

Fidelity® Reports Second Quarter 401(K) Trends Plus Analysis And Guidance on The Value of a Long-Term Investment Approach

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Investors Who Pulled Out of The Market in 2008/2009 Saw 2 Percent Growth; Those Who Maintained Their Investment Strategy Experienced 50 Percent Growth

BOSTON – Fidelity Investments®, the nation's No. 1 provider of workplace retirement savings plans and individual retirement accounts (IRAs)¹, today released its second quarter 2011 review² of 401(k) accounts as well as an analysis of participant actions since the market decline of 2008-2009. The analysis confirmed that even during the most volatile market activity, investors who maintain a diversified asset allocation strategy and do not pull out of equities, or make sudden contribution reductions, are rewarded when the equity markets rebound.

"The events of the past several weeks have forced many investors to evaluate their investment strategies, and Fidelity has responded with additional resources and educational guidance to help our 401(k) participants make informed decisions for the long term," said James M. MacDonald, president, Workplace Investing, Fidelity Investments. "Our analysis reinforces that during extreme market swings, it's essential for investors not to overreact and remember that investing for retirement requires a long-term view, regardless of their investment horizons. To help workplace plan participants during challenging economic times, Fidelity offers comprehensive guidance programs – from one-on-one sessions with professional investment representatives³ to a broad range of online tools."

Additionally, the company has issued ongoing commentary, analysis and guidance, including a new market volatility home page (www.fidelity.com/volatility) and provided updates on its NetBenefits® participant portal that include a new Fidelity Viewpoints article "Navigating Volatile Markets."

"Staying The Course" Rewards 401(k) Investors

To understand the impact of making investment decisions based on market volatility, such as moving assets out of equities or stopping contributions, Fidelity analyzed participant actions during the market decline of 2008-2009 through the second quarter of this year⁴. The results reinforced the value of a long-term investment approach.

For participants who changed their equity allocations to zero percent between Oct. 1, 2008, and Mar. 31, 2009, the lowest months of the market downturn, and maintained this allocation through June 30 of this year, the cost to their account balance was significant. These participants experienced an average increase in account balance of only 2 percent through June 30. Participants who dropped to zero percent equity but then returned to some level of equity allocation after that market decline saw an average account balance increase of 25 percent, a sharp contrast to those who stayed with an asset allocation strategy inclusive of equities. These participants realized an average account balance increase of 50 percent⁵ during the same period.

Fidelity also examined participants who stopped contributing to their 401(k)s during the same market decline of 2008-2009⁶. These participants experienced an average increase in their account balances of 26 percent through the end of the second quarter, compared to 64 percent for participants who continued making regular contributions.

Quarterly 401(k) Data Show Positive Trends In Savings Behaviors

Analysis of second quarter data reinforced how many participants understood the importance of ongoing contributions and proper asset allocation. In fact, the average annual participant 401(k) contribution was \$5,790 at the end of the quarter, up 11 percent from the same quarter five years prior. More participants also increased

their contribution rates⁷ than decreased them (6.1 percent vs. 2.7 percent respectively), a positive trend for nine consecutive quarters. Additionally, the Fidelity average 401(k) balance of \$72,700 was up 19 percent over five years.

Participants and plan sponsors have both continued to embrace diversified, age-based lifecycle funds, such as Fidelity Freedom Funds[®]. At the end of the quarter, 98 percent of Fidelity plan sponsors offered a lifecycle investment option. Of plan sponsors, 72 percent defaulted participants into the investment option, up from only 8 percent five years prior. Additionally, more than half (52 percent) of participants utilized a lifecycle investment option, with 46 percent of these participants – one quarter overall – investing 100 percent of their 401(k) assets into the option.

Fidelity Guidance Addresses Economic Issues Concerning Workplace Investors

Recent market fluctuations have proved stressful for investors, Fidelity said. In fact, during the past two weeks⁸, Fidelity has seen call volumes spike up to 50 percent above expected levels. To help investors across all life stages, from starting out in a career to transitioning into retirement, Fidelity offers a suite of comprehensive guidance programs. This includes on-site and online workshops, in which nearly a quarter million investors participated in the second quarter. Workshop topics include “Confident Investing in Any Market,” launched in July for investors seeking a long-term strategy, and “Building a Portfolio for Any Weather” that helps investors establish a diversified portfolio.

Fidelity’s innovative online investment tools include Retirement Quick Check, which helps to ensure that participants are on track, and Portfolio Review, which evaluates investment allocations. In February, the company launched the Fidelity Income Strategy EvaluatorSM (www.fidelity.com/incomestrategy), a tool to help investors transition from a lifetime of saving to generating income in retirement⁹.

Many of the company’s online investment guidance tools also extend to participants in plans distributed exclusively by financial advisors through the Fidelity Advisor 401(k) program. For one-on-one guidance, individual investors may also meet with Fidelity investment professionals at 160 Investor Centers nationwide or call 1-800-FIDELITY.

About Fidelity Investments

Fidelity Investments is one of the world’s largest providers of financial services, with assets under administration of \$3.6 trillion, including managed assets of \$1.6 trillion, as of July 31, 2011. Founded in 1946, the firm is a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing and many other financial products and services to more than 20 million individuals and institutions, as well as through 5,000 financial intermediary firms. For more information about Fidelity Investments, visit www.fidelity.com.

1Pensions & Investments’ annual Defined Contribution Record Keepers Survey, Dec. 31, 2010, and Cerulli Edge Retirement Edition, First Quarter 2011.

2Workplace defined contribution data based on nearly 20,500 plans and more than 11.6 million recordkept participants as of June 30, 2011, and do not include tax-exempt accounts and non-qualified plans, but does include plan data from the Fidelity Advisor 401(k) Program.

3One-on-one consultations not available to Fidelity Advisor 401(k) plan participants.

4Analysis ranges from the fourth quarter of 2008 through the second quarter of 2011.

5Continuous participants September 30, 2008 through June 30, 2011.

6Analysis ranges from the fourth quarter of 2008 through the second quarter of 2011.

7Elective 401(k) deferral rate.

8As of August 5, 2011.

9Fidelity Income Strategy Evaluator not available to Fidelity Advisor 401(k) plan participants.

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Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges, and expenses. For this

and other information, contact Fidelity for a free prospectus or, if available, a summary prospectus. Read it carefully before you invest.

Although consultations are one on one, guidance provided by Fidelity is educational in nature, is not individualized and is not intended to serve as the primary or sole basis for your investment or tax-planning decisions.

Retirement Quick Check, Portfolio Review and Fidelity Income Strategy EvaluatorSM are educational tools.

It is your responsibility to select and monitor your investments to make sure they continue to reflect your financial situation, risk tolerance, and time horizon. Most investment professionals suggest that you reexamine your investment strategy at least annually or when your situation changes. In addition, you may want to consult an investment adviser regarding your specific situation.

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