Reshaping Retirement Security
Reshaping Retirement Security
Lessons from the Global Financial Crisis

EDITED BY
Raimond Maurer,
Olivia S. Mitchell,
and Mark J. Warshawsky
Over the past few years, the worldwide financial crisis has brought deep changes in capital and labor markets, old-age retirement systems, and household retirement and consumption patterns. Around the world, plan sponsors, fiduciaries, policymakers, and households have gained a new awareness of retirement risk. This volume, the newest in our Pension Research Council/Boettner Center Series, draws out lessons learned regarding how retirement planning and long-term financial security have changed in the wake of the turmoil. This book is a welcome addition to all concerned with the future of financial security in retirement around the globe.

In the process of preparing this book, several key people and institutions played essential roles. Superb editorial comments were provided by my co-editors Raimond Maurer and Mark J. Warshawsky. On behalf of the Council, I thank both of them, as well as the many contributors to the volume, the reviewers who helped bring this work to fruition, and the Council’s Advisory Board on whom we rely for guidance. This manuscript was expertly prepared and thoroughly edited by Andrew Gallagher with assistance from Irene Shaffer and Heather Shrigley. We are particularly grateful for the intellectual and financial sustenance provided by our Senior Partners and the Institutional Members of the Pension Research Council, listed elsewhere in this volume. The Wharton School graciously provided access to conference facilities and more through its Impact Conference funding. Additional financial support was received from the Pension Research Council, the Boettner Center for Pensions and Retirement Research, and the Ralph H. Blanchard Memorial Endowment at the Wharton School of the University of Pennsylvania.

I also express continued appreciation for the fine collaboration with Oxford University Press, which hosts the Pension Research Council Series on retirement security. On behalf of the Pension Research Council and the Boettner Center for Pensions and Retirement Security of the Wharton School of the University of Pennsylvania, we are pleased to continue in our tradition of research and dissemination on pensions and retirement security around the world.

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Contents

List of Figures ix
List of Tables xi
List of Abbreviations xiv
Notes on Contributors xvii

1. Retirement Security and the Financial and Economic Crisis: An Overview
   Raimond Maurer, Olivia S. Mitchell, and Mark J. Warshawsky 1

Part I. Rethinking Retirement in the New Economic Era

2. Changing Retirement Behavior in the Wake of the Financial Crisis
   Julia Coronado and Karen Dynan 13

   Barbara A. Butrica, Richard W. Johnson, and Karen E. Smith 36

   Michael Hurd and Susann Rohwedder 64

5. Retirement Behavior and the Global Financial Crisis
   Jason J. Fichtner, John W. R. Phillips, and Barbara A. Smith 81

Part II. Rethinking the Resilience of Defined Contribution Plans

6. Trading in 401(k) Plans during the Financial Crisis
   Ning Tang, Olivia S. Mitchell, and Stephen P. Utkus 101

   Jingjing Chai, Raimond Maurer, Olivia S. Mitchell, and Ralph Rogalla 120
viii Contents

8. A Stress Test for the Private Employer Defined Contribution System 151
   David Wray

   Part III. How Defined Benefit Plans Handled the Financial Crisis

   Mark J. Warshawsky

10. Multiemployer Pension Plans Respond to the Financial Crisis 188
    Judith F. Mazo and Eli Greenblum

11. Adopting Hybrid Pension Plans: Effects of Economic Crisis and Regulatory Reform 215
    Robert L. Clark, Alan Glickstein, and Tomeka Hill

    Lans Bovenberg and Theo Nijman

13. How Have Public Sector Pensions Responded to the Financial Crisis? 262
    Andrew G. Biggs

End Pages 273
Index 277
List of Figures

2.1 Household net worth as a percent of disposable income: 1965–2011 14
2.2 US stock and home prices: 1985–2010 15
2.3 US homeownership rate: 1965–2011 16
2.4 Measures of US household stress resulting from debt: 1965–2011 17
2.5 Median household net worth ($ 2010) by household head age over time 21
2.6 US average household income, consumption, and home value over time 24
2.7 US credit card repayment behavior: 1993–2011 30
2.8 US mortgage refinancing transactions: 1989–2011 31
2.9 Net cash flows into US mutual funds: 1993–2011 31
2.10 New York Stock Exchange trading volumes: 1995–2011 32
3.2 Average earnings of workers by simulation in $ 2010: 2005–30 40
4.1 Cumulative distribution of the reported subjective probability of a stock market gain one year ahead 74
5.1 Percent of OASDI benefits awarded at age 62 84
5.2 Percent of fully insured workers who claim at age 62: cohorts born 1913–48 (by sex) 85
5.3 Percent of fully insured workers who claim at age 62: cohorts born 1913–48 (by race) 86
5.4 Unemployment rates and percent claiming at age 62 by state (2009) 87
5.5 Unemployment rates and percent claiming at age 62 across states (2009) 87
6.1 Proportion of 401(k) participants trading over time 106
6.2 Distribution of the number of trades: precrisis, crisis, and entire period 108
7.1 Short-term effects of financial/economic crises on young cohort (age 20). Panel (A): expected work hours; Panel (B): expected consumption; Panel (C): expected saving/withdrawal; Panel (D): expected stock investment 132
### x List of Figures

7.2 Short-term effects of financial/economic crises on near-retirement cohort (age 55). Panel (A): expected work hours; Panel (B): expected consumption; Panel (C): expected saving/withdrawal; Panel (D): expected stock investment 136

7.3 Long-term effects of financial/economic crises on young cohort (age 20). Panel (A): expected work hours; Panel (B): expected consumption; Panel (C): expected saving/withdrawal 140

7.4 Long-term effects of financial/economic crises on near-retirement cohort (age 55). Panel (A): expected consumption; Panel (B): expected withdrawal 143

8.1 Percentage of participants contributing to plans that cease making contributions by the year end: 2006–10 153

9.1 Total index monthly and annual returns, S&P 500 (%): 2007–10 162

9.2 Composite Corporate Bond Rate (%): month-end, 2007–10 163

9.3 Pension funding status for Fortune 1000 companies: percentage per year 2000–10 164

9.4 Funding status of defined benefit pensions offered by Fortune 1000 companies: 2008–10 165

9.5 Equity shares for private DB and DC plan assets: 1995–2009 166

9.6 DB plan asset allocations to equities of Fortune 1000 companies: 2005–9 168

9.7 Composite Corporate Bond Rate (CCBR) and PBGC rates: 2001–10 179

11.1 Number of defined benefit plans, hybrid plans, and hybrid plan conversions 223

12.1 Conditional indexation and contribution mechanisms in the Dutch pension system 238

12.2 Average nominal funding rate of Dutch pension funds: 1988–2010 241

12.3 Average pension contribution rates as percentage of gross wage income: 1970–2008 243

13.1 Median public pension asset allocations, with 10th and 90th percentiles: 2007 264

13.2 Median public pension asset allocations, with 10th and 90th percentiles: 2009 265

13.3 Median target asset allocations, with 10th and 90th percentiles: 2007 vs 2010 266

13.4 Change in standard deviation of target portfolio returns: 2007–10 270
List of Tables

2.1 Household median net worth in 2007 by age of head ($ 2010) 18
2.2 Household assets by age of head: ownership, holdings, and portfolio shares (in 2007; $ 2010) 19
2.3 Household debt by age of head: ownership, holdings, and ratio to income (in 2007; $ 2010) 19
2.4 Distribution of selected assets and debt by age of head: 2007 20
2.5 Changes in real spending and income by age of head: 2002–9 26
2.6 Employment conditions and choices by age, through the recession 28
3.1 Employment rates in 2010, adults aged 25–64 41
3.2 Projected work histories of future retirees at age 70 44
3.3 Projected income of future retirees at age 70 45
3.4 Average per capita household income of future retirees at age 70 by income source and income quintile 47
3.5 Projected number and share of adults at age 70 with low incomes 49
3.6 Average projected per capita household income of future retirees at age 70, by personal characteristics 51
3.7 Projected survival rates at age 70 by sex, education, and employment status between 2008 and 2013 54
4.1 Household spending 2011 compared to a year ago (%) 67
4.2 Important reasons for spending decline by age: percent stating very or somewhat important 67
4.3 Important reasons for spending increase by age: percent stating very or somewhat important 68
4.4 Two-year change in real consumption: 2001–7 and 2007–9 69
4.5 Summary of two-year change in nondurable spending (%) 69
4.6 Home values and housing debt balances ($000, 2010) 71
4.7 Home values, housing debt, and negative home equity ($000, 2010) 72
4.8 House price expectations, one year and five years ahead 73
4.9 Bequest probabilities and expected bequests ($ 2010), weighted 75
<table>
<thead>
<tr>
<th>Table</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.10</td>
<td>Average subjective probability (%) of working past age 62 among those working in 2008: ages 51–61</td>
<td>76</td>
</tr>
<tr>
<td>4.11</td>
<td>Average subjective probability (%) of working past age 65 among those working in 2008: ages 51–61</td>
<td>77</td>
</tr>
<tr>
<td>5.A1</td>
<td>Beneficiary claiming rates, by birth cohort</td>
<td>91</td>
</tr>
<tr>
<td>5.A2</td>
<td>Unemployment rates and percentage claiming at age 62 across states (2009)</td>
<td>92</td>
</tr>
<tr>
<td>6.1</td>
<td>Incidence of 401(k) trading</td>
<td>105</td>
</tr>
<tr>
<td>6.2</td>
<td>Demographic characteristics of traders as of September 2008</td>
<td>107</td>
</tr>
<tr>
<td>6.3</td>
<td>Portfolio and trading characteristics</td>
<td>109</td>
</tr>
<tr>
<td>6.4</td>
<td>Determinants of net flows to equities for 401(k) plan traders: precrisis versus crisis periods</td>
<td>111</td>
</tr>
<tr>
<td>6.5</td>
<td>Determinants of net flows to equities for 401(k) plan traders by type of trader: precrisis versus net flow to equities</td>
<td>113</td>
</tr>
<tr>
<td>7.1</td>
<td>Long-term impacts of crisis on asset allocation of young cohort (age 20)</td>
<td>142</td>
</tr>
<tr>
<td>7.2</td>
<td>Crisis impact on retirement behavior of young cohort (age 20)</td>
<td>144</td>
</tr>
<tr>
<td>7.3</td>
<td>Long-term impacts of crisis on asset allocation of near-retirement cohort (age 55)</td>
<td>145</td>
</tr>
<tr>
<td>7.4</td>
<td>Crisis impact on retirement behavior of near-retirement cohort (age 55)</td>
<td>145</td>
</tr>
<tr>
<td>8.1</td>
<td>Percentage of DC plans offering target-date funds, professionally managed accounts, and/or investment advice to participants</td>
<td>154</td>
</tr>
<tr>
<td>9.1</td>
<td>Employer contributions to corporate DB plans by Fortune 1000 companies: 1999–2009 ($000 nominal)</td>
<td>169</td>
</tr>
<tr>
<td>9.2</td>
<td>Retirement plans offered to newly hired employees by Fortune 100 firms: 1998–2011</td>
<td>171</td>
</tr>
<tr>
<td>9.3</td>
<td>Estimates and projections of DB corporate plan funded status and required minimum contributions: 2008–14</td>
<td>175</td>
</tr>
<tr>
<td>9.4</td>
<td>Pension Benefit Guaranty Corporation (PBGC) single-employer insurance program: net position, 2001–10 ($m)</td>
<td>176</td>
</tr>
<tr>
<td>9.5</td>
<td>Pension Benefit Guaranty Corporation (PBGC) single-employer insurance: annual operations, 2007–10 ($m)</td>
<td>177</td>
</tr>
<tr>
<td>9.6</td>
<td>Pension Benefit Guaranty Corporation (PBGC) single-employer insurance program: key indicators</td>
<td>178</td>
</tr>
<tr>
<td>10.1</td>
<td>Breakdown of multiemployer plans by certified zone status by percentage of plans in each: 2008–10 zone</td>
<td>202</td>
</tr>
</tbody>
</table>
List of Tables

10.2 Geographical and industry distribution of red-zone and bright-red-zone multiemployer plans in 2010 204
10.3 Funded percentage distribution of red-zone and bright-red-zone multiemployer plans in 2010 205
10.4 Average funded percentage and market value of assets of red-zone and bright-red-zone multiemployer plans in 2010 211
11.1 Hybrid plan share of all nonfrozen DB plans with 1,000+ participants: 2000–7 220
11.2 Hybrid plan share of all DB plans in Fortune 1000: 2000–7 221
11.3 Hybrid plans as percent of DB plans by industry: 2007 222
11.4 Pension plan conversions over time 224
11.5 Plan features by conversion status: 2000–9 227
11.6 Logit regression analysis of the overall probability of hybrid plan conversion in Fortune 1000 companies: 2000–9 227
11.7 Logit regression analysis of the annual probability of hybrid plan conversion in Fortune 1000 companies: 2000–9 228
11.8 Logit regression analysis of the annual probability of hybrid plan conversion in Form 5500 plans with 1,000+ participants: 2000–7 229
11.9 Plan features by conversion status for Form 5500 pension plans sponsored by Fortune 1000 companies: 2000–7 231
11.10 Plan conversion logit regression results for Fortune 1000 companies with plans found in the Form 5500: 2000–7 231
12.1 Actual increases in nominal pensions paid to retirees, compared to the indexation ambition: 2005–11 242
13.1 Expected risk and return of pension asset classes (%) 268
13.2 Correlation matrix for pension asset classes 268
13.3 Summary statistics on public pension portfolio standard deviations (%): 2007 and 2010 269
## List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>American Academy of Actuaries</td>
</tr>
<tr>
<td>ACLI</td>
<td>American Council of Life Insurers</td>
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<td>ACMBPRA</td>
<td>Access to Care for Medicare Beneficiaries and Pension Relief Act</td>
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<td>AEI</td>
<td>American Enterprise Institute</td>
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<td>AIME</td>
<td>average indexed monthly earnings</td>
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<td>AMEX</td>
<td>American Stock Exchange</td>
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<td>AR1</td>
<td>autoregressive model</td>
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<td>BC</td>
<td>business cycle</td>
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<td>BEA</td>
<td>Bureau of Economic Analysis</td>
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<td>BLS</td>
<td>Bureau of Labor Statistics</td>
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<td>BVI</td>
<td>German Investment and Asset Management Association</td>
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<td>CAFR</td>
<td>Comprehensive Annual Financial Report</td>
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<td>CAMS</td>
<td>Consumption and Activities Mail Survey</td>
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<td>CB</td>
<td>cash balance</td>
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<td>CCBR</td>
<td>Composite Corporate Bond Rate</td>
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<td>CD</td>
<td>certificate of deposit</td>
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<td>CEIOPS</td>
<td>Committee of European Insurance and Occupational Pensions Supervisors</td>
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<tr>
<td>CEX</td>
<td>Consumer Expenditure Survey</td>
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<td>CPI</td>
<td>Consumer Price Index</td>
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<td>CPS</td>
<td>Current Population Survey</td>
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<td>CRR</td>
<td>Center for Retirement Research</td>
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<td>CRS</td>
<td>Congressional Research Service</td>
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<td>CRSP</td>
<td>Center for Research in Security Prices</td>
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<td>CWHS</td>
<td>Continuous Work History Sample</td>
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<td>DB</td>
<td>defined benefit</td>
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<td>DC</td>
<td>defined contribution</td>
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<td>DFG</td>
<td>German Science Foundation</td>
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<td>DOL</td>
<td>US Department of Labor</td>
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<td>DYNASIM3</td>
<td>Urban Institute’s dynamic microsimulation model</td>
</tr>
</tbody>
</table>
List of Abbreviations

EBRI Employee Benefit Research Institute
EIN Employer Identification Number
EIOPA European Insurance and Occupational Pensions Authority
EOY End-of-Year
EPS earnings per share
ERA early retirement age
ERISA Employee Retirement Income Security Act
EU European Union
FIP Funding Improvement Plan
FPL federal poverty level
FRA full retirement age
FRB Board of Governors of the Federal Reserve System
GDP gross domestic product
GNP Gross National Product
HCE highly compensated employee
HRS Health and Retirement Study
ICI Investment Company Institute
IRA individual retirement account
IRC Internal Revenue Code
IRS Internal Revenue Service
LRA late retirement age
MPPAA Multiemployer Pension Plan Amendments Act
MRRC Michigan Retirement Research Center
NAR National Association of Realtors
NASDAQ National Association of Securities Dealers Automated Quotations
NBER National Bureau of Economic Research
Netspar Network for Studies on Pensions, Aging and Retirement
NIA National Institute on Aging
NRA normal retirement age
NYSE New York Stock Exchange
OASDI Old Age, Survivors, and Disability Insurance
OECD Organisation for Economic Co-operation and Development
OTC over-the-counter
## List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>PBGC</td>
<td>Pension Benefit Guaranty Corporation</td>
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<td>PBO</td>
<td>Pension Benefit obligation</td>
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<td>PEBES</td>
<td>Personal Earnings and Benefit Estimate Statement</td>
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<td>PEP</td>
<td>Pension equity plan</td>
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<td>Pew</td>
<td>Pew Center on the States</td>
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<td>PIA</td>
<td>primary insurance amount</td>
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<td>PIMS</td>
<td>Pension Insurance Modeling System</td>
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<td>PPA</td>
<td>Pension Protection Act</td>
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<td>PRA</td>
<td>Pension Relief Act</td>
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<td>PSCA</td>
<td>Profit Sharing/401k Council of America</td>
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<td>PSID</td>
<td>Panel Study of Income Dynamics</td>
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<td>QC</td>
<td>quarter of coverage</td>
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<td>RCS</td>
<td>Retirement Confidence Survey</td>
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<td>RRC</td>
<td>Retirement Research Consortium</td>
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<td>S&amp;P</td>
<td>Standard &amp; Poor’s</td>
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<td>SCF</td>
<td>Survey of Consumer Finances</td>
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<td>SEC</td>
<td>Securities Exchange Commission</td>
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<td>SER</td>
<td>Summary Earnings Record</td>
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<td>SIPP</td>
<td>Survey of Income and Program Participation</td>
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<td>SSA</td>
<td>Social Security Administration</td>
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<td>SSAB</td>
<td>Social Security Advisory Board</td>
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<td>SSI</td>
<td>supplemental security income</td>
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<td>SZW</td>
<td>Netherlands Ministry of Social Affairs and Employment</td>
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<td>TDF</td>
<td>target-date fund</td>
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<td>WHO</td>
<td>World Health Organization</td>
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<td>WRERA</td>
<td>Worker, Retiree, and Employer Recovery Act</td>
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Notes on Contributors

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