

At a Glance | November 21, 2019

# Two Possible Approaches to Reducing the U.S. Retirement Deficit: National OregonSaves, Nationwide Adoption of 401(k) Safe Harbor Plan

## MAKING PROJECTIONS

OregonSaves and other defined contribution plans provide a valuable experiment of approaches that can potentially reduce the nation's projected retirement deficit. We asked: 'What if OregonSaves were a national program?' and 'What would the impact be if all employers not currently offering a defined benefit or defined contribution plan adopted a 401(k) safe harbor plan?'

## Aggregate U.S. Retirement Savings Deficit For Households Ages 35-64

### Projected U.S. Retirement Deficit

EBRI Retirement Security Projection Model®  
Baseline Retirement Savings Shortfalls

Projected Aggregate Retirement Deficit \$3.83 Trillion

### OregonSaves Implemented in All States

25 percent opt-out initially, auto-escalation up to 10 percent, opt-out on escalation, and reduction from initial 5 percent from survey data.

12% Reduction / -\$456 Million \$3.37 Trillion

### Nationwide Adoption of 401(k) Safe Harbor Plan

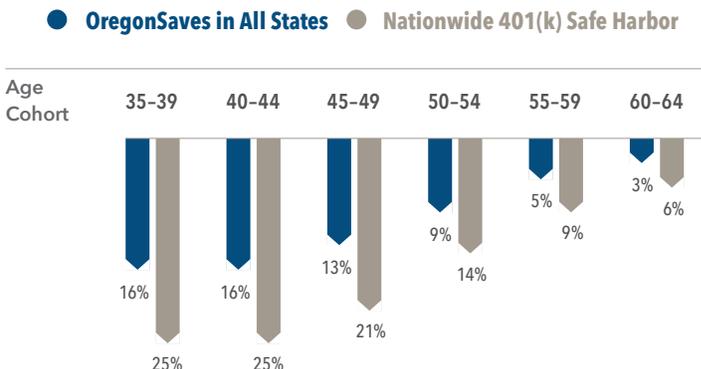
All employers not currently offering a plan adopt a 401(k) safe harbor plan with matching contributions.

17% Reduction / -\$645 Million \$3.18 Trillion

## REDUCTIONS BY AGE COHORT

A nationwide OregonSaves plan would provide reductions in retirement deficits for all participants, most significantly for the youngest age cohort. 401(k) safe harbor plans would reduce retirement deficits for each cohort even further.

## Projected Reduction in Average Retirement Deficit Nationwide By Age



**SOURCE:** Jack VanDerhei, "What if OregonSaves Went National: A Look at the Impact on Retirement Income Adequacy," *EBRI Issue Brief*, no. 494 (Employee Benefit Research Institute, October 31, 2019).

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