


Fast Facts from EBRI

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FFE #25, June 6, 2006

Retirement Plan Participation Profile, Part I: Younger Workers Ages 21–30

WASHINGTON—What percentage of U.S. workers ages 21–30 participate in any kind of retirement plan at work? How does that compare with five years ago? What were the participation rates for younger workers in 401(k)-type plans, and what were the main reasons for nonparticipation?

A study by the nonprofit Employee Benefit Research Institute contains a profile of workers' participation in retirement plans by age group, among other things. The analysis uses 2003 data (the latest available). This *Fast Facts* looks at younger workers (ages 21–30)—those just getting started in their working careers. Subsequent editions will look at other age groups.

In brief, the analysis finds about one-third of all workers 21–30 participate in any retirement plan at work; among those who do, 401(k)-type defined contribution plans are the most common.

Percentage of workers 21–30 who participated in any employer-sponsored retirement plan in 2003:

- Employed at a firm sponsoring a plan: 60.6 percent.
- Participating in a plan: 36.6 percent.
- Vested (entitled to benefits) in a plan: 32.3 percent.
- Of participating workers, those in a defined benefit (pension) plan only: 26.0 percent.
- Of participating workers, those in a defined contribution plan only: 58.7 percent.
- Of participating workers, those in both kinds of plan: 13.5 percent.

Comparison of 2003 and 1998 participation rates for workers 21–30:

- Participated in current job's plan: 36.6 percent (32.2 percent in 1998).
- Have a plan from a current or former job: 37.6 percent (33.3 percent in 1998).
- Have ever participated in employment-based plan: 40.4 percent (36.8 percent in 1998).

Participation levels for workers 21–30 in a 401(k) or defined contribution plan, in 2003:

- Employed at a firm sponsoring a plan: 46.2 percent.
- Participating in a plan: 25.1 percent.
- Vested in a plan: 23.8 percent.
- Percentage of nonparticipants at employers where a plan was available:
 - Ineligible: 53.4 percent.
 - Cannot afford to contribute: 18.2 percent.

All figures, as well as other details, are available in the January 2006 *EBRI Issue Brief* available at www.ebri.org/pdf/briefspdf/EBRI_IB_01-20061.pdf

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