



NEWS RELEASE

## Fidelity® Q3 2021 Retirement Analysis: Retirement Savers “Stay the Course” in Spite of Stock Market Swings and Ongoing Economic Uncertainty

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- Record 1.4 Million Gen Z Investors Join Fidelity’s Retirement Platform with the Vast Majority Leveraging Roth IRAs and Target Date Funds
- IRA Balances Increase as 401(k) and 403(b) Balances Dip Slightly
- Retirement Savers Continue to Save, Avoid Major Changes to Asset Allocation

BOSTON--(BUSINESS WIRE)-- **Fidelity Investments®**, a market-leading workplace benefits company and America’s No. 1 IRA provider<sup>1</sup>, today released its **quarterly analysis** of savings behaviors and account balances for more than 30 million IRA, 401(k), and 403(b) retirement accounts. Despite the significant swings in the stock market, the analysis found there were minimal changes to the average retirement account balance with a slight increase to the average IRA balance and moderate decline in both the average 401(k) and 403(b) balances.

The majority of retirement savers continued to take a long-term approach by maintaining their contribution levels to workplace savings and not making significant changes to their asset allocation. This is especially true among the record 1.4 million Gen Z (born between 1997-2012, as defined by Pew Research) retirement investors now saving with Fidelity.

“One of the most important retirement savings behaviors we highlight with customers is to keep a long-term approach and not make changes to a retirement savings strategy based on short-term market events,” said **Kevin Barry**, president of Workplace Investing at Fidelity Investments. “The stock market and economic landscape will shift many times throughout a lifetime, so taking a consistent approach, making steady contributions and maintaining your asset allocation are key to reaching your retirement savings goals.”

Highlights from Fidelity’s Q3 2021 analysis include:

- Account balances tapered off in Q3, but average balances still up double digits from a year ago. The average IRA balance<sup>2</sup> was \$135,700, a slight increase from last quarter and a 15% increase from Q3 2020. The average 401(k) balance<sup>3</sup> dipped to \$126,100 in Q3, a 2% decrease from Q2 but an increase of 15% from a year ago. The average 403(b) account balance<sup>4</sup> decreased to \$110,800, down 6% from last quarter but up 13% higher than in Q3 2020.

### Average Retirement Account Balances

	Q3 2021	Q2 2021	Q3 2020	Q3 2011
IRA	\$135,700	\$134,900	\$117,700	\$66,300
401(k)	\$126,100	\$129,300	\$109,600	\$64,500
403(b)	\$110,800	\$113,300	\$96,100	\$50,100

- Number of Gen Z retirement savers reach record levels. The number of Gen Z investors across Fidelity's retirement platform reached a record 1.4 million in Q3, nearly double the number of Gen Z investors from one year ago. Gen Z retirement savers with an IRA overwhelmingly utilize Roth IRAs for their savings, with contributions to Roth IRAs making up 95% of total contributions in the third quarter. Among 401(k) and 403(b) plans, many Gen Z workers are automatically enrolled in their plan and defaulted into a target date fund – as a result, 86% of Gen Z workers are holding 100% of their savings in a target date fund.
- Contributions to workplace retirement accounts hit record levels. Retirement savers continued to utilize workplace savings plans in Q3, as contributions to 401(k) and 403(b) plans reached record levels. The average 401(k) contribution rate reached a record 9.4% this quarter, marking the fifth consecutive quarter the overall 401(k) contribution rate has increased. In addition, total contributions to 403(b) accounts over the past 12 months reached a record \$6,250, with more than 70% of 403(b) savers making a contribution to their account.

“Over the past two years, we are seeing the next generation of investors rise up and get more engaged with their finances, leading to more than 4.7 million new retail accounts<sup>6</sup> on Fidelity's platform, and it's encouraging to see so many young people planning for their future,” said **Kelly Lannan**, vice president, Young Investors at Fidelity Investments. “Whether saving in an employer's workplace plan or contributing to a **Roth IRA**, these accounts can be a great way to start saving for retirement. Gen Z and Millennials may get an undeserved rap that they are mainly 'living in the now' but we know from our **Fidelity Spire** app users<sup>7</sup> that retirement is the number one long-term goal they are trying to reach.”

### Despite market swings and economic uncertainty, retirement savers 'stayed the course'

Fidelity's third quarter analysis found that, despite the stock market uncertainty in Q3 and the continuing economic impact of the pandemic, the majority of retirement savers did not make any changes to the asset allocation within their account and the percentage of outstanding 401(k) loans continues to trend downward. In addition, while most

401(k) savers maintained their contribution rate, some individuals took steps to boost the amount their savings rate:

- Fewer individuals made changes to the asset allocation within their 401(k). The percentage of 401(k) savers that made a change to their asset allocation dropped for the third consecutive quarter, with only 5.1% of 401(k) savers making a change, the lowest percentage since Q3 2019. Among Gen Z workers, the percentage dropped to 2.4%.
- Percentage of outstanding 401(k) loans sets a new record low. The percentage of workers with an outstanding loan from their 401(k) reached a record low 17.3% in Q3, a full percentage point lower than Q3 of last year (18.7%). The percentage of workers with an outstanding 401(k) loan has dropped in seven of the last eight quarters.
- Contributions remained consistent. More than 97% of 401(k) savers either maintained or increased their contribution rate in Q3. Among the slightly more than 8% of 401(k) savers that increased their contribution rate, the average contribution increase was 3.7%.

For more information on Fidelity's Q3 2021 analysis, click [here](#) to access Fidelity's "Building Financial Futures" overview, which provides additional details and insight on retirement trends and data.

### **About Fidelity Investments**

Fidelity's mission is to inspire better futures and deliver better outcomes for the customers and businesses we serve. With assets under administration of \$11.1 trillion, including discretionary assets of \$4.2 trillion as of September 30, 2021, we focus on meeting the unique needs of a diverse set of customers: helping more than 38 million people invest their own life savings, 22,000 businesses manage employee benefit programs, as well as providing more than 13,500 wealth management firms and institutions with investment and technology solutions to drive growth. Privately held for 75 years, Fidelity employs more than 52,000 associates who are focused on the long-term success of our customers. For more information about Fidelity Investments, visit [www.fidelity.com/about-fidelity/our-company](http://www.fidelity.com/about-fidelity/our-company).

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Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

Target Date Funds are an asset mix of stocks, bonds and other investments that automatically becomes more conservative as the fund approaches its target retirement date and beyond. Principal invested is not guaranteed.

Diversification and asset allocation do not ensure a profit or guarantee against loss.

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1 Based on Cerulli Associates' "Top-10 IRA Providers by AUA, 4Q 2018 – 4Q 2020."

2 Fidelity business analysis of 11.8 million IRA accounts as of September 30, 2021.

3 Analysis based on 23,700 corporate defined contribution plans and 20.2 million participants as of September 30, 2021. These figures include the advisor-sold market but exclude the tax-exempt market. Excluded from the behavioral statistics are non-qualified defined contribution plans and plans for Fidelity's own employees.

4 Based on Fidelity analysis of 10,300 Tax-exempt plans and 7.4 million plan participants as of September 30, 2021. Considers average balance across all active plans for 5.4M unique individuals employed in tax-exempt market.

5 Gen Z, as defined by Pew Research, as individuals born between 1997-2012.

6 Internal Fidelity data, customers 18-35 years old in 2020 and through Q3 of 2021.

7 Based on internal Fidelity data. As of October 22, 2021, the average age of the Fidelity Spire user is 26 years old.

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