

MEMO# 11957

June 16, 2000

INSTITUTE PUBLISHES REPORT ON 401(K) PLAN PARTICIPANTS

[11957] June 16, 2000 TO: BOARD OF GOVERNORS No. 33-00 BROKER/DEALER ADVISORY COMMITTEE No. 13-00 DIRECT MARKETING COMMITTEE No. 12-00 INDUSTRY STATISTICS COMMITTEE No. 5-00 OPERATIONS COMMITTEE No. 13-00 PENSION COMMITTEE No. 40-00 PENSION OPERATIONS ADVISORY COMMITTEE No. 42-00 PRIMARY CONTACTS - MEMBER COMPLEX No. 37-00 RESEARCH COMMITTEE No. 12-00 SALES FORCE MARKETING COMMITTEE No. 12-00 SHAREHOLDER COMMUNICATIONS COMMITTEE No. 11-00 SMALL FUNDS COMMITTEE No. 2-00 RE: INSTITUTE PUBLISHES REPORT ON 401(K) PLAN PARTICIPANTS

The Institute has released a research report entitled “ 401(k) Plan Participants: Characteristics, Contributions, and Account Activity” covering the asset allocation decisions and transaction activity of participants in 401(k) plans. “401(k) Plan Participants: Characteristics, Contributions, and Account Activity” investigates the decision to participate in plans, the importance of various plan features including provision of loans, participants’ contributions and 401(k) account activity. The study also identifies the interaction of participants’ financial decisions made inside and outside employer sponsored plans. The report is part of an ongoing ICI research program on the 401(k) plan market which examines the role and contribution of 401(k) plans in providing for retirement security. The enclosed report is designed to complement the detailed analysis of administrative records for 8 million 401(k) plan participants as published in Employee Benefit Research Institute and Investment Company Institute Perspective “401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 1998”. (<http://www.ici.org/pdf/per06-01.pdf>) A copy of the new report is enclosed. In addition you may obtain a copy by accessing the Institute’s public website at http://www.ici.org/pdf/rpt_401k_planp.pdf. Sandra J. West Director, Market Policy Research Attachment