

President's Report

—Dallas L. Salisbury

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EBRI President's Report 2007 Annual Report

The Founders of EBRI saw the need for an organization focused on financial security: savings, retirement, health, and on public and private employee benefit programs. They believed that programs in these areas served an essential function in the United States, by providing citizens with opportunities to achieve financial security. They sought to establish an organization that would “tell it like it is” with “just the facts.” An organization that would build data series and educate year-in and year-out on issues, whether they were hot or not, so that analysis/data for a long series of years would be available when needed, and encourage others to conduct research and undertake education on financial security and employee benefits. An organization that would publish whatever work it did, and respond with objectivity and without bias to all requests from the government, the media, Members, and the public, and not as an advocate or opponent of any position.

In late 2007 the Executive Committee and the Board examined where EBRI stood relative to where it should be, and concluded that both the mission and the vision were being achieved. They also felt that the statement of mission, and the vision statement, could both benefit from a “branding” review. That work is underway.

They also embraced the central role that the 401(k) database (developed since 1994, which now includes data on over 21 million plan participants), combined with the IRA database (now in development), and the resulting “EBRI Retirement Account Database,” can play in providing the most comprehensive analysis ever available of workers’ preparation for retirement. With IRA assets now nearly double 401(k) assets, and with the dollar value of rollovers from employer plans likely to explode as the baby boom moves into retirement, only this type of comprehensive database will be capable of providing policymakers, Members, and the public with the information they will need for informed decision-making in the future.

The growing role and responsibility of nearly all individual workers (regardless of education, income, employer size, or employment sector) in assuring their own long-term health and financial security is becoming conventional wisdom. Most workers always carried this responsibility beyond Social Security, but now it is also the case for even the most secure and highest income segments of our workforce. The work of EBRI continues to help organizations, individuals, the media, and policymakers understand the numbers, the reactions, and the implications of this evolving world of health and financial security.

During 2007, EBRI released the 17th Retirement Confidence Survey, the 10th Health Confidence Survey, the 26th annual update on retirement program coverage, the 24th annual update on health insurance coverage and employment-based health insurance, the 11th annual update on the 401(k) system, the 21st year of the *Pension Investment Report* on total pension assets and asset allocation, the 10th year of Choose to Save[®] public

service announcements, and the 12th year of our American Savings Education Council program. Computer modeling efforts, begun with a review of what models existed at other organizations in 1983, have continued to mature, with the Ballpark E\$estimate[®] Monte Carlo planning tool scheduled to be online before the end of 2008. EBRI began educating the public on all employee benefits with its pamphlet series in 1980, and we just compiled the sixth edition of *Fundamentals of Employee Benefit Programs*, a book that grew out of that early project, updated for the Pension Protection Act.

The Choose to Save[®] public service announcements (PSAs) drove hundreds of thousands of citizens to choosetosave.org, and over 500,000 citizens completed (just at the CTS Web site) the Ballpark E\$estimate[®] worksheet. And, the National Academy of Television Arts and Sciences awarded the Choose to Save[®] “Savingsman” campaign the Local Public Service Announcement Emmy[®] Award for 2007.

EBRI reports were a resource to reporters around the world, as evidenced by our ranking by a third-party study as one of the 20 most-cited think tanks by the news media. EBRI reports were among the most frequently downloaded at the SSRN academic research Web site, and are among the most frequently cited in GAO reports and in testimony before Congress by witnesses for other organizations, when the hearing or report topic is related to savings, retirement, health or employee benefits.

During 2007, EBRI relocated to new offices, upgraded systems and Web sites, expanded the membership, and enhanced its working relationship with many organizations. With the 2008 election campaign already underway, EBRI is completing new issues sections on its Web sites as a resource to campaigns and the media, as well as to everyone who wants to better understand the facts that surround the issues under debate. During the course of 2008, EBRI will work to enhance its tools, databases, and models, in order to be well-positioned to meet expected demands in 2009 and beyond, as the new president and the new Congress face the daunting fiscal, health, and financial security issues that all of the candidates are talking about. Recent reports from the Government Accountability Office (www.gao.gov) and the Congressional Budget Office (www.cbo.gov) make it clear that the fiscal and entitlement program challenges are actually far greater than the candidates have acknowledged. This makes data that EBRI will provide for the “zero based” reviews that are underway of the effectiveness of current health and retirement savings tax incentives essential.

EBRI is working with other organizations to build public awareness of what individuals can do to build health and financial security, and to better understand their needs and opportunities. One such effort falls the week of February 24–March 2: *America Saves Week*. An AmericaSavesWeek.org Web site has been developed to provide individuals, employers, media, and others with things they can do during that week (and during the following 51 weeks) to move toward financial and health security. EBRI will continue working with many public and private partners through its American Savings Education Council, and will continue development and distribution of the Choose to Save[®] public service announcements, while continuing to enhance both www.ebri.org and www.choosetosave.org. CTS PSA’s have been modified to promote both America

Saves Week and Military Saves Week and are being seen around the world (the US Military uses them on their world network and onboard ships).

2008 also will add another year to the many ongoing survey, data, and report programs noted above. For example, more sponsors have signed up to support the 2008 Retirement Confidence Survey and the 2008 Health Confidence Survey than in any prior year. Our 2008 reports on retirement savings—the IRA and 401(k) systems—should be more comprehensive than anything we have ever been able to develop, with some data going back to our 1996 401(k) starting point. Updated and enhanced models will bring new studies during the year on the role of annuities in life-long income security and projected accumulations likely to be achieved in the current retirement system. And much more.

Membership has continued to be strong. We enter 2008 with more Sustaining and other levels of members than in any previous year, with continued broad diversity across all sectors and all interests, and more funding and strategic partners for our research and education programs. Total operating revenue in 2007 for EBRI and the EBRI Education and Research Fund was \$5.1 million; total operating expenses \$5.2 million. Net operating income had been budgeted at (\$144,950) and ended up at (\$94,458). Total cash reserves (as of 12/31/2007) were at \$11.1 million. Interest income for 2007 was \$569,000, providing a net addition to total reserves of just over \$475,000. This was consistent with a decision by the Board made several years ago that (1) total reserves equal to two years operating expenses was adequate and (2) to dedicate all operating income, plus some interest income, to fulfillment of the mission and vision of EBRI.

The team at EBRI has a wide diversity of experience, long tenure, and high-value historical knowledge/human capital. Their loyalty and focus are functions of belief in mission and vision, and appreciation for the dedication of our Members to having EBRI “tell it like it is” with “just the facts.” For myself, and on behalf of the team, I say thank you.

A handwritten signature in black ink, appearing to read "Dallas Salisbury", with a long, sweeping underline that extends to the right.

Dallas Salisbury
President & CEO
EBRI