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## IRAs and Defined Contribution Plans Are Fastest Growing Components

**Washington, DC, December 13, 2007** - Americans' retirement savings grew in the second quarter of 2007 to \$17.4 trillion, accounting for nearly 40 percent of all household financial assets in the United States, the Investment Company Institute reported today.

The finding is from "The U.S. Retirement Market, Second Quarter 2007," the second report in ICI's new series of quarterly updates on retirement assets. For many years, federal agencies have depended upon ICI data to help measure the investments American households have set aside for retirement. The report covers assets held in private-sector pension plans, both defined benefit and defined contribution; government pension plans; annuities; and Individual Retirement Accounts. Between March 31 and June 30, retirement assets grew about 4 percent, from \$16.7 trillion to \$17.4 trillion.

IRAs held more than \$4.6 trillion of those assets; another \$4.4 trillion was held in employer-sponsored defined contribution plans, such as 401(k) plans. Mutual funds managed 47 percent of IRA assets and 52 percent of defined-contribution plan assets at the end of the second quarter.

Lifecycle funds continued their rapid growth during the second quarter: Assets in those funds reached \$152 billion, 89 percent of which was held in retirement accounts. A retirement-focused investor can pick a lifecycle fund with a maturity date corresponding with his or her intended retirement date. As the investor ages, the fund manager shifts the fund's assets gradually away from equities and toward fixed-income products.