



BIPARTISAN POLICY CENTER

**NIRS Annual Retirement Policy
Conference Presentation:
Commission on Retirement Security
and Personal Savings**

February 2017

**Full Recommendations Available at:
bipartisanpolicy.org/retirement-security**

bipartisanpolicy.org

SIX MAJOR RECOMMENDATIONS FOR RETIREMENT SECURITY AND PERSONAL SAVINGS

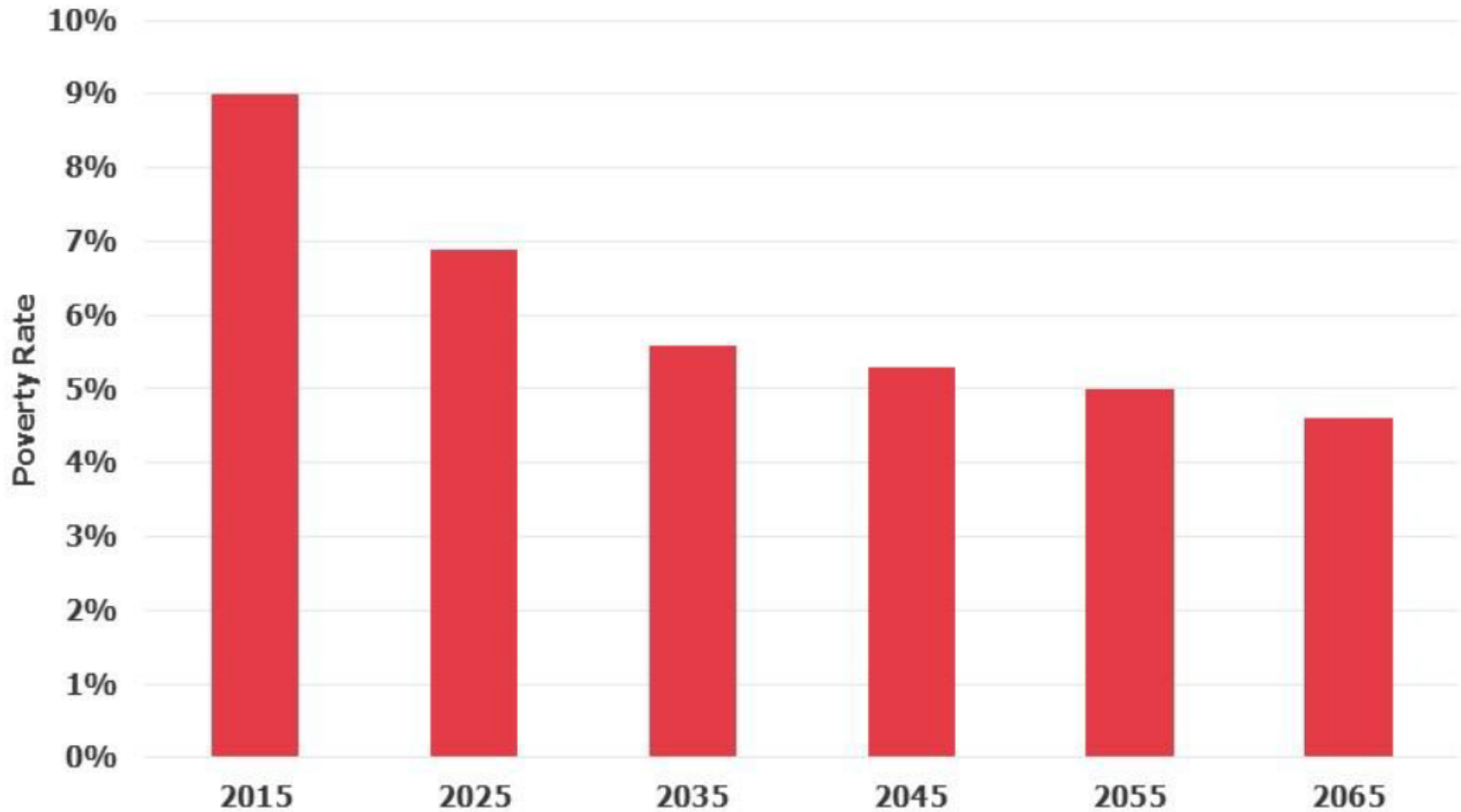


- Improve Access to Workplace Retirement Savings Plans
- Promote Personal Savings for Short-Term Needs and Preserve Retirement Savings for Older Age
- Facilitate Lifetime-Income Options to Make Savings Last in Retirement
- Facilitate the Use of Home Equity for Retirement Consumption
- Improve Financial Capability Among All Americans
- Strengthen Social Security's Finances and Modernize the Program

COMMISSION'S PROPOSALS SIGNIFICANTLY DECREASE ELDERLY POVERTY



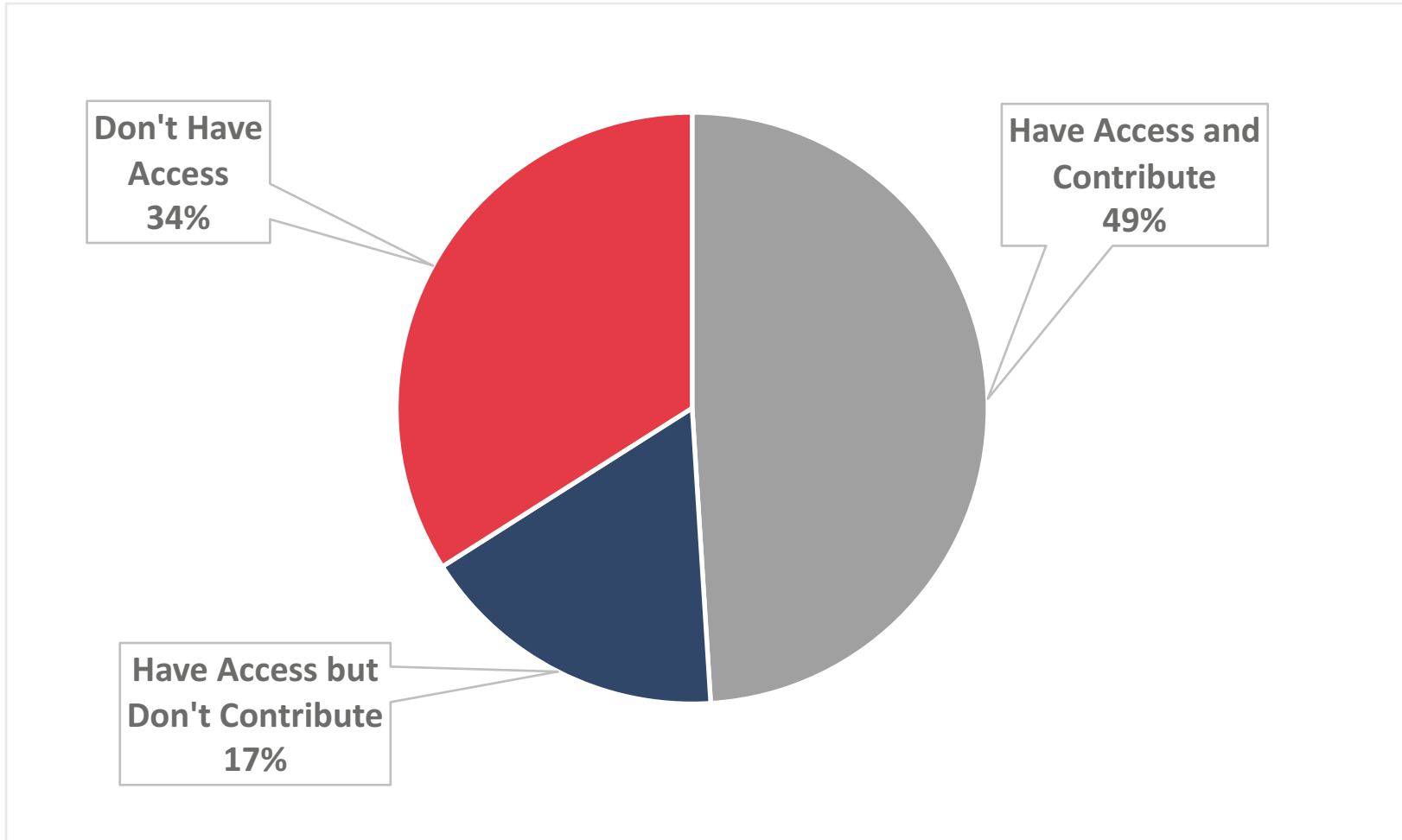
Projected Poverty Rate for Individuals Aged 62 and Older Under Commission's Proposals



IMPROVE ACCESS TO WORKPLACE RETIREMENT SAVINGS PLANS



Today: Less than half of private-sector workers participate in a retirement savings plan



AUTOMATIC ENROLLMENT INCREASES PARTICIPATION



Participation Rates by Plan Design and Income

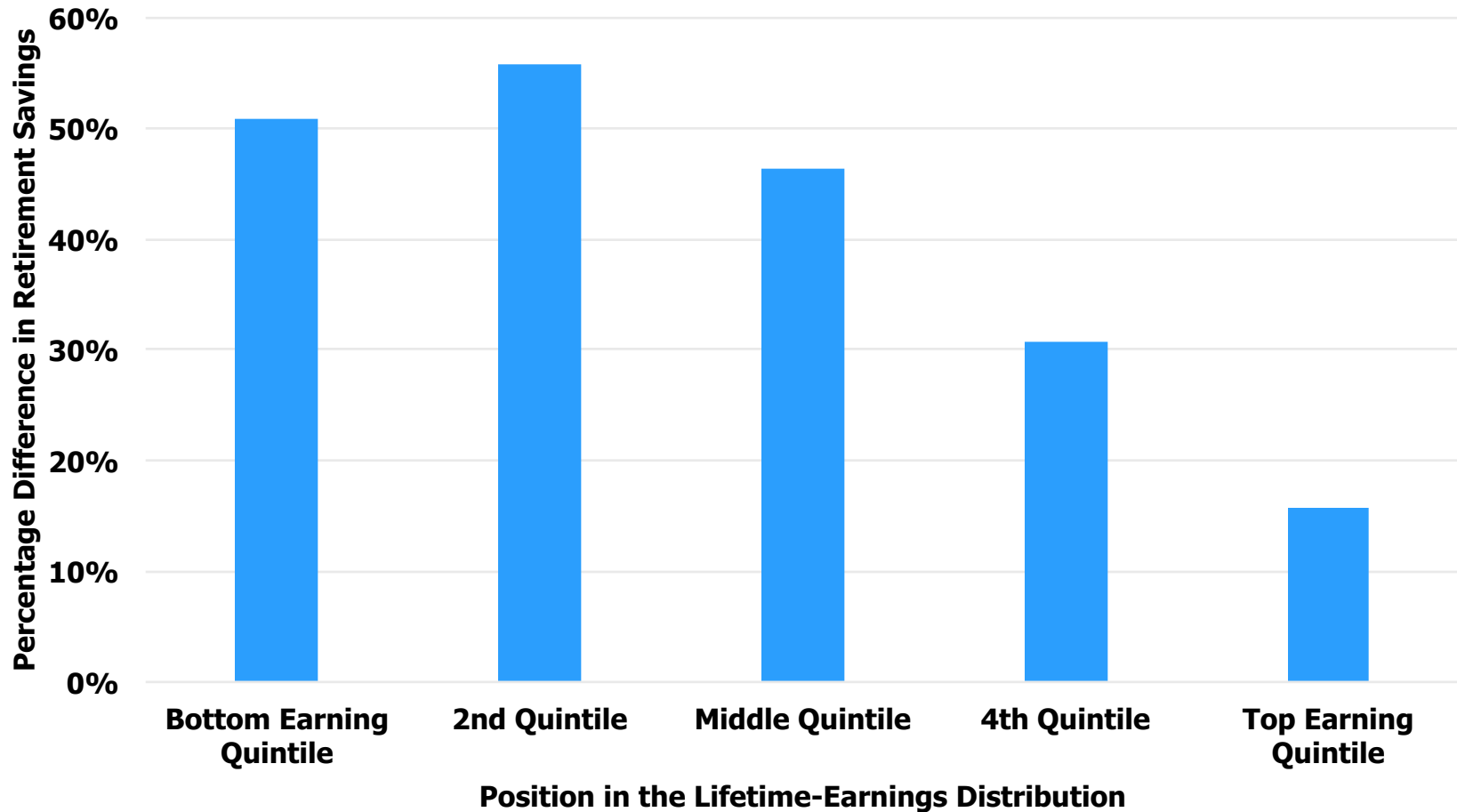
Income	Voluntary Enrollment	Automatic Enrollment
<\$30,000	32%	83%
\$30,000-\$49,999	55%	89%
\$50,000-\$74,999	62%	92%
\$75,000-\$99,999	69%	95%
\$100,000 +	85%	97%

BPC's Recommendations would increase access to retirement savings plans for tens of millions of Americans who lack access today; auto-enrollment through payroll deduction and other provisions would help them maintain and grow these savings; and recommendations on reverse mortgages, lifetime income would help to ensure it lasts, paving the way to a more secure retirement.

MINIMUM-COVERAGE STANDARD INCREASES MIDDLE-CLASS SAVINGS BY ROUGHLY 50 PERCENT



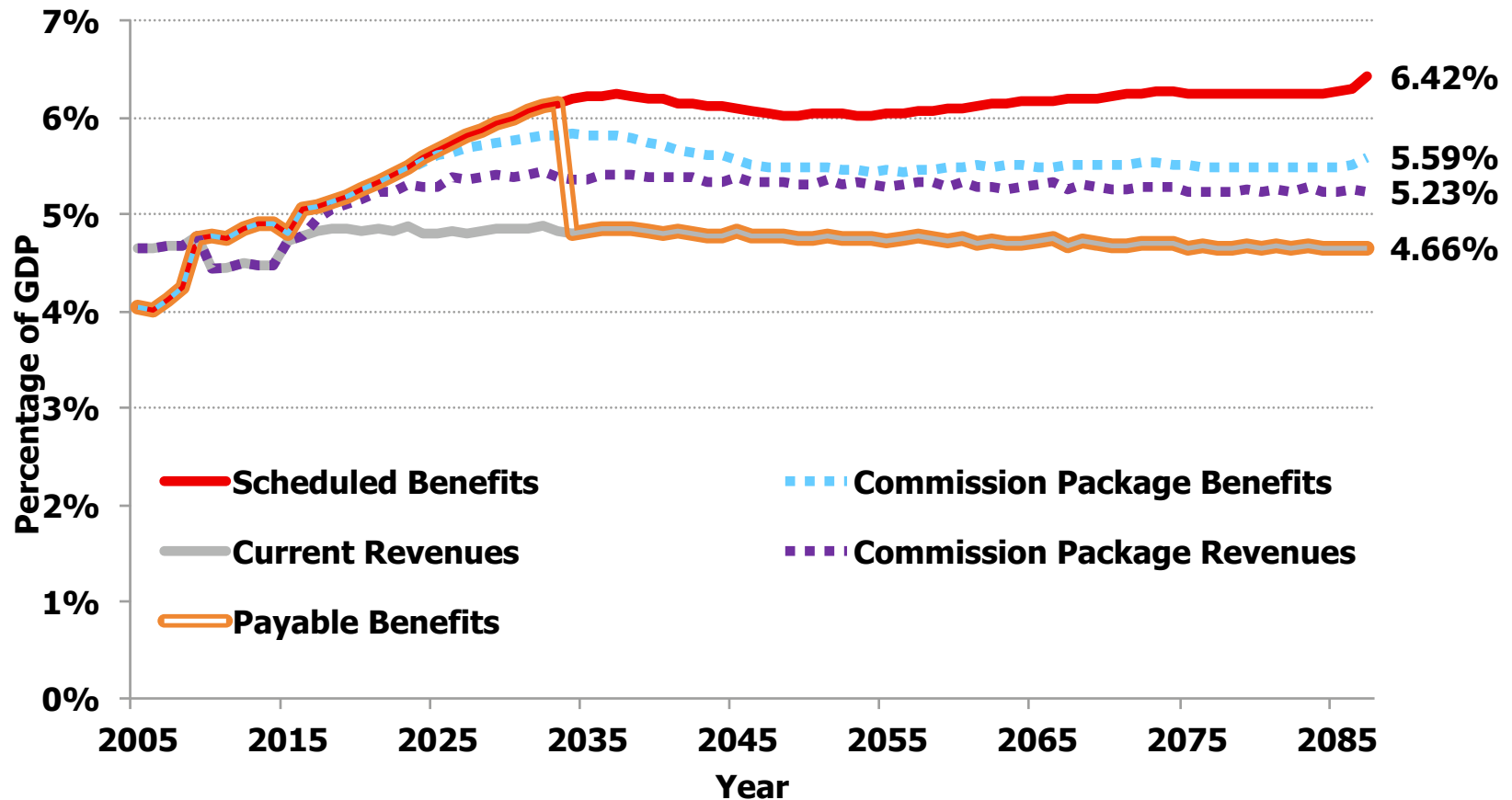
Change in Savings for Individuals Aged 62 and Older (2065)



Note: Retirement savings include savings in defined contribution plans, such as 401(k) plans, IRAs, and Keogh plans, which are available to self-employed individuals. Population is segmented based on lifetime earnings. Figure is presented on a per-capita basis.

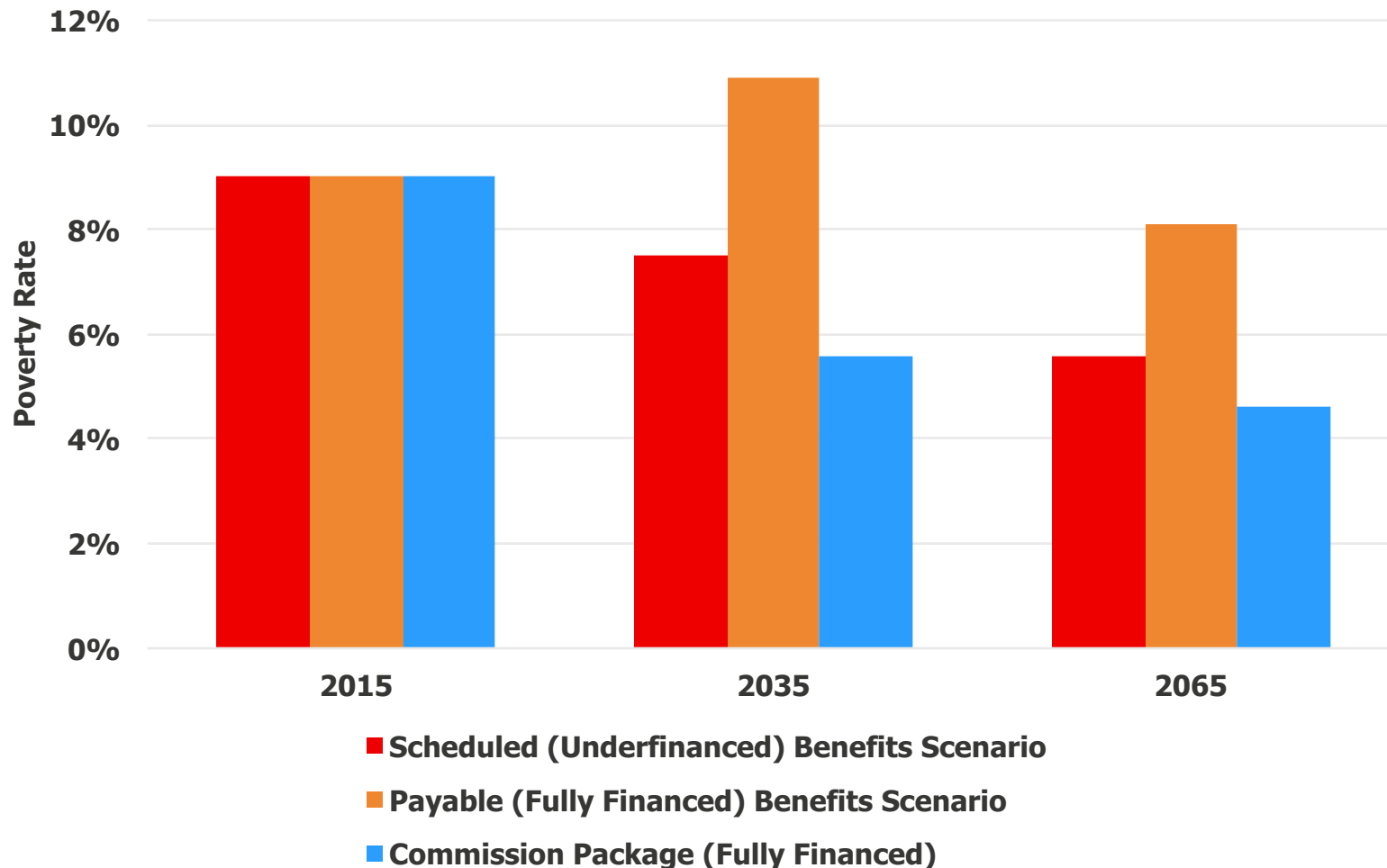
Source: The Urban Institute -- DYNASIM3

COMMISSION RECOMMENDATIONS MAKE SOCIAL SECURITY SOLVENT FOR 75 YEARS AND BEYOND



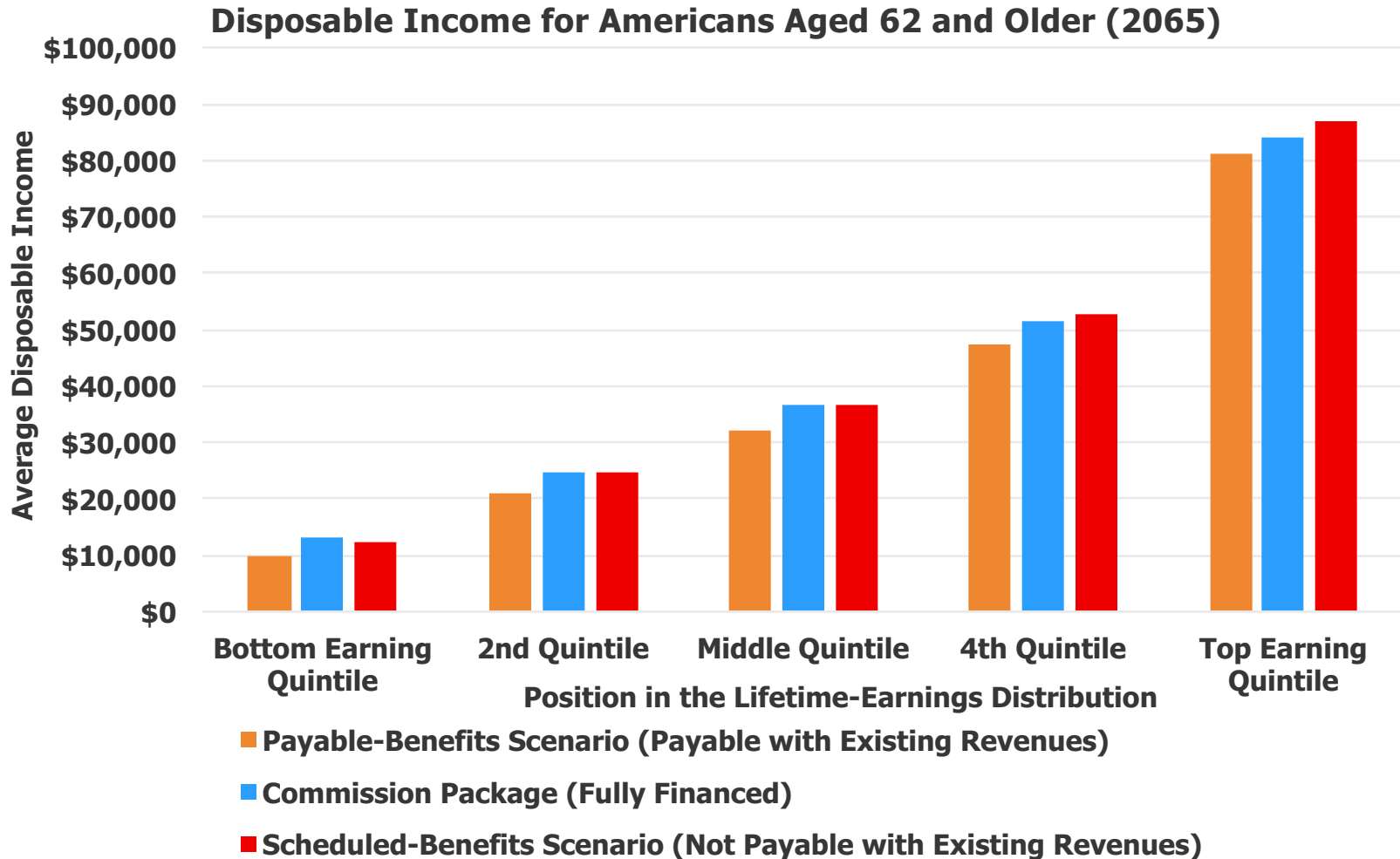
Note: The scheduled-benefits scenario assumes that benefits are paid out of the general treasury according to the existing benefit formula despite insufficient Social Security revenues. The payable-benefits scenario assumes that benefits are limited to levels that can be financed with existing, dedicated Social Security revenues after the exhaustion of the trust funds.

SOCIAL SECURITY MODERNIZATION REDUCES OLD-AGE POVERTY RATE BY ONE-THIRD OVER 20 YEARS



Note: The scheduled-benefits scenario assumes that benefits are paid out of the general treasury according to the existing benefit formula despite insufficient Social Security revenues. The payable-benefits scenario assumes that benefits are limited to levels that can be financed with existing, dedicated Social Security revenues after the exhaustion of the trust funds.

MINIMUM-COVERAGE STANDARD AND SOCIAL SECURITY PROPOSALS HELP MIDDLE- AND LOWER-EARNERS



Note: Disposable income includes cash income from all sources, such as Social Security benefits and retirement account withdrawals, after subtracting taxes and Medicare premiums. Disposable income does not include cash equivalents from in-kind benefit programs, such as SNAP. Population is segmented based on lifetime earnings. Figure is presented on a per-capita basis.