Introduction
Will Americans be able to afford retirement in the future?

On April 30, 1997, the Employee Benefit Research Institute (EBRI) convened a forum of retirement and benefits experts to examine retirement prospects in the new, “defined contribution” world. The results could best be described as mixed. Some participants took a grim view, while others voiced cautious optimism. Some decried the decline of traditional, employment-based pension plans, while others noted that the newer, defined contribution plans that have replaced them have given individuals far more flexibility in how they invest—and spend—their savings.

On one point, though, almost everyone agreed. We live in what EBRI President Dallas Salisbury described as “an environment of dramatic change and fundamental challenge.”

Salisbury began the forum by reviewing how well current retirees are faring. Contrary to fairly widespread popular belief, he noted, retirement is far from golden for many of today’s elderly (chart 1). The median retiree income currently is just $11,553 (table 1). Despite Social Security, Medicare, and “fairly successful” pension programs, he said, poverty rates are higher, and income lower, for the elderly than for the working population.

Even workers who have held their jobs for 20 or 30 years—long enough to be fully vested in most traditional private pension plans—face a big challenge in making ends meet in retirement. A typical worker who earns $35,000 a year and remains in the same job for 30 years will be able to replace only 65 percent of his or her income with pension and Social Security benefits, according to Salisbury. That is short of the 80 percent benchmark recommended by many financial planners.

The likely “replacement rate” for workers who earned more or had fewer years on the job is even lower. And shorter job tenure is becoming more common: in 1996, the median job tenure for employees ages 55–64 was just 12 years, down from about 16 years in 1991. To complicate matters, today’s workers should plan on saving substantially more than previous generations to pay for rising medical costs—and even more to prepare for the very real possibility that they will live substantially longer than previous generations.

Uses of Retirement Funds
Despite the clear need to save more, many individuals look to their retirement savings to meet other, more immediate needs, such as making down payments on new homes,
financing children’s education, or caring for aging parents. Employers often accommodate people’s wishes, according to Jack Bruner, national practice leader for benefits consulting at Hewitt Associates. Bruner said many employers design their benefit programs to attract and retain younger employees. Because retirement plans are not a very strong lure for younger people, many companies have trimmed their pension benefits and instead offer benefits that pay off in the short term. While that may not be in the public’s long-term interest, Bruner said, “what companies do won’t relate to our public policy decisions as much as to what they (the companies) need to accomplish.”

Given the short-term nature of many employee financial needs, Bruner said, it isn’t surprising that many employees spend, rather than roll over, the lump-sum distributions of retirement savings funds they receive when they change jobs. Nevertheless, EBRI Senior Research Associate Paul Yakoboski said more people are holding on to such distributions than did so just a few years ago. The portion of distributions that were rolled over climbed from 35 percent in 1993 to 39 percent in 1996, he said.

**Individual Responsibility**

Ultimately, the effort to lay a better foundation for retirement security must focus on individuals and the choices they make concerning how much to save and how to invest what they do save, several forum participants argued. “We have to start thinking about plan participants as the primary customers of all the work that we’re doing,” said Alfred R. Ferlazzo, president of Investcom. Ferlazzo suggested that plan sponsors have placed too much emphasis on giving employees more investment options and not enough on ensuring the quality of those options and educating plan participants about retirement issues broadly. Similarly, Shlomo Benartzi, a faculty member at UCLA’s Anderson Graduate School of Management, argued that quality is more important than quantity when it comes to informing plan participants about investing. Benartzi cited economic research that shows many people suffer “myopic risk aversion,” i.e., they irrationally strive to avoid losses, even short-term ones, at the cost of forgoing greater long-term gains. This psychological tendency, combined with people’s tendency to track investment performance too closely, explains why many Americans don’t invest as much as they should in equities, according to Benartzi.

In an experiment involving staff at the University of Southern California, Benartzi and University of Chicago Professor Richard Thaler demonstrated that, when employees are shown long-term investment results rather than short-term ones, they overwhelmingly choose to put their retirement money into stocks rather than bonds. He concluded that such innovations as daily valuation of retirement portfolios do more harm than good. “We are in the age where we have hyper information,” he said. “We have toll-free numbers, we have the Internet, we have Web pages. Individuals can get more information than they can ever process, and they can get it every day of the week. We are not sure this is the best thing.”
Table 1
SOURCES OF INCOME OF THE OLDER POPULATION, 1995

<table>
<thead>
<tr>
<th>Source of Income</th>
<th>Total Ages 55+</th>
<th>Total Ages 65+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percentage</td>
<td>Percentage</td>
</tr>
<tr>
<td></td>
<td>distribution</td>
<td>distribution</td>
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<td></td>
<td>of income</td>
<td>of income</td>
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<tr>
<td></td>
<td>by source</td>
<td>by source</td>
</tr>
<tr>
<td></td>
<td>Median^a</td>
<td>Median^a</td>
</tr>
<tr>
<td></td>
<td>income</td>
<td>income</td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>Mean</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Earnings</td>
<td>46</td>
<td>36</td>
</tr>
<tr>
<td>Retirement Income</td>
<td>73</td>
<td>72</td>
</tr>
<tr>
<td>OASDI^b</td>
<td>23</td>
<td>66</td>
</tr>
<tr>
<td>Private pensions</td>
<td>7</td>
<td>18</td>
</tr>
<tr>
<td>former worker</td>
<td>6</td>
<td>16</td>
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<tr>
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<td>2</td>
</tr>
<tr>
<td>Public pensions</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>former worker</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>survivor</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>IRA/Keogh/401(k)</td>
<td>d</td>
<td>d</td>
</tr>
<tr>
<td>Annuities^e</td>
<td>d</td>
<td>d</td>
</tr>
<tr>
<td>Other retirement</td>
<td>d</td>
<td>1</td>
</tr>
<tr>
<td>Income from Assets</td>
<td>14</td>
<td>69</td>
</tr>
<tr>
<td>Interest</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Dividends</td>
<td>3</td>
<td>21</td>
</tr>
<tr>
<td>Rent, royalties, estates and trusts</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Financial Assistance</td>
<td>d</td>
<td>d</td>
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<tr>
<td>Nonpension Survivors Benefits</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Disability</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Unemployment compensation,</td>
<td></td>
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<tr>
<td>Workers Compensation,</td>
<td></td>
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<tr>
<td>and Veterans Benefits</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Public Assistance/SSI^h</td>
<td>d</td>
<td>d</td>
</tr>
<tr>
<td>Other^i</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Footnotes: See the EBRI Databook on Employee Benefits (Washington, DC: Employee Benefit Research Institute, 1995).

Longer Work Lives
What does all this mean for the future of retirement?

Joseph F. Quinn, a professor of economics at Boston College, predicted that a growing number of Americans will work well past the traditional retirement age. In fact, he said, this already is happening. Almost one-half of all career men and women—42 percent of men and 47 percent of women—take “bridge jobs” rather than go immediately into full-time retirement once they leave their career jobs, according to Quinn. And earnings now account for 20 percent of the total income of all retirees, about the same as pension payments and asset income (the remaining 40 percent comes from Social Security).

A number of forum participants viewed the prospect of longer work lives as part of a worrisome trend. “Welcome to the increasingly Darwinian world of reduced expectations,” said Curt Mikkelsen, J.P. Morgan’s retired benefits director. “I am less than optimistic that most baby boomers will retire in relative financial comfort given the substitution of relatively less generous defined contribution plans for defined benefit plans, reduced job tenure, increasing life expectancy, and high retiree medical and long-term care costs.”

Conclusion
The Brookings Institution’s William Gale pointed out that it is virtually impossible to generalize about how future retirees will fare. About one-third of baby boomers are doing quite well, he said. Another third are doing poorly, and the rest are somewhere in between. “We’re not talking about an entire generational problem,” he concluded.

In any event, while some forum participants recommended a return to traditional defined benefit plans, few saw much prospect that this will happen any time soon. “There has been more risk given to the employee in the private work force,” said Rep. Earl Pomeroy (D-ND). “We will not reverse that. We will not stop that trend.”

Pomeroy, among others, concluded that one of the top priorities for the future will be to educate
individuals about both the importance of saving and how to allocate their investments in ways that minimize their risk while ensuring good returns. “Even though we are transferring a lot of risk onto the shoulders of (retirement plan) participants, the consensus is we aren’t giving them as much education as we should,” noted Scott Dingwell, a principal with Barclays Global Investors. “I predict there will be quite a bit more attention toward education.”

—Christopher Conte, EBRI Fellow

**Domestic Partner Benefits**

**Introduction**

In July 1996, IBM announced that it would offer health insurance coverage to its homosexual employees’ domestic partners, and in the fall of that year the City of San Francisco announced that it would require all contractors doing business with the city to offer domestic partner benefits. These initiatives have focused public attention on the issue of domestic benefits, raising concerns about the nature of these benefits, their appropriateness for any given company, how they work, and the costs and tax considerations involved.

**What Are Domestic Partner Benefits?**

Employers today recognize that domestic relationships in the United States have changed over the years. For example, in 1960, 76 percent of households were headed by a legally married couple, compared with only 55 percent in 1995. In 1960, 21 percent of households consisted of two or more unrelated individuals. By 1995, that percentage increased to 39 percent. Today, more heterosexual couples are choosing not to marry, and more homosexual couples are becoming more open about their sexual identity. Domestic partner benefits represent employers’ response to these changing demographics.

The scope of coverage extended to employees’ domestic partners can be broad or limited. A company may expand its leave policy to cover domestic partners, e.g., an employee may take unpaid, job-protected leave to care for the illness of his or her domestic partner. The company may also allow domestic partners to attend company functions such as picnics or other company-sponsored social outings. If a company has recreational or fitness facilities, a domestic partner may be given the same access privileges as a married employee’s spouse would have to these facilities. Compared with other benefits, extending health insurance coverage to domestic partners has raised the most concerns. These concerns arise primarily because extending this coverage to employees’ domestic partners increases the number of plan beneficiaries, thus raising the employer’s health care costs. (Costs are discussed further below.)

**Why Would a Company Make Its Benefit Package Available to Domestic Partners?**

An employer may extend benefit coverage to domestic partners for several reasons, most of which involve the company’s image and its competitiveness in the market. Competitiveness is of particular concern to private-sector employers. Most private-sector employers offering domestic partner benefit coverage tend to have a young, liberal, talent-driven work force. These workers value this type of benefit either for their own use or because the company projects a
liberal image. Companies in turn perceive the extension of domestic partner benefits as vital in retaining valued workers and remaining competitive.

Today, projecting the “right” corporate image is important to most companies. In addition to attracting and retaining a certain type of worker, a corporate image serves a public relations function as companies become more active in their local communities. How the public perceives a company’s image influences its view of whether the company is “good” or “bad”; it also affects consumers’ purchasing decisions. Texaco’s problems with racial discrimination issues during the summer of 1996 serves as a recent example of how a “poor” corporate image affects a company’s business.

**How Do Domestic Partner Benefits Work?**

Several issues arise when an employer decides to extend part or all of its benefits package to employees’ domestic partners. First, employers must consider whether they should extend these benefits to heterosexual and homosexual partners or to homosexual partners only. Some companies, such as IBM and Lotus, have extended their benefits only to homosexual employees’ partners, reasoning that heterosexual couples can opt to marry legally; homosexual couples cannot. According to a 1996 survey by the Society for Human Resource Management, among surveyed organizations that offer domestic partner benefits, 43 percent offered these benefits to heterosexual and homosexual employees, 26 percent to heterosexual employees only, and 21 percent to homosexual employees only.1

Once the employer identifies the group of employees eligible to receive domestic partner benefits, it must decide on the required proof that a committed relationship exists. In a legal marriage, the state officiating the ceremony issues the couple a marriage certificate. Domestic partner relationships do not have this certification. Some cities, including San Francisco, New York City, and Madison, WI, have domestic partner registries that allow these couples to gain some form of certification of their relationship. These registries are not the same as, and do not carry, the legal privileges that legal marriages afford.2 More common examples of proof of a committed relationship are a joint lease or mortgage, joint banking accounts, and/or a signed affidavit stating that the couple is in a committed relationship. Some companies also require a “cooling-off” period between the time a relationship ends and the time a different domestic partner may be enrolled in their benefit plans.

**What Are the Costs?**

Costs are a major concern to any employer who is considering offering domestic partner benefit coverage. As mentioned above, employer concerns regarding health insurance coverage arise because costs will increase automatically when more individuals are added to the pool of covered employees. Although hard data on the costs of covering domestic partners are limited, a 1994 Hewitt study on domestic partner coverage found that, “extending coverage to domestic partners has not resulted in statistically significant differences in cost. Adverse selection has not been a problem.”3

Hewitt found that employers are no more at risk in adding domestic partners than they are in adding legally married spouses. Among employers that offer domestic partner coverage, the enrollment rate for domestic partners has been much lower than anticipated. Employers who are considering covering same-sex couples and who are concerned about the costs of increased risk of AIDS from male same-sex couples should keep in mind that this risk is offset by the lower risk of female same-sex couples. Moreover, same-sex domestic partners have a near zero risk of pregnancy.

Expected enrollment in the plan directly affects the cost of domestic partner coverage. Here, the employer must be aware of the ramifications involved in deciding whether to offer coverage to same-sex only or same-sex and opposite-sex couples. According to the 1994 Hewitt study, a majority of
couples electing domestic partner coverage are opposite-sex couples—67 percent among all surveyed companies. Organizations that offer coverage to both opposite-sex and same-sex couples experienced higher enrollment rates than those covering only same-sex domestic partners. While costs are higher for employers that cover opposite-sex couples because more lives are covered, the risk of AIDS claims is lower because opposite-sex couples are at a lower risk for this disease. While the risk of AIDS claims is lower with opposite-sex couples, the risk of pregnancy claims is higher.

Again, employers should carefully consider costs when debating whether and to whom to offer domestic partner coverage. Recent estimates for lifetime costs associated with HIV-infection and AIDS are between $150,000–$200,000. These costs are not as high as one may think when comparing them with those of other covered medical procedures. For example, the average cost of a kidney transplant is $200,000. A premature childbirth can run as high as $1 million.

What Is the Tax Status of Domestic Partner Health Insurance Coverage?
The implications associated with the tax status of health insurance coverage for domestic partners are important to understand. According to Internal Revenue Service (IRS) private letter rulings, coverage for a domestic partner is excludable from taxable income if the relationship is a legally recognized marriage or the individual qualifies as a dependent under sec. 152 of the tax code. No state currently recognizes same-sex marriages. For opposite-sex couples, common-law marriages are legally recognized, allowing these couples to receive tax-favored status. Currently, 13 states and the District of Columbia recognize common law marriage. An additional 16 states recognize common law marriages contracted in other states, but do not recognize such marriages contracted in their own state. Nonlegally recognized domestic partners are not eligible for expense reimbursements from a sec. 125 flexible spending account. The IRS views domestic partner coverage as an “ordinary and necessary business expense,” and is therefore tax deductible for the employer.

What Are the COBRA Considerations for a Domestic Partner?
Under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) rules, an employee is considered a qualified beneficiary. Thus, an employee who elects COBRA coverage may also elect to have his or her domestic partner covered under COBRA. However, a domestic partner may not make an independent COBRA election.

What Is the Future for Domestic Partner Benefits?
The future of domestic partner benefits will depend primarily on how a marriage is defined. Some companies that currently offer domestic partner coverage to only same-sex couples have stated that they will drop this coverage if same-sex marriages become legal in the United States because there will no longer be a need to offer such coverage. Employers currently offering benefits to domestic partners have not experienced higher risks or costs in the health insurance coverage than they have with legally married spouses.

—Ken McDonnell, EBRI

Endnotes
1 Two companies (Principal Financial and Bank of America) have opened their benefits package to include all of an employee’s legal dependents. This would include siblings, parents, nieces and nephews, etc. To receive coverage, these individuals must be legal dependents as defined in sec. 152 of the tax code.
2 San Francisco’s ordinance requiring companies to offer domestic partner benefits to companies that contract with the city requires the companies to offer the coverage only to those domestic partner relationships that are registered with the city.
**Washington Update**

**The Budget: Pension Issues**

The Senate Finance Committee completed its revenue reconciliation bill that includes several provisions related to pensions. The bill was amended to include a number of provisions not contained in the House bill:

- Spousal consent for distributions from 401(k) plans. If such approval is not given, distributions must be in the form of periodic payments.
- An increase in the full-funding limit from 150 percent to 170 percent. The limit would rise to 155 percent for plan years beginning in 1999, 160 percent for plan years beginning in 2001, 165 percent for plan years beginning in 2003, and 170 percent for plan years beginning in 2005.
- An increase in the prohibited transaction tax from 5 percent to 10 percent.
- Changes in the basis recovery method for annuities.

The Senate bill contains several other pension and benefit provisions not found in the House bill. Under the Senate proposal, individual retirement accounts (IRAs) would be permitted to invest in bullion, ministers could be excluded from discrimination testing of nondenominational retirement plans, and entities other than 501(c)(3) organizations could make salary reduction contributions on behalf of ministers employed by them. In addition, the Finance Committee bill would treat 401(k) matching contributions for partners the same as those for employees. It would allow employers to set up payroll deduction IRAs without being viewed as sponsoring a retirement plan subject to the Employee Retirement Income Security Act of 1974 (ERISA). And it would liberalize the rollover rules, stating that a qualified plan that accepts a rollover from another plan that is later determined to be nonqualified will not itself be disqualified.

The Senate bill would conform the sec. 415 annual limit rules for sec. 403(b) annuities to the rules for other qualified plans. Additionally, it would allow subchapter S corporations that sponsor employee stock ownership plans (ESOPs) to distribute cash to plan participants, and it would extend certain prohibited transaction exceptions to S corporation ESOPs.

Both bills contain provisions that would expand individual retirement accounts, although the Senate goes further than the House. Both bills also would make permanent the moratorium on nondiscrimination testing for government plans. The House legislation can be found on the World Wide Web at: http://gop.house.gov. The Senate version can be viewed at http://www.senate.gov/~finance.

**Outlook:** Rapid action should be expected in a conference committee. House and Senate members will be under political pressure to pass the legislation quickly.

**Medicare**

The Senate Finance Committee approved Medicare legislation that differs in several ways from legislation approved by the House Ways and Means Committee earlier in June. The Finance Committee scaled back a proposed medical savings account (MSA) demonstration project from 500,000 to 100,000 participants. Deductibles were also capped at $1,500 to $2,250, down from $6,000, as proposed in the House. The Finance Committee also approved a provision that would increase Medicare Part B premiums for wealthier seniors. The current $100 deductible would increase to $540 for individuals with incomes above $50,000 and couples with incomes above $75,000. Deductibles would increase on a sliding scale, topping out at $2,100 for beneficiaries earning $100,000 or more ($125,000 for couples). Additionally, the Finance Committee bill would raise the Medicare eligibility age from 65 to 67. As in the House Ways and Means Committee version, the Finance Committee proposal would open Medicare to more plan choices, including plans offered by provider-sponsored organizations (PSOs), preferred provider organizations (PPOs), and other forms of managed care, based loosely on the concept of the Federal Employees Health Benefits Program.

**Outlook:** Changes in the Medicare program are inevitable if the program is to remain solvent. The House and Senate will reach agreement quickly. Observers should note
that passage of the changes discussed above would not solve Medicare’s long-term funding issues.

**Children’s Health Insurance**
The House budget reconciliation legislation provides $16 billion over five years, earmarked for capped state grants and Medicaid expansion to cover approximately one-half of the 10 million uninsured children in the United States. The Senate Finance Committee has taken a slightly different approach that would allow the states to choose whether they receive enhanced Medicaid matching or capped grants. The Finance Committee also allocated an additional $8 billion to children’s health coverage by increasing cigarette taxes. Under the Finance Committee proposal, states would be required to maintain their current level of effort in spending for children’s health programs. Match rates would be equal for the grant program and the enhanced Medicaid match. Programs funded by grants would have to provide a benefits package equal to the Federal Employees Health Benefits Program, rather than the more generous Medicaid package.

**Outlook:** Passage of children’s health coverage is assured. Because any bill that is enacted will not cover all uninsured children, more children’s health proposals are likely in the future.

**New Jersey Issues Pension Bonds**
Gov. Christine Todd Whitman signed a measure into law June 6 that will allow New Jersey to issue $2.75 billion in taxable bonds to fully fund its pension obligations. The bonds will allow the state to pay off the $4.2 billion deficit in the public employee pension system without a tax increase. Debt service, which will amount to approximately $9.5 billion over 36 years, will be paid through annual legislative appropriations similar to the amount that would...
have been contributed to the pension system. Other legislation, passed at the same time, changes the valuation methods used by the state to measure assets in its retirement plans. The change from “market related value” to “full market value” is expected to generate $2.4 billion in “surplus assets” that will be used to erase the remainder of the unfunded liability. Although the retirement system deficit had been growing gradually for two decades, it grew substantially from approximately $800 million in 1994 to $2.75 billion today. This occurred, in part, because the Whitman administration lowered the state’s contributions to the pension fund, which helped bring the state’s current accounts into balance.

**Outlook:** It is too early to tell what impact this plan will have on the state’s credit rating and retirement system solvency. Policymakers in other states and at the federal level are paying close attention to what happens in New Jersey.

**EPHIC Bill Moves Forward**
The House Education and the Workforce Committee voted June 12 to report the Expansion of Portability and Health Insurance Coverage Act (EPHIC) (H.R. 1515) to the House Budget Committee, which may include it in omnibus reconciliation legislation. The bill, sponsored by Rep. Harris Fawell (R-IL), would allow trade and professional organizations, such as the Chamber of Commerce, to set up “association health plans” that would allow participating members to pool together to purchase health coverage. The bill would amend ERISA to establish federal licensure and solvency standards and would allow businesses to self-insure or fully-insure. (See *EBRI Notes/Washington Update* May, 1997.)

**Outlook:** If the bill is not included in the omnibus budget reconciliation bill, it may still see independent legislative action, although it faces opposition from the National Governors’ Association, the National Association of Insurance Commissioners, and the National Council of State Legislatures. These groups oppose EPHIC because of experiences with multiple employer welfare arrangements (MEWAs) that avoided state regulation by claiming ERISA preemption and later became insolvent.

—*Bill Pierron, EBRI*

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**EBRI in Focus**

**EBRI President Recognized by SHRM**
EBRI President Dallas Salisbury was presented with the 1997 Award for Professional Excellence by the Society for Human Resource Management (SHRM) at its annual conference and exposition in San Diego on June 25th. The award recognizes “outstanding career achievements and dedication and contributions to the human resource management profession.” Dallas accepted the award at the conference, which was attended by over 10,000 HR professionals.

**EBRI Fellows Program**
Masahiro Mori has joined EBRI as the 1997–1998 Japan Fellow. Mr. Mori is the sixth fellow from the Japanese Department of Health and Welfare to work with EBRI on comparative pension and health issues. He is an attorney assigned to the Health Policy Bureau, Hospital Guidance Division.

**1997 Retirement Confidence Survey**
EBRI welcomes our newest sponsor of the 1997 Retirement Confidence Survey (RCS)—The Vanguard Group—bringing the total number of sponsors to 22. This is the highest sponsor participation rate in the survey’s seven-year history. Preparation of the survey instrument continues to move as scheduled. On June 18, EBRI, ASEC, and MGA staff met with sponsor organizations’ public relations representatives to discuss ways to increase awareness of the survey and maximize media coverage.
For a list of survey sponsors and status updates, visit the RCS Web site at www.ebri.org.

**EBRI Congressional Testimony**

On June 24, EBRI Senior Research Associate Paul Yakoboski and Research Analyst Kelly Olsen testified before the House Ways and Means Committee Subcommittee on Social Security hearing on “The Future of Social Security for This Generation and the Next.” This hearing was the fourth in a series on Social Security issues. In addition to general Social Security reform issues, Paul and Kelly discussed the EBRI-SSASIM2 policy simulation model and the Institute’s Employee Understanding Project.

**EBRI Briefings**

On June 27, EBRI Research Associate Paul Fronstin presented an educational briefing on the basics of health insurance to a group of congressional and federal agency staffers, reporters, and Washington representatives of EBRI’s member firms. EBRI’s educational briefings are generally held at 9:30 a.m. on the last Friday of each month in room B-369 of the Rayburn House Office Building in Washington, DC. On July 25, Paul Yakoboski will present a briefing on lump-sum distributions and their implications for achieving retirement income adequacy. For more information, please contact Bill Pierron at (202) 775-6353.

**American Savings Education Council (ASEC) Policy Board and Partner Institution Meetings**

On June 11th, ASEC Partners met in Washington, DC, to discuss the proposed White House Conference/National Summit on Saving and Retirement Planning as well as ASEC’s ongoing national education campaign, with a special focus on the July 23rd regional conference in New York City. Roundtable sessions at the June 11th Partners’ meeting focused on the role of state government leaders in savings and investment education (featuring Oregon State Treasurer Jim Hill); the results of “Miles To Go: A Status Report On Americans’ Plans For Retirement” (featuring Jean Johnson of Public Agenda); and plans to teach personal financial literacy in grades K-12 (featuring Leslie Byrne, Special Assistant to President Clinton and Director of the U.S. Office of Consumer Affairs). The ASEC Policy Board met just prior to the Partners’ meeting.

**EBRI/ASEC Presentations**

On June 15, ASEC President Don Blandin moderated a “Lunch and Learn” program on “Pensions and Participant Education,” sponsored by the Senate/House Steering Committee on Retirement Security. ASEC Partner institution representatives Diane Oakley (Vice President, Associations & Government, TIAA-CREF) and David Wray (President, Profit Sharing/401(k) Council of America) were program panelists.

On Wednesday, July 23, 1997, TIAA-CREF, in partnership with ASEC, will host an employer forum in New York City entitled “American Common Cents: Straight Talk on Savings and Investing.” The forum will feature presentations by ASEC Chairman Dallas Salisbury, SEC Chairman Arthur Levitt, and DOL Assistant Secretary, Pension and Welfare Benefits Administration Olena Berg. The forum will include approximately 10 presentations on best practices in financial education.

Dallas will address the Investments Institute of the International Foundation of Employee Benefit Plans in Boston on July 29 on the topic: “Long-Term Implications of Participant-Directed Investments.”

**New ASEC Savings Tool**

ASEC has developed a *Ballpark Estimate* worksheet to give workers a basic idea of the savings they will need when they retire. The worksheet can be accessed on ASEC’s Web site at www.asec.org.

**Surf EBRI and ASEC on the Web**

If you haven’t already visited our sites, both EBRI and ASEC are on the World Wide Web! We can be found at ebri.org and asec.org.

EBRI Members, don’t forget the last three years of *Issue Briefs* and *Notes* are available in full text on the publications page. Stay up-to-date by reading EBRI press releases, congressional testimony, and our new “What’s New” section highlighting recent activities and events.
New Publications and Internet Sites

[Note: To order publications from the U.S. Government Printing Office (GPO), call (202) 512-1800; to order congressional publications, call (202) 512-2470. To order U.S. General Accounting Office (GAO) publications, call (202) 512-6000; to order from the Congressional Budget Office (CBO), call (202) 226-2809].


Jacobs, Philip. The Economics of Health and Medical Care. $49. Aspen Publishers, P.O. Box 990, Frederick, MD 21705-9727, (800) 638-8437.


Documents Available on the Internet

Assessing the New Federalism http://www.urban.org/newfed/index.htm

Changes In The Growth In Health Care Spending: Implications For Consumers http://www.americashealth.org/implication/implications.html

Flow of Funds Accounts of the United States http://www.bog.frb.fed.us/releases/Z1/


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