Another Year After the Current Population Survey Redesign and More Questions About the Survey’s Retirement Plan Participation Estimates, p. 2

AT A GLANCE

• The Annual Social and Economic Supplement (fielded in March of each year) to the Current Population Survey (CPS), conducted by the U.S. Census Bureau, is one of the most-cited sources of income data for those whose ages are associated with being retired (typically ages 65 or older). It has also been used to provide annual estimates of employment-based retirement plan participation.

• The Census Bureau conducted a redesign of the CPS questionnaire in 2014 on the income questions that resulted in much lower estimates of the percentages of workers who participate in an employment-based retirement plan.

  o For example, the percentage of full-time, full-year wage and salary workers ages 21–64 participating in an employment-based retirement plan was more than 11 percentage points lower in 2015 after the redesign relative to the 2013 estimate under the traditional questionnaire design. This translates into more than 9 million fewer individuals participating in an employment-based retirement plan.

  o The groups of workers most affected were those with the highest likelihoods of participation—older, higher earners, and employees of larger employers.

• Unless modifications are made to the CPS, using the CPS for estimating the participation in pension and other retirement plans will provide misleading and inaccurate estimates and conclusions.

  o The support for this assessment includes the much lower level of participation found under the redesigned questionnaire estimates relative to the traditional questionnaire estimates in 2013, the considerable decline in the estimated number of retirement plan participants after the redesign of the CPS questionnaire, and the inconsistent time series in the participation levels in CPS relative to other federal government surveys (i.e., National Compensation Survey).

• Rather modest modifications could be made within the CPS questionnaire to improve the retirement plan participation estimates. Until that time, any person or organization using the data or those reading analyses from the data need to be aware of the issues with the CPS data on pension and retirement plan participation. The estimates from the most recent surveys could easily be misconstrued as an erosion in coverage, as opposed to an issue with the data.
Another Year After the Current Population Survey Redesign and More Questions About the Survey’s Retirement Plan Participation Estimates

By Craig Copeland, Ph.D., Employee Benefit Research Institute

Introduction

The Annual Social and Economic Supplement (fielded in March of each year) to the Current Population Survey (CPS), conducted by the U.S. Census Bureau, is one of the most-cited sources of income data for those whose ages are associated with being retired (typically ages 65 or older). In response to research showing that the survey misclassified and generally under-reported income, particularly pension income, the Census Bureau in 2014 conducted a redesign of the CPS questionnaire that altered and added to questions on income. When such a change is made in the survey questionnaire, results from other areas of the survey can also be affected. From the CPS redesign, one such impact was on the estimates of the percentage of workers who participate in an employment-based retirement plan.

Using this annual March CPS data, the Employee Benefit Research Institute (EBRI) has done annual reports on employment-based pension participation among civilian noninstitutionalized workers, including a study last year after the full implementation of the survey redesign. The basis of these studies are the two questions in the March CPS that ask workers if other than Social Security did any employer or union that you worked for in 20xx (prior year) have a pension or other type of retirement plan for any of its employees and whether the worker was included in that plan. These two questions were not part of the changes in the redesign of the questionnaire.

This EBRI Notes article describes the results from the 2016 CPS, which asks about participation in 2015, and compares them with prior years both before and after the redesign of the CPS questionnaire. As with last year, the results showed larger declines than have been found historically and were inconsistent with another government survey where participation in employment-based retirement plans has been found to hold steady from 2011–2015.

Trends in the Survey Results Before and After the Redesign

In the 2014 CPS, which provides results for 2013, a split-sample was used where both the traditional questionnaire (the questionnaire before any changes were made to the income questions) and the redesigned questionnaire (with the revised income questions) were used to conduct the survey. This resulted in three nationally representative results being available from the CPS that year: the traditional survey results, the redesigned survey results, and combined survey results where both the responses from the traditional and redesigned surveys are combined into one set of results. With the changes in the survey, the estimates of employment-based retirement plan participation were significantly different before and after the redesign (in 2013 and in 2011–2012 compared with 2014–2015), and the trends in participation have had substantially larger year-to-year changes after the redesign than before it.

Under the traditional survey design in 2014, the percentage of all civilian noninstitutionalized workers found to be working for an employer that sponsored a plan in 2013 was 51.3 percent, compared with 47.3 percent under the redesigned questionnaire, a difference of 4.0 percentage points (Figure 1). Looking at other workforce definitions, for full-time, full-year wage and salary workers ages 21–64, the difference was even larger at 5.5 percentage points (62.3 percent traditional vs. 56.8 percent redesigned); and for public-sector workers ages 21–64 the difference was 4.6 percentage points.

The 2015 and 2016 surveys (2014 and 2015 results, respectively) continued using the redesigned questionnaire, and the percentages of workers working for an employer that sponsored a plan were found to have decreased among
each of the specified workforce definition in both years. For example, the percentage of full-time, full-year wage and salary workers ages 21‒64 working for an employer that sponsored a plan declined by 2.6 percentage points from the 2013 redesign estimate to 2014 and by 3.9 percentage points from 2014 to 2015. Compared with the 2013 estimate under the traditional questionnaire design, the 2015 estimate shows a reduction of 12 percentage points.

The percentages of workers participating in an employment-based retirement plan among each workforce definition, using the redesigned questionnaire, were also found to have decreased in both years. For example, the percentage of full-time, full-year wage and salary workers ages 21–64 participating declined by 2.9 percentage points from 2013 to 2014 and by 3.6 percentage points from 2014 to 2015 (Figure 2). Compared with the 2013 estimate under the traditional questionnaire design, the 2015 estimate under the redesigned questionnaire shows a reduction of more than 11 percentage points.

**Age**—Focusing on full-time, full-year wage and salary workers ages 21–64, there were substantial declines across all age groups in the estimates of the percentages participating in 2015 compared with 2014 (Figure 3). This is on top of the declines reflected in the 2014 estimates. Also, except for the youngest workers, over 10-percentage-point reductions in the percentages participating were found in 2015 relative to the 2013 traditional survey estimates.

**Earnings**—While workers at all earnings levels experienced considerable declines in the percentages participating, workers with higher earnings showed the largest percentage-point drops from the 2013 traditional survey estimates to the 2015 redesigned survey estimates (Figure 4). For example, for full-time, full-year wage and salary workers ages 21–64 with $75,000 or more of earnings, the percentage participating declined by 15.9 percentage points from 2013 under the traditional design survey to 2015 under the redesigned survey. For comparison, the percentage participating declined by 9.2 percentage points for these workers earning $20,000–$29,999 between these two surveys.
Figure 2

Source: Employee Benefit Research Institute estimates of the March Current Population Survey 2012–2016. (T)-traditional questionnaire/(R)-redesigned questionnaire/(C)-combined results. Both the traditional and redesigned questionnaires were fielded in 2014 (2013 results). The 2011–2012 results were from the traditional, while the 2014–2015 results were from the redesigned questionnaire.


Figure 3

Source: Employee Benefit Research Institute estimates of the March Current Population Survey 2012–2016. (T)-traditional questionnaire/(R)-redesigned questionnaire/(C)-combined results. Both the traditional and redesigned questionnaires were fielded in 2014 (2013 results). The 2011–2012 results were from the traditional, while the 2014–2015 results were from the redesigned questionnaire.

**Figure 4**


<table>
<thead>
<tr>
<th>Annual Earnings</th>
<th>2011</th>
<th>2012</th>
<th>2013 (T)</th>
<th>2013 (C)</th>
<th>2013 (R)</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $10,000 per Year</td>
<td>70.9%</td>
<td>70.8%</td>
<td>71.1%</td>
<td>68.5%</td>
<td>63.4%</td>
<td>69.9%</td>
<td>55.2%</td>
</tr>
<tr>
<td>$10,000–$19,999</td>
<td>66.0%</td>
<td>66.4%</td>
<td>65.4%</td>
<td>64.1%</td>
<td>60.5%</td>
<td>58.8%</td>
<td>52.3%</td>
</tr>
<tr>
<td>$20,000–$29,999</td>
<td>53.4%</td>
<td>53.3%</td>
<td>54.9%</td>
<td>53.2%</td>
<td>49.2%</td>
<td>45.6%</td>
<td>41.4%</td>
</tr>
<tr>
<td>$30,000–$49,999</td>
<td>34.6%</td>
<td>33.7%</td>
<td>35.0%</td>
<td>33.6%</td>
<td>31.6%</td>
<td>30.0%</td>
<td>25.8%</td>
</tr>
<tr>
<td>$50,000–$74,999</td>
<td>17.9%</td>
<td>17.4%</td>
<td>20.8%</td>
<td>20.4%</td>
<td>19.3%</td>
<td>16.1%</td>
<td>14.7%</td>
</tr>
<tr>
<td>$75,000 or More</td>
<td>17.2%</td>
<td>16.5%</td>
<td>15.4%</td>
<td>15.8%</td>
<td>12.2%</td>
<td>14.5%</td>
<td>6.6%</td>
</tr>
</tbody>
</table>


**Figure 5**

Percentage of Full-time, Full-year Wage and Salary Workers Ages 21–64 Participating in an Employment-based Retirement Plan, Using the CPS* Traditional vs. Redesigned Questionnaire, by Employer Size (Number of Employees), 2011–2015

<table>
<thead>
<tr>
<th>Employer Size</th>
<th>2011</th>
<th>2012</th>
<th>2013 (T)</th>
<th>2013 (C)</th>
<th>2013 (R)</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fewer Than 10 Employees</td>
<td>82.1%</td>
<td>80.2%</td>
<td>81.7%</td>
<td>80.3%</td>
<td>77.3%</td>
<td>74.3%</td>
<td>72.1%</td>
</tr>
<tr>
<td>10–49 Employees</td>
<td>64.6%</td>
<td>64.6%</td>
<td>66.5%</td>
<td>64.4%</td>
<td>59.6%</td>
<td>55.9%</td>
<td>51.8%</td>
</tr>
<tr>
<td>50–99 Employees</td>
<td>58.1%</td>
<td>57.6%</td>
<td>56.7%</td>
<td>54.8%</td>
<td>50.7%</td>
<td>50.1%</td>
<td>44.6%</td>
</tr>
<tr>
<td>100–499 Employees</td>
<td>52.2%</td>
<td>52.9%</td>
<td>54.7%</td>
<td>53.2%</td>
<td>50.1%</td>
<td>44.3%</td>
<td>39.3%</td>
</tr>
<tr>
<td>500–999 Employees</td>
<td>42.1%</td>
<td>44.0%</td>
<td>44.4%</td>
<td>43.5%</td>
<td>42.1%</td>
<td>37.9%</td>
<td>33.5%</td>
</tr>
<tr>
<td>1,000 or More Employees</td>
<td>31.3%</td>
<td>31.5%</td>
<td>32.0%</td>
<td>31.3%</td>
<td>29.3%</td>
<td>27.7%</td>
<td>22.7%</td>
</tr>
</tbody>
</table>

Source: Employee Benefit Research Institute estimates of the March Current Population Survey 2012–2016. (T)-traditional questionnaire/(R)-redesigned questionnaire/(C)-combined results. Both the traditional and redesigned questionnaires were fielded in 2014 (2013 results). The 2011–2012 results were from the traditional, while the 2014–2015 results were from the redesigned questionnaire. * Current Population Survey.
Number of Employees—Workers at larger employers have always had higher likelihoods of participating in an employment-based retirement plan, but the CPS data from the redesigned survey shows that workers at larger employers (100 or more employees) had larger percentage point decreases in their percentages participating between the 2013 traditional survey estimates and the 2015 redesigned survey estimates than was the case for workers of small employers (fewer than 100 employees) (Figure 5). In particular, the percentage of full-time, full-year wage and salary workers ages 21–64 who worked for an employer with 1,000 or more employees who participated in an employment-based retirement plan was 66.5 percent in 2013 under the traditional questionnaire design, while under the redesigned questionnaire in 2015, the percentage participating was 51.8 percent—a 14.7 percentage point reduction. Among workers of employers with 100–499 workers, the reduction was even larger, as the 2015 estimate was 15.4 percentage points lower. Despite there still being lower percentages participating under the 2015 survey for workers at employers with fewer than 100 employees, the 2013–2015 changes were less for these workers. For example, for workers of employers with 10–49 employees, the 2015 estimate was 9.3 percentage points lower than the 2013 traditional estimate.

Number of Workers Participating—It is possible for the percentage of workers participating in a pension to go down at the same time as the number of workers participating in a pension remains the same or even increases, if the additional number of workers in the labor force increases by more than the number of additional retirement-plan participants. However, this was not the case from the estimates of CPS survey results. Indeed, the number of full-time, full-year wage and salary workers ages 21–64 estimated to be employment-based retirement plan participants decreased from 51.4 million under the traditional 2013 survey to 42.2 million under the 2015 redesigned survey (Figure 6). In addition, a similar decrease was shown between the numbers of these workers working for an employer that sponsors a plan.

Long-Term Trends in the Percentages Participating
As described above, the CPS showed significant declines in the percentages of workers participating in employment-based retirement plans from 2013 to 2015. And even with the lower participation levels found in 2013 under the redesigned questionnaire relative to the traditional questionnaire, the declines shown for 2014 and 2015 were at record levels dating back to at least 1987. In addition, the combined two-year decline for those years is far larger than found for any other two-year period, even larger than during periods of high unemployment.

For illustrative purposes, assuming that the same differences between the results under the traditional and redesigned questionnaires for 2013 would have persisted through 2014 and 2015, Figure 7 shows the trend from 1987 through 2015 (with the adjustment). The adjusted difference in 2014 relative to the traditional 2013-questionnaire estimate for full-time, full-year wage and salary workers ages 21–64 was 2 percentage points lower, which was the largest year-to-year decline since at least 1987 until the 4 percentage point decline in the adjusted 2015 redesigned questionnaire level relative to the adjusted 2014 redesigned questionnaire level. The largest prior decline was a 2 percentage point decrease from 2005 to 2006. Furthermore, the two-year decline from the 2013 traditional estimate to the 2015 adjusted redesigned estimate for full-time, full-year wage and salary workers ages 21–64 was 6 percentage points. The next largest two-year decline dating back to 1987–1989 was 4 percentage points from 2004–2006.

Comparison With Bureau of Labor Statistics Data
Not only were the 2014 and 2015 declines found in the CPS estimates larger than at any point since at least 1987, the declines are not consistent with the findings from the Bureau of Labor Statistics’ National Compensation Survey (NCS). This survey found that the percentage of private-sector wage and salary workers at establishments with 500 or more employees participating in an employment-based retirement plan increased from 76 percent in 2013 to 77 percent in 2014, and then returned to 76 percent in 2015 (Figure 8). In contrast, using the most comparable data
Figure 6
(in millions)

Source: Employee Benefit Research Institute estimates of the March Current Population Survey 2012–2016. (T)-traditional questionnaire/(R)-redesigned questionnaire/(C)-combined results. Both the traditional and redesigned questionnaires were fielded in 2014 (2013 results). The 2011–2012 results were from the traditional, while the 2014–2015 results were from the redesigned questionnaire.


Figure 7

in the CPS, the percentage of full-time, full-year wage and salary workers who worked for a private-sector employer with 500 or more employees was found to decrease from 64 percent for the traditional questionnaire and 58 percent from the redesigned questionnaire in 2013 to 55 percent in 2014 and to 50 percent in 2015.

What the CPS Redesign Shows for Income

While the redesigned CPS questionnaire had a negative impact on the reported levels of workers participating in employment-based retirement plans, it appears to have improved the reported sources of income for those ages 65 and older.

Figure 9 shows the resulting decline in the percentage of all workers participating in an employment-based retirement plan from 40.8 percent under the traditional questionnaire in 2013 to 32.6 percent under the redesigned questionnaire in 2015. At the same time, the percentage of Americans ages 65 or older who had pension income increased from 30.6 percent under the traditional questionnaire in 2013 to 35.4 percent in 2014 under the redesigned questionnaire and leveled off to 35.3 percent in 2015. Consequently, while the redesign of the CPS questionnaire showed fewer current workers participating in pension plans, it was better able to capture the pension income of individuals once they had reached retirement age that research has shown that CPS had been underestimating.

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**Figure 8**

Percentage of Wage & Salary Workers Working for Private-Sector Employers With 500 or More Employees Participating in an Employment-based Retirement Plan, CPS\(^a\) vs. BLS-NCS\(^b\), 2011–2015

<table>
<thead>
<tr>
<th>Year</th>
<th>CPS</th>
<th>BLS-NCS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>76%</td>
<td>76%</td>
</tr>
<tr>
<td>2012</td>
<td>63%</td>
<td>76%</td>
</tr>
<tr>
<td>2013</td>
<td>64%</td>
<td>64%</td>
</tr>
<tr>
<td>2014</td>
<td>62%</td>
<td>58%</td>
</tr>
<tr>
<td>2015</td>
<td>55%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Source: Employee Benefit Research Institute estimates of the March Current Population Survey 2012–2016. (T)-traditional questionnaire/(R)-redesigned questionnaire/(C)-combined results. Both the traditional and redesigned questionnaire were fielded in 2014 (2013 results). The 2011–2012 results were from the traditional, while the 2014–2015 results were from the redesigned questionnaires. (Only CPS was redesigned. The BLS number was entered twice for 2013.) CPS-Current Population Survey/ BLS-NCS-Bureau of Labor Statistics National Compensation Survey (See [http://www.bls.gov/ncs/ebs/benefits/2016/ownership_private.htm](http://www.bls.gov/ncs/ebs/benefits/2016/ownership_private.htm)) The CPS population is restricted to private wage and salary workers who worked full-time, full-year and were not in the Agricultural or Private Household industries.

\(^a\) Current Population Survey.

What Could Be Done

Currently, the U.S. Census Bureau has no plans to revise the CPS (questionnaire or data provided) to address this issue. However, the revised income questions contained new detailed questions on pension and retirement plan participation/ownership that are not reported in the publicly available dataset and are not a part of the two separate questions that are included in the dataset on pension and other retirement plan participation.

The new questions in the income section are only used to gain more insight into possible sources of income, and they separate pension and retirement accounts into two different categories. The questions are phrased as below for the 2016 survey (the same as in the 2015 and the revised 2014 questionnaires).16

![Comparison of the Percentages of All Workers Participating in an Employment-based Pension Plan vs. Those Ages 65 or Older Receiving Pension Income, Using the CPS* Traditional and Redesigned Questionnaires, 2011–2015](image)

Source: Employee Benefit Research Institute estimates of the March Current Population Survey 2012–2016. (T) - traditional questionnaire, (R) - redesigned questionnaire, (C) - combined results. Both the traditional and redesigned questionnaires were fielded in 2014 (2013 results). The 2011–2012 results were from the traditional, while the 2014-2015 results were from the redesigned questionnaire.

• During 2015 did (you/ anyone in this household) receive any pension income from a previous employer or union, (other than Social Security/ other VA benefits/ other than Social Security or VA benefits)?

PLEASE DO NOT INCLUDE DISTRIBUTIONS OR WITHDRAWALS FROM IRAs, 401(k)s, OR SIMILAR ACCOUNTS!

• At any time during 2015 did (you/ anyone in this household) have any retirement accounts such as a 401(k), 403(b), IRA, or other account designed specifically for retirement savings?

A follow-up question is included for the type of retirement account:

• What type of retirement account (did you/ NAME) have? Did (you/he/she) have…

READ EACH CATEGORY!

Enter all that apply, separate using the space bar or a comma.

1. 401(k) 5. KEOGH plan (“KEE-OH”)
2. 403(b) 6. SEP plan (Simplified Employee Pension)
3. Roth IRA 7. another type of retirement account
4. Regular IRA

If these questions or responses to these questions were integrated with the two questions that are used for determining pension or other retirement plan participation in the survey, a potentially better estimate could be obtained from CPS.

There are a few ways that this could be accomplished. For instance, all the responses to the income questions could be made available in the public dataset to allow a user of the data to develop an overall participation rate from combining the results of the income questions with those reported from the pension participation questions. Another possibility is to use the responses to the income questions as prompts for the pension or other retirement plan questions, so that participation can be confirmed or asked again to capture anyone missed in the first time asking about retirement plan participation.17

Conclusion

While the redesign of the CPS questionnaire achieved one of its primary goals of capturing more income—especially pension income—it appears to have negatively affected the results of the pension participation variables within the survey. As shown in this study, the estimated retirement plan participation levels of current workers were markedly lower after the revision. Furthermore, the groups of workers most affected were those with the highest likelihoods of participation—older, higher earners, and employees of larger employers.
Unless modifications are made to the CPS, using the CPS for estimating the participation in pension and other retirement plans will provide misleading and inaccurate estimates and conclusions. The support for this assessment includes the much lower level of participation found under the redesigned questionnaire estimates relative to the traditional questionnaire estimates in 2013, the considerable decline in the estimated number of retirement plan participants after the redesign of the CPS questionnaire, and the inconsistent time series in the participation levels in CPS relative to other federal government surveys (i.e., NCS).

Rather modest modifications could be made within the CPS questionnaire along the lines of other federal government surveys to improve the retirement plan participation estimates. Until that time, any person or organization using the data or those reading analyses from the data need to be aware of the issues with the data. The estimates from the most recent surveys could easily be misconstrued as an erosion in coverage, as opposed to an issue with the data.
Endnotes

1 The U.S. Census Bureau conducts the Current Population Survey (CPS) for the Bureau of Labor Statistics and currently interviews about 54,000 households. It contains numerous questions about individuals' work statuses, employers, incomes, and basic demographic characteristics. Consequently, the CPS is able to provide detailed information about workers from a broad sample of Americans. For more detail about the survey see, http://www.census.gov/programs-surveys/cps/about.html


4 See Craig Copeland, “Examining the New Income Measures in the Current Population Survey,” EBRI Notes, no. 5 (Employee Benefit Research Institute, May 2015): pp. 8–15 for another comparison of the income received by those ages 65 or older under the traditional and redesigned questionnaires.

5 The effects of the redesign could be a result of various issues such as the more detailed questions on income providing more information on the definitions of various retirement plans; causing individuals to answer differently than when the detailed information was not provided; increasing the length of survey, which could cause more individuals to not complete the survey or to answer the questions without thought to finish the survey more quickly due to fatigue.

6 For example, the most recent publication before the survey redesign is Craig Copeland, “Employment-Based Retirement Plan Participation: Geographic Differences and Trends, 2013.” EBRI Issue Brief, no. 405 (Employee Benefit Research Institute, October 2014).

7 See Craig Copeland, “The Effect of the Current Population Survey Redesign on Retirement Plan Participation Estimates,” EBRI Notes, no.12 (Employee Benefit Research Institute, December 2015): pp. 2—11 for more detail about the changes in the survey and the impact on the retirement plan participation estimates. An important note is that the estimates in this 2015 study differ from the 2016 study, as only civilian workers are included in the 2016 estimates, whereas all noninstitutionalized workers were included in the 2015 study. Furthermore, the 2016 study added the combined 2013 estimates and made refinements in the populations being compared so that they were as directly comparable as possible.

8 The U.S. Census Bureau conducted a split sample design on the 2014 March CPS. Five-eighths of the sample received the traditional questionnaire and three-eighths of the sample received the redesigned questionnaire. Nationally representative weights were developed for each sample to provide nationally representative estimates of the variables in the survey. In addition, weights were developed for the combined sample to also have nationally representative estimates.

9 For the remainder of this study when talking about workers, only civilian noninstitutionalized workers are examined. Other qualifiers on the population of interest could change as such by age of workers or full-time, full-year status as noted, but civilian noninstitutionalized population will not be repeated but should be understood.

10 While the CPS provides detail about the workers who participate in employment-based pension plans (or retirement plans—used interchangeably in this study, as has been done in prior analyses of these data), it does not provide for the questions that are reported about retirement plan participation the specifics of the plans—such as the worker's plan type or whether the
individual worker is eligible to participate in the plan sponsored by his or her employer or union. This makes the definition of terms in this study important:

- The term sponsorship rate is defined as the percentage of workers in the specified work force who worked for an employer or union that sponsored a plan in a given year for any of its employees, though not necessarily for the worker in question.

- In this discussion, the term percentage of workers participating in a plan is not synonymous with the standard retirement plan term participation rate, which is generally understood to mean the percentage of eligible workers who participate in a plan. Consequently, participation rate is not used in this analysis; instead, the terms participation level or percentage participating are used. To reiterate, those terms refer to the fraction of workers in the specified work force who participate in an employment-based pension or retirement plan regardless of the workers’ eligibility to participate in a plan. (An eligible worker is one who is offered a plan and meets the requirements to participate.)

- Lastly, the term participating in a plan (or pension or retirement plan) as used here always refers to a pension or retirement plan provided through an employment-based arrangement, not a plan such as an individual retirement account (IRA) that workers can fund outside of an employment-based arrangement. Furthermore, since there isn’t a distinction made in the data between defined benefit and defined contribution plans, participation includes either plan type.

11 See Copeland, 2014 (Endnote 6).

Specifically, the difference between the traditional and redesigned numbers for 2013 is added to the 2014 number in an attempt to have a consistent time trend. This assumes that the differences between the traditional and redesigned surveys would remain the same if they were still conducted. This wouldn’t necessarily happen, but it gives a point of reference for a consistent time trend. For full-time, full-year wage and salary workers ages 21–64, the calculation would be the difference between the traditional and redesigned 2013 estimates from Figure 2 (5.12 percent) added to the level (46.41 percent) for 2014 to get 51.5 percent for the adjusted amount. The same was done for the 2015 levels. In many cases, such as that just enumerated, rounding causes a potential 0.1 percentage point difference compared with just the rounded amounts in Figure 2.

13 The National Compensation Survey (NCS) is conducted annually in March by the Bureau of Labor Statistics by surveying United States businesses about their compensation cost trends, incidence of benefits, and detailed benefit provisions. Estimates from the NCS are for civilian workers—workers in private industry and in state and local government—by various employee and employer characteristics. Federal Government, agricultural, private household, and self-employed workers are excluded. For more detail on the NCS, see http://www.bls.gov/ncs/ebs/benefits/2015/overview.htm

14 The National Compensation Survey (NCS) is fielded in March of each year and asks about workers during that month. The NCS includes all civilian workers, except for federal government, agricultural, private household workers, and the self-employed (only private sector workers are included in this study’s comparison). The CPS is a survey of all noninstitutionalized individuals in American households. The pension questions in the CPS are asked of anyone who worked during the prior year about their pension participation in that year. The CPS estimates are filtered to match the NCS universe as closely as possible, where the CPS estimates in this section are only for civilian full-time, full-year wage and salary workers working for private sector employers with 500 or more employees but not in the agricultural or private household industries.

15 Pension income includes income from traditional pension plans, defined contribution plans, and individual retirement accounts (IRAs). The redesign of the questionnaire was better able to capture irregular withdrawals (i.e., one time lump sums) from DC plans and IRAs that were missed under the traditional questionnaire.

16 See http://www2.census.gov/programs-surveys/cps/techdocs/cpsmar16.pdf for the complete questionnaire.
17 Both the U.S. Census Bureau's Survey of Income and Program Participation (SIPP) and the Federal Reserve's Survey of Consumer Finances (SCF) ask a follow up question to pick up anyone missed from the first question on pension and other retirement plan participation. The question in each survey was focused on capturing additional individuals who contribute to a defined contribution plan.

18 Both the Survey of Income and Program Participation (SIPP) and the Survey of Consumer Finances (SCF) have modified their pension participation questions at least once. A typical addition was a follow-up question to try to capture those contributing to a defined contribution (401(k)-type) plan. As mentioned in the text, this type of question could be asked without adding questions, but by altering the current questions now or reordering them. Yet, the CPS’s focus is on poverty, income sources, and health insurance ownership. Consequently, any potential changes to improve pension participation numbers would need to be considered against adversely affecting the focus of the survey.
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