

[Working Papers](#)

Longevity-Insured Retirement Distributions from Pension Plans: Market and Regulatory Issues

Jeffrey R. Brown & Mark J. Warshawsky

SHARE      

WORKING PAPER 8064

DOI 10.3386/w8064

ISSUE DATE January 2001

This paper explores the extent to which retirees can and do insure themselves against longevity risk in private pension plans. We first review the theoretical and empirical results on the value of annuities, and discuss reasons why households may choose not to further insure themselves against longevity risk. We then analyze current trends in the private pension market, and find that the shift from defined benefit plans to defined contribution plans is likely to reduce annuitization rates among future retirees. This is driven primarily by the fact that the majority of DC plans, such as 401(k) plans, do not even offer participants a life annuity option at retirement. Thus, individuals who wish to annuitize generally must do so in the individual market where payouts are lower due to a healthier mortality pool. Hence, we can forecast that in the coming decades, absent institutional and regulatory changes, overall annuitization rates may fall and households may be increasingly exposed to the risk of outliving their financial resources, while the currently small private individual annuity market may witness significant growth. Finally,

we discuss several policy options designed to increase annuitization of retirement resources.

Download a PDF

[Information on access](#)

Acknowledgements and Disclosures



Citation and Citation Data



Published Versions

Gale, W., J. Shoven and M. Warshawsky (eds.) Public Policies and Private Pensions. Brookings Institution, 2004.

Related

PROGRAMS

Economics of Aging
Public Economics

More from the NBER

In addition to [working papers](#), the NBER disseminates affiliates' latest findings through a range of free periodicals — the [NBER Reporter](#), the [NBER Digest](#), the [Bulletin on Health](#), and the [Bulletin on](#)

Entrepreneurship — as well as online [conference reports](#), [video lectures](#), and [interviews](#).



Martin Feldstein Lecture, Summer Institute 2025
The Fiscal Future

N. Gregory Mankiw, Harvard University and NBER
July 10, 2025

2025, 17th Annual Feldstein Lecture, N. Gregory Mankiw, "The Fiscal Future"

FELDSTEIN LECTURE

PRESENTER: [N. GREGORY MANKIW](#)

N. Gregory Mankiw, Robert M. Beren Professor of Economics at Harvard University, presented the 2025 Martin Feldstein...



Methods Lecture, Summer Institute 2025
**Uncovering Causal Mechanisms:
Mediation Analysis and
Surrogate Indices**

Raj Chetty, Harvard University and NBER
Kosuke Imai, Harvard University
July 24, 2025

**2025, Methods Lecture, Raj Chetty and Kosuke Imai, "Uncovering Causal Mechanisms:
Mediation Analysis and Surrogate Indices"**

METHODS LECTURES

PRESENTERS: [RAJ CHETTY](#) & [KOSUKE IMAI](#)

SlidesBackground materials on mediationImai, Kosuke, Dustin Tingley, and Teppei Yamamoto. (2013). "Experimental Designs...



International Trade and Macroeconomics, Summer Institute 2025

Panel on The Future of the Global Economy

Oleg Itskhoki, Harvard University and NBER
Paul Krugman, City University of New York and NBER
Linda Tesar, University of Michigan and NBER
July 8, 2025

2025, International Trade and Macroeconomics, "Panel on The Future of the Global Economy"

PRESENTERS: [OLEG ITSKHOKI](#), [PAUL R. KRUGMAN](#) & [LINDA TESAR](#)

Supported by the Alfred P. Sloan Foundation grant #G-2023-19633, the Lynde and Harry Bradley Foundation grant #20251294...

National Bureau of Economic Research

Contact Us

1050 Massachusetts Avenue
Cambridge, MA 02138
617-868-3900
info@nber.org
webaccessibility@nber.org

HOME PAGE

[Accessibility Policy](#)

[Diversity Policy](#)

[Privacy Policy](#)

FOLLOW

