THE ASPEN INSTITUTE
FINANCIAL SECURITY PROGRAM

LEADERSHIP FORUM ON
RETIREMENT SAVINGS

RE-IMAGINING RETIREMENT AMID NEW UNCERTAINTY 2020

Acknowledgments

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About the Forum

In early March 2020, the Aspen Institute's Financial Security Program hosted the fourth annual Aspen Leadership Forum on Retirement Savings. The opening session was held March 4th at the Aspen Institute Headquarters in Washington, D.C. and was open to the public and streamed online. This was followed by two days of invitation-only discussions offsite in Middleburg, Virginia. More than 70 experts from across the retirement ecosystem came together—from industry, government, academia, and advocacy—to advance breakthrough solutions to America's unfolding retirement savings crisis. To encourage open dialogue, the Forum was governed by Chatham House Rule, under which participants are free to share what was discussed but are entrusted not to reveal the speaker's identity.

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EXECUTIVE SUMMARY

The Aspen Institute Financial Security Program convened its fourth annual Leadership Forum (Forum) on Retirement Savings in early March 2020. At the time, the scope of the coronavirus was just beginning to be understood. Now, as this report is published, we find ourselves in the midst of a full-blown global pandemic, which has led to economic crisis and income loss for millions of Americans. In the interim, the protests following the May 25th killing of George Floyd ignited an overdue societal conversation about systemic racism and the systems that we must improve so that all Americans have the chance to lead dignified lives.

The Forum's 70-plus participants from diverse sectors were more certain than ever that although the current retirement system has helped millions reach a more secure future, the three pillars that comprise traditional retirement planning—employer-funded pensions, personal savings, and Social Security benefits—fail to provide adequate financial protection to a persistently large segment of the population. In fact, a large swath of the U.S. workforce, particularly those with low incomes and people of color, continues to lack both emergency savings and access to any form of workplace retirement savings. The emergence of COVID-19 and the gaps in the safety net it has exposed has put the financial insecurity of the American household into sharper relief.

By Forum's end, four priorities emerged as design principles essential to creating a more robust, inclusive and practical retirement savings ecosystem for people across America. Given the current crisis, the timetable for implementing these priorities has become that much more urgent.

1

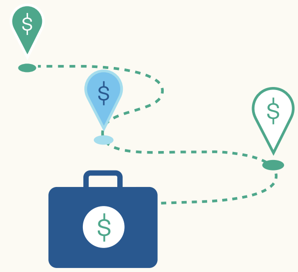
Provide universal access to automatic enrollment in workplace retirement savings.

America's patchwork retirement savings system has for too long excluded many workers, disproportionately people of color and women. As businesses recover in the wake of the pandemic, those gaps are likely to widen, heightening the need for bold legislative and regulatory advances that ensure sufficient savings for all. Nearly 40 million Americans lack access to employer-sponsored retirement plans, especially part-time workers and employees of smaller firms.[1] These numbers will likely rise due to shifts in the labor market toward benefits-ineligible contract work and the record unemployment brought on during the COVID-19 pandemic. When workers have access to payroll-deduction-based retirement programs, they are 15 times more likely to save.[2] Add auto enrollment and they're 18 times more likely.[3] The time is now for leadership among private sector and public policy leaders to make national automatic enrollment savings plans available to all full- and part-time workers.

2

Help workers build liquid emergency savings alongside their retirement savings.

Workplace-facilitated emergency savings programs, already gaining momentum across the country, have long been championed by Forum participants. Meanwhile, provisions in the Coronavirus Aid, Relief, and Economic Security (CARES) Act offer penalty-free access to retirement accounts during the COVID-19 pandemic to help struggling Americans cover expenses during a time of sudden income loss. The economic crisis resulting from the COVID-19 pandemic has exposed how critical it is for households to be prepared for emergencies. This has prompted many in the retirement savings ecosystem to call for regulatory clarity that will smooth the way for defined contribution plans to help people build emergency savings alongside or within their retirement savings plans, thus building resilience and avoiding long-term damage to their retirement security through early withdrawals.



3

Make retirement savings portable.

As workers become increasingly untethered from a single, long-term employer, and because it is important to accommodate both full-and part-time employment, it is critical that we have a retirement savings system that helps workers to maintain savings plans as they change jobs. Developing auto-enrollment plans funded through payroll deductions but not tied to a single employer could help advance those efforts. Building on emerging state-sponsored programs and embracing technological solutions to keep track of accounts or automate the transfer of funds from one account to another could enhance participation, improve record keeping, and prevent the withdrawal of retirement funds at job change.

4

Innovate to create lifetime income streams for everyone.

Workers across the income spectrum need access to reliable income streams during retirement that are paid out in regular intervals, similar to how income is received as paychecks during their working years. Social Security and private sector annuities currently provide guaranteed income in retirement. For people without significant retirement savings, there are opportunities to support them in delaying drawing on Social Security, thus increasing the stream of monthly income they ultimately receive. For people with retirement assets, surveys suggest that a majority of retirees are afraid to spend their savings.[4] As a result, many retired Americans actually live below their means. Today, despite a growing body of research on the psychology of retirement savings, not enough is known about how, when, and why individuals spend down assets. To build tools that help people best convert their retirement savings into income streams, we must learn more.

The time is now for leadership among private sector and public policy leaders to make national automatic enrollment savings plans available to all full- and part-time workers.

On the Cusp of Crisis

The American workforce is in the midst of significant upheaval. The traditional relationship between employers and employees is changing rapidly—and with it the foundations of economic stability and security that underpinned what was once one of the world's largest and most successful middle classes.

MOREOVER, life spans are increasing beyond what was expected when the retirement savings system was developed in the mid-1970s. Back then, life expectancy at retirement in the U.S. was 79 for men and 83 for women. Today, those ages are closer to 83 and 86.[5] Half of households over 55 have no retirement savings, and 29 percent have no savings and no pension. Those without savings are disproportionately people with low or moderate incomes.[6] Combine that with the new reality of longer life spans and most retirees are at increased risk of poverty in old age.

Confronting these challenges, the Aspen Institute convened its annual Leadership Forum on Retirement Savings, the fourth in a planned 10-year dialogue on the barriers to and potential solutions for retirement security. At the time of the session, the threat of COVID-19 was already on everyone's mind—participants were asked not to shake hands and urged to take extra hygienic precautions—but no one could have foreseen the social and economic disruption that would be the new normal within days of the Forum's completion. Since then, the unfolding crisis has served to underscore the urgency of reforming this country's retirement and social safety net programs.

This Forum has been designed as a space in which cross-sector leaders can propose and debate ideas and perspectives on their way to forging collaborative solutions that offer retirement security for all. Its goal has always been to drive change, a mission that has become all the more urgent in the wake of COVID-19 and the civil unrest that blanketed the country after George Floyd was killed in the spring. That said, not every idea discussed is as relevant today as it was in early March, and the immediate priorities identified in this report have been highlighted—in hindsight—to reflect that.

Four Essential Design Principles of an Inclusive, Secure Retirement Savings System

1.

Provide Universal Access to Automatic Enrollment in Workplace Retirement Savings.

79% of respondents indicated that they believe it is time for federal policy that ensures universal access to workplace retirement savings programs.

THE CHALLENGE

At each of the four previous gatherings of the Aspen Leadership Forum on Retirement Savings, a dominant theme has been how to fully extend access to the nearly 40 million workers in America who currently lack access to a workplace retirement savings plan.[7] In addition to leaving millions of workers without sufficient resources upon retirement, these gaps in retirement plan access contribute to growing wealth inequality in the United States.

In 1989, the poorest half of the population owned three percent of the nation's wealth; in 2013, it was just one percent. Over that period, wealth accumulation has overwhelmingly shifted to older, college-educated, White families.[8] In 2016, the net worth of a typical White family was nearly ten times greater than that of a Black family.[9]

When workers have access to payroll-deduction-based retirement programs, they are 15 times more likely to save. Offer automatic enrollment, and they're 18 times more likely.

There is a generational wealth divide as well. Americans born in the 1960s have accumulated 11 percent less wealth than their parents at a similar age, while those born in the 1970s have an average of 18 percent less. Those born in the 1980s are 34 percent less wealthy than expected.[10]

While retirement savings are only one form of household wealth, they are among the most common types of assets—for those Americans who have access to a workplace retirement savings program. Black and Latinx workers' disproportionate lack of access to workplace retirement savings plans has deepened racial wealth inequality: in 2016 the typical Black household had 46 percent of the retirement wealth of the typical White household, and the typical Latinx household had 49 percent of the retirement wealth of a White household.[11]

The gap in access to workplace retirement savings is driven by the fact that many people are either employed by small businesses that do not offer savings plans, make their living as contingent or contract workers who do not have access to benefits, are part-time employees, or are independent contractors or otherwise self-employed and thus disconnected from a primary employer. This access gap is rapidly expanding in the gig-economy era, in which 10 percent of workers now earn a living independent of a full-time employer.[12]

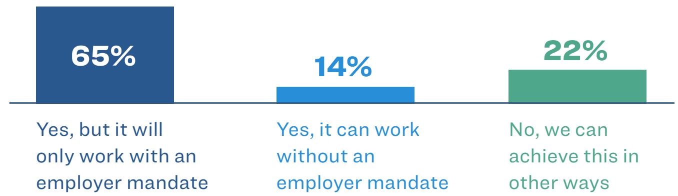
While there are many White workers who lack access to a workplace retirement savings account, workers of color disproportionately occupy lower wage jobs that are not connected to benefits, leaving them without access to a workplace retirement savings plan and with less routinely positive cash flow with which to fund those accounts.[13] As a result, workers of color, in particular Latinx workers, are significantly less likely than White workers to be covered by an employer-sponsored retirement plan—whether a 401(k) or defined benefit (DB) pension. Only 54 percent of Black and Asian employees and 38 percent of Latino employees aged 25 to 64 work for an employer that sponsors a retirement plan, compared to 62 percent of White employees.[14] Hispanic, Black, and Asian workers make up about 43 percent of those who lack access to an employer-sponsored retirement plan.[15]

Increasing coverage must be the priority—and that coverage must include access to automatic enrollment. When workers have access to payroll-deduction-based retirement programs, they are 15 times more likely to save.[16] Offer automatic enrollment and they're 18 times more likely.[17] Forum participants were firm in their conviction that millions of workers could quickly be added into the retirement savings system by increasing access to auto-enrollment programs. They were similarly optimistic about the participation expansion that would result from lowering the risks and burdens of plan sponsorship for smaller employers—even as they rightfully expressed concerns about the abuses that could result from such easing of fiduciary responsibility. Above all, they were clear that, given that traditional defined benefit plans have all but disappeared for today's workers and that the labor market is producing more jobs that do not offer retirement savings benefits, we must acknowledge that the private market alone has not been able to solve this problem.

79% of respondents indicated that they believe it is time for federal policy that ensures universal access to workplace retirement savings programs.

FLASH POLL

To ensure universal access to workplace retirement plans, do we need a national government-facilitated workplace retirement savings program?



THE OPPORTUNITY

Broadly, the current retirement savings system—including both workplace retirement savings programs and retail tax-advantaged retirement savings accounts like IRAs—is designed for a person with a formal relationship with a financial institution or employer, sufficient income after expenses to save, and a way to benefit from an income-based tax incentive. But too many people are excluded from effective retirement planning because they don't have access to one or more of that trio.

Of all of these challenges, the "coverage gap", which refers to the nearly 40 million American workers without access to a workplace retirement savings plan, feels most solvable. Forty-eight percent of American workers are employed by small businesses, and they likely comprise a large number of the 40 million workers without workplace retirement savings access. Most small business owners who do offer benefits packages emphasize paid time off and healthcare, for the simple but powerful reason that the operational costs and fiduciary risks associated with retirement plans remain prohibitive.

Forum participants from across sectors were nearly unified in their belief that it is time to fast-track efforts to federally guarantee access to automatic enrollment into workplace retirement savings plans for all workers, no matter where they work or how they are paid. In response to a real-time "flash poll" during the Forum, **79% of respondents indicated that they believe it is time for federal policy that ensures universal access to workplace retirement savings programs.** Notably, 65% indicated that they believe an employer mandate is key to achieving universal coverage.

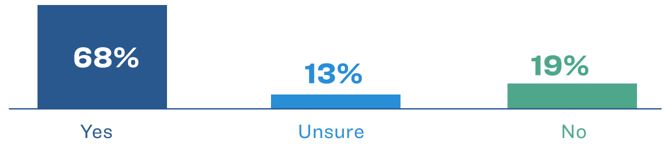
Forum participants discussed the advances that have been made in this area and they were keen to build upon them. The passage of the SECURE (Setting Every Employee Up for Retirement Enhancement) Act in 2019 is one such example. The rare bi-partisan accord consists of several subtly important tweaks to existing regulations, including reducing barriers for small businesses to set up certain types of retirement plans at lower costs and reduce fiduciary risk. (The SECURE Act also expands eligibility for part-time workers, changes the age at which plan participants are required to take distributions from 70 1/2 to 72, and allows 401(k) plans to offer annuities.)

Laudable as these provisions are, many participants agreed that they aren't far-reaching enough to address the problem at scale. Threading through the discussions at the Forum was an introspective question about whether our system should continue to rely on employers to play the critical fiduciary role, as defined by the Employee Retirement Income Security Act (ERISA) of 1974. Indeed, 68% of respondents to a flash poll indicated that they believe it is time to reexamine the fiduciary role of the employer in the U.S. retirement savings system.

Fortunately, there is positive momentum. State-facilitated retirement savings plans continue to show promise. Oregon, Illinois, and California are in the early stages of rolling out employer-based, auto-enroll IRA programs. And while state-facilitated IRAs do not allow for employers to match contributions, they are proving effective at increasing participation—and,

FLASH POLL

Do you believe that we should consider options to relieve plan sponsors of their fiduciary responsibility, if they don't want to bear it?



as shared by some private sector providers at the Forum, bolstering private market innovation through competition, extending quality retirement savings options to even more workers.

Six other states have approved auto-enroll IRAs, five have other small business retirement savings programs, and another twenty are studying the issue. At the same time, many Forum participants warned that a "50 plans in 50 states" system would be far less effective than a single federal program. Examining that possibility, the Forum again returned to the example of the United Kingdom's 2008 pension systems reform, requiring that employers offer an automatic enrollment retirement savings plan that meets a predetermined set of parameters, including a default contribution rate and employer-provided match. There, employers may either offer a private market plan or use the government-facilitated National Employment Savings Trust (NEST).[18]

Forum participants noted that the key to the success of the reforms was the political consensus built in support of it prior to implementation. The plan was designed with the political and cultural history of the U.K.'s welfare programs in mind, helping to ensure that it would survive changing political dynamics. The fact that the reforms were conceived amid one of the largest economic booms of the past 100 years—and survived a rollout in the aftermath of one of the globe's deepest recessions—was viewed as a testament to the power of broad-based consensus.

There is in this example a strong implication that any game-changing legislation enacted in the United States in the wake of the pandemic might not only be possible but could also stand a good chance of achieving long-term success. The trajectory of the dialogue throughout four years' worth of convenings of the Aspen Leadership Forum on Retirement Savings reveals that a similar convergence is starting to take place here in the U.S., helping to create the conditions for game-changing legislation.

"If we don't continue to add reforms, 10 years down the line we are still going to be faced with large coverage gaps—the very challenges SECURE was meant to address."

—Overheard at The Forum

2.

Help Workers Build Liquid Emergency Savings alongside Their Retirement Savings.

THE CHALLENGE

Over the past four years of the Aspen Leadership Forum on Retirement Savings, the need for emergency savings has emerged as a critical issue. But in 2020, Americans' lack of such savings took the main stage. There was widespread recognition that a lack of liquid savings may both prevent some workers from saving for retirement and prompt many workers to withdraw money from their plan for emergency expenses, damaging their prospects for long-term financial security. As households continue to experience the economic fallout from the COVID-19 pandemic, there is both a need and an opportunity for policymakers, regulators, and private sector companies to remove barriers to building retirement-adjacent emergency savings options.

In all previous Forums, participants have emphasized the need to develop savings plans with sufficient flexibility to address the pressing needs of American workers in real time. Indeed, to ease the household finance pressures resulting from large-scale unemployment in the wake of the pandemic, the CARES Act has given affected individuals penalty-free access to up to $100,000 in 401(k) and IRA savings. That may be a short-term lifeline to stretched workers—the data will tell us soon enough how many took advantage—but such access could also undermine their long-term financial security.

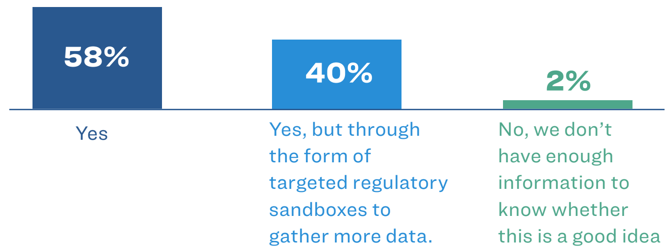
The crisis, then, underscores the need for the development of savings vehicles that help workers set aside funds to cover unexpected expenses. Much-publicized research has found that 37 percent of Americans don't have $400 in savings and would need to borrow money, sell something or simply not pay a $400 bill in an emergency.[19] Of course, these types of emergency savings programs can never be robust enough to fully protect workers and their families from massive upheavals such as the one set off by the current pandemic. That said, they are integral to increasing short-term resiliency as broader policy initiatives are rolled out.

"Your reasons for putting money into the savings jar will be an important factor when determining the circumstances under which you'd decide to take it out."

—Overheard at The Forum

FLASH POLL

Should the federal government provide additional regulatory relief to allow for auto-enrollment in emergency savings products?



THE OPPORTUNITY

Private, workplace-facilitated, emergency savings programs are gaining momentum, with 13 percent of employers already offering them, another 19 percent planning to in the next one to two years, and 29 percent interested in doing so.[20] For the first time, this year's Forum hosted conversations around these programs thanks in large part to the support from its partners at AARP, Prudential, and elsewhere who have propelled these programs into the mainstream. A recent AARP survey found that 71 percent of employees[21] would likely participate in an auto-enroll payroll deduction program for emergency savings. Support for the initiative not only cuts across all income levels, but across age, race, and ethnicity as well.

Building on that momentum, participants see a genuine opportunity to leverage the power of the defined contribution system to help workers save for both emergencies and retirement at the same time. The 401(k)'s combination of automatic enrollment and payroll deduction make it easy to envision a system that splits savings deductions into two different (and perhaps differently taxed) accounts, allowing full liquidity and access to the emergency savings bucket, while preserving and facilitating the continued growth of the retirement bucket.

But in order to see these "retirement-adjacent emergency savings" programs move from idea to pilot to widespread adoption, employers and record keepers need more guidance and clarity about when and how they can automatically enroll workers into these savings options. Ninety-eight percent of respondents to a flash poll believed that the federal government should provide regulatory relief to allow for automatic enrollment into emergency savings options, whether within the defined contribution system or alongside it.

Key insights gleaned from current retirement-adjacent emergency savings programs, including NEST in the U.K., will be crucial to developing well-designed pilots in the U.S. The Aspen Financial Security Program is collaborating with a working group of partners and peers, most of whom were represented at the Forum, to push for the regulatory and legislative clarity that will allow these programs to flourish and multiply.

What we have learned so far is encouraging. The most promising programs are geared toward helping workers in need avoid early withdrawals from long-term savings accounts—with or without penalties. And because workers often withdraw or borrow without understanding the tax ramifications, Forum participants generally agreed that emergency-savings plans be built around after-tax contributions.

Ensuring easy access to funds in times of need—recognizing that "emergency" is a subjective definition—will be key to this strategy's success. So too will program architecture with regard to accumulation limits. As seen with health savings accounts (HSAs), holding large cash balances in non-interest-bearing accounts can impede overall savings. As such, there was emerging consensus that a key element to the success of emergency savings plans is the ability to set a goal amount and allow additional funds to roll over into longer-term savings vehicles—like retirement savings.

3.

Make Retirement Savings Portable.

THE CHALLENGE

Americans today change employers at an average of once every five years,[22] and those with access to 401(k) plans are faced each time with rolling over or cashing out their savings. Roughly five million of those workers have less than $5,000 in their employee-sponsored plans when they leave a job,[23] and absent clear guidelines for maintaining those programs, some 80 percent choose to take the money out of the plan,[24] usually triggering a taxable event and incurring a penalty if the worker is younger than 59½. All kinds of leakage—including at job change, hardship withdrawals, and loans—leads to retirement savings that are 25 percent lower on average by the time a worker reaches age 60.[25] The lost savings from job changes alone total between $60 billion and $105 billion each year.[26]

Having access to a retirement plan and then choosing to invest in it is an obviously critical one-two punch, but only if those savings remain stashed away until retirement. The onus for rolling over 401(k) plans falls almost entirely on workers themselves, and that means many of them liquidate those accounts each time they change jobs, irrespective of any pressing financial needs. That leakage, needless or not, undermines overall savings and jeopardizes long-term security.

The retirement savings industry is fragmented, and even innovative leaders are sure to hit roadblocks if their agendas aren't realistically aligned with those of others. That fragmentation also results in workers' savings plans that are scattered among a number of different financial institutions, with no centralized database to track or manage those savings. Forum participants agreed that developing a system that effectively fosters collaboration and improves available data would ultimately require government action.

Participants at the Forum were vocal about the need for the private sector to drive innovation in portable accounts to force the hand of government.

"Simply telling people to save isn't enough. The way we interact with the end participants has got to fundamentally change."

—Overheard at The Forum

The coronavirus pandemic may very well catalyze government-driven retirement system disruption. Nonetheless it will be incumbent upon the private sector to influence that process.

THE OPPORTUNITY

Developing auto-enrollment plans funded through payroll deductions but not tethered to a single employer could help advance portability efforts. Some Forum participants advocated for creating individual retirement savings account numbers for all workers, to create a single overarching account under which plans from various employers could be tracked and managed, and which would facilitate and accept contributions to the plan from any type of employment or source of income. Others embraced distributed ledger—that is, blockchain—technology to track individual accounts, enhance participation and improve record keeping.

More broadly, there was a strong feeling that if retirement savings plans were substantially decoupled from individual employers, leakage brought on by job change would be reduced. Developing an auto-portability system under which retirement savings automatically roll over to a new employer's plan would likewise boost savings.

Finally, participants made it clear that the asset management industry has an important leadership role to play in advancing these initiatives. Given the broad reach, resources, and influence they possess, broad statements of leadership intent are not enough. These declarations must be coupled with action to move toward the creation of a better system.

4.

Innovate to Create Lifetime Income Streams for Everyone.

THE CHALLENGE

Routinely positive cash flow is the foundation of financial stability and security, and when people choose to retire, they need income streams that maintain their positive cash flow. Social Security is the core of the monthly regular income stream for the majority of Americans, but Social Security replaces less than half of pre-retirement after-tax wages for the typical worker.[27] Retirement savings can supplement Social Security to provide routinely positive cash flow.

Some workers arrive at retirement with a sufficient nest egg of retirement savings but lack an easy way to convert those assets into income that can substitute for their regular paycheck. Others—especially workers of color, who disproportionately lack access to retirement savings plans at work—arrive at retirement with insufficient assets and rely on Social Security and continued or supplemental work for regular income.

Surveys suggest that the majority of retirees who do have retirement savings consider maintaining or increasing their retirement assets to be an important goal. Indeed, roughly a third of retirees, some of whom have defined benefit pensions as a core stream of retirement income, have more than 100 percent of their start-of-retirement assets 18 years after retirement. The same survey also found that during that 18-year period, the median retiree, who does not have a pension and who relies on personal retirement savings, had only spent 34% of their non-housing assets.[28] As a result, many older Americans, in all wealth levels, are living below their means.

"Saving too much is obviously preferable to saving too little, but giving workers options for delaying social security payments can significantly increase their long term financial security."

—Overheard at The Forum

Reasons for preserving assets include: a lessening desire for material possessions, a wish to leave an inheritance, and the feeling of security that a nest egg offers. But fear is also a powerful motivator, driven mainly by the specter of potential financial shocks or the prospect of having to settle for inadequate assisted-living or other long-term healthcare options. Such fear is not unfounded: Studies indicate that by the end of the decade more than half the elderly will not be able to pay for end-of-life care.[29]

Does that mean financial conservatism in the spend-down stage of life a good thing? It's difficult to say because the motivations of savers haven't been studied enough. And while concerns like these may pale before the possibility that the COVID-19 recession could push millions more near-retirees into poverty during retirement, understanding retirement spending is an important step toward realizing the true scope of retirement deprivation.

Just as important is the group of Americans[30] who arrive at retirement with no, or insufficient, savings with which to create regular retirement income. For these workers, Social Security represents their only retirement income stream, and there have not been successful widespread efforts to date to help people delay taking Social Security, which can increase monthly payments by up to seven to eight percent per year of delay over the life of the individual.[31][32]

THE OPPORTUNITY

Clearly, the problem of saving too much is less worrisome than not having saved enough. But despite a growing body of research on the psychology of retirement, only a small segment is focused on how, when, and why retirees spend down their assets.

More research is needed in order for the industry to develop products that help savers realistically predict retirement needs and realize the full benefit of their long-term savings. Some Forum attendees were especially keen on the idea of nudging assets towards distributed income by fully or partially annuitizing 401(k) savings—a process made easier by the SECURE Act.

As for workers on pace to retire with minimal retirement savings or none at all, participants discussed how to better support decision-making around when to begin to draw on Social Security—especially given that four in ten workers are forced to leave work earlier than expected due to a health problem or a disability.[33] One proposal that gained traction was Supplemental Transition Accounts for Retirement (START).[34] START are tax-advantaged accounts designed to help people bridge the gap between age 62, when they are first eligible for Social Security, and a later date anytime up to age 70, when they might substantially increase the dollar amount of their lifetime monthly payments by simply delaying taking Social Security.[35] Beginning at age 62, people would live off of the savings in the START accounts and exhaust those accounts in order to delay Social Security.

The Aspen Leadership Forum on Retirement Savings has become an important venue for discussing creative ideas like START accounts, but participants are ready for ideas like these to be discussed in more public settings, including forums with policy makers, so that they can move from idea to action.

CONFRONTING THE LEGACY OF RACISM IN THE U.S. RETIREMENT SYSTEM

While the substantial gap in access to workplace retirement savings plans has always been a core focus at the Aspen Leadership Forum on Retirement Savings, our discussion in March 2020 went deeper. The Forum kicked off with a discussion on how the U.S. retirement savings system reflects racial income inequality and how it has consequently contributed to the Black-White racial wealth gap. This candid discussion was a first step for many in examining the connection between the retirement savings system and the racial wealth gap.

Two months after the Forum, millions of Americans of all races across the country participated in protest marches and other forms of peaceful protest to bring more attention to these issues. These historic demonstrations were in reaction to the immediate tragedy of the May 25th murder of George Floyd but were fueled by the accumulated discontent fomented by many other similar and equally violent incidents and longstanding injustices. These protests ignited a societal conversation about racism in the U.S. and the racial inequities that resulted from the legacy of these systems. The broader discussion has specific implications for the retirement savings ecosystem. In the months since the protests, leaders from industry, academia, nonprofits, and more have begun to engage in frank dialogue about the role that the retirement savings system has played in producing disparate and inequitable retirement savings outcomes for workers of color.

This dialogue must now turn to the opportunity we have to close the racial wealth gap by creating an equitable retirement savings system that will benefit workers of color and their families as they seek to build wealth and enjoy financial security in retirement. In 2021, the Aspen Leadership Forum on Retirement Savings will be a critical venue for leaders to challenge themselves and each other on what we can do to create the just and equitable retirement savings system that all American workers need and deserve.

On Track, but a Way to Go

Almost halfway through the Aspen Leadership Forum on Retirement Savings' planned 10-year journey, two things have become clear: systemic change is needed across a range of issues, and that systemic change will require collaboration and action from both the private and public sectors.

In order to achieve retirement security for the millions of Americans who are facing an uncertain future after years of work, we need strong leadership from all parts of the retirement savings ecosystem. As the recent health and financial crisis has demonstrated, the solutions that policy makers, asset managers, record keepers, employers, and others help to develop must be dynamic enough to adjust to sudden and unforeseen eruptions as well as more expected long-term changes in the fabric of society. The good news is that the public and private representatives who attended this year's Forum are excited about the prospect of such collaboration and anxious to make further strides towards achieving a more secure retirement for every American.

ENDNOTES

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