

ICI Defined Contribution Plan Recordkeeper Data Show Ongoing Commitment to Retirement Saving

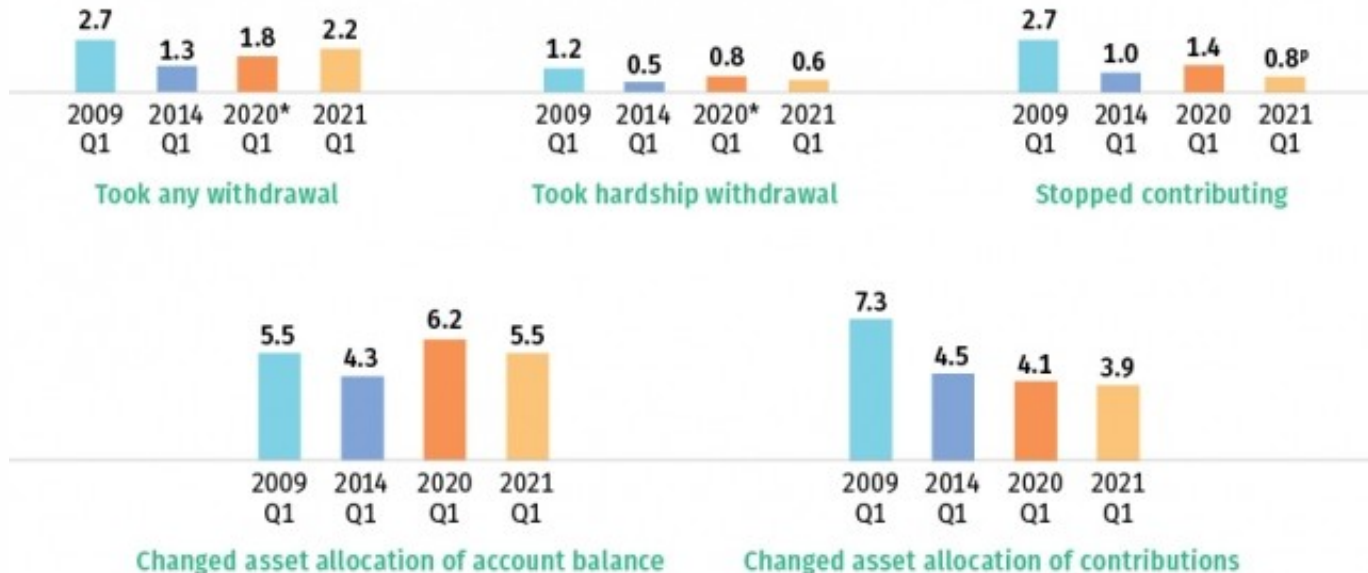
Washington, DC; June 10, 2021—Americans continued to save for retirement through defined contribution (DC) plans early this year despite uncertain market conditions during the lingering COVID-19 pandemic, according to ICI’s [“Defined Contribution Plan Participants’ Activities, First Quarter 2021.”](#) The study tracks contributions, withdrawals, and other activity, based on DC plan recordkeeper data covering more than 30 million participant accounts in employer-based DC plans.

“Retirement savers are committed to saving for their futures, even during challenging times,” said Sarah Holden, ICI senior director of retirement and investor research. “These data highlight that paycheck-by-paycheck saving and investing through DC plans provide discipline to help participants stay the course for their long-term goals.”

The latest recordkeeper data indicate that plan participants remained committed to saving: a preliminary estimate indicates that only 0.8 percent of DC plan participants stopped contributing to their plans in the first quarter of 2021, compared with 1.4 percent in the first quarter of 2020, and 2.7 percent in the first quarter of 2009 (another time of financial market stress).

Defined Contribution Plan Participants’ Activities

Summary of recordkeeper data, percentage of participants



* These withdrawals do not include coronavirus-related distributions (CRDs) identified by the recordkeepers.

^p Data are preliminary based on a partial sample of DC plans in the survey.

Note: The samples include nearly 24 million DC plan participants in 2009–2014; and more than 30 million in 2020:Q1 and 2021:Q1.

Source: ICI Survey of DC Plan Recordkeepers (2009:Q1–2021:Q1)

Other findings include:

- **Most DC plan participants remained committed to investment, staying the course in their asset allocations.** As stock values edged up during the first three months of the year, only 5.5 percent of DC plan participants changed the asset allocation

of their account balances, slightly lower than the activity observed in the first quarter of 2020 (6.2 percent). This is in line with the first quarter of 2009. Meanwhile, 3.9 percent changed the asset allocation of their contributions in the first quarter of 2021, in line with the activity observed in the first quarter of 2020 (4.1 percent), and lower than 7.3 percent in the first quarter of 2009.

- **Withdrawal activity for DC plans remained low in the first quarter of 2021, although it was slightly higher than the activity observed in the first quarter of 2020.** In the first quarter of 2021, 2.2 percent of DC plan participants took withdrawals, compared with 1.8 percent in the first quarter of 2020, and 2.7 percent in the first quarter of 2009. Levels of hardship withdrawal activity also remained low, with only 0.6 percent of DC plan participants taking hardship withdrawals during the first quarter of 2021, compared with 0.8 percent in the first quarter of 2020, and 1.2 percent in the first quarter of 2009.
- **DC plan participants' loan activity edged down in the first quarter of 2021.** At the end of March 2021, 14.3 percent of DC plan participants had loans outstanding, compared with 14.8 percent at year-end 2020, and 16.3 percent at the end of March 2020.

ICI has been tracking DC plan participant activity through recordkeeper surveys since 2008. This update provides results from ICI's survey of a cross section of recordkeeping firms representing a broad range of DC plans. Please visit ICI's [401\(k\) Resource Center](#) for more information.

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