



**Inclusive
Wealth Building
Initiative**

A Bipartisan Roadmap for Retirement Security

A Presentation to the United States Conference of Mayors
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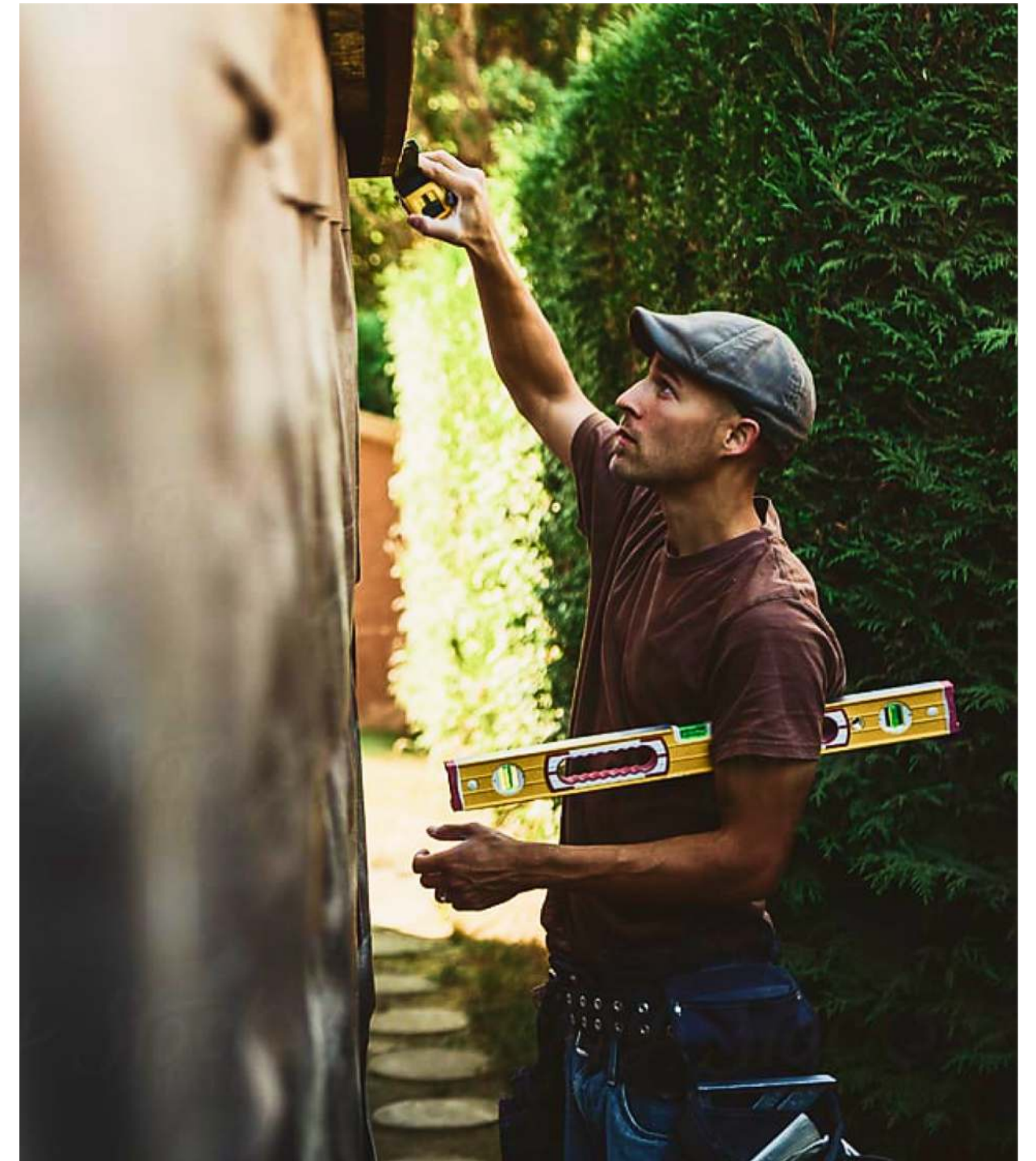
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America's Retirement Security Problem

- **Too Many Americans Face Retirement Insecurity**
 - 81% of American voters are concerned about their retirement security.
 - Half of Americans are on pace to take a standard-of-living cut in retirement.
 - Half of U.S. families have no retirement accounts.
- **Insecurity is Higher for Low-Income Families**
 - Median net worth for the bottom 25% of families is only \$310.
 - Median retirement savings balance for the bottom 50% of families is \$0.
- **In America's Cities...**
 - 28 percent of workers are in low-access industries.
 - Six percent in gig economy, which generally lacks benefits.



Inequitable Access to Retirement Plans



- **Black and Hispanic workers**

- Lower levels of access to employer retirement plans.
- Half the total retirement wealth of white households.

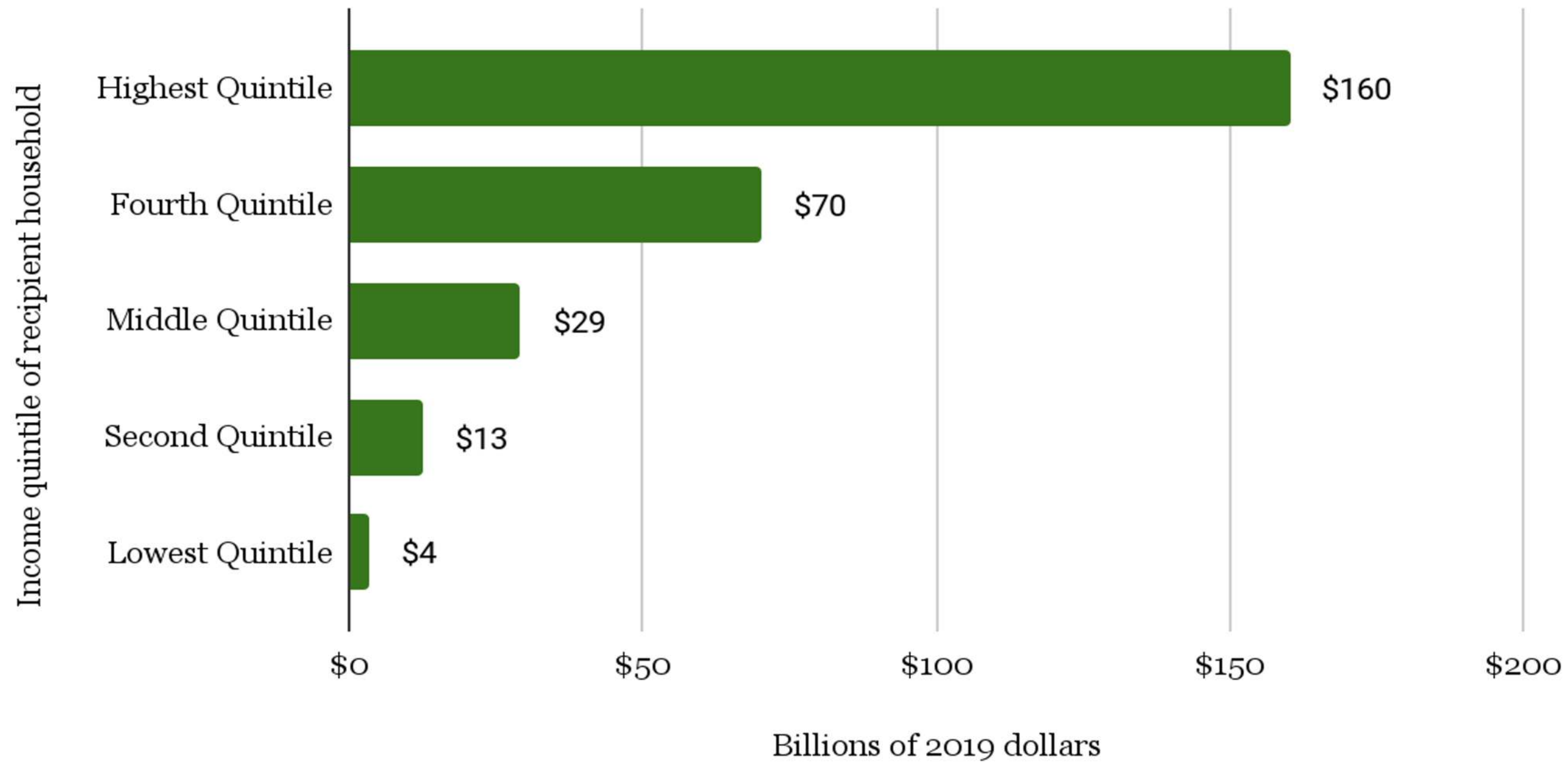
- **Women**

- Hold 70% of average man's retirement savings.
- Higher life expectancy and unpaid care burden.



Federal Retirement Tax Benefits Disproportionately Accessed by Wealthy Households

Total Federal Retirement Tax Benefit, By Income Quintile



Source: Congressional Budget Office. 2021. "The Distribution of Major Tax Expenditures in 2019." Publication 57413, Congressional Budget Office, Washington, D.C.



Congressional Working Group on Retirement Security

- **Membership**

- Sen. John Hickenlooper (D-CO)
- Sen. Thom Tillis (R-NC)
- Rep. Terri Sewell (D-AL)
- Rep. Lloyd Smucker (R-PA)

- **Goals**

- Empower low- and middle-income workers to save for retirement.
- Introducing legislation in the coming months.
- Looking at the Thrift Savings Plan as inspiration and guidance.



TSP a Proven Model for Retirement Security

- **Key Design Features**

- Matching contributions
- Automatic enrollment
- Low fees
- Simple investment options

- **Successfully Reaches Underserved Populations**

- 90%+ participation among Black and low-income federal employees.
- Increasing from 77% and 74% before adopting auto-enrollment.



USCM Resolution on Retirement Security

- **Sponsors:**

- Mayor Michael B. Hancock, Denver.
- Mayor Randall Woodfin, Birmingham.



- **The resolution Calls on Congress to...**

- develop bipartisan solutions to strengthen retirement security for low- and middle-income workers.
- look towards the TSP as a model for improving access to well-designed savings plans.



Thank You

Questions?

For More Information Visit the Inclusive Wealth Building Initiative Website at <https://inclusivewealth.eig.org/>

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