

Gen Z Saving for Retirement Earlier Than Generations Before Them

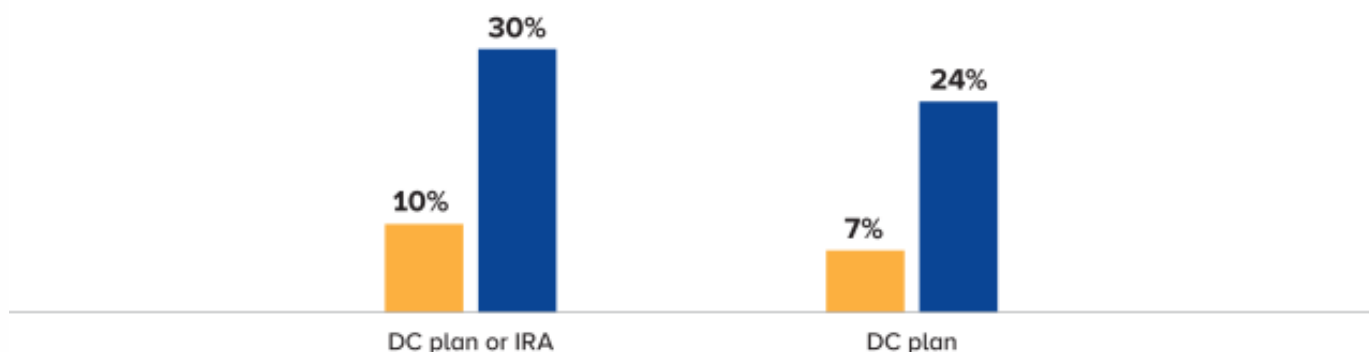
Share of Gen Z households with retirement accounts is three times that of Gen Xers at the same age

Washington, DC; February 6, 2024—According to new research published by the Investment Company Institute (ICI), Gen Z households with DC plans are outpacing earlier generations on the path to retirement saving. ICI’s research report “[American Views on Defined Contribution Plan Saving, 2023](#)” and accompanying blog “[Retirement Prospects for Younger Americans Actually Look Bright](#)” find that more than three-quarters of Americans younger than 35 indicate that the tax treatment of their defined contribution (DC) retirement plan is a driving incentive to contribute.

“Our research found that younger households are more likely to prioritize saving for retirement, have retirement accounts, and have more in those accounts, compared with similar-age households in 1989. Thanks to the prevalence of 401(k)s and other DC retirement plans in the workplace, as well as the growing adoption of automatic enrollment in and automatic investing through these plans, the long-term financial outlook for Gen Z is promising,” said Sarah Holden, ICI Senior Director of Retirement and Investor Research.

Rising Shares of Households Aged 18 to 25 Have Retirement Assets

Percentage of households aged 18 to 25



Source: ICI tabulations of Federal Reserve Board Survey of Consumer Finances

In addition to looking at Gen Z, [the ICI study](#) surveyed all age groups. One key finding was that DC retirement plans are empowering workers of all ages. The survey results find that DC account owners value the ease and discipline of saving paycheck by paycheck, as well as the investing opportunity that these plans represent.

Other findings include:

- Gen Z households have nearly three times more assets in their DC plan accounts (adjusted for inflation) than Gen X households did at the same age (in 1989).
- More than half of DC account owners younger than 35 said they probably wouldn't save for retirement if not for their workplace plan.

About the ICI Survey

With millions of US households personally directing their retirement savings, the Investment Company Institute (ICI) has sought to track retirement savers' actions and sentiment. This report, the 16th in this series, summarizes results from a nationally representative survey of Americans aged 18 or older. The survey was designed by ICI research staff and administered by NORC at the University of Chicago using the AmeriSpeak[®] probability-based panel. This report presents survey results that reflect individuals' responses collected during November and December 2023. All prior reports are available at <https://www.ici.org/research/retirement/us-views>.