

First Half of 2012: Savers Show Continued Commitment to Retirement Saving, ICI Study Finds

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Washington, DC, November 14, 2012 - ICI's latest study of 401(k) savers' actions, based on defined contribution (DC) plan recordkeeper data from more than 24 million DC plan participant accounts, shows 401(k) savers' continuing faith in the U.S. retirement system.

The study, *Defined Contribution Plan Participants' Activities, First Half 2012*, includes data from January through June 2012. The study finds that contributions continued at the same rate and withdrawal activity remained low in the first half of the year. Loan activity eased back a bit, but still remains above levels observed before 2008. A minority of DC plan participants revisited their asset allocation decisions.

DC Plan Participants Continued to Save, Withdrawal Activity Remained Low

The study finds that participants continued to save in their retirement plans at work during the first half of 2012. Findings include:

- Commitment to contribution activity in the first half of 2012 continued at the high rate observed in the first half of 2011. Only 1.6 percent of DC plan participants stopped contributing in the first half of 2012, compared with 1.6 percent in the same period in 2011, and 1.7 percent during the first half of 2010.
- DC plan withdrawals in the first half of 2012 remained low and were in line with the prior year's first half activity. Only 2.1 percent of DC plan participants took withdrawals in the first half of 2012, as was the case in the first half of 2011. Only 0.9 percent took hardship withdrawals during the first half of 2012, slightly down from 1.1 percent in the first half of 2011.

- Loan activity edged down slightly by the end of June 2012, although it continues to remain elevated compared with four years ago, before the effects of financial stresses put pressure on loan activity. The data found that at the end of June 2012, 17.5 percent of DC plan participants had loans outstanding, compared with 18.5 percent at year-end 2011, and 15.3 percent at the end of 2008.
- As stock values generally rose over the first six months of the year, most DC plan participants stayed the course in their asset allocations. In the first half of 2012, 7.1 percent of DC plan participants changed the asset allocation of their account balances and 4.9 percent changed the asset allocation of their contributions—similar reallocation levels as observed in the same time frame a year earlier.

ICI has been tracking participant activity through recordkeeper surveys since 2008. This update reports results from ICI's survey of a cross section of recordkeeping firms representing a broad range of DC plans. Please visit ICI's 401(k) [resource page](#) for more information.

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