

Letter to the Editor, Wall Street Journal: The Complexity of Retirement Preparedness

Letter to the Editor of the *Wall Street Journal*: The Complexity of Retirement Preparedness

Paul Schott Stevens, president and CEO of the Investment Company Institute, submitted the following letter to the editor of the *Wall Street Journal*:

Clearly, savers face challenges in planning for retirement (“[How to Save for Retirement](#),” April 4). Some of the nation’s leading scholars met recently under the auspices of the Investment Company Institute (ICI), the national association of U.S. mutual funds, to discuss the wide range of retiree experiences and a variety of views on the complex challenge of measuring retirement preparedness. One clear message from the day: there is no one-size fits all solution for retirement.

At ICI, we view retirement savings resources as a five-layered pyramid that consists of Social Security, homeownership, employer-sponsored retirement plans (including both defined benefit and defined contribution plans), individual retirement accounts (IRAs), and other assets. Each household relies on different layers of the pyramid — and to different degrees — to adequately prepare for retirement.

The good news is that Americans’ retirement prospects continue to improve. ICI research shows that, as of year-end 2013, Americans have \$23 trillion earmarked for retirement, and an analysis of public data finds successive generations of retirees have reached retirement wealthier than the previous. We need to build upon the enormous strengths of the U.S. retirement system to make it work even better as a source of retirement security for all working Americans.

Paul Schott Stevens

Stevens is president and CEO of the Investment Company Institute, the national association of U.S. investment companies, including mutual funds. About half of all assets in defined contribution retirement plans and individual retirement accounts are invested in mutual funds.