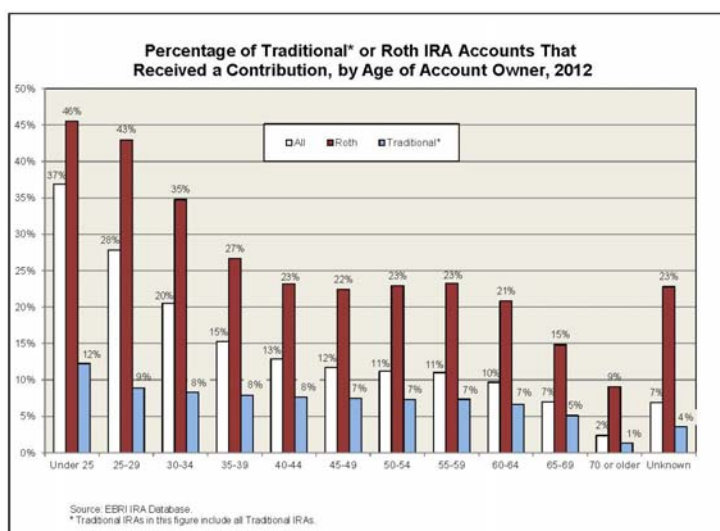


Roth IRAs: Who's Contributing and How Much?

Individual retirement accounts (IRAs) now represent about a quarter of the nation's retirement plan assets, including the newest IRA type—the Roth IRA. But who is contributing to these Roth IRAs and how does that compare with traditional IRAs?

According to an analysis by the nonpartisan Employee Benefit Research Institute (EBRI), younger Roth IRA owners were more likely to contribute to the Roth IRA than were older Roth IRA owners in the EBRI IRA database of some 25 million IRA accounts: 43 percent of Roth owners ages 25–29 contributed to their Roth in 2012, compared with 21 percent of Roth owners ages 60–64.

Just over a quarter (25.1 percent) of Roth IRA owners made a contribution to that account in 2012, compared with 6.6 percent of traditional IRA owners. Nearly half (49.0 percent) of Roth IRA owners contributed the maximum, compared with 57.9 percent of those contributing to a traditional IRA.



Roth IRAs grew at more than double the rate of traditional IRAs among a consistent set of IRA owners over the three-year period from 2010–2012. Based on the latest results from the EBRI IRA Database, the median increase for these consistent owners of Roth IRAs was 16.6 percent from 2010 to 2012, compared with 7.9 percent for consistent owners of traditional IRAs.

The EBRI analysis revealed that 44 percent of Roth IRAs that received a contribution and were owned by someone ages 25–29 received the maximum contribution allowed for those accounts; \$5,500 for those under age 50 at the end of 2014, though those age 50 or older can make an additional \$1,000 “catch-up” contribution.

The EBRI report, “Individual Retirement Account Balances, Contributions, and Rollovers, 2012; With Longitudinal Results 2010–2012: The EBRI IRA Database” is published as the May 2014 *EBRI Issue Brief*, and is available [online here](#).

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