Under-saving for retirement is a global problem. The impact of the COVID-19 pandemic — relaxed rules governing loans or withdrawals and cuts to retirement contributions — has exacerbated the problem. Given the complexities and differences across the globe, a one-size-fits-all solution is not realistic. Addressing this challenge will take the combined ingenuity of governments, plan sponsors, advice givers and asset managers.

MFS has gathered insights from participants and members around the world and shared our perspectives to help our clients make informed decisions and provide solutions that lead to better outcomes. We surveyed participants and members in the United States, Canada, the United Kingdom and Australia, focusing on four key areas.

1 Retirement Confidence

Participants and members are confident in their investing abilities. However, answers to follow-up questions suggest a false sense of confidence.

2 Default Strategies

Within the US, Canada and the UK, the majority of participants and members utilize their default options. Target date funds (TDFs) are widely used in the US and Canada as default options. While participants and members have a general idea of how TDFs and default strategies work, there are some troubling misconceptions.

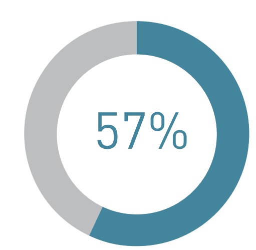
3 Sustainable Investing

Across all regions, there is demand for using a retirement account to address sustainability — often referred to as environmental, social or governance or ESG — issues. However, plan sponsors face some challenges when adding plan and scheme options.

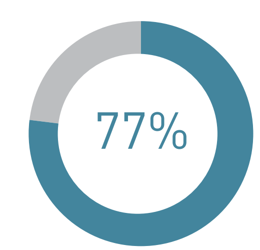
4 Active Management

Globally, participants and members lack a solid understanding of active management and the role it can potentially play in helping them achieve better retirement outcomes. This lack of knowledge may further complicate a plan sponsor's role as a fiduciary.

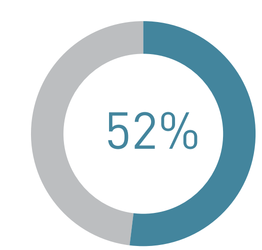
Survey Highlights



believe the default strategy provides guaranteed income in retirement.



are interested in more sustainable investment options.



think passive funds are less risky than the market.