

NEWS RELEASE

T. ROWE PRICE: 401(K) ACCOUNT BALANCES SOARED IN 2023, ESPECIALLY AMONG YOUNGER RETIREMENT SAVERS

2023 report features the latest trends in 401(k) plan design and participant behavior

BALTIMORE (April 8, 2024) – T. Rowe Price, a global investment management firm and a leader in retirement, today published its annual benchmarking [report](#) on 401(k) plan design and participant behavior, and found average account balances increased by 14% to \$115,000, aided by strong performance in the financial markets. This is the second highest average the firm has seen in 10 years, just below the \$124,000 high in 2021. Gains were especially strong among participants aged 20-29, who experienced an increase of 27%.

Meanwhile, 401(k) plan participation saw a decline from 66% in 2022 to 63% in 2023. Participation remains significantly higher in plans with auto-enrollment compared to plans without it (83% versus 36%, respectively), underscoring the importance of auto-solutions like auto-enrollment and auto-increase.

“We’ve seen first-hand how simple 401(k) plan features like auto-solutions can significantly drive positive savings behavior,” said Francisco Negrón, head of Retirement Plan Services at T. Rowe Price. “T. Rowe Price is dedicated to helping advisors and plan sponsors design plans that set up their employees for success, instill financial confidence, and put them on the path toward better retirement outcomes.”

Additional key findings include:

- Plan adoption of **Roth contributions** reached an all-time high of 93% in 2023, and 14% of participants made Roth contributions.
- The average **employee deferral rate** remained steady from 2022 to 2023 at 8.4%.
- Participants invested their contributions in a **target date** product more than any other investment type in 2023. Those who invested 100% in a target date product were 27 times less likely to make an exchange.
- The volume of **exchanges** among investment options has remained relatively stable since 2018, even during the highest period of volatility in 2020 when 2.5% of participants made one.
- Participants aged 72 and older took 12.9% fewer **distributions** in 2023 compared to 2022, likely related to SECURE 2.0 legislation, which changed the starting age for Required Minimum Distributions from 72 to 73.
- Hardship withdrawals increased across all age groups from 2022 to 2023. Participants in their 50s experienced the biggest increase in both average hardship size and quantity.

The annual benchmarking report, Reference Point, is based on the firm’s full-service 401(k) recordkeeping client data for 2023.

ABOUT T. ROWE PRICE

Founded in 1937, T. Rowe Price (NASDAQ: TROW) helps individuals and institutions around the world achieve their long-term investment goals. As a large global asset management company known for investment excellence, retirement leadership, and independent proprietary research, the firm is built on a culture of integrity that puts client interests first. Clients rely on the award-winning firm for its retirement expertise and active management of equity, fixed income, alternatives, and multi-asset investment capabilities. T. Rowe Price has \$1.51 trillion in assets under management as of February 29, 2024, and serves millions of clients globally. News and other updates can be found on [Facebook](#), [Instagram](#), [LinkedIn](#), [X](#), [YouTube](#), and troweprice.com/newsroom.

T. ROWE PRICE CONTACTS:

Monique Bosco
410-409-7827
monique.bosco@troweprice.com

Daniel Morris
443-804-8595
daniel.morris@troweprice.com

202404-3483414