

Expert Survey on Retirement Savings

Support for Solutions for an Inclusive, Adequate Retirement Savings System

APRIL 2021

Table of Contents

- Overview of the Financial Security Program
- Overview of the Retirement Savings Initiative
- About the Survey
- Survey Respondents
- Report Authors
- Acknowledgements
- Summary of Key Findings by Topic
- Findings:
 - Ensuring Retirement Security for Everyone
 - Access to Retirement Savings Programs
 - Automatic Enrollment
 - Emergency Savings
 - Automatic Portability
 - Lifetime Income
 - Racial Equity
 - Additional Topics
 - Fiduciary Responsibility
 - Saver's Tax Credit
 - Small-Balance Accounts

FINANCIAL SECURITY

PROGRAM



The Aspen Institute Financial Security Program (FSP) mission is to illuminate and solve the most critical financial challenges facing American households and to make financial security for all a top national priority. We aim for nothing less than a more inclusive economy with reduced wealth inequality and shared prosperity.

Overview of the Retirement Savings Initiative

The Retirement Savings Initiative seeks bold federal, state and marketplace solutions to America's retirement crisis.

We connect experts from government, industry, advocacy, and academia to build consensus around 21st century policies and products that will enable low- and moderate-income Americans to save more for retirement and enjoy dignity and financial security in their golden years.

1. We seek **comprehensive national policy solutions** that completely reimagine retirement, ensuring all Americans have access to savings opportunities and tax incentives.
2. We spotlight **promising state innovations** that expand access to retirement savings and help catalyze national models.
3. We encourage **new financial products and practices** to enable more Americans to build solid financial foundations.

About the Survey

In the report *Re-Imagining Retirement Amid New Uncertainty 2020*, Aspen FSP identified four priority design principles essential to creating a more robust, inclusive, and practical retirement savings ecosystem for people across America:

1. Provide universal access to automatic enrollment in workplace retirement savings
2. Help workers build liquid emergency savings alongside their retirement savings
3. Make retirement savings portable
4. Innovate to create lifetime income streams for everyone

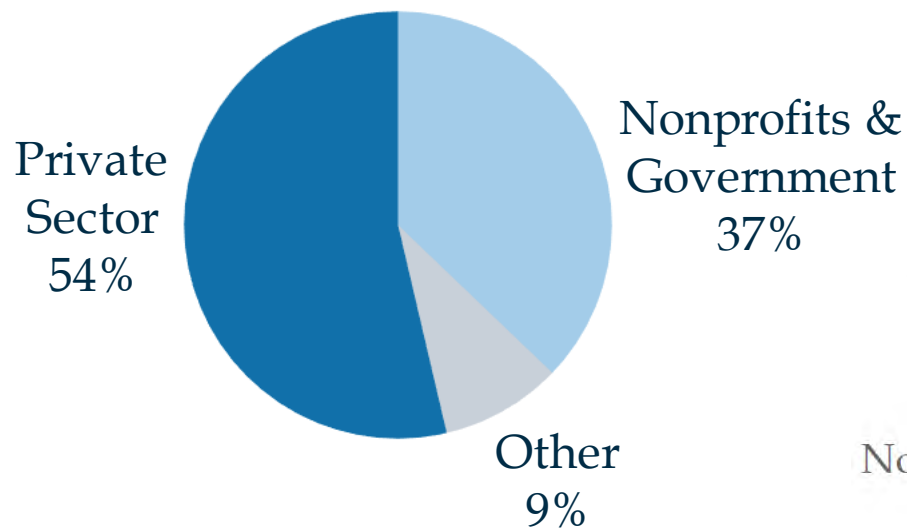
Between December 2020 and March 2021, Aspen FSP conducted a survey to gauge levels of support – or lack thereof – among leaders across sectors for potential solutions to these priorities and other key challenges discussed over the past five years at the Aspen Leadership Forum on Retirement Savings.

Experts from Aspen Financial Security Program's Retirement Savings email list and the Defined Contribution Institutional Investment Association (DCIIA) membership list were invited to participate in the survey. We received 182 total responses:

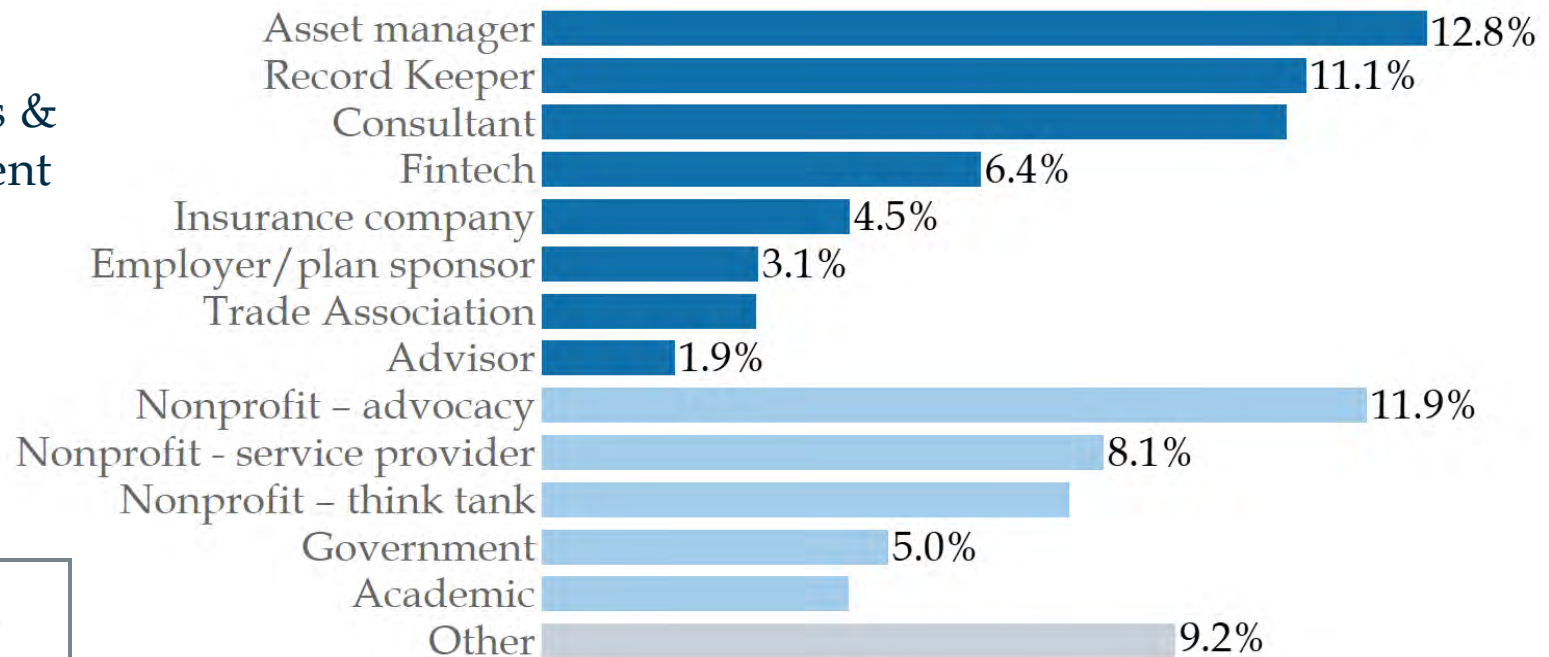
- 100 experts from Aspen Financial Security Program's network participated
- 82 experts from the membership of DCIIA participated

Survey respondents represented a diverse set of experts across the private sector, nonprofits, and government

Which of the following descriptors best fits your organization? (n=150)



“Other” included respondents who work in law, media, and across sectors



Report Authors



Karen Andres
Director, Policy and
Market Solutions &
Retirement Savings
Initiative

Karen.Andres@aspeninstitute.org



Taylor Gauthier
Policy and Market
Solutions Graduate
Fellow

Taylor.Gauthier@aspeninstitute.org



Sohrab Kohli
Senior Manager and
Markets Lead

Sohrab.Kohli@aspeninstitute.org



Tim Shaw
Associate Director of
Policy

Tim.Shaw@aspeninstitute.org

Acknowledgments

The report authors would like to thank:

- Our partners at DCIIA for helping promote this survey with their members
- Our partners at AARP for their input and review
- Aspen FSP staff, including Sheida Elmi, Justin King, Genevieve Melford, Meghan Poljak, Ida Rademacher, Emy Urban, Elizabeth Vivirito, and Raquan Wedderburn for their thoughtful support

Aspen FSP's work on retirement security is made possible through funding from AARP, JPMorgan Asset Management, and Prudential Foundation.

Summary of Key Findings by Topic

1	Ensuring Retirement Security for Everyone	<p>Top priorities for addressing retirement security:</p> <ul style="list-style-type: none"> • Expanding access to workplace retirement savings programs • Expanding access to automatic enrollment into retirement savings programs • Ensuring Social Security's solvency
2	Access to Retirement Savings Programs	77% of respondents support universal access to retirement accounts
3	Automatic Enrollment	9 out of 10 experts believe a national retirement plan should feature automatic enrollment
4	Emergency Savings	Most respondents believe it is important for a national retirement plan to include an emergency savings feature
5	Automatic Portability	A majority of respondents support a government mandate for automatic portability
6	Lifetime Income	Nearly 2 out of 3 respondents support allowing some portion of retirement savings to be automatically converted into a guaranteed, regular stream of income in retirement
7	Racial Equity	Most experts surveyed believe the retirement savings system has contributed to the racial wealth gap between white households and BIPOC households in America, and indicate that addressing racial inequality is a major priority for their organization

ENSURING RETIREMENT SECURITY FOR EVERYONE

Key Finding #1

Top priorities for addressing retirement security:

- Expanding access to workplace retirement savings programs
- Expanding access to automatic enrollment into retirement savings programs
- Ensuring Social Security's solvency

Top three priorities for addressing retirement security: access to workplace retirement programs, automatic enrollment, and Social Security solvency

What changes should be prioritized to ensure everyone in America can achieve a secure retirement? (n=182)

	Major Priority
Expand access to workplace retirement savings programs	82%
Ensure Social Security's solvency	80%
Expand access to automatic enrollment into retirement savings programs	80%
Help people convert savings balances into retirement income once they retire	60%
Help people build emergency savings alongside their retirement savings	59%
Make retirement savings more portable for workers changing jobs	53%
Strengthen Social Security benefits for low-income Americans	51%
Provide a match or subsidy for low-income savers	45%
Make the Saver's Tax Credit refundable	24%

Top three priorities for addressing retirement security: access to workplace retirement programs, automatic enrollment, and Social Security solvency

What changes should be prioritized to ensure everyone in America can achieve a secure retirement? (n=182)

	Major Priority		
	Private Sector	Nonprofits & Government	Other
Expand access to workplace retirement savings programs	83%	81%	88%
Expand access to automatic enrollment into retirement savings programs	82%	78%	76%
Ensure Social Security's solvency	81%	76%	80%
Help people convert savings balances into retirement income once they retire	60%	32%	60%
Help people build emergency savings alongside their retirement savings	50%	68%	60%
Make retirement savings more portable for workers changing jobs	49%	61%	48%
Strengthen Social Security benefits for low-income Americans	40%	63%	40%
Provide a match or subsidy for low-income savers	36%	51%	44%
Make the Saver's Tax Credit refundable	14%	32%	32%

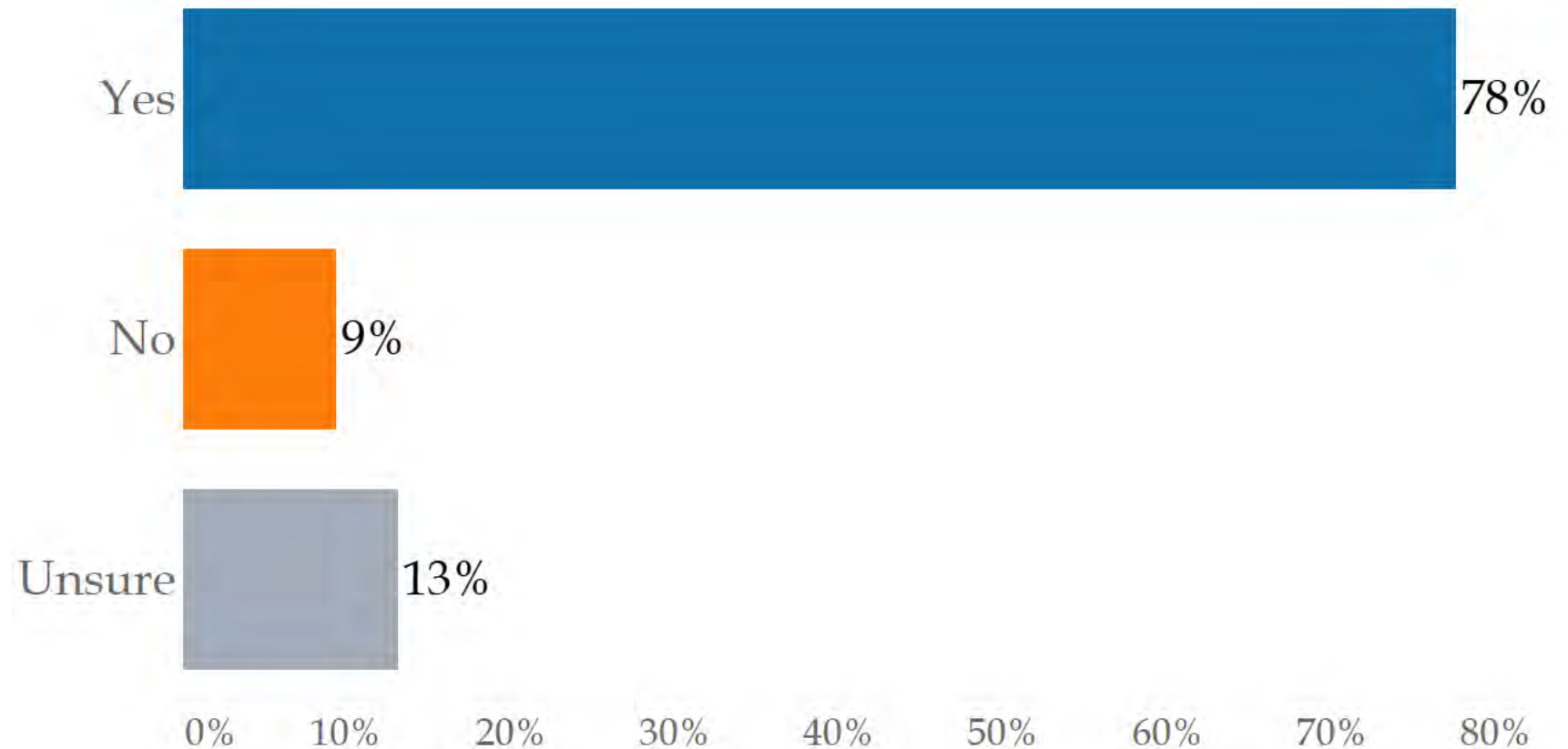
ACCESS TO RETIREMENT SAVINGS PROGRAMS

Key Finding #2

78% of respondents support universal access to retirement accounts

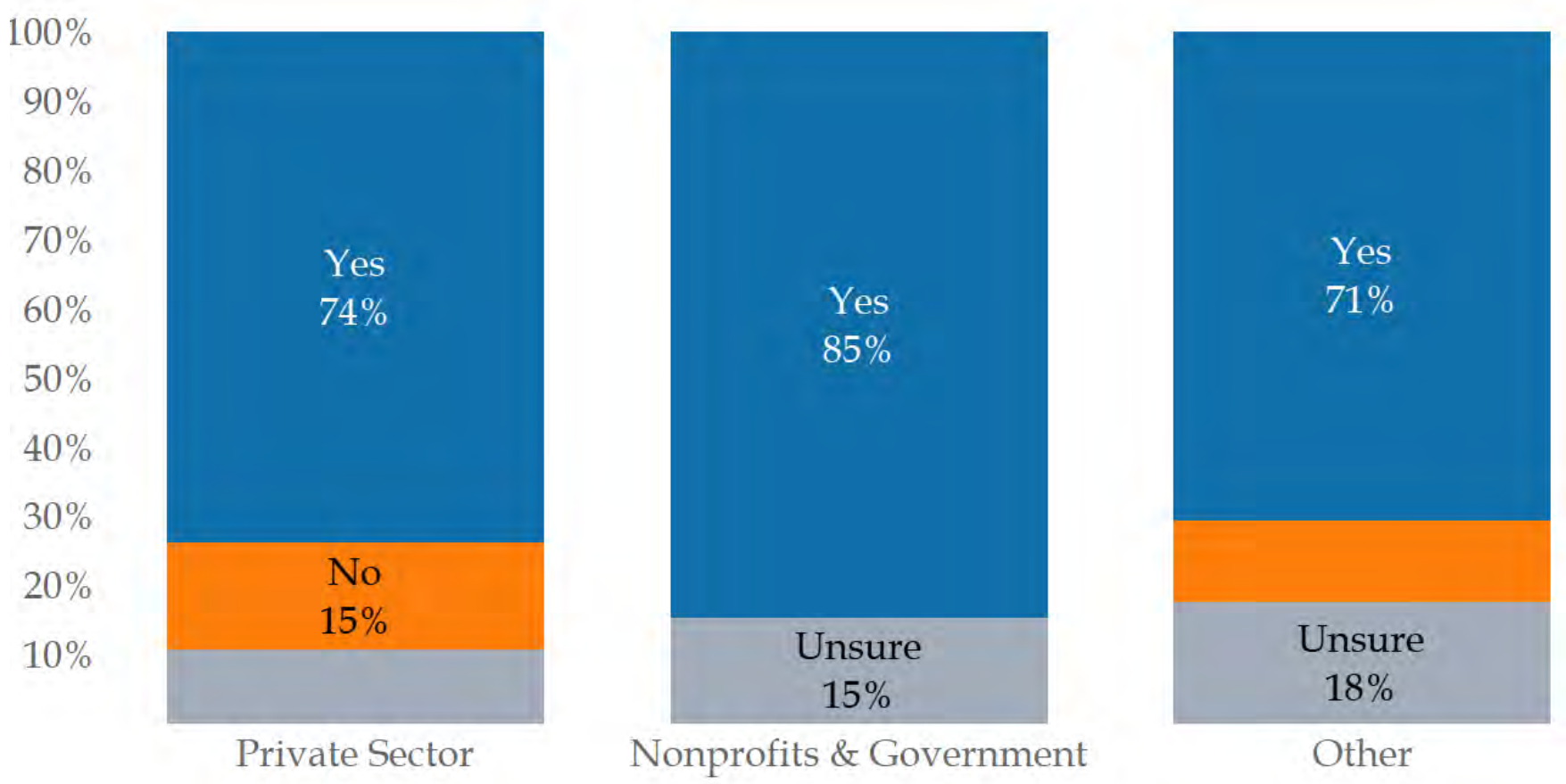
78% of respondents support a federal law requiring that all workers in America have access to a retirement savings program

*Do you support a federal law requiring that all workers in America have access to a retirement savings program through payroll deduction at work?
(n=168)*



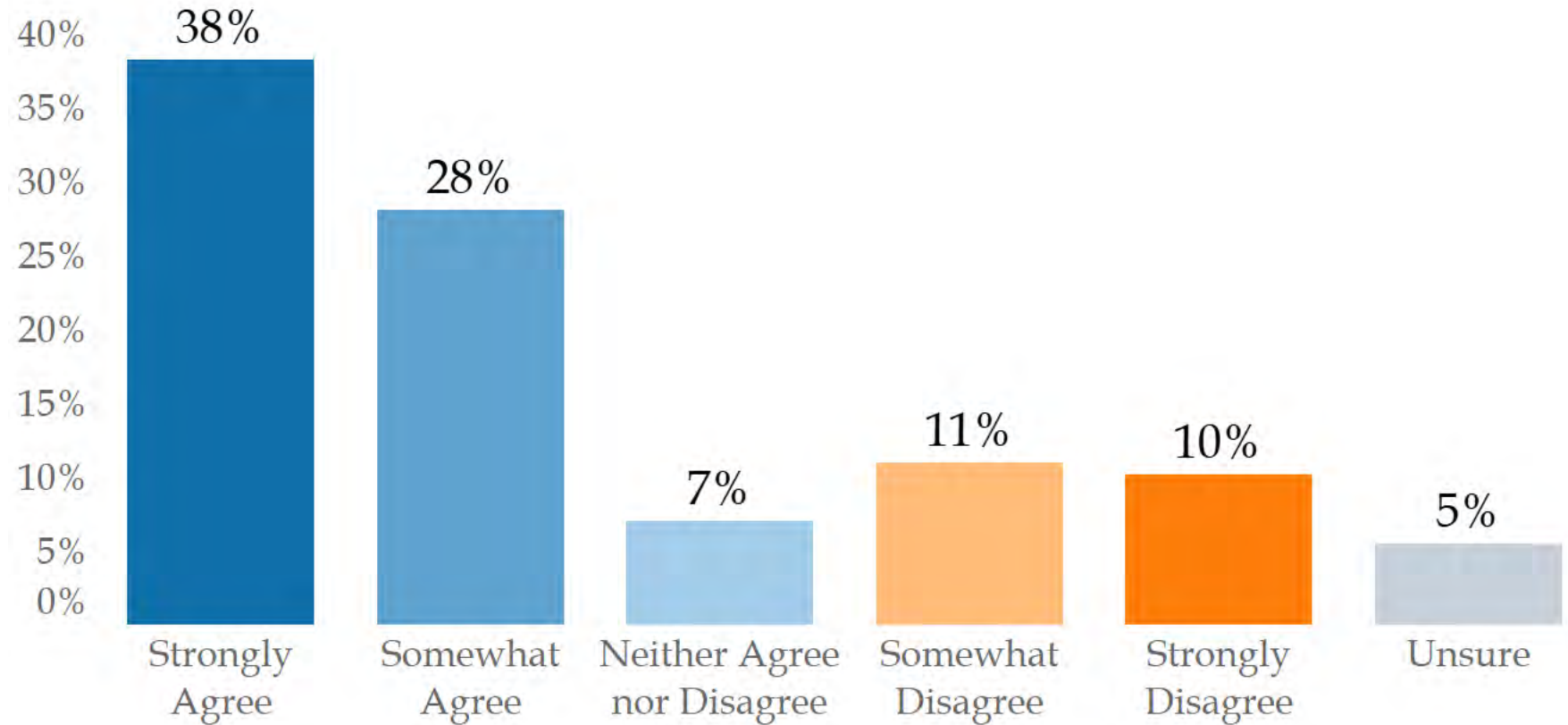
Respondents support a federal law requiring that all workers in America have access to a retirement savings program

Do you support a federal law requiring that all workers in America have access to a retirement savings program through payroll deduction at work? (n=168)



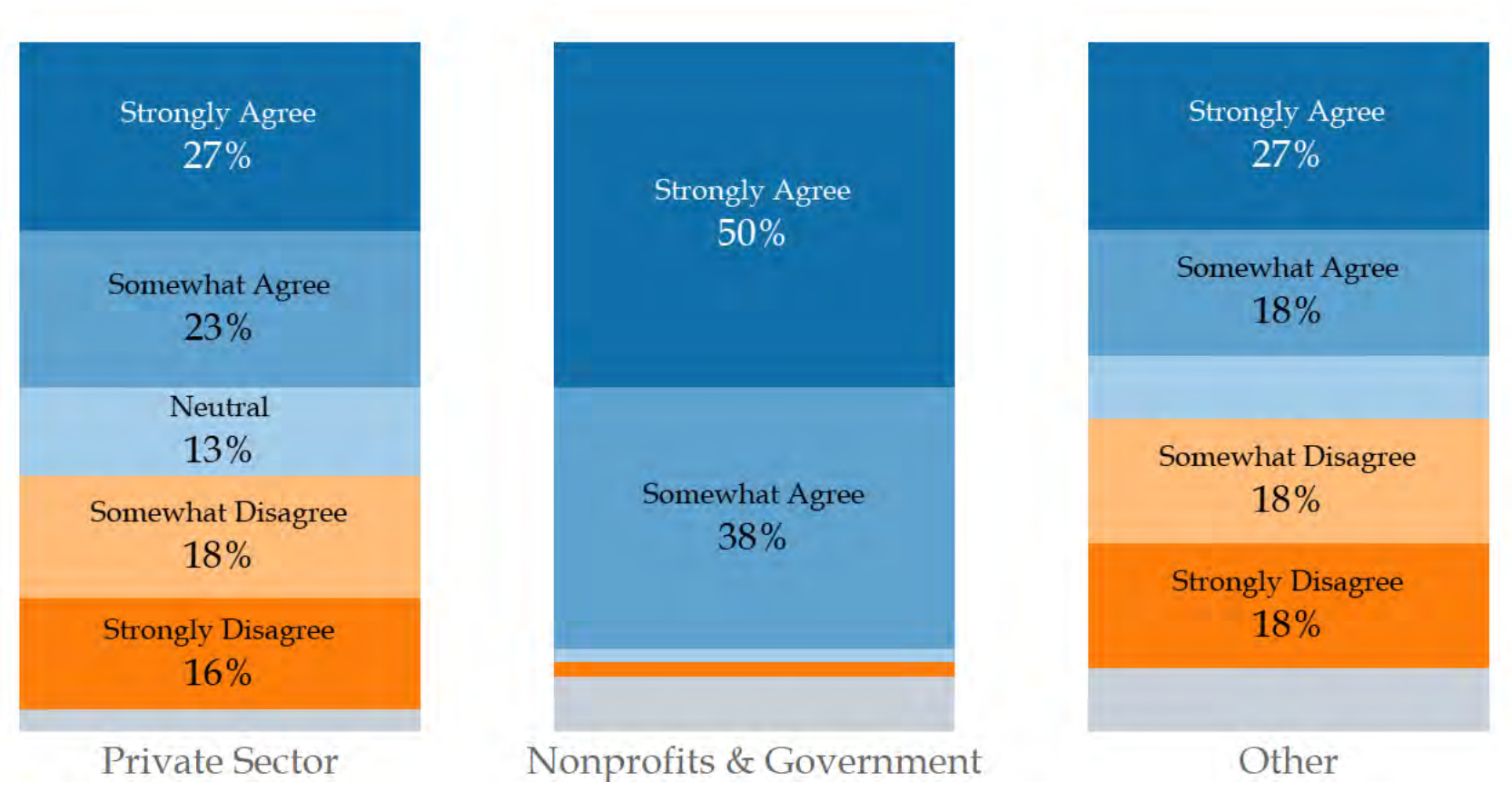
Among those who support a national retirement plan, most believe programs should be offered at no cost to employers or employees

If there were a federal law requiring that all American workers have access to a retirement savings program through payroll deduction at work, employers should have access to a retirement savings program that they can offer to their employees, at no cost to either the employer or the employee (n=129)



Among those who support a national retirement plan, most believe programs should be offered at no cost to employers or employees

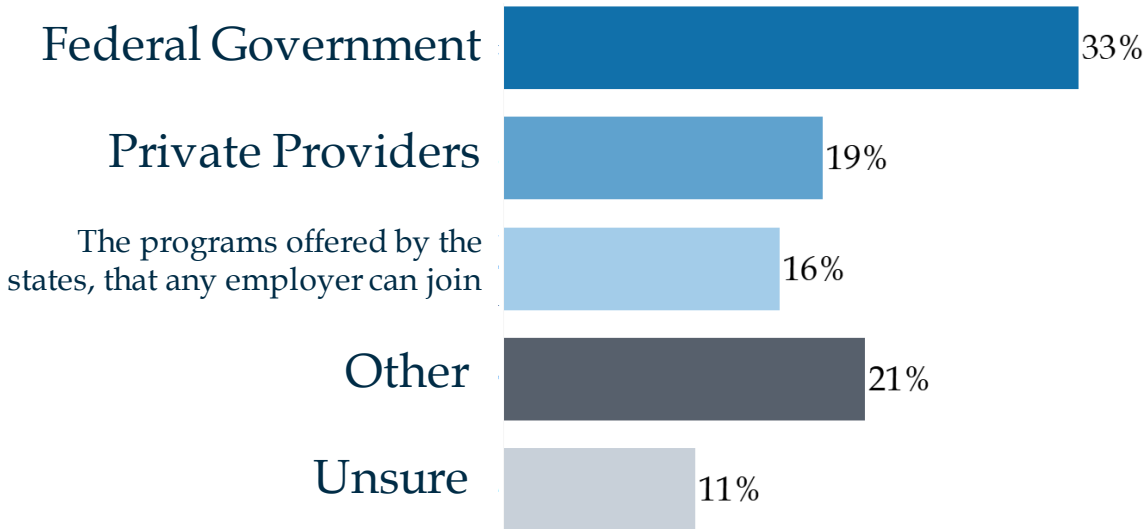
If there were a federal law requiring that all American workers have access to a retirement savings program through payroll deduction at work, employers should have access to a retirement savings program that they can offer to their employees, at no cost to either the employer or the employee (n=129)



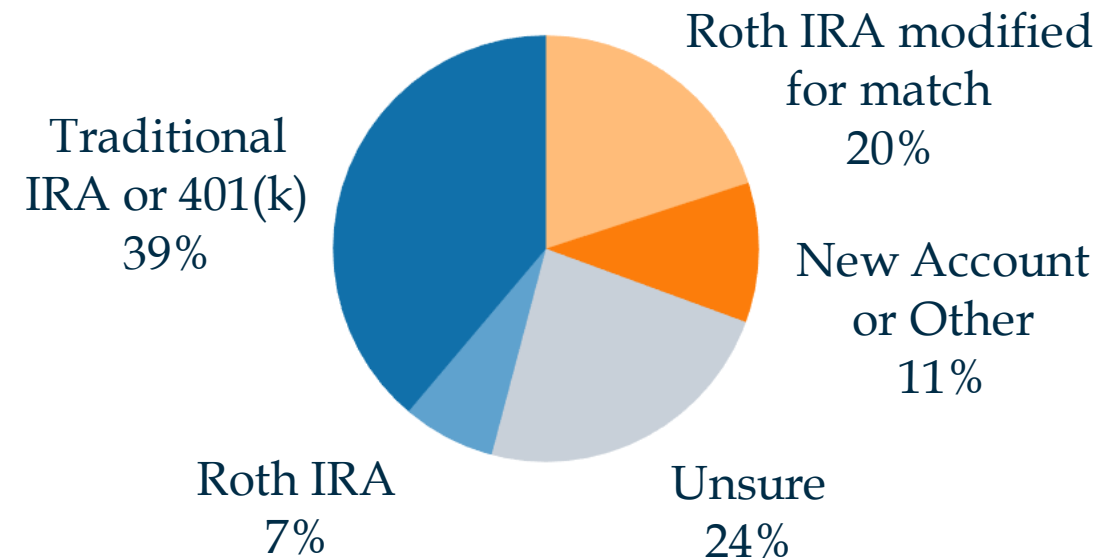
Among experts who support no-cost universal coverage, there are mixed opinions on what entity should offer the program and how the accounts should be structured

If there were a federal law requiring that all American workers have access to a retirement savings program through payroll deduction at work, and the program were offered free of charge to the employer or employee...

Who should offer the retirement savings program? (n=86)



What account structure should the free retirement savings program use? (n=85)



Among experts who support no-cost universal coverage, there are mixed opinions on what entity should offer the program and how the accounts should be structured

If there were a federal law requiring that all American workers have access to a retirement savings program through payroll deduction at work, and the program were offered free of charge to the employer or employee...

Who should offer the retirement savings program? (n=86)

	Private Sector	Nonprofit & Gov	Other
Federal Government	25%	43%	N/A
Private Providers	25%	11%	40%
Existing state plans	16%	16%	20%
Other	19%	20%	40%
Unsure	16%	9%	N/A

What account structure should the free retirement savings program use? (n=85)

	Private Sector	Nonprofit & Gov	Other
Traditional or Roth 401(K)	61%	25%	40%
Roth IRA	3%	9%	N/A
Roth IRA modified to allow a match	19%	20%	20%
New account or other	10%	9%	40%
Unsure	6%	36%	N/A

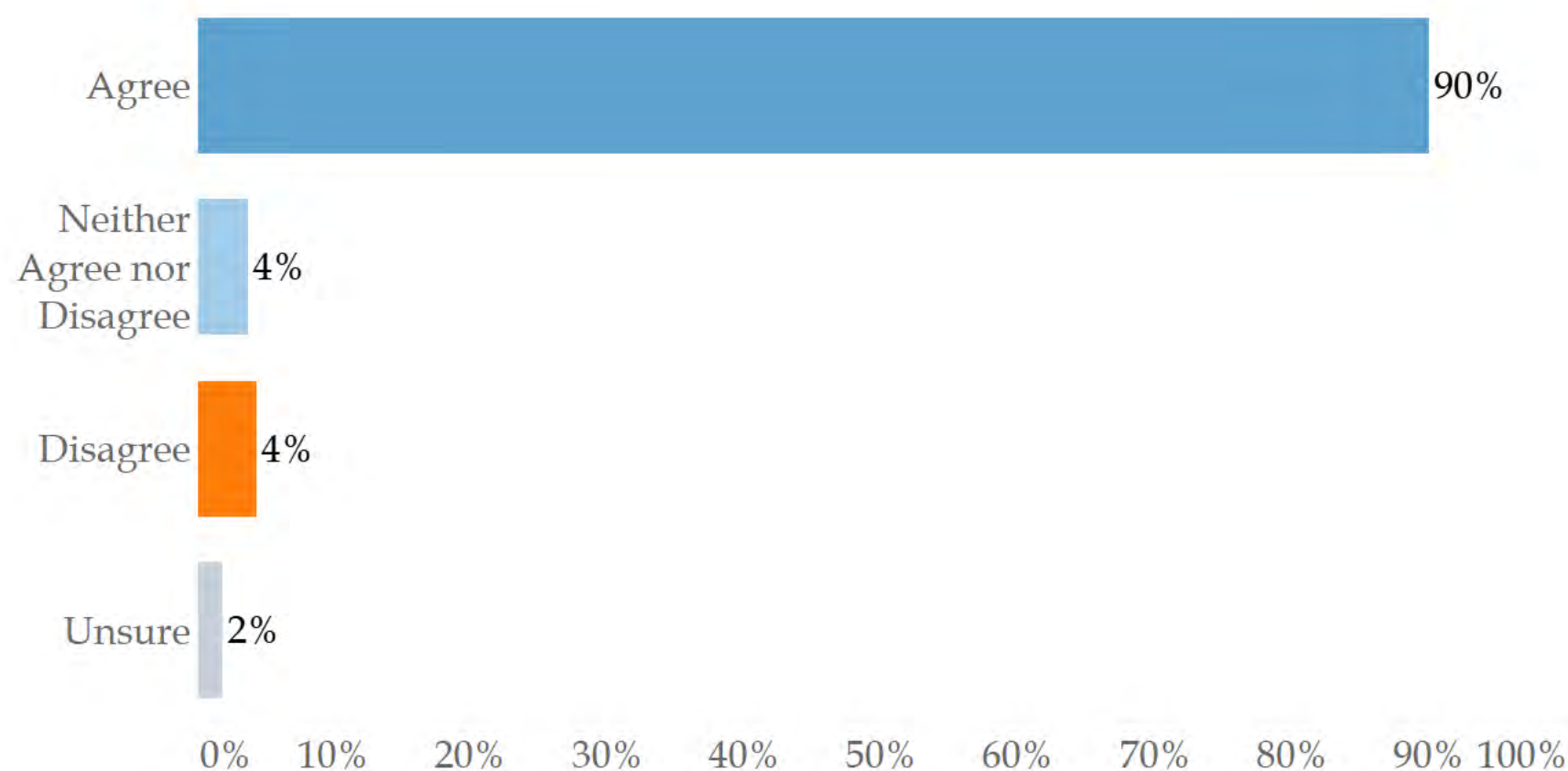
AUTOMATIC ENROLLMENT

Key Finding #3

9 out of 10 experts believe a national retirement plan should feature automatic enrollment

90% of respondents agree that workers should be automatically enrolled in a payroll-deduction retirement savings plan, with the ability to opt out

If there were a federal law requiring that all workers in America have access to retirement savings through payroll deduction at work, workers should be automatically enrolled, with the ability to opt out. (n=167)



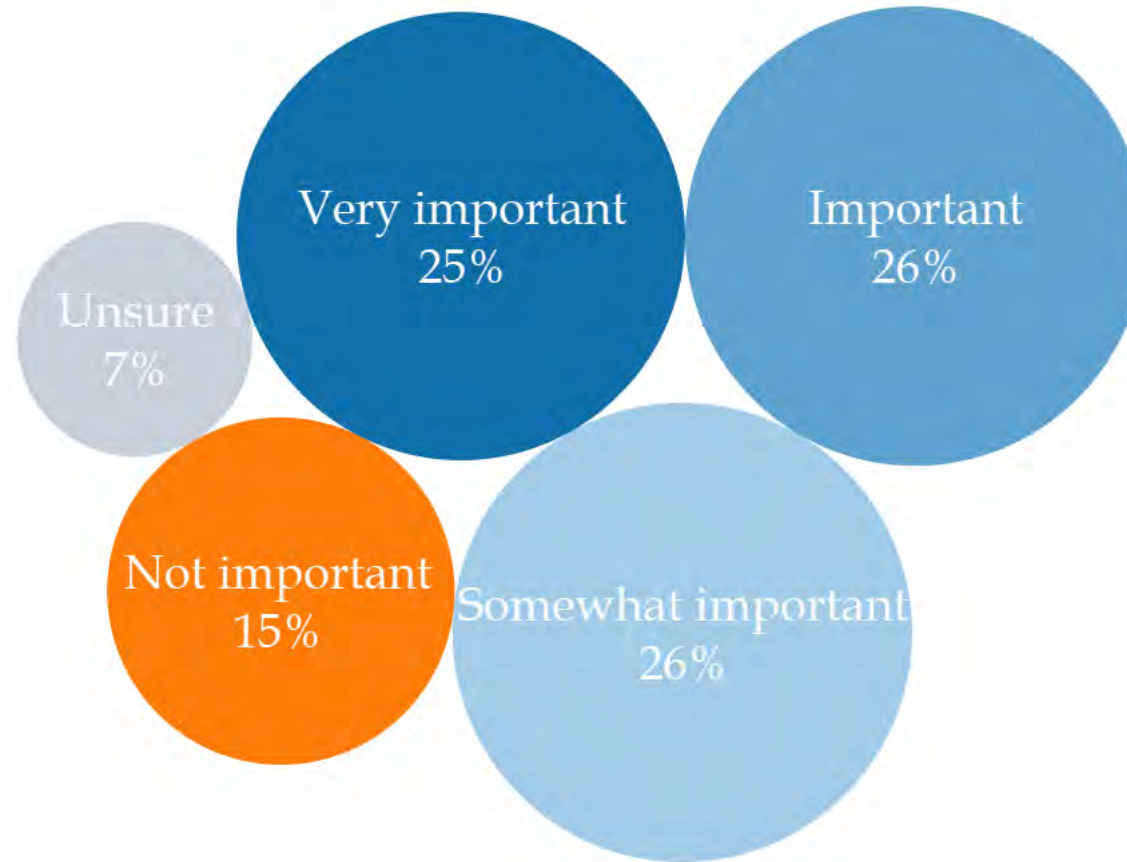
EMERGENCY SAVINGS

Key Finding #4

Most respondents believe it is important for a national retirement plan to include an emergency savings feature

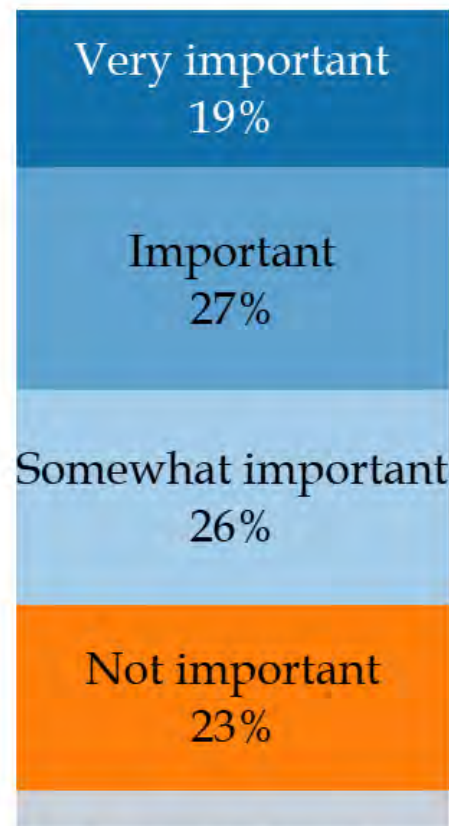
77% of respondents consider it at least somewhat important for a national retirement plan to include an emergency savings feature

How important is it that any future federal law requiring employers to offer retirement savings also include an emergency savings feature? (n=161)

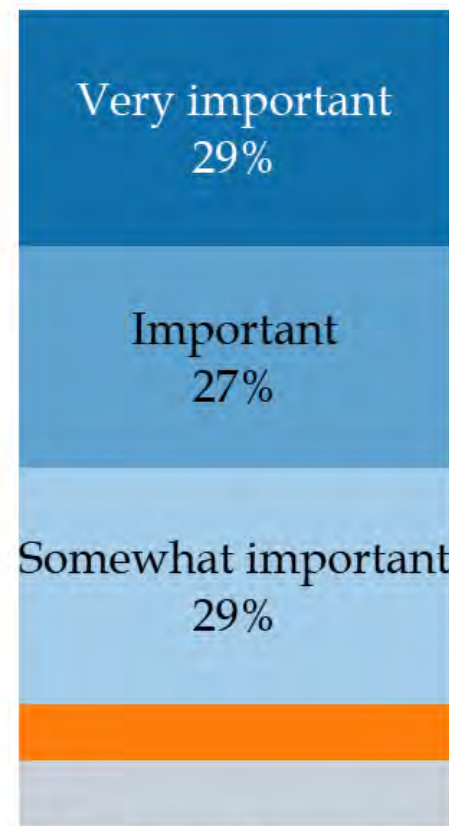


Most respondents consider it at least somewhat important for a national retirement plan to include an emergency savings feature

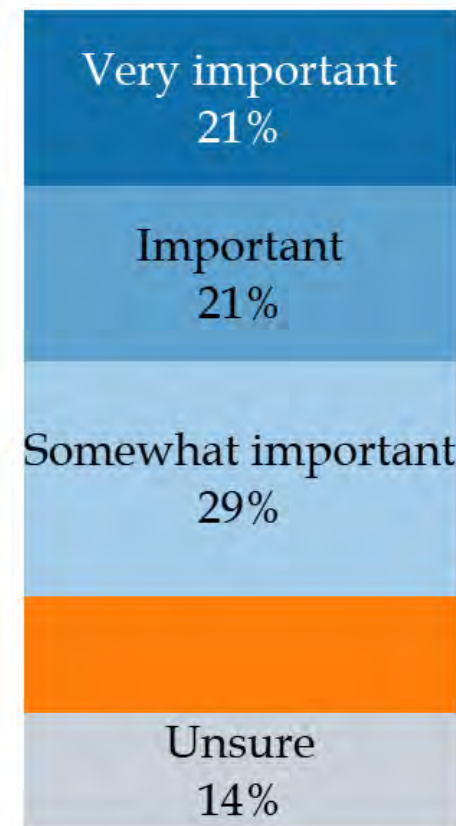
How important is it that any future federal law requiring employers to offer retirement savings also include an emergency savings feature? (n=161)



Private Sector



Nonprofits & Government



Other

Experts strongly believe that emergency savings accounts encourage retirement savings, reduce leakage, and improve financial stability

For each statement, please indicate your level of agreement or disagreement (n=161)

	Strongly Agree	Somewhat Agree	Neutral	Somewhat Disagree	Strongly Disagree	Unsure
Emergency savings improve financial stability and help people to build and preserve their retirement savings	74%	19%	3%	1%	1%	2%
Emergency savings accounts help prevent leakage/withdrawals/loans from a retirement savings plan	61%	25%	6%	3%	2%	4%
Emergency savings accounts help encourage plan participation by reassuring people that they can use some of their savings if they need to, without penalty	48%	30%	6%	6%	3%	8%
Emergency savings accounts help prevent people from cashing out their retirement savings account at job change	39%	29%	14%	8%	1%	9%
Emergency savings reduce retirement savings by replacing some retirement savings with emergency savings	14%	30%	20%	21%	6%	8%

A lack of regulatory clarity is perceived to be the biggest barrier to offering retirement plans with emergency savings options

How significant are the following barriers in limiting more defined contribution plans from offering some form of emergency savings pockets/accounts? (n=161)

	Major Barrier
Lack of regulatory clarity; employers aren't sure if they can legally automatically enroll their employees into an emergency savings account	55%
Record keepers don't make it easy to offer it	36%
When offered, not marketed or promoted effectively by employers or benefits providers	30%
Too complicated to offer	21%
Too expensive to offer	18%
Lack of employee demand	13%
May cause people to reduce the amount that they save for retirement	9%

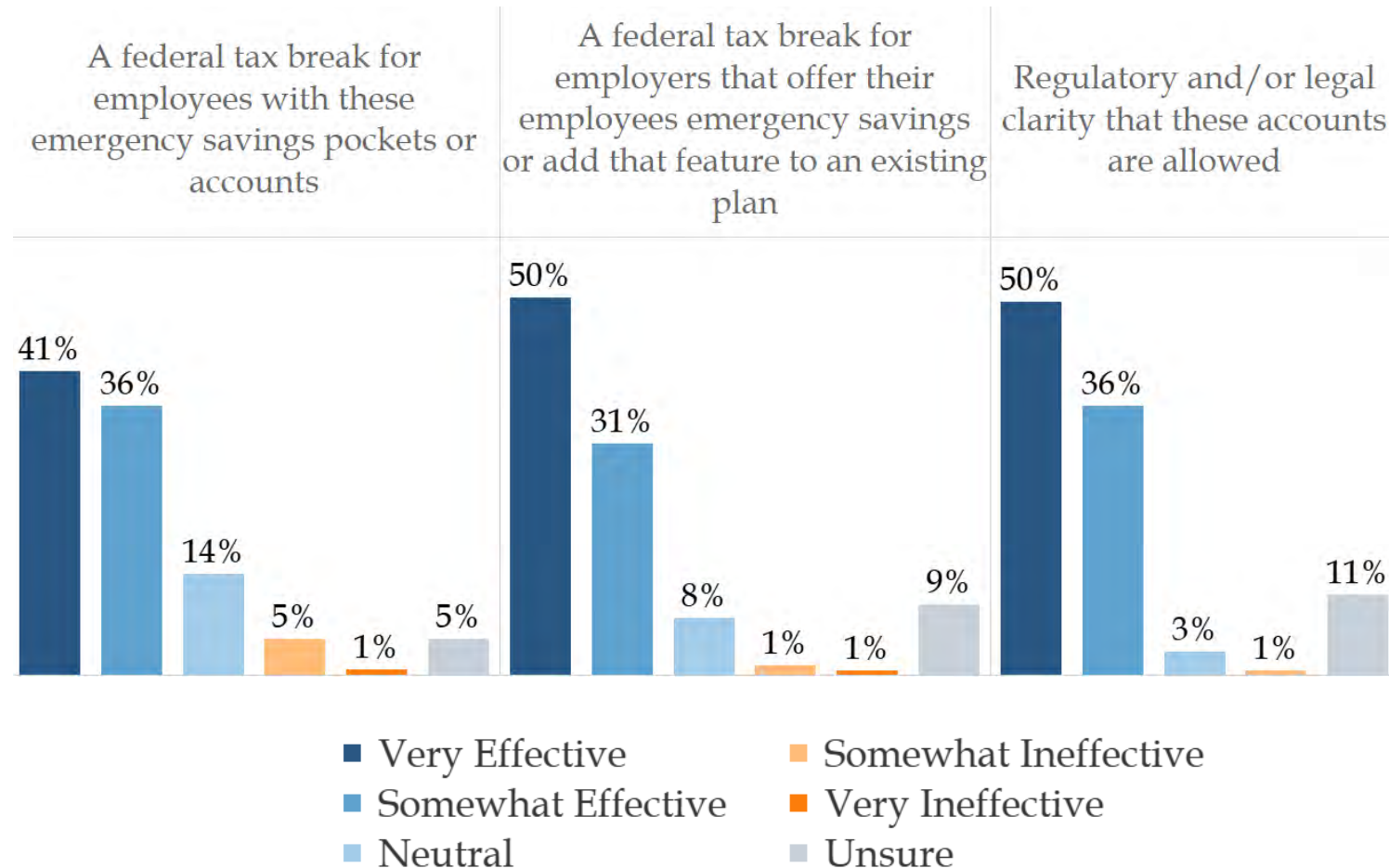
A lack of regulatory clarity is perceived to be the biggest barrier to offering retirement plans with emergency savings options

How significant are the following barriers in limiting more defined contribution plans from offering some form of emergency savings pockets/accounts? (n=161)

	Major Barrier		
	Private Sector	Nonprofits & Government	Other
Lack of regulatory clarity; employers aren't sure if they can legally automatically enroll their employees into an emergency savings account	58%	56%	21%
Record keepers don't make it easy to offer it	39%	25%	43%
When offered, not marketed or promoted effectively by employers or benefits providers	25%	36%	7%
Too complicated to offer	20%	19%	21%
Too expensive to offer	15%	15%	21%
May cause people to reduce the amount that they save for retirement	11%	5%	14%
Lack of employee demand	11%	14%	14%

Policymakers have several options to increase emergency savings access

How effective would the following policy changes be in prompting more employers to start offering emergency savings in a defined contribution plan? (n=161)



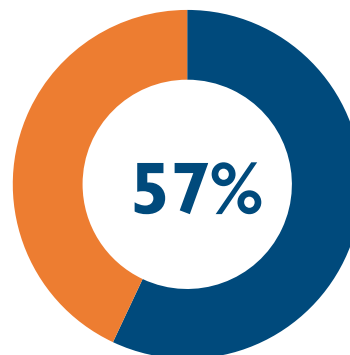
AUTOMATIC PORTABILITY

Key Finding #5

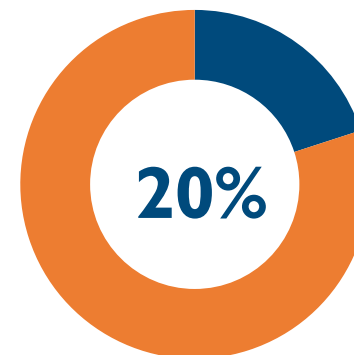
A majority of respondents support a government mandate for automatic portability

57% of respondents support a government mandate for automatic portability, and nearly half of respondents support a federal tax break to reduce the cost of implementing automatic portability

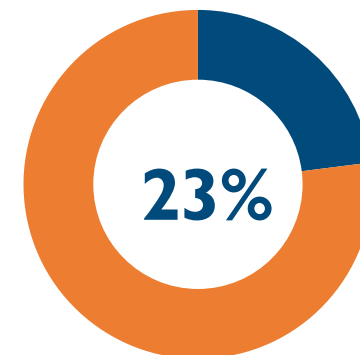
Do you support a government mandate for automatic portability? (n=159)



Yes

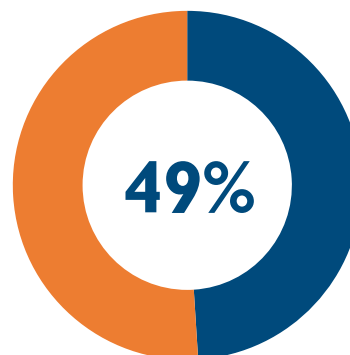


No

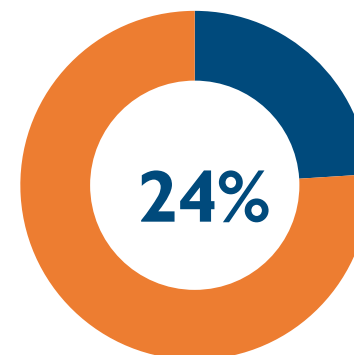


Unsure

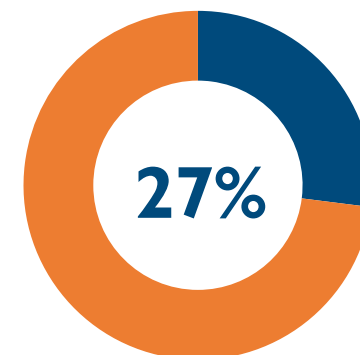
Do you support a federal tax break or other subsidy to help reduce the costs of creating automatic portability? (n=159)



Yes

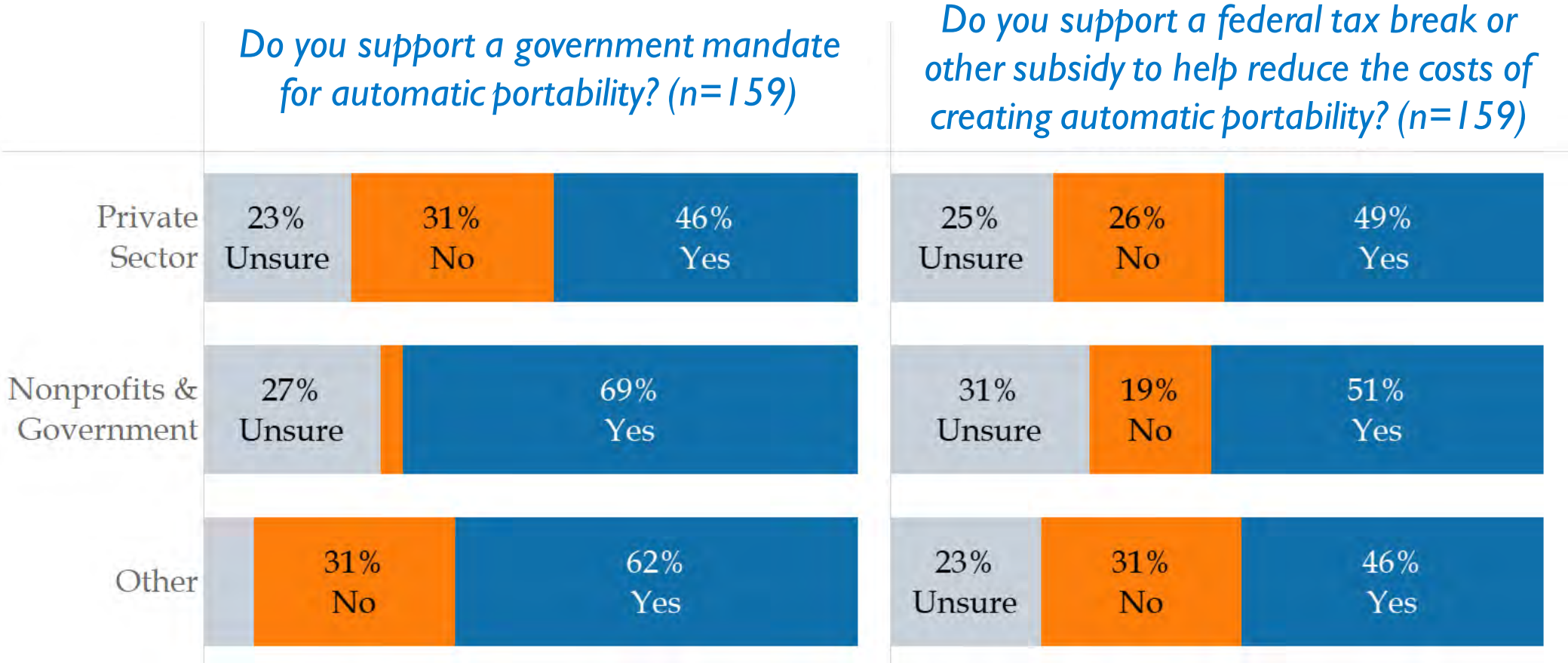


No



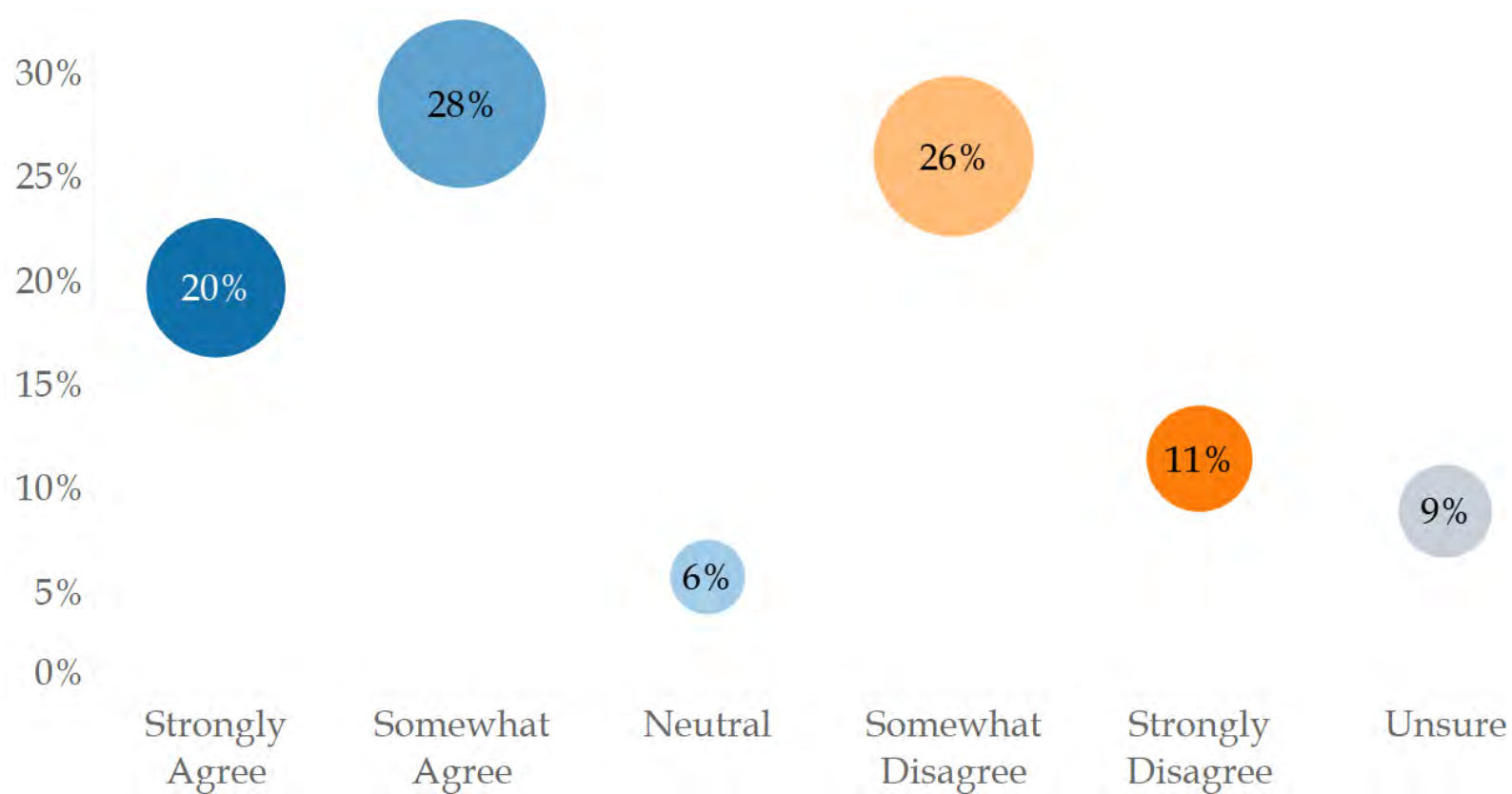
Unsure

Most respondents support a government mandate for automatic portability, and nearly half of all respondents support a federal tax break to reduce the cost of implementing automatic portability



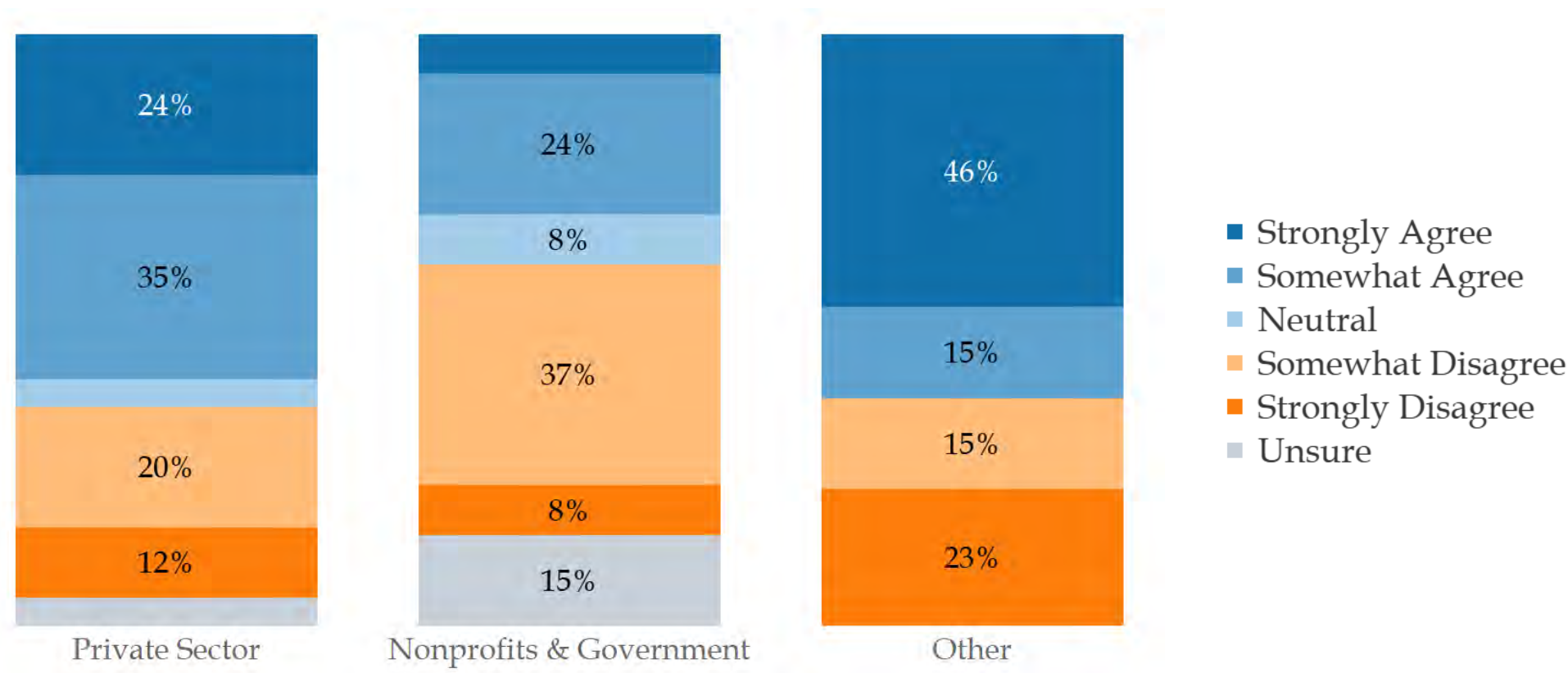
Experts disagree on whether automatic portability of retirement accounts is feasible without a government mandate

*Please indicate your level of agreement or disagreement:
Automatic portability could work without a government mandate (n=159)*



Experts disagree on whether automatic portability of retirement accounts is feasible without a government mandate

*Please indicate your level of agreement or disagreement:
Automatic portability could work without a government mandate (n=159)*



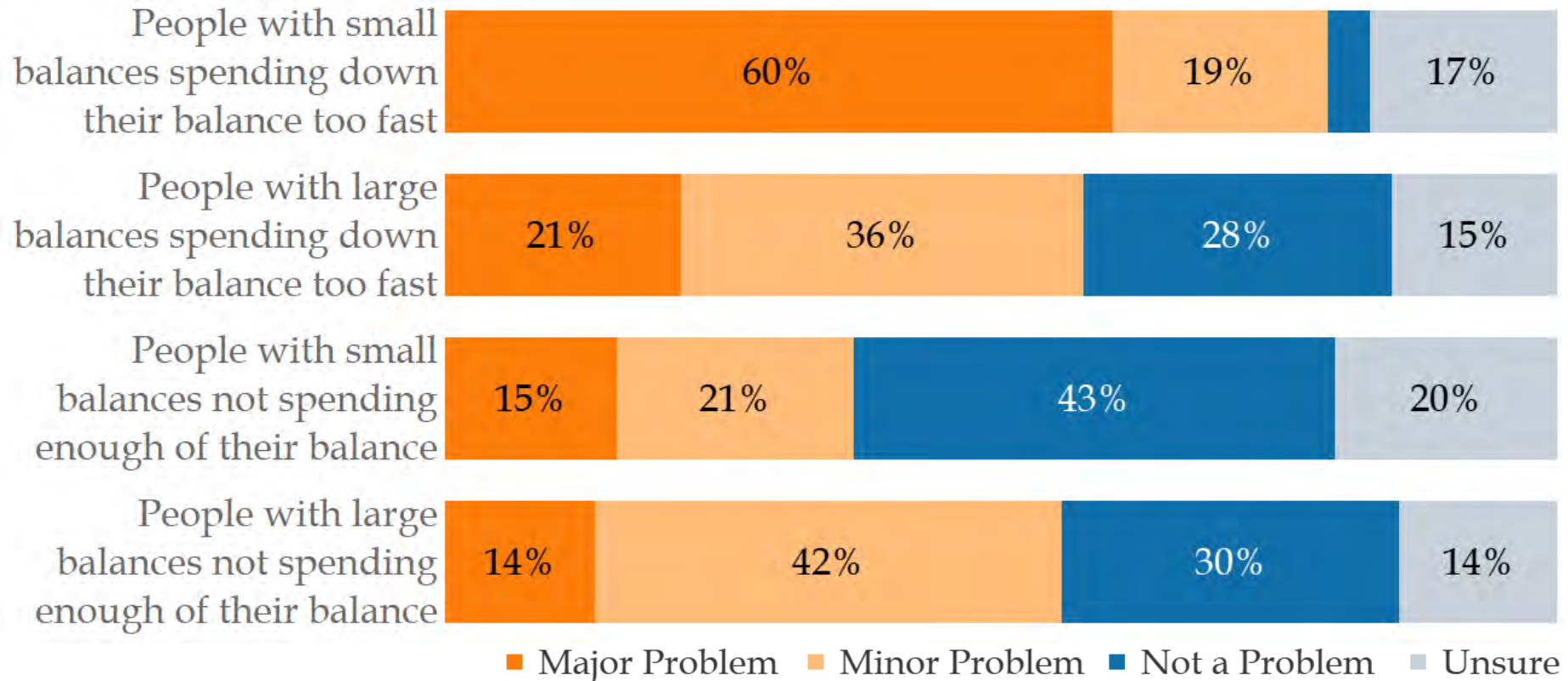
LIFETIME INCOME

Key Finding #6

Nearly 2 out of 3 respondents support allowing some portion of retirement savings to be automatically converted into a guaranteed, regular stream of income in retirement

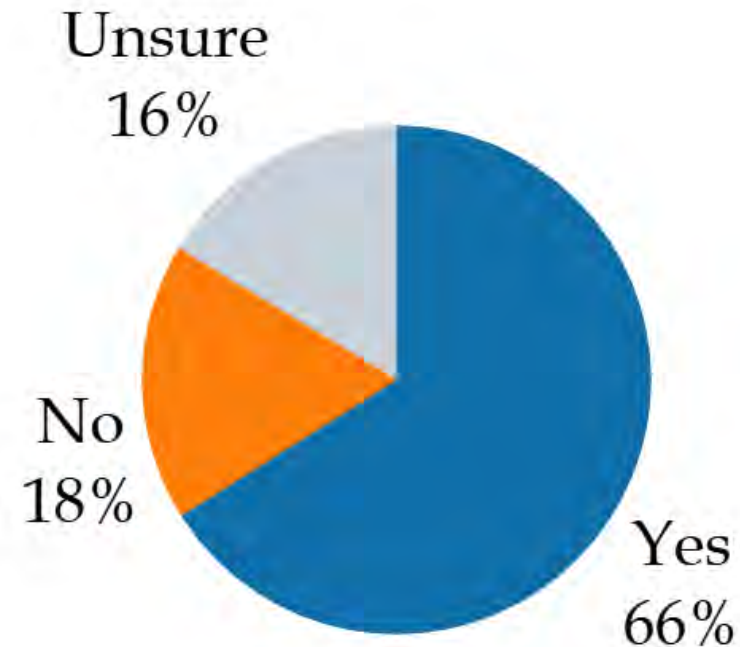
Most retirees view retirees with small balances spending down their balance too fast is viewed as a major problem

How problematic are the following retirement scenarios? (n=156)



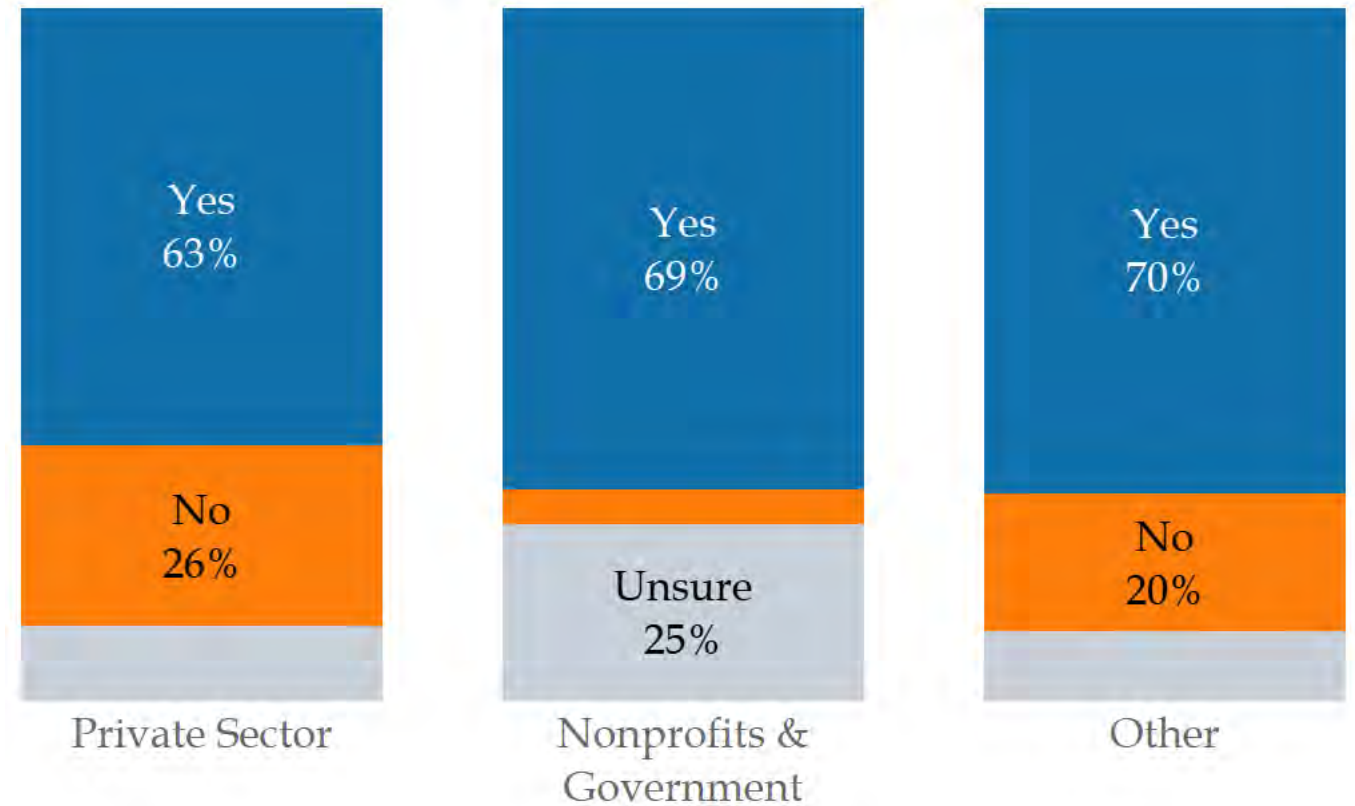
65% respondents support allowing some portion of retirement savings to be automatically converted into a guaranteed, regular stream of income in retirement

Do you support a policy change that would allow some portion of retirement savings to be automatically converted into a guaranteed, regular stream of income in retirement, with an option to opt-out? (n=156)



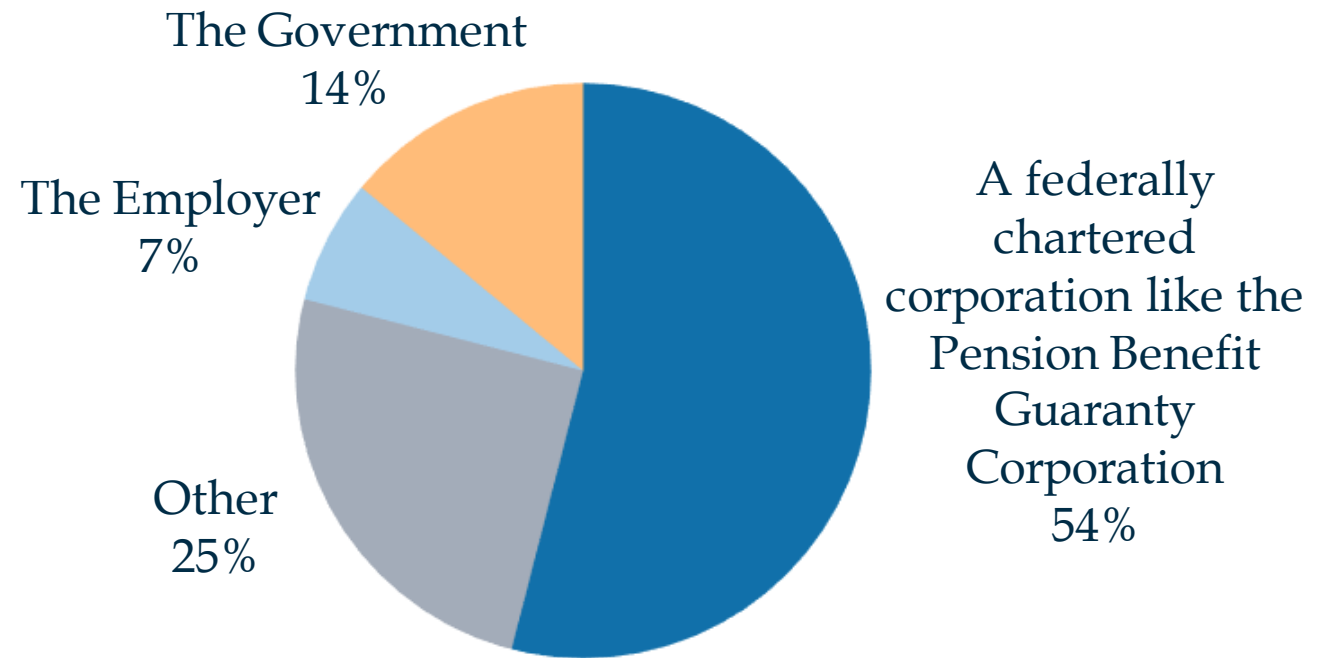
A majority of respondents support allowing some portion of retirement savings to be automatically converted into a guaranteed, regular stream of income in retirement

Do you support a policy change that would allow some portion of retirement savings to be automatically converted into a guaranteed, regular stream of income in retirement, with an option to opt-out? (n=156)



Among those who believe in automatic lifetime income, most think a federally chartered corporation should bear the legal risk and liability for the preservation of that guaranteed income

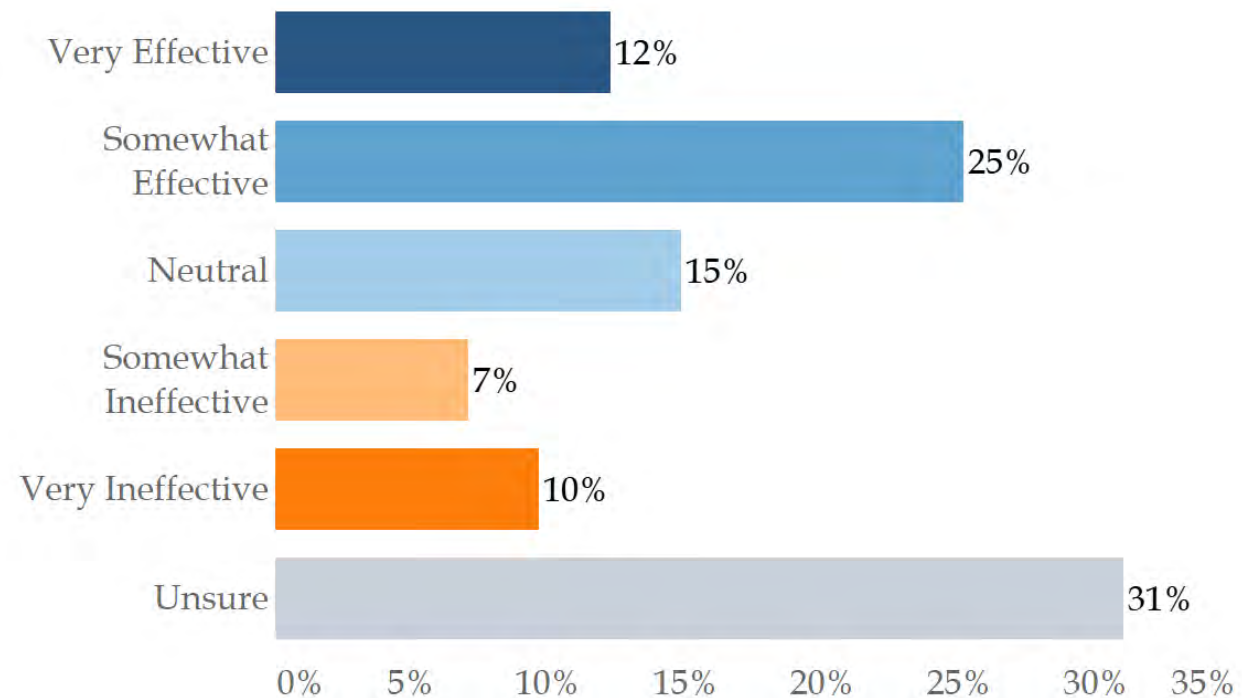
*If you believe that people should have some portion of their savings automatically converted to lifetime income, who should bear the legal risk/liability for the preservation of that guaranteed income?
(n=100)*



Experts weigh in on the potential of START accounts for lifetime income: results show need for more information on the new proposal

Supplemental Transition Accounts for Retirement (STARTs) have been proposed to serve as a bridge to receiving Social Security benefits. STARTs would be mandatory add-on savings accounts funded by employees, employers, and a progressive government contribution. STARTs would be fully integrated into the Social Security program. Every individual with a START would be required to exhaust that account's assets before receiving retired worker benefits, or age-based spousal or survivor benefits (special rules would apply to workers receiving disability benefits). For many people, STARTs would serve to raise the age at which Social Security benefits would first be paid.

How effective do you believe STARTs would be in increasing lifetime income for Americans as they age? (n=156)



[Click here for more information on START Accounts](#)

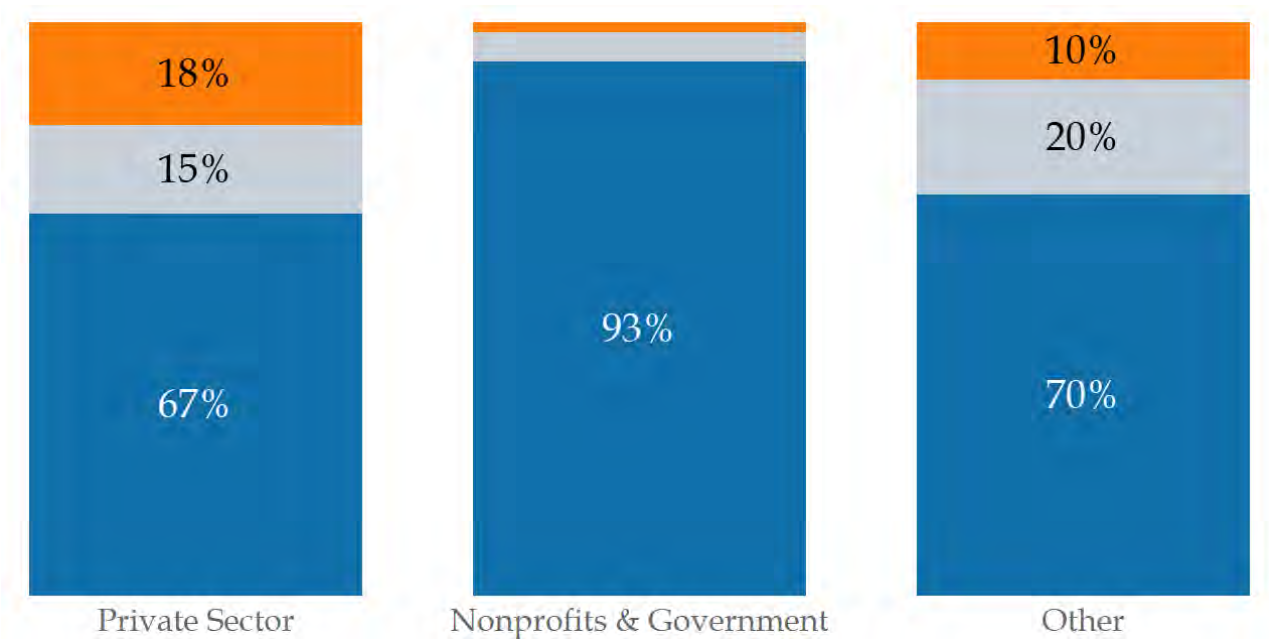
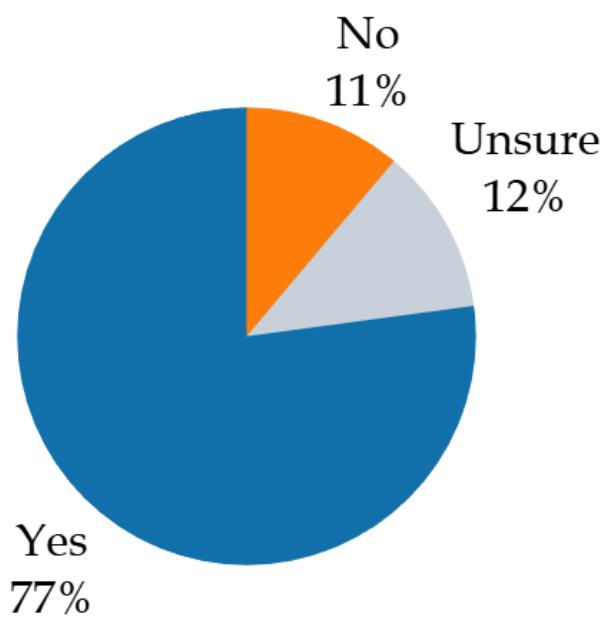
RACIAL EQUITY

Key Finding #7

Most experts surveyed believe the retirement savings system has contributed to the racial wealth gap between white households and BIPOC households in America, and indicate that addressing racial inequality is a major priority for their organization

An overwhelming majority of respondents believe the retirement savings system has contributed to the racial wealth gap between white households and BIPOC households in America

Has the U.S. retirement savings system impacted differences in wealth levels between white households and Black, Indigenous, and People of Color (BIPOC) households in America? (n=156)



Access to workplace retirement programs, automatic enrollment, and Social Security solvency are the top priorities to close the retirement security gap for BIPOC households in America

What changes should be prioritized to close the retirement security gap for Black, Indigenous, and People of Color (BIPOC) households in America? (n=152)

	Major Priority
Expand access to workplace retirement savings programs	77%
Expand access to automatic enrollment into retirement savings programs	73%
Ensure Social Security's solvency	72%
Strengthen Social Security benefits for low-income Americans	60%
Help people build emergency savings alongside their retirement savings	58%
Make retirement savings more portable for workers changing jobs	51%
Provide a match or subsidy for low-income savers	48%
Help people convert savings balances into retirement income once they retire	38%
Make the Saver's Tax Credit refundable	38%

Respondents identified the same top three priorities when asked about ensuring retirement security for everyone in America (see slides 9 & 10)

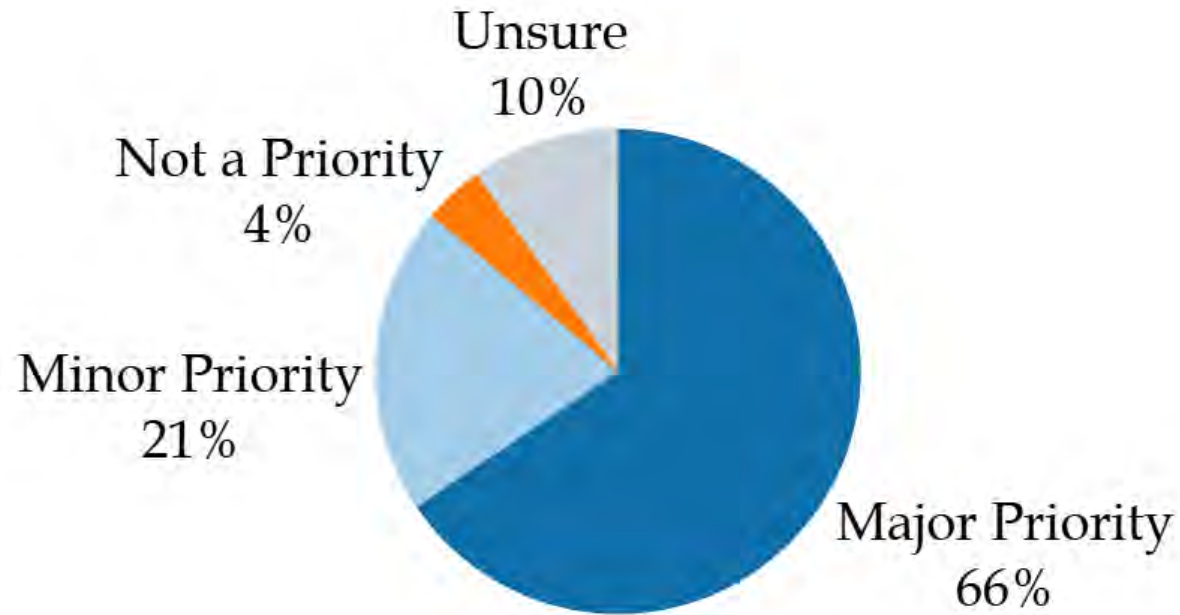
Access to workplace retirement programs, automatic enrollment, and Social Security solvency are the top priorities to close the retirement security gap for BIPOC households in America

What changes should be prioritized to close the retirement security gap for Black, Indigenous, and People of Color (BIPOC) households in America? (n=152)

	Major Priority		
	Private Sector	Nonprofits & Government	Other
Ensure Social Security's solvency	76%	71%	71%
Expand access to automatic enrollment into retirement savings programs	77%	66%	100%
Expand access to workplace retirement savings programs	77%	80%	86%
Help people build emergency savings alongside their retirement savings	55%	59%	71%
Help people convert savings balances into retirement income once they retire	40%	31%	57%
Make retirement savings more portable for workers changing jobs	44%	54%	71%
Make the Saver's Tax Credit refundable	29%	47%	71%
Provide a match or subsidy for low-income savers	35%	61%	71%
Strengthen Social Security benefits for low-income Americans	49%	71%	57%

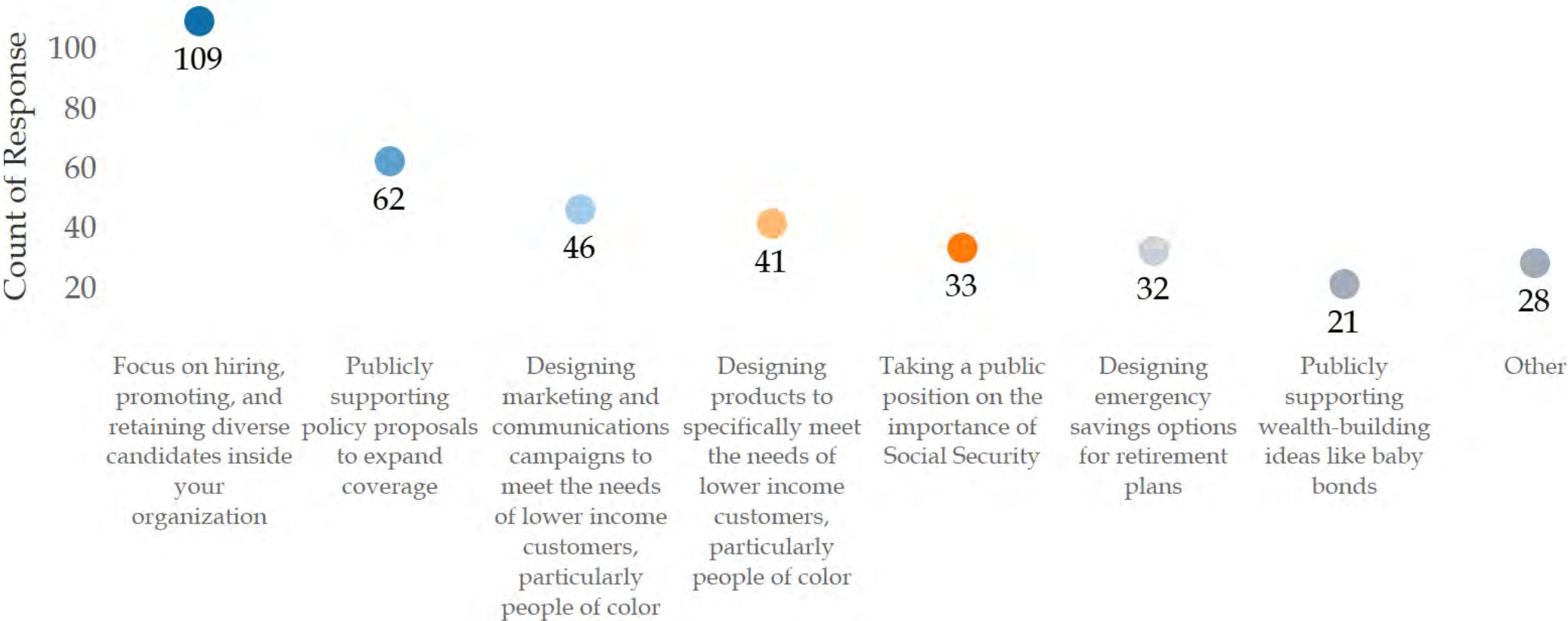
Addressing racial inequality is a major organizational priority for 2 of 3 respondents

Is addressing racial inequality a priority for your organization? (n=152)



Among respondents, efforts to address racial inequity are primarily focused on internal hiring practices

What, if anything, is your organization doing to address racial inequity in the retirement savings system? (n=138)



ADDITIONAL FINDINGS

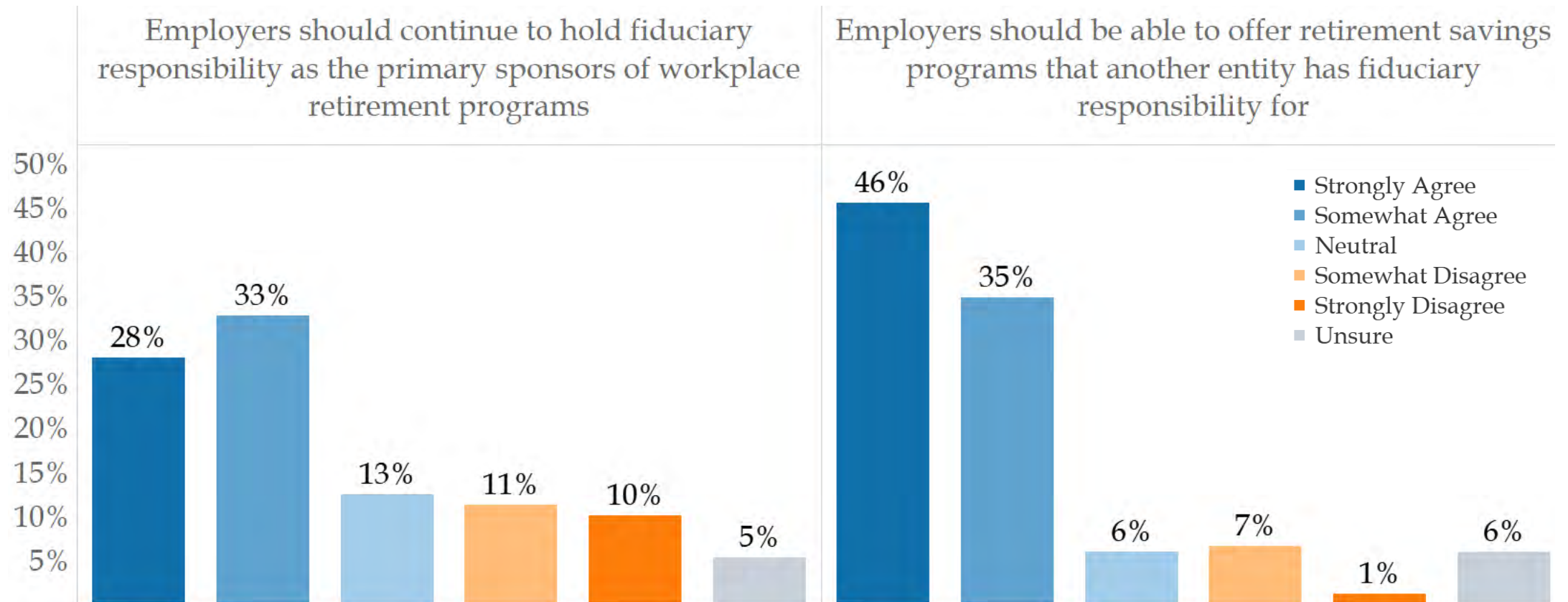
Fiduciary Responsibility

Saver's Tax Credit

Small-Balance Accounts

Most expert agree that employers should continue to hold fiduciary responsibility, however, even more agree that employers should be able to offer programs without fiduciary responsibility

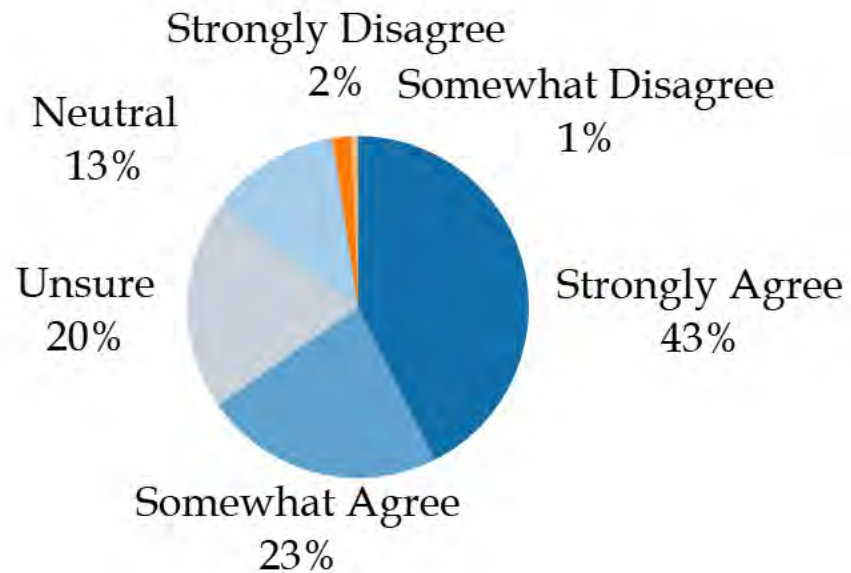
For each statement, please indicate your level of agreement or disagreement (n=168)



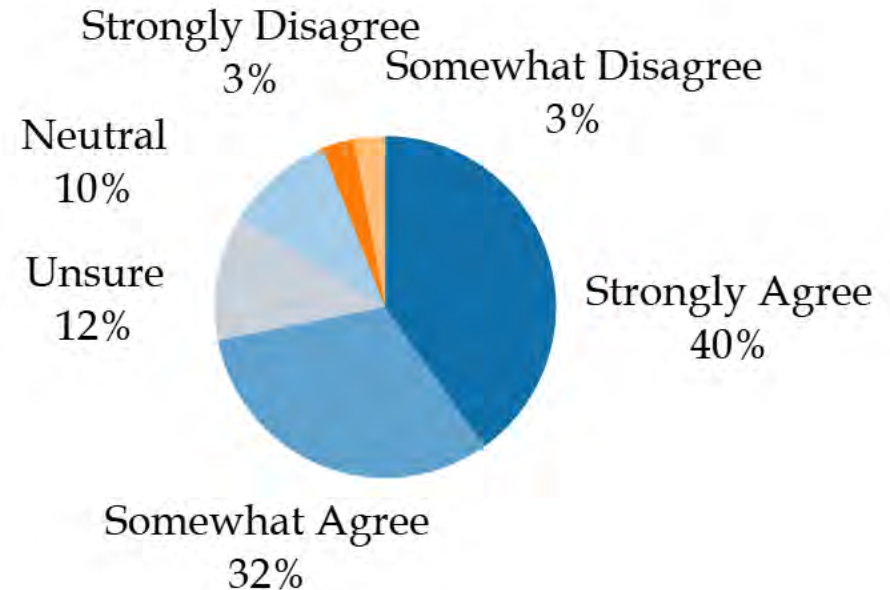
Most experts strongly or somewhat agree that people should be able to claim the Saver's Tax Credit from whichever tax filing form, and it should be directly refundable into a retirement account

For each statement, please indicate your level of agreement or disagreement (n=168)

People should be able to claim the Saver's Tax Credit from whichever tax filing form they choose



The Saver's Tax Credit should be directly refundable into a tax filer's retirement account



To address the problem of small-balance accounts, experts believe automatic portability and pooled plans are the most effective options

Record keepers and asset managers have shared that it can be challenging to sustainably or profitably manage a large number of small-balance accounts. In your opinion, how effective would the following strategies or policies be in overcoming this challenge? (n=168)

	Very Effective	Somewhat Effective	Neutral	Somewhat Ineffective	Very Ineffective	Unsure
Make savings more portable with auto rollover, where accounts would automatically move from one employer to the next	54%	26%	9%	4%	4%	3%
Pooled plans across smaller plan sponsors (e.g. open multiple employer plans)	42%	39%	8%	4%	3%	5%
Making it possible for employers to provide voluntary matching contributions into any kind of workplace retirement account	25%	46%	13%	8%	3%	6%
A required employer matching contribution	24%	28%	22%	14%	7%	6%
Additional contributions that come in through a “Sidecar” emergency savings account	23%	40%	19%	5%	7%	6%
A federal subsidy for accounts below a certain size	19%	26%	21%	14%	9%	12%
A refundable Saver’s Tax Credit that would help grow account balances	12%	29%	25%	9%	6%	19%

FINANCIAL SECURITY PROGRAM

 aspen institute

The Aspen Institute
2300 N St NW | Suite 700 | Washington DC, 20037
www.aspeninstitute.org

