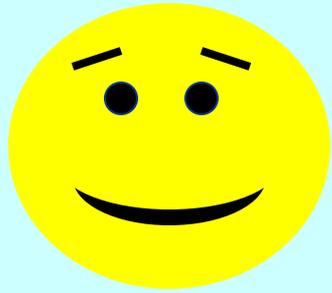


Comments on:

# What Can 401(k) Plans Produce for Retirement Income? New Results

By Sarah Holden and Jack VanDerhei



# Why Replacement Rates Might be *Higher*

- 401(k) participants/eligibles might earn other kinds of pensions as well.
- Annuity prices are likely to be lower than assumed.
- ✓ Auto enrollment, and its cousins, can help.

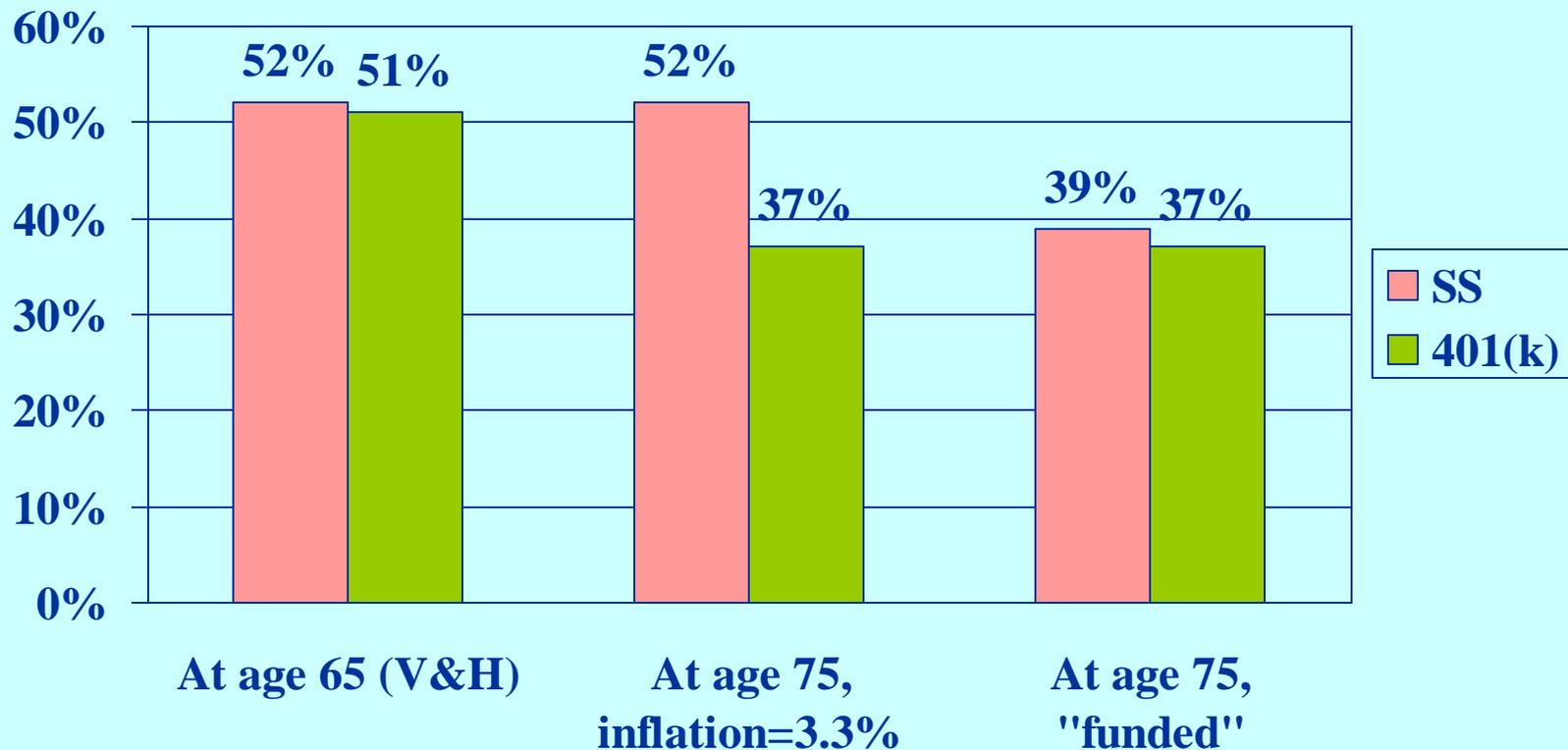


# Why Replacement Rates Might be *Lower*

- 401(k) savings might not be new saving.
- Auto-enrollment may come with less generous matching.
- Post-retirement inflation will erode the real replacement rate.

# Real Replacement Rates

## Lowest Income Quartile





# Why Replacement Rates Might be *Scarier*

- Careening careers
- Clustering contribution rates
- Bulls and Bears
- Medical miracles

# Replacement Rates: Inter-Quartile Distribution

