

At a Glance | January 17, 2019

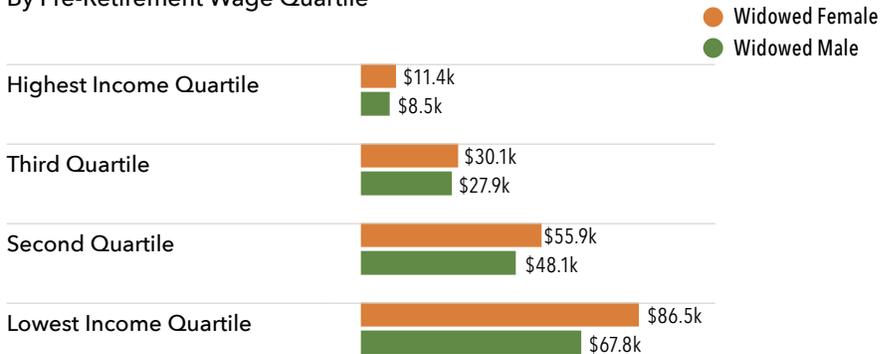
# Retirement Deficits for Gen Xer Widows and Widowers and the Impact of Auto Portability

## GENDER AND INCOME IMPACT

Measuring retirement income adequacy is important. EBRI recently bifurcated married households at retirement age into “widows,” those in which the male dies first, and “widowers,” in which the female dies first. Relative retirement deficits of widows vs. widowers depend on pre-retirement wages.

### Gen X Retirement Savings Shortfalls<sup>1</sup>

By Pre-Retirement Wage Quartile

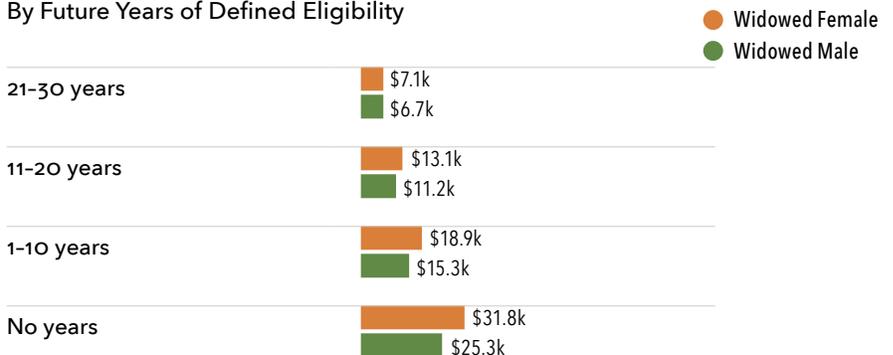


## YEARS UNTIL RETIREMENT

When looking at future years of defined contribution plan eligibility in married households, the readiness gap between widows and widowers is starkest for those with the fewest years of future eligibility.

### Gen X Retirement Savings Shortfalls<sup>1</sup>

By Future Years of Defined Eligibility

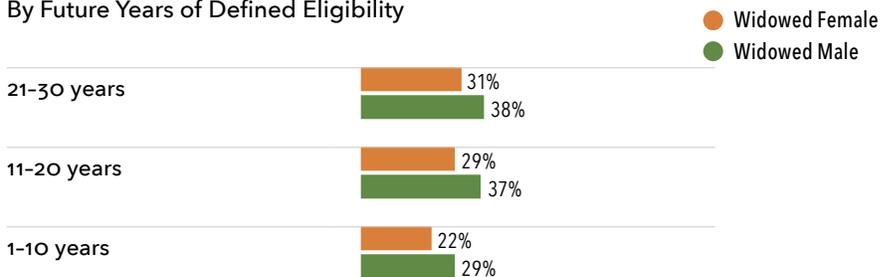


## AUTO PORTABILITY ASSIST

The implementation of auto portability reduces the retirement deficit. With auto portability, a participant’s account from a former employer’s retirement plan would be automatically combined with their active account in a new employer’s plan.

### Impact of Auto Portability

By Future Years of Defined Eligibility



<sup>1</sup> Retirement Savings Shortfalls (RSS) – The present value of the deficits that households are simulated to generate in retirement.

**Note:** The baseline of the model used for this analysis assumes all workers retire at age 65, that they immediately begin drawing benefits from Social Security and defined benefit plans (if any), and, to the extent that the sum of their expenses and uninsured medical expenses exceed the projected, after-tax annual income from those sources, immediately begin to withdraw money from their individual accounts (defined contribution and cash balance plans, as well as individual retirement accounts (IRAs)).

**Source:** Jack VanDerhei. “How Retirement Readiness Varies by Gender and Family Status: A Retirement Savings Shortfall Assessment of Gen Xers.” *EBRI Issue Brief*, no. 471 (Employee Benefit Research Institute, January 17, 2019).