Alto

From saving to strategy

Survey insights on the state of U.S. retirement planning

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Millions of people across the U.S. are doing the “right things” when it comes to preparing for retirement.

They're funding retirement accounts. They're making regular deposits. They're diversifying their holdings. And yet, despite all this, many investors lack something fundamental: a strategic plan for their retirement savings. Recent survey data shows that this contradiction reflects the state of retirement readiness in America. This is the result of a culture where financial responsibility is visible and encouraged: Employers promote 401(k) enrollment, financial institutions make opening an IRA simple and the message to “start saving early” is at every turn. But after opening an account and setting up automatic deposits, strategy doesn’t seem to follow.

Americans need a better roadmap for retirement planning.

This research paper will explore how and why many investors' current retirement planning is falling short and equip investors with the knowledge and tools they need to get on the path toward a brighter financial future.

This white paper draws on proprietary survey results, previous Alto research and industry insights to explore how Americans are preparing for retirement. In September 2025, Alto surveyed 500 US adults, in a nationally representative sampe. This data is complemented by previous Alto research and select industry insights to provide a well-rounded view of the challenges today's investors face when planning for retirement.

Doing the right things, without a full plan

A snapshot of retirement saving in action

Recent survey data tells an encouraging story of proactive planning for the future:

78%
of survey respondents have a 401(k)

47%
have a Roth IRA

91%
of respondents with a retirement account make regular deposits

70%
of 401(k) holders make regular deposits

68%
contribute consistently to a Roth IRA

These statistics suggest a population that is taking retirement seriously. Most people aren't just opening accounts and forgetting about them. They're making sustained commitments to saving and regular contributions to build the kind of wealth it takes to retire.

By conventional measures, millions of Americans are executing the retirement playbook correctly.

The missing link: From saving to planning

Unfortunately, doing the right things is not the same as having a plan.

While most survey respondents have a retirement account, and we see the majority of them contributing to those accounts regularly, few actually have a plan for their savings: **6 in 10 Americans either don't know how to calculate their retirement savings goal or just haven't done so.**

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Americans either don't know how to calculate their retirement savings goal or just haven't done so.

This represents a critical gap in planning. Having a 401(k) or IRA and making regular deposits is a great start. But doing so without clear goals and a path to reach them means Americans are saving without a strategy and hoping that they'll have enough when they reach retirement age.

The confidence gap: Knowledge without direction

Abundant retirement account knowledge, limited planning clarity

Our survey results revealed another interesting distinction: Americans are generally well-educated about retirement accounts, but this doesn't translate into strong planning. When asked about their understanding of different account types, respondents reported solid comprehension:

59%
of respondents rated their understanding of the difference between 401(k)s and IRAs a 4 or 5 (out of 5)

54%
gave themselves a 4 or 5 (out of 5) in understanding different types of IRAs

These are important distinctions to understand, especially when it comes to tax planning. If investors don't understand the types of accounts they're using—and the options beyond the ones they're already familiar with—they may find that they're unpleasantly surprised when it comes time to start making withdrawals.

Many people assume that understanding the types of accounts they have and making regular contributions to them means they have a retirement strategy. But we've seen that only around 40% of Americans know how much they need to save for retirement. They understand their accounts and how to save, but they don't know if they are on track to be able to afford the kind of retirement they want. This can present challenges for investors.

It’s even more concerning given what retirement will realistically cost. General guidelines suggest that people will need 70%–80% of their per-retirement income to maintain a similar lifestyle. However, our survey showed that more than one third of respondents are grossly underestimating what they’ll actually require.

With this backdrop, it’s not surprising that 62% of respondents say they’re willing to work part-time in retirement, downsize their home, or even delay retiring to meet their financial needs. And 72% admit they don’t know when they’ll retire. This gap between understanding and action becomes even clearer when we look at what people are actually investing in within their retirement accounts.

What about inheritances?

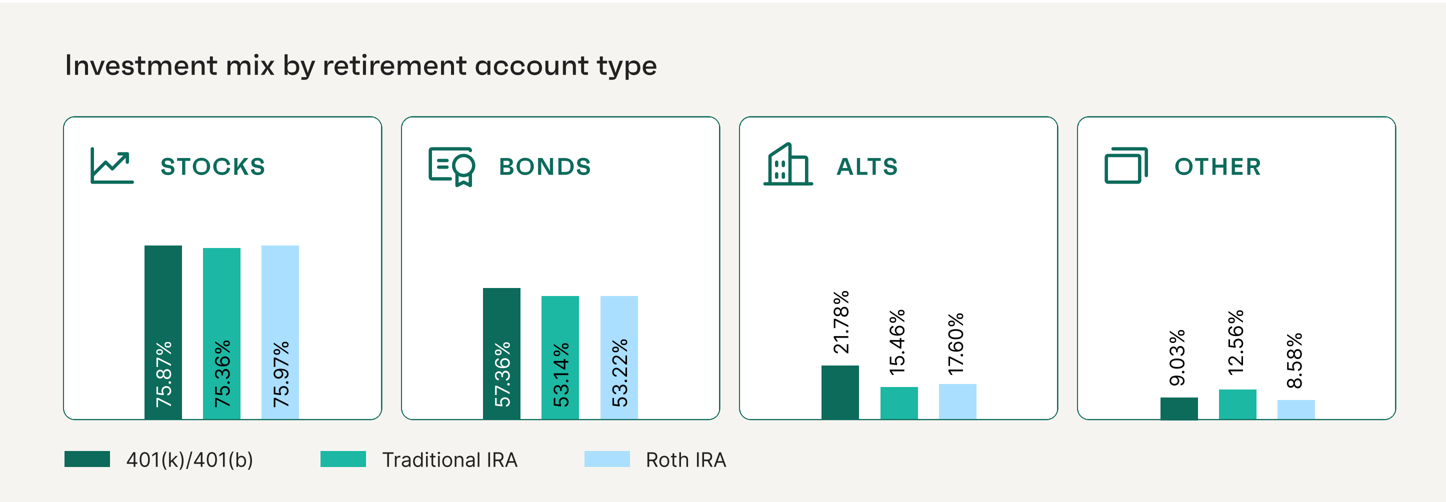
According to our survey, many Americans may receive an inheritance, but few are building their retirement strategy around one. Our survey shows that nearly 80% of respondents are not counting on inheritance funds for retirement, and among the 20.4% who are, half expect it to cover only a small portion of their needs. Confidence around managing inherited assets is also mixed. While respondents generally understand their retirement accounts, far fewer feel knowledgeable about how inherited funds work or how they’re taxed. Only 35.8% rated their understanding of inherited-fund account types highly, and just 30% felt confident about inheritance or estate taxes.

In summary, inheritances can be a helpful boost, but they aren’t the foundation of most retirement plans. Clear savings goals, diversified portfolios, and ongoing planning remain the cornerstones, whether or not an inheritance enters the picture.

The default strategy

Most respondents are actively saving for retirement, but few are doing so strategically, as we can see from the assets they're investing in. The "set it and forget it" approach primarily focused on stocks and bonds has become the default strategy for many retirement account holders. It's encouraging that some investors report holding alternative investments in their retirement accounts, but for many, there is a significant missed opportunity.

The following chart shows the percentage of respondents who hold a particular type of asset in their retirement accounts:



The diversification opportunity

Building long-term wealth begins with understanding how to make your money work harder across different types of investments. Expanding beyond traditional stocks and bonds into alternative asset classes offers valuable opportunities to enhance diversification and build long-term growth.

Many alternatives aren't directly correlated with the stock market, so including them in a portfolio can help insulate investors from market dips during times of volatility. Alternative investments have also shown potential for higher returns over the long term, an attribute that is attractive to growth-minded investors.

Private market alternative investments like real estate, private equity and private credit offer different investment characteristics and may help balance out movement in public markets. Many professionals are now recommending a 50/30/20 portfolio—50% stocks, 30% bonds and 20% alternatives. As less than a quarter of investors surveyed have alternatives in their portfolio at all, the majority coming up short compared to the recommended portfolio.

Please note that alternative investments also come with risks that investors should understand before investing, and past performance does not guarantee future results.

Bridging the retirement strategy gap

Retirement savers often contribute regularly, yet still lack a comprehensive long-term plan. Our research shows that three solutions can help people move from simply saving to true strategic investing: education, self-directed tools and working with advisors.

As shown above, a significant number of investors are not diversifying their retirement dollars beyond stocks and bonds. With better access to educational resources and intuitive online tools, they can make more informed decisions about how to allocate their funds.

Education empowers confidence

Effective financial education helps investors understand the power of diversification and how different asset classes, including alternatives, can strengthen their portfolios. With clear, accessible education, investors gain the knowledge they need to make informed decisions.

Self-directed tools enable action

The right technology gives investors the ability to put that education into practice. Self-directed IRAs and modern investing platforms allow individuals to diversify their portfolios across a wider range of assets, including real estate, private equity and digital assets—taking greater control over their financial futures.

Advisors guide strategy

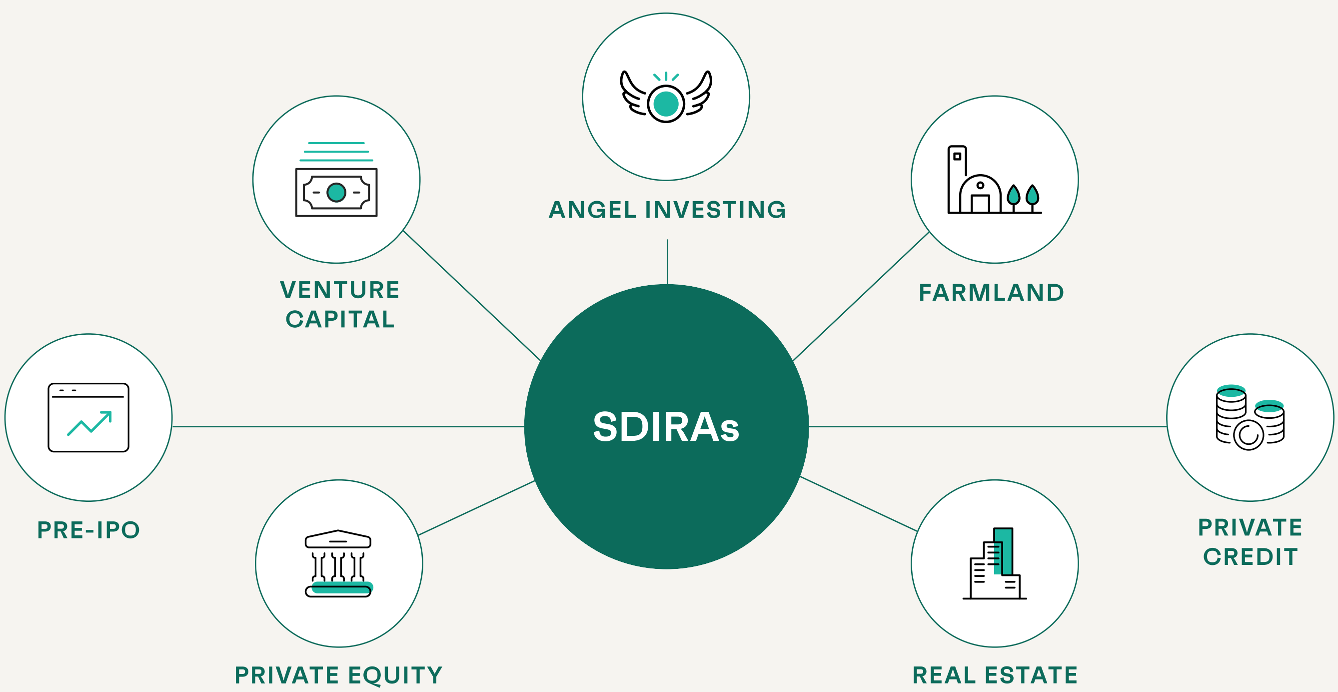
Working with financial advisors continues to be a proven advantage. Our survey found that those who work with advisors may have more diversified portfolios and a better understanding of how their accounts function. Advisors help translate knowledge into long-term strategy, aligning investments with goals, timelines and risk tolerance.

How self-directed IRAs take retirement saving to the next level

Many investors may be aware of traditional alternative investments like real estate investment trusts (REITs), which are available on public markets; however, they may be unaware that these investments can be accessed through their retirement accounts.

Self-directed IRAs can open up a range of investing options and opportunities for diversification by offering investors a wider variety of assets than traditional retirement accounts.These types of investments enable investors to diversify their retirement savings beyond stocks and bonds. When used to complement traditional accounts, the asset exposure available through a self-directed IRA can help better position investors for long-term portfolio growth and resilience.

Self-directed IRAs create access to alternative assets and private market investments



It's worth noting that the goal of diversifying with alternatives isn't to take on more risk. Rather, it is to better align investments with investors' retirement goals and time horizons. Investors can tailor their strategy with alternatives to reflect their risk tolerance and timeline just like with traditional equities, but they also gain the benefits of increased diversification.

Turning awareness into action

From saving to investing: The missing step

A solid retirement planning strategy includes three interrelated stages:

STAGE 1: SAVING

Accumulating money in designated accounts, taking advantage of employer matches and building a base of assets happens at this stage. As we've seen, most Americans have learned to do this well. They understand that starting early matters, that compound growth matters and that their contributions matter.

This is critical, and the fact that most Americans are doing it demonstrates a strong foundation.

STAGE 2: INVESTING

This stage involves deploying accumulated money strategically. It's not enough to have a 401(k) with a growing balance. Investing means aligning your money with your goals, time horizon and risk tolerance.

But this stage is where many Americans stumble. They save consistently, but don't invest strategically.

STAGE 3: OPTIMIZING

After investing comes optimizing. This is where investors get the most out of their money. Some investors may also prefer to work with an advisor in this step, which is another viable option. The point is to use the resources available to maximize returns and minimize risk. Those resources could include the knowledge of an advisor or be more focused on education and the use of self-directed tools.

With more education and high-tech platforms available, this stage is accessible to Americans more than ever. But few have taken the leap to incorporating self-directed investing into their retirement strategy.

Planning worksheet

Calculate your retirement goal

Revisit your retirement goals and determine how much you will need. An estimated calculation is more useful than no number at all. Here's a checklist to get started:

- ☐ Gather your current retirement account balances
- ☐ Estimate your monthly or annual contributions
- ☐ Identify your target retirement age
- ☐ Project your expected annual spending in retirement
- ☐ Check your current annual income
- ☐ Note your expected Social Security benefits or pensions
- ☐ Assess any additional savings or investment accounts

Review your current portfolio allocation

The answers to the questions below will drive your investment strategy. If everything looks good, you can continue investing the same way you have in the past. If your current allocation doesn't support your goals, though, it may be time for a change.

Questions to review:

- ☐ Are my 401(K), IRA, and other taxable accounts set up for my intended goals?
- ☐ Am I putting investments into accounts with consideration for future tax implications?
- ☐ Is my portfolio too risky or too safe?
- ☐ Will my funds last for what I'll need in retirement?
- ☐ Am I spread out across different types of investments?

Consider your diversification strategy

If you're only invested in stocks and bonds, it's time to diversify. Diversified portfolios are more resistant to downturns in the stock market and may let you take advantage of high-growth assets in other areas. There are two approaches you can take:

Shaping your portfolio:

- ☐ *If you feel confident:* Open an SDIRA to take more control over your asset allocation
- ☐ *If you want more guidance:* Talk to a financial advisor about your current asset allocation and how you might diversify using a self-directed IRA

Commit to regular assessment

Retirement planning isn't a one-and-done activity. Life changes. Markets move. Circumstances evolve. Make sure your portfolio is updated to match your needs. With regular check-ins, you are committing to strategic retirement planning that can help position you for decades of comfortable retirement.

Annual review:

- ☐ Check your account balances and contribution levels
- ☐ Update your retirement age and savings goals if they've changed
- ☐ Review your yearly spendings to see if your budget still applies
- ☐ Adjust your portfolio mix to fit your timeline or comfort level
- ☐ Confirm you're still on track to meet your retirement needs

What real financial confidence looks like

Americans are saving responsibly. They're making deposits, growing their accounts and building financial foundations. But they need more.

For true strategic retirement planning, Americans can turn to self-directed tools and financial advisors to diversify and update their asset allocations. Education and the opportunity to take control of retirement savings is what turns saving into investing and investing into optimizing.

Financial confidence doesn't come from simply having the right accounts. It comes from understanding how each type of account can help you reach your goals. Our survey shows that many Americans haven't quite made it to the point where they are confident in their retirement planning.

Self-directed IRAs, however, give consumers the chance to take control over their investments and build stronger, more diversified portfolios. With the educational materials available, individual investors are able to discover how SDIRAs can be a crucial part of a balanced retirement savings strategy.

Many Americans have been missing clarity in their retirement goal and the strategies that can get them there. This new roadmap helps pave the way for investors to afford decades of enjoying the fruits of their labor.