of interactive and non-interactive resources were the same at 39%.



Among 401(k) withdrawal planners who have not used a plan-provide interactive tool:

14% say such a tool isn't available on their plan's website or mobile app.

51% don't know whether one is available to them.

83% Among these, 83% would be interested (32% very interested) in using one if available.

One-quarter (27%) of those who've not used plan-provided resources (interactive or non-interactive) when considering how to convert 401(k) savings to retirement income report not using any other resource either, while use of formal and informal resources were equally common at 46% and 44%, respectively (Table 3).⁸ Among formal resources, financial advisors were more often used (31%) than personal finance websites and apps (20%). Family, friends, or colleagues was by far the most used informal resource (36%).

TABLE 3. USE OF NON-PLAN RESOURCES AMONG 401(K) WITHDRAWAL PLANNERS

	All withdrawal planners	Not used plan resources	Late-career, not used plan resources
None	13%	27%	31%
Formal resources	64%	46%	50%
Financial advisor	45%	31%	38%
Personal finance websites or apps	38%	20%	17%
Informal resources	61%	44%	32%
Family, friends, or colleagues	43%	36%	28%
Social media videos	26%	12%	4%
Personal finance podcasts	20%	6%	5%
Another resource	11%	5%	5%

Source: Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income (2025).

One-third (31%) of late-career withdrawal planners who've not used plan-provided resources have not used any other resource. One-half (50%) used a formal resource, most typically a financial advisor (38%). One-third (32%) used an informal resource, with almost all (28%) using family, friends, or colleagues.⁹



⁸ Among withdrawal planners who've not used plan-provided resources, 19% used both a formal and informal resource.

⁹ Among late-career withdrawal planners who've not used plan-provided resources, 14% used both a formal and informal resource.

User experience

Interactive withdrawal planning tools were more often rated very helpful (52% of users) and very engaging (46%) than non-interactive resources (43% and 38%, respectively) (Table 4). However, there was no difference in trust ratings: 46% of users completely trusted the feedback and guidance provided by each. In addition, 44% rated interactive withdrawal tools as very easy to use and an additional 53% as moderately easy.¹⁰

TABLE 4. EXPERIENCE RATINGS OF PLAN-PROVIDED WITHDRAWAL PLANNING RESOURCES

	How helpful?		How engaging?		How trusted?	
	Very	Very or moderately	Very	Very or moderately	Completely	Completely or somewhat
Among all 401(k) withdrawal planners						
Interactive resources	52%	99%	46%	96%	46%	97%
Non-interactive resources	43%	95%	38%	92%	46%	95%
Among those who have thought a lot about retirement withdrawals						
Interactive resources	76%	100%	70%	97%	70%	100%
Non-interactive resources	66%	98%	60%	97%	66%	97%
Among those who have thought some about retirement withdrawals						
Interactive resources	36%	98%	30%	95%	31%	96%
Non-interactive resources	30%	94%	26%	90%	34%	93%

Source: Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income (2025).

Those who have thought a lot about retirement withdrawals provided noticeably higher experience ratings for both interactive and non-interactive resources, with the advantage still going to interactive tools in terms of helpfulness and engagement. In addition, 68% rated interactive withdrawal tools as very easy to use compared with just 29% of those who've thought some about withdrawals.

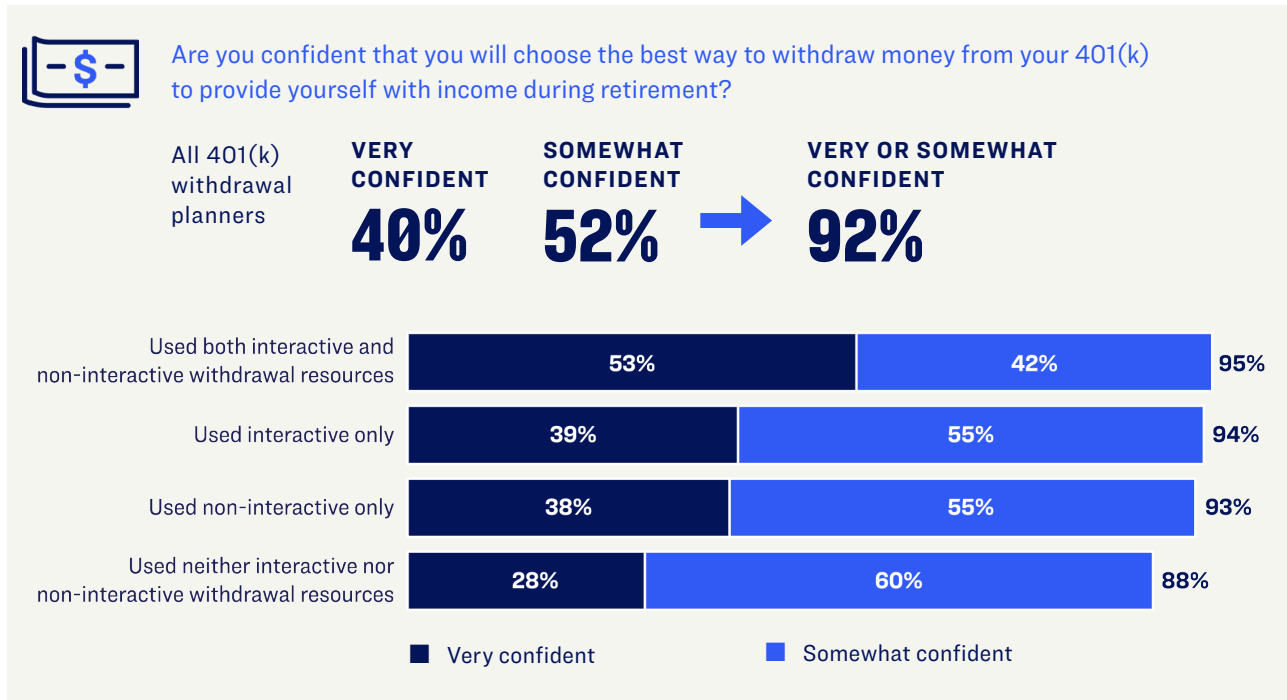
Lastly, the use of plan-provided resources appears to improve retirement withdrawal confidence. Forty percent of 401(k) withdrawal planners are very confident they'll choose the best way to withdraw money from their 401(k) in retirement (Figure 2).^{11,12} However, among those who used both interactive and non-interactive resources, 53% are very confident they'll choose the best withdrawal strategy. In contrast, only 28% of those who used neither are very confident. Interactive and non-interactive resources appear complementary—almost 40% of those using only one or the other are very confident.

¹⁰ The analogous question was not asked about non-interactive resources.

¹¹ This includes 65% of those who have thought a lot about it and 29% of those who have thought about it some. Only 10% of those who have thought little if at all about making retirement withdrawals are very confident.

¹² Only 24% of late-career participants are very confident about choosing the best withdrawal strategy. With that said, 56% of late career participants who have thought a lot about how to convert 401(k) savings to retirement income are very confident they'll choose the best way to do so.

FIGURE 2. RETIREMENT WITHDRAWAL CONFIDENCE AMONG 401(K) WITHDRAWAL PLANNERS



Source: Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income (2025).



Saving and investing

Those 401(k) participants who've changed contribution rates or investment allocations since joining their plan were asked an analogous set of questions about their experience with plan-provided resources when making these changes.¹³

Most (82%) used one or more resources from their plan's website or mobile app when deciding their changes. Utilization of interactive and non-interactive resources were equally common: Each was used by a little over 70%, and almost two-thirds (63%) used both.



Among 401(k) participants who did not use a plan-provided interactive tool when deciding their contribution rate or investment allocation:

13% say such a tool isn't available on their plan's website or mobile app.

42% don't know whether one is available to them.

70% Among these, 70% would be interested (17% very interested) in using one if available.

One-quarter (26%) of those who didn't use plan-provided saving and investment resources (either interactive or non-interactive) reported that they didn't use any other resource either. Their most used alternatives were family, friends, or colleagues (33%), a financial advisor (32%), and personal finance websites or apps (22%).

Interactive saving and investment tools were more often rated very helpful (46% of users) than non-interactive tools (37%). There was essentially no difference in trust: 38% of users completely trusted the feedback and guidance provided by interactive tools compared with 35% for non-interactive resources. Surprisingly, there was also essentially no difference in engagement: 37% of users found the interactive tools to be very engaging compared with 33% for non-interactive resources. Finally, 41% rated interactive tools as easy to use and an additional 53% as moderately easy.¹⁴

Lastly, there appears to be a complementary impact from interactive and non-interactive saving and investment resources. One-third (35%) of participants who used both are very confident they'll be able to retire when they want in the lifestyle they want. In comparison, the analogous figure is 26% among those who used only interactive tools and 13% among those who used only non-interactive resources.¹⁵

¹³ Forty-five percent of 401(k) participants report changing their contribution rate (this doesn't include participants contributing more because they've been auto-escalated) and 44% report changing their investment allocation. More than 60% (62%) changed one or both.

¹⁴ The analogous question was not asked of non-interactive resource users.

¹⁵ Twenty percent of those who have used neither interactive nor non-interactive resources are very confident they'll be able to retire when they want in the lifestyle they want. This seemingly high figure may be the result of some participants with inherently high confidence being less interested in using these resources, or any others for that matter.

Retirement fluency and longevity literacy

An individual's standard of living over the course of retirement depends on more than accumulated savings at the time of retirement and how that savings is subsequently used. Individuals make a range of decisions, while working and after retiring, that matter, and they make those decisions not knowing how long their retirement will last.

Retirement fluency and longevity literacy enable appropriate decision-making in this context. Longevity literacy is an understanding of how long individuals tend to live upon reaching retirement age. Retirement fluency is knowledge that promotes financial well-being in retirement—while it covers saving for retirement and making retirement withdrawals from savings, it's a broader concept encompassing other issues that also factor into financial well-being in retirement.

The survey assessed retirement fluency among 401(k) participants with 15 questions covering five topics, which also include Social Security benefits, Medicare benefits, and long-term care.¹⁶

Retirement fluency questions



Social Security

- Which statement about Social Security retirement benefits is NOT TRUE?
 - Social Security replaces about 60% of pre-retirement income for someone with average career earnings. [correct answer]**
 - Social Security retirement benefit payments are adjusted each year to keep pace with inflation.
 - You may owe federal income tax on some of your Social Security benefits depending on how much other income you have in retirement.
 - Don't know.
- Cam started taking his Social Security retirement benefits at age 62. How much larger would his monthly payments be if he had waited until age 70?
 - About 25% larger.
 - About 50% larger.
 - About 75% larger. [correct answer]**
 - Don't know.
- How are Social Security retirement benefit amounts primarily determined?
 - Based on the 35 years when your earnings were highest. [correct answer]**
 - Based on the 5 consecutive years when your earnings were highest.
 - Based on your final 10 years of work before retirement.
 - Don't know.

¹⁶ The concept of retirement fluency was introduced and initially assessed with five questions in the 2024 *Personal Finance Index* Survey (Yakoboski et al., 2024).

Medicare

4. Which statement about Medicare is TRUE?
- **Basic Medicare (Parts A and B) covers regular doctor visits and inpatient hospital care, as well as emergency room visits. [correct answer]**
 - Medicare prescription drug coverage (Part D) helps pay for generic drugs, but not brand-name drugs.
 - Basic Medicare (Parts A and B) covers dental check-ups and routine eye exams.
 - Don't know.
5. How much of the cost for covered doctor visits and medical services does Medicare Part B typically pay once someone has met their annual deductible?
- 100% (Medicare pays everything)
 - **80% [correct answer]**
 - 60%
 - Don't know.
6. What happens if you don't sign up for Medicare Part B when you become eligible at age 65 and you don't have other qualifying health insurance (like from an employer)?
- Nothing—you can sign up later with no penalty.
 - **You will pay permanently higher premiums when you do sign up. [correct answer]**
 - You cannot sign up for Medicare Part B later.
 - Don't know.

Saving for retirement

7. Latisha plans to save \$2,000 for retirement this year. Her employer offers a 401(k) plan that matches 100% of employee contributions, up to \$5,000 per year. Which choice would give her the MOST money by the end of the year?
- **Putting \$2,000 in her employer's 401(k) plan, where it earns a 5% return during the year. [correct answer]**
 - Putting \$2,000 in an IRA (individual retirement account) outside her job, where it earns a 5% return during the year.
 - Both options would give her the same amount by year-end.
 - Don't know.
8. John contributed \$2,000 to a Roth IRA this year. Which statement is TRUE?
- **He pays income tax on the \$2,000 this year, but he will pay no tax on the \$2,000 and any investment earnings when withdrawn in retirement. [correct answer]**
 - He pays income tax on the \$2,000 this year, and then he'll pay tax on only the investment earnings when withdrawn in retirement.
 - He does not pay income tax on the \$2,000 this year, but he will pay income tax on the \$2,000 and any investment earnings when withdrawn in retirement.
 - Don't know.

9. Paul has been making regular payments on a loan from his 401(k) plan. He is about to start a new job with a new employer. How can he continue to make loan payments?
- His former employer's plan will allow him to continue making payments.
 - He must roll over his 401(k) to an IRA, then he can continue making payments.
 - **He cannot. An outstanding 401(k) loan must be repaid in full when leaving an employer or it is treated as a taxable distribution. [correct answer]**
 - Don't know.

Making saving withdrawals in retirement

10. Emily just retired at age 60 with a 401(k) funded by pretax contributions. When can she begin withdrawing money from her 401(k) without an early withdrawal penalty?
- **Now. [correct answer]**
 - When she reaches age 62.
 - When she reaches age 65.
 - Don't know.
11. Paul is thinking about buying an annuity with money in his 401(k) to provide himself with monthly income during retirement. Which statement is true?
- You are not allowed to use more than 50% of the money in a 401(k) to buy an annuity.
 - You are allowed to buy an annuity with money in a 401(k) during the first five years of retirement, but not after that.
 - **You are allowed to buy more than one annuity over time with money in a 401(k). [correct answer]**
 - Don't know.
12. Hank just retired at age 62 with a 401(k) funded by pretax contributions. Which statement is TRUE?
- If he never needs the money, he never has to take withdrawals from his 401(k).
 - He must begin taking withdrawals when he begins receiving Social Security.
 - **He must begin taking withdrawals by age 75. [correct answer]**
 - Don't know.

Long-term care

13. What percentage of 65-year-olds will need some type of long-term care in their lifetime to help with daily activities like bathing and eating?
- About 30%.
 - About 50%.
 - **About 70%. [correct answer]**
 - Don't know.

14. Jean is 80 years old, has \$200,000 in savings, and receives Social Security benefits. She needs a home aide to help her with bathing and meals. Who will pay for this long-term care?

- Medicare pays for 2 years, then Medicaid pays after that.
- Jean pays until she spends \$100,000, then Medicaid pays after that.
- **Jean pays as long as she has the money to do so. [correct answer]**
- Don't know.

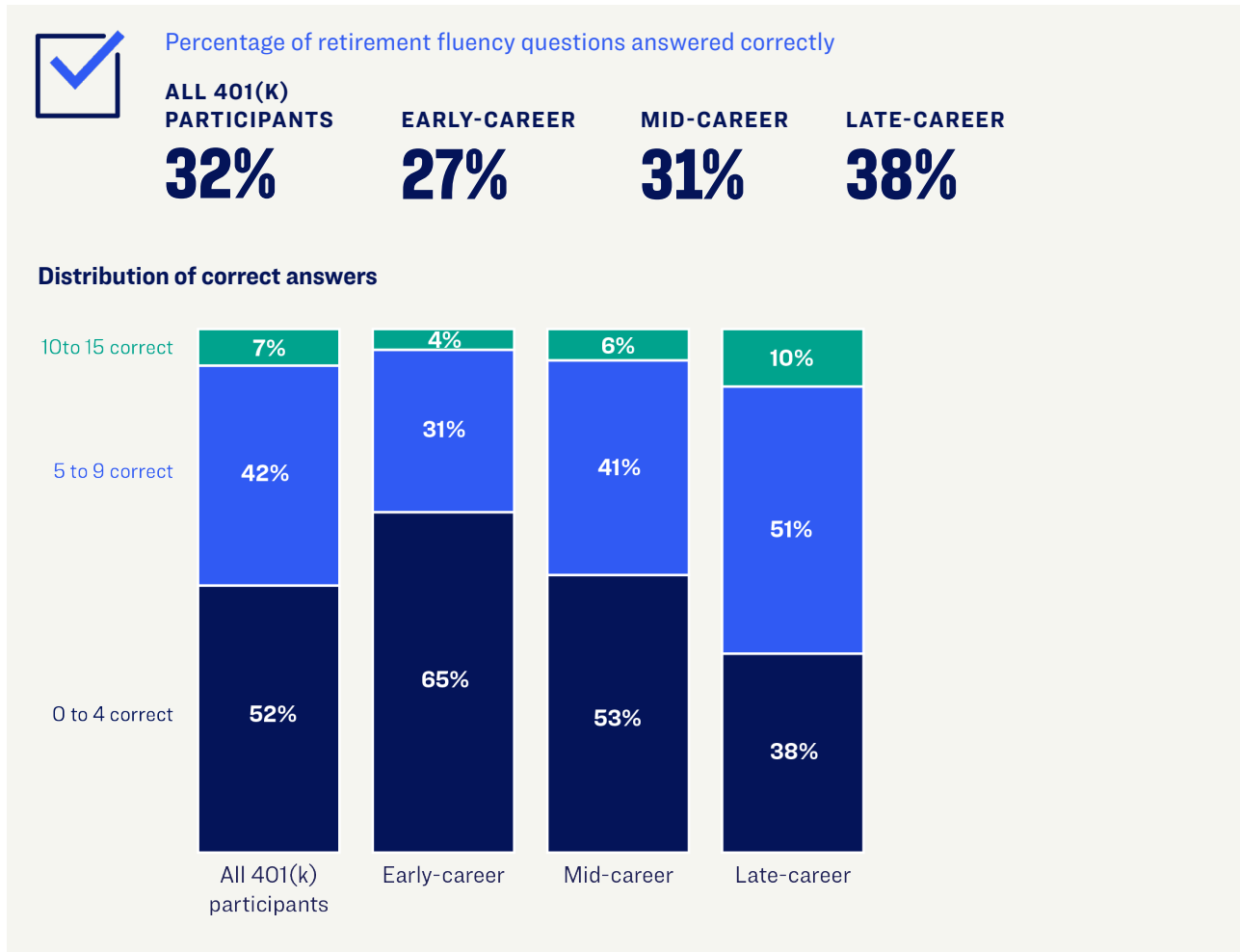
15. Where do most people who need long-term care services receive that care?

- In nursing homes.
- **In their own homes. [correct answer]**
- In assisted living facilities.
- Don't know.



Responses indicate a generally poor level of retirement fluency among most 401(k) participants. On average, 401(k) participants correctly answered only 32% of the retirement fluency questions (Figure 3). More than half (52%) of participants correctly answered fewer than one-third (five) of the questions. At the other end of the spectrum, only 7% correctly answered 10 or more questions.

FIGURE 3. RETIREMENT FLUENCY AMONG 401(K) PARTICIPANTS



Source: Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income (2025).

In terms of topical knowledge, 401(k) participants correctly answered a little more than one-third of the Social Security, Medicare, and saving for retirement questions, on average (Table 5). With each of these topics, about one-third of participants did not correctly answer any of the respective questions while fewer than 10% correctly answered all three. On the topics of long-term care and making retirement withdrawals from retirement savings, 401(k) participants correctly answered about one-quarter of the respective questions, on average. About 40% of participants correctly answered none of the long-term care questions, while 47% did not correctly answer any of the retirement withdrawal questions.

TABLE 5. RETIREMENT FLUENCY TOPICAL KNOWLEDGE AMONG 401(K) PARTICIPANTS

	All 401(k) participants	Early-career	Mid-career	Late-career
Percentage of questions answered correctly for each topic				
Medicare	37%	31%	37%	43%
Saving for retirement	36%	30%	35%	42%
Social Security	34%	29%	33%	40%
Long-term care	27%	24%	27%	28%
Retirement withdrawals	26%	19%	23%	35%

Source: Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income (2025).

In general, late-career 401(k) participants exhibit a greater degree of retirement fluency, but it's nonetheless low: On average, they correctly answered 38% of the questions compared with 31% and 27%, respectively, of their mid- and early-career peers. Two-thirds (65%) of early-career participants and 53% of mid-career participants correctly answered fewer than five questions compared with 38% of late-career. Late-career participants also tended to correctly answer a greater share of questions in each topic area except long-term care.

Retirement fluency and retirement readiness

Poor retirement fluency signals knowledge gaps that can lead to suboptimal decisions, which lower financial well-being in retirement. For example, an uninformed decision about when Social Security benefits are claimed can mean fewer financial resources over time. A poor plan (or lack of a plan) for converting retirement savings to retirement income can result in unnecessarily constrained spending throughout retirement or necessitate unplanned spending reductions later in retirement. Not recognizing the potential need for and cost of long-term care can result in significant hardship at older ages.



In fact, 401(k) participants demonstrating poorer retirement fluency tend to be less confident in their retirement prospects. Nine in 10 401(k) participants who correctly answered 10 to 15 of the retirement fluency questions are confident they'll be able to retire when they want in the lifestyle they want, with 34% very confident (Table 6). The analogous figures are 80% and 33%, respectively, among those who correctly answered 5 to 9 questions. Among those who correctly answered 0 to 4 questions, the respective figures drop to 67% and 23%.


TABLE 6. RETIREMENT FLUENCY AND RETIREMENT CONFIDENCE AMONG 401(K) PARTICIPANTS

	All 401(k) participants	Number of retirement fluency questions answered correctly		
		0 to 4 correct	5 to 9 correct	10 to 15 correct
Are you confident that you will be able to retire when you want in the lifestyle you want?				
Confident	74%	67%	80%	92%
Very confident	28%	23%	33%	34%
Somewhat confident	47%	45%	47%	58%
Not confident	26%	33%	20%	8%
Not too confident	20%	25%	16%	8%
Not at all confident	5%	7%	4%	

Source: Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income (2025).

Longevity literacy

Planning and preparing for retirement are complicated by uncertainty regarding how long retirement will last. Thus, making appropriate decisions requires a degree of longevity literacy as well as retirement fluency.¹⁷ The survey assessed longevity literacy among 401(k) participants with a multiple-choice question that gauges understanding of how long individuals typically live after reaching age 65; there's an analogous version for men and women.

	<p>On average in the U.S., how long will a 65-year-old man live?</p> <ul style="list-style-type: none"> About 14 more years (age 79) About 19 more years (age 84) [correct answer] About 24 more years (age 89) Don't know 	<p>On average in the U.S., how long will a 65-year-old woman live?</p> <ul style="list-style-type: none"> About 17 more years (age 82) About 22 more years (age 87) [correct answer] About 27 more years (age 92) Don't know
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While 33% of 401(k) participants correctly answered the question, 44% chose the answer that underestimates age-65 life expectancy and 14% responded "don't know" (Table 7).¹⁸ These figures are a red flag. Workers' perceptions of how long people typically live beyond age 65 shape their expectations about how long their retirement will last, which in turn influences their retirement saving and planning, including planning for how to convert savings to retirement income. Workers who expect a short retirement due to misperceptions that underestimate population life expectancy are planning and saving based on retirement horizons that are effectively too short, thus facing a greater risk of having inadequate resources.¹⁹

¹⁷ Longevity literacy was introduced and initially assessed in the 2022 *Personal Finance Index Survey* with the analysis expanded upon in subsequent years (Yakoboski et al., 2026).

¹⁸ In 2025, 33% of U.S. adults correctly answered the multiple-choice question about how long a 65-year-old will live on average, 32% chose the response that underestimates life expectancy among 65-year-olds, 22% responded "don't know," and 13% chose the response that overestimates life expectancy (Yakoboski et al., 2026).

¹⁹ Yakoboski et al., 2026.

TABLE 7. LONGEVITY LITERACY AMONG 401(K) PARTICIPANTS

	All 401(k) participants	Early-career	Mid-career	Late-career
On average in the U.S., how long will a 65-year-old live?				
Answered correctly	33%	35%	31%	34%
Overestimated	8%	8%	7%	8%
Underestimated	44%	41%	48%	44%
Don't know	14%	16%	13%	14%

Source: Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income (2025).

Not surprisingly, longevity literacy and retirement fluency are highly correlated among 401(k) participants, meaning those who demonstrate poor retirement fluency are much more likely to also demonstrate poor longevity literacy. Among those who correctly answered 10 or more of the retirement fluency questions, 66% correctly answered the longevity question, 29% chose the answer that underestimates age-65 life expectancy, and 1% responded “don't know.” The analogous figures are 28%, 44%, and 21%, respectively, among those who correctly answered fewer than 5 retirement fluency questions.

Preferred ways of learning

Survey data on preferred modes for learning about personal finance shed light on addressing knowledge gaps in retirement fluency and longevity literacy. Talking with a financial professional is by far the most preferred approach among 401(k) participants to learn about an unfamiliar financial topic (Table 8). The survey did not cover this further, but such an interaction could be one-on-one or in a group setting, as well as in person or virtually. While a financial professional is the top preference across career stages, it's less frequently cited by early-career participants (35%). In contrast, they're more likely than their older peers to cite social media videos: 18% compared to less than 10% of mid- and late-career participants. In addition, 15% of early- and mid-career participants cite interactive tools as their top preference for learning about a financial topic.

TABLE 8. MOST PREFERRED WAYS TO LEARN AMONG 401(K) PARTICIPANTS

	All 401(k) participants	Early-career	Mid-career	Late-career
If you wanted to learn about a financial topic that you didn't know much about, which of the following approaches would you most prefer?				
Talk with a financial professional	42%	35	43	47
Browse short, easy-to-understand materials	15%	13	16	17
Use an interactive tool that customizes information for you	13%	15	15	9
Watch social media videos	11%	18	9	7
Read in-depth guides or articles	11%	13	9	11
Listen to podcasts	4%	6	5	3
Some other approach	1%	1	1	2
Not sure	2%	1	2	4

Source: Nuveen and TIAA Institute Participant Sentiment Survey on Lifetime Income (2025).

Conclusion

Two-thirds (65%) of 401(k) participants who've thought a lot about how they'll convert their 401(k) savings into retirement income are very confident they'll choose the best way to do so, more than double the 29% very confident among those who've thought about it some. Unfortunately, only 22% of participants have thought a lot about making retirement withdrawals while 49% have thought about it some.

So with an eye on improving participant outcomes, what distinguishes those who have thought “a lot” from those who have thought “some” about making retirement withdrawals (beyond simply time spent on it)?

Greater use of plan-provided withdrawal planning resources and a better experience with those resources are clear points of differentiation. About three-quarters (77%) of those who've thought a lot about retirement withdrawals used plan-provided resources compared with 60% of those who've thought about it some. Furthermore, they've more often used both interactive and non-interactive resources (52% versus 34%). This is significant because of their complementary impact.

In addition, those who've thought a lot about making withdrawals tend to have far better experiences with using plan-provided resources. Compared to those who've thought

some about making withdrawals, they're more than twice as likely to report finding both interactive and non-interactive resources very helpful and very engaging. And they're twice as likely to say they completely trusted the feedback and information provided by each.

These findings highlight the value of providing 401(k) participants access to both interactive and non-interactive retirement withdrawal planning resources and exploring various avenues to drive use of both as complements to each other. Given poor retirement fluency and longevity literacy levels among 401(k) participants, there's also value in expanding the range of topics covered beyond saving for retirement and converting savings to income during retirement. In addition, careful consideration should be given to identifying the elements that make for a great experience across participants given the widely different experiences reported in terms of engagement, helpfulness, and trust.

Of course, getting 401(k) participants to carefully consider how they'll convert retirement savings to retirement income should also become easier as more plans incorporate retirement income payout options.



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About the author



Paul Jakoboski is a senior economist with the TIAA Institute, where his research focuses on lifetime financial security, including issues related to financial literacy, longevity literacy, retirement saving and investing, and asset management during retirement. In addition, he researches workforce issues in the higher education and health care sectors. Prior to joining the TIAA Institute, Jakoboski held positions with the American Council of Life Insurers, the Employee Benefit Research Institute, and the U.S. Government Accountability Office. Jakoboski earned an MA and PhD in economics from the University of Rochester and a BS in economics from Virginia Tech.

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