



NEWS RELEASE

Fidelity® Q1 2022 Retirement Analysis: Retirement Savers 'Stay the Course' Despite Market Volatility

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- Total 401(k) Savings Rate Reaches Record Levels, Nears Suggested 15%
- IRAs See Significant Growth, Especially Among Millennial¹ Women
- Long-Term Savers See Significant Growth in Retirement Savings

BOSTON--(BUSINESS WIRE)-- **Fidelity Investments®**, one of the country's leading workplace benefits providers² and America's No. 1 IRA provider³, today released its Q1 2022 analysis of savings behaviors and account balances for more than 35 million IRA, 401(k), and 403(b) retirement accounts. The quarterly analysis found that while average account balances decreased (driven largely by the stock market's performance), the total 401(k) savings rate reached record levels, the number of IRAs on Fidelity's platform increased and the percentage of employees with a 401(k) loan dropped for the fourth consecutive quarter.

"During periods of economic uncertainty, it's important for retirement savers to stay focused on their long-term savings goals and not make knee-jerk reactions to short-term market events," said **Kevin Barry**, president of Workplace Investing at Fidelity Investments. "While the market's performance does impact account balances in the near term, consistent contributions and having an appropriate asset allocation are just as important for a successful long-term retirement savings strategy. Encouragingly, Fidelity's analysis found that the majority of retirement savers continued to demonstrate positive savings behavior, which will help keep them on track to reach their goals."

Findings from Fidelity's Q1 2022 analysis include:

- Average retirement account balances decreased, but slightly less than market decline⁴ in Q1. The average IRA balance⁵ was \$127,100 in Q1, a 2% decrease from Q1 2021 and a 6% decrease from last quarter. The average 401(k) balance⁶ dropped to \$121,700 in the quarter, down 2% from a year ago and 7% from Q4 2021.

Importantly, among Gen Z1 savers, who are heavily invested in target date funds, the average account balance only dropped 0.4% from last quarter. As of Q1, 85% of Gen Z savers had all of their 401(k) savings in a target date fund. The average 403(b) account balance7 decreased 7% to a \$107,600, slightly higher than Q1 2021 and a decrease of 6% from last quarter.

Average Retirement Account Balances

	Q1 2022	Q4 2021	Q1 2021	Q1 2012
IRA	\$127,100	\$135,600	\$130,000	\$75,300
401(k)	\$121,700	\$130,700	\$123,900	\$74,900
403(b)	\$107,600	\$115,100	\$107,300	\$58,000

- Significant growth in IRA1 accounts, especially among Millennials.6The total number of Fidelity IRA accounts continued to climb, reaching 12.5 million, a 2% increase over Q4 and an 11% over Q1 of last year. Millennial Roth IRA accounts increased 11.3% in Q1 2022 compared to Q1 2021, while the number of IRA accounts among female Millennial investors increased by 26% over the last year.
- Total 401(k) savings rate reaches record level. Despite the market volatility in Q1, 401(k) plans continued to see steady contributions from both individuals and their employers. The total savings rate for the first quarter, which reflects a combination of employee and employer 401(k) contributions, reached a record 14% in the first quarter, which is just below Fidelity's suggested savings rate of 15%.
- The majority of retirement savers did not make any changes to their allocation. Only 5.6% of 401(k) savers made a change to the allocation within their 401(k) account in the first quarter, slightly higher than the 5.3% that made a change in Q4 but nearly a full percentage point lower than the 6.4% of individuals who made a change to their allocation in Q1 2021. Of the 401(k) savers that made a change to their allocation in the quarter, 82% only made one change. Among individuals saving in a 403(b) plan, only 4.4% made a change, which was flat from Q4 2021 and about a half percentage point lower than the 4.8% that made an allocation change in Q1 2021. Among 403(b) savers that made a change to their allocation in the first quarter, 87% only made one change.
- The percentage of workers with a 401(k) loan continued to decrease. The percentage of 401(k) savers initiating a new loan continued to trend downward for the third consecutive quarter, with only 2% of participants initiating a loan in Q1. In addition, the percentage of participants with a loan outstanding also continued a downward trend, dropping for the fourth consecutive quarter to 16.6%.

Long-Term Savers See Significant Growth in Retirement Savings

Fidelity regularly monitors the 401(k) account balances for individuals who have been participating in the same 401(k) plan, with the same employer, over a multi-year period. Data on these "continuous" savers helps illustrate how 401(k) savings can grow over time and can help demonstrate the benefits of taking a long-term approach to

retirement savings.

Following is 401(k) account information for individuals who have been in their 401(k) plans for five, 10 and 15-year periods:

- Five-year continuous savers. For individuals who have been in their company's 401(k) plan continuously for five years, the average balance grew to \$257,400, up from \$115,000 in Q1 2017. As of Q1, just over 4.3 million individuals on Fidelity's 401(k) platform have been in their plan for five years straight.
- 10-year continuous savers. For individuals who have been saving in their 401(k) for 10 years straight, the balance has grown to \$383,100, up from \$85,100 in Q1 2012. There are currently 1.7 million individuals who have been in their 401(k) plan for 10 years straight.
- 15-year continuous savers. For individuals who have been participating in their 401(k) plan for the last 15 years, the account balance has grown to \$482,900, up from \$64,900 in Q1 2007. There are currently 763,000 individuals in this group.

For more information on Fidelity's Q1 2022 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 \$10.5 trillion, including discretionary assets of \$4.0 trillion as of April 30, 2022, we focus on meeting the unique needs of a diverse set of customers. Privately held for over 75 years, Fidelity employs more than 58,000 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>.

Past performance is no guarantee of future results.

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 Generations as defined by Pew Research: Gen Z (born 1997-2012), Millennials (1981-1996), Gen X (1965-1980) and Boomers (1946-1964).

2 Based on PLANSPONSOR Magazine's "2021 Recordkeeping Survey," June 2021 and "Plan Administration Guide, Part 1" which offers insight into the provider marketplace for defined benefit (DB), stock plan and health savings account (HSA) administration, May 2018.

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

4 Based on S&P performance from January 1 - March 31, 2022 according to Yahoo! Finance.

5 Fidelity business analysis of 12.5 million IRA accounts as of March 31, 2022.

6 Analysis based on 24,000 corporate defined contribution plans and 21.2 million participants as of March 31, 2022. 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.

7 Based on Fidelity analysis of 10,300 Tax-exempt plans and 7.5 million plan participants as of March 31, 2022. Considers average balance across all active plans for 5.6M unique individuals employed in tax-exempt market.

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