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Notes

The Impact of Workers' Earnings Profiles on Individual Account Accumulation

by Craig Copeland, EBRI

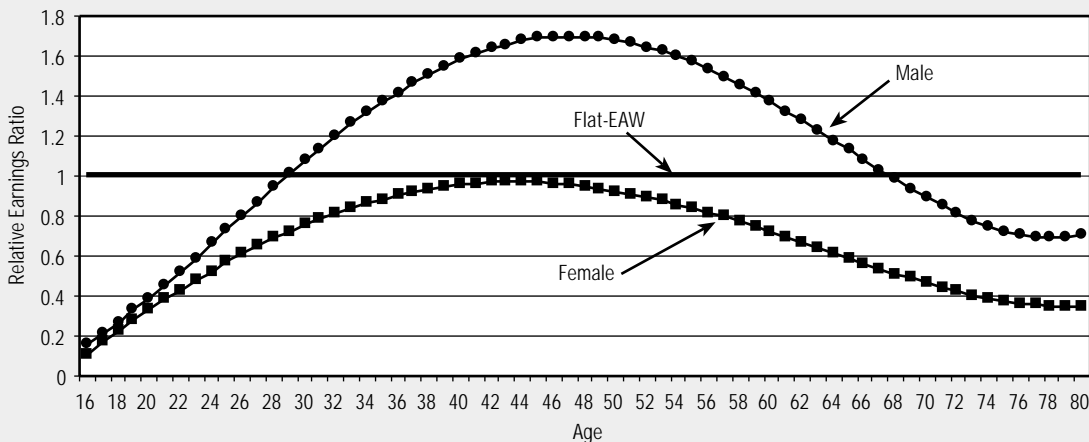
This year's presidential campaign has revived interest in reforming the Social Security program. Republican candidate Gov. George W. Bush has advocated establishing individual accounts within the Social Security program and diverting some portion of the current payroll tax to finance them (also known as a "carve-out" from the program). The Democratic candidate, Vice President Al Gore, opposes this reform concept. However, he has proposed creating individual accounts outside of the Social Security program, using general tax revenues to match savings by low- and middle-income Americans. Gore has also recommended that interest savings gained from paying down the federal debt be credited to the Old-Age, Survivors, and Disability Insurance (OASDI) Trust Funds and that retirement benefits be increased for women who take time out of the work force to raise children.

Even though Bush so far has not provided specifics of his individual account concept, the notion of individual accounts

raises many questions, an essential one being whether these accounts would produce a more financially sound program, with benefits that provide an adequate income level for retirees. To answer this question, close analysis of this type of proposal is needed. Previous Employee Benefit Research Institute (EBRI) publications compared a generic individual account proposal with three traditional types of reform proposals that would achieve 75-year actuarial balance,¹ and compared two specific congressional proposals with the traditional reform proposals.² However, these previous analyses assumed continuous work histories for both male and female workers and a specific earnings pattern for workers.³

This article focuses on the impact of realistic earnings patterns and work histories on individual account accumulation. It does not compare an individual account system with the present system; rather, it compares individual account balance accumulations of workers with different earnings histories. SSASIM is used to provide the estimates of account balances. This model allows for changing workers' earnings patterns as well as changing their work histories.⁴ Following a brief background discussion of earnings patterns and work histories, the results and implications of the simulations are discussed.

Chart 1
Male And Female Average Earnings Relative to the Economywide Average Wage (EAW) by Age



Source: Employee Benefit Research Institute estimates using SSASIM.

Background

In the OASDI trustees' report,⁵ the estimated benefits provided for workers assume that the workers earn the same percentage of the economywide average wage (EAW) throughout their entire working careers, without distinguishing between genders. Therefore, the workers' relative earnings, compared with the average wage, are constant under OASDI assumptions. However, research data, such as those in the Current Population Survey (CPS), indicate that workers' average earnings at different ages are not constant and that average earnings by gender are not equal.

In chart 1, the average earnings of both male and female workers, as calculated from the March 1995 CPS at each age from 16–80, are plotted relative to the EAW.⁶ The EAW is a flat or straight line across each age, since this wage is assumed for every age and both genders in the calculation of benefits from the OASDI Trustees Report. In contrast, the average earnings for both male and females (as measured by CPS) relative to the EAW increases from age 16 through the late 40s for males, and the early 40s for females, before declining. In addition,

female average earnings are always below both the EAW and the male average wage, while average earnings for males are above the EAW during the middle-age years and below it at the beginning and the end of their working careers. Therefore, the CPS chart presents a more realistic lifetime earnings pattern, in which workers generally earn less than the EAW when young, increase their earnings relative to the EAW during middle-age, and then begin to earn less relative to the EAW at the end of their careers. Also, some workers, particularly females, take time out of the work force at some point during their working years. Both the earnings patterns and workers' histories have important effects on the amount accumulated in an individual account.

Results

This report calculates the individual account accumulation at retirement using the SSASIM model. The intermediate assumptions from the 1999 OASDI trustees' report are used, and it is assumed that workers contribute 2 percent of covered earnings to the account starting in the year 2002 and continue to do so

during their remaining working lives. Two nominal equity return rates, 10.49 percent and 8.12 percent, are used, and administrative costs are assumed to be 50 basis points annually.⁷ The model is run stochastically, meaning that the economic and demographic variables will vary around the trustees' assumptions, and that equity return assumptions will vary as well, producing the specified assumptions on average over the entire simulation period of the 5,000 different plausible scenarios.

Table 1 presents individual account accumulations for two cohorts. The first is the 1962 birth cohort, who would turn 40 in the year 2002 and would have only a portion of their working lives covered by the individual accounts. A worker in this cohort who earns the EAW throughout his or her career would accumulate, on average⁸ over the 5,000 scenarios, \$41,073 in 1999 dollars at a retirement age of 67, assuming the historical rate of return on equities continues during the next 75 years.^{9, 10} However, when the more realistic earnings patterns for males and females are used, females would accumulate \$35,101 (14.5 percent less than the

Table 1
Real Individual Account Balances, by Different Earnings Patterns, No Absences from Work Force

Earnings	Wage Earnings Profile											
	Historical Equity Return						Constant P/E Return					
	EAW ^a		Male	Female	EAW ^a		Male	Female	EAW ^a		Male	Female
	(Mean)				(Median)				(Mean)		(Median)	
1962 Cohort—Partial Career Individual Account												
Low ^b	\$18,352	\$27,819	\$15,876	\$16,077	\$24,184	\$13,741	\$14,711	\$22,139	\$12,526	\$12,916	\$19,237	\$10,855
Average	41,073	62,192	35,101	35,588	54,001	30,504	32,771	49,375	27,819	28,581	42,871	24,184
High ^c	65,688	98,604	56,221	57,161	85,742	48,642	52,579	78,359	44,423	45,894	68,154	38,611
1982 Cohort—Full Career Individual Account												
Low ^b	63,129	73,423	47,027	52,658	61,974	39,594	42,809	51,810	32,571	36,034	44,010	27,524
Average	140,557	163,533	104,825	117,258	137,863	88,370	95,485	115,134	72,413	79,964	97,624	61,212
High ^c	224,982	260,470	167,477	189,196	219,778	141,306	153,019	183,305	115,891	129,063	155,826	98,341

Source: Employee Benefit Research Institute estimates using SSASIM.

Note: In 1999 dollars.

^aEconomywide average wage.

^bLow earners earn 45 percent of the respective average wage at each age.

^cHigh earners earn 160 percent of the respective average wage at each age.

worker with the EAW) and males would accumulate \$62,192 (51.4 percent more).¹¹

For the 1982 birth cohort (individuals who would have a full career under the individual accounts), the EAW earner would accumulate an account balance of \$140,557 at retirement, assuming the historical rate of return on equities is earned. In contrast, assuming the more realistic earnings patterns, the account balance for females would be \$104,825 (25.4 percent less than the EAW wage earner), while males would accumulate \$163,533 (16 percent more).¹²

Another factor in individual account accumulation is the workers' histories. This is particularly relevant to females, because many take time out of the work force to raise children. In the results presented in table 1, the earners were assumed to work every year starting at age 22, continuing through age 66. Table 2 compares the account balances of females who are out of the work force at different ages, and also compares the EAW

Table 2
Real Individual Account Balances by Different Work Histories, Females

Earnings	Wage Earnings Profile							
	Historical Equity Return				Constant P/E Return			
	EAW ^a		Female	EAW ^a	Female	EAW ^a		Female
	(mean)			(median)		(mean)		(median)
1982 Cohort—Full Career Individual Account								
No Absences from Work Force								
Low ^b	\$ 63,129	\$ 47,027	\$ 52,658	\$ 39,594	\$ 42,809	\$ 32,571	\$ 36,034	\$ 27,524
Average	140,557	104,825	117,258	88,370	95,485	72,413	79,964	61,212
High ^c	224,982	167,477	189,196	141,306	153,019	115,891	129,063	98,341
Out of Work Force								
Ages 26–30								
Low ^b	50,959	38,835	43,163	32,852	35,674	27,571	30,435	23,510
Average	113,023	86,014	95,677	72,733	79,090	61,203	67,331	51,894
High ^c	180,716	137,592	152,796	116,488	126,605	97,864	107,815	83,145
Out of Work Force								
Ages 26–35								
Low ^b	41,072	30,795	34,674	26,109	29,450	22,572	24,980	19,066
Average	91,119	68,113	77,117	57,957	65,124	49,841	55,559	42,576
High ^c	145,729	109,073	123,157	92,530	104,138	79,685	88,578	67,950
Out of Work Force								
Ages 30–34								
Low ^b	53,089	38,835	44,458	32,852	36,585	27,420	30,866	23,223
Average	118,195	86,469	99,418	73,164	81,519	60,900	69,054	51,607
High ^c	189,387	138,654	159,702	116,918	130,704	97,712	110,112	82,858
Out of Work Force								
Ages 35–39								
Low ^b	55,523	39,897	46,472	33,426	37,799	27,723	31,727	23,653
Average	123,063	88,441	103,303	74,742	83,796	61,506	70,776	52,181
High ^c	196,536	141,081	164,737	119,070	133,740	98,015	112,840	83,289

Source: Employee Benefit Research Institute estimates using SSASIM.

Note: In 1999 dollars.

^aEconomywide average wage.

^bLow earners earn 45 percent of the respective average wage at each age.

^cHigh earners earn 160 percent of the respective average wage at each age.

earner's pattern relative to the more realistic female lifetime earnings patterns. When an average-earning female worker is out the work force for five years (between ages 26–30, 30–34, or 35–39), she will accumulate approximately \$16,000 to \$18,000 (15.6 percent to 17.9 percent) less, on average, based on historical equity returns, than if she had not take any time out the work force.¹³ The younger the worker with similar earnings patterns is when she is out of the work force, the smaller the account balance will be at retirement. For example, the worker who is out of the work force for five years from ages 26–30 will accumulate almost \$2,500 (3 percent) less than the worker who is out of the work force for five years from ages 35–39.¹⁴

The lost accumulation in the individual account is even more significant if the worker takes 10 years out of the work force at ages 26–35. The average-earning female would have approximately \$36,700 (or 35 percent) less than she would have had if she had not taken any time out the work force.¹⁵ Of course, the worker would not be making contributions during this period, but she also would miss out on the compounding of the account, which is a significant portion of the final account balance.

Conclusion

The earnings patterns and work histories used to estimate individual account balances have a large impact on the size of account balance at

retirement.¹⁶ For those workers with a full career under an individual account system, moving from flat career earnings at the EAW to more realistic wage patterns would reduce the account balances of average-earning females by almost 25 percent, and increase the account balances of average-earning males by approximately 15 percent. In addition, female workers who take five years off from work would accumulate approximately 15.6 percent to 17.9 percent less than if they had not taken this time off. Those who are out of the work force at a younger age would accumulate less than those who are out at an older age.

This analysis in no way compares how individuals would do under the present Social Security system relative to a system with individual accounts, a comparison that was done in the previously cited EBRI publications. However, if an individual account system is going to be pursued or implemented, accounting for the impact of different earnings patterns and work histories on the resulting individual account balances will be an important factor in determining whether the new system will provide for adequate retirement income.

Endnotes

¹ See Kelly A. Olsen, Jack VanDerhei, Dallas L. Salisbury, and Martin R. Holmer, "How Do Individual Social Security Accounts Stack Up? An Evaluation Using the EBRI-SSASIM2 Policy Simulation Model," EBRI Issue Brief no. 195 (Employee Benefit Research Institute, March 1998).

² See Craig Copeland, Jack VanDerhei, and Dallas L. Salisbury, "Social Security Reform:

Evaluating Current Proposals," EBRI Issue Brief no. 210 (Employee Benefit Research Institute, June 1999).

³ Other reports have looked at different work histories and earnings patterns as well as attempts to better model earnings patterns on total Social Security benefits during retirement, the solvency of the Social Security program, and total retirement income. See John Mueller, "Winners and Losers from 'Privatizing' Social Security" (Washington, DC: National Committee to Preserve Social Security and Medicare, March 1999); Barry Bosworth, Gary Burtless, and Claudia Sahm, "Distributional Impact of Social Security Reforms" (Washington, DC: Social Security Retirement Research Consortium, May, 2000); Urban Institute, "Final Report: Modeling Income in the Near-Term Projection of Retirement Income Through 2020 for the 1931–1960 Cohorts" (Washington, DC: Urban Institute, May 2000), available at www.ssa.gov/policy/policyareas/evaluation/MINT/UI/index.html

⁴ For further information about this model, see the above cited publications and Martin R. Holmer, Introductory Guide to SSASIM (Washington, DC: Policy Simulation Group, June 2000), available at www.radix.net/~holmer/guide.pdf

⁵ The Board of Trustees, Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, The 1999 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds (Washington, DC: March 30, 1999).

⁶ These average earnings for both males and females include only the individuals who worked in 1994 for each age and gender. The March 1995 CPS was chosen, since it was the most recent year that coincided with the development of the model. However, other earnings patterns can be used in the model from either the CPS or other data sets.

⁷ The 10.49 percent rate coincidences with the historical rate of return from 1900–1995, while the 8.12 percent rate maintains a constant price-to-earnings (p/e) ratio within the stock market at its 1992 level, the beginning year for this simulation. For a further discussion on the equity rate of return, see Craig Copeland, "Evaluating the

Archer-Shaw Social Security Proposal," EBRI Notes, no. 6 (Employee Benefit Research Institute, June 2000): 1–5. The 50 basis points (or 0.5 percent) for administrative costs is approximately the mid-range value for administering a centrally administered plan with fairly restrictive investment options. For further information about administering individual accounts within the Social Security program, see Kelly Olsen and Dallas L. Salisbury, "Individual Accounts: Issues in Assessing Administrative Feasibility and Costs," EBRI Issue Brief no. 203 (Employee Benefit Research Institute, November 1998).

⁸ The median values of the 5,000 scenarios are also presented in table 1. The median values are always lower due to outliers. The median values are very close to the values from the deterministic runs of the model, which are not presented in this report. [This report focuses on the average (mean) historical rate of return.]

⁹ These accounts are invested 60 percent in equities and 40 percent in corporate bonds. This is an average lifetime asset allocation and has been proposed in some reform policies (i.e., the Archer-Shaw proposal) as the required asset allocation. In the case where workers are allowed freedom in their allocation, workers would have different equity allocations over their working lives, as they do in 401(k) plans. See Jack VanDerhei, Sara Holden, and Carol Quick, "401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 1998," EBRI Issue Brief no. 218 (Employee Benefit Research Institute, February 2000) for asset allocations at different ages for 401(k) plans.

¹⁰ In this report, workers are assumed to work every year from age 22 through age 66, retiring at 67, except where noted. When using the flat relative earnings, the worker earns the EAW at every age during his or her working career. However, under the more realistic earnings patterns, the average earner makes the average wage at each age corresponding to the age and gender of the worker. The low earner makes 45 percent of the average wage at each age, while the high earner makes 160 percent of the average wage at each age.

¹¹ Account balances using the constant p/e equity return are also presented in table 1. The balances are all lower, as expected, but the relative differences between the flat earnings and the male and female earnings are similar to the historical rate of return. These balances are displayed to show the range in the results due to the different equity returns, because a controversy exists with regard to what the future equity return is likely to be.

¹² The reason why the percentage above the flat earnings for the full-career individual account worker was significantly lower than the partial-career individual account worker is that the partial-career worker included only the years above the EAW, while the full-career worker included both the years above and below the EAW.

¹³ These balances are based on the historical equity rate of return. The differences are much smaller when the constant p/e is assumed for the equity return, because the worker is foregoing smaller returns on his or her individual account balance under the lower equity return by not working in those early years. In addition, the more realistic earnings patterns are used for these numbers. Under the EAW, the differences between the younger and older workers who are out of the work force are even greater. Lastly, for high or low earners, the differences are larger or smaller in dollar terms, as expected, but the percentage differences are the same.

¹⁴ Under the current Social Security system, the timing of a short-term work force disruption does not necessarily lower one's benefits. As long as a worker's earnings relative to the EAW are equal during the period when he or she is working, the impact on benefits is the same regardless of when the wages are earned during a worker's working life.

¹⁵ Again, these numbers are derived from assuming the historical equity rate of return and the more realistic earnings patterns for female workers.

¹⁶ The assumed equity rate of return will also have a large impact on the accumulation in an individual account, but the rate of return is not the focus of this article.

Asset Allocation: IRAs and 401(k)-Type Plans

by Craig Copeland, EBRI

As individuals accumulate assets for their retirement, one of the most important decisions—after the first necessity of saving money—is how the assets are invested. The distribution of the savings across stocks, bonds, money market accounts, savings accounts, and other investments is referred to as asset allocation; once money is saved, its allocation (how it is invested) determines how fast it will grow. Equities (stocks) have historically had higher rates of return, over time, than interest-earning investments such as bonds and money market accounts, leading to faster capital accumulation.

Because of the critical importance of how retirement savings are invested, the Employee Benefit Research Institute (EBRI) has examined the asset allocation of 401(k) retirement savings plan participants in the past, most recently by using the EBRI/ICI 401(k) participant database.¹ This article supplements that research with data from the Survey of Consumer Finances (SCF), conducted by the Federal Reserve, to study the asset allocation of family heads in both individual retirement accounts (IRAs) and 401(k)-type plans.^{2,3} (The Fed's SCF measures wealth at the family level, so its findings are presented as percent-

Table 3
**Percentage of Individual Retirement Account and 401(k) - Type Plan^a Family Head Participants
in Various Asset Allocation Categories, by Family Head Characteristics, 1992 and 1998**

	1998																
	1992				401(k)-type plans ^a				IRAs								
	IRAs	401(k)-type plans ^a			401(k)-type plans ^a			IRAs			401(k)-type plans ^a						
	mostly stock	interest-earning	split	other	mostly stock	interest-earning	split	other	mostly stock	interest-earning	split	other	mostly stock	interest-earning	split	other	
Total	31.9%	42.5%	24.4%	1.2%	21.1%	18%	41.5%	19.4%	52.1%	27.3%	15.5%	5.0%	44.9%	16.2%	38.3%	0.6%	
Family Income																	
<\$10,000	4.9	49.9	45.2	0.1	b	b	b	b	35.8	38.2	13.1	12.9	b	b	b	b	
\$10,000-\$25,000	15.8	47.4	36.5	0.3	2.3	12.7	21.5	63.5	30.5	49.2	17.1	3.3	21.2	21.2	57.5	0.0	
\$25,000-\$50,000	31.9	37.7	29.3	1.1	20.9	12.9	41.5	24.6	45.5	28.8	20.5	5.3	38.5	20.8	40.4	0.4	
\$50,000-\$100,000	33.3	43.3	21.9	1.6	22.6	21.6	41.5	14.2	57.8	24.2	13.5	4.5	50.7	13.9	34.5	0.8	
\$100,000 +	42.7	43.3	12.8	1.2	25.1	21.7	48.7	4.5	65.9	16.0	11.8	6.3	59.8	9.2	29.9	1.2	
Age of Head																	
<35	39.8	31.1	29.1	0	19.5	17.2	39.7	23.5	69.5	19.5	8.9	2.1	46.0	17.2	36.4	0.4	
35-44	37.5	42.3	19.4	0.8	21.1	16.6	43.2	19.1	57.0	22.5	17.9	2.6	44.2	18.3	36.6	0.9	
45-54	29.5	41.1	27.3	2.0	18.9	21.2	40.9	19.0	60.4	21.6	13.4	4.6	48.0	13.6	38.3	0.1	
55-64	33.5	43.4	21.9	1.2	27.6	15.2	44.1	13.1	48.9	27.5	16.9	6.7	39.1	12.6	46.9	1.3	
65-74	18.9	52.4	27.3	1.3	30.4	44.4	23.8	1.4	33.8	44.3	15.4	6.4	46.5	12.3	41.2	0.0	
75 +	30.0	41.4	28.5	0	b	b	b	b	26.5	35.8	24.6	13.1	13.1	86.7	0.2	0.0	
Education of Head																	
Below high school	12.1	47.6	37.4	2.8	14.7	32.2	28.1	25.0	35.7	48.7	13.0	2.6	24.1	29.2	46.7	0.0	
High school diploma	19.8	47.2	32.4	0.6	16.8	12.6	33.4	37.2	43.2	33.3	17.0	6.4	40.6	17.7	41.3	0.4	
Some college	34.5	42.6	21.3	1.6	20.1	21.5	44.4	14.0	54.1	27.3	15.9	2.7	46.0	15.4	37.3	1.4	
College degree	38.5	39.9	20.6	1.1	23.3	18.5	44.3	13.9	57.4	22.0	15.0	5.6	49.7	13.9	35.9	0.5	
Race																	
White non Hispanic	32.1	42.8	24.0	1.1	20.8	19.0	41.7	18.5	52.4	27.0	15.3	5.3	45.8	14.9	38.9	0.4	
Nonwhite	30.6	40.2	27.4	1.7	23.9	10.0	39.6	26.5	49.5	30.2	17.0	3.2	39.9	23.0	35.0	2.1	
Net Worth Percentile																	
Bottom 25%	32.1	27.7	40.2	0	8.7	13.3	28.9	49.1	48.7	38.6	11.4	1.2	37.4	23.5	39.2	0.0	
25%-49.9%	30.7	37.5	31.6	0.2	22.9	11.2	39.6	26.2	50.9	26.9	19.5	2.8	42.1	16.2	40.8	0.8	
50%-74.9%	30.7	36.2	31.8	1.4	25.3	19.9	35.2	19.6	52.2	31.3	14.5	1.9	43.0	17.7	38.9	0.4	
75%-89.9%	29.5	47.1	21.8	1.5	14.5	21.1	53.4	11.0	47.8	28.9	14.2	9.1	52.9	12.0	34.0	1.2	
Top 10%	36.6	47.6	14.9	1.0	27.3	21.7	46.9	4.2	57.9	19.4	16.7	5.9	52.4	10.9	36.1	0.6	

Source: Employee Benefit Research Institute estimates from the 1992 and 1998 Survey of Consumer Finances.
^aSCF combines Sec. 401(k) plans with Sec. 403(b) and Supplemental Retirement Annuities into one category.
^bfewer than 10 observations.

ages of American families and/or family heads, rather than all individuals.)

Results from SCF data are presented for 1992 and 1998 for the family heads with an IRA, a 401(k)-type plan, or both. Asset allocation is examined across demographic and economic characteristics of the family head participants. The family head's asset allocation in 401(k)-type plans is included for those with and without a defined benefit plan, and by the account balance of the 401(k)-type plan.

While the SCF provides data on asset allocation for all retirement saving vehicles, the allocation is placed only in general categories.⁴ In addition, the category choices are somewhat different for IRAs and 401(k)-type plans.⁵ Thus, the results provide insight into how individuals allocated their retirement savings dollars in general, but do not give exact percentages of investments or make exact comparisons.

Demographic and Economic Characteristics

In 1998, 44.9 percent of participants in 401(k)-type plans were mostly invested in stocks (up from 21.1 percent in 1992), while 16.2 percent were mostly in interest-earning investments. The remaining participants include the 38.3 percent who were split between stocks and interest-earning investments and the 0.6 percent who were in the "other" category (table 3). Among

IRA participants in 1998, 52.1 percent were mostly in stocks (up from 31.9 percent in 1992), 27.3 were mostly in interest-earning assets, 15.5 percent were split between stocks and interest-earning assets, and 5 percent were in other assets. Consequently, the percentage of 401(k)-type plan participants mostly in stocks increased 113 percent from 1992 to 1998, while the percentage of IRA participants mostly in stocks rose 63 percent during this period (table 3).

The higher the family income, the educational level, and the net worth of the participant (except for a decline at the 75th to 90th net worth percentile for IRA participants), the higher the probability that the participant was mostly invested in stocks for both IRAs and 401(k)-type plans (table 3). For IRA participants, the likelihood of being mostly in stocks increased with age, while for 401(k)-type plan participants the likelihood was relatively constant across all the age categories (except for the oldest age category, where the likelihood of being mostly in stocks dropped significantly).⁶

IRAs and 401(k)-Type Plans: Asset Allocation Comparison

In 1998, 60.8 percent of IRA participants with a 401(k)-type plan were mostly in stocks, compared with 49.1 percent of IRA participants without a 401(k)-type plan (table 4).⁷ For 401(k)-type plan participants, 56.1 percent

with an IRA were mostly in stocks, compared with 39.1 percent for those without IRA.⁸

Asset Allocation in 401(k)-Type Plans by Defined Benefit Plan Status and Account Balance

The probability of the 401(k)-type plan participant who *also* participated in a defined benefit plan being invested mostly in stocks was greater than for a participant *without* a defined benefit plan (table 5).⁹ However, among the spouses of family heads who are 401(k)-type plan participants, the probability of being invested mostly in stocks was virtually identical for those with and without a defined benefit plan. Those 401(k)-type plan participants who perceived the value of their defined benefit plan as either a very small amount (less than \$5,000 annually) or a relatively large amount (\$15,000 or more) were more likely to have invested mostly in stocks, compared with those who anticipated a defined benefit amount in the middle (table 5). The account balance in the 401(k)-type plan had a similar impact on the probability of participants being invested mostly in stocks: Those with an account balance of \$50,000 or more were more likely to be invested mostly in stocks than those with a balance below \$50,000. However, the probability of being invested mostly in stocks declined for those with an account balance of \$100,000 or more relative to those in the

Table 4
Percentage of Individual Retirement Account (IRA) and 401(k) -Type Plan^a Family Head Participants in Various Asset Allocation Categories, by Plan Types, 1998

Asset Class	Retirement Plan Type and Other Factor							
	IRAs	IRAs with 401(k)-type plan ^a	IRAs without 401(k)-type plan ^a	IRAs with rollover	IRAs without rollover	401(k)-type plan ^a	401(k)-type plan ^a with IRA	401(k)-type plan ^a without IRA
	(percentage)							
Mostly Stock	52.1%	60.8%	49.1%	51.1%	52.3%	44.9%	56.1%	39.1%
Mostly Interest-Earning	27.3	21.9	29.1	26.7	27.4	16.2	12.1	18.3
Mixed	15.6	12.9	16.4	18.4	15.1	38.3	30.9	42.2
Other	5.1	4.5	5.3	3.8	5.2	0.6	0.9	0.5
Mostly Stock or Mixed	67.7	73.7	65.5	69.5	67.4	83.2	87	81.3

Source: Employee Benefit Research Institute estimates from the 1998 Survey of Consumer Finances.

^aSCF combines Sec. 401(k) plans with Sec. 403(b) and Supplemental Retirement Annuities into one category.

\$50,000 to \$100,000 category, but this probability was still larger than the under-\$50,000 categories.

Conclusion

In order to supplement EBRI/ICI database research, SCF was used in this article to examine asset allocation in IRAs and 401(k)-type plans. A principal finding was the tremendous increase from 1992 to 1998 in the percentage of both IRA and 401(k)-type plan participants who were invested mostly in stocks.

Participants in IRAs and 401(k)-type plans with different characteristics were found to have different probabilities of investing mostly in stocks. Those who were younger, had higher family income, had obtained a higher educational level, and were white were more likely to have invested mostly in stocks.

A family head 401(k)-type plan participant with a defined benefit plan was more likely to be invested mostly in stocks than one without a defined benefit plan. The perceived value of the defined benefit plan appeared to have an impact on the probability of the 401(k)-type plan participant investing mostly in stocks. A similar

finding was detected with regard to account balance, as those with higher account balances in their 401(k)-type plan were more likely to be invested mostly in stocks.

Because of the absence of data, analysis has often focused on average asset allocation of all participants, rather than differences by individual. These SCF data

Table 5
Percentage of 401(k) -Type Plan^a Participants in Various Asset Allocation Categories, by Defined Benefit Plan Status and Account Balance, 1998

Category	Mostly Stock	Mostly Interesting Bearing	Split Between Stock and Interest Bearing	Real Estate
Head	45.1	16.7	36.2	2.0
With defined benefit	50.0	16.4	32.6	1.0
Without define benefit	43.7	16.8	37.2	2.2
without defined benefit plan but spouse with one	50.3	10.8	38.9	0.0
Spouse	46.9	20.4	32.7	0.0
With defined benefit	48.6	19.8	31.5	0.0
Without define benefit	46.5	20.5	32.9	0.0
without defined benefit plan but spouse with one	47.8	16.9	35.3	0.0
Head/Perceived Value of Defined Benefit				
Less than \$5,000 annually	54.8	17.4	27.2	0.6
\$5,000-\$15,000 annually	38.4	18.8	42.0	0.7
\$15,000-\$40,000 annually	52.8	12.5	33.1	1.6
\$40,000 or more annually	54.7	19.4	24.8	1.1
Head/Account Balance				
Less then \$5,000	42.2	18.5	37.8	1.5
\$5,000-\$20,000	42.8	20.1	33.8	3.3
\$20,000-\$50,000	44.6	17.1	37.2	1.1
\$50,000-\$100,000	54.3	9.7	33.9	2.1
\$100,000 or more	49.5	10.6	38.2	1.7

Source: Employee Benefit Research Institute estimates from the 1998 Survey of Consumer Finances.

^aSCF combines Sec. 401(k) plans with Sec. 403(b) and Supplemental Retirement Annuities into one category.

results, combined with the EBRI/ICI 401(k) data, will allow this kind of analysis to move beyond aggregates. Future EBRI research will conduct analysis of likely retirement resources based upon individuals' account balances and asset allocation.

Endnotes

¹ See Jack VanDerhei, Sara Holden, and Carol Quick, "401 (k) Plan Asset Allocation, Account Balances, and Loan Activity in 1998," EBRI Issue Brief no. 218 (Employee Benefit Research Institute, February 2000) for an explanation of the database as well as the findings from the database.

² The Survey of Consumer Finances combines Sec. 401(k) plans with Sec. 403(b) and Supplemental Retirement Annuities into one category. Thus, the term "401(k)-type" plans is used in this report.

³ See Craig Copeland and Jack VanDerhei, "Personal Account Retirement Plans: An Analysis of the Survey of Consumer Finances," EBRI Issue Brief no. 223 (Employee Benefit Research Institute, July 2000) for further information on SCF as well as account balances and families' participation in these types of plans. Also see Craig Copeland and Jack VanDerhei, "Recent Evidence on Pension Coverage and Sponsorship, by Employer Size and Industry," EBRI Notes no. 8 (Employee Benefit Research Institute, August 2000): 5-9, where SCF is used to examine family head coverage in pension plans by employer size and industry.

⁴ In contrast, the EBRI/ICI database contains the percentages of allocations for each type of asset class as well as the actual funds for 401(k) participants.

⁵ The choices of asset allocation for 401(k)-type plan participants were 1) mostly or all stock, stock in company; 2) mostly or all interest-earning,

guaranteed, cash, bank account; 3) split between stock and interest-earning assets; and 4) other. The choices for IRA participants were slightly different: mostly in 1) CDs/bank accounts, money market; 2) stocks, mutual funds; 3) bonds/similar assets, Treasury bills, Treasury notes; and 4) other. However, respondents were allowed to respond with different answers, which allowed for some specifics in the "other" categories for 401(k)-type plan and IRA participants. In addition, IRA respondents were offered various combinations of choices between 1) to 3), which allowed a split a category to be created. The way the choices for IRAs were structured seems to bias the responses toward a choice of one of the particular assets instead of a split between the assets. Thus, IRA and 401(k)-type plan asset allocations are not directly comparable from this data set.

⁶ The EBRI/ICI 401(k) participant database revealed a similar finding with regard to the IRA participants and age, as the average percentage allocated to equities declined as age increased. See VanDerhei, Holden, and Quick, *op. cit.*

⁷ In numbers not shown in the table, the IRA participants with a 401(k)-type plan are significantly younger than those without a 401(k)-type plan. As shown in table 3, younger IRA participants are more likely to invest mostly in stocks.

⁸ Again in numbers not shown in the table, 401(k)-type plan participants with an IRA are significantly more likely to have a higher family income than those without an IRA. As shown in table 3, 401(k)-type plan participants with higher family income are more likely to invest mostly in stocks.

⁹ Cori Uccello, "401(k) Investment Decisions and Social Security Reform," *Retirement 2000: A Multi-Disciplinary Symposium* found a similar result using the 1995 SCF. (Society of Actuaries, Washington, DC, Feb. 23-24, 2000).

Washington Update: Comparison of Bush and Gore Positions on Social Security/ Medicare/Retirement/ Health Issues

by Teresa Turyn, EBRI

The two major-party presidential candidates, Republican George W. Bush and Democrat Al Gore, share some similar approaches but also have sharp differences on economic security issues. For instance, on health care, both would expand the use of tax credits as a way to address the problem of the uninsured. But on Social Security reform, Bush would move to partial privatization while Gore would preserve the program's existing structure essentially unchanged.

While neither candidate has provided full details of his plans, enough is known about the basic proposals to contrast their approaches. Below is a side-by-side comparison of the key differences between the candidates' positions on key benefits-related issues. On at least some issues, potentially major health and retirement policy changes appear likely to emerge from next month's presidential election.

Issue	Bush	Gore
Social Security	<ul style="list-style-type: none"> • Supports partial privatization of Social Security by allowing participants to invest a portion (2 percent) of their current payroll taxes in the stock market. • Would allow workers to remain in the current system or opt for investment accounts. • Does not rule out the possibility of raising the eligibility age for baby boom-era recipients as part of a trade-off for private investment accounts. • Would offer individuals a variety of investment alternatives (i.e., equity and bond markets), with detailed information on the alternatives provided to each participant. • Supports the elimination of the Social Security earnings limit. • Opposes an increase in the current 12.4 percent payroll tax. • Supports placing a “lock box” on payroll taxes to prohibit borrowing against the Social Security trust fund. 	<ul style="list-style-type: none"> • Supports using \$2.2 trillion of the Social Security surplus to shore up the program and pay down the federal debt, in order to ensure the solvency of the Social Security trust fund until at least 2050. • Proposes the creation of “Retirement Savings Plus”: voluntary, tax-free, personally controlled, privately managed savings accounts matched with government tax credits on a sliding scale. Workers could deposit as much as \$1,500 a year in accounts managed by private financial institutions and invest in broad-based equities, bonds, and government securities; program to be separate from Social Security. • Supports the elimination of the “motherhood penalty” by giving parents credit toward Social Security for up to five years for time spent out of the work force raising children. • Supports the elimination of the Social Security earnings limit.
Pensions	<ul style="list-style-type: none"> • No specific policy proposal on cash balance conversions. 	<ul style="list-style-type: none"> • Advocates greater disclosure requirements in the conversion of traditional defined benefit plans to cash balance plans. Would eliminate “wear-away” by requiring the opening balance of the new plan to equal the present value of the accrued benefit under the old plan. Would require employers to offer long-term employees the option of remaining with the old plan. Would “aggressively” investigate whether cash balance conversions constitute age discrimination against older workers, and prosecute actuaries and pension consultants who offer “fraudulent or misleading” advice about pension plans. • Advocates new tax credits to encourage small employers to establish plans and several other small-scale changes in current pension law.
Security of Older Americans	<ul style="list-style-type: none"> • Would encourage aging Americans to buy long-term care insurance (LTC) coverage by allowing a 100 percent above-the-line tax deduction for individually purchased LTC policies. • Would repeal the federal inheritance tax. 	<ul style="list-style-type: none"> • Would allow a \$1,000 annual tax credit for individuals to purchase LTC policies or to care for ailing family members for whom they provide home health care.
Medicare	<ul style="list-style-type: none"> • Advocates additional private-sector health plan choices for Medicare beneficiaries through a state-based approach, including options for prescription drug coverage, with an out-of-pocket annual cap of \$6,000. • Supports offering prescription drug coverage to Medicare recipients through greater choice of private health plans. 	<ul style="list-style-type: none"> • Advocates using \$75 billion of the federal budget surplus over 10 years to extend the life of Medicare’s hospital insurance trust fund to at least 2030. • Would create a prescription drug benefit covering half the cost of medicines up to \$5,000 annually with no deductibles, and catastrophic protections after \$4,000 in out-of-pocket payments.

Issue	Bush	Gore
Medicare (continued)	<ul style="list-style-type: none"> Proposes a unified trust fund for Medicare Part A, which covers hospitalization, and Medicare Part B, which covers doctors visits. Would ensure adequate private-sector incentives for the development of new and inexpensive drugs. Would reduce the program's administrative complexity. Supports reimbursement at levels that would permit health care providers to continue to care for rural and underserved populations. 	<ul style="list-style-type: none"> Defends the right of the elderly to remain in traditional fee-for-service health insurance plans if they so desire, and advocates a prescription drug benefit that applies to all Medicare beneficiaries. Calls for a Medicare budgetary "lock box" that would dedicate Medicare budget surpluses exclusively for Medicare expenses. Calls for a crack-down on Medicare fraud.
Health Care	<ul style="list-style-type: none"> Proposes a refundable annual tax credit of up to \$1,000 per individual (and \$2,000 per family) for the purchase of health insurance. The credit would cover up to 90 percent of the cost of insurance, and would phase down after \$15,000 and out after \$45,000 in annual income for an individual (\$30,000 and \$60,000, respectively, for a family). Would support the private-sector health care system, promote personal responsibility in health care decision-making, and ensure minimally intrusive role for the federal government. Would give small employers new powers to band together to purchase group health insurance at reduced rates. Would make existing medical savings account (MSA) pilot programs permanent and lift the current federal cap of 750,000 total MSA accounts. Would allow employers to offer MSAs and would let both employers and employees contribute to them. Wants to give states more flexibility in administering the State Children's Health Insurance Program (S-CHIP program) and allow them to expand the S-CHIP to other eligible people, including some parents. Would preserve the traditional patient-doctor relationship by encouraging a quick and fair resolution to treatment disputes, with legal action only as a last resort. Would respect states' traditional authority to regulate health insurance, health care professionals, and health practice guidelines through their medical boards. Would provide public and health care providers with information on medical errors. Would reform malpractice tort law and establish new rules for dealing with medical privacy. Would make the costs of long-term care insurance fully deductible, and establish a personal tax deduction for home caregivers. 	<ul style="list-style-type: none"> Advocates the use of tax credits as a way to make insurance more affordable for the uninsured. The tax credit would be the equivalent of 25 percent of a person's health insurance costs. Also proposes a \$3,000 tax credit for home caregivers. Supports incremental movement toward reducing the number of uninsured citizens, first by expanding coverage through existing government programs. Would give tax credits to small-business employees who join health-care cooperatives. Opposes association health plans. Opposes the widespread use of medical savings accounts (MSAs). Supports enrolling more children, and some parents, in the State Children's Health Insurance Program (S-CHIP) and in Medicaid. Would expand eligibility to include children living in families with incomes up to 250 percent of the federal poverty level, and make states responsible for enrolling eligible children. Supports a strong, enforceable patients' bill of rights that guarantees managed care enrollees access to specialists, access to emergency room services, and access to state courts to make health plans accountable. Would modernize health care by focusing on prevention, individual responsibility, and new technologies to improve and measure health care quality. Supports enacting legislation to keep medical records private. Proposes to provide affordable health care options for "near-elderly" Americans ages 55 to 65. Would improve mental health services for Americans eligible for Medicaid.

EBRI in Focus

Small Employer Health Benefits Survey Released

The first Small Employer Health Benefits Survey (SEHBS) was released at a news conference Sept. 5 at the National Press Club in Washington, DC, followed by a special presentation to congressional staff on Capitol Hill.

SEHBS, jointly sponsored by EBRI, the Consumer Health Education Council (CHEC), and the BlueCross BlueShield Association, confirmed that affordability—for both small employers and their workers—is a key barrier to expanding health insurance coverage in the small-business sector. But it also found that those problems may be compounded by misperceptions about the business value of offering health benefits, tax deductions for both employers and workers, and recent regulatory changes by the state and federal governments that have restructured the small-employer health insurance market.

The survey found that many small employers are unaware that health benefits can have a major effect on attracting and retaining workers; that health benefits are treated by the government as tax-deductible business costs; and that almost all states have reformed their small-group insurance laws in a variety of ways that make health insurance coverage more affordable and accessible to small businesses. The survey results suggest that education may

be as important a factor in expanding coverage as funding for many small employers.

The SEHBS press release and key findings of the survey are available at *EBRI Online* at www.ebri.org

CHEC Policy Board Meets

The Consumer Health Education Council (CHEC) Policy Board met Sept. 13 to consider the educational implications of the EBRI/CHEC/BCBSA Small Employer Health Benefits Survey results released the previous week, and other CHEC activities directed at expanding health care coverage for uninsured Americans. Most uninsured Americans under age 65 are workers and their families. As a result, development and distribution of evidence-based educational resources that encourage employers to provide health care coverage is a top CHEC priority. The SEHBS identified several attributes and benefits of providing coverage that suggest a variety of positive and compelling messages for incorporation into such resources.

The Policy Board also reviewed other current and planned CHEC activities, including further modifications to CHEC's Web site (www.healthCHEC.org) that will enhance CHEC's ability to help its constituents value, acquire, and use health care coverage in the management and improvement of health. (CHEC is a program of the

EBRI Education and Research Fund.)

Special Report on California Uninsured

EBRI Sept. 13 released a special report on the uninsured in California, which examines why the uninsured rate is so much higher in that state than it is in the rest of the United States. The report focuses on labor market and demographic characteristics that may explain the differential in health insurance coverage.

Among its key findings, the report concluded that differences in demographic and economic factors between Hispanic workers in California and Hispanic workers in the rest of the United States—especially noncitizenship, education, and job characteristics—are the primary reasons why the percentage of people in California without health insurance is substantially higher than it is in the rest of the country. The report was supported by the California HealthCare Foundation, a philanthropic organization based in Oakland, CA. The press release and full report are available at *EBRI Online* at www.ebri.org

EBRI At Large

EBRI President and CEO Dallas Salisbury presented educational sessions in September:

- An overview of demographic factors that will influence the

employment of older workers, as the introduction at "Making the Most of a Growing Resource," a round table conducted Sept. 12 by the AARP and the Committee for Economic Development with representatives from eight nations.

- An overview of capital accumulation trends and expectations based upon the EBRI/ICI 401(k) database and other recent EBRI reports, at the Charles Schwab & Co. "Impact 2000" conference Sept. 19 in Denver, CO.
- An overview of "the 2000 election: implications for employee benefits and related economic security issues" on Sept. 19 to the Western Pension Benefit Conference in Seattle, WA.

ASEC Events

ASEC participated in the National Foundation for Credit Counseling (NFCC) Leaders Conference, held Sept. 24–28 in Denver, CO. The NFCC Leaders Conference is a national meeting providing professional development opportunities for its members. ASEC President Don Blandin moderated panels at the CEO Forum and at a session entitled "Reaching Diverse Consumers: Outreach to Underserved Populations." He also made a presentation on new initiatives aimed at reaching children and parents. (ASEC is a

program of the EBRI Education and Research Fund.)

ASEC also presented a savings workshop Sept. 9 at the Third Annual *Sun-Sentinel* Money School in Ft. Lauderdale, FL. The event was open to the public and featured remarks by columnist Humberto Cruz and Social Security Commissioner Kenneth Apfel.

Choose to Save®

EBRI, ASEC, and Choose to Save® exhibited at the *Washington Post* Personal Finance Conference on Saturday, Sept. 16, in Washington, DC. The event, which was open to the public, brought in some 2,000 participants and featured remarks by Arthur Levitt, chairman of the U.S. Securities and Exchange Commission. The EBRI/ASEC/Choose to Save® booth distributed more than 800 packets of savings education materials to attendees during the conference, and directed them to www.choosetosave.org for online calculators and resources.

SOA Call for Papers

The Society of Actuaries is sponsoring a call for papers on retirement implications of demographic and family change. Deadline for submission is Nov. 15, 2000. To download the complete call for papers, visit the SOA Web site at www.soa.org/research/call.html

John K. "Jack" Kittredge Remembered

Jack Kittredge, then the executive vice president of Prudential Insurance Company of America, accepted an invitation to join the Board of EBRI in December of 1979. Jack chaired EBRI's Research Committee, served on the Executive Committee, was vice-chair in 1984 and 1985, and chair in 1986 and 1987. Jack was a Fellow of the Society of Actuaries, was active in the Health Insurance Association of America, was a member of the Institute of Medicine, and served on many hospital, academic advisory, and other boards over the years. He always brought energy, creativity, and a desire to improve the quality of health care in America. Jack retired from the Prudential in late 1987 at the age of 60. Jack and Betty moved to North Carolina, and traveled the world.

Stephanie and I visited Jack in March. Among the discussions was a China trip that was to take place in September 2000. It was not to be. Jack entered the hospital on August 23rd, and died on August 24th. He will be missed. He made a difference.

—Dallas Salisbury

New Publications & Internet Sites

[*Note: To order publications from the U.S. Government Printing Office (GPO), call (202) 512-1800; to order congressional publications published by GPO, call (202) 512-1808. To order U.S. General Accounting Office (GAO) publications, call (202) 512-6000; to order from the Congressional Budget Office (CBO), call (202) 226-2809.*]

Compensation

Society for Human Resource Management and Arthur Andersen & Co. 1999 Strategic Compensation Survey. \$115, list; \$85, SHRM member. Society for Human Resource Management, 1800 Duke St., Alexandria, VA 22314-3499, (800) 444-5006.

Towers Perrin. Meeting the Global Rewards Challenge. Free. Towers Perrin, 100 Summit Lake Dr., Valhalla, NY 10595, (800) 525-6741, fax: (914) 745-4199.

Employee Benefits

Institute of Management & Administration. Benefits Cost Reduction: 2000 Reference Guide. \$97. Institute of Management & Administration, 29 W. 35th St., New York, NY 10001-2299, (212) 244-0360.

SHRM Issues Management Program and Society for Human Resource Management. 2000 SHRM Benefits Survey. \$39.95, list; \$29.95, SHRM member. Society

for Human Resource Management, 1800 Duke St., Alexandria, VA 22314-3499, (800) 444-5006.

U.S. Bureau of Labor Statistics. Employee Benefits in Medium and Large Private Establishments, 1997. Order from GPO.

Workplace Economics. 2000 State Employee Benefits Survey: Benefits in Effect January 1, 2000. \$135. Workplace Economics, P.O. Box 33367, Washington, DC 20033-0367, Phone/fax: (202) 223-9191.

Employment

Society for Human Resource Management. 2000 Retention Practices Survey. \$39.95, list; \$29.95, SHRM member. Society for Human Resource Management, 1800 Duke St., Alexandria, VA 22314-3499, (800) 444-5006.

Health Care

Alliance for Health Reform. Covering Health Issues: Campaign 2000 & Beyond. \$75. Alliance for Health Reform, 1900 L Street, NW, Suite 512, Washington, DC 20036, (202) 466-5626.

Cook, Anna, Thomas Kornfield, and Marsha Gold. The Role of PBMs in Managing Drug Costs: Implications for a Medicare Drug Benefit. Free. Henry J. Kaiser Family Foundation, 1450 G St., NW, Washington, DC 20005, (800) 656-4533, www.kff.org/.

Health Insurance Association of America. Long-Term Care Insurance in 1997-1998. \$25.

Health Insurance Association of America, 555 13th St., NW, Suite 600 East, Washington, DC 20004-1109, (800) 828-0111.

Merck-Medco Managed Care, L.L.C. Managing Pharmacy Benefit Costs—New Insights for a New Century. Free. Linda Angelli, Merck-Medco Managed Care, 100 Parsons Pond Drive, Mailstop: E3-16, Franklin Lakes, NJ 07417-9992, (800) 879-7140.

Pharmaceutical Research and Manufacturers of America. Pharmaceutical Industry Profile 2000: Research for the Millennium. Free at www.phrma.org/publications/index.html.

Riley, Trish, and Barbara Yondorf. Access for the Uninsured: Lessons From 25 Years of State Initiatives. Nonprofit organizations, \$30; other, \$50. National Academy for State Health Policy, 50 Monument Sq., Suite 502, Portland, ME 04101, (207) 874-6524, fax: (207) 874-6527.

U.S. Congress. House Committee on Commerce. (1) America's Health: Protecting Patients' Access to Quality Care and Information. (2) Balanced Budget Act of 1997: Impact On Cost Savings and Patient Care. (3) Drugstores On the Net: The Benefits and Risks of On-Line Pharmacies. (4) The Medical Information Protection and Research Enhancement Act of 1999. (5) Prescription Drugs: What We Know and Don't Know About Seniors' Access To Coverage. Order from GPO.

U.S. Congress. House Committee on

Ways and Means. Uninsured Americans. Order from GPO.
Watson Wyatt Worldwide, Washington Business Group on Health, and Healthcare Financial Management Association. Putting Employees In Charge: A Survey of Employers, Health Care Providers and Health Plans: Fifth Annual Survey Report on Purchasing Value in Health Care. \$20.
Watson Wyatt Worldwide, Attn: Marketing, 6707 Democracy Blvd., Suite 800, Bethesda, MD 20817, (800) 388-9868.
Wicks, Elliot K., Mark A. Hall, and Jack A. Meyer. Barriers to Small-Group Purchasing Cooperatives: Purchasing Health Coverage for Small Employers. Free. Economic and Social Research Institute, 1015 18th St., NW, Suite 210, Washington, DC 20036, (202) 833-8877, fax: (202) 833-8932.

Pension Plans/Retirement

Daniel, Teresa A. Cash Balance Pension Plans: A Practical Primer. IFEBP members, \$31; nonmembers, \$38 + S&H. International Foundation of Employee Benefit Plans, Publications Department, P.O. Box 69, Brookfield, WI 53008-0069, (888) 33-IFEBP, fax: (414) 786-8670, e-mail: books@ifebp.org.
U.S. Congress. Senate Committee on Labor and Human Resources. Investment Decisionmaking in Selected Public Sector Retirement Plans. Order from GPO.

Stock Plans

Hewitt Associates LLC. U.S. Cost of Stock Options Study 2000. \$150.
Hewitt Associates LLC, Attn: Publications Desk, 100 Half Day Rd., Lincolnshire, IL 60069, (847) 295-5000.

Tax Expenditures

U.S. Congress. House Committee on Ways and Means, Joint Committee on Taxation, and Senate Committee on Finance. Estimates of Federal Tax Expenditures for Fiscal Years 2000-2004. Order from GPO.

GAO Reports

U.S. General Accounting Office.
(1) Federal Employees' Health Program: Reasons Why HMOs Withdrew in 1999 and 2000.
(2) Implementation of HIPAA: Progress Slow in Enforcing Federal Standards in Nonconforming States.
(3) Private Health Insurance: Cooperatives Offer Small Employers Plan Choice and Market Prices.
(4) Private Health Insurance: Potential Tax Benefit of a Health Insurance Deduction Proposed in H.R. 2990. Order from GAO.

Documents Available on the Internet

Are We Saving Enough?
www.clev.frb.org/Research/com2000/0700.pdf
Bringing Up Baby: A Comparison of U.S. and European Family Leave

Policies
www.epf.org/ff/2000/ff20000811.pdf
Employee Benefit Plans: A Glossary of Terms
www.ifebp.org/glossary/default.asp
Numbers Matter
www.brookings.edu/comm/PolicyBriefs/Pb063/pb63.htm
Online Group Health Is Still a Click (or Two) Away
www.bcentral.com/articles/whitman/104.asp
Questions and Answers About Social Security's Financial Condition
www.actuary.org/questions.htm

Work and Family Sites

Boston College Center for Work & Family
www.bc.edu/cwf
Catalyst
www.catalystwomen.org
Families and Work Institute
www.familiesandwork.org
Labor Project for Working Families
socrates.berkeley.edu/~iir/workfam/lwabout.html
National Partnership for Women & Families
www.nationalpartnership.org
Society for Human Resource Management
www.shrm.org
Work & Family Connection
www.workfamily.com/

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