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**FIDELITY® Q4 2019 RETIREMENT ANALYSIS: INCREASED SAVINGS RATES, ENHANCEMENTS TO EMPLOYER SAVINGS PLANS AND POSITIVE MARKET PERFORMANCE HELP DRIVE ACCOUNT BALANCES TO RECORD LEVELS**

BOSTON, February 13, 2020 -- [Fidelity Investments](https://www.fidelity.com)®, the market-leading workplace benefits company and America’s No. 1 IRA provider<sup>1</sup>, today released its quarterly analysis of retirement savings trends, including account balances, contributions and savings behaviors, across more than 30 million 401(k), IRA and 403(b) retirement accounts.

Positive savings behaviors among employees, enhancements to workplace savings plans and strong market conditions in Q4 2019 caused average account balances to reach record levels, as well as significant increases over the previous decade. Highlights from the Q4 2019 analysis include:

- **Average 401(k), IRA and 403(b) balances increased to record levels.** The average 401(k) balance rose to \$112,300, a new record high and a 7% increase from last quarter’s balance of \$105,200. The year-over-year average balance increased 17% from \$95,600 in Q4 2018; the average IRA balance also rose to a record \$115,400, a 5% increase from last quarter and 17% higher than the \$98,400 balance one year ago. The average 403(b)/tax exempt account balance increased to \$93,100, up 6% from last quarter and an increase of 18% from Q4 2018.

**Average Retirement Account Balances**

	Q4 2019	Q3 2019	Q4 2018	Q4 2009
401(k) <sup>2</sup>	\$112,300	\$105,200	\$95,600	\$62,600
IRA <sup>3</sup>	\$115,400	\$110,200	\$98,400	\$63,900
403(b)/Tax Exempt <sup>4</sup>	\$93,100	\$88,000	\$78,700	\$48,400

- **Percentage of investors contributing to IRAs increases, led by millennials.** The overall number of IRA accounts with a contribution in Q4 increased 7% from a year ago, with the percentage of millennials contributing to an IRA increasing 21% over Q4 2018. Millennials contributed a total of \$373 million to IRAs in the fourth quarter, a 46% increase over the total amount contributed in Q4 2018, with 73% of millennial contributions going into Roth IRAs.

- **Employee 401(k) savings rates continue to increase.** The average employee savings rate reached a record 8.9% in Q4, while the average total savings rate (employee contributions + company match) reached 13.5%, tying a record level last reached in Q2 of last year. Over the course of 2019, 33% of plan participants increased the amount they are saving, with the average increase just over 3%. Of the workers who increased their savings rates, 40% proactively took steps to do so on their own, while 60% had their savings rate automatically increased through a service within their employer's retirement savings plan.
- **Long-term savers<sup>5</sup> saw balances increase to record levels in Q4.** Among individuals who have been in their 401(k) plan for 10 years straight, the average balance reached a record \$328,200, topping the previous high of \$306,500 from last quarter. Among female investors, the average 10-year 401(k) balance grew to \$261,000, an increase of 21% from a year ago and the first time the average balance for this group passed the quarter million-dollar mark. The average 401(k) balance for millennials who have been in their 401(k) plan for 10 years straight reached \$149,800, another record high. Among individuals saving in 403(b)s (or other plans offered by not-for-profit employers) for 10 years straight, the average balance increased to \$191,700, nearly five times the average balance for this group in Q4 2009.
- **The number of 401(k) and IRA millionaires continued to grow, reaching record levels.** The number of people with \$1 million or more in their 401(k) increased to a record 233,000, up from 200,000 in Q3 and 21,000 in Q4 2009. The number of IRA millionaires increased to 208,000, also a record high and an increase from 182,400 last quarter.

"The growth in savings levels over the last 10 years demonstrates the positive impact of taking a long-term approach to retirement, and recent Fidelity [research](#) demonstrates workers who do so have reason to feel increasingly confident about their retirement readiness," said [Kevin Barry](#), president of Workplace Investing at Fidelity Investments. "However, as we enter a new decade and continue to see markets rise and fall, it's more important than ever to remember some of the important elements of a successful retirement strategy - these include maintaining positive savings habits, ensuring your account has the right balance of stocks, bonds and cash, and continuing to focus on your long-term savings goals."

### **Employers Pitch In - Plan Design Enhancements Help Employees' Savings Efforts**

While a growing population of employees are taking positive steps to improve their retirement savings, at the same time an increasing number of employers are making changes to their workplace savings plans and adding features and services designed to help employees with their retirement savings efforts. These include:

- **Record number of workplace plans offering a managed account.** Managed accounts provide workers with professional planning and support in managing retirement savings, which can give employees more confidence in their financial plan and overall financial situation. The percentage of 401(k) and 403(b)/tax exempt plans offering individuals this option grew to 32% in Q4 2019, nearly double the 17% offering this option on Q4 2014.
- **More employers are automatically enrolling new employees and at a higher default contribution rate.** As of Q4 2019, a record level of employers (35%) automatically enrolled new workers in their 401(k) plan. A growing percentage of employers are enrolling new employees at higher rates -- more than a third of plans (34%) now enroll new workers at a savings rate of 5% or higher, compared with only 11.8% enrolled at that level in Q4 2009.
- **A growing number of employers are automatically increasing employees' contribution rate each year.** The percentage of 401(k) plans automatically increasing the contribution rate for employees has more than doubled over the last 10 years, from 9% in Q4 2009 to 19% in Q4 2019. And while the limit for auto-increase contributions was capped at 10%, the [SECURE Act](#) will allow plans to auto-increase employee contributions up to 15%.

"Millions of people rely on a 401(k), 403(b) or IRA as primary vehicles for retirement savings, so the industry needs to continue to find ways to make these accounts more accessible, more efficient and easier to use," continued Barry. "We are extremely excited to see how the SECURE Act will impact the retirement landscape and improve savings for the American workforce."

For more information on Fidelity's Q4 2019 analysis, please 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 \$8.3 trillion, including discretionary assets of \$3.2 trillion as of December 31, 2019, we focus on meeting the unique needs of a diverse set of customers: helping more than 30 million people invest their own life savings, 22,000 businesses manage employee benefit programs, as well as providing more than 13,500 financial advisory firms with investment and technology solutions to invest their own clients' money. Privately held for more than 70 years, Fidelity employs more than 40,000 associates who are focused on the long-term success of our customers. For more information about Fidelity Investments, visit <https://www.fidelity.com/about>.

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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.**

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<sup>1</sup> Source: Cerulli & Associates Retirement Edition

<sup>2</sup> Analysis based on 23,000 corporate defined contribution plans and 17.3 million participants as of December 31, 2019.

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.

<sup>3</sup> Fidelity IRA analysis based on 9.9 million Personal Investing IRA accounts, as of December 31, 2019 and includes all IRAs except for inherited IRAs, small business IRAs and IRAs distributed through the advisor-sold market.

<sup>4</sup> Analysis based on 10,500 defined contribution plans, including 403(b), 401(a), 401(k) and 457(b) qualified, non-qualified and TEM pooled plans, and 6.3 million participant accounts, for 4.7 million unique individuals, in the tax-exempt market, as of December 31, 2019

<sup>5</sup> "Long term savings" data reflects account balance information for individuals who have been participating in the same workplace savings plan, with the same employer, continuously since Q4 2009. This includes 1.6 million 401(k) participants and 788,000 403(b)/tax exempt participants.