

# News Release

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## **SCHWAB RETIREMENT ADVICE INDICATORS REVEAL SAVINGS RATES CONTINUE TO RISE AMONG ADVICE AND MANAGED ACCOUNT USERS IN 401(K) PLANS**

Adoption Rates Increase in Every Age Group, Advice Appeals to Women

**SAN FRANCISCO, April 28, 2005** — New demographic data from Schwab Corporate Services, a leading provider of workplace financial benefit services, show that 401(k) participants enrolled in advice with managed account services save more than 10 percent of their eligible income in their 401(k) plan, nearly 50 percent more than the national average of seven percent.\* Schwab makes personalized advice with managed account services available at no additional cost to participants in 401(k) plans serviced by Schwab Retirement Plan Services, Inc.\*\*

Schwab's Retirement Advice Indicators also reveal that participants are signing up for advice regardless of salary or account balance, but women are more likely than men to take advantage of advice. Advice users represent multiple age groups, with equal numbers of participants aged 26-55.

Schwab has introduced the Retirement Advice Indicators as a means of tracking behavior based on the age, salary, account balance and gender of thousands of advice users. "Our mission is to help every participant prepare for and enjoy a long retirement. The more we know about them, the better we can meet their needs," said Trish Cox, chief operating officer, Schwab Retirement Plan Services. "We are very pleased to see such broad adoption among employees at every stage of their careers."

Advice users are continuing to increase their savings rates, which is a critical component to achieving retirement savings goals. In the first quarter, the average savings rate increase was eight percent. For example a participant that was saving five percent of eligible income before accepting advice is now saving 13 percent of eligible income. Such dramatic increases can significantly impact the amount of money available for retirement.

Overall average savings rates for advice users reached 10.3 percent, up from 9.6 percent at the end of 2004, and well above the average for all Schwab 401(k) participants (7.15 percent) and the national average (7.0 percent).

Considerably more women than men are adopting advice (54 percent vs. 39 percent). "When it comes to retirement planning, women are not afraid to ask for directions," said Cox. "Women are getting more involved in their own retirement planning, and we're encouraged to see that they are actively taking control of their financial future."

While women outnumber men in terms of seeking advice, Retirement Advice Indicators show positive adoption rates for every age group between 26 and 65 regardless of gender. "More than half of those enrolled in advice are age 45 or younger, which is great news given the challenges of encouraging younger participants to save for retirement. This demonstrates the value of removing barriers, especially the barrier of cost, and of letting people receive advice in the way they find most comfortable, be that in person, over the phone or on the Web," said Jim McCool, president, Schwab Corporate Services.

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McCool also noted that most participants using advice have salaries below \$60,000 and 43 percent have 401(k) account balances below \$25,000, further demonstrating the demand for advice among all participants.

Participants have access to personalized advice including managed account services either online, by phone or in person, including recommendations specific to the core investment fund choices available in their retirement plan and specific recommended savings rates. Managed account services include ongoing monitoring and automatic rebalancing of participant accounts to maintain proper asset allocations. The advice and managed account features are provided by a third party, GuidedChoice™, Inc., an innovator in the development and delivery of investment advice.\*\*\*

More than 275 retirement plans have joined Schwab's advice with managed account services program since it was launched in early 2004.

For more details on the results of Schwab's Retirement Advice Indicators, go to:  
[http://www.aboutschwab.com/schwabcorp/sch\\_ret\\_advice\\_data.html](http://www.aboutschwab.com/schwabcorp/sch_ret_advice_data.html).

## About Schwab Corporate Services

Schwab Corporate Services (SCS) provides services to retirement plans, retirement plan sponsors and participants through Schwab Retirement Plan Services, Inc. (SRPS), The Charles Schwab Trust Company (CSTC), Schwab Retirement Technologies®, and Charles Schwab & Co., Inc. SCS also provides equity compensation plan services and other financial and retirement services to corporations and executives. SRPS provides recordkeeping and related services with respect to retirement plans. CSTC, a California state-chartered trust company, provides trust and custody services with respect to benefit plans. Schwab Retirement Technologies is engaged in developing and licensing proprietary retirement plan recordkeeping systems to independent third party administrators. Charles Schwab & Co., Inc. (Member SIPC) is a registered broker/dealer, offering the Schwab Personal Choice Retirement Account® (PCRA), as well as other brokerage and custody services to its customers. These entities are affiliates of each other and are wholly owned subsidiaries of The Charles Schwab Corporation. Total client assets in employer-sponsored retirement plans at Schwab equaled \$129 billion at the end of March 2005. The Charles Schwab Corporation (NYSE / Nasdaq: SCH), through Charles Schwab & Co., Inc. (member SIPC), U.S. Trust Corporation (member FDIC), CyberTrader®, Inc. (member SIPC) and its other operating subsidiaries, is one of the nation's largest financial services firms. (0405-3610)

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\*National average is seven percent according to National Defined Contribution Council; *Defined Contribution Market Insights 2003*. Schwab data based on approximately 2800 participants enrolled in advice and managed account programs.

\*\* "At no additional cost" means that there is no cost for service outside the fees paid to Schwab Retirement Plan Services, Inc. (SRPS) and Charles Schwab & Co., Inc. (CS&Co.) for recordkeeping and related services, including trustee and custodial fees paid to The Charles Schwab Trust Company.

\*\*\*The GuidedChoice™ service and the investment advice, including the managed account services, are formulated and provided by GuidedChoice Asset Management, Inc. (GuidedChoice). GuidedChoice is not affiliated with, nor is it an employee or agent of, CS&Co. or SRPS. The GuidedChoice service is available to participants enrolled in plans that use the recordkeeping and related services of SRPS. Availability subject to regulatory requirements. Plan sponsors must elect to make the GuidedChoice service available. Availability may be limited due to plan type and plan provisions. Participant access to the GuidedChoice service is facilitated through SRPS's affiliate, CS&Co. Neither CS&Co. nor SRPS supervises, makes recommendations with respect to, or takes responsibility for monitoring the advice provided to participants by GuidedChoice. These entities are affiliates of each other and are wholly owned subsidiaries of The Charles Schwab Corporation.