

A black and white photograph showing a hand in a white shirt cuff dropping a coin into a bar chart. The bar chart consists of three stacks of coins of increasing height from left to right. The hand is positioned above the tallest stack, with a coin held between the thumb and index finger, ready to be dropped.

# Retirement Savings Plan Research

American Federation of Teachers

May 14, 2018



# Methodology

This research was conducted in two phases:

- 1) 2017:** Between February 7<sup>th</sup> and 13<sup>th</sup>, we conducted 3,000 online interviews with members of the general population in the United States. The margin of error overall is +/- 1.65% and is larger for subgroups.
- 2) 2018:** Between May 2<sup>nd</sup> and 9<sup>th</sup>, we conducted 1,000 online interviews with members of the general population in the United States. The margin of error overall is +/- 3.15% and is larger for subgroups.



# The Big Picture

# **A vast majority of Americans – 76% - support the idea of the Retirement Savings Plan.**

Why? Three key benefits are most appealing:

- **1.5% from each paycheck, matched by employers**
- **Follows you to every job**
- **Guaranteed monthly payments in retirement**



# Key Takeaways

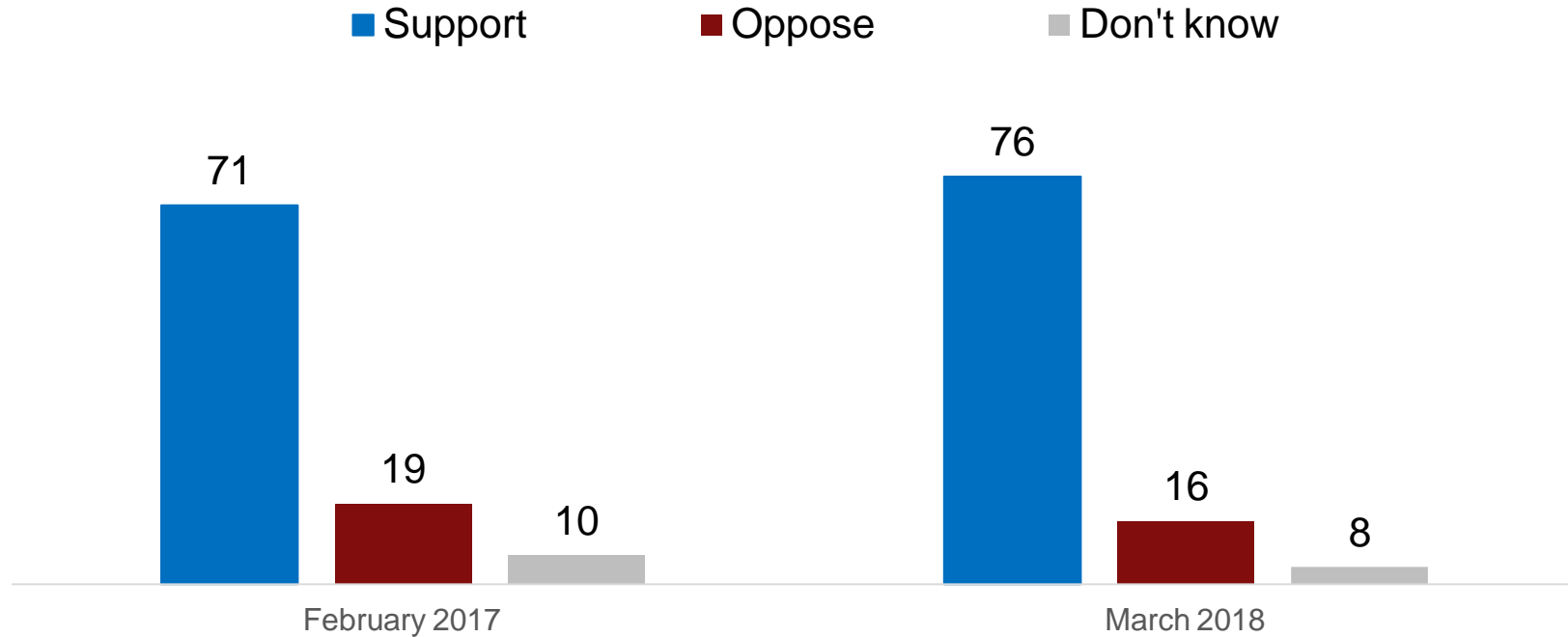
# Great news: The plan is popular and has momentum

## RETIREMENT PLAN SUPPORT

*[Respondents read plan details]*

*Based on what you have read so far, do you support or oppose the Retirement Savings Plan?*

Showing % Total



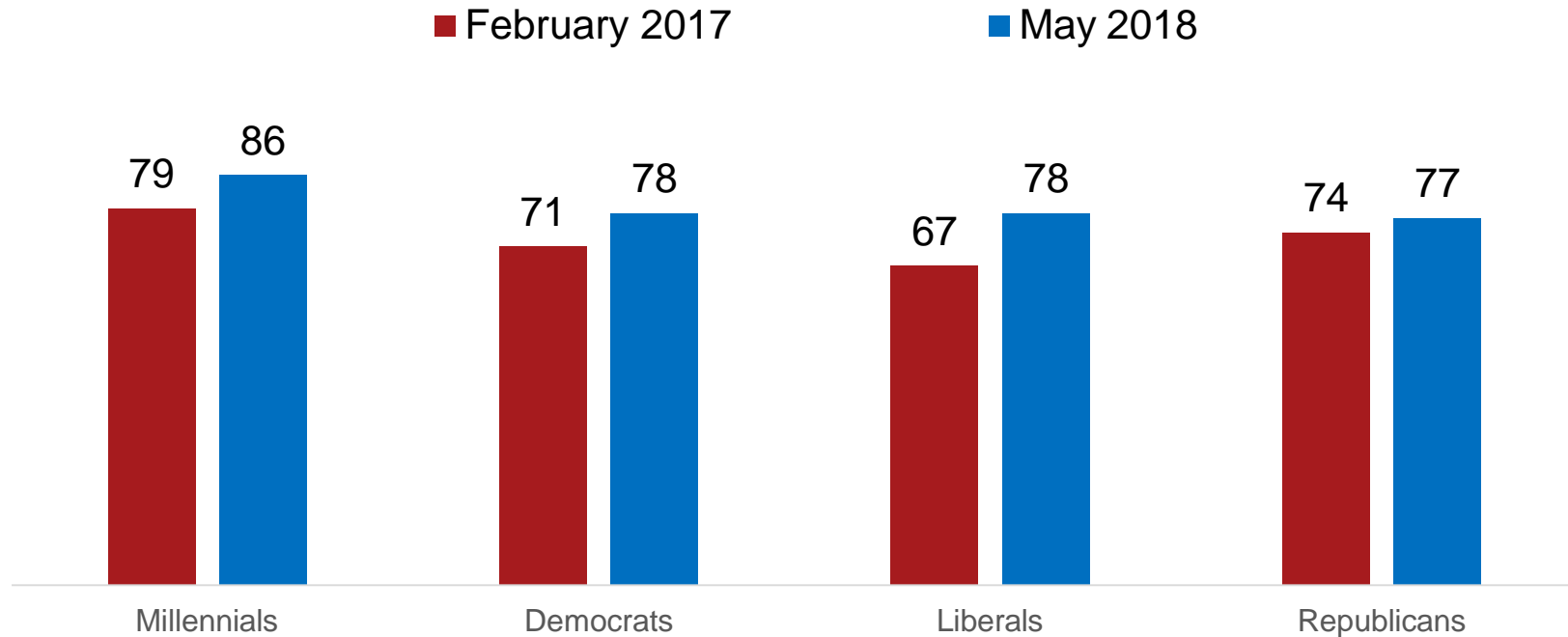
# It has become more popular among key groups

## RETIREMENT PLAN SUPPORT

*[Respondents read plan details]*

*Based on what you have read so far, do you support or oppose the Retirement Savings Plan?*

Showing % Who Support



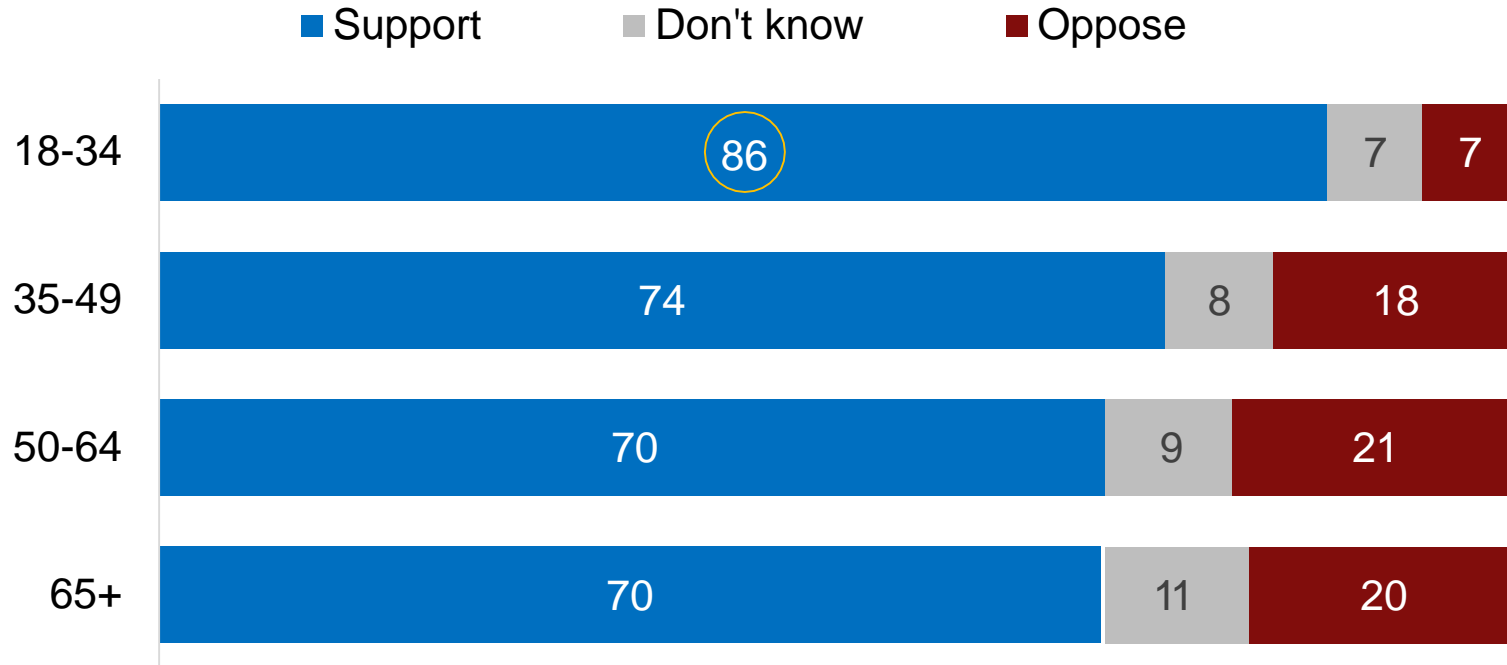
# Age is the defining characteristic of support

## RETIREMENT PLAN SUPPORT – BY AGE

*[Respondents read plan details]*

*Based on what you have read so far, do you support or oppose the Retirement Savings Plan?*

Showing % from May 2018





# Why is it popular? People like the details about how it will benefit them personally

## MOST APPEALING COMPONENTS OF PLAN

Please select the words or phrases that you found **most compelling** in this description.

*Compelling phrases highlighted in green*

- It would be **created through a new law.**
- It would give **every American their own retirement account.**
- It would require that **1.5% of every paycheck at any job** will automatically be deposited into the account.
- **Employers would automatically contribute another 1.5%.**
- The accounts would be **invested by private, professional** money managers.
- Upon retirement due to age or disability, every American would get a **guaranteed monthly annuity payment** for the rest of their life. The payment amount would be based on the size of their account at the time of retirement and, on average, would be approximately one third of an individual's Social Security check.



# Messaging Insights

# Of the 13 messages we tested – 5 rose to the top...

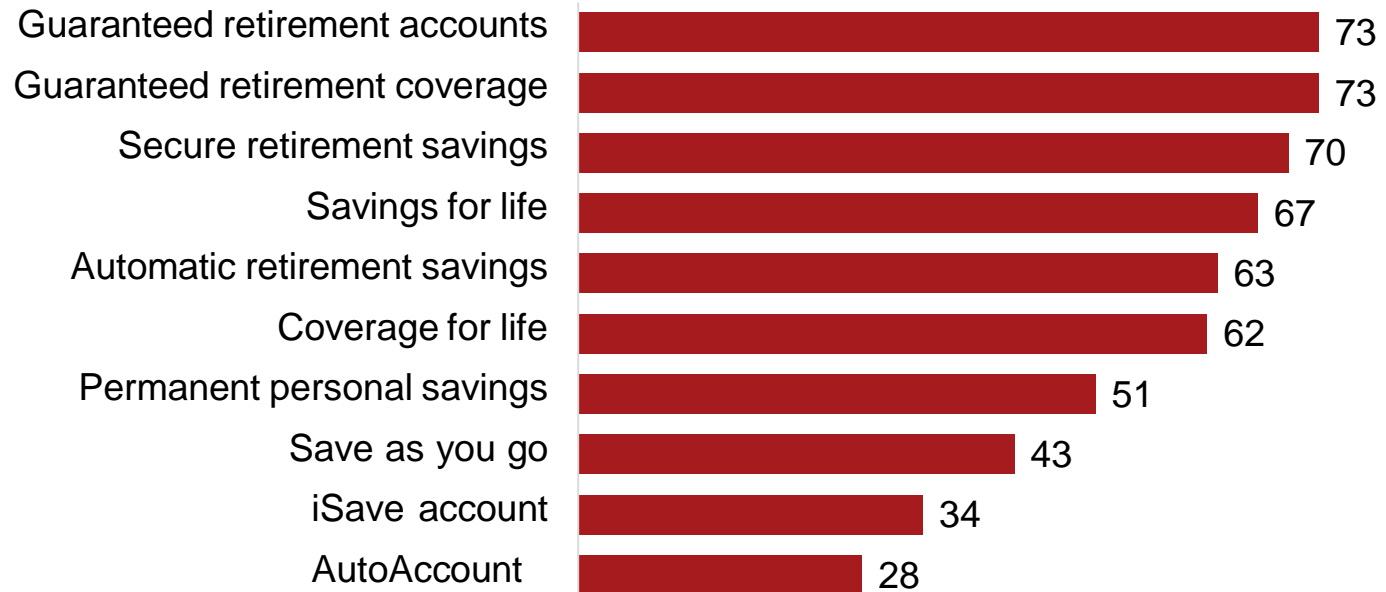
- ✓ **SIMPLE - SAVINGS:** The Retirement Savings Plan makes it easy and painless to save for retirement savings. It automatically adds to your savings as long as you work. The 1.5% saved from every paycheck is matched by your employer and enough to build over time but not too much so that you can't pay your bills. And nothing changes when you change jobs – your account stays the same and keeps growing. It's retirement savings made easy.
- ✓ **CONSISTENT – SAVINGS:** We can all build savings to live comfortably in retirement. The solution isn't that everyone has to make more money. It's contributing to your retirement savings consistently and starting as soon as you can. The Retirement Savings Plan ensures everyone is constantly saving for retirement – from their first paycheck to their last day on the job. And it follows you from job to job, so there are no gaps.
- ✓ **PORTABLE - SAVINGS:** The Retirement Savings Plan ensures every American is steadily growing their savings, no matter where they work, and is getting regular benefits for life when they retire. It's a new social contract that fits the realities of today, because unlike a 401(k), it follows you from job to job.
- ✓ **OTHER COUNTRIES:** The Retirement Savings Plan is a tried and tested idea. It worked well in a variety of countries, including Canada, Australia, the Netherlands, New Zealand, Denmark and Chile. Take Australia for example: all Australian workers are now covered by a pension, and there are now nearly 2 trillion Australian dollars in total savings—almost as much as the country's yearly economic output.
- ✓ **WHAT IT IS/ WHAT IT IS NOT:** The Retirement Savings Plan is a personal savings plan that relies on individually-owned accounts where you have full control. This is your own money in your own account. It is not another program run by the government or a handout. The government cannot ever get your money. You decide when to retire and convert your savings into lifelong income.

# “Guaranteed Retirement Accounts” is a strong name for the plan.

## RETIREMENT PLAN TAGLINE SCORES

*How appealing or unappealing do you find this name? How well does this name fit with the Retirement Savings Plan described above, if at all?*

Showing score among Total [%Very Appealing + %Fits plan very well] in May 2018





# Recommendations

## The Overarching Message:

A Guaranteed Retirement Account is your own personal account for life. It's your money and you control it. You and your employer contribute to your account consistently. And upon retirement you get a guaranteed monthly payment for the rest of your life. This is a tried and tested idea that makes it easy to be covered in retirement.