



401(k) Plan Design Continuum



	↓	↓	↓	↓
Investments	Active Fund emphasis, Index and “shelf” Target Date Funds	Still many Active Funds, more Index Funds; more emphasis on Target Date Funds	All/nearly all Index Funds and Index-comprised Target Date Funds	All pre-built portfolios comprised of nearly all Index Funds
Cost vs. Returns	Highest cost; least reliable returns	High cost; better returns	Low cost; better, most reliable returns	Lowest cost; best, most reliable returns
Participant Impact	Minimal understanding; weak participation; bad investment decisions (don’t match risk tolerance); harmful behaviors with market change.	Minimal understanding; weak participation; bad investment decisions (don’t match risk tolerance); harmful behaviors with market change.	Minimal understanding; weak participation; bad investment decisions (don’t match risk tolerance); harmful behaviors with market change.	Clear understanding; strong participation; minimal ‘investment’ decisions; decisions match risk tolerance; stay-the-course mentality.
Education Strategy	Investment	Investment	Investment	Savings
Compliance	?	☑	☑	☑ ☑