ALLSPRING'S 2025 RETIREMENT STUDY REVEALS GROWING FINANCIAL INSECURITY & CALLS FOR PERSONALIZED SOLUTIONS

CHARLOTTE, November 3, 2025—Allspring Global Investments™, a global asset management firm with $629 billion* in assets under advisement, released its 2025 retirement study, "By Default or By Design?," which reveals that fewer retirees and near-retirees feel financially secure compared with last year and points to a growing appetite for personalized investment, Social Security, and tax solutions. The study, conducted by Allspring and Escalent, surveyed over 1,500 U.S. adults and highlights urgent challenges and promising solutions for America's retirement system.

Key findings:

- Retirement security declines: Only 6 in 10 retirees and near-retirees feel financially secure, with women, older near-retirees, and younger retirees** reporting the steepest drops in confidence.
- Diverse needs demand tailored options: Investors show little appetite for target date funds, with 84% of near-retirees preferring other investment options over target date funds. There is growing awareness that a one-size-fits-all approach may not address the disparate needs of retirees and near-retirees.
- Tax efficiency is critical: Only 1 in 5 retirees and near-retirees use tax-efficient withdrawal strategies. The study shows that asset *location* is as important as asset *allocation*, and customized tax planning can significantly improve retirement outcomes.
- Social Security knowledge gap: Social Security remains the top retirement income source, yet many lack Social Security literacy. Only 1 in 10 near-retirees answered our Social Security questions accurately. Most underestimate the value of delaying claiming, which can boost monthly benefits by nearly 80% and provide maximal, lifelong, inflation-protected income.
- Artificial intelligence (AI) emerges: Among our survey respondents, distrust of AI was pervasive across both the "advised" and "not advised," with 43% of advised individuals expressing distrust in AI, compared with 53% of those without an advisor. At the same time, AI has the potential to take personalization far beyond where we are today and improve outcomes in meaningful ways. To help bridge this gap, advisors and plan sponsors can focus on educating workers and providing resources that help them understand how their unique needs regarding minimizing taxes and optimizing income and Social Security can make a meaningful difference to their retirement outcome. We expect that over the next several years, automation and AI will play a key role in this effort—offering cost-effective, personalized solutions for asset allocation and withdrawal strategies. But for now, AI should be used with discretion and in tandem with human expertise.

"Navigating retirement today requires more than just default solutions, particularly for mature participants," said Nate Miles, head of Retirement at Allspring Global Investments. "Our research shows that understanding the diverse needs of retirees and near-retirees—and designing plans to meet those needs—can make a real difference in outcomes. By combining education, personalized strategies, and the thoughtful use of technology, we can help more Americans retire with confidence."

"Going into retirement without a tax-aware withdrawal strategy is like inviting the IRS to your retirement party and letting them drink all of the expensive champagne," said Holly Swan, Allspring's head of Wealth

Solutions. “Tax-smart withdrawals ensure your money lasts longer, because the only thing worse than running out of money is knowing that you lost it to taxes.”

A call to action: The study urges plan sponsors, advisors, consultants, recordkeepers, and asset managers to move beyond default solutions and embrace intentional, outcome-oriented offerings. The authors argue that behavioral nudges, education, and AI-powered personalization can help retirees and near-retirees achieve better financial outcomes—by design, not by default.

To view the complete report, please visit 2025 Retirement Study | Allspring Global Investments.

ABOUT THE SURVEY

On behalf of Allspring Global Investments, Escalent conducted a survey between April 25 and May 16, 2025, among 1,515 adults who were primary or joint household financial decision-makers and U.S. residents. The survey analyzed attitudes and behaviors around planning their finances, saving, and investing for retirement. The sample consisted of 726 near-retirees (average age 61) and 789 retirees (average age 71) with at least $200,000 in household investible assets. Data are weighted where necessary by assets, age, gender, race/ethnicity, and region to bring them into line with their actual proportions in the population.

ABOUT ALLSPRING

Allspring Global Investments™ is an independent asset management firm with more than $629 billion in assets under advisement*, 19 offices globally, and investment teams supported by 370+ investment professionals. Allspring is committed to thoughtful investing, purposeful planning, and inspiring a new era of investing that pursues both financial returns and positive outcomes. For more information, please visit www.allspringglobal.com.

*As of September 30, 2025. Figures include discretionary and non-discretionary assets.

**A decline of 15% for younger retirees ages 65–69 years and a decline of 8% for older near-retirees also ages 65–69 years versus our 2023 survey.

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