

ICI VIEWPOINTS

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In Reality, Data Tell a Different Story of Old Age in America

By Sarah Holden

The following ICI Viewpoints is a letter to the Washington Post by Sarah Holden, senior director of retirement and investor research, in response to an article published on September 30, 2017:

“[The New Reality of Old Age in America](#)” (September 30) portrays economic security in retirement by pairing anecdotes about workers who have fared poorly with selected statistics. Comprehensive data on how our system is working overall tell a far different story: America’s retirement system enables most of today’s retirees to maintain their standards of living.

A new analysis of IRS data shows that most [Americans either maintain or increase](#) their spendable income as they transition to retirement. A separate study by the Census Bureau shows that income for those over 65 is 30 percent higher than commonly cited government data suggest. And still another study comparing near-retirees over [successive generations](#) shows increasing pension wealth.

Consider how far we’ve come since 1975 when total retirement assets stood at \$469 billion. Today, Americans have saved more than \$26 trillion. Those assets are widely spread: Eight in 10 near-retiree households have retirement accumulations. The Organisation for Economic Co-operation and Development ranks the United States among the top five nations in retirement assets as a percentage of GDP.

These successes are the result of—not in spite of—changes in our retirement system. Social Security benefits have become more generous, and as employers have phased out traditional defined benefit (DB) plans, assets in DC plans and IRAs have grown to take their place.

Our retirement system is not perfect, but it is far stronger than it is often given credit for. We can make it stronger by portraying it accurately and building on its successes.

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