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401(k) Holdings in Company Stock Continued to Shrink in 2009

WASHINGTON—Participants in 401(k) plans continued to reduce their holdings in their employers' company stock, according to the latest data from the EBRI/ICI 401(k) database.

The EBRI/ICI database, the largest repository of its kind on 401(k) participant behavior, shows that the share of 401(k) accounts invested in company stock continued to shrink in 2009, falling by half a percentage point to 9.2 percent in 2009. Recently hired 401(k) participants were also less likely to hold employer stock. Other key findings:

- **Availability:** Overall, 46 percent (or 9.5 million) of the 401(k) participants in the 2009 EBRI/ICI 401(k) database were in plans that offered company stock as an investment option.
- **Allocations:** Among participants who were offered company stock in their 401(k) plan, 72 percent held 20 percent or less of their account balances in company stock, including 48 percent who held none.
- **High concentrations:** On the other hand, about 5 percent of participants had more than 80 percent of their account balances invested in company stock.

Full results of the EBRI/ICI research are published in EBRI's November *Issue Brief* and ICI's November *Research Perspective*, titled "401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 2009," available online at www.ebri.org and www.ici.org

Recently Hired 401(k) Plan Participants Are Less Likely to Hold Company Stock												
Percentage of recently hired 401(k) participants offered and holding company stock, by participant age, 1998–2009												
Age Group	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
20s	60.8%	61.1%	60.5%	58.1%	53.9%	49.6%	49.8%	45.4%	40.0%	35.4%	32.9%	32.3%
30s	61.9%	62.3%	61.6%	60.0%	57.2%	53.3%	52.3%	47.6%	43.6%	40.4%	37.4%	36.2%
40s	59.8%	60.6%	59.5%	58.8%	55.9%	52.6%	52.0%	47.3%	43.6%	40.7%	37.9%	37.0%
50s	57.6%	58.8%	57.4%	57.9%	53.9%	51.2%	49.5%	45.2%	42.3%	39.6%	37.8%	37.6%
60s	54.1%	55.5%	53.6%	55.7%	51.0%	49.5%	47.8%	43.9%	40.4%	38.4%	38.7%	40.5%
All	60.5%	61.0%	60.0%	58.7%	55.3%	51.6%	51.0%	46.3%	42.0%	38.7%	36.2%	35.5%

Source: Tabulations from EBRI/ICI Participant-Directed Retirement Plan Data Collection Project.
Note: The analysis includes 401(k) plan participants with two or fewer years of tenure in the year indicated and in a plan offering company stock as an investment option.

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