HOW DOES THE CHANGE FROM CORPORATE PLANS TO INDIVIDUAL INVESTMENT CHANGE RETIREMENT SECURITY?

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In keeping with Brookings independence, these are my own opinions and do not represent the views of Brookings, its trustees, management, employees, or its other scholars.
Employers responded to ERISA by abandoning traditional pensions.
Even within employer-provided plans, many investment & savings decisions have moved to individual employees.
In 1974, 73% of retirement savings were annuities or pensions that paid annuities.

Today, 75% of retirement savings are DC & IRAs. IRAs are becoming dominant.

Source: ICI
How well do individual investors make retirement choices?

- Asset Allocation / Product Choice
- Choice of Investment Manager
- Fees
- Savings Rate / Withdrawals
- Annuityization / Longevity Risk
How to Protect Individual Investors?
A Sampling of Regulatory Issues

What Conduct?

- Disclosure of fees
- Prohibition / disclosure of product-based commissions
- Marketing regulation?
- Product rating? Product regulation?

Who Regulates?