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## Workers' Primary Retirement Plan Type

WASHINGTON—What is the primary type of retirement plan among workers who participate in a such a plan?

The February 2009 *EBRI Notes* reports that, overall, 67.1 percent of workers who participated in an employment-based retirement plan considered a defined contribution (401(k)-type) plan as their **primary** plan in 2006. This is up from 2003, and more than double the level found in 1988.

Correspondingly, a smaller percentage of workers had a defined benefit (pension) plan as their primary plan: 30.9 percent in 2006, compared with 46.3 percent in 1998, and substantially lower than the 56.7 percent level found in 1988.

Other EBRI research has shown that 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 numbers above are for nonagricultural wage and salary workers age 16 and over and are based on the latest data from the U.S. Census Bureau's Survey of Income and Program Participation (SIPP). The chart below shows participation by plan type for these workers for selected years:

**Primary Retirement Plan by Plan Type for Selected Years, 1988–2006**

Year*	Defined Benefit	Defined Contribution
1988	56.7%	25.8
1993	38.2	49.8
1998	46.3	51.5
2003	40.5	57.7
2006	30.9	67.1

\* "Other" and "don't know" accounted for the balance in each year.

More information about employee retirement plan participation appears on pages 5 and 6 of the February 2009 *EBRI Notes*, available at [http://www.ebri.org/publications/notes/index.cfm?fa=notesDisp&content\\_id=4176](http://www.ebri.org/publications/notes/index.cfm?fa=notesDisp&content_id=4176)

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