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T. Rowe Price Publishes Report Featuring 401(k) Plan Sponsor and Participant Behavior in First Half 2022

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New study shows participants are staying the course and eager to get better educated about retirement savings amid rising inflation and heightened market volatility

BALTIMORE, Sept. 15, 2022 /PRNewswire/ -- T. Rowe Price, a global investment management firm and a leader in retirement, has published a report detailing plan sponsors' and participants' reactions to increased inflation and market volatility in the first two quarters of 2022. The report examines retirement behavioral trends and correlations between the challenging economy and job tenure with rates of savings for retirement.

Despite increased inflation and market volatility in the first half of 2022, participants have not changed their loan, distribution, or withdrawal behavior significantly. Participants who invested fully in target date products continued to exchange between investment choices at lower rates than plan participants at large.

The research also saw that while distribution rates have normalized since the height of the pandemic, financial hardship withdrawals increased slightly in the first half of 2022 compared to the previous two years. This is largely due to the fact that special COVID-related distributions are no longer available.

The report also found that participants consumed a greater amount of digital retirement planning and savings content during the second quarter of 2022, specifically around financial wellness. These popular programs focused on budgeting, retirement readiness, and maximizing 401(k) plans.

Key Highlights:

- Participants have not changed their loan, distribution, or withdrawal behavior significantly, despite increased inflation and market volatility
- More than 99% of participants who invested fully in a target date product did not make an exchange
- Participants accessed three times more retirement planning and savings content than in the same period last year
- Longer-tenured employees' average deferral rate is 48% higher than the average for new hires
- Hiring and termination rates reached five-year highs in the first half of 2022

"While we are seeing difficult economic conditions, we are encouraged to see participants continuing to maintain savings levels and take advantage of retirement education," said Rachel Weker, senior retirement strategist for Retirement Plan Services at T. Rowe Price. "For those participants who consume additional education, we are seeing overall fewer distributions as they continue to stay the course."

To view a copy of the report highlights, [click here](#).

About the REPORT

The Q2 Reactions Report was published by T. Rowe Price Retirement Plan Services, Inc. This report is part of an ongoing series of topical insights derived from analyzing our full-service universe of retirement plans, which includes more than 2 million participants. Prior reports analyzed retirement savings behaviors in the early stages of the COVID-19 pandemic, as a result of CARES Act provisions, and in reaction to Russia's invasion of Ukraine.

ABOUT T. ROWE PRICE

Founded in 1937, Baltimore-based T. Rowe Price (NASDAQ-GS: TROW), is a global investment management organization with \$1.34 trillion in assets under management as of August 31, 2022. The organization provides a broad array of mutual funds, subadvisory services, and separate account management for individual and institutional investors, retirement plans, and financial intermediaries. The organization also offers a variety of sophisticated investment planning and guidance tools. T. Rowe Price's disciplined, risk-aware investment approach focuses on diversification, style consistency, and fundamental research. For more information, visit [troweprice.com](https://www.troweprice.com), [Twitter](#), [YouTube](#), [LinkedIn](#), or [Facebook](#).

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