

## ICI Survey: Americans Support Retaining DC Participants' Investment Control

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## Americans Value Tax Treatment, Savings Opportunity of DC Plans

**Washington, DC, February 22, 2017**—Nearly all US households with defined contribution (DC) retirement plan accounts agree that it is important to have choice in, and control of, the investments in their DC accounts, according to a survey released today by the Investment Company Institute (ICI). The new research also finds that Americans strongly value the current tax incentives for retirement saving and overwhelmingly oppose changing them.

In the study, "[American Views on Defined Contribution Plan Saving, 2016](#)," ICI reports that US households strongly favor preserving retirement account features and flexibility. For example, 89 percent of all US households disagree with the statement that the government should take away the tax advantages of DC accounts, and 90 percent disagree with the idea of reducing the amount that individuals can contribute to DC accounts. Even among households that do not own DC accounts or individual retirement accounts (IRAs), 82 percent reject the idea of taking away the tax treatment of DC accounts.

"Our research shows, time and again, that Americans strongly support keeping tax incentives for retirement saving because those incentives are critical in promoting plan participation and contributions," said ICI President and CEO Paul Schott Stevens. "As Congress moves forward in looking at tax reforms, we hope lawmakers will keep in mind that tax-favored savings are an extremely important underpinning of the successful 401(k) system."

### **Investment Control Is Important to DC Plan Participants**

Americans also resist suggestions to change individual investment control in DC accounts, the study finds. According to the household survey:

- Nine out of 10 respondents (92 percent) agree that retirees should be able to make their own decisions about how to manage retirement assets and income.
- Eight out of 10 (84 percent) disagree with investing all retirement accounts in an investment option selected by a government-appointed board of experts.
- Nearly eight out of 10 households disagree that retirees should be required to trade a portion of their retirement accounts for a fair contract promising them income for life.

“Our survey demonstrates that DC plan participants appreciate the opportunity to save from every paycheck, as well as the tax treatment for their retirement nest egg that a 401(k) plan offers,” said Sarah Holden, ICI’s senior director for retirement and investor research. “DC plan participants’ overall support for maintaining investment control is strong, and they typically agree that their DC plans offer a good lineup of investment options.”

## **Retirement Accounts Promote Savings, Help Achieve Retirement Goals**

Among retirement account–owning households expressing an opinion, 94 percent have favorable opinions of 401(k) and similar retirement accounts. Ninety percent of 10 DC account–owning households agree that employer-sponsored retirement accounts help them “think about the long term, not just my current needs,” and 91 percent agree that payroll deduction “makes it easier for me to save.” These top-line results are similar to previous survey results, with responses varying little across age and income groups.

Eighty-two percent of households owning DC accounts or IRAs, and 63 percent of households not owning DC accounts or IRAs, express confidence that DC plans can help individuals achieve their retirement goals.

## **About the Survey**

The study summarizes results from a survey, designed by ICI staff, of more than 2,000 American adults’ views on DC retirement account saving, as well as their reactions to proposed policy changes and their confidence in 401(k) and other DC plan accounts. The results of the survey—which GfK Group administered in December 2016 via a proprietary, probability-based web panel—have been weighted to be representative of US households by age, income, region, and education level.

For more information about retirement saving, please visit ICI’s [401\(k\) Resource Center](#) and [Individual Retirement Account Resource Center](#).