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Media Advisory for Business/Personal Finance Reporters:

EBRI to Publish New Study of Retirement Income Adequacy

The nonpartisan Employee Benefit Research Institute (EBRI) will publish an analysis tomorrow (Tuesday, July 13) showing that dramatically high percentages of Americans—even in the upper-income categories—are likely to run out of money after 10 or 20 years of retirement.

Among other things, the analysis also contains projections for different cohorts of the Baby Boomer generation and members of Generation X of being “at risk” of running out of money to pay for basic retirement expenses, based on age, preretirement income levels, and eligibility for participation in defined contribution (401(k)) plans.

The analysis is based on EBRI’s Retirement Security Projection Model[®] (RSPM), which the institute has been developing since 2003 to evaluate national retirement income adequacy. The newest version of the model factors in many new retirement plan changes, such as auto-enrollment and auto-escalation of contributions in 401(k) plans, as well as updates for financial market performance and employee behavior.

“As the private-sector retirement plan system evolves from a largely paternalistic one to a system in which workers must make their own decisions, policymakers need to understand what percentage of the population is likely to fail to achieve retirement security under current conditions,” said Jack VanDerhei, EBRI research director and principal author of the analysis. “Even more important is to identify which of those households still have time to modify their behavior to achieve retirement security, and how they need to proceed. This analysis demonstrates that in ways we have not seen before.”

The analysis will appear in the July 2010 *EBRI Issue Brief* and will be available online at www.ebri.org by 10 a.m. EDT tomorrow (July 13). A press release will be distributed to the EBRI media distribution list.

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