

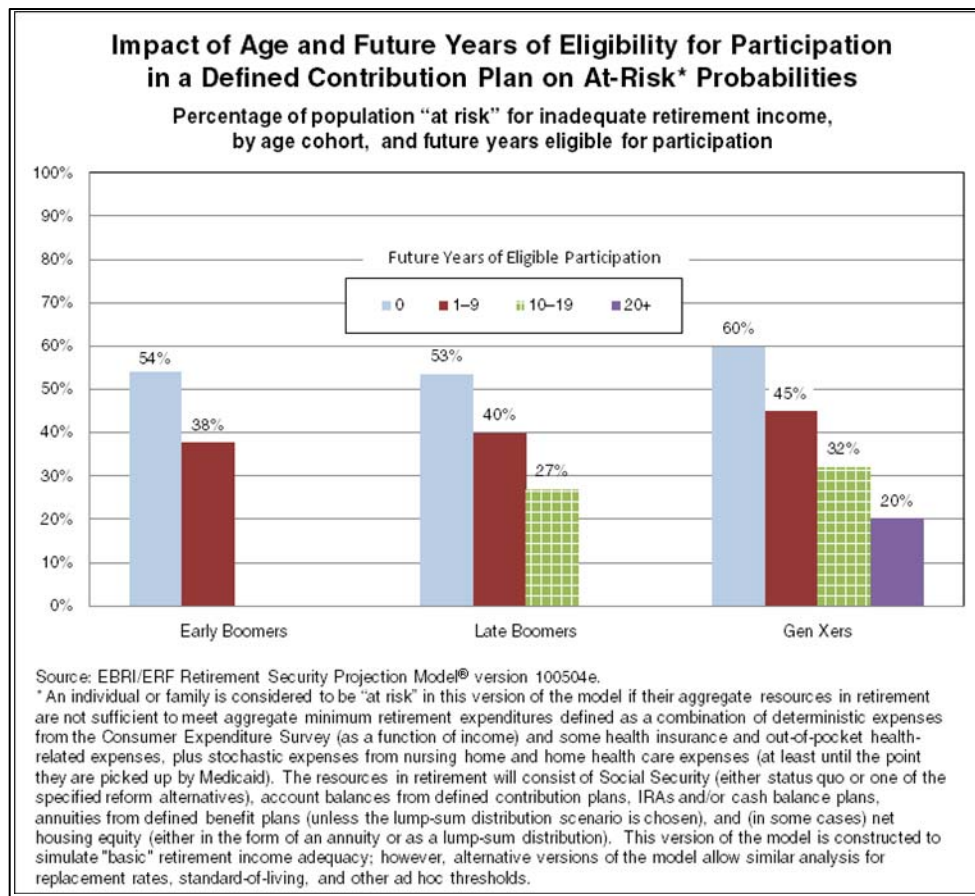
Contact: John MacDonald, EBRI, (202) 775-6349, macdonald@ebri.org

2010 EBRI Retirement Readiness Rating:TM

How Eligibility in a 401(k)-Type Plan Can Help Gen Xers Avoid Running Short of Money in Retirement

WASHINGTON—For Gen Xers (those currently ages 36–45), how long they are eligible to participate in a defined contribution (401(k)-type) retirement plan can make a big difference in whether they will have enough money to last through retirement.

The 2010 EBRI Retirement Readiness RatingTM shows a 40-percentage-point drop in being “at risk” or running short of money in retirement, based on whether a Gen Xer will never be eligible to participate in defined contribution plan, versus whether they have 20 or more years of eligibility.



Those with no future years of eligibility have an “at-risk” level of 60 percent, compared with only 20 percent for those with 20 or more years of eligibility in a defined contribution retirement plan. The full results of the EBRI Retirement Readiness Rating are published in the July 2010 *EBRI Issue Brief*, online at www.ebri.org

The EBRI analysis also looks at Early Baby Boomers (those currently ages 56–62) and Older Boomers (those currently ages 46–55). Future eligibility in a defined contribution plan still makes a large difference in “at risk” levels for these age groups; however, there are fewer years left for the Boomers to benefit from these plans prior to

retirement age. See figure (if the chart is not visible in this e-mail, it is available online at <http://bit.ly/ebriFF>)