Custom DC plan benchmarks

Construction

Strategic Retirement Consulting | June 2026

Key highlights

The following report contains insights into full-service plans at Vanguard and compares them with our findings from *How America Saves 2026*.

- **Automatic enrollment:** 64% of construction firms use an automatic enrollment design, compared with the Vanguard benchmark of 61% (all plans).
- **Automatic enrollment default rates/annual increase:** 74% of construction firms with automatic enrollment have an initial default rate of 4% or higher, slightly above the Vanguard benchmark (62%).
- **Participation rates:** The average construction plan participation rate is 72%, compared with an 86% Vanguard benchmark.
- **Saving rates:** Participants in the construction industry defer an average of 6.7% and save a total of 10.5%, both numbers below the Vanguard benchmark (7.6% and 12.1%, respectively).
- **Professionally managed allocations:** 78% of participants in the construction industry have a professionally managed allocation (pure TDF, pure balanced, advised), above the Vanguard benchmark of 69%.
- **Loans and hardship withdrawals:** Construction firms tend to have loan and hardship withdrawal usage that is similar to the Vanguard benchmark.

Source: Vanguard, as of December 31, 2025.

Benchmark population

	Construction <500 participants	Construction 500+ participants	Construction All plans	Vanguard DC plans
Number of plans	14	24	38	1,316
Number of participants	4,124	71,834	75,958	4,611,469
Average number of participants	295	2,993	1,999	3,504
Median number of participants	349	1,664	859	616
Amount of assets	$746.3M	$7.5B	$8.2B	$774.7B
Average assets	$53.3M	$312.1M	$216.8M	$588.7M
Median assets	$37.6M	$202.6M	$105.4M	$104.1M
Average participant balances	$152,952	$91,693	$95,080	$167,970
Median participant balances	$19,251	$18,388	$18,458	$44,115

Insights

- Plans within the construction industry tend to have total plan assets that are lower than the typical Vanguard plan.
- Participant balances in the construction industry are lower than the Vanguard benchmark.

The construction industry is defined by North American Industry Classification System (NAICS) code 23.

Source: Vanguard, as of December 31, 2025.

Automatic enrollment options*

		Construction <500 participants	Construction 500+ participants	Construction All plans	Vanguard DC plans
Automatic enrollment*	Number of plans	7	16	23	742
	Percentage of plans	50%	73%	64%	61%
Default automatic enrollment rate	1%	0%	0%	0%	2%
	2%	29%	0%	9%	4%
	3%	14%	19%	17%	32%
	4%	0%	0%	0%	14%
	5%	43%	38%	39%	17%
	6%+	14%	44%	35%	31%
Default automatic increase rate	1%	64%	58%	61%	69%
	2%	9%	0%	4%	2%
	Voluntary election	18%	42%	30%	23%
	Service feature not offered	9%	0%	4%	6%
Default automatic increase cap	<6%	0%	10%	7%	2%
	6%–9%	40%	10%	20%	13%
	10%–14%	40%	30%	33%	49%
	15%–19%	0%	40%	27%	26%
	20%+	20%	0%	7%	6%
	No cap	0%	10%	7%	5%
Default fund	Target-date fund	100%	100%	100%	98%
	Other balanced fund	0%	0%	0%	1%
	Money market or stable value fund	0%	0%	0%	1%

* Limited to plans using Vanguard's automatic enrollment service.
Percentages may not total 100% because of rounding.
Source: Vanguard, as of December 31, 2025.

Insights

- Construction firms have slightly higher usage of automatic enrollment.
- Firms using automatic enrollment in the construction industry are slightly more likely to have higher default saving rates, but less likely to automatically enroll participants into annual increase features.

Employer contributions

		Construction <500 participants	Construction 500+ participants	Construction All plans	Vanguard DC plans
Types of employer contributions	Matching only	45%	53%	50%	48%
	Nonmatching only	9%	0%	4%	11%
	Both matching and nonmatching	27%	47%	38%	37%
	No employer contribution	18%	0%	8%	4%
Employer matching contributions (maximum value of employer match as a % of pay)	<2%	0%	0%	0%	4%
	2.00%–2.99%	13%	14%	14%	7%
	3.00%–3.99%	13%	29%	23%	26%
	4.00%–4.99%	50%	29%	36%	31%
	5.00%–5.99%	25%	29%	27%	13%
	6.00%–6.99%	0%	0%	0%	13%
	7.00%+	0%	0%	0%	6%
	Average match	3.9%	3.9%	3.9%	4.7%
	Median match	4.0%	4.0%	4.0%	4.0%
Employer nonmatching contributions (maximum value of employer nonmatch as a % of pay)	<2%	0%	14%	9%	9%
	2.00%–2.99%	25%	29%	27%	11%
	3.00%–3.99%	25%	0%	9%	19%
	4.00%–4.99%	25%	14%	18%	14%
	5.00%–5.99%	0%	29%	18%	14%
	6.00%–6.99%	0%	0%	0%	12%
	7.00%+	25%	14%	18%	21%
	Average employer nonmatch	6.2%	5.6%	5.8%	5.0%
	Median employer nonmatch	3.9%	4.8%	4.6%	4.2%

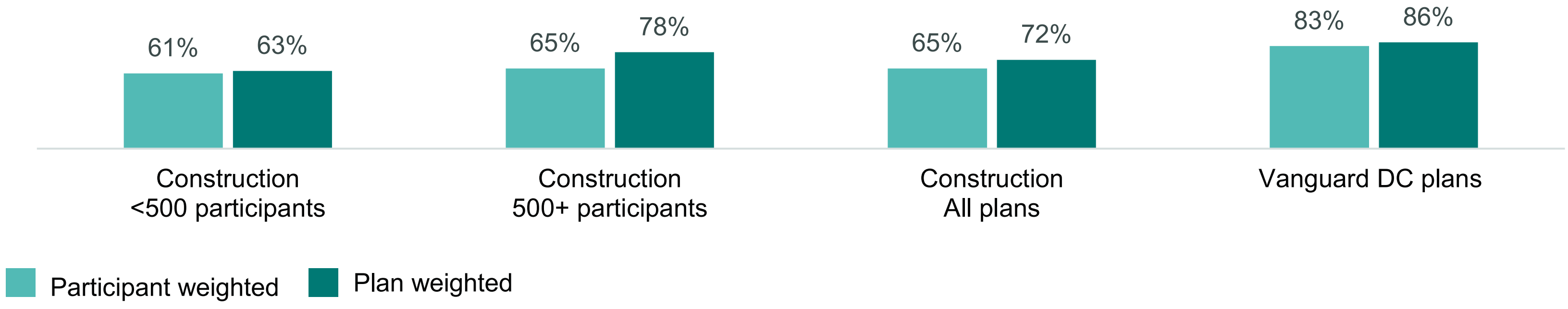
Insights

- Construction firms offer similar types of employer contributions when compared with the Vanguard benchmark.
- Plans within the construction industry have lower average maximum employer match values, yet have higher employer nonmatching contributions when compared with the Vanguard benchmark.

Percentages may not total 100% because of rounding.
Source: Vanguard active plans with nondiscrimination testing completed during the past two years. Data as of December 31, 2025.

Participation and savings

Percentage of employees participating



		Construction <500 participants	Construction 500+ participants	Construction All plans	Vanguard DC plans
Participant deferral rates (employee pre-tax and Roth)	Average	7.2%	6.7%	6.7%	7.6%
	Median	6.0%	6.0%	6.0%	6.6%
Total saving rates (employee and employer contributions)	Average	12.3%	10.4%	10.5%	12.1%
	Median	11.0%	9.9%	9.9%	11.6%
Elected deferral rate changes	No change	52%	50%	50%	45%
	One-step increase	25%	29%	29%	31%
	Increase	13%	12%	12%	14%
	Decrease	7%	7%	7%	8%
	To zero	3%	2%	2%	2%

Insights

- Construction firms have participation rates that are lower than the Vanguard benchmark.
- Participants in the construction industry have lower deferral rates and total saving rates when compared to the Vanguard benchmark.

Bars in chart may not align precisely with percentages because of rounding.
Source: Vanguard, as of December 31, 2025.

Roth and after-tax availability and use

		Construction <500 participants	Construction 500+ participants	Construction All plans	Vanguard DC plans
Roth	Percentage of plans offering Roth (among plans with elective deferrals)	100%	100%	100%	98%
	Percentage of plan assets invested in Roth*	5%	4%	4%	6%
	Percentage of participants making Roth contributions (past 12 months)**	25%	13%	13%	18%
After-tax	Percentage of plans offering after-tax	7%	18%	14%	24%
	Percentage of participants making after-tax contributions	10%	19%	18%	40%
Roth in-plan conversions	Percentage of plans offering Roth in-plan conversions	29%	43%	38%	36%
	Percentage of participants using Roth in-plan conversions	1%	0%	0%	4%

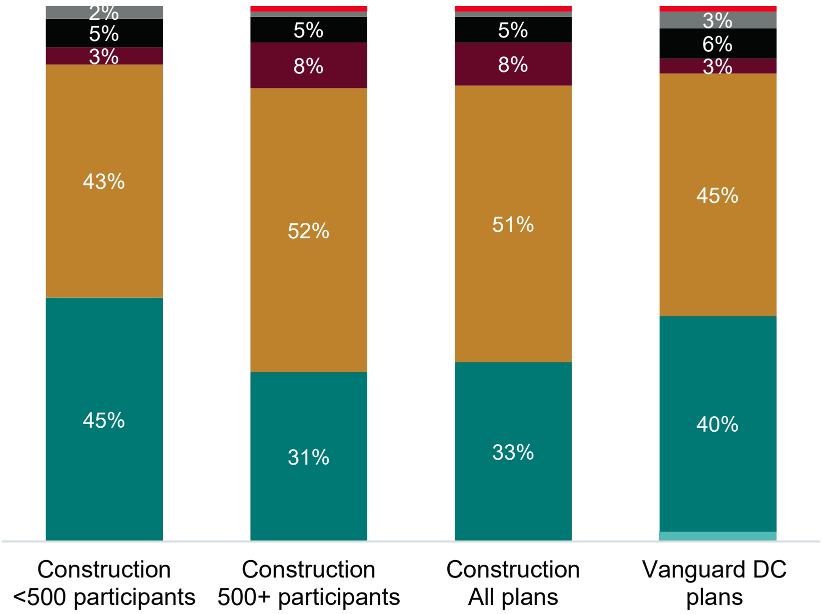
Insights

- All construction firms offer Roth contributions and Roth usage tends to be slightly lower than the Vanguard benchmark.

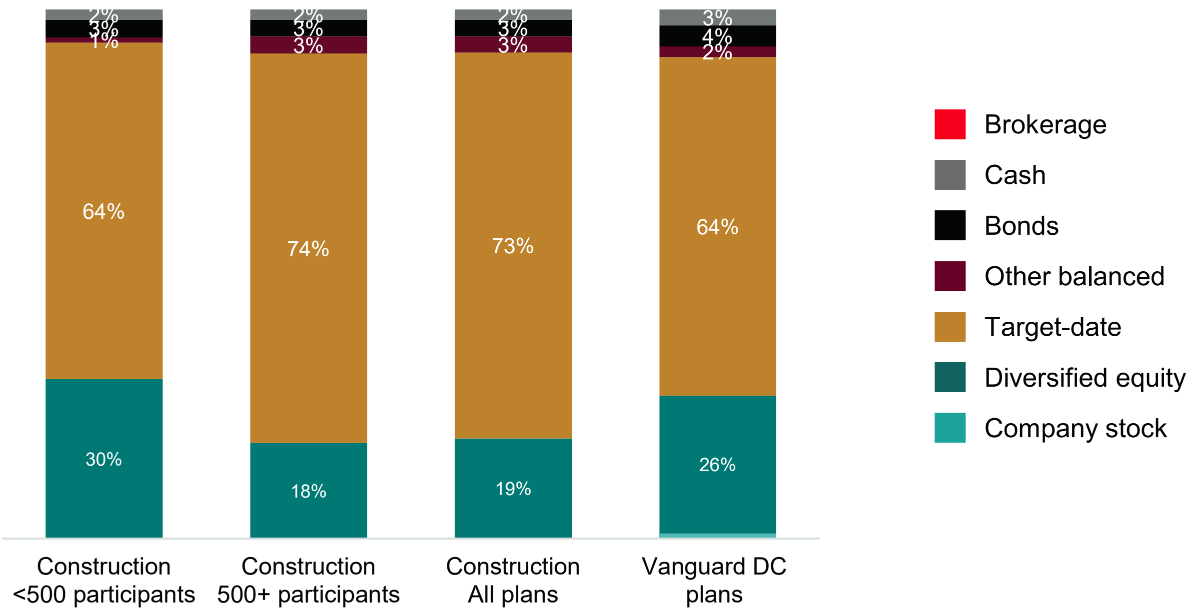
* Among plans offering Roth.
** Among participants making elective deferrals.
Source: Vanguard, as of December 31, 2025.

Asset and contribution allocations

Asset allocation



Contribution allocation

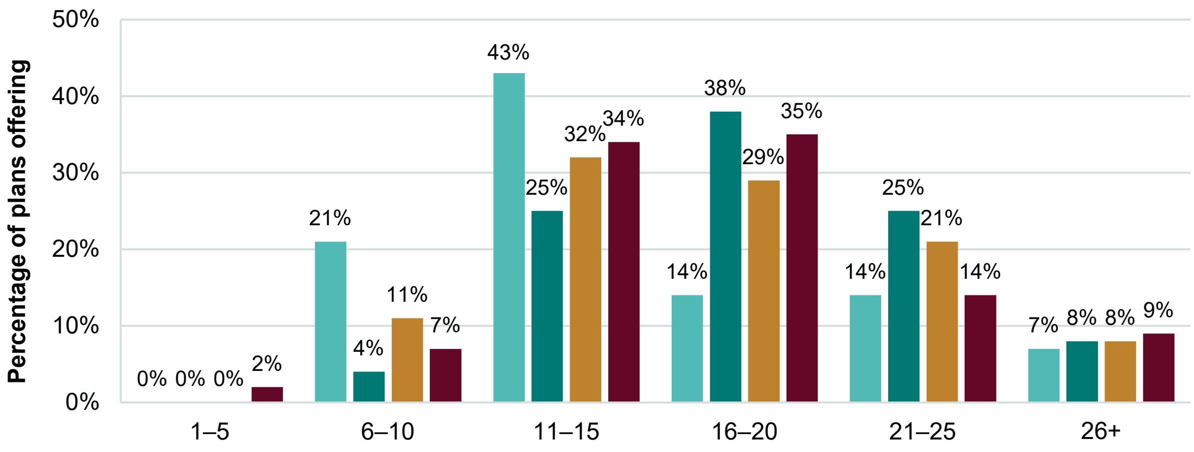


	Construction <500 participants	Construction 500+ participants	Construction All plans	Vanguard DC plans
Percentage of asset allocation in equities*	78%	77%	77%	76%
Percentage of contribution allocation in equities*	83%	79%	79%	80%

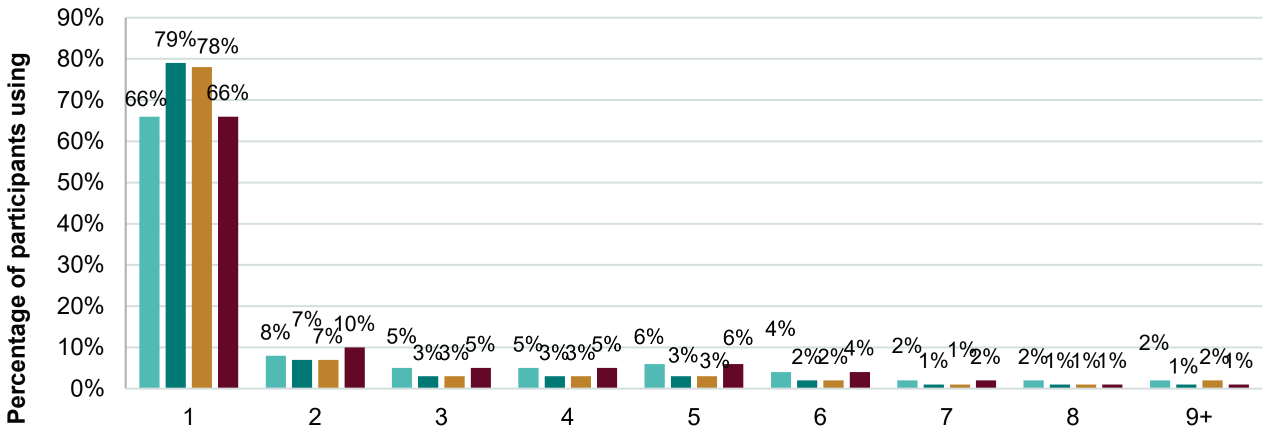
* Equities include company stock, diversified equity, and the equity portion of balanced funds.
Bars in chart may not align precisely with percentages because of rounding.
Source: Vanguard, as of December 31, 2025.

Number of fund options offered and used

Funds offered per plan *(all life-cycle funds counted as one)*



Funds used per participant



	Construction <500 participants	Construction 500+ participants	Construction All plans	Vanguard DC plans
Average funds offered	15.4	18.0	17.0	17.7
Median funds offered	14	18	16	16
Average funds used	2.2	1.7	1.8	2.2
Median funds used	1	1	1	1

Bars in chart may not align precisely with percentages because of rounding.
Source: Vanguard, as of December 31, 2025.

Types of investment options offered and used*

	Construction <500 participants		Construction 500+ participants		Construction All plans		Vanguard DC plans	
	Percentage of plans offering	Percentage of participants using*	Percentage of plans offering	Percentage of participants using*	Percentage of plans offering	Percentage of participants using*	Percentage of plans offering	Percentage of participants using*
Cash	**100%**	**11%**	**100%**	**6%**	**100%**	**6%**	**98%**	**9%**
Money market	100%	6%	83%	3%	89%	3%	79%	6%
Stable value/GIC	71%	8%	79%	5%	76%	5%	67%	8%
Bond funds	**100%**	**13%**	**100%**	**9%**	**100%**	**9%**	**98%**	**16%**
Active	64%	11%	92%	4%	82%	4%	81%	7%
Index	86%	8%	92%	7%	89%	7%	91%	13%
Inflation-protected securities	14%	7%	46%	2%	34%	2%	34%	2%
Multisector	0%	0%	38%	0%	24%	0%	8%	1%
High-yield	7%	4%	13%	2%	11%	3%	18%	3%
International	14%	2%	13%	5%	13%	5%	20%	5%
Emerging markets	0%	0%	0%	0%	0%	0%	1%	1%
Balanced funds	**100%**	**85%**	**100%**	**92%**	**100%**	**92%**	**99%**	**87%**
Traditional balanced	71%	10%	46%	17%	55%	17%	59%	11%
Target-risk	14%	3%	21%	10%	18%	9%	4%	8%
Target-date	100%	80%	100%	86%	100%	86%	96%	84%

* Among participants offered the option.
Percentages should not equal 100% because of rounding.
Source: Vanguard, as of December 31, 2025.

Types of investment options offered and used* (continued)

	Construction <500 participants		Construction 500+ participants		Construction All plans		Vanguard DC plans	
	Percentage of plans offering	Percentage of participants using*	Percentage of plans offering	Percentage of participants using*	Percentage of plans offering	Percentage of participants using*	Percentage of plans offering	Percentage of participants using*
Equity funds	**100%**	**32%**	**100%**	**18%**	**100%**	**18%**	**99%**	**29%**
Domestic equity funds	**100%**	**31%**	**100%**	**17%**	**100%**	**18%**	**99%**	**28%**
Large-cap index	100%	24%	100%	13%	100%	14%	98%	23%
Large-cap active	93%	13%	96%	8%	95%	8%	88%	14%
Large-cap value	86%	7%	100%	5%	95%	5%	86%	7%
Large-cap growth	100%	12%	100%	6%	100%	7%	90%	11%
Large-cap blend	100%	23%	100%	13%	100%	13%	98%	23%
Mid-cap index	86%	12%	96%	6%	92%	6%	84%	12%
Mid-cap active	43%	7%	54%	4%	50%	4%	52%	5%
Small-cap index	57%	13%	71%	6%	66%	7%	61%	11%
Small-cap active	43%	6%	79%	5%	66%	5%	64%	6%
Socially responsible	7%	0%	29%	1%	21%	1%	17%	7%
International equity funds	**100%**	**18%**	**100%**	**9%**	**100%**	**10%**	**97%**	**18%**
Index international	86%	14%	79%	7%	82%	7%	84%	14%
Active international	64%	11%	96%	6%	84%	7%	85%	7%
Emerging markets	21%	5%	46%	2%	37%	3%	33%	9%
Global equity funds	**14%**	**2%**	**8%**	**3%**	**11%**	**3%**	**14%**	**2%**
Sector funds	**36%**	**11%**	**33%**	**7%**	**34%**	**7%**	**36%**	**6%**
Company stock	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**8%**	**20%**
Self-directed brokerage	**7%**	**1%**	**25%**	**0%**	**18%**	**0%**	**23%**	**1%**

* Among participants offered the option.
Percentages should not equal 100% because of rounding.
Source: Vanguard, as of December 31, 2025.

Professionally managed allocations offered and used

		Construction <500 participants	Construction 500+ participants	Construction All plans	Vanguard DC plans
Target-date funds	Percentage of plans offering*	100%	100%	100%	96%
	Percentage of participants using	81%	88%	88%	84%
	Percentage of participant assets	59%	72%	71%	66%
Percentage of participants owning	One target-date fund only	76%	85%	85%	73%
	One target-date fund plus other funds	18%	12%	12%	22%
	Two or more target-date funds only	2%	1%	1%	2%
	Two or more target-date funds plus other funds	3%	2%	2%	3%
	Percentage of all participants with a pure TDF strategy	61%	74%	73%	61%
Advice	Percentage of plans offering*	29%	63%	50%	46%
	Percentage of all participants using	5%	3%	3%	7%
	Percentage of participants using**	9%	7%	7%	9%
Other balanced funds	Percentage of plans offering*	79%	63%	68%	61%
	Percentage of all participants using	0%	3%	3%	1%
	Percentage of participants using***	1%	4%	4%	1%
All participants with a professionally managed allocation		66%	79%	78%	69%

Insights

- Construction firms are slightly more likely with offer advice compared with other plans.
- Participants within the construction industry are more likely to be pure TDF investors and nearly 8 in 10 are in a professionally managed allocation.

* Among plans offering target-date, advice, and other balanced funds options.
** Among participants in plans offering managed account options.
*** Among participants in plans offering traditional balanced or target risk options.
Percentages should not total 100% because of rounding.
Source: Vanguard, as of December 31, 2025.

Participant loans and in-service withdrawals

		Construction <500 participants	Construction 500+ participants	Construction All plans	Vanguard DC plans
Outstanding loans*	Percentage of participants with outstanding loans	11%	12%	11%	13%
	Percentage of account balance in loans	7%	12%	12%	8%
	Average loan balance	$11,029	$9,742	$9,785	$11,034
Percentage of active participants with outstanding loans**	No loans	89%	88%	88%	87%
	One loan	8%	7%	7%	11%
	Two loans	3%	4%	4%	2%
	Three+ loans	0%	0%	0%	0%
Percentage of participants taking a hardship withdrawal		4%	8%	7%	6%
Average hardship withdrawal		$11,512	$5,742	$5,833	$5,200
Median hardship withdrawal		$2,800	$2,300	$2,300	$1,900
Reasons for hardship withdrawals	Avoid foreclosure and eviction	31%	31%	31%	36%
	Medical expenses	25%	31%	31%	31%
	Home purchase	13%	7%	7%	5%
	Home repair	16%	18%	18%	11%
	Tuition payment	12%	9%	9%	13%
	Other	4%	4%	4%	4%

Insights

- Construction firms tend to have similar loan usage, but the average loan balance is lower than the Vanguard benchmark.
- Participants within the construction industry are slightly more likely to take hardship withdrawals when compared with other participants.
- When taking hardship withdrawals, participants in the construction sector are more likely to use them for home repairs.

* Among plans allowing loans.
** Among participants allowed in-service withdrawals.
Percentages should not equal 100% because of rounding.
Source: Vanguard, as of December 31, 2025.

Distribution decisions

		Construction <500 participants	Construction 500+ participants	Construction All plans	Vanguard DC plans
Percentage of participants choosing	Remain in plan	42%	42%	42%	46%
	Rollover	22%	18%	18%	25%
	Installment payments	0%	0%	0%	0%
	Participants preserving assets	64%	60%	60%	71%
	Cash lump sum	35%	39%	39%	28%
	Rollover and cash	1%	1%	1%	1%
Percentage of assets available for distribution	Remain in plan	49%	51%	50%	58%
	Rollover	37%	38%	38%	36%
	Installment payments	0%	0%	0%	0%
	Assets preserved for retirement	86%	89%	89%	94%
	Cash lump sum	14%	10%	11%	5%
	Rollover and cash	0%	1%	1%	1%

Insights

- Participants in the construction industry who left their employer in 2025 were less likely to preserve their assets for retirement when compared with the Vanguard benchmark.

Percentages should not equal 100% because of rounding.
Source: Vanguard, as of December 31, 2025.

Important information

All investing is subject to risk, including the possible loss of the money you invest. Be aware that fluctuations in the financial markets and other factors may cause declines in the value of your account. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income. Diversification does not ensure a profit or protect against a loss.

A stable value investment is neither insured nor guaranteed by the U.S. government. There is no assurance that the investment will be able to maintain a stable net asset value, and it is possible to lose money in such an investment.

Because company stock funds concentrate on a single stock, they are considered riskier than diversified stock funds.

Investments in target-date funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in target-date funds is not guaranteed at any time, including on or after the target date.

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