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## **NIRS letter to the New York Times: The real crisis is underfunded individual retirement accounts**

March 14, 2011

*The New York Times*

620 Eighth Avenue

New York, NY 10018

To the Editor:

With the nation heading towards a retirement security breakdown, it's puzzling that *The New York Times* continues to mis-portray public pensions. For example, the Center for Budget and Policy Priorities recently reported that decline in the funded status of public pensions is largely a result of the financial crisis; that the funding status will improve as the economy recovers; and that states have already made significant changes to their pensions to ensure long-term sustainability.

The *real* crisis is the woefully underfunded individual retirement accounts of some 78 million Baby Boomers. The Boston College Center for Retirement Research recently calculated that median household headed by a person aged 60 to 62 with a 401(k) account has less than 25% of what is needed to maintain its standard of living in retirement. Moreover, fewer and fewer private sector workers have access to pensions and face the burden of making sure their savings lasts a lifetime on their own. Having experiencing slumping account values, more than eight out of ten respondents to our recent public opinion survey say that America's retirement system is risky.

Our recent polling also shows that Americans are highly anxious about retirement, with a full 84% concerned about their ability to achieve a secure retirement. Interestingly, Americans generally see pensions as a key solution to relieving their retirement anxiety—81% believe all Americans should have access to a pension plan yet policymakers are devoting adequate attention to reforming retirement.

Rather than fueling a retirement race to the bottom, perhaps the paper could dedicate coverage to examining policy changes that could help reverse the trend of declining pension coverage for private sector workers.

Sincerely,

Diane Oakley Executive Director, National Institute on Retirement Security Washington, D.C.

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