

used to make the projections presented here was developed to investigate the economic circumstances of future retired persons by projecting 1980 pension income and asset distributions for them. The simulation takes into account important factors affecting pension income which were omitted from the estimates presented above. It takes into account unemployment, job change and vesting, trends and pension coverage, variable earnings level, early retirement, and rising pension benefits.

If the projected P/E ratios are tabulated by the preretirement earnings group of the pension recipients, the effect of minimum benefit provisions can be shown. Tables 3 and 4 show tabulations of the distribution of P/E ratios for married males and unmarried females by 8 preretirement earnings groups. The average earnings for 5 years prior to retirement are used as a measure of preretirement earnings.

TABLE 3.—PROJECTED ¹ RATIO AT RETIREMENT OF TOTAL PENSION INCOME ² TO PRERETIREMENT EARNINGS FOR NONAGRICULTURE MARRIED MALES BY PRERETIREMENT EARNINGS GROUP

[Percentage distribution]

Ratio	Average preretirement earnings ³							
	Less than \$3,000	\$3,000 to \$3,999	\$4,000 to \$4,999	\$5,000 to \$5,999	\$6,000 to \$7,999	\$8,000 to \$9,999	\$10,000 to \$11,999	\$12,000 to \$15,999
Less than 0.20 ⁴	0	9	15	13	15	28	29	43
0.20 to 0.29.....	9	14	21	17	16	31	28	25
0.30 to 0.39.....	9	21	23	35	29	18	21	19
0.40 to 0.49.....	16	18	20	14	13	11	11	8
0.50 to 0.69.....	30	20	14	17	19	7	9	3
0.70 to 0.99.....	11	12	5	3	6	3	3	1
1 or more.....	23	6	3	1	1	0	0	0
Total.....	* 100	100	100	100	100	100	100	100

¹ Source: Simulation model.

² Social security, private, and/or Government employee pensions.

³ Average of 5 years prior to retirement.

⁴ Includes persons receiving no pension but with some earnings.

⁵ Less than 1 percent.

⁶ Totals may not sum to 100 percent due to rounding.

TABLE 4.—PROJECTED ¹ RATIO AT RETIREMENT OF TOTAL PENSION INCOME ² TO PRERETIREMENT EARNINGS ³ FOR NONAGRICULTURE UNMARRIED FEMALES BY PRERETIREMENT EARNINGS GROUP

[Percentage distribution]

Ratio	Average preretirement earnings							
	Less than \$3,000	\$3,000 to \$3,999	\$4,000 to \$4,999	\$5,000 to \$5,999	\$6,000 to \$7,999	\$8,000 to \$9,999	\$10,000 to \$11,999	\$12,000 to \$15,999
Less than 0.20 ⁴	23	5	5	5	9	9	22	17
0.20 to 0.29.....	4	7	6	22	21	29	39	25
0.30 to 0.39.....	8	17	15	19	21	31	17	33
0.40 to 0.49.....	10	20	23	18	20	17	17	8
0.50 to 0.69.....	18	37	31	27	25	10	4	8
0.70 to 0.99.....	17	11	11	7	5	5	0	4
1 or more.....	22	4	8	2	0	0	0	4
Total.....	* 100	100	100	100	100	100	100	100

¹ Source: Simulation model.

² Social security, private, and/or Government employee pensions.

³ Average of 5 years prior to retirement.

⁴ Includes persons receiving no pension income but with some earnings.

⁵ Totals may not sum to 100 percent due to rounding.