

# President's Report

—Dallas L. Salisbury

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## EBRI President's Report 2006 Annual Report

EBRI was ranked as one of the 25 most cited think tanks in the nation in 2006, with more media use of our work than was achieved by others many times our size. Policymakers, academics, and our members joined the media in commending our groundbreaking work in 2006 on developments in consumerism in health care, savings levels needed for health care in retirement, asset and income improvements that could arise from design changes in defined contribution plans, the value of annuitization in reaching a high probability of not running out of money during retirement, and the implications of conversions from traditional defined benefit plans for required savings rates. Numerous other publications and surveys gained use as well, and traffic to our Web site has never been greater.

EBRI provided briefings and information throughout 2006 to those involved in development of the Pension Protection Act, building from our central role in organizing a GAO seminar on pension reform in 2005. Our joint conference with AARP in May, and our work with Frontline on their program, "Will You Be Able to Afford to Retire?", which aired May 16 and November 7, helped to assure balance and the use of facts. We worked every day to present "just the facts," and without EBRI's ongoing work, thousands of media efforts each year would certainly be less complete and less accurate. Again in 2006, we were on all the major networks and cable station news programs, a number of special-purpose programs, and local radio and television venues around the nation. Paul Fronstin, Jack VanDerhei, and Craig Copeland have become relied-upon sources of data and insights on the full range of health, pension, savings, and human resources strategy questions for the nation's media and policymakers.

EBRI continued to meet its objective of providing public education this year with the Choose to Save® public service announcements and the [www.choosetosave.org](http://www.choosetosave.org) Internet presence. Recognition of the high quality of these programs was underlined by receipt of new Emmy® awards. The savings programs begin their twelfth year in 2007, having changed the lives of millions of individuals. A new one-half hour Choose to Save® television education program has just been completed—"Mission Retirement"—with the help of Hedrick Smith Productions and AARP. This program will be distributed nationally in 2007 and provides an outstanding free financial training tape for our members and the public (a DVD is available).

EBRI ended 2006 with good financial results and excellent prospects for 2007. With broad-based support, we were able to invest \$5 million in research and education in 2006, and this will increase in 2007. EBRI revenue will be just over \$3 million, with equal expense, while ERF revenue was just under \$2 million, with equal expense. We continue to maintain reserves equal to two years' operating expenses in order to assure stability for our outstanding team. We enter 2007 with our membership at a high level, including a record number of Sustaining Members providing essential funding and insight as members of the Board of Trustees.

EBRI has continued to expand its work in aiding human resources strategic planning. Over the year, this effort has included special studies, data runs, and planning discussions that have then been folded into distributions to all our sponsors. *The Second EBRI/Commonwealth Fund Consumerism in Health Care Survey*, was released as the December *EBRI Issue Brief*, and provides a benchmark on the nation's success in using IT, medical evidence, and quality measures to improve coverage, individuals' satisfaction, and quality. Funding for the survey and policy forum was provided by The Commonwealth

Fund, IBM, Hewitt, Pfizer, and Procter & Gamble. The *Health Confidence Survey* and the *Retirement Confidence Survey* continue to be heavily used each year, and we have more underwriters for the 2007 surveys than in any prior year.

Our new report on the implications of Social Security reform for employers, with funding from the Ford Foundation, is nearing completion. It will prove timely as the President and the new Congress suggest that they may try to work together on a bipartisan solution in 2007. Our September book on *The Future of Retirement Programs*, undertaken with funding from the HR Policy Association, offers an excellent planning aid as employers and policymakers continue to consider plan redesigns.

Savings, retirement, and health issues will become increasingly dominant in the lives of individuals, employers, and public policymakers. As the baby-boom generation rolls toward age 65, the proportion of the national population over 65 increases from about 13 percent to 20 percent, and required reviews of Social Security and Medicare are undertaken to allow the programs to continue, health and retirement issues will move to the center of policy debates and the 2008 presidential election. EBRI is uniquely positioned to help all constituencies understand the implications of plans and strategies. We can expect a growing number of commissions and caucuses and single-firm-sponsored institutes to focus on these issues, and we look forward to working with all of them. EBRI has 28 years of research; many years of health, retirement, and value-of-benefit surveys; health coverage and defined contribution plan databases; and a skilled team that will be invaluable to all of these efforts.

The 2006 Consumerism in Health Care Survey was released on Dec. 7 and was the subject of our policy forum. The survey found that about 1.3 million adults ages 21–64 are in plans with a health reimbursement arrangement (HRA) or a health savings account (HSA); another 2.6 million are in a plan that is eligible for an HSA but have not opened such an account. In addition, the plans cover many family members. The Health Confidence Survey found earlier in the year that many workers do not have sufficient money to contribute to health accounts, and increasing health costs are also causing large numbers to reduce their contributions to 401(k) plans and to go further into debt.

The Founders' vision of EBRI as a nonprofit, nonpartisan organization designed to contribute to, to encourage, and to enhance the development of sound employee benefit programs and sound public policy through objective research and education has been embraced by all of our Members. The support and input of EBRI Members and grantors make our work possible.

During 2006, our dedication to “just the facts” and “telling it like it is” mainly drew praise, but some of our work has been criticized. Generally, the same reports are the object, and those on both sides of an issue frequently express unhappiness. Hopefully that suggests we are successfully walking the fine line of balance, but we always welcome your comments on our work and suggestions for the future. The bylaws require that we not take positions on any issue; we are to inform with the facts. We expect to be held to that standard, and hope you will let us know if we ever slip.

I thank you for your support and participation as we open the door on 2007. EBRI is needed now more than ever, as is your involvement. Visit us often at [www.ebri.org](http://www.ebri.org) and [www.choosetosave.org](http://www.choosetosave.org).



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