NEWS RELEASE
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New Research Finds Strong Target Date Fund Retention Among Retirement Investors

Washington, DC; May 28, 2026—Target date funds (TDFs) have cemented their position as a core investment option in 401(k) plans, offering age-appropriate, asset allocation, diversification, and automatic rebalancing. New research from the Employee Benefit Research Institute (EBRI) and Investment Company Institute (ICI), *A Closer Look at 401(k) Plan Target Date Fund Investors' Account Balance Asset Allocations Over Time*, found that most participants who were fully invested in TDFs at year-end 2016 remained fully invested over the six-year period studied. This pattern of retention reflects the staying power of TDFs and offers a closer look at how participants use them over time.

The study looks at the behavior of 700,000 participants who were fully invested in TDFs at year-end 2016, and follows them through year-end 2022. The results offer a clearer picture of the durability and flexibility of TDF investing.

It finds that full-TDF investors with mid-level job tenure were the most likely to maintain their allocations over the six-year period, with retention reaching 88% through year-end 2022.

"The durability of target date funds reflects the value participants place on their intuitive, age-based investment approach," said **Shelly Antoniewicz**, ICI Chief Economist. "Their ability to simplify long-term investing has made TDFs a standard option in many 401(k) plan investment lineups."

Most Participants Remained Fully Invested in Target Date Funds
Percentage of sample who had a full-TDF allocation at every year end

Note: Participants with a full-TDF allocation had 100% of their 401(k) plan balance invested in target date funds. The sample is 0.7 million consistent 401(k) participants who were fully invested in target date funds at year-end 2016, drawn from the 2.1 million 401(k) plan participants with account balances at the end of each year from 2016 through 2022. Age and tenure groups are based on participant age and tenure at year-end 2016. The tenure variable is generally years working at current employer and thus may overstate years of participation in the 401(k) plan.
Source: Tabulations from EBRI/ICI Participant-Directed Retirement Plan Data Collection Project

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“Target date funds have evolved with the goal of helping employees save and invest for their retirement,” said **Craig Copeland**, EBRI Director of Wealth Benefits Research. “As more individuals invest in TDFs in their 401(k) plans, our research shows that most remain invested in them over time, helping them continue to have a diversified investment strategy while accounting for income needs as they move closer to and into retirement.”

About the Study

This paper follows a group of consistent 401(k) plan participants over a six-year period to explore the persistence or flexibility of their TDF use. By focusing on observed investment behavior over an extended period, this analysis provides new insight into how TDFs are used in practice.

The EBRI/ICI project is unique because of its inclusion of data provided by a wide variety of plan recordkeepers, permitting the analysis of the activity of participants in 401(k) plans of varying sizes—from very large corporations to small businesses—with a variety of investment options.

Full results of the annual EBRI/ICI 401(k) database update are posted on each

organization’s website, at www.ebri.org and on the ICI EBRII/ICI 401(k) Investor Database page.

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