

Fast Fact
February 6, 2025

More Detail on Asset Allocation of Public-Sector DC Plan Participants, 2022

This *Fast Fact* analyzes the asset allocation of public-sector defined contribution (DC) plan participants using year-end 2022 Public Retirement Research Lab (PRRL) data. The analysis is conducted on a dollar-weighted and participant-weighted basis based on plan types and the participants' ages and tenures. The sample for this analysis comprises 2.3 million participants with total assets of \$148 billion. All investments held by the participants in the sample have been categorized into 27 asset classes, providing more detail on asset allocation than in the more comprehensive study on the 2022 PRRL data.¹

Overall Asset Allocation

The asset allocation for all participants using the 27 asset classes is shown in Figure 1. Large-cap domestic equity was the asset class with the largest amount of assets, constituting over 26 percent of the sample on a dollar-weighted basis. This was followed by off-the-shelf target-date funds (17.2 percent) and stable value/fixed accounts (16.2 percent). The combination of both types of target-date funds (custom and off-the-shelf) accounted for 23.3 percent. Figure 1 also provides participant-weighted information. In this case, off-the-shelf target-date funds had the largest average share, with 42.4 percent, followed by large-cap domestic equity funds (11.8 percent), stable-value/fixed account funds (10.8 percent), and custom target-date funds (10.2 percent). Among the 27 asset classes presented in Figure 1, 12 classes had 0.5 percent or less of the total asset value each, and these will be combined into an "other" category for further analyses.

Figure 1 — Overall Distribution of Assets

Fund Type	Dollar-Weighted	Participant-Weighted
Large-Cap Domestic Equity	26.0%	11.8%
Target-Date Fund (Off the Shelf)	17.2%	42.4%
Stable Value/Fixed Account	16.2%	10.8%
Balanced	9.3%	3.9%
Target-Date Fund (Custom)	6.2%	10.2%
Core Fixed Income	5.2%	3.3%
Mid-Cap Domestic Equity	4.5%	2.1%
Small-Cap Domestic Equity	3.3%	1.6%
Developed International Equity	2.4%	1.4%
Broad International Equity	2.0%	2.1%
SMID-Cap Domestic Equity	1.5%	1.1%
Global Equity	1.4%	0.7%
Cash Equivalents	1.2%	0.7%
Short-Term Fixed Income	0.8%	2.2%
Inflation-Linked Bonds	0.7%	0.6%
Brokerage Window Full	0.50%	0.1%
Emerging Markets Equity	0.4%	0.2%
Risk Based	0.3%	0.2%
Real Estate Investment Trusts (REITs)	0.2%	0.1%
Sector/Specialty Equity	0.2%	0.0%
Annuity	0.1%	0.0%
Global Tactical Asset Allocation	0.1%	0.0%
Global/International Fixed Income	0.1%	0.0%
Sector/Specialty Fixed Income	0.1%	0.0%
Specialty/High Yield	0.1%	0.0%
Balanced and Sector/Specialty	0.0%	0.0%
Other	0.1%	0.0%
Unknown	0.0%	4.2%

Age

Figure 2 provides the dollar-weighted asset allocation by age. Participants in the younger age groups are found to have a larger allocation in target-date funds than those in the older age groups. Specifically, over 30 percent of the assets for participants under age 45 were invested in either off-the-shelf or custom target-date funds. This allocation decreased to under 15 percent for participants ages 60 or older. Meanwhile, the allocation to stable value/fixed accounts and large-cap domestic equity was higher among participants in the youngest age group, then decreased before rising again for the older participants. For instance, those in the 20–24 age group allocated 24 percent to large-cap domestic equity funds. This allocation decreased to 20.1 percent among participants in the 30–34 age group before gradually increasing to 29.3 percent for those ages 70 or older.

Figure 2 — Dollar-Weighted Asset Allocations by Age

Fund Type	20–24	25–29	30–34	35–39	40–44	45–49	50–54	55–60	60–64	65–69	70+
Balanced	3.1%	3.6%	3.7%	5.8%	7.6%	8.2%	8.1%	8.4%	8.2%	6.7%	4.9%
Broad International Equity	3.8%	3.8%	4.0%	4.2%	3.8%	3.3%	2.8%	2.2%	1.8%	1.2%	0.8%
Cash Equivalents	0.4%	0.3%	0.3%	0.5%	0.6%	0.8%	0.9%	1.1%	1.4%	1.3%	1.0%
Core Fixed Income	4.1%	3.9%	3.7%	4.3%	4.9%	5.4%	5.8%	6.1%	6.3%	6.1%	4.8%
Developed International Equity	2.2%	2.0%	2.3%	2.7%	2.8%	2.7%	2.6%	2.5%	2.3%	2.3%	2.0%
Global Equity	0.9%	1.0%	1.1%	1.3%	1.3%	1.3%	1.2%	1.0%	0.9%	0.9%	0.8%
Inflation-Linked Bonds	1.1%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%	0.8%
Large-Cap Domestic Equity	24.0%	20.2%	20.1%	22.4%	25.0%	27.2%	29.2%	28.7%	27.4%	27.0%	29.3%
Mid-Cap Domestic Equity	3.5%	3.2%	3.3%	4.2%	4.7%	4.9%	5.0%	4.7%	4.1%	3.6%	2.9%
Short-Term Fixed Income	0.8%	0.5%	0.6%	0.5%	0.8%	0.9%	0.9%	1.1%	1.2%	1.2%	1.3%
Small-Cap Domestic Equity	2.4%	2.5%	2.6%	3.2%	3.6%	3.7%	3.7%	3.7%	3.5%	3.4%	3.4%
SMID-Cap Domestic Equity	1.7%	1.7%	1.8%	2.2%	2.2%	2.2%	2.0%	1.8%	1.6%	1.7%	1.9%
Stable Value/Fixed Account	15.5%	10.2%	7.4%	7.3%	8.8%	10.5%	12.1%	14.7%	18.0%	22.6%	28.7%
Target-Date Fund (Custom)	4.9%	5.7%	7.3%	7.5%	6.6%	6.5%	5.9%	5.8%	5.4%	3.6%	1.9%
Target-Date Fund (Off the Shelf)	30.6%	39.4%	39.9%	31.5%	24.5%	19.6%	16.4%	15.1%	14.6%	14.4%	12.3%
Other	1.1%	1.1%	1.2%	1.5%	1.9%	2.1%	2.4%	2.2%	2.3%	2.8%	3.3%
Unknown	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Figure 3 provides the participant-weighted asset allocation by age. Off-the-shelf target-date funds had the largest average allocation for participants ages 20–24, with 69.9 percent, but decreased to less than 35 percent on average for participants ages 60 or older. The average allocation to stable value/fixed accounts was higher among those under age 25 than those ages 25–34. For those ages 35 or older, the average allocation to stable value/fixed accounts increased with age through ages 70 or

older. The large-cap domestic equity allocation increased with age, rising from 5.1 percent among participants ages 20–24 to 16.9 percent among participants ages 70 or older.

Figure 3 — Participant-Weighted Asset Allocations by Age

Fund Type	20–24	25–29	30–34	35–39	40–44	45–49	50–54	55–60	60–64	65–69	70+
Balanced	0.6%	0.9%	1.3%	2.0%	2.7%	3.2%	3.5%	3.6%	3.7%	3.6%	3.1%
Broad International Equity	3.3%	3.0%	3.0%	3.2%	3.1%	3.0%	2.7%	2.3%	1.8%	1.3%	0.9%
Cash Equivalents	0.2%	0.2%	0.2%	0.3%	0.4%	0.5%	0.6%	0.7%	0.9%	1.0%	0.9%
Core Fixed Income	1.1%	1.5%	1.9%	2.6%	3.5%	4.2%	5.0%	5.4%	5.5%	5.1%	3.9%
Developed International Equity	0.4%	0.8%	1.1%	1.5%	1.7%	1.7%	1.7%	1.6%	1.5%	1.4%	1.3%
Global Equity	0.3%	0.5%	0.6%	0.6%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.5%
Inflation-Linked Bonds	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.9%	1.0%	1.0%	1.0%	0.8%
Large-Cap Domestic Equity	5.1%	6.5%	7.8%	9.8%	11.7%	13.6%	15.2%	15.3%	15.0%	15.2%	16.9%
Mid-Cap Domestic Equity	0.5%	0.8%	1.2%	1.7%	2.1%	2.4%	2.6%	2.5%	2.3%	2.0%	1.6%
Short-Term Fixed Income	3.7%	1.8%	1.6%	1.7%	1.7%	1.5%	1.3%	1.4%	1.4%	1.6%	1.7%
Small-Cap Domestic Equity	0.5%	0.8%	1.1%	1.4%	1.7%	1.9%	2.0%	2.0%	2.0%	2.0%	2.1%
SMID-Cap Domestic Equity	1.2%	1.1%	1.2%	1.4%	1.5%	1.6%	1.5%	1.3%	1.1%	1.1%	1.1%
Stable Value/Fixed Account	4.1%	2.9%	3.2%	4.8%	6.6%	8.2%	10.1%	12.6%	15.8%	20.4%	29.1%
Target-Date Fund (Custom)	7.4%	7.2%	7.8%	8.0%	7.9%	7.3%	6.6%	6.0%	5.5%	4.3%	2.8%
Target-Date Fund (Off the Shelf)	69.9%	68.3%	61.9%	53.4%	46.9%	41.8%	38.1%	35.9%	34.3%	32.6%	27.4%
Other	0.2%	0.3%	0.4%	0.6%	0.8%	1.0%	1.1%	1.2%	1.3%	1.5%	1.7%
Unknown	0.8%	2.7%	4.9%	6.3%	6.4%	6.5%	6.5%	6.6%	6.2%	5.4%	4.2%

Tenure

Figure 4 provides the dollar-weighted asset allocations by tenure. Consistent with the cross-sectional

analysis, 29 percent of participants in the sample did not have tenure-year information. Therefore, they are excluded from this part of the analysis. For purposes of this analysis, the participants are categorized into one of the following six tenure cohorts:

- 0–2 years.
- > 2–5 years.
- > 5–10 years.
- > 10–20 years.
- > 20–30 years.
- > 30 years.

Off-the-shelf target-date funds accounted for 24.8 percent of assets for those with the lowest tenures (0–2 years). This share of the assets increased to 29.6 percent among participants with >2–5 years before steadily decreasing to less than 8.9 percent for those with greater than 30 years of tenure. The allocation to stable value/fixed accounts and large-cap domestic equity was higher among individuals with 0–2 years of tenure, then decreased before rising again for participants with more years of tenure. For instance, participants with 0–2 years of tenure had 17.8 percent of assets allocated to stable value/fixed accounts, compared with 10.6 percent among those with >5–10 years. This number gradually increased and peaked at 26.2 percent among those with more than 30 years of tenure. Similarly, participants with 0–2 years of tenure had 24.1 percent of assets allocated to large-cap domestic equity, compared with 22.8 percent among those with >2–5 years. This number gradually increased and peaked at 31.6 percent among those with more than 30 years of tenure.

Figure 4 — Dollar-Weighted Allocations by Tenure

Fund Type	0–2	>2–5	>5–10	>10–20	>20–30	>30
Balanced	6.3%	5.8%	5.6%	7.9%	9.8%	7.7%
Broad International Equity	1.8%	2.5%	2.4%	3.6%	2.6%	1.5%
Cash Equivalents	0.8%	0.7%	0.6%	1.0%	1.3%	1.4%
Core Fixed Income	4.8%	5.3%	5.2%	6.2%	5.6%	4.8%
Developed International Equity	2.7%	2.9%	2.7%	2.6%	2.1%	2.0%
Global Equity	1.2%	1.2%	1.2%	1.1%	1.0%	0.9%
Inflation-Linked Bonds	0.6%	0.8%	0.8%	1.1%	0.9%	0.9%
Large-Cap Domestic Equity	24.1%	22.8%	24.4%	26.1%	31.9%	31.6%
Mid-Cap Domestic Equity	4.1%	3.5%	4.8%	5.1%	4.2%	3.3%
Short-Term Fixed Income	1.0%	0.6%	0.8%	1.8%	0.5%	0.2%
Small-Cap Domestic Equity	3.2%	3.3%	4.5%	3.4%	3.1%	3.0%
SMID-Cap Domestic Equity	1.1%	1.4%	1.8%	2.3%	2.2%	1.6%
Stable Value/Fixed Account	17.8%	11.9%	10.6%	11.3%	15.6%	26.2%
Target-Date Fund (Custom)	3.6%	6.4%	5.8%	6.3%	6.3%	3.2%
Target-Date Fund (Off the Shelf)	24.8%	29.6%	27.1%	17.9%	10.2%	8.9%
Other	2.2%	1.4%	1.7%	2.3%	2.7%	2.8%
Unknown	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Figure 5 shows the participant-weighted asset allocations by tenure. Off-the-shelf target-date funds had the largest allocation on average at 66.3 percent among those with the least tenure. This value steadily decreased to only 15.7 percent on average for those with more than 30 years of tenure. The average allocation for large-cap domestic equity was 7.0 percent for those with the least tenure but gradually increased and peaked at 22.8 percent for those with more than 30 years of tenure. Similarly, the average allocation to stable-value/fixed account funds was 4.7 percent for those with the least tenure and rose to 32.4 percent for those with more than 30 years of tenure.

Figure 5 — Participant-Weighted Allocations by Tenure

Fund Type	0–2	>2–5	>5–10	>10–20	>20–30	>30
Balanced	1.4%	1.8%	2.4%	3.8%	5.1%	4.1%
Broad International Equity	2.2%	2.6%	2.6%	3.4%	2.8%	1.5%
Cash Equivalents	0.4%	0.3%	0.4%	0.6%	1.0%	1.1%
Core Fixed Income	1.9%	2.8%	3.7%	5.3%	6.0%	5.0%
Developed International Equity	0.9%	1.2%	1.5%	1.9%	2.0%	2.0%
Global Equity	0.3%	0.6%	0.8%	0.7%	0.7%	0.6%
Inflation-Linked Bonds	0.6%	0.7%	0.7%	1.1%	1.1%	1.1%
Large-Cap Domestic Equity	7.0%	8.8%	11.6%	15.3%	22.2%	22.8%
Mid-Cap Domestic Equity	0.9%	1.3%	2.2%	2.7%	3.0%	2.4%
Short-Term Fixed Income	2.2%	1.2%	1.5%	1.9%	0.8%	0.5%
Small-Cap Domestic Equity	0.9%	1.3%	2.0%	1.9%	2.1%	2.3%
SMID-Cap Domestic Equity	0.9%	1.1%	1.2%	1.8%	2.1%	1.7%
Stable Value/Fixed Account	4.7%	4.9%	6.9%	11.8%	18.5%	32.4%
Target-Date Fund (Custom)	7.1%	7.9%	7.2%	6.5%	5.6%	3.4%
Target-Date Fund (Off the Shelf)	66.3%	59.8%	48.0%	29.1%	17.7%	15.7%
Other	0.5%	0.6%	0.7%	1.3%	1.5%	2.0%
Unknown	1.8%	3.1%	6.4%	10.8%	7.7%	1.5%

Plan Type

Figure 6 illustrates the dollar-weighted asset allocation by plan type. In 401(a) plans, balanced funds made up the largest share at 33.7 percent, followed closely by target-date funds (off-the-shelf and custom combined), which accounted for 33.1 percent. In contrast, large-cap domestic equity represented the largest portion of assets at 29.5 percent each in 401(k) and 457(b) plans. Moreover, over 40 percent of total assets were allocated across various types of equity funds in 401(k) and 457(b) plans compared with only 9.8 percent of assets in 401(a) plans.² Additionally, approximately one-fourth of the assets in 457(b) plans and one-fifth of the assets in 401(k) plans were allocated to stable value/ fixed account funds, while only 11.6 percent of assets in 401(a) plans were in those funds.

Figure 6 — Dollar-Weighted Allocations by Plan Type

Fund Type	401(a)	401(k)	457(b)
Balanced	33.7%	2.0%	3.5%
Broad International Equity	1.4%	5.7%	1.0%
Cash Equivalents	1.8%	0.6%	1.1%
Core Fixed Income	2.2%	11.1%	4.3%
Developed International Equity	0.5%	1.8%	3.0%
Global Equity	0.4%	3.2%	1.2%
Inflation-Linked Bonds	0.3%	1.9%	0.3%
Large-Cap Domestic Equity	11.6%	29.5%	29.5%
Mid-Cap Domestic Equity	2.5%	5.4%	5.0%
Short-Term Fixed Income	0.0%	1.9%	0.7%
Small-Cap Domestic Equity	1.4%	3.0%	4.1%
SMID-Cap Domestic Equity	0.5%	3.9%	1.2%
Stable Value/Fixed Account	9.4%	8.2%	21.1%
Target-Date Fund (Custom)	22.1%	0.0%	3.0%
Target-Date Fund (Off the Shelf)	11.0%	20.5%	18.6%
Other	1.2%	1.3%	2.4%
Unknown	0.0%	0.0%	0.0%

Figure 7 shows the participant-weighted asset allocations by plan type. Off-the-shelf target-date funds had the highest average allocations for participants across all three plan types. Participants in 401(a) plans allocated an average of 76.8 percent to fund classes with multiple asset types, which included an average allocation of 66.1 percent to both types of target-date funds combined and 10.7 percent to balanced funds. In contrast, participants in 401(k) and 457(b) plans showed a higher average allocation to different equity funds than participants in 401(a) plans. For instance, 401(k) plan participants had an average allocation of 17.0 percent in large-cap domestic equity funds, while those in 457(b) plans allocated an average of 14.2 percent.

Figure 7 — Participant-Weighted Allocations by Plan Type

Fund Type	401(a)	401(k)	457(b)
Balanced	10.7%	1.3%	1.8%
Broad International Equity	0.5%	7.3%	1.1%
Cash Equivalents	1.0%	0.3%	0.7%
Core Fixed Income	1.0%	8.6%	2.7%
Developed International Equity	0.7%	1.0%	1.9%
Global Equity	0.1%	1.4%	0.8%
Inflation-Linked Bonds	0.2%	2.1%	0.3%
Large-Cap Domestic Equity	6.0%	17.0%	14.2%
Mid-Cap Domestic Equity	1.6%	2.3%	2.6%
Short-Term Fixed Income	0.0%	1.0%	3.9%
Small-Cap Domestic Equity	0.8%	1.5%	2.1%
SMID-Cap Domestic Equity	0.1%	3.3%	0.9%
Stable Value/Fixed Account	10.7%	5.7%	14.0%
Target-Date Fund (Custom)	28.1%	0.0%	5.7%
Target-Date Fund (Off the Shelf)	38.1%	46.7%	46.0%
Other	0.5%	0.4%	1.2%
Unknown	0.0%	0.0%	0.0%

Conclusion

Of the \$166 billion in assets from the 2.4 million participants in the PRRL Database, large-cap domestic equity was the asset class with the largest amount of assets, constituting 26 percent of the sample on a dollar-weighted basis. Off-the-shelf target-date funds made up the second largest share of the assets at 17.2 percent. On a participant-weighted basis, off-the-shelf target-date funds had the highest average allocation at 42.4 percent, and large-cap domestic equity funds had the second highest at 11.8 percent.

Target-date funds had a higher allocation among participants who were younger or had fewer years of tenure. The allocation to target-date funds became smaller for older participants and for those with more years of tenure. In contrast, the participant-weighted analysis revealed that the allocations to large-cap domestic equity funds and stable value/fixed accounts increased with the age and tenure of the participants. This trend may be attributable to some plans having target-date funds as the default investment option, given that newly enrolled participants often are younger and/or have fewer years of tenure. Conversely, participants with longer tenures may have enrolled in the plan during a time when target-date funds were not a popular choice. As a result, they appear to have preferred to remain in the investment options that were more familiar when they enrolled, such as domestic equity and stable-value/fixed account funds.

The participant-weighted analysis by plan type showed that target-date funds had the highest

average allocation among participants across all three plan types. Notably, participants in 401(a) plans had the highest average allocation in target-date funds, with a combined average of 66.8 percent in both off-the-shelf and custom target-date funds and 10.7 percent allocated to balanced funds. In contrast, participants in 401(k) and 457(b) plans had a higher average allocation in various types of equity funds, with large-cap domestic equity receiving the highest average allocation among the equity funds. Additionally, the dollar-weighted analysis revealed that approximately one-fourth of the assets in 457(b) plans and one-fifth of the assets in 401(k) plans were allocated to stable-value/fixed account funds. In comparison, only 11.6 percent of assets in 401(a) plans were allocated to these funds. These findings suggest that participants in 401(a) plans are more likely to use diversified funds with multiple asset types, whereas participants in 401(k) and 457(b) plans are more likely to be invested in single asset classes, such as large-cap domestic equity or stable-value/fixed account funds.

About PRRL

The Public Retirement Research Lab is a retirement-industry-sponsored collaborative effort of the Employee Benefit Research Institute ([EBRI](#)) and the National Association of Government Defined Contribution Administrators ([NAGDCA](#)). The PRRL analyzes data from its Public Retirement Research Database, the first-ever database specific to public-sector defined contribution data, to produce unbiased, actionable research aimed at enhancing understanding of the design and utilization of public-sector defined contribution retirement plans to better inform public plan design, management, innovation, and legislation. To learn more, visit www.prll.org.

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¹ The cross-sectional study, "The State of Public Sector DC Plan: 2022", encompassed over 2.4 million participants and \$166 billion in assets. However, this analysis excluded participants with 5 percent or more of their investments in unspecified categories. See <https://www.nagdca.org/download/state-of-public-sector-dc-plans-2022/>.

² For the total equity allocations, the allocations to broad international equity, developed international equity, global equity, large-cap domestic equity, mid-cap domestic equity, small-cap domestic equity, and SMID-cap domestic equity are summed.