



Work and Save: Letting the Market Work for Connecticut's Employees

While Social Security is an important piece of the puzzle, it was never meant to be a person's entire income in retirement. Yet, more than **600,000 workers in Connecticut don't have a way to save** for retirement at work.

Most experts say Social Security will provide half of the income a person needs for a secure retirement. The average monthly Social Security benefit in Connecticut is only about \$1,300—hardly enough for a person to be self-sufficient in retirement.²

Data also shows that people save more if they can do so through their job. Roughly three out of four workers employed by businesses with fewer than 100 employees do not have a pension or retirement plan.³

But we also know that people want to take control of their own financial future. When offered the opportunity at work to save for retirement, seven out of ten people choose to participate.⁵

Unless we want to spend more tax dollars expanding the safety net, we need a market-based approach that encourages private savings so more people can be self-reliant throughout their lives.

Filling a Gap in the Marketplace

Nearly 80% of those who work for small businesses do not have access to a retirement savings option at work. The small business market is not being adequately served by the financial services industry. Retirement savings products currently available are complex to establish and come with high fees or yield low returns.

Fiscally Responsible

- * **Promotes self-reliance:** Giving workers a simple way to save for retirement will mean fewer taxpayer dollars will need to rely on public safety net services.
- * **No ongoing costs or risk for the state:** Work and Save plans are intended to be self-sustaining, and will be 100% participant funded after initial start-up costs. Work and Save funds can't be comingled with public pension dollars, nor can they add to the state's public pension liability.
- * **No risk for businesses:** Employers participating in Work and Save Plans are not responsible for participant gains or losses in the market.

References

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Pass Work and Save today!

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