# Improving American Retirement Prospects

## Policy Solutions for the Financially Fragile

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**iOme Challenge Report**

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## Executive Summary

Retirement prospects for US adults have significant room for improvement. We aim to improve retirement prospects for those most at-risk for retirement insecurity, while improving the long-term sustainability of our retirement system.

**Top Takeaways**

We address the following retirement policy issues.

1. **Employer-sponsored plans are unobtainable for many Americans.** Many employers do not offer sponsored retirement plans, disadvantaging many Americans from saving for retirement.
2. **Private savings are unevenly distributed and regressively subsidized.** Many Americans do not have subsidized retirement plans, and their tax benefits disproportionately accrue to high-earners.
3. **Social Security is currently on track for insolvency in nine years.** If policymakers fail to act, Social Security is on track to deliver a flat 21% benefit cut to retirees in 2033 and beyond.
4. **Seniors' costs of living could be lower.** Housing is the most expensive cost for seniors who are not homeowners.

To do so, we propose the following policy reforms.

1. **Overhaul the current system of private retirement plans, replacing them with a universal individual retirement account.** This would universalize access to subsidized retirement savings and distribute tax advantages more equitably.
2. **Increase working-age immigration to stabilize US population ratios.** The ratio of workers to retirees is at an all-time low, meaning Social Security has more to pay out and less to take in.
3. **Adjust Social Security's cost-of-living adjustments and tax base.** By removing the Average Wage Index (AWI) adjustment for benefits, and subjecting employer-sponsored health insurance to the FICA tax, the OASDI trust fund could be stabilized without cutting benefits directly, removing the link between work and benefits, or impairing economic efficiency.
4. **Expand subsidies for senior housing.** This would promote downsizing, lowering housing costs, without forcing seniors to leave their communities.

Lastly, we discuss implementation and evaluation of these policies, proposing methods for each.

# 1 Introduction

Many Americans today face challenges in providing for a comfortable retirement. Due to the United States' patchwork retirement system, consisting of the "three-legged stool" of Social Security, employer-sponsored retirement plans, and personal savings, the onus is primarily on individuals to fund their retirements, often a difficult prospect. The annual Mercer Global Pension Index ranked the US's retirement system at a 63 out of 100, on par with Colombia and Croatia, largely because of issues with access to private retirement plans (AARP 2023). While a majority of current retirees rely on Social Security and employer pensions, fewer than half of Americans aged 22-34 expect to access Social Security themselves, and only 15% expect to have a pension (Kolluri et al. 2024). Additionally, over a fifth of young adults expect to never fully retire (Cervens et al. 2024). This report focuses on the American retirement system and related policy proposals. We recognize that the retirement system has important macroeconomic implications (Baily and Harris 2023), but these broader issues are beyond our scope of analysis.

# 2 Retirement Policy Pillars

## 2.1 Pillar One: Social Security

The first of the three retirement pillars is the Social Security system. Established during the Great Depression to address elder poverty, Social Security has historically been a robust and self-replenishing system. The program is funded through a payroll tax. Currently, all wage income below $168,600 is taxed at a rate of 6.2% — paid both by employers and employees — and invested into the Old Age, Survivor's Insurance, and Disability Insurance (OASDI) trust funds, which pay out Social Security benefits (OASDI Trustees 2024). Those at or over the age of 62 are eligible to claim Social Security, with the value of payouts scaling upward with beneficiaries' lifetime earnings and retirement age, up to a maximum age of 70.

Social Security bears the heaviest overall burden of the three pillars. In 2020, 40% of retired Americans relied solely on income from Social Security (Porell and Bond 2020). This is especially true of retirees in the bottom two quintiles of income, with funds from Social Security providing a far greater portion of their post-retirement income than that of the top three quintiles. In 2023, Social Security benefits were responsible for lifting over 16 million elderly Americans out of poverty, and were particularly important for elderly people of color (Romig 2024).

### 2.2 Pillar Two: Employer-Sponsored Plans

Employer sponsored retirement plans come in two types: defined-benefit and defined-contribution plans. Defined benefit (DB) plans, often known as pensions, involve predetermined payments made by employers to retired employees. DB plans have been largely overtaken by defined contribution (DC) plans in recent years. Figure 1 displays the shift from DB to DC plans in the United States, using data from the Investment Company Institute (ICI) (ICI 2024).

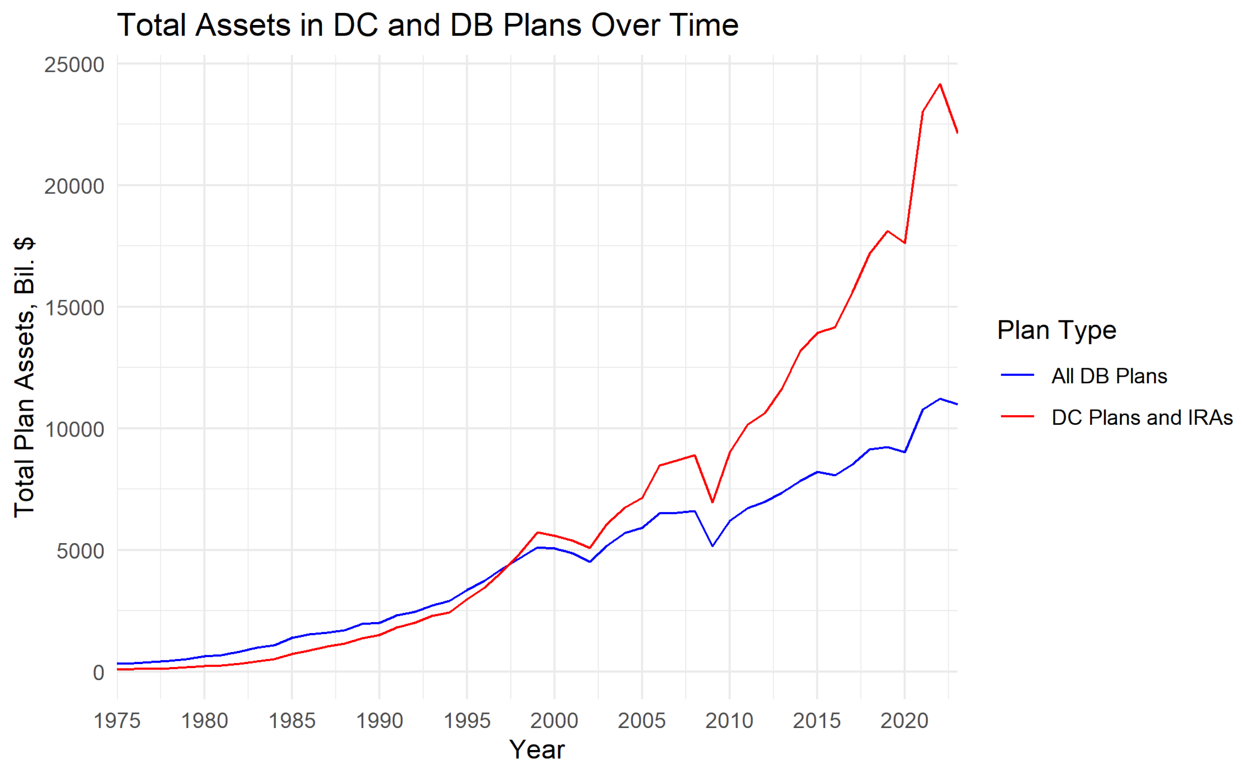


Figure 1: Authors' Calculations, from ICI Quarterly Retirement Market Data

401(k)s, for private employees, are the most common form of employer-sponsored retirement account, and 403(b)s are their public sector analog. For most 401(k) plans, employees voluntarily contribute a portion of their income to a 401(k) account, which is matched by the employer up to a certain rate. 401(k) plans are tax advantaged — for traditional plans, contributions are initially tax-deductible, and for Roth 401(k)s, initial contributions are taxed but withdrawals are tax-free.

The shift from DB to DC plans has been a mixed bag for workers. DC plans offer more flexibility overall – workers can choose contribution levels and investments – and they are more portable, as workers can transition 401(k)s between jobs without worries about losing a not-yet-vested pension

(Watson 2008). They have also led to an increase in longevity risk, wherein workers outlive their DC savings (Agarwal et al. 2023). Additionally, DC plans are more complex for workers than DB plans, since the entire burden of making saving decisions (and also of withdrawing savings) has been transferred to employees (Merton 2014; Estreicher and Gold 2007).

### 2.3 Pillar Three: Personal Savings

The third pillar of retirement is personal savings, whether designated individual retirement accounts (IRAs) or other private savings. Private retirement savings accounts offer the greatest individual freedom of the three pillars, but individuals also bear all the risks and burdens associated with financing them. An IRA is a savings account set aside for retirement where a beneficiary may make deposits of values of their own choosing. There are two types of IRAs — traditional and Roth — and both receive preferential tax treatment, in the same way that traditional and Roth 401(k)s operate.

## 3 Issues with Retirement Policy

The current paradigm of relying on private and employer-sponsored retirement savings for retirement income beyond the baseline level offered by Social Security leaves an important subset of Americans mostly unprepared for retirement, particularly as Social Security's long-term solvency is increasingly in question. Nearly 40% of Americans overall are considered "at risk" for their retirement as of 2022, per the National Retirement Risk Index (CRR 2024). Low-income and minority communities are disproportionately at risk (Hasler et al. 2023).

Issues are prevalent in each of the three pillars. Employer-sponsored plans may well incentivize Americans who are eligible for them to save for retirement. But they are hugely expensive, costing an estimated $120 billion in tax expenditures as of 2021 (Biggs and Munnell 2024). Additionally, the plans are not universally accessible, particularly for low-income individuals and gig workers (OMB 2022). As of 2021, only 44% of private-sector employees earning in the lowest 25% of average wages had access to an employer-sponsored retirement plan, while 90% of those earning in the highest 25% of average wages did (CRS 2021). Plan access is also particularly low for employees of small businesses (at 52%) and lower still (at 41%) for part-time workers.

There are also racial disparities in employer plan availability, with 64% of Hispanic and 53% of

Black workers lacking the option of an employer-sponsored savings plan (Haltzel 2023). Furthermore, the average contribution rate of Black and Hispanic workers to employer-sponsored plans is 40% lower than that of White workers (Choukhmane et al. 2023). As a result, racial gaps in benefits from employer-sponsored plans exceed racial gaps in income, even among only workers who are eligible for such plans, as displayed in Figure 2. Lower financial knowledge among minority groups accounts for some of this disparity (Kim et al. 2021).

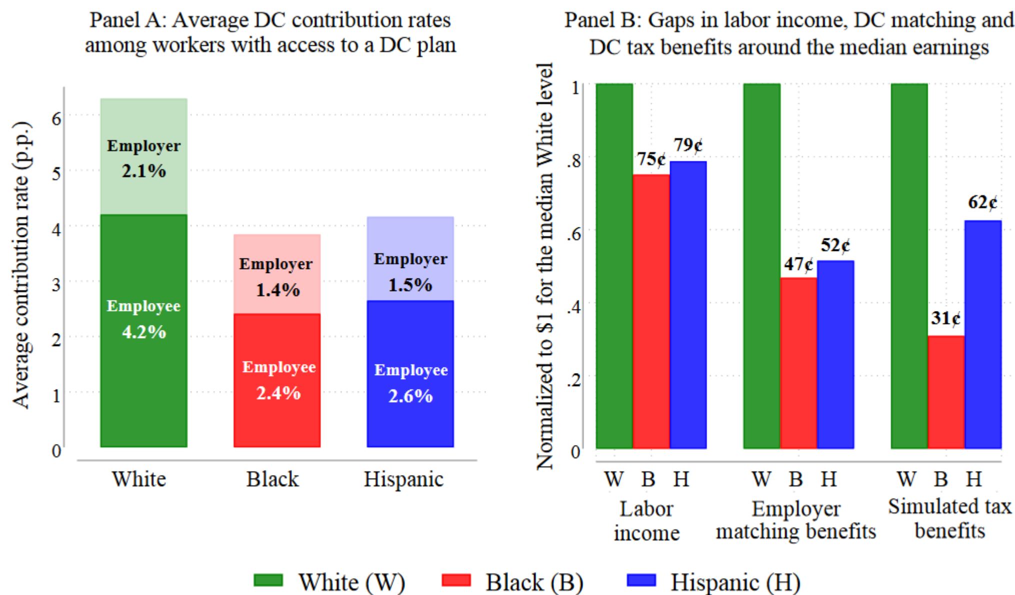


Figure 2: From Choukhmane et al., 2023

Since employer-sponsored plans are subsidized both through employer matching, based on a percentage of salary, and also through favorable tax treatment, employer-sponsored retirement savings are distributed inequitably even among those with plan access. Those with higher incomes benefit more from tax deductions, and they also receive a larger match value. Furthermore, employer-sponsored plans increase labor market friction. Transferring plans between employers is not always easy, and small retirement plans are more likely to be lost in job transfers, particularly affecting Black and Hispanic savers (John et al. 2021).

Income-related disparities for private savings plans are also large. Data from the National Financial Capability Study (NFCS) show that higher-income individuals are far more likely to have private retirement accounts, employer-sponsored plans, or both, as shown below in Figure 3.

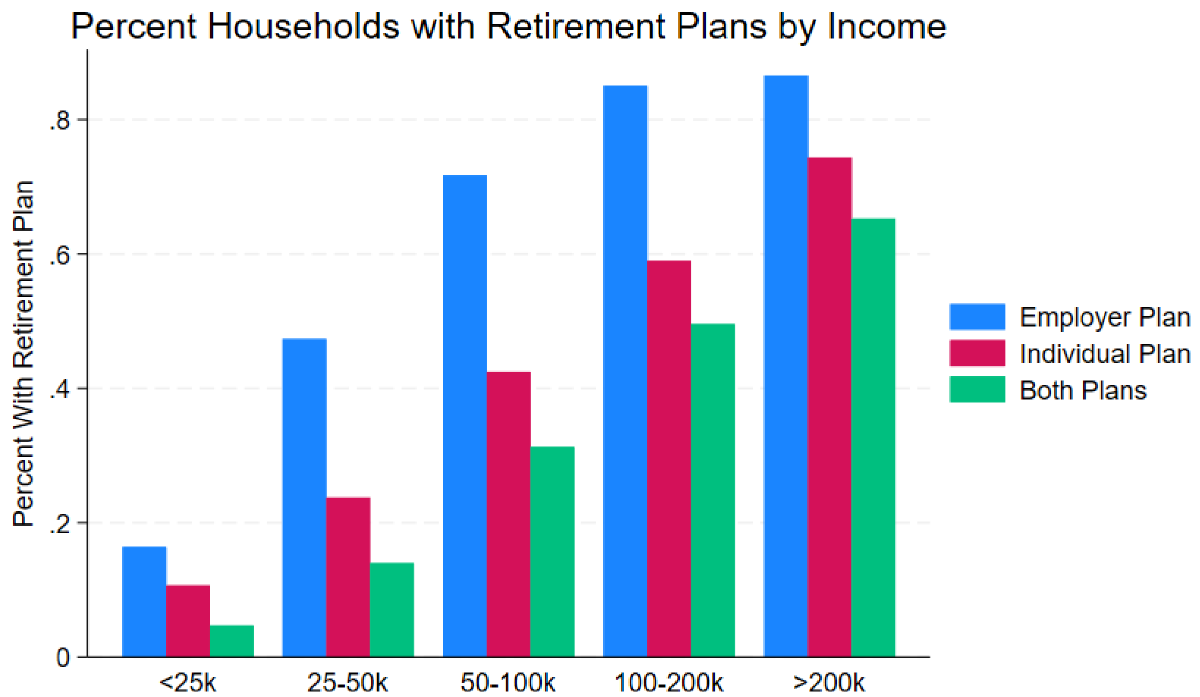


Figure 3: Authors' Calculations, from the 2021 NFCS State-by-State Survey

Among those with private retirement accounts, higher earners have far more money in their IRAs, displayed in Figure 4. While it is to be expected that those with higher incomes have larger retirement savings, savings rise far more than proportionate to income, which reflects not only saving decisions but also the fact that preferential tax treatment for private plans (such as deducting IRA contributions) is relatively more useful for higher earners.

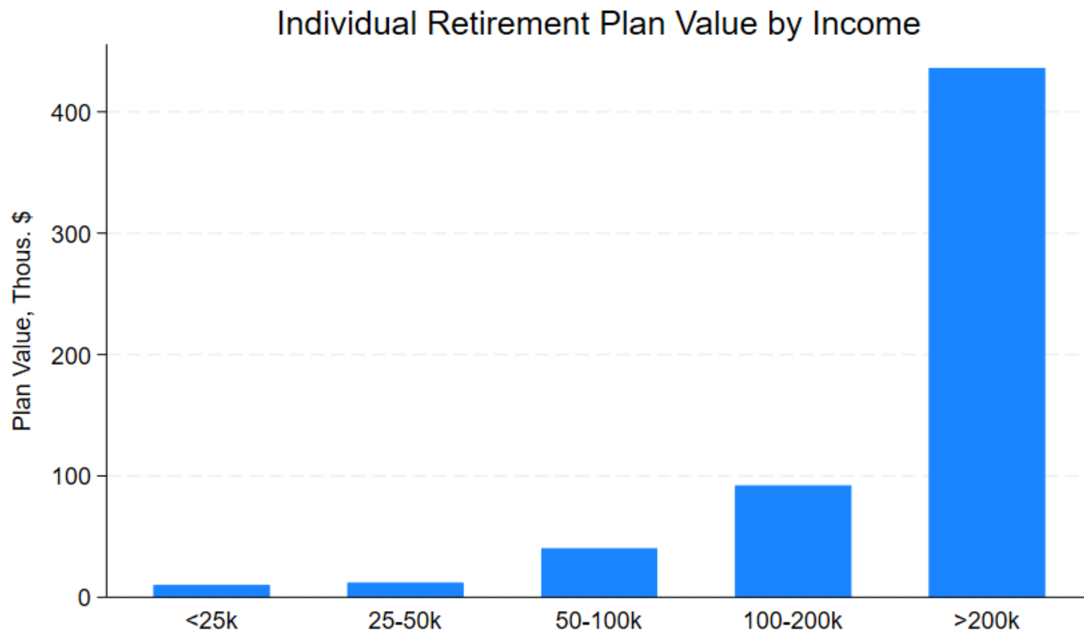


Figure 4: Authors' Calculations, from the 2022 Survey of Consumer Finances

The fact that low-income Americans generally do not have individual retirement accounts should not surprise policymakers. Individuals who earn less typically have less leeway to set aside money for long-term investment. They are also relatively likely to lack financial education, further reducing their chances of creating an IRA (Lusardi and Mitchell 2014).

Beyond disparities in retirement account uptake and size, government subsidies for private plans are inefficient. Largely because subsidy benefits accrue primarily to higher earners, who respond to tax incentives by shifting their savings to tax-free retirement accounts (rather than increasing net savings), research suggests that $100 spent on tax incentives increases total savings by only $1 (Chetty et al. 2014). There is thus ample room to improve on the status quo from a purely economic perspective.

Lastly, Social Security has much responsibility on its shoulders as the most progressive component of the US retirement system. As of 2014, without Social Security benefits, the number of elderly households living in poverty would more than triple (Porell and Bond 2020). Given its vital role in funding retirement and alleviating poverty among the nation's elderly, it is alarming that Social Security is currently estimated to deplete its reserves in 2033, at which time, absent policy changes, only 79% of planned benefits will be payable (OASDI Trustees 2024).

Since Social Security's benefits are structured progressively, a flat benefit cut will hit lower-income

retirees hardest, even beyond the fact that Social Security is more likely to be their only income source. Distributional analysis of insolvency projects that very low earners will face a point decline in their benefit-to-tax ratio over twice the size of very high earners (Huston et al. 2024). Depletion of the trust fund is not an inevitability, though it will require policy reform, and soon. The longer we wait, the more difficult any solution will be.

Due to Social Security's pay-as-you-go funding structure, one reason that its obligations are projected to continue to exceed its revenues is that the ratio of workers to beneficiaries is at an all-time low, and it is projected to decline further. With a declining worker-to-retiree ratio, shown below in Figure 5, workers today will have to contribute more than previous generations did in order to provide benefits for current retirees.

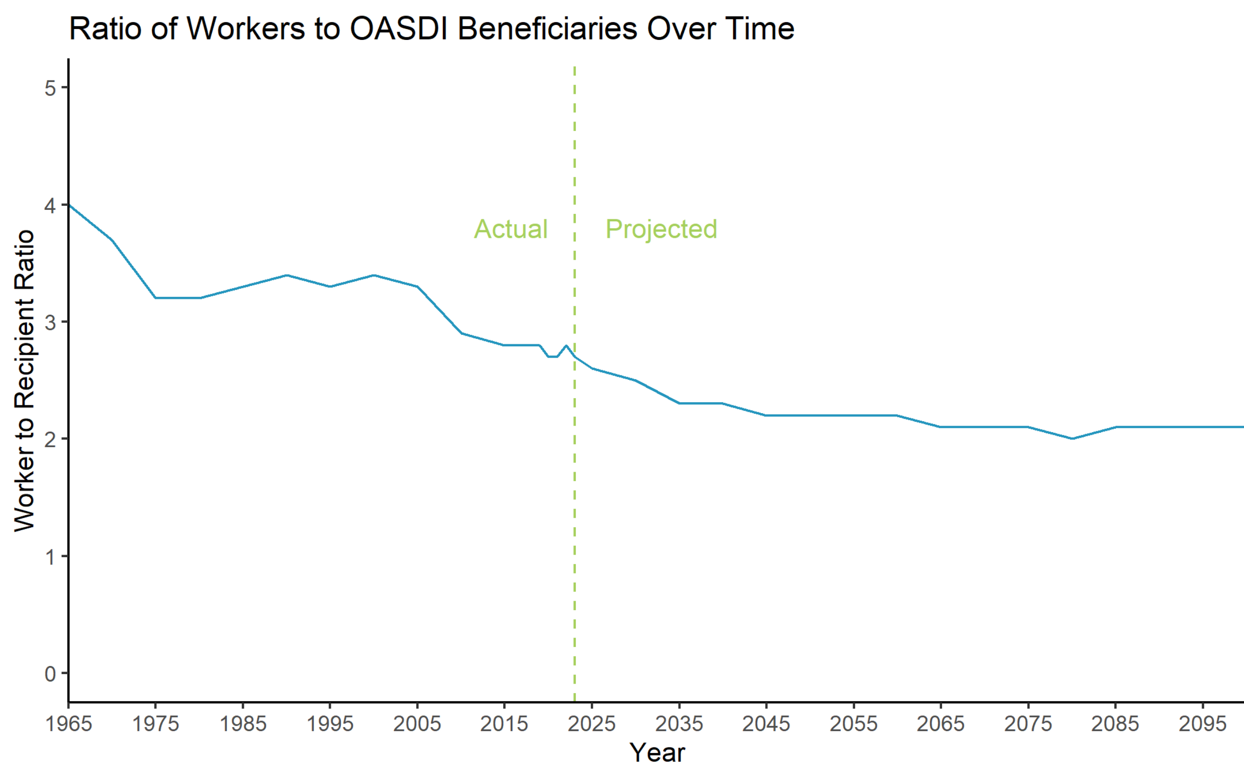


Figure 5: Authors' Calculations, from the 2023 OASDI Trustees Report

## 4 Policy Proposals

In order to address these issues, we propose a suite of policy changes that affect each of the three legs, with the goal of making retirement a possibility for all Americans while keeping each

component sustainable.

### 4.1 Policy One: Universal Retirement Savings Accounts

We propose consolidating the current system of individual retirement accounts via a single-account program, in which all Americans are by default enrolled in one retirement account which will remain with them for their career. We suggest naming it the Universal Retirement Savings Account (URSA), following a similar 2015 proposal (Friedman 2015). Our proposal would connect retirement savings to people, rather than jobs, by assigning every individual a personal retirement account connected to their Social Security number. This allows for universal enrollment — starting at birth once the policy is enacted — with minimal overhead and no individual action necessary. By default, accounts would be managed by an office created in the Treasury Department that is purely responsible for plan operation and investment. Specific investment guidelines would be liable to be modified by Congress, and plan holders would have the opportunity to select any qualified financial institution to manage their accounts if desired, following the existing regulatory structure for private retirement account providers established in the Employee Retirement Income Security Act (ERISA) (*ERISA* 1974).

With the advent of URSAs, upon taking a new job, workers would simply provide their retirement account number along with their primary wage-receiving account, and any retirement contributions would flow in with minimal effort necessary. We propose setting a default three-percent contribution rate with a yearly one-percent increase up to a maximum of eight percent (so that without any elective action, every worker will contribute 3% of their paychecks to their URSAs initially, rising to 8% in five years). Introducing a default contribution rate has been found to increase long-term plan participation, and automatic increases of that rate have been found to substantially increase savings rates (Choi et al. 2004; Thaler and Benartzi 2004).

While this proposal reflects a substantial change to US retirement policy, aspects of it exist already both internationally and here in the US. In three countries – Denmark, New Zealand, and Singapore – workers possess singular, individually attached retirement accounts that are transferrable between employers, as we propose (Friedman 2015). Singapore's Central Provident Fund (CPF) goes further and requires both employers and employees to make monthly contributions to the fund, part of which is saved for retirement, providing an international comparison for URSA implementation (CPFB 2024). Additionally, in the US, fifteen states currently have adopted Auto-IRA

legislation, setting an automatic baseline IRA contribution level (Gale et al. 2020). These existing laws provide a proof-of-concept pilot program for national implementation.

These reforms simplify the process of creating and using retirement accounts. With one account per person, and an automatic baseline contribution, even workers who never think about their retirement would accumulate a baseline level of savings during their career, and switching jobs would cause few problems in terms of transitioning plans. Younger Americans have lower financial literacy, while also being the age where it is expected that they start these plans (Lusardi and Mitchell 2023). Currently, lower financial literacy, and lower literacy on retirement-related issues specifically, is associated with feeling less confident that one will be able to retire comfortably (Yakoboski et al. 2024). While financial literacy is undoubtedly important, an important goal for retirement policy should be to not require a high level of financial literacy in order to retire comfortably – a bar which our current system can hardly be argued to meet. Businesses would benefit as well under URSA's. Small businesses could operate without having to spend resources on management and oversight of their employees' retirement accounts. Lastly, universalizing plan access would benefit part-time and gig economy workers who are currently the least likely to have retirement accounts, helping to create a more equitable retirement system.

In introducing URSAs, we propose a set of changes to the preferential tax treatment of retirement plans. First, employers would no longer have the capability to match individual contributions to URSAs. As discussed, employer matching, while an effective method of increasing retirement savings, is both vertically and horizontally inequitable. We propose using the foregone tax expenditures to expand the current Saver's Match, which was recently reformed in the 2022 SECURE 2.0 Act. We would follow in the footsteps of SECURE 2.0, which adjusted the Saver's Credit to be functionally refundable, acting as a matching contribution to an individual's retirement contribution (Senate Finance Committee 2022). Currently, the Saver's Match is only fully available for savers with incomes under $41,000, and matches 50% of retirement contributions up to $2,000. We propose removing the income limit entirely and raising the contribution level to $25,000, though introducing a phase-out of the contribution rate. The first $15,000 would receive a 50% match, with a complete phase-out at $25,000. We also propose increasing maximum yearly contribution levels (relative to current IRAs). As of 2023, 401(k) plans currently allow for a maximum of $23,000 in annual individual contributions (doubled to $46,000 when accounting for employer contributions), while IRAs are capped at $7,000, though with the potential for a $1,000 "catch-up" addition (IRS 2023). We would set URSA contributions to $35,000 yearly, indexed to inflation as IRA contribu-

tions are currently, and remove the “catch-up” addition.

Since we eliminate employer contributions, the Saver’s Match is no longer aimed purely at low-income individuals. Instead, it helps all individuals. Using the Saver’s Match as the primary source of government tax expenditure for promoting savings has several advantages. It is significantly less regressive — low-income individuals have equal access to the credit, so even if they do not contribute as much to their retirement savings, they are getting proportionally more of a benefit than they would under the current system. It also equalizes potential for retirement savings regardless of employer, so gig workers and small-business employees are no longer disadvantaged for retirement. Further, it simplifies the system by taking the onus off of employers to provide a retirement match. Lastly, this proposal is (or, at least, can be designed as) revenue-neutral. Rather than adding another layer of complexity to subsidization of private retirement savings, it consolidates all current tax expenditures into the Saver’s Match, and the specific Saver’s Match limit and phase-out can be adjusted as desired to hit any fiscal target.

Upon URSA implementation, individuals with existing retirement accounts will face a choice. They may either continue holding and operating their plan(s), or they can choose to roll them over into a URSA (defaulting to the former). However, they cannot hold both a private plan and a URSA. Thus, no current plan-holders will be made worse off, but neither will they benefit from additional subsidies relative to current law.

Lastly, we envision that private savings beyond URSAs will remain important. Financial institutions should continue to innovative in their delivery of products, services, and advice for households over the life-cycle, and stay active in retirement policy research. For instance, they could offer annuitizations of URSAs, providing steady income and hedging longevity and market risk (Blackrock 2023; Holzmann 2015).

### 4.2 Policy Two: Shoring Up America’s Demographics

We propose to ensure Social Security’s continued financial stability through, in part, expanding our visa system to increase the proportion of workers in the workforce, raising the ratio of payers to recipients and leaving the program more sustainable in the long run. Specifically, we propose to expand the nonresident visa system, which allows working-age immigrants to come to the United States and work without becoming a full US citizen. Working-age immigrants get to come to the US and earn income to provide both for themselves and families back home, and the US gets tax

revenue that will help to shore up Social Security and reduce the deficit.

In general, allowing additional immigrants — legal and/or illegal — would help to bolster Social Security's finances. The 2024 Social Security Trustees' report, for instance, estimates that higher annual net immigration will result in lower actuarial deficits for the trust fund in all time frames (OASDI Trustees 2024). Legal immigrants help to raise the number of current workers, allowing near-term retirees a secure retirement. Social Security benefits for a single retiree are supported through FICA taxes from three workers, which is expected to drop further to two workers per retiree benefits in 2040 (PRB 2014). Supporting immigration to attain more workers would help stabilize the foundation of Social Security. Immigrants and their US-born children already account for 28% of labor market, and 83% of labor force growth (Gelatt et al. 2020). Immigrants have already served to maintain the American labor market, and leaning into that status quo would help stabilize Social Security in the long run. Undocumented immigrants, who pay payroll taxes and contribute to the Social Security system yet are ineligible for benefits, are better purely from the perspective of keeping Social Security funded. Undocumented immigrants' contributions to Social Security were estimated at $13 billion in 2010 (Goss et al. 2013). Many of those payments are going to another citizens' credit, or are not credited, which helps fund Social Security without the expectation of paying benefits later in life. Undocumented immigrant contributions are further complicated due to an estimated 3.9 million undocumented immigrants working in the underground economy, with no contributions to Social Security, but also no benefits received (Goss et al. 2013). Immigration reforms would provide these undocumented immigrants with formal paths to citizenship, where they pay into Social Security along the way to legitimize themselves and their work. Instantaneous full amnesty would burden Social Security by $1.3 trillion, so a process to ease immigrants into legitimacy and the program is necessary (Richwine 2023).

### 4.3 Policy Three: Direct Social Security Reform

Beyond immigration reform, there are two primary policy levers through which we propose to adjust Social Security and move it towards solvency. First, we propose reforming Social Security benefit growth. Because Social Security benefits are adjusted both for wage growth via the national Average Wage Index (AWI), and for inflation via the CPI-W, Social Security benefits rise more-than-proportionally for an individual with a constant real income over time (Blahous 2020). We propose adjusting the indexing method so that benefits grow based on the CPI-W alone, removing

the AWI from the calculation. While removing the AWI reflects a net cut to future benefits, it does not actually reduce benefits for anyone in the future relative to today (instead, keeping them constant in real terms) and it goes a long way towards long-term program stabilization.

We additionally propose including employer-sponsored health insurance (ESI) in the OASDI tax base. Taxing ESI premiums as income would allow for greater revenue collection without a tax rate increase. Additionally, it makes economic sense. The fact that ESI, despite being a component of worker compensation, is not taxed, while wages are, is economically distortionary and may contribute to high US healthcare spending (Cannon 2022).

The effect of these reforms on the Social Security long-range actuarial shortfall, and on the trust fund's annual balance in 74 years, are below in Table 1. Taken together, these two reforms alone would put Social Security on track for sustainable, long-term solvency. They accomplish that goal without cutting benefits for any individuals, raising the retirement age, or removing the linkage between work and benefits.

**Proposed Social Security Reforms and Their Impacts**

| Reform | Percent of Long-Run Actuarial Shortfall Eliminated | Percent of 74th Year Shortfall Eliminated |
|---|---|---|
| Removing AWI from benefit adjustment | 81% | 173% |
| Include ESI in Payroll Tax | 31% | 18% |
| Total | 113 % | 191 % |

Table 1: From the Social Security Solvency Provisions Summary, 2024

### 4.4 Policy Four: Targeting Cost of Living for the Elderly

Finally, we want to consider methods to reduce the cost of living for seniors. As of 2014, the foremost expense for retirement-age Americans was housing, making up approximately one-third of total annual expenditures for Americans aged 65 and over (Foster 2016). Furthermore, approximately 71% of retirement-age Americans either live alone or only with their spouse, indicating a household size of 1-2 people in most senior households (JCHS 2023). While most retirement-age Americans own their homes, homeownership rates have been decreasing over time and increasing numbers of seniors rent their homes, particularly among Black and Hispanic communities (JCHS

2023). Figure 6 displays the percentage of retirees who do not own their home and/or have a mortgage as of 2021.

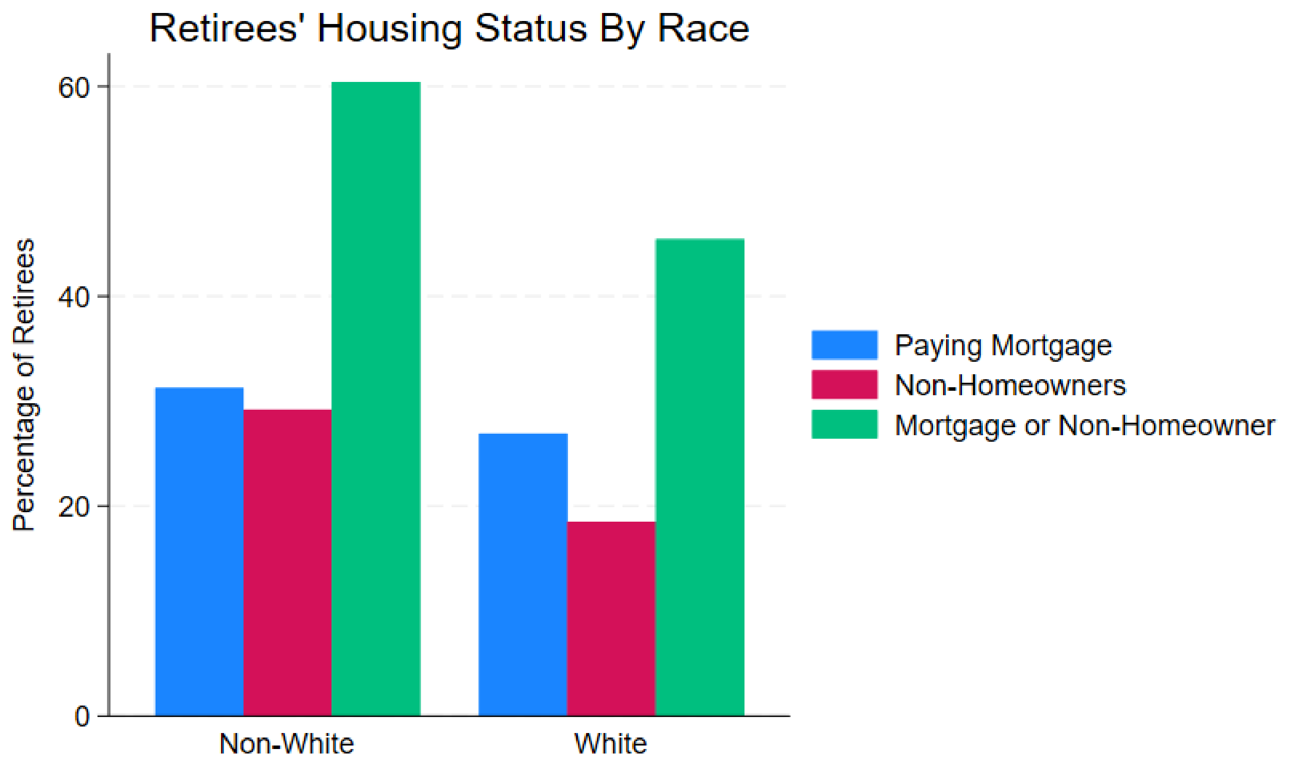


Figure 6: Authors' Calculations, from the 2021 NFCS State-by-State Survey

A sizable portion of seniors have rent or mortgage costs – particularly those in minority communities, 60% of whom pay rent or a mortgage – which may be unnecessarily expensive if they are living in family homes that are too large for a 1-2 person household. This issue is complicated to address. Seniors relocate less frequently than younger Americans, possibly due to a stronger sense of connection to their current homes and communities (JCHS 2023). As such, incentivizing seniors to relocate far from their homes may not be optimal. Seniors are a vulnerable community, and the availability of friends and family is an important source of comfort. The federal government has a subsidy program in place for the construction of senior housing, focusing on low-income retirees; an expansion of this program would lead to better retirement outcomes for many seniors.

Under the Section 202 Supportive Housing program, the Department of Housing and Urban Development (HUD) will advance capital to nonprofit developers seeking to build supportive housing

for low income seniors (U.S. Congress 1959). Expanding this program to include regional housing quotas dependent on the local senior population would reduce housing costs for the most vulnerable seniors without separating them from their communities.

Additionally, for senior homeowners, the use of reverse mortgages to tap into home equity should be improved. Homes are illiquid, so senior homeowners with little other wealth can struggle for cash in retirement. Reverse mortgages can provide necessary liquidity, yet are seldom used (Walker et al. 2021; Allen 2015). Financial service institutions can help by providing information on reverse mortgages to senior homeowners.

## 5 Political Feasibility

Our proposal for a universal IRA plan is unlikely to be received positively by all stakeholders, since it is a sizeable change to our current retirement system. Additionally, our changes increase the progressivity of government subsidization of private retirement plans – that, along with the fact that our proposal is aimed to be revenue-neutral, means that high income-earners will receive a lower subsidy than they currently do. We believe, however, that our plan has aspects that appeal to most Americans, and that it is easy to argue for. Universality brings a sense of fairness – everyone has access to a plan, everyone has the same method of contribution, and everyone receives the same method of subsidy. URSAs also simplify retirement saving, which is likely to be popular given that the average American has a 31% retirement literacy score, from the Retirement Income Literacy Study (ACFS 2023). Lastly, we avoid touching existing private plans, instead offering the choice to roll them over into URSAs. We expect this to mitigate concerns from current IRA and/or 401(k) holders, as they will not face losses relative to current law.

As for our Social Security reforms, it is true that no Social Security reform will be easy to implement. Long considered the "third rail" of politics, both major-party candidates claim generally that they will preserve the program, and any language regarding cuts is immediately attacked (Cancryn 2024). With that said, our proposals avoid common aspects of unpopular reforms. We avoid raising the retirement age, and we do not cut benefits, which are both unpopular – 62% of Americans are opposed to raising the full retirement age from 67 to 70 even if it meant that benefits would last longer, and 61% of Americans would prefer raising payroll taxes to cutting Social Security benefits (Quinnipiac 2023; Jones 2023). While the real effect of our proposals in the long run is a cut relative to current law, we do not actually lower real benefits to anyone, and maintaining the status

quo will result in a sizeable cut to all benefits in under ten years. Additionally, support among the public for policy action on Social Security is high, with 87% of Americans saying Congress should act now to shore up funding for the program, rather than waiting ten years to solve the issue (NIRS 2024).

Any immigration proposal will be difficult to pass in a political environment as polarized on immigration as today's. Our immigration proposal does, however, focus on what has previously been a bipartisan consensus – we should allow in people who will be working, on the grounds that they are providing for our society. In fact, messaging along the lines of supporting the expansion of work visas in order to help fund Social Security is likely to help the policy's popularity, due to the high popularity of Social Security among the populace.

## 6 Evaluation

In the years following our proposals' passage, we suggest evaluating them using longitudinal surveys. These offer information on workers' perceptions of multiple aspects of retirement preparedness, and can thus be used to quantify the success of our program, and also target specific improvement areas. While many survey metrics are subjective, attempts to quantify retirement readiness cannot avoid the issue of subjectivity, making assumptions on topics such as replacement rates and wealth liquidity. Additionally, survey data can capture qualitative aspects of retirement preparedness, such as overall optimism and understanding of investment options. We propose metrics from multiple surveys, including the Employee Benefit Research Institute's Retirement Confidence Survey (RCI), the University of Michigan's Health and Retirement Study (HRS), and the Federal Reserve's Survey of Household Economics and Decisionmaking (SHED), which collectively offer a detailed picture of both workers' and retirees' perceptions (EBRI 2023; HRS 2024; Federal Reserve Board of Governors 2022). Table 2 displays potential evaluation metrics, along with the survey that measures them and the trend we hope to see.

**Suggested Survey Metrics for Evaluating Retirement Policy**

| Evaluation Metric | Survey | Most Recent Value | Target |
|---|---|---|---|
| Percent of Workers Expecting IRA to Provide Retirement Income | RCI | 75% | 95% |
| Percent of Workers with Little to No Savings | RCI | 26% | 15% |
| Percent of Workers Thinking their Retirement Savings Is On Track | SHED | 33% | 55% |
| Percent of Workers Expecting to Work Full-time After Age 70 | HRS | 23% | 10% |

Table 2: Assumptions for 10 Years Post Policy Enactment

## 7 Conclusion

Our proposals are intended to reduce financial insecurity among retirees, streamline and simplify the universe of retirement programs, and keep entitlement programs on a sustainable path. Through URSAs, we aim to increase the horizontal equity of our retirement system, by making subsidized retirement savings available for all Americans – particularly low-income individuals and those working multiple part-time jobs, doing gig work, or working for small businesses, who are currently unlikely to have either an individual or an employer-sponsored account. URSAs also produce a more vertically equitable benefit distribution through reliance on tax credits rather than deductions, which can be relatively easily adjusted in the future due to their universality. Furthermore, they represent a significant simplification compared to the status quo of multiple types of private and employer-sponsored retirement plans, which can be confusing to even the financially educated. Through our Social Security reforms, we aim to put the program on track for long-term

solvency without implementing drastic benefit cuts or adjusting the program's historical funding structure. Lastly, through expanding funding for affordable senior housing, we aim to make downsizing easier for seniors without forcing them to leave the communities they are a part of, reducing their costs of living without uprooting them.

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