FEDERAL
INTERAGENCY
FORUM ON
AGING
RELATED
STATISTICS

Administration on Aging

Agency for Healthcare
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Bureau of Labor Statistics

Census Bureau

Centers for Medicare and
Medicaid Services

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National Center for
Health Statistics

National Institute on Aging

Office of the Assistant
Secretary for Planning
and Evaluation, HHS

Office of Management
and Budget

Social Security Administration

Substance Abuse and
Mental Health Services
Administration

For more information
about the Forum, please
visit our Web site at:
www.agingstats.gov
or call us at:
(301) 458-4460

April 30, 2007

As you know, a major problem for research on the retirement process and economic well-being of older persons is that there is no agreed upon procedure for estimating pension wealth given the limited information available in national surveys. Therefore, on behalf of the Federal Interagency Forum on Aging-Related Statistics (Forum)[1], I am pleased to invite you to attend a workshop that will discuss different methodologies for estimating pension wealth. There is no cost of attendance. This half-day workshop will take place on Wednesday, August 8, 2007, 1:00-5:30pm, at the Bureau of Labor Statistics' Conference Center in Washington, D.C. The visitor's entrance for the Postal Square Building is located on First Street, N.E., across from Union Station. There are two entrances to the Postal Square Building on First Street. The visitor's entrance is located near the intersection of First Street and G Street; the other entrance is for the Postal Museum and is near the intersection of First Street and Massachusetts Ave. Sherry Dockery is the point of contact for registration for the workshop. Her email address is sdockery@cdc.gov and her phone number is 301-458-4187.

The Agenda follows:
Introduction to the Conference
1:00-1:05   Howard Iams, Social Security Administration
Presentations
1:05- 1:10   John Phillips, Moderator, National Institute of Aging

1:10- 1:40   Projecting 401(k) Accumulations and Developing Replacement Rates, Sarah Holden and Peter Brady, Investment Company Institute

1:40- 1:45   Questions/ Clarifications

1:45- 2:15 Measuring Defined Contribution Pension Wealth with Matched Administrative Data, Anil Kumar, Federal Reserve Bank of Dallas
2:15- 2:20 Questions/ Clarifications

2:20- 2:50 New Estimates of the Future Path of 401(k) Assets, Steve Venti, Dartmouth College
2:50- 2:55 Questions/ Clarifications

2:55- 3:15 Break

3:15- 3:45 Approaches to Estimating Pension Wealth in the HRS, David Weir, The University of Michigan 3:45- 3:50 Questions/ Clarification

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[1] The Forum membership includes 14 Federal agencies that produce or use statistics on aging. It provides these agencies with a setting to discuss data issues and concerns that cut across agency boundaries; facilitates in development of new databases; improves mechanisms currently used to disseminate information on aging-related data; invites researchers to report on cutting-edge analyses of data; and encourages international collaboration.

3:55- 4:25 Estimating Pension Wealth in MINT, Eric Toder and Karen Smith, The Urban Institute
4:25-4:30 Questions/ Clarification

4:30- 5:30 Open Discussion   John Phillips, Moderator, National Institute of Aging

Background:
An important issue in the retirement literature is expected pension wealth formed by the stream of all pension payments over a lifetime. Economists assume that people consider this expected stream of pension wealth in making decisions about leaving the career job, leaving the labor force, and taking up Social Security retirement benefits. Many studies of retirement behavior attempt to measure pension wealth incentives to claim benefits and/or leave the labor force because economic theory predicts outcomes will vary based on the magnitude of the financial incentives. Incentive measures typically focus on the marginal value of delaying benefit claims. On the other hand, adequacy studies focus on the level of income that is produced from retirement savings in order to calculate measures of well-being. Some include pension wealth in measuring pre-retirement wealth and economic well-being. Others focus on the extent that the projected income flow of a person/couple is "adequate" in retirement and pension benefits form one of the pillars of retirement income. They use projected lifetime pension wealth to estimate future retirement income from pensions. Thus, lifetime pension wealth is important to the analysis of retirement risks and economic well-being of current and future older persons. Though both of these constructs are valuable for the analysis of retirement broadly, they represent different concepts of pension wealth. The Forum on Aging Related Statistics is interested primarily in estimating lifetime pension wealth for the pre-retired or newly retired because of its importance to economic well-being of the aged and future retirees.

The purpose of the presentations would be to briefly report on the methodology that the researcher(s) use in estimating/projecting lifetime pension wealth for pre-retirees and/or recent retirees. Specifically what problems were faced and how were they solved. It would be useful to identify the strengths and weaknesses of the methodology. Also, what might be undertaken in future work on the subject.

Each presenter will have approximately 30 minutes. After all the talks, speakers will participate in a general discussion with the audience. The Forum intends to put the presentations (PowerPoint slides or draft paper) on its website (www.agingstats.gov) for easy reference by the research community. The expectation is that methodologies for estimating lifetime pension wealth are important to the research community. Documentation of alternative methodologies may lead to improvements in the estimates as ideas are shared. In addition, researchers using the measure or projections would benefit from better documentation identifying strengths and weaknesses.