

Reference Point

T. Rowe Price Defined Contribution Plan Data

As of December 31, 2019

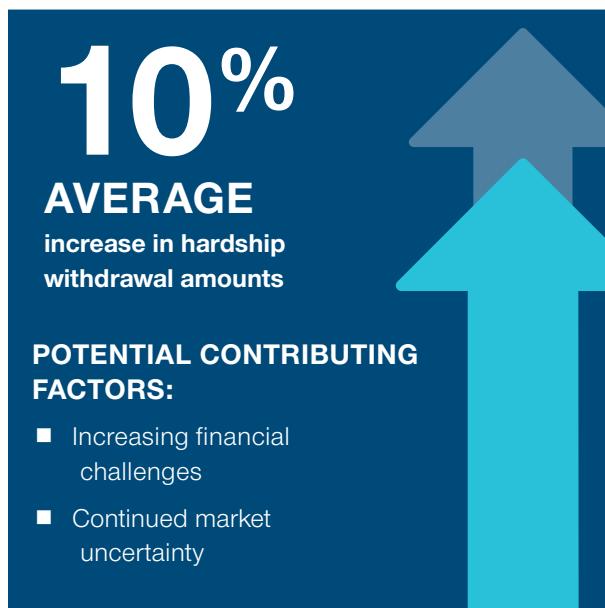
Executive Summary

Market conditions improved in 2019 following volatility in late 2018, leading to lower rates for cash-out distributions and loans and increases in plan participation. Average account balances also recovered to just over \$100,555 in 2019, up from \$85,336 in 2018.



Plan design and improved market outlook drove positive outcomes:

- Over 61% of plans at T. Rowe Price automatically enroll participants, with 37% enrolling at a 6% default deferral.
- Employers are increasing match formulas, with an effective match range of 4% to 5%.
- Average account balances rose to over \$100,000, an increase of 8%.
- Allocations to money market and stable value investments hit a five-year low as participants moved money to stocks and target date investments.
- Loan usage and direct rollovers increased, while cash-out distributions decreased.



But challenges remain, presenting opportunities for plan sponsors:

- Over 34% of eligible participants did not contribute in 2019.
- Allocations to company stock rose to more than 11% in large plans (greater than \$1 billion in total assets).
- Average loan balances and average hardship distribution amounts increased, with hardships rising by over 10%.

Want to learn more? Contact your T. Rowe Price representative.

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