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## Investment Returns: Defined Benefit vs. Defined Contribution Plans.

The brief's key findings are:

- The analysis compares returns by plan type from 1990-2012 using data from the U.S. Department of Labor's Form 5500.
- During this period, defined benefit plans outperformed 401(k)s by an average of 0.7 percent per year, even after controlling for plan size and asset allocation.
- In addition, much of the money accumulated in 401(k)s is eventually rolled over into IRAs, which earn even lower returns.
- One reason for the lower returns in 401(k)s and IRAs is higher fees, which should be a major concern as they can sharply reduce a saver's nest egg over time.

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