



April 5, 2017

The Honorable Tom Cotton  
Chairman  
Subcommittee on Economic Policy  
Committee on Banking, Housing,  
and Urban Affairs  
United States Senate  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Heidi Heitkamp  
Ranking Member  
Subcommittee on Economic Policy  
Committee on Banking, Housing,  
and Urban Affairs  
United States Senate  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

Re: The Current State of Retirement Security in the United States

Dear Chairman Cotton and Senator Heitkamp:

The Save Our Savings Coalition, an alliance of advocates and businesses dedicated to protecting Americans' retirement savings as Congress undertakes tax reform, thanks the Committee for its attention to the issue of retirement security. Our priority is ensuring Americans will continue to have access to the private sector retirement system and to meaningful savings incentives, two items critical to retirement security in this country.

Millions of Americans are covered by the private sector retirement system, which makes it an integral building block of retirement savings. Seventy-five percent of private sector workers are offered a retirement plan at work and 82% of those workers who are offered a plan choose to participate<sup>1</sup>. And employers play a vital role in helping their workers save for retirement, with 88% of defined contribution participants belonging to plans with employer contributions<sup>2</sup>. The private sector system is working to help Americans save.

The existing private sector retirement system benefits everyone, especially middle class families. Eighty percent of participants in workplace defined contribution plans earn less than \$100,000 annually<sup>3</sup>. Access to a private sector retirement plans is a key step toward building retirement security for workers earning \$30,000 to \$50,000: when an employer-sponsored plan is offered, 70% of workers in that bracket participate, but when no workplace plan is offered, only 5% of those workers will contribute on their own to an IRA<sup>4</sup>.

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<sup>1</sup> "Retirement Plan Coverage by Firm Size: An Update," Social Security Bulletin, Vol. 75, No. 2, page 45.

<sup>2</sup> Employee Benefits Research Institute Issue Brief #426, page 14.

<sup>3</sup> Written testimony of Judy A. Miller, Executive Director of American Society of Pension Professionals & Actuaries to the Senate Finance Committee on February 26, 2014. Available at <http://www.finance.senate.gov/hearings/retirement-savings-for-low-income-workers>

<sup>4</sup> Based on unpublished estimates by the Employee Benefits Research Institute.

We hope the committee will take steps to help preserve, enhance, and expand the system that's helping millions of hardworking Americans save for retirement. Thank you again for your attention to this issue, and we look forward to a positive working relationship. If you or your staff have further questions, please contact [info@saveoursavings.org](mailto:info@saveoursavings.org).

Sincerely,

The Save Our Savings Coalition