

FAST Facts

The Impact of Employer Size on Retirement Plan Participation

The larger your employer, the more likely you are to participate in an employment-based retirement plan, according to new research by the nonpartisan Employee Benefit Research Institute (EBRI).

More than half (54.8 percent) of those who worked for an employer with 1,000 or more workers participated in a plan, compared with just 13.5 percent of those working for an employer with 10 or fewer employees, according to the analysis.

However, in 2012, the level of participation by workers in each of the private-sector employer-size groups decreased- except for the levels of those working for employers with 50–99 employees and for employers with 100–499 employees.

And while the percentage of public-sector wage and salary workers participating has traditionally seen the highest levels of participation, even that category saw a decrease in 2012, according to the report.

Moreover, the likelihoods of worker participation in the public sector and at the larger private-sector firms (500 or more employees) in 2012 were at levels significantly below their highest levels going back to 1987, though the probabilities of workers participating when working for employers with fewer than 10 employees and 100–499 employees were above their 1991 and 1987 levels, respectively, but below their peaks.

The EBRI report identified several other demographic factors that may also influence participation rates, including income, education, and ethnicity.

The full report, “Employment-Based Retirement Plan Participation: Geographic Differences and Trends, 2012,” is in the November 2013 *EBRI Issue Brief*, [online here](#).

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