

U.S. Retirement Assets Rose \$1.0 Trillion in the Second Quarter

U.S. Retirement Assets Rose \$1.0 Trillion in the Second Quarter

Americans' Retirement Assets Reached \$14.4 Trillion

Washington, DC, October 28, 2009 - Americans held \$14.4 trillion in retirement assets at the end of the second quarter of 2009, accounting for 34 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 2009*. The report covers assets held in private-sector defined benefit (DB) plans, government pension plans, defined contribution (DC) plans—including 401(k), 403(b), and 457 plans—annuities, and individual retirement accounts (IRAs). Between March 31, 2009, and June 30, 2009, retirement assets increased by \$1.0 trillion, rising 7.4 percent, from \$13.4 trillion to \$14.4 trillion. During the second quarter, total return on equities was 15.9 percent, while bonds returned 1.2 percent, according to the Standard & Poor's 500 stock index and the Citigroup Broad Investment Grade Bond Index.

At the end of the second quarter, IRAs were the single largest component of U.S. retirement market assets, holding \$3.7 trillion in assets. Employer-sponsored DC plans held another \$3.6 trillion in assets, of which \$2.5 trillion was held in 401(k) plans. Forty-five percent of IRA assets and 48 percent of DC plan assets were invested in mutual funds.

Lifecycle, or target date, mutual funds managed \$194 billion at the end of the second quarter, compared with \$159 billion at the end of the first quarter. Eighty-six percent of assets in lifecycle mutual funds were held in IRAs and DC plan accounts.

Readers should refer to *The U.S. Retirement Market, 2008* for detailed information on the methodology, data sources, and interpretation of the Institute's reports on retirement assets in IRAs, DC plans, private-sector DB plans, government pension plans, and annuities.
