



## NEWS RELEASE

### T. ROWE PRICE PUBLISHES 2020 YEAR-IN-REVIEW HIGHLIGHTS FEATURING 401(k) PLAN SPONSOR AND PARTICIPANT BEHAVIOR DURING GLOBAL PANDEMIC

*Plan sponsors should shift focus to financial wellness and recovery to best support participants*

BALTIMORE, February 15, 2021 – T. Rowe Price, a global investment management firm and a leader in retirement, has published 2020 year-in-review highlights of plan sponsors' and participants' reactions to the coronavirus-impacted environment. The 401(k) plan and participant data was collected from the start of the pandemic through December 31st, 2020 and found that while the pandemic caused market volatility and unprecedented changes to business operations, most participants stayed the course and did not make a change to their investments. Meanwhile, 9% of participants with access to provisions, in plans with assets greater than \$25 million, used at least one CARES Act provision.

"These insights give plan sponsors an opportunity to examine not only their actions but the behavior of their participants during this unprecedented time," said Josh Dietch head of Retirement Thought Leadership at T. Rowe Price. "This can inform actions plan sponsors can take to best support participant needs and to help improve their long-term retirement savings outcomes."

#### **Key Highlights:**

- 68% of plans with assets greater than \$25 million adopted at least one CARES Act Provision
- 9% of participants with access to provisions, in plans with assets greater than \$25 million, used at least one CARES Act provision
- 23% of participants indicated that they plan on repaying their Coronavirus Related Distribution (CRD)
- 55% of plans that offered CRDs are now offering participants the ability to payback their distributions

While even assertive steps to reduce the financial impact of CRDs and plan loans can leave savings gaps, better savings behavior may provide substantial increases to retirement savings balance by age 67. Ultimately, there is a correlation between the size of the CRD and/or loan relative to the participant's effective savings rate and income.

Additionally, T. Rowe Price saw a shift in participant behavior when it comes to financial education. Participants are now seeking out and consuming more digital education. T. Rowe Price noted a rise in consumption of investment and financial wellness content. Data also spiked in the fourth quarter of 2020 with content related to the election and potential impact on markets.

"While the CARES Act provisions offered critical assistance to participants who experienced financial challenges in 2020, it is important to evaluate the long-term impact of these decisions," said Kevin Collins, head of Retirement Plan Services at T. Rowe Price. Collins continued, "Plan sponsors should focus on educating and helping participants recover through financial wellness programs and consider strategic plan design solutions to support future financial health."

A copy of the highlights: *Coronavirus: Year-in-Review* can be found [here](#).



Founded in 1937, T. Rowe Price (NASDAQ-GS: TROW) is an independent global asset management company with \$1.46 trillion in assets under management as of January 31, 2021. The firm is focused on delivering investment excellence and retirement services for institutional, intermediary, and individual investors. Our strategic investing approach, driven by independent thinking and guided by rigorous research, helps clients feel confident in pursuing financial goals. For more information, visit [troweprice.com](https://www.troweprice.com), [Twitter](#), [YouTube](#), [LinkedIn](#), [Instagram](#), or [Facebook](#).

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