



## News Release

### **Deloitte Survey Reveals 401(k) Account Balances Reported at Highest Levels Ever**

*Despite higher 401(k) balances, only 12 percent of plan sponsors felt employees will be ready for retirement*

**NEW YORK, May 2, 2013** — A recent Deloitte survey found that employee retirement readiness continues to be a top priority among more than three-quarters (78 percent) of 401(k) plan sponsors. Additionally, while 401(k) balances are at an all-time high with surveyed plan sponsors reporting average account balances of just above \$85,000, only 12 percent of plan sponsors reported that “most employees are or will be financially prepared for retirement.”

The 12<sup>th</sup> [Annual 401\(k\) Benchmarking Survey](#) conducted by Deloitte, the International Foundation of Employee Benefit Plans (IFEBC) and the International Society of Certified Employee Benefit Specialists (ISCEBS) also shows a 7 percent increase in the number of plan sponsors conducting retirement readiness assessments for employees – a jump to 32 percent in 2012 from 25 percent in 2011. Although retirement readiness may be the goal, plan sponsors recognize that education is the path to that end.

“Plan sponsors clearly recognize the importance of saving for retirement and are working hard to provide their employees with the right tools to help them effectively plan for this next life stage. In fact, we found that nearly nine out of ten plan sponsors (88 percent) feel that enhancing their existing participant education strategies is somewhat or very likely to help their employees’ ability to be ready for retirement,” said Stacy Sandler, principal, Human Capital, Deloitte Consulting LLP.

According to the survey, offering options such as automatic enrollment, Roth 401(k) features and individual financial counseling have had a positive impact on plan participation and awareness. Eighty-six percent of plan sponsors who implemented automatic enrollment have seen a positive impact on plan participation by employees. The Roth 401(k) feature continued to increase in popularity among plan sponsors, with 53 percent of respondents reporting that their plans now offer a Roth feature, representing a 6 percent jump from 2011. More plan sponsors began offering employees individual financial counseling and advice – up from 50 percent in 2011 to 61 percent in 2012 – further underscoring the emphasis plan sponsors are placing on participant education.

“Despite the encouraging data regarding the increase in 401(k) balances and educational tools offered, more still needs to be done to help employees adequately prepare for their individual retirement needs,” said Scott Cole, senior manager, Human Capital, Deloitte Consulting LLP. “For example, approximately two-thirds of those plan sponsors surveyed believe that less than 10 percent of their employees take advantage of the educational resources offered. Simplifying retirement education and making it less daunting or intimidating to participants may be the key to improving participation and retirement readiness in the future.”

It is certainly a positive sign that 401(k) balances are increasing. The vast majority of employees, however, are still far from having saved enough to afford a comfortable retirement,” said Michael Wilson, chief executive officer, IFEBC and ISCEBS. “We’ve found that this issue remains top-of-mind among the majority of employees. In fact, in a previous [study](#) we conducted, 66 percent of employees in the Americas rated ‘my ability to afford retirement’ as their top personal challenge.”

To download a copy of the report visit [Annual 401\(k\) Benchmarking Survey](#).

### **About the Survey**

Deloitte's 2012 Annual 401(k) Benchmarking Survey was conducted electronically in conjunction with the International Foundation of Employee Benefits Plans and the International Society of Certified Employee Benefit Specialists. The survey's 400 respondents are evenly distributed by geography, size and ownership status (i.e., publicly or privately held).

### **About IFEBP and ISCEBS**

The International Foundation of Employee Benefit Plans is a member-driven organization with five decades of experience as a leading objective source of employee benefits education and information. The Foundation offers education, information and the Certified Employee Benefit Specialist (CEBS) program to its 33,000 members. For additional information, visit [www.ifebp.org](http://www.ifebp.org). Its sister organization, the International Society of Certified Employee Benefit Specialists (ISCEBS), provides continuing education opportunities for those who hold or are pursuing the CEBS and its affiliated designations. For more information, visit [www.iscebs.org](http://www.iscebs.org).

### **About Deloitte's Human Capital Practice**

Deloitte helps organizations effectively manage their human capital to drive business growth. It does this leveraging advanced analytics to develop talent management and business-driven HR strategies to deliver results. Deloitte is a leader in human capital consulting, bringing a unique combination of business, industry and HR knowledge, supported by the breadth of services and capabilities of a multidisciplinary professional services organization and global network. For more information, please visit [www.deloitte.com/us/humancapital](http://www.deloitte.com/us/humancapital).

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