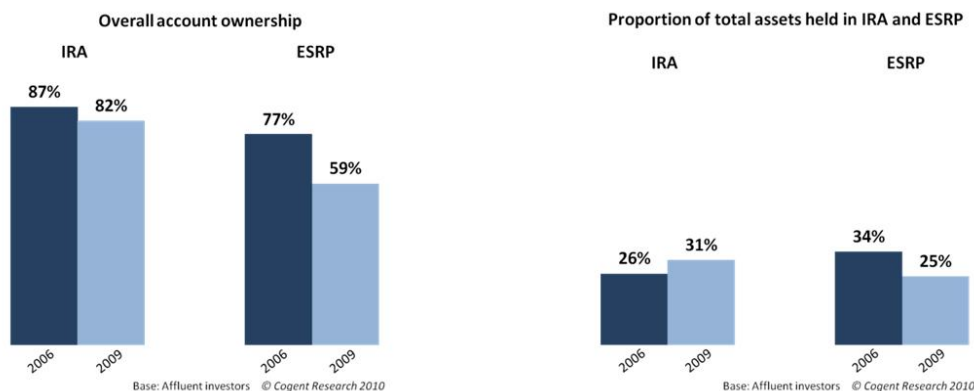


## IRA assets now surpass 401(k)s: Cogent

**CAMBRIDGE, MASS (April 26, 2010)** - For the first time since Cogent Research has been tracking investor allocations, wealthy Americans now hold more assets in IRAs than in workplace-based retirement accounts like 401(k)s and 403(b)s. This and other findings are included in a new report, *2010 Investor Assets in Motion: IRA & Retirement Marketplace Opportunities*, scheduled to be released next week by [Cogent Research LLC](http://www.cogentresearch.com) (www.cogentresearch.com).

The report, based on a nationally representative sample of 4,000 affluent and high net-worth Americans, found that while ownership of both types of retirement accounts is down since 2006, ownership of workplace-based retirement accounts have decreased much more dramatically. Since 2006 IRA ownership has slid by just 5%, meanwhile ownership of workplace-based retirement accounts has decreased by almost one quarter (23%).

It appears that the majority of dollars that investors formerly allocated to ESRPs have been funneled into IRA accounts and, to a lesser extent, bank accounts. This shift has resulted in the proportion of assets affluent Americans hold in IRAs (31%) to surpass the proportion of assets they hold in 401(k) and other employer-based retirement plans (25%).



“The good news here is that while many Americans are losing access to 401(k) plans as a result of job separation, choosing to bypass their 401(k)s, or simply retiring they are making smart decisions regarding where to move their money – namely putting it in an IRA.” said Meredith Lloyd Rice, Cogent Senior Research Director and author of the study.

Furthermore, it appears that the rollover momentum will continue. While fewer investors may have assets sitting in former employer retirement plans today (24% in 2009 vs. 31% in 2008), those who still do are even more likely to plan to rollover those assets into an IRA (45% in 2009 vs. 39% in 2008).

According to Rice, recent legislation making it possible to convert traditional IRAs into Roth IRAs has the additional potential to intensify the race by industry to capture IRA rollover assets. “Given this new legislation and what investors are telling us, there has never been a better time for an investment firm to put more muscle behind their company’s rollover strategy.”

An analysis of nineteen leading distributors reveals several big winners in the ongoing race to attract IRA assets. On average, over the past year firms managed to increase the proportion of primary client assets held in IRAs accounts by 15%. Besting their peers, seven firms were able to successfully increase the average proportion of primary client assets in IRAs by twenty percent or more. Those firms include: Fidelity, ING, Merrill Lynch, Raymond James, USAA, Vanguard, and Wells Fargo Advisors/Wachovia. Overall, nine firms hold one third or more of their individual primary clients’ assets within IRA accounts. These firms include: Ameriprise, Charles Schwab, Edward Jones, Fidelity, LPL, Merrill Lynch, Raymond James, UBS, and Vanguard.

#### **Top firms increasing primary client assets held in IRAs**

	<i>% in primary client IRA assets (2009)</i>	<i>% increase in primary client IRA assets</i>
<b>ING</b>	28.3%	37.4%
<b>Raymond James</b>	41.5%	27.4%
<b>USAA</b>	29.6%	26.3%
<b>Merrill Lynch</b>	36.1%	22.9%
<b>Vanguard</b>	34.6%	22.4%
<b>Fidelity</b>	35.2%	20.1%
<b>Wells Fargo Advisors/ Wachovia</b>	30.0%	20.1%

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#### **About Cogent Research**

Cogent Research helps clients gain clarity, obtain perspective, and formulate direction on critical business issues. Founded in 1996, Cogent provides custom research, syndicated research products, and evidence-based consulting to leading organizations in the financial services and life sciences industries. Through quality research, advanced analytics, and deep industry knowledge, Cogent Research delivers data-driven solutions and strategies that enable clients to better understand customers, define products, and shape market opportunities in order to increase revenues and grow the value of their products and brands.

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