



CYPEN & CYPEN NEWSLETTER for March 14, 2019

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Never Forget September 11, 2001
and
Always Remember May 2, 2011

1. PFIZER TO INJECT \$355 MILLION INTO PENSION PLANS IN 2019:

[Pfizer Inc.](#), New York, expects to contribute a total of \$355 million to its global pension plans this year, according to its 10-K filed Thursday. The company expects to make an \$11 million contribution to its U.S. qualified pension plans and a \$177 million contribution to its international pension plans. Last year, the company made a \$500 million contribution to its U.S. qualified plans and \$209 million to its international pension plans, the 10-K said. The company also expects to make a \$167 million contribution to its U.S. non-qualified pension plans, compared with \$129 million last year, the 10-K said. Pfizer's U.S. qualified pension plans had \$13.05 billion in assets as of Dec. 31 and liabilities of \$15.14 billion, for a funding ratio of 86.2%, vs. 85.5% the previous year. The firm's international pension plans had \$8.22 billion in assets as of year-end 2018 and liabilities of \$9.95 billion, for a

funding ratio of 88.6%. At year-end 2017, the plans had \$8.86 billion in assets and liabilities of \$10.61 billion, for a funding ratio of 83.5%. As of Dec. 31, Pfizer's U.S. qualified pension plans had an allocation of 47.1% fixed income, 31.3% equity, 18.2% other, and 3.4% cash and cash equivalents. The international pension plans' allocation as of Dec. 31 was 46.3% fixed income, 27.8% other, 22.9% equity, and 3% cash and cash equivalents. The discount rate for U.S. qualified plans was 4.4% last year vs. 3.8% in 2017. The discount rate for U.S. non-qualified plans was 4.3% last year vs. 3.7% in 2017. The discount rate for international plans was 2.5% last year vs. 2.3% in 2017. Robert Steyer, *Pensions & Investments*, March 1, 2019.

2. TRENDS IN EMPLOYEE TENURE, 1983-2018:

This study examines data on employee tenure -- the amount of time an individual has been with his or her current employer -- of American workers. It uses U.S. Census Bureau data from the Current Population Survey (CPS), including the most recent January CPS data, to examine the tenure with current employers of wage and salary workers from 1983-2018. While some believe current American workers change jobs more frequently than was the case for past generations, the data on employee tenure show that individuals holding only one job for their entire career (career jobs) never actually existed for most workers and continue not to exist for most workers. Furthermore, when the labor market has been the strongest, the tenure of workers has tended to be shorter, as more individuals start new jobs by being newly employed or by changing jobs due to more opportunities from a strong economy.

Here are the key findings:

- Over the past 35 years, the median tenure of all wage and salary workers ages 25 or older has stayed at approximately five years.
- This overall trend masks a small but significant decrease in median tenure among men (which had been increasing until declines in 2016 and 2018) and an offsetting increase in median tenure among women.
- The fact that the gender-distinct trends have generally moved in opposite directions has led to overall constancy in the tenure statistics. However, the median tenures by gender have been moving together in recent years.
- The distribution of tenure levels among workers ages 20 or older had been moving toward longer tenures until the most recent years, where shorter tenures have gained share.
- Compared to 2012, median tenure decreased in all groups. In addition, the distribution of worker tenure showed a sizable increase in the lowest levels (two years or less) of tenure. These results indicate that both more individuals have

jobs and individuals who had been working changed jobs -- potentially to better jobs -- as the economy has improved, so that the overall tenure distribution has moved to shorter tenures.

- The difference between private-sector and public-sector workers' tenure distributions is quite striking. While private-sector employers in general have been able to maintain a fairly constant and modest percentage of long-term employees (25 or more years of tenure), public-sector employers have seen this group grow significantly through 2004 before trending down through 2018. Consequently, public-sector employers are facing the retirement of a significant number of their most experienced workers, although this issue is somewhat abating in the most recent years.
- As for career jobs, the highest median tenure level for any age group (15.3 years in 1983 for males ages 55–64) certainly does not cover an entire lifetime career, since the median worker would not have started his or her current job until after age 40. Furthermore, the percentage of workers in both the 55–59 age group and the 60–64 age group with 25 or more years of tenure has been either just above or just below 20 percent at a time that these workers would be ending their working careers. Consequently, approximately 80 percent of workers at these ages have tenures less than 25 years, which would be less than a full working career.
- These tenure results indicate that, historically, most workers have changed jobs during their working careers, and all evidence suggests that they will continue to do so in the future. This persistence of job changing over working careers has several important implications -- potentially reduced or no defined benefit plan payments due to vesting schedules, reduced defined contribution plan savings, lump-sum distributions that can occur at job change, and public policy issues both through lower retirement incomes of the elderly population and the loss of experienced, public-sector workers likely to be retiring soon.
- Although tenure is not a good measure of job security, it does provide insight into how long workers choose to or are allowed to remain with their current employers. This idea is particularly relevant over the last 10 years, as unemployment remained high in 2009–2012, when tenure was generally increasing. However, with the unemployment rate falling in 2012 and continuing through 2018, the percentage of workers with shorter tenures increased. Therefore, now with the decrease in the unemployment rate, more individuals appeared to have entered the labor force or changed jobs.

Craig Copeland, Employee Benefit Research Institute, February 28, 2019.

3. THE TOP FRAUDS OF 2018:

Every year, millions of you tell us - and our partners - about the frauds you spotted. Last year, we heard from 3 million of you, and [here's some of what we learned](#) from your reports:

- We collected more than 1.4 million fraud reports, and people said they lost money to the fraud in 25% of those reports. People reported losing \$1.48 billion (with a 'b') to fraud last year - an increase of 38% over 2017.
- The top reports in 2018 were: imposter scams, debt collection, and identity theft.
- Younger people reported losing money to fraud more often than older people. Let that sink in. It's what the data have been telling us for a while, but it's hard for people to grasp. Last year, of those people who reported fraud and their age, 43% of people in their 20s reported a loss to that fraud, while only 15% of people in their 70s did.
- When people in their 70s did lose money, the amount tended to be higher: their median loss was \$751, compared to \$400 for people in their 20s.
- Scammers like to get money by wire transfer - for a total of \$423 million last year. That was the most of any payment method reported, but we also saw a surge of payments with gift and reload cards - a 95% increase in dollars paid to scammers last year.
- Tax-related identity theft was down last year (by 38%), but credit card fraud on new accounts was up 24%. In fact, misusing someone's information to open a new credit card account was reported more often than other forms of identity theft in 2018.
- The top 3 states for fraud and other reports (per 100K population) are Florida, Georgia and Nevada. The top 3 states for identity theft reports (also per 100K) are Georgia, Nevada and California.

Check out [what happened in your state](#). In fact, you can [play around in the numbers yourself](#). And let us know in the comments if you find something interesting. Meanwhile, keep reporting to the FTC at [ftc.gov/complaint](https://www.ftc.gov/complaint). We use those reports to investigate and bring cases - and so do our thousands of law enforcement partners. Paul Witt, Supervisory Data Analyst, Federal Trade Commission, February 28, 2019.

4. TAX TIME GUIDE: 'WHERE'S MY REFUND?' REMAINS EASIEST WAY TO CHECK TAX REFUND STATUS:

The Internal Revenue Service today reminds taxpayers that the easiest way to check on a tax refund is "Where's My Refund?," an online tool available at IRS.gov and through the IRS2Go app. The fastest way to get a refund is to use IRS e-file and direct deposit. This news release is part of a series called the [Tax Time Guide](#), a resource to help taxpayers

file an accurate tax return. Additional help is available in [Publication 17](#), Your Federal Income Tax, and the [tax reform information page](#). The IRS issues nine out of 10 refunds in less than 21 days. Refunds for those claiming the Earned Income Tax Credit or the Additional Child Tax Credit had to be held, by law, until mid-February. Taxpayers claiming these credits should begin to see their refunds deposited in bank accounts February 27. Using the “Where’s My Refund?” online tool, taxpayers can start checking on the status of their return within 24 hours after the IRS receives an e-filed return or four weeks after the taxpayer mailed a paper return.

The tool has a tracker that displays progress through three phases:
(1) Return Received; (2) Refund Approved; and (3) Refund Sent.

All that is needed to use “Where’s My Refund?” is the taxpayer’s Social Security number, tax filing status (such as single, married, head of household) and exact amount of the refund claimed on the return. “Where’s My Refund?” is updated no more than once every 24 hours, usually overnight, so there’s no need to check the status more often.

Taxpayers should only call the IRS tax help hotline on the status of their refund if it has been:

- 21 days or more since the return was e-filed,
- Six weeks or more since the return was mailed, or when
- “Where’s My Refund?” tells the taxpayer to contact the IRS.

Taxpayers who owe should pay as much as possible to minimize interest and penalty charges

Taxpayers should visit [IRS.gov/payments](https://www.irs.gov/payments) to explore their payment options. They can pay online, by phone (telephone numbers available at [IRS.gov/payments](https://www.irs.gov/payments)) or using their mobile device and the [IRS2Go app](#). Payment options available include electronic funds withdrawal (during e-file), bank account (Direct Pay), debit or credit card, and the Electronic Federal Tax Payment System (EFTPS). Taxpayers unsure of the amount they owe they can visit [IRS.gov/account](https://www.irs.gov/account), and when logged in they can view their balance, payment history, and make a payment. It’s especially important in 2019 for taxpayers who had an unexpected result when they filed their 2018 tax return to perform a [Paycheck Checkup](#) now to determine whether the right amount is being withheld for their 2019 taxes. Taxpayers who do need to adjust their withholding should submit a 2019 Form W-4, Employee’s Withholding Allowance Certificate, to their employer as soon as possible.

Payment options for those who owe but can’t pay in full

Most taxpayers will be affected by [major tax law changes](#), and while many will get a refund, others may owe tax. Many of those owing tax may qualify for a [waiver](#) of the estimated tax penalty that often applies. See [Form 2210](#), Underpayment of Estimated Tax by Individuals, Estates and Trusts, and its instructions for details. The IRS urges people with a filing requirement and a balance due to file by the April 15 due date even if they cannot pay in full. Taxpayers in this situation should pay what they can and then consider a payment plan for the rest. Taxpayers who are unable to full pay what they owe should act quickly. Several payment options are available including:

- [Online Payment Agreement](#) -- Individuals who owe \$50,000 or less in combined income tax, penalties and interest and businesses that owe \$25,000 or less in payroll tax and have filed all tax returns may qualify for an Online Payment Agreement. Most taxpayers qualify for this option, and an agreement can usually be set up in a matter of minutes. Online applications to set up one of these plans are available Monday - Friday, 6 a.m. to 12:30 a.m.; Saturday, 6 a.m. to 10 p.m.; Sunday, 6 p.m. to midnight. All times are Eastern time.
- [Installment Agreement](#) -- Installment agreements paid by direct deposit from a bank account or payroll deduction will help taxpayers avoid default on their agreements. It also reduces the burden of mailing payments and saves postage costs. Taxpayers who don't qualify for a payment agreement may still pay by installment. Certain fees apply.
- [Delaying Collection](#) -- If the IRS determines a taxpayer is unable to pay, it may delay collection until the taxpayer's financial condition improves.
- [Offer in Compromise](#) -- Some struggling taxpayers qualify to settle their tax bill for less than the amount they owe by submitting an offer in compromise. To help determine eligibility, use the [Offer in Compromise Pre-Qualifier](#) tool.

In addition, taxpayers can consider other options for payment, including getting a loan to pay the amount due. In many cases, loan costs may be lower than the combination of interest and penalties the IRS must charge under federal law. Taxpayers can find answers to questions, forms and instructions and easy-to-use tools online at [IRS.gov](#). They can use these resources to get help when it's needed from the convenience of home or office. Issue Number: IR-2019-25, IRS Newswire, February 28, 2019.

5. BB&T DEPOSITS \$549 MILLION PENSION PLAN:

[BB&T Corp.](#), Winston-Salem, N.C., contributed \$549 million to its defined benefit plan in the first quarter of 2019 and may contribute an additional \$126 million this year, according to a Form 10-K. The company has one qualified defined benefit plan that is open to new hires. The pension fund had assets of \$5.97 billion and liabilities of \$4.69 billion as of Dec.

31, for a funded status of 127.3%, compared to 127.7% the year before. The company said in the regulatory filing that its expected rate of return in 2019 is 7%. The target asset allocation ranges in 2018 were 30% to 50% U.S. equities, 11% to 18% international equities, 35% to 53% fixed income, and up to 14% alternatives, including real estate, hedge funds and private equity. The discount rate at the end of 2018 was 3.79%. On Feb. 7, BB&T and SunTrust Banks, Atlanta, agreed to an all-stock merger, creating a financial-services firm with about \$17.4 billion in retirement plan assets. The deal, which will create the sixth-largest U.S. bank based on assets and deposits, is expected to close in the fourth quarter, but no further details on how the retirement plans will be managed was made available. The \$3.1 billion [SunTrust Banks Inc.](#) Retirement Plan is a cash balance plan frozen in December 2011. Hazel Bradford, *Pensions & Investments*, February 27, 2019.

6. ICI SAYS SUPREME COURT COULD DEFEND FIDUCIARY DECISIONS IN TAKING UP PUTNAM CASE:

Putnam Investments has asked the U.S. Supreme Court to weigh in on whether the plaintiff or the defendant bears the burden of proof on loss causation under the Employee Retirement Income Security Act (ERISA) and whether showing that particular investment options did not perform as well as a set of index funds selected by the plaintiffs with the benefit of hindsight, suffices as a matter of law to establish losses to the plan. The Investment Company Institute (ICI) is urging the U.S. Supreme Court to take on a case against Putnam Investments, arguing that if it lets an appellate court decision stand, Employee Retirement Income Security Act (ERISA) litigation will increase, retirement plan fiduciary decision making will be distorted and plan participants will ultimately be harmed. In the case of *Brotherston v. Putnam Investments*, Putnam and plan fiduciaries of the Putnam retirement plan were accused of self-dealing to promote that firm's mutual fund business and maximize profits at the expense of the plan and its participants and of allowing excessive fees by a lack of monitoring and replacing investments. A Federal District Court [found that](#) Putnam followed a prudent process for selecting and monitoring funds in its retirement plan and that participants' comparison of Putnam mutual funds' average fees to Vanguard passively managed index funds' average fees was flawed. However, the 1st U.S. Circuit Court of Appeals vacated the District Court's judgment in part and remanded the case for further proceedings. In its opinion, the Appellate Court said "we align ourselves with the Fourth, Fifth, and Eighth Circuits and hold that once an ERISA plaintiff has shown a breach of fiduciary duty and loss to the plan, the burden shifts to the fiduciary to prove that such loss was not caused by its breach, that is, to prove that the resulting investment decision was objectively prudent." Putnam asked, and the Appellate Court agreed, to stay the case pending the filing and disposition of a petition for a writ of certiorari to the Supreme Court. In addition to asking the high court to weigh in on

whether the plaintiff or the defendant bears the burden of proof on loss causation under ERISA Section 409(a), Putnam [asked the court](#) to determine “whether, as the First Circuit concluded, showing that particular investment options did not perform as well as a set of index funds selected by the plaintiffs with the benefit of hindsight, suffices as a matter of law to establish ‘losses to the plan.’” In its [Brief of Amicus Curiae](#), ICI noted that many of the institutions facing litigation over their investment product selections in retirement plans, including Putnam, are ICI members, and those members who have not been sued operate under growing uncertainty as plaintiffs continue to bring new suits that, depending on the jurisdiction, may subject fiduciaries to the burden of disproving that the appropriate inclusion of actively managed funds in a plan lineup caused losses to a 401(k) plan and its participants. ICI says the 1st Circuit’s ruling “has real-world implications that warrant the Court’s immediate attention.” ICI argues that shifting the burden of proving causation, or the lack thereof, from the plaintiff to the fiduciary ignores the ordinary default rule and the plain language of ERISA specifying that fiduciaries are liable for “losses to the plan resulting from” a fiduciary breach. “The ruling will inevitably adversely skew fiduciaries’ selection decisions. Congress directed fiduciaries to make investment option selections in the best interests of participants. Participants’ best interests vary based on many factors, including individual needs (e.g., age, marital and family status, other financial resources, risk appetite, and other factors) and the marketplace, so fiduciaries typically make available to plan participants a wide range of options. The ruling gives fiduciaries greater - - and potentially overwhelming -- incentives to make choices driven by the threat of litigation based on a single point of reference (i.e., index funds), rather than simply by what plan participants’ best interests dictate,” the brief says. ICI also argues that allowing plaintiffs in ERISA fiduciary-breach cases to meet the loss causation element of a fiduciary breach claim solely by comparison to an index-fund-only hypothetical ignores the differences between actively managed investments and index funds as well as their differing benefits for participants while assuming that, as a per se matter, a prudent fiduciary would necessarily substitute passively managed funds for active ones no matter the circumstances. “Because of their substantial differences and benefits, actively managed funds and index funds are not suitable as simple comparators for determining loss causation. Plan fiduciaries can prudently determine that including actively managed funds as investment options is consistent with the purposes, terms, investment strategy, and risk/return objectives of the plan and its participants,” the brief says. The ICI adds, “Both aspects of this decision threaten to harm virtually all stakeholders in the marketplace for retirement planning products. The First Circuit’s ruling creates an incentive for plan fiduciaries to make available certain options and not others, to the detriment of plans, participants, sponsors, and fiduciaries.” According to the ICI, the burden-shifting framework adopted by the 1st Circuit will only increase the frequency of ERISA litigation that is already on the rise because plaintiffs who have to prove one less element of a case

have more incentive to bring the case in the first place. In addition, it says if the 1st Circuit's ruling that comparisons between a plan's investment options and a hypothetical lineup of only index funds to prove that a loss occurred is left standing, fiduciaries may offer only index funds to avoid litigation. "This disregards the nuances of constructing an investment lineup that serves the best interests of a broad array of plan participants," the brief says.

Actively managed funds have an important function

ICI accuses the appellate court of misunderstanding of actively managed funds, saying "Such funds have a legitimate role in helping plan fiduciaries assemble a broad and diverse menu of investment options consistent with their responsibilities under ERISA." The brief goes on to point out that many actively managed funds over time outperform index funds, and overall have Morningstar ratings above those of index funds. In addition, it says the 10 largest actively managed funds had a smaller average return variability (measured as the standard deviation of monthly returns) than the ten largest index funds over time. ICI also points out that, importantly, there are few, if any, index funds in certain investment categories. For example, world allocation or world stock funds, high-yield bond funds, corporate or world bond funds, small cap growth stocks, and diversified emerging market stocks have few or no index funds from which to choose. Plan fiduciaries looking to include such investments in plan menus often may rationally--or have no choice but to--select actively managed funds. "The First Circuit's decision pushes fiduciaries toward homogeneity, and the resultant decrease in options would hamper participants' ability to build a diversified portfolio," the brief says. Finally, ICI addresses the use of proprietary funds in Putnam's retirement plan, saying that "Asset manager employers generally want to offer proprietary products to employees; after all, these are the products they and the employees know best. The advantages of offering familiar products inure to participants." Citing "Class Exemption Involving Mutual Fund In-House Plans Requested by the Investment Company Institute," ICI also says Executive Branch regulations authorize the inclusion of proprietary mutual funds in investment companies' retirement plans because it is "administratively feasible," "in the interests of plans and of their participants and beneficiaries," and "protective of the rights of participants and beneficiaries." Rebecca Moore, Planadviser, February 27, 2019.

7. THE 10 BIGGEST THREATS FOR RETIREMENT PLAN ADVISERS:

The entire defined-contribution industry is in flux as retirement planning becomes more important. Plan sponsors are paying more attention to their DC plans, putting pressure on advisers to deliver real value while demanding lower costs. Here are the 10 biggest threats facing retirement plan advisers over the next three years.

- **Technology.** Coming soon to a defined-contribution plan near you is the full use of technology and artificial intelligence. Advisers able to leverage technology to help plan sponsors manage their plan and engage with participants, and to run their own practice will lap those that do not. It takes time and capital, which is often lacking for advisers.
- **Declining fees.** The DC industry has done a great job of making plan sponsors hypersensitive about fees, which has contributed to an alarming decline in advisory fees. Advisers need to change fee structures to focus on activity and results, rather than asset-based fees, to highlight the value of their services. Remember: Fees without value are always high.
- **Record keepers.** There is a fight looming between retirement plan advisers, registered investment advisers and broker-dealers with record keepers over participant data, such as age, salary and contribution rate. Who owns what? Open multiple employer plans -- known as open MEPs -- will offer record keepers greater opportunities to sell directly through associations and affinity groups. Record keepers are demanding more marketing support from asset managers, with the move to clean shares -- and the resulting dip in revenue-sharing fees -- leaving less support for advisers.
- **"Triple F" services.** Advisers who focus on fees, funds and fiduciary services and charge an asset-based fee are under siege by robo-fiduciaries and emerging retirement plan advisers. They need to morph into OCROs (outsourced chief retirement officers), who act as a member of the client's retirement committee and take the lead in directing the activities of all other vendors.
- **Cybersecurity and privacy.** Hackers are using DC plans and participants to access their accounts and penetrate company firewalls. While record keepers are more at risk than advisers, they have much greater resources. Information about plans and participants that's held by advisers needs to be protected, as does the privacy of the data overall. Unprepared advisers are at risk, as are their clients.
- **Regulators.** Will the Securities and Exchange Commission come out with a new fiduciary standard? Will state fiduciary standards be superseded? Will state-run retirement plans limit opportunities for advisers? If the auto-plan is mandated by the federal government, does that minimize the role of advisers? The Department of Labor will likely start auditing more plan advisers; better have your act together and documentation ready.
- **Litigation.** Lawsuits will likely ensnare advisers in their wide web as more and more attorneys get into the DC-plan litigation game. Even if the lawsuits are spurious, mounting a defense involves significant cost (and time). And lawsuits will probably increase with a big market downturn.

- **Convergence of retirement and benefits.** Plan sponsors are likely to favor advisers that offer integrated retirement and benefit services and retirement plan advisers that are part of, or partner with, a benefits practice will have greater cross-selling opportunities.
- **Investor shift to index funds.** Index funds don't just minimize the value of an adviser, they limit profit margins for asset managers -- which could mean less support for advisers.
- **DCIOs.** The entire DCIO -- defined-contribution investment only -- business is in crisis, as margins get thinner as a result of greater use of index strategies and more demand from record keepers, aggregators and advisers for support. Even firms with strong target-date and index franchises are feeling the pinch. Yet it is foolhardy to ignore the DC market, which fuels individual retirement accounts and provides access to 90 million investors. Look for more DCIOs to distribute directly rather than through intermediaries, likely leveraging technology to access the millions of DC participants who cannot afford an adviser.

Fred Barstein, *Investment News*, February 26, 2019.

8. HERE ARE FIVE FACTS ABOUT THE NEW FORM 1040:

There are several changes to the [2018 Form 1040](#). However, taxpayers who file electronically may not notice the changes as the tax return preparation software guides people through the filing process. The IRS worked closely with its partners in the tax return preparation and tax software industries to prepare for tax reform and tax form changes affecting tax year 2018, including the [Form 1040](#). This ongoing collaboration ensures that taxpayers can continue to rely on the IRS, tax professionals and tax software programs when it's time to file their tax returns.

Here are five things taxpayers need to know about the 2018 Form 1040.

- The 2018 Form 1040 replaces Forms 1040, 1040A and 1040EZ with one 2018 Form 1040 that all taxpayers will file.
- Forms 1040A and 1040EZ are no longer available. Taxpayers who used one of these forms in the past will now file Form 1040.
- The 2018 Form 1040 uses a "building block" approach and allows taxpayers to add only the schedules they need to their 2018 tax return.
- The most commonly used lines on the prior year form are still on the form. Other lines are moved to new schedules and are organized by category. These categories include income, adjustments to income, nonrefundable credits, taxes, payments, and refundable credits.

- Many taxpayers will only need to file Form 1040 and no schedules. Those with more complicated tax returns will need to complete one or more of the 2018 Form 1040 Schedules along with their Form 1040. These taxpayers include people claiming certain deductions or credits, or owing additional taxes.

Electronic filers may not notice any changes because the tax return preparation software will automatically use their answers to the tax questions to complete the Form 1040 and any needed schedules. For taxpayers who filed paper returns in the past and are concerned about these changes, this year may be the year to consider the benefits of [filing electronically](#). Using tax software is convenient, safe and a secure way to prepare and e-file an accurate tax return. IRS.gov, February 25, 2019.

9. ABOUT 13.1 PERCENT HAVE A MASTER’S, PROFESSIONAL DEGREE OR DOCTORATE:

The educational level of American adults is on the rise as more college graduates go on to earn master’s, professional and doctoral degrees. Since 2000, the number of people age 25 and over whose highest degree was a master’s has doubled to 21 million. The number of doctoral degree holders has more than doubled to 4.5 million. Now, about 13.1 percent of U.S. adults have an advanced degree, up from 8.6 percent in 2000. These findings come from the U.S. Census Bureau’s [Educational Attainment in the United States: 2018](#) table package that uses data from the [Current Population Survey Annual Social and Economic Supplement](#). It examines the educational attainment of adults age 25 and older by demographic and social characteristics, such as age, sex, race and Hispanic origin, nativity and disability status. The tables show, among other things, that women make up a smaller share of high school dropouts than men, the share of Asians with advanced degrees is growing and that recent immigrants are more likely to go to college than earlier immigrants or native-born. They also clearly show a rise in the number of college graduates who have advanced degrees. In 2000, one-third of people with at least a bachelor’s degree had completed an advanced degree. By 2018, 37 percent had done so. In 2017, on average a person with an advanced degree earned 3.7 times as much as a high school dropout.

Some Highlights

- The percentage of people age 25 and over who had completed less than a high school diploma or equivalent was higher for men (10.6 percent) than for women (9.8 percent).
- Between 2000 and 2018, the percentage of people 25 years and older who had completed a bachelor’s degree or higher increased by 9 percentage points, from

25.6 percent to 35.0 percent.

- Among Asians ages 25 to 29 in 2018, almost 7 in 10 (69.5 percent) had a bachelor's or higher degree. Five years earlier (in 2013), the bachelor's degree attainment rate for this group was 59 percent.
- Recent immigrants to the United States were more likely to have a college education than earlier immigrants or the native born.

Among immigrants who have arrived since 2000, 38.8 percent have a bachelor's degree or higher, compared with 35.2 percent of the native-born. Among earlier immigrants, the rate of college education was lower -- for those who arrived in the 1990s, it was 31.3 percent.

- Naturalized citizens were among the groups with high levels of college attainment -- 38.4 percent had a bachelor's degree or higher.

The children of immigrants were also likely to have a bachelor's degree (39.6 percent).
America Counts Staff, United States Census Bureau, February 21, 2019.

10. PENSION FUNDS GETTING MORE INVOLVED WITH CEO PAY - REPORT:

More pension funds and other large shareholders are voting against CEO pay packages considered excessive, but it will take more involvement to fix the problem, according to a report released by As You Sow, a non-profit shareholder advocacy organization in Oakland, California. The report -- "[The 100 Most Overpaid CEOs: Are Fund Managers Asleep at the Wheel?](#)" -- is the organization's fifth year of research that focuses on the link between overpaid CEOs of the S&P 500 and shareholder activity holding those companies accountable. The report found that, worldwide, pension funds with \$100 billion or more in assets have more than doubled the number of CEO pay packages they vote against, reaching 40% in 2017. The largest U.S. pension fund, [California Public Employees' Retirement System](#), Sacramento, has increased its votes against S&P 500 CEO pay packages by nearly eightfold. The report also shows that pension funds give CEO pay packages more scrutiny than mutual fund asset managers, and that European-based investment funds vote against CEO pay packages at a greater rate than those based in the U.S. Other U.S. asset managers are more likely to vote against CEO pay, when excluding votes from the world's three largest asset managers -- [BlackRock \(BLK\)](#), Vanguard and [State Street Corp. \(STT\)](#), which together control 15% or more of U.S. companies. "Their refusal to vote against more than a very, very few CEO pay packages stands out," the report said. "Private conversations, known as engagements, are insufficient to deal with the systemic problems," said Rosanna Landis Weaver, the organization's program manager of executive compensation, who is encouraged that more

pension funds are getting active on the CEO pay issue. CEO pay continues to increase, growing to an average of \$13.6 million in 2017 from \$11.5 million in 2013, despite underperformance by the 10 most overpaid CEOs identified in the report. The report found that the 10 firms underperformed the S&P 500 index by 15.6 percentage points in 2017. The most overpaid CEOs were at Fleetcor Technologies, number one at \$52 million a year, followed by Oracle, Broadcom, Mondelez International, Wynn Resorts and [The Walt Disney Co.](#) "Quite a lot has changed, but not quite enough," said As You Sow CEO Andrew Behar, who noted on a call with reporters that U.S. pension funds have more asset under management than even the largest asset managers -- and should do more. Former Secretary of Labor and economist Robert Reich said on the call that numerous researchers have found that companies with the highest paid CEOs "really do underperform for shareholders. There is simply no excuse for the level of CEO pay we are now witnessing." European pension funds are more active on this issue, Mr. Reich said. "U.S. pension funds need to step up." Hazel Bradford, *Pensions & Investments*, February 21, 2019.

11. DID YOU KNOW BENJAMIN FRANKLIN SAID THIS?:

Words may show a man's wit but actions his meaning.

12. PONDERISMS:

If the No. 2 pencil is the most popular, why is it still No. 2?

13. INSPIRATIONAL QUOTES:

When you reach the end of your rope, tie a knot in it and hang on. - Franklin D. Roosevelt

14. TODAY IN HISTORY:

On this day in 2013, Xi Jinping is named as the new President of the People's Republic of China.

15. REMEMBER, YOU CAN NEVER OUTLIVE YOUR DEFINED RETIREMENT BENEFIT.

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