

U.S. Retirement End-Investor 2020

Helping Participants Navigate Uncertainty



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OVERVIEW & METHODOLOGY

In its ninth iteration, this report represents Cerulli's investor-level retirement research, with a focus on the decision-making behavior of 401(k) plan participants. This report discusses participants' attitudes towards financial advice, uncovers stressors and areas of concern related to retirement, and imparts opportunities for differentiation among financial wellness providers. Cerulli analyzes 401(k) participant data based on metrics such as age, investable assets, gender, and financial advisor use.

Additionally, this report features a focus chapter on the challenges faced by participants in the wake of the COVID-19 pandemic. This thematic chapter discusses how recordkeepers, asset managers, and intermediaries are altering their service models to account for new legislation and meet the needs of participants in the face of market volatility and economic headwinds.

The report also represents Cerulli's primary coverage of the individual retirement account (IRA) market with detailed sizing, projections, and a new data cut by financial advisor use. Furthermore, Cerulli provides comprehensive analysis of the IRA rollover market, segmenting this market by investor age and advisor-orientation (e.g., self-directed vs. advisor-intermediated).

USE THIS REPORT TO

- Explore the evolution of financial wellness programs and advice, communication methods, and the integration of health and wellness benefits
- Analyze updated 401(k) plan participant survey data which covers topics such as health savings accounts (HSAs), 529 college savings plans, and sources of financial advice
- Review new 401(k) and IRA sizing and projections incorporating actual market performance through 1Q 2020

QUESTIONS ANSWERED

- How are retirement providers and plan sponsors adapting to the economic impacts of the COVID-19 pandemic?
- Where do 401(k) participants turn for retirement advice?
- How are participants using HSAs and 529 plans?
- What are participants' top stressors and concerns?
- What is the outlook for the IRA market? How are 401(k) participants also using IRAs?

PRODUCT DETAILS

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- **401(k) Participant: Account Information and Actions:** Understand 401(k) participant sentiments regarding their preferred methods for reviewing and making changes to retirement account information, the most important information included on their 401(k) account statement, and the amount of involvement that they have in choosing their investments. All charts in this dashboard can be viewed by participant age range, investable assets, gender, and financial advisor use.
- **Active vs. Retired: Sources of Stress, Income, and Advice:** Compare the perspectives of active and retired plan participants on their primary sources of stress, retirement income, and retirement advice.
- **Previous 401(k) Account Actions:** Review a side-by-side comparison of active vs. retired plan participants' approach to maintaining or rolling over a former employer's 401(k) account.
- **IRA Rollover Factors:** Analyze the share of participants who have the same provider for both their 401(k) and individual retirement account (IRA) plans, and compare the factors considered by active and retired participants when deciding to roll over to an IRA. All charts can be viewed by investable assets, employment status, and financial advisor use.
- **Participant IRA Perspectives:** Gain insight into participants' reasons for establishing an IRA and factors considered when choosing an IRA provider, with views by age range, investable assets, employment status, and financial advisor use.

Exhibit 1.06

DC Plan Providers: Communication Methods in Response to COVID-19, Market Volatility, and Economic Outlook, April 2020

The majority of recordkeepers and other retirement providers are proactively reaching out to plan sponsors, hosting webinars, and publishing press releases in response to current events.

Sources: The SPARK Institute, Cerulli Associates

Analyst Note: Responses were collected in a pulse survey conducted the first week of April. Respondents were asked to select all applicable options.



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