



Health and Financial Security for You And Your Family

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Agenda

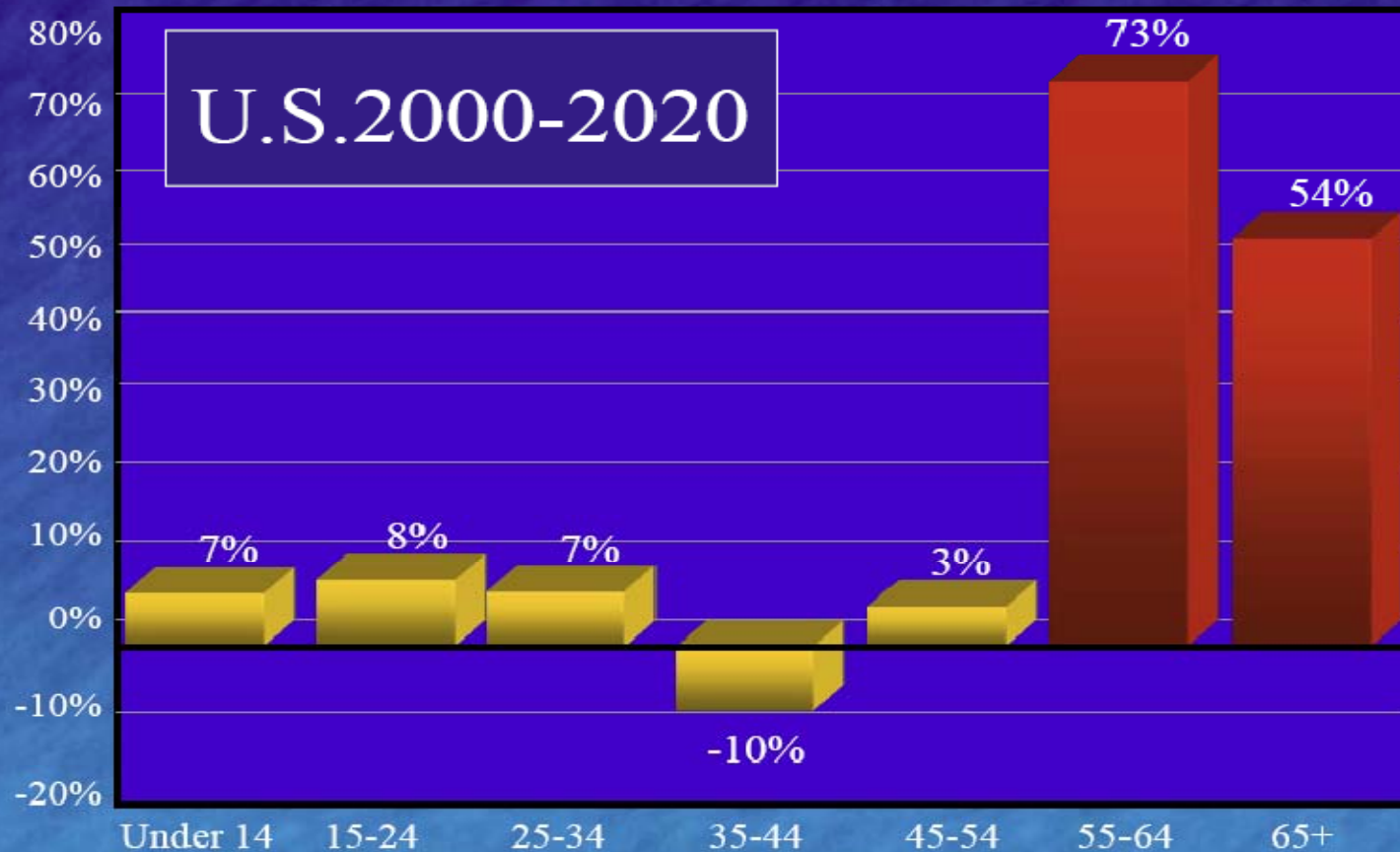
- Demographics as Destiny
 - Savings and Social Security
 - Health Care
 - Governing in a Storm
 - Conclusion
-

Life Expectancy at Birth



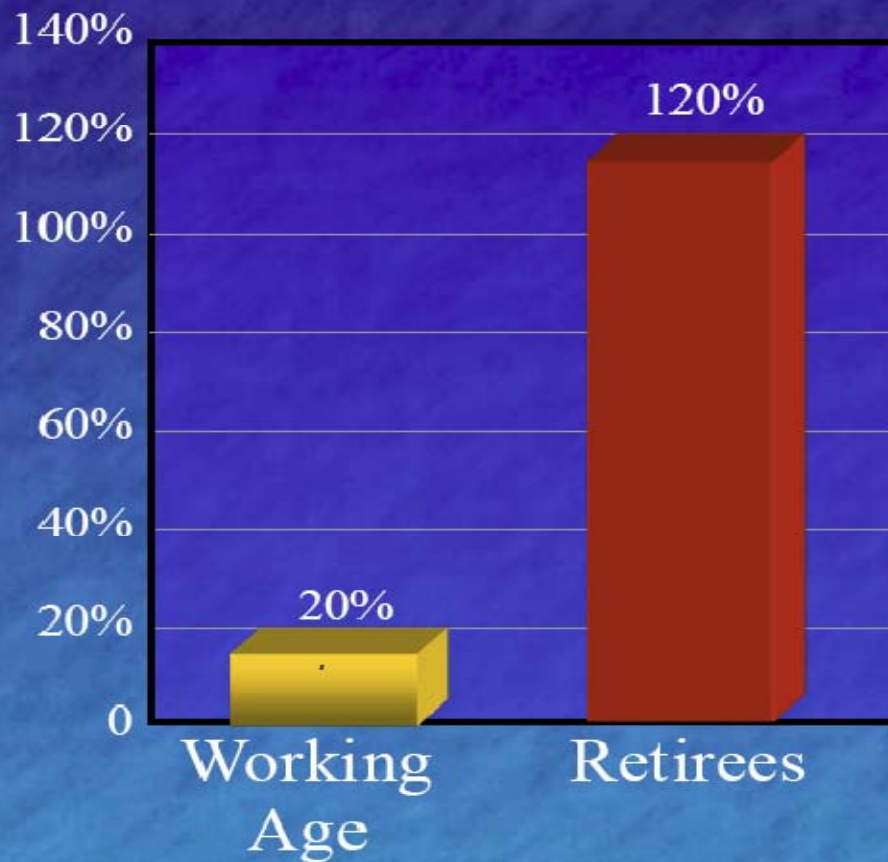
Source: Census Bureau, 2000

Change in Population Growth




Source: U.S. Census, 2000

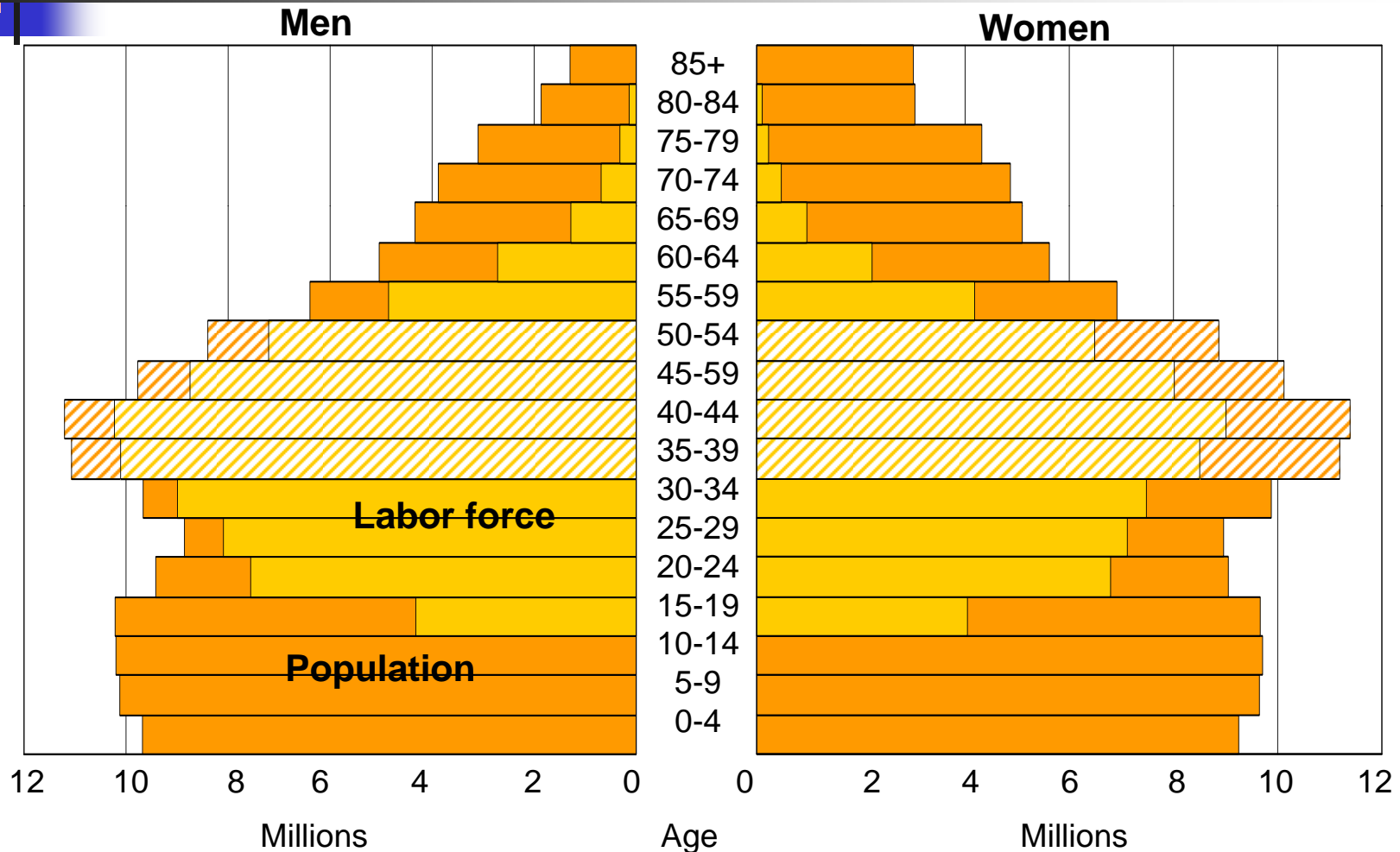
Population Growth 2005-2040



Source: "The Coming Crunch" Wall Street Journal, October 13, 2006

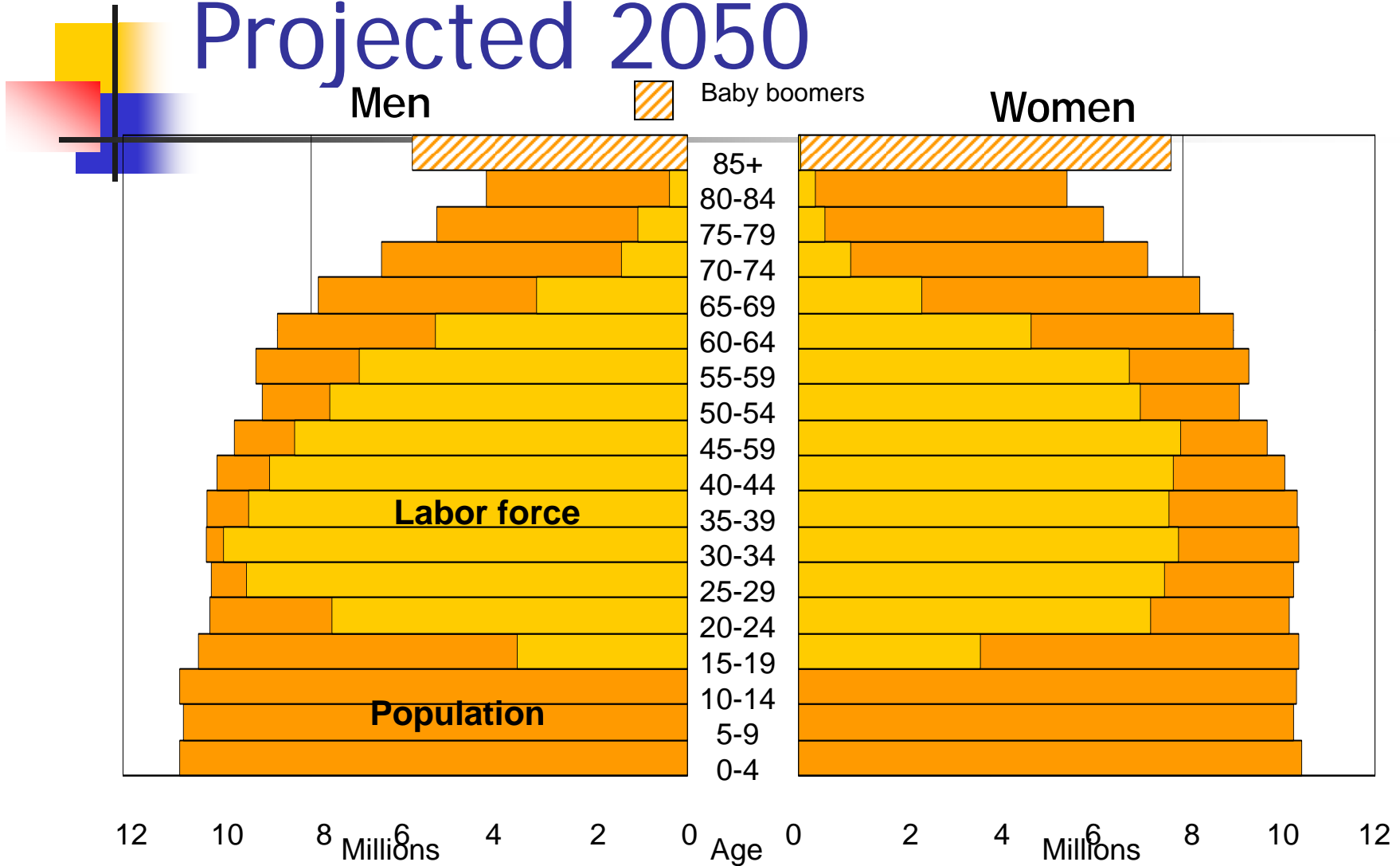
Population & Labor Force 2000

 Baby boomers



Source: Bureau of Labor Statistics.

Population and Labor Force, Projected 2050



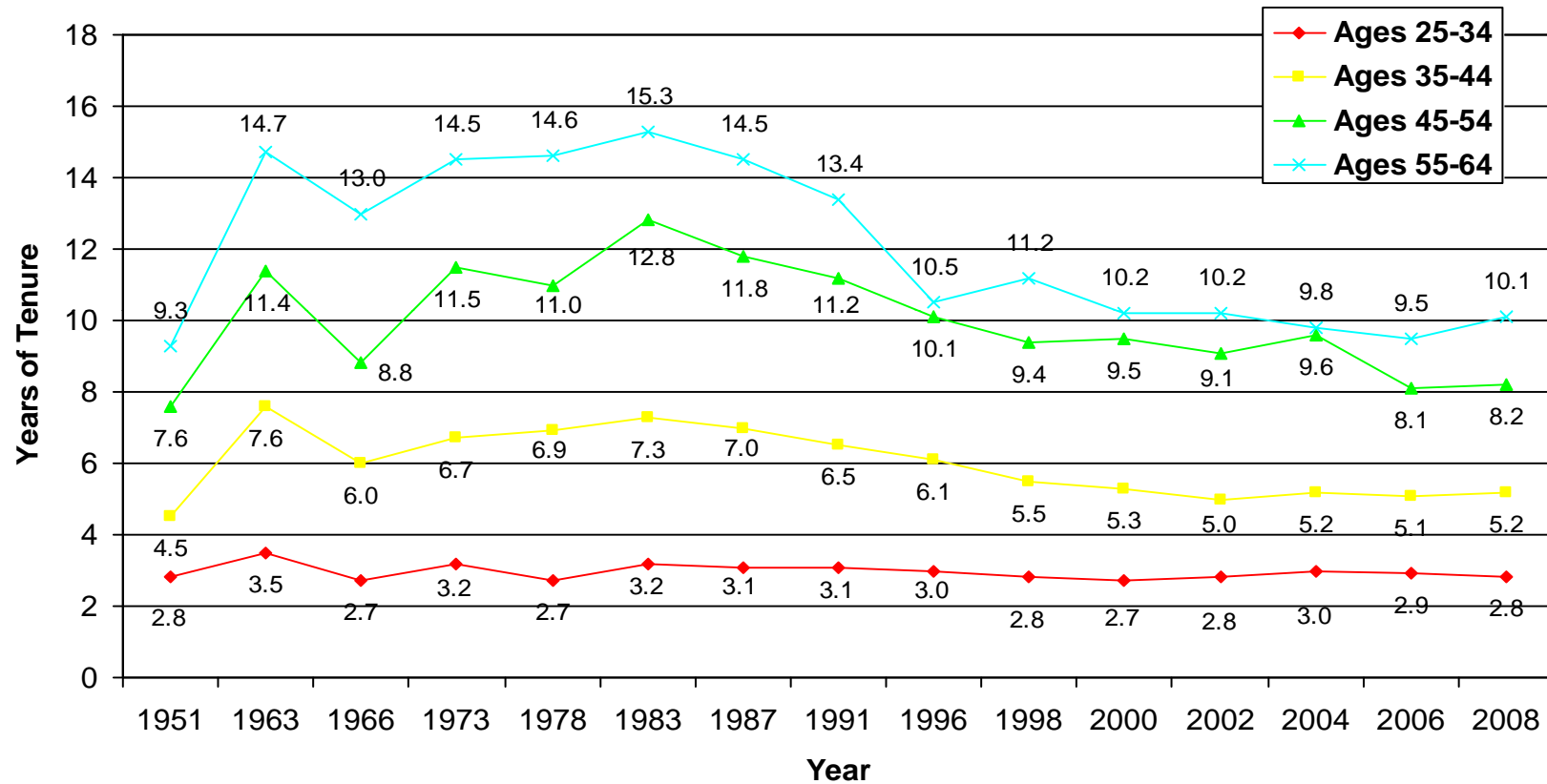
Source: Bureau of Labor Statistics.

Household Income Demands Financial Smarts

Year	Households 1000s	Under 15000	15000 24999	25000 34999	35000 49999	50000 74999	75000 99999	100000 And Over	Med Anl \$
1980	82,368	16.1%	13.2%	12.2%	16.8%	21.4%	10.8%	9.4%	42429
2007	116783	13.2%	11.6%	10.7%	14.1%	18.2%	11.9%	20.2%	50233

Job Turnover Has Always Been High

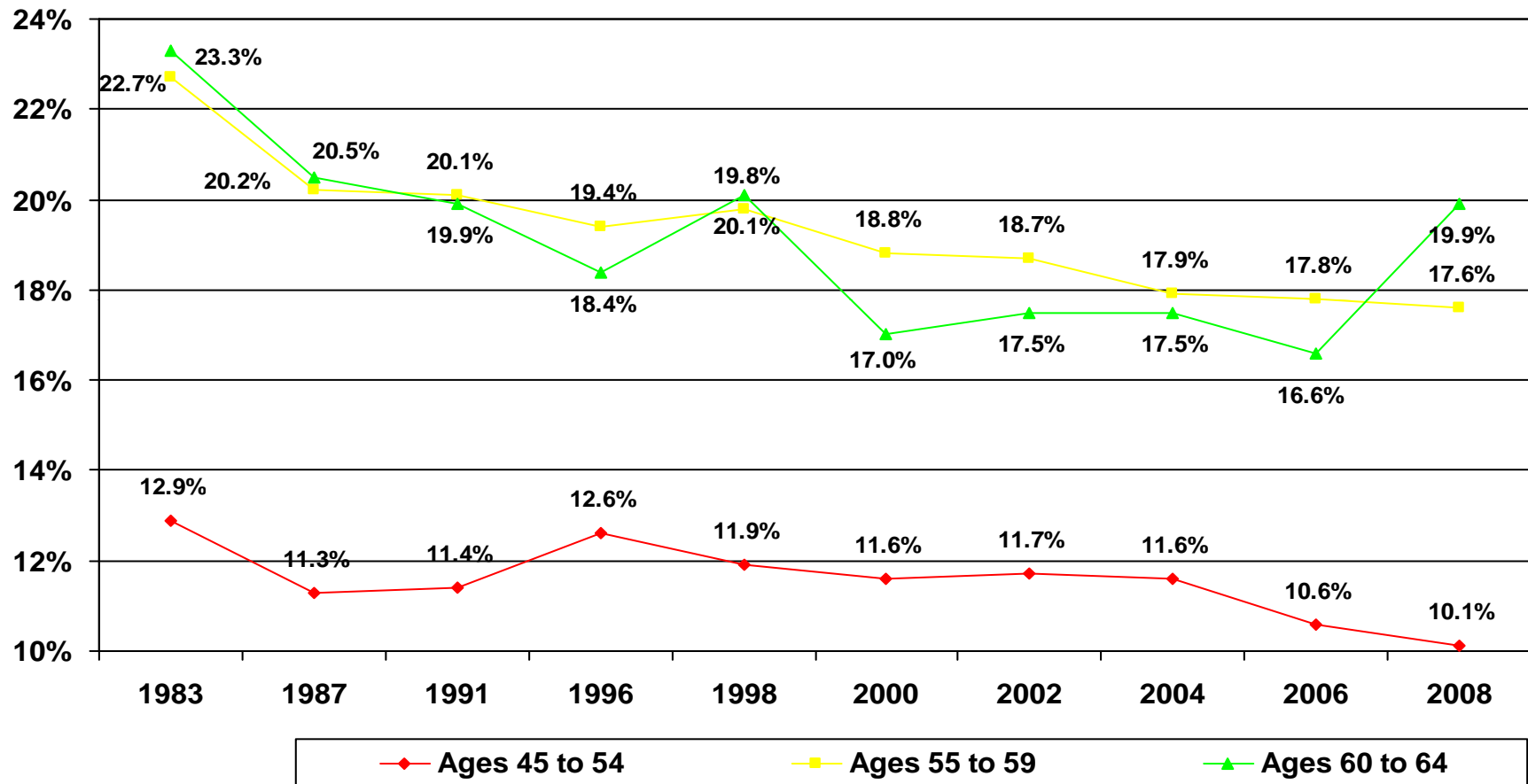
Male Prime-Age (25-64) Workers Median Tenure Trends, By Age, 1951-2008



Source: Data (for 1951, 1963, 1966, 1973, and 1978) from the Monthly Labor Review (September 1952, October 1963, January 1967, December 1974, and December 1979); from press releases (for 1983, 1987, 1991, 1996, 1998, 2000, 2002, 2004, 2006, 2008) from the U.S. Department of Labor, Bureau of Labor Statistics.

Long Tenure, A Gold Watch and a Pension Was for the Lucky 20%

Percentage of Wage and Salary Workers Ages 45-64 Who Had 25 or More Years of Tenure by Age, 1983-2008



Source: U.S. Department of Labor, Bureau of Labor Statistics, "Employee Tenure," and Employee Benefit Research Institute estimates from the January 2004, 2006, and 2008 Current Population Surveys.

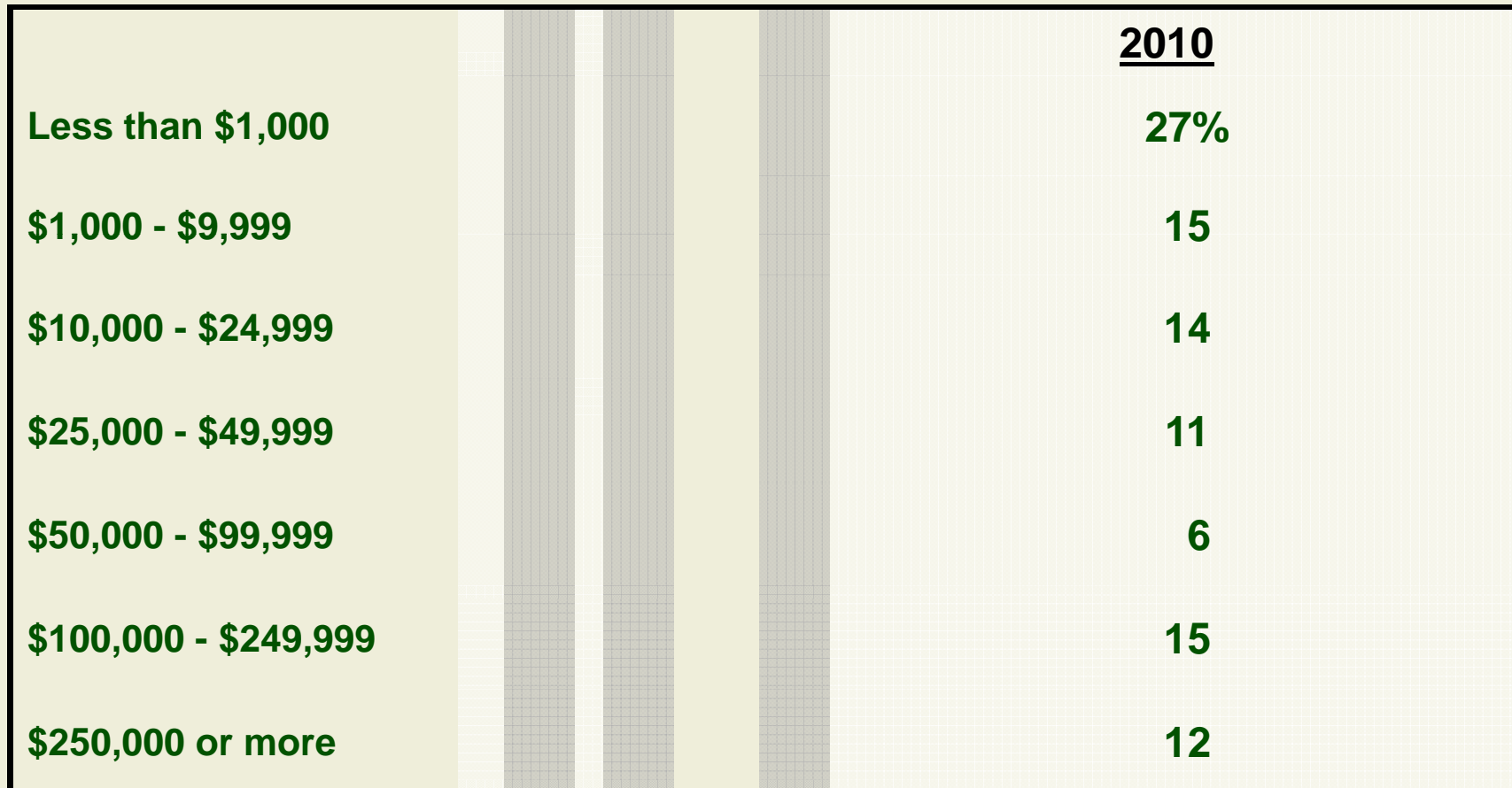
Worker savings are low.

In total, about how much money would you say you (and your spouse) currently have in savings and investments, not including the value of your primary residence? (2010 workers providing information n=748)

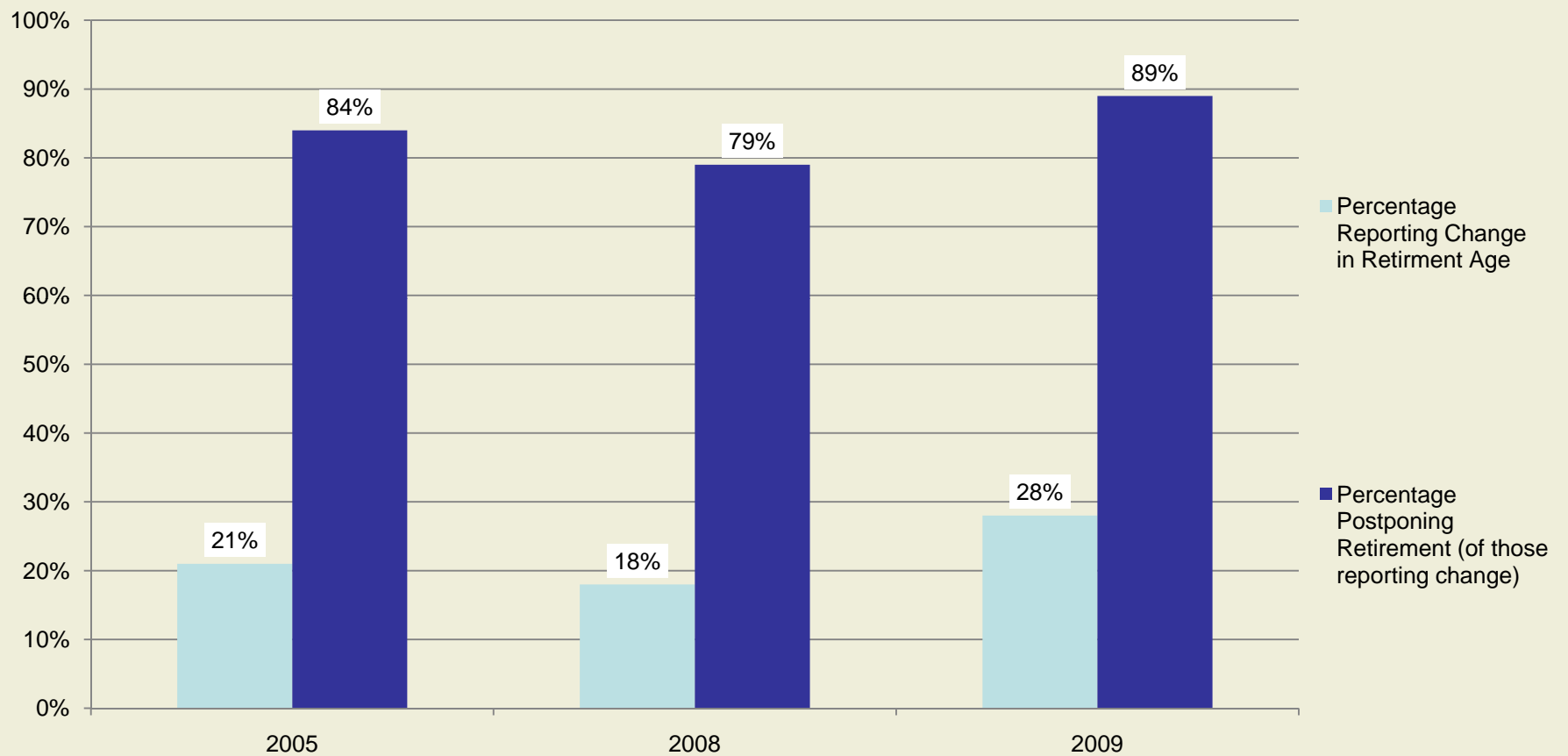


Retiree savings are low.

In total, about how much money would you say you (and your spouse) currently have in savings and investments, not including the value of your primary residence? (2010 retirees providing information n=169)



Percentage of Workers Reporting a Change in Retirement Age in the Past 12 Months



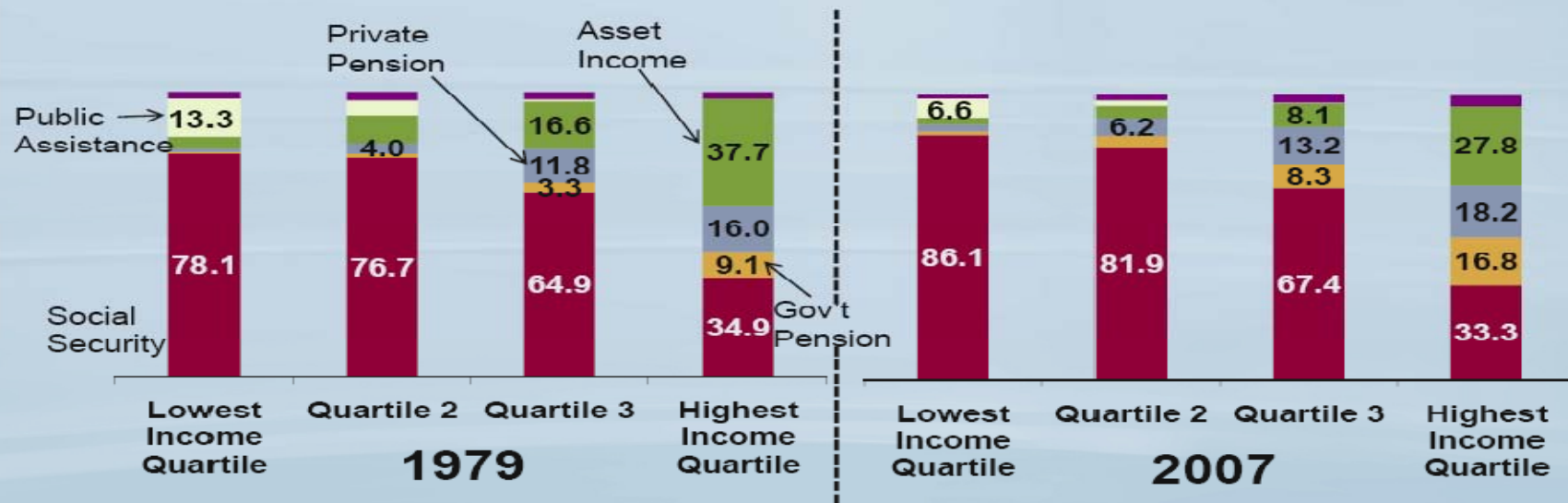
Source: Retirement Confidence Survey.

Result: Social Security Is An Essential Base To Allow Elderly Survival

Base To Allow Elderly Survival

Only Higher Income Get Substantial Amount from Other Sources

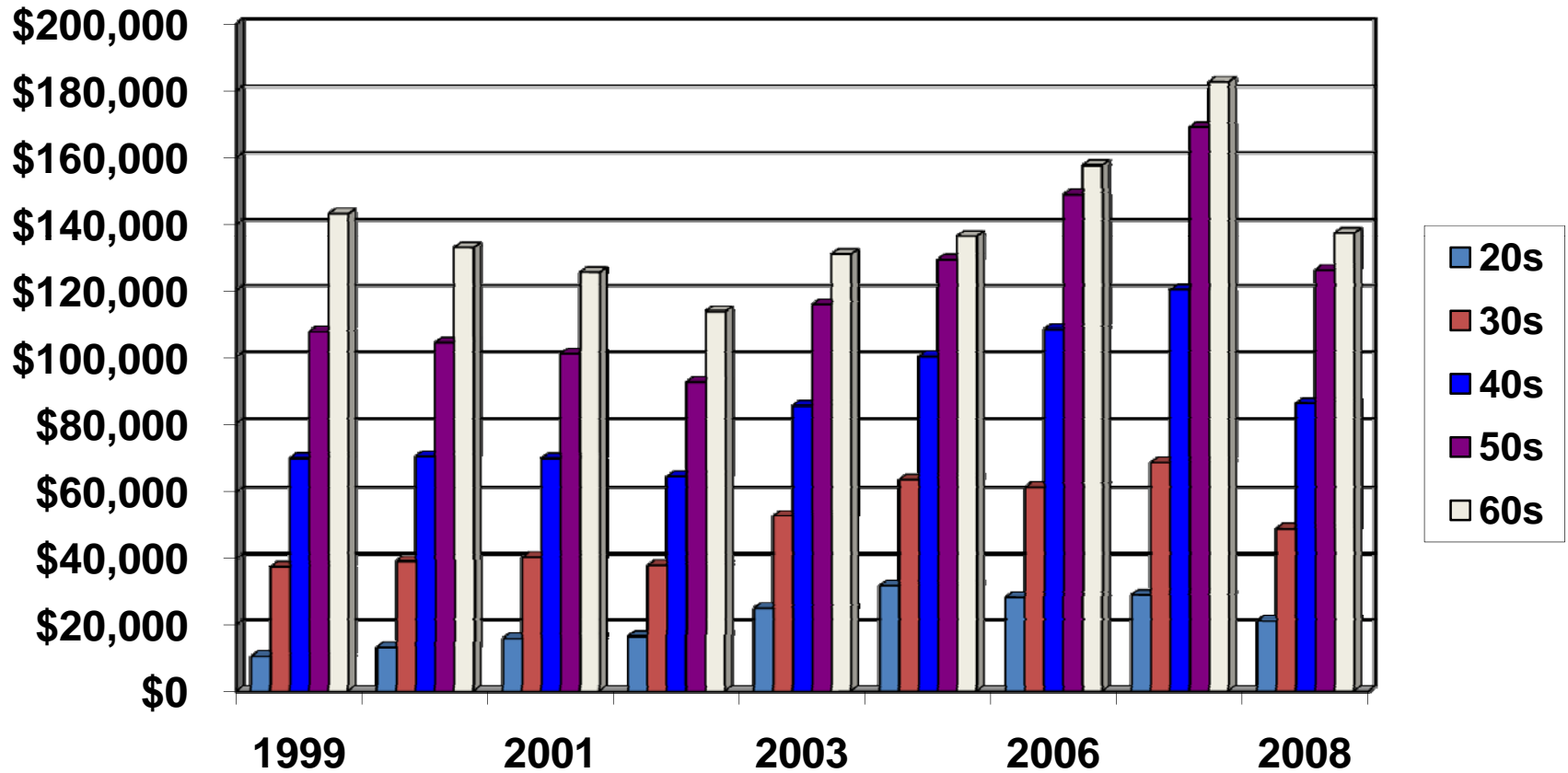
Percent of aggregate income of individuals by quartile, age 65 or older, did not work, 1979 & 2007



Source: Tabulations from March 1980 & March 2008 Current Population Survey.

You Can Build Assets – With Disciplined Savings

Average Account Balance Among Continuous 401(k) Participants from Year-End 1999
Through Year-End 2008 by Age



Source: EBRI Tabulations from EBRI/ICI 401(k) Database

Save Before You Spend

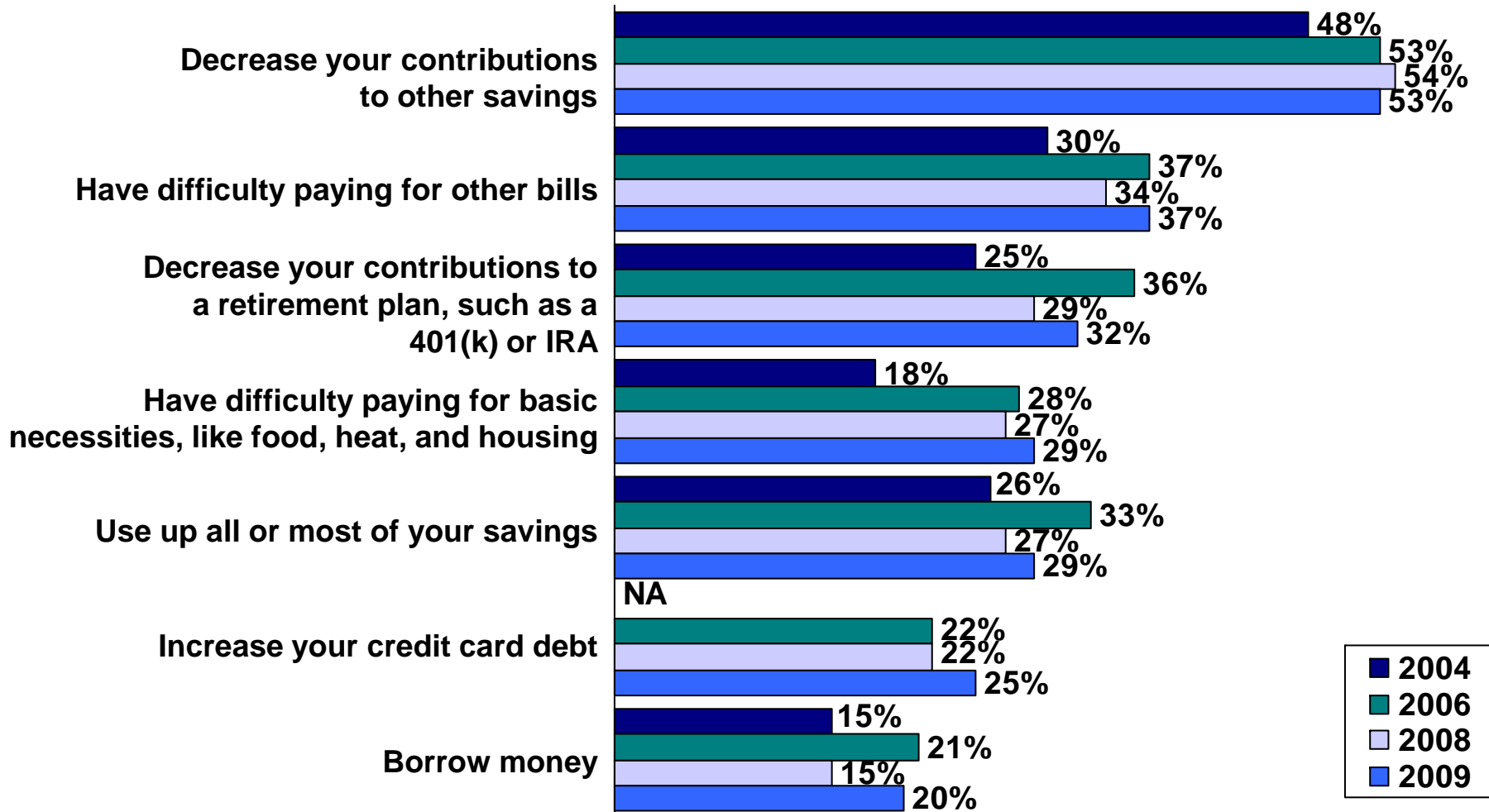
Spend Less Than You Earn



Increased spending on health care most often results in decreased contributions to savings.

Has increased spending on health care expenses in the past year caused you to do any of the following? Among those with coverage who had increases in health care costs in the last year (2009 n=484)

Percentage Saying Yes

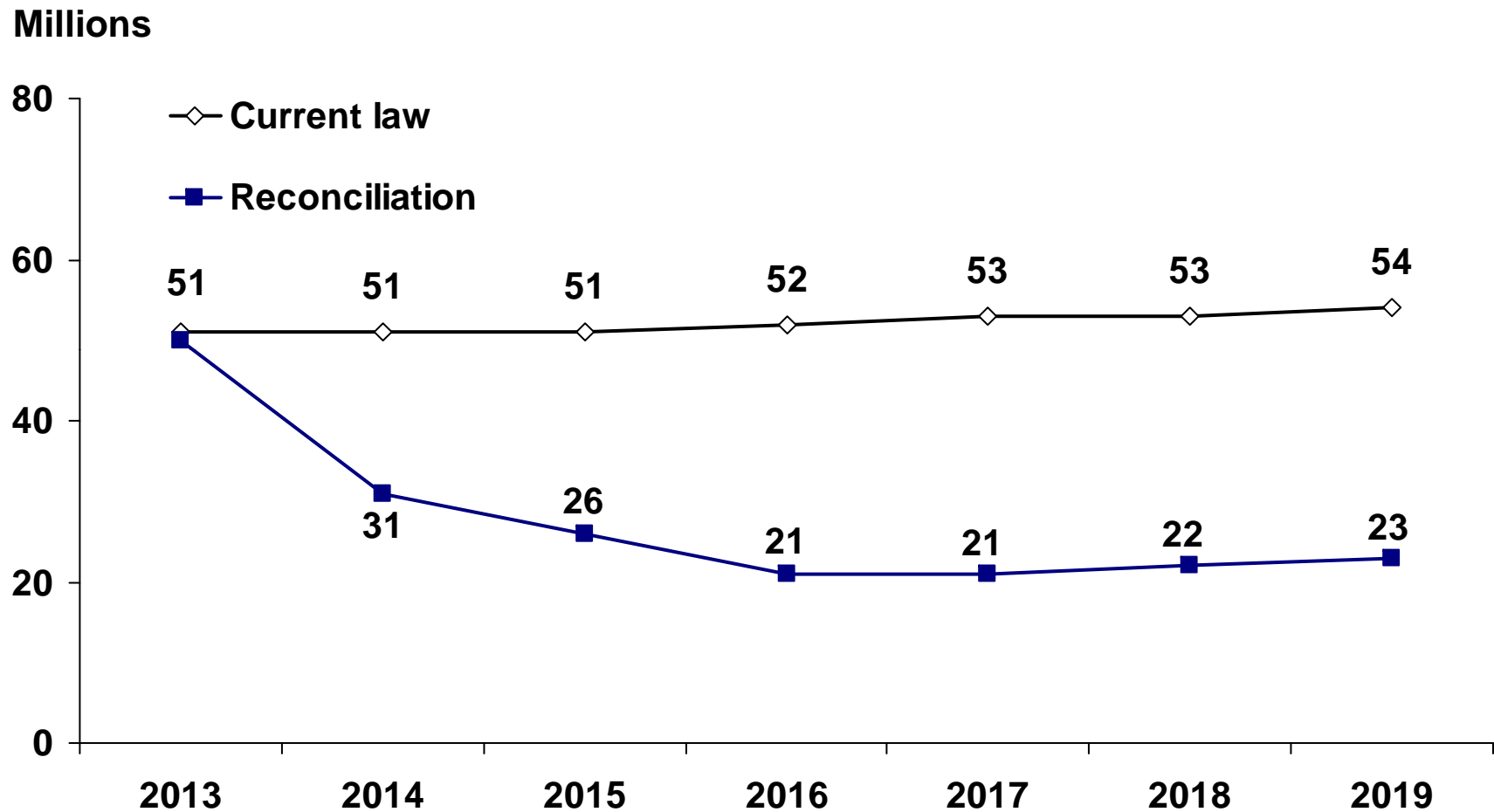


Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, 2004–2009 Health Confidence Surveys

Health Care



Figure 20. Trend in the Number of Uninsured Nonelderly, 2013–2019 Under Current Law and Reconciliation bill

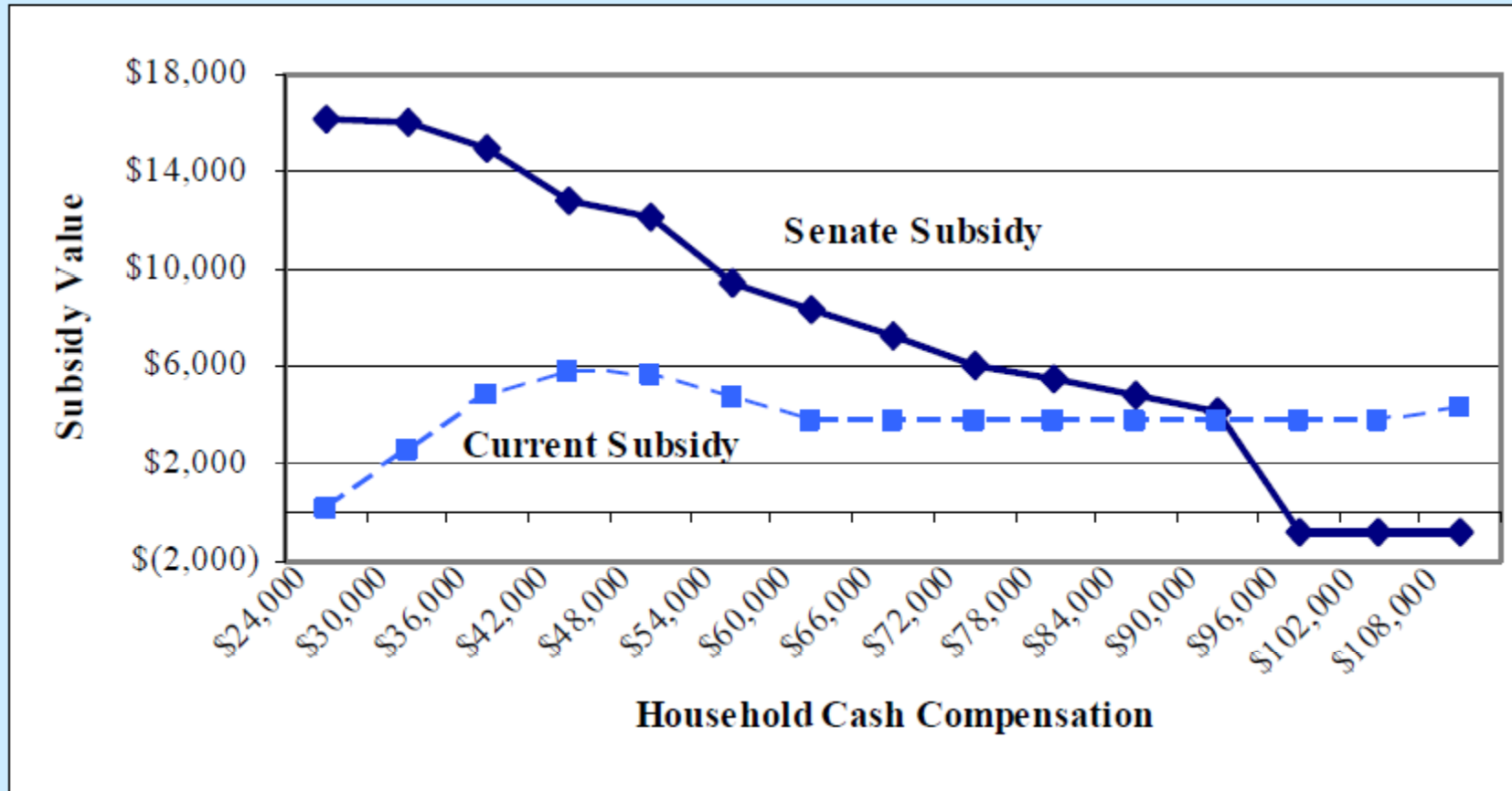


Note: The uninsured includes unauthorized immigrants. With unauthorized immigrants excluded from the calculation, nearly 94% of legal nonelderly residents are projected to have insurance under the Reconciliation proposal.

Source: S. R. Collins, K. Davis, J. L. Nicholson, S. D. Rustgi, and R. Nuzum, *The Health Insurance Provisions of the 2009 Congressional Health Reform Bills: Implications for Coverage, Affordability, and Costs*, (New York: The Commonwealth Fund, January 2010); The Congressional Budget Office Cost Estimate of H.R. 4872, Reconciliation Act of 2010, Mar. 20, 2010, <http://www.cbo.gov/doc.cfm?index=11379>

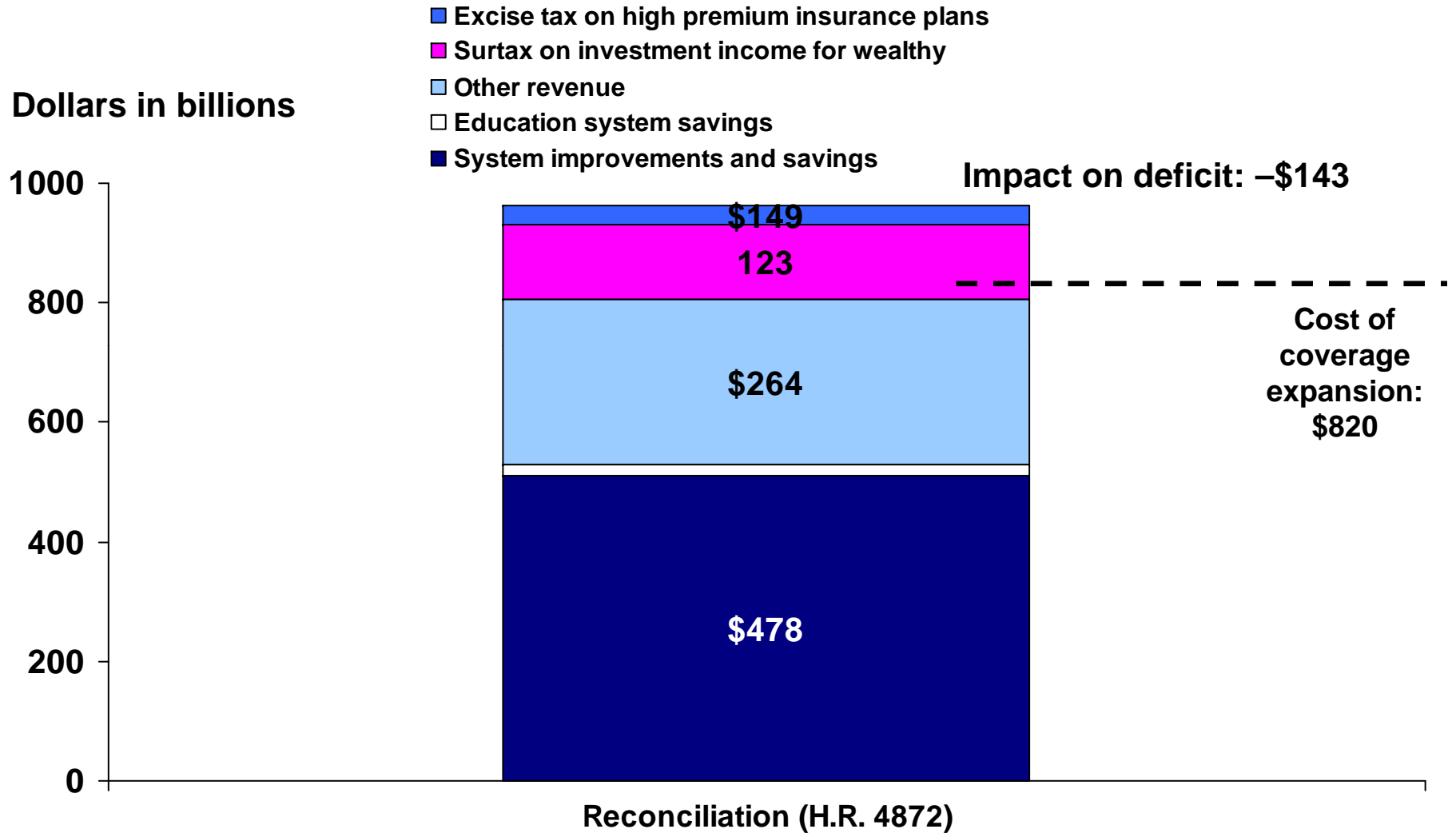


Who wins and who loses?



Source: C. Eugene Steuerle and Stephanie Rennane, Urban Institute 2009. Authors calculations based on data from CBO, November, 2009

Figure 22. Proportions of System Savings and New Revenue in Senate and Reconciliation Bills

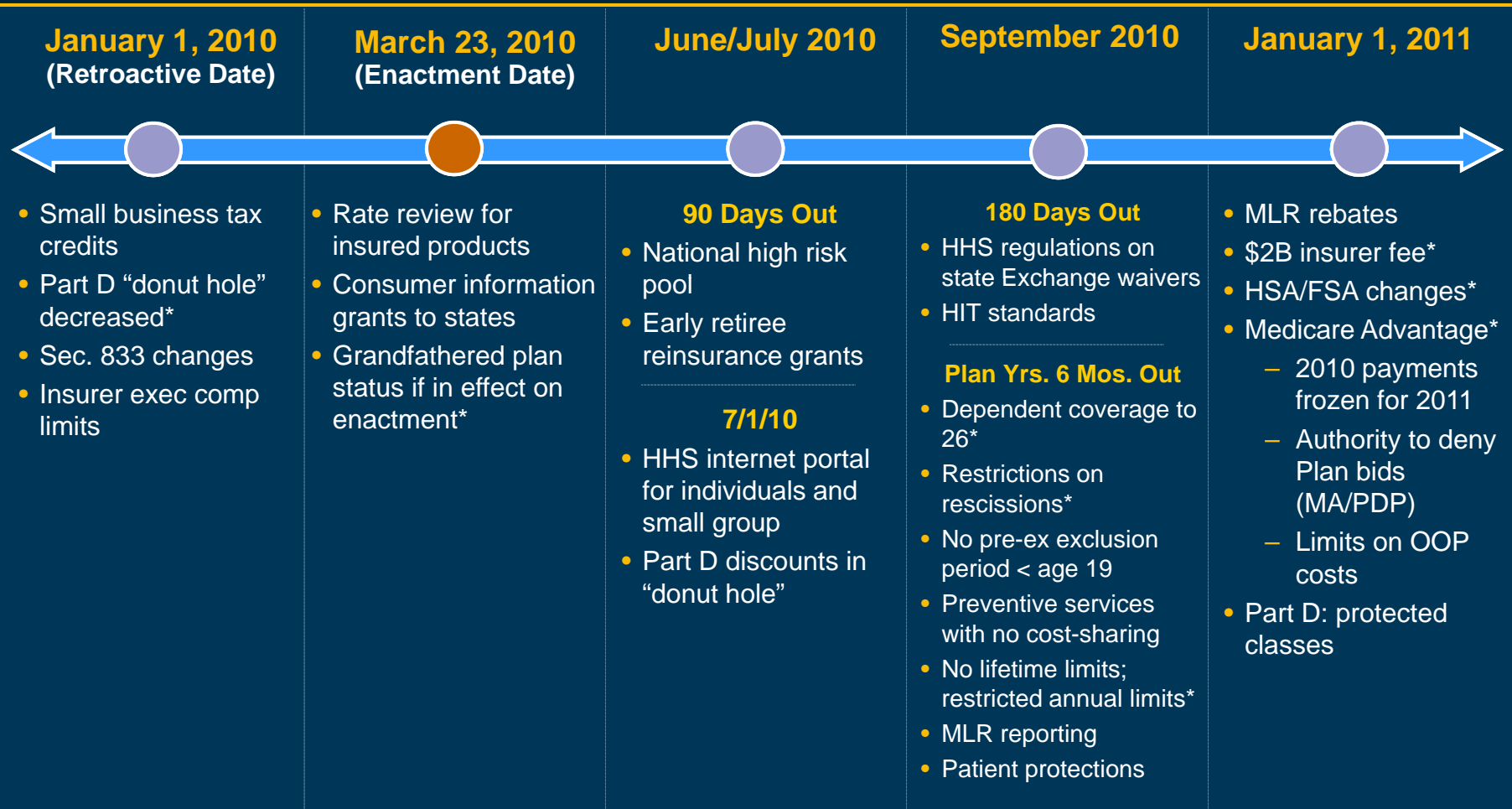


Note: Totals do not reflect net impact on deficit because of rounding.

Source: The Congressional Budget Office Cost Estimate of the Patient Protection and Affordable Care Act As Passed by the Senate, Mar. 11, 2010, <http://www.cbo.gov/doc.cfm?index=11307>, and the Joint Committee on Taxation Estimated Revenue Effects of the "Patient Protection and Affordable Care Act" as passed by the Senate, Mar. 11, 2010, JCX-10-10. The Congressional Budget Office Cost Estimate of H.R. 4872, Reconciliation Act of 2010, Mar. 20, 2010, <http://www.cbo.gov/doc.cfm?index=11379>, and the Joint Committee on Taxation Estimated Revenue Effects of H.R. 4872, the "Reconciliation Act of 2010", in Combination with the Revenue Effects of H.R. 3590, the "Patient Protection and Affordable Care Act", scheduled for consideration by the House Committee on Rules, Mar. 20, 2010, JCX-17-10.



Many Reforms Are Effective in 2010-2011



* Indicates Effective Date and/or Provision Subject to Change If Reconciliation Bill Enacted

"6-Month" Reforms: Insurance Reforms

PPACA imposes several significant new requirements effective plan years 6 months after enactment

	New Plans			Grandfathered Plans		
	Insured		Self-Funded	Insured		Self-Funded
	Indiv.	Group		Indiv.	Group	
Lifetime Limits: Prohibits lifetime dollar limits	✓	✓	✓	R	R	R
Annual Limits: Restricts annual dollar limits on essential health benefits to HHS-defined amount until 2014; prohibited in 2014	✓	✓	✓		R	R
Children's Pre-Ex: Prohibits pre-existing condition waiting periods for children under age 19	✓	✓	✓			
Dependent Age: Requires allowing dependents to remain on coverage until age 26	✓	✓	✓	R	R*	R*
Preventive Care: Requires specified preventive care services and immunizations set by USPSTF and others	✓	✓	✓			
Rescissions: Prohibited unless fraud or intentional misrepresentation	✓	✓	✓	R	R	R

"R" is for proposed changes in the House-passed reconciliation bill

* For plan years before 2014, grandfathered group plans only would have to offer extended coverage if the dependent was not eligible for other group coverage

Key Focus: Working with HHS/DOL on good faith compliance

"6-Month" Patient Protections

PPACA imposes several new requirements effective plan years 6 months after enactment

	New Plans			Grandfathered Plans
	Insured*		Self-Funded	
	Indiv.	Group		
Internal Appeals: Initially requires processes consistent with state law/ERISA, but allows HHS/DOL to update; allows enrollees to review files, present evidence/testimony and continue coverage pending appeal	✓	✓	✓	Provisions do not apply to grandfathered plans
External Appeals: Generally requires compliance with standards meeting NAIC's External Review Model Act	✓	✓	✓	
Emergency Services: Requires same cost-sharing in/out of network, coverage without pre-auth, and prudent layperson	✓	✓	✓	
PCP/Pediatrician Choice: Requires choice of any participating PCP accepting new patients; choice of pediatrician	✓	✓	✓	
OB/GYN Access: Requires direct access to OB/GYNs for female enrollees	✓	✓	✓	

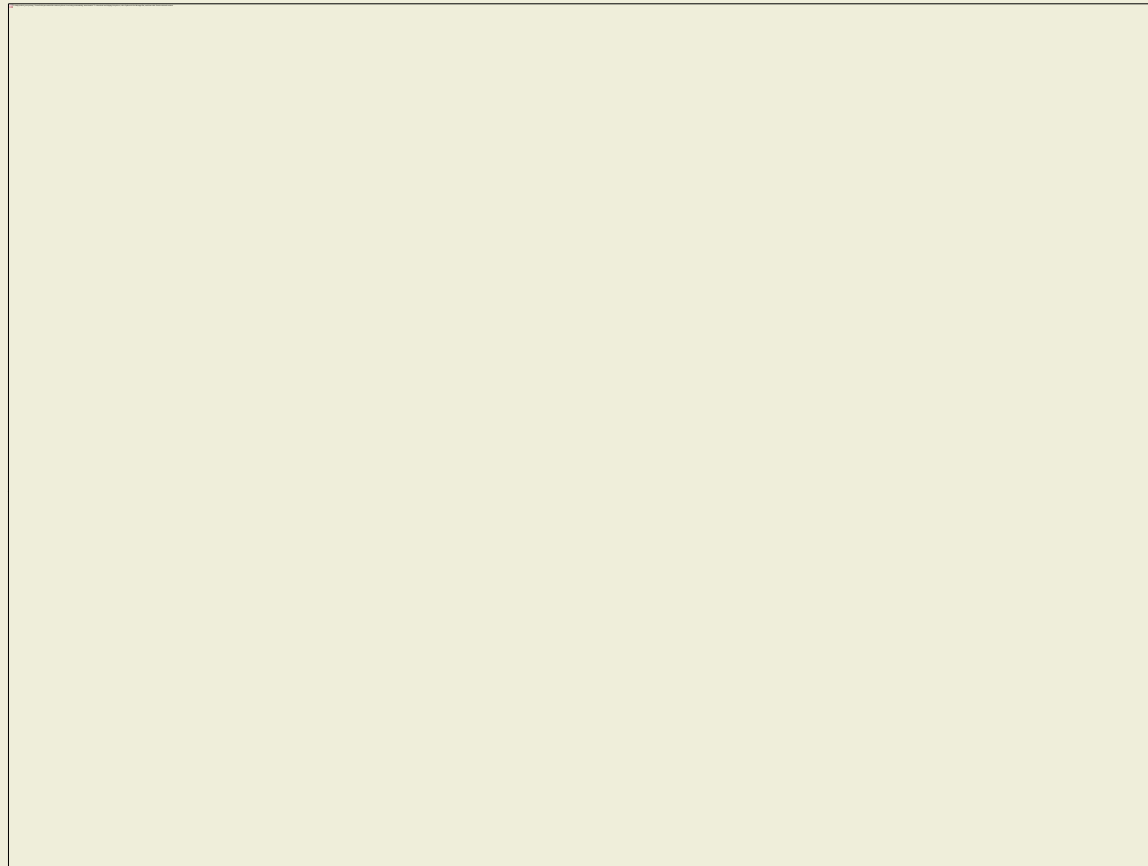
* Note: Many states already have similar patient protection requirements for insured plans

Key Focus: Working with HHS/DOL on good faith compliance

HHS Web Portal

- **HHS will implement web portal to help individuals and small employers identify affordable coverage**
 - Portal must be operational as of July 1, 2010
 - Provides information on public and private insurance options
 - Standardized templates – required 60 days after enactment
- **Portal likely to include information on:**
 - Availability
 - Premiums
 - Benefits/cost-sharing
- **HHS development already under way**
 - Likely to focus on individual market
 - HHS now evaluating what plan data is available

Key Focus: Continue working with HHS on implementation

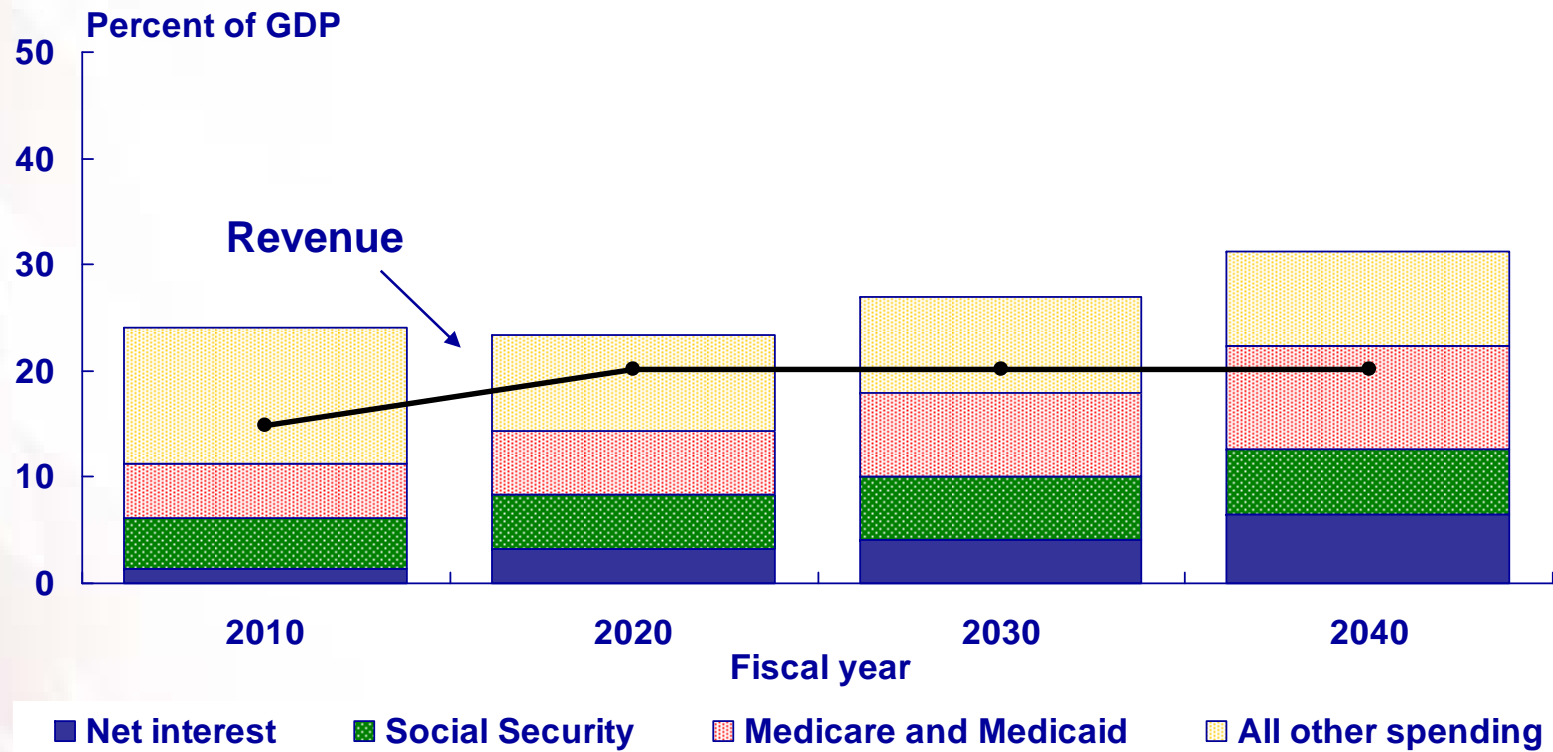


Governing In A Storm

The long term fiscal situation along with ideological splits assure a stormy future.

Potential Fiscal Outcomes

Revenues and Composition of Spending Under Baseline Extended Simulation

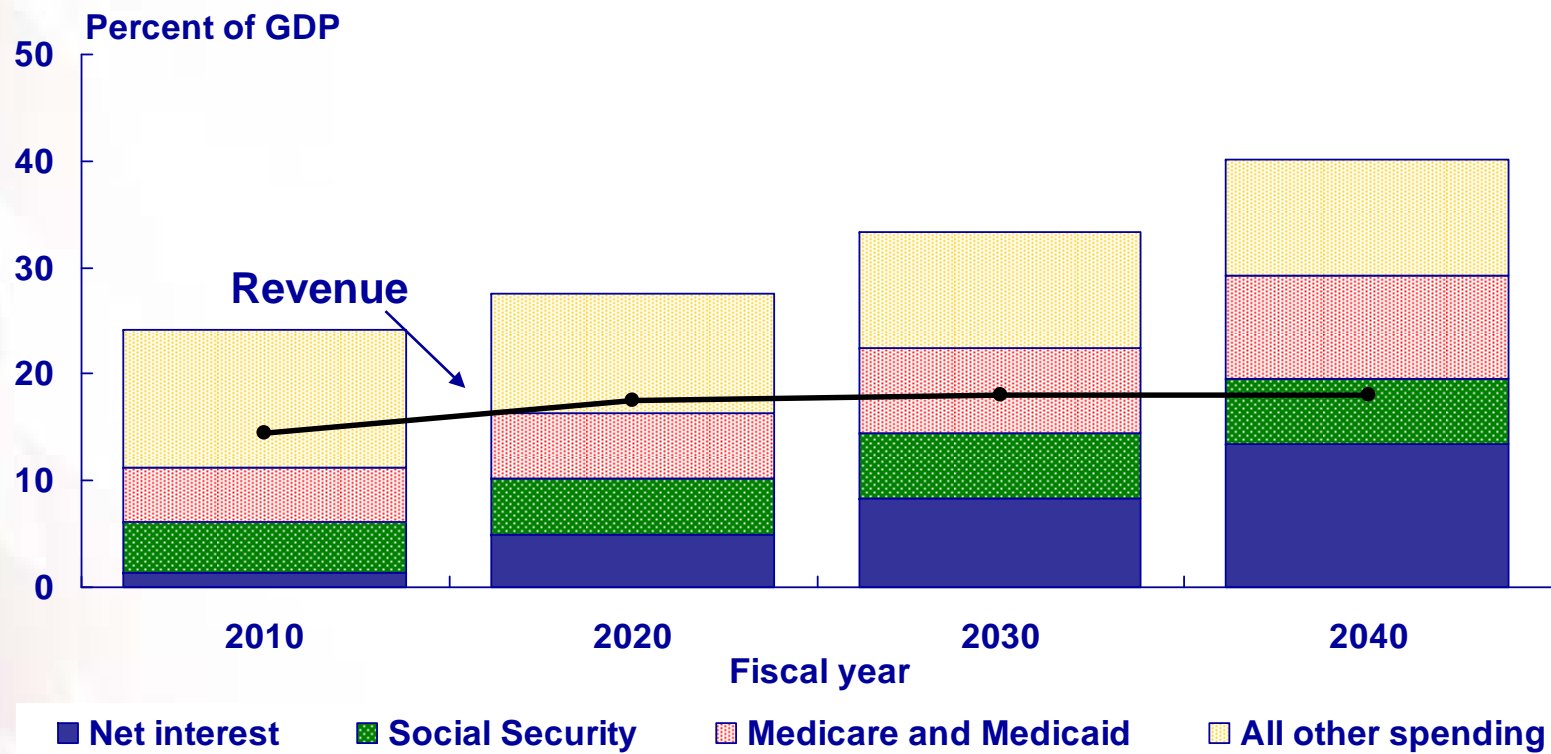


Source: GAO.

Note: Data are from GAO's January 2010 analysis based on the Trustees' assumptions for Social Security and Medicare.

Potential Fiscal Outcomes

Revenues and Composition of Spending Under Alternative Simulation

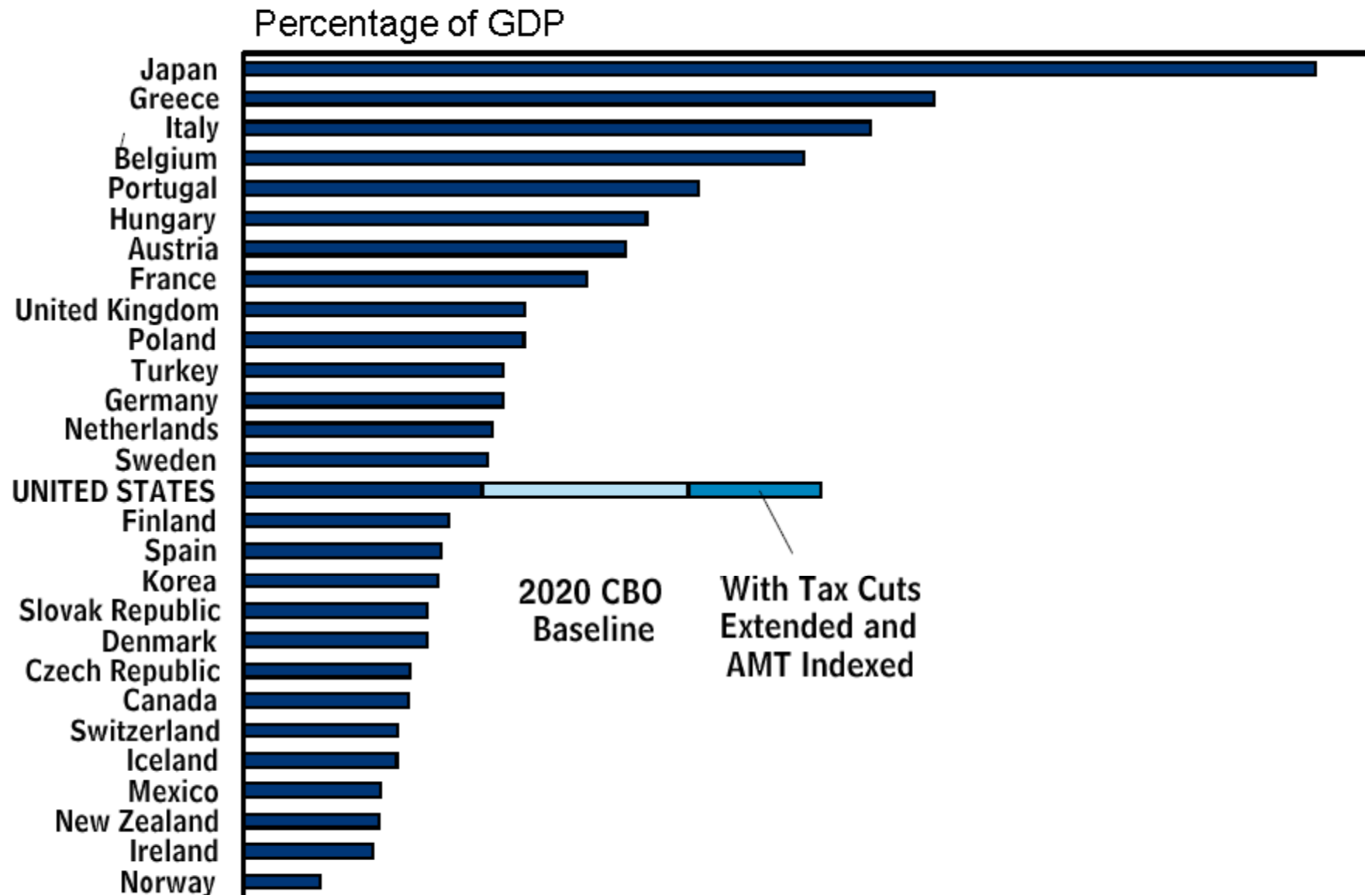


Source: GAO.

Note: Data are from GAO's January 2010 analysis based on the Trustees' assumptions for Social Security and Medicare.



Debt Burden Across Countries in 2007





For Data, Tools, Surveys -- Grist for that next paper.....

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DISCUSSION