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**CONTACT:** Corporate Communications  
(617) 563-5800

## **FIDELITY REPORTS THIRD QUARTER 2009 401(k) TRENDS**

### **Account Balances Continue to Climb; Investors Recoup Losses as Returns Turn Positive; Companies Restore Match Programs**

BOSTON, November 19, 2009 – Fidelity Investments, the nation’s No. 1 provider of workplace retirement savings plans, today made available 401(k) highlights of both employee and employer actions taken during the third quarter of 2009. The data<sup>1</sup> is based on accounts of more than 11 million participants in the more than 17,000 corporate defined contribution plans that Fidelity recordkeeps.

#### **Account Balances Rise; 1-Year, 5-Year and 10-Year Investment Returns Turn Positive**

With the equity markets continuing to rally in the third quarter, the S&P 500 had a total return of 16 percent during the quarter and a total return of 34 percent over the second and third quarters combined. Meanwhile, the average 401(k) account balance rose nearly 13 percent to \$60,700 by the end of the third quarter from the end of the prior quarter, and increased 28 percent from the end of the second quarter low of \$47,500.

The two consecutive quarters of gains in the equity markets in 2009 also had a positive impact on both the shorter-term, as well as the longer-term, investment returns for 401(k) participants.

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<sup>1</sup> All data is as of 9/30/09 unless otherwise noted. Analysis is based on Fidelity’s Corp DC recordkept data.

Fidelity looked at participants' personal rates of return (PRR) to see how their investments fared over the past 12 months during this volatile market as well as over the longer term. The personal rate of return Fidelity used was based upon a calculation of an account's investment time-weighted performance during a given period of time and excludes contributions, withdrawals, loans and certain other types of account activity made either by the participant or plan sponsor. As of September 30, 2009, the median one-year PRR for participants was a positive 0.4 percent. Over the past five and 10 years, participants had annualized median PRRs of 3.2 percent and 1.9 percent, respectively.

### **Employers Begin to Reinstate 401(k) Match as Economy Shows Signs of Improvement**

Fidelity also revealed that of the eight percent of companies that either reduced or suspended their company match earlier this year, many are now reinstating matching programs as the economy begins to show signs of recovery. Of the plan sponsors that either lowered or suspended their match, 27 percent of those employers said they have already reinstated the match or plan to reinstate it in 2010. This trend is especially true with larger plans of 5,000 participants or more, with 44 percent of those employers indicating they have either already reinstated or plan to reinstate their match over the next year.

For many workers, a company match, no matter its percentage, is a significant driver of workers' decision to participate as well as their deferral rate. A review of deferral rates in the first quarter of 2009 showed that in plans where the company match was suspended, participants were nearly twice as likely to decrease their deferral rates. In plans with a company match suspension, 11 percent of active participants decreased their deferral rates versus only six percent of active participants in plans where there were no changes made to the company matches during the same period.

**About Fidelity Investments**

Fidelity Investments is one of the world's largest providers of financial services, with assets under administration of nearly \$3.1 trillion, including managed assets of more than \$1.4 trillion as of October 31, 2009. Fidelity offers investment management, retirement planning, brokerage, and human resources and benefits outsourcing services to over 20 million individuals and institutions as well as through 5,000 financial intermediary firms. The firm is the largest mutual fund company in the United States, the No. 1 provider of workplace retirement savings plans, the largest mutual fund supermarket, a leading online brokerage firm and one of the largest providers of custody and clearing services to financial professionals. For more information about Fidelity Investments, visit [www.fidelity.com](http://www.fidelity.com).

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**Please note that Fidelity Investments Institutional Services Company, Inc. (FIIS) 401(k) plans, distributed through investment professionals, were excluded from the data provided.**

**Fidelity Brokerage Services LLC, Member NYSE, SIPC  
900 Salem Street,  
Smithfield, RI 02917**

**Fidelity Investments Institutional Services Company, Inc.  
82 Devonshire Street, Boston, MA 02109**