



Brookings Institution

FROM SAVING TO SPENDING

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T. Rowe Price, Inc.



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We believe Americans have the right to choose how to create the necessary income from their lifetime of savings to fund their consumption needs in retirement.



From Saving to Spending

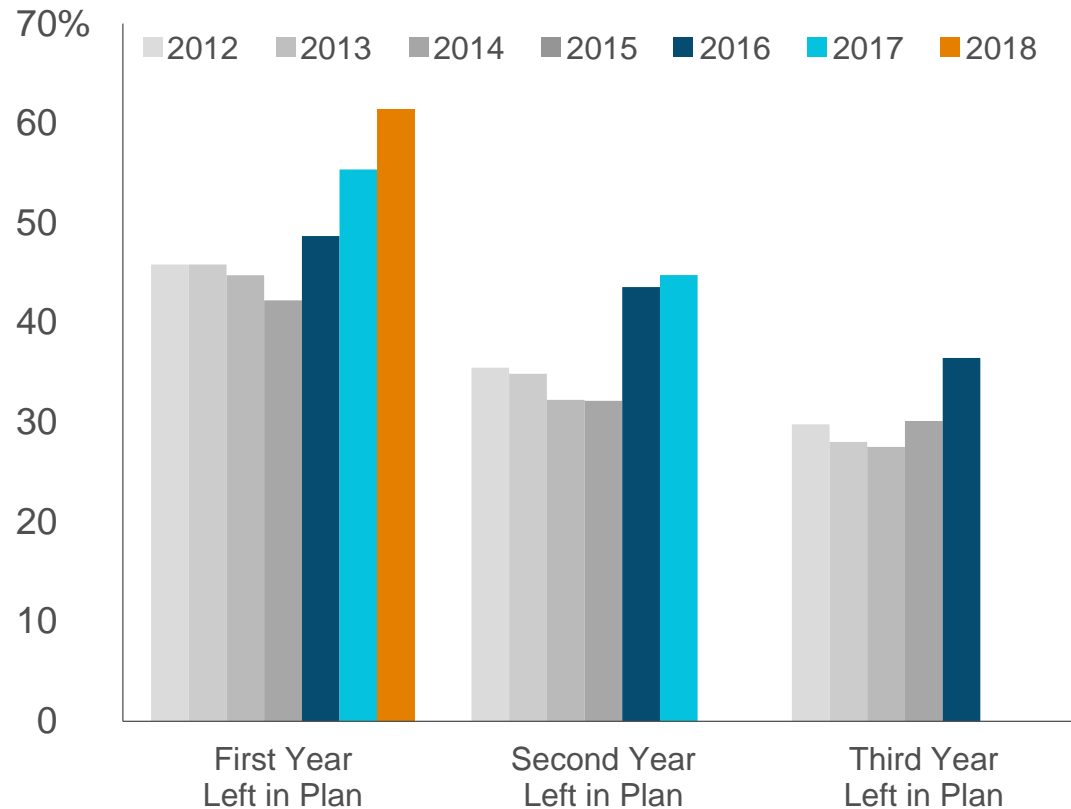


HIGHLIGHTS

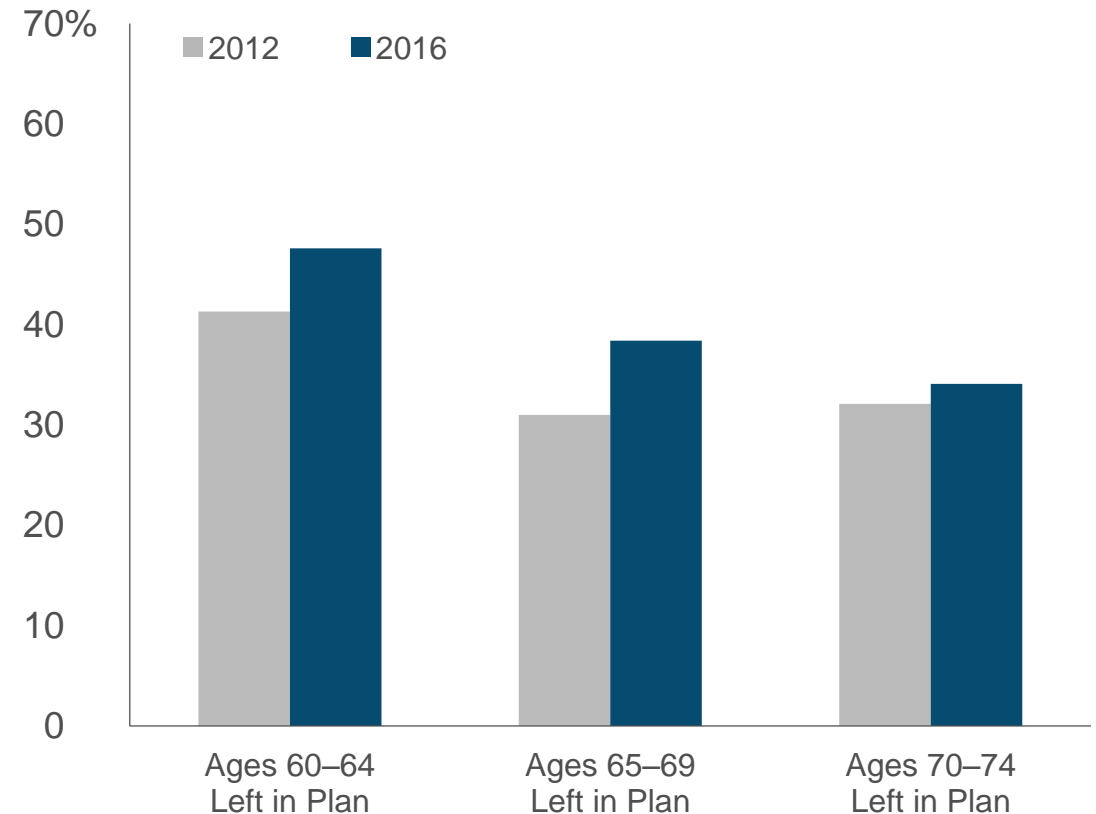
- We advocate for a diversity of solutions to address retirement income needs.
- We are encouraged by the development of innovative ideas and by the thoughtful consideration of compelling international models.
- As the primary delivery mechanism of retirement benefits to American workers, we believe the employer-sponsored retirement plan system should be a focus for innovative retirement income strategies.

Retirees more likely to leave money in DC plans

T. ROWE PRICE DATA
DC ASSETS RETAINED, SEPARATED AGE 65+¹



HEALTH AND RETIREMENT STUDY (HRS)
RESPONDENTS WHO LEFT MONEY IN PLAN²



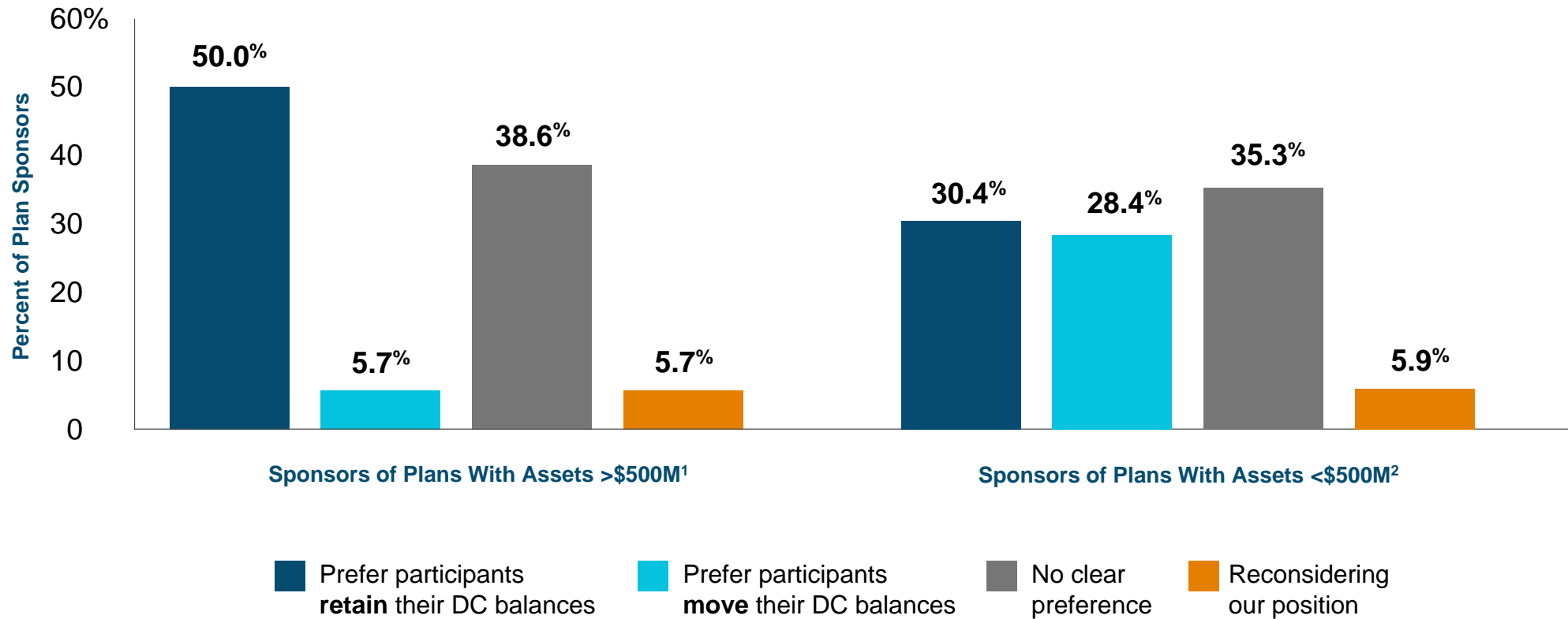
Both proprietary and national data suggest retirees are more likely to keep DC plan balances.

¹Percent of account value retained by defined contribution (DC) plan participants, age 65 or older after 1, 2, 3, 4, or 5 calendar years following separation from service.

²Health and Retirement Study (HRS Core) public use data set. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI, 2014 and 2016.

Plan sponsor preference by plan size

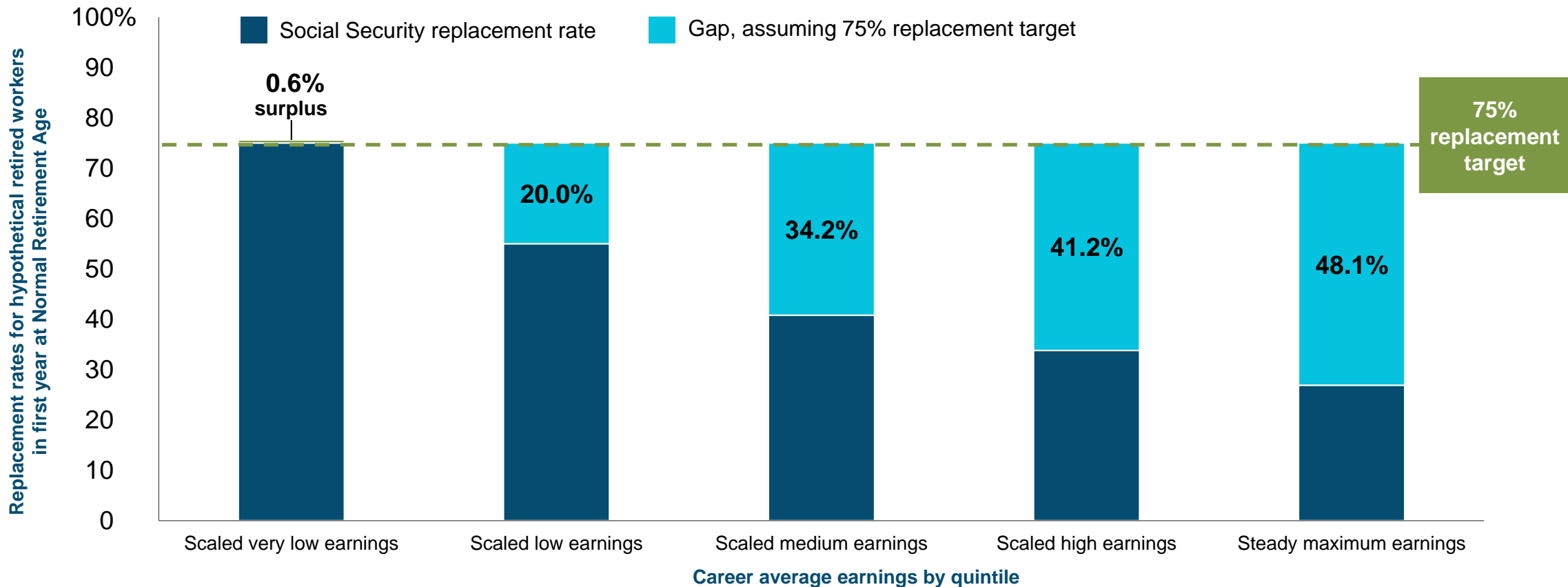
PLAN SPONSORS: WHEN YOUR EMPLOYEES RETIRE, WHAT WOULD YOUR ORGANIZATION PREFER THAT THEY DO WITH THEIR DC PLAN BALANCES?



¹Results from 88 respondents.

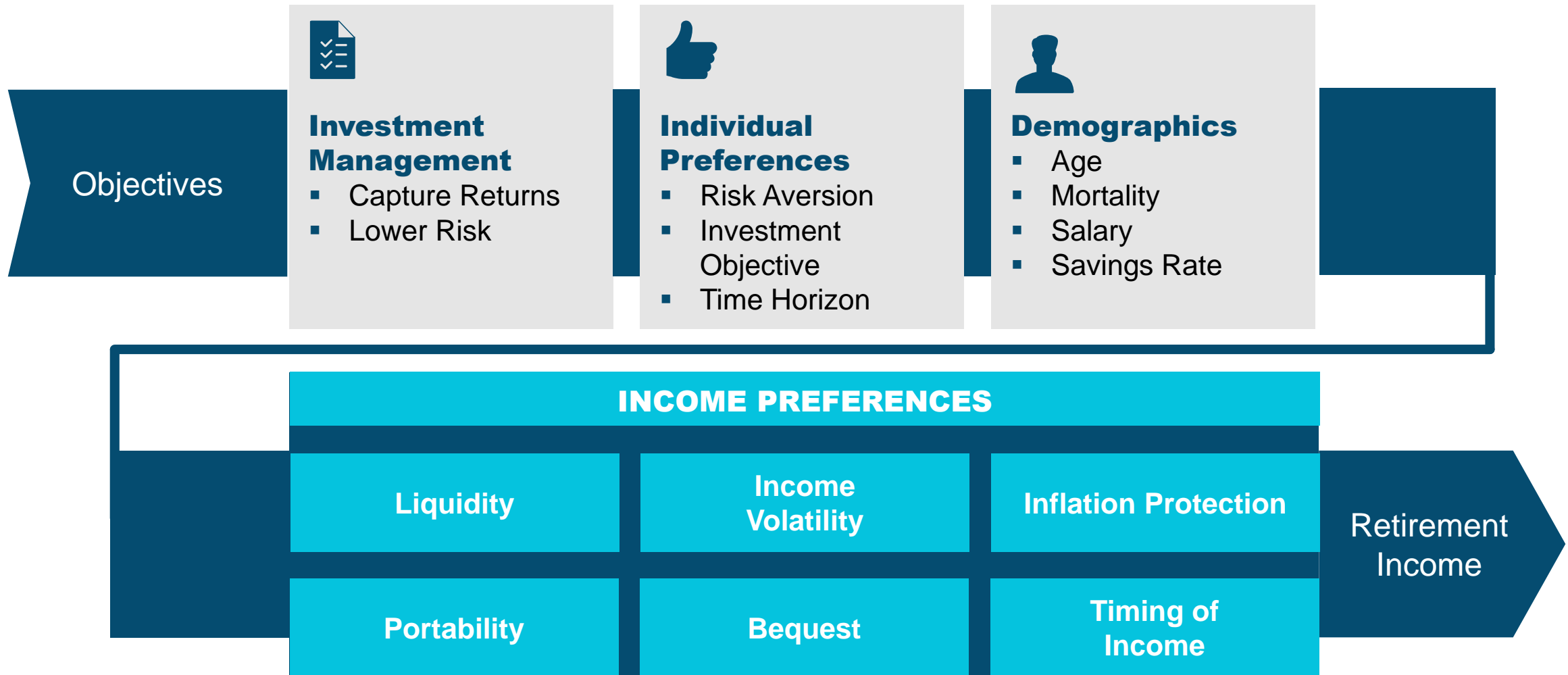
²Results from 102 respondents.

Social Security replacement rates and implied gaps by income quintile, 2019



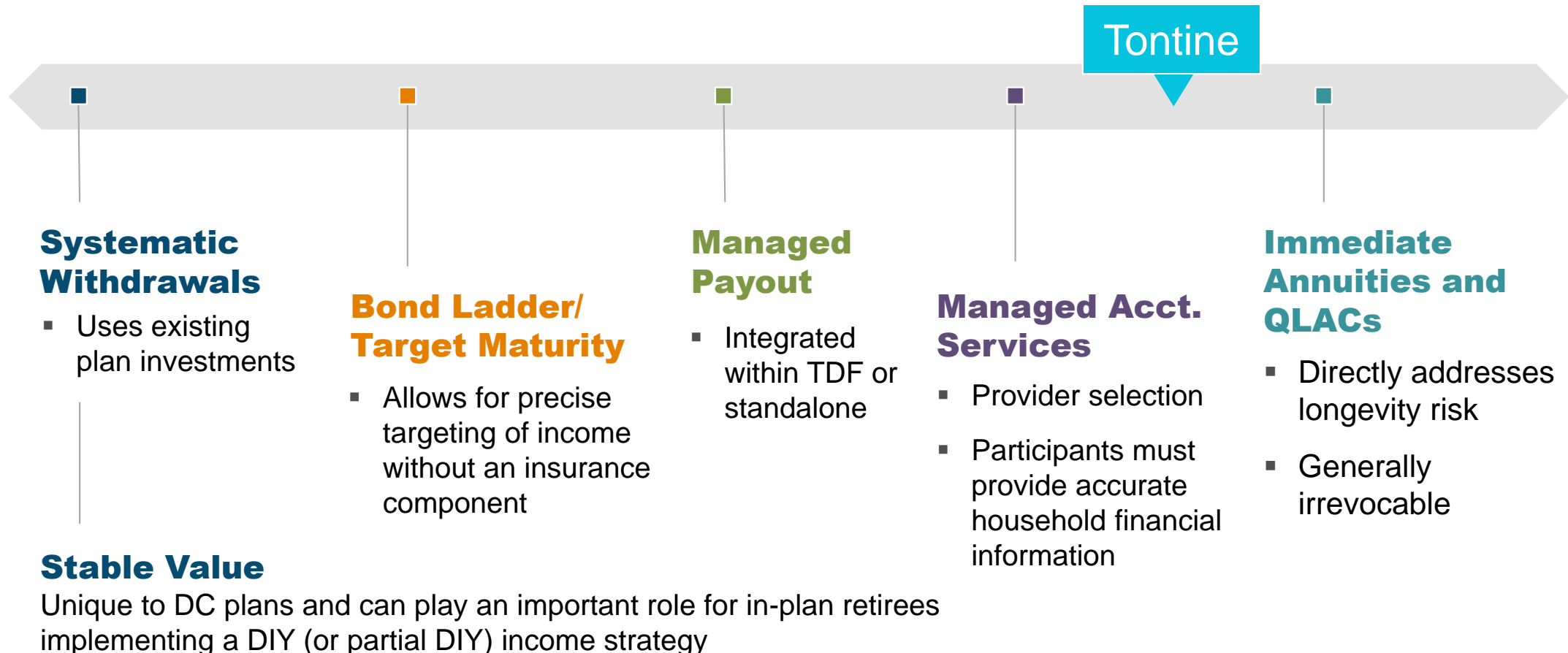
Clingman, M., Burkhalter, K. and Chaplain, C. (June 2018), *Replacement Rates for Hypothetical Retired Workers. Actuarial Note 2018.9*. Social Security Administration, Office of the Chief Actuary. On the Web at: ssa.gov/oact/NOTES/ran9/an2018-9.pdf.

Matching personal preferences to income characteristics



No silver bullet

NO SINGLE INVESTMENT SOLUTION CAN FULLY ADDRESS THE DIVERSITY AND COMPLEXITY OF RETIREMENT INCOME NEEDS.





THOUGHTS AND CONSTRUCTIVE QUESTIONS





Important information

T. Rowe Price's survey was sponsored by Pension & Investments (P&I) and conducted during September and October 2018 by Signet Research, a marketing research firm. The survey universe is a list of plan sponsors and consultants selected from the P&I database. Responses were received from 210 plan sponsor officials. Not all survey respondents completed all survey questions. Respondents participated via online surveys and were offered a chance to win prize awards as incentives for their participation. T. Rowe Price designed the survey questions and is solely responsible for the interpretation of the results.

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