

At a Glance | April 16, 2020

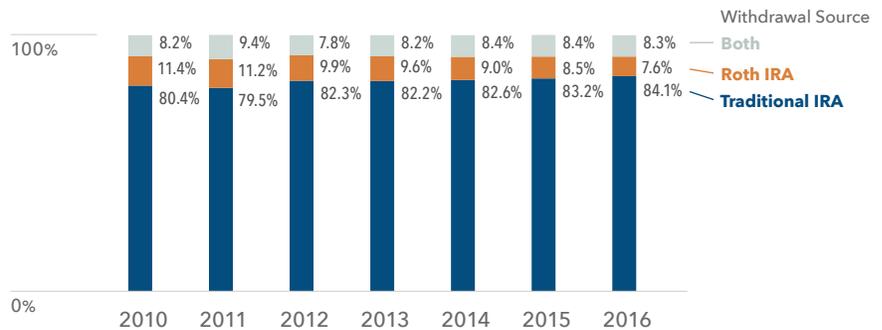
# Traditional and Roth IRAs: Patterns of Withdrawals and What They Suggest

A look at whether individuals who own both a Traditional and Roth IRA are taking withdrawals in a way that takes advantage of the differing tax statuses of these IRA types.

## TRADITIONAL IRAS ARE THE MOST COMMON WITHDRAWAL SOURCE

When individuals own both Roth and Traditional IRAs, they predominately take withdrawals from the Traditional IRA. This may be due in large part to IRS rules requiring withdrawals from Traditional IRAs after a certain age.

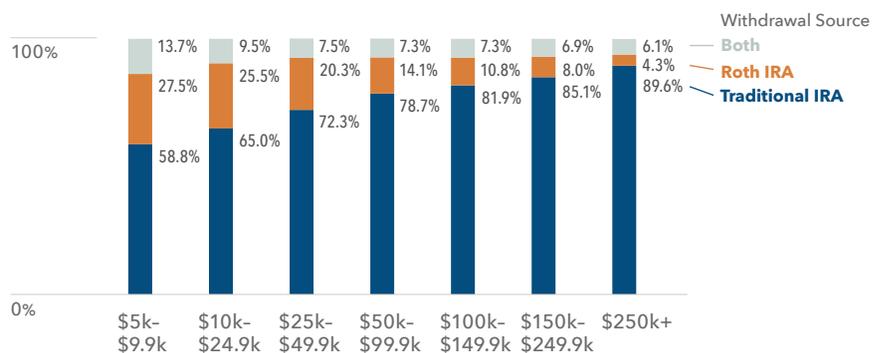
**Source of IRA Withdrawals, by Year**  
Traditional vs. Roth vs. Both, 2010-2016



## EVIDENCE OF LACK OF SENSITIVITY TO OR AWARENESS OF TAX CONSEQUENCES

IRA owners with the largest balances were most likely to take withdrawals from Traditional IRAs over Roth IRAs. This is true despite the fact that withdrawing from Roth IRAs would likely be more tax efficient for those with large balances.

**Source of Withdrawals, by Size of Account Balance**  
Traditional vs. Roth vs. Both, 2010

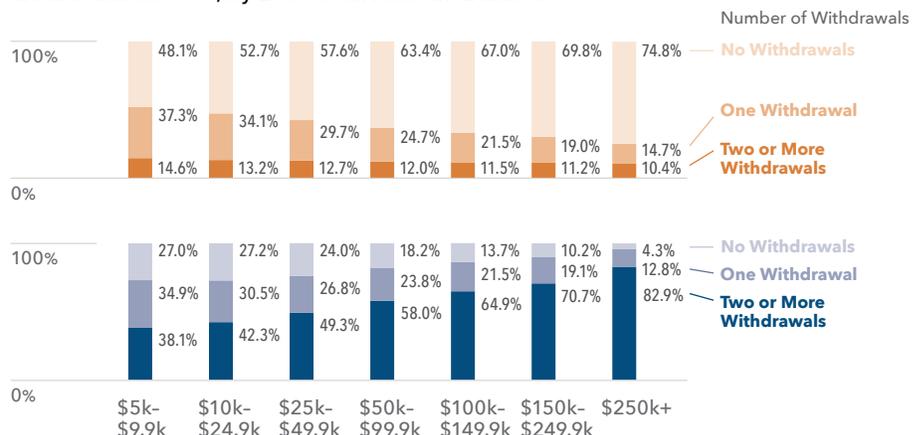


## THE LARGER THE BALANCES, THE GREATER THE NUMBER OF WITHDRAWALS TAKEN FROM TRADITIONAL IRAS

Those with large balances were also most likely to take multiple withdrawals from their Traditional IRA over their Roth IRA.

All of this points to the potential need for education around tax efficiency when there are multiple sources for withdrawals.

**Number of Withdrawals From Traditional and Roth IRAs**  
Traditional vs. Roth, by 2010 Total Account Balance



SOURCE: Craig Copeland, "Withdrawal Activity of Individuals Owning Both Traditional and Roth Individual Retirement Accounts," EBRI Issue Brief, no. 503 (Employee Benefit Research Institute, March 26, 2020).