The Future of Retirement Security for American Workers

“Too Old to Work, and Too Young to Die”

-- Joe Glazer, 1956

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The American System of Retirement Security

SAVINGS
   (Workers)

PENSIONS
   (Employers)

SOCIAL SECURITY
   (Government)
Employers are Replacing Pensions with Savings Accounts

![DB vs. DC Graph]

**DB vs. DC**

- **% of Private Sector Employees in Defined Benefit Plans**
- **% of Private Sector Employees in Defined Contribution Plans**

**Graph Notes:**
- Y-axis: % of Private Sector Employees
- Lines represent percentage trends over time.
State Public Pension Threats

- **Three Alarms**: Direct privatization threat to public employee retirement security
- **Two Alarms**: Significant threat of undermining retirement benefits
- **One Alarm**: Potential threat through legislative uncertainty or funding shortfall
Principles of Retirement Security

- Every worker should be able to retire at 65 with at least 70 percent of pre-retirement income guaranteed for life.
- Financing equitably allocated among government, employers and workers.
- Retirement benefits should be portable.
- Pre-funded retirement assets should be professionally managed to assure maximum risk adjusted returns and minimize fees
- Participants in pre-funded plans should be represented in plan governance.
The Role of Unions in Retirement Security

- **SAVINGS** (Workers)
- **PENSIONS** (Employers)
- **SOCIAL SECURITY** (Government)
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