

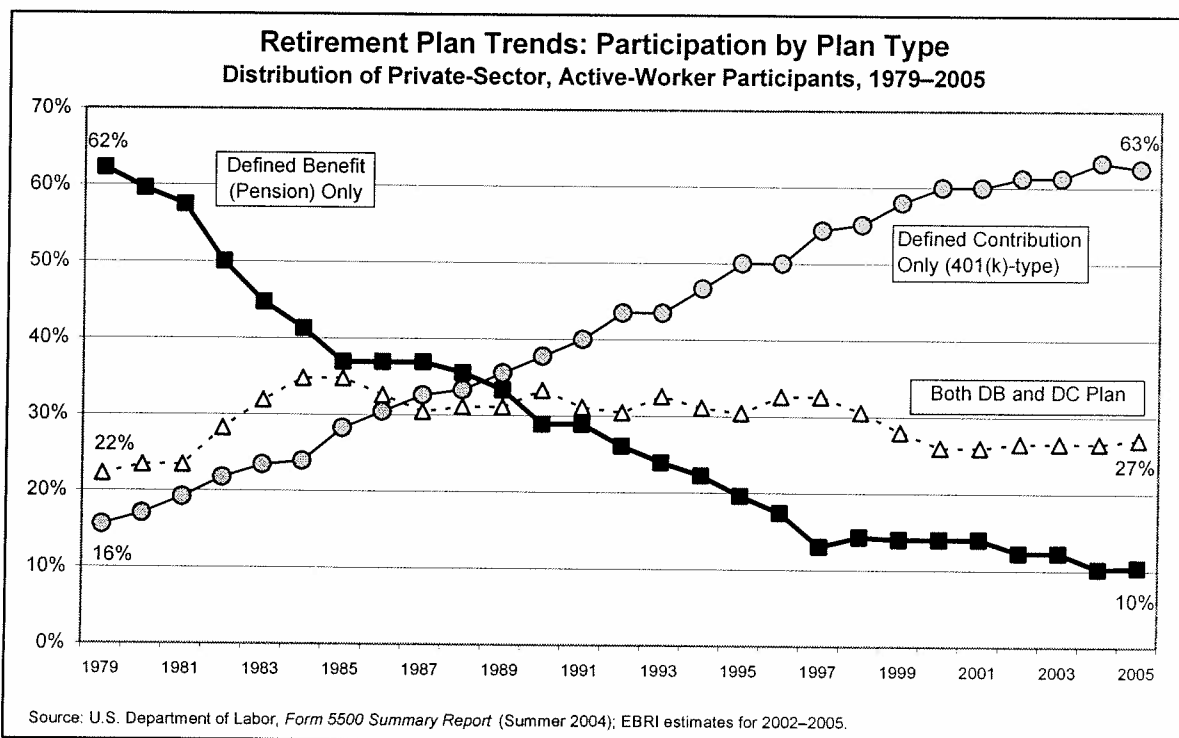
# FACTS from EBRI

Employee Benefit Research Institute ■ 2121 K Street, NW, Suite 600 ■ Washington, DC ■ 20037

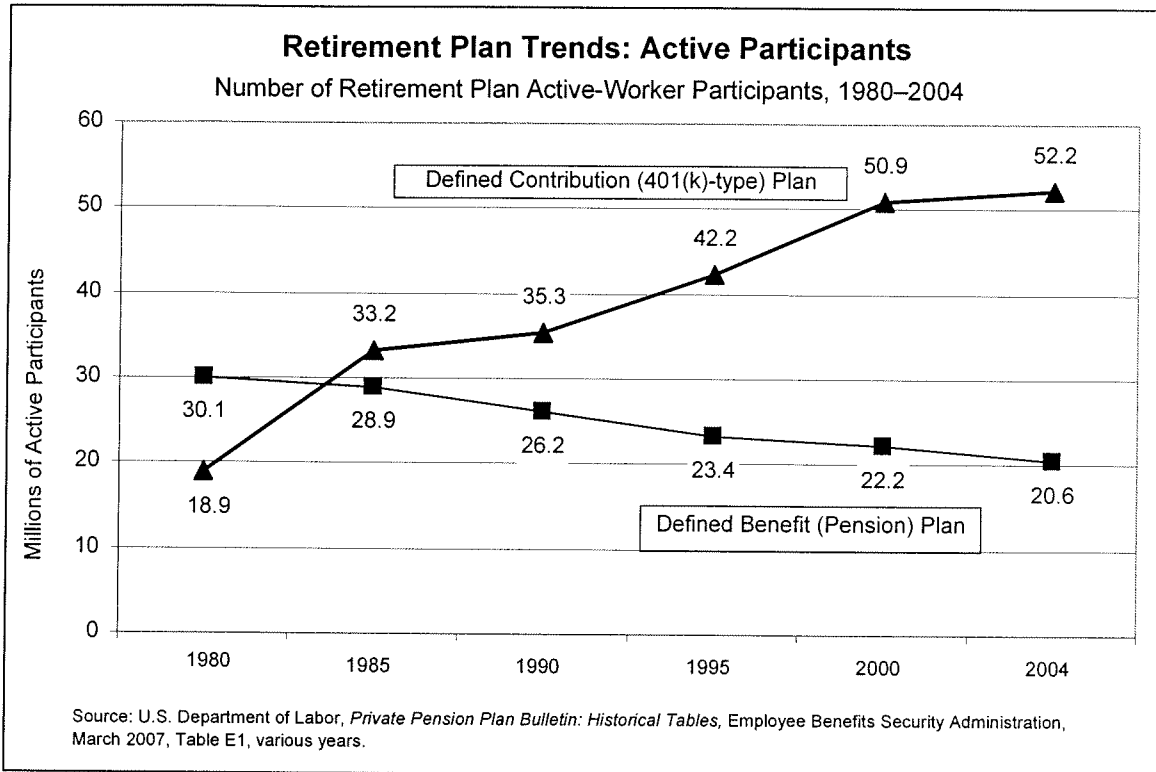
June 2007

## Retirement Trends in the United States Over the Past Quarter-Century

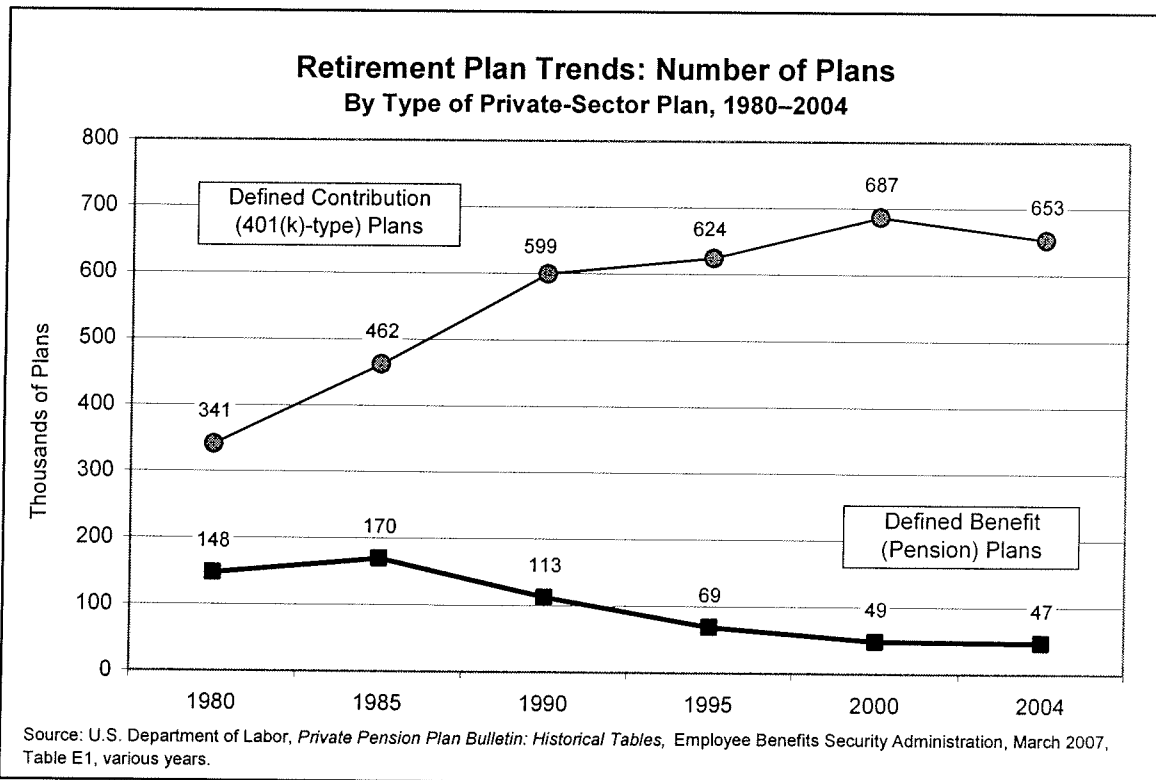
The vast majority of private-sector working-age Americans who have retirement and health benefits obtain them through their jobs. Since 1980, significant changes have occurred in the kind of employment-based retirement plan that workers participate in: Defined benefit (so-called "traditional" pension) plans have declined (reflecting pressures on defined benefit plan sponsors to control costs and funding volatility, in addition to increased regulatory burdens), while defined contribution (401(k)-type) plans have grown. The following figures give a quick overview of the changing trends in retirement plan coverage among American workers.



In the private sector, participation by type of retirement plan has largely reversed over the past quarter-century: "Traditional" defined benefit pension plans were dominant in 1979, but have been overtaken by defined contribution (401(k)-type) plans. The share of workers who are in *both* a defined benefit and defined contribution plan has remained fairly constant over the years.

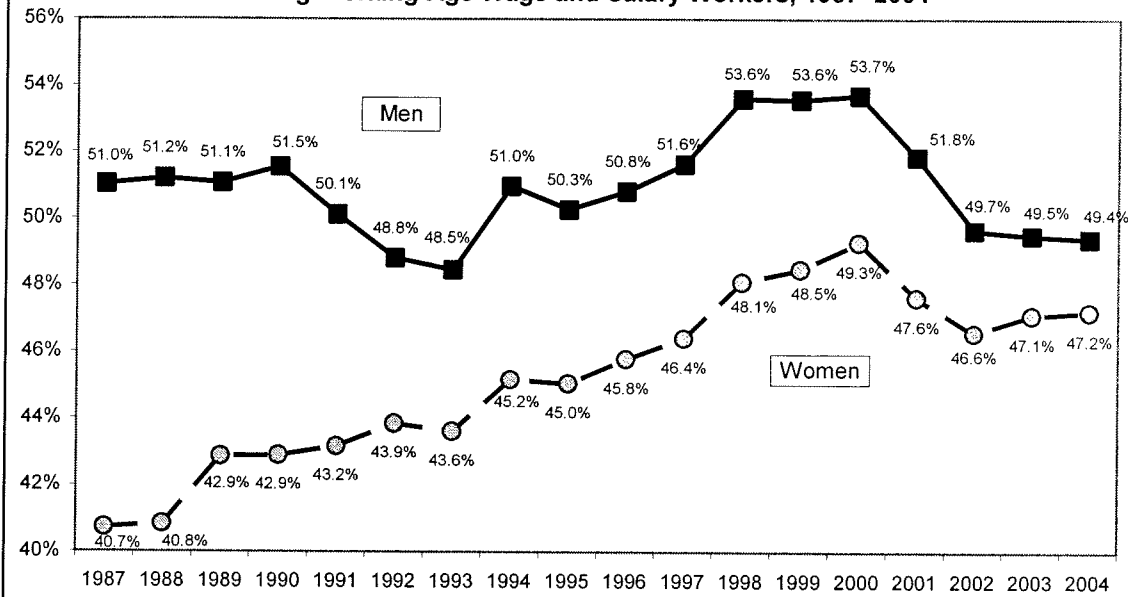


The number of active workers participating in an employment-based defined benefit (pension) plan has been steadily decreasing, while the number has been growing in 401(k)-type plans.



In the private sector, there are far more defined contribution (401(k)-type) plans than there are defined benefit (pension) plans; however, the average 401(k)-type plan has fewer participants than the average pension plan.

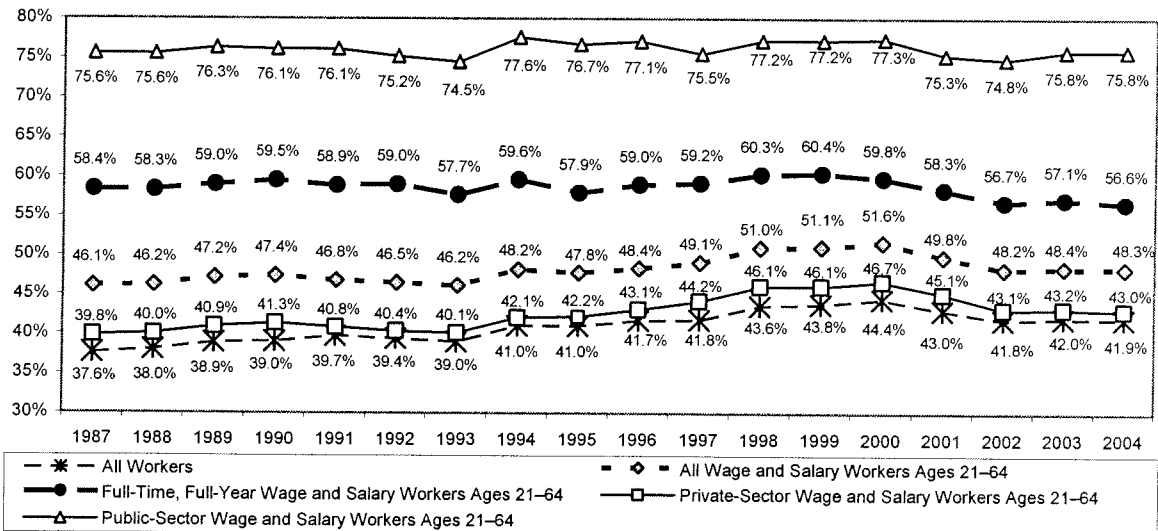
### Retirement Plan Trends: Gender Differences Men and Women Participating in an Employment-Based Retirement Plan, Among Working-Age Wage and Salary Workers, 1987–2004



Source: Employee Benefit Research Institute estimates from the 1988–2005 March Current Population Surveys.

The gender gap in retirement plan participation has been steadily shrinking since the late 1980s.

### Retirement Plan Trends: Participation by Workers Types of Workers in an Employment-Based Retirement Plan, 1987–2004



Source: Employee Benefit Research Institute estimates from the 1988–2005 March Current Population Surveys.

Whether a worker is offered and participates in a retirement plan at work depends greatly on what type of worker the person is:

- *Public-sector workers* have the highest level of participation in a retirement plan (75.8% in 2004), while *part-time workers* typically are not offered a retirement plan or rarely participate when they are.
- Among *all workers*, less than half (41.9% in 2004) participate in a retirement plan.
- Among *full-time, full-year wage and salary workers*, more than half (56.6% in 2004) participate in a retirement plan.