

Employment-Based Retirement Plan Participation: Geographic Differences and Trends, 2013

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A T A G L A N C E

- The percentage of workers participating in an employment-based retirement plan rose in 2013, increasing for the first time since 2010 among all workers and private-sector workers.
- The retirement plan participation level depends on the type of worker being considered:
 - Among *all* American workers in 2013, 51.3 percent worked for an employer or union that sponsored a retirement plan (the sponsorship rate), while 40.8 percent participated in a plan.
 - Among *wage and salary workers* ages 21–64, the sponsorship rate increased to 56.0 percent, and the portion participating increased to 45.8 percent.
 - Among *full-time, full-year wage and salary workers* ages 21–64, the sponsorship rate was 62.3 percent and 54.5 percent of the workers participated in a retirement plan.
 - Almost 74 percent of wage and salary public-sector workers participated in an employment-based retirement plan.
- Being white or having attained a higher educational level were also associated with higher probabilities of participating in a retirement plan. Hispanic wage and salary workers were significantly less likely than both white and black workers to participate in a retirement plan, although native-born Hispanics were more likely to participate than non-native born Hispanics. The overall gap between the percentages of black and white plan participants narrowed when compared across earnings levels, with blacks surpassing whites at the income level of \$75,000 or more.
- While the overall percentage of females participating in a plan was lower than that of males, when controlling for work status or earnings, the female participation level actually surpassed that of males in 2013. The retirement-plan-participation gender gap significantly closed from 1987–2009 before widening in 2010–2012 but nearly closed again in 2013.
- Of the 67.9 million wage and salary workers who worked for an employer that did not sponsor a plan, 17.9 million (26.4 percent) were ages 25 or younger or 65 or older. Almost 30 million (43.6 percent) were not full-time, full-year workers, and 29.2 million (43.0 percent) had annual earnings of less than \$20,000. Furthermore, 39.3 million (57.8 percent) worked for employers with less than 100 employees.
- Workers at large employers were far more likely to participate than those at smaller firms. Those in the manufacturing industry and the transportation, utilities, information, and financial industry had the highest probability of participating, while those in the other-services industry had the lowest probability.
- Across all ages, workers with employment-based health insurance from their own employers were more than twice as likely to participate in a retirement plan as those without health insurance from their own employers.

Craig Copeland is a senior research associate at the Employee Benefit Research Institute (EBRI). This *Issue Brief* was written with assistance from the Institute’s research and editorial staffs. Any views expressed in this report are those of the author and should not be ascribed to the officers, trustees, or other sponsors of EBRI, EBRI-ERF, or their staffs. Neither EBRI nor EBRI-ERF lobbies or takes positions on specific policy proposals. EBRI invites comment on this research.

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Introduction

The financing of retirement has become a vital topic in the United States as the population has aged. The Baby Boom Generation, with birth years 1946–1964 (ages 50–68), currently totals just over 74 million people¹ and has greatly changed the demographics of the nation. The resulting sharp rise in the percentage of the elderly population from this generation will make it much more expensive to support programs such as Medicare and Social Security, which are designed to partially shield the elderly from the worst financial effects of old age (deteriorating health and loss of income). As a result, some changes in these programs are likely to occur that could result in an increase in the benefit-eligibility age, higher taxes, or reductions in benefits for all or certain categories of retirees (such as higher-income individuals).

Retiree beneficiaries age 65 in 2015 receiving their first-year benefit can expect Social Security to replace approximately 24.5 percent to 67.5 percent of preretirement income, depending upon their earnings history (Clingman, Burkhalter, and Chaplain 2014).² Consequently, if workers hope to maintain their preretirement standard of living, they may need other sources of income in retirement to supplement their Social Security benefits, as Social Security was not designed to match that standard for all workers.

For both current and future retirees, an important source of additional income in retirement is an employment-based retirement plan. Therefore, understanding the percentage of workers currently participating in those plans provides critical insight into retirees' future financial status.

In 2013, the percentage of workers participating in an employment-based retirement plan increased from a year earlier. Specifically, the percentage of *all workers* participating in an employment-based retirement plan moved in a relatively tight band in recent years, from 39.6 percent in 2009 to 39.8 percent in 2010 to 39.7 in 2011 to 39.4 percent in 2012 before the increase in 2013 to 40.8 percent. Furthermore, the percentage of *full-time, full-year wage and salary workers* ages 21–64 (those most likely to be offered a retirement plan at work) also experienced an increase, from 53.5 percent in 2012 to 54.5 percent in 2013.

Retirement plan participation by workers is strongly tied to macroeconomic factors such as the labor market, and consequently the vibrant economic conditions of the late 1990s led to higher levels of participation, while worsening conditions in the following decade resulted in lower levels of participation. Not surprisingly, the economic crisis of 2008 and 2009 had an impact on participation levels. However, the economic conditions have improved recently, helping to increase the percentage participating in a retirement plan. Yet, other underlying factors will likely continue to affect future participation trends, such as the decline in the availability and freezing of existing defined benefit (DB) pension plans in the private sector and the automatic-enrollment provisions of the Pension Protection Act (PPA) of 2006 for defined contribution (DC) plans, which are increasingly affecting new hires.

This *Issue Brief* more closely examines the level of participation by workers in public- and private-sector, employment-based pension or retirement plans, based on the U.S. Census Bureau's March 2014 Current Population Survey (CPS), the most recent data currently available.³ It begins with an overview of retirement plan types and participation in these types of plans and describes the data used in this study, along with their relative strengths and weaknesses. From these data, results on participation in employment-based retirement plans are analyzed for 2013 across various worker and employer characteristics. The report then explores retirement plan participation across U.S. geographical regions, including state-by-state comparisons as well as comparisons by certain consolidated statistical areas (CSAs). In addition, trends from 1987–2013 in employment-based retirement plan participation are presented across many of the same worker and employer characteristics that are used for 2013. Furthermore, an accounting of the number of

individuals who worked for employers that did *not* sponsor a plan and of workers who did *not* participate in a plan in 2013 is provided by various demographic and employer characteristics.

Retirement Plan Types

In general, two types of tax-favored retirement plan vehicles are offered through employers and unions:

- Defined contribution (DC) plans, which include 401(k) plans.
- Defined benefit (DB) plans, which include “traditional” pension plans.

These plans differ in a variety of ways, particularly in how benefits are determined and held, the assumption of investment risk, and the manner in which plan benefits are paid.

Benefit Determination: In a DC plan, employer contributions (if any) are based on a predetermined formula,⁴ and, most frequently, all contributions (made by both employers and/or employees), while held in a single trust, are tracked in individual accounts on behalf of each participant. In contrast, DB plans in the private sector typically are funded solely by the employer, do not require participants to contribute, and plan contributions are held in one trust on behalf of all participants, with these contributions subject to federal funding rules and regulations required to maintain the plan’s tax-favored status. In the public sector, a DB plan frequently requires employee contributions, which, along with earnings on those contributions, are usually pooled with funding from the government entity that sponsors the plan.

Investment Risk: The overwhelming majority of individuals participating in a DC plan assume all of the investment risk in their own account; that is, employers do not guarantee specific benefit levels. Rather, as the name suggests, it is the contribution that is defined by the terms of the plan, not the benefit, which is determined by the contributions (employer and employee) to the individuals’ accounts and the investment returns within those accounts.⁵ In comparison, DB-plan participants receive certain benefit amounts calculated from a formula specified by the plan, typically based on average salary and years of service, regardless of the investment performance of the plan assets. Thus, in general, in DC plans, the individual participant bears the investment risk; in DB plans, the risk is the responsibility of the plan sponsor (and in the public sector, ultimately the taxpayers in the jurisdiction of the sponsoring entity).

Benefit Payout: A third difference between DC and DB plans traditionally has been the manner in which they pay out benefits. DC plans usually pay out benefits in a single lump sum—the entire accumulated benefit is distributed at one time. Consequently, the recipients are responsible for managing the money from that point in time and throughout their retirement years. Alternatively, DB plans must offer life annuities (a set amount paid out regularly over time, typically monthly, for as long as the annuitants live), which, if chosen, eliminate the necessity of the individuals managing these assets during retirement. However, plan sponsors are allowed to “cash out” those participants who terminate employment and have a small accrued benefit, and a growing number of DB plan participants are also being offered a lump-sum distribution option.⁶

The term *pension plan* traditionally has been synonymous with a DB plan that provides a fixed-annuity payment, rather than a DC plan offering a lump-sum distribution. Although many individuals refer to a DC plan as a “pension” plan, many others still understand a pension to be an annuity payment at retirement. To minimize confusion, this study defines DB and DC plans collectively as retirement plans.⁷

The increase in the number of DC plan participants relative to DB plan participants over time has been well documented. For example, the Department of Labor’s Employee Benefits Security Administration’s Private Pension Plan Bulletin Historical Tables and Graphs (September 2014), which compiled data from the Internal Revenue Service (IRS) Form 5500, showed that the number of active participants in a private-sector DB plan decreased from 27.2 million in 1975 to 15.8 million in 2012 (a decline of 42 percent), while the number of active participants covered by a private-

sector DC plan increased from 11.2 million to 75.5 million during that same period (an increase of nearly 575 percent).⁸ Copeland (August 2013), using the U.S. Census Bureau's May 1988 Current Population Survey Employee Benefit Supplement and the Retirement and Pension Plan Coverage Topical Modules to the 1996, 2001, 2004, and 2008 Survey of Income and Program Participation (SIPP), found that the percentage of all civilian (public and private), nonagricultural wage and salary workers ages 16 or older who considered their primary retirement plan to be a DC plan increased from 25.8 percent in 1988 to 78.0 percent in 2012. Another study by Copeland (2012), using the 1992, 2007, and 2010 Survey of Consumer Finances (SCF), found that the percentage of families with at least one participant in a retirement plan having only a DC plan increased from 37.5 percent in 1992 to 61.3 percent in 2010.

The reasons for this growth in the number of DC plan participants have also been well documented, such as the perception of increased work-force mobility and changes in the business and regulatory environments of plan sponsors.⁹ The consequences of these trends for retirees are significant. The most important being the necessity for individuals first to accumulate sufficient assets in these accounts for retirement, and second, for individual retirees to manage the assets accumulated for retirement so as not to outlive them.^{10, 11} However, these issues are outside the scope of this report, given the limitations of this study's data, which allow focusing only on participation in an employment-based retirement plan arrangement, rather than on the plan type.

Data

While the analysis of employment-based retirement plan participation among plan types is important, the governmental datasets that contain this information focus only on private-sector workers, are slow to be released, do not contain detailed demographic data on the participants, or are compiled from surveys taken only at three- or five-year intervals. The data cited above regarding the breakdown of plan types from SIPP illustrate these challenges, as the latest available numbers are from 2012 with three to five years between survey releases. The SCF data was recently released for 2013, but the survey interval is every three years.¹² Furthermore, the official compilation of private-sector plan assets and participants by the U.S. Department of Labor from the Form 5500 data that all private-sector sponsors of pension or retirement plans must file with the IRS is currently available for plan years through 2012.¹³ Public-sector employers are not required to file these forms, making detailed data from those plans difficult to obtain even after a few years.

The timeliest survey on employment-based-retirement-plan offering and employee participation is the National Compensation Survey, conducted by the U.S. Department of Labor's Bureau of Labor Statistics (BLS).¹⁴ This survey found in March 2014 that 81 percent of public-sector workers and 48 percent of private-sector workers participated in an employment-based retirement plan. The private-sector numbers have been decreasing, from 51 percent in March 2006 to 48 percent in March 2012, before a 2013 increase to 49 percent. This survey also found in March 2013 that 16 percent of private-sector workers participated in a DB plan and 42 percent participated in a DC plan (9 percent participated in both). While this survey does not contain detailed demographic data on the participants, it does provide breakdowns of many firm characteristics (such as size and industry).

In contrast, the CPS, a monthly survey, has asked questions in a consistent manner each March since at least 1988 about whether an employee worked for an employer or union that sponsored a pension or retirement plan for any of its employees, and then if the worker was included in that plan.¹⁵ The U.S. Census Bureau conducts the CPS for the BLS by interviewing about 57,000 households and asking numerous questions about individuals' work statuses, employers, incomes, and basic demographic characteristics. Therefore, the CPS provides detailed information about workers from a broad sample of Americans who are participating in an employment-based plan, making it possible to establish a consistent, annual, and timely trend across numerous worker characteristics and the characteristics of their employers.

While the CPS provides excellent detail on overall participation in employment-based plans, it does *not* provide specifics about the individual plans—such as the worker's plan type or whether the individual worker is eligible to participate in the plan sponsored by his or her employer or union. This makes the definition of terms in this study important:

- The term *sponsorship rate* is defined as the percentage of workers in the specified work force who worked for an employer or union that sponsored a plan in a given year for *any* of its employees, though not necessarily for the worker in question.
- In this discussion, the term *percentage of workers participating in a plan* is not synonymous with the standard retirement plan term *participation rate*, which is generally understood to mean the percentage of eligible workers who participate in a plan. Consequently, *participation rate* is not used in this analysis; instead, the terms *participation level* or *percentage participating* are used. To reiterate, those terms refer to the fraction of workers in the specified work force who participate in an employment-based pension or retirement plan regardless of the workers' eligibility to participate in a plan. (An eligible worker is one who is offered a plan and meets the requirements to participate.)
- Lastly, the term *participating in a plan* as used here always refers to a pension or retirement plan provided through an employment-based arrangement, *not* a plan such as an individual retirement account (IRA) that workers can fund outside of an employment-based arrangement.

Defining the “Correct” Retirement Participation Level

There is a discussion on what the correct number is for the percentage of private-sector workers who are participating in an employment-based retirement plan. As noted, the National Compensation Survey from the Bureau of Labor Statistics (BLS) reported 49 percent of private-sector workers were participants in a retirement plan in March 2013, whereas the Current Population Survey (CPS) showed 35.9 percent of all private-sector workers were in a retirement plan. However, the BLS survey excludes various workers, including self-employed, agricultural, and private-household. Furthermore, the BLS survey asks about workers working in only the month of March, whereas the CPS asks about anyone who worked in the previous year. Therefore, when workers who are excluded from the BLS survey are also excluded from the CPS population and only full-year workers are included, the CPS finds 44.6 percent of workers to be participating. In addition, certain small establishments are excluded from the BLS survey because of their ownership type and lack of responses. While the CPS can't closely replicate which types of establishments are excluded, the CPS does have a firm-size variable where the smallest category is fewer than 10 employees. When workers in these firms are excluded from the CPS, the percentage participating becomes 50.1 percent. These numbers are closer to the BLS survey numbers, but this still isn't an exact comparison.

In Dushi, Iams, and Lichtenstein (2011), the results from another individual response survey, the Survey of Income and Program Participation (SIPP), were compared with tax records, where it was found that a number of individuals said they made contributions to a defined contribution plan, although the tax record indicated they hadn't, while others made contributions according to the tax records, but didn't report those contributions in the survey. When the percentages were netted out, the tax records showed a 5-percentage-point-higher level of participation than what the survey responses indicated. Consequently, there are issues with drawing conclusions from certain individual responses to questions on retirement plan participation. (Also see Anguelow, Iams, and Purcell (2012) for further discussion of using SIPP and tax data to determine retirement-plan-participation levels.)

In spite of these issues, the numbers are relatively similar when comparing as closely as possible the same populations between the two surveys. Therefore, when comparisons of these numbers are discussed, it should be understood what is being compared, as these numbers reflect a similar picture in private-sector retirement plan participation. Furthermore, the CPS is the only survey that provides detailed demographic characteristics of workers and retirement plan participation on an annual basis.

2013 Participation Levels

Among the 157.3 million Americans who worked in 2013, 80.7 million worked for an employer or union that sponsored a pension or retirement plan, and 64.2 million participated in a plan (Figure 1). This translates into a sponsorship rate (the percentage of workers working for an employer or union that sponsored a plan) of 51.3 percent and a participation level of 40.8 percent.

Figure 1
Percentage of Various Work Forces That Worked for an Employer That Sponsored a Retirement Plan, and the Percentage That Participated in a Plan, 2013

	All Workers	Wage and Salary Workers Ages 21–64	Private-Sector Wage and Salary Workers Ages 21–64	Public-Sector Wage and Salary Workers Ages 21–64	Full-Time, Full-Year Wage and Salary Workers Ages 21–64
			(millions)		
Worker Category Total	157.3	131.3	111.3	19.9	94.3
Works for an employer sponsoring a plan	80.7	73.6	57.2	16.4	58.7
Participating in a plan	64.2	60.1	45.4	14.7	51.4
			(percentage)		
Worker Category Total	100.0%	100.0%	100.0%	100.0%	100.0%
Works for an employer sponsoring a plan	51.3	56.0	51.3	82.4	62.3
Participating in a plan	40.8	45.8	40.8	73.6	54.5

Source: Employee Benefit Research Institute estimates from the 2014 March Current Population Survey.

However, this measure of the work force contains the unincorporated self-employed and those who typically have a looser connection to the work force—individuals under age 21 and older than age 64. Therefore, a different measure of the work force is examined: *wage and salary workers* ages 21–64, representing individuals who have a stronger connection to the work force and excludes the unincorporated self-employed.¹⁶ For this group, the sponsorship rate increased to 56.0 percent, and the portion participating increased to 45.8 percent. When separating these wage and salary workers into the public and private sectors, the percentages participating differed significantly. Almost 74 percent of the public-sector workers participated in an employment-based retirement plan, compared with 40.8 percent of the private-sector workers.

A more restrictive definition of the work force, which more closely resembles the types of workers who generally must be covered when a retirement plan is offered in accordance with the Employee Retirement Income Security Act of 1974 (ERISA), is *full-time, full-year wage and salary workers* ages 21–64.¹⁷ Under this definition, 62.3 percent of these workers worked for employers sponsoring a plan, and 54.5 percent of the workers participated in a retirement plan.

The remainder of this section focuses on wage and salary workers, presenting the differences across a set of characteristics, which, in general, were representative of all the work-force populations, except where noted.

The percentage of wage and salary workers ages 21–64 who participated in a retirement plan in 2013 increased with age (Figure 2). For those ages 21–24, 19.1 percent participated in a plan, compared with 55.1 percent of those ages 55–64. Generally speaking, male workers were slightly more likely to have participated in a plan than females. However, female, full-time, full-year, wage and salary workers were more likely to have participated in a plan than male, full-time, full-year, wage and salary workers.

Being white or having attained a higher educational level were also associated with higher probabilities of participating in a retirement plan. Among white wage and salary workers ages 21–64, 50.8 percent participated in a plan, compared with 29.6 percent of Hispanic workers. Approximately 20 percent of workers from the category without a high school diploma participated in a plan, and the percentage participating increased with educational attainment, as high as 66.2 percent of those holding graduate or professional degrees.

Married workers were more likely to participate in a plan, while never-married workers had the lowest probability, and the higher an individual's earnings, the more likely he or she participated in a plan. Less than one-fifth (18.3 percent) of

Figure 2

Percentage of Various Work Forces That Worked for an Employer That Sponsored a Retirement Plan and the Percentage That Participated in a Plan, by Various Characteristics, 2013

	All Workers			Wage and Salary Workers Ages 21-64			Private-Sector Wage and Salary Workers Ages 21-64			Public-Sector Wage and Salary Workers Ages 21-64			Full-Time, Full-Year Wage and Salary Workers Ages 21-64		
	Number of workers (000s)	Sponsor-ship rate (%)	Percent-age participating (%)	Number of workers (000s)	Sponsor-ship rate (%)	Percent-age participating (%)	Number of workers (000s)	Sponsor-ship rate (%)	Percent-age participating (%)	Number of workers (000s)	Sponsor-ship rate (%)	Percent-age participating (%)	Number of workers (000s)	Sponsor-ship rate (%)	Percent-age participating (%)
Age															
20 or younger	8,408	25.3%	5.5%	12,704	40.3%	19.1%	11,690	37.9%	17.6%	1,013	67.0%	36.7%	5,555	49.3%	31.7%
21-24	12,936	39.5	18.8	32,369	50.5	38.3	28,175	46.9	34.5	4,194	75.1	63.9	22,764	56.6	46.3
25-34	33,646	48.8	37.0	30,178	57.7	49.0	25,492	52.6	43.6	4,687	85.5	78.4	23,113	62.6	55.5
35-44	32,006	54.8	46.5	31,931	61.4	53.8	26,475	56.5	48.5	5,456	85.3	79.4	25,178	66.3	60.4
45-54	34,196	58.0	50.8	24,067	62.5	55.1	19,497	57.1	49.5	4,570	85.8	79.1	17,714	67.5	62.3
55-64	26,263	58.2	51.1												
65 or older	9,856	44.4	32.5												
Gender															
Male	82,775	50.4	40.9	68,399	55.2	46.0	60,090	51.4	41.9	8,309	83.0	75.6	53,215	60.3	53.0
Female	74,537	52.3	40.8	62,850	57.0	45.5	51,240	51.3	39.4	11,610	81.9	72.3	41,108	64.8	56.4
Race/Ethnicity															
White	103,786	55.2	44.8	85,080	60.9	50.8	71,575	56.2	45.8	13,505	85.7	77.4	61,814	67.0	59.6
Black	16,856	52.1	39.1	14,677	55.4	42.4	11,872	50.2	36.6	2,805	77.2	66.8	10,349	62.4	52.1
Hispanic	24,571	35.9	26.5	21,165	38.9	29.6	18,917	34.7	25.5	2,248	73.5	64.7	14,767	44.2	36.4
Other	12,099	48.1	37.9	10,328	52.1	41.9	8,966	48.7	38.3	1,362	74.2	65.7	7,394	58.8	50.8
Education															
No high school diploma	14,923	25.3	14.9	10,020	28.7	19.8	9,542	27.0	18.4	479	62.4	48.4	6,420	33.6	25.6
High school diploma	42,288	44.9	34.1	35,076	48.8	38.1	31,459	45.7	34.5	3,617	76.6	68.6	25,147	55.5	46.3
Some college	46,676	50.9	38.2	39,097	55.4	43.1	34,022	51.3	38.7	5,075	82.6	72.1	26,331	63.0	53.9
Bachelor's degree	34,289	61.2	52.1	30,631	64.9	55.5	25,083	61.0	51.7	5,548	82.3	73.0	23,448	69.2	62.6
Graduate/profnl. degree	19,137	69.0	61.9	16,426	73.3	66.2	11,224	66.5	59.1	5,202	88.0	81.7	12,977	75.6	71.0
Marital Status															
Married	85,469	56.7	48.7	73,553	61.1	53.1	60,927	56.0	47.7	12,626	86.0	79.0	56,304	65.6	59.6
Widowed	2,980	46.4	35.7	1,701	55.7	45.8	1,415	50.3	40.3	286	82.6	72.9	1,148	61.5	53.9
Divorced	16,792	53.5	43.5	14,480	56.9	46.5	12,088	51.9	40.7	2,393	82.5	76.1	10,723	63.9	55.0
Separated	3,644	45.2	34.1	3,189	47.6	36.4	2,829	43.7	32.3	360	78.3	68.7	2,224	54.7	45.6
Never married	48,428	41.8	26.8	38,326	46.6	32.1	34,071	43.5	29.1	4,254	71.9	56.7	23,924	54.4	43.0
Work Status															
Full-time, full-year	105,065	59.1	51.5	94,324	62.3	54.5	79,198	57.8	49.2	15,126	85.7	81.7	94,324	62.3	54.5
Full-time, part-year	19,014	43.3	29.6	15,754	46.1	32.1	13,436	40.7	26.7	2,318	77.4	63.2			
Part-time, full-year	17,197	34.2	17.6	11,993	39.4	21.5	10,819	36.1	19.2	1,175	69.0	42.6			
Part-time, part-year	16,036	27.8	9.1	9,178	31.1	11.5	7,878	25.6	9.1	1,300	64.5	26.2			

(cont'd.)

(Fig. 2, cont'd.)

	All Workers			Wage and Salary Workers Ages 21-64			Private-Sector Wage and Salary Workers Ages 21-64			Public-Sector Wage and Salary Workers Ages 21-64			Full-Time, Full-Year Wage and Salary Workers Ages 21-64		
	Number of workers (000s)	Sponsor-ship rate (%)	Percent-age participating (%)	Number of workers (000s)	Sponsor-ship rate (%)	Percent-age participating (%)	Number of workers (000s)	Sponsor-ship rate (%)	Percent-age participating (%)	Number of workers (000s)	Sponsor-ship rate (%)	Percent-age participating (%)	Number of workers (000s)	Sponsor-ship rate (%)	Percent-age participating (%)
Annual Earnings															
Less than \$10,000	23,378	33.9	6.8	13,586	26.7	8.6	12,146	23.1	7.0	1,440	57.1	21.6	1,036	25.7	16.6
\$10,000-\$19,999	23,299	33.7	16.7	18,468	35.4	18.3	16,578	31.7	15.2	1,890	68.2	45.3	7,551	34.4	20.6
\$20,000-\$29,999	23,653	44.2	31.8	20,649	47.0	33.9	18,466	43.4	30.4	2,183	77.3	63.6	15,344	47.2	35.2
\$30,000-\$39,999	20,335	56.1	46.8	18,164	59.3	49.6	15,453	55.2	45.1	2,711	82.5	75.7	15,386	59.9	51.0
\$40,000-\$49,999	16,547	64.2	56.4	15,133	66.8	58.8	12,013	61.8	52.9	3,121	85.9	81.7	13,397	67.3	59.5
\$50,000-\$74,999	25,208	67.6	61.9	22,918	70.7	64.9	17,826	65.5	58.8	5,092	88.8	86.4	20,696	71.2	65.5
\$75,000 or more	24,891	71.3	67.2	22,331	74.5	70.4	18,848	71.4	66.9	3,483	90.9	89.4	20,913	74.9	71.0
Occupation															
Management, business, and financial	24,034	58.1	51.5	20,325	63.9	57.1	18,001	61.3	54.1	2,324	84.2	80.3	17,306	66.7	61.0
Professional and related	34,322	66.4	56.6	30,060	70.3	60.5	20,957	64.2	54.2	9,103	84.5	75.0	22,082	74.0	67.4
Service	28,434	34.0	22.0	21,922	38.4	26.4	18,142	30.5	18.0	3,780	76.5	66.8	12,765	47.1	37.6
Sales and related	17,676	44.6	30.1	13,610	50.0	36.4	13,446	49.7	36.2	164	76.8	54.4	9,299	56.3	46.6
Office and admin. support	19,364	58.2	45.9	16,920	60.9	49.3	14,125	56.7	44.5	2,795	81.9	73.5	12,044	68.1	59.6
Farming, fishing, and forestry	1,376	17.3	9.0	1,072	20.2	11.4	6,021	16.8	8.0	52	87.9	78.5	549	28.2	18.8
Construction and extraction	7,990	32.4	27.3	6,397	37.8	32.1	6,001	34.6	28.9	396	86.6	81.6	4,391	41.5	35.7
Installation, maintenance, repair	5,092	54.3	45.2	4,512	57.4	48.5	4,172	54.9	45.9	339	87.7	80.1	3,898	60.5	53.0
Production	9,109	54.9	43.5	8,167	57.1	45.6	7,958	56.6	45.1	210	76.0	67.2	6,339	62.9	52.9
Transportation/material moving	9,916	45.8	33.8	8,266	48.6	37.4	7,508	45.3	34.0	758	80.9	70.5	5,652	54.5	44.9
Employer Size															
Fewer than 10 employees	31,132	13.2	10.3	19,022	16.5	13.2	19,022	16.5	13.2	19,919	82.4	73.7	11,649	19.5	16.9
10-49 employees	22,637	32.0	24.0	19,324	33.4	25.8	19,324	33.4	25.8	19,324	33.4	25.8	13,237	38.4	32.0
50-99 employees	10,269	47.4	36.1	9,160	49.2	38.3	9,160	49.2	38.3	9,160	49.2	38.3	6,758	54.7	44.4
100-499 employees	17,534	58.8	45.5	15,887	59.9	47.2	15,887	59.9	47.2	15,887	59.9	47.2	11,819	65.2	54.7
500-999 employees	6,480	60.9	47.1	5,791	62.4	49.8	5,791	62.4	49.8	5,791	62.4	49.8	4,503	68.4	56.7
1,000 or more employees	47,301	68.6	53.3	42,145	71.0	57.0	42,145	71.0	57.0	42,145	71.0	57.0	31,232	76.6	66.5
Public sector	21,958	81.1	71.2	19,919	82.4	73.7	19,919	82.4	73.7	19,919	82.4	73.7	15,126	85.7	81.7
Sector/Industry															
Private sector	135,353	46.5	35.9	111,330	51.3	40.8	111,330	51.3	40.8	111,330	51.3	40.8	79,198	57.8	49.2
agriculture, mining, and construction	13,282	28.7	23.3	9,984	34.8	28.4	9,984	34.8	28.4	9,984	34.8	28.4	6,921	38.6	32.1
manufacturing	15,895	64.2	54.0	14,482	66.3	56.7	14,482	66.3	56.7	14,482	66.3	56.7	12,150	70.4	62.2
wholesale and retail trade	22,058	48.0	32.3	17,999	51.3	36.5	17,999	51.3	36.5	17,999	51.3	36.5	12,170	56.8	45.9
transportation, utilities, information, and financial	20,307	57.2	48.4	17,548	61.8	52.8	17,548	61.8	52.8	17,548	61.8	52.8	14,172	66.0	58.4
professional services	41,425	50.1	40.1	34,854	54.9	44.4	34,854	54.9	44.4	34,854	54.9	44.4	24,489	61.1	52.7
other services	22,386	26.5	15.0	16,463	29.6	18.3	16,463	29.6	18.3	16,463	29.6	18.3	9,295	35.7	26.4
Public sector	21,958	81.1	71.2	19,919	82.4	73.7	19,919	82.4	73.7	19,919	82.4	73.7	15,126	85.7	81.7

Source: Employee Benefit Research Institute estimates from the 2014 March Current Population Survey.

wage and salary workers ages 21–64 who had annual earnings of \$10,000–\$19,999 participated in a plan, compared with 70.4 percent of those earning \$75,000 or more. Furthermore, full-time, full-year workers were by far the most likely type to participate in a retirement plan. Wage and salary workers ages 21–64 working in professional and related occupations had the highest probability of participating in a retirement plan, at 60.5 percent. In comparison, workers in farming, fishing, and forestry occupations had the lowest likelihood of participating in a plan, at 11.4 percent.

The probability of a worker participating in an employment-based retirement plan increased significantly along with the size of his or her employer (Figure 2). For wage and salary workers ages 21–64 who worked for employers with fewer than 10 employees, 13.2 percent participated in a plan, compared with 57.0 percent of those working for employers with 1,000 or more employees. The sectors and industries of the employers also had an impact on the likelihood of participating in a plan. Workers in the manufacturing industry and the transportation, utilities, information, and financial industry had the highest probability of participating, while those in the other-services industry had the lowest probability. Public-sector workers were significantly more likely to participate than private-sector workers.

Worker Characteristics

The percentage of wage and salary workers ages 21–64 who participated in a retirement plan in 2013 increased with age (Figure 2). For those ages 21–24, 19.1 percent participated in a plan, compared with 55.1 percent of those ages 55–64. Generally speaking, male workers were slightly more likely to have participated in a plan than females. However, female, full-time, full-year, wage and salary workers were more likely to have participated in a plan than male, full-time, full-year, wage and salary workers.

Being white or having attained a higher educational level were also associated with higher probabilities of participating in a retirement plan. Among white wage and salary workers ages 21–64, 50.8 percent participated in a plan, compared with 29.6 percent of Hispanic workers. Approximately 20 percent of workers from the category without a high school diploma participated in a plan, and the percentage participating increased with educational attainment, as high as 66.2 percent of those holding graduate or professional degrees.

Married workers were more likely to participate in a plan, while never-married workers had the lowest probability, and the higher an individual's earnings, the more likely he or she participated in a plan. Less than one-fifth (18.3 percent) of wage and salary workers ages 21–64 who had annual earnings of \$10,000–\$19,999 participated in a plan, compared with 70.4 percent of those earning \$75,000 or more. Furthermore, full-time, full-year workers were by far the most likely type to participate in a retirement plan. Wage and salary workers ages 21–64 working in professional and related occupations had the highest probability of participating in a retirement plan, at 60.5 percent. In comparison, workers in farming, fishing, and forestry occupations had the lowest likelihood of participating in a plan, at 11.4 percent.

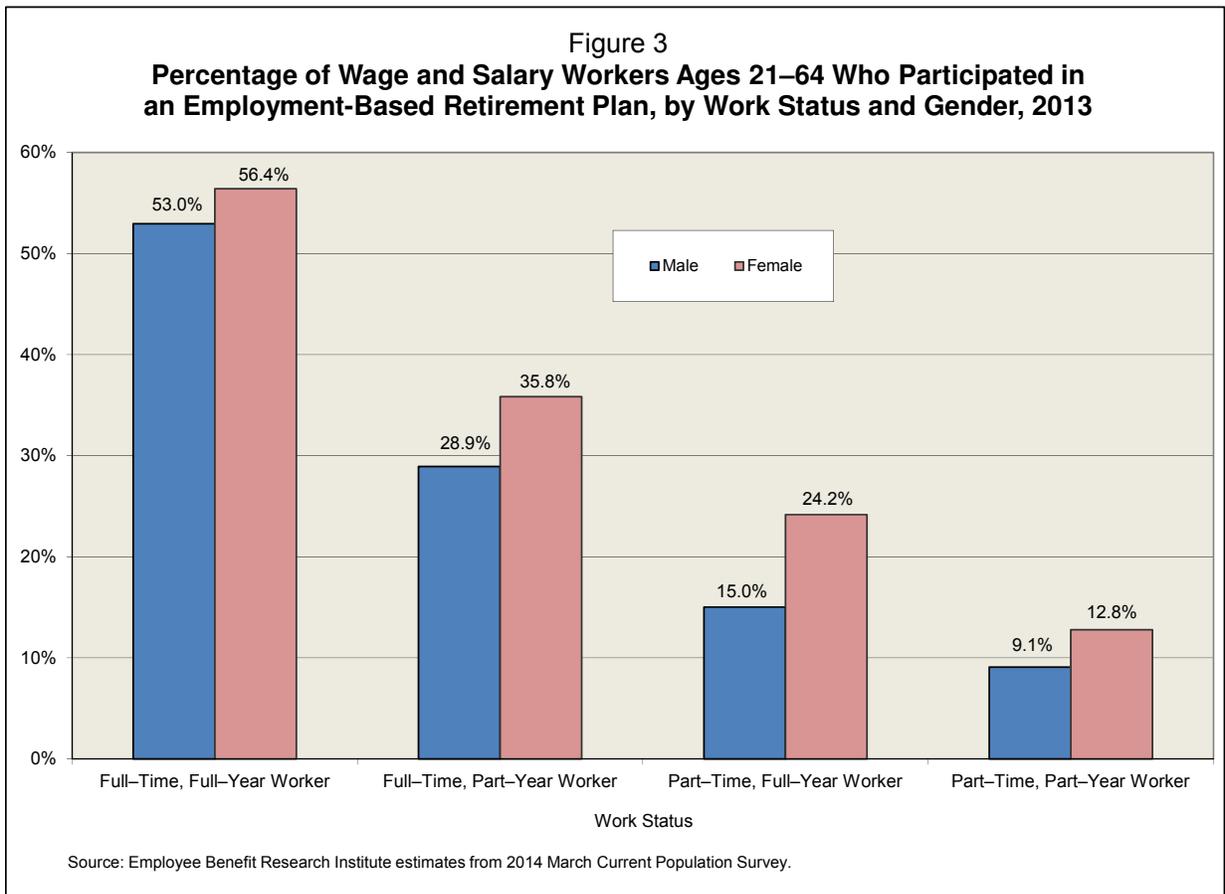
Employer Characteristics

The probability of a worker participating in an employment-based retirement plan increased significantly along with the size of his or her employer (Figure 2). For wage and salary workers ages 21–64 who worked for employers with fewer than 10 employees, 13.2 percent participated in a plan, compared with 57.0 percent of those working for employers with 1,000 or more employees. The sectors and industries of the employers also had an impact on the likelihood of participating in a plan. Workers in the manufacturing industry and the transportation, utilities, information, and financial industry had the highest probability of participating, while those in the other-services industry had the lowest probability. Public-sector workers were significantly more likely to participate than private-sector workers.

Further Demographic Breaks

Gender—Female wage and salary workers ages 21–64 were found to participate in a retirement plan at a lower level than males. However, among full-time, full-year workers of these same ages, females had a higher rate of participation in a plan (56.4 percent for women, compared with 53.0 percent for men). In fact, across all work-status categories, females were more likely to participate in a retirement plan than males (Figure 3). This result has persisted

since 2001, when the full-time, full-year participation level was slightly higher for females than for males at 58.5 percent compared with 58.1 percent (Figure 4).

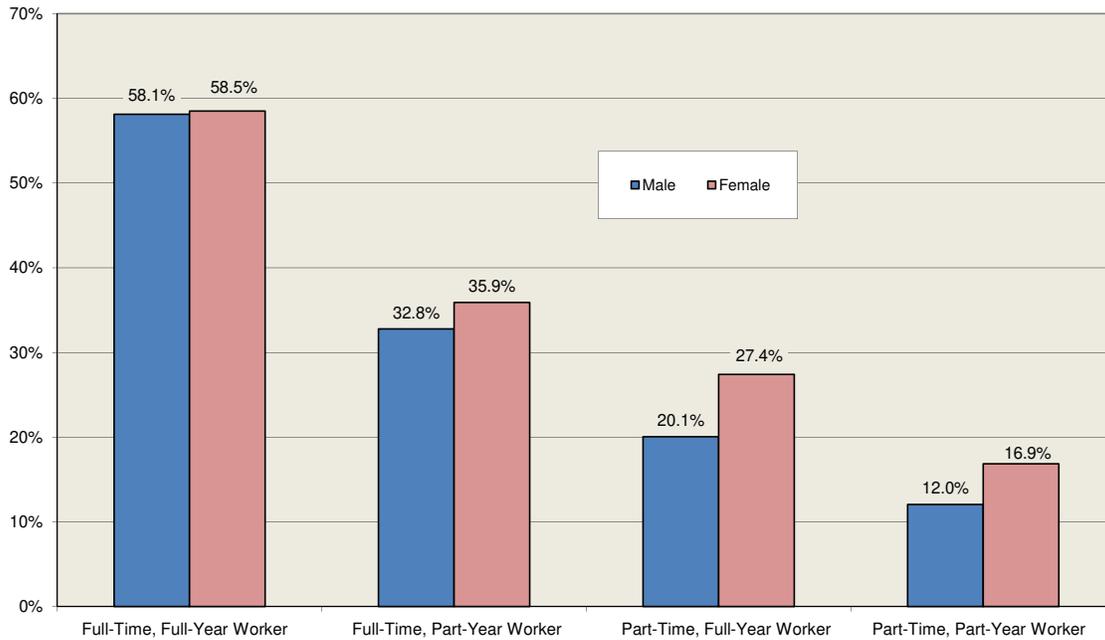


Furthermore, when examining participation by earnings level, the proportion of females participating in a plan was significantly higher than males at each earnings level except the lowest category, where it was only slightly higher (Figure 5). Consequently, it appears that female workers’ lower probability of participation in the aggregate was a result of their overall lower average earnings and lower rates of full-time work in comparison with males—characteristics often associated with lower participation levels.

Race/Ethnicity—Analysis of race/ethnicity by earnings level shows that Hispanic wage and salary workers were significantly less likely than both white and black workers to participate in a retirement plan.¹⁸ The overall gap between the percentages of black and white plan participants narrowed when compared across earnings levels, with blacks surpassing whites at the income level of \$75,000 or more (Figure 6). In contrast, the gap between Hispanics and whites persisted in all earnings groups, although it showed some narrowing in the higher-earnings groups.

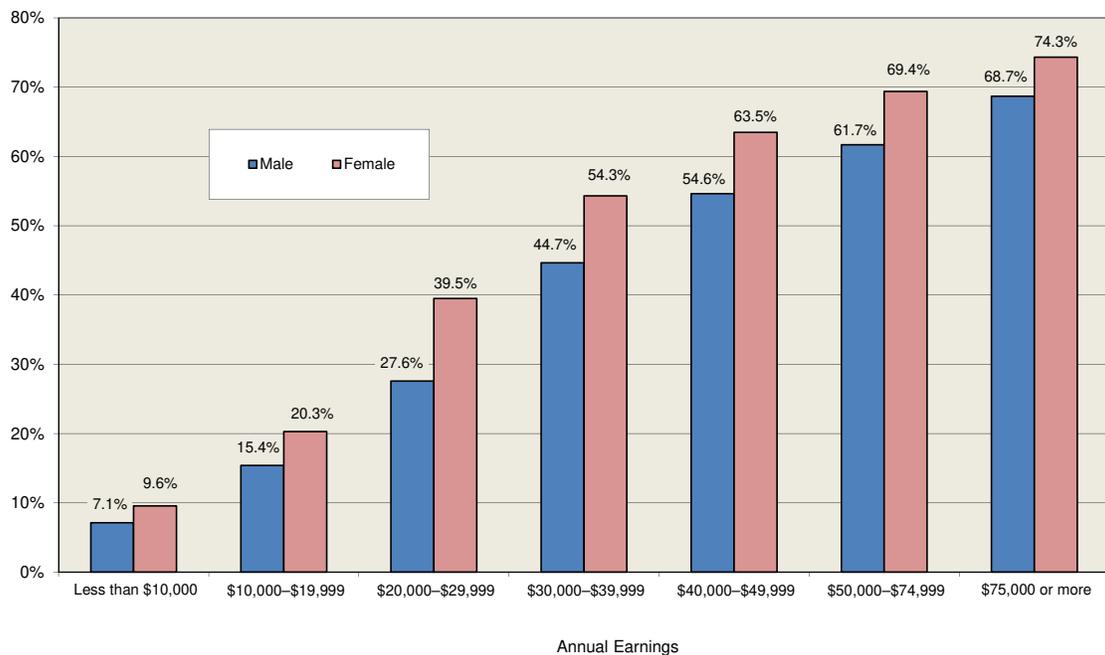
Another potential contributor to the overall lower level of participation by Hispanic workers could be the characteristics of their employers, such as firm size (number of employees). However, with the exception of public-sector employers, Hispanic workers had significantly lower levels of participation in employment-based retirement plans than workers of all the other races/ethnicities across all firm sizes (Figure 7). For workers at the smallest employers (fewer than 10 employees), 16 percent of white wage and salary workers ages 21–64 participated in a plan, compared with 6 percent of the Hispanic workers. While these levels increased along with employer size, white workers maintained a significantly higher participation level among those working for employers with 1,000 or more employees (62 percent for whites vs. 43 percent for Hispanics).

Figure 4
Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Work Status and Gender, 2001

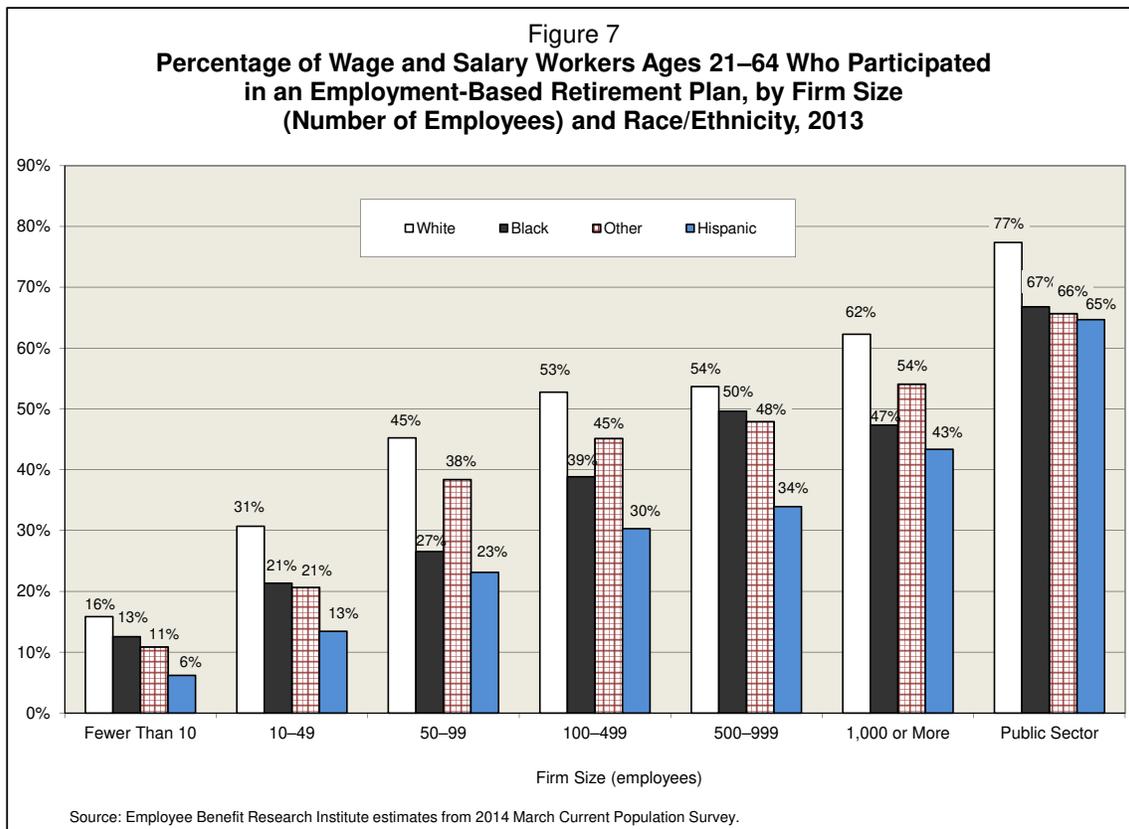
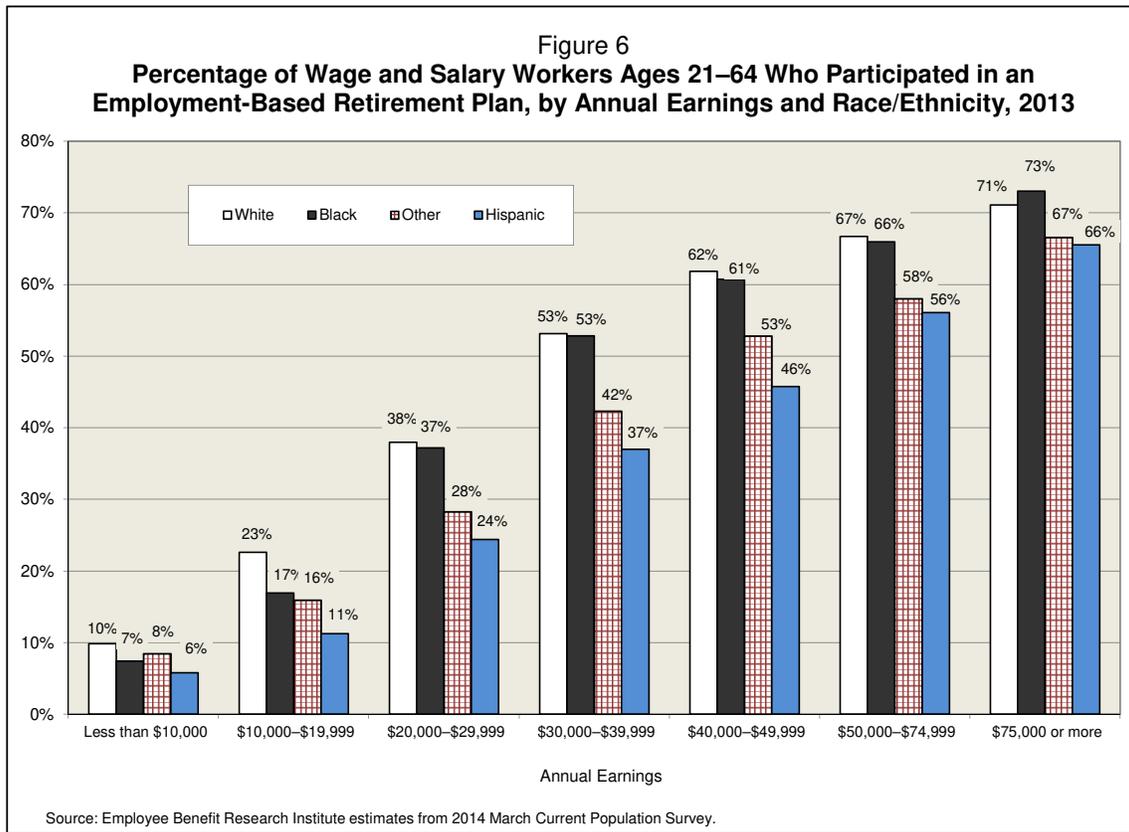


Source: Employee Benefit Research Institute estimates from 2002 March Current Population Survey.

Figure 5
Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Annual Earnings and Gender, 2013



Source: Employee Benefit Research Institute estimates from 2014 March Current Population Survey.



The ages of the workers and their races/ethnicities could not explain all the differences in the level of participation, as the Hispanic workers' participation levels were significantly lower than the white workers' levels at each age (Figure 8). However, a dramatic shift in Hispanic-worker participation levels became apparent when analyzed by birthplace—whether born within the United States or outside the United States, regardless of citizenship. Native-born Hispanic workers ages 21–64 had participation levels very similar to those of black and other workers, but closer though still below the participation level of white workers.¹⁹ In contrast, non-native-born Hispanic workers had substantially lower levels of participation across all age groups.

While age is an important factor in retirement plan participation, the earnings levels of non-native-born Hispanics could have been lower across age groups due to possible language and custom barriers. Yet, even across earnings, non-native-born Hispanics had a lower probability of participating in a retirement plan, while native-born Hispanics had participation levels closer to those of white and black Americans (Figure 9).

Consequently, while black workers who had higher earnings or who were older had levels of retirement plan participation approaching those of white workers, all Hispanics workers combined had persistently lower levels of participation across earnings, age, and employer size. When accounting for location of birth, native-born Hispanic workers revealed participation levels closer to but still below those of black and white workers. In contrast, non-native-born Hispanic workers had levels far below those of all the other workers.

Firm Size—Employees of smaller firms, those with fewer employees, were significantly less likely to participate in a retirement plan. A potential explanation could be that these firms employed workers with characteristics associated with lower participation, such as being younger or lower paid. However, even controlling for age, workers at smaller employers still had persistently lower levels of participation across the age groups (Figure 10). Furthermore, across various earnings levels, workers at small employers (less than 100 employees) were less likely to participate in an employment-based retirement plan (Figure 11). Even among workers making \$75,000 or more, a considerable disparity existed—just 27 percent of those in that income category working for the smallest employers participated in a plan, compared with 81 percent of those working for employers with 1,000 or more employees.

Education—Workers with lower educational attainment had lower levels of retirement plan participation. While educational attainment has a strong correlation with earnings, when controlling for that factor, the higher educated still had the highest levels of participation, and those with the least education (no high school diploma) still had significantly lower levels of participation than those with at least a high school diploma (Figure 12). Specifically, 49.2 percent of those without a high school diploma who were making \$75,000 or more participated in a retirement plan, compared with 61.1 percent of those with the same earnings level but with only a high school diploma and 74.5 percent for those with a graduate or professional degree. Consequently, the education level of workers clearly plays a role in the likelihood of participation in a retirement plan beyond determining earnings levels.

Age—Younger workers' significantly lower likelihood of participating in a plan could be the result of having lower incomes at the start of their careers. However, when looking at workers by age across earnings, younger workers were still less likely to be retirement plan participants than older workers with the same earnings (Figure 13). Even among the highest earners (\$75,000 or more), only 48.3 percent of those ages 21–24 participated in a plan, compared with 73.0 percent of those ages 45–54.

Health Insurance/Status—An important risk to a retiree's finances is his or her health status and health care needs.²⁰ The availability of employment-based health insurance from the worker's own employer and the worker's health status were also correlated with participation in an employment-based retirement plan. Across all ages, workers with employment-based health insurance from their own employers were more than twice as likely to participate in a retirement plan as those without health insurance from their own employers (Figure 14). For instance, among workers ages 45–54 in 2013, 69.4 percent of those with health insurance through their own employer participated in an employment-based retirement plan, compared with 28.9 percent of those without health insurance through their own employer. Similar disparities occurred in 2000 in participation levels among those with and without employment-based health insurance through their own employer.

Figure 8
Percentage of Wage and Salary Workers Ages 21–64
Who Participated in an Employment-Based Retirement Plan,
by Age and Race/Ethnicity, With Hispanic Detail, 2013

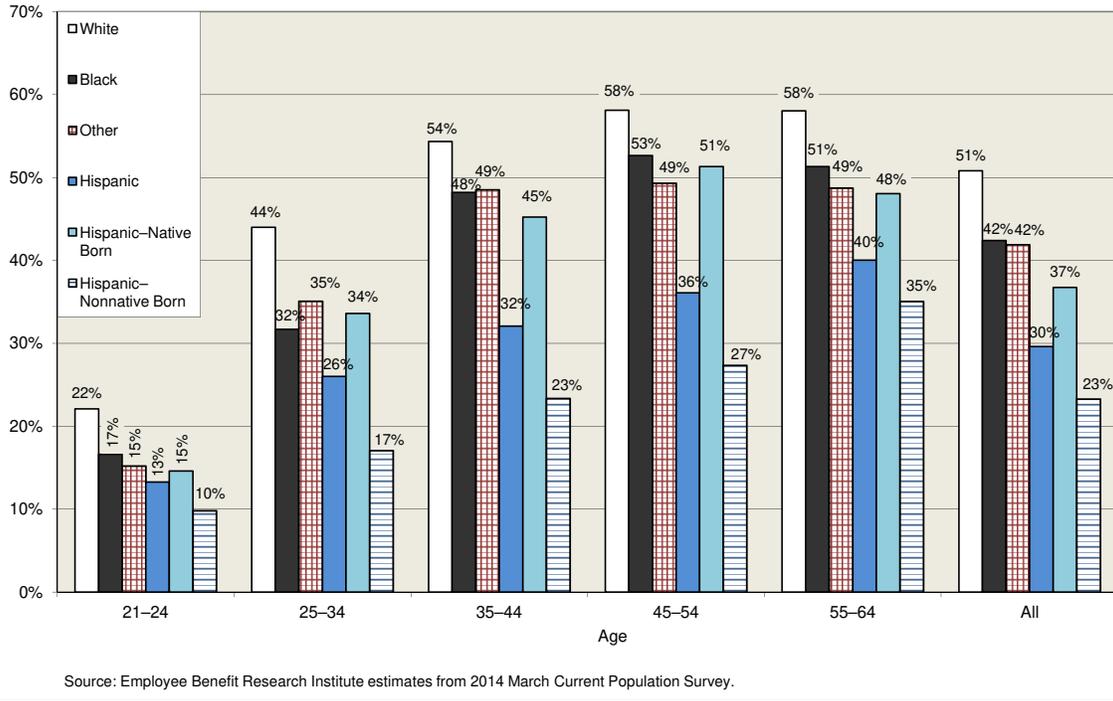


Figure 9
Percentage of Wage and Salary Workers Ages 21–64 Who Participated
in an Employment-Based Retirement Plan, by Race/Ethnicity
With Hispanic Detail and Annual Earnings, 2013

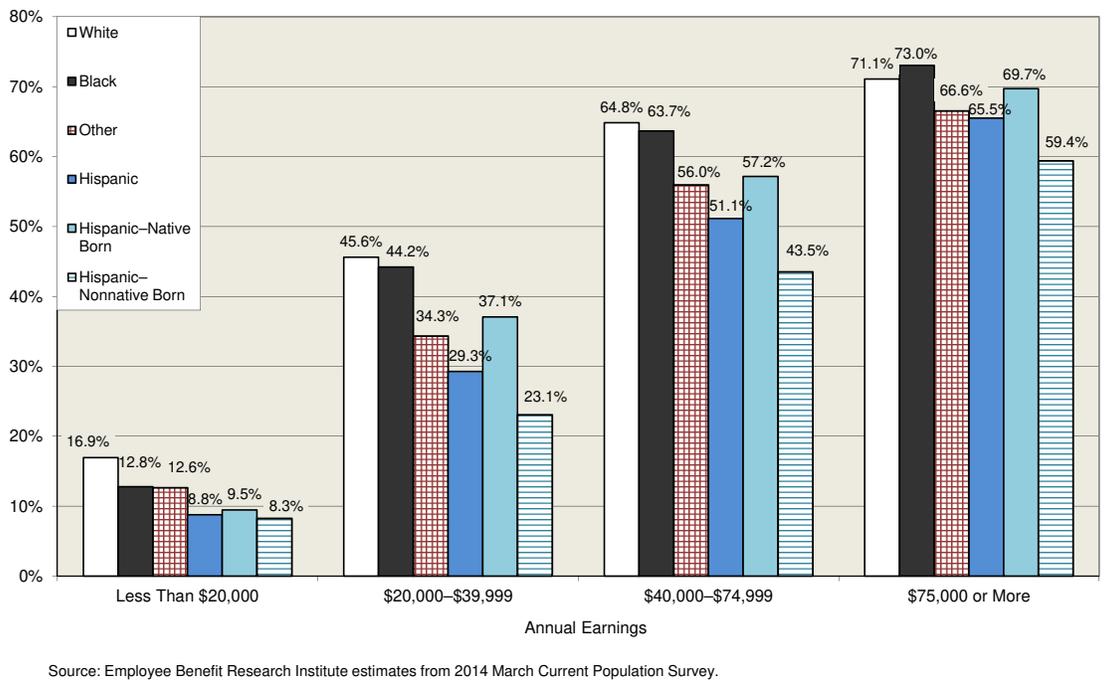
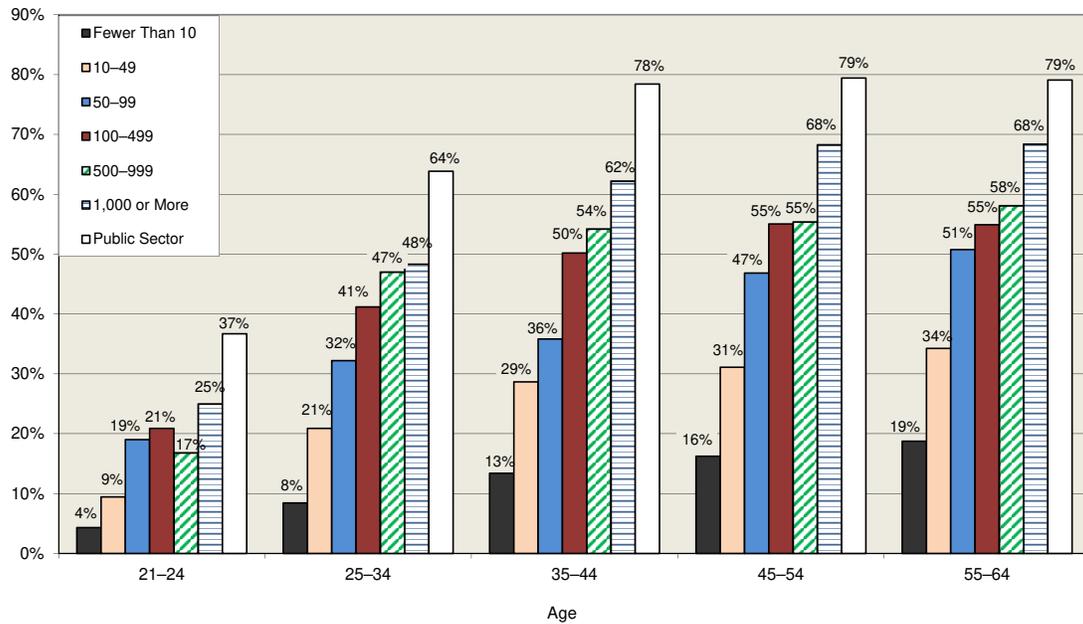
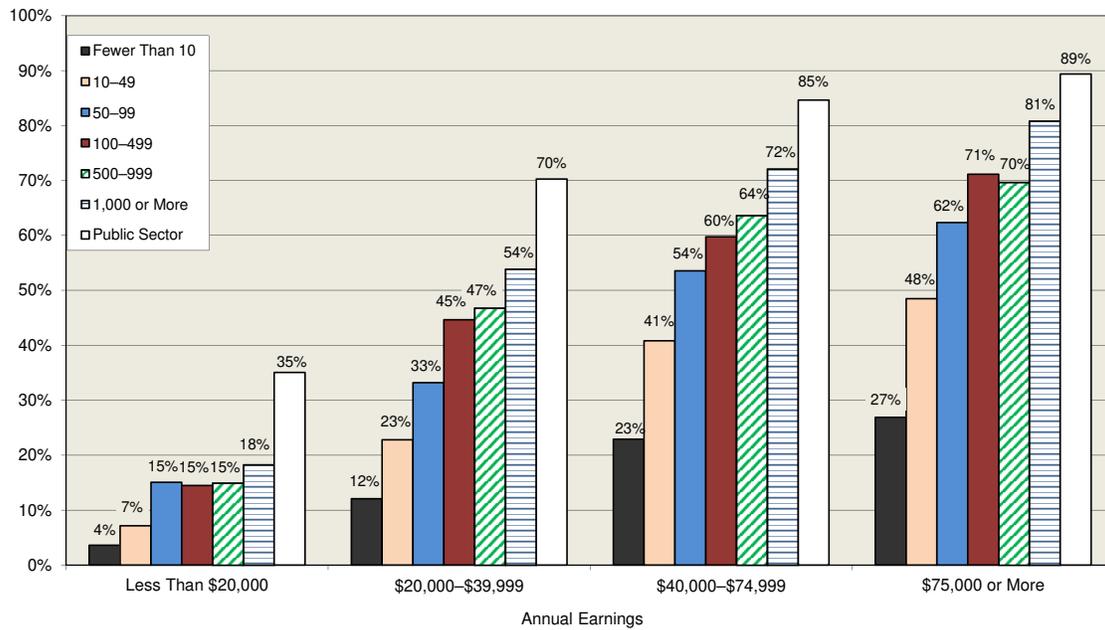


Figure 10
Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Age and Employer Size (Number of Employees), 2013



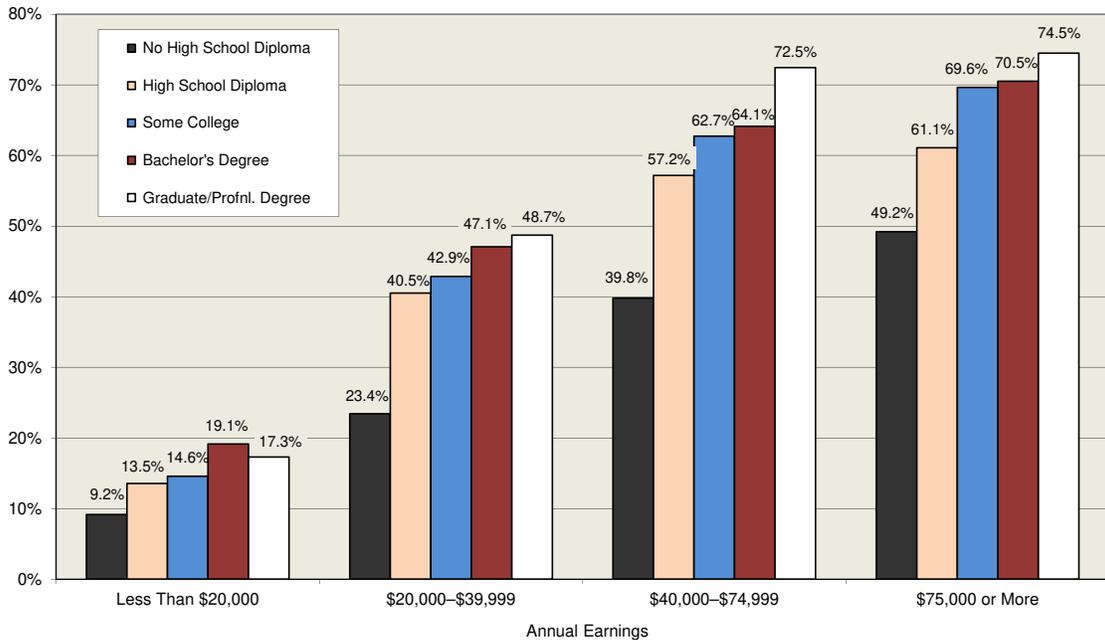
Source: Employee Benefit Research Institute estimates from 2014 March Current Population Survey.

Figure 11
Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Annual Earnings and Employer Size (Number of Employees), 2013



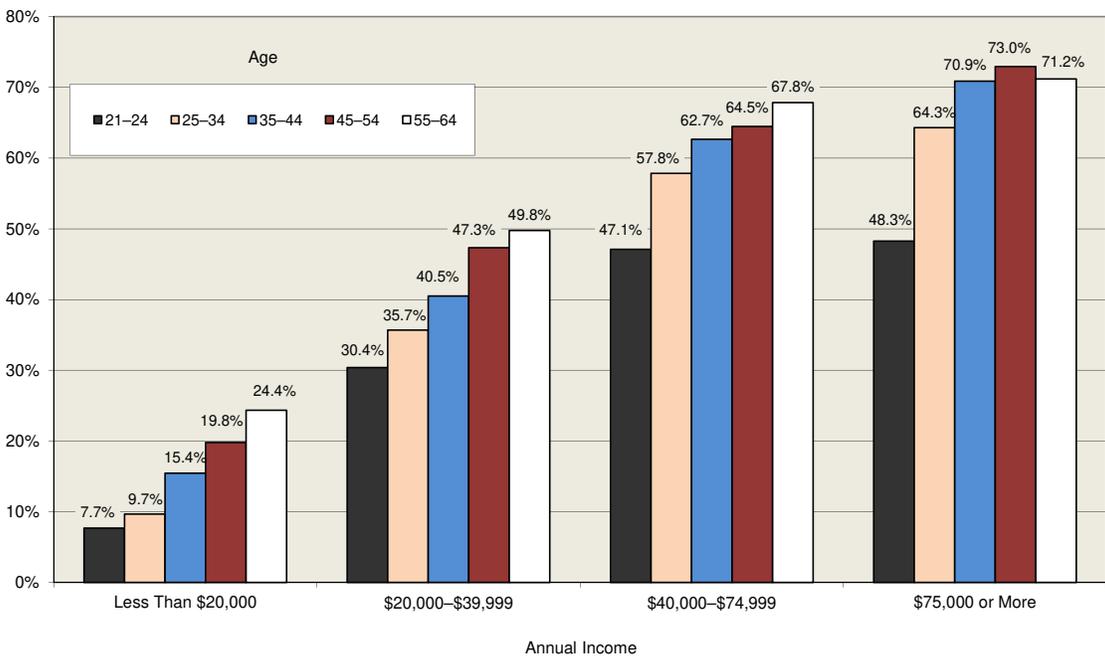
Source: Employee Benefit Research Institute estimates from 2014 March Current Population Survey.

Figure 12
Percentage of Wage and Salary Workers Ages 21–64 Who Participated
in an Employment-Based Retirement Plan, by
Annual Earnings and Educational Attainment, 2013



Source: Employee Benefit Research Institute estimates from the 2014 March Current Population Survey.

Figure 13
Percentage of Wage and Salary Workers Ages 21–64 Who Participated
in an Employment-Based Retirement Plan, by Age and Income, 2013



Source: Employee Benefit Research Institute estimates from the 2014 March Current Population Survey.

As the self-reported health status of a worker decreased, the likelihood of participating in a plan also decreased. For example, for workers ages 55–64 who reported having excellent health, 61.2 percent participated in a plan in 2013. However, among workers of the same age who reported poor health, only 33.6 percent participated in a plan (Figure 15). The same downward trend with health status occurred in 2000.

Geographic Differences

Not only do workers' demographic characteristics affect the probability of their participation in an employment-based retirement plan, but their geographic location also has an impact.²¹ Wage and salary workers ages 21–64 living in Florida had the lowest probability (38.3 percent) of participating in a plan in 2013, while those living in Iowa had the highest probability (56.9 percent) (Figure 16). For other work-force definitions that included private-sector workers, Iowa workers had the highest probability (66.6 percent) of participation among full-time, full-year wage and salary workers and among private-sector wage and salary workers ages 21–64 (51.3 percent), while District of Columbia workers had the highest participation levels for all workers (52.9 percent). At the bottom of the rankings, full-time, full-year wage and salary workers in Florida had the lowest probability (45.4 percent) of participation. New Mexico workers also had the lowest probability for private-sector wage and salary workers ages 21–64 (31.2 percent) and for all workers (33.5 percent). Among public-sector wage and salary workers, Iowa workers had the highest percentage of participation (87.6 percent), while the lowest level of participation among these public-sector workers was for those living in New Mexico (57.1 percent).²²

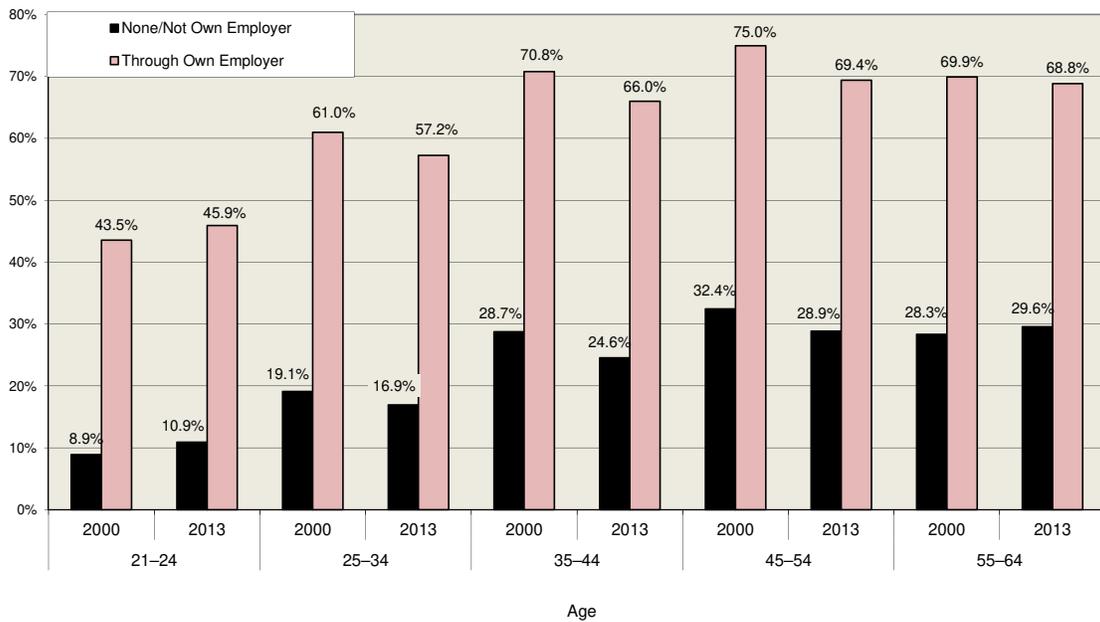
Using wage and salary workers ages 21–64 as the proxy for the other work-force populations (with the exception of the public-sector workers), regional differences were found across the United States and among the states. The states with the lowest levels of participation—e.g., Florida, Nevada, Arizona, New Mexico, and Arkansas—were in the South and West (Figure 16). The states with the highest participation were in the Mid-Atlantic and upper Midwest—e.g., Iowa, District of Columbia, Virginia, Minnesota, and Missouri.²³ In general, the Midwestern, Mid-Atlantic, and Northeastern states had the higher participation levels, while the Southern and Western states had the lowest levels.

Certain consolidated statistical areas (CSAs) were identified in the CPS, and again those CSAs located in the South and West—e.g., Fresno-Madera, CA; Los Angeles-Long Beach-Riverside, CA; Huntsville-Decatur, AL; and Greensboro-Winston-Salem-High Point, NC—had lowest retirement plan participation levels for the work-force definitions including private-sector workers (Figure 17). Workers from the Grand Rapids-Muskegon-Holland, MI CSA had the highest participation level for all the worker definitions including private-sector workers, except for full-time, full-year wage and salary workers ages 21–64, where the highest was for workers from Greenville-Anderson-Seneca, SC, CSA (with two CSAs from Wisconsin and one from Michigan right below the top). For public-sector wage and salary workers, those from the Johnson City-Kingsport-Bristol, VA CSA had the lowest level, while workers from the Appleton-Oshkosh-Neenah, WI CSA had the highest participation level.

While the sample sizes of the less-populated states are small (which results in large standard errors of the state-by-state estimates for retirement plan participation from the CPS), using a three-year average for the estimates can mitigate the impact of any potential sampling errors affecting year-to-year changes. Therefore, a three-year-average trend is presented to examine how the participation levels have changed in recent years (2002–2013) across states. The three-year average consists of the current year plus the two previous years, so that the 2013 three-year average consists of the estimates from 2013, 2012, and 2011. The overall three-year average of the retirement-plan-participation level declined from 49.7 percent in 2002 to 44.9 percent in 2013 (Figure 18).

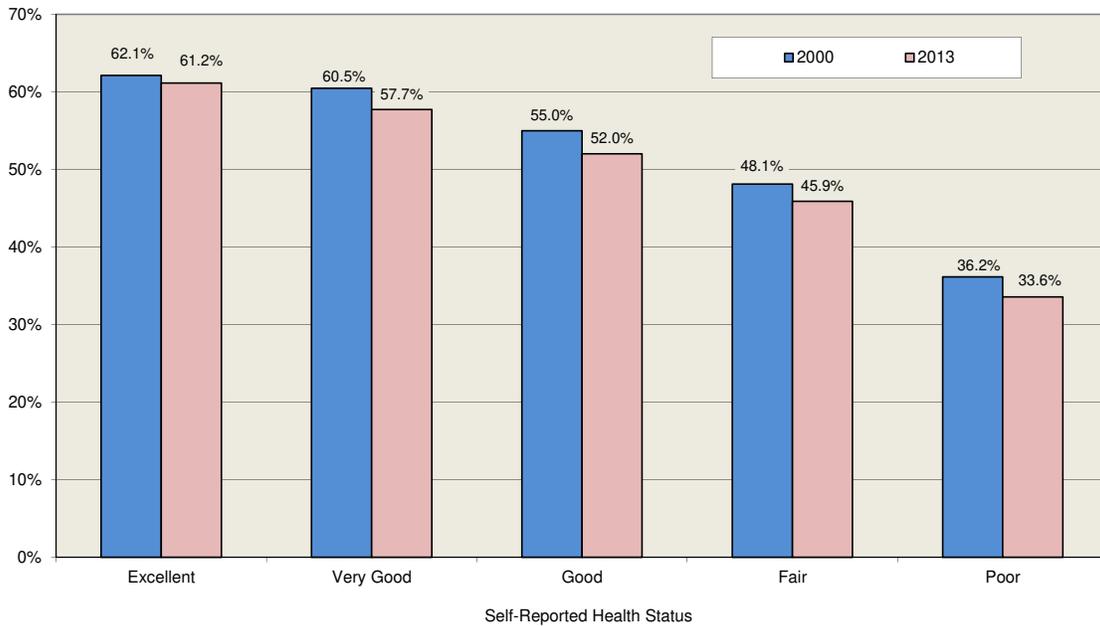
Despite the overall decline, the likelihood of workers participating in a retirement plan increased from 2002–2013 for four states: Colorado, Washington, West Virginia, and District of Columbia. Another two states had declines of less than 1 percentage point. In addition to the four states with increases, 28 states had declines of less than 4.9 percentage points (the overall decline in participation during this period). In contrast, Nevada, Michigan, Ohio, and Pennsylvania had declines of at least 7 percentage points during this period. Also in addition to the four states with increases, 19 states had declines of less than the average change of 3.65 percent. West Virginia had the largest decline in its three-

Figure 14
**Percentage of Wage and Salary Workers Ages 21–64
 Who Participate in an Employment-Based Retirement Plan,
 by Health Insurance Status and Age, 2000 and 2013**



Source: Employee Benefit Research Institute estimates from the 2001 and 2014 March Current Population Surveys.

Figure 15
**Percentage of Wage and Salary Workers Ages 55–64
 Participating in an Employment-Based Retirement Plan,
 by Self-Reported Health Status, 2000 and 2013**



Source: Employee Benefit Research Institute estimates from the 2001 and 2014 March Current Population Surveys.

year average from 2012 to 2013. The three-year average participation levels showed a decline in 19 states and an increase in 32 states and districts from 2012 to 2013. Mississippi, Virginia, South Carolina, and Michigan had the largest increases from 2012 to 2013.

Trends

The number of workers participating in an employment-based retirement plan increased from 61.6 million in 2012 to 64.2 million in 2013, the highest level since 2007 (Figure 19). This number is still below the 67.1 million workers who participated in a plan in 2000, the peak year for the number of workers participating in a plan from 1987–2013. The number of wage and salary workers ages 21–64 who participated in a plan also increased in 2013 to 60.1 million from 57.6 million in 2012. There were also increases between 2012 and 2013 in the number of participating private-sector wage and salary workers ages 21–64, in the number of full-time, full-year wage and salary workers ages 21–64, and in the number of public-sector wage and salary workers ages 21–64 participating. The percentage participating in each of these work force definitions increased in 2013 along with the increase in the number of participants.

Trends in the Percentage Participating

The trend in the percentage of workers participating in an employment-based retirement plan reversed course in 2013, increasing for the first time since 2010 (except for public-sector workers, who had an increase in 2011). Starting with the broadest work-force population (all workers), the percentage of workers participating in an employment-based retirement plan reached 44.4 percent in 2000 before declining to 39.7 percent in 2006 (Figure 19). The percentage subsequently increased to 41.5 percent in 2007—the highest level since 2004—before falling to 39.6 percent in 2009, increasing to 39.8 percent in 2010, decreasing again to 39.4 percent in 2012, and increasing to 40.8 percent in 2013.

The other three work-force categories that included private-sector workers closely followed the same pattern of changes in the percentage participating in a plan, including the increased percentage participating from 2012 to 2013. The percentage of public-sector wage and salary workers participating in a plan also increased in 2013, going from 71.5 percent in 2012 to 73.6 percent.

All the work-force definitions that included private-sector workers showed increasing participation levels ranging from 1.0 percentage points to 1.7 percentage points from 2012 to 2013 (Figure 20).²⁴ Public-sector wage and salary workers ages 21–64 showed an even larger increase of 2.1 percentage points.

The trends in retirement plan participation are different within these work-force definitions, as various worker characteristics (as well as those of their employer) affect these trends. The remainder of this section examines these trends across key worker and firm characteristics.

Trends Across Worker Characteristics

The levels of participation for wage and salary workers ages 21–64 had relatively consistent differences across age groups during the 1987–2013 period (Figure 21). The trends within each age group were fairly consistent across this time period, with each age group's participation level varying in a 10-percentage-point range. However, one major exception to the overall trend was among workers ages 55–64. From 1987–1997, their likelihood of participating in a retirement plan was virtually identical to that of workers ages 35–44 and well below that of those ages 45–54. However, by 2011, the likelihood of participation among the 55–64 age group was significantly ahead of that of workers ages 45–54 and 6 percentage points above those ages 35–44, although in 2012, the percentage of workers age 55–64 fell to 52.4 percent, matching that of workers age 45–54. In 2013, for workers in the 55–64 age group, the participation level jumped back above the level of the 45–54 age group, reaching 55.1 percent compared with 53.8 percent, respectively. While the relative differences between the age groups' participation levels held relatively constant (except for workers in the 55–64 age group), the trend within each age group was downward from 2000–2006, increasing in 2007 (except among those ages 21–24), and then trending downward again in 2008 and 2009, before leveling off in 2010 (except among those ages 21–24), 2011 (except among those ages 55–64), and 2012. The likelihood of participating in a retirement plan increased across all age groups in 2013, with particularly significant increases for workers ages 55–64 and 21–24 (2.7 percentage point improvements).

Figure 16

Percentage of Various Work Forces Who Participated in an Employment-Based Retirement Plan, by State, 2014

State	All Workers		Wage and Salary Workers Ages 21–64		Private-Sector Wage and Salary Workers Ages 21–64		Public-Sector Wage and Salary Workers Ages 21–64		Full-Time, Full-Year Wage and Salary Workers Ages 21–64	
	Number (millions)	Participating (%)	Number (millions)	Participating (%)	Number (millions)	Participating (%)	Number (millions)	Participating (%)	Number (millions)	Participating (%)
All	157.3	40.8%	131.2	45.8%	111.3	40.8%	19.9	73.6%	94.3	54.5%
Alabama	2.2	38.8	1.9	43.7	1.6	39.3	0.2	72.2	1.4	49.8
Alaska	0.4	45.4	0.3	52.8	0.2	41.3	0.1	82.1	0.2	65.0
Arizona	3.1	35.0	2.6	39.0	2.2	35.3	0.3	63.9	1.9	46.5
Arkansas	1.3	36.8	1.1	39.9	1.0	35.8	0.2	64.0	0.8	48.2
California	18.7	36.4	15.5	40.5	13.2	35.4	2.3	69.4	10.6	49.1
Colorado	2.9	40.8	2.5	45.9	2.1	40.7	0.4	77.1	1.7	54.4
Connecticut	1.9	44.9	1.6	51.2	1.3	47.7	0.2	70.3	1.1	62.6
Delaware	0.4	47.2	0.4	51.8	0.3	46.7	0.1	81.4	0.3	61.7
District of Columbia	0.4	52.9	0.3	56.3	0.2	48.2	0.1	78.4	0.3	64.7
Florida	9.4	34.7	8.0	38.3	7.0	32.7	1.0	75.6	6.0	45.4
Georgia	4.6	39.0	4.0	42.8	3.3	35.7	0.7	75.3	3.0	49.8
Hawaii	0.7	45.0	0.5	51.7	0.4	46.1	0.1	70.2	0.4	62.0
Idaho	0.8	37.2	0.7	44.0	0.6	35.8	0.1	86.8	0.5	52.2
Illinois	6.7	42.3	5.7	47.2	4.8	42.3	0.8	75.3	4.0	57.0
Indiana	3.3	44.1	2.7	48.9	2.4	45.1	0.3	78.1	1.9	59.8
Iowa	1.8	49.0	1.5	56.9	1.2	51.3	0.2	87.6	1.1	66.6
Kansas	1.5	44.2	1.2	52.3	1.0	47.1	0.2	74.3	0.9	61.5
Kentucky	2.1	41.3	1.8	45.5	1.5	40.0	0.3	71.2	1.2	57.6
Louisiana	2.1	37.3	1.8	42.5	1.5	38.4	0.3	65.1	1.3	49.5
Maine	0.7	41.0	0.6	48.6	0.5	43.4	0.1	79.2	0.4	59.6
Maryland	3.1	42.7	2.6	46.7	2.0	39.0	0.6	73.3	2.0	54.5
Massachusetts	3.7	42.9	3.0	49.8	2.5	45.2	0.5	70.3	2.1	59.0
Michigan	5.0	45.2	4.2	49.8	3.7	46.9	0.5	71.9	2.9	59.5
Minnesota	3.1	47.4	2.6	54.5	2.2	50.2	0.4	77.3	1.8	65.1
Mississippi	1.2	42.4	1.0	46.1	0.8	41.6	0.2	62.8	0.7	55.6
Missouri	3.1	47.6	2.5	54.0	2.2	50.1	0.4	78.0	1.8	65.3
Montana	0.5	37.1	0.4	45.6	0.3	37.9	0.1	77.2	0.3	54.4
Nebraska	1.1	43.5	0.9	50.0	0.7	45.8	0.1	75.1	0.6	56.9
Nevada	1.3	34.6	1.1	38.7	0.9	32.6	0.2	74.9	0.8	46.0
New Hampshire	0.8	45.7	0.6	52.8	0.5	48.1	0.1	78.6	0.4	64.4
New Jersey	4.5	41.1	3.8	45.1	3.3	39.3	0.5	81.8	2.9	52.7
New Mexico	1.0	33.5	0.8	39.5	0.5	31.2	0.2	57.1	0.6	49.4
New York	9.6	42.3	8.1	46.4	6.9	41.4	1.3	73.7	5.9	55.2
North Carolina	4.6	39.3	3.8	43.7	3.2	37.6	0.6	78.3	2.7	52.8
North Dakota	0.4	42.4	0.3	49.9	0.3	45.1	0.1	71.2	0.3	56.0
Ohio	5.6	42.8	4.6	48.2	4.0	43.7	0.6	80.3	3.2	59.2
Oklahoma	1.7	36.8	1.4	42.7	1.1	37.8	0.2	65.3	1.0	51.9
Oregon	1.9	42.4	1.6	48.0	1.4	43.2	0.2	77.7	1.1	59.4
Pennsylvania	6.6	44.4	5.5	50.0	4.9	47.1	0.6	73.4	4.1	57.8
Rhode Island	0.6	44.6	0.5	50.0	0.4	45.0	0.1	81.3	0.3	62.4
South Carolina	2.2	40.3	1.9	46.1	1.5	39.6	0.3	75.6	1.4	55.4
South Dakota	0.5	38.6	0.4	48.3	0.3	42.5	0.1	77.2	0.3	57.1
Tennessee	3.2	42.3	2.6	47.1	2.3	43.0	0.4	73.2	1.9	56.1
Texas	13.2	36.7	11.0	41.3	9.5	36.9	1.5	68.5	8.3	47.8
Utah	1.4	39.1	1.2	43.7	1.0	39.1	0.2	67.6	0.8	54.2
Vermont	0.4	41.1	0.3	48.3	0.2	44.1	0.0	68.4	0.2	55.7
Virginia	4.3	48.9	3.6	55.1	2.8	47.4	0.8	80.9	2.7	63.5
Washington	3.5	45.4	2.9	50.2	2.5	45.5	0.4	78.1	2.0	61.9
West Virginia	0.8	39.9	0.7	43.8	0.6	36.2	0.1	77.8	0.5	51.6
Wisconsin	3.1	46.0	2.5	54.0	2.2	50.6	0.3	75.7	1.8	63.3
Wyoming	0.3	41.6	0.3	50.7	0.2	41.8	0.1	81.3	0.2	64.8

Source: Employee Benefit Research Institute estimates from the 2014 March Current Population Survey.

Figure 17

Percentage of Various Work Forces Who Participated in an Employment-Based Retirement Plan by Consolidated Statistical Area (CSA), 2013

Consolidated Statistical Area	All Workers		Wage and Salary Workers Ages 21-64		Private-Sector Wage and Salary Workers Ages 21-64		Public-Sector Wage and Salary Workers Ages 21-64		Full-Time, Full-Year Wage and Salary Workers Ages 21-64	
	Number (millions)	Participating (%)	Number (millions)	Participating (%)	Number (millions)	Participating (%)	Number (millions)	Participating (%)	Number (millions)	Participating (%)
All	157.3	40.8%	131.2	45.8%	111.3	40.8%	19.9	73.6%	94.3	54.5%
Unrecorded CSAs	99.27	40.2	82.19	45.4	69.30	40.3	12.88	73.3	59.17	54.1
Appleton-Oshkosh-Neenah, WI	0.24	49.2	0.20	54.2	0.18	46.6	0.03	100.0	0.14	67.0
Boston-Worcester-Manchester, MA-NH-CT-ME	3.30	44.3	2.72	51.3	2.26	46.9	0.46	73.0	1.92	60.2
Bridgeport-New Haven-Stamford, CT	0.99	43.3	0.82	48.8	0.70	45.2	0.12	70.6	0.58	60.1
Chicago-Naperville-Michigan City, IL-IN-WI	4.96	42.1	4.23	46.6	3.69	42.4	0.54	75.2	3.00	55.9
Cleveland-Akron-Elyria, OH	1.47	39.7	1.19	44.8	1.07	39.4	0.12	91.9	0.81	55.8
Dayton-Springfield-Greenville, OH	0.42	41.5	0.37	42.5	0.33	40.1	0.04	63.6	0.20	62.1
Denver-Aurora-Boulder, CO	1.74	43.7	1.48	48.9	1.27	43.8	0.21	79.3	1.04	57.2
Detroit-Warren-Flint, MI	2.82	45.5	2.42	49.0	2.19	47.0	0.23	68.0	1.66	58.6
Fresno-Madera, CA	0.52	35.6	0.44	36.1	0.35	28.2	0.09	67.1	0.28	48.7
Grand Rapids-Muskegon-Holland, MI	0.77	50.3	0.63	57.2	0.56	54.5	0.07	79.2	0.48	65.0
Greensboro--Winston-Salem--High Point, NC	0.70	33.6	0.59	39.1	0.52	36.1	0.07	60.3	0.39	50.0
Greenville-Anderson-Seneca, SC	0.42	48.3	0.35	55.6	0.30	52.0	0.05	78.4	0.27	68.0
Huntsville-Decatur, AL	0.29	35.4	0.27	39.3	0.23	36.7	0.03	57.7	0.20	44.4
Indianapolis-Anderson-Colombus, IN	1.06	45.2	0.86	49.7	0.76	46.3	0.10	74.9	0.62	60.6
Johnson City-Kingsport-Bristol, VA	0.12	40.0	0.11	41.0	0.09	38.0	0.02	54.7	0.08	48.4
Los Angeles-Long Beach-Riverside, CA	8.87	33.3	7.41	36.6	6.36	31.8	1.06	65.7	5.19	43.5
Macon-Warner-Robins-Fort Valley, GA	0.21	45.8	0.18	45.3	0.14	34.1	0.04	85.2	0.12	56.7
Milwaukee-Racine-Waukesha, WI	0.87	49.3	0.74	56.0	0.65	52.2	0.09	83.4	0.53	63.0
Minneapolis-St. Paul-St. Cloud, MN	2.02	46.7	1.72	52.2	1.46	47.4	0.26	79.4	1.22	62.5
New York-Newark-Bridgeport, NY-NJ-CT-PA	10.12	39.7	8.60	43.7	7.40	39.1	1.20	72.5	6.40	51.7
Philadelphia-Camden-Vineland, PA-NJ-DE-MD	3.08	42.1	2.70	46.0	2.39	42.0	0.31	76.5	2.00	53.1
Raleigh-Durham-Cary, NC	1.09	43.7	0.89	50.6	0.76	43.8	0.13	91.5	0.68	57.1
Salt Lake City-Ogden-Clearfield, UT	0.88	43.1	0.74	48.5	0.62	43.0	0.12	77.4	0.54	58.6
San Jose-San Francisco-Oakland, CA	4.41	43.2	3.68	47.8	3.23	43.6	0.45	78.3	2.53	57.0
Seattle-Tacoma-Olympia, WA	2.21	48.1	1.89	52.2	1.61	47.8	0.28	77.4	1.30	62.5
Washington-Baltimore-Northern Virginia, DC-MD-VA-WV	4.48	48.8	3.85	53.1	2.93	45.4	0.92	77.8	2.97	61.8

Source: Employee Benefit Research Institute estimates from the 2014 March Current Population Survey.

Figure 18
Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an
Employment-Based Retirement Plan, by State, Three-Year Average Trend, 2002–2013

State	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
All	49.7%	48.8%	48.3%	47.9%	46.9%	46.6%	46.3%	46.1%	45.2%	44.8%	44.6%	44.9%
Alabama	52.8	50.9	51.1	50.6	50.9	50.6	49.5	48.3	45.4	46.8	47.2	47.3
Alaska	52.0	49.9	49.6	48.8	50.3	49.4	50.8	51.0	52.1	51.2	50.4	50.6
Arizona	44.7	43.1	42.5	42.1	40.6	39.3	38.4	37.9	38.7	38.7	39.0	38.3
Arkansas	45.1	44.2	43.3	43.4	42.8	44.3	43.6	43.1	41.2	40.8	40.7	40.1
California	43.5	43.8	43.6	42.8	41.7	42.0	42.0	41.7	40.8	40.2	40.1	39.9
Colorado	34.2	45.0	44.6	44.6	44.3	43.4	45.1	45.7	45.6	46.0	46.0	46.7
Connecticut	54.4	53.8	54.3	54.5	52.1	51.1	51.5	52.0	50.6	49.9	50.6	50.9
Delaware	54.7	53.9	53.8	52.8	52.6	51.1	50.8	50.0	49.2	49.9	48.4	49.4
District of Columbia	53.6	53.1	54.0	54.3	53.1	51.7	48.5	49.1	49.7	52.2	52.4	53.9
Florida	41.0	40.7	40.0	39.0	37.1	36.3	35.8	35.9	36.0	35.9	35.6	36.2
Georgia	49.5	48.6	46.0	45.7	43.8	45.2	44.4	43.4	40.9	40.5	42.0	43.0
Hawaii	51.8	51.4	51.5	51.6	51.8	52.0	52.8	51.4	50.0	46.6	47.7	48.7
Idaho	48.2	47.3	45.8	45.9	46.3	48.1	47.8	48.0	45.9	45.4	44.5	44.6
Illinois	52.0	50.6	50.1	50.2	49.5	49.0	48.7	48.3	47.2	46.1	46.2	46.6
Indiana	54.3	52.6	52.1	52.3	52.6	53.3	53.6	52.5	50.6	49.2	49.5	49.7
Iowa	56.6	56.1	55.5	54.8	54.4	55.3	56.4	55.8	53.8	52.0	52.6	54.1
Kansas	54.6	53.9	54.2	53.0	51.1	49.6	49.2	50.9	52.2	52.5	51.4	51.0
Kentucky	50.9	51.8	51.3	50.9	48.7	47.5	45.0	44.3	44.6	46.1	46.1	45.2
Louisiana	46.6	45.9	46.5	44.6	41.8	39.2	39.5	42.0	41.3	40.3	38.6	40.0
Maine	51.2	50.6	49.1	48.8	48.6	48.8	49.7	49.1	48.0	46.8	47.3	47.8
Maryland	56.3	53.4	53.7	51.4	50.3	49.0	49.0	49.7	49.1	49.5	50.6	49.7
Massachusetts	53.2	52.0	51.7	51.4	50.5	50.5	50.4	51.0	50.1	48.4	48.2	48.4
Michigan	54.5	53.0	52.0	51.9	50.7	50.5	49.7	48.9	46.6	44.5	43.7	45.6
Minnesota	58.8	57.3	56.6	56.3	55.8	54.7	54.6	54.2	53.2	52.8	53.4	54.2
Mississippi	47.6	46.9	46.9	46.1	44.9	44.7	45.3	45.2	43.1	41.4	41.1	43.1
Missouri	52.7	52.4	51.8	51.9	51.3	52.1	51.8	49.8	48.6	48.3	48.2	49.5
Montana	47.7	46.8	45.3	45.1	45.4	47.6	48.3	49.1	47.8	46.6	45.0	44.9
Nebraska	54.7	53.9	53.2	52.4	52.0	51.3	50.6	49.7	48.2	47.8	47.6	49.0
Nevada	45.1	43.4	42.3	42.3	40.8	41.2	42.4	43.4	41.1	37.8	35.6	36.2
New Hampshire	53.0	51.9	52.6	53.9	52.6	52.8	51.7	52.7	50.9	50.2	49.8	51.2
New Jersey	51.9	51.6	51.6	51.5	49.2	48.0	46.1	44.9	42.9	43.1	44.4	45.5
New Mexico	45.4	42.8	43.5	42.8	42.6	42.2	41.3	42.0	40.5	43.0	39.5	39.0
New York	49.1	47.9	47.4	47.5	46.8	45.5	44.2	44.5	44.6	45.4	45.3	45.9
North Carolina	48.4	45.9	45.5	44.8	44.3	43.8	43.5	44.0	44.9	44.9	44.0	42.9
North Dakota	56.0	55.2	54.5	53.9	53.5	54.8	55.9	56.3	55.2	55.4	54.2	52.7
Ohio	54.8	53.5	53.4	52.9	52.2	52.2	52.5	52.9	51.3	49.3	47.9	47.6
Oklahoma	46.6	46.7	47.4	46.5	45.7	45.8	48.0	49.4	48.5	48.1	46.3	44.8
Oregon	48.2	48.3	49.3	49.2	48.6	48.4	48.8	48.8	48.3	48.1	47.6	47.1
Pennsylvania	56.4	54.8	53.8	53.2	53.0	52.1	52.1	50.9	50.9	49.7	49.8	49.4
Rhode Island	52.7	50.4	49.1	48.8	49.8	48.4	48.5	47.7	48.1	48.4	48.5	49.0
South Carolina	50.1	48.6	48.0	47.9	47.3	46.3	45.7	45.2	43.6	43.7	43.7	45.6
South Dakota	52.6	51.3	49.4	49.9	51.1	51.3	50.8	49.8	49.8	50.3	49.8	49.0
Tennessee	50.0	48.9	48.1	47.6	45.6	45.5	44.2	43.5	41.8	42.7	43.3	45.1
Texas	45.6	45.1	44.7	44.3	43.2	42.6	41.5	40.3	40.1	39.7	39.4	39.5
Utah	47.4	44.8	43.4	43.1	43.0	44.3	45.1	45.9	45.1	43.6	43.0	42.9
Vermont	49.8	49.0	49.1	48.5	48.8	49.1	49.9	50.3	49.9	49.1	48.7	48.3
Virginia	53.6	52.4	51.5	51.2	51.0	51.1	52.6	52.2	51.5	51.1	50.9	52.8
Washington	48.3	48.0	49.0	50.8	50.3	51.1	50.8	51.3	49.9	49.0	48.0	48.8
West Virginia	47.8	46.3	48.2	49.0	51.0	51.2	51.3	51.1	51.7	52.1	51.8	48.4
Wisconsin	57.7	55.8	54.2	53.3	53.5	55.0	54.2	54.5	52.5	53.0	52.3	53.0
Wyoming	49.8	47.6	47.6	48.1	49.1	48.7	49.3	50.5	51.1	50.5	49.4	49.3

Source: Employee Benefit Research Institute estimates from the 2001–2014 March Current Population Surveys.

The percentage of male and female wage and salary workers ages 21–64 participating in an employment-based retirement plan increased in 2013, to 46.0 percent from 44.8 percent in 2012 for males, and to 45.5 percent from 43.5 percent in 2012 for females (Figure 22). The gap between the percentage of males and females participating in a plan had almost closed by 2009 before widening again in 2010–2012 and closing again in 2013 to almost the same difference as in 2009. In 1987, males participated at a level just over 10 percentage points higher than females. By 2007, this gap was 0.9 percentage points and in 2009, 0.4 percentage points, before widening back to 1.3 percentage points in 2012 and narrowing to 0.5 percentage points in 2013.

The percentage of wage and salary workers ages 21–64 participating in a retirement plan in 2013 increased among black, Hispanic, and white workers, but decreased for other workers (Figure 23).²⁵ This was a reversal in the 2012 trend for black and white workers and a continuation of the increase for Hispanics. The percentage of other workers participating in a retirement plan in 2013 fell below the percentage for black workers (41.9 percent compared with 42.4 percent, respectively). Despite two years of increases, the Hispanic percentage remained well below the rest of the percentages participating for each of the race/ethnicity categories.

The likelihood of wage and salary workers ages 21–64 participating in a retirement plan increased in 2013 across each of the educational attainment categories (Figure 24). For workers with a graduate/professional degree, this likelihood increased by 0.7 percentage points, while for those without a high school diploma, it increased by 3.9 percentage points, producing a narrowing of the participation gap between those with a graduate/professional degree and no high school diploma. However, a threefold gap still persists between those with the highest and lowest educational attainments.

Clearly, workers with lower educational attainment are lagging behind in retirement plan participation relative to those with more education—particularly when workers without a high school diploma are compared with those with a bachelor’s degree or higher. This is not surprising, because education is strongly correlated with income. However, as shown earlier in this study, the correlation with income is not the only factor, as education appears to contribute to better retirement planning.

Regarding income, the percentage of workers in all earnings groups showed increases in participation from 2012 to 2013, except for those with incomes of \$50,000–\$74,999 (a decrease of 1.0 percentage points) (Figure 25).²⁶ The largest increases were 2.2 percentage points and 2.4 percentage points for workers with annual incomes of \$10,000–\$19,999 and \$30,000–\$39,999, respectively. However, the relative differences in participation levels across the earnings groups have stayed essentially unchanged in 2013, a result that has been very consistent going back to 1987, with slight overall declines in the participation levels across all the earnings groups, except for the lowest earners.

The percentage of full-time, full-year wage and salary workers participating in a retirement plan increased from 53.5 percent in 2012 to 54.5 percent in 2013 (Figure 26). The workers in the remaining work-status categories also had higher likelihoods of retirement plan participation in 2013. The most dramatic changes were the increases in the percentage of part-time, full-year workers participating in a plan, rising from 19.4 percent in 2012 to 21.5 percent in 2013, and in the full-time, part-year worker participation level, increasing from 30.1 percent to 32.1 percent. The overall trend since 1987 among each of the full-year work statuses was downward.

Trends Across Employer Characteristics

Increases occurred in 2013 in the level of participation by workers in each of the private-sector, employer-size groups, except for those working for employers with fewer than 10 employees (Figure 27). The percentage of public-sector wage and salary workers participating also increased in 2013. However, looking back at the period since 1987, the likelihoods of workers participating in the public sector and at the larger, private-sector firms (500 or more employees) in 2013 were at levels below their highest levels, while the probabilities of workers participating at employers with fewer than 10 employees and 100–499 employees were above their 1991 and 1987 levels, respectively, but below their peaks.

Figure 19

Percentage of Various Work Forces That Worked for an Employer That Sponsored a Retirement Plan and the Percentage That Participated in an Employment-Based Retirement Plan, 1987–2013

	1987	1989	1991	1993	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
All Workers																							
	(millions)																						
Number of Workers	130.4	133.8	134.4	136.2	139.6	142.1	143.8	145.5	149.7	151.1	150.9	151.3	151.1	152.7	154.7	157.0	158.1	157.8	154.2	152.6	153.7	156.5	157.3
Works for an employer sponsoring a plan	63.0	66.3	68.6	68.2	73.7	77.5	78.2	82.0	83.3	85.7	83.5	80.7	80.6	81.2	79.7	78.6	81.9	79.8	76.0	75.0	75.2	76.0	80.7
Participating in a plan	49.0	52.0	53.4	53.1	57.3	59.3	60.1	63.4	65.5	67.1	64.9	63.2	63.5	63.9	63.6	62.3	65.6	63.7	61.0	60.7	61.0	61.6	64.2
	(percentage)																						
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Works for an employer sponsoring a plan	48.3	49.6	51.0	50.1	52.8	54.5	54.4	56.4	55.6	56.7	55.3	53.4	53.4	53.2	51.5	50.0	51.8	50.6	49.3	49.2	48.9	48.6	51.3
Participating in a plan	37.6	38.9	39.7	39.0	41.0	41.7	41.8	43.6	43.8	44.4	43.0	41.8	42.0	41.9	40.9	39.7	41.5	40.4	39.6	39.8	39.7	39.4	40.8
Wage and Salary Workers Ages 21–64																							
	(millions)																						
Number of Workers	100.2	103.4	109.2	110.5	115.3	117.6	117.3	118.9	122.4	124.0	124.7	125.4	125.4	126.2	128.4	130.3	131.2	131.4	128.8	128.0	128.6	130.4	131.3
Works for an employer sponsoring a plan	57.3	60.0	63.4	63.1	68.1	71.3	72.0	75.1	76.5	78.5	77.0	74.6	74.7	75.1	73.8	72.4	75.6	73.6	70.1	69.4	69.3	69.6	73.6
Participating in a plan	46.2	48.8	51.1	51.0	55.1	56.9	57.6	60.6	62.5	63.9	62.1	60.4	60.7	61.0	60.3	59.3	62.2	60.4	57.7	57.4	57.4	57.6	60.1
	(percentage)																						
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Works for an employer sponsoring a plan	57.2	58.0	58.1	57.1	59.1	60.6	61.4	63.2	62.5	63.3	61.7	59.5	59.6	59.5	57.5	55.6	57.6	56.0	54.4	54.2	53.9	53.4	56.0
Participating in a plan	46.1	47.2	46.8	46.2	47.8	48.4	49.1	51.0	51.1	51.6	49.8	48.2	48.4	48.3	47.0	45.5	47.4	46.0	44.8	44.9	44.6	44.2	45.8
Private-Sector Wage and Salary Workers Ages 21–64																							
	(millions)																						
Number of Workers	82.6	85.2	90.6	91.1	96.7	99.3	98.9	100.1	102.7	104.3	105.1	105.3	105.4	105.7	108.0	109.6	110.1	110.7	107.6	106.9	108.3	110.0	111.3
Works for an employer sponsoring a plan	41.9	44.1	47.2	46.7	51.9	55.2	56.2	58.8	59.4	61.5	60.3	57.8	57.8	57.6	56.8	55.4	58.0	56.4	52.9	52.5	52.8	53.3	57.2
Participating in a plan	32.9	34.8	37	36.6	40.8	42.8	43.7	46.1	47.3	48.7	47.4	45.4	45.5	45.4	45.1	44.1	46.3	45.0	42.2	42.3	42.5	43.0	45.4
	(percentage)																						
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Works for an employer sponsoring a plan	50.7	51.7	52.1	51.2	53.7	55.6	56.8	58.7	57.8	59.0	57.4	54.9	54.8	54.5	52.6	50.6	52.7	51.0	49.1	49.1	48.8	48.5	51.3
Participating in a plan	39.8	40.9	40.8	40.1	42.2	43.1	44.2	46.1	46.1	46.7	45.1	43.1	43.2	43.0	41.7	40.3	42.0	40.7	39.2	39.5	39.2	39.1	40.8

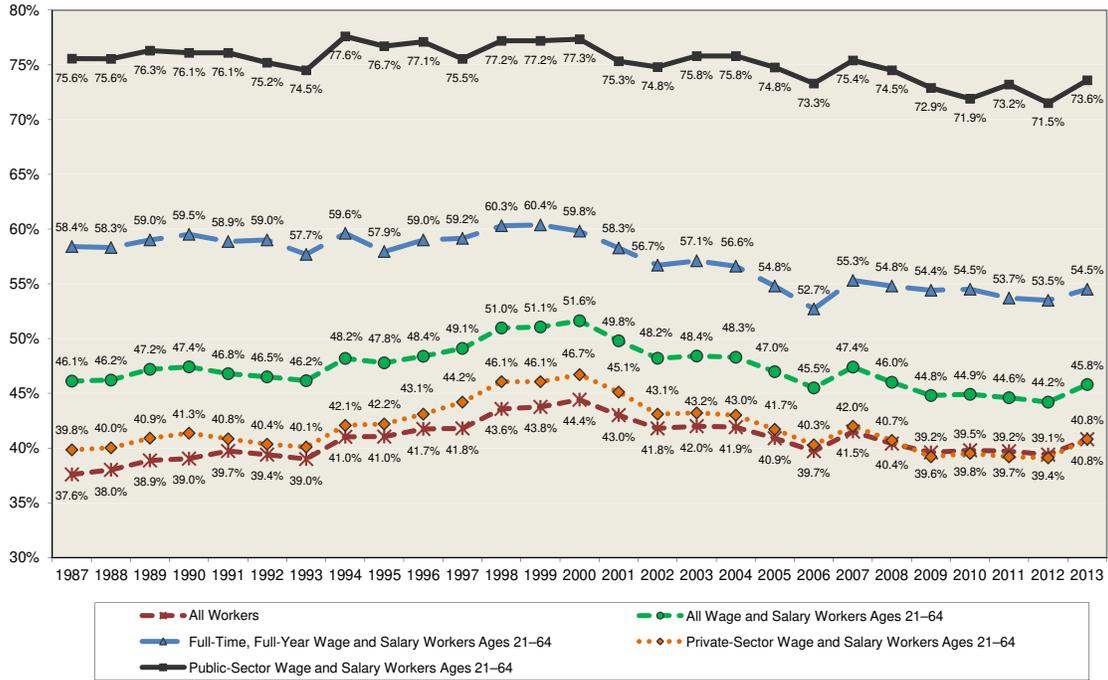
(cont'd.)

(Fig. 19, cont'd.)

Public-Sector Wage and Salary Workers Ages 21-64																							
	1987	1989	1991	1993	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Number of Workers Works for an employer sponsoring a plan	17.6	18.2	18.7	19.3	18.6	18.3	18.4	18.8	19.7	19.6	19.6	20.0	20.0	20.5	20.4	20.8	21.1	20.7	21.2	21.1	20.4	20.5	19.9
Participating in a plan	15.4	15.9	16.3	16.4	16.1	16.0	15.9	16.3	17.1	17.0	16.6	16.8	17.0	17.5	17.0	17.0	17.6	17.2	17.3	16.9	16.5	16.3	16.4
	13.3	13.9	14.2	14.4	14.3	14.1	13.9	14.5	15.2	15.2	14.8	15.0	15.2	15.6	15.2	15.2	15.9	15.4	15.5	15.2	14.9	14.6	14.7
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Works for an employer sponsoring a plan	87.4	87.2	87.3	85.1	86.9	87.6	86.0	87.1	86.9	86.4	84.9	83.7	84.8	85.1	83.6	81.8	83.3	83.0	81.3	80.3	81.1	79.3	82.4
Participating in a plan	75.6	76.3	76.1	74.5	76.7	77.1	75.5	77.2	77.2	77.3	75.3	74.8	75.8	75.8	74.8	73.3	75.4	74.5	72.9	71.9	73.2	71.5	73.6
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Works for an employer sponsoring a plan	66.2	68.9	71.7	74.2	79.9	81.7	83.0	85.9	88.6	91.3	90.1	90.0	90.3	91.7	94.0	96.4	97.1	93.4	89.0	89.1	91.0	92.2	94.3
Participating in a plan	44.1	46.2	48	48.7	52.9	55.4	56.5	59.6	61.2	62.6	60.8	58.6	59.2	59.6	59.1	58.4	61.3	58.4	55.0	54.9	55.4	55.7	58.7
	38.7	40.7	42.2	42.8	46.3	48.2	49.1	51.8	53.5	54.6	52.5	51.1	51.5	51.9	51.5	50.6	53.7	51.2	48.4	48.6	48.8	49.3	51.4
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Works for an employer sponsoring a plan	66.6	67.0	67.0	65.7	66.2	67.8	68.1	69.4	69.1	68.6	67.5	65.1	65.6	65.0	62.9	60.5	63.1	62.5	61.8	61.6	60.8	60.4	62.3
Participating in a plan	58.4	59.0	58.9	57.7	57.9	59.0	59.2	60.3	60.4	59.8	58.3	56.7	57.1	56.6	54.8	52.7	55.3	54.8	54.4	54.5	53.7	53.5	54.5

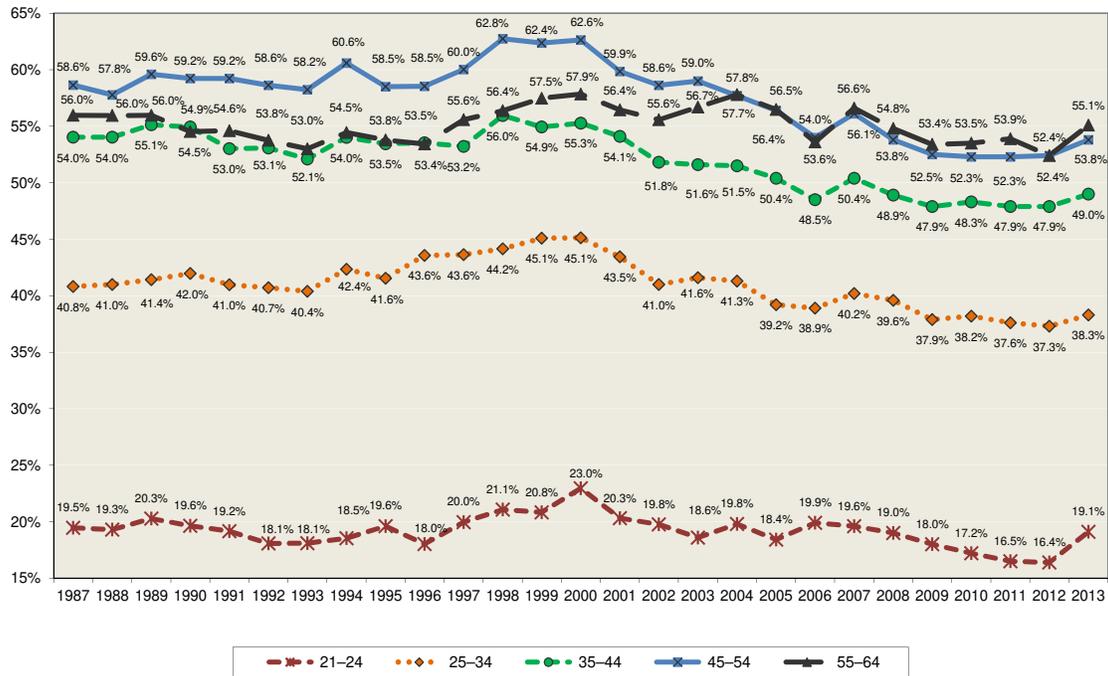
Source: Employee Benefit Research Institute estimates from the 1988-2014 March Current Population Surveys.

Figure 20
Percentage of Various Work Forces That Participated
in an Employment-Based Retirement Plan, 1987–2013



Source: Employee Benefit Research Institute estimates from the 1988–2014 March Current Population Surveys.

Figure 21
Percentage of Wage and Salary Workers Ages 21–64 Who Participated in
an Employment-Based Retirement Plan, by Age, 1987–2013



Source: Employee Benefit Research Institute estimates from the 1988–2014 March Current Population Surveys.

Changes in the percentage of wage and salary workers ages 21–64 who participated in a retirement plan across each industry/sector were positive in 2013, except for workers in the agriculture, mining, and construction industry (Figure 28).²⁷ Despite increases for most industries in 2013, the probability of workers in each industry having a retirement plan was lower than it was a decade earlier. The largest percentage-point drop from 2002 occurred for workers in the agriculture, mining, and construction industry, at 5.3 percentage points.

Workers in all occupations had increasing probabilities of participating in a plan in 2013, except for construction and extraction workers (Figure 29).²⁸ The likelihoods of workers in the various occupations participating in a retirement plan went up and down in a fairly narrow range from 2002–2013, with workers in all 10 occupations having a decrease in the likelihood of participating in 2013 relative to 2002. Workers in management, business, and financial occupations experienced the largest decline in the probability of participating in a retirement plan at 4.5 percentage points from 2002–2013.

Number Without a Plan

An important public-policy topic associated with an analysis of employment-based retirement plan participation is the number of workers who are *not* participants, as well as the number of those who work for employers/unions that do *not* sponsor a plan.²⁹ This section investigates these numbers by certain demographic and employer characteristics, annual earnings, employer size, and work status (full-time/part-time) to show where potential legislation may miss workers and also to show the number of workers who are already being reached.

In 2013, 76.6 million workers worked for an employer/union that did *not* sponsor a retirement plan, and 93.1 million workers did *not* participate in a plan (Figure 30).³⁰ Of these workers working for an employer not sponsoring a plan, 8.7 million (11.4 percent) were self-employed—meaning workers who could have started a plan for themselves without the need for action from their employers. Therefore, the number of workers who were wage and salary workers who worked for an employer that did not sponsor a plan was 67.9 million.

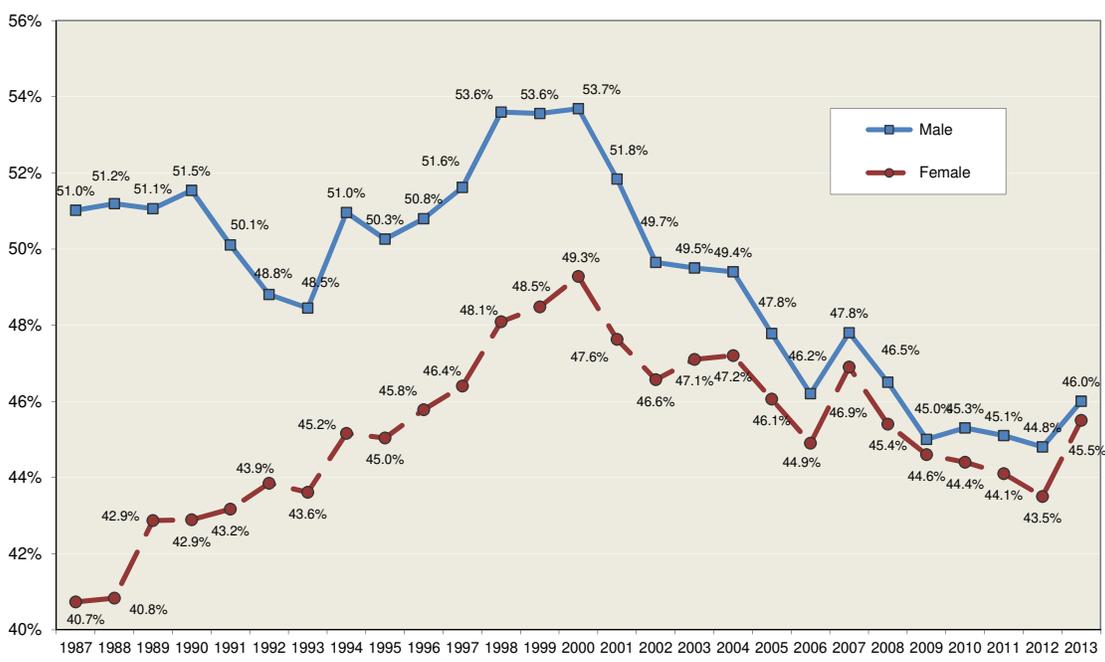
Of those 67.9 million, 17.9 million (26.4 percent) were ages 25 or younger or 65 or older. Almost 30 million (43.6 percent) were not full-time, full-year workers, and 29.2 million (43.0 percent) had annual earnings of less than \$20,000. Furthermore, 39.3 million (57.8 percent) worked for employers with less than 100 employees.

Many of these workers fell into several of these categories simultaneously, such as being under age 21, having less than \$10,000 in annual earnings, and not being full-time, full-year workers. Therefore, Figure 31 shows the number of workers who would remain in a targeted population if exclusions were made for age, annual earnings, work status, and/or employer size, to show the percentage of that group working for employers that do not sponsor a retirement plan and not participating in a retirement plan. For example, if the population of interest was wage and salary workers ages 21–64 who work full-year, make \$5,000 or more in annual earnings, and work for employers with 10 or more employees, 30.5 million (or 33.5 percent of this population) worked for an employer that did not sponsor a retirement plan in 2013 (meaning that 44.9 percent of the total wage and salary workers working for employers that did not sponsor a plan fell into this group). Moreover, for workers ages 21–64 who work full-time, full-year, make \$10,000 or more in annual earnings, and work for an employer with 100 or more employees, 14.7 million (or 23.7 percent of the defined population) would be included among those working for an employer that did *not* sponsor a plan. Another way to look at this last number is that 76.3 percent of workers with those characteristics worked for an employer that did sponsor a retirement plan in 2013.

Conclusion

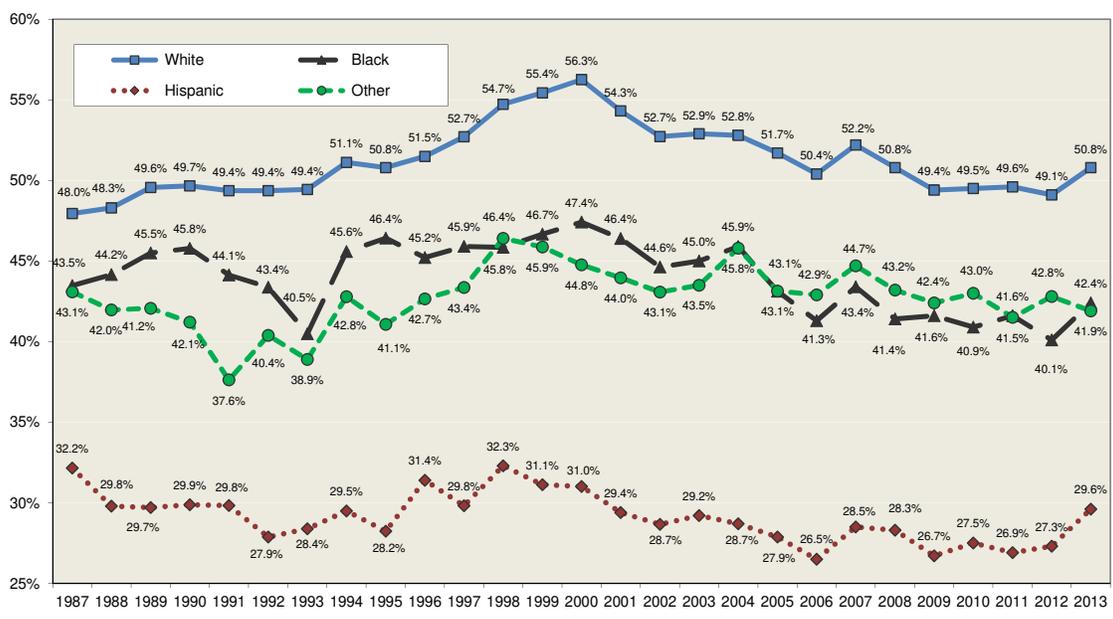
In 2013, 40.8 percent of all workers, or 64.2 million Americans, participated in an employment-based retirement plan, compared with 39.4 percent and 61.6 million in 2012. Among full-time, full-year wage and salary workers ages 21 to 64—those with the strongest connection to the work force—54.5 percent participated. This percentage of participating workers varied significantly across various worker characteristics and the characteristics of their employers. Being

Figure 22
Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Gender, 1987–2013



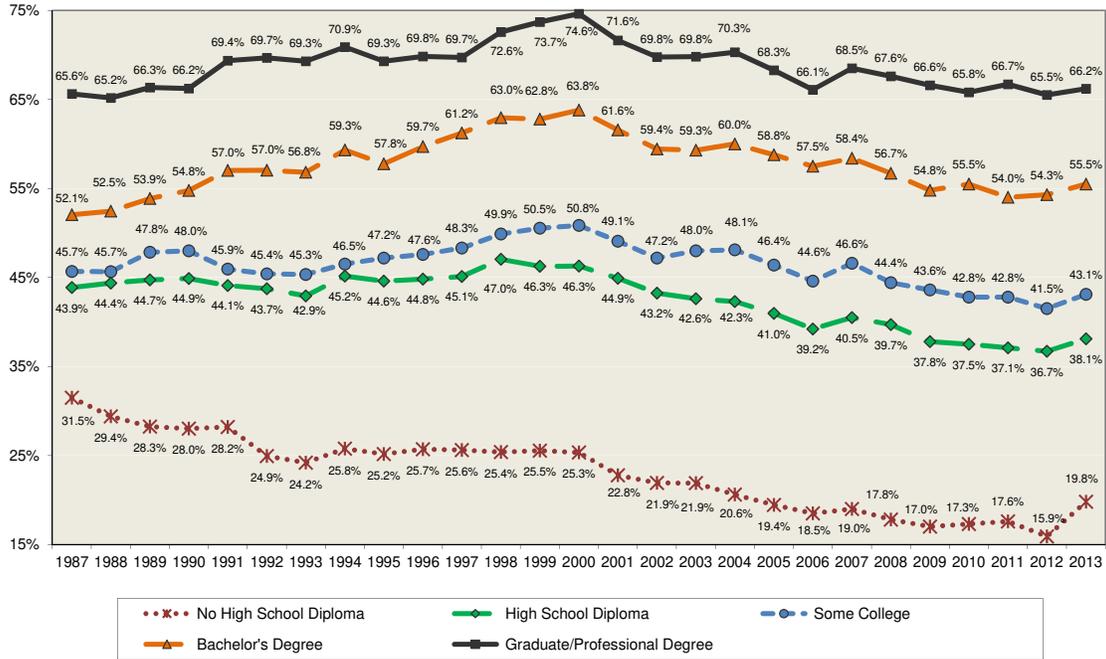
Source: Employee Benefit Research Institute estimates from the 1988–2014 March Current Population Surveys.

Figure 23
Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Race/Ethnicity,^a 1987–2013



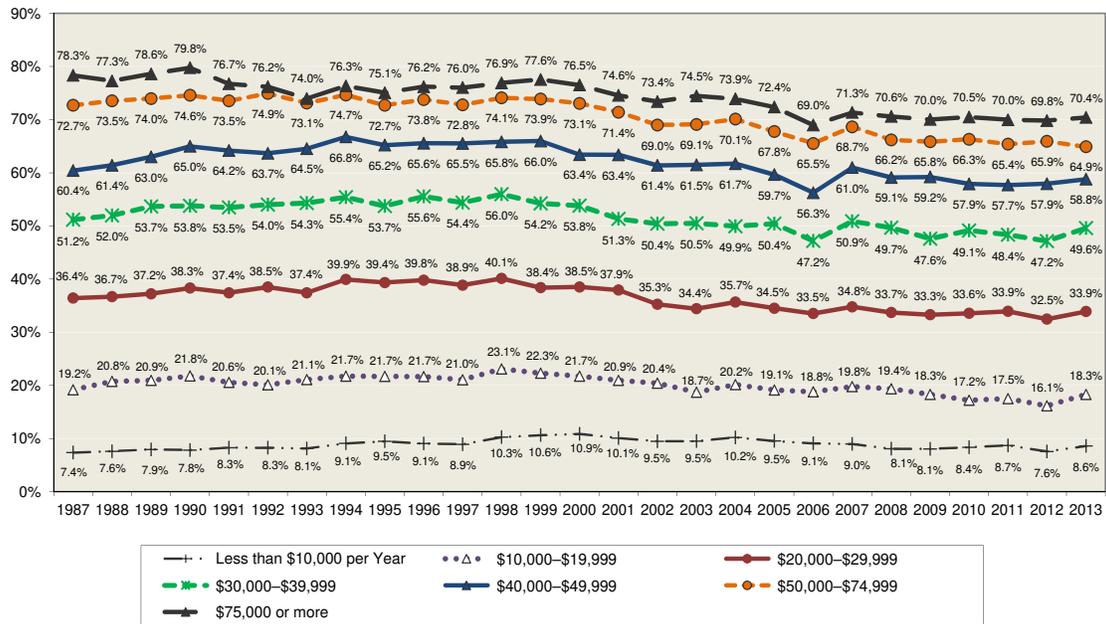
Source: Employee Benefit Research Institute estimates from the 1988–2014 March Current Population Surveys.
^a Beginning with the 2003 March Current Population Survey, changes were made to the race variable, where respondents were allowed to answer to more than one race. Thus, the 2002–2013 results are not entirely comparable with prior years, but are presented for illustrative purposes. The "other" category includes those who answered to being of more than one race for 2002–2013.

Figure 24
Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Educational Level, 1987–2013



Source: Employee Benefit Research Institute estimates from the 1988–2014 March Current Population Surveys.

Figure 25
Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Annual Earnings (2013\$), 1987–2013



Source: Employee Benefit Research Institute estimates from the 1988–2014 March Current Population Survey.

nonwhite, younger, female, never married; having lower educational attainment, lower earnings, poorer health status, no health insurance through one's own employer; not working full time, full year; and working in service occupations or farming, fisheries, and forestry occupations were all associated with lower levels of participation in a retirement plan. In addition, those working for smaller firms, private-sector firms, or firms in the "other" (not professional) services industry were also less likely to participate in a plan than their comparison groups. Another factor in the likelihood of workers' participation in a retirement plan was their geographic location, with workers in the South and West less likely to participate in a plan than those in other regions of the country.

A closer examination of certain characteristics provides some revealing findings. In particular, the overall percentage of females participating in a plan was lower than that of males (the retirement-plan-participation gender gap significantly closed from 1987–2009 before widening in 2010–2012 but nearly closing again in 2013). Yet, when controlling for work status or earnings, the female participation level actually surpassed that of males.³¹ Furthermore, black and native-born Hispanic workers had participation levels much closer to those of white workers within each age group. Non-native-born Hispanics had substantially lower participation levels than native-born Hispanics, even when controlling for age and earnings. This resulted in Hispanics as a group appearing to lag significantly in terms of retirement plan participation, when only the non-native Hispanics actually had participation levels substantially below those of all other workers.

The increase in the number of workers participating in 2013 continued the increases from 2011 and 2012, which had halted the three-year decline from 2008–2010. Furthermore, the percentage of workers participating in a retirement plan was higher in 2013 than it was in 2012. In general, each category of workers was at its highest level of participation since 2008.

While individual factors are important, retirement plan participation by workers is also strongly tied to macroeconomic factors such as the labor market. The stronger macroeconomic conditions of the late 1990s resulted in higher levels of participation, while less-positive macroeconomic conditions of the 2000s led to lower levels of participation. Regardless of the current direction, this trend has important implications for workers, because having more opportunities to participate in an employment-based retirement plan greatly increases the amount of money retirees are likely to have available to them in retirement.³²

The downturns in the economy and stock market in 2008 and into 2009 showed a two-year decline in both the number and percentage of workers participating in an employment-based retirement plan. The 2010–2012 levels stabilized and the 2013 levels increased as the economy was experiencing stable growth and lower unemployment. As things stand now, the current economic environment is likely to result in 2014 participation numbers slightly increasing relative to 2013, though many other underlying factors will continue to affect the future direction of this trend.

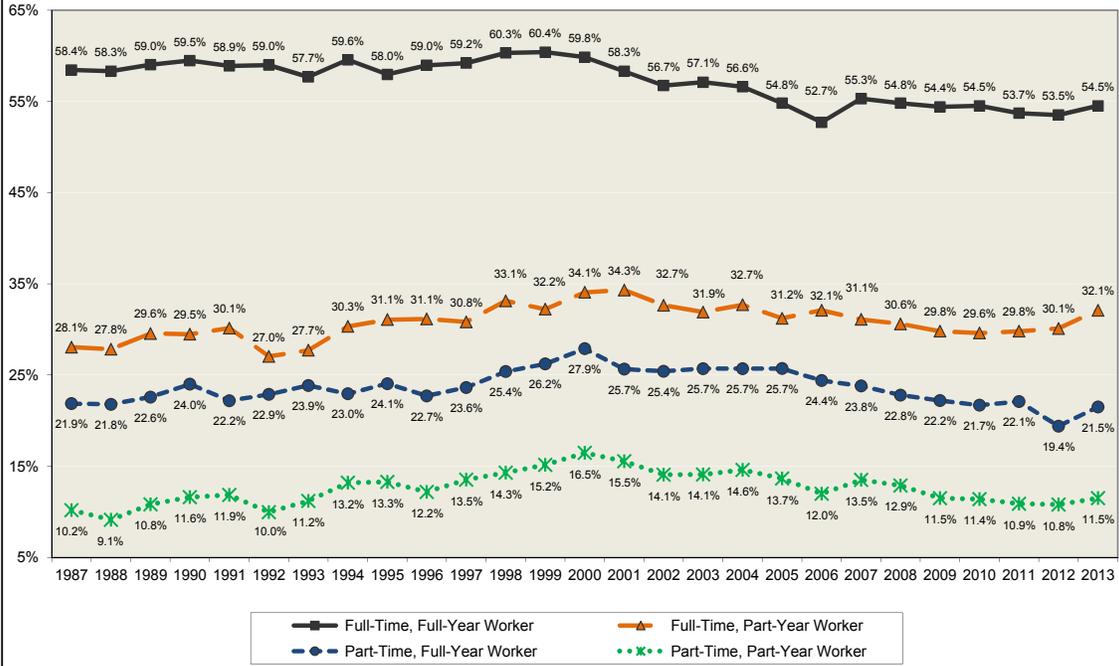
In particular, the decline in the availability and freezing of³³ defined benefit pension plans in the private sector will, at a minimum, likely influence the type and structure of retirement plans in which private-sector workers participate as well as the number of people participating in a plan. Furthermore, provisions of the Pension Protection Act (PPA) of 2006, which supported automatic enrollment in defined contribution (DC) plans effective beginning in 2008, could not only help future participation levels stay near the levels observed in prior years, but could lower the difference between the number of workers working for employers that do not sponsor a plan and those who are not participants.³⁴ Consequently, how employers and workers continue to respond to provisions of the PPA, any future legislation, and the economy will be important factors in future participation trends. Unfortunately, the data do not allow one to test whether the participation levels would have been even lower without automatic enrollment.³⁵ If the economy and labor market improve and participation levels surpass those of the late 1990s and early 2000s, changes in employment-based-retirement-plan designs are likely to be important factors.

As VanDerhei and Copeland (2010) have shown, many cohorts of future retirees are "at risk" of running short of money to cover the standard retirement expenses throughout their retirement years, particularly if they or their spouse have significant periods of long-term care (nursing home care).³⁶ Furthermore, the savings goal of an individual should not be a simple rule of thumb but a more complicated calculation that should account for the major risks in retirement—

investment, longevity, and health care needs. Depending upon an individual's comfort level and/or ability to assume these risks, there is wide variation in the level of assets Americans will need to accumulate for retirement.³⁷

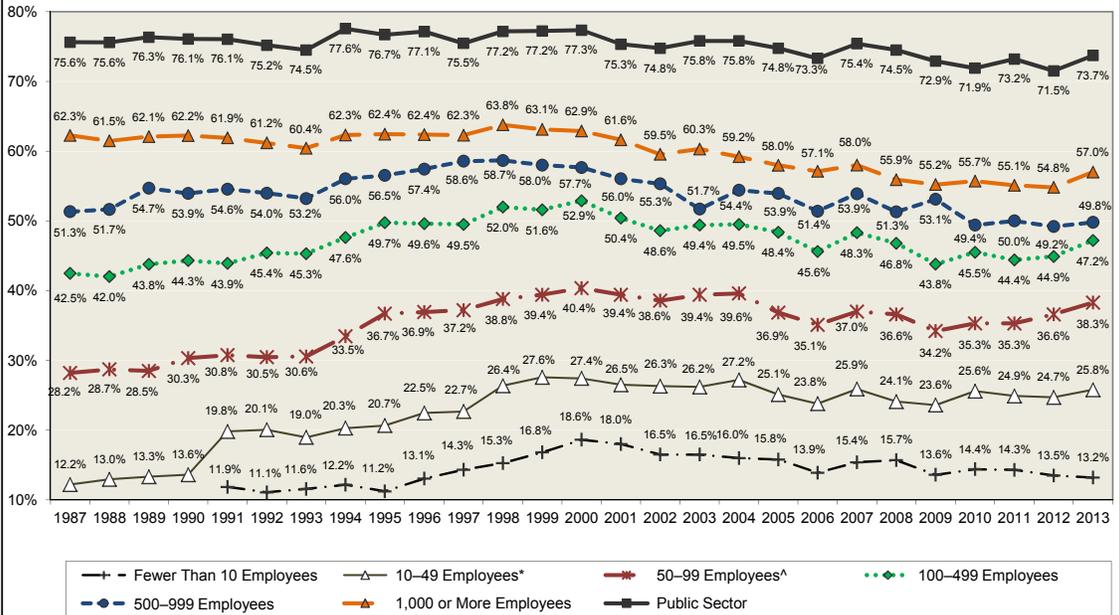
And, while participating in a retirement plan is important, it is just one step among several toward financing a comfortable retirement. Other sources of income or benefits in retirement, including Social Security; Medicare; personal savings; some type of supplemental health insurance to Medicare; and long-term care insurance also will influence whether people have adequate funds available to maintain a similar standard of living throughout retirement. How the money is managed to ensure it lasts throughout retirement will be an additional crucial factor for the sharply growing number of retirees who may receive only lump-sum distributions from their retirement plans—rather than annuities—outside of Social Security.

Figure 26
Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Work Status, 1987–2013



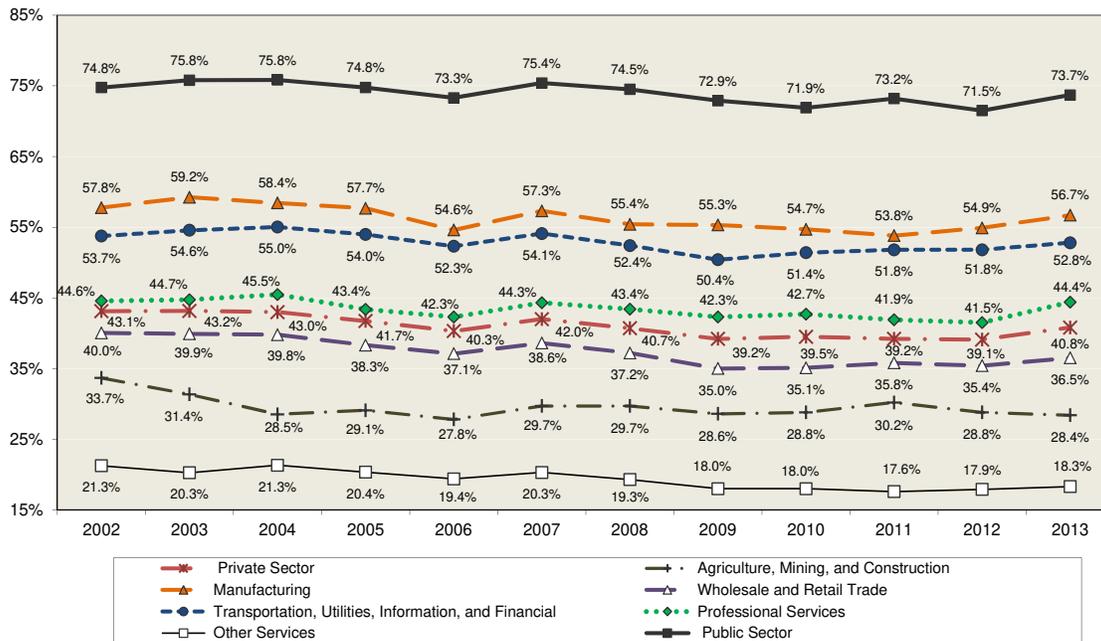
Source: Employee Benefit Research Institute estimates from the 1988–2014 March Current Population Surveys.

Figure 27
Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Workers' Employer Size, 1987–2013



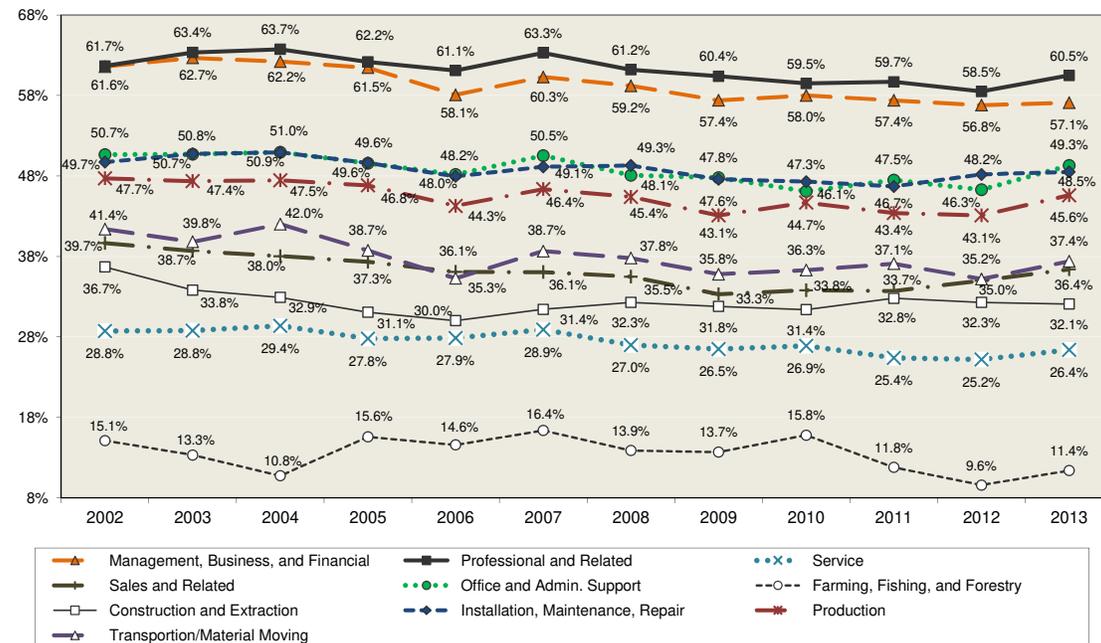
Source: Employee Benefit Research Institute estimates from the 1988–2014 March Current Population Surveys.
 * Fewer than 25 employees from 1987–1990, 10–24 employees from 1991–2009. ^ 25–99 employees from 1987–2009.

Figure 28
Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Industry/Sector, 2002–2013



Source: Employee Benefit Research Institute estimates from the 2003–2014 March Current Population Surveys.
 Note: Industry classifications were changed in the 2003 Survey, so a consistent industry trend goes from only 2002–2013.

Figure 29
Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Occupation, 2002–2013



Source: Employee Benefit Research Institute estimates from the 2003–2014 March Current Population Surveys.
 Note: Occupation classifications were changed in the 2003 Survey, so a consistent industry trend goes from only 2002–2013.

Figure 30

Number of Workers Who Worked for an Employer That Does *Not* Sponsor an Employment-Based Retirement Plan and Number of Workers Who Did *Not* Participate in an Employment-Based Retirement Plan, by Various Demographic and Employer Characteristics, 2013

Characteristic(s)	Working for an	NOT	Percentage	Percentage
	Employer NOT	Participating	Working for an	NOT
	Sponsoring a Plan	In a Plan	Employer NOT	Participating
	(in millions)		(percentage of total)	
Total	76.6	93.1	100.0%	100.0%
Self-Employed (Not Wage and Salary)	8.7	8.9	11.4	9.6
Net Wage and Salary	67.9	84.3	100.0	100.0
65 Year Old or Older and 25 Years Old or Younger	17.9	23.3	26.4	27.6
Under 21 Years Old	6.1	7.7	9.0	9.1
25 Years Old or Younger	13.7	18.0	20.2	21.4
65 Year Old or Older	4.2	5.3	6.2	6.3
Not Full-Time, Full-Year	29.6	38.0	43.6	45.1
Full-time, part-year	9.8	12.4	14.4	14.7
Part-time, full-year	9.7	12.5	14.3	14.8
Part-time, part-year	10.1	13.1	14.9	15.5
Less than \$20,000 in annual earnings	29.2	37.1	43.0	44.0
Less than \$10,000 in annual earnings	15.4	19.4	22.7	23.0
Less than \$5,000 in annual earnings	8.7	10.8	12.8	12.8
Fewer than 100 employees	39.3	43.0	57.8	51.0
Fewer than 10 employees	18.8	19.5	27.6	23.1
10–49 employees	15.1	16.9	22.3	20.1
50–99 employees	5.4	6.5	7.9	7.7

Source: Employee Benefit Research Institute estimates from the 2014 March Current Population Survey.

Figure 31

Percentage of Workers Who Worked for an Employer That Did *Not* Sponsor an Employment-Based Retirement Plan and Percentage of Workers Who Did *Not* Participate in an Employment-Based Retirement Plan of Various Demographic and Employer Characteristic Groups, 2013

Characteristic(s)	Total	Working for an	NOT	Percentage	Percentage
		Employer NOT Sponsoring a Plan	Participating In a Plan	Working for an Employer NOT Sponsoring a Plan	NOT Participating In a Plan
		(millions)		(percentage of defined population)	
Total	157.3	76.6	93.1	48.7%	59.2%
Self-Employed (Not Wage and Salary)	9.4	8.7	8.9	92.6	94.1
Net Wage and Salary	147.9	67.9	84.3	45.9	57.0
Under 21 Years Old	8.2	6.1	7.7	74.1	94.4
65 Year Old or Older	8.4	4.2	5.3	49.4	63.1
Not Full-Time, Full-Year	47.9	29.6	38.0	61.8	79.3
Full-time, part-year	18.0	9.9	12.4	54.8	69.0
Part-time, full-year	15.4	9.7	12.5	62.6	80.8
Part-time, part-year	14.5	10.1	13.1	69.7	90.3
Less than \$5,000 in annual earnings	11.4	8.7	10.8	76.2	94.7
Less than \$10,000 in annual earnings	20.9	15.4	19.4	73.9	92.7
Fewer than 100 employees	54.8	39.3	43.0	71.7	78.5
Fewer than 10 employees	22.3	18.8	19.5	84.3	87.7
10–49 employees	22.3	15.1	16.9	67.9	76.0
50–99 employees	10.2	5.4	6.5	52.5	63.8
Wage and Salary, Full-Year, Ages 21-64, \$5,000 or more in annual earnings, 10 or more employees	91.0	30.5	39.4	33.5	43.3
Wage and Salary, Full-Year, Ages 21-64, \$5,000 or more in annual earnings, 50 or more employees	76.0	21.0	28.9	27.6	38.0
Wage and Salary, Full-Time, Ages 21-64, \$5,000 or more in annual earnings, 10 or more employees	94.3	31.4	40.2	33.3	42.7
Wage and Salary, Full-Time, Ages 21-64, \$5,000 or more in annual earnings, 50 or more employees	78.8	21.7	29.4	27.5	37.3
Wage and Salary, Full-Year, Ages 21-64, \$10,000 or more in annual earnings, 10 or more employees	88.9	29.1	37.5	32.7	42.2
Wage and Salary, Full-Year, Ages 21-64, \$10,000 or more in annual earnings, 50 or more employees	74.3	20.0	27.4	26.9	36.9
Wage and Salary, Full-Time, Ages 21-64, \$10,000 or more in annual earnings, 10 or more employees	92.1	29.9	38.4	32.5	41.7
Wage and Salary, Full-Time, Ages 21-64, \$10,000 or more in annual earnings, 50 or more employees	77.2	20.7	28.1	26.8	36.4
Wage and Salary, Full-Time, Full-Year, Ages 21-64, \$5,000 or more in annual earnings, 10 or more employees	82.5	26.1	33.2	31.7	40.2
Wage and Salary, Full-Time, Full-Year, Ages 21-64, \$5,000 or more in annual earnings, 50 or more employees	69.3	18.0	24.2	26.0	34.9
Wage and Salary, Full-Time, Full-Year, Ages 21-64, \$5,000 or more in annual earnings, 100 or more employees	62.6	15.0	20.4	23.9	32.7
Wage and Salary, Full-Time, Full-Year, Ages 21-64, \$10,000 or more in annual earnings, 10 or more employees	81.9	25.7	32.7	31.4	39.9
Wage and Salary, Full-Time, Full-Year, Ages 21-64, \$10,000 or more in annual earnings, 50 or more employees	68.8	17.7	23.8	25.7	34.6
Wage and Salary, Full-Time, Full-Year, Ages 21-64, \$10,000 or more in annual earnings, 100 or more employees	62.2	14.7	20.1	23.7	32.4

Source: Employee Benefit Research Institute estimates from the 2014 March Current Population Survey.

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Endnotes

¹ The 74 million comes from the Census Bureau's Current Population Survey (CPS) of the noninstitutionalized population currently living in the United States, including immigrants, both citizens and noncitizens.

² For families with one earner meeting the spousal benefit criteria, these replacement rates would increase by 50 percent, because the nonworking spouse could qualify for a benefit equal to 50 percent of the working spouse's benefit. Therefore, on a family basis for one-earner couples, the replacement rates would range from about 38 percent to 100 percent.

³ See Copeland (November 2013) for results from 2012 in this annual publication series from the CPS.

⁴ Technically, most private, qualified defined contribution plans are either money purchase or profit-sharing plans (Sec. 401(k) plans are of the latter type). Under the former, the plan sponsor typically commits to a fixed percentage of compensation each year. For a profit-sharing plan, plan contributions may be made on a discretionary basis by the plan sponsor, but how these contributions are allocated among individual employee accounts must be based on a specified, predetermined formula meeting certain requirements if the plan is to qualify for tax-favored status.

⁵ Employer contributions may be subject to vesting rules, such that participants do not have full legal rights to employer contributions made on their behalf until they have reached a certain minimum number of years of service. Consequently, if the participant terminates employment before reaching this minimum level of service, the benefit available would be reduced by the nonvested portion of the account balance.

⁶ Lump-sum distributions are increasingly available in DB plans. For example, in 2010, 46 percent of full-time employees in private-sector DB plans were eligible for lump-sum distributions (U.S. Department of Labor, August 2011). That compares with 1997 and 1995, when 76 percent and 85 percent, respectively, of full-time workers participating in a DB plan in a medium or large establishment were *not* offered a lump-sum distribution (U.S. Department of Labor, 1999, 1998).

⁷ The Employee Retirement Income Security Act of 1974 (ERISA) expanded the definition of pension to include both DB and DC plans, and within most private-sector discussions it now is used to refer to both. Whereas, in the public sector, the term *pension* is still largely reserved for DB plans.

⁸ The 2012 number for active defined contribution participants includes some participants who were not included prior to 2004, in particular those classified as not contributing under the revised requirements for completing the Form 5500. Therefore, some of the increase in the time series was due to including more participants as actives who were not included in prior years. This resulted in 9 million more being counted as actives in 2004—the last year both ways of reporting were possible. See Department of Labor, Employee Benefits Security Administration's *Private Pension Plan Bulletin Historical Tables and Graphs* (September 2014) for more information. Furthermore, over 18 million participants in 401(k) plans had employers that also sponsored other pension plans (See U.S. Department of Labor Employee Benefits Security Administration, *Private Pension Plan Bulletin Abstract of 2012 Form 5500 Annual Reports*, October 2014, p. 49, Table D5). Consequently, these aggregate numbers reported from the Form 5500s included a significant number of double counting. In contrast, the CPS only counts an individual once regardless of the number of plans that individual is participating in during the year.

Not accounting for this double counting or inclusion of more participants as considered active found in these reports can lead to conclusions that are contradicted by this study. Such as:

"Employer-sponsored retirement plan participation has significantly outpaced the growth in the working age population over the past 30 years. Between July 1977 and July 2007, the working age population (i.e., people between the age of 18 and 64 years) grew 44.8 percent (from 130.9 million to 189.5 million). However, employer-sponsored retirement plan participation grew 102.1 percent (from 42.7 million to 86.3 million) between CYs 1977 and 2007. This rate of growth indicates that working Americans are increasingly participating in retirement plans sponsored by their employers." (See Treasury Inspector General for Tax Administration, *Statistical Trends in Retirement Plans*. 2010).

These numbers are evidence of the increase in the number of participants who have more than one plan due to the proliferation of DC plans in the private sector, but not an increase in the fraction of workers who are participants in a retirement plan.

⁹ See VanDerhei and Copeland (2001).

¹⁰ See VanDerhei, Holden, Alonso, and Bass (2013) for results on how current workers, in their present jobs, are doing in terms of accumulating assets in 401(k) plans. One important caveat of this study in regard to overall accumulations of workers in 401(k) plans is that the study does not include any assets accumulated at past jobs that have not been rolled into the worker's current employment-based plan.

¹¹ See VanDerhei and Copeland (2001) for a discussion of the reasons for the growth in DC plans and the consequences of this growth for retirees.

¹² The 2013 SCF was released in late August 2014 with 2013 data. EBRI's analysis of the 2013 SCF was not completed at the time of this publication. When the publication is complete, a comparison with CPS will be conducted. SCF is the most updated survey of overall assets held by American households (among other things) and is an essential piece in the evaluation of the status of Americans' preparation for retirement.

¹³ See U.S. Department of Labor. Employee Benefits Security Administration, *Private Pension Plan Bulletin Abstract of 2012 Form 5500 Annual Reports* (October 2014), www.dol.gov/ebsa/pdf/2012pensionplanbulletin.pdf

¹⁴ See from the Bureau of Labor Statistics website: "Employee Benefits in the United States–March 2014" (July 2014), www.bls.gov/news.release/ebs2.t01.htm; "National Compensation Survey: Employee Benefits in the United States–March 2013" (September 2013), www.bls.gov/ncs/ebs/benefits/2013/ebbl0052.pdf; "National Compensation Survey: Employee Benefits in the United States–March 2012" (September 2012), www.bls.gov/ncs/ebs/benefits/2012/ebbl0050.pdf; "Employee Benefits in the United States–March 2011" (July 2011a), www.bls.gov/ncs/ebs/sp/ebnr0017.txt; and "Retirement Benefits, March 2010: Private Industry," *Retirement Benefits: Access, Participation, and Take-up Rates Data Table (July 2011b)*, www.bls.gov/ncs/ebs/benefits/2010/ownership/private/table02a.htm.

¹⁵ Each March, the CPS asks about retirement plan participation in the prior year. For example, the March 2014 CPS asks about retirement plan participation in 2013.

¹⁶ Wage and salary workers include all workers who work for someone else as well as those who are self-employed and are incorporated. Thus, the unincorporated self-employed are not included.

¹⁷ A worker who is at least 21 years of age, has one year of tenure, and works more than 2,000 hours in a year, in general, must be covered by an employer who offers a private-sector retirement plan to its workers (IRC Sec. 401(a) 26). Typically, public-sector employers follow similar rules, despite not being governed by all of the same statutes as those for private-sector employers.

¹⁸ Starting with the 2003 March CPS, changes were made to the race questions allowing respondents to choose more than one race, e.g., white and black. These individuals are included in the "other race" category. Thus, the white category only includes those who responded that they were white only, blacks as black only, etc.

¹⁹ Native-born means the worker was born in the continental United States, Hawaii, or Alaska, but not U.S. territories such as Puerto Rico.

²⁰ See VanDerhei and Copeland (2011) for an examination of health care costs in retirement and the impact of deferring retirement age to cover these health care costs so that workers have sufficient income in retirement in order to maintain the same standard of living throughout retirement.

²¹ The economic conditions within the geographic locations play an important role in the differences across the locations, such as local unemployment rates, job types (i.e., manufacturing vs. retail) available, etc.

²² State estimates of the less populated states are less reliable than those of more populated states due to the sample size in the survey in those states. Consequently, these state estimates should be used with caution. Furthermore, due to the fairly significant standard error in the less populated states, in order to lessen any potential sampling error, three-year averages are used to present trends in the state estimates. See Fronstin (2011) for use of the three-year state averages in the analysis of employment-based health insurance coverage.

²³ The District of Columbia is considered a state in CPS for ease of exposition.

²⁴ As discussed earlier, the CPS is the most up-to-date and consistent survey of retirement plan participation among all employees with detailed demographic data. SIPP also has data on these issues. In Copeland (August 2013), the percentage of workers participating in a retirement plan was found to have increased from 1998 to 2003 and then to have decreased by 2006 before increasing again in 2009 and 2012, according to SIPP data. Furthermore, the level of participation was higher in SIPP than that in CPS. While the *level of difference* can be easily explained, as the SIPP study on retirement plan participation is focused only on those working at the time of the survey (compared with CPS, which asks individuals about retirement plan participation for anybody who worked in the past year, not just those currently working), the *trend differences* cannot be easily explained. While the SIPP trend did not match the CPS trend from 1998 to 2003, it did match the drop found in CPS from 2003 to 2006 and was close in 2009 with the increase and decrease found in CPS between those years. In 2012, CPS had a participation level below the 2009 level, while SIPP showed an increase between 2009 and 2012. Yet, the CPS result for 2013 is above the 2009 result. Results from SIPP and CPS data have also provided differences in the percentage of individuals without health insurance that have not been completely explained other than by methodology issues. See Fronstin (2000, 2011) for further discussion on the differences in these two surveys in counting the uninsured. In addition, the 2010 SCF also shows a decrease in the percentage of families with workers who participate in an employment-based retirement plan from 2007 to 2010 matching the CPS (Copeland, 2012). For comparison, results from the U.S. Department of Labor's Bureau of Labor Statistics (2003, 2005, 2006, 2007, 2008, 2009, 2010, 2011a, and 2012) show an increase in the percentage of private-sector workers participating in a retirement plan from 48 percent in 2000, 49 percent in 2003, 50 percent in 2005, and to 51 percent in 2006–2009 before declines in 2010 to 50 percent, 49 percent in 2011 and 48 percent in 2012 before an increase in 2013 to 49 percent. However, the BLS survey is a survey of private establishments about their employees' participation, while CPS is a survey with questions directly asked of households. Consequently, the BLS survey does not provide the level of individual demographic data that the CPS does. Therefore, the CPS has the most up-to-date breakdowns of retirement plan participation by individual demographic data from the longest consistent set of annually asked questions on this topic. See Purcell (2009) for a further discussion on the differences from the BLS numbers in the National Compensation Survey and the CPS.

²⁵ The race categories were revised in the 2003 survey to allow for combinations of races. However, the distribution of workers among the race categories was virtually unchanged even with those of more than one race being moved to the "other race" category. Consequently, the trend for the race/ethnicity categories is presented despite the inconsistent definitions of these categories.

²⁶ All earnings amounts are in 2013 dollars, that is, all earnings from years prior to 2013 are inflated by the consumer price index (CPI) level to reach 2013 dollars. Earnings are defined as the amount a worker is paid in compensation—wages and salary. This does not include investment income or other income sources.

²⁷ The industry definitions within the 2003 CPS were altered. Consequently, industry participation levels before 2002 cannot be compared with the more current years' results.

²⁸ The occupation definitions within the 2003 CPS were altered. Consequently, occupation participation levels before 2002 cannot be compared with the more current years' results.

²⁹ An employment-based retirement plan can be sponsored by an employer or by a union. "Employer sponsored" is used in this section of the study for brevity, but it should be understood that it also means "union sponsored."

³⁰ This includes the 76.6 million who worked for employers/unions that did not sponsor a plan plus 16.5 million who worked for employers that sponsored a plan but did not participate in the plan for whatever reason.

³¹ While females had higher participation levels in each work status and earnings category, they had a lower likelihood of participating in a defined contribution plan when eligible. From the 2010 SCF, female family heads had a participation rate of 70.9 percent in DC plans compared with 80.3 percent for male family heads. Consequently, it appears that females are more likely to work for employers that offer a plan than are males.

³² See Holden and VanDerhei (2002) for projections of replacement rates from 401(k) plans for 401(k)-plan participants under various career 401(k)-plan-participation scenarios to see the impact of how continuously participating in a plan substantially increases the replacement rate to be expected from these plans. See VanDerhei and Copeland (2010) for more information on how an increased number of future years of eligibility for participation in a DC plan reduces the likelihood of workers having inadequate retirement income to cover standard expenses and uninsured medical expenses in retirement.

³³ It is uncertain how participants in a frozen plan with an accumulated benefit will answer the question about participating in a plan.

³⁴ See VanDerhei and Copeland (2008) for an estimation of the possible impact on 401(k) plan account accumulations from automatic enrollment.

³⁵ The impact of automatic enrollment is hard to quantify from this survey, as numerous other factors are affecting the levels of participation. Automatic enrollment, in many cases, has only been implemented for new hires, not for all workers, and in some cases, has replaced a DB plan that would have had 100 percent participation in almost all cases given the nature of the plan. Furthermore, not all DC plans have implemented an automatic enrollment feature. Consequently, the impact of automatic enrollment will take a number of years before it can drive the overall level of participation in the labor force, because only a very small fraction of the labor force is subject to automatic enrollment each year.

³⁶ These expenses include housing; food; apparel and services; transportation, reading and education; and entertainment plus basic health care costs such as Medicare premiums and Medigap premiums and stochastic health care expenditures for those who have nursing home or home-health-care episodes of care. The level of nonstochastic expenses is a function of the retiree's retirement income.

³⁷ See VanDerhei (2006) for a further discussion of the amount of income needed to be replaced, when accounting for various types of risk in retirement and the probability of successfully doing so.

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