

At a Glance | July 11, 2019

Changes in Retirement Income Adequacy Under Opposite Extremes for Ages 35-39

We explore universal defined contribution (DC) coverage, and the other extreme, in which defined contribution retirement plans are completely eliminated.

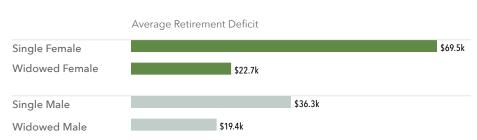
RETIREMENT READINESS

Single females have the largest Retirement Savings Shortfalls (RSS).

RSS are determined as a present value of retirement deficits at age 65 in 2019 dollars.

Average Retirement Savings Shortfalls

by Gender and Marital Status



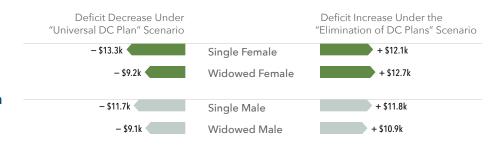
GENDER AND MARITAL STATUS EFFECT

Under the "Universal DC Plan" scenario,¹ the improvement (decrease) in average deficits is largest for single females and single males.

Whereas under the "Elimination of DC Plans" scenario, single and widowed females are most impacted.

Average Decrease or Increase in Retirement Income Adequacy

by Gender and Marital Status



INCOME EFFECT

Under the "Universal DC Plan" scenario, the improvement (decrease) in average deficits exceeds \$10,000 for all but the lowest income quartile.

Under the "Elimination of DC Plans" scenario, the increase in average deficits is largest for the second and third income quartiles.

Average Increase or Decrease in Retirement Income Adequacy by Income Quartile



SOURCES: EBRI Retirement Security Projection Model® versions 3459, 3507, and 3512.

Jack VanDerhei. "Alternative Realities: The Impact of Extreme Changes in Defined Contribution Plans on Retirement Income Adequacy in America," EBRI Issue Brief, no. 484 (Employee Benefit Research Institute. June 13, 2019).

1. The "Universal DC Plan" scenario is one where every employer (with the exception of those that already sponsor a defined benefit plan) is assumed to sponsor a defined contribution plan.

© 2019 EBR

This report is copyrighted by the Employee Benefit Research Institute (EBRI). You may copy, print, or download this report solely for personal and noncommercial use, provided that all hard copies retain any and all copyright and other applicable notices contained therein, and you may cite or quote small portions of the report provided that you do so verbatim and with proper citation. Any use beyond the scope of the foregoing requires EBRI's prior express permission. For permissions, please contact EBRI at permissions@ebri.org.