NEWS RELEASE

Fidelity Q3 Retirement Analysis: Average 401(k) and IRA Balances Climb 10 Percent Over the Last Year, Continue to Hit Record Levels

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BOSTON — **Fidelity Investments**® today released its quarterly analysis of 401(k) and individual retirement accounts (IRA). The analysis1 reveals:

- Retirement account balances reached all-time highs for the fourth consecutive quarter. Helped by strong stock market performance, the average 401(k) and IRA balances increased 10 percent over the last year and continued to hit record levels. The average 401(k) balance rose to $99,900, while the average IRA balance climbed to $103,500.

Average Balances	Q3 2017	Q2 2017	Q3 2016	Q3 2012
401(k)	$99,900	$97,700	$90,800	$76,100
IRA	$103,500	$100,100	$94,000	$76,600

While the average 401(k) and IRA balance increased for every generation2 (Boomers, Gen X and Millennials) over the last year, significant growth was seen among Gen X investors. The average IRA balance for Gen X investors increased 16.5 percent to $51,500, and the average Gen X 401(k) balance increased 18 percent to $98,800.

- Individuals are contributing more to their retirement accounts. While part of the increase in retirement account balances can be attributed to stock market activity, the increase is also due to people putting more money aside for retirement. The average 401(k) contribution rate reached 8.5 percent in Q3, the highest percentage in almost 10 years, and more than one-in-four savers (29 percent) increased their contribution rate over the last year. The amount contributed to IRAs year-to-date increased 12 percent; Roth IRA contributions alone increased by 13 percent.

- Fidelity's Roth IRA for Kids® reaches 10,000 accounts. Demonstrating it's never too early to start saving for retirement, Fidelity's Roth IRA for Kids, launched in 2016, has generated significant interest with now more than 10,000 accounts. The product allows an adult custodian to contribute the equivalent of the child's yearly income to the account, providing an early start to retirement savings. This head start can have a significant impact – Fidelity analysis3 shows that individuals who start saving at age 15 could have double the retirement account balance at age 70 as someone who starts saving at age 25.
- More individuals using target date funds to help keep 401(k) asset allocation on track. An increasing percentage of workers are using target date funds for 401(k) savings, which can help individuals maintain an age appropriate allocation of stocks, bonds and cash within their retirement savings account. As of the end of Q3, 29 percent of all Fidelity 401(k) assets were held in target date funds, up from 18 percent at the end of Q3 2012. Almost half of all workers (48 percent) hold all of their 401(k) savings in a target date fund, up from 30 percent in 2012.4

"Two of the most important aspects of a retirement savings strategy are how much an individual contributes and how they allocate their savings," said Jeanne Thompson, senior vice president, Fidelity Investments. "The increasing use of target date funds, along with the increasing number of individuals contributing more to their retirement accounts, can help ensure people are saving at the right level and have a diversified mix of assets, which will put them on a path to reach their retirement savings goals."

WORKERS WITH BOTH AN HSA AND 401(K) CONTRIBUTE MORE THAN WORKERS WITH JUST A 401(K)

As health care takes on a larger role within retirement savings discussions, an increasing number of companies are offering high deductible health plans with health savings accounts (HSAs), which allow people to put aside money for today's health care expenses while also investing for medical costs they may incur in retirement. While the number of HSA account holders on Fidelity's platform increased 35 percent over the last year, Fidelity analysis indicates that workers who contribute to their HSA are not doing so at the expense of their 401(k) contributions – in fact, individuals who contribute to both their HSA and their 401(k) contributed an average of 9.9 percent at the end of Q3, compared to a contribution rate of 8.5 percent for individuals who only contribute to their 401(k).

"Health savings accounts can be a great way to save for health care expenses alongside saving in a 401(k), plus they include three key tax benefits: contributions go in tax-free, grow tax free and balances and savings can be withdrawn tax-free for medical costs," continued Thompson.

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