

**MEMO# 13652**

June 21, 2001

## **INSTITUTE RELEASES YEAR-END 2000 RETIREMENT PLAN STATISTICS**

[13652] June 21, 2001 TO: DIRECT MARKETING COMMITTEE No. 7-01 OPERATIONS COMMITTEE No. 21-01 PENSION COMMITTEE No. 37-01 PENSION OPERATIONS ADVISORY COMMITTEE No. 39-01 SALES FORCE MARKETING COMMITTEE No. 8-01 SHAREHOLDER COMMUNICATIONS COMMITTEE No. 8-01 SMALL FUNDS COMMITTEE No. 9-01 RE: INSTITUTE RELEASES YEAR-END 2000 RETIREMENT PLAN STATISTICS The Institute recently released a Fundamentals publication containing data for year-end 2000 regarding mutual funds and the retirement market. Mutual funds' share of the \$11.5 trillion U.S. retirement market remained at 21 percent in 2000.<sup>1</sup> Retirement assets invested in mutual funds declined 2 percent in 2000 to \$2.4 trillion, reflecting weakness in U.S. and foreign equity markets. The negative market performance offset an estimated \$115 billion net inflow of new cash to mutual funds from retirement accounts. At year-end 2000, mutual fund assets in IRAs were \$1.2 trillion, which represented 46 percent of the \$2.7 trillion IRA market. Traditional IRAs accounted for 89 percent of all mutual fund IRA assets. SIMPLE IRA mutual fund assets continued to grow rapidly, rising to \$8 billion in 2000 from \$6 billion in 1999.<sup>2</sup> Mutual fund assets in defined contribution plans were \$1.2 trillion at year-end 2000. Mutual fund assets in 401(k) plans totaled \$766 billion, which represented an estimated 45 percent share of the 401(k) market. Mutual fund assets held in 457 plans amounted to \$38 billion at year-end 2000 and represented about 35 percent of the total 457 plan market. One copy of the June 2001 Fundamentals is attached. In addition, you may obtain a copy of the publication by accessing the Institute's public website at [www.ici.org](http://www.ici.org). Click Retirement Security Issues and then Retirement Statistics to access the June Fundamentals. Sarah Holden Senior Economist Enclosure 1 The Fundamentals contains a new table (Figure 5) detailing the components of the total U.S. retirement market. 2 The Fundamentals expands the discussion of SIMPLE IRAs to include some analysis of non-mutual fund assets held in SIMPLE IRAs.