

# **Living with Defined Contribution Pensions**

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# **Living with Defined Contribution Pensions**

## **Remaking Responsibility for Retirement**

Edited by

Olivia S. Mitchell and Sylvester J. Schieber

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## **Preface**

Olivia S. Mitchell

The Pension Research Council has previously explored a number of promising and sometimes worrisome developments in the pension field, always seeking better ways to design and deliver retirement income security. In building this volume around defined contribution pension plans, we seek to add insight to discussions regarding the strengths and weaknesses of these rapidly growing and very popular plans in the pension arena.

Readers seeking either blanket approval or denunciation of participant-directed pension savings account will find neither in this book. Rather, we have gathered some of the world's most eminent pension experts and collected their well-reasoned views on what defined contribution plans do well, and what they do poorly. Their conclusions are based on solid research evidence and new data, as well as on many years of practical experience in the pension field. While the analysis is aimed at the interested layperson, it is important to note that the experts represented herein include people who matter in the pension field—plan sponsors, economists and lawyers, actuaries and benefit plan consultants, and policymakers.

As always, the Advisory Board of the Pension Research Council was instrumental in focusing our attention on this important topic. Several Council Board members played key roles in bringing this volume to fruition, particularly Sylvester Schieber, who coedited the book with diligence, good humor, and substantive insight. We are grateful to Ray Schmitt and Anna Rappaport, who read and commented on portions of the research, and to Juan Tang, who helped with the important production phase. The Council also acknowledges valuable financial support for the research received from the U.S. Department of Labor, the Population Aging Research Center at the University of Pennsylvania, and The Whar-

ton School. Our Institutional Members are always invaluable in affording ongoing financial support for the work of the Council and in participating in our research process actively. We thank all of these for their support while noting that all views expressed herein are those of the authors and not of the Pension Research Council at the Wharton School.