

ICI 401(k) Participant Activity Study Shows 2008 Activity in Line with Historical Data

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Washington, DC, March 9, 2009 - Today, the Investment Company Institute (ICI) released survey data about 401(k) about participant activity that update numbers through the end of the 2008 calendar year.

“These tough economic times are impacting all forms of retirement savings, including 401(k) accounts,” said ICI president and CEO Paul Schott Stevens. “Nonetheless, the latest survey data indicate that 401(k) participant activity through the end of 2008 was in line with historical norms. Working Americans continue to demonstrate their commitment to the 401(k) system.”

The ICI study collected data from a range of defined contribution (DC) plan recordkeepers covering more than 22 million participants in the DC system. The findings include:

- Although three more months of activity were added to the time frame analyzed, only 3.7 percent of DC plan participants stopped contributing to their accounts in 2008 (up from 3.0 percent reflecting changes from January through October 2008 data). It is possible that some participants stopping contributions did so because they reached their contribution limit.
- Most participants maintained their asset allocations: 14.4 percent changed the asset allocation of their account balances, and 12.4 percent changed their contribution mix (up from 13.5 percent and 9.1 percent respectively in October 2008 data). (see chart)

Defined Contribution Plan Participant Activities in 2008

Summary of recordkept data January 2008 through December 2008; percentage of participants

Source: ICI survey of DC plan recordkeeper data (January–December 2008)

- During the course of 2008, 3.9 percent of DC plan participants took any withdrawals, with 1.3 percent taking hardship withdrawals (up from 1.2 percent through October). In addition, 15.3 percent of participants had loans outstanding at year-end. (see chart)

Savers Are Not Raiding Their 401(k)s

401(k) loan activity has been flat for a decade

Percentage of 401(k) savers who have loans outstanding

Sources: EBRI/ICI Participant-Directed Retirement Plan Data Collection Project (1996–2007); ICI survey of DC plan recordkeeper data (January–December 2008)

- Despite slight increases in the numbers since October, the figures in the survey are in line with past years' experiences among the recordkeepers – it is activity consistent with what has been observed during previous years.

These data through December 2008 update data (through October 2008) reported in ICI's December 2008 study, [Retirement Saving in Wake of Financial Market Volatility](#).

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