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FOR IMMEDIATE RELEASE

NEW REPORT HIGHLIGHTS BARRIERS TO RETIREMENT SAVINGS & A NEW STATE PROGRAM THAT COULD BRING RELIEF

Chicago, November 28, 2017 – Heartland Alliance’s Social IMPACT Research Center’s newest report, [*Equitable Access to Secure Choice: Addressing the Barriers to Retirement Savings for Illinois Workers*](#), shares the barriers many Illinoisans (especially low-income workers, women, immigrants and workers of color) face when it comes to saving for retirement. This report also examines what must be addressed in order for Illinois’ new retirement savings program, Secure Choice, to be accessible to all eligible workers.

“Many Illinoisans either do not have access to an employer-sponsored retirement account or do not have enough financial security to save for retirement. Even workers with access to plans who potentially make enough to contribute to retirement, however, are facing extreme barriers to saving. These barriers are disproportionately impacting low-income workers, women, immigrants and workers of color.” Says Alexis Carella, Ph.D., Senior Research Associate of the Social IMPACT Research Center and Report Author. “Secure Choice is a monumental effort to make access to saving more equitable in Illinois that could potentially impact 1.2 million Illinoisans who currently do not have access to plans and it’s vital that these barriers are addressed.”

Despite the foundation laid by Social Security, additional retirement income is needed for families to make ends meet in retirement. Currently, **ninety-two percent** of US working households do not meet a conservative retirement savings target to maintain a standard of living. And with many households living paycheck to paycheck, the struggle to save towards retirement is in constant competition with an ever growing list of expenses.

“Due to the lack of retirement options and opportunities, millions of financially vulnerable Illinoisans are not even able to save for their future.” Says Lindy Carrow, Associate Director of the Social IMPACT Research Center, “These individuals are facing increasing rents, financial emergencies, low-wages, and much more, which keeps them trapped in having to worry about how they are going to fund the expenses of today and meaning that they aren’t able to save for the expenses of tomorrow.”

Some of the key findings in the report include:

- Many low-income workers in Illinois are not able to save for retirement **due to lack of employer-sponsored retirement options.**
- Many low-income workers in Illinois struggle to save for retirement **due to a lack of funds or appropriate financial planning support.**
- Low-income workers in Illinois have **just as high of a need for emergency savings accounts as they do for retirement savings accounts.**
- Many low-income workers in Illinois **experience distrust of financial institutions, employers and the government.**

- There are promising features of Secure Choice that speak directly to the needs of low-income workers in Illinois.

In addition to reporting on the barriers to saving for retirement, *Equitable Access to Secure Choice* also provides financial, messaging, and implementation considerations that would help make the Secure Choice program accessible for Illinois families. These include, but are not limited to:

- Creating culturally-relevant messaging **written at an accessible reading level and in multiple languages.**
- Addressing the **lack of financial planning supports.**
- Rethinking monthly statement content.
- Clarifying stakeholder roles.
- Referring workers to **vett ed institutions that can assist with emergency savings accounts.**
- Including **diverse outreach tactics** for messaging.
- Building **portability discussions** into exit interviews.

Secure Choice looks to create an additional option for Illinois workers to save and gain more financial opportunity. If the program is successfully implemented, millions of Illinoisans who currently do not have access to workplace retirement plans will be impacted. The research in this report takes on key questions about the implementation of the Secure Choice Plan to help ensure that the program is addressing barriers to participation, especially among low-income workers, women, immigrants and workers of color.

“Low-income workers in Illinois need to be taken into consideration during the implementation of Secure Choice in order for retirement savings to be accessible for all eligible participants,” says Carella. “Illinois is among the first states to pass retirement savings legislation in the form of Secure Choice and while it’s a vital first step towards helping families in Illinois begin to build financial security, these considerations need to be made so that this program is successful for all workers.”

With an **estimated 1.2 million (32.5%) Illinoisans, at soon-to-be qualifying employers, currently not having access to workplace retirement plans**, the potential impact of this program is significant and could play a key role in securing a financially stable future for millions in our state.

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The [Social IMPACT Research Center](#) is a program of Heartland Alliance [LINK to website], one of the world’s leading anti-poverty organizations. IMPACT does research that helps leaders create change. We collaborate with clients to measure and grow their social impact. Our user-friendly work enables nonprofits, foundations, and governments to advance real-world solutions to poverty. Follow [LINK to Twitter] IMPACT on twitter at twitter.com/impactheartland. For more info, visit socialimpactresearchcenter.org [hyperlink]