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**2010 EBRI Retirement Readiness Rating™**

**What Are The Prospects You Will Run Short of Money in Retirement?**

WASHINGTON—What are the chances that you will run short of money in retirement?

The 2010 EBRI Retirement Readiness Rating™ from the nonpartisan Employee Benefit Research Institute (EBRI) finds that well over a third (41 percent) of Americans in the lowest preretirement income level will be running short after 10 years in retirement.

In addition, the EBRI Retirement Readiness Rating™ finds that after 20 years of retirement, almost a third (29 percent) of those in the next-to-highest income level will run short of money, as will more than 1 in 10 (13 percent) of those in the highest-income level. Not surprisingly, those with the highest income are at the lowest risk of running short of money—but many in the highest income category still face significant risks of not being able to pay basic expenses and uninsured health care expenses in retirement.

**Prospects of Running Short of Money in Retirement, by Income Quartile**

|                                 | <u>10 Years of Retirement</u> | <u>20 Years of Retirement</u> |
|---------------------------------|-------------------------------|-------------------------------|
| Lowest-income quartile          | 41%                           | 57%                           |
| 2 <sup>nd</sup> income quartile | 23                            | 44                            |
| 3 <sup>rd</sup> income quartile | 13                            | 29                            |
| Highest-income quartile         | 5                             | 13                            |

Source: July 2010 EBRI Issue Brief, [www.ebri.org](http://www.ebri.org)

An individual or family is considered to “run short of money” if their aggregate resources in retirement are not sufficient to meet aggregate minimum retirement expenditures—defined as a combination of basic expenses from the Bureau of Labor Statistics’ Consumer Expenditure Survey and some health insurance and out-of-pocket health-related expenses, plus expenses from nursing home and home health care expenses, at least until the point they are picked up by Medicaid

Full details appear in the July *EBRI Issue Brief*, available at [www.ebri.org](http://www.ebri.org)

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