

2008 401(k) Benchmarking Survey

Wholesale/Retail Sector

Thirty seven (37) surveys were completed from companies within the wholesale/retail industry, representing 8.5% of total respondents.

Demographics

The wholesale/retail sector was more likely to be from the Northeast (29.7%) and South (35.1%) regions while less likely from the Midwest (27.1%) and West (8.1%) regions versus the nation 24.5%, 23.6%, 34.9%, and 17.0% respectively.

The ownership structure of the wholesale/retail sector (54.1% privately, 45.9% publicly held) mirrored the nation (53.6% privately, 46.4% publicly held).

The number of employees in wholesale/retail sector respondents was more likely to be mega sized (42.9%; 10,001 plus) as compared to the nation (19.4%).

The average employee tenure (years of service) in the wholesale/retail sector was more likely to be 1-5 (50.0%) as compared to the nation (27.2%).

Eligibility

Service requirements in the wholesale/retail sector were less likely to be immediate (16.7%) compared to 50.8% industry-wide.

The wholesale/retail sector is nearly twice as likely as the nation to have a minimum age requirement of 21 years (63.3% versus 35.4%).

The wholesale/retail sector was more likely (13.3%) not to have changed eligibility requirements in the past year but is considering a change than the nation (3.7%).

The wholesale/retail sector was less likely (36.7%) to report having an automatic enrollment/negative election feature than the nation (42.2%).

The wholesale/retail sector was more likely to report never having an automatic enrollment/negative election feature (37.5%) than the nation (31.9%).

The wholesale/retail sector was more likely to report not having but considering an easy enrollment (27.6%) than the nation (12.8%).

The wholesale/retail sector was more likely to report not having but considering a contribution step up feature (24.1%) than the nation (18.4%).

Employee Contributions

Compared to the national results (25.1%), the wholesale/retail sector HCE ADP was more likely to be less than 6% (50%).

The wholesale/retail sector NHCE ADPs were more likely to be less than 4% (27.8%) and 6-7.99% (33.3%) than the nation (16.2% and 27.1% respectively).

The wholesale/retail sector was more likely not planning on offering a Roth 401(k) feature due to poor fit, limited value to employee and employer (21.4%) versus the national sample (7.2%).

Employer Contributions

Service requirements in the wholesale/retail sector were longer (60.7%; less than one year or one year) than the nation (44.1%).

The wholesale/retail sector is more likely to offer a safe harbor contribution (32.3%) compared to the national sample (29.6%).

Both matching and profit sharing plans are more likely in the wholesale/retail sector (42.9%) than the nation (27.8%).

Investments

The average number of investment options was 13.7 in the wholesale/retail sector.

Participant Experience

The availability of individual financial counseling/investment advice for all participants in the wholesale/retail is more likely (64.3%) than the nation (51.4%).

Statements are more likely to be available to wholesale/retail sector participants within five days after the end of each quarter (32.1%) compared to the nation (23.5%)

Technology Usage

The features utilized by wholesale/retail sector participants were: Internet (100%), call center representatives (92.6%), voice response systems (81.5%) and PDA/wireless (14.8%) compared to the nation were: Internet (99.7%), call center representatives (94.2%), voice response systems (76.9%) and PDA/wireless (8.4%).

Usage of Internet inquiry and transactions in the wholesale/retail sector was more likely to be low under 30% participant usage level (39.3%) as compared to the nation (15.5%).

Plan Effectiveness

The wholesale/retail sector viewed 401(k) plans as effective recruiting tools (76.9%) mirroring the national sample (80.8%). Conversely, the wholesale/retail sector was more likely to not feel 401(k) plans assist in retaining existing employees (40.7%) vs. the nation (24.5%).

The wholesale/retail sector was more likely to believe that the provisions of their 401(k) plans are more competitive than their peers (37%) compared to the nation (33.8%).

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