
Roth Account Openings Up 89% at Fidelity

By Editor Test *Tue, Jul 6, 2010*

New account openings increased significantly in the first four months of the year, driven by Roth IRA conversion activity and the use of Roth IRAs as a savings vehicle.

Fidelity Investments, the country's top IRA custodian, has seen year-over-year increases in IRA contributions and new account openings for traditional, Roth and rollover IRA accounts during the first four months of 2010, the Boston-based mutual fund giant reported.

Compared with the same period in 2009:

- The number of investors who contributed to their IRAs was up across all account types. Roth and Rollover IRA contributions were up more than 14 percent and Traditional IRA up more than 6 percent.
- Average IRA contribution amounts increased more than 9 percent over the same time frame in 2009, to nearly \$3,700 in 2010.
- New account openings also increased significantly in the first four months of the year, driven by Roth IRA conversion activity and the use of Roth IRAs as a savings vehicle. In fact, Roth IRA account openings rose 89% in 2010 when compared with 2009.

"Historically we see almost half of all annual IRA contributions made during the first four months of the year, as investors revisit their retirement investing portfolios prior to the April tax deadline," said Ken Hevert, vice president, Fidelity Investments. "The strong numbers we've seen this year point to a commitment to saving for retirement through tax advantaged vehicles like IRAs."

Fidelity attributes some of the growth in Roth conversions to the Conversion Evaluator on its website. "With income limits now removed for Roth IRA conversions, investors are reexamining the Roth IRA as a potential strategy," said Hevert. "More than 152,000 Roth Conversion Evaluator sessions have been completed by investors and advisors since the calculator's launch in October 2009."

As of last May 31, Fidelity Investments administered over \$3.2 trillion, including managed assets of over \$1.4 trillion, for more than 20 million individuals and institutions and through some 5,000 financial intermediary firms.

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