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# Are Philadelphians Ready for Retirement?

## Plan Sponsorship, Participation, and Preparedness

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# Background

On February 4, 2016, Philadelphia City Councilwoman Cherelle L. Parker from the 9th District proposed Resolution No. 160105, subsequently unanimously adopted by City Council, calling for a hearing examining the state of retirement security in the City of Philadelphia.

This report was prepared on behalf of the City Council of Philadelphia, which is led by Council President Darrell L. Clarke, for presentation before the Council's Committee on Labor and Civil Service.

# Overview

Today, many senior citizens in Philadelphia live in or near poverty, while most workers are not saving enough to generate income sufficient to maintain their standard of living in retirement. In the absence of reform, many Philadelphians will struggle to make ends meet in retirement.

Workers across the country face a retirement crisis. However, workers in Philadelphia are faring worse than average. First, workers in Philadelphia are less likely than workers nationally to have access to an employer-sponsored retirement account. Second, the retirement plan participation rate among workers with access to a plan at work is lower than the national average. Although near retiree plan participants living in the state's metropolitan areas, 37 percent of whom live in Philadelphia, appear to have accumulated somewhat more financial assets than the national average, their savings fall far short of the amounts required to maintain their standard of living in retirement.

The first section of this report examines the experience of Philadelphia's elderly, documenting poverty rates and income sources for residents over 65. The second section looks at access rates for employer-sponsored retirement plans in Philadelphia and at the national level, including a demographic breakdown. It also analyzes the employer-sponsored retirement plan participation rate in both the city and nation. The third section examines how the group nearest retirement in 2015, those ages 55-64, is financially prepared for retirement.

The first and second sections rely on data from the Current Population Survey (CPS), a joint program administered by the Census Bureau and the Bureau of Labor Statistics. The third section uses data on income and wealth from the Census Bureau's Survey of Income and Program Participation (SIPP).

Key Findings

- Philadelphia's senior citizens are more likely than senior citizens nationally to rely on Social Security for more than 90% of their retirement income.
- Only 48 percent (less than half) of all Philadelphia workers ages 25-64 had access to an employer-sponsored retirement savings plan, compared with 53 percent of workers nationwide.
- Only 37 percent of Philadelphia's workers ages 25-64 participated in an employer-sponsored retirement plan, compared with 45 percent nationwide.
- The median near-retirement household in the state's metropolitan areas had enough financial assets to generate at most $550 a month in retirement income.

# SECTION 1:
# Philadelphia's Seniors Do Not Have Enough Retirement Income

Philadelphia's senior citizens provide a cautionary tale for the city's future retirees. Their poverty rate is higher than the national average. Fifty percent of Philadelphians over age 65 have incomes below 200 percent of the federal poverty line (FPL), compared to 34 percent nationally. This means half of Philadelphia's elderly live on roughly less than $22,000 a year for individuals or $28,000 a year for couples. As with seniors nationwide, Philadelphians also depend heavily on Social Security, with Social Security comprising at least 90 percent of the income of 40 percent of the city's elderly. Social Security is barely sufficient to lift households above the FPL; in 2015, the average monthly benefit for retired workers was a mere $1,336 a month.[1]

Only 24 percent of city residents 65 and over have income over 400 percent of the poverty level, or roughly $44,000 for an individual or $57,000 for a couple, compared with 36 percent nationwide. This minority of seniors receives a larger percentage of their income from wages (28 percent) than retirement accounts (18 percent). However, working longer is not an option for all elderly residents who lack retirement savings, but is dependent upon an individual's health and access to suitable employment opportunities. Additionally, seniors who rely on wages to support their post-retirement income will face a substantial reduction in their living standard when working is no longer an option.

## Philadelphia Seniors are More Likely to Depend on Social Security

**TABLE 1: SENIORS' RELIANCE ON SOCIAL SECURITY, PHILADELPHIA AND THE U.S., 2015**

| | Philadelphia | U.S. |
|---|---|---|
| Seniors who rely on SS for over 90% of income | 40% | 38% |

Source: Authors' calculations using CPS 2013-2015

Notes: Sample is limited to residents of Philadelphia and U.S. aged 65 or older. Percentages in the table are rounded.

## Philadelphia Seniors are More Likely to Live in Poverty

**TABLE 2: INCOME DISTRIBUTION FOR PHILADELPHIA'S ELDERLY BASED ON THE FEDERAL POVERTY LEVEL**

| | Philadelphia | | U.S. | |
|---|---|---|---|---|
| | Number | Percent | Number | Percent |
| Below Poverty | 38,828 | 20% | 3,987,032 | 9% |
| 100-200% of Poverty | 58,741 | 30% | 10,108,660 | 23% |
| 200-400% of Poverty | 52,085 | 26% | 14,466,875 | 32% |
| Over 400% of Poverty | 47,363 | 24% | 16,109,798 | 36% |
| Total | 197,017 | 100% | 44,672,364 | 100% |

Source: Authors' calculations using CPS 2013-2015

Notes: Sample is limited to residents of Philadelphia aged 65 or older. Percentages in the table are rounded.

## Philadelphia's High-Income Seniors Receive Significant Income from Working

FIGURE 1: SOURCES OF INCOME FOR PHILADELPHIA'S ELDERLY

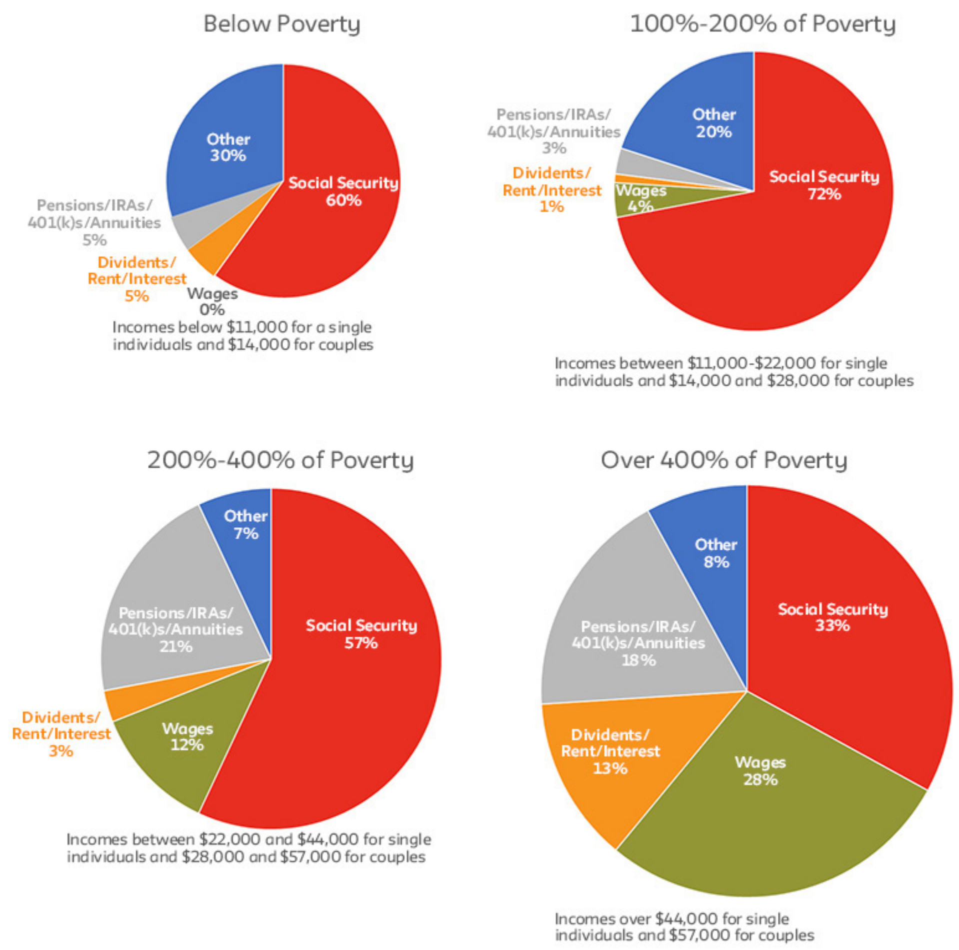



TABLE 3: SOURCES OF INCOME FOR PHILADELPHIA'S ELDERLY

| | Social Security | Wages | Dividends/Rent/Interest | Pensions/IRAs/401(k)s/Annuities | Other |
|---|---|---|---|---|---|
| Below Poverty | 60% | 0% | 5% | 5% | 30% |
| 100-200% of Poverty | 72% | 4% | 1% | 3% | 20% |
| 200-400% of Poverty | 57% | 12% | 3% | 21% | 7% |
| Over 400% of Poverty | 33% | 28% | 13% | 18% | 8% |
| Total Population over 65 | 197,017 | | | | |

Source: Authors' calculations using CPS 2013-2015

Notes: Sample is limited to residents of Philadelphia aged 65 or older. Percentages in the table are rounded. Table reports mean percentages for households in each income category.

SECTION 2:

# Philadelphia Workers' Low Rates of Retirement Account Coverage and Participation

Employers have traditionally played an integral role in the U.S. retirement system by sponsoring and contributing to their employees' retirement plans as part of a benefits package designed to attract and keep quality workers.[2]

Workplace retirement plans are an effective vehicle for accumulating retirement savings. The employer decides whether to sponsor a defined benefit (DB) and/or defined contribution (DC) plan. In DB plans, benefits are based on salary and length of service and are paid in the form of a lifetime annuity. Except in public sector plans, employees do not contribute to the plan, although they implicitly pay for the DB plan with reduced take-home earnings. Pension promises are backed by the plan's accumulated assets, employer assets, and the Pension Benefit Guaranty Corporation. In DC plans, such as 401(k)s, the employer provides a tax-advantaged savings account to which employees can contribute on a voluntary basis. The worker, not the employer, chooses how the assets are invested. Employers may also contribute to a DC plan, though employers can reduce or suspend contributions.

Both types of employer-sponsored retirement plans significantly improve workers' financial preparation for retirement. Retirees receiving income from a workplace retirement plan are more likely to retain middle-class lifestyles than retirees without income from an employer-sponsored plan.[3]

Low Rate of Employer-Sponsored Retirement Plans

This report uses data from the CPS to analyze employer sponsorship of retirement plans. The CPS asked Philadelphia residents who worked full-time or part-time in the previous calendar year about their retirement plan coverage and participation.[4]

As of 2015, 48 percent of all Philadelphia workers age 25-64, including full and part-time workers, those working in the private and public sectors, and the self-employed, had access to a retirement plan at work, significantly less than the 53 percent national average.

## Workers in Philadelphia Have Lower Than Average Retirement Plan Coverage and Participation Rates

FIGURE 2: EMPLOYER-SPONSORED RETIREMENT PLAN COVERAGE RATES

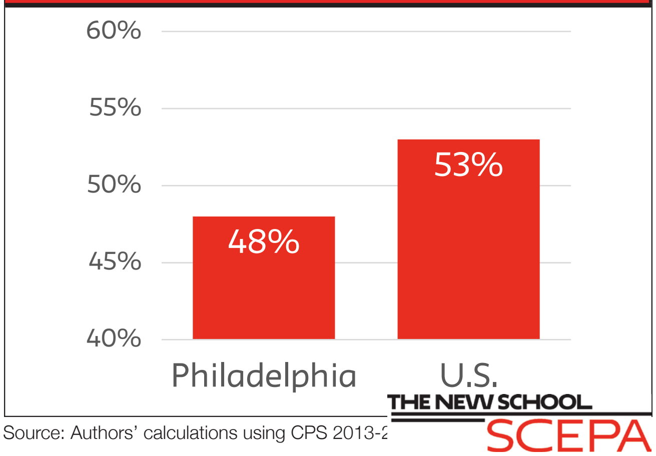
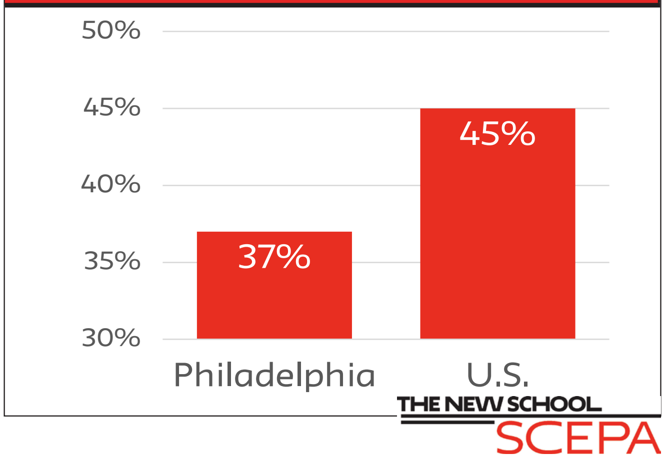



FIGURE 3: EMPLOYER-SPONSORED RETIREMENT PLAN PARTICIPATION RATES




Source: Authors' calculations using CPS 2013-2

Notes: Sample is limited to residents of Philadelphia (or US) aged 25-64 who worked in the previous calendar year. Percentages in the table are rounded. Classification of worker listing excludes unpaid family workers, members of the U.S. Armed Forces, and those who did not specify their classification.

# A NOTE ON SPONSORSHIP RATES

The CPS asks respondents about retirement plan sponsorship based on their job in the previous calendar year. Therefore, respondents who did not work in 2015 were not asked about coverage or plan balances from past jobs. Some of those who are currently jobless may have a retirement plan from a previous job, or may gain access to one through a future job. Thus, lifetime coverage rates will be higher than the point-in-time coverage rates, but many workers with intermittent coverage will have accumulated only small amounts of savings by retirement.

## Only a Quarter of Working-Age Philadelphians Participate in a Retirement Plan

**TABLE 4: SPONSORSHIP AND PARTICIPATION RATES OF PHILADELPHIA RESIDENTS**

| | Number | Percent |
|---|---|---|
| Total Population in Philadelphia Age 25-64 | 711,725 | 100% |
| Not Working | 249,258 | 35% |
| Working but Not Sponsored | 240,062 | 34% |
| Working and Sponsored but Not Participating | 48,259 | 7% |
| Working, Sponsored, and Participating | 174,146 | 24% |

Source: Authors' calculations using CPS 2013-2015

Notes: Sample is limited to residents of Philadelphia aged 25-64 who worked in the previous calendar year. Percentages in the table are rounded. 3 percent or 17,431 did not respond to this question regarding pensions and were therefore excluded from this analysis.

**FIGURE 4: PHILADELPHIANS AGE 25-64 IN 2015**


Source: Authors' calculations using CPS 2013-2015

Notes: Sample is limited to residents of Philadelphia aged 25-64 who worked in the previous calendar year. Percentages in the table are rounded. 3 percent or 17,431 did not respond to this question regarding pensions and were therefore excluded from this analysis.

Sponsorship Rates By Worker Characteristics

Workers in Philadelphia are less likely to have access to an employer-sponsored retirement plan than workers nationally and are also lower than the national average across several significant occupational and demographic groups (Table 5).

Private sector workers, who make up 70 percent of the workforce in Philadelphia and 73 percent nationally, are significantly and substantially less likely to have access to an employer-sponsored retirement account in Philadelphia.

Workers at small and mid-size firms are also less likely to have access to an employer-sponsored retirement account. While approximately two-thirds of workers at firms with more than 100 employees have access to an employer-sponsored retirement plan both in Philadelphia and nationally, only 32 percent of employees at firms with 11-99 employees have access to an employer-sponsored retirement plan in Philadelphia, compared with 41 percent nationally.

Employer sponsorship of retirement accounts differs by industry. But even within industries, the sponsorship rate is lower in Philadelphia than nationally. The sponsorship rate for Philadelphia workers in wholesale and retail trade, education, health, social & other services, arts entertainment and food services is significantly lower than the national average (47 percent vs. 52 percent). The same is true for Philadelphia workers in manufacturing, utilities, transportation, and warehousing (44 percent vs. 60 percent).

Access to workplace retirement plans also differs by race. White non-Hispanic workers' sponsorship rates are higher than black non-Hispanic workers' in both Philadelphia and nationally. However, sponsorship rates for both white and black non-Hispanic workers in Philadelphia are significantly lower than the national sponsorship rates. Fifty-three percent of white non-Hispanic workers in Philadelphia are sponsored compared to 56 percent nationally, a difference of 3 percentage points, while 45 percent of black non-Hispanic workers in Philadelphia are sponsored at work, compared to 53 percent nationally, a difference of 8 percentage points.

Low Employee Participation Rates

Even if an employer sponsors a retirement plan, participation is not universal. Employers are permitted by law to exclude employees from participating in a retirement plan if they have less than one year of service, are part-time, or are younger than 25. Moreover, structural differences between DB and DC plans affect employee participation. In DB plans, worker participation is usually mandatory, although workers who quit prior to vesting will forfeit benefits. In contrast, in DC plans, participation is voluntary.

Figures 3 and 4 summarizes sponsorship and participation rates for working Philadelphians aged 25-64 in 2015. Of the 48 percent of workers whose employers sponsored a retirement plan in 2015, 78 percent participated. Thus, only 37 percent (.48*.78) of Philadelphia workers participated in an employer-sponsored retirement plan in 2015. Furthermore, as noted in the previous section, 34 percent of Philadelphians ages 25-64 were not working in 2015. By definition, these residents did not participate in a current employer's retirement plan. Among all working age Philadelphians, the participation rate was only 24 percent.

The participation rates among Philadelphia workers and working age Philadelphians are both significantly and substantially below the respective national averages (37 percent versus 45 percent and 24 percent versus 33 percent). Again, this is lower than the national rate. At 37 percent, Philadelphia workers' participation rate is 8 percentage points lower than the national rate of 45 percent (.53 sponsored * .84 of those sponsored who participate).

# Retirement Plan Participation Rates in Philadelphia Are Lower Than Average in Some Demographic Groups

**TABLE 5: RETIREMENT PLAN SPONSORSHIP RATES BY SOCIAL, ECONOMIC, AND PERSONAL WORKER CHARACTERISTICS IN PHILADELPHIA AND THE U.S., 2015**

| | Philadelphia | U.S. | Difference |
|---|---|---|---|
| Working Population | 462,467 | 116,799,806 | |
| Percent with Access to Employer Plan | 48% | 53% | -5%*** |
| Gender | | | |
| Male | 46% | 51% | -5%** |
| Female | 51% | 54% | -3%* |
| Race | | | |
| White Non-Hispanic | 53% | 56% | -3%** |
| Black Non-Hispanic | 45% | 53% | -8%** |
| Asian Non-Hispanic | 56% | 49% | 7% |
| Hispanic | 32% | 37% | -5% |
| Other | 61% | 50% | 9% |
| Classification of Worker | | | |
| Self-Employed | 11% | 16% | -5% |
| Private Sector | 44% | 52% | -8%*** |
| Public Sector | 83% | 79% | 4% |
| Firm Size | | | |
| 1-10 | 18% | 15% | 3% |
| 11-99 | 32% | 41% | -9%*** |
| 100 + | 63% | 69% | -6%** |
| Union Status | | | |
| Non Covered by a Union Contract | 47% | 54% | -7% |
| Covered by a Union Contract | 92% | 79% | 13% |
| Citizenship Status | | | |
| Non-Citizens | 31% | 30% | 1% |
| Citizens | 51% | 55% | -4% |
| Age Group | | | |
| 25-54 | 47% | 52% | -5%** |
| 55-64 | 56% | 55% | 1% |
| Industry | | | |
| Wholesale & Retail Trade, Education, Health, Social & Other Services, and Arts, Entertainment & Food Services | 47% | 52% | -5%*** |
| Professional & Management, Finance, Insurance & Real Estate, Information & Communication and Public Administration | 60% | 56% | 4% |
| Manufacturing, Utilities, and Transport & Warehousing | 44% | 60% | -16%** |

Source: Authors' calculation using CPS 2013-2015

Notes: Sample is limited to residents of Philadelphia (or US) aged 25-64 who worked in the previous calendar year. Percentages in the table are rounded. Classification of worker listing excludes unpaid family workers, members of the U.S. Armed Forces, and those who did not specify their classification. *,**,*** indicate the significance of difference between the city and the national averages (*p<0.1, **p<0.05, ***p<0.01).

SECTION 3:

# Near Retirees Do Not Have Enough Saved For Retirement

The CPS does not provide information on the type of plan workers are enrolled in and their reasons for not participating. For that information, we use data from the 2013 SIPP. The finest level of geographical detail available in the SIPP data is all metropolitan areas in Pennsylvania. Approximately 37 percent of Pennsylvanians who live in metropolitan areas live in Philadelphia.

Pension Types

This study classifies households who participate in employer-sponsored retirement plans into two groups. If either or both spouses has a DB plan, they are classified as having DB coverage, irrespective of whether they also have a DC plan, because the DB plan is likely the primary plan. If either or both spouses has a DC plan and neither has a DB plan, they are classified as having DC coverage. Approximately 54 percent of households in metropolitan areas in Pennsylvania who participate in a retirement account have DB coverage and 46 percent have DC coverage.

The SIPP data offer a comprehensive listing of survey respondents' financial assets, including the value of their bank accounts, bonds and securities, savings bonds, stocks and mutual funds, life insurance policies, IRA/KEOGH accounts, and DC accounts. This data allow a computation of total household liquid assets that can be used in retirement. These estimates do not include the present cash value of projected Social Security or DB pension benefits.

Financial Assets and Retirement Account Balances

The City of Philadelphia requested SCEPA analyze the total financial assets of both near-retirement and all households by pension type. Such an analysis would involve reporting confidence intervals. For example, the study would state we are 95 percent sure that the true but unobserved mean of financial assets of Pennsylvania metropolitan area married couples with a DC plan lay within a specified range. It would also involve testing whether the average amount of the financial assets of Pennsylvania households differed significantly from that of households nationwide.

However, the SIPP dataset is small. Statistical analysis revealed it is not possible to make statistically significant statements about the financial wealth of households ages 55-64 by pension type, or indeed all households ages 25-64 by pension type. Nor is it possible to make statistically valid claims about how Pennsylvania households in the above groups were faring relative to households nationwide.

Therefore, the study analyzed the financial assets of all households ages 25-64 in Pennsylvania metropolitan areas regardless of pension type and combined that analysis with nationally representative data from the 2013 Survey of Consumer Finances (SCF). This was used to project the financial assets of Pennsylvania households ages 55-64 that participate in DC plans.

**TABLE 6: PLAN TYPE AND LIQUID ASSETS FOR WORKING HOUSEHOLDS PARTICIPATING IN RETIREMENT SAVING PLANS**

| | | Single-Headed households | | Married and Unmarried Couples | | All Households | |
|---|---|---|---|---|---|---|---|
| | | Pennsylvania | U.S. | Pennsylvania | U.S. | Pennsylvania | U.S. |
| Liquid Assets | Average | $205,012** | $142,665 | $373,090 | $340,811 | $321,467* | $278,845 |
| | Median | $100,425 | $56,300 | $217,000 | $187,000 | $191,000 | $128,000 |

Source: Authors' calculations using 2008 Survey of Income and Program Participation (SIPP) Panel.

Note: The weighted SIPP data is representative of the U.S., but not for metropolitan Pennsylvania. The regional data may be biased. *,** indicate the significance of difference between the state and the national averages (*p<0.1, **p<0.05).

Households in Pennsylvania metropolitan areas who participate in a retirement saving plan have significantly and substantially greater financial assets than households nationwide. A typical household in a metropolitan area in Pennsylvania who participates in an employer-sponsored retirement plan has a median of $191,000 in liquid assets compared with $128,000 for their counterparts nationwide. Nationally representative data from the SCF show that the median 401(k) and IRA balances of 55-64-year-old households participating in 401(k) plans is $111,000. Assuming the above relationship between the liquid assets of Pennsylvanians and Americans holds within this age group, we can infer that the median retirement account balance of Pennsylvanian 401(k) participants aged 55-64 is approximately $165,400 ($111,000*1.49).[6]

Many experts recommend that retired households restrict their drawdown of retirement plan balances to four percent a year to avoid outliving their wealth. At that drawdown rate, households with the median retirement account balance of $165,400 will be able to spend at most $550 a month. Even with Social Security benefits, this falls far short of the amount needed to obtain the 70 percent replacement rate that most financial advisors believe is necessary to maintain pre-retirement consumption.

# SECTION 4: Conclusion

The United States faces a retirement savings crisis. The provision of retirement income is often characterized as a three-legged stool, with retirees receiving income from Social Security, employer-sponsored retirement plans, and private savings. Few moderate-income households save much outside their retirement plans, so in reality the system is at best a two-legged stool.

In the past, Social Security provided benefits sufficient to keep most households above the federal poverty line, but insufficient to maintain pre-retirement consumption. In the future, Social Security benefits will be more inadequate, due to increasing Medicare Part B and D premiums and the increase in the full retirement age, which is equivalent to a 13 percent cut in benefits. It will be imperative for households to supplement their Social Security benefits with income from other savings plans. Employer-sponsored retirement accounts are not fulfilling this role.

Employer-sponsored retirement plans are failing households in two ways. First, at any point in time, less than half of full-time private sector workers participate in a plan. This low coverage rate mainly reflects low sponsorship rates by employers rather than non-participation by workers whose employers participate in a plan. Second, participants accumulate inadequate plan balances, reflecting a system architecture that results in high fees, periods of non-participation, and opportunities to cash out plan balances prior to retirement. By ages 55-64, the average U.S. household that participates in a 401(k) plan has accumulated enough savings to generate an income of at most $400 a month.[7]

This study finds that in some ways the level of financial preparedness for retirement in Philadelphia is worse than in the United States. Among some demographic and occupational groups, workers in Philadelphia are significantly less likely to be eligible for a retirement plan. Retirees in Philadelphia are also somewhat more likely to have incomes that are close to or below the federal poverty line and more likely to rely on Social Security for 90 percent or more of their income.

Offsetting these headwinds, Pennsylvania households have somewhat greater financial wealth than households nationwide. But accumulations still fall far short of the amounts required to maintain consumption in retirement.

## Appendix:
# Methodology

This study uses data from the March Supplement of the CPS. In particular, it uses the variable PENSION, which asks whether the respondent's union or employer for his or her longest job during the preceding calendar year had a pension or other retirement plan for any employees, and, if so, whether the respondent was included in that plan. The question specifically excluded retirement support from Social Security and was only asked of respondents who worked in the previous calendar year. All tabulations reflect weighted counts using the March Supplement weights.

The study also uses data from waves 10 and 11 of the 2008 panel of the SIPP. Specifically, it uses data from the Retirement Expectations module in wave 11 of the 2008 SIPP panel, as well as data from the Assets and Liabilities, Real Estate, Stocks and Mutual Funds, Value of Business, Rental Properties, Interest Earning and Other Financial Assets modules in wave 10 of the 2008 SIPP panel. The reference period is different for wave 10 and wave 11. The data for these modules was collected in the 4th reference month for each rotation (from September 2011-December 2011 for wave 10, and January 2012- April 2012 for wave 11). Because wave 10 and wave 11 are four months apart, their samples are not identical.

The study defines respondents as participating in a retirement plan if they state that their employer sponsors a retirement plan, they participate in such a plan, and/or they participate in a 401(k) plan through their employer. The worker's most important retirement plan was deemed to be a DB plan if they answered that the plan was based on earnings and years on the job, or if it was a cash balance plan, or they stated that the plan benefits would be increased or decreased because of participation in the Social Security program.

Alternatively, the most important plan was determined to be a DC plan if the respondent stated that they had an individual account plan, or they had a 401K plan. For those who had only one plan, the most important plan was classified as a DC plan if they stated that they could choose the investments in the plan, or if they could take (or had already) taken out a loan against the plan, or if the contributions to the plan are tax deferred and employer contributions depend fully or in part on the employee's contributions.

Respondents in the sample were asked about the value of their assets. This is the main value of the SIPP data over CPS data. The SIPP sample gives us a snapshot of assets for workers aged 25-64 in 2011-2012. Assets include non-interest earning checking accounts, interest earning accounts, bonds and securities, savings bonds, equity in stocks and mutual funds, cash value of life insurance policies, equity in other financial investments, market value of IRA/KEOGH accounts, and the value of solely-owned retirement DC accounts.

Household Calculations

Household members include the reference person and the spouse or unmarried partner residing in the household. Children, other relatives, or other non-relatives living in the household are excluded. Therefore, there are two kinds of households: single-headed households only contain the reference person, once all children, other relatives and non-relatives are excluded; married or unmarried couple households contain the reference person and their spouse or parent.

We are only interested in households in which at least one person is employed during all weeks of the reference month, is working for more than 20 hours and getting paid for it. Households are classified as covered by a DB plan if one or both members of the household has a DB plan, covered by a DC plan if no member has a DB plan and at least one of the members has a DC plan, and uncovered if no member has a retirement plan of either kind at their current employer.

Geographical Coverage

All estimates from the CPS data are for Philadelphia County. The smallest geographical unit available in the SIPP data is metropolitan areas in Pennsylvania. Thus, our analysis of retirement plan participation by plan type, as well as any estimates of the retirement deficit (which come from SIPP data), are representative of residents in metropolitan areas of Pennsylvania. Philadelphia residents constitute approximately 37 percent of the population in Pennsylvania metropolitan areas. So even though it is not possible to isolate Philadelphia in the SIPP data, using a sample of residents of Pennsylvania metropolitan areas produces some indication of the retirement assets and needs of Philadelphia residents.

## TABLE 7: RETIREMENT PLAN SPONSORSHIP RATES BY SOCIAL, ECONOMIC, AND PERSONAL WORKER CHARACTERISTICS IN PHILADELPHIA, 2015

| | Uncovered Workers | % of Uncovered Workers | All Workers | % of All Workers | Proportion Uncovered | Proportion Covered |
|---|---|---|---|---|---|---|
| Working Population | 240,063 | 100% | 462,467 | 100% | 52% | 48% |
| Gender | | | | | | |
| Male | 123,504 | 51% | 226,800 | 49% | 54% | 46% |
| Female | 116,559 | 49% | 235,667 | 51% | 49% | 51% |
| Total | 240,063 | 100% | 462,467 | 100% | | |
| Race | | | | | | |
| White Non-Hispanic | 98,879 | 41% | 209,598 | 45% | 47% | 53% |
| Black Non-Hispanic | 92,001 | 38% | 168,511 | 36% | 55% | 45% |
| Other | 49,183 | 20% | 84,358 | 18% | 58% | 42% |
| Total | 240,063 | 100% | 462,467 | 100% | | |
| Classification of Worker | | | | | | |
| Private Sector | 203,820 | 85% | 366,413 | 79% | 56% | 44% |
| Public Sector | 11,365 | 5% | 67,970 | 15% | 17% | 83% |
| Self-Employed | 24,878 | 10% | 28,084 | 6% | 89% | 11% |
| Total | 240,063 | | 462,467 | | | |
| Firm Size | | | | | | |
| 1-10 | 62,507 | 26% | 75,810 | 16% | 82% | 18% |
| 11-99 | 75,207 | 31% | 110,791 | 24% | 68% | 32% |
| 100 + | 102,349 | 43% | 275,866 | 60% | 37% | 63% |
| Total | 240,063 | | 462,467 | | | |
| Union Status | | | | | | |
| Non Covered by a Union Contract | 228,528 | 95% | 340,792 | 74% | 67% | 33% |
| Covered by a Union Contract | 11,535 | 5% | 121,675 | 26% | 9% | 91% |
| Total | 240,063 | | 462,467 | | | |
| Citizenship Status | | | | | | |
| Citizens | 200,276 | 83% | 404,647 | 87% | 49% | 51% |
| Non-Citizens | 39,787 | 17% | 57,820 | 13% | 69% | 31% |
| Total | 240,063 | | 462,467 | | | |
| Age Group | | | | | | |
| 25-54 | 207,449 | 86% | 387,859 | 84% | 53% | 47% |
| 55-64 | 32,614 | 14% | 74,608 | 16% | 44% | 56% |
| Total | 240,063 | | 462,467 | | | |
| Industry | | | | | | |
| Wholesale & Retail Trade, Education, Health, Social & Other Services, and Arts, Entertainment & Food Services | 143,338 | 60% | 272,248 | 59% | 53% | 47% |
| Professional & Management, Finance, Insurance & Real Estate, Information & Communication and Public Administration | 39,553 | 16% | 98,017 | 21% | 40% | 60% |
| Manufacturing, Utilities, and Transport & Warehousing | 33,626 | 14% | 59,871 | 13% | 56% | 44% |
| Mining, Agriculture, and Construction | 23,546 | 10% | 32,331 | 7% | 73% | 27% |
| Total | 240,063 | | 462,467 | | | |

Source: Authors' calculations using CPS 2013-2015

Notes: Sample is limited to residents of Philadelphia aged 25-64 who worked in the previous calendar year. Percentages in the table are rounded. Classification of worker listing excludes unpaid family workers, members of the U.S. Armed Forces, and those who did not specify their classification.

# Endnotes


1. https://www.ssa.gov/news/press/basicfact.html

2. Boivie, I. 2011 "Who Killed the Private Sector DB Plan?" Washington DC: National Institute on Retirement Security

3. Social Security Administration. (2008) "Income of the Population 55 and Older." Washington DC; William G. Gale. 1998. "The Effects of Pensions on Household Wealth: A Reevaluation of Theory and Evidence." The Journal of Political Economy, Vol. 106, No. 4 pp 706-723

4. Specifically, respondents were asked if their employer or union for their longest job held during the preceding calendar year had a pension or other retirement plan for any of the employees, and, if so, whether they were included in the plan

5. Munnell, A. H. ( 2014). 401(K)/IRA holdings in 2013: An update from the SCF. Center for Retirement Research at Boston College., http://crr.bc.edu/wp-content/uploads/2014/09/IB_14-151.pdf

6. The sample size is too small to infer this number directly from the SIPP. However, the SIPP data doesn't show any significant difference between the retirement account balances of metropolitan Pennsylvania and those of the rest of the country. While unreliable due to the small sample size, the SIPP results encourage us to consider the above estimates for the urban Pennsylvanians to be optimistic.

7. Munnell, A. H. ( 2014). 401(K)/IRA holdings in 2013: An update from the SCF. Center for Retirement Research at Boston College., http://crr.bc.edu/wp-content/uploads/2014/09/IB_14-151.pdf


**About the Schwartz Center for Economic Policy Analysis (SCEPA)**
SCEPA is the economic policy research arm of the department of economics at The New School in New York City's Greenwich Village. SCEPA works to focus public debate on the role government can and should play in the economy to raise living standards, create economic security, and attain full employment. With a focus on collaboration and outreach, it provides original, standards-based research on key policy issues to empower policymakers to create positive change.

**About Retirement Equity Lab (ReLab)**
SCEPA's Retirement Equity Lab, led by economist and retirement expert Teresa Ghilarducci, researches the causes and consequences of the retirement crisis that exposes millions of American workers to experiencing downward mobility in retirement. With the generous support of Bernard L. Schwartz, ReLab is dedicated to preventing old-age poverty and chronic states of deprivation and stranding older workers in unfriendly labor market. In short, we seek to provide a pension to the 63 million workers who currently have none and change the meaning and experience of retirement for every American.

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