**The conventional wisdom is that young people today are inured to the idea that they will change jobs repeatedly over their careers, and that because of that, they don't really think much about pensions. But it turns out that the conventional wisdom is wrong.**
**According to a survey by professional services firm Towers Watson (**[**TW**](http://www.dailyfinance.com/quotes/watson-wyatt-worldwide-inc/tw/nys)**), the percentage of young workers who cited their pension plan as a reason for staying with their current employer has jumped from 28% two years ago to 43% now. Those who like their company's 401(k) plans, in contrast, declined from 19% to 17%.**Alan Glickstein, a Dallas-based senior [retirement](http://www.walletpop.com/category/retire/) consultant at Towers Watson, said he was surprised that so many young people cited their defined-benefit pension plan as a main reason for sticking with a job.

"What they want is security," Glickstein says. "They saw people who were ready to retire after working a large number of years suddenly face a big setback because of the financial downturn. Whether it hit them directly or indirectly, it created fear, and the reaction is 'I don't want that.'"

 **\* \* \* \***

**Could an Economic Rebound Revive Pension Plans?**

Glickstein says the problem for many workers is that the defined contribution plans are a poor substitute for a pension. According to the Center for Economic and Policy Research in Washington, the average balance in 401(k) retirement plans is only $60,000, far less than is necessary to survive a lengthy retirement.

**"We see statistics all the time that suggest that relying on a 401(k) plan as a primary source of retirement income is not going to do it," Glickstein says.** "There is a tremendous amount of effort under way on the part of plan sponsors who have moved in that direction to treat the 401(k) plan more like a primary retirement vehicle."

Public sector employees tend to have more access to traditional pensions than private sector workers, but that too is changing. Recent changes in states like Wisconsin have been designed to reduce public sector pension benefits.

**Glickstein believes that if the job market improves with the economic rebound, some companies may be forced to resume offering traditional pension plans again, or their employees will flee to firms that do.** "The fact that younger employees are now saying they value security and it would matter to them if they had a pension plan, could start influencing employer behavior about what they offer,'" he says.

"If you have a whole bunch of workers who were ready to retire two years ago, but can't afford to because their 401(k)s took a dive, you've got some really big issues in managing your company," he says. "Your ability to manage your workforce and cost effectively move them out of the organization when they are ready to is a really big issue."