

REPORT KEY FINDINGS

KEY REPORT FINDINGS:

EQUITABLE ACCESS TO SECURE CHOICE: ADDRESSING THE BARRIERS TO RETIREMENT SAVINGS FOR ILLINOIS WORKERS

NOVEMBER 2017

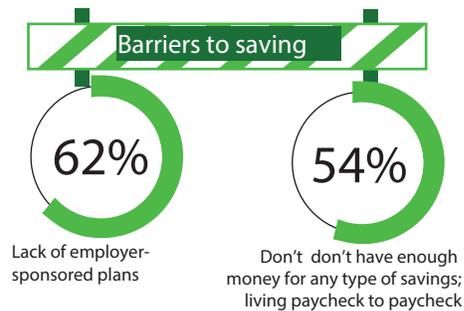
By Alexis Carella, Ph.D.
& Suniya Farooqui

For additional information, please see the full report, [Equitable Access to Secure Choice: Addressing the Barriers to Retirement Savings for Illinois Workers](http://www.heartlandalliance.org/research), available at www.heartlandalliance.org/research.



SOCIAL IMPACT
RESEARCH CENTER
A HEARTLAND ALLIANCE PROGRAM

- **Finding 1:** Many low-income workers in Illinois are not able to save for retirement due to lack of employer-sponsored retirement options. Perhaps the most significant barrier to saving for retirement is either the lack of an employer-sponsored retirement option or the lack of understanding associated with such a plan.



- **Finding 2:** Many low-income workers in Illinois struggle to save for retirement due to a lack of funds or appropriate financial planning support. Not having enough money for any type of savings due to living paycheck to paycheck was the largest barrier to saving for survey respondents. Meanwhile, the lack of financial knowledge experienced by low-income workers is a symptom of both: 1) lack of access to financial planning support and 2) the absence of messaging that appropriately targets women, people of color, immigrants, and low-income workers. Women are uniquely struggling to save for retirement.

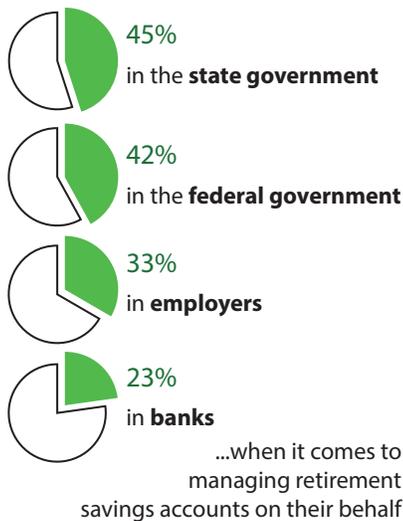
67% of all survey respondents
&
65% of respondents whose
employers did not offer a
pension or retirement plan



had never taken a financial
education class.

- **Finding 3:** Many low-income workers in Illinois have just as high of a need for emergency savings accounts as they do for retirement savings accounts. The most important saving priority for all survey respondents was to have emergency funds available in case of job loss, medical expenses, etc.

Levels of distrust...



- Finding 4:** Many low-income workers in Illinois experience distrust of financial institutions, employers, and the government when it comes to managing retirement savings on their behalf. Latinos and immigrants reported experiencing higher levels of mistrust than their white and black counterparts, due to language barriers and concerns about the current federal administration.
- Finding 5:** There are promising features of Secure Choice that speak directly to the needs of low-income workers in Illinois. Automatic enrollment, portability, and automatic contribution rates may positively impact low-income workers ability to save for retirement in Illinois.



1 in 3 survey respondents would not change their Secure Choice contribution rate if they were eligible to participate in Secure Choice.

But... **47%** of respondents would raise their contribution rate to 4-6% percent or more.

The Social IMPACT Research Center (IMPACT), a Heartland Alliance program, conducts applied research in the form of evaluations, data services, and studies for decision makers in nonprofits, advocacy groups, foundations, governments, coalitions, and the media to help them inform and improve their work. Visit www.socialimpactresearchcenter.org to learn more.

Heartland Alliance for Human Needs & Human Rights—the leading anti-poverty organization in the Midwest—believes that all of us deserve the opportunity to improve our lives. Each year, we help ensure this opportunity for nearly one million people around the world who are homeless, living in poverty, or seeking safety. Visit www.heartlandalliance.org to learn more.