

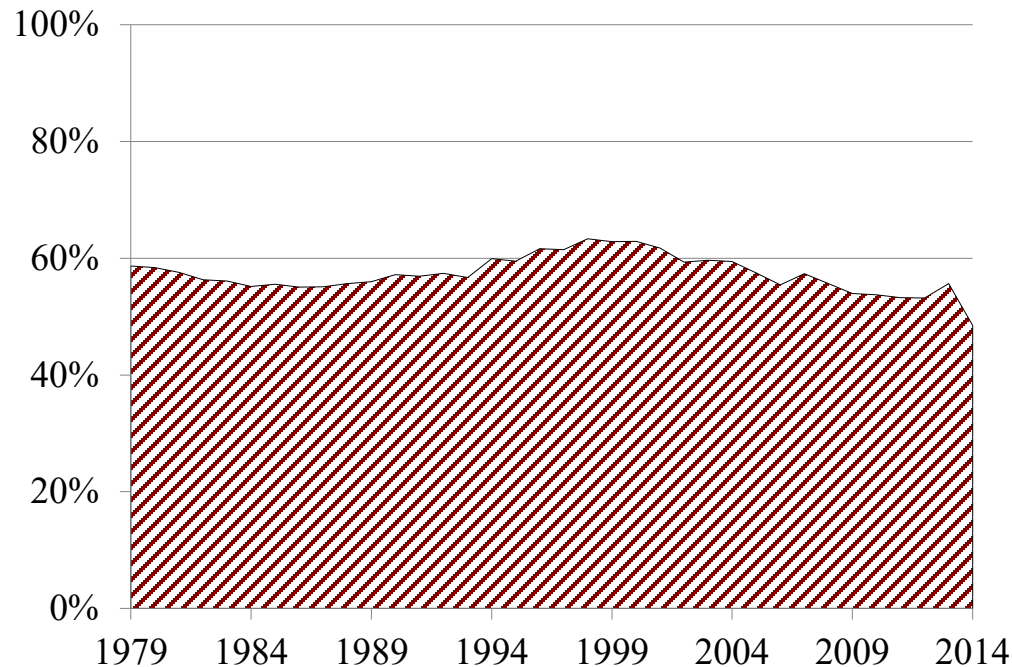
Early Results from OregonSaves

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The problem: only half of private sector workers have coverage at any given point.

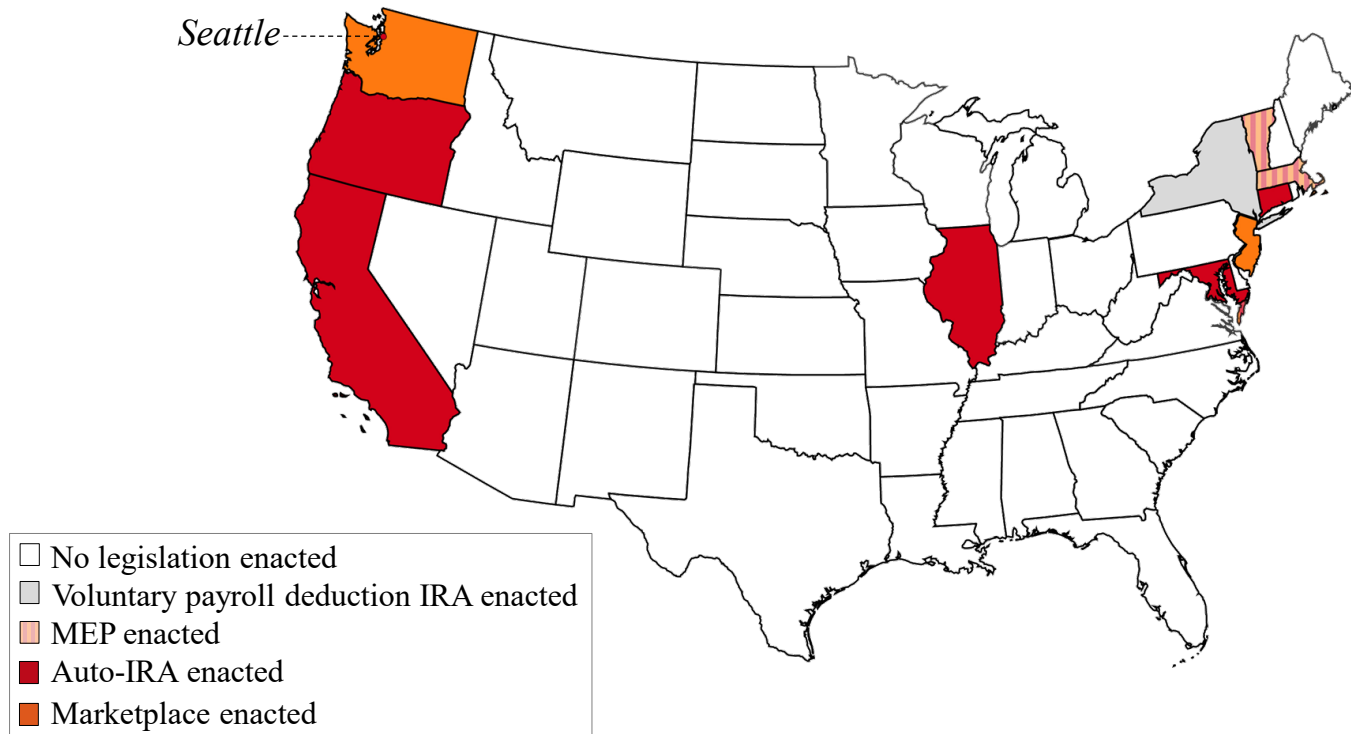
Percentage of Private Sector Workers Ages 25-64
Offered an Employer-Sponsored Retirement Plan, 1979-2014



Source: U.S. Census Bureau. *Current Population Survey Annual Social and Economic Supplement*, 1980-2015.

In the absence of federal action, 10 states and 1 city have established saving programs.

Jurisdictions That Have Enacted Retirement Saving Programs, as of June 2018

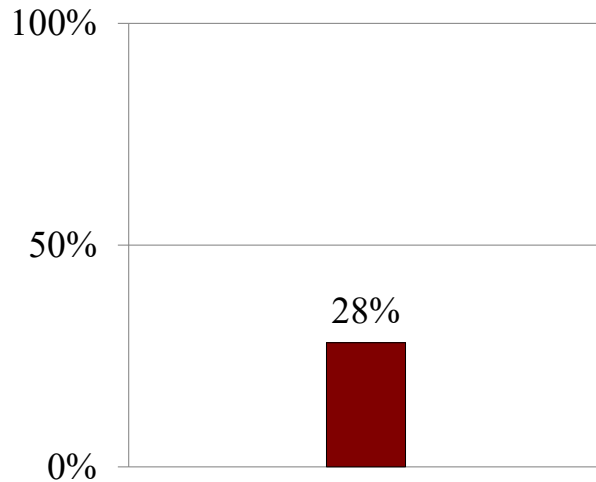


Source: Authors' analysis.

Auto-IRA programs promise to expand retirement plan access and coverage.

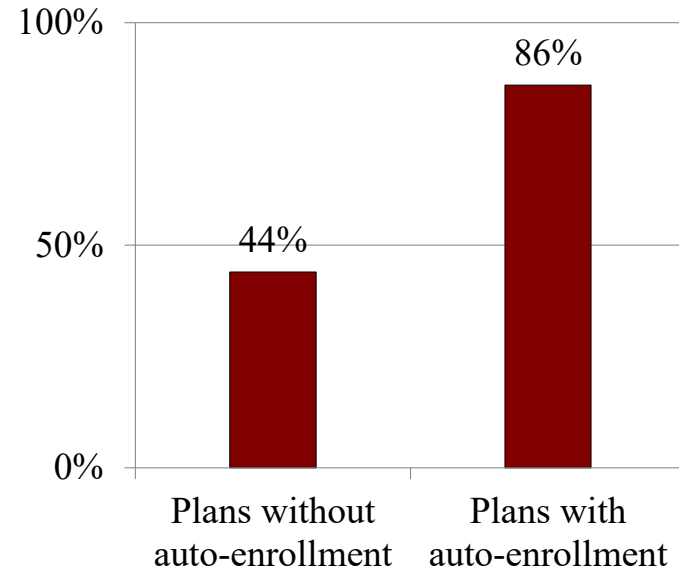
Employers without plans must participate, expanding access.

Percentage of workers at small firms offered a plan, 2014



Employees are automatically enrolled, expanding coverage.

401(k) participation rates for workers < \$50,000 by auto-enrollment status, 2014



Sources: U.S. Census Bureau. *Current Population Survey March Supplement*, 2015; and authors' calculations from Vanguard. 2015. "How America Saves 2015."

But a key assumption is that uncovered workers will behave like those with 401(k)s.

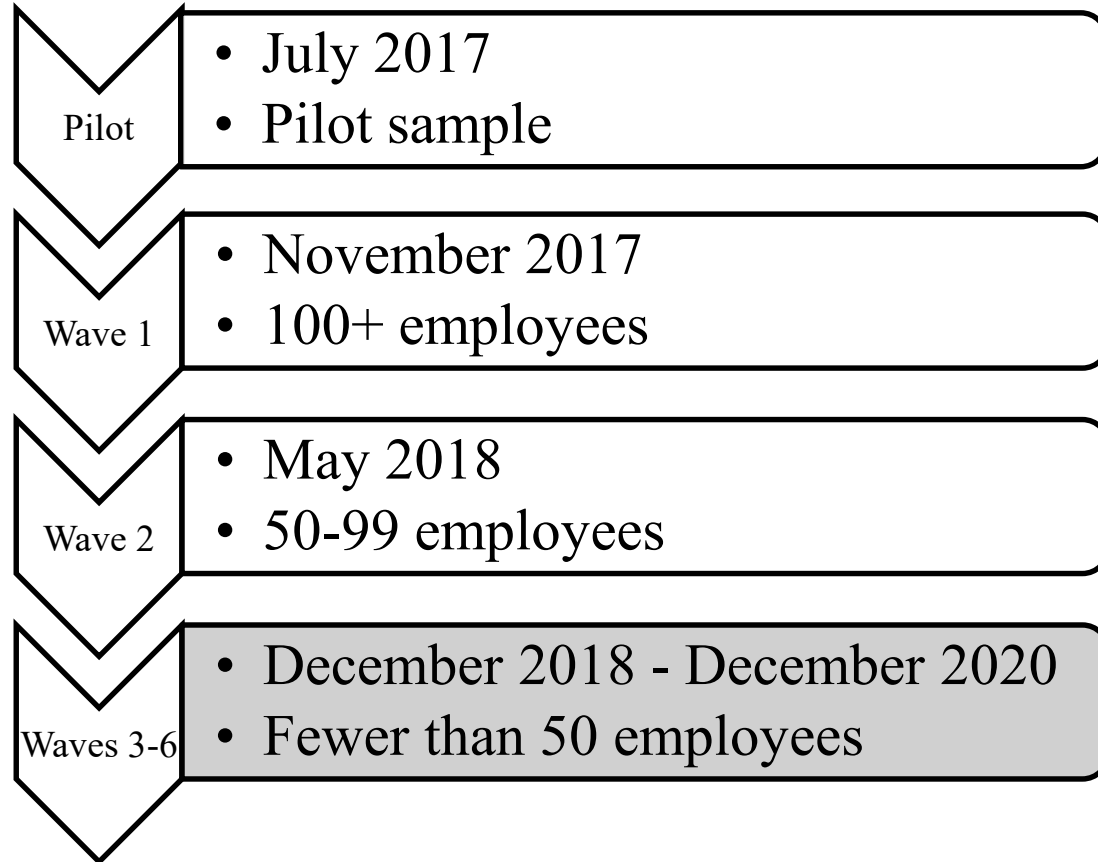
Compared to workers with plans, uncovered workers are:

- Younger, less educated, and more likely to be minority.
- More likely to be new to saving and less financially literate.
- More likely to work part-time, work for more than one employer, and frequently switch jobs.

Oregon, the first to launch an Auto-IRA, can provide insight into worker response.

- “OregonSaves” went live in July 2017.
- Employees have 30 days to opt out before auto-enrollment.
- Default deferral rate is 5 percent, with auto-escalation to 10 percent.
- First \$1,000 is invested in a Capital Preservation Fund, with remainder invested in an age-based Target Date Fund.

This project uses early data to describe workers' initial reaction to the program.



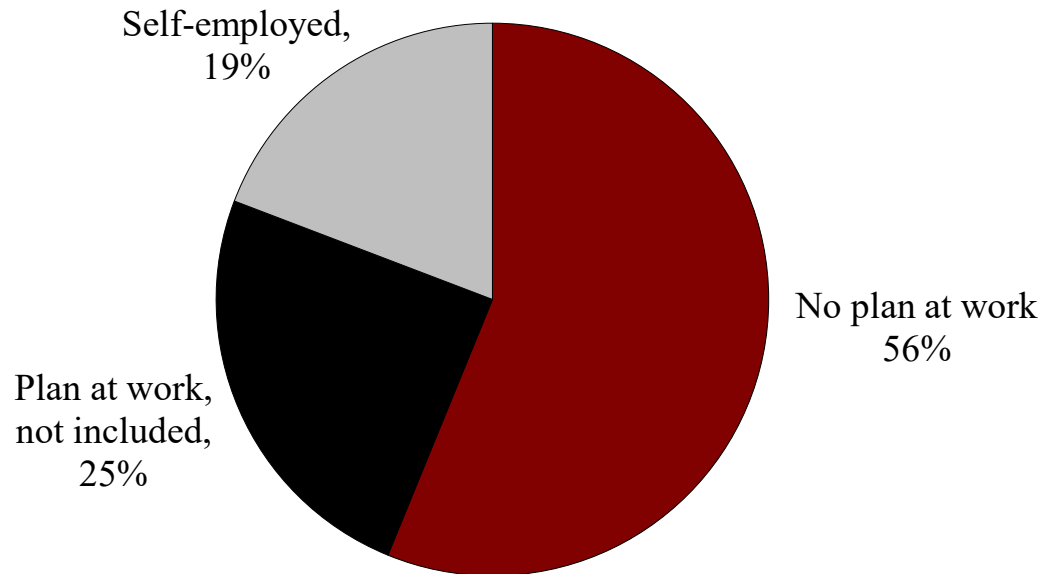
The sample includes data on over 40,000 eligible workers.

Data Made Available by Oregon

Employee data	Employer data
<i>Used in brief</i>	<i>Used in brief</i>
Employment status	Size of employer
Date eligible to make contributions	<i>Available in future</i>
Participation status	Industry
Deferral rate	Type of payroll system
Opt-out reason, if opted-out	Communication method
Account balance, with history	
Investment allocation, with history	
<i>Available in future</i>	
Withdrawals	
Reason for withdrawal	
Age and income	
Payroll status and pay cycle	
Contribution history	

OregonSaves' long-term goal is to expand coverage to a million workers.

Share of Uncovered Workers by Reason Uncovered in Oregon, 2014



Source: U.S. Census Bureau. *Current Population Survey, March Supplement*, 2015 (reflecting 2014 calendar year data).

In July, the program had over 13,000 active participants and over \$4 million in assets...

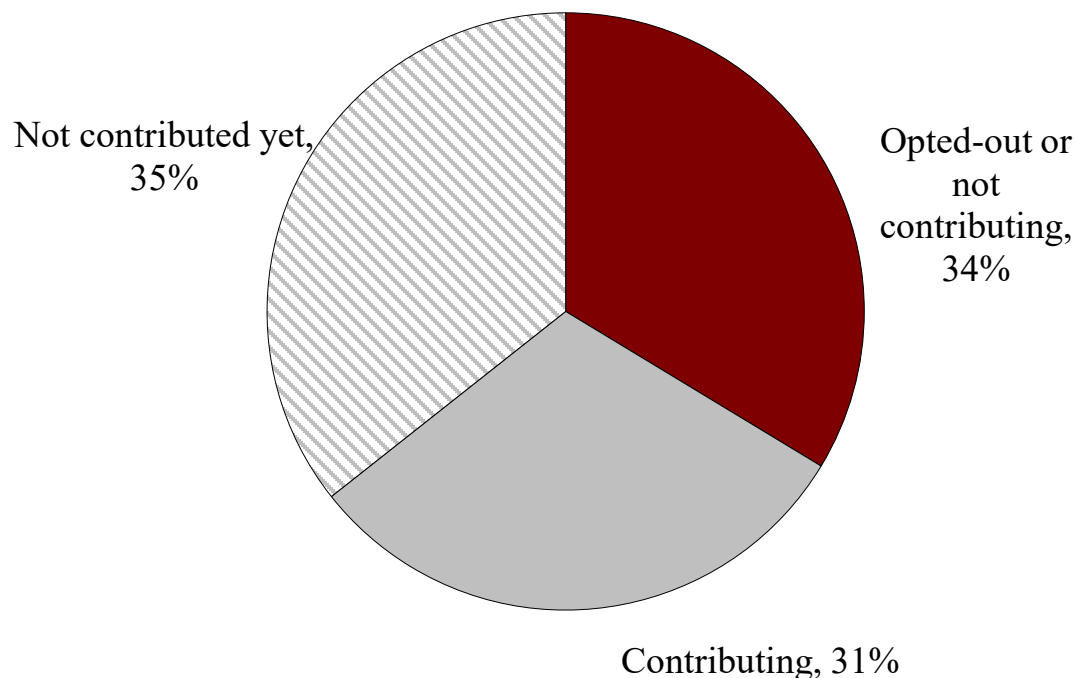
Growth in OregonSaves, July 2017-June 21, 2018

Month/year	Workers with assets	Employers with payroll deductions	Assets (dollars)
<i>Pilot launch</i>			
Jul-17	70	8	\$10,000
Aug-17	80	10	21,000
Sep-17	90	13	32,000
<i>Full launch</i>			
Oct-17	910	42	115,000
Nov-17	1,010	52	230,000
Dec-17	1,350	70	330,000
Jan-18	3,210	124	596,000
Feb-18	6,490	183	1,103,000
Mar-18	7,660	206	1,769,000
Apr-18	9,310	249	2,538,000
May-18	11,230	297	3,404,000
Jun-18	13,020	351	4,116,000

Source: Authors' calculations from OregonSaves administrative data.

...while a third of the sample had opted out or stopped deferrals.

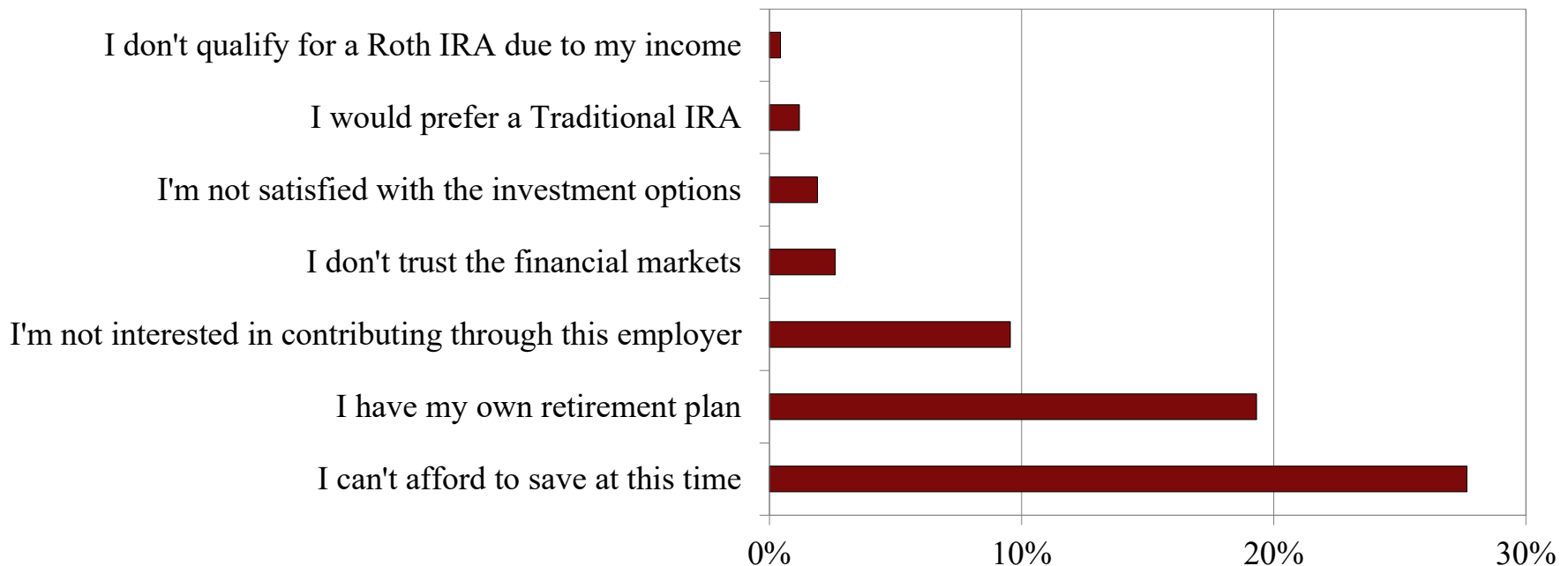
Participation in OregonSaves



Source: Authors' and recordkeeper's calculations from OregonSaves administrative data.

Workers offered three main reasons for opting out.

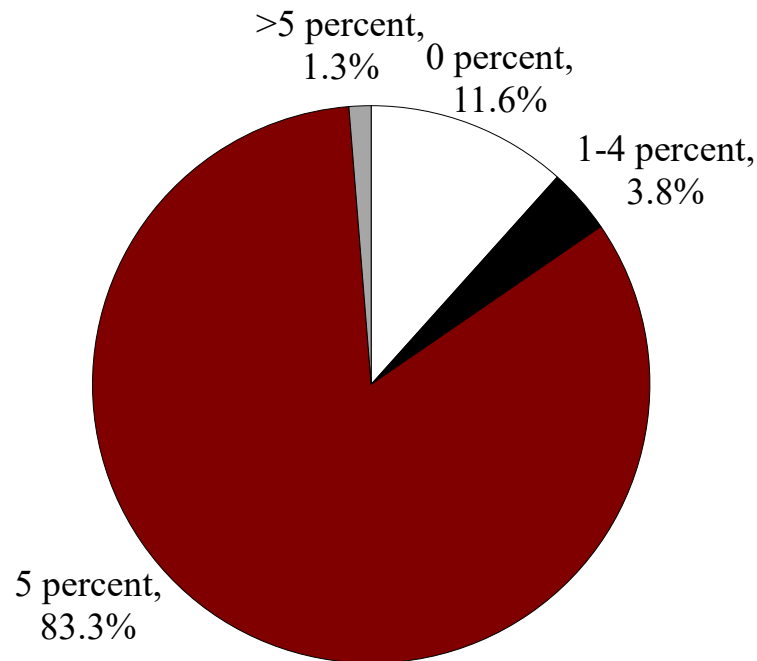
Prevalence of Reasons Given for Opting Out of OregonSaves



Source: Authors' calculations from OregonSaves administrative data.

Those not opting out have stuck with the default deferral rate...

Deferral Rate among Participants



Source: Authors' calculations from OregonSaves administrative data.

...and have steadily built up assets.

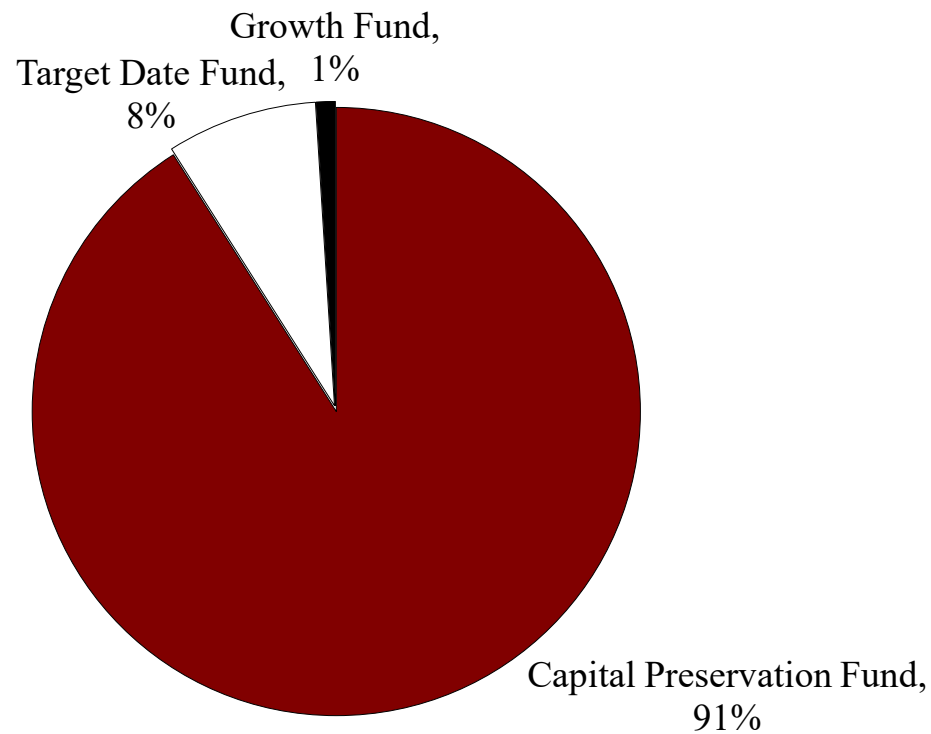
Assets in OregonSaves, by Months In Program

Months of participation	Average assets (dollars)	Number of participants
1	\$68	2,045
2	128	1,992
3	225	1,701
4	346	1,204
5	391	3,158
6	462	1,793
7	600	344
8	675	109
9	777	729
10	819	10
11	833	10
12	1,540	65

Source: Authors' calculations from OregonSaves administrative data.

While too early to draw conclusions, most assets are invested in the default options.

Allocation of OregonSaves Assets



Source: Authors' calculations from OregonSaves administrative data.

Conclusion

- OregonSaves, the first Auto-IRA in existence, is steadily expanding access despite challenges.
- The majority of workers are participating and have reacted to default deferral rates like workers in 401(k)s.
- The program must mature before long-term participation rates, leakages, and investment behavior can be assessed.
- Further research will also be needed to evaluate the impact of the program on participants' overall financial situation.