EBRI Fast Facts
September 10, 2026, #566

Defined Contribution and IRA Assets in the Baby Boom, Generation X, and Millennial Generations

Introduction

Defined contribution (DC) plan characteristics such as automatic enrollment and higher automatic default contribution rates have played a large role in increasing DC participation in recent years.[1] The use of another retirement vehicle — the individual retirement account (IRA) — has also increased over the last decade.[2] When examining individual account (IA) plans across generations, the Employee Benefit Research Institute (2026) found that the incidence and median account balances of IA retirement plans – which include both DC plans and IRAs[3, 4] – were higher for early career Millennials than for Generation X (hereafter Gen X) and the Baby Boomers at the same ages. Does this increase in IA plans reflect an increase in DC plans, IRAs, or both? This is the question that is addressed here.[5]

This *Fast Fact* breaks down IA retirement plans into DC plans and IRAs for the Millennial, Gen X, and Baby Boom generations when each was ages 27–41. Statistics presented include the percentage of total IA assets held in DC plans and IRAs, the incidence of each plan type, and their corresponding median account balances. Because assets may differ by income, median account balances are also presented by income quartile.

About the Data

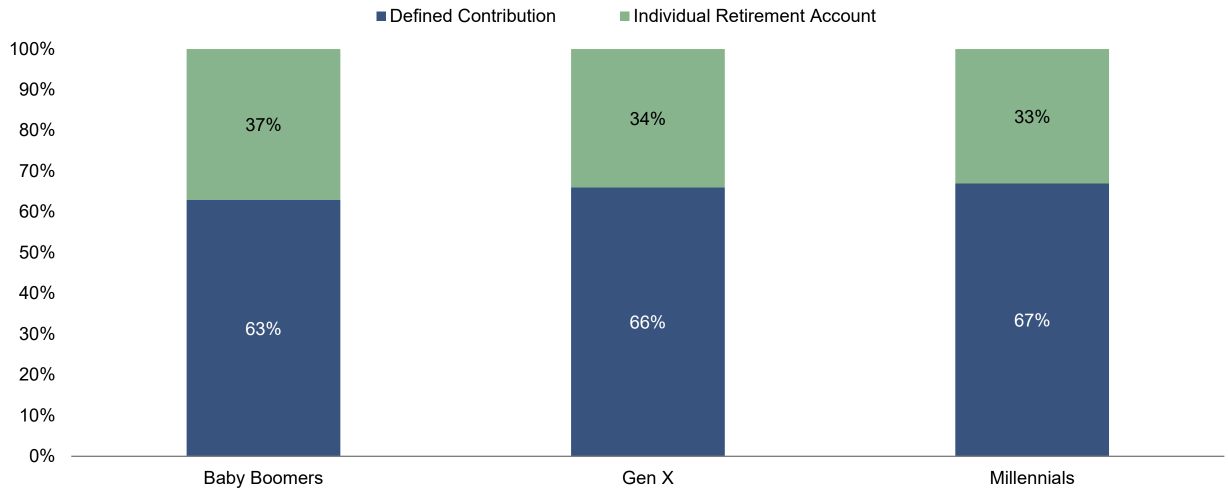
This *Fast Fact* uses data from the Federal Reserve's Survey of Consumer Finances (SCF), specifically the 1989, 2007, and 2022 survey years. The SCF is fielded every three years and provides detailed information on family assets, wealth, debt, and other financial measures. The most recent survey available is from 2022. The results are weighted to be nationally representative of the U.S. population.[6]

The results presented here are calculated and compared for Baby Boom, Generation X, and Millennial families when they were ages 27–41 based on the family reference person's age.[7, 8] Baby Boomers were in this age range in the 1989 survey, Generation X in the 2007 survey, and Millennials in the 2022 survey. All dollar amounts are reported in 2022 dollars.

Distribution of DC and IRA Assets as a Percentage of Total IA Assets

Gen X and Millennials held nearly identical shares of their individual account assets between DC plans and IRAs, with 66 percent and 67 percent held in DC plans and 34 percent and 33 percent held in IRAs, respectively (Figure 1). In contrast, Baby Boomers held a slightly smaller share of their assets in DC plans (63 percent) and a larger share in IRAs (37 percent). This lower concentration of assets in DC plans among Baby Boomers is consistent with the more limited availability and adoption of DC plans during the early years of their working careers.

Figure 1
Distribution of Individual Account (IA) Retirement Assets, Conditional on Having an IA Plan

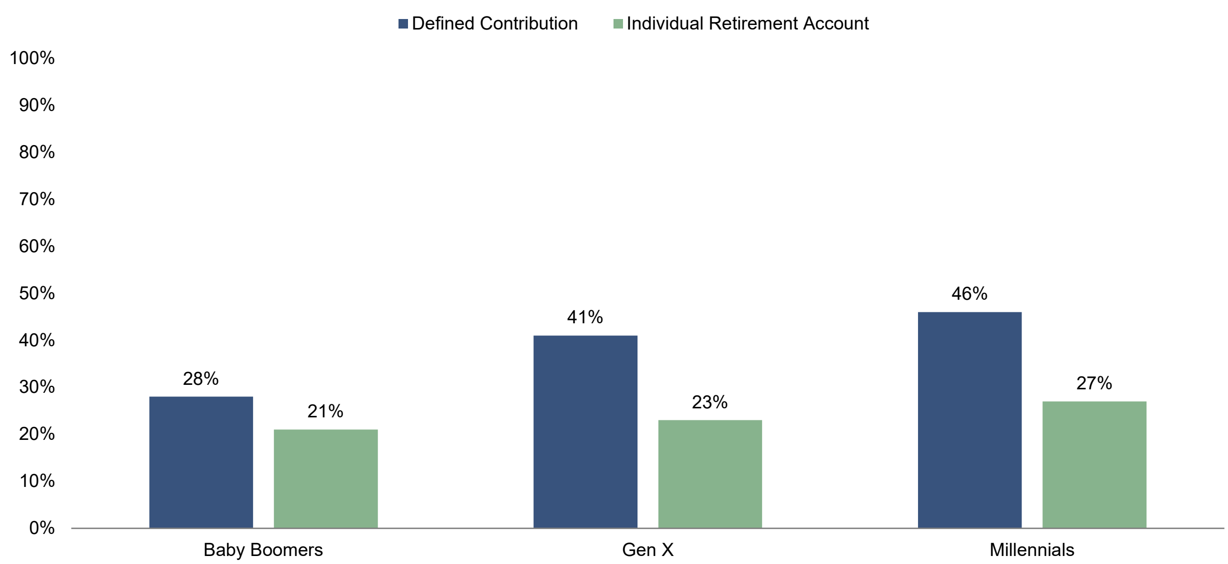


Source: EBRI calculations of the 1989 (Baby Boomers), 2007 (Gen X), and 2022 (Millennials) Survey of Consumer Finances. All household heads were ages 27–41 at the time of the survey.

Incidence of DC and IRA Plans

Millennials were the most likely to hold DC plans, with 46 percent of families owning assets, followed by 41 percent of Gen X families and 28 percent of Baby Boomers (Figure 2). Given that DC plans were less common in the late 1980s, the large difference between the Baby Boomers and the two other generations is to be expected. On the other hand, IRA ownership has steadily increased with each generation, with 21 percent of Baby Boomers, 23 percent of Gen X, and 27 percent of Millennials holding IRA assets.

Figure 2
Ownership of Defined Contribution and Individual Retirement Account Assets



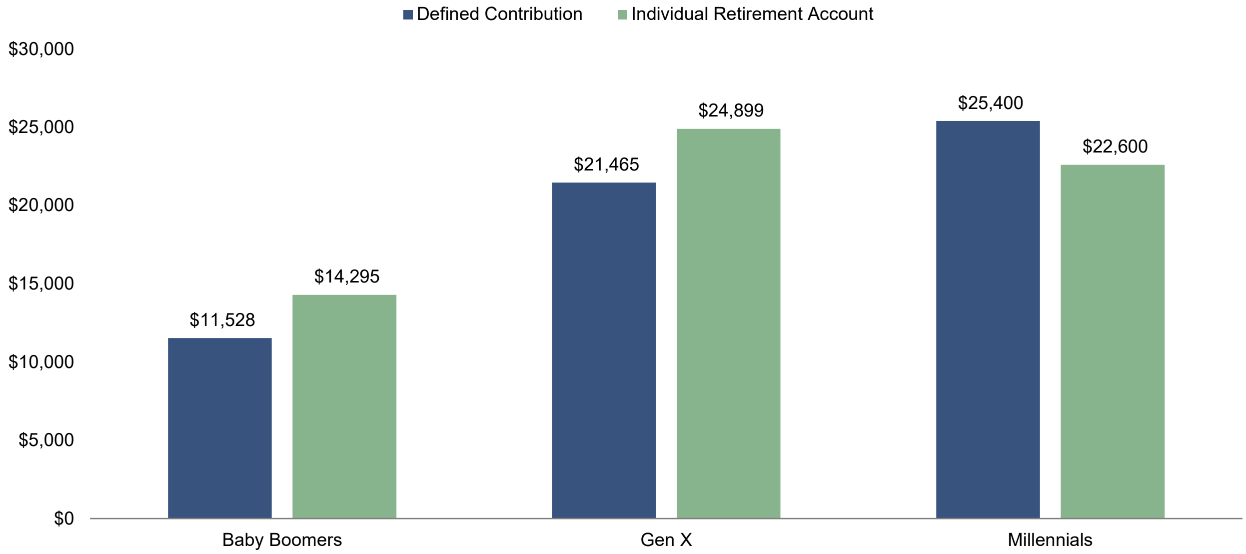
Source: EBRI calculations of the 1989 (Baby Boomers), 2007 (Gen X), and 2022 (Millennials) Survey of Consumer Finances. All household heads were ages 27–41 at the time of the survey.

Median DC and IRA Balances

Median DC balances increased steadily over time, from $11,528 for Baby Boomers to $21,465 for Gen X and $25,400 for Millennials (Figure 3). Although IRA ownership also increased across generations, median IRA balances followed a more hump-shaped pattern. Baby Boomers had the lowest median IRA balance ($14,295), followed by Millennials ($22,600), while Gen X had the highest median balance ($24,899).

Figure 3

Median Balances of Defined Contribution (DC) and Individual Retirement Account (IRA) Assets, Conditional on Having an Individual Account Plan

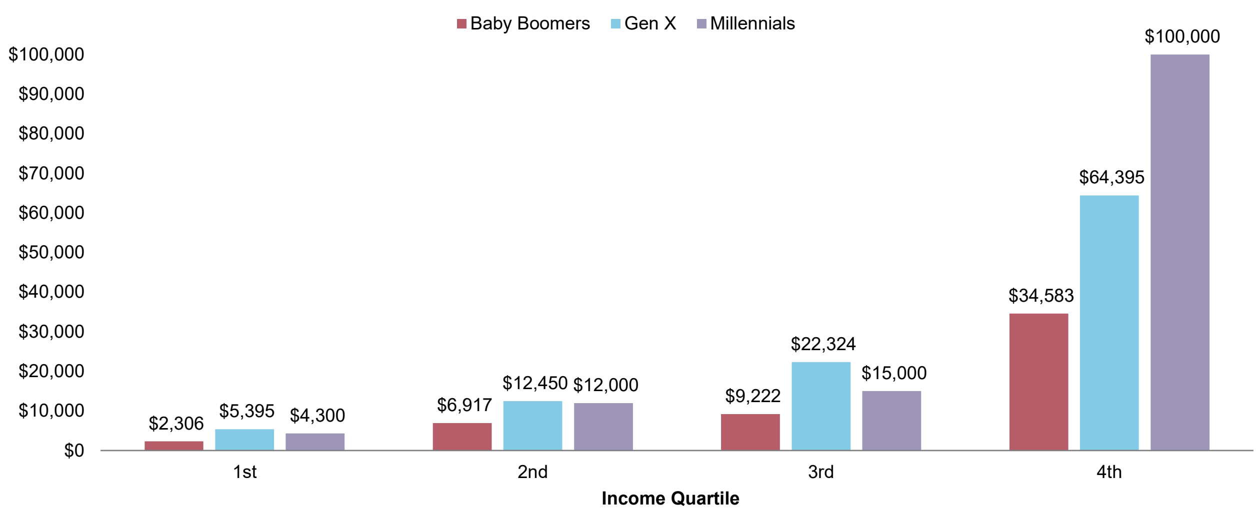


Source: EBRI calculations of the 1989 (Baby Boomers), 2007 (Gen X), and 2022 (Millennials) Survey of Consumer Finances. DC calculations are conditional on having a DC plan, while IRA calculations are conditional on having an IRA. All household heads were ages 27-41 at the time of the survey.

Figure 4 examines median DC balances across the income distribution. While Gen X had the highest balances in the first through third income quartiles, the Millennials had by far the largest median balances in the top income quartile, at $100,000 vs. $64,395 for Gen X and $34,583 for Baby Boomers. Baby Boomers had the lowest median balances in all four quartiles.

Figure 4

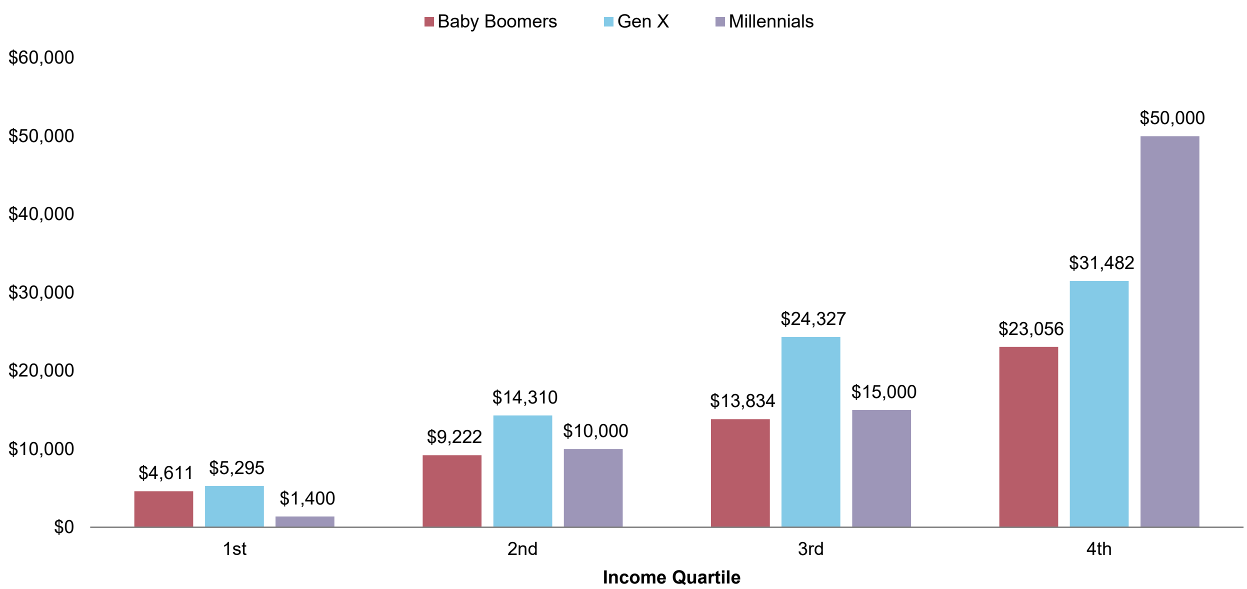
Median Balances of Defined Contribution (DC) Assets, Conditional on Having a DC Plan, by Income Quartile



Source: EBRI calculations of the 1989 (Baby Boomers), 2007 (Gen X), and 2022 (Millennials) Survey of Consumer Finances. DC calculations are conditional on having a DC plan. All household heads were ages 27-41 at the time of the survey.

A similar pattern emerged for median IRA balances (Figure 5). Gen X had the highest median IRA balances in the first through third income quartiles, while Millennials led only in the fourth quartile. However, generational differences in IRA balances were much less pronounced than for DC plans. Millennials had substantially lower median IRA balances than Baby Boomers in the first quartile and only modestly higher balances in the second and third quartiles. This contrasts with DC balances, where Millennials matched or trailed Gen X in the first three quartiles but had by far the highest median balances in the fourth quartile.

Figure 5
Median Balances of Individual Retirement Account (IRA) Assets, Conditional on Having an IRA, by Income Quartile



Source: EBRI calculations of the 1989 (Baby Boomers), 2007 (Gen X), and 2022 (Millennials) Survey of Consumer Finances. IRA calculations are conditional on having an IRA. All household heads were ages 27-41 at the time of the survey.

Conclusion

This *Fast Fact* shows that it is predominantly a growth in DC plans — rather than IRAs — that contributed to the growth in individual account plans from the Baby Boom to Millennial generations. Millennials were more likely than earlier generations to participate in DC plans and accumulated larger median DC balances, while IRA ownership and balances changed comparatively little. These results underscore the importance of employer-sponsored retirement plans as the primary vehicle for retirement saving among the working-age population. Policies that expand access to payroll-deduction retirement savings — such as the Setting Every Community Up for Retirement Enhancement (SECURE) Act initiative that encourages small employers to sponsor retirement plans — may be more effective than policies that rely primarily on individuals opening IRAs on their own.

In addition, because the largest gains in account balances are concentrated among higher-income households, employers and policymakers may wish to consider targeted incentives — such as enhanced matching contributions, non-elective employer contributions, or the new federal Saver's Match — to increase retirement saving among lower- and middle-income workers.

References

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Endnotes

[1] See Beshears et al. (2024) and Blanchett et al. (2021).

[2] Copeland (2024) reports that 28 percent of families had IRA assets in 2013 and by 2022, 31 percent did.

[3] The Survey of Consumer Finances (SCF) includes Keogh plans in the definition of IRAs. Because the percentage of Keogh plans is so small, IRA/Keogh plans will just be referred to as an "IRA".

[4] IRAs are generally classified as either traditional IRAs, which allow tax-deductible contributions and tax-deferred earnings, or Roth IRAs, which are funded with after-tax contributions and provide tax-free qualified withdrawals. Copeland (2024) found that while ownership of traditional IRAs has declined modestly between 2010 and 2022, ownership of Roth IRAs increased substantially over the same period. Furthermore, Holden et al. (2025) found that in 2024, a larger percentage of Millennials owned Roth vs. traditional IRAs, whereas Gen X and Baby Boomers had a higher proportion of traditional IRAs.

[5] Note that a significant amount of DC plan assets from former employers have historically been and continue to be rolled over into IRAs upon leaving the company (Copeland 2024). These assets are included in the measure of IRAs in this report. For additional information on the composition of IRA assets, see Copeland (2024).

[6] For information, see https://www.federalreserve.gov/econres/scfindex.htm.

[7] Baby Boomers were born 1946–1964; Generation X 1965–1980, and Millennials 1981–1996.

[8] The SCF reports financial information at the family level, where family is defined as the primary economic unit (PEU). The PEU consists of the economically dominant individual or couple in the household and any other household members who are financially dependent on or financially interdependent with them.