



Four Retirement Plan Trends to Watch in 2023

Tips so employees can help employees plan a secure and stable retirement

Amidst a backdrop of a volatile market and potential inflationary pressures, these shifts can shape the future of employee retirement planning significantly. Here are four critical trends that deserve attention.

Planning for a Volatile Market

The volatility of global markets, particularly in the face of ongoing geopolitical tensions and economic uncertainty, continues to impact retirement savings. Employers should consider adopting flexible retirement strategies and offering advice to help employees navigate market fluctuations. Risk management tools, diversification strategies, and regular financial reviews can all play essential roles in minimizing risk exposure and enhancing the potential for long-term growth.

The Convergence of Retirement and Wealth

In 2023, we're seeing a shift towards holistic financial wellness, with retirement planning merging more closely with overall wealth management. Employers are increasingly providing resources that integrate retirement savings, investment planning, and budgeting into a comprehensive wealth management framework. This convergence allows employees to view retirement as part of their broader financial picture, thereby making more informed and integrated financial decisions.

Alternative Assets

As traditional investment opportunities fluctuate and yields become less predictable, interest in alternative assets has grown. These assets, including real estate, private equity, and commodities, provide diversification and can often deliver steady returns in volatile markets.

As part of a balanced retirement portfolio, alternative assets can help to mitigate risks and potentially increase returns. Employers should consider providing information and resources to help employees understand and access these alternative investment options.

Inflation and Potential Recession

With inflation at its highest level in decades and the looming threat of a recession, retirement planning in 2023 is fraught with challenges. These economic realities have a direct impact on the purchasing power of retirees, affecting their cost of living and the real value of their retirement savings. Employers can play a crucial role by offering resources to help employees understand the impact of inflation on their retirement savings and strategies to hedge against it.

Furthermore, recession-proofing retirement portfolios through diversification and defensive investment strategies should be a part of employer-led financial education.

Planning Matters

Navigating the retirement landscape in 2023 requires employers to stay abreast of evolving trends and economic uncertainties. By proactively adapting to market volatility, promoting a holistic approach to retirement and wealth, embracing alternative assets, and equipping employees to deal with inflation and potential recession, employers can provide the support necessary for employees to plan a secure and stable retirement.

As the old adage goes, forewarned is forearmed, and in the shifting sands of 2023, this wisdom holds true.