

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

According to National Survey by ShareBuilder 401k

Jul. 23, 2013

SEATTLE – After weathering a recession that forced many to curb, cut and sometimes even tap into employee retirement savings plans, small business owners are offering and investing in 401(k) plans at rates considerably higher than five years ago.

In fact, according to a nationwide survey of small business owners by ShareBuilder 401k, 24 percent of small businesses now offer a 401(k) plan (compared to 10 percent in 2008), with 58 percent of small business owners saying their current retirement savings is higher than it was five years ago.

“Though the Great Recession had a negative impact on many Americans’ retirement plans, it appears it was also a wake-up call when it comes to planning for the long-term,” said ShareBuilder 401k President Stuart Robertson. “A record percentage of small businesses are reporting ownership of a retirement plan—a sign that more small business owners are prioritizing their own and their employees’ need to save for the future.”

The survey conducted during June 2013 revealed a significant shift in sentiment and behaviors related to 401(k) planning and investing when compared to a similar survey conducted in 2008, including: a sharp increase in small business owners offering a 401(k) plan – up from 10 percent in 2008 to 24 percent in 2013; 65 percent now feel confident they’re saving enough for retirement, compared to 44 percent five years ago; 82 percent of all small business owners view 401(k)s as an effective approach to saving for retirement; of the 28 percent of businesses with a 401(k) plan that either stopped offering a match or lowered their match over the past five years, 56 percent have since reinstated it; and 58 percent of small business owners describe their current retirement savings as higher than it was five years ago.

The survey also revealed a shift in how small business owners view their obligation

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

way to go, but we are pleased to see a significantly higher number of businesses offering plans and that many others with plans are reinstating matching contributions.”

The survey also found 48 percent of respondents don't have “enough employees to make it worthwhile” and 23 percent “can't afford to offer a company match.” Those are the two biggest reasons more small businesses are not offering a plan.

“As more small businesses gain awareness that matching isn't a requirement and that any size business can have an affordable plan – even the self-employed – we expect the uptrend in offering a 401(k) to continue,” said Robertson.

The comparative data used in the report comes from a similar survey of small business owners commissioned by ShareBuilder 401k called the 2008 Small Business Annual Retirement Trends report. Both this year's survey and the 2008 research surveyed 500 small businesses from across the United States with 50 or fewer employees.

Since 2005, ShareBuilder 401k has made all of its pricing readily available on its website, and the company began advocating for an industry benchmark of less than one percent for “all-in” employee-paid fees in 2007. ShareBuilder 401k is not a fund provider and takes an unbiased approach in the evaluation and selection of funds with a focus on low-expense, index based investments from the leading ETF providers such as Vanguard, iShares, SPDR and PowerShares to create a powerful line-up from which participants can choose, including five model portfolios. ShareBuilder 401k also serves as the investment manager role (ERISA 3(38) fiduciary) for employers, which helps maximize employer protections and saves employers the time of regularly reviewing investment options that are made available to employees.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

© 2024 Firmworks, LLC. All rights reserved