

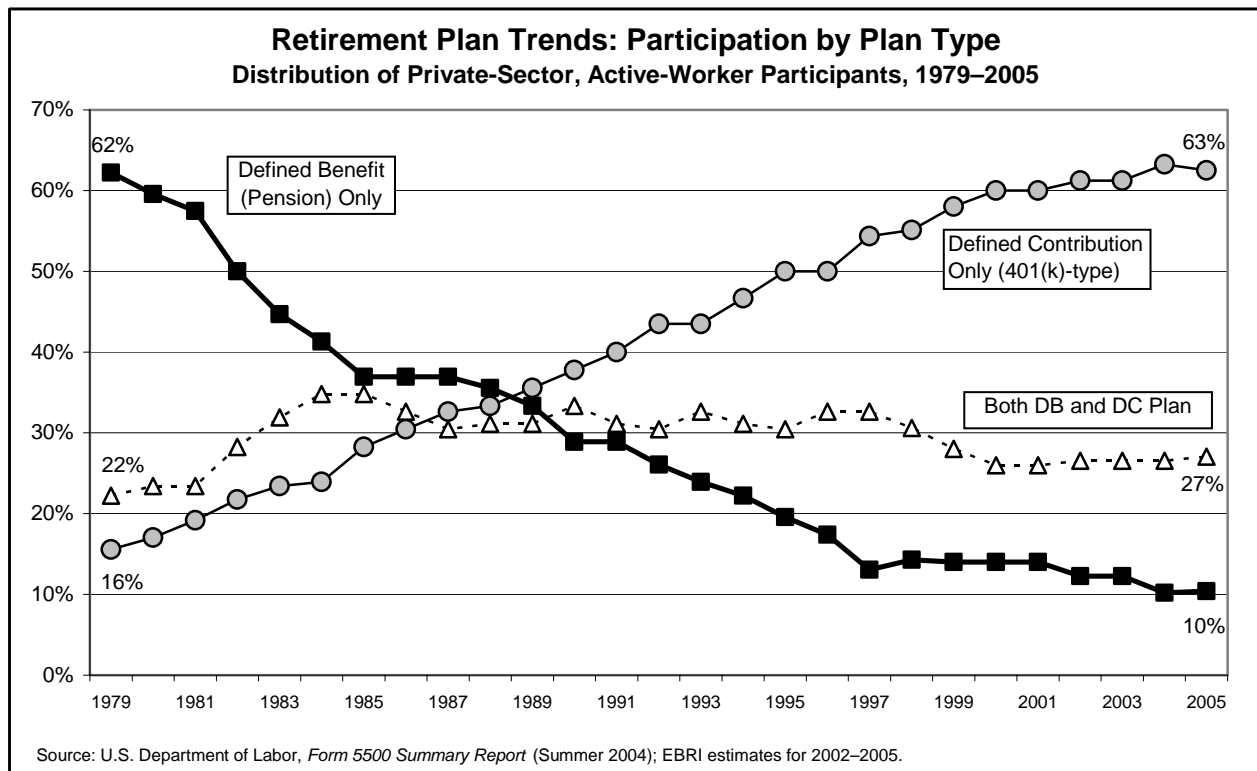
# FACTS from EBRI

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

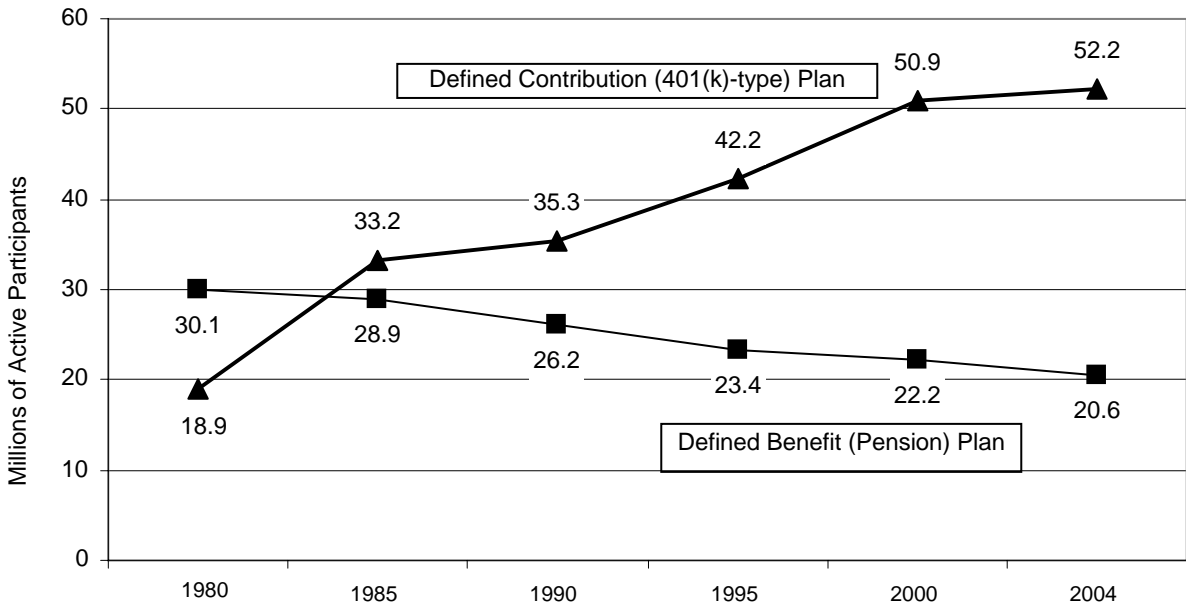
The vast majority of private-sector working-age Americans who have retirement and health benefits obtain them through their jobs. Since 1980, significant changes have occurred in the kind of employment-based retirement plan that workers participate in: Defined benefit (so-called “traditional” pension) 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 *both* a defined benefit and defined contribution plan has remained fairly constant over the years.

### Retirement Plan Trends: Active Participants

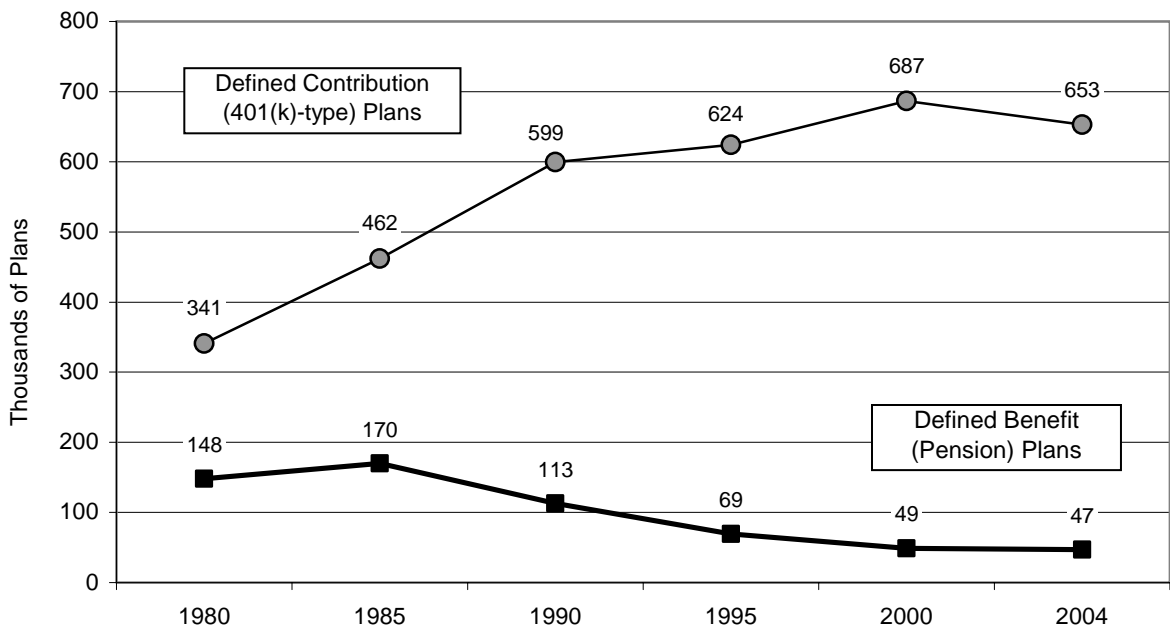
Number of Retirement Plan Active-Worker Participants, 1980–2004



Source: U.S. Department of Labor, *Private Pension Plan Bulletin: Historical Tables*, Employee Benefits Security Administration, March 2007, Table E1, various years.

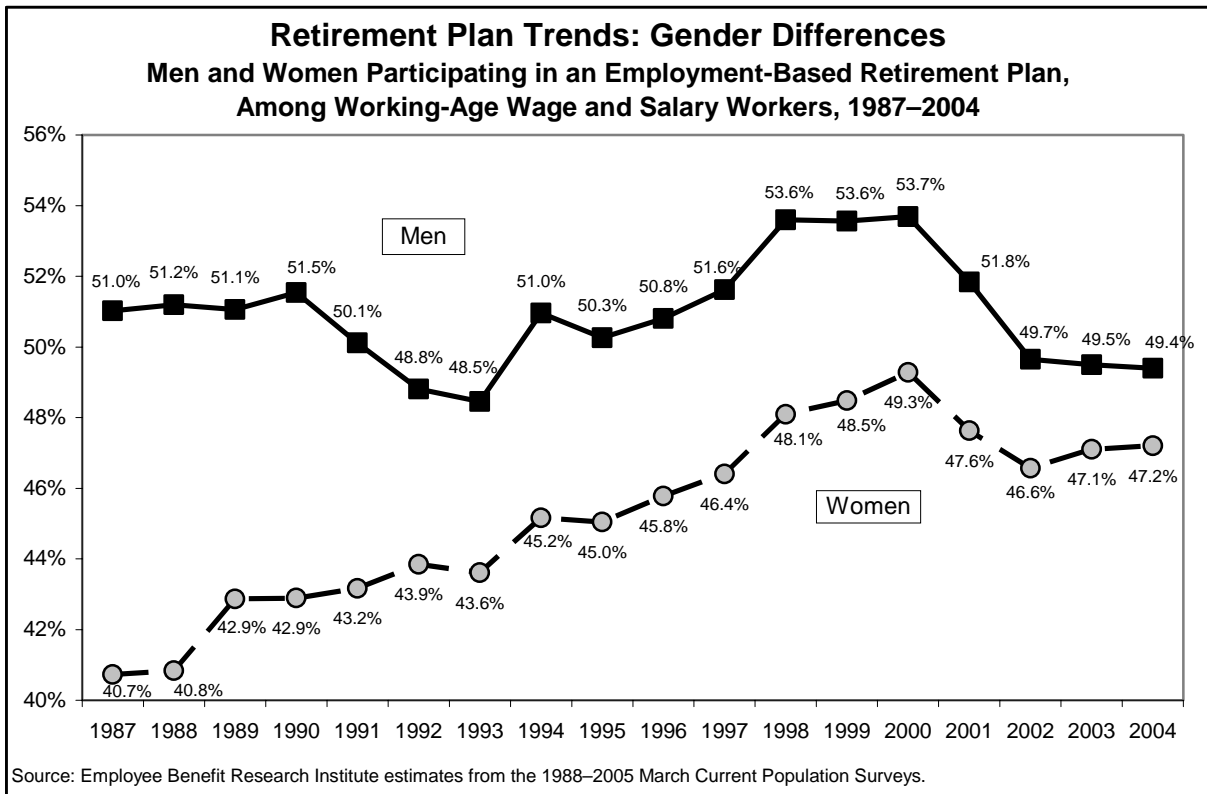
The number of active workers participating in an employment-based defined benefit (pension) plan has been steadily decreasing, while the number has been growing in 401(k)-type plans.

### Retirement Plan Trends: Number of Plans By Type of Private-Sector Plan, 1980–2004

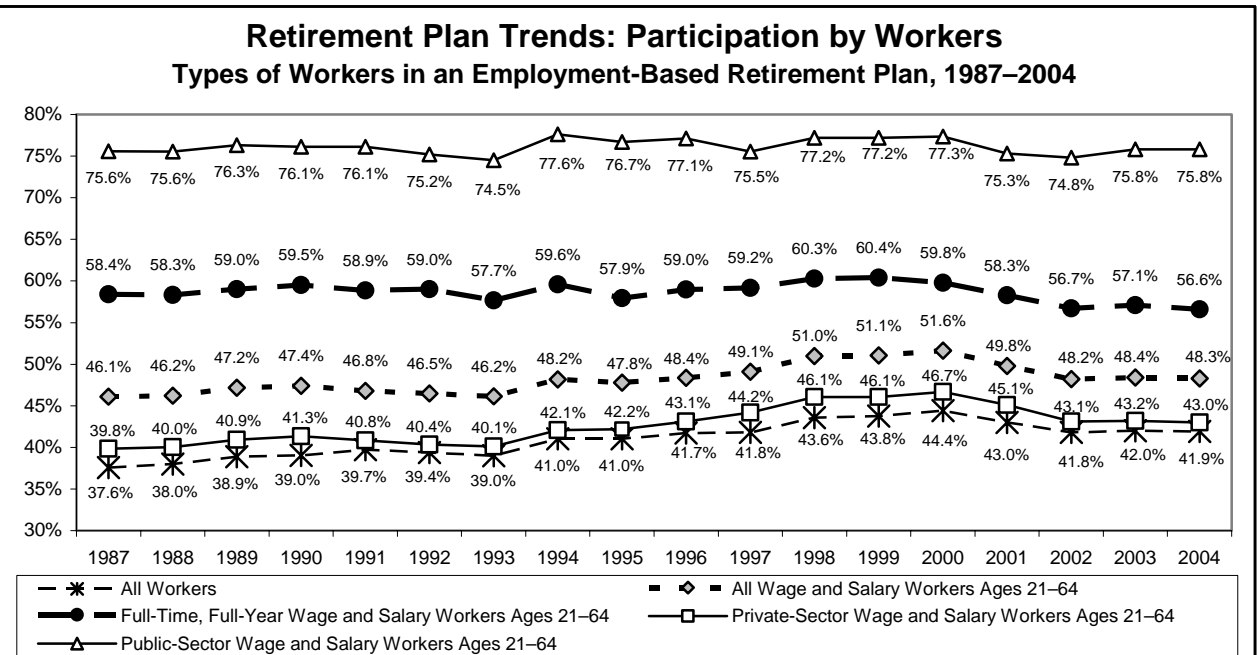


Source: U.S. Department of Labor, *Private Pension Plan Bulletin: Historical Tables*, Employee Benefits Security Administration, March 2007, Table E1, various years.

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.



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



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.