Expanding Retirement Security in Illinois

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ILLINOIS FAMILIES

16.3% LIVE IN EXTREME ASSET POVERTY

Extreme asset poverty is a measure of households with no wealth or negative net worth,

Source: CFED Assets & Opportunity Scorecard
ILLINOIS FAMILIES

1 IN 4
Illinois Households that are unbanked or underbanked

Source: CFED Assets & Opportunity Scorecard
1.2 MILLION WORKERS

An estimated 1.2 million workers employed in Illinois-based businesses with 25 or more employees don’t have an employer provided retirement plan.

Source: Woodstock Institute
ILLINOIS WORKERS

6 OUT OF 10
Illinois workers without a employer-based retirement account are low-income.

Source: Woodstock Institute & the Illinois Asset Building Group
ILLINOIS WORKERS

SECTORS WITH THE LARGEST NUMBER OF IMPACTED WORKERS

Accommodation & Food Service
Health Care & Social Assistance
Administration & Support
Retail
Manufacturing
HOW CAN WE SUPPORT HIGH PARTICIPATION RATES?
KEY FEATURE: AUTOMATIC
AUTOENROLLMENT

One study found that autoenrollment increased plan participation among new employees from 37% to 86%.

Low-income employees are even less likely to opt out of retirement plans when they are automatically enrolled.

Sources:

The Power of Suggestion: Inertia in 401(k) Participation and Savings Behavior.

Financial Inertia Among Low-Income Individuals—Plan Carefully When Setting 401(k) Defaults.
KEY FEATURE: SIMPLE
SIMPLE

Avoid "Form Fright"

Good Customer Service
KEY FEATURE: ACCESSIBLE LANGUAGE
KEY FEATURE: INVESTMENT FLEXIBILITY
INVESTMENT FLEXIBILITY

Flexibility to pause and change investment sizes
KEY FEATURE: PORTABLE
PORTABLE

4.4 YEARS

On average workers change jobs every 4.4 years. For low-income workers in the service & retail industry, it's more frequent.

Source: US Department of Labor
KEY FEATURE: ENGAGEMENT WITH ACCOUNT
ENGAGEMENT WITH ACCOUNT

Easy online & mobile access

Statements that promote ownership & help set goals

Financial Education
KEY FEATURE: USE OF FUNDS
Promote retirement but understand that workers may have other savings goals or unexpected life circumstances.
KEY FEATURE: MEASURING IMPACT
MEASURING IMPACT

Analysis of the program is crucial if we want to expand this retirement savings option to more workers.
Contact

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