

Average IRA balances at Fidelity reach five-year high of \$81,100

By Editor Test Wed, Jul 17, 2013

Total contributions to IRAs have increased every year since 2008, with a 3.1% increase over last year and a 7.5% increase over 2008, according to Fidelity.

Age Range	Avg. IRA Balance, End of 2012 Tax Year	Avg. IRA Balance, End of 2008 Tax Year	Pct. Increase
20-29	\$9,300	\$5,800	60%
30-39	\$20,700	\$10,100	105%
40-49	\$42,500	\$22,400	90%
50-59	\$75,700	\$41,900	81%
60-69	\$127,800	\$75,000	70%
70+	\$164,300	\$110,500	49%
All Ages	\$81,100	\$52,900	53%

Source: Fidelity Investments

The average balance of seven million IRAs custodied at Fidelity Investments reached a five-year high of \$81,100 at the end of tax year 2012, according to the Boston-based fund giant. The figure was 53% higher than the five-year low, registered in 2008

Total contributions to Fidelity IRAs have increased 7.5% from tax year 2008 to 2012, with the average IRA contribution reaching \$3,920 in tax year 2012. Roth IRA conversion activity also jumped at the end of 2012 as tax law changes were debated, contributing to a 12% year-over-year increase.

The findings from Fidelity, the largest IRA custodian, highlight positive balance trends across all age groups despite even contribution levels (at right):

Total contributions to IRAs have increased every year since 2008, with a 3.1% increase over last year and a 7.5% increase over 2008. At the same time, the average contribution held strong at \$3,920 for tax year 2012 (vs. \$3,930 for tax year 2011).

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Investors in their 60s continue to save the most in their traditional and Roth IRAs. For tax year 2012, these investors contributed on average \$4,910 to Traditional IRAs and \$4,840 to Roth IRAs. Full contribution rates with age breaks are as follows (below):

Age Range	Avg. Roth IRA Contribution (2012 Tax Year)	Avg. Traditional IRA Contribution (2012 Tax Year)	Overall Avg. IRA Contribution (2012 Tax Year)
20-29	\$3,260	\$3,170	\$3,170
30-39	\$3,280	\$3,900	\$3,320
40-49	\$3,480	\$4,090	\$3,590
50-59	\$4,490	\$4,780	\$4,480
60-69	\$4,910	\$4,840	\$4,710
70+	\$4,750	\$4,520	\$4,640
All Ages	\$3,830	\$4,400	\$3,920
Source: Fidelity Investments.			

As tax law changes were debated, Roth IRA conversions conducted by investors increased in 2012. In fact, there was a 12% year-over-year increase in Roth IRA conversions, and a 52% year-over-year surge for the month of December. Overall, Fidelity conducted more than 101,000 Roth IRA conversions with investors in 2012.