

Retirement Saving Remains a Priority to Start 2022

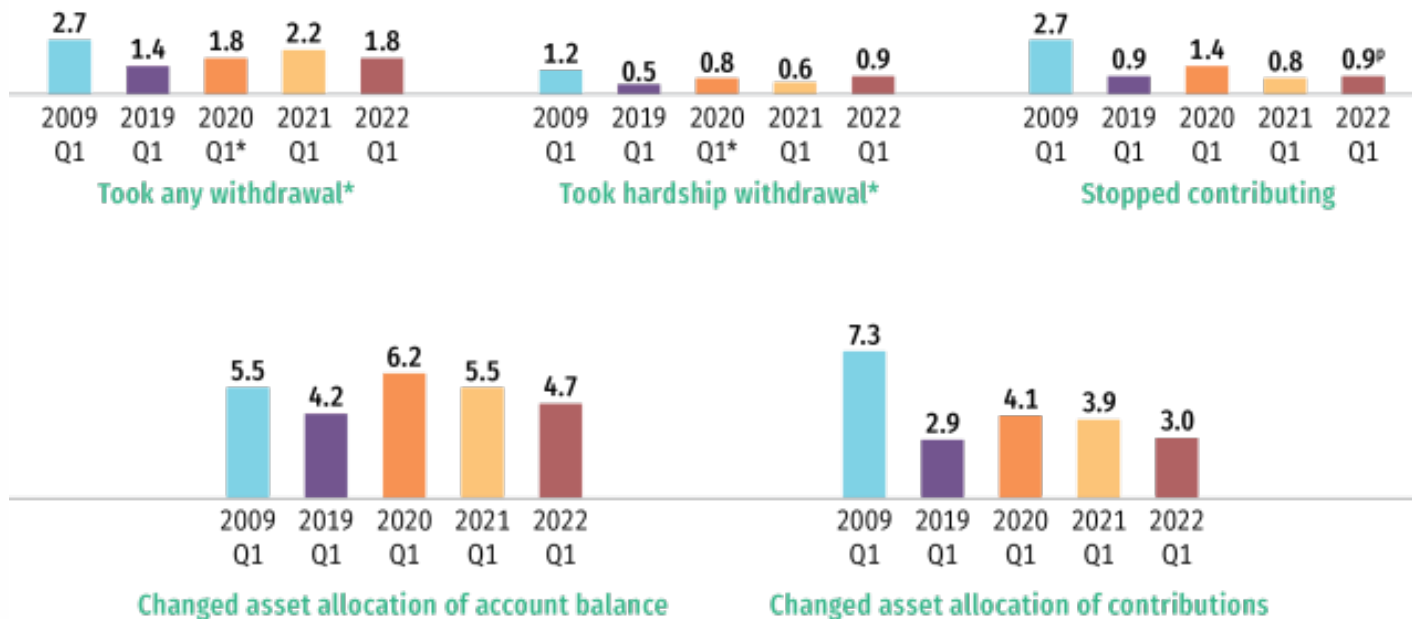
Washington, DC; June 13, 2022—Retirement saving remained a key focus through the first quarter of 2022, with ICI research demonstrating that defined contribution (DC) plan participants continued to save in their retirement plans at work. ICI's study "[Defined Contribution Plan Participants' Activities, First Quarter 2022](#)" tracks contributions, withdrawals, and other activity in 401(k) and other DC retirement plans, based on DC plan recordkeeper data covering more than 35 million employer-based DC retirement plan participant accounts as of March 2022.

"Even as stock values declined at the start of 2022, DC plan participants generally stayed the course and refrained from changing asset allocations," said Sarah Holden, ICI senior director of retirement and investor research. "Furthermore, the data suggest that through the first quarter of 2022, retirement savers continued contributing to DC plans."

The recordkeeper data indicate that DC plan participants remain committed to saving and investing. A preliminary estimate indicates that only 0.9 percent of DC plan participants stopped contributing during the first quarter of 2022, compared with 0.8 percent in the first quarter of 2021, 1.4 percent in the first quarter of 2020, and 2.7 percent in the first quarter of 2009.

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.

Note: The samples include nearly 24 million DC plan participants in 2009; more than 30 million in 2019 and 2020; and more than 35 million in 2021 and 2022.

Source: ICI Survey of DC Plan Recordkeepers

Other findings include:

- **DC plan withdrawal activity in the first quarter of 2022 remained low and was slightly lower than the activity observed in the first quarter of 2021.** In the first quarter of 2022, 1.8 percent of DC plan participants took withdrawals, compared with 2.2 percent in the first quarter of 2021, 1.8 percent in the first quarter of 2020 (as the COVID-19 pandemic hit the United States),

1.4 percent in the first quarter of 2019, and 2.7 percent in the first quarter of 2009 (another time of financial market stress). Levels of hardship withdrawal activity also remained low. Only 0.9 percent of DC plan participants took hardship withdrawals in the first quarter of 2022, compared with 0.6 percent in the first quarter of 2021, 0.8 percent in the first quarter of 2020, 0.5 percent in the first quarter of 2019, and 1.2 percent in the first quarter of 2009. Withdrawal activity likely reflects the impact of ongoing financial stresses relating to the COVID-19 pandemic, although the penalty relief and increased flexibility in plan withdrawals under the Coronavirus Aid, Relief, and Economic Security (CARES) Act (enacted March 27, 2020) were available only during 2020.

- **Most DC plan participants stayed the course with their asset allocations as stock values generally declined during the first three months of the year.** In the first quarter of 2022, 4.7 percent of DC plan participants changed the asset allocation of their account balances, slightly lower than 5.5 percent in the first quarter of 2021, 6.2 percent in the first quarter of 2020, and 5.5 percent in the first quarter of 2009. In the first quarter of 2022, 3.0 percent changed the asset allocation of their contributions, a bit lower than 3.9 percent in the first quarter of 2021, 4.1 percent in the first quarter of 2020, and much lower than 7.3 percent in the first quarter of 2009.
- **DC plan participants' loan activity remained about the same in the first quarter of 2022.** At the end of March 2022, 12.5 percent of DC plan participants had loans outstanding, compared with 12.5 percent at year-end 2021, and 14.8 percent at year-end 2020. It is possible that the availability of coronavirus-related distributions (CRDs) in 2020 has resulted in reduced loan activity. Additionally, a DC plan participant is no longer required by law to first take a plan loan (in plans with a loan option) prior to taking a hardship withdrawal, though some plans may retain this requirement.

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.