

# **MOVING FROM 57 MILLION TO ZERO**

## **5 BIG IDEAS ABOUT CLOSING THE ACCESS GAP AND MAKING RETIREMENT SAVINGS WORK FOR EVERYONE**

*A Rapporteur's Summary of the 7th Annual Aspen  
Leadership Forum on Retirement Savings*

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In June 2023, retirement experts from the public, private and nonprofit sectors, including corporate leaders, policymakers, researchers and advocates, convened at the Sagamore Pendry Baltimore for the seventh annual Aspen Leadership Forum on Retirement Savings. In a departure from previous Forums, this year's gathering was smaller in size and narrower in scope in order to more deeply focus on the tactics that can facilitate access expansion and equitable retirement savings outcomes by race and gender. In another first, this year's Forum included a series of half-day, small-group action labs designed to provide Forum participants the space and time to really dig in on the steps needed to evolve our retirement savings system to better serve a wider range of workers. Unsurprisingly, participants contributed thoughtful and candid insights and ideas based on their respective experiences and expertise and gave us much to think about.

As we reflect on the Forum's dialogues, a few big ideas stand out as key takeaways and actionable next steps:

## 1. Different workers have different financial needs.

**For retirement savings to work for everyone, we must understand these different needs and work to meet them.**

Preliminary, transactional-level analysis from the [Collaborative for Equitable Retirement Savings](#) indicates that women and workers of color consistently have substantially lower median retirement account balances than their white, male counterparts - even when controlling for income. By taking an evidence-based approach to understanding and solving for the specific drivers of these disparate outcomes, we can help all workers benefit from one of America's best tools for building both retirement security and wealth.

**.....in many ways, the answer has been there all along: it's the financial fragility that comes from the racial wealth gap.**

## 2. "Personalization" may be the route to equity in retirement savings.

The last few decades of research and innovation have made the retirement industry a model of how to personalize a financial service at scale. Recognizing that different people have different financial needs and thus may require different plan features, tools, benefits and resources in order to succeed in saving for retirement, the retirement industry has developed the ability to design user experiences and automated features - like target date funds and auto-escalation - that can help tailor plan usage to a specific worker's age or risk tolerance to maximize saving outcomes. And as the industry's ability to personalize the retirement saving and spending experience continues to improve, plan sponsors and providers are looking for more personalized ways to solve for their participants' unique barriers to saving, like a lack of emergency savings or burdensome student loan debt payments. As one speaker noted, solving these challenges equitably serves us all in the long run - given the changing demographic makeup of our country, workers of color will soon be the majority of our workforce. At the Forum, participants discussed the possibility of leveraging that personalization infrastructure in even deeper ways to improve outcomes for women, workers of color and other populations that are not as well served by the existing retirement products and services as they could be.

### 3. Federal and state governments are critical partners in growing the private retirement market.

Participants voiced their feeling that while SECURE Acts 1.0 and 2.0 were important pieces of legislation, there remains a critical need for a federal policy approach to retirement savings access if we want to achieve our goal of reaching every worker who is currently left out of workplace retirement programs. At the state level, 19 states either offer or are in the process of establishing state-facilitated retirement plans to reach workers who are ineligible for employer plans. According to a number of Forum participants, the state automatic enrollment requirements that accompany state-facilitated auto-IRA plans appear to be prompting many small business owners to offer new private retirement plans to their employees, expanding coverage

and creating new business opportunities for the private financial services sector. Additionally, the establishment of state plans seems to be inspiring innovation as various stakeholders seek new ways to reduce costs and expand access. Nevertheless, participants agreed that more needs to be done to ensure the viability of the state plans to scale, work towards collaborative multi-state plans, and address the needs of highly mobile and non-traditional workers.

**The big theme is: the state plans do help. They help drive action and innovation.**

### 4. We must act now to capitalize on the Saver's Match.

There is a lot of excitement about the potential impact of the Saver's Match, a once-in-a-lifetime opportunity to get meaningful amounts of money into the retirement accounts of workers with low incomes. There is also concern that absent thoughtful and strategic preparation, the program may not reach its full potential. And so we need to do the necessary background work to ensure that the Saver's Match succeeds - and we need to begin that work now. Specifically, we must identify potential operational challenges and programmatic bottlenecks and preemptively establish the necessary workarounds and solutions. At the same time, we must build a broad and powerful cross-sector base of support to help this program be most effective for the workers it is meant to serve when this match becomes available in 2027.

**...while this is a success, we have more to do to ensure that folks who don't have access right now and don't have the resources to save are at the center of the solution for retirement.**

**At the end of the day, this is about getting more money to the people that need it.**

### 5. The retirement ecosystem needs more - and more diverse - champions.

Even though retirement savings are many households' second largest asset, those of us who work in the retirement space often do so in relative isolation, disconnected from counterparts working on other

challenges in household financial security. Consequently, we are missing out on opportunities to learn from and partner with our peers in distinct but related areas of household finance, including those focused on expanding economic opportunity, access to housing and credit, debt relief, and more. Given the interconnected nature of these issues and the burgeoning sense that national policy will be required to eradicate the retirement savings access gap, there is an urgent need to bring new voices, expertise, and perspectives to the inclusive retirement savings community in order to both learn from one another and share networks, resources and ideas, and also to build a broader, more diverse coalition that better represents the larger ecosystem of household wellbeing, of which retirement is a critical piece.

## The work ahead of us feels doable.

When asked during the closing session to reflect on the previous two days of discussions, most Forum participants expressed optimism about the future. We have clarity on the challenges: First, there are 57 million workers in America who lack access to workplace retirement savings. We need to drive that number to zero, and we have multiple routes we can use to get there. Importantly, we also have new momentum toward a national approach to access expansion: the evidence from the past several years of state-facilitated plans shows that automatic enrollment requirements work to create access to and usage of retirement plans among previously uncovered workers, and they definitively drive new plan creation, creating private sector growth opportunities.

Second, we know we need to get better at identifying and understanding individual financial needs - and then adjust plan design and benefits accordingly. Fortunately, the work that leading employers, recordkeepers, and others are doing to publish more granular analyses of the drivers of savings disparities is opening up new paths for personalization-for-equity. Participants at the Forum anticipated a wave of testing, innovating, and norming on best practices in the coming few years as a result of this new, transaction-level and demographic analysis.

As one Forum participant said in the closing session, "We have the tools and the know-how. I haven't heard anything that contradicts the emerging set of concepts around what works and is effective. The question is no longer where are we going? I think we know where we are going, do we not? The question is simply "How can we get there faster, and better?"



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