T. ROWE PRICE STUDY REVEALS DC CONSULTANTS' EVOLVING VIEWS ON PRIVATE ASSETS, RETIREMENT INCOME, AND MANAGED ACCOUNTS

September 9, 2025

Annual Defined Contribution Consultant Study captures viewpoints on key retirement trends and investment themes from 36 of the nation's leading consultant and advisory firms

BALTIMORE, Sept. 9, 2025 /PRNewswire/ -- T. Rowe Price, a global asset management firm and a leader in retirement, today released its 2025 Defined Contribution (DC) Consultant Study, which reflects viewpoints from 36 top DC consultants and advisors. Key themes include expectations for the implementation of alternative assets in DC plans; target date solutions evolving to incorporate retirement income; managed account use and positioning; and renewed interest in capital preservation investment options in a shifting rate environment.

As the retirement industry contemplates a potential role for alternative assets in DC plans, survey results show consultants and advisors expect target date solutions—custom or off-the-shelf—to be the primary vehicle for implementation. Furthermore, respondents anticipate little support for offering alternative investment strategies as stand-alone options in a plan. When asked to indicate which alternatives are most likely to be incorporated into DC plans over the next 12–24 months, data revealed a noteworthy year-over-year increase in average expectations for implementation of private credit and private equity. Fees were identified by 72% of respondents as a barrier to implementation of alternative investments in DC plans, followed by liquidity concerns (44%), and operational complexity (39%).

Retirement income services and products continue to slowly gain traction, while the landscape has become increasingly complex. Respondents indicated a significantly lower percentage of their DC plan clients do not have an opinion on retirement income, compared to four years ago. Consultants and advisors identify a systematic withdrawal as the preferred feature for delivering income to retired DC plan participants, garnering an average rating of 3.2 on scale of 1-4, 4 representing most appealing. From there, respondents assigned the highest average rating to target date solutions that incorporate retirement income, like partial annuitization or a managed payout capability.

Consultants and advisors are also focused on managed accounts and their ability to offer a more personalized investment experience. Results showed more than one-third (37%) of respondents offer a proprietary managed account solution, which is most commonly positioned as an opt-in option on the investment menu. There is also neutral to slightly positive support to use managed accounts in dynamic QDIAs, where participants are initially defaulted into target date solutions and at a later age are re-defaulted into a managed account.

Respondent firms expect renewed interest in revisiting plans' existing capital preservation investment options, reigniting the debate between stable value and money market funds. This is primarily motivated by today's evolving interest rate environment, which has created an atypical situation where money market fund yields are outpacing stable value crediting rates—a dynamic that has only occurred two other times over the past 29 years[1]. Furthermore, the data reflects some interest in how best to use capital preservation products like stable value in other investment options, such as target date solutions, managed accounts, and retirement income products.

"Results from the 2025 DC Consultant Study depict an industry poised for change. We see this reflected in consultants' and advisors' evolving views on private assets in DC plans, to their consideration of target date solutions that can support participants in both the savings and spending phase, and to exploring the role of managed accounts and advice," said Jessica Sclafani, Global Retirement Strategist T. Rowe Price. "Our findings show that consultants and advisors stand ready to expand their product and service offerings to support plan sponsors in navigating an increasingly complex landscape – both from investment and regulatory perspectives."

Additional key findings include:

- More than two-thirds (73%) of respondents pointed to a "greater focus on fixed income diversification opportunities" driving their evaluation of the asset class.
- Respondents were more likely to prefer active management in credit-oriented fixed income sectors, including bank loans and floating rate (86%), high yield (85%), and emerging market debt (84%).
- There is strong support from consultants and advisors for blended target date solutions, constructed with both active and passive investment strategies.
- Around 85% of respondents believe the implementation of in-plan student debt programs may increase, while 70% believe the same for in-plan emergency savings solutions.
- Close to half (44%) of respondents are still evaluating AI use cases, as tools like chatbots, investment education, and real-time Q&A are gaining traction.

More details on the findings are included in the executive summary, which can be found here.

"At T. Rowe Price, our research is driven by a spirit of curiosity and a commitment to uncovering deeper insights," said Michael Davis, Head of Global Retirement Strategy at T. Rowe Price. "Our annual DC Consultant Study helps us keep a pulse on where we are and where the industry is headed. By capturing the perspectives of leading consultants and advisors, we are better equipped to anticipate emerging trends and empower our clients to make more informed decisions and confidently adapt to an ever-changing landscape."

ABOUT THE DEFINED CONTRIBUTION CONSULTANT STUDY
The 2025 Defined Contribution (DC) Consultant Study captures the latest perspectives from DC consultants and advisors on target date solutions, retirement income, managed accounts, fixed income and capital preservation investments, and financial wellness programs. New this year, the study explores expectations for implementation of private assets, the expanding scope of student debt and emergency savings programs, and adoption of artificial intelligence (AI) tools as they pertain to employer-sponsored retirement plans. The population of the study includes 36 DC consulting and advisory firms (81% consultant, 19% advisor)[2] representing nearly $9 trillion in assets under advisement (AUA).[3] Respondent firms' AUA reflects over 70% of the $12.5 trillion DC plan market.[4] You may visit troweprice.com/dcio and refer to the **2025 Defined Contribution Consultant Study** material for highlights from this study.

ABOUT T. ROWE PRICE
T. Rowe Price (NASDAQ-GS: TROW) is a leading global asset management firm, entrusted with managing US $1.70 trillion in client assets as of July 31, 2025, about two-thirds of which are retirement-related. Renowned for over 85 years of investment excellence, retirement leadership, and independent proprietary research, the firm leverages its longstanding expertise to ask better questions that can drive better investment decisions. Built on a culture of integrity and prioritizing client interests, T. Rowe Price empowers millions of investors worldwide to thrive amidst evolving markets.

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[1] Sources: Lipper Inc. and Morningstar, Inc.

[2] Respondent firms are asked to self-identify their firm type.

[3] Assets under advisement figures are self-reported.

[4] Source: ICI, as of December 31, 2024.

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T. ROWE PRICE CONTACTS: Lara Naylor, 410-215-7998, lara.naylor@troweprice.com; Monique Bosco, 410-345-5740, monique.bosco@troweprice.com