

The U.S. Retirement Market, 2009

KEY FINDINGS

- **Total U.S. retirement assets were \$16.0 trillion at year-end 2009, up nearly \$2.0 trillion, or 14 percent, from year-end 2008.** The increase in retirement assets largely was driven by investment returns. Nearly all asset classes experienced positive total returns in 2009.
- **Market performance exerted upward pressure on most retirement plan assets in 2009.** Individual retirement account (IRA) assets rose \$651 billion, or 18 percent; and defined contribution (DC) plan assets rose \$635 billion, or 18 percent. Despite net outflows in 2009, state and local pension plan assets rose \$341 billion, or 14 percent, and private-sector defined benefit (DB) plan assets rose \$191 billion, or 10 percent. Total federal government pension assets, which were primarily invested in nonmarketable government securities, rose 8 percent in 2009.
- **Assets earmarked for retirement are a key component of households' balance sheets.** At year-end 2009, retirement assets represented 35 percent of all U.S. households' financial assets. DC plan accounts were 9 percent of household financial assets and IRA assets were another 9 percent.
- **Employer-sponsored retirement plans play a key role in helping American workers save for retirement.** The bulk (nearly two-thirds) of Americans' retirement assets were held in employer-sponsored retirement plans at year-end 2009. Furthermore, a significant portion of assets held in IRAs originated in employer plans and were then transferred (or "rolled over") into IRAs.
- **DC plan and IRA assets invested in mutual funds constituted one-quarter of Americans' retirement savings at year-end 2009.** More than half of Americans' retirement savings were held in DC plans and IRAs at year-end 2009. Mutual funds managed 51 percent of DC plan assets and 46 percent of IRA assets.

HOW ICI MEASURES U.S. RETIREMENT ASSETS

Given the importance of retirement savings to mutual funds¹ and their investors,² the Investment Company Institute (ICI) publishes statistics on the U.S. retirement market every quarter as an information resource for mutual fund companies, the media,

policymakers, and researchers. ICI combines data from its own mutual fund survey database,^{3,4} and from other trade associations with data from the U.S. Department of Labor and the Federal Reserve Board to estimate both the employer-sponsored retirement plan system's holdings and those of annuities held outside retirement

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plans.⁵ Detailed total IRA asset information for 2007 and several earlier years⁶ from the Internal Revenue Service (IRS) Statistics of Income Division round out the picture of the total U.S. retirement market, with ICI estimates of the total IRA market completing the data through 2009.

This report presents detailed information on total retirement assets and mutual fund holdings in retirement accounts. It is organized into two broad sections: (1) narrative and data that highlight recent developments in the U.S. retirement market and (2) an appendix with additional data.

U.S. RETIREMENT MARKET

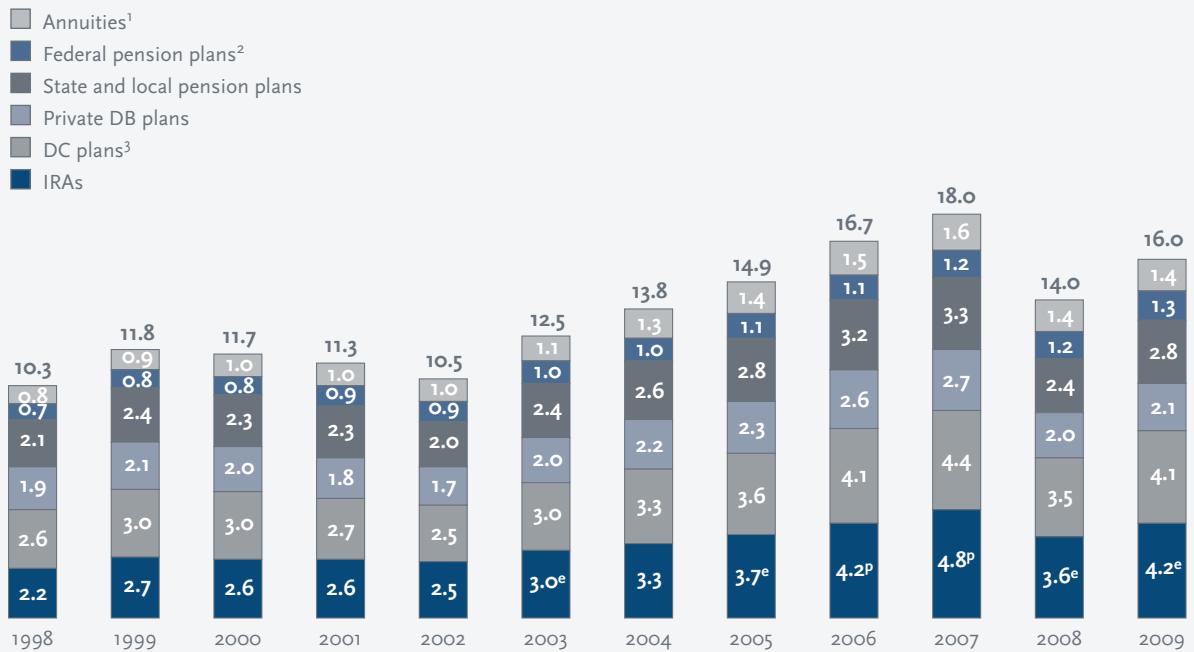
In addition to relying on Social Security and private savings to prepare for retirement, Americans use a variety of tax-advantaged investments specifically earmarked as retirement savings, including individual retirement accounts (IRAs), employer-sponsored defined contribution (DC) and defined benefit (DB) retirement plans, and annuities. Household survey information finds that 68 percent of all U.S. households had retirement plans through work or IRAs in 2009.⁷

U.S. retirement assets increased by nearly \$2.0 trillion to \$16.0 trillion in 2009, up 14 percent from 2008 (Figures 1 and A1). The change in retirement plan assets reflects market returns, contributions, and withdrawals (e.g., distributions, benefits paid, rollovers). In 2009, market performance exerted upward pressure on most retirement plan assets. Employer-sponsored DC plan assets and IRA assets each increased 18 percent. Despite having net outflows in 2009, private-sector DB plan assets increased 10 percent and state and local government employee retirement plan assets increased 14 percent. Federal retirement plan assets, which are predominantly invested in nonmarketable Treasury securities,⁸ increased 8 percent, while annuity reserves outside of retirement plans increased 4 percent.

FIGURE 1

U.S. RETIREMENT ASSETS

Trillions of dollars, year-end, 1998–2009



¹Annuities 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 (including 401(k) plans).

²Federal 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).

³DC plans include 403(b) plans, 457 plans, and private employer-sponsored DC plans (including 401(k) plans).

^eData are estimated.

^pData are preliminary.

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

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

In the past, retirement asset growth has been correlated with stock and bond market returns, and 2009 was no exception. Nearly all asset classes experienced positive returns in 2009 (Figure 2). Large capitalization domestic equities experienced positive total returns of 27 percent; small capitalization domestic equities, positive 27 percent; foreign equities,

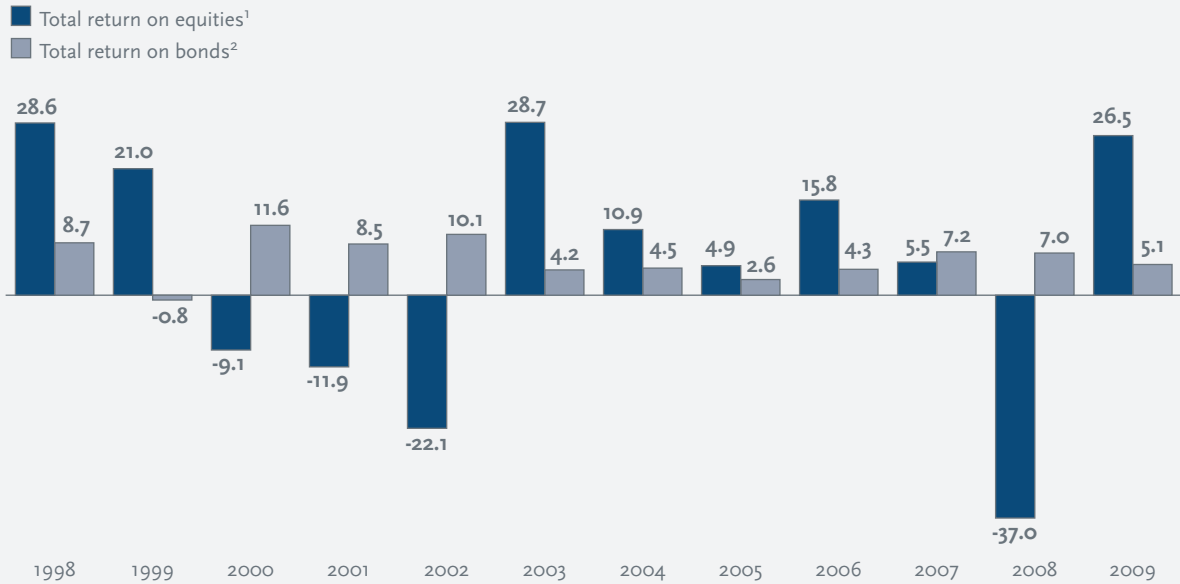
positive 42 percent; corporate bonds, positive 20 percent; municipal bonds, positive 12 percent; and Treasury inflation-protected securities (TIPS), positive 10 percent. Nominal Treasury securities did not experience positive returns in 2009; nominal Treasury securities had a negative total return of 13 percent over the year.

FIGURE 2

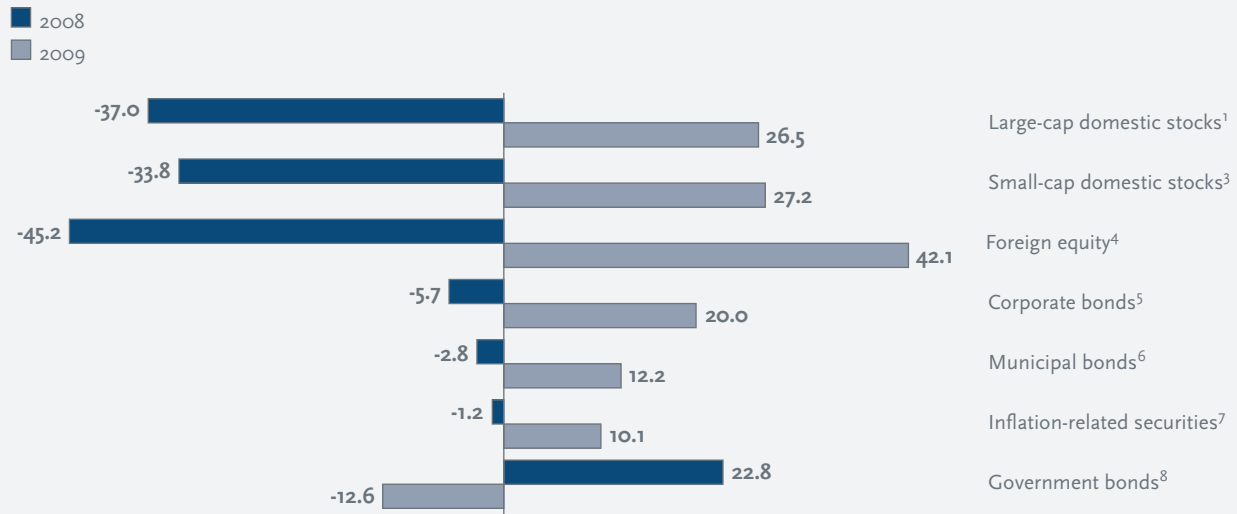
MOST CATEGORIES OF ASSETS EXPERIENCED POSITIVE RETURNS IN 2009

Percent change in total return index

BOND AND EQUITY INDEXES, 1998–2009



TOTAL RETURN ON VARIOUS ASSET CLASSES IN 2008 and 2009



¹The total return on equities reported is the S&P 500 index, which consists of 500 U.S. stocks chosen for market size, liquidity, and industry group representation.

²The total return on bonds reported is the Citigroup Broad Investment Grade Bond Index, which is a broad U.S. index consisting of Treasuries, agency debt, corporate credit, noncorporate credit, mortgage-backed securities, and asset-backed securities.

³The total return on small-cap equities reported is the Russell 2000 Index, which measures the performance of the 2,000 smallest companies of the Russell 3000 Index.

⁴The total return on foreign equities reported is the MSCI ACWI ex-U.S. Index.

⁵The total return on corporate bonds reported is the Citigroup Corporate 7 to 10 Year Bond Index.

⁶The total return on municipal bonds reported is the S&P National Municipal Bond Index, which is a broad value-weighted index designed to measure the performance of tax-exempt, investment grade U.S. municipal bond markets.

⁷The total return on inflation-linked securities reported is the Citigroup U.S. Treasury Inflation Linked Securities Index.

⁸The total return on government bonds reported is the Citigroup Treasury Government Sponsored 10+ Year Index.

Sources: Investment Company Institute, Bloomberg, Standard & Poor's, Russell Investments, Morgan Stanley Investment Management, and Citigroup

Retirement savings vehicles are integral to Americans' overall retirement planning and preparedness, accounting for more than one-third (35 percent) of the \$45.1 trillion of U.S. household financial assets at year-end 2009 (Figures 3 and A20). The bulk of retirement assets either were held in employer-sponsored retirement plans—including those sponsored by private-sector employers and by federal, state, and local governments—or originated there. Employer-sponsored plans directly held 65 percent of all retirement assets (Figures 1 and A1). In addition, more than half of the assets in IRAs originated as employer-sponsored savings, representing another 14 percent of retirement assets.⁹

The largest components of retirement savings were IRAs and employer-sponsored DC plans, holding \$4.2 trillion and \$4.1 trillion, respectively, at year-end 2009 (Figures 1 and A1). Over the past two decades, retirement savings vehicles that are typically individually directed—DC plans and IRAs—have become a larger portion of U.S. retirement assets. In 2009, DC plans and IRAs made up 52 percent of all retirement assets, up from 39 percent in 1990

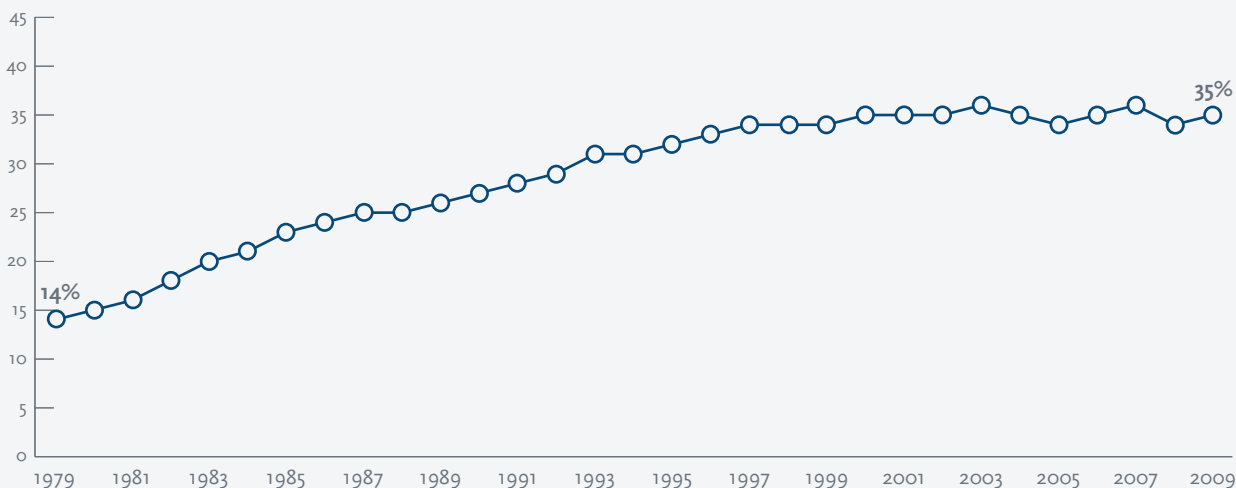
(Figure A1). At year-end 2009, private-sector DB pension funds held \$2.1 trillion in assets, state and local government employee retirement plans held \$2.8 trillion in assets, and federal government DB plans and the federal employees' Thrift Savings Plan (TSP) held \$1.3 trillion in assets. In addition, there were \$1.4 trillion in annuity reserves outside of retirement plans at year-end 2009.

In 2009, mutual funds managed \$4.1 trillion, or 25 percent of, U.S. retirement assets, about evenly split between IRAs and employer-sponsored DC plans (Figures A2 and A3). In addition, U.S. households owned another \$884 billion in mutual fund assets through variable life insurance company products—primarily variable annuity contracts—held outside of retirement accounts (Figure A4).¹⁰ Some of these variable annuity (VA) mutual fund assets may be held in variable life insurance policies, which are not counted as part of the U.S. retirement market.¹¹ But, if one were to assume that all of these VA mutual funds are retirement savings, mutual funds' share of the total retirement market would have been 31 percent.

FIGURE 3

RETIREMENT ASSETS REPRESENTED 35 PERCENT OF HOUSEHOLD FINANCIAL ASSETS

Retirement assets as a percentage of household financial assets, year-end, 1979–2009



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

INDIVIDUAL ACCOUNTS: IRAS AND ANNUITY CONTRACTS

IRAs represented the largest component of the retirement market, with \$4.2 trillion in assets accounting for 26 percent of U.S. retirement market assets at year-end 2009 (Figures 1 and A1). Another \$1.4 trillion, or 9 percent, of retirement assets were investments in annuity contracts—both variable and

fixed annuities—held outside of retirement accounts.¹² Households invest their IRA assets in mutual funds, bank and thrift deposits, annuity contracts, and individual securities (Figure 4). During the bear market in equities from 2000 to 2002, mutual funds' share of IRA holdings dropped to 41 percent at year-end 2002, but rebounded after 2002, registering a 48 percent share at year-end 2007. During the most recent bear

FIGURE 4

46 PERCENT OF IRA ASSETS WERE INVESTED IN MUTUAL FUNDS

IRA assets by type of institution, end-of-period, 1990–2008, 2009:Q1–2009:Q4

	Mutual funds		Bank and thrift deposits ¹		Life insurance companies ²		Securities held in brokerage accounts ³		Total assets Billions
	Assets Billions	Share ⁴ Percent	Assets Billions	Share ⁴ Percent	Assets Billions	Share ⁴ Percent	Assets Billions	Share ⁴ Percent	
1990	\$139	22%	\$266	42%	\$40	6%	\$191	30%	\$637
1991	187	24	283	36	45	6	262	34	776
1992	235	27	275	31	50	6	313	36	873
1993	319	32	263	26	62	6	350	35	993
1994	345	33	255	24	70	7	386	37	1,056
1995	470	36	261	20	81	6	476	37	1,288
1996	589	40	259	18	92	6	527	36	1,467
1997	773	45	254	15	136	8	565	33	1,728
1998	972	45	249	12	157	7	772	36	2,150
1999	1,265	48	243	9	203	8	940	35	2,651
2000	1,239	47	250	10	203	8	937	36	2,629
2001	1,167	45	255	10	211	8	987	38	2,619
2002	1,037	41	263	10	268	11	965	38	2,533
2003	1,317	44	268	9	285	10	1,123 ^e	38	2,993 ^e
2004	1,509	46	269	8	283	9	1,238	38	3,299
2005	1,688	46	278	8	308	8	1,378 ^e	38	3,652 ^e
2006	2,015	48	313	7	318	8	1,562 ^P	37	4,207 ^P
2007	2,288	48	340	7	325 ^e	7	1,831 ^P	38	4,784 ^P
2008	1,585	44	391	11	310 ^e	9	1,293 ^e	36	3,579 ^e
2009:Q1	1,491	43	410	12	309 ^e	9	1,218 ^e	36	3,428 ^e
2009:Q2	1,678	45	424	11	307 ^e	8	1,348 ^e	36	3,757 ^e
2009:Q3	1,876	46	429	10	306 ^e	7	1,481 ^e	36	4,093 ^e
2009:Q4	1,953	46	431	10	303 ^e	7	1,544 ^e	36	4,230 ^e

¹Bank and thrift deposits include Keogh deposits.

²Life insurance company IRA assets are annuities held by IRAs, excluding variable annuity (VA) mutual fund IRA assets, which are included in mutual funds.

³Securities held in brokerage accounts exclude mutual fund assets held through brokerage accounts, which are included in mutual funds.

⁴Share is the percentage of total IRA assets.

^eData are estimated.

^PData are preliminary.

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

Sources: Investment Company Institute, Federal Reserve Board, American Council of Life Insurers, and Internal Revenue Service Statistics of Income Division

market, mutual funds' share of IRA assets dropped to 43 percent but increased to 46 percent by year-end 2009. In contrast, the share of IRA assets held through bank and thrift deposits fell from 10 percent at year-end 2002 to 7 percent at year-end 2007, increased to 12 percent by March 2009, but decreased to 10 percent by year-end.

All told, 46.1 million, or about four in 10, U.S. households owned IRAs in mid-2009 (Figure 5).¹³ In 2009, approximately 36.6 million, or 31.2 percent of, U.S. households owned **traditional IRAs**—defined as those IRAs first allowed under the Employee Retirement Income Security Act of 1974 (ERISA)—

while approximately 17.0 million, or 14.5 percent of, U.S. households had **Roth IRAs**, first made available in 1998 under the Taxpayer Relief Act of 1997.¹⁴ In 2009, approximately 9.6 million, or 8.2 percent of, U.S. households had employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs). **The simplified employee pension (SEP) 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 the **savings incentive match plan for employees (SIMPLE) IRAs**, which were first available in 1997.

FIGURE 5

46 MILLION HOUSEHOLDS OWNED IRAS

May 2009

	Year created	Number of U.S. households with type of IRA, 2009	Percentage of U.S. households with type of IRA, 2009
Traditional IRA	1974 (Employee Retirement Income Security Act)	36.6 million	31.2%
SEP IRA	1978 (Revenue Act)	9.6 million	8.2%
SAR-SEP IRA	1986 (Tax Reform Act)		
SIMPLE IRA	1996 (Small Business Job Protection Act)		
Roth IRA	1997 (Taxpayer Relief Act)	17.0 million	14.5%
Any IRA		46.1 million	39.3%

Note: Households may hold more than one type of IRA.

Sources: Investment Company Institute and U.S. Census Bureau. See "The Role of IRAs in U.S. Households' Saving for Retirement, 2009," Investment Company Institute Fundamentals 19, no. 1, January 2010. Available at www.ici.org/pdf/fm-v19n1.pdf.

Traditional IRA assets were 88 percent of the total \$4.2 trillion in IRAs at year-end 2009 (Figure 6).¹⁵ Traditional IRAs held an estimated \$3.7 trillion in assets at year-end 2009, with 44 percent invested in mutual funds (Figure A10). Roth IRAs held an estimated \$215 billion in 2009 (Figures 6 and A11), with 69 percent held in mutual funds (Figures A10 and A11). Employer-sponsored IRAs (SEP, SAR-SEP, and SIMPLE IRAs) held a total of \$293 billion in assets in 2009 (Figures 6, A12, and A13), with 53 percent invested in mutual funds (Figures A10, A12, and A13).¹⁶

Households have used employer-sponsored plans and accounts to accumulate a sizable portion of the assets they now hold in IRAs. Indeed, SEP, SAR-SEP, and SIMPLE IRAs—despite being labeled “individual accounts” and counted as IRA assets—are, in fact, employer-sponsored savings vehicles. Furthermore, rollovers from 401(k) plans and other employer-sponsored plans are an important source of new funds flowing into traditional IRAs. For example, preliminary 2007 data indicate rollovers totaled \$323 billion, while contributions to traditional IRAs totaled \$14 billion

FIGURE 6

MOST IRA ASSETS HELD IN TRADITIONAL IRAS

IRA assets by type, year-end, 1998–2009

	Traditional ¹		SEP and SAR-SEP		Roth ²		SIMPLE		Total assets ⁴ Billions
	Assets Billions	Share ³ Percent	Assets Billions	Share ³ Percent	Assets Billions	Share ³ Percent	Assets Billions	Share ³ Percent	
1998	\$1,974	92%	\$115	5%	\$57	3%	\$4	(*)	\$2,150
1999	2,423	91	143	5	76	3	9	(*)	2,651
2000	2,407	92	134	5	78	3	10	(*)	2,629
2001	2,395	91	131	5	79	3	14	1%	2,619
2002	2,322	92	117	5	78	3	16	1	2,533
2003	2,719 ^e	91	145 ^e	5	106 ^e	4	23 ^e	1	2,993 ^e
2004	2,957	90	169	5	140	4	34	1	3,299
2005	3,259 ^e	89	191 ^e	5	160 ^e	4	42 ^e	1	3,652 ^e
2006	3,722 ^P	88	236 ^P	6	196 ^P	5	52 ^P	1	4,207 ^P
2007	4,223 ^P	88	266 ^P	6	233 ^P	5	63 ^P	1	4,784 ^P
2008	3,167 ^e	88	193 ^e	5	173 ^e	5	46 ^e	1	3,579 ^e
2009	3,722 ^e	88	235 ^e	6	215 ^e	5	58 ^e	1	4,230 ^e

¹Traditional IRAs include contributory and rollover IRAs.

²Roth IRAs include contributory and conversion Roth IRAs.

³Share is the percentage of total IRA assets.

⁴Education IRAs were renamed Coverdell Education Savings Accounts (ESAs) in July 2001 and are not included in total IRA assets.

(*) = less than 0.5 percent

^eData are estimated.

^PData are preliminary.

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

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

(Figure 7). Data from the Federal Reserve Board's Survey of Consumer Finances (SCF) indicate that about half of all traditional IRA assets in 2007 were held in

rollover IRAs.¹⁷ Combined, employer-based IRAs and rollover IRAs accounted for more than half of all IRA assets in 2007 (Figure 8).

FIGURE 7

ROLLOVERS GENERATE A SIGNIFICANT PORTION OF FLOWS INTO TRADITIONAL IRAs

Billions of dollars, 1996–2009

	Traditional IRAs			Total assets ⁴ Year-end	Of which: assets held in mutual funds Year-end
	Contributions ¹	Rollovers ²	Withdrawals ³		
1996	\$14.1	\$114.0	\$45.5	N/A	\$557
1997	15.0	121.5	55.2	\$1,642 ^e	728
1998	11.9	160.0	74.1	1,974	881
1999	10.3	199.9	87.1	2,423	1,130
2000	10.0	225.6	99.0	2,407	1,103
2001	9.2	187.8	94.3	2,395	1,035
2002	12.4	204.4	88.2	2,322	912
2003	12.3 ^e	205.0 ^e	88.3	2,719 ^e	1,146
2004	12.6	214.9	101.7	2,957	1,304
2005	13.6 ^e	246.5 ^e	112.3	3,259 ^e	1,448
2006	14.4 ^P	282.1 ^P	124.7	3,722 ^P	1,719
2007	14.4 ^P	323.1 ^P	148.0	4,223 ^P	1,944
2008	N/A	N/A	N/A	3,167 ^e	1,351
2009	N/A	N/A	N/A	3,722 ^e	1,648

¹Contributions include both deductible and nondeductible contributions to traditional IRAs.

²Rollovers are primarily from employer-sponsored retirement plans.

³Withdrawals consist of taxable IRA distributions reported on Form 1040, which have been primarily from traditional IRAs.

⁴Total assets are the fair market value of assets at year-end.

^eData are estimated.

^PData are preliminary.

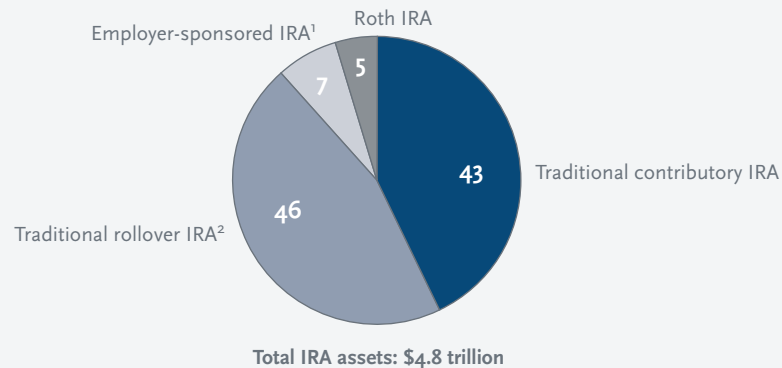
N/A = not available

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

FIGURE 8

EMPLOYER-BASED SAVINGS ARE THE SOURCE OF HALF OF IRA ASSETS

Percentage of total IRA assets, year-end 2007



¹Employer-sponsored IRAs include SEP, SAR-SEP, and SIMPLE IRA assets.

²Traditional rollover IRA assets include all assets contained in IRA accounts classified as rollover IRAs, as estimated from the Federal Reserve Board Survey of Consumer Finances.

Note: Components do not add to 100 percent because of rounding.

Sources: Internal Revenue Service Statistics of Income Division and Investment Company Institute tabulations of Survey of Consumer Finances

EMPLOYER-SPONSORED RETIREMENT PLANS

Assets held in employer-sponsored retirement plans represented 65 percent of total U.S. retirement assets in 2009 (Figures 1 and A1). Investors held \$4.1 trillion in DC plans, accounting for 40 percent of employer-sponsored plan assets. Private-sector employer-sponsored DB plans, with \$2.1 trillion, accounted for 21 percent of employer-sponsored plan assets in 2009. In addition, state and local government DB plans held \$2.8 trillion, and federal pension plans held \$1.3 trillion.¹⁸

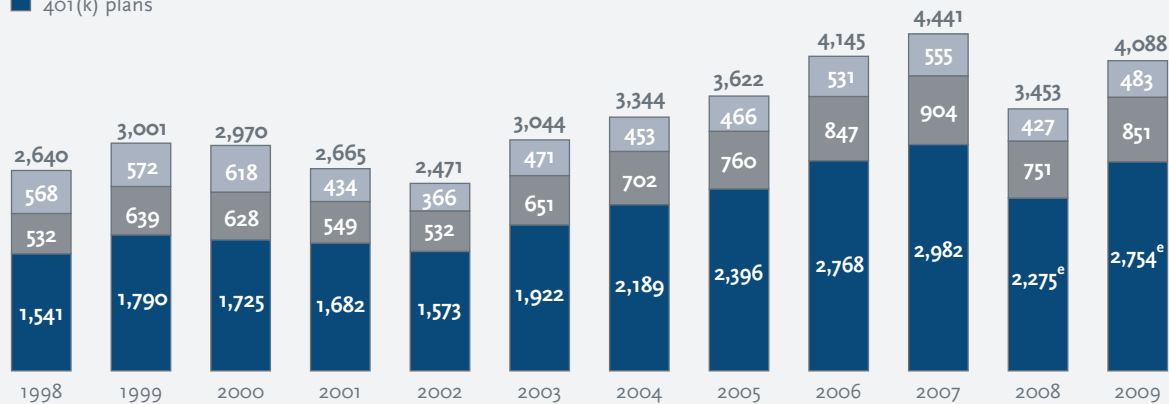
In 2009, investors held \$2.8 trillion in 401(k) plans, the most common type of DC plan (Figure 9).^{19, 20} Some employers offer their workers other types of DC plans. For example, many educational institutions and certain nonprofit organizations offer 403(b) plans, and state and local governments (and certain tax-exempt organizations) provide 457 plans to their employees. Both 403(b) and 457 plans have features similar to those of 401(k) plans, such as allowing participants to defer current salary and direct the investment allocation of their assets.

FIGURE 9

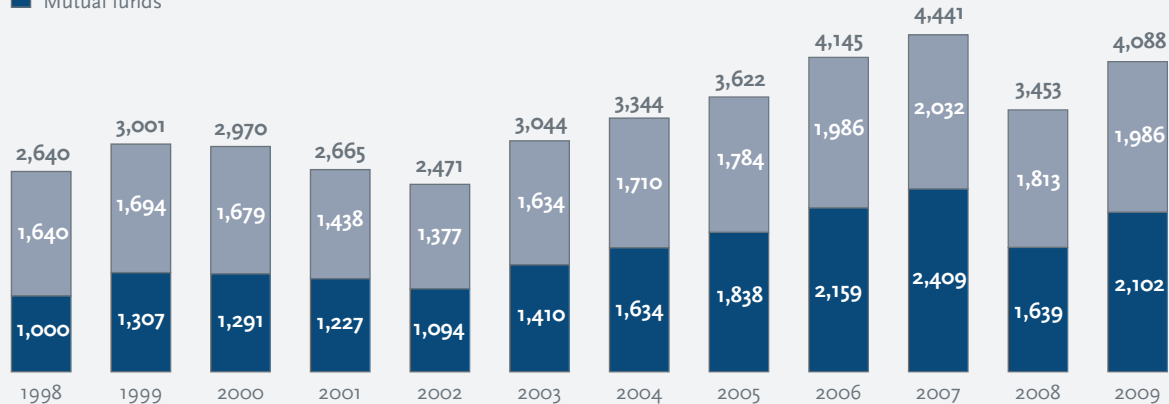
DEFINED CONTRIBUTION PLAN ASSETS AND AMOUNTS HELD IN MUTUAL FUNDS

Billions of dollars, year-end, 1998–2009

- Other DC plans*
- 403(b) plans and 457 plans
- 401(k) plans



- Other investments
- Mutual funds



*This category includes Keoghs and other DC plans (profit-sharing, thrift-savings, stock bonus, and money purchase) without 401(k) features.

^eData are estimated.

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

Some private-sector employers offer other types of DC plans—such as noncontributory profit-sharing plans—that may not have 401(k) features. Investors held \$1.3 trillion in non-401(k) DC plans in 2009 (Figure 9). At year-end 2009, investors relied on mutual funds to manage \$2.1 trillion in DC plan assets: \$1.5 trillion in

401(k) plans, \$328 billion in 403(b) plans, \$65 billion in 457 plans (Figure 10), and \$193 billion in other DC plans²¹ (Figure A16). Overall, mutual funds managed 55 percent of the assets in 401(k) plans, 48 percent of the assets in 403(b) plans, 38 percent of 457 plan assets, and 40 percent of other DC plan assets

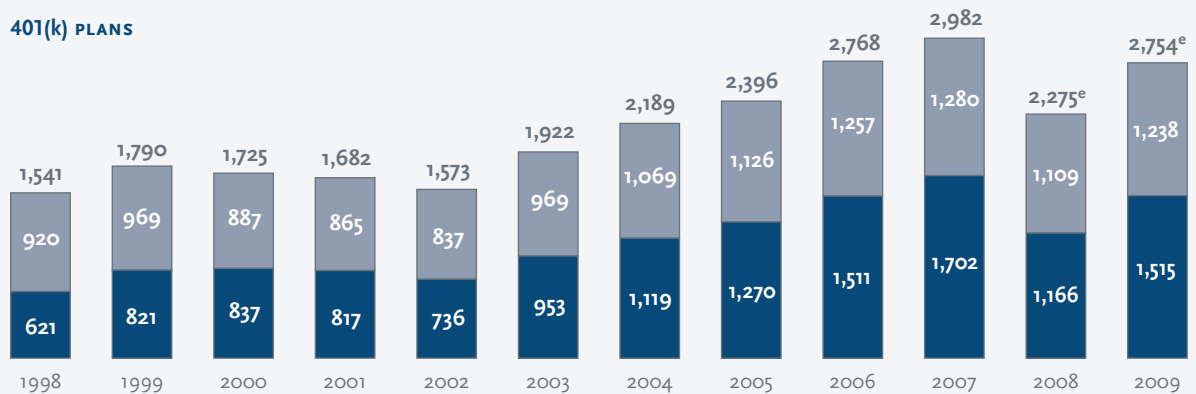
FIGURE 10

DEFINED CONTRIBUTION PLANS HOLD SIGNIFICANT MUTUAL FUND ASSETS

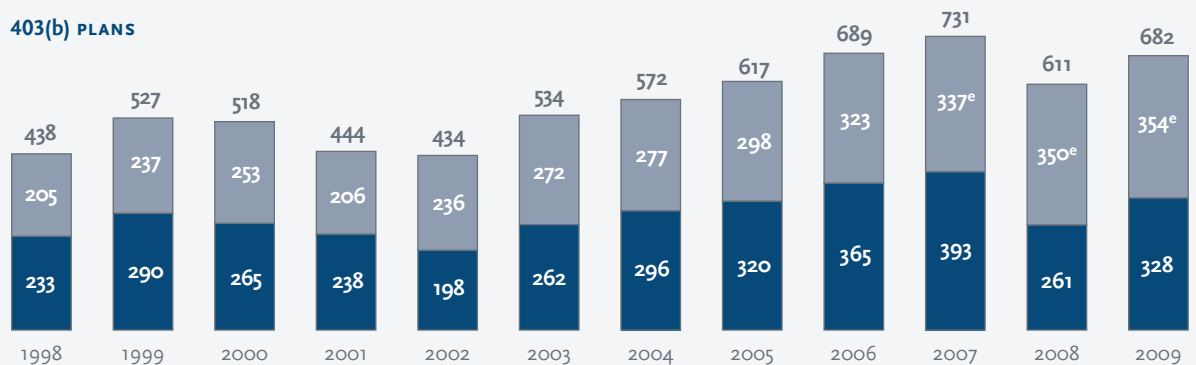
Billions of dollars, year-end, 1998–2009

Other investments
Mutual funds

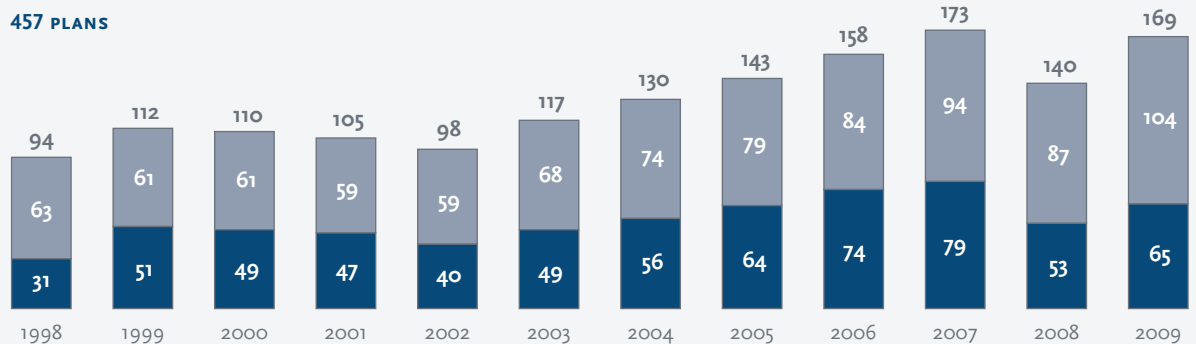
401(k) PLANS



403(b) PLANS



457 PLANS



^eData are estimated.

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

(Figures 10, A16, and A17). Mutual fund shares held in 403(b) plans include both VA mutual fund shares totaling \$180 billion and non-VA mutual fund shares

of \$148 billion; the remaining 52 percent were invested in annuity reserves at life insurance companies (Figure 11).

FIGURE 11

403(b) PLAN ASSETS AND SHARE OF TOTAL 403(b) PLAN ASSETS BY INSTITUTION

End-of-period, 1996–2008, 2009:Q1–2009:Q4

	Life insurance companies ¹		VA mutual funds		Non-VA mutual funds		Total assets Billions
	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	
1996	\$208 ^e	58%	\$103	29%	\$45	13%	\$356
1997	238 ^e	56	129	30	59	14	426
1998	205	47	158	36	75	17	438
1999	237	45	190	36	100	19	527
2000	253	49	173	33	92	18	518
2001	206	46	149	34	89	20	444
2002	236	54	120	28	78	18	434
2003	272	51	157	29	105	20	534
2004	277	48	175	31	121	21	572
2005	298	48	185	30	134	22	617
2006	323	47	210	31	155	23	689
2007	337 ^e	46	221	30	172	24	731
2008	350 ^e	57	144	24	117	19	611
2009:Q1	351 ^e	59	133	22	110	18	593
2009:Q2	352 ^e	56	152	24	126	20	631
2009:Q3	355 ^e	53	173	26	144	21	672
2009:Q4	354 ^e	52	180	26	148	22	682

¹Annuities held by 403(b) plans exclude variable annuity (VA) mutual fund 403(b) assets.

²Share is the percentage of total 403(b) plan assets.

^eData are estimated.

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

Sources: Investment Company Institute, American Council of Life Insurers, and Federal Reserve Board

MUTUAL FUND RETIREMENT INVESTORS FAVOR LONG-TERM FUNDS

Investors primarily held long-term (stock, hybrid, and bond) mutual funds in DC plans and IRAs. In 2009, 58 percent, or \$2.3 trillion, of the \$4.1 trillion of DC plan and IRA mutual fund assets were invested in stock funds (Figures 12, A9, and A15). Hybrid funds (which invest in a mix of equity and fixed-income securities and include most lifestyle and lifecycle funds; Figures 13, A18, and A19) managed \$709 billion in DC plan and IRA assets; bond funds held an additional \$606 billion; and money market funds held \$394 billion (Figures 12, A9, and A15). Most DC plan and IRA long-term mutual fund assets were actively managed funds. At year-end 2009, \$3.3 trillion of long-term mutual fund assets held in DC plans and IRAs were actively managed, compared with \$355 billion invested in passively managed, or index, mutual funds (Figure A6). Investors allocate assets in VA mutual funds held outside of retirement accounts in a similar manner, although with a higher proportion in stock and bond VA mutual funds and a lower proportion in hybrid and money market VA mutual funds (Figure 12).²²

Mutual Fund Assets in DC Plan Accounts. In 2009, \$2.1 trillion, or 51 percent, of employer-sponsored DC plan assets were invested in mutual funds (Figure 9). Sixty percent of those mutual fund assets were equity funds (Figures 12 and A15). Hybrid funds (which invest in a mix of equity and fixed-income securities and include lifecycle and lifestyle mutual funds; Figures 13, A18, and A19) represented 19 percent of DC plan mutual fund holdings in 2009. Another 13 percent of assets were bond funds, and the remaining 8 percent were money market funds (Figures 12 and A15).

Mutual Funds in IRAs. In 2009, \$2.0 trillion, or 46 percent, of IRA assets were invested in mutual funds (Figure 4). Fifty-six percent of those mutual fund assets were equity funds (Figures 12 and A9). Hybrid funds represented 16 percent of IRA mutual fund holdings in 2009. The remaining assets were split between bond funds (17 percent) and money market funds (12 percent). Traditional IRAs hold the bulk of both total IRA assets (Figure 6) and mutual fund assets in IRAs (Figure A10).²³

FIGURE 12

MAJORITY OF MUTUAL FUND RETIREMENT ASSETS INVESTED IN STOCKS

Mutual fund retirement assets by type of fund, billions of dollars, 2009:Q4

	Equity			Hybrid ¹	Bond	Money market	Total
	Total	Domestic	Foreign				
Retirement accounts	\$2,345	\$1,788	\$557	\$709	\$606	\$394	\$4,054
IRAs	1,086	823	263	314	323	230	1,953
DC plans	1,259	965	294	395	283	165	2,102
401(k) plans	890	661	230	319	198	108	1,515
403(b) plans	231	200	31	42	32	23	328
457 plans	41	33	8	11	11	2	65
Other DC plans ²	97	72	25	22	42	31	193
VA mutual funds (outside of retirement accounts)³	581	451	130	67	196	40	884
Total	2,926	2,238	687	776	802	435	4,938

¹ Hybrid funds invest in a mix of equities and fixed-income securities. The bulk of lifecycle and lifestyle mutual funds are counted in this category.

² This category includes Keoghs and other DC plans (profit sharing, thrift-savings, stock bonus, and money purchase) without 401(k) features.

³ Some of the VA mutual fund assets may be assets held in variable life insurance policies, which are not counted as part of the U.S. retirement market. ICI is not able to separately identify the portion of VA mutual fund assets contained in these policies.

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

Source: Investment Company Institute

Net New Cash Flow to Mutual Funds from Retirement Accounts. Using retirement account holdings information and fund-specific cash-flow information and implied rates of return, ICI estimates net new cash flow into mutual funds from retirement accounts.²⁴ Net new cash flow into mutual funds from IRAs and DC plans both picked up in 2009 compared with 2008, though still not back to pace seen in 2007 and earlier (Figures A7 and A8). Long-term mutual funds held in retirement accounts experienced positive net new cash flow in 2009, with \$110 billion in net inflows, compared to \$77 billion in net outflows in 2008. Although retirement account outflows from equity funds were \$25 billion in 2009, both bond funds and hybrid funds experienced net inflows into retirement accounts (Figure A8). Bond funds had inflows of \$93 billion, compared with net inflows of \$31 billion in 2008. Flows into hybrid funds were \$41 billion in 2009, compared with net inflows of \$28 billion in 2008.²⁵ Retirement account flows into money funds turned negative for the first time since 2004, with \$62 billion of net outflows in 2009.

ASSETS IN LIFECYCLE AND LIFESTYLE MUTUAL FUNDS

Lifecycle (or target date) and lifestyle (or target risk) mutual funds have grown in popularity among investors and retirement plan sponsors in recent years. Lifecycle investment options (including lifecycle mutual funds), in particular, have been increasingly offered in the investment lineup of plan sponsors and held in the accounts of recently hired 401(k) plan investors.²⁶

Eighty-four percent of the assets of lifecycle mutual funds were held in retirement accounts at year-end 2009 (Figures 13 and A18).²⁷ A lifecycle fund pursues a long-term investment strategy, using a mix of asset classes, or asset allocation, that the fund provider adjusts to become more conservative over time. The asset allocation path that the lifecycle fund follows to become more conservative over time is typically referred to as the “glide path.” Since discussions of asset allocation usually focus on the percentage of the portfolio invested in equities, the glide path generally reflects the declining percentage of equities in the portfolio as it approaches and passes the target date, which is usually indicated in the fund’s name. The target date generally is the date at which the typical investor for whom that fund is designed would reach retirement age and stop making new investments in the fund.

Forty-five percent of lifestyle mutual fund assets were held in retirement accounts (Figures 13 and A19). These funds maintain a predetermined risk level and generally use words such as “conservative,” “moderate,” or “aggressive” in their names to indicate the fund’s risk level.

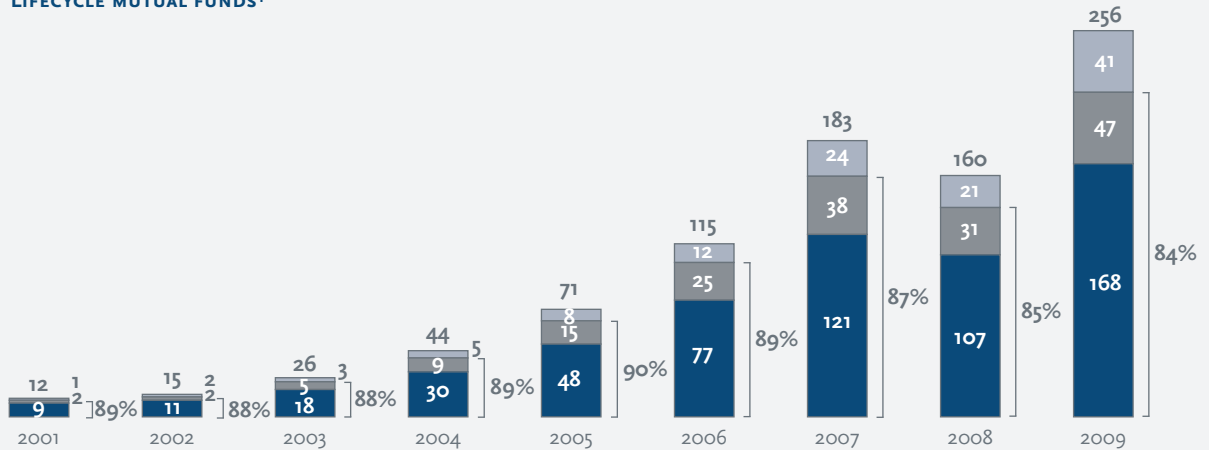
FIGURE 13

LIFECYCLE AND LIFESTYLE MUTUAL FUND ASSETS

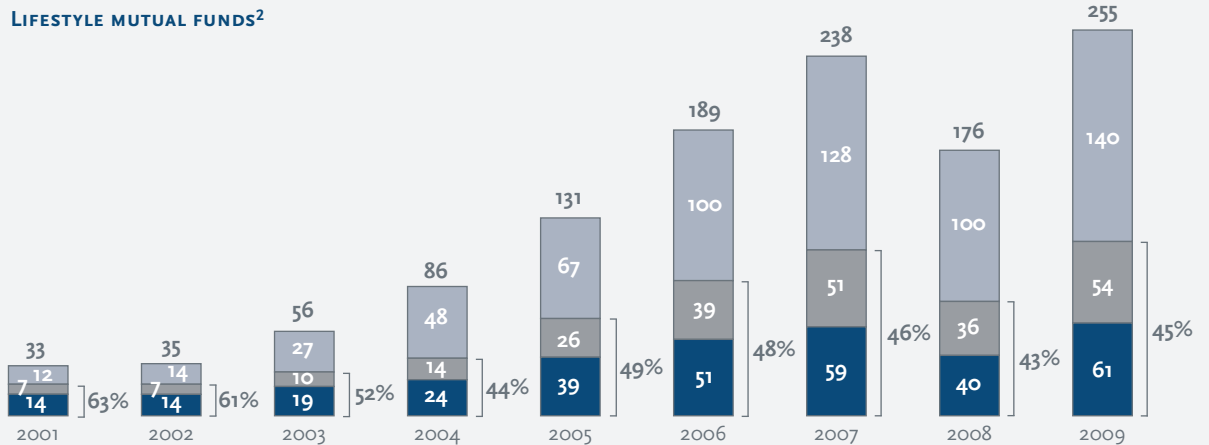
Billions of dollars, year-end, 2001–2009

- Other investors
- IRAs
- Employer-sponsored DC plans

LIFECYCLE MUTUAL FUNDS¹



LIFESTYLE MUTUAL FUNDS²



¹A lifecycle mutual fund typically rebalances to an increasingly conservative portfolio as it approaches and passes the target date of the fund, which is usually included in the fund's name.

²A lifestyle mutual fund maintains a predetermined risk level and generally contains "conservative," "aggressive," or "moderate" in the fund's name.

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

Source: Investment Company Institute

ADDITIONAL READING

"The Evolving Role of IRAs in U.S. Retirement Planning," *Investment Company Institute Perspective*. This report describes how the evolution of employer-sponsored retirement plans has elevated the importance of IRAs for many U.S. households and highlights the significant role that IRAs play in retirement and retirement planning. Available at www.ici.org/pdf/per15-03.pdf.

"The Role of IRAs in U.S. Households' Saving for Retirement, 2009," *Investment Company Institute Fundamentals*. This study reports information from two ICI household surveys, the 2009 IRA Owners Survey and the 2009 ICI Mutual Fund Shareholder Tracking Survey. Available at www.ici.org/pdf/fm-v19n1.pdf.

NOTES

- ¹ IRAs and employer-sponsored DC plan accounts held 36 percent of the \$11.1 trillion in mutual fund assets in the United States at year-end 2009 (Figures A5 and A21). 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).
- ² Ninety-four percent of mutual fund shareholders indicate that saving for retirement is one of their financial goals and 76 percent indicate that it is their primary financial goal. See Schrass and Bass 2010 and Sabelhaus, Bogdan, and Bass 2009.
- ³ This is based on data from ICI's Quarterly Questionnaire for Retirement Statistics, which gathered data from 18,786 mutual fund share classes representing approximately 84 percent of mutual fund industry assets at year-end 2009. Assets were estimated for all nonreporting funds. Data 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 Classification of Shareholder Assets.
- ⁴ In this report, estimates of mutual fund assets in DB plans have been excluded because of incomplete reporting. Federal Reserve Board data indicate that mutual fund assets held in private-sector DB plans accounted for \$286 billion at year-end 2009, or less than 2 percent of the U.S. retirement market. In addition, the Federal Reserve Board reports that state and local government (DB) employee retirement funds held \$247 billion in mutual fund assets at year-end 2009, or less than 2 percent of the U.S. retirement market. See Federal Reserve Board 2010.
- ⁵ ICI reports a lower annuities total than the Flow of Funds Accounts (see Federal Reserve Board 2010) because annuities held in IRAs, 457 plans, and 403(b) plans are netted from the Flow of Funds Accounts annuities (life insurance pension fund reserves) figure and reported in their respective categories by ICI.
- ⁶ Total IRA market assets are derived from tabulations of total IRA assets provided by the IRS Statistics of Income (SOI) Division for tax years 1989, 1993, 1996–2002, and 2004; with preliminary data provided for 2006 and 2007. These tabulations are based on a sample of IRS returns. For a description of the SOI estimation techniques, see Sailer, Weber, and Gurka 2003; Sailer and Nutter 2004; Bryant and Sailer 2006; and Bryant 2008.
- ⁷ In 2009, 39 percent of U.S. households owned IRAs, 60 percent of U.S. households had employer-sponsored plan coverage (DC plan balances, current DB plan payments, or expected future DB plan payments), and 31 percent had both IRAs and employer-sponsored plan coverage. See Holden and Schrass 2010a.
- ⁸ 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 the Federal Employees Retirement System (FERS) Thrift Savings Plan (TSP). Although the TSP is similar to a 401(k) plan, assets held by the TSP are included in federal government retirement assets and are not included in the DC plan total. At year-end 2009, the TSP held \$244 billion in assets. For more details regarding the TSP, see Clifton Gunderson LLP 2010.
- ⁹ Derivation of this estimate is based on information from the Federal Reserve Board's Survey of Consumer Finances (SCF) and is explained in more detail in endnote 17 (see Figure 8, as well). See Federal Reserve Board 2009. For the article summarizing the 2007 SCF, see Bucks, Kennickell, Mach, and Moore 2009.
- ¹⁰ All told, through taxable, tax-deferred, and tax-exempt accounts, households held 86 percent of the \$11.1 trillion in mutual fund assets at year-end 2009. See Investment Company Institute 2010.
- ¹¹ These mutual funds are commonly referred to as variable annuity (VA) mutual funds. However, some of the VA mutual fund assets backing variable products at life insurance companies may be held in variable life insurance policies, which are not counted as part of the U.S. retirement market. ICI is unable to separately identify the type of variable product in which VA mutual funds shares are held. Estimates from Federal Reserve Board staff, based on tabulation of 2005 A.M. Best data, are that approximately 15 percent of assets in life insurance company separate accounts (the accounts that back variable products at life insurance companies) were in variable life policies.
- ¹² See endnotes 5 and 11.
- ¹³ For additional discussion of IRA-owning households, see Holden and Schrass 2010a and 2010b.
- ¹⁴ For a history of IRAs, see Holden, Ireland, Leonard-Chambers, and Bogdan 2005. For a discussion of the changing role of IRAs in retirement planning, see Sabelhaus and Schrass 2009.

¹⁵ See endnote 6.

¹⁶ The relatively new SIMPLE IRA, which is designed for firms with 100 or fewer employees, has experienced steady growth in number of plans and participants since its introduction in 1998 (Figure A14). Figure A14 is based on semiannual surveys of 24 ICI member firms that held about three-quarters of the SIMPLE IRA assets invested in mutual funds at year-end 2008.

¹⁷ See Federal Reserve Board 2009. The SCF added a new series of questions to their survey to ascertain the type of IRA assets held by households (beginning with the 2001 survey) and the amount of assets in each type of IRA (beginning with the 2004 survey). The SCF asks respondents to identify the type(s) of (non-employer-sponsored) IRAs that they own: Roth, rollover, regular or other, or Keogh. It then asks for the value of each type of account. To estimate the percentage of traditional IRAs that are rollover IRAs, ICI used the ratio from the SCF of “roll-over” IRAs to the sum of “roll-over” and “regular or other” IRAs. The accuracy of this estimate will depend on the extent to which SCF respondents properly characterized and allocated their IRA assets among the types of IRAs.

¹⁸ See endnote 8.

¹⁹ Assets in 401(k) plans refer to private-sector 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. Total 401(k) asset data through 2007 are from the U.S. Department of Labor’s tabulations of the Form 5500 data (see U.S. Department of Labor 2009 and 2010). Data after 2007 are estimated by ICI. For a history of 401(k) plans, see Holden, Hadley, and Brady 2006.

²⁰ Prior to 2005, the U.S. Department of Labor private pension plan bulletin updates reported a count of active 401(k) plan participants that had been adjusted from the number of active participants that was actually reported in the Form 5500 filings to exclude: (1) individuals eligible to participate in a 401(k) plan who had not elected to have their employers make contributions; and (2) non-vested former employees who had not (at the time the Form 5500s were submitted) incurred the break in service period established by their plan (see U.S. Department of Labor Employee Benefits Security Administration 2010 for further detail). This change in methodology results in a dramatic increase in the number of individuals reported as active participants in 401(k) plans: in 2004, the number of active participants increased to 53.1 million (new method) from 44.4 million (old method;

see U.S. Department of Labor Employee Benefits Security Administration 2010). As the Department of Labor notes: “In a purely economic sense and for research purposes, individuals in these groups should not be included in the count of active participants.” However, the form schedule needed to make the adjustment is no longer required. Adjusting the Form 5500 data, ICI estimates there were 49.8 million active 401(k) participants in 2007.

²¹ Other DC plans—which include DC plans without 401(k) features and some Keoghs—held \$483 billion in assets in 2009 (Figure A17). 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 Keoghs and other types of pension plans. They are now designated as a specific type of pension plan—e.g., profit-sharing Keogh, 401(k) Keogh—and governed by the rules of such plans.

²² See Appendix Figure A4 for total VA mutual fund assets.

²³ 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 \$5 billion in 2009 (Figure A10).

²⁴ ICI does not collect sales or net new cash flow information for retirement plans on its Quarterly Questionnaire for Retirement Statistics. 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 individual fund share class had the same investment performance as the entire mutual fund. Investment performance for each mutual fund was calculated by taking the total change in assets and adjusting for total net new cash flow during the time period (estimated annually through 2006; estimated quarterly since 2007:Q1).

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:

$$RF_t = \frac{TF_t(RA_{t-1} + RA_t) + 2(RA_t)(TA_{t-1}) - 2(TA_t)(RA_{t-1})}{(TA_t + TA_{t-1})}$$

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

²⁵ Retirement flows to funds of funds are counted in the investment objective of the funds of funds. Industry flows to funds of funds are counted in the investment objective of the underlying funds. The bulk of lifecycle and lifestyle fund flows were included in the hybrid category in the retirement flow estimates, but would be counted in the underlying funds' flows in the industry data (Figure A8).

²⁶ See Holden, VanDerhei, and Alonso 2009 for lifecycle investment option offering and use among 401(k) plans and plan participants at year-end 2008. For example, at year-end 2008, three-quarters of plans in the EBRI/ICI 401(k) database had lifecycle investment options in their plan lineups; 31 percent of the 24.0 million 401(k) participants in the EBRI/ICI database held lifecycle investments, and lifecycle investments represented 6.6 percent of the EBRI/ICI 401(k) database assets.

²⁷ Often, lifecycle and lifestyle funds are organized as funds of funds, with their underlying portfolios typically invested in other funds managed by the fund sponsor. These funds of funds are included in the asset totals.

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APPENDIX: ADDITIONAL DATA ON THE U.S. RETIREMENT MARKET

FIGURE A1

U.S. TOTAL RETIREMENT MARKET

Billions of dollars, end-of-period, 1985–2006, 2007:Q1–2009:Q4

	IRAs	DC plans ¹	State and local government pension plans	Private DB plans	Federal pension plans ²	Annuities ³	Total
1985	\$241	\$509	\$405	\$813	\$172	\$181	\$2,321
1986	330	567	481	839	202	226	2,644
1987	405	654	537	827	233	234	2,890
1988	469	719	603	831	267	291	3,181
1989	546	855	706	945	304	338	3,694
1990	637	892	742	922	340	391	3,923
1991	776	1,061	868	1,073	382	423	4,582
1992	873	1,161	957	1,098	426	473	4,989
1993	993	1,320	1,066	1,212	468	522	5,581
1994	1,056	1,407	1,117	1,303	512	526	5,921
1995	1,288	1,717	1,354	1,496	541	582	6,978
1996	1,467	1,961	1,538	1,623	606	626	7,820
1997	1,728	2,343	1,825	1,798	659	658	9,012
1998	2,150	2,640	2,063	1,948	716	818	10,336
1999	2,651	3,001	2,360	2,117	774	928	11,833
2000	2,629	2,970	2,340	2,009	797	951	11,696
2001	2,619	2,665	2,250	1,845	860	1,041	11,280
2002	2,533	2,471	1,973	1,670	894	1,001	10,543
2003	2,993 ^e	3,044	2,396	2,025	958	1,125	12,543
2004	3,299	3,344	2,621	2,162	1,023	1,332	13,782
2005	3,652 ^e	3,622	2,763	2,310	1,072	1,443	14,862
2006	4,207 ^P	4,145	3,175	2,557	1,141	1,521	16,748
2007:Q1	4,348 ^e	4,226	3,209	2,601	1,132	1,539	17,056
2007:Q2	4,623 ^e	4,406	3,355	2,729	1,133	1,584	17,831
2007:Q3	4,802 ^e	4,491	3,381	2,754	1,155	1,607	18,191
2007:Q4	4,784 ^P	4,441	3,315	2,691	1,197	1,592	18,021
2008:Q1	4,545 ^e	4,228	3,077	2,493	1,171	1,533	17,048
2008:Q2	4,534 ^e	4,234	3,041	2,458	1,179	1,522	16,968
2008:Q3	4,143 ^e	3,935	2,848	2,290	1,188	1,474	15,879
2008:Q4	3,579 ^e	3,453	2,425	1,957	1,221	1,355	13,989
2009:Q1	3,428 ^e	3,337	2,269	1,816	1,192	1,329	13,372
2009:Q2	3,757 ^e	3,629	2,466	1,947	1,215	1,360	14,374
2009:Q3	4,093 ^e	3,961	2,682	2,094	1,250	1,405	15,484
2009:Q4	4,230 ^e	4,088	2,766	2,148	1,324	1,407	15,963

¹DC plans include 403(b) plans, 457 plans, and private employer-sponsored DC plans (including 401(k) plans).

²Federal 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).

³Annuities 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.

^eData are estimated.

^PData are preliminary.

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

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 A2

MUTUAL FUND RETIREMENT ACCOUNT ASSETS*Billions of dollars, end-of-period, 1990–2006, 2007:Q1–2009:Q4*

	Total mutual fund retirement assets	Employer-sponsored DC plan mutual fund assets*	IRA mutual fund assets
1990	\$206	\$67	\$139
1991	322	135	187
1992	419	184	235
1993	582	263	319
1994	665	320	345
1995	914	445	470
1996	1,180	591	589
1997	1,558	785	773
1998	1,972	1,000	972
1999	2,572	1,307	1,265
2000	2,530	1,291	1,239
2001	2,394	1,227	1,167
2002	2,131	1,094	1,037
2003	2,727	1,410	1,317
2004	3,143	1,634	1,509
2005	3,526	1,838	1,688
2006	4,174	2,159	2,015
2007:Q1	4,317	2,235	2,083
2007:Q2	4,594	2,376	2,218
2007:Q3	4,747	2,444	2,303
2007:Q4	4,697	2,409	2,288
2008:Q1	4,393	2,244	2,150
2008:Q2	4,384	2,242	2,142
2008:Q3	3,899	1,985	1,914
2008:Q4	3,224	1,639	1,585
2009:Q1	3,036	1,546	1,491
2009:Q2	3,451	1,773	1,678
2009:Q3	3,892	2,015	1,876
2009:Q4	4,054	2,102	1,953

*This category includes 401(k) plans, 403(b) plans, 457 plans, Keoghs, and other DC plans without 401(k) features.

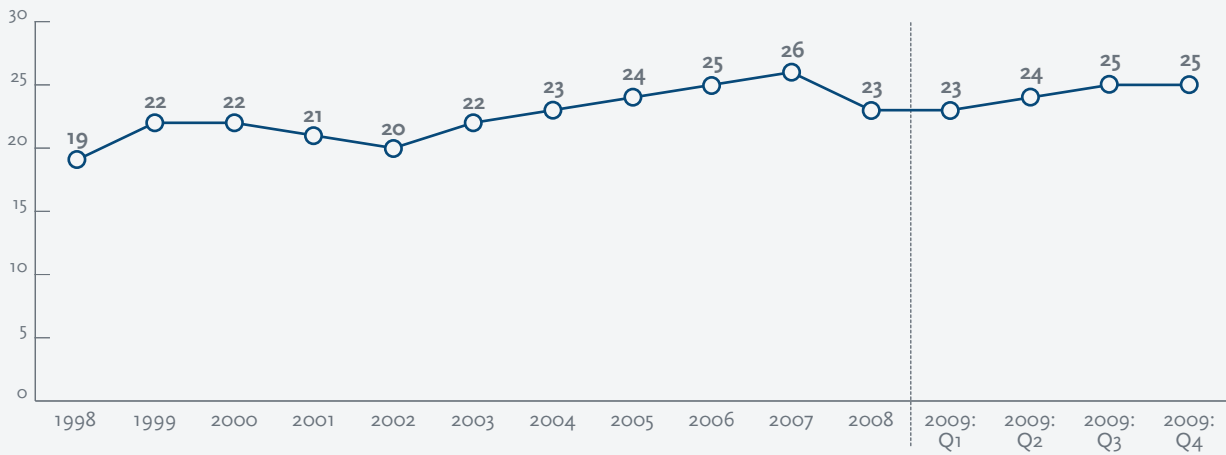
Note: Components may not add to the total because of rounding.

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

FIGURE A3

MUTUAL FUNDS' SHARE OF U.S. RETIREMENT ASSETS^{1,2}

Percentage, end-of-period, 1998–2008, 2009:Q1–2009:Q4



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

²Mutual fund retirement assets exclude DB plans' mutual fund holdings, which amounted to about 2 percent of the U.S. retirement market at the end of the fourth quarter of 2009. VA mutual fund assets held outside of retirement accounts also are excluded. Included are mutual fund assets held by IRAs and employer-sponsored DC 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*End-of-period, 1996–2006, 2007:Q1–2009:Q4*

	IRAs		Employer-sponsored DC plans		Other investors		Total assets Billions
	Assets Billions	Share* Percent	Assets Billions	Share* Percent	Assets Billions	Share* Percent	
1996	\$18	5%	\$117	34%	\$214	61%	\$349
1997	24	5	145	31	304	64	473
1998	33	5	178	29	404	66	615
1999	43	5	225	27	551	67	819
2000	43	5	210	26	565	69	817
2001	40	5	182	24	521	70	742
2002	40	6	143	22	455	71	639
2003	53	6	186	22	598	71	837
2004	66	7	204	21	704	72	974
2005	73	7	221	21	779	73	1,073
2006	88	7	254	20	924	73	1,266
2007:Q1	91	7	260	20	940	73	1,291
2007:Q2	97	7	273	20	999	73	1,369
2007:Q3	100	7	279	20	1,038	73	1,417
2007:Q4	99	7	271	19	1,029	74	1,398
2008:Q1	91	7	248	19	950	74	1,289
2008:Q2	91	7	245	19	947	74	1,284
2008:Q3	80	7	216	19	839	74	1,135
2008:Q4	66	7	175	19	688	74	929
2009:Q1	62	7	162	19	648	74	872
2009:Q2	71	7	186	19	744	74	1,001
2009:Q3	82	7	214	19	849	74	1,144
2009:Q4	85	7	223	19	884	74	1,192

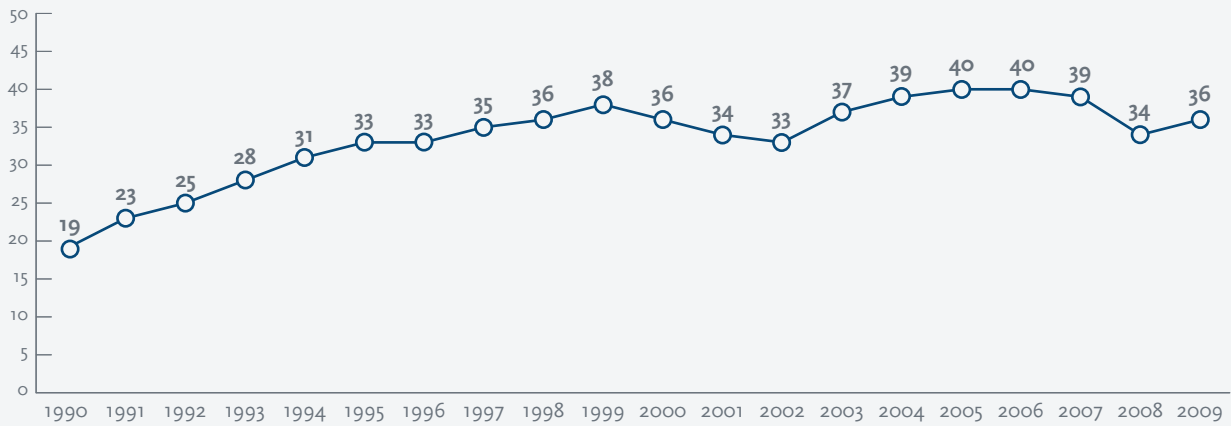
Share is the percentage of total VA mutual fund assets.Note: Components may not add to the total because of rounding.**Source: Investment Company Institute*

FIGURE A5

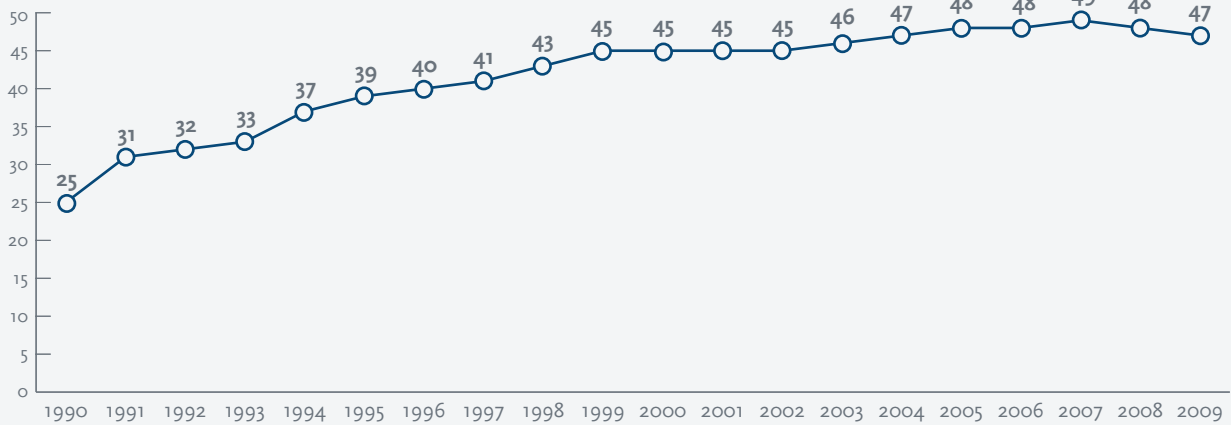
SHARE OF MUTUAL FUND ASSETS HELD IN RETIREMENT ACCOUNTS

Percent, year-end, 1990–2009

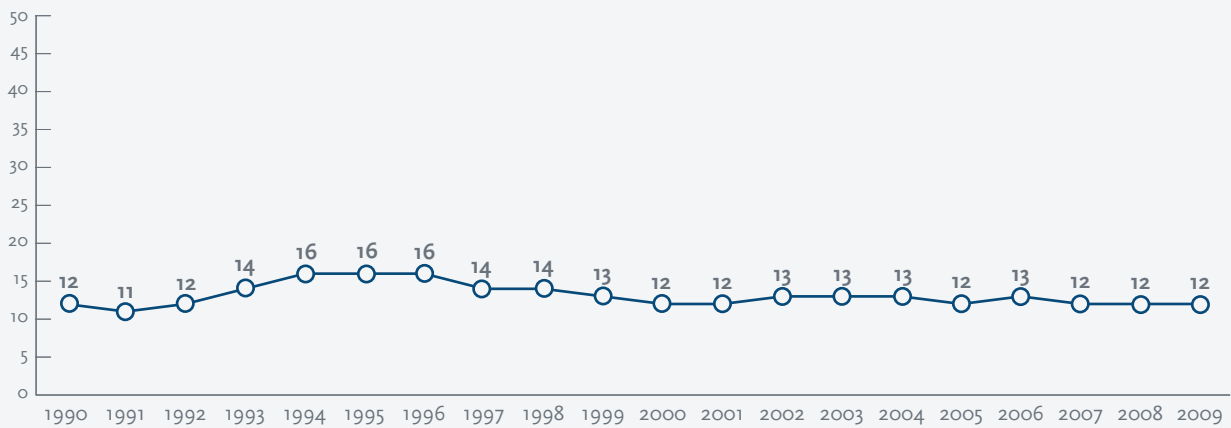
ALL MUTUAL FUNDS



LONG-TERM FUNDS*



MONEY MARKET FUNDS



*Long-term funds include equity, hybrid, and bond funds.

Source: Investment Company Institute

FIGURE A6

INDEX MUTUAL FUND ASSETS¹ AND RETIREMENT ACCOUNTS

End-of-period, 1996–2006, 2007:Q1–2009:Q4

	IRAs		Employer-sponsored DC plans		Other investors		Total assets Billions
	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	
1996	\$11	11%	\$33	34%	\$53	54%	\$97
1997	20	12	55	33	94	56	169
1998	34	13	80	30	149	57	264
1999	65	17	118	31	204	53	387
2000	64	17	117	31	203	53	384
2001	60	16	114	31	196	53	371
2002	54	16	100	30	174	53	328
2003	78	17	135	30	242	53	455
2004	96	17	162	29	298	54	556
2005	105	17	182	29	333	54	621
2006	128	17	215	29	406	54	749
2007:Q1	132	17	222	28	430	55	784
2007:Q2	142	17	239	28	460	55	840
2007:Q3	147	17	244	28	480	55	871
2007:Q4	144	17	239	28	473	55	857
2008:Q1	133	17	220	27	451	56	805
2008:Q2	132	16	221	28	449	56	802
2008:Q3	121	17	204	28	404	55	729
2008:Q4	99	16	167	28	337	56	603
2009:Q1	92	16	157	28	322	56	571
2009:Q2	108	16	183	27	381	57	671
2009:Q3	126	16	213	27	446	57	785
2009:Q4	132	16	223	27	481	58	837

¹Index 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 81 percent of the \$837 billion of index fund assets at the end of the fourth quarter of 2009.

²Share is the percentage of total index mutual fund assets.

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

Source: Investment Company Institute

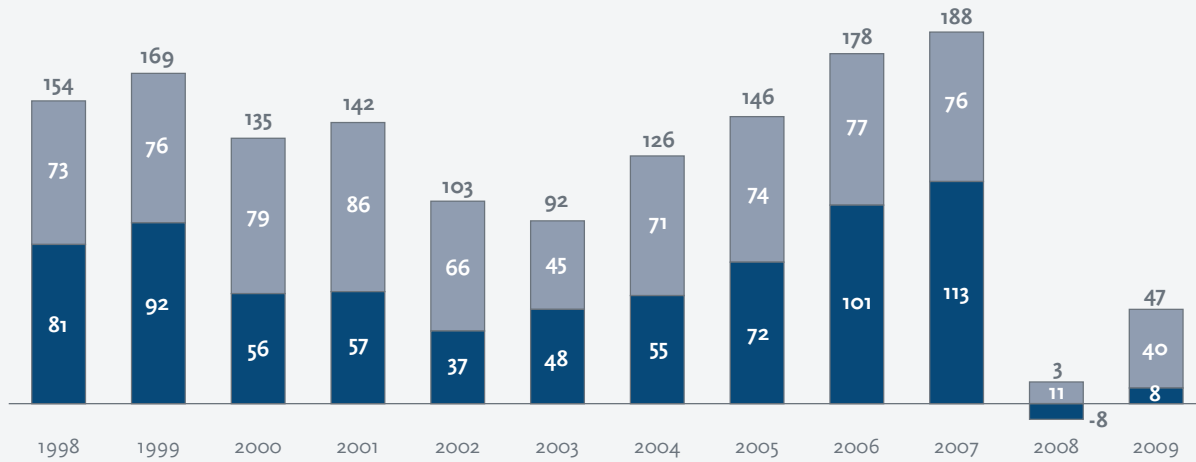
FIGURE A7

ESTIMATED NET NEW CASH FLOW¹ TO MUTUAL FUNDS FROM RETIREMENT ACCOUNTS

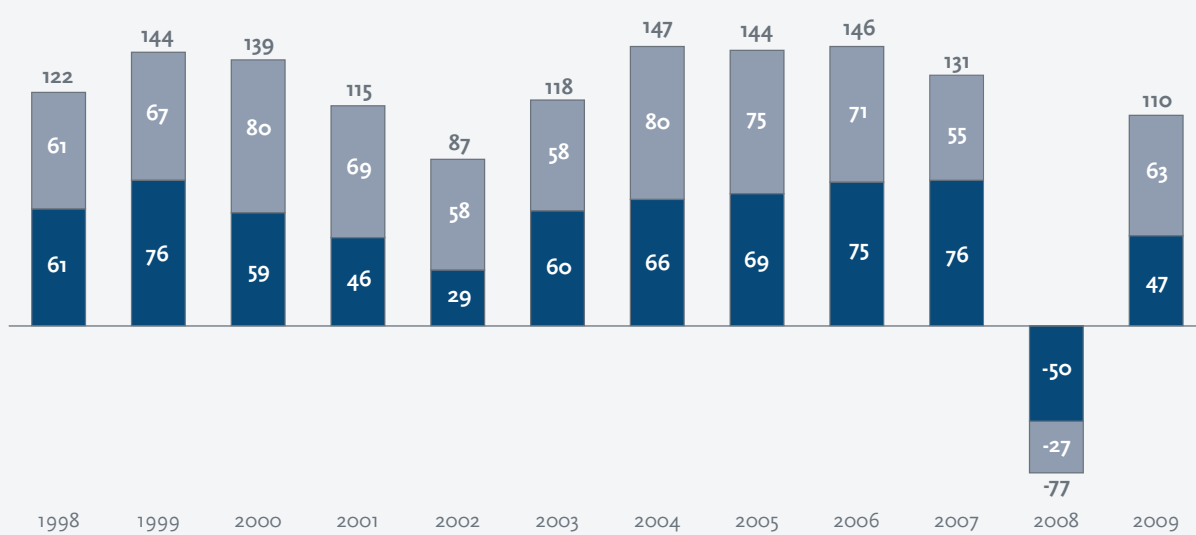
Billions of dollars, 1998–2009

■ Employer-sponsored DC plans
■ IRAs

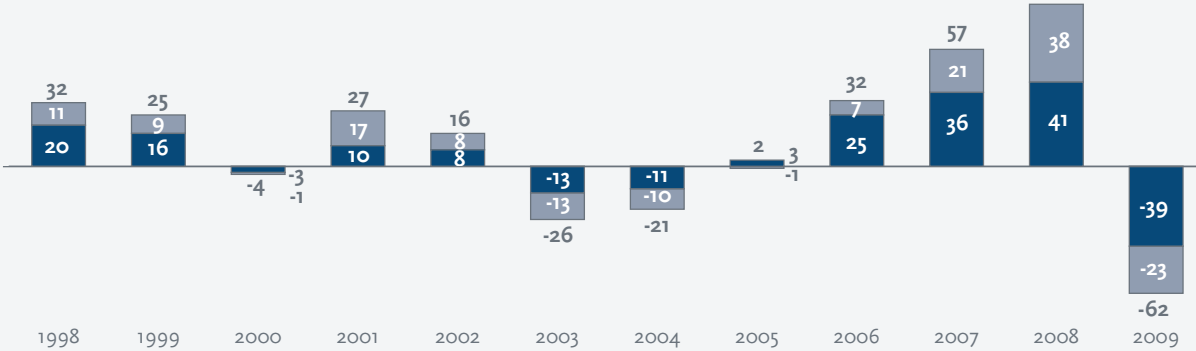
ALL MUTUAL FUNDS



LONG-TERM FUNDS²



MONEY MARKET FUNDS



¹ See endnote 24 for an explanation of the procedure used to estimate net new cash flows to mutual funds from retirement accounts.

² Long-term funds include equity, hybrid, and bond 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, 1990–1999*

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total retirement²	\$29	\$10	\$73	\$100	\$86	\$78	\$111	\$140	\$154	\$169
IRAs	18	9	34	48	30	39	46	76	81	92
DC plans	11	(*)	39	52	56	39	65	65	73	76
Long-term funds	17	16	72	91	71	67	90	145	122	144
IRAs	9	13	33	46	20	31	31	76	61	76
DC plans	9	4	38	46	51	36	59	68	61	67
Equity funds	12	10	50	63	63	57	87	123	94	134
IRAs	5	3	21	29	21	24	40	68	48	73
DC plans	7	7	29	34	42	33	47	55	46	61
Hybrid funds ^{3, 4}	3	2	9	17	12	6	1	12	8	3
IRAs	2	3	5	11	6	4	-6	5	2	1
DC plans	1	-1	4	6	6	3	7	8	6	2
Bond funds	2	4	12	12	-4	3	2	9	20	7
IRAs	2	7	7	6	-7	3	-2	4	11	2
DC plans	(*)	-3	5	6	3	0	4	6	10	5
Money market funds	12	-7	1	9	15	12	21	-4	32	25
IRAs	9	-3	1	3	10	8	15	-1	20	16
DC plans	3	-4	(*)	6	5	4	6	-4	11	9
Memo:										
Industry net new cash flow²	44	112	156	228	84	212	321	375	477	363
Long-term funds	21	106	172	242	75	122	232	272	242	170
Equity funds	13	40	79	127	115	124	217	227	157	188
Hybrid funds ³	1	7	22	44	23	4	12	16	10	-14
Bond funds	7	59	71	71	-62	-6	3	28	75	-4
Money market funds	23	6	-16	-14	9	89	89	103	235	194

Continued on next page

FIGURE A8 CONTINUED

ESTIMATED NET NEW CASH FLOW¹ TO MUTUAL FUNDS FROM RETIREMENT ACCOUNTS BY TYPE OF FUND

Billions of dollars, 2000–2009

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total retirement²	\$135	\$142	\$103	\$92	\$126	\$146	\$178	\$188	\$3	\$47
IRAs	56	57	37	48	55	72	101	113	-8	8
DC plans	79	86	66	45	71	74	77	76	11	40
Long-term funds	139	115	87	118	147	144	146	131	-77	110
IRAs	59	46	29	60	66	69	75	76	-50	47
DC plans	80	69	58	58	80	75	71	55	-27	63
Equity funds	159	61	21	80	94	63	76	21	-136	-25
IRAs	74	22	-6	38	36	32	41	22	-67	-22
DC plans	85	38	27	42	58	30	35	-1	-69	-3
Hybrid funds ^{3, 4}	-10	19	14	30	50	70	53	81	28	41
IRAs	-8	7	7	18	29	33	22	37	2	12
DC plans	-2	13	7	12	21	37	30	45	26	29
Bond funds	-11	35	52	8	2	11	17	29	31	93
IRAs	-8	17	28	4	1	4	12	18	15	57
DC plans	-3	18	25	4	1	7	5	11	16	37
Money market funds	-4	27	16	-26	-21	2	32	57	80	-62
IRAs	-3	10	8	-13	-11	3	25	36	41	-39
DC plans	-1	17	8	-13	-10	-1	7	21	38	-23
Memo:										
Industry net new cash flow²	388	504	75	-48	53	254	472	878	412	-150
Long-term funds	229	129	121	216	210	192	227	224	-225	390
Equity funds	309	32	-28	152	178	136	159	91	-234	-9
Hybrid funds ³	-31	10	8	32	43	25	7	24	-19	23
Bond funds	-50	88	141	32	-11	31	61	109	28	376
Money market funds	159	375	-46	-263	-157	62	245	654	637	-539

Continued on next page

FIGURE A8 CONTINUED

ESTIMATED NET NEW CASH FLOW¹ TO MUTUAL FUNDS FROM RETIREMENT ACCOUNTS BY TYPE OF FUND

Billions of dollars, 2008:Q1–2009:Q4

	2008:Q1	2008:Q2	2008:Q3	2008:Q4	2009:Q1	2009:Q2	2009:Q3	2009:Q4
Total retirement²	\$40	\$11	-\$24	-\$25	\$3	\$21	\$15	\$9
IRAs	22	2	-7	-25	-7	6	4	5
DC plans	19	10	-17	(*)	10	15	11	3
Long-term funds	6	21	-48	-56	-10	51	42	27
IRAs	1	12	-23	-39	-14	26	18	17
DC plans	5	10	-25	-18	4	25	23	10
Equity funds	-35	-3	-58	-40	-34	20	(*)	-11
IRAs	-13	1	-27	-28	-25	8	-1	-4
DC plans	-21	-4	-31	-13	-9	12	1	-8
Hybrid funds ^{3, 4}	19	15	1	-7	(*)	13	17	12
IRAs	5	6	-2	-8	-3	5	5	5
DC plans	13	8	3	1	3	8	11	7
Bond funds	22	9	8	-9	24	18	25	26
IRAs	9	4	5	-3	14	13	14	15
DC plans	13	5	3	-6	9	6	11	11
Money market funds	34	-10	24	31	13	-30	-27	-18
IRAs	21	-10	17	14	7	-20	-15	-12
DC plans	13	(*)	8	17	6	-10	-12	-7
Memo:								
Industry net new cash flow²	315	-11	-73	181	-21	-26	-84	-19
Long-term funds	4	68	-98	-199	3	139	145	103
Equity funds	-45	23	-98	-113	-41	42	3	-13
Hybrid funds ³	3	7	-7	-22	-9	7	16	8
Bond funds	45	38	8	-63	53	89	126	107
Money market funds	312	-79	24	381	-25	-164	-229	-121

¹See endnote 24 for an explanation of the procedure used to estimate net new cash flows to mutual funds from retirement accounts.

²Retirement flows to funds of funds are counted in the investment objective of the funds of funds. Industry flows to funds of funds are counted in the investment objectives of the underlying funds.

³Hybrid funds invest in a mix of equities and fixed-income securities.

⁴The bulk of lifecycle and lifestyle mutual 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

FIGURE A9

IRA HOLDINGS OF MUTUAL FUNDS BY TYPE OF FUND

End-of-period, 1990–2006, 2007:Q1–2009:Q4

	Domestic equity		Foreign equity		Hybrid ¹		Bond		Money market		Total assets Billions
	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	
1990	\$52	38%	\$5	4%	\$9	7%	\$32	23%	\$40	29%	\$139
1991	81	43	8	4	15	8	44	23	40	21	187
1992	107	46	10	4	21	9	54	23	43	18	235
1993	145	45	23	7	37	12	65	20	48	15	319
1994	155	45	31	9	42	12	55	16	62	18	345
1995	239	51	32	7	57	12	67	14	75	16	470
1996	298	51	65	11	68	11	76	13	83	14	589
1997	440	57	78	10	85	11	85	11	85	11	773
1998	576	59	92	9	97	10	98	10	109	11	972
1999	799	63	136	11	102	8	101	8	127	10	1,265
2000	790	64	126	10	95	8	96	8	131	11	1,239
2001	700	60	102	9	99	8	117	10	149	13	1,167
2002	541	52	85	8	97	9	153	15	159	15	1,037
2003	741	56	119	9	140	11	170	13	147	11	1,317
2004	853	57	157	10	184	12	179	12	136	9	1,509
2005	927	55	207	12	225	13	186	11	143	8	1,688
2006	1,062	53	289	14	281	14	205	10	177	9	2,015
2007:Q1	1,075	52	308	15	300	14	215	10	184	9	2,083
2007:Q2	1,140	51	342	15	321	14	221	10	194	9	2,218
2007:Q3	1,164	51	366	16	337	15	229	10	208	9	2,303
2007:Q4	1,124	49	369	16	338	15	235	10	222	10	2,288
2008:Q1	1,005	47	333	16	323	15	243	11	245	11	2,150
2008:Q2	1,001	47	330	15	327	15	247	12	237	11	2,142
2008:Q3	867	45	258	13	293	15	241	13	255	13	1,914
2008:Q4	655	41	190	12	242	15	228	14	270	17	1,585
2009:Q1	583	39	164	11	223	15	243	16	277	19	1,491
2009:Q2	684	41	206	12	259	15	271	16	258	15	1,678
2009:Q3	785	42	249	13	297	16	303	16	241	13	1,876
2009:Q4	823	42	263	13	314	16	323	17	230	12	1,953

¹Hybrid funds invest in a mix of equities and fixed-income securities. The bulk of lifecycle and lifestyle mutual funds are 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, 1992–2006, 2007:Q1–2009:Q4

	Traditional ¹		SEP and SAR-SEP		Roth ²		SIMPLE		Total assets Billions	Memo: education assets ⁴ Billions
	Assets Billions	Share ³ Percent	Assets Billions	Share ³ Percent	Assets Billions	Share ³ Percent	Assets Billions	Share ³ Percent		
1992	\$228	97%	\$7	3%	–	–	–	–	\$235	–
1993	306	96	13	4	–	–	–	–	319	–
1994	332	96	14	4	–	–	–	–	345	–
1995	446	95	23	5	–	–	–	–	470	–
1996	557	95	32	5	–	–	–	–	589	–
1997	728	94	44	6	–	–	(*)	(**)	773	–
1998	881	91	57	6	\$32	3%	\$3	(**)	972	(*)
1999	1,130	89	74	6	55	4	7	(**)	1,265	\$1
2000	1,103	89	70	6	57	5	9	1%	1,239	1
2001	1,035	89	65	6	55	5	12	1	1,167	2
2002	912	88	58	6	54	5	13	1	1,037	2
2003	1,146	87	75	6	76	6	21	2	1,317	3
2004	1,304	86	85	6	92	6	28	2	1,509	4
2005	1,448	86	95	6	110	6	35	2	1,688	4
2006	1,719	85	112	6	139	7	44	2	2,015	5
2007:Q1	1,775	85	116	6	147	7	46	2	2,083	5
2007:Q2	1,886	85	124	6	159	7	50	2	2,218	5
2007:Q3	1,959	85	127	6	165	7	52	2	2,303	5
2007:Q4	1,945	85	127	6	165	7	52	2	2,288	5
2008:Q1	1,830	85	121	6	152	7	47	2	2,150	5
2008:Q2	1,821	85	121	6	153	7	47	2	2,142	5
2008:Q3	1,630	85	107	6	135	7	42	2	1,914	4
2008:Q4	1,351	85	88	6	111	7	35	2	1,585	3
2009:Q1	1,269	85	83	6	106	7	33	2	1,491	3
2009:Q2	1,422	85	94	6	123	7	39	2	1,678	4
2009:Q3	1,587	85	105	6	141	7	45	2	1,876	4
2009:Q4	1,648	84	109	6	149	8	47	2	1,953	5

¹Traditional IRAs include contributory and rollover IRAs.²Roth IRAs include contributory and conversion Roth IRAs.³Share is the percentage of total mutual fund assets in IRAs.⁴Education IRAs were renamed Coverdell education savings accounts (ESAs) in July 2001 and are not included in total IRA assets.

(*) = less than \$500 million

(**) = less than 0.5 percent

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

Source: Investment Company Institute

FIGURE A11

ROTH IRAS

Billions of dollars, 1998–2009

	Contributions	Conversions	Total assets Year-end	Of which: assets held in mutual funds Year-end
1998	\$8.6	\$39.3	\$56.8	\$32
1999	10.7	3.7	76.2	55
2000	11.6	3.2	77.6	57
2001	11.0	3.1	79.3	55
2002	13.2	3.3	77.6	54
2003	13.5 ^e	3.0	105.8	76
2004	14.7	2.8	139.9	92
2005	16.7 ^e	2.8 ^e	160.0 ^e	110
2006	18.7 ^P	2.8 ^P	196.1 ^P	139
2007	18.7 ^P	2.3 ^P	232.8 ^P	165
2008	N/A	N/A	173.0 ^e	111
2009	N/A	N/A	215.0 ^e	149

^eData are estimated.^PData are preliminary.

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, 1997–2009

	Contributions	Total assets Year-end	Of which: assets held in mutual funds Year-end
1997	\$6.9	\$84.7	\$44
1998	8.7	115.4	57
1999	9.1	142.9	74
2000	10.1	134.0	70
2001	10.1	131.3	65
2002	10.3	117.0	58
2003	11.7 ^e	145.0 ^e	75
2004	13.8	168.7	85
2005	14.0 ^e	191.0 ^e	95
2006	15.0 ^P	236.5 ^P	112
2007	16.1 ^P	266.0 ^P	127
2008	N/A	193.0 ^e	88
2009	N/A	235.0 ^e	109

^eData are estimated.^PData are preliminary.

N/A = not available

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

FIGURE A13

SIMPLE IRAs

Billions of dollars, 1997–2009

	Contributions	Total assets Year-end	Of which: assets held in mutual funds Year-end
1997	\$0.6	\$0.6	(*)
1998	2.2	3.6	\$3
1999	3.4	9.1	7
2000	4.7	10.4	9
2001	5.5	13.6	12
2002	6.3	16.1	13
2003	6.5 ^e	23.5 ^e	21
2004	7.6	34.0	28
2005	8.0 ^e	42.0 ^e	35
2006	8.9 ^P	52.4 ^P	44
2007	9.6 ^P	62.6 ^P	52
2008	N/A	46.0 ^e	35
2009	N/A	58.0 ^e	47

^eData are estimated.

^PData are preliminary.

N/A = not available

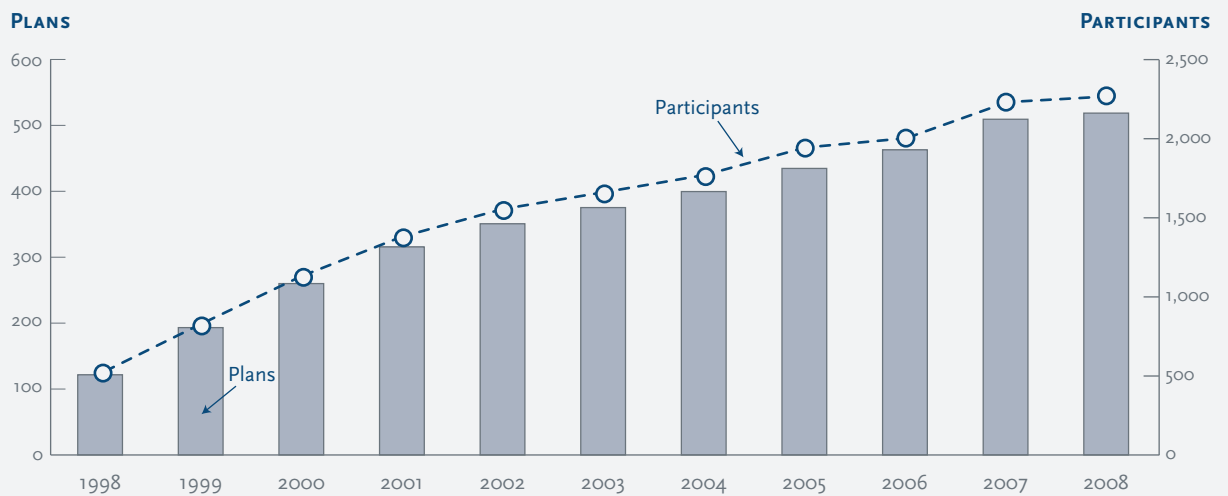
(*) = less than \$500 million

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

FIGURE A14

SIMPLE IRA PLANS AND PARTICIPANTS FOR A SAMPLE OF MUTUAL FUND COMPANIES

Thousands, year-end, 1998–2008



Note: The firms surveyed held about three-quarters of all SIMPLE IRA mutual fund assets at year-end 2008.

Source: Investment Company Institute, Survey of a Segment of Member Mutual Fund Companies

FIGURE A15

DEFINED CONTRIBUTION PLAN HOLDINGS OF MUTUAL FUNDS BY TYPE OF FUND

End-of-period, 1992–2006, 2007:Q1–2009:Q4

	Domestic equity		Foreign equity		Hybrid ¹		Bond		Money market		Total assets Billions
	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	
1992	\$132	72%	\$5	3%	\$8	4%	\$16	9%	\$22	12%	\$184
1993	178	68	15	6	17	6	24	9	30	11	263
1994	211	66	24	7	22	7	26	8	37	12	320
1995	308	69	32	7	31	7	30	7	44	10	445
1996	386	65	40	7	57	10	49	8	59	10	591
1997	535	68	55	7	77	10	58	7	60	8	785
1998	694	69	65	6	95	9	71	7	75	8	1,000
1999	930	71	107	8	106	8	76	6	88	7	1,307
2000	903	70	110	9	107	8	78	6	93	7	1,291
2001	801	65	92	8	118	10	102	8	114	9	1,227
2002	637	58	81	7	115	10	136	12	125	11	1,094
2003	873	62	119	8	152	11	152	11	114	8	1,410
2004	1,020	62	161	10	190	12	160	10	104	6	1,634
2005	1,103	60	216	12	239	13	174	9	107	6	1,838
2006	1,241	57	313	15	301	14	187	9	117	5	2,159
2007:Q1	1,259	56	334	15	326	15	194	9	121	5	2,235
2007:Q2	1,334	56	370	16	350	15	197	8	126	5	2,376
2007:Q3	1,349	55	389	16	367	15	203	8	135	6	2,444
2007:Q4	1,292	54	391	16	373	15	209	9	144	6	2,409
2008:Q1	1,145	51	351	16	362	16	225	10	160	7	2,244
2008:Q2	1,137	51	346	15	368	16	230	10	161	7	2,242
2008:Q3	984	50	270	14	335	17	225	11	170	9	1,985
2008:Q4	747	46	204	12	284	17	216	13	188	11	1,639
2009:Q1	671	43	182	12	271	18	227	15	195	13	1,546
2009:Q2	796	45	231	13	318	18	244	14	185	10	1,773
2009:Q3	924	46	279	14	372	18	269	13	171	9	2,015
2009:Q4	965	46	294	14	395	19	283	13	165	8	2,102

¹Hybrid funds invest in a mix of equities and fixed-income securities. The bulk of lifecycle and lifestyle mutual funds are counted in this category.

²Share is the percentage of total mutual fund assets in DC 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, 1992–2006, 2007:Q1–2009:Q4*

	401(k) plans	403(b) plans	457 plans	Other DC plans*	Total
1992	\$82	\$74	\$3	\$25	\$184
1993	140	87	4	33	263
1994	184	93	6	37	320
1995	266	120	9	50	445
1996	352	149	14	75	591
1997	483	188	21	93	785
1998	621	233	31	115	1,000
1999	821	290	51	145	1,307
2000	837	265	49	140	1,291
2001	817	238	47	126	1,227
2002	736	198	40	120	1,094
2003	953	262	49	146	1,410
2004	1,119	296	56	164	1,634
2005	1,270	320	64	184	1,838
2006	1,511	365	74	210	2,159
2007:Q1	1,571	373	75	216	2,235
2007:Q2	1,674	395	80	226	2,376
2007:Q3	1,726	403	81	234	2,444
2007:Q4	1,702	393	79	234	2,409
2008:Q1	1,597	361	73	213	2,244
2008:Q2	1,609	360	73	200	2,242
2008:Q3	1,414	320	65	187	1,985
2008:Q4	1,166	261	53	159	1,639
2009:Q1	1,106	242	49	149	1,546
2009:Q2	1,273	278	55	166	1,773
2009:Q3	1,453	317	62	184	2,015
2009:Q4	1,515	328	65	193	2,102

*This category includes Keoghs and other DC 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

FIGURE A17

DEFINED CONTRIBUTION PLAN ASSETS BY TYPE OF PLAN*Billions of dollars, end-of-period, 1994–2006, 2007:Q1–2009:Q4*

	401(k) plans	403(b) plans	457 plans	Other DC plans*	Total
1994	\$675	\$271	\$34	\$426	\$1,407
1995	864	319	42	492	1,717
1996	1,061	356	52	492	1,961
1997	1,264	426	72	581	2,343
1998	1,541	438	94	568	2,640
1999	1,790	527	112	572	3,001
2000	1,725	518	110	618	2,970
2001	1,682	444	105	434	2,665
2002	1,573	434	98	366	2,471
2003	1,922	534	117	471	3,044
2004	2,189	572	130	453	3,344
2005	2,396	617	143	466	3,622
2006	2,768	689	158	531	4,145
2007:Q1	2,831 ^e	698	161	536	4,226
2007:Q2	2,957 ^e	727	172	550	4,406
2007:Q3	3,020 ^e	739	174	558	4,491
2007:Q4	2,982	731	173	555	4,441
2008:Q1	2,837 ^e	702	166	523	4,228
2008:Q2	2,851 ^e	710	165	508	4,234
2008:Q3	2,619 ^e	674	156	486	3,935
2008:Q4	2,275 ^e	611	140	427	3,453
2009:Q1	2,200 ^e	593	136	408	3,337
2009:Q2	2,414 ^e	631	148	435	3,629
2009:Q3	2,662 ^e	672	162	464	3,961
2009:Q4	2,754 ^e	682	169	483	4,088

*This category includes Keoghs and other DC plans (profit-sharing, thrift-savings, stock bonus, and money purchase) without 401(k) features.

^eData are estimated.

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

FIGURE A18

LIFECYCLE MUTUAL FUND ASSETS

End-of-period, 1996–2006, 2007:Q1–2009:Q4

	Lifecycle mutual fund assets ¹						
	IRAs		Employer-sponsored DC plans		Other investors		Total assets Billions
	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	
1996	(*)	33%	(*)	2%	\$1	65%	\$1
1997	(*)	33	(*)	14	1	53	1
1998	\$1	20	\$3	57	1	23	5
1999	1	15	5	66	1	19	7
2000	1	15	6	68	1	16	9
2001	2	16	9	74	1	11	12
2002	2	15	11	74	2	12	15
2003	5	20	18	70	3	10	26
2004	9	21	30	68	5	11	44
2005	15	22	48	68	8	11	71
2006	25	22	77	67	12	11	115
2007:Q1	28	21	89	67	16	12	134
2007:Q2	33	21	101	66	19	12	153
2007:Q3	36	21	112	66	21	12	169
2007:Q4	38	21	121	66	24	13	183
2008:Q1	38	21	123	67	23	12	185
2008:Q2	41	20	132	66	26	13	199
2008:Q3	38	20	124	66	25	13	187
2008:Q4	31	20	107	67	21	13	160
2009:Q1	30	19	105	66	24	15	159
2009:Q2	36	19	128	66	30	15	194
2009:Q3	43	19	154	66	35	15	233
2009:Q4	47	18	168	66	41	16	256

¹A lifecycle mutual fund typically rebalances to an increasingly conservative portfolio as it approaches and passes the target date of the fund, which is usually included in the fund's name.

²Share is the percentage of total assets.

(*) = less than \$500 million

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

Source: Investment Company Institute

FIGURE A19

LIFESTYLE MUTUAL FUND ASSETS

End-of-period, 1996–2006, 2007:Q1–2009:Q4

	Lifestyle mutual fund assets ¹						Total assets Billions
	IRAs		Employer-sponsored DC plans		Other investors		
	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	Assets Billions	Share ² Percent	
1996	\$1	25%	\$2	39%	\$2	36%	\$6
1997	3	22	5	38	5	40	13
1998	4	21	8	36	9	43	21
1999	6	21	10	37	12	43	28
2000	6	19	12	39	13	42	31
2001	7	20	14	43	12	37	33
2002	7	19	14	41	14	39	35
2003	10	17	19	35	27	48	56
2004	14	17	24	28	48	56	86
2005	26	20	39	30	67	51	131
2006	39	21	51	27	100	53	189
2007:Q1	43	21	54	26	108	53	204
2007:Q2	47	21	57	26	117	53	221
2007:Q3	50	21	59	25	125	53	233
2007:Q4	51	21	59	25	128	54	238
2008:Q1	49	21	55	24	124	54	228
2008:Q2	49	21	54	23	127	55	231
2008:Q3	44	21	49	23	117	56	210
2008:Q4	36	20	40	23	100	57	176
2009:Q1	33	20	37	22	95	58	165
2009:Q2	39	20	43	22	112	58	194
2009:Q3	45	20	49	22	130	58	224
2009:Q4	54	21	61	24	140	55	255

¹A lifestyle mutual fund maintains a predetermined risk level and generally contains “conservative,” “aggressive,” or “moderate” in the fund’s name.

²Share is the percentage of total assets.

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

Source: Investment Company Institute

FIGURE A20

RETIREMENT ASSETS' SHARE OF HOUSEHOLD FINANCIAL ASSETS*Retirement assets and household financial assets, end-of-period, 1974–2007, 2008:Q1–2009:Q4*

	Total retirement market assets <i>Billions</i>	Total household financial assets <i>Billions</i>	Share* <i>Percent</i>
1974	\$369	\$3,203	12%
1975	469	3,664	13
1976	539	4,149	13
1977	598	4,428	13
1978	704	4,959	14
1979	819	5,685	14
1980	995	6,561	15
1981	1,101	6,953	16
1982	1,355	7,540	18
1983	1,639	8,316	20
1984	1,860	8,827	21
1985	2,321	9,964	23
1986	2,644	11,082	24
1987	2,890	11,738	25
1988	3,181	12,873	25
1989	3,694	14,198	26
1990	3,923	14,570	27
1991	4,582	16,124	28
1992	4,989	16,967	29
1993	5,581	18,243	31
1994	5,921	18,918	31
1995	6,978	21,520	32
1996	7,820	23,416	33
1997	9,012	26,726	34
1998	10,336	30,201	34
1999	11,833	34,774	34
2000	11,696	33,402	35
2001	11,280	32,166	35
2002	10,543	30,231	35
2003	12,543	35,306	36
2004	13,782	39,263	35
2005	14,862	43,348	34
2006	16,748	48,134	35
2007	18,021	50,759	36
2008:Q1	17,048	48,969	35
2008:Q2	16,968	48,259	35
2008:Q3	15,879	46,095	34
2008:Q4	13,989	41,707	34
2009:Q1	13,372	40,208	33
2009:Q2	14,374	41,963	34
2009:Q3	15,484	44,438	35
2009:Q4	15,963	45,115	35

*Share is the percentage of total household financial assets held in the retirement market.

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 A21

MUTUAL FUND ASSETS HELD IN RETIREMENT ACCOUNTS*Billions of dollars, end-of-period, 1990–2006, 2007:Q1–2009:Q4*

	All mutual funds		Long-term funds ¹		Money market funds	
	Retirement accounts ² Billions	Total Billions	Retirement accounts ² Billions	Total Billions	Retirement accounts ² Billions	Total Billions
1990	\$206	\$1,065	\$144	\$567	\$61	\$498
1991	322	1,393	260	851	62	542
1992	419	1,643	353	1,096	65	546
1993	582	2,070	504	1,505	78	565
1994	665	2,155	566	1,544	99	611
1995	914	2,811	795	2,058	120	753
1996	1,180	3,526	1,038	2,624	141	902
1997	1,558	4,468	1,413	3,409	145	1,059
1998	1,972	5,525	1,788	4,174	185	1,352
1999	2,573	6,846	2,357	5,233	216	1,613
2000	2,532	6,965	2,307	5,119	224	1,845
2001	2,396	6,975	2,133	4,690	263	2,285
2002	2,133	6,383	1,848	4,118	285	2,265
2003	2,730	7,402	2,468	5,362	262	2,040
2004	3,147	8,095	2,907	6,194	240	1,901
2005	3,530	8,891	3,280	6,864	250	2,027
2006	4,179	10,397	3,885	8,058	294	2,338
2007:Q1	4,323	10,752	4,017	8,335	305	2,418
2007:Q2	4,600	11,360	4,280	8,846	320	2,514
2007:Q3	4,753	11,909	4,410	9,078	343	2,831
2007:Q4	4,702	12,001	4,337	8,915	366	3,086
2008:Q1	4,398	11,709	3,993	8,267	406	3,443
2008:Q2	4,389	11,657	3,991	8,279	398	3,377
2008:Q3	3,903	10,672	3,478	7,251	425	3,420
2008:Q4	3,228	9,603	2,769	5,770	459	3,832
2009:Q1	3,040	9,258	2,567	5,444	472	3,814
2009:Q2	3,455	10,030	3,012	6,377	443	3,653
2009:Q3	3,896	10,835	3,483	7,409	413	3,425
2009:Q4	4,059	11,121	3,664	7,805	395	3,316

¹Long-term funds include equity, hybrid, and bond funds.²Retirement accounts include employer-sponsored DC plans and IRAs.

Source: Investment Company Institute

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