

Employers lean into retirement plans for business growth

Most small business owners are **optimistic about their businesses and interested in offering retirement plans**. Yet, some are held back by concerns over cost and complexity. Those were the findings of our 2025 survey of small business owners and employees.

Financial professionals and plan providers can help address those concerns through **education and simplified recordkeeping solutions** that make retirement planning more accessible and manageable.

Retirement plans benefit both employers and employees

Attracting and retaining employees and improving employees' financial wellness are important goals according to the respondents. Those who offer plans also have fewer concerns about inflation, labor costs, and technology challenges.

Optimistic about their business

71%

Small business owners overall

74%

Millennials are the most optimistic

Confidence to start a plan

62%

Confident to start a plan now

68%

Have researched plans

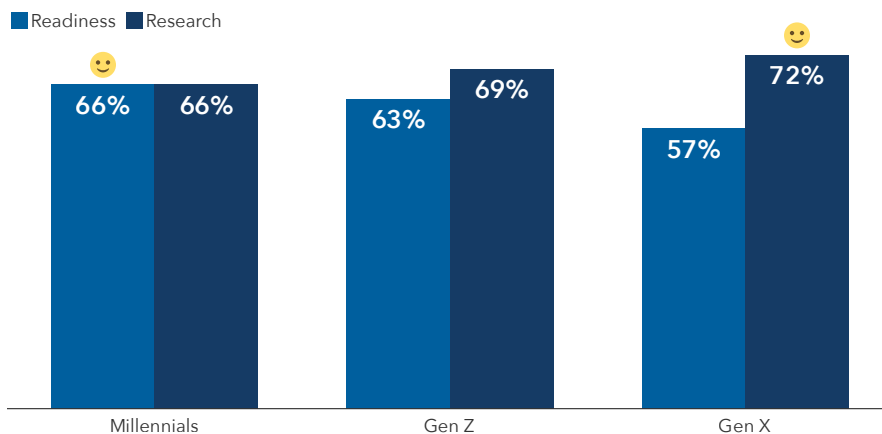
How the surveys were conducted

Capital Group, in partnership with C&C Multicultural, conducted an online survey from April 4 to April 30, 2025, targeting U.S. small business owners and full-time employees aged 21 to 65. The employer sample included owners of businesses operating for 3 to 15 years, generating revenues between \$250K and \$100M, and employing at least three full-time staff members in addition to the owner. These businesses represented a range of industries, excluding finance, and included both those that currently offer and do not offer workplace retirement plans. The employee sample consisted of full-time workers with a mix of respondents whose employers either do not offer a retirement plan, offer a plan and the respondent is enrolled, or offer a plan and the respondent is not enrolled.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

Millennial owners are most ready to offer a plan

They lead the pack in terms of readiness, but Gen X does the most research.



Men are more hesitant to start a plan

"My business isn't ready"

64%

Men

51%

Women

Women are more interested in learning about the benefits of SECURE 2.0 Act



70%

Women



59%

Men

More women are "very likely" to start a plan based on tax credits



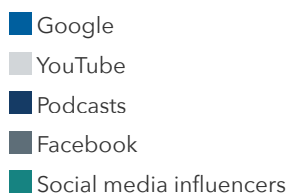
53%

Women



48%

Men



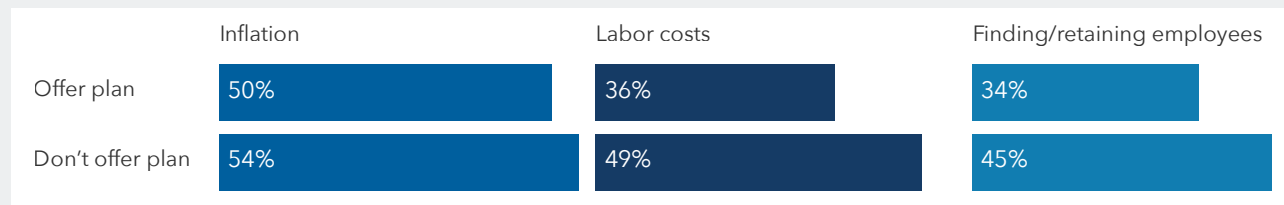
Men and women tend to research plans the same way

Google is by far the most popular resource for retirement plan research.

YouTube, podcasts and Facebook are also top resources which could help financial professionals and plan providers reach more people interested in retirement plans.

A retirement plan may ease business concerns

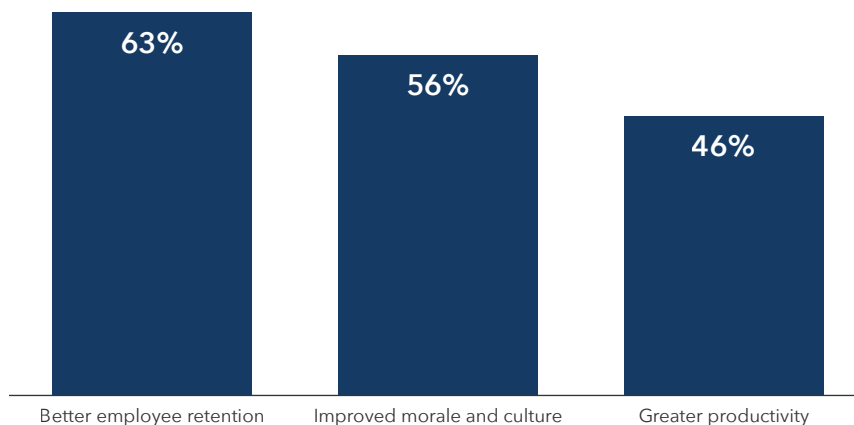
Those who offer a retirement plan tend to be less worried about the leading business concerns. Simply offering a plan may help boost employer confidence.



A way to help grow businesses

Owners report better employee retention, improved morale and greater productivity among the best things about offering a plan.

Best things about offering a plan



SECURE 2.0 Act can help drive retirement plans

The SECURE 2.0 Act marked a significant step toward enabling more small business owners and employees to pursue retirement stability.

Overall, nearly 80% of small business owners say they're familiar with SECURE 2.0. Even more are aware of SECURE 2.0 tax credits. These incentives could inspire some to start a plan.



78%

Familiar with
SECURE 2.0 Act

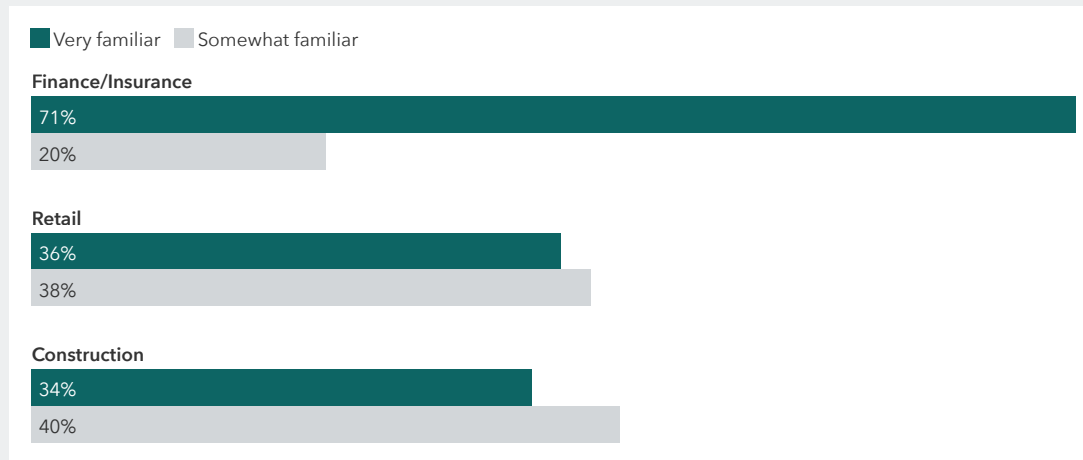


87%

Aware of tax credits

SECURE 2.0 awareness spans industries

Those in the finance/insurance industry are most familiar with the SECURE 2.0 Act, but overall familiarity is also high among construction and retail industries.



Starter 401(k) plans are among the most motivating and important SECURE 2.0 provisions for small business owners who don't offer a retirement plan



38%

Starter 401(k) plans



31%

Expanded start-up credit based on plan costs



28%

New start-up tax credit based on employer contributions

Cost and complexity are key sticking points

Many small business owners want to help their employees save for the future but feel overwhelmed when it comes to offering a retirement plan. Clear, simplified education can help them move forward.

Perceived barriers to starting a retirement plan



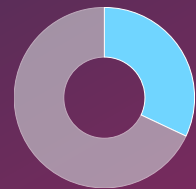
36%

Expensive



34%

Business is too small



32%

Limited administrative resources



Top three things business owners are looking for in a plan

38%

Easy enrollment

38%

Easy set up

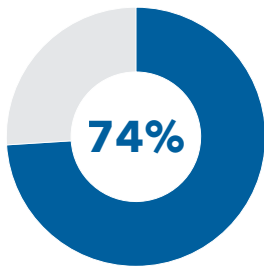
37%

Trusted provider

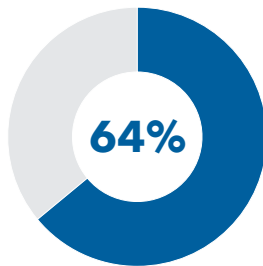
Retirement plan readiness varies by industry

Although the construction industry lags finance/insurance and retail, more than half of business owners across these industries expect to start a retirement plan within three years.

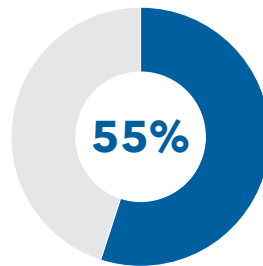
Likelihood within 3 years



Finance/Insurance



Retail



Construction

Financial professionals are a trusted but underutilized resource

Although financial professionals are the most trusted source for plan information, a significant number of small business owners don't use one. That's especially true for those who don't offer a plan.

Financial professionals are the most trusted source for plan info



50%

Financial advisor or financial planner



42%

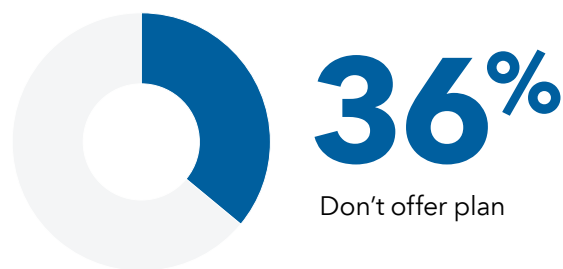
Accountant/CPA



36%

An experienced business owner

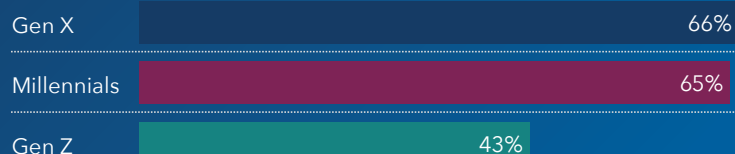
Those who offer a plan are more likely to use a financial professional



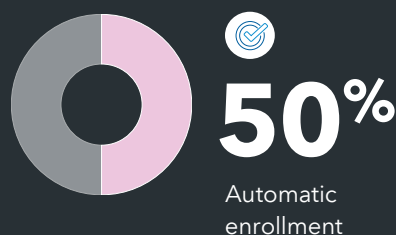
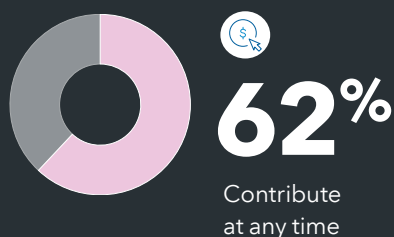
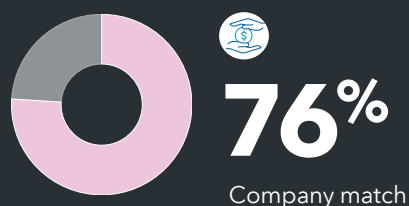
Employees value retirement plans

While employees say they value retirement plans – especially features like company matches – Gen Z is less convinced. Inflation stands out across the workforce as an obstacle to contributing to a company plan.

Employees overall believe a retirement plan is important

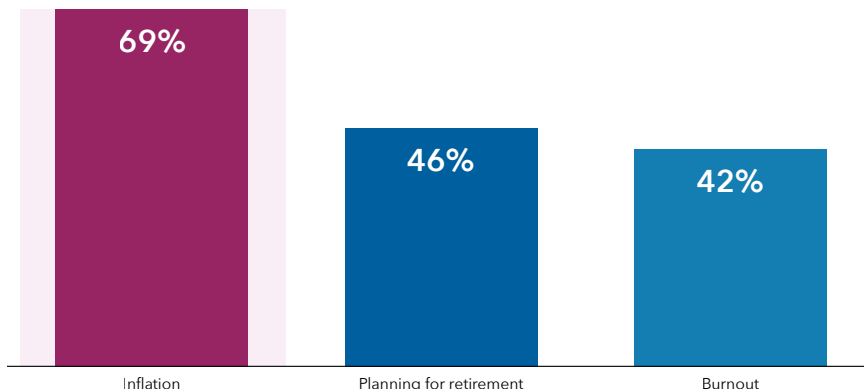


Company match ranks highest in desirable plan features



Rising prices are the leading concern for employees

Inflation could negatively impact employee retirement contributions. More than half of employees say they choose how much to invest based on what they can afford.



TOP FACTOR WHEN CHOOSING HOW MUCH TO INVEST

52%

"What I can afford
at the moment."

Satisfaction (almost) guaranteed



81%

Those who are happy
to offer a retirement
plan

By helping business owners overcome retirement plan barriers through education and simplified recordkeeping solutions, financial professionals and plan providers can help millions of Americans improve their financial wellness and pursue better retirement outcomes.

Here's how financial professionals and plan providers may be able to turn interest into action:



Focus on business
benefits



Dispel myths
perceived as barriers



Help choose the
right plan



Show how easy it
is to get started



Offer continued
support

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