

2023 research key findings

Retention issues and concern over inflation and possible recession are top themes.

Employees **looking for a change**

Employers and participants differ when asked if current key employees are:

Actively looking for a new job

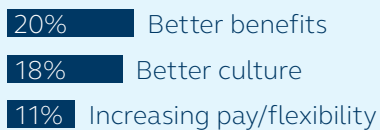


Considering changing jobs

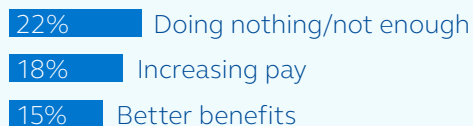


What's being done to help with retaining existing employees

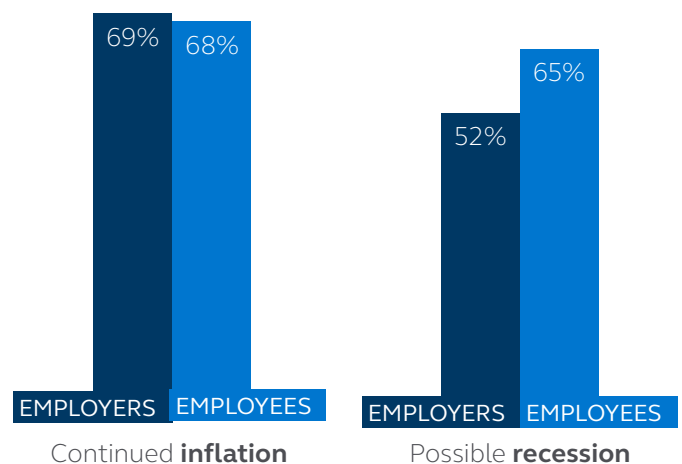
Employers' actions



Employees' perceptions



Concern about **inflation** and possible **recession**

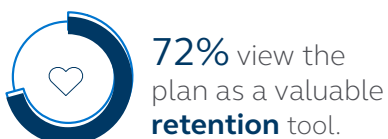


VIEW FROM THE **EMPLOYER**

Concern about **recruiting** and **retaining**



Recruiting and retention



Reasons for **hiring challenges**

74% Hard to find employees with the right skill sets

54% Employees leaving for better pay

52% Potential employees looking for remote rather than in person work

35% Employees leaving for better benefits

Top reasons why plan sponsors offer deferred comp plans



Provide a competitive benefits package for key employees



Help participants save for retirement above qualified plan limits



Retention tool for key employees



Help key employees manage current taxation

Employer contributions into the plan



72% have employer and employee contributions

28% have only employer contributions

Primary reasons for employer contributions

40% Restore lost 401(k) match

40% Retain key employees

VIEW FROM THE PARTICIPANT

Participants consider a deferred comp plan **important in**



Deciding to take a **new job**



Deciding to **stay** with a current employer



Preparing for retirement.

Plan is important in reaching their financial goals in retirement.

Main reasons for participating in a deferred comp plan

60% Save for retirement

22% Reduce current taxable income

12% Employer contributions participants would miss

 Learn more

For the latest results, visit principal.com/nqresearch.

The 2023 Principal® Trends in Nonqualified Deferred Compensation report is an online survey of 125 NQDC plan sponsors and 1,089 plan participants conducted between June 5-23, and Sept. 5-25, 2023.

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