

## Retirement Assets Reach \$16.5 Trillion 1st Quarter: ICI

By Editor Test      Wed, Aug 11, 2010

---

*Assets in target date mutual funds grew 9.8 percent in the first quarter. Lifecycle mutual funds managed \$281 billion at the end of the first quarter of 2010, up from \$256 billion at year-end 2009.*

---

The value of Americans' retirement savings grew in the first quarter of 2010, to \$16.5 trillion on March 31, 2010 from 16.1 trillion at the end of 2009, according to a new report from the Investment Company Institute.

The 33-page report, [The U.S. Retirement Market, First Quarter 2010](#), also showed that retirement savings now account for about 36% of all household financial assets in the U.S., up from about 15% in 1980.

The study also showed:

- IRAs held \$4.3 trillion at the end of the first quarter of 2010, up 2.1 percent from year-end 2009. Forty-six percent of IRA assets, or \$2.0 trillion, were invested in mutual funds.
- Americans held \$4.2 trillion in all employer-based defined contribution (DC) retirement plans, of which \$2.9 trillion was held in 401(k) plans, on March 31, 2010. Those figures are up from \$4.1 trillion and \$2.8 trillion, respectively, on December 31, 2009.
- Mutual funds managed \$2.2 trillion of assets in 401(k), 403(b), and other DC plans at the end of the first quarter, up from \$2.1 trillion at year-end 2009. Mutual funds managed 52 percent of DC plan assets.
- Assets in target date mutual funds grew 9.8 percent in the first quarter. Lifecycle mutual funds managed \$281 billion at the end of the first quarter of 2010, up from \$256 billion at year-end 2009. Eighty-four percent of assets in lifecycle mutual funds were held in retirement accounts.

A separate ICI report, [Defined Contribution Plan Participants' Activities](#), covers nearly 24 million employer-based DC retirement plan accounts as of March 2010. The report's findings include:

- Low levels of withdrawal activity moved even lower. Only 1.2 percent of DC plan participants took withdrawals in the first quarter of 2010, compared with 2.7 percent in the first quarter of 2009. The share of workers taking hardship withdrawals dropped as well, to 0.4 percent from 1.2 percent in 2009's first quarter.
- Fewer participants stopped making contributions in the first quarter of 2010. Only 1.1 percent of DC plan participants stopped contributing in the first quarter of 2010, compared with 2.7 percent in the same quarter of 2009.
- Most DC plan participants stayed the course with asset allocations during the first quarter of 2010. Four percent of DC plan participants changed the asset allocation of their account balances; 4.5 percent changed the asset allocation of their contributions.

- Loan activity edged up but remained in line with historical numbers. As of March 2010, 17.0 percent of DC plan participants had loans outstanding, compared with 16.5 percent of loans outstanding at year-end 2009.

© 2010 RIJ Publishing LLC. All rights reserved.