

ICI Research Perspective

The Role of IRAs in US Households' Saving for Retirement, 2025

Key Findings

- » **Individual retirement accounts (IRAs) play an important role in US households' retirement saving.** In mid-2025, 44% of US households owned IRAs. Traditional IRAs were the most common type of IRA owned (33% of US households), followed by Roth IRAs (28%) and employer-sponsored IRAs (4%). IRA-owning households often also had employer-sponsored retirement plan accumulations or had defined benefit plan coverage.
- » **The majority of US households have tax-advantaged retirement savings.** All told, nearly three-quarters of US households had retirement plans through work or IRAs; being later in the lifecycle of saving, 86% of near-retiree households did.
- » **Rollovers from employer-sponsored retirement plans have fueled the growth in IRAs.** In mid-2025, 61% of traditional IRA-owning households indicated that their traditional IRAs contained rollovers from employer-sponsored retirement plans. Among households with rollovers in their traditional IRAs, 86% indicated that they had rolled over the entire retirement account balance in their most recent rollover; 42% 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 more investment options (19%, 25%, and 15% of traditional IRA-owning households with rollovers, respectively).
- » **Recent years show a slight upward trend in contribution activity, although fewer than one in five US households make contributions to IRAs.** Across all US households, 17% contributed to traditional or Roth IRAs in tax year 2024. Looking at households owning traditional or Roth IRAs in mid-2025, 38% made contributions in tax year 2024.
- » **Households cite economic reasons for not contributing to their IRAs.** Noncontributing traditional IRA-owning households cited being retired, inability to save, or not meeting eligibility requirements to help explain lack of contributions. Four in 10 noncontributing traditional IRA-owning households indicated they were retired and no longer saving. Nearly four in 10 indicated they either didn't have extra money to save or their retirement plans at work met their savings needs. About one-quarter were unable to meet eligibility requirements. More than four in 10 noncontributing Roth IRA-owning households indicated an inability to save, two in 10 had eligibility issues, and about three in 10 were retired and no longer saving.
- » **IRA withdrawals were infrequent and mostly retirement-related.** One-third of traditional IRA-owning households in mid-2025 took withdrawals in tax year 2024, in line with recent prior years.

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For more information about the role of IRAs in US households' saving for retirement, see the appendix to this paper, available at www.ici.org/files/2026/per32-07-data.xlsx.

- » **The majority of traditional IRA withdrawals were made by retirees.** In mid-2025, 88% of households that made traditional IRA withdrawals were retired. Indeed, only 8% of traditional IRA–owning households headed by individuals younger than 59 took withdrawals. In mid-2025, 70% of traditional IRA–owning households with withdrawals calculated the withdrawal using the RMD rule—this was the most common amount withdrawn.
- » **Most IRA-owning households have a planned retirement strategy.** In mid-2025, 72% of traditional IRA–owning households and 65% of Roth IRA–owning households indicated that they have a strategy for managing income and assets in retirement. 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.

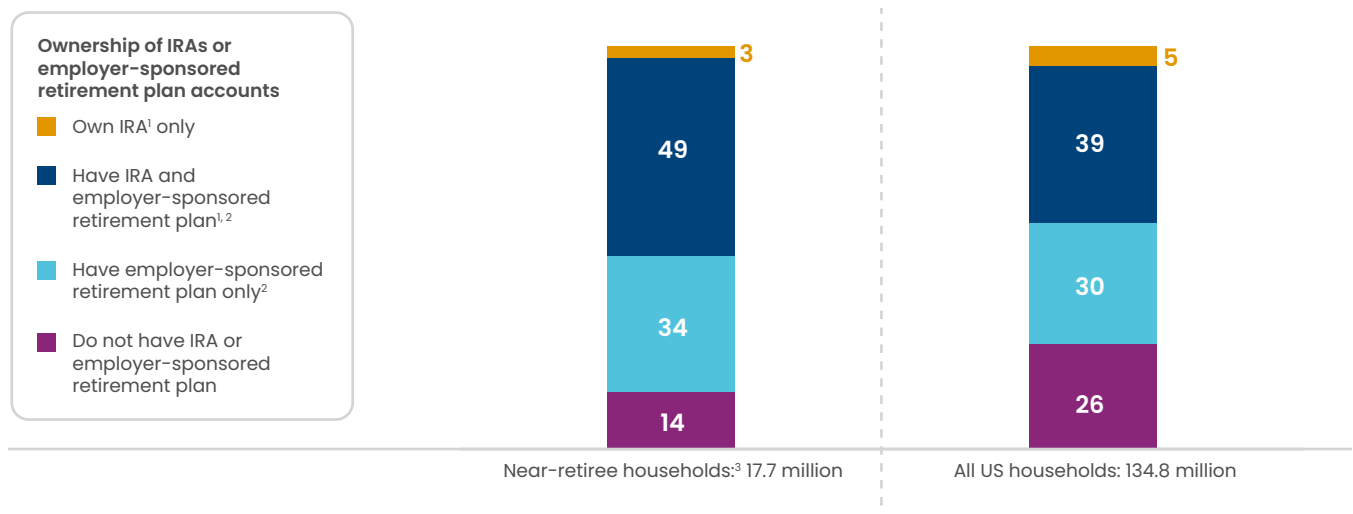
IRAs Play an Increasingly Important Role in Saving for Retirement

IRAs are a significant component of US retirement savings. With \$18.0 trillion in assets in mid-2025, individual retirement accounts (IRAs) represented 39% of US total retirement market assets, compared with 24% two decades ago and 19% three decades ago.¹ IRAs have also risen in importance on household balance sheets. In mid-2025, IRA assets were 13% of all household financial assets, up from 7% of assets two decades ago and 5% three decades ago.² In mid-2025, 59.6 million US households, or 44.2%, reported that they owned IRAs (Figures 1 and 2).³ Among all IRA-owning households in mid-2025, nearly nine in 10 also had employer-sponsored retirement plans; that is, they had defined contribution (DC) plan balances, current defined benefit (DB) plan payments, or expected future DB plan payments (Figure 1). Another 30% of US households reported employer-sponsored retirement plan coverage but no IRAs. All told, about 100 million US households, or 74%, had some type of formal, tax-advantaged retirement savings. Being later in the life-cycle of saving, 86% of near-retiree households had retirement accumulations.

FIGURE 1

Many US Households Have Tax-Advantaged Retirement Savings

Percentage of US households, 2025



¹ IRAs include traditional IRAs, Roth IRAs, and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

² Employer-sponsored retirement plans include DC and DB retirement plans.

³ *Near-retiree households* are those with a household survey respondent aged 55 to 64 who is working or whose spouse is working.

Sources: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey and US Census Bureau

Traditional IRAs are the oldest and most common type of IRA. In mid-2025, 43.9 million US households, or 32.6%, owned traditional IRAs (Figure 2).⁴ In addition to being a repository for contributions, the traditional IRA is a key vehicle for rollovers from employer-sponsored retirement plans. Indeed, more than six in 10 US households with traditional IRAs indicated that their IRAs contained rollover assets.⁵ Roth IRAs, which were first available in 1998, are the second most frequently owned type of IRA, held by 37.5 million US households, or 27.8%.⁶ Overall, 43.2% of US households, or 58.2 million, owned traditional or Roth IRAs (17.1% of US households owned both traditional and Roth IRAs). In mid-2025, 4.2% of US households owned employer-sponsored IRAs, which include SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs.

FIGURE 2
Millions of US Households Own IRAs

	Year created	Number of US households with type of IRA, ¹ 2025	Percentage of US households with type of IRA, ¹ 2025
Traditional IRA	1974 (Employee Retirement Income Security Act)	43.9 million	32.6%
SEP IRA²	1978 (Revenue Act)	5.7 million	4.2%
SAR-SEP IRA²	1986 (Tax Reform Act)		
SIMPLE IRA²	1996 (Small Business Job Protection Act)		
Roth IRA	1997 (Taxpayer Relief Act)	37.5 million	27.8%
Any IRA¹		59.6 million	44.2%

¹ Households may own more than one type of IRA.

² SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs are employer-sponsored IRAs.

Note: For a historical time series of these data, see Figure A1.

Sources: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey and US Census Bureau

IRA Ownership Rates Vary With Household Age and Income

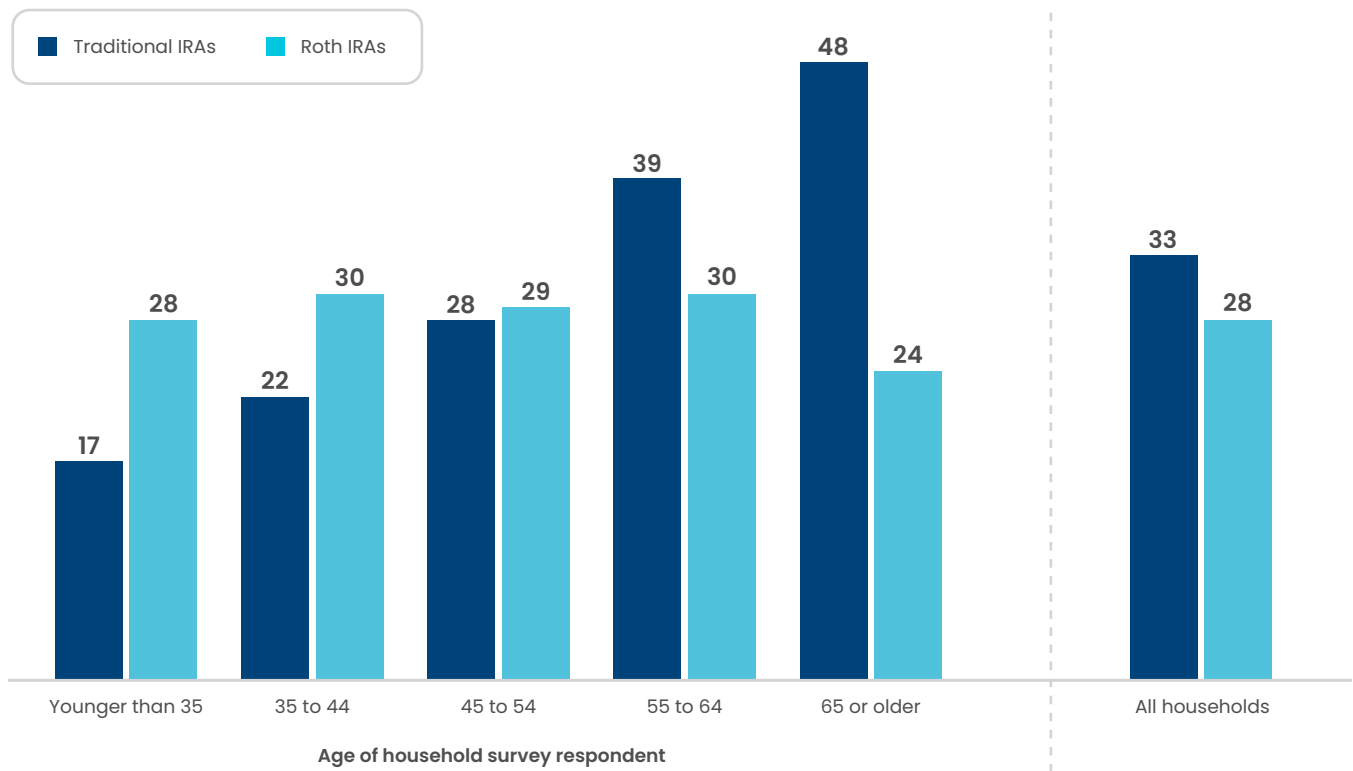
People of all ages own IRAs, but ownership varies across households by type of IRA and age (Figure 3). Traditional IRA ownership tends to rise with age (Figures 3 and A2). In mid-2025, 17% of US households younger than 35 owned traditional IRAs, compared with 48% of US households 65 or older. As a result, traditional IRA-owning households tend to be older (Figure A3). In part, this reflects the life-cycle effect on saving; that is, households tend to focus on retirement-related saving as they get older (when younger, they save for other goals, such as education or buying a house).⁷ Also, many traditional IRA owners became owners as a result of rollovers from employer-sponsored plans, which occur after at least some years in the workforce.⁸

Roth IRA ownership is more level across the different age groups, and higher than traditional IRA ownership among younger households. In mid-2025, about three in 10 US households younger than 65 owned Roth IRAs, compared with about one-quarter of US households aged 65 or older (Figures 3 and A2). Roth IRA ownership rates exceeded traditional IRA ownership among households younger than 45. In mid-2025, 28% of US households younger than 35 reported Roth IRA ownership, compared with 17% reporting traditional IRA ownership; 30% of US households aged 35 to 44 reported Roth IRA ownership, compared with 22% owning traditional IRAs. As a result, Roth IRA-owning households tend to be younger.

FIGURE 3

Traditional IRA Ownership Rises With Age; Roth IRA Ownership More Steady Across Ages

Percentage of US households within each age group, 2025



Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

IRA ownership rates also rise across older generations, mainly reflecting traditional IRA ownership patterns. In mid-2025, more than half of Baby Boom households owned IRAs, compared with less than three in 10 Gen Z households and more than four in 10 Gen X households (see Figure A4). This pattern again reflects the lifecycle of moving through a career and into retirement. In mid-2025, 37% of IRA-owning households were Baby Boom households (see Figure A5).

IRA-owning households cover a range of incomes, although IRA ownership tends to increase with household income. This pattern is consistent with the fact that lower-income households, which tend to be focused on near-term spending needs and which receive a higher replacement benefit through Social Security,⁹ generally have a lower propensity to save for retirement.¹⁰

In mid-2025, 55% of households with household incomes of \$50,000 or more owned IRAs, compared with 18% of households with household incomes of less than \$50,000 (see Figure A6). Among households with incomes of \$100,000 or more, 64% owned IRAs. Reflecting these ownership rates, among IRA-owning households, 12% earned less than \$50,000, 25% had household incomes between \$50,000 and \$99,999, and 63% had household incomes of \$100,000 or more (see Figure A7).

IRA Owners Tend to Be Savers

IRA owners build substantial financial assets. The median financial assets of IRA-owning households was 25 times the median financial assets of households that did not own IRAs (Figure 4).¹¹ Those assets included DC retirement plan accounts—77% of households that owned IRAs also owned such accounts (see Figure A8).¹² IRA owners typically exhibit the characteristics that correlate with a greater propensity to save: the financial decisionmakers of households with IRAs are more likely than households that do not own IRAs to be married, employed, and have college or postgraduate degrees.¹³

Like other investing households, the majority of IRA-owning households were willing to take some investment risk for financial gain. In mid-2025, 36% of IRA-owning households were willing to take substantial or above-average investment risk for similar levels of financial gain (see Figure A12);¹⁴ the figure was about the same (34%) for mutual fund-owning households¹⁵ but was substantially less (25%) for all US households. Willingness to take investment risk among households owning IRAs generally decreases with age.¹⁶

Just as 401(k) balances tend to be higher the longer a worker's job tenure,¹⁷ IRA balances tend to rise with length of ownership. In mid-2025, households owning traditional or Roth IRAs for less than 10 years had median IRA holdings of \$30,000, while households owning traditional or Roth IRAs for 20 years or more had median traditional and Roth IRA holdings of \$300,000 (see Figure A13). Across all traditional or Roth IRA-owning households, median IRA traditional and Roth IRA holdings were \$100,000 (see Figure A14). Mean traditional and Roth IRA holdings, though considerably higher than the median values, display a similar pattern.

FIGURE 4

IRA Owners Are Typically Middle-Aged, Married, and Employed

Characteristics of US households by ownership of IRAs,¹ 2025

	Households owning IRAs ¹	Households not owning IRAs
Median per household		
Age of household survey respondent	57 years	49 years
Household income ²	\$125,000	\$60,000
Household financial assets ³	\$375,000	\$15,000
Household financial assets in traditional or Roth IRAs	\$106,800	N/A
Share of household financial assets in traditional or Roth IRAs (percent)	35%	N/A
Percentage of households		
Household survey respondent:		
Married or living with a partner	72%	55%
College or postgraduate degree	58	26
Employed full- or part-time	60	56
Retired from lifetime occupation	39	28
Household has DC account or DB plan coverage (total)		
DC retirement plan account	77	46
DB plan coverage	41	22
Household income less than \$150,000	59	85
Age of household survey respondent between 35 and 64	49	53
Household willing to take above-average or substantial risk with financial investments	36	17

¹ IRAs include traditional IRAs, Roth IRAs, and employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs).

² Total reported is household income before taxes in 2024.

³ Household financial assets include assets in employer-sponsored retirement plans but exclude the household's primary residence.

N/A = not applicable

Sources: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey and Investment Company Institute IRA Owners Survey

Rollovers to Traditional IRAs Fuel Growth

From their inception, traditional IRAs have been designed so that investors could accumulate retirement assets either through contributions¹⁸ or by rolling over balances from employer-sponsored retirement plans (to help workers consolidate and preserve these assets).^{19, 20} Rollover activity, which helps many Americans preserve their retirement savings, has fueled recent IRA growth. The most recent available data show that households transferred \$670 billion from employer-sponsored (DC or DB or both) retirement plans to traditional IRAs in 2022.²¹ In mid-2025, about 27 million US households (or 61% of all US households owning traditional IRAs) had traditional IRAs that included rollover assets (Figure 5).^{22, 23} With their most recent rollovers, the vast majority of these households (86%) transferred the entire retirement plan account balance into the traditional IRA.²⁴ Two-thirds of traditional IRA-owning households with rollovers made their most recent rollover in 2015 or later, including 43% whose most recent rollover was in 2020 or later. Among households with rollovers in their traditional IRAs, 42% had made traditional IRA contributions in addition to their rollovers.

FIGURE 5**Rollovers Are Often a Source of Assets for Traditional IRAs**

Households with traditional IRAs that include rollovers

Percentage of households owning traditional IRAs, 2025

Traditional IRA includes rollover	61%
Traditional IRA does not include rollover	39

Traditional IRA rollover activity

Percentage of households owning traditional IRAs that include rollovers, 2025

Reason for traditional IRA rollover(s):*

Job change, layoff, or termination	70
Retirement	44
Other	7

Amount of most recent traditional IRA rollover:

All assets in employer-sponsored retirement plan were rolled over	86
Some assets in employer-sponsored retirement plan were rolled over	14

Contributions to traditional IRA other than rollover:

Have made contribution other than rollover	42
Have never made contribution in addition to rollover	58

Percentage of traditional IRA balance from rollovers or transfers from former employer-sponsored retirement plans:

Less than 25 percent	11
25 to 49 percent	12
50 to 74 percent	17
75 percent or more	60

Year of most recent rollover

Before 2000	6
Between 2000 and 2004	8
Between 2005 and 2009	8
Between 2010 and 2014	12
Between 2015 and 2019	23
2020 or later	43

Median percentage of traditional IRA balance from rollovers or transfers from former employer-sponsored retirement plans (among households with rollovers)	80
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* Multiple responses are included.

Source: Investment Company Institute IRA Owners Survey

Rollovers Often Provide Consolidation

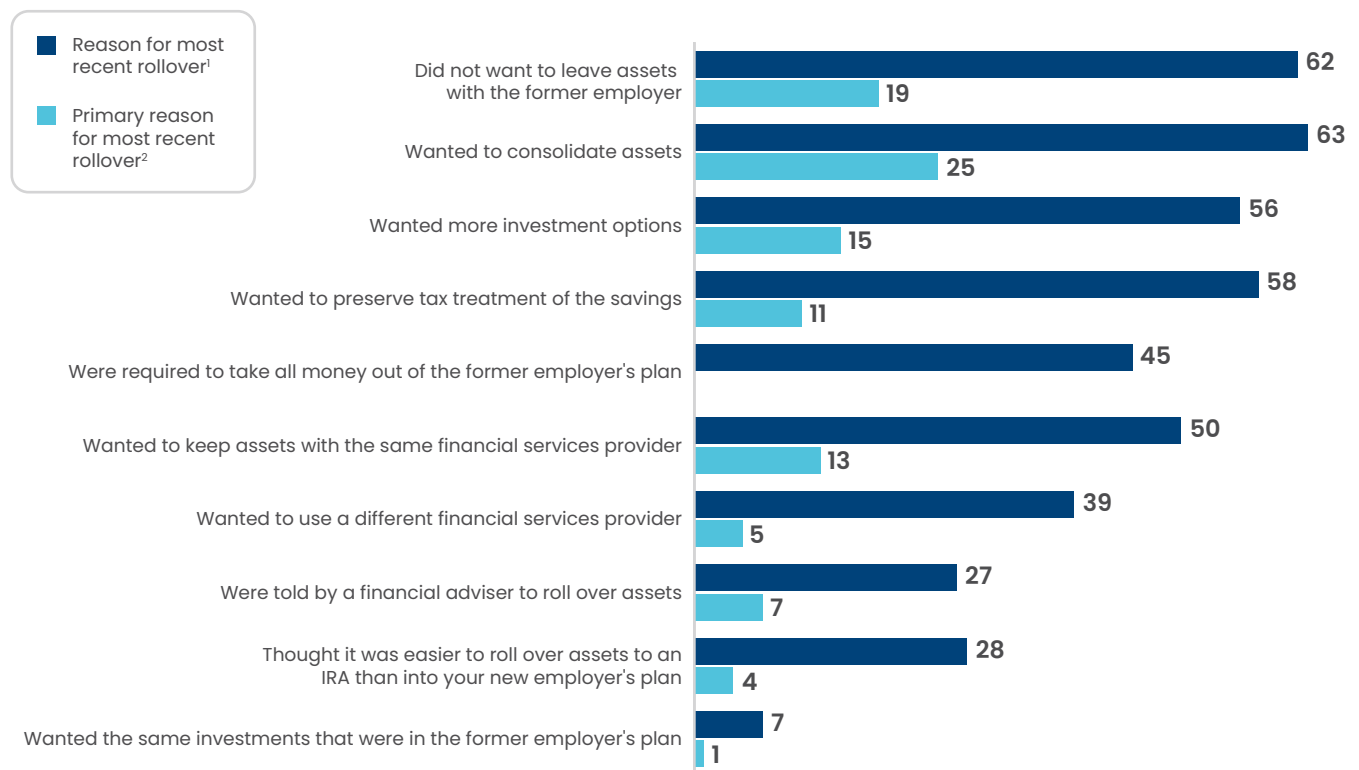
Most traditional IRA-owning households with rollovers (89%) had multiple reasons for rolling over the accumulations from their employer-sponsored retirement plans to traditional IRAs (Figure 6).²⁵ For example, 62% did not want to leave assets with their former employer, and 63% said they wanted to consolidate assets. More than half (56%) wanted more investment options and 58% said they wanted to preserve the tax treatment of the savings. Half of traditional IRA-owning households with rollovers kept their assets with the same financial services provider when they rolled over assets and 39% rolled over to change financial services providers. In mid-2025, 27% were told by a financial adviser to roll over, and 28% thought it was easier to roll over to an IRA than into their new employer's plan. In addition, 45% reported that they were required to take all of their money out of their former employer's plan.

Rollovers often are primarily used to consolidate retirement assets. When traditional IRA-owning households that chose to roll over assets were asked to identify the primary reason for the rollover, 19% said they did not want to leave the assets with their former employer, and 25% said they wanted to consolidate assets (Figure 6).²⁶

FIGURE 6

Rollovers Often Consolidate Retirement Assets

Percentage of households owning traditional IRAs that include rollovers, 2025



¹ Multiple responses are included for all responses except for respondents who were required to take the money out of their former employer's plan. In mid-2025, 89% of traditional IRA-owning households with rollovers had multiple reasons for rolling over.

² Figure does not include households with traditional IRAs that made their most recent or only rollover because they were required to take the money out of their former employer's plan.

Source: Investment Company Institute IRA Owners Survey

Households Research the Rollover Decision

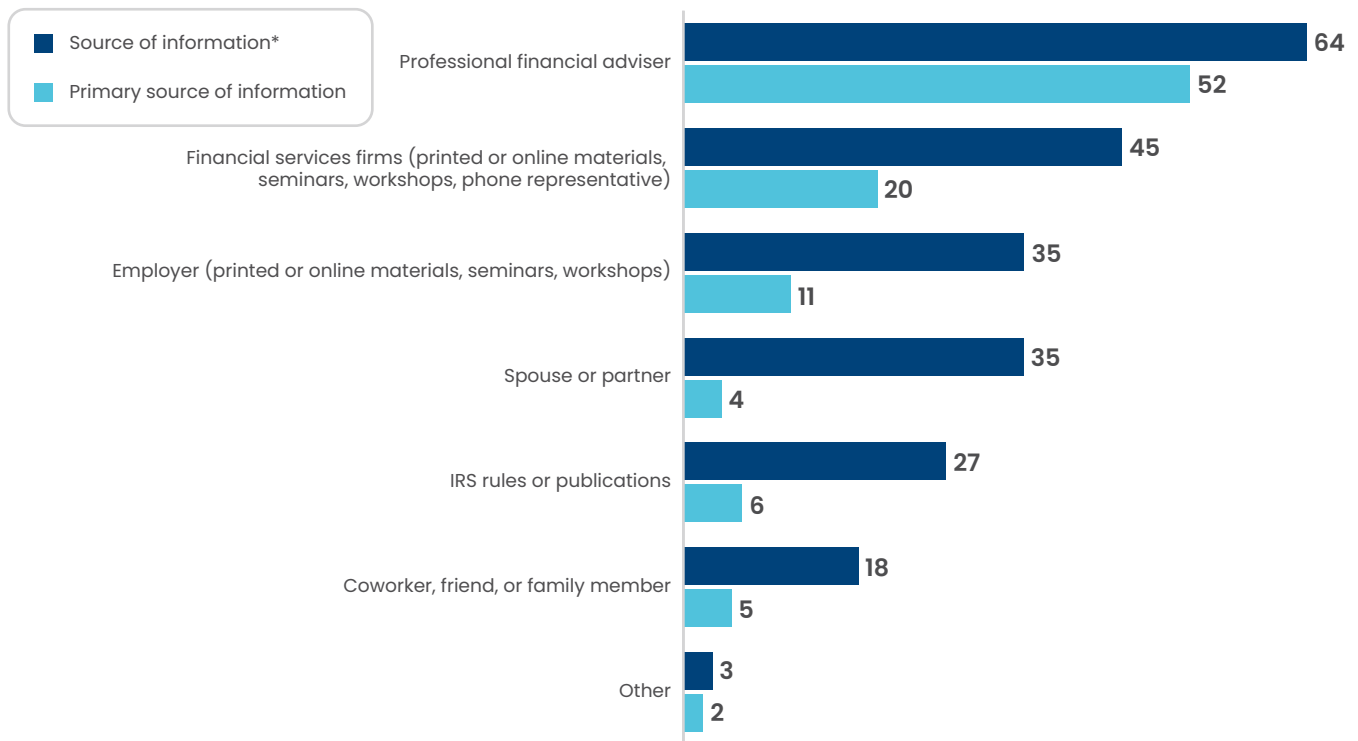
Traditional IRA-owning households generally researched the decision to roll over money from their former employer's retirement plan into a traditional IRA. In mid-2025, 62% consulted multiple sources of information (Figure 7). The most common source of information was professional financial advisers, who were consulted by 64% of traditional IRA-owning households with rollovers. Among traditional IRA-owning households with rollovers, 35% relied on information provided by their employers, with 26% using printed materials from their employers as a source of information and 22% consulting online materials from their employers (see Figure A17). In mid-2025, 45% of traditional IRA-owning households with rollovers relied on information provided by financial services firms, with 22% using printed materials provided by financial services firms and 28% indicated that they used online materials from financial services firms.

When asked to identify their primary source of information on the rollover decision, 52% of traditional IRA-owning households with rollovers primarily relied on professional financial advisers (Figure 7). Older households were more likely to consult professional financial advisers than younger households (see Figure A17). In mid-2025, 20% of traditional IRA-owning households with rollovers identified their primary source of information on the rollover decision as financial services firms with half of these households using online materials from these firms. Younger traditional IRA-owning households with rollovers were more likely to rely primarily on online resources than older households.

FIGURE 7

Sources of Information Consulted for Rollover Decision

Percentage of households owning traditional IRAs that include rollovers, 2025



* Multiple responses are included; 62% of traditional IRA-owning households with rollovers consulted multiple sources of information.

Note: Other responses given included "myself", "other online information", and "banks".

Source: Investment Company Institute IRA Owners Survey

Selecting the Investments

When asked about the selection of the initial asset allocation of rollover assets in traditional IRAs, 23% of traditional IRA-owning households with rollovers indicated that their professional financial adviser selected the investments, and 41% indicated that they worked together with a professional financial adviser to select the investments. In mid-2025, 36% of traditional IRA-owning households with rollovers reported that the household selected the investments without outside help.

Traditional IRA-owning households generally exhibit an appetite for equity investing. Nearly three-quarters of traditional IRA-owning households (72%) indicated they held mutual funds in their traditional IRAs, including a little over half (52%) holding equity funds (see Figure A16).²⁷ About half (51%) indicated they held individual equities in their traditional IRAs, and nearly four-in-ten (38%) held exchange-traded funds (ETFs).

Households with rollover assets in their traditional IRAs tend to have higher IRA balances, compared with IRAs funded purely by individual contributions. Median traditional IRA holdings that include rollovers were \$200,000 in mid-2025, compared with median traditional IRA holdings of \$62,500 for balances that did not include rollovers (see Figure A9).²⁸

Few Households Make Contributions to IRAs

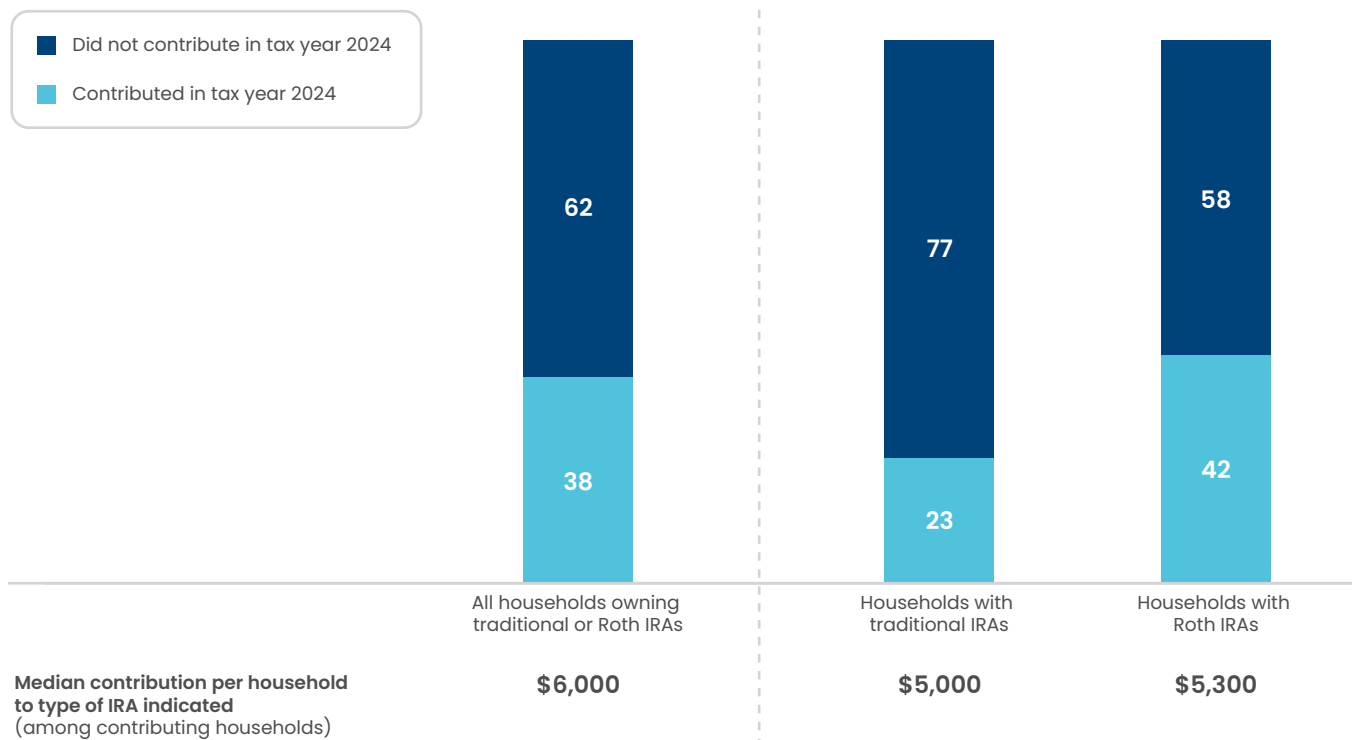
Although IRAs can play the role of a contributory savings vehicle for Americans to build their retirement savings, the majority of US households do not contribute to them. In tax year 2024, 17% of all US households made contributions to traditional IRAs or Roth IRAs, compared with 16% in tax year 2023 and 11% in tax year 2017. Being retired, meeting eligibility requirements, not having extra money to save, or meeting retirement savings needs through employer-sponsored retirement plans help explain the lower contribution rates to IRAs versus employer-sponsored retirement plans.²⁹

Among households owning IRAs, contribution rates were higher: 38% of households owning traditional IRAs or Roth IRAs in mid-2025 made contributions in tax year 2024 (Figure 8), compared with 37% in tax year 2023 and 36% in tax year 2022.³⁰ Households may, depending on their eligibility, contribute to more than one type of IRA in each tax year.³¹

FIGURE 8

Contribution Activity to Roth IRAs Outpaces Contribution Activity to Traditional IRAs in Tax Year 2024

Percentage of US households owning each type of IRA in 2025 by contribution status



Note: Households may hold more than one type of IRA. Contribution activity reported is for type of IRA indicated. Some of these households may have been ineligible to make contributions.

Source: Investment Company Institute IRA Owners Survey

Roth IRA Owners Are More Likely to Contribute

Traditional IRA owners were less likely than Roth IRA owners to have made contributions. In mid-2025, 42% of households owning Roth IRAs made contributions in tax year 2024 (Figure 8). In contrast, 23% of traditional IRA-owning households in mid-2025 contributed to their traditional IRAs in tax year 2024.³²

Several factors play a role in the lower contribution rate to traditional IRAs.³³ For example, restrictions on the tax deductibility of contributions³⁴ must be considered by traditional IRA-owning households that have retirement plan coverage at work.³⁵ Prior to tax year 2020, traditional IRA investors aged 70½ or older were not permitted to make contributions to traditional IRAs.³⁶ In addition, traditional IRA-owning households may have someone in the household who was retired. Furthermore, some households that own traditional IRAs use them to preserve rollovers rather than as a contributory savings vehicle. And some households may be able to meet their retirement savings needs through their retirement plans at work.

Traditional IRA-owning households without contributions tended to have rollovers (65%) or have a DC plan account (65%) (see Figure A20). In mid-2025, 54% of traditional IRA-owning households without contributions were retired, and 49% were not employed (suggesting a lack of earnings to contribute). Nevertheless, other research finds that traditional IRA investors who make contributions tend to do so on a recurring basis.³⁷

Noncontributing IRA-Owning Households Cite Economic Reasons

When asked, IRA-owning households not making contributions in tax year 2024 cited economic reasons for not contributing. Indeed, 40% of noncontributing traditional IRA-owning households indicated they were retired and no longer saving (see Figure A18). More than one-quarter of noncontributing traditional IRA-owning households indicated they were unable to meet eligibility requirements, about one-fifth just didn't have extra money to save, and 16% said their retirement plans at work met their savings needs.³⁸

Among noncontributing Roth IRA-owning households, more than four in 10 indicated an inability to save, including 24% who didn't have extra money to save and 18% who met their savings needs through their workplace retirement plan (see Figure A19). In mid-2025, 28% of noncontributing Roth IRA-owning households indicated they were retired and no longer saving.

Catch-Up Contributions

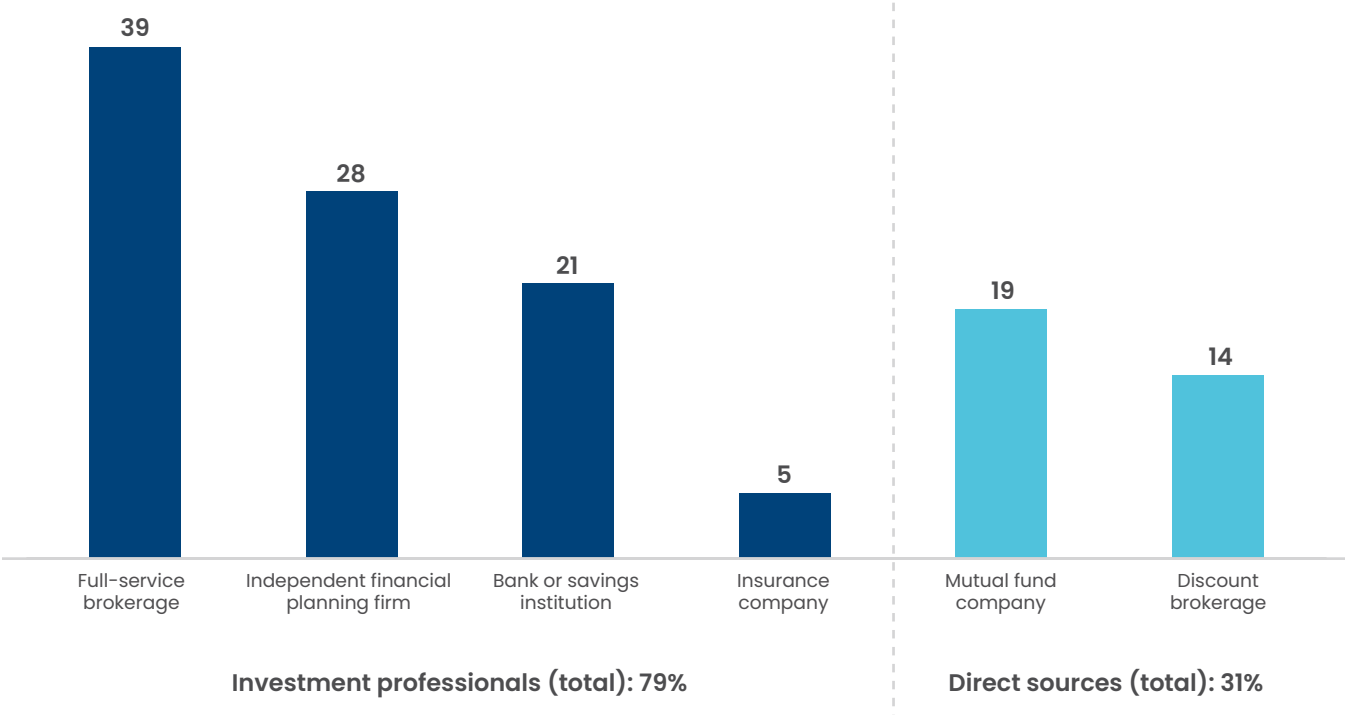
In tax year 2024, the median household contribution to traditional IRAs was \$5,000, and the median household contribution to Roth IRAs was \$5,300 (Figure 8). In tax year 2024, the traditional and Roth IRA contribution limit was \$7,000 for individuals younger than 50 (see Figure A21).³⁹ Since tax year 2002, individuals aged 50 or older are eligible to make catch-up contributions to their IRAs.⁴⁰ Among households aged 50 or older, 48% owned traditional or Roth IRAs in mid-2025 (see Figure A22). Of these IRA-owning households, 19% made contributions to traditional or Roth IRAs; about half of these contributing households made catch-up contributions.⁴¹ Among the 39% of households aged 50 or older that owned but did not contribute to a traditional or Roth IRA, 73% were retired, and 53% were not working (28% of those that were retired were working full- or part-time). In addition, 60% of these households owned a DC account, and 63% of them reported either a traditional IRA rollover or that some of the assets in their Roth IRAs were originally from an employer-sponsored retirement plan.

All told, catch-up contributions are not prevalent, with only 4% of all US households aged 50 or older reporting catch-up contributions to traditional or Roth IRAs (see Figure A22). However, it should be noted that US households aged 50 or older include households ineligible to make deductible contributions to traditional IRAs or contributions to Roth IRAs because of restrictions on such contributions based on income.⁴² Furthermore, 47% of US households aged 50 or older were not employed, and 61% were retired.

IRAs Are Held Through a Variety of Financial Institutions

Households with traditional or Roth IRAs held them through a wide array of financial institutions (see Figure A11).⁴³ In mid-2025, 80% of households that owned traditional IRAs held them through investment professionals, and 31% held them directly at mutual fund companies or discount brokers (Figure 9).⁴⁴ Older traditional IRA-owning households were more likely to use investment professionals (82% among those aged 65 or older) than younger traditional IRA-owning households (77% among those younger than 35, and 72% among those aged 35 to 44) (see Figure A11). Younger traditional IRA-owning households were more likely to hold their traditional IRAs through direct sources (37% among those aged 35 to 54) than older traditional IRA-owning households (33% among those aged 55 to 64, and 29% among those aged 65 or older). Roth IRA-owning households similarly held their Roth IRAs through a variety of financial institutions, following a similar pattern of ownership location as traditional IRA-owning households (see Figure A11).

FIGURE 9
Traditional IRAs Are Held Through a Variety of Financial Institutions
 Percentage of households owning traditional IRAs, 2025



Note: Multiple responses are included.
 Source: Investment Company Institute IRA Owners Survey

IRA Withdrawals Are Infrequent, Mostly Retirement Related

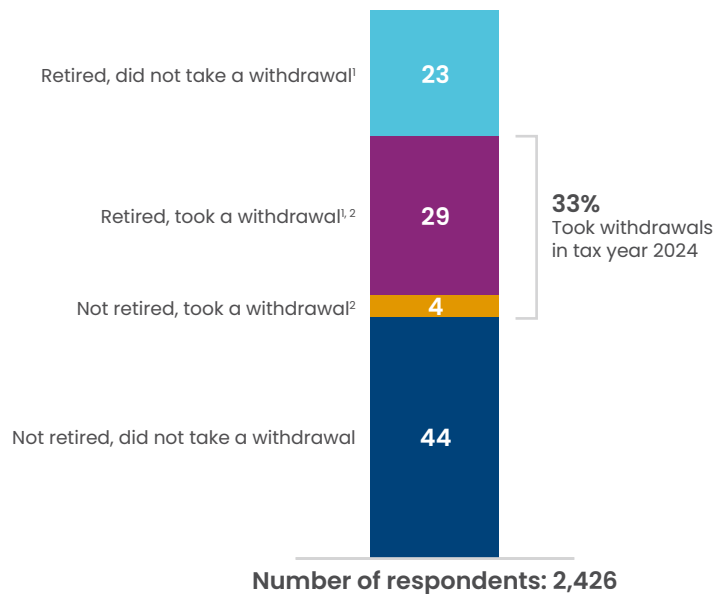
Few households withdraw money from their IRAs in any given year, and most withdrawals are retirement related. A traditional IRA withdrawal taken by an individual prior to age 59½ is generally subject to a 10% penalty on the taxable portion of the withdrawal (in addition to the federal, state, and local income tax that may be due).⁴⁵ Starting in 2023, taxpayers older than 59½ but younger than 73 may take withdrawals without penalty but generally are not required to do so.⁴⁶ Traditional IRA owners aged 73 or older are required to withdraw an annual amount based on life expectancy or pay a penalty for failing to do so; these withdrawals are called required minimum distributions (RMDs).⁴⁷ Households with inherited IRAs are also generally required to take distributions.

In mid-2025, 33% of households owning traditional IRAs reported taking withdrawals from these IRAs in tax year 2024, compared with 31% in tax year 2023, 31% in tax year 2022, 29% in tax year 2021, and 23% in tax year 2020 (see Figure A24).⁴⁸ The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted March 27, 2020, suspended RMDs for tax year 2020.⁴⁹ Withdrawal activity among traditional IRA-owning households fell to lower levels in tax year 2020, likely in part due to the suspension of RMDs from traditional IRAs. Some of the increase in withdrawal activity in tax year 2021 resulted from the return of RMDs. Among households taking traditional IRA withdrawals in tax year 2024, 88% reported that someone in the household was retired from their lifetime occupation (Figure 10). Nevertheless, 44% of retired households owning traditional IRAs in mid-2025 did not take withdrawals in tax year 2024.

FIGURE 10

Withdrawals From Traditional IRAs Are Infrequent

Percentage of US households with traditional IRAs in 2025



¹ The household was considered retired if either the head of household or spouse responded affirmatively to the question: "Are you retired from your lifetime occupation?"

² Households that made a withdrawal exclude those that closed and no longer own traditional IRAs.

Source: Investment Company Institute IRA Owners Survey

Traditional IRA-owning households that made withdrawals generally took modest-sized amounts (see Figure A25). Although some withdrawals appear large in dollar amounts, a median of 5% of the account balance was typically withdrawn. In line with the incentives and disincentives of the tax code, younger households were much less likely to make withdrawals than older households. Among traditional IRA-owning households in mid-2025 headed by individuals younger than 59, only 8% took withdrawals in tax year 2024 (see Figure A24).⁵⁰ In mid-2025, 30% of households owning traditional IRAs and headed by an individual aged 59 to 72 reported withdrawals in tax year 2024 and 84% of households owning traditional IRAs and headed by an individual aged 73 or older took withdrawals in tax year 2024.⁵¹

Typically, withdrawals from traditional IRAs were taken to fulfill RMDs. In mid-2025, 70% of households owning traditional IRAs and making withdrawals in tax year 2024 calculated their withdrawal amount based on the RMD, compared with 73% in tax year 2023, and 76% in tax year 2022 (see Figure A26).⁵² Another 14% of traditional IRA-owning households taking withdrawals reported they withdrew lump sums based on needs in tax year 2024, compared with 15% in tax year 2023, and 12% in tax year 2022. In tax year 2024, 12% reported a scheduled withdrawal amount, either as a percentage of the account or a regular dollar amount, compared with 9% in tax year 2023, and 8% in tax year 2022.

Reflecting the rules governing distributions from traditional IRAs, households headed by individuals aged 73 or older were much more likely to cite RMDs as the way they calculated their withdrawal amounts,⁵³ while younger households were much more likely to take lump-sum withdrawals based on needs. Among traditional IRA-owning households in mid-2025 with a head of household aged 73 or older and taking a withdrawal in tax year 2024, 95% indicated their withdrawal was based on the RMD rules—only 2% took lump sums based on needs (see Figure A27). In contrast, among withdrawing households younger than age 73, 34% took RMDs, and 32% took lump sums based on needs.

Traditional IRA-owning households that took withdrawals in tax year 2024 usually consulted outside sources to determine the amount of the withdrawal. In mid-2025, 60% consulted a professional financial adviser to determine the amount to withdraw in tax year 2024 (see Figure A28) and 29% consulted Internal Revenue Service (IRS) rules or publications.

Few Roth IRA-Owning Households Take Withdrawals

Among households owning Roth IRAs in mid-2025, only 6% took withdrawals in tax year 2024 (see Figure A31). Roth IRAs are not subject to RMDs during the lifetime of the owner, in contrast to traditional IRAs. About half (49%) of Roth IRA-owning households taking withdrawals reported they withdrew lump sums based on needs in tax year 2024. In mid-2025, 35% reported a scheduled withdrawal amount, either as a percentage of the account or a regular dollar amount. Among Roth IRA-owning households taking withdrawals, 66% consulted with professional advisers to determine the withdrawal amount and 25% consulted Internal Revenue Service (IRS) rules or publications (see Figure A28).

IRA Withdrawals Are Used for a Variety of Purposes

Households use traditional IRA withdrawals for a variety of purposes, mainly in retirement.⁵⁴ Among households in which either the head of household or spouse was retired, 37% reported using traditional IRA withdrawals to pay for living expenses (see Figure A30). In mid-2025, 44% of retired households that took traditional IRA withdrawals in tax year 2024 reinvested or saved at least some of the withdrawal amount into another account.⁵⁵ Another 15% reported using their withdrawals for home purchase, repair, or remodeling, and 4% reported using their withdrawals for healthcare expenses. Finally, 4% used their withdrawals for emergencies. Nonretired traditional IRA-owning households that reported taking withdrawals in tax year 2024 had different uses for the funds. These households were more likely to use the funds for home purchase, repair, or remodeling (20%) or for emergencies (23%) than retired households.

Households use Roth IRA withdrawals for a variety of purposes; the most commonly cited was to pay for living expenses (32%) (see Figure A31). About one-fifth reinvested their Roth IRA withdrawal into another account. About one-quarter used their Roth IRA withdrawals for a home-related expense and 13% used the withdrawal for some other big-ticket item. In addition, 11% reported using their withdrawals for emergencies, and 4% reported using Roth IRA withdrawals for healthcare expenses.

Most IRA Owners Have a Planned Retirement Strategy

In mid-2025, 72% of traditional IRA-owning households said they have a strategy for managing income and assets in retirement (see Figure A32). These households typically seek advice when building their retirement income and asset management strategy. In mid-2025, 77% of traditional IRA-owning households with a strategy consulted a professional financial adviser when creating the strategy, with older households more likely to do so than younger households. Another 24% used a website to help create their retirement income and asset management strategy, with younger households more likely to do so than older households. Also, 23% consulted with friends or family, and 18% consulted written materials (e.g., a book or article in a magazine or newspaper). Finally, 7% of households with a strategy used a financial software package to build their retirement income and asset management strategy, with younger households slightly more likely to do so than older households.

Traditional IRA-owning households with a strategy for managing their income and assets in retirement reported that their strategy had multiple components. In mid-2025, 72% of these households reviewed their asset allocation, and 66% developed a retirement income plan (see Figure A33). In addition, 68% of traditional IRA-owning households with a strategy for managing their income and assets in retirement determined their retirement expenses as part of their strategy and 56% set aside emergency funds, while 45% reviewed their insurance policies. Finally, 56% determined when to take Social Security benefits, with households aged 50 or older more likely to have done so than households younger than 50, and 70% of traditional IRA-owning households with a strategy took three or more steps in developing their strategy.

In mid-2025, 65% of Roth IRA-owning households said they have a strategy for managing income and assets in retirement (see Figure A34). These households typically seek advice when building their retirement income and asset management strategy. For example, 77% of Roth IRA-owning households with a strategy consulted a professional financial adviser when creating the strategy, with older households more likely to do so than younger households, and 24% used a website to help create their retirement income and asset management strategy, with younger households more likely to do so than older households. Also, 23% consulted with friends or family, and 18% consulted written materials (e.g., a book or article in a magazine or newspaper), and 7% of households with a strategy used a financial software package to build their retirement income and asset management strategy.

Roth IRA-owning households with a strategy for managing their income and assets in retirement reported that their strategy had multiple components. In mid-2025, 73% of these households reviewed their asset allocation, and 69% developed a retirement income plan (see Figure A35). For example, 66% of Roth IRA-owning households with a strategy for managing their income and assets in retirement determined their retirement expenses as part of their strategy, and 63% set aside emergency funds, while 47% reviewed their insurance policies. Also, 54% determined when to take Social Security benefits, with households aged 50 or older more likely to have done so than households younger than 50. Among Roth IRA-owning households with a strategy, 72% took three or more steps in developing their strategy.

Additional Reading

- » Individual Retirement Accounts in the Investment Company Fact Book
www.icifactbook.org/pdf/2026-factbook-ch8.pdf
- » The IRA Investor Database
www.ici.org/research-iras/the-ira-investor-database%E2%84%A2
- » The Evolving Role of IRAs in US Retirement Planning
www.ici.org/system/files/attachments/pdf/per15-03.pdf
- » The Individual Retirement Account at Age 30: A Retrospective
www.ici.org/system/files/attachments/per11-01.pdf
- » The US Retirement Market, Fourth Quarter 2025
www.ici.org/research/statistics/quarterly-retirement-market-data
- » Ten Important Facts About IRAs
www.ici.org/system/files/2022-07/ten-facts-iras.pdf
- » Individual Retirement Account Resource Center
www.ici.org/ResourceHubs/individual-retirement-account

Description of the Surveys

About the ICI Annual Mutual Fund Shareholder Tracking Survey

ICI conducts the Annual Mutual Fund Shareholder Tracking Survey each year to gather information on the demographic and financial characteristics of mutual fund-owning households in the United States. The most recent survey was conducted from May to June 2025 and was fielded on the KnowledgePanel®, a probability based online panel designed to be representative of the US population. The KnowledgePanel® is designed and administered by Ipsos. Ipsos is one of the largest market research and polling companies globally, operating in 90 markets and employing over 18,000 people. The Annual Mutual Fund Shareholder Tracking Survey sample for 2025 included 9,021 US households drawn from the KnowledgePanel®. The overall margin of sampling error for the 2025 sample of US households is ± 1.0 percentage points at the 95% confidence level. For a discussion of the revisions to ICI's Annual Mutual Fund Shareholder Tracking Survey and the detail on the sampling and weighting procedures, see "Ownership of Mutual Funds and Shareholder Sentiment, 2025," *ICI Research Perspective* 31, no. 8 (October), available at www.ici.org/files/2025/per31-08.pdf.

About the IRA Owners Survey

ICI conducts the IRA Owners Survey each year to gather information on the characteristics and activities of IRA-owning households in the United States. The most recent survey was conducted from May to June 2025 using the KnowledgePanel®, a probability-based online panel designed to be representative of the US population. The 2025 sample of IRA owners included 3,214 representative US households owning traditional IRAs or Roth IRAs. All surveys were conducted online with the member of the household aged 18 or older who was the sole or co-decisionmaker most knowledgeable about the household's savings and investments. The standard error for the total sample is ± 1.7 percentage points at the 95% confidence level. In the 2016 through 2025 surveys, households owning traditional or Roth IRAs were surveyed, and thus households owning only employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs) or Coverdell education savings accounts (formerly called education IRAs) are not included.

Revisions to ICI's IRA Owners Survey

Starting in 2016, the ICI IRA Owners Survey was changed from a dual-frame RDD telephone survey to a self-administered online survey on the KnowledgePanel®, a probability-based online panel administered by Ipsos. In addition to the change in the survey mode for the ICI IRA Owners Survey in 2016, the questionnaire was also revised to collect only demographic and financial characteristics of households owning traditional IRAs or Roth IRAs. In previous years, the survey collected information on households owning employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs). These survey changes were implemented in 2016 to reduce the cost of data collection, improve the representativeness of the sample, and reduce the burden on survey respondents. Because the methodology for the IRA Owners Survey was changed to an online survey in 2016, it was necessary to adjust the weighting methodology for the survey. For the 2016 through 2025 data, the weighting included the standard raking to control totals based on census region, householder age, household income, and educational attainment of US households owning traditional or Roth IRAs.

Notes

- ¹ See Investment Company Institute 2026. For the rules governing IRAs, see Internal Revenue Service 2026a and 2026b.
- ² Households' total financial assets were \$134.7 trillion as of June 2025, \$45.9 trillion at year-end 2005, and \$23.2 trillion at year-end 1995. See US Federal Reserve Board 2026 and Investment Company Institute 2026.
- ³ Data in this *ICI Research Perspective* on the number and percentage of households owning IRAs are based on ICI's Annual Mutual Fund Shareholder Tracking Survey, which was conducted from May to June 2025. Starting in 2022, the Annual Mutual Fund Shareholder Tracking Survey was changed from a dual frame RDD telephone survey to a self-administered online survey on the KnowledgePanel[®], a probability based online panel administered by Ipsos, an online consumer research company. The Federal Reserve has also used the KnowledgePanel[®]; see US Federal Reserve Board 2025. The Annual Mutual Fund Shareholder Tracking Survey sample for 2025 included 9,021 US households drawn from the KnowledgePanel[®]. The standard error for the total sample is ± 1.0 percentage points at the 95% confidence level. For further discussion and additional results from this survey, see Holden, Schrass, and Bogdan 2025a and 2025b and Schrass and Bogdan 2025. The demographic and financial characteristics of IRA owners are derived from a separate IRA Owners Survey of 3,214 representative US households owning traditional IRAs or Roth IRAs. The 2025 IRA Owners Survey was also conducted using the KnowledgePanel[®]. The standard error for the total sample is ± 1.7 percentage points at the 95% confidence level. IRA ownership does not include ownership of employer-sponsored IRAs (SEP IRAs, SAR-SEP IRAs, and SIMPLE IRAs) or Coverdell education savings accounts (formerly called education IRAs). The incidence of IRA ownership is calculated from the ICI Annual Mutual Fund Shareholder Tracking Survey, which collects information on retirement and other investment account ownership among US households headed by individuals aged 18 or older. Starting in 2013, the order of the account type choices in the question regarding ownership of retirement and other savings accounts was changed. This change was made to avoid confusion between individual accounts in 401(k) and other employer-sponsored DC plan accounts versus IRAs. Beginning in 2013, respondents were asked if they own a 401(k) and other employer-sponsored DC retirement plans, then if they own a traditional IRA or a Roth IRA, then if they own an employer-sponsored IRA, and, finally, if they own a 529 plan or Coverdell education savings account (ESA). In prior years, respondents were asked first if they own a traditional IRA or Roth IRA, then if they own a Coverdell ESA, then if they own an employer-sponsored IRA, and, finally, if they own a 401(k) or other employer-sponsored plan account (529 plan ownership was a separate question). In the surveys from 2014 through 2021, the incidence of IRA ownership is lower than in previous years, possibly due to the reordering of questions regarding retirement and other savings accounts in the questionnaire (introduced in 2013), as well as a sampling and weighting methodology change introduced in 2014. See Figure A1 for the complete time series on IRA incidence. See Holden, Schrass, and Bogdan 2025a for details on the changes to the ICI Annual Mutual Fund Shareholder Tracking Survey.
- ⁴ See note 3 for a discussion of changes in IRA incidence in ICI's surveys. The ICI Annual Mutual Fund Shareholder Tracking Survey results in higher incidence of IRA ownership than the Federal Reserve Board's Survey of Consumer Finances. For example, ICI tabulations of the 2022 Survey of Consumer Finances indicate that 21.4% of US households owned traditional IRAs and 16.1% of US households owned Roth IRAs. The ICI Annual Mutual Fund Shareholder Tracking Survey finds that 31.2% of US households in 2022, 31.3% in 2023, 32.6 in 2024, and 32.6% in 2025 owned traditional IRAs; in addition, 24.6% of US households in 2022, 24.3% in 2023, 26.2% in 2024, and 27.8% in 2025 owned Roth IRAs (see Figure A1). For a description of the Survey of Consumer Finances, see Aladangady et al. 2023.
- ⁵ See Figures 5–7 for additional information on rollover activities and Figure A9 for additional information on traditional IRA-owning households with rollovers.
- ⁶ The ability to contribute to Roth IRAs is restricted based on household income. Conversions also used to be limited based on household income, but in 2010, the income restrictions for Roth conversions were lifted. For additional detail, see Internal Revenue Service 2026a. It is possible that Roth IRA ownership is not more widespread because income limits restrict the ability of many US households to invest in Roth IRAs.
- ⁷ See Brady and Bass 2021 and Brady, Burham, and Holden 2012 for discussion of the life-cycle model and household survey results regarding savings goals.
- ⁸ See Sabelhaus and Schrass 2009.
- ⁹ By design, Social Security is the primary means of support for retirees with low lifetime earnings and a substantial source of income for all retired workers. For example, using Social Security Administration lifetime earnings profiles, ICI estimates that, for very low earners born in 1959 who claim benefits at the normal retirement age (66 years and 10 months), first-year Social Security benefits will replace 91% of inflation-indexed lifetime earnings, on average. That replacement rate drops to 66% for low-income workers and then declines more slowly as lifetime earnings increase. Even for workers who earn Social Security's maximum taxable earnings amount every year, Social Security benefits are projected to replace a considerable portion (32%) of earnings. See Figure 8.3 in Investment Company Institute 2026. For additional discussion, see Brady and Bass 2021 and Brady, Burham, and Holden 2012.
- ¹⁰ For discussion of retirement saving by different income groups, see Brady and Bass 2021; Schrass and Bogdan 2025; and Sabelhaus, Bogdan, and Schrass 2008.
- ¹¹ For characteristics by type of IRA, see Figure A8.
- ¹² Households with formal retirement savings tend to have greater total financial assets (see Figure A15).
- ¹³ See Holden et al. 2005 for a discussion of the relationship between demographic characteristics and the propensity to save. For additional discussion, see also Brady and Bass 2021; Brady, Burham, and Holden 2012; and Sabelhaus, Bogdan, and Schrass 2008.

- ¹⁴ For data from 1989 through 2007 (based on the Federal Reserve Board's Survey of Consumer Finances), see Figures 8 and 10 in Holden and Schrass 2013.
- ¹⁵ See Figure 8 in Holden, Schrass, and Bogdan 2025a.
- ¹⁶ This is a pattern of risk tolerance observed in other types of investors. For example, see Sabelhaus, Bogdan, and Schrass 2008; Holden, Schrass, and Bogdan 2025a; and Schrass and Bogdan 2025. Research also finds that the asset allocation of traditional IRA investors varies over the life cycle. Older traditional IRA investors tended to have higher shares of their IRAs in fixed-income investments compared with younger traditional IRA investors. With the exception of the youngest traditional IRA investors (who tend to have small accounts), younger traditional IRA investors tended to have higher allocations to equity investments compared with older traditional IRA investors. See Holden and Bass 2011 and Schrass, Holden and Bogdan 2026.
- ¹⁷ See Brady, Bass, and Copeland 2026; and Holden, Bass, and Copeland 2025.
- ¹⁸ For a brief history of IRAs and a discussion of the various features of different IRA types, see Holden et al. 2005. For a discussion of the evolving role of IRAs in US retirement planning, see Sabelhaus and Schrass 2009.
- ¹⁹ Before 2008, Roth IRAs generally were not eligible for direct rollovers from employer-sponsored retirement plan accounts. The Pension Protection Act of 2006 (PPA) allows direct rollovers from employer-sponsored plans to Roth IRAs starting in 2008. For a complete discussion of the specific rules, see Internal Revenue Service 2026a.
- ²⁰ Rollovers are possible from both DC plans and DB plans. For research on DC plan participants' distribution decisions at retirement, see Sabelhaus, Bogdan, and Holden 2008. For distribution activity from DC plans recordkept by the Vanguard Group, see Clark 2025.
- ²¹ See Internal Revenue Service, Statistics of Income Division 2025. For historical data, see Investment Company Institute 2026.
- ²² Household characteristics vary between traditional IRA-owning households with rollovers and without rollovers (see Figure A9). Rollovers into Roth IRAs have been relatively rare. Nevertheless, 23% of Roth IRA-owning households indicated that their Roth IRAs contained amounts that had originally been assets in an employer-sponsored retirement plan (see Figure A10). More than one-fifth of Roth IRA-owning households indicated that their Roth IRAs contained amounts converted from traditional IRAs, and household characteristics vary between Roth IRA-owning households with and without conversions.
- ²³ Tabulations of the Federal Reserve Board's 2022 Survey of Consumer Finances data find that 53% of traditional IRA-owning households had rollovers in their IRAs in 2022, compared with 60% of traditional IRA-owning households in ICI's 2022 IRA Owners Survey (see Holden and Schrass 2023). Tabulations of the Survey of Consumer Finances also reveal that 56% of traditional IRA assets in 2022 resulted from rollovers from employer-sponsored retirement plans. For a description of the Survey of Consumer Finances, see Aladangady et al. 2023.
- ²⁴ In the case of a DC plan, this amount is the account balance. For DB plans, this amount is the lump-sum distribution based on accrued benefits. See Figure A9 for additional information on traditional IRA owners with rollovers.
- ²⁵ The Internal Revenue Code sets out a comprehensive disclosure regime covering both plan sponsors and IRA providers with regard to information provided for distribution and rollover decisions. Plan sponsors must inform departing employees of information relevant to their distribution decision. IRA providers must disclose the relevant information to IRA owners at the outset and on an ongoing basis. In addition, financial planners, advisers, or brokers may have fiduciary obligations or be subject to other rules of practice with regard to advice to clients on distribution and rollover decisions. For additional discussion, see Holden 2009, Holden and Chism 2014, and Holden and Salinas 2018.
- ²⁶ Traditional IRA-owning households with rollovers tend to have higher traditional IRA balances than those without rollovers (see Figure A9).
- ²⁷ Aggregate data on mutual fund assets held in IRAs find that mutual fund assets accounted for 39% of total IRA assets at the end of June 2025 (see Investment Company Institute 2026). Equity funds accounted for 58% of mutual fund assets held in IRAs, and balanced funds (which include target date funds), which also provide exposure to equities, were another 16%.
- ²⁸ For more information on rollovers among traditional IRA investors, see Holden, Sabelhaus, and Bass 2010b and Schrass, Holden and Bogdan 2026.
- ²⁹ For example, for contribution activity in the DC plans recordkept by the Vanguard Group, see Clark 2025.
- ³⁰ These results are from the 2022 and 2023 ICI IRA Owners Surveys; see Holden and Schrass 2023 and 2024.
- ³¹ Among households making contributions to traditional IRAs or Roth IRAs in tax year 2024, 30% contributed to traditional IRAs only, and 55% contributed to Roth IRAs only. The remaining 15% contributed to both traditional IRAs and Roth IRAs in tax year 2024.
- ³² Although it is difficult to compare household-level data and individual-level data, the IRA Owners Survey finds higher rates of contribution activity than the IRA Investor Database finds among individual IRA investors. Analysis of 6.1 million traditional IRA investors aged 18 to 69 in 2023 finds that 7.9% of them contributed to their traditional IRAs in tax year 2023 (see Schrass, Holden and Bogdan 2026). Contribution activity in Roth IRAs was also higher in the IRA Owners Survey. The IRA Investor Database finds that among 4.6 million Roth IRA investors aged 18 or older in 2020, 35.2% contributed to their Roth IRAs in tax year 2020 (see Schrass and Holden 2024b).
- ³³ ICI's 2025 IRA Owners Survey asked traditional IRA-owning households without contributions the reasons why they did not contribute (see Figure A18) and Roth IRA-owning households without contributions the reasons why they did not contribute (see Figure A19).
- ³⁴ For traditional IRA contribution eligibility rules, see Internal Revenue Service 2026.

- ³⁵ For ownership of DC accounts and access to DB plans among traditional IRA-owning households, see Figure A8.
- ³⁶ See Internal Revenue Service 2026a for the rules governing IRA contribution eligibility. In 2019, the Setting Every Community Up for Retirement Enhancement Act (SECURE Act) removed the age restriction for traditional IRA contributions starting in tax year 2020.
- ³⁷ For an analysis of the persistence of traditional IRA contribution activity, see Holden, Sabelhaus, and Bass 2010a and Schrass, Holden and Bogdan 2026.
- ³⁸ This question was included in the 2013 IRA Owners Survey. Among traditional IRA-owning households in 2013 that did not make contributions to their traditional IRAs in tax year 2012, 24% indicated that they were able to save enough in their retirement plans at work. Among noncontributing traditional IRA-owning households that were not retired, 37% saved enough through their workplace retirement plan. See Holden and Schrass 2013.
- ³⁹ See Internal Revenue Service 2026a for details on income restrictions and other qualifications for contribution eligibility.
- ⁴⁰ The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) created catch-up contributions, which permit individuals aged 50 or older to make additional contributions to qualified retirement plans and IRAs that exceed the annual deferral limits. Households may make catch-up contributions to Roth IRAs if their incomes are within the limits to contribute to a Roth IRA and if a household member is aged 50 or older. Households may make catchup contributions to traditional IRAs if a household member is at least 50 years old by the end of the year. See Internal Revenue Service 2026a.
- ⁴¹ See Figure A23 for the full history of catch-up contributions among IRA-owning households contributing to traditional IRAs or Roth IRAs.
- ⁴² See Internal Revenue Service 2026a.
- ⁴³ For discussion of the requirements for financial services firms providing IRAs, see Holden and Chism 2014.
- ⁴⁴ For information on where Roth IRAs are held, see Figure A11. For the variety of investments held in traditional and Roth IRAs, see Figure A16.
- ⁴⁵ Over the years, Congress has created exceptions to the early withdrawal penalty, including qualified first-time home purchase, certain medical expenses, certain educational expenses, and withdrawals made as substantially equal periodic payments (SEPPs) based on a life expectancy calculation. For additional discussion of IRA withdrawal rules and activity, see Internal Revenue Service 2026a and 2026b; Mortenson, Schramm, and Whitten 2016; Poterba, Venti, and Wise 2013; and Holden and Reid 2008.
- ⁴⁶ In 2019, the SECURE Act increased the age for required minimum distributions from 70½ to 72 for individuals who did not reach age 70½ in 2019. SECURE 2.0, passed at the end of 2022, raised the RMD age again. As explained in IRS Publication 590-b for 2023: Individuals who reach age 72 after December 31, 2022, may delay receiving their required minimum distributions until April 1 of the year following the year in which they reach age 73. See Internal Revenue Service 2024 and 2026b.
- ⁴⁷ See note 46.
- ⁴⁸ Data exclude households that closed and no longer owned traditional IRAs.
- ⁴⁹ See Internal Revenue Service 2021.
- ⁵⁰ The withdrawal activity observed in ICI's IRA Owners Survey shows similar results compared with data collected in the IRA Investor Database. In 2018, 7.0% of traditional IRA investors younger than 60 had withdrawals, 21.0% of traditional IRA investors aged 60 to 69 had withdrawals, and 82.2% of traditional IRA investors aged 70 or older had withdrawals. The percentage taking distributions in the IRA Investor Database fell in 2020, likely due, to some extent, to the suspension of RMDs from traditional IRAs. In 2023, 5.3% of traditional IRA investors younger than 60 had withdrawals, 20.9% of traditional IRA investors aged 60 to 72 had withdrawals, and 81.7% of traditional IRA investors aged 73 or older had withdrawals (see Holden, Schrass, and Bass 2021 and Schrass, Holden and Bogdan 2026).
- ⁵¹ Withdrawal activity among households with a head of household the RMD age or older is not 100% because the traditional IRA owner may be a younger spouse or partner who is not yet required to make withdrawals. The IRA Investor Database finds that among 1.1 million traditional IRA investors aged 73 or older in 2023, 81.7% took a withdrawal from their traditional IRAs in tax year 2023 (see Schrass, Holden, and Bogdan 2026). The older traditional IRA investors without withdrawals may have taken RMDs from IRAs held at financial services firms outside the IRA Investor Database.
- ⁵² Only 61% of households with traditional IRAs taking withdrawals in tax year 2020 did so to meet RMDs (see Figure A26). RMDs were suspended for tax year 2009 and tax year 2020; see Internal Revenue Service 2010 and 2021.
- ⁵³ Analysis of 0.9 million traditional IRA investors aged 73 or older who took withdrawals in 2023 in the IRA Investor Database finds that 52.5% took the RMD for the individual, 2.1% took a joint RMD, and 0.4% took the inherited RMD amount. See Schrass, Holden, and Bogdan 2026.
- In 2019, the SECURE Act increased the age for RMDs from 70½ to 72 for individuals who did not reach age 70½ in 2019. The RMD age was 72 (for those not already 70½ in 2019) for tax years 2020 through 2022. SECURE 2.0, passed at the end of 2022, raised the RMD age again, to 73 years of age for tax year 2023.
- ⁵⁴ Traditional IRA-owning households taking withdrawals tended to be older and retired, with lower household income, higher financial assets, and higher assets in IRAs, compared with households not taking withdrawals (see Figure A29).
- ⁵⁵ Among the 44% of retired households that reported reinvesting or saving at least some of the amount of the traditional IRA withdrawal into another account (see Figure A30), 86% reported withdrawing the amount based on the RMD.

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