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EBRI Finds Individual Account Retirement Plans Have Become a Key Financial Asset Among Families that Own Them

New research by the Employee Benefit Research Institute (EBRI) finds that individual account retirement plan (IA plan) assets have exploded over the past several decades—becoming a key financial asset for families that own them.

According to data from the *Survey of Consumer Finances*, between 1992 and 2016, the median amount of financial assets attributable to IA plans for families owning them rose by more than half, where IA plans account for more than two-thirds of these families' financial assets (67.9 percent in 2016). This is up from 44.3 percent of financial assets in 1992.

In particular, at the median, IA assets are the largest share of financial assets for families with heads ages 35-64, incomes of \$25,000-\$100,000, and net worth between the 25th percentile and 90th percentile. Specifically, among families that own them, the median proportion of financial assets that IA plan assets represent is:

- 76.9 percent for families where the head is ages 45-54
- 70.3 percent for families whose annual income is between \$50,000 and \$100,000
- Between 70.9 percent and 73.1 percent for families whose net worth is between the 25th percentile and 90th percentile.

“Not only do individual account assets make up a large portion of the financial assets of those that own them, but families with individual account assets have substantially higher levels of net worth than those without them,” says Craig Copeland, Senior Research Associate at EBRI. Copeland notes that the median net worth of those owning IA assets was \$249,950 in 2016, compared with \$19,200 for families without such assets. Further, families with IA assets are also more likely to own a home than those without these assets. “Individual account assets are clearly an important source of assets for families that own them. Consequently, when it comes to policies that may affect them, these plans should be considered carefully,” concludes Copeland.

The full report is published in the March 13 *Issue Brief*, “Individual Account Retirement Plans: An Analysis of the 2016 Survey of Consumer Finances,” and is available online [here](#).

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