

BlackRock

U.S. Corporate Pension Peer Study

Inside institutional investing



Corporate Pension Peer Study

The U.S. Corporate Pension Peer Study offers a data-driven view of today's corporate defined benefit (DB) landscape. Drawing on analysis of more than 500 U.S. corporate DB plans, BlackRock's annual study examines funded status, portfolio positioning, risk and return profiles, and the relationship between pension strategy and corporate financials. **Customizable at the plan level, the study delivers actionable peer insights to help inform strategic decision-making.**

Data based on the 200 largest U.S. corporate DB plans as of each plan's 2025 fiscal year-end.

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Key takeaways

Funded ratio

The average funded ratios of plans included reached 108%, with more than half of plans fully funded and the highest share since the financial crisis. Still, 22% of plans remained under 90% funded, underscoring persistent divergence by industry and sponsor profile.

Expected return on asset

Expected return on assets (EROA) of plans included ticked higher to 6.7%, but dispersion across plans remains. According to our projections, median expected returns are lowest among plans just above 100% funded, reflecting the complex trade-offs sponsors face. Plan-specific considerations also play an important role in shaping portfolio construction and, ultimately, EROA.

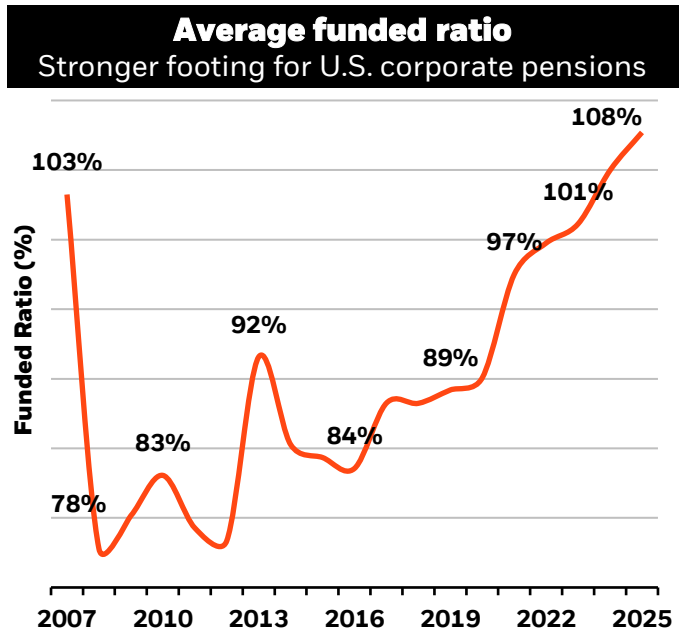
Asset allocation

Fixed income now represents 54% of the average portfolio included, yet larger plans continue to allocate more broadly across asset classes, including drawdown-based private markets. That added diversification means that, despite their stronger funded status, larger plans often have less exposure to public fixed income.

Source: BlackRock as of fiscal year 2025, 10K filings

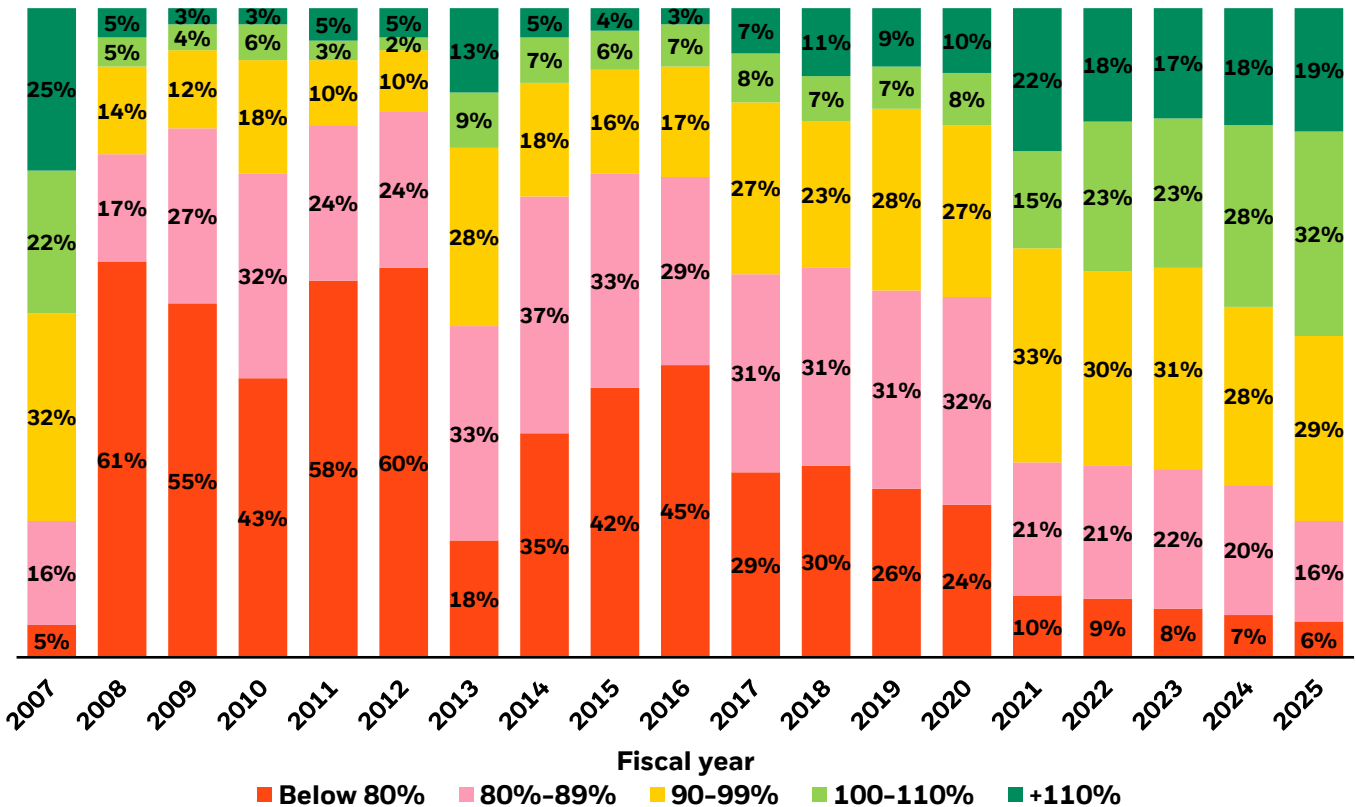
1 Funded ratio

The average funded ratio reached 108%, and more than half of corporate DB plans are now fully funded, marking the strongest funded position since the global financial crisis. We believe this improvement reflects the cumulative impact of higher discount rates, disciplined risk management, and continued de-risking across the corporate pension landscape. At the same time, the picture remains far from uniform: a meaningful share of plans still remain underfunded, and funded status varies considerably across sponsors and industries. This dispersion highlights that while overall system health has improved, plan outcomes continue to be shaped by differences in liability profiles, contribution histories, and asset allocation decisions.



Percent of plans by funded ratio

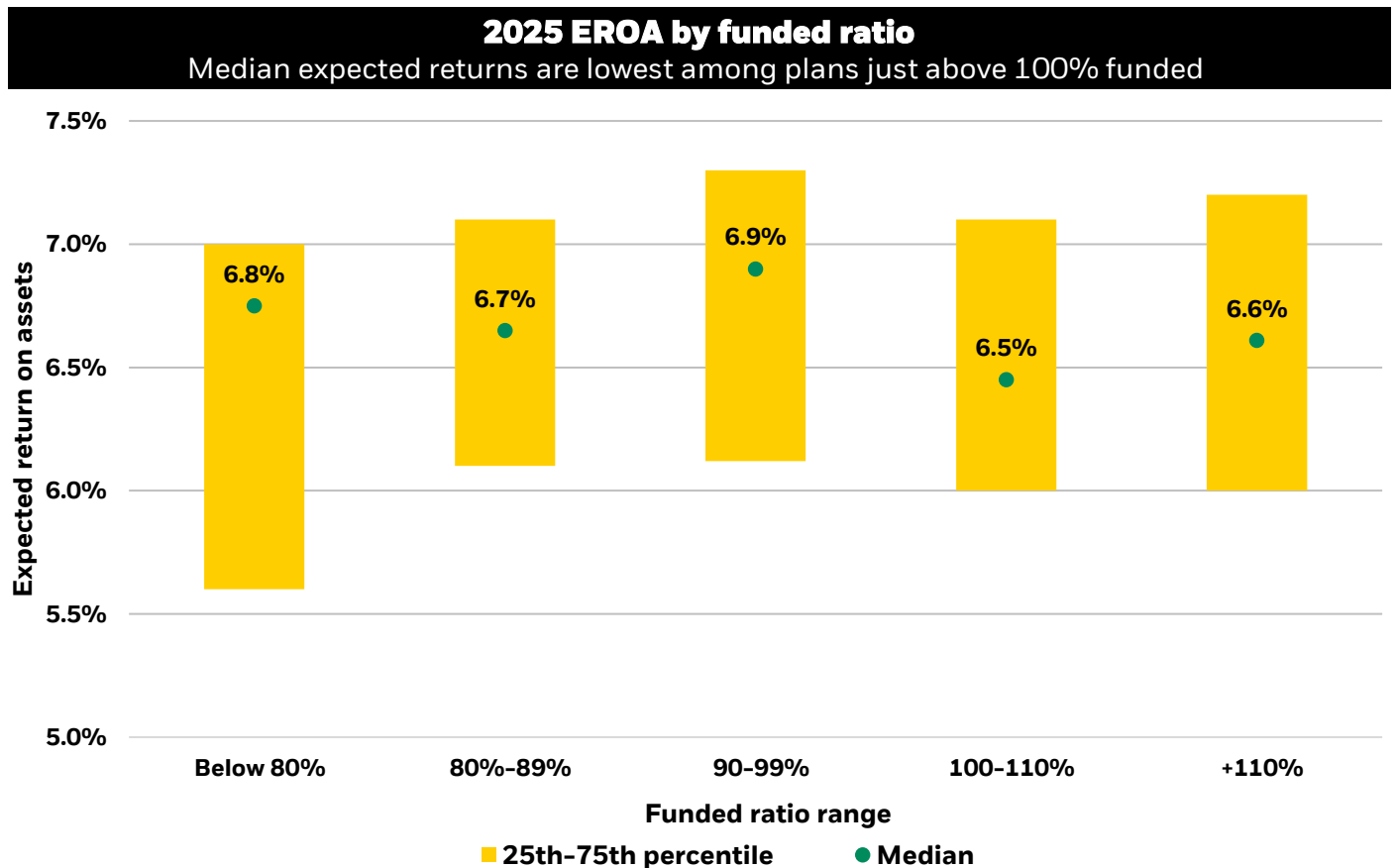
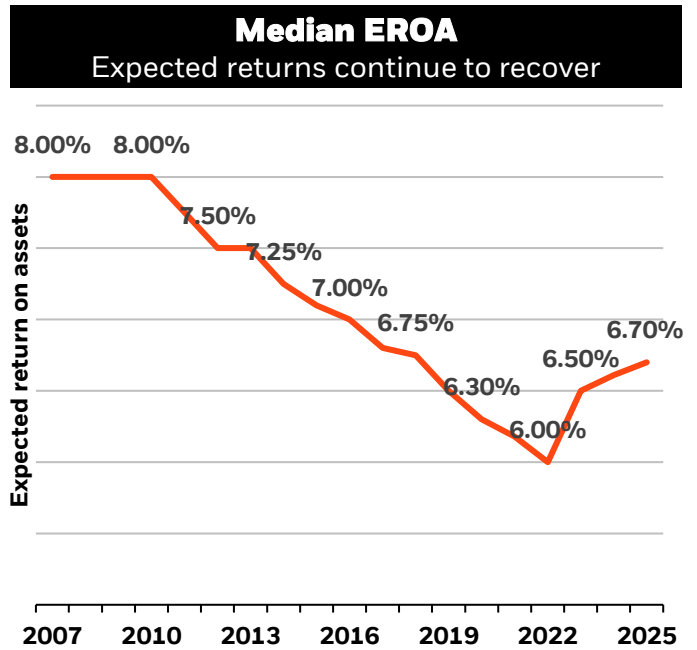
Surplus protection takes priority as plan circumstances vary



Source: BlackRock, 10K Filings, S&P Capital IQ as of December 31, 2025. Universe of data consists of top 200 DB plans from US listed companies. For illustrative purposes only.

2 Expected return on asset

EROA continued to recover from 2022 lows, rising modestly year over year to 6.7%. In our experience, this rebound has been driven largely by the rise in interest rates from the post-COVID lows, which has improved our capital market assumptions for fixed income and supported higher return expectations across pension portfolios. We also analyzed reported EROA by funded ratio and found that results were not meaningfully differentiated across funded levels. That pattern suggests funded status alone does not determine return assumptions. Instead, plan-specific considerations—such as liability characteristics, sponsor objectives, glidepath positioning, governance preferences, active vs. index investments, and broader asset allocation decisions—also play an important role in shaping portfolio construction and, ultimately, EROA.



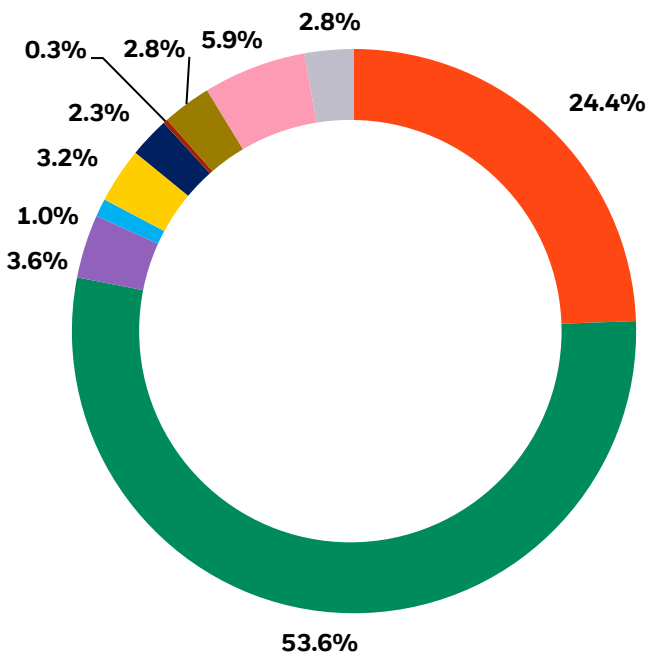
Source: BlackRock, 10K Filings, S&P Capital IQ as of December 31, 2025. Universe of data consists of top 200 DB plans from US listed companies. For illustrative purposes only.

3 Asset allocation

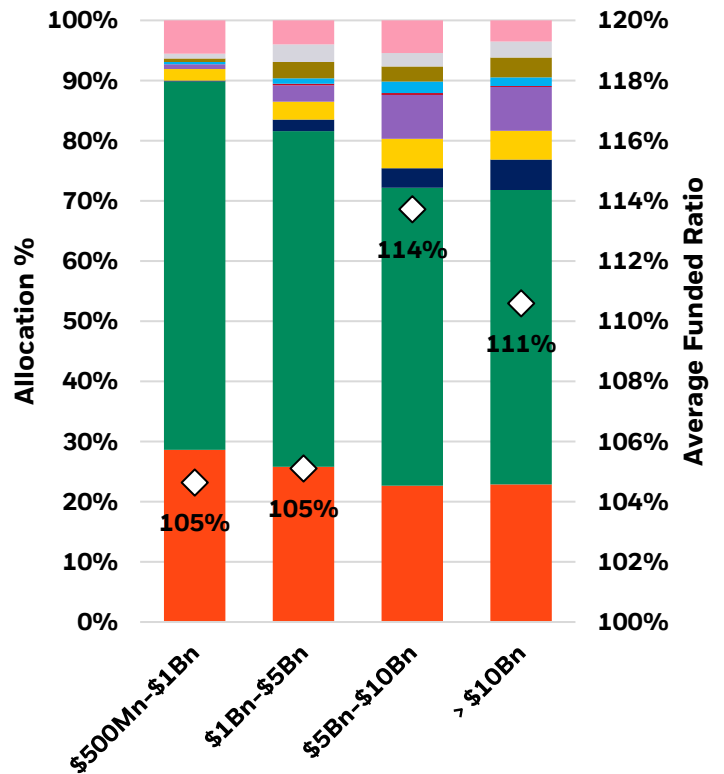
Average fixed income allocation reached 54% in 2025, highlighting the continued evolution of corporate DB plans toward more liability-aware portfolio construction. With fixed income now comprising more than half of the average portfolio, investors are seeking to improve portfolio efficiency and reduce concentration risk through capital efficient LDI completion solutions and broader exposure to credit, securitized sectors, and private high grade.

Plan size continues to be an important differentiator in how corporate DB sponsors build growth portfolios. Larger plans have historically allocated more broadly across alternative investments, including drawdown-based private markets, giving them a more diversified set of growth levers. Smaller plans still depend more on public equity as the core growth allocation, but many are increasingly looking to diversify growth exposure through higher-octane credit to expand opportunity sets and build more resilient portfolios.

Average asset allocation



Average asset allocation by plan size



Source: BlackRock, 10K Filings, S&P Capital IQ as of December 31, 2025. Universe of data consists of top 200 DB plans from US listed companies. For illustrative purposes only.

Conclusion

Peer data shows that the U.S. corporate pension system has reached a new high in funded ratio. It's a pivoting moment for many plans to shift from building funded status to preserving surplus through modernizing LDI, improving diversification and aligning pension risk with corporate objectives.

At the same time, a meaningful share of plans still facing a significant funding gap, where building efficient return drivers remains the focus.

Because outcomes are driven by plan-specific decisions—not broad trends—we invite you to **engage with us on a bespoke Corporate Pension Peer Study**, tailored to your plan and the peers most relevant to you.

Request sample analysis

Request a sample peer study to see how comparative insights are structured to support portfolio decisions.

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Request custom peer study

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Reallocation
Strategic asset allocation
Simulations
Stress testing
Capital market assumptions
Historical comparisons
Asset-liability projections
Surplus stress testing
Hurdle rate analysis
Enterprise insights
After-tax considerations
Style factor tilts

Measure impact

MSCI scorecard

Calibrate liquidity

Balancing liquidity
Private market pacing

Enhance income

Fixed income risks
Operating assets

Peer benchmarking

Corporate pensions
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Healthcare
Endowments

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Important information

Risks associated with Private Markets:

Investments in private markets are typically illiquid and investors seeking to redeem their holdings can experience significant delays and fluctuations in value. Direct co-investing can involve risks, including but not limited to individual company risk, availability of investments, risk of loss, illiquidity, no near-term cash flow, lack of diversification, key personnel risk, leverage risk, asset valuation risks, political and market risks, tax risks and currency risks.

Risks Associated with Private Equity

Private equity investments are speculative and involve a high degree of risk. An investor could lose all or a substantial amount of his or her investment. Interests in private equity investments are illiquid and there is no secondary market nor is one expected to develop for interests in such investments or any fund offered or sponsored; there are also significant restrictions on transferring private equity investments. Private equity investments experience volatile performance and private equity funds are often concentrated and lack diversification and regulatory oversight. Private equity funds have high fees and expenses (including "carried interest") that will reduce such investments' returns and a private equity investment or a fund offered or sponsored may invest in other funds which themselves charge management fees and carried interest (typically, 20% of the net profits generated by the fund and paid to the manager). A private equity investor has an ongoing financial commitment to make contributions to such funds, is subject to severe consequences in cases of default and may have to recontribute distributions to private equity investments. Investors in certain jurisdictions and in private equity funds generally may be subject to pass-through tax treatment on their investment. This may result in an investor incurring tax liabilities during a year in which the investor does not receive a distribution of any cash from the fund.

Additional Private Equity Risks:

Limited Regulatory Oversight: Since private equity funds are typically private investments, they do not face the same oversight and scrutiny from financial regulatory entities such as the Securities and Exchange Commission ("SEC") and are not subject to the same regulatory requirements as regulated investment companies, (i.e., open-end or closed-end mutual funds) including requirements for such entities to provide certain periodic pricing and valuation information to investors. Private equity offering documents are not reviewed or approved by the SEC or any US state securities administrator or any other regulatory body. Also, managers may not be required by law or regulation to supply investors with their portfolio holdings, pricing, or valuation information. **Strategy Risk:** Many private equity funds employ a single investment strategy. Thus, a private equity fund may be subject to strategy risk, associated with the failure or deterioration of an entire strategy. **Use of Leverage and Other Speculative Investment Practices:** Since many private equity fund managers use leverage and speculative investment strategies such as options, investors should be aware of the potential risks. When used prudently and for the purpose of risk reduction, these instruments can add value to a portfolio. However, when leverage is used excessively and the market goes down, a portfolio can suffer tremendously. When options are used to speculate (i.e., buy calls, short puts), a portfolio's returns can suffer and the risk of the portfolio can increase. **Valuations:** Further there have been a number of high-profile instances where private equity fund managers have mispriced portfolios, either as an act of fraud or negligence. **Limited Liquidity:** Investors in private equity funds have limited rights to transfer their investments. In addition, since private equity funds are not listed on any exchange, it is not expected that there will be a secondary market for them. Repurchases may be available, but only on a limited basis. A private equity fund's manager may deny a request to transfer.

Risks Associated with Private Credit

Risks associated with an investment in a private credit strategy (the Strategy) include, but are not limited to, the following: (i) the Strategy is speculative and its investments are subject to a risk of total loss, (ii) the performance of the Strategy may be volatile, (iii) the general partner of the Strategy will retain ultimate authority over the Strategy's assets and investment decisions, (iv) there are restrictions on the ability of investors to withdraw capital and on the transferability of investor ownership interests in the Strategy, (v) the fees and expenses of the Strategy may offset any profits of the Strategy, (vi) investing in the Strategy may involve complex tax structures and delays in distributing important tax information, (vii) the Strategy is not subject to the same regulatory requirements as mutual funds. Investors should also be aware that as a global provider of investment management, risk management and advisory services to institutional and retail clients, BlackRock engages in a broad spectrum of activities. Although the relationships and activities of BlackRock may help offer attractive opportunities and service to the Strategy, such relationships and activities create certain inherent conflicts of interest between BlackRock and the Strategy and/or the Strategy's investors. Further risks associated with the Strategy include, but are not limited to, the following: i.) Credit & Interest Rate risk ii.) Risks associated with high-yield, non-investment-grade debt securities ("high-yield bonds" or "junk bonds"); iii) Derivatives; iv) Foreign/International Markets; and v) Emerging market risk.

Risks Associated with Infrastructure

Infrastructure Funds invest exclusively or almost exclusively in equity or debt, or equity or debt related instruments, linked to infrastructure assets. Therefore, the performance of an Infrastructure Fund may be materially and adversely affected by risks associated with the related infrastructure assets including: construction and operator risks; environmental risks; legal and regulatory risks; political or social instability; governmental and regional political risks; sector specific risks; interest rate changes; currency risks; and other risks and factors which may or will impact infrastructure and as a result may substantially affect aggregate returns. Investments in Infrastructure assets are typically illiquid and investors seeking to redeem their holdings in an Infrastructure Fund can experience significant delays and fluctuations in value.

Risk Associated with Hedge Funds

An investment in a hedge fund is speculative and includes a high degree of risk, including the risk of a total loss of capital. A hedge fund is illiquid, subject to significant restrictions on transfer and investors should be aware that they may be required to bear the risks associated with holding such investment for an indefinite period of time. Investors should carefully review the confidential private placement memorandum and other offering documents for the hedge fund strategy prior to making an investment decision. Any investment decision with respect to a hedge fund should be made solely on the definitive and final version of the private placement memorandum, the governing agreements, subscription agreements and other ancillary documents.

Risks Associated with Real Estate

Funds that invest in real estate or property invest exclusively or almost exclusively in equity or debt, or equity or debt related instruments. Therefore, in addition to risks associated with investment in such equity or debt instrument, the performance of the real estate fund may be material and adversely affected by risks associated with the related real estate assets. Past performance of funds investing in real estate are not indicative of the performance of the real estate market as a whole and the value of real property will generally be a matter of a valuer's opinion rather than fact. The value of any real estate investment may be significantly diminished in the event of a downturn in the real estate market. Real estate investments are subject to many factors including adverse changes in economic conditions, adverse local market conditions and risks associated with the acquisition, financing, ownership, operation, and disposal of real estate.

Important information

Source: BlackRock. The views expressed are as of December 2025 and subject to change with market conditions. All corporate pension data throughout this presentation is sourced from S&P Capital IQ, corporate annual reporting and BlackRock as of December 2025.

All investing is subject to risk, including possible loss of money invested. Past Performance is not a guarantee of future results. Neither asset allocation nor diversification can guarantee profit or prevent loss.

Equities may decline in value due to both real and perceived general market, economic, and industry conditions. Investments in value securities involve the risk that the market's value assessment may differ from the manager and the performance of the securities may decline. Investing in securities of smaller companies tends to be more volatile and less liquid than securities of larger companies. Investing in distressed companies (both debt and equity) is speculative and may be subject to greater levels of credit, issuer and liquidity risks, and the repayment of default obligations contains significant uncertainties; such companies may be engaged in restructurings or bankruptcy proceedings. Investing in foreign denominated and/or domiciled securities may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. Investments in companies engaged in mergers, reorganizations or liquidations may involve special risks as pending deals may not be completed on time or on favorable terms. High-yield, lower-rated, securities involve greater risk than higher-rated securities; portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not. Derivatives may involve certain costs and risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested. Two main risks related to fixed income investing are interest rate risk and credit risk. Typically, when interest rates rise, there is a corresponding decline in the market value of bonds. Credit risk refers to the possibility that the issuer of the bond will not be able to repay the principal and make interest payments. The principal on mortgage- or asset-backed securities may normally be prepaid at anytime, which will reduce the yield and market value of these securities. Income from municipal bonds may be subject to state and local taxes and at times the alternative minimum tax.

Aladdin Portfolio Risk Analysis: Charts and graphs provided herein are for illustrative purposes only. Neither BlackRock nor the Aladdin portfolio risk model can predict a portfolio's risk of loss due to, among other things, changing market conditions or other unanticipated circumstances. The Aladdin portfolio risk model is based purely on assumptions using available data and any of its predictions are subject to change. For BlackRock products, data about the specific underlying holdings are used when applying the Aladdin risk model. For third party funds, BlackRock uses underlying holdings, or in certain cases, determines appropriate proxies for relevant holdings using a combination of Morningstar and other publicly available data sources. Product specific inputs are typically based on the latest disclosed data, which may be lagged.

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