

The Cost of Doing Nothing

Financial Security for an Evolving Workforce

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The Evolving Workforce

Support for an Aging Population



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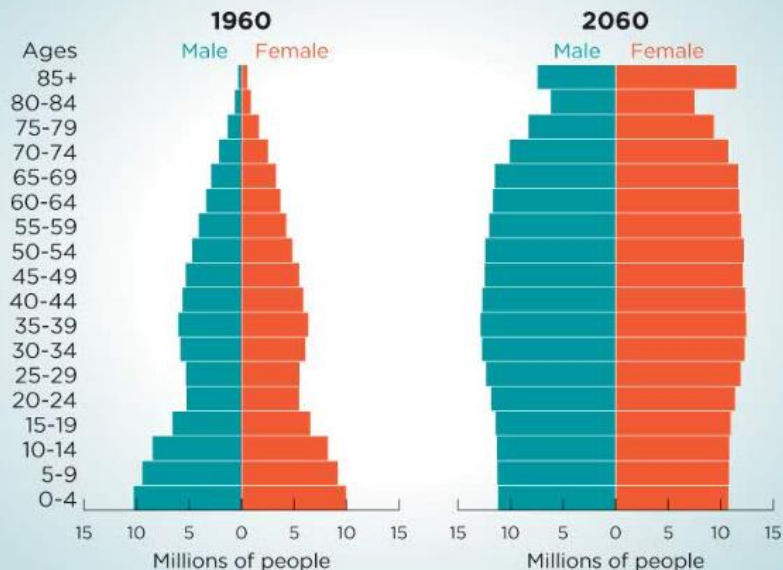
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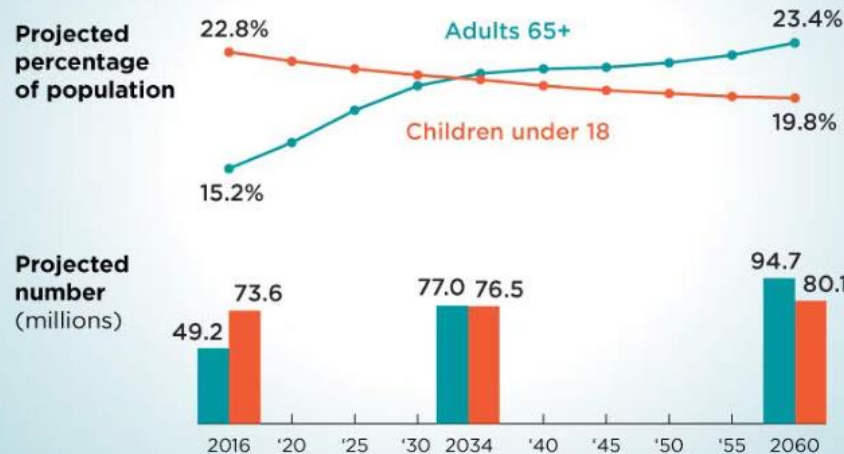
We are a rapidly aging nation.

From Pyramid to Pillar: A Century of Change

Population of the United States



For the First Time in U.S. History Older Adults Are Projected to Outnumber Children by 2034



Note: 2016 data are estimates not projections.

Family caregivers face growing pressures.

Nearly 2 in 3 caregivers juggle work and care.

- 82% of family caregivers are what we would consider “working age” between 18 and 64.
- 61% of family caregivers work full-time or part-time jobs while providing care.
- 40% of caregivers cite the emotional stress of juggling caregiving with paid work as their biggest challenge.



Sandwich Generation Caregivers face dual-generation care demands.

- Caring for *both* an older family member or friend and children or grandchildren results in a higher level of **emotional & financial strain**.
- **30%** of all caregivers are caring for two generations. These caregivers are increasingly Gen Z and millennials.
- These caregivers are often balancing work with caregiving.

Family caregiving impacts the workplace.

Went in late, left early, or took time off from my job

50.0

Took a leave of absence

31.8

Shifted from full-time to part-time work or reduced number of hours

26.9

Turned down a promotion

16.2

Moved to a new team at my current employer

16.2

Stopped working in the paid labor force for a period of time

15.5

Changed employers

12.5

■ (% of total respondents)



Family caregiving impacts financial security.



\$7,242

Average Out-of-Pocket Expenses for Family Caregivers in 2021

\$10,525

Average expenses for caregivers with two or more work-related strains

Family Caregivers in the U.S. Provide \$600 Billion in Unpaid Care

Source: Valuing the Invaluable 2023 Update

More than three in four family caregivers (78%) are incurring out-of-pocket costs as a result of caregiving

78%

26%

Family caregivers are spending, on average, a quarter of their income on caregiving activities

Supporting caregivers is sensible – and popular – policy.

Strengthen paid family leave and paid sick leave to help family caregivers balance care and work responsibilities.



Offer caregiver tax credits or other reimbursement programs to offset the costs of family caregiving.



Expand respite care services that give family caregivers a hard-earned break.



70%+ of voters say they are **more likely** to support candidates who back **family caregiver proposals**, such as:

76%
paid family
leave

76%
tax credits

73%
support &
respite
services

Source: Fabrizio Ward & Impact Research



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How States Can Address the Retirement Savings Crisis

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The Pew Charitable Trusts

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Pew

Retirement security is a pressing issue

Americans are struggling to save for retirement.

- Only **34%** of U.S. non-retirees view their retirement savings as ‘on track’
- Median amount saved for retirement is **\$35,286**
- The source of the problem is lack of access to a retirement plan
 - **56 million** hardworking Americans cannot save for retirement at work (47% of the private sector workforce)

Source: Board of Governors of the Federal Reserve System, *Economic Well-Being of the U.S. Households, 2023*; Vanguard, *How America Saves, 2024*.



Why don't all employers sponsor retirement plans?

Many employers reported that they cannot offer a plan. Employers identify the financial **cost of starting a plan** (37%) and lack of **organizational resources** (22%) as the two main barriers.

Smaller retirement plans are charged more, as a percentage of assets, than larger plans.

Source: The Pew Charitable Trusts, "Employer Barriers to and Motivations for Offering Retirement Benefits," 2017



\$1.3 trillion fiscal impact on state and federal budgets

- Americans' lack of access to a retirement plan at work leads to low savings
- Low savings translates into reduced income in retirement
- The growth of the elderly population combined with income shortfall in retirement puts pressure on state and federal budgets
- Social assistance program costs due to insufficient savings will reach **\$990 billion** at the federal level and **\$334 billion** across the states (2020-2040)

Source: Econsult Solutions, "The Cost of Doing Nothing: Federal and State Impacts of Insufficient Retirement Savings", 2023



Automated retirement savings programs

The State passes legislation to create a program. Employees are **automatically enrolled** with the ability to opt out and have part of their wages **deducted from payroll** and sent to their own IRA.

- **Other than enrolling workers and facilitating contributions through payroll deduction, the employer has no role in the program and cannot make contributions**
 - Employees can opt out or make changes at any time
 - Applies to businesses that do not have a retirement plan of their own
 - Businesses can adopt their own plan at any time
 - State government provides oversight via an independent Board
 - Public-Private Partnership

Significant growth, particularly in the past year

Aggregate data from California, Colorado, Connecticut, Illinois, Maine, Maryland, Oregon, and Virginia show that:

- Over **941,000 savers** have funded accounts.
- Savers have amassed over **\$1.79 billion** in assets.
- Over **223,000 employers** have registered for these programs.
- Average savings range, depending on the state, from **\$108 to \$191 a month**.

Source: Georgetown University Center for Retirement Initiatives, 2024, State Program Performance Data





THANK YOU

For more information, you can reach me at



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Portable Benefits

Alyssa Doom, Director of Federal Affairs

Key figures: The app-based economy

7.3M

**Number of US
adults reporting
earning on app-
based platforms
in 2023**

75%

Percent of app-based
earners who prefer
remain independent
contractors

90%

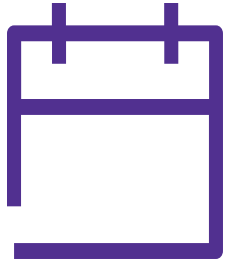
Percent of shoppers
who prefer setting
their own schedules
vs. working
standards shifts

75%

Percent of shoppers
who would not be
able to earn via app-
based platforms if
required to work a set
schedule



Dated laws don't reflect changes in the workforce



Employee

Workers have traditional benefits, but without independence and flexibility.



Independent contractor

Workers have flexibility and independence, but without common workplace benefits.



A third way

Workers have flexibility and independence, in addition to access to flexible benefits.

Key components of portable benefits

Portability

Benefits are tied to the app-based worker rather than to an employer.

Proportionality

Funds are accrued proportional to a worker's earnings on each platform.

Flexibility

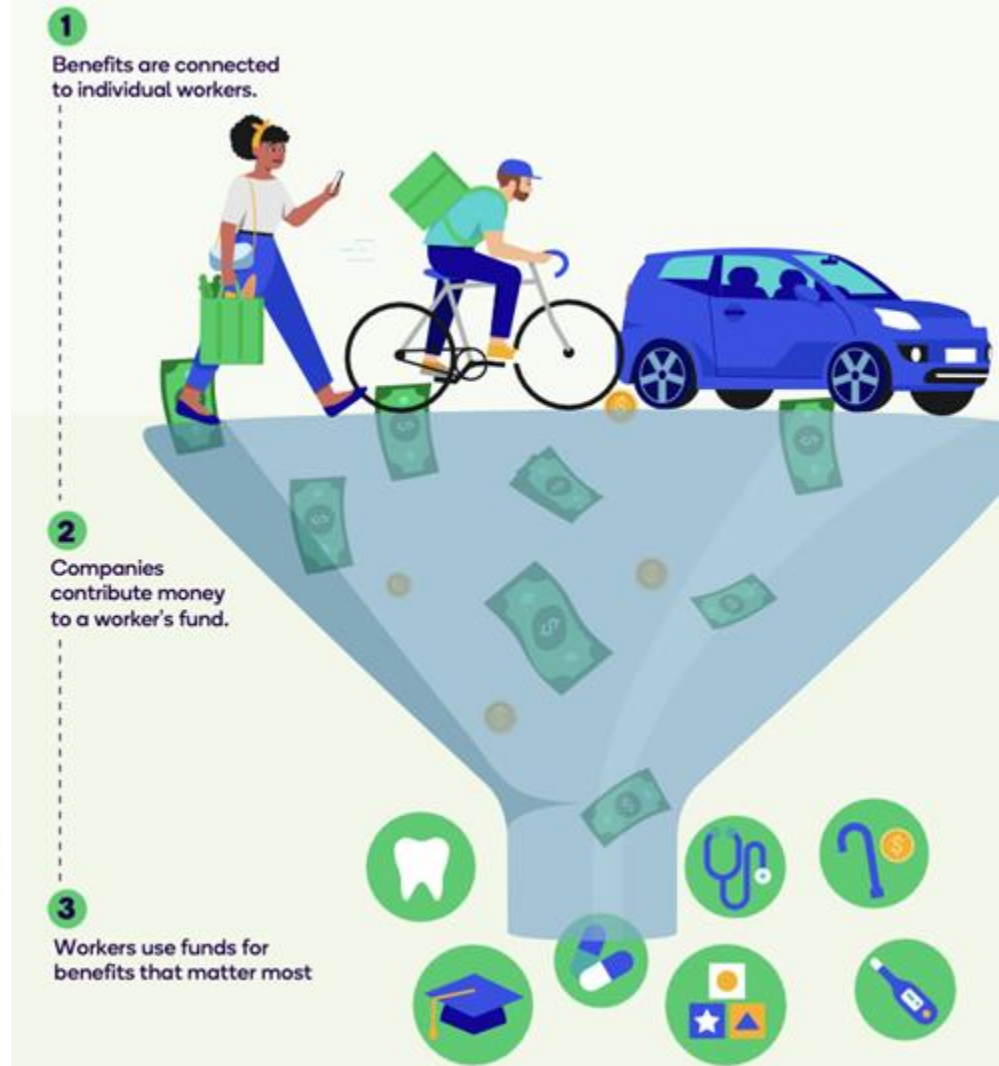
App-based workers have the ability to choose how to use their benefits.



Portable Benefits

Under a portable benefits framework, a worker who shops with Shipt and also drives with Uber would receive contributions to their portable benefit account from each company based on earnings through that platform.

The worker could then choose to put these funds toward the benefits of their choice, such as retirement savings, health insurance, child care, or tuition reimbursement.



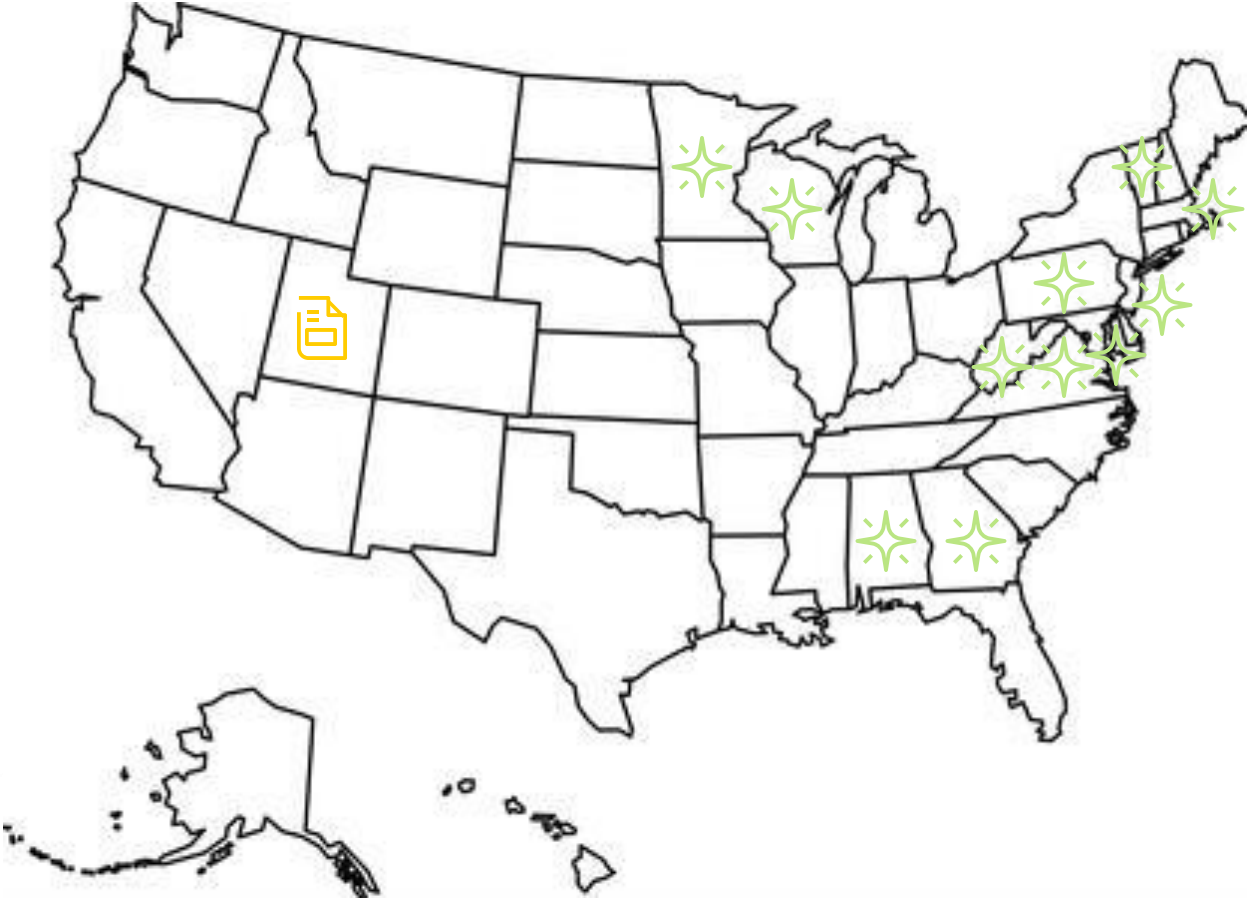
Utah pilot

Following the passage of portable benefits legislation in 2023, Shipt is piloting a program for shoppers in Utah. Shoppers receive quarterly contributions to their accounts that they can use to purchase the benefits of their choice.

Shipt is gathering data and feedback from shoppers with hopes to expand to additional states as future laws pass.



The legislative landscape





Thank you!