



WORKPLACE THOUGHT LEADERSHIP

BUILDING FINANCIAL FUTURES

Insight and analysis across the employee
benefit and retirement savings industry



Q2 At A Glance

AVERAGE ACCOUNT BALANCES INCREASED

- Average **account balances rose for the third straight quarter** to reach the third-highest average on record.¹
- Average 401(k) and 403(b) balances increased 13% and 12%, respectively, since Q2 of last year.^{1,2}
- Read more starting on [page 6](#).

EMPLOYERS MAINTAINED CONTRIBUTIONS

- Nearly 8 **out of 10 workers (79.9%) received an employer contribution** in Q2.¹
- Slight increase from last quarter (79.5%), underscoring employers continue to support their employee's retirement savings.¹
- Read more on [page 8](#).

401(k) LOANS TRENDED UP

- The percentage of **workers with a loan outstanding increased to 18.3%**, which is an increase from Q1 but still below pre-pandemic levels.¹
- Nearly 1 in 4 (24.7%) Gen X workers has a loan outstanding.¹
- Read more on [page 8](#).

INDUSTRY SNAPSHOT

- Participant and plan design trends across **22 different sectors**.¹
- Nearly 1 in 5 workers in the **airline and energy industries** contribute to a Roth 401(k).¹
- Less than 10% of workers in **professional services** have a loan outstanding.¹
- Read more starting on [page 12](#).

NONPROFIT SECTOR CONTINUES TO EVOLVE

- **Auto enrollment has increased** from 33% to 43% in the last five years, driving up employee participation.³
- More than **¼ of workers increased contributions** last year based on a mix of auto increase and employee-initiated changes.⁴
- Read more on [page 15](#).

MORE DETAILED ANALYSES

- Retirement savings by generation on [page 9](#).
- Employer 401(k) trends by industry on [page 12](#).
- IRA Trends on [page 16](#).

1 – Fidelity Investments Q2 2024 401(k) data based on 26,100 corporate defined contribution plans and 24 million participants as of June 30, 2024. These figures include the advisor-sold market but exclude the tax-exempt market. Excluded from the behavioral statistics are non-qualified defined contribution plans and plans for Fidelity's own employees

2 – Fidelity Investments Q2 2024 403(b) data based on 10,010 Tax-exempt plans and 8.6 million plan participants as of June 30, 2024. Considers average balance across all active plans for 6.37 million unique individuals employed in tax-exempt market.

3 – Fidelity record kept data Non-Discrimination Testing data as of 2022.

4 – Fidelity record kept data as of 12/31/23 for active participants with a balance. Excludes terminated and zero balance participants. Also excludes forfeiture and alternate payee accounts. Total savings rate includes employee and employer contributions.



PART 1

Employee Insights for Q2

Employee Sentiment: Need for Benefits Enrollment Help

3 out of 4 workers (76%)⁵ felt their employers could do more to help them during benefits enrollment⁶

MAJORITY OF WORKERS DON'T MAKE CHANGES

- **71% of workers chose the same benefits in 2024 that they had in 2023.**⁷
- Employees that experienced a life event, such as getting married or buying a home, may want to explore available benefits that apply to their new situation.

EMPLOYER BENEFITS MAY BE EXPANDING/GROWING

- Employees should review any new benefits their employer may have brought to the table.
- These new benefits may include **student debt relief, commuter reimbursement, childcare and other benefits.**

MANY EMPLOYEES WANT MORE INFORMATION

- More than half of workers (52%) rate **having more information on how to compare health plans as most helpful** when selecting health benefits.⁸

QUESTIONS FOR WORKERS TO ASK THEMSELVES

To help get the most value from their workplace benefits offering this season, Fidelity outlined several questions to help employees with their enrollment decisions:

1. Does **my current benefits** package **meet my needs**?
2. Is my employer **offering any new benefits** this year?
3. What is the **best benefits approach** for me?

5 – Fidelity Health® Thought Leadership Employee/Consumer Survey, winter 2022

6 – Benefits enrollment is an annual process where workers can select their benefits for the coming year and commonly happens in Q3

7 – Fidelity Health® Thought Leadership Annual Enrollment Consumer Survey, fall 2023

8 – Fidelity Health® Thought Leadership Annual Enrollment Consumer Survey, fall 2023



PART 2

Trends in Employee Behavior

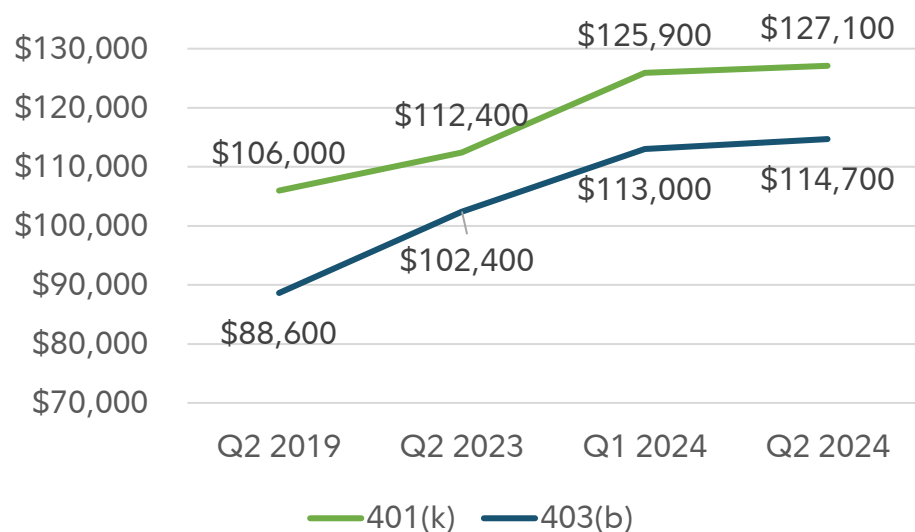
401(k)⁹ and 403(b)¹⁰ Balances and Savings Rates

Overview: Average account balances **rose for the third straight quarter** to reach the third-highest average on record. Average 401(k) and 403(b) balances increased 13% and 12%, respectively, since Q2 of last year. Total savings rates remained fairly flat from last quarter but are still up slightly from a year ago.^{9,10}

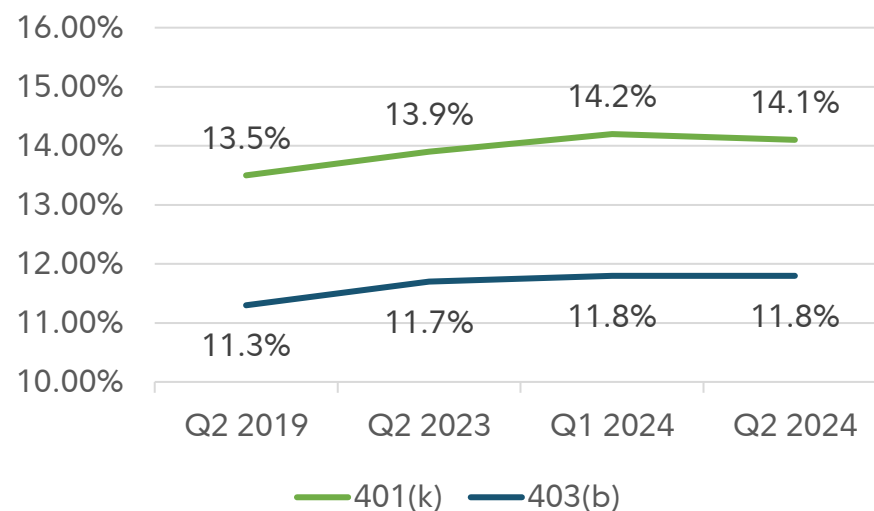
KEY STAT

The average 401(k)⁹ balance for women increased 13.2% over Q2 of last year, compared with a 12.5% increase for men, led by a 51% YOY balance increase among Gen Z¹¹ women.

Average Account Balance^{9,10}



Total Savings Rate^{9,10}



9 – Fidelity Investments Q2 2024 401(k) data based on 26,100 corporate defined contribution plans and 24 million participants as of June 30, 2024. These figures include the advisor-sold market but exclude the tax-exempt market. Excluded from the behavioral statistics are non-qualified defined contribution plans and plans for Fidelity’s own employees.

10 – Fidelity Investments Q2 2024 403(b) data based on 10,010 Tax-exempt plans and 8.6 million plan participants as of June 30, 2024. Considers average balance across all active plans for 6.37 million unique individuals employed in tax-exempt market.

11 - Generations as defined by Pew Research: Baby Boomers are individuals born between 1946 – 1964, Gen X are individuals born between 1965-1980, Millennials include individuals born between 1981 – 1996 and Gen Z includes individuals born between 1997 – 2012.

401(k)¹² Long-Term Savings Data

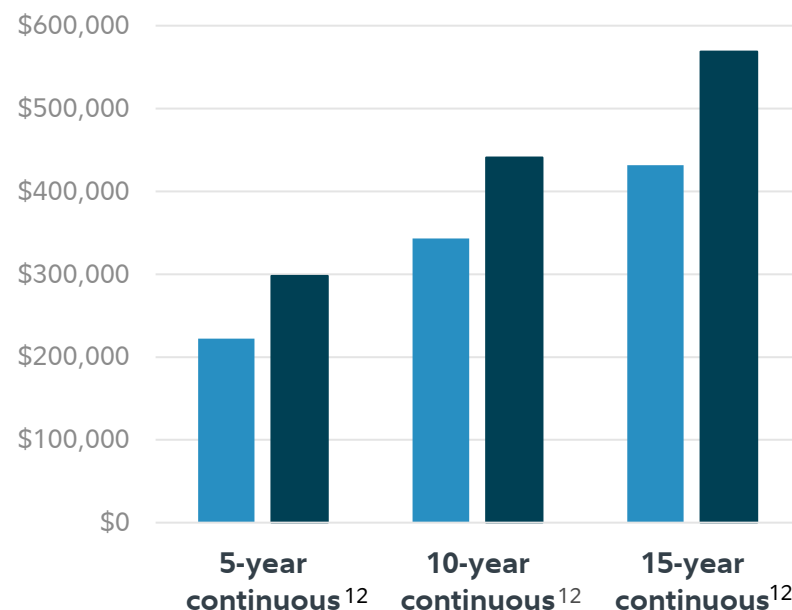
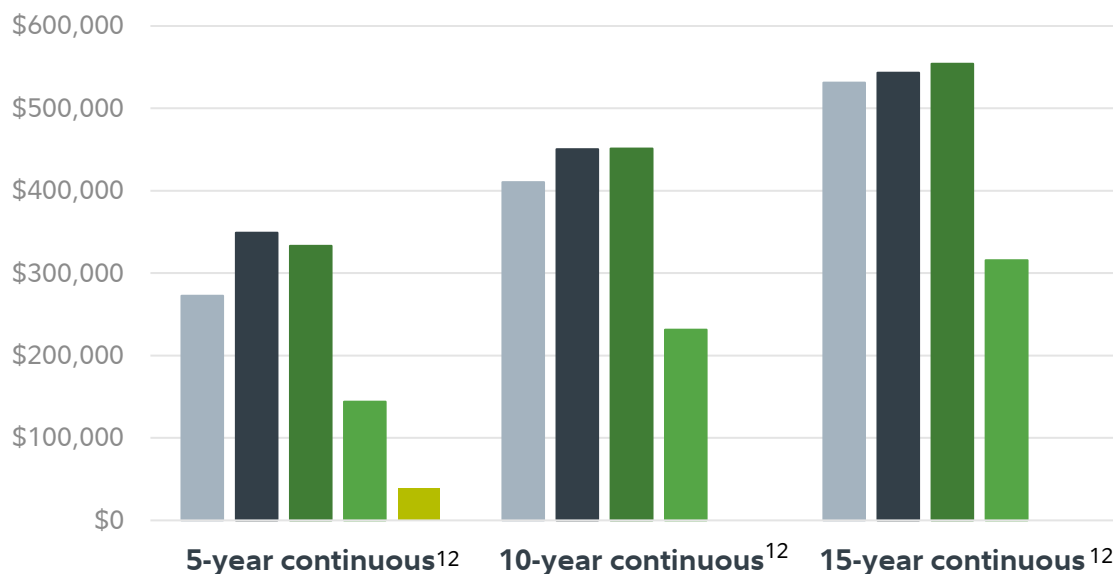
Overview: Long-term savings data measures the account balances for individuals who have been in the same plan, with the same employer, for an extended period of time. The average balance for individuals who have been saving in their 401(k) for **15 years continuously grew to \$531,200.**¹²

KEY STAT

Despite fluidity in the labor market, the total number of 15-year continuous savers increased 4% from Q2 2023.¹²

Overall Boomers¹³ Gen X¹³ Millennials¹³ Gen Z¹³

Women Men



¹² - Fidelity Investments Q2 2024 401(k) data based on 26,100 corporate defined contribution plans and 24 million participants as of June 30, 2024. These figures include the advisor-sold market but exclude the tax-exempt market. Excluded from the behavioral statistics are non-qualified defined contribution plans and plans for Fidelity's own employees

¹³ - Generations as defined by Pew Research: Baby Boomers are individuals born between 1946 – 1964, Gen X are individuals born between 1965-1980, Millennials include individuals born between 1981 – 1996 and Gen Z includes individuals born between 1997 – 2012.

Employee Saving Trends and Investing Behaviors¹⁴

Overview: While economic conditions and plan design can have an impact on worker's retirement saving, positive savings behavior also plays a role in helping workers progress towards their retirement goals. Fidelity data indicates that more than 1 in 10 **workers increased their savings rate last quarter**, and the use of **Roth 401(k) options continued to increase**.¹⁴

KEY STAT

The percentage of workers with a loan outstanding increased to 18.3% in Q2, which is an increase from last quarter lower than pre-pandemic loan levels.¹⁴

| | Q2 2024 | Q2 2023 | Q2 2019 |
|---|---------|---------|---------|
| Average employee contribution amount ¹⁴ | \$2,560 | \$2,390 | \$2,030 |
| Participants who received an employer contribution ¹⁴ | 79.9% | 79.5% | 72.7% |
| Percentage of participants contributing to a Roth 401(k) ¹⁴ | 15.5% | 14.6% | 11.4% |
| Percentage of participants making catch-up contributions ¹⁴ | 15.3% | 15.2% | 16.6% |
| Percentage of workers with a 401(k) loan ¹⁴ | 18.3% | 17.2% | 20.1% |
| Percentage of workers with all their 401(k) savings in a target date fund ¹⁴ | 61.5% | 60.6% | 52.6% |
| Percentage of workers that increased their 401(k) savings rate ¹⁴ | 11.9% | 11.3% | 9.6% |

¹⁴ - Fidelity Investments Q2 2024 401(k) data based on 26,100 corporate defined contribution plans and 24 million participants as of June 1, 2024. These figures include the advisor-sold market but exclude the tax-exempt market. Excluded from the behavioral statistics are non-qualified defined contribution plans and plans for Fidelity's own employees.

Saving Trends and Investing Behaviors¹⁵ by Generation¹⁶

Overview: Examining trends by generation can help provide employers with insight on behaviors among employees at different stages of their career. For example, Fidelity's analysis indicates that Millennials¹⁶ and Gen Z¹⁶ workers are more likely to have all their savings in a target date fund, while less than 15% of Boomers have a loan outstanding.¹⁵

KEY STAT

The percentage for both Millennial¹⁶ and Gen Z¹⁶ workers contributing to a Roth 401(k) surpassed 17% this quarter.¹⁵

| | Boomers ¹⁶ | Gen X ¹⁶ | Millennials ¹⁶ | Gen Z ¹⁶ | Overall |
|--|-----------------------|---------------------|---------------------------|---------------------|-----------|
| Average balance ¹⁵ | \$242,200 | \$182,100 | \$62,000 | \$12,000 | \$127,100 |
| Total savings rate ¹⁵ | 17.0% | 15.2% | 13.3% | 11.0% | 14.1% |
| Employee savings rate ¹⁵ | 11.8% | 10.1% | 8.6% | 7.1% | 9.4% |
| Employer contribution rate ¹⁵ | 5.2% | 5.1% | 4.6% | 3.8% | 4.8% |
| Percentage contributing to a Roth 401(k) ¹⁵ | 11.7% | 13.8% | 17.7% | 17.1% | 15.5% |
| Percentage with all their 401(k) savings in a target date fund ¹⁵ | 44.0% | 53.8% | 70.4% | 82.3% | 64.1% |
| Percentage with a 401(k) loan ¹⁵ | 14.8% | 24.7% | 17.4% | 5.8% | 18.3% |

¹⁵ - Fidelity Investments Q2 2024 401(k) data based on 26,100 corporate defined contribution plans and 24 million participants as of June 30, 2024. These figures include the advisor-sold market but exclude the tax-exempt market. Excluded from the behavioral statistics are non-qualified defined contribution plans and plans for Fidelity's own employees.

¹⁶ - Generations as defined by Pew Research: Baby Boomers are individuals born between 1946 – 1964, Gen X are individuals born between 1965-1980, Millennials include individuals born between 1981 – 1996 and Gen Z includes individuals born between 1997 – 2012.



PART 3

Trends in 401(k) and 403(b) Plan Design

401(k) Plan Design Trends¹⁷

Overview: Employers continue to explore plan design features that can help improve savings efforts among their workforce. An **increasing number of employers are offering a Roth option within their 401(k)**, especially among organizations with 10,000 employee or less, and **more employers are automatically enrolling new employees at contribution rate of 5% or higher.**¹⁷

KEY STAT

*The most popular match formula on Fidelity's platform is based on a 5% contribution rate and offers a 100% match for the first 3% of an employee's contribution and a 50% match on the next 2%.

| | Q2 2024 | Q2 2022 | Q2 2019 |
|---|---------|---------|---------|
| Use of auto enrollment (AE) ¹⁷ | 38.8% | 38.0% | 34.9% |
| Average AE default contribution rate ¹⁷ | 4.1% | 4.0% | 3.9% |
| AE plans that default >5% or higher contribution rate ¹⁷ | 38.9% | 37.1% | 33.6% |
| Default to Target Date Funds ¹⁷ | 94.6% | 93.2% | 90.5% |
| Percentage of plans with the most popular 401(k) match formula* ¹⁷ | 46.1% | 42.8% | 40.5% |
| Percentage of plans that offer a workplace managed account ¹⁷ | 42.9% | 38.5% | 29.7% |
| Percentage of plans that offer a Roth option ¹⁷ | 93.7% | 77.9% | 69.7% |

¹⁷ - Fidelity Investments Q2 2024 401(k) data based on 26,100 corporate defined contribution plans and 24 million participants as of June 30, 2024. These figures include the advisor-sold market but exclude the tax-exempt market. Excluded from the behavioral statistics are non-qualified defined contribution plans and plans for Fidelity's own employees.

401(k) Industry Snapshot¹⁸

Overview: Employee savings behavior and plan design can vary depending on industry and a variety of workplace factors, and plans are often designed to meet the needs of an employer's workforce.¹⁸

KEY STATS

Nearly 1 in 5 workers in the airline and energy production/distribution industries contribute to a Roth 401(k).¹⁸

| Industry | Average balance ¹⁸ | Total Savings Rate ¹⁸ | Employee contribution rate ¹⁸ | Employer contribution rate ¹⁸ | 100% Target Date Fund ¹⁸ | Employees with Roth deferral ¹⁸ | Percentage with outstanding loan ¹⁸ |
|-------------------------------------|-------------------------------|----------------------------------|--|--|-------------------------------------|--|--|
| Airlines | \$168,100 | 18.5% | 10.6% | 7.9% | 59.1% | 19.4% | 27.4% |
| Automotive | \$111,100 | 12.8% | 7.9% | 5.0% | 65.3% | 12.2% | 24.4% |
| Chemicals & Plastics | \$178,900 | 17.6% | 10.5% | 7.1% | 54.8% | 16.1% | 21.2% |
| Computer & Electronic Manufacturing | \$201,700 | 16.3% | 11.0% | 5.3% | 47.0% | 17.5% | 17.4% |
| Construction | \$86,700 | 12.3% | 8.2% | 4.1% | 69.9% | 14.6% | 17.1% |
| Energy Production/Distribution | \$215,300 | 17.6% | 10.4% | 7.1% | 48.6% | 19.7% | 26.9% |
| Finance & Insurance | \$155,100 | 15.6% | 9.9% | 5.7% | 55.2% | 18.2% | 19.7% |
| Physicians | \$179,100 | 13.8% | 10.0% | 3.9% | 67.8% | 15.5% | 10.0% |
| Health Care (excl. Physicians) | \$66,900 | 10.9% | 8.0% | 2.9% | 74.9% | 14.0% | 17.9% |
| Information | \$154,500 | 16.9% | 11.6% | 5.3% | 51.9% | 15.6% | 17.5% |
| Legal Services | \$309,800 | 15.5% | 10.8% | 4.7% | 50.6% | 16.6% | 11.8% |

¹⁸ - Fidelity Investments Q2 2024 401(k) data based on 26,100 corporate defined contribution plans and 24 million participants as of June 30, 2024. These figures include the advisor-sold market but exclude the tax-exempt market. Excluded from the behavioral statistics are non-qualified defined contribution plans and plans for Fidelity's own employees.

401(k) Industry Snapshot (continued)¹⁹

Overview: Employee savings behavior and plan design can vary depending on industry and a variety of workplace factors, and plans are often designed to meet the needs of an employer's workforce.¹⁹

KEY STAT

Workers in the professional services industry have a savings rate of 14.0% but less than 10% of workers in this industry have a loan outstanding.¹⁹

| Industry | Average balance ¹⁹ | Total Savings Rate ¹⁹ | Employee contribution rate ¹⁹ | Employer contribution rate ¹⁹ | 100% Target Date Fund ¹⁹ | Employees with Roth Deferral ¹⁹ | Percentage with outstanding loan ¹⁹ |
|------------------------|-------------------------------|----------------------------------|--|--|-------------------------------------|--|--|
| Media & Entertainment | \$125,500 | 13.3% | 9.2% | 4.1% | 52.3% | 15.1% | 19.5% |
| Metals & Machinery | \$154,900 | 15.5% | 9.1% | 6.4% | 55.1% | 16.4% | 24.4% |
| Petrochemical | \$255,500 | 19.1% | 10.9% | 8.2% | 48.6% | 21.5% | 26.8% |
| Pharmaceuticals | \$214,600 | 19.5% | 11.9% | 7.6% | 54.2% | 19.6% | 15.2% |
| Professional Services | \$122,600 | 14.0% | 10.2% | 3.8% | 61.1% | 21.4% | 9.9% |
| Real Estate | \$70,400 | 12.5% | 8.0% | 4.5% | 66.5% | 14.5% | 15.0% |
| Retail Trade | \$52,700 | 10.4% | 7.4% | 3.0% | 76.1% | 12.0% | 17.9% |
| Scientific & Technical | \$112,000 | 12.6% | 9.4% | 3.1% | 65.3% | 15.1% | 10.4% |
| Technology | \$200,500 | 17.0% | 12.3% | 4.6% | 49.5% | 18.4% | 12.4% |
| Transportation | \$128,900 | 15.6% | 9.5% | 6.1% | 63.7% | 16.8% | 25.4% |
| Wholesale Trade | \$105,100 | 13.6% | 8.7% | 4.9% | 68.2% | 12.6% | 21.4% |

¹⁹ – Fidelity Investments Q2 2024 401(k) data based on 26,100 corporate defined contribution plans and 24 million participants as of June 30, 2024. These figures include the advisor-sold market but exclude the tax-exempt market. Excluded from the behavioral statistics are non-qualified defined contribution plans and plans for Fidelity's own employees.



PART 4

Spotlight: Trends Among
Nonprofit Retirement Plans

Spotlight: Trends Among Nonprofit Retirement Plans

GROWING USE OF AUTO ENROLLMENT²⁰

- Auto enrollment among retirement plans for nonprofits has **increased from 33% to 43% over the last five years.**
- As a result, participation rates for plans with auto enrollment reached 93% while the participation rate for plans without AE was 77% (overall participation is 83%).

INCREASING EMPLOYEE CONTRIBUTION RATES²¹

- The use of annual increase programs (automatic or enabled by participants) has increased to 53%, and **more than 1 in 4 (27%) increased their contribution rate** in 2023.
- Of the contribution increases, 46% were due to auto increase and 54% were initiated by the employee.

POSITIVE SAVINGS BEHAVIORS²²

- More than 1 in 5 (22%) **nonprofit workers are saving at least 15%** for retirement.
- The percentage of nonprofit workers with a loan outstanding dipped to 11.5%.

DEFAULT TO TARGET DATE FUNDS²¹

- Nearly all (**98%**) of plans with auto enrollment defaulted to a **target date fund.**
- As a result, 70% of nonprofit workers had all of their retirement savings in a Target Date Fund, compared to 61% of workers with a 401(k).

Nonprofit population breakdown²³

(6M plan participants across 2,500 retirement plans in the nonprofit sector)



- 71% Female
- 29% Male



- 50% Millennial or Gen Z²⁴
- 50% other generation²⁴



- 36% with 2 or fewer years tenure
- 64% with more than 2 years

²⁰ – Fidelity record kept data Non-Discrimination Testing data as of 2022.

²¹ – Fidelity record kept data as of 12/31/23 for active participants with a balance. Excludes terminated and zero balance participants. Also excludes forfeiture and alternate payee accounts. Total savings rate includes employee and employer contributions.

²² – Based on Fidelity's record-kept data for active participants with balance at the end of each year 2016 - 2023. Excludes terminated and zero balance.

²³ – Fidelity Investments® data for nonprofit managed plans as of December 31, 2023.

²⁴ – Generations as defined by Pew Research: Baby Boomers are individuals born between 1946 – 1964, Gen X are individuals born between 1965-1980, Millennials include individuals born between 1981 – 1996 and Gen Z includes individuals born between 1997 – 2012.

A woman with dark hair tied back, wearing a white and black striped shirt, is smiling and looking towards a man in a blue shirt. She has her hands clasped under her chin and is holding a pen. They are sitting at a desk with two laptops open. The background is a bright office space with windows.

IRA Trends

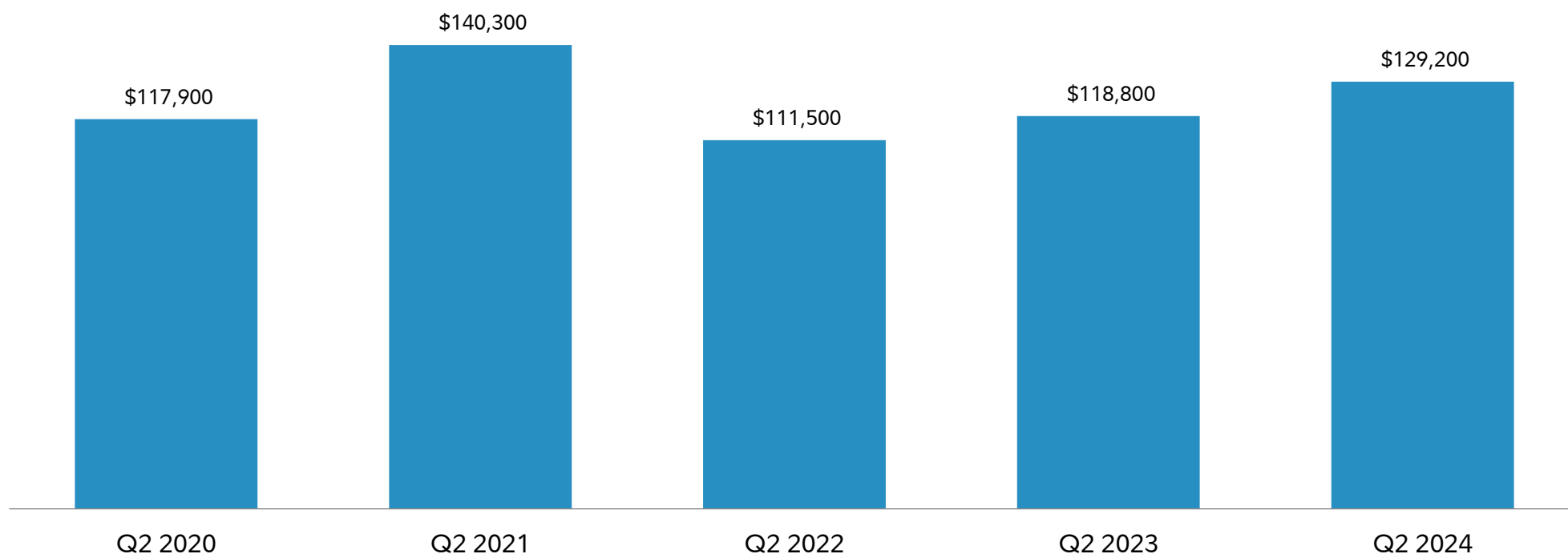
IRA Balances²⁵

12.3 million people are saving and investing for retirement through 15.8 million IRAs, where the number of accounts has grown by 11.7% and total assets have grown 22.2% between Q2 2023 and Q2 2024.²⁵

KEY STAT

IRAs owned by female Gen Zers²⁶ **increased by 58%** between Q2 2023 and Q2 2024.²⁵

Average IRA balances²⁵



²⁵ – Fidelity business analysis of 15.8 million IRA accounts as of June 30, 2024. Considers only active participants with balance

²⁶ – Generations as defined by Pew Research: Baby Boomers are individuals born between 1946 – 1964, Gen X are individuals born between 1965-1980, Millennials include individuals born between 1981 – 1996 and Gen Z includes individuals born between 1997 – 2012.

IRA Contributions²⁷

While not all account holders contribute to their IRA on an annual basis, **the number of accounts with a contribution has increased by 31%** between Q2 2023 YTD and Q2 2024 YTD.²⁷

KEY STATS

- Across generations, Roth IRAs are the retail retirement savings vehicle of choice, with 65% of all IRA contributions going to Roth in Q2 2024.²⁷
- Roth IRAs among Gen Z²⁸ investors increased 66% from Q2 2023 to Q2 2024, with average contributions increasing 11%.²⁷

Average Q1 IRA contribution amount²⁷



27 – Fidelity business analysis of 15.8 million IRA accounts as of June 30, 2024. Considers only active participants with balance

28 – Generations as defined by Pew Research: Baby Boomers are individuals born between 1946 – 1964, Gen X are individuals born between 1965-1980, Millennials include individuals born between 1981 – 1996 and Gen Z includes individuals born between 1997 – 2012.

Endnotes

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Smithfield, RI 02917

Fidelity Distributors Company LLC, 500 Salem Street, Smithfield, RI 02917

National Financial Services LLC, Member NYSE, [SIPC](#), 245 Summer Street, Boston, MA 02110

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