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CONTACT: Daniel Kravitz
President, Kravitz Inc.
818-379-6162
dkravitz@kravitzinc.com

Cash Balance Plans Surge in Popularity: 359% Increase in 6 Years

Small Businesses and Medical Groups Drive National Growth of Cash Balance Plans

(Encino, CA) – [Kravitz](#), the national leader in design and administration of [Cash Balance Retirement Plans](#), today released highlights from a [new national research report](#).

There were 4,797 Cash Balance Plans active in 2007 (the most recent year for which IRS pension plan data is available), up from 1,337 in 2001. That represents a 359% increase. *“More business owners than ever are seeking to accelerate retirement savings and reduce taxes by adding a Cash Balance Plan,”* said Dan Kravitz, President of Kravitz. *“Many employers can double their own pre-tax retirement savings and affordably enhance benefits for their employees at the same time.”*

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

- **Small and mid-size businesses drive Cash Balance Plan growth:** 80% of Cash Balance Plans are in place at firms with less than 100 employees. The majority of Cash Balance Plans (63%) have fewer than 36 participants.
- **Plan combinations are a key strategy:** 79% of Cash Balance Plans are combined with a Profit Sharing or 401(k) plan, and more than half of those plans use New Comparability.
- **Medical groups adopt Cash Balance Plans at higher rates:** Medical and dental groups account for 34% of Cash Balance Plans, followed closely by other professional, scientific and technical companies at 12%. Legal and financial service firms account for 8% each.
- **Regional concentration:** California and New York account for 26% of all Cash Balance Plans, with Ohio, New Jersey and Illinois close behind.

Recent market turmoil, rising tax rates and legislative changes are all contributing to the increasing popularity of Cash Balance Plans. Kravitz works hand in hand with retirement plan professionals and advisors across the country to manage the challenges of these highly sophisticated plans.

“We believe Cash Balance Plans represent a tremendous growth opportunity for retirement professionals, and we will continue to serve as a resource,” said Dan Kravitz. *“[Our Cash Balance Coach training program](#) has already helped more than 200 advisors get into the Cash Balance business.”*

For more information on Kravitz National Cash Balance Research Report, please call Dan Kravitz at 818-379-6162 or visit www.CashBalanceDesign.com.

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About Kravitz:

Founded in 1977, [Kravitz](http://www.CashBalanceDesign.com) is the largest independent firm of its kind in California with over 75 employees, including 10 actuaries and 25 other highly trained and credentialed professionals. Kravitz designed its first Cash Balance Plan in 1989 and is recognized today as the national leader in Cash Balance Plan design. Learn more at www.CashBalanceDesign.com.