



NEWS RELEASE

## Despite the "Great Resignation," Saving for Retirement Is Still a Priority, as Account Balances and Contributions Reach Record Levels, According to Fidelity

2/17/2022

- Double-digit Growth in IRA Accounts, Led by Gen Z
- Employers Playing a Greater Role in Employees' Retirement Readiness Through Matching Contributions and Automatic Enrollment

BOSTON--(BUSINESS WIRE)-- Record 401(k) account balances at \$130,700. Record total IRA accounts (driven by young investors) at 12.3 million. Nearly 40% of individuals increased their 401(k) contributions in 2021, a record. What do all of these records have in common? They all happened in the midst of the "Great Resignation," according to Fidelity Investments' Q4/year-end analysis of more than 35 million IRA, 401(k), and 403(b) retirement accounts, further reinforcing the critical role employers are playing to help keep workers' retirement savings on track.

"Despite facing a variety of financial hurdles in 2021, including ongoing market uncertainty and a shifting employment landscape, investors did not let the events derail their efforts and continued to stay focused on the key fundamentals of retirement savings," said **Kevin Barry**, president of Workplace Investing at Fidelity Investments. "By making regular contributions to retirement accounts, not cashing out savings when they change jobs and taking advantage of their employer's contributions, individuals were able to keep their savings on track as we head into 2022."

Highlights from Fidelity's Q4 2021 analysis include:

- Retirement account balances see strong gains in 2021. The average IRA balance<sup>1</sup> was \$135,600, a slight decrease from last quarter but a 6% increase from Q4 2020. The average 401(k) balance<sup>2</sup> climbed to a record \$130,700 in Q4, up 4% from Q3 2021 and 8% from a year ago. The average 403(b) account balance<sup>3</sup> increased to a record \$115,100, an increase of 4% from last quarter and an 8% increase from Q4 2020.

### Average Retirement Account Balances

	Q4 2021	Q3 2021	Q4 2020	Q4 2011
IRA	\$135,600	\$135,700	\$128,100	\$69,500
401(k)	\$130,700	\$126,100	\$121,500	\$69,400
403(b)	\$115,100	\$110,800	\$106,100	\$53,700

- Double-digit growth in IRA<sup>1</sup> accounts, led by Gen Z. The total number of Fidelity IRA accounts increased to a record 12.3 million, a 13% increase over the last year. The highest level of growth was among Gen Z investors, where the number of accounts grew 146% to almost 275,000. The average IRA contribution was \$4,300 in 2021, with 62% of IRA contributions going to Roth accounts.
- More than a third of workers increased their 401(k)<sup>2</sup> and 403(b)<sup>3</sup> savings rates. A record 38% of individuals increased their 401(k) contributions in 2021, with an average increase of more than 3%. Among Gen Z workers, 53% increased their contribution rate in 2021, as well as more than one-in-three (38%) women investors on Fidelity's 401(k) platform. In addition, 34% of 403(b) savers increased their contribution rate in 2021.
- Employers continue to make contributions to their employees' retirement savings. By the end of 2021, 83% of workers<sup>2</sup> had their employer make a contribution in addition their own 401(k) contributions, with the average employer contribution reaching \$4,080 in 2021. In addition, 75% of individuals<sup>3</sup> with a 403(b) received a contribution from their employer in 2021.

### Workers Focus on Retirement Savings, Even as Many Switch Jobs

Fidelity recently examined how workers are managing their retirement savings in the midst of the “**Great Resignation**” and whether the significant job changes across the American workforce had a negative impact on retirement savings behaviors. As expected, there were noteworthy shifts across Fidelity's platform among young workers in 2021, but also among older workers who had chosen to make a career change. However, Fidelity found that positive worker behavior, combined with increasingly popular 401(k) plan features, may dampen any notable impact to American worker's retirement savings.

- Workers are not cashing out their 401(k) savings when they leave their job. According to a recent Fidelity study,<sup>5</sup> only 6% of workers cashed out their retirement savings when leaving their job. Instead, nearly one quarter rolled their savings to an IRA (23%), 15% rolled their savings into their new employer's 401(k) or 403(b) plan and 18% decided to leave their savings with their previous employer. Another 22% indicated they are planning to do something with their savings but haven't taken any steps yet.
- A growing percentage of employers are automatically enrolling new employees in 401(k) plan, and at a higher savings rate.<sup>2</sup> As of the end of Q4, nearly four in ten (38%) employers have auto enrollment as part of their 401(k). In addition, more than a third (37%) of plans that use auto enrollment will sign up new employees at a 5% contribution rate or higher, up from 28% of plans five years ago.

- Once employees are automatically enrolled in their 401(k), they usually stay in.<sup>2</sup> Less than one out of ten (9.1%) of employees who are automatically enrolled in their 401(k) plan decide to opt out. In fact, more than 1.1 million workers were automatically enrolled in their company's 401(k) plan in 2021.
- Employees are reaching out for help and guidance.<sup>6</sup> Fidelity fielded 16.5 million calls from 401(k) and 403(b) investors last year, and visits to NetBenefits, Fidelity's online employee benefits portal, reached 366 million in 2021. Fidelity also had financial planning engagements with more than four million households in 2021, an 82% increase over the previous year.

For more information on Fidelity's Q4 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 \$11.8 trillion, including discretionary assets of \$4.5 trillion as of December 31, 2021, we focus on meeting the unique needs of a diverse set of customers. Privately held for 75 years, Fidelity employs more than 57,000 associates who are focused on the long-term success of our customers. For more information about Fidelity Investments, visit <https://www.fidelity.com/about-fidelity/our-company>.

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

Fidelity Brokerage Services LLC, Member NYSE, SIPC  
900 Salem Street, Smithfield, RI 02917

Fidelity Distributors Company LLC  
500 Salem Street, Smithfield, RI 02917

National Financial Services LLC, Member NYSE, SIPC  
245 Summer Street, Boston, MA 02110

1016431.1.0

© 2022 FMR LLC. All rights reserved.

---

<sup>1</sup> Fidelity business analysis of 12.3 million IRA accounts as of December 31, 2021.

<sup>2</sup> Analysis based on 23,700 corporate defined contribution plans and 20.4 million participants as of December 31, 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.

3 Based on Fidelity analysis of 10,300 Tax-exempt plans and 7.5 million plan participants as of December 31, 2021.

Considers average balance across all active plans for 5.6M unique individuals employed in tax-exempt market.

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

5 Based on results from Fidelity study, "The Great Resignation," which is based 2,334 responses from two online surveys fielded by Ipsos, one conducted with members of the My Fidelity Connection Participant Panel, and the other with panelists from Ipsos's Omnibus. Surveys conducted November 5-11, 2021.

6 Based on internal Fidelity information.

View source version on **businesswire.com**: <https://www.businesswire.com/news/home/20220217005287/en/>

Corporate Communications

(617) 563-5800

**fidelitycorporateaffairs@fmr.com**

Mike Shamrell

(617) 563-1996

**michael.shamrell@fmr.com**

Source: Fidelity Investments