



ICI Research Report

American Views on Defined Contribution Plan Saving, 2025

February 2026



Table of Contents

1	Executive Summary
2	Introduction
2	How Are DC- or IRA-Owning Individuals Defined?
3	DC Account Owners Appreciate the Saving and Investing Features of DC Plans
5	Americans Reject Changing Key Features of DC Plans
5	Views on Tax Deferral
5	Views on Investment Control
6	Views on Control of Retirement Account Balances
10	Americans' Views on DC Plan Accounts Are Favorable
11	Majorities Have Confidence That Retirement Plan Accounts Can Help Individuals Meet Retirement Goals
12	Conclusion
13	Notes
16	References

For more information about American Views on Defined Contribution Plan Saving, see the appendix to this paper, available at www.ici.org/files/26-ppr-dc-plan-saving-data.xlsx.

The Investment Company Institute (ICI) is the leading association representing regulated investment funds. ICI's mission is to strengthen the foundation of the asset management industry for the ultimate benefit of the long-term individual investor. Its members include mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in other jurisdictions. ICI also represents its members in their capacity as investment advisers to collective investment trusts (CITs) and retail separately managed accounts (SMAs). ICI has offices in Washington DC, Brussels, and London.

Suggested citation: Holden, Sarah, Daniel Schrass, Michael Bogdan, and Jason Seligman. 2026. "American Views on Defined Contribution Plan Saving, 2025." *ICI Research Report* (February). Available at www.ici.org/files/2026/26-rpt-am-views-dc-plans.pdf.

Copyright © 2026 by the Investment Company Institute. All rights reserved.

Executive Summary

For millions of Americans, employer-sponsored retirement plans aren't just a tool for saving, they're a key reason saving happens at all. Results from ICI's 18th annual survey on Americans' views on defined contribution (DC) retirement plans reveal that 401(k) and similar DC plans function as essential catalysts for building retirement security. Nearly half of all DC account owners say they probably wouldn't save for retirement without their workplace plan, with that proportion higher among individuals in lower-income households.

Beyond facilitating saving, these plans shape how Americans think about their financial futures. In fall 2025, more than 90% of DC account owners say their plans help them focus on the long term rather than immediate needs, and a similar proportion find that payroll deduction makes saving easier. The steady paycheck-by-paycheck contributions make more than 80% of savers less worried about short-term market volatility—which helps workers stay invested through market downturns and benefit from long-term growth.

DC plans also provide important financial education. More than three-quarters of DC account owners report that their plans offer useful educational materials about saving and investing. These materials introduce millions of Americans to key concepts necessary to make sound financial decisions.

The survey also finds broad public support for preserving the current structure of these plans:

- » 87% of Americans oppose eliminating the tax advantages of DC accounts, and similar majorities reject reducing contribution limits or removing individual investment control.
 - » Support for the tax treatment of DC plan savings is strongest among plan participants but extends well beyond them: 78% of individuals whose households don't own DC accounts or individual retirement accounts (IRAs) oppose removing tax advantages. This suggests that Americans view these plans as an important part of the US retirement system, even when they don't currently benefit directly.
- » 79% of Americans oppose proposals to invest all retirement accounts in an option selected by a government-appointed board.

Americans also indicate that control over DC plan accounts is important in retirement. In fall 2025, more than 90% of Americans agreed that retirees should be able to make their own decisions about how to manage their own retirement assets and income, and about three-quarters disagreed that retirees should be required to trade a portion of their retirement accounts for a fair contract promising them income for life.

A large majority of Americans, 72%, have favorable impressions of 401(k) plans, and 77% are confident that DC plans can help people meet their financial goals.

These findings are generally consistent with prior years' survey results showing that Americans value the discipline and opportunity that DC plans represent and want policymakers to preserve the features that make them work. Americans generally appreciate the choice and control that DC plans offer, both over the savings years and in retirement.

Introduction

Individual account-based retirement saving is a widespread feature of the US retirement landscape. Whether through IRAs—which often contain assets rolled over from employer-sponsored retirement plans¹—or DC plan accounts, most prominently 401(k) plan accounts, these accounts play a key role in how Americans save for retirement. Between them, IRAs and DC plan accounts hold two-thirds of total US retirement assets,² and a majority of US households have a portion of their assets invested in them.³ Given their importance, understanding how Americans view DC plans—and whether proposed policy changes would enhance or undermine their value—matters for the tens of millions of workers trying to build retirement security.

This report presents findings from the 18th annual update of ICI’s survey research on American attitudes toward 401(k) and similar DC plans.⁴ The survey explores four key areas: how DC plan participants evaluate the features of these plans; what Americans think about proposed changes to plan structure and tax treatment; whether Americans hold favorable or unfavorable views of DC plans; and whether people are confident that DC plans can help individuals meet their retirement goals.

The findings reveal that Americans view workplace retirement plans as more than just savings vehicles—they see them as catalysts that make retirement saving possible in the first place, particularly for households that might not otherwise save for retirement. The results also show strong public opposition to policy changes that would weaken these plans, including proposals to reduce or eliminate tax advantages, remove individual investment control, or require annuitization of a portion of account balances.

How Does the Sample Surveyed Represent the Nation?

ICI research staff designed this year’s survey, and NORC at the University of Chicago administered the survey using the AmeriSpeak® probability-based panel.⁵ The national survey, conducted in November and December 2025, covered a total sample of 2,175 individuals aged 18 or older in the United States. Survey results are weighted to be representative of the total population of Americans aged 18 or older. The overall margin of sampling error for the 2025 sample is ± 2.1 percentage points at the 95% confidence level.

How Are DC- or IRA-Owning Individuals Defined?

Because saving for retirement is a household financial activity, retirement account ownership for each individual surveyed is defined to be related to the respondent’s household.⁶

- » DC-owning individuals are individuals aged 18 or older whose households owned 401(k) or other DC plan accounts at the time of the survey.
- » DC- or IRA-owning individuals, similarly, are individuals aged 18 or older whose households owned 401(k) plan accounts, other DC plan accounts, or IRAs at the time of the survey.

DC Account Owners Appreciate the Saving and Investing Features of DC Plans

To understand the views that DC-owning individuals have about 401(k) and other participant-directed retirement plans, the survey explored a variety of characteristics of these plans. Most DC-owning individuals agreed that employer-sponsored retirement accounts helped them “think about the long term, not just my current needs” (91%), and that payroll deduction “makes it easier for me to save” (92%) (Figure 1). These top-line results were similar to those from prior years.⁷ Responses varied slightly across age and income groups.⁸

Saving in employer-sponsored retirement plans (and IRAs) has certain tax advantages, and respondents generally indicated those advantages were important to them. For example, the contributions that a worker makes to these plans typically reduce current taxable income by the amount of the contribution. In addition, most types of retirement accounts benefit from tax-deferred growth because taxes are not due until the individual withdraws money from the account.⁹ Overall, 82% of DC-owning individuals agreed that “the tax treatment of my retirement plan is a big incentive to contribute” (Figure 1). Agreement was high across all age and income groups and tended to increase with age and household income.

Saving from each paycheck into a retirement plan helps workers to continue investing in down markets, dollar-cost average their investments, and benefit when stock and bond markets recover. Respondents were asked whether “knowing that I’m saving from every paycheck makes me less worried about the short-term performance of my investments.”¹⁰ More than eight out of 10 (82%) DC-owning individuals agreed with that statement (Figure 1).¹¹

The availability of a retirement plan at work can help facilitate saving. Nearly half of DC-owning individuals agreed with the statement “I probably wouldn’t save for retirement if I didn’t have a retirement plan at work” (Figure 1). Agreement is higher among individuals with lower household incomes. These data do not suggest that higher-income workers do not find their plans valuable—indeed, individuals with higher household incomes were among those likely to agree with the statement, “My employer-sponsored retirement account helps me think about the long term, not just my current needs.” The fact that higher-income respondents were more likely to expect to save outside of an employer plan offering is consistent with other household survey information finding that this group typically lists retirement as its most important savings goal.¹² Because Social Security does not replace as much income in retirement for higher-income individuals as it does for lower-income individuals, it is necessary for middle- and upper-income individuals to have retirement savings to supplement their Social Security benefits.^{13, 14}

Americans viewed the lineup of options in their DC plans favorably, with 83% of DC-owning individuals agreeing that their plans offer a good lineup of investment options (Figure 1).¹⁵ Satisfaction with the lineup of investment options was high across all age and household income groups. Regardless of age or household income, a vast majority of DC-owning individuals agreed that it was important for them to have choice in and control of their retirement plan investments.

DC plans often introduce individuals not only to saving but also to investing. Retirement plan guidance allows plan sponsors to provide educational materials to plan participants.¹⁶ To ask DC plan participants their views on plan educational materials, ICI added a new question to the survey in fall 2025. More than three-quarters (76%) of DC-account owners agreed that their employer-sponsored retirement plans provide useful educational materials about saving and investing in their plans (Figure 1).

FIGURE 1

Views of DC-Owning Individuals by Age and Household Income

Percentage of DC-owning individuals* agreeing with each statement by age or household income, fall 2025

	All DC-owning individuals*	Age of survey respondent			
		Younger than 35	35 to 49	50 to 64	65 or older
It is important to have choice in, and control of, the investments in my retirement plan account.	95	92	94	97	97
Payroll deduction makes it easier for me to save.	92	87	92	95	96
My employer-sponsored retirement account helps me think about the long term, not just my current needs.	91	87	91	93	96
The tax treatment of my retirement plan is a big incentive to contribute.	82	79	76	88	87
My employer-sponsored retirement plan offers me a good lineup of investment options.	83	79	84	83	88
Knowing that I'm saving from every paycheck makes me less worried about the short-term performance of my investments.	82	80	77	87	84
My employer-sponsored retirement plan provides useful educational materials about saving and investing in the plan.	76	74	75	75	81
I probably wouldn't save for retirement if I didn't have a retirement plan at work.	47	49	46	44	49
Number of respondents	1,395				

	All DC-owning individuals*	Household income			
		Less than \$50,000	\$50,000 to \$99,999	\$100,000 to \$149,999	\$150,000 or more
It is important to have choice in, and control of, the investments in my retirement plan account.	95	88	96	94	96
Payroll deduction makes it easier for me to save.	92	79	93	94	94
My employer-sponsored retirement account helps me think about the long term, not just my current needs.	91	82	91	93	93
The tax treatment of my retirement plan is a big incentive to contribute.	82	69	82	83	84
My employer-sponsored retirement plan offers me a good lineup of investment options.	83	72	84	85	85
Knowing that I'm saving from every paycheck makes me less worried about the short-term performance of my investments.	82	70	79	81	88
My employer-sponsored retirement plan provides useful educational materials about saving and investing in the plan.	76	70	77	75	77
I probably wouldn't save for retirement if I didn't have a retirement plan at work.	47	58	55	45	39
Number of respondents	1,395				

* DC-owning individuals are individuals aged 18 or older whose households owned 401(k) plan accounts or other DC plan accounts at the time of the survey.

Note: The figure reports the percentage of DC-owning adults who "strongly agreed" or "somewhat agreed" with the statement. The remaining respondents "somewhat disagreed" or "strongly disagreed."

Source: ICI tabulation of NORC AmeriSpeak® survey data (fall 2025)

Americans Reject Changing Key Features of DC Plans

Survey respondents were also asked their views on changing three key DC plan account features: tax deferral, investment control, and control of the accounts.¹⁷

Views on Tax Deferral

Some opinion leaders and policymakers have questioned the public value of the tax deferral that 401(k) plans and IRAs receive. To learn more about Americans' sentiments, survey respondents were asked whether the government should take away these tax incentives. A strong majority, 87%, disagreed that the tax incentives of DC plans should be removed (Figure 2). Opposition to elimination of the tax advantages was strongest among individuals whose households owned DC accounts or IRAs, with 90% opposing the removal of the tax advantages. Additionally, 78% of individuals in households without DC accounts or IRAs opposed eliminating the incentives.¹⁸

The survey also asked whether the limits on individual contributions to DC accounts should be reduced.¹⁹ A strong majority of all individuals (88%) opposed reducing the individual contribution limits (Figure 2). Among DC- or IRA-owning individuals in fall 2025, 91% disagreed with reducing the contribution limits, and among individuals without retirement accounts, 80% disagreed.

The survey also asked households about employer contributions to DC plan accounts.²⁰ In fall 2025, 90% of Americans opposed reducing the amount that employers can contribute to DC plan accounts for their employees (Figure 2). Among DC- or IRA-owning individuals in fall 2025, 93% disagreed with reducing the employer contribution limits; among those without retirement accounts, 82% disagreed.

Views on Investment Control

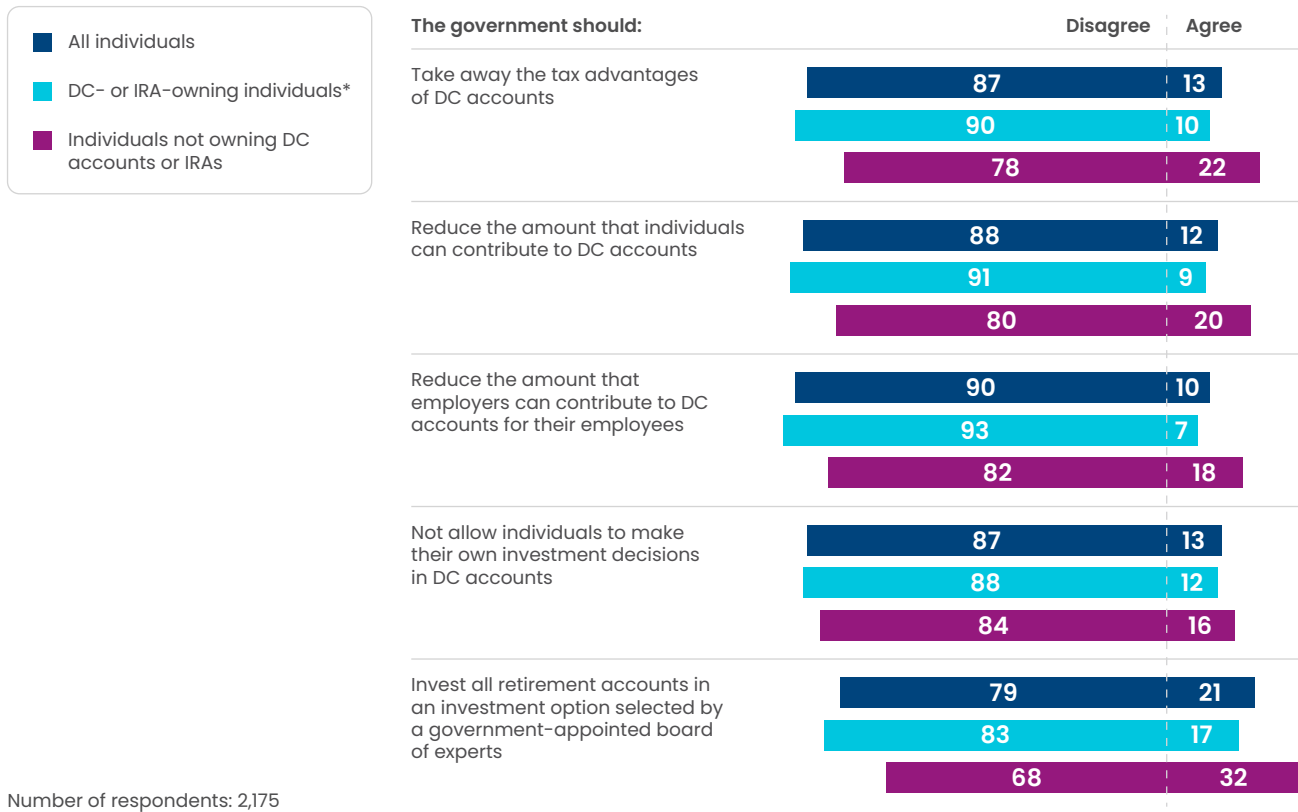
Respondents also resisted suggestions to change individual investment control in DC accounts. When respondents were asked whether they agreed or disagreed with the statement "The government should not allow individuals to make their own investment decisions in DC accounts," 87% disagreed (Figure 2). The degree of opposition was higher among individuals whose households owned DC accounts or IRAs (88%) than among those without retirement accounts (84%).

In a similar vein, respondents were asked how they viewed a proposal for the government to "invest all retirement accounts in an investment option selected by a government-appointed board of experts."²¹ Government control of workers' savings is not a popular policy. In fall 2025, 79% of respondents disagreed with this proposal (Figure 2). Among individuals with retirement accounts, 83% opposed this proposal, compared with 68% of those without retirement accounts.²²

FIGURE 2

Americans Reject Changes to the Key Features of DC Plans

Percentage of US individuals agreeing or disagreeing with each statement by ownership status,* fall 2025



* DC- or IRA-owning individuals are individuals aged 18 or older whose households owned 401(k) plan accounts, other DC plan accounts, or IRAs at the time of the survey.
 Note: The figure plots in the "agree" column the percentage of adults who "strongly agreed" or "somewhat agreed" with the statement, and plots the percentage of adults who "somewhat disagreed" or "strongly disagreed" in the "disagree" column.
 Source: ICI tabulation of NORC AmeriSpeak® survey data (fall 2025)

Views on Control of Retirement Account Balances

In 2025, ICI asked questions investigating individual sentiment on possible policy changes affecting control of DC account and IRA balances. Though some research has suggested that individuals should annuitize more of their retirement account balances as a means of eliminating the risk of outliving their resources,²³ whether and how much a household should annuitize is broadly debated.²⁴ In fact, most Americans already have a significant share of their wealth in the form of an annuity through Social Security or alternative public-sector pension plans.²⁵ Surveying consumer preferences regarding annuitization is difficult because the subject matter is complicated²⁶ and may not be salient at the current time for many households. In addition, academic research has shown that word choice in surveys on annuities has a dramatic impact on the perceived desirability of the annuity option.²⁷

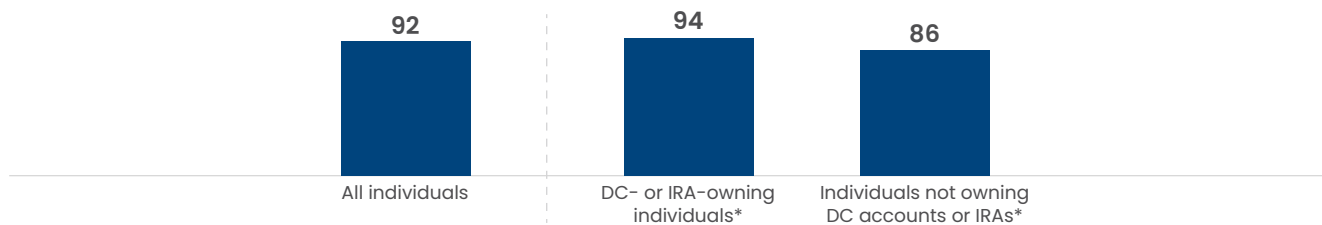
With these difficulties in mind, ICI asked three questions regarding the control of retirement account balances. In the first question, respondents were asked to react to a simple statement: “Retirees should be able to make their own decisions about how to manage their own retirement assets and income.” In fall 2025, 92% of respondents either “strongly agreed” or “somewhat agreed” with that statement (Figure 3). Agreement was slightly higher for individuals whose households owned DC accounts or IRAs (94%) than for those without retirement accounts (86%). In addition, agreement with the statement was generally higher for older individuals.

FIGURE 3

Majorities Agree That Retirees Should Be Able to Make Their Own Decisions About How to Manage Their Own Retirement Assets and Income

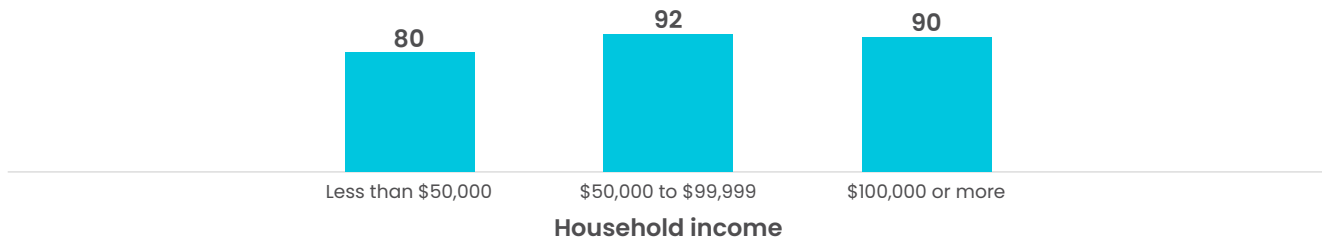
All individuals

Percentage of US individuals agreeing by ownership status,* fall 2025



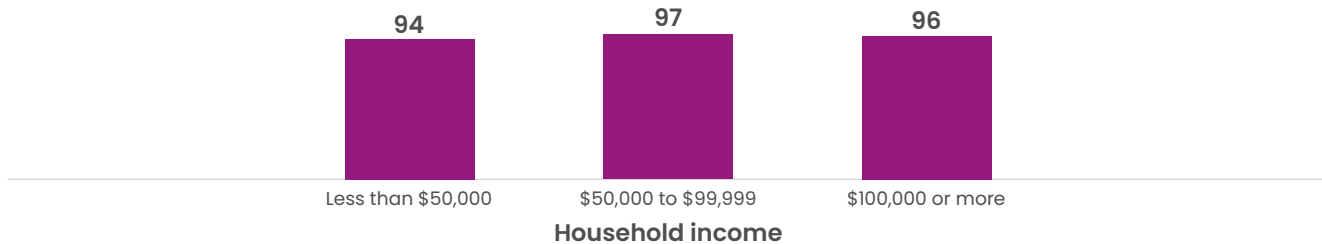
Survey respondent younger than 50

Percentage of US individuals agreeing by age and household income, fall 2025



Household survey respondent aged 50 or older

Percentage of US individuals agreeing by age and household income, fall 2025



* DC- or IRA-owning individuals are individuals aged 18 or older whose households owned 401(k) plan accounts, other DC plan accounts, or IRAs at the time of the survey.

Note: In 2025, the sample includes 1,599 DC- or IRA-owning adults and 576 adults not owning DC accounts or IRAs. The fall 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The fall 2025 survey includes 2,075 surveys completed online and 100 surveys conducted over the phone.

Source: ICI tabulation of NORC AmeriSpeak® survey data (fall 2025)

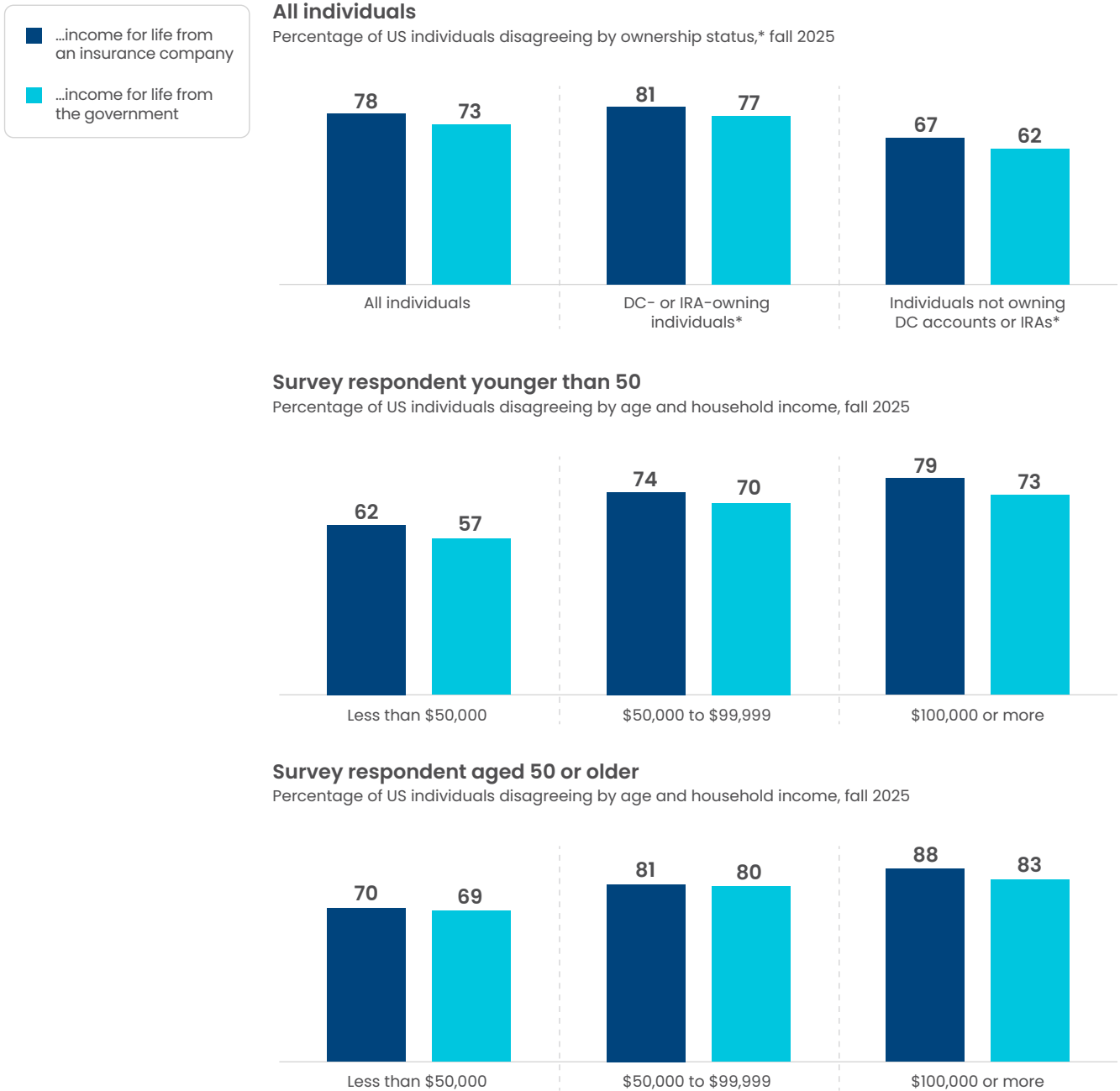
The second and third questions about control of retirement accounts focused on sentiment regarding more specific annuitization policy options. The second statement read: “The government should require retirees to trade a portion of their retirement plan accounts for a fair contract that promises to pay them income for life from an insurance company.” The third statement replaced “from an insurance company” with “from the government.” The distinction between an insurance company and the government as annuity provider had only a small effect on sentiment (the results for the second and third retirement account disposition questions were similar).

Overall, about three-quarters of respondents either “somewhat disagreed” or “strongly disagreed” with the proposed change in control of account disposition (Figure 4). Note that the question was worded in a way to help minimize bias toward disagreement; the proposal indicated that retirees would trade only “a portion” of their assets under a “fair” contract giving them “income for life.”

At around 80%, the disapproval rates for the proposed annuitization requirements are higher among DC or IRA-owning individuals than for non-owners (Figure 4). Disapproval also tends to increase with both age and household income. Among respondents younger than 50 in households with annual incomes under \$50,000, the disapproval rates for income for life from an insurance company and income for life from the government were 62% and 57%, respectively. These disapproval rates climbed to 88% and 83%, respectively, among respondents aged 50 or older in households with annual incomes of \$100,000 or more.

FIGURE 4

Individuals Disagreeing with the Statements: The government should require retirees to trade a portion of their retirement plan accounts for a fair contract that promises to pay them...



* DC- or IRA-owning individuals are individuals aged 18 or older whose households owned 401(k) plan accounts, other DC plan accounts, or IRAs at the time of the survey.

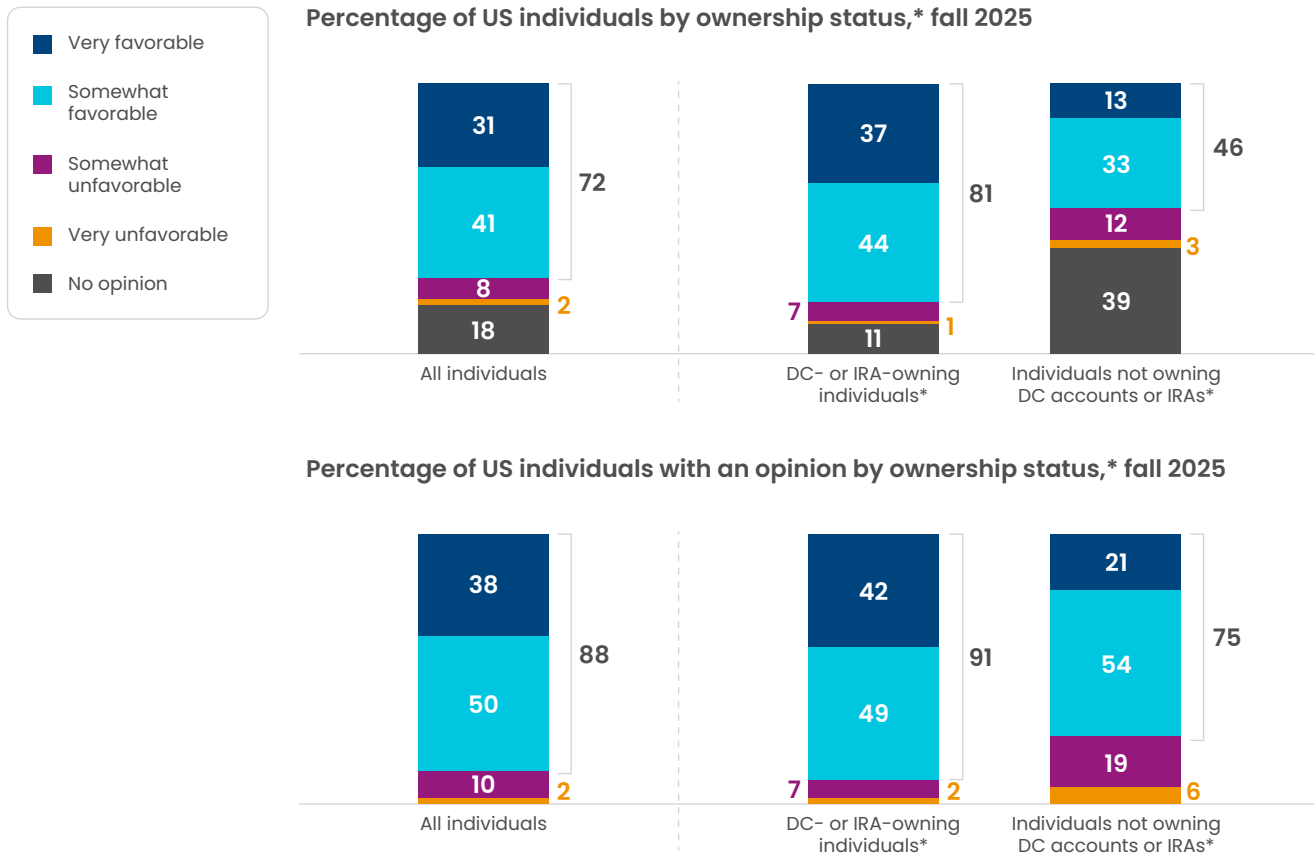
Note: In 2025, the sample includes 1,599 DC- or IRA-owning adults and 576 adults not owning DC accounts or IRAs. The fall 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The fall 2025 survey includes 2,075 surveys completed online and 100 surveys conducted over the phone.

Source: ICI tabulation of NORC AmeriSpeak® survey data (fall 2025)

Americans' Views on DC Plan Accounts Are Favorable

A majority of Americans have favorable impressions of 401(k) and similar retirement accounts. In fall 2025, 72% of Americans had “very” or “somewhat” favorable impressions of DC plan accounts (Figure 5). Among all individuals expressing an opinion, 88% had favorable impressions of 401(k) plans, with 38% expressing the strongest positive response—a “very favorable” impression. Of DC- or IRA-owning individuals who expressed an opinion, 91% had favorable impressions of 401(k) and similar retirement accounts compared with 75% of non-owning respondents who expressed an opinion.

FIGURE 5
Opinions About 401(k) and Similar Retirement Plan Accounts



* DC- or IRA-owning individuals are individuals aged 18 or older whose households owned 401(k) plan accounts, other DC plan accounts, or IRAs at the time of the survey.

Note: In 2025, the sample includes 1,599 DC- or IRA-owning adults and 576 adults not owning DC accounts or IRAs. The fall 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The fall 2025 survey includes 2,075 surveys completed online and 100 surveys conducted over the phone.

Source: ICI tabulation of NORC AmeriSpeak® survey data (fall 2025)

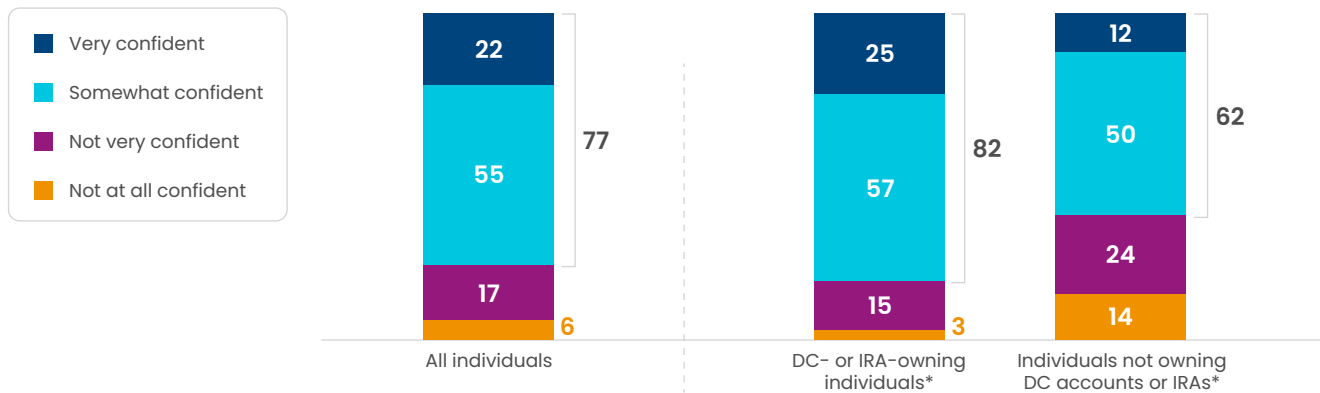
Majorities Have Confidence That Retirement Plan Accounts Can Help Individuals Meet Retirement Goals

The survey also asked respondents to indicate their confidence in the ability of the 401(k) system to help individuals meet their retirement goals. In fall 2025, 77% of Americans indicated they were either “somewhat” or “very” confident that 401(k) and other employer-sponsored retirement plan accounts can help people meet their retirement goals (Figure 6). At 82%, that confidence was higher among individuals whose households owned DC accounts or IRAs, while a smaller majority (62%) of non-owners expressed confidence in the retirement plan account approach.

FIGURE 6

Majorities Have Confidence That Retirement Plan Accounts Can Help Individuals Meet Retirement Goals

Percentage of US individuals by ownership status,* fall 2025



* DC- or IRA-owning individuals are individuals aged 18 or older whose households owned 401(k) plan accounts, other DC plan accounts, or IRAs at the time of the survey.

Note: In 2025, the sample includes 1,599 DC- or IRA-owning adults and 576 adults not owning DC accounts or IRAs. The fall 2025 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The fall 2025 survey includes 2,075 surveys completed online and 100 surveys conducted over the phone.

Source: ICI tabulation of NORC AmeriSpeak® survey data (fall 2025)

Conclusion

DC plans have become a common feature of the US retirement landscape, with millions of US households now holding a portion of their assets in them. As such, it is important to know how these plans are viewed and whether policy proposals are likely to increase or decrease the value of these plans for those looking to save for retirement during their working years. In fall 2025, survey results find that Americans value current plan design features, and their views on policy changes reveal a strong preference for preserving retirement account features and flexibility. This is especially true for individuals who use the plans and for those most in need of them to supplement Social Security. Notably, those not currently using the plans were observed to still strongly be in favor of them, suggesting a value for their place in household planning over a longer time span. Overall, Americans expressed favorable impressions of DC plans and confidence that DC plans can help people meet their retirement goals.

Additional Reading

- » What Does Consistent Participation in 401(k) Plans Generate? Changes in 401(k) Plan Account Balances and Asset Allocations, 2019–2023
www.ici.org/system/files/2025-08/25-per31-06.pdf
- » The ICI/ISS Defined Contribution Plan Profile
www.ici.org/research/defined_contribution_plans/401ks/the-iciiss-defined-contribution-plan-profile
- » The US Retirement Market
www.ici.org/research/statistics/quarterly-retirement-market-data
- » Defined Contribution Plan Participants' Activities
www.ici.org/DefinedContributionPlanParticipantsActivities

Notes

- 1 In addition to being a repository for contributions, the traditional IRA is a key vehicle for rollovers from employer-sponsored retirement plans (whether rolled over as lump-sum distributions from defined benefit plans or account balances from DC plans). A majority of traditional IRA-owning households indicate that their traditional IRAs contain rollovers from employer-sponsored retirement plans (see Holden and Schrass 2025; and Holden, Schrass, and Bogdan, forthcoming).
- 2 See Investment Company Institute 2026.
- 3 In 2025, 60% of US households had DC accounts, 44% had IRAs, and, on net, 70% held DC accounts or IRAs. These data were tabulated from ICI's Annual Mutual Fund Shareholder Tracking Survey fielded from May to June 2025 (sample of 9,021 US households). See Holden, Schrass, and Bogdan (forthcoming) and Holden, Schrass, and Bogdan 2025 for additional detail.
- 4 For the earlier reports, see Holden et al. 2025 and all prior reports available at https://www.ici.org/research/defined_contribution_plans/us-households-views-on-retirement-savings.
- 5 The 2025 survey was conducted using the AmeriSpeak® research panel, a probability-based panel designed and operated by NORC at the University of Chicago. The AmeriSpeak® panel is designed to be representative of individuals aged 18 or older in the United States. Randomly selected US households are sampled using area probability and address-based sampling, with a known, non-zero probability of selection from the NORC National Sample Frame. These sampled households are then contacted by US mail, telephone, and field interviewers (face to face). The panel provides sample coverage of approximately 97% of the US household population. Those excluded from the sample include people with P.O. Box only addresses, some addresses not listed in the USPS Delivery Sequence File, and some newly constructed dwellings. While most AmeriSpeak® households participate in surveys by web, non-internet households can participate in AmeriSpeak® surveys by telephone. Households without conventional internet access but having web access via smartphones are allowed to participate in AmeriSpeak® surveys by web. AmeriSpeak® panelists participate in NORC studies or studies conducted by NORC on behalf of governmental agencies, academic researchers, and media and commercial organizations.
- 6 Results are also analyzed on the basis of individuals' household income.
- 7 See note 4.
- 8 Figure A1 in the appendix presents these results by generation of the survey respondent.
- 9 The benefit of tax deferral is not the up-front tax deduction. Indeed, in many cases the benefits of tax deferral are equivalent to the tax benefits of Roth treatment, in which contributions are taxed but investment earnings and distributions are untaxed. Although not immediately obvious, if tax rates are the same at the time of contribution and the time of distribution, the tax treatment of a Roth contribution provides the same tax benefits as tax deferral. For this reason, tax economists often equate the benefit of tax deferral to earning investment returns—interest, dividends, and capital gains—that are free from tax. For extensive discussion of the tax benefits and revenue costs of tax deferral, see Brady 2012 and 2013. For an analysis of the benefits of the US retirement system—including Social Security and tax deferral—see Brady 2016.
- 10 The wording of this question was changed in 2017, which may have contributed to the increase in the percentage of DC-owning individuals agreeing with the statement. The wording changed in the 2017 survey to read “Knowing that I’m saving from every paycheck makes me less worried about the short-term performance of my investments.” In prior years, the statement in question was “Knowing that I’m saving from every paycheck makes me less worried about the stock market’s performance.” See Holden, Schrass, and Bogdan 2017.
- 11 ICI conducted a separate survey of DC plan recordkeepers on a cumulative quarterly basis. These data find that the majority of DC plan participant stay the course with their asset allocations through market downturns. For the most recent annual results from that survey, see Holden, Schrass, and Chism 2023a; for results for the first quarter of 2023, see Holden, Schrass, and Chism 2023b

- 12 The Federal Reserve Board’s Survey of Consumer Finances includes questions asking households to give their reasons for saving and to rank the most important reason for saving. Overall, 27% of US households in 2022 reported that saving for retirement was their household’s primary reason for saving (for a discussion of the Survey of Consumer Finances, see Aladangady et al. 2023). Prime working age and middle- to upper-income households were much more likely to indicate that retirement saving was their household’s primary savings goal (see Figure A2 in the appendix). For additional discussion of saving goals and the US retirement system, see Investment Company Institute 2025; Brady 2016; Brady and Bass 2021; and Brady, Burham, and Holden 2012.
- 13 An individual’s Social Security benefit (called the primary insurance amount, or PIA) is derived using a formula applied to their monthly earnings, averaged over his or her lifetime, after adjusting for inflation and real wage growth (called the average indexed monthly earnings, or AIME). The PIA for newly eligible retirees in 2026 is equal to 90% of the first \$1,286 of AIME, plus 32% of AIME from more than \$1,286 through \$7,749, and 15% of any AIME more than \$7,749. The decline in the benefit formula percentages—from 90% to 32% and then to 15%— is the reason why lower earners get a higher benefit relative to their pre-retirement earnings. See US Social Security Administration 2025 for more details about benefit formulas and parameters.
- 14 For example, the first-year replacement rate (mean scheduled Social Security first-year benefits as a percentage of average inflation-indexed career earnings for retired workers in the 1960–1969 birth cohort [individuals aged 52 to 61 in 2021]) decreased as income increased. The mean replacement rate for the lowest lifetime household earnings quintile was 78%; for the middle quintile, the mean Social Security replacement rate was 49%; and for the highest quintile, it was 31%. See Congressional Budget Office 2021. For additional discussion, see Investment Company Institute 2025; Brady and Bogdan 2014; Brady and Bass 2021; and Brady, Burham, and Holden 2012.
- 15 For a comprehensive analysis of the asset allocation of 401(k) accounts, see Holden, Bass, and Copeland 2024 and 2025. For insight into the rebalancing activities of 401(k) plan participants in their accounts or contribution allocations, see Holden, Schrass, and Chism 2023a and 2023b. For an analysis of the number and types of investment options included in 401(k) plan lineups, see BrightScope and Investment Company Institute 2025. For an analysis of the number and types of investment options included in 403(b) plan lineups, see Investment Company Institute and ISS Market Intelligence 2025.
- 16 See US Department of Labor, Pension and Welfare Benefits Administration 1996 for Interpretive Bulletin 96-1. For more background information on the setting up of 401(k) plans, see Holden, Libanati, and Chism 2025.
- 17 To reduce respondent burden, a question asking about views on a proposal to require workers to participate in a new government-sponsored pension plan was dropped. For the 2015 survey responses to that question, see Holden et al. 2016.
- 18 Figure A3 in the appendix presents these results by age and household income of the survey respondent. Figure A4 in the appendix presents these results by generation of the survey respondent.
- 19 The surveys from 2009 to 2024 had the same question. The 2008 survey asked a more general question regarding reducing the tax advantages of such retirement accounts, which is not directly comparable.
- 20 This question was first introduced in the 2011 survey.
- 21 The wording of this statement was revised slightly in the fall 2014 survey to reflect the direction of recent policy proposals. In prior years, respondents were asked about the statement “Replace all retirement accounts with a government bond.” With the fall 2014 survey, the statement was revised to “an investment option selected by a government-appointed board of experts,” rather than a government bond. Survey respondents’ reactions to the new statement in fall 2014 are similar to the reactions to the earlier statements in the earlier surveys. The 2014 question was repeated from 2015 to 2024 with similar results. For earlier results, see note 4.

22 The greater level of opposition to the government investing all retirement accounts in an investment option selected by a government-appointed board of experts among individuals whose households have 401(k)-type plans and IRAs is likely driven, in part, by the fact that the proposal directly affects their investment of their retirement accounts.²³ See Mitchell et al. 1999; Beshears et al. 2014; Brown and Weisbenner 2014; Brown et al. 2015; Hurwitz and Mitchell 2022; and Poterba and Solomon 2025. For a discussion of the early academic literature modeling the annuitization decision, see Holden and Salinas 2018 and Investment Company Institute 2020.

24 See Sinclair and Smetters 2004; Pashchenko 2013; Ameriks et al. 2014; Reichling and Smetters 2015; Chen, Haberman, and Thomas 2016; and Slavov 2024. Also, see Investment Company Institute 2020 for a review of the literature on the annuitization decision. In addition, McGarry 2022 explores how longevity expectations are formed and how they evolve as individuals age, which can be important for decisions around managing assets and income in retirement.

25 See Brady, Burham, and Holden 2012 and Investment Company Institute 2020. Also see research (Sass 2012; Altig, Kotlikoff, and Ye 2022; and Slavov 2024) regarding the benefit from delaying Social Security claiming versus private-sector annuity purchases.

26 See Shu, Zeithammer, and Payne 2016.

27 See Agnew et al. 2008, Brown et al. 2008, and Beshears et al. 2014.

References

- Agnew, Julie R., Lisa R. Anderson, Jeffrey R. Gerlach, and Lisa R. Szykman. 2008. "Who Chooses Annuities? An Experimental Investigation of the Role of Gender, Framing, and Defaults." *American Economic Review* 98(2): 418–22. Available at www.aeaweb.org/articles?id=10.1257/aer.98.2.418.
- Aladangady, Aditya, Jesse Bricker, Andrew C. Chang, Sarena Goodman, Jacob Krimmel, Kevin B. Moore, Sarah Reber, Alice Henriques Volz, and Richard A. Windle. 2023. *Changes in U.S. Family Finances from 2019 to 2022: Evidence from the Survey of Consumer Finances*. Washington, DC: Board of Governors of the Federal Reserve System (October). Available at <https://doi.org/10.17016/8799>.
- Altig, David, Laurence J. Kotlikoff, and Victor Yifan Ye. 2022. "How Much Lifetime Social Security Benefits Are Americans Leaving on the Table?" Published as Chapter 4 in *Tax Policy and the Economy*, Volume 37, Robert A. Moffitt editor, University of Chicago Press. Available at www.nber.org/books-and-chapters/tax-policy-and-economy-volume-37/how-much-lifetime-social-security-benefits-are-americans-leaving-table.
- Ameriks, John, Joseph Briggs, Andrew Caplin, Matthew D. Shapiro, and Christopher Tonetti. 2014. "Resolving the Annuity Puzzle: Estimating Life-Cycle Models Without (and With) Behavioral Data." Society for Economic Dynamics 2014 Meeting Papers. Available at www.minneapolisfed.org/research/conferences/research-events---conferences-and-programs/%7E/media/files/research/events/2014_05-14/Caplin_AnnuityPuzzle.pdf.
- Beshears, John, James J. Choi, David Laibson, Brigitte C. Madrian, and Stephen P. Zeldes. 2014. "What Makes Annuitization More Appealing?" *Journal of Public Economics* 116: 2–16.
- Brady, Peter. 2012. *The Tax Benefits and Revenue Costs of Tax Deferral*. Washington, DC: Investment Company Institute (September). Available at www.ici.org/system/files/attachments/ppr_12_tax_benefits.pdf.
- Brady, Peter. 2013. "Retirement Plan Contributions Are Tax-Deferred—Not Tax-Free." *ICI Viewpoints* (September 16). Available at www.ici.org/viewpoints/view_13_deferral_explained.
- Brady, Peter J. 2016. *How America Supports Retirement: Challenging the Conventional Wisdom on Who Benefits*. Washington, DC: Investment Company Institute. Available at www.ici.org/system/files/attachments/rpt_16_america_supports_retirement.pdf.
- Brady, Peter J., and Steven Bass. 2021. "Who Participates in Retirement Plans, 2018." *ICI Research Perspective* 27, no. 8 (September). Available at www.ici.org/files/2021/per27-08.pdf.
- Brady, Peter, and Michael Bogdan. 2014. "Who Gets Retirement Plans and Why, 2013." *ICI Research Perspective* 20, no. 6 (October). Available at www.ici.org/system/files/attachments/per20-06.pdf.
- Brady, Peter, Kimberly Burham, and Sarah Holden. 2012. *The Success of the US Retirement System*. Washington, DC: Investment Company Institute (December). Available at www.ici.org/system/files/attachments/ppr_12_success_retirement.pdf.
- BrightScope and Investment Company Institute. 2025. *The BrightScope/ICI Defined Contribution Plan Profile: A Close Look at 401(k) Plans, 2022*. San Diego, CA: BrightScope and Washington, DC: Investment Company Institute. Available at www.ici.org/system/files/2025-03/25-rpt-dcplan-profile22-401k.pdf.
- Brown, Jeffrey R., Arie Kapteyn, Erzo F. P. Luttmer, and Olivia S. Mitchell. 2015. "Cognitive Constraints on Valuing Annuities." Wharton Pension Research Council Working Paper, no. WP2014-21 (March). Available at http://repository.upenn.edu/prc_papers/64/.
- Brown, Jeffrey R., Jeffrey R. Kling, Sendhil Mullainathan, and Marian V. Wrobel. 2008. "Why Don't People Insure Late Life Consumption? A Framing Explanation of the Under-Annuitization Puzzle." *American Economic Review* 98(2): 304–309.
- Brown, Jeffrey R., and Scott J. Weisbenner. 2014. "Building Retirement Security Through Defined Contribution Plans." Washington, DC: American Council of Life Insurers (February). Available at www.acli.com/-/media/ACLI/Files/Retirement-Plans-Public/BuildingRetirementSecurityThroughDefinedContributionPlansFebruary2014.%20ashx?la=en.

- Chen, Anran, Steven Haberman, and Steve Thomas. 2016. "Cumulative Prospect Theory, Deferred Annuities, and the Annuity Puzzle" (November). Available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2862792.
- Congressional Budget Office. 2021. *CBO's 2021 Long-Term Projections for Social Security: Additional Information*. Washington, DC: Congressional Budget Office (July). Available at www.cbo.gov/system/files/2021-07/57342-Social-Security.xlsx.
- Holden, Sarah, Steven Bass, and Craig Copeland. 2024. "401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 2022." *ICI Research Perspective* 30, no. 3 (April). Available at www.ici.org/files/2024/per30-03.pdf.
- Holden, Sarah, Steven Bass, and Craig Copeland. 2025. "What Does Consistent Participation in 401(k) Plans Generate? Changes in 401(k) Plan Account Balances, 2019–2023." *ICI Research Perspective* 31, no. 6 (August). Available at www.ici.org/files/2025/per31-06.pdf.
- Holden, Sarah, Kimberly Burham, Michael Bogdan, and Daniel Schrass. 2016. "American Views on Defined Contribution Plan Saving, 2015." *ICI Research Report* (February). Available at www.ici.org/pubfile_pdf/ppr_16_dc_plan_saving.pdf.
- Holden, Sarah, Michael Libanati, and Elena Barone Chism. 2025. "The Economics of Providing 401(k) Plans: Services, Fees, and Expenses, 2024." *ICI Research Perspective* 31, no. 5 (July). Available at www.ici.org/system/files/2025-07/per31-05.pdf.
- Holden, Sarah, and Shannon Salinas. 2018. "ERISA Advisory Council, Lifetime Income Solutions as a Qualified Default Investment Alternative: Statement of the Investment Company Institute" (August). Available at www.dol.gov/sites/dolgov/files/ebsa/pdf_files/2018-lifetime-income-solutions-as-a-qdia-holden-written-statement-08-15.pdf.
- Holden, Sarah, and Daniel Schrass. 2025. "The Role of IRAs in US Households' Saving for Retirement, 2024." *ICI Research Perspective* 31, no. 2 (March). Available at www.ici.org/system/files/2025-03/per31-02.pdf.
- Holden, Sarah, Daniel Schrass, and Michael Bogdan. 2017. "American Views on Defined Contribution Plan Saving, 2016." *ICI Research Report* (February). Available at www.ici.org/system/files/attachments/pdf/ppr_17_dc_plan_saving.pdf.
- Holden, Sarah, Daniel Schrass, and Michael Bogdan. 2025. "Ownership of Mutual Funds and Shareholder Sentiment, 2025." *ICI Research Perspective* 31, no. 8 (November). Available at www.ici.org/system/files/2025-11/per31-08.pdf.
- Holden, Sarah, Daniel Schrass, and Michael Bogdan. Forthcoming (2026). "The Role of IRAs in US Households' Saving for Retirement, 2025." *ICI Research Perspective*. Available at <https://www.ici.org/researchiras/the-role-of-iras-in-us-households%E2%80%99-saving-for-retirement>.
- Holden, Sarah, Daniel Schrass, Michael Bogdan, and Jason Seligman. 2024. "American Views on Defined Contribution Plan Saving, 2023." *ICI Research Report* (February). Available at www.ici.org/system/files/2024-02/24-ppr-dc-plan-saving.pdf.
- Holden, Sarah, Daniel Schrass, Michael Bogdan, and Jason Seligman. 2025. "American Views on Defined Contribution Plan Saving, 2024." *ICI Research Report* (January). Available at www.ici.org/system/files/2025-01/25-rpt-am-views-dc-plans.pdf.
- Holden, Sarah, Daniel Schrass, and Elena Barone Chism. 2023a. "Defined Contribution Plan Participants' Activities, 2022." *ICI Research Report* (March). Available at www.ici.org/system/files/2023-03/22-rpt-recsurveyq4.pdf.
- Holden, Sarah, Daniel Schrass, and Elena Barone Chism. 2023b. "Defined Contribution Plan Participants' Activities, First Quarter 2023." *ICI Research Report* (July). Available at <https://www.ici.org/files/2023/23-rpt-recsurveyq1.pdf>.
- Holden, Sarah, Daniel Schrass, Jason Seligman, and Michael Bogdan. 2018. "American Views on Defined Contribution Plan Saving, 2017." *ICI Research Report* (February). Available at www.ici.org/pubfile_pdf/ppr_18_dc_plan_saving.pdf.
- Hurwitz, Abigail, and Olivia S. Mitchell. 2022. "Financial Regret at Older Ages and Longevity Awareness." NBER Working Paper, no. 30696. Cambridge, MA: National Bureau of Economic Research. Available at www.nber.org/papers/w30696.
- Investment Company Institute. 2020. *The Myth of Under-Annuitization: Managing Income and Assets in Retirement* (April). Available at www.ici.org/pubfile_pdf/20_ppr_annuitization.pdf.

- Investment Company Institute. 2025. *2025 Investment Company Fact Book: A Review of Trends and Activities in the Investment Company Industry*. Washington, DC: Investment Company Institute. Available at www.icifactbook.org.
- Investment Company Institute. 2026. "The US Retirement Market, Third Quarter 2025" (January). Available at www.ici.org/research/stats/retirement.
- Investment Company Institute and ISS Market Intelligence. 2025. *The ICI/ISS MI Defined Contribution Plan Profile: A Close Look at ERISA 403(b) Plans, 2022*. Washington, DC: Investment Company Institute and San Diego, CA: ISS Market Intelligence. Available at www.ici.org/files/2025/25-rpt-dcplan-profile22-403b.pdf.
- McGarry, Kathleen. 2022. "Perceptions of Mortality: Individual Assessment of Longevity Risk." Published as Chapter 2, *New Models for Managing Longevity Risk: Public-Private Partnerships*. Olivia Mitchell, Ed. Oxford University Press. Earlier working paper version available at https://repository.upenn.edu/prc_papers/678/.
- Mitchell, Olivia S., James M. Poterba, Mark J. Warshawsky, and Jeffrey R. Brown. 1999. "New Evidence on the Money's Worth of Individual Annuities." *American Economic Review* 89(5): 1299–1318. Available at www.aeaweb.org/articles?id=10.1257/aer.89.5.1299.
- Pashchenko, Svetlana. 2013. "Accounting for Non-Annuitization." *Journal of Public Economics* 98: 53–67. Available at www.sciencedirect.com/science/article/abs/pii/S0047272712001351.
- Poterba, James M., and Adam Solomon. 2025. "New Evidence on the Money's Worth of Immediate and Deferred Individual Annuities." NBER Working Paper, no. 28557 (October). Cambridge, MA: National Bureau of Economic Research. Available at www.nber.org/papers/w28557.
- Reichling, Felix, and Kent Smetters. 2015. "Optimal Annuitization with Stochastic Mortality and Correlated Medical Costs." *American Economic Review* 105(11): 3273–3320. Available at www.aeaweb.org/articles?id=10.1257/aer.20131584.
- Sass, Steven A. 2012. "Should You Buy an Annuity from Social Security?" *Issue in Brief*, no. 12-10 (May). Chestnut Hill, MA: Center for Retirement Research at Boston College. Available at https://crr.bc.edu/wp-content/uploads/2012/05/IB_12-10-508.pdf.
- Shu, Suzanne B., Robert Zeithammer, and John W. Payne. 2016. "Consumer Preferences for Annuity Attributes: Beyond Net Present Value." *Journal of Marketing Research* 53 (April): 240–262. Available at www.anderson.ucla.edu/sites/default/files/document/2024-10/ConsumerPreferencesforAnnuityAttributes-compressed.pdf.
- Sinclair, Sven H., and Kent A. Smetters. 2004. "Health Shocks and the Demand for Annuities." *Congressional Budget Office Technical Paper* 2004-9 (July). Available at <http://cbo.gov/sites/default/files/cbofiles/ftpdocs/56xx/doc5695/2004-09.pdf>.
- Slavov, Sita. 2024. "Retirement, Social Security Deferral, and Life Annuity Demand." *TIAA Institute Research Paper Series* (April). Available at www.tiaa.org/content/dam/tiaa/institute/pdf/insights-report/2024-04/retirement-social-security-deferral_ti_slavov_april-2024.pdf.
- US Department of Labor, Pension and Welfare Benefits Administration. 1996. "Interpretive Bulletin 96–1; Participant Investment Education." *Federal Register* 61, No. 113 (June 11): 29586–29590. Available at www.govinfo.gov/content/pkg/FR-1996-06-11/pdf/96-14093.pdf.
- US Social Security Administration. 2026. "Primary Insurance Amount." Available at www.ssa.gov/oact/cola/piaformula.html.



Sarah Holden

Sarah Holden, ICI senior director of retirement and investor research, leads the Institute’s research efforts on investor demographics and behavior and retirement and tax policy. Holden, who joined ICI in 1999, heads efforts to track trends in household retirement saving activity and ownership of funds as well as other investments inside and outside retirement accounts. She is responsible for analysis of 401(k) plan participant activity using data collected in a collaborative effort with the Employee Benefit Research Institute (EBRI), known as the EBRI/ICI Participant-Directed Retirement Plan Data Collection Project. In addition, she oversees the IRA Investor Database™, which contains data on millions of IRA investors and allows analysis of IRA investors’ contribution, rollover, conversion, and withdrawal activity, and asset allocation. Before joining ICI, Holden served as an economist at the Federal Reserve Board of Governors. She has a PhD in economics from the University of Michigan and a BA in mathematics and economics, cum laude, from Smith College.



Daniel Schrass

Daniel Schrass is an assistant director of investor research and surveys at ICI. He focuses on investor demographics and behavior, as well as trends in household retirement saving activity. His detailed research includes analysis of IRA-owning households and individual IRA investors in the IRA Investor Database™, which includes data on millions of IRA investors. He also conducts research with government surveys such as the Survey of Consumer Finances, the Current Population Survey, and the Survey of Household Economics and Decisionmaking. Before joining ICI in October 2007, he served as an economist at the US Bureau of Labor Statistics. He has an MA in applied economics from the Johns Hopkins University and a BS in economics from the Pennsylvania State University.



Michael Bogdan

Michael Bogdan is an associate economist in the retirement and investor research division at ICI. Bogdan conducts research concerning the Institute’s household surveys. His areas of expertise include households’ ownership of mutual funds and other investments, retirement plans, and individual retirement accounts. Bogdan also conducts research with government surveys such as the Survey of Consumer Finances and the Current Population Survey. Before joining ICI in 1997, Bogdan worked for the chemical engineering department at Michigan State University as a technology transfer specialist for the Composite Materials and Structures Center. He has an MA and a BS in economics from Miami University in Oxford, Ohio.



Jason Seligman

Jason Seligman is a senior economist for retirement and investor research at ICI. He works on investor behavior and retirement policy issues. Before joining ICI in 2017, Seligman served in the federal government as an economist for the US Treasury Office of Economic Policy and at the President’s Council of Economic Advisers. He also has academic experience as a faculty member at The Ohio State University and University of Georgia. Seligman holds a PhD in economics from the University of California, Berkeley, and a BA in economics from the University of California, Santa Cruz.



WASHINGTON, DC | BRUSSELS | LONDON | WWW.ICI.ORG

Copyright © 2026 by the Investment Company Institute. All rights reserved.

The Investment Company Institute (ICI) is the leading association representing regulated investment funds. ICI’s mission is to strengthen the foundation of the asset management industry for the ultimate benefit of the long-term individual investor. Its members include mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in other jurisdictions. ICI also represents its members in their capacity as investment advisers to collective investment trusts (CITs) and retail separately managed accounts (SMAs). ICI has offices in Washington DC, Brussels, and London, and carries out its international work through ICI Global.