

Fundamentals

INVESTMENT COMPANY INSTITUTE RESEARCH IN BRIEF

Web-Only Edition

Vol. 14 / No. 4A

August 2005

1401 H Street, NW
Suite 1200
Washington, DC 20005
202/326-5800

www.ici.org

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The Investment Company Institute (ICI) is the national association of U.S. investment companies. ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers.

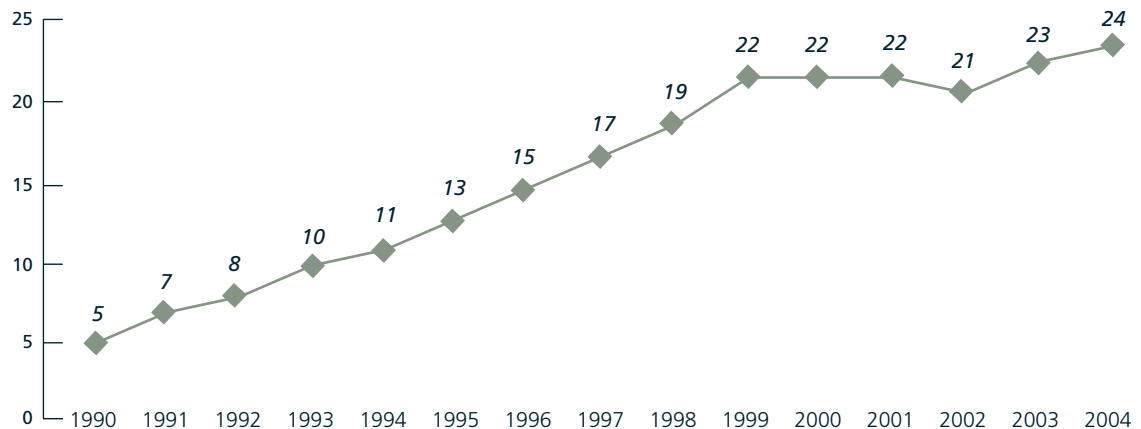
Appendix: Additional Data on Mutual Funds and the U.S. Retirement Market in 2004

The August 2005 issue of *Fundamentals* covers mutual funds and the U.S. retirement market in 2004. The report highlights data collected by the Investment Company Institute (ICI), government agencies, and other trade associations

to characterize the U.S. retirement market and mutual funds' role in managing retirement assets.^{1,2} This Appendix provides supplementary tables and charts with additional detail for the August 2005 *Fundamentals*.

figure A1

Mutual Fund Share of U.S. Retirement Assets,^{1,2} 1990–2004 (percent)



¹ U.S. retirement assets include IRAs, annuities, and employer-sponsored defined benefit and defined contribution pension plans. Pension plans are sponsored by employers such as businesses; federal, state, and local governments; and nonprofit organizations.

² Mutual fund retirement assets exclude defined benefit plans' mutual fund holdings, which amount to about 1½ percent of the U.S. retirement market. Variable annuity (VA) mutual fund assets held outside of retirement accounts also are excluded. Included are mutual fund assets held in IRAs and employer-sponsored defined contribution plans.

sources: Investment Company Institute, Federal Reserve Board, National Association of Government Defined Contribution Administrators, American Council of Life Insurers, and Internal Revenue Service Statistics of Income Division

¹ Based on data from ICI's Annual Questionnaire for Retirement Statistics. The 2004 survey gathered data from 14,992 mutual fund share classes representing approximately 84 percent of mutual fund industry assets. Assets were estimated for all nonreporting funds. Data before 2004 reflect revisions to previously reported data.

Estimates of retirement assets in broker street name and omnibus accounts were derived from data reported on the Annual Questionnaire for Retirement Statistics and the Annual Institutional Survey.

² In this report, estimates of mutual fund assets in defined benefit plans have been excluded because of incomplete reporting. Federal Reserve Board, *Flow of Funds Accounts of the United States, Z.1 Release* (June 9, 2005) data indicate that mutual fund assets held in defined benefit plans accounted for about 1½ percent of the U.S. retirement market at year-end 2004.

Mutual Funds and the U.S. Retirement Market

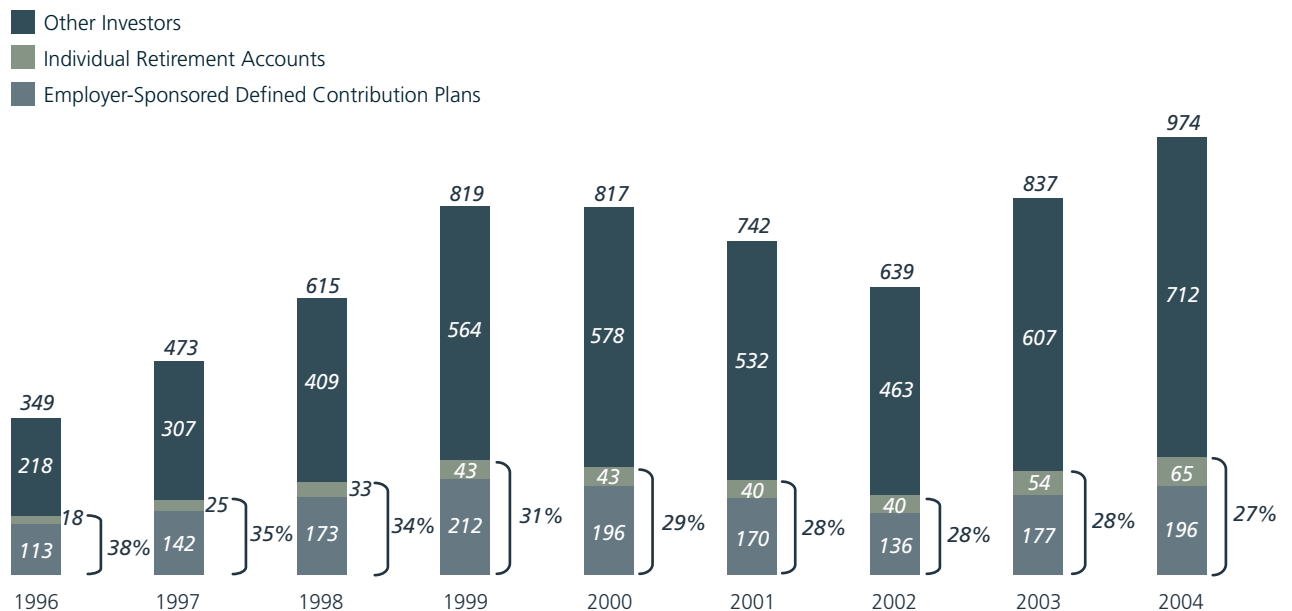
Share of Total Retirement Market. Total U.S. retirement assets rose nearly 10 percent in 2004 to a record \$12.9 trillion at year-end. Mutual fund assets held by IRAs and employer-sponsored defined contribution plans rose to represent 24 percent of the total U.S. retirement market at year-end 2004 (Figure A1). Annuities (fixed and variable) not held in IRAs or defined contribution plan accounts were \$1.2 trillion of the total U.S.

retirement market at year-end 2004 (see Figure 2 in the August 2005 *Fundamentals*), and variable annuity (VA) mutual fund assets outside of retirement accounts were \$712 billion at year-end 2004 (Figure A2). Some of these VA mutual fund assets may be held in variable life insurance policies, which are not counted as part of the U.S. retirement market. But, if one were to assume that all of these VA mutual funds are retirement savings, mutual funds' share of the total retirement market increases to 30 percent.

figure A2

Variable Annuity Mutual Fund Assets, 1996–2004

(billions of dollars)



note: Components may not add to total because of rounding.

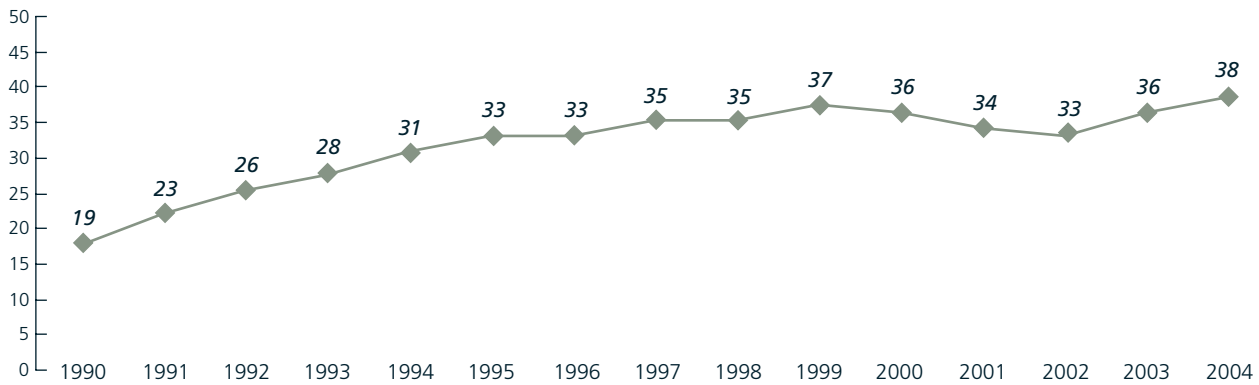
source: Investment Company Institute

figure A3

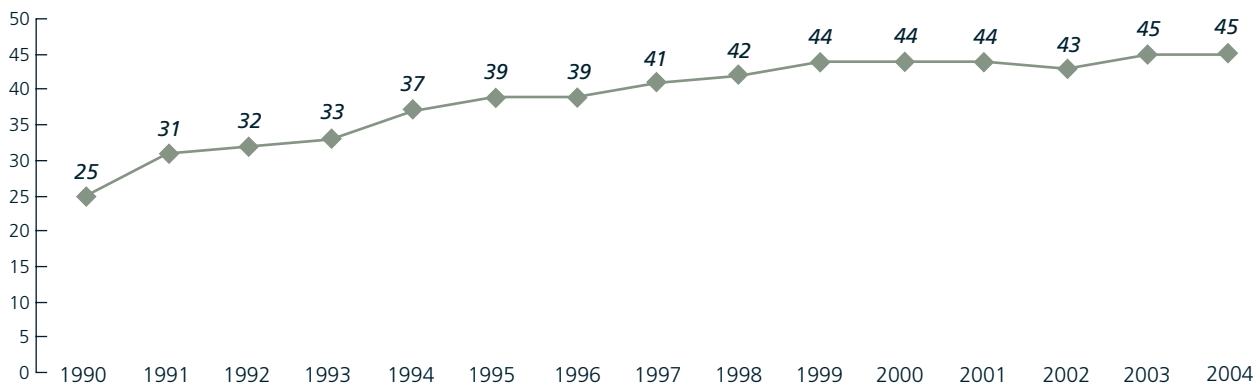
Share of Mutual Fund Assets Held In Retirement Accounts, 1990–2004

(percent)

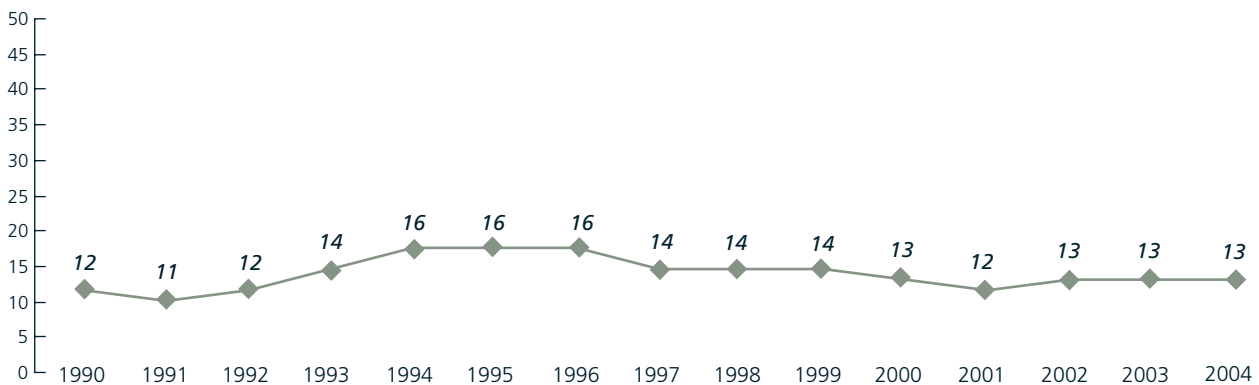
All Funds



Long-Term Funds*



Money Market Funds



* Long-term funds include equity, hybrid, and bond mutual funds.

source: Investment Company Institute

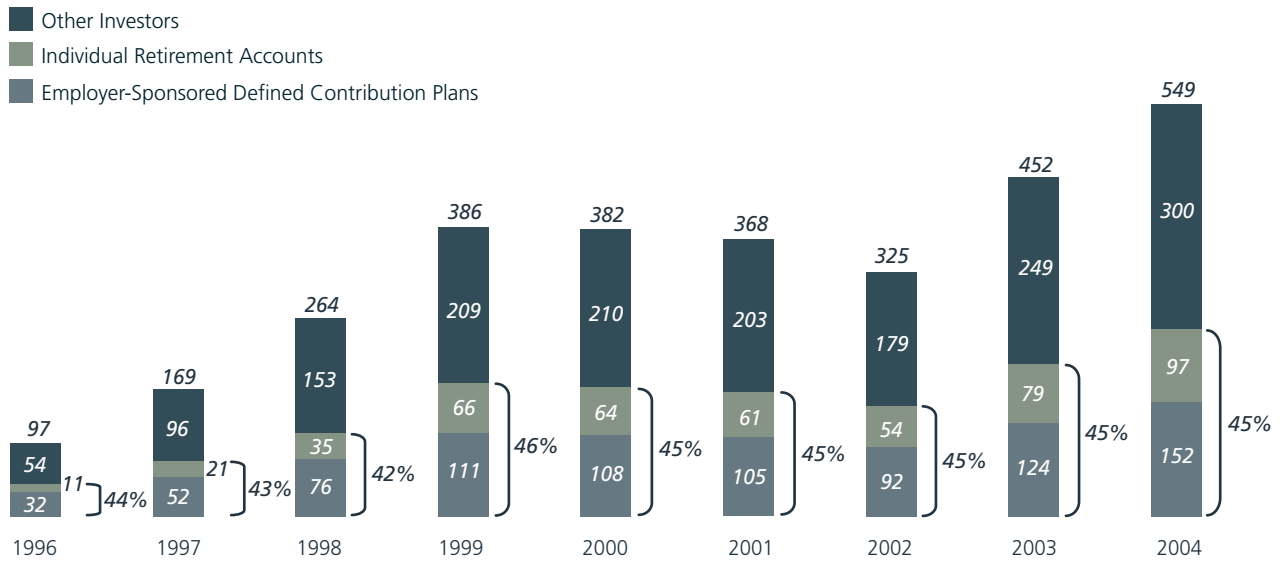
Share of Total Mutual Fund Assets. At year-end 2004, mutual funds held through IRAs and employer-sponsored defined contribution plan accounts were 38 percent of the \$8.1 trillion in mutual fund assets in the United States (Figure A3). Retirement savings accounts hold a significant share of long-term mutual fund assets

(45 percent), but are a relatively minor component of money market fund assets (13 percent). The bulk of retirement account mutual fund assets is actively managed; at year-end 2004, \$249 billion were invested in indexed mutual funds (Figure A4).

figure A4

Index Mutual Fund Assets* and Retirement Accounts, 1996–2004

(billions of dollars)



* Index mutual funds are equity, bond, and hybrid funds that target specific market indexes with the general objective of meeting the performance of that index. Equity index funds are the most common type of index funds, accounting for 90 percent of the \$549 billion of index fund assets at year-end 2004.

note: Components may not add to total because of rounding.

source: Investment Company Institute

Net New Cash Flow to Mutual Funds.³

Net new cash flow to long-term mutual funds from retirement accounts increased to \$129 billion in 2004, compared with \$103 billion in 2003 (Figure A5). These flows accounted for about

60 percent of the total net new cash flow to long-term mutual funds last year. Money market funds experienced outflows industrywide and from retirement accounts in 2004.

figure A5

Estimated Net New Cash Flow¹ to Mutual Funds from Retirement Accounts by Type of Fund, 1997–2004

(billions of dollars)

	1997	1998	1999	2000	2001	2002	2003	2004
Total Retirement	\$133	\$158	\$155	\$115	\$135	\$98	\$77	\$105
IRAs	69	80	78	51	57	39	33	39
Defined Contribution Plans	64	78	77	64	78	59	44	66
Long-Term Funds	139	125	126	114	108	87	103	129
IRAs	72	60	63	52	43	31	50	54
Defined Contribution Plans	67	66	63	62	65	56	52	75
Equity Funds	121	99	125	136	51	22	71	83
IRAs	65	48	65	68	21	-4	30	30
Defined Contribution Plans	56	50	60	68	30	25	41	53
Hybrid Funds²	12	8	-2	-8	19	13	30	42
IRAs	4	1	-3	-7	6	6	18	24
Defined Contribution Plans	8	6	1	-1	13	6	12	18
Bond Funds	6	19	4	-14	37	53	2	4
IRAs	3	10	1	-9	16	29	3	1
Defined Contribution Plans	3	9	2	-5	21	24	-1	4
Money Market Funds	-6	33	28	(*)	27	11	-26	-24
IRAs	-3	20	15	-2	14	8	-18	-15
Defined Contribution Plans	-3	13	14	2	14	3	-8	-9
Memo:								
Industry Net New Cash Flow	375	477	363	388	505	74	-43	53
Long Term Funds	272	242	170	229	129	121	216	210
Equity Funds	227	157	188	309	32	-28	152	178
Hybrid Funds²	16	10	-14	-31	10	8	32	43
Bond Funds	28	75	-4	-50	88	141	32	-11
Money Market Funds	103	235	194	160	376	-47	-258	-157

(*)=between \$500 million and -\$500 million

¹ See text footnote 3 for an explanation of the procedure used to estimate net new cash flows.

² Hybrid funds invest in a mix of equity and fixed-income securities.

note: Components may not add to total because of rounding.

source: Investment Company Institute

³ ICI does not collect sales or net new cash flow for retirement plans on its Annual Retirement Questionnaire. Net new cash flow is sales of shares (other than reinvested distributions) less redemptions plus net exchanges. Net new cash flow was estimated by assuming that retirement assets within an investment objective category had the same investment performance as all mutual fund assets in that category. Investment performance for each investment objective was calculated by taking the total change in assets and adjusting for total net new cash flow during the year. Retirement assets were adjusted by investment performance. The residual change in assets was attributable to net new cash flow. The formula for the flow calculation is:

$$RF_t = \frac{TF_t(RA_{t-1} + RA_t) + 2(RA_t)(TA_{t-1}) - 2(TA_t)(RA_{t-1})}{(TA_t + TA_{t-1})}$$

For a given investment objective, RF represents retirement net new cash flow, TA represents total assets, TF represents total net new cash flow, and RA represents retirement assets.

figure A6

IRA Holdings of Mutual Funds by Type of Fund, 1992–2004

	Domestic Equity		Foreign Equity		Hybrid ¹		Bond		Money Market		Total Assets (billions)
	Assets (billions)	Share ² (percent)	Assets (billions)	Share ² (percent)	Assets (billions)	Share ² (percent)	Assets (billions)	Share ² (percent)	Assets (billions)	Share ² (percent)	
1992	\$107	46%	\$10	4%	\$21	9%	\$54	23%	\$43	18%	\$235
1993	145	45	23	7	38	12	65	20	48	15	319
1994	155	45	31	9	42	12	56	16	62	18	346
1995	239	51	32	7	57	12	67	14	76	16	471
1996	296	50	63	11	66	11	77	13	89	15	590
1997	436	57	75	10	83	11	86	11	92	12	772
1998	572	59	88	9	94	10	99	10	117	12	970
1999	794	63	131	10	98	8	101	8	138	11	1,262
2000	782	63	120	10	92	7	96	8	142	12	1,232
2001	691	60	97	8	96	8	115	10	162	14	1,161
2002	534	52	81	8	95	9	152	15	173	17	1,034
2003	733	56	112	9	135	10	168	13	158	12	1,307
2004	846	57	147	10	176	12	177	12	144	10	1,490

¹ Hybrid funds invest in a mix of equity and fixed-income securities.

² percent of total mutual fund assets in IRAs

note: Components may not add to total because of rounding.

source: Investment Company Institute

figure A7

IRA Holdings of Mutual Funds by Type of IRA, 1992–2004

	Traditional IRA ¹		SEP and SAR-SEP		Roth ²		SIMPLE		Education ³		Total Assets (billions)
	Assets (billions)	Share ⁴ (percent)	Assets (billions)	Share ⁴ (percent)	Assets (billions)	Share ⁴ (percent)	Assets (billions)	Share ⁴ (percent)	Assets (billions)	Share ⁴ (percent)	
1992	\$228	97%	\$7	3%	-	-	-	-	-	-	\$235
1993	307	96	13	4	-	-	-	-	-	-	319
1994	332	96	14	4	-	-	-	-	-	-	346
1995	447	95	24	5	-	-	-	-	-	-	471
1996	559	95	32	5	-	-	-	-	-	-	590
1997	727	94	44	6	-	-	(*)	(**)	-	-	772
1998	881	91	56	6	\$30	3%	\$2	(**)	(*)	(**)	970
1999	1,129	89	73	6	54	4	6	(**)	\$1	(**)	1,262
2000	1,097	89	70	6	55	4	8	1%	1	(**)	1,232
2001	1,031	89	64	5	54	5	11	1	2	(**)	1,161
2002	911	88	57	5	52	5	12	1	2	(**)	1,034
2003	1,137	87	73	6	73	6	20	2	3	(**)	1,307
2004	1,288	86	84	6	88	6	26	2	3	(**)	1,490

(*)=less than \$500 million

(**)=less than ½ percent

¹ Traditional IRAs include contributory and rollover IRAs.

² Roth IRAs include contributory and conversion Roth IRAs.

³ Education IRAs were renamed Coverdell Education Savings Accounts (ESAs) in July 2001.

⁴ percent of total mutual fund IRA assets

note: Components may not add to total because of rounding.

source: Investment Company Institute

Individual Retirement Accounts (IRAs)

Mutual Funds in IRAs. At year-end 2004, \$1.5 trillion, or 43 percent, of IRA assets were invested in mutual funds.⁴ About two-thirds of those mutual fund assets were equity funds (Figure A6). Hybrid funds (which invest in a mix

of equity and fixed-income securities and include lifestyle and lifecycle funds) represented 12 percent of IRA mutual fund holdings at year-end 2004, bond funds another 12 percent, and money market funds the remaining 10 percent. As is also the case for total IRA assets,⁵ the bulk of mutual fund assets in IRAs are held by traditional IRAs (Figure A7).⁶

figure A8

Traditional IRA Contributions, Rollovers, Withdrawals, and Assets, 1996–2004

(billions of dollars)

	Contributions ¹	Rollovers ²	Withdrawals ³	Total Assets (year-end)	Of Which: Assets Held in Mutual Funds (year-end)
1996	\$14.1	\$114.0	\$45.5	N/A	\$559
1997	15.0	121.5	55.2	\$1,642.3 ^e	727
1998	11.9	160.0	74.1	1,974.2	881
1999	10.3	199.9	87.1	2,422.8	1,129
2000	10.0	225.6	99.0	2,407.0	1,097
2001	9.8	187.1	94.3	2,394.9	1,031
2002	12.3 ^p	204.2 ^p	88.2	2,321.7 ^p	911
2003	N/A	N/A	88.6 ^p	2,799.0 ^e	1,137
2004	N/A	N/A	N/A	3,150.0 ^e	1,288

e=estimated

p=preliminary

N/A=not available

¹ both deductible and nondeductible contributions to traditional IRAs

² primarily rollovers from employer-sponsored retirement plans

³ taxable IRA distributions reported on Form 1040, which have been primarily from traditional IRAs

sources: Investment Company Institute, Internal Revenue Service Statistics of Income Division, and *SOI Bulletin*, various issues

⁴ See Figure 6 in the August 2005 *Fundamentals*.

⁵ See Figure 3 in the August 2005 *Fundamentals*.

⁶ The Employee Retirement Income Security Act of 1974 (ERISA) created traditional IRAs. In 2004, approximately 36.7 million, or 32.8 percent of, U.S. households had traditional IRAs (see Sarah Holden, Kathy Ireland, Vicky Leonard-Chambers, and Michael Bogdan, "The Individual Retirement Account at Age 30: A Retrospective," *ICI Perspective*, Vol. 11, No. 1, February 2005 (www.ici.org/pdf/per11-01.pdf)).

figure A9

Roth IRAs, 1998–2004

(billions of dollars)

	Contributions	Conversions	Total Assets (year-end)	Of Which: Assets Held in Mutual Funds (year-end)
1998	\$8.6	\$39.3	\$56.8	\$30
1999	10.7	3.7	76.2	54
2000	11.6	3.2	77.6	55
2001	11.1	3.1	79.3	54
2002	13.2 ^p	3.3 ^p	77.7 ^p	52
2003	N/A	N/A	104.0 ^e	73
2004	N/A	N/A	120.0 ^e	88

e=estimated

p=preliminary

N/A=not available

sources: Investment Company Institute and Internal Revenue Service Statistics of Income Division

figure A10

SEP and SAR-SEP IRAs, 1997–2004

(billions of dollars)

	Contributions	Total Assets (year-end)	Of Which: Assets Held in Mutual Funds (year-end)
1997	\$6.9	\$84.7	\$44
1998	8.7	115.4	56
1999	9.1	142.9	73
2000	10.1	134.0	70
2001	10.1	131.4	64
2002	10.3 ^p	117.0 ^p	57
2003	N/A	151.0 ^e	73
2004	N/A	172.0 ^e	84

e=estimated

p=preliminary

N/A=not available

sources: Investment Company Institute and Internal Revenue Service Statistics of Income Division

Traditional, Roth, and Employer-

Sponsored IRAs. At year-end 2004, traditional IRAs held an estimated \$3.2 trillion in assets (Figure A8).^{7,8} Rollovers from employer-sponsored plans have contributed significantly to the growth in traditional IRA assets in recent years; in 2002 (most recent data available) rollovers to traditional IRAs were \$204 billion (Figure A8). Roth IRAs held an estimated \$120 billion at year-end 2004 (Figure A9).⁹ Employer-sponsored¹⁰ IRAs held a total of \$205 billion in assets at year-end 2004, with more than half invested in mutual funds (Figures A10 and A11). The relatively new SIMPLE IRA, which is designed for firms with 100 or fewer employees, has experienced steady growth since its introduction in 1998 (Figures A11 and A12).¹¹

⁷ Total IRA market assets are derived from tabulations of total IRA assets provided by the Internal Revenue Service (IRS) Statistics of Income (SOI) Division for tax-years 1989, 1993, and 1996 through 2002. These tabulations are based on a sample of IRS returns. For a description of the SOI estimation techniques, see Peter J. Sailer, Michael E. Weber, and Kurt S. Gurka, "Are Taxpayers Increasing the Buildup of Retirement Assets? Preliminary Results from a Matched File of Tax Year 1999 Tax Returns and Information Returns," *National Tax Association, Proceedings, Ninety-Fifth Annual Conference on Taxation, 2002, Orlando, Florida*, Washington, DC: National Tax Association, 2003: pp. 364–369.

⁸ Education IRAs, which were created under the Taxpayer Relief Act of 1997 and renamed Coverdell Education Savings Accounts (ESAs) in July 2001, are included in the total IRA assets (see Figure 3 in the August 2005 *Fundamentals*). The IRS Statistics of Income Division reporting of Education IRAs undercounts those assets because typically only Education IRAs owned by filing dependents are included. Data for tax-year 2000 indicate that filing dependents held \$0.3 billion in Education IRAs, while counting nonfiling dependents brings the total up to \$1.1 billion (see Peter J. Sailer and Sarah E. Nutter, "Accumulation and Distribution of Individual Retirement Arrangements, 2000," *SOI Bulletin*, Washington, DC: Internal Revenue Service Statistics of Income Division, Spring 2004: pp. 121–134.) Mutual fund holdings in Education IRAs were \$3 billion at year-end 2004 (Figure A7).

⁹ Roth IRAs were created in the Taxpayer Relief Act of 1997 and were first available in 1998. In 2004, approximately 14.3 million, or 12.8 percent of, U.S. households had Roth IRAs (see Holden, Ireland, Leonard-Chambers, and Bogdan (February 2005)).

¹⁰ The SEP (Simplified Employee Pension) IRA was created under the Revenue Act of 1978. The salary reduction (SAR) SEP IRA was created under the Tax Reform Act of 1986. The Small Business Job Protection Act of 1996 prohibited the formation of new SAR-SEP IRAs after December 31, 1996, but introduced SIMPLE (Savings Incentive Match Plan for Employees) IRAs, which were first available in 1997. In 2004, approximately 9.6 million, or 8.6 percent of, U.S. households had employer-sponsored IRAs (see Holden, Ireland, Leonard-Chambers, and Bogdan (February 2005)).

¹¹ Based on semi-annual surveys of 24 ICI member firms that hold about three-quarters of the SIMPLE IRA assets invested in mutual funds at year-end 2004.

figure A11

SIMPLE IRAs, 1997–2004

(billions of dollars)

	Contributions	Total Assets (year-end)	Of Which: Assets Held in Mutual Funds (year-end)
1997	\$0.6	\$0.6	(*)
1998	2.2	3.6	\$2
1999	3.4	9.1	6
2000	4.7	10.4	8
2001	5.5	13.6	11
2002	6.3 ^p	16.1 ^p	12
2003	N/A	26.0 ^e	20
2004	N/A	33.0 ^e	26

(*)=less than \$500 million

e=estimated

p=preliminary

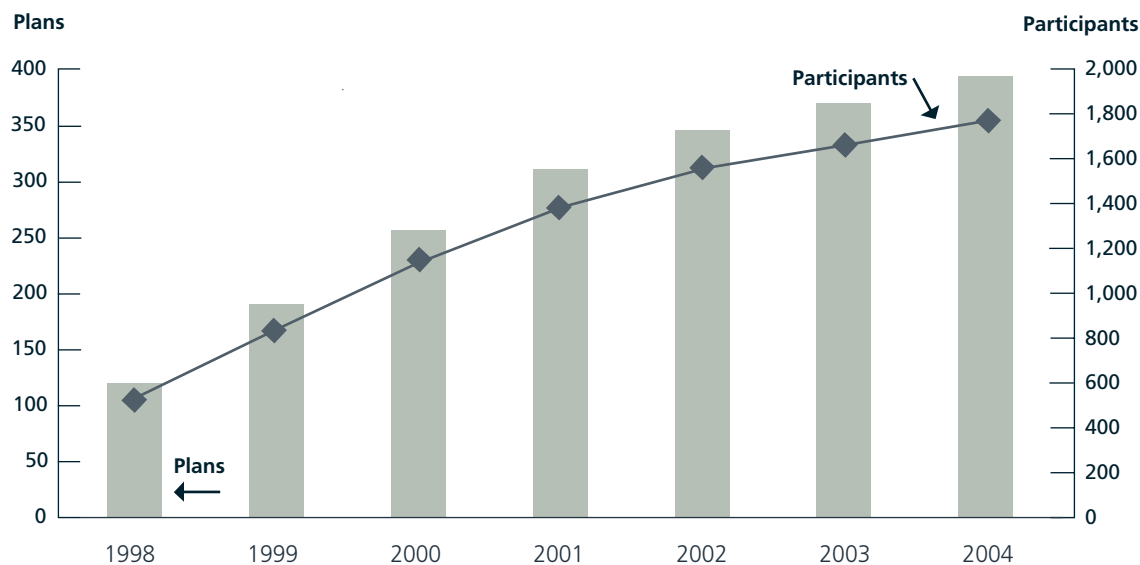
N/A=not available

sources: Investment Company Institute and Internal Revenue Service Statistics of Income Division

figure A12

SIMPLE IRA Plans and Participants for a Sample of Mutual Fund Companies, 1998–2004

(thousands)



note: The firms surveyed held about 75 percent of all SIMPLE IRA mutual fund assets at year-end 2004.

source: Investment Company Institute, Survey of a Segment of Member Mutual Fund Companies

Employer-Sponsored Defined Contribution Plans

Mutual Fund Assets in Defined Contribution Plan Accounts. At year-end 2004, \$1.6 trillion, or about half of, employer-sponsored defined contribution plan assets were invested in mutual funds.¹² Nearly three-quarters of those mutual fund assets

were equity funds (Figure A13). Hybrid funds (which invest in a mix of equity and fixed-income securities and include lifestyle and lifecycle funds) represented 12 percent of defined contribution plan mutual fund holdings at year-end 2004, bond funds another 9 percent, and money market funds the remaining 7 percent.

figure A13

Defined Contribution Plan Holdings of Mutual Funds by Type of Fund, 1992–2004

	Domestic Equity		Foreign Equity		Hybrid ¹		Bond		Money Market		Total Assets (billions)
	Assets (billions)	Share ² (percent)	Assets (billions)	Share ² (percent)	Assets (billions)	Share ² (percent)	Assets (billions)	Share ² (percent)	Assets (billions)	Share ² (percent)	
1992	\$132	72%	\$5	3%	\$8	4%	\$16	9%	\$22	12%	\$184
1993	178	68	14	6	17	6	24	9	30	11	263
1994	211	66	24	7	22	7	26	8	37	12	320
1995	308	69	32	7	31	7	30	7	44	10	445
1996	384	66	39	7	57	10	44	8	59	10	582
1997	531	69	54	7	77	10	51	7	60	8	771
1998	687	70	63	6	94	10	62	6	75	8	982
1999	918	72	100	8	103	8	64	5	93	7	1,278
2000	884	71	102	8	104	8	62	5	99	8	1,251
2001	783	66	85	7	114	10	86	7	115	10	1,184
2002	623	59	76	7	110	11	117	11	121	12	1,048
2003	852	63	113	8	147	11	129	9	115	8	1,356
2004	996	63	153	10	185	12	138	9	106	7	1,578

¹ Hybrid funds invest in a mix of equity and fixed-income securities.

² percent of total mutual fund assets in defined contribution plans

note: Components may not add to total because of rounding.

source: Investment Company Institute

¹² See Figure 4 in the August 2005 *Fundamentals*.

401(k), 403(b), 457, and Other Defined Contribution Plans. The bulk of mutual fund assets held by defined contribution plans are held by 401(k) plans (Figures A14 and A15) and 401(k)

plan assets¹³ make up about two-thirds of the entire defined contribution plan market (Figure A16). At year-end 2004, 403(b) plans¹⁴ held \$585 billion in assets (Figure A16), with

figure A14

Defined Contribution Plan Holdings of Mutual Funds by Type of Plan, 1992–2004

(billions of dollars)

	401(k) Plans	403(b) Plans	457 Plans	Other Defined Contribution Plans*	Total
1992	\$82	\$74	\$3	\$25	\$184
1993	140	87	4	33	263
1994	184	93	6	37	320
1995	266	120	9	50	445
1996	349	149	13	71	582
1997	478	188	19	86	771
1998	616	232	28	105	982
1999	810	290	46	133	1,278
2000	815	265	44	127	1,251
2001	794	237	42	110	1,184
2002	706	198	36	107	1,048
2003	919	262	44	132	1,356
2004	1,086	295	50	147	1,578

* Other defined contribution plans include Keoghs and defined contribution plans (profit-sharing, thrift-savings, stock bonus, and money purchase) without 401(k) features.

note: Components may not add to total because of rounding.

sources: Investment Company Institute, Federal Reserve Board, and Department of Labor

figure A15

Defined Contribution Plan Holdings of Mutual Funds by Type of Plan and Fund, 2004

	Domestic Equity		Foreign Equity		Hybrid ¹		Bond		Money Market		Total Assets (billions)
	Assets (billions)	Share ² (percent)	Assets (billions)	Share ² (percent)	Assets (billions)	Share ² (percent)	Assets (billions)	Share ² (percent)	Assets (billions)	Share ² (percent)	
Total Defined Contribution Plans	\$996	63%	\$153	10%	\$185	12%	\$138	9%	\$106	7%	\$1,578
401(k) Plans	661	61	114	11	141	13	94	9	75	7	1,086
403(b) Plans	219	74	22	7	22	7	18	6	13	4	295
457 Plans	32	65	5	10	7	14	5	10	1	2	50
Other Defined Contribution Plans ³	83	56	12	8	14	10	21	14	17	12	147

¹ Hybrid funds invest in a mix of equity and fixed-income securities.

² percent of mutual fund plan assets invested in type of fund

³ Other defined contribution plans include Keoghs and defined contribution plans (profit-sharing, thrift-savings, stock bonus, and money purchase) without 401(k) features.

note: Components may not add to total because of rounding.

source: Investment Company Institute

¹³ Assets in 401(k) plans refer to private defined contribution plans with 401(k) features (e.g., salary deferral feature). However, 401(k) plan assets reported for mutual funds and the 401(k) market may include some defined contribution plan assets purchased in the plans prior to the addition of 401(k) features. For the years 1990 through 1999, total 401(k) asset data are from U.S. Department of Labor, Employee Benefits Security Administration (EBSA), *Private Pension Plan Bulletin Abstract of 1999 Form 5500 Annual Reports*, No. 12, Summer 2004. U.S. Department of Labor, EBSA provided a preliminary estimate of total 401(k) plan assets for 2000. Data after 2000 are estimated by ICI.

¹⁴ These tax-deferred retirement plans are available to employees of educational institutions and certain nonprofit organizations.

figure A16

Defined Contribution Plan Assets by Type of Plan, 1994–2004

(billions of dollars)

	401(k) Plans	403(b) Plans	457 Plans	Other Defined Contribution Plans *	Total
1994	\$675	\$275	\$34	\$422	\$1,407
1995	864	321	42	486	1,713
1996	1,061	356	52	483	1,953
1997	1,264	426	72	573	2,335
1998	1,541	437	94	549	2,621
1999	1,790	526	112	550	2,978
2000	1,750 ^p	517	110	545	2,921
2001	1,681 ^e	443	105	426	2,655
2002	1,502 ^e	433	98	300	2,334
2003	1,868 ^e	532	117	347	2,865
2004	2,109 ^e	585	130	404	3,228

e=estimated

p=preliminary

* Other defined contribution plans include Keoghs and defined contribution plans (profit-sharing, thrift-savings, stock bonus, and money purchase) without 401(k) features.

note: Components may not add to total because of rounding.

sources: Investment Company Institute, Federal Reserve Board, Department of Labor, National Association of Government Defined Contribution Administrators, and American Council of Life Insurers

about 30 percent invested in VA mutual funds, 20 percent in non-VA mutual funds, and the remaining half in annuity reserves at life insurance companies (Figure A17). At year-end 2004, 457 plans¹⁵ had accumulated \$130 billion in assets (Figure A16), of which \$50 billion, or 38 percent, were invested in mutual funds (Figure A14). Other defined contribution plans, which include Keoghs and defined contribution plans without 401(k) features, held \$404 billion in assets at year-end 2004 (Figure A16).

figure A17

403(b) Plan Assets and Share of Total 403(b) Plan Assets by Institution, 1996–2004

	Life Insurance Companies ¹		VA Mutual Funds		Non-VA Mutual Funds		Total Assets (billions)
	Assets (billions)	Share ² (percent)	Assets (billions)	Share ² (percent)	Assets (billions)	Share ² (percent)	
1996	\$208 ^e	58%	\$103	29%	\$45	13%	\$356
1997	238 ^e	56	129	30	59	14	426
1998	205	47	158	36	75	17	437
1999	236	45	191	36	99	19	526
2000	252	49	174	34	91	18	517
2001	205	46	150	34	88	20	443
2002	235	54	120	28	78	18	433
2003	271	51	158	30	104	19	532
2004	290 ^e	50	176	30	119	20	585

e=estimated

¹ annuities held by 403(b) plans, excluding variable annuity (VA) mutual fund 403(b) assets

² percent of total 403(b) plan assets

note: Components may not add to total because of rounding.

sources: Investment Company Institute, American Council of Life Insurers, and Federal Reserve Board

¹⁵ These plans allow deferred compensation by employees of state and local governments and certain tax-exempt organizations.