

NEWS RELEASE

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ICI Household Survey Finds Americans Appreciate 401(k) Features

Washington, DC, January 20, 2015—A strong majority of U.S. households—including those with and those without retirement plan accounts—disagree with proposals to remove or reduce tax incentives for retirement saving in defined contribution (DC) accounts, including 401(k) accounts, according to new survey findings by the Investment Company Institute. And, nine in 10 households with DC accounts agreed that these plans help them think about the long term and made it easier to save.

“Past budget and tax reform initiatives have proposed to limit the benefits of tax deferral on retirement plan contributions or cap the amount Americans can save in their 401(k)s, individual retirement accounts, and pensions,” said ICI President and CEO Paul Schott Stevens. “This ICI survey reaffirms our consistent finding that Americans strongly support current tax incentives for retirement saving and want those benefits to be preserved. All workers, regardless of income, benefit from the current tax treatment for retirement plan saving, and we urge policymakers, as they consider legislation in this area, not to curtail these important incentives to save for retirement.”

Importance of Tax Advantages to Americans Evident in Survey

ICI’s latest report, “[American Views on Defined Contribution Plan Saving](#),” is based on survey results from more than 3,000 respondents in November and December 2014 about their views on DC retirement account saving, their reactions to proposed changes, and their confidence in 401(k) and other DC plan accounts. ICI found:

- Eighty-eight percent of households disagreed with the notion that the government should take away the tax advantages of DC accounts, and 90 percent disagreed with reducing the amount that individuals can contribute to DC accounts.
- Even among households not owning DC accounts or individual retirement accounts (IRAs), more than eight in 10 rejected the idea of taking away or reducing the current tax treatment of DC accounts.

- Eight in 10 households with DC accounts said the tax treatment of their retirement plans is a big incentive to contribute.

Households Continue to Appreciate DC Plans' Key Features

ICI has surveyed DC savers and other U.S. households on their attitudes toward 401(k) and other DC plans annually since 2008. Each year, Americans have said they view DC plan accounts favorably and have expressed support for the key features of DC plans. Nine in 10 DC account-owning households said they appreciate paycheck-by-paycheck saving, and nearly all DC account-owning households agreed that choice in, and control of, the investments in their retirement plan accounts was important.

Households Confident DC Accounts Can Help Meet Retirement Goals

U.S. households, whether they owned retirement accounts or not, generally expressed confidence in DC plans' ability to help individuals meet their retirement goals. Eight in 10 households owning DC accounts or IRAs indicated such confidence. Even among households without a DC account or IRA, three in five reported having this measure of confidence.

For more information about retirement saving, including research on 401(k) plans, please visit ICI's [401\(k\) resource center](#).

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