

## Retirement assets total \$37.2 trillion in 2Q2021

By Editorial Staff      Thu, Sep 30, 2021

*Assets in IRAs totaled \$13.2 trillion at the end of 2Q2021, up 5.4% from the end of 1Q2021. Defined contribution (DC) plan assets were \$10.4 trillion at the end of the second quarter, up 5.3% from March 31, 2021, the Investment Company Institute reported.*

Total US retirement assets were \$37.2 trillion as of June 30, 2021, up 4.8% from March 31, 2021, the Investment Company Institute (ICI) [reported](#) this week. Retirement assets accounted for 33% of all household financial assets in the United States at the end of June 2021.

If accurate, that puts the estimated current market value of the nation's household financial assets at about \$100 trillion.

Sources for the data included the Investment Company Institute, Federal Reserve Board, Department of Labor, National Association of Government Defined Contribution Administrators, American Council of Life Insurers, and Internal Revenue Service Statistics of Income Division.

Wealth remains highly concentrated in the US. According to the [Federal Reserve](#), the wealthiest 1% of households have about 32% of total net worth. The next 9% have about 37% and the next 40% have about 28%. The bottom 50% of the distribution has only about 2% of total net worth.

### Assets by plan type

- Assets in individual retirement accounts (IRAs) totaled \$13.2 trillion at the end of the second quarter of 2021, an increase of 5.4% from the end of the first quarter of 2021.
- Defined contribution (DC) plan assets were \$10.4 trillion at the end of the second quarter, up 5.3% from March 31, 2021.
- Government defined benefit (DB) plans— including federal, state, and local government plans—held \$7.5 trillion in assets as of the end of June 2021, a 4.0% increase from the end of March 2021.
- Private-sector DB plans held \$3.5 trillion in assets at the end of the second quarter of 2021, and annuity reserves outside of retirement accounts accounted for another \$2.5 trillion.

### Defined contribution plans

Americans held \$10.4 trillion in all employer-based DC retirement plans on June 30, 2021, of

which \$7.3 trillion was held in 401(k) plans. In addition to 401(k) plans, at the end of the second quarter, \$645 billion was held in other private-sector DC plans, \$1.2 trillion in 403(b) plans, \$410 billion in 457 plans, and \$802 billion in the Federal Employees Retirement System's Thrift Savings Plan (TSP).

Mutual funds managed \$4.8 trillion, or 66%, of assets held in 401(k) plans at the end of June 2021. With \$2.9 trillion, equity funds were the most common type of funds held in 401(k) plans, followed by \$1.3 trillion in hybrid funds, which include target date funds.

### **Individual Retirement Accounts**

IRAs held \$13.2 trillion in assets at the end of the second quarter of 2021. Forty-five percent of IRA assets, or \$6.0 trillion, was invested in mutual funds. With \$3.5 trillion, equity funds were the most common type of funds held in IRAs, followed by \$1.2 trillion in hybrid funds.

### **Other developments**

Retirement entitlements include both retirement assets and the unfunded liabilities of DB plans. Under a DB plan, employees accrue benefits to which they are legally entitled and which represent assets to US households and liabilities to plans. To the extent that pension plan assets are insufficient to cover accrued benefit entitlements, a DB pension plan has a claim on the plan sponsor.

As of June 30, 2021, total US retirement entitlements were \$42.8 trillion, including \$37.2 trillion of retirement assets and another \$5.6 trillion of unfunded liabilities. Including both retirement assets and unfunded liabilities, retirement entitlements accounted for 38% of the financial assets of all US households at the end of June.

Unfunded liabilities are a larger issue for government DB plans than for private-sector DB plans. As of the end of the second quarter of 2021, unfunded liabilities were 41% of benefit entitlements for state and local government DB plans, 46% of benefit entitlements for federal government DB plans, and 2% of benefit entitlements for private-sector DB plans.