

Cash Balance Plans

OCTOBER THREE

Plans above 25 participants

Market Place

Cash Balance plans, designed correctly, provide great retirement savings opportunities for companies of all sizes with very little risk to the organization.

Total Number of Cash Balance Plans:

10,609

Total Cash Balance Plan Participants:

10,533,519

Total Cash Balance Plan Assets:

\$1,060,800,000,000

Top Industries

(by plan count):

Cash balance plans continue to grow in popularity across industries.



2019



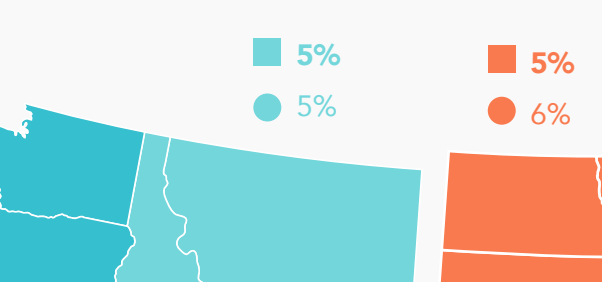
- Professional, scientific, and technical services
- Construction
- Finance and insurance
- Health care and social assistance
- Manufacturing

2018



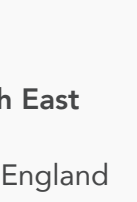
- Professional, scientific, and technical services
- Finance and insurance
- Construction
- Manufacturing
- Health care and social assistance

2014



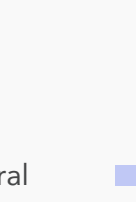
- Professional, scientific, and technical services
- Health care and social assistance
- Finance and insurance
- Manufacturing
- Construction

Biggest Growth in Industry



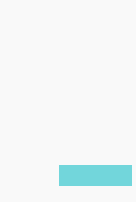
Construction

165% growth in number of CB plans over last 5 years



Real Estate Rental and Leasing

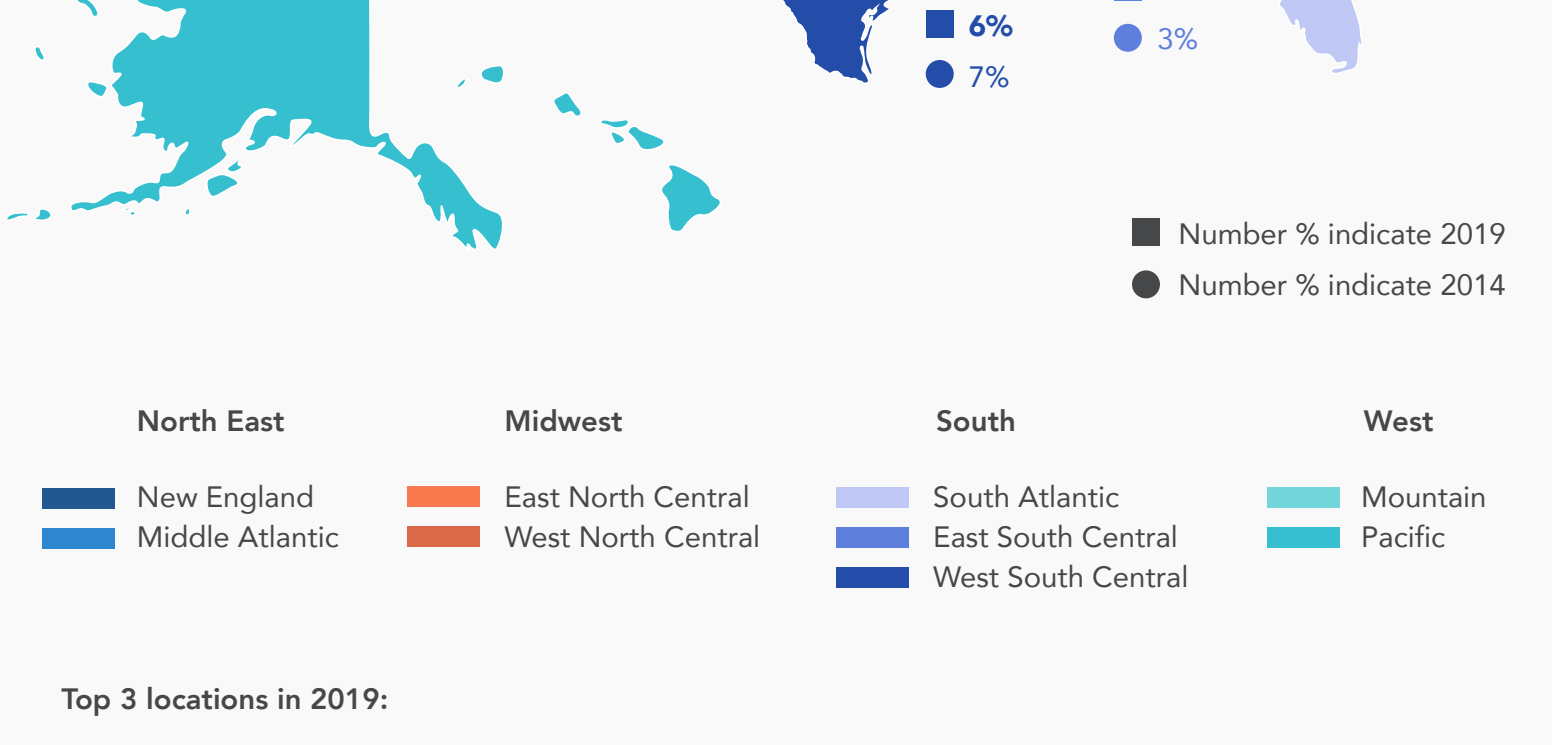
126% growth in number of CB plans over last 5 years



Educational Services

100% growth in number of CB plans over last 5 years

Location Concentration



North East

New England
Middle Atlantic

Midwest

East North Central
West North Central

South

South Atlantic
East South Central
West South Central

West

Mountain
Pacific

Top 3 locations in 2019:

Pacific:

20%

of nation's total (was 16% of nation's total in 2014)

Middle Atlantic:

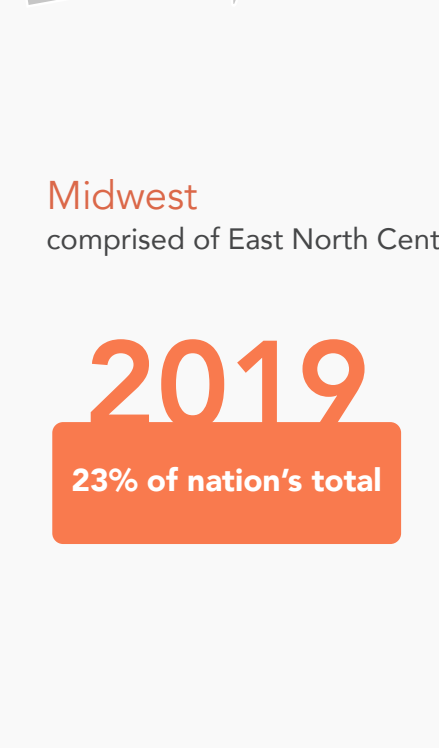
20%

of nation's total (was 22% of nation's total in 2014)

East North Central - Midwest:

18%

of nation's total (was 21% of nation's total in 2014)

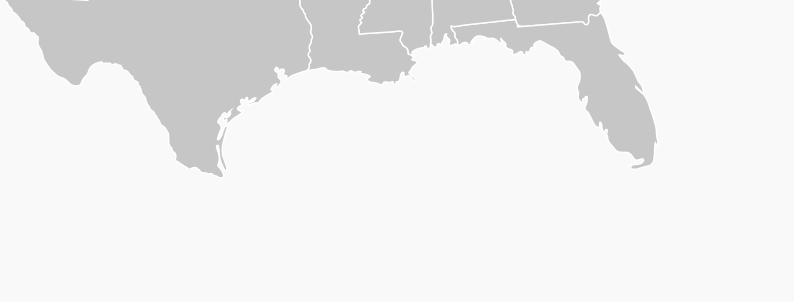


North East

comprised of New England and Mid Atlantic

2019
25% of nation's total

2014
27% of nation's total



Midwest

comprised of East North Central and West North Central

2019
23% of nation's total

2014
27% of nation's total

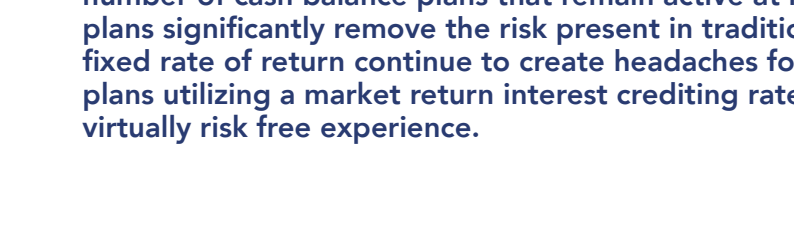


South

comprised of South Atlantic, East South Central, West South Central

2019
26% of nation's total

2014
25% of nation's total



West

comprised of East North Central and West North Central

2019
25% of nation's total

2014
20% of nation's total

% Frozen vs. Active

Cash Balance Plans compared to traditional Defined Benefit plans

As cash balance plans are far less risky than traditional defined benefit plans, we see the number of cash balance plans that remain active at much higher levels. While Cash balance plans significantly remove the risk present in traditional DB plans, those plans still utilizing a fixed rate of return continue to create headaches for plan sponsors and advisors. Those plans utilizing a market return interest crediting rate, are enjoying peace of mind and a virtually risk free experience.



Companies with top 5-plans by assets

OVERALL

AT&T

Boeing

IBM

Fedex

Bank of America

HOSPITAL

Mass General Brigham

Sutter Health

Hartford Healthcare

Intermountain Healthcare

UPMC

LEGAL

SIDLEY

Jones Day

Morgan Lewis

Gibson Dunn

Kirkland & Ellis

To further analyze we took a further look at how the CB plan market might change for different plan sizes. Below we look at plans over 100 participants and under 100 participants.

Under 100



for plans less than 100 participants
CB plans make up 54% of all DB plans

Over 100



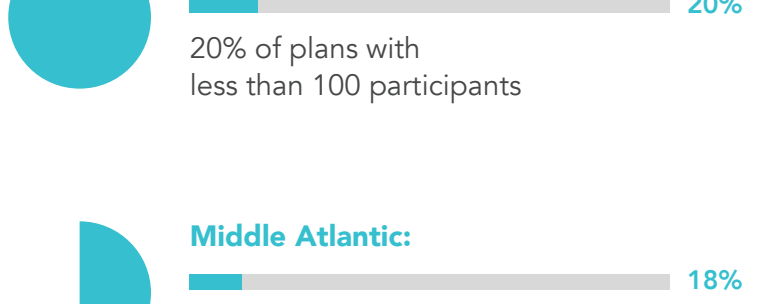
for plans greater than 100 participants
CB plans make up 21% of all DB plans



Market size by participant count
represents 164,693 participants



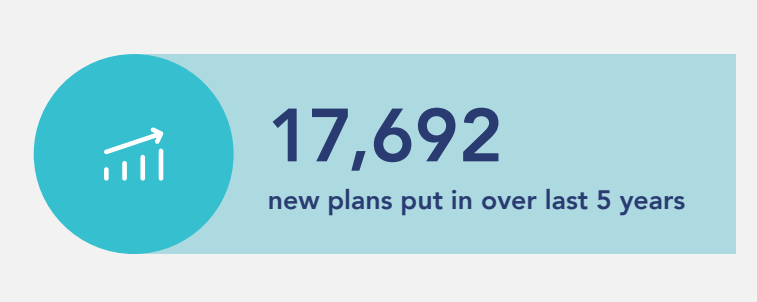
Average plan size by participant count
represents 10,368,826 participants



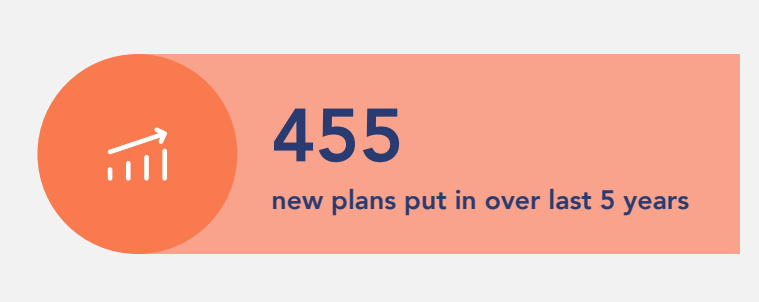
21% of plans with less than 100 participants



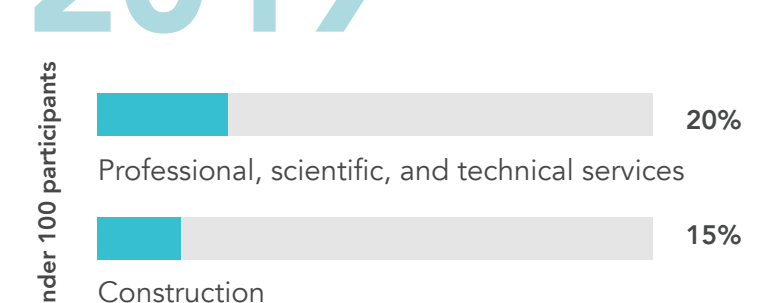
22% of plans with more than 100 participants



20% of plans with less than 100 participants



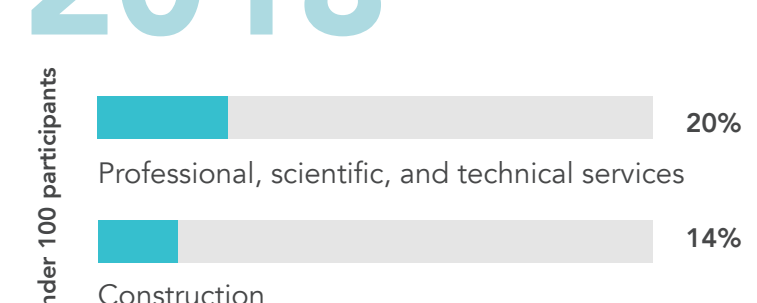
21% of plans with more than 100 participants



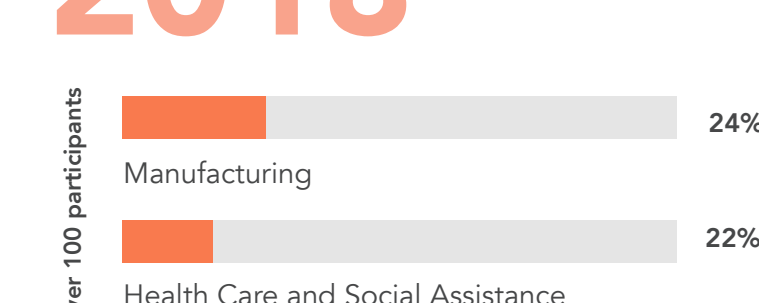
18% of plans with less than 100 participants



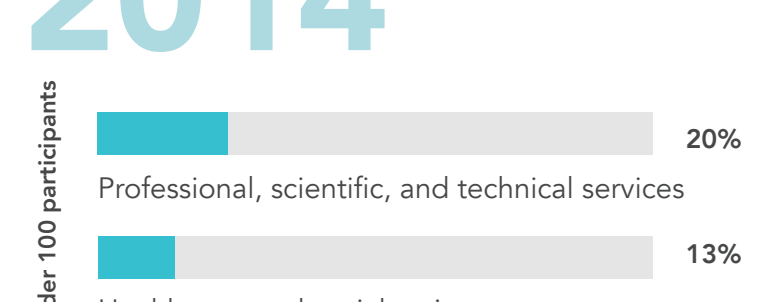
14% of plans with more than 100 participants



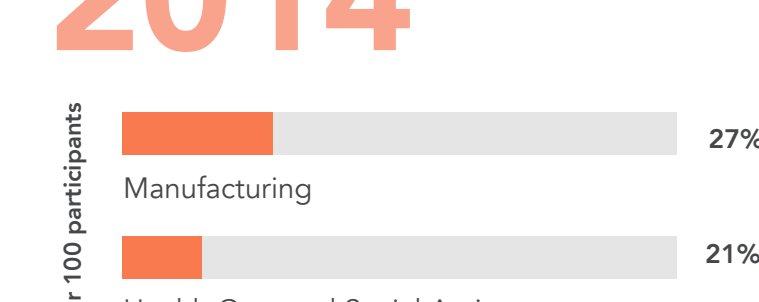
new plans put in over last 5 years



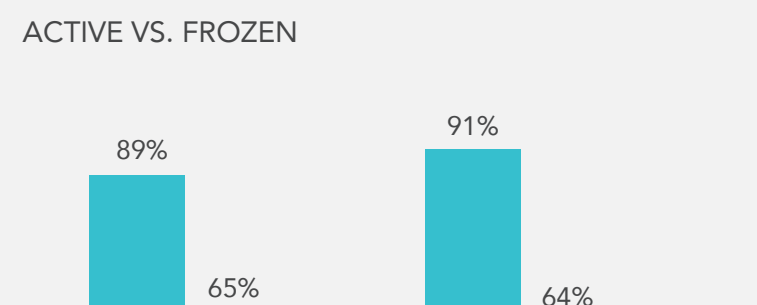
new plans put in over last 5 years



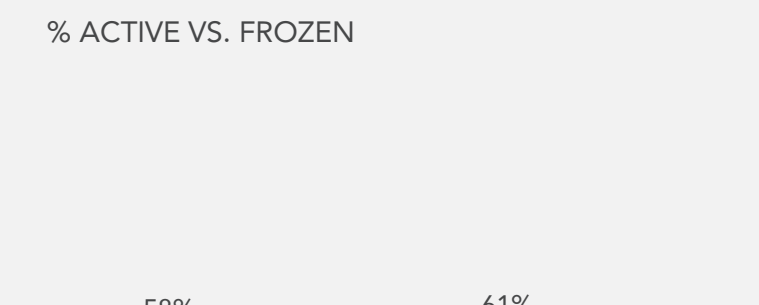
Plans under 100 participants



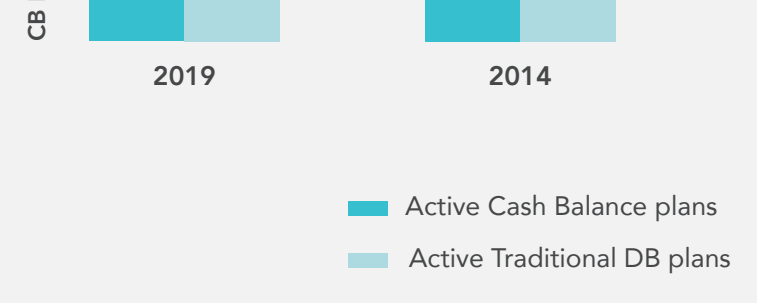
Plans over 100 participants



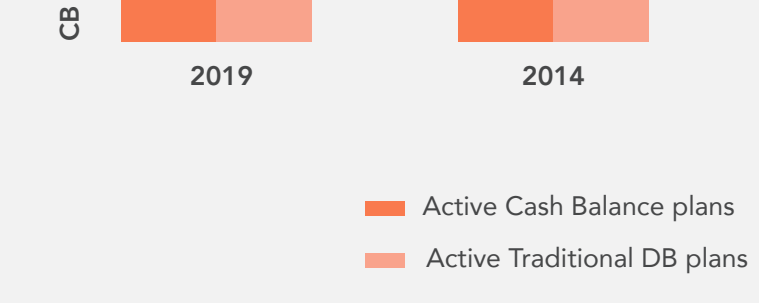
Plans under 100 participants



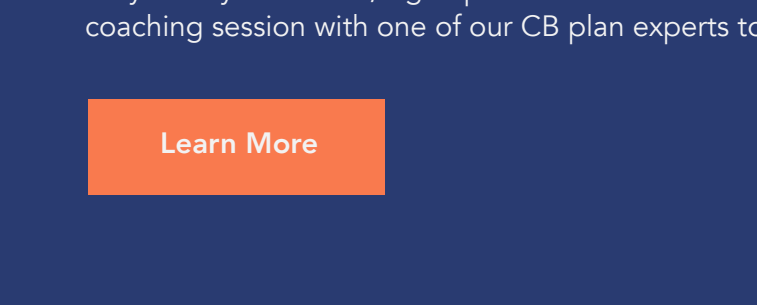
Plans over 100 participants



Plans under 100 participants



Plans over 100 participants



Active Cash Balance plans



Active Cash Balance plans

Interested in if Cash Balance plans could be a good fit for you or your clients, sign up for a free cash balance coaching session with one of our CB plan experts today.

Learn More

