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U.S. Retirement Assets: Data in Brief

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U.S. Retirement Assets: Data in Brief

The Federal Reserve's *Financial Accounts of the United States* provides data on the amount of retirement assets in the United States. Retirement assets are held in pension plans sponsored by employers and in Individual Retirement Accounts (IRAs). As of December 31, 2022, a total of \$37.8 trillion was held in U.S. retirement plans and accounts, of which \$26.3 trillion was in employer-sponsored plans and \$11.5 trillion was in IRAs. Retirement plan holdings include a variety of financial assets, including equities, securities, debt, mutual funds, claims on owed sponsor contributions, and other financial assets.

Employer-sponsored plans are classified as either defined benefit (DB) or defined contribution (DC) plans and are sponsored by private employers, the federal government, or state and local governments. In 2022, and in most years, a majority of DB holdings were held by government-sponsored plans. A majority of DC holdings were held by private employer-sponsored plans.

From 2013 to 2022, total real (inflation-adjusted) retirement assets increased by \$4.4 trillion (13.3%). Total real retirement assets peaked at \$44.3 trillion in 2021. The growth in IRA assets contributed most to retirement asset growth with a \$2.8 trillion real increase from 2013 to 2022. DC plans sponsored by the federal government grew by the greatest percentage rate at 43.4%. Holdings of financial assets by private sector DB, federal DB, and state and local DC plans all decreased in inflation-adjusted terms from 2013 to 2022.

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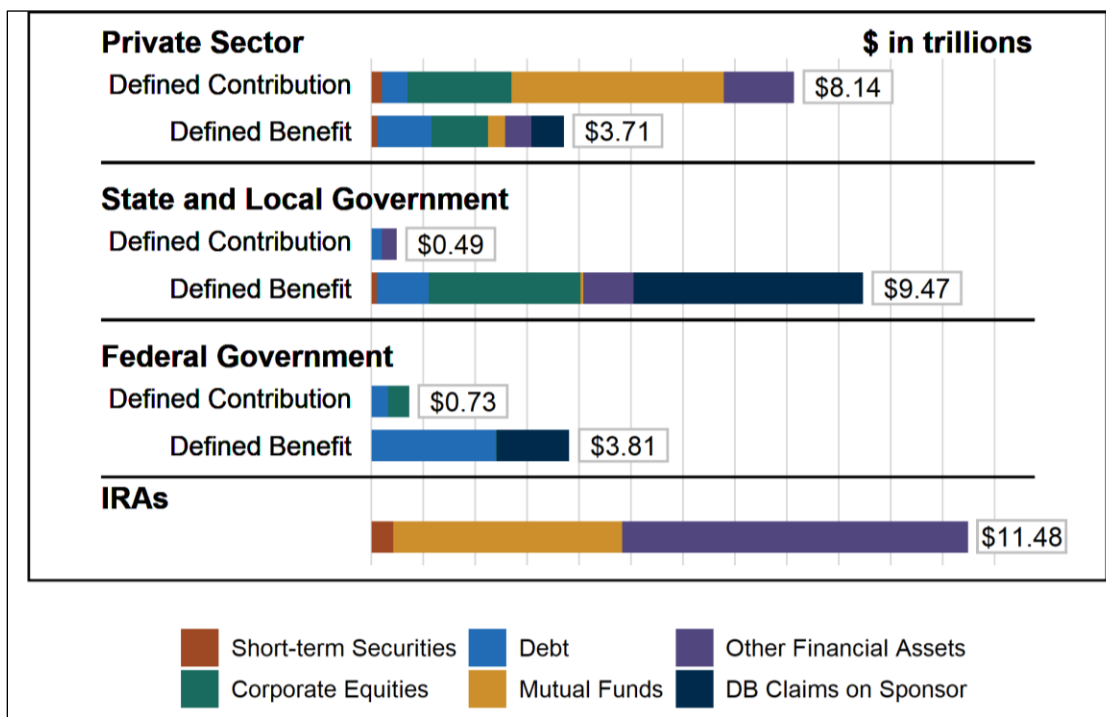
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The Federal Reserve's *Financial Accounts of the United States* reported that the total amount of U.S. retirement assets (outside of Social Security) was \$37.8 trillion at the end of 2022.¹ **Figure 1** shows (1) the amount of financial assets (in trillions of dollars) in pension plans sponsored by private sector employers, state and local governments, and the federal government; (2) the amount of assets in Individual Retirement Accounts (IRAs); and (3) the components of these assets. **Table 1** provides more detail on the components of U.S. retirement financial assets in dollar terms. **Table 2** provides historical data on inflation-adjusted end-of-year asset levels from 2013 to 2022.

Figure 1. Total Holdings and Components of Financial Assets in U.S. Pension Plans and Individual Retirement Accounts (IRAs)

In Trillions of Dollars, as of December 31, 2022



Source: Figure constructed by CRS from Board of Governors of the Federal Reserve System, *Financial Accounts of the United States*, <https://www.federalreserve.gov/apps/fofi/FOFTables.aspx>. See tables L.118.b, L.118.c, L.119.b, L.119.c, L.120.b, L.120.c, and L.229.

Notes: IRAs include employer-sponsored IRAs and state-administered IRA programs. Mutual funds invest in a variety of assets, including corporate equities and debt. As a result, the total amount of corporate equities and debt held by pension plans likely exceeds the values presented in the Corporate Equities and Debt categories in the figure.

Figure 1 shows six categories of retirement financial assets as classified by CRS: short-term securities, debt, corporate equities, mutual funds, defined benefit (DB) plans claims on sponsors, and other financial assets. *Short-term securities* include checkable deposits, savings deposits, money market funds, and security repurchase agreements. *Debt* is composed of securities such as commercial paper, U.S. Treasury securities, U.S. government agency and government-sponsored-enterprise-backed securities, foreign bonds, and corporate bonds. *Corporate equities* include

¹ The data were downloaded on June 8, 2023, and are available at <https://www.federalreserve.gov/releases/z1/default.htm>.

publicly traded shares and private equity. *Mutual funds* pool money from investors and invest the money in securities such as stocks, bonds, and debt. *DB claims on sponsors* are funds owed but unpaid by plan sponsors to the plan. Unpaid funds are treated as financial assets. *Other financial assets* include, but are not exclusively composed of, insurance contracts and contributions receivable.

Table 1. Financial Composition of U.S. Pension Plans and Individual Retirement Accounts (IRAs)

In Billions of Dollars, as of December 31, 2022

	Private Sector		State and Local Government		Federal Government		IRAs
	DC	DB	DC	DB	DC	DB	
Short-Term Securities	\$203.3	\$117.8	\$2.2	\$100.9	-	\$0.2	\$427.0
Debt	\$496.4	\$1,037.7	-	\$1,008.2	\$321.9	\$2,397.4	-
Corporate Equities	\$1,997.7	\$1,092.0	-	\$2,921.4	\$403.4	\$15.9	-
Mutual Funds	\$4,089.7	\$327.7	\$198.0	\$51.8	-	-	\$4,398.0
Other Financial Assets	\$1,352.2	\$508.1	\$289.0	\$971.2	-	-	\$6,659.0
DB Claims on Sponsor	-	\$623.5	-	\$4,412.1	-	\$1,397.7	-
Total Financial Assets	\$8,139.4	\$3,706.9	\$489.2	\$9,465.6	\$725.3	\$3,811.2	\$11,484.0

Source: Table constructed by CRS from Board of Governors of the Federal Reserve System, *Financial Accounts of the United States*, <https://www.federalreserve.gov/apps/fof/FOFTables.aspx>. See tables L.118.b, L.118.c, L.119.b, L.119.c, L.120.b, L.120.c, and L.229.

Notes: IRAs include employer-sponsored IRAs and state-administered IRA programs. Mutual funds invest in a variety of assets, including corporate equities and debt. As a result, the total amount of corporate equities and debt held by pension plans likely exceeds the values presented in the Corporate Equities and Debt categories in the table.

Many employers in both the private and public sectors offer one of two types of pension plans: DB plans or defined contribution (DC) plans. Some employers offer both types. Individuals can also save for retirement outside of the workplace with IRAs.

In DB plans, participants usually receive monthly payments in retirement based on a formula that typically uses either (1) a combination of length of service, accrual rate, and average of final years' salary or (2) a flat dollar amount times the number of months or years in the plan.

In DC plans—such as 401(k) plans, 403(b) plans, 457(b) plans, and the federal government's Thrift Savings Plan (TSP)—workers and/or employers contribute a portion of their wages (up to an annual dollar limit that is adjusted annually for changes in the cost of living) to individual accounts established by the employers.² Employer contributions may be a *match*, which is equal

² See Internal Revenue Service, *2023 Limitations Adjusted as Provided in Section 415(d), etc.*, Notice 2022-55, <https://www.irs.gov/pub/irs-drop/n-22-55.pdf>.

to some or all of the worker's contribution, or a contribution made regardless of the employee's contribution. The account may accrue investment returns and can be used as a source of income in retirement.

An IRA is a privately held retirement savings account funded by individual contributions from wage income and *rollovers* (i.e., transfers) of DC plan savings at job change or retirement and lump sums from DB plans, typically at retirement. Most assets in IRAs are from rollovers.

About two-thirds of U.S. households had a financial stake in the U.S. retirement system in 2019 (outside of Social Security, which covers most households). An analysis of the 2019 Federal Reserve's Survey of Consumer Finances (SCF) found that among all U.S. households (which includes working and retired households) in 2019

- 63.3% had DC assets, participated in DB plans, or had IRA assets;
- 37.5% had DC assets;
- 30.2% participated in DB plans; and
- 25.4% had IRA assets.³

Historical Retirement Asset Data

Table 2 reports the inflation-adjusted amounts in (non–Social Security) retirement assets from 2013 to 2022. The total amount of financial assets increased by 13.3% in inflation-adjusted terms from \$33.4 billion in 2013 to \$37.8 billion in 2022. Federal DC assets, IRAs, and private DC assets showed the largest real increases (43.4%, 32.2%, and 27.7%, respectively). The increase in assets is likely from both investment returns and increases in the number of participants. For example, the S&P 500 was 108.7% higher at the end of 2022 compared to at the end of 2013.⁴ The number of participants in private sector DC plans was 8.1% higher in 2020 (the most recent year for which data are available) compared to 2013,⁵ and the number of taxpayers with IRAs was 18.8% higher in 2019 (the most recent year for which data are available) compared to 2013.⁶

³ The SCF is a triennial survey of U.S. household finances conducted on behalf of the Federal Reserve. The most recent survey data available is from 2019 and is available at <https://www.federalreserve.gov/econres/scfindex.htm>.

⁴ The S&P 500 closed at 1,848.36 on December 31, 2013, and 3,839.50 on December 30, 2022. See <https://www.nasdaq.com/market-activity/index/spx/historical>.

⁵ U.S. Department of Labor, *Private Pension Plan Bulletin, Historical Tables and Graphs 1975-2020*, October 2022, <https://www.dol.gov/sites/dolgov/files/EBSA/researchers/statistics/retirement-bulletins/private-pension-plan-bulletin-historical-tables-and-graphs.pdf>.

⁶ Internal Revenue Service, *Statistics of Income Tax Stats—Accumulation and Distribution of Individual Retirement Arrangements*, <https://www.irs.gov/statistics/soi-tax-stats-accumulation-and-distribution-of-individual-retirement-arrangements>.

Table 2. End-of-Year Total Financial Assets in U.S. Pension Plans and Individual Retirement Accounts (IRAs) from 2013 to 2022

In Trillions of Dollars; Adjusted to December 2022 Dollars

Year	Private Sector		State and Local Government		Federal Government		Individual Retirement Accounts (IRA)	Total
	DC	DB	DC	DB	DC	DB		
2013	\$6.4	\$4.3	\$0.7	\$8.8	\$0.5	\$4.0	\$8.7	\$33.4
2014	\$6.7	\$4.3	\$0.6	\$9.2	\$0.6	\$4.0	\$9.2	\$34.6
2015	\$6.6	\$4.3	\$0.6	\$9.6	\$0.6	\$4.1	\$9.4	\$35.0
2016	\$6.9	\$4.2	\$0.5	\$9.7	\$0.6	\$4.1	\$9.9	\$36.0
2017	\$7.9	\$4.2	\$0.6	\$9.9	\$0.7	\$4.1	\$11.4	\$38.6
2018	\$7.3	\$4.1	\$0.5	\$10.1	\$0.7	\$4.1	\$10.8	\$37.5
2019	\$8.6	\$4.2	\$0.5	\$10.1	\$0.7	\$4.1	\$12.6	\$40.9
2020	\$9.7	\$4.1	\$0.6	\$10.3	\$0.8	\$4.2	\$14.1	\$43.7
2021	\$10.3	\$3.9	\$0.6	\$9.8	\$0.9	\$4.0	\$14.8	\$44.3
2022	\$8.1	\$3.7	\$0.5	\$9.5	\$0.7	\$3.8	\$11.5	\$37.8
Percentage Change (2013-2022)	27.7%	-14.8%	-25.5%	7.1%	43.4%	-4.3%	32.2%	13.3%

Source: Table constructed by CRS from Board of Governors of the Federal Reserve System, *Financial Accounts of the United States*, <https://www.federalreserve.gov/apps/fof/FOFTables.aspx>. See tables L.118.b, L.118.c, L.119.b, L.119.c, L.120.b, L.120.c, and L.229.

Notes: DC refers to defined contribution plans; DB refers to defined benefit plans. Data are from the end of the fourth quarter of each year (December 31). Data are adjusted for inflation to December 2022 dollars using the not-seasonally-adjusted December Consumer Price Index for All Urban Consumers: All Items in U.S. City Average (CPI-U) value, https://www.bls.gov/regions/mid-atlantic/data/consumerpriceindexhistorical_us_table.htm.

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