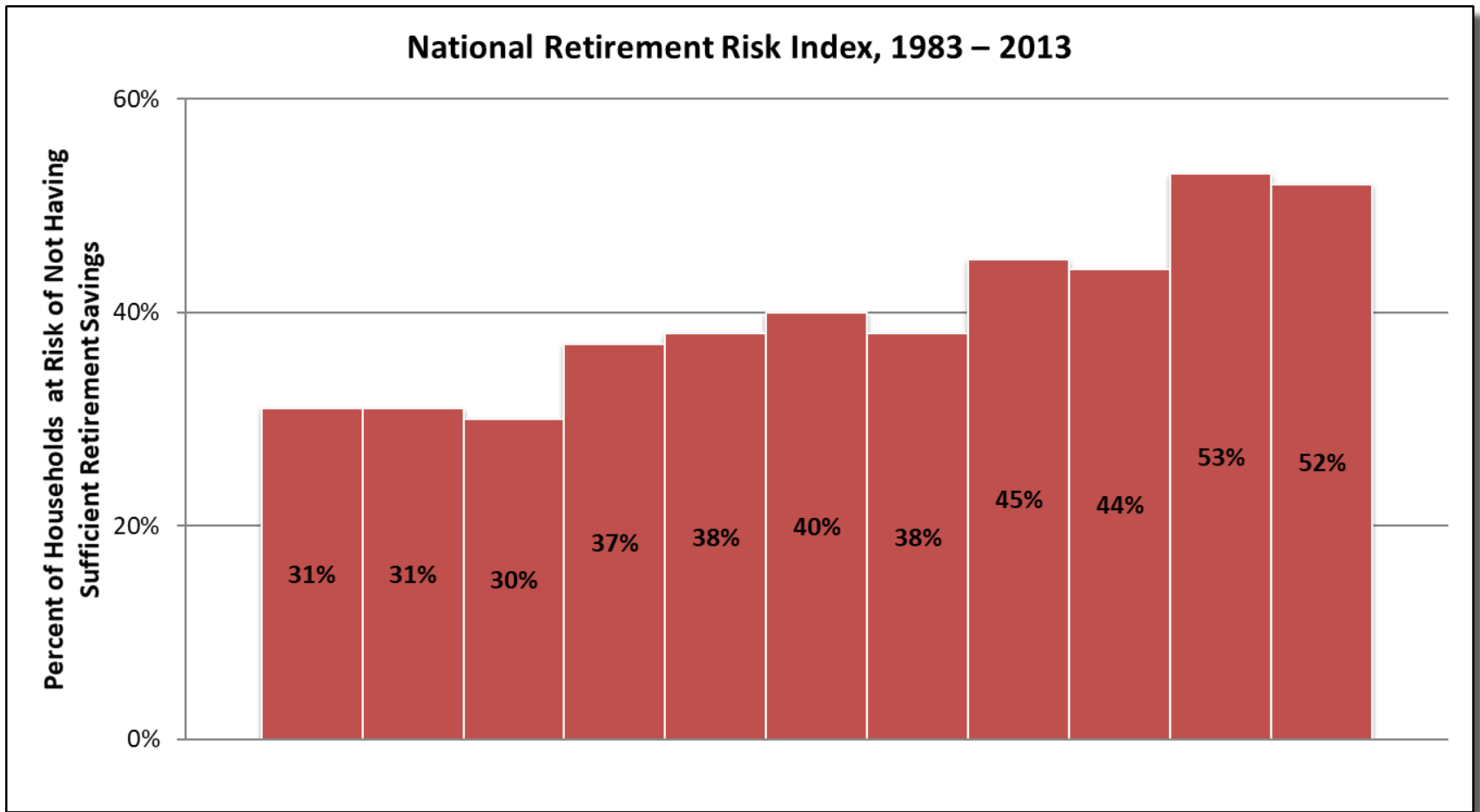


OVERCOMING THE FINANCIAL SECURITY GAP IN RETIREMENT



AARP[®] Real
Possibilities
Oklahoma

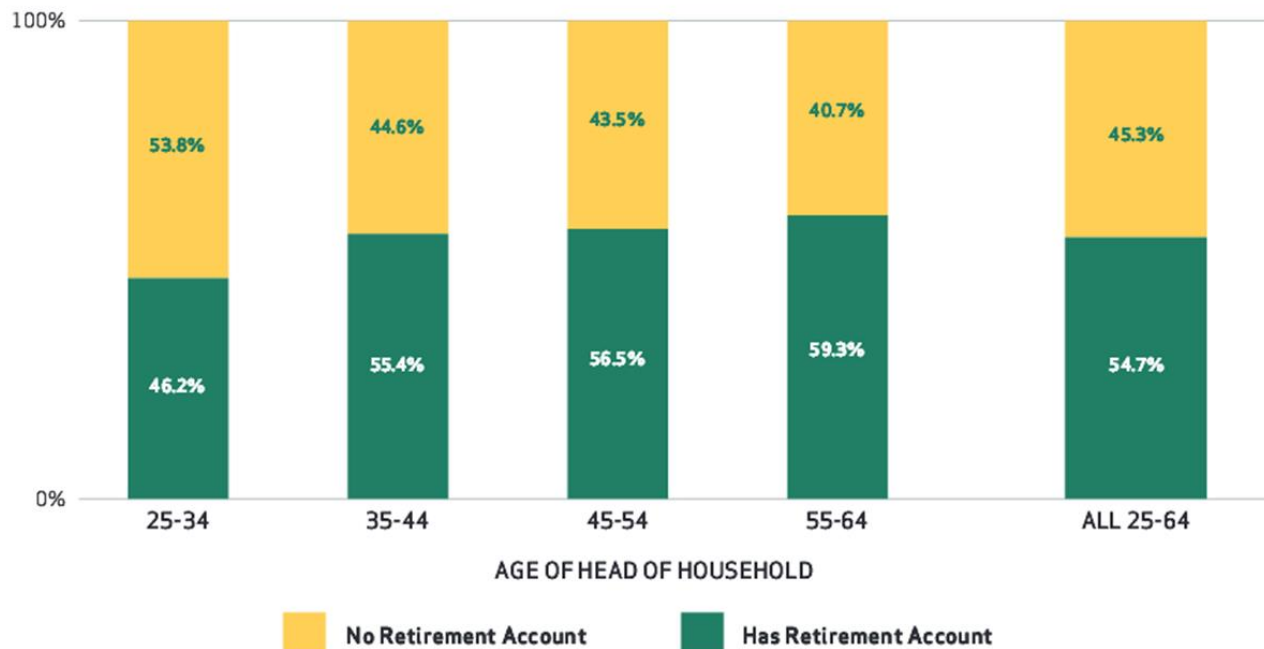
Risk of Financial Insecurity in Retirement on the Rise



Almost Half of All Households Have NO Assets Saved for Retirement

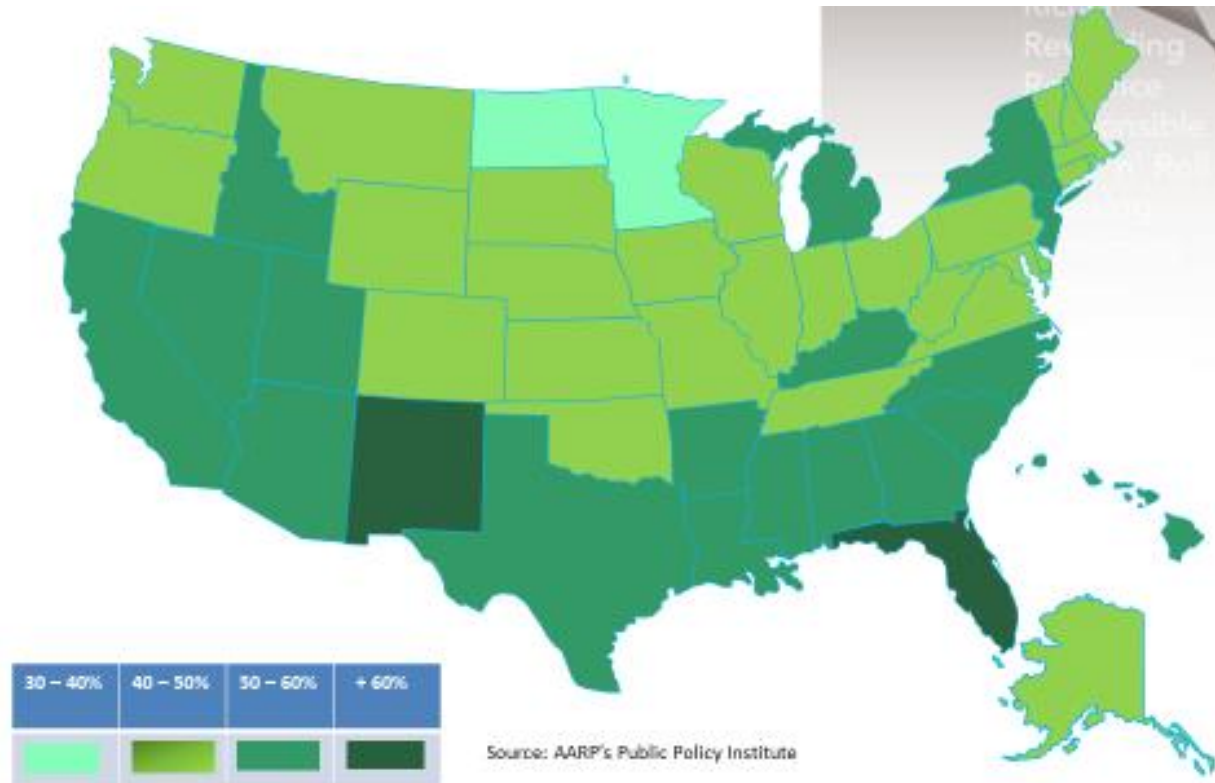
Figure 5: **Over 45 Percent of all Working-Age Households Do Not Own Assets in a Retirement Account**

Household retirement account ownership by age of head of household, 2013



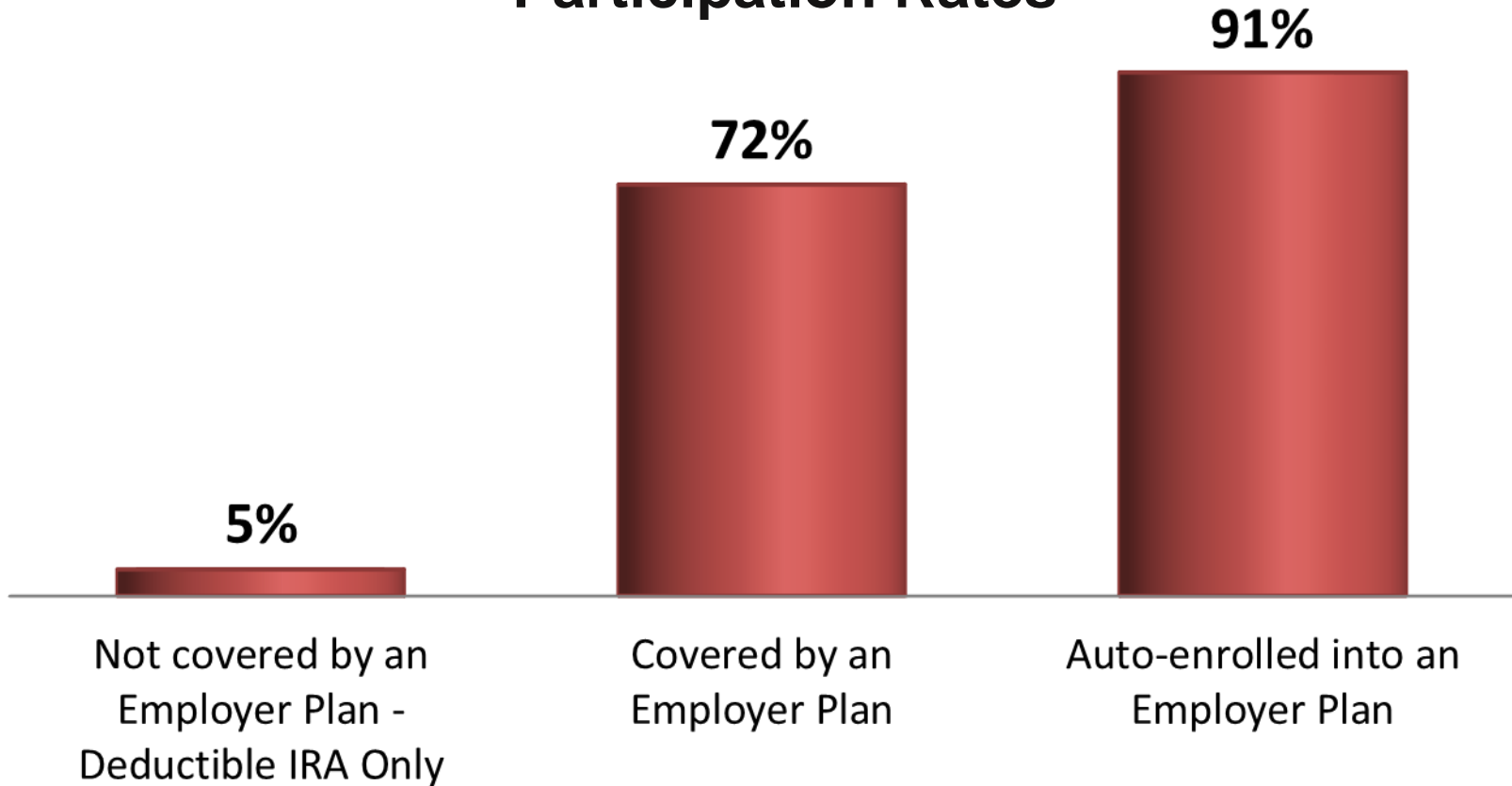
Source: Authors' analysis of 2013 SCF.

Percent of Workers Without A Retirement Plan by State



Can't People Already Save if They Want To?

Participation Rates



Program Design Features

- **Automatic Enrollment** – Employees are 15 times more likely to save for retirement when they have access to a way to save at work, and 20 times more likely when they are automatically enrolled.
- **Voluntary** – By allowing employees the choice to opt-out at any time, the program is completely voluntary and participants have full control over their participation.
- **Portability** – Employees take their retirement savings with them when they leave a job.

Cost Savings

Fact Sheet

The US Could Save \$33 Billion by Helping People Save for Their Own Retirement

William Shiflett and Catherine Harvey
AARP Public Policy Institute

When individuals save for retirement they are less likely to rely on public assistance programs later in life. State-facilitated retirement savings plans for small-business employees would help people save more for retirement and, in turn, save significant taxpayer dollars for programs like Medicaid, Supplemental Security Income, the Supplemental Nutrition Assistance Program, and housing assistance. More than 30 states are considering creating retirement plans for private-sector workers whose employers do not already offer one. New research finds that the US would save \$33 billion on public assistance programs between 2018 and 2032 if lower-income retirees save enough to increase their retirement income by \$1,000 more per year.

Retirement Security Around the Country

- Since 2012, at least 45 states have acted to implement a new program, study program options, or consider legislation to establish state-facilitated retirement savings programs. Today, 11 states have enacted new programs for private sector workers, and states appear ready to lead with new and innovative proposals for 2021.
- Three states (Oregon, California, and Illinois) have their programs already underway, and are seeing great success. Across all programs, there is over \$65 million in assets, with over 132,000 funded accounts, and over 21,000 registered employers.

Colorado Study Findings – February 2020

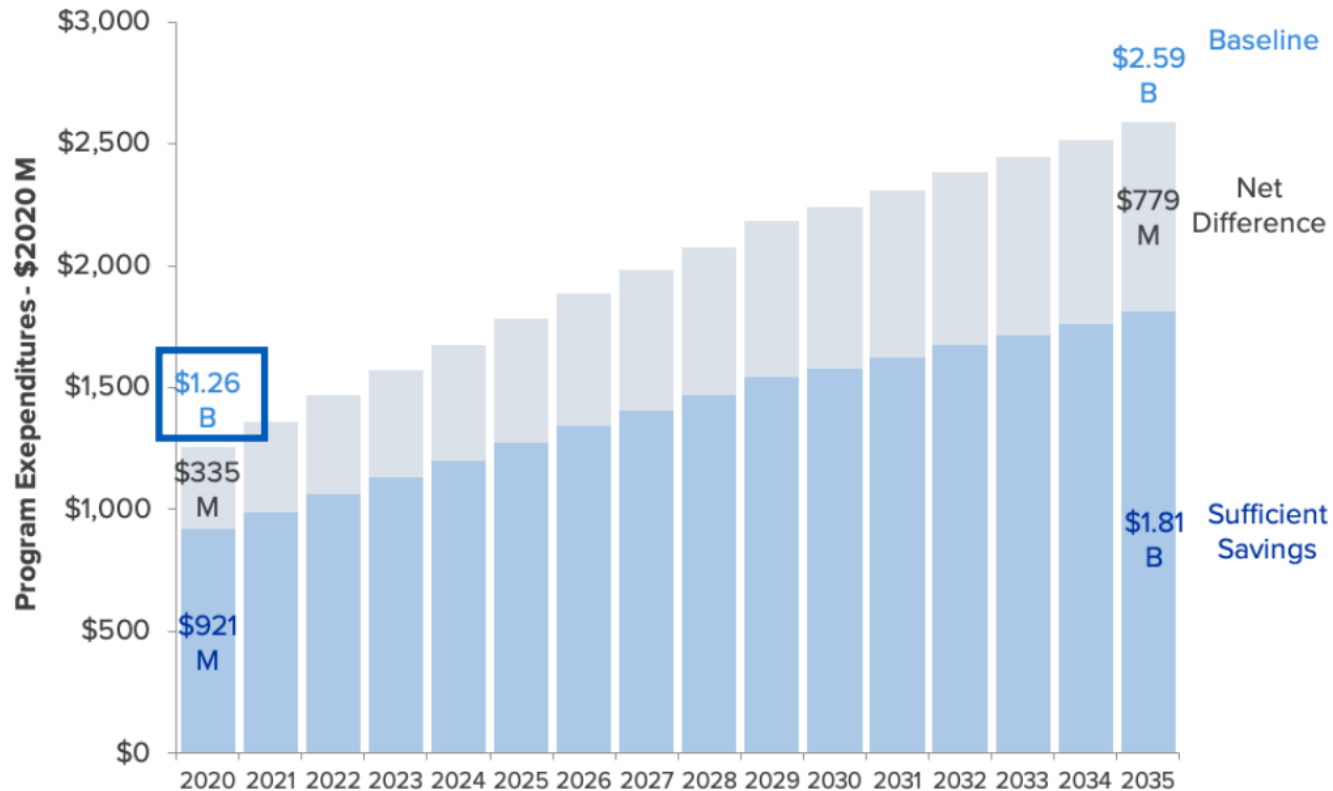
- Because too many are not saving for retirement, Colorado faces a fiscal impact of nearly \$10 billion over the next 15 years attributable to savings shortfalls. The federal impact due to insufficient retirement savings by Coloradans is estimated at nearly \$9 billion and the impact to Colorado's local governments is more than \$280 million
- The experience of existing Auto IRAs demonstrates their ability to address the need to increase retirement savings in Colorado: the average saver in current programs contributes over \$100 a month and more than \$1,200 a year. Even this modest amount, especially for workers who begin to save consistently over their working lives, can do a lot to help reduce costs to the state over the next several decades caused by insufficient retirement savings.
- Financial education programs on their own have not demonstrated the ability to meaningfully increase savings rates and levels. There are many financial education initiatives active nationally and across Colorado, and yet significant retirement savings shortfalls persist.

Colorado Study Findings – February 2020

- Increased spending associated with sufficient savings is estimated at \$724 million by 2035, creating over 6,130 jobs that generate \$241 million in earnings
- Cumulatively from 2021-2035 this represents over:
 - \$9 billion in total economic impact
 - 5,100 new jobs per year on average (76,000 over the period)
 - \$3 billion in job-related earnings
 - \$742 million in additional net state tax revenue

Colorado Study Findings – February 2020

Figure 9: State Expenditures on Senior Population by Scenario, 2020-2035 (\$2020)



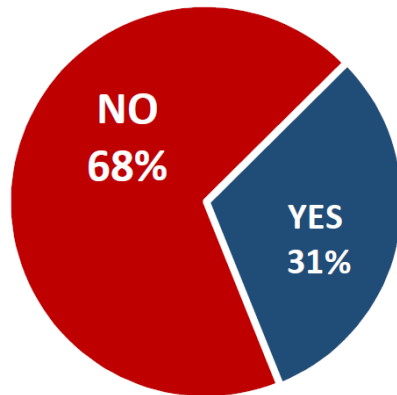
Source: ESI

Oklahoma Small Employer Survey Findings

500 Oklahoma Small Businesses Surveyed

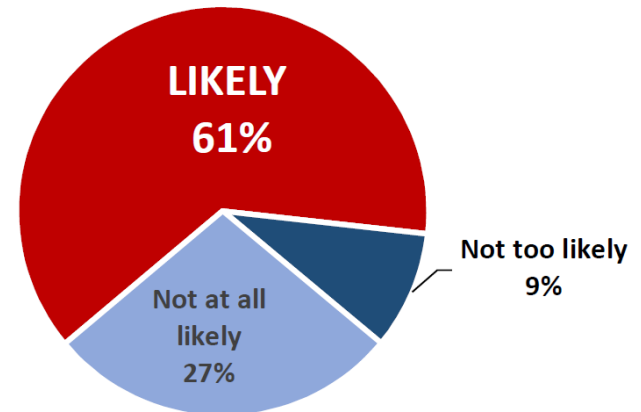
CURRENTLY OFFER/PARTICIPATES IN A RETIREMENT SAVINGS PLAN

(n=500 OK Small Business Owners)



LIKELIHOOD OF OFFERING/PARTICIPATING IN A OKLAHOMA RETIREMENT SAVINGS OPTION

(n=326 OK Small Business Owners Who do Not Offer Employees A Savings Plan)



SoonerPoll Survey Findings

Major Takeaways

- 55% of respondents are very or somewhat anxious that they do not have enough money saved to retire
- 83.5% of respondents wish they had saved more for retirement
- 56.4% of respondents believe they are behind schedule on saving for retirement
- 77% of respondents support the Oklahoma Prosperity Program

Business Owner Perspective



Questions?

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