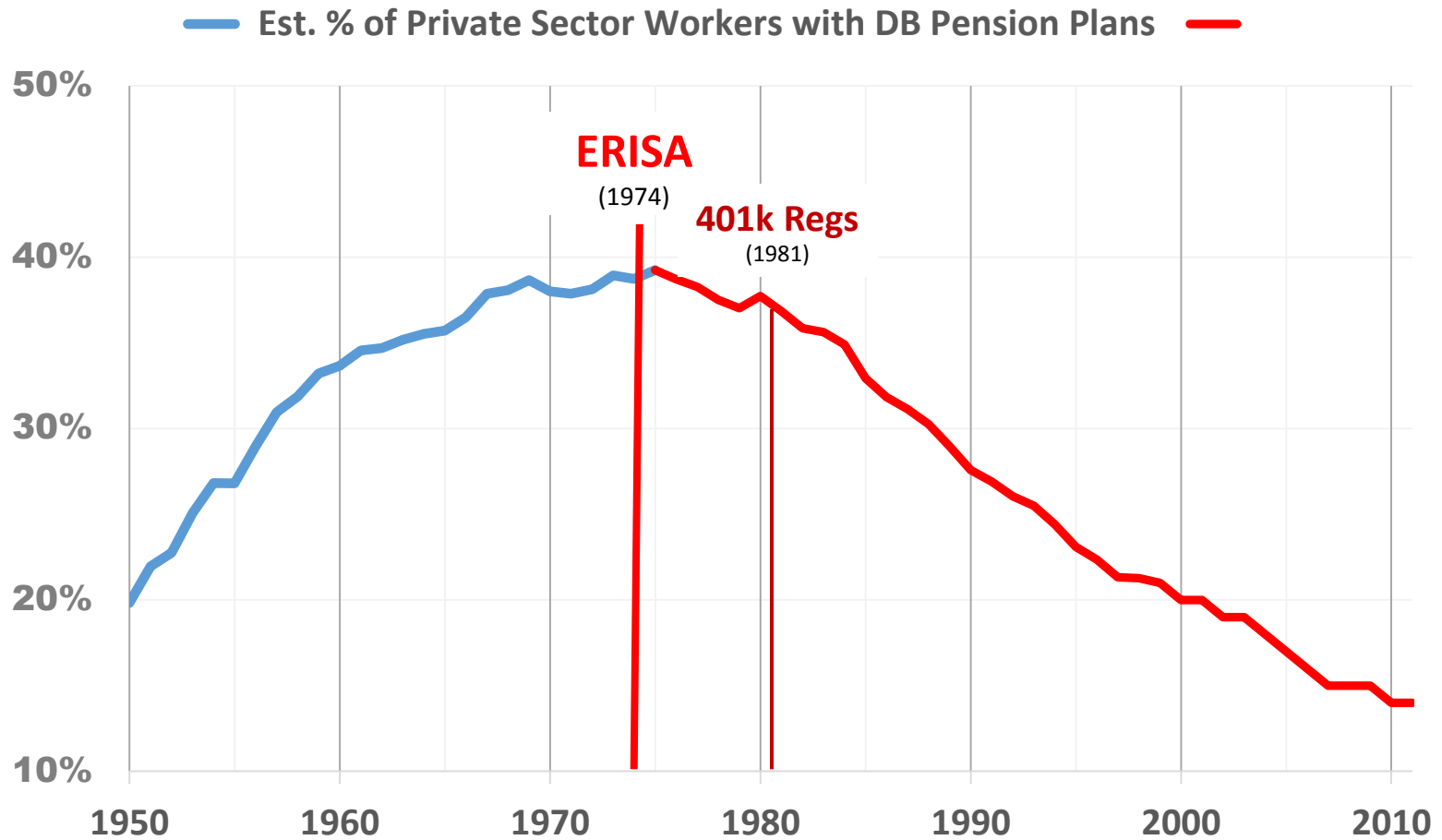


HOW DOES THE CHANGE FROM CORPORATE PLANS TO INDIVIDUAL INVESTMENT CHANGE RETIREMENT SECURITY?

Hon. Joshua Gotbaum
Brookings Retirement Security Project

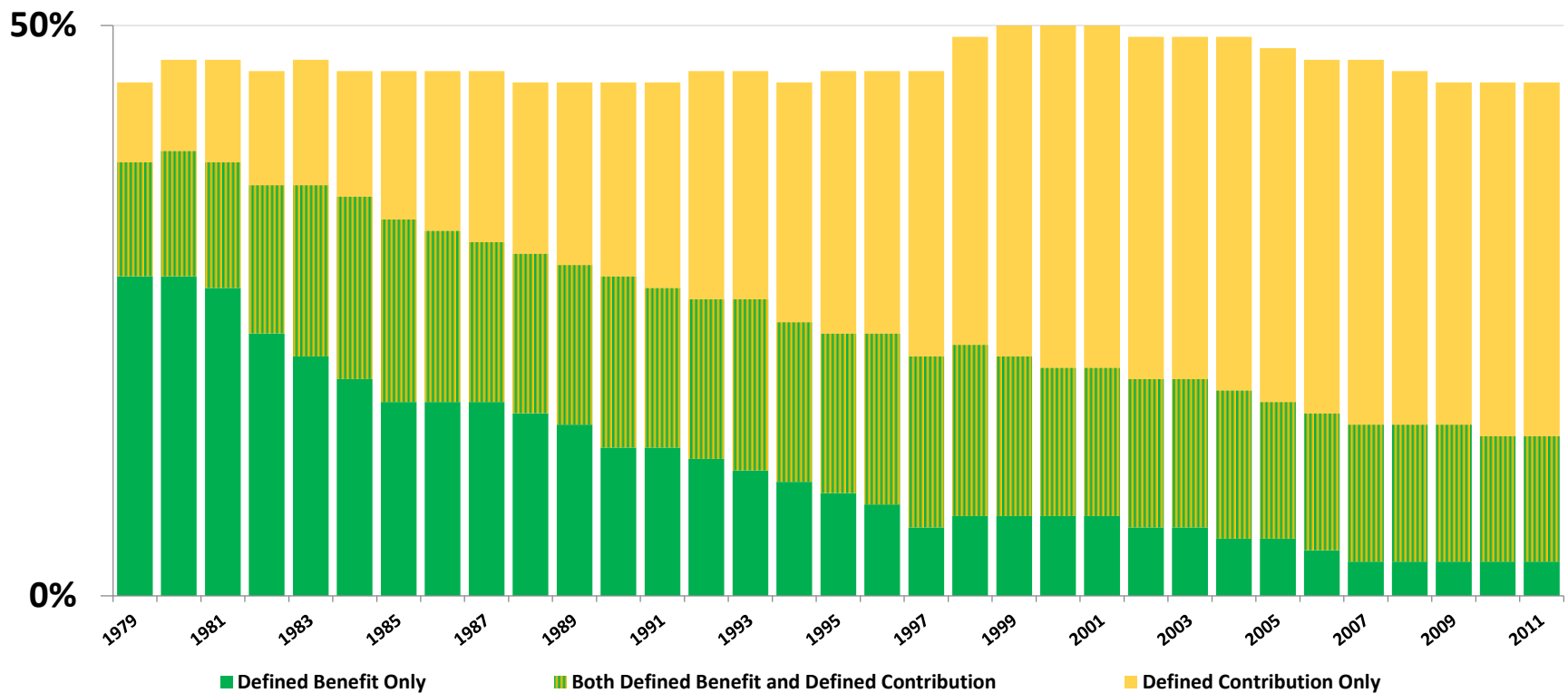
In keeping with Brookings independence, these are my own opinions and do not represent the views of Brookings, its trustees, management, employees, or its other scholars.

Employers responded to ERISA by abandoning traditional pensions



Source: SSA, BLS, EBRI, PBGC staff estimates

Even within employer-provided plans, many investment & savings decisions have moved to individual employees.

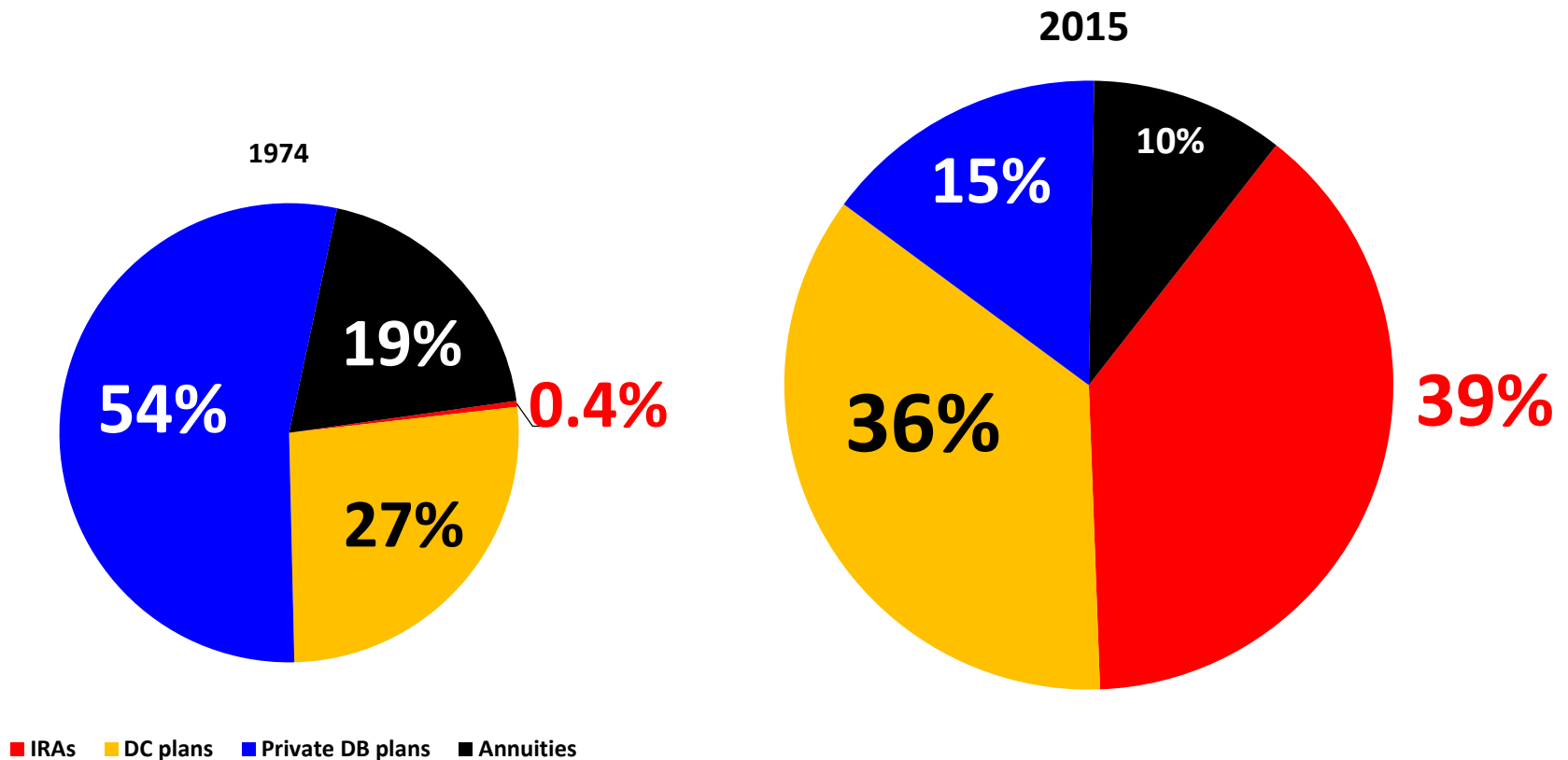


Percent of Private Wage & Salary Workers in Employer-Provided Retirement Plans

Source – EBRI

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

BROOKINGS

How well do individual investors make retirement choices?

- **Asset Allocation / Product Choice**
- **Choice of Investment Manager**
- **Fees**
- **Savings Rate / Withdrawals**
- **Annuitization / 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?

- **SEC? FINRA? DOL? IRS? CFPB?**