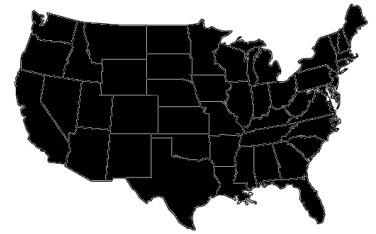


United States

Highlights from OECD *Pensions at a Glance*



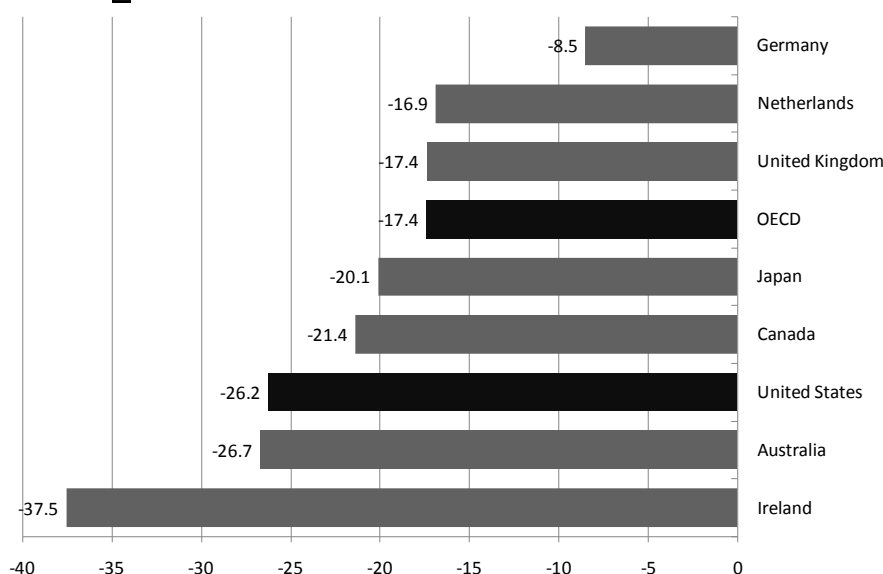
- The United States' private pension funds have been heavily hit by the financial crisis, with real losses of 26.2% in 2008.
- The proportion of retirement income package from voluntary private pensions in the US is one of the highest among OECD countries.
- Nearly one in four US seniors live in poverty on international measures. This is the fifth highest old-age poverty in the OECD countries just under double the OECD average.

Pensions and the crisis

The financial crisis has hit private pension funds hard: they lost US\$5.4 trillion in value in 2008 in OECD countries. The loss within the United States is by far the highest within the OECD, accounting for most of this amount.

- Investment losses in the United States were mainly the result of the large share of equities in pension-fund portfolios: around 59% before the crisis hit, compared with an average of 36% in the 20 OECD countries where data are available.
- In the United States, private pensions and other investments provide a large share of retirement incomes, i.e. 44%, that is 24 percentage points more than the OECD average. Comparable figures are found in Canada (at 41.0) and Ireland (at 42.9). Investment losses have certainly hit workers who are close to retirement, but many retirees in the United States are also heavily affected.

1 Pension funds' real investment returns in 2008



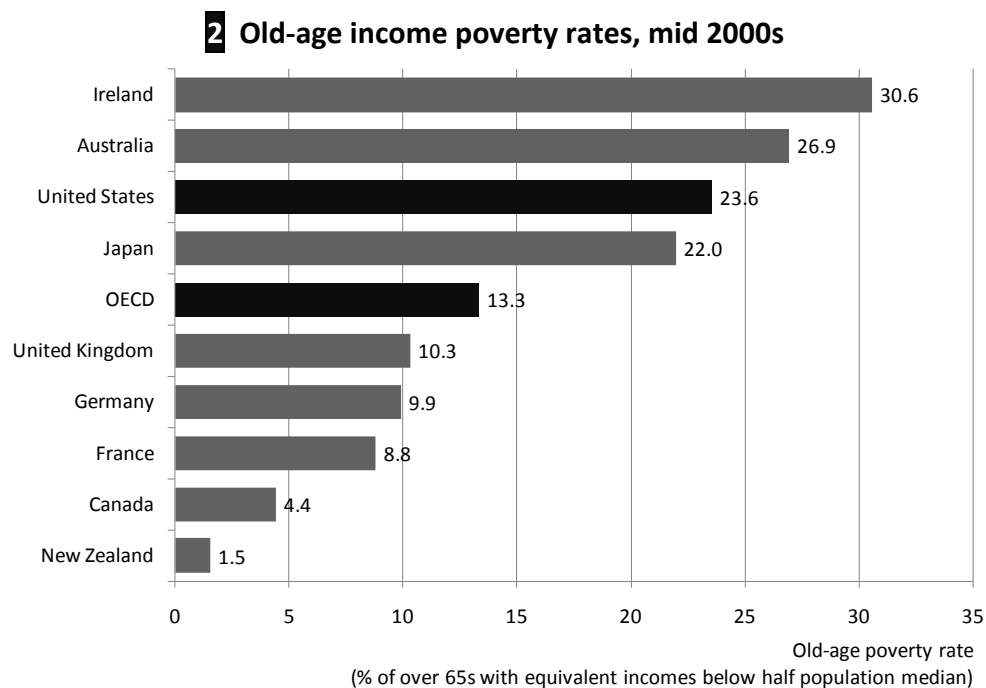
Note: the OECD figure shown is the unweighted average. The weighted average loss is larger at 23%, due to the importance of private pensions in the United States.

Source: OECD (2009), *Pensions at a Glance: Retirement-Income Systems in OECD Countries*, Figure 1.3

Old-age poverty

Nearly 24% of over 65s in the United States have incomes below the OECD poverty threshold (half of median household income). Only Ireland, Korea, Mexico and the United States of the 30 OECD countries have higher old-age poverty rates.

The high risk of old-age poverty in the United States is mainly due to the relatively low level of the safety-net, which is only 18% of average earnings. Only Hungary has a lower value at 16%, with the OECD average standing at 27%.



Source: OECD (2009), *Pensions at a Glance: Retirement-Income Systems in OECD Countries*, Figure 2.5

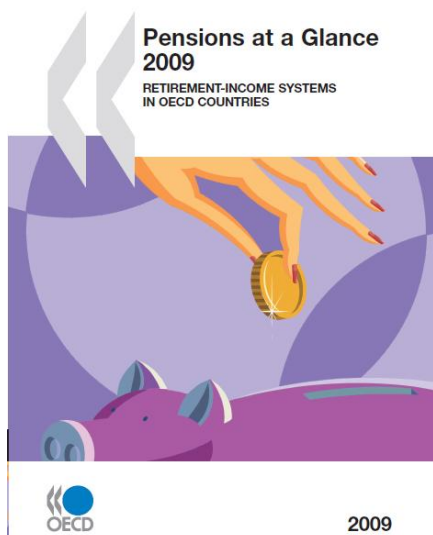
3 Key indicators

		United States	OECD
Pension replacement rate	Average earner (%)	38.7	59.0
	Low earner (%)	50.3	71.9
Public pension spending	% of GDP	6.0	7.2
Life expectancy	at birth	77.8	78.9
	at age 65	83.6	83.4
Population over age 65	% of working age population	20.8	23.8
Average earnings	USD	39 400	35 800

Note: replacement rate is pension entitlement from all mandatory sources of retirement income relative to individual earnings. Calculations for a full-career worker entering the labour market in 2006. Low earner is assumed to earn 50% of the average.

Source: OECD (2009), *Pensions at a Glance: Retirement-Income Systems in OECD Countries*

Notes to editors



Pensions at a Glance 2009: Retirement Income Systems in OECD Countries

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The report includes 17 indicators of retirement-income systems for the 30 OECD member countries plus four special chapters on (i) pensions and the financial and economic crisis; (ii) incomes and poverty of older people; (iii) recent pension reforms; and (iv) voluntary retirement savings.

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