

### **Congressional Budget Office**

### **Background Paper**

# Utilization of Tax Incentives for Retirement Saving: Update to 2003

March 2007



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## Notes

All years are calendar years.

Numbers in the text and tables may not add to totals because of rounding.

#### **Preface**

his Congressional Budget Office (CBO) background paper is the second update of *Utilization of Tax Incentives for Retirement Saving* (August 2003). That paper examined participation rates and contributions to employment-based retirement plans, individual retirement accounts (IRAs), and self-employed plans in 1997. Every third year, CBO processes the same data sources used for that paper to project taxable distributions from pensions, annuities, and IRAs for its revenue baseline. With that new data, CBO also can update this series triennially. The first update, released in February 2006, presented comparable figures for 2000. This paper presents figures for 2003, and it analyzes the implications of certain provisions in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) that increased the limits on contributions to tax-favored retirement plans. In keeping with CBO's mandate to provide objective, impartial analysis, the report makes no recommendations.

Overall, participation in tax-favored retirement plans remained stable between 2000 and 2003. The slight increase in 401(k) participation was offset by a small dip in IRA participation. The EGTRRA provision that affected the largest number of IRA participants was the increase in the general contribution limit from \$2,000 to \$3,000, which allowed an additional 12 percent of participants—1 percent of all workers—to contribute as much as they wanted. The provision that affected the largest number of 401(k) participants was the introduction of \$2,000 "catch-up" contributions for those age 50 and over.

Paul Burnham of CBO's Tax Analysis Division wrote the paper under the direction of G. Thomas Woodward. Paul Cullinan, Arlene Holen, Donald Marron, and John Sabelhaus provided useful comments.

Kate Kelly edited the manuscript; Leah Mazade proofread it. Maureen Costantino prepared the report for publication with assistance from Allan Keaton. Lenny Skutnik produced the printed copies, Linda Schimmel coordinated the print distribution, and Simone Thomas prepared the electronic version for CBO's Web site (www.cbo.gov).

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Pet Days,

Director

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## Utilization of Tax Incentives for Retirement Saving: Update to 2003

#### **Introduction and Summary**

This paper is an update of the Congressional Budget Office (CBO) paper *Utilization of Tax Incentives for Retirement Saving* (2003), which examined participation rates and contributions to employment-based retirement plans, individual retirement accounts (IRAs), and self-employed plans for 1997. CBO also published *Utilization of Tax Incentives for Retirement Saving: An Update* (2006), which compared data from 1997 and 2000. This paper adds comparable figures for 2003 to show how patterns of utilization have changed since 1997.

The data presented in this paper incorporate the effects of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), which increased the annual dollar and percentage-of-compensation limits on contributions to tax-favored retirement accounts and permitted additional "catch-up" contributions by taxpayers age 50 and over. This update examines the effect of those changes on the number of participants constrained by the limits.

#### CBO's key findings are as follows:

■ Overall participation in tax-favored retirement plans remained stable at 50 percent between 2000 and 2003, a participation rate only very slightly lower than in 1997. Since 1997, participation has shifted slightly toward the following groups: older taxpayers, higher-income taxpayers, secondary earners in two-earner married couples, and nonearning spouses in one-earner married couples.

- Between 2000 and 2003, participation in employment-based plans increased by 1 percentage point, to 46 percent. That increase occurred only for 401(k)-type plans; there was no change in participation in noncontributory plans. From 1997 to 2003, participation decreased by 1 percentage point, with a 3-percentage-point drop in noncontributory plan participation more than offsetting a 2-percentage-point increase in 401(k) participation.
- Participation in IRAs decreased by 1 percentage point, to 7 percent, between 2000 and 2003, with participation split approximately evenly between Roth IRAs and traditional IRAs. The decrease was concentrated among higher-income taxpayers who became subject to phaseouts that rendered them either ineligible to contribute (in the case of Roths) or unable to deduct their contributions (in the case of traditional IRAs).
- The average 401(k) contribution in 2003 was \$3,257 (in 1997 dollars), an increase of approximately 7 percent over 2000. In spite of the higher contribution limits allowed under EGTRRA, that growth rate is lower than the nearly 10 percent growth between 1997 and 2000.

<sup>1. 401(</sup>k)-type plans include 401(k)s, 403(b)s, 457s (all named for the sections of the Internal Revenue Code in which they are defined), and the federal Thrift Savings Plan. Noncontributory plans include all defined-benefit plans and defined-contribution plans that are funded entirely by employers. Workers participating in both a 401(k)-type plan and a noncontributory plan are counted only in the former category.

- The average real (inflation-adjusted) contribution to an IRA increased between 2000 and 2003 by \$414, to \$1,926. The increase was larger for traditional IRAs (\$458) than for Roth IRAs (\$336). The increases reflect the higher contribution limits under EGTRRA, and they stand in contrast to the decline in average real contributions between 1997 and 2000, when the contribution limits did not change.
- Increasing the limits on contributions to 401(k) plans reduced from 9 percent to 5 percent the proportion of participants constrained by the limits. Approximately half of that difference was the result of introducing \$2,000 catch-up contributions for participants age 50 and over. The rest was attributable to increasing both the general dollar limit and the percentage-of-compensation limit on contributions.
- Increasing the limits on IRA contributions reduced by 16 percentage points the proportion of participants constrained by the limit, to 55 percent in the case of traditional IRAs and to 44 percent in the case of Roth IRAs. For all eligible workers (regardless of whether they chose to participate in IRAs), the constrained percentage declined from 5 to 4. For both types of IRA, approximately three-quarters of the difference was attributable to increasing the general dollar limit on contributions from \$2,000 to \$3,000. The rest came from introducing \$500 catch-up contributions for participants age 50 and over.

#### Changes Between 1997 and 2003

Tax and associated information returns filed with the Internal Revenue Service (IRS) provide data on who was covered by employment-based retirement plans, who contributed to IRAs and 401(k)-type plans, and how much they contributed. Specifically, IRA contributions (whether deductible or not) are reported on Form 5498, and contributions to 401(k)-type plans are reported on Form W-2. Form W-2 also identifies workers who are covered by employment-

based plans but do not contribute toward them. Contributions by the self-employed are reported on Form 1040.<sup>2</sup>

Participation rates in employment-based plans, IRAs, and self-employed plans, and average contributions to each, were tabulated from samples of tax returns for 1997, 2000, and 2003 that were prepared by the IRS and enhanced by attaching data from Forms W-2 and 5498.<sup>3</sup> Those information returns do not undergo the same degree of consistency checking by the IRS that the tax returns themselves do. Therefore, CBO developed separate procedures for the two files to impose consistency with the amounts reported on Forms 1040. (The procedures are described in Appendix A of *Utilization of Tax Incentives for Retirement Saving*.) To facilitate comparisons among years, all dollar amounts are presented in 1997 dollars.

- 2. In previous editions of *Utilization of Tax Incentives for Retirement Saving*, contributions by the self-employed were referred to as "Keogh contributions." That term has been replaced on Form 1040 by "Self-employed SEP [simplified employee pension], SIMPLE [Savings Incentive Match Plans for Employees], and qualified plans," shortened here to "self-employed plans."
- 3. Because the tabulations are from a sample, some sampling error is inevitable. The IRS publishes coefficients of variation (CV) for most of the fields that can be extracted from Form 1040. For IRA and self-employed contributions in 2003, the CVs for those fields (for both the number of returns and the amounts) were approximately 2 percent (see Internal Revenue Service, Statistics of Income—2003: Individual Income Tax Returns [September 2005], pp. 70-71). Thus, there is a 1-in-20 chance that sampling error would cause the tabulated value to be more than 4 percent higher or 4 percent lower than the true value. For a tabulated dollar amount of \$1,000, that would translate into a range of \$960 to \$1,040. Corresponding CVs in 1997 were slightly higher but still less than 3 percent (see Internal Revenue Service, Statistics of Income—1997: Individual Income Tax Returns [December 1999], pp. 58, 59). CVs for contributions to 401(k)-type plans are not published but would probably be lower than those for IRAs and selfemployed plans. Those for contributions to SEPs and SIMPLEs would probably be higher.

Table 1.
Workers' Participation in Tax-Favored Retirement Plans, 1997, 2000, and 2003

	1997		2000		2003	
Category	Number of Workers (Thousands)	Percentage Actively Participating in Any Plan	Number of Workers (Thousands)	Percentage Actively Participating in Any Plan	Number of Workers (Thousands)	Percentage Actively Participating in Any Plan
			By Age	e Cohort		_
Under 30	40,765	35	40,068	33	38,895	32
30 to 44	50,205	58	49,411	56	48,806	56
45 to 59	31,822	64	35,316	63	39,779	63
60 and Over	10,605	42	11,388	40	13,330	44
All Cohorts	133,397	51	136,183	50	140,809	50
			By Income Grou	up (1997 dollars)		
Under \$20,000	45,686	21	44,660	20	47,515	20
\$20,000 to \$40,000	32,066	55	31,932	51	33,410	52
\$40,000 to \$80,000	36,720	70	37,013	67	37,428	68
\$80,000 to \$120,000	11,474	79	13,036	79	13,281	80
\$120,000 to \$160,000	3,491	81	4,352	83	4,562	82
\$160,000 and Over	3,960	77	5,191	79	4,612	79
All Income Groups	133,397	51	136,183	50	140,808	50
			By Marital Sta	tus/Earner Role		
Unmarried Earners Married Earners	64,388	41	67,635	39	69,798	40
Sole	18,955	53	19,756	46	21,186	52
Primary	25,028	72	24,396	75	24,912	72
Secondary	25,028	54	24,396	59	24,912	57
All Earners	133,397	51	136,183	50	140,808	50
Nonearning Spouse	18,955	6	19,756	7	21,186	9

Source: Congressional Budget Office tabulations of a sample of 1997, 2000, and 2003 individual income tax returns and tax information returns.

Note: Participation consists of contributing to an individual retirement account, self-employed plan, or 401(k)-type plan or being enrolled in a noncontributory plan during the given year. The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from individual retirement accounts.

#### **Participation Rates**

Participation data were available for employment-based plans, IRAs, and self-employed plans. Information returns also identified two subgroups of employment-based-plan participants: One group contributed to 401(k)-type plans; the other participated in noncontributory plans only. Rates are expressed as a percentage of all workers filing tax returns.

**Overall Participation.** Overall participation in tax-favored retirement plans has been roughly constant since 1997. It declined by 1 percentage point, to 50 percent between 1997 and 2000, then remained unchanged through 2003 (see Table 1). The decline between 1997 and 2003 differed among age groups, income groups, and groupings by marital status and earner role.

The decline in participation, although small for all groups, was largest among taxpayers under age 30. Their participation—at 35 percent, the lowest of any age group in 1997—fell by 3 percentage points, to 32 percent, in 2003. In successively older groups, up to age 60, participation rates were higher, and the decline in participation between 1997 and 2003 was less. Specifically, in the 30–44 group, the decline was 2 percentage points, from 58 percent to 56 percent; in the 45–59 group, the decline was 1 percentage point, from 64 percent to 63 percent. At age 60 and over, the participation rate in 2003 was 44 percent, but that was a 2-percentage-point increase over 1997.

Workers with income over \$80,000 participated at a higher rate in 2003 than they did in 1997. The highest participation rate, 82 percent, was for those earning between \$120,000 and \$160,000; that was up from 81 percent in 1997. Participation among earners with the highest income was slightly lower, at 79 percent, up from 77 percent in 1997. In contrast, participation by those with income between \$20,000 and \$40,000 dropped by 3 percentage

points, to 52 percent. Participation in the lowest (and largest) income group dropped 1 percentage point, to 20 percent. Among workers with income between \$40,000 and \$80,000, participation dropped by 2 percentage points between 1997 and 2003, but that level was still well above the average.

Participation increased among two marital status/ earner roles dominated by women: secondary earners (up 3 percentage points between 1997 and 2003, to 57 percent) and nonearning spouses (up 3 percentage points, to 9 percent). Unmarried earners and sole earners participated at rates 1 percentage point lower in 2003 than in 1997. The group with the highest participation rate in 1997—primary earners—participated at the same rate, 72 percent, in 2003.

Employment-Based Plans. After declining by 2 percentage points between 1997 and 2000, participation in employment-based plans increased by 1 percentage point, to 46 percent, between 2000 and 2003. The patterns by age group, income group, and marital status/earner role mirror those described above for overall participation.

When disaggregated by type of plan, however, the participation patterns differ somewhat. From 1997 to 2003, participation in 401(k)-type plans increased by 2 percentage points, to 29 percent; participation solely in noncontributory plans declined by 3 percentage points, to 17 percent (see Table 2). Those differences largely reflect a continuation of the long-term trend among employers of shifting from traditional pensions to 401(k)-type plans. Despite that trend, however, the tax data show the

<sup>4.</sup> Results by income group are not comparable to those presented in previous editions of Utilization of Tax Incentives for Retirement Saving, because the income classifier is different. The change was motivated by the introduction of Roth IRAs. Deductible contributions to traditional IRAs reduce the value of adjusted gross income (AGI), the income classifier used in previous editions. An identical contribution to a Roth IRA, in contrast, does not change the value of AGI. Thus, people identical in every way except the type of IRA to which they contribute could be placed in different income groups. To avoid that inconsistent treatment, CBO adopted a different income classifier for this report. That classifier starts with AGI but adds back all contributions to IRAs, self-employed plans, and 401(k)-type plans that reduced AGI. To avoid the double counting of income, taxable distributions from IRAs were subtracted from the classifier. Taxable pensions and annuities were not subtracted because they consist primarily of distributions from defined-benefit plans, the contributions to which were not added into the classifier.

The trend was illustrated in Figure 1 of *Utilization of Tax Incentives for Retirement Saving* (p. 4). The data series on which that figure was based was discontinued by the Department of Labor after 1999.

Table 2.
Workers' Participation in Employment-Based Retirement Plans, 1997, 2000, and 2003

(Percentage of all workers)

	401(k)-Type Plans			Noncontributory Plans Only			
Category	1997	2000	2003	1997	2000	2003	
			By Age	Cohort			
Under 30	15	15	14	18	15	16	
30 to 44	32	34	34	22	18	18	
45 to 59	36	37	38	22	19	19	
60 and Over	18	18	22	16	14	15	
All Cohorts	27	28	29	20	17	17	
			By Income Grou	p (1997 dollars)			
Under \$20,000	5	6	6	14	12	12	
\$20,000 to \$40,000	26	26	26	25	21	22	
\$40,000 to \$80,000	40	41	42	25	20	21	
\$80,000 to \$120,000	55	54	57	18	17	17	
\$120,000 to \$160,000	56	59	60	14	14	14	
\$160,000 and Over	48	52	54	13	13	12	
All Income Groups	27	28	29	20	17	17	
			By Marital Status	Earner Role			
Unmarried Earners	19	20	21	19	16	16	
Married Earners							
Sole	27	26	30	20	14	17	
Primary	44	48	47	23	20	20	
Secondary	29	32	31	20	19	19	
All Earners	27	28	29	20	17	17	
Nonearning Spouse	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	

Source: Congressional Budget Office tabulations of a sample of 1997, 2000, and 2003 individual income tax returns and tax information returns.

Notes: Participation consists of making a contribution to a 401(k)-type plan or being enrolled in a noncontributory plan during the given year. Workers participating in both types of plan are counted only in the 401(k)-type, so summing the percentages yields participation in all employment-based plans. The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from individual retirement accounts.

n.a. = not applicable.

decline in participation in noncontributory plans occurring entirely between 1997 and 2000.

The increase in participation in 401(k)-type plans was limited to those age 30 and above; the youngest group exhibited a slight decrease between 2000 and 2003. The oldest group showed an increase of 4 percentage points increase between 2000 and 2003. No

income group showed decreased participation. Between 1997 and 2003, the participation rate remained flat or increased by 1 percentage point for those with income below \$40,000; for those with income between \$40,000 and \$120,000, the participation rate increased by 2 percentage points, and for those with income in excess of \$120,000, participation increased by 4–6 percentage points. No strong

Table 3.

Workers' Participation in Individual Retirement Accounts and Self-Employed Plans, 1997, 2000, and 2003

(Percentage of all workers)

		IRAs		S	elf-Employed Pla	ins
Category	1997	2000	2003	1997	2000	2003
			By Age	: Cohort		
Under 30	3	4	4	<1	<1	<1
30 to 44	6	8	7	1	1	1
45 to 59	9	12	10	2	2	2
60 and Over	10	10	9	1	2	2
All Cohorts	6	8	7	1	1	1
			By Income Grou	ıp (1997 dollars)		
Under \$20,000	2	3	2	<1	<1	<1
\$20,000 to \$40,000	6	7	6	<1	<1	<1
\$40,000 to \$80,000	7	10	10	1	1	1
\$80,000 to \$120,000	9	16	14	2	2	2
\$120,000 to \$160,000	15	21	15	4	4	4
\$160,000 and Over	17	14	12	9	9	10
All Income Groups	6	8	7	1	1	1
			By Marital Status	/Earner Role		
Unmarried Earners	4	6	5	<1	<1	<1
Married Earners						
Sole	8	9	8	2	1	1
Primary	8	11	10	2	2	2
Secondary	7	11	10	1	1	1
All Earners	6	8	7	1	1	1
Nonearning Spouse	6	7	6	n.a.	n.a.	n.a.

Source: Congressional Budget Office tabulations of a sample of 1997, 2000, and 2003 individual income tax returns and tax information returns.

Notes: Participation consists of making a contribution to an IRA or self-employed plan during the given year. The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from IRAs.

IRA = individual retirement account; n.a. = not applicable.

patterns emerged among different marital status/ earner roles, although it is notable that for married earners, changes between 2000 and 2003 were all in the opposite direction from the changes between 1997 and 2000.

The decline in participation in noncontributory plans was similar for all age groups between 1997 and 2000. Between 2000 and 2003, however, that decline was reversed slightly in the youngest and oldest groups. The decline was sharpest among those

with income below \$80,000, and no income class experienced an increase. By marital status/earner role, declines in participation between 1997 and 2003 mirrored the average of 3 percentage points, except for secondary earners, whose participation declined by only 1 percentage point between 1997 and 2003.

**IRAs and Self-Employed Plans.** Participation in IRAs increased by 2 percentage points, to 8 percent,

Table 4.
Workers' Participation in Traditional or Roth Individual Retirement Accounts, 2000 and 2003

		2000			2003	
Category	Number of Workers (Thousands)	Percentage Participating in Traditional IRAs	Percentage Participating in Roth IRAs	Number of Workers (Thousands)	Percentage Participating in Traditional IRAs	Percentage Participating in Roth IRAs
			By Age	Cohort		
Under 30	40,068	1	3	38,895	1	3
30 to 44	49,411	4	4	48,806	3	4
45 to 59	35,316	7	5	39,779	6	5
60 and Over	11,388	7	2	13,330	6	3
All Cohorts	136,183	4	4	140,809	4	4
			By Income Grou	p (1997 dollars)		
Under \$20,000	44,660	1	2	47,515	1	1
\$20,000 to \$40,000	31,932	4	3	33,410	4	3
\$40,000 to \$80,000	37,013	5	5	37,428	5	5
\$80,000 to \$120,000	13,036	6	10	13,281	5	9
\$120,000 to \$160,000	4,352	9	13	4,562	7	8
\$160,000 and Over	5,191	14	0	4,612	12	0
All Income Groups	136,183	4	4	140,808	4	4
			By Marital State	us/Earner Role		
Unmarried Earners	67,635	3	3	69,798	2	3
Married Earners						
Sole	19,756	5	3	21,186	5	3
Primary	24,396	6	6	24,912	5	5
Secondary	24,396	6	5	24,912	5	5
All Earners	136,183	4	4	140,808	4	4
Nonearning Spouse	19,756	5	3	21,186	4	2

Source: Congressional Budget Office tabulations of a sample of 2000 and 2003 individual income tax returns and tax information returns.

Notes: Participation consists of making a contribution to a traditional IRA or a Roth IRA during the given year. The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from IRAs.

IRA = individual retirement account.

between 1997 and 2000, but declined to 7 percent in 2003 (see Table 3). The original increase largely reflected the 1998 introduction of Roth IRAs; the subsequent decline largely reflects the effect of unindexed thresholds of eligibility for those Roth IRAs. Because the eligibility threshold is defined by income, differences in the decline occur primarily among the various income groups; changes among age groups and marital status/earner roles were fairly uniform.

For taxpayers with income of \$80,000 or less, IRA participation rates remained unchanged or declined by 1 percentage point between 2000 and 2003. In each of the highest three income groups, however, participation declined by at least 2 percentage points. The steepest decline—6 percentage points, from 21 percent to 15 percent—occurred in the \$120,000–\$160,000 group. Roth IRAs account for nearly 5 percentage points of that drop; traditional IRAs account for the rest (see Table 4). The nominal

threshold of Roth eligibility for married couples in 2000 and 2003 was \$160,000, but because the results are presented in 1997 dollars, that threshold actually falls into the \$120,000–\$160,000 group in both years; it was the equivalent of \$149,296 in 2000 and \$140,245 in 2003. As the threshold drops further into the lower income class, more and more taxpayers in that class become ineligible; hence the steep decline in participation.

The same \$160,000 threshold exists for deducting contributions to traditional IRAs when a married participant's spouse is covered by an employment-based plan; thus, a similar devaluation phenomenon results in lower participation rates. A 2-percentage-point decline in traditional IRA participation rates also occurred in the \$160,000-and-above group, perhaps reflecting that group's further removal from the realm of deductibility.

Participation rates in self-employed plans are generally too low to reveal patterns in participation by age group, marital status, or earner role. However, no evidence emerged to indicate any change in the patterns between 2000 and 2003 (see Table 3).

#### **Contributions**

Data on employee contributions were available for 401(k)-type plans, IRAs, and self-employed plans. Results are presented in terms of average contributions in 1997 dollars. Employer contributions to retirement plans are not considered here because they are reported to the IRS only in the aggregate, and the amounts cannot be linked to individual taxpayers.

Changes in average contributions should not be interpreted as reflecting a change in overall saving. The differences also might reflect the shifting of

assets between taxable and nontaxable accounts. CBO did not attempt to identify what proportion of higher average contributions should be attributed to new saving and what represents shifting between types of accounts.

**401(k)-Type Plans.** The nominal statutory dollar limit on 401(k) contributions by employees increased with inflation from \$9,500 to \$10,500 between 1997 and 2000 and by statute to \$12,000 in 2003. A 25-percent-of-compensation limit on 401(k) contributions that was in place in 1997 and 2000 was increased to 100 percent for 2003, and in 2003, taxpayers age 50 and over were allowed to make catch-up contributions of \$2,000 above the limit for other taxpayers. Despite the higher limits in 2003, the growth in average real contributions was smaller between 2000 and 2003 (7.2 percent) than it had been between 1997 and 2000 (9.6 percent; see Table 5). The patterns among income groups, age groups, and marital status/earner role groups changed substantially from 2000 to 2003.

Average contributions increased with income in each year and represented roughly similar shares of income, ranging from about 5 percent of adjusted gross income (AGI) in the lower-income groups to around 4 percent in the higher-income groups. The pattern of average contributions, however, may obscure the size distribution of contributions within groups. Figures 1 and 2 show how the amounts of contributions in 2003 were distributed within each income group for participants under age 50 (Figure 1) and age 50 and above (Figure 2). The patterns within the bars show the contribution amounts at or below the 10th, 25th, 50th, 75th, and 90th percentiles. The amount at each percentile increased with income, as expected, but the figures also illustrate that the distributions were skewed toward smaller contributions. The range between the 50th and 75th percentiles was always wider than that between the 25th and 50th percentiles. Except in the

<sup>6.</sup> Although the eligibility threshold for traditional IRAs does not preclude contributions as does the eligibility threshold for Roth IRAs, the reduced tax incentive associated with nondeductibility deters participation.

Table 5.
Workers' Average Contributions to 401(k)-Type Plans, 1997, 2000, and 2003

	19	997	2000		2003	
Category	Number of Participants (Thousands)	Average Contribution (1997 dollars)	Number of Participants (Thousands)	Average Contribution (1997 dollars)	Number of Participants (Thousands)	Average Contribution (1997 dollars)
			By Age	Cohort		
Under 30	6,128	1,592	6,102	1,873	5,611	1,710
30 to 44	16,288	2,681	16,868	2,993	16,635	3,084
45 to 59	11,360	3,466	13,164	3,590	15,094	3,917
60 and Over	1,889	3,213	2,092	3,338	2,916	3,801
All Cohorts	35,666	2,772	38,226	3,039	40,257	3,257
			By Income Grou	ıp (1997 dollars)		
Under \$20,000	2,448	546	2,611	635	2,976	636
\$20,000 to \$40,000	8,331	1,324	8,248	1,397	8,806	1,388
\$40,000 to \$80,000	14,718	2,482	15,112	2,633	15,753	2,772
\$80,000 to \$120,000	6,310	4,131	7,019	4,245	7,511	4,634
\$120,000 to \$160,000	1,958	5,360	2,561	5,706	2,741	6,553
\$160,000 and Over	1,902	7,054	2,675	7,019	2,470	8,330
All Income Groups	35,666	2,772	38,226	3,039	40,257	3,257
			By Marital Stat	tus/Earner Role		
Unmarried Earners	12,404	2,190	13,591	2,448	14,463	2,534
Married Earners	•	•	•	•	•	·
Sole	5,147	3,580	5,055	3,881	6,318	4,196
Primary	10,973	3,398	11,801	3,712	11,798	3,988
Secondary	7,141	2,239	7,779	2,501	7,678	2,722
All Earners	35,666	2,772	38,226	3,039	40,257	3,257
Nonearning Spouse	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Congressional Budget Office tabulations of a sample of 1997, 2000, and 2003 individual income tax returns and tax information returns.

Notes: The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from individual retirement accounts.

n.a. = not applicable.

highest-income group, the range between the 75th and 90th percentiles was always wider than that between the 10th and 25th percentiles. (More than 25 percent of participants in the highest group were constrained by the contribution limit, so the 75th and 90th percentiles were the same.)

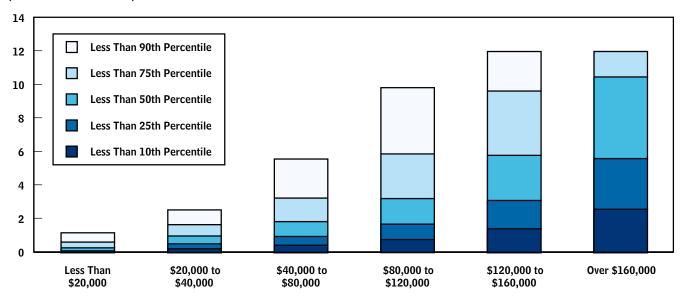
Between 1997 and 2000, growth rates of average real contributions were highest for the lowest-income

group—more than 16 percent—and they were negative for the highest-income group. For every group in between, the growth rate was less than 10 percent. The decline in the rate of growth in average contributions as income increased may have reflected the number of participants in each income class who contributed the maximum in 1997 and could not contribute more in real terms in 2000, thereby dampening the growth rate.

Figure 1.

## Distribution of 401(k) Contribution Amounts by Participants Under Age 50 in 2003, by Income Group

(Thousands of dollars)



Source: Congressional Budget Office.

The increase in the contribution limits under EGTRRA, however, produced a different pattern among income groups in 2003. Because the percentage of contributors constrained by the pre-EGTRRA dollar limit increases with income, the higher limit affected more contributors in higher-income groups than it did in lower-income groups. Rates of growth in average real contributions between 2000 and 2003 ranged from 0.6 percent in the \$20,000–\$40,000 group to 18.6 percent in the \$160,000-and-above group.

Between 1997 and 2000, age groups with the lowest average contributions exhibited the most growth in contributions. In general, that meant that contributions from younger groups grew the most, although contributions by workers age 60 and over grew slightly more than did those from workers in the 45–59 group. Between 2000 and 2003, however, the older groups exhibited more growth in contributions, and that disproportionate growth appears to be linked to the catch-up contributions allowed

to participants age 50 and over. In contrast, average real contributions actually declined in the under-30 group, despite the slightly higher dollar limit.

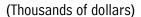
Married people made higher average contributions than did unmarried people, and between 2000 and 2003, their average contributions increased by more than did those of unmarried people. The difference in growth rates among marital status/earner roles was not, however, as great as it was among age or income groups.

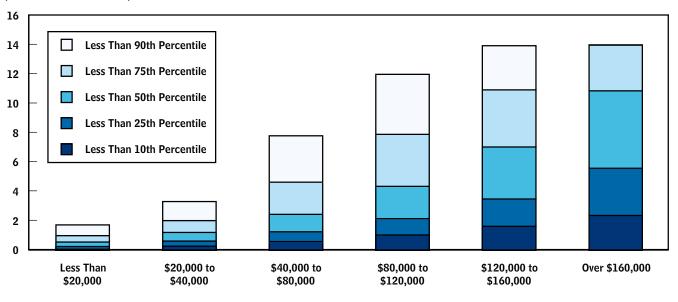
**IRAs.** The \$2,000 limit on contributions to IRAs did not change between 1997 and 2000; over that time, average real IRA contributions declined.<sup>7</sup> Adjusted for inflation, a \$2,000 nominal contribution

<sup>7.</sup> In addition to the \$2,000 limit, IRA contributions in 1997 and 2000 were limited to the amount of compensation (except for nonearning spouses, in which case the combined contributions of the spouses were limited to the compensation of the earning spouse). That limit was rarely binding.

Figure 2.

## Distribution of 401(k) Contribution Amounts by Participants Age 50 and Above in 2003, by Income Group





Source: Congressional Budget Office.

in 2000 was the equivalent of a 1997 contribution of \$1,866. Because almost two-thirds of participants were contributing the maximum in 1997 and could not increase their contributions in 2000, the real value of their contributions fell.

EGTRRA raised the contribution limit in 2003 to \$3,000 for taxpayers under age 50 and to \$3,500 for taxpayers age 50 and over. That is a much larger increase relative to the pre-EGTRRA amount than for 401(k) plans. Therefore, more room was created for higher contributions. Furthermore, because a higher percentage of contributors were constrained by the pre-EGTRRA limits, more of them were able to increase their contributions. Overall, average real contributions to IRAs increased by 27.3 percent between 2000 and 2003, to an average of \$1,926 (see Table 6).

Average contributions to IRAs increased with income in all years, and between 2000 and 2003, the growth in contributions also increased with income.

As for 401(k) plans, each successively higher income group had more contributors who, previously constrained by pre-EGTRRA limits, now could contribute more.

Contributions to traditional IRAs grew by more during the 2000–2003 period (31.8 percent) than did contributions to Roth IRAs (22.7 percent; see Table 7). There was room for growth in contributions to traditional IRAs in the highest income group, which had the largest percentage of contributors constrained by the pre-EGTRRA limit. Because those taxpayers were prohibited from contributing to Roth IRAs at all, they are not considered in the calculation of average real growth in Roth contributions. Even within many income groups, however, the growth in contributions to traditional IRAs was greater between 2000 and 2003 than was the growth in contributions to Roth IRAs.

The pattern of contribution growth increasing with income does not quite hold for traditional IRAs and

Table 6.
Workers' Average Contributions to Individual Retirement Accounts, 1997, 2000, and 2003

	19	997	20	000	20	003
Category	Number of Participants (Thousands)	Average Contribution (1997 dollars)	Number of Participants (Thousands)	Average Contribution (1997 dollars)	Number of Participants (Thousands)	Average Contribution (1997 dollars)
			By Age	Cohort Cohort		
Under 30	1,020	1,407	1,772	1,378	1,452	1,493
30 to 44	2,815	1,530	3,800	1,474	3,213	1,741
45 to 59	2,971	1,675	4,189	1,564	4,166	2,122
60 and Over	1,012	1,713	1,099	1,659	1,214	2,258
All Cohorts	7,818	1,593	10,860	1,512	10,045	1,926
			By Income Grou	ıp (1997 dollars)		
Under \$20,000	925	1,428	1,197	1,355	1,156	1,481
\$20,000 to \$40,000	2,062	1,513	2,236	1,397	2,160	1,720
\$40,000 to \$80,000	2,631	1,520	3,736	1,486	3,688	1,912
\$80,000 to \$120,000	1,012	1,741	2,055	1,627	1,810	2,142
\$120,000 to \$160,000	517	1,863	911	1,652	690	2,310
\$160,000 and Over	670	1,915	727	1,753	540	2,578
All Income Groups	7,818	1,593	10,860	1,512	10,045	1,926
			By Marital Stat	tus/Earner Role		
Unmarried Earners	2,833	1,549	3,820	1,451	3,508	1,777
Married Earners						
Sole	1,444	1,626	1,684	1,571	1,663	2,163
Primary	1,878	1,613	2,673	1,546	2,443	1,963
Secondary	1,663	1,615	2,683	1,527	2,431	1,940
All Earners	7,818	1,593	10,860	1,512	10,045	1,926
Nonearning Spouse	1,142	1,583	1,466	1,559	1,319	2,182

Source: Congressional Budget Office tabulations of a sample of 1997, 2000, and 2003 individual income tax returns and tax information returns.

Note: The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from individual retirement accounts.

Roth IRAs separately; in each case, growth in contributions was lower in the highest eligible income group than in the one below it. Growth in contributions to traditional IRAs ranged from 15.2 percent in the lowest income group to 53.4 percent in the \$120,000–\$160,000 group, before dropping to 46.8 percent in the highest income group. Growth in contributions to Roth IRAs ranged from 3.0 percent in the lowest income group to 31.0 percent in the \$80,000–\$120,000

group, dropping to 30.2 percent in the \$120,000–\$160,000 group.

Average contributions also increased with age in all years. As with 401(k) plans, the catch-up contributions by participants age 50 and older resulted in the largest increases occurring in the top two age groups. The correlation between age and the growth in average real contributions was stronger for Roth IRAs. The growth in average Roth contributions ranged

Table 7.
Workers' Average Contributions to Traditional or Roth Individual Retirement Accounts, 2000 and 2003

(1997 dollars)

	200	00	200	)3
	Traditional	Roth	Traditional	Roth
Category	IRAs	IRAs	IRAs	IRAs
		Ву Ад	e Cohort	
Under 30	1,146	1,387	1,355	1,475
30 to 44	1,370	1,460	1,662	1,701
45 to 59	1,481	1,565	2,024	2,069
60 and Over	1,636	1,549	2,169	2,151
All Cohorts	1,440	1,479	1,898	1,815
		By Income Gro	oup (1997 dollars)	
Under \$20,000	1,281	1,326	1,476	1,366
\$20,000 to \$40,000	1,340	1,325	1,680	1,613
\$40,000 to \$80,000	1,372	1,487	1,830	1,832
\$80,000 to \$120,000	1,529	1,615	2,036	2,115
\$120,000 to \$160,000	1,568	1,635	2,406	2,128
\$160,000 and Over	1,770	n.a.	2,599	n.a.
All Income Groups	1,440	1,479	1,898	1,815
		By Marital Sta	atus/Earner Role	
Unmarried Earners	1,364	1,416	1,727	1,695
Married Earners				
Sole	1,512	1,520	2,103	2,040
Primary	1,480	1,524	1,963	1,825
Secondary	1,445	1,517	1,905	1,862
All Earners	1,440	1,479	1,898	1,815
Nonearning Spouse	1,486	1,552	2,176	2,022

Source: Congressional Budget Office tabulations of a sample of 2000 and 2003 individual income tax returns and tax information returns.

Notes: The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from IRAs.

IRA = individual retirement account; n.a. = not applicable.

from 6.3 percent in the youngest group to 38.9 percent in the oldest group. For traditional IRAs, the range was between 18.2 percent in the youngest group and 36.7 percent in the 45–59 group; in the oldest group, the growth was 32.6 percent.

Average real contributions varied little by marital status/earner role in 1997 and 2000. In 2000, there

was a \$120 difference between the lowest average contribution (by unmarried participants) and the highest average contribution (by sole earners). The EGTRRA changes, however, seem to have resulted in some differentiation. By 2003, that difference had widened to \$386, and the difference between the average for unmarried participants and that for nonearning spouses was \$405.

Table 8.
Workers' Average Contributions to Self-Employed Retirement Plans, 1997, 2000, and 2003

	19	997	20	2000		2003	
Category	Number of Participants (Thousands)	Average Contribution (1997 dollars)	Number of Participants (Thousands)	Average Contribution (1997 dollars)	Number of Participants (Thousands)	Average Contribution (1997 dollars)	
			By Age	Cohort			
Under 30	24	4,675	28	5,137	29	6,557	
30 to 44	469	8,050	476	7,909	376	10,807	
45 to 59	546	8,211	657	9,093	652	12,829	
60 and Over	121	8,612	172	7,675	217	12,276	
All Cohorts	1,159	8,115	1,332	8,405	1,274	11,995	
			By Income Grou	ıp (1997 dollars)			
Under \$20,000	32	2,245	39	1,920	35	2,716	
\$20,000 to \$40,000	93	2,665	98	2,761	97	3,525	
\$40,000 to \$80,000	269	4,098	319	4,027	260	5,534	
\$80,000 to \$120,000	242	6,360	268	5,432	268	7,836	
\$120,000 to \$160,000	145	9,433	156	8,500	170	11,640	
\$160,000 and Over	340	14,578	453	14,984	443	21,015	
All Income Groups	1,159	8,115	1,332	8,405	1,274	11,995	
			By Marital Stat	tus/Earner Role			
Unmarried Earners	223	7,290	273	7,465	253	12,714	
Married Earners							
Sole	290	11,311	296	12,189	284	16,304	
Primary	377	9,812	443	10,054	411	14,256	
Secondary	268	2,960	320	3,409	327	4,852	
All Earners	1,159	8,115	1,332	8,405	1,274	11,995	
Nonearning Spouse	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	

Source: Congressional Budget Office tabulations of a sample of 1997, 2000, and 2003 individual income tax returns and tax information returns.

Notes: The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from individual retirement accounts.

n.a. = not applicable.

**Self-Employed Plans.** Contributions to three kinds of plans are reported on the line for self-employed plans: simplified employee pensions (SEPs), Savings Incentive Match Plans for Employees (SIMPLEs), and other qualified plans. Each has statutory limits on contributions (\$6,500 for SIMPLEs; \$30,000 for SEPs and other qualified plans) that did not increase between 1997 and 2000. Average contributions,

however, increased as a result of inflation and real growth in self-employment income. The overall average real contribution increased by nearly 4 percent, to \$8,405 (see Table 8).

<sup>8.</sup> About half of SEPs and most SIMPLEs are counted with employment-based plans, not self-employed plans.

In 2003, EGTRRA increased the limit on contributions to SIMPLEs to \$8,000 (\$9,000 for taxpayers age 50 and over), and it raised the limit on contributions to SEPs and other qualified plans to \$40,000. The SIMPLE limit of 25 percent of earnings was increased to 100 percent (as it was for other qualified plans), and the 15 percent limit for SEPs was increased to 25 percent. Because fewer than 10 percent of self-employed participants had been constrained by the pre-EGTRRA contribution limits, those changes would not be expected to lead to large increases in contributions. However, at 42.7 percent, the increase in average contributions to self-employed plans between 2000 and 2003 was much larger than the increase between 1997 and 2000.

As was the case for 401(k) plans and IRAs, average contributions to self-employed plans increased with income. At income above \$20,000, average contributions in 2003 hovered around 10 percent of AGI. Unlike 401(k) plans and IRAs, however, the growth in average contributions to self-employed plans was higher at the low end of the income scale (41.5 percent) than at the high end (40.2 percent), perhaps because taxpayers constrained by the pre-EGTRRA percentage-of-earnings limit were concentrated at the low end of the income scale. The increase in that limit created room for participants to increase their contributions by as much as a factor of four. For those in the highest-income group, the dollar limit would have become binding long before the percentage-of-earnings limit would apply, in most cases, and its increase created room for only a 33 percent increase in contributions (still less than the 40.2 percent increase actually observed).

In 2003, average contributions by taxpayers under age 30 were barely half of those by taxpayers in the 45–59 age group, which had the highest contributions. Average contributions in the other age groups were much closer to those in the 45–59 group than to those in the under-30 group. Growth in average contributions between 2000 and 2003 increased with age, ranging from 27.6 percent in the youngest group to 59.9 percent in the oldest group.

Among different marital status/earner roles, average contributions were highest for sole earners and lowest for secondary earners. Growth in contributions was highest among unmarried participants (70.3 percent) and lowest among sole earners (33.8 percent).

## **Effects of Increasing Contribution Limits**

Several features of EGTRRA affected incentives for retirement saving. Those that can most readily be illustrated involve increased contribution limits; most other features cannot be illustrated with this particular data set. The effects of increasing contribution limits are illustrated by hypothetically imposing different types of contribution limits one by one to see how each affects the constrained percentage of participants. The exercise is performed for each type of account observable in the data: 401(k)-type plans, traditional and Roth IRAs, SEPs, and SIMPLEs.

<sup>9.</sup> Note that the results for any specific type of contribution limit are dependent on the order in which they are introduced. The order selected generally introduces the more widely known limits first.

Table 9.

Participants Contributing the Maximum to 401(k)-Type Plans,

2000 and 2003

Percentage of	f participants)
---------------	-----------------

		2003						
				Plus EGTRRA	Plus EGTRRA			
Category	2000	Pre-EGTRRA Law	EGTRRA Dollar Cap	Catch-Up Cap	Percentage Cap			
			By Age Cohort					
Under 30	2	2	2	2	1			
30 to 44	6	8	6	6	6			
45 to 59	8	12	11	8	6			
60 and Over	9	14	13	9	5			
All Cohorts	6	9	8	6	5			
			By Income Group (1997	dollars)				
Under \$20,000	1	1	1	1	<1			
\$20,000 to \$40,000	1	1	1	1	<1			
\$40,000 to \$80,000	2	4	3	3	1			
\$80,000 to \$120,000	7	12	10	7	6			
\$120,000 to \$160,000	18	26	23	18	16			
\$160,000 and Over	37	52	48	39	37			
All Income Groups	6	9	8	6	5			
			By Marital Status/Earne	r Role				
Unmarried Earners	4	6	5	4	3			
Married Earners								
Sole	12	15	13	9	8			
Primary	8	11	10	7	7			
Secondary	5	8	7	6	3			
All Earners	6	9	8	6	5			
Nonearning Spouse	n.a.	n.a.	n.a.	n.a.	n.a.			

Source: Congressional Budget Office tabulations of a sample of 2000 and 2003 individual income tax returns and tax information returns.

Notes: The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from individual retirement accounts. Figures are not comparable to those in Table 4 of CBO's *Utilization of Tax Incentives for Retirement Saving: An Update* (2006) because exceptions to the cap that applied to 403(b) and 457 plans are ignored.

EGTRRA = Economic Growth and Tax Relief Reconciliation Act of 2001; n.a. = not applicable.

#### 401(k)-Type Plans

In 2000, 6 percent of participants in 401(k)-type plans made contributions at the \$10,500 limit or at the limit of 25 percent of compensation (see Table 9). Absent EGTRRA, the dollar limit would have increased to \$11,500 in 2003, and, assuming the contributions actually observed in that year, 9 percent of participants would have been constrained by that limit. Imposing the general \$12,000 cap allowed under EGTRRA, however, constrains only 8 percent of participants. Increasing that limit for participants age 50 and over by \$2,000 reduces the figure to 6 percent. Finally, increasing the percentage-of-compensation limit from 25 percent to 100 percent reduces to 5 percent the percentage of contributors constrained by the limits.

The effect of increasing the dollar limit on contributions is fairly uniform across age groups and marital status/earner roles. Among income groups, the effect is limited to income groups above \$40,000. Below that amount, virtually all taxpayers would arrive at the percentage-of-compensation limit before reaching the dollar limit, so increasing the dollar limit has no effect. In the highest two income groups, the percentage constrained drops by 3 or 4 points in response to the higher dollar limit—from 26 percent to 23 percent in the \$120,000–\$160,000 class and

from 52 percent to 48 percent in the \$160,000-and-above group.

Allowing \$2,000 catch-up contributions affects only taxpayers in the two oldest groups of participants. The percentage constrained drops as a result of that provision by 3 points (from 11 percent to 8 percent) in the 45-59 group and by 4 points (from 13 percent to 9 percent) in the 60-and-over group. Among income groups, the effect is concentrated at the higher end of the scale; that is, where taxpayers who are constrained by the dollar limit are clustered in the first place. In the \$120,000-\$160,000 group, the constrained portion drops from 23 percent to 18 percent; in the \$160,000-and-above group, the percentage falls from 48 to 39. Among marital status/earner roles, the effect is greatest in the roles most commonly filled by men—sole earners and primary earners.

The effect of increasing to 100 percent the percentage-of-compensation limit is fairly uniform for all income groups. Unlike the other two changes, there is an effect at the low end of the income scale because the percentage-of-compensation limit is the only one that is ever binding on taxpayers in that range. The limit can still be binding among higherincome taxpayers, but only if most of their income is not in the form of wages. Among different age groups, increasing the limit has the greatest effect on the 60-and-over group, reducing the proportion constrained from 9 percent to 5 percent. Among marital status/earner roles, the effect is greatest among secondary earners, reducing the percentage constrained from 6 percent to 3 percent.

Overall, the EGTRRA changes reduce the percentage constrained in all age groups but particularly in the 60-and-over age group, for which the proportion declines from 14 percent to 5 percent. EGTRRA has the smallest effect in the 30–44 group; the percentage constrained drops by 2 points, from 8 percent to 6 percent. The percentage constrained declines

<sup>10.</sup> This figure overstates the number actually constrained by statutory limits. Some participants in 403(b) plans and 457 plans were permitted to make contributions in excess of the usual limits. In Utilization of Tax Incentives for Retirement Saving: An Update (2006), CBO imputed characteristics to taxpayers that allowed it to estimate the number of 403(b) and 457 plan participants who were constrained by the higher limits. Those imputations are not precise enough, however, to analyze the changes introduced by EGTRRA. Therefore, the analysis in this edition applies the 401(k) limits across the board in 2000 and 2003; it ignores the special provisions for 403(b) and 457 plan participants, and it does not consider the changes to those provisions included in EGTRRA. The result is that the percentages for 2000 in Tables 9 through 13 in this edition are incompatible with the corresponding percentages in Tables 4, 5, 6, 8, and 10 in the 2006 Update.

Table 10.

## Participants Contributing the Maximum to Traditional Individual Retirement Accounts, 1997, 2000, and 2003

(Percentage of participants)

				2003	
			Pre-EGTRRA	EGTRRA	Plus EGTRRA
Category	1997	2000	Law	Dollar Cap	Catch-Up Cap
			By Age Cohort		
Under 30	51	51	48	38	38
30 to 44	56	65	65	55	55
45 to 59	69	73	<i>7</i> 5	63	58
60 and Over	70	81	76	61	53
All Cohorts	62	70	71	59	55
		By Inc	ome Group (1997 dol	llars)	
Under \$20,000	54	50	50	32	28
\$20,000 to \$40,000	57	56	56	38	33
\$40,000 to \$80,000	57	69	71	59	55
\$80,000 to \$120,000	71	78	81	74	71
\$120,000 to \$160,000	79	82	95	90	87
\$160,000 and Over	86	97	97	95	87
All Income Groups	62	70	71	59	55
		Ву М	arital Status/Earner R	Role	
Unmarried Earners	62	67	66	52	49
Married Earners					
Sole	62	70	74	65	60
Primary	62	72	74	61	56
Secondary	63	71	71	60	57
All Earners	62	70	71	59	55
Nonearning Spouse	62	72	78	70	66

Source: Congressional Budget Office tabulations of a sample of 1997, 2000, and 2003 individual income tax returns and tax information returns.

Notes: The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from individual retirement accounts.

EGTRRA = Economic Growth and Tax Relief Reconciliation Act of 2001.

in every income group, but the effect is greatest at the high end of the income scale. In the \$120,000–\$160,000 group, the figure falls from 26 percent to 16 percent; in the \$160,000-and-above group, it drops from 52 percent to 37 percent. In the \$80,000–\$120,000 income group, EGTRRA reduces the percentage constrained by more than half—from 12 percent to 6 percent—and it does so even at incomes below \$40,000, where only

1 percent were constrained to begin with. Although the effect of EGTRRA is substantial for every marital status/earner role, the percentage constrained among sole earners drops the most, from 15 percent to 8 percent. For unmarried participants and secondary earners, EGTRRA reduces the percentage by more than half—from 6 percent and 8 percent respectively, to 3 percent.

#### **Traditional IRAs**

In 2000, 70 percent of participants in traditional IRAs made contributions that were at the \$2,000 limit (see Table 10). Absent EGTRRA, the dollar limit would have been the same in 2003, and 71 percent of participants would have been constrained by the limit. Increasing the cap for all age groups to the EGTRRA limit of \$3,000 reduces that figure by 12 percentage points, to 59 percent. Increasing the limit by \$500 for participants age 50 and older reduces it to 55 percent. EGTRRA reduces the constrained percentage of all eligible taxpayers (not just those who choose to participate) from 2.7 percent to 2.1 percent.

The 1-percentage-point increase between 2000 and 2003 in participants contributing \$2,000 stands in distinct contrast to the 8-point increase between 1997 and 2000. The difference is especially notable in two income groups:

- The \$40,000–\$80,000 group increased by 12 percentage points between 1997 and 2000 but only by 2 percentage points between 2000 and 2003.
- The \$160,000-and-above group had an increase of 11 percentage points between 1997 and 2000 but no increase between 2000 and 2003.

The opposite phenomenon occurred in the \$120,000–\$160,000 group, with a 3-percentage-point increase between 1997 and 2000 and a 13-percentage-point increase between 2000 and 2003.

The explanation lies largely in how eligibility to deduct contributions was phased out with income between 1997 and 2003. It is common for participants to contribute the maximum deductible amount, even though nondeductible contributions are allowed. In 1998, the income thresholds at which deductibility phased out increased substantially, particularly for married participants whose spouses were not covered by an employment-based plan. In 2000, a much higher percentage of

participants in the \$40,000–\$80,000 income group could deduct the full \$2,000 than could in 1997; hence, a higher percentage actually contributed that amount. No similar increase in the threshold for married participants whose spouses were not covered by employment-based plans occurred between 2000 and 2003; hence, the percentage contributing \$2,000 increased only slightly. As for the highest income group, by 2000, 97 percent were contributing \$2,000, so it was impossible for the increase between 2000 and 2003 to approach that from 1997 to 2000.

In the lower income groups, the increased contribution limit of \$3,000 results in a drop in the percentage of participants who contributed the maximum. Below \$40,000, the drop is 18 percentage points; above \$120,000, the drop is 5 percentage points or less. As would be expected, participants with less discretionary income are less able to increase contributions in response to the higher limit than are participants with more discretionary income. Among age groups, the biggest drop—15 percentage points—occurs in the 60-and-over group. Among marital status/earner roles, the biggest drop—14 percentage points—occurs among unmarried participants. Both results are probably artifacts of the differential impact related to income.

Allowing taxpayers age 50 and over to make additional contributions of \$500 reduces the percentage constrained only in the top two age groups: by 5 percentage points in the 45–59 group and by 8 percentage points in the 60-and-over group. Differences among income groups and among marital status/earner roles resulting from catch-up contributions are negligible.

Overall, the EGTRRA changes reduce the constrained percentage in all age groups but particularly in the 60-and-over age group; there, the proportion declines from 76 percent to 53 percent. EGTRRA has the least effect in the under-45 groups; the constrained percentage drops only by 10 percentage

Table 11.

## Participants Contributing the Maximum to Roth Individual Retirement Accounts, 2000 and 2003

(Percentage of participants)

			2003	
Category	2000	Pre-EGTRRA Law	EGTRRA Dollar Cap	Plus EGTRRA Catch-Up Cap
			By Age Cohort	
Under 30	56	50	36	36
30 to 44	58	55	44	44
45 to 59	70	67	56	48
60 and Over	82	74	65	51
All Cohorts	62	60	48	44
		By In	come Group (1997 dollars)	
Under \$20,000	58	49	39	37
\$20,000 to \$40,000	50	50	37	35
\$40,000 to \$80,000	59	58	46	42
\$80,000 to \$120,000	73	71	59	54
\$120,000 to \$160,000	81	77	68	61
\$160,000 and Over	n.a.	n.a.	n.a.	n.a.
All Income Groups	62	60	48	44
		Ву Г	Marital Status/Earner Role	
Unmarried Earners	61	57	46	44
Married Earners				
Sole	69	70	60	55
Primary	61	57	44	40
Secondary	62	60	48	45
All Earners	62	60	48	44
Nonearning Spouse	72	70	57	52

Source: Congressional Budget Office tabulations of a sample of 2000 and 2003 individual income tax returns and tax information returns.

Notes: The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from individual retirement accounts.

EGTRRA = Economic Growth and Tax Relief Reconciliation Act of 2001; n.a. = not applicable.

points (from 65 percent to 55 percent in the 30–44 group and from 48 percent to 38 percent in the under-30 group). The percentage also declines in every income group, but the effect is greatest at the low end of the income scale. In the under-\$20,000 group, the figure drops from 50 percent to 28 percent, and in the \$20,000–\$40,000 group, it falls from 56 percent to 33 percent. At the high end of the income scale, the new limits are low enough that 87 percent or more of participants are still

constrained by them. The effect of EGTRRA is substantial for every marital status/earner role. The biggest effect is seen among primary earners, among whom the percentage constrained drops from 74 to 56. Nonearning spouses are the least affected, with the percentage dropping from 78 to 66.

#### **Roth IRAs**

In 2000, 62 percent of Roth IRA participants made contributions at the \$2,000 limit (see Table 11).

Absent EGTRRA, the limit would have remained the same in 2003, and 60 percent of participants would have been constrained by the limit. Increasing the cap for all age groups to the EGTRRA limit of \$3,000 reduces that figure by 12 percentage points, to 48 percent. Increasing the limit by \$500 for participants age 50 and up reduces it again, to 44 percent. Those percentage-point changes match the changes for the corresponding provisions when applied to traditional IRAs. EGTRRA reduces the constrained percentage of all taxpayers eligible to contribute to Roth IRAs (not just those who choose to participate) from 2.2 to 1.6.

The 2-percentage-point decline between 2000 and 2003 in participants contributing at least \$2,000 is an unexpected development without a clear explanation. The reduction occurred in all age groups, in all but one income group (the \$20,000-\$40,000 group), and in all but one marital status/earner role (sole earners). The biggest declines occurred in the under-\$20,000 income group (9 percentage points) and in the 60-and-over age group (8 percentage points). One possible explanation is that participants might have funded their Roth IRAs by transferring \$2,000 of taxable savings into their accounts each year for as long as those savings were available. Once their transferable savings were exhausted, they would have had to fund the deposits out of current income, which might not have been sufficient to support a \$2,000 contribution. In 2000, Roth IRAs were only in their third year of existence, so most participants would likely have been in the transfer-of-savings mode. By 2003, more would have exhausted available savings and begun to contribute smaller amounts out of current income. The stock market decline over the same period would have further hastened the exhaustion of taxable savings.

Increasing the annual limit on contributions to \$3,000 does not reveal any interesting differences among age groups, income groups, or marital status/ earner roles. In every case the decline in the percentage constrained as a result of the higher contribution limit is between 9 and 14 percentage points.

Allowing taxpayers age 50 and over to contribute an additional \$500 reduces the percentage constrained only in the top two age groups—by 8 percentage points in the 45–59 group and by 14 percentage points in the 60-and-over group. Among income groups, the decline is greater for higher-income groups, ranging from 2 percentage points for those with less than \$40,000 of income to 7 percentage points for the \$120,000–\$160,000 group. The decline is greatest for one-earner married couples (5 percentage points for the sole earner and the non-earning spouse) and least for unmarried participants (2 percentage points).

Overall, the EGTRRA changes reduce the constrained percentage in all age groups but particularly in the 60-and-over age group, in which the percentage constrained declines from 74 to 51. EGTRRA has the least effect in the 30-44 group; there, the percentage drops by 11 points, from 55 percent to 44 percent. The percentage also declines in every income group, but the effect is slightly greater at the high end of the income scale. In the under-\$20,000 group, it drops from 49 percent to 37 percent, and in the \$120,000-\$160,000 group, it drops from 77 percent to 61 percent. The effect of EGTRRA is substantial for every marital status/earner role. It results in the constrained group shrinking by 13 to 18 percentage points in 2003 and leaving the constrained percentage between 40 and 55 in every group.

#### **Simplified Employee Pensions**

In 2000, SEP contributions were nominally limited to \$30,000, or 15 percent of compensation. However, only \$170,000 of compensation could be considered for employer contributions that are linked to compensation levels (the "countable compensation" cap), making the effective dollar cap \$25,500. One or the other of those limits constrained 21 percent of participants (see Table 12). Without EGTRRA, those limits would not have changed in 2003, and the constrained group would have increased to 35 percent. Increasing the countable compensation cap through EGTRRA to \$200,000 increases the

Participants Contributing the Maximum to Simplified Employee Pensions, 2000 and 2003

(Percentage of participants)

	2003					
	•		EGTRRA Countable	Plus EGTRRA		
Category	2000	Pre-EGTRRA Law	Compensation Cap	Percentage Cap		
			By Age Cohort			
Under 30	7	18	18	5		
30 to 44	17	27	27	12		
45 to 59	26	39	38	15		
60 and Over	32	49	48	20		
All Cohorts	21	35	35	14		
		By Inco	ne Group (1997 dollars)			
Under \$20,000	27	40	40	22		
\$20,000 to \$40,000	23	20	20	7		
\$40,000 to \$80,000	17	30	30	12		
\$80,000 to \$120,000	21	39	39	13		
\$120,000 to \$160,000	25	40	40	13		
\$160,000 and Over	22	48	46	25		
All Income Groups	21	35	35	14		
		By Mai	rital Status/Earner Role			
Unmarried Earners	22	33	32	13		
Married Earners						
Sole	17	36	35	16		
Primary	19	32	32	12		
Secondary	26	40	40	17		
All Earners	21	35	35	14		
Nonearning Spouse	n.a.	n.a.	n.a.	n.a.		

Source: Congressional Budget Office tabulations of a sample of 2000 and 2003 individual income tax returns and tax information returns.

Notes: The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from individual retirement accounts.

EGTRRA = Economic Growth and Tax Relief Reconciliation Act of 2001; n.a. = not applicable.

effective dollar cap to \$30,000, but it has a minimal effect on the constrained percentage. Increasing the percentage-of-compensation limit to 25 percent, however, reduces the constrained percentage to 14.

Although increasing the countable compensation cap has a negligible effect on the constrained percentage overall, it does cause a 2-percentage-point reduction in the highest income group—the one in

which almost everybody with compensation of \$170,000 or more is found. As a result, 1-percentage-point drops in the constrained percentage can be observed among those age 45 and above, among unmarried participants, and among sole earners.

When the percentage-of-compensation limit is increased, the constrained percentage in the \$20,000–\$40,000 income group falls by

13 percentage points—the least of any income group. As one ascends the income scale, increasing the percentage-of-compensation limit reduces the constrained percentage in each income group by more than in the immediately lower income group, except for the highest group. That result differs from 401(k) plans, for which imposing a percentage-ofcompensation limit had a fairly uniform effect across income groups. The explanation is that the percentage-of-compensation limit on SEPs acts as a dollar limit when combined with the countable compensation limit. With a countable compensation limit of \$200,000, increasing the percentage-ofcompensation limit from 15 percent to 25 percent effectively increases the dollar limit from \$30,000 to the statutory limit under EGTRRA of \$40,000. In successively higher income groups, the proportion of participants constrained by the effective \$30,000 cap on contributions is higher as well, resulting in more of them being freed from constraint when the \$40,000 limit becomes effective. The effect is greatest in the oldest group, in which the constrained percentage drops by 28 percentage points. In the youngest group, there is a 13-percentage-point drop. Across marital status/earner roles, however, there is little difference in the drop in the constrained percentage.

**Savings Incentive Match Plans for Employees** 

In 2000, employee contributions to SIMPLEs were limited to \$6,000, or 25 percent of compensation. Employers could contribute another 3 percent of compensation, up to \$6,000. Those constraints were binding on 9 percent of SIMPLE participants (mostly because employers did not contribute as much as they could have; see Table 13). Absent EGTRRA, the dollar limit would have increased to \$6,500, and the constrained portion would have increased to 12 percent. Under EGTRRA, the general dollar limit increased to \$8,000, reducing the constrained percentage to 8. Allowing \$1,000 catchup contributions by participants age 50 and over has

a minimal effect on the constrained percentage. Increasing the percentage-of-compensation limit to 100 percent reduces it to 3 percent.

The 3-percentage-point increase in constrained participants was concentrated almost entirely among secondary earners in two-earner married couples; the proportion of constrained participants increased by 12 percentage points, from 8 percent to 20 percent. Those constrained under pre-EGTRRA law in 2003 but not in 2000 also were overwhelmingly in the 60-or-above group and in one of the three highest income classes. The profile of the newly constrained participant is consistent with a woman who is approaching retirement, has a financially secure husband, and is prepared to dedicate more than 25 percent of her compensation to retirement saving. The data are not sufficiently detailed, however, to confirm that participants fitting that profile were actually more common in 2003 than in 2000.

The increase in the general dollar cap to \$8,000 reduces the constrained percentage primarily in the highest income groups. At incomes above \$80,000, the decline is 10 percentage points or more, reaching a maximum of 13 percentage points in the \$160,000-and-above group. The dollar limit is high enough that, unlike IRA participants, most SIMPLE participants were not constrained before EGTRRA, and the higher-income participants can afford to contribute more when the limit is lifted. Among age groups, the drop in the constrained percentage ranged from 1 percentage point in the youngest to 7 percentage points in the oldest. Among marital status/earner roles, the most pronounced drop—7 percentage points—was for primary earners.

Allowing participants age 50 and over to make \$1,000 catch-up contributions affects only the two oldest groups, but the effect is modest, never exceeding 2 percentage points. No distinct pattern emerges among income groups. Among marital status/earner roles, the decline is discernible only for two-earner couples.

Table 13.

Participants Contributing the Maximum to Savings Incentive Match Plans for Employees, 2000 and 2003

(Percentage of participants)

		2003					
			EGTRRA	Plus EGTRRA	Plus EGTRRA		
Category	2000	Pre-EGTRRA Law	Dollar Cap	Catch-Up Cap	Percentage Cap		
			By Age Coho	rt			
Under 30	2	4	3	3	1		
30 to 44	8	9	6	6	2		
45 to 59	13	17	12	10	4		
60 and Over	12	25	18	17	8		
All Cohorts	9	12	8	8	3		
		By In	come Group (19	97 dollars)			
Under \$20,000	4	8	7	7	3		
\$20,000 to \$40,000	2	4	3	3	1		
\$40,000 to \$80,000	5	9	7	6	2		
\$80,000 to \$120,000	17	24	12	11	4		
\$120,000 to \$160,000	19	30	20	19	10		
\$160,000 and Over	28	35	22	21	10		
All Income Groups	9	12	8	8	3		
		Ву І	Marital Status/Ea	rner Role			
Unmarried Earners	5	6	4	4	2		
Married Earners							
Sole	11	11	6	6	4		
Primary	12	13	6	5	2		
Secondary	8	20	17	16	6		
All Earners	9	12	8	8	3		
Nonearning Spouse	n.a.	n.a.	n.a.	n.a.	n.a.		

Source: Congressional Budget Office tabulations of a sample of 2000 and 2003 individual income tax returns and tax information returns.

Notes: The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from individual retirement accounts. Figures are not comparable to Table 10 in CBO's *Utilization of Tax Incentives for Retirement Saving: An Update* (2006) because the limit on employer contributions was calculated differently.

EGTRRA = Economic Growth and Tax Relief Reconciliation Act of 2001; n.a. = not applicable.

Increasing the percentage-of-compensation limit from 25 percent to 100 percent produces the largest effect in higher-income groups. In the \$160,000-and-above group, for example, the drop is 11 percentage points; the average drop is 5 percentage points. That might seem odd when the 25-percent-of-compensation limit could not be binding on a participant with \$160,000 of compensation. The

income groups, however, are defined based on AGI, which counts the income of both spouses. Thus, a secondary earner in the highest income group could be constrained by the percentage-of-compensation limit if the primary earner's income were responsible for that classification. The 10-percentage-point decline in constrained participants who are, in fact, secondary earners bears out that explanation.

Among age groups, the biggest decline—9 percentage points—was in the oldest group.

Overall, increasing the EGTRRA limits reduces the constrained percentage of secondary earners from 20 percent (7 percentage points higher than any other marital status/earner role) to 6 percent—still higher than any other marital status/earner role. Among age groups, the pre-EGTRRA constrained percentage ranges from 4 percent in the youngest group to 25 percent in the oldest. EGTRRA reduces the constrained percentage in each age group by

between 68 percent and 78 percent (compared with the 75 percent drop in the overall percentage constrained, from 12 percent to 3 percent). Among income groups, the pre-EGTRRA constrained proportions range from 4 percent in the \$20,000–\$40,000 group to 35 percent in the \$160,000-and-above group. The biggest decline attributable to EGTRRA—83 percent—is in the \$80,000–\$120,000 group; the constrained percentage falls from 24 to 4. The biggest percentage-point decline, from 35 percent to 10 percent, is in the group with the highest income.

## Appendix: Average Contribution Amounts in Nominal Terms

Tables 5 through 8 of this paper show average contributions to 401(k)-type plans, individual retirement accounts (IRAs), and self-employed plans in 1997 dollars. Using constant dollars made it easier to compare participant behavior across years by eliminating the effect of inflation. The practice does have some confusing aspects, however. For example, because the IRA contribution limit was not indexed for inflation between 1997 and 2000, and most con-

tributors were constrained by the limit, average contributions measured in 1997 dollars actually declined over that period. Furthermore, the contribution limits are expressed in nominal terms, making it difficult to determine how average contributions measured in 1997 dollars compare with those limits. Therefore, Tables A-1 through A-4 have been included here as nominal counterparts to Tables 5 through 8 of the main text.

Workers' Average Nominal Contributions to 401(k)-Type Plans, 1997, 2000, and 2003

	19	997	20	2000		2003	
Category	Number of Participants (Thousands)	Average Contribution (1997 dollars)	Number of Participants (Thousands)	Average Contribution (2000 dollars)	Number of Participants (Thousands)	Average Contribution (2003 dollars)	
			By Age	Cohort			
Under 30	6,128	1,592	6,102	2,008	5,611	1,951	
30 to 44	16,288	2,681	16,868	3,208	16,635	3,519	
45 to 59	11,360	3,466	13,164	3,847	15,094	4,469	
60 and Over	1,889	3,213	2,092	3,577	2,916	4,337	
All Cohorts	35,666	2,772	38,226	3,257	40,257	3,716	
			By Income Grou	ıp (1997 dollars)			
Under \$20,000	2,448	546	2,611	680	2,976	726	
\$20,000 to \$40,000	8,331	1,324	8,248	1,498	8,806	1,583	
\$40,000 to \$80,000	14,718	2,482	15,112	2,822	15,753	3,162	
\$80,000 to \$120,000	6,310	4,131	7,019	4,549	<i>7</i> ,511	5,287	
\$120,000 to \$160,000	1,958	5,360	2,561	6,116	2,741	7,476	
\$160,000 and Over	1,902	7,054	2,675	7,522	2,470	9,503	
All Income Groups	35,666	2,772	38,226	3,257	40,257	3,716	
			By Marital Sta	tus/Earner Role			
Unmarried Earners	12,404	2,190	13,591	2,624	14,463	2,891	
Married Earners							
Sole	5,147	3,580	5,055	4,160	6,318	4,787	
Primary	10,973	3,398	11,801	3,978	11,798	4,550	
Secondary	7,141	2,239	7,779	2,680	7,678	3,105	
All Earners	35,666	2,772	38,226	3,257	40,257	3,716	
Nonearning Spouse	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	

Source: Congressional Budget Office tabulations of a sample of 1997, 2000, and 2003 individual income tax returns and tax information returns.

Notes: The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from individual retirement accounts.

n.a. = not applicable.

Workers' Average Nominal Contributions to Individual Retirement Accounts, 1997, 2000, and 2003

	1997		20	2000		2003	
Category	Number of Participants (Thousands)	Average Contribution (1997 dollars)	Number of Participants (Thousands)	Average Contribution (2000 dollars)	Number of Participants (Thousands)	Average Contribution (2003 dollars)	
			By Age	Cohort			
Under 30	1,020	1,407	1,772	1,477	1,452	1,704	
30 to 44	2,815	1,530	3,800	1,580	3,213	1,986	
45 to 59	2,971	1,675	4,189	1,676	4,166	2,421	
60 and Over	1,012	1,713	1,099	1,778	1,214	2,576	
All Cohorts	7,818	1,593	10,860	1,620	10,045	2,197	
			By Income Grou	ıp (1997 dollars)			
Under \$20,000	925	1,428	1,197	1,452	1,156	1,689	
\$20,000 to \$40,000	2,062	1,513	2,236	1,497	2,160	1,962	
\$40,000 to \$80,000	2,631	1,520	3,736	1,593	3,688	2,181	
\$80,000 to \$120,000	1,012	1,741	2,055	1,744	1,810	2,444	
\$120,000 to \$160,000	517	1,863	911	1,771	690	2,635	
\$160,000 and Over	670	1,915	727	1,879	540	2,941	
All Income Groups	7,818	1,593	10,860	1,620	10,045	2,197	
			By Marital Stat	tus/Earner Role			
Unmarried Earners	2,833	1,549	3,820	1,555	3,508	2,027	
Married Earners	•		•	•	•	·	
Sole	1,444	1,626	1,684	1,683	1,663	2,467	
Primary	1,878	1,613	2,673	1,657	2,443	2,240	
Secondary	1,663	1,615	2,683	1,637	2,431	2,214	
All Earners	7,818	1,593	10,860	1,620	10,045	2,197	
Nonearning Spouse	1,142	1,583	1,466	1,670	1,319	2,489	

Source: Congressional Budget Office tabulations of a sample of 1997, 2000, and 2003 individual income tax returns and tax information returns.

Note: The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from individual retirement accounts.

Table A-3.
Workers' Average Nominal Contributions to
Traditional or Roth Individual Retirement Accounts, 2000 and 2003

	20	00	2003	
<del>_</del>	Traditional	Roth	Traditional	Roth
	IRAs	IRAs	IRAs	IRAs
Category	(2000 dollars)	(2000 dollars)	(2003 dollars)	(2003 dollars)
		By Age	Cohort	
Under 30	1,229	1,486	1,546	1,683
30 to 44	1,468	1,565	1,897	1,940
45 to 59	1,587	1,678	2,309	2,361
60 and Over	1,754	1,660	2,475	2,454
All Cohorts	1,544	1,585	2,166	2,071
		By Income Grou	p (1997 dollars)	
Under \$20,000	1,373	1,421	1,684	1,558
\$20,000 to \$40,000	1,437	1,420	1,917	1,841
\$40,000 to \$80,000	1,471	1,594	2,088	2,090
\$80,000 to \$120,000	1,638	1,731	2,323	2,413
\$120,000 to \$160,000	1,680	1,752	2,745	2,428
\$160,000 and Over	1,897	n.a.	2,966	n.a.
All Income Groups	1,544	1,585	2,166	2,071
		By Marital Stat	us/Earner Role	
Unmarried Earners	1,462	1,518	1,970	1,934
Married Earners				
Sole	1,620	1,629	2,399	2,328
Primary	1,587	1,633	2,239	2,082
Secondary	1,549	1,626	2,174	2,125
All Earners	1,544	1,585	2,166	2,071
Nonearning Spouse	1,593	1,663	2,483	2,308

Source: Congressional Budget Office tabulations of a sample of 2000 and 2003 individual income tax returns and tax information returns.

Notes: The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from IRAs.

IRA = individual retirement account; n.a. = not applicable.

Workers' Average Nominal Contributions to Self-Employed Retirement Plans, 1997, 2000, and 2003

	1997		2	2000		2003	
Category	Number of Participants (Thousands)	Average Contribution (1997 dollars)	Number of Participants (Thousands)	Average Contribution (2000 dollars)	Number of Participants (Thousands)	Average Contribution (2003 dollars)	
			By Age	e Cohort			
Under 30	24	4,675	28	5,505	29	7,481	
30 to 44	469	8,050	476	8,476	376	12,330	
45 to 59	546	8,211	657	9,745	652	14,637	
60 and Over	121	8,612	172	8,225	217	14,006	
All Cohorts	1,159	8,115	1,332	9,007	1,274	13,685	
			By Income Gro	up (1997 dollars)			
Under \$20,000	32	2,245	39	2,057	35	3,099	
\$20,000 to \$40,000	93	2,665	98	2,959	97	4,021	
\$40,000 to \$80,000	269	4,098	319	4,316	260	6,314	
\$80,000 to \$120,000	242	6,360	268	5,821	268	8,940	
\$120,000 to \$160,000	145	9,433	156	9,110	170	13,315	
\$160,000 and Over	340	14,578	453	16,058	443	23,977	
All Income Groups	1,159	8,115	1,332	9,007	1,274	13,685	
			By Marital Sta	tus/Earner Role			
Unmarried Earners	223	7,290	273	8,000	253	14,505	
Married Earners		•		•		·	
Sole	290	11,311	296	13,063	284	18,601	
Primary	377	9,812	443	10,775	411	16,265	
Secondary	268	2,960	320	3,654	327	5,536	
All Earners	1,159	8,115	1,332	9,007	1,274	13,685	
Nonearning Spouse	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	

Source: Congressional Budget Office tabulations of a sample of 1997, 2000, and 2003 individual income tax returns and tax information returns.

Note: The income classifier is adjusted gross income plus excluded contributions to retirement plans less taxable distributions from individual retirement accounts.

n.a. = not applicable.