
No Rush to Private Credit Among DC Plan Advisors

By Editorial Staff *Mon, Jun 1, 2026*

'There doesn't appear to be a groundswell of demand,' said Deb Dupont, vice president of institutional retirement research at LIMRA, which sponsored the survey of 160 plan advisors in late 2025. 'The energy is coming from the supply side.'

Few advisors to defined contribution plan sponsors are familiar with “alternative” assets and only a minority favor adding them to the investment lineups of 401(k) plans, according to a new [survey](#) of plan advisors by LIMRA, the life insurance/annuity industry’s market research arm.

The comment period on the Department of Labor (DOL) proposal on the topic ended June 1. More than 31,000 comments were submitted in 90 days.

That lack of knowledge and enthusiasms contrasts with the big push by trade associations representing alternative asset managers that was sparked by President Trump’s [executive order](#) last August in favor of “democratizing” complex investments that have ordinarily been available only to defined benefit plans and other institutional investors.

“There’s a \$14 trillion pool of assets in defined contribution plans. That’s not unattractive for investment managers,” Deb Dupont, assistant vice president, Workplace Benefits Research, Institutional Retirement at LIMRA, told *RIJ* recently.

“But there doesn’t appear to be a groundswell of demand,” she said. “The energy is coming from the supply side. The [August 5, 2025 Trump) executive order opened the door to relief for the plan sponsors. Now the asset managers are trying to get alts placed in the 401k system.”

Dupont pointed out that, in legislative terms, the current debate over alts, and whether the DOL intends to give plan sponsors a “safe harbor” against lawsuits if they adopt alts, resembles the debate over “Environmental, Social and Governance” of a years ago more than it resembles the discussion seven years or ago around a safe harbor for those plan sponsors who adopt deferred annuities as investment options.

The annuity safe harbor has the force of the [SECURE legislation](#) of 2019 and 2022 behind it, she said, while the political foundation for both ESG investments and alts consisted only of executive orders or DOL rules, which aren’t as legally strong as legislation.

Survey findings

The findings of the 4Q2025 survey of 160 financial advisors, 20% of whom receive most of their practice income from advising DC plans, included:

- Only 16% of advisors were very familiar with the president's 2025 executive order directing the DOL to re-assess the inclusion of alternate asset classes and investments (alts) in DC plans.
- Advisors are more knowledgeable about real estate than other non-traditional asset classes, and also more likely to feel that real estate has a place in a DC plan.
- Just 31% of plan advisors said they fully understand cryptocurrency. Only 8% feel it is appropriate for a DC plan.
- Most advisors feel that their plan sponsor clients are not aware of developments that may open their plans up to alts.
- Just under half of advisors feel that alts are too risky for plans.
- Advisors who specialize in DC plans are more knowledgeable of alts generally, and more open to them.
- Alts in DC may be a more challenging issue for smaller (emerging market) plans and their advisors.
- Fewer than half of advisors feel that private equity and credit should be baked into plan menus via any specific proposed vehicle (managed accounts, brokerage accounts, asset allocation fund strategies, dedicated funds).
- Only 11% said that alts have no place in DC plans overall.
- 39% felt that cryptocurrency has no place in DC plans.
- Lack of participant knowledge is advisors' main concern about including alts in DC investments.
- Only about a quarter of advisors are likely to recommend private equity and/or credit to their DC plan clients
- Few advisors feel that plans will rush to incorporate these asset types.

There's still a lot of uncertainty around the role that alternative assets would play in 401(k) plans, Dupont said. "The public doesn't necessarily understand that alts would be part of broad investment strategies," she told *RIJ*.

That is, big asset managers like Apollo and Blackrock would like to see managers of target date funds or target-date CITs in 401(k) plans allocate five or 10 percent of their diversified assets to "alts" such as real estate, tranches of collateralized loan obligations (CLOs), and other private market assets, as a way to diversify risk and increase account growth.

There's the rub, or rubs. Plan sponsors are supposed to act in their participants' best interests, and there's no solid evidence yet that private market assets would enhance

participants' accumulations. Indeed, it's believed that private credit's highest yields are in the past.

Asset managers are determined to place alts in target-date funds or CITs) because plan participants can be defaulted into those [**Qualified Default Investment Alternatives**](#) investments, thus ensuring a significant, permanent demand for alts.

Many alts are securitizations of auto loans, credit card debt, or loans to medium-sized companies. Securitizing these loans mean bundling many of them together, and then using legal structures or financial engineering to turn them into stock-like or bond-like investments that insurance companies, institutional investors, and marketers of target-date investments, can buy.

So no individual plan participant would purchase a stand-alone alt investment. Owners of target fund shares probably wouldn't know that 10% of their savings might be in alts. The decision to put alts in target date funds would be up to the managers of those funds, and then plan sponsors would follow their advisors' recommendations on whether to accept that alt-enhanced version of the TDFs.

"The plan sponsor won't be on the hook for the decision to include or not to include the alternative investment in the plan," Dupont said. "The plan advisor would be on the hook for selecting the target date fund that includes the alts. Brokerage windows [where plan participants can buy a wider range of curated investments] are another story."

© 2026 RIJ Publishing LLC. All rights reserved.