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## **Center for Retirement Research Releases New Pension Data:**

### **Findings Show Impact of Stock Market Roller Coaster and Shift to 401(k)s**

The Center for Retirement Research at Boston College announces the release of new pension data drawn from the official returns that companies file with the U.S. Department of Labor. These new “Form 5500 data” provide unique details on private pension trends in 2001-2003. Currently, the official Labor Department tabulations are available only through 2000. According to Center Director Alicia H. Munnell, “these new data show us exactly what was happening at a tumultuous time for private pensions.”

The data — which cover all private plans with 100 or more participants — highlight three significant trends in the private pension world. First, the “perfect storm” of a plummeting stock market and low interest rates that hit traditional defined benefit plans earlier this decade caused contributions to triple from about \$30 billion to \$100 billion per year. Second, the stock market recovery that began in 2003 has fueled a substantial rebound in pension assets. During this recovery, assets in 401(k)-type plans outstripped the assets of traditional plans for the first time. Finally, further reflecting the growing dominance of 401(k)s, only about 10 percent of workers with pensions in 2003 were covered solely by a traditional plan while more than 60 percent had only a 401(k) or similar plan. The remaining 30 percent were covered by both types of plans .

This release is accompanied by an *issue in brief* with more details on pension trends, summary tables of the new pension data, and a technical appendix. Later this year, the Center will update these data to include the year 2004. And the Center plans to maintain this data series in the future for the benefit of the research and policy communities and the public.

### **About the Center**

The Center for Retirement Research at Boston College was established in 1998 through a grant from the Social Security Administration. The Center's mission is to produce first-class research and forge a strong link between the academic community and decisionmakers in the public and private sectors around an issue of critical importance to the nation's future. To achieve this mission, the Center sponsors a wide variety of

research projects, transmits new findings to a broad audience, trains new scholars, and broadens access to valuable data sources. Since its inception, the Center has established a reputation as an authoritative source of information on all major aspects of the retirement income debate.

### **About the Form 5500 Data**

Every year, pension plan sponsors are required to file a return with the U.S. Department of Labor. These returns, known as the Form 5500 series, contain detailed information about the plans' finances, participants, and administrators. The comprehensive nature of the Form 5500 series makes them a primary source for examining the state of the private pension world. To date, these data have been available only after a lengthy lag. For example, as of early 2006, official tabulations were only available up to 2000. The Center for Retirement Research initiative uses raw 5500 Form data to extend the tabulations to 2003 for pension plans with 100 or more participants