

Americans View Defined Contribution Retirement Accounts Favorably

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Households Appreciate Core Features and Current Tax Treatment

Washington, DC, January 29, 2014 - Nearly two-thirds of U.S. households view defined contribution (DC) retirement accounts favorably, according to results from a recent survey fielded by the Investment Company Institute (ICI). Along with strong favorability marks, U.S. households also expressed support for the key features of DC plans—both results are consistent with previous years' findings.

“Our survey found strongly positive views of U.S. households toward the DC plan system, even in cases in which no one in the household was invested in a retirement plan,” said Sarah Holden, ICI Senior Director of Retirement and Investor Research. “American households’ views on this topic clearly reaffirm the importance of our nation’s DC retirement plan system.”

DC Account–Owning Households Appreciate Plans’ Key Features

ICI’s report, [Americans’ Views on Defined Contribution Plan Saving](#), is based on survey results from respondents in November and December 2013 about their views on DC retirement account saving and their confidence in 401(k) and other DC plan accounts. DC account–owning households’ survey responses showed they appreciate paycheck-by-paycheck saving (90 percent) as well as choice in, and control of, the investments in their DC plans (nearly all DC account–owning households). More than nine in 10 households with DC accounts agreed that these plans help them to think about the long term.

Survey Showed Overwhelming Support for Current Tax Treatment of Retirement Plans

A strong majority of U.S. households—including those with and those without retirement plan accounts—disagree with the notion of changing the current tax treatment of DC accounts to remove or reduce tax incentives for retirement savings. The ICI survey found:

- Eighty-six percent of households disagreed that the government should take away the tax advantages of DC accounts, and 83 percent disagreed with reducing the amount that individuals can contribute to DC accounts.
- Among households not owning DC accounts or individual retirement accounts (IRAs), 81 percent rejected the idea of taking away the tax treatment of DC accounts.
- Eighty-six percent of households overall disagreed with not allowing individuals to make investment decisions in their DC accounts, and more than eight in 10 disagreed with replacing all retirement accounts with a government bond.

Households Confident DC Accounts Can Help Meet Retirement Goals

U.S. households generally, whether they owned a retirement account or not, expressed confidence in DC plans' ability to help individuals meet their retirement goals. More than eight in 10 households owning DC accounts or IRAs indicated such confidence. This measure of confidence was only slightly less evident—nearly two-thirds of households—among households without a DC account or IRA.

For more information about retirement issues, including 401(k) plans, please visit ICI's [401\(k\) resource center](#).

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