Vanguard | VIEWPOINTS

Custom DC plan benchmarks

Union plans

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:** 50% of union plans use an automatic enrollment design, compared with the Vanguard benchmark of 61% (all plans).
- **Automatic enrollment default rates/annual increase:** 54% of unions with auto enrollment have an initial default rate of 4% or higher, below the Vanguard benchmark (62%).
- **Participation rates:** The average plan participation rate is 72% compared with an 86% Vanguard benchmark.
- **Saving rates:** Participants in unions defer an average of 7.3% and save a total of 8.7%, both numbers below the Vanguard benchmark (7.6% and 12.1%, respectively).
- **Professionally managed allocations:** 73% of participants in unions have a professionally managed allocation (pure TDF, pure balanced, advised), above the Vanguard benchmark of 69%.
- **Loans and hardship withdrawals:** Union plans tend to have higher loan and hardship withdrawal usage when compared to other participants.

Source: Vanguard, as of December 31, 2025.

Benchmark population

	Unions <500 participants	Unions 500+ participants	Unions All plans	Vanguard DC plans
Number of plans	48	37	85	1,316
Number of participants	8,515	155,040	163,555	4,611,469
Average number of participants	177	4,190	1,924	3,504
Median number of participants	161	1,393	348	616
Amount of assets	$1.4B	$16.9B	$18.3B	$774.7B
Average assets	$28.6M	$456.4M	$214.8M	$588.7M
Median assets	$13.8M	$166.7M	$40.5M	$104.1M
Average participant balances	$163,063	$98,751	$101,372	$167,970
Median participant balances	$49,727	$26,525	$27,113	$44,115

Insights

- Union plans tend to have total plan assets that are lower than the typical Vanguard plan.
- Participant balances in union plans are lower than the Vanguard benchmark.

Source: Vanguard, as of December 31, 2025.

Automatic enrollment options*

		Unions <500 participants	Unions 500+ participants	Unions All plans	Vanguard DC plans
Automatic enrollment*	Number of plans	15	18	33	742
	Percentage of plans	38%	67%	50%	61%
Default automatic enrollment rate	1%	0%	6%	3%	2%
	2%	7%	22%	15%	4%
	3%	27%	28%	27%	32%
	4%	7%	0%	3%	14%
	5%	13%	28%	21%	17%
	6%+	47%	17%	30%	31%
Default automatic increase rate	1%	68%	64%	67%	69%
	2%	0%	0%	0%	2%
	Voluntary election	26%	29%	27%	23%
	Service feature not offered	5%	7%	6%	6%
Default automatic increase cap	<6%	0%	8%	5%	2%
	6%–9%	44%	23%	32%	13%
	10%–14%	11%	31%	23%	49%
	15%–19%	22%	15%	18%	26%
	20%+	22%	15%	18%	6%
	No cap	0%	8%	5%	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%

Insights

- Union plans have lower usage of automatic enrollment.
- Auto enrollment firms are less likely to have higher default saving rates.

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

Employer contributions

		Unions <500 participants	Unions 500+ participants	Unions All plans	Vanguard DC plans
Types of employer contributions	Matching only	43%	50%	45%	48%
	Nonmatching only	11%	7%	10%	11%
	Both matching and nonmatching	40%	36%	39%	37%
	No employer contribution	6%	7%	6%	4%
Employer matching contributions (maximum value of employer match as a % of pay)	<2%	8%	25%	14%	4%
	2.00%–2.99%	20%	17%	19%	7%
	3.00%–3.99%	28%	33%	30%	26%
	4.00%–4.99%	16%	8%	14%	31%
	5.00%–5.99%	12%	8%	11%	13%
	6.00%–6.99%	8%	0%	5%	13%
	7.00%+	8%	8%	8%	6%
	Average match	4.7%	3.1%	4.2%	4.7%
	Median match	3.0%	3.0%	3.0%	4.0%
Employer nonmatching contributions (maximum value of employer nonmatch as a % of pay)	<2%	29%	17%	26%	9%
	2.00%–2.99%	0%	0%	0%	11%
	3.00%–3.99%	24%	17%	22%	19%
	4.00%–4.99%	24%	17%	22%	14%
	5.00%–5.99%	12%	17%	13%	14%
	6.00%–6.99%	0%	17%	4%	12%
	7.00%+	12%	17%	13%	21%
	Average employer nonmatch	3.7%	4.7%	4.0%	5.0%
	Median employer nonmatch	3.9%	4.9%	4.0%	4.2%

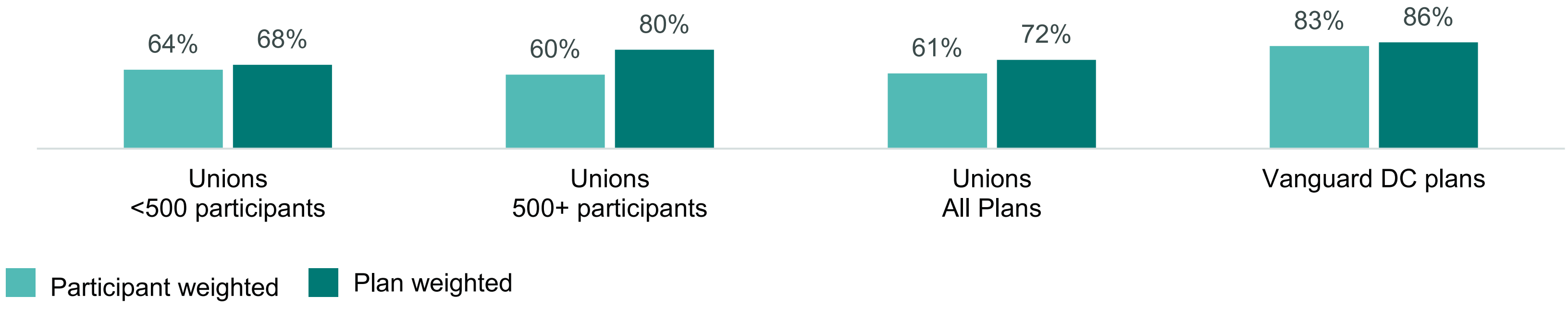
Insights

- Union plans offer similar types of employer contributions when compared to the Vanguard benchmark.
- Union plans have slightly lower average maximum employer match values and employer nonmatching contributions when compared to 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



		Unions <500 participants	Unions 500+ participants	Unions All plans	Vanguard DC plans
Participant deferral rates (employee pre-tax and Roth)	Average	8.1%	7.2%	7.3%	7.6%
	Median	6.6%	6.0%	6.0%	6.6%
Total saving rates (employee and employer contributions)	Average	10.6%	8.5%	8.7%	12.1%
	Median	9.2%	7.0%	7.3%	11.6%
Elected deferral rate changes	No change	55%	47%	47%	45%
	One-step increase	22%	27%	27%	31%
	Increase	14%	15%	15%	14%
	Decrease	8%	9%	9%	8%
	To zero	2%	3%	3%	2%

Insights

- Union plans have participation rates that are lower than the Vanguard benchmark.
- Participants in union plans have lower deferral rates and total savings 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

		Unions <500 participants	Unions 500+ participants	Unions All plans	Vanguard DC plans
Roth	Percentage of plans offering Roth (among plans with elective deferrals)	100%	96%	98%	98%
	Percentage of plan assets invested in Roth*	6%	5%	5%	6%
	Percentage of participants making Roth contributions (past 12 months)**	28%	10%	11%	18%
After-tax	Percentage of plans offering after-tax	28%	44%	35%	24%
	Percentage of participants making after-tax contributions	31%	76%	73%	40%
Roth in-plan conversions	Percentage of plans offering Roth in-plan conversions	46%	50%	46%	36%
	Percentage of participants using Roth in-plan conversions	0%	1%	1%	4%

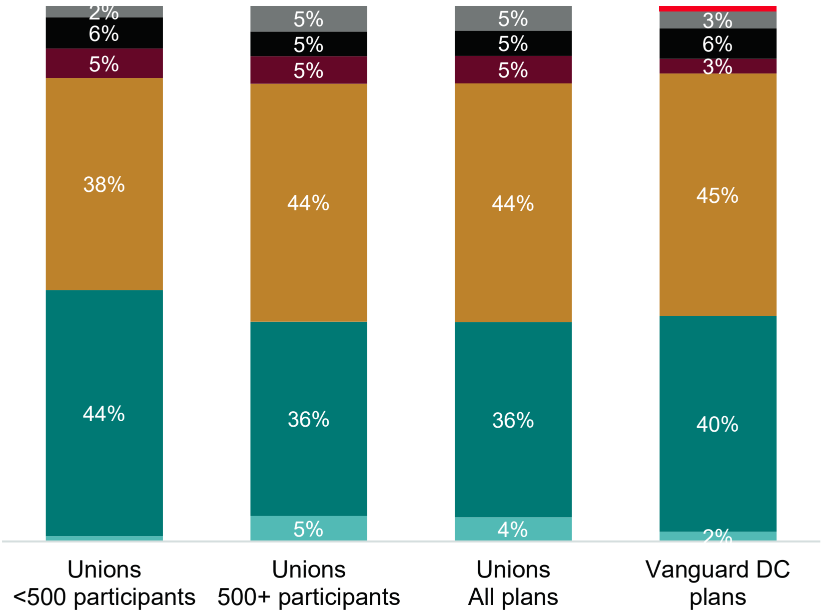
Insights

- Nearly all union plans offer Roth contributions, yet Roth usage tends to be lower than the Vanguard benchmark.

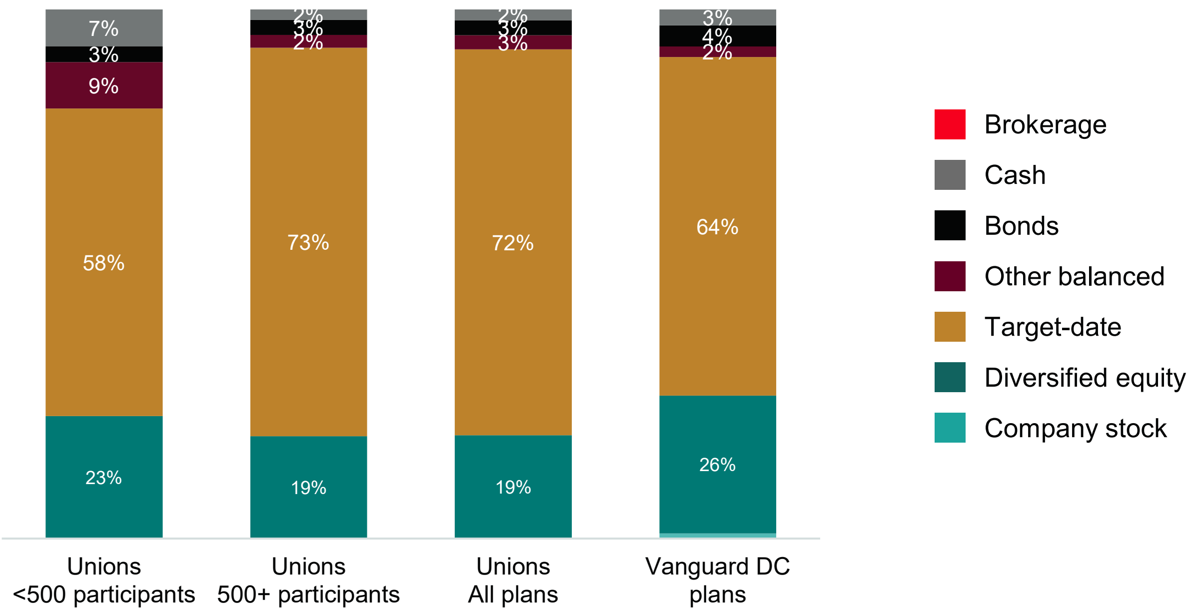
* Among plans offering Roth.
** Among participants making elective deferrals.
Source: Vanguard, as of December 31, 2025.

Asset and contribution allocations

Asset allocation



Contribution allocation

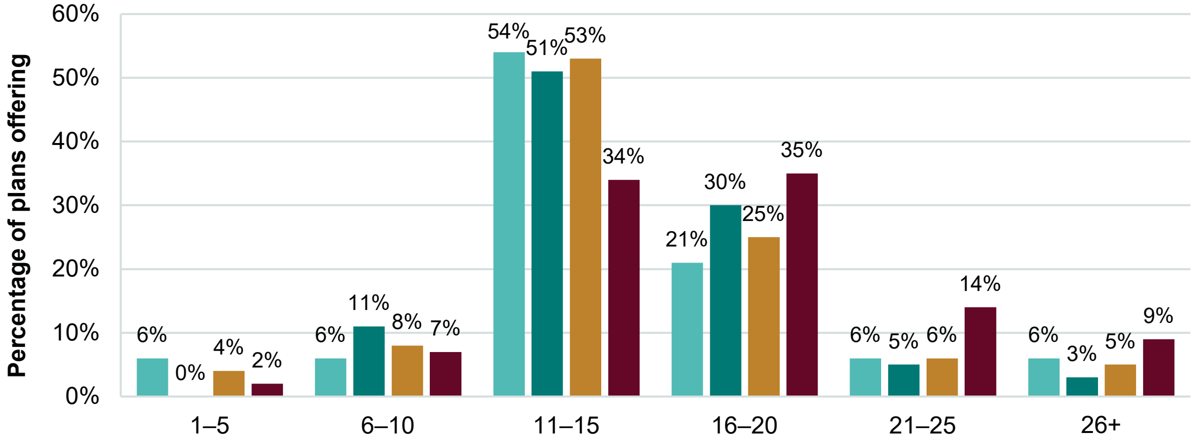


	Unions <500 participants	Unions 500+ participants	Unions All plans	Vanguard DC plans
Percentage of asset allocation in equities*	75%	75%	75%	76%
Percentage of contribution allocation in equities*	75%	79%	79%	80%

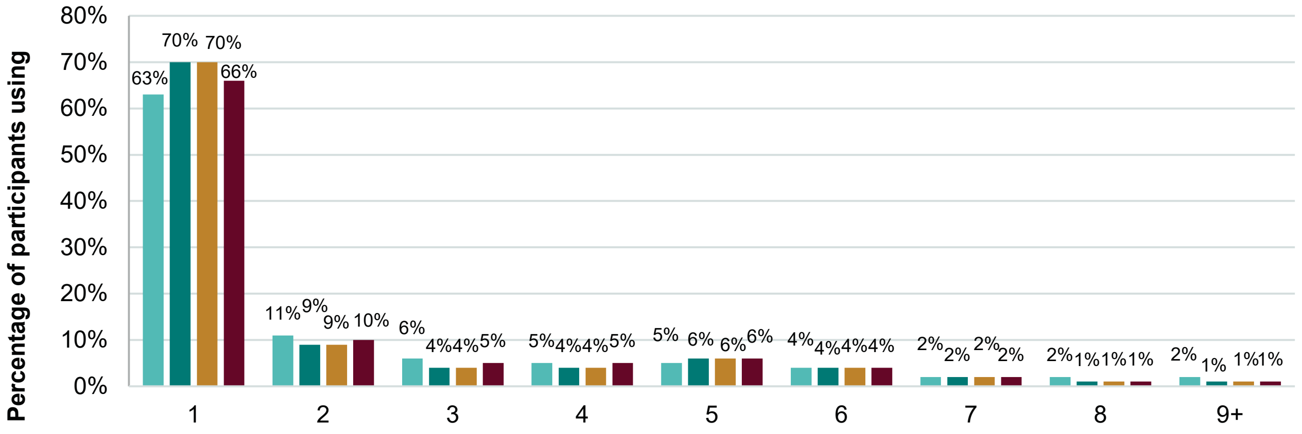
* Equities include company stock, diversified equity, and the equity portion of balanced funds.
Bars in chart may not align precisely with percentages because of rounding.
Source: Vanguard, as of December 31, 2025.

Number of fund options offered and used

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



Funds used per participant



	Unions <500 participants	Unions 500+ participants	Unions All plans	Vanguard DC plans
Average funds offered	15.8	14.4	15.2	17.7
Median funds offered	14	14	14	16
Average funds used	2.3	2.0	2.0	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*

	Unions <500 participants		Unions 500+ participants		Unions 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	**98%**	**17%**	**100%**	**8%**	**99%**	**9%**	**98%**	**9%**
Money market	71%	6%	76%	4%	73%	4%	79%	6%
Stable value/GIC	81%	14%	76%	11%	79%	11%	67%	8%
Bond funds	**94%**	**17%**	**100%**	**14%**	**96%**	**14%**	**98%**	**16%**
Active	67%	10%	76%	6%	71%	6%	81%	7%
Index	88%	13%	92%	12%	89%	12%	91%	13%
Inflation-protected securities	17%	5%	16%	2%	16%	2%	34%	2%
Multisector	4%	3%	5%	1%	5%	1%	8%	1%
High-yield	4%	8%	11%	2%	7%	2%	18%	3%
International	21%	7%	19%	1%	20%	1%	20%	5%
Emerging markets	0%	0%	0%	0%	0%	0%	1%	1%
Balanced funds	**90%**	**80%**	**100%**	**90%**	**94%**	**89%**	**99%**	**87%**
Traditional balanced	54%	19%	65%	14%	59%	14%	59%	11%
Target-risk	2%	0%	11%	3%	6%	3%	4%	8%
Target-date	94%	72%	100%	85%	96%	85%	96%	84%

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

Types of investment options offered and used* (continued)

	Unions <500 participants		Unions 500+ participants		Unions 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	**98%**	**32%**	**100%**	**25%**	**99%**	**25%**	**99%**	**29%**
Domestic equity funds	**96%**	**32%**	**100%**	**24%**	**98%**	**25%**	**99%**	**28%**
Large-cap index	94%	23%	100%	20%	96%	21%	98%	23%
Large-cap active	85%	20%	89%	10%	87%	11%	88%	14%
Large-cap value	79%	12%	86%	6%	82%	6%	86%	7%
Large-cap growth	85%	18%	89%	10%	87%	10%	90%	11%
Large-cap blend	94%	23%	100%	20%	96%	20%	98%	23%
Mid-cap index	79%	10%	89%	9%	84%	10%	84%	12%
Mid-cap active	46%	9%	32%	4%	40%	4%	52%	5%
Small-cap index	44%	10%	43%	9%	44%	9%	61%	11%
Small-cap active	60%	6%	43%	6%	53%	6%	64%	6%
Socially responsible	8%	2%	8%	15%	8%	15%	17%	7%
International equity funds	**90%**	**15%**	**95%**	**15%**	**92%**	**15%**	**97%**	**18%**
Index international	75%	9%	78%	11%	76%	11%	84%	14%
Active international	79%	11%	84%	6%	81%	6%	85%	7%
Emerging markets	19%	6%	19%	1%	19%	2%	33%	9%
Global equity funds	**6%**	**3%**	**14%**	**1%**	**9%**	**1%**	**14%**	**2%**
Sector funds	**33%**	**4%**	**14%**	**10%**	**25%**	**10%**	**36%**	**6%**
Company stock	**6%**	**27%**	**8%**	**43%**	**7%**	**43%**	**8%**	**20%**
Self-directed brokerage	**10%**	**2%**	**11%**	**1%**	**11%**	**1%**	**23%**	**1%**

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

Professionally managed allocations offered and used

		Unions <500 participants	Unions 500+ participants	Unions All plans	Vanguard DC plans
Target-date funds	Percentage of plans offering*	94%	100%	96%	96%
	Percentage of participants using	77%	86%	86%	84%
	Percentage of participant assets	64%	66%	66%	66%
Percentage of participants owning	One target-date fund only	72%	75%	75%	73%
	One target-date fund plus other funds	24%	20%	21%	22%
	Two or more target-date funds only	2%	2%	2%	2%
	Two or more target-date funds plus other funds	3%	2%	2%	3%
	Percentage of all participants with a pure TDF strategy	52%	64%	64%	61%
Advice	Percentage of plans offering*	24%	14%	20%	46%
	Percentage of all participants using	4%	8%	8%	7%
	Percentage of participants using**	13%	14%	14%	9%
Other balanced funds	Percentage of plans offering*	56%	68%	61%	61%
	Percentage of all participants using	2%	1%	1%	1%
	Percentage of participants using***	3%	2%	2%	1%
All participants with a professionally managed allocation		58%	74%	73%	69%

Insights

- Union plans are less likely to offer advice compared to other plans.
- Participants in union plans are slightly more likely to be pure TDF investors.

* 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 may not total 100% because of rounding.
Source: Vanguard, as of December 31, 2025.

Participant loans and in-service withdrawals

		Unions <500 participants	Unions 500+ participants	Unions All plans	Vanguard DC plans
Outstanding loans*	Percentage of participants with outstanding loans	20%	22%	22%	13%
	Percentage of account balance in loans	7%	9%	9%	8%
	Average loan balance	$12,317	$9,186	$9,436	$11,034
Percentage of active participants with outstanding loans**	No loans	80%	78%	78%	87%
	One loan	17%	15%	15%	11%
	Two loans	3%	7%	7%	2%
	Three+ loans	0%	0%	0%	0%
Percentage of participants taking a hardship withdrawal		7%	7%	7%	6%
Average hardship withdrawal		$6,762	$8,512	$8,390	$5,200
Median hardship withdrawal		$2,887	$3,000	$3,000	$1,900
Reasons for hardship withdrawals	Avoid foreclosure and eviction	39%	34%	34%	36%
	Medical expenses	23%	25%	25%	31%
	Home purchase	7%	9%	9%	5%
	Home repair	17%	16%	16%	11%
	Tuition payment	10%	11%	11%	13%
	Other	5%	5%	5%	4%

Insights

- Union plans tend to have higher loan usage, and the overall loan balances are higher than the Vanguard benchmark.
- Participants in union plan are slightly more likely to take hardship withdrawals when compared to other participants.

* 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

		Unions <500 participants	Unions 500+ participants	Unions All plans	Vanguard DC plans
Percentage of participants choosing	Remain in plan	33%	38%	38%	46%
	Rollover	28%	23%	23%	25%
	Installment payments	1%	0%	1%	0%
	Participants preserving assets	62%	62%	62%	71%
	Cash lump sum	36%	38%	38%	28%
	Rollover and cash	1%	1%	1%	1%
Percentage of assets available for distribution	Remain in plan	33%	48%	47%	58%
	Rollover	59%	37%	39%	36%
	Installment payments	0%	0%	0%	0%
	Assets preserved for retirement	92%	85%	86%	94%
	Cash lump sum	6%	14%	13%	5%
	Rollover and cash	2%	1%	1%	1%

Insights

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

Percentages may 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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