FabrizioWard

Memorandum

To: Pinpoint Policy Institute
From: Bob Ward, Partner
John Ward, Vice President
Fabrizio Ward
Date: May 21, 2025
Re: Strong Support for Reforming 401(k) Regulations, Democratize Investment Options

Fabrizio Ward conducted two national surveys on voters' attitudes towards broadening investment options in retirement plans to private equity. The most recent survey was conducted May 15-19, 2025, while an earlier survey was conducted in January 2025. Both surveys demonstrate significant and continued support for reforming 401(k) regulations to allow more workers to invest in private equity funds:

- Voters reliably support steps to reform regulations to allow workers the choice to invest in private equity funds through THEIR 401(k) plans.
- Broadening choice is appealing across the electorate but is especially strong among 401(k) plan holders themselves and Trump voters.
- The Trump administration leveling the playing field and democratizing investment choices to fix this problem would be supported by a significant majority of Trump voters.

New Survey Results: Broadening choice to private equity is popular, especially among Trump voters

Voters support reforming regulations to more easily allow workers the choice to invest in private equity funds through their 401(k) retirement plans by a 47% - 22% margin. Among those with 401(k) plans (50% - 23%) and Trump voters (68% - 7%) reforms are even more popular. This is broadly consistent with the first survey in January, which also showed significant support for the proposal, particularly among Trump voters.

Q. Private Equity generally involves investing in companies that are not publicly traded on stock exchanges and are primarily used by wealthy individuals and institutional investors like pension funds. Federal regulations discourage 401(k) retirement plans from investing in private equity funds. Do you support or oppose reforming regulations to more easily allow workers the choice to invest in private equity funds through their 401(k) retirement plans?

	Reg Voters	Trump Voters
TOTAL SUPPORT	**47**	**68**
TOTAL OPPOSE	**22**	**7**
Strongly support	23	34
Somewhat support	24	34
Somewhat oppose	9	3
Strongly oppose	14	3
Not sure	31	25

When informed that the first Trump administration issued guidance that would allow 401(k) participants to invest some of their funds into private equity, which President Biden effectively rescinded, voters support allowing 401(k) participants to invest some funds into private equity by a 50% - 23% margin. Once again, backing for this approach is stronger among those who have 401(k)s (53% - 24%) and Trump voters (81% - 4%). This is consistent with the January survey findings.

Q. President Trump, in his first Administration, issued guidance that would allow 401(k) participants to invest some of their funds into private equity. President Biden effectively rescinded the guidance. Would you support or oppose allowing 401(k) participants to invest some of their funds into private equity?

	Reg Voters	Trump Voters
TOTAL SUPPORT	**50**	**81**
TOTAL OPPOSE	**23**	**4**
Strongly support	28	52
Somewhat support	22	29
Somewhat oppose	9	3
Strongly oppose	14	1
Not sure	26	14

Additional findings from Pinpoint's January survey indicate voters support greater democratization of retirement investment options:

<u>Current set-up seen as unfair</u>

Nearly two-thirds of voters (64%) say it is unfair that private equity investments are only accessible to wealthy, sophisticated investors and institutions like Wall Street banks and large pension funds and not workers with 401(k) accounts.

Similarly, 59% call it unfair that the government discourages 401(k) retirement plans from offering private equity funds that have historically outperformed the S&P 500 index.

Please indicate whether you think each of the following statements is fair or unfair:	**% Fair / Unfair**	
	All Voters	**Trump Voters**
Private equity investments are only accessible to wealthy, sophisticated investors and institutions like Wall Street banks and large pension funds and not workers with 401(k) accounts.	36/**64**	34/**66**
The government discourages 401(k) retirement plans from offering private equity funds that have historically outperformed the S&P 500 index.	41/**59**	35/**65**

By a two-to-one margin, voters overall want the Trump administration to level the playing field to allow private equity fund options in 401(k)s like they are in defined benefit plans rather than to leave the rules as they are. Among Trump voters, this gap balloons to 71% - 12% in favor of leveling the playing field.

Q. Retirees in defined benefit plans such as teachers' pensions benefit from returns generated by private equity funds. Should the Trump Administration…		
	Reg Voters	Trump Voters
Level the playing field and allow these investment options for investors in 401(k) plans	50	71
Leave the rules as they are	26	12
Not sure	24	17

Trump voters want cryptocurrency as a 401(k) investment option

While a plurality of voters support the federal government doing more to provide greater access for average 401(k) participants to be able to invest some of their funds into Cryptocurrency (such as Bitcoin) funds, Trump voters are more broadly supportive. The margin of support overall is +6, but among Trump voters is +46.

Q. Do you support or oppose the federal government doing more to provide greater access for average 401(k) participants to be able to invest some of their funds into Cryptocurrency (such as Bitcoin) funds?

	Reg Voters	Trump Voters
TOTAL SUPPORT	**41**	**63**
TOTAL OPPOSE	**35**	**17**
Strongly support	21	35
Somewhat support	21	28
Somewhat oppose	12	9
Strongly oppose	22	7
Not sure	24	21

Statements supporting new 401(k) regulations are convincing

Majorities rate a variety of statements as convincing reasons to allow 401(k) plans to invest in private equity funds, with super majorities of Trump voters convinced by each.

Each of the following statements are made by those supporting new regulations that would expand access of 401(k) plans to invest in private equity funds. Please rate each statement on how convincing a reason it is to allow 401(k) plans to invest in private equity funds.	**% Convincing/ Unconvincing**	
	All Voters	**Trump Voters**
While any investment involves risk, private equity funds have outperformed the stock market over the past 5, 10, 15, and 20-year periods, and should be available to the average investor's retirement plan.	61/16	77/8
To democratize investment options for middle class workers, the Trump administration should give average investors the option to invest in private equity assets that have previously been the exclusive privilege of wealthy investors, Wall Street, and big pension funds.	57/20	74/9
401(k) plans are managed by qualified fiduciaries. Allowing investment in private equity under professional management would empower millions of ordinary savers to achieve greater financial growth and stability.	56/20	71/11
Some 85 percent of U.S. and international companies can only be invested through private equity. Allowing average investors access to these companies can diversify their retirement portfolios.	55/21	69/14
While wealthy individuals have always had access to private equity investments, some middle-class workers have benefited from private equity through their defined benefits and pensions. But most American workers who rely on a 401(k) have been left out.	55/21	67/15
Opposition to allowing middle-class families to invest in private equity is rooted in the notion that they need to be protected from risks. But it is no more risky than the S&P 500 stock index being dominated by just 7 stocks that account for nearly two-thirds of their returns. Adding private equity would help diversify these portfolios.	53/21	64/15

More knowledge about allowing PE in 401(k)s boosts support

After hearing more about the issue, support for reforming 401(k) regulations grows from 57% - 13% (+44 support) to 66% - 17% (+49). Trump voters shift from supporting by +63-points to +83.

Q. Having read more, do you support or oppose reforming regulations to allow workers to invest in private equity funds through their 401(k) retirement plans?				
	Initial Reg Voters	Informed Reg Voters	*Initial Trump Voters*	Informed Trump Voters
TOTAL SUPPORT	***57***	**66**	***71***	**87**
TOTAL OPPOSE	***13***	**17**	***8***	**4**
Strongly support	*27*	29	*38*	44
Somewhat support	*30*	37	*33*	43
Somewhat oppose	*6*	8	*6*	3
Strongly oppose	*7*	9	*2*	1
Not sure	*30*	17	*22*	9
Net Support	***+44***	***+49***	***+63***	***+83***

There is larger positive movement for allowing 401(k) participants to invest some of their funds into private equity, moving from an initial level of 56% - 22% (+34 support) to 67% - 17% (+50). Trump voters are the most ardent supporters at 89% - 4% (+85).

Q. Would you support or oppose allowing 401(k) participants to invest some of their funds into private equity?				
	Initial Reg Voters	Informed Reg Voters	*Initial Trump Voters*	Informed Trump Voters
TOTAL SUPPORT	***56***	**67**	***84***	**89**
TOTAL OPPOSE	***22***	**17**	***6***	**4**
Strongly support	*27*	31	*46*	46
Somewhat support	*29*	37	*38*	43
Somewhat oppose	*9*	9	*3*	3
Strongly oppose	*13*	8	*2*	1
Not sure	*22*	15	*10*	7
Net Support	***+34***	***+50***	***+78***	***+85***

Half of voters have 401(k) plans; Most want more choices

Nearly half of voters (49%) have a 401(k) or 403(b) plan, demonstrating the impact this issue holds across the electorate.

Q. Please indicate which of the following financial items you own or use: 401(k) or 403(b) plan		
	Reg Voters	Trump Voters
Yes, I have this	49	51
No, I do not	47	45
Not sure	5	4

These voters with 401(k)s overwhelmingly want more choices to make their investment decisions (71%) rather than fewer choices based on the government's view of risk (14%).

Q. When it comes to making investment decisions within your 401(k), which do you prefer?		
ASK IF HAVE 401(k)	Reg Voters	Trump Voters
More choices to make your own investment decisions	71	87
Fewer choices based on the government's view of risk	14	7
Not sure	15	6

Additionally, by a 32-point margin they want access to more investment options in their 401(k) such as private equity funds. ***Trump voters with 401(k)s, in particular, want more options***.

Q. Whether you chose to include it in your portfolio mix, do you want access to more investment options in your 401(k) such as private equity funds?		
ASK IF HAVE 401(k)	Reg Voters	Trump Voters
Yes	55	74
No	23	9
Not sure	23	17

Methodology

Fabrizio Ward conducted two national surveys of N=800 registered voters. The first was conducted from January 20-22, 2025. For this survey, the interviews were conducted via a mixed mode collection process from text-to-web of registered voters from the voter file (50%) and from an online panel (50%). Geography was matched to national voter registration statistics. Gender, age, race/ethnicity, recalled 2024 vote and education were weighted to profiles of registered voters based on voter file data, census data and past research. The margin of sampling error at the 95% confidence interval is ±3.46%.

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