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Average 401(k) Balance Among Consistent Participants Rose Nearly 32 Percent in 2009

WASHINGTON—The average 401(k) retirement account balance for consistent participants rose 31.9 percent in 2009, according to a recently released report by the Employee Benefit Research Institute (EBRI) and the Investment Company Institute (ICI). The rise in 2009 was in line with the 2003–2007 pattern of steady increase in account balances, and in contrast to the 27.8 percent decline in 2008.

The data are based on the EBRI/ICI 401(k) database, the largest of its kind, with records on 20.7 million participants at year-end 2009, including 4.3 million consistent participants—those who have had 401(k) accounts with the same 401(k) plan each year from year-end-2003 through year-end 2009.

The EBRI/ICI database examines consistent participants because 401(k) balances can fluctuate with market returns from year to year, so meaningful analysis of 401(k) plans must examine how participants' accounts have performed over the long term. The most recent analysis is for year-end 2009 and looks at consistent participants in the EBRI/ICI 401(k) database over the six-year period from 2003–2009 (which included one of the worst bear markets for stocks since the Great Depression).

Full results of the EBRI/ICI research are published in EBRI's November *Issue Brief* and ICI's November *Research Perspective*, titled "401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 2009," available online at www.ebri.org and www.ici.org

According to the EBRI/ICI report on 401(k) balances in 2009:

- The average 401(k) account balance for consistent participants moved up and down with stock market performance, but over the entire six-year time period increased at an average annual growth rate of 10.5 percent, attaining \$109,723 at year-end 2009.
- The median (or midpoint, half above and half below) 401(k) account balance for consistent participants increased at an average annual growth rate of 14.7 percent over the 2003–2009 period to \$59,381 at year-end 2009.
- After rising in 2003 and for the next four consecutive years, the average 401(k) retirement balance account for consistent participants fell 27.8 percent in 2008, before rising 31.9 percent in 2009.

Year	Average	Median (mid-point)
2003	\$60,144	\$26,098
2004	\$72,173	\$34,037
2005	\$82,768	\$41,233
2006	\$99,644	\$51,712
2007	\$115,257	\$60,858
2008	\$83,161	\$46,338
2009	\$109,723	\$59,381

Source: EBRI/ICI 401(k) Database, December 2010 *EBRI Issue Brief* and *ICI Research Perspective*, online at www.ebri.org/publications/ib and www.ici.org/research/perspective

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