

## Most Retirement Plan Savers Aren't Tapping Their Accounts Despite Pandemic

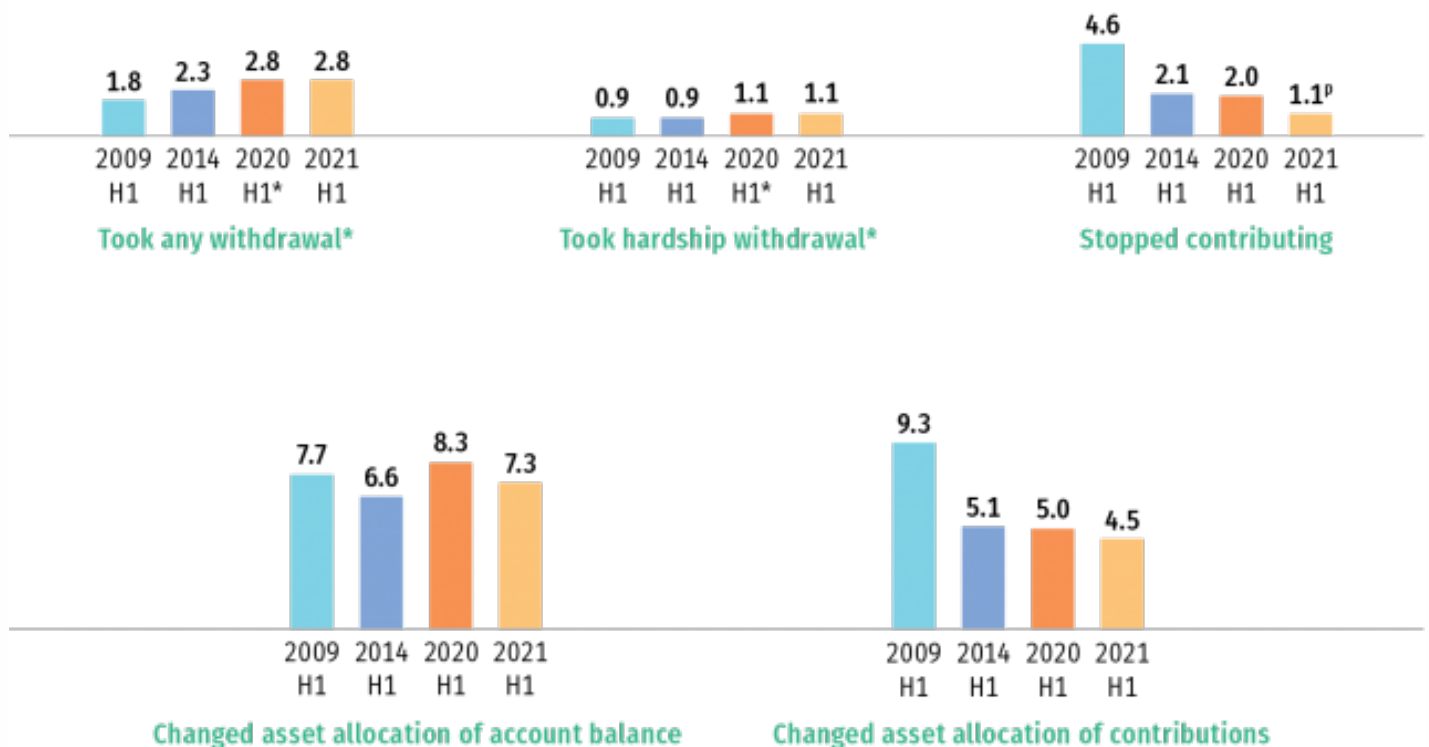
**Washington, DC; September 8, 2021**—Americans continued to save for retirement through defined contribution (DC) plans during the first half of this year despite ongoing economic stresses brought about by the COVID-19 pandemic, according to ICI's "[Defined Contribution Plan Participants' Activities, First Half 2021](#)." The study tracks contributions, withdrawals, and other activity in 401(k) and other DC retirement plans, based on DC plan recordkeeper data covering more than 30 million participant accounts in employer-based DC plans at the end of June 2021.

The latest recordkeeper data indicate that plan participants remained committed to saving and investing: a preliminary estimate indicates that only 1.1 percent of DC plan participants stopped contributing to their plans in the first half of 2021. That compares with 2.0 percent in the first half of 2020, and 4.6 percent in the first half of 2009 (another time of financial stress).

"Despite the economic challenges over the past year and a half, retirement savers show deep commitment to preserving their retirement nest eggs," said Sarah Holden, ICI senior director of retirement and investor research. "The combination of ongoing contributions and few participants taking withdrawals reflects DC plan participants' long-term mindset and preference to keep this money earmarked for retirement and avoid dipping into it."

### 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. In 2020:H1, recordkeepers identified 2.9 percent of DC plan participants taking CRDs.

<sup>P</sup> 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 and 2014 and more than 30 million in 2020 and 2021. Activity reported covers the first half of each year indicated.

Source: ICI Survey of DC Plan Recordkeepers

---

Other findings include:

- **Most DC plan participants stayed the course in their asset allocations as stock values generally rose during the first six months of the year.** In the first half of 2021, 7.3 percent of DC plan participants changed the asset allocation of their account balances, and 4.5 percent changed the asset allocation of their contributions. These levels of activity were slightly lower than the activity observed during the same time frame a year earlier.
- **Withdrawal activity for DC plans remained low in the first half of 2021, similar to the activity observed in the first half of 2020.** In the first half of 2021, 2.8 percent of DC plan participants took withdrawals, the same percentage as in the first half of 2020. Levels of hardship withdrawal activity also were low, with only 1.1 percent of DC plan participants taking hardship withdrawals during the first half of 2021, the same share of participants as in the first half of 2020. In the first half of 2020, recordkeepers identified 2.9 percent of DC plan participants taking CRDs, which are no longer available in 2021.
- **DC plan participants' loan activity edged down in the second quarter of 2021.** At the end of June 2021, 13.5 percent of DC plan participants had loans outstanding, compared with 14.3 percent at the end of March 2021 and 14.8 percent at year-end 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.

---

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.