T. Rowe Price®
INVEST WITH CONFIDENCE

NEWS RELEASE

T. ROWE PRICE RELEASES LATEST DEFINED CONTRIBUTION CONSULTANT RESEARCH STUDY

New Research, Representing 33,000 Plan Sponsor Clients, Highlights Insights and Retirement Plan Trends

BALTIMORE, June 2, 2022 – T. Rowe Price released today findings from its latest *Defined Contribution Consultant Research Study.* In partnership with Schaus Group, T. Rowe Price surveyed 32 defined contribution (DC) consultants and advisory firms—that provide services to more than 33,000 plan sponsor clients and report nearly $7.2 trillion in assets under advisement—to look at marketplace trends and factors driving plan sponsor decisions.

"The retirement ecosystem is changing rapidly, and we find the consulting and advisory community evolving their businesses to address both obstacles and new opportunities", said Michael Davis, Head of Defined Contribution plan specialists, and former Deputy Assistant Secretary of the U.S. Department of Labor. "This survey combines insights from across the DC platform at T. Rowe Price with survey data provided by the consultant and advisor community. The Schaus Group was a great partner in bringing together this research, which provides new perspectives on how consultants and advisors are working alongside their plan sponsor clients to help participants prepare for retirement and seek broader financial well-being."

Survey results revealed key themes, including greater insight into Environmental, Social, and Governance (ESG) adoption, support for the continued evolution of target date investments and retirement income solutions, and growing interest in financial wellness programs, especially in response to the COVID pandemic.

While there is broad interest in ESG, the majority of consultants report plan sponsors are looking for further clarity on the Department of Labor (DOL) proposed guidelines before making ESG investments a part of DC plan investment options. With respect to implementation of ESG, 40% of study respondents indicated preference for actively-managed ESG investment strategies; only 10% said passive ESG investment strategies were preferable. Additionally, respondents indicated that more detailed ESG screening, reporting, and monitoring should be provided by investment providers.

With respect to target date solutions, consultants strongly support an increased focus on Collective Investment Trust (CIT) based target dates and the pursuit of blend solutions that deliver the benefits of both active and passive investment management. Of note, these cost containment trends received greater support than simply increasing the use of passive investment management.

When looking at features that could strengthen the trend of participants remaining in their DC plans postretirement, lower cost for comparable investments versus a rollover IRA, flexibility in drawing down assets, and investment solutions that generate income were ranked highest.

Consultants also report simple systematic withdrawal capabilities as the most appealing retirement income solution despite limitations. However, multi-asset investment solutions—managed accounts with income planning features and target date investments with embedded managed payout features—follow closely behind.

Addressing greater financial wellness, 76% of consultants report that plan sponsors signaled greater interest in emergency savings, and 60% report greater interest in debt management. In contrast, most respondents reported fewer than 25% of their plan sponsor clients currently offer emergency savings programs. More positively, 83% of plan consultants expect this figure to increase in the next three to five years.

Additionally, consultants are seeing plan sponsors evaluate investment managers' diversity, equity, and inclusion (DE&I) baseline reports to satisfy basic due diligence. However, further integration of DE&I information into plan and investment decisions may require evolution, as only 31% of plan sponsors are using DE&I information to actively drive decisions on new investment options.

"We are pleased to have released this new iteration of the Defined Contribution Consultant Research Study with T. Rowe Price," said Stacy Schaus, founder and CEO of Schaus Group. "This study allows the industry to delve deeper into critical topics and themes in the retirement market and spotlight important views from consultants and advisory firms that have capacity to shape how employer sponsored retirement plans might adapt from here."

The Defined Contribution Research Study was conducted at the end of 2021 during the continued coronavirus pandemic. The executive summary is available here.

ABOUT THE DEFINED CONTRIBUTION RESEARCH STUDY

The 2021 Defined Contribution Research Study was conducted by T. Rowe price in partnership with Schaus Group. The study population includes 32 defined contribution consulting surveyed from September 20, 2021, through November 8, 2021. You may visit troweprice.com/dcio and refer to the **2021 Defined Contribution Research Study** material for highlights from this study. Participating firms also received a custom report comparing their firm's responses to the aggregate responses. For questions, please contact your T. Rowe price representative.

ABOUT T. ROWE PRICE

Founded in 1937, T. Rowe Price (NASDAQ-GS: TROW) is an independent global asset management company with $1.42 trillion in assets under management as of April 30, 2022. 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**, **Twitter**, **YouTube**, **LinkedIn**, **Instagram**, or **Facebook**.

CONTACT T. ROWE PRICE PUBLIC RELATIONS

Laura Parsons
443-472-2281
Laura.Parsons@troweprice.com

Lara Naylor
410-215-7998
Lara.Naylor@troweprice.com