

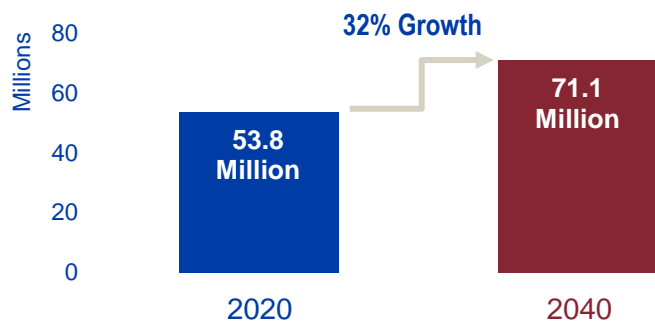
What are the Potential Benefits of Universal Access to Retirement Savings?

An Analysis of National Options to Expand Coverage



Demographic Change

An Aging Population...



Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

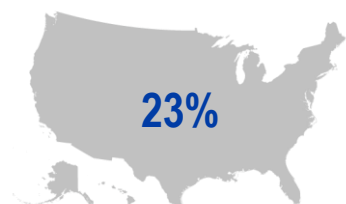
...with Fewer Working-Age Households to Support it



Ratio of Working Age to Elderly Households, 2020–2040

Source: Georgetown CRI, ESI Analysis of UVA Population Projections

Many Seniors Rely Heavily on Social Security



Share of Elderly Households Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: Georgetown CRI, ESI Analysis of Current Population Survey Data

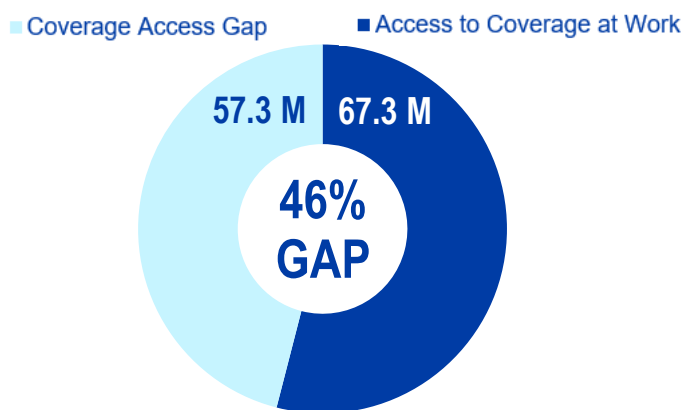
Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan (with the ability of workers to opt-out), could significantly increase participation and boost retirement savings.

Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.

Retirement Savings Access

Many Employees Lack Access to a Retirement Savings Plan at Work...

124.6 Million Private Sector Employees



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: Georgetown CRI, ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Access Gap Would Remain for Millions of Workers if Small and New Employers are Exempted from Providing Coverage

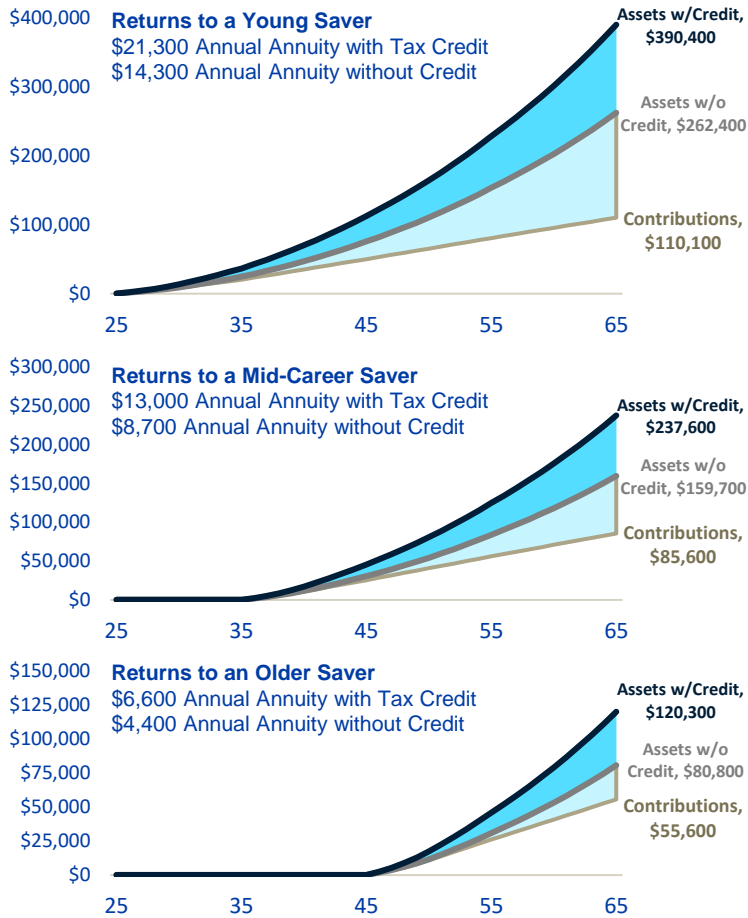
Employer Size	Employer Age			
	All Ages	1+ Years	2+ Years	3+ Years
All Sizes	No Gap	2.2 mil	4.2 mil	6.2 mil
5+ Employees	6.9 mil	8.2 mil	9.7 mil	11.3 mil
10+ Employees	14.5 mil	15.4 mil	16.5 mil	17.6 mil
20+ Employees	22.8 mil	23.3 mil	24.1 mil	24.8 mil

Source: Georgetown CRI, ESI Analysis of Private Sector Workers at Firms Exempted under Various Thresholds using Census Bureau and BLS Data

What are the Potential Benefits of Universal Access to Retirement Savings?

Savings

New Savers can Supplement their Incomes in Retirement



Supplemental Lifetime Income Available at 65

Source: Georgetown CRI, ESI Projections for a Worker at a Small Business Following Auto IRA Savings Defaults. For comparison purposes, savers follow equivalent earnings trajectories, differing slightly from those in the full report.

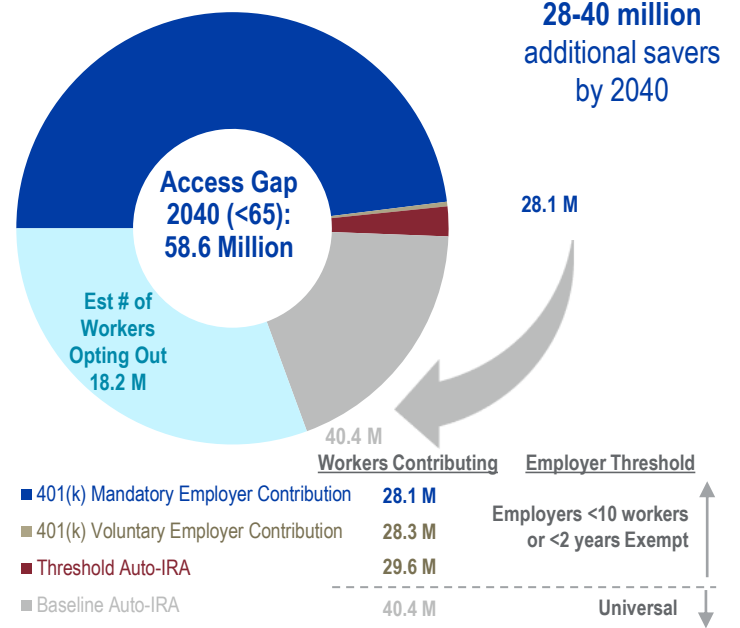
Scenarios Analyzed

Universal access scenarios were developed based on state programs and national legislative proposals.

The options analyzed varied the type of account (payroll reduction Roth IRA and Roth 401(k)), exemptions for certain small employers, and voluntary versus mandatory employer contributions.

Approaches that provide the broadest expansion of access result in the largest increases in coverage, savings, economic and fiscal impacts.

Required Universal Access to Savings Options Can Expand Access and Savings



Projected Increases in Savers from Expanded Access (2040)

Source: Georgetown CRI, ESI Projections

Economic and Fiscal Impacts

Regardless of the model selected, what is clear is that the benefits to savers, retirees, and to the nation would be significant. A national approach to universal access to retirement savings could:



Increase cumulative total retirement savings by \$1.4–\$1.9 trillion by the year 2040



Accelerate economic growth, increasing national GDP by \$72–\$96 billion in the year 2040



Produce \$7–\$9 billion in federal and state program savings in the year 2040 through reduced benefit program demand