

# Hooray for the 401(k)

## *Defined contribution plans highly valued by Americans*

As a plan sponsor, you spend a lot of time with your advisor making sure your workplace retirement plan is as competitive and effective as it can be. You put in great effort selecting a diverse menu of investment options, determining the most effective plan design features, educating employees about the importance of saving, taking on fiduciary responsibility for the plan — and everything else in-between. You should feel very proud of these efforts. Results from a recent survey confirm you are providing your employees with a benefit they highly value, and it is making a difference in their financial lives.

The Investment Company Institute's "[American Views on Defined Contribution Plan Saving, 2023](#)" polled respondents about their views on defined contribution (DC) retirement plan saving and their confidence in 401(k) and other DC plan accounts. The following is a recap of the key findings.

### THUMBS UP ON DC PLANS IN GENERAL

- Eighty-five percent of respondents had favorable impressions of 401(k) plans, with 37% expressing the strongest positive response — a “very favorable” impression. As a side note, a strong majority of Americans are against any proposals to remove or reduce tax incentives for saving in DC plans.

### THUMBS UP ON SAVING AND INVESTING FEATURES IN PARTICULAR

- Nearly 9 out of 10 defined contribution plan account owners agreed that these plans helped them think about the long term and made it easier to save. Five out of 10 respondents indicated that they probably would not be saving for retirement if not for their DC plans. In addition, saving with each paycheck made 8 out of 10 individuals surveyed less worried about the short-term performance of their investments.
- More than 8 out of 10 (82%) individuals agreed that the tax treatment of their retirement plans was a big incentive to contribute.
- Nearly all (93%) respondents agreed that it was important to have choice in and control of the investments in their DC plans. More than 8 out of 10 (84%) indicated that their DC plan offered a good lineup of investment options.

### DC PLANS BUILD RETIREMENT CONFIDENCE

- Among individual DC account owners, 81% indicated they were confident that DC plan accounts can help people meet their retirement goals. In fact, even among respondents who did not currently own DC accounts, 60% expressed confidence that these plans can help people meet their retirement goals.

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Investment Company Institute's "[American Views on Defined Contribution Plan Saving, 2023](https://tinyurl.com/yrphjt45)" can also be viewed at: <https://tinyurl.com/yrphjt45>.

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