Introduction and Agenda

Topics:

- About myRA
- What’s new
- Saver and employer feedback
- How you can engage
- Support for you
Too many people aren’t saving

Millions of Americans aren't saving – or aren't saving enough for retirement

• According to a 2015 Federal Reserve Report, 31 percent of non-retired individuals said they have no retirement savings or pension whatsoever.

• Among workers who do not participate in a 401(k) or other defined contribution plan, 42 percent say it’s because their employer does not offer one.

myRA can help people start saving
Saving with myRA is…

- Savers can set up automatic contributions
- If changing jobs, the account stays with the saver
- Savers can withdraw money they put in (contributions) without tax and penalty
- No risk of losing money
- The investment is backed by the U.S. Treasury
- The account safely earns interest
- No cost to open and no fees
- Savers contribute an amount they choose ($2, $20, $200 – whatever fits their budget!)
- Savers can enjoy the tax advantages this type of investment brings

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1Interest earned can be withdrawn without tax and penalty five years after your first contribution if you are over age 59 1/2 or meet certain other conditions, such as using the funds for the purchase of your first home. Accounts earn interest at the same rate as investments in the Government Securities Fund, which had an average annual return of 3.19% over the ten-year period ending December 2014.

2Annual and lifetime contribution limits and annual earned income limits apply, as do conditions for tax-free withdrawal of earnings. Limits listed are for 2015 and may be adjusted annually for cost-of-living increases. To learn about key features of a Roth IRA and for other requirements and details, go to myRA.gov/roth-ira.
What’s new: expanded funding options for savers

Three ways to contribute to your myRA account

- From your paycheck
- From your checking or savings account
- From your federal tax refund
“myRA has definitely helped me in terms of saving and getting used to saving.”

Jada H.
Grady Wright & Associates
Partner organizations are key to myRA’s success
myRA messaging in partner communications

Resource page links

Blog posts to members

Original materials for distribution

myRA Makes Saving for Retirement

America Saves Supports myRA

America is proud to support myRA (my Retirement Account), a new savings option from the U.S. Department of the Treasury. myRA provides a simple, safe and affordable way to start saving for their future.

Government Relations Task Force for GRTF MyRA Subcommittee

In his 2018 State of the Union Address, President Obama announced my Retirement Account (myRA), a program designed to provide retirement savings for individuals who do not have access to a retirement plan. The U.S. Department of the Treasury, the American Payroll Association, to give a group of employees a chance to participate in the pilot program. In addition, the myRA program offers the following benefits:

- No fees on participating
- Open to all employees
- Contributions can be paid by payroll deduction
- Easy to enroll

If you would like to participate in this pilot program, please contact your Payroll Administrator, or visit: www.myra.gov or by phone at 1-800-268-7670.
Engage and connect on myRA via social media

On October 12, Young Invincibles hosted a #MillennialMon Twitter chat with the National Urban League about financial security for millennials and myRA.

2.6 million impressions generated from 352 Twitter mentions by 54 users, including Doorways to Dreams and CFED.
Conferences and events

- *myRA* presentation, panel discussion or keynote
- Webinar
- PowerPoint slides and talking points
- Materials distribution support
Other ideas to share *myRA*

- E-blast
- Teach *myRA* in your financial literacy curriculum
- Share e-newsletter content (social posts, newsletter articles and more with your members, affiliates, stakeholders and those you serve)

Original research and materials

Original research and materials

Web button on home page
Refreshed website: myRA.gov

You work hard — myRA makes saving easy

Start saving with myRA, a new retirement savings account from the United States Department of the Treasury.
- No cost or fees
- No complicated investment options
- No risk of losing money

Get started by signing up today

Help us build a nation of savers
myRA makes it easy for people to start saving for retirement. Pass it on.
New look, new content

- Flyer
- Poster
- At-a-glance graphic
- Videos
- Newsletter articles
- Fact sheet
- Top questions
- Employee meeting toolkit:
  - Intranet content
  - Presentation to employees
  - Email templates
  - Key facts

Materials are available on myRA.gov
Key times to share myRA messages

- **Open Enrollment** (Oct. – Nov.)
- **New Year’s Resolution** (Dec./Jan.)
- **America Saves Week** (Feb. 22-27)
- **Small Business Week** (May 1-7)
- **Small Business Saturday** (Nov. 28)
- **Tax Time** (Jan. – April 2016)
- **Financial Capability Month** (April)
- **Financial Independence** (July)
Thank you!

Please visit myRA.gov for more information or email us at myRA@treasury.gov.
Results from the Financial Management Survey

Leandro Carvalho, Arie Kapteyn & Htay-Wah Saw

*This project was funded by the Social Security Administration (SSA), Health and Human Services (HHS), and Society of Actuaries (SOA)
The Financial Management Survey

In 2012 the Federal Reserve Board conducted an online survey – the Older Adult Survey – to study the financial lives of older U.S. adults.

The Older Adult Survey was originally fielded online using the RAND American Life Panel (ALP) with participants age 40 and older.

Since December of 2012 the American economy has steadily recovered from the Great Recession.

In April of 2015 we fielded the Financial Management Survey in the University of Southern California’s (USC) Understanding America Study to investigate how the financial lives of Americans have changed with the recovery.
The Understanding America Study (UAS)

USC’s Understanding America Study (UAS) is an Internet panel with ~2,500 respondents 18 and over living in the U.S.

About twice a month respondents receive an email with a request to visit the UAS site and complete a questionnaire.

Panel members are recruited through address-based sampling.

Respondents without Internet access at the time of recruitment are provided tablets and Internet access.

A lot of information on panel members: numeracy, financial literacy, personality traits, core HRS instrument, risk aversion, etc.
In the last 3 years, did you retire or did you do any planning for your retirement?

<table>
<thead>
<tr>
<th></th>
<th>18-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60-69</th>
<th>70+</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yes</strong></td>
<td>8%</td>
<td>16%</td>
<td>22%</td>
<td>40%</td>
<td>12%</td>
<td>17%</td>
</tr>
<tr>
<td><strong>No</strong></td>
<td>91%</td>
<td>84%</td>
<td>78%</td>
<td>60%</td>
<td>88%</td>
<td>87%</td>
</tr>
<tr>
<td><strong>Number of respondents</strong></td>
<td>447</td>
<td>264</td>
<td>326</td>
<td>219</td>
<td>128</td>
<td>1,384</td>
</tr>
</tbody>
</table>

*Notes: Asked of all respondents. “In the last 3 years, did you retire or do planning for your retirement?”*
In preparing for retirement, whom did you ask for advice?

<table>
<thead>
<tr>
<th></th>
<th>18-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60-69</th>
<th>70+</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Didn't ask for advice</td>
<td>30%</td>
<td>20%</td>
<td>10%</td>
<td>29%</td>
<td>41%</td>
<td>24%</td>
</tr>
<tr>
<td>Spouse/partner</td>
<td>38%</td>
<td>52%</td>
<td>38%</td>
<td>36%</td>
<td>19%</td>
<td>38%</td>
</tr>
<tr>
<td>Other family member</td>
<td>18%</td>
<td>45%</td>
<td>19%</td>
<td>13%</td>
<td>13%</td>
<td>20%</td>
</tr>
<tr>
<td>Caregiver who is not a family member</td>
<td>1%</td>
<td>3%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Employer</td>
<td>16%</td>
<td>9%</td>
<td>24%</td>
<td>18%</td>
<td>0%</td>
<td>16%</td>
</tr>
<tr>
<td>Banker</td>
<td>0%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>11%</td>
<td>3%</td>
</tr>
<tr>
<td>Financial advisor</td>
<td>37%</td>
<td>39%</td>
<td>43%</td>
<td>39%</td>
<td>32%</td>
<td>39%</td>
</tr>
<tr>
<td>Attorney</td>
<td>0%</td>
<td>2%</td>
<td>7%</td>
<td>7%</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>Friend</td>
<td>4%</td>
<td>26%</td>
<td>17%</td>
<td>18%</td>
<td>9%</td>
<td>15%</td>
</tr>
<tr>
<td>Community group/Counseling agency</td>
<td>1%</td>
<td>0%</td>
<td>3%</td>
<td>3%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
<td>0%</td>
<td>6%</td>
<td>8%</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Number of respondents</td>
<td>44</td>
<td>42</td>
<td>84</td>
<td>103</td>
<td>19</td>
<td>292</td>
</tr>
</tbody>
</table>

*Notes: Asked of all respondents who retired or planned to retire in the past 3 years.*
Does your retirement planning consider the following?

<table>
<thead>
<tr>
<th></th>
<th>18-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60-69</th>
<th>70+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to pay your bills in the longer term</td>
<td>72%</td>
<td>73%</td>
<td>73%</td>
<td>70%</td>
<td>79%</td>
<td>72%</td>
</tr>
<tr>
<td>How inflation will increase your expenses</td>
<td>56%</td>
<td>72%</td>
<td>55%</td>
<td>65%</td>
<td>61%</td>
<td>62%</td>
</tr>
<tr>
<td>Support for your spouse after your death</td>
<td>39%</td>
<td>45%</td>
<td>31%</td>
<td>42%</td>
<td>32%</td>
<td>39%</td>
</tr>
<tr>
<td>How you can cope with a major illness</td>
<td>44%</td>
<td>44%</td>
<td>50%</td>
<td>55%</td>
<td>67%</td>
<td>51%</td>
</tr>
<tr>
<td>How you can cope with a long stay in a nursing home</td>
<td>28%</td>
<td>32%</td>
<td>27%</td>
<td>40%</td>
<td>53%</td>
<td>35%</td>
</tr>
<tr>
<td>None of the above</td>
<td>19%</td>
<td>15%</td>
<td>15%</td>
<td>14%</td>
<td>21%</td>
<td>16%</td>
</tr>
<tr>
<td>Number of respondents</td>
<td>39</td>
<td>40</td>
<td>83</td>
<td>101</td>
<td>17</td>
<td>280</td>
</tr>
</tbody>
</table>

Notes: Asked of all respondents who retired or planned for retirement in the past 3 years. “Does your retirement plan consider?”
<table>
<thead>
<tr>
<th>Who managed your investments last year?</th>
<th>18-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60-69</th>
<th>70+</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>I don't have any investments</td>
<td>63%</td>
<td>46%</td>
<td>42%</td>
<td>46%</td>
<td>35%</td>
<td>50%</td>
</tr>
<tr>
<td>I managed my investments myself</td>
<td>23%</td>
<td>32%</td>
<td>28%</td>
<td>22%</td>
<td>38%</td>
<td>27%</td>
</tr>
<tr>
<td>Friend(s)/family member(s)</td>
<td>4%</td>
<td>2%</td>
<td>3%</td>
<td>2%</td>
<td>0%</td>
<td>3%</td>
</tr>
<tr>
<td>Professional(s)</td>
<td>12%</td>
<td>22%</td>
<td>26%</td>
<td>31%</td>
<td>34%</td>
<td>21%</td>
</tr>
<tr>
<td>Caregiver who is not a family member</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>(specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of respondents</td>
<td>447</td>
<td>265</td>
<td>326</td>
<td>219</td>
<td>129</td>
<td>1,386</td>
</tr>
</tbody>
</table>

Notes: Asked of all respondents. “If you have any investments, please tell us who managed your investments in the last year.”
Compared to 5 Years Ago, How Confident Do You Feel in Your Ability to Make Fin. Decisions?

<table>
<thead>
<tr>
<th>Age Group</th>
<th>More confident</th>
<th>About the same</th>
<th>Less confident</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 18-39</td>
<td>60</td>
<td>31</td>
<td>8</td>
</tr>
<tr>
<td>Age 40-49</td>
<td>52</td>
<td>45</td>
<td>2</td>
</tr>
<tr>
<td>Age 50-59</td>
<td>46</td>
<td>51</td>
<td>3</td>
</tr>
<tr>
<td>Age 60-69</td>
<td>36</td>
<td>62</td>
<td>3</td>
</tr>
<tr>
<td>70+</td>
<td>12</td>
<td>87</td>
<td>1</td>
</tr>
</tbody>
</table>

Percent
<table>
<thead>
<tr>
<th>Age Range</th>
<th>PoA Assigned</th>
<th>Canceled PoA</th>
<th>Informal Plans</th>
<th>Considered but No Concrete Steps</th>
<th>Never Planned</th>
<th>Do Not Understand</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-39</td>
<td>8</td>
<td>1</td>
<td>17</td>
<td>9</td>
<td>54</td>
<td>11</td>
</tr>
<tr>
<td>40-49</td>
<td>20</td>
<td>1</td>
<td>18</td>
<td>11</td>
<td>47</td>
<td>4</td>
</tr>
<tr>
<td>50-59</td>
<td>22</td>
<td>0</td>
<td>17</td>
<td>19</td>
<td>41</td>
<td>1</td>
</tr>
<tr>
<td>60-69</td>
<td>33</td>
<td>0</td>
<td>19</td>
<td>18</td>
<td>29</td>
<td>1</td>
</tr>
<tr>
<td>70+</td>
<td>51</td>
<td>0</td>
<td>21</td>
<td>15</td>
<td>12</td>
<td>1</td>
</tr>
</tbody>
</table>
Named someone to decide on health care needs if unable to?

<table>
<thead>
<tr>
<th></th>
<th>18-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60-69</th>
<th>70+</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>33%</td>
<td>57%</td>
<td>53%</td>
<td>68%</td>
<td>83%</td>
<td>51%</td>
</tr>
<tr>
<td>No</td>
<td>67%</td>
<td>43%</td>
<td>47%</td>
<td>32%</td>
<td>16%</td>
<td>49%</td>
</tr>
<tr>
<td>Number of respondents</td>
<td>448</td>
<td>265</td>
<td>326</td>
<td>219</td>
<td>129</td>
<td>1,387</td>
</tr>
</tbody>
</table>

*Notes: Asked of all respondents. “Have you named someone to decide on your health care needs if you are unable to do it so yourself?”*
Summary

A fifth of respondents in their 50s had planned for retirement in the past 3 years.

In preparing for retirement, a quarter did not seek advice. 4 in 10 asked advice from a financial advisor.

Among those with investments, half managed the investments themselves and 4 in 10 sought advice from a professional.

The evidence suggests that respondents may be overconfident about their decision-making capabilities as they age.

As a consequence, half of the 70+ group had assigned a PoA.
Credit Card Debt

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Pay in full</th>
<th>Pay less than full, more than min.</th>
<th>Minimum</th>
<th>Typically behind</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 18-39</td>
<td>32</td>
<td>44</td>
<td>19</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Age 40-49</td>
<td>41</td>
<td>46</td>
<td>10</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Age 50-59</td>
<td>42</td>
<td>45</td>
<td>11</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Age 60-69</td>
<td>49</td>
<td>39</td>
<td>11</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>70+</td>
<td>68</td>
<td>27</td>
<td>4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A Snapshot of Investor Households in America

FLEC Meeting
November 18, 2015
Gary Mottola, Ph.D.
Investor Households in America

Nearly 4 in 10 households do not own an investment account

- No Accounts: 38%
- Taxable Accounts: 33%
- Only Retirement Accounts: 29%
Married households are more likely to own taxable investments

- Married w/o Dependents: 21% Taxable, 32% Retirement, 46% No Accounts
- Married w/ Dependents: 29% Taxable, 35% Retirement, 36% No Accounts
- Single w/o Dependents: 54% Taxable, 22% Retirement, 25% No Accounts
- Single w/ Dependents: 55% Taxable, 26% Retirement, 19% No Accounts
Investment Status by Race

Blacks and Hispanics trail Asians and whites in investment account ownership

<table>
<thead>
<tr>
<th>Race</th>
<th>Taxable Accounts</th>
<th>Only Retirement Accounts</th>
<th>No Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian</td>
<td>46%</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>White</td>
<td>36%</td>
<td>29%</td>
<td>35%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>25%</td>
<td>27%</td>
<td>48%</td>
</tr>
<tr>
<td>Black</td>
<td>22%</td>
<td>30%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Taxable Accounts | Only Retirement Accounts | No Accounts
Factors Related to Taxable Account Ownership

- Income > $50K
- College Degree
- High Financial Literacy
- Age (10-Yr)
- Risk Tolerance
- Asian
- Married
- Dependents
- Hispanic
- Black
- Too Much Debt

Racial differences persist even after controlling on key factors
Key Takeaways

- A large segment of American households does not own any investment accounts.

- Investment account ownership is associated with a number of demographic variables—even after controlling on important factors.

- Financial literacy is positively associated with investment account ownership—but the nature of the relationship is not clear.

- What about gender?

- What can be done to increase investment account ownership?
Supporting Federal Employee Investment: Department of Defense and Social and Behavioral Sciences Team TSP Pilots

Will Tucker, Social and Behavioral Sciences Team (SBST)

11/18/2015
SBST: Who We Are

• Cross-agency group of applied behavioral scientists.

• Mission: translate findings and methods from the social and behavioral sciences into improvements in Federal policies and programs for the benefit of the American people.

• Chaired by the Office of Science and Technology Policy (OSTP); includes representation from over a dozen agencies, as well as offices within the Executive Office of the President.
Military Investing in TSP: Motivation

- Civilian Thrift Savings Plan (TSP) Participation: ~87.5%
- Military Servicemember TSP Participation: ~42%
- Financial readiness of Servicemembers: key priority of Department of Defense
Pilot One: Email Outreach

~808,000 Servicemembers not enrolled in TSP (~58% of active duty)

Randomly assigned to one of ten groups: a no-email control and nine email groups
Results: Percent of Servicemembers Newly Enrolled

<table>
<thead>
<tr>
<th>Treatment</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Email</td>
<td>1.14%</td>
</tr>
<tr>
<td>Website Message</td>
<td>1.56%</td>
</tr>
<tr>
<td>Avg of Treatment</td>
<td>1.91%</td>
</tr>
<tr>
<td>Top Treatment</td>
<td>2.10%</td>
</tr>
</tbody>
</table>
Pilot One: Key Takeaways

1. **Impact**: As a result of pilot there are 5,000+ Servicemembers newly investing, more than $1.3 mm in contributions in the first month alone.

2. **Lessons**:
   - Top performing: long term benefits; clear action steps
   - Lowest performing: sending website information
   - Positive factors: clear action steps, simulating choice, long term benefits
   - No effect: intermediate term tax benefits
   - Small negative effect: fresh start (tax season)

3. **Scale-Up**: DOD will be sending out targeted messages to unenrolled Servicemembers informing of opportunities to invest in TSP going forward.
Pilot Two: Prompting Choice
Prompted Choice

Take Action on your TSP Today
Make a fresh start at your next station - don't wait to decide!

If you've started saving just $5 a month in 1990, it's worth over $60,770 today.

What should you do now?

1. Decide whether you want to save after-tax (Roth TSP) or pre-tax (Traditional TSP).
2. Pick a contribution level — easy start saving at $8 in a Roth TSP and increase every $1 increase — but the rate is 11%.
3. Sign and submit the form below, and make a fresh start today!

If you waited a year to start until 2001, it's only worth $13,852 — almost $4,000 less just for waiting 12 months to decide when to start saving.

Don't wait on your future — decide whether to start saving in a Roth TSP or Traditional TSP fund today.

For more questions or to enroll online, check your MyPay account or call your representative.

Complete and send:

ONE
Find the TSP-U in your brochures and enroll online.

TWO
If you choose to contribute:
- Most receive at least 1% of their pay to both TSP and Traditional.
- Most receive 35% of Basic Pay.
- Sign and submit the form below, and make a fresh start today!

THREE
Sign, date, and submit your enrollment.

After you sign in your form, TSP will send you info on your account and how to access it.

Choose to Enroll: Three Easy Steps

THrift Savings Plan

Social & Behavioral Sciences Team
Prompted Choice: Percent Newly Enrolled

<table>
<thead>
<tr>
<th>COMPARISON PERIOD</th>
<th>PILOT PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot Base</td>
<td>Comparison Bases</td>
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<td>2.88</td>
<td>2.91</td>
</tr>
<tr>
<td>4.34</td>
<td>8.71</td>
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Pilot Two: Key Takeaways

1. **Creating a Moment of Choice & Action**: Investing is easy to put off, or delay decisions and follow up.

2. **Make it Easy.**

3. **More to be Done**: 300,000+ Servicemembers undergo permanent change of duty station (PCS) each year.
For more information:

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