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American Views on Defined Contribution Plan Saving, 2024

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Contents

For more information about *American Views on Defined Contribution Saving*, see the appendix to this paper, available at **www.ici.org/files/25-ppr-dc-plan-saving-data.xlsx**.

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American Views on Defined Contribution Plan Saving, 2024

Sarah Holden, ICI senior director of retirement and investor research; Daniel Schrass, ICI economist; Michael Bogdan, ICI associate economist; and Jason Seligman, ICI senior economist, prepared this report.

Executive Summary

With millions of US households personally directing their retirement savings, the Investment Company Institute (ICI) has sought to track retirement savers' actions[1] and sentiment. This report, the 17th in this series, summarizes results from a nationally representative survey of Americans aged 18 or older. The survey was designed by ICI research staff and administered by NORC at the University of Chicago using the AmeriSpeak® probability-based panel.[2] This report presents survey results that reflect individuals' responses collected during November and December 2024.[3]

The survey polled respondents about their views on defined contribution (DC) retirement account saving and their confidence in 401(k) and other DC plan accounts. Survey responses indicated that Americans value the discipline and investment opportunity that 401(k) plans represent and largely oppose changing the tax preferences or investment control in those accounts. A majority of respondents also affirmed a preference for control of their retirement accounts and opposed proposals to require a portion of retirement accounts to be converted into a fair contract promising them lifetime income from either the government or an insurance company.

Views on Defined Contribution (DC) Plan Accounts Are Favorable

Respondents expressed favorable impressions of DC plan accounts in fall 2024:

- Seventy-two percent of Americans had favorable impressions of 401(k) and similar retirement plan accounts in fall 2024.
- Among individuals expressing an opinion, 87 percent had favorable impressions of 401(k) plans, with 43 percent having a "very favorable" impression.

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

Survey responses in fall 2024 indicated that individuals whose households own DC accounts appreciate key features of DC plans, an outcome that is similar to previous results in the survey series.

- Nearly nine out of 10 DC-owning individuals agreed that these plans helped them think about the long term and made it easier to save. Nearly half of all DC-owning individuals indicated that they probably would not be saving for retirement if not for their DC plans. In addition, saving paycheck-by-paycheck made nearly eight out of 10 DC-owning individuals surveyed less worried about the short-term performance of their investments.[4]
- A strong majority (85 percent) of DC-owning individuals agreed that the tax treatment of their retirement plans was a big incentive to contribute.
- Most (92 percent) DC-owning individuals agreed that it was important to have choice in and control of the investments in their DC plans. More than eight out of 10 (83 percent) indicated that their DC plan offered a good lineup of investment options.

Americans Reject Changing Key Features of DC Plans

Americans' views on policy changes revealed a strong preference for preserving retirement account features and flexibility.

- A strong majority of Americans disagreed with proposals to remove or reduce tax incentives for retirement savings.
- In fall 2024, 85 percent disagreed that the government should take away the tax advantages of DC accounts, and 86 percent disagreed with reducing the amount that individuals can contribute to DC accounts.
- Support for the tax treatment of DC accounts was widespread among individuals whose households did not own DC accounts or individual retirement accounts (IRAs). In fall 2024, more than three-quarters of individuals without DC accounts or IRAs rejected the idea of taking away the tax treatment of DC accounts.
- Nearly nine out of 10 (86 percent) individuals surveyed disagreed with the idea of not allowing individuals to make investment decisions in their DC accounts, and nearly eight out of 10 (77 percent) disagreed with investing all retirement accounts in an investment option selected by a government-appointed board of experts.
- In fall 2024, about nine out of 10 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.

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

Americans—whether their households had retirement accounts or not—were confident in the ability of DC plans to help individuals meet their retirement goals.

- Among individuals whose households owned DC accounts or IRAs, more than eight in 10 (81 percent) indicated they were confident that DC plan accounts can help people meet their retirement goals.
- Among individuals whose households did not own DC accounts or IRAs, 63 percent expressed confidence that DC plan accounts can help people meet their retirement goals.

Introduction

IRAs and DC plan accounts[5] have become a common feature of the US retirement landscape. More than half of total US retirement assets are held in such accounts,[6] and a majority of US households have a portion of their assets invested in them.[7] Given the rising importance of retirement accounts, ICI conducted this survey to find out Americans' views on their 401(k) and similar DC plans and their opinions on some proposed policy changes.

This is the 17th annual update of a survey research effort started in 2008–2009.[8] This year's survey consists of answers to questions included in a national survey that NORC fielded using the AmeriSpeak® panel. The survey, which was conducted in November and December 2024, covered a total sample of 2,237 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.[9] The overall margin of sampling error for the 2024 sample is ± 2.1 percentage points at the 95 percent confidence level.

This report sheds light on Americans' views of 401(k) and similar DC plan accounts by analyzing survey responses across four different areas of questioning:

- asking whether respondents had favorable, unfavorable, or no opinions of DC plan accounts;
- asking respondents to agree or disagree with statements evaluating the features of DC account saving;
- asking respondents to agree or disagree with some proposed changes to several key features of DC accounts; and
- asking respondents about their degree of confidence that DC accounts can help individuals meet their retirement goals.

Views on DC Plan Accounts Are Favorable

A majority of Americans have favorable impressions of 401(k) and similar retirement accounts. In fall 2024, 72 percent of Americans had "very" or "somewhat" favorable impressions of DC plan accounts (Figure 1).

Among all individuals expressing an opinion, 87 percent had favorable impressions of 401(k) plans, with 43 percent expressing the strongest positive response—a "very favorable" impression. Ninety percent of DC- or IRA-owning individuals who expressed an opinion had favorable impressions of 401(k) and similar retirement accounts compared with 72 percent of non-owning respondents who expressed an opinion.

How Does the Sample Surveyed Represent the Nation?

The national survey that NORC fielded using the AmeriSpeak® panel in November and December 2024 covered a total sample of 2,237 individuals aged 18 or older in the United States. Survey results are weighted to be representative of the population of Americans aged 18 or older.

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.[10]

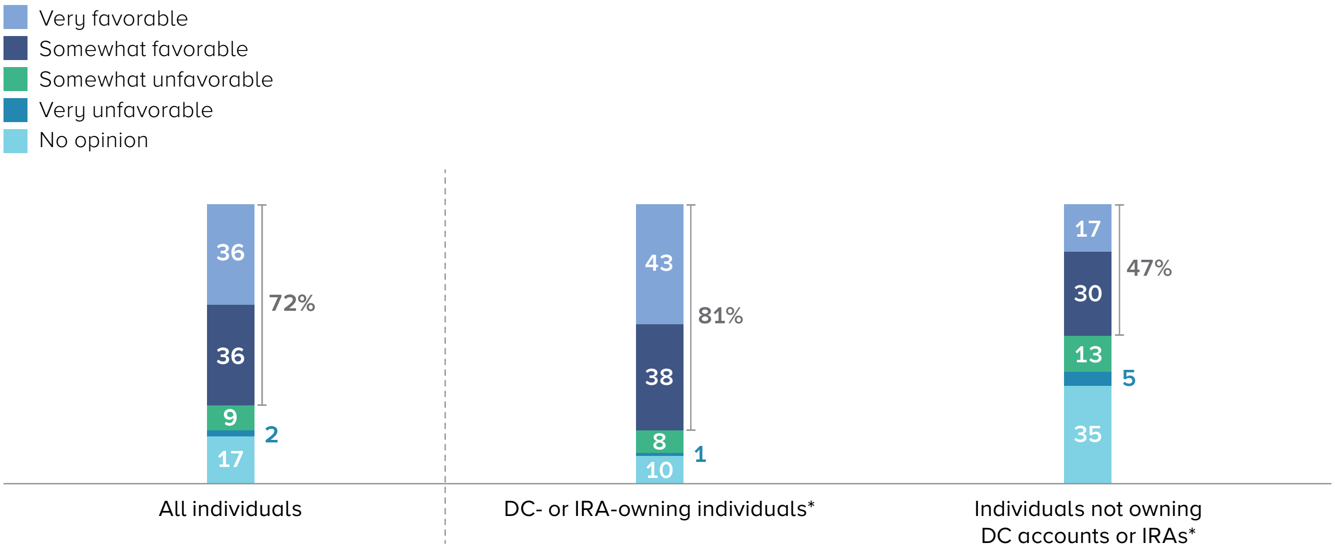
» DC-owning individuals are individuals aged 18 or older whose households owned 401(k) or other DC plan accounts at the time of the survey.

» 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.

FIGURE 1

Opinions About 401(k) and Similar Retirement Plan Accounts

Percentage of US individuals by ownership status,* fall 2024



* 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 2024, the sample includes 1,604 DC- or IRA-owning adults and 633 adults not owning DC accounts or IRAs. The fall 2024 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The fall 2024 survey includes 2,138 surveys completed online and 99 surveys conducted over the phone.

Sources: ICI tabulation of NORC AmeriSpeak® survey data (fall 2024)

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” (89 percent), and that payroll deduction “makes it easier for me to save” (87 percent) (Figure 2). These top-line results were similar to those from prior years.[11] In addition, responses varied slightly across age and income groups.[12]

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.[13] Overall, 85 percent of DC-owning individuals agreed that “the tax treatment of my retirement plan is a big incentive to contribute” (Figure 2). 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.”[14] Nearly eight out of 10 (79 percent) DC-owning individuals agreed with that statement (Figure 2).

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 2). 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.[15] 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.[16, 17]

Americans viewed the lineup of options in their DC plans favorably, with 83 percent of DC-owning individuals agreeing that their plans offer a good lineup of investment options (Figure 2).[18] 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.

FIGURE 2

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 2024

	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.	92	86	92	96	98
Payroll deduction makes it easier for me to save.	87	84	84	88	93
My employer-sponsored retirement account helps me think about the long term, not just my current needs.	89	83	87	91	95
The tax treatment of my retirement plan is a big incentive to contribute.	85	77	85	88	92
My employer-sponsored retirement plan offers me a good lineup of investment options.	83	79	79	89	86
Knowing that I'm saving from every paycheck makes me less worried about the short-term performance of my investments.	79	79	75	79	88
I probably wouldn't save for retirement if I didn't have a retirement plan at work.	48	48	45	51	48
Number of respondents	*1,414*				

	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.	92	89	92	90	97
Payroll deduction makes it easier for me to save.	87	77	90	85	91
My employer-sponsored retirement account helps me think about the long term, not just my current needs.	89	83	89	88	92
The tax treatment of my retirement plan is a big incentive to contribute.	85	74	86	89	85
My employer-sponsored retirement plan offers me a good lineup of investment options.	83	76	82	81	88
Knowing that I'm saving from every paycheck makes me less worried about the short-term performance of my investments.	79	71	81	80	82
I probably wouldn't save for retirement if I didn't have a retirement plan at work.	48	61	60	45	35
Number of respondents	*1,414*				

* 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 2024)

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.[19]

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, 85 percent, disagreed that the tax incentives of DC plans should be removed (Figure 3). Opposition to elimination of the tax advantages was strongest among individuals whose households owned DC accounts or IRAs, with 88 percent opposing the removal of the tax advantages. Additionally, 76 percent of individuals in households without DC accounts or IRAs opposed eliminating the incentives.[20]

The survey also asked whether the limits on individual contributions to DC accounts should be reduced.[21] A strong majority of all individuals (86 percent) opposed reducing the individual contribution limits (Figure 3). Among DC- or IRA-owning individuals in fall 2024, 91 percent disagreed with reducing the contribution limits, and among individuals without retirement accounts, 74 percent disagreed.

The survey also asked households about employer contributions to DC plan accounts.[22] In fall 2024, 86 percent of Americans opposed reducing the amount that employers can contribute to DC plan accounts for their employees (Figure 3). Among DC- or IRA-owning individuals in fall 2024, 91 percent disagreed with reducing the employer contribution limits; among those without retirement accounts, 74 percent disagreed.

Views on Investment Control

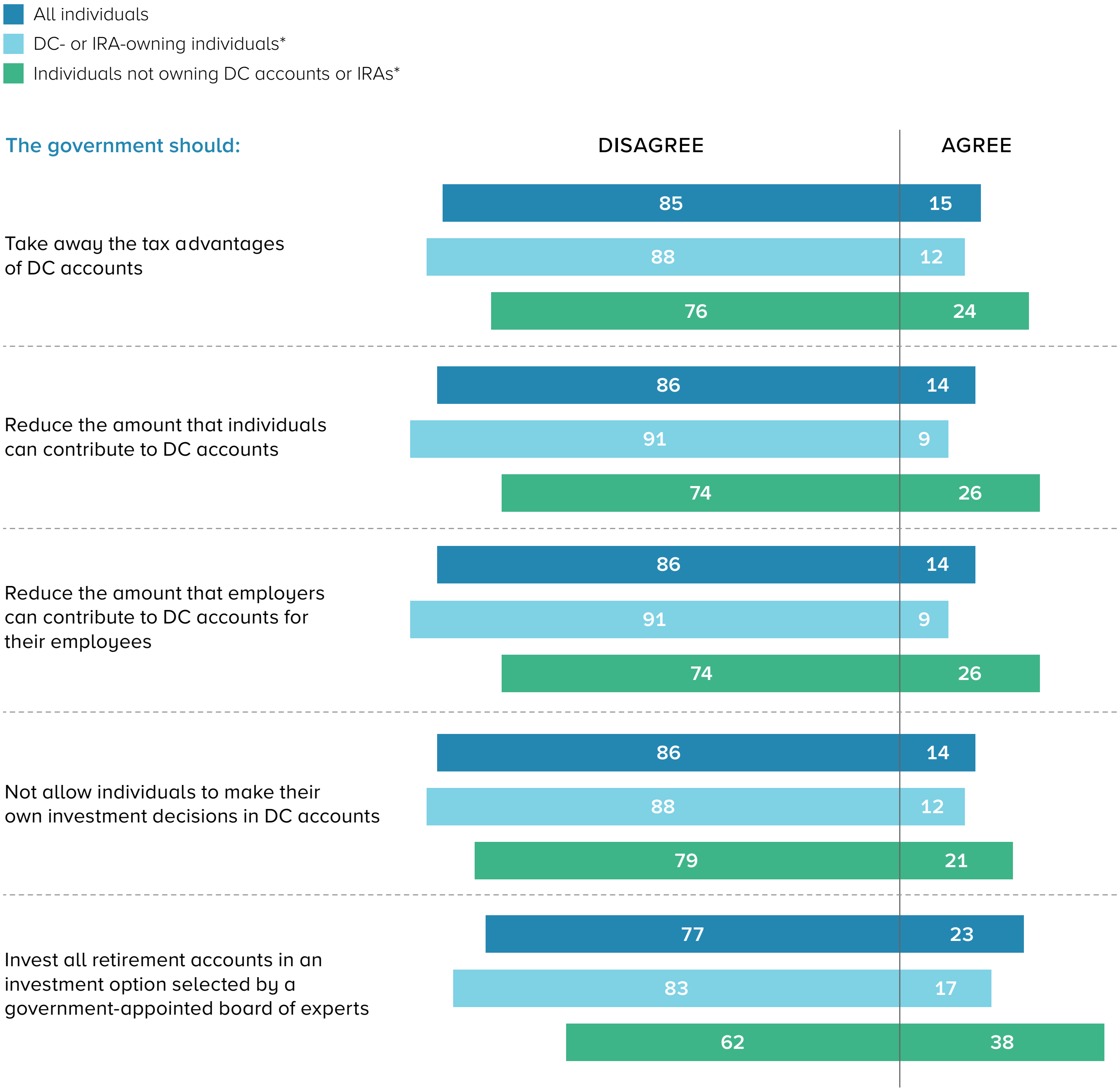
Respondents also resisted suggestions to change individual investment control in DC accounts. When respondents were asked whether they agreed or disagreed with the statement "The government should not allow individuals to make their own investment decisions in DC accounts," 86 percent disagreed (Figure 3). The degree of opposition was higher among individuals whose households owned DC accounts or IRAs (88 percent) than among those without retirement accounts (79 percent).

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."[23] Government control of workers' savings is not a popular policy, especially in light of the stock market's strong performance in 2024.[24] In fall 2024, 77 percent of respondents disagreed with this proposal (Figure 3). Among individuals with retirement accounts, 83 percent opposed this proposal, compared with 62 percent of those without retirement accounts.[25]

FIGURE 3

Americans Reject Changes to the Key Features of DC Plans

Percentage of US individuals agreeing or disagreeing with each statement by ownership status,* fall 2024



Number of respondents: 2,237

* 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 2024)

Views on Control of Retirement Account Balances

In 2024, 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,[26] whether and how much a household should annuitize is broadly debated.[27] 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.[28] Surveying consumer preferences regarding annuitization is difficult because the subject matter is complicated[29] 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.[30]

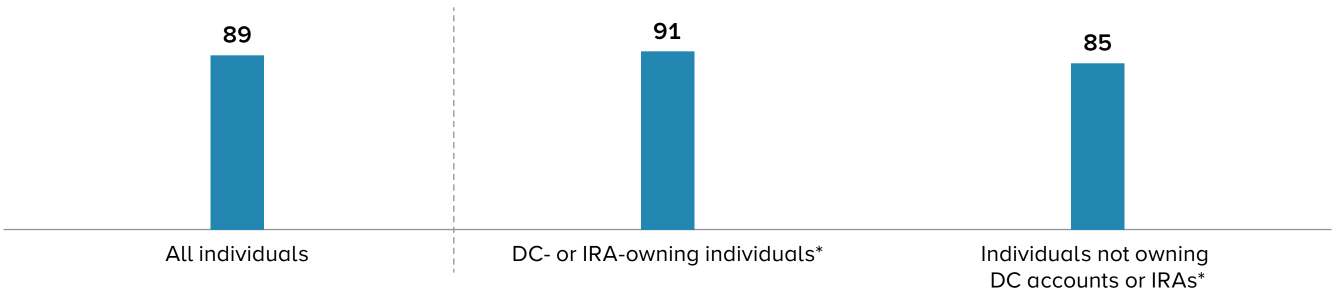
With these difficulties in mind, ICI asked three questions regarding the control of retirement account balances. In the first question, respondents were asked to react to a simple statement: "Retirees should be able to make their own decisions about how to manage their own retirement assets and income." In fall 2024, 89 percent of respondents either "strongly agreed" or "somewhat agreed" with that statement (Figure 4). Agreement was slightly higher for individuals whose households owned DC accounts or IRAs (91 percent) than for those without retirement accounts (85 percent). In addition, agreement with the statement was generally higher for older individuals.

FIGURE 4

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

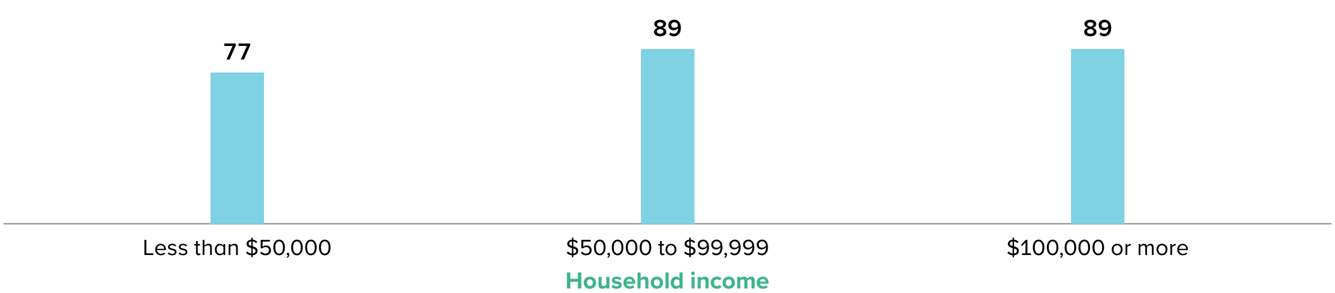
All individuals

Percentage of US individuals agreeing by ownership status,* fall 2024



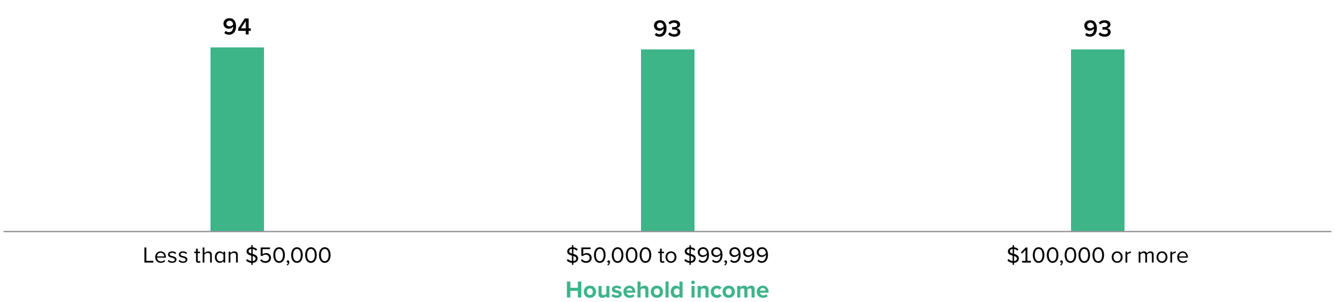
Survey respondent younger than 50

Percentage of US individuals agreeing by age and household income, fall 2024



Survey respondent aged 50 or older

Percentage of US individuals agreeing by age and household income, fall 2024



* 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 2024, the sample includes 1,604 DC- or IRA-owning adults and 633 adults not owning DC accounts or IRAs. The fall 2024 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The fall 2024 survey includes 2,138 surveys completed online and 99 surveys conducted over the phone.

Sources: ICI tabulation of NORC AmeriSpeak® survey data (fall 2024)

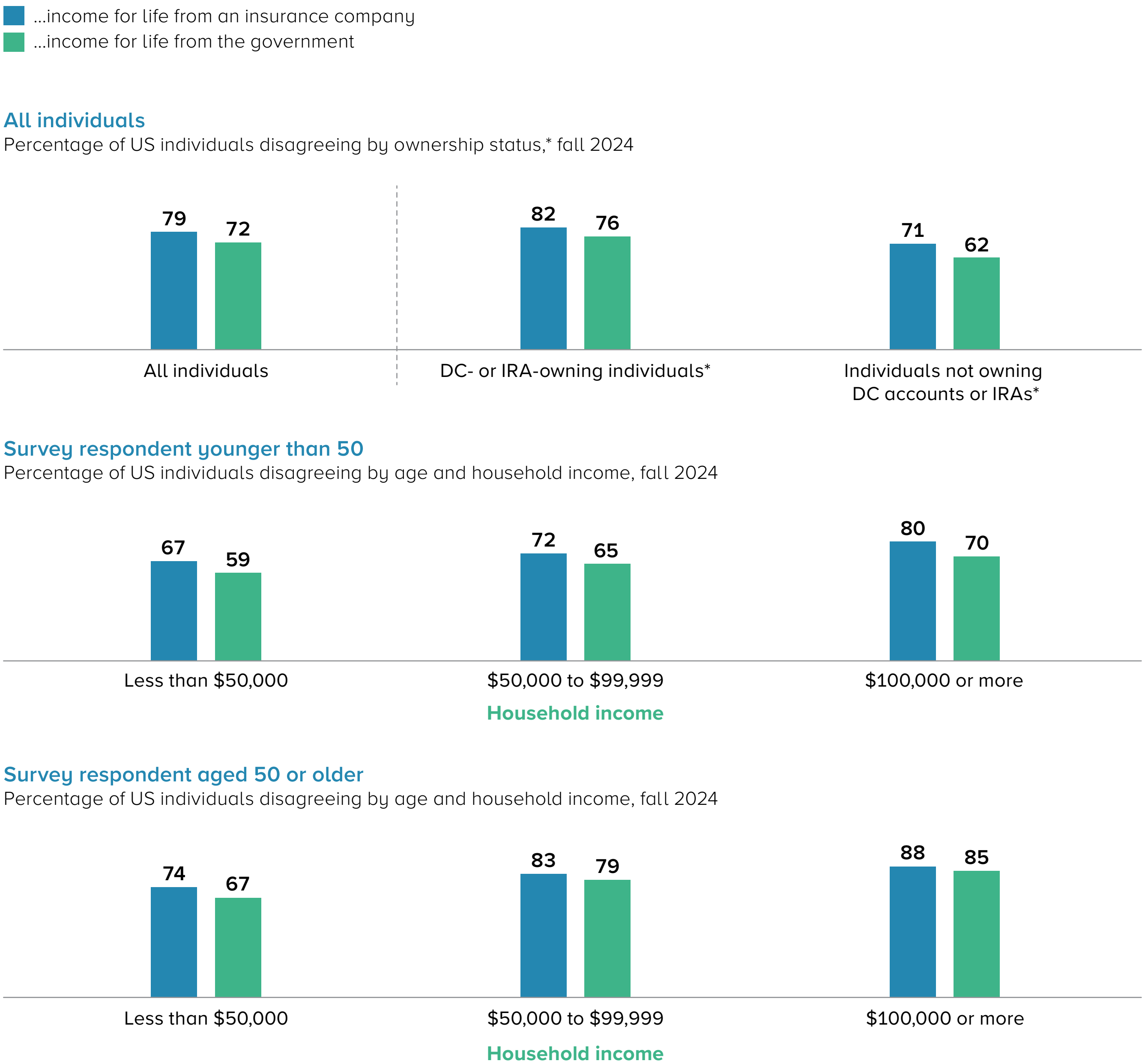
The second and third questions about control of retirement accounts focused on sentiment regarding more specific annuitization policy options. The second statement read: “The government should require retirees to trade a portion of their retirement plan accounts for a fair contract that promises to pay 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 5). 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 percent, the disapproval rates for the proposed annuitization requirements are higher among DC- or IRA-owning individuals than for non-owners (Figure 5). 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 67 percent and 59 percent, respectively. These rates climbed to 88 percent and 85 percent, respectively, among respondents aged 50 or older in households with annual incomes of $100,000 or more.

FIGURE 5

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 2024, the sample includes 1,604 DC- or IRA-owning adults and 633 adults not owning DC accounts or IRAs. The fall 2024 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The fall 2024 survey includes 2,138 surveys completed online and 99 surveys conducted over the phone.

Sources: ICI tabulation of NORC AmeriSpeak® survey data (fall 2024)

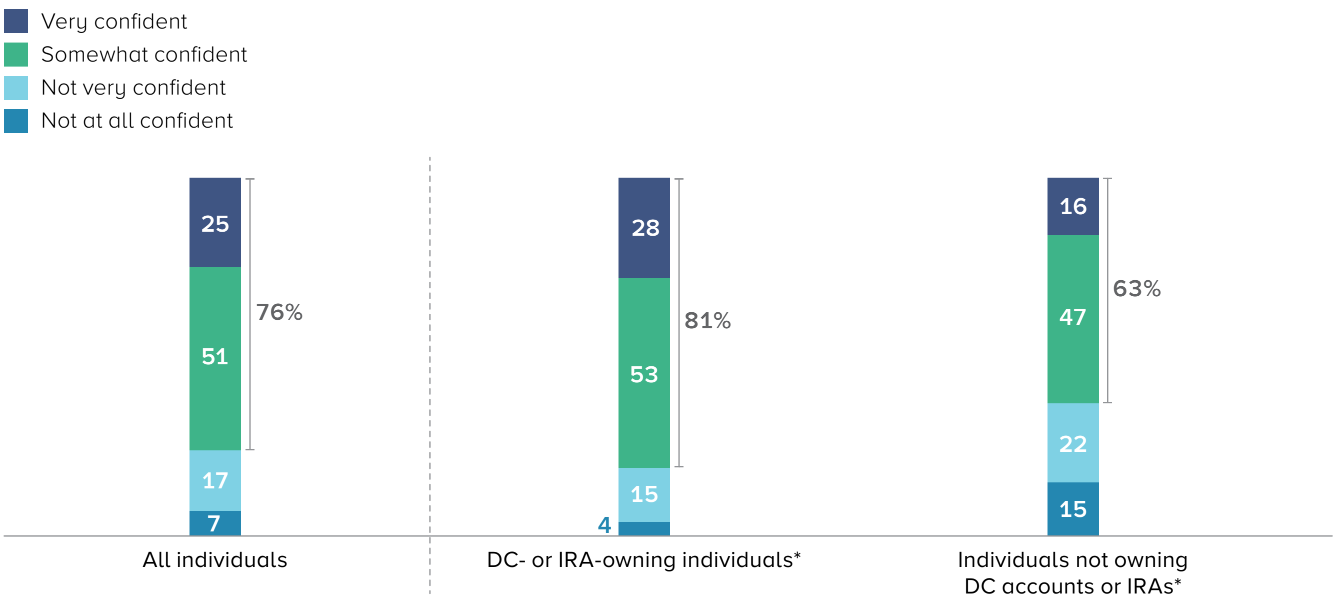
Majorities Have Confidence That Retirement Plan Accounts Can Help Individuals Meet Retirement Goals

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 2024, 76 percent 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 81 percent, that confidence was higher among individuals whose households owned DC accounts or IRAs, and 63 percent 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 2024



* 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 2024, the sample includes 1,604 DC- or IRA-owning adults and 633 adults not owning DC accounts or IRAs. The fall 2024 survey was conducted on the NORC AmeriSpeak® panel, which uses a mixed-mode data collection methodology. The fall 2024 survey includes 2,138 surveys completed online and 99 surveys conducted over the phone.

Sources: ICI tabulation of NORC AmeriSpeak® survey data (fall 2024)

Conclusion

In fall 2024, Americans expressed favorable impressions of DC plans. These 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. 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. In addition, 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.

Additional Reading

» What Does Consistent Participation in 401(k) Plans Generate? Changes in 401(k) Account Balances, 2016–2022
www.ici.org/files/2024/per30-07.pdf

» The BrightScope/ICI Defined Contribution Plan Profile
www.ici.org/research/retirement/dc-plan-profile

» The US Retirement Market
www.ici.org/research/stats/retirement

» Defined Contribution Plan Participants' Activities
www.ici.org/research/retirement/dc-plan-activities

Notes

[1] ICI conducts a separate survey of DC plan recordkeepers on a cumulative quarterly basis. 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.

[2] The 2024 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 percent 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.

[3] For the earlier reports, see Holden et al. 2024 and all prior reports available at **www.ici.org/research/retirement/us-views**.

[4] The wording of this question was 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 note 14 and Holden, Schrass, and Bogdan 2017.

[5] DC plan accounts include 401(k), 403(b), 457, and other DC plans without 401(k) features.

[6] At the end of the third quarter of 2024, total retirement assets were $42.4 trillion, with $12.5 trillion in DC plans and $15.2 trillion in IRAs. See Investment Company Institute 2024b for the most recent estimates of total US retirement market assets.

[7] In 2024, 59 percent of US households had DC accounts, 44 percent had IRAs, and, on net, 70 percent held DC accounts or IRAs. These data were tabulated from ICI's Annual Mutual Fund Shareholder Tracking Survey fielded from May to June 2024 (sample of 9,011 US households). See Holden and Schrass (forthcoming) and Holden, Schrass, and Bogdan 2024 for additional detail.

[8] See note 3.

[9] Prior years' survey results, which had been reported on a household basis, have been reweighted to represent US individuals aged 18 or older. See Holden et al. 2018 for key results from the 2017 and 2018 surveys weighted to represent individuals.

[10] Results are also analyzed on the basis of individuals' household income.

[11] See note 3.

[12] Figure A1 in the appendix presents these results by generation of the survey respondent.

[13] 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.

[14] The wording of this question was changed in 2017 (see note 4), which may have contributed to the increase in the percentage of DC-owning individuals agreeing with the statement.

[15] 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 percent 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 savings goals and the US retirement system, see Investment Company Institute 2024a; Brady 2016; Brady and Bass 2021; and Brady, Burham, and Holden 2012.

[16] 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 2025 is equal to 90 percent of the first $1,226 of AIME, plus 32 percent of AIME from more than $1,226 through $7,391, and 15 percent of any AIME more than $7,391. The decline in the benefit formula percentages—from 90 percent to 32 percent and then to 15 percent—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.

[17] 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 percent; for the middle quintile, the mean Social Security replacement rate was 49 percent; and for the highest quintile, it was 31 percent. See Congressional Budget Office 2021. For additional discussion, see Investment Company Institute 2024a; Brady and Bogdan 2014; Brady and Bass 2021; and Brady, Burham, and Holden 2012.

[18] For a comprehensive analysis of the asset allocation of 401(k) accounts, see Holden, Bass, and Copeland 2024a and 2024b. 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 2024.

[19] 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.

[20] 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.

[21] The surveys from 2009 to 2023 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.

[22] This question was first introduced in the 2011 survey.

[23] 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 2023 with similar results. For earlier results, see note 3.

[24] See the S&P 500 index for 2024.

[25] 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.

[26] See Mitchell et al. 1999; Beshears et al. 2014; Brown and Weisbenner 2014; Brown et al. 2015, and Hurwitz and Mitchell 2022. For a discussion of the early academic literature modeling the annuitization decision, see Holden and Salinas 2018 and Investment Company Institute 2020.

[27] 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.

[28] 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.

[29] See Shu, Zeithammer, and Payne 2016.

[30] See Agnew et al. 2008, Brown et al. 2008, and Beshears et al. 2014.

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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 economist in the retirement and investor research division 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.

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