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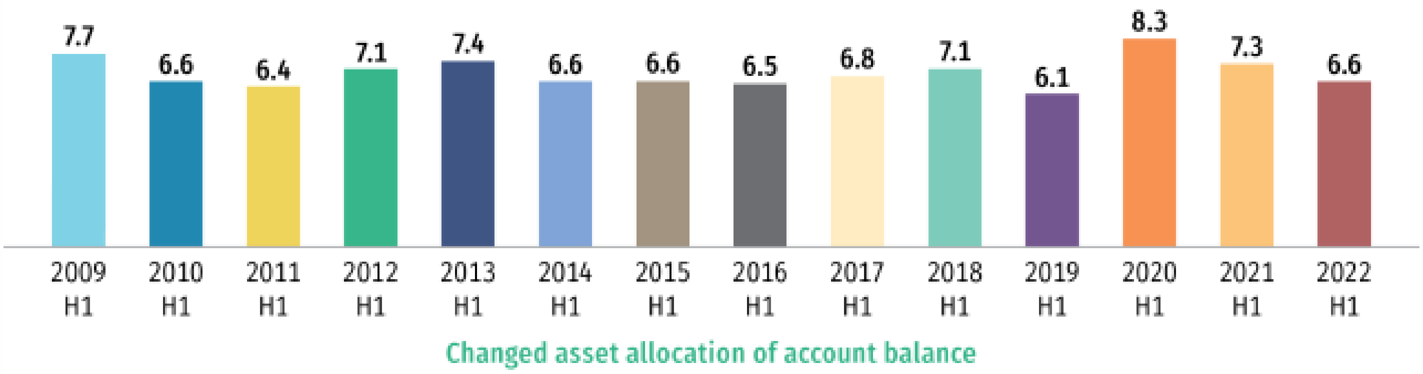
Retirement Savers Continue Saving Despite Down Market in First Half of 2022

Washington, DC; September 19, 2022—Retirement saving continued to be a strong focus for defined contribution (DC) plan participants through the first half of 2022, ICI research demonstrates. ICI's study "Defined Contribution Plan Participants' Activities, First Half 2022" tracks contributions, withdrawals, and other activity in 401(k) and other DC retirement plans, based on DC plan recordkeeper data covering more than 40 million employer-based DC retirement plan participant accounts at the end of June 2022.

"Defined contribution plan participants generally stayed the course with ongoing contributions, and withdrawal activity remained low in the first half of 2022," said Sarah Holden, ICI senior director of retirement and investor research. "Plan participants held steady with their asset allocations despite stock values generally declining in the period."

Few DC Plan Participants Changed Their Account Balance Asset Allocations

Summary of recordkeeper data, percentage of DC plan participants changing asset allocation of account balance



Note: The samples include nearly 24 million DC plan participants in 2009–2014; more than 26 million in 2015; about 28 million in 2016; more than 30 million in 2017–2021; and more than 40 million in 2022. Activity reported covers the first half of each year indicated.
Source: ICI Survey of DC Plan Recordkeepers (first half, 2009–2022)

Most DC plan participants did not change their asset allocations, even as stock values generally declined during the first six months of the year. In the first half of 2022, 6.6 percent of DC plan participants changed the asset allocation of their account balances, slightly lower than 7.3 percent in the first half of 2021, 8.3 percent in the first half of 2020, and 7.7 percent in the first half of 2009.

Other findings include:

- **Defined contribution (DC) plan withdrawal activity in the first half of 2022 remained low and was similar to the activity observed in the first half of 2021.** In the first half of 2022, 2.9 percent of DC plan participants took withdrawals, compared with 2.8 percent in the first half of 2021, 2.8 percent in the first half of 2020 (as the COVID-19 pandemic hit the United States), 2.5 percent in 2019, and 1.8 percent in the first half of 2009 (another time of financial market stress). Levels of hardship withdrawal activity edged up slightly in the first half of 2022, although still remained low. Only 1.6 percent of DC plan participants took hardship withdrawals in the first half of 2022, compared with 1.1 percent in the first half of 2021.

- **The recordkeeper data indicate that DC plan participants remain committed to saving and investing.** Only 1.6 percent of DC plan participants stopped contributing in the first half 2022, compared with 1.1 percent in the first half of 2021, 2.0 percent in the first half of 2020, and 4.6 percent in the first half of 2009.

- **DC plan participants' loan activity remained the same in the second quarter of 2022.** At the end of June 2022, 12.5 percent of DC plan participants had loans outstanding, compared with 12.5 percent at the end of March 2022, 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.
