

## WHAT'S INSIDE

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## Appendix: Additional Data on IRA Ownership in 2017

"The Role of IRAs in US Households' Saving for Retirement, 2017" (*ICI Research Perspective* 23, no. 10) reports on US households' individual retirement account (IRA) ownership in mid-2017. The study highlights data collected by the Investment Company Institute in an annual survey of households owning IRAs.<sup>1</sup> This appendix provides supplementary tables, which contain additional detail for the main report.

### Household Ownership of IRAs

In mid-2017, 43.9 million, or 34.8 percent of, US households owned at least one type of IRA (Figure A1).<sup>2</sup> Household ownership of IRAs has grown since 2000.<sup>3</sup>

### Growth in Number of IRA-Owning Households

US households most commonly owned traditional IRAs (Figure A1), the first type of IRA that Congress created.<sup>4</sup> Roth IRAs were the second most commonly held type of IRA, followed by employer-sponsored IRAs, which include SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs. In mid-2017, 27.8 percent of US households owned traditional IRAs, 19.7 percent owned Roth IRAs, and 13.9 percent owned both traditional and Roth IRAs. Overall, 33.6 percent of, or 42.4 million, US households owned traditional or Roth IRAs. Changes in the survey design in 2014 likely resulted in lower incidence of IRA ownership (see box on pages 2–3).

FIGURE A1

**US Households Owning IRAs, 2000–2017**

	Number of US households <i>Millions</i>				Share of US households <i>Percent</i>				Memo: total number of US households <sup>3</sup> <i>Millions</i>
	Any type of IRA <sup>1</sup>	Traditional IRAs	Roth IRAs	Employer- sponsored IRAs <sup>2</sup>	Any type of IRA <sup>1</sup>	Traditional IRAs	Roth IRAs	Employer- sponsored IRAs <sup>2</sup>	
2000	38.0	30.5	9.8	7.2	35.7%	28.7%	9.2%	6.8%	106.4
2001	39.2	31.3	10.6	8.7	36.2	28.9	9.8	8.0	108.2
2002	38.0	30.8	11.8	8.4	34.8	28.2	10.8	7.7	109.3
2003	40.8	32.9	13.9	8.3	36.7	29.6	12.5	7.5	111.3
2004	40.9	33.2	13.0	9.0	36.5	29.6	11.6	8.0	112.0
2005	43.0	34.0	14.5	8.4	37.9	30.0	12.8	7.4	113.3
2006	43.8	36.3	15.3	8.8	38.3	31.7	13.4	7.7	114.4
2007	46.2	37.7	17.3	9.2	39.8	32.5	14.9	7.9	116.0
2008	47.3	37.5	18.6	10.0	40.5	32.1	15.9	8.6	116.8
2009	46.1	36.6	17.0	9.6	39.3	31.2	14.5	8.2	117.2
2010	48.6	38.5	19.5	9.4	41.4	32.8	16.6	8.0	117.5
2011	46.5	37.4	18.8	9.0	38.8	31.2	15.7	7.5	119.9
2012	48.9	39.4	20.3	9.2	40.4	32.5	16.8	7.6	121.1
2013	46.1	36.0	19.1	9.2	37.6	29.4	15.6	7.5	122.5
2014 <sup>4</sup>	41.5	31.1	19.2	7.4	33.7	25.3	15.6	6.0	123.0
2015 <sup>4</sup>	40.2	30.4	20.3	6.7	32.3	24.4	16.3	5.4	124.6
2016 <sup>4</sup>	42.5	32.1	21.9	7.2	33.8	25.5	17.4	5.7	125.8
2017 <sup>4</sup>	43.9	35.1	24.9	7.6	34.8	27.8	19.7	6.0	126.2

<sup>1</sup>IRA ownership excludes ownership of Coverdell Education Savings Accounts, which were named education IRAs prior to July 2001.

<sup>2</sup>Employer-sponsored IRAs include SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs.

<sup>3</sup>The number of households is as of March of the year indicated.

<sup>4</sup>Lower incidence in 2014, 2015, 2016, and 2017 likely results in part from a revised sampling methodology. See Holden, Schrass, and Bogdan 2017.

Sources: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey (2000–2017) and US Census Bureau

**About the Annual Mutual Fund Shareholder Tracking Survey**

ICI conducts the Annual Mutual Fund Shareholder Tracking Survey each year to gather information on the demographic and financial characteristics of mutual fund-owning households in the United States. The most recent survey was conducted from May to July 2017 and was based on a dual frame telephone sample of 5,000 US households. Of these, 2,500 households were from a landline random digit dial (RDD) frame and 2,500 households were from a cell phone RDD frame. All interviews were conducted over the telephone with the member of the household who was either the sole or the co-decisionmaker most knowledgeable about the household's savings and investments. The standard error for the 2017 sample of households is  $\pm 1.4$  percentage points at the 95 percent confidence level.

### *Revisions to ICI's Annual Mutual Fund Shareholder Tracking Survey*

In the usual course of household survey work, researchers periodically reexamine sampling and weighting methods to ensure that the results published are representative of the underlying population of interest. ICI reexamined its Annual Mutual Fund Shareholder Tracking Survey in 2014, and the figures on incidence of IRA ownership presented in this paper for the 2017 survey reflect the revised sampling and weighting methodology that was adopted in 2014. To achieve a representative sample of US households, in 2014, 2015, 2016, and 2017, the survey has been based on a dual frame sample of landline and cell phone numbers. The combined sample includes about 50 percent of households reached on a landline and about 50 percent of households reached on a cell phone. Before 2014, the Annual Mutual Fund Shareholder Tracking Survey was based on a sample of landline phone numbers only. The change to a combined sample of cell and landline phone numbers improves the representativeness of the sample. For a detailed description of the survey methodology, see "Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2017," *ICI Research Perspective* 23, no. 7 (October), available at [www.ici.org/pdf/per23-07.pdf](http://www.ici.org/pdf/per23-07.pdf).

### *About the IRA Owners Survey*

ICI conducts the IRA Owners Survey each year to gather information on the characteristics and activities of IRA-owning households in the United States. The most recent survey was conducted in June 2017 using the KnowledgePanel®, a probability-based online panel designed to be representative of the US population. The KnowledgePanel® was designed and administered by GfK, an online consumer research company. The 2017 sample of IRA owners included 3,205 representative US households owning traditional IRAs or Roth IRAs. All surveys were conducted online with the member of the household aged 18 or older who was the sole or co-decisionmaker most knowledgeable about the household's savings and investments. The standard error for the total sample is ±1.7 percentage points at the 95 percent confidence level. In 2016 and 2017, households owning traditional or Roth IRAs were surveyed, and thus households only owning employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs) or Coverdell Education Savings Accounts (formerly called education IRAs) are not included.

### *Revisions to ICI's IRA Owners Survey*

Starting in 2016, the ICI IRA Owners Survey was changed from a dual frame RDD telephone survey to a self-administered online survey on the KnowledgePanel®. The KnowledgePanel® includes more than 50,000 individuals from randomly sampled households. Initially, participants are chosen scientifically by a random selection of telephone numbers and residential addresses. Persons in selected households are then invited by telephone or by mail to participate in the web-enabled KnowledgePanel®. For those who agree to participate, but do not already have internet access, GfK provides a laptop and ISP connection at no cost. People who already have computers and internet service are permitted to participate using their own equipment. Panelists then receive unique log-in information for accessing surveys online, and are sent emails throughout each month inviting them to participate in research.

In addition to the change in the survey mode for the ICI IRA Owners Survey in 2016, the questionnaire also was revised to only collect demographic and financial characteristics of households owning traditional IRAs or Roth IRAs. In previous years, the survey collected information on households owning employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs). These survey changes were implemented in 2016 to reduce the cost of data collection, improve the representativeness of the sample, and to reduce the burden on survey respondents.

Because the methodology for the IRA Owners Survey was changed to an online survey in 2016, it was necessary to adjust the weighting methodology for the survey. For the 2016 and 2017 data, the weighting included the standard raking to control totals based on census region, householder age, household income, and educational attainment of US households owning traditional or Roth IRAs.

## Incidence of IRA Ownership by Age

Households headed by older individuals were more likely to own traditional IRAs. In mid-2017, 32 percent of households headed by individuals aged 55 or older owned traditional IRAs, compared with 19 percent of households headed by individuals aged 55 or older owned traditional IRAs, compared with 19 percent of households headed by individuals younger than 35 (Figure A2).<sup>5</sup> Though 32 percent of households headed by individuals aged 65 or older had traditional IRAs, only 13 percent of such older households indicated Roth IRA ownership. Roth IRAs were rarely held by older households, but about 24 percent of households aged 35 to 64 had Roth IRAs.

## Incidence of IRA Ownership by Income

Household ownership of all types of IRAs also tends to increase with household income (Figure A3). In mid-2017, 39 percent of households with incomes of \$50,000 or more owned traditional IRAs, compared with 13 percent

of households with incomes of less than \$50,000.

Thirty percent of households with incomes of \$50,000 or more owned Roth IRAs, compared with 6 percent of households with incomes of less than \$50,000. Nine percent of households with incomes of \$50,000 or more owned employer-sponsored IRAs, whereas only 3 percent of households with incomes of less than \$50,000 owned employer-sponsored IRAs.

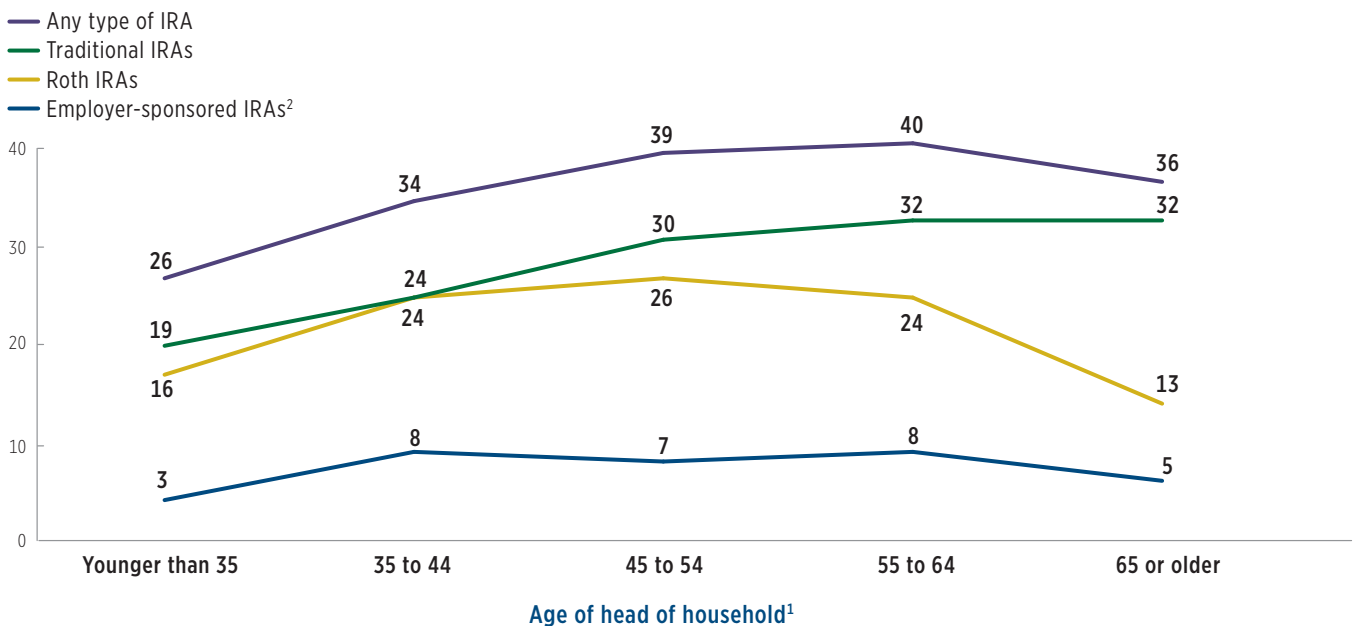
## IRA Ownership by Generation

IRA ownership occurs across all generations, but the incidence of IRA ownership was greatest among households headed by members of the Baby Boom Generation. In mid-2017, 39 percent of households headed by Baby Boomers owned IRAs (Figure A4). As a result, 39 percent of IRA-owning households were headed by individuals who were members of the Baby Boom Generation (Figure A5).

FIGURE A2

### US Households Owning Traditional, Roth, and Employer-Sponsored IRAs by Age

Percentage of US households within each age group,<sup>1</sup> 2017



<sup>1</sup> Age is based on the age of the sole or co-decisionmaker for household saving and investing.

<sup>2</sup> Employer-sponsored IRAs include SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs.

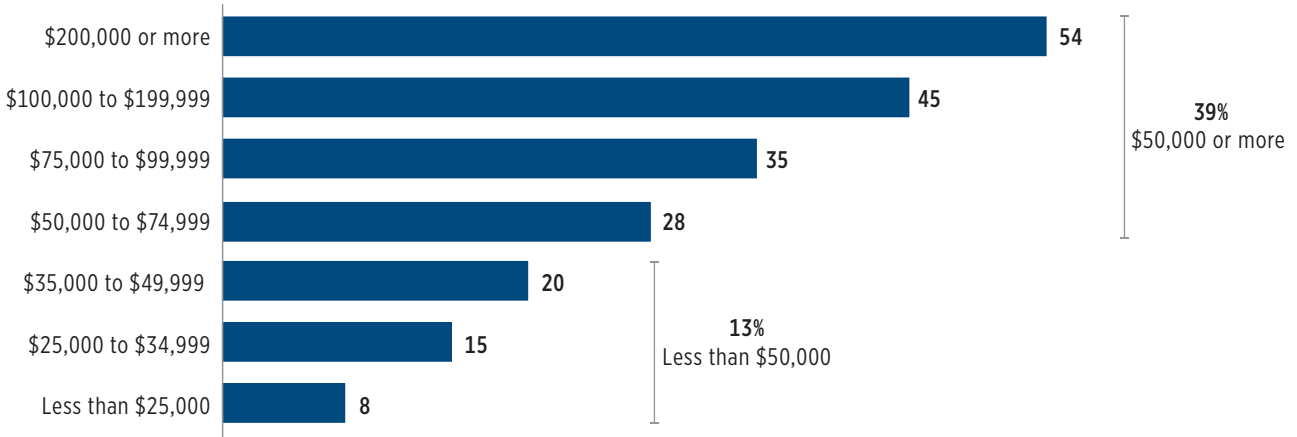
Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

FIGURE A3

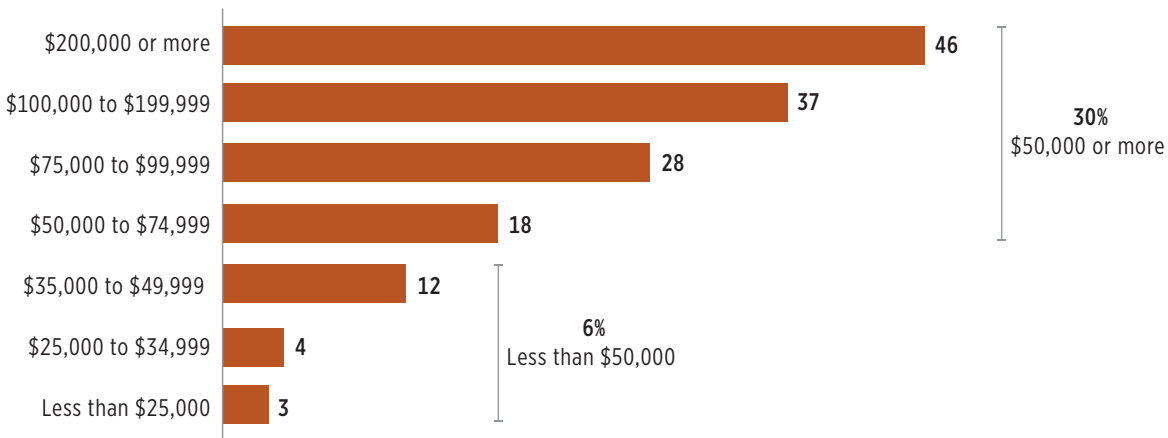
## US Households Owning Traditional, Roth, and Employer-Sponsored IRAs by Household Income

Percentage of US households within each income group,<sup>1</sup> 2017

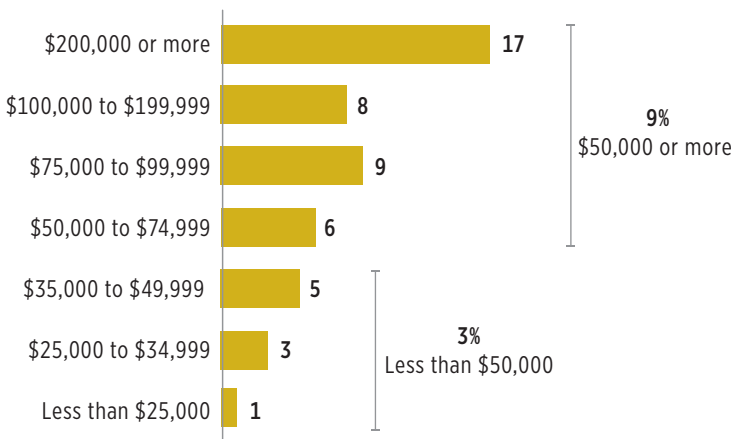
### Traditional IRAs



### Roth IRAs



### Employer-sponsored IRAs<sup>2</sup>



<sup>1</sup> Total reported is household income before taxes in 2016.

<sup>2</sup> Employer-sponsored IRAs include SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs.

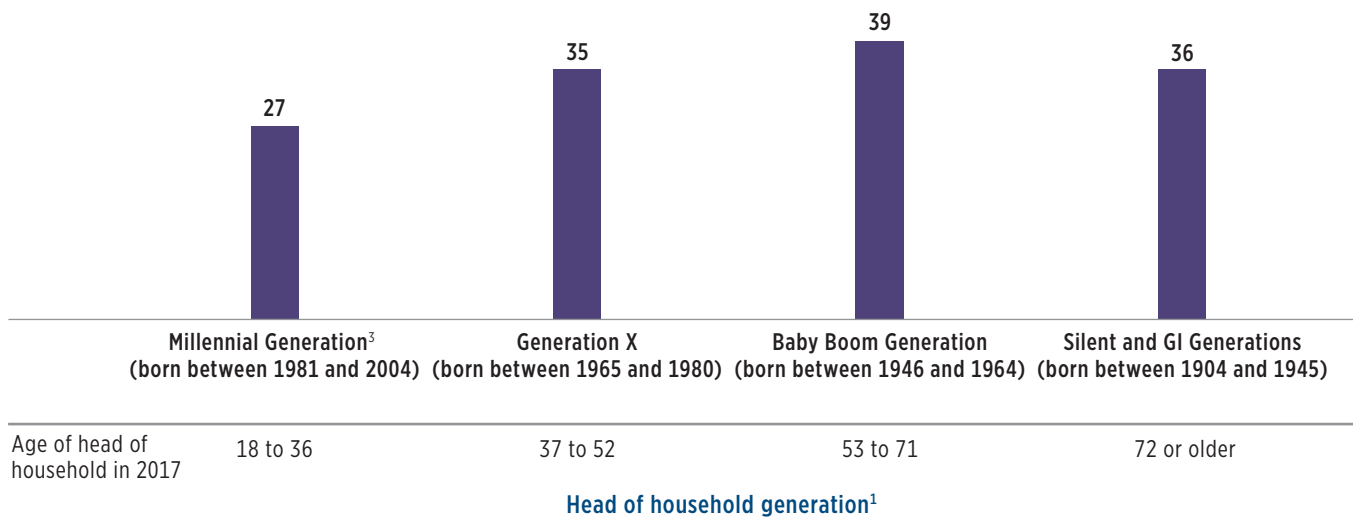
Note: For incidence of any IRA ownership by household income, see Figure 5 in the main report.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

FIGURE A4

### Incidence of IRA Ownership Is Greatest Among the Baby Boom Generation

Percentage of US households within each generation group that own IRAs,<sup>1, 2</sup> 2017



<sup>1</sup>Generation is based on the age of the sole or co-decisionmaker for household saving and investing.

<sup>2</sup>IRAs include traditional IRAs, Roth IRAs, and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

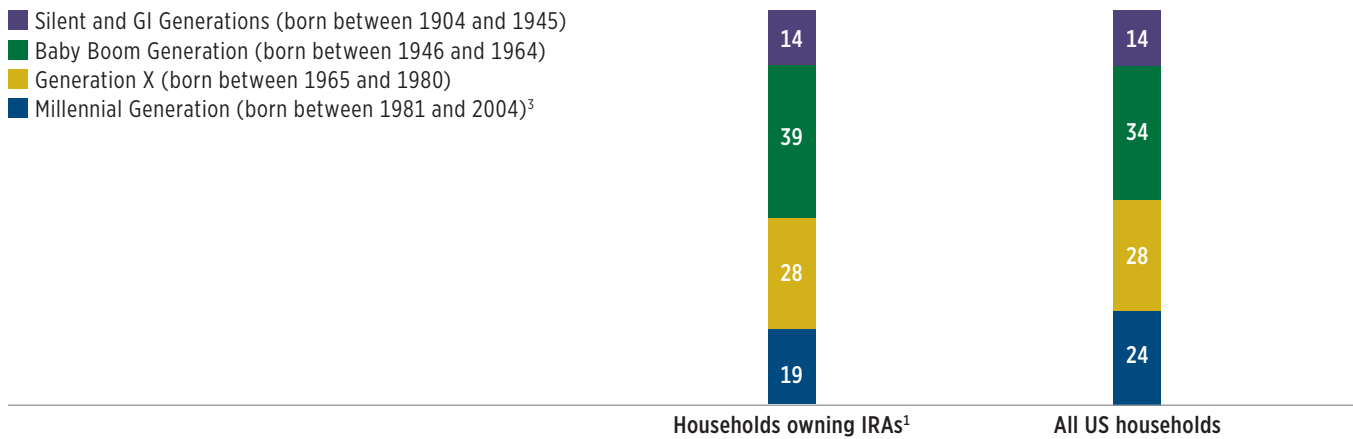
<sup>3</sup>Survey participants must be 18 or older and be the most knowledgeable about the household's savings and investments; so although people born between 1981 and 2004 are members of the Millennial Generation, only those born between 1981 and 1999 are included in this survey.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

FIGURE A5

### Baby Boomers Make Up Nearly 40 Percent of All IRA-Owning Households

Percent distribution of households owning IRAs<sup>1</sup> and all US households by generation,<sup>2</sup> 2017



<sup>1</sup>IRAs include traditional IRAs, Roth IRAs, and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

<sup>2</sup>Generation is based on the age of the sole or co-decisionmaker for household saving and investing.

<sup>3</sup>Survey participants must be 18 or older and be the most knowledgeable about the household's savings and investments; so although people born between 1981 and 2004 are members of the Millennial Generation, only those born between 1981 and 1999 are included in this survey.

Sources: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey and US Census Bureau

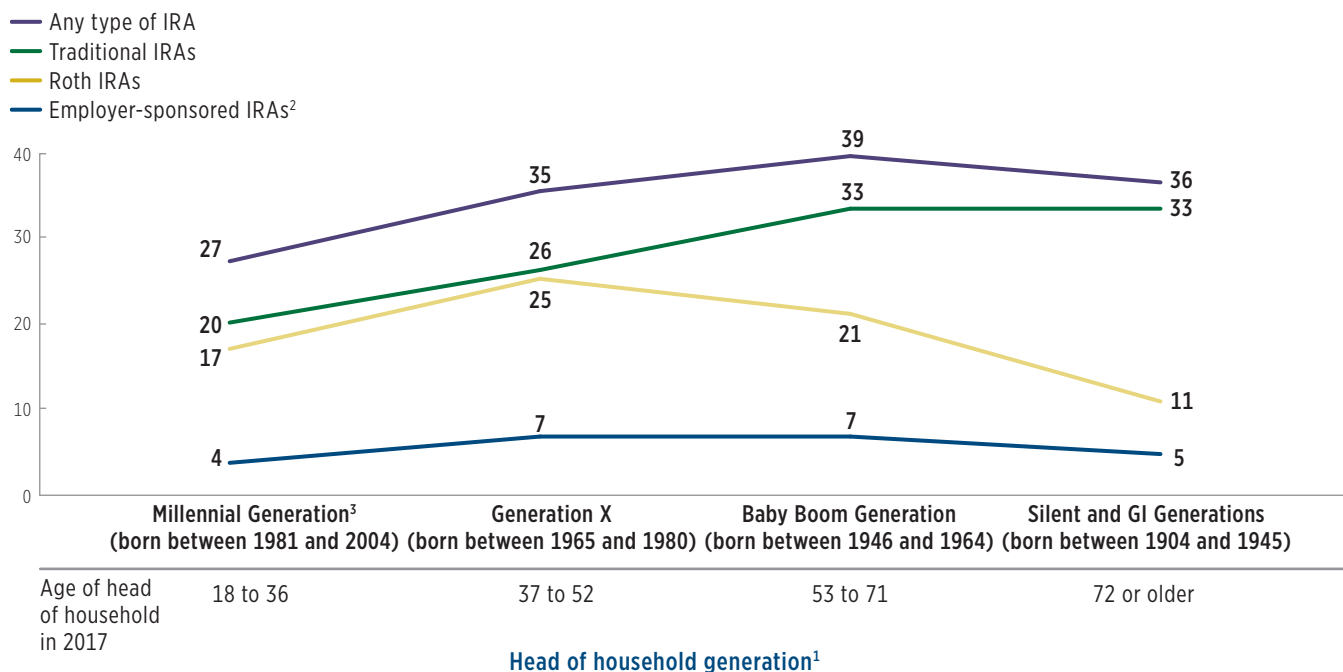
In mid-2017, 33 percent of households headed by members of the Baby Boom Generation owned traditional IRAs; 21 percent owned Roth IRAs; and 7 percent owned employer-sponsored IRAs (Figure A6). In mid-2017,

households headed by Baby Boomers held a significant portion of total IRA assets. Fifty-six percent of all IRA assets were held by households headed by members of this generation.<sup>6</sup>

FIGURE A6

### US Households Owning Traditional, Roth, and Employer-Sponsored IRAs by Generation

Percentage of US households within each generation group,<sup>1</sup> 2017



<sup>1</sup>Generation is based on the age of the sole or co-decisionmaker for household saving and investing.

<sup>2</sup>Employer-sponsored IRAs include SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs.

<sup>3</sup>Survey participants must be 18 or older and be the most knowledgeable about the household's savings and investments; so although people born between 1981 and 2004 are members of the Millennial Generation, only those born between 1981 and 1999 are included in this survey.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

## Households with IRAs Have More Savings Than Other Households

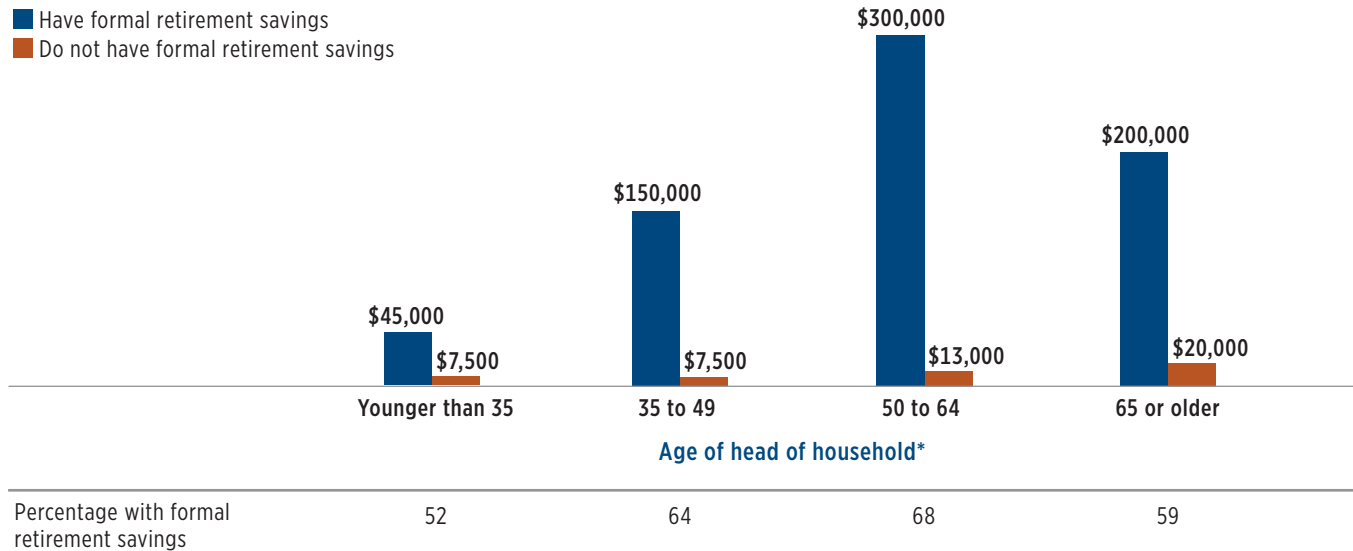
Both IRAs and employer-sponsored retirement plans provide workers the opportunity to set aside assets for retirement on a tax-advantaged basis. Households with

these formal retirement savings arrangements generally have accumulated greater household financial assets compared with households without these arrangements (Figure A7).

FIGURE A7

### Households with Formal Retirement Savings Have Greater Total Financial Assets

Median total household financial assets by age of head of household and formal retirement savings coverage, 2017



\* Age is based on the age of the sole or co-decisionmaker for household saving and investing.

Note: Formal retirement savings include IRAs, employer-sponsored retirement plans (DB or DC plans), or both.

Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey



## IRA Balances and Investments

Median household financial assets in traditional or Roth IRAs were \$62,500 in mid-2017 (Figure A8). Household financial assets in traditional IRAs tended to be greater than assets in Roth IRAs. Traditional IRAs have been available longer than the other types of IRAs, and many

households' traditional IRAs contain employer-sponsored retirement plan rollovers.<sup>7</sup> Roth IRAs have been available since 1998 and have had only very limited opportunity to receive rollovers from employer-sponsored retirement plans.<sup>8</sup>

FIGURE A8

### Household Financial Assets in IRAs by Type of IRA

*Percentage of households with IRA assets in specified ranges, 2017*

	Total household financial assets in traditional or Roth IRAs	Type of IRA owned	
		Traditional IRAs	Roth IRAs
<b>Assets in type of IRA</b>			
Less than \$10,000	15	16	26
\$10,000 to \$24,999	14	15	19
\$25,000 to \$49,999	13	13	19
\$50,000 to \$99,999	16	18	18
\$100,000 to \$249,999	19	18	14
\$250,000 or more	23	20	4
Mean	\$177,600	\$160,600	\$63,800
Median	\$62,500	\$60,000	\$30,000

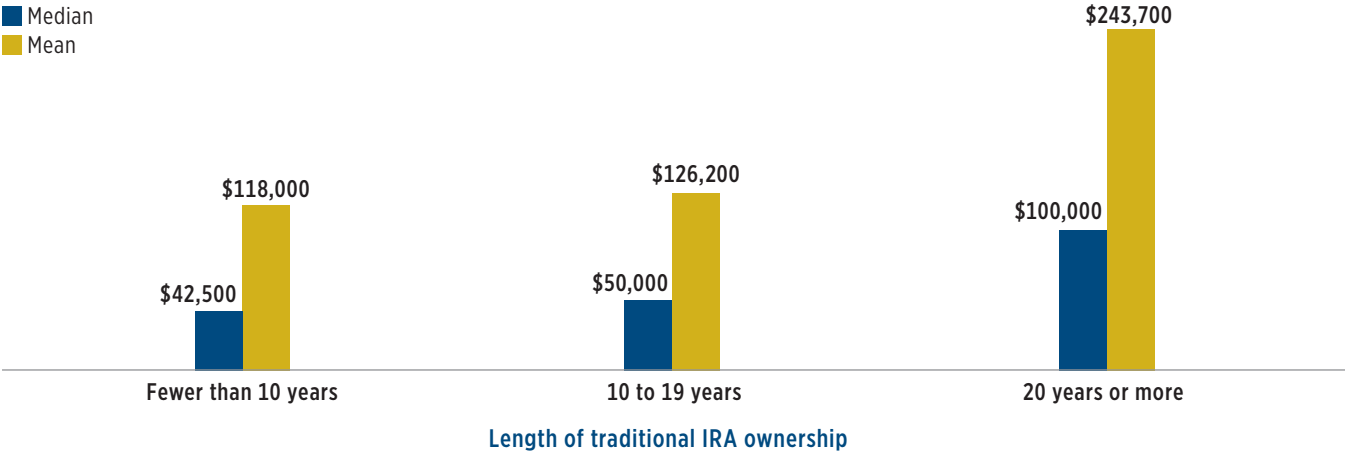
Source: Investment Company Institute IRA Owners Survey

In mid-2017, the median amount in Roth IRAs was \$30,000, and the median amount in traditional IRAs was \$60,000 (Figure A8). IRAs help individuals and families accumulate savings over time. This is particularly evident when traditional IRA holdings are grouped by length of household ownership. For example, households owning traditional

IRAs for fewer than 10 years had median traditional IRA holdings of \$42,500, while households owning traditional IRAs for 20 years or more had median traditional IRA holdings of \$100,000 (Figure A9). Mean traditional IRA holdings, though higher than the median values, exhibited a similar pattern.

FIGURE A9

**Household Assets in Traditional IRAs by Length of Ownership, 2017**



Source: Investment Company Institute IRA Owners Survey

Mutual funds were the most common investment in traditional or Roth IRAs (Figure A10).<sup>9</sup> In mid-2017, 75 percent of households owning traditional or Roth IRAs had IRA assets invested in mutual funds, usually equity funds. Forty-seven percent held individual equities in their

traditional or Roth IRAs. Thirty percent of households owning traditional or Roth IRAs held annuities, and 20 percent held bank deposits. On average, households with traditional or Roth IRAs held three types of investments in those IRAs.

FIGURE A10

### Types of Investments Held in IRAs

Percentage of households with type of IRA indicated, 2017

IRA investments	Traditional or Roth IRAs	Type of IRA owned	
		Traditional IRAs	Roth IRAs
Mutual funds (total)	75	73	71
Equity funds	52	50	49
Bond funds	27	26	24
Balanced funds	40	39	37
Money market funds	28	29	22
Individual equities	47	45	40
Annuities (total)	30	29	20
Fixed annuities	21	20	13
Variable annuities	19	18	14
Bank savings accounts, money market deposit accounts, or certificates of deposit	20	20	12
Individual bonds (not including US savings bonds)	22	21	15
US savings bonds	13	12	9
ETFs	22	20	23
Other	3	3	1
Mean number of investment types held in IRA	3 types	3 types	3 types

Note: Multiple responses are included.

Source: Investment Company Institute IRA Owners Survey

## Contributions to Traditional IRAs and Roth IRAs

Twenty-five percent of traditional IRA-owning households—an estimated 8.8 million—contributed to their traditional IRAs in tax year 2016, with a median contribution of \$4,000 per household (Figure A11). Those who contributed to their traditional IRAs typically were younger and had higher household incomes than noncontributors. Thirty-nine percent of households owning Roth IRAs—an estimated 9.7 million—contributed to their Roth IRAs in tax year 2016, with a median contribution of \$4,700 per household. Since

tax year 2002, individuals aged 50 or older are eligible to make catch-up contributions to their IRAs.<sup>10</sup> Twenty-eight percent of traditional IRA-owning households with individuals aged 50 to 70 in mid-2017 contributed to their traditional IRAs in tax year 2016; half of these contributing households made catchup contributions (Figure A12). Thirty-nine percent of Roth IRA-owning households with individuals aged 50 or older in mid-2017 contributed to their Roth IRAs in tax year 2016; 51 percent of these contributing households made catch-up contributions.

FIGURE A11

### Characteristics of Households Owning Traditional IRAs or Roth IRAs in 2017 by Contribution Status in Tax Year 2016

	Traditional IRA-owning households		Roth IRA-owning households	
	Contributed to traditional IRA in tax year 2016 <sup>1</sup>	Did not contribute to traditional IRA in tax year 2016 <sup>2</sup>	Contributed to Roth IRA in tax year 2016 <sup>3</sup>	Did not contribute to Roth IRA in tax year 2016 <sup>4</sup>
<b>Median per household</b>				
Age of household sole or co-decisionmaker for saving and investing	49 years	58 years	49 years	52 years
Household income <sup>5</sup>	\$112,500	\$92,500	\$112,500	\$112,500
Household financial assets <sup>6</sup>	\$290,000	\$300,000	\$300,000	\$350,000
Household financial assets in traditional or Roth IRAs	\$70,000	\$87,500	\$69,300	\$80,000
Amount contributed per household to each type of IRA in tax year 2016	\$4,000	N/A	\$4,700	N/A
<b>Percentage of households</b>				
Household sole or co-decisionmaker for saving and investing:				
Married or living with a partner	78%	70%	76%	74%
College or postgraduate degree	51	50	59	53
Employed full- or part-time	84	62	88	73
Household has DC retirement plan account	80	69	84	77

<sup>1</sup> Twenty-five percent of households owning traditional IRAs contributed to them in tax year 2016.

<sup>2</sup> Includes all households owning traditional IRAs that did not contribute to them in tax year 2016. Some of these households may have been ineligible to make deductible contributions.

<sup>3</sup> Thirty-nine percent of households owning Roth IRAs contributed to them in tax year 2016.

<sup>4</sup> Includes all households owning Roth IRAs that did not contribute to them in tax year 2016. Some of these households may have been ineligible to contribute to Roth IRAs in tax year 2016.

<sup>5</sup> Total reported is household income before taxes in 2016.

<sup>6</sup> Household financial assets include assets in employer-sponsored retirement plans but exclude the household's primary residence.

N/A = not applicable

Source: Investment Company Institute IRA Owners Survey

FIGURE A12

## Catch-Up Contributions Among IRA Owners

	Tax year													
	2002	2003	2004	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 <sup>1</sup>	2016 <sup>1</sup>
<b>Catch-up contributions to traditional IRAs<sup>2</sup></b>														
<i>Percentage of households owning traditional IRAs that qualified to make catch-up contributions</i>														
Made a catch-up contribution	9	13	16	12	15	13	11	14	14	13	14	18	14	14
Contributed, but did not make a catch-up contribution	17	20	20	23	10	14	17	14	15	16	10	9	14	14
Did not contribute <sup>3</sup>	74	67	64	65	75	73	72	72	71	71	76	73	72	72
<b>Catch-up contributions to Roth IRAs<sup>4</sup></b>														
<i>Percentage of households owning Roth IRAs that qualified to make catch-up contributions</i>														
Made a catch-up contribution	15	28	33	21	17	23	15	19	19	16	16	22	18	20
Contributed, but did not make a catch-up contribution	12	21	25	28	14	19	23	17	20	18	12	14	17	19
Did not contribute <sup>5</sup>	73	51	42	51	69	58	62	64	61	66	72	64	65	61

<sup>1</sup> Starting in 2016, the ICI IRA Owners Survey was changed from a dual frame RDD telephone survey to a self-administered online survey on the KnowledgePanel®, a probability-based online panel administered by GfK. Please see the box on page 2 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

<sup>2</sup> Households may make catch-up contributions to traditional IRAs if a household member is at least 50 years old but younger than 70½ years old.

<sup>3</sup> This group may include households ineligible to make deductible contributions to traditional IRAs.

<sup>4</sup> Households may make catch-up contributions to Roth IRAs if their incomes are within the limits to contribute to a Roth IRA and if a household member is aged 50 or older.

<sup>5</sup> This group may include households ineligible to contribute to Roth IRAs because precise household income amounts are not always available in the survey.

Note: Data are not available for tax year 2005.

Source: Investment Company Institute IRA Owners Survey

## Demographic Characteristics of IRA-Owning Households

Saving activity tends to increase with age, educational attainment, and household income; in addition, married people tend to save more than single persons.<sup>11</sup> Households that owned IRAs typically had greater financial assets and higher incomes than households without IRAs (Figure A13). In addition, the financial decisionmakers in households with IRAs generally were older and more likely to be married and have college or postgraduate degrees compared with households not owning IRAs.

**Traditional IRAs.** In mid-2017, 35.1 million, or 27.8 percent of, US households owned traditional IRAs (Figure A1). The financial decisionmakers of households with traditional

IRAs tended to be older—35 percent were retired from their lifetime occupations (Figure A13). Seventy-two percent of households with traditional IRAs also had defined contribution (DC) plan accounts. Half of households with traditional IRAs also owned Roth IRAs, and 15 percent also owned employer-sponsored IRAs. Households owning traditional IRAs had median assets of \$60,000 in their traditional IRAs, typically held in one account (Figure A14). Households with traditional IRAs that included rollover assets typically had greater traditional IRA assets than households whose traditional IRAs did not include rollovers.<sup>12</sup> Forty-one percent of traditional IRA-owning

FIGURE A13

**Characteristics of US Households Owning IRAs, 2017**

	Type of IRA owned				Households not owning IRAs
	Households owning IRAs	Traditional IRAs	Roth IRAs	Employer-sponsored IRAs <sup>1</sup>	
<b>Median per household</b>					
Age of household sole or co-decisionmaker for saving and investing	54 years	55 years	51 years	53 years	50 years
Household income <sup>2</sup>	\$90,000	\$92,500	\$112,500	\$90,000	\$42,000
Household financial assets <sup>3</sup>	\$250,000	\$300,000	\$300,000	\$350,000	\$35,000
Household financial assets in traditional or Roth IRAs	\$62,500	\$85,000	\$75,000	(*)	N/A
Share of household financial assets in type of IRA indicated	33%	29%	13%	(*)	N/A
<b>Percentage of households</b>					
Household sole or co-decisionmaker for saving and investing					
Married or living with a partner	70%	72%	75%	73%	50%
College or postgraduate degree	51	50	55	49	26
Employed full- or part-time	68	67	79	76	56
Retired from lifetime occupation	31	35	24	27	28
Household has DC account or DB plan coverage (total) <sup>4</sup>					
DC retirement plan account	75	72	80	73	33
DB plan coverage	41	45	44	37	19
Types of IRAs owned <sup>4</sup>					
Traditional IRA	76	100	71	68	N/A
Roth IRA	54	50	100	51	N/A
Employer-sponsored IRA <sup>1</sup>	16	15	15	100	N/A

<sup>1</sup> Employer-sponsored IRAs include SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs.

<sup>2</sup> Total reported is household income before taxes in 2016.

<sup>3</sup> Household financial assets include assets in employer-sponsored retirement plans but exclude the household's primary residence.

<sup>4</sup> Multiple responses are included.

(\*) = Data are not available because of a questionnaire change in the IRA Owners Survey.

N/A = not applicable

Sources: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey and Investment Company Institute IRA Owners Survey

households opened their first traditional IRA in 1996 or earlier.

Households with traditional IRAs held them through a wide array of financial institutions. In mid-2017, 77 percent of traditional IRA-owning households held traditional IRAs

FIGURE A14

### Characteristics of US Households Owning Traditional IRAs, 2017

	All traditional IRA-owning households	Traditional IRA includes rollover from employer-sponsored retirement plan <sup>1</sup>	Traditional IRA does not include rollover from employer-sponsored retirement plan <sup>2</sup>
<b>Median per household</b>			
Age of household sole or co-decisionmaker for saving and investing	55 years	56 years	54 years
Household income <sup>3</sup>	\$92,500	\$112,500	\$92,500
Household financial assets <sup>4</sup>	\$300,000	\$350,000	\$250,000
Household financial assets in traditional or Roth IRAs	\$85,000	\$125,000	\$50,000
Amount in traditional IRAs	\$60,000	\$87,500	\$40,000
Amount contributed to traditional IRAs in tax year 2016 <sup>5</sup>	\$4,000	\$3,500	\$4,900
Number of traditional IRAs owned	1	2	1
<b>Percentage of households owning traditional IRAs</b>			
Traditional IRA includes rollover from an employer-sponsored retirement plan	57	100	0
Contributed to a traditional IRA in tax year 2016	25	19	32
Deducted a traditional IRA contribution in tax year 2016 <sup>5</sup>	43	45	42
Made a withdrawal from a traditional IRA in tax year 2016	26	29	22
<b>Own traditional IRA<sup>6</sup></b>			
Respondent	85	90	78
Spouse	47	51	42
Dependent children	2	1	2
<b>Number of traditional IRAs owned</b>			
One	54	49	61
Two	34	37	29
Three or more	12	14	11
<b>Year first traditional IRA was opened</b>			
1974 through 1981	13	13	12
1982 through 1986	9	9	11
1987 through 1991	9	8	11
1992 through 1996	10	11	8
1997 through 2001	14	13	15
2002 through 2006	11	11	11
2007 through 2009	8	9	7
2010 through mid-2017	26	26	26

Continued on the next page

FIGURE A14 CONTINUED

## Characteristics of US Households Owning Traditional IRAs, 2017

	All traditional IRA-owning households	Traditional IRA includes rollover from employer-sponsored retirement plan <sup>1</sup>	Traditional IRA does not include rollover from employer-sponsored retirement plan <sup>2</sup>
<b>Percentage of households</b>			
Household sole or co-decisionmaker for saving and investing			
Married or living with a partner	72	75	68
Widowed	5	5	6
College or postgraduate degree	50	52	48
Employed full- or part-time	67	65	71
Retired from lifetime occupation	35	37	32
<b>Where traditional IRAs are held<sup>6</sup></b>			
Investment professional (total)			
Full-service brokerage	31	36	24
Independent financial planning firm	24	27	21
Bank or savings institution	27	21	34
Insurance company	8	8	8
Direct market (total)			
Mutual fund company	20	21	19
Discount brokerage (total)	13	15	11
Discount brokerage with walk-in offices	9	11	6
Discount brokerage firm that is only available online	6	6	7

<sup>1</sup> Fifty-seven percent of households owning traditional IRAs have traditional IRAs that include rollovers from employer-sponsored retirement plans.

<sup>2</sup> Forty-three percent of households owning traditional IRAs have traditional IRAs that do not include rollovers from employer-sponsored retirement plans.

<sup>3</sup> Total reported is household income before taxes in 2016.

<sup>4</sup> Household financial assets include assets in employer-sponsored retirement plans but exclude the household's primary residence.

<sup>5</sup> Figure reports percentage among households that contributed to traditional IRAs in tax year 2016.

<sup>6</sup> Multiple responses are included.

Source: Investment Company Institute IRA Owners Survey



through investment professionals, and 30 percent held traditional IRAs directly at mutual fund companies or discount brokers (Figure A14).

Households with multiple traditional IRAs tended to hold them at the same type of financial services firm, although not necessarily the same firm. In mid-2017, 67 percent of households with multiple traditional IRAs held each IRA at the same type of financial services firm. Eleven percent of households with multiple traditional IRAs reported that some of their IRAs were at the same type of financial services firm. The remaining 22 percent indicated that each of their IRAs was at a different type of financial services firm.

**Roth IRAs.** In mid-2017, 24.9 million, or 19.7 percent of, US households owned Roth IRAs (Figure A1). The financial decisionmakers of Roth IRA households had a median age of 51 years and were the most likely of all IRA household decisionmakers to have college or postgraduate degrees (Figure A13). Seventy-one percent of Roth IRA-owning households also owned traditional IRAs, and 80 percent had DC plan accounts.

Households owning Roth IRAs typically owned one Roth IRA, with a median balance of \$30,000 (Figure A15). Households with Roth IRAs that were funded by conversions from traditional IRAs typically had greater Roth IRA assets than households whose Roth IRAs were not funded by conversions from traditional IRAs.<sup>13</sup> Fourteen percent of Roth IRA-owning households initially opened their Roth IRAs in 1998, the first year they were offered and the only year in which taxes on conversions could be spread over four years.<sup>14</sup> Another 17 percent opened their Roth IRAs between 1999 and 2001, and the remaining 69 percent opened their first Roth IRAs in 2002 or later.<sup>15</sup> Thirty-five percent of households owning Roth IRAs opened one as their first IRA.

Households with Roth IRAs held them through a wide array of financial institutions (Figure A15). In mid-2017, 72 percent of Roth IRA-owning households held Roth IRAs through investment professionals—the most common, full-

service brokerages (29 percent), and 30 percent held Roth IRAs directly at mutual fund companies (18 percent) or discount brokers (14 percent).

## IRA-Owning Households' Willingness to Take Financial Risk

IRA-owning households' willingness to take financial risk for financial gain varies with age and over time (Figure A16).

## Traditional IRA Withdrawals Mostly Were Made by Older Owners

Households making traditional IRA withdrawals tend to be older and retired. In tax year 2016, among households that took traditional IRA withdrawals, the median age of the household decisionmaker surveyed was 71, compared with a median age of 51 among households not taking distributions (Figure A17). Seventy-six percent of households owning traditional IRAs in mid-2017 and taking withdrawals in tax year 2016 were headed by retired individuals, compared with 20 percent of households not taking withdrawals. Typically, withdrawals from traditional IRAs were taken to fulfill required minimum distributions (RMDs). Seventy-one percent of households owning traditional IRAs in mid-2017 and making withdrawals in tax year 2016 calculated their withdrawal amount based on the RMD.<sup>16</sup> Fifteen percent of traditional IRA-owning households taking withdrawals reported they withdrew lump sums based on needs in tax year 2016.

Households that were retired and took traditional IRA withdrawals usually did so to pay for living expenses or to reinvest or save the withdrawal amount in another account. In tax year 2016, 43 percent reported using traditional IRA withdrawals to pay for living expenses (Figure A17). Thirty-nine percent of retired households making withdrawals in tax year 2016 reinvested or saved at least some of the withdrawal amount in another account.<sup>17</sup>

FIGURE A15

**Characteristics of US Households Owning Roth IRAs, 2017**

	<b>All Roth IRA-owning households</b>	<b>Roth IRA was funded by a conversion from a traditional IRA<sup>1</sup></b>	<b>Roth IRA was not funded by a conversion from a traditional IRA<sup>2</sup></b>
<b>Median per household</b>			
Age of household sole or co-decisionmaker for saving and investing	51 years	56 years	50 years
Household income <sup>3</sup>	\$112,500	\$112,500	\$112,500
Household financial assets <sup>4</sup>	\$300,000	\$500,000	\$300,000
Household financial assets in traditional or Roth IRAs	\$75,000	\$115,000	\$62,500
Amount in Roth IRAs	\$30,000	\$60,000	\$25,000
Number of Roth IRAs owned	1	1	1
Amount contributed to Roth IRAs in tax year 2016 <sup>5</sup>	\$4,700	\$5,500	\$4,000
Number of Roth IRAs owned	1	1	1
<b>Percentage of households owning Roth IRAs</b>			
Roth IRA was first IRA owned	35%	23%	38%
Roth IRA was funded by a conversion from a traditional IRA	19	100	0
Contributed to a Roth IRA in tax year 2016	39	39	38
Roth IRA assets include assets initially from an employer-sponsored retirement plan	20	44	15
Made a withdrawal from a Roth IRA in tax year 2016	5	9	3
<b>Percentage of households</b>			
Household sole or co-decisionmaker for saving and investing:			
Married or living with a partner	75	74	75
Widowed	2	4	2
College or postgraduate degree	55	59	54
Employed full- or part-time	79	70	81
Retired from lifetime occupation	24	37	21
<b>Own Roth IRA<sup>6</sup></b>			
Respondent	82	84	81
Spouse	46	46	45
Dependent children	3	7	2
<b>Number of Roth IRAs owned</b>			
One	62	57	63
Two	32	33	31
Three or more	7	10	6

Continued on the next page

FIGURE A15 CONTINUED

**Characteristics of US Households Owning Roth IRAs, 2017**

	<b>All Roth IRA-owning households</b>	<b>Roth IRA was funded by a conversion from a traditional IRA<sup>1</sup></b>	<b>Roth IRA was not funded by a conversion from a traditional IRA<sup>2</sup></b>
<b>Year first Roth IRA was opened</b>			
1998	14	22	12
1999 through 2001	17	19	16
2002 through 2004	8	7	9
2005 through 2007	12	10	13
2008 through 2009	8	8	7
2010	6	8	6
2011 through mid-2017	35	26	37
<b>Where Roth IRAs are held<sup>6</sup></b>			
Investment professional (total)	72	70	72
Full-service brokerage	29	36	28
Independent financial planning firm	23	30	22
Bank or savings institution	22	15	23
Insurance company	5	7	5
Direct sources (total)	30	41	27
Mutual fund company	18	23	17
Discount brokerage (total)	14	24	12
Discount brokerage firm with walk-in offices	8	20	6
Discount brokerage firm that is only available online	7	8	7

<sup>1</sup> Nineteen percent of households owning Roth IRAs have Roth IRAs funded by conversions from traditional IRAs.

<sup>2</sup> Eighty-one percent of households owning Roth IRAs have Roth IRAs that are not funded by conversions from traditional IRAs.

<sup>3</sup> Total reported is household income before taxes in 2016.

<sup>4</sup> Household financial assets include assets in employer-sponsored retirement plans but exclude the household's primary residence.

<sup>5</sup> Figure reports median among households that contributed to Roth IRAs in tax year 2016.

<sup>6</sup> Multiple responses are included.

Source: Investment Company Institute IRA Owners Survey

FIGURE A16

**Willingness to Take Investment Risk by Age for Households That Own IRAs***Percentage of US households by IRA ownership status and age of head of household,<sup>1, 2</sup> 2008–2017*

<b>Households owning IRAs<sup>2</sup></b>					
<b>Younger than 35</b>					
	<b>Substantial risk for substantial gain</b>	<b>Above-average risk for above-average gain</b>	<b>Average risk for average gain</b>	<b>Below-average risk for below-average gain</b>	<b>Unwilling to take any risk</b>
2008	9	30	45	11	5
2009	15	30	43	7	5
2010	8	26	39	13	14
2011	10	36	34	7	13
2012	11	31	27	16	15
2013	6	25	43	13	13
2014 <sup>3</sup>	10	28	40	9	13
2015 <sup>3</sup>	11	28	43	10	8
2016 <sup>3</sup>	6	32	35	9	18
2017 <sup>3</sup>	10	24	39	12	15
<b>35 to 44</b>					
	<b>Substantial risk for substantial gain</b>	<b>Above-average risk for above-average gain</b>	<b>Average risk for average gain</b>	<b>Below-average risk for below-average gain</b>	<b>Unwilling to take any risk</b>
2008	5	40	40	4	11
2009	8	36	47	8	1
2010	5	31	50	7	7
2011	7	33	45	8	7
2012	8	34	39	12	7
2013	7	33	46	6	8
2014 <sup>3</sup>	7	27	48	9	9
2015 <sup>3</sup>	13	31	40	7	9
2016 <sup>3</sup>	14	25	44	7	10
2017 <sup>3</sup>	8	28	43	9	12
<b>45 to 54</b>					
	<b>Substantial risk for substantial gain</b>	<b>Above-average risk for above-average gain</b>	<b>Average risk for average gain</b>	<b>Below-average risk for below-average gain</b>	<b>Unwilling to take any risk</b>
2008	5	33	49	6	7
2009	4	28	44	11	13
2010	5	28	47	9	11
2011	7	27	51	11	4
2012	5	25	50	10	10
2013	5	28	52	10	5
2014 <sup>3</sup>	4	31	47	9	9
2015 <sup>3</sup>	5	26	50	7	12
2016 <sup>3</sup>	7	26	52	6	9
2017 <sup>3</sup>	7	30	46	9	8

Continued on the next page

FIGURE A16 CONTINUED

**Willingness to Take Investment Risk by Age for Households That Own IRAs***Percentage of US households by IRA ownership status and age of head of household,<sup>1, 2</sup> 2008–2017*

<b>Households owning IRAs<sup>2</sup></b>					
<b>55 to 64</b>					
	<b>Substantial risk for substantial gain</b>	<b>Above-average risk for above-average gain</b>	<b>Average risk for average gain</b>	<b>Below-average risk for below-average gain</b>	<b>Unwilling to take any risk</b>
2008	3	23	51	9	14
2009	3	17	48	17	15
2010	2	21	46	14	17
2011	3	21	50	17	9
2012	3	18	49	16	14
2013	3	19	48	14	16
2014 <sup>3</sup>	5	21	50	13	11
2015 <sup>3</sup>	5	19	53	11	12
2016 <sup>3</sup>	5	26	47	6	16
2017 <sup>3</sup>	5	29	45	10	11
<b>65 or older</b>					
	<b>Substantial risk for substantial gain</b>	<b>Above-average risk for above-average gain</b>	<b>Average risk for average gain</b>	<b>Below-average risk for below-average gain</b>	<b>Unwilling to take any risk</b>
2008	1	8	54	12	25
2009	2	11	35	16	36
2010	2	12	41	16	29
2011	4	9	40	20	27
2012	3	10	41	19	27
2013	2	10	42	14	32
2014 <sup>3</sup>	2	14	45	15	24
2015 <sup>3</sup>	4	14	42	14	26
2016 <sup>3</sup>	5	13	46	9	27
2017 <sup>3</sup>	4	16	48	11	21
<b>All households owning IRAs<sup>2</sup></b>					
	<b>Substantial risk for substantial gain</b>	<b>Above-average risk for above-average gain</b>	<b>Average risk for average gain</b>	<b>Below-average risk for below-average gain</b>	<b>Unwilling to take any risk</b>
2008	5	27	48	8	12
2009	6	24	43	12	15
2010	4	23	45	12	16
2011	6	24	45	13	12
2012	5	23	42	15	15
2013	5	23	46	11	15
2014 <sup>3</sup>	6	23	46	11	14
2015 <sup>3</sup>	7	23	46	10	14
2016 <sup>3</sup>	7	23	46	7	17
2017 <sup>3</sup>	6	25	45	10	14

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FIGURE A16 CONTINUED

## Willingness to Take Investment Risk by Age for Households That Own IRAs

Percentage of US households by IRA ownership status and age of head of household,<sup>1, 2</sup> 2008–2017

### All US households

	Younger than 35				
	Substantial risk for substantial gain	Above-average risk for above-average gain	Average risk for average gain	Below-average risk for below-average gain	Unwilling to take any risk
2008	6	19	36	9	30
2009	8	14	41	11	26
2010	5	17	37	12	29
2011	7	11	34	10	38
2012	13	13	28	10	36
2013	6	15	37	12	30
2014 <sup>3</sup>	8	16	38	9	29
2015 <sup>3</sup>	9	15	31	9	36
2016 <sup>3</sup>	7	18	33	8	34
2017 <sup>3</sup>	7	16	33	11	32
	35 to 44				
	Substantial risk for substantial gain	Above-average risk for above-average gain	Average risk for average gain	Below-average risk for below-average gain	Unwilling to take any risk
2008	5	27	37	6	25
2009	5	22	39	8	26
2010	5	20	35	10	30
2011	4	22	39	8	27
2012	6	20	37	9	28
2013	5	18	37	8	32
2014 <sup>3</sup>	9	16	35	10	30
2015 <sup>3</sup>	8	18	39	8	27
2016 <sup>3</sup>	11	17	34	8	30
2017 <sup>3</sup>	8	18	33	9	32
	45 to 54				
	Substantial risk for substantial gain	Above-average risk for above-average gain	Average risk for average gain	Below-average risk for below-average gain	Unwilling to take any risk
2008	6	24	39	6	25
2009	3	22	40	10	25
2010	5	22	38	8	27
2011	3	20	38	10	29
2012	5	17	41	8	29
2013	4	22	41	9	24
2014 <sup>3</sup>	8	20	38	7	27
2015 <sup>3</sup>	7	22	33	8	30
2016 <sup>3</sup>	5	18	36	7	34
2017 <sup>3</sup>	6	22	34	7	31

Continued on the next page

FIGURE A16 CONTINUED

## Willingness to Take Investment Risk by Age for Households That Own IRAs

Percentage of US households by IRA ownership status and age of head of household,<sup>1, 2</sup> 2008–2017

<b>All US households</b>					
	<b>55 to 64</b>				
	<b>Substantial risk for substantial gain</b>	<b>Above-average risk for above-average gain</b>	<b>Average risk for average gain</b>	<b>Below-average risk for below-average gain</b>	<b>Unwilling to take any risk</b>
2008	4	16	41	9	30
2009	3	12	37	13	35
2010	3	12	43	11	31
2011	3	14	39	11	33
2012	2	15	40	10	33
2013	4	16	38	13	29
2014 <sup>3</sup>	4	16	37	8	35
2015 <sup>3</sup>	5	15	33	9	38
2016 <sup>3</sup>	4	15	34	8	39
2017 <sup>3</sup>	5	17	34	9	35
	<b>65 or older</b>				
	<b>Substantial risk for substantial gain</b>	<b>Above-average risk for above-average gain</b>	<b>Average risk for average gain</b>	<b>Below-average risk for below-average gain</b>	<b>Unwilling to take any risk</b>
2008	2	6	36	8	48
2009	2	6	27	12	53
2010	3	7	30	11	49
2011	2	8	28	10	52
2012	2	5	29	12	52
2013	5	9	29	10	47
2014 <sup>3</sup>	3	9	28	10	50
2015 <sup>3</sup>	3	9	29	9	50
2016 <sup>3</sup>	4	9	28	7	52
2017 <sup>3</sup>	3	8	28	9	52
	<b>All US households</b>				
	<b>Substantial risk for substantial gain</b>	<b>Above-average risk for above-average gain</b>	<b>Average risk for average gain</b>	<b>Below-average risk for below-average gain</b>	<b>Unwilling to take any risk</b>
2008	5	18	37	8	32
2009	4	15	37	11	33
2010	4	15	38	10	33
2011	4	15	35	10	36
2012	5	14	35	10	36
2013	5	16	36	10	33
2014 <sup>3</sup>	6	15	35	9	35
2015 <sup>3</sup>	6	15	33	9	37
2016 <sup>3</sup>	6	15	33	8	38
2017 <sup>3</sup>	6	16	32	9	37

<sup>1</sup> Age is based on the age of the sole or co-decisionmaker for household saving and investing.

<sup>2</sup> IRAs include traditional IRAs, Roth IRAs, and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

<sup>3</sup> Starting in 2014, the Annual Mutual Fund Shareholder Tracking Survey was revised to include a dual frame random digit dial (RDD) sample design. In prior years, the survey used a landline RDD sampling frame. Please see the box on page 2 for a discussion of the revision to the survey methodology and the effect of that revision on the results.

Sources: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey and Investment Company Institute IRA Owners Survey

FIGURE A17

## Most Traditional IRA Withdrawals Are Made to Meet Required Minimum Distributions

Characteristics of US households owning traditional IRAs by withdrawal status in tax year 2016

	Made a withdrawal from a traditional IRA in tax year 2016 <sup>1</sup>	Did not make a withdrawal from a traditional IRA in tax year 2016 <sup>2</sup>
<b>Median per household</b>		
Age of household sole or co-decisionmaker for saving and investing	71 years	51 years
Household income <sup>3</sup>	\$67,500	\$112,500
Household financial assets <sup>4</sup>	\$400,000	\$300,000
Household financial assets in all types of IRAs	\$150,000	\$69,300
<b>Percentage of households</b>		
Household sole or co-decisionmaker for saving and investing:		
Married or living with a partner	67%	74%
Widowed	13	2
College or postgraduate degree	43	53
Employed full- or part-time	31	80
Retired from lifetime occupation	76	20
<b>How withdrawal was determined:</b>		
Withdraw to meet the IRS's required minimum distribution (RMD)	71	N/A
Withdraw a lump sum based on needs	15	N/A
Withdraw a regular dollar amount	8	N/A
Withdraw a fixed percentage of the account balance	1	N/A
Withdraw an amount based on life expectancy	2	N/A
Some other way	3	N/A
<b>Purpose of traditional IRA withdrawal in retirement<sup>5, 6</sup></b>		
Took withdrawals to pay for living expenses	43	N/A
Spent it on a car, boat, or big-ticket item other than a home	8	N/A
Spent it on a healthcare expense	11	N/A
Used it for an emergency	5	N/A
Used it for home purchase, repair, or remodeling	18	N/A
Reinvested or saved it in another account	39	N/A
Paid for education	1	N/A
Some other purpose	9	N/A

<sup>1</sup> Twenty-six percent of households owning traditional IRAs withdrew money from them in tax year 2016.

<sup>2</sup> Seventy-four percent of households owning traditional IRAs did not withdraw money from them in tax year 2016.

<sup>3</sup> Total reported is household income before taxes in tax year 2016.

<sup>4</sup> Household financial assets include assets in employer-sponsored retirement plans but exclude the household's primary residence.

<sup>5</sup> Figure reported for traditional IRA-owning households that took a withdrawal and in which either the head of household or spouse is retired.

<sup>6</sup> Multiple responses are included.

N/A = not applicable

Source: Investment Company Institute IRA Owners Survey



## Notes

<sup>1</sup> Data in this appendix on the number and percentage of households owning IRAs are based on ICI's Annual Mutual Fund Shareholder Tracking Survey conducted from May to July 2017. This survey was based on a dual frame random digit dial (RDD) telephone sample and included 5,000 randomly selected, representative US households. The standard error for the total sample is  $\pm 1.4$  percentage points at the 95 percent confidence level. For further discussion and additional results from this survey, see Holden, Schrass, and Bogdan 2017. The demographic and financial characteristics of IRA owners are derived from a separate IRA Owners Survey of 3,205 representative US households owning traditional IRAs and Roth IRAs. The 2017 IRA Owners Survey was conducted using the KnowledgePanel<sup>®</sup>, a probability-based online panel designed to be representative of the US population. The standard error for the total sample is  $\pm 1.7$  percentage points at the 95 percent confidence level. IRA ownership does not include ownership of employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs) or Coverdell Education Savings Accounts (formerly called education IRAs). The incidence of IRA ownership is calculated from the ICI Annual Mutual Fund Shareholder Tracking Survey, which collects information on retirement and other investment account ownership among US households headed by individuals aged 18 or older. Starting in 2013, the order of the account type choices in the question regarding ownership of retirement and other savings accounts was changed. This change was made to avoid confusion between individual accounts in 401(k) and other employer-sponsored DC plan accounts versus IRAs. Beginning in 2013, respondents were asked if they own a 401(k) and other employer-sponsored DC retirement plans, then if they own a traditional IRA or a Roth IRA, then if they own an employer-sponsored IRA, and finally, if they own a 529 plan or Coverdell Education Savings Account (ESA). In prior years, respondents were asked first if they own a traditional IRA or Roth IRA, then if they own a Coverdell ESA, then if they own an employer-sponsored IRA, and finally, if they own a 401(k) or other employer-sponsored plan account (529 plan ownership was a separate question). In 2014, 2015, 2016, and 2017, the incidence of IRA ownership is lower than in previous years, possibly due to the reordering of questions regarding retirement and other savings accounts in the questionnaire (introduced in 2013), as well as a sampling and weighting methodology change introduced in 2014. See Figure A1 in this appendix for the complete time series on IRA incidence. See Holden, Schrass, and Bogdan 2017 for details on the changes to the ICI Annual Mutual Fund Shareholder Tracking Survey.

- <sup>2</sup> For the rules governing IRAs, see Internal Revenue Service 2016a and 2016b. For a brief history of IRAs and a discussion of the various features of the different types of IRAs, see Holden et al. 2005. For definitions of key terms related to IRAs and retirement saving, see pages 32–33 of Holden and Schrass 2017b.
- <sup>3</sup> See note 1 for a discussion of the changes in IRA incidence in ICI's surveys. The ICI Annual Mutual Fund Shareholder Tracking Survey results in higher incidence of IRA ownership than the Federal Reserve Board's Survey of Consumer Finances. For example, ICI tabulations of the 2016 Survey of Consumer Finances indicate that 23.1 percent of US households owned traditional IRAs and 12.0 percent of US households owned Roth IRAs. The ICI Annual Mutual Fund Shareholder Tracking Survey finds that 25.5 percent of US households in 2016 and 27.8 percent in 2017 owned traditional IRAs; in addition, 17.4 percent of US households in 2016 and 19.7 percent in 2017 owned Roth IRAs (see Figure A1 in this appendix). For a description of the Survey of Consumer Finances, see Bricker et al. 2017.
- <sup>4</sup> See Holden et al. 2005 for a discussion of the history of IRAs. For a discussion of the evolving role of IRAs in US retirement planning, see Sabelhaus and Schrass 2009. For analysis of traditional IRA investors' activities during and in the wake of the financial crisis, see Holden and Bass 2017. For analysis of Roth IRA investors' activities during and in the wake of the financial crisis, see Holden and Schrass 2017a.
- <sup>5</sup> For a discussion of age and cohort effects on traditional IRA ownership, see Sabelhaus and Schrass 2009.
- <sup>6</sup> In mid-2017, 18 percent of all IRA assets were held by households headed by members of the Silent and GI Generations. Households headed by members of Generation X held 18 percent of IRA assets and households headed by members of the Millennial Generation held 8 percent of all IRA assets. Survey participants must be 18 or older and be the most knowledgeable about the household's savings and investments; so although people born between 1981 and 2004 are members of the Millennial Generation, only those born between 1981 and 1999 are included in this survey.
- <sup>7</sup> In mid-2017, 57 percent of traditional IRA-owning households indicated that their traditional IRAs contained rollovers (see Figure 10 and discussion of rollover activity in Holden and Schrass 2017b).

- <sup>8</sup> Before 2006, Roth IRAs could not directly accept rollovers from employer-sponsored retirement plans. Starting in 2006, Roth accounts in 401(k) and 403(b) plans could be rolled over to Roth IRAs. The Pension Protection Act of 2006 allows direct rollovers of non-Roth amounts in qualified employer-sponsored retirement plans to Roth IRAs starting in 2008. For a complete discussion of the specific rules, see Internal Revenue Service 2016a. Twenty percent of Roth IRA-owning households in mid-2017 reported that their Roth IRAs contained assets that were initially in an employer-sponsored retirement plan (see Figure A15).
- <sup>9</sup> In aggregate, 48 percent of the \$8.4 trillion in IRAs at the end of the second quarter of 2017 was invested in mutual funds (see Investment Company Institute 2017). For more information on the asset allocation of individual traditional IRA investors, see Holden and Bass 2011 and Holden and Bass 2017. For more information on the asset allocation of individual Roth IRA investors, see Holden and Schrass 2017a.
- <sup>10</sup> See discussion and Figures 17 and 18 in Holden and Schrass 2017b.
- <sup>11</sup> See Holden et al. 2005 for a discussion of the relationship between demographic characteristics and the propensity to save. For how saving goals vary over the life cycle and with income, see Brady, Burham, and Holden 2012. For additional discussion, see also Brady 2017 and Sabelhaus, Bogdan, and Schrass 2008.
- <sup>12</sup> Analysis of 10.5 million traditional IRA investors aged 25 or older in 2015 finds that recent rollovers provide a significant boost to traditional IRA balances. See Holden and Bass 2017.
- <sup>13</sup> Analysis of 5.7 million Roth IRA investors aged 18 or older in 2015 finds that recent conversions provide a significant boost to Roth IRA balances. See Holden and Schrass 2017a.
- <sup>14</sup> For data on aggregate Roth IRA assets, contributions, and conversions, see Investment Company Institute 2017. For reference on rules governing IRAs, see Internal Revenue Service 2016a and 2016b.
- <sup>15</sup> In 2010, taxpayers who made conversions to Roth IRAs had the option of paying the taxes over two years (2011 and 2012). For additional detail, see Internal Revenue Service 2010.
- <sup>16</sup> The share of traditional IRA-owning households that calculated their withdrawal amount based on the RMD in tax year 2016 is the same as in tax year 2015, but slightly higher than the 61 percent in tax year 2014 and 65 percent in tax year 2013 (see Figure 23 in Holden and Schrass 2017b). In 2009, with the temporary suspension of RMDs, 48 percent of traditional IRA-owning households with withdrawals took the RMD amount (see Figure 23 in Holden and Schrass 2017b). In addition, withdrawal activity was lower in tax year 2009 (see Figure 20 in Holden and Schrass 2017b).
- <sup>17</sup> Among the 39 percent of retired households with withdrawals that reported reinvesting or saving at least some of the amount of the traditional IRA withdrawal into another account (Figure A17), 94 percent reported withdrawing the amount based on the RMD.

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