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## *Fast Facts from EBRI*

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### **401(k) Account Balances, Asset Allocation by the Numbers**

WASHINGTON—What do the most recent data show about average balances in 401(k) plans? How have those balances changed over time? Do different age groups invest their 401(k) assets differently?

A new study by the nonpartisan Employee Benefit Research Institute (EBRI) and the Investment Company Institute (ICI) provides answers to those and other questions. The study is based on the EBRI/ICI database, the largest of its kind. Here are some highlights:

#### **Average & Median Account Balances:**

**\$56,878**—Average account balance for all 401(k) database participants at year-end 2004 (up from \$51,569 at year-end 2003).

**\$19,926**—Median (half above and half below) account balances for all participants at year-end 2004 (up from \$17,909 at year-end 2003).

#### **By Age Group (over the last five years):**

**\$91,042**—Average balance for all participants who maintained accounts over the five-year period from year-end 1999 to year-end 2004 (up from \$67,016 at year-end 1999).

**\$31,844**—Average balance at year-end 2004 for participants in their 20s who maintained accounts from 1999–2004 (up from \$10,410 at year-end 1999).

**\$100,106**—Average balance at year-end 2004 for participants in their 40s who maintained accounts from 1999–2004 (up from \$70,092 at year-end 1999).

**\$136,400**—Average account balance at year-end 2004 for participants in their 60s who maintained accounts from 1999–2004 (down from \$143,161 at year-end 1999). (When interpreting these numbers, it is important to note that individuals in their 60s have a higher propensity to make withdrawals than other age groups; therefore, some of this decrease may be due to factors other than investment income.)

#### **Asset Allocation, by Age:**

**52 percent**—Average share of account balances held in equity funds for participants in their 20s at year-end 2004. The remainder of this group's asset allocation: 13 percent balanced funds, 12.6 percent company stock, and 20.1 percent fixed income securities.

**37 percent**—Average share of account balances held in equity funds for participants in their 60s at year-end 2004. The remainder of this group's asset allocation: 9.5 percent balanced funds, 12.6 percent company stock, and 38.1 percent fixed income securities.

Entitled “401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 2004,” the full study is published in the September *EBRI Issue Brief* and in *ICI Perspective*, available on both organizations' Web sites at [www.ebri.org](http://www.ebri.org) and [www.ici.org](http://www.ici.org).

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