



# Research on Retirement Savings

John Scott

The Pew Charitable Trusts - [pewtrusts.org/retirementsavings](https://pewtrusts.org/retirementsavings)

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# Background

- Retirement savings challenges
  - At least 25% of full-time workers lack access
  - Low access at small employers
  - Very few save outside of the workplace
- \$4.1 trillion savings shortfall
- Only 22 % very confident they will have enough in retirement

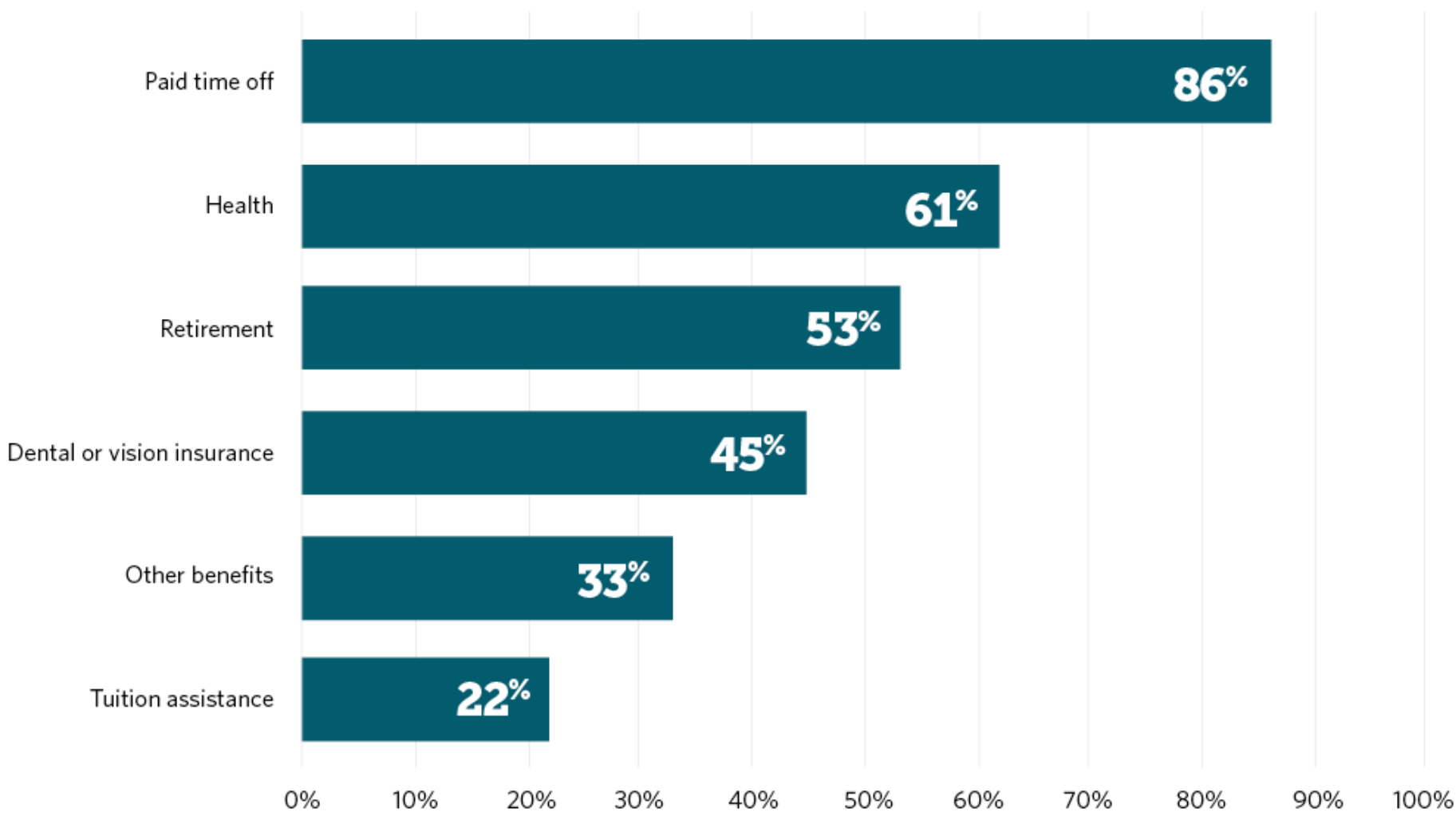
# Retirement savings project research

- Barriers to savings and reactions to policy ideas
- Employer survey
  - 1,639 employers, both with/without plans
  - Average size 28 employees
- Employee survey
  - 2,918 (900 without plans) at small/mid-sized firms



# Employer Barriers to and Motivations for Offering Retirement Benefits

Figure 1  
Benefits Offered by Small and Midsize Businesses  
About half offer a retirement plan

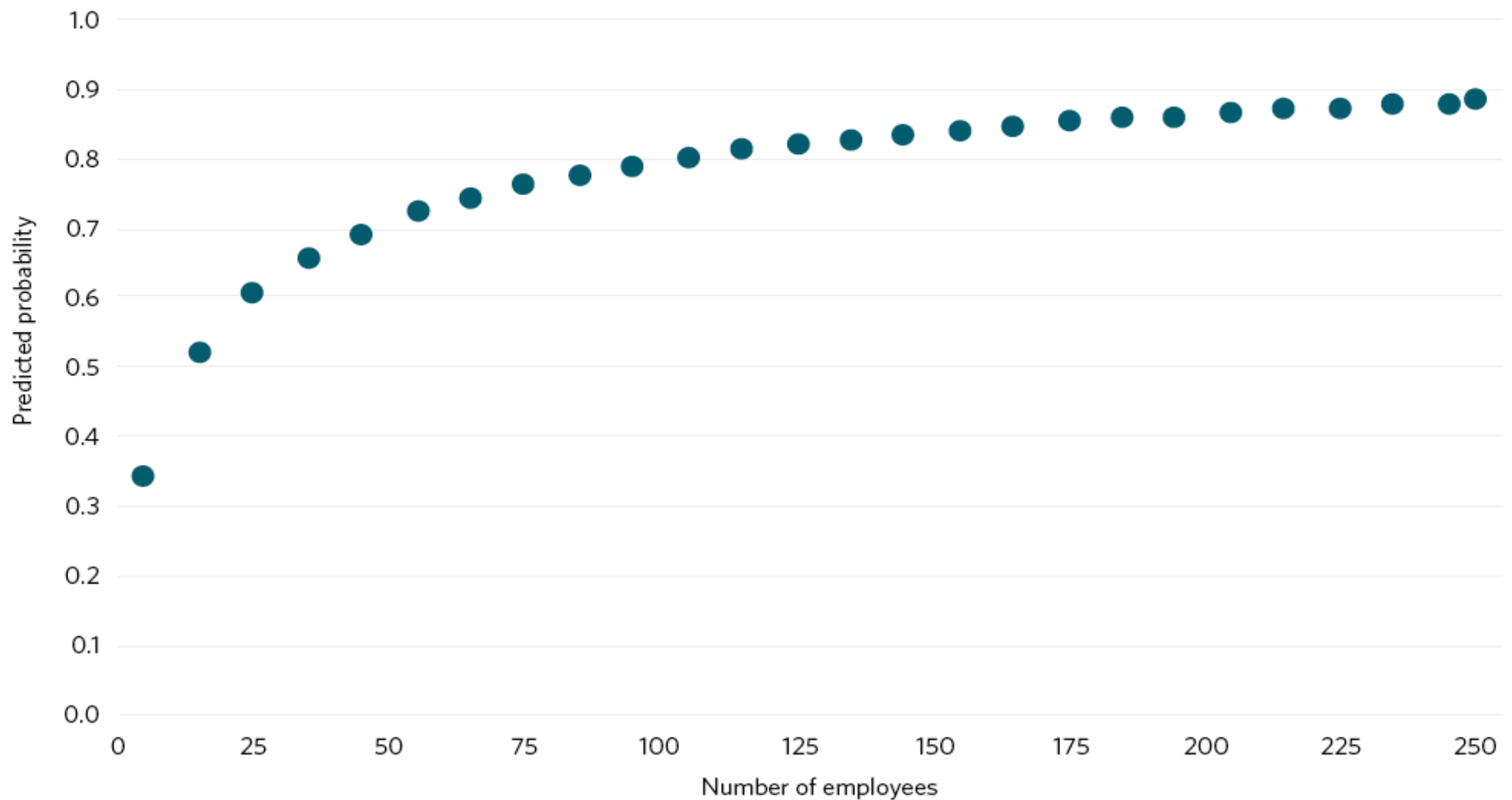


Source: The Pew Charitable Trusts  
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Figure 2b

# Probability of Offering a Retirement Plan by Number of Employees

The likelihood increases most rapidly among smaller businesses



Note: In the left-hand column, a probability of 1 represents a 100 percent likelihood that a business offers a retirement plan. The probability rises fastest as a business's staffing grows to about 75 and then levels off as the number of employees increases.

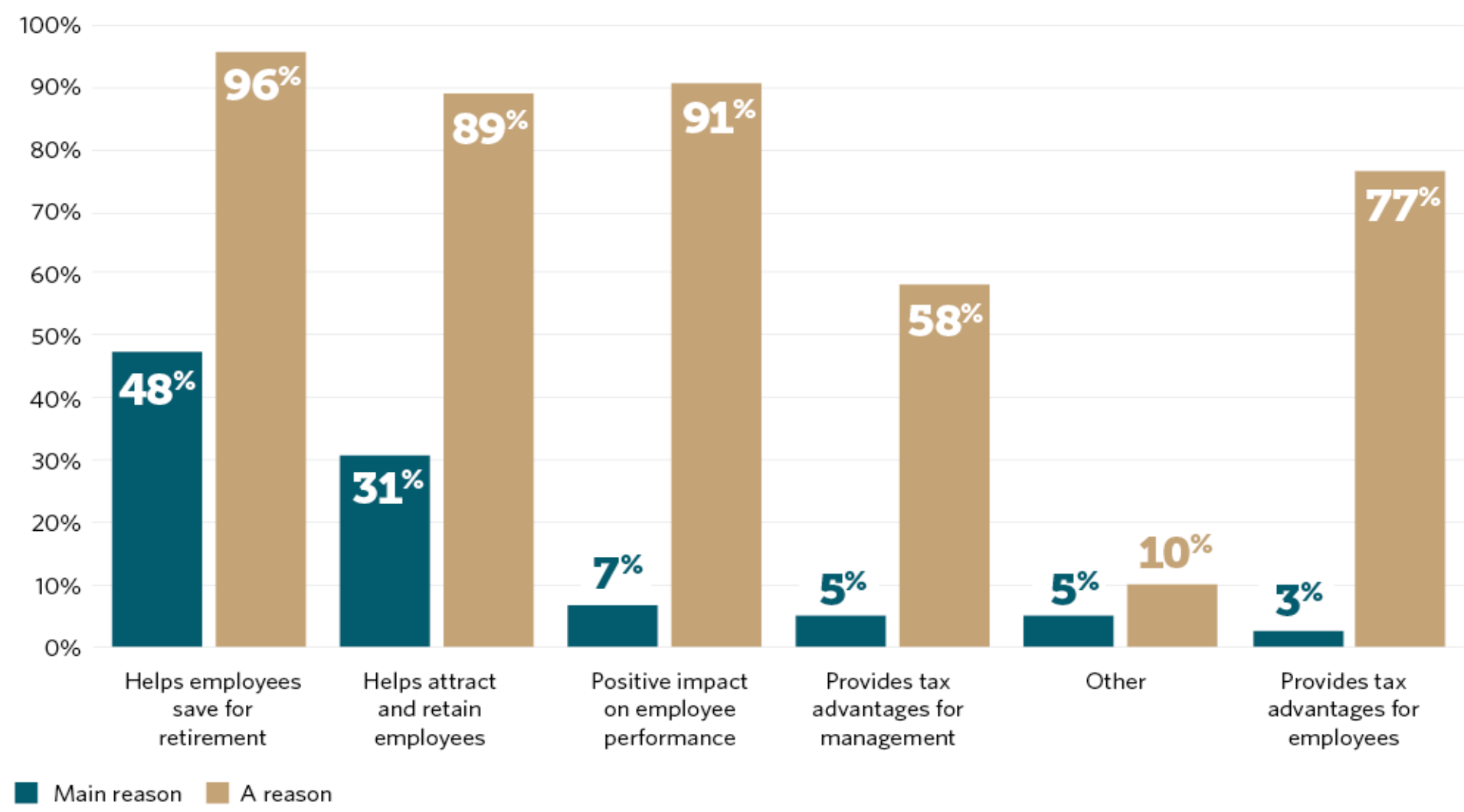
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Figure 4

# Reasons Employers Offer a Retirement Plan

Helping employees save most frequently cited



Source: The Pew Charitable Trusts

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Figure 6

# Main Reason Cited by Employers for Not Offering a Retirement Plan

Setup cost chosen most often

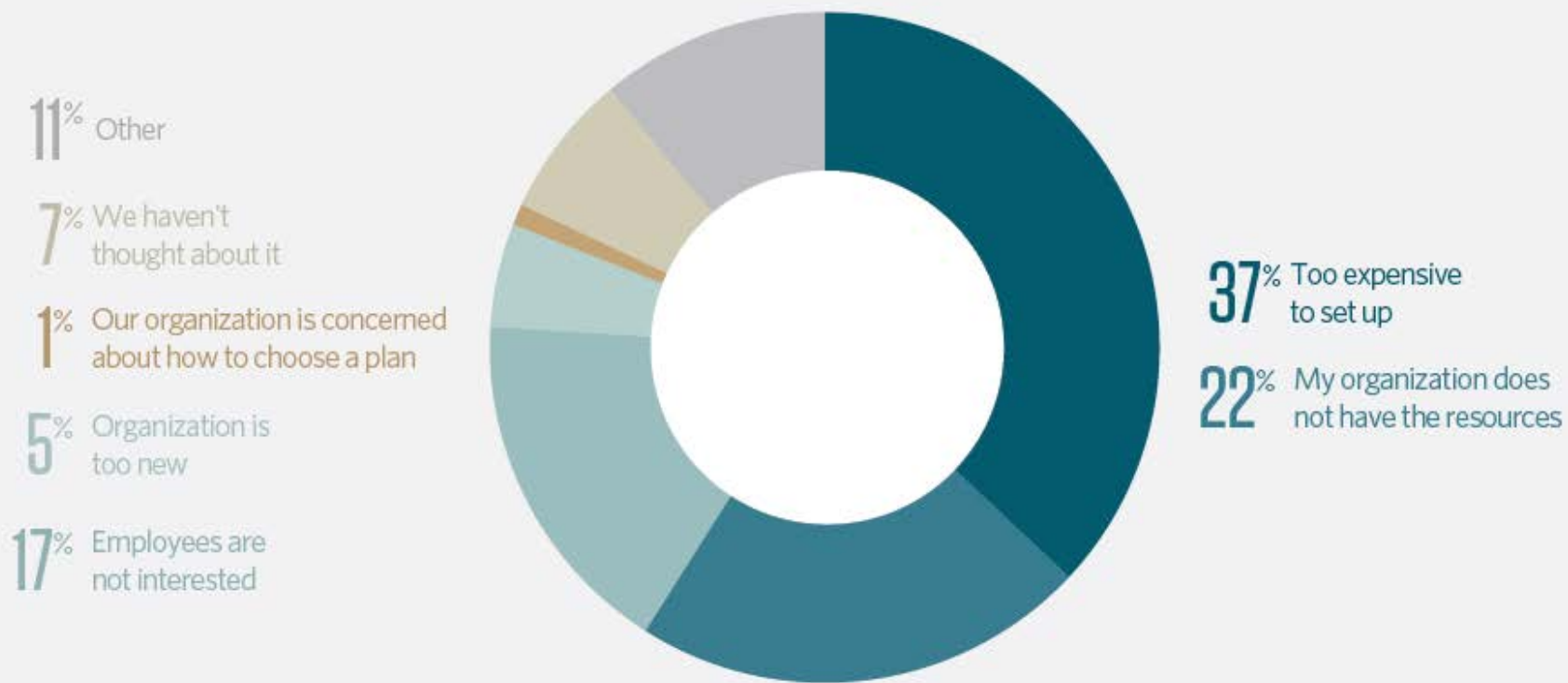
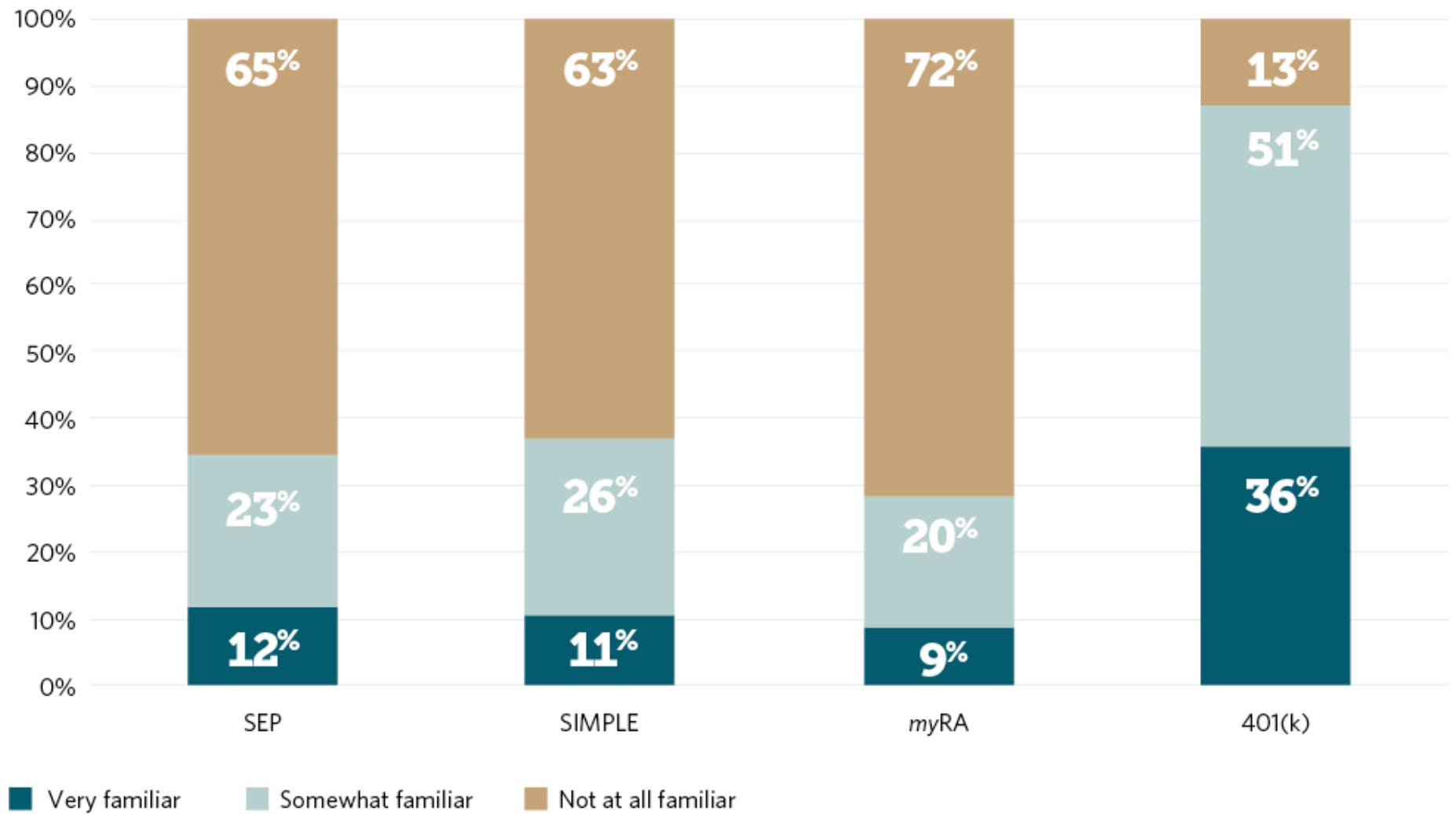




Figure 7

# Familiarity With Retirement Plan Types

Employers do not know about most options



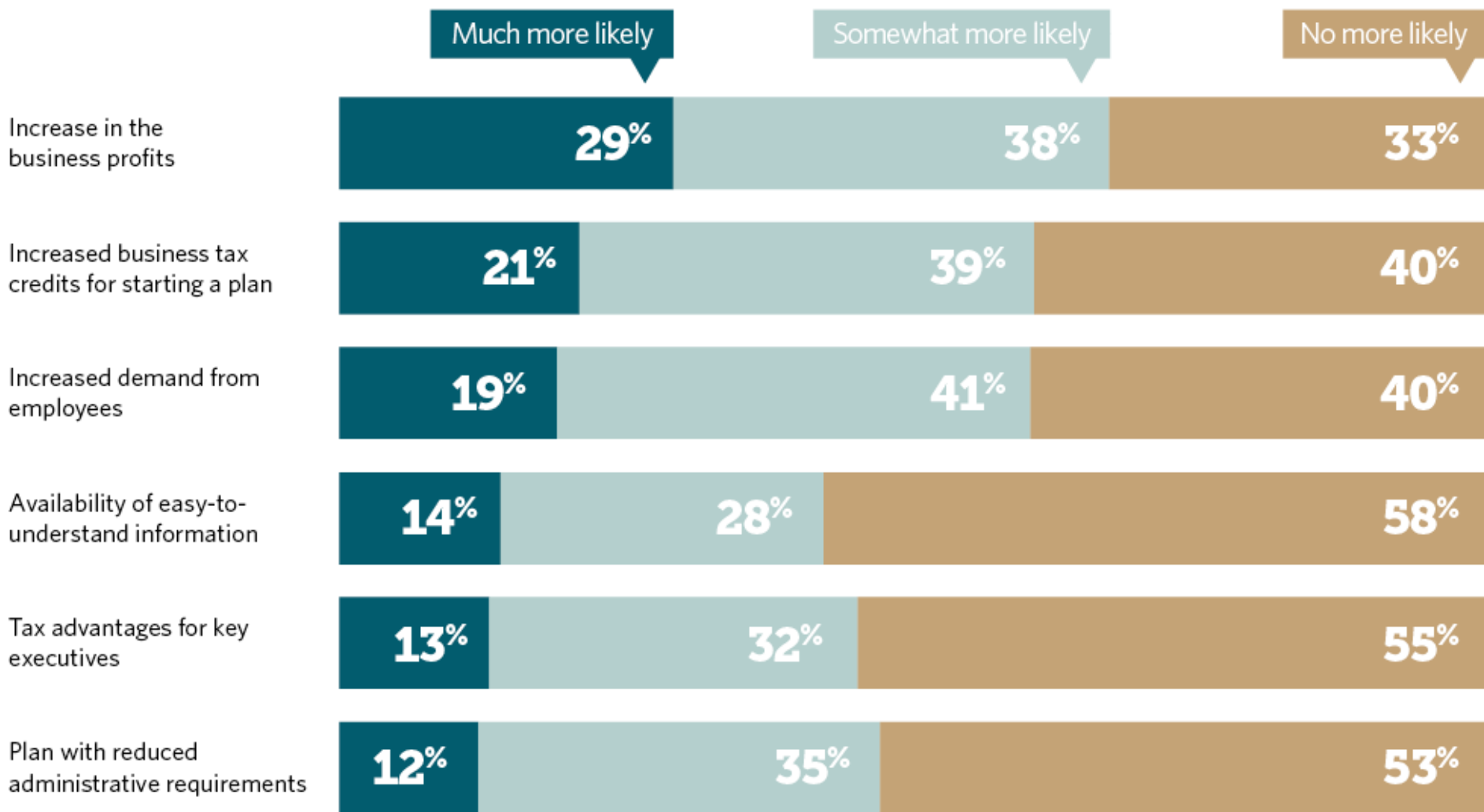
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Figure 8

# Motivations for Businesses Without Retirement Plans to Start One

Top reason is increased profitability



Source: The Pew Charitable Trusts

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# Worker Perspectives on Barriers to Retirement Savings

# Figure 1 Access to and Participation in Employer-Sponsored Retirement Plans

Nearly half participate, while about a third lack access to a plan

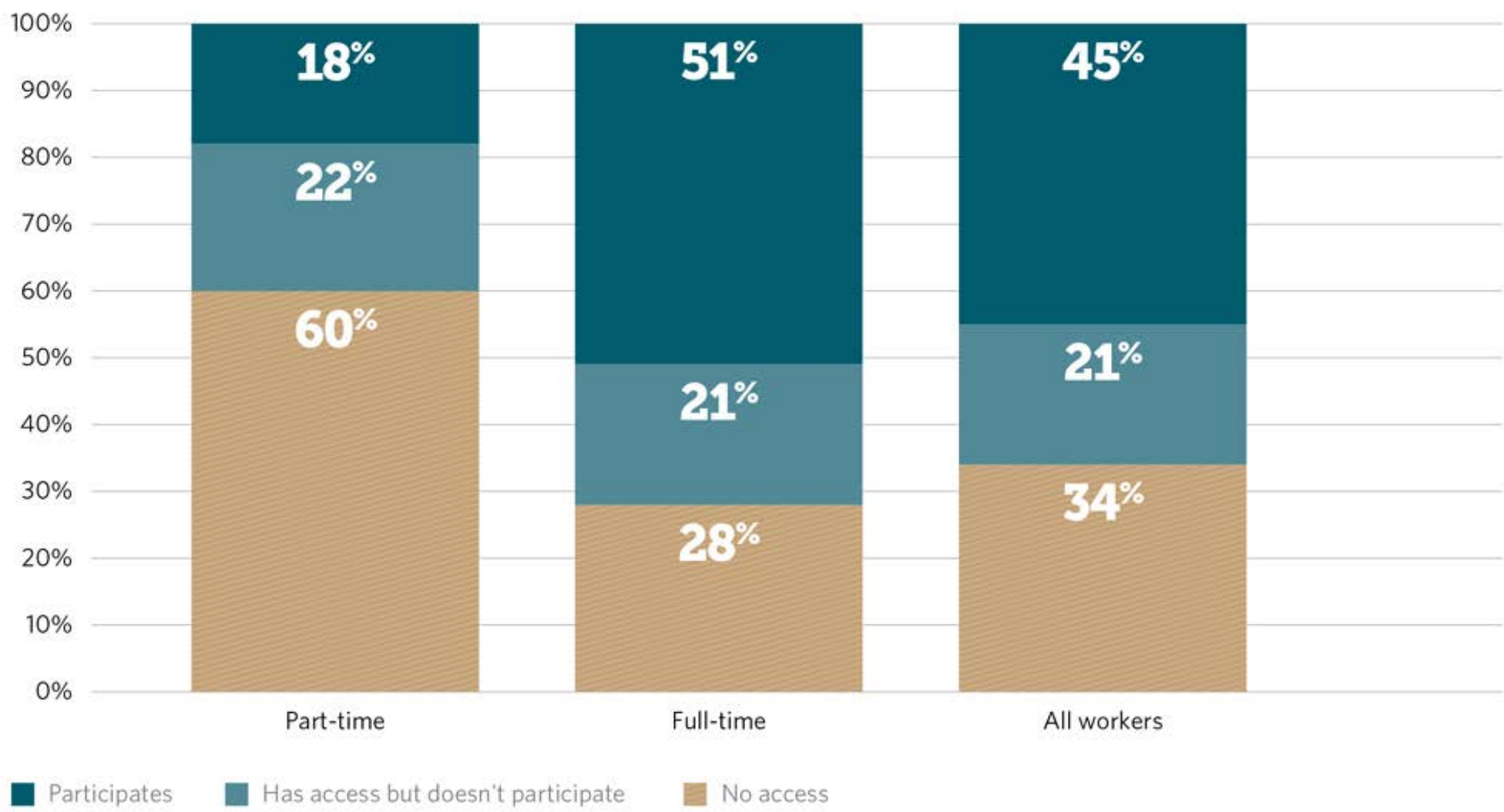
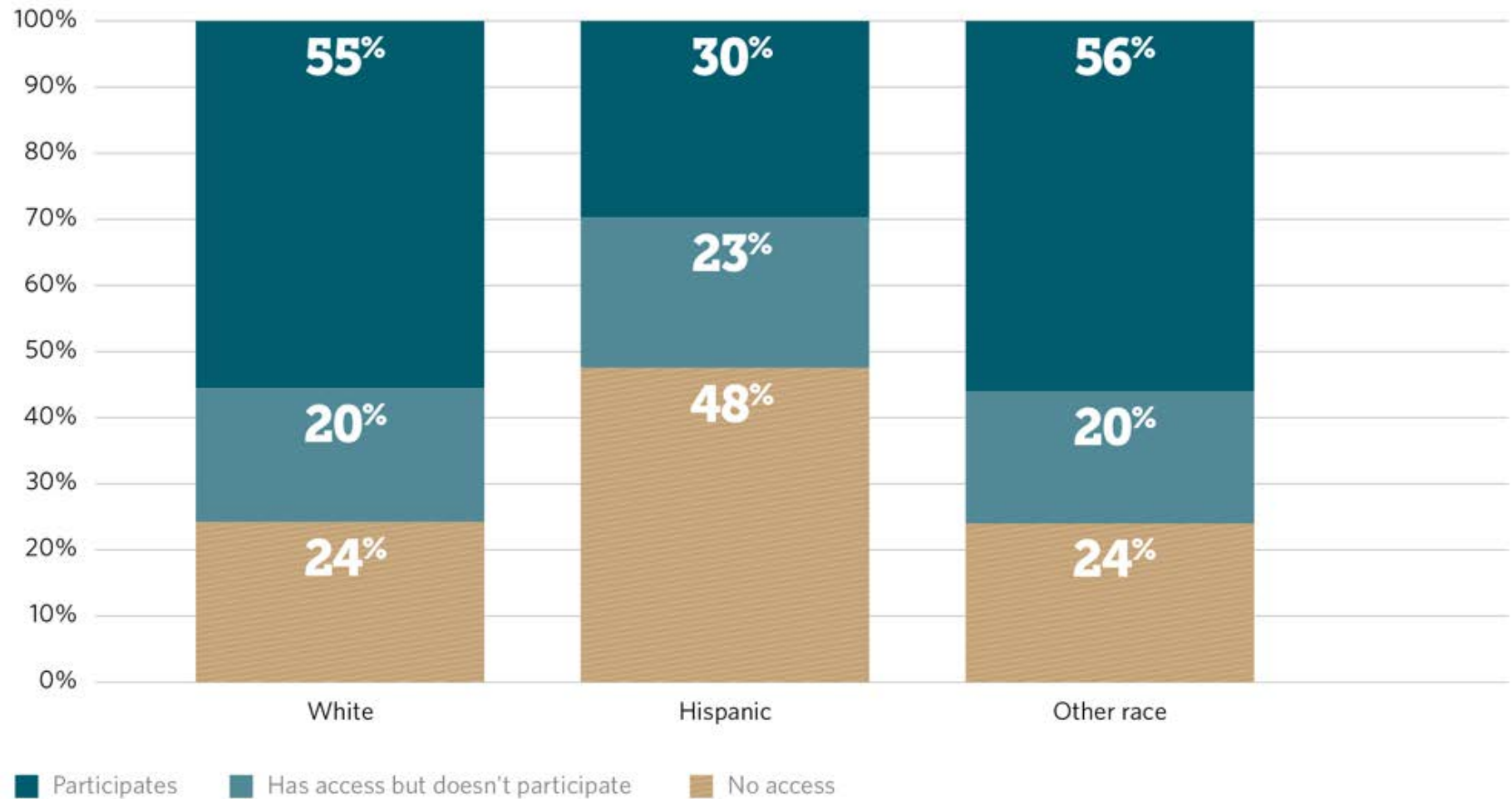


Figure 2

## Racial/Ethnic Differences in Access to and Participation in Employer-Sponsored Plans

Nearly half of Hispanics working full time do not have access to a plan

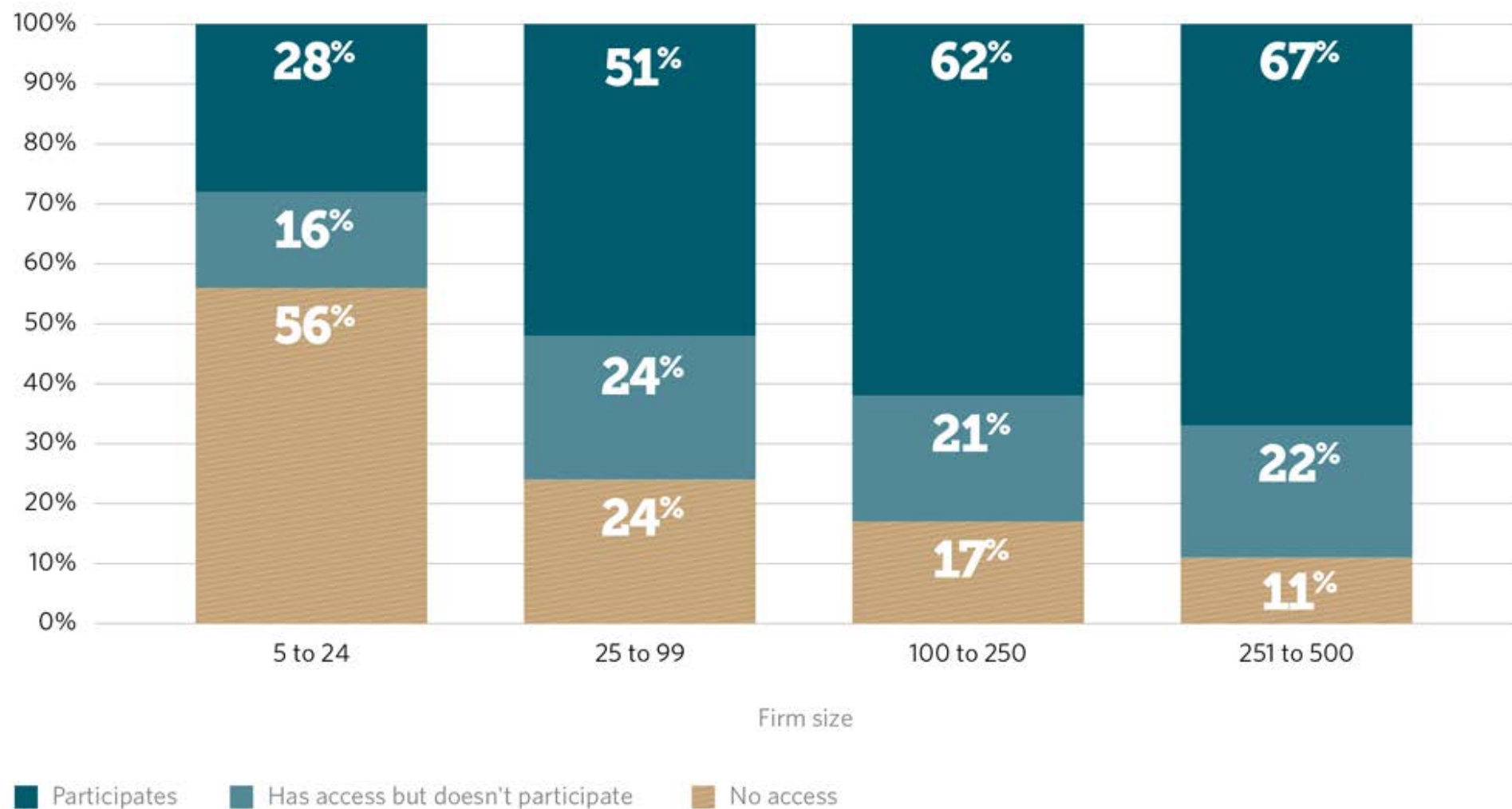


Note: Numbers may not add to 100 percent because of rounding.

Figure 3

## Access and Participation by Firm Size

Workers are more likely to have access and participate at larger businesses



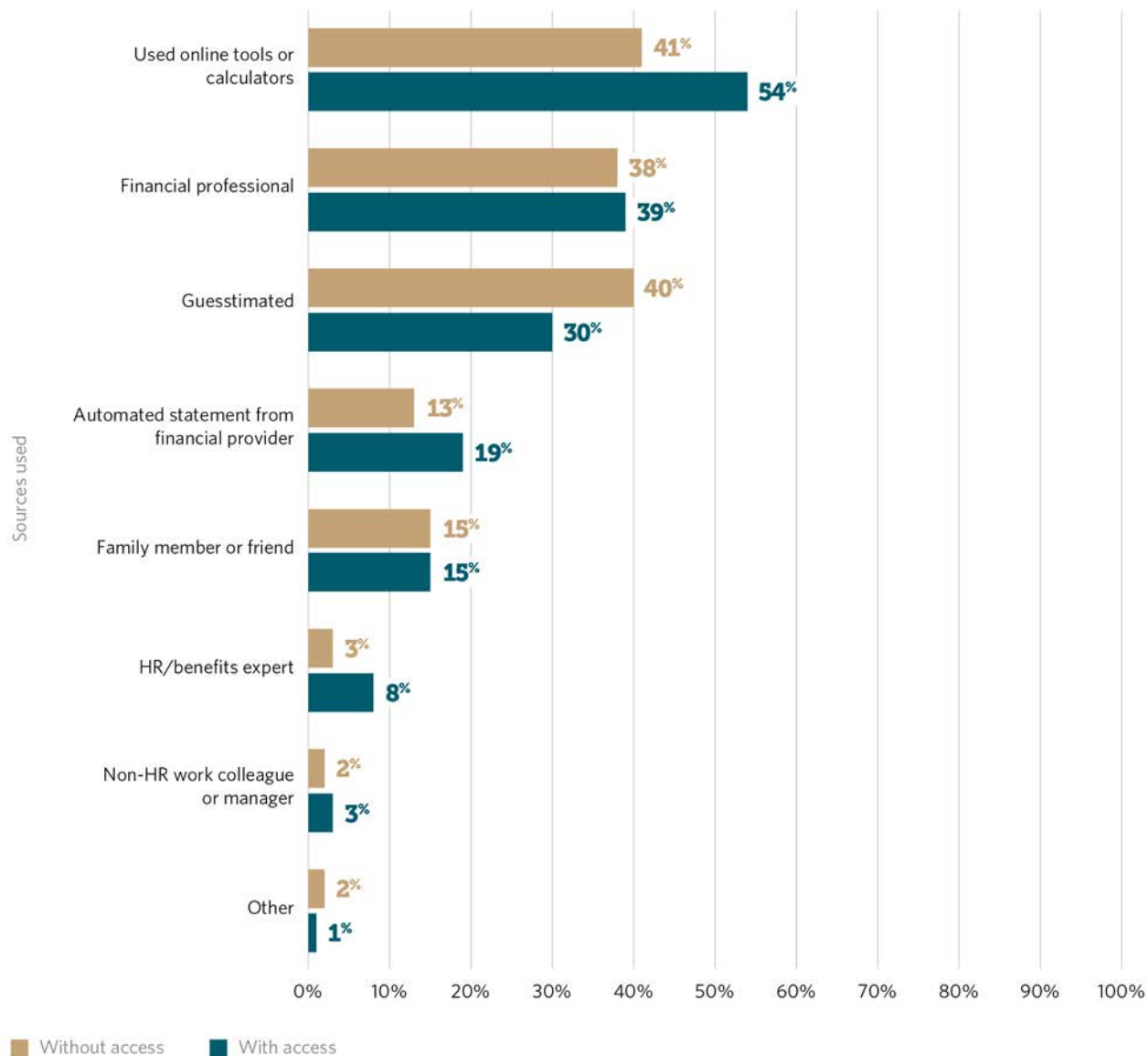
Note: Numbers may not add to 100 percent because of rounding.



Figure 7

## Sources Used to Estimate Necessary Retirement Savings

Online tools and calculators most commonly used, especially among those with access to a plan





# Implications of Pew's Research

- Employer plans matter but not all can use them.
- Employers want to help their workers but are constrained.
- Policies could reduce the time and financial barriers to saving.

# Leading State Policy Initiatives

- Auto-IRA
  - CA, CT, IL, MD, OR
- Online marketplace exchange
  - NJ, WA
- Multiple employer plan
  - MA, VT

Pew research on reactions to these proposals from employers, workers

# Thank you

- Questions?
- Email: [jscott@pewtrusts.org](mailto:jscott@pewtrusts.org)
- Reports can be found at [pewtrusts.org/retirementsavings](https://pewtrusts.org/retirementsavings)