

Fast Facts from EBRI

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How Balances of Consistent 401(k) Account Holders Have Changed

WASHINGTON—How have the account balances of consistent 401(k) account holders changed over time? How have the account balances in this group changed for different age groups?

The August 2007 *EBRI Issue Brief* provides answers to these and many other questions. The *Issue Brief* contains the latest update of the EBRI/ICI 401(k) database, the largest database of 401(k) plan participant accounts and an ongoing collaborative effort of the Employee Benefit Research Institute (EBRI) and the Investment Company Institute (ICI). The *Issue Brief* makes these points about individuals who maintained 401(k) accounts from year-end 1999 to year-end 2006:

- The average account balance among the group of consistent participants increased nearly 79 percent, rising from \$67,760 at year-end 1999 to \$121,202 at year-end 2006—an annual growth rate of 8.7 percent over the seven-year period.
- Among participants who have had accounts at least since year-end 1999, participants who were younger or had fewer years of tenure experienced the largest increases in average account balances—1,004 percent from year-end 1999 to year end 2006, a 40.9 percent annual growth rate. Because younger participants' account balances tend to be small, contributions produce significant growth in them.
- In contrast, the average account balance of older participants showed more modest growth. The average account balance for participants in their 60s increased 29 percent—a 3.7 annual growth rate.
- Among the consistent group, a wide range of factors influences participants' experiences, including contributions, investment returns, and withdrawal and loan activity.

Changes in Average Account Balances of Consistent 401(k) Holders: 1999–2006

Age Group	Year-end 1999 Balance	Year-end 2001 Balance	Year-end 2003 Balance	Year-end 2006 Balance	Change 1999–2006
20s	\$2,558	\$7,282	\$13,950	\$28,248	1,004%
30s	17,277	22,382	33,503	61,368	255
40s	50,147	51,908	66,490	108,262	116
50s	82,059	81,350	98,811	148,927	82
60s	121,982	113,375	127,008	157,727	29
All	67,760	67,258	81,665	121,202	79

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

The August 2007 *EBRI Issue Brief* is available at www.ebri.org. The data also appear in the *ICI Perspective*, available at www.ici.org

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