

90 - 10 - 90 RULE



If you, your plan or your participants suffer from poor participation, low deferral rates or shortsighted investment decisions, you are not alone. **Here are three major obstacles that sponsors need to overcome to help produce better retirement plan outcomes!**



POOR PARTICIPATION

Of the 8 out of 10 full-time workers having access to an employer-sponsored retirement plan, **only 65%** participate¹



LOW DEFERRAL RATES

Deferral rates are climbing; the new average deferral rate = 6%⁴



SHORTSIGHTED INVESTMENT DECISIONS

9 in 10 participants express regret about not doing a better job at saving for retirement.⁶

USE THE 90 - 10 - 90 RULE

AIM FOR **90%** PARTICIPATION RATE

Boost Participation with **Automatic enrollment!**

The auto-enroll feature increases participation rates from **57% to 92%**².

3 in 4 participants say **YES** to automatic enrollment at 6%

AIM FOR **10%+** DEFERRAL RATE

Boost Deferral rates with **Automatic escalation.**

71% of employees enrolled in automatic annual increase programs choose to remain in them.⁵

4 in 5 participants say **YES** to automatic increases³.

Boost Deferral rates with **enhanced match formulas.** **3 out of 4** employees prefer a 3% match over a 3% raise in pay.³

AIM FOR **90%** INVESTMENTS TO BE MANAGED OR USE QDIA

Enhance investment glidepaths with **QDIA.**

4 in 5 participants say **YES** to (QDIA) re-enrollment³

Reach out to employees who may have previously opted out of saving with **re-enrollment.**

60% of participants say **YES** to retroactive automatic enrollment.³

To review your company's plan information and learn how applying the 90-10-90 Rule might help improve your organization's retirement plan,

CONTACT US TODAY.



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- ¹ Acosta, Alexander R., and William J. Wiatrowski. "National Compensation Survey: Employee Benefits in the United States." www.bls.gov, Mar. 2017.
- ² King, Martha. "How America Saves 2018: Telling the Retirement Story with Data." June 2018.
- ³ American Century Investments. "5th Annual National Survey of DC Plan Participants." Dec 2017.
- ⁴ T. Rowe Price. "Average 401(k) Deferral Rate Reaches All-Time High." PR Newswire. 02, July 2018.
- ⁵ Clark, Jeffrey W. and Jean A. Young "Automatic enrollment: The power of the default." Vanguard Research. February 2018.
- ⁶ Charles Schwab. "American workers are proactive about reaching retirement goals but could benefit from professional financial help." 2018.

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