Vanguard® | VIEWPOINTS

How America Saves 2025

Small Business Edition

Introduction

Defined contribution (DC) retirement plans are the centerpiece of the private-sector retirement system in the United States. More than 100 million Americans are covered by DC plans, with assets now totaling $13 trillion.[1]

The U.S. Small Business Administration reports that 99.9% of businesses in America are small businesses, employing nearly one-half of all private-sector workers.[2] Many of those small businesses may not have the resources or bandwidth to benchmark their retirement plans—to compare their plans with those of similar-sized firms.

To provide small-business plan sponsors and advisors with valuable benchmarking data, Vanguard recognizes the importance of having a detailed understanding of DC plans and the role they play in the U.S. retirement system.

We believe this information can help you make more effective plan decisions and serve as a valuable tool as you continue to develop your retirement programs.

What follows is an examination of retirement plan data from Vanguard Retirement Plan Access™ (VRPA), which is Vanguard's comprehensive service for retirement plans with typically up to $50 million in assets. Through VRPA, we were serving more than 21,000 plan sponsors and approximately 1 million participants as of year-end 2024.

The benchmark population includes all plans and participants for which VRPA provides recordkeeping **(Figure 1)**.

On average, VRPA plans had 48 participants and plan assets of $3.9 million in 2024. In comparison with larger plans (reported in Vanguard's *How America Saves 2025*), employees in small plans typically had shorter tenures and lower income, although participating employees in both populations had similar compensation.

Figure 1. Population
Vanguard Retirement Plan Access defined contribution plans

	Small plans (VRPA)								
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Large plans, 2024***
Number of plans	8,873	11,263	13,433	15,243	17,174	19,327	20,538	21,261	1,400
Number of participant accounts	370,414	489,625	606,129	701,598	810,231	917,673	967,335	1,020,108	4.8 million
Average number of plan participants	42	43	45	46	47	47	47	48	3,400
Average plan assets	$2.6 million	$2.4 million	$2.9 million	$3.3 million	$3.6 million	$2.9 million	$3.4 million	$3.9 million	$500 million
Median participant age	42	42	42	42	42	43	42	42	43
Median participant tenure	4	4	4	4	4	5	4	4	6
Median eligible employee income	$48,000	$45,000	$45,000	$47,000	$48,000	$57,000	$57,000	$59,000	$81,000
Median participant income	$63,000	$62,000	$64,000	$66,000	$66,000	$86,000	$88,000	$88,000	$89,000
Median nonparticipant income	$28,000	$22,000	$22,000	$21,000	$22,000	$31,000	$29,000	$34,000	$42,000

**How America Saves 2025*
Source: Vanguard 2025.

1 U.S. Department of Labor. *Private Pension Plan Bulletin Historical Tables and Graphs 1975-2022*, September 2024; and Investment Company Institute. *Quarterly Retirement Market Data, Second Quarter 2025.* September 2025.
2 U.S. Small Business Administration. *Frequently Asked Questions About Small Business, 2024*, July 2024.

Accumulating plan assets

Eligibility

In 2024, 22% of VRPA plans allowed employees to make contributions immediately after joining their employer, which has remained consistent over the past several years. Smaller plans are more likely to have a service requirement before allowing new employees to contribute, as more than 3 in 4 larger plans allow for immediate eligibility.

Automatic enrollment design

An automatic enrollment plan design reframes the saving decision. Instead of making a positive election to join the plan, employees are automatically enrolled and must act to opt out.

Automatic enrollment is an important plan design feature that can increase plan participation and plan deferral rates. Within many automatic enrollment plans, individuals are automatically enrolled in the plan, their deferral rates are automatically increased each year, and their contributions are automatically invested in a qualified default investment alternative (QDIA).

As of December 31, 2024, 24% of VRPA plans permitting employee-elective deferrals had adopted automatic enrollment **(Figure 2)**. Fifty-seven percent of automatic enrollment plans also automatically enrolled employees into an annual escalation feature.

Figure 2. Automatic enrollment design
Vanguard defined contribution plans permitting employee-elective deferrals

	Small plans (VRPA)								
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Large plans, 2024***
Percentage of plans offering automatic enrollment	15%	15%	16%	16%	17%	19%	21%	24%	61%
Percentage of plans with automatic enrollment offering automatic annual increases	38%	39%	40%	41%	41%	43%	51%	57%	69%

**How America Saves 2025*
Source: Vanguard 2025.

Figure 3. Automatic enrollment defaults, 2024
Vanguard defined contribution plans

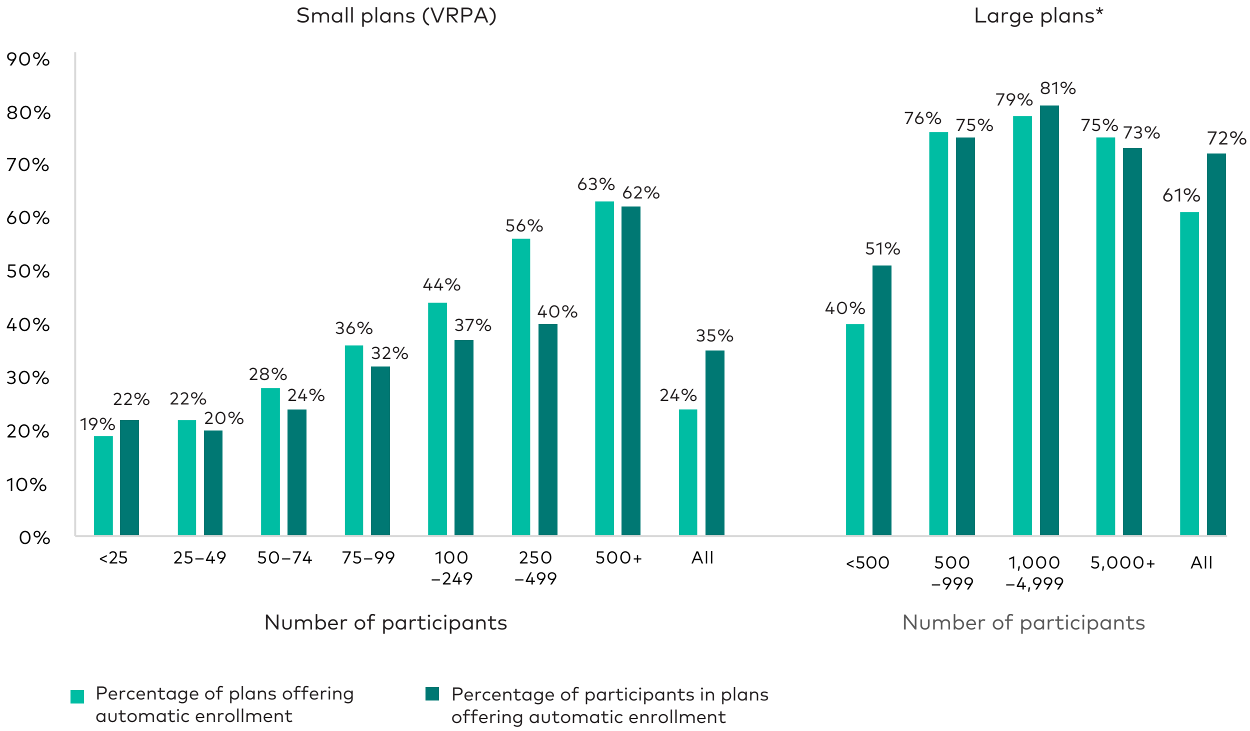
	Small plans (VRPA)	Large plans*
Percentage of plans offering automatic enrollment	24%	61%
1%	4%	2%
2%	4%	4%
3%	52%	33%
4%	14%	14%
5%	11%	17%
6%+	15%	30%
Percentage of automatic enrollment plans with automatic annual increases	57%	69%

**How America Saves 2025*
Source: Vanguard 2025.

Among VRPA automatic enrollment plans, the most common default rate is 3% of pay **(Figure 3)**. As of 2024, 40% of plans enrolled new hires at a deferral rate of 4% or higher, a rate that is significantly lower than larger plans, where 61% of automatic enrollment plans default at a rate of 4% or more.

Larger retirement plans are typically more likely to offer an automatic enrollment design **(Figure 4)**. As smaller companies hire fewer workers, there may be more opportunities for new workers to receive one-on-one attention when onboarding; however, there has been an increased adoption of automatic enrollment over the past several years—across plan sponsors of nearly all sizes **(Figure 5)**.

Figure 4. Automatic enrollment by plan size, 2024
Vanguard defined contribution plans permitting employee-elective deferrals



**How America Saves 2025*
Source: Vanguard 2025.

Figure 5. Automatic enrollment trends by plan size
Vanguard defined contribution plans

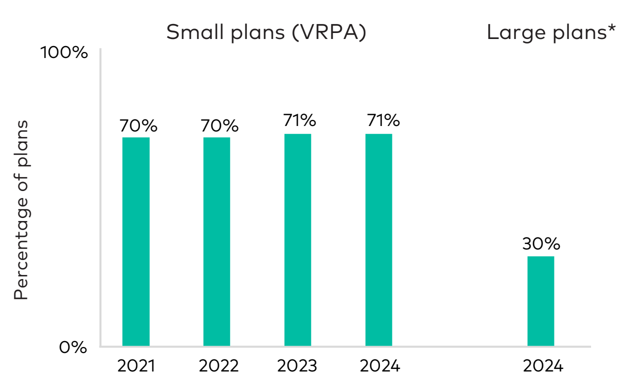
	Automatic enrollment adoption	
Small plans (VRPA)	**2020**	**2024**
<25 participants	8%	19%
25–49 participants	17%	22%
50–74 participants	26%	28%
75–99 participants	33%	36%
100–249 participants	44%	44%
250–499 participants	55%	56%
500+ participants	65%	63%
All plans	**16%**	**24%**
Large plans*	**2020**	**2024**
<500 participants	36%	40%
500–999 participants	66%	76%
1,000–4,999 participants	74%	79%
5,000+ participants	72%	75%
All plans	**54%**	**61%**

**How America Saves 2025*
Source: Vanguard 2025.

Safe harbor designs

Plan sponsors who do not want to perform nondiscrimination tests are able to adopt different plan design options that will satisfy the safe harbor contribution requirements. These designs can help highly compensated employees contribute the maximum while ensuring all eligible employees have access to employer contributions. Seventy-one percent of VRPA plans with employer contributions had adopted a safe harbor design **(Figure 6).**

Figure 6. Safe harbor designs
Vanguard defined contribution plans with employer contributions



**How America Saves 2025*
Source: Vanguard 2025.

Small plans are significantly more likely to offer safe harbor designs than are larger plans. Performing annual nondiscrimination testing on small employee populations can lead to increased variability on contribution limits for highly compensated employees, and thus many small businesses adopt a safe harbor design to help ensure all employees can maximize their retirement plan benefits.

Participation rates

A plan's participation rate—the percentage of eligible employees choosing to make employee-elective contributions—remains the broadest metric for gauging 401(k) plan performance. The most common measure of participation rates is derived by calculating the average of participation rates among a group of plans. We refer to this as the plan-weighted participation rate. In 2024, VRPA's plan-weighted participation rate was 73% **(Figure 7)**. A second measure of participation rates considers all employees in VRPA plans as if they were in a single plan. We refer to this as the participant-weighted participation rate. Across the universe of VRPA participants, 6 in 10 eligible employees were enrolled in their employer's retirement plan.

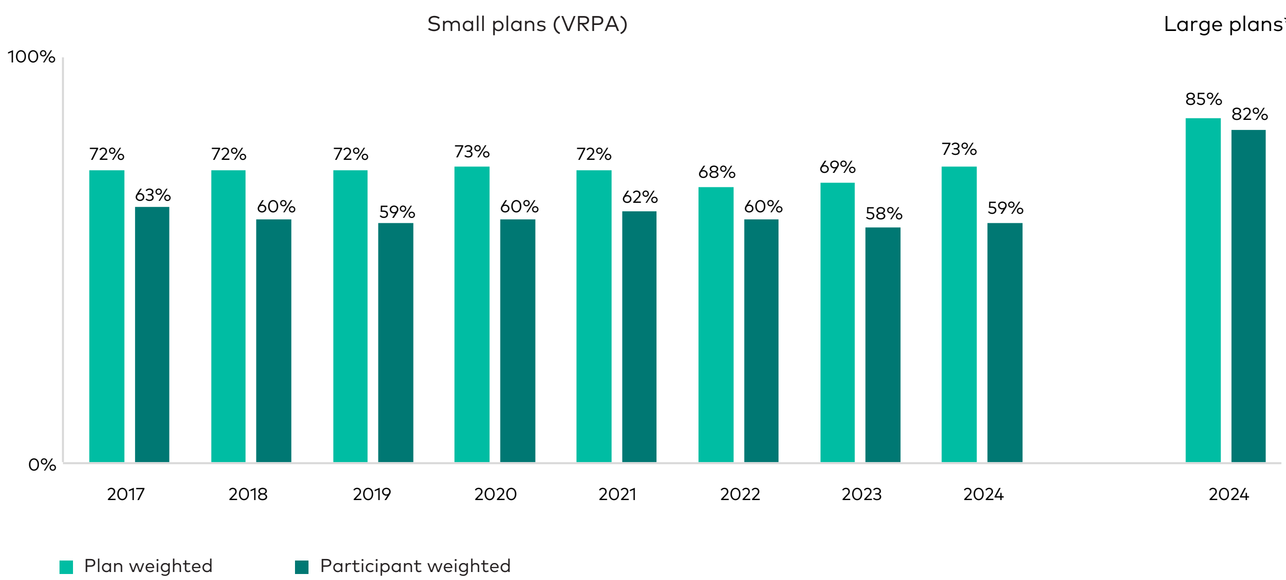
Participation rates among the VRPA plans have remained consistent over the past eight years, and both metrics remain lower than the participation rates of larger plans, primarily due to increased automatic enrollment availability among larger plans. In addition, the median income of eligible employees within small plans is $59,000, lower than the median income of employees within larger plans ($81,000). Employees with lower income typically participate at lower rates when compared with higher income employees.

Among both VRPA and larger plans, the presence of automatic enrollment increased participation rates **(Figure 8)**. However, larger plans typically had higher participation rates across both voluntary and automatic enrollment cohorts. Larger plans with automatic enrollment had a participation rate of 94%, compared with 81% when offered in smaller plans.

Participation rates also varied by industry group **(Figure 9)**. Employees in the architectural and engineering services group had the highest participation rate, with 8 in 10 employees participating. Employees in the transportation and warehousing sector had the lowest participation rate at 45%.

Figure 7. Participation rates

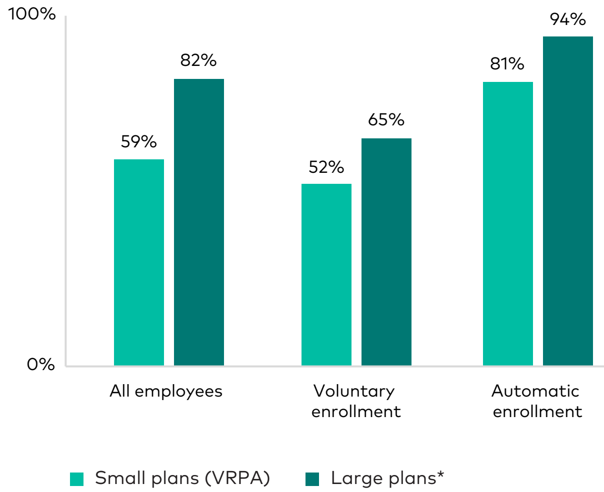
Vanguard defined contribution plans permitting employee-elective deferrals



**How America Saves 2025*

Source: Vanguard 2025.

Figure 8. Participation rates by plan design, 2024
Vanguard defined contribution plans permitting employee-elective deferrals



**How America Saves 2025*
Source: Vanguard 2025.

Employee deferrals

In a typical DC plan, employees are the main source of funding while employer contributions play a secondary role. Thus, the level of participant deferrals is a critical determinant of whether the DC plan will generate an adequate level of savings for retirement. VRPA deferral rates are drawn from recordkeeping data and exclude eligible employees not contributing to their plans.

VRPA participants saved an average of 7.7% of their income in 2024 **(Figure 10)**. The median participant deferral rate was 5.8%, meaning that half of participants were saving above this rate and half were saving below it. The average deferral rates were identical to larger plans, both of which are at all-time highs.

Deferral rates also varied by industry group **(Figure 11)**. Participants in the utilities sector had the highest median deferral rate in 2024, while participants in the retail sector had the lowest deferral rate.

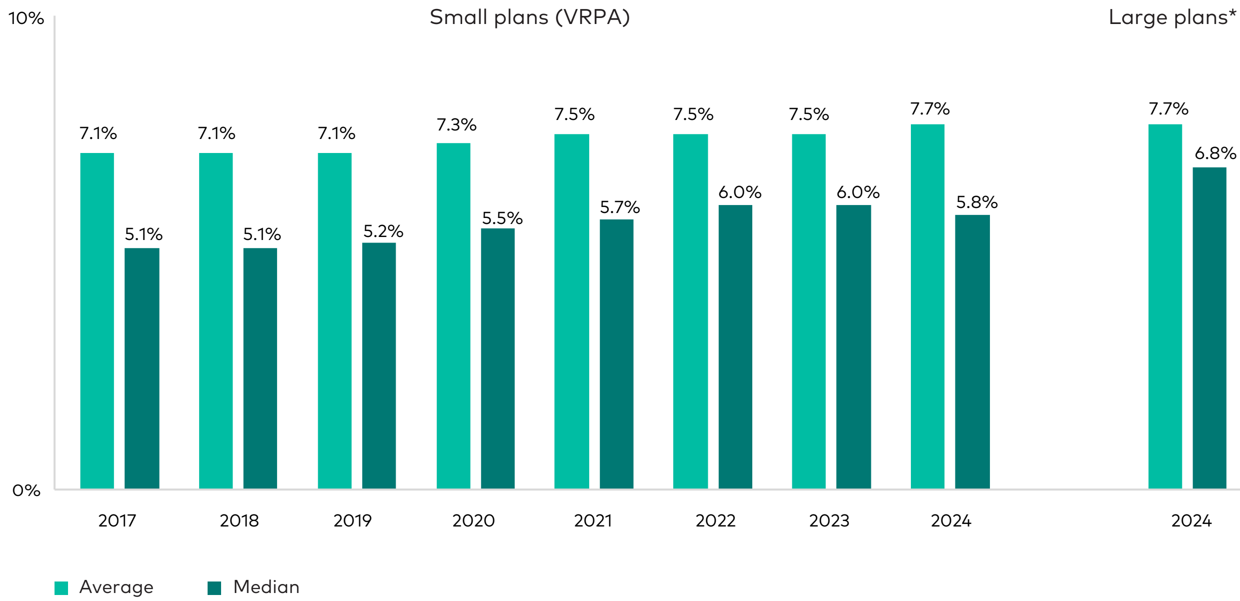
Participants in VRPA plans with automatic enrollment deferred an average of 7.4%, compared with 7.9% in voluntary enrollment plans **(Figure 12)**. By contrast, deferral rates by plan design in larger plans were similar, which may be attributable to higher automatic enrollment default rates and increased adoption of automatic annual increases.

Figure 9. Participation rates by industry sector, 2024
Vanguard Retirement Plan Access (small plans) defined contribution plans permitting employee-elective deferrals

	All employees	Voluntary enrollment	Automatic enrollment
Overall	**59%**	**52%**	**81%**
Industry group			
Ambulatory health care services	63%	63%	80%
Architecture and engineering	80%	78%	89%
Construction	57%	50%	77%
Finance	77%	77%	82%
Information	77%	70%	89%
Insurance	73%	63%	90%
Legal services	74%	78%	88%
Manufacturing	65%	57%	83%
Mining, quarrying, and oil and gas extraction	63%	61%	73%
Professional, scientific, and technical services	73%	70%	87%
Retail trade	56%	44%	73%
Technology	76%	71%	89%
Transportation and warehousing	45%	37%	74%
Utilities	72%	46%	96%
Wholesale	68%	60%	84%

Source: Vanguard 2025.

Figure 10. Deferral rates
Vanguard defined contribution plans permitting employee-elective deferrals



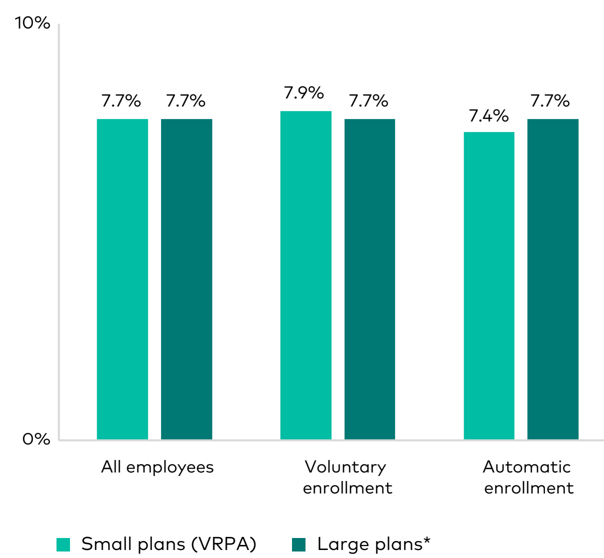
**How America Saves 2025*
Source: Vanguard 2025.

Figure 11. Deferral rates by industry sector, 2024
Vanguard Retirement Plan Access (small plans) defined contribution plans permitting employee-elective deferrals

	Average	Median
Overall	**7.7%**	**5.8%**
Industry group		
Ambulatory health care services	9.0%	5.1%
Architecture and engineering	9.2%	7.1%
Construction	7.8%	5.6%
Finance	6.2%	6.3%
Information	7.2%	6.2%
Insurance	7.8%	5.0%
Legal services	8.3%	6.3%
Manufacturing	7.4%	5.4%
Mining, quarrying, and oil and gas extraction	7.6%	7.0%
Professional, scientific, and technical services	7.9%	6.9%
Retail trade	6.9%	4.9%
Technology	8.1%	7.0%
Transportation and warehousing	6.7%	5.0%
Utilities	9.4%	8.1%
Wholesale	7.9%	5.8%

Source: Vanguard 2025.

Figure 12. Deferral rates by plan design, 2024
Vanguard defined contribution plans permitting employee-elective deferrals



**How America Saves 2025*
Source: Vanguard 2025.

Maximum contributors

During 2024, 14% of participants saved the statutory maximum amount of $23,000 ($30,500 for participants age 50 or older) **(Figure 13)**, generally in line with the previous few years and similar to maximum contributors in larger plans. In addition, about 1 in 4 participants were saving 10% or more of their income, a percentage that has generally increased over the past several years and is also similar to behaviors in larger plans.

Catch-up contributions

Nearly all retirement plans offered catch-up contributions in 2024. Catch-up contributions permit participants age 50 or older to contribute more than is permitted for those younger than 50. Seventeen percent of eligible participants took advantage of this feature, in line with participant behaviors in larger plans. Participants making catch-up contributions tend to have higher incomes and are generally strong savers.

Roth contributions

Roth contributions provide tax-free growth and withdrawals through after-tax dollars. At year-end 2024, the Roth feature was offered by 91% of VRPA plans and had been adopted by 21% of participants in these plans. Starting in 2026, high-income participants will be required to contribute catch-up contributions into Roth accounts and therefore Roth plan and participant adoption may continue to increase.

After-tax contributions

Traditional after-tax employee-elective deferrals were available to participants in only 3% of VRPA plans, and only 2% of participants who were offered the after-tax savings feature took advantage of it. Smaller plans were significantly less likely to offer after-tax savings when compared with larger plans, and participant adoption was only one-fifth of larger-plan participant adoption.

Figure 13. Employee contribution data

Vanguard defined contribution plans permitting employee-elective deferrals

	Small plans (VRPA)								
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**Large plans, 2024***
Percentage of participants reaching 402(g) limit	12%	11%	11%	12%	13%	15%	15%	14%	14%
Percentage of participants deferring more than 10%	19%	19%	19%	20%	21%	26%	26%	24%	25%
Percentage of plans offering catch-up contributions	>99%	>99%	>99%	>99%	>99%	>99%	>99%	>99%	>99%
Percentage of participants using catch-up contributions if offered	17%	18%	18%	19%	20%	17%	17%	17%	16%
Percentage of plans offering a Roth feature	81%	82%	84%	85%	87%	89%	90%	91%	86%
Percentage of participants using a Roth feature if offered	15%	16%	17%	18%	19%	19%	20%	21%	18%
Percentage of plans offering a traditional after-tax feature	3%	3%	3%	3%	3%	3%	3%	3%	24%
Percentage of participants using a traditional after-tax feature if offered	1%	1%	<0.5%	<0.5%	1%	2%	2%	2%	10%

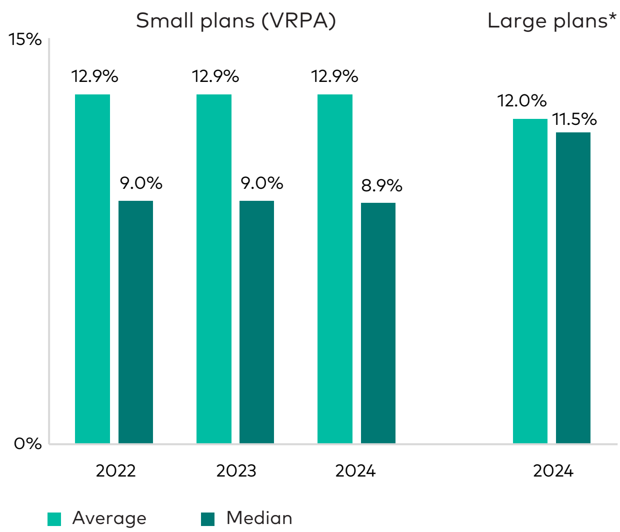
**How America Saves 2025*

Source: Vanguard 2025.

Total contributions

Considering both employee and employer contributions, the average total participant contribution rate in VRPA plans was 12.9%, and the median was 8.9% **(Figure 14)**. The average total saving rate was slightly higher than the saving behavior in larger plans, while the median total saving rate was a few percentage points lower.

Figure 14. Total participant and employer contribution rates
Vanguard defined contribution plans permitting employee-elective deferrals



**How America Saves 2025*
Source: Vanguard 2025

Account balances

Account balances are a widely cited measure of the overall effectiveness of DC plans. However, current balances may not reflect lifetime savings and are only a partial measure of retirement preparedness for many participants. The median balance represents the typical participant: Half of all participants have balances above the median and half have balances below it.

In 2024, VRPA participants' average account balance was $79,818; the median balance was $15,262 **(Figure 15)**. Balances in larger plans are twice as high as smaller plans, primarily due to participants having longer tenure and smaller plans consisting of many new and start-up plans.

Account balances varied by industry group **(Figure 16)**. Participants in legal services had the highest average balance in 2024, while participants in the transportation and warehousing sector had the lowest average account balance.

Figure 15. Account balances
Vanguard defined contribution plans

**How America Saves 2025*
Source: Vanguard 2025.

Managing assets

Asset and contribution allocations

The percentage of plan assets invested in equities stood at 75% in 2024 **(Figure 17)**. The allocation to equities included the equity component of balanced funds, including target-date funds. Investment in target-date funds was 46%, slightly higher than the allocation for larger plans. Target-date funds are dramatically reshaping investment patterns in DC plans, including increasing equity allocation differences by age and reducing extreme allocations.

Nearly four-fifths of plan contribution dollars were invested in equities, and 6 in 10 contribution dollars were invested in target-date funds **(Figure 18)**.

Plan investment options

The average VRPA plan offered an average of 21.6 investment options in 2024 **(Figure 19)**. When analyzing options offered, we counted a series of target-date funds as one fund, since these funds are designed as a single-fund investment. The fund lineups of smaller plans tend to offer more funds when compared with larger plans.

Despite the large number of funds available to them, participants tended to use only a few. On average, VRPA participants used 2.3 funds, and the typical participant held just 1 fund. When analyzing options used, we counted each target-date fund as a separate fund rather than counting multiple target-date funds as one fund. This is important because participants can, and some do, invest in multiple target-date funds.

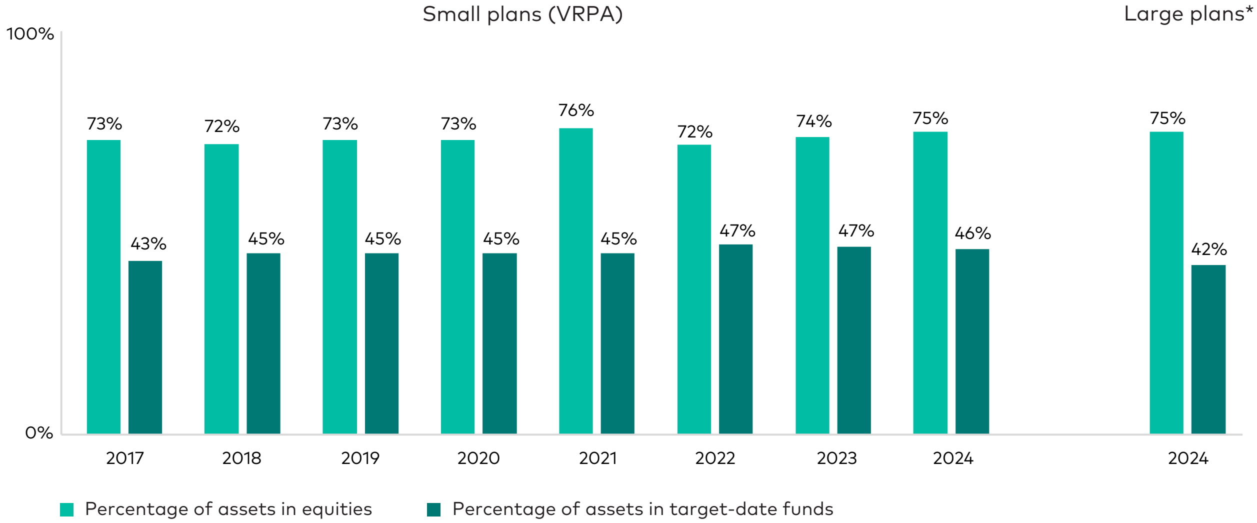
Figure 16. Account balances by industry sector, 2024
Vanguard Retirement Plan Access (small plans) defined contribution plans

	Average	Median
Overall	**$79,818**	**$15,262**
Industry group		
Ambulatory health care services	$107,455	$10,347
Architecture and engineering	$108,064	$27,683
Construction	$77,273	$14,429
Finance	$130,556	$34,875
Information	$66,510	$23,394
Insurance	$85,019	$14,453
Legal services	$169,533	$25,559
Manufacturing	$69,119	$14,308
Mining, quarrying, and oil and gas extraction	$68,161	$16,569
Professional, scientific, and technical services	$95,791	$24,098
Retail trade	$54,530	$9,729
Technology	$79,736	$24,697
Transportation and warehousing	$46,301	$9,636
Utilities	$87,358	$27,431
Wholesale	$77,688	$15,572

Source: Vanguard 2025.

Figure 17. Plan asset allocation summary

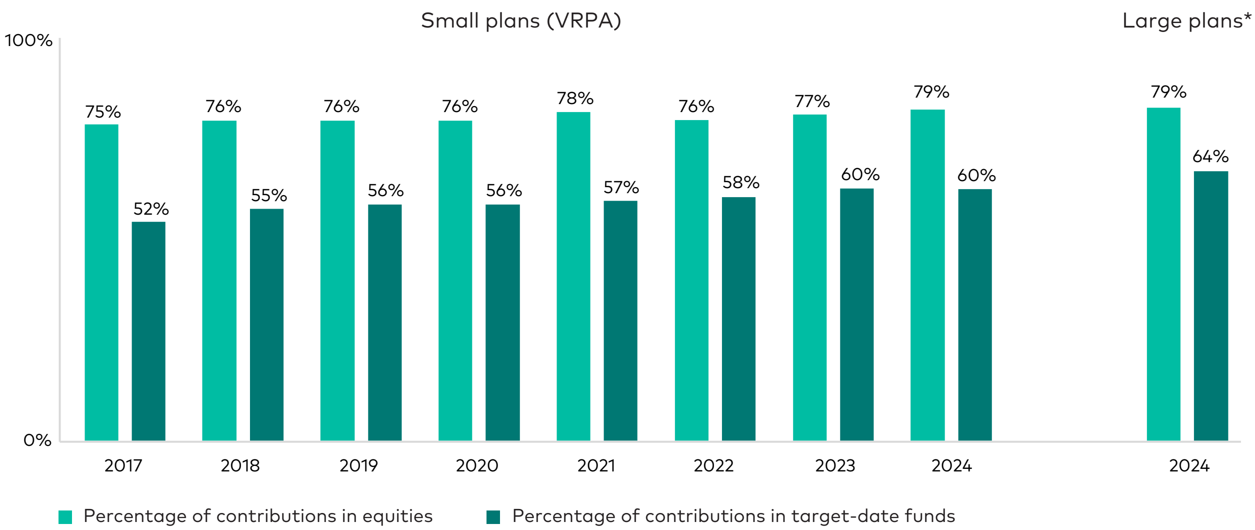
Vanguard defined contribution plans



**How America Saves 2025*
Source: Vanguard 2025.

Figure 18. Plan contribution allocation summary

Vanguard defined contribution plans

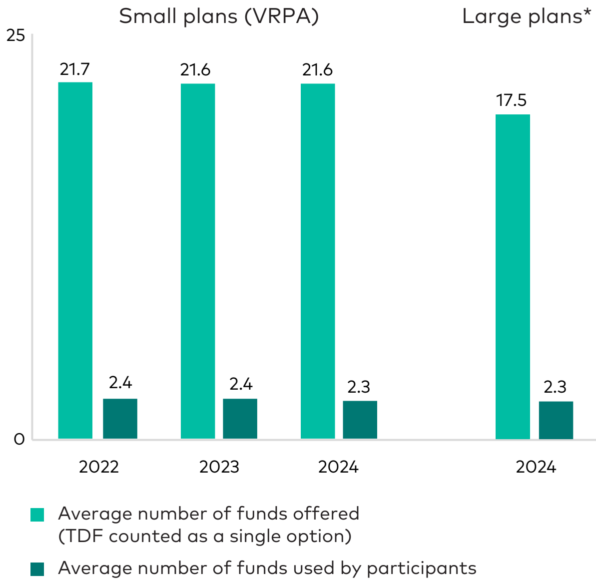


**How America Saves 2025*
Source: Vanguard 2025.

Default funds

Increasingly, participants are being directed into default investments selected by the plan sponsor rather than making their own active investment choices. Default investing is rising in importance because of the growing use of automatic enrollment as well as concerns about participants' lack of investment knowledge. In response, the U.S. Department of Labor (DOL), acting under the Pension Protection Act, authorized three types of default investments as eligible for special fiduciary protection: target-date funds, other balanced funds, and managed account programs (including model portfolios).

Figure 19. Investment options offered and used
Vanguard defined contribution plans



How America Saves 2025
Source: Vanguard 2025

Nearly all VRPA plans had specifically designated a QDIA under the DOL's regulations. Among those plans, 97% designated target-date funds, generally in line with larger plans **(Figure 20)**.

Figure 20. Default fund designations, 2024
Vanguard defined contribution plans

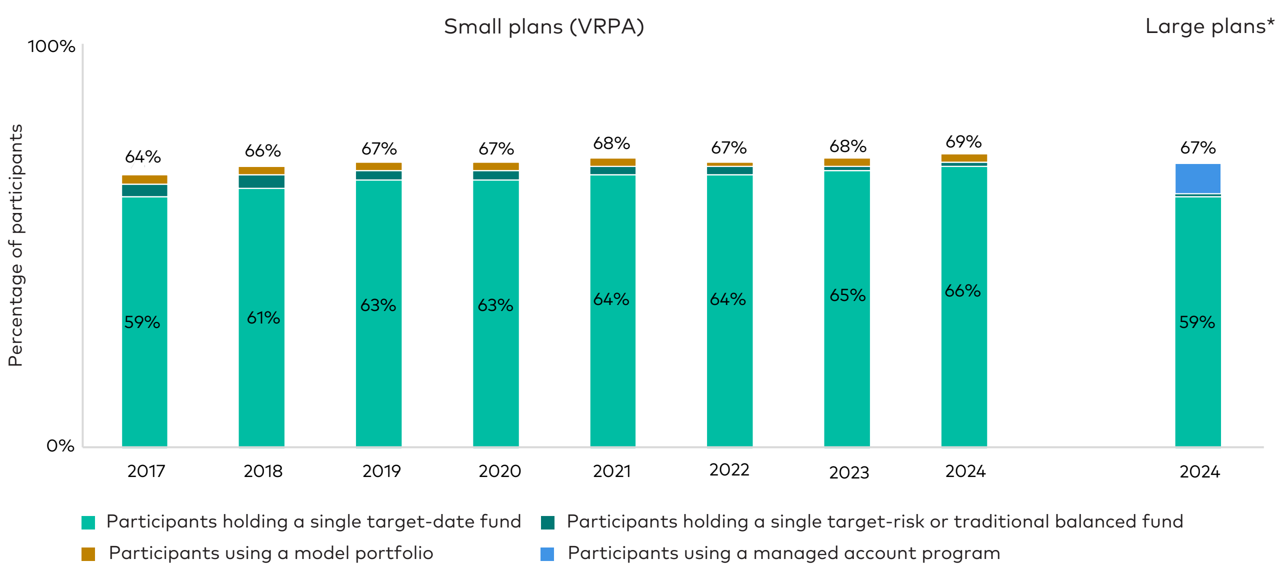
	Small plans (VRPA)	Large plans*
Plans designating a QDIA	99%	89%
Among plans designating a QDIA target-date fund selected as default	97%	98%

How America Saves 2025
Source: Vanguard 2025.

Professionally managed allocations
The most notable effect of plan investment menus on participant choices is the expanded offering and use of professionally managed allocations. Participants with professionally managed allocations have their entire account balance invested solely in a single target-date fund, traditional balanced fund, a model portfolio, or a managed account program.

In 2024, 7 in 10 VRPA participants were invested in a professionally managed allocation **(Figure 21)**. The growing use of target-date funds is driving this development. Sixty-six percent of participants were invested in a single target-date fund in 2024, modestly higher than 59% of participants in larger plans.

Figure 21. Participants with professionally managed allocations
Vanguard defined contribution plans

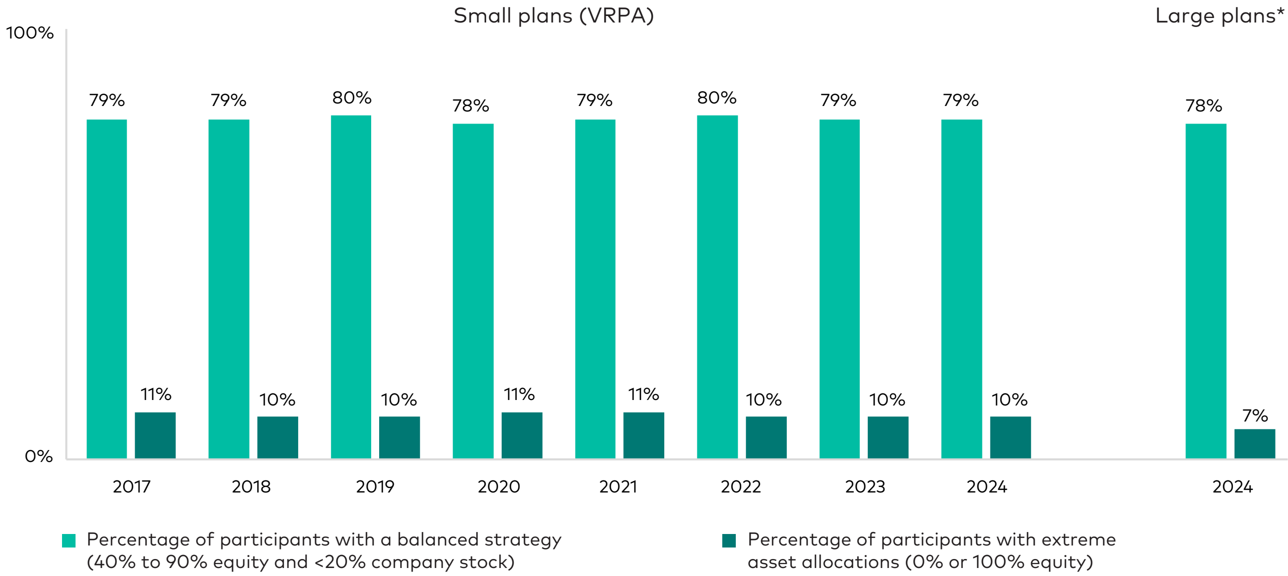


How America Saves 2025
Source: Vanguard 2025.

Portfolio construction

The growing use of professionally managed allocations benefits portfolio construction as they reshape equity allocations within DC plans by promoting diversification and reducing extreme allocations. Seventy-nine percent of participants held broadly diversified portfolios in 2024, in line with investment behaviors of participants in larger plans **(Figure 22)**. In addition, only 10% of participants had an extreme equity allocation (0% or 100% allocated equities).

Figure 22. Participant portfolio construction
Vanguard defined contribution plans



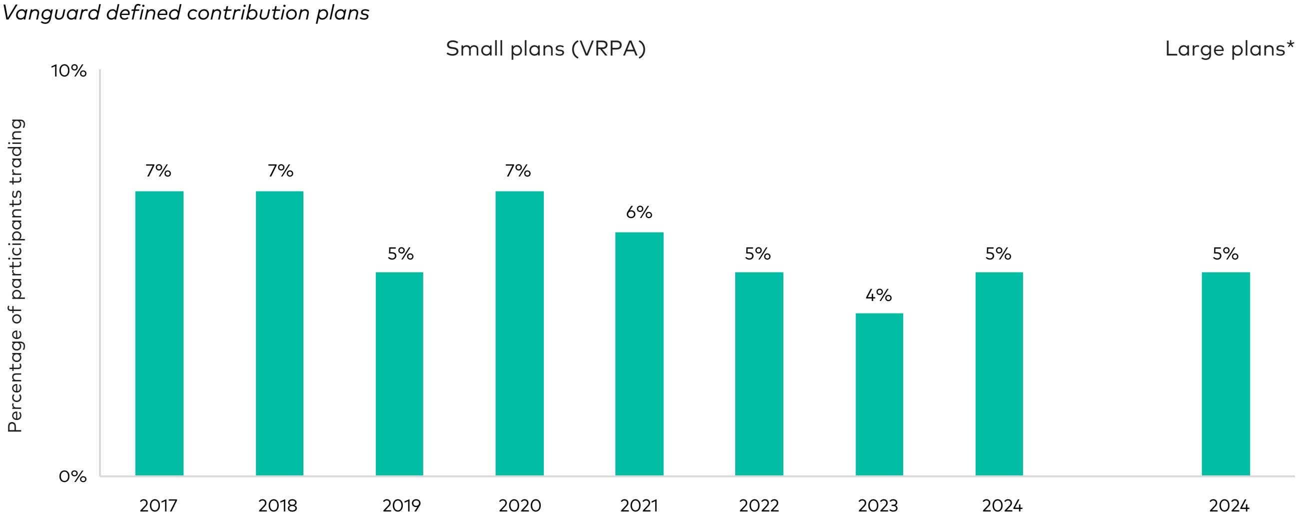
**How America Saves 2025*
Source: Vanguard 2025.

Trading activity

Participant trading, or exchange activity, is the movement of existing account assets from one plan investment option to another. This transaction is distinct from a contribution allocation decision in which participants decide how future plan contributions should be invested. Daily trading is nearly universal for Vanguard DC plans, with virtually all plan sponsors allowing it.

In 2024, only 5% of participants initiated one or more portfolio trades or exchanges, in line with the behavior of participants in larger plans **(Figure 23)**.

Figure 23. Participant-directed trading
Vanguard defined contribution plans



**How America Saves 2025*
Source: Vanguard 2025.

Industry investment insights

Investment behaviors varied by industry group **(Figure 24)**. Participants in retail services had the highest use of professionally managed allocations—and correspondingly, the lowest rate of trading—while participants in the finance sector had the lowest use of professionally managed allocations and the highest rate of trading.

Findings from *How America Saves* highlight that participants who are pure target-date fund investors are less likely to trade when compared with all other investors. This trend appears to hold true when examining the correlations between professionally managed allocations and participant trading by industry.

Figure 24. Investment behaviors by industry sector, 2024

Vanguard Retirement Plan Access (small plans) defined contribution plans

	Percentage of participants using a professionally managed allocation	Percentage of participants with extreme asset allocations	Percentage of participants making an exchange
Overall	**69%**	**10%**	**5%**
Industry group			
Ambulatory health care services	75%	9%	5%
Architecture and engineering	61%	13%	6%
Construction	72%	9%	4%
Finance	52%	19%	9%
Information	67%	12%	5%
Insurance	67%	11%	5%
Legal services	63%	12%	6%
Manufacturing	70%	9%	4%
Mining, quarrying, and oil and gas extraction	69%	9%	6%
Professional, scientific, and technical services	64%	13%	6%
Retail trade	76%	8%	3%
Technology	63%	13%	6%
Transportation and warehousing	74%	9%	4%
Utilities	64%	10%	7%
Wholesale	70%	9%	4%

Source: Vanguard 2025.

Accessing plan assets

Plan loans

If permitted by the plan, participants can borrow up to 50% of their balance (up to a maximum of $50,000) from their retirement plan account. Plan loans allow participants to access their plan savings before retirement without incurring income taxes or tax penalties.

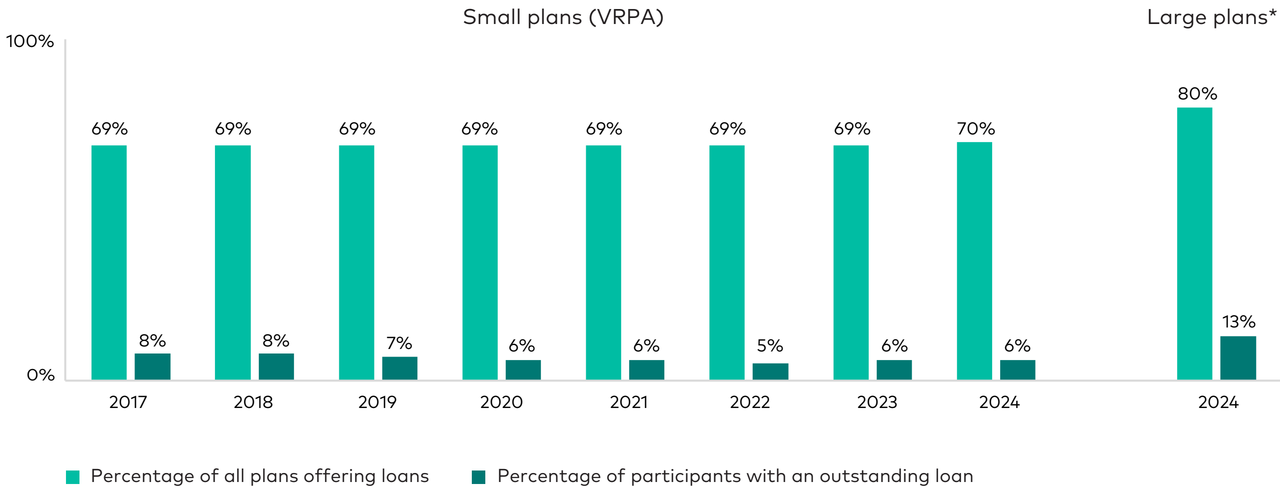
Retirement plan assets that have been borrowed earn fixed income rather than equity market returns. Also, participants who leave their employer may need to repay any loan balance immediately—or risk paying taxes and a penalty and incurring a reduction in retirement savings by the amount of the loan outstanding.

In 2024, 7 in 10 VRPA plans permitted participants to borrow from their plan **(Figure 25)**. Only 6% of VRPA participants who were offered a loan had a loan outstanding at year-end 2024, a trend that has remained consistent over the past several years.

Loan availability and usage is higher in larger retirement plans. This may be an outcome of larger plans having higher balances as well as having access to a more streamlined administrative process to initiate a loan.

Figure 25. Loans

Vanguard defined contribution plans



**How America Saves 2025*
Source: Vanguard 2025.

Hardship withdrawals

Hardship withdrawals allow participants to access a portion of their savings when they have a financial hardship, such as receipt of an eviction or home foreclosure notice, but may also be used for such purposes as college education and purchase of a first home.

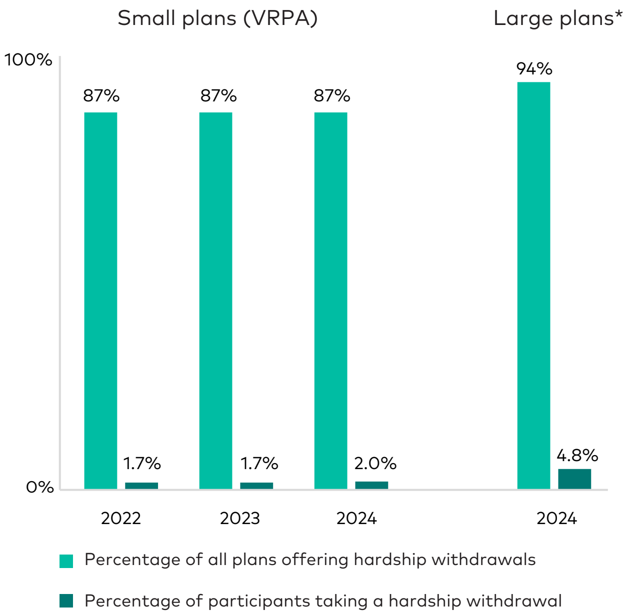
Among VRPA plans in 2024, 87% allowed hardship withdrawals **(Figure 26)**. However, only 2% of participants used the feature. While hardship withdrawal activity increased slightly from 2023, participants in small plans were less likely to take hardship withdrawals when compared with participants in larger plans.

This may partially be explained by larger plans having more streamlined administrative processes as well as having higher adoption of automatic enrollment. Plans with automatic enrollment typically have higher participation, especially among participants with lower income, who may have liquidity constraints and therefore rely on retirement savings for emergency financial support.

Some participants could, over time, jeopardize their retirement program if they continue to rely on this feature throughout their working careers.

Figure 26. Hardship withdrawals

Vanguard defined contribution plans



**How America Saves 2025*

Source: Vanguard 2025.

Plan distributions and rollovers

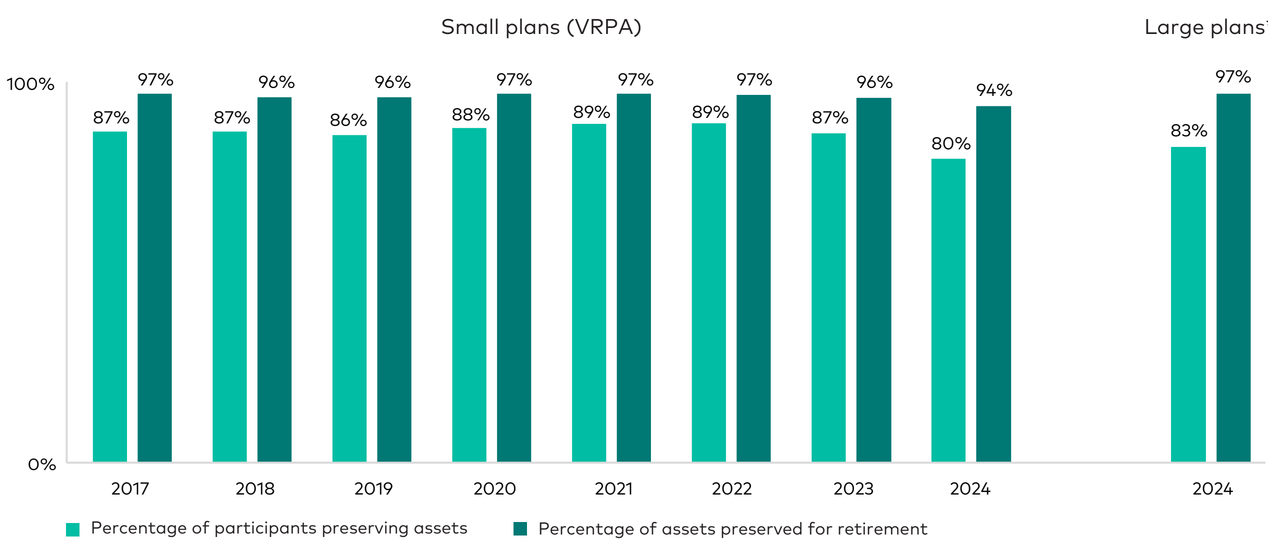
When changing jobs or retiring, DC plan participants can preserve their savings for retirement (by retaining savings in the plan or rolling it over to an IRA or another DC plan) or take a cash lump sum (and spend or invest it). If they choose to roll over their savings to an IRA or another qualified retirement plan, participants avoid paying taxes on the accumulated balance. If participants spend the lump-sum distribution or invest it in a taxable account, they incur a possible income tax liability (and a 10% penalty if they are younger than 59½).

Participant and asset flows

Plan distributions can occur frequently as participants change jobs or retire. During 2024, VRPA plan participants who left their employer could have taken their plan account as a cash distribution because they had separated from service in the current year or prior years. However, only 20% of participants eligible for a cash distribution took one, while the majority (80%) continued to preserve their plan assets for retirement **(Figure 27)**.

Figure 27. Plan distributions

Vanguard defined contribution plans



**How America Saves 2025*

Source: Vanguard 2025.

Acknowledgments

Launched in 2011, Vanguard Retirement Plan Access (VRPA) is a comprehensive service for retirement plans with typically up to $50 million in assets. Ascensus, LLC—a nationally recognized recordkeeping firm—provides the administration of these plans on Vanguard's behalf. Through VRPA, we served 21,261 plan sponsors with more than 1 million participants as of year-end 2024.

We extend our thanks to the following individuals who made this publication possible:

Data Analysis:

Anna Colanduoni

Shankar Mohan

Andrew D. Weber

Author:

Jeffrey W. Clark

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Investments in target-date funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in target-date funds is not guaranteed at any time, including on or after the target date.

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