

2025 U.S. Retirement Market Outlook

Retirement industry at a crossroads



Evolution of target date solutions and QDIAs

What's happened?

Target date strategies dominate with **\$3.8 trillion in assets** as of June 30, 2024¹

What's next?

Lower costs are helping collective investment trusts (CITs) gain market share, and demand for active/passive blends is increasing

- **51%** of target date assets are in CITs¹
- **12%** three-year compounded annual growth in assets for blend versus **10%** for passive and **4%** for active²

What to keep an eye on?

Managed accounts appear poised for growth, especially as participants nearing retirement look for personalized solutions that address their unique individual needs.



Retirement income universe expands, plan adoption on the horizon

What's happened?

After SECURE Acts of 2019 and 2022, retirement income products continue to expand as more retirees stay in plan post retirement

What's next?

Plan sponsors are taking a stance on retirement income³

- **68%** drop in plan sponsors with no stated opinion on in-plan solutions (from 59% in 2021 to 19% in 2024)
- **125%** increase in plan sponsors offering or planning to add in-plan solutions (from 8% in 2021 to 18% in 2024)

What to keep an eye on?

Diverse solutions demand careful evaluation. Industry professionals can help plan sponsors analyze and evaluate options to find the best fit for their participants.

A new era for emergency savings after SECURE 2.0

What's happened?

SECURE 2.0 introduced new provisions for emergency savings, a key element of financial wellness

What's next?

Emergency savings solutions are expected to gain traction over the next three to five years. Among advisors and consultants:³

- **70%** anticipate a rise in in-plan solutions
- **52%** expect an increase in out-of-plan solutions

What to keep an eye on?

With SECURE 2.0, plan sponsors have new opportunities and new incentives to enhance workplace emergency savings and help support employees' financial wellbeing.



Retirement policy agenda

Legislative and regulatory themes that could influence the retirement landscape in the coming years include:

- Tax reform
- Focus on the spending phase and retirement income solutions
- Efforts to expand retirement plan coverage and increase participation
- Reform to address ERISA-related litigation

Get additional insights in the [T. Rowe Price 2025 U.S. Retirement Market Outlook](#).