

ICI Study: Data from More Than 23 Million Defined Contribution Accounts Show Commitment to Saving

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Washington, DC, May 10, 2011 - ICI's latest quarterly study based on defined contribution (DC) plan recordkeeper data from more than 23 million DC plan participant accounts shows 401(k) savers' continuing faith in the U.S. retirement system.

The study, *Defined Contribution Plan Participants' Activities, 2010*, includes data through year-end 2010. Assets in all DC plans represented more than one-quarter of assets in the total retirement market and accounted for almost one-tenth of U.S. households' aggregate financial assets at year-end 2010.

401(k) Participants Continued to Save, Though Loan Activity Edged Up

Based on data on 401(k) participants' withdrawals and contributions, the study finds that essentially all participants continued to save in their retirement plans at work in 2010. Findings include:

- Commitment to contribution activity was even stronger in 2010 compared with 2009. Only 2.4 percent of DC plan participants stopped contributing in 2010, compared with 3.4 percent of participants in 2009.
- DC plan withdrawal activity in 2010 was in line with the prior year's activity; participants generally did not tap their accounts. Only 3.5 percent of DC plan participants took withdrawals during 2010, with only 1.7 percent taking hardship withdrawals—similar to the 3.1 percent and 1.6 percent levels seen in 2009.
- Loan activity edged up throughout 2010—a pattern of activity that is similar to that observed in the wake of the bear market and recession earlier in the decade. The data found 18.2 percent of DC plan participants had loans outstanding at year-end 2010, compared with 16.5 percent at year-end 2009.
- In 2010, most DC plan participants stayed the course in their asset allocations. During 2010, only one in 10 participants reallocated the investments in their account balances. Similarly, 8 percent changed the asset allocation of their contributions in 2010. These levels were slightly lower compared with activity observed in 2009.

ICI has been tracking participant activity through recordkeeper surveys since 2008. This update reports results from ICI's survey of a cross section of recordkeeping firms representing a broad range of DC plans. Please visit ICI's 401(k) [resource page](#) for more information.
