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CONTACT: Daniel Kravitz  
President, Kravitz Inc.  
818-379-6162  
[dkravitz@kravitzinc.com](mailto:dkravitz@kravitzinc.com)

## **Growth Rate of Cash Balance Retirement Plans Surpasses 401(k) Plans**

### ***National Research Report Shows Small Businesses Driving Growth***

(Los Angeles, CA and New York, NY) – [Kravitz](#) today released the [2011 National Cash Balance Research Report](#), which indicates that Cash Balance Plans are the fastest growing sector of the retirement plan market. With a 20% average annual increase in new plans since 2001, Cash Balance Plans significantly outpaced the 3% average annual growth rate in 401(k) plans.

There were 5,840 Cash Balance Plans active in 2009 (the most recent year for which IRS reporting data is available), up from 1,337 in 2001. There are now 10.5 million participants in Cash Balance Plans with \$606 billion in total assets. “*Cash Balance Plans are increasingly popular with business owners seeking tax savings, retirement security and a buffer against market fluctuations,*” said Dan Kravitz, President of Kravitz. “*The new IRS regulations released in October 2010 added clarity and flexibility for plan sponsors, so we expect to see even more growth in 2011.*”

Also known as ‘hybrids,’ [Cash Balance Plans](#) combine the high contribution limits of traditional defined benefit plans with the flexibility and portability of a 401(k) plan. Many business owners can double their own pre-tax retirement savings while affordably enhancing benefits for staff.

Other highlights from the [2011 National Cash Balance Research Report](#) include:

- **Small and mid-size businesses continue to drive Cash Balance Plan growth:** 82% of Cash Balance Plans are in place at firms with fewer than 100 employees.
- **Rapid growth despite the recession:** in 2009, there was an 11% increase in new Cash Balance Plans, while the overall retirement plan market remained stagnant.
- **Cash Balance Plans enhance existing 401(k) Profit Sharing plans:** 89% of Cash Balance Plans are combined with a 401(k) Profit Sharing plan for optimum tax efficiency and higher benefits.
- **Texas and Illinois demonstrate highest growth in Cash Balance Plans:** There was a 47% increase in Cash Balance Plans in Texas and 27% in Illinois between 2007 and 2009. While California and New York account for 24% of all Cash Balance Plans, the plans are increasingly popular across the nation.

These and other highlights of the 2011 National Cash Balance Research Report will be discussed in an upcoming live webinar led by Dan Kravitz on June 9. [Registration](#) is free and open to anyone interested in learning more about Cash Balance Plans.

Continuing market fluctuations, rising tax rates and recent legislative changes are all contributing to the increasing popularity of Cash Balance Plans. Kravitz, a pioneer in Cash Balance Plans for more than 20 years, works closely with financial advisors across the country to help business owners and their employees benefit from these advanced retirement plans.

For a free PDF download of the 2011 Cash Balance Research Report, [click here](#).  
To register for the Cash Balance Outlook 2011 webinar, [click here](#).

For more information, please call Dan Kravitz at 818-379-6162 or visit [www.CashBalanceDesign.com](http://www.CashBalanceDesign.com).

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**About Kravitz:** Since 1977, [Kravitz](#) has brought its clients the latest in design, administration, and management of corporate retirement plans. The company designed its first Cash Balance Plan in 1989. Today Kravitz administers over 1,200 plans, including more than 300 Cash Balance Plans, helping over 150,000 people retire successfully. Headquartered in Los Angeles, Kravitz has offices in New York and satellite offices in nine states. Visit [www.CashBalanceDesign.com](http://www.CashBalanceDesign.com)