

Habits and goals

Let automation do the work: make saving the default

Saving is easier when it isn't a daily decision. Set it up once, check the settings, and let it run.

6-minute read • Updated October 2026 • Checked against its sources



The short version

- ✓ In plans Vanguard keeps records for, an estimated 94% of workers saved in 2025 when signed up automatically, versus 64% when they had to sign up themselves.
- ✓ Defaults stick, so check yours: how much you save, whether it gets the full employer match, and whether it rises each year.
- ✓ Outside work, set up a recurring transfer or split your direct deposit. Start with an amount you won't miss, and raise it later.

Rather talk it through?

A volunteer financial adviser can help with your situation, one-on-one, for free.



Point your phone's camera at the code, or go to:

go.advisersgiveback.org/start

From a nonprofit. Every volunteer adviser is a fiduciary, which means they must put your interests first. We never sell your information.

1

It's a system problem, not a willpower problem

If saving feels harder than it should, you're not failing a test of character. Many people mean to save. But saving is rarely urgent, so in a busy week it's the first thing to slide.

Vanguard's yearly study of retirement plans describes the pattern. Many workers know they aren't saving enough and say they'd like to save more. Yet they never get around to signing up, or to raising the amount once they do.¹ When a choice feels hard, putting it off is the easy path. And in a plan you have to join yourself, putting it off means not saving.¹

Automation flips that around. Once saving is set up to happen on its own, doing nothing means you keep saving.

2

The power of a default

A default is what happens when you don't make a choice. In 2025, 61% of the workplace retirement plans that Vanguard keeps records for signed workers up automatically. Workers could still opt out, but they didn't have to opt in. ¹

The difference is large. In plans that signed people up automatically, 94% of eligible workers were saving. In plans where workers had to sign up on their own, 64% were. ¹

When saving is the default, far more workers save

Eligible workers saving in their employer's retirement plan, by how the plan enrolls them, 2025 (estimated)



Plans that Vanguard keeps records for, counting every eligible worker.

Source: Vanguard, How America Saves 2026 (June 2026)

The gap is largest for workers with lower incomes, who often have the least room in their budgets. ¹

89%

of workers earning \$15,000 to \$29,999 saved in plans that signed them up automatically

In plans where they had to sign up on their own, 26% did (2025, estimated).

Source: Vanguard, How America Saves 2026 (June 2026)

It's large for newer workers, too. Among people with less than two years on the job, 90% were saving in plans that signed them up automatically. In plans where they had to sign up themselves, 39% were. ¹ If you're starting a new job, the first few weeks are a good time to look at your plan.

3

Check the default, too

Defaults are powerful in both directions. They get people saving, but they also tend to decide how much.

Starting settings are often low. In 2025, 38% of Vanguard plans with automatic sign-up started people at 3% of pay or less. Yet in the typical plan, workers had to put in 6% of pay to get the full employer match. ¹ Workers with lower incomes were more likely to

stay close to the starting rate. But when plans started people at 6%, workers at every income level had a typical saving rate of 7% or more. ¹

You may run into automatic sign-up more often. Under a 2022 law, most 401(k) and 403(b) plans started after December 29, 2022, must sign workers up automatically, beginning with the 2025 plan year. The starting rate is at least 3% of pay, and it rises by one percentage point a year until it reaches at least 10%. Plans at new and small businesses, church plans and government plans are exempt. ² Either way, you're not locked in. Before any money comes out of your pay, your employer must give you the choice to save nothing or a different amount. ³



Check where the money goes, too

If you're signed up automatically, the plan also picks an investment for you. In 2025, 98% of Vanguard plans with automatic sign-up used a target date fund as that default investment. ¹ That's a fund that holds a mix of investments and shifts to lower-risk ones as its target date gets closer. For retirement funds, that's the year you expect to retire.

Staff at the Securities and Exchange Commission (SEC) suggest finding out about the fund you're in: a different target date or a different fund in the plan may fit you better. A target date fund doesn't guarantee you'll have enough to retire on. And funds with the same target date can charge different fees. Even small differences in fees can add up to large differences over time. ⁴

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Let raises do some of the work

An automatic increase uses the same idea over time. It raises your saving rate a little each year, so you don't have to remember to do it.

In 2025, 71% of Vanguard plans that signed people up automatically also raised their saving rate automatically every year. The most common step was one percentage point. ¹ In all, 31% of people in Vanguard plans saw their saving rate rise through an automatic increase. Just 14% raised it on their own. ¹

Some plans offer the feature but leave it to you to turn on. Where that was the case, 25% of people used it. ¹ If your plan offers it, it's worth a look.



Check your plan's settings

Log in to your workplace retirement account, or ask HR, and look for four things. Are you signed up? What percent of your pay are you saving? Does that get you the full employer match? And is there an automatic yearly increase, and is it turned on?

You can do the same with your own savings. When you get a raise, bump up your automatic transfer before you get used to the bigger paycheck. Our guide to [paying yourself first](#) walks through it step by step.

Online: advisersgiveback.org/resources/pay-yourself-first/

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Build your own automatic saving

You can use the same trick for any goal, not just retirement. It's worth doing, because money in a workplace retirement plan is meant for later. Most withdrawals are taxed as income. Before age 59½, you'll usually owe an extra 10% federal tax too, and in California an extra 2.5% state tax, unless an exception applies.^{5 6} Savings you can reach, like an emergency fund, can cover a surprise without that cost.

The Consumer Financial Protection Bureau (CFPB) points to two simple ways to save automatically:⁷

- **A recurring transfer.** Your bank or credit union moves money from checking to savings on a schedule. You decide how much and how often.
- **A split direct deposit.** If you're paid by direct deposit, ask your employer whether part of each paycheck can go straight to savings.

Vidalia Cornwall, a CFP® professional who volunteers with Advisers Give Back, talks about checking your deductions and splitting your deposit.

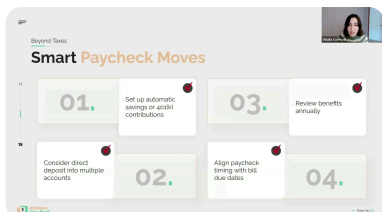
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Two free paycheck moves

Two no-cost paycheck moves: check your deductions for add-on benefits you don't use, and split your direct deposit so part of every paycheck goes straight to savings.

Vidalia Cornwall, a volunteer CFP® professional

Scan the code to watch it, or go to advisersgiveback.org/resources/let-automation-do-the-work/



If your employer can't split your pay, a recurring transfer does the same job.⁷

Start with an amount that feels doable, even \$10 a week. Think of it as a bill you pay to yourself before spending starts. You can raise it later, when you get a raise or pay off a debt.

Watch the timing, though. If a transfer goes through when your checking account is low, you could be charged an overdraft fee. The CFPB suggests balance alerts or calendar reminders to help you keep an eye on it.⁷ Setting the transfer for the day after payday helps too.



If your pay goes up and down

Automatic transfers work best when money comes in on a steady schedule, and you can always change the amount if your income changes. ⁷ If your pay varies, set a small automatic amount you could cover even in a slow week. Then, in weeks when more comes in, move a little extra by hand.

Bills and card payments can run on their own, too. Our guide to [putting your finances on autopilot](#) covers what to automate and how to do it safely.
Online: advisersgiveback.org/resources/protect-your-energy/

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Why it changes how saving feels

When saving happens on its own, it stops being a daily test of self-control. It simply becomes part of how your money flows, even in months when everything else feels full.

Automation won't replace intention. But it makes progress much easier to keep.

You don't need to think about saving every day to make progress. When life gets loud, your setup keeps going. If you'd like help choosing how much to save, and where, a volunteer adviser can talk it through with you, one-on-one and at no cost.

Questions to bring to your adviser

A volunteer adviser is ready when you are.

A volunteer adviser can look at your numbers with you and help you decide what to do first.

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Sources

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