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Having Both a 401(k) Plan and an IRA: How Much Does This Change the Retirement Asset Picture?

By Craig Copeland, Ph.D., Employee Benefit Research Institute

AT A GLANCE

Oftentimes, reporting on retirement assets focuses on the average balances of either 401(k) plans or individual retirement accounts (IRAs). While this provides invaluable information on the behavior within those accounts, it does not show a complete picture of the amount of retirement assets workers or retirees have accumulated. Many individuals hold both 401(k) plans and IRAs — especially as they grow older and move from job to job. This *Issue Brief* combines the EBRI/ICI 401(k) Database of 27 million plan participants with the EBRI IRA Database of 19 million accountholders to provide a unique perspective on the relative amount of assets held by those having *both* account types. This allows for a more accurate picture of total retirement assets across individuals. Key findings include:

- Having both a 401(k) plan and an IRA results in a higher balance over time: The ratio of the average combined 401(k) plan/IRA balance to the average 401(k) plan balance (of all of those having a 401(k) plan each year) was 2.48 at the end of the study. The average combined balance compared with the average IRA balance was 2.53 times higher in the final year of the study.

- However, many individuals with both account types did not maintain both in all years studied: Accounts were closed when individuals changed jobs or dollars were rolled over to other accounts as individuals retired. This affected the amount accumulated among those with both account types relative to those with only one account type. In fact, the ratio of the average combined balance of those having 401(k) plan/IRA balances in *every year* to the average combined balance of those having both at only *some point* was 2.03 at the end of the study.

- Further, maintaining just a 401(k) plan generated as much in balances as the amount generated by individuals who owned both account types only at some point in the period studied. This is likely due to breaks in service among the latter group providing opportunities for leakage.

- While 401(k) plan assets make up the bulk of the assets of those who maintained both account types throughout the study, owners/participants of those having both only at some point were more likely to have had an IRA for more years than a 401(k) plan: The average number of years for an IRA was 5.5, compared with 4.0 years of owning a 401(k) plan.

Any attempt to estimate the assets held by workers needs to take into account the workers' ages, tenures, and number of years of having both account types in the same year. This study helps put numbers to what would be expected to be accumulated given these different traits of workers. In addition, it shows the potential of what can be accumulated in total if workers are able to maintain both account types throughout their working lives (or large portions of them). It also shows that this potential is not always met as workers change jobs, stop contributing, or take money out of (close) their accounts, resulting in retirement asset leakage.

Craig Copeland is Senior Research Associate at the Employee Benefit Research Institute (EBRI). This *Issue Brief* was written with assistance from the Institute's research and editorial staffs. Any views expressed in this report are those of the author and should not be ascribed to the officers, trustees, or other sponsors of EBRI, Employee Benefit Research Institute-Education and Research Fund (EBRI-ERF), or their staffs. Neither EBRI nor EBRI-ERF lobbies or takes positions on specific policy proposals. EBRI invites comment on this research.

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Table of Contents

Figures

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Introduction

Oftentimes, reporting on retirement assets focuses on the average balances of 401(k) plans or individual retirement accounts (IRAs).[1] While this provides invaluable information on the behavior within those accounts, it does not show a complete picture of the amount of retirement assets workers or retirees have accumulated. Many individuals hold both 401(k) plans and IRAs — especially as they grow older and move from job to job. This *Issue Brief* examines the amount of assets held by those having *both* a 401(k) plan and an IRA vs. what is held in each of these types of plans separately. This allows for a more accurate picture of the total retirement assets of Americans, the interactions between the two account types, and potential leakage within the retirement system.

The first comparison examines the power of maintaining both a 401(k) plan and an IRA over the entire study period. How much more in assets such individuals accumulate in both relative to those held individually in a 401(k) plan or in an IRA is enumerated. The second comparison examines the assets of those with at least one of the account types during the study period plus those having both account types at some point in the study period against those maintaining both account types over the entire study period. This is an important comparison, because as individuals move between jobs or into retirement, both the plans in which they hold their assets and their ability to contribute to them are likely to change. The group that moves between having both account types and one or the other account type at separate times represents a significant proportion of those who hold both accounts in any one year. Thus, many important considerations arise from this movement between accounts.

Lastly, to show the relative significance of the two account types when having both, the share of assets held in the 401(k) plans is compared with that held in the IRAs. This is done over time by the account owner age and tenure at their current employer in the last year of the study. This shows how the asset types evolve as participants age and with the movement between jobs or into retirement.

Data

This study employs the EBRI Integrated 401(k) Plan/IRA Database, which combines the individuals of the EBRI/ICI 401(k) Database and the EBRI IRA Database. This database allows for the matching of individuals who have both account types either at the same time or over time. In this study, only those individuals who maintained either one or both of the account types over the seven-year study period are included. This amounts to 15.4 million individuals.

This is a unique set of administrative data from a number of data administrators that follows the same individuals within and across the data administrators of each account type. Other longitudinal datasets of this type are typically self-reported or only from one data administrator.

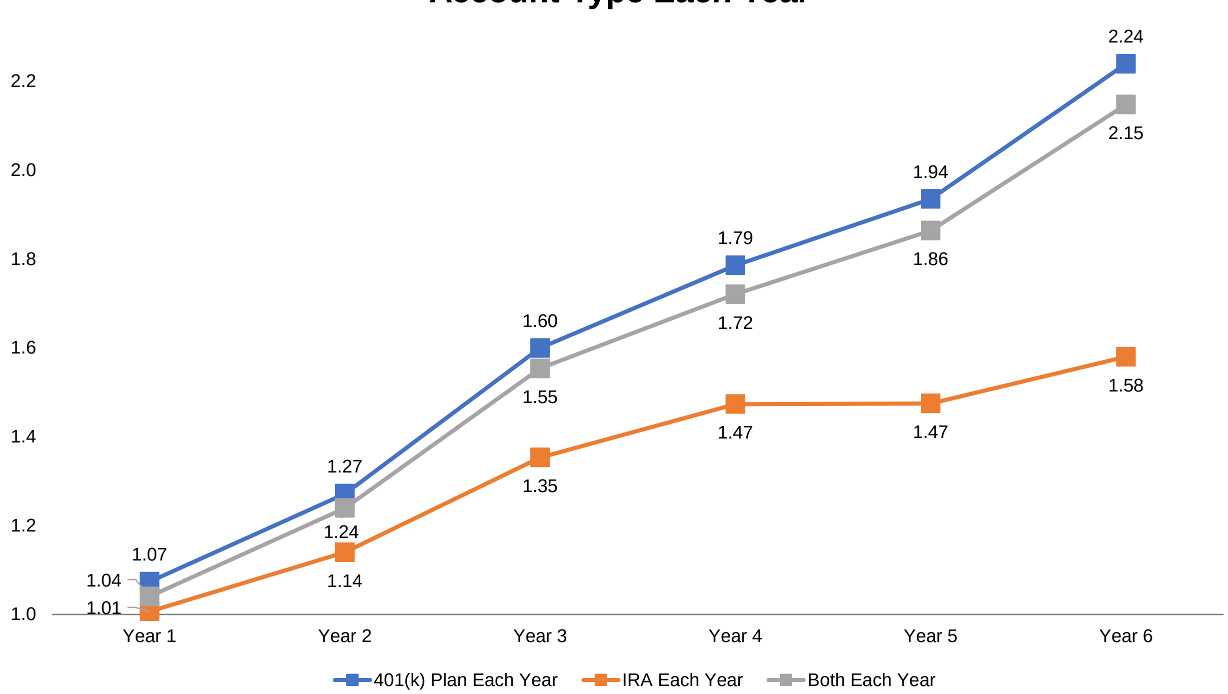
An Important Note About the Study

In doing the comparisons of growth both by each plan type and across plan types, ratios will be used to show the relative sizes.[2] The first ratios show the growth of the accounts relative to their initial (first-year) amount so that how quickly the accounts grew during the study period can be ascertained. The second set of ratios demonstrates the size of the balances of those having both relative to what is held in each of the accounts separately for all participants/owners having the respective accounts each year of the study, regardless if both were held. This same ratio will then be used for the individuals who only had both account types at *some point* during the study (not all years). The share of 401(k) plan assets of those having both account types will be presented in percentage form.

Examining Assets of Those With Both a 401(k) Plan and an IRA in *All Years of the Study*

The growth of the average 401(k) plan balance of the accounts maintained throughout the study was higher than the growth in the average balance of the IRAs maintained throughout the study — the average 401(k) plan balance in year 3 was 1.60 times the initial-year balance and reached 2.24 times larger by year 6 compared with 1.35 and 1.58, respectively, for IRAs (Figure 1). It is not surprising that the 401(k) plan growth was greater, as 401(k) plans are more likely to receive contributions, allowable contributions are higher, and there is the possibility of employer contributions. The growth of the average combined balances of those maintaining both a 401(k) plan and an IRA throughout the study was close to the 401(k) plan growth: 1.55 times the initial-year value in year 3 and 2.15 times in year 6.

Figure 1
Ratio of the Ending to Beginning Average 401(k), IRA, and Combined Account Balances for Those Having the Respective Account Type Each Year

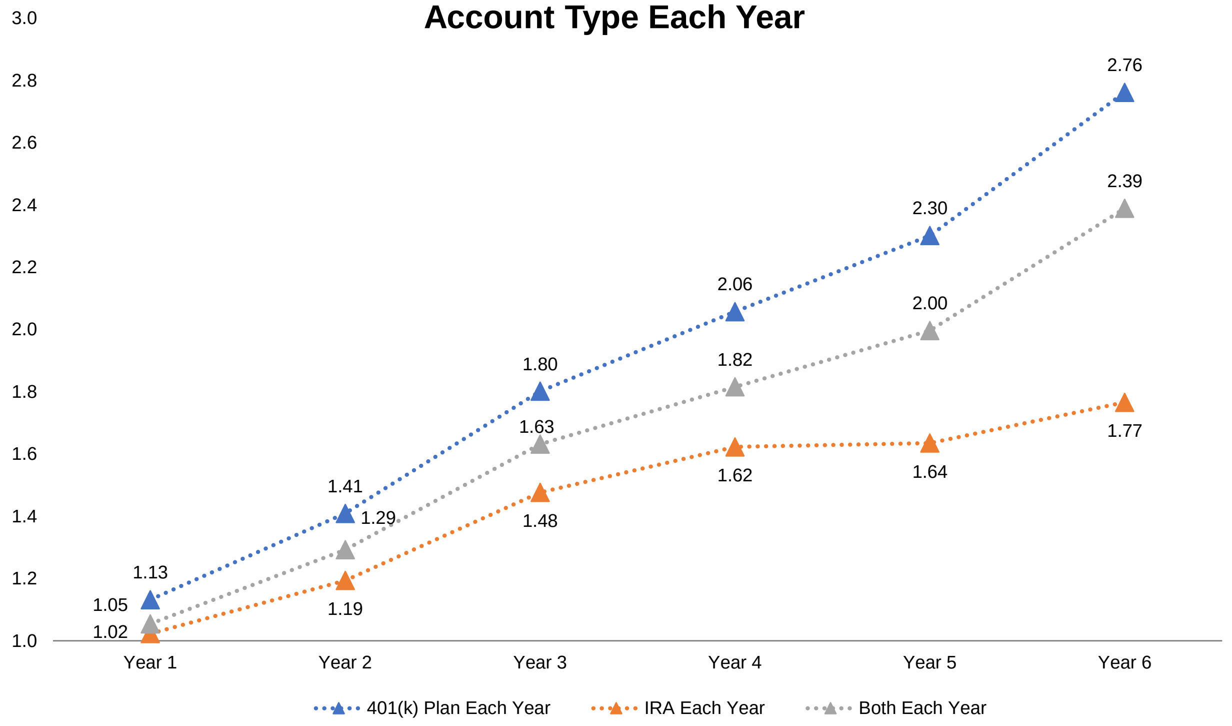


Source: The EBRI Integrated 401(k)/IRA Database.

The growth of the median balances of the three categories of maintained accounts showed similar relative growth patterns to those found for the averages (Figure 2). The median 401(k) plan balance grew to be 1.80 times its initial amount by year 3 and 2.76 times in year 6. The ratio of the median IRA balance in year 5 to its initial-year balance again flattened out, so the year-6 ratio only reached 1.77. Again, the ratios of both-accounts balances to initial-year balances were in between, since they include the 401(k) plans and IRAs. The year-6 ratio for both accounts was 2.39, up from 1.63 in year 3.

While the growth rates above show where retirement assets are building up the fastest, they do not show the total amount of retirement assets accumulated by virtue of having both account types in comparison to that held in each type of account separately. To better get at the latter, the ratios of the balances when having both account types to the balances of each account type separately are calculated.

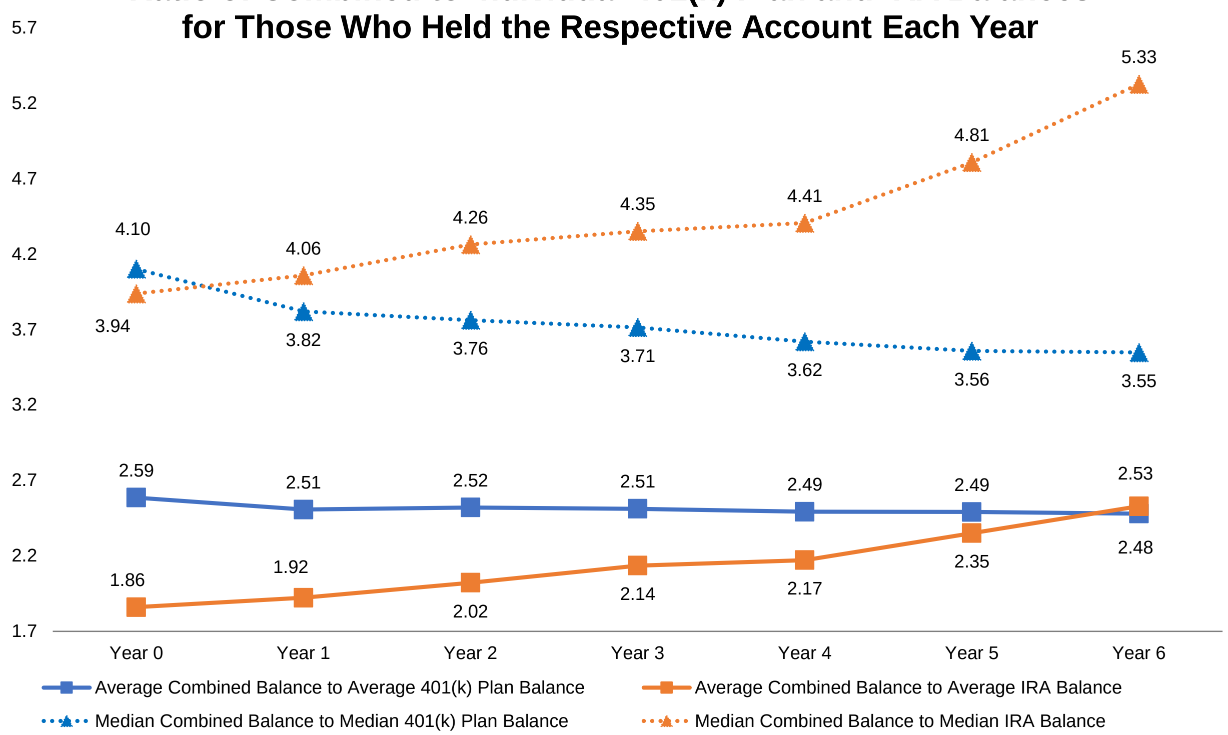
Figure 2
Ratio of the Ending to Beginning Median 401(k), IRA, and Combined Account Balances for Those Having the Respective Account Type Each Year



Source: The EBRI Integrated 401(k)/IRA Database.

In each year, the average combined balance of those having both a 401(k) plan and an IRA relative to the average 401(k) plan balance (of all of those having a 401(k) plan each year) was around 2.50. The ratio was highest in year 0 at 2.59 and lowest in year 6 at 2.48 (Figure 3). In contrast, the average combined balances of those with both a 401(k) plan and an IRA increased each year when compared with average IRA balances, going from 1.86 in year 0 to 2.53 in year 6.

Figure 3
Ratio of Combined to Individual 401(k) Plan and IRA Balances for Those Who Held the Respective Account Each Year



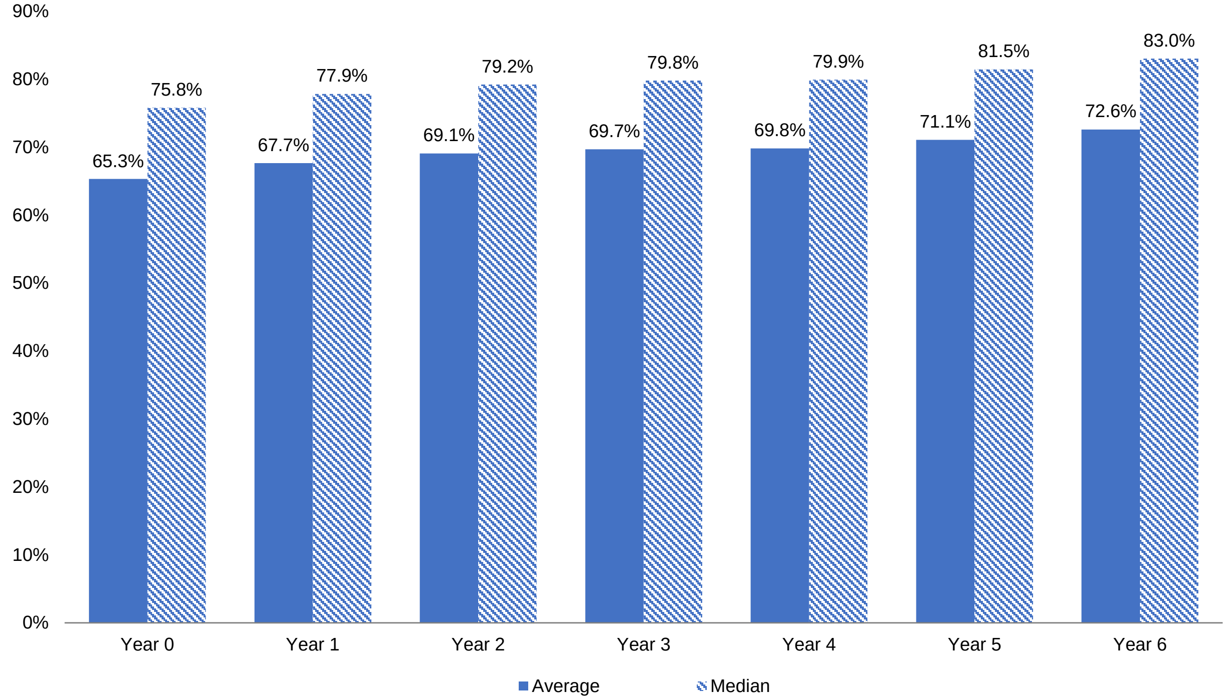
Source: The EBRI Integrated 401(k)/IRA Database.

The median balance ratios followed the same trends as the average balance ratios but at higher levels and with larger slopes. The median combined balance was 4.10 times larger than the median 401(k) plan balance in year 0, decreasing to 3.55 in year 6. The ratio of the median combined balance to the median IRA balance increased sharply after year 4, reaching 5.33 in year 6 after a more gradual increase from 3.94 in year 0 to 4.41 in year 4.

Therefore, when discussing the total retirement assets held by individuals, focusing only on one account — even with persistent ownership — can lead to a misleading number, as the average maintained combined assets are 2.5 times larger than the individual account balances. The median assets of those with both accounts each year are even larger — 3.55 times and 5.33 times, respectively — than if just the median 401(k) plan or IRA balance is cited.

Among individuals with both account types in each year of the study, the majority of the assets came from the 401(k) plan (Figure 4). In addition, this share increased as the number of years studied increased — corresponding with the previously described increasing ratio of the balances of those owning both accounts to the IRA balances. In the initial year of the study, on average, 65.3 percent of the total combined assets were from the 401(k) plans (75.8 percent at the median). These numbers grew to 72.6 percent and 83.0 percent, respectively, by year 6. The increasing share is explained by the faster growth in 401(k) plan assets relative to IRA assets during this period for these accountholders. The higher likelihood of contributions, higher contribution limits to 401(k) plans than to IRAs, and company matching contributions are presumably the drivers of this result.

Figure 4
Share of Combined Account Balances That Is From 401(k) Plan Balances for Those Having Both a 401(k) Plan and an IRA Each Year



Source: The EBRI Integrated 401(k)/IRA Database.

Age and Tenure

While the overall results provide important insights, it is important to take into account the fact that individuals move between jobs and retire, are at different life stages, and work for their employers for different lengths of time. Thus, knowing the circumstances of individuals will help better pinpoint where these individuals stand in relation to their total retirement assets. In this section, the balances of those having a 401(k) plan, IRA, or both each year are examined by the age and tenure of the individuals.

The bulk of the individuals who were 401(k) plan participants each year or who had both a 401(k) plan and an IRA each year were ages 40–59 at the end of the study. Just under two-thirds (64.0 percent) of participants having a 401(k) plan each year were those ages, and just over two-thirds (67.8 percent) having both a 401(k) plan and an IRA each year were those ages (Figure 5). In contrast, the age distribution of the IRA owners having one each year is skewed older, as IRA owners are more likely to be retirees, since employment is not contingent on having an IRA as it is for being an *active* 401(k) plan participant.[3,4]

The tenures of those having a 401(k) plan or both a 401(k) plan and an IRA each year were more evenly distributed. For those having a 401(k) plan all years, the share with various levels of tenure ranged from 8.9 percent for those with 1–5 years of tenure in the last year of the study to 17.7 percent having 6–9 years of tenure. The largest share of those having both account types also had 6–9 years (19.6 percent).[5]

Figure 5

Distribution of 401(k) Plan Participants, IRA Owners, and Those Owning Both Account Types All Years and at Some Point*

Age	401(k) Plan Participant All Years	IRA Owner All Years	Had Both a 401(k) Plan and an IRA Each Year	Had Both a 401(k) Plan and IRA at Some Point (Not All)
Less than 30	1.1%	1.1%	0.2%	1.2%
30–39	17.3%	9.2%	10.8%	14.6%
40–49	28.9%	18.1%	28.6%	23.5%
50–59	35.1%	25.5%	39.2%	29.4%
60–70	16.2%	26.8%	19.8%	26.0%
71 or older	1.4%	19.4%	1.4%	5.3%
Tenure**				
0	n/a	n/a	n/a	76.1%
1–5	8.9%	n/a	12.2%	8.9%
6–9	17.7%	n/a	19.6%	4.2%
10–12	15.9%	n/a	15.6%	2.6%
13–16	16.7%	n/a	15.3%	2.4%
17–21	16.8%	n/a	15.2%	2.3%
22–29	13.8%	n/a	11.9%	1.9%
30 or more	10.3%	n/a	10.3%	1.8%

*By age of the individuals and tenure at their employer in the study's last year.

**0 years of tenure only occurs for those who had both accounts at only some point in the study, as only the individuals in a 401(k) plan in year 6 would have a tenure value.

Source: The EBRI Integrated 401(k)/IRA Database.

Ratio of Balance to Initial-Year Balance by Age — The ratio of the average 401(k) plan balance (of those having them each year) to its average initial-year plan balance increased each year of the study for each age group (Figure 6). However, the ratios were lower for older participants than for younger participants. For example, in year 6, the ratio of the average balance to the initial-year average balance for the accounts of participants ages younger than 30 was 8.59 compared with 1.52 for those participants ages 71 or older. This is due to the fact that contributions would be larger

Figure 6

Ratio of the Average 401(k) Plan, IRA, and Both Balances to Their Initial Year for Those Having the Respective Account Each Year*

	Ratio of Balance in Each Year to Initial Year (0)					
All	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
401(k) plan each year	1.07	1.27	1.60	1.79	1.94	2.24
IRA each year	1.01	1.14	1.35	1.47	1.47	1.58
Both each year	1.04	1.24	1.55	1.72	1.86	2.15
401(k) Plan, by Age	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Less than 30	1.71	2.72	4.17	5.37	6.67	8.59
30–39	1.20	1.58	2.15	2.57	2.91	3.60
40–49	1.09	1.34	1.74	1.98	2.16	2.59
50–59	1.06	1.25	1.57	1.75	1.90	2.21
60–70	1.05	1.20	1.44	1.55	1.63	1.76
71 or older	1.02	1.12	1.28	1.37	1.45	1.52
IRA, by Age	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Less than 30	1.11	1.39	1.85	2.17	2.33	2.72
30–39	1.10	1.38	1.84	2.15	2.31	2.67
40–49	1.04	1.25	1.59	1.82	1.89	2.13
50–59	1.02	1.19	1.48	1.67	1.72	1.90
60–70	1.02	1.17	1.40	1.55	1.57	1.70
71 or older	0.98	1.07	1.20	1.25	1.19	1.21
Both, by Age	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Less than 30	1.53	2.41	3.71	4.70	5.48	7.06
30–39	1.14	1.47	2.00	2.32	2.63	3.22
40–49	1.06	1.30	1.68	1.89	2.07	2.45
50–59	1.04	1.23	1.55	1.72	1.87	2.16
60–70	1.03	1.19	1.45	1.58	1.68	1.88
71 or older	1.00	1.13	1.32	1.40	1.43	1.48
401(k) Plan, by Tenure	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1–5	1.05	1.24	1.53	1.64	1.61	1.76
6–9	1.28	1.76	2.45	3.00	3.41	4.24
10–12	1.16	1.48	1.96	2.31	2.58	3.13
13–16	1.10	1.34	1.71	1.95	2.16	2.56
17–21	1.07	1.27	1.61	1.80	1.96	2.29
22–29	1.05	1.21	1.50	1.65	1.78	2.03
30 or more	1.03	1.16	1.39	1.49	1.58	1.74
Both, by Tenure	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1–5	1.03	1.22	1.53	1.68	1.68	1.88
6–9	1.08	1.33	1.70	1.93	2.11	2.46
10–12	1.06	1.29	1.65	1.86	2.05	2.39
13–16	1.05	1.26	1.60	1.79	1.97	2.28
17–21	1.04	1.24	1.57	1.75	1.93	2.23
22–29	1.03	1.23	1.53	1.68	1.84	2.14
30 or more	1.02	1.16	1.40	1.50	1.61	1.82

*By age of the individuals and tenure at their employer in the study's last year.

Source: The EBRI Integrated 401(k)/IRA Database.

relative to initial-year balances for younger participants who are more likely starting out their careers and/or having shorter tenures.

As with 401(k) plans, the ratio of the average IRA balance to its average initial-year balance also increased each year for each age group, except among those with owners ages 71 or older. In this age group, the ratio actually decreased from year 0 to year 1 and from year 4 to year 5. This is likely a result of required and voluntary withdrawals exceeding market returns in those years. Again, the ratios were lower for the accounts owned by those who were older, but they were not as dramatically low as those for the 401(k) plan participants. Lower contribution limits and lower likelihood of contributing to IRAs limit the growth of IRAs relative to 401(k) plans.

Among those owning both account types each year, there was only one year in which an age group did not experience an increase in the average combined balances compared with the prior year — those ages 71 or older, from year 0 to year 1 (ratio equals 1.00). Otherwise, the average combined balances increased each year in each age group. The ratios were lower for the accounts with older participants/owners in a fashion comparable to what was seen with 401(k) plans, as the share of assets from the 401(k) plans dominates that from the IRAs.

Ratio of Balance to Initial-Year Balance by Tenure — The average 401(k) plan balance increased each year under observation across tenure categories. However, those with a tenure of 6–9 years saw the largest growth. In year 6, those with 6–9 years of tenure saw their balance reach 4.24 times what it was in the initial year. This contrasts with 1.76 in year 6 for those with 1–5 years of tenure and 1.74 in year 6 for those with 30 or more years of tenure.

Driven by the larger share of 401(k) plan assets among those having both account types, the growth in the ratios for those with both account types was similar to that of the 401(k) plan balances across the tenure groups. The ratios of balances to their initial-year balances were at their highest with the 6–9-year tenure cohort but then declined as tenure continued to lengthen.[6]

Ratio of Combined Balances to the Individual Account Balances — As mentioned previously, the ratios relative to the initial-year balances only show the growth among those having the specific accounts investigated. In this section, the ratios of the combined balances of those owning both account types in each year to the balances of 401(k) participants and IRA owners each year are calculated. By looking at these ratios by the age and tenure of the participants/owners, a better idea of the level of assets held across both accounts at different points in workers' lives and careers (age and tenure) can be ascertained.

The ratios of the average combined balances for those having both account types to the average 401(k) plan balances trended downward from year 0 to year 6 among 401(k) plan participants younger than age 60 (Figure 7). For example, for participants in their 30s, the average combined balance was 2.66 times the average 401(k) plan balance in year 0. This ratio declined to 2.38 in year 6, meaning that the average combined balance was 2.38 times larger than the average 401(k) plan balance of those in their 30s. However, the same decline in these ratios was not experienced by participants ages 60 or older. For the participants ages 60–70, the ratio increased from 2.54 in year 0 to 2.70 in year 6, whereas, for those participants ages 71 or older, the ratio initially went from 4.07 in year 0 to 4.18 in year 3 before falling to 3.97 in year 6. The decrease in this ratio for younger individuals over time reflects the higher growth rates of the 401(k) plan balances compared with the IRA balances. In contrast, older participants are more likely to be moving toward or in retirement or to have created an IRA after rolling over when they left a prior job.

The ratio of the average combined balances of those having both account types relative to average IRA balances increased in each year for each age group.[7] This was particularly true among owners younger than 30, who saw ratios increase from 1.43 in year 0 to 3.72 in year 6. However, the year-0 ratios were higher for older account owners, peaking at 3.83 in year 0 for owners in their 30s and declining with age thereafter. Increases in ratios across the years were smallest for the oldest IRA owners.

The ratio of the average combined balances to the average 401(k) balances decreased from year 0 to year 6 for 401(k) participants with 6–16 years of tenure. These participants would be the individuals who were staying at their job and were not likely to be able to build up assets in their IRA faster than they could in their 401(k) plan. In contrast, those with the lowest tenures (1–5 years) would have had a job change during the study, so their IRA balance could keep pace with or outpace the 401(k) plan balance. This would lead to the year-6 ratio being higher than the year-0 ratio, as is seen in Figure 7. The longest-tenured workers also saw the ratio increase over the period observed, signifying that the share of assets in IRAs increased relative to the share in the 401(k) plans.[8]

Figure 7
Ratio of the Average Both-Account-Type Balances to the Average 401(k) Plan and Average IRA Balances Separately*

	Ratio of Balance of Those With Both Each Year to the Respective Balance						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Ratio of Both to 401(k) Plan	2.59	2.51	2.52	2.51	2.49	2.49	2.48
Ratio of Both to IRA	1.86	1.92	2.02	2.14	2.17	2.35	2.53
Ratio of Both to 401(k), by Age	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Less than 30	3.55	3.19	3.14	3.15	3.10	2.91	2.91
30–39	2.66	2.53	2.49	2.48	2.41	2.41	2.38
40–49	2.29	2.23	2.23	2.22	2.19	2.20	2.17
50–59	2.24	2.19	2.22	2.22	2.21	2.20	2.20
60–70	2.54	2.47	2.52	2.55	2.58	2.62	2.70
71 or older	4.07	3.97	4.08	4.18	4.14	4.03	3.97
Ratio of Both to IRA, by Age	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Less than 30	1.43	1.98	2.49	2.88	3.10	3.37	3.72
30–39	3.83	3.95	4.09	4.18	4.14	4.37	4.63
40–49	3.60	3.67	3.74	3.80	3.75	3.94	4.15
50–59	3.15	3.20	3.26	3.30	3.25	3.42	3.58
60–70	2.15	2.17	2.20	2.23	2.20	2.31	2.38
71 or older	1.90	1.93	2.00	2.08	2.12	2.28	2.32
Ratio of Both to 401(k), by Tenure	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1–5	2.51	2.45	2.46	2.51	2.56	2.62	2.68
6–9	5.42	4.56	4.08	3.76	3.49	3.35	3.15
10–12	3.95	3.63	3.46	3.33	3.19	3.14	3.02
13–16	3.12	2.99	2.95	2.92	2.86	2.85	2.78
17–21	2.67	2.60	2.62	2.61	2.60	2.62	2.59
22–29	2.17	2.13	2.20	2.21	2.21	2.23	2.28
30 or more	1.99	1.95	1.99	2.00	2.00	2.02	2.07

*By age of the individuals and tenure at their employer in the study's last year.
Source: The EBRI Integrated 401(k)/IRA Database.

The average share of 401(k) plan assets of participants who had both a 401(k) plan and an IRA increased from the initial year to year 6, going from 65.3 percent to 72.6 percent (Figure 8). The median share increased from 75.8 percent to 83.0 percent. Thus, it is clear that the 401(k) plan assets make up the bulk of the assets of those with both account types. The 401(k) plan assets grew each year the accounts were maintained. This helps explain the relative amounts of the ratios in the prior figures as well as the changes in the ratios over time.

The average proportion of 401(k) plan assets increased for each participant age group from year 0 to year 6. Those with the highest average shares of 401(k) plan assets were participants ages 30–39 and 40–49 (78.5 percent and 76.2 percent, respectively, in year 6). This share was somewhat lower for those ages less than 30 and 50–59. The share of 401(k) plan assets was close to half throughout the period under observation for the participants ages 71 or older.

The average share of 401(k) plan assets for those with both a 401(k) plan and an IRA was higher in year 6 than in year 0 for all tenure levels of participants with both account types, except for those with 1–5 years of tenure. The largest increase in 401(k) plan assets over the period occurred among participants with 6–9 years of tenure, rising from 46.9 percent in year 0 to 66.9 percent in year 6. The decline of the share of 401(k) plan assets among those with the shortest tenures is likely due to a job change during the study period.[9]

Figure 8

Share of Combined Account Balances That Is From 401(k) Plan Balances of Those Having Both a 401(k) Plan and IRA Each Year*

	Percentage 401(k) Plan Balances Represent of the Combined Balances						
All	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Average	65.3%	67.7%	69.1%	69.7%	69.8%	71.1%	72.6%
Median	75.8%	77.9%	79.2%	79.8%	79.9%	81.5%	83.0%
Average							
Age	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Less than 30	46.1%	58.6%	65.8%	68.5%	70.0%	71.0%	73.5%
30–39	67.6%	71.3%	73.5%	74.5%	75.1%	76.5%	78.5%
40–49	68.2%	70.6%	72.1%	72.8%	73.1%	74.3%	76.2%
50–59	65.0%	67.1%	68.5%	69.1%	69.2%	70.7%	72.5%
60–70	61.9%	63.6%	64.7%	64.9%	64.5%	65.2%	65.4%
71 or older	50.9%	52.8%	53.7%	54.3%	54.8%	56.7%	57.3%
Tenure	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1–5	58.1%	59.0%	58.6%	57.6%	55.7%	53.2%	54.3%
6–9	46.9%	53.2%	57.3%	59.6%	61.5%	64.3%	66.9%
10–12	61.8%	64.3%	66.4%	67.5%	68.4%	70.4%	72.5%
13–16	70.9%	72.4%	73.4%	73.8%	74.1%	75.8%	77.2%
17–21	75.9%	77.0%	77.7%	77.9%	77.8%	79.2%	80.4%
22–29	77.2%	78.2%	79.1%	79.2%	78.5%	79.8%	80.9%
30 or more	76.7%	77.3%	77.5%	77.4%	76.6%	77.3%	77.5%
Median							
Age	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Less than 30	44.2%	60.5%	70.0%	74.1%	76.3%	78.2%	81.1%
30–39	76.7%	79.2%	81.2%	82.6%	83.2%	84.8%	86.5%
40–49	79.4%	81.2%	82.5%	83.0%	83.3%	84.5%	86.2%
50–59	75.3%	77.3%	78.6%	79.0%	79.1%	80.9%	82.5%
60–70	71.0%	72.9%	73.9%	74.0%	73.5%	74.8%	75.3%
71 or older	52.6%	55.8%	56.8%	57.6%	58.4%	62.0%	63.9%
Tenure	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1–5	64.5%	65.7%	65.1%	63.2%	60.1%	55.1%	56.6%
6–9	43.4%	53.2%	59.4%	62.9%	65.5%	69.4%	72.8%
10–12	66.7%	70.0%	72.6%	74.0%	75.1%	77.5%	79.9%
13–16	79.9%	81.3%	82.2%	82.7%	83.0%	84.6%	85.9%
17–21	86.2%	86.8%	87.1%	87.3%	87.2%	88.4%	89.4%
22–29	89.5%	90.0%	90.0%	89.9%	89.4%	90.4%	91.1%
30 or more	90.2%	90.4%	90.2%	89.8%	89.2%	89.8%	90.1%

*By age of the individuals and tenure at their employer in the study's last year.

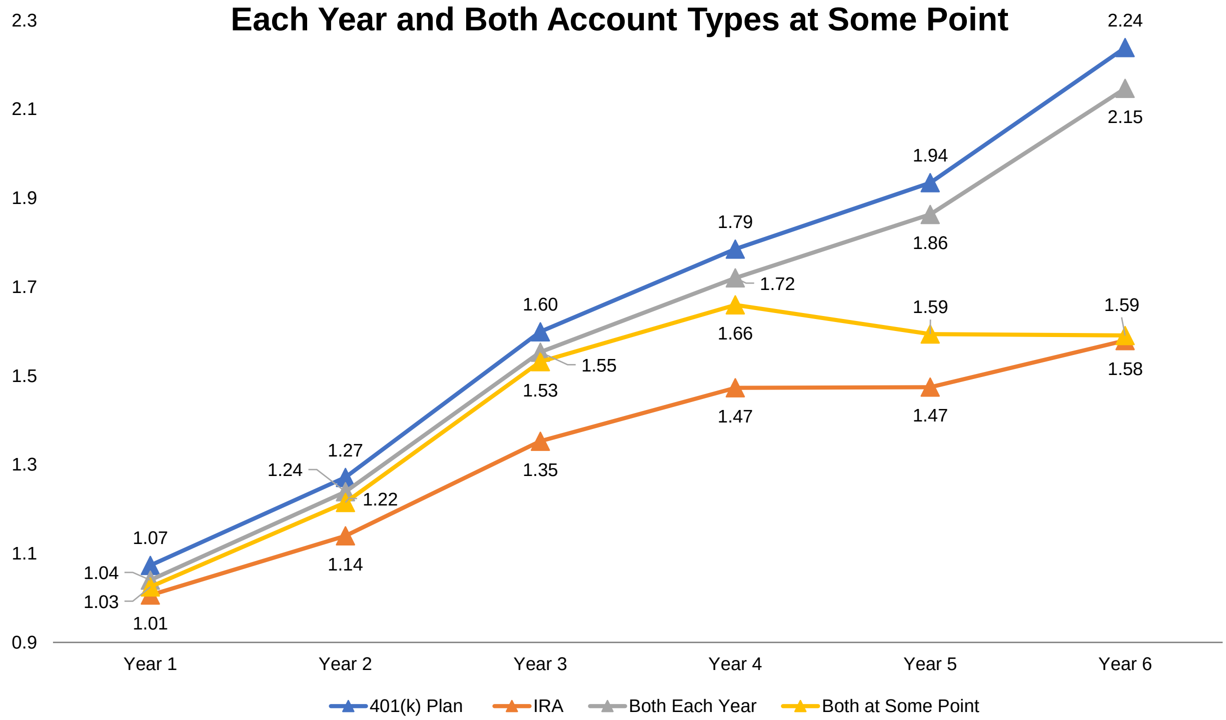
Source: The EBRI Integrated 401(k)/IRA Database.

Examining Assets of Those With Both a 401(k) Plan and an IRA at *Some Point in the Study*

In the previous section, comparisons with 401(k)-plan- and IRA-only assets were for those individuals who had both account types in *every year of the study*. However, it is important to note that many of those having both account types at some point during the study did not have both account types for all years studied. Accounts were closed when the individuals changed jobs, or assets were rolled over to other accounts as individuals retired. A common example is where an individual had both account types for the first four years of the study, but then they retired and moved all of their assets to an IRA. Another example is where an individual had a 401(k) plan only and rolled their assets into an IRA at job change (never having both account types in the same year but having both at some point during the study). Consequently, these individuals would have only one account at the end of the study. Therefore, this section looks at the growth and relative amounts for those who only have both account types *at some point* during the study, not all years of it. Knowing whether the accounts have been or will be maintained is important in determining the full extent of the retirement assets held by Americans.

In Figure 9, the ratios of the average balances of those who had both account types at some point in the study to the balances in the initial year of the study are added to Figure 1. These ratios initially very closely followed the ratios of those having both all years. However, they began to decline after year 4. This shows that the participants/owners either switched jobs or retired, causing the growth from contributions to cease and the account amounts to hold relatively steady. Furthermore, there was potentially leakage at this point as well that could have led to the decline in the average balance relative to prior years.[10]

Figure 9
Ratio of the Average 401(k) Plan, IRA, and Both Balances to Their Initial Year for Those Having the Respective Account Each Year and Both Account Types at Some Point

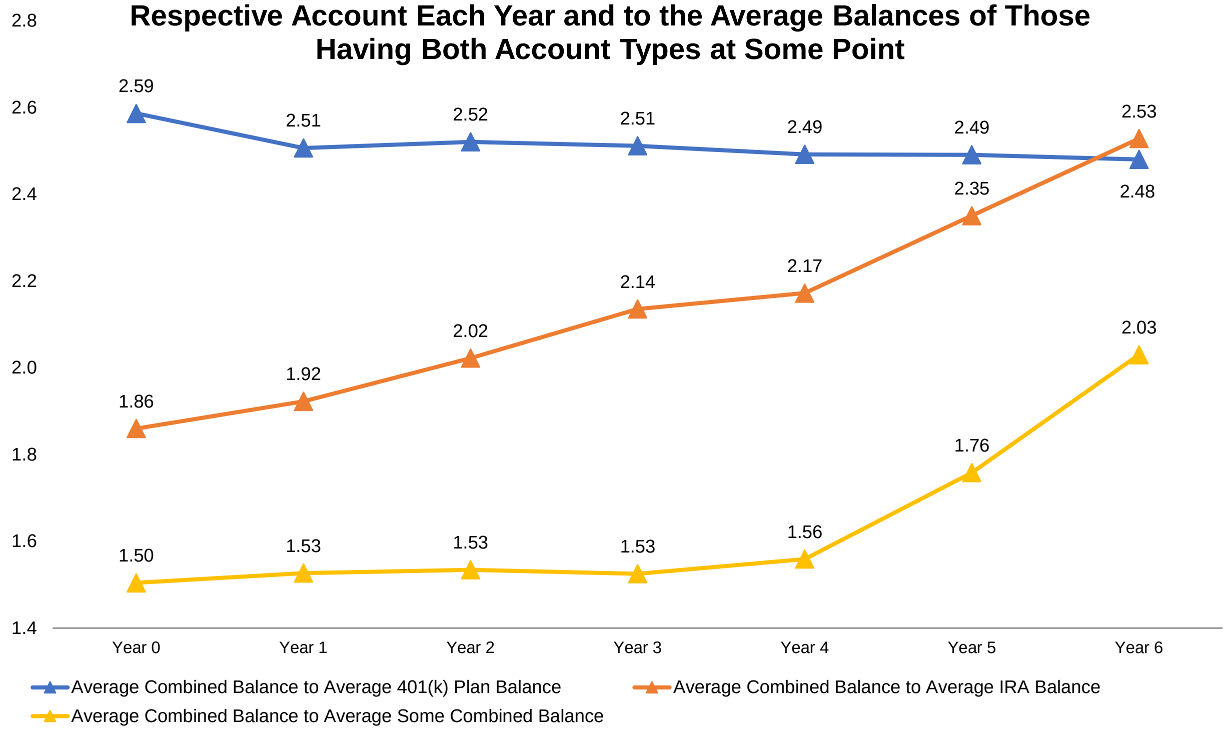


Source: The EBRI Integrated 401(k)/IRA Database.

In order to see how the average combined balances of those having both account types at some point compare with the average combined balances of those having both every year, the two are presented together in Figure 10. These balances are also compared with the every-year average 401(k) plan and IRA balances.

The ratio of the combined every-year balances to the some-year balances held steady at about 1.50 from year 0 through year 4 before the ratio increased significantly, reaching 2.03 in year 6. This demonstrates the impact of failing to have the continual buildup in 401(k) plans. In other words, it points to the impact of the potential leakage when funds are moved from these account types, particularly relative to that of maintaining the same accounts over the entire study period.[11]

Figure 10
Ratio of the Average Combined Account Balances in All Years to the Average 401(k) Plan and IRA Balances for Those Who Had the Respective Account Each Year and to the Average Balances of Those Having Both Account Types at Some Point

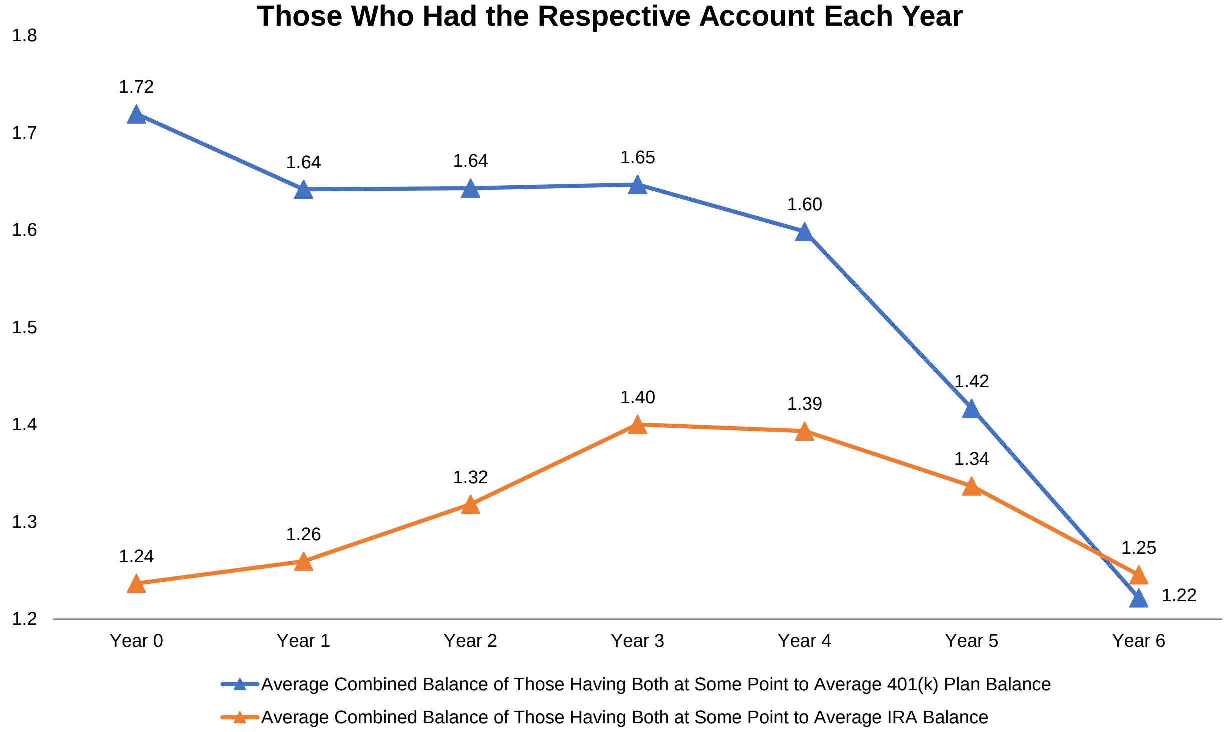


Source: The EBRI Integrated 401(k)/IRA Database.

Figure 11 shows the average combined balances of those having both account types at some point relative to the every-year average 401(k) plan and IRA balances. In year 0, the average balance of those with both account types at some point was 1.72 times as large as the average 401(k) plan balance and 1.24 times the average IRA balance. This ratio relative to the 401(k) plan balances flattened out to around 1.65 from year 1 through year 3 before declining afterward to 1.22 in year 6. In contrast, the ratio relative to the average IRA balances increased through year 3, reaching 1.40. At this point, the ratio to IRA balances followed a similar downward movement to the ratio to average 401(k) plan balances, falling to 1.25 in year 6.

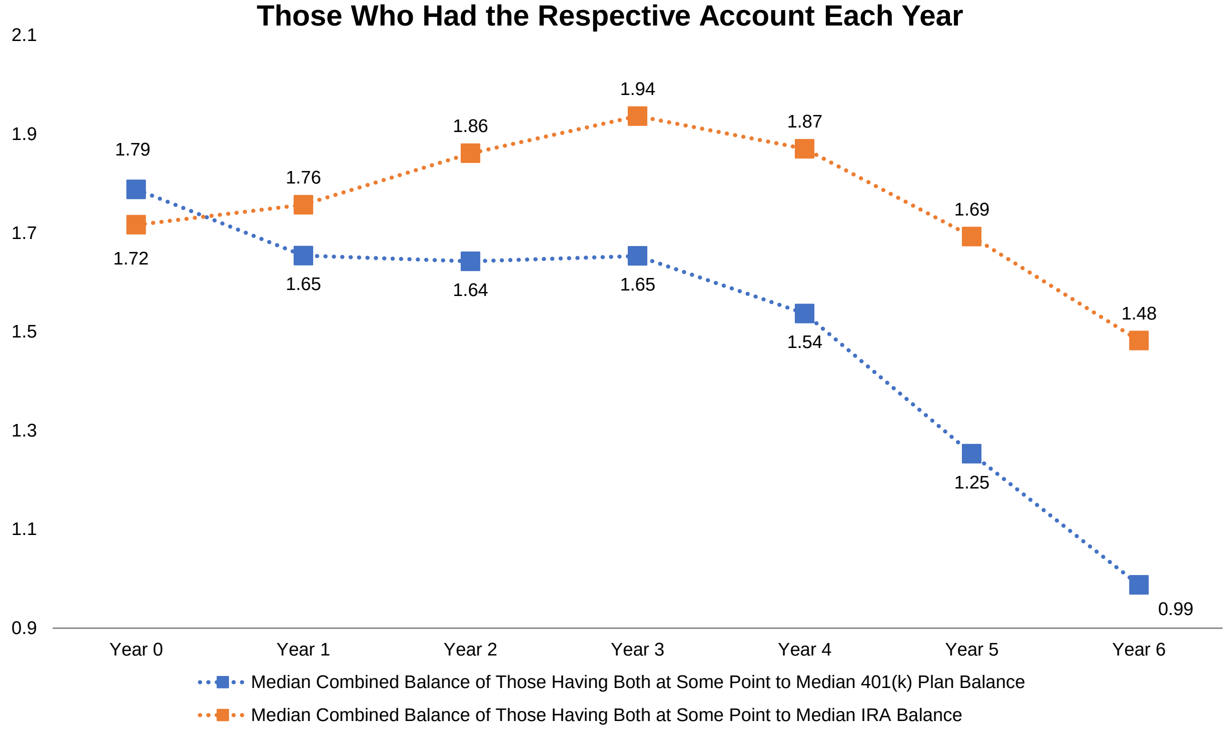
The ratios for the medians of these comparisons followed the same pattern as the ratios for the average balances, but with much steeper declines in years 4–6. In fact, the ratio of the median combined balance of those with both account types at some point to the median 401(k) plan balance of those who had one in every year was 0.99 in year 6, meaning that the median 401(k) plan balance of those having the plan each year was slightly higher than the median combined balance of those with both at some point (Figure 12). Clearly, how long individuals maintain their accounts plays a vital role in the ultimate amount of retirement assets they have.

Figure 11
Ratio of Average Combined Balances of Those Having Both Account Types at Some Point to Average 401(k) Plan and IRA Balances for Those Who Had the Respective Account Each Year



Source: The EBRI Integrated 401(k)/IRA Database.

Figure 12
Ratio of Median Combined Balances of Those Having Both Account Types at Some Point to Average 401(k) Plan and IRA Balances for Those Who Had the Respective Account Each Year



Source: The EBRI Integrated 401(k)/IRA Database.

Age and Tenure

The age and tenure of the individuals who have both accounts at some point affect the ratios of the average and median balances of those with both account types at some point to those having 401(k) plans, IRAs, or both account types in every year of the study. The majority (55.4 percent) of these individuals with both account types at some point were ages 50–70 in the last year of the study: 29.4 percent were ages 50–59, and 26.0 percent were ages 60–70 (Figure 5). Almost all of the rest were ages 30–49, as only 6.5 percent were either less than 30 or 71 or older.

Just over three-quarters (76.1 percent) did not have a tenure value[12] in the last year of the study, meaning that they were not a 401(k) plan participant in that year. This shows that many of these individuals with both account types at some point during the study were highly likely to have a 401(k) plan at one point, then moved the money to an IRA when changing jobs or retiring. For those with a tenure value, the most likely value to have was 1–5 years, signifying that they had a job change during the study period.

Number of Years Having Both Account Types in the Same Year — Since maintaining an account typically leads to higher balances, the number of years having both account types and the age and tenure of the account owners provide additional information on how much individuals have in total retirement assets. Those having both account types in all years are not included in this section of the study, so those with both account types *at some point* could have had both account types in 0–6 years during the study. If they had both account types for zero years, it means that they had both account types over the course of the study but not in the same year. If individuals had both account types for six years, it means that they had both account types in six of the seven years of the study.

Figure 13

Distribution of the Years Having Both Account Types in the Same Year When Having Both Account Types at Some Point During the Study*

	Years Having Both Accounts When Having Both Accounts at Some Point							
	0	1	2	3	4	5	6	Average
All	21.0%	15.0%	13.8%	14.6%	13.0%	15.0%	7.7%	2.6
Age								
Less than 30	35.0%	16.2%	16.2%	13.1%	9.0%	6.3%	4.2%	1.8
30–39	24.2%	14.4%	14.9%	14.7%	12.2%	12.3%	7.3%	2.4
40–49	18.1%	13.8%	14.2%	15.4%	13.8%	16.0%	8.8%	2.8
50–59	17.5%	14.0%	13.9%	15.3%	14.2%	16.2%	8.9%	2.8
60–70	24.6%	15.9%	12.7%	13.7%	12.1%	14.3%	6.7%	2.4
71 or older	24.4%	21.7%	13.0%	12.7%	9.6%	15.7%	2.9%	2.2
Tenure								
0	27.6%	18.5%	11.8%	13.6%	9.9%	15.3%	3.3%	2.2
1–5	0.0%	2.4%	23.1%	21.1%	22.3%	15.2%	16.0%	3.7
6–9	0.0%	3.2%	16.3%	15.9%	21.8%	15.0%	27.8%	4.1
10–12	0.0%	3.9%	17.3%	16.5%	22.8%	13.4%	26.1%	4.0
13–16	0.0%	4.5%	18.3%	16.0%	23.6%	12.8%	24.8%	4.0
17–21	0.0%	4.9%	18.8%	17.0%	23.4%	12.8%	23.1%	3.9
22–29	0.0%	5.5%	21.1%	16.3%	23.2%	12.0%	21.9%	3.8
30 or more	0.0%	5.6%	23.6%	16.0%	22.8%	11.4%	20.6%	3.7

*By age of the individuals and tenure at their employer in the study's last year.

Source: The EBRI Integrated 401(k)/IRA Database.

Most individuals did have both accounts in the same year at some point: Only 21.0 percent did not have both account types in the same year during the period observed (zero years of owning both in the same year) (Figure 13). Beyond that, the proportion of individuals having both account types in the same year was fairly equally distributed among 1–5 years. It was least common for individuals to have both accounts in the same year for six years. This translates into an average of 2.6 years of having both account types in the same year. The youngest owners/participants had the lowest average years of having both account types in the same year at 1.8. This average increased to 2.8 years for those in their 40s and 50s before falling to 2.2 years for owners/participants ages 71 or older. The distribution of the years of having both accounts in the same year moved in an analogous manner: A higher proportion of younger vs. older individuals had zero years of owning both account types in the same year.

For those with a tenure value in the last year of the study, the distribution of the number of years having both account types in the same year and the average number of years of having both account types in the same year were similar across the tenure groupings. The average years having both account types in the same year ranged from 3.7 to 4.1 years. Furthermore, individuals were least likely to own both account types for only one year across tenure categories. There were similar shares of individuals having both account types for 2–6 years, with some deviations. For example, only 16.0 percent of those with 1–5 years of tenure had both account types for six years, compared with all other tenure groupings having no less than 20 percent with this number of years.

Number of Years Having Each Account Type — Another important piece of information is which account type is being used the most when individuals are moving assets between the account types. Owners/participants were more likely to have had an IRA for more years than a 401(k) plan. As Figure 14 shows, the average number of years individuals owned an IRA was 5.5, compared with 4.0 years for a 401(k) plan. Furthermore, 53.9 percent of individuals who had both account types at some point had an IRA for all seven years of the study, whereas only 12.0 percent had a 401(k) plan in all years. Beyond that number of years for having an IRA, the percentage having an IRA a specific number of years was similar, except for the very small percentage (0.9 percent) having an IRA only one year. The distribution of the number of years individuals participated in a 401(k) plan was fairly evenly distributed across the number of years, with an uptick at five years, where 23.6 percent had a 401(k) plan that number of years compared with no larger than 16.5 percent for any other number of years.

The distribution of the number of years of having a 401(k) plan and the average years having one were similar for all ages except for ages 71 or older. The average number of years having a 401(k) plan ranged from 3.7 to 4.2 years for participants younger than age 71, while the average among those ages 71 or older was 3.3 years. Only 3.0 percent of participants 71 or older had a 401(k) plan for all seven years.

Conversely, those ages 71 or older were most likely to have an IRA for the full period under observation: 63.4 percent owned an IRA for seven years. In fact, individuals ages 40 or older were more likely to have an IRA for more years. The average number of years having an IRA for owners ages 40 or older ranged from 5.4 to 5.9 years, while the younger owners had an IRA for an average 5.3 years or less.

By tenure, the average number of years owning a 401(k) plan was consistent for those with tenures ranging from six to 30+ years in year 6: 6.0 to 6.2 years. However, for those with only 1–5 years of tenure, the average number of years of having a 401(k) plan was only 5.0 years. Among those who did not have a 401(k) plan at the end of the study, the average time participating in a 401(k) plan during the study was 3.5 years. Nearly 70 percent of those with 30 or more years of tenure had a 401(k) plan for seven years, meaning that the IRA was very often the account either added or closed among individuals with long tenures.

Figure 14
Distribution of the Number of Years Having a 401(k) Plan or IRA When Having Both Account Types at Some Point*

	Years Having Account When Having Both Accounts at Some Point							
All	1	2	3	4	5	6	7	Average
401(k) Plan	9.9%	13.3%	16.3%	16.4%	23.6%	8.6%	12.0%	4.0
IRA	0.9%	8.5%	9.8%	11.1%	9.3%	6.6%	53.9%	5.5
401(k) Plan, by Age								
Less than 30	9.9%	19.6%	17.4%	18.6%	18.1%	6.5%	9.9%	3.7
30–39	8.9%	14.3%	16.1%	16.7%	21.9%	8.7%	13.3%	4.1
40–49	9.4%	12.9%	15.9%	15.7%	23.6%	9.3%	13.2%	4.1
50–59	9.6%	12.4%	15.6%	15.5%	23.5%	9.3%	14.2%	4.2
60–70	9.7%	13.0%	16.8%	17.6%	24.9%	8.2%	9.9%	4.0
71 or older	17.3%	17.9%	18.8%	16.0%	23.7%	3.4%	3.0%	3.3
IRA, by Age								
Less than 30	0.6%	9.8%	16.1%	13.0%	15.4%	7.6%	37.7%	5.1
30–39	0.8%	9.2%	12.3%	11.7%	11.4%	7.7%	46.9%	5.3
40–49	0.8%	7.9%	9.0%	10.3%	8.8%	7.2%	56.2%	5.6
50–59	1.0%	8.1%	8.7%	10.7%	8.4%	6.8%	56.3%	5.6
60–70	1.2%	9.6%	10.4%	11.9%	9.4%	5.8%	51.8%	5.4
71 or older	0.5%	5.5%	7.5%	9.9%	9.4%	3.9%	63.4%	5.9
401(k) Plan, by Tenure								
0	13.0%	14.8%	19.0%	18.5%	28.6%	6.0%	0.0%	3.5
1–5		13.7%	12.8%	13.4%	12.8%	17.3%	30.1%	5.0
6–9		5.5%	5.0%	7.6%	6.4%	20.1%	55.5%	6.0
10–12		5.1%	4.5%	6.6%	4.5%	17.7%	61.6%	6.1
13–16		5.0%	4.0%	6.7%	4.2%	16.5%	63.5%	6.1
17–21		4.7%	4.0%	6.7%	4.0%	14.4%	66.2%	6.2
22–29		6.2%	3.6%	7.1%	3.8%	13.5%	65.8%	6.1
30 or more		6.4%	2.9%	6.6%	2.7%	12.2%	69.3%	6.2

*By age of the individuals and tenure at their employer in the study's last year.
Source: The EBRI Integrated 401(k)/IRA Database.

Ratio of Combined Account Balances for Those With Both Account Types All Years to Those With Both Only at Some Point — Turning to the ratio of the combined balances of those who maintained both account types throughout the study to those of individuals who only had both account types at some point during the study, a further emphasis on the negative impact of not maintaining retirement accounts can be seen. Overall, the ratio of the average combined balances of those with both account types in *all* years to average combined balances of those with both account types at *some* point was 2.03 (Figure 15). This means that the average balances of those maintaining both account types were twice as high as the balances of those who had both account types at some point. This ratio was higher (2.76) for those who had no years of owning both accounts in the same year, and it was lowest (1.46) for those who had six years of owning both account types in the same year. This shows that the average balances are closer between the two groups when both account types are maintained the most years and furthest apart when the fewest number of years of having both account types results.

Figure 15

Ratio of the Average and Median Combined Balances for Those With Both Account Types All Years to the Balances of Those Having Both Account Types at Some Point, by Number of Years Having Both in the Same Year*

	Years Having Both Accounts When Having Both Accounts at Some Point							
Average	0	1	2	3	4	5	6	All
All	2.76	2.11	1.89	2.02	1.70	2.09	1.46	2.03
Age								
Less than 30	10.18	4.39	2.92	2.56	2.01	1.81	1.31	3.45
30–39	5.66	3.98	2.68	2.63	2.16	2.58	1.57	2.93
40–49	3.93	3.05	2.27	2.39	1.98	2.60	1.51	2.45
50–59	3.10	2.50	1.96	2.18	1.77	2.30	1.46	2.15
60–70	2.24	1.74	1.59	1.69	1.48	1.77	1.39	1.75
71 or older	2.32	1.73	1.63	1.77	1.57	2.17	1.29	1.86
Tenure								
1–5	18.51	2.64	1.79	1.65	1.29	1.34	1.21	1.46
6–9	7.07	1.75	1.48	1.48	1.27	1.35	1.23	1.34
10–12	6.92	1.65	1.43	1.42	1.21	1.33	1.16	1.29
13–16	1.23	1.78	1.42	1.43	1.22	1.35	1.19	1.31
17–21	2.52	1.78	1.44	1.44	1.24	1.33	1.20	1.33
22–29	4.07	1.81	1.34	1.43	1.17	1.24	1.15	1.27
30 or more		1.41	1.28	1.36	1.04	1.16	1.15	1.19
Median								
All	5.78	4.42	3.15	3.45	2.59	3.71	1.84	3.59
Age								
Less than 30	27.45	8.47	4.04	3.14	2.42	2.12	1.33	7.07
30–39	14.64	8.40	4.15	3.91	3.02	3.92	1.79	5.09
40–49	7.96	6.18	3.63	3.84	2.85	4.49	1.77	4.16
50–59	6.15	4.76	2.95	3.50	2.52	3.89	1.77	3.54
60–70	3.38	2.70	2.11	2.53	2.04	2.80	1.77	2.59
71 or older	2.55	1.81	1.80	2.17	1.90	2.95	1.56	2.19
Tenure								
1–5	19.84	4.67	2.41	2.06	1.49	1.42	1.22	1.73
6–9	9.48	2.06	1.69	1.62	1.35	1.44	1.28	1.45
10–12	7.95	1.89	1.62	1.56	1.26	1.44	1.18	1.38
13–16	1.01	2.31	1.63	1.63	1.33	1.46	1.23	1.44
17–21	9.51	2.44	1.62	1.63	1.38	1.47	1.28	1.48
22–29	3.31	2.31	1.44	1.56	1.24	1.31	1.17	1.37
30 or more		1.70	1.33	1.45	1.15	1.21	1.22	1.29

*And by age of the individuals and tenure at their employer in the study's last year.

Source: The EBRI Integrated 401(k)/IRA Database.

By age, generally, the older the account owners were, the lower the ratio was for average all-years to average some-years balances. The ratio was as low as 1.75 for those ages 60–70 and as high as 3.45 for those younger than age 30. As would be expected, the ratios across each age group trended downward as the number of years with both account types in the same year increased, with the exceptions of increases going from two to three years and four to five years. The ratios for those with six years of both types were the lowest within each age group.

By tenure, the ratios were the lowest when the account owners had both account types in the same year for six years. Further, the ratios greatly decreased as the number of years of having both account types increased. Among those with six years of having both types, the range of the ratios narrowed across the tenure groups from 1.15 to 1.23, compared with 1.41 to 2.64 among those with one year of having both types in the same year.[13]

Ratio of Combined Balances for Those With Both Account Types at Some Point to the Balances of the Individual Accounts — The importance of having multiple account types is further underscored by the ratio of the average balances of individuals with both account types at some point during the six-year period under observation to the average balance of those with just 401(k) plans, which was 1.22 (Figure 16). The ratio was lowest for those with zero years of having both account types at the same time (in other words, those who always had either just an IRA or just a 401(k) plan) at 0.90. It was highest for those with six years of having both account types at 1.70.

The ratios of the average balances for those with both account types at some point to the average balances of those with just 401(k) plans increased with age, after an initial decline from those ages younger than 30 to those ages 30–39 (0.84 compared with 0.81). This ratio reached 2.14 for those ages 71 or older. Again, these ratios across all age groups were at their lowest for those with zero years of having both account types in the same year. They were highest when having six years of both types.

The ratio of the average balances for those with both account types at some point to the average balances of those with just 401(k) plans was highest for those with 1–5 years of tenure, then declined as tenure increased. This trend supports the fact that the longer the participants have been with their employers, the more likely it is that the 401(k) plan makes up more of the combined balance. Furthermore, in general, the more the years of having both account types, the higher the ratios are, indicating that the IRA has been maintained longer and so represents more of a share of the combined assets.

The ratio of the average combined balances of those having both account types at some point to the average IRA-only balance in year 6 was similar to that of the average 401(k) plan balance (1.22), at 1.25 (Figure 16). Furthermore, the ratio of the average combined balances at some point to the average IRA-only balance was at its highest when the number of years of having both account types in the same year was at its highest and lowest when having both was at its lowest. Regardless of the number of years of having both account types, this ratio peaked by age at 1.69 for those ages 40–49. It then fell to 1.25 for those ages 71 or older. At the oldest ages, the assets were more likely to be in the IRAs. Again, the ratios were at their highest when the number of years of having both accounts was the highest, as individuals had money growing in both accounts for most of the study — meaning more assets in the combined balances than in the single account balances.

Figure 16
Ratio of the Average Balances of Those Having Both Account Types at Some Point to the Balances of Those Having the Respective Account Each Year*

	Years Having Both Accounts When Having Both Accounts at Some Point							
Relative to 401(k) Plan	0	1	2	3	4	5	6	All
All	0.90	1.17	1.31	1.23	1.46	1.19	1.70	1.22
Age								
Less than 30	0.29	0.66	1.00	1.14	1.45	1.61	2.23	0.84
30–39	0.42	0.60	0.89	0.91	1.11	0.92	1.52	0.81
40–49	0.55	0.71	0.96	0.91	1.10	0.84	1.44	0.89
50–59	0.71	0.88	1.12	1.01	1.24	0.96	1.50	1.02
60–70	1.21	1.55	1.70	1.60	1.82	1.52	1.95	1.55
71 or older	1.72	2.30	2.44	2.25	2.52	1.83	3.07	2.14
Tenure								
1–5	0.14	1.02	1.49	1.62	2.07	2.00	2.21	1.83
6–9	0.45	1.80	2.13	2.13	2.48	2.33	2.56	2.35
10–12	0.44	1.83	2.11	2.13	2.50	2.27	2.59	2.34
13–16	2.25	1.57	1.95	1.94	2.28	2.06	2.34	2.12
17–21	1.03	1.46	1.81	1.80	2.10	1.94	2.15	1.95
22–29	0.56	1.26	1.70	1.59	1.94	1.84	1.98	1.79
30 or more		1.47	1.62	1.52	1.99	1.78	1.80	1.74
Relative to IRA								
All	0.92	1.20	1.33	1.25	1.49	1.21	1.73	1.25
Age								
Less than 30	0.37	0.85	1.27	1.45	1.85	2.05	2.84	1.08
30–39	0.82	1.16	1.73	1.76	2.15	1.79	2.95	1.58
40–49	1.06	1.36	1.83	1.73	2.10	1.60	2.75	1.69
50–59	1.15	1.43	1.83	1.64	2.02	1.56	2.45	1.66
60–70	1.06	1.37	1.50	1.41	1.61	1.34	1.72	1.36
71 or older	1.00	1.34	1.42	1.31	1.47	1.07	1.79	1.25

*By age of the individuals and tenure at their employer in the study's last year.
Source: The EBRI Integrated 401(k)/IRA Database.

The patterns of the ratios of the median combined balances of those having both account types at some point to median balances of the individual accounts in year 6 followed the same patterns as the averages (Figure 17). However, the overall ratios of the median balance of those with both account types at some point to the median balances of the individual accounts were not as close between the two account types. The ratio of median combined balances to the median 401(k) plan balance was 0.99 compared with 1.48 for the ratio of median combined balances to the median IRA balance. This means that those with both accounts at some point had a distribution skewed to higher balances — some of the individuals with both account types at some point had really large balances compared with those with only 401(k) plan balances. The analysis at the median balance shows that essentially having just the 401(k) plan generated as much in balances as having both account types at some point during the period, likely due to breaks in service among the latter group providing opportunities for leakage.

Figure 17
Ratio of the Median Balances of Those Having Both Account Types at Some Point to the Balances of Those Having the Respective Account Each Year*

	Years Having Both Accounts When Having Both Accounts at Some Point							
Relative to 401(k) Plan	0	1	2	3	4	5	6	All
All	0.61	0.80	1.13	1.03	1.37	0.96	1.93	0.99
Age								
Less than 30	0.14	0.44	0.93	1.20	1.55	1.77	2.83	0.53
30–39	0.21	0.37	0.76	0.80	1.04	0.80	1.75	0.62
40–49	0.38	0.49	0.84	0.79	1.07	0.68	1.72	0.73
50–59	0.50	0.65	1.05	0.88	1.22	0.79	1.75	0.87
60–70	1.26	1.57	2.01	1.68	2.08	1.51	2.40	1.63
71 or older	3.65	5.14	5.18	4.28	4.89	3.15	5.97	4.26
Tenure								
1–5	0.18	0.76	1.47	1.72	2.37	2.49	2.90	2.05
6–9	0.42	1.93	2.35	2.45	2.95	2.76	3.09	2.74
10–12	0.54	2.28	2.66	2.75	3.42	2.98	3.64	3.12
13–16	4.14	1.81	2.56	2.55	3.13	2.86	3.40	2.90
17–21	0.40	1.56	2.34	2.33	2.75	2.58	2.98	2.57
22–29	0.90	1.29	2.06	1.91	2.40	2.27	2.54	2.17
30 or more		1.48	1.88	1.72	2.18	2.07	2.04	1.95
Relative to IRA								
All	0.92	1.21	1.69	1.54	2.05	1.44	2.90	1.48
Age								
Less than 30	0.20	0.65	1.36	1.75	2.27	2.59	4.14	0.78
30–39	0.55	0.95	1.93	2.04	2.65	2.04	4.46	1.57
40–49	1.01	1.30	2.21	2.09	2.81	1.79	4.53	1.93
50–59	1.14	1.47	2.38	2.00	2.78	1.80	3.96	1.98
60–70	1.31	1.63	2.09	1.74	2.16	1.57	2.49	1.70
71 or older	1.22	1.72	1.73	1.43	1.63	1.05	1.99	1.42

*By age of the individuals and tenure at their employer in the study's last year.
Source: The EBRI Integrated 401(k)/IRA Database.

Finally, the average share of combined balances that consisted of 401(k) plan assets in year 6 for those who had both account types at some point was found to be low, at 15.7 percent (Figure 18). This is because of the fact that a large percentage of individuals with both account types at some point did not have a 401(k) plan in year 6. Thus, when looking at tenure, if the tenure value was one or more, individuals in the study had assets in a 401(k) plan in year 6. In these groupings, the average shares of 401(k) plan assets looked very similar to the shares of those having both account types in every year. The average share was particularly high when the number of years of having both account types in the same year was low, as these were the individuals having the 401(k) plan only in the most recent years.

Figure 18
Share of the Assets of Those Having Both Account Types at Some Point Being From 401(k) Plans in Year 6*

	Years Having Both Accounts When Having Both Accounts at Some Point							
401(k) Plan Share	0	1	2	3	4	5	6	All
All	0.0%	4.9%	20.4%	18.1%	29.0%	14.4%	46.3%	15.7%
Age								
Less than 30	0.0%	4.5%	25.7%	31.6%	39.1%	40.9%	61.3%	17.7%
30–39	0.0%	5.0%	25.6%	25.5%	34.0%	24.2%	54.5%	19.4%
40–49	0.0%	5.0%	22.9%	21.0%	31.2%	16.9%	50.5%	18.6%
50–59	0.0%	5.6%	23.4%	19.3%	32.1%	14.8%	47.1%	18.1%
60–70	0.0%	4.9%	13.7%	11.7%	22.6%	8.8%	36.1%	10.5%
71 or older	0.0%	1.5%	4.2%	3.0%	10.1%	2.2%	29.8%	3.4%
Tenure								
0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1–5	100.0%	76.1%	43.6%	48.7%	57.0%	53.6%	55.4%	51.8%
6–9	100.0%	85.8%	66.6%	68.5%	72.4%	67.6%	68.5%	69.5%
10–12	100.0%	87.9%	71.0%	73.0%	77.2%	73.2%	75.1%	74.8%
13–16	100.0%	88.5%	70.9%	74.1%	80.0%	75.3%	77.2%	76.5%
17–21	100.0%	89.2%	71.8%	74.9%	80.3%	75.6%	78.8%	77.3%
22–29	100.0%	88.9%	70.0%	72.7%	79.3%	74.4%	79.3%	76.2%
30 or more		81.6%	62.9%	65.5%	74.9%	69.0%	75.6%	70.4%

*By age of the individuals and tenure at their employer in the study's last year.
Source: The EBRI Integrated 401(k)/IRA Database.

Conclusion

Any reporting on retirement assets that focuses on the average balance of only 401(k) plans or IRAs does not create a complete picture of the amount of retirement assets workers or retirees have accumulated. Many individuals hold multiple 401(k) plans and IRAs — especially as they grow older and move from job to job.

By combining the EBRI/ICI 401(k) Database of 27 million plan participants with the EBRI IRA Database of 19 million accountholders, a unique perspective on the relative amount of assets held by those having both account types can be provided. Indeed, maintaining both account types throughout the entire study period resulted in an average amount of combined assets that was about 2.5 times larger than the average 401(k) plan balance and a median combined balance that was approximately 3.5 times the median 401(k) plan balance.

This ratio varied with age, with both the youngest (ages less than 30) and oldest (ages 60 or older) having ratios above 2.5, while those in between had lower ratios. This has to do with the share of assets coming from the 401(k) plan being lower at younger and older ages. In general, the share of total assets represented by 401(k) plans increased each year, as growth within 401(k) plans surpassed that in IRAs. This is because of the higher contribution limits in 401(k) plans and the higher likelihood of making any contribution to this account type.

However, many of those with both account types in the same year did not maintain them for long periods of time, as they are changing jobs or retiring, and the ratios of combined assets went down if both accounts were not maintained throughout the time period examined. Again, age and tenure play a role in the value of these ratios, as those older and with longer tenures tended to have lower ratios, since more of the assets were in one account.

Consequently, any attempt to estimate the assets held by workers needs to take into account the workers' ages, tenures, and number of years of having both account types in the same year. This study helps put numbers to what would be expected to be accumulated given these different traits of the workers. In addition, it shows the potential of what can be accumulated in total if workers are able to maintain both account types throughout their working lives (or large portions of them). It also shows that this potential is not always met, as workers change jobs, stop contributing, or take money out of (close) their accounts, resulting in retirement asset leakage.

Appendix

Appendix Figure 1
Ratio of the Median 401(k) Plan, IRA, and Both Balances to Their Initial Year for Those Having the Respective Account Each Year*

	Ratio of Balance in Each Year to Initial Year (0)					
All	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
401(k) plan each year	1.13	1.41	1.80	2.06	2.30	2.76
IRA each year	1.02	1.19	1.48	1.62	1.64	1.77
Both each year	1.05	1.29	1.63	1.82	2.00	2.39
401(k) Plan, by Age	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Less than 30	2.25	3.89	5.96	7.77	9.92	12.75
30–39	1.28	1.77	2.41	2.92	3.41	4.29
40–49	1.13	1.41	1.82	2.10	2.35	2.88
50–59	1.09	1.32	1.66	1.87	2.09	2.49
60–70	1.08	1.26	1.50	1.61	1.68	1.80
71 or older	1.09	1.23	1.41	1.53	1.57	1.67
IRA, by Age	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Less than 30	1.18	1.57	2.15	2.59	2.83	3.32
30–39	1.14	1.41	1.83	2.09	2.20	2.49
40–49	1.04	1.24	1.58	1.76	1.81	2.00
50–59	1.02	1.20	1.50	1.67	1.70	1.86
60–70	1.02	1.18	1.44	1.59	1.60	1.72
71 or older	0.98	1.06	1.19	1.23	1.16	1.17
Both, by Age	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Less than 30	1.82	3.01	4.81	6.15	7.02	9.43
30–39	1.17	1.56	2.15	2.51	2.87	3.65
40–49	1.07	1.33	1.71	1.92	2.13	2.61
50–59	1.04	1.26	1.58	1.75	1.92	2.28
60–70	1.03	1.22	1.48	1.62	1.74	1.96
71 or older	1.00	1.13	1.31	1.38	1.45	1.50
401(k) Plan, by Tenure	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1–5	1.09	1.33	1.66	1.79	1.77	2.04
6–9	1.65	2.56	3.74	4.77	5.61	7.23
10–12	1.20	1.57	2.04	2.43	2.79	3.47
13–16	1.11	1.35	1.68	1.94	2.21	2.67
17–21	1.06	1.26	1.56	1.74	1.95	2.30
22–29	1.05	1.21	1.47	1.60	1.77	2.04
30 or more	1.03	1.16	1.37	1.45	1.57	1.74
Both, by Tenure	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1–5	1.04	1.26	1.60	1.74	1.71	1.95
6–9	1.15	1.51	2.03	2.38	2.69	3.28
10–12	1.09	1.39	1.80	2.07	2.33	2.82
13–16	1.06	1.30	1.65	1.85	2.06	2.47
17–21	1.04	1.27	1.58	1.75	1.94	2.33
22–29	1.02	1.26	1.54	1.68	1.84	2.21
30 or more	1.00	1.16	1.39	1.48	1.61	1.85

*By age of the individuals and tenure at their employer in the study's last year.
Source: The EBRI Integrated 401(k)/IRA Database.

Appendix Figure 2

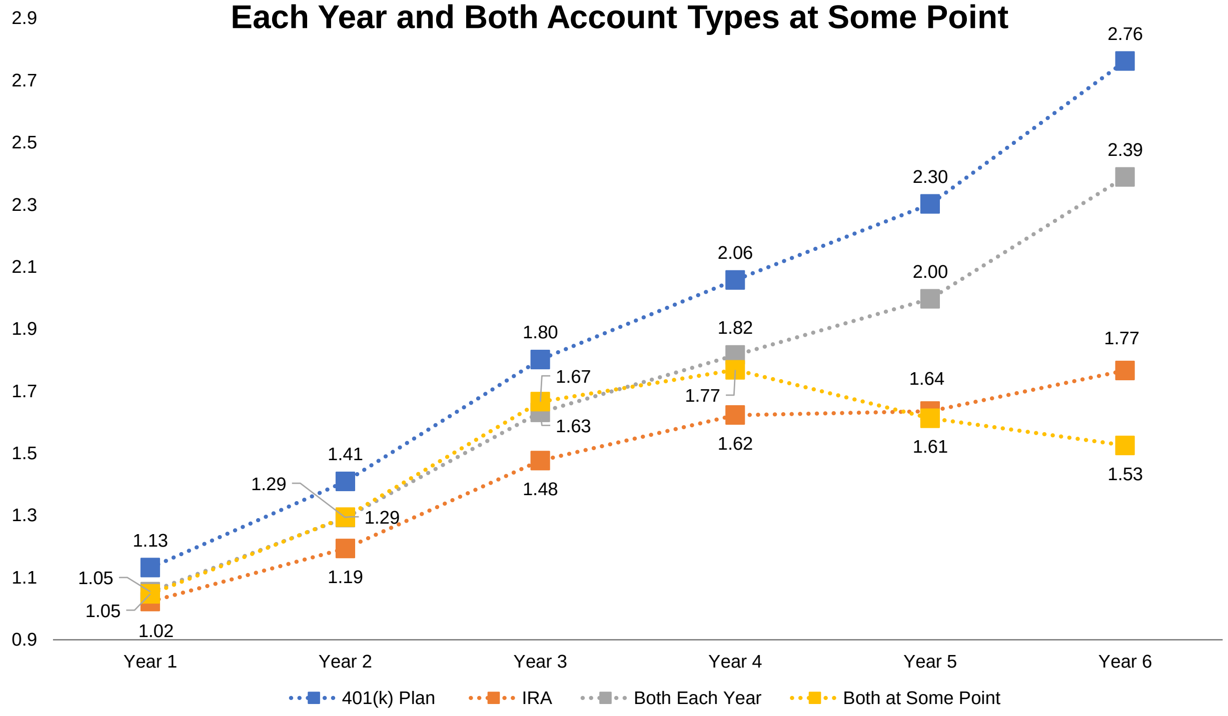
Ratio of the Median Both-Account-Type Balances to the Median 401(k) Plan and Median IRA Balances Separately, by Age of the Individuals and Tenure at Their Employer in the Study's Last Year

	Ratio of Balance of Those With Both to the Respective Balance						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Ratio of Both to 401(k) Plan	4.10	3.82	3.76	3.71	3.62	3.56	3.55
Ratio of Both to IRA	3.94	4.06	4.26	4.35	4.41	4.81	5.33
Ratio of Both to 401(k), by Age	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Less than 30	5.07	4.11	3.93	4.09	4.01	3.59	3.75
30–39	3.70	3.36	3.26	3.29	3.17	3.12	3.15
40–49	3.36	3.18	3.17	3.16	3.08	3.04	3.04
50–59	3.37	3.20	3.23	3.21	3.16	3.08	3.08
60–70	3.89	3.72	3.77	3.83	3.91	4.03	4.24
71 or older	10.36	9.57	9.49	9.60	9.35	9.59	9.30
Ratio of Both to IRA, by Age	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Less than 30	1.93	2.99	3.72	4.32	4.59	4.79	5.49
30–39	5.45	5.58	6.06	6.39	6.54	7.11	7.99
40–49	6.12	6.27	6.56	6.63	6.67	7.19	8.02
50–59	5.73	5.82	6.04	6.02	6.02	6.45	7.01
60–70	3.87	3.92	4.00	3.97	3.94	4.20	4.41
71 or older	2.43	2.49	2.60	2.66	2.72	3.03	3.11
Ratio of Both to 401(k), by Tenure	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1–5	3.72	3.56	3.51	3.58	3.61	3.59	3.54
6–9	8.74	6.12	5.17	4.75	4.36	4.19	3.97
10–12	5.30	4.83	4.69	4.69	4.51	4.42	4.31
13–16	4.50	4.30	4.35	4.41	4.30	4.20	4.17
17–21	3.75	3.65	3.79	3.81	3.79	3.74	3.80
22–29	2.74	2.69	2.85	2.88	2.88	2.86	2.97
30 or more	2.35	2.29	2.35	2.38	2.39	2.41	2.50

*By age of the individuals and tenure at their employer in the study's last year.

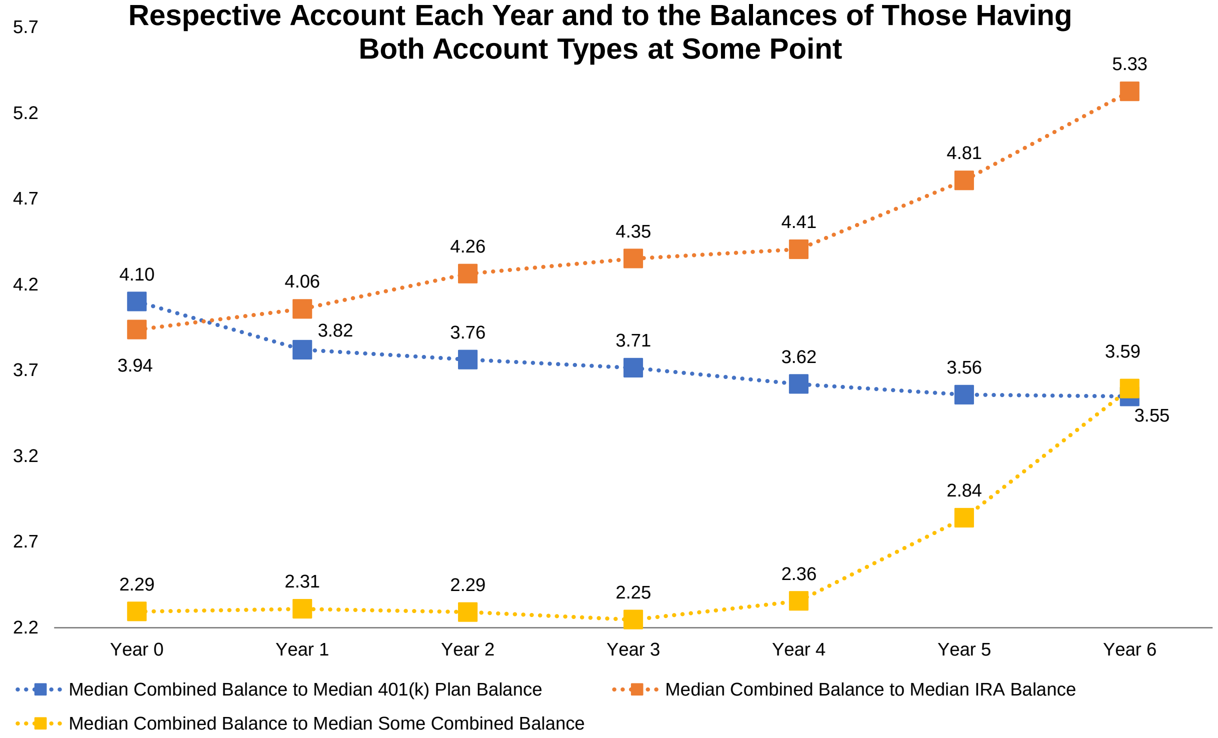
Source: The EBRI Integrated 401(k)/IRA Database.

Appendix Figure 3
Ratio of the Median 401(k) Plan, IRA, and Both Balances to Their Initial Year for Those Having the Respective Account Each Year and Both Account Types at Some Point



Source: The EBRI Integrated 401(k)/IRA Database.

Appendix Figure 4
Ratio of the Median Combined Account Balances in All Years to the Median 401(k) Plan Balances and IRA Balances for Those Who Had the Respective Account Each Year and to the Balances of Those Having Both Account Types at Some Point



Source: The EBRI Integrated 401(k)/IRA Database.

Appendix Figure 5

Average 401(k) Plan, IRA, and Both Balances of Those Having the Respective Account(s) Each Year and Those Having Both Account Types at Some Point*

All	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
401(k) plan each year	$75,464	$81,017	$95,957	$120,709	$134,755	$146,025	$168,986
IRA each year	$104,932	$105,632	$119,620	$141,986	$154,608	$154,758	$165,765
Both each year	$195,172	$203,090	$241,894	$303,211	$335,835	$363,774	$419,149
Both at some point	$129,764	$133,034	$157,680	$198,810	$215,417	$206,895	$206,463
401(k) Plan, by Age							
Less than 30	$4,260	$7,268	$11,607	$17,756	$22,875	$28,416	$36,588
30–39	$21,998	$26,325	$34,727	$47,395	$56,437	$63,957	$79,123
40–49	$57,140	$62,355	$76,316	$99,237	$112,917	$123,574	$147,880
50–59	$98,909	$105,189	$123,681	$155,388	$173,032	$188,133	$218,159
60–70	$116,983	$123,316	$140,458	$168,298	$181,596	$190,412	$206,383
71 or older	$100,918	$103,349	$113,199	$129,626	$138,681	$145,995	$153,351
IRA, by Age							
Less than 30	$10,555	$11,727	$14,643	$19,482	$22,889	$24,542	$28,683
30–39	$15,269	$16,819	$21,108	$28,087	$32,862	$35,233	$40,726
40–49	$36,403	$37,910	$45,523	$57,980	$66,076	$68,931	$77,463
50–59	$70,524	$71,871	$84,143	$104,495	$117,485	$121,139	$134,063
60–70	$137,705	$140,260	$161,024	$192,635	$212,893	$216,167	$233,855
71 or older	$216,547	$212,643	$230,668	$260,401	$270,418	$257,966	$262,502
Both, by Age							
Less than 30	$15,102	$23,180	$36,434	$56,011	$70,953	$82,765	$106,636
30–39	$58,555	$66,487	$86,365	$117,317	$136,061	$153,921	$188,535
40–49	$131,000	$138,995	$170,236	$220,267	$247,743	$271,700	$321,219
50–59	$222,045	$230,009	$274,141	$344,367	$381,651	$414,209	$479,975
60–70	$296,617	$304,879	$353,835	$429,661	$468,298	$499,457	$556,808
71 or older	$410,660	$410,574	$461,999	$541,237	$573,757	$588,402	$609,202
401(k) Plan, by Tenure							
1–5	$60,649	$63,726	$75,202	$92,565	$99,456	$97,641	$106,598
6–9	$20,952	$26,824	$36,925	$51,437	$62,767	$71,373	$88,754
10–12	$34,520	$39,890	$51,093	$67,672	$79,736	$88,929	$108,042
13–16	$57,622	$63,211	$76,934	$98,725	$112,630	$124,413	$147,451
17–21	$82,395	$87,933	$104,432	$132,309	$147,963	$161,546	$188,719
22–29	$126,982	$133,017	$153,827	$190,557	$209,422	$226,328	$258,384
30 or more	$194,060	$200,813	$224,431	$269,490	$288,630	$306,887	$338,354
Both, by Tenure							
1–5	$152,091	$156,204	$185,046	$232,216	$254,939	$255,942	$285,246
6–9	$113,570	$122,318	$150,557	$193,341	$218,958	$239,080	$279,376
10–12	$136,506	$144,889	$176,611	$225,442	$254,411	$279,287	$326,267
13–16	$179,785	$189,296	$227,221	$287,785	$322,528	$354,008	$410,070
17–21	$219,629	$228,424	$273,178	$345,247	$384,930	$423,796	$489,397
22–29	$275,142	$283,101	$338,484	$420,342	$463,405	$505,792	$587,999
30 or more	$385,211	$391,622	$446,454	$540,275	$577,854	$619,149	$699,761

*By age of the individuals and tenure at their employer in the study's last year.

Source: The EBRI Integrated 401(k)/IRA Database.

Appendix Figure 6

Median 401(k) Plan, IRA, and Both Balances of Those Having the Respective Account(s) Each Year and Those Having Both Account Types at Some Point*

All	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
401(k) plan each year	$30,579	$34,626	$43,101	$55,107	$62,933	$70,410	$84,478
IRA each year	$31,854	$32,595	$38,035	$47,045	$51,710	$52,109	$56,277
Both each year	$125,416	$132,268	$162,155	$204,699	$227,816	$250,508	$299,721
Both at some point	$54,684	$57,278	$70,801	$91,116	$96,722	$88,207	$83,420
401(k) Plan, by Age							
Less than 30	$1,903	$4,276	$7,397	$11,335	$14,784	$18,875	$24,260
30–39	$11,471	$14,722	$20,348	$27,686	$33,546	$39,060	$49,170
40–49	$29,651	$33,457	$41,834	$53,898	$62,193	$69,623	$85,496
50–59	$48,527	$52,984	$63,922	$80,438	$90,567	$101,662	$120,823
60–70	$51,571	$55,762	$64,999	$77,556	$82,797	$86,609	$92,575
71 or older	$20,466	$22,207	$25,252	$28,940	$31,325	$32,103	$34,112
IRA, by Age							
Less than 30	$4,991	$5,877	$7,814	$10,723	$12,925	$14,145	$16,576
30–39	$7,772	$8,858	$10,947	$14,242	$16,244	$17,119	$19,347
40–49	$16,265	$16,964	$20,222	$25,718	$28,687	$29,443	$32,467
50–59	$28,529	$29,144	$34,202	$42,839	$47,596	$48,590	$53,201
60–70	$51,804	$52,922	$61,295	$74,823	$82,237	$82,915	$89,094
71 or older	$87,324	$85,172	$92,246	$104,329	$107,449	$101,535	$102,059
Both, by Age							
Less than 30	$9,650	$17,585	$29,072	$46,366	$59,356	$67,758	$91,032
30–39	$42,390	$49,400	$66,330	$90,952	$106,282	$121,797	$154,664
40–49	$99,545	$106,364	$132,638	$170,389	$191,454	$211,592	$260,278
50–59	$163,383	$169,650	$206,524	$258,005	$286,564	$313,494	$372,736
60–70	$200,605	$207,483	$245,041	$297,050	$324,098	$348,640	$392,607
71 or older	$211,999	$212,427	$239,524	$277,952	$292,792	$307,769	$317,367
401(k) Plan, by Tenure							
1–5	$25,363	$27,657	$33,852	$42,192	$45,381	$44,999	$51,859
6–9	$6,984	$11,507	$17,894	$26,110	$33,299	$39,182	$50,470
10–12	$16,965	$20,335	$26,618	$34,611	$41,276	$47,332	$58,881
13–16	$30,084	$33,386	$40,538	$50,599	$58,241	$66,422	$80,221
17–21	$47,179	$50,236	$59,220	$73,397	$81,949	$91,809	$108,336
22–29	$76,755	$80,351	$92,874	$112,579	$122,770	$135,734	$156,231
30 or more	$119,330	$123,025	$138,168	$163,679	$173,259	$187,556	$207,057
Both, by Tenure							
1–5	$94,381	$98,504	$118,859	$150,847	$164,049	$161,359	$183,684
6–9	$61,052	$70,375	$92,460	$124,091	$145,193	$164,244	$200,455
10–12	$89,920	$98,201	$124,845	$162,240	$186,063	$209,160	$253,507
13–16	$135,404	$143,633	$176,400	$223,053	$250,412	$278,790	$334,666
17–21	$176,976	$183,434	$224,216	$279,948	$310,410	$343,207	$411,482
22–29	$210,614	$215,775	$264,623	$323,837	$352,979	$388,079	$464,445
30 or more	$280,902	$282,163	$324,684	$389,599	$414,429	$451,809	$518,501

*By age of the individuals and tenure at their employer in the study's last year.

Source: The EBRI Integrated 401(k)/IRA Database.

Appendix Figure 7

Average and Median Balances of Those Having Both Account Types At Some Point, by Number of Years Having Both Account Types in the Same Year*

	Years Having Both Accounts When Having Both Accounts at Some Point							
Average	0	1	2	3	4	5	6	All
All	$152,010	$198,249	$221,260	$207,523	$246,840	$200,479	$286,542	$206,463
Age								
Less than 30	$10,475	$24,302	$36,568	$41,592	$52,964	$58,845	$81,408	$30,892
30–39	$33,286	$47,343	$70,349	$71,734	$87,438	$73,001	$120,286	$64,318
40–49	$81,766	$105,289	$141,676	$134,349	$162,404	$123,756	$213,277	$130,964
50–59	$154,653	$191,921	$245,240	$219,722	$270,419	$208,563	$328,329	$223,025
60–70	$248,967	$319,470	$350,662	$329,573	$376,448	$313,743	$401,672	$319,055
71 or older	$263,154	$352,333	$373,803	$344,647	$387,059	$280,629	$470,981	$327,899
Tenure								
0	$152,033	$196,107	$203,915	$191,740	$200,489	$178,226	$222,589	$182,849
1–5	$15,410	$108,246	$158,967	$172,884	$220,740	$212,935	$235,989	$194,914
6–9	$39,527	$159,898	$188,631	$189,028	$220,335	$206,787	$227,461	$208,199
10–12	$47,128	$198,038	$228,071	$229,752	$269,827	$245,016	$280,339	$252,596
13–16	$332,344	$230,860	$288,171	$285,809	$336,206	$304,021	$344,610	$312,549
17–21	$193,919	$274,674	$340,739	$339,788	$395,445	$366,820	$406,670	$368,689
22–29	$144,491	$325,013	$438,269	$411,239	$502,436	$474,616	$510,471	$462,607
30 or more		$495,720	$547,329	$515,309	$672,746	$602,033	$609,543	$587,055
Median								
All	$51,823	$67,824	$95,051	$86,771	$115,612	$80,884	$163,130	$83,420
Age								
Less than 30	$3,317	$10,750	$22,550	$29,018	$37,652	$42,860	$68,590	$12,869
30–39	$10,567	$18,420	$37,305	$39,550	$51,199	$39,462	$86,234	$30,357
40–49	$32,699	$42,115	$71,729	$67,702	$91,259	$57,973	$146,939	$62,593
50–59	$60,638	$78,289	$126,389	$106,493	$147,796	$95,842	$210,871	$105,158
60–70	$116,286	$145,275	$186,022	$155,322	$192,629	$140,250	$221,966	$151,319
71 or older	$124,652	$175,419	$176,799	$146,132	$166,668	$107,558	$203,562	$145,178
Tenure								
0	$51,843	$65,768	$72,434	$65,960	$69,679	$60,705	$73,323	$62,058
1–5	$9,258	$39,342	$76,318	$89,062	$123,161	$128,928	$150,433	$106,362
6–9	$21,144	$97,343	$118,410	$123,605	$148,981	$139,343	$156,027	$138,209
10–12	$31,904	$134,420	$156,800	$162,203	$201,242	$175,574	$214,610	$183,654
13–16	$332,344	$144,862	$205,118	$204,944	$250,837	$229,203	$272,825	$232,709
17–21	$43,281	$168,739	$253,755	$251,936	$298,286	$279,879	$322,378	$278,248
22–29	$140,253	$201,189	$322,021	$297,718	$374,223	$355,025	$396,268	$339,295
30 or more		$305,849	$389,787	$357,118	$450,819	$428,921	$423,307	$403,417

*And by age of the individuals and tenure at their employer in the study's last year.

Source: The EBRI Integrated 401(k)/IRA Database.

Endnotes

[1] For a study by the Employee Benefit Research Institute (EBRI) and the Investment Company Institute (ICI) using just the 401(k) Database, see Jack VanDerhei, Sarah Holden, Luis Alonso, and Steven Bass, "What Does Consistent Participation in 401(k) Plans Generate? Changes in 401(k) Plan Account Balances, 2010–2016." *EBRI Issue Brief* (Employee Benefit Research Institute, November 6, 2018). For the IRA Database, see Craig Copeland, "Individual Retirement Account Balances, Contributions, Withdrawals, and Asset Allocation Longitudinal Results 2010-2016: EBRI IRA Database," *EBRI Issue Brief,* (Employee Benefit Research Institute, October 22, 2018). These are the latest results for 401(k) plans and IRAs from the databases. The numbers in the current study will deviate somewhat from the studies cited above due to differences in the samples of the 401(k) plan participants and IRA owners compared with what is used in the current study. However, both studies provide significant detail on the workings of the respective accounts not available in the current study.

[2] The dollar values of the average and median balances for each of the groups discussed are included in the appendix. The calendar years of the data range from year 0 (2010) to year 6 (2016). All dollar values are in current-year dollars.

[3] The 401(k) Database only contains active 401(k) plan participants. The IRA distribution might not be as skewed if nonactive 401(k) plan participants were included in the database.

[4] The age and tenure distributions for those who had both accounts at some point (not all years) during the study are also included in this figure but will not be discussed until the next section.

[5] The tenure distribution is not applicable (n/a) for the IRA owners, as employment is not required for having an IRA like it is with a 401(k) plan.

[6] Only one year within one tenure group did not have a ratio higher than the prior year: those with 1–5 years of tenure from year 4 to year 5. This could be a result of a change in employment, since the tenures of these participants in year 6 were shorter than the study period.

When looking at the ratios of the median balances of the accounts relative to their initial-year balances across the age and tenure groups, similar patterns to those of the ratios of the average balances emerge (Appendix Figure 1). In most cases the ratios were higher, particularly for the younger participants/owners. Again, the few cases where the ratios were not higher than they were in the prior years resulted for those of the same ages or tenures as those where the ratios were not higher for the average balances.

[7] Except for those ages less than 30 and 71 or older, who had a slight decline in the ratio from year 3 to year 4.

[8] For the ratios of the median balances, the combined balances relative to 401(k) plan balances across the years for each age group of the participants followed patterns very similar to those of the ratios of the average balances (Appendix Figure 2). The exception is for the participants ages 71 or older, where the highest ratio was in year 0 instead of in year 3, but the year-3 ratio was higher than in years 1 and 2 before the ratio declined in years 4 and 6, reaching its lowest level.

The ratio of the median combined balances to the median IRA balances increased each year in each age group, except for the IRA owners ages 50–59 and ages 60–70, where the ratios fell in years 3 and 4 before trending back up in years 5 and 6. The ratios peaked among the owners in their 40s, with the ratios being smaller among the owners younger and older than that and getting more so the younger or older the participants were.

The ratios of the median combined balances to the median 401(k) plan balances among participants with 1–16 years of tenure decreased from year 0 to year 6, whereas the ratios were higher in year 6 among the participants with more than 16 years of tenure. The ratio peaked for participants with 10–12 years of tenure before declining for those with longer tenures, reaching its lowest level among those with 30 or more years of tenure.

[9] For the median shares of assets coming from the 401(k) plans, the patterns across ages followed those of the average shares, with increasing shares in the later years of the study. However, the median shares were higher than the average shares, meaning that there was some skewness toward lower shares of 401(k) plan assets among these participants having both account types.

For participants with tenures of 6–29 years, the share of the combined assets from 401(k) plans grew across all years, with the longer tenures having higher shares of 401(k) plan assets. The share reached over 90 percent for those participants with

22–29 years of tenure. The share of assets coming from 401(k) plans declined for those with the lowest tenure levels and were flat for those with the longest tenures. This is likely due to changing plans (shortest tenures) and relative investing choices (longest tenures).

[10] The ratios of the medians of these balances followed the same pattern but with an even more pronounced falloff in the ratios after year 4 (Appendix Figure 3).

[11] The ratios of the medians of these balances in each year followed the same pattern, holding near 2.30 through year 4 before jumping to 3.59 in year 6 (Appendix Figure 4).

[12] Not all individuals in the study had a tenure value in any year, as they may not have been a 401(k) plan participant in that year. The tenure examined is that of the last year of the study, as this was where the individuals ended up.

[13] The ratios of the median combined balances of those having both account types every year to the median combined balances of those who had both types at some point followed the patterns of the ratios of the average balances (Figure 15). In particular, the ratios of the median balances declined as the ages of the participants/owners increased. The differences in the ratios of the median balances also narrowed among the tenure groups as the number of years owning both account types in the same year increased.

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