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Individual Account Retirement Plan Assets, by Family Income

WASHINGTON—How are individual retirement plan assets distributed by family income?

A recent study by the nonpartisan Employee Benefit Research Institute (EBRI) showed that in 2007, 1.2 percent of individual account retirement plan assets were owned by families with family income below \$20,000, 15.1 percent by families with family incomes of \$100,000–\$149,000, and 49.9 percent by families with family incomes of \$150,000 or more.

EBRI estimates for 2010 (right columns in chart) show little difference in distribution by family income from 2007. Thus, in both years, families with family incomes of \$150,000 or more owned nearly half of individual account retirement plan assets.

The analysis also notes that *retirement plan* assets are less concentrated than *overall financial* assets in many categories. For example, families with white, non-Hispanic heads owned 85.1 percent of active employment-based individual account retirement plan assets, compared with 91.9 percent of all financial assets. Families in the top 10 percent of net worth held 50.0 percent of these active employment-based retirement assets, compared with 72.3 percent of all financial assets.

**Distribution of Individual Account Retirement Plan Assets
Across Family Income Levels, 2007 and 2010***

Family Income	2007 \$ Trillion	2007 Pct.	2010 \$ Trillion*	2010 Pct. of Total*
Less than \$20,000	\$0.11	1.2%	\$0.11	1.2%
\$20,000–\$39,999	0.57	6.3	0.59	6.6
\$40,000–\$49,999	0.34	3.7	0.34	3.8
\$50,000–\$74,999	1.01	11.2	1.02	11.4
\$75,000–\$99,999	1.13	12.6	1.13	12.7
\$100,000–\$149,999	1.35	15.1	1.35	15.1
\$150,000 or more	4.48	49.9	4.40	49.3

Source: Employee Benefit Research Institute estimates from 2007 Survey of Consumer Finances (SCF).
*Estimates based on asset allocation from 2007 SCF, using market returns from end of year 2007 through March 19, 2010. This assumes no contributions to or withdrawals from these accounts during that period.

According to the study, total assets in individual retirement plans stood at \$8.979 trillion in 2007 and, assuming conditions as above, declined to \$8.925 trillion in March 2010 due to the downturn in the stock market. Additional details about the distribution of individual account retirement plan assets, including a comparison with overall assets, appear in the May 2010 *EBRI Notes*, available at www.ebri.org

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