

Custom DC plan benchmarks

# Utilities

Strategic Retirement Consulting

June 2021

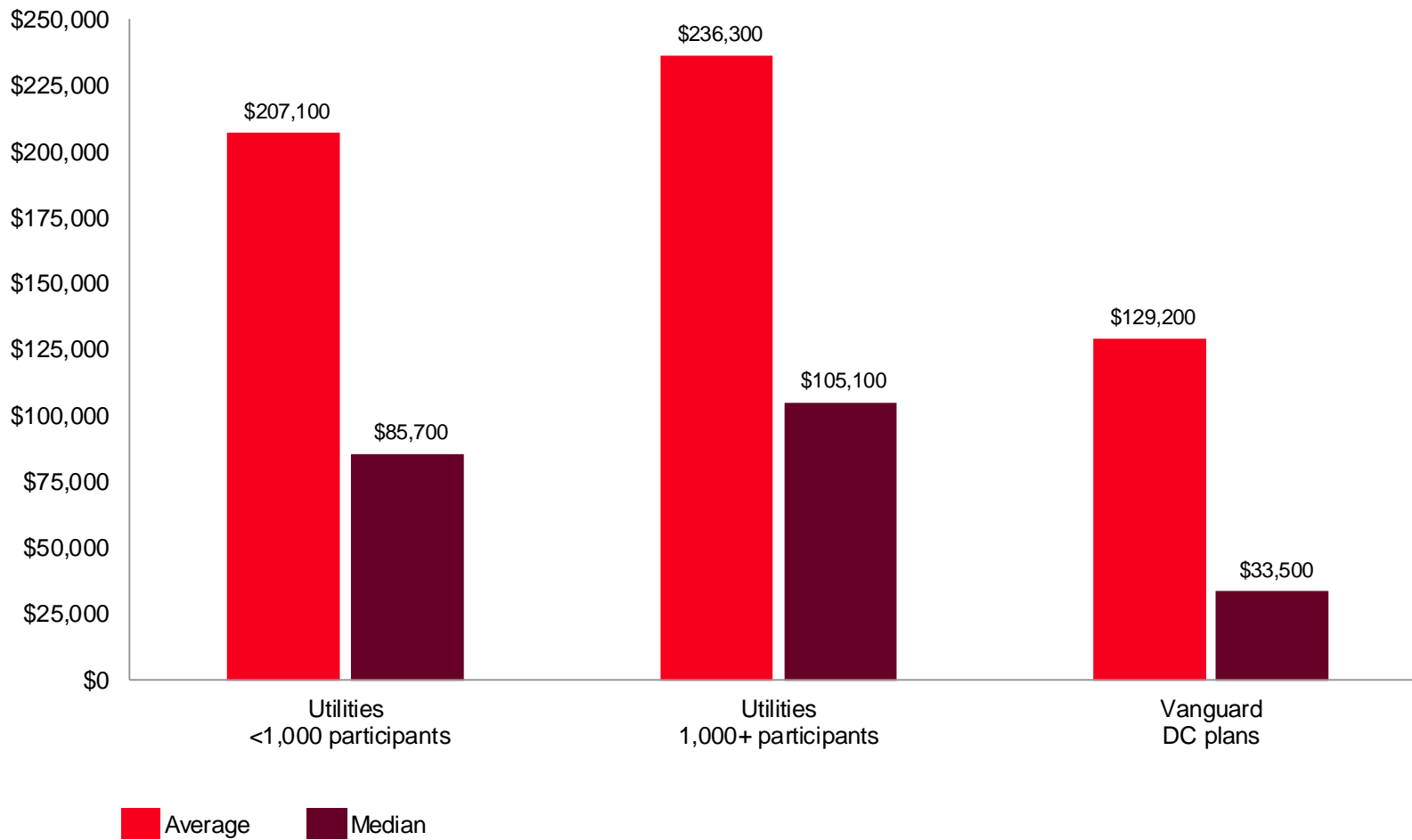


## Benchmark population

	Utilities <1,000 participants	Utilities 1,000+ participants	Vanguard DC plans
Number of plans	25	12	1,725
Number of participants	9,634	48,621	4.7 million
Average number of participants	385	4,052	2,700
Median number of participants	304	1,568	490
Amount of assets	\$2 billion	\$11.5 billion	\$601.4 billion
Average assets	\$79.8 million	\$957.5 million	\$348 million
Median assets	\$63.9 million	\$364.8 million	\$68.3 million

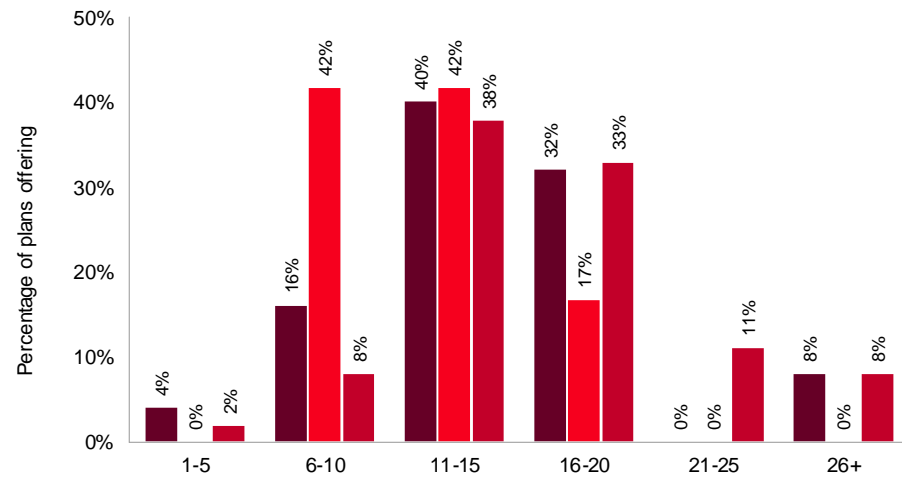
The utilities industry is defined by NAICS (North American Industry Classification System) sector 22.

## Participant balances

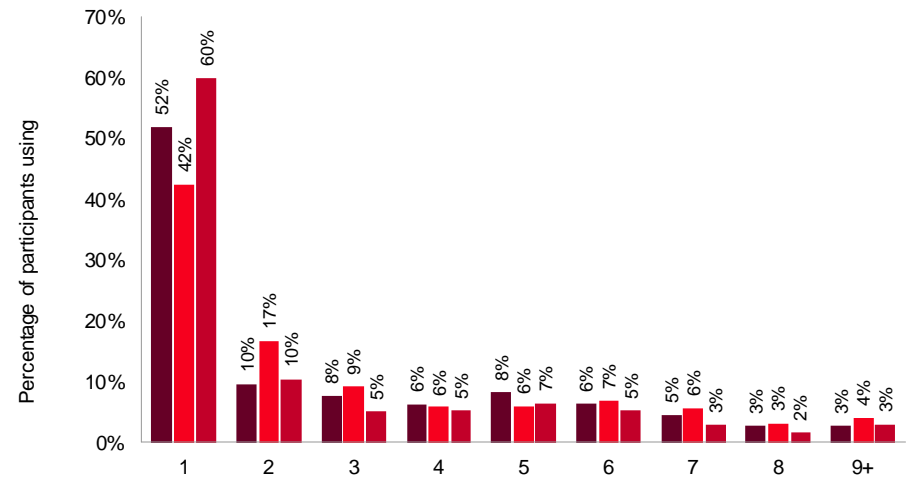


## Number of fund options offered and used

Funds offered per plan (all life-cycle funds counted as one)



Funds used per participant



	Average funds offered	Median funds offered	Average funds used	Median funds used
Utilities <1,000 participants	14.8	15	2.8	1
Utilities 1,000+ participants	12.8	14	3.1	2
Vanguard DC plans	17.5	16	2.5	1

## Types of investment options offered and used\*

	Utilities <1,000 participants		Utilities 1,000+ participants		Vanguard DC plans	
	Percentage of plans offering	Percentage of participants using*	Percentage of plans offering	Percentage of participants using*	Percentage of plans offering	Percentage of participants using*
<b>Cash</b>	<b>96%</b>	<b>17%</b>	<b>100%</b>	<b>25%</b>	<b>98%</b>	<b>14%</b>
Money market	84	9	83	15	67	7
Stable value / GIC	76	11	58	28	66	13
<b>Bond</b>	<b>96%</b>	<b>24%</b>	<b>100%</b>	<b>25%</b>	<b>98%</b>	<b>19%</b>
Active	60	19	83	14	78	8
Index	88	18	83	19	89	16
Inflation protected securities	20	4	33	8	34	3
Multi-sector	0	0	0	0	7	3
High-yield	0	0	0	0	18	5
International	12	2	8	5	19	3
Global	0	0	0	0	4	2
Emerging markets	0	0	0	0	1	2
<b>Balanced funds</b>	<b>96%</b>	<b>77%</b>	<b>100%</b>	<b>82%</b>	<b>99%</b>	<b>85%</b>
Traditional balanced	76	15	58	31	64	14
Target-risk	8	10	0	0	14	7
Target-date	96	70	100	73	95	80
<b>Company stock</b>	<b>16%</b>	<b>56%</b>	<b>83%</b>	<b>35%</b>	<b>8%</b>	<b>37%</b>
<b>Self-directed brokerage</b>	<b>8%</b>	<b>4%</b>	<b>50%</b>	<b>1%</b>	<b>20%</b>	<b>1%</b>

\*Among participants offered the option.  
Source: Vanguard, as of December 31, 2020.

## Types of investment options offered and used\* (continued)

	Utilities <1,000 participants		Utilities 1,000+ participants		Vanguard DC plans	
	Percentage of plans offering	Percentage of participants using*	Percentage of plans offering	Percentage of participants using*	Percentage of plans offering	Percentage of participants using*
<b>Equity funds</b>	<b>92%</b>	<b>45%</b>	<b>100%</b>	<b>37%</b>	<b>99%</b>	<b>33%</b>
<b>Domestic equity funds</b>	<b>92%</b>	<b>44%</b>	<b>100%</b>	<b>36%</b>	<b>99%</b>	<b>32%</b>
Large-cap index	92	31	100	31	96	24
Large-cap active	80	26	42	23	71	15
Large-cap value	84	15	58	15	87	10
Large-cap growth	84	23	58	23	90	14
Large-cap blend	92	32	100	29	98	24
Mid-cap index	44	18	92	23	81	15
Mid-cap active	60	18	8	24	53	8
Small-cap index	40	17	42	25	61	10
Small-cap active	32	14	8	22	34	7
Socially responsible	0	0	0	0	12	5
<b>International equity funds</b>	<b>92%</b>	<b>26%</b>	<b>100%</b>	<b>22%</b>	<b>97%</b>	<b>20%</b>
Active international	72	19	100	21	76	14
Index international	80	21	17	24	82	12
Emerging markets	24	26	33	25	34	9
<b>Global equity funds</b>	<b>4%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>	<b>18%</b>	<b>4%</b>
<b>Sector funds</b>	<b>20%</b>	<b>25%</b>	<b>8%</b>	<b>31%</b>	<b>36%</b>	<b>7%</b>
REIT	4	3	0	0	32	6
Health care	12	23	8	24	9	6
Energy	16	24	8	19	5	3
Precious metals	0	0	0	0	3	2
Technology	0	0	0	0	3	5
Utilities	0	0	0	0	1	2
Natural resources	0	0	0	0	1	3
Financials	0	0	0	0	<0.5	<0.5
Communications	0	0	0	0	<0.5	1
Commodities	0	0	0	0	<0.5	3
Consumer	0	0	0	0	<0.5	1
Industrials	0	0	0	0	<0.5	<0.5

\*Among participants offered the option.

Source: Vanguard, as of December 31, 2020.

## Target-date funds availability and use

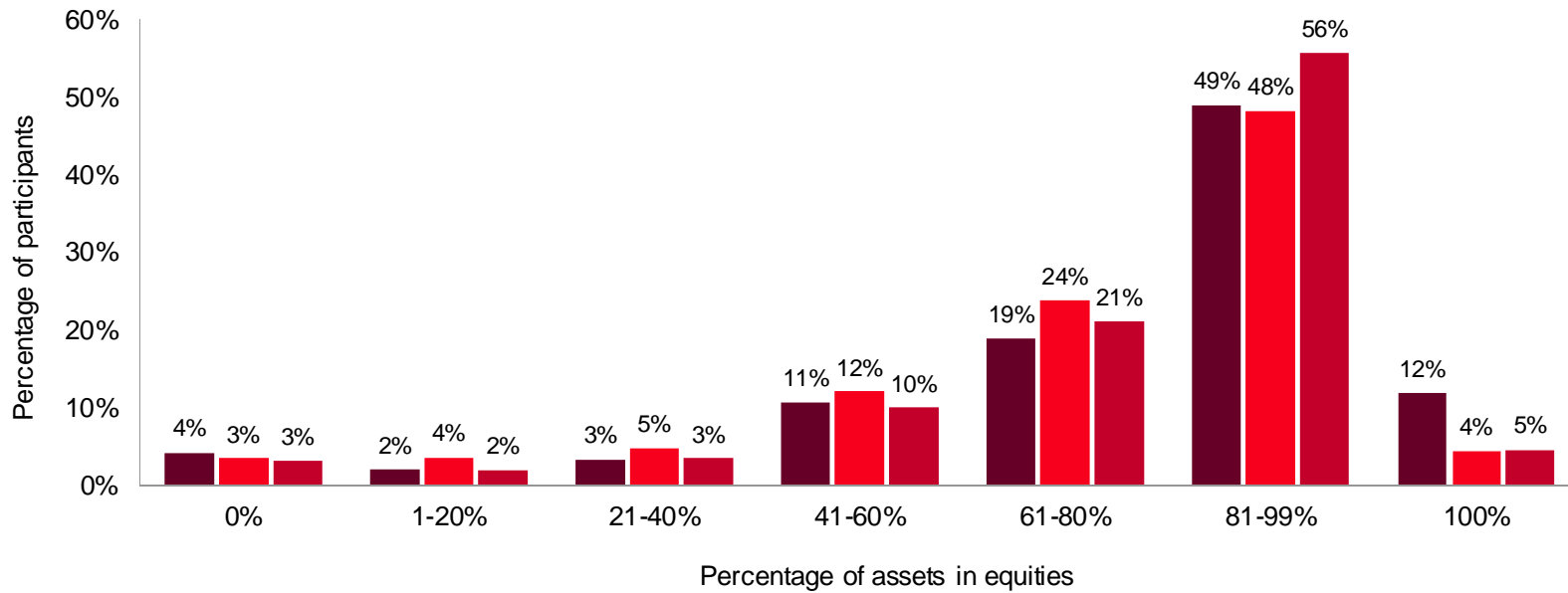
	Utilities <1,000 participants	Utilities 1,000+ participants	Vanguard DC plans
Percentage of plans offering	96%	100%	95%
Plan assets invested*	31%	43%	37%
<b>Percentage of plan assets*</b>			
<10%	0%	25%	5%
10–19%	21%	25%	13%
20–29%	25%	8%	20%
30–39%	17%	0%	22%
40–49%	13%	8%	13%
50%+	25%	33%	27%
Percentage of participants using *	70%	73%	80%
Percentage of participant assets**	60%	66%	59%
<b>Percentage of participant assets in target-date funds**</b>			
1–24%	13%	13%	11%
25–49%	11%	10%	9%
50–74%	5%	7%	4%
75–99%	5%	17%	6%
100%	67%	53%	70%
<b>Percentage of participants owning**</b>			
One target-date fund only	63%	51%	67%
One target-date fund plus other funds	28%	39%	27%
Two or more target-date funds only	4%	2%	2%
Two or more target-date funds plus other funds	5%	8%	4%

\*Among plans offering target-date options.

\*\*Among participants owning target-date options.

Source: Vanguard, as of December 31, 2020.

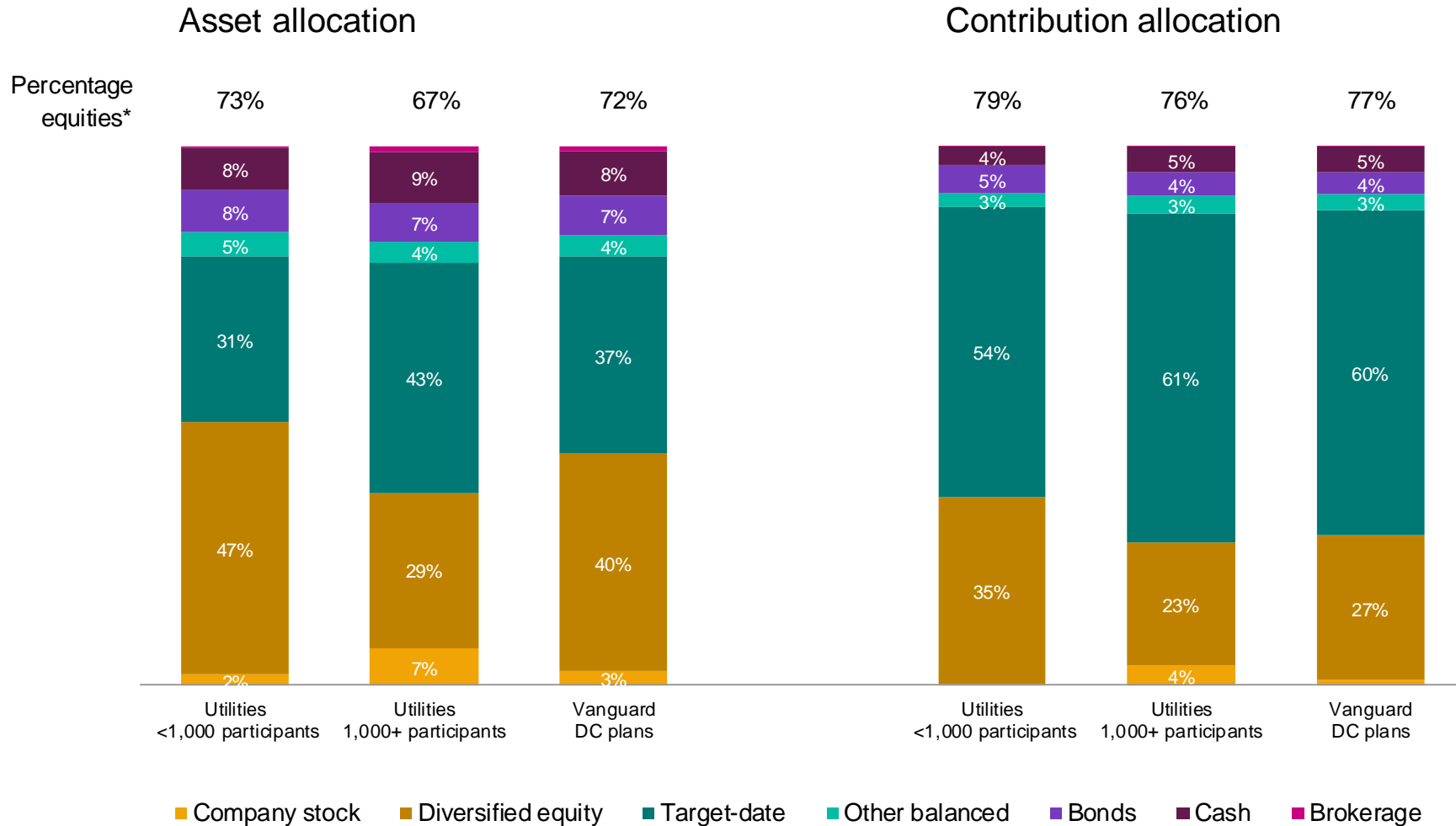
## Participant equity exposure



	Average percentage in equities	Median percentage in equities
Utilities <1,000 participants	76%	87%
Utilities 1,000+ participants	73%	82%
Vanguard DC plans	76%	86%



## Asset and contribution allocations



\*Equities include company stock, diversified equity, and the equity portion of balanced funds.  
Source: Vanguard, as of December 31, 2020.

## Participants with professionally managed allocations

	Utilities <1,000 participants	Utilities 1,000+ participants	Vanguard DC plans
<b>All participants</b>			
Single target-date fund	42%	37%	54%
Single balanced fund	<0.5%	1%	1%
Managed account program	8%	7%	7%
Total	50%	45%	62%
<b>New plan entrants during the year</b>			
Single target-date fund	83%	74%	84%
Single balanced fund	0%	<0.5%	1%
Managed account program	1%	2%	2%
Total	84%	76%	87%

## Automatic enrollment options\*

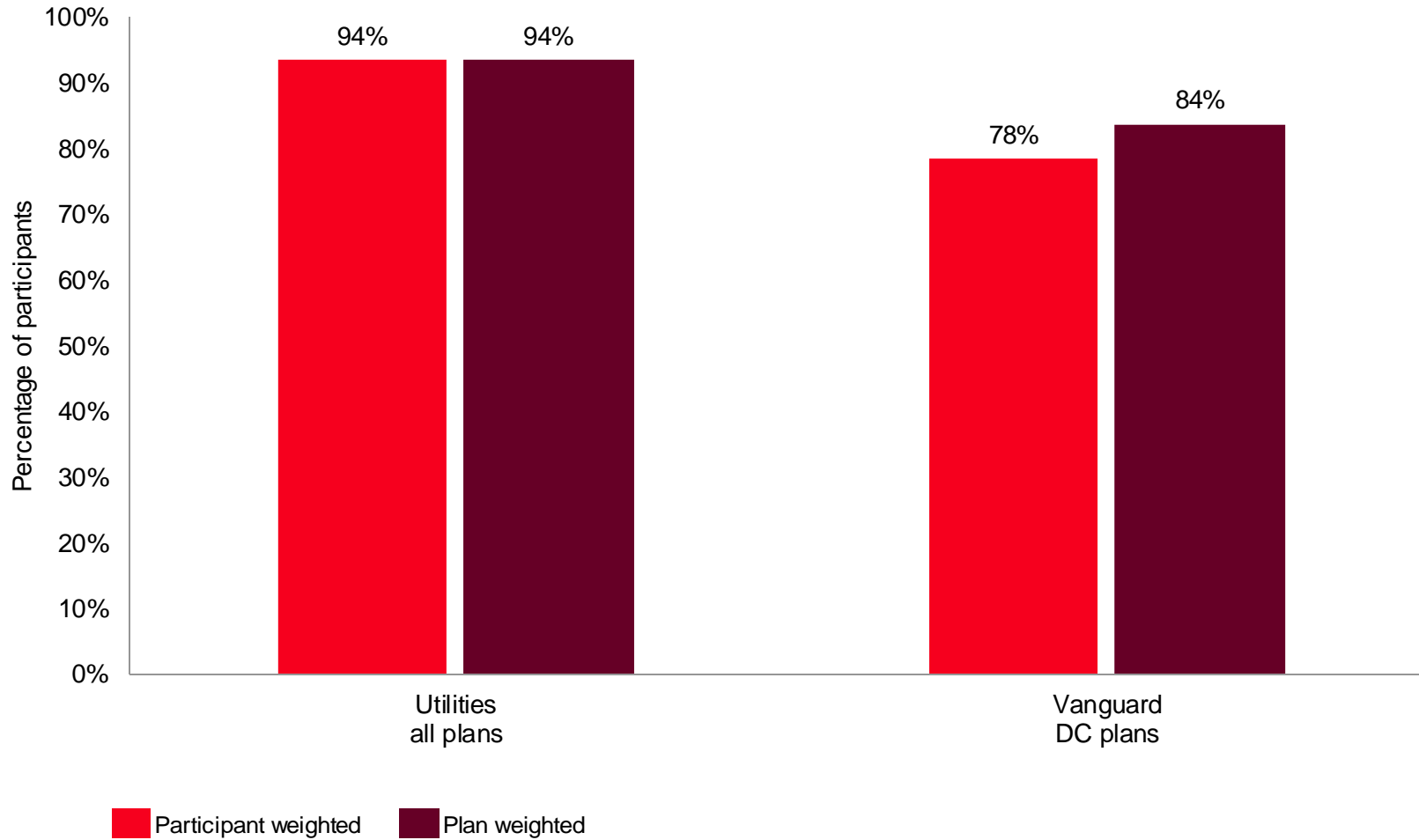
	Utilities all plans	Vanguard DC plans
<b>Automatic enrollment*</b>		
Number of plans	22	850
Percentage of plans	65%	54%
<b>Default automatic enrollment rate</b>		
1 percent	0%	1%
2 percent	5%	5%
3 percent	14%	37%
4 percent	23%	15%
5 percent	14%	16%
6 percent or more	45%	26%
<b>Default automatic increase rate</b>		
1 percent	55%	67%
2 percent	0%	2%
Voluntary election	45%	24%
Service feature not offered	0%	7%
<b>Default automatic increase cap</b>		
<6 percent	0%	2%
6 to 9 percent	33%	19%
10 to 14 percent	33%	52%
15 to 19 percent	17%	16%
>20 percent	0%	6%
No cap	17%	5%
<b>Default fund</b>		
Target-date fund	100%	98%
Other balanced fund	0%	1%
Money market or stable value fund	0%	1%

\*Limited to plans using Vanguard's automatic enrollment service.

Note – Total industry shown due to insufficient sample.

Source: Vanguard, as of December 31, 2020.

## Participation rates



Note – Total industry shown due to insufficient sample.

Source: Vanguard active plans with nondiscrimination testing completed during the past two years.

## Participant deferral rates

	Utilities all plans	Vanguard DC plans
<b>Deferral rates</b>		
Average	9.0%	7.2%
Median	8.4%	6.0%
<b>Distribution of rates</b>		
<4.0%	11%	27%
4.0% – 6.0%	14%	21%
6.1% – 9.9%	37%	30%
10.0% – 14.9%	28%	16%
15.0%+	9%	6%

Note – Total industry shown due to insufficient sample.

Source: Vanguard active plans with nondiscrimination testing completed during the past two years.

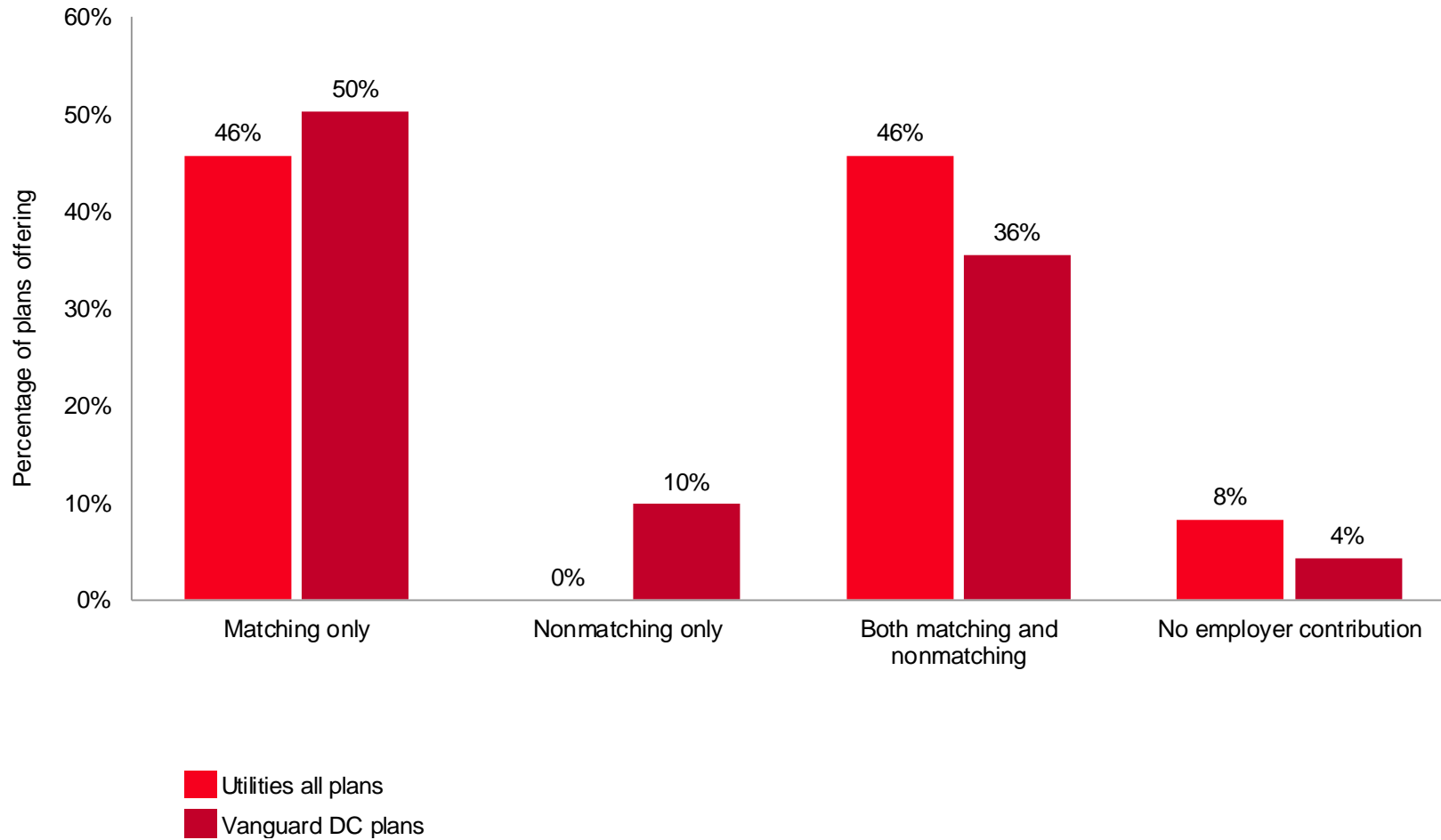
## Aggregate participant and employer contribution rates

	Utilities all plans	Vanguard DC plans
<b>Total savings rate</b>		
Average	12.9%	11.1%
Median	12.8%	10.2%
<b>Distribution of rates</b>		
<5.0%	8%	19%
5.0% – 8.9%	15%	21%
9.0% – 11.9%	20%	22%
12.0% – 14.9%	23%	16%
15.% +	33%	22%

Note – Total industry shown due to insufficient sample.

Source: Vanguard active plans with nondiscrimination testing completed during the past two years.

## Types of employer contributions

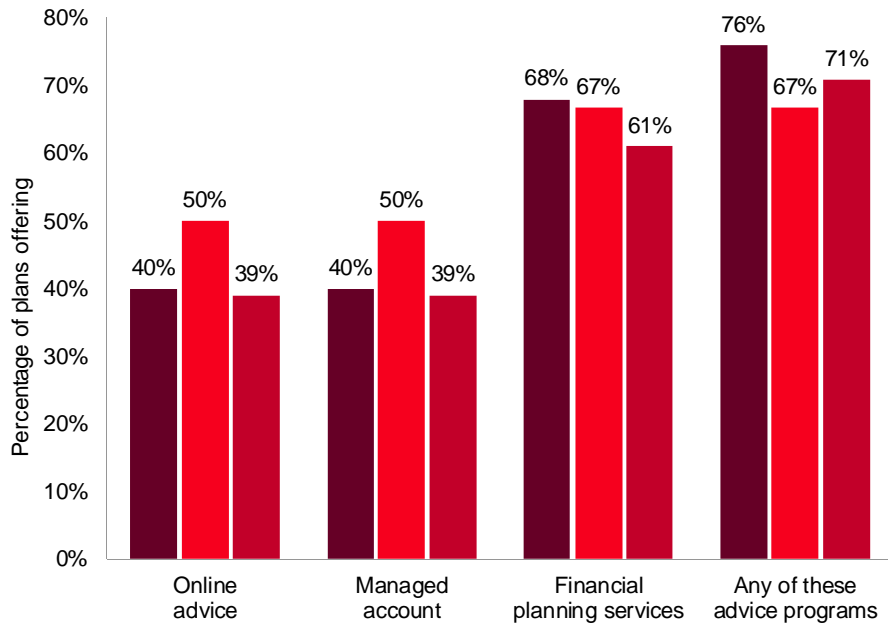


Note – Total industry shown due to insufficient sample.

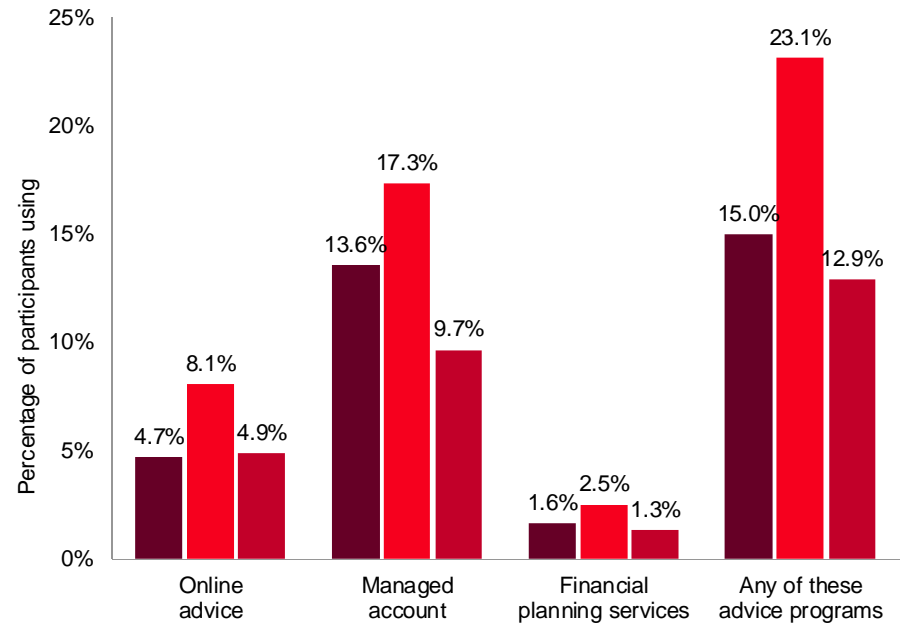
Source: Vanguard active plans with nondiscrimination testing completed during the past two years.

## Advice services

### Advice offered



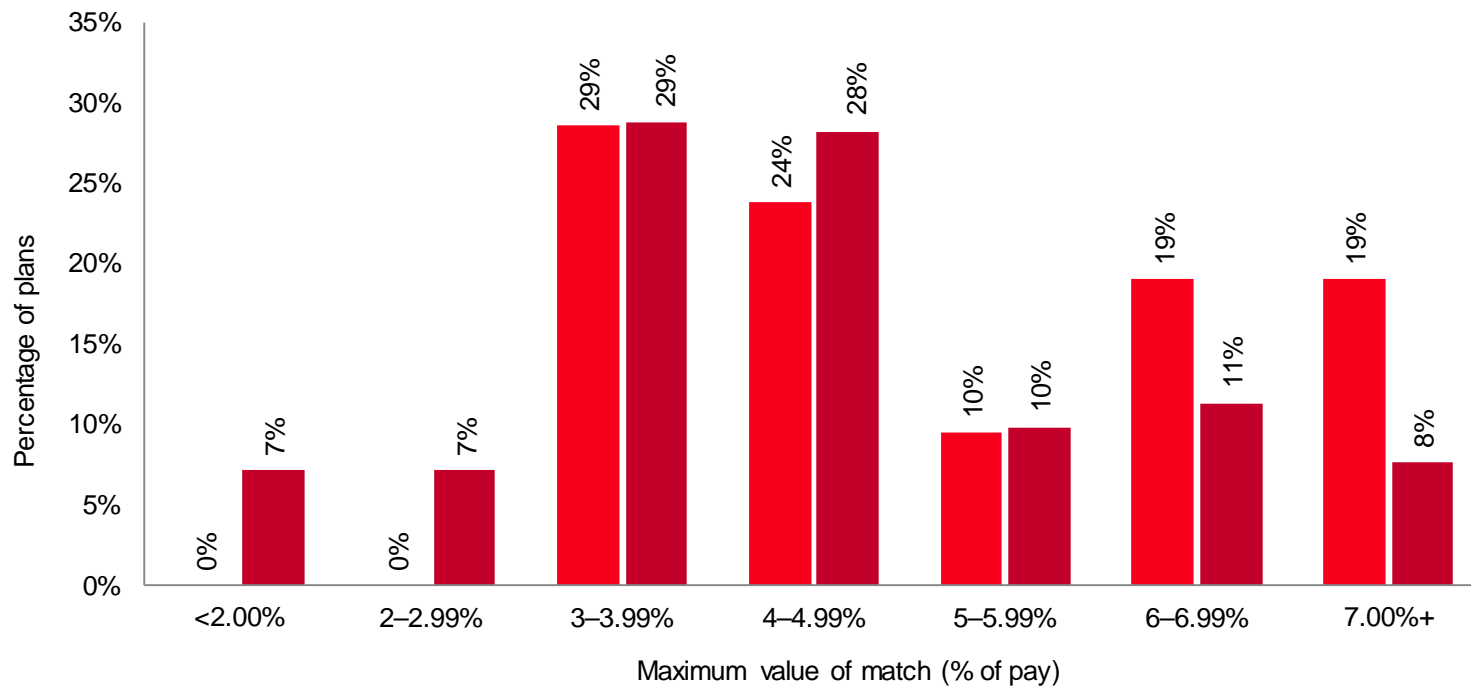
### Advice used



- Utilities <1,000 participants
- Utilities 1,000+ participants
- Vanguard DC plans



## Matching contributions

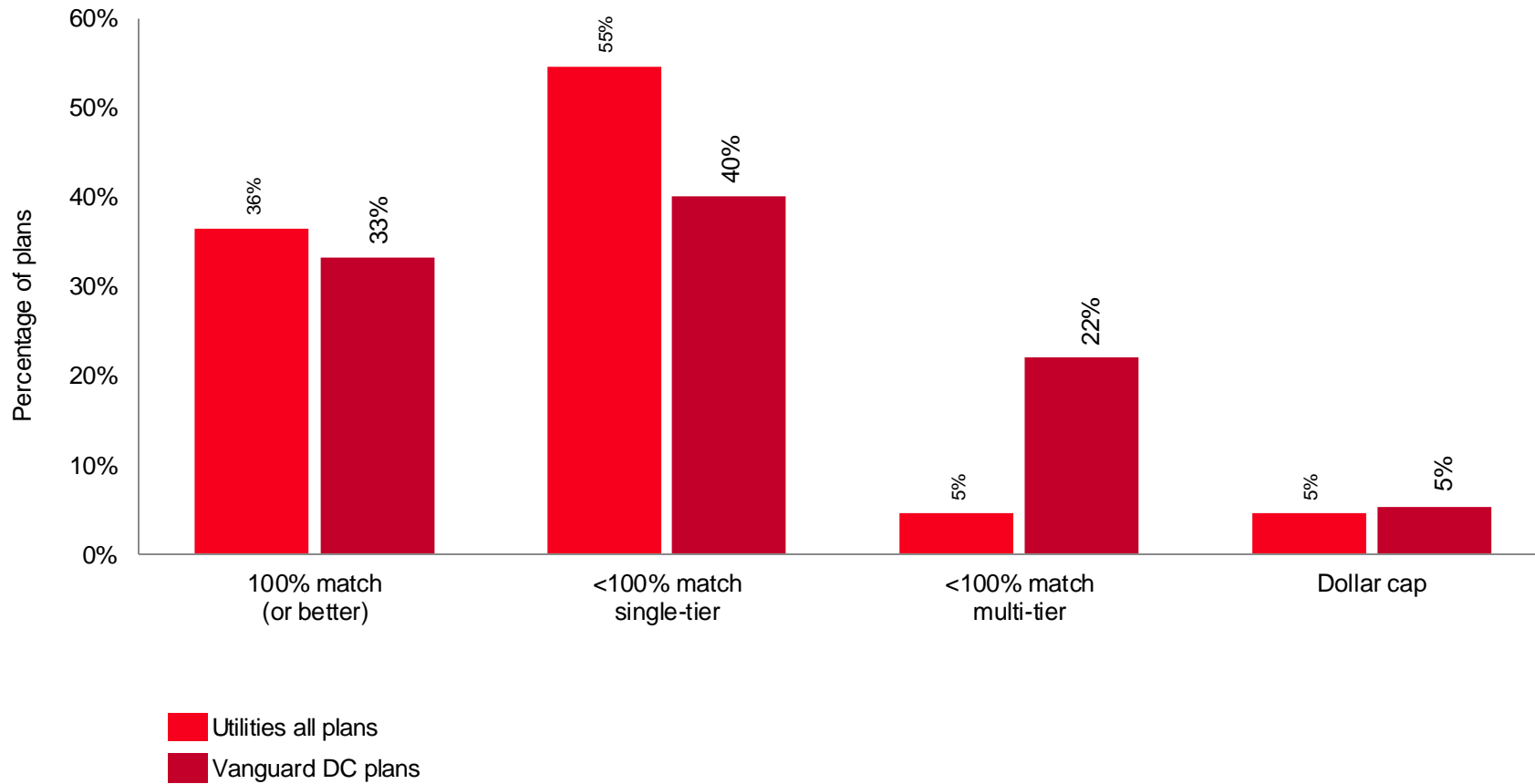


	Average value	Median value
■ Utilities all plans	9.6%	4.0%
■ Vanguard DC plans	4.5%	4.0%

Note – Total industry shown due to insufficient sample.

Source: Vanguard active plans with nondiscrimination testing completed during the past two years.

## Matching formulas



Note – Total industry shown due to insufficient sample.  
 Source: Vanguard active plans with nondiscrimination testing completed during the past two years.

## Roth availability and use

	Utilities <1,000 participants	Utilities 1,000+ participants	Vanguard DC plans
<b>Percentage of plans offering Roth</b>	<b>77%</b>	<b>58%</b>	<b>74%</b>
<b>Percentage of plan assets invested in Roth*</b>	<b>4.5%</b>	<b>4.0%</b>	<b>3.0%</b>
<b>Distribution of percentage of plan assets in Roth</b>			
<1%	0%	0%	23%
1–2%	29%	57%	37%
3–5%	35%	29%	25%
6–9%	29%	14%	9%
10–14%	6%	0%	4%
15%+	0%	0%	2%
<b>Percentage of participants with assets in Roth*</b>	<b>25%</b>	<b>24%</b>	<b>14%</b>
<b>Percentage of participant assets in Roth**</b>	<b>15%</b>	<b>14%</b>	<b>16%</b>
<b>Distribution of participant assets in Roth</b>			
1–24%	63%	63%	56%
25–49%	23%	21%	22%
50–74%	12%	10%	13%
75–99%	1%	5%	6%
100%	1%	1%	3%
<b>Percentage of participants making Roth contributions (past 12 mo)***</b>	<b>27%</b>	<b>25%</b>	<b>14%</b>
<b>Percentage of participant contributions going to Roth**</b>	<b>51%</b>	<b>47%</b>	<b>53%</b>
<b>Distribution of percentage of participant contributions to Roth</b>			
1–24%	24%	30%	24%
25–49%	27%	28%	25%
50–74%	18%	13%	15%
75–99%	6%	6%	7%
100%	25%	23%	29%

\*Among plans offering Roth.

\*\*Among participants using Roth.

\*\*\*Among participants making elective deferrals.

Source: Vanguard, as of December 31, 2020.

## Participant loans and in-service withdrawals

	Utilities <1,000 participants	Utilities 1,000+ participants	Vanguard DC plans
<b>Outstanding loans*</b>			
Percentage of participants with outstanding loans	15%	18%	13%
Percentage of account balance in loans	7%	7%	9%
Average loan balance	13,464	14,276	10,383
<b>Number of outstanding loans per participant*</b>			
No loans	85%	82%	87%
One loan	11%	12%	10%
Two loans	3%	7%	2%
Three+ loans	0%	0%	1%
<b>Loans issued past 12 months*</b>			
Average per 1,000 active participants	74	116	86
Average loan amount	16,297	15,089	11,378
<b>Nonhardship withdrawals taken past 12 months**</b>			
Average per 1,000 active participants	56	191	85
Average withdrawal amount	53,510	19,569	19,549
<b>Hardship withdrawals taken past 12 months**</b>			
Average per 1,000 active participants	31	90	145
Average withdrawal amount	19,758	20,140	13,217

\*Among plans allowing loans.

\*\*Among participants allowed in-service withdrawals.

Source: Vanguard, as of December 31, 2020.

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## Important information

All investing is subject to risk, including the possible loss of the money you invest. Be aware that fluctuations in the financial markets and other factors may cause declines in the value of your account. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income.

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