

Retirement Income Adequacy: How Big is the Gap and How Might the Market Respond?

Employee Benefit Research Institute - Education and Research Fund
EBRI Policy Forum #66

Date: Thursday, May 13, 2010

Time: 8:30 a.m. – 9:00 a.m. Coffee and Registration
9:00 a.m. – 12:30 p.m. Policy Forum

Location: The Barbara Jordan Conference Center

Kaiser Family Foundation
1330 G Street NW (between 13th and 14th Streets)
Washington, DC 20005
Phone: (202) 347-5270

Agenda

Introduction – Dallas Salisbury, EBRI

- 1) The State of Retirement Income Preparation and Future Prospects
– **Jack VanDerhei, EBRI & Craig Copeland, EBRI**
(Results from the updated EBRI/ERF Retirement Security Project Model (RSPM))
 - a. State of the Nation's Preparation
 - i. EBRI projections of the probability of retirement income adequacy for future retiree cohorts
 - ii. Baseline projections of the percentage of compensation that needs to be saved every year from 2010 until retirement (in addition to amounts already contributed to defined contribution plans and IRAs) for various cohorts to have a 50, 75 and 90 percent probability of "adequate" retirement income
 - b. Sensitivity Analysis of RSPM Results
 - i. Modeling assumptions
 1. Market return assumptions
 2. Employee behavioral assumptions
 3. Plan sponsor assumptions (e.g., plan choice and benefit generosity)
 - ii. Policy assumptions
 1. Changes in Medicare
 2. Changes in Social Security retirement benefits
 - c. Discussion with a Panel of Experts
 - Don Ezra, Russell Investment Group
 - Howard Fluhr, Segal Company
 - Steve Goss, Social Security Administration
 - John Rother, AARP

2) Filling the Gap through the Voluntary System

a. Accumulation Phase

- i. 401(k): Success of auto enrollment /auto escalation, **Mark Robinson, T. Rowe Price**
- ii. Next generation of TDFs - **Lori Lucas, Callan Associates, Inc.**
- iii. New trends in defined benefit pensions - **Judy Miller , American Society of Pension Professionals & Actuaries (ASPPA)**

b. Decumulation Options

- i. Institutional IRAs - **Tom Johnson, New York Life Insurance Company**
- ii. Value analysis of decumulation options - **Elizabeth Heffernan, Fidelity Investments**
- iii. Longevity insurance - **Jason Scott, Financial Engines**

c. Discussion with a Panel of Experts

- Greg Ahern, Investment Company Institute
- Drew Denning, Principal Financial Group
- Christine Marcks, Prudential Retirement
- Lew Minsky, Defined Contribution Institutional Investment Association (DCIIA)
- Bob Moore, Nationwide Financial
- Stacy Schaus, PIMCO
- Jean Young, Vanguard Group

3) Implications for Retirement Plans

a. Discussion with a Panel of Experts

- Jim Dwyer, American Express Company
- Marty Solhaug, Ameriprise Financial, Inc.
- John Wade, National Rural Electric Cooperative Association (NRECA)