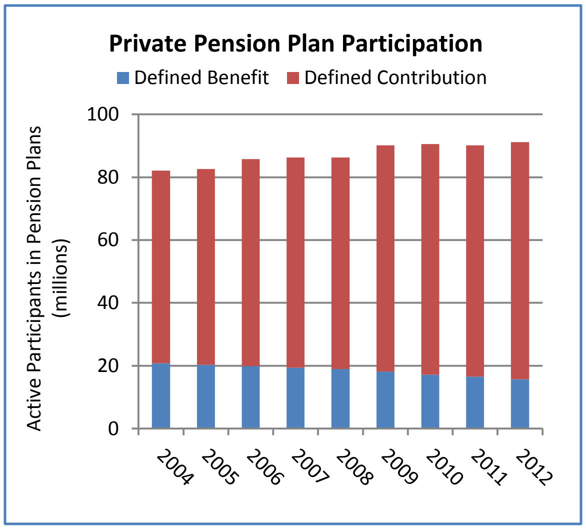
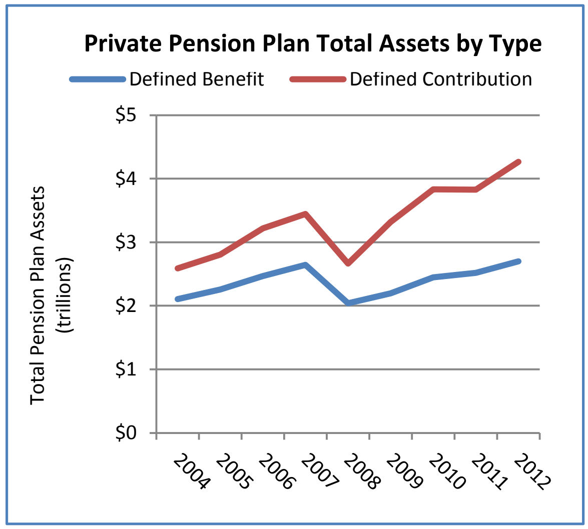
Recent Trends in Pension Plan Participation and Assets

The number of individuals in the U.S. with access to a pension plan is increasing, but the type of plan has shifted. For private sector companies, the trend has been away from defined benefit plans toward defined contribution plans. Defined benefit plans are typically funded by employer contributions and feature an annuity at retirement – a specified monthly payment for life. Defined contribution plans, in contrast, are typically funded mostly by employee contributions through payroll deductions; employees also typically choose their own investments and, after retirement, drawdown amounts and frequency of their withdrawals.





NOTES: Active participants include employees currently covered by a plan earning or retaining credited service. For small plans filing Form 5500-SF, the number of active participants includes active, retired, and separated vested participants, in addition to deceased participants whose beneficiaries are entitled to benefits. For defined contribution plans, the number of active participants includes all employees eligible for a plan, even those with no account balance. Data exclude "one participant" plans. Individuals who participate in multiple plans are counted in each plan. Asset values are affected by variation in financial markets. Years in the charts refer to plan year end dates.

SOURCE: Employee Benefits Security Administration (2014). Private Pension Plan Bulletin Historical Tables and Graphs, Tables E8 & E11
More details available at: EBSA Research Program

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