



RETIREMENT SECURITY: 10 KEY MESSAGES September 2015

1. **Americans are deeply worried about retirement.** Some 86 percent say that the nation faces a retirement crisis, and 74 percent say they are worried about their retirement.ⁱ
2. **The average working household has virtually no retirement savings.** When all households are included— not just households with retirement accounts—the median retirement account balance is \$2,500. For near-retirement households, the median retirement account balance is \$14,500. Some 62 percent of working households age 55-64 have retirement savings less than one times their annual income, far below what Americans need to be self-sufficient in retirement.ⁱⁱ
3. **Americans' support for steady and reliable retirement income from a pension is high and growing.** In fact, 82 percent say a pension is worth having because it provides steady income that won't run out, while 67 percent of Americans indicate they would be willing to take less in pay increases in exchange for guaranteed income in retirement.ⁱⁱⁱ
4. **Americans express strong support for pensions for public employees.** More than eight out of ten— a vast majority of Americans—say that all employees, not just the public sector, should have a pension. Some 87 percent of Americans say pensions are a good way to recruit and retain qualified teachers, police officers and firefighters.^{iv}
5. **The vast majority of public pensions benefits are paid with investment income and employee contributions.** Nationally, only about 26 percent of pension benefits are paid from taxpayer contributions with the remainder paid by employee contributions and investment returns.^v But, only one-fourth of Americans understand that public employers pay for 25 percent or less of public pension costs.^{vi}
6. **Pensions are highly cost efficient.** Pensions can provide a given retirement benefit at about **HALF** the cost as a 401(k) account, because they pool longevity risk, achieve better returns by investing for the long term.^{vii}
7. **Pensions benefit expenditures provide important economic support to the economy** including more than \$943 billion in total economic output and 6.2 million jobs in the United States in 2012.^{viii}
8. **Pensions reduce the risk of elder poverty and reduce public assistance costs.** In 2010, older American households with pension income were 9 times less likely to fall into poverty than those who had no pension income. And, 4.7 million fewer poor and near-poor households and \$8 billion savings in public assistance were associated with households having pension income.^{ix}
9. **Pensions are an important tool for attracting and retaining skilled and qualified employees, particularly among the education profession.** Schools losing experienced teachers see school-wide impact on student performance. Recent studies indicate that pensions helped to retain teachers nationwide.^x
10. **Public pension are on the right track** despite financial pressures caused by the Wall Street crisis. Between 2009 and 2014, every state made changes to pension benefit levels, contribution rate structures, or both to achieve affordability, sustainability, and human resource goals.^{xi}

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- i [Pensions & Retirement Security 2015: A Roadmap for Policy Makers](#) | *Americans Views of the Retirement Crisis*. National Institute on Retirement Security, March 2015
- ii Ibid.
- iii Ibid.
- iv Ibid.
- v [Employee Contributions to Public Pension Plans](#), National Association of State Retirement Administrators, February 2015.
- vi Pensions and Retirement Security 2015, op.cit.
- vii [Still a Better Bang for the Buck: An Update on the Economic Efficiencies of DB Plans](#). National Institute on Retirement Security, December 2017.
- viii [Pensionomics 2014: Measuring the Economic Impact of Pension Expenditures](#). National Institute on Retirement Security, July 2014.
- ix [The Pension Factor 2012: The Role of Pensions in Reducing Elder Economic Hardships](#). National Institute on Retirement Security, July 2012.
- x [The Three Rs of Teacher Pension Plans](#). National Institute on Retirement Security, October 2011.
- xi [State & Local Fiscal Facts](#), Issued by Multiple Organization including NGA, NCSL, NASRA, NASBO, February 2015.