

## Workplace Retirement Plans: By the Numbers

Provided by EBRI's Retirement Security Research Center

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### Retirement Savings Plan (Defined Benefit Pension Plans, Defined Contribution Plans and Individual Retirement Accounts) Participation

- There were 141.9 million total participants in private pension plans (defined benefit and defined contribution) in 2019, representing \$10.7 trillion including 98.1 million who were active participants.<sup>1</sup> In 2021, 51 percent of private-industry workers participated in a retirement plan.<sup>2</sup>
  - There were 33 million defined benefit (DB) plan participants in 2019, including 12.6 million private-sector workers who are active participants in a DB plan.<sup>3</sup>
  - Forty-seven percent of private industry workers participated in a DC plan in 2021.<sup>4</sup> There were 85.5 million private-sector workers who were active participants in a defined contribution (DC) plan in 2019. This includes 72.2 million private-sector workers who were active participants in 401(k) plans.<sup>5</sup>
- The percentage of civilian workers participating in any retirement plan was 56 percent in 2021, while 43 percent participated in a DC plan.<sup>6</sup>
- The number of taxpayers participating in an individual retirement account (IRA) in 2018 was 61.5 million.<sup>7</sup>
- 12.4 percent of all families owned an IRA and any type of DC plan in 2019, whereas 33.1 percent of families with any type of DC plan also had an IRA.<sup>8</sup>

### 401(k) Account Balances<sup>9</sup>

<sup>1</sup> <https://www.dol.gov/sites/dolgov/files/EBSA/researchers/statistics/retirement-bulletins/private-pension-plan-bulletins-abstract-2019.pdf>

<sup>2</sup> <https://www.bls.gov/ncs/ebs/benefits/2021/employee-benefits-in-the-united-states-march-2021.pdf>

<sup>3</sup> <https://www.dol.gov/sites/dolgov/files/EBSA/researchers/statistics/retirement-bulletins/private-pension-plan-bulletins-abstract-2019.pdf>

<sup>4</sup> <https://www.bls.gov/ncs/ebs/benefits/2021/employee-benefits-in-the-united-states-march-2021.pdf>

<sup>5</sup> <https://www.dol.gov/sites/dolgov/files/EBSA/researchers/statistics/retirement-bulletins/private-pension-plan-bulletins-abstract-2019.pdf>

<sup>6</sup> <https://www.bls.gov/ncs/ebs/benefits/2021/employee-benefits-in-the-united-states-march-2021.pdf>

<sup>7</sup> <https://www.irs.gov/statistics/soi-tax-stats-accumulation-and-distribution-of-individual-retirement-arrangements>

<sup>8</sup> [Employee Benefit Research Institute \(EBRI\) estimates of the 2019 Survey of Consumer Finances](#)

<sup>9</sup> Holden, Sarah, Steven Bass, and Craig Copeland, "401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 2019," *EBRI Issue Brief*, no. 557, and *ICI Research Perspective*, vol. 28, no. 4 (May 2022).

- The average 401(k) balance at the end of 2019 was \$81,201. The median was \$17,760.
- 401(k) Plan Account Balances Increase With Participant Age and Tenure

<b>401(k) Plan Account Balances Increase With Participant Age and Tenure</b>						
Average 401(k) plan account balance by participant age and tenure, 2019						
Age Group	Years of Tenure					
	0 to 2	>2 to 5	>5 to 10	>10 to 20	>20 to 30	>30
<b>20s</b>	\$5,137	\$14,357	\$23,067			
<b>30s</b>	12,841	26,716	49,695	\$75,943		
<b>40s</b>	24,277	43,211	76,015	131,496	\$193,061	
<b>50s</b>	37,915	58,423	94,360	152,310	269,487	\$344,579
<b>60s</b>	56,458	67,177	97,119	128,582	215,549	330,913
Note: The average account balance among all 11.1 million 401(k) plan participants was \$81,201; the median account balance was \$17,760. Account balances are participant account balances held in 401(k) plans at the participants' current employers and are net of plan loans. Retirement savings held in plans at previous employers or rolled over into IRAs are not included. The tenure variable is generally years working at current employer and thus may overstate years of participation in the 401(k) plan.						
Source: Tabulations from EBRI/ICI Participant-Directed Retirement Plan Data Collection Project						

- Average 401(k) Balance by Number of Plan Participants

<b>Average 401(k) Balance by Number of Plan Participants</b>	
401(k) Plan Characteristics by Number of Plan Participants, 2019	
Number of Plan Participants	Average Account Balance
1 to 10	\$101,290
11 to 25	89,027
26 to 50	80,897
51 to 100	71,955
101 to 250	66,604
251 to 500	63,976
501 to 1,000	64,112
1,001 to 2,500	69,404
2,501 to 5,000	85,125
5,001 to 10,000	89,216
>10,000	89,941
<b>All</b>	<b>81,201</b>
Note: The median account balance at year-end 2019 was \$17,760.	
Source: Tabulations from EBRI/ICI Participant-Directed Retirement Plan Data Collection Project	

- Average 401(k) Plan Balance by Plan Assets

<b>Plan Assets</b>	<b>Average Account Balance</b>
\$0 to \$250,000	\$12,906
>\$250,000 to \$625,000	28,861
>\$625,000 to \$1,250,000	43,063
>\$1,250,000 to \$2,500,000	53,921
>\$2,500,000 to \$6,250,000	63,950
>\$6,250,000 to \$12,500,000	63,787
>\$12,500,000 to \$25,000,000	64,371
>\$25,000,000 to \$62,500,000	65,497
>\$62,500,000 to \$125,000,000	60,496
>\$125,000,000 to \$250,000,000	71,579
>\$250,000,000	101,546
<b>All</b>	<b>81,201</b>

Note: The median account balance at year-end 2019 was \$17,760.

Source: Tabulations from EBR/ICI Participant-Directed Retirement Plan Data Collection Project

## 401(k) Plan Allocation Trends

- Average Asset Allocation of 401(k) Plan Accounts, by Participant Age

Average Asset Allocation of 401(k) Plan Accounts by Participant Age											
Percentage of account balances, <sup>1</sup> 2019											
Age	Equity	Target Date	Non-Target Date	Bond	Money	GICs <sup>3, 4</sup> and	Other Stable	Company		Memo:	
Group	Funds	Funds <sup>2, 3</sup>	Balanced Funds	Funds	Funds	Value Funds	Funds	Stock <sup>3</sup>	Other	Unknown	Equities <sup>5</sup>
20s	30.5	54.1	5.2	4.2	0.3	1.3		1.6	1.1	1.6	83.8
30s	37.3	44.7	4.5	4.7	0.6	2.2		3.6	1.8	0.7	81.8
40s	46.6	31.8	2.6	6.4	0.8	3.5		5.6	2.1	0.7	75.5
50s	43.7	28.7	3.1	8.2	1.0	6.0		6.2	2.3	0.8	66.1
60s	38.2	28.8	3.9	10.4	1.5	9.1		4.7	2.4	0.9	56.5
All	42.1	31.3	3.6	7.9	1.0	5.8		5.3	2.2	0.8	67.8

<sup>1</sup>Percentages are dollar-weighted averages.

<sup>2</sup>A target date fund typically rebalances its portfolio to become less focused on growth and more focused on income as it approaches and passes the target date of the fund, which is usually included in the fund's name.

<sup>3</sup>Not all participants are offered this investment option.

<sup>4</sup>GICs are guaranteed investment contracts.

<sup>5</sup>Equities include equity funds, company stock, and the equity portion of balanced funds.

Note: Funds include mutual funds, bank collective trusts, life insurance separate accounts, and any pooled investment product primarily invested in the security indicated.

Source: Tabulations from EBR/ICI Participant-Directed Retirement Plan Data Collection Project

- Asset Allocation Distribution of 401(k) Participant Account Balance to Equities

<b>Asset Allocation to Equities Varied Widely Among 401(k) Plan Participants</b> Asset allocation distribution of 401(k) participant account balance to equities <sup>1</sup> by age; percentage of participants, <sup>2</sup> 2019  Percentage of account balance invested in equities <sup>1</sup>						
Age Group	Zero	>0 to 20 Percent	>20 to 40 Percent	>40 to 60 Percent	>60 to 80 Percent	>80 Percent
20s	6.2	5.2	2.7	6.2	12.9	66.9
30s	4.3	7.6	3.4	5.1	13.9	65.8
40s	4.9	8.9	4.9	5.6	29.7	46.1
50s	4.8	11.0	6.8	26.1	32.5	18.8
60s	6.7	13.3	18.7	33.7	13.8	13.8
<b>All<sup>2</sup></b>	<b>5.3</b>	<b>9.3</b>	<b>7.0</b>	<b>14.2</b>	<b>21.9</b>	<b>42.3</b>
<sup>1</sup> Equities include equity funds, company stock, and the equity portion of balanced funds. Funds include mutual funds, bank collective trusts, life insurance separate accounts, and any pooled investment product primarily invested in the security indicated. <sup>2</sup> Participants include the 11.1 million 401(k) plan participants in the year-end 2019 EBRI/ICI 401(k) database. Source: Tabulations from EBRI/ICI Participant-Directed Retirement Plan Data Collection Project						

## Job Tenure and Defined Contribution Portability

- The median tenure of wage and salary workers ages 20 and older was 4.9 years in 2018.<sup>10</sup> When examining tenure by gender and age cohort among older wage and salary workers (ages 45–64), the oldest female wage and salary workers (ages 60–64) were the most likely to have 10 or more years of tenure in 2018, with 58.2 percent doing so.<sup>11</sup> The youngest female wage and salary workers (ages 45–49) were the least likely to have 10 or more years of tenure, with only 40.4 percent having a job tenure of that length.<sup>12</sup>

## Point-of-Retirement Trends

- In an examination of job terminations from 2008 to 2017, 22 percent of people ages 60 or older kept their entire balance in the plan, 34 percent rolled their money over to another vehicle, 31 percent cashed out, and 14 percent had a combination of activities (e.g., partial distribution).<sup>13</sup>
- Because people with small balances are most likely to cash out, a different picture emerges when examining this on an asset-weighted basis: 38 percent of funds stayed in the plan, 48 percent were rolled over, and 14 percent got cashed out.<sup>14</sup>
- The median age of the owners of IRAs receiving a rollover in 2017 was 48.0, meaning that many are rolling their assets over well ahead of retirement.<sup>15</sup>

<sup>10</sup> <https://www.ebri.org/publications/research-publications/issue-briefs/content/trends-in-employee-tenure-1983-2018>

<sup>11</sup> <https://www.ebri.org/publications/research-publications/issue-briefs/content/trends-in-employee-tenure-1983-2018>

<sup>12</sup> <https://www.ebri.org/publications/research-publications/issue-briefs/content/trends-in-employee-tenure-1983-2018>

<sup>13</sup> [https://www.napa-net.org/sites/napa-net.org/files/Alight\\_distribution\\_in\\_DC\\_plans\\_2019.pdf](https://www.napa-net.org/sites/napa-net.org/files/Alight_distribution_in_DC_plans_2019.pdf)

<sup>14</sup> [https://www.napa-net.org/sites/napa-net.org/files/Alight\\_distribution\\_in\\_DC\\_plans\\_2019.pdf](https://www.napa-net.org/sites/napa-net.org/files/Alight_distribution_in_DC_plans_2019.pdf)

<sup>15</sup> [EBRI IRA Database](#)

## Labor Force Participation Trends

- The labor force participation rates and the percentage of employed U.S. civilians decreased in 2020 across all genders, ages, and races/ethnicities.<sup>16</sup>
- Still, Black Americans stood out as being particularly hard hit during 2020: Black American males and females had the largest percentage decline in the number employed from 2019 to 2020.<sup>17</sup>
- Female Hispanic Americans in 2020 had a similarly large percentage decline in their labor force participation rate compared with that of female Black Americans.<sup>18</sup>
- While the decline in the number of employed males in 2020 was slightly larger than that of females, the percentage reduction in the number employed was larger for females.<sup>19</sup>
- Overall, the age/gender distribution of the labor force was nearly identical between 2019 and 2020. There were only two changes of more than 0.1 percentage points in this distribution: for females ages 25–34 and males ages 35–44.<sup>20</sup>
- The age/gender distribution of those employed showed more changes than the labor force, but the changes were still modest: Those ages 55 or older and females were most negatively impacted in 2020.<sup>21</sup>

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<sup>16</sup> <https://www.ebri.org/publications/research-publications/issue-briefs/content/labor-force-participation-and-the-pandemic-making-sense-of-the-changes>

<sup>17</sup> <https://www.ebri.org/publications/research-publications/issue-briefs/content/labor-force-participation-and-the-pandemic-making-sense-of-the-changes>

<sup>18</sup> <https://www.ebri.org/publications/research-publications/issue-briefs/content/labor-force-participation-and-the-pandemic-making-sense-of-the-changes>

<sup>19</sup> <https://www.ebri.org/publications/research-publications/issue-briefs/content/labor-force-participation-and-the-pandemic-making-sense-of-the-changes>

<sup>20</sup> <https://www.ebri.org/publications/research-publications/issue-briefs/content/labor-force-participation-and-the-pandemic-making-sense-of-the-changes>

<sup>21</sup> <https://www.ebri.org/publications/research-publications/issue-briefs/content/labor-force-participation-and-the-pandemic-making-sense-of-the-changes>