November 2001
Vol. 22 Number 11

EBRI
EMPLOYEE BENEFIT RESEARCH INSTITUTE®
Notes

Number of Americans With Job-Based Health Benefits Increased in 2000 While Uninsured Declined

by Paul Fronstin, EBRI

More than 67 percent of Americans under age 65—or 163.4 million Americans—were covered by an employment-based health plan during 2000 (table 1), according to EBRI estimates of recently released government data.[1] This is up from 1999, when 66.6 percent of the nonelderly population was covered by an employment-based health plan.[2] Furthermore, the expansion in employment-based health insurance coverage continued to be coupled with a decline in the number and percentage of Americans without health insurance coverage. Between 1999 and 2000, the number of uninsured nonelderly Americans declined from 39 million to 38.5 million, while the percentage declined from 16.2 percent to 15.9 percent. These data (for 2000) reflect trends that were taking place before the economic slowdown in 2001. These trends could easily change in the future as data become available concerning the combined effect of the economic slowdown and rising health benefit costs.

While the majority of Americans with health insurance in 2000 received it through an employment-based health plan, 34.3 million Americans received health insurance from public programs. More than 25 million Americans participated in the Medicaid program,[3] and 6.1 million received their health insurance through the Tricare/CHAMPVA[4] programs and other government programs designed to provide coverage for retired military members and their families.

The main reason for the decline in the number of uninsured Americans during 2000 was the strong economy at that time, which resulted in low unemployment. Tight labor markets gave employers an added incentive to offer health benefits in order to attract qualified workers. Employment-based health insurance coverage increased for adult workers, nonworking adults, and children in 2000. In 1999, 74.2 percent of workers were covered by an employment-based health plan (chart 1). By 2000, 74.7 percent were covered. The probability that a nonworking adult had employment-based health insurance coverage increased from 42.2 percent in 1999 to 43.6 percent in 2000, and the likelihood that a child had employment-based coverage increased from 62.2 percent in 1999 to 63 percent in 2000.

Despite rising health insurance costs, employers were increasingly offering health benefits to workers in 2000 (as compared with 1999)—again, because of tight labor markets. Between 1998 and 2000, the percentage of small firms (fewer than 200 workers) offering health benefits

Table 1
Nonelderly Americans With Selected Sources of Health Insurance Coverage, 1999-2000

	1999	2000	1999	2000
	(millions)		(percentage)	
Total Population	240.7	242.8	100.0%	100.0%
Employment-Based Coverage	160.3	163.4	66.6	67.3
Own name	81.4	83.7	33.8	34.5
Dependent coverage	78.9	79.7	32.8	32.8
Individually Purchased	16.6	16.1	6.9	6.6
Public	34.5	34.3	14.3	14.1
Medicare	4.9	5.3	2.0	2.2
Medicaid	25.3	25.4	10.5	10.4
Tricare/CHAMPVA[a]	6.6	6.1	2.7	2.5
No Health Insurance	39.0	38.5	16.2	15.9

Source: Employee Benefit Research Institute estimates of the March 2000 and 2001 Current Population Surveys.
Note: Details may not add to totals because individuals may receive coverage from more than one source.
[a]TRICARE (formerly known as CHAMPUS) is a program administered by the Department of Defense for military retirees as well as families of active duty, retired, and deceased service members. CHAMPVA is the Civilian Health and Medical Program for the Department of Veterans Affairs.

increased from 54 percent to 67 percent, with much of that increase occurring among the smallest of the small firms, and it then leveled off in 2001.[5] Most small employers that provide health benefits report that doing so helps with recruitment and retention, and keeps workers healthy, which ultimately reduces absenteeism and increases productivity.[6]

Health Insurance Coverage Among the Nonelderly

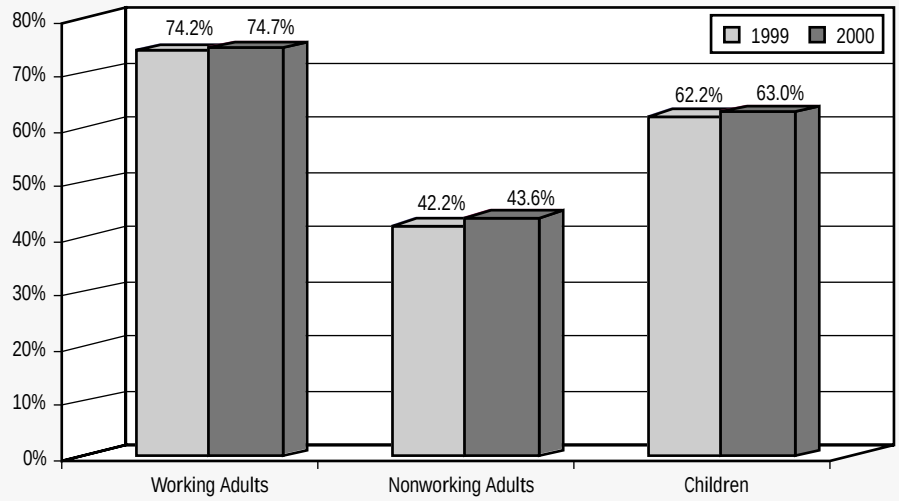
Employment-based health plans are the most common source of health insurance coverage in the United States. Among nonelderly Americans, 163.4 million—or 67.3 percent—had employment-based coverage in 2000. Children, working family heads,[7] other workers, and nonworkers were all more likely to have employment-based health coverage than any other type of coverage, either public or private (table 2). Those individuals whose family head did not work were more likely to be covered by Medicaid (35.6 percent), the federal-state health insurance program for the poor, or to be uninsured (26.1 percent), than to have employment-based health insurance (23.1 percent).

Firm Size—Individuals without health insurance coverage were more likely to be from families whose family head worked for a small firm rather than for a large one. Persons with a family head working in a firm with fewer than 10 workers had a 30.5 percent probability of being uninsured (table 3). This compares with a 25.1 percent probability for persons with a family head working in a firm with 10–24 workers, 17.3 percent for 25–99 workers, 12.1 percent for 100–499 workers, 11.8 percent for 500–999 workers, and 10 percent for 1,000 or more workers.

Publicly Provided Coverage and Children—Despite expansions in the State Children's Health Insurance Program (S-CHIP), public health insurance coverage did not increase between 1999 and 2000. Between 1999 and 2000, the percentage of nonelderly Americans covered by Medicaid and other government-sponsored health insurance coverage did not change—remaining at roughly 10.5 percent.

Nearly 46 million children (under age 18) were insured by an employment-based health plan in 2000, while 8.5 million (or

Chart 1
Employment-Based Health Insurance Coverage, 1999 and 2000



Source: Employee Benefit Research Institute estimates from the March 2000 and 2001 Current Population Surveys.

Table 2
Nonelderly Population With Selected Sources of Health Insurance, by Own Work Status and Work Status of Family Head, 2000

Own Work Status and Work Status of Family Head	Total	Employment-Based Coverage			Individually Purchased	Public		Uninsured
		Total	Own name	Dependent		Total	Medicaid	
				(millions)				
Total	242.8	163.4	83.7	79.7	16.1	34.3	25.4	38.5
Own work status								
child	72.6	45.7	0.3	45.5	5.4	16.9	14.8	8.5
family head worker	88.3	65.2	59.5	5.7	5.4	5.2	3.3	14.5
other worker	51.4	39.2	20.3	18.9	2.6	2.8	1.3	8.3
nonworker	30.6	13.3	3.6	9.7	2.7	9.5	6.0	7.2
Work status of family head								
full-year, full-time worker	188.4	144.9	72.2	72.7	9.8	15.9	10.5	24.3
other worker	31.9	13.3	7.8	5.6	3.9	8.1	6.9	8.4
nonworker	22.4	5.2	3.7	1.5	2.5	10.3	8.0	5.9
				(percentage within coverage category)				
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Own work status								
child	29.9	28.0	0.3	57.0	33.5	49.3	58.2	22.0
family head worker	36.4	39.9	71.1	7.1	33.8	15.0	13.1	37.8
other worker	21.2	24.0	24.2	23.7	15.9	8.1	5.2	21.5
nonworker	12.6	8.2	4.3	12.2	16.8	27.6	23.5	18.8
Work status of family head								
full-year, full-time worker	77.6	88.7	86.3	91.2	60.6	46.5	41.4	63.1
other worker	13.1	8.2	9.3	7.0	23.9	23.5	27.1	21.7
nonworker	9.2	3.2	4.4	1.8	15.4	30.0	31.5	15.2
				(percentage within work status categories)				
Total	100.0%	67.3%	34.5%	32.8%	6.6%	14.1%	10.4%	15.9%
Own work status								
child	100.0	63.0	0.4	62.7	7.4	23.3	20.4	11.6
family head worker	100.0	73.8	67.4	6.4	6.2	5.8	3.8	16.5
other worker	100.0	76.2	39.5	36.7	5.0	5.4	2.5	16.1
nonworker	100.0	43.6	11.9	31.7	8.9	31.0	19.5	23.6
Work status of family head								
full-year, full-time worker	100.0	76.9	38.3	38.6	5.2	8.5	5.6	12.9
other worker	100.0	41.8	24.4	17.4	12.1	25.3	21.5	26.2
nonworker	100.0	23.1	16.6	6.5	11.1	45.9	35.6	26.1

Source: Employee Benefit Research Institute estimates of the March 2001 Current Population Survey.
Note: Details may not add to totals because individuals may receive coverage from more than one source.

11.6 percent of all children) were uninsured (table 2). Various factors influence the likelihood of a child having insurance and the source of that coverage. For example, children in families in which the family head works for a small employer are more likely to be uninsured than those in families in which the family head works for a large employer. Income is another determinant of coverage. Children in low-income families are generally more likely to be uninsured than those in higher-income families. As income increases, the percentage of children covered by employment-based health insurance increases and the percentage covered by publicly financed health insurance programs decreases.

It appears that some children benefited from expansions in government-funded programs. Findings from the Census Bureau's Current Population Survey (CPS) indicate that the percentage of children with coverage from either Medicaid or S-CHIP increased from 20.1 percent to 20.4 percent between 1999 and 2000.

Coverage by Region and State—The percentage of nonelderly Americans with employment-based health benefits varies among regions and states, ranging from a high of 73.1 percent in the East North Central region to a low of 59.7 percent in the West South Central region (table 4). States with the lowest proportion of uninsured individuals include Rhode Island (7.3 percent), New Hampshire (7.9 percent), Wisconsin (8.2 percent), and Pennsylvania (8.5 percent), while those with the highest

Table 3
Nonelderly Population With Selected Sources of Health Insurance by Firm Size of Family Head's Employer, 2000

Firm Size of Family Head's Employer	Total	Employment-Based Coverage			Individually Purchased	Public		Uninsured
		Total	Own name	Dependent		Total	Medicaid	
				(millions)				
Total	242.8	163.4	83.7	79.7	16.1	34.3	25.4	38.5
Self-Employed	21.6	11.2	4.8	6.4	4.5	1.8	1.4	4.6
Wage and Salary Workers	198.8	147.0	75.2	71.8	9.2	22.2	16.0	28.0
Public sector	32.0	26.6	13.7	12.9	1.0	4.3	1.6	2.1
Private sector	166.7	120.4	61.5	58.9	8.1	17.9	14.3	25.9
fewer than 10	20.2	9.3	4.8	4.5	1.9	3.4	3.0	6.1
10–24	16.5	9.5	5.1	4.5	1.1	2.3	1.9	4.1
25–99	26.3	18.1	9.2	9.0	1.4	3.1	2.6	4.6
100–499	26.7	21.0	10.7	10.2	1.0	2.5	1.9	3.2
500–999	10.0	8.0	4.2	3.8	0.3	0.8	0.7	1.2
1,000 or more	67.0	54.4	27.5	26.9	2.5	5.8	4.3	6.7
Nonworker	22.4	5.2	3.7	1.5	2.5	10.3	8.0	5.9
				(percentage within coverage categories)				
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Self-Employed	8.9	6.9	5.7	8.0	27.7	5.3	5.5	11.9
Wage and Salary Workers	81.9	90.0	89.9	90.1	56.9	64.7	63.0	72.9
Public sector	13.2	16.3	16.4	16.2	6.5	12.6	6.4	5.5
Private sector	68.7	73.7	73.5	73.9	50.4	52.1	56.6	67.4
fewer than 10	8.3	5.7	5.8	5.7	11.9	9.9	11.7	16.0
10–24	6.8	5.8	6.0	5.6	6.6	6.6	7.6	10.8
25–99	10.9	11.1	11.0	11.3	8.4	9.2	10.2	11.9
100–499	11.0	12.8	12.8	12.8	6.2	7.2	7.6	8.4
500–999	4.1	4.9	5.0	4.7	1.9	2.4	2.6	3.1
1,000 or more	27.6	33.3	32.8	33.8	15.4	16.8	17.0	17.4
Nonworker	9.2	3.2	4.4	1.8	15.4	30.0	31.5	15.2
				(percentage within firm size categories)				
Total	100.0%	67.3%	34.5%	32.8%	6.6%	14.1%	10.4%	15.9%
Self-Employed	100.0	51.8	22.1	29.7	20.6	8.4	6.5	21.2
Wage and Salary Workers	100.0	74.0	37.8	36.1	4.6	11.2	8.0	14.1
Public sector	100.0	83.1	42.9	40.3	3.3	13.5	5.1	6.6
Private sector	100.0	72.2	36.9	35.3	4.9	10.7	8.6	15.6
fewer than 10	100.0	46.3	23.9	22.4	9.5	16.8	14.7	30.5
10–24	100.0	57.9	30.7	27.2	6.5	13.8	11.6	25.1
25–99	100.0	68.8	34.8	34.1	5.2	11.9	9.8	17.3
100–499	100.0	78.6	40.3	38.3	3.7	9.2	7.2	12.1
500–999	100.0	79.6	41.9	37.7	3.1	8.2	6.5	11.8
1,000 or more	100.0	81.2	41.0	40.2	3.7	8.6	6.4	10.0
Nonworker	100.0	23.1	16.6	6.5	11.1	45.9	35.6	26.1

Source: Employee Benefit Research Institute estimates of the March 2001 Current Population Survey.
Note: Details may not add to totals because individuals may receive coverage from more than one source.

proportion of uninsured individuals include New Mexico (26.8 percent), Texas (23.7 percent), Oklahoma (22.6 percent), and Louisiana (21.7 percent).

Conclusion

The data provided in this paper are a reminder of trends that were taking place before the economic slowdown that began during 2001. It is notable that the expansion in employment-based health insurance and the decline in the uninsured have occurred at a time when health insurance costs were going up much more rapidly than increases in average income, general inflation, or growth in the gross domestic product (GDP). According to data from a recent study,[8] health insurance costs increased 8.3 percent for all firms between 1999 and 2000, and another 11 percent between 2000

Table 4

Nonelderly Population With Selected Sources of Health Insurance, by Region and State, 2000

Region and State	Total	Employment-Based Coverage			Individually Purchased	Public		Uninsured
		Total	Own name	Dependent		Total	Medicaid	
	(millions)	(percentage within state and region categories)						
Total	242.8	67.3%	34.5%	32.8%	6.6%	14.1%	10.4%	15.9%
New England	11.3	72.6	38.8	33.9	6.9	14.2	12.0	10.5
Maine	1.0	69.2	40.5	28.7	7.3	15.1	8.8	13.6
New Hampshire	1.0	76.7	43.5	33.2	8.2	11.9	8.1	7.9
Vermont	0.5	66.8	36.7	30.2	7.3	19.3	17.5	12.6
Massachusetts	5.7	70.0	35.6	34.4	6.7	16.9	15.6	10.7
Rhode Island	0.7	76.6	44.3	32.3	7.5	13.1	10.2	7.3
Connecticut	2.5	78.4	42.3	36.2	6.4	7.5	5.8	10.2
Middle Atlantic	34.7	70.3	34.0	36.2	5.6	14.1	11.6	13.8
New York	16.5	64.4	32.1	32.3	5.9	16.7	14.5	17.0
New Jersey	7.4	74.2	34.9	39.3	4.5	10.9	8.3	14.3
Pennsylvania	10.8	76.6	36.4	40.3	6.0	12.2	9.5	8.5
East North Central	40.0	73.1	35.3	37.8	6.2	11.5	9.0	12.4
Ohio	10.6	73.2	33.4	39.8	6.1	12.0	9.3	12.2
Indiana	4.6	74.3	41.7	32.6	6.3	7.6	5.1	13.9
Illinois	11.3	70.0	34.2	35.7	6.3	11.5	9.1	14.8
Michigan	9.1	73.9	34.2	39.8	6.2	13.1	10.9	10.9
Wisconsin	4.4	78.4	38.2	40.1	6.0	11.4	8.1	8.2
West North Central	15.4	72.0	39.1	32.9	9.1	11.3	7.5	11.6
Minnesota	4.1	74.5	38.9	35.6	9.2	10.1	7.9	10.0
Iowa	2.3	78.1	40.1	38.0	7.6	7.9	5.8	10.2
Missouri	4.6	70.8	41.8	29.0	8.3	11.2	8.9	12.2
North Dakota	0.5	68.0	34.7	33.3	11.4	12.4	6.9	13.4
South Dakota	0.6	66.8	36.0	30.8	13.3	11.0	6.4	14.0
Nebraska	1.4	66.1	33.7	32.4	12.0	15.8	8.2	11.5
Kansas	2.1	69.1	37.8	31.3	8.5	14.1	5.7	13.9
South Atlantic	42.6	68.2	37.0	31.1	6.1	13.6	8.4	16.3
Delaware	0.7	73.0	38.2	34.8	4.3	13.1	10.5	12.2
Maryland	4.1	78.4	43.5	34.8	5.1	8.7	4.7	11.6
District of Columbia	0.4	63.1	43.0	20.0	7.1	15.2	12.2	16.6
Virginia	6.0	71.9	39.9	32.1	5.5	12.0	4.3	14.5
West Virginia	1.5	63.7	33.4	30.4	5.0	19.8	14.3	16.9
North Carolina	6.8	69.7	37.6	32.1	5.7	15.3	9.4	14.7
South Carolina	3.2	69.5	39.8	29.7	6.1	15.0	9.6	13.8
Georgia	7.2	70.2	36.9	33.3	5.5	13.5	7.8	15.8
Florida	12.9	61.4	32.9	28.4	7.5	14.0	10.2	20.6
East South Central	14.6	66.0	34.8	31.2	6.6	18.5	13.7	13.9
Kentucky	3.4	68.8	35.4	33.4	3.9	16.7	10.3	14.8
Tennessee	4.9	65.7	35.4	30.3	7.3	21.4	17.2	11.7
Alabama	3.8	66.0	35.3	30.7	7.0	15.3	11.3	15.3
Mississippi	2.5	62.7	31.9	30.7	8.2	20.1	15.3	14.9
West South Central	27.8	59.7	30.4	29.3	6.6	14.8	10.1	22.7
Arkansas	2.3	60.1	29.2	31.0	8.5	21.2	13.4	16.0
Louisiana	3.8	56.3	29.2	27.1	8.0	18.4	12.4	21.7
Oklahoma	2.8	55.4	28.1	27.3	7.6	19.0	10.9	22.6
Texas	18.9	61.0	31.1	29.9	5.9	12.7	9.1	23.7
Mountain	15.4	65.1	33.0	32.1	7.3	14.1	9.7	17.9
Montana	0.8	55.2	29.0	26.2	11.0	16.6	11.1	21.3
Idaho	1.2	63.6	31.6	32.0	9.9	16.2	11.0	17.4
Wyoming	0.4	64.0	32.0	32.0	10.5	14.1	9.0	16.5
Colorado	3.4	71.6	40.5	31.1	6.9	10.6	5.7	15.3
New Mexico	1.6	52.7	26.4	26.3	4.7	19.7	15.0	26.8
Arizona	4.4	62.1	30.4	31.7	8.2	16.1	11.3	17.9
Utah	2.0	72.9	28.6	44.3	5.7	11.3	9.0	14.5
Nevada	1.6	68.7	39.8	28.9	5.6	10.8	7.3	17.9
Pacific	41.0	61.4	31.7	29.7	7.3	16.3	13.0	18.9
Washington	4.8	68.1	38.7	29.4	7.1	14.5	10.5	15.5
Oregon	2.8	66.0	38.6	27.3	8.2	14.1	11.1	15.9
California	31.9	59.8	29.7	30.1	7.3	16.7	13.6	19.8
Alaska	0.6	60.1	30.4	29.7	3.9	23.6	12.7	20.9
Hawaii	0.9	70.8	45.0	25.8	7.2	14.8	9.3	12.0

Source: Employee Benefit Research Institute estimates of the March 2001 Current Population Survey.
Note: Details may not add to totals because individuals may receive coverage from more than one source.

and 2001. When health care costs increase at such a pace, eventually health insurance coverage would be expected to decline, with employers shifting the cost of coverage onto workers, or even dropping coverage completely. But as shown above, more workers and their dependents were covered by employment-based health insurance in 2000 than in 1999, with only modest evidence that employers shifted costs onto workers.[9]

At some point, the combination of a slowing economy and rising health insurance costs will likely result in an increase in the uninsured and will also affect the richness of health benefits for those who have benefits. However, because of the way in which the uninsured are counted, the negative economic developments in 2001 did not have an impact on uninsured estimates from the CPS for the year 2000, and may not even begin to appear in the 2001 uninsured estimates. Expected trends in health insurance and technical issues in counting the uninsured will be discussed more fully in EBRI's forthcoming *Issue Brief*, "Sources of Coverage and Characteristics of the Uninsured: Analysis of the March 2001 Current Population Survey."

Endnotes

[1] EBRI's health insurance coverage figures for 2000 reflect the most recent statistics available on the insured and uninsured as tabulated from the March 2001 Current Population Survey (CPS), a survey of the noninstitutionalized U.S. population conducted by the U.S. Census Bureau. More information about the CPS, and other surveys that collect data on the uninsured, can be found in Paul Fronstin, "Counting the Uninsured: A Comparison of National Surveys," EBRI Issue Brief *no. 225 (Employee Benefit Research Institute, September 2000).*

[2] In March 2000, the Census Bureau added a question to the CPS to verify whether or not a person was uninsured. In essence, anyone who did not report any health insurance coverage during 2000 was asked an additional question about whether they were uninsured. Those who reported that they have coverage were then asked about the type of coverage. The verification questions were not asked prior to the March 2000 CPS. As a result, data prior to 1999 are not directly comparable with data after 1999. More information about the verification question can be found at www.census.gov/hhes/hlthins/verif.html

[3] The estimate for Medicaid also includes children enrolled in the State Children's Health Insurance Program (S-CHIP). Medicaid and S-CHIP (and Medicare) estimates are under-reported in the CPS, according to comparisons of these data with enrollment and participation data provided by the Centers for Medicare and Medicaid Services (CMS—formerly the Health Care Financing Administration (HCFA)). See Robert L. Bennefield, "Health Insurance Coverage: 1997," Current Population Reports, *P60-202 (Washington, DC: U.S. Department of Commerce, Economics and Statistics Administration, September 1998).*

[4] Tricare (formerly known as CHAMPUS) is a program administered by the Department of Defense for military retirees as well as families of active duty, retired, and deceased service members. CHAMPVA, the Civilian Health and Medical Program for the Department of Veterans Affairs, is a health care benefits program for disabled dependents of veterans and certain survivors of veterans.

[5] The decline between 2000 and 2001 was not statistically significant. Jon Gabel et al., "Job-Based Health Insurance In 2001: Inflation Hits Double Digits, Managed Care Retreats," Health Affairs, *Vol. 20, no. 3 (September/October 2001): 180–186.*

[6] Paul Fronstin and Ruth Helman, "Small Employers and Health Benefits: Findings From the 2000 Small Employer Health Benefits Survey," EBRI Issue Brief *no. 226 (Employee Benefit Research Institute, October 2000).*

[7] "Family head" refers to the member of the family with the highest reported personal earnings. In families of nonworkers, the family head is the family member with the highest reported income.

[8] Gabel et al., op. cit.

[9] Paul Fronstin, "Is There a Trend Towards More Affordable, Less Comprehensive Health Benefits?" Paper prepared for "Connecting Public Policy to Health Benefit Design," a roundtable sponsored by Health Affairs and the Kaiser Permanente Institute for Health Policy, San Francisco, CA, September 10–11, 2001.

Productivity Growth and the Actuarial Balance of the Social Security Program

by Craig Copeland, EBRI

The level of productivity[1] (the ratio of gross domestic product (GDP) to hours worked by all workers) in the U.S. economy increased substantially in the second half of the 1990s, suggesting to some that a new plateau of economic growth capability has been achieved. Thus, the idea of a "new economy" has received extensive discussion. One of the results of this increased economic productivity has been an improvement in the actuarial balance of the Social Security program. In 1997, the actuarial balance determined in the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds report was –2.23 percent of taxable payroll; the actuarial balance had improved to –1.86 percent, according to the 2001 report.[2, 3]

The significantly higher economic growth experienced during the late 1990s and 2000 has led some commentators to argue that the assumptions used in the Board of Trustees report for determining economic growth are too low.[4] If a higher value of economic growth were used, the level of the projected funding shortfall facing the program would be less severe. However, the real economic growth within an economy depends upon productivity growth plus labor force growth; with the post-World War II "baby boom" generation about to start reaching retirement age, labor force growth is projected to slow significantly, to a level indicating that almost all future economic growth will be due to productivity growth. Furthermore, demographic assumptions concerning the U.S. labor force growth have gained fairly widespread agreement among Social Security experts, while expectations about productivity growth rates are the subject of much debate and scrutiny. Consequently, this *Notes* article focuses on various assumption values for the U.S. productivity growth rate, as that will be an important factor in the future actuarial balance of the Social Security program.

The SSASIM policy simulation model[5] is used to evaluate the effects of different assumption values for the productivity growth rate on the actuarial balance of the Social Security program. SSASIM is a simulation model that can closely replicate the results of the actuarial model used by the Social Security Administration's Office of the Actuary, which projects the condition of the program in the annual Board of Trustees' report. SSASIM is based on 13 basic economic and demographic assumptions—including the productivity growth rate—that allow for the estimation of the program's actuarial balance, beneficiaries' benefits, and various indicators of the macro

Table 1
Historical Total Productivity Growth Rates

Years	Average Annual Increases in Total Productivity
1959–1999	1.8%
1959–1969	2.6
1969–1979	1.8
1979–1989	1.3
1989–1999	1.5
1960–1965	3.4
1965–1970	1.9
1970–1975	2.1
1975–1980	1.0
1980–1985	1.6
1985–1990	1.2
1990–1995	1.1
1995–2000	2.3
1998	2.0
1999	2.5
2000	3.2

Source: Board of Trustees, *The 2001 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability InsuranceTrust Funds* (Washington, DC: Board of Trustees, Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, 2001).

economy.[6] After presenting historical values of the productivity growth rate, this article presents the actuarial balance results achieved by using these historic rates, as well as the productivity growth rates necessary to achieve actuarial balance under the present 75-year period standard and future 75-year periods.[7]

Table 2
Actuarial Balance for Different 75-Year Periods Using Various Historical Total Productivity Growth Rate Benchmarks

Beginning of 75–Year Period	Total Productivity Growth Rate				
	1.50%	1.80%	2.30%	2.50%	3.20%
	Actuarial Balance[a]				
2001	–1.86%	–1.68%	–1.32%	–1.18%	–0.68%
2006	–2.21	–1.99	–1.58	–1.42	–0.85
2011	–2.61	–2.34	–1.86	–1.67	–1.04
2016	–3.05	–2.73	–2.16	–1.95	–1.24
2021	–3.55	–3.15	–2.49	–2.24	–1.45

Source: Employee Benefit Research Institute estimates using SSASIM.
[a]As a percentage of taxable payroll.

Historical Productivity Growth Rates

From 1959 through 1999, the growth in productivity averaged 1.8 percent per year (table 1). The highest average for a decade during this period was from 1959 through 1969, when the productivity growth rate averaged 2.6 percent per year. The productivity growth rate stayed in the 1 percent range per year from 1975 through 1995. Subsequently, it sharply increased, reaching 3.2 percent in 2000.

Historical Growth Rates and Actuarial Balance

The 2001 Trustees' Report puts the ultimate intermediate assumption value[8] of the growth in productivity at 1.5 percent per year.[9] Under this assumption as well as the rest of the intermediate assumptions in the report, the 75-year actuarial balance is –1.86 percent of taxable payroll.[10] If the same assumptions are used, the 75-year actuarial balance will decrease to –3.55 percent for the 75-year period beginning in 2021 (table 2). If the productivity growth rate is increased to the 40-year average from 1959–1999 of 1.8 percent and all other intermediate assumptions are unchanged, the actuarial balance would improve to –1.68 percent for the 75-year period beginning in 2001 and –3.15 percent for the 75-year period beginning in 2021. If, again, the other assumptions are unchanged and the productivity growth rate is increased to the five-year average from 1995 to 2000, or the 1999 growth rate, or the 2000 growth rate, then the actuarial balance does not achieve a positive balance—indicating that the program is not projected to be able to meet all of its promised expenditures.

Productivity Growth Necessary to Achieve Positive Actuarial Balance

In order to have a 75-year actuarial balance of zero percent of taxable payroll or better for the period beginning in 2001, with all other intermediate assumptions unchanged, the productivity growth would have to be 4.14 percent per year for each of the 75 years (table 3). This is more than twice the previous 40-year average growth rate. For the 75-year period beginning in 2021, with no other changes in the intermediate assumptions, the productivity growth rate would need to increase to 4.75 percent per year from 2001 through 2096 to ensure at least a zero actuarial balance. The productivity growth rate would have to be in between the 4.14 percent and 4.75 percent levels to achieve zero actuarial balance for 75-year periods starting between 2001 and 2021.

Conclusion

While a sharp increase in productivity growth would improve the financial standing of the Social Security program, continuous levels of unprecedented growth in total productivity would be needed to bring about a balance between expected future expenditures and revenue. The reason that the recent increased economic growth level cannot be the sole cure for Social Security's projected revenue shortfall lies in the formula that determines Social Security benefits. The formula transfers increased real growth into higher real benefits, consequently reducing the ability of increased growth to reduce the projected funding shortfall.[11]

Table 3
Total Productivity Growth Rates Necessary to Achieve Zero Actuarial Balance for Different 75-Year Periods

Beginning of 75–Year Period	Total Productivity Growth Rate				
	4.14%	4.30%	4.46%	4.61%	4.75%
	Actuarial Balance[a]				
2001	0.00	0.11	0.23	0.33	0.43
2006	–0.12	0.00	0.12	0.23	0.33
2011	–0.25	–0.13	0.00	0.12	0.23
2016	–0.39	–0.25	–0.12	0.00	0.12
2021	–0.53	–0.39	–0.25	–0.12	0.00

Source: Employee Benefit Research Institute estimates using SSASIM.
[a]As a percentage of taxable payroll.

This *Notes* article does not address the issue of what the correct assumption should be for the future total productivity growth rate. It only shows the impact of various levels for the assumption. If, in fact, the U.S. economy has entered a new era of economic growth potential, the level used in the Trustees' report may need to be increased, and any benefit cuts or revenue increases would not need to be as large to eliminate the funding shortfall. However, the correct level for the future value of the productivity growth rate remains an open debate, and nothing about the "new economy" indicates that the unprecedented levels necessary to eliminate the projected shortfall in the Social Security will actually be achieved. Therefore, economic growth alone, even in a "new economy," appears to be unable to "solve" the projected funding shortfall of the Social Security program.

Endnotes

[1] The gross domestic product (GDP) is the total dollar value of all goods and services produced by labor and property within a country, regardless of who supplies the labor or property. Restated, productivity measures all of the output that all workers produce per hour of work.

[2] See Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, The 2001 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds *(Washington, DC: Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, 2001); and Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds,* The 1997 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds *(Washington, DC: Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, 1997).*

[3] The actuarial balance is the difference between the summarized income rate and the summarized cost rate over a given valuation period. The standard evaluation period established in the Board of Trustees' report is 75 years. In other words, the actuarial balance represents the payroll tax rate increase (decrease) necessary to achieve a balance between future projected costs and revenues for the program. For example, in the 2001 Board of Trustees' report, the actuarial balance of –1.86 percent of taxable payroll means that the current combined payroll tax on employers and employees needs to raised by 1.86 percentage points to eliminate the projected funding shortfall.

This balance is expressed as a percentage of taxable payroll, which is the amount of wage and salary earnings in the economy that is subject to the federal old-age and survivors and disability program payroll tax. The 2001 level is 6.2 percent of the first $80,400 in wages and salary on both the employee and employer.

[4] In the 2001 Board of Trustees Report, the intermediate ultimate productivity growth rate assumption value was 1.5 percent per year, and in 2000 the productivity growth rate was 3.2 percent. See Board of Trustees 2001, op. cit., p. 79.

[5] For more information on the model, see Martin R. Holmer, Introductory Guide to SSASIM *(Washington, DC: Policy Simulation Group, October 2001) available at www.radix.net/~holmer/guide.pdf*

[6] The other 12 basic assumption parameters are total fertility rate, total net immigration, mortality decline rate, male and female labor force participation rates, unemployment rate, inflation rate, wage share growth rate, hours worked growth rate, nominal interest rate, disability incidence factor, and disability recovery factor.

[7] In the Board of Trustees' report, the actuarial balance is based on a 75-year period starting in the year of the report. Consequently, each subsequent year evaluates a different 75-year period. Currently, the projected cost rate is substantially higher than the projected income rate in the outer years of the 75-year period and is expected to remain so under present law. In comparison, the earlier years (before 2011), the projected income rate is higher than the projected cost rate. Thus, each future year's report will lose a surplus year and gain a deficit year when calculating the actuarial balance. Therefore, the productivity growth rate that would be necessary to achieve a zero or better actuarial balance in this year's 75-year period will not necessarily have the same positive balance in future periods. This Notes *article presents different future 75-year period starting dates to account for this issue as well as determining what productivity growth rate is necessary not only to achieve a zero actuarial balance or better in this year but also in subsequent years.*

[8] In actuarial studies, values for specific variables of interest follow a certain path until they reach a long-term or ultimate value in a projection. In the Trustees' report, three sets of assumptions are provided—low-cost, high-cost, and intermediate. The intermediate assumptions are intended

to be the best "guess" for the future values of the parameters used in the projection model.

[9] *See Board of Trustees 2001, op. cit., p. 79.*

[10] *See Board of Trustees 2001, op. cit., for a complete list of the intermediate assumptions.*

[11] *This is accomplished by indexing the basis of the benefit calculation, the primary insurance amount, to the real average wage in the economy. Thus, an increase in the real average wage leads to increased benefits. See Social Security Administration,* Annual Statistical Supplement, 1999 *(Washington, DC: Social Security Administration, 2000), pp. 41–42.*

Washington Update

By Teresa Turyn, EBRI

Economic Stimulus Package Moving on Capitol Hill

At the time of this writing, the ongoing anthrax scare has disrupted—but not stopped—legislative activity on Capitol Hill. The House and Senate moved quickly on final provisions of a sweeping new law to combat terrorism (signed into law in October), and progress was being made on hammering out an agreement on additional economic stimulus efforts. The House focus on tax cuts has revived deeply partisan arguments and will be changed in the Senate, which is more likely to focus on spending. Senate Finance Committee leaders have had numerous meetings with Treasury Secretary Paul O'Neill on the tax cut components of the bill, but it is unclear whether the tax portion would move separately from the spending portion.

By a razor-thin vote of 216-214, the House Oct. 24 narrowly passed its version of the economic stimulus package (H.R. 3090), which would give the economy an immediate $99.5 billion stimulus in new federal spending and a total of $159.4 billion in tax cuts to individuals and businesses over the next 10 years. At this writing, the Senate was drafting its own package, which is expected to differ substantially from the House version.

One item of contention between the two chambers is possible new federal subsidies for so-called "COBRA coverage," which allows laid-off workers to purchase private health insurance through their former employers. Some Senate Democratic leaders want to provide federal funding that could be used to cover up to 75 percent of displaced workers' COBRA payments for up to 10 months, but that proposal is strongly opposed by many Republicans. A possible compromise might involve offering federal tax credits for health insurance, rather than direct subsidies.

Social Security Commission Meets

The President's Commission to Strengthen Social Security met Oct. 18 for a fifth time in Washington, DC, to hear conflicting advice on using a portion of the Social Security payroll tax revenue to create personal retirement accounts. In a day of public hearings, the commission heard from young people, all but one of whom favored personal accounts; from a leader of a federal workers' union who strongly opposed the idea; and from an academic expert who warned that the relatively recent creation of "asset accounts," such as 401(k) plans, is widening the gap between the rich and the poor.

But according to Commission Co-Chair Richard D. Parsons, there is a "growing consensus" favoring personal retirement accounts and "nearly everyone agrees" that a revised Social Security system should include "partial prefunding of future benefits" through equity investments, although he said there

Keeping on Track

Social Security, Medicare Announce Indexing Changes for 2002—The Social Security Administration announced Oct. 19 that the taxable wage base for Social Security in 2002 will increase from $80,400 to $84,900. The tax rate will remain at 7.65 percent for both employees and employers, with 6.20 percent going to Social Security and 1.45 percent going to Medicare. Social Security and Supplemental Security Income benefits will increase 2.6 percent in 2002, raising the average monthly benefit for retired workers from $852 to $874. Health and Human Services (HHS) announced that the monthly Medicare Part B premium for the year 2002 will increase from $50 to $54; the Part B annual deductible will remain at $100; and the Part A hospital deductible will increase by $20 to $812.

IRS Issues Rules on Catch-Up Contributions Under EGTRRA—The Internal Revenue Service (IRS) Oct. 22 issued proposed regulations on "catch-up contributions" enacted as part of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) (P.L. 107-16). EGTRRA provides that 401(k), 403(b), and governmental 457 plans may permit participants who have reached age 50 by the end of the plan year to make annual catch-up contributions, effective for contributions in calendar years beginning after Dec. 31, 2001. Taxpayers may rely on these proposed regulations pending further guidance. Several of the questions addressed by the proposed regulations include the following: 1) eligibility for catch-up provisions; 2) determination of catch-up contributions relative to any otherwise applicable deferral limitation; 3) treatment of catch-up provisions vis-à-vis other Internal Revenue Code (IRC) provisions; and 4) universal availability requirements for all plans in a controlled group.

IRS Issues Guidance on Reporting Catch-Up Contributions to DC Plans—The IRS Oct. 15 issued Announcement 2001-93 telling employers how to report newly created elective deferral "catch-up" contributions to defined contribution plans. The contributions were created as part of EGTRRA that added IRC Sec. 414(v). The new law allows participants age 50 or over to make additional elective deferrals, or "catch-up contributions," to their plans. Eligible participants will be able to contribute up to $5,000 to a defined contribution plan beyond legal or plan limits by the time the provision takes full effect in 2006.

IRS Issues Cafeteria Plan Rules for Employees on FMLA Leave—The IRS has released final rules on the administration of cafeteria plans and flexible spending arrangements (FSAs) for employees taking leave under the Family and Medical Leave Act (FMLA). The rules apply to cafeteria plan years beginning on or after Jan. 1, 2002. Given this short timeline, plan administrators should note a change requiring plans to give employees who drop health FSA coverage during FMLA leave a new option—the employees can make up their missed contributions and resume health FSA coverage at their pre-FMLA leave level.

is disagreement over how that should be accomplished.

Opponents of personal retirement accounts continue to criticize the commission because all its members are advocates of at least partial privatization of Social Security and, as part of President Bush's charge to the panel, its recommendations to the president must feature voluntary personal retirement accounts. The commission's next public meeting is scheduled for Nov. 9, in Washington, DC. Transcripts from previous hearings, as well as the commission's schedule, may be viewed at www.commtostrengthensocsec.gov/

EBRI in Focus

EBRI Education on the Road

EBRI President and CEO Dallas Salisbury was on the road in October to meet with Members and provide educational presentations. Marking his 21st keynote presentation Oct. 3 to the Southern Employee Benefits Conference annual educational conference in Jacksonville, FL, Salisbury reviewed the implications of the Sept. 11 tragedy for human resources, employee benefits, and public policy and discussed the broader issue of the future role of benefit programs in employment.

At the Stable Value Investment Association annual meeting in Washington, DC, on Oct. 9, Salisbury focused on the current state of retirement programs in the nation, future retirement income prospects, and the importance of adequate retirement income to both labor force management and the economy, noting that in a consumer-driven economy a retiree population growing to more than 20 percent of the population will make a big difference to future corporate bottom lines.

Chicago was the site of the Health & Welfare Plan Management Conference for Mid-Sized Employers, held Oct. 16, where Salisbury provided the keynote address on issues and prospects for defined contribution employment-based health care. He also held a meeting with EBRI Members and interested companies to review how Sept. 11 had changed the future outlook for public policy toward employment-based benefits.

In addition, EBRI health research analyst Rachel Christensen moderated a scientific session entitled "Managed Care: Is It Serving Our Needs?" at the 129th Annual Meeting of the American Public Health Association in Atlanta on Oct. 23. The session included presentations on topics such as covering the uninsured, providing services to low-income women and children, and partnerships between health agencies and managed care organizations.

Choose to Save®

A fifth phase of the Choose to Save® program began this month, in partnership with WJLA-ABC-7 and the Bonneville Radio Stations (WTOP and WGMS) in the Washington, DC, metro area, with underwriting from Fidelity Investments. The radio and television public service announcements (PSAs) and specials (see and hear them at www.choosetosave.org) are now being shown and heard in all regions of the United States, with millions of dollars worth of air time being donated by radio and television stations as a public service. The CBS network is now running the PSAs on network-owned stations nationally, and more than 100 cable stations across the nation are making plans to air "The Savings Game," the half-hour TV education special.

Oregon Retirement Adequacy Report Presented

Dallas Salisbury was in Portland, OR, on Oct. 17 to present results of the EBRI/Milbank study, *Oregon Future Retirement Income Assessment Project: Final Report,* to the Governor's Task Force on Long Term Care Financing. The report projects the future retirement income for Social Security, qualified plans, and individual retirement accounts for those born in 1964 and before. Professor Jack VanDerhei of Temple University and research director of the EBRI Fellows Program presented results of the report on Oct. 31 in Atlanta to the Reforming States Group of State Legislative Leaders, as background to their ongoing work on reform of long-term care financing.

ASEC Fall 2001 Policy Board and Partners' Meetings

ASEC held its Fall 2001 Policy Board and Partners' meetings on Oct. 24–25, respectively. Items on the agenda included a special screening of the fifth "Savings Game" television special produced by WJLA-TV (ABC) as part of the Choose to Save,® education program; an update on the 2002 White House/ Congressional National Summit on Retirement Savings scheduled for Feb. 27–March 1, 2002; information on the RetireMint' Conference scheduled in New York City on May 17–18, 2002; and other partner updates.

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.*]

Dependent Care

Belden Russonello & Stewart and Research/Strategy/Management. In the Middle: A Report on Multicultural Boomers Coping With Family and Aging Issues. Free. AARP, 601 E St., NW, Washington, DC 20049, (202) 434-2277.

MetLife Mature Market Institute. The MetLife Study of Employed Caregivers: Does Long Term Care Insurance Make a Difference? Free. Mature Market Institute, MetLife, 57 Greens Farms Rd., Westport, CT 06880, (202) 221-6580, fax: (203) 454-5339.

Employee Benefits

Hennessy, Nell. HR and Benefits Guide to Mergers & Acquisitions. $395/year plus $19.50 for shipping/handling. Thompson Publishing Group, Inc., Subscription Service Center, P.O. Box 26185, Tampa, FL 33623-6185, (800) 677-3789.

U.S. Chamber of Commerce. The 2000 Employee Benefits Study. $75. U.S. Chamber of Commerce, Publications Fulfillment, 1615 H St., NW, Washington, DC 20062, (800) 638-6582.

Employment Relations

Wever, Kirsten S. Labor, Business, and Change in Germany and the United States. $35. W.E. Upjohn Institute for Employment Research, 300 S. Westnedge Ave., Kalamazoo, MI 49007-4686, (616) 343-5541.

Forecasting

Hewitt Associates. 21st Century Corporations. $100. Hewitt Associates LLC, Attn: Publications Desk, 100 Half Day Rd., Lincolnshire, IL 60069, (847) 295-5000.

Health Care

American Association of Health Plans. Independent Medical Review of Health Plan Coverage Decisions: A Framework for Excellence. AAHP members, $15; nonmembers, $30. AAHP Publications Distribution Center, P.O. Box 043, Annapolis Junction, MD 20701-0043, (800) 631-2750, fax: (301) 206-9789.

Aventis Pharmaceuticals. Institutional Highlights Digest. $95. Aventis Pharmaceuticals. 399 Interpace Pkwy, P.O. Box 663, Parsippany, NJ 07054, (973) 394-6000.

Brenden, Jason A., Peter A. York, and Rebecca L. Waller. The InterStudy PPO Directory and Performance Report 2.0: Reporting Data as of December 31, 2000. $550, prepaid; $605, invoiced. InterStudy Publications, P.O. Box 4366, St. Paul, MN 55104, (800) 844-3351.

Buck Consultants. National Health Care Trend Survey: Second Half 2001. $100. Buck Consultants, Inc., National Survey Center, 500 Plaza Dr., Secaucus, NJ 07096-1533, (201) 553-6400.

Deloitte & Touche and Business & Health. Employer Survey on Managed Care 2000. $50. (888) 361-9960.

Ginsburg, Paul B., and Cara S. Lesser. Understanding Health System Change: Local Markets, National Trends. $40. ACHE/HAP Order Fulfillment Center, P.O. Box 75145, Baltimore, MD 21275-5145, (301) 362-6905, fax: (301) 206-9789.

Humo, Terry. Employer's Guide to the Health Insurance Portability and Accountability Act. $315. Thompson Publishing Group, Inc., Subscription Service Center, P.O. Box 26185, Tampa, FL 33623-6185, (800) 677-3789.

Kaiser Family Foundation and Harvard School of Public Health. National Survey on Consumer Experiences With and Attitudes Toward Health Plans. Free. Kaiser Family Foundation, www.kff.org, (800) 656-4533.

Marsh, Inc. Mid-Sized Employer Health Plans: A Series of Regional Reports Based on the Mercer/

Foster Higgins National Survey of Employer-Sponsored Health Plans. No cost for single copy. Marsh Employee Benefits Services, Attn: Sharon Sikkema, 171 Monroe Ave., #800, Grand Rapids, MI 49503, (616) 233-4257.

Medoff, James L., et al. How the New Labor Market Is Squeezing Workforce Health Benefits. Free. The Commonwealth Fund, One E. 75th St., New York, NY 10021-2692, (888) 777-2744, www.cmwf.org.

U.S. Institute of Medicine. Committee on Quality of Health Care in America. Crossing the Quality Chasm: A New Health System for the 21st Century. $44.95. Institute of Medicine, 2101 Constitution Ave., NW, Washington, DC 20418, (202) 334-3300.

University of Michigan. Health Management Research Center. Cost Benefit Analysis and Report 2001 [worksite wellness]. $195; update only, $95. University of Michigan Health Management Research Center, 1027 E. Huron St., Ann Arbor, MI 48104-1688, (734) 763-2462, fax: (734) 763-2206.

Vogenberg, F. Randy, and Joanne M. Sica. Managing Pharmacy Benefits. IFEBP members, $36; nonmembers, $40 + 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.

Investments

Neuwirth Research Inc. The Ariel Mutual Funds/Charles Schwab & Co., Inc. Black Investor Survey: Saving and Investing Among High Income African-American and White Americans. Free. Ariel Mutual Funds, 307 N. Michigan Ave., Suite 500, Chicago, IL 60601, (312) 726-0140.

Monks, Robert A.G. The New Global Investors: How Shareowners Can Unlock Sustainable Prosperity Worldwide. $29.95. John Wiley & Sons, 1 Wiley Dr., Somerset, NJ 08875, (800) 225-5945.

New York Stock Exchange. Fact Book for the Year 2000. $10. New York Stock Exchange, Inc., Attn: Publications Dept., Eleven Wall St., 18th Fl., New York, NY 10005, (212) 656-3000, ext. 2089.

Pension Plans/Retirement

Deloitte & Touche. Human Capital Advisory Services and Pensions & Investments. 2001 Annual 401(k) Benchmarking Survey. Free at www.us.deloitte.com/pub/401k/default.htm.

U.S. General Accounting Office. Private Pensions: Issues of Coverage and Increasing Contribution Limits for Defined Contribution Plans. Order from GAO.

Social Security

Scheil-Adlung, Xenia. Building Social Security: The Challenge of Privatization. $29.95. Transaction Publishers, 390 Campus Drive, Somerset, NJ 08873, (732) 445-1245, (888) 999-6778, fax: (732) 748-9801.

Workers' Compensation

Telles, Carol A., et al. CompScope Benchmarks: Multistate Comparisons, 1994–1999. WCRI members, $95; nonmembers, $195. Workers Compensation Research Institute, 955 Massachusetts Ave., Cambridge, MA 02139, (617) 661-9274, fax: (617) 661-9284.

Documents Available on the Internet

Administrative Expense Benchmarks for Health Plans
www.sherlockco.com/seerbackground.htm

Commuter Assistance Benefits in the Workplace
www.xylo.com/xyloreport/xr_0104.htm

Do Actuaries Need a Standard for Illustrating Retirement Benefits?
www.contingencies.org/sepoct01/illustration.pdf

IRA Ownership in 2001
www.ici.org/pdf/fm-v10n3.pdf

Paid Leave Initiatives - 2001
www.ows.doleta.gov/unemploy/chart2001.asp

Revenue Sharing in the 401(k) Marketplace: Whose Money Is It?
www.plantools.com/pdfs/RevenueSharingReport_9_01.pdf

Social Security and Market Risk
www.ncpa.org/studies/s244/s244.html

2001 Social Security Summary: Incorporating Changes to January 1, 2001
www.haygroup.com/download/pdf/

benefits/2001ss.pdf

State of Managed Care Quality: 2001
www.ncqa.org/somc2001/

Uniformed Services Employment and Reemployment Rights Act (USERRA) Advisor
www.dol.gov/elaws/USERRA0.htm

The United States Government Manual – 2001 / 2002
www.access.gpo.gov/nara/browse-gm-01.html

Business & Finance Sites

Barron's Online
www.barrons.com/

BusinessWeek Online
www.businessweek.com/

Dow Jones Interactive
www.djinteractive.com/

Economist.com
www.economist.com/

Forbes.com
www.forbes.com/

Fortune.com
www.fortune.com/

Institutional Investor Online
www.institutionalinvestoronline.com/

Investors.com
www.investors.com/

The New York Times on the Web
www.nytimes.com/

SmartMoney.com
www.smartmoney.com/

WSJ.com
public.wsj.com/

Worth.com
www.worth.com/

EBRI offers no endorsement of, and assumes no liability for, the currency, accuracy, or availability of any information on these sites.

EBRI
EMPLOYEE BENEFIT RESEARCH INSTITUTE ®

EBRI Notes (ISSN 1085-4452) is published monthly at $300 per year or is included as part of a membership subscription by the Employee Benefit Research Institute, 2121 K Street, NW, Suite 600, Washington, DC 20037-1896. Periodicals postage rate paid in Washington, DC. POSTMASTER: Send address changes to: *EBRI Notes*, 2121 K Street, NW, Suite 600, Washington, DC 20037-1896. Vol. 22, no. 11.

Notes

Who we are

The Employee Benefit Research Institute (EBRI) was founded in 1978. Its mission is to contribute to, to encourage, and to enhance the development of sound employee benefit programs and sound public policy through objective research and education. EBRI is the only private, nonprofit, nonpartisan, Washington, DC-based organization committed exclusively to public policy research and education on economic security and employee benefit issues. EBRI's membership includes a cross-section of pension funds, businesses, trade associations, labor unions, health care providers and insurers, government organizations, and service firms.

What we do

EBRI's work advances knowledge and understanding of employee benefits and their importance to the nation's economy among policymakers, the news media and the public. It does this by conducting and publishing policy research, analysis, and special reports on employee benefits issues; holding educational briefings for EBRI members, congressional and federal agency staff, and the news media; and sponsoring public opinion surveys on employee benefit issues. **EBRI's Education and Research Fund** (EBRI-ERF) performs the charitable, educational, and scientific functions of the Institute. EBRI-ERF is a tax-exempt organization supported by contributions and grants. The **American Savings Education Council** (ASEC) and the **Consumer Health Education Council** (CHEC) are programs of EBRI-ERF. They are coalitions of private- and public-sector institutions with the goals of public education on saving, retirement planning, health insurance, and health quality.

Our publications

EBRI Issue Briefs are monthly periodicals providing expert evaluations of employee benefit issues and trends, as well as critical analyses of employee benefit policies and proposals. Each issue, ranging in length from 16–28 pages, thoroughly explores one topic. ***EBRI Notes*** is a monthly periodical providing current information on a variety of employee benefit topics. **EBRI's *Washington Bulletin*** provides sponsors with short, timely updates on major federal developments in employee benefits. **EBRI's *Fundamentals of Employee Benefit Programs*** offers a straightforward, basic explanation of employee benefit programs in the private and public sectors. ***The EBRI Databook on Employee Benefits*** is a statistical reference volume on employee benefit programs and work force related issues.

Subscriptions/orders

Contact EBRI Publications, (202) 659-0670; fax publication orders to (202) 775-6312. Subscriptions to *EBRI Issue Briefs* are included as part of EBRI membership, or as part of a $199 annual subscription to *EBRI Notes* and *EBRI Issue Briefs*. Individual copies are available with prepayment for $25 each (for printed copies) or for $7.50 (as an e-mailed electronic file) by calling EBRI or from www.ebri.org. ***Change of Address:*** EBRI, 2121 K Street, NW, Suite 600, Washington, DC 20037, (202) 775-9132; fax number, (202) 775-6312; e-mail: Publications Subscriptions@ebri.org. ***Membership Information:*** Inquiries regarding EBRI membership, and/or contributions to EBRI-ERF should be directed to EBRI President Dallas Salisbury at the above address, (202) 659-0670; e-mail: salisbury@ebri.org

EBRI Notes is registered in the U.S. Patent and Trademark Office. ISSN: 1085-4452 1085-4452/90 $ .50+.50