

ICI Defined Contribution Plan Recordkeeper Data Show Continued Commitment to Retirement Saving

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Washington, DC, July 25, 2012 – ICI's latest study of retirement plan savers' actions, based on defined contribution (DC) plan recordkeeper data from more than 24 million DC plan participant accounts, shows Americans' continuing commitment to putting away money for retirement.

The study, [Defined Contribution Plan Participants' Activities, First Quarter 2012](#), includes data from January through March 2012. Assets in all DC plans represented one-quarter of assets in the total retirement market and accounted for almost one-tenth of U.S. households' aggregate financial assets at the end of the first quarter of 2012.

DC Plan Participants Continued to Save, Withdrawal Activity Remained Low

The study finds that participants continued to save in their retirement plans at work in the first quarter of 2012. Findings include:

- Commitment to contribution activity in the first quarter of 2012 continued at the high rate observed in the first quarter of 2011. Only 1.0 percent of DC plan participants stopped contributing in the first quarter of 2012, compared with 1.0 percent in the same period in 2011, and 1.1 percent during the first quarter of 2010.
- DC plan withdrawals in the first quarter of 2012 remained low and were in line with the prior year's first quarter activity; participants generally did not tap their accounts. Only 1.2 percent of DC plan

participants took withdrawals in the first quarter of 2012, as was the case in the first quarter of 2011. Only 0.4 percent took hardship withdrawals during the first quarter of 2012, the same pace as in the first quarter of 2011.

- Loan activity edged down slightly in the first quarter of 2012, although it continues to remain elevated compared with four years ago. The data found that at the end of March 2012, 17.9 percent of DC plan participants had loans outstanding, compared with 18.5 percent at year-end 2011. At year-end 2008, 15.3 percent of plan participants had loans outstanding.
- As stock values rose by nearly 13 percent during the first three months of the year, most DC plan participants stayed the course in their asset allocations. In the first quarter of 2012, 4.0 percent of DC plan participants changed the asset allocation of their account balances and 4.2 percent changed the asset allocation of their contributions—similar reallocation levels as observed in the same time frame a year earlier.

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.

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