AllianceBernstein®

2026

Thinking Forward: Reimagining Retirement Resilience

Reflections on Our Defined Contribution Symposium

The plan sponsor's pivotal role in the lives of participants is increasingly multifaceted. Besides acting as fiduciaries, sponsors often need to be market and economic observers, product experts, decision makers, messengers and motivators.

Participants' needs are also more complex—they not only need help saving for retirement but also strategies to ensure that their savings will last. In their minds, financial security in retirement is the ideal outcome and more enhancements to defined contribution (DC) plans, such as lifetime income solutions, custom qualified default investment alternatives (QDIAs) or private-market exposures, are emerging to help them achieve it.

This landscape was the backdrop for AB's third annual DC symposium *Thinking Forward: Reimagining Retirement Resilience*, held at our headquarters in Nashville, Tennessee.

A Step Beyond—DC Trends Driving Transformation

Sponsors Lean into Customization and Lifetime Income

Plan sponsor demands are shifting, according to Chris Bailey, Director of Retirement at Cerulli Associates, who reviewed his firm's recent survey findings to set the stage. For example, 79% of sponsors prioritize customization and 75% are now focusing on in-plan retirement income options. Consultants in particular are seeing progress in customization and lifetime income adoption, citing research and education as key to moving the needle in the right direction, according to the survey (*Display 1*).

Participants, especially those getting closer to retiring, are also raising their hands. More of them seek flexibility and detailed information on how their savings will translate into retirement income. They want more control, too, meaning access to their assets and growth potential even after they start taking income in retirement, Bailey noted.

> **"Participants have different ideas of what it means to maintain a good quality of life and financial peace of mind. For sponsors, this now means not just setting goals, but asking what these goals mean to the individual participant."**
>
> Chris Bailey, Director, Retirement, Cerulli Associates

DISPLAY 1: CERULLI EMPHASIZES WITH ALL ITS CLIENTS THAT EDUCATION IS VITAL

Plan sponsors and intermediaries need to understand an offering before considering it

How does this offering help my participants prepare for retirement?

Retirement Income	Private Markets in Target-Dates and Managed Accounts
• Which option(s) are right for my plan participants? • Can my recordkeeper support personalized withdrawal options? • How are the fees structured, especially related to the guaranteed portion of a target-date? • How and when can a participant elect an income guarantee? When does it go into effect? • What kind of support is available to help participants navigate income planning?	• Will participants be able to get their money out? • What happens when we want to change a target-date that allocates to private market assets? • What are the underlying private market assets? How do they compare to what institutions and ultra high net worth individuals invest in? • What do the valuation methodologies look like?

Source: Cerulli Associates, Chris Bailey, DC Symposium, May 19, 2026

The Many Moods of Money, Learned Early in Life

When participants believe they'll have enough money in retirement, it can lend much emotional support. According to a recent Wakefield Research survey, 61% of Americans on average are increasingly stressed about finances, and the top two emotions when money comes to mind: anxiety and frustration.

Many of these emotions and attitudes toward money are instilled early in life. According to one study, parents typically set the example of "scarcity mindset" scrimping or "emotional support" sprees—and other connections to money—that people carry well into adulthood and retirement.

> **"Participants have honed 20 years of money habits before ever completing their first plan enrollment form...Plan sponsors are stepping into participant money stories written a long time ago."**

Jennifer DeLong, Head of Defined Contribution at AllianceBernstein (AB)

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Retirement Readiness: A Roadmap to Employer Success

Participants' struggles can manifest in other ways, affecting both their retirement readiness and employers' productivity as a whole. As a result, workforce resilience can be linked directly to financial wellness, which is increasingly up to sponsors to promote.

Sandy Blair, Chief Administrator at California Savings Plus, emphasized the importance of recognizing unique financial situations and providing accessible communications through various channels. "Wellness is key," she stated, highlighting the need for a tailored approach to retirement readiness.

Fidelity's Christine Chiulli, Vice President of Financial Wellness, added that while balances are up 11%, for most participants it's not nearly enough. This underscores the importance of starting early and staying focused throughout the saving and spending phases of retirement.

Amelia Dunlap, Vice President of Retirement Solutions Marketing at Nationwide, pointed out the significance of promoting good financial behavior. "Restarting savings is one theme," she noted, emphasizing the need for sponsors to articulate relevant messaging to encourage employees to act in a world with short attention spans.

Megaforces at Work…and Implications for Investing

Building workforce resilience through financial wellness requires a strategic, multipronged approach. That's because money habits and anxieties aren't the only forces at work. Most participants will also navigate a very different investment regime compared with those of past generations, according to AB's Chief Investment Strategist Inigo Fraser Jenkins.

"I think it's hard to achieve true diversification today without a much broader lens," Fraser Jenkins said. "Investors need to pursue more types of asset classes and allocate risk across a fuller mix of public and private markets."

To address these challenges, resilient plan sponsors are stepping up to help, starting with asking important questions:

- Is our plan designed to drive better retirement outcomes?
- What should outcomes even look like?
- Is our QDIA the right fit for our workforce? Should it be enhanced to strive for stronger returns?
- Are we truly preparing participants for all stages of their retirement journey?

Reframing Retirement: From Defined Benefit to Flexible Lifetime Income Solutions

With 11,400 Americans turning 65 daily, the question now isn't whether participants need lifetime income, but how to go about implementing it. Several sessions highlighted how DC plan tools are changing, but the goal hasn't—delivering meaningful, reliable income in retirement.

Ken Levine, Executive Director of Global Retirement Strategy at RTX offered a compelling perspective, describing a journey that began as the company's defined benefit (DB) plan wound down. "For each participant at retirement, we wanted to offer the opportunity to replace income," Levine explained, noting that the introduction of a lifetime income solution as the plan's QDIA in 2012 was designed to do just that. Levine likened the approach to a modern "Individual Pension Account"—delivering a steady stream of income that they can't outlive, without requiring participants to surrender control of their assets.

The Need to Blend Guarantees with Control

One takeaway was that a balance of flexibility and security is crucial. Participants need to retain access to their account assets and have the ability to change course if needed.

Plan design emerged as an important success driver. AB's Elena Wang, Portfolio Manager—Multi-Asset Solutions, said lifetime income may be most scalable when it's part of a familiar default experience. "Sponsors just need to decide how automatic the lifetime income feature should be and how much flexibility participants will retain."

Demand for lifetime income solutions is strong on two fronts. Nine in 10 participants in AB's 2026 Inside the Minds of Plan Participants Survey said they'd use a lifetime income option if it were offered in their target-date fund, while another showed that over half of sponsors were in favor of defaulting a portion of their savings into a guaranteed income solution. There's also a groundswell of regulatory support for sponsors to lean on. "The Pension Protection Act opened the door and was a big encouragement for auto features," said Michael Kreps, Principal and Retirement Services Chair with Groom Law Group. "More recent DOL (Department of Labor) guidance is also providing more clarity on lifetime income as a default in DC plans while more leaders in Congress view it as an imperative."

"It helps if your product is validated to be used as a QDIA," added one panel member, a director of retirement benefits at a global pharmaceutical firm. "I think that's much like a regulatory buy-in."

"What's most important to us is portability and asset control," said another plan sponsor, representing a large IT services provider.

When It Comes to Retirement, Make It Personal

Many plan sponsor attendees emphasized the growing importance of customization and are tailoring glide paths to reflect workforce demographics. As one sponsor observed, "today's 45 year old isn't yesterday's," underscoring the need for evolving plan design.

"Because retirement is so personal, there should be variations that justify a personal approach to make sure it's outcome-oriented for the individual," said Tony Sabos, CEO of ProManage, a leading managed account provider. "Also, offer varying levels of secure income; we have income embedded as a default because we believe in that level of flexibility. We strive to focus first on protecting the base needs in retirement, like the costs of housing, food and medical, and that gives us more flexibility with rest of the income within their personal portfolio."

Keeping it simple for the participant is also critical, according to another plan sponsor. "Participants are dealing with a lot of risks and too much complexity is a large one," they said. "It's a big worry that I try to solve for."

Ultimately, there is no one-size-fits-all solution. But everyone agreed that the most effective strategies will be those that combine simplicity, flexibility and a clear path to retirement income—bringing the best elements of pensions into the modern DC world.

> **Because retirement is so personal, there should be variations that justify a personal approach to make sure it's outcome-oriented for the individual…"**

Tony Sabos, CEO of ProManage

Is There a “Perfect” QDIA?

As it turns out, perfection in a QDIA is defined relative to the employer. Attendees formed interactive groups, each representing a distinct plan sponsor type, such as a law firm, state university system, tech start-up, manufacturer or a new school district. Each workshopped to build the ideal QDIA to fit their assigned plan scenario.

The results were enlightening.

Assessing the QDIA Scope of Purpose

While each “sponsor” group was structured differently, nearly all symposium attendees agreed that the default’s job is to provide both accumulation and income, as opposed to either/or. Everyone also leaned into most auto features, such as auto enrollment and auto escalation.

Customization also scored highly, with nearly 80% preferring custom solutions with open-architecture manager selection. The reasoning behind their custom selection varied, but 78% felt it gave them the ability to use their active-management budget to boost return potential. Personalization at the participant level was also very important, with 89% wanting at least some personalization.

Thoughts on the Role of Private Markets in DC Plans

When it came to integrating exposures to private markets, the majority (67%) of the room chose to include private markets in their hypothetical “plan,” though at different allocations. A little under half were a strong “yes,” wanting more than a 10% exposure in the target-date fund. Some 22% said “yes,” but preferred to cap the private markets allocation at 10%. Private real estate was the preferred asset class, although infrastructure and private credit scored highly, too.

Income Insights: What’s Most Important?

Every table team valued the notion of delivering retirement income, with 78% selecting a guaranteed income option embedded in a target-date fund. Results were nearly even between having income start automatically upon retirement or by participant choice.

When attendees were asked to rank the most important characteristics of a retirement income solution, asset control and growth potential topped the list at 89% each, followed by maximizing income (56%), inflation protection (33%), liquidity (22%) and fee transparency (11%).

Here’s the Pitch

As if speaking to their CEO, each group summarized what they built—and learned along the way:

We are able to deliver the benefits of a pension with some serious enhancements. High growth to maximize savings and income for life. Our employees will maintain control of their money so if they decide it’s not for them they can change their mind at any time, even after they start drawing income.

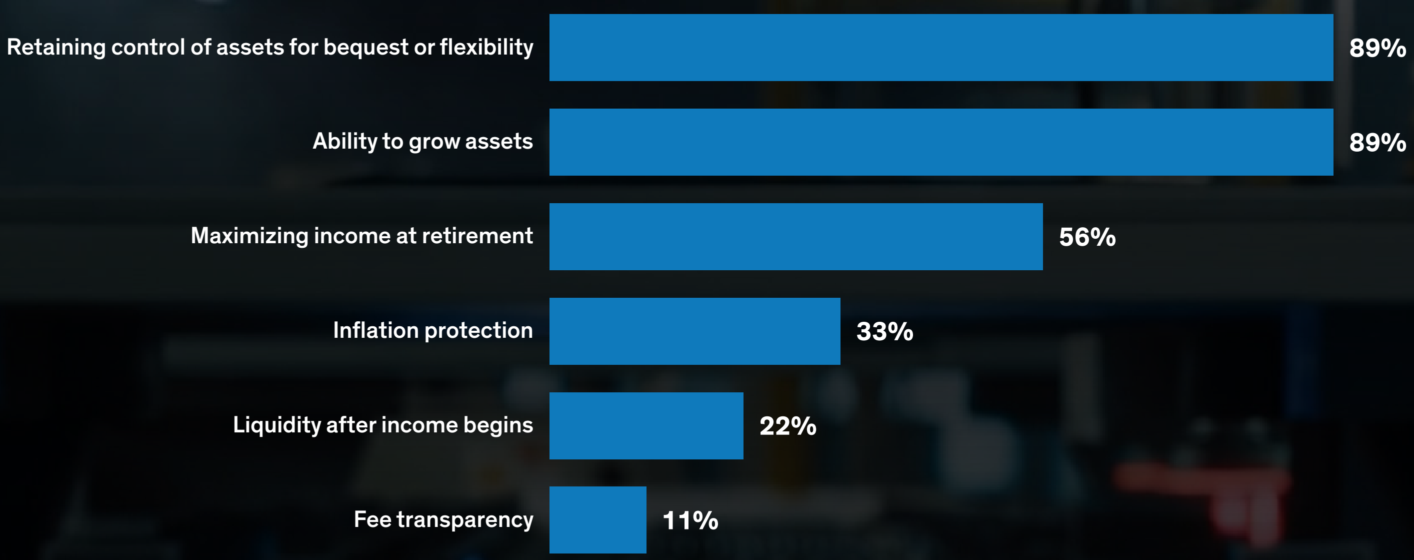
Attract and retain our top talent with a maximized growth oriented custom target-date fund with exposures to private markets.

Maximize savings through retirement with professionally managed asset allocation with support through the drawdown period (via guaranteed income with flexibility to opt-out).

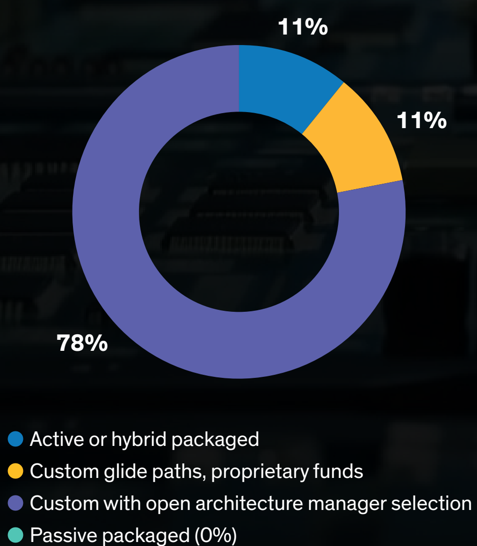
More Results from Designing the Perfect QDIA

WHICH CHARACTERISTICS OF A RETIREMENT INCOME SOLUTION ARE MOST IMPORTANT TO YOU?

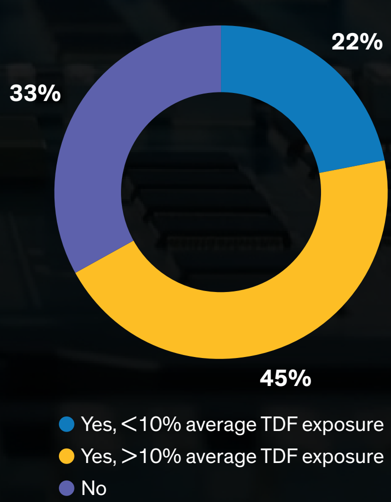
Select Three



PACKAGED OR CUSTOM?



PRIVATE MARKETS?



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Pathways to Private Markets

Deglobalization, an aging workforce, growing public debt and a slower transition to cleaner energy are among the megatrends we believe are creating downward forces on market growth. These forces are reshaping market return expectations and helping define a new investment regime and way of looking at asset-class diversification.

Noting these challenges, the discussion turned to how private markets are emerging as a significant opportunity for plan sponsors seeking to enhance their offerings. As traditional public markets experience volatility and lower expected returns, private markets may present a compelling alternative, with the potential to provide more diversification and generate additional alpha.

Private Markets Are Gaining More Attention

Private markets aren't new to retirement plans, considering they've been effectively used on the DB side for decades. Moreover, some $45 billion in private real estate assets are held in DC plans. "Now, the challenge is to incorporate that familiarity more comprehensively into DC plan defaults via professionally managed solutions," said AB's Wang.

Momentum in incorporating private markets in DC plans is building, with 37% of sponsors expressing strong interest in target-date funds or managed accounts with exposures to private markets, according to Cerulli. Asset managers and intermediaries also predict that one in five plans will incorporate private assets within the next decade, up from the current 2%.

"We've seen many notes during a rather spirited 60-day comment period on the pending DOL proposal following the executive order on alternatives," said Kreps. "That says a lot about the pent-up interest in how alternative investments will be overseen, especially private markets."

Surveying the Private Market Landscape

Private markets encompass a range of investment opportunities separate from public stock and bond exchanges, including private equity, private credit, private real estate and infrastructure. Although these assets are typically less liquid, the industry continues to develop vehicles that offer their potentially higher returns and broader diversification in an increasingly liquid construct. As Jonathan Epstein, Founder and President of the Defined Contribution Alternatives Association, noted: private markets may help diversify risk and are long-term focused assets, making them suitable for retirement portfolios.

Wang highlighted that investments in private markets can be less intimidating if they're approached with a clear understanding of their role and potential impact. "They're simply another tool in the investment arsenal that specifically aims to address financial stressors like inflation and recession," she said.

Implications for Retirement Plans

Integrating private markets into DC plans can help provide a competitive edge. One consultant noted there are lingering concerns about litigation and liquidity out there, but the time is ripe for incorporating private markets into DC plans. The key drivers: a clearer regulatory environment and innovative investment vehicles that make private markets more accessible.

Some sponsors feel that harnessing the private markets opportunity is not just about chasing higher returns. It's more about providing plan participants with the security and stability they need for a fulfilling retirement and allowing for DC plan participants to experience the same benefits that DB participants have enjoyed for decades. As the industry continues to innovate, those who adapt and integrate private markets into their offerings could be well positioned to lead in the new era of retirement planning.

Plan Sponsor Stories: Strategic Implementation

One representative from a public state plan shared how they modeled their target-date fund's private-asset investment approach after their DB plan. The state manages in-house, with about one-third of assets in private markets on the DB side. "Risk-adjusted returns have been positive, so we wanted to leverage that momentum in the target-date fund as well," they noted.

A former plan sponsor recounted how the move to incorporate private markets in their DC plan followed a "freeze" of their DB plan, which held $1 billion in private market assets. "We noticed that when public equity and fixed income were down, private markets were doing well," the sponsor said. "So, we went back to the drawing board to see what lessons from DB we could apply to custom target-date funds, and concluded real assets made sense for our plan."

One consultant cited a favorable regulatory environment in driving more sponsors to test the private market waters. "With so much interest in the pending DOL proposal on alternatives, we're engaged in a lot of education, meeting quarterly with sponsors to review and discuss how private markets can benefit participants."

Liquidity and Valuation Considerations

Many sponsors admit they still grapple with all the key considerations for private markets, but it's increasingly understood that incorporating them into professionally managed solutions can address key concerns, including liquidity and valuation. On that note, one speaker said that by taking a separate account and wrapping it into an existing collective investment trust (CIT) structure, they could combine customization with scale, while maintaining institutional pricing and liquidity management. "For this reason, I think private assets will find themselves through CITs in general," she said.

Another sponsor emphasized the importance of liquidity management, which for them is helped by having multiple built-in sleeves. "Not everyone is in it, but cash flows are positive at this point, making liquidity management easier."

Valuation can prove more challenging, according to one plan administrator, so understanding the process is important. Partnerships were key, according to another plan sponsor, who said sponsors should get a read on what asset managers and product providers are doing, not just the outside valuators. Another agreed: "We rely on a CIT provider to do that heavy lifting."

The Implementation Angle: Making It Happen

Everyone could agree that implementation is a lot smoother when decision makers at each plan better understand investing in private markets.

This process typically begins with genuine empathy and fostering a positive environment of learning. "We provided pre-reads, and sometimes three or four pre-meets to build continuity and create 'safe spaces' where anyone could feel comfortable asking even the most basic questions," said a former plan sponsor. "This way you're planting the seeds and eliminating any surprises later as they implement a plan."

By strategically integrating private market exposure, plan sponsors can offer participants diversified investment strategies that align with their long-term financial goals.

We're Only Human: Aging and Behaviors Count, Too

In retirement planning, the human condition adds two forces that reshape outcomes: how long we live and how we determine plan design. Advances in the science of aging are extending lifespans and health spans (the number of healthy years). This is redefining what retirement means, while behavioral dynamics influence how sponsors design plans and engage with participants. Together, these forces remind us that we're all human, and that biology and psychology fundamentally shape financial results.

Aging Longer, Deciding Differently

Aging is no longer viewed as a fixed or purely degenerative process. The symposium's keynote speaker, Dr. Daniel Belsky, Associate Professor of Epidemiology at Columbia University, explained it this way: aging is "a progressive loss of system integrity and resilience over time," but one that may be slowed through advances in geroscience. The implications for sponsors are profound: as people live longer—and potentially healthier—lives, traditional retirement frameworks begin to shift.

But longer lifespans alone can't guarantee better outcomes, so decision-making becomes critical as retirement horizons stretch. Plan sponsors must prepare for participants living into their 90s or beyond, Dr. Belsky noted, while navigating their own biases and institutional pressures, not to mention the lifelong money habits every participant brings to the equation. Longevity introduces new complexity, and human behavior determines how—or whether—that complexity is effectively managed.

The Human Element in Planning

The challenge isn't just structural—it's psychological. As Ken Haman, Head of AB's Advisor Institute, noted, plan sponsors operate under constant pressure, often influenced by cognitive biases such as loss aversion and status-quo. These can discourage necessary changes even when the long-term benefits are clear.

This behavioral inertia matters more in an aging world. If participants are likely to live longer, delaying action or maintaining outdated plan structures can have compounding consequences. Designing plans that anticipate the future of their workforce requires not just technical expertise, but a willingness to overcome behavioral resistance.

At the same time, participants bring their own lifelong financial habits into the equation. "How do sponsors hold thousands of unique money stories in their heads," Haman asked. The answer lies in plan design—creating systems that work even when individual engagement is limited. Defaults, automation and thoughtful communication become essential tools to bridge the gap between human limitations and financial needs.

Building Systems for Humans, Not Ideals

Both aging science and behavioral insights point to one conclusion: retirement plans must be built for and by real people, not theoretical ones. As global demographics shift, "we're going to have as many old people as young people," Dr. Belsky warned—a reality that is "concerning yet motivating" for the industry.

This means adapting on multiple fronts:

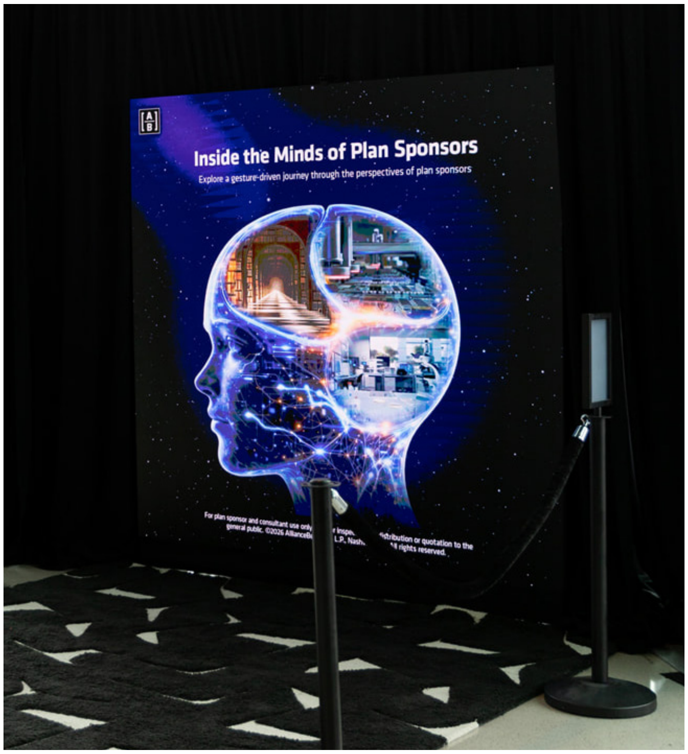
- Financial strategies that account for longer lifespans and uncertain health trajectories
- Plan designs that incorporate behavioral tendencies, simplifying decisions and reducing friction
- Decision frameworks to help sponsors navigate complexity without becoming paralyzed by it

Intentionality becomes critical. Sponsors must create environments that enable clear thinking while maintaining awareness of broader risks. The future of retirement planning won't be defined by just aging or behavior but by the interaction of both. As science extends life, and psychology shapes decisions, the industry faces a dual mandate: build for longevity while designing for human nature.

A Thoughtful Gesture

Symposium participants took time to explore and reflect on how plan sponsors think about their choices when strengthening their participants' retirement readiness. With a wave of their arms, they moved into different virtual environments inside a plan sponsor's brain, each representing a distinct decision-making stage.

> "If participants are likely to live longer, delaying action or maintaining outdated plan structures can have compounding consequences. Designing plans that anticipate the future of their workforce requires not just technical expertise, but a willingness to overcome behavioral resistance."
>
> Ken Haman—Head of the Advisor Institute, AllianceBernstein



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To Worry Is Human:
Five Questions with a DC Legal Expert

Michael Kreps
Principal and Retirement Services Chair,
Groom Law Group, Washington DC

“

...don’t be consumed by risk because it works against you and leads to hyper risk-averse decisions”

1 Sponsors worry about lawsuits. What’s new on Capitol Hill regarding litigation?

The number of lawsuits hasn’t slowed, but congressional efforts are trying to make it harder to bring such lawsuits. Also, the DOL isn’t a fan of ERISA-class litigation, and amicus briefs have been filed to dial things down and make it harder there, too.

2 What’s the latest on the pending DOL proposal on the treatment of alternative investments?

One of the provisions provides more safe harbor, but we’ll still likely see litigation continue around alternatives. And it wouldn’t surprise me to see lawsuits for having alternatives and NOT having alternatives, both.

3 Should we change investment options now based on the DOL proposal?

It’s probably better to wait until it’s law, unless you’re already making improvements to the plan lineup. But I wouldn’t modify today based on the proposal. If you are making changes, just be sure to document the range of what you looked at before choosing.

4 Where is the most “defensible” place in the plan for alternatives?

First of all, adding alternative investments to plans isn’t anything new. Private real estate has been included for some time. But we’ve seen these and other alternative assets commonly added to stable value funds and target-date funds. I think both structures are seen as defensible.

5 What’s the best posture to maximize fiduciary protection/defensiveness?

First, don’t be consumed by risk because it works against you and leads to hyper risk-averse decisions. Also, maintain good fiduciary liability insurance, and remember it’s there for a reason. Do a lawyer checkup regularly to button things up. Most importantly, inoculate your plan by making it better, and be sure to document your process.

The evolving DC landscape presents more than just complexity, it opens the door to meaningful impact. By embracing innovation and leaning into a deeper understanding of the behavior of both participants and themselves, plan sponsors can move beyond just navigating a dynamic marketplace and instead lead the transformation.

As they navigate shifts in demographics, longer lifespans and changing economic conditions, sponsors have a unique opportunity to design more personalized, flexible strategies that meet participants where they are—and where they're heading. **Because when done right, retirement plans don't just manage assets, they create possibilities.**

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