

**MEMO# 6573**

January 17, 1995

## **401(K) PLANS: HOW PLAN SPONSORS SEE THE MARKETPLACE**

January 17, 1995 TO: BOARD OF GOVERNORS No. 10-95 DIRECT MARKETING COMMITTEE No. 4-95 INDUSTRY STATISTICS COMMITTEE No. 2-95 MARKETING POLICY COMMITTEE No. 5-95 MEMBERS - ONE PER COMPLEX No. 6-95 PENSION COMMITTEE No. 3-95 PUBLIC INFORMATION COMMITTEE No. 3-95 RESEARCH COMMITTEE No. 3-95 SALES FORCE MARKETING COMMITTEE No. 4-95 SHAREHOLDER COMMUNICATIONS COMMITTEE No. 4-95 SMALL FUNDS COMMITTEE No. 2-95 RE: 401(k) Plans: How Plan Sponsors See the Marketplace

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Enclosed you will find a copy of the Research Department's new report on the 401(k) marketplace and the needs and preferences of 401(k) plan sponsors. The objectives of the study were to provide mutual fund managers with an understanding of 401(k) plan sponsor needs and important trends in the areas of: 1) investment manager utilization and satisfaction; 2) investment product utilization and future demand; 3) purchasing behaviors and preferences; 4) provider selection criteria; 5) demand for service features; 6) plan sponsor views of the effectiveness of various participant communications strategies; 7) company contribution and plan expenses; 8) ERISA 404(c) utilization; and, 9) plan size and characteristics. If you have any questions or comments, please do not hesitate to call me at 202-326- 5917, or send a fax to 202-326-5924. Kathy Rabon-Summers Director of Industry Studies

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