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## **Public pension funding crisis widespread: Cogent**

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By Editor Test     *Wed, Mar 2, 2011*

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Only one in five (20%) pension plans is prepared to meet its financial obligations to plan participants, according to *Institutional Investor Brandscape*, a report by Cogent Research.

Among union and public sector plans, only 10% and 12%, respectively, estimate their current funding status to be 95% or higher, said the report, which is based on a survey of asset managers at 590 institutions with a minimum of \$20 million in assets.

A majority (54%) of public pensions report their current funding status to be below 80%, including 16% that are below 60%.

“These institutions [must] seek additional funding from the general treasury (i.e. tax payers), restructure participation rules or payments to participants, or go broke,” said Cogent Research Principal Christy White

By contrast, no corporate pension reported a funding status below 60%, one in four (27%) are funded at 95% or more, and over half (53%) are funded at between 80% and 94%.

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