



EBRI News

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Updated Ballpark E\$timate[®] Appears in Two Formats

WASHINGTON—Americans trying to estimate how much they need to save for a comfortable retirement now have an updated and easy-to-use tool—the Ballpark E\$timate.[®]

The updated Ballpark is available in two formats: An online version that is interactive and provides instant results, and a printed version that can be downloaded from the Internet and filled out at home.

Both versions are sponsored by ChoosetoSave.org and the American Savings Education Council (ASEC), programs of the nonpartisan Employee Benefit Research Institute (EBRI). They are available free on the Web at www.choosetosave.org/ballpark/. The Ballpark E\$timate[®] has been repeatedly cited as a simple and useful tool for quickly estimating overall retirement savings needs.

Both the online and paper versions of the Ballpark come with instructions that take complicated issues—such as projected Social Security benefits and earnings assumptions on savings—and turn them into language and mathematics that are easy to understand, said Dallas Salisbury, EBRI president. The updated online version allows individuals to customize several key factors in calculating how much they need to save for retirement: how long they think they will live, when they expect to retire, and other variables as well. Since each individual is different, it allows people to achieve a more accurate estimate based on *their* particular circumstances.

“As people continue to live longer, and as savings for retirement becomes more and more of a personal responsibility issue for all Americans, it is important that savings calculators take full advantage of what we know and the technology that is now available,” Salisbury added. “While the amount people need to save may be shocking to them, it is better that they have a realistic Ballpark E\$timate so they can get started.”

Salisbury noted that most Americans currently are not saving enough to achieve their retirement goals. An individual who starts at age 20 and saves consistently for 42 years—in anticipation of retiring at age 62—would have to set aside more than most Americans save now, he said. “Waiting to start saving until age 40 moves the required savings percentage to the stars.” (Charts detailing these points are available on EBRI’s Web site at www.ebri.org/pdf/PR_714_6Oct05.pdf.)

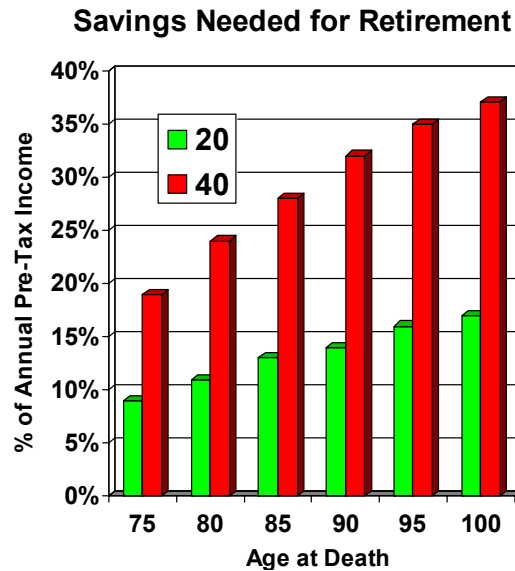
EBRI’s 2005 Retirement Confidence Survey (<http://ebri.org/surveys/rcs/2005/>) showed that doing a retirement saving needs calculation can change savings behavior. Most often, those who do a calculation say they start saving more and they take other steps, such as changing the investment allocation of their retirement savings, researching other savings methods, reducing debt and opening a new savings account.

Established in 1978, EBRI is an independent nonprofit organization committed to data dissemination, policy research, and education on economic security and employee benefits. The institute and its programs do not lobby and do not take positions on policy questions.

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How Much Do You Need to Save Each Year If You Work Until 62?

- Starting at age 20 and saving consistently for 42 years requires more than most are now saving.
- Waiting to start saving until age 40 moves the required savings percentage to the stars.



How Much Do You Need to Save Each Year If You Work Until 67?

- Starting at age 20 and saving consistently for 47 years will support a long life at rates many are now saving.
- Waiting until age 40 or 50 moves the numbers to the stars unless retirement is delayed.

