APPENDIX: Additional Data on the U.S. Retirement Market, 2007

The July 2008 issue of Fundamentals covers the U.S. retirement market in 2007. The report highlights data collected by the Investment Company Institute (ICI), government agencies, and other trade associations to characterize the U.S. retirement market and mutual funds’ role in managing retirement assets. This appendix provides supplementary tables and charts with additional detail for the July 2008 Fundamentals.

**Mutual Funds and the U.S. Retirement Market**

**Share of Total Retirement Market.** Total U.S. retirement assets rose by 7 percent in 2007 to $17.6 trillion (Figure A1). Mutual fund assets held by Individual Retirement Accounts (IRAs) and employer-sponsored defined contribution (DC) plans increased to represent 26 percent of the total U.S. retirement market in 2007 (Figures A2 and A3). Annuities (variable and fixed) not held in retirement savings accounts held $1.7 trillion of the total U.S. retirement market (Figure A1). Variable annuity (VA) mutual fund assets outside of retirement accounts were $1.0 trillion in 2007 (Figure A4). Some of these VA mutual fund assets may be held in variable life insurance policies, which are not counted as part of the U.S. retirement market. But, if one were to assume that all of these VA mutual funds are retirement savings, mutual funds’ share of the total retirement market increases to 32 percent.

**Share of Total Mutual Fund Assets.** IRAs and employer-sponsored DC plan accounts held 38 percent of the $12.0 trillion in mutual fund assets in the United States at year-end 2007 (Figure A5). Retirement savings accounts hold a significant share of long-term mutual fund assets (47 percent), but are a relatively minor component of money market fund assets (12 percent). The bulk of retirement account mutual fund assets is actively managed; although, in 2007, $376 billion were invested in index mutual funds (Figure A6).

**Net New Cash Flow to Mutual Funds.** Net new cash flow to long-term mutual funds from retirement accounts was $130 billion in 2007, compared with $114 billion in 2006 (Figures A7 and A8). These flows accounted for 58 percent of the total net new cash flow to long-term mutual funds last year. Flows from retirement accounts into hybrid funds, boosted by the popularity of lifestyle and lifecycle funds, were $78 billion, nearly $30 billion more than in 2006. Flows into equity funds decreased $30 billion to $26 billion in 2007, and flows into bond funds increased $15 billion to $25 billion. Flows into money funds were strong for the second straight year, with $54 billion of inflows in 2007.
Individual Retirement Accounts (IRAs)

Mutual Funds in IRAs. In 2007, $2.2 trillion, or 47 percent, of IRA assets were invested in mutual funds.\(^6\) Nearly 65 percent of those mutual fund assets were equity funds (Figure A9). Hybrid funds (which invest in a mix of equity and fixed-income securities and include lifestyle and lifecycle funds) represented 14 percent of IRA mutual fund holdings in 2007. The remaining 21 percent of assets was split about evenly between bond funds and money market funds. Traditional IRAs hold the bulk of both total IRA assets\(^7\) and mutual fund assets in IRAs (Figure A10).\(^8,9\)

Traditional, Roth, and Employer-Sponsored IRAs. Traditional IRAs held an estimated $4.2 trillion in assets in 2007.\(^10\) Rollovers from employer-sponsored plans have contributed significantly to the growth in traditional IRA assets in recent years; in 2004 (the most recent data available), rollovers to traditional IRAs were $215 billion.\(^11\) Roth IRAs held an estimated $225 billion in 2007 (Figure A11).\(^12\) Employer-sponsored IRAs\(^13\) held a total of $314 billion in assets in 2007, with 56 percent invested in mutual funds (Figures A12 and A13). The relatively new SIMPLE IRA, which is designed for firms with 100 or fewer employees, has experienced steady growth since its introduction in 1998 (Figure A14).\(^14\)

Employer-Sponsored Defined Contribution Plans

Mutual Fund Assets in DC Plan Accounts. In 2007, $2.3 trillion, or 52 percent, of employer-sponsored DC plan assets were invested in mutual funds.\(^15\) Seventy-one percent of those mutual fund assets were equity funds (Figure A15). Hybrid funds (which invest in a mix of equity and fixed-income securities and include lifestyle and lifecycle funds) represented 16 percent of DC plan mutual fund holdings in 2007. Another 8 percent of assets were bond funds, and the remaining 5 percent were money market funds.

401(k), 403(b), 457, and Other DC Plans. Seventy-one percent of mutual fund DC plan assets are held by 401(k) plans (Figure A16). This is about in line with the share of total DC plan assets held by 401(k) plans: 401(k) plan assets\(^16\) make up 68 percent of the entire DC plan market (Figure A17). Mutual funds represent 54 percent of all 401(k) assets. In 2007, 403(b) plans\(^17\) held $739 billion in assets, with 30 percent invested in VA mutual funds, 23 percent in non-VA mutual funds, and the remaining 47 percent in annuity reserves at life insurance companies.\(^18\) In 2007, 457 plans\(^19\) had accumulated $173 billion in assets (Figure A17), of which $78 billion (or 45 percent) were invested in mutual funds (Figure A16). Other DC plans—which include DC plans without 401(k) features and some Keoghs\(^20\)—held $513 billion in assets in 2007 (Figure A17).
### U.S. Total Retirement Market

**Billions of dollars, end-of-period, 1985–2007:Q4**

<table>
<thead>
<tr>
<th>Year</th>
<th>IRAs</th>
<th>Defined Contribution Plans</th>
<th>State and Local Government Pension Plans</th>
<th>Private Defined Benefit Plans</th>
<th>Federal Pension Plans</th>
<th>Annuities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>$241</td>
<td>$509</td>
<td>$405</td>
<td>$813</td>
<td>$172</td>
<td>$181</td>
<td>$2,321</td>
</tr>
<tr>
<td>1986</td>
<td>330</td>
<td>567</td>
<td>481</td>
<td>839</td>
<td>202</td>
<td>226</td>
<td>2,644</td>
</tr>
<tr>
<td>1987</td>
<td>405</td>
<td>654</td>
<td>537</td>
<td>827</td>
<td>233</td>
<td>234</td>
<td>2,890</td>
</tr>
<tr>
<td>1988</td>
<td>469</td>
<td>719</td>
<td>603</td>
<td>831</td>
<td>267</td>
<td>291</td>
<td>3,181</td>
</tr>
<tr>
<td>1989</td>
<td>546</td>
<td>855</td>
<td>706</td>
<td>945</td>
<td>304</td>
<td>338</td>
<td>3,694</td>
</tr>
<tr>
<td>1990</td>
<td>637</td>
<td>892</td>
<td>739</td>
<td>922</td>
<td>340</td>
<td>391</td>
<td>3,921</td>
</tr>
<tr>
<td>1991</td>
<td>776</td>
<td>1,060</td>
<td>862</td>
<td>1,073</td>
<td>382</td>
<td>423</td>
<td>4,576</td>
</tr>
<tr>
<td>1992</td>
<td>874</td>
<td>1,161</td>
<td>948</td>
<td>1,098</td>
<td>426</td>
<td>473</td>
<td>4,980</td>
</tr>
<tr>
<td>1993</td>
<td>993</td>
<td>1,319</td>
<td>1,054</td>
<td>1,212</td>
<td>468</td>
<td>522</td>
<td>5,569</td>
</tr>
<tr>
<td>1994</td>
<td>1,056</td>
<td>1,406</td>
<td>1,107</td>
<td>1,303</td>
<td>512</td>
<td>526</td>
<td>5,911</td>
</tr>
<tr>
<td>1995</td>
<td>1,288</td>
<td>1,717</td>
<td>1,344</td>
<td>1,496</td>
<td>541</td>
<td>582</td>
<td>6,968</td>
</tr>
<tr>
<td>1996</td>
<td>1,467</td>
<td>1,961</td>
<td>1,529</td>
<td>1,623</td>
<td>606</td>
<td>626</td>
<td>7,811</td>
</tr>
<tr>
<td>1997</td>
<td>1,728</td>
<td>2,343</td>
<td>1,819</td>
<td>1,798</td>
<td>659</td>
<td>658</td>
<td>9,005</td>
</tr>
<tr>
<td>1998</td>
<td>2,150</td>
<td>2,640</td>
<td>2,062</td>
<td>1,948</td>
<td>716</td>
<td>818</td>
<td>10,334</td>
</tr>
<tr>
<td>1999</td>
<td>2,651</td>
<td>3,001</td>
<td>2,361</td>
<td>2,117</td>
<td>774</td>
<td>928</td>
<td>11,833</td>
</tr>
<tr>
<td>2000</td>
<td>2,629</td>
<td>2,969</td>
<td>2,335</td>
<td>2,009</td>
<td>797</td>
<td>951</td>
<td>11,690</td>
</tr>
<tr>
<td>2001</td>
<td>2,619</td>
<td>2,663</td>
<td>2,254</td>
<td>1,845</td>
<td>860</td>
<td>1,041</td>
<td>11,281</td>
</tr>
<tr>
<td>2002</td>
<td>2,533</td>
<td>2,472</td>
<td>1,980</td>
<td>1,670</td>
<td>894</td>
<td>1,001</td>
<td>10,550</td>
</tr>
<tr>
<td>2003</td>
<td>2,993&lt;sup&gt;e&lt;/sup&gt;</td>
<td>3,043</td>
<td>2,399</td>
<td>2,025</td>
<td>958</td>
<td>1,125</td>
<td>12,545</td>
</tr>
<tr>
<td>2004</td>
<td>3,299</td>
<td>3,335</td>
<td>2,626</td>
<td>2,162</td>
<td>1,023</td>
<td>1,332</td>
<td>13,778</td>
</tr>
<tr>
<td>2005</td>
<td>3,652&lt;sup&gt;e&lt;/sup&gt;</td>
<td>3,620</td>
<td>2,765</td>
<td>2,310</td>
<td>1,072</td>
<td>1,443</td>
<td>14,862</td>
</tr>
<tr>
<td>2006</td>
<td>4,220&lt;sup&gt;e&lt;/sup&gt;</td>
<td>4,119</td>
<td>3,087</td>
<td>2,397</td>
<td>1,141</td>
<td>1,545</td>
<td>16,509</td>
</tr>
<tr>
<td>2007-Q1</td>
<td>4,345&lt;sup&gt;e&lt;/sup&gt;</td>
<td>4,192</td>
<td>3,114</td>
<td>2,415</td>
<td>1,132</td>
<td>1,572</td>
<td>16,769</td>
</tr>
<tr>
<td>2007-Q2</td>
<td>4,598&lt;sup&gt;e&lt;/sup&gt;</td>
<td>4,412</td>
<td>3,248</td>
<td>2,475</td>
<td>1,133</td>
<td>1,630</td>
<td>17,496</td>
</tr>
<tr>
<td>2007-Q3</td>
<td>4,765&lt;sup&gt;e&lt;/sup&gt;</td>
<td>4,507</td>
<td>3,264</td>
<td>2,465</td>
<td>1,152</td>
<td>1,664</td>
<td>17,817</td>
</tr>
<tr>
<td>2007-Q4</td>
<td>4,747&lt;sup&gt;e&lt;/sup&gt;</td>
<td>4,472</td>
<td>3,186</td>
<td>2,360</td>
<td>1,197</td>
<td>1,658</td>
<td>17,619</td>
</tr>
</tbody>
</table>

<sup>e</sup>=estimated

1 Defined contribution plans include private employer-sponsored defined contribution plan (including 401(k) plan), 403(b) plan, and 457 plan assets.
2 Federal pension plans include U.S. Treasury security holdings of the civil service retirement and disability fund, the military retirement fund, the judicial retirement funds, the Railroad Retirement Board, and the foreign service retirement and disability fund. These plans also include securities held in the National Railroad Retirement Investment Trust and Federal Employees Retirement System (FERS) Thrift Savings Plan (TSP).
3 Annuities include all fixed and variable annuity reserves at life insurance companies less annuities held by IRAs, 403(b) plans, 457 plans, and private pension funds. Some of these annuity reserves represent assets of individuals held outside retirement plan arrangements and IRAs; however, information to separate out such reserves is not available.

Note: Components may not add to the total because of rounding.

Figure A2

**Mutual Fund Retirement Account Assets**

_Billions of dollars, end-of-period, 1990–2007:Q4_

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Mutual Fund Retirement Assets</th>
<th>Employer-Sponsored Defined Contribution Plan Mutual Fund Assets</th>
<th>IRA Mutual Fund Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>$205</td>
<td>$67</td>
<td>$138</td>
</tr>
<tr>
<td>1991</td>
<td>320</td>
<td>135</td>
<td>185</td>
</tr>
<tr>
<td>1992</td>
<td>416</td>
<td>184</td>
<td>233</td>
</tr>
<tr>
<td>1993</td>
<td>578</td>
<td>263</td>
<td>315</td>
</tr>
<tr>
<td>1994</td>
<td>661</td>
<td>320</td>
<td>342</td>
</tr>
<tr>
<td>1995</td>
<td>909</td>
<td>445</td>
<td>464</td>
</tr>
<tr>
<td>1996</td>
<td>1,163</td>
<td>581</td>
<td>582</td>
</tr>
<tr>
<td>1997</td>
<td>1,535</td>
<td>772</td>
<td>763</td>
</tr>
<tr>
<td>1998</td>
<td>1,943</td>
<td>983</td>
<td>961</td>
</tr>
<tr>
<td>1999</td>
<td>2,536</td>
<td>1,280</td>
<td>1,257</td>
</tr>
<tr>
<td>2000</td>
<td>2,485</td>
<td>1,254</td>
<td>1,231</td>
</tr>
<tr>
<td>2001</td>
<td>2,351</td>
<td>1,185</td>
<td>1,166</td>
</tr>
<tr>
<td>2002</td>
<td>2,089</td>
<td>1,046</td>
<td>1,043</td>
</tr>
<tr>
<td>2003</td>
<td>2,666</td>
<td>1,357</td>
<td>1,309</td>
</tr>
<tr>
<td>2004</td>
<td>3,074</td>
<td>1,583</td>
<td>1,491</td>
</tr>
<tr>
<td>2005</td>
<td>3,441</td>
<td>1,777</td>
<td>1,664</td>
</tr>
<tr>
<td>2006</td>
<td>4,081</td>
<td>2,104</td>
<td>1,977</td>
</tr>
<tr>
<td>2007:Q1</td>
<td>4,215</td>
<td>2,174</td>
<td>2,041</td>
</tr>
<tr>
<td>2007:Q2</td>
<td>4,487</td>
<td>2,314</td>
<td>2,173</td>
</tr>
<tr>
<td>2007:Q3</td>
<td>4,637</td>
<td>2,379</td>
<td>2,258</td>
</tr>
<tr>
<td>2007:Q4</td>
<td>4,578</td>
<td>2,335</td>
<td>2,243</td>
</tr>
</tbody>
</table>

*Defined contribution plans include 401(k) plans, 403(b) plans, 457 plans, Keoghs, and other defined contribution plans without 401(k) features.

Note: Components may not add to the total because of rounding.

Sources: Investment Company Institute, Federal Reserve Board, and Department of Labor

Figure A3

**Mutual Funds’ Share of U.S. Retirement Assets**

_Percent, year-end, 1990–2007_

---

1 U.S. retirement assets include IRAs, annuities, and employer-sponsored defined benefit and defined contribution pension plans. Pension plans are sponsored by employers such as businesses; federal, state, and local governments; and nonprofit organizations.

2 Mutual fund retirement assets exclude defined benefit plans’ mutual fund holdings, which amount to about 1½ percent of the U.S. retirement market. VA mutual fund assets held outside of retirement accounts also are excluded. Included are mutual fund assets held by IRAs and employer-sponsored defined contribution plans.

Sources: Investment Company Institute, Federal Reserve Board, National Association of Government Defined Contribution Administrators, American Council of Life Insurers, and Internal Revenue Service Statistics of Income Division
Figure A4

Variable Annuity Mutual Fund Assets
Billions of dollars, year-end, 1997–2007

- Other Investors
- Employer-Sponsored Defined Contribution Plans
- Individual Retirement Accounts

Note: Components may not add to the total because of rounding.
Source: Investment Company Institute
Figure A5

Share of Mutual Fund Assets Held in Retirement Accounts
Percent, year-end, 1990–2007

All Funds

Long-Term Funds*

Money Market Funds

*Long-term funds include equity, hybrid, and bond mutual funds.
Source: Investment Company Institute
**Figure A6**

**Index Mutual Fund Assets* and Retirement Accounts**

_Billions of dollars, end-of-period, 1997–2007_

*Index mutual funds are equity, bond, and hybrid funds that target specific market indexes with the general objective of meeting the performance of that index. Equity index funds are the most common type of index funds, accounting for 87 percent of the $850 billion of index fund assets at the end of 2007.

Note: Components may not add to the total because of rounding.

Source: Investment Company Institute
Figure A7

Estimated Net New Cash Flow1 to Mutual Funds from Retirement Accounts
Billions of dollars, 1997–2007

1 See endnote 4 for an explanation of the procedure used to estimate net new cash flows.
2 Long-term funds include equity, hybrid, and bond mutual funds.

Note: Components may not add to the total because of rounding.
Source: Investment Company Institute
**Figure A8**

**Estimated Net New Cash Flow¹ to Mutual Funds from Retirement Accounts by Type of Fund**

_Billions of dollars, 1990–2000_

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Retirement²</td>
<td>$29</td>
<td>$19</td>
<td>$73</td>
<td>$99</td>
<td>$86</td>
<td>$78</td>
<td>$102</td>
<td>$132</td>
<td>$158</td>
<td>$162</td>
<td>$109</td>
</tr>
<tr>
<td>IRAs</td>
<td>18</td>
<td>9</td>
<td>34</td>
<td>47</td>
<td>30</td>
<td>38</td>
<td>45</td>
<td>70</td>
<td>79</td>
<td>83</td>
<td>54</td>
</tr>
<tr>
<td>Defined Contribution Plans</td>
<td>11</td>
<td>(*)</td>
<td>39</td>
<td>52</td>
<td>56</td>
<td>39</td>
<td>57</td>
<td>62</td>
<td>78</td>
<td>78</td>
<td>55</td>
</tr>
<tr>
<td><strong>Long-Term Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IRAs</td>
<td>17</td>
<td>16</td>
<td>71</td>
<td>91</td>
<td>71</td>
<td>66</td>
<td>83</td>
<td>139</td>
<td>127</td>
<td>140</td>
<td>110</td>
</tr>
<tr>
<td>Defined Contribution Plans</td>
<td>9</td>
<td>12</td>
<td>33</td>
<td>45</td>
<td>20</td>
<td>31</td>
<td>31</td>
<td>73</td>
<td>60</td>
<td>66</td>
<td>53</td>
</tr>
<tr>
<td>Equity Funds</td>
<td>12</td>
<td>10</td>
<td>50</td>
<td>63</td>
<td>63</td>
<td>57</td>
<td>81</td>
<td>120</td>
<td>101</td>
<td>136</td>
<td>137</td>
</tr>
<tr>
<td>IRAs</td>
<td>12</td>
<td>10</td>
<td>50</td>
<td>63</td>
<td>63</td>
<td>57</td>
<td>81</td>
<td>120</td>
<td>101</td>
<td>136</td>
<td>137</td>
</tr>
<tr>
<td>Defined Contribution Plans</td>
<td>7</td>
<td>7</td>
<td>29</td>
<td>34</td>
<td>42</td>
<td>33</td>
<td>42</td>
<td>54</td>
<td>52</td>
<td>70</td>
<td>65</td>
</tr>
<tr>
<td>Hybrid Funds³,⁴</td>
<td>3</td>
<td>2</td>
<td>9</td>
<td>17</td>
<td>12</td>
<td>6</td>
<td>1</td>
<td>13</td>
<td>8</td>
<td>(*)</td>
<td>-10</td>
</tr>
<tr>
<td>IRAs</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>11</td>
<td>6</td>
<td>3</td>
<td>-6</td>
<td>4</td>
<td>2</td>
<td>-2</td>
<td>-8</td>
</tr>
<tr>
<td>Defined Contribution Plans</td>
<td>1</td>
<td>-1</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>3</td>
<td>7</td>
<td>8</td>
<td>6</td>
<td>2</td>
<td>-2</td>
</tr>
<tr>
<td>Bond Funds</td>
<td>2</td>
<td>4</td>
<td>12</td>
<td>12</td>
<td>-4</td>
<td>3</td>
<td>1</td>
<td>6</td>
<td>17</td>
<td>4</td>
<td>-16</td>
</tr>
<tr>
<td>IRAs</td>
<td>2</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>-7</td>
<td>3</td>
<td>-2</td>
<td>3</td>
<td>9</td>
<td>2</td>
<td>-10</td>
</tr>
<tr>
<td>Defined Contribution Plans</td>
<td>(*)</td>
<td>-3</td>
<td>5</td>
<td>6</td>
<td>3</td>
<td>(*)</td>
<td>4</td>
<td>3</td>
<td>8</td>
<td>2</td>
<td>-6</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>12</td>
<td>-7</td>
<td>1</td>
<td>9</td>
<td>15</td>
<td>12</td>
<td>20</td>
<td>-7</td>
<td>31</td>
<td>21</td>
<td>-1</td>
</tr>
<tr>
<td>IRAs</td>
<td>9</td>
<td>-3</td>
<td>1</td>
<td>2</td>
<td>10</td>
<td>8</td>
<td>15</td>
<td>-4</td>
<td>20</td>
<td>17</td>
<td>1</td>
</tr>
<tr>
<td>Defined Contribution Plans</td>
<td>3</td>
<td>-4</td>
<td>(*)</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>-3</td>
<td>11</td>
<td>4</td>
<td>-2</td>
</tr>
<tr>
<td><strong>Memo:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry Net New Cash Flow²</td>
<td>44</td>
<td>112</td>
<td>156</td>
<td>228</td>
<td>84</td>
<td>212</td>
<td>321</td>
<td>375</td>
<td>477</td>
<td>363</td>
<td>388</td>
</tr>
<tr>
<td>Long-Term Funds</td>
<td>21</td>
<td>106</td>
<td>172</td>
<td>242</td>
<td>75</td>
<td>122</td>
<td>232</td>
<td>272</td>
<td>242</td>
<td>170</td>
<td>229</td>
</tr>
<tr>
<td>Equity Funds</td>
<td>13</td>
<td>40</td>
<td>79</td>
<td>127</td>
<td>115</td>
<td>124</td>
<td>217</td>
<td>227</td>
<td>157</td>
<td>188</td>
<td>309</td>
</tr>
<tr>
<td>Hybrid Funds³</td>
<td>1</td>
<td>7</td>
<td>22</td>
<td>44</td>
<td>23</td>
<td>4</td>
<td>12</td>
<td>16</td>
<td>10</td>
<td>-14</td>
<td>-31</td>
</tr>
<tr>
<td>Bond Funds</td>
<td>7</td>
<td>59</td>
<td>71</td>
<td>71</td>
<td>-62</td>
<td>-6</td>
<td>3</td>
<td>28</td>
<td>75</td>
<td>-4</td>
<td>-50</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>23</td>
<td>6</td>
<td>-16</td>
<td>-14</td>
<td>9</td>
<td>89</td>
<td>89</td>
<td>103</td>
<td>235</td>
<td>194</td>
<td>159</td>
</tr>
</tbody>
</table>

*Continued on next page*
### Figure A8 continued

**Estimated Net New Cash Flow\(^1\) to Mutual Funds from Retirement Accounts by Type of Fund**


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Retirement(^2)</strong></td>
<td>$130</td>
<td>$94</td>
<td>$71</td>
<td>$100</td>
<td>$124</td>
<td>$150</td>
<td>$184</td>
<td>$53</td>
<td>$45</td>
<td>$46</td>
<td>$40</td>
</tr>
<tr>
<td>IRAs</td>
<td>63</td>
<td>42</td>
<td>28</td>
<td>38</td>
<td>57</td>
<td>82</td>
<td>116</td>
<td>25</td>
<td>27</td>
<td>34</td>
<td>29</td>
</tr>
<tr>
<td>Defined Contribution Plans</td>
<td>67</td>
<td>52</td>
<td>43</td>
<td>62</td>
<td>67</td>
<td>68</td>
<td>68</td>
<td>28</td>
<td>18</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td><strong>Long-Term Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IRAs</td>
<td>97</td>
<td>77</td>
<td>100</td>
<td>125</td>
<td>125</td>
<td>114</td>
<td>130</td>
<td>49</td>
<td>33</td>
<td>27</td>
<td>22</td>
</tr>
<tr>
<td>Defined Contribution Plans</td>
<td>54</td>
<td>48</td>
<td>51</td>
<td>71</td>
<td>71</td>
<td>60</td>
<td>54</td>
<td>25</td>
<td>15</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Equity Funds</td>
<td>40</td>
<td>12</td>
<td>67</td>
<td>77</td>
<td>52</td>
<td>56</td>
<td>26</td>
<td>14</td>
<td>5</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>IRAs</td>
<td>21</td>
<td>-5</td>
<td>29</td>
<td>27</td>
<td>24</td>
<td>28</td>
<td>25</td>
<td>7</td>
<td>4</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Defined Contribution Plans</td>
<td>19</td>
<td>17</td>
<td>38</td>
<td>50</td>
<td>29</td>
<td>28</td>
<td>1</td>
<td>7</td>
<td>1</td>
<td>-4</td>
<td>-4</td>
</tr>
<tr>
<td>Hybrid Funds(^3,4)</td>
<td>20</td>
<td>13</td>
<td>30</td>
<td>44</td>
<td>65</td>
<td>49</td>
<td>78</td>
<td>25</td>
<td>19</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>IRAs</td>
<td>6</td>
<td>6</td>
<td>18</td>
<td>25</td>
<td>29</td>
<td>21</td>
<td>34</td>
<td>11</td>
<td>8</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Defined Contribution Plans</td>
<td>14</td>
<td>7</td>
<td>12</td>
<td>18</td>
<td>36</td>
<td>28</td>
<td>45</td>
<td>15</td>
<td>11</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Bond Funds</td>
<td>37</td>
<td>51</td>
<td>3</td>
<td>4</td>
<td>8</td>
<td>10</td>
<td>25</td>
<td>9</td>
<td>9</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>IRAs</td>
<td>16</td>
<td>27</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>7</td>
<td>17</td>
<td>6</td>
<td>6</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Defined Contribution Plans</td>
<td>21</td>
<td>24</td>
<td>1</td>
<td>3</td>
<td>6</td>
<td>4</td>
<td>9</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>(*)</td>
</tr>
<tr>
<td><strong>Money Market Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IRAs</td>
<td>33</td>
<td>17</td>
<td>-29</td>
<td>-25</td>
<td>-1</td>
<td>36</td>
<td>54</td>
<td>4</td>
<td>12</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>Defined Contribution Plans</td>
<td>20</td>
<td>14</td>
<td>-21</td>
<td>-16</td>
<td>3</td>
<td>27</td>
<td>40</td>
<td>2</td>
<td>9</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td><strong>Memo:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry Net New Cash Flow(^2)</td>
<td>504</td>
<td>74</td>
<td>-43</td>
<td>53</td>
<td>255</td>
<td>474</td>
<td>883</td>
<td>167</td>
<td>150</td>
<td>303</td>
<td>264</td>
</tr>
<tr>
<td>Long-Term Funds</td>
<td>129</td>
<td>121</td>
<td>216</td>
<td>210</td>
<td>192</td>
<td>227</td>
<td>223</td>
<td>119</td>
<td>69</td>
<td>14</td>
<td>20</td>
</tr>
<tr>
<td>Equity Funds</td>
<td>32</td>
<td>-28</td>
<td>152</td>
<td>178</td>
<td>136</td>
<td>159</td>
<td>93</td>
<td>64</td>
<td>21</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Hybrid Funds(^3)</td>
<td>10</td>
<td>8</td>
<td>32</td>
<td>43</td>
<td>25</td>
<td>7</td>
<td>22</td>
<td>10</td>
<td>6</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Bond Funds</td>
<td>88</td>
<td>141</td>
<td>32</td>
<td>-11</td>
<td>31</td>
<td>61</td>
<td>109</td>
<td>45</td>
<td>42</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>375</td>
<td>-46</td>
<td>-258</td>
<td>-157</td>
<td>63</td>
<td>247</td>
<td>660</td>
<td>48</td>
<td>80</td>
<td>289</td>
<td>243</td>
</tr>
</tbody>
</table>

1. See endnote 4 for an explanation of the procedure used to estimate net new cash flows to mutual funds from retirement accounts.
2. Retirement flows to fund of funds are counted in the investment objective of the fund of funds. Industry flows to fund of funds are counted in the investment objectives of the underlying funds.
3. Hybrid funds invest in a mix of equities and fixed-income securities.
4. The bulk of lifecycle and lifestyle funds are counted in this category.

(*)=Between $500 million and -$500 million.

Note: Components may not add to the total because of rounding.

Source: Investment Company Institute
<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic Equity</th>
<th>Foreign Equity</th>
<th>Hybrid</th>
<th>Bond</th>
<th>Money Market</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assets (billions)</td>
<td>Share 1 (percent)</td>
<td>Assets (billions)</td>
<td>Share 2 (percent)</td>
<td>Assets (billions)</td>
<td>Share 3 (percent)</td>
</tr>
<tr>
<td>1990</td>
<td>$52</td>
<td>38%</td>
<td>$5</td>
<td>4%</td>
<td>$9</td>
<td>7%</td>
</tr>
<tr>
<td>1991</td>
<td>80</td>
<td>43</td>
<td>8</td>
<td>4</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>1992</td>
<td>106</td>
<td>46</td>
<td>10</td>
<td>4</td>
<td>20</td>
<td>9</td>
</tr>
<tr>
<td>1993</td>
<td>143</td>
<td>45</td>
<td>23</td>
<td>7</td>
<td>37</td>
<td>12</td>
</tr>
<tr>
<td>1994</td>
<td>153</td>
<td>45</td>
<td>31</td>
<td>9</td>
<td>41</td>
<td>12</td>
</tr>
<tr>
<td>1995</td>
<td>236</td>
<td>51</td>
<td>31</td>
<td>7</td>
<td>57</td>
<td>12</td>
</tr>
<tr>
<td>1996</td>
<td>293</td>
<td>50</td>
<td>63</td>
<td>11</td>
<td>66</td>
<td>11</td>
</tr>
<tr>
<td>1997</td>
<td>434</td>
<td>57</td>
<td>75</td>
<td>10</td>
<td>83</td>
<td>11</td>
</tr>
<tr>
<td>1998</td>
<td>569</td>
<td>59</td>
<td>88</td>
<td>9</td>
<td>94</td>
<td>10</td>
</tr>
<tr>
<td>1999</td>
<td>792</td>
<td>63</td>
<td>131</td>
<td>10</td>
<td>99</td>
<td>8</td>
</tr>
<tr>
<td>2000</td>
<td>781</td>
<td>63</td>
<td>120</td>
<td>10</td>
<td>93</td>
<td>8</td>
</tr>
<tr>
<td>2001</td>
<td>691</td>
<td>59</td>
<td>98</td>
<td>8</td>
<td>96</td>
<td>8</td>
</tr>
<tr>
<td>2002</td>
<td>534</td>
<td>51</td>
<td>81</td>
<td>8</td>
<td>94</td>
<td>9</td>
</tr>
<tr>
<td>2003</td>
<td>730</td>
<td>56</td>
<td>113</td>
<td>9</td>
<td>135</td>
<td>10</td>
</tr>
<tr>
<td>2004</td>
<td>839</td>
<td>56</td>
<td>148</td>
<td>10</td>
<td>177</td>
<td>12</td>
</tr>
<tr>
<td>2005</td>
<td>910</td>
<td>55</td>
<td>195</td>
<td>12</td>
<td>217</td>
<td>13</td>
</tr>
<tr>
<td>2006</td>
<td>1,041</td>
<td>53</td>
<td>272</td>
<td>14</td>
<td>270</td>
<td>14</td>
</tr>
<tr>
<td>2007:Q1</td>
<td>1,059</td>
<td>52</td>
<td>288</td>
<td>14</td>
<td>287</td>
<td>14</td>
</tr>
<tr>
<td>2007:Q2</td>
<td>1,123</td>
<td>52</td>
<td>321</td>
<td>15</td>
<td>307</td>
<td>14</td>
</tr>
<tr>
<td>2007:Q3</td>
<td>1,147</td>
<td>51</td>
<td>343</td>
<td>15</td>
<td>321</td>
<td>14</td>
</tr>
<tr>
<td>2007:Q4</td>
<td>1,106</td>
<td>49</td>
<td>345</td>
<td>15</td>
<td>322</td>
<td>14</td>
</tr>
</tbody>
</table>

1Hybrid funds invest in a mix of equities and fixed-income securities. The bulk of lifecycle and lifestyle funds is counted in this category.
2Share is the percentage of total mutual fund assets in IRAs.
Note: Components may not add to the total because of rounding.
Source: Investment Company Institute
### Figure A10

**IRA Holdings of Mutual Funds by Type of IRA**  
*End-of-period, 1992–2007:Q4*

<table>
<thead>
<tr>
<th>Year</th>
<th>Traditional</th>
<th>SEP and SAR-SEP</th>
<th>Roth</th>
<th>SIMPLE</th>
<th>Total</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assets</td>
<td>Share (%)</td>
<td>Assets</td>
<td>Share (%)</td>
<td>Assets</td>
<td>Share (%)</td>
</tr>
<tr>
<td>1992</td>
<td>$226</td>
<td>97%</td>
<td>$7</td>
<td>3%</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>1993</td>
<td>303</td>
<td>96</td>
<td>13</td>
<td>4%</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>1994</td>
<td>328</td>
<td>96</td>
<td>14</td>
<td>4%</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>1995</td>
<td>441</td>
<td>95</td>
<td>23</td>
<td>5%</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>1996</td>
<td>550</td>
<td>95</td>
<td>32</td>
<td>5%</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>1997</td>
<td>718</td>
<td>94</td>
<td>44</td>
<td>6%</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>1998</td>
<td>871</td>
<td>91</td>
<td>56</td>
<td>6%</td>
<td>$31</td>
<td>3%</td>
</tr>
<tr>
<td>1999</td>
<td>1,123</td>
<td>89</td>
<td>73</td>
<td>6%</td>
<td>54</td>
<td>4%</td>
</tr>
<tr>
<td>2000</td>
<td>1,096</td>
<td>89</td>
<td>70</td>
<td>6%</td>
<td>56</td>
<td>5%</td>
</tr>
<tr>
<td>2001</td>
<td>1,036</td>
<td>89</td>
<td>65</td>
<td>6%</td>
<td>54</td>
<td>5%</td>
</tr>
<tr>
<td>2002</td>
<td>919</td>
<td>88</td>
<td>58</td>
<td>6%</td>
<td>53</td>
<td>5%</td>
</tr>
<tr>
<td>2003</td>
<td>1,140</td>
<td>87</td>
<td>75</td>
<td>6%</td>
<td>74</td>
<td>6%</td>
</tr>
<tr>
<td>2004</td>
<td>1,290</td>
<td>87</td>
<td>84</td>
<td>6%</td>
<td>90</td>
<td>6%</td>
</tr>
<tr>
<td>2005</td>
<td>1,429</td>
<td>86</td>
<td>95</td>
<td>6%</td>
<td>106</td>
<td>6%</td>
</tr>
<tr>
<td>2006</td>
<td>1,690</td>
<td>85</td>
<td>111</td>
<td>6%</td>
<td>135</td>
<td>7%</td>
</tr>
<tr>
<td>2007:Q1</td>
<td>1,742</td>
<td>85</td>
<td>114</td>
<td>6%</td>
<td>141</td>
<td>7%</td>
</tr>
<tr>
<td>2007:Q2</td>
<td>1,851</td>
<td>85</td>
<td>122</td>
<td>6%</td>
<td>153</td>
<td>7%</td>
</tr>
<tr>
<td>2007:Q3</td>
<td>1,922</td>
<td>85</td>
<td>127</td>
<td>6%</td>
<td>160</td>
<td>7%</td>
</tr>
<tr>
<td>2007:Q4</td>
<td>1,909</td>
<td>85</td>
<td>126</td>
<td>6%</td>
<td>160</td>
<td>7%</td>
</tr>
</tbody>
</table>

1. Traditional IRAs include contributory and rollover IRAs.  
2. Roth IRAs include contributory and conversion Roth IRAs.  
3. Education IRAs were renamed Coverdell Education Savings Accounts (ESAs) in July 2001 and are not included in total IRA assets.  
4. Share is the percent of total mutual fund IRA assets.  
(*)=Less than $500 million.  
(***)=Less than 1/2 percent.  
Note: Components may not add to the total because of rounding.  
Source: Investment Company Institute

### Figure A11

**Roth IRAs**  
*Billions of dollars, 1998–2007*

<table>
<thead>
<tr>
<th>Year</th>
<th>Contributions</th>
<th>Conversions</th>
<th>Total Assets (year-end)</th>
<th>Of Which: Assets Held in Mutual Funds (year-end)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>$8.6</td>
<td>$39.3</td>
<td>$56.8</td>
<td>$31</td>
</tr>
<tr>
<td>1999</td>
<td>10.7</td>
<td>3.7</td>
<td>76.2</td>
<td>54</td>
</tr>
<tr>
<td>2000</td>
<td>11.6</td>
<td>3.2</td>
<td>77.6</td>
<td>56</td>
</tr>
<tr>
<td>2001</td>
<td>11.0</td>
<td>3.1</td>
<td>79.3</td>
<td>54</td>
</tr>
<tr>
<td>2002</td>
<td>13.2</td>
<td>3.3</td>
<td>77.6</td>
<td>53</td>
</tr>
<tr>
<td>2003</td>
<td>13.5*</td>
<td>3.0</td>
<td>105.8*</td>
<td>74</td>
</tr>
<tr>
<td>2004</td>
<td>14.7</td>
<td>2.8</td>
<td>139.9</td>
<td>90</td>
</tr>
<tr>
<td>2005</td>
<td>N/A</td>
<td>N/A</td>
<td>160.0*</td>
<td>106</td>
</tr>
<tr>
<td>2006</td>
<td>N/A</td>
<td>N/A</td>
<td>195.0*</td>
<td>135</td>
</tr>
<tr>
<td>2007</td>
<td>N/A</td>
<td>N/A</td>
<td>225.0*</td>
<td>160</td>
</tr>
</tbody>
</table>

*e=estimated  
N/A=not available  
Sources: Investment Company Institute and Internal Revenue Service Statistics of Income Division
### Figure A12

**SEP and SAR-SEP IRAs**

Billions of dollars, 1997–2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Contributions</th>
<th>Total Assets (year-end)</th>
<th>Of Which: Assets Held in Mutual Funds (year-end)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>$6.9</td>
<td>$84.7</td>
<td>$44</td>
</tr>
<tr>
<td>1998</td>
<td>8.7</td>
<td>115.4</td>
<td>56</td>
</tr>
<tr>
<td>1999</td>
<td>9.1</td>
<td>142.9</td>
<td>78</td>
</tr>
<tr>
<td>2000</td>
<td>10.1</td>
<td>134.0</td>
<td>70</td>
</tr>
<tr>
<td>2001</td>
<td>10.1</td>
<td>131.3</td>
<td>65</td>
</tr>
<tr>
<td>2002</td>
<td>10.3</td>
<td>117.0</td>
<td>58</td>
</tr>
<tr>
<td>2003</td>
<td>11.7(a)</td>
<td>145.0(a)</td>
<td>75</td>
</tr>
<tr>
<td>2004</td>
<td>13.8</td>
<td>168.7</td>
<td>84</td>
</tr>
<tr>
<td>2005</td>
<td>N/A</td>
<td>191.0(e)</td>
<td>95</td>
</tr>
<tr>
<td>2006</td>
<td>N/A</td>
<td>223.0(e)</td>
<td>111</td>
</tr>
<tr>
<td>2007</td>
<td>N/A</td>
<td>253.0(e)</td>
<td>126</td>
</tr>
</tbody>
</table>

\(e\)=estimated
N/A=not available

Sources: Investment Company Institute and Internal Revenue Service Statistics of Income Division

### Figure A13

**SIMPLE IRAs**

Billions of dollars, 1997–2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Contributions</th>
<th>Total Assets (year-end)</th>
<th>Of Which: Assets Held in Mutual Funds (year-end)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>$0.6</td>
<td>$0.6</td>
<td>((^\ast))</td>
</tr>
<tr>
<td>1998</td>
<td>2.2</td>
<td>3.6</td>
<td>$3</td>
</tr>
<tr>
<td>1999</td>
<td>3.4</td>
<td>9.1</td>
<td>7</td>
</tr>
<tr>
<td>2000</td>
<td>4.7</td>
<td>10.4</td>
<td>9</td>
</tr>
<tr>
<td>2001</td>
<td>5.5</td>
<td>13.6</td>
<td>11</td>
</tr>
<tr>
<td>2002</td>
<td>6.3</td>
<td>16.1</td>
<td>13</td>
</tr>
<tr>
<td>2003</td>
<td>6.5</td>
<td>23.5(a)</td>
<td>21</td>
</tr>
<tr>
<td>2004</td>
<td>7.6</td>
<td>34.0</td>
<td>27</td>
</tr>
<tr>
<td>2005</td>
<td>N/A</td>
<td>42.0(e)</td>
<td>33</td>
</tr>
<tr>
<td>2006</td>
<td>N/A</td>
<td>53.0(e)</td>
<td>42</td>
</tr>
<tr>
<td>2007</td>
<td>N/A</td>
<td>61.0(e)</td>
<td>49</td>
</tr>
</tbody>
</table>

\(e\)=estimated
N/A=not available
(\(^\ast\)\)=less than $500 million

Sources: Investment Company Institute and Internal Revenue Service Statistics of Income Division
### Figure A15
**Defined Contribution Plan Holdings of Mutual Funds by Type of Fund**

*End-of-period, 1992–2007:Q4*

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic Equity</th>
<th>Foreign Equity</th>
<th>Hybrid1</th>
<th>Bond</th>
<th>Money Market</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assets (billions)</td>
<td>Share1 (percent)</td>
<td>Assets (billions)</td>
<td>Share1 (percent)</td>
<td>Assets (billions)</td>
<td>Share1 (percent)</td>
</tr>
<tr>
<td>1992</td>
<td>$132</td>
<td>72%</td>
<td>$5</td>
<td>3%</td>
<td>$8</td>
<td>4%</td>
</tr>
<tr>
<td>1993</td>
<td>178</td>
<td>68%</td>
<td>14</td>
<td>6%</td>
<td>17</td>
<td>6%</td>
</tr>
<tr>
<td>1994</td>
<td>211</td>
<td>66%</td>
<td>24</td>
<td>7%</td>
<td>22</td>
<td>7%</td>
</tr>
<tr>
<td>1995</td>
<td>308</td>
<td>69%</td>
<td>32</td>
<td>7%</td>
<td>31</td>
<td>7%</td>
</tr>
<tr>
<td>1996</td>
<td>385</td>
<td>66%</td>
<td>39</td>
<td>7%</td>
<td>57</td>
<td>10%</td>
</tr>
<tr>
<td>1997</td>
<td>532</td>
<td>69%</td>
<td>54</td>
<td>7%</td>
<td>77</td>
<td>10%</td>
</tr>
<tr>
<td>1998</td>
<td>690</td>
<td>70%</td>
<td>64</td>
<td>7%</td>
<td>95</td>
<td>10%</td>
</tr>
<tr>
<td>1999</td>
<td>925</td>
<td>72%</td>
<td>105</td>
<td>8%</td>
<td>106</td>
<td>8%</td>
</tr>
<tr>
<td>2000</td>
<td>895</td>
<td>71%</td>
<td>108</td>
<td>9%</td>
<td>107</td>
<td>9%</td>
</tr>
<tr>
<td>2001</td>
<td>792</td>
<td>67%</td>
<td>90</td>
<td>8%</td>
<td>119</td>
<td>10%</td>
</tr>
<tr>
<td>2002</td>
<td>631</td>
<td>60%</td>
<td>79</td>
<td>8%</td>
<td>115</td>
<td>11%</td>
</tr>
<tr>
<td>2003</td>
<td>863</td>
<td>64%</td>
<td>116</td>
<td>9%</td>
<td>153</td>
<td>11%</td>
</tr>
<tr>
<td>2004</td>
<td>1,008</td>
<td>64%</td>
<td>157</td>
<td>10%</td>
<td>191</td>
<td>12%</td>
</tr>
<tr>
<td>2005</td>
<td>1,090</td>
<td>61%</td>
<td>210</td>
<td>12%</td>
<td>240</td>
<td>14%</td>
</tr>
<tr>
<td>2006</td>
<td>1,233</td>
<td>59%</td>
<td>308</td>
<td>15%</td>
<td>304</td>
<td>14%</td>
</tr>
<tr>
<td>2007:Q1</td>
<td>1,253</td>
<td>58%</td>
<td>325</td>
<td>15%</td>
<td>326</td>
<td>15%</td>
</tr>
<tr>
<td>2007:Q2</td>
<td>1,326</td>
<td>57%</td>
<td>360</td>
<td>16%</td>
<td>351</td>
<td>15%</td>
</tr>
<tr>
<td>2007:Q3</td>
<td>1,342</td>
<td>56%</td>
<td>379</td>
<td>16%</td>
<td>368</td>
<td>15%</td>
</tr>
<tr>
<td>2007:Q4</td>
<td>1,284</td>
<td>55%</td>
<td>381</td>
<td>16%</td>
<td>372</td>
<td>16%</td>
</tr>
</tbody>
</table>

1. Hybrid funds invest in a mix of equities and fixed-income securities. The bulk of lifecycle and lifestyle funds is counted in this category.
2. Share is the percentage of total mutual fund assets in defined contribution plans.

*Note: Components may not add to the total because of rounding.*

*Source: Investment Company Institute*
## Figure A16

**Defined Contribution Plan Holdings of Mutual Funds by Type of Plan**

*Billions of dollars, end-of-period, 1992–2007:Q4*

<table>
<thead>
<tr>
<th></th>
<th>401(k) Plans</th>
<th>403(b) Plans</th>
<th>457 Plans</th>
<th>Other Defined Contribution Plans*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>$82</td>
<td>$74</td>
<td>$3</td>
<td>$25</td>
<td>$184</td>
</tr>
<tr>
<td>1993</td>
<td>140</td>
<td>86</td>
<td>4</td>
<td>33</td>
<td>263</td>
</tr>
<tr>
<td>1994</td>
<td>184</td>
<td>93</td>
<td>6</td>
<td>37</td>
<td>320</td>
</tr>
<tr>
<td>1995</td>
<td>266</td>
<td>120</td>
<td>9</td>
<td>50</td>
<td>445</td>
</tr>
<tr>
<td>1996</td>
<td>350</td>
<td>148</td>
<td>13</td>
<td>69</td>
<td>581</td>
</tr>
<tr>
<td>1997</td>
<td>479</td>
<td>187</td>
<td>20</td>
<td>85</td>
<td>772</td>
</tr>
<tr>
<td>1998</td>
<td>616</td>
<td>232</td>
<td>30</td>
<td>104</td>
<td>983</td>
</tr>
<tr>
<td>1999</td>
<td>811</td>
<td>290</td>
<td>49</td>
<td>130</td>
<td>1,280</td>
</tr>
<tr>
<td>2000</td>
<td>820</td>
<td>264</td>
<td>47</td>
<td>122</td>
<td>1,254</td>
</tr>
<tr>
<td>2001</td>
<td>796</td>
<td>237</td>
<td>45</td>
<td>107</td>
<td>1,185</td>
</tr>
<tr>
<td>2002</td>
<td>707</td>
<td>197</td>
<td>38</td>
<td>104</td>
<td>1,046</td>
</tr>
<tr>
<td>2003</td>
<td>922</td>
<td>261</td>
<td>47</td>
<td>127</td>
<td>1,357</td>
</tr>
<tr>
<td>2004</td>
<td>1,092</td>
<td>294</td>
<td>54</td>
<td>143</td>
<td>1,583</td>
</tr>
<tr>
<td>2005</td>
<td>1,239</td>
<td>318</td>
<td>62</td>
<td>158</td>
<td>1,777</td>
</tr>
<tr>
<td>2006</td>
<td>1,476</td>
<td>364</td>
<td>71</td>
<td>194</td>
<td>2,104</td>
</tr>
<tr>
<td>2007:Q1</td>
<td>1,534</td>
<td>372</td>
<td>73</td>
<td>196</td>
<td>2,174</td>
</tr>
<tr>
<td>2007:Q2</td>
<td>1,636</td>
<td>393</td>
<td>78</td>
<td>206</td>
<td>2,314</td>
</tr>
<tr>
<td>2007:Q3</td>
<td>1,686</td>
<td>402</td>
<td>79</td>
<td>212</td>
<td>2,379</td>
</tr>
<tr>
<td>2007:Q4</td>
<td>1,656</td>
<td>392</td>
<td>78</td>
<td>210</td>
<td>2,335</td>
</tr>
</tbody>
</table>

* Other defined contribution plans include Keoghs and defined contribution plans (profit-sharing, thrift-savings, stock bonus, and money purchase), without 401(k) features.

Note: Components may not add to the total because of rounding.

Sources: Investment Company Institute, Federal Reserve Board, and Department of Labor
### Defined Contribution Plan Assets by Type of Plan

**Billions of dollars, end-of-period, 1994–2007:Q4**

<table>
<thead>
<tr>
<th></th>
<th>401(k) Plans</th>
<th>403(b) Plans</th>
<th>457 Plans</th>
<th>Other Defined Contribution Plans*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>$675</td>
<td>$271</td>
<td>$34</td>
<td>$426</td>
<td>$1,406</td>
</tr>
<tr>
<td>1995</td>
<td>864</td>
<td>319</td>
<td>42</td>
<td>492</td>
<td>1,717</td>
</tr>
<tr>
<td>1996</td>
<td>1,061</td>
<td>356</td>
<td>52</td>
<td>492</td>
<td>1,961</td>
</tr>
<tr>
<td>1997</td>
<td>1,264</td>
<td>425</td>
<td>72</td>
<td>581</td>
<td>2,343</td>
</tr>
<tr>
<td>1998</td>
<td>1,541</td>
<td>437</td>
<td>94</td>
<td>568</td>
<td>2,640</td>
</tr>
<tr>
<td>1999</td>
<td>1,790</td>
<td>527</td>
<td>112</td>
<td>572</td>
<td>3,001</td>
</tr>
<tr>
<td>2000</td>
<td>1,725</td>
<td>517</td>
<td>110</td>
<td>618</td>
<td>2,969</td>
</tr>
<tr>
<td>2001</td>
<td>1,682</td>
<td>443</td>
<td>105</td>
<td>433</td>
<td>2,663</td>
</tr>
<tr>
<td>2002</td>
<td>1,573</td>
<td>433</td>
<td>98</td>
<td>368</td>
<td>2,472</td>
</tr>
<tr>
<td>2003</td>
<td>1,922</td>
<td>533</td>
<td>117</td>
<td>472</td>
<td>3,043</td>
</tr>
<tr>
<td>2004</td>
<td>2,189</td>
<td>571</td>
<td>130</td>
<td>446</td>
<td>3,335</td>
</tr>
<tr>
<td>2005</td>
<td>2,396</td>
<td>616</td>
<td>143</td>
<td>465</td>
<td>3,620</td>
</tr>
<tr>
<td>2006</td>
<td>2,770(^e)</td>
<td>687</td>
<td>158</td>
<td>503</td>
<td>4,119</td>
</tr>
<tr>
<td>2007:Q1</td>
<td>2,826(^e)</td>
<td>699</td>
<td>161</td>
<td>506</td>
<td>4,192</td>
</tr>
<tr>
<td>2007:Q2</td>
<td>2,989(^e)</td>
<td>730</td>
<td>174</td>
<td>519</td>
<td>4,412</td>
</tr>
<tr>
<td>2007:Q3</td>
<td>3,063(^e)</td>
<td>745</td>
<td>176</td>
<td>523</td>
<td>4,507</td>
</tr>
<tr>
<td>2007:Q4</td>
<td>3,047(^e)</td>
<td>739</td>
<td>173</td>
<td>513</td>
<td>4,472</td>
</tr>
</tbody>
</table>

\(^e\)=estimated

*Other defined contribution plans include Keoghs and defined contribution plans (profit-sharing, thrift-savings, stock bonus, and money purchase) without 401(k) features.

**Note:** Components may not add to the total because of rounding.

**Sources:** Investment Company Institute, Federal Reserve Board, Department of Labor, National Association of Government Defined Contribution Administrators, and American Council of Life Insurers
Based on data from ICI’s Annual Questionnaire for Retirement Statistics. The 2007 survey gathered data from 18,306 mutual fund share classes representing approximately 84 percent of mutual fund industry assets. Assets were estimated for all nonreporting funds. Data before 2006 reflect revisions to previously reported data.

Estimates of retirement assets in broker street name and omnibus accounts were derived from data reported on the Annual Questionnaire for Retirement Statistics and the Annual Questionnaire for Classification of Shareholder Assets.

In this report, estimates of mutual fund assets in private defined benefit plans have been excluded because of incomplete reporting. Federal Reserve Board, Flow of Funds Accounts, Z.1 Release (June 5, 2008) data indicate that mutual fund assets held in private defined benefit plans accounted for about 11/4 percent of the U.S. retirement market at year-end 2006. In addition, state and local DB plans held about 1/5 percent of total retirement assets.

ICI is unable to separately identify the type of variable product in which variable annuity mutual funds shares are held. Estimates from Federal Reserve Board staff, based on tabulation of AM Best data, are that approximately 15 percent of all (mutual fund plus non-mutual fund) assets in life insurance company separate accounts were in variable life policies in 2003. Separate account assets back variable life insurance products (which include both variable life insurance and variable annuities).

ICI does not collect sales or net new cash flow information for retirement plans on its Annual Retirement Questionnaire. Net new cash flow is sales of shares (other than reinvested distributions) less redemptions plus net exchanges. Net new cash flow was estimated by assuming that retirement assets within an investment objective category had the same investment performance as all mutual fund assets in that category. Investment performance for each investment objective was calculated by taking the total change in assets and adjusting for total net cash flow during the year. Retirement assets were adjusted by investment performance. The residual change in assets was attributable to net new cash flow. The formula for the flow calculation is:

$$RF_t = \frac{TA_t - (RAt + RA_t) + 2(RAt)(TAt - 1) - 2(TAt)(RAt - 1)}{TAt}$$

For a given investment objective, RF represents retirement net new cash flow, TA represents total assets, TF represents total net new cash flow, and RA represents retirement assets.

Retirement flows to funds of funds are counted in the investment objective of the fund of funds. Industry flows to fund of funds are counted in the investment objective of the underlying funds.

See Figure 3 in the July 2008 Fundamentals.

The Employee Retirement Income Security Act of 1974 (ERISA) created traditional IRAs. In 2007, approximately 37.7 million, or 32.5 percent of, U.S. households had traditional IRAs (see Figure 5 in the July 2008 Fundamentals). For a history of IRAs, see Holden, Ireland, Leonard-Chambers, and Bogdan, “The Individual Retirement Account at Age 30: A Retrospective,” Perspective, Vol. 11, No. 1, February 2005.

Education IRAs, created under the Taxpayer Relief Act of 1997 and renamed Coverdell Education Savings Accounts (ESAs) in July 2001, are not included in the total IRA assets. Mutual fund holdings in Education IRAs were $6 billion in 2007 (Figure A10).


11 See Figure 7 in the July 2008 Fundamentals. Data from the Federal Reserve Board’s Survey of Consumer Finances (SCF) indicate that about half of all traditional IRA assets in 2004 were held in rollover IRAs (see Figure 6 in the July 2008 Fundamentals).

12 Roth IRAs were created in the Taxpayer Relief Act of 1997 and were first available in 1998. In 2007, approximately 17.3 million, or 14.9 percent of, U.S. households had Roth IRAs (see Figure 5 in the July 2008 Fundamentals).

13 The SEP (Simplified Employee Pension) IRA was created under the Revenue Act of 1978. The salary reduction (SAR)-SEP IRA was created under the Tax Reform Act of 1986. The Small Business Job Protection Act of 1996 prohibited the formation of new SAR-SEP IRAs after December 31, 1996, but introduced SIMPLE (Savings Incentive Match Plan for Employees) IRAs, which were first available in 1997. In 2007, approximately 9.2 million, or 7.9 percent of, U.S. households had employer-sponsored IRAs (see Figure 5 in the July 2008 Fundamentals).

14 Based on semi-annual surveys of 24 ICI member firms that hold about three-quarters of the SIMPLE IRA assets invested in mutual funds in 2007.

15 See Figure 7 in the July 2008 Fundamentals.

16 Assets in 401(k) plans refer to private DC plans with 401(k) features (e.g., salary deferral feature). However, 401(k) plan assets reported for mutual funds and the 401(k) market may include some DC plan assets purchased in the plans prior to the addition of 401(k) features. For the years 1990 through 1999, total 401(k) asset data are from Private Pension Plan Bulletin: Abstract of 1999 Form 5500 Annual Reports, U.S. Department of Labor, Employee Benefits Security Administration (EBSA), No. 12, Summer 2004. U.S. Department of Labor. Data for 2000 through 2005 are from Private Pension Plan Bulletin: Abstract of 2005 Form 5500 Annual Reports, and subsequent annual reports up to Private Pension Plan Bulletin: Abstract of 2005 Form 5500 Annual Report, which are available on the Department of Labor’s website (for example, 2003 data are available at www.dol.gov/ebsa/PDF/2003pensionplanbulletin.PDF; and 2005 data are available at www.dol.gov/ebsa/PDF/2005pensionplanbulletin.PDF). Data after 2005 are estimated by ICI.

17 These tax-deferred retirement plans are available to employees of educational institutions and certain nonprofit organizations.

18 See Figure 11 in the July 2008 Fundamentals.

19 These plans allow deferred compensation by employees of state and local governments and certain tax-exempt organizations.

20 Keogh plans (also known as H.R. 10 plans) cover self-employed individuals, partners, and owners of unincorporated business. Created by Congress in 1962, these plans were at one time governed by their own set of rules. However, over time, subsequent legislation eliminated differences between Keogh and other types of pension plans. They are now designated as a specific type of pension plan—i.e., a profit-sharing Keogh, a 401(k) Keogh, etc.—and governed by the rules of such plans.