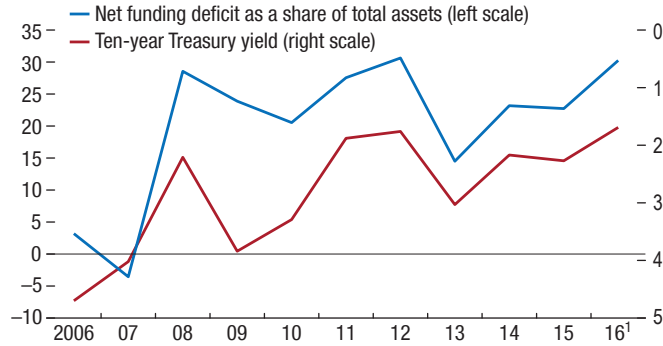


Figure 1.21. Pension Funding Shortfalls in the United States and the United Kingdom

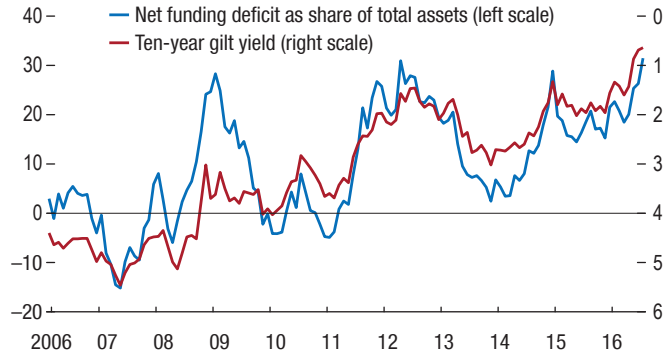
The funding gaps of the U.S. and the U.K. pension funds have risen, reflecting the impact of lower interest rates on future pension obligations.

1. United States: Funding Deficit of Defined Benefit Pension Funds and the 10-Year Treasury Yield (Percent)



Sources: Bloomberg L.P.; Bank of America Merrill Lynch; and IMF staff calculations. Note: Top 100 firms in the Standard & Poor's 500. The positive values are below the zero line for the right scale. ¹Bank of America Merrill Lynch estimate.

2. United Kingdom: Funding Deficit of Pension Funds and the 10-Year Gilt Yield (Percent)



Sources: Bloomberg L.P.; Pension Protection Fund; and IMF staff calculations. Note: The positive values are below the zero line for the right scale.