

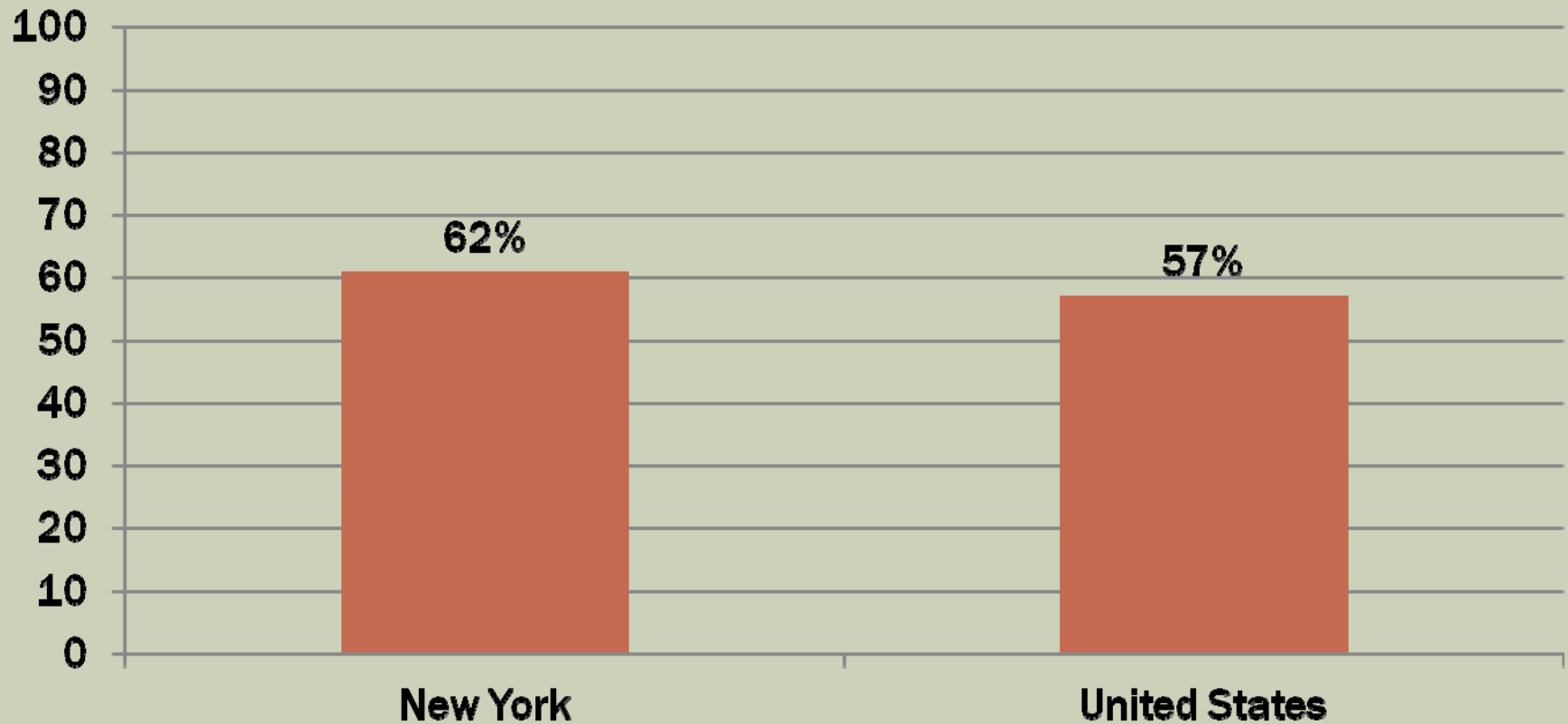
REINVENTING RETIREMENT SECURITY

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Teresa
Ghilarducci
New School for
Social Research
New School for
Social Research
and Institute for
Latino Studies,
University of Notre
Dame

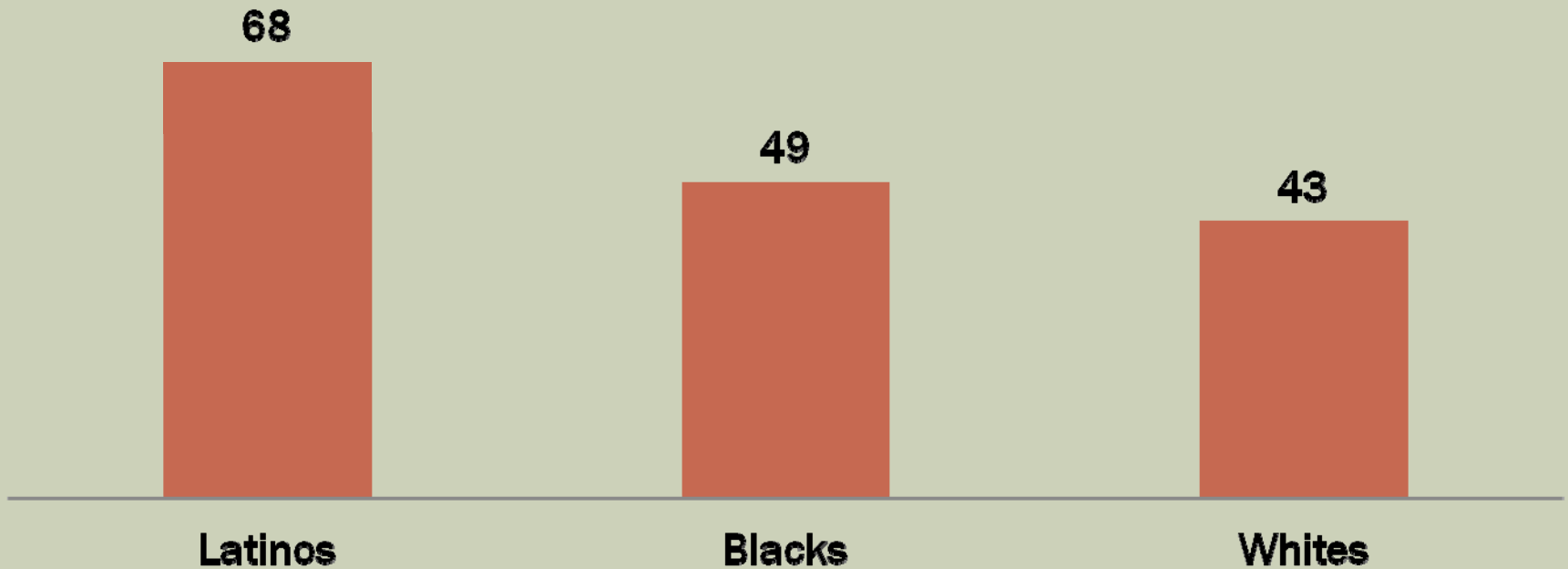
MOST WORKERS HAVE NO EMPLOYER SPONSORED RETIREMENT ACCOUNTS

Workers with No Private Retirement Account



LATINOS HAVE FEWER RETIREMENT ACCOUNTS

Portion of Full Time Workers With No Retirement Plan



DRAWBACKS OF INDIVIDUAL ACCOUNTS RETIREMENT PLANS

Pros of 401(k)

- Self-directed

Cons of 401(k)

- Managed poorly

DRAWBACKS OF INDIVIDUAL ACCOUNTS RETIREMENT PLANS

Pros of 401(k)

- Voluntary Worker Contributions

Cons of 401(k)

- Underfunded

DRAWBACKS OF INDIVIDUAL ACCOUNTS RETIREMENT PLANS

Pros of 401(k)

- Liquid

Cons of 401(k)

- Leakages (withdrawals)

DRAWBACKS OF INDIVIDUAL ACCOUNTS RETIREMENT PLANS

Pros of 401(k)

- Commercial Accounts

Cons of 401(k)

- Excessive fees

DRAWBACKS OF INDIVIDUAL ACCOUNTS RETIREMENT PLANS

Pros of 401(k)

- Tax Deferral for Saving as a Deduction at the State and Federal Level

Cons of 401(k)

- Lopsided Tax Breaks

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CHARACTERISTICS OF A GOOD PENSION SYSTEM

(SOURCE: [HTTP://WWW.SHAREDPROSPERITY.ORG/BP204/BP204.PDF](http://www.sharedprosperity.org/BP204/BP204.PDF))

Key Features

401(k)

GRAs

Universal coverage

No

yes

Pooled assets

No

Yes

Appropriate government
aid

No

Yes

Payout at retirement in
annuities

No

Yes

WHAT IS TO BE DONE

PROBLEM)

- All workers need good retirement accounts
- All workers deserve government help

FIX

- Open access to state and city pension funds for all New Yorkers
- Change NY deduction to a refundable credit