



NEWS RELEASE

T. ROWE PRICE RELEASES REFERENCE POINT REPORT FEATURING LATEST TRENDS IN 401(K) PARTICIPANT BEHAVIOR AND PLAN DESIGN

More rollovers, fewer loans in 2019—but the global pandemic could impact these trends for 2020

BALTIMORE, June 30, 2020 – T. Rowe Price Retirement Plan Services, Inc. released today [Reference Point](#), its annual benchmarking report featuring data and analysis related to 401(k) participant behavior and plan design, based on the firm’s full-service recordkeeping client data for 2019.

T. Rowe Price’s focus on participant data and engagement is core to its offering. The firm provides these metrics to deliver insights that help plan sponsors, advisors, and consultants track plan performance, benchmark progress, and implement strategic plan design features to deliver outcomes that benefit participants and their retirement savings outcomes.

Kevin Collins, head of Retirement Plan Services said, “The report analyzes past data to help our clients plan for the future and to guide participants toward better retirement outcomes. This year is different, of course; as we dissected the data from 2019, we could not ignore these changes we have experienced so far in 2020. The coronavirus pandemic affected the way we live, the way we work, and even the way we interact with our clients and the retirement plan participants we serve.”

While 2020 could influence or even reverse some of the retirement plan trends identified in the 2019 report, the company summarized the following findings related to participant behavior and plan design:

- Plan participation was greater than 79%
- Over 61% of plans at T. Rowe Price automatically enroll participants, with 37% enrolling at a 6% default deferral
- Average account balances rose to over \$100,000, an increase of 8%, although over 34% of eligible participants did not contribute to their plans in 2019
- Employers are increasing match formulas from 3% to a 4% to 5% effective match range
- Direct rollovers of plan assets increased to 76% in 2019 from 74% in 2018
- Participant usage of loans decreased in 2019 to 22.1%, down from the seven-year high of 24.9% in 2013, but the optional loan provisions included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act could change that trend
- Allocations to company stock investments increased more than 11%.

Collins added, “We recognize the financial strain of the coronavirus pandemic could have repercussions long after 2020. We know that life evolves and priorities change, and we continue to see—now more than ever—the importance and significant impact plan design and financial wellness programs have on keeping participants on track with their financial priorities.”



ABOUT REFERENCE POINT

Reference Point is an annual client data benchmarking report so plan sponsors can review trends and benchmark their progress and participant behavior across the firm's client base. Data are based on the large-market, full-service universe of T. Rowe Price Retirement Plan Services, Inc. retirement plans (401(k) and 457 plans), consisting of 677 plans and over 1.9 million participants, from January 1, 2019 through December 31, 2019. T. Rowe Price Plan Services, Inc. has been a retirement solutions provider for more than 30 years.

ABOUT T. ROWE PRICE

Founded in 1937, T. Rowe Price (NASDAQ-GS: TROW) is an independent global asset management company with \$1.19 trillion in assets under management as of May 31, 2020. The organization is focused on delivering investment excellence and retirement services for institutional and individual investors. Our strategic investing approach, driven by independent thinking and guided by rigorous research, helps clients feel confident in pursuing financial goals. [troweprice.com](https://www.troweprice.com), [Twitter](#), [YouTube](#), [LinkedIn](#), [Instagram](#), or [Facebook](#).

CONTACT T. ROWE PRICE PUBLIC RELATIONS

Monique Bosco
410-345-5740
Monique.Bosco@troweprice.com

Laura Parsons
410-577-8548
Laura.Parsons@troweprice.com