



NEWS RELEASE

T. ROWE PRICE STUDY FINDS RETIREMENT INCOME AND PERSONALIZATION ARE TOP OF MIND FOR CONSULTANTS AND ADVISORS

Annual Defined Contribution Consultant Study highlights viewpoints on key retirement trends and investment themes from 35 of the nation's leading consultant and advisory firms

BALTIMORE (September 17, 2024) – T. Rowe Price, a global investment management firm and a leader in retirement, today released findings from its 2024 Defined Contribution Consultant Study. The findings capture the latest perspectives from defined contribution (DC) consultants and advisors on target date solutions, retirement income, investment trends, and financial wellness programs. Additionally, this year's study explores respondents' thoughts on managed accounts, alternative investments, and the value of active versus passive management.

The annual research suggests more DC plan sponsors are taking a stance on retirement income. In 2021, consultants and advisors described greater than half (59%) of their DC plan sponsor clients as not having a stated opinion on retirement income. In 2024, this same figure declined to 19%. While not all plan sponsors are prioritizing retirement income, they are significantly more likely today to have a view on retirement income compared to prior years.

Another key finding highlighted that personalization is perceived as particularly beneficial as participants approach retirement, and there is strong support for managed accounts as an opt-in option offered on the investment menu. However, it seems unlikely that managed accounts will surpass target date solutions as the most common qualified default investment alternative (QDIA).

Several additional themes emerged from the study, including:

- Consultant and advisor perspectives on fixed income and capital preservation investments broadly are shifting as interest rates rise post-global pandemic. Findings show 89% of respondent firms have a "greater focus on diversification opportunities," when evaluating fixed income investment options compared to 48% in 2021.
- Results show support for adding or increasing an allocation to non-traditional bonds within target date solutions. Furthermore, when evaluating consultant and advisor implementation preferences for fixed income strategies, return-seeking fixed income approaches are consistently viewed as best implemented using active management (e.g., bank loans, emerging markets debt, high yield, and international or global bond.)
- Consultants and advisors overwhelmingly support the transition from target date solutions provided through mutual funds to collective investment trusts (CITs), primarily due to CIT's typically cost-effective fee structures. Survey results also highlighted growing support for target date solutions that employ a blended mix of active and passive investment strategies. A blend approach has the advantage of offering a potentially lower cost investment and reduced tracking error, while still maintaining the advantages of active management.

- Building emergency savings appears to be gaining in importance, with 70% of respondent firms predicting that in-plan emergency savings programs will become more commonly available in the next three to five years.

QUOTES

Michael Davis, Head of Global Retirement Strategy at T. Rowe Price, and former Deputy Assistant Secretary of the U.S. Department of Labor

“Every year, this study provides us with fresh insights about the evolving preferences and priorities of DC consultants, advisors, and their clients, as well as the opportunities they face in a retirement marketplace that’s more dynamic than ever. It follows a new, agnostic, [patent-pending framework](#) we unveiled in June to help DC plan sponsors evaluate retirement income offerings and quantify which solutions may best fit the needs and preferences of their plan participants. By continually asking better questions, it is our aim to bring new and innovative solutions to market.”

Jessica Sclafani, Global Retirement Strategist T. Rowe Price

“Consultants and advisors are looking for solutions that offer choice, personalization, flexibility and are cost-effective. This becomes especially clear when observing how drastically perspectives have shifted on retirement income in just three years reflecting plan sponsors’ increased engagement on the topic. Our research shows there is no consensus solution when it comes to retirement income; however, consultants and advisors rank a systematic withdrawal capability, managed accounts with income planning feature, and target date investments with a managed payout feature as most appealing for the delivery of retirement income.”

The Defined Contribution Study was conducted during the first quarter of 2024 and includes insights from 35 defined CONTRIBUTION (DC) consultants and advisory firms with more than \$7.5 trillion in assets under advisement. The executive summary is available [here](#).

ABOUT THE DEFINED CONTRIBUTION STUDY

The 2024 Defined Contribution Study population includes 35 defined contribution consulting and advisory firms (71% consultant, 29% advisor) with more than \$7.5 trillion in assets under advisement surveyed from January 12 – March 4, 2024. You may visit troweprice.com/dcio and refer to the **2024 Defined Contribution Study** material for highlights from this study. Participating firms also received a custom report comparing their firm’s responses to the aggregate responses.

ABOUT T. ROWE PRICE

Founded in 1937, T. Rowe Price (NASDAQ – GS: TROW) helps individuals and institutions around the world achieve their long-term investment goals. As a large global asset management company known for investment excellence, retirement leadership, and independent proprietary research, the firm is built on a culture of integrity that puts client interests first. Clients rely on the award-winning firm for its retirement expertise and active management of equity, fixed income, alternatives, and multi-asset investment capabilities. T. Rowe Price serves millions of clients globally and manages US \$1.59 trillion in assets under management as of July 31, 2024. About two-thirds of the assets under management are retirement-related. News and other updates can be found on [Facebook](#), [Instagram](#), [LinkedIn](#), [X](#), [YouTube](#), and troweprice.com/newsroom.

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