

ICI Recordkeeper Data Show Retirement Plan Participants' Commitment to Saving

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Washington, DC, August 11, 2016 - Americans continued to save for retirement through defined contribution (DC) plans early this year, according to ICI's latest study of retirement plan savers' actions. The study, "[Defined Contribution Plan Participants' Activities, First Quarter 2016](#)," includes data through the first three months of 2016, and is based on DC plan recordkeeper data covering more than 27 million participant accounts in employer-based DC plans.

DC Plan Participants Continued to Save; Withdrawal Activity Remained Low

Most DC plan participants contribute to their 401(k)s each paycheck in order to save and invest in their future. Only a negligible share of participants stopped contributing in the first quarter of 2016, and withdrawal activity continued at the low pace seen in recent years.

- Nearly all DC plan participants continued contributing to their plans. Only 1.1 percent of DC plan participants stopped contributing in the first quarter of 2016, about the same number as in the first quarter of 2015.
- Most DC plan participants stayed the course in their asset allocations, as stock values only edged up a bit during the first three months of the year. In the first quarter of 2016, 4.3 percent of DC plan participants changed the asset allocation of their account balances, the same share as in the first quarter of 2015. In the first quarter of 2016, 5.2 percent of participants changed the asset allocation of their contributions, compared with 4.2 percent in the first quarter of 2015. These levels of reallocation activity are roughly in line with the activity observed in the same time frame in recent years.
- Loan activity was slightly lower than a year earlier, though still elevated compared with about seven years ago. Historical data demonstrate that the first quarter of the year tends to have lower percentages of DC plan participants with loans outstanding compared with later quarters. At the end of March 2016, 17.0 percent of DC plan participants had loans outstanding, compared with 17.4 percent at year-end 2015. Loan activity continues to remain elevated compared with year-end 2008, when 15.3 percent of DC plan participants had loans outstanding.

DC plans are an important component of Americans' retirement saving; [assets in all DC plans](#) represented more than one-quarter of assets in the total retirement market and accounted for about one-tenth of U.S. households' aggregate financial assets in the first quarter of 2016.

ICI has been tracking participant activity through recordkeeper surveys since 2008. This update provides 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.