

IRAs Continue to Play an Important Role for Retirement Savers in 2022

Washington, DC; February 21, 2023—More than four in 10 US households owned individual retirement accounts (IRAs) in mid-2022 according to an ICI study released today. With \$11.7 trillion in assets in mid-2022, IRAs represented 34 percent of US total retirement market assets, almost double the 18 percent figure recorded three decades ago.

ICI's annual study "[The Role of IRAs in US Households' Saving for Retirement, 2022](#)" gathers information on the characteristics and activities of IRA-owning households in the United States.

"Millions of Americans rely on IRAs for their financial security in retirement. Our survey research finds an increasing number of IRA-owning households and that IRA assets represent a significant component of households' balance sheets," said Sarah Holden, ICI senior director of retirement and investor research. "Retirement savers plan deliberately for their next stage of life with IRAs—with 60 percent of traditional IRA-owning households having rolled over assets from an employer-sponsored retirement plan account. Retirement savers often use rollovers to consolidate assets as they change jobs over their careers."

Most traditional IRA owning households have a planned retirement strategy. Two-thirds of traditional IRA-owning households in mid-2022 indicated that they have a strategy for managing income and assets in retirement, and more than three-quarters of traditional IRA-owning households with a planned retirement strategy consulted with a professional financial adviser when creating the strategy. Typically, these strategies have many components, including reviewing asset allocations, determining their retirement expenses, developing a retirement income plan, setting aside emergency funds, and determining when to take Social Security benefits.

Other findings include:

- **Rollovers from employer-sponsored retirement plans have fueled the growth in IRAs.** In mid-2022, 60 percent of traditional IRA-owning households indicated that their IRAs contained rollovers from employer-sponsored retirement plans. Among households with rollovers in their traditional IRAs, 85 percent indicated that they had rolled over the entire retirement account balance in their

- most recent rollover; 44 percent had also made contributions to their traditional IRAs at some point.
- **Traditional IRA–owning households with rollovers cite multiple reasons for rolling over their retirement plan assets into traditional IRAs.** The three most common primary reasons for rolling over were not wanting to leave assets behind at the former employer, wanting to consolidate assets, and wanting to preserve the tax treatment of the savings (22 percent, 22 percent, and 15 percent of traditional IRA–owning households with rollovers, respectively).
 - **Roth IRA owners are almost twice as likely to contribute than traditional IRA owners.** Thirty-nine percent of households owning Roth IRAs in mid-2022 made contributions in tax year 2021. In contrast, 22 percent of traditional IRA–owning households in mid-2022 contributed to their traditional IRAs in tax year 2021. Some of the difference in contribution activity reflects that many households that own traditional IRAs use them to preserve rollovers rather than as a contributory savings vehicle.
 - **IRA withdrawals were infrequent and mostly retirement related.** Twenty-nine percent of traditional IRA–owning households in mid-2022 took withdrawals in tax year 2021 compared with 23 percent in tax year 2020. Some of the increase in withdrawal activity resulted from the return of required minimum distributions in tax year 2021, which had been suspended in tax year 2020.

About the Study

“[The Role of IRAs in US Households’ Saving for Retirement, 2022](#)” reports information from two separate ICI household surveys. ICI’s IRA Owners Survey, which was conducted in June 2022, is based on a representative sample of 3,232 US households owning traditional IRAs or Roth IRAs. The IRA Owners Survey was conducted on the KnowledgePanel®, a probability based online panel designed to be representative of the US population. ICI’s Annual Mutual Fund Shareholder Tracking Survey, which was conducted from May to June 2022, is based on a sample of 6,080 US households also drawn from the KnowledgePanel®.

For more information about the role of IRAs in US households’ saving for retirement, see the appendix to the paper, available at www.ici.org/files/per29-01-data.xls.

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