



## ***Fast Facts from EBRI***

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### ***... And You Can Quote Us:*** **Highlights from Recent EBRI Publications**

#### **Savings Needed to Cover Health Expenses in Retirement**

“This report ... finds that a male age 65 in 2008 and retiring at age 65 will need anywhere from \$64,000 to \$159,000 in savings to cover health insurance premiums and out-of-pocket expenses in retirement if they are comfortable with a 50 percent chance of having enough money and \$196,000 to \$331,000 if they prefer a 90 percent chance ... Women age 65 retiring in 2008 will need anywhere from \$86,000 to \$184,000 in savings to cover health insurance premiums and out-of-pocket expenses in retirement if they are comfortable with a 50 percent chance of having enough money, and \$223,000 to \$390,000 if they prefer a 90 percent chance.” —May 2008 *EBRI Issue Brief*, page 21:

[http://www.ebri.org/pdf/briefspdf/EBRI\\_IB\\_05-20081.pdf](http://www.ebri.org/pdf/briefspdf/EBRI_IB_05-20081.pdf)

#### **Impact of Auto-Enrollment, Escalation on 401(k) Plan Balances**

“This analysis indicates that even under the most conservative assumptions for auto-escalation of contributions, switching 401(k) plans to auto-enrollment is likely to have a very significant positive impact in generating additional retirement savings for many workers, especially low-income workers. When results are aggregated across all income categories, the increase in value of 401(k) accumulations at age 65 as a multiple of final earnings for those currently ages 25–29 would be approximately 2.4 to 2.6 times final salary by switching from voluntary to automatic enrollment.” —June 2008 *EBRI Issue Brief*, page 1: [http://www.ebri.org/pdf/briefspdf/EBRI\\_IB\\_06-20083.pdf](http://www.ebri.org/pdf/briefspdf/EBRI_IB_06-20083.pdf)

#### **How Long Do Workers Consider Their Decision to Retire?**

“The interval between when workers first begin thinking seriously about retirement and actual retirement is typically fairly short, with two years or less elapsing between the start of serious consideration and follow-through. Twenty-two percent of the surveyed retirees [2008 Recent Retirees Survey] report they first began thinking seriously about retiring only six months before they left the company, while another 22 percent began serious consideration about one year beforehand. Twenty-eight percent started thinking about it 18 months (10 percent) or two years (18 percent) before. Only a minority (28 percent) gave their decision serious consideration for more than two years.” —July 2008 *EBRI Issue Brief*, page 4:

[http://www.ebri.org/pdf/briefspdf/EBRI\\_IB\\_07-2008.pdf](http://www.ebri.org/pdf/briefspdf/EBRI_IB_07-2008.pdf)

#### **More Own Individual Retirement Accounts, 401(k)-Type Plans**

“The percentage of workers with an individual account plan grew significantly in the late 1990s into the early 2000s. In particular, 401(k)-type plan participation reached 33.1 percent of workers ages 21–64 in 2005, up from 24.1 percent in 1996, while IRA ownership increased from 15.9 percent in 1996 to 22.9 percent in 2005. Furthermore, the percentage of workers owning both types increased significantly from 1996 to 2005. The average contributions to both of these plans also rose. However, certain subgroups of American workers, such as younger, less-educated, lower-income, and minority workers, are behind their peers in ownership and contributions to these plans.” —May 2008 *EBRI Notes*, page 10:

[http://www.ebri.org/pdf/EBRI\\_Notes\\_05-2008.pdf](http://www.ebri.org/pdf/EBRI_Notes_05-2008.pdf)

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