RETHINKING RETIREMENT SECURITY FOR NON-TRADITIONAL WORKERS

BY MIATA EDOGA

For many Americans, the idea of retirement is deeply tied to a traditional career path—one that includes steady paychecks, employer-sponsored 401(k) plans, life insurance benefits, and perhaps a pension, for the few that still have them. But what about the millions of Americans who have taken a different route? The contract workers, artists, freelancers, and gig workers who dedicate their lives to creative and independent work, often without access to conventional retirement savings vehicles. The rise of non-traditional employment models has created significant gaps in retirement coverage.

With an estimated 72 million non-traditional workers who work outside of the confines of a traditional payroll job[1] – and more Americans turning 65 this year than ever before– the peak of Peak 65®[2]– it is incumbent on consumers, financial services industry, and policymakers, to rethink how to incorporate retirement savings and retirement income plans and programs to address their unique needs.

PARTICIPATION GAPS

This growing workforce has been largely left out of the traditional retirement system. These individuals often work without access to automatic payroll deductions, employer matching, or workplace financial education that accompanies traditional jobs. For many, saving for retirement becomes an afterthought, not due to lack of desire, but most often due to lack of infrastructure.

The U.S. workforce in general already has challenges facing them when it comes to saving for retirement. According to the U.S. Bureau of Labor Statistics, only 15% of private industry workers had access to a defined benefit (pension) plan and when they did, only 11% chose to participate. Defined Contribution plans (401Ks, 403Bs, etc.) have greater availability at 67%, but also see fewer people opt to participate– 49%.[3] For the estimated 19 million state and local government workers, 75% participate in a pension plan.[4] Given these low participation rates, even when an employer offers turnkey savings programs, it is easy to understand why an independent worker might be challenged when it requires a DIY mindset and the need to build a savings system when their pay may be unpredictable.

This is particularly concerning given we're in the middle of the Peak 65® zone, where an esti-

1. State of Independence in America 2024, MBO Partners https://www.mbopartners.com/state-of-independence/
2. Alliance for Lifetime Income 2024, The Peak 65 Zone is here- Creating a new framework for America's retirement security https://www.protectedincome.org/wp-content/uploads/2024/01/Whitepaper_Fichtner.pdf
3. U.S. Bureau of Labor Statistics 2024, TED: The Economics Daily https://www.bls.gov/opub/ted/2024/15-percent-of-private-industry-workers-had-access-to-a-defined-benefit-retirement-plan.htm
4. Pension Rights Center 2023, https://pensionrights.org/resource/how-many-american-workers-participate-in-workplace-retirement-plans/

mated 4.1 million Americans will reach the traditional retirement age of 65 this year alone. The Peak Boomers Impact Study highlights that two-thirds of peak boomers will be financially challenged in retirement. Over 52% have assets under $250,000, and 35% will depend on Social Security for at least 90% of their income. And women are disproportionately affected. Peak boomer women have median retirement savings of $185,000 compared to $269,000 for men.[5] For many in the gig economy, where consistent income and employer benefits are rare, even reaching these modest savings thresholds is a struggle.

Social Security, the retirement safety net of protected income, is also part of a non-traditional workers retirement plan, assuming they declare their earned income. Self-employed workers pay a 12.4% Social Security tax on up to $176,100 (in 2025) of taxable wages and a 2.9% Medicare tax on their entire taxable wages. For income over $200,000 ($250,000 for married couples filing jointly), there is a 0.9% Medicare tax.[6] It is important to remember that social security was designed to replace about 40% of income in retirement for the average worker.[7] So a key question all workers must face – how does the remaining 60% get funded?

A RETIREMENT GIG

As an actress and non-traditional worker myself, today I'm also the CEO of Abundance Bound, where, for more than 20 years, I've had the privilege of working with individuals who have forged unique career paths like me. One of my clients, a career actor I'll call "Julie," now in her mid-sixties, embodies the fears and misconceptions that many non-traditional earners face when thinking about retirement.

Despite working steadily in film and television for over 40 years, Julie came to me feeling deep guilt and shame about her financial situation. She hadn't managed to save much for retirement and felt inadequate when comparing herself to friends with robust 401(k) accounts worth hundreds of thousands—if not millions—of dollars. She assumed she had failed.

But then, we took a closer look.

Through every job Julie worked, she had contributed to her SAG-AFTRA pension fund—automatically, without even thinking about it. What she initially dismissed as "all she had" turned out to be a financial lifeline. In retirement, she would receive a guaranteed monthly income of just over $4,200 for the rest of her life. Had she wanted those payments to continue for her husband if she were to pass first, she could opt for a slightly reduced amount.

When I explained that, under the commonly used 4% withdrawal rule, she would have needed to save approximately $1.2 million in a 401K or IRA retirement account to achieve that same level of monthly income, Julie was stunned. Suddenly, the shame disappeared. She no longer felt like she had "failed" at retirement planning—she realized she had unknowingly secured her future all along.

This story highlights a critical lesson: There is no single right way to prepare for retirement, and everyone's situation is unique. This happy "accident" in fact reveals a truism– when we automate savings and/or make our (future) selves a "bill," it takes a lot of the pressure off to do things the "right way." A useful tool I recommend to help determine retirement income readiness is the free Retirement Income Security Evaluation Score – RISE Score®. With just six inputs and about 10 minutes, you can generate a score that looks like a credit score.

CONCLUSION

If you're a freelancer, artist, or independent worker, don't assume that retirement security is out of reach. You may already have more in place than you realize. And if not, there are solutions available to help you create the financial future you deserve.

Because no matter how you've earned your income over the years, you deserve the confidence of knowing it will last a lifetime. One of the main reasons I am an Education Fellow for the Retirement Income institute is their commitment to ensuring that all Americans—

5. Alliance for Lifetime Income 2024, The Peak Boomer Impact Study https://www.protectedincome.org/wp-content/uploads/2024/04/Peak-Boomers-Econ-Impact-Study-ALI-RII-Shapiro-Stuttgen-EMBARGOED-Apr-18-2024-041924.pdf
6. Social Security Administration 2025, https://www.ssa.gov/pubs/EN-05-10022.pdf.
7. Social Security Administration 2025, https://www.ssa.gov/myaccount/assets/materials/workers-61-69.pdf.

regardless of their career choices—learn about and understand their options for creating a secure economic future. While traditional savings and investments play a role, protected lifetime income sources like pensions and annuities can provide a critical foundation, offering stability and peace of mind.

We need cultural change—a broader understanding that financial security in retirement shouldn't be reserved for traditional employees. Platforms, unions, and associations that serve independent workers can play a vital role in offering retirement solutions, including pooled retirement plans, educational resources, and access to protected income products. Exhibit B.

As we rethink retirement, we must also rethink our narratives. Just because someone doesn't have a 401(k) doesn't mean they haven't planned. Just because they worked independently doesn't mean they don't deserve financial security. We need to normalize diverse retirement paths and empower individuals with the tools to build income they can count on for life. Exhibit C.

AUTHOR

Miata Edoga is an actor and the CEO and Founder of the financial education company, Abundance Bound. For over two decades, she has been helping creatives, independent workers and other non-traditional earners establish a healthier, more compassionate relationship with their money – whether they are just starting out, or starting over, or starting to wonder how they should handle their growing wealth.

Miata served as the National Financial Wellness Consultant for The Actors Fund – a national human services non-profit for everyone in the entertainment industry. She has also led workshops and seminars on financial empowerment for a wide range of organizations including: The Academy of Motion Picture Arts and Sciences, The Television Academy, The Motion Picture & Television Fund, The Writers Guild of America, The Directors Guild, SAG-AFTRA, The Casting Society of America, and The Center for Cultural Innovation. The Abundance Bound curriculum has been licensed by industry-leading organizations and is currently being taught on both coasts.

Exhibit A. The Modern Non-Traditional or Independent Worker Defined

Free Agents	Casual Earners	Reluctants	Financially Strapped
People who choose independent work and derive their primary income from it.	People who use independent work by choice for supplemental income.	People who make their primary living from independent work but would prefer traditional jobs.	People who do supplemental independent work out of necessity.

Exhibit B. Organizations Offering Retirement Plans to Creatives

Organization/Union	Pension Plan Type	Coverage Base	Notes
SAG-AFTRA	DB + 401(k)	Film/TV/audio performance work	Highly structured, union-administered
WGA	DB + DC (Personal Plan)	Writers under WGA contract	Includes employer-funded savings
DGA	DB + DC + 401(k)	Directors, ADs, UPMs	Triple-tier retirement system
AFM	DB	Musicians in union-recognized jobs	Facing funding pressures
Freelancers Union	IRA/Solo 401(k)	Self-funded gig workers	No employer match
State Auto-IRA Programs	Roth IRA-like accounts	Mandated for uncovered workers	e.g., CalSavers, OregonSaves

Exhibit C. Retirement Checklist for a Non-Traditional Worker

Understand Your Income & Budget

- ☐ Track all sources of income (e.g., freelance work, gigs, side businesses).
- ☐ Calculate your monthly expenses and determine your savings capacity.
- ☐ Create a variable-income budget to accommodate inconsistent cash flow.
- ☐ Build a 3–6 month emergency fund in a high-yield savings account.

Estimate Your Retirement Needs

- ☐ Use a **retirement calculator** to estimate how much you need to retire.
- ☐ Factor in inflation, healthcare costs, and desired retirement age.
- ☐ Estimate future Social Security benefits using your self-employment earnings record (**ssa.gov**).

Choose the Right Retirement Accounts

- ☐ Open an **IRA (Traditional or Roth)** — ideal for any worker with earned income.
- ☐ Consider a **Solo 401(k)** if you're self-employed with no employees.
- ☐ Explore a **SEP IRA** for higher contribution limits (great for freelancers).
- ☐ Look into **Saver's Credit** eligibility for low-to-moderate income individuals
- ☐ Join an **association or union** that offers a retirement savings account (pensions, etc.).

Automate Your Savings

- ☐ Set up auto-transfers from your checking to your retirement account.
- ☐ Consider weekly or monthly contributions to build consistency.
- ☐ Increase contributions during high-earning months.