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The 2026 Managed Accounts Research Series: Analyzing the Value of Managed Accounts

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Executive Summary

This paper is the first in a series of studies that will evaluate the effectiveness of managed accounts (MAs) in defined contribution (DC) plans. In this paper, we quantify the value of MAs using the Morningstar Center for Retirement and Policy Studies' new quantitative framework, the Defined Contribution Outcomes Model. DCOM integrates predictive equations for savings rates and asset allocations, estimated from a large dataset of millions of participant-level observations across thousands of plans, which control for participant demographics, such as age, wage, and tenure, and plan design features, such as matching formulas, auto enrollment (AE), voluntary enrollment (VE), default savings rates, and auto-escalation. These equations incorporate a high level of granularity, capturing the heterogeneity across participants and plan designs.

To assess the value of MAs, we simulate participant outcomes under a baseline scenario in which participants invest in target-date funds (TDFs) or self-directed (DIY) portfolios and a counterfactual scenario in which they adopt an MA at a cost of 40 basis points per year. DCOM then calculates the percentage change in the median balance/salary ratio at age 65 from the MA scenario relative to the baseline scenario. Our findings include:

- MAs boost retirement outcomes across investor types, with DIY investors seeing the largest gains. MAs increase the median wealth/salary ratio at age 65 by 5.9% for TDF investors and by 11.4% for DIY investors. Across all plan participants, adopting an MA led to an overall increase of 7.7%.
- The benefits of MAs are most pronounced among younger investors and newer plan participants. Among the youngest age cohort (ages 20-24), the median wealth/salary ratio at age 65 increased by 9.9% for TDF investors and by over 22.0% for DIY investors. Likewise, TDF investors with zero years of tenure saw roughly an 8.0% boost, while DIY investors experienced a gain of about 15.8%.
- MAs generate the largest relative improvements for lower- and middle-income plan participants. Among those earning less than $100,000 per year, we note median wealth/salary ratio increases of 4.3% or higher for TDF investors and 10.9% or higher for DIY investors.
- MAs provide value across all the plan designs analyzed, including those with auto-escalation. For VE plans, the increase to the median wealth/salary ratio at age 65 was roughly 6.7% for TDF investors and 11.7% for DIY investors. AE plans without auto-escalation saw larger increases of 11.6% and 18.5%, respectively. The impact is smaller, but still positive, for AE with escalation plans, with TDF investors seeing an increase of 2.7% and DIY investors seeing an increase of 7.8%. Moreover, approximately 92% of AE plans with auto-escalation show an improvement in the median projected retirement wealth for TDF investors under the MA scenario.

Background

Personalization is increasingly shaping how plan participants invest within defined-contribution (DC) plans. Managed accounts (MAs) are one of the most common forms of personalization and provide professionally managed, individualized investment and savings-rate guidance.

In recent years, access to and adoption of MAs has grown meaningfully. Fidelity (2025) reports that the share of plans offering a workplace managed-account service has increased from 17% in 2014 to 42% in 2023, reflecting strong demand by plan sponsors to provide plan participants with more individualized options. At the participant level, Clark (2025) found that enrollment in managed accounts has increased from 4% of all plan participants in 2015 to about 7% in 2025.

A growing body of research has found a positive association between MAs and plan participant outcomes. Prior studies, including Blanchett (2014), Financial Engines & Aon (2014), and Guo and Motay (2025), document evidence of higher savings rates for MA investors. Moreover, both Advised Asset Group (2017) and Financial Engines & Aon (2014) report higher investment returns, net of fees, for MA investors relative to target-date funds, or TDFs, and do-it-yourself, or DIY, investors.

Yet, some have challenged the value proposition of MAs. For example, NEPC (2024) conducted a case study analysis, comparing the impact of MAs savings rate advice with outcomes for participants with auto-escalating savings rates. They found that implementing auto-escalation was a better method to improve savings-rate outcomes than using an MA, a finding we reexamine using our modeling framework.

Against this backdrop, this paper represents the first in a series of studies examining the effectiveness of managed accounts in DC plans. In particular, we focus on a central research question: To what extent do MAs provide value once participant and plan characteristics are accounted for?

In the rest of this paper, we address that question by quantifying the impact of managed accounts after controlling for participant and plan effects. Using a large sample of participant-level and plan-level data, we first conduct econometric analysis to estimate statistical models to proxy plan participant savings rates and portfolio allocations. We account for many factors in the analysis, including age, wage, tenure, and plan design features. We then integrate these models into our new microsimulation framework, the Defined Contribution Outcomes Model (DCOM), to estimate the impact of MAs on projected retirement wealth as of age 65. This framework improves upon earlier research by using empirically grounded models to predict investor saving rates and asset allocations.

Overall, we find that MAs boost outcomes for retirement investors, including those in plans with an auto-escalation feature. The magnitude of the impact varies meaningfully across plans and participants, driven by the heterogeneity in demographics, behavioral patterns, and plan features.

This Research Compared With Other Morningstar Retirement Research on Managed Accounts

In this section, we provide an overview of the Morningstar Center for Retirement and Policy Studies' research in the context of Morningstar's broader body of work on managed accounts. Morningstar has published a series of practitioner-oriented studies examining how managed account users change their savings and investment behavior before and after enrollment, based on observed participant data. The Center's research differs in multiple ways. First, it uses a distinct dataset encompassing millions of plan participants across thousands of plans. Unlike the dataset used by previous Morningstar researchers (for example, Guo and Motay, 2025), this research draws on a population that includes both managed account users and nonusers, allowing us to empirically estimate baseline savings and investment behaviors. Second, the Center applies an independent, forward-looking microsimulation framework that reflects variation in investor behavior across plan design and participant characteristics.

Introducing the Defined-Contribution Outcomes Model

In this section, we provide an overview of the Morningstar Center for Retirement and Policy Studies' Defined-Contribution Outcomes Model and compare it with the Center's other microsimulation framework, the Morningstar Model of US Retirement Outcomes.

DCOM is a microsimulation framework that is specifically designed to evaluate retirement outcomes for participants within employer-sponsored DC plans. It simulates participant savings rates and asset allocations using empirically estimated statistical models derived from millions of plan participant-level observations from thousands of plans. These models control for a wide range of plan participant demographics and plan design features, such as matching formulas, auto-enrollment, default savings rates, and auto-escalation, among others. Note that these estimates incorporate a high level of granularity, capturing the heterogeneity across plan participants and plan designs.

While we focus on simulated wealth at retirement age in the analysis herein, DCOM includes a decumulation module that can project income (for example, income from Social Security or annuities), spending, and wealth trajectories throughout retirement. This structure enables us to evaluate how specific plan design features, investment solutions, retirement-income strategies (including in-plan annuities), and other innovations or strategies will likely affect plan participant outcomes throughout both the accumulation and decumulation phases.

On the other hand, the Morningstar Model of US Retirement Outcomes is a household-level microsimulation framework that provides a comprehensive view of retirement-income adequacy across the US population. Whereas DCOM focuses on detailed plan participant behavior and plan design within DC plans, our other model takes a broader perspective. It incorporates nonretirement assets, such as post-tax accounts and housing equity, and reflects income from defined-benefit plans. The model also accounts for the impact of DC plan assets when measuring retirement-income adequacy, but its DC-specific logic is less granular than in DCOM.

In sum, the two frameworks are complementary and provide a strong foundation to analyze retirement outcomes at the plan participant, plan, and household level.

Motivation for Creating the Defined-Contribution Outcomes Model

The development of DCOM was motivated by methodological and empirical gaps in the current literature on DC plan outcomes. Prior analyses have frequently relied on descriptive comparisons across plan types and investment solutions, limiting the ability to isolate correlations between participant behavior, plan design, and investment outcomes. DCOM was designed to overcome these limitations by providing a rigorous, micro-level simulation framework that links empirically derived behavioral models to plan-level design features and stochastic asset returns.

1. Bridging the gap between behavioral data and outcome simulation

Traditional studies on DC plan outcomes often treat participant behavior as exogenous or static, assuming that savings rates and asset allocations remain fixed across time and contexts. In contrast, DCOM explicitly models participant behavior as endogenous to plan design. The model's econometric foundation allows for the estimation of savings and investment decisions conditional on participant demographics and plan characteristics. By embedding these empirically estimated relationships directly into a simulation environment, DCOM provides a framework capable of quantifying how both behavioral and structural factors jointly influence projected retirement outcomes.

2. Capturing heterogeneity in participant and plan characteristics

Prior models of retirement adequacy have tended to focus on population-level averages, thereby obscuring important within-plan variation. Yet plan participants differ widely in their contribution behavior, investment sophistication, and risk tolerance, while plans vary in design and default settings. DCOM addresses this heterogeneity directly by simulating participant-level outcomes across 41 empirically grounded plan design prototypes. This allows the model to estimate distributions of outcomes, rather than point estimates, and to identify subpopulations for whom plan design interventions may generate the greatest incremental benefit.

3. Creating a scalable and empirically grounded framework to study proposed retirement policy

By combining microeconomic modeling with simulation, DCOM enables the evaluation of how proposed policy or alternative plan configurations influence projected retirement wealth, income adequacy, and risk exposure. This provides policymakers and plan sponsors with a rigorous basis for assessing participant-level effects of potential reforms. By grounding the analysis in observed behavior and real plan structures, DCOM offers insights that are firmly supported by the empirical data, in contrast to policy debates that often rely on simplified assumptions.

In summary, the Defined Contribution Outcomes Model was created to integrate behavioral realism, empirical grounding, and policy relevance into a single analytical platform. It advances beyond descriptive comparisons to a framework capable of quantifying how personalization, automation, and plan structure collectively shape participant retirement outcomes.

Study Methodology

The analysis draws on a large dataset covering millions of plan participants across thousands of employer-sponsored DC plans.[1] To quantify the impact of MAs on retirement wealth, we run DCOM in two different ways. In the baseline scenario, we assume that plan participants either invest in a TDF solution or self-direct their investments (we refer to the latter as DIY investors herein). In the second scenario, for each plan in our dataset, we simulate on a participant-specific basis whether they would be better off at age 65 if they adopted an MA at a cost of 40 basis points per year. Specifically, we compute the percentage change in the median balance/salary ratio at age 65 from the MA scenario compared with the baseline scenario.

While we focus on the impact at age 65 herein, we will extend the model to assess outcomes throughout retirement in the future.

For the baseline scenario, non-MA investors are classified as a DIY investor if less than 90% of their portfolio was allocated to an "allocation" fund, based on Morningstar asset classification methodology. Otherwise, the investor is deemed a TDF investor. One limitation of this approach is that it may classify some participants with balanced fund holdings as TDF investors. However, given the prevalence of TDFs, we believe this assumption is reasonable for establishing a baseline.

As we described in the prior section introducing DCOM, the analysis uses empirically estimated statistical models to incorporate realistic investor behavior in the simulation process. Our predicted contribution rates are a function of plan participant variables, including age, wage, and tenure, and plan-level variables. To account for plan-level effects, we use 41 distinct plan design prototypes to inform the predicted contribution rates.[2] These prototypes reflect plan design choices, including an auto versus voluntary enrollment structure, auto-enrollment default contribution rates, auto-escalation, and plan match formulae. Predicted contribution rates also vary by whether the plan participant has adopted an MA. To be clear, this effect is empirically estimated through the MA indicator variable in our underlying dataset, which contains MA users from multiple MA vendors.

We use a similar process to simulate asset allocations in the projection. Namely, for DIY investors and MA investors, our predicted asset-class weights are a function of plan participant characteristics, including age, wage, tenure, gender, and balance. For TDF investors, we use asset-class weights from the Morningstar Lifetime Allocation Moderate Index. The analysis includes 25 different asset classes from Morningstar capital market assumptions.

The analysis incorporates a diffusion process to reflect a small portion of TDF investors becoming a DIY investor each year. Our transition probabilities are based on longitudinal analysis of participants' holdings data. We attempted to construct comparable processes for DIY and MA investors but found

1 Because the dataset is proprietary in nature, we refrain from publishing summary statistics for the sample or regression results.

2 We use 41 plan prototypes because this number strikes the best balance between capturing meaningful variation in plan design and ensuring sufficient underlying data to support each prototype.

limited evidence of movement. This assumption will be revisited in the future. Future iterations of DCOM will include additional stochastic processes to model other plan participant behaviors (and their impact on savings rates, if applicable), such as loans, preretirement withdrawals, and others.

We leverage Morningstar salary curve methodology to estimate both forward- and backward-looking real wages for the plan participants in the analysis. DCOM forecasts assets within the DC account to grow based on stochastic portfolio returns from Morningstar Investment Management's Time Varying Model.

When it comes to fees, we use different empirically driven assumptions for TDF, DIY, and MA investors. For TDF investors, we reflect an annual fund fee of 30 basis points. For DIY investors, annual fund fees are 73 basis points, and for MA investors, fund fees are 31 basis points. As noted earlier, we also apply a 40-basis-point fee for the MA, meaning that the total annual fee for MA investors is 71 basis points. These numbers are based on analysis of empirical fee data for over 7,000 funds used by millions of plan participants across thousands of plans.

Taken together, these assumptions create a realistic representation of plan participant behavior and plan design variation, allowing us to estimate how managed accounts impact projected retirement wealth across heterogeneous populations.

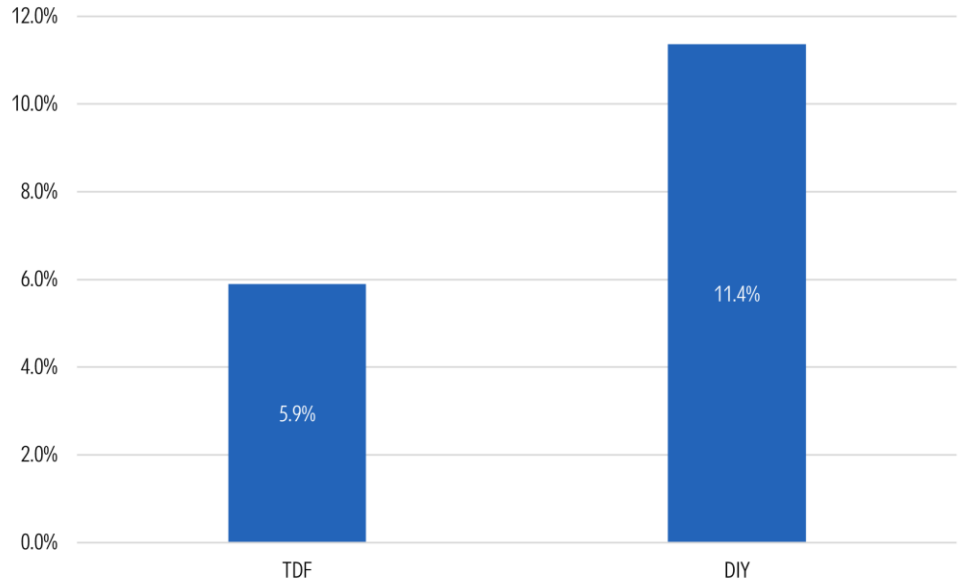
Refer to the DCOM appendix for more information.[3]

3 Technical Appendix

Finding 1: Managed Accounts Boost Retirement Outcomes Across Investor Types, With DIY Investors Seeing the Largest Gains

We find that non-MA participants who adopt an MA immediately are projected to have more wealth at retirement compared with target-date fund and do-it-yourself investors. In particular, MAs increase the median ratio of balance/salary at age 65 by 5.9% relative to TDF investors and by 11.4% relative to DIY investors. Across all plan participants, adopting an MA leads to an overall increase of 7.7%. Refer to Exhibit 1.

Exhibit 1: Percent Change in the Median Wealth/Salary Ratio at Age 65 From Adopting an MA at 40 bps per Year

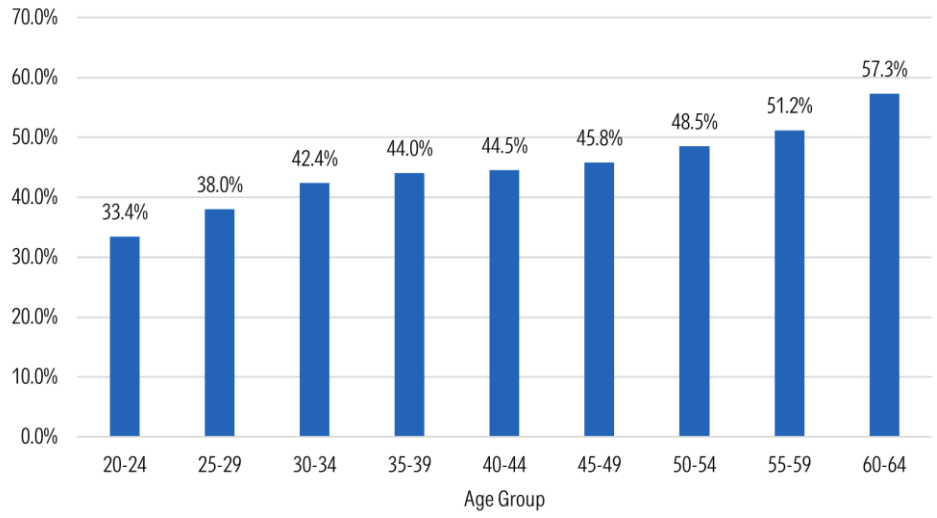


Source: Authors' calculations using v1.0 of DCOM.

While both savings and asset-allocation effects contribute to the improvement in projected outcomes, higher contribution rates are the primary driver. Based on our analysis of the empirical data, MA users consistently save more than TDF or DIY investors, even after controlling for age, wage, tenure, and plan design features. The pattern suggests that personalized savings-rate recommendations embedded within MAs play a key role in encouraging higher savings rates.

DIY investors see a larger boost from adopting an MA than do TDF investors. This result reflects, among other things, the wider dispersion in DIY investor holdings, with many portfolios widely deviating from more standard age-based asset allocations. To illustrate this dispersion, we calculated the interquartile range (the difference between the 75th and 25th percentiles) of equity holdings as a percentage of the portfolio for DIY investors by age, as shown in Exhibit 2.

Exhibit 2: Range Between 75th and 25th Percentile of Equity Holdings as a Percentage of the Portfolio for DIY Investors by Age



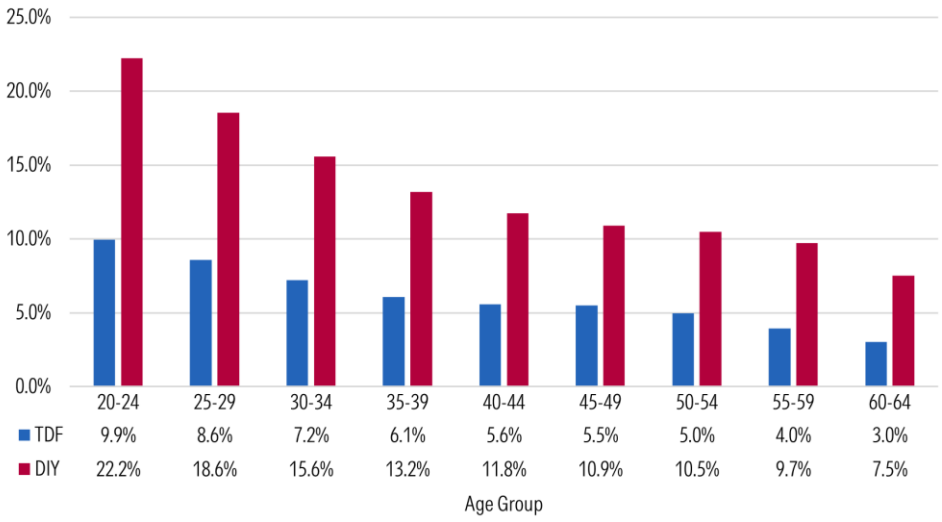
Source: Authors' analysis of millions of plan participant observations across thousands of plans. Age groups are defined in five-year intervals and are inclusive at both the upper and lower bound.

Larger variations occur at older ages, with the difference between the 75th and 25th percentile of equity holdings for investors aged 60-64 reaching 57.3%. However, dispersion remains meaningful at younger ages. For example, the difference for investors aged 20-24 was 33.4%. These results underscore why MA adoption can generate a larger relative improvement for DIY investors.

Finding 2: Managed Account Benefits Are Most Pronounced Among Younger Investors, Contrary to What Some Might Expect

Next, we analyzed the results by age. We categorized plan participants into groups based on their age at the start of the projection. We find that the benefits of MAs are greatest when plan participants adopt earlier in their careers. In other words, the value of MAs increases with time spent utilizing the service. For the youngest age group, adopting an MA increased the median wealth/salary ratio at age 65 by 9.9% for TDF investors and by over 22% for DIY investors. In contrast, more modest gains are observed for the oldest age group, with TDF investors seeing a roughly 3% increase, while DIY investors experienced a 7.5% boost. Refer to Exhibit 3.

Exhibit 3: Percent Change in the Median Wealth/Salary Ratio at Age 65 From Adopting an MA at 40 bps per Year by Age Group



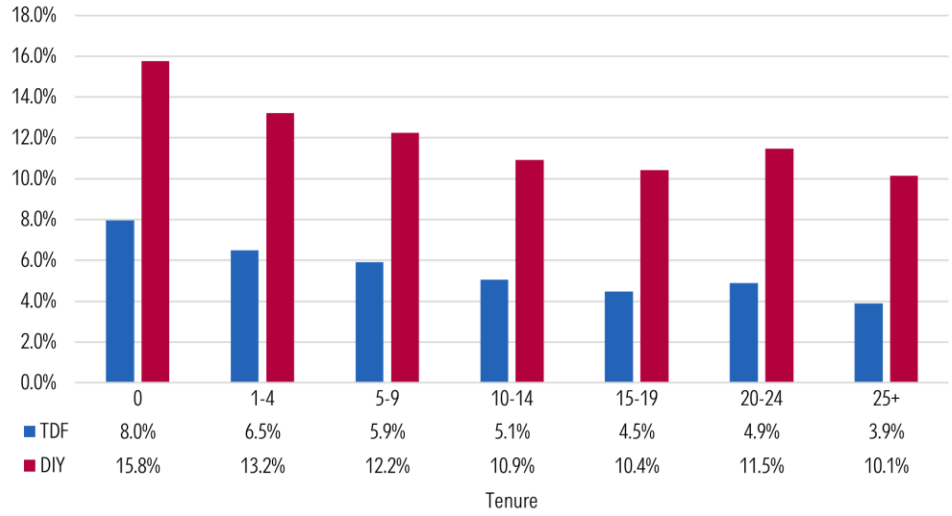
Source: Authors' calculations using v1.0 of DCOM. Age groups are defined in five-year intervals and are inclusive at both the upper and lower bound.

These results are primarily explained by the compounding effect of higher savings rates over longer time horizons. This leads to larger projected differences in wealth at age 65. On the other hand, older participants have less time for these behavioral adjustments to materially influence outcomes, which results in smaller relative gains.

Finding 3: Newer Plan Participants Benefit the Most From Early Adoption

Next, we examine the results by tenure, assigning plan participants into groups based on their years of service at the start of the projection. The analysis shows that those newer to the plan would experience the largest gains from adopting an MA. In particular, TDF investors with zero years of tenure saw roughly an 8.0% increase, while DIY investors experienced an increase of almost 16%. On the other hand, the longest-tenured plan participants saw smaller improvements, with increases of about 3.9% for TDF investors and 10.1% for DIY investors.

Exhibit 4: Percent Change in the Median Wealth/Salary Ratio at Age 65 From Adopting an MA at 40 bps per Year by Tenure



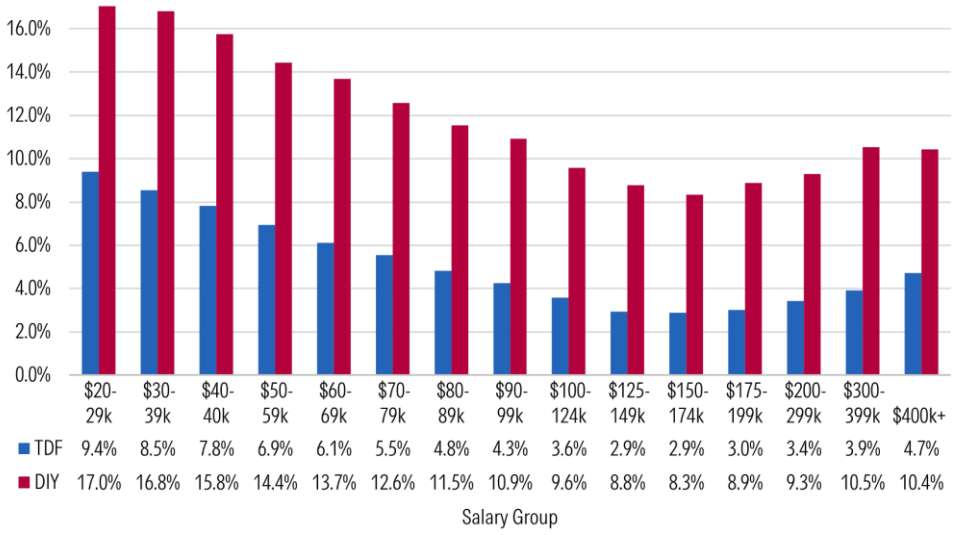
Source: Authors' calculations using v1.0 of DCOM. Tenure groups are defined in five-year intervals and are inclusive at both the upper and lower bound. The only exception is the tenure group of 0, which only includes plan participants with zero years of tenure.

The tenure results highlight that MAs can have the greatest influence early in a plan participant's experience. Newer plan participants typically have a lower savings rate, and the predicted savings rate deltas are generally larger at shorter tenures. Moreover, newer plan participants also have lower starting balances (and smaller dollar fees, at least at first), which is another driver behind the larger gains that we observe.

Finding 4: Managed Accounts Have the Greatest Relative Impact for Lower-Income Plan Participants

Now, we analyze the results by income level, grouping plan participants by their salary level at the beginning of the simulation. The results show that MAs generate the largest relative improvements in retirement wealth for lower-income plan participants. Among TDF investors, we note increases of 4.3% or higher for those earning less than $100,000 per year. For DIY investors, increases of 10.9% or higher were observed for those making less than $100,000 per year. Refer to Exhibit 5.

Exhibit 5: Percent Change in the Median Wealth/Salary Ratio at Age 65 From Adopting an MA at 40 bps per Year by Income Level



Source: Authors' calculations using v1.0 of DCOM. Salary groupings are inclusive at the lower bound. Furthermore, the upper bound displayed in the exhibit is rounded down to the nearest thousand. For example, the first salary group of $20-29k refers to those with a salary of at least $20,000 (inclusive) to those with a salary less than $30,000.

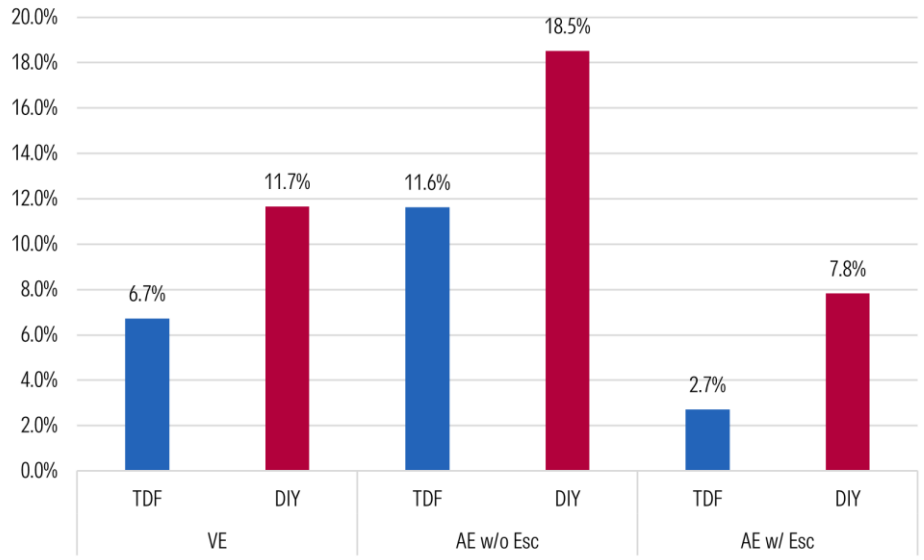
The more pronounced impact of MAs at lower income levels reflects both behavioral and structural factors. Lower-income participants typically have lower savings rates and lower balances. This means that even a modest increase in saving can lead to larger gains in wealth at age 65. In contrast, higher-income participants tend to save at a higher rate, which leaves less room for improvements from saving or investing behavioral modifications. Higher-income participants also tend to be older, which is another factor that dampens the relative impact.

Finding 5: Managed Accounts Provide Value Across All Plan Designs, Even Those With Auto-Escalation

We now focus on the results by plan design. For this analysis, we group plans into three categories based on their default structure: 1) voluntary enrollment, 2) auto-enrollment without escalation, and 3) auto-enrollment with auto-escalation. We henceforth refer to these plan designs as VE, AE without escalation, and AE with escalation, respectively.

Overall, we find that adoption of an MA boosts retirement outcomes across all three types of plan designs, including plans with auto-escalation. For VE plans, we find that the median wealth/salary ratio increased by roughly 6.7% for TDF investors and 11.7% for DIY investors. Among those in AE plans without auto-escalation, the increases were larger, with TDF investors seeing an 11.6% boost and DIY investors experiencing a gain of 18.5%. The impact is smaller for AE with escalation plans, but still positive, with TDF investors projected to see an increase of 2.7% and DIY investors seeing a lift of 7.8%. Refer to Exhibit 6.

Exhibit 6: Percent Change in the Median Wealth/Salary Ratio at Age 65 From Adopting an MA at 40 bps per Year by Plan Design



Source: Authors' calculations using v1.0 of DCOM.

The analysis shows that participants in retirement plans without automatic escalation see larger gains from adoption of an MA. This is, in large part, driven by the deltas that we observe in predicted contribution rates. While we clearly observe an increase in savings rates for plan participants using an MA in AE with escalation plans, the savings rate differentials are generally larger for those in AE plans without auto-escalation and VE plans.

Nevertheless, it is notable that our results differ from NEPC (2024). The authors of the report examined the impact of MA savings advice in isolation and concluded that auto-escalation led to better savings

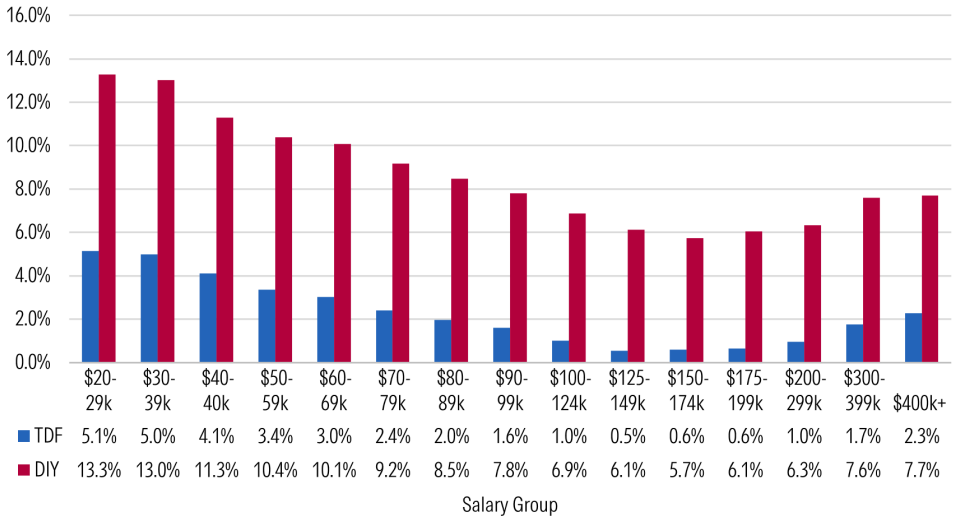
rate outcomes over time. Our approach is different. We assess the combined impact of both savings rate advice and asset-allocation changes, based on empirically estimated statistical relationships, on retirement outcomes. In doing so, we find that there are benefits from adopting an MA for plans with auto-enrollment and auto-escalation even after factoring in the increase in employee contribution rates resulting from the auto-escalation feature. In other words, our findings show that auto-escalation does not eliminate the incremental behavioral lift generated by the savings guidance.

Next, for each AE with escalation plan in our dataset, we calculated the percentage change in the median wealth/salary ratio at age 65 for those deemed TDF investors. We focus on TDF investors rather than DIY investors because TDFs represent the default scenario most plan sponsors are evaluating when considering MAs. The results show that approximately 92% of AE with escalation plans would experience an increase in wealth at retirement following adoption of an MA. This indicates that the benefits of managed accounts extend to a large portion of plans, even those with well-designed automatic features already in place. Still, it is critical to note that there is considerable heterogeneity across the plan-level results. In other words, some plans show minimal benefit from MAs, while others exhibit materially larger improvements based on the plan participant demographics and plan features.

Finding 6: The Same General Patterns by Age, Tenure, and Income Hold Within Auto-Escalated Plans, Though the Magnitude of Improvements Is Smaller

Given the smaller differentials observed for plans with automatic escalation, we focused exclusively on participants in AE with escalation plans and examined how participant-level factors influenced simulated outcomes. The results show the same directional patterns that we reported in earlier findings. That is, adoption of MAs improved retirement wealth outcomes across age, tenure, and income groups, though the effects are more muted. In Exhibit 7, we report the increase in the median wealth/salary ratio by income level. For sake of brevity, we report the results by age and tenure in the Appendix.

Exhibit 7: Percent Change in the Median Wealth/Salary Ratio at Age 65 From Adopting an MA at 40 bps per Year by Income Level for Participants in Automatic Enrollment With Escalation Plans



Source: Authors' calculations using v1.0 of DCOM. Salary groupings are inclusive at the lower bound. Furthermore, the upper bound displayed in the exhibit is rounded down to the nearest thousand. For example, the first salary group of $20-29k refers to those with a salary of at least $20,000 (inclusive) to those with a salary less than $30,000.

As we noted earlier, the smaller magnitude of improvements reflects that the savings rate differentials from adopting an MA are smaller for plan participants in an AE with escalation plan. Nevertheless, our analysis suggests that MAs still provide incremental value, particularly for lower-income participants, newer participants (that is, those with less tenure), and younger participants.

Conclusion

This study improves upon existing research by quantifying the impact of MAs on retirement outcomes after controlling for plan and participant effects. Our results show that MAs can meaningfully improve projected retirement outcomes across a wide range of plan participant characteristics and plan designs. While the magnitude of improvement varies, the impact of adopting an MA is consistently positive, even for plans with an automatic-escalation feature. These findings underscore the importance of incorporating behavioral and plan-level heterogeneity when evaluating the role of personalization in DC plans.

Building on the findings in this paper, future papers in our managed accounts research series will focus on several areas designed to improve the precision, applicability, and policy relevance of DCOM.

1. Identify Plan Characteristics Most Predictive of MA Value

While the majority of plans show positive results, the magnitude varies substantially. Upcoming work will quantify which plan features best explain these differences, including voluntary versus automatic enrollment, the presence or absence of auto-escalation, the default savings rate level, the prevalence of lower-income or younger worker demographics, and the distribution of DIY investors relative to TDF users. This analysis will help sponsors determine where personalization delivers the greatest incremental lift.

2. Evaluate Alternative QDIA Architectures and Personalized Default Designs

A forthcoming publication will explicitly study whether default structures that incorporate personalization (such as hybrid TDF + MA frameworks) can improve participant outcomes relative to existing QDIA models.

3. Extend Modeling Into the Retirement Phase

Future iterations of DCOM will leverage the model's full decumulation engine to assess whether MA-driven behavioral improvements persist after retirement and how they affect income stability, longevity protection, and drawdown risk.

4. Incorporate Additional Stochastic Behavioral Processes

Planned enhancements include richer modeling of participant job changes and resulting plan transitions, loan behavior and preretirement withdrawals (and their impact on contribution behavior), and MA to DIY or MA to TDF switching behavior as adoption expands. These additions will sharpen the distributional accuracy of participant-level projections.

Together, these extensions will strengthen the empirical basis for evaluating personalization in DC plans and clarify where managed accounts add the most value. We will also extend DCOM to assess which plan design changes most effectively improve participant outcomes, creating a unified framework for evaluating both managed account adoption and broader plan strategy.

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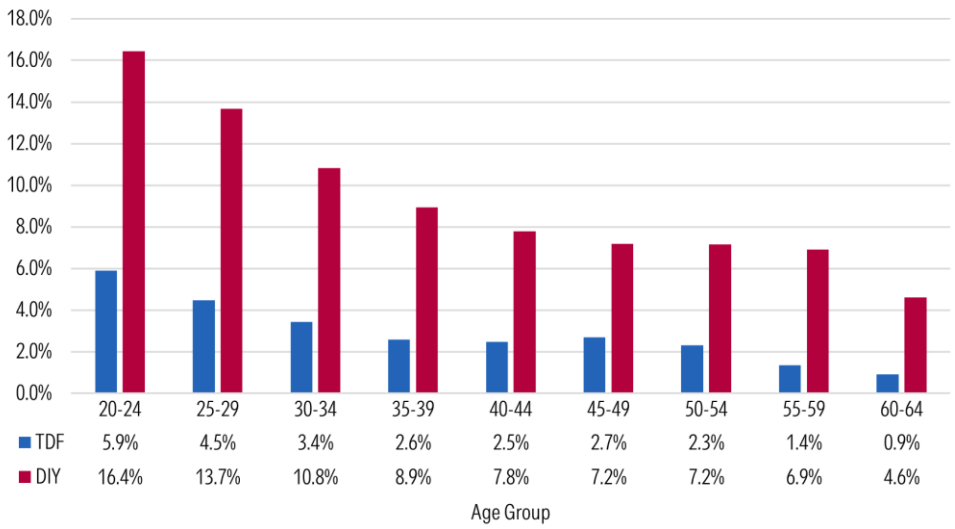
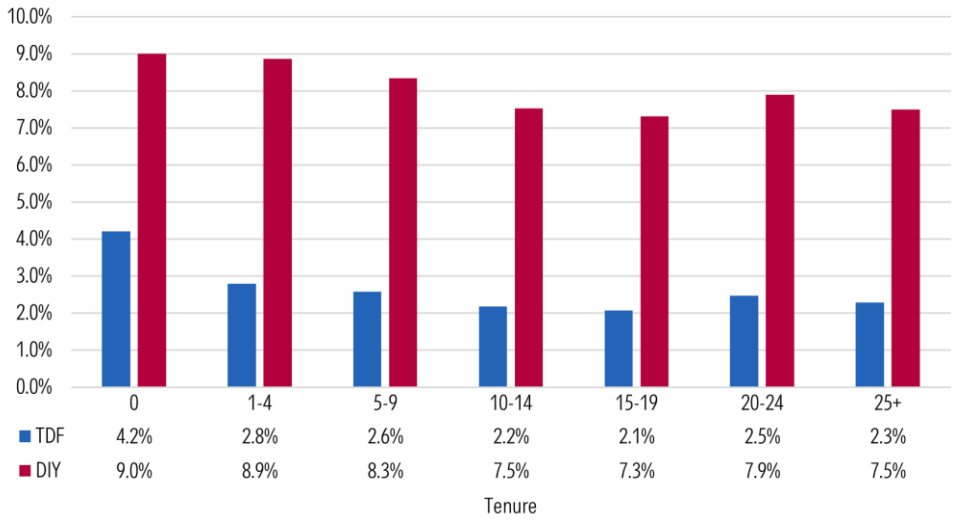
Appendix

Exhibit A.1: Percent Change in the Median Wealth/Salary Ratio at Age 65 From Adopting an MA at 40 bps per Year by Age Group for Participants in Auto-Enrollment With Escalation Plans



Source: Authors' calculations using v1.0 of DCOM. Age groups are defined in five-year intervals and are inclusive at both the upper and lower bound.

Exhibit A.2: Percent Change in the Median Wealth/Salary Ratio at Age 65 From Adopting an MA at 40 bps per Year by Tenure for Participants in Auto-Enrollment With Escalation Plans



Source: Authors' calculations using v1.0 of DCOM. Tenure groups are defined in five-year intervals and are inclusive at both the upper and lower bound. The only exception is the tenure group of 0, which only includes plan participants with zero years of tenure.

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Disclosures