

AARP[®]



Financial Security



AARP's Financial Security Work



Why a Focus on Financial Security?

- Health and Wealth are inextricably linked
- Numerous studies have identified linkages between health outcomes and wealth
- A study by Virginia Commonwealth University and Urban Institute found:
 - The greater one's income, the lower one's likelihood of disease and premature death
 - Americans at all income levels are less healthy than those with incomes higher than their own

<https://www.urban.org/sites/default/files/publication/49116/2000178-How-are-Income-and-Wealth-Linked-to-Health-and-Longevity.pdf#page=2>

AARP's Financial Security Work



Protect and Strengthen Social Security

- 65 million Americans rely on Social Security, 2.41 million in Ohio
- The average Social Security benefit is around \$1,700 a month
- 54.1% of beneficiaries in Ohio rely on Social Security for 50% or more of their income
- 22.7% of beneficiaries in Ohio rely on Social Security for 90% or more of their income

AARP's Financial Security Work



Protect Against Fraud and Financial Exploitation

- The FTC reported \$8.8 billion in fraud losses in 2022
- Nearly 2/3 of victims report experiencing at least one serious health or emotional impact
- People of all ages experience losses to fraud, but people aged 70+ experience a much higher median loss.
 - Median Fraud Loss Ages 20-29: \$548
 - Median Fraud Loss Ages 70-79: \$1,000
 - Median Fraud Loss Ages 80+: \$1,674

AARP's Financial Security Work



Ensure Economic Opportunity

- Fighting Against Age Discrimination
 - A recent AARP report estimates that workforce age discrimination reduced economic output in the U.S. by approximately \$850 billion over the course of a single year with even higher losses projected in the future.
- Advocating for training, skills and opportunity for older workers
- Fighting to remove the EITC Age Cap for 2 million working seniors
- Advocating for Paid Caregiving Leave

**AARP's
Financial
Security
Work**

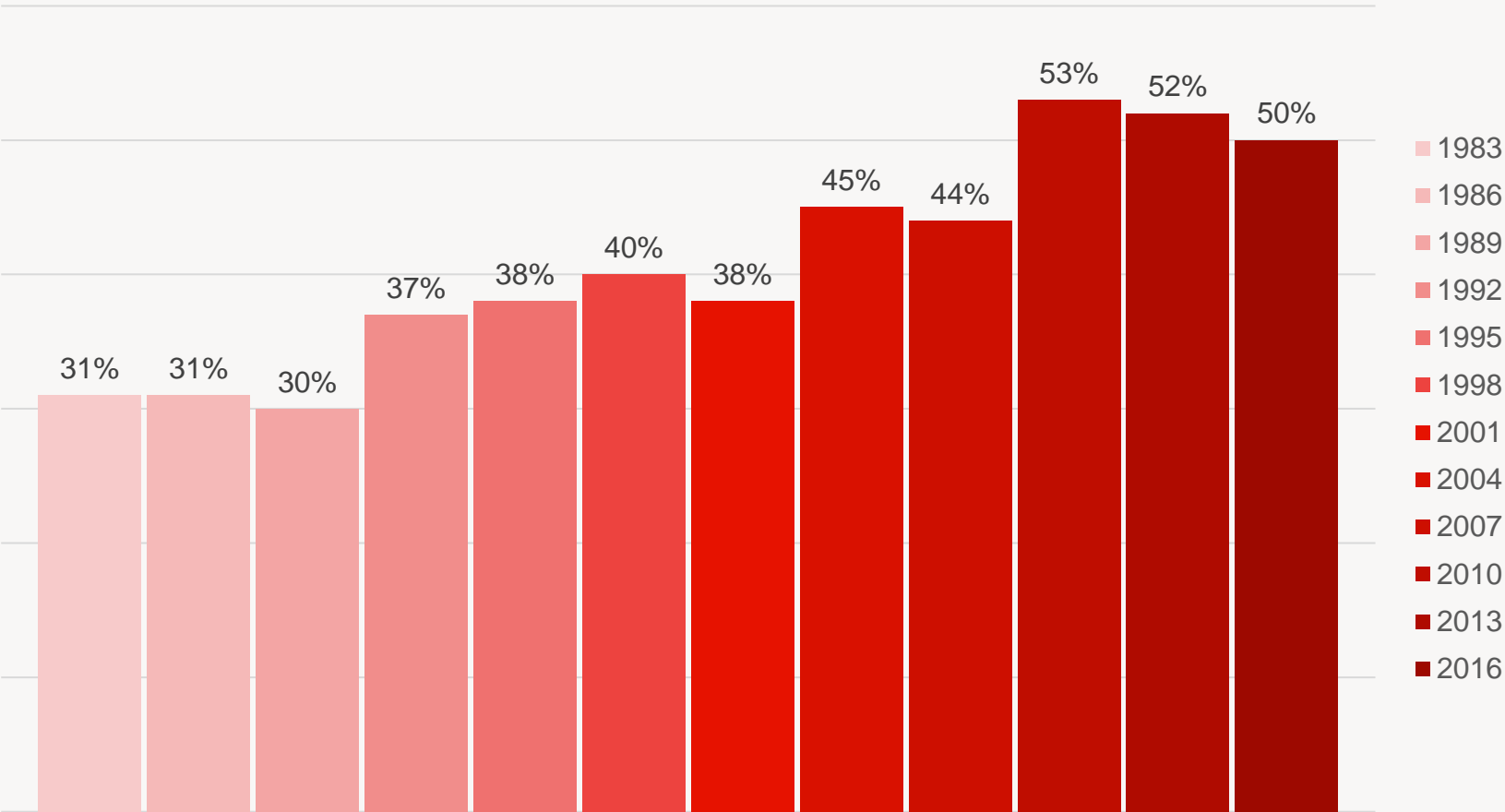


What can you do to help?

Financial Insecurity Risk on the Rise



HOUSEHOLDS AT RISK OF INSUFFICIENT RETIREMENT SAVINGS

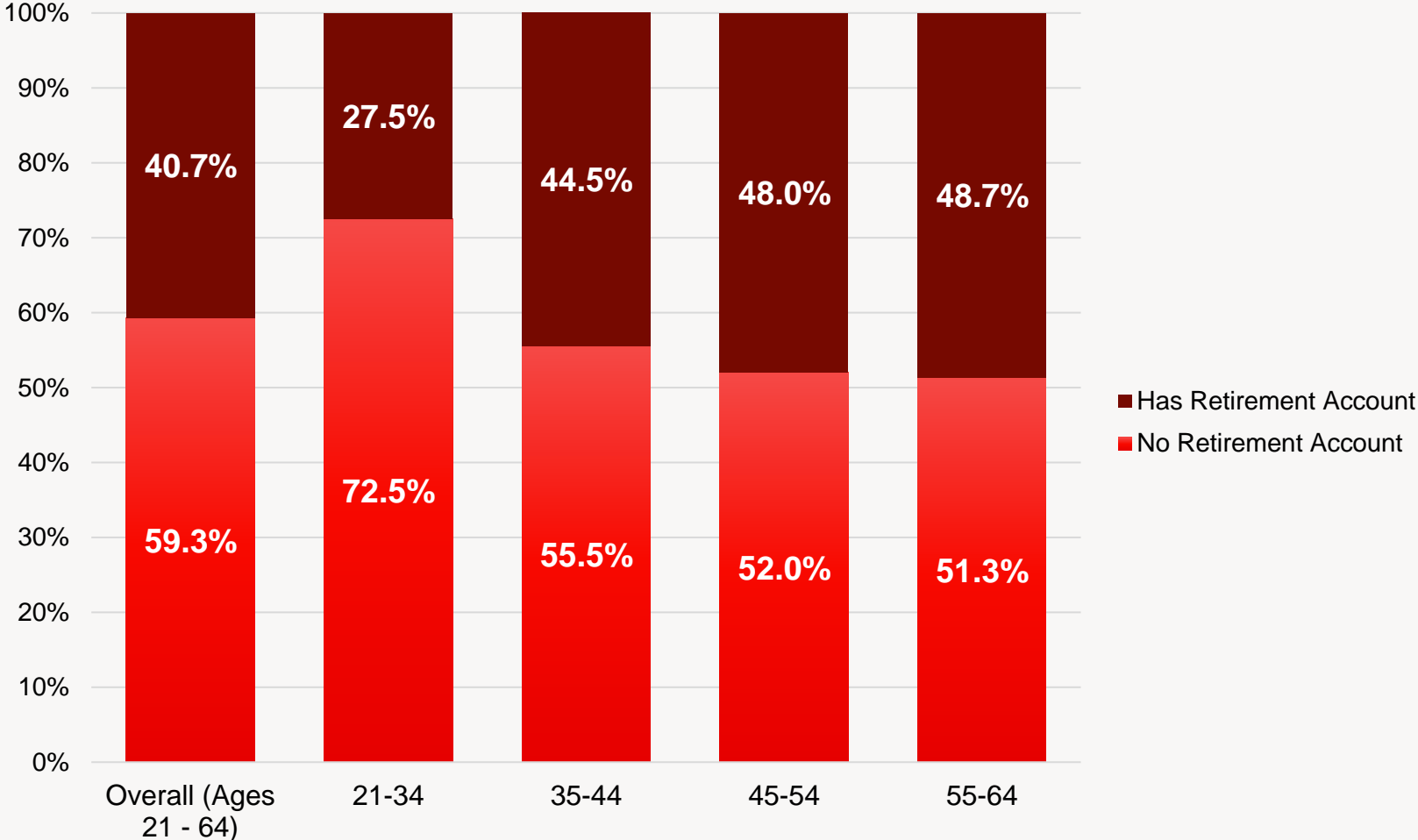


Source: Center for Retirement Research, National Retirement Risk Index 1983 - 2016

Nearly 60% Of Households Have No Retirement Assets



% OF WORKING AGE HOUSEHOLDS THAT DO NOT OWN RETIREMENT ACCOUNTS



Source: NIRS, September 2018

Lack of Access

42%



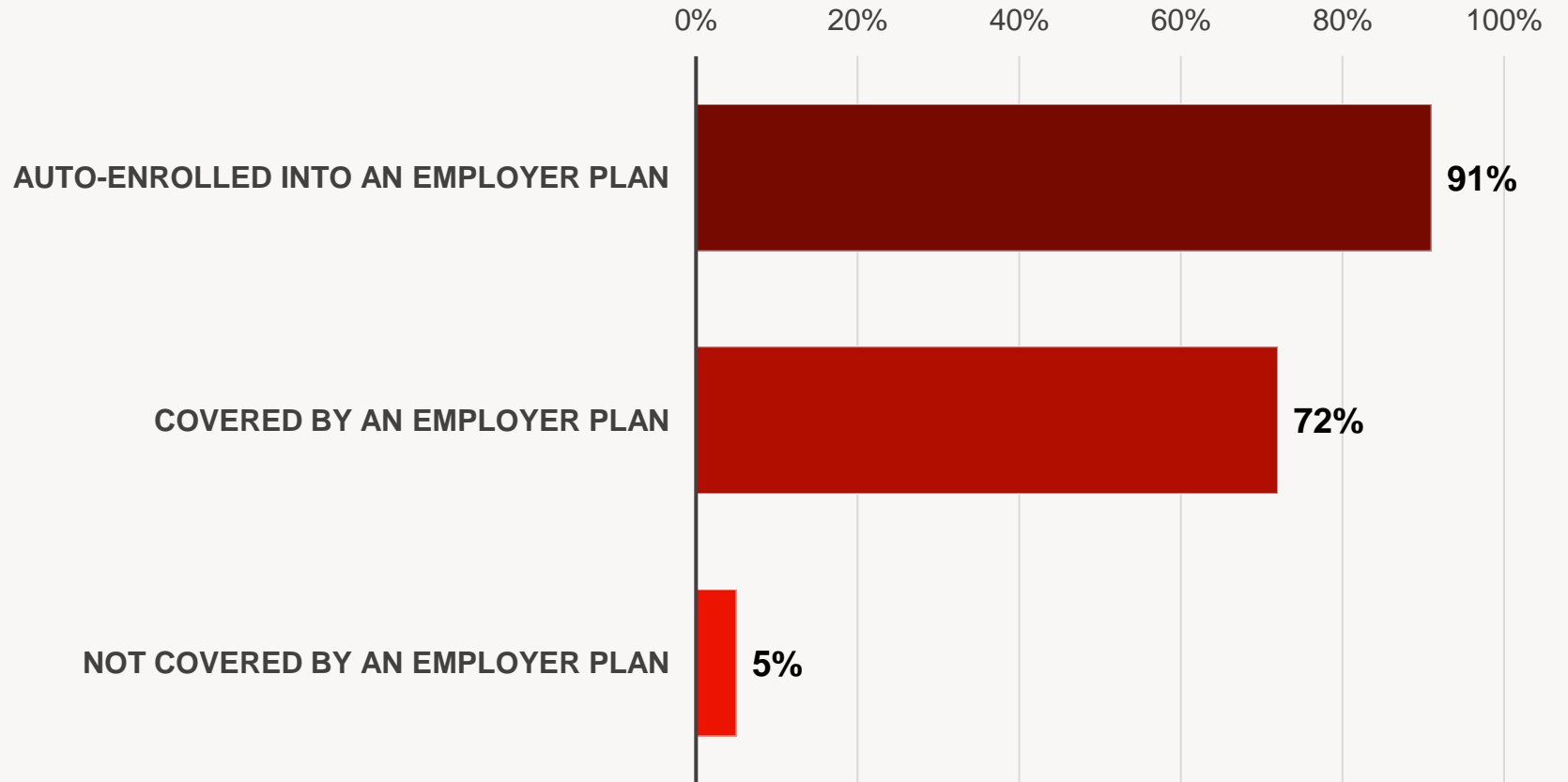
of Ohio's private-sector workers,
roughly **1.8 million people**, don't have
a way to save for retirement out of
their regular paycheck



Can't People Already Save If They Want To?



PARTICIPATION RATES



Source: Data compiled by AARP's Public Policy Institute from unpublished estimates from the Employee Benefit Research Institute of the 2004 Survey of Income and Program Participation Wave 7 Topical Module (2006 data). See also Brookings' Retirement Security Project, and WhiteHouse.gov. Automatic enrollment data estimates provided by Vanguard.

What is Work and Save?



Public-private partnership

to help workers save out of regular paycheck



Self-sustaining

no ongoing costs or risks for employers or the state



Easy for Employers

they just add a line-item payroll deduction and share information with employees

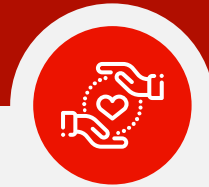


Program Design Features



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 employers to decide whether or not to participate and allowing employees the choice to opt-out at any time, the program is completely voluntary and participants have full control over their participation.

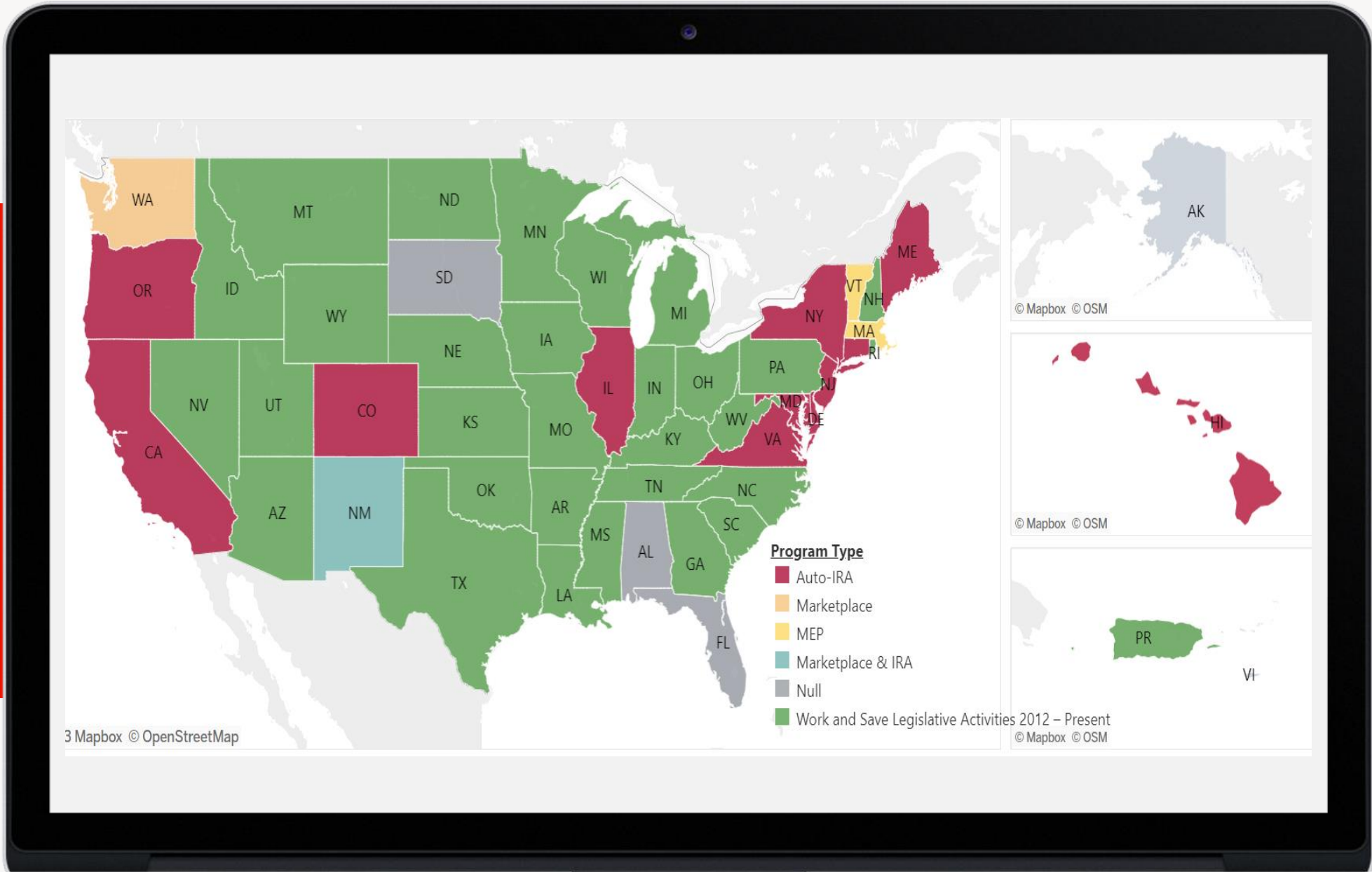


Portability

Employees take their retirement savings with them when they leave a job.



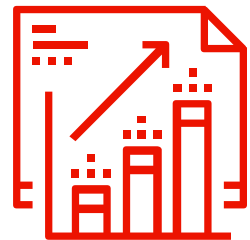
A National Movement: 2023



Work and Save Success



\$735 MILLION+
IN ASSETS



5% or more
AVERAGE CONTRIBUTION RATE

Source: Georgetown Center for Retirement Initiatives



Questions?

Amy Milam

Advocacy Director, AARP Ohio
amilam@aarp.org

Chad Mullen

Director, Financial Security, AARP
chmullen@aarp.org

Additional Resources:

AARP's Public Policy Institute State Retirement Savings Resource Center
<http://www.aarp.org/ppi/state-retirement-plans/>