

**MEMO# 21279**

June 19, 2007

## **Institute Releases Ad Hoc Survey of Simple IRAs as of December 31, 2006**

[21279]

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TO: PENSION MEMBERS No. 34-07  
PENSION OPERATIONS ADVISORY COMMITTEE No. 19-07  
RESEARCH COMMITTEE No. 5-07 RE: INSTITUTE RELEASES AD HOC SURVEY OF SIMPLE IRAS  
AS OF DECEMBER 31, 2006

The Institute recently surveyed certain of its members in a continuing effort to track developments in the SIMPLE IRA market. The Institute's survey requested SIMPLE IRA data on the number of plans, number of plan participants, and value of the mutual fund assets as of June 30, 2006 and December 31, 2006.

Survey respondents indicate that, between June 30, 2006 and December 31, 2006, the number of SIMPLE IRA plans increased 2 percent, the number of participants rose 4 percent, and SIMPLE IRA assets invested in mutual funds were up 15 percent. Based on our survey results, the SIMPLE IRA continues to be most popular among very small employers. Most SIMPLE IRA plans have 10 or fewer participants.

Survey results are based on the responses of 23 firms, representing about three-quarters of the \$33 billion of SIMPLE IRA assets invested in mutual funds at year-end 2005. [\[1\]](#) Note that the survey respondents are not randomly selected and therefore the survey results do not necessarily reflect the characteristics of the typical SIMPLE IRA account invested in mutual funds.

Highlights of the survey results are as follows:

- I. SIMPLE IRA plans: Survey results indicate, as of December 31, 2006, there were approximately 460,900 SIMPLE IRA plans, an increase of 6 percent since year-end 2005 (Figure 1).

- II. SIMPLE IRA participants: Survey results indicate, as of December 31, 2006, there were approximately 1,990,800 SIMPLE IRA participants (Figure 2). The number of SIMPLE IRA participants increased 3 percent in 2006.
- III. Size of SIMPLE IRA plans: For those respondents who were able to provide the data, as of December 31, 2006, 91 percent of the SIMPLE IRA plans had 10 or fewer participants. Approximately 99 percent of the SIMPLE IRA plans had 25 or fewer participants. [2] On average, there were 4.3 participants per plan in December 2006.

If you have any questions or comments concerning the survey, please call me at (202) 326-5915.

Sarah Holden  
Director, Retirement & Investor Research

#### [Attachment](#)

#### **endnotes**

[1] For data on IRA assets invested in mutual funds, see Peter Brady and Sarah Holden, "The U.S. Retirement Market, 2005," Fundamentals, Vol. 15, No. 5, July 2006 (available on ICI's website at: <http://www.ici.org/pdf/fm-v15n5.pdf>) and "Appendix: Additional Data on the U.S. Retirement Market," Fundamentals, Vol. 15, No. 5A, July 2006 (available on ICI's website at: [http://www.ici.org/pdf/fm-v15n5\\_appendix.pdf](http://www.ici.org/pdf/fm-v15n5_appendix.pdf)).

[2] The Institute's previous ad hoc surveys showed similar distributions regarding plan size.

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